

Hikma continues strong momentum across the Group and upgrades guidance for 2023

London, 2 November 2023 – Hikma Pharmaceuticals PLC (Hikma, Group), the multinational pharmaceutical group, today provides an update on current trading.

Riad Mishlawi, Chief Executive Officer of Hikma, said:

“The good momentum during the first half has continued, enabling us to upgrade full year guidance in two of our three businesses. Our Branded business is performing exceptionally well on an underlying basis and our Generics business has seen key products continuing to drive better-than-expected performance. In Injectables, we are seeing solid growth, supported by a good performance in MENA and Europe, and we have continued to invest across all our regions to expand manufacturing capacity and build our pipeline. Overall, the Group is making excellent progress and we are on track to deliver very strong earnings growth for the full year.”

Injectables

We continue to see solid growth in our global Injectables business. In North America, while we have continued to see strong customer demand for our broad product portfolio and a good contribution from new product launches in the second half, growth has been lower than expected due to short-term supply and capacity constraints. These constraints are easing as newly installed high-speed manufacturing lines in both our Cherry Hill and Portugal facilities are becoming fully operational and we are well-positioned to meet demand in 2024.

Our MENA business is performing very well, with launches driving growth and offsetting the loss of sales in Sudan. In Europe, we are delivering strong growth in Germany and Italy and are gradually building share in Spain, France, and the UK.

We are continuing to invest extensively across our Injectables business to expand our portfolio and manufacturing capacity. We are making good progress on our new facilities in Morocco and Algeria and are gradually advancing our 503B sterile compounding business in the US.

We now expect full year revenue growth and core operating margin to be at the lower end of our guidance range of 7% to 9% and 36% to 37%, respectively. This takes into consideration the closure of our Sudanese manufacturing facility, investment in our compounding business and the short-term capacity constraints in the US.

Branded

Our Branded business continues to see strong demand. Medicines used to treat chronic illnesses are driving growth across our key MENA markets, offsetting the combined headwinds of the devaluation of the Egyptian Pound and the closure of our Sudanese manufacturing facility. Leveraging our local manufacturing presence and strong commercial teams, we continue to launch new products, including first-to-market generics and innovative in-licensed products. Our teams are focused on driving efficiencies at our facilities across the region, and this, combined with a favourable product mix, is leading to improved profitability.

We continue to expect Branded revenue to grow in the mid-to-high single digits in constant currency. On a reported basis, assuming no further adverse currency movements, we continue to expect Branded revenue to be in line with 2022, offsetting headwinds resulting from the devaluation of the Egyptian Pound and the closure of our Sudan operations. Due to our strong performance and focus on efficiencies, we now expect core operating margin to expand to around 23% for the full year.

Generics

Our Generics business continues to have an excellent year, as we benefit from favourable market dynamics across our base business and a stronger than expected revenue contribution from our authorised generic of sodium oxybate.



We are pleased with the efforts we are making to utilise spare capacity at our Columbus plant for contract manufacturing and are making good progress with our specialty products.

We now expect 2023 revenue in the range of \$920 million to \$940 million and core operating margin of around 20%, up from previous guidance of close to 30% growth and margins of 18% to 20%.

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About Hikma

Hikma Pharmaceuticals PLC (LSE: HIK) (NASDAQ Dubai: HIK) (OTC: HKMPY) (LEI:549300BNS685UXH4JI75)
(rated BBB-/stable S&P and BBB-/stable Fitch)

Hikma helps put better health within reach every day for millions of people around the world. For more than 40 years, we've been creating high-quality medicines and making them accessible to the people who need them. Headquartered in the UK, we are a global company with a local presence across the North America, the Middle East and North Africa (MENA) and Europe, and we use our unique insight and expertise to transform cutting-edge science into innovative solutions that transform people's lives. We're committed to our customers, and the people they care for, and by thinking creatively and acting practically, we provide them with a broad range of branded and non-branded generic medicines. Together, our 8,800 colleagues are helping to shape a healthier world that enriches all our communities. We are a leading licensing partner, and through our venture capital arm, are helping bring innovative health technologies to people around the world. For more information, please visit: www.hikma.com

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