



LSEG STREETEVENTS

EDITED TRANSCRIPT

**APRIL 2026 HIKMA PHARMACEUTICALS PLC TRADING STATEMENT
CALL**

EVENT DATE/TIME: April 23, 2026 / 8:30AM UTC



An LSEG Business



CORPORATE PARTICIPANTS

- **Guy Featherstone** *Hikma Pharmaceuticals PLC - Investor Relations*
- **Said Darwazah** *Hikma Pharmaceuticals PLC - Chief Executive Officer*
- **Areb Kurdi** *Hikma Pharmaceuticals PLC - Acting CFO*
- **Khalid Nabils** *Hikma Pharmaceuticals PLC - Deputy CEO, North America & Europe*
- **Susan Ringdal** *Hikma Pharmaceuticals PLC - Investor Relations*
- **Mazen Darwazah** *Hikma Pharmaceuticals PLC - Deputy CEO, MENA*

CONFERENCE CALL PARTICIPANTS

- **Operator**
- **Zain Ebrahim** *JPMorgan Chase & Co - Analyst*
- **Christian Glennie** *Stifel Europe AG - Equity Analyst*
- **Victor Floch** *Exane Bnp Paribas - Analyst*
- **Natalia Webster** *Rbc Capital Markets - Analyst*
- **Kane Slutzkin** *Deutsche Bank AG - Analyst*
- **Sebastien Jantet** *Panmure Liberum Limited - Analyst*
- **Beatrice Fairbairn** *Joh Berenberg Gossler & Co KG - Equity Analyst*
- **Christopher Richardson** *Jefferies LLC - Equity Analyst*

PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to Hikma Pharmaceuticals April 2026 trading update. (Operator Instructions) I will now hand over to the Hikma IR team. Please go ahead.

Guy Featherstone Hikma Pharmaceuticals PLC - Investor Relations

Good morning, everyone, and welcome to Hikma's analyst call following the publication of our trading update this morning. I'm Guy Featherstone, Investor Relations. Before we start, we'd like to remind you that any forward-looking statements or projections made by Hikma during this call are made in good faith based on information currently available and are subject to risks and uncertainties that may cause actual results to differ materially from those projected.

For further information, please see the Principal Risks and Uncertainties section in Hikma's latest annual report. We have our senior management team on the call today. We're joined by Said Darwazah, CEO; Mazen Darwazah, Executive Vice Chairman and Deputy

CEO, MENA; Khalid Nabils, Deputy CEO, North America and Europe; Arab Kurdi, acting CFO. And we also have Susan Ringdal, Investor Relations on the call.

With that, I'll hand over to Said for some opening remarks.

Said Darwazah Hikma Pharmaceuticals PLC - Chief Executive Officer

Thank you, Guy. Good morning, everyone, and thank you for joining us today. We have made an encouraging start to the year with all three of our businesses performing in line with our expectations. Demand remains robust across our core markets and our teams are executing well. I've been particularly encouraged by the energy across the organization following the changes we made towards the end of last year. Those changes are having the intended effects, and we feel well positioned going forward.

We are pleased to be reiterating our full year 2026 group guidance today, and we remain confident in our ability to execute our plans over the remainder of the year. In February, I set out three key priorities for Hikma. Agility, stability and investment. I'd like to update you briefly on progress made against each of these in the past couple of months.

To start with agility. A key priority for me is ensuring that we allocate both capital and management attention to the areas where we have the strongest competitive advantage and that we can respond quickly to changing market dynamics. In injectables, for example, we are taking a number of actions to improve agility across the business. These include strengthening our supply chain and reducing bottlenecks, enhancing our specialty commercial capabilities and service levels, improving manufacturing flows and reviewing and refining our R&D priorities to ensure they are tightly focused. We are also being decisive on strategy. As an example, we have decided to exit the 503B compounding business. This allows us to concentrate fully on our three core businesses and focus our resources where we see the greatest long-term value. The second priority I called out was stability. Reiterating our guidance today is an important signal, and we want to reassure you that this is a strong and stable business. I am confident in Hikma's future and in our ability to deliver consistently.

A critical element of stability is having the right people in the right roles. Over recent months, we have added new talent and made important internal promotions across supply chain, commercial, procurement and quality. We are also in the final stages of appointing a new head of CMO, which will further strengthen our operational capabilities.

Thirdly, investment. We are making the investments necessary to strengthen both our operations and our product pipeline, supporting growth in the years ahead. We continue to make good progress on our capacity expansion projects, including in Bedford and Columbus in the US and in Saudi Arabia, all of which will support future demand across key markets.

R&D remains a clear priority for the group. We're investing in complex and differentiated technologies, and during the period, we signed a device partnership to support our generic Ellipta development program. This reinforces our long-standing commitment to inhalation technologies and differentiated products. What we are doing today is about laying the foundation for consistent long-term profit growth across the group. Our branded business consistently delivered strong revenue and profit growth and remains a key driver of group performance. Hikma Rx is performing in line with expectations with the base portfolio performing well and contract manufacturing emerging as an increasingly important growth lever over the medium term. In injectables, the actions we are taking give me confidence that the business can return to a higher growth trajectory. We also remain financially disciplined. We have a strong balance sheet, ongoing dividend growth and an active share buyback program, which together enable us to invest in the business while continuing to deliver attractive returns to our shareholders. Finally, a brief word on the geopolitical environment. We continue to closely monitor developments in the Middle East. Demand in the region remains robust, and we are maintaining continuity of supply. While we have experienced some inflationary cost pressures, we remain confident in our ability to manage these through disciplined cost control, strong operational performance and resilient supply chain. To conclude, Hikma is a strong, well-diversified company with three attractive businesses, clear strategic priorities and a long track record of delivery.

We are focused on stability today, agility in how we operate, thoughtful investment and long-term sustainable growth. And we are confident in our ability to deliver on these priorities in 2026 and beyond.

Thank you. I will now hand over to the operator to open the floor for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Zain Ebrahim, JPMorgan.

Zain Ebrahim JPMorgan Chase & Co - Analyst

My first question would just be on the revenue growth outlook for the year. If you could comment on the phasing that we should expect between H1 and H2 revenue growth given that it sounds like Branded is off to a very strong start and Injectables is doing well as well and Rx in line. So just any thoughts on phasing, both for revenue growth and core EBIT growth through the year that would be helpful.

And my second question is on the decision to discontinue the 503B compounding business. Just if you could expand as to what led to that decision and where you expect to focus more strategically in terms of the launch opportunities you have ahead of you in Injectables or within the other segments as well would be helpful?

Areb Kurdi Hikma Pharmaceuticals PLC - Acting CFO

On the group revenue, we expect, as in prior years, to have more weight on the second half. And on the profit, we expect them to be equal, but on the -- when we look into segment by segment, we expect the second half for Injectables to have higher revenues and profits as well. On the Branded, as per prior years, we have more heavy on the first half in terms of revenue and profit; and with the Rx, it's more equal.

Khalid Nabils Hikma Pharmaceuticals PLC - Deputy CEO, North America & Europe

On the 503B, as you know, we entered into the compounding business in 2021. And till 2025, it remained to be small. It's a different model than our sterile injectable model. So -- and it's taking too much time to grow the business and causing some distraction. So the decision was to wind down and focus on our main business and allocating the resources into whether time, efforts, money into our Injectables business.

It's very, I would say, immaterial for 2026. And even in the coming years, still a small contribution in our plan coming from this business. And now we are planning -- intending to sell the site, and we expect good price for it.

Operator

Christian Glennie, Stifel.

Christian Glennie Stifel Europe AG - Equity Analyst

Maybe just on the inhalation device and the partnership. Just to maybe -- can -- would it be safe to assume this is obviously leveraging your Advair and the relationship with Vectura that that's -- you talked about it being an established partner whether that's the sort of similar pattern here? And then just to clarify where you're at broadly with that program in terms of the need for clinical trials and or any expectation around when this product might be reached in the market?

Khalid Nabils Hikma Pharmaceuticals PLC - Deputy CEO, North America & Europe

I just want to clarify. It's -- we are not talking about Vectura. We are not disclosing our partner. There's a new partner that we are working on. Still, it's in the early stage. So -- and it's -- the plans are moving very well. It supports our inhalation program across our Rx strategy. So -- and things are moving according to the plan, and we are expediting the execution on that.

Christian Glennie Stifel Europe AG - Equity Analyst

Okay. And then if I could follow up on the 503B. You -- other revenues in the group broadly were tended to be around the sort of 10% to low-teens in revenue numbers. They did an increase. We got to \$40 million in 2025. So what was the -- what would have been the proportion of that \$40 million that was 503B-based revenues?

Khalid Nabils Hikma Pharmaceuticals PLC - Deputy CEO, North America & Europe

We never disclosed the revenue for the compounding business. It's a very, I would say, minimal, and it's included in the Others, not in the injectables. It has some sales, but it's not significant to the group. And it's -- as I said, it's not a part of the injectables. It's less than \$15 million, and it's not going to have any material impact on a group outlook as a whole.

Susan Ringdal Hikma Pharmaceuticals PLC - Investor Relations

Maybe Christian, I could also just clarify that the others line of our revenue includes revenue from smaller businesses, medical containers, IPRCs. So the total amount that we disclosed under others wasn't fully attributed to the compounding business. So the compounding business was just a small part of that revenue line.

Operator

Victor Floch, BNPP.

Victor Floch Exane Bnp Paribas - Analyst

Maybe just a quick follow-up on the 503B wind down because I think I remember that at the time of launch of that activity, you had a specific facility attached to the 503B business. So can you maybe discuss what you're going to do with that one? Are you going to use the capacity for injectables or like for CMO? Or are you just contemplating to potentially just like sell that facility at some point?

Khalid Nabils Hikma Pharmaceuticals PLC - Deputy CEO, North America & Europe

Yes. The plan is to sell the facility, so this is our plan. And we have some good price for it. So there are several interest in the site, and we are selling it at a site.

Said Darwazah Hikma Pharmaceuticals PLC - Chief Executive Officer

This business overall has been very immaterial to the overall group, and it required a lot of attention, regulatory and others because the regulatory environment has changed significantly over the last four or five years. So it will be -- it is a welcome move internally. And as I said, the business has been totally immaterial relative to the overall story.

Operator

Natalia Webster, RBC.

Natalia Webster Rbc Capital Markets - Analyst

I have two, please, both related to the Middle East. The first just around your revenue exposures. You're referencing robust demand there, but are you able to talk a bit more about this in terms of your exposures and performance by country? And then the second question on the cost inflation side. Are you able to talk more on what levers you have to manage the inflationary increases here?

Mazen Darwazah Hikma Pharmaceuticals PLC - Deputy CEO, MENA

Well, the Middle East, as you know, we have 18 different markets, and we have clusters. So we have North African cluster, which consists of Morocco, Algeria, Tunisia and then we have Egypt, and we have Saudi Arabia as a cluster, and then we have the Levant as another cluster. So we are balanced across three. So the three of them make the total of the total amount of sales as a group.

But for our largest market, it's the Saudi market after the US. And in terms of demand, we are seeing robust demand because of the situation and governments are asking us to stockpile on certain products, and they are asking to have a supply some of them up to six months according to the local authority needs. So we are well positioned. And as you know, we have manufacturing capabilities across these markets. So we are well positioned to supply the needs once they arise, and they are arising on a daily basis.

Areb Kurdi Hikma Pharmaceuticals PLC - Acting CFO

In terms of the inflation, we're expecting inflation. We're already seeing inflation, but we are confident that we can absorb this within the strong performance of the Branded business and also the close control of the cost.

Operator

Kane Slutzkin, Deutsche Bank.

Kane Slutzkin Deutsche Bank AG - Analyst

Just a quick follow-up on the inflation story. I'm just wondering from a sort of inventory or a raw materials perspective, how many months do you guys sort of rebuy or forward buy and how much are you sitting on? And then just on injectables, at the sort of prelims sort of calculated sort of ex Xellia you were sort of -- you've gone backwards in the US.

I'm just wondering how should we be thinking about that portfolio ex Xellia in terms of the growth there, maybe perhaps even ex TYZAVAN, which seems like it's seeing some good demand?

Khalid Nabils Hikma Pharmaceuticals PLC - Deputy CEO, North America & Europe

So for the injectable business, underlying business and the base business is doing very well in the US or in Europe or in MENA. So it's in line with our expectation. Of course, Xellia product, specifically TYZAVAN is ramping up. We are seeing good demand. We're seeing customer converting. It takes some time, but it's in line with what we have planned at the beginning of the year.

Areb Kurdi Hikma Pharmaceuticals PLC - Acting CFO

In terms of inventory levels, we started the year with good inventory levels, and we have experienced team that are making sure that we have the right inventory levels and APIs and the raw materials across the group.

Kane Slutzkin Deutsche Bank AG - Analyst

Okay. And maybe just one last one. Just on the CMO sort of deal, the '27 story. Is there any update on that or is that still the details behind that still discrete?

Khalid Nabils Hikma Pharmaceuticals PLC - Deputy CEO, North America & Europe

Still no change. We are progressing very well on the CMO even on the expansion. As we highlighted in prior occasions that we'll be starting producing maybe towards the end of this year, early next year. So it's moving well on the Rx. On the other divisions, no change on the injectables, the same customers that we have, and it's moving according to the plan.

Operator

(Operator Instructions) Sebastien Jantet, Panmure Liberum.

Sebastien Jantet Panmure Liberum Limited - Analyst

Actually, most of the questions have been asked already, but I just wanted to ask one on the kind of Advair part of the business. There's been, I think, at least one new entrant coming into that market. I'm wondering how that market is panning out? And are you having to kind of give up anything for price in terms of maintaining your volumes there?

Khalid Nabils Hikma Pharmaceuticals PLC - Deputy CEO, North America & Europe

So far, Advair is doing very well. We haven't seen any new entrant yet. It's doing very well so far.

Operator

Beatrice Fairbairn, Berenberg.

Beatrice Fairbairn Joh Berenberg Gossler & Co KG - Equity Analyst

So on the Injectables segment, you noted accelerating demand for TYZAVAN. I suppose, could you give us some more color about how you expect it to contribute through the year and whether or not you still expect to kind of see a stronger 2027 in terms of this product? And then on the Hikma Rx segment, could you just talk a little bit about how the sodium oxybate market is playing out? Is this broadly in line with expectations?

And then my final question is just on the nasal epinephrine US filing. Is this -- can you confirm whether this is still on track for 2026?

Khalid Nabils Hikma Pharmaceuticals PLC - Deputy CEO, North America & Europe

So TYZAVAN, as I said earlier, it's doing in line with our plans. So it's ramping up. We are seeing -- we are converting customers into -- from vanco different forms into our ready-to-use. It's going to be more H2 weighted. So sales are ramping up, but we are going to see a stronger sales in the second half of the year.

On the epi nasal, we continue to see -- we have good discussions with the FDA. And we are planning to file in this year in the US. We filed in the UK last year, and we are planning to file in Europe as well in H1 of 2026. So it's -- there are -- of course, there is a delay in the US filing because the FDA asked for clinical studies, but this is going to strengthen our file. And I think it's moving in the right direction.

In terms of sodium oxybate, we continue to supply our authorized generic. So we commercialize it as an AG. We are very pleased with the ongoing performance and there's, of course, several generic players. We are holding our market share as per our original expectation. And as announced by Jazz, the originator for whom the authorized generic is coming from, we extend our AG agreement with them till December 31, 2029, and can be, of course, terminated by the end of this year. And as part of the extension, the royalties by Hikma to Jazz was renegotiated.

Operator

(Operator Instructions) Beatrice Fairbairn, Berenberg.

Beatrice Fairbairn Joh Berenberg Gossler & Co KG - Equity Analyst

Apologies, I had one more follow-up question. In the full year release, you noted that you expect the others segment to be breakeven during 2026. With the wind down of the 503B business, I just wanted to check whether or not this still holds?

Areb Kurdi Hikma Pharmaceuticals PLC - Acting CFO

So the 503B was about to -- it was on the breakeven. But on the others segment, we think it will be slightly positive, excluding the 503B.

Operator

Chris Richardson, Jefferies.

Christopher Richardson Jefferies LLC - Equity Analyst

This is Chris Richardson on behalf of James. I was just wondering if you could quickly comment on the FX impact you expect, whether due to the Middle East or globally in each of the different segments?

Areb Kurdi Hikma Pharmaceuticals PLC - Acting CFO

We see -- we saw some depreciation in some of the North African countries during the breakout of the conflict, but now they're stabilizing. So we don't see a big impact. And we -- on the countries close to the conflict like the GCC or Jordan, all the currencies are pegged to the dollar.

Operator

Christian Glennie, Stifel.

Christian Glennie Stifel Europe AG - Equity Analyst

Yes. Just thinking, I mean, the sort of usual question around sort of biosimilars and just some observations, thoughts there about any sort of rethink of the strategy. Obviously, there was an acquisition in the space up here yesterday talking about a golden era of biosimilars, of course, and we've seen others make some significant inroads there.

Just I know the previous sort of commentary around the approach on biosimilars, but just wondering if there's any nuance here, any observations around what you think about that as a market and/or the sort of strategy going forward to take maybe a better share of that market?

Mazen Darwazah Hikma Pharmaceuticals PLC - Deputy CEO, MENA

As you know, we are very active in the biosimilars area in the Middle East and the MENA market, we were the first to launch with our global cooperation with Celltrion to start with, and then we followed up with new technologies. So we're still robust on biosimilars in the MENA. We are adding new product lines, and we're launching new ones, and we have alliances with other companies that we already announced about, especially on oncology biosimilars with Chinese companies.

So we are very active in that domain. And today, we are the leading provider of biosimilars in the MENA in terms of dollar value.

Khalid Nabils Hikma Pharmaceuticals PLC - Deputy CEO, North America & Europe

Yes. For the US, biosimilars are very small contributor to us. So still, we launched some product at a very competitive price. So very little -- I would say, a small contribution coming from it. But we continue to look into biosimilar opportunities that would fit with our longer-term strategy. So still for us today, a small contributor, but we are evaluating.

Operator

There are no further questions on the conference line. I will now hand over to Hikma team for closing remarks.

Said Darwazah Hikma Pharmaceuticals PLC - Chief Executive Officer

Thank you, everybody, for joining us this morning. Again, we reiterate that we have started the year on a very good note, and we feel very, very comfortable that we will achieve our targets for this year, and we are all in a very, very up-mood and continuing to move this business forward. Thank you so much, everyone.

DISCLAIMER

THE LONDON STOCK EXCHANGE GROUP AND ITS AFFILIATES (COLLECTIVELY, "LSEG") RESERVES THE RIGHT TO MAKE CHANGES TO DOCUMENTS, CONTENT, OR OTHER INFORMATION ON THIS WEB SITE WITHOUT OBLIGATION TO NOTIFY ANY PERSON OF SUCH CHANGES. NO CONTENT MAY BE MODIFIED, REVERSE ENGINEERED, REPRODUCED, OR DISTRIBUTED IN ANY FORM BY ANY MEANS, OR STORED IN A DATABASE OR RETRIEVAL SYSTEM, WITHOUT THE PRIOR WRITTEN PERMISSION OF LSEG. THE CONTENT SHALL NOT BE USED FOR ANY UNLAWFUL OR UNAUTHORIZED PURPOSES. LSEG DOES NOT GUARANTEE THE ACCURACY, COMPLETENESS, TIMELINESS, OR AVAILABILITY OF THE CONTENT. LSEG IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS, REGARDLESS OF THE CAUSE, FOR THE RESULTS OBTAINED FROM THE USE OF THE CONTENT. IN NO EVENT SHALL LSEG BE LIABLE TO ANY PARTY FOR ANY DIRECT, INDIRECT, INCIDENTAL, EXEMPLARY, COMPENSATORY, PUNITIVE, SPECIAL, OR CONSEQUENTIAL DAMAGES, COSTS, EXPENSES, LEGAL FEES, OR LOSSES (INCLUDING, WITHOUT LIMITATION, LOST INCOME OR LOST PROFITS AND OPPORTUNITY COSTS OR LOSSES CAUSED BY NEGLIGENCE) IN CONNECTION WITH ANY USE OF THE CONTENT EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Copyright ©2026 LSEG. All Rights Reserved.