

Better health.
Within reach.
Every day.

Hikma Pharmaceuticals PLC
2023 Interim Results

hikma.

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Delivering a strong first half performance with growth in all three businesses

\$1,427m

Core¹
revenue

1H22
\$1,213m  18%

\$401m

Core
operating profit

1H22
\$296m  35%

\$451m

Core
EBITDA²

1H22
\$346m  30%

\$222m

Operating
cash flow

1H22
\$169m

128.5¢

Core basic
earnings per share

1H22
92.1¢  40%

¹ Core results are presented to show the underlying performance of the Group, excluding exceptional items and other adjustments set out in Note 5 of the Group consolidated financial statements. Core results are a non-IFRS measure and a reconciliation to reported IFRS measures is provided in our 2023 interim results press release

² EBITDA is earnings before interest, tax, depreciation, amortisation, impairment of property, plant and equipment and intangible assets and other items. EBITDA is a non-IFRS measure. For the purposes of the leverage calculation, EBITDA is calculated for trailing twelve months ended 30 June 2023. See 2023 interim press release for a reconciliation to reported IFRS results.

Injectables

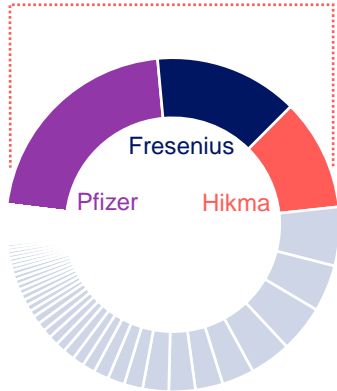


Benefitting from a growing portfolio in the US and investing for the future



US generic injectables market share by volume¹

Top three manufacturers make up **46%** of the market



Benefitting from an expanding portfolio



- **>150** Injectable products in portfolio
With top 10 contributing to <40% of North America injectables revenue
- Launched **11** Products into shortage situations since 2020

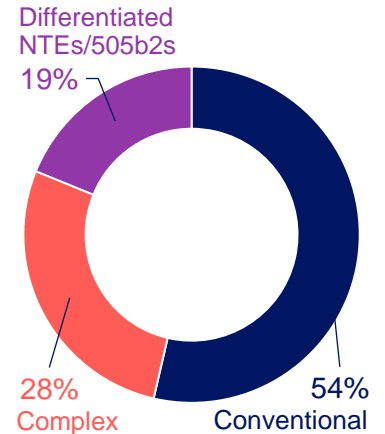
Expanding capacity

Investing in new high-speed filling lines in Cherry Hill and Portugal, which will add

15% to 20%

in filling capacity annually

Enhancing pipeline



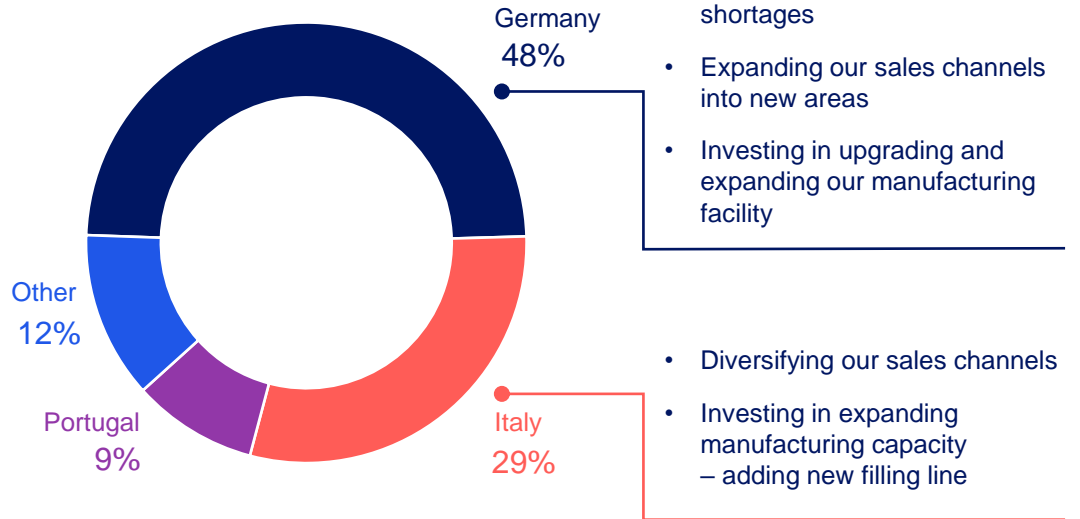
¹ IQVIA MAT May 2023, generic injectable volumes by eachees. Excludes branded generics, Grifols, Henry Schein and Becton-Dickinson

Strengthening foothold in Europe and expanding into new markets



EU Injectables 1H23

sales by country



Good progress building our presence in new markets



France

- eight employees
- 31 products **approved**
- Growing portfolio with **22 products** currently being marketed



Spain

- one employee
- 32 products **approved**
- Growing portfolio with **12 products** currently being marketed

Leveraging established presence and strong commercial capabilities in MENA



Revenue drivers in 1H 2023

Biosimilars (existing portfolio):

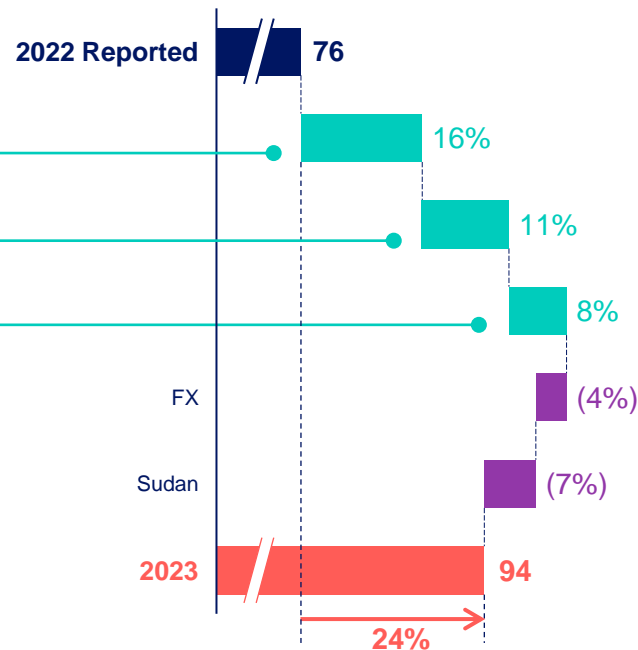
- Grew our market share in immunology and oncology in private and public sector in some of our largest markets
- Pull-forward in revenue due to timing of tenders

New launches:

- Successful tender bidding in North Africa driving good launch contribution
- Continued to roll out our biosimilar portfolio across MENA, including Herzuma and Truxima in Algeria
- Other launches include oncology and anti-infective products

Base business (excl biosimilars):

- Benefitting from our broad portfolio and strong commercial capabilities
- Capitalising on our local presence across our key markets



Branded



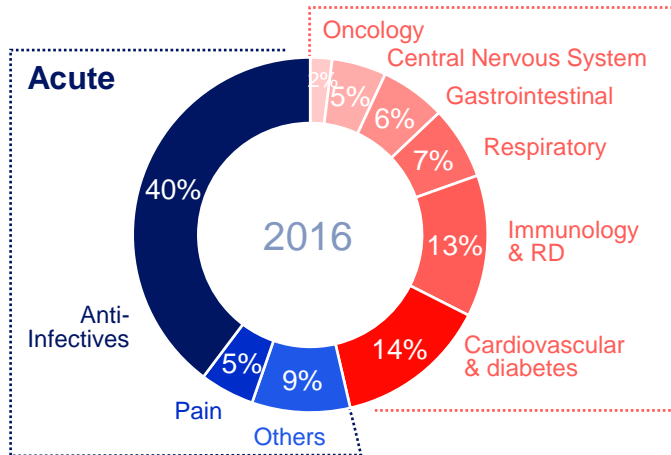
Benefitting from a strong market position and growing contribution from chronic medications



Our strong market position

Hikma is the **3rd largest supplier** of Medicines in MENA with a growing market share¹

Our broad portfolio composition

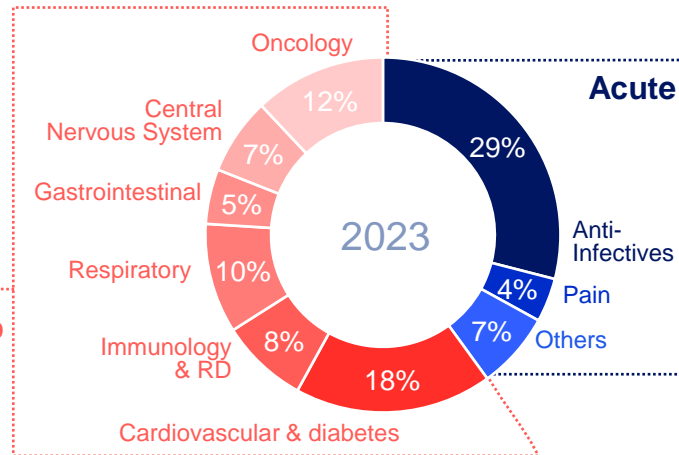


Chronic medications contributed **47% of sales** in 1H 2016

Chronic

47%

60%



Chronic medications contributed **60% in sales** in 1H 2023

¹ IQVIA MIDAS Pharma Index MAT May-2023. It does not include hospital or tender business, excluding Milks, diagnostics
Hikma Pharmaceuticals PLC

Case study: increasing access to oncology medications in the MENA region



Investing in capacity to help increase access

– only local oral oncology plants in Algeria and Egypt



Growing oncology revenue contribution from **6% to 12%**



In Algeria, revenue contribution from oncology **increased** from 10% in 2022 to **26% in 2023**

Hikma Cancer Network

- Hosted our 5th annual cancer network – 170 KOLs specializing in hematology and oncology attended from across MENA
- 12 international speakers from MD Anderson Cancer Center, Yale University and Moffitt Cancer Center presented advances, challenges and current data sets in hematological malignancies and solid tumors
- KOLs had the opportunity to discuss specific cases with the experts and take advice back to their patients



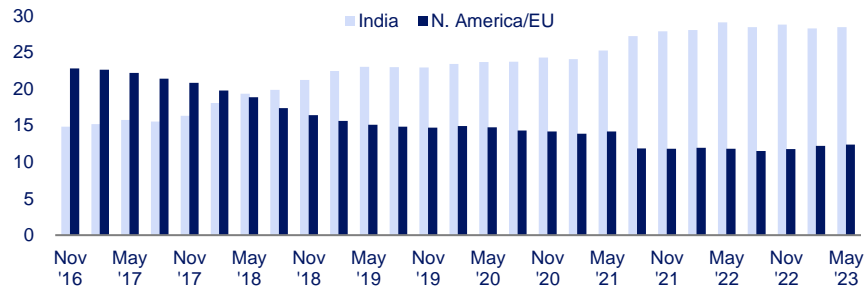
Generics



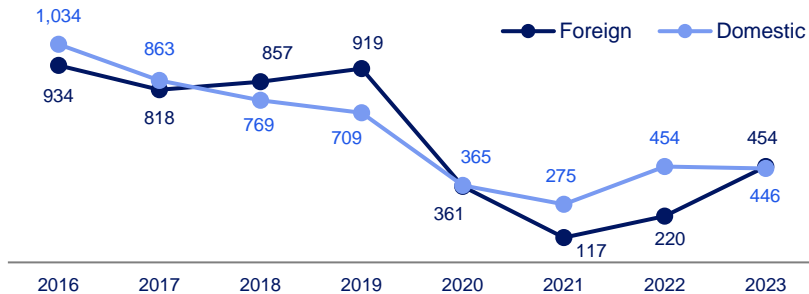
Improving industry dynamics after a challenging 2022



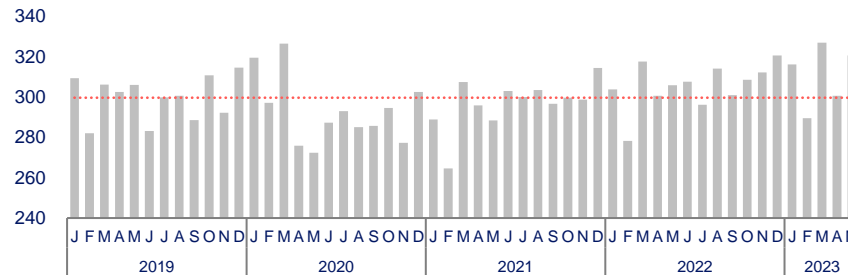
Significant decline in US-manufactured solid oral volume¹



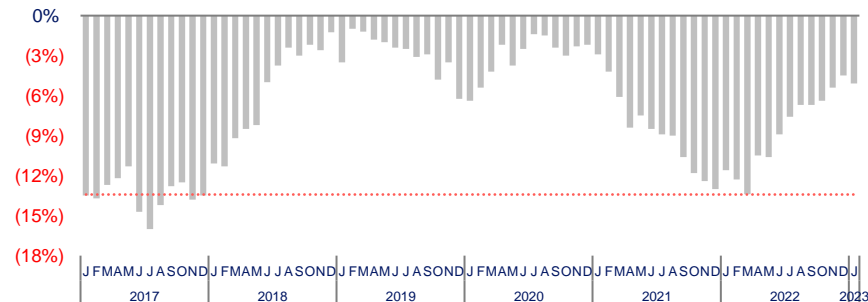
FDA inspection frequency increasing significantly²



Generic retail Rx volume has recovered and surpassed pre-Covid levels³



Pricing pressure improved but remains cyclical⁴



Strong commercial and operational capabilities enabling us to capture market opportunities



Generics foundation showed its strength in H1



Leveraging / expanding partnerships, including CMO



Expanding into specialty markets



Capitalising on supply disruptions



Improving pricing environment



Improving volumes



Benefitting from new launches



Finance

Khalid Nabils, Chief Financial Officer

Group financial highlights

	1H22	1H23	% change
Core revenue	\$1,213 million	\$1,427 million	+18%
Core ¹ gross profit	\$623 million	\$733 million	+18%
Core operating profit	\$296 million	\$401 million	+35%
Core EBITDA ²	\$346 million	\$451 million	+30%
Core profit attributable to shareholders	\$209 million	\$284 million	+36%
Core basic earnings per share	92.1 cents	128.5 cents	+40%
Interim dividend per share	19 cents	25 cents	+32%

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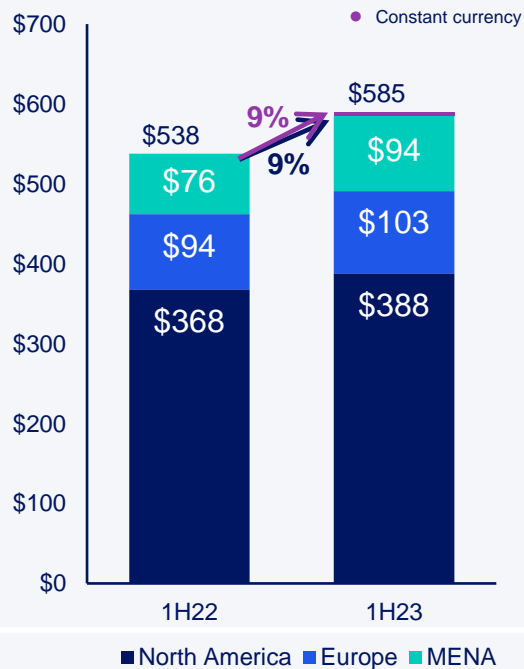
² EBITDA is earnings before interest, tax, depreciation, amortisation, impairment of property, plant and equipment and intangible assets and other items. EBITDA is a non-IFRS measure. For the purposes of the leverage calculation, EBITDA is calculated for trailing twelve months ended 30 June 2023. See 2023 interim press release for a reconciliation to reported IFRS results.

³ For reported figures refer to the appendix



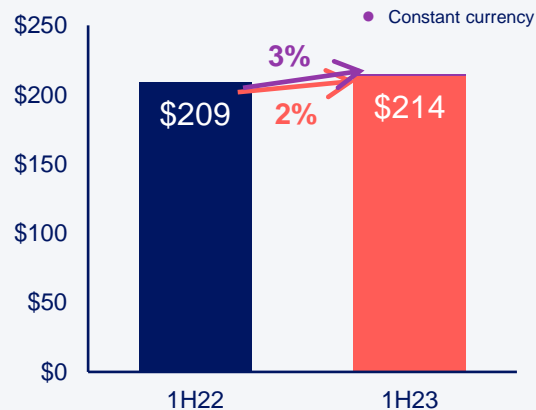
Revenue

(million)



Core operating profit

(million)



Operating margin

	1H22	1H23	Change	1H23 constant currency	Change
Reported	33.1%	28.7%	(4.4)pp	28.7%	(4.4)pp
Core	38.8%	36.6%	(2.2)pp	36.5%	(2.3)pp

Revenue

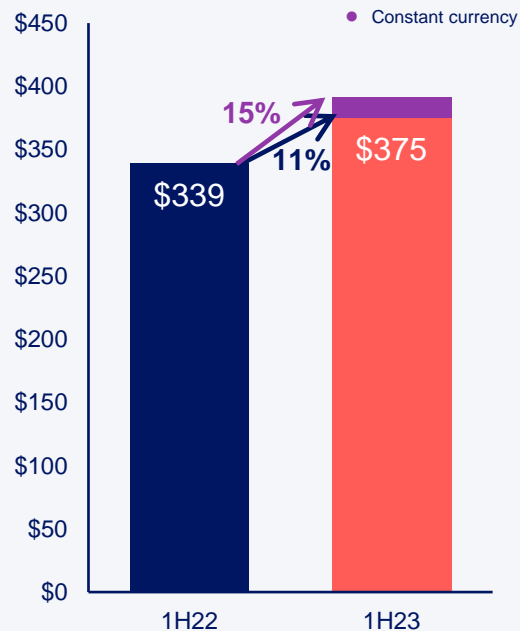
- ⊕ Good growth in North America, reflecting contribution from Custopharm and Teligent more than offsetting increased competition
- ⊕ Good growth in Europe, reflecting demand for own products and new launches
- ⊕ Strong growth in MENA, primarily due to biosimilar growth and pull-forward of revenues due to timing of tenders

Core operating profit

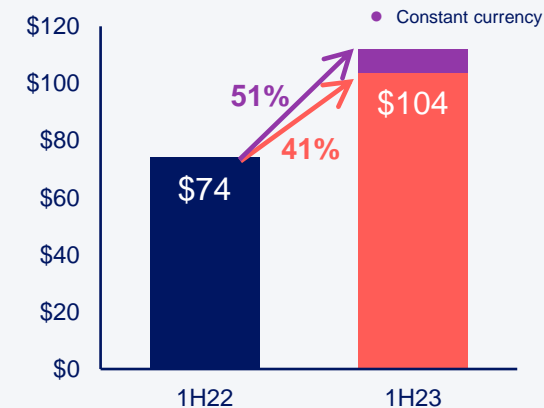
- ⊖ Product mix
- ⊖ Increased investment in R&D
- ⊖ Halted operations in Sudan as a result of the ongoing conflict in the country



Revenue (million)



Core operating profit (million)



Operating margin

	1H22	1H23	Change	1H23 constant currency	Change
Reported	20.6%	6.4%	(14.2)pp	8.2%	(12.4)pp
Core	21.8%	27.7%	5.9pp	28.6%	6.8pp

Revenue

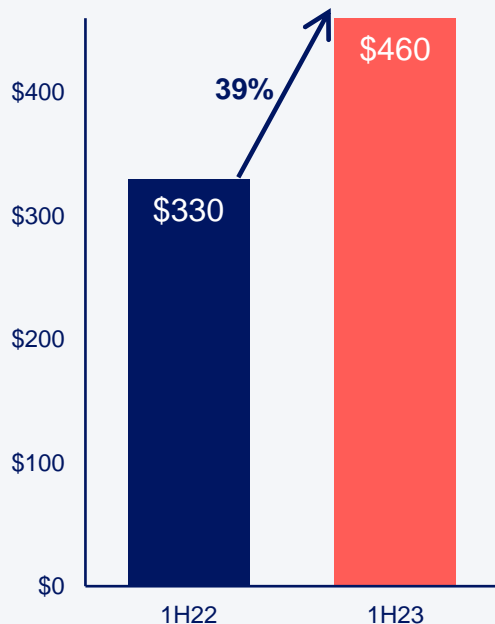
- ⊕ Good growth across most markets
- ⊕ Pull-forward of tenders in our larger markets
- ⊕ Benefitting from our oncology portfolio and focus on chronic medications

Core operating profit

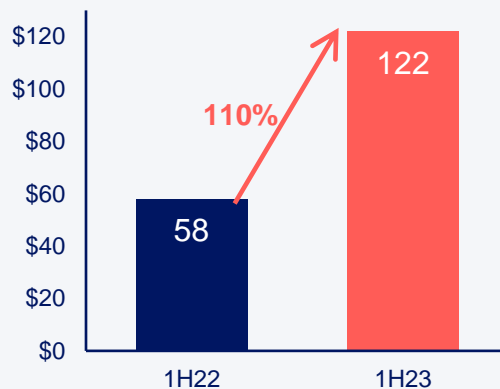
- ⊕ Pull-forward of tenders and phasing of certain operating costs towards H1
- ⊖ Halted operations in Sudan as a result of the ongoing conflict in the country
- ⊖ Currency devaluation in Egypt



Revenue (million)



Core operating profit (million)



Operating margin

	1H22	1H23	Change
Reported	10.9%	21.1%	10.2pp
Core	17.6%	26.5%	8.9pp

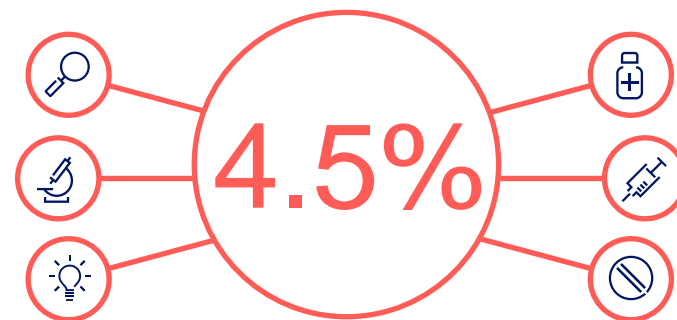
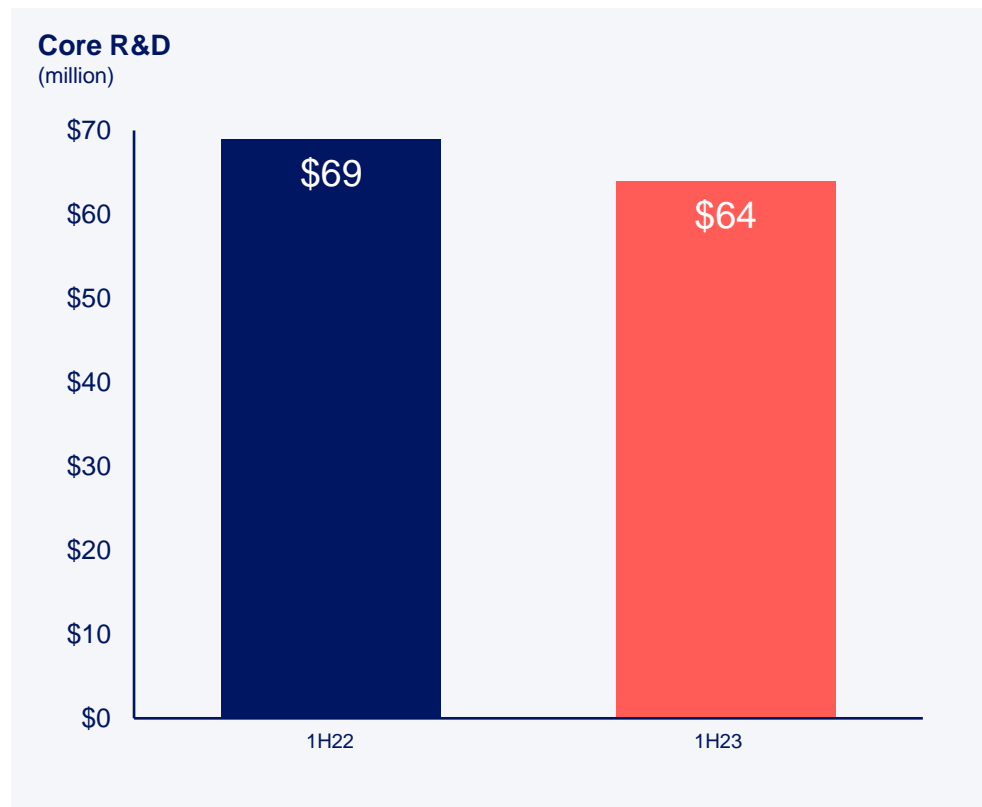
Revenue

- ⊕ Strong performance from the base business with improving volumes and lower price erosion levels
Slower than expected ramp of recent launches
- ⊕ Benefiting from the launch of the authorised generic of Xyrem®

Core operating profit

- ⊕ Strong profitability of sodium oxybate in the first six months
- ⊕ Lower R&D costs due to phasing towards H2
- ⊖ Increased investment in S&M to support specialty business

Expanding and enhancing our product pipeline

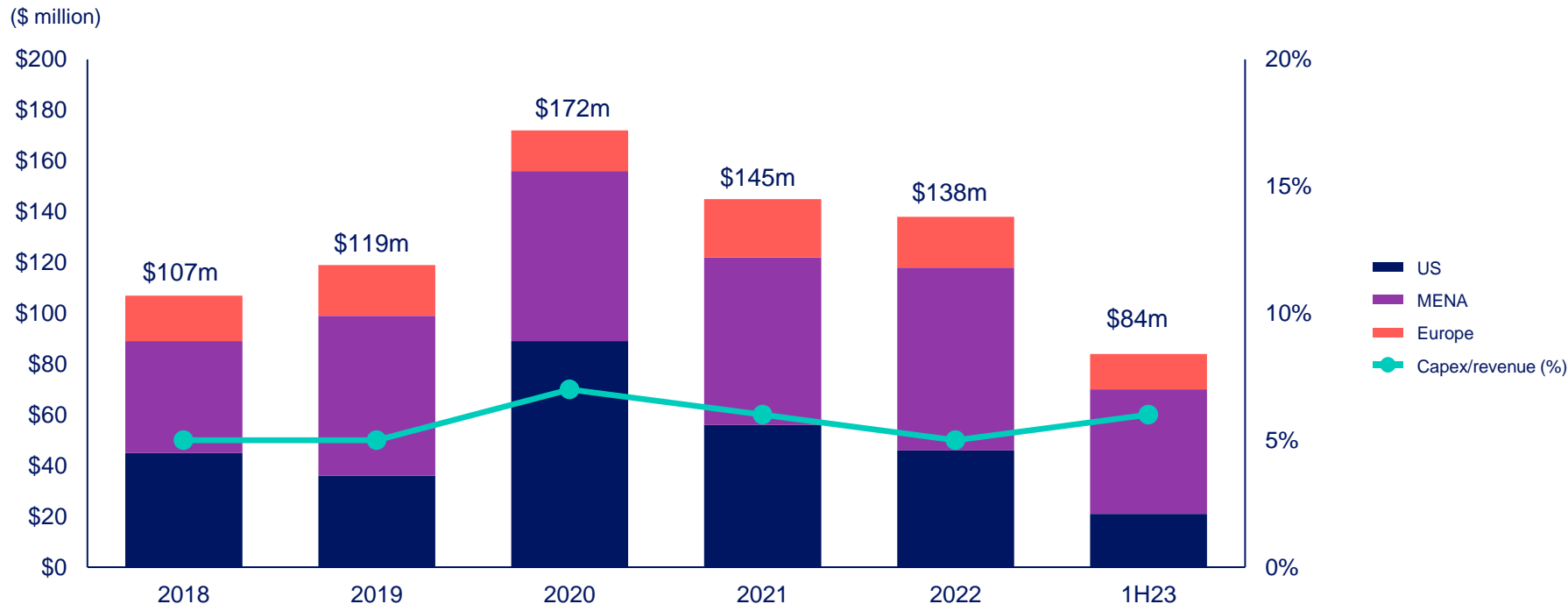


**of Group core revenue
invested in core R&D**

Continue to invest in building a pipeline of differentiated products. Expect increased spend in H2

Continuing to invest in the maintenance, upgrade and expansion of our facilities across the Group

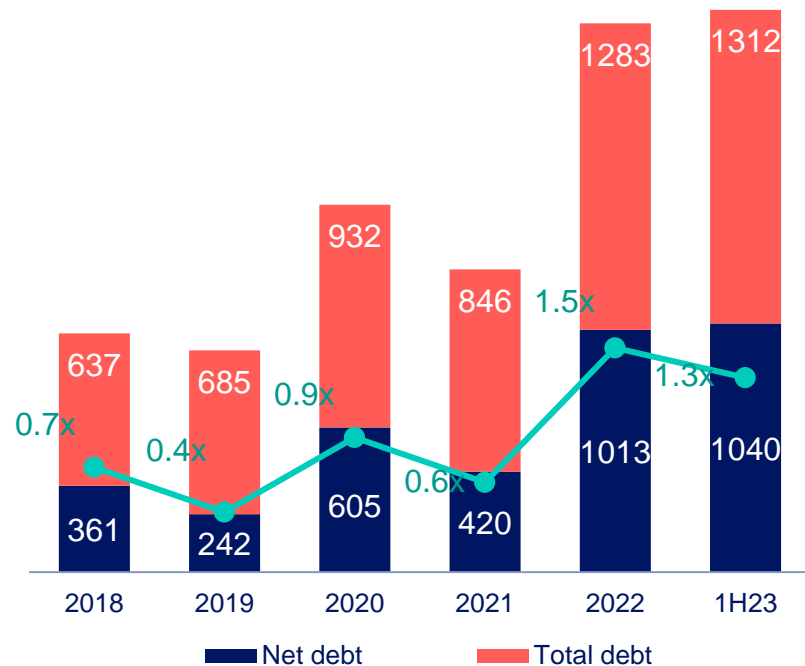
Capex by region



Cash flow and balance sheet

Debt and leverage

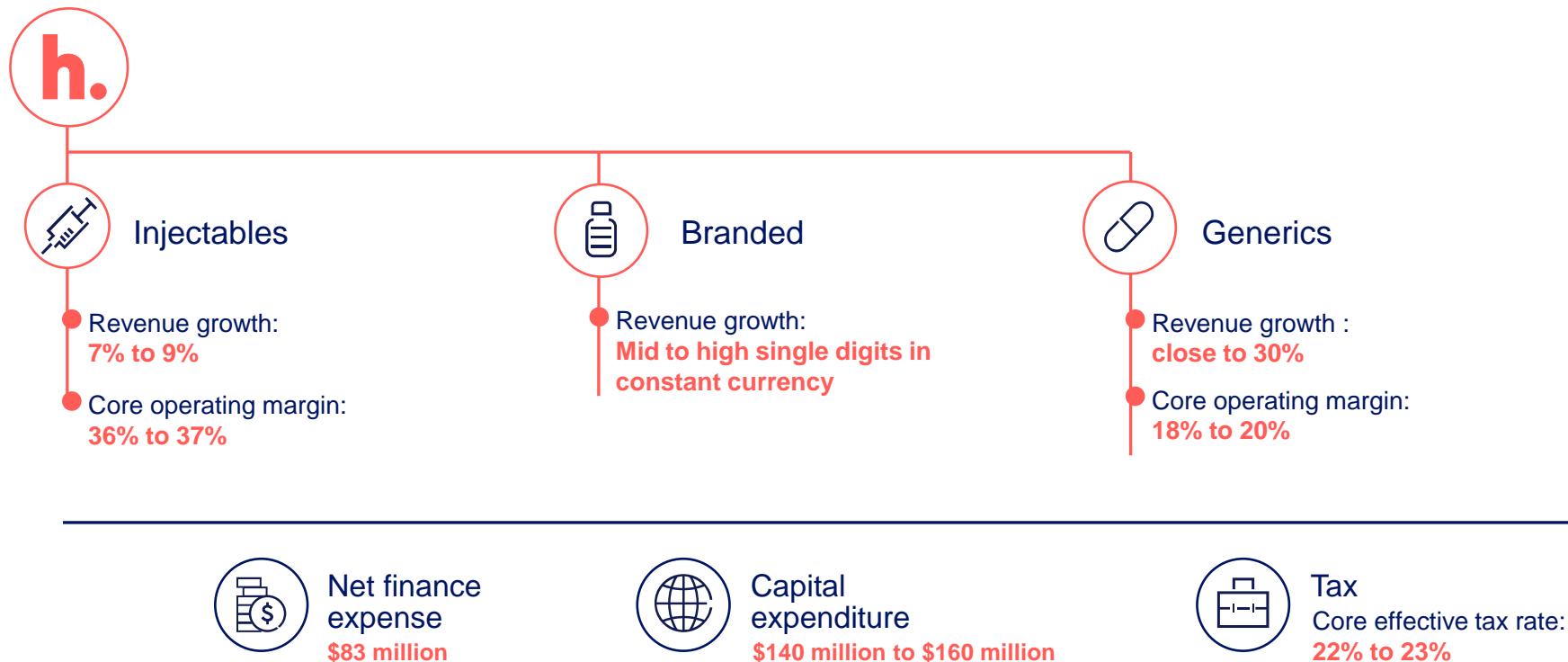
(millions)



Operating cash flow

	Jun-22	Jun-23
Operating cash flow	\$169 million	\$222 million
Operating cash flow/revenue	14%	16%

2023 full year guidance





A strong investment case

Platform for future growth and a track record of success



A solid platform
for growth across
all three
businesses



Increasingly diverse
portfolio and
pipeline



Excellent financial
discipline with a strong
balance sheet and
robust cash
generation



A proven track record
of delivering value for
shareholders and
a clear vision
for growth

**UNDERLYING THIS IS OUR COMMITMENT TO ACT RESPONSIBLY, BY ADVANCING HEALTH AND WELLBEING,
EMPOWERING OUR PEOPLE, PROTECTING THE ENVIRONMENT AND BUILDING TRUST THROUGH
QUALITY IN EVERYTHING WE DO**

Appendix



Group financial highlights

	1H22	1H23	% change
Revenue	\$1,213 million	\$1,427 million	+18%
Gross profit	\$611 million	\$715 million	+17%
Operating profit	\$239 million	\$245 million	+3%
EBITDA ²	\$346 million	\$387 million	+12%
Profit attributable to shareholders	\$173 million	\$131 million	(24)%
Basic earnings per share	76.2 cents	59.3 cents	(22)%
Interim dividend per share	19 cents	25 cents	+32%

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³ For reported figures refer to the appendix