

**Better health.  
Within reach.  
Every day.**

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**Hikma MENA Meet the Management**  
November 14 2024

**hikma.**

**hikma.**

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# Agenda

- 1.** Introduction to Hikma in MENA
- 2.** The MENA pharmaceutical market
- 3.** Branded strategy
- 4.** Business Development
- 5.** MENA Injectables
- 6.** Wrap-up and ambition

# Agenda

**1.** Introduction to Hikma in MENA

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2. The MENA pharmaceutical market

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3. Branded strategy

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4. Business Development

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5. MENA Injectables

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6. Wrap-up and ambition

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# Our positioning in MENA differentiates us as a Group and we are delivering significant current and future growth

## A unique business with global expertise applied to meet local needs

- Strong **market position** in MENA – 2<sup>nd</sup> in the region by sales<sup>1</sup>
- Deep **understanding** of the regional healthcare landscape, including the complex regulatory environment, with ability to **leverage** global expertise
- Excellent **customer relationships**
- Extensive manufacturing footprint with **differentiated** technologies in the region
- Trusted **partner** known for our commitment to **quality** and **reliability** of supply



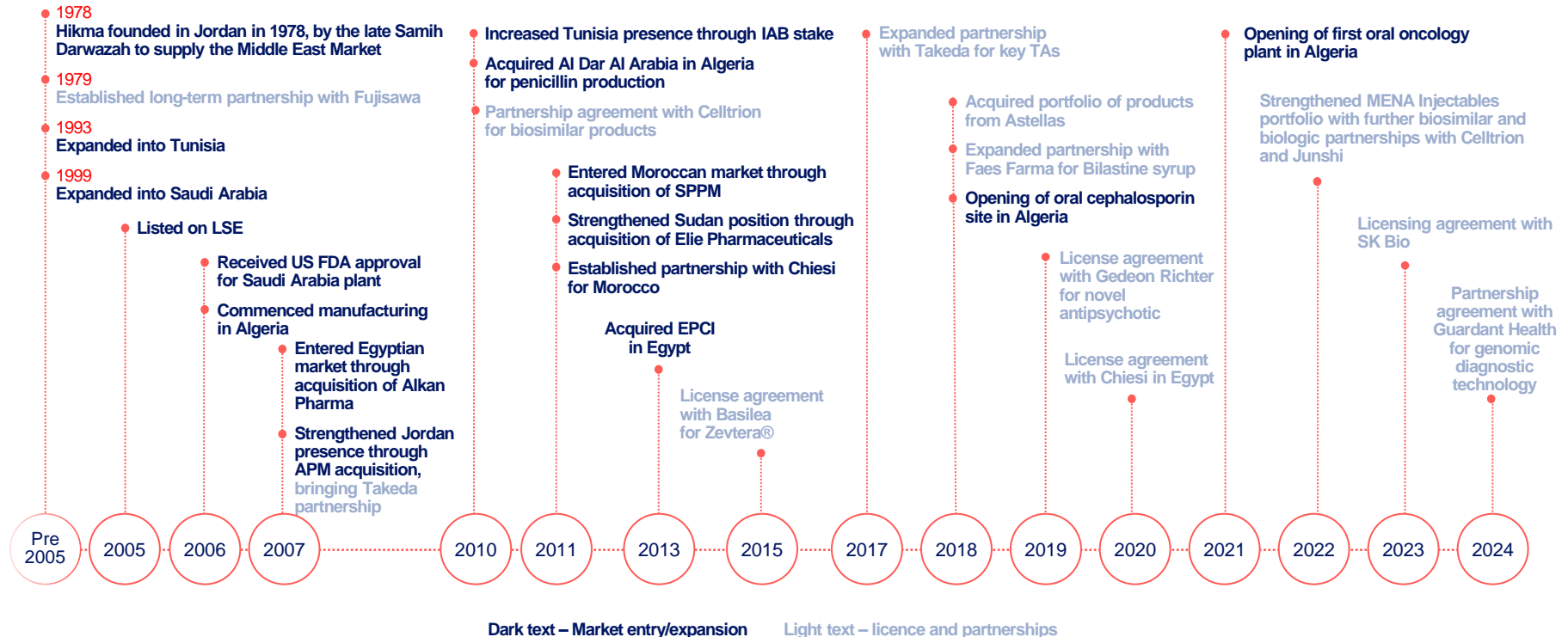
**Our Ambition:**  
**to become the largest pharmaceutical company by sales in MENA**



## Strategic initiatives to drive continued momentum

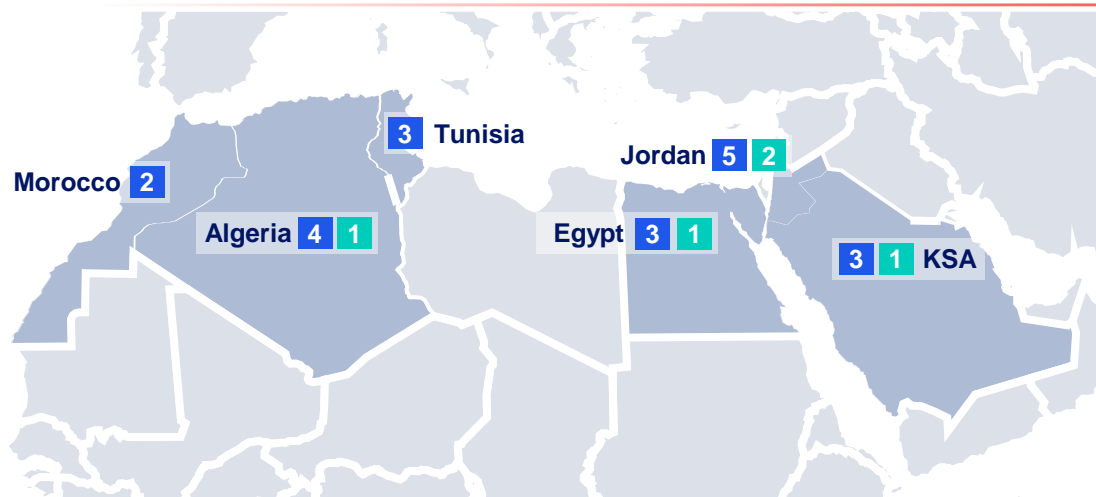
- Aligning portfolio to local needs, focused on treatments for **chronic illnesses**
- Delivering high-value products through our pipeline, including **first to market** and **first generics**
- Strengthening **local presence** through investments in manufacturing and commercial
- Expanding offering through **partnerships** to become a holistic healthcare company

# Our story of over 45 years of expansive growth and innovation MENA



# Our MENA presence today – strong and extensive local presence

We have a commercial presence in  
**17 MENA markets...**



...with

■ **20 manufacturing plants**

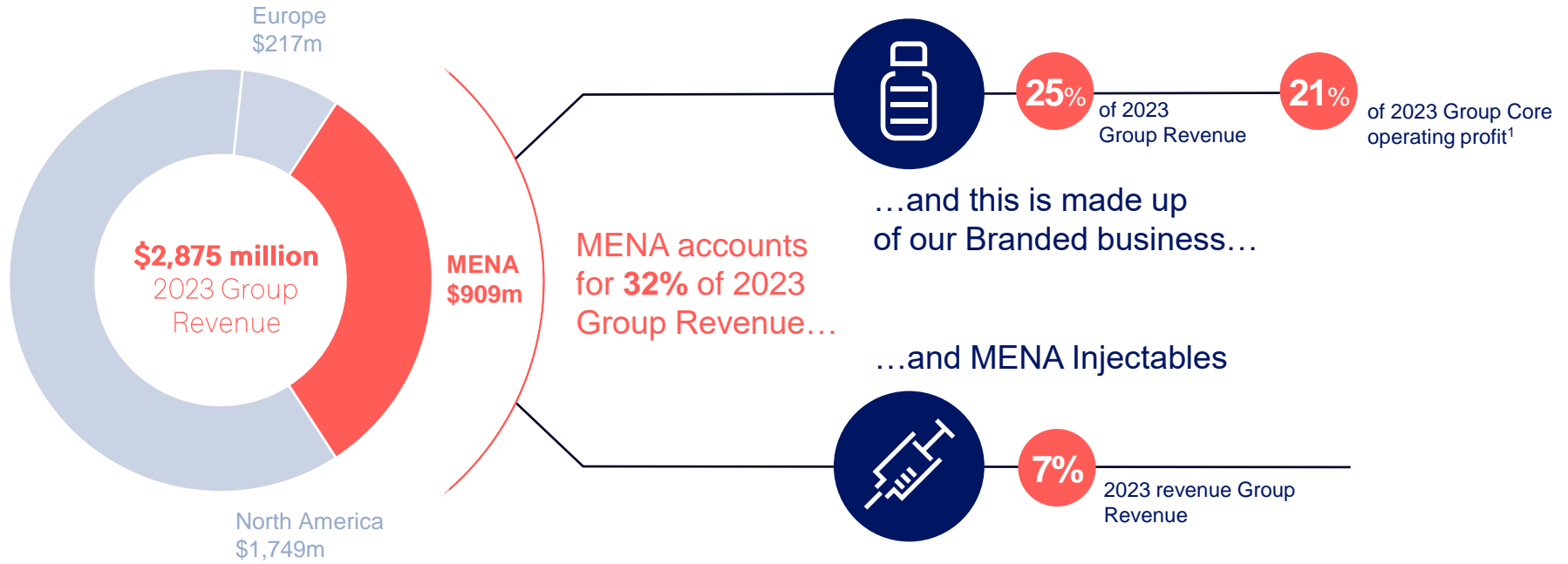
■ **5 R&D centres**

across the region...



...and **5,700** employees, including over **2,000** in sales and marketing.

# A diversified offering in the region providing a strong platform for growth



In 2023, core operating profit is \$707 million. Before unallocated corporate costs of \$90 million and operating loss from Other business of \$9 million, core operating profit contribution from business segments is \$806 million



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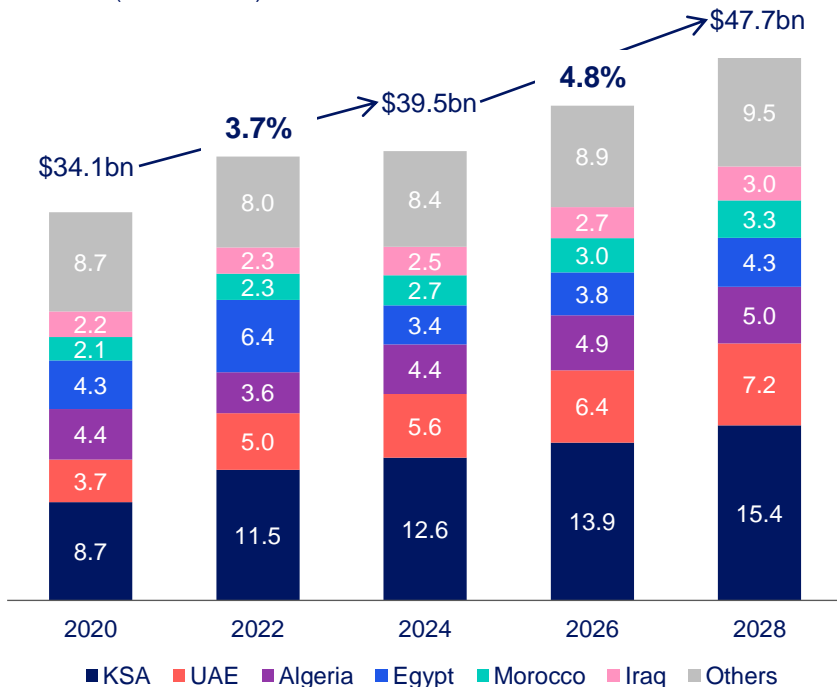
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# Healthcare trends in MENA

A growing market, with strong dynamics for generics

## MENA pharma market outlook (by value) <sup>1</sup>

USD Billions (2020 – 2028)



MENA pharmaceutical market currently estimated at **\$39.5 bn**

The market is expected to grow at a 4-year CAGR of **4.8%** <sup>1</sup>



**41%** of the total MENA sales come from generic products, with a CAGR of 7%. <sup>1</sup>



Governmental Sector **31%**



Private Sector **69%** <sup>2</sup>



Alimentary Tract & Metabolic Diseases are the top therapeutic areas holding **20% of value share.** <sup>2</sup>

Anti-Neoplastic + Immunomodulators have **grown at fastest rate** (17% PPG).<sup>2</sup>

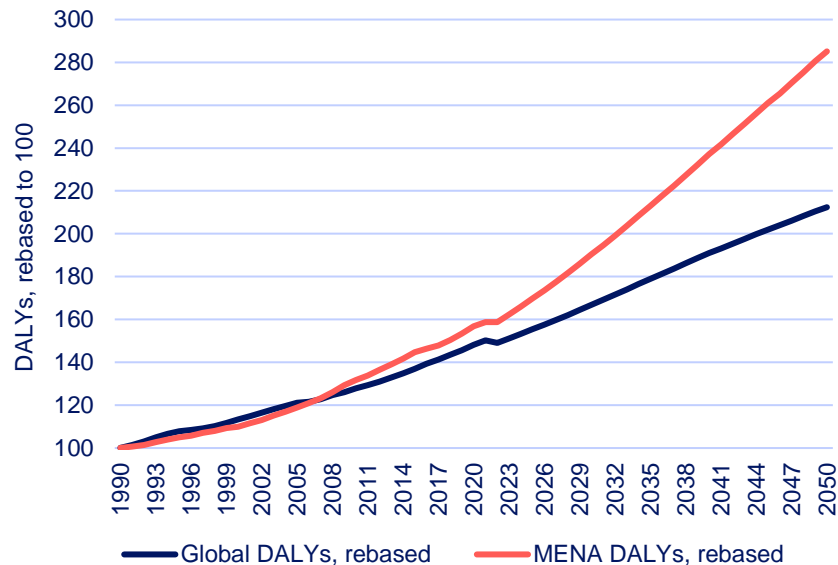
1. Fitch updated data October 2024 (Market size values were extracted from Fitch solutions)

2. IQVIA Q2 2024, MAT

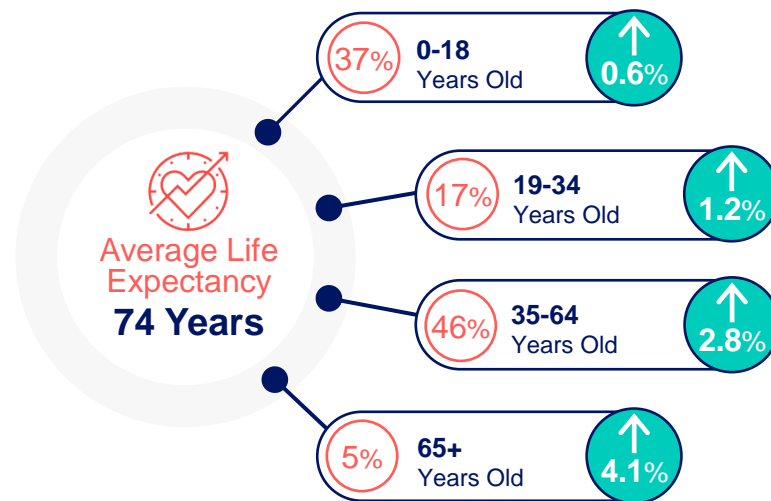
# Healthcare trends in MENA

Growth is underpinned by an ageing population and increasing prevalence of chronic diseases

Non-communicable diseases in MENA are expected to grow at a higher rate than the global forecast over the next 30 years <sup>1</sup>



Ageing population is driving this NCD growth: MENA population breakdown by age group and growth from 2020-2024 <sup>1</sup>



1. Vollset, Stein Emil, et al. "The Lancet 403.10440 (2024): 2204-2256

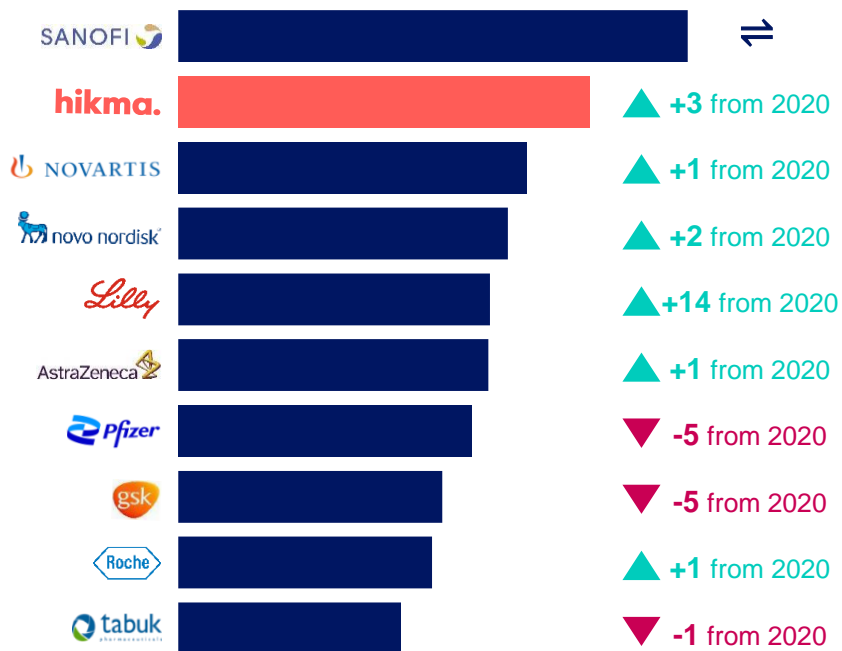
2. Fitch updated data October 2024

3. DALY refers to Disability-adjusted life years - One DALY represents the loss of the equivalent of one year of full health

# Hikma's market position

By aligning our portfolio to these trends, we have grown to become the 2<sup>nd</sup> largest pharma company in MENA

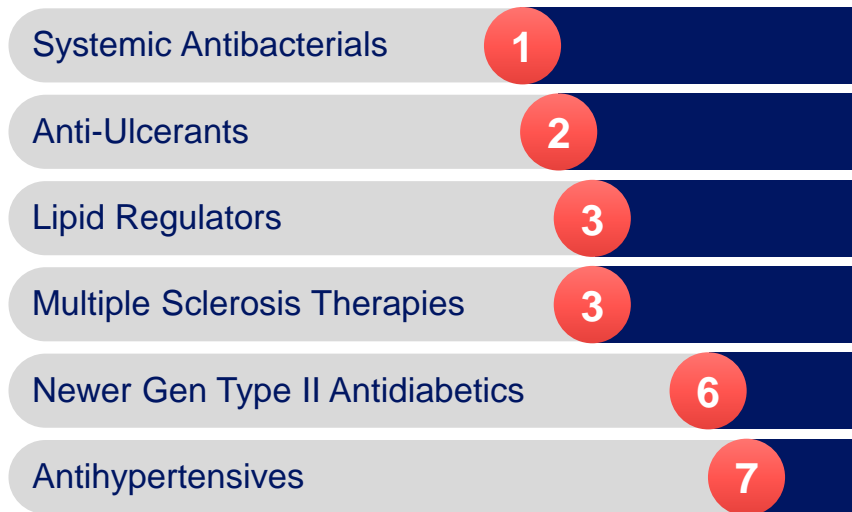
## MENA top-10 pharmaceutical companies by sales



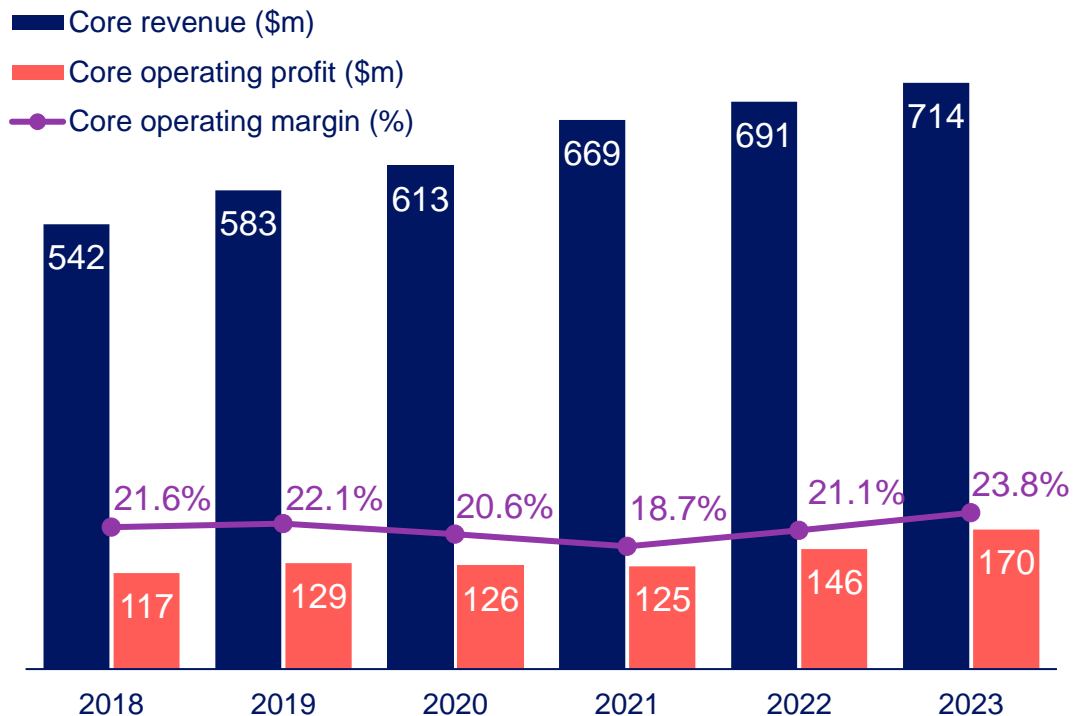
IQVIA MIDAS Pharma Index MAT Jul-2024.  
Data includes Retail and Hospital Sales Excluding Milks and diagnostics.  
Rank: MAT Jul-2024 vs. MAT Jul-2020

## Our rank in the oral market

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## Strong track record of growth and margin expansion in our Branded business



5-year Revenue  
CAGR  
**+6%**

5-year core  
operating profit  
CAGR  
**+8%**

Core operating margin  
expansion  
**+220 bps**

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# Our strategic priorities to drive growth

Our ambition is to become the largest pharma company and evolve to a holistic healthcare company

## Our Goals:

Our objective is to become the leading pharma company in MENA driven by our strategic expansion into treating chronic diseases, with a primary emphasis on oncology and lifestyle-related diseases.

We will evolve into a more holistic healthcare company, expanding into markets beyond prescription pharma.

## Our Strategy and Initiatives: (to support our goals)

### 1. Robust Pipeline

#### A. To be tailored to local needs

- Pipeline focused on chronic and oncology products

#### B. To be first to market

- Reinforce backward integration, leveraging Hikma Chemicals
- Regulatory planning for earliest access

#### C. To be differentiated

- Potential for technical know how and advanced capabilities
- Bring innovation to the region through BD and partnership

### 2. Operational Efficiency

#### A. Grow manufacturing capabilities

- Add advanced manufacturing technologies

#### B. Strengthen our cost discipline

- Invest in operations excellence initiatives
- Optimise our API costs

### 3. Customer Centricity

#### A. Move towards more focused business models and processes

- Primary care and Primary care-like products
- Specialty medicine Originator products

#### B. Drive new changes in key stakeholders' roles while advancing omnichannel approaches

- HCPs Engagement
- Pharmacist Involvement
- Payers Partnership
- Patients Empowerment

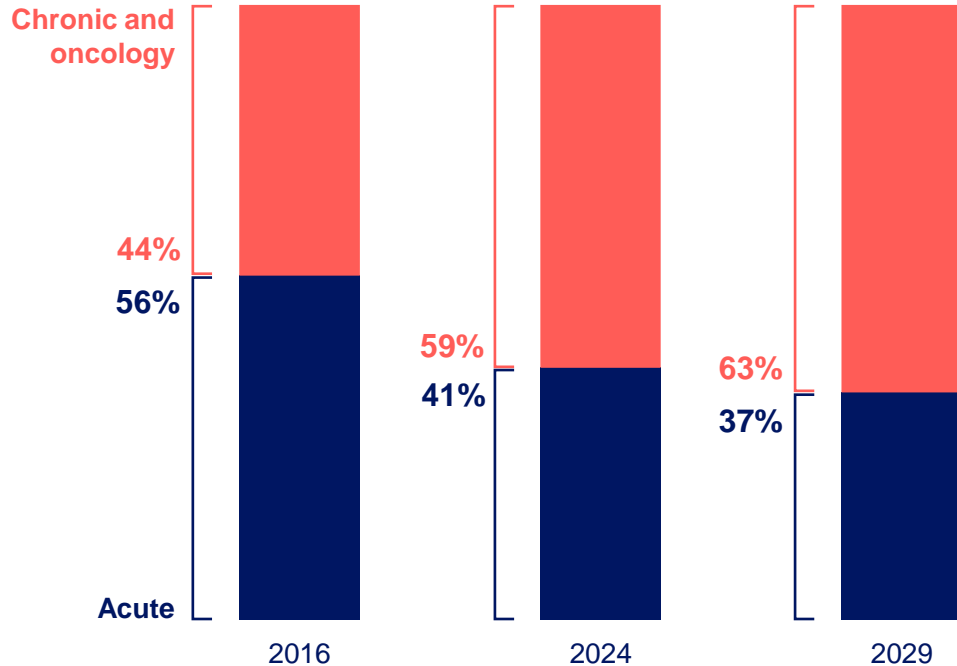
# 1. Robust Pipeline

A. To be tailored to local needs

B. To be first to market

C. To be differentiated

As the prevalence of chronic illnesses and cancer increases, we are shifting our portfolio to address these needs





# 1. Robust Pipeline

A. To be tailored to local needs

B. To be first to market

C. To be differentiated

We have a solid track record of launching first-to-market and first generic products in MENA. Our pipeline reflects the evolving healthcare needs in MENA. The below table shows a snapshot of the therapeutic areas and product categories we will be pursuing in the short, medium and longer term:

	2024 - 26	2026 - 28	2029 +
Lifestyle Diseases	<p><b>Diabetes:</b> Penetrate SGLT2 (Dapa &amp; Empa range)</p> <p><b>Cardio:</b> Strengthen ARBs &amp; ACE inhibitors share (Azil range &amp; Perindopril)</p> <p><b>Dyslipidemia:</b> Strengthen current portfolio (Ezetimibe Combinations)</p>	<p><b>Diabetes:</b> Penetrating GLP1</p> <p><b>Cardio:</b> Introducing combinations &amp; VAM products.</p> <p><b>Dyslipidemia:</b> Expanding to new classes</p>	<p><b>Diabetes:</b> Explore new classes (GLP1/GIP &amp; triple G)</p> <p><b>Cardio:</b> Targeting resistant hypertension</p> <p><b>Dyslipidaemia:</b> Expand to triglycerides lowering drugs</p>
Oncology	<p><b>Solid Tumours:</b></p> <ul style="list-style-type: none"> <li>– Breast Cancer (Palbociclib)</li> <li>– Prostate Cancer (Abiraterone 500mg)</li> </ul> <p><b>Haematological Malignancies:</b> Maximizing our presence in Chronic Leukaemia, mainly CML &amp; CLL</p>	<p><b>Niche Disease Areas:</b></p> <ul style="list-style-type: none"> <li>– RCC</li> <li>– AML-FLT3</li> </ul> <p><b>Targeting Specialty Generics:</b> Difficult to produce products by design arounds and investing in machines</p>	<p><b>Expansion into new areas:</b> Strengthen our portfolio through BD deals in ovarian cancer and prostate cancer</p>
Immunology	<p><b>RA &amp; UC:</b> Build on JAK inhibitors and expand to UC (Tofacitinib)</p> <p><b>MS:</b> Strengthen current MS portfolio (Cladribine)</p>	<p><b>RA &amp; UC:</b> Introduce the most advanced JAK inhibitor</p> <p><b>MS:</b> Introduce follow-on drug for DMF and other S1Ps</p>	<p><b>RA &amp; UC:</b> Explore new classes (JAK-STAT)</p> <p><b>MS:</b> Explore new classes (BTK inhibitors)</p>

# 1. Robust Pipeline

A. To be tailored to local needs

B. To be first to market

C. To be differentiated

Our pathway to launching first to market and first generics

## API Phase

Leverage Hikma Chemicals to develop difficult to source API

## Development Phase

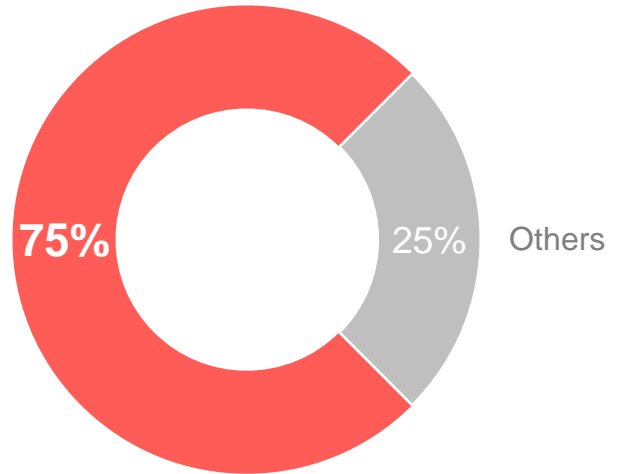
Improve R&D efficiency – introduce lean practices within labs to increase output

## Registration Phase

Faster registration to ensure earliest access to market

First to Launch

1st to market / 1st generic



Of our pipeline opportunities over the next five years, **75% of our top 20** projects are planned as **first to market** or **first generic**

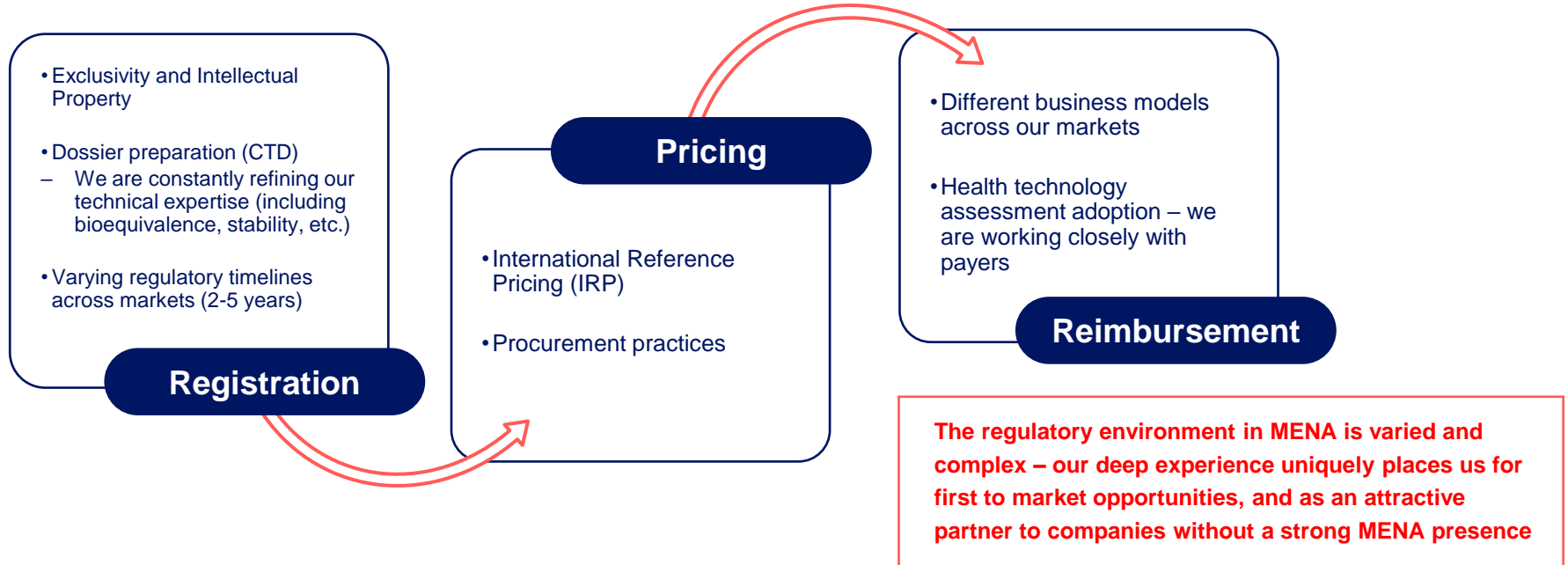
# 1. Robust Pipeline

A. To be tailored to local needs

B. To be first to market

C. To be differentiated

We have a multi-phase approach to regulatory matters:



# 1. Robust Pipeline

A. To be tailored to local needs

B. To be first to market

C. To be differentiated

## How we differentiate

**Know-how differentiation**

**Capabilities & technical differentiation**

**Differentiation through partnership**

## Examples of differentiation in action

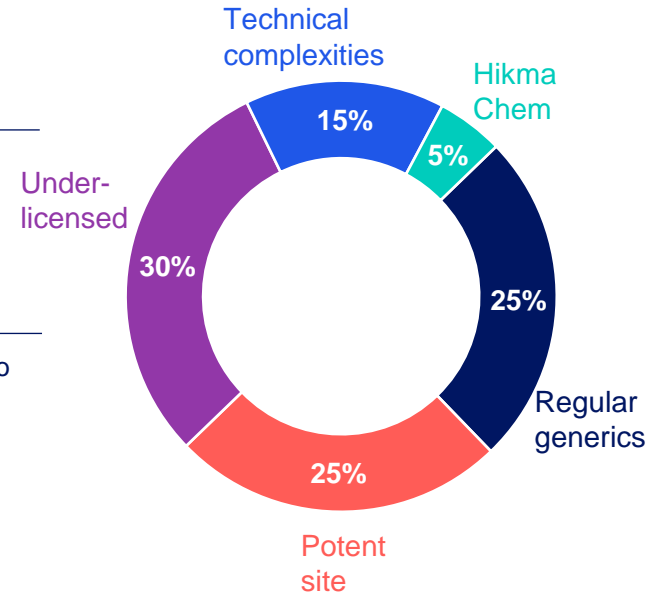
Control of Nitrosamine (Mutagenic) Impurity:

- Metformin (implemented in Dapa-Met)
- Others

- Leverage dedicated facilities in the region, for example for immunology and oncology
- Leverage our differentiated manufacturing technology, such as freeze drying for oral dosage forms, hot melt extrusion and cryogenic pin milling

- Leverage our position as partner of choice to augment our portfolio with specialty and innovative products, such as GLP-1 and long-acting anti-psychotics
- Sign agreements for pipeline rights with companies known for proven technologies, such as SK Biopharmaceuticals
- Expand offering to become a holistic healthcare company, for example by expanding into diagnostics with Guardant Health

## Pipeline projects by category



## 2. Operational Efficiency

Enhancing and expanding our capabilities while ensuring high quality and efficient operations

Our centralised global engineering team enables knowledge sharing and operational optimisation across the Group's sites



**Grow our high-quality manufacturing capabilities**

Capacity expansion such as **high scale/speed machines and automation**

Advanced manufacturing such as **bilayer tableting, nasal spray, pellets and minitabs**

Facilities upgrade and Oncology localisation **Jordan, Tunisia, Algeria, Morocco, and KSA**

Leverage **quality expertise** from across the Group in all MENA operations



**Cost discipline**

Investing in operations excellence initiatives such as **process and network optimisation**

Improving S&OP process by improving forecast accuracy

Optimising our API costs through dual sourcing and unification of suppliers across **MENA**

Product portfolio management and segmentation

### 3. Customer Centricity

**A. Drive new changes in key stakeholders' roles while advancing omnichannel approaches**

**B. Move towards more focused business models and processes**

#### The MENA Healthcare Model

**Educate** by creating disease awareness campaigns and supporting wellness through digital platforms such as:



**Engage** by moving towards more interactive platforms through **hands-on programs, academic preceptorships, and AI solutions**



Patients



Physicians

**Medical teams** to support new market entries  
**Product specialists** to detail speciality products



Payers

**Facilitate** intercountry collaborations and contribute to optimising healthcare policies through the **TRIGER, PRIME, and OPERA** initiatives

**Market access teams** to explore pharmaco-economic concepts and cost effectiveness

**Empower** by strengthening their medical and counselling skills through the **Level Up** program and the **PharmaNet Initiative**



Pharmacists

**Commercial teams** to promote commodity products and basket offers

**TRIGER** (Tailored Reimbursement for Innovative & Generics Essential Remedies)  
**PRIME** (Pricing and Regulatory Intelligence for Market Endorsement)  
**OPERA** (Optimising Procurement Efficiency, Resources, and Accountability)

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# Business development

Leveraging our partner of choice status to bring increasing innovation across Branded and MENA Injectables

	Current	Medium term	Longer term
<b>Highly differentiated technology<sup>1</sup></b>	Guardant Health – diagnostics partnership		Rakuten Medical – portfolio partnership
<b>Highly differentiated top tier products<sup>2</sup></b>	Remsima SC (subcutaneous) Ferinject (expansion)	Toripalimab Xcorpi Winlevi Infasurf (expansion)	SK BP – portfolio partnership
<b>Complex products<sup>3</sup></b>	Adalimumab Bevacizumab	Ustekinumab Combogesic Ganirelix Cetrorelix Paliperidone LAR	Ruxolitinib cream

1. **Highly differentiated technology** means those products/portfolios of breakthrough technology  
 2. **Highly differentiated top tier products** are those which are high value specialised innovative products  
 3. **Complex / differentiated products** are those which are innovative (but less specialised) or generics/biosimilars with complex manufacturing technology and less exposure to generic competition



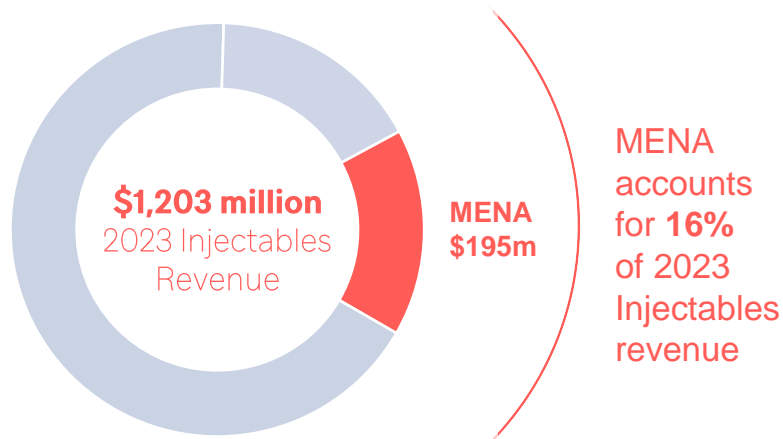
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# MENA Injectables Introduction

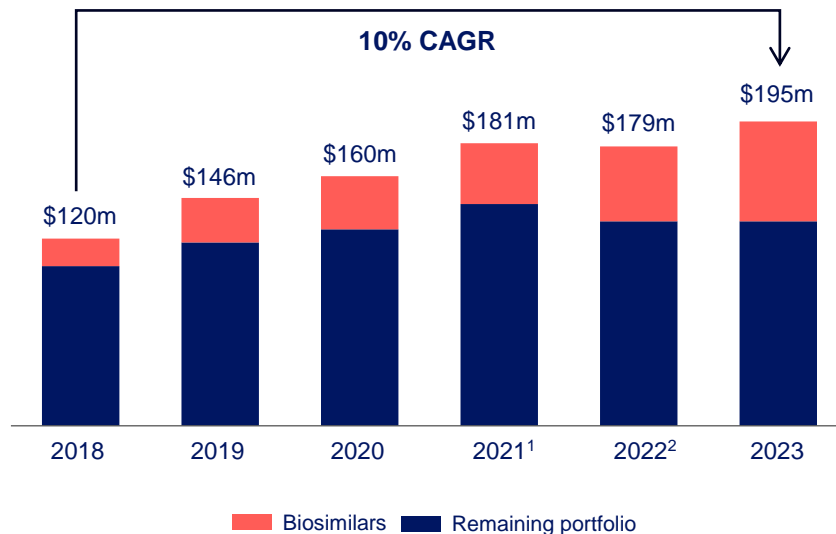
A growth business, leveraging our global capabilities to be a key local supplier of sterile injectables

## MENA Injectables as % of total Injectables



- Present in 16 markets, with KSA largest and Morocco a top tier market
- Portfolio of 122 unique molecules with more than 270 SKUs
- Nearly a third of the business is biosimilars and almost a quarter is innovative
- Key customers are authorities and payors, therapeutic area experts and pharmacists, hospitals, and patients
- Leveraging synergies with Branded business in Anti-infectives, CNS, and oncology

## Delivering double digit revenue growth supported by growing portfolio and biosimilars



<sup>1</sup> 2021 revenue includes \$12 million impact from hyperinflation

<sup>2</sup> In constant currency, 2022 revenue grew 2% vs 2021

# Uniquely positioned for differentiation in MENA

We have two growth engines – generics and our innovative and precision medicine portfolio

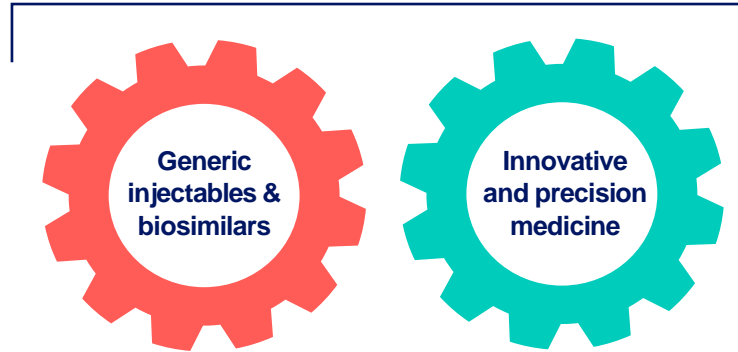
## Providing a differentiated generic injectable portfolio in MENA

- Differentiated generic injectables generate near-term growth
- Biosimilars generate near-term growth and increase patient access to treatment

## Differentiated generic Injectables

- All our generics in MENA are branded and most of them require detailing
- We can differentiate through brand equity or by being first to market and even building the market itself
- Specialty and primary care, mostly hospital products
- Flexibility in addressing demand, customer orientation, and brand equity at a product or a company level continue to be key drivers in MENA

## MENA Injectables: Two complementary growth drivers



**Both engines operate simultaneously to ensure Hikma is positioned for growth**

### Pillars of success

- Ensure continuous enhancement of our commercial capabilities.
- Impeccable ground-level implementation.
- Use innovative products as anchors around which we package our broad generics portfolio.

## Bringing innovative products to MENA

- Our innovative business yields improved pricing, an extended lifespan, and differentiates us from traditional generic competition

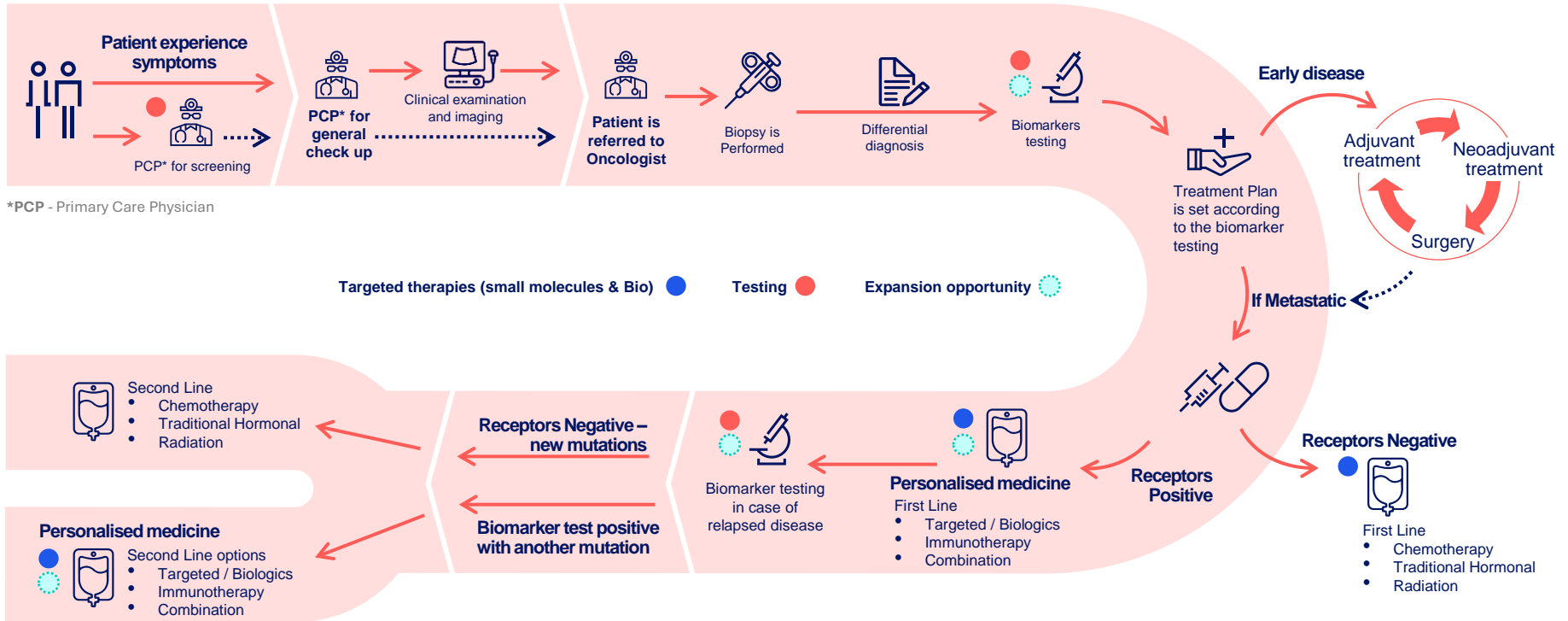
## Differentiated innovative injectables

- We operate a sophisticated sales force structured traditionally (line managers and reps), with wide penetration and standard detailing

## Specialty & precision/personalized medicine

- Precision medicines require smaller, specialised teams with a focus on patient recruitment and a service offering

# Strategy in action: Oncology – Hikma is present across the cancer continuum



# Strategic priorities by product category

Our journey to become a top hospital player in MENA

**Ambition: To become a top hospital player in MENA, supporting patients across their journey to Better Health**

## Foundation portfolio strategic priorities:

- Simple-to-develop generic injectables
- Maintain and gain market share by leveraging new local manufacturing capabilities (Algeria and Morocco sites)
- Expand portfolio breadth, focusing on local market needs with customised products

## Differentiated portfolio strategic priorities:

- Differentiated products – complex generics or innovative products
- Expand in current areas - blood products, anti-infectives, immunology, oncology and pain - and explore new areas.
- Explore digital health, diagnostics, and MedTech opportunities

## Precision medicines strategic priorities:

- Highly sophisticated specialty products or precision medicine products
- Leverage strong BD capabilities and relations to add more precision medicine capabilities (e.g. genomic diagnostics) and expand in biologics (e.g. bi-specifics)

Pipeline

Ops

Comm Org.

- Drive manufacturing efficiencies through process and network optimisation (e.g. API costs)
- Maintain operational flexibility to address changes in market demand and shortages

- Utilise MENA sites for Biosimilars fill & finish, innovative life cycle extension, and benefit from localisation incentives

- Strengthen regulatory teams, support functions and tools in-line with sophisticated specialty needs

- Increased commercial specialisation – one team supporting our Foundation business to increase coverage for our wide portfolio to hospitals and one supporting our Specialised portfolio
- Capitalise on sites to further strengthen market access and authority relationships

- Customer centricity & launch excellence: driven by integrated plans of medical, market access and commercial functions.

- Deliver on recent partnerships (e.g. Junshi and Guardant Health), and invest in strengthening these capabilities further as we sign more deals
- Patient recruitment focus & medical at the core of the business
- Government partnership on screening programs

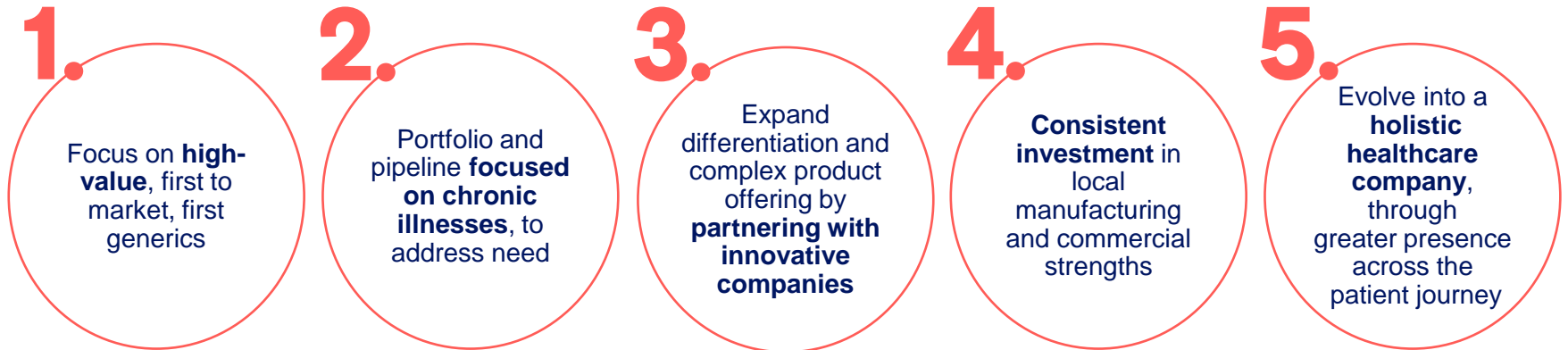
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# Our strategy – leveraging our global expertise and local knowledge to deliver on the healthcare needs across MENA

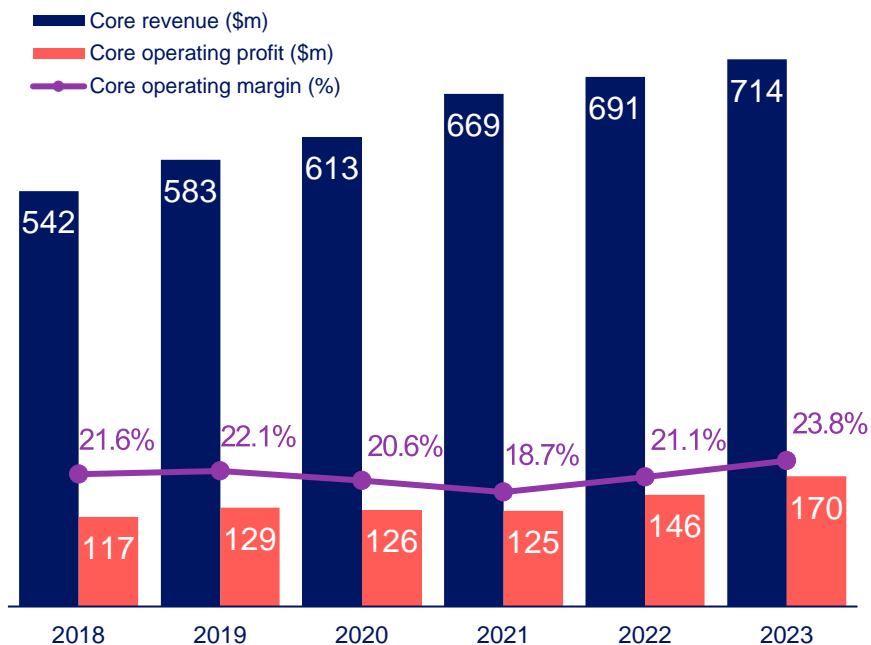
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Our strategy sets us up for continued success and supports our ambition to become the largest pharma company in MENA



## Branded: well placed for organic growth

Strong track record of growth and margin expansion  
in our Branded business



<sup>1</sup> Assumes constant currency

Over the next five years we expect:

5-year Revenue  
CAGR  
**+6%**

5-year core  
operating profit  
CAGR  
**+8%**

Core operating  
margin expansion  
**+220 bps**

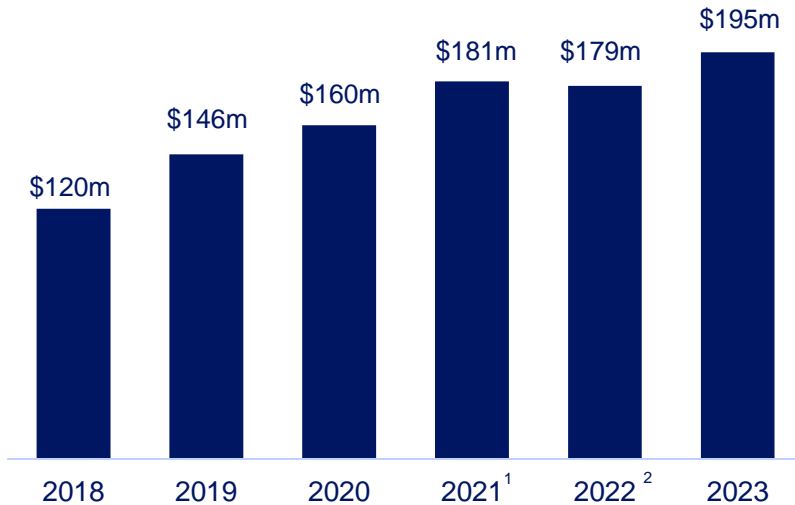
Revenue to  
grow at a  
**CAGR**  
of **7-8%**<sup>1</sup>

Core EBIT  
margin in the  
**mid-20s**



# MENA Injectables: well placed for organic growth

Strong track record of revenue growth  
in our MENA Injectables business



5-year Revenue  
CAGR  
**+10%**

Over the next five  
years we expect:

Revenue to  
grow at a  
**Low double-  
digit CAGR<sup>3</sup>**

<sup>1</sup> 2021 revenue includes \$12 million impact from hyperinflation

<sup>2</sup> In constant currency, 2022 revenue grew 2% vs 2021

<sup>3</sup> Assumes constant currency

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**Thank you.**