

## Hikma reiterates full year segmental guidance, with strong momentum in Injectables and Branded

**London, 3 November 2022** – Hikma Pharmaceuticals PLC (Hikma, Group), the multinational pharmaceutical group, today provides an update on current trading.

Said Darwazah, Executive Chairman and Chief Executive Officer of Hikma, said:

“I am pleased to reiterate full year guidance for all three of our businesses. We are seeing strong momentum in our Branded and Injectables businesses, reflecting the benefits of their increasingly broad and differentiated product portfolios, leading market positions and our flexible high-quality manufacturing footprint. While the US generics market continues to be competitive, our Generics business is performing in line with the guidance we set out at our interim results and we continue to expect this business to grow in 2023.”

### Injectables

Our global Injectables business is performing well, maintaining the positive momentum seen in the first half. In the US, we are delivering strong growth, benefitting from our broad and growing portfolio of over 130 products, new launches and a good contribution from the newly acquired Custopharm portfolio.

In Europe and Rest of World, we are benefitting from strong demand for our products, particularly in Germany where we are responding to market shortages. Canada is also performing well following the acquisition of Teligent's Canadian assets earlier in the year. In MENA, we are seeing good demand across most of our markets, with particularly strong growth in Saudi Arabia, driven by our biosimilar products and successful new launches.

We are also making good strategic progress across our Injectables business. In the US, we have launched nine new products since the beginning of the year and have good momentum in the establishment of our compounding business. In MENA, we continue to benefit from our strong local presence and are strengthening our manufacturing capabilities in Egypt, Algeria and Morocco.

For the full year, we continue to expect Injectables revenue growth in the mid to high-single digits and now expect to be at the top end of our core operating margin guidance of 36% to 37%.

### Branded

Our Branded business is performing well. We are benefitting from an increasingly diversified portfolio of high value products focusing on chronic illnesses. Our tier one markets, particularly Algeria and Egypt, are performing strongly on a constant currency basis. Other markets such as Morocco and Iraq are also performing well.

Our focus on building a portfolio of chronic treatments, as well as our ability to leverage our global capabilities and operate locally across MENA, continues to drive momentum in our underlying business. In Saudi Arabia, we are benefitting from commercial improvements, enabling us to focus our promotional efforts on key therapeutic areas such as respiratory and diabetes, where we are gaining market share. We are also gaining market share in Algeria, where we are benefitting from strong growth in our oral oncology portfolio.

We continue to expect full year Branded revenue to grow in the low single-digits on a reported basis, despite currency devaluations in our North African markets, particularly Egypt. On a constant currency basis, we expect Branded revenue to grow in the mid-single digits. We continue to expect core operating profit to be more evenly split across the year.



## Generics

The outlook for our Generics business remains unchanged since we updated the market in August. While we continue to see low double-digit price erosion and mid-single digit volume erosion in the US, our actions to reduce costs and improve efficiencies, in combination with our strong customer relationships and broad portfolio, are enabling us to maintain a healthy core operating margin in the mid-teens. We continue to focus on building a diversified product portfolio of differentiated generics and specialty products, and are leveraging our manufacturing facility for more contract manufacturing opportunities, which will help improve the resilience of this business.

For the full year, we continue to expect Generics revenue to be in the range of \$650 million to \$675 million and core operating margin to be between 15% to 16%.

## Impact of inflation and interest rates on the Group

We are increasingly seeing the effects of the global inflationary environment on costs, as expected when we announced our interim results. We have been managing this through tight control of costs and a focus on operating efficiencies. These impacts are reflected in our guidance.

Due to increasing interest rates, we now expect core net finance expense to be around \$74 million, compared to our previous guidance of around \$68 million.

## Board evolution and CEO search

Since August, we have appointed three new independent non-executive directors to the Board. Laura Balan, Victoria Hull and Deneen Vojta collectively bring a wealth of experience covering the US and global healthcare industries and the UK capital markets. We now have 45% female representation on the Board.

The search for a new CEO remains on track and an update will be provided when an appointment is made.

We will announce our preliminary results for the year ended 31 December 2022 on 23 February 2023.

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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 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 8,700 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](http://www.hikma.com)

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