

Hikma announces buy back of up to approximately £295 million of shares from Boehringer Ingelheim

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

London, June 22, 2020 – Boehringer Ingelheim Invest GmbH (“Boehringer Ingelheim”) has today announced its intention to exit in full its investment in Hikma Pharmaceuticals PLC (“Hikma” or the “Company”). As of today, Boehringer Ingelheim holds 40 million ordinary shares in Hikma, which represents approximately 16.4 per cent. of the issued ordinary share capital and voting rights in the Company.

Boehringer Ingelheim has commenced an accelerated bookbuild offering (the “Bookbuild”) to sell up to approximately 28 million shares in Hikma (the “Placing Shares”) to institutional investors only (the “Placing”). Concurrently with the Placing, Hikma has committed to buy back from Boehringer Ingelheim such number of ordinary shares (“the Buy Back Shares”) as does not exceed an aggregate value of £295 million (being an amount approximately equal to 4.99% of the aggregate market value of all the Shares of the Company at the close of business on 22nd June 2020, less the value of the commitment fee described below) (the “Buy Back”). The purchase price for each of the Buy Back Shares will be equal to the sale price for each of the Placing Shares (the “Buy Back Price”). The Buy Back Price is subject to the price limit set out below. Hikma has separately today entered into an agreement with Boehringer Ingelheim pursuant to which Hikma will receive a commitment fee of 2 per cent. of the aggregate value of the Buy Back Shares acquired at the Buy Back Price (the “Commitment Fee”). Citigroup Global Markets Limited (“Citi”) will act as riskless principal for the purpose of the Buy Back.

The Buy Back is subject to the satisfaction of a number of conditions, including the successful pricing of the Placing and provided that the price payable by Hikma for the Buy Back Shares does not exceed a per share amount equal to £24.71, which, net of the 2% commitment fee, is equal to approximately £24.22, being the average closing price of the five business days preceding to today’s date. If the Placing Price is within the pricing limits that apply to the Buy Back Price, the Placing cannot proceed unless the Buy Back proceeds.

Hikma will fund the Buy Back from cash and available facilities. Hikma intends to hold the Buy Back Shares in treasury and Hikma will not receive any proceeds from the Placing. Following the successful completion of the Placing and the Buy Back, Boehringer Ingelheim would no longer hold any shares in Hikma.

The shares being sold by Boehringer Ingelheim were issued by Hikma as part of the consideration for the acquisition of Roxane Laboratories in February 2016. The Buy Back demonstrates the Board’s confidence in Hikma’s future prospects. Since its initial public offering (“IPO”) in 2005, Hikma has delivered a total shareholder return of approximately 926%, exceeding the FTSE 100 total shareholder return of approximately 105%.



As at 31 December 2019, Hikma's net debt to core EBITDA ratio was 0.4x.

Boehringer Ingelheim is a related party of Hikma for the purposes of the Listing Rules by virtue of its approximately 16.4 per cent. shareholding in Hikma. The Buy Back by Hikma and the associated payment of the Commitment Fee by Boehringer Ingelheim constitute a smaller related party transaction falling within LR 11.1.10R(1) and this announcement is therefore made in accordance with LR11.1.10R(2)(c). The aggregate amount of the Buy Back and the commitment fee cannot be higher than approximately £301 million.

Citi and Goldman Sachs International ("Goldman Sachs") are acting as joint financial advisers to Hikma on the Buy Back.

Commenting, Said Darwazah, Executive Chairman of Hikma, said:

"I would like to thank Boehringer Ingelheim for their support as a major shareholder in Hikma since our acquisition of Roxane in 2016. We are delighted to have the opportunity to welcome new investors into Hikma and at the same time have this unique opportunity to acquire a significant proportion of our share capital. The Buy Back reflects our confidence in the future prospects of the business and we will retain significant financial flexibility to continue to execute our strategy. We remain focused on delivering future growth and value creation for our shareholders."

The person responsible for the release of this announcement on behalf of Hikma is Peter Speirs (Company Secretary).

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About Hikma

Hikma Pharmaceuticals PLC (LSE: HIK) (NASDAQ Dubai: HIK) (OTC: HKMPY) (LEI:549300BNS685UXH4JI75) (rated Ba1/stable Moody's and BB+/positive S&P)

Hikma helps put better health within reach every day for millions of people in more than 50 countries 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 United States (US), 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 8,600 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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Citi, which is authorised by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority is acting as financial adviser and corporate broker to Hikma and for no one else in connection with the Buy Back and other matters described in this announcement, and will not be responsible to anyone other than Hikma for providing the protections afforded to its clients nor for providing advice in relation to the Buy Back or any other matters referred to in this announcement. Neither Citi nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, tort, in delict, under statute or otherwise) to any person who is not a client of Citi in connection with this announcement, any statement contained herein, the Buy Back or otherwise.

Goldman Sachs, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting as financial adviser to Hikma and no one else in connection with the Buy Back and will not be responsible to anyone other than Hikma for providing the protections afforded to clients of Goldman Sachs International or for providing advice in connection with the Buy Back or in this Announcement or any transaction or arrangement referred to herein.

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