# Better health.
# Within reach.
# Every day.

**Hikma Pharmaceuticals PLC**

2024 Interim Results

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# Strategic overview

Riad Mishlawi, Chief Executive Officer

# Delivering a strong first half performance

**$1,569**m

Revenue

1H23 **$1,427m** ↗ **10%**

**$402**m

Core[1] operating profit

1H23 **$401m** **0%**

**$453**m

Core EBITDA[2]

1H23 **$451m** **0%**

**$198**m

Operating cash flow

1H23 **$222m**

**128**¢

Core basic earnings per share

1H23 **129¢** ↘ **(1)%**

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.
2. Core EBITDA is earnings before interest, tax, depreciation, amortisation, impairment charges, adjusted for exceptional items and other adjustments. Core EBITDA is a non-IFRS measure. See 2024 interim press release for a reconciliation to reported IFRS results.

# Executing on four pillars of value creation

A solid platform with a unique business model

Increasingly diverse portfolio and pipeline


A proven track record and a clear strategy for growth

Strong financial position underpins growth ambition

Executing on four pillars of value creation

# A solid platform with a unique business model

## Leading market positions

5th largest in the US[1]
2nd largest in MENA[2]

- Expanded market reach in Europe with entries into Spain and UK
- Maintained strong positions in Injectables and Generics in the US

## Large and growing portfolio

+760 products

- Launched 59 products across our markets
- Strengthened product mix in Branded through continued shift towards higher value medicines
- Improved access to diabetes treatments and strengthened our position as a leading supplier of oncology medicines in our Branded business, with 43% growth in revenue from oncology products and 50% from diabetes products

## Expansive manufacturing footprint

29 plants

- Adding scale and automation across our sites
- Expanded lyophilisation capacity in Portugal and filling capacity in Italy
- Strengthened local manufacturing capabilities in MENA, particularly in Algeria, Morocco and Tunisia

**Building** on our successes in H1

1. IQVIA MAT May 2024, includes generic injectable and non-injectable products by sales
2. IQVIA MIDAS Pharma Index MAT May-2024. Does not include hospital or tender business

# A solid platform with a unique business model

## Adding to the strength of our base business through the Xellia acquisition[1]

**8** approved and marketed products and **11** pipeline products

**Large scale** manufacturing facility in Cleveland, Ohio

**R&D centre** in Zagreb, Croatia

### Diversifies and expands ready-to-use portfolio

- **Successful launches** to date with great potential, including Vanco Ready® (vancomycin)
- **R&D center enhances capabilities** to develop innovative and generic products primarily in premix RTU bags

### Cleveland site offers end-to-end manufacturing capabilities and adds complex technologies

**Manufacturing capabilities**

- **2** aseptic premix bag filling line
- **6** lyophilisers

**With potential to expand further through greenfield and brownfield projects**

1.Subject to FTC approval

Executing on four pillars of value creation

# Increasingly diverse portfolio and pipeline

**>300**

**products in our pipeline[1]**

**6%-7%**

**target spend of Group revenue on R&D**

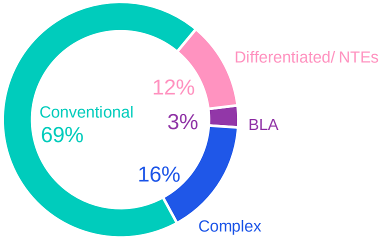
## Across the Group we are looking at:

**Increasing the complexity of our pipeline** through introduction of new technologies

**Improving the quality of our filings** for higher rate of first pass approvals

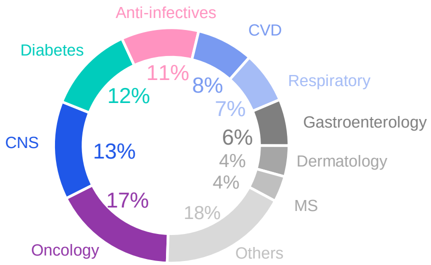
**Utilising our internal API capabilities** to introduce vertically integrated niche products

## Injectables | **127** projects[1]



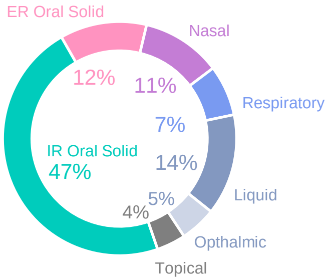

- Enhancing ex- US pipeline, representing 46% of total projects
- Adding differentiated products with dosage forms that bring value to customers (eg RTU)

## Branded | **141** products[1]




- 57% of pipeline are first to market and first generic products

## Generics | **57** programmes[1]




- >50% of pipeline has been already filed



1.Pipeline at 30 June 2024

Executing on four pillars of value creation

# A proven track record and clear strategy for growth

## Consistently delivering strong growth

**5-year revenue CAGR**

**+5% CAGR**

**5-year core EBIT growth CAGR**

**+7% CAGR**

## Our clear path to continue delivering consistent and profitable growth


**Enhance**
operational efficiencies and embrace new technologies, maintaining our high-quality levels

**Leverage**
our broad portfolio and strong commercial capabilities

**Develop**
a more differentiated pipeline

**Expand**
into adjacent businesses and geographies

**Empower**
our people and cultivate a unified culture

**Act**
responsibly across our local markets and communities

## Strong 2024 guidance

**Revenue growth:**

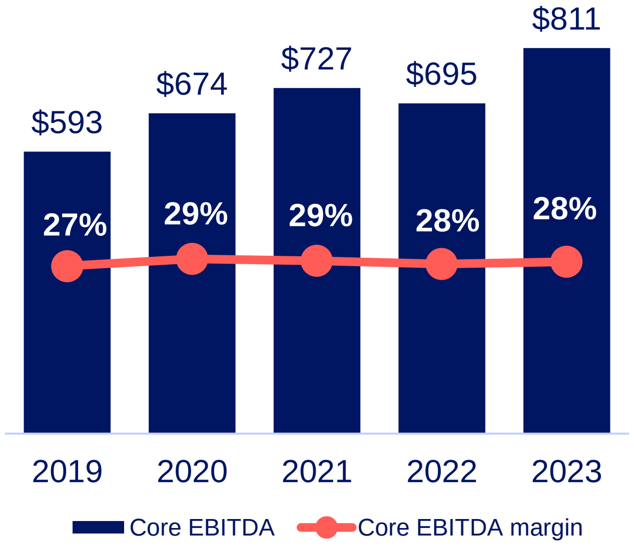
**6% to 8%**

**Core operating profit**

**$700m to $730m**

# Strong financial position underpins growth ambition

## Consistently delivering industry-leading EBITDA margins and strong cash generation




**29%**

**H1 2024 EBITDA margin**

## Strong balance sheet enabling capital deployment to augment growth

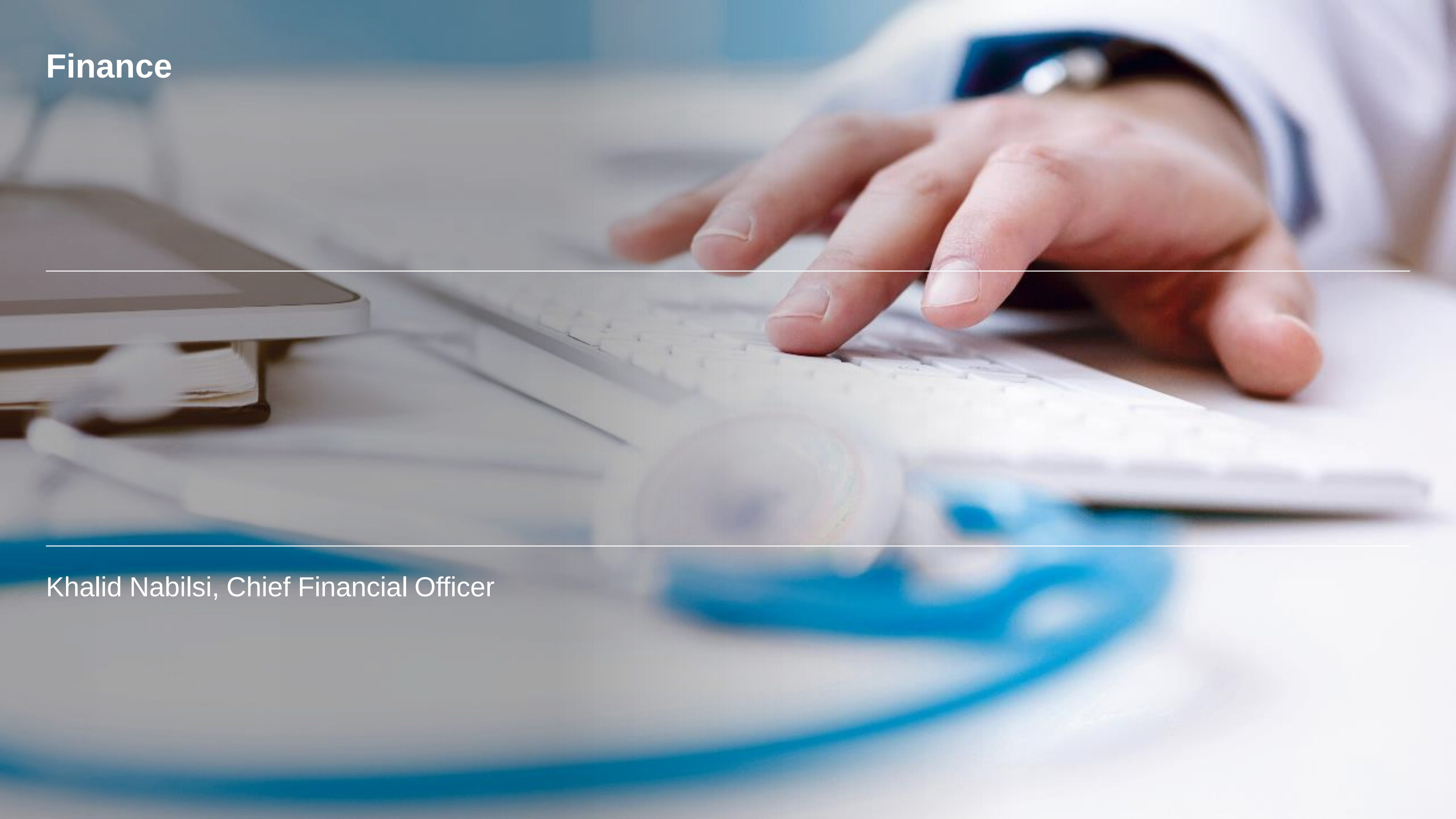
**Net debt/core EBITDA** 1.3x

**Firepower** c.$1.5bn

Xellia acquisition supports long-term growth of Injectables business, adding:

- Portfolio of products with immediate revenue
- Manufacturing capacity and complex technologies
- R&D capabilities

# Finance



Khalid Nabilsi, Chief Financial Officer

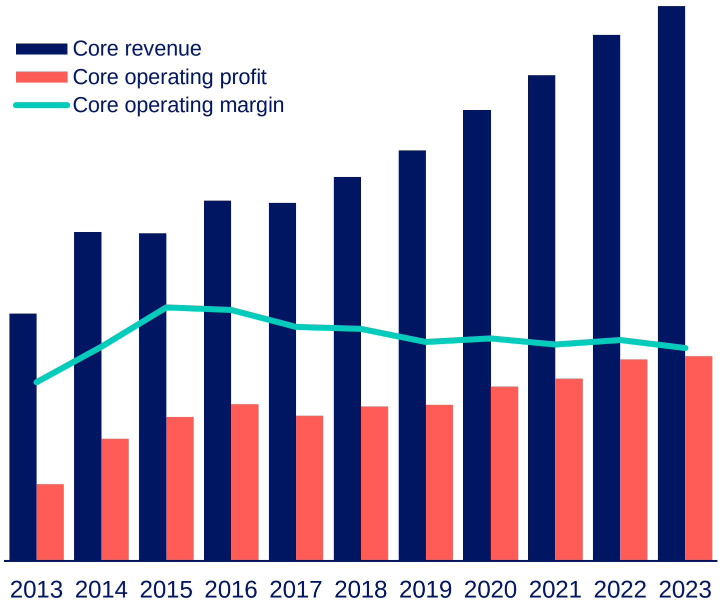
# Group financial highlights

| | 1H23 | 1H24 | % change |
|---|---|---|---|
| Core[1] revenue | $1,427 million | $1,569 million | **+10%** |
| Core gross profit | $733 million | $756 million | **+3%** |
| Core operating profit | $401 million | $402 million | **0%** |
| Core EBITDA[2] | $451 million | $453 million | **0%** |
| Core profit attributable to shareholders | $284 million | $283 million | **0%** |
| Core basic earnings per share | 129 cents | 128 cents | **(1)%** |
| Interim dividend per share | 25 cents | 32 cents | **+28%** |

[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 condensed consolidated interim financial statements
[2] Core EBITDA is earnings before interest, tax, depreciation, amortisation, impairment charges, adjusted for exceptional items and other adjustments. Core EBITDA is a non-IFRS measure. See 2024 interim press release for a reconciliation to reported IFRS results. Core EBITDA for the twelve months ending 30 June 2024, which is used in the calculation of net debt to core EBITDA, was $813 million
[3] For reported figures refer to the appendix

# Injectables

## Core revenue and core operating profit performance over 10 years




## Core revenue and core operating profit performance for 1H 2024

1H 2024 revenue
$609 m
**+4%**

1H 2024 core operating profit
$221m
**0%**

1H 2024 core operating margin
**36.3%**
**(1H23: 37.8%)**

### Revenue

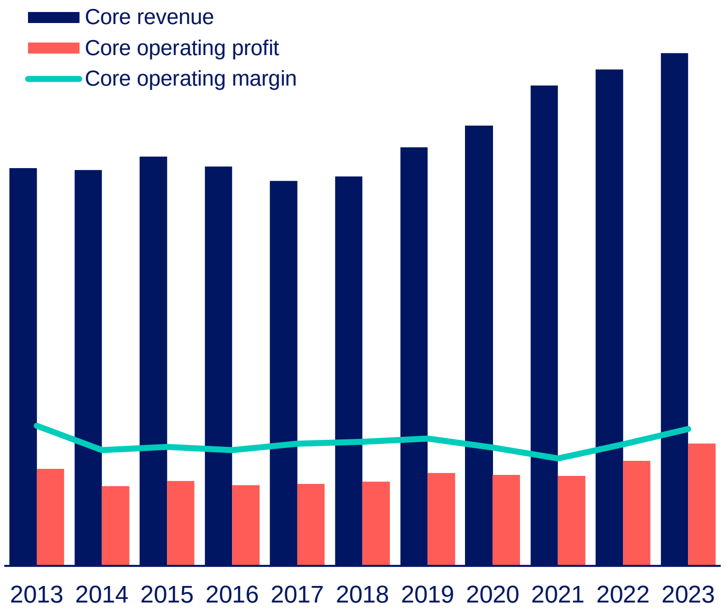
- ⊕ Good demand in North America for base portfolio and recent launches
- ⊕ Strong demand for own products in Europe in established and new markets
- ⊕ Good growth in MENA across most markets, benefitting from biosimilars and new launches
- ⊖ Lower revenue from our CMO business due to timing of contracts. Expect second half weighting

### Core operating profit

- ⊖ Product mix
- ⊖ Higher employee costs

# Branded

## Core revenue and core operating profit performance over 10 years




## Core revenue and core operating profit performance for 1H 2024

1H 2024 revenue
$419m
**+12%**

1H 2024 core operating profit
$129m
**+24%**

1H 2024 core operating margin
**30.8%**
**(1H23: 27.7%)**

### Revenue

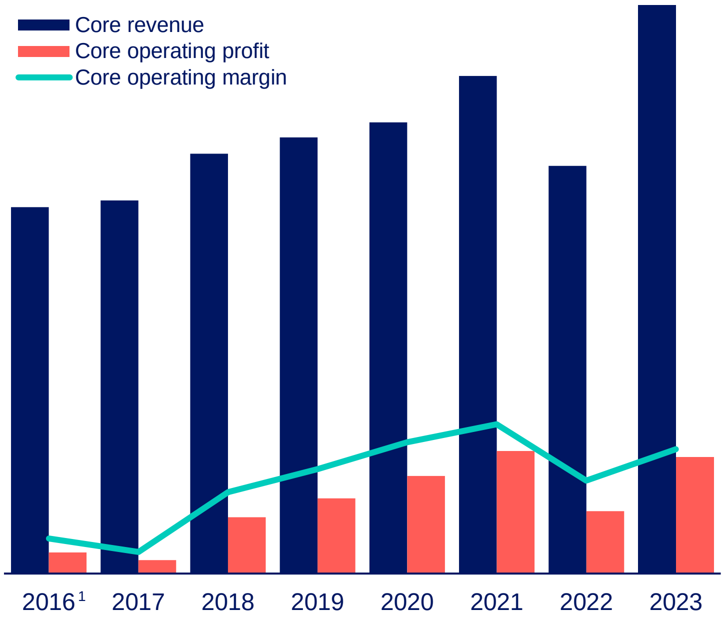
- ⊕ Strong growth across all markets
- ⊕ Benefitting from our focus on high value chronic medications
- ⊕ Pull forward of tenders, primarily for oncology products

### Core operating profit

- ⊕ Improvement in product mix
- ⊖ Currency devaluation in Egypt

# Generics

## Core revenue and core operating profit performance since Columbus acquisition




## Core revenue and core operating profit performance for 1H 2024

1H 2024 revenue
$528m
**+15%**

1H 2024 core operating profit
$104m
**(15)%**

1H 2024 core operating margin
**19.7%**
**(1H23: 26.5%)**

### Revenue

- ⊕ Strong performance from the base business with improving volumes
- ⊕ Authorised generic of sodium oxybate continues to generate good revenue

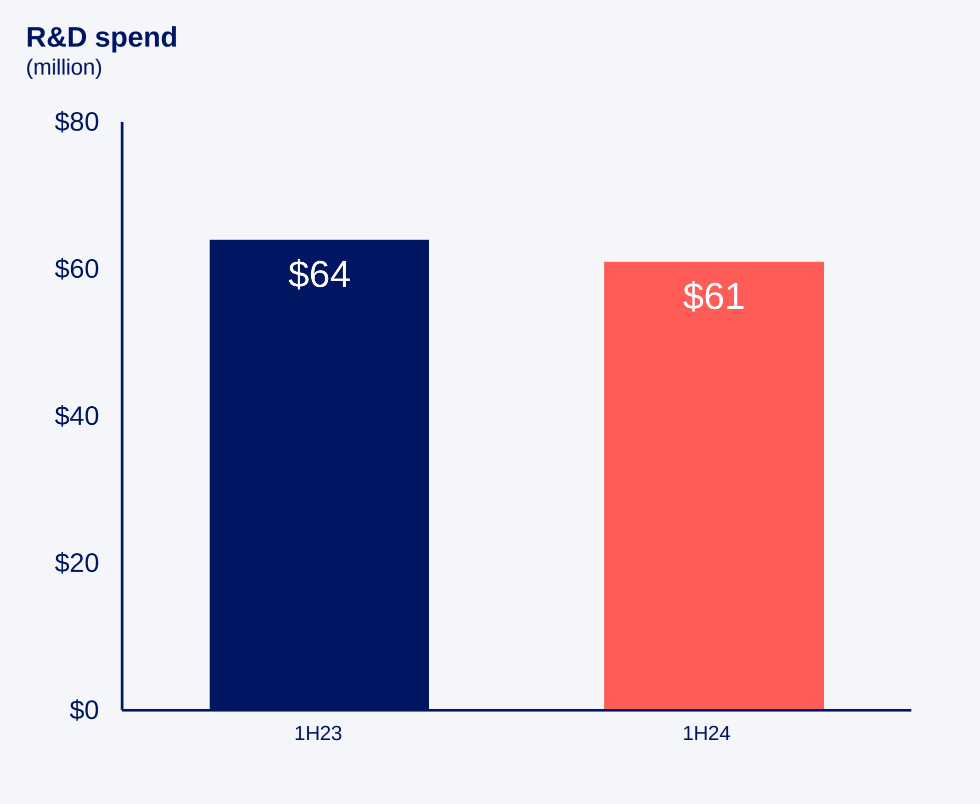
### Core operating profit

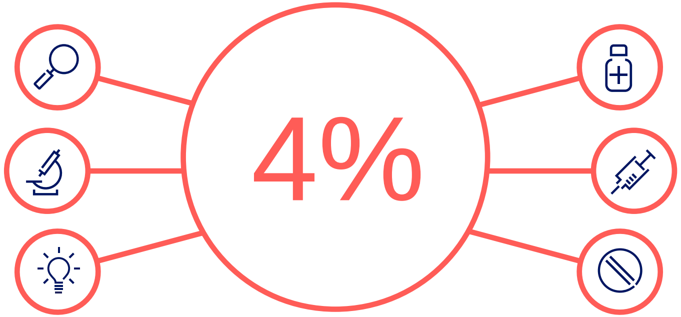
- ⊖ Higher royalties payable on authorised generic of sodium oxybate



[1] Completed the acquisition of Roxane laboratories

# Expanding and enhancing our product pipeline



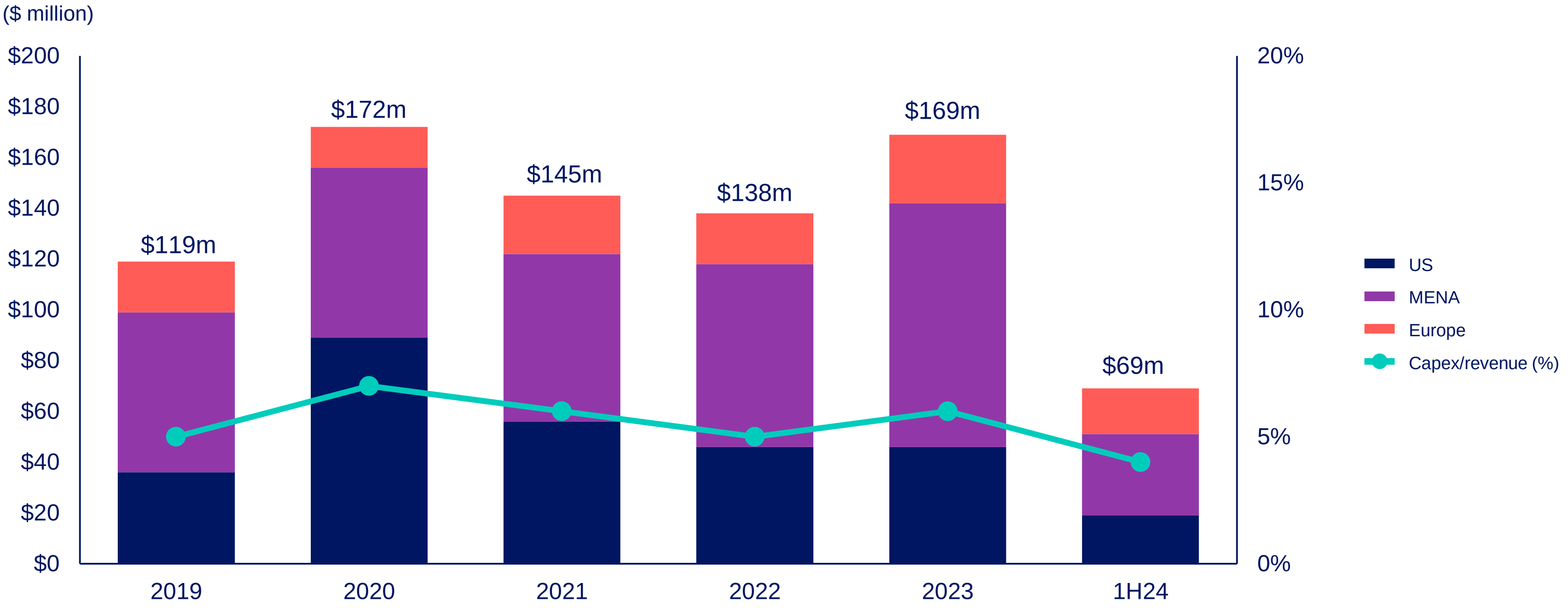




**of Group core revenue invested in R&D**

Continue to invest in building a pipeline of differentiated products.

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

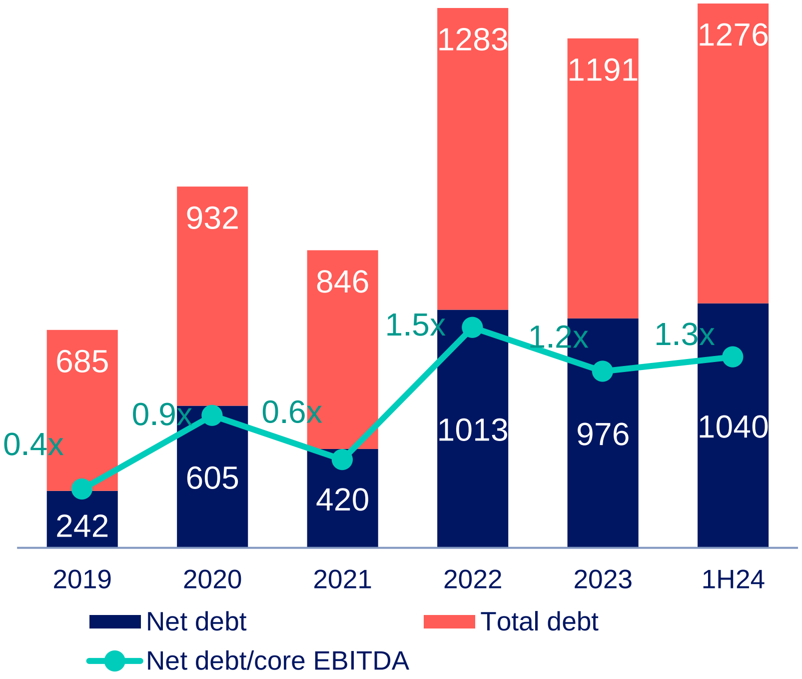
## Capex by region



# Cash flow and balance sheet

## Debt and leverage

(millions)




## Operating cash flow

| | June 2023 | June 2024 |
|---|---|---|
| Operating cash flow | 222 | 198 |
| Operating cash flow/revenue | 16% | 13% |

# Upgraded 2024 full year guidance

## GROUP

**Revenue growth:** 6% to 8%

**Core operating profit:** $700 million to $730 million

### Injectables

- Revenue growth: **6% to 8%**
- Core operating margin: **36% to 37%**

### Branded

- Revenue growth: **high-single digits in constant or 6% to 8% on reported basis**
- Core operating margin: **c.25%**

### Generics

- Revenue growth : **5% to 7%**
- Core operating margin: **16% to 17%**

### Net finance expense

**$91 million**

### Capital expenditure

**$140 million to $160 million**

### Tax

Core effective tax rate: **22% to 23%**

# Wrap-up

## H1 2024

Six months of **strong growth** and **significant progress**

Strong H1 performance

Impressive core EBITDA margin of 29%

Strong progress in all three businesses

Continued investment for future growth

New product launches and partnerships expanding portfolio

Positive 2024 outlook

hikma.

# Appendix

# Group reported financial highlights

| | 1H 2023 | 1H 2024 | % change |
|---|---|---|---|
| Revenue | $1,427 million | $1,569 million | **+10%** |
| Gross profit | $715 million | $756 million | **+6%** |
| Operating profit | $245 million | $351 million | **+43%** |
| Profit attributable to shareholders | $131 million | $226 million | **+73%** |
| Basic earnings per share | 59 cents | 102 cents | **+73%** |