

Better health.
Within reach.
Every day.

Hikma Pharmaceuticals PLC
2022 Preliminary Results

hikma.

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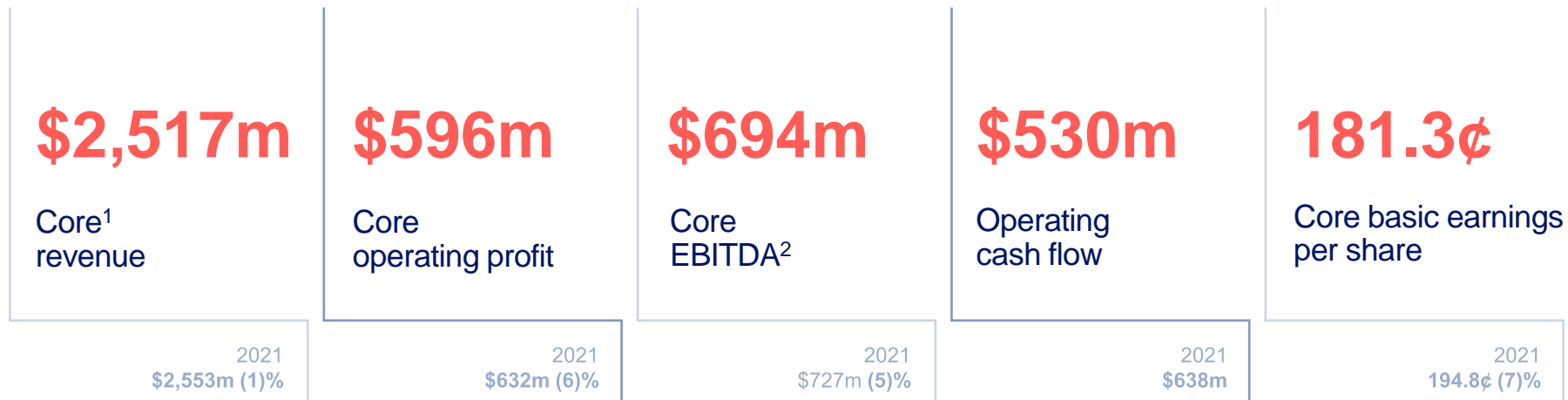
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Resilient core performance driven by diversified business model



¹ Core results are presented to show the underlying performance of the Group, excluding exceptional items and other adjustments

² EBITDA is earnings before interest, tax, depreciation, amortisation, assets write-down, impairment charges/reversals and unwinding of acquisition related inventory step-up. Core EBITDA is adjusted for exceptional items. EBITDA is a non-IFRS measure, see 2022 preliminary press release for a reconciliation to reported IFRS results.

Strong foundation and operational strength to support sustainable growth



A well diversified, global generic pharmaceutical business

- Strong market positions across US, Europe and MENA
- Excellent customer relationships
- Extensive and flexible manufacturing footprint
- Trusted partner known for our commitment to quality and reliability of supply
- Solid track record of organic revenue growth and margins



Good strategic progress in 2022

- Successfully completed and integrated two acquisitions
- Expanded in Europe with entry into France
- Grew market share in MENA
- Invested in commercial capabilities to support a growing specialty portfolio
- Launched 182 products



Strong and sustainable platform for future growth

- A solid platform for growth across all three businesses
- Building a differentiated and specialty portfolio
- Strengthening foothold in MENA and Europe
- Leveraging manufacturing strength for strategic CMO
- Strong balance sheet and robust cash generation

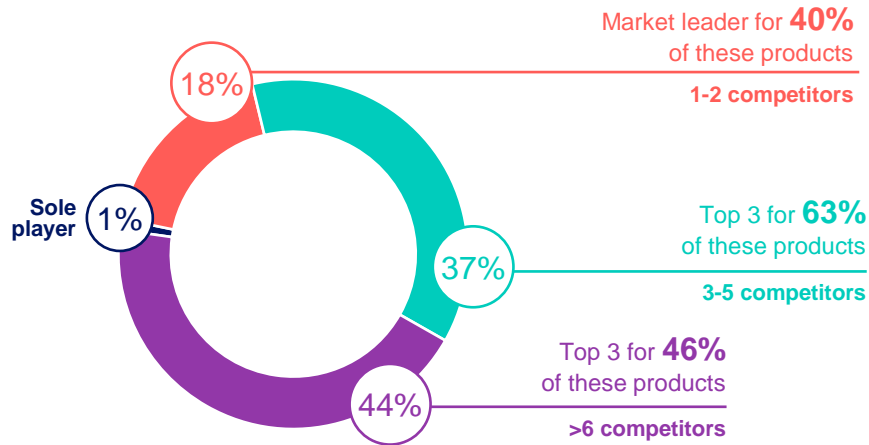
Injectables



Benefitting from broad portfolio and flexible manufacturing

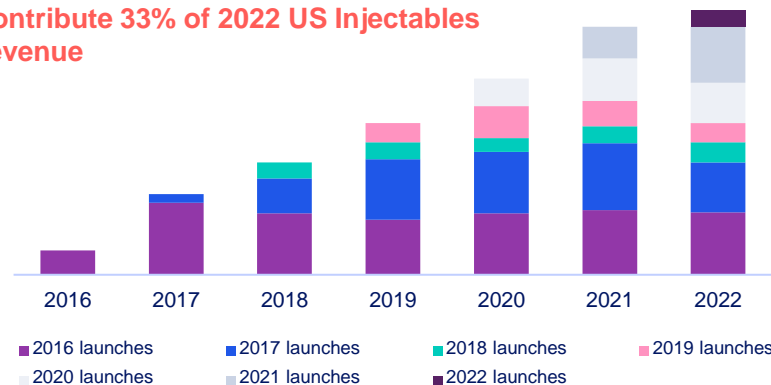


US Injectables revenue by competition and revenue contribution¹



Revenue contribution from our expanding US portfolio

Products launched since 2016 contribute 33% of 2022 US Injectables revenue



Levers for growth

Strengthened US R&D team to continue developing pipeline to launch 10-15 products each year

Business development to augment portfolio with niche specialty products and biosimilars

Ambition to become a leading supplier of compounded sterile injectable products to US hospitals

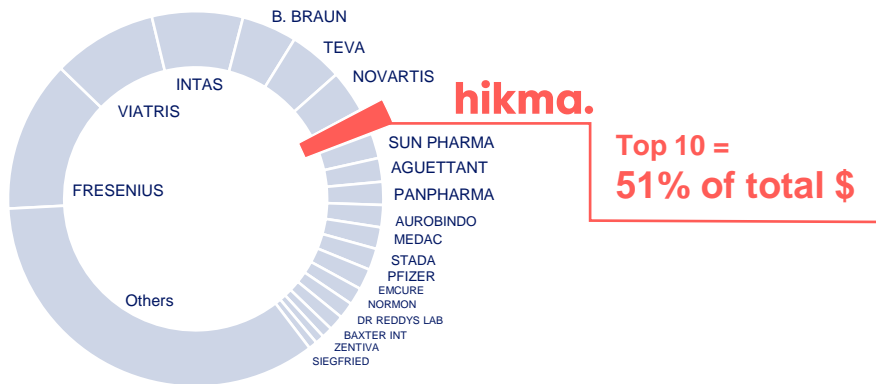
Enhancing manufacturing capabilities and capacity to support a growing portfolio

¹ Based on 2022 revenue, IQVIA data; competitor count excludes Hikma Hikma Pharmaceuticals PLC

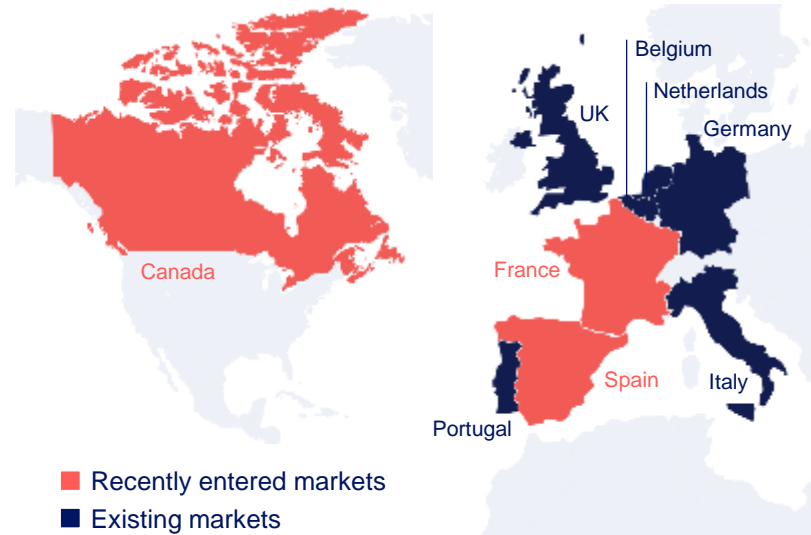
Strengthening foothold in Europe, leveraging our best-in-class manufacturing facilities



EU generic injectable sales by supplier¹ (in millions)



¹ IQVIA Injectable generic products, Hospital + Germany Pharmascope Retail, 2021 USD sales, excludes biologics



Levers for growth

Enter into new markets with a focus on EU5. Recent entry into France and planned entry into Spain

Leverage European manufacturing capabilities for both local supply and CMO opportunities

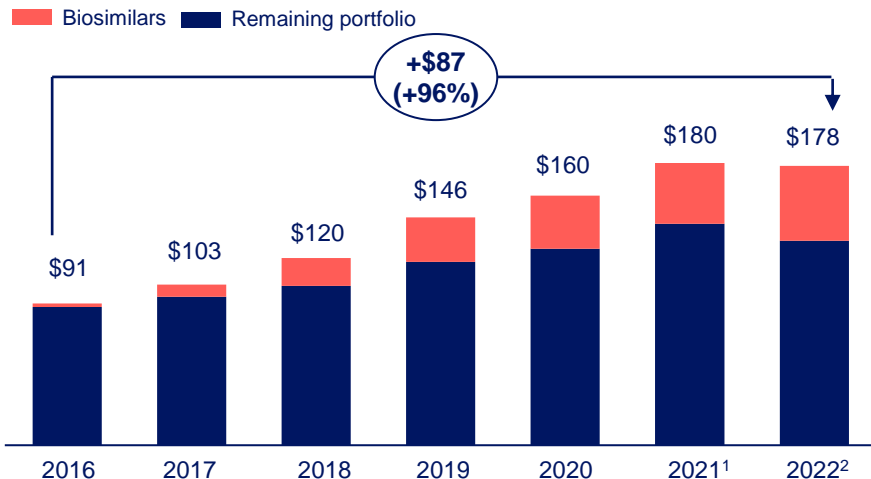
Focus on leveraging broad and growing portfolio to gain share in a fragmented market

Benefit from a short supply chain in Europe, while adding to our local capacity

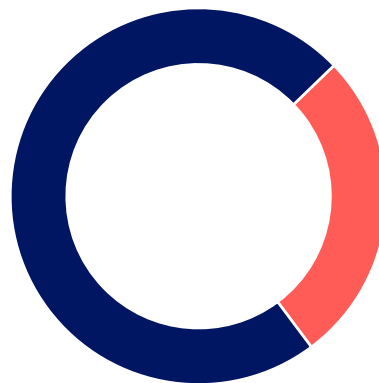
Growing our market share in MENA and improving access to important medicines



MENA Injectables total revenue (\$m)



Contribution from new launches



Products launched in 2H21 and 2022 contributed

15%

of 2022 MENA Injectables revenue

Levers for growth

Focusing on larger markets where we can leverage existing expertise across the region while benefitting from our unique MENA wide presence

Building a pipeline of differentiated products through targeted R&D effort

Investing in new manufacturing plants and capabilities to increase access to medicines, address unique market needs and benefit from localisation

Work with partners to bring more specialised products to market, such as our expanding biosimilar portfolio and innovative patented products

Building our differentiated pipeline through internal R&D and partnerships



Injectables pipeline of 175 projects¹

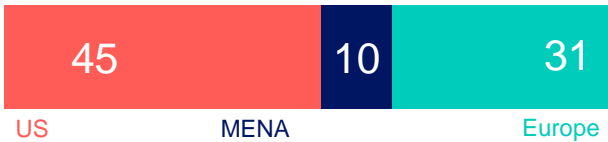
Filed

89 products



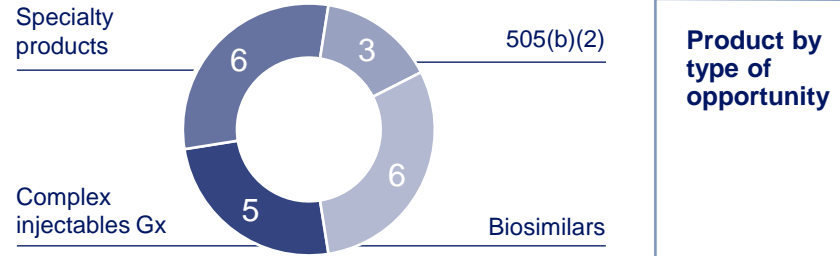
Development

86 products



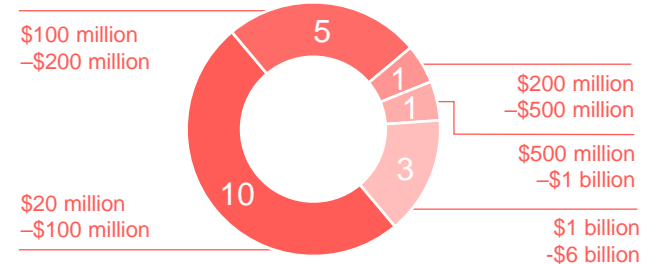
Adding complex products through partnerships

Top 20 business development products



Product by type of opportunity

Products by market size



¹ Pipeline as at February 2022. Includes both R&D and BD projects

Branded



Delivering growth across our markets supported by our strong commercial capabilities and new launches

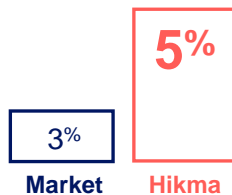


2022 key achievements across MENA markets

Gaining market share



Hikma outgrowing the market¹



Benefiting from commercial strength

Responsive organisation structure:

Improved management of commercial teams enabling us to focus on higher value therapeutic areas

Fast market adaptability:

- Effective coordination between our sales and operations team ensured continuity of supply
- Flexible and local manufacturing plants enabled us to quickly respond to changing market dynamics

Differentiated portfolio driving growth



High value medications including chronic treatments contributed to

c.50%

of Branded growth in 2022



New launches contributed to

6%

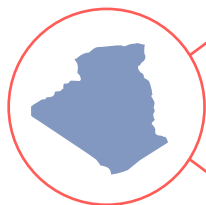
of Branded revenue in 2022

¹IQVIA local Pharma Index FY 2022 using public price levels. Data is only retail pharmacy purchases excluding devices and milk. Does not include hospital or tender business.

Good strategic progress in our top markets



Algeria¹



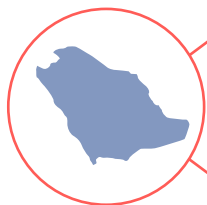
Total private market size of **\$3.2 billion**

Hikma is **4th** largest pharma company with a market share of **6.2%**

Our performance and strategy

- Differentiated portfolio driving growth, including oncology, diabetes and hypertension products
- Vertical integration - leveraging Hikma Chemicals for API manufacturing
- Gained market share in anti-infective
- Investing in local manufacturing capacity

Saudi Arabia²



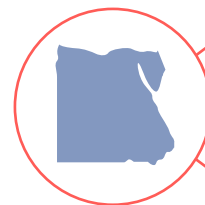
Total market size of **\$10.6 billion**

Hikma is the largest pharma company, with a market share of **7%**

Our performance and strategy

- Improved management of commercial strategy
- Growth driven by strategic therapeutic areas, including oncology, CNS and diabetes, supported by new launches
- Benefitting from local presence. Hikma performed strongly in government sector, which represents 50% of the KSA market
- Business process improvement; effective cooperation and communications between functions

Egypt¹



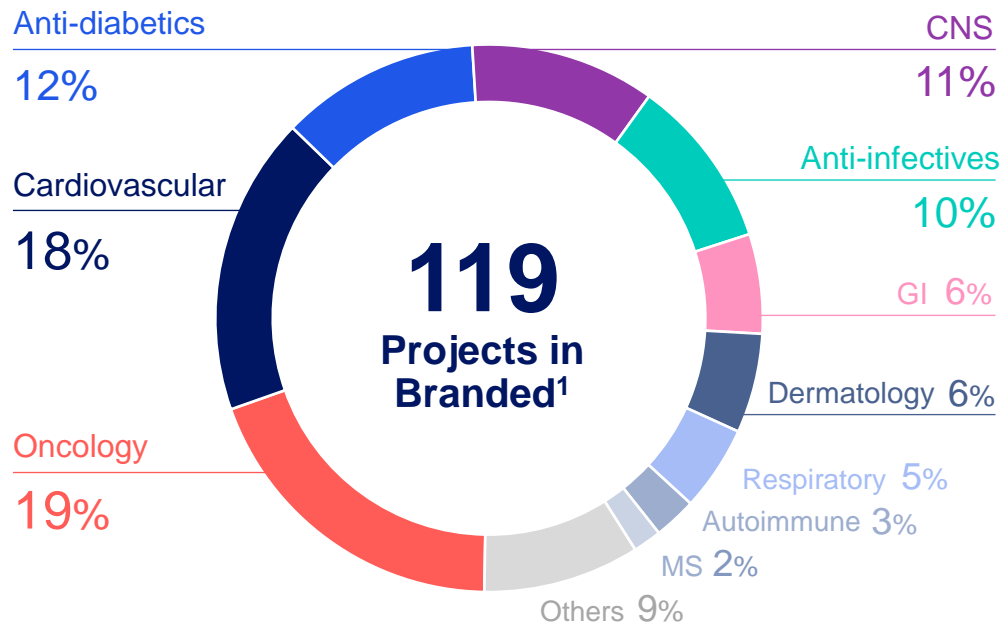
Total private market size of **\$6 billion**

Hikma is **8th** largest pharma company with a market share of **2.5%**

Our performance and strategy

- Introducing differentiated products, including first generics in oncology and immunosuppressants, e.g. Fingolimod and Baricitinib
- Strong recovery post COVID-19 driven by anti-infective portfolio
- Strong presence in the governmental sector

A differentiated portfolio with pipeline focused on high value chronic medications



Branded R&D strategy



Grow the potent product portfolio with high barrier to entry products



Introduce first to market and first generic products in tier 1 markets



Introduce lean practices within the R&D labs to increase output

¹ Pipeline as at 31 December 2022
Hikma Pharmaceuticals PLC

Generics



Proactively managing through industry headwinds whilst ensuring business is on a stronger footing for the future



Revenue



Core
operating
profit



2022 performance

Industry headwinds

- Industry-wide competitive pressures drove low double-digit price erosion and single digit volume erosion

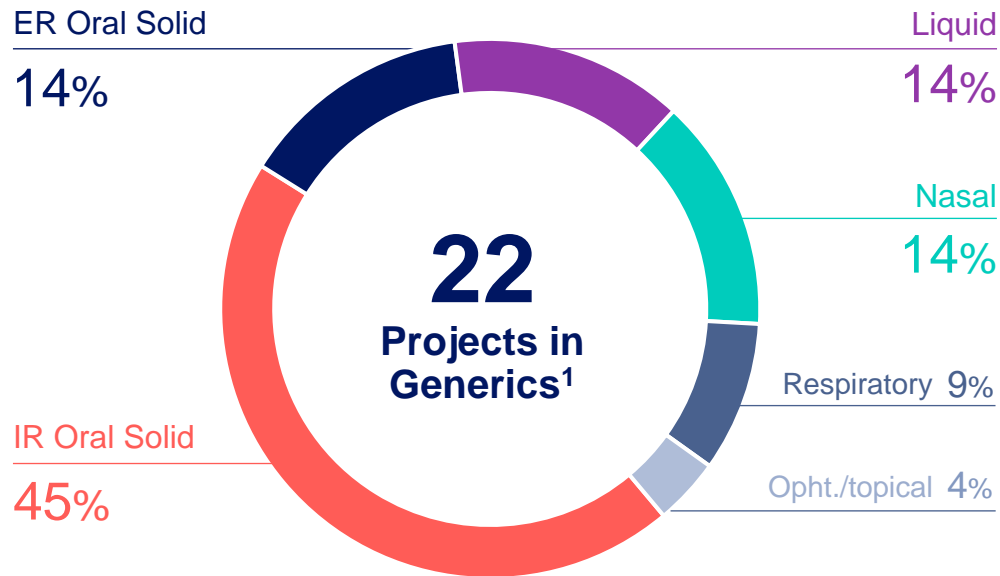
Hikma response/action

- Continued to drive demand for our differentiated portfolio
- Streamlined our business and restructured cost base
- Achieved manufacturing efficiencies

Return to growth in 2023 and improve resilience for the future

- Improve breadth of portfolio through new launches
- Add higher barrier-to-entry products and dosage forms more insulated from intense competition
- Grow specialty portfolio
- Achieve optimal balance between generics and higher barrier-to-entry products to improve business resilience
- Increasingly leverage manufacturing capabilities and quality record for CMO

Investing in a differentiated and speciality portfolio of higher barrier-to-entry products



Generics strategy



Focus on internal development of niche, complex, and 505b2 products



80% of 2023+ submissions are PIV, NDA, or CGT eligible filings



Focus on complex generics within core expertise (Nasals, respiratory, Complex Oral Solids)

¹ Pipeline as at February 2023. Excludes BD opportunities.

Group



Acting responsibly

Empowering our people

Shaping an inclusive culture where everyone can thrive

- Culture of progress and belonging
- Values - innovative, caring and collaborative
- Employee wellbeing
- Diversity, equity and inclusion
- Recruitment, retention and promotion

Advancing health and wellbeing

Providing better healthcare and supporting our communities

- Access to medicines
- Corporate social responsibility
 - Providing better health
 - Supporting education
 - Helping people in need



Protecting the environment

Minimising our impact on the planet

- Reduction of greenhouse gas emissions (GHG)
- Sustainable supply chain
- Water management
- Waste management

Building trust through quality in everything we do

Upholding ethical standards and acting with integrity

- Product quality and safety
- Ethics and compliance
- Corporate governance



Finance

Khalid Nabils, Chief Financial Officer

Group financial highlights

| | 2021 | 2022 | % change |
|--|-----------------|-----------------|----------|
| Core revenue | \$2,553 million | \$2,517 million | (1)% |
| Core ¹ gross profit | \$1,301 million | \$1,265 million | (3)% |
| Core operating profit | \$632 million | \$596 million | (6)% |
| Core EBITDA ² | \$727 million | \$694 million | (5)% |
| Core profit attributable to shareholders | \$450 million | \$406 million | (10)% |
| Core basic earnings per share | 194.8 cents | 181.3 cents | (7)% |
| Dividend per share | 54 cents | 56 cents | 4% |

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 2022 preliminary results press release

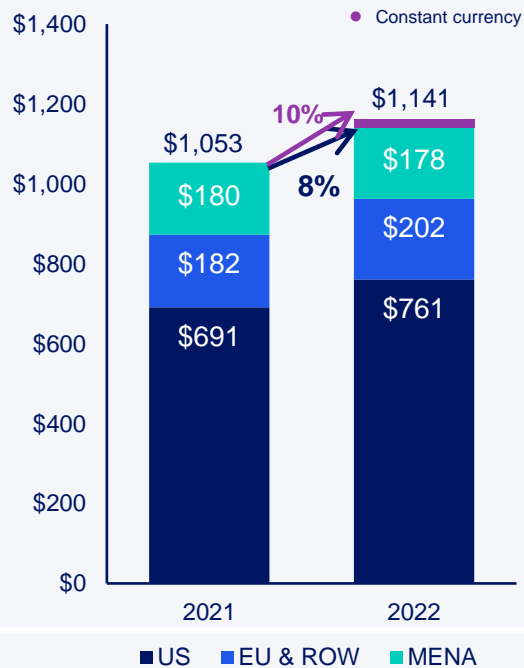
² EBITDA is earnings before interest, tax, depreciation, amortisation, assets write-down, impairment charges/reversals and unwinding of acquisition related inventory step-up. Core EBITDA is adjusted for exceptional items. EBITDA is a non-IFRS measure, see 2022 preliminary press release for a reconciliation to reported IFRS results.

³ For reported figures refer to the appendix

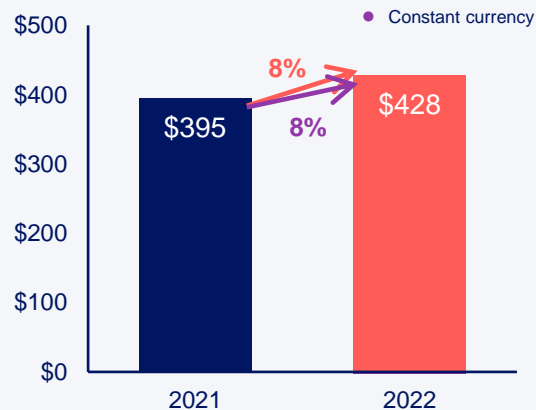
Injectables



Revenue (million)



Core operating profit (million)



Operating margin

| | 2021 | 2022 | Change | 2022 constant currency | Change |
|----------|-------|--------------|---------------|------------------------------|---------------|
| Reported | 33.3% | 30.2% | (3.1)p | 29.4% | (3.9)p |
| Core | 37.5% | 37.5% | 0.0p | 36.5% | (1.0)p |

Revenue

- ⊕ 10% growth in US, driven by good demand for our portfolio, recent launches and the contribution from Custopharm
- ⊕ 11% growth in Europe and ROW, reflecting demand for own products and a contribution from the acquisitions of Teligent's assets in Canada
- ⊖ Decline in MENA, reflecting currency headwinds. Excluding currency as well as hyperinflation impact on 2021 revenue, achieved good growth driven by biosimilars and successful new launches

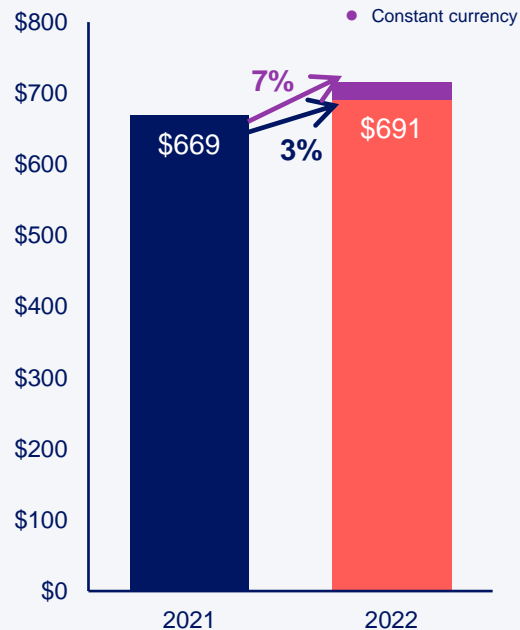
Core operating profit

- ⊕ Favourable product mix and contribution from acquisition of Custopharm and Teligent assets
- ⊖ Increase in R&D and S&M
- ⊖ Increase in costs due to inflation



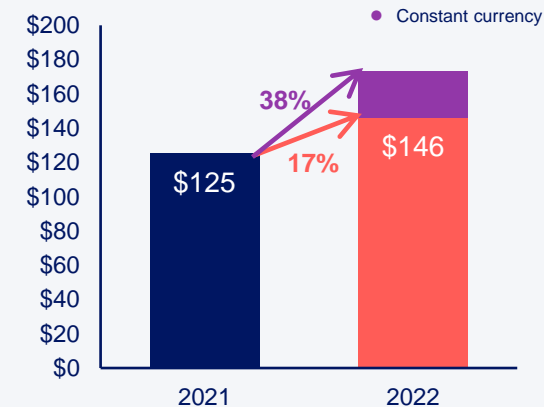
Revenue

(million)



Core operating profit

(million)



Operating margin

| | 2021 | 2022 | Change | 2022 constant currency | Change |
|----------|-------|-------|--------|------------------------|--------|
| Reported | 15.5% | 19.7% | 4.2pp | 22.8% | 7.3pp |
| Core | 18.7% | 21.1% | 2.4pp | 24.2% | 5.5pp |

Revenue

- ⊕ Good growth across most markets, particularly in Algeria, Saudi Arabia and Iraq
- ⊕ Benefitting from our focus on chronic medications
- ⊕ Normalisation in demand for anti-infectives following the COVID-19 pandemic

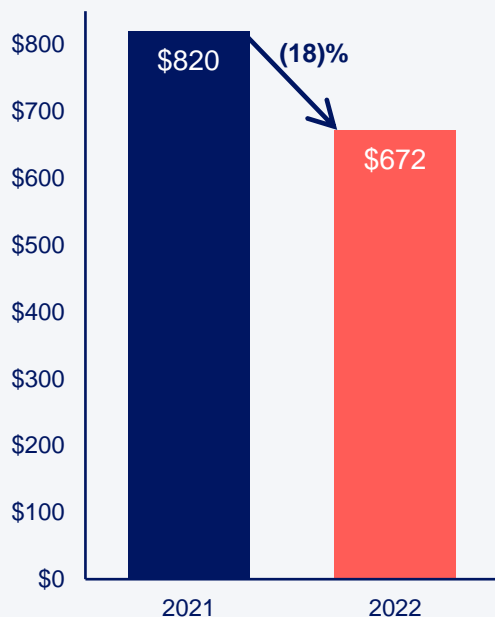
Core operating profit

- ⊕ Improvement in product mix
- ⊖ Increase in R&D and G&A costs
- ⊖ Currency devaluation in North Africa



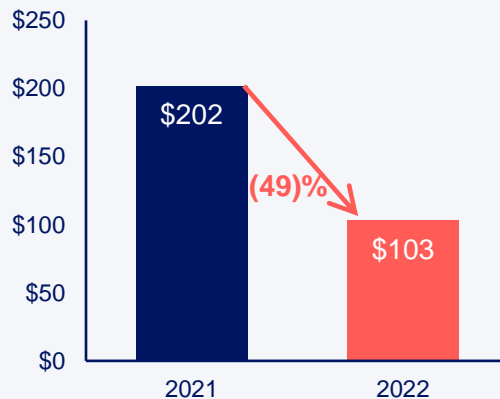
Revenue

(million)



Core operating profit

(million)



Operating margin

| | 2021 | 2022 | Change |
|----------|-------|---------|---------|
| Reported | 26.4% | (17.4)% | (43.8)p |
| Core | 24.6% | 15.3% | (9.3)pp |

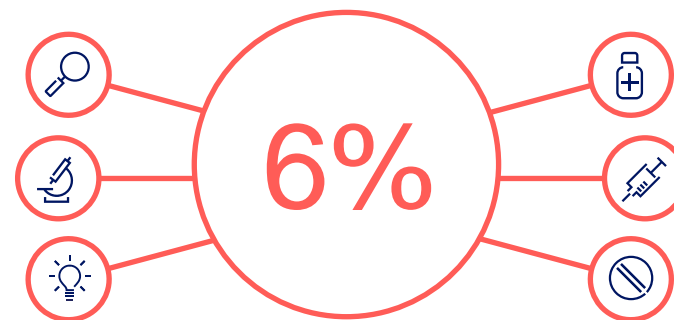
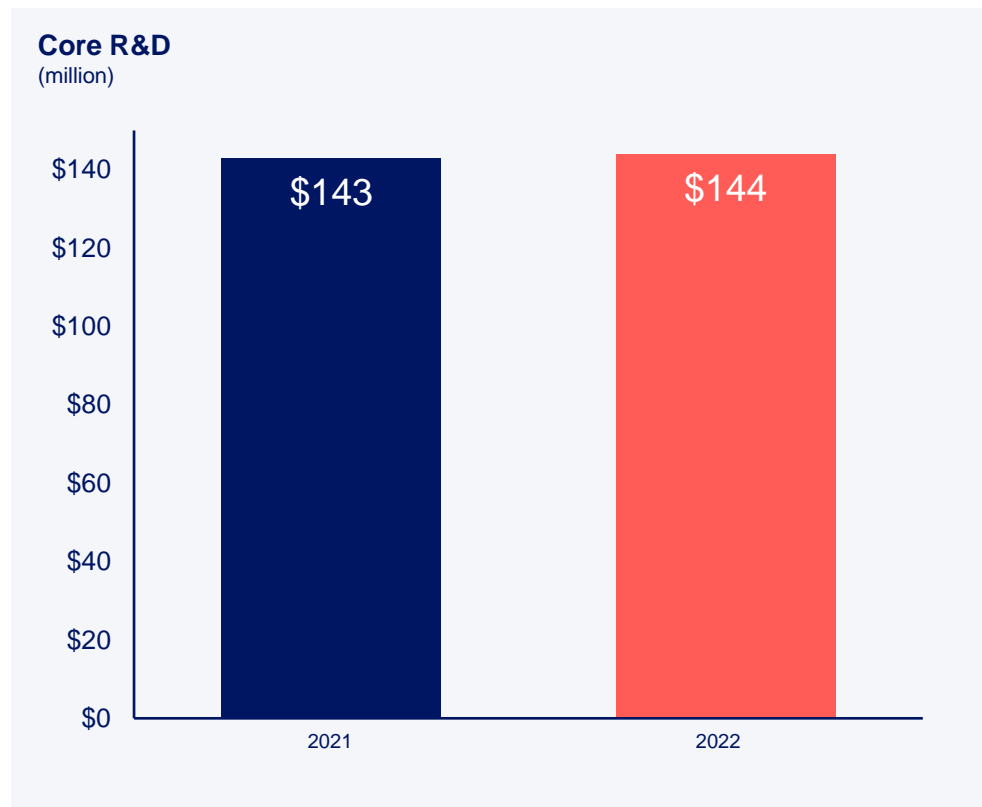
Revenue

- ⊖ Challenging competitive environment in the US resulting in low double-digit price erosion and mid-single digit volume erosion
- ⊖ Slower than expected ramp of recent launches

Core operating profit

- ⊖ Sustained competitive pressure on base
- ⊕ Tight control of costs and operating efficiencies enabling us to maintain solid operating profit margins

Expanding and enhancing our product pipeline

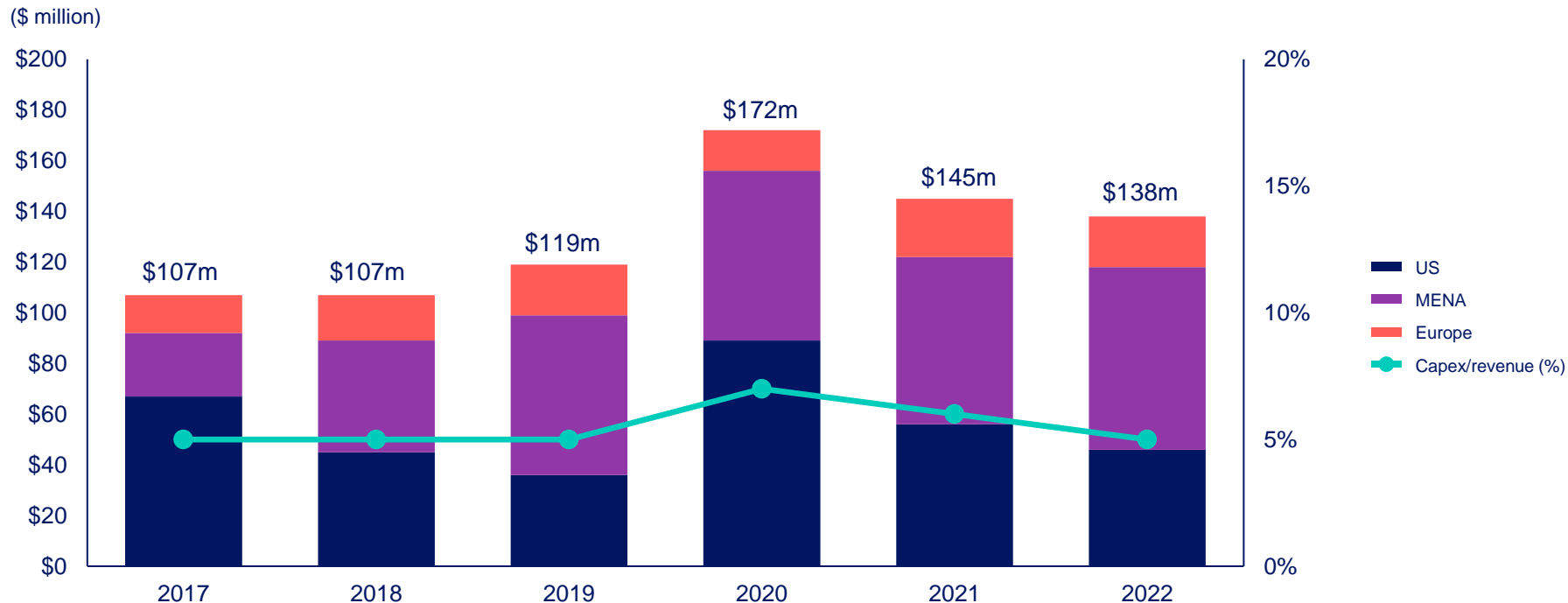


**of Group core revenue
invested in core R&D**

Spend in line with strategy as
we build a pipeline of
differentiated products.

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

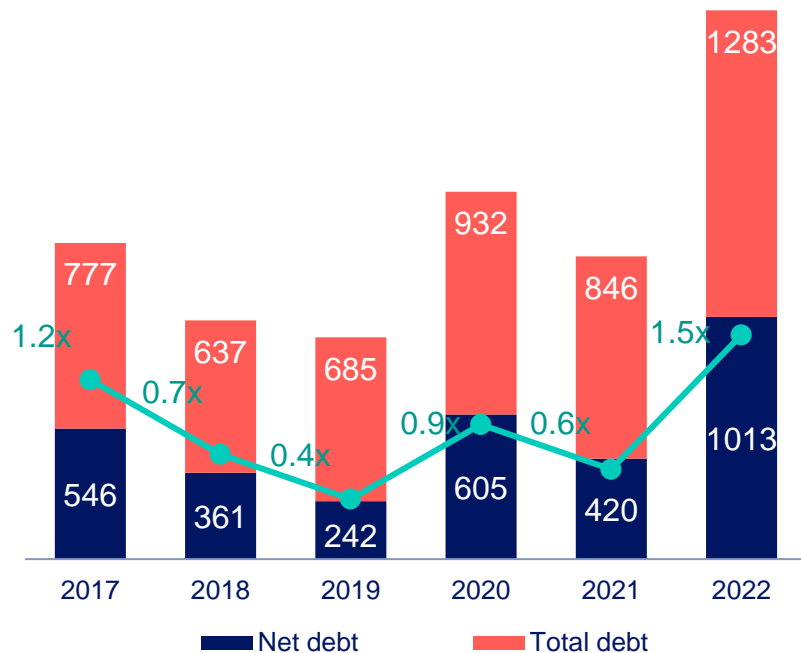
Capex by region



Cash flow and balance sheet

Debt and leverage

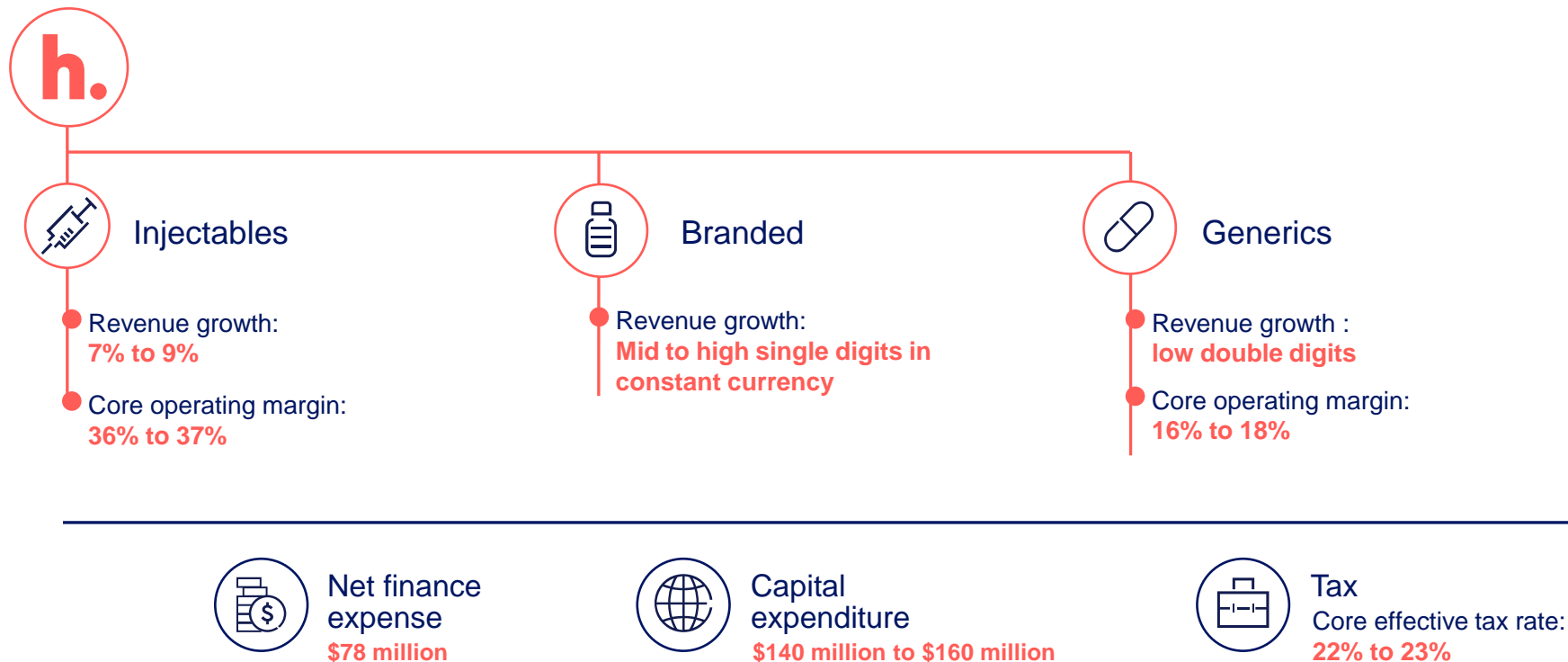
(millions)



Operating cash flow

| | Dec-21 | Dec-22 |
|-----------------------------|--------|--------|
| Operating cash flow | 638 | 530 |
| Operating cash flow/revenue | 25% | 21% |

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 reported financial highlights

| | 2021 | 2022 | % change |
|-------------------------------------|-----------------|-----------------|----------|
| Revenue | \$2,553 million | \$2,517 million | (1)% |
| Gross profit | \$1,301 million | \$1,238 million | (5)% |
| Operating profit | \$582million | \$282million | (52)% |
| EBITDA ¹ | \$727 million | \$680 million | (6)% |
| Profit attributable to shareholders | \$421 million | \$188 million | (55)% |
| Basic earnings per share | 182.3 cents | 83.9 cents | (54)% |

¹ EBTIDA is earnings before interest, tax, depreciation, amortisation, assets write-down, impairment charges/reversals and unwinding of acquisition related inventory step-up. Core EBITDA is adjusted for exceptional items. EBITDA is a non-IFRS measure, see 2022 preliminary press release for a reconciliation to reported IFRS results.