

Hikma Pharmaceuticals PLC

Meet the Management Day
15 November 2016



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Agenda

TIME	ITEM	PRESENTER
12.30-12.45	Welcome	Said Darwazah
12.45-13.45	Injectables Presentation and Q&A	Riad Mishlawi Natheer Masarweh Ragheb AbuRmaileh Rui Godinho Joel Rosenstack Tareq Darwazah
13.45	Break	
14.00-15.00	Branded Presentation and Q&A	Mazen Darwazah Salah Mawajdeh Hassan Shafiq Basel Ziyadeh Raed Ashhab
15.00	Break	
15.15-16.15	Generics Presentation and Q&A	Mike Raya Brian Hoffman Spiro Gavaris Randy Wilson Julie Economou
16.15-16.30	Wrap up	Said Darwazah

Strategic overview



Across the Group, we are focusing on six key priorities to achieve our strategic objectives



Develop a differentiated product portfolio

Build best-in-class R&D capabilities by exploiting WWC's P-IV oral R&D expertise

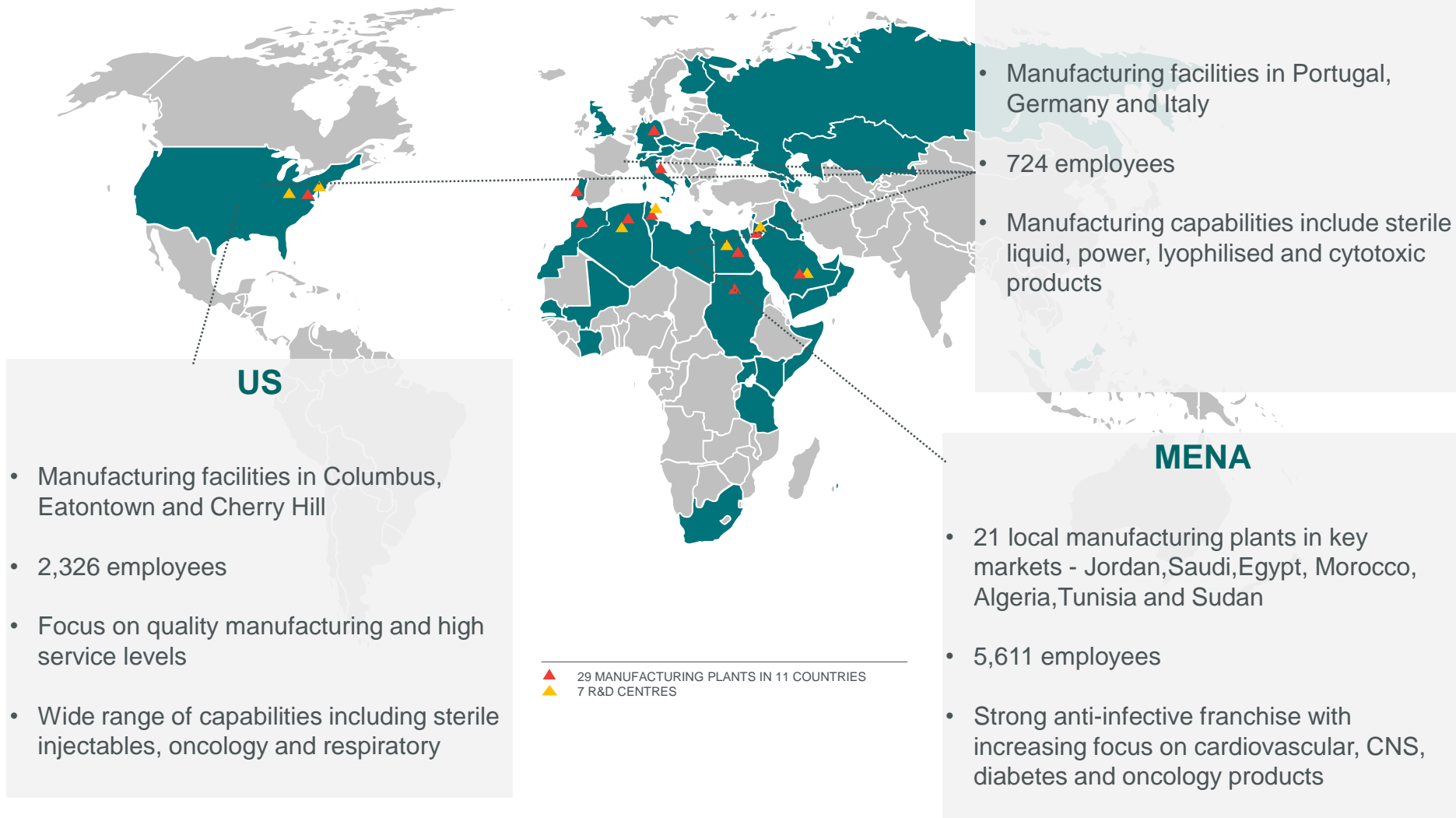
Bring new generics to market

Leverage strong commercial capabilities to maximize potential of our portfolio

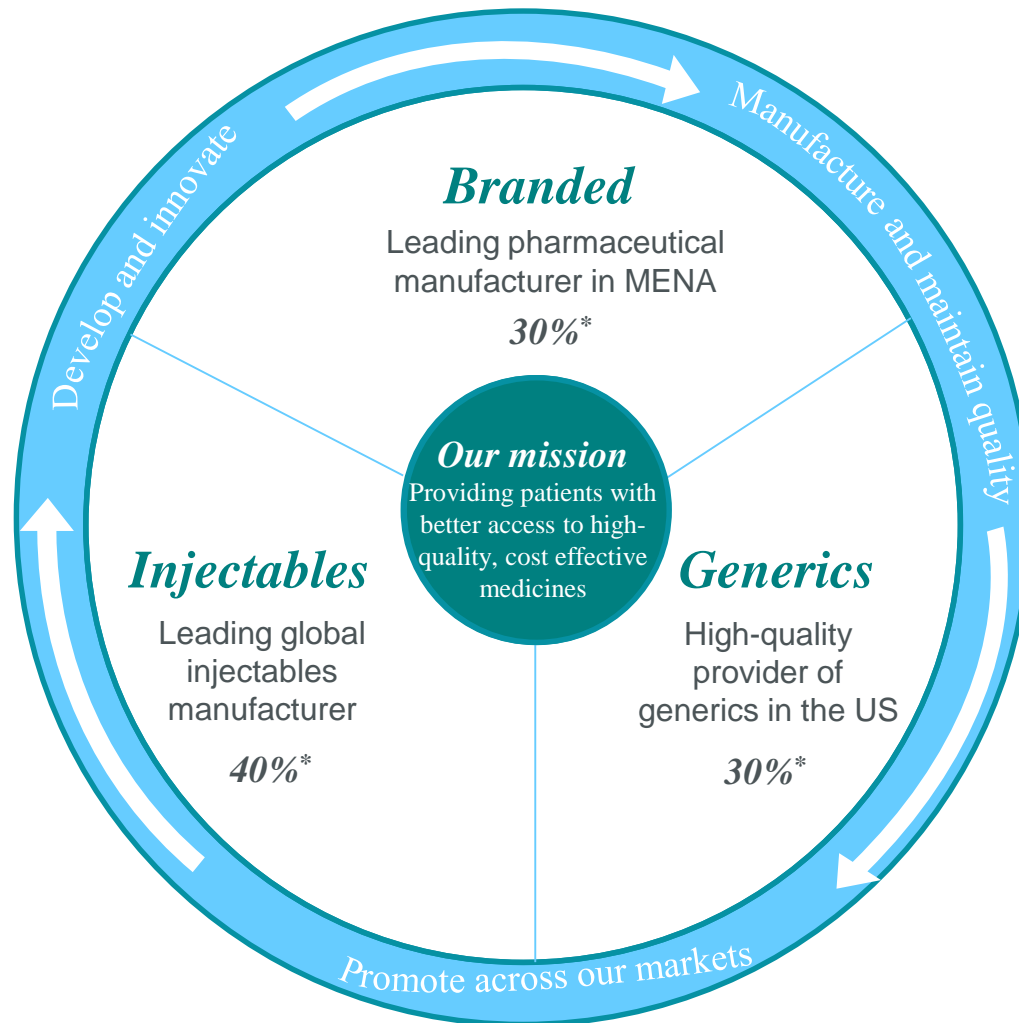
Optimise operations and drive efficiencies

Use M&A to accelerate growth opportunities and fill in gaps

Our market footprint is stronger than ever with extensive operations across the US, Europe and MENA



Our well diversified business model is creating long-term sustainable value



Our core business objectives

To maintain our position as a top 3 generic injectables company in the US and expand in existing and new markets

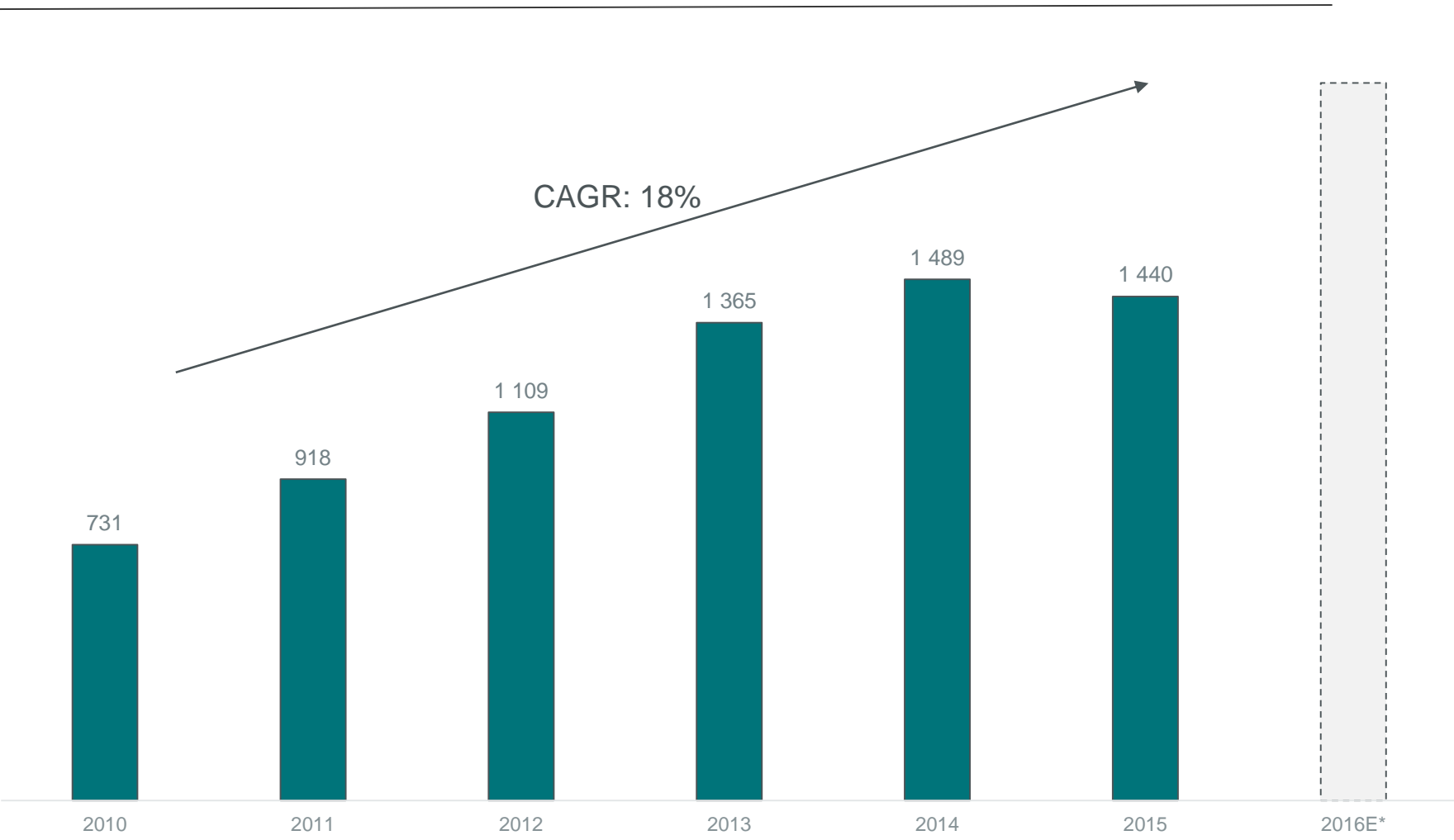
To maintain our position as the leading regional player in the MENA region—through top 5 positions in all of our key markets—and expand into new markets

To be a leading generics company (non-injectables) in the US

Our strong track record of growth, delivered organically and through acquisition



Group revenue (\$m)

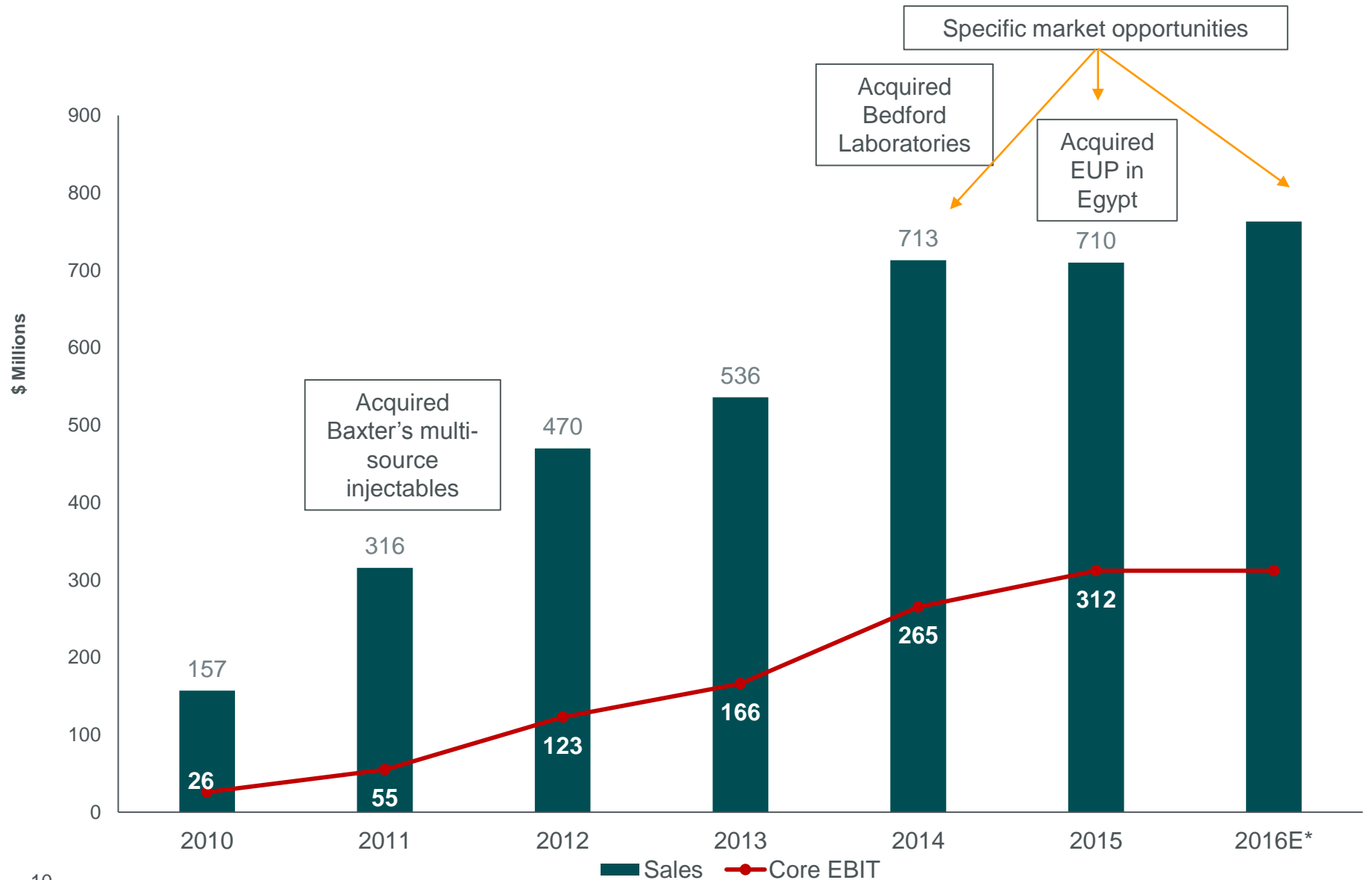


* Company guidance as of 10 November 2016; Group revenue of around \$2 billion in constant currency in 2016

Injectables



Our broad product portfolio and geographic footprint will support continued growth in our global Injectables business



* Company guidance as of 10 November 2016: Injectables revenue growth in the mid to high single digits and adjusted operating margin of around 39%

We are focusing on six key priorities to achieve our strategic objectives

“

To maintain our position as a top 3 injectables company in the US and expand in existing and new markets.

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Develop a differentiated product portfolio

Build best-in-class R&D capabilities

Bring new generics to market

Leverage strong commercial capabilities to maximise potential of our portfolio

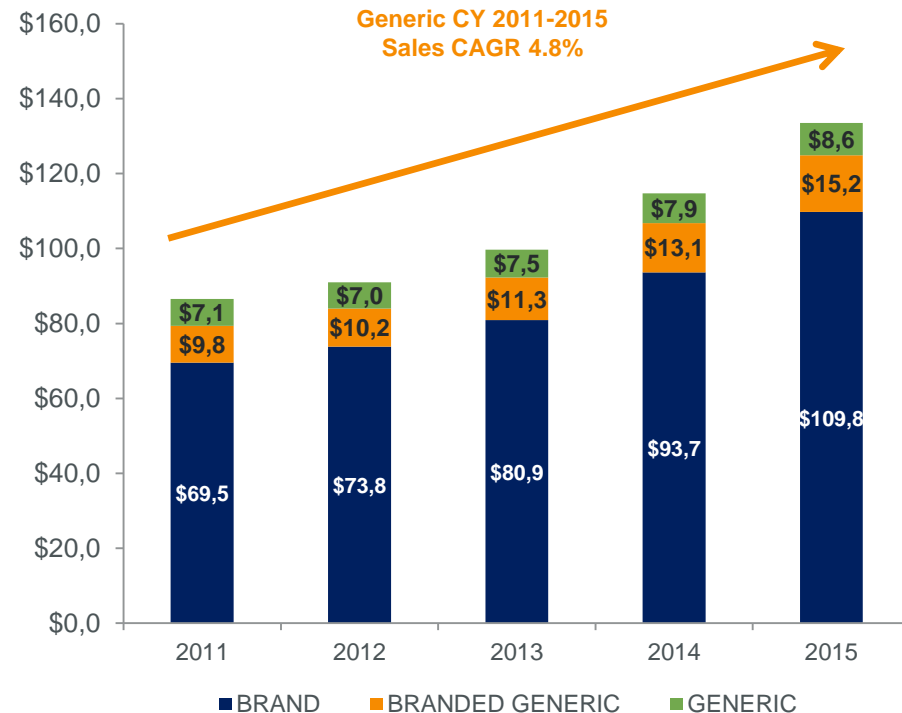
Optimise operations and drive efficiencies

Use M&A to accelerate growth opportunities and fill in gaps

Generic injectables market is large and fast growing

- ▶ Injectables growth has out-paced other generic categories in recent years
- ▶ Global generic injectables market estimated to exceed \$70 billion by 2020 – a CAGR of 10% from 2013²
- ▶ c.\$15 billion of branded injectables sales are expected to lose patent protection in 2015-2018³
- ▶ US market is currently around \$9 billion and is expected to grow at 6% per annum²
- ▶ Ageing population and healthcare cost cutting are expected to drive greater generic penetration
- ▶ Around 80% of Hikma’s Injectables sales are in the US with around 20% in MENA and Europe

US injectables market sales by value (\$ billion)¹



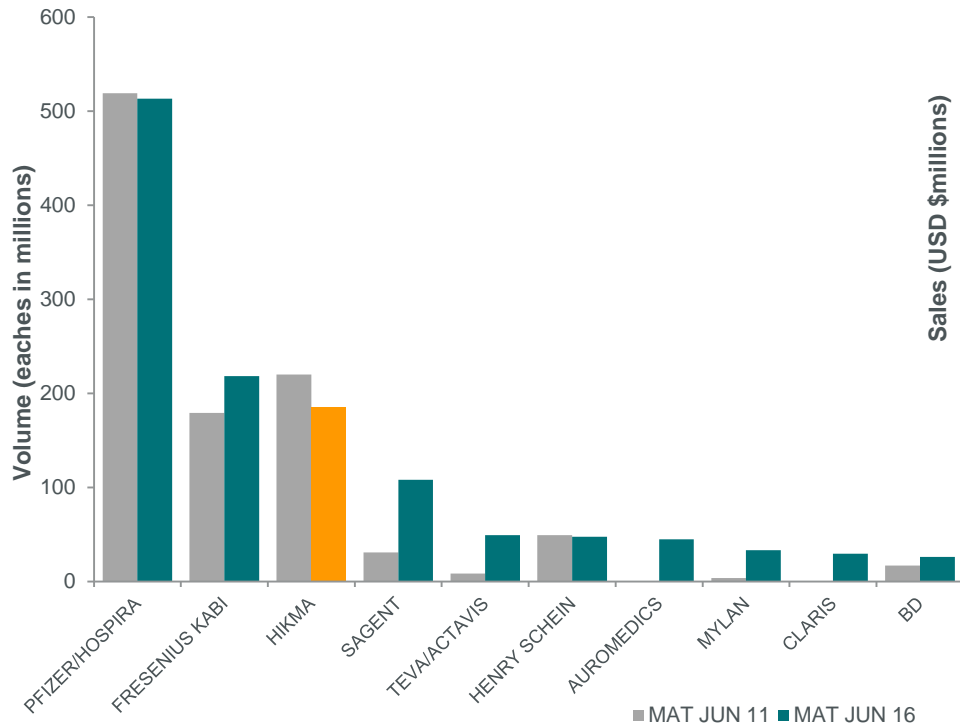
¹ IMS Healthcare and equity research. Excludes biologics and other selected products (insulin, hormones, etc.)

² DCAT Value Chain Insights (VCI)

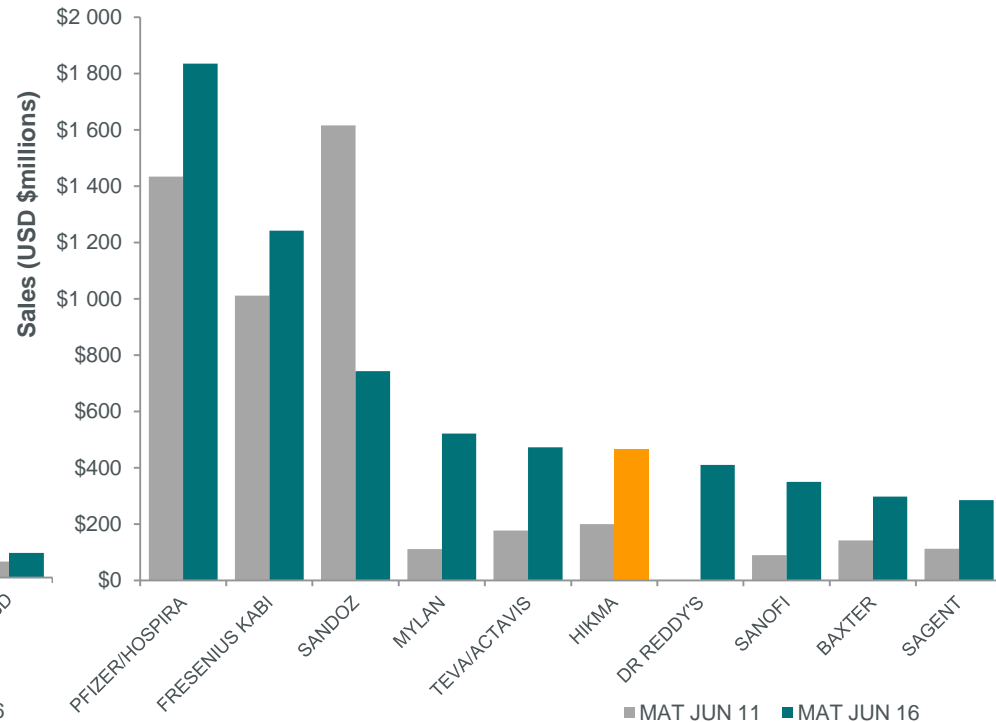
³ Evaluate 2013; McKinsey Analysis

Maintaining our strong market share in US injectables

US generic Injectables market share June 2016 (eaches)



US generic injectables market share 2016 June (Sales, US\$)



Market share

	Jun 2011	H1 2016	Change
Volume	17%	12%	-5pp

Market share

	Jun 2011	H1 2016	Change
Value	3%	5%	+2pp

*IMS Healthcare MAT June 2016

Note: excludes Gifolis

Extracting significant value from the Bedford acquisition

Acquired Bedford Laboratories in 2014 for \$225 million

- ▶ Portfolio of 82 differentiated products
- ▶ Ben Venue manufacturing site, including state-of-the-art R&D centre
- ▶ 45 R&D employees

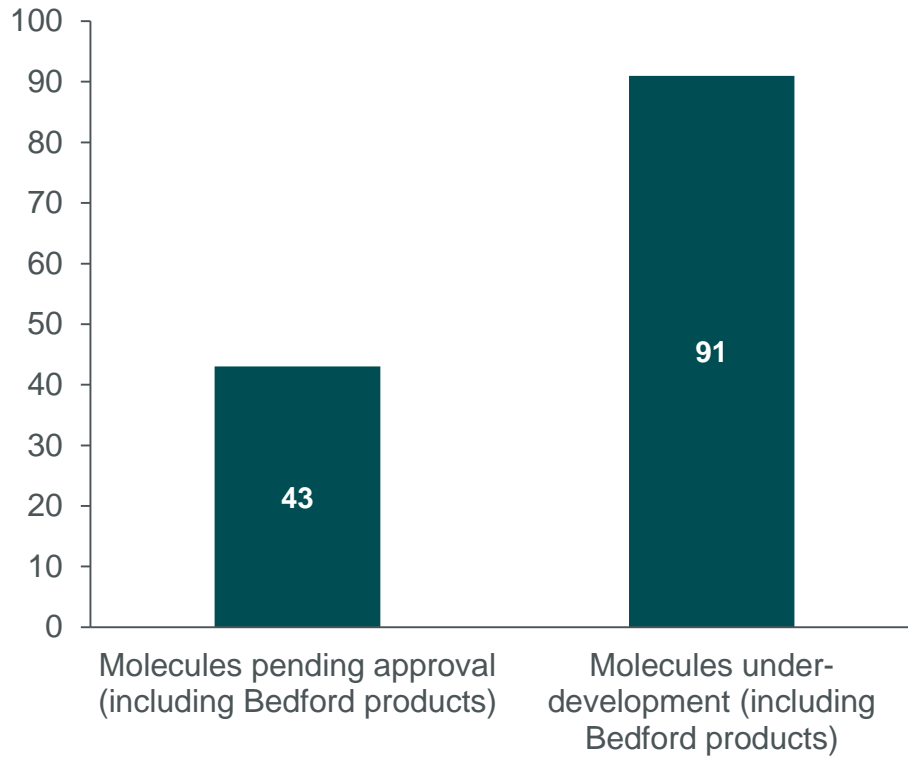
- ▶ Transferred over 40 products to our facilities in US, Portugal and Germany
- ▶ Submitted over 30 products to FDA for approval
- ▶ Launched 7 Bedford products – some addressing market shortages
- ▶ Transferred high-quality equipment and machinery to our sites in US and Europe
- ▶ Disposed of Ben Venue site for \$30 million

- ▶ Future Bedford launches will further enhance our portfolio
- ▶ Experienced R&D team focused on developing new, more complex products

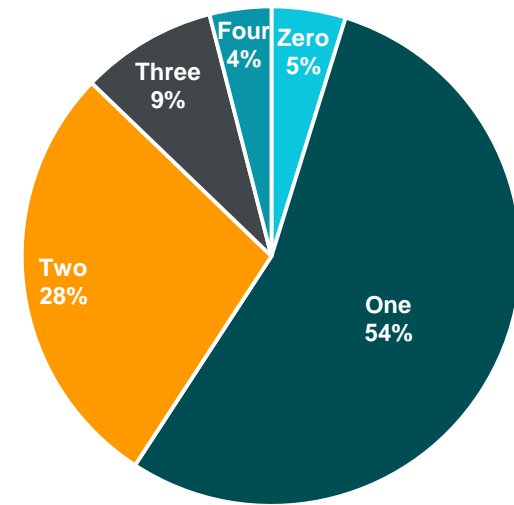
Our broad US product pipeline with at least one layer of differentiation



US Injectables pipeline (Number of products)



US Injectables pipeline by layers of differentiation



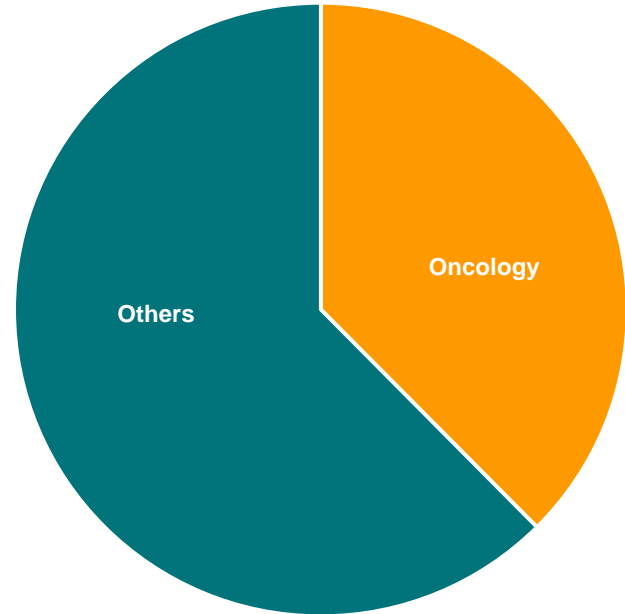
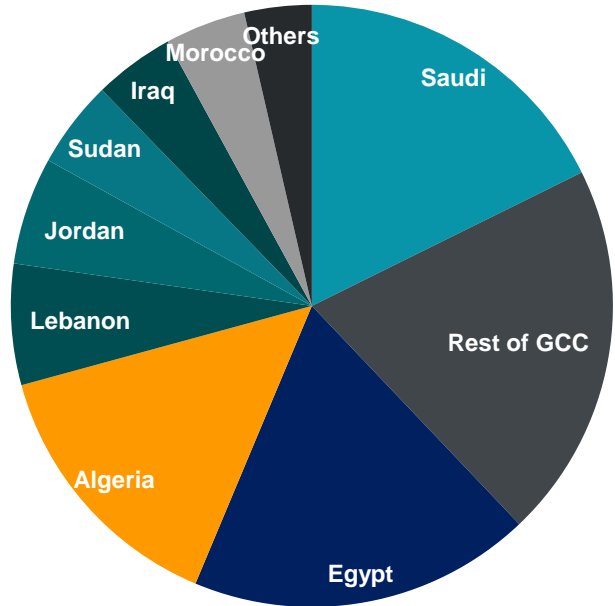
- ▶ 95% of the pipeline has at least one layer of differentiation
- ▶ Around 50% are oncology products

A large product pipeline in the MENA with a strong focus on oncology



Launches across key markets

Launches by therapeutic category



Launching over 50 new molecules across multiple markets over the next 5 years

Leveraging our broad portfolio to strengthen our presence in Europe and enter new markets

Product submissions in 2015 and H1 2016



- ▶ Leveraging our existing product portfolio to enter new European markets - France, Germany, Italy, UK and Spain
- ▶ Submitted over 200 product registrations across Europe in the last 18 months
- ▶ New markets will deliver incremental revenue with minimal investment
- ▶ Exploring opportunities to acquire and in-license products

Strengthening centres of excellence to support future growth plans



Europe

- ▶ Building new high-potent plant and adding lyophilised capacity in Portugal to support new Bedford products
- ▶ Transfer of equipment from Ben Venue has saved considerable capex and accelerated timelines

US

- ▶ Increasing capacity for high volume products
- ▶ Dedicated capacity for new dosage forms, specifically pre-filled syringes

MENA

- ▶ Acquisition of EUP establishes first local injectables facility in MENA
- ▶ Evaluating potential for additional injectables sites in the region

Well-positioned to grow across our global Injectables business



Extensive portfolio and infrastructure will support future growth

Strong R&D capabilities and incremental R&D investment will enhance product pipeline

Potential to expand in existing markets and leverage our portfolio in new markets

15 min coffee break

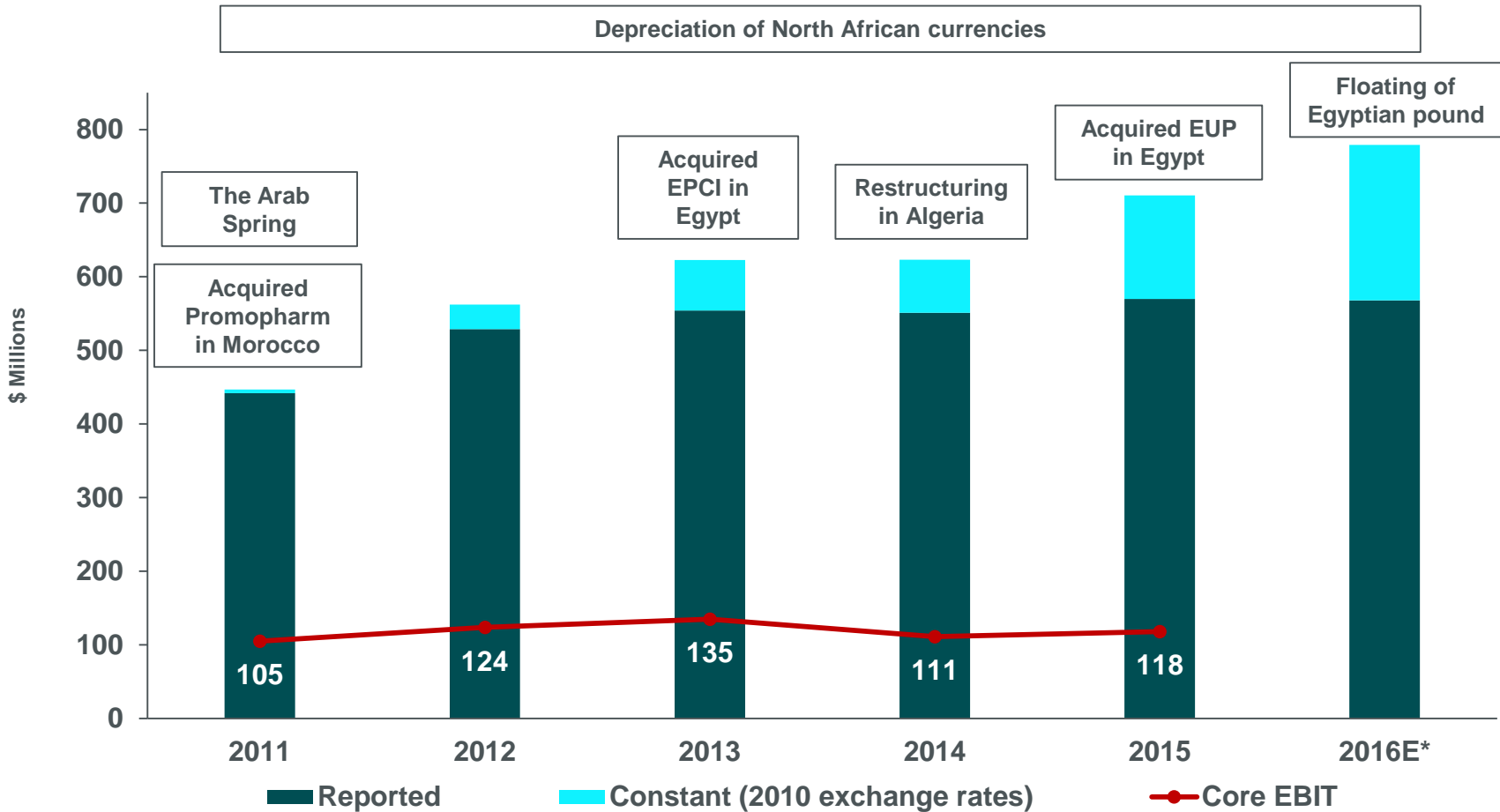


Branded



Delivering above market growth while navigating headwinds

Hikma 5-year CAGR (reported): 9%
 Hikma 5-year CAGR (constant currency): 12%**
 MENA market 5-year CAGR: 8%***

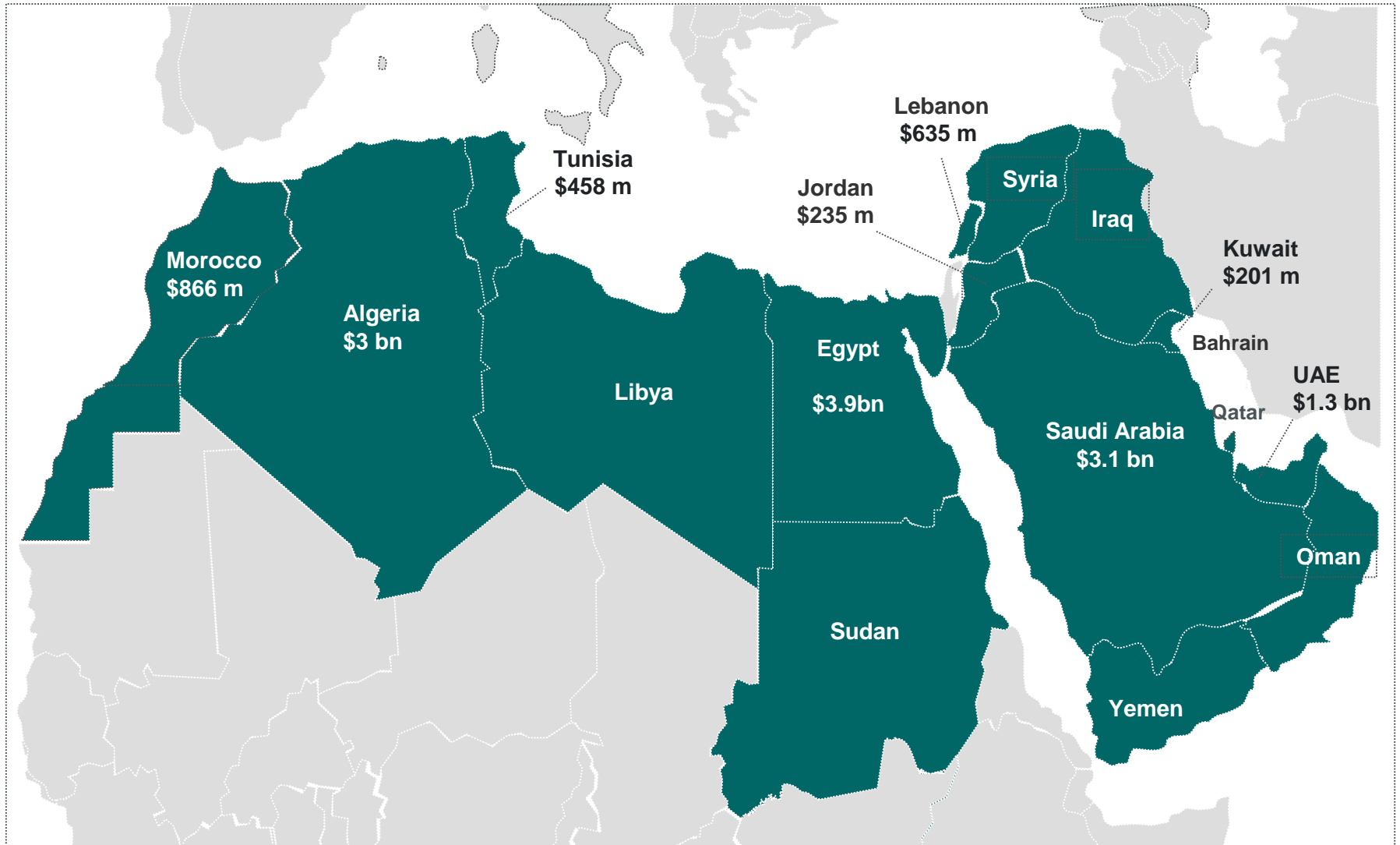


* Reflects Company guidance as of 10 November 2016: Revenue growth in the mid single digits and a significant increase in core operating margin in constant currency

** Constant currency based on 2010 exchange rates

*** IMS Health, YTD December 2015

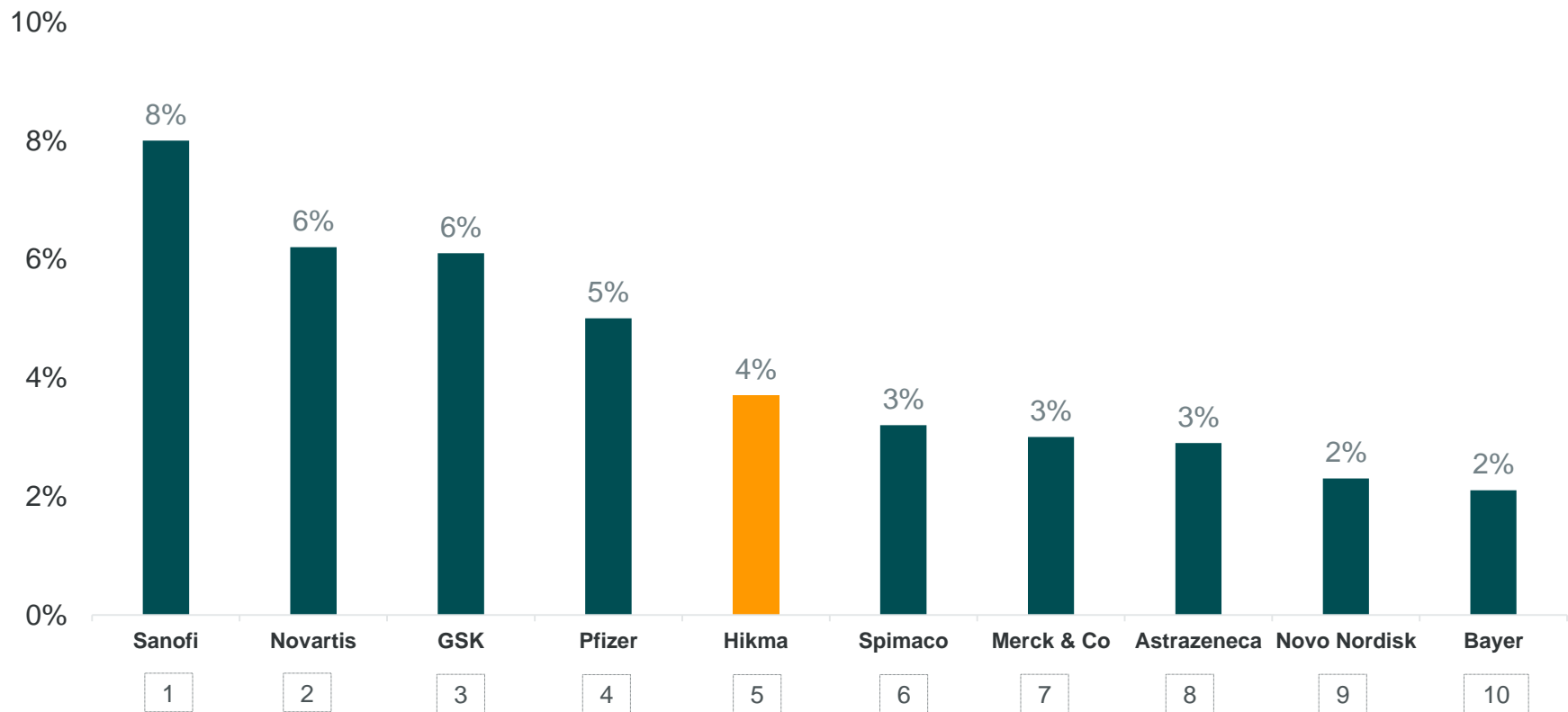
Private retail market in MENA remains attractive, with an estimated market size of more than \$13 billion



Maintaining our strong market position in MENA



MENA top 10 market share (by \$ value)*



We are focusing on six key priorities to achieve our strategic objectives

To maintain our position as the leading regional player in the MENA through top five positions in all of our key markets

Develop a differentiated product portfolio in our core therapy areas of cardiovascular, diabetes, CNS, anti-infectives and oncology

Build best-in-class R&D capabilities

Bring new generics to market

Leverage commercial capabilities to maximise potential of our portfolio and form strong partnerships

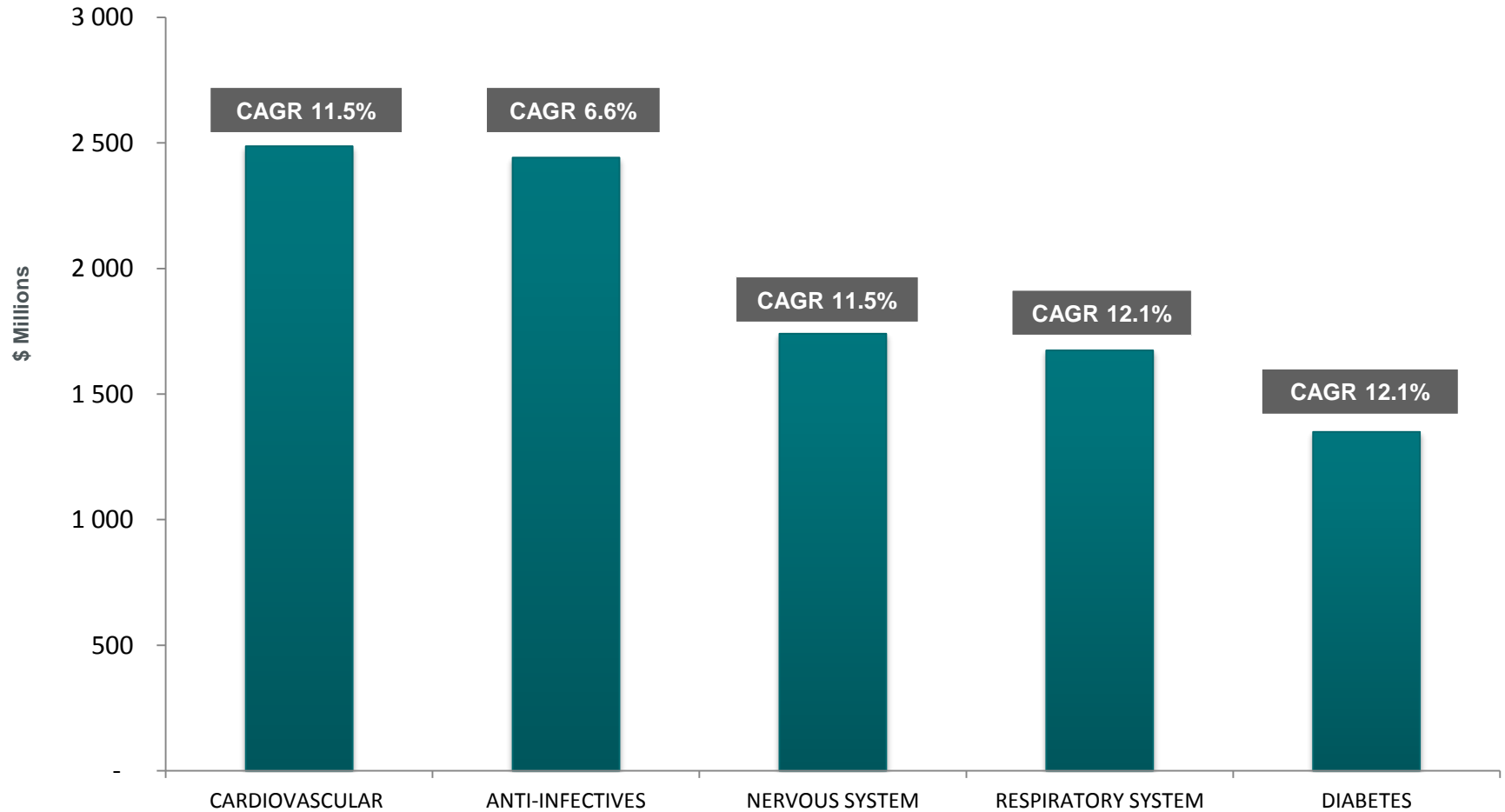
Optimise operations and drive efficiencies

Use M&A to accelerate organic growth opportunities and fill gaps

Our focus on chronic diseases will be a key driver of future growth



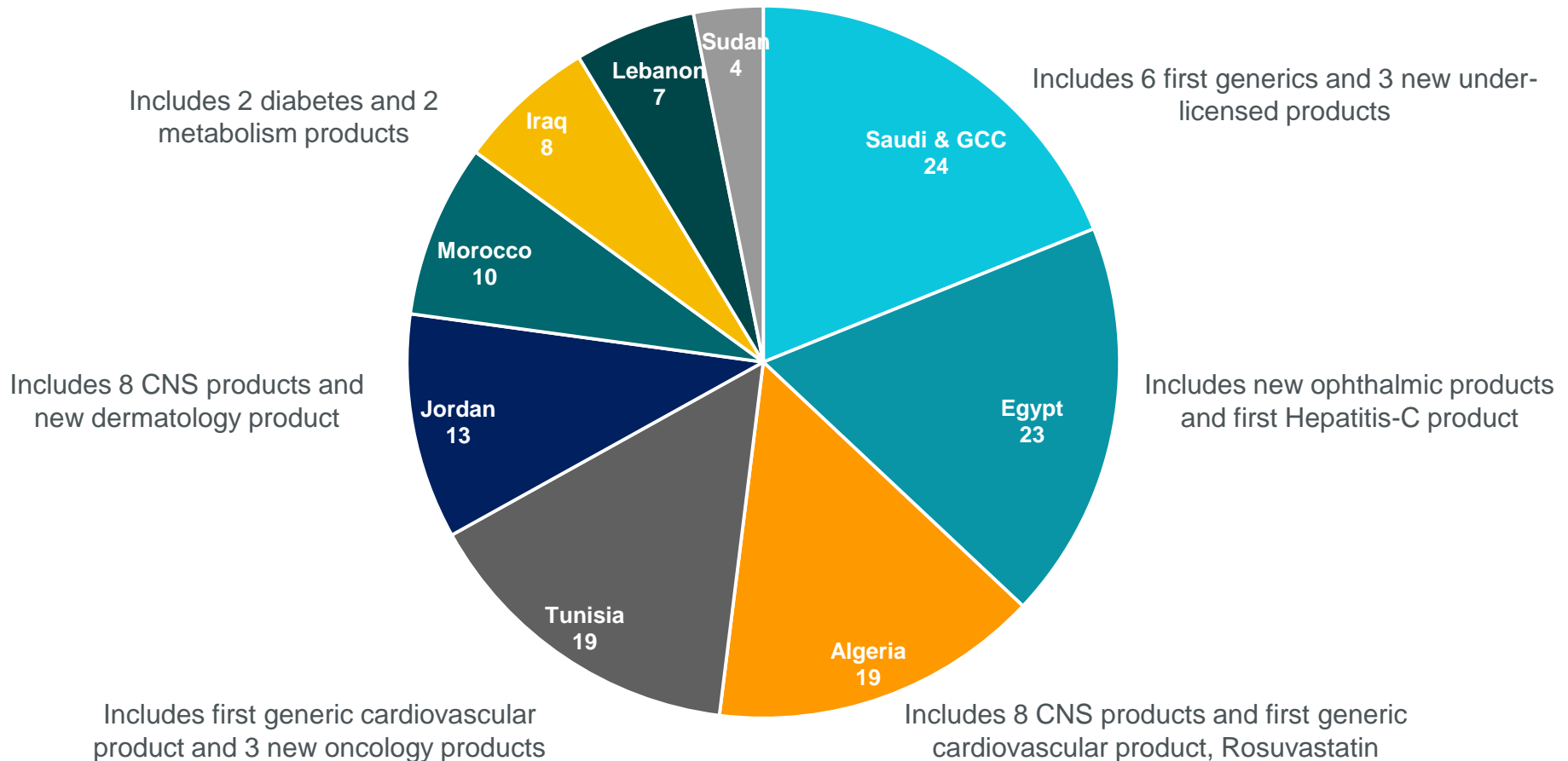
2019 split of MENA market by therapeutic class



Successfully launching higher value products across our markets



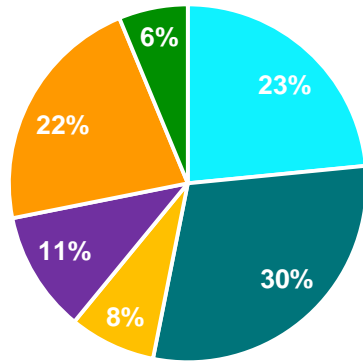
Product launches per market, 2014 to June 2016 (Number of products)



Continuous enhancement of our product portfolio and pipeline

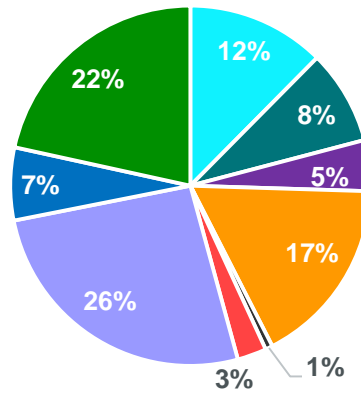


Branded launches by therapeutic area*



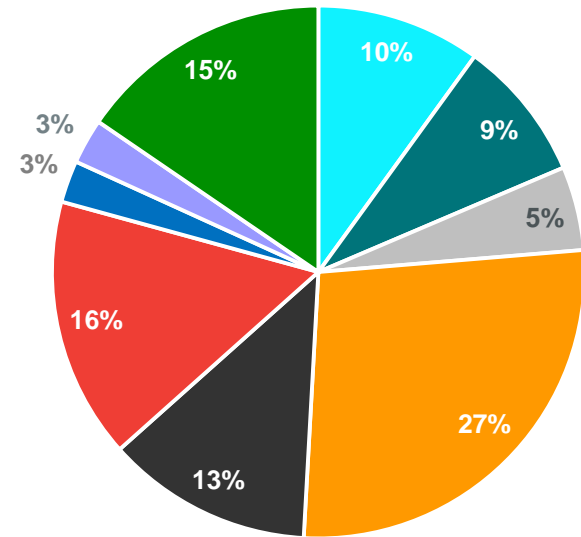
2015

69 launches



2016E

122 launches



2017-19E

60 – 80 launches per year

- Cardiovascular
- Ophthalmic
- Central Nervous System
- Oncology
- Vitamins & Supplements

- Anti-infectives
- Dermatology & creams
- Diabetes
- Respiratory
- Others including muskulo, immunosupps & metabolism

*Includes all dosage forms across all markets

Saudi Arabia and GCC — well positioned for future growth

- ▶ Market size: approx. \$4.6 billion
- ▶ Market position and share:
 - #7 in Saudi Arabia, 4.7% share
 - #10 in UAE, 2.3% share
 - #14 in Kuwait, 2% share

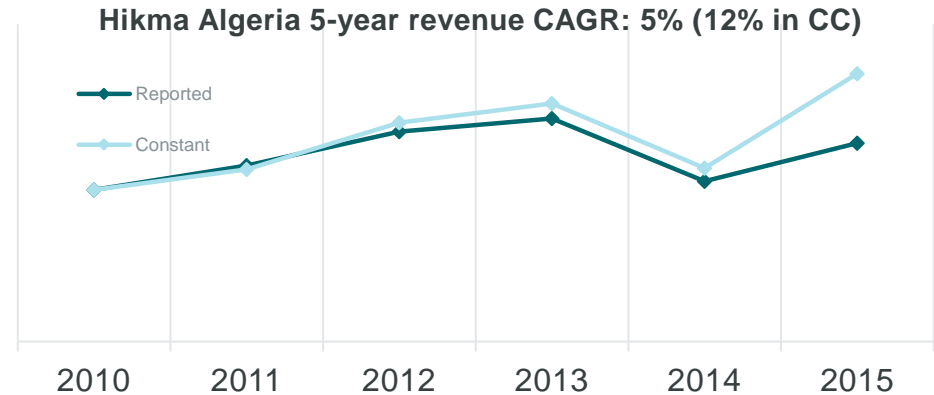
Hikma Saudi & GCC 5-year revenue CAGR: 6%



- ▶ Large and attractive market
- ▶ Hikma well positioned with large salesforce, strong brands and local production
- ▶ Enhancing quality of product portfolio and pipeline through focus on core therapeutic areas – CNS, cardiovascular, diabetes and biosimilars
- ▶ Recent success in launching 1st generics
- ▶ Strong pipeline with number of strategic products, including new under licensed products

Algeria — leveraging our local presence to deliver growth

- ▶ Market size: approx. \$3.0 billion
- ▶ Market position: 4th largest pharmaceutical player
- ▶ Market share: 5%

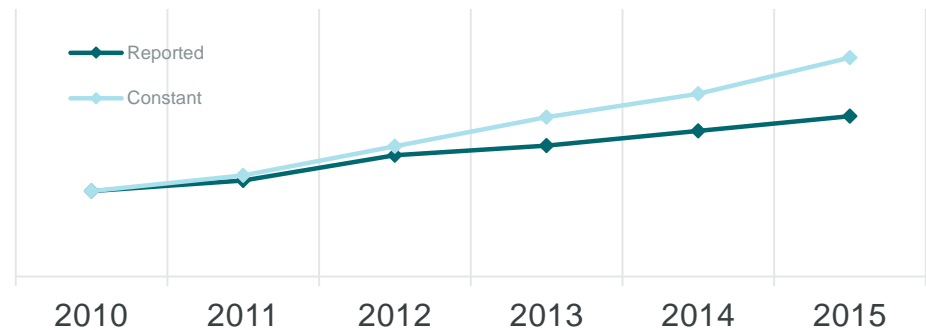


- ▶ Well positioned to benefit from market's preference for locally manufactured products
- ▶ Focused on high growth products in chronic therapeutic areas
- ▶ Local R&D capabilities enhance speed to market
- ▶ Expect to be 1st generic to market with a number of upcoming launches
- ▶ Continued investment in local capacity will enable us to add increasingly differentiated products

Egypt — consistent delivery of above market growth

- ▶ Market size: approx. \$3.9 billion
- ▶ Market position: 10th largest pharmaceutical player
- ▶ Market share: 2.2%

Hikma Egypt 5-year revenue CAGR: 13% (21% in CC)



- ▶ Uniquely positioned as the only local manufacturer of oncology products
- ▶ Experienced salesforce and improving productivity
- ▶ Significant investment has transformed Hikma into a top 10 player, from #36 in 2007
- ▶ Highly strategic product portfolio, developed through local R&D, product acquisitions and leveraging Group capabilities

Local presence and strong market position will drive sustainable growth



Delivering above market growth while navigating headwinds

Market fundamentals remain intact to support long-term growth

Hikma is uniquely positioned to capture growth opportunities

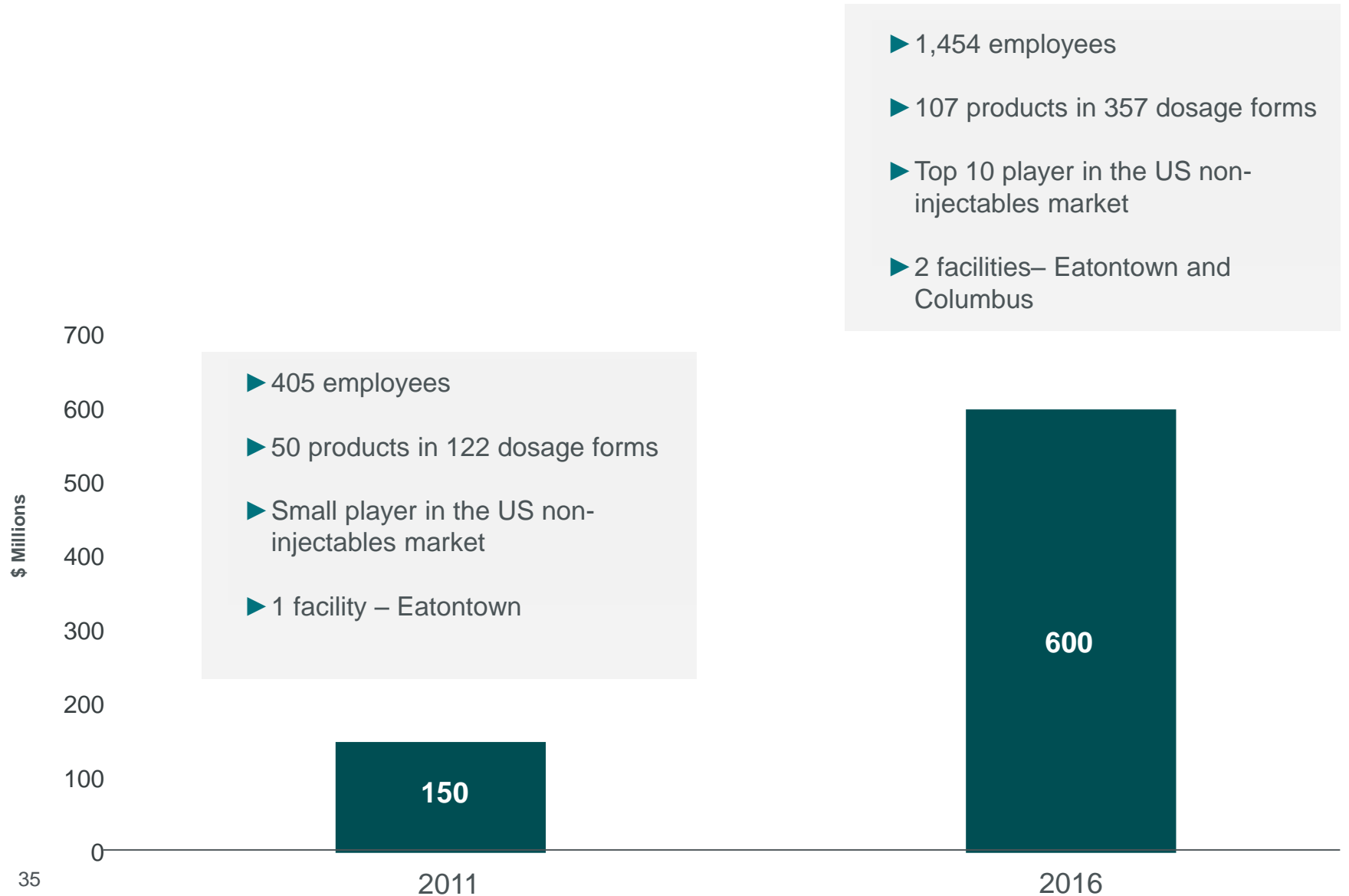
15 min coffee break



Generics



Transforming our non-injectables business in the US

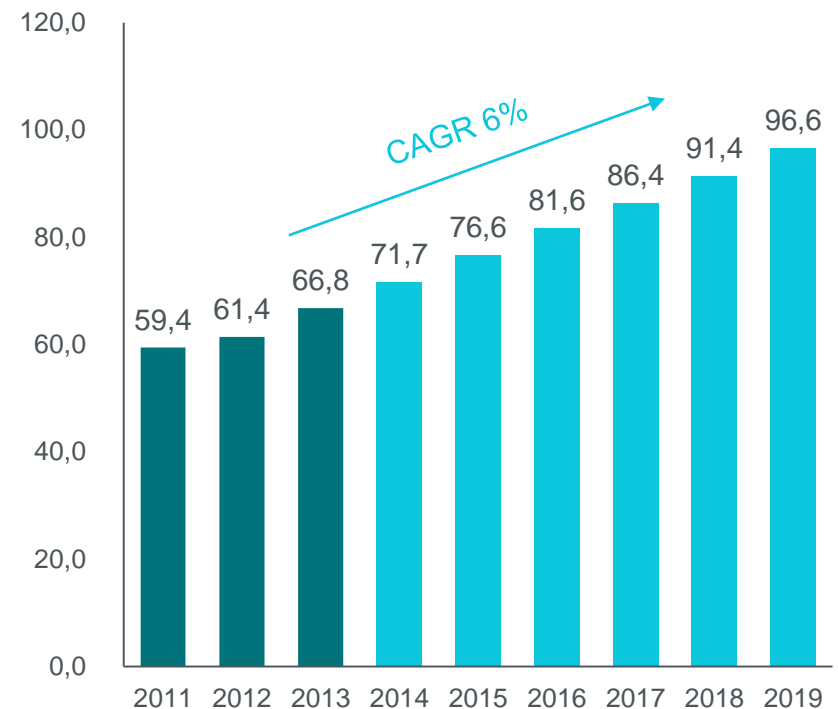


US generics market offers stable fundamentals and attractive growth opportunities



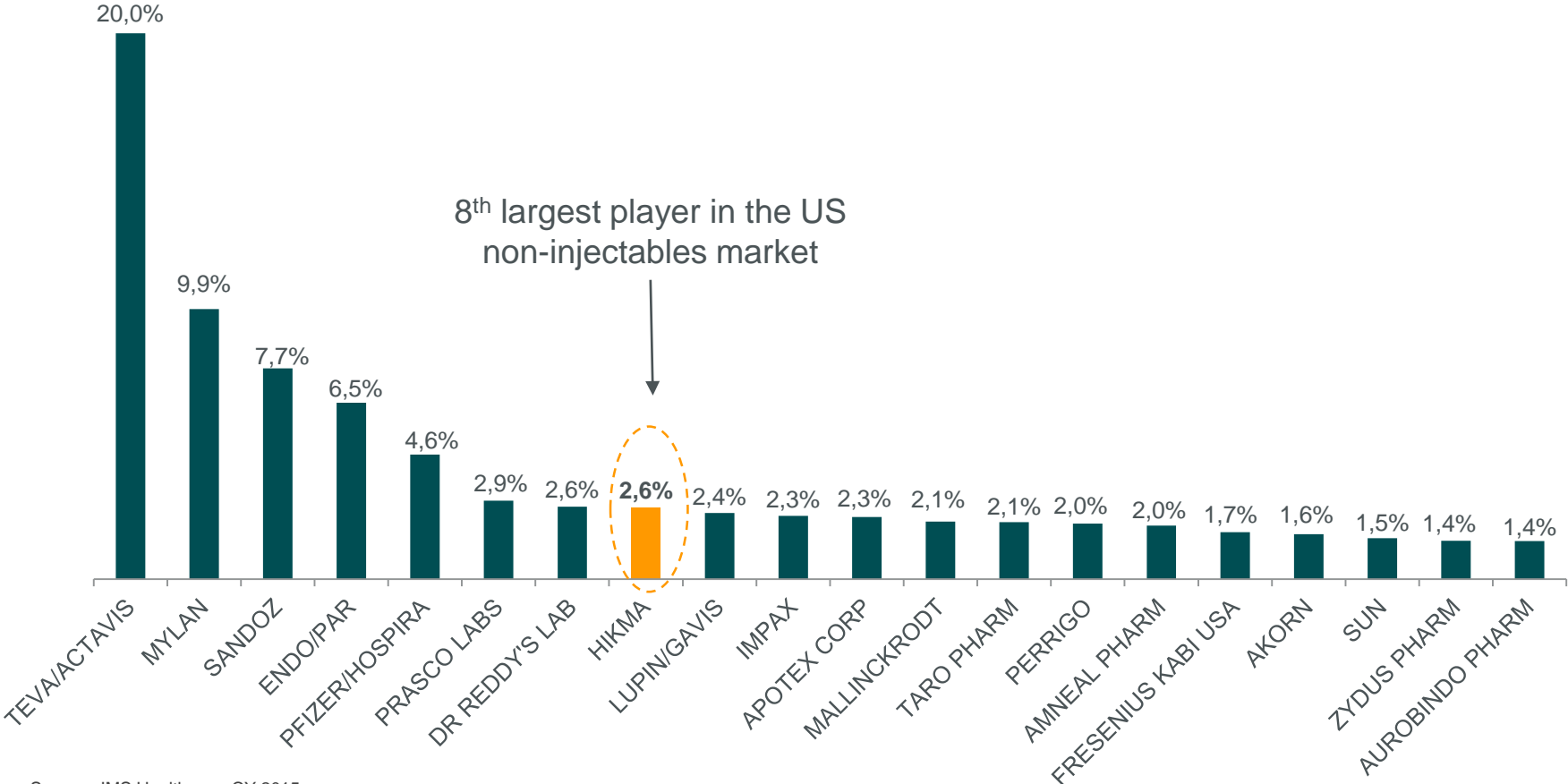
- ▶ Stable fundamentals and attractive growth opportunities
 - Expected 2014-2019 CAGR of 6%
- ▶ Growth drivers include:
 - Continued patent cliff and loss of exclusivity opportunities
 - Continued regulatory pressures to control healthcare costs
 - Regulatory push for increased access to affordable drug benefits
 - An ageing population with more chronic illnesses
 - Increased acceptance among consumers, physicians and pharmacists of generics as equivalents of branded pharmaceuticals
- ▶ Pricing pressures, including increased customer and competitor consolidation, the political environment and the FDA's GDUFA initiatives, are increasing the importance of scale and differentiation

US generics pharmaceutical market (\$ billion)



Well positioned in the US non-injectables market

US non-injectable generics market share (%)



Source: IMS Healthcare, CY 2015

We are focusing on six key priorities to achieve our strategic objectives

“

To be a leading player
in the US non-injectable
generics market

”

Develop a differentiated product portfolio

Build best-in-class R&D capabilities by exploiting WWC's P-IV oral R&D expertise

Bring new generics to market

Leverage strong commercial capabilities to maximise potential of our portfolio

Optimise operations and drive efficiencies

Use M&A to accelerate growth opportunities and fill in gaps

WWC brings state-of-the-art manufacturing capabilities, an experienced team, a differentiated portfolio and exciting pipeline



- ▶ Broad production capabilities with state-of-the-art operations
- ▶ Strong track record of high-quality manufacturing and regulatory compliance
- ▶ Differentiated product portfolio with limited competition
- ▶ Large pipeline with capable R&D team
- ▶ Building respiratory centre of excellence
- ▶ Continued investment across the business supports high-quality operations



Opportunities to drive value from the West-Ward Columbus portfolio

- ▶ Increase sales of low market share products
- ▶ Improve product mix from low to high margin products
- ▶ Rationalise current portfolio, discontinuing products with negative or minimal contribution
- ▶ Reduce fees within current terms and conditions
- ▶ Apply tighter controls to returns and FTS claims

Large R&D team with impressive and advanced capabilities

- ▶ Strong track record of investing in R&D to deliver a highly differentiated product portfolio – 170 full-time employees including:
 - Formulation & Analytical Development
 - Regulatory Affair
 - Medical Affairs
 - Strategy
 - Business development

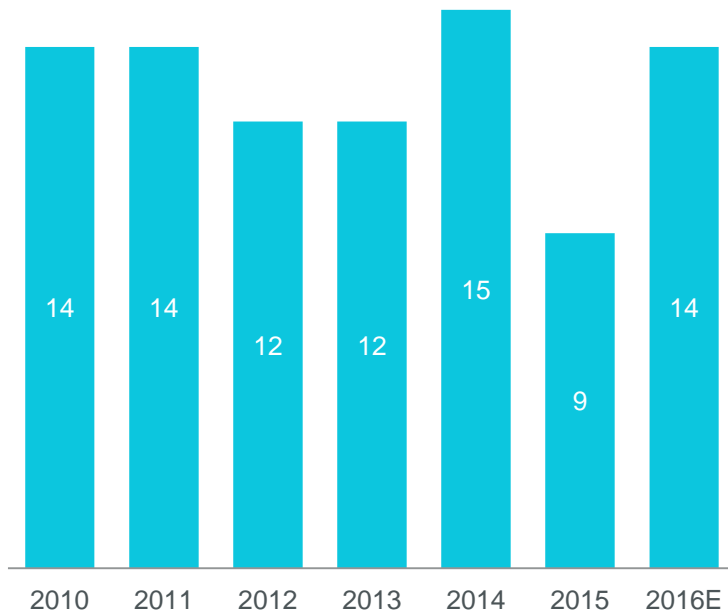
- ▶ Advanced laboratory facilities with full analytical and formulation development capabilities, including Respiratory and HCO

- ▶ Highly experienced and integrated team equipped for strategic and technical aspects of differentiated development

- ▶ Full product life cycle team to address ongoing quality and efficiency concerns

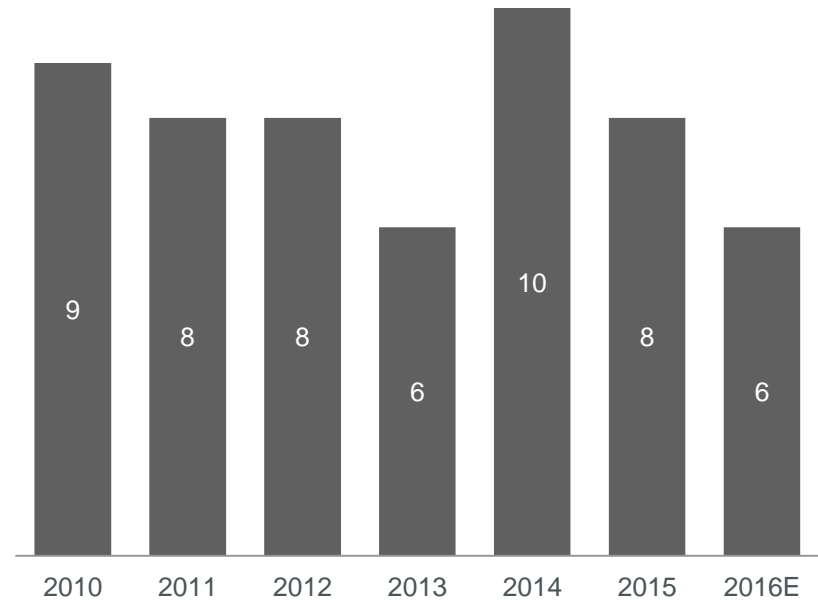
Strong track record of filing and launching new products

New filings (number of products)*



Average of 13 product submissions annually since 2010

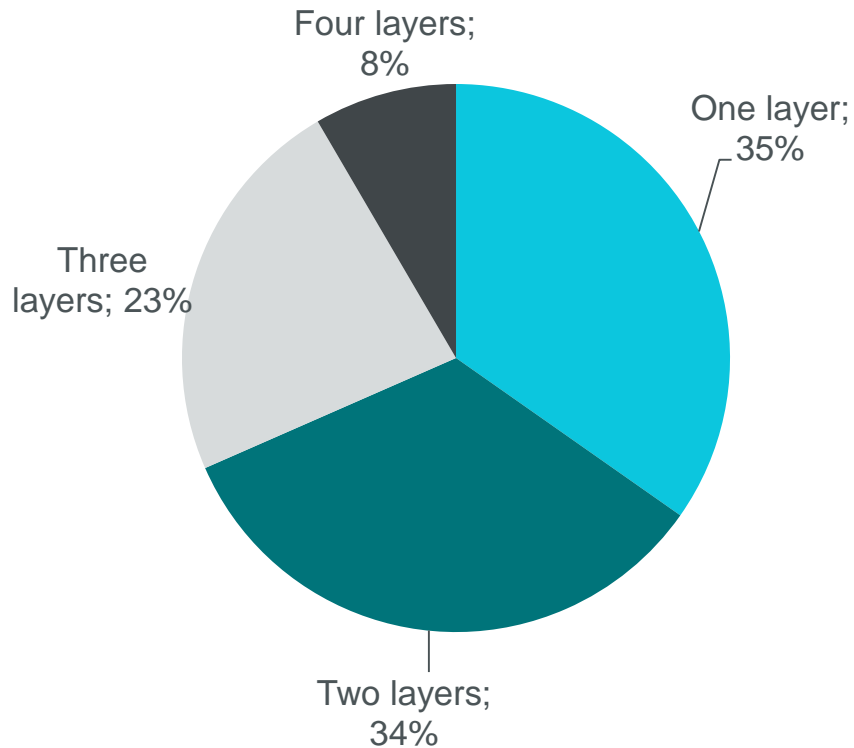
New product launches (number of products)*



Average of 8 product launches annually since 2010

Diverse product pipeline with at least one layer of differentiation

Columbus pipeline by layers of differentiation



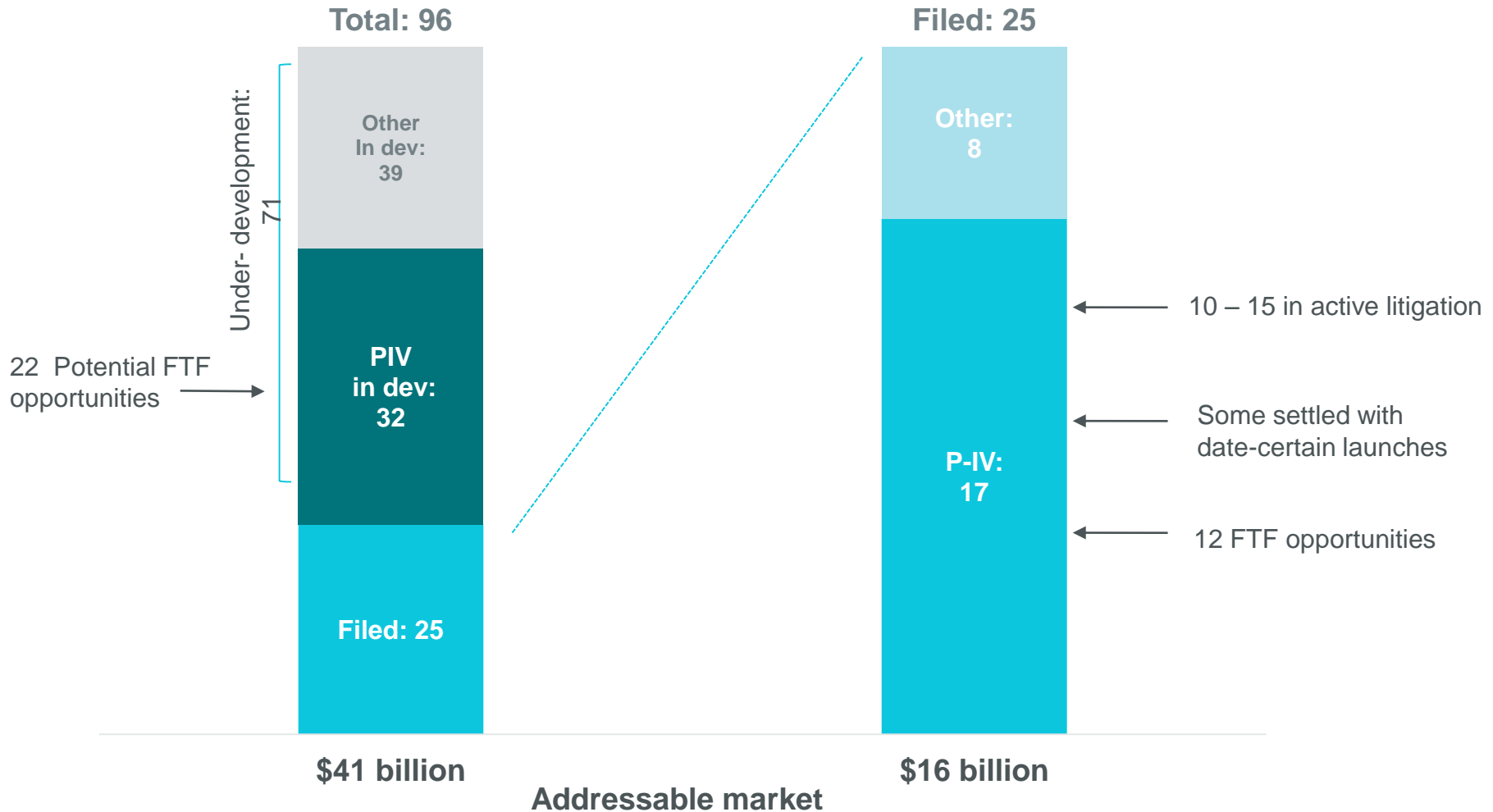
▶ 96 products currently in development

- 49 PIV products
- 25 High containment facility products
- 12 DEA products
- 11 Modified release products
- 11 REMs products

High value pipeline with emphasis on PIV and 'first-to-file' opportunities



Product pipeline summary at Oct 2016 (number of products)



Driving sustainable long-term value through new product launches

Non-Injectables (WWC and legacy) pipeline highlights

PIV product with date certain launch	Extended release product	Ophthalmic product	Derm product with R&D partner
Product with hard to source API	Generic Advair	Product with technically challenging formulation	Delayed release product
Controlled substance product	Product requiring high containment production	Transdermal product with R&D partner	Product with REMS requirement

Targeting 40 to 50 launches between 2017 and 2021 with an addressable market size of \$17 - \$19 billion

Improved profitability will be driven by multiple levers

- ▶ Reduce low-margin contract manufacturing revenue
- ▶ Exit current portfolio products with minimal contribution
- ▶ Portfolio optimisation
- ▶ New product launches
- ▶ Cost Savings

Summary



Strong investment case with clear potential for growth

- ▶ Diversified business model
- ▶ Experienced R&D teams and large, differentiated pipeline
- ▶ High-quality global manufacturing footprint and efficient operations
- ▶ Well established commercial capabilities
- ▶ Global portfolio and potential to expand into new markets
- ▶ Experienced management teams with proven track record