

**Better health.  
Within reach.  
Every day.**

**Meet the Management Series - Branded**  
June 2021

**hikma.**



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# Agenda and speakers

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2:00 – 2:05pm	<b>Welcome</b>	Siggi Olafsson
2:05 – 2:15pm	<b>Branded overview</b>	Mazen Darwazah
2:15 – 2:20pm	<b>Commercial, products &amp; partnership</b>	Masoud Abdelmajid
2:20 – 2:25pm	<b>Manufacturing, R&amp;D &amp; pipeline</b>	Ma'moon Araidah
2:25 – 2:30pm	<b>Wrap up</b>	Mazen Darwazah
2:30 – 3:00pm	<b>Q&amp;A</b>	

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**Siggi Olafsson**  
CEO



**Mazen Darwazah**  
President of MENA &  
Executive Vice Chairman

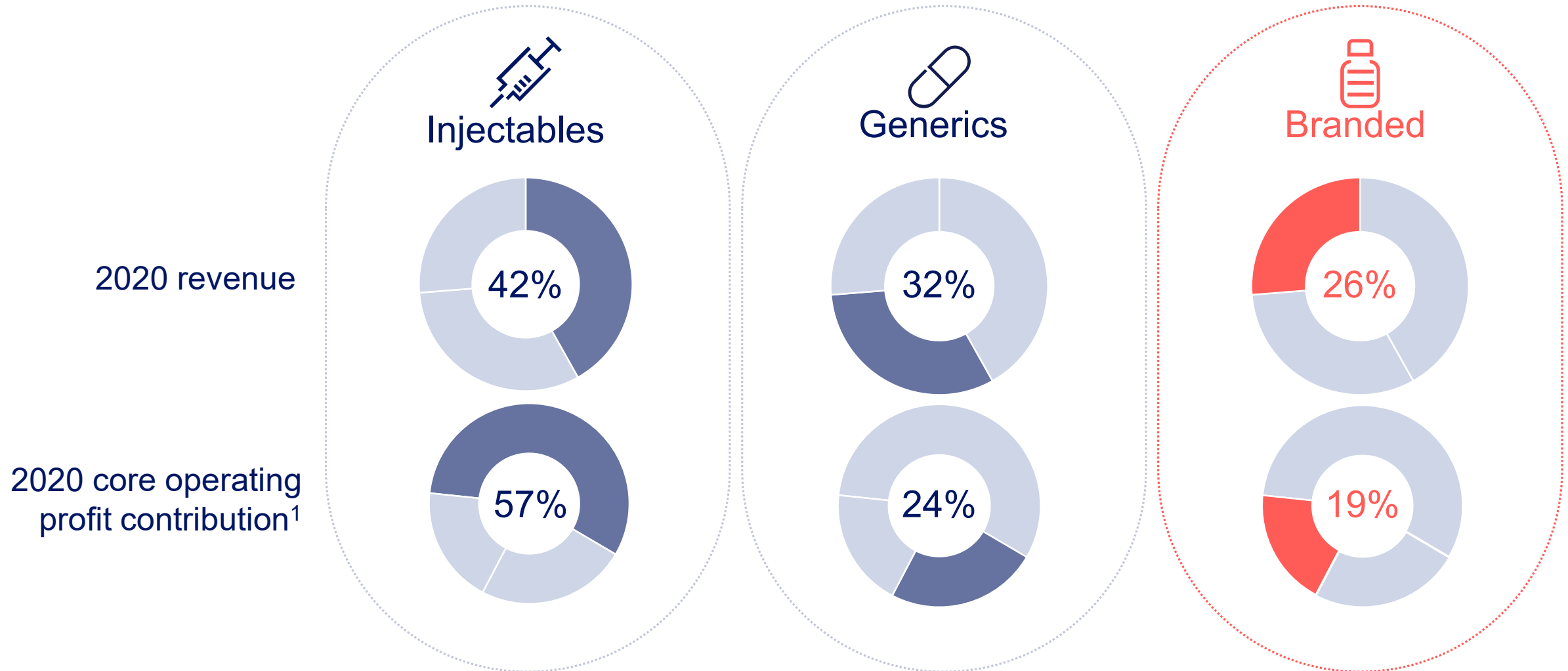


**Masoud Abdelmajid**  
VP - Egypt



**Ma'moon Araidah**  
VP – Algeria & Morocco

# Branded – A leader in the MENA region



<sup>1</sup> Core operating profit is \$566 million. Before unallocated corporate costs of \$98 million and operating profit from Other business of zero, core operating profit contribution from business segments is \$664 million



**Branded**

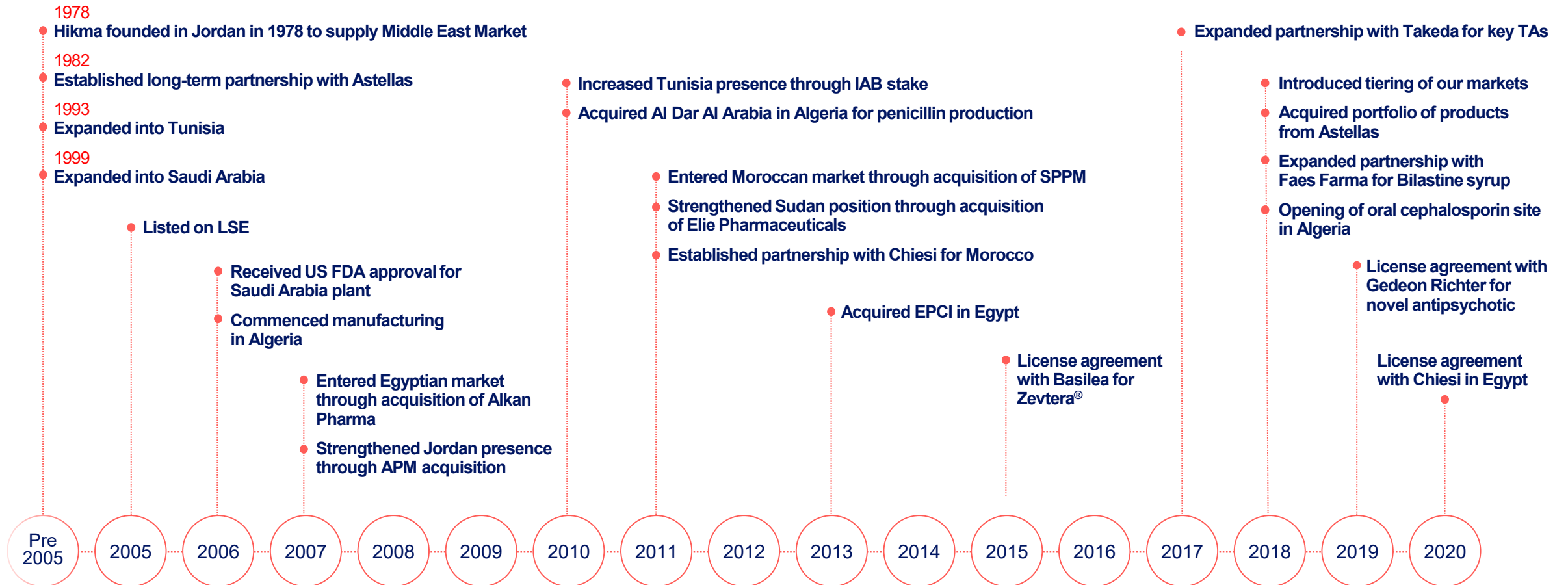
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**Mazen Darwazah**  
President of Branded

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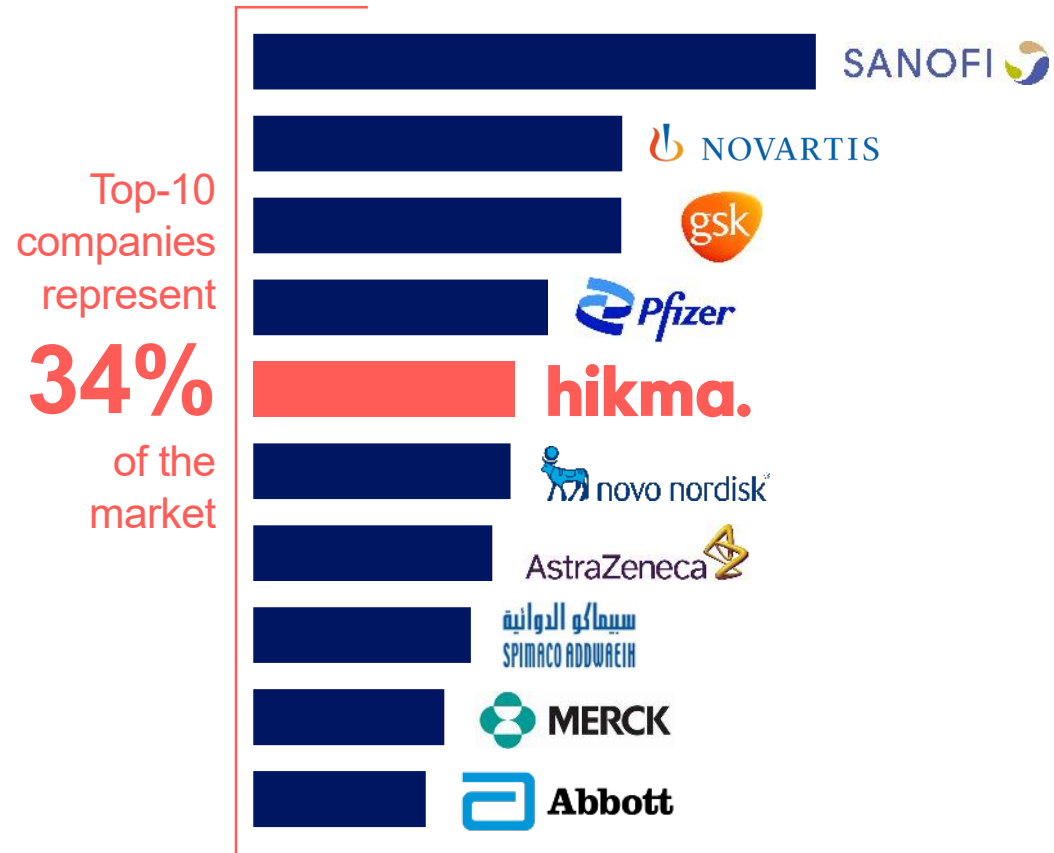


# Long-term presence in the MENA region



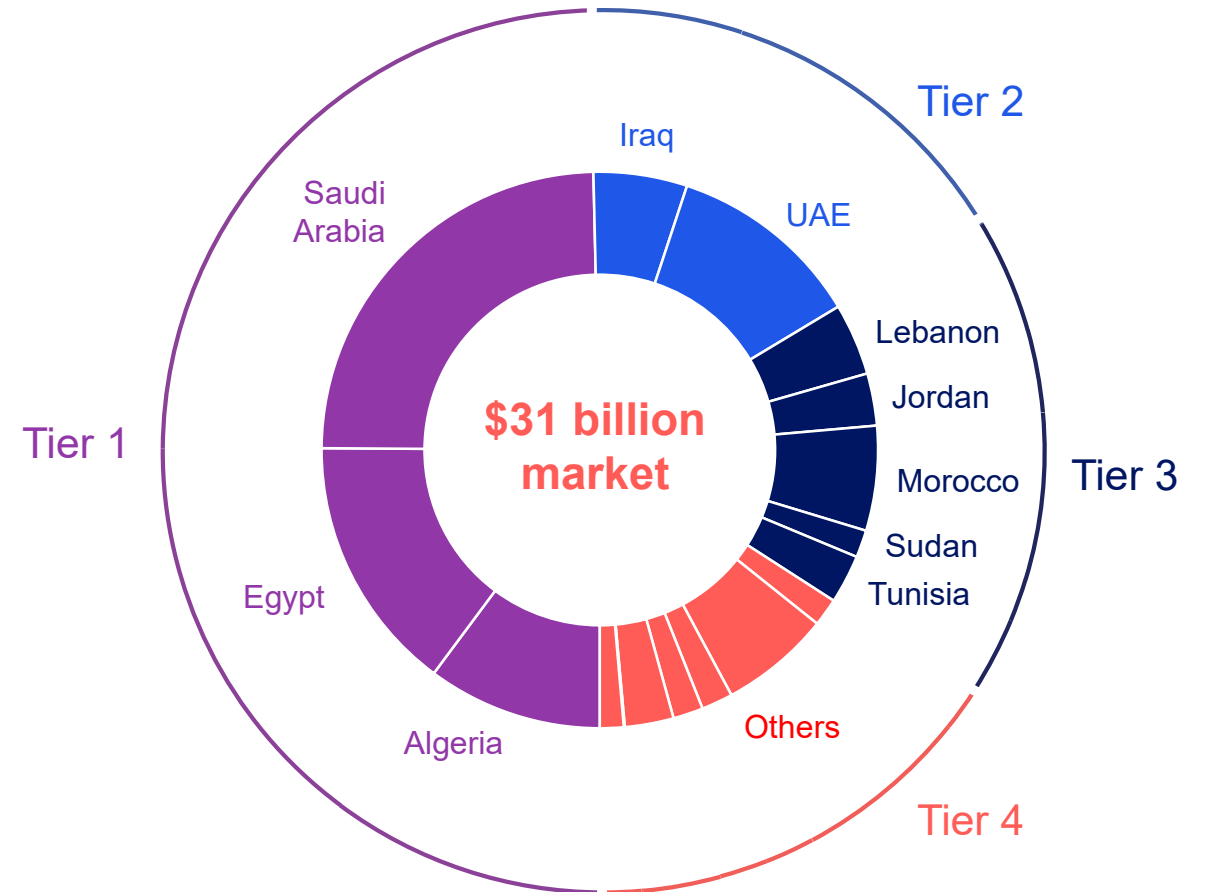
# Leading company in the region

## MENA top-10 pharmaceutical companies by sales<sup>1</sup>



<sup>1</sup> IQVIA local Pharma Index MAT May 2021. Data is only retail pharmacy purchases. It does not include hospital or tender business.

## Selected MENA markets by size<sup>2</sup>



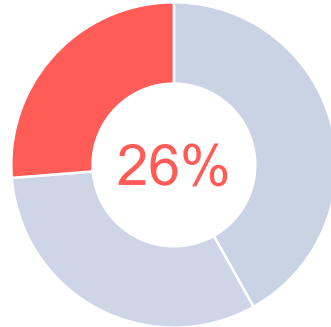
<sup>2</sup> Fitch Solutions estimates pharma market sales 2020

# Our Branded business today

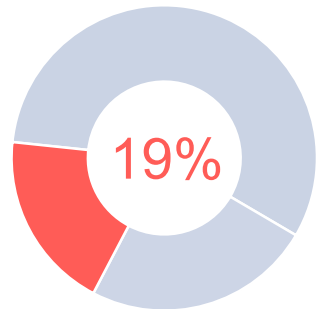


## Branded

2020 revenue



2020 core operating profit contribution<sup>1</sup>



**Revenue grew at CAGR of 5.3% and core EBIT at 12.7% 2016-2020 at constant currency**



**Fifth largest pharmaceutical company in MENA**



**23 manufacturing sites across the region**



**18 markets**



**5,700 employees, including over 2,000 in sales and marketing**



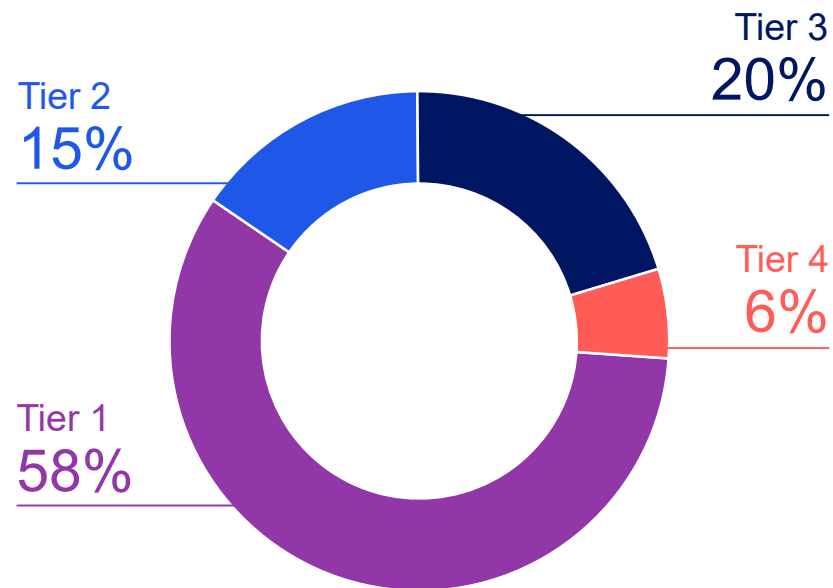
**Broad portfolio of branded generic and in-licensed products covering a range of therapeutic areas**

<sup>1</sup> Core operating profit is \$566 million. Before Unallocated corporate costs of \$98 million and operating profit from Other business of zero, operating profit contribution from business segments is \$664 million



# A focused approach to our markets through tiering

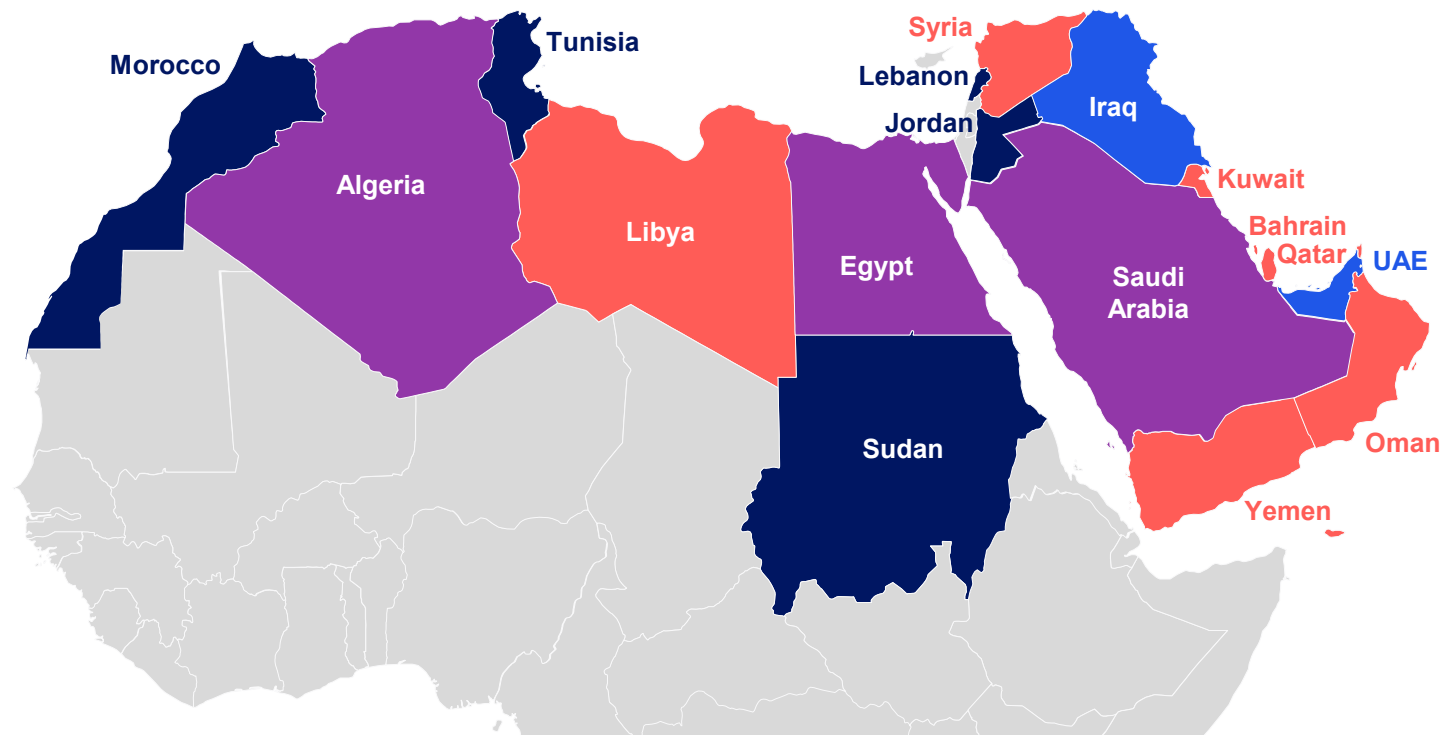
## 2020 Branded revenue by tier



44% of the total population of the 18 MENA countries live in our Tier 1 markets<sup>1</sup>

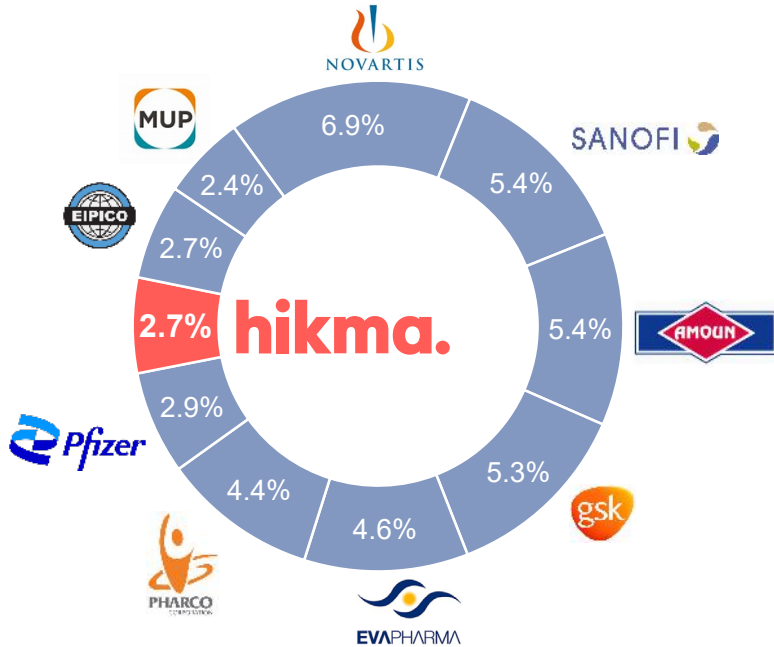
<sup>1</sup> The World Bank Databank 2021

## Market prioritisation



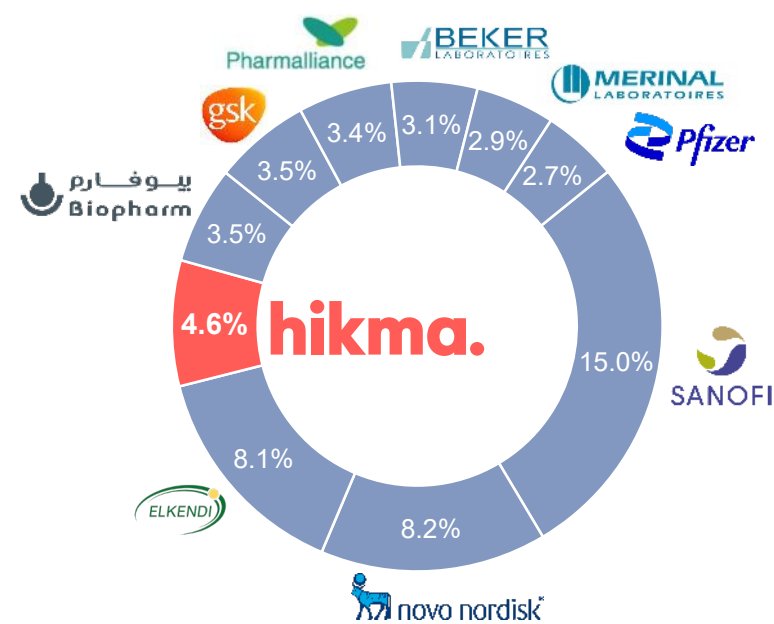
# Tier 1 markets

## Egypt<sup>1</sup>



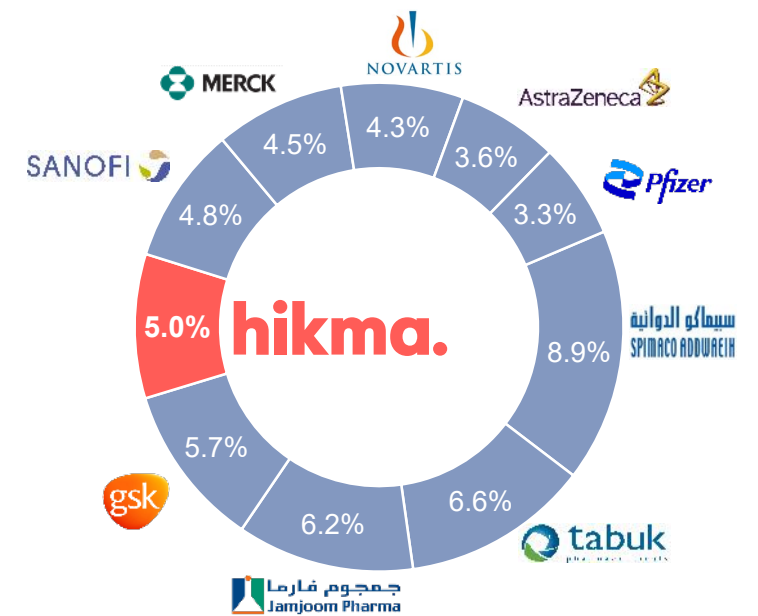
- Total market size of **\$4.9 billion**
- Hikma is **8<sup>th</sup>** largest player with a market share of **2.7%**
- **Top 10** manufacturers make up **43%** of the total market

## Algeria<sup>1</sup>



- Total market size of **\$3.3 billion**
- Hikma is **4<sup>th</sup>** largest player with a market share of **4.6%**
- **Top 10** manufacturers make up **55%** of the total market

## Saudi Arabia<sup>1</sup>



- Total market size of **\$4.6 billion**
- Hikma is **5<sup>th</sup>** largest player with a market share of **5.0%**
- **Top 10** manufacturers make up **53%** of the total market

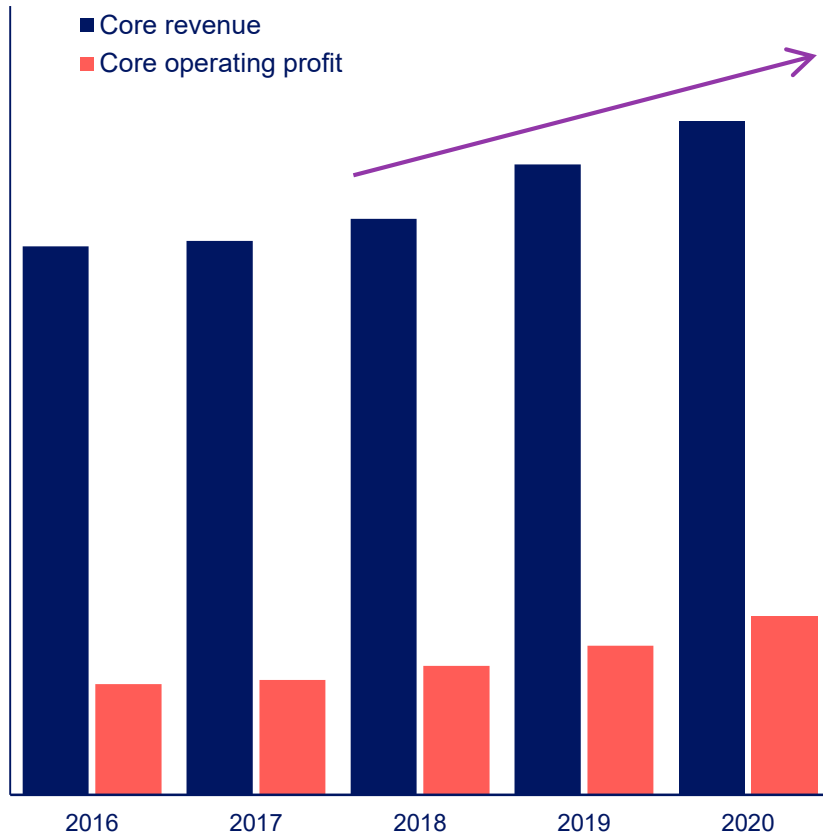
<sup>1</sup> IQVIA local Pharma Index FY 2020 using public price levels. Data is only retail pharmacy purchases excluding devices and milk. Does not include hospital or tender business.

# Branded strategy and opportunity



# Historic growth

## Branded financial performance in constant currency<sup>1</sup>

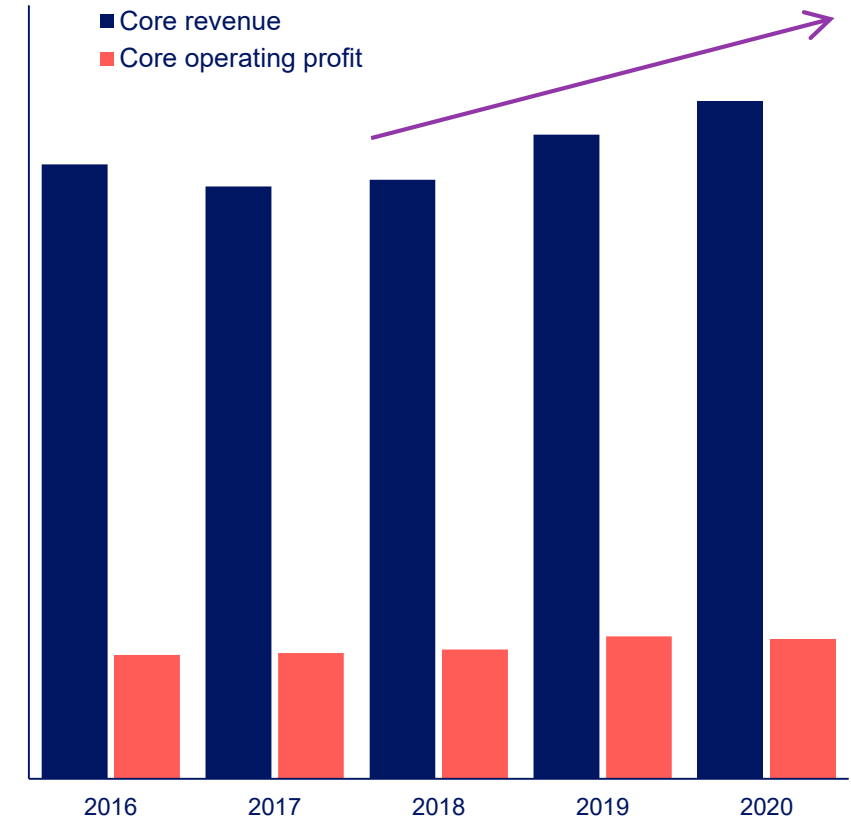


Since 2018 when we tiered our markets:

Core revenue has grown at a CAGR of **6%** both reported and constant currency.

Core operating profit has grown at a CAGR of **4%** reported and **7%** constant currency

## Branded financial performance as reported



<sup>1</sup> constant currency is rebased to 2016 exchange rates



# Commercial, products and partnerships

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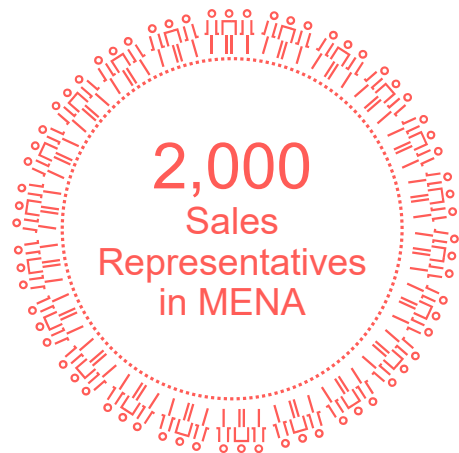
Masoud Abdelmajid

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# Commercial capabilities

## Sales teams



## Tailored engagement approach



## Case study: Egypt

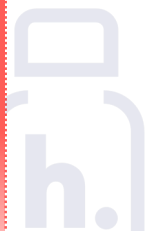
-  **540+ market representatives**  
Increasing our reach and know-how in the region
-  **Virtual conferences**  
– hosted 140 virtual conferences since start of 2020 reaching over 90k HCPs
-  **Strengthening relationships**  
with Egyptian Drug Authority (EDA) and Egyptian Authority for Unified Procurement (UPA)
-  **Engaging and developing our commercial team capabilities**  
through a focus on a winning culture

# Our product focus

Building on our strong performing established products with new complex and differentiated launches

Recently launched products

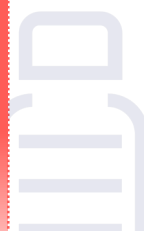
## Branded Generics



**Sclera<sup>®</sup>**  
Dimethyl Fumarate  
CNS

**Divinus<sup>®</sup>**  
Dapagliflozin  
Diabetes

## In-licence



**Reagila<sup>®</sup>**  
Anti-psychotic

**Vipidia<sup>®</sup>**  
Diabetes

**Bufomix Easyhaler<sup>®</sup>**  
Respiratory

Established products

## Branded Generics



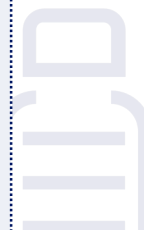
**Amoclan<sup>®</sup>**  
Anti-infective

**Zomax<sup>®</sup>**  
Anti-infective

**Megamox<sup>®</sup>**  
Anti-infective

**Suprax<sup>®</sup>**  
Anti-infective

## In-licence



**Prograf<sup>®</sup>**  
Immunology

**Advagraf<sup>®</sup>**  
Immunology

**Blopress<sup>®</sup>**  
Cardiovascular

# Importance of partnership

## Branded revenue split by product type





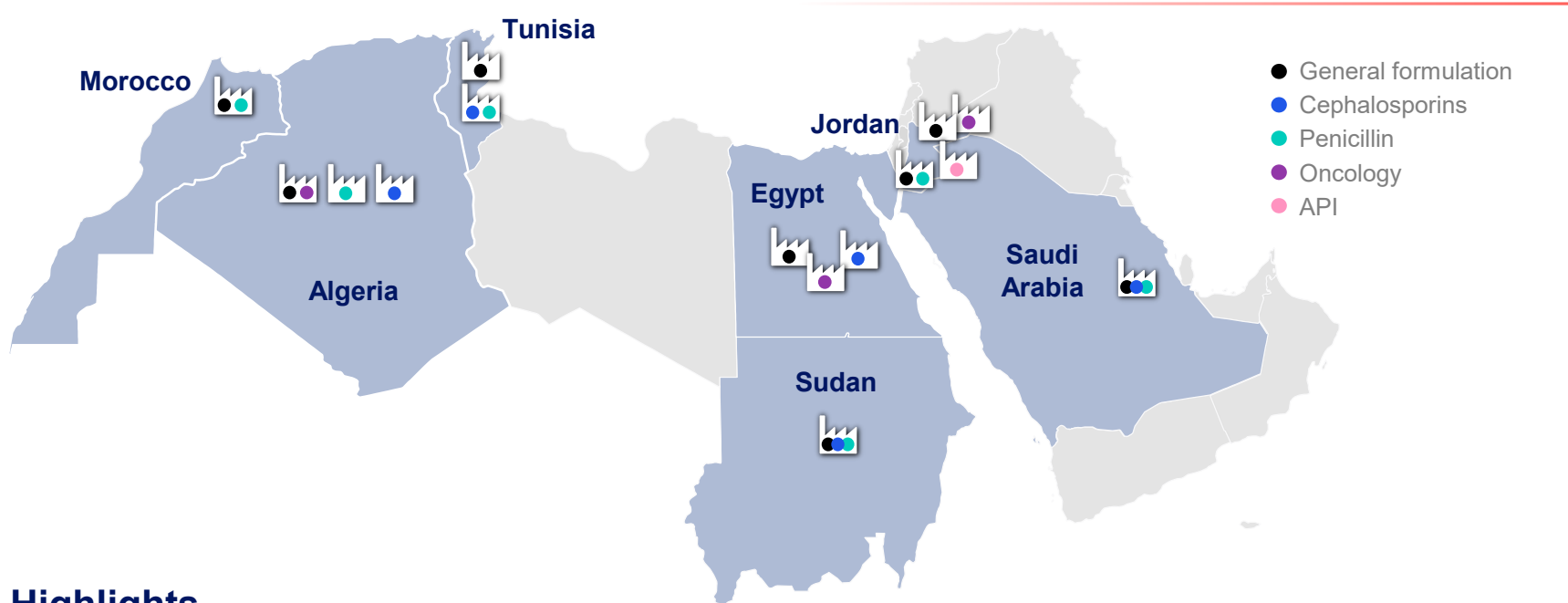
# Manufacturing, R&D and pipeline

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Ma'moon Araidah

A close-up photograph of a person's hands in a white lab coat. The person is holding a black pen and writing on a white notepad. The background is blurred, showing other people in lab coats, suggesting a laboratory or research setting.

# Extensive manufacturing capabilities



**23**  
Manufacturing plants  
across the MENA region

## Highlights

### Jordan manufacturing breadth

- Five plants covering chemicals (API), general formulation, high containment, and penicillin
- Ability to supply both MENA and US Generics business
- Local, regional and US FDA-inspected facilities
- 4.1 billion tab/cap and 70 million bottles per year
- 370+ products<sup>1</sup> produced across plants

### Egypt manufacturing differentiation

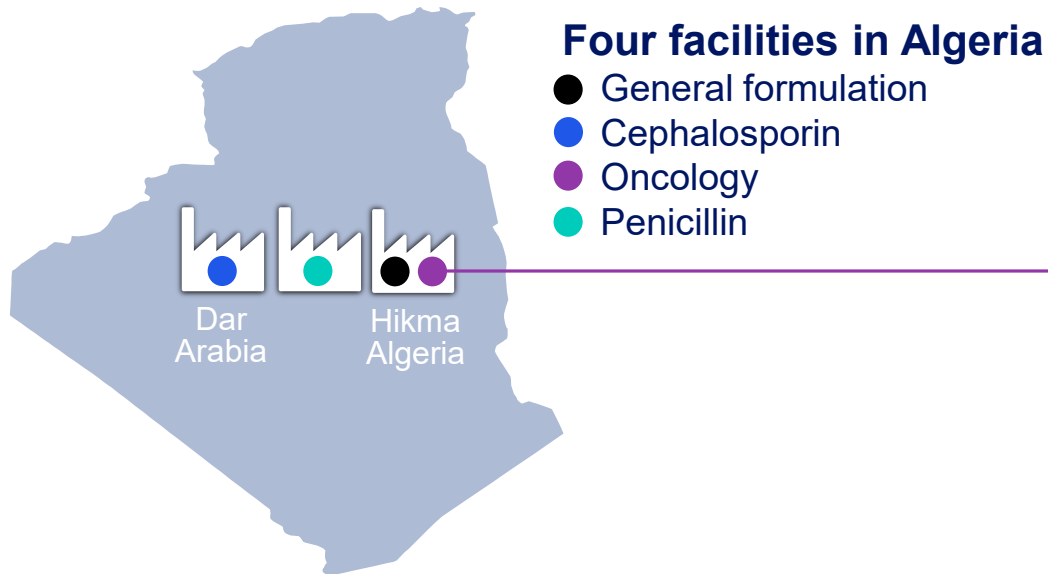
- Three plants covering general formulation, high containment and cephalosporins
- Range of technological capabilities including multi-encapsulation and bi-layer compression
- 1.8 billion tab/cap and 50 million bottles per year
- 180+ products<sup>1</sup> produced across plants

### Saudi Arabia manufacturing strength

- Three plants covering general formulation, cephalosporins and penicillin
- Local, regional and US FDA inspected plants
- 1.9 billion tab/cap and 35 million bottles per year
- 250+ products<sup>1</sup> produced across plants

<sup>1</sup>Products refer to Single Dose Units (SDUs)

# Manufacturing in Algeria



## Algeria capabilities

- Production capacity of 2 billion tab/cap and 40 million bottles per year
- 100+ products<sup>1</sup> produced across four plants
- 90% of Hikma products sold in Algeria are locally manufactured
- Recent additions to capabilities include:
  - single dose stick packs
  - sachets

## Algeria Oncology Plant

- First oral oncology plant in Algeria
- 10 products registered
- Additional 6 products to be registered in H2 2021
- Extension of submissions to include potent products
- 190 million tab/cap of production capacity per year
- Builds reputational strength in the region
- Improves local patient access to important medications

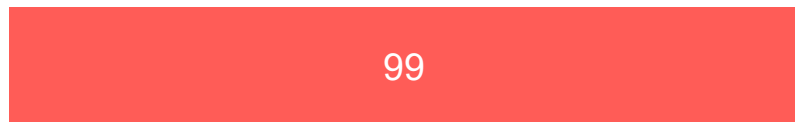
<sup>1</sup> Products refer to Single Dose Units (SDUs)

# Therapeutic area focus – differentiated pipeline

## Branded pipeline of 216 projects for 57 molecules<sup>1</sup>

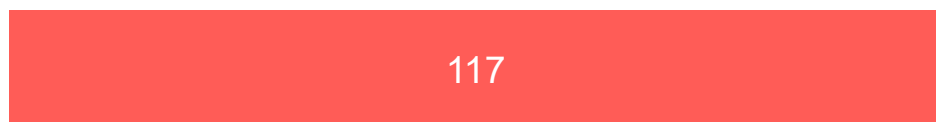
### Submission

99 projects, 24 molecules



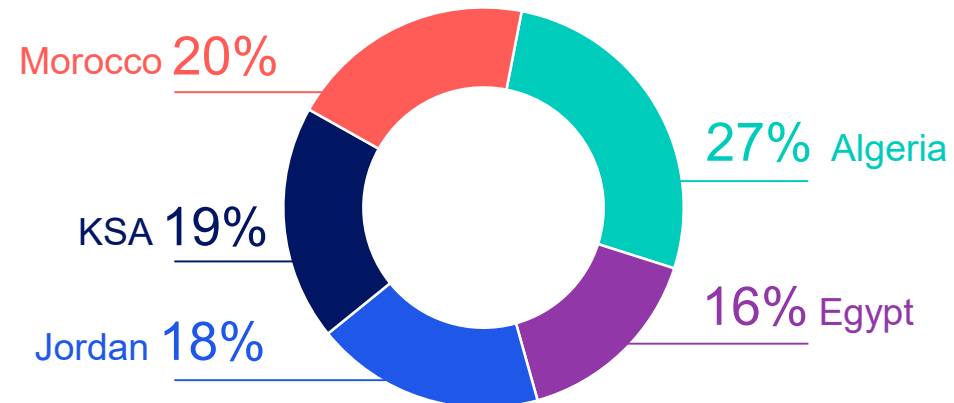
### Development

117 projects, 33 molecules

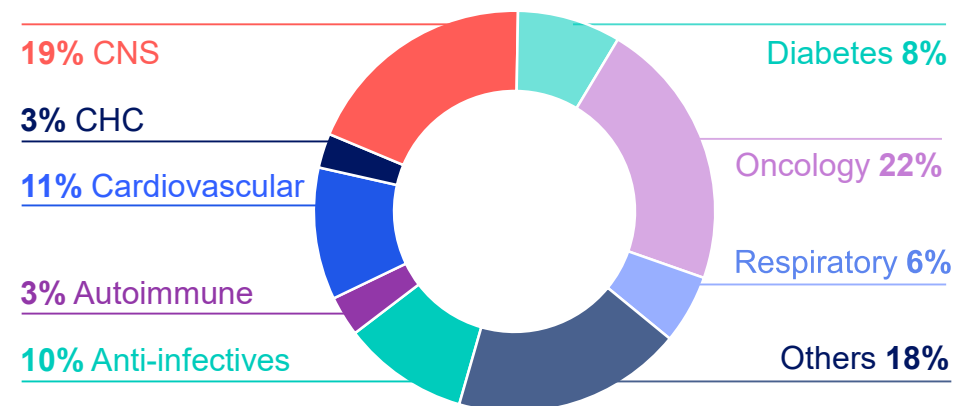


<sup>1</sup> Pipeline as at May 2021, by number of projects

## Pipeline by market<sup>1</sup>



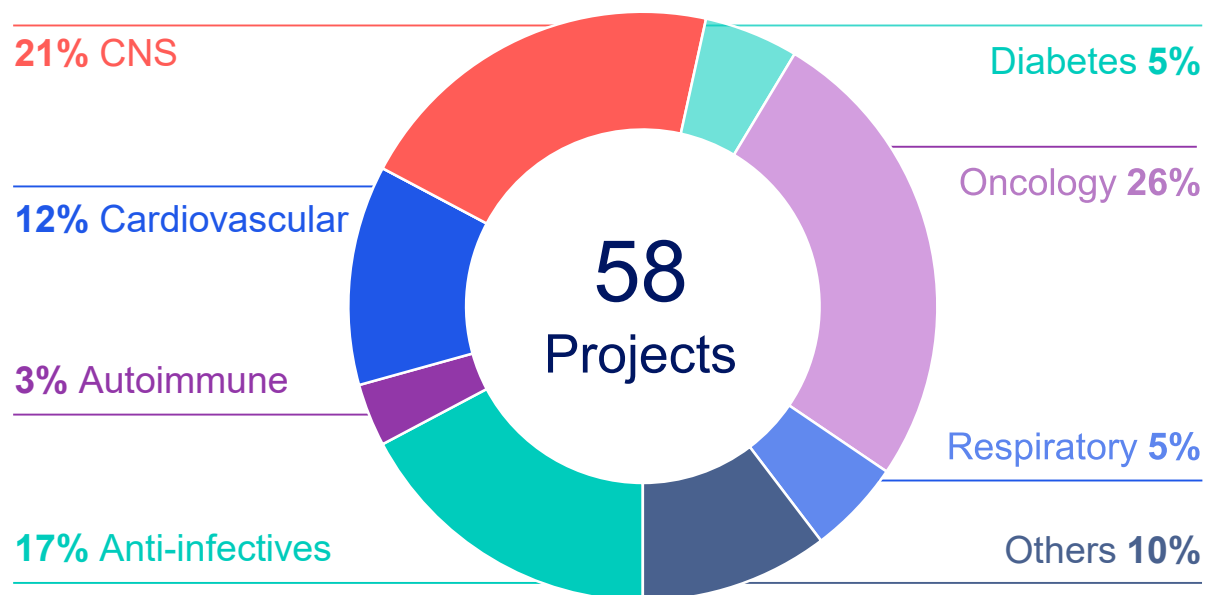
## Pipeline by key therapeutic area<sup>1</sup>





# Algeria pipeline

## Algeria pipeline by therapeutic area



### Rich diversified pipeline

Focus on specialty areas such as hypertension and diabetes



### Existing line extensions

In order to maximise revenues from legacy top-selling products



### Oral oncology facility

Manufacturing of oral oncology products as well as potent medications



### New technologies

Sachets, sticks, bi-layer tablets, pellets and minitables

# Wrap-up

Mazen Darwazah



# Summary slide



## Our Strategy:

### Tiered markets



- Continue to invest in Tier 1 markets to drive quality growth
- Focus on Tier 2 and certain Tier 3 markets

### Partner of choice



- Leverage existing relationships to build on portfolio
- Pursue new partnerships to continue expanding into key therapeutic areas

### Commercial excellence



- Be the best commercial operators in the region
- Leverage hybrid ways of working to access healthcare professionals efficiently
- Utilise existing sales force for a growing product base

### Efficiency in operations



- Invest in capacity and expand capabilities in core markets
- Focus on flexibility and improved logistics
- Implement energy saving measures to reduce GHG emissions

### People & culture



- Strive to be an employer of choice across MENA
- Build organisational effectiveness
- Focus on training and education



## Our priorities:

### Revenue

**Mid-single** digit constant currency growth in 2021

### Operational leverage

**Leverage** our established manufacturing and sales infrastructure

### Therapeutic areas

Continue shifting portfolio to focus on **high-value** products across key therapeutic areas



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Every day.**

**Branded Meet the Management - Q&A**

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