

Hikma Pharmaceuticals Plc

04:05 18 May 2018

Hikma Pharmaceuticals shares slip as guidance maintained though current year has got off to "an encouraging start"

Hikma Pharmaceuticals PLC (LON:HIK) said the current year has got off to "an encouraging start" with its Injectables, Generics and Branded businesses all benefitting from its broad product portfolio and recent product launches.

In an update to be delivered at today's annual general meeting, the FTSE 250-listed generic drugs maker's CEO Siggı Olafsson, said: "Our efforts to reduce costs across the Group are on track and we continue to focus on enhancing and investing in our pipeline."

READ: Hikma Pharmaceuticals posts loss after US write-down
He added: "Our cash position remains very healthy and our balance sheet is strong. Altogether, these factors reinforce our positive outlook for the Group and enable us to reiterate our guidance for the full year."

The group said its global Injectables business is performing well, with its product portfolio in the US enhanced by six product launches in the year to date and it is seeing increased demand across its marketed portfolio.

It added that the demand is more than offsetting increasing competition on certain key products, though it continues to expect competition to accelerate over the course of the year.

For the full year, Hikma continues to expect Injectables revenue to be in the range of US\$750mln to US\$800mln and core Injectables operating margin to return to more normalised levels in the low to mid-30s.

Generics, Branded also performing well

The firm said its Generics business has had a good start to the year benefitting from a favourable product mix, though market conditions in the US retail market remain challenging.

It reiterated expectations for Generics revenues in 2018 to be in the range of US\$550mln to US\$600mln and core Generics operating margin in the low-single digits.

Hikma added that its Branded business is also performing well., with recent product launches driving sales growth, though as in 2017, it expects a stronger second half, reflecting the usual seasonality of this business.

The group said it continues to expect Branded revenue growth for the full year to be in the mid-single digits in constant currency.

Hikma will announce its results for the six months to 30 June 2018 on August 15.

"Somewhat expected"

In a note to clients, analysts at Jefferies International commented: "HIK reiterated FY guidance but this is somewhat

Price: 1897.5

Market Cap: £4.6 billion

1 Year Share Price Graph



Share Information

Code: HIK

Listing: AIM

52 week	High	Low
	2212	1491.5

Sector: Pharma & Biotech

Website: www.hikma.com

Company Synopsis:

Hikma Pharmaceuticals PLC is a pharmaceutical company engaged the development, manufacture and marketing of a range of generic and in-licensed pharmaceutical products in solid, semi-solid, liquid and injectable final dosage forms.

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expected in our view given it was only provided in March."

They added; "We expect injectables sales to be supported by new launches despite increasing competition, but look for any update on margin progression after a stronger than expected performance in 2H '17.

"US generics remains challenging but has had a "good start" to 2018. HIK plans to submit an update for Gx Advair to FDA "as early as possible" in 2019."

Jefferies reiterates a 'hold' rating and 997p price target on Hikma shares.

In early morning trading, Hikma shares were 0.5% lower at 1,393p.

-- Updates with analyst comment, share price --

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