TOP GROWTH TIP 2021

CITY ANALYST

CITY ANALYST ISSUES STRONG BUY RECOMMENDATION - 2021 TOP GROWTH SHARE

HIKMA PHARMACEUTICALS PLC: (LON:HIK) - INDEX: LSE- MARKET CAP:5.8 BILLION - TIP PRICE RANGE: £23.10-£24.10

52WK HIGH: £27.68 - 52WK LOW : £15.96 - RISK PROFILE:LOW

TIP HIGHLIGHTS

hikma.

CITY ANALYST TIP

FORECAST : 100%

HOLD: 12 MONTH

CEO EXCLUSIVES

BREAKING NEWS

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FACTS & FIGURES

WHEN TO BUY

WHEN TO SELL

DEAR INVESTOR

Hello and a very warm welcome from everybody at City Analyst

Thank you for your interest.

If this is your first time visiting us here at City Analyst, allow us to welcome you to the club. If this isn't your first time or, if you are a City Analyst regular, then welcome back to the fold. Boy do we have news for you.

We are very pleased to be able to tell you that our award analysts have recently issued a strong buy recommendation on what we believe is the most compelling growth story anywhere in the world today and the fact that shares of this company just so happen to trade on what we forecast to be this years top performing share index ... only makes the growth forecast all the more exciting,

We're talking **Penny share growth with Blue Chip security**. it doesn't get better than that

Stating the obvious, 2020 was a tough year for the FTSE100 index, as well as for the market in general. The pandemic created massive disruption across many major industries and as good as brought the whole world to a standstill at points. Despite the chaos, the company we have for you today has continued to **outperform the FTSE100** index as demand for its products have **sky rocketed.**

The name of the company is **Hikma Pharmaceuticals**. Their shares trade on the **FTSE100** index in London under the ticker symbol **LON:HIK** and they are one of the most robust and financially sound companies in the Pharmaceutical business. All told, Pharmaceuticals is a £350 billion industry and statistically speaking, the sector is growing at 10% per annum

Hikma is a leading manufacturer of generic medicines. The company doesn't invest heavily in developing new drugs, instead they focus on recreating existing ones at a much lower price to make them more accessible and affordable. Discount drugs, in the era of sky high prices, will come as welcome news to the end user but what interests us, from an investor standpoint, is the fact that all of the drugs Hikma manufacture have already been **approved by the relevant authorities**, whether that be the **FDA** in the US or the **MHRA** in the UK. Which means, the risk normally associated with this type of share has been removed. Hikma drugs are low risk drugs.

Presently, they sell in excess of 750 pharmaceutical products in 34 countries worldwide but the majority of their operations are in the United States, Europe, and the Middle East.

Interim results came out back in august and they blew analysts expectations out the park Revenue increased 9% year on year at $1.1 billion. Operating profit shot up 15% at $284 million and earnings per share is up a whopping 17% year on year, at 85.3.

Not bad for a £6 billion blue chip that's been doing the round's since 2005.

As a result of this **Hikma finished up adding more than 70%** to their share price last year.

Now, we know what you're thinking..."the opportunity for gains with this company must have been and gone" or maybe "it's too late" But no - the company have just raised their guidance for 2021 and **this year looks set to be a rocket ship of a ride!**

A TOP GROWTH SHARE TIP COMPLIMENTS OF CITY ANALYST

While it is clear 2020 was a great year for Hikma share holders, it is the following 12 months we need to focus on and our readers will be pleased to know that something else has caught our eye that we believe will make 2021 Hikma's best year to date -

Hikma recently signed a non exclusive supply agreement with Gilead Sciences Inc.

The contract states that Hikma will manufacture the injectable drug ***Remdesivir*** on behalf of Gilead. Why does this matter? *Remdesivir* is an approved treatment for severe cases of **Covid19**.

There are already multiple Covid vaccines available on the market, with more expected to be approved in 2021. However, for those suffering from symptoms and who have no access to one of these approved vaccines, *Remdesivir* could be almost the only viable option.

In June 2020, Gilead announced its intention to treat more than two million Covid patients with *Remdesivir a*nd it has formed partnerships with more than 40 companies – including Hikma – in order to achieve that goal.

While the revenue from manufacturing the drug is unlikely to last longer than a few years, it does provide a valuable surge in revenue growth. But beyond the increased income, this agreement also bolsters Hikma's reputation as a quality drugs producer and may lead to future manufacturing agreements with other pharmaceutical giants.

The bottom line

The pandemic is slowly nearing its end, but it could be months until normality is restored to everyday life, and longer in some locations.

In our opinion, Hikma now plays an essential role in controlling the pandemic

But it's far from a one-trick pony. The mad scientists over at Hikma managed to bring more than 75 products to market for the very first time in 2020.... That's 78 products developed and launched in the middle of the most devastating crisis the world has seen in over 200 years.

Note - of the 78 drugs launched in 2020, just one was covid 19 foccused - **Hikma is diverse**

Ignoring the manufacturing revenue from *Remdesivir*, the business's financial performance continues to impress and expand at double-digit rates year after year for as long as the charts go back, whats more, they have another 67 drugs in development. So its growth rates could potentially rise even higher in 2021. Combining this potential with **a P/E ratio of less than 20**, the stocks looks to us like a cheap (relatively speaking) growth opportunity for our readers portfolios.

So here is what we suggest, Pick yourself up a block that you feel comfortable with, Hold for approximately 90 days at which point your position should be sitting in a profit margin of no less than 30%. You then sell enough shares to get back your initial capital outlay and cost your position to zero. You then leave the profits you have made in the share for the rest of the year, exposed to future gains, does that make sense?

Call up your broker, Fire up your online share dealing account - **Go buy these shares**

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EXAMPLE REPORT

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