

22 August 2024

Adcock Ingram delivers healthy financial results

Johannesburg – The Adcock Ingram Group is pleased to report a 10% increase in headline earnings per share for the year ended 30 June 2024.

The Board of Directors is very pleased with the financial results. A good trading performance, coupled with excellent cost control, resulted in the business delivering double-digit HEPS growth. Furthermore, strong cash generation facilitated the continued return of value to shareholders, including the repurchase of 6 million shares and 10% growth in dividends. The Company increased its share and maintained its position as the leading pharmaceutical player in the South African private market.

Performance highlights:

- Turnover increased 6% to R9.6 billion
- Trading profit increased 4% to R1.2 billion
- Headline earnings per share (HEPS) increased 10% to 617 cents
- Total dividend increased 10% to 275 cents per share
- Share buyback: 6.0 million shares
- B-BBEE level: 2

'The Group's financial results, coupled with the repurchase of 6 million shares during the year and increased dividends, created value for our shareholders. Our operating teams have focused on growing market share, excelling at customer service and exercising strict cost control. In the prevailing economic climate we are pleased that the Company has achieved growth in revenue, profits and market share,' said Andy Hall, Chief Executive Officer.

Turnover increased by 6% to R9.6 billion supported by average price realisation of 5% and a mix benefit of almost 2%. Organic volumes declined by less than 1%, a substantial recovery from the 5.0% decline experienced in the first six months of the financial year. The second half of the financial year benefitted from increased demand for our winter products, driven by a rise in cold and flu cases and other respiratory illnesses.

With pressure on the gross margin consequent to a weaker Rand and a less favourable sales mix (higher proportion of low-margin large volume parenteral sales), and a focus on control of operating expenses, which were lower than the prior year, trading profit improved by 4% to R1.2 billion.

Headline earnings per share of 617 cents, improved by 10%, benefiting from the Group's repurchase of 6.0 million shares in the current year. The Board resolved to pay a final dividend of 150 cents per share, resulting in the total dividend for the year improving by 10%.

"We are optimistic about the positive sentiment surrounding the creation of a Government of National Unity (GNU) and potential interest rate cuts, which signal economic improvement. While a substantial recovery in consumer spending may take time, the financial health of the business is good, and our portfolio has remained relevant. We will continue to seek out opportunities to broaden our non price-regulated portfolio, and increase our collaborations with respected multinational companies, concluded Hall."

The full results information can be accessed on the Adcock Ingram website at:
<http://www.adcock.com/Investors/FinancialReports>.

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About Adcock Ingram

Adcock Ingram is the leading South African pharmaceutical manufacturer, founded in 1891, and listed on the Johannesburg Stock Exchange. Adcock Ingram manufactures, markets and distributes a wide range of healthcare and consumer products, and is a leading supplier to both the private and public sectors of the market. Adcock Ingram provides an extensive portfolio of branded and generic medicines. It also has a strong presence in over-the-counter brands, and is South Africa's largest supplier of hospital and critical care products. The Company's mission is to provide quality products that improve the health and lives of the people in the markets that we serve.

www.adcock.com

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