

**25 August 2022**

**The Adcock Ingram Group reports an exceptional set of results for the year ended 30 June 2022**

*Johannesburg* – The Adcock Ingram Group delivered an exceptional operational and financial performance for the year ended 30 June 2022. The Group reported a 12% increase in turnover, driven by the increase in demand for over-the-counter (OTC), and consumer healthcare products, following the lower and subsequent lifting of the lock-down levels, required during the COVID-19 pandemic.

**Salient features:**

- Turnover increased 12% to R8.7 billion
- Gross profit increased 14% to R3.1 billion
- Trading profit increased 22% to R1.1 billion
- HEPS increased 24% to 502 cents
- Cash generated from operations: R1.2 billion
- Final dividend declared: 109 cents per share
- B-BBEE level: 2

*‘The Group achieved healthy growth in turnover, with our flagship brand, Panado, reaching a new milestone, with annual sales in excess of R500 million. With some benefit from the exchange rate, we have seen an exceptional increase in trading profit and excellent cash generation’* said Andy Hall, Chief Executive Officer.

Turnover increased by 12% to R8.7 billion for the year under review, with organic volumes growing 6%, following the increased demand for our basket of products, and mix contributed 5%. The renal portfolio within the Hospital division and the ARV portfolio in the Prescription division experienced price deflation, which on a Group-wide basis reduced the inflationary price increases achieved in Consumer and OTC, resulting in low price realisation overall. The gross margin improved to 35.1%, supported by a more favourable sales mix and the improved exchange rate on imported inventory

purchases during the year. Operating expenditure increased by 10%, as a result of higher selling and distribution expenses, and continued investment in marketing our key brands.

Headline earnings for the year increased by 21% to R812 million, which translates into headline earnings per share of 502.0 cents, an improvement of 24.0%. The Board resolved to pay a final dividend of 109 cents per share, resulting in the total dividend for the year being up by 25%.

*“This set of results is proof of our people’s ability to adapt to changing market conditions and is underpinned by a huge sales, marketing, and operational effort from all our employees during the year. Adcock Ingram remains confident in the resilience of its affordable and balanced portfolio of healthcare products. Given the ongoing weakness in the local economy, high fuel prices and the significant deterioration of the Rand, much of our focus for 2023 will be on management of margins.” Hall concluded.*

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 a 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. The Company has a strong presence in over-the-counter and consumer healthcare brands, and is South Africa’s largest supplier of hospital and critical care products. It also provides an extensive portfolio of branded and generic medicines. 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](http://www.adcock.com)

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