



adcock ingram

Unaudited group financial results and cash dividend declaration

FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2018

Continuing operations



TURNOVER

▲ **16%**



GROSS PROFIT

▲ **18%**



TRADING PROFIT

▲ **17%**



HEPS

▲ **16%**



DIVIDEND

▲ **16%**



B-BBEE

Level 3

INTRODUCTION

The Board is pleased to report that the business operations posted encouraging growth and commendable results in the half year under review, including the contribution of Genop, acquired on 1 January 2018. Each of the business units posted solid performance, achieving good growth in turnover, with disciplined cost control, yielding growth in trading profits across the board.

The results were achieved against a background of a price-regulated environment, coupled with tough trading conditions, reflected in the continued pressure on the consumer due to the macro-economic environment. The Group's diversified portfolio remained resilient with growth in market share, with continued relentless focus on customer service and product quality.

Following the Board's decision to dispose of the Group's Zimbabwean operating subsidiary, this subsidiary has been treated as an asset held-for-sale and is reflected as a discontinued operation.

PROSPECTS

Trading conditions are expected to remain challenging, particularly in the Consumer and OTC environment. The low Single Exit Price (SEP) increases granted to the industry in March 2018 of 1.26% and 3.78% in the current calendar year, do not compensate for the above inflationary increases in salaries, wages and utilities. Against this background the Group is focused on improving its operational efficiency, growing the established brands and expanding its product range through the acquisition of non-regulated brands to defend its position in the market.

Adcock Ingram is delighted it has been successful in winning a number of key products within the ARV tender and was awarded a 12% share of the overall tender, equating to approximately R1.8 billion (excluding VAT) to supply ARV drugs to state-run hospitals, over a period of three

		Change %	Unaudited six-month period ended 31 December 2018	Unaudited six-month period ended 31 December 2017
Continuing operations				
Revenue	(R'000)	15	3 599 962	3 122 913
Gross profit	(R'000)	18	1 389 661	1 180 081
Trading profit	(R'000)	17	485 454	416 345
Operating profit	(R'000)	17	456 956	391 745
Headline earnings per share	(cents)	16	217.2	186.6
Basic earnings per share	(cents)	14	213.0	186.6
Total operations				
Revenue	(R'000)	15	3 686 202	3 213 752
Gross profit	(R'000)	16	1 414 751	1 215 383
Trading profit	(R'000)	15	490 372	428 260
Operating profit	(R'000)	14	461 874	403 660
Headline earnings per share	(cents)	14	219.5	192.6
Basic earnings per share	(cents)	12	215.3	192.6
Total assets	(R'000)		6 416 768	5 906 279
Net asset value per share	(cents)		2 412.5	2 132.5
Dividend per share	(cents)		100.0	86.0

years, effective from 1 July 2019. Adcock Ingram's share of the ARV Tender award over the three years includes 11% (16.8 million packs) of the 147 million packs of DLT requested in the tender, 2.8 million packs of other oral solid dosage products and 2.7 million bottles of oral solutions.

CASH DIVIDEND

The Board has declared an interim gross dividend out of income reserves of 100 cents per share in respect of the six months ended 31 December 2018. The South African dividend tax ("DT") rate is 20% and the net dividend payable to shareholders who are not exempt from DT is 80 cents per share. Adcock Ingram currently has 175 748 048 ordinary shares in issue of which 149 905 089 qualify for ordinary dividends. The income tax reference number is 9528/919/15/3.

The salient dates for the distribution are detailed below:

Last date to trade <i>cum</i> distribution	Tuesday, 12 March 2019
Shares trade ex distribution	Wednesday, 13 March 2019
Record date	Friday, 15 March 2019
Payment date	Monday, 18 March 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 13 March 2019 and Friday, 15 March 2019, both dates inclusive.

As a member of Proudly South African, Adcock Ingram has its roots firmly entrenched in the South African market. We are proud to be a leading South African manufacturer, which has been recognised as a partner of the State in the national fight against HIV and AIDS. The tender award reflects positively on our manufacturing capability, breadth of our product offering and our historical service delivery levels.

By order of the Board

CD Raphiri
Chairman

AG Hall
Chief Executive Officer

20 February 2019

Adcock Ingram Holdings Limited (Incorporated in the Republic of South Africa) (Registration number 2007/016236/06) **Share code:** AIP **ISIN:** ZAE000123436 ("Adcock Ingram" or "the Company" or "the Group") **Company secretary** NE Simelane
Registered office 1 New Road, Midrand, 1682 **Postal address** Private Bag X69, Bryanston, 2021 **Transfer secretaries** Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196. PO Box 61051, Marshalltown, 2107 **Auditors** Ernst & Young Inc., 102 Rivonia Road, Sandton, 2146 **Sponsor** Rand Merchant Bank, 1 Merchant Place, corner Fredman Drive and Rivonia Road, Sandton, 2196 **Bankers** Nedbank Limited, 135 Rivonia Road, Sandown, Sandton, 2146. Rand Merchant Bank, 1 Merchant Place, corner Fredman Drive and Rivonia Road, Sandton, 2196

The contents of this short-form summary announcement are the responsibility of the Board of directors. Any investment decision should be considered and based on the content of the information contained in the full announcement released on the Stock Exchange News Service (SENS) on 21 February 2019. The full announcement will also be published on the Company's website at www.adcock.com. Copies of the full announcement are available for inspection at the registered office of the Company and may be requested without charge during office hours by phoning +27 11 635-0143.