

Audited Group Financial Results 2019



FOR THE YEAR ENDED 30 JUNE 2019

adcock ingram

Continuing operations



REVENUE
INCREASES

▲ 11%

to R7,089 million



GROSS PROFIT
IMPROVES

▲ 11%

to R2,789 million



TRADING PROFIT
INCREASES

▲ 12%

to R955 million



HEPS INCREASES

▲ 11%



TOTAL DIVIDEND
INCREASES

▲ 16%

to 200 cents per share



B-BBEE

Level 3

Introduction

The Board of Directors (Board) is pleased with the robust results delivered by the Group in a volatile market, characterised by weak economic growth and declining consumer spend. Under these circumstances, each of the business units performed well, with core brands showing encouraging market share, indicative of the brand resilience of our trusted portfolio. The Group's Zimbabwean enterprise, which was reflected as an asset held-for-sale at 31 December 2018, was disposed of in January 2019 and the results are reflected as a discontinued operation. The Group has also disposed of its investment in Ayrton Drug Manufacturing Limited, the associate in Ghana, as performance from this business did not meet expectations.

Prospects

The Bidvest Group's shareholding in Adcock Ingram recently increased to 50.1%. This will enhance interactions between the entities in exploring strategic and operational possibilities for Adcock Ingram's operations and options for growth. Bidvest is supportive of Adcock Ingram's current decentralised and autonomous business model and sees opportunity for the Company to grow.

The Board expects that the current economic environment, exchange rate weakness and volatility, and constraints on consumer spending will not change in the short term. The Group remains committed to the growth of our well-respected and diversified basket of brands, and seeking additional affordable brands to augment our portfolios across the business.

		Change	Audited 2019	Audited 2018
Continuing operations				
Revenue	(R'000)	11%	7 089 058	6 405 316*
Gross profit	(R'000)	11%	2 789 106	2 511 309*
Trading profit	(R'000)	12%	955 421	849 944*
Operating profit	(R'000)	10%	883 537	803 049*
Headline earnings per share	(cents)	11%	421,7	381,3*
Basic earnings per share	(cents)	10%	414,8	377,2*
Total operations				
Revenue	(R'000)	9%	7 175 319	6 562 865
Gross profit	(R'000)	10%	2 814 202	2 566 020
Trading profit	(R'000)	11%	960 340	866 377
Operating profit	(R'000)	8%	886 635	819 482
Headline earnings per share	(cents)	9%	422,8	387,7
Basic earnings per share	(cents)	8%	413,8	383,6
Total assets	(R'000)		6 250 793	6 270 725
Net asset value per share	(cents)		2 505,7	2 281,9
Dividend per share	(cents)		200,0	172,0

* Prior year restated to show comparatives for the discontinued operation.

Dividend distribution

The Board has declared a final gross dividend out of income reserves of 100 cents per share in respect of the year ended 30 June 2019. 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 175 756 026 ordinary shares in issue and qualifying 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, 17 September 2019
Shares trade <i>ex</i> distribution	Wednesday, 18 September 2019
Record date	Friday, 20 September 2019
Payment date	Monday, 23 September 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 18 September 2019 and Friday, 20 September 2019, both dates inclusive.

By order of the Board

LP Ralphs
Chairman

AG Hall
Chief Executive Officer

Signed off by the Board: 27 August 2019
SENS release date: 28 August 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") **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 (a division of FirsRand Bank Limited), 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 full-long form announcement is available at <https://senspdf.jse.co.za/documents/2019/JSE/ISSE/AIP/AIP062019.pdf>. 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 which will be published on the Company's website at www.adcock.com/ investors/financial reports. 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.