

# Unaudited interim results for the six months ended 31 December 2021 and cash dividend declaration



## Introduction

The Board of Directors (Board) is very pleased to report a strong operational and financial performance, driven mainly by improved demand in the current reporting period for its over-the-counter (OTC) and consumer healthcare products.

The Group has achieved very healthy growth in turnover, which with some improvement in the exchange rate, manufacturing efficiencies and cost control, has yielded an exceptional increase in trading profits and excellent cash generation.

## Dividend

The Board has declared an interim dividend of 104 cents per share for the six-month period ended 31 December 2021 out of income reserves, an increase of 30% over the comparative period and in line with the growth in earnings.

## Prospects

In December, Adcock Ingram received regulatory approval from SAHPRA for the sterile eye drops facility at the Clayville factory. We have commenced production of validation batches of the first product we intend to manufacture in the facility, and on a staged basis will introduce at least four additional products in the financial year.

The Board is confident that the strength and resilience of the Company's broad and affordable portfolio of well-known brands, can continue to withstand the macroeconomic challenges in South Africa.

The exchange rate has had a favourable impact on the Group in the period and the 2022 SEP increase of 3.5% will assist in protecting the gross margin.

Nonetheless, the Company continues to seek-out investment opportunities for non price-regulated brands to limit the impact of the SEP environment.

	Change %	Unaudited six-month period ended 31 December 2021	Unaudited six-month period ended 31 December 2020
Revenue	(R'000) 16	4 345 674	3 758 258
Gross profit	(R'000) 17	1 521 652	1 298 425
Trading profit	(R'000) 25	543 226	432 989
Operating profit	(R'000) 33	511 584	385 813
Headline earnings per share	(cents) 30	242.3	186.5
Basic earnings per share	(cents) 30	242.2	186.5
Total assets	(R'000)	7 560 989	7 508 322
Net asset value per share	(cents)	3 096.6	2 842.8
Dividend per share	(cents)	104.0	80.0

	Change %	Unaudited six-month period ended 31 December 2021	Unaudited six-month period ended 31 December 2020
<b>Segment revenue</b>			
Consumer	(R'000) 33	795 187	598 938
OTC	(R'000) 26	993 915	786 150
Prescription	(R'000) 5	1 572 368	1 502 632
Hospital	(R'000) 13	983 891	870 323
<b>Segment trading profit</b>			
Consumer	(R'000) 59	172 934	108 782
OTC	(R'000) 58	166 847	105 768
Prescription	(R'000) (14)	121 878	142 249
Hospital	(R'000) 6	80 565	75 798

Epi-max was moved from the Prescription segment to the Consumer segment on 1 January 2021. On a like-for-like basis, adjusting for Epi-max, Consumer turnover and trading profit improved by 14% and 21% respectively, and Prescription turnover and trading profit by 11% and 12% respectively.

## Dividend distribution

The Board has declared an interim gross dividend out of income reserves of 104 cents per share in respect of the six-months ended 31 December 2021. The South African dividend tax ("DT") rate is 20% and the net dividend payable to shareholders who are not exempt from DT is 83.2 cents per share. Adcock Ingram currently has 175 758 861 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, 15 March 2022
Shares trade <i>ex</i> distribution	Wednesday, 16 March 2022
Record date	Friday, 18 March 2022
Payment date	Tuesday, 22 March 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 16 March 2022 and Friday, 18 March 2022, both dates inclusive.

**N Madisa** AG Hall  
Chairperson Chief Executive Officer

Approved by the Board: 22 February 2022

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**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** M Phalafala  
**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. Private Bag X9000, Saxonwold, 2132 **Auditors** PricewaterhouseCoopers Inc, 4 Lisbon Lane, Waterfall, 2090 **Sponsor** Rand Merchant Bank (a division of FirstRand 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. Investec Bank Limited, 100 Grayston Drive, Sandton, 2146

The full announcement has been published on SENS and is available at <https://senspdf.jse.co.za/documents/2022/JSE/ISSE/AIP/AIP012022.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, that will be published on the Company's website at [www.adcock.com/investors/financialreports](http://www.adcock.com/investors/financialreports). 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.