

21 February 2024

**Adcock Ingram reports a resilient trading performance in a difficult market for the six-months ended 31 December 2023**

*Johannesburg* – The Adcock Ingram Group today reported an increase in turnover of 1% for the six-month period to 31 December 2023. Turnover grew in the Consumer and Hospital divisions, but was flat in the Prescription and Over-The-Counter divisions. This trading performance was achieved in a constrained environment where consumers remain under pressure from high interest rates, exchange rate depreciation, high inflation and continued loadshedding, all of which result in lower disposable income.

**Performance highlights:**

- Top ranked pharmaceutical company in the South African Private Market
- Turnover increased 1% to R4.7 billion
- Headline earnings per share (HEPS) increased 1% to 293.0 cents
- Interim dividend declared: 125 cents per share
- Share buyback: 1.7 million shares
- Level 2 B-BBEE rating

*“In challenging operating conditions, we are satisfied with the results. The Company has retained its status as the Number 1 pharmaceutical player in the South African private Market, reflecting our unwavering commitment towards healthcare in South Africa”* said Andy Hall, chief executive officer.

Turnover increased by 1% to R4.7 billion, supported by price realisation of 4% and a mix benefit of 2%. Organic volumes declined by 5%, impacted by the difficult trading environment, certain inventory supply challenges caused by port delays in South Africa and lower ARV tender sales.

The gross margin for the six-months declined from 35% to 34%, mainly impacted by an average increase of 14% in forward exchange contract rates for products acquired in foreign currency. Operating

expenditure has been well controlled and decreased by 2.5%, resulting in trading profit of R618 million, just below the previous corresponding period.

Headline earnings per share of 293.0 cents, improved by 1%, benefiting from the Group's repurchase of 1.7 million shares in the current reporting period and 7.7 million shares repurchased during the second half of the previous financial year.

*"The Group will continue to focus on expanding its product portfolio, by acquisition or partnership, particularly in less price-regulated product classes, to grow revenue and protect margins. We are encouraged by the Single Exit Price Adjustment (SEPA) awarded for 2024 of 6.79%, which will go some way to alleviating the margin pressure caused by the weak Rand"* 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 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 the leading supplier to the private sector. 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](http://www.adcock.com)

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