



adcock ingram



2023 Interim Results Booklet

Commentary

SALIENT FEATURES

Turnover increased 8% to **R4,7 billion**

Gross profit increased 8% to **R1,6 billion**

Trading profit increased 15% to **R623 million**

HEPS increased 20% to **289.9 cents**

Interim dividend increased 20% to **125 cents per share**

Share buyback 1.5 million shares

B-BBEE Level 2

INTRODUCTION

The Board of Directors (Board) is pleased to report that the Group performed very well in the half year under review, attributed to its diverse and affordable portfolio of products, excellent sales and marketing strategies, and a focus on external and internal customer service. The broad portfolio includes non-regulated products which compete in the fast-moving consumer goods (FMCG) space, leading OTC brands where the pharmacist plays a role in the product choice, products prescribed by medical practitioners, specialised instruments, and surgical products, as well as hospital and critical care products, including intravenous solutions, blood collection products and renal dialysis systems.

The healthy financial and operational performance was delivered against a backdrop of tight economic conditions, high levels of disruption to operations due to utility supply challenges, currency devaluation and high fuel prices.

FINANCIAL PERFORMANCE

REVENUE AND PROFITS

Revenue during the period under review increased by 7.6% to R4,676 million (December 2021: R4,346 million). Mix contributed 4.3% and includes the on-boarding of a range of ophthalmology products from Novartis. Overall price realisation of 3.6% was achieved. Organic volumes declined marginally (0.3%), the effect of the normalisation of Panado demand, following the exceptional sales generated in the comparative period from the COVID-19 vaccination campaigns, lower ARV tender sales and reduced demand for other products used in relation to COVID-19, being compensated for by good demand in the OTC and Prescription portfolios.

The gross margin for the six-months improved marginally from 35.0% to 35.1%. A more favourable product sales mix and price increases realised in the non-SEP regulated portfolios, mitigated the cost impact arising from the weaker exchange rate, increased production costs and significant cost-push from suppliers, locally as well as globally.

Operating expenses increased only 3.9%, resulting in a 14.8% improvement in trading profit to R623 million (December 2021: R543 million).

NON-TRADING EXPENSES

Non-trading expenses of R29.4 million consist entirely of share-based expenses.

NET FINANCE COSTS

Net finance costs of R24.7 million (December 2021: R22.5 million) were incurred during the period, including IFRS 16 (Leases) finance costs of R15.0 million (December 2021: R13.2 million).

HEADLINE EARNINGS

Headline earnings for the period increased by 19.5% to R468 million (December 2021: R392 million). This translates into headline earnings per share of 289.9 cents (December 2021: 242.3 cents), an improvement of 19.6%, following the 1.5 million shares repurchased by the Group in the reporting period.

CASH FLOWS

Cash generated from operations was R236 million (December 2021: R609 million) after working capital increased by R449 million (December 2021: R80 million). Inventories increased by R215 million due to the effect of the exchange rate, newly launched products, and higher safety inventory held to address global supply constraints. Trade receivables increased by R191 million, due to the higher sales. Nonetheless, the book remains well controlled, and the average days outstanding are 57 days (June 2022: 58 days).

The Group increased its treasury shares held by Adcock Ingram Limited (AIL) by an additional 1.5 million during the period, at an average cost of R49.42 cents per share, resulting in a cash outflow of R74 million.

The Group had net cash resources of R84 million (June 2022: R345 million) at the end of the period.

DIVIDEND DISTRIBUTION

The Board has declared an interim dividend of 125 cents per share for the six-month period ended 31 December 2022 out of income reserves.

BUSINESS OVERVIEW

Consumer turnover improved by 6.5% to R847 million (December 2021: R795 million), supported by an average selling price increase of 9.8% and a mix benefit of 2.1%. Organic volumes declined by 5.4% due to the normalisation of the Panado demand. Gross margin is slightly lower than the prior comparative period, with significant cost pushes from suppliers and the weaker exchange rate not being fully compensated for by the selling price increases. With excellent cost control, trading profit ended on R185 million, 7.1 % ahead of the prior comparative period of R173 million.

Turnover in OTC, which focuses on products in the pain, coughs, colds and flu, and antihistamine therapeutic categories through pharmacy, improved by a very healthy 15.3% to R1,146 million (December 2021: R994 million). Volumes improved by 9.7% with major brands like Allergex, Alcophyllax and Dilinct continuing to show good growth. Average price realisation was 5.8%. Gross margin ended lower compared to the prior year, adversely impacted by the weaker currency and an increase in production costs. As a result, trading profit increased by 8.5% to R181 million (December 2021: R167 million).

Prescription turnover improved by 9.4% to R1,721 million (December 2021: R1,572 million) aided by a mix benefit of 10.3%, mainly due to the on-boarding of the ophthalmology products from Novartis (effective 1 March 2022). Organic volumes declined by 0.9%, as volume growth in the Branded, MNC and Genop portfolios was entirely offset by the decrease in ARV tender sales. As a result of an advantageous sales mix, a gross margin improvement was realised in the current reporting period despite increased production costs and the weaker exchange rate. As a result, trading profit improved by a very impressive 37.4% to R167 million (December 2021: R122 million).

Hospital turnover declined by 2.2% to R962 million (December 2021: R984 million), impacted by local and international production challenges and reduced demand for COVID-19 related products. The Aero-ton facility and local third-party manufacturers struggled with load-shedding and water disruptions, whilst international suppliers were impacted by material shortages. Gross margin ended higher than the comparative period, with the adverse impact of the exchange rate and higher production costs as a result of load-shedding, being compensated for by an advantageous sales mix. Trading profit improved by 10.0% to R89 million (December 2021: R81 million).

CHANGES TO THE BOARD

Ms Busisiwe Mabuza was appointed as an independent non-executive director on 1 September 2022, and as a member of the Audit Committee, effective 1 November 2022.

The following changes were made to the Board subcommittees, effective 1 February 2023:

- Professor Matt Haus stepped down as the chairperson of the Risk and Sustainability Committee as well as the chairperson of the Human Resources and Remuneration Committee but will remain a member of both subcommittees until his retirement on 25 May 2023;
- Professor Mike Satheke was appointed as the chairperson of the Risk and Sustainability Committee;
- Dr Sibongile Gumbi was appointed as the chairperson of the Human Resources and Remuneration Committee; and
- Ms Lulama Boyce was appointed as a member of the Social, Ethics and Transformation Committee.

PROSPECTS

Trading conditions are expected to remain challenging, with consumers facing considerable hardship as a result of elevated transport, electricity, food and borrowing costs. The disappointing low Single Exit Price (SEP) adjustment of 3.28% granted to the industry in the current calendar year will not compensate for the abnormal cost increases in certain raw materials and packaging, the weak currency, and the above inflationary increases in wages and utilities, resulting in gross margin compression being difficult to avoid.

Nonetheless, the strength of the Group's broad and affordable portfolio of well-known brands, should continue to withstand many of the macroeconomic challenges in South Africa.

COMMENTARY (Continued)

DIVIDEND DISTRIBUTION

The Board has declared an interim gross dividend out of income reserves of 125 cents per share in respect of the six-months ended 31 December 2022. The South African dividend tax ("DT") rate is 20% and the net dividend payable to shareholders who are not exempt from DT is 100 cents per share. Adcock Ingram currently has 169 718 861 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, 14 March 2023
Shares trade <i>ex</i> distribution	Wednesday, 15 March 2023
Record date	Friday, 17 March 2023
Payment date	Monday 20 March 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 15 March 2023 and Friday, 17 March 2023, both dates inclusive.

N Madisa
Chairperson

21 February 2023

AG Hall
Chief executive officer

Condensed consolidated statements of comprehensive income

	Note	Unaudited six months ended 31 December 2022 R'000	Change %	Unaudited six months ended 31 December 2021 R'000	Audited year ended 30 June 2022 R'000
Revenue	2.1	4 676 411	8	4 345 674	8 705 817
Cost of sales		(3 036 175)		(2 824 022)	(5 648 062)
Gross profit		1 640 236	8	1 521 652	3 057 755
Selling, distribution and marketing expenses		(711 426)	3	(691 733)	(1 365 882)
Fixed and administrative expenses		(305 348)	7	(286 693)	(579 586)
Trading profit	2.3	623 462	15	543 226	1 112 287
Non-trading expenses	3	(29 424)		(31 642)	(59 467)
Operating profit		594 038	16	511 584	1 052 820
Finance income		2 877		1 698	4 511
Finance costs		(27 620)		(24 240)	(45 417)
Dividend income		1 191		1 261	3 187
Equity-accounted earnings		65 040		53 987	86 893
Profit before taxation		635 526	17	544 290	1 101 994
Tax		(167 177)		(152 119)	(301 265)
Profit for the period/year		468 349	19	392 171	800 729
Exchange differences on translation of foreign operations:		(2 590)		36 412	22 797
Subsidiaries		1		1 981	949
Joint venture		(2 591)		34 431	21 848
Movement in cash flow hedge accounting reserve, net of tax		11 155		9 445	3 926
Fair value of investment, net of tax		-		-	628
Actuarial profit on post-employment medical liability, net of tax		-		-	1 963
Total comprehensive income for the period/year, net of tax		476 914		438 028	830 043
Profit attributable to:					
Owners of the parent		468 349		391 851	800 345
Non-controlling interests		-		320	384
		468 349		392 171	800 729
Total comprehensive income attributable to:					
Owners of the parent		476 914		437 708	829 659
Non-controlling interests		-		320	384
		476 914		438 028	830 043
Basic earnings per ordinary share (cents)		289.9	20	242.2	494.8
Diluted basic earnings per ordinary share (cents)		283.3	17	242.1	485.7
Headline earnings per ordinary share (cents)		289.9	20	242.3	502.0
Diluted headline earnings per ordinary share (cents)		283.3	17	242.2	492.8

Condensed consolidated statement of changes in equity

	Issued share capital R'000	Share premium R'000	Non-distributable reserves R'000	Retained income R'000	Total attributable to holders of the parent R'000	Non-controlling interests R'000	Total R'000
As at 1 July 2021 (Audited)	16 176	255 175	194 180	4 216 817	4 682 348	760	4 683 108
Movement in treasury shares		28			28		28
Share-based payment reserve*			23 170		23 170		23 170
Total comprehensive income			57 202	391 851	449 053	320	449 373
Profit for the period				391 851	391 851	320	392 171
Other comprehensive income			45 857		45 857		45 857
Reclassified to cost of inventory – not included in other comprehensive income			11 345		11 345		11 345
Dividends				(145 582)	(145 582)		(145 582)
Balance at 31 December 2021 (Unaudited)	16 176	255 203	274 552	4 463 086	5 009 017	1 080	5 010 097
Share-based payment expenses*			10 216		10 216		10 216
Movement in Treasury Shares*		(9)			(9)		(9)
Total comprehensive income			(14 595)	408 494	393 899	64	393 963
Profit for the period				408 494	408 494	64	408 558
Other comprehensive income			(16 543)		(16 543)		(16 543)
Reclassified to cost of inventory – not included in other comprehensive income			1 948		1 948		1 948
Dividends				(168 229)	(168 229)	(915)	(169 144)
Balance at 30 June 2022 (Audited)	16 176	255 194	270 173	4 703 351	5 244 894	229	5 245 123
Movement in treasury shares	28	13 389			13 417		13 417
Treasury shares purchased	(150)	(73 878)			(74 028)		(74 028)
Cancellation of shares	(4)	(1 972)			(1 976)		(1 976)
Movement in share-based payment reserve*			13 974		13 974		13 974
Transfer of reserves			6 081	(6 081)			
Loss on sale of shares			(9)		(9)		(9)
Total comprehensive income			(12 104)	468 349	456 245		456 245
Profit for the period				468 349	468 349		468 349
Other comprehensive income			8 565		8 565		8 565
Reclassified to cost of inventory – not included in other comprehensive income			(20 669)		(20 669)		(20 669)
Dividends				(176 317)	(176 317)	(11)	(176 328)
Balance at 31 December 2022 (Unaudited)	16 050	192 733	278 115	4 989 302	5 476 200	218	5 476 418

*Relate to equity and BMT option schemes.

Condensed consolidated statements of financial position

	Unaudited 31 December 2022 R'000	Unaudited 31 December 2021 R'000	Audited 30 June 2022 R'000
ASSETS			
Property, plant and equipment	1 460 838	1 466 996	1 472 548
Right-of-use assets	254 347	202 859	270 494
Intangible assets	1 238 020	1 258 909	1 242 716
Investment in joint ventures	569 195	493 831	528 173
Deferred tax assets	4 362	3 370	4 347
Other financial assets	20 507	24 682	21 770
Loans receivable	2 481	7 084	4 124
Non-current assets	3 549 750	3 457 731	3 544 172
Inventories	2 387 244	1 960 791	2 169 077
Receivables and other current assets	2 014 999	1 936 105	1 830 428
Cash and cash equivalents	84 333	170 333	345 485
Tax receivable	–	36 029	–
Current assets	4 486 576	4 103 258	4 344 990
Total assets	8 036 326	7 560 989	7 889 162
EQUITY AND LIABILITIES			
Capital and reserves			
Issued share capital	16 050	16 176	16 176
Share premium	192 733	255 203	255 194
Non-distributable reserves	278 115	274 552	270 173
Retained income	4 989 302	4 463 086	4 703 351
Total shareholders' funds	5 476 200	5 009 017	5 244 894
Non-controlling interests	218	1 080	229
Total equity	5 476 418	5 010 097	5 245 123
Long-term portion of lease liability	297 138	231 676	310 024
Post-employment medical liability	14 214	15 675	14 079
Deferred tax liability	130 152	131 998	133 599
Non-current liabilities	441 504	379 349	457 702
Trade and other payables	1 932 065	1 994 074	1 961 415
Short-term portion of lease liability	32 069	33 264	27 717
Provisions	141 887	144 205	175 548
Tax payable	12 383	–	21 657
Current liabilities	2 118 404	2 171 543	2 186 337
Total equity and liabilities	8 036 326	7 560 989	7 889 162

Condensed consolidated statements of cash flows

	Unaudited six months ended 31 December 2022 R'000	Unaudited six months ended 31 December 2021 R'000	Audited year ended 30 June 2022 R'000
Cash flows from operating activities			
Operating profit	594 038	511 584	1 052 820
Other adjustments and non-cash items	91 032	177 825	408 994
Operating profit before working capital changes	685 070	689 409	1 461 814
Working capital movements	(448 763)	(80 398)	(304 677)
Cash generated from operations	236 307	609 011	1 157 137
Finance income received	2 951	1 648	4 378
Finance costs paid	(25 734)	(23 844)	(45 440)
Dividend income received	26 191	85 809	87 735
Dividends paid	(176 328)	(145 582)	(314 726)
Taxation paid	(176 406)	(142 456)	(231 751)
Net cash (outflow)/inflow from operating activities	(113 019)	384 586	657 333
Cash flows from investing activities			
Purchase of property, plant and equipment – Replacement	(57 826)	(38 150)	(111 132)
– Expansion	(2 564)	(1 991)	(8 762)
Purchase of intangible assets	–	(209 889)	(209 889)
Proceeds on loans receivable	1 644	2 714	5 674
Proceeds on disposal of property, plant and equipment	238	22	95
Proceeds of sale of interest in BMT	1 263	–	265
Sale of Group Risk Holdings Proprietary Limited shares	–	438	438
Net cash outflow from investing activities	(57 245)	(246 856)	(323 311)
Cash flows from financing activities			
Share repurchase	(74 028)	–	–
Repayment of lease liabilities	(14 452)	(16 877)	(32 606)
Equity options scheme settlement	(377)	(519)	(4 888)
Purchase and cancellation of shares	(1 976)	–	–
Treasury shares sold for equity option scheme	–	28	–
Net cash outflow from financing activities	(90 833)	(17 368)	(37 494)
Net (decrease)/increase in cash and cash equivalents	(261 097)	120 362	296 528
Effects of exchange rate changes on cash and cash equivalents	(55)	1 735	721
Cash and cash equivalents at beginning of period/year	345 485	48 236	48 236
Cash and cash equivalents at end of period/year	84 333	170 333	345 485

Notes to the consolidated financial statements

1. BASIS OF PREPARATION

INTRODUCTION

The condensed unaudited interim results for the six months ended 31 December 2022 have been prepared in compliance with the Listings Requirements of the JSE Limited, International Financial Reporting Standards (IFRS), the requirements of the International Accounting Standards (IAS) 34: Interim financial reporting, SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act, No. 71 of 2008. The Board of Directors take full responsibility for the set of financial results which have been prepared under the supervision of Ms Dorette Neethling, Chief Financial Officer.

The accounting policies applied in the preparation of the condensed interim consolidated financial statements are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

2. SEGMENT REPORTING

2.1. REVENUE

Geographical segments are not disclosed as the Indian operations of the Group are immaterial, and the Company mainly operates in Southern Africa.

The Group's reportable segments in Southern Africa are as follows:

Consumer – competes in the Fast Moving Consumer Goods (FMCG) space;

Over the Counter (OTC) – focuses primarily on brands sold predominantly in pharmacy, where the pharmacist plays a role in the product choice;

Prescription – markets products prescribed by medical practitioners and includes specialised instruments and surgical products;

Hospital – supplier of hospital and critical care products, including intravenous solutions, blood collection products and renal dialysis systems; and

Other – shared services – other support services, including the regulatory services in India, as well as the investment in the joint venture, and cash and bank overdraft balances which are managed on a central basis in Southern Africa.

	Unaudited six months ended 31 December 2022 R'000	Change %	Unaudited six months ended 31 December 2021 R'000	Audited year ended 30 June 2022 R'000
Consumer	846 707	6	795 187	1 562 727
OTC	1 146 256	15	993 915	2 059 258
Prescription	1 720 589	9	1 572 368	3 228 242
Hospital	962 462	(2)	983 891	1 855 035
Other – shared services	397		313	555
	4 676 411	8	4 345 674	8 705 817

Notes to the consolidated financial statements (Continued)

2. SEGMENT REPORTING (CONTINUED)

2.2. REVENUE CHANNEL

	Wholesaler R'000	Corporate pharmacy R'000	Retail/ FMCG R'000	Hospital (including SANBS) R'000	Inde- pendent pharmacy R'000	Total private R'000	Public market R'000	Export and foreign R'000	Total R'000
31 December 2022									
Consumer	107 592	136 907	586 987	–	5 712	837 198	–	9 509	846 707
OTC	507 853	419 683	49 223	–	52 090	1 028 849	100 546	16 861	1 146 256
Prescription	780 916	487 553	194 089	18 325	37 195	1 518 078	186 748	15 763	1 720 589
Hospital	195 872	24 090	24 738	397 087	36 884	678 671	257 698	26 093	962 462
Other – shared services	–	–	–	–	–	–	–	397	397
	1 592 233	1 068 233	855 037	415 412	131 881	4 062 796	544 992	68 623	4 676 411
Split	34.1%	22.8%	18.3%	8.9%	2.8%	86.9%	11.6%	1.5%	100.0%

Revenue in terms of IFRS 15 and segmental revenue (note 2.1) are considered to be the same.

	Unaudited six months ended 31 December 2022 R'000	Change %	Unaudited six months ended 31 December 2021 R'000	Audited year ended 30 June 2022 R'000
2.3. TRADING PROFIT				
Consumer	185 182	7	172 934	351 144
OTC	181 081	9	166 847	318 080
Prescription	167 447	37	121 878	276 451
Hospital	88 601	10	80 565	164 350
Other – shared services	1 151		1 002	2 262
	623 462	15	543 226	1 112 287
2.4. TOTAL ASSETS				
Consumer	1 308 311		1 178 707	1 248 105
OTC	1 941 857		1 794 540	1 974 966
Prescription	2 436 450		2 280 403	2 091 202
Hospital	1 594 511		1 519 887	1 512 392
Other – shared services	755 197		787 452	1 062 497
	8 036 326		7 560 989	7 889 162
2.5. CURRENT LIABILITIES				
Consumer	259 102		268 551	258 594
OTC	475 109		374 516	438 110
Prescription	818 610		855 999	835 540
Hospital	343 129		447 193	366 194
Other – shared services	222 454		225 284	287 899
	2 118 404		2 171 543	2 186 337

Notes to the consolidated financial statements (Continued)

	Unaudited six months ended 31 December 2022 R'000	Unaudited six months ended 31 December 2021 R'000	Audited year ended 30 June 2022 R'000
3. NON-TRADING EXPENSES			
Share-based payment expenses	29 424	27 084	40 227
Transaction costs	–	3 586	3 326
Fair value adjustment of long-term receivable	–	972	4 414
Impairments	–	–	11 500
	29 424	31 642	59 467
4. INVENTORY			
Inventories written down and recognised as an expense in cost of sales that forms part of trading profit	32 893	28 915	62 513
5. CAPITAL COMMITMENTS			
– contracted	25 757	71 924	56 482
– approved but not contracted	50 565	64 924	42 354
	76 322	136 848	98 836
6. HEADLINE EARNINGS			
Headline earnings is determined as follows:			
Profit attributable to owners of Adcock Ingram	468 349	391 851	800 345
Adjusted for:			
(Profit)/Loss on disposal/scraping of property, plant and equipment	(14)	(18)	474
Tax effect on the profit/(loss) on disposal of property, plant and equipment	4	5	(573)
Impairment of intangible assets	–	–	11 500
Adjustments relating to equity accounted joint ventures	–	125	216
Headline earnings	468 339	391 963	811 962
7. SHARE CAPITAL			
Number of shares in issue	169 719	175 759	169 759
Number of ordinary shares held by the Group companies	(9 219)	(14 000)	(8 000)
Net shares in issue	160 500	161 759	161 759
Headline earnings and basic earnings per share are based on:			
Weighted average number of ordinary shares outstanding	161 542	161 759	161 759
Diluted weighted average number of shares outstanding	165 334	161 841	164 770

Notes to the consolidated financial statements (Continued)

8. FAIR VALUE HIERARCHY

The Group classifies all financial instruments and its fair value hierarchy as follows:

Financial instruments	Classification per IFRS 9	Statement of financial position line item	Unaudited six months ended 31 December 2022 R'000	Unaudited six months ended 31 December 2021 R'000	Audited year ended 30 June 2022 R'000
At fair value – Level 2¹					
Foreign exchange contracts – derivative asset	Hedging derivative	Receivables and other current assets	4 380	15 413	10 306
Foreign exchange contracts – derivative liability	Hedging derivative	Trade and other payables	7 158	–	–
At fair value – Level 3²					
Black Managers Share Trust	Fair value through profit and loss	Other financial assets	17 956	22 925	19 219
Investment	Fair value through OCI	Other financial assets	2 551	1 757	2 551
At amortised cost					
Trade and sundry receivables ³	At amortised cost	Receivables and other current assets	1 914 739	1 829 104	1 716 527
Cash and cash equivalents ³	At amortised cost	Cash and cash equivalents	84 333	170 333	345 485
Trade and other payables ³	At amortised cost	Trade and other payables	1 873 614	1 927 144	1 918 947

Valuation techniques

¹ Level 2. Fair value based on the ruling market rate at reporting period end. The fair value of the forward exchange contract is calculated as the difference in the forward exchange rate as per the contract and the forward exchange rate of a similar contract with similar terms and maturities concluded as at the valuation date multiplied by the foreign currency monetary units as per the Forward Exchange Contract (FEC).

² Level 3. The value of the investment in Group Risk Holdings Proprietary Limited is based on Adcock Ingram's proportionate share of the net asset value of the Company. The value of the investment in the Black Managers Share Trust is based on the expected capital contribution to be received from the scheme beneficiaries.

³ The carrying value approximates the fair value due to the short-term nature.

Notes to the consolidated financial statements (Continued)

9. RELATED PARTIES

The following services have been obtained from subsidiaries of The Bidvest Group Limited, the controlling shareholder of the Company. All of the services are in the ordinary course of business and on an aggregated basis these arrangements/agreements are less than 10% of the Company's market capitalisation, which is within the ordinary course of business exclusion pursuant to Section 9 of the JSE Listings Requirements.

9.1. THE FOLLOWING SERVICES ARE OBTAINED WITH NO CONTRACT IN PLACE FOR THESE SERVICES, AS THEY ARE OBTAINED ON AN AD HOC BASIS, WITH PRICE AND QUALITY DICTATING THE PURCHASE:

Company	Description	Unaudited six months ended 31 December 2022 R'000	Unaudited six months ended 31 December 2021 R'000	Audited year ended 2022 R'000
First Garment Rental (Pty) Ltd	Factory laundry	2 173	1 257	2 736
HRG Rennies Travel (Pty) Ltd	Travel	5 078	1 223	5 021
Bidvest Office (Pty) Ltd t/a Hortors SA Diaries	Diaries	19	1 453	2 505
Bidvest Afcorn (Pty) Ltd	Consumables (tape)	891	934	555
Bidvest Paperplus (Pty) Ltd t/a Lithotech Blesston	Consumables	101	568	666
Bidvest Office (Pty) Ltd t/a Bidvest Waltons	Office stationery	638	537	1 092
Aluminium Foil Converters (Pty) Ltd	Packaging	179	320	–
Steiner Hygiene (Pty) Ltd	Cleaning consumables	566	298	1 221
Bidvest Office (Pty) Ltd t/a Cecil Nurse	Furniture	375	217	186
Bidvest G Fox (Pty) Ltd	Protective wear	255	184	575
Bidvest Paperplus (Pty) Ltd t/a Rotolabel Johannesburg	Packaging	52	111	3
Bidvest Material Handling (Pty) Ltd	Maintenance	131	10	199
Bidvest Service Holdings (Pty) Ltd t/a BidAir Cargo	Freight forwarding	–	–	12
Bidvest Commercial Products (Pty) Ltd t/a Academy Brushware	Consumables	37	–	233
Bidvest Execuflora	Flowers & Plants	7	–	13
Bidvest Paperplus (Pty) Ltd t/a S&N Labels	Labels	67	–	–
BMS Validations (Pty)Ltd	Certification services	175	–	–
		10 744	7 112	15 017

Notes to the consolidated financial statements (Continued)

9. RELATED PARTIES (CONTINUED)

		Unaudited six months ended 31 December 2022 R'000	Unaudited six months ended 31 December 2021 R'000	Audited year ended 2022 R'000
9.2. THE FOLLOWING SERVICES ARE OBTAINED WHERE NO CONTRACT IS IN PLACE, BUT A 12-MONTH PRICE AGREEMENT HAS BEEN CONCLUDED:				
Company	Description			
Pureau Fresh Water Company (Pty) Ltd	Refreshments	468	362	789
Bidvest Bank Limited	Forex	–	–	185
		468	362	974
9.3. CONTRACTS ARE IN PLACE FOR A PERIOD OF TIME FOR THE FOLLOWING SERVICES OBTAINED:				
Company	Description			
Safcor Freight (Pty) Ltd t/a Bidvest International Logistics	Freight forwarding	45 213	39 560	30 648
Bidvest Protea Coin (Pty) Ltd	Guarding	8 836	8 986	17 447
Bidvest Prestige Cleaning t/a Bidvest Managed Solutions (Pty) Ltd	Cleaning	3 566	5 057	12 229
Bidvest Facilities Management (Pty) Ltd	Facilities Management	1 838	4 749	7 422
Bidvest Managed Solutions (Pty) Ltd	Cleaning/Gardening	6 429	2 251	4 407
		65 882	60 603	72 153
9.4. THE FOLLOWING DIRECTORS' FEES HAVE BEEN PAID FOLLOWING THE AUTHORITY GRANTED AT THE ANNUAL GENERAL MEETINGS, HELD IN NOVEMBER 2021 AND NOVEMBER 2022:				
Company	Description			
Bidvest Corporate Services	Directors' fees	599	594	1 189
Bidvest Branded Products	Directors' fees	237	217	452
		836	811	1 641

Corporate information

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")

DIRECTORS

Ms L Boyce (Non-executive director)
Dr S Gumbi (Independent non-executive director)
Mr A Hall (Chief executive officer)
Prof M Haus (Lead independent non-executive director)
Ms B Mabuza (Independent non-executive director)
Ms B Letsoalo (Executive director: Human Capital and Transformation)
Ms N Madisa (Non-executive director and chairperson)
Dr C Manning (Independent non-executive director)
Prof Michael Sathekge (Independent non-executive director)
Ms D Neethling (Chief financial officer)
Ms D Ransby (Independent non-executive director)
Mr K Wakeford (Non-executive director)

COMPANY SECRETARY

Mr Mahlatse "Lucky" 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 City
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, 2196

