



adcock ingram



UNAUDITED  
INTERIM RESULTS  
31 DECEMBER 2024

# Commentary

## SALIENT FEATURES

Turnover decreased 1% to R4.7 billion

Gross profit decreased 5% to R1.5 billion

HEPS decreased 9% to 265.5 cents

Interim dividend declared: 115 cents per share

Top ranked Pharmaceutical company in South Africa <sup>(i)</sup>

B-BBEE level: 1

## INTRODUCTION

The Group's operational and financial performance during the period under review ended below expectations, driven by several sector-specific factors, including constrained consumer spending within the lower LSM's and reduced inventory holdings in the pharmaceutical wholesale channel, evidenced by their sales into pharmacies being higher than orders placed on the Company. The reduced demand adversely impacted the gross margin due to significantly reduced production levels in the period, particularly at the Wadeville facility.

The Board of Directors (Board) is pleased to report that Adcock Ingram is now a certified Level 1 B-BBEE contributor.

## FINANCIAL PERFORMANCE

### REVENUE AND PROFITS

Revenue during the period under review decreased by 0.6% to R4,714 million (December 2023: R4,740 million), due to a slowdown in both the independent and pharmaceutical wholesale channels, the latter having reduced their average inventory holdings on a number of key brands. Organic volumes declined by 6.5%. This was partly compensated for by average price realisation of 5.3% and a mix benefit of 0.6%. IQVIA <sup>(ii)</sup> reports that Adcock Ingram has grown by 4% in the total private market in the last 12 months.

The gross margin declined from 34.0% to 32.6%, impacted by an unfavourable sales mix with a lower proportion of branded and generic Prescription products, as well as ARV private market sales. This reduced demand for certain of the key brands was largely replaced by large-volume parenteral tender sales in the mix, at lower-than-average gross margins. This was exacerbated by significantly lower production levels at the Wadeville facility, which produces products in both the Prescription and OTC portfolios.

Operating expenses were well controlled and increased by 2.9%, below inflation, and include salary increases. This, combined with the gross margin compression, resulted in a 16.6% decline in trading profit to R515 million (December 2023: R618 million).

### NON-TRADING EXPENSES

Non-trading expenses of R28.0 million consist of share-based expenses of R27.4 million and corporate activity costs of R0.6 million.

### NET FINANCE COSTS

Net finance costs of R59.3 million (December 2023: R39.2 million) were incurred during the period, including IFRS 16 (Leases) finance costs of R12.4 million (December 2023: R13.8 million). The increase is consequent to higher net debt, in relation to the comparative period, reflecting the impact of the share buy-back program in the previous financial year, the acquisition of Dermopal in July 2024 and higher levels of working capital.

### HEADLINE EARNINGS

Headline earnings for the period decreased by 12.8% to R390 million (December 2023: R447 million). This translates into headline earnings per share of 265.5 cents (December 2023: 293.0 cents), a decline of 9.4%.

*i) IQVIA December 2024*

*ii) IQVIA TPM December 2024*

## CASH FLOWS

Cash operating profit before working capital changes is R557 million (December 2023: R644 million). Working capital increased by R594 million (December 2023: R199 million). This was primarily driven by a decrease of R361 million (December 2023: R122 million) in trade and other payables. Inventories increased by R185 million (December 2023: R52 million decrease), impacted by the subdued demand, and trade receivables increased by R49 million (December 2023: R129 million).

The Group had a net overdraft position of R629 million (June 2024: R89 million net cash) at the end of the period, with access to the remainder of the contracted working capital facilities of R1.75 billion.

## CASH DIVIDEND DISTRIBUTION

The Board has declared an interim dividend of 115 cents per share for the six-months ended 31 December 2024 (December 2023: 125 cents) out of income reserves.

## BUSINESS OVERVIEW

**Consumer** turnover of R871 million (December 2023: R866 million) ended in line with prior corresponding period, supported by an average price increase of 4.5%, and a mix benefit of 4.3% from the recently acquired Dermopal range and line extensions of established brands. Organic volumes declined by 8.3%, driven by constrained consumer spending through the independent wholesale channel, which affected premium brands, including Panado, Bioplus and Compral. Sales of front shop healthcare and personal care products, such as ProbiFlora, Epi-max and Island Tribe in the pharmacy channel showed good growth, as did Plush in the FMCG retail channel. The gross margin ended lower than the prior period, reflective of the change in the sales mix. As a result, trading profit of R177 million was realised (December 2023: R189 million).

Turnover in **OTC**, declined by 4.1% over the prior corresponding period. Price increases almost offset the volume decline, and the mix effect was negative due to repatriation of a portfolio of brands to a multinational company, consequent to global corporate activity. Three of the Division's large pharmaceutical wholesale customers reduced their average inventory holding by up to two weeks. IQVIA<sup>(iii)</sup> reports that our OTC Schedule 1 & 2 products have grown by 7% in the total private market in the last 12 months. The gross margin in this business held up well, even with some production volume declines at Clayville. Effective cost control drove a 4% increase in trading profit to R172 million (December 2023: R165 million), a commendable performance in a challenging environment.

**Prescription** turnover declined by 5.1% to R1,626 million (December 2023: R1,713 million), with organic volumes decreasing by 9.4%, as pharmaceutical wholesalers reduced their inventory holding of a number of key branded and generic products. In addition, sales of ARVs declined by almost 50%. Average price realisation of 3.6% and a mix benefit of 0.7% was achieved. IQVIA<sup>(iii)</sup> reports that our Prescription business has grown by 6% in the total private market in the last 12 months. The gross margin ended well below the prior corresponding period, impacted both by the sales mix and significantly reduced output at the Wadeville plant. Consequently, trading profit decreased to a highly disappointing R90 million (December 2023: R189 million).

Sales in **Hospital** improved by 10.2% to R1,115 million (December 2023: R1,012 million), supported by the 3-year Large Volume Parenterals (LVP) tender awarded with effect from 1 October 2023. Organic volumes increased by 4.7%, and an average price increase of 5.7% was realised. Mix declined by 0.2%, with the repatriation of an established product to a multinational company being largely offset by the on-boarding of wound care and ostomy products from Convatec. The gross margin ended marginally lower than the prior corresponding period with higher LVP tender sales. Trading profit of R74 million (December 2023: R74 million), ended on par with the comparative period.

## PROSPECTS

The implementation of an SEP adjustment of 5.25% in February 2025 will assist in countering the gross margin pressure, but we do not foresee that the Wadeville facility will materially increase output in the next six months.

Lower interest rates and reduced inflation should provide some relief to constrained consumers. Nonetheless, we remain concerned about unemployment, the effect of which has an impact on a number of our brands. We expect some recovery in the independent wholesale channel, and envisage a movement towards normal inventory holdings in at least one of our large pharmaceutical wholesale customers.

Management remains committed to seeking additional affordable brands to expand the non-price-regulated portfolio and pursuing further partnerships with multinational pharmaceutical companies as they evaluate their front-end models in South Africa.

iii) IQVIA TPM December 2024

# COMMENTARY (Continued)

## CASH DIVIDEND DISTRIBUTION

The Board has declared a final gross dividend out of income reserves of 115 cents per share in respect of the six-months ended 31 December 2024. The South African dividend tax ("DT") rate is 20% and the net dividend payable to shareholders who are not exempt from DT is 92 cents per share. Adcock Ingram currently has 161 300 000 ordinary shares in issue and qualifying for ordinary dividends. The income tax reference number is 9528/919/15/3.

Last date to trade cum distribution	Tuesday, 11 March 2025
Shares trade ex distribution	Wednesday, 12 March 2025
Record date	Friday, 14 March 2025
Payment date	Monday, 17 March 2025

Share certificates may not be dematerialised or rematerialised between Wednesday, 12 March 2025 and Friday, 14 March 2025, both dates inclusive.

**N Madisa**  
*Chairperson*

19 February 2025

**AG Hall**  
*Chief executive officer*

# Condensed consolidated statements of comprehensive income

	Note	Unaudited six months ended 31 December 2024 R'000	Change %	Unaudited six months ended 31 December 2023 R'000	Audited year ended 30 June 2024 R'000
<b>Revenue</b>	2.1	<b>4 714 234</b>	(1)	4 740 424	9 643 128
Cost of sales		<b>(3 178 628)</b>		(3 130 757)	(6 424 596)
<b>Gross profit</b>		<b>1 535 606</b>	(5)	1 609 667	3 218 532
Selling, distribution and marketing expenses		<b>(701 970)</b>		(698 559)	(1 360 895)
Fixed and administrative expenses		<b>(318 344)</b>		(292 921)	(628 141)
<b>Trading profit</b>	2.3	<b>515 292</b>	(17)	618 187	1 229 496
Non-trading expenses	3	<b>(27 964)</b>		(32 440)	(164 672)
<b>Operating profit</b>		<b>487 328</b>	(17)	585 747	1 064 824
Finance income		<b>3 106</b>		5 192	10 704
Finance costs		<b>(62 393)</b>		(44 381)	(97 462)
Dividend income		<b>1 372</b>		1 600	3 891
Equity-accounted earnings		<b>87 962</b>		57 338	142 864
<b>Profit before taxation</b>		<b>517 375</b>	(15)	605 496	1 124 821
Tax		<b>(127 669)</b>		(161 325)	(310 812)
<b>Profit for the period/year</b>		<b>389 706</b>	(12)	444 171	814 009
Exchange differences on translation of foreign operations:		<b>7 208</b>		(20 771)	(23 284)
Subsidiaries		<b>(106)</b>		(785)	(1 066)
Joint venture		<b>7 314</b>		(19 986)	(22 218)
Movement in cash flow hedge accounting reserve, net of tax		<b>1 858</b>		(23 044)	(49 295)
Fair value of investment, net of tax		<b>-</b>		-	573
Actuarial profit on post-employment medical liability, net of tax		<b>-</b>		-	698
<b>Total comprehensive income for the period/year, net of tax</b>		<b>398 772</b>		400 356	742 701
Profit attributable to owners of the parent		<b>389 706</b>		444 171	814 009
Total comprehensive income attributable to owners of the parent		<b>398 772</b>		400 356	742 701
Basic earnings per ordinary share (cents)		<b>265.5</b>	(9)	291.3	539.6
Diluted basic earnings per ordinary share (cents)		<b>258.9</b>	(9)	283.9	526.4
Headline earnings per ordinary share (cents)		<b>265.5</b>	(9)	293.0	616.6
Diluted headline earnings per ordinary share (cents)		<b>258.9</b>	(9)	285.6	601.5

# Condensed consolidated statement of changes in equity

	Issued share capital R'000	Share premium R'000	Treasury share reserve 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
<b>As at 1 July 2023 (audited)</b>	15 277	266 611	(471 196)	356 933	5 220 313	5 387 938	(26)	5 387 912
Treasury shares purchased	(174)		(93 923)			(94 097)		(94 097)
Cancellation of shares								
Movement in share-based payment reserve*				(32 287)		(32 287)		(32 287)
Profit on sale of shares				10		10		10
Total comprehensive income				(38 862)	444 171	405 309		405 309
Profit for the period					444 171	444 171		444 171
Other comprehensive income				(43 815)		(43 815)		(43 815)
Reclassified to cost of inventory – not included in other comprehensive income				4 953		4 953		4 953
Dividends					(190 961)	(190 961)	(18)	(190 979)
<b>Balance at 31 December 2023 (unaudited)</b>	<b>15 103</b>	<b>266 611</b>	<b>(565 119)</b>	<b>285 794</b>	<b>5 473 523</b>	<b>5 475 912</b>	<b>(44)</b>	<b>5 475 868</b>
Movement in share-based payment reserve*				8 254		8 254		8 254
Treasury shares purchased	(427)		(233 387)			(233 814)		(233 814)
Movement in treasury shares (equity scheme)		6				6		6
Profit on sale of shares reversed				(10)		(10)		(10)
Total comprehensive income				(19 323)	369 838	350 515		350 515
Profit for the period					369 838	369 838		369 838
Other comprehensive income				(27 493)		(27 493)		(27 493)
Reclassified to cost of inventory – not included in other comprehensive income				8 170		8 170		8 170
Dividends					(188 043)	(188 043)		(188 043)
<b>Balance at 30 June 2024 (audited)</b>	<b>14 676</b>	<b>266 617</b>	<b>(798 506)</b>	<b>274 715</b>	<b>5 655 318</b>	<b>5 412 820</b>	<b>(44)</b>	<b>5 412 776</b>
Movement in treasury shares (equity scheme)		(48)				(48)		(48)
Movement in share-based payment reserve*				(62 402)		(62 402)		(62 402)
Total comprehensive income				24 080	389 706	413 786		413 786
Profit for the period					389 706	389 706		389 706
Other comprehensive income				9 066		9 066		9 066
Reclassified to cost of inventory – not included in other comprehensive income				15 014		15 014		15 014
Dividends					(220 144)	(220 144)	(11)	(220 155)
<b>Balance at 31 December 2024 (unaudited)</b>	<b>14 676</b>	<b>266 569</b>	<b>(798 506)</b>	<b>236 393</b>	<b>5 824 880</b>	<b>5 544 012</b>	<b>(55)</b>	<b>5 543 957</b>

\* Relate to equity and BMT option schemes.

# Condensed consolidated statements of financial position

	Unaudited 31 December 2024 R'000	Unaudited 31 December 2023 R'000	Audited 30 June 2024 R'000
<b>ASSETS</b>			
Property, plant and equipment	1 443 622	1 477 918	1 448 624
Right-of-use assets	170 531	211 403	190 406
Intangible assets	1 225 929	1 226 052	1 114 184
Investment in joint ventures	752 769	693 301	672 493
Deferred tax assets	13 134	9 153	25 877
Other financial assets	16 530	20 269	17 514
<b>Non-current assets</b>	<b>3 622 515</b>	<b>3 638 096</b>	<b>3 469 098</b>
Inventories	2 732 504	2 404 537	2 541 001
Receivables and other current assets	2 291 872	2 179 249	2 223 588
Cash and cash equivalents	79 141	107 141	89 417
Tax receivable	16 981	–	31 779
<b>Current assets</b>	<b>5 120 498</b>	<b>4 690 927</b>	<b>4 885 785</b>
<b>Total assets</b>	<b>8 743 013</b>	<b>8 329 023</b>	<b>8 354 883</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Issued share capital	14 676	15 103	14 676
Share premium	266 569	266 611	266 617
Treasury share reserve	(798 506)	(565 119)	(798 506)
Non-distributable reserves	236 393	285 794	274 715
Retained income	5 824 880	5 473 523	5 655 318
Total shareholders' funds	5 544 012	5 475 912	5 412 820
Non-controlling interests	(55)	(44)	(44)
<b>Total equity</b>	<b>5 543 957</b>	<b>5 475 868</b>	<b>5 412 776</b>
Long-term portion of lease liability	220 083	259 528	238 080
Post-retirement medical liability	12 662	13 216	12 527
Deferred tax liability	156 123	135 636	161 152
<b>Non-current liabilities</b>	<b>388 868</b>	<b>408 380</b>	<b>411 759</b>
Trade and other payables	1 983 792	2 099 939	2 333 231
Bank overdraft	707 723	182 294	–
Short-term portion of lease liability	41 593	38 246	42 460
Provisions	77 080	104 971	142 140
Tax payable	–	19 325	12 517
<b>Current liabilities</b>	<b>2 810 188</b>	<b>2 444 775</b>	<b>2 530 348</b>
<b>Total equity and liabilities</b>	<b>8 743 013</b>	<b>8 329 023</b>	<b>8 354 883</b>

# Condensed consolidated statements of cash flows

	Unaudited six months ended 31 December 2024 R'000	Unaudited six months ended 31 December 2023 R'000	Audited year ended 30 June 2024 R'000
<b>Cash flows from operating activities</b>			
Operating profit	487 328	585 747	1 064 824
Adjustments and non-cash items	69 570	58 218	353 259
<b>Operating profit before working capital changes</b>	<b>556 898</b>	643 965	1 418 083
Working capital movements	(593 991)	(198 872)	(183 847)
<b>Cash (utilised in)/generated from operations</b>	<b>(37 093)</b>	445 093	1 234 236
Finance income received	3 091	5 279	10 800
Finance costs paid	(60 328)	(40 594)	(97 816)
Dividend income received	16 372	16 600	115 239
Dividends paid	(220 155)	(190 979)	(379 022)
Taxation paid	(123 863)	(145 656)	(318 631)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(421 976)</b>	89 743	564 806
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment – Replacement	(64 886)	(67 340)	(111 702)
– Expansion	(4 849)	(5 601)	(16 039)
Purchase of intangible assets	(116 440)	–	–
Proceeds of sale of interest in BMT	984	207	671
Proceeds on loans receivable	–	–	479
Proceeds on disposal of property, plant and equipment	–	–	1 197
Proceeds from interest in Group Risk Holdings Proprietary Limited shares	–	–	257
<b>Net cash outflow from investing activities</b>	<b>(185 191)</b>	(72 734)	(125 137)
<b>Cash flows from financing activities</b>			
Equity options scheme settlement	(89 813)	(61 491)	(67 600)
Repayment of lease liabilities	(20 952)	(17 627)	(35 898)
Share repurchase	–	(94 097)	(327 911)
<b>Net cash outflow from financing activities</b>	<b>(110 765)</b>	(173 215)	(431 409)
Net (decrease)/increase in cash and cash equivalents	(717 932)	(156 206)	8 260
Effects of exchange rate changes on cash and cash equivalents	(67)	(846)	(742)
Cash and cash equivalents at beginning of period/year	89 417	81 899	81 899
<b>Cash and cash equivalents at end of period/year</b>	<b>(628 582)</b>	(75 153)	89 417



# Notes to the consolidated financial statements

## 1. BASIS OF PREPARATION

### INTRODUCTION

The condensed unaudited interim results for the six months ended 31 December 2024 have been prepared in compliance with the Listings Requirements of the JSE Limited, IFRS Accounting Standards, 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

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

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

**Prescription** – markets products prescribed by medical practitioners, and 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 Indian joint venture, and cash and bank overdraft balances which are managed on a central basis in Southern Africa.

	Unaudited six months ended 31 December 2024 R'000	Change %	Unaudited six months ended 31 December 2023 R'000	Audited year ended 30 June 2024 R'000
Consumer	870 539	1	866 028	1 701 856
OTC	1 101 971	(4)	1 149 370	2 461 656
Prescription	1 625 661	(5)	1 712 894	3 429 809
Hospital	1 115 452	10	1 011 992	2 049 292
Other – shared services	611		140	515
	<b>4 714 234</b>	(1)	4 740 424	9 643 128

# Notes to the consolidated financial statements (Continued)

## 2. SEGMENT REPORTING (CONTINUED)

### 2.2. REVENUE BY 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
<b>31 December 2024</b>									
Consumer	105 954	195 618	561 256	–	1 890	864 718	–	5 821	870 539
OTC	611 400	371 735	28 215	517	11 704	1 023 571	67 773	10 627	1 101 971
Prescription	745 084	546 122	183 647	20 239	34 734	1 529 826	88 691	7 144	1 625 661
Hospital	220 496	66 667	60 178	472 447	2 107	821 895	287 500	6 057	1 115 452
Other – shared services	–	–	–	–	–	–	–	611	611
	<b>1 682 934</b>	<b>1 180 142</b>	<b>833 296</b>	<b>493 203</b>	<b>50 435</b>	<b>4 240 010</b>	<b>443 964</b>	<b>30 260</b>	<b>4 714 234</b>
Split	35.7%	25.0%	17.7%	10.5%	1.1%	89.9%	9.4%	0.6%	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 2024 R'000	Change %	Unaudited six months ended 31 December 2023 R'000	Audited year ended 30 June 2024 R'000
<b>2.3. TRADING PROFIT</b>				
Consumer	177 414	(6)	188 670	362 398
OTC	171 852	4	164 955	383 585
Prescription	89 884	(52)	189 131	351 913
Hospital	74 238	–	74 198	128 446
Other – shared services	1 904		1 233	3 154
	<b>515 292</b>	<b>(17)</b>	<b>618 187</b>	<b>1 229 496</b>
<b>2.4. TOTAL ASSETS</b>				
Consumer	1 304 270		1 266 398	1 162 388
OTC	2 017 366		1 892 305	2 061 999
Prescription	2 485 648		2 397 091	2 312 640
Hospital	1 970 845		1 868 247	1 910 589
Other – shared services	964 884		904 982	907 267
	<b>8 743 013</b>		<b>8 329 023</b>	<b>8 354 883</b>
<b>2.5. CURRENT LIABILITIES</b>				
Consumer	306 035		238 287	267 849
OTC	464 000		470 393	614 083
Prescription	906 769		878 054	970 393
Hospital	344 343		450 211	446 201
Other – shared services	789 041		407 830	231 822
	<b>2 810 188</b>		<b>2 444 775</b>	<b>2 530 348</b>

## Notes to the consolidated financial statements (Continued)

	Unaudited six months ended 31 December 2024 R'000	Unaudited six months ended 31 December 2023 R'000	Audited year ended 30 June 2024 R'000
<b>3. NON-TRADING EXPENSES</b>			
Share-based payment expenses	27 408	29 461	44 719
Transaction costs	556	401	1 584
Fair value adjustment of long-term receivable	–	–	2 765
Impairments	–	2 578	115 604
	<b>27 964</b>	32 440	164 672
<b>4. INVENTORY</b>			
Inventories written down and recognised as an expense in cost of sales that forms part of trading profit	39 532	27 897	69 255
<b>5. CAPITAL COMMITMENTS</b>			
– Contracted for	41 609	63 398	67 761
– Approved but not contracted	32 541	33 550	75 921
	<b>74 150</b>	96 948	143 682
<b>6. HEADLINE EARNINGS</b>			
Headline earnings is determined as follows:			
Profit attributable to owners of Adcock Ingram	389 706	444 171	814 009
Adjusted for:			
Loss on disposal/scrapping of property, plant and equipment	32	36	642
Tax effect on the loss on disposal of property, plant and equipment	(9)	(10)	(174)
Adjustments relating to equity accounted joint ventures	(47)	(10)	(34)
Impairments	–	2 578	115 604
<b>Headline earnings</b>	<b>389 682</b>	446 765	930 047
<b>7. SHARE CAPITAL</b>			
Number of shares in issue	161 300	169 719	169 719
Number of ordinary shares held by the Group company	(14 537)	(10 274)	(14 537)
Cancellation of issued shares	–	(8 419)	(8 419)
<b>Net shares in issue</b>	<b>146 763</b>	151 026	146 763
Headline earnings and basic earnings per share are based on:			
Weighted average number of ordinary shares outstanding	146 763	152 460	150 842
Diluted weighted average number of shares outstanding	150 509	156 455	154 633

# 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 2024 R'000	Unaudited six months ended 31 December 2023 R'000	Audited year ended 30 June 2024 R'000
<b>At fair value – Level 2<sup>1</sup></b>					
Foreign exchange contracts – derivative asset	Derivative financial instruments	Receivables and other current assets	15 384	5 750	–
Foreign exchange contracts – derivative liability	Derivative financial instruments	Trade and other payables	27 775	13 677	45 818
<b>At fair value – Level 3<sup>2</sup></b>					
Black Managers Share Trust	Fair value through profit and loss	Other financial assets	12 406	16 619	13 390
Investment	Fair value through OCI	Other financial assets	4 124	3 650	4 124
<b>At amortised cost<sup>3</sup></b>					
Trade and sundry receivables	At amortised cost	Receivables and other current assets	2 157 096	2 000 926	2 048 715
Cash and cash equivalents	At amortised cost	Cash and cash equivalents	79 141	107 141	89 417
Trade and other payables	At amortised cost	Trade and other payables	1 932 180	2 002 484	2 191 015
Bank overdraft	At amortised cost	Bank overdraft	707 723	182 294	–

### Valuation techniques

<sup>1</sup> 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).

<sup>2</sup> 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.

<sup>3</sup> 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.

### 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 2024 R'000	Unaudited six months ended 31 December 2023 R'000	Audited year ended 30 June 2024 R'000
First Garment Rental (Pty) Ltd	Factory laundry	3 947	3 576	10 503
HRG Rennies Travel (Pty) Ltd	Travel	3 033	3 619	7 501
Steiner Hygiene (Pty) Ltd	Cleaning consumables	831	747	1 476
Bidvest Afcom (Pty) Ltd	Consumables (tape)	1 136	1 376	2 259
Bidvest Office (Pty) Ltd t/a Bidvest Waltons	Office stationery	746	680	1 456
Bidvest Paperplus (Pty) Ltd t/a Lithotech Blesston	Consumables	458	859	2 200
BMS Validations (Pty) Ltd	Certification Services	452	435	–
Bidvest Office (Pty) Ltd t/a Hortors SA Diaries	Diaries	270	–	–
Bidvest G Fox (Pty) Ltd	Protective wear	256	231	1 128
Bidvest Corporate Services (Pty) Ltd	Ad-hoc support cost	166	266	–
Bidvest Paperplus (Pty) Ltd t/a S&N Labels	Labels	140	193	8
Bidtrack (Pty) Ltd	Vehicle tracking	59	13	73
Bidvest Commercial Products (Pty) Ltd t/a Academy Brushware	Consumables	53	46	110
Aluminium Foil Converters (Pty) Ltd	Packaging	74	50	–
Bidvest Office (Pty) Ltd t/a Cecil Nurse	Furniture	–	–	44
Bidvest Material Handling (Pty) Ltd	Maintenance	–	–	8
		<b>11 621</b>	12 091	26 766

# Notes to the consolidated financial statements (Continued)

## 9. RELATED PARTIES (CONTINUED)

		Unaudited six months ended 31 December 2024 R'000	Unaudited six months ended 31 December 2023 R'000	Audited year ended 30 June 2024 R'000
<b>9.2. THE FOLLOWING SERVICES ARE OBTAINED WHERE NO CONTRACT IS IN PLACE, BUT A 12-MONTH PRICE AGREEMENT HAS BEEN CONCLUDED:</b>				
Company	Description			
Pureau Fresh Water Company (Pty) Ltd	Refreshments	<b>838</b>	516	2 583
Bidvest Bank Limited	Forex	<b>151</b>	225	556
		<b>989</b>	741	3 139
<b>9.3. CONTRACTS ARE IN PLACE FOR A PERIOD OF TIME FOR THE FOLLOWING SERVICES:</b>				
Company	Description			
Safcor Freight (Pty) Ltd t/a Bidvest International Logistics	Freight forwarding	<b>43 611</b>	47 632	99 144
Bidvest Protea Coin (Pty) Ltd	Guarding	<b>10 740</b>	10 182	21 159
Bidvest Prestige Cleaning t/a Bidvest Managed Solutions (Pty) Ltd	Cleaning	<b>8 141</b>	9 194	16 618
Bidvest Managed Solutions (Pty) Ltd	Cleaning/Gardening	<b>3 073</b>	2 614	4 906
Bidvest Facilities Management (Pty) Ltd	Facilities Management	<b>1 260</b>	1 796	5 548
		<b>66 825</b>	71 418	147 375
<b>9.4. THE FOLLOWING DIRECTORS' FEES HAVE BEEN PAID FOLLOWING THE AUTHORITY GRANTED AT THE ANNUAL GENERAL MEETINGS, HELD IN NOVEMBER 2023 AND NOVEMBER 2024:</b>				
Company	Description			
Bidvest Corporate Services	Directors' fees	<b>853</b>	777	1 623
		<b>853</b>	777	1 623

# 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)

Ms B Letsoalo (Executive director: Human Capital and Transformation)

Ms B Mabuza (Lead independent non-executive director)

Ms N Madisa (Non-executive director and chairperson)

Dr C Manning (Independent non-executive director)

Ms D Neethling (Chief financial officer)

Ms D Ransby (Independent non-executive director)

Prof M Sathekge (Independent non-executive director)

Mr M Steyn (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

The background is a light blue gradient. It features several large, rounded, abstract shapes in various shades of blue. A large, dark blue rounded shape is in the top left. A dark blue rounded shape is on the right side. A lighter blue rounded shape is below it. A translucent, rounded blue shape is in the bottom right. The text 'adcock.com' is centered in the middle of the page.

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