

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")

Audited Group Financial Results and Cash Dividend Declaration
For the year ended 30 June 2021

- B-BBEE Level 3
- Revenue Increased 6%
- Gross profit declined 2%
- HEPS declined 3%
- Final dividend 90 cents per share

Introduction

The Group delivered a resilient performance in the year under review, despite the difficult operating environment, characterised by the continuing adverse impact of COVID-19, the tough economic environment and high levels of unemployment impacting consumer spending.

The Group's activities are regarded as essential services and all business units continued operating throughout all levels of lockdowns, while maintaining rigorous monitoring and evaluation of COVID-19 protocols to safeguard our employees and customers. This ensured continuity in producing and supplying medicines, including life-saving products such as intravenous fluids, renal dialysis fluids and ARVs, as well as other acute medicines and hygiene products used to minimise the impact of COVID-19.

As the disease spread, the prevalence of infections amongst employees has unfortunately increased, putting certain of the operations at risk of not being able to operate on an uninterrupted basis. All factories and warehouses had to close for certain periods to allow for additional sanitising procedures and testing of employees, but never for more than a few days at a time at most. In addition, global supply constraints, particularly on medicines and active pharmaceutical ingredients from Asia needed to be overcome at various points in the year. We have proven that we can continue to protect our people in the work environment, and maintain financial stability for the Group to continue all of its operations. The business adopted new operational strategies based on the changes in the market, providing a solid foundation for the continuity of operations.

The Group experienced good demand for immune-boosting products, certain small-volume parenterals and acute renal dialysis products.

Demand was poor for cough, colds and flu medicine (due to the absence of a flu season in South Africa). Low levels of patients consulting doctors and postponement of elective surgeries affected the performance of certain, mainly acute, prescription medicines and ophthalmic surgical products and instruments. Lockdown restrictions also had an impact on many hospital products (due to reduced number of trauma and medical admissions), as well as on shoe care and sun care products.

Nonetheless, with the exception of the OTC business unit, which is the largest cough, colds and flu company in South Africa, all business units posted solid trading performances, achieving good growth in turnover, with disciplined cost control and yielding healthy growth in trading profit. Adcock Ingram's strong and adaptable people, and diverse portfolios have proved beneficial in this unprecedented operating environment. In addition, these results could not have been achieved without the support of our customers, partners and suppliers.

		Change %	Audited 2021	Audited 2020
Revenue	(R'000)	6	7 776 854	7 346 558
Gross profit	(R'000)	(2)	2 682 775	2 739 056
Trading profit	(R'000)	(3)	914 610	944 280
Operating profit	(R'000)	(1)	849 755	862 181
Headline earnings per share	(cents)	(3)	404.7	417.5
Basic earnings per share	(cents)		396.3	398.0
Total assets	(R'000)		7 040 418	7 181 750
Net asset value per share	(cents)		2 894.7	2 708.6
Interim dividend declared per share	(cents)		80.0	100.0
Final dividend declared per share	(cents)		90.0	-
Segment revenue				
Consumer	(R'000)	42	1 267 287	892 392
OTC	(R'000)	(16)	1 735 239	2 054 114
Prescription	(R'000)	10	3 021 520	2 758 538
Hospital	(R'000)	8	1 752 229	1 627 518
Segment trading profit				
Consumer	(R'000)	52	235 380	155 134
OTC	(R'000)	(31)	292 327	425 747
Prescription	(R'000)	3	223 826	217 652
Hospital	(R'000)	15	161 385	140 453

Prospects

As the effects of the COVID-19 pandemic persist, coupled with the recent civil unrest in the country, the economic outlook for our market remains uncertain and we face the reality of living with COVID-19 restrictions until the vaccines have been widely administered.

Although we remain cautious about the effects of COVID-19, the Group has proved its resilience through its

diversified portfolio of products and generated solid cash inflows despite the impact of the lockdowns and we are confident of continued value creation for our shareholders.

We are supporting our customers where possible to restore their operations following the recent civil unrest in KwaZulu-Natal and Gauteng, so that they are able to continue delivering essential medicine to the people of South Africa.

The Group remains committed to expanding its product portfolio in each of its business units.

Dividend distribution

The Board has declared a final gross dividend out of income reserves of 90 cents per share in respect of the year ended 30 June 2021. The South African dividend tax ("DT") rate is 20% and the net dividend payable to shareholders who are not exempt from DT is 72 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 cum distribution	Tuesday, 14 September 2021
Shares trade ex distribution	Wednesday, 15 September 2021
Record date	Friday, 17 September 2021
Payment date	Monday, 20 September 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 15 September 2021 and Friday, 17 September 2021, both dates inclusive.

N Madisa	AG Hall
Chairperson	Chief Executive Officer

Approved by the Board: 24 August 2021

SENS release date: 25 August 2021

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/2021/JSE/ISSE/AIP/AIP022021.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 and the group annual financial statements which includes the unqualified audit opinion, that will be published on the Company's website at 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.