



GROUP ANNUAL RESULTS AND CASH DIVIDEND DECLARATION

FOR THE YEAR ENDED 30 JUNE 2025



Commentary

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")

SALIENT FEATURES

Turnover increased 1% to R9.8 billion

Second half trading profit improved by 30% over first half

Second half HEPS improved by 36% over first half

Full-year HEPS increased 1% to 625.6 cents

Final dividend declared: 165 cents per share

Total dividend increased 2% to 280 cents per share

B-BBEE level: 1

Strategic transaction with NATCO Pharma announced

INTRODUCTION

The Board of Directors (the Board) is pleased with the Group's overall performance for the year, particularly following the subdued interim results. The Group delivered an outstanding operational and financial improvement in the second half of the financial year, underpinned by strong demand for its over-the-counter (OTC) and consumer healthcare products, supported by management's focus on customer service, brand investment, operational planning and cost discipline.

REVENUE AND PROFITS

Revenue during the year under review increased by 1.2% to R9,760 million (June 2024: R9,643 million). As reported in the half-year results, demand in the second quarter was weak in the independent wholesale channel, and pharmaceutical wholesalers and corporate pharmacies reduced stock levels. However, the second half reporting period reflected an excellent recovery, with strong demand for the winter basket, a well-executed informal sector strategy, and normal buying patterns among pharmacy wholesalers. Average annual price realisation of 4.3% more than offset the organic volume decline of 3.1%.

The gross margin declined to 33.0% from 33.4% in the prior year, reflecting a less favourable sales mix. This was compounded by low factory recoveries at the Wadeville facility. These factors were somewhat compensated for by a favourable exchange rate, a 5.25% SEP increase applied to relevant products in February 2025 and strong demand for the winter basket, personal care and analgesics in the second half of the financial year.

Operating expenses were exceptionally well controlled and increased by 2.4%, below inflation, and include salary increases. This resulted in a full-year decline of 3.7% in trading profit to R1,184 million (June 2024: R1,229 million), a highly commendable recovery from the 16.6% decline reported at the half-year.

NON-TRADING EXPENSES

Non-trading expenses of R107.5 million consist of share-based expenses of R38.1 million, intangible asset impairments of R60.0 million, a fair value adjustment of R2.8 million on a long-term receivable and corporate activity costs of R6.6 million.

Commentary (Continued)

NET FINANCE COSTS

Net finance costs of R110.4 million (June 2024: R86.8 million) were incurred during the year, including IFRS 16 (Leases) finance costs of R24.0 million (June 2024: R27.0 million). The increase is consequent to higher net debt, in relation to the prior year, as a result of the share buy-back program in the previous financial year, the acquisition of Dermopal in July 2024 and higher levels of investment in inventory.

EQUITY ACCOUNTED EARNINGS

Equity accounted earnings from joint ventures, which arise from National Renal Care and Adcock Ingram India are R172.5 million, 20.7% above the prior year (June 2024: R142.9 million). Both joint ventures produced increased volumes.

HEADLINE EARNINGS

Headline earnings for the year decreased by 1.3% to R918 million (June 2024: R930 million), a strong recovery from the 12.8% decrease reported for the interim reporting period. This translates into headline earnings per share of 625.6 cents (June 2024: 616.6 cents), an increase of 1.5% over the prior year.

CASH FLOWS

Cash generated from operations was R1.076 billion (June 2024: R1.234 billion) after working capital increased by R385 million (June 2024: R184 million). Inventory increased by R389 million, primarily due to the onboarding of new multinational marketing and distribution agreements. Trade and other payables increased by R74 million, and trade receivables increased by R70 million. The debtors book remains well controlled, and the average days outstanding were maintained at 54 days.

The Group was in a net cash position of R104 million (June 2024: R89 million) at the end of the financial year, with access to its full working capital facilities of R1.75 billion.

DIVIDEND DISTRIBUTION

The Board has declared a final dividend of 165 cents per share for the year ended 30 June 2025, out of income reserves.

BUSINESS OVERVIEW

Consumer turnover of R1.802 billion (June 2024: R1.702 billion) ended 5.9% ahead of the prior year, supported by an average price increase of 3.0%, and a mix benefit of 3.6% mainly attributable to the Dermopal range acquired at the beginning of the financial year. Innovation resulted in numerous line extensions of established brands being launched during the year. Organic volumes declined by 0.7%, reflecting a significant improvement from the 8.3% decrease reported for first the six months of the financial year. Personal care products, such as GynaGuard, Epi-max and Island Tribe in the pharmacy and retail channels showed good growth, as did Plush in the FMCG retail channel. Sales of Panado, Compral and Bioplus improved significantly in the second half. The gross margin ended marginally below the prior year due to the sales mix, and with excellent cost control, trading profit of R384 million was realised (June 2024: R362 million), improving by a pleasing 6.2%. Second half trading profit improved by 17.0% over the first half.

OTC turnover of R2.442 billion (June 2024: R2.462 billion) ended slightly below the prior year. An average price increase of 6.2% more than compensated for the volume decline of 5.4% and the mix effect was negative due to repatriation of a portfolio of brands to a multinational company, consequent to global corporate activity. In the second half of the financial year, performance improved notably, driven by high demand for the winter basket and normal buying patterns among pharmacy wholesalers. In addition, supply chain challenges prevalent in the first half, were fully remedied by the end of January 2025. IQVIA reports that our OTC Schedule 1 & 2 products have grown by 5% in the total private market in the last 12 months. A gross margin improvement was realised, driven by the improvement in the exchange rate and an advantageous sales mix. Second half trading profit improved by 35.4% over the first half resulting in annual trading profit increasing by a commendable 5.4% to R404 million (June 2024: R384 million).

Prescription turnover declined by 3.0%, with organic volumes decreasing by 5.7%. This reflected an improvement from the 9.4% decline reported in the first half of the financial year, supported by normal buying patterns among pharmacy wholesalers. An average price increase of 4.0% was realised and product mix declined by 1.3%, mainly due to the loss of the Dutch Ophthalmic Research Centre (D.O.R.C.) surgical portfolio, consequent to global corporate activity. IQVIA reports that our Prescription business has grown by 5% in the total private market in the last 12 months. The gross margin ended below the prior year, impacted by the sales mix and significantly reduced production output at the Wadeville plant. Consequently, trading profit declined 24.7% to R265 million (June 2024: R352 million). While the performance is well below our expectations, it reflects a significant recovery from the 94.9% decline reported at half year.

Sales in **Hospital** improved by 6.7% to R2,187 million (June 2024: R2,049 million), supported by an average price increase of 3.6%. Organic volumes improved by 1.9%, and a mix benefit of 1.2% was achieved, with the repatriation of an established product to a multinational company being more than offset by the on-boarding of wound care and ostomy products from Convatec. The gross margin ended lower than the prior year, impacted by a less favourable sales mix with higher LVP tender sales, and significant production challenges, including water supply interruptions and aged machinery. Consequently, trading profit decreased by 2.5% to R125 million (June 2024: R128 million).

PROSPECTS

As published in the SENS announcement on 23 July 2025, Adcock Ingram has entered into a Transaction Implementation Agreement (TIA) with NATCO Pharma. Subject to the fulfilment of regulatory and shareholder approvals, NATCO Pharma will acquire all the shares in the Group, not owned by Bidvest, through a scheme of arrangement. Adcock Ingram will subsequently be delisted from the Johannesburg Stock Exchange and operate as a privately held company, with Bidvest as the controlling shareholder.

The transaction presents a meaningful opportunity to unlock shareholder value and long-term strategic and operational benefits.

NATCO Pharma, a global pharmaceutical company with a strong presence in developing and emerging markets, brings complementary capabilities in generic product and dossier development, intellectual property, and raw material sourcing. These strengths will enhance Adcock Ingram's competitiveness, product offering, and supply chain resilience.

Adcock Ingram will remain a South African-based business. The Group is well-positioned to pursue targeted growth opportunities, strengthen its position in the local healthcare market, and deliver sustained value to stakeholders.

DIVIDEND DISTRIBUTION

The Board has declared a final gross dividend out of income reserves of 165 cents per share in respect of the year ended 30 June 2025. The South African dividend tax ("DT") rate is 20% and the net dividend payable to shareholders who are not exempt from DT is 132 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.

The salient dates for the distribution are detailed below:

Last date to trade <i>cum</i> distribution	Tuesday, 16 September 2025
Shares trade <i>ex</i> distribution	Wednesday, 17 September 2025
Record date	Friday, 19 September 2025
Payment date	Monday, 22 September 2025

Share certificates may not be dematerialised or rematerialised between Wednesday, 17 September 2025 and Friday, 19 September 2025, both dates inclusive.

N Madisa

Chairperson

21 August 2025

AG Hall

Chief executive officer

Summary consolidated statements of comprehensive income

	Notes	Audited 2025 R'000	Change %	Audited 2024 R'000
Revenue	2.1	9 760 332	1	9 643 128
Cost of sales		(6 540 352)		(6 424 596)
Gross profit		3 219 980		3 218 532
Selling, distribution and marketing expenses		(1 342 621)	(1)	(1 360 895)
Fixed and administrative expenses		(693 491)	10	(628 141)
Trading profit	2.2	1 183 868	(4)	1 229 496
Non-trading expenses	3	(107 469)	(35)	(164 672)
Operating profit		1 076 399	1	1 064 824
Finance income		8 501		10 704
Finance costs		(118 890)	(22)	(97 462)
Dividend income		3 334		3 891
Equity-accounted earnings		172 503	21	142 864
Profit before tax		1 141 847	2	1 124 821
Tax		(283 333)		(310 812)
Profit for the year		858 514	5	814 009
Exchange differences on translation of foreign operations		(28 953)		(23 284)
Subsidiaries		(1 006)		(1 066)
Joint venture		(27 947)		(22 218)
Movement in cash flow hedge accounting reserve, net of tax		38 875		(49 295)
Fair value of investment*		249		573
Actuarial profit on post-employment medical liability*		470		698
Total comprehensive income, net of tax		869 155		742 701
Profit attributable to:				
Owners of the parent		858 514		814 009
Total comprehensive income attributable to:				
Owners of the parent		869 155		742 701
Basic earnings per ordinary share (cents)		585.0	8	539.6
Diluted basic earnings per ordinary share (cents)		571.2	9	526.4
Headline earnings per ordinary share (cents)		625.6	1	616.6
Diluted headline earnings per ordinary share (cents)		610.9	2	601.5

* Remeasurement of investment and post-employment medical liability will not be reclassified to profit and loss. All other items in other comprehensive income may be reclassified to profit and loss.

Summary consolidated statement of changes in equity

	Issued share capital R'000	Share premium R'000	Treasury share reserve	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
Balance at 1 July 2023	15 277	266 611	(471 196)	356 933	5 220 313	5 387 938	(26)	5 387 912
Movement in share-based reserve*				(24 033)		(24 033)		(24 033)
Treasury shares purchased	(601)		(327 310)			(327 911)		(327 911)
Movement in treasury shares		6				6		6
Total comprehensive income				(58 185)	814 009	755 824		755 824
Profit for the year					814 009	814 009		814 009
Other comprehensive income				(71 308)		(71 308)		(71 308)
Reclassified to cost of inventory – not included in other comprehensive income				13 123		13 123		13 123
Dividends					(379 004)	(379 004)	(18)	(379 022)
Balance at 30 June 2024	14 676	266 617	(798 506)	274 715	5 655 318	5 412 820	(44)	5 412 776
Movement in share-based reserve*				(49 318)		(49 318)		(49 318)
Treasury shares purchase								
Movement in treasury shares (equity scheme)		(48)				(48)		(48)
Transfer of equity scheme reserves				24 945	(24 945)			
Total comprehensive income				440	858 514	858 954		858 954
Profit for the year					858 514	858 514		858 514
Other comprehensive income				10 641		10 641		10 641
Reclassified to cost of inventory – not included in other comprehensive income				(10 201)		(10 201)		(10 201)
Dividends					(388 922)	(388 922)	(11)	(388 933)
Balance at 30 June 2025	14 676	266 569	(798 506)	250 782	6 099 965	5 833 486	(55)	5 833 431

* Relate to equity and BMT option schemes.

Summary consolidated statements of financial position

	Audited 2025 R'000	Audited 2024 R'000
ASSETS		
Property, plant and equipment	1 463 104	1 448 624
Right-of-use assets	151 918	190 406
Intangible assets	1 161 234	1 114 184
Deferred tax assets	4 098	25 877
Other financial assets	9 482	17 514
Investment in joint ventures	703 830	672 493
Non-current assets	3 493 666	3 469 098
Inventories	2 812 474	2 541 001
Receivables and other current assets	2 318 707	2 223 588
Cash and cash equivalents	104 066	89 417
Tax receivable	6 768	31 779
Current assets	5 242 015	4 885 785
Total assets	8 735 681	8 354 883
EQUITY AND LIABILITIES		
Capital and reserves		
Issued share capital	14 676	14 676
Share premium	266 569	266 617
Treasury share reserve	(798 506)	(798 506)
Non-distributable reserves	250 782	274 715
Retained income	6 099 965	5 655 318
Total shareholders' funds	5 833 486	5 412 820
Non-controlling interests	(55)	(44)
Total equity	5 833 431	5 412 776
Long-term portion of lease liability	198 354	238 080
Post-retirement medical liability	12 104	12 527
Deferred tax liabilities	145 030	161 152
Non-current liabilities	355 488	411 759
Trade and other payables	2 378 651	2 310 549
Short-term portion of lease liability	45 408	42 460
Cash-settled options	-	22 682
Provisions	110 130	142 140
Taxation payable	12 573	12 517
Current liabilities	2 546 762	2 530 348
Total equity and liabilities	8 735 681	8 354 883

Summary consolidated statements of cash flows

	Audited 2025 R'000	Audited 2024 R'000
Cash flows from operating activities		
Operating profit	1 076 399	1 064 824
Adjustments and non-cash items	384 617	353 259
Operating profit before working capital changes	1 461 016	1 418 083
Working capital movements	(384 538)	(183 847)
Cash generated from operations	1 076 478	1 234 236
Finance income received	7 804	10 800
Finance costs paid	(119 490)	(97 816)
Dividend income received	120 065	115 239
Dividends paid	(388 933)	(379 022)
Tax paid	(263 490)	(318 631)
Cash generated from operating activities	432 434	564 806
Cash flows from investing activities		
Purchase of property, plant and equipment – Replacement	(161 004)	(111 702)
– Expansion	(15 737)	(16 039)
Purchase of intangible assets	(116 440)	–
Proceeds on loan receivable	–	479
Proceeds from sale of interest in BMT	1 125	671
Proceeds from sale of interest in Group Risk Holdings Proprietary Limited	4 442	257
Proceeds on disposal of property, plant and equipment	4 191	1 197
Net cash outflow from investing activities	(283 423)	(125 137)
Cash flows from financing activities		
Repayment of lease liabilities	(42 725)	(35 898)
Equity options scheme settlement	(90 761)	(67 600)
Share repurchase	–	(327 911)
Net cash outflow from financing activities	(133 486)	(431 409)
Net increase in cash and cash equivalents	15 525	8 260
Net foreign exchange difference on cash and cash equivalents	(876)	(742)
Cash and cash equivalents at beginning of year	89 417	81 899
Cash and cash equivalents at end of year	104 066	89 417

Notes to the summary consolidated financial statements

1. BASIS OF PREPARATION

INTRODUCTION

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Listings Requirements for summary financial statements, and the requirements of the Companies Act, 71 of 2002 (as amended) (Companies Act) applicable to summary consolidated financial statements. The JSE Listings Requirements require summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council. These summary financial statements for the year ended 30 June 2025 are not audited but are extracted from the audited consolidated financial statements, which were audited by the independent external auditors, PricewaterhouseCoopers Inc, who have issued an unqualified audit opinion. The Board of Directors take full responsibility for the accuracy of the extraction of the summary financial statements, which have been prepared by Ms Dorette Neethling, chief financial officer, in terms of section 29(1)(e) of the Companies Act.

2. SEGMENT REPORTING

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.

	Change %	Audited 2025 R'000	Audited 2024 R'000
2.1 REVENUE			
Consumer	6	1 802 270	1 701 856
OTC	(1)	2 441 500	2 461 656
Prescription	(3)	3 328 625	3 429 809
Hospital	7	2 186 784	2 049 292
Other – shared services ¹		1 153	515
	1	9 760 332	9 643 128

¹ The Group has disclosed the regulatory services in India, after eliminating intercompany sales in the "other-shared services" segment as it is managed as a shared service.

	Change %	Audited 2025 R'000	Audited 2024 R'000
2.2 TRADING PROFIT			
Consumer	6	384 939	362 398
OTC	5	404 476	383 585
Prescription	(25)	265 023	351 913
Hospital	(2)	125 272	128 446
Other – shared services		4 158	3 154
	(4)	1 183 868	1 229 496
3. NON-TRADING EXPENSES			
Share-based payment expenses		38 105	44 719
Impairments		60 000	115 604
Fair value adjustment of long-term receivable		2 783	2 765
Transaction costs		6 581	1 584
		107 469	164 672
4. HEADLINE EARNINGS			
Headline earnings is determined as follows:			
Profit attributable to owners of Adcock Ingram		858 514	814 009
Adjusted for:			
Impairments		60 000	115 604
(Profit)/Loss on disposal/scraping of property, plant and equipment		(599)	642
Tax effect on profit/(loss) on disposal of property, plant and equipment		162	(174)
Adjustments relating to equity accounted joint ventures		36	(34)
		918 113	930 047
5. SHARE CAPITAL			
Number of shares in issue		161 300	169 719
Cancellation of shares		–	(8 419)
Number of ordinary shares held by the Group company		(14 537)	(14 537)
Net shares in issue		146 763	146 763
Headline earnings and basic earnings per share are based on:			
Weighted average number of ordinary shares outstanding		146 763	150 842
Diluted weighted average number of shares outstanding		150 297	154 633

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

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POSTAL ADDRESS

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Sandton, 2196

BANKERS

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