

ABOUT US

Adcock Ingram is a leading pharmaceutical company based in South Africa. They manufacture, market and distribute a wide range of healthcare products. The company is a leading supplier to both the private and public sectors of the market.



MANAGEMENT


New management was put in place by Bidvest following its takeover in 2014. Highly acclaimed Bidvest CEO, Brian Joffe, sits as the deputy chairman, while Andrew Hall, the group’s CFO since 2007 was promoted to CEO. Andrew Hall holds a bachelors degree in accounting and has done an exceptional job thus far at restructuring the company.

LATEST RESULTS


- Turnover grew 11%
- Operating profit grew 35%
- DHEPS of 144.9cps grew by 53%
- Over The Counter (OTC) turnover grew 16.2%
- Prescription revenue grew by 13%
- Hospital turnover grew by 5.8%



KEY METRICS

 **COMPETITIVE ADVANTAGE:** Strong balance sheet, new active & quality management, growth prospects, strong brand offering

 **DIVIDEND YIELD:** 2.0%

 **RISKS** Aggressive inflation, weakening ZAR, margin squeeze, increasing competition

 **GEOGRAPHIC REACH:** Africa

 **BETA:** 0.76

 **MARKET CAPITALIZATION:** R10.59bn



KEY FINANCIALS AS AT 30 June 2017 (ZAR)				
	2015	2016	2017E**	2018E**
Net Sales (billion)	5.16	5.56	6.12	6.64
Net Sales Growth		8%	11%	10%
Operating Income (billion)	0.52	0.60	0.68	0.76
Operating Income Growth		13%	13%	12%
Net Profit (billion)	0.35	0.38	0.49	0.56
Net Profit Growth		9%	29%	15%
EPS	2.07	2.22	3.10	3.89
EPS Growth		7%	40%	25%
P/E	19.0	17.4	14.5	11.57
ROA	9.1%	9.9%	10.2%	10.4%
ROE	12.1%	11.8%	14.8%	16%

\*\* - 2017E and 2018E are estimated figures

Source: Thomson Reuters & Strategiq Research