

NATCO Pharma Ltd

Natco House
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NATCO offers to acquire stake in South African pharmaceutical company Adcock Ingram Holdings Limited

Hyderabad, India, July 23rd, 2025: NATCO Pharma Limited (BSE: 524816 and NSE: NATCOPHARM) ("NATCO") today has submitted a firm intention offer to Adcock Ingram Holdings Limited (Adcock Ingram), South African pharmaceutical company, for a cash offer of R75.00 (US\$4.27¹) per share. Should the offer be accepted, NATCO Pharma will hold a 35.75% stake in Adcock Ingram, valued at R4 billion (US\$226 million¹).

Adcock Ingram is estimated at a valuation of R11 billion (~US\$ 632 million¹). It is envisaged that post-acquisition, Adcock Ingram will continue to operate as a private South African business, supported by two substantial strategic shareholders, Bidvest at 64.25% and NATCO at 35.75%, including prior holding stake.

Adcock Ingram generated revenue of R9.6 billion (US\$536 million*) in the financial year June'24 and delivered a gross margin of 33.4%. The company achieved EBITDA of R1.4 billion (US\$78 million*) at a margin of 14.6%, and a profit after tax of R814 million (US\$45 million*). Following the past year's performance, the company delivered revenue of R4.7 billion (US\$262 million*) for the period ending December'24 and achieved EBITDA and profit after tax of R677 million (US\$38 million*) and R389 million (US\$22 million), respectively.

Post-transaction, NATCO will consolidate 35.75% of Adcock Ingram's net profits in NATCO's financial results in accordance with its shareholding. NATCO can potentially bring significant value through its research and development programmes, dossier approvals, intellectual property (IP) sharing, experience in regulated market operations, sourcing and global marketing for the new markets in Africa and regulated markets in the region.

For Adcock Ingram, this transaction is expected to bolster its already substantial local market share, cost competitiveness and provide the company with significant opportunities for new product and geographic expansion.

The estimated transaction completion time is 4 months, assuming no regulatory delays. The offer is underpinned by the recommendation of the Offer by an independent Board of directors of Adcock Ingram and a Fair and Reasonable Value opinion based on an independent expert valuation by BDO. The Board of Directors of NATCO have also approved the transaction. Business operations will remain uninterrupted, with no changes to existing partnerships, joint ventures, or supplier relationships. Adcock Ingram will be delisted from the JSE if the transaction proceeds.

Rajeev Nannapaneni, CEO & Vice Chairman of NATCO Pharma Limited, said: *"Adcock Ingram is a respectable pharmaceutical company with well-recognised brands and products and maintains a leading position in the South African pharmaceutical market. The proposed transaction will provide NATCO Pharma with a well-established entry into the Southern African market. It will also allow NATCO Pharma to tap into new revenue streams and expand our footprint in one of the largest and growing emerging markets, while providing a gateway to the African continent."*

¹ Exchange rate: 1 USD = 17.54 ZAR (Transaction figures)

*Exchange rate: 1 USD = 18 ZAR; 1 USD = 86 INR (Historical figures)

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Andrew Hall, CEO of Adcock Ingram Limited, said: *“This is a significant moment in our Company’s long history. This offer represents a huge vote of confidence in Adcock Ingram’s people, brands and business model, and the South African healthcare environment. NATCO Pharma is a respected global pharmaceutical company, distributing products in more than 50 countries. Adcock Ingram will benefit from a partnership with a research-focused, innovative and vertically integrated pharmaceutical company, and over time South Africans will be beneficiaries of wider access to affordable medicines. In addition, the offer represents an attractive premium for our minority shareholders, who have supported our Company over the years. Our commitment to our employees, customers, suppliers, partners, communities and patients remains unwavering.”*

Mpumi Madisa, Chairperson of Adcock Ingram Limited and CEO of Bidvest Group Limited, said: *“Since acquiring our shareholding in Adcock Ingram over a decade ago, Bidvest has been actively involved and aligned with management on the company’s growth focus to expand its portfolio of products. Bidvest is supportive of the cash offer being made by NATCO Pharma, which unlocks numerous synergies and enables a partnership to further expand Adcock Ingram’s product and geographic diversification.”*

Adcock Ingram Limited – Key financial metrics*

US\$ Mn	FY22	FY23	FY24	H1-FY25
Revenue	484	507	536	262
EBITDA	74	81	78	38
EBITDA margin (%)	15%	16%	15%	14%
Net profit	44	50	45	22
Net profit margin (%)	9%	10%	8%	8%
Revenue multiple (x)	1.12			
Enterprise value/EBITDA (x)	7.83			

*Exchange rate: 1 USD = 18 ZAR; 1 USD = 86 INR (Historical figures)



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About NATCO Pharma Limited

NATCO Pharma Limited, (NSE:NATCOPHARM, BSE: 524816, Reuters: NATP.NS, Bloomberg: NTCPH,) headquartered at Hyderabad, India, develops, manufactures and distributes generic and branded pharmaceuticals, specialty pharmaceuticals, active pharmaceutical ingredients and crop protection products. The Company is a R&D oriented, and a science driven, leading Oncology player in the targeted therapies of domestic market and focuses on limited competition molecule in the US. The Company has 9 manufacturing sites and 2 R&D facilities in India. The Company's different manufacturing facilities are approved by several leading regulatory authorities like US FDA, Brazil ANVISA, Health Canada, WHO and others catering to 50+ global markets. For more information, please visit us at www.natcopharma.com.

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About Adcock Ingram Limited

Adcock Ingram is a South African pharmaceutical company established in 1891 and ranked 2nd in the private and public pharmaceutical market in South Africa. The company manufactures, markets, and distributes healthcare products to both the private and public sectors of the market. Its portfolio includes an extensive range of Prescription, Over-the-counter (OTC), Consumer and Hospital products, manufactured in three facilities in South Africa and one in India. Its extensive portfolio of products includes well-known household brands such as Panado, Allergex, Epi-max, Citro-Soda, and Myprodol. Adcock Ingram has a 10% market share of the private market, is the leader in the OTC pharmaceutical market, and is the largest supplier of hospital and critical care products.

For media queries or interviews with Adcock Ingram, contact:

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