



PRESS RELEASE

PR. No 287/2019

INTRAVENOUS INFUSIONS PLC - (IIL)
UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER
ENDING 30 JUNE 2019

IIL has released its Unaudited Financial Statements for the second quarter ending June 30, 2019 as per the attached.

Issued in Accra, this 31st
day of July, 2019

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att'd.

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INTRAVENOUS INFUSIONS PLC
Manufacturers of Pharmaceutical Products

Intravenous Infusions PLC
Unaudited Financial Statements for the
Six Months Ended 30 June 2019

KEY FINANCIAL HIGHLIGHTS

	JUNE 2019 UNAUDITED GH¢	JUNE 2018 UNAUDITED GH¢	% CHANGE YOY
Revenue	10,817,574	10,051,384	8%
Gross Profit	5,889,228	5,857,261	0.6%
Finance Costs	132,541	265,891	-50%
Operating Profit	1,712,936	2,517,221	-32%
Net Profit/(Loss) before tax	1,580,395	2,251,330	-30%
Net Shareholders' funds	16,282,245	11,754,758	39%
Cash and cash Equivalent	148,693	251,076	41%
Trade and other receivables	13,463,611	10,849,194	24%

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	30 JUNE 2019 UNAUDITED GH¢	30 JUNE 2018 UNAUDITED GH¢	% CHANGE YOY
Revenue	10,817,574	10,051,384	8%
Cost of operations	(4,928,346)	(4,194,124)	18%
Gross profit	5,889,228	5,857,261	0.6%
Other income	9,805	7,108	
Operating and other expenses	(4,186,098)	(3,347,147)	25%
Profit before finance cost and tax	1,712,935	2,517,221	-32%
Finance cost	(132,541)	(265,891)	-50%
Profit before tax	1,580,394	2,251,330	-30%
Income tax expense	(296,324)	(422,124)	
Profit for the period	1,284,071	1,829,206	-30%
Earnings per share	0.0050	0.00807	-38%

UNAUDITED STATEMENT OF FINANCIAL POSITION

	30 JUNE 2019 UNAUDITED GH¢	30 JUNE 2018 UNAUDITED GH¢	% CHANGE YOY
ASSETS			
Non-current assets			
Property, plant and equipment	7,693,923	6,041,840	27%
Current assets			
Inventory	4,913,363	4,147,271	19%
Trade and other receivables	14,322,311	10,849,194	32%
Cash	148,693	251,076	-41%
Total current assets	19,384,367	15,247,541	27%
Total assets	27,078,290	21,289,381	27%
Equity			
Stated capital	10,164,354	7,213,384	41%
Retained earnings	3,380,461	2,072,974	63%
Capital surplus	2,468,400	2,468,400	
Total equity	16,013,215	11,754,758	36%
Non-Current Liability			
Deferred tax liabilities	757,425	664,843	14%
Total non-Current Liability	757,425	664,843	14%
Current liabilities			
Borrowings	1,640,845	3,668,180	55%
Trade and other payables	7,638,766	3,795,670	101%
Current tax	501,653	375,649	34%
Employee Benefit obligation	526,386	1,030,281	49%
Total Current Liabilities	10,307,650	8,869,780	16%
Total Liabilities	11,065,075	9,534,623	16%
Total Liabilities and Equity	27,078,290	21,289,381	27%

UNAUDITED STATEMENT OF CHANGES IN EQUITY

	Stated capital GH¢	Deposit for shares GH¢	Income surplus GH¢	Capital surplus GH¢	Total GH¢
Balance at 1 st Jan 2019	7,213,384	1,701,000	3,090,264	2,468,400	14,473,048
Profit/(Loss) for the period			1,284,071		1,284,071
Dividend paid			(993,874)		(993,874)
issue of shares(net)	1,249,970				1,249,970
Transfer to stated capital	1,701,000	(1,701,000)			-
At 30th June 2019	10,164,354	---	3,380,461	2,468,400	16,013,215

UNAUDITED STATEMENT OF CASH FLOWS

	30 JUNE 2019 UNAUDITED GH¢	30 JUNE 2018 UNAUDITED GH¢
Operating activities		
Profit before tax	1,580,395	2,251,330
Adjustments for non-cash income and expenses:		
Net employee obligation	(2,000)	
Depreciation of property, plant and equipment	332,829	328,020
Cash flow included in operating activities	1,911,223	2,579,350
Changes in operating assets and liabilities		
Decrease/increase in trade and other receivables	(2,154,664)	(948,578)
Increase/decrease in trade payables	2,694,841	(1,181,042)
Increase/decrease in inventory	(451,201)	162,368
Cash flow from operating activities	2,000,199	612,098
Tax paid	(91,542)	(288,499)
Net cash from operating activities	1,908,657	323,599
Cash flows from investing activities		
Purchases of equipment	(214,665)	(290,291)
Net cash used in investing activities	(214,665)	(290,291)
Cash flows from financing activities		
Dividend paid	(993,874)	-
Decrease in borrowings	(2,391,035)	(10,514)
Net cash used in financing activities	(3,384,909)	(10,514)
Net (increase/decrease) in cash and cash equivalents	(1,690,917)	22,794
Cash and cash equivalents at beginning of year	1,839,610	228,282
Cash and cash equivalents at 30 June 2019	148,693	251,076

REVIEW OF PERFORMANCE FOR THE FIRST HALF-YEAR OF 2019

Revenue increased by 8% largely on account of increased in units of production and sales by 27.7% on average across all product lines. However the increase in units of sales did not translate to a proportionate increase in revenue because of the decline in average price by 15.8% in the major product category as the effect of the Government price reduction policy on National Health Insurance reimbursable tariffs take shape. This situation resulted in gross profit margin declining by 3.9% year on year and operating profit declined by 32% year on year. Total assets also grew by 27% and net operating assets by 42% year on year.

OUTLOOK FOR THE SECOND-HALF OF 2019

The company always shows strong revenue growth in the second half of each year as the raining season starts. However, the outlook for the second-half of 2019 will see revenues remaining flat as the effects of the Government price reduction policy on National Health Insurance Authority (NHIA) reimbursable tariffs increasingly becoming more pronounce as the company is now supplying the new tender awards received from hospitals and the Regional Health Directorate in all regions in Ghana.

The threat of imported rigid-bottle IV Fluids and the usage of these products by some Government facilities and the entrance of new companies into the IV Fluid manufacturing sub-sector pose a major threat to future revenues. IIL will continue to leverage on its goodwill to maintain its market dominance and remain on the path of innovation by investing in new plant and equipment and new products

Major steps have been taken to reactivate the export market as a way filling up the revenue short falls from the domestic market. Management is expecting to receive firm contract awards from Cote D'ivoire in the second half of the year.

At the macro-economic level, inflation is lowered to a single digit, relative stability of the exchange rate and interest rates continue declining and the overall economic atmosphere points to a stable and sustainable economic growth for 2019.

We will continue to identify relevant strategies to deal with the emerging threats and leverage on our key competencies to take advantage of the current and emerging opportunities, and promote the IIL brand.