



PRESS RELEASE

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**INTRAVENOUS INFUSIONS LIMITED (IIL) –
UN-AUDITED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDING JUNE 2017**

IIL has released its un-audited Financial Statements for the half year ending June 30, 2017 as per the attached.

Issued in Accra, this 10th
day of August, 2017

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att'd.

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INTRAVENOUS INFUSIONS LTD
Manufacturer of Pharmaceutical Products



Unaudited results for the
six months ended June 30, 2017



Key financial highlights

	June 2017	June 2016	
	Unaudited	Unaudited	% Change
	GH¢	GH¢	
Revenue	6,316,853	4,781,354	32%
Gross profit	3,558,255	2,225,993	60%
Foreign exchange loss	-	86,036	-
Finance costs	411,122	220,834	86%
Operating profit	1,522,056	817,815	86%
Net profit/(loss) before tax	1,110,934	596,981	86%
Net shareholders' funds	8,097,504	7,009,772	16%
Cash and cash equivalents	844,851	244,182	246%



Review of financial performance for the six months ended June 30, 2017

The Directors are pleased to present the results of operations for the first half of 2017 to shareholders and investors. Intravenous Infusions Limited (IIL) has continued its strong revenue growth with the half-year revenue performance increasing by 32% (year-on-year) over the performance of the comparative period of 2016. Increased units of sale, resulting in increased production capacity and better prices for the period, accounted for the strong revenue growth. Profit before tax grew by 86%, resulting in increased shareholder equity of 15.5%. Trade receivables also grew by 23% lower than the turnover. The National Health Insurance Authority started releasing funds on a monthly basis to the hospitals and facilities, marginally improving our cash flow. This accounted for the growth in cash reserve balances at the end of the period under review.

While revenue showed strong growth, cost of operations increased marginally by 8%. This resulted in the cost-of-sales ratio improving significantly from 53.4% in 2016 (of the same period) to 43.7%. Competitive and quality sourcing of raw materials, as well as exchange rate stability resulted in lower cost of raw materials used in production. The use of quality raw materials and the efficient management of resources, including labour, resulted in the reduction of production losses to 2%. Factory overheads per unit of output also declined on the back of increased production output.

Despite the reduction of IIL's exposure to foreign exchange losses, resulting from the payment of the forex denominated liabilities, operating and other expenses grew by 45%. This was on account of an increase in staff compensation and welfare costs, an increase in repairs and maintenance of distribution vehicles. In addition to the above, there was an increase in the cost of renewals and registration of company licenses and products.

Outlook: Second half of 2017

The outlook for the second half of the year remains positive. Revenue is projected to grow stronger than what has been recorded for the first half of the year, as we enter the rainy season of July to September. Management is taking proactive measures to ensure that adequate raw materials are available for production during the second half of 2017. Production as at the beginning of July is now on a one-half shift system, resulting in an increase in output quantities by 50%. Production is expected to move onto a complete two-shift system by September 2017. IIL shall continue to invest in plants and equipment to optimize the new filling plant. IIL is currently in collaboration with the Pharmacy Department of Kwame Nkrumah University of Science and Technology to develop new products within the small volume injection category.

The IIL brand still remains strong in the market place. Hospitals and pharmacies still prefer intra-flex products to other intravenous fluids coming from competitors.

At the macro-economic level, the exchange rate has been stable. Inflation is lowering towards a 10% mark. Interest rates are now declining and the overall economic atmosphere points to a stable and sustainable economic growth for 2017. IIL will continue to leverage on its key competencies to take advantage of the emerging economic benefits from now to the end of the year.



Unaudited Statement of Comprehensive Income for the period ended June 30, 2017

	June 2017 Unaudited GH¢	June 2016 Unaudited GH¢	% Change
Revenue	6,316,853	4,781,354	32%
Cost of operations	(2,758,598)	(2,555,361)	8%
Gross profit	3,558,255	2,225,993	60%
Other income	14,368	3,484	
Operating and other expenses	(2,050,567)	(1,411,662)	45%
Profit before finance cost and tax	1,522,056	817,815	
Finance cost	(411,122)	(220,834)	86%
Profit before tax	1,110,934	596,981	
Income tax expense	208,300	(111,934)	
Profit for the year	902,634	485,047	86%



Unaudited Statement of Financial Position as at June 30, 2017

	June 2017 Unaudited GH¢	June 2016 Unaudited GH¢	% Change
Assets			
Non-current assets			
Property, plant and equipment	4,160,520	3,886,502	
Total non-current assets	4,160,520	3,886,502	7%
Current assets			
Inventory	2,129,207	1,576,970	
Trade and other receivables	7,826,250	6,360,292	
Cash	822,851	244,182	
Current tax	-	69,824	
Total current assets	10,778,308	8,251,268	31%
Total assets	14,938,828	12,137,770	23%
Shareholders' equity			
Stated capital	7,213,384	7,213,184	
Retained earnings	(1,584,280)	(2,671,812)	
Capital surplus	2,468,400	2,468,400	
Total equity	8,097,504	7,009,772	16%
Non-current liability			
Employee benefit obligation	1,080,815	1,071,660	
Deferred tax liabilities	584,910	616,689	
Total non-current liability	1,665,725	1,688,349	(1%)
Current liabilities			
Borrowings	2,140,467	1,815,029	
Trade payables	2,877,317	1,624,620	
Current tax	157,815	-	
Total current liabilities	5,175,599	3,439,649	50%
Total liabilities	6,841,324	5,127,998	
Total shareholders' equity and liabilities	14,938,828	12,137,770	23%



Unaudited Statement of Changes in Equity for the period ended June 30, 2017

	Stated capital	Income surplus	Capital surplus	Total
	Unaudited GH¢	Unaudited GH¢	Unaudited GH¢	Unaudited GH¢
Balance at January 1, 2017	7,213,384	(2,486,914)	2,468,400	7,194,870
Cash from share issue	-			-
Profit/(loss) for the year		902,634		902,634
Balance at June 30, 2017	7,213,384	(1,584,280)	2,468,400	8,097,504

Unaudited Statement of Cash Flows for the period ended June 30, 2017

	June 2017 Unaudited GH¢	June 2016 Unaudited GH¢
Operating activities		
Profit before tax	1,110,934	596,981
Adjustments for non-cash income and expenses		
Depreciation of property, plant and equipment	237,108	107,967
Employee benefit obligation		50,000
Cash flow included in operating activities	1,348,042	754,948
Changes in operating assets and liabilities		
(Decrease/increase) in trade and other receivables	(1,997,993)	(1,188,681)
(Increase/decrease) in trade payables	1,286,009	(3,914,125)
(Increase/decrease) in inventory	(26,973)	(322,559)
Cash flow from operating activities	609,085	(4,670,417)
Tax paid	(62,899)	(21,266)
Net cash from operating activities	546,186	(4,670,417)



Cash flows from investing activities

Purchases of equipment (253,858) (361,382)

Net cash used in investing activities (253,858) (361,382)

Cash flows from financing activities

Increase in borrowings 295,435 1,815,029

Net cash used in financing activities 295,435 1,815,029

Net increase/decrease in cash and cash equivalents 587,763 (3,238,036)

Cash and cash equivalents at beginning of year 235,088 3,482,218

Cash and cash equivalents at end of year 822,851 244,182

Signed
Isaac Osei
Board Chairman

Signed
David Klutse
Managing Director