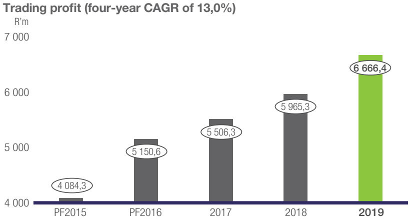
Bidcorp

Bid Corporation Limited Results
for the year ended June 30 2019

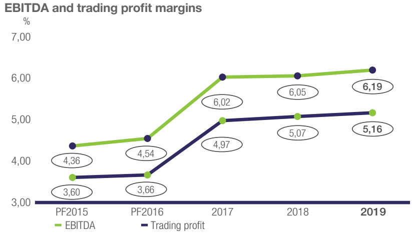
It's all about the food, service and technology

Bidcorp's entrepreneurial and decentralised business model, the depth and experience of our management teams and the strength of the Group's culture has set up the Group for sustained growth in the future.

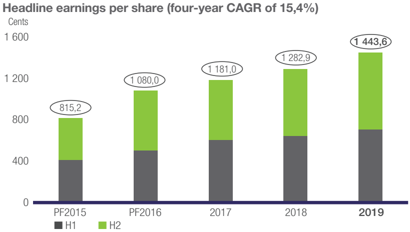
Trading profit (four-year CAGR of 13,0%)



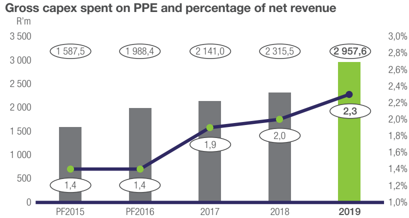
EBITDA and trading profit margins



Headline earnings per share (four-year CAGR of 15,4%)



Gross capex spent on PPE and percentage of net revenue



Bidcorp

- is a complete foodservice offering
- serves multiple customer segments
- is internationally diversified across developed and emerging markets
- people are entrepreneurial and incentivised to be so
- has a proven decentralised business model and best practice learnings are widely shared
- growth is organic, acquisitive-organic through bolt-ons, and acquisitive
- believes that balance sheet strength with low debt is a strong competitive advantage
- proprietary technology enhances customer relationships and efficiencies

Financial highlights

⬆ 12,5%

1 443,6 cents

Continuing HEPS

2018: 1 282,9 cents

Constant currency, HEPS ⬆ 7,7%

⬆ 15,4%

R8,0 bn

Cash generated by continuing operations before working capital

2018: R6,9 bn

⬆ 11,8%

R6,7 bn

Continuing trading profit

2018: R6,0 bn

Constant currency, trading profit ⬆ 7,1%

⬆ 17,9%

330,0 cents

Final dividend declared

2018: R280,0 cents

Segmental growth

United Kingdom

Revenue

+10,1%

Trading profit

+20,3%

Europe

Revenue

+12,7%

Trading profit

+15,0%

Emerging Markets

Revenue

+13,1%

Trading profit

+1,4%

Australasia

Revenue

+3,7%

Trading profit

+9,4%

Summary consolidated statement of profit or loss

for the year ended June 30

R000s	2019 Audited	2018 Audited Restated#	% change
Continuing operations			
Revenue	**129 249 988**	117 702 956#	9,8
Cost of revenue	**(98 418 233)**	(90 246 805)#	(9,1)
Gross profit	**30 831 755**	27 456 151	12,3
Operating expenses	**(24 165 327)**	(21 490 808)	(12,4)
Trading profit	**6 666 428**	5 965 343	11,8
Share-based payment expense	**(114 468)**	(99 236)	
Acquisition costs	**(27 686)**	(35 541)	
Capital items	**44 106**	(58 391)	
Operating profit	**6 568 380**	5 772 175	13,8
Net finance charges	**(285 942)**	(227 912)	(25,5)
Finance income	**109 506**	84 502	
Finance charges	**(395 448)**	(312 414)	
Share of profit of associates and jointly controlled entities	**59 148**	52 378	
Profit before taxation	**6 341 586**	5 596 641	13,3
Taxation	**(1 472 282)**	(1 368 818)	(7,6)
Profit for the year from continuing operations	**4 869 304**	4 227 823	15,2
Discontinued operations			
Loss after taxation from discontinued operations	**(731 969)**	(662 713)	
Profit for the year	**4 137 335**	3 565 110	
Attributable to:			
Shareholders of the company	**4 104 169**	3 542 923	
From continuing operations	**4 836 138**	4 205 636	
From discontinued operations	**(731 969)**	(662 713)	
Non-controlling interest from continuing operations	**33 166**	22 187	
	4 137 335	3 565 110	16,1
Shares in issue			
Total ('000)	**335 404**	335 404	
Weighted ('000)	**333 302**	332 725	
Diluted weighted ('000)	**333 864**	333 651	
Continuing operations			
Basic earnings per share (cents)	**1 451,0**	1 264,0	14,8
Diluted basic earnings per share (cents)	**1 448,5**	1 260,5	14,9
Headline earnings per share (cents)	**1 443,6**	1 282,9	12,5
Diluted headline earnings per share (cents)	**1 441,2**	1 279,3	12,7
Discontinued operations			
Basic loss per share (cents)	**(219,6)**	(199,2)	
Diluted basic loss per share (cents)	**(219,2)**	(198,6)	
Headline loss per share (cents)	**(103,1)**	(155,5)	
Diluted headline loss per share (cents)	**(103,0)**	(155,0)	
Total operations (cents)			
Basic earnings per share (cents)	**1 231,4**	1 064,8	15,6
Diluted basic earnings per share (cents)	**1 229,3**	1 061,9	15,8
Headline earnings per share (cents)	**1 340,5**	1 127,4	18,9
Diluted headline earnings per share (cents)	**1 338,2**	1 124,3	19,0
Distributions per share (cents)	**640,0**	560,0	14,3

Refer to revenue and cost of revenue restatement of comparatives note

Summary consolidated statement of other comprehensive income

for the year ended June 30

R000s	2019 Audited	2018 Audited
Profit for the year	**4 137 335**	3 565 110
Other comprehensive income	**(241 652)**	1 179 542
Items that may be reclassified subsequently to profit or loss	**(235 565)**	1 177 096
Foreign currency translation reserve		
(Decrease) increase in foreign currency translation reserve	**(234 959)**	1 178 884
Movement in financial assets held at fair value through other comprehensive income	**–**	–
Fair value loss	**–**	(1 329)
Reclassified to profit or loss	**–**	1 329
Decrease in fair value of cash flow hedges	**(606)**	(1 788)
Fair value loss arising during the year	**(837)**	(2 208)
Deferred taxation relief for the year	**231**	420
Items that will not be reclassified subsequently to profit or loss		
Defined benefit obligations	**(6 087)**	2 446
Remeasurement of defined benefit obligations during the year	**(6 257)**	2 657
Deferred taxation charge	**170**	(211)
Total comprehensive income for the year	**3 895 683**	4 744 652
Attributable to		
Shareholders of the company	**3 862 897**	4 698 321
Non-controlling interest	**32 786**	46 331
	3 895 683	4 744 652

Headline earnings

for the year ended June 30

R000s	2019 Audited	2018 Audited
Headline earnings		
The following adjustments to profit attributable to shareholders were taken into account in the calculation of continuing headline earnings:		
Profit attributable to shareholders of the company from continuing operations	**4 836 138**	4 205 636
Impairments	**40 748**	90 321
Property, plant and equipment	**27 992**	25 833
Intangible assets	**21 346**	5 347
Goodwill	**–**	58 079
Investment at fair value through other comprehensive income	**–**	1 329
Associate	**–**	267
Taxation relief	**(8 590)**	(534)
Capital profit on disposal of property, plant and equipment	**(65 358)**	(10 389)
Property, plant and equipment	**(93 444)**	(15 318)
Taxation charge	**28 086**	4 929
Net loss on disposal of interest in subsidiary	**–**	9 050
Gain from bargain purchase	**–**	(4 222)
Insurance proceeds received in relation to the impairment of property, plant and equipment	**–**	(21 974)
Headline earnings from continuing operations	**4 811 528**	4 268 422

Summary consolidated segmental analysis

for the year ended June 30

R000s	2019 Audited	2018 Audited Restated#	% change
REVENUE			
Bidfood			
Australasia	**31 145 965**	30 030 647	3,7
United Kingdom	**33 327 046**	30 265 100	10,1
Europe#	**43 663 890**	38 731 614	12,7
Emerging Markets	**21 113 087**	18 675 595	13,1
	129 249 988	117 702 956	9,8
TRADING PROFIT			
Bidfood	**6 770 272**	6 038 443	
Australasia	**2 147 000**	1 962 476	9,4
United Kingdom	**1 720 467**	1 430 025	20,3
Europe	**1 860 482**	1 618 219	15,0
Emerging Markets	**1 042 323**	1 027 723	1,4
Corporate	**(103 844)**	(73 100)	
	6 666 428	5 965 343	11,8

Refer to revenue and cost of revenue restatement of comparatives note

Summary consolidated statement of cash flows

for the year ended June 30

R000s	2019 Audited	2018 Audited Re-presented
Cash flows from operating activities	**2 332 967**	2 620 857
Operating profit	**6 568 380**	5 772 175
Dividends received from jointly controlled entity	**–**	25 000
Acquisition costs	**27 686**	35 541
Depreciation and amortisation	**1 330 200**	1 156 326
Non-cash items#	**94 436**	(39 242)
Cash generated by operations before changes in working capital	**8 020 702**	6 949 800
Changes in working capital	**(1 439 767)**	(965 419)
Cash generated by operations	**6 580 935**	5 984 381
Finance income received	**103 797**	80 785
Finance charges paid	**(366 610)**	(294 228)
Taxation paid	**(1 423 951)**	(1 423 711)
Dividends paid	**(1 978 885)**	(1 777 643)
Net operating cash flows from discontinued operations	**(582 319)**	51 273
Cash effects from investment activities	**(3 739 498)**	(3 296 945)
Additions to property, plant and equipment	**(2 957 607)**	(2 315 516)
Acquisition of businesses, subsidiaries and associates	**(448 640)**	(965 611)
Additions to intangible assets	**(156 023)**	(123 872)
Investment in jointly controlled entity	**(51 017)**	–
Proceeds on disposal of property, plant and equipment	**271 349**	292 005
Proceeds on disposal of investments	**33 202**	26 902
Proceeds on disposal of intangible assets	**3**	5 775
Proceeds on disposal of interests in subsidiaries	**–**	16 946
Receipts from (payments to) associates	**70 409**	(11 643)
Investments acquired	**(79 166)**	(45 575)
Payments made to puttable non-controlling interests#	**(74 428)**	(74 782)
Payments made to vendors for acquisition#	**(297 443)**	(85 255)
Net investing cash flows from discontinued operations	**(50 137)**	(16 319)
Cash effects from financing activities	**856 149**	675 599
Borrowings raised	**5 135 168**	5 381 256
Borrowings repaid	**(4 232 742)**	(4 711 152)
(Payments to) receipts from non-controlling interests	**(39 971)**	5 495
Treasury shares purchased during the year#	**(6 306)**	–
Net decrease in cash and cash equivalents	**(550 382)**	(489)
Net cash and cash equivalents at the beginning of the year	**6 643 149**	6 348 049
Exchange rate adjustment	**(34 498)**	295 589
Net cash and cash equivalents at the end of the year	**6 058 269**	6 643 149
Net cash and cash equivalents comprise:		
Cash and cash equivalents of continuing operations	**5 775 863**	5 927 352
Cash and cash equivalents of discontinued operations	**282 406**	715 797
	6 058 269	6 643 149

Refer to statement of cash flow re-presentation note

Summary consolidated statement of financial position
as at June 30

R000s	2019 Audited	2018 Audited
ASSETS		
Non-current assets	**31 294 178**	29 711 793
Property, plant and equipment	**14 025 113**	12 497 123
Intangible assets	**667 572**	949 252
Goodwill	**14 784 154**	14 539 284
Deferred taxation asset	**944 212**	941 851
Defined benefit pension surplus	**20 928**	19 380
Interest in associates	**177 978**	215 045
Investment in jointly controlled entity	**481 975**	401 113
Investments and loans	**192 246**	148 745
Current assets	**33 637 800**	32 219 601
Inventories	**9 703 879**	9 081 056
Trade and other receivables	**15 213 598**	14 583 086
Assets classified as held-for-sale	**2 944 460**	2 590 657
Cash and cash equivalents	**5 775 863**	5 964 802
Total assets	**64 931 978**	61 931 394
EQUITY AND LIABILITIES		
Capital and reserves	**28 735 967**	26 788 904
Attributable to shareholders of the company	**28 498 700**	26 544 452
Non-controlling interest	**237 267**	244 452
Non-current liabilities	**6 524 604**	8 203 640
Deferred taxation liability	**686 849**	776 085
Long-term portion of borrowings	**4 659 325**	6 070 473
Post-retirement obligations	**59 117**	48 489
Long-term vendors for acquisition	**275 144**	300 315
Long-term puttable non-controlling interest liabilities	**336 620**	356 522
Long-term portion of provisions	**430 462**	534 655
Long term portion of lease liabilities	**77 087**	117 101
Current liabilities	**29 671 407**	26 938 850
Trade and other payables	**18 698 495**	18 868 611
Short-term portion of provisions	**313 892**	243 397
Short-term portion vendors for acquisition	**103 882**	234 709
Short-term portion puttable non-controlling interest liabilities	**1 126 128**	1 122 068
Liabilities classified as held-for-sale	**3 116 633**	2 613 207
Taxation	**470 753**	367 846
Short-term portion of borrowings	**5 841 624**	3 489 012
Total equity and liabilities	**64 931 978**	61 931 394
Net tangible asset value per share (cents)	**3 890**	3 296
Net asset value per share (cents)	**8 497**	7 914

Summary consolidated statement of changes in equity

for the year ended June 30

R000s	2019 Audited	2018 Audited
Equity attributable to shareholders of the company	**28 498 700**	26 544 452
Stated capital	**5 428 016**	5 428 016
Treasury shares	**(435 584)**	(601 908)
Balance at beginning of the year	**(601 908)**	(795 187)
Shares purchased during the year	**(6 306)**	–
Shares disposed of in terms of share incentive plans	**172 630**	193 279
Foreign currency translation reserve	**5 263 176**	5 497 156
Balance at beginning of the year	**5 497 156**	4 318 272
Realisation of reserve on foreign subsidiaries	**599**	–
(Decrease) increase in foreign currency translation reserve	**(234 579)**	1 178 884
Hedging reserve	**(1 056)**	(450)
Balance at beginning of the year	**(450)**	1 338
Fair value loss incurred during the year	**(837)**	(2 208)
Deferred taxation recognised directly in reserve	**231**	420
Equity-settled share-based payment reserve	**341 798**	325 383
Balance at beginning of the year	**325 383**	20 914
Arising during the year from total operations	**116 882**	102 346
Deferred taxation recognised directly in reserve	**7 143**	145
Utilisation during the year from total operations	**(172 630)**	(193 279)
Transfer to retained earnings	**65 020**	395 257
Movement in retained earnings	**17 902 350**	15 896 255
Balance at beginning of the year	**15 896 255**	14 574 861
IFRS 9 transition adjustment to retained earnings at beginning of the year	**(60 447)**	–
Attributable profit	**4 104 169**	3 542 923
Remeasurement of defined benefit obligations during the year	**(6 087)**	2 446
Remeasurement of puttable non-controlling interest	**12 964**	2 801
Dividends paid	**(1 978 885)**	(1 777 643)
Transfers of reserves as a result of changes in shareholding of subsidiaries	**–**	(53 876)
Transfer from foreign currency translation reserve	**(599)**	–
Transfer from equity-settled share-based payment reserve	**(65 020)**	(395 257)
Equity attributable to non-controlling interests of the company	**237 267**	244 452
Balance at beginning of the year	**244 452**	123 306
Other comprehensive income	**32 786**	46 331
Attributable profit	**33 166**	22 187
Movement in foreign currency translation reserve	**(380)**	24 144
Dividends paid	**(52 854)**	(24 357)
Share of movement on other reserves	**–**	3 022
Changes in shareholding	**83 347**	342 342
Transfer to puttable non-controlling interest liability	**(70 464)**	(246 192)
Total equity	**28 735 967**	26 788 904

Comment

Continuing operations

Bidcorp has again delivered a solid performance for the year considering the volatile economic conditions in many of its operating geographies. Headline earnings per share (HEPS) increased by 12,5% to 1 443,6 cents per share (F2018: 1 282,9 cents), with basic earnings per share (EPS) increasing by 14,8% to 1 451,0 cents per share (F2018: 1 264,0 cents). Currency volatility positively impacted our rand-translated results for the year. Constant currency HEPS grew by 7,7%[1].

Trading in most geographies remained positive despite persistent low food inflation and moderate economic growth. Good revenue growth and better gross margins helped offset cost pressures, particularly labour, energy and fuel.

UK Foodservice delivered an excellent performance. Europe continued to perform well, particularly Eastern Europe. Australia's revenue growth remained subdued while continuing to rationalise its exposure to lower-margin customers, however, New Zealand achieved both top-line and margin growth, offsetting cost pressures. In Emerging Markets, South Africa had a stronger second half, despite tough economic conditions. Greater China's performance lagged, however, a recovery was evident in the latter part of the financial year.

Distribution

Bidcorp has declared a final cash dividend of 330,0 cents per share giving a total dividend for F2019 of 640,0 cents per share, a 14,3% increase on the total F2018 dividend.

Financial overview

Net revenue of R129,3 billion (F2018: R117,7 billion) grew by 9,8% (constant currency growth of 4,7%), reflecting real growth in activity levels. Gross profit percentage increased to 23,9% (F2018: 23,3%), reflecting more freetrade growth in the customer mix which has enabled the Group to trade through the higher cost base.

Despite significant cost pressures in wages, fuel and energy, food inflation in our core foodservice markets remains low.

The Group's overall cost of doing business (operating costs) increased to 18,7% (F2018: 18,3%) on higher sales and distribution activity, a larger invested operational capacity base and greater focus on freetrade customers.

Group trading profit rose 11,8% to R6,7 billion (F2018: R6,0 billion). Trading margin increased to 5,2% (F2018: 5,1%).

Share-based payment costs increased to R114,5 million (F2018: R99,2 million) on the back of further long-term incentivisation of staff across the Group. Lower acquisition costs reflect fewer acquisitions in the year as management's focus was on bedding down of investments made in previous years.

Net finance charges were 25,5% higher at R285,9 million (F2018: R227,9 million), impacted by rising Asian base rates and asset management underperformance in a few businesses. Bidcorp retains adequate headroom for further organic and acquisitive growth and is still well capitalised. Trading profit interest cover is at 23,3 times (F2018: 26,2 times).

We remain conscious of the need to balance gearing and shareholder returns, however, we believe that a strong financial position is a positive attribute in today's volatile global markets.

Investments in fixed assets is high but necessary to accommodate increased capacity and facility modernisation for organic growth. Net debt at R4,7 billion (F2018: R3,6 billion) has increased due to higher working capital absorption and higher investing activities.

Cash generated by operations before working capital absorption was R8,0 billion, an increase of 15,4% over F2018. Higher utilisation of working capital of R1,4 billion (F2018: R1,0 billion) is acceptable in the face of higher activity levels, tighter supplier terms and particularly difficult timing of the year-end close in relation to creditors. Monthly average net working capital days increased to 13 days (F2018: 11 days)[2]. Free cash flow (excluding dividends paid) was up 13,0% at R1,2 billion[3], benefiting from higher cash flow from operations but offset by higher working capital absorption and investing activities.

[1] *Constant currency pro forma financial information has been compiled for illustrative purposes only and is the responsibility of the board.*
[2] *Working capital days is calculated on a 13-month rolling average basis.*
[3] *Free cash flow is calculated by adding cash flows from operating and investing activities (excluding dividends paid and operating and investing cash flows from discontinued operations).*

Acquisitions

The most significant acquisitions entailed the acquisition of the remaining minority of the D&D bolt-on acquisition in Italy, 100% of Igartza in Spain and Punjab Kitchen (rebranded as Simply Food Solutions) in the UK. Overall investment activity was lower than F2018 at R847,1 million[4] (F2018: R1,2 billion) as our focus was on bolstering the platforms from recent acquisitions in Germany, Iberia and Australia.

Prospects

Bidcorp remains focused on growth opportunities in the wholesaling of food and allied products to the out-of-home market; organically through achieving the appropriate customer mix, by selling more products and gaining new customers; via in-territory bolt-on acquisitions to expand our geographic reach or to expand our product ranges; and via strategic acquisitions to enter new markets, as and when these arise.

A few recent investments have underperformed, particularly Spain and Germany, however, we remain confident of the potential in each of these markets and believe each of our businesses are well placed to benefit therefrom given time. We are optimistic that the distraction of dealing with the discontinued operations will be behind us into F2020, enabling the Group to be fully focused on its core foodservice markets.

Meat, value-add processing and supply chain procurement initiatives all remain areas of further potential across all businesses in the Group. Our bespoke global ecommerce and CRM platform continues to evolve and embrace our best worldwide intellectual property, all leveraged for the greater benefit of the Group. Our service capability continues to improve as we further invest in our decentralised infrastructure programme to fulfil the strategic objective of getting as close as possible to the customer base. Shared innovations across the Group greatly enhance our speed of business development.

Our mantra "it's all about the food, the service and the technology" articulates our aim of delivering market leading customer solutions driven by high-service levels, modern infrastructure and cost-effective products.

The Group is strong financially, enabling us to retain significant financial headroom to capitalise on the right opportunities, either organic or acquisitive, while remaining disciplined in our overriding approach. Our objective is to generate above-average returns in each of our businesses in their home markets, notwithstanding macro-considerations and short-term volatility in various markets.

Despite significant political and economic upheaval in some of our markets, we believe that the fundamental demographics and industry drivers of our global foodservice markets remain positive, positioning the Group to continue to deliver real earnings growth in the year ahead.

[4] *Investing activity is calculated by adding acquisition of businesses, subsidiaries and associates, investment in joint controlled entity, proceeds on disposal of investments, receipts from (payments to) associates, investments acquired, payments made to puttable non-controlling interests and payments made to vendors for acquisition.*

Australasia

The region continues to grow. Revenue was up 3,7% to R31,1 billion (2018: R30,0 billion). Trading profit rose 9,4% to R2,15 billion (F2018: R2,0 billion), with lower revenue growth but higher margins reflecting the strategic shift away from the lower-margin customers.

Australia had a solid year. Sales were slightly down on last year which reflects a good result considering the exit of further low-margin business from September 2018 onwards.

Foodservice performed well, benefiting from the freetrade customer focus being aligned with the strategy of splitting the major metropolitan branches effected in F2018. All three regions are tracking well, particularly the Melbourne branches.

Supply Solutions (imports) continues to perform well off the back of ongoing upstream integration developing further exclusive brand lines and other light manufacturing opportunities.

Management's approach to driving growth in a large, mature business is the strategic broadening of the offered product range to our existing extensive customer base. Our move into liquor following the Festival acquisition has been challenging, but opportunities abound in the medium term, given improved operational performance. Produce has struggled for some years as a standalone business and management has entered into a contract to sell this business.

Further investment has been undertaken into organic expansion in foodservice. Bolt-on acquisition opportunities remain however nothing is imminent.

New Zealand delivered a credible performance delivering solid trading results. Revenue gains and improved margins more than offset higher expenses arising from labour costs and increased capacity. All branches focused on productivity improvements. Labour availability continues to be a challenge, increasing pressure on wage rates. All segments of the business continue to develop profitably with ongoing innovation and product development, particularly in value-add processing.

All the F2018 new builds are delivering a positive return. Further investment has been committed to ensure we maintain this growth trajectory.

United Kingdom

Despite "Brexit" fatigue in the United Kingdom, revenue rose 10,1% to R33,3 billion (F2018: R30,3 billion) while trading profit increased by 20,3% to R1,7 billion (F2018: R1,4 billion). Foodservice continues to deliver excellent results, with Bidfresh continuing to make steady progress.

Bidfood UK performed strongly, with sales and trading profit well ahead of F2018. Top-line gains and intense margin management enabled a good performance in view of persistent cost pressures in wages, fuel and energy prices. Business improvement initiatives continue to deliver and ecommerce penetration is growing.

The independent and multiple freetrade categories showed solid growth, both in margins and volumes. As expected, National Account volumes fell with our focus on exiting non-profitable business, but margins improved.

Our new liquor brand Unity Wines continued to strengthen its market position. Own brand product growth was buoyant and the importing of an exclusive range of brands is developing.

Further investment into increased distribution capacity remains a key focus to cater for anticipated growth. The acquisition of Punjab Kitchen, rebranded as Simply Food Solutions (niche ready-meals business), in January 2019 will bolster the UK's manufacturing capability and value-add products' offering. An acquisition of a small independent foodservice business was concluded in early July 2019.

Bidfresh's performance was below the previous year, impacted by a "stressed casual dining" customer base. Trading became particularly tough in Q4. Supplier bankruptcies were disruptive. Seafood grew and margins improved. Meat recorded losses, however, these are reducing as the top-line gains scale. Produce struggled to cope with change following its new depot expansion and IT implementation. National Accounts are holding up as customers look for savings but independents face challenges with both drop-size and spend falling. Overall costs were well controlled.

Europe

Europe continues to perform well, with most businesses delivering higher revenues and solid trading results. Our Eastern European businesses have shown record revenue growth, but have experienced wage pressures throughout the region. Revenue rose 12,7% to R43,7 billion (F2018: R38,7 billion) while trading profit rose 15,0% to R1,9 billion (F2018: R1,6 billion).

Netherlands continued to improve despite a tightening labour market. Trading profit growth and margin improvement was pleasing. Its business simplification journey with product range rationalisation and IT infrastructure reconfiguration is starting to benefit the overall cost base. Investment into future capacity will be undertaken.

Further gains in the horeca channel more than offset a slowdown in other areas of the business, notably the health and care and catering sectors. Focus on the freetrade sector is being supplemented by import activities and delivering increased customer value.

Belgium performed well in both the horeca and institutional segments. Sales were above budget and F2018 and gross margins improved. All customer segments showed growth, except the Catering channel. Private label product development continues and the roll-out of our ecommerce customer offering is ongoing.

Italy performed strongly despite macroeconomic uncertainty. The integration of the D&D acquisition made in F2018 continues. Growth in the freetrade sector supported pleasing sales and trading profit. Sales within the Group continue to grow.

Czech Republic and Slovakia delivered another excellent performance. Increased sales, higher prices and better margins offset significant wage pressures, driven by labour shortages. Timeous investments in distribution and production facilities were beneficial to ensure we can effectively service our growing customer base. The Czech economy is influenced by greater Europe, whose growth is slowing but we are confident we can maintain momentum.

Poland continues to go from strength to strength, registering record sales. Strategic investments in infrastructure in previous years and management's portfolio focus on the freetrade sector provided the base for the excellent performance. The National Accounts segment improved margins through dedicated contract management. Wine is growing into an important category and the business is also expanding into spirits. Smart Food, the subsidiary that serves Asian restaurants, is expanding its geographic reach. Ecommerce initiatives are developing and are expected to assist further growth going forward.

Iberia's overall performance was poor. Frustock (Portugal) was good, however, Guzmán (Spain) underdelivered. Progress in Spain is being made internally on improving the business platform and IT systems. Barcelona as a region is still economically "soft", offset by good growth in Madrid and Lisbon. Management's focus in F2020 will be on growing the independent customer base and cost reduction. Igartza, acquired in August 2018, performed well.

Baltics achieved double digit sales growth, driven by a strong foodservice focus. Completion of the new depot in Kaunas provides the base from which to grow. Both Latvia and Lithuania recorded a trading profit.

Germany remains a business in transition as we structure the platform ahead of any regional expansion. Sales ticked up, gross margins were maintained but expenses remained too high. Additional management support has been deployed to assist our local operators. Germany remains an attractive market opportunity for us.

Emerging Markets

Emerging markets continued to navigate challenging economic and political headwinds, however, staged a strong recovery by year-end. Overall revenue was up 13,1% to R21,1 billion (F2018: R18,7 billion), with trading profit marginally up at R1,0 billion (F2018: R1,0 billion).

Africa delivered an improved second half performance, with trading profit marginally up for the whole year. Difficult economic conditions have curtailed consumer spending with cost pressures rising well above food inflation. Bidfood delivered excellent results under the circumstances and Crown Food Group (CFG) achieved a second half recovery. Chipkins Puratos (CP), our 50% equity-accounted joint venture (JV), experienced a tougher latter part of the year. All businesses grew volumes in their targeted channels, but margins were under pressure.

Bidfood secured further street trade gains, benefiting from real volume growth and better margins. National Accounts declined slightly impacted by competition and weaker demand. Industrial catering sales rose, however, credit to the channel was carefully managed. Expansion of the MyBidfood ecommerce platform continues. Private and exclusive label products remain a differentiator for Bidfood. At CFG, the impact of the listeriosis crisis was reduced by the growth in the wholesale and independent channels. The Six Bar acquisition is performing well. CP was impacted by lower yeast offtake due to declining bread sales but bolstered by good sales of own-manufactured products. The state-of-the-art wet plant was commissioned, however, start-up losses impacted profitability.

Greater China faced pressures which significantly impacted overall profitability. Sales gains were realised and margins held up but trading profit fell as expenses became significantly higher to expand our product offering following the loss of our cornerstone dairy products agency in F2018. Dairy remains an important category, however, diversification of the supplier base continues. A recovery was evident with a strong last quarter. In mainland China, our geographic distribution network is reasonably complete. The Guangzhou Meat factory commenced operations in the last quarter which is an important milestone in our product diversification. Miumi, the Japanese food business, delivered a strong performance.

Hong Kong and Macau introduced new brands into the portfolio while stepping up investment into production centres. The hotel and restaurant channel and Chinese cuisine remain opportunities for mainland operations. The business is well poised to resume its growth strategy, however, the fallout from ongoing protests in Hong Kong are unquantifiable at this stage.

Singapore achieved gains but trading profit growth was impacted as a result of our Vietnam start-up costs. The Vietnam JV became operational late in the year. Singapore is now a predominantly foodservice business with exports, marine and commodities having been scaled back. Malaysia performed well, growing sales and margins.

Chile benefited from the October 2018 acquisition of Foodchoice, giving the business a national presence. Integration and efficiency extraction continue. Organic growth remained an important driver as processed meat and seafood categories were expanded. The acquired Temuco and Antofagasta branches added to momentum.

Brazil achieved strong sales growth. Both the Irmãos Avelino and Mariusso components of the business reported solid trading profit growth. Recent political change has yet to manifest in higher economic growth, however, consumer sentiment is positive. Refinement of the business model continues to enable sales growth and expansion of the broadline product range. Further capital expenditure is planned to cater for growth. Bolt-on opportunities are being pursued, however, vendor expectations remain unrealistic. The introduction of own-brand products in numerous categories is gaining momentum.

Middle East delivered an excellent performance, surpassing previous levels of profitability. Sales and trading profit exceeded expectations while margins rebounded. UAE secured a significant agency which impacted working capital in the second half. Al Diyafa, the Saudi Arabian JV, recorded very pleasing results, driven by new account gains and better product mix.

Turkey recorded good sales gains. A small trading profit was achieved which is an improvement on the comparative year. Izmir-based EFE continues to perform well. The weak Turkish lira compounded difficult trading conditions. Opportunities for regional expansion are under consideration.

Discontinued operations

Bidcorp classifies all of its UK logistics' activities as discontinued, the details of which are reported below.

UK Contract Distribution (CD)
Performance continued to improve in the second half of F2019. Service levels are significantly better and customer pricing has been substantially increased to better reflect the risk and reward of these activities. A much-improved financial result is expected in F2020.

Bidcorp's sale process for this business is hopefully nearing finalisation.

PCL distribution business (PCL)
Trading in PCL's dairy distribution ceased in April when Arla acquired this business. Accordingly, the intangible asset associated with this contract was fully impaired and significant further costs associated with the exit were incurred in the second half, particularly vehicle fleet disposal costs. A further warehousing contract is in the process of disposal, however, no further material costs are expected into F2020.

BL Berson
Chief executive

DE Cleasby
Chief financial officer

30 years of food, service and technology.

Dividend declaration

In line with the Group dividend policy, the directors declared a final gross cash dividend of 330,0 cents (264,0 cents net of dividend withholding tax, where applicable) per ordinary share for the year ended June 30 2019 to those members registered on the record date, being Friday, September 27 2019.

Share code:	BID
ISIN:	ZAE000216537
Company registration number:	1995/008615/06
Company tax reference number:	9040946841
Gross cash dividend amount per share:	330,0 cents
Net dividend amount per share:	264,0 cents
Issued shares at declaration date ('000):	335 404
Declaration date:	Wednesday, August 28 2019
Last day to trade cum dividend:	Monday, September 23 2019
First day to trade ex dividend:	Wednesday, September 25 2019
Record date:	Friday, September 27 2019
Payment date:	Monday, September 30 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, September 25 2019 and Friday, September 27 2019, both days inclusive.

For and on behalf of the board

AK Biggs
Company secretary

Johannesburg

August 28 2019

Basis of presentation of condensed consolidated financial statements

The summary consolidated financial statements are prepared in accordance with the JSE Limited Listings Requirements for preliminary reports, and the requirement of the Companies Act of South Africa applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the summary financial statements were derived are in terms of IFRS.

With effect from July 1 2018, the Group adopted IFRS 9 Financial instruments (IFRS 9) and IFRS 15 Revenue from Contracts with Customers (IFRS 15). The effects of these adopted standards have been detailed below:

The key impact of IFRS 9 for the Group relates to the application of the expected credit loss (ECL) model in the measurement of the impairment allowance of our trade and other receivables (through the application of the simplified approach). ECLs are calculated, as a function of the decentralised structure, at each operation by applying the historic loss ratios to trade receivable balances. In determining the ECL, each operation splits the trade receivables into groups based on shared credit risk characteristics and the days past due; namely, by splitting customers into the type of customer (independent, chain, logistics and retail), geographical regions, product types, customer ratings and trade credit insurances. In instances where there was no evidence of historical impairment, each operation's management used their knowledge of the business and forward looking macro-economic information to determine the potential loss rate. The Group applied the standard retrospectively but has elected not to restate comparative information, which continues to be reported under IAS 39. Differences arising from the adoption of IFRS 9 have been made to the opening balances at the date of initial application. The impact for the Group is an additional impairment allowance of R60,4 million against opening retained earnings.

The measurement of revenue is determined based on the amount to which the Group expects to be entitled, allocated to each specific performance obligation. Depending on whether certain criteria are met, revenue is recognised either over time or at a point in time, as or when control of goods or services is transferred to the customer. As at July 1 2018 there was no significant impact from the adoption of IFRS 15 due to the Group not being involved in material multiple-element arrangements with customers. Therefore, no transition adjustments have been processed to retained earnings. The majority of the Group's revenue is earned through the sale of goods relating to frozen, ambient, chilled and non-food products.

The comparatives of the consolidated statement of profit or loss, consolidated statement of cash flows and related notes have been represented to reflect PCL (a dairy distribution business for Arla) as a discontinued operation separately from continuing operations and a segmental reclassification for BidOne (which provides ecommerce support services and project upgrades for the "myBidfood" application used by Group entities) from Australasia to Corporate.

In addition, to reflect PCL separately from continuing operations, the Group re-presented cash flow payments to puttable non-controlling interests and vendors for acquisition to be re-presented as cash flows from investing activities, and the Group's share incentive plans settlement of share awards was changed from presenting cash flows on a gross basis to a net basis. Refer to the statement of cash flow re-presentation note for further details.

Other than the adopted amendments above, the accounting policies are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

With effect from July 1 2019 the Group will adopt IFRS 16 Leases (IFRS 16). The Group's initial assessment of IFRS 16 is that it will have an impact on the following significant areas (but not limited to):

- > Recognition of a right-of-use lease asset of approximately R4,2 billion and amortisation for the 2020 financial year between R640 million and R660 million;
- > An overall increase in the Group's net debt (lease liability of approximately R5,1 billion), debt/equity ratio and total assets due to inclusion of the lease right-of-use asset (R4,2 billion) on the statement of financial position;
- > Higher trading profit due to an element of the operating lease charge being disclosed as a finance charge;
- > Higher finance charges (2020: estimated lease finance charge between R310 million and R330 million) and lower trading interest cover levels due to the finance element of the current lease charge being moved to the finance charges line on the statement of profit or loss;
- > Lease payments for the 2020 financial year expected to be between R940 million and R980 million, in terms of IFRS 16 (ignoring lease smoothing adjustments), the "operating" lease charge is not recognised as an operating expense as it is replaced by the amortisation of the right-of-use asset and interest of the lease liability; and,
- > Derecognition of the straight-line lease liabilities of R84 million as an opening retained earnings adjustment on transition.

Audit report

These summary consolidated financial statements for the year ended June 30 2019 have been audited by PricewaterhouseCoopers, who expressed an unmodified opinion thereon. The auditor expressed an unmodified opinion on the annual consolidated financial statements from which these summary consolidated financial statements were derived.

A copy of the auditor's report on the summary consolidated financial statements is included on page 22.

Basis of presentation of condensed consolidated financial statements

continued

Preparer of the financial statements

These summary consolidated financial statements have been prepared by CAM Bishop CA(SA), under the supervision of DE Cleasby CA(SA) and were approved by the board of directors on August 27 2019.

The directors are responsible for the preparation of the preliminary report and the correct extraction of the financial information from the financial statements.

Subsequent events

The Group is currently in negotiations for the sale of the UK Contract Distribution business in the United Kingdom. The process is at an advanced stage and management is optimistic of a successful conclusion to these negotiations. Other than the matter above, there are no material events subsequent to June 30 2019.

Revenue and cost of revenue restatement of comparatives

Following a re-assessment of the Group's judgements of agent versus principal, it was detected that Bidfood Netherlands was acting as an agent, instead of as principal on certain chilled food deliveries. To reflect this restatement, the comparative revenue and cost of revenue were restated as set out below:

R000s	Previously reported revenue and cost of revenue 2018	Re-presentation of PCL due to classification as a discontinued operation	Revenue and cost of revenue post-PCL discontinued operation classification	Restatement	Restated revenue and cost of revenue 2018
Revenue	119 359 635	(1 154 014)	118 205 621	(502 665)	117 702 956
Cost of revenue	(90 749 470)	–	(90 749 470)	502 665	(90 246 805)

This restatement had no impact on the Group's gross profit, earnings per share, headline earnings per share or statement of financial position.

Statement of cash flows re-presentation

The Group made the following re-presentations to the statement of cash flows and have adjusted comparatives accordingly:

> Cash effects from payments made to puttable non-controlling interests (NCI) and vendors for acquisition (VFA) were reclassified from cash effects from financing activities from cash effects from investing activities due to them being associated with the acquisition of businesses and subsidiaries. The comparatives were re-presented to show this cash flow activity change. This representation had no impact on the Group's cash and cash equivalents or statement of financial position

> Cash effects from the Group's share incentive plans were previously recorded on a gross basis with intergroup cash received from participant employment companies disclosed under cash flows from operating activities and the proceeds received for the sale of the treasury shares under cash flows from financing activities. As there was no change to the Group's overall cash and cash equivalents position, this transaction is now shown on a net basis. In other words, no effect to cash flows from operating and financing activities. The comparatives were re-presented to show this cash flow activity change. This representation had no impact on the Group's cash and cash equivalents or statement of financial position

R000s	Previously reported 2018	Payments to puttable NCI and VFA represented as investing activities	Group share incentive scheme payments and treasury shares sold represented on a net basis	Re-presented 2018
Operating activities	2 427 578	–	193 279	2 620 857
Investing activities	(3 136 908)	(160 037)	–	(3 296 945)
Financing activities	708 841	160 037	(193 279)	675 599
Net change in cash and cash equivalents	(489)	–	–	(489)

Acquisition of businesses and subsidiaries

Acquisitions

The Group made a number of bolt-on acquisitions during the year namely: The Punjab Kitchen Limited (United Kingdom) a market leading manufacturer of texture modified meals and specialist ready meals, supplying primarily into the United Kingdom NHS and healthcare sector; Igartza, S.L. (Spain) a broadline foodservice distributor located in Guipúzkoa, northern Spain; and in-territory bolt-on acquisitions of KBC Foods (Australia), Six Bar Trading 409 CC (South Africa) and Foodchoice (Chile).

Qualitative factors that support (but, not limited to) the goodwill recognised during the year:
> Gaining access to new geographies (Guipúzkoa, northern Spain)
> Improving purchasing power for the Group
> Management's skill and expertise as a platform from which to consolidate their respective fragmented foodservice markets

These acquisitions form part of the Group's strategic expansion plans in the international foodservice industry. Goodwill arose on the acquisitions as the anticipated value of future cash flows that were taken into account in determining the purchase consideration exceeded the net assets or net liabilities acquired at fair value and separately identifiable intangible assets. The acquisitions have enabled the Group to expand its range of complementary products and services and, as a consequence, has broadened the Group's base in the market place. There were no significant contingent liabilities identified in the businesses acquired.

The impact of these acquisitions on the Group's results can be summarised as follows:

	Punjab Kitchen R000	Igartza, S.L. R000	Other smaller acquisitions R000	**Total R000**
Property, plant equipment	48 093	34 113	6 341	**88 547**
Intangible assets	–	10	–	**10**
Deferred taxation	(37 510)	(310)	–	**(37 820)**
Interest in associates	–	4 244	–	**4 244**
Investments and loans	–	51	–	**51**
Inventories	11 366	19 901	16 340	**47 607**
Trade and other receivables	24 712	27 877	5 660	**58 249**
Cash and cash equivalents	80 630	7 816	–	**88 446**
Borrowings	–	(7 801)	–	**(7 801)**
Trade and other payables	(10 294)	(43 861)	(16 448)	**(70 603)**
Taxation	(7 179)	–	–	**(7 179)**
Total identifiable net assets at fair value	109 818	42 040	11 893	**163 751**
Separately identifiable intangible assets	192 672	–	–	**192 672**
Goodwill	216 538	113 159	36 251	**365 948**
Non-controlling interests	–	–	(3 950)	**(3 950)**
Total value of acquisition(s)	519 028	155 199	44 194	**718 421**
Cash and cash equivalents acquired	(80 630)	(7 816)	–	**(88 446)**
Vendors for acquisition recognised	(79 673)	(34 615)	(24 269)	**(138 557)**
Puttable non-controlling interest liabilities recognised	(70 464)	–	–	**(70 464)**
Costs incurred in respect of acquisitions	4 186	3 192	20 308	**27 686**
Net amount(s) paid	292 447	115 960	40 233	**448 640**
Date acquired	January 1 2019	July 17 2018	Various	
Contribution to results for the year				
Revenue	96 945	225 456	195 058	**517 459**
Trading profit (loss)	18 626	13 928	(3 614)	**28 940**
Contributions to results for the year if the acquisitions had been effective on July 1 2018				
Revenue	183 497	245 952	233 422	**662 871**
Trading profit (loss)	36 699	15 194	(3 230)	**48 663**

Discontinued operations

In December 2017, management committed to a plan to discontinue the UK Contract Distribution (CD) business segment which operates in the United Kingdom. The CD business segment is a component of the Group's United Kingdom business, the operations and cash flows of which can be clearly distinguished from the rest of the Group. By June 30 2018, Bidcorp was close to finalising its proposed exit from this non-core segment. Post-June 30 2018, the prospective purchaser of the CD business notified Bidcorp that for its own internal reasons, it has decided not to proceed with the transaction. The CD business remains a non-core activity in respect of Bidcorp's global foodservice operations. Accordingly, Bidcorp pursued alternative exit proposals, and engaged in a formal sale process, managed by independent advisers. The sale process is ongoing at June 30 2019. The process is at an advanced stage and management is optimistic of a successful conclusion to these negotiations. Any transaction would still subject to regulatory competition commission approval, which is anticipated to take up to four months to complete.

PCL's performance for the year was disappointing. Towards the end of 2018, following a dispute with Arla, management committed to exit the PCL business by either selling the PCL transport operations to Arla or to close down the PCL business. At June 30 2019, the PCL transport operations had been sold to Arla and the sales process/exit of the remaining insignificant warehousing and handling components are ongoing at June 30 2019.

The comparative consolidated statement of profit or loss and the consolidated statement of cash flows has been re-presented as a result of classifying the remaining UK logistics' activity, PCL, as a discontinued operation. The results of the discontinued operations included in the Group's results are detailed below:

R000s	**2019 Audited**	2018 Audited Re-presented
Revenue	**19 502 386**	19 408 282
Cost of revenue	**(16 838 559)**	(16 686 301)
Gross profit	**2 663 827**	2 721 981
Operating expenses	**(3 049 910)**	(3 353 932)
Trading loss	**(386 083)**	(631 951)
Share-based payments	**(2 414)**	(3 110)
Capital items	**(470 514)**	(145 545)
Operating loss	**(859 011)**	(780 606)
Net finance charges	**(12 326)**	(8 459)
Finance income	**193**	45
Finance charges	**(12 519)**	(8 504)
Loss before taxation	**(871 337)**	(789 065)
Taxation relief	**139 368**	126 352
Loss for the year from discontinued operations	**(731 969)**	(662 713)
The following adjustments to loss attributable to shareholders were taken into account in the calculation of discontinued headline loss:		
Loss attributable to shareholders of the company from discontinued operations	**(731 969)**	(662 713)
Impairments	**383 907**	145 394
Intangible assets	**465 147**	–
Property, plant and equipment	**–**	3 408
Goodwill	**–**	142 137
Taxation relief	**(81 240)**	(151)
Loss on disposal of intangible assets and property, plant and equipment	**4 347**	–
Intangible assets	**3 185**	–
Property, plant and equipment	**2 182**	–
Taxation relief	**(1 020)**	–
Headline loss from discontinued operations	**(343 715)**	(517 319)
Basic loss per share (cents)	**(219,6)**	(199,2)
Diluted basic loss per share (cents)	**(219,2)**	(198,6)
Headline loss per share (cents)	**(103,1)**	(155,5)
Diluted headline loss per share (cents)	**(103,0)**	(155,0)

R000s	2019 Audited	2018 Audited
Effect of the discontinued operations on the statement of financial position of the Group		
Assets classified as held-for-sale	**2 944 460**	2 590 657
Property, plant and equipment	**323 355**	212 090
Intangible assets	**5 871**	7 437
Deferred tax asset	**6 952**	1 338
Investments and loans	**434**	440
Inventories	**523 457**	428 733
Trade and other receivables	**1 687 617**	1 161 229
Taxation	**114 368**	101 043
Cash and cash equivalents	**282 406**	678 347
Liabilities classified as held-for-sale	**3 116 633**	2 613 207
Deferred tax liability	**11 704**	6 476
Long-term portion of provisions	**128 056**	30 013
Trade and other payables	**2 976 873**	2 576 718

R000s	2019 Audited	2018 Audited Re-presented
Cash flows from discontinued operations		
Net operating cash flows from discontinued operations	**(582 319)**	51 273
Net investing cash flows from discontinued operations	**(50 137)**	(16 319)
Net (decrease) increase in cash and cash equivalents	**(632 456)**	34 954

Capital commitments

The board of directors' policy is to maintain a strong capital base so as to sustain future development of the businesses so that it can continue to provide benefits to its shareholders.

R000s	2019 Audited	2018 Audited Represented
Capital expenditure approved		
Contracted for	**1 113 122**	831 471
Not contracted for	**1 188 901**	1 015 846
	2 302 023	1 847 317
Capital expenditure split		
Property, plant and equipment	**2 171 767**	1 794 724
Computer software	**130 256**	52 593
	2 302 023	1 847 317

It is anticipated that capital expenditure will be financed out of existing cash resources.

Financial instruments

Fair value hierarchy

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques categorised as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The table on the following page shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

R000s	Non-current assets (liabilities) Puttable non-controlling interests	Invest-ments	Vendors for acquisition	Current assets (liabilities) Puttable non-controlling interests	Vendors for acquisition	Total	Level 1	Level 2	Level 3
June 30 2019									
Financial assets measured at fair value	**–**	**55 115**	**–**	**–**	**–**	**55 115**	**–**	**–**	**55 115**
Financial liabilities measured at fair value	**(336 620)**	**–**	**(275 144)**	**(1 126 128)**	**(103 882)**	**(1 841 774)**	**–**	**–**	**(1 841 774)**
June 30 2018									
Financial assets measured at fair value	–	56 288	–	–	–	56 288	–	–	56 288
Financial liabilities measured at fair value	(356 522)	–	(300 315)	(1 122 068)	(234 709)	(2 013 614)	–	–	(2 013 614)

Valuation techniques and significant unobservable inputs

Valuation technique

The expected payments are determined by considering the possible scenarios of forecast EBITDAs, the amount to be paid under each scenario and the probability of each scenario. The valuation models consider the present value of expected payment, discounted using a risk-adjusted discount rate.

Significant unobservable inputs

> EBITDA growth rates: 3% – 35% (2018: 5% – 15%)
> EBITDA multiples: 5,8x – 10x (2018: 5,5x – 8,5x)
> Risk-adjusted discount rate: 1,99% – 9,0% (2018: 0,5% – 9,0%)

Inter-relationship between significant unobservable inputs and fair value measurement

The estimated fair value would increase (decrease) if:
> The EBITDA was higher (lower) or
> The risk-adjusted discount rate were lower (higher)

Exchange rates

The following exchange rates were used in the conversion of foreign interests and foreign transactions for the year ended:

	June 30 2019	June 30 2018
Rand/Sterling		
Closing rate	**17,82**	18,06
Average rate	**18,35**	17,27
Rand/Euro		
Closing rate	**15,97**	16,00
Average rate	**16,18**	15,30
Rand/Australian Dollar		
Closing rate	**9,87**	10,15
Average rate	**10,14**	9,94

Supplementary pro forma information regarding the currency effects of the translation of foreign operations on the Group

The pro forma financial information has been compiled for illustrative purposes only and is the responsibility of the board. Due to the nature of this information, it may not fairly present the Group's financial position, changes in equity and results of operations or cash flows. An unmodified reasonable assurance report has been issued by the Group's auditor, PricewaterhouseCoopers. In terms of ISAE 3420 *Assurance Engagements to Report on the Compilation of the Pro Forma Information in a Prospectus*, and is available for inspection at the company's registered office. The pro forma information has been compiled in terms of the JSE Listings Requirements and the Revised Guide on Pro Forma Information by SAICA.

The illustrative information, detailed below, has been prepared on the basis of applying the 2018 average Rand exchange rates to the 2019 foreign subsidiary income statements and recalculating the reported revenue, trading profit, headline earnings and headline earnings per share of the Group for the year ended June 30 2019.

				Illustrative 2019 at 2018 average exchange rates	
R000s	**Actual 2019**	Actual Represented 2018	%	**Pro forma 2019**	% change
Continuing operations					
Revenue	**129 249 988**	117 702 956	9,8	**123 210 006**	4,7
Trading profit	**6 666 428**	5 965 343	11,8	**6 389 486**	7,1
Headline earnings	**4 811 528**	4 268 422	12,7	**4 604 316**	7,9
Headline earnings per share (cents)	**1 443,6**	1 282,9	12,5	**1 381,4**	7,7
Constant currency per segment from continuing operations					
Revenue					
Australasia	**31 145 965**	30 030 647	3,7	**30 363 261**	1,1
United Kingdom	**33 327 046**	30 265 100	10,1	**31 367 711**	3,6
Europe	**43 663 890**	38 731 614	12,7	**41 365 706**	6,8
Emerging Markets	**21 113 087**	18 675 595	13,1	**20 113 328**	7,7
	129 249 988	117 702 956	9,8	**123 210 006**	4,7
Trading profit					
Australasia	**2 147 000**	1 962 476	9,4	**2 093 484**	6,7
United Kingdom	**1 720 467**	1 430 025	20,3	**1 619 319**	13,2
Europe	**1 860 482**	1 618 219	15,0	**1 763 225**	9,0
Emerging Markets	**1 042 323**	1 027 723	1,4	**1 013 312**	(1,4)
Corporate office	**(103 844)**	(73 100)		**(99 854)**	
	6 666 428	5 965 343	11,8	**6 389 486**	7,1

Independent auditor's report on the summary consolidated financial statements

To the shareholders of Bid Corporation Limited

Opinion

The summary consolidated financial statements of Bid Corporation Limited, set out on pages 2 to 7 and pages 15 to 20 of the Bid Corporation Limited Results, which comprise the summary consolidated statement of financial position as at 30 June 2019, the summary consolidated statements of profit or loss, the summary consolidated statement of other comprehensive income, the summary consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Bid Corporation Limited for the year ended 30 June 2019.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Limited's (JSE) requirements for summary financial statements, as set out in the note "Basis of presentation of summary consolidated financial statements" to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 27 August 2019. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year.

Directors' responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the JSE's requirements for summary financial statements, set out in the note "Basis of presentation of summary consolidated financial statements" to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements.*

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: EJ Gerryts

Registered Auditor

Johannesburg

27 August 2019

Directors

Chairman: *S Koseff*

Lead independent director: *DDB Band*

Independent non-executive: *PC Baloyi, DD Mokgatle, NG Payne, H Wiseman**

Non-executive director: *B Joffe*

Executive directors: *BL Berson* (chief executive), DE Cleasby (chief financial officer)*
**Australian*

Company secretary

AK Biggs

Bid Corporation Limited

("Bidcorp" or "the Group" or "the company")
Incorporated in the Republic of South Africa
Registration number: 1995/008615/06
Share code: BID
ISIN: ZAE000216537

Transfer secretaries

Computershare Investor Services
Proprietary Limited
Registration number: 2004/003647/07
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
PO Box 61051, Marshalltown, 2107
Telephone +27 (11) 370 5000

Sponsor

The Standard Bank of South Africa Limited
30 Baker Street, Rosebank
South Africa, 2196

Independent auditor

PricewaterhouseCoopers
Registration number: 1998/012055/21
Waterfall City, 4 Lisbon Lane, Jukskei View
Midrand, 2090

Registered office

2nd Floor North Wing, 90 Rivonia Road, Sandton
Johannesburg, 2196, South Africa
Postnet Suite 136, Private Bag X9976
Johannesburg, 2146, South Africa

Further information regarding our Group can be found on the Bidcorp website:
www.bidcorpgroup.com

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