Bid Corporation Limited

Results for the year ended June 30 2020

A TRIBUTE TO OUR PEOPLE

It's our people that differentiate us and make us successful. We are very proud of the achievements of our team around the world in these difficult times.

"To finish the year where we have is a matter of considerable pride for our team. Our staff have risen to the challenge...the dedication, commitment and good humour which they threw into the path of adversity is an absolute credit to each and every one of them. To be a part of that is a humbling experience, but also one that fills me with confidence in our ability to meet whatever the future holds."

– Phil Struckmann, CEO, Bidfood New Zealand

"We continue to put together with my team the best energy to get out of this difficult moment as soon as possible and I know we will succeed! We have a new year ahead with very encouraging opportunities and challenges."

– Gustavo Picciafuoco, CEO, Bidfood Blancaluna Argentina

In memory of those who have lost their lives due to COVID-19, we acknowledge Tshepo Tshepe, Tembi Twala and Collins Khosa. We extend our sincere condolences to their friends, families colleagues.

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
- is environmentally conscious
- the COVID-19 pandemic has tested our business model to its limits and beyond

It's all about the food, service and technology

Financial results

GROUP RESULTS

Continuing HEPS

741,3 cents

48,6% ↓

Constant currency, HEPS 50,9% ↓

Cash generated by continuing operations

R8,4 bn

27,2% ↑

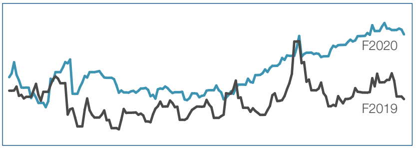
Free cash flow (after lease payments)

R3,0 bn

Absolute improvement of R1,8 bn ↑

Group cash generation (m):

March – August



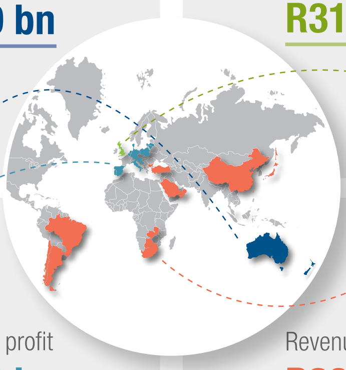
SEGMENTAL RESULTS

Australasia

Revenue **R29,0 bn** | Trading profit **R1,9 bn**

United Kingdom

Revenue **R31,5 bn** | Trading profit **R0,7 bn**



Europe

Revenue **R40,2 bn** | Trading profit **R1,0 bn**

Emerging Markets

Revenue **R20,5 bn** | Trading profit **R0,7 bn**

Summary consolidated statement of profit or loss

for the year ended June 30

R000	2020 Audited	2019 Audited	% change
Continuing operations			
Revenue	**121 117 480**	129 249 988	(6,3)
Cost of revenue	**(91 921 749)**	(98 418 233)	6,6
Gross profit	**29 195 731**	30 831 755	(5,3)
Operating expenses	**(25 033 193)**	(24 165 327)	(3,6)
Trading profit	**4 162 538**	6 666 428	(37,6)
Share-based payment expense	**(100 774)**	(114 468)	
Acquisition costs	**(1 968)**	(27 686)	
Capital items	**(923 687)**	44 106	
Operating profit	**3 136 109**	6 568 380	(52,3)
Net finance charges	**(710 263)**	(285 942)	
Finance income	**85 647**	109 506	
Finance charges	**(795 910)**	(395 448)	
Share of profit of associates and jointly controlled entities	**6 448**	59 148	
Profit before taxation	**2 432 294**	6 341 586	(61,6)
Taxation	**(868 614)**	(1 472 282)	41,0
Profit for the year from continuing operations	**1 563 680**	4 869 304	(67,9)
Discontinued operations			
Loss after taxation from discontinued operations	**(331 578)**	(731 969)	
Profit for the year	**1 232 102**	4 137 335	
Attributable to:			
Shareholders of the company	**1 216 805**	4 104 169	
From continuing operations	**1 548 383**	4 836 138	
From discontinued operations	**(331 578)**	(731 969)	
Non-controlling interest from continuing operations	**15 297**	33 166	
	1 232 102	4 137 335	(70,2)
Shares in issue			
Total ('000)	**335 404**	335 404	
Weighted ('000)	**334 041**	333 302	
Diluted weighted ('000)	**334 735**	333 864	
Continuing operations			
Basic earnings per share (cents)	**463,5**	1 451,0	(68,1)
Diluted basic earnings per share (cents)	**462,6**	1 448,5	(68,1)
Headline earnings per share (cents)	**741,3**	1 443,6	(48,6)
Diluted headline earnings per share (cents)	**739,7**	1 441,2	(48,7)
Discontinued operations			
Basic loss per share (cents)	**(99,3)**	(219,6)	
Diluted basic loss per share (cents)	**(99,1)**	(219,2)	
Headline loss per share (cents)	**(47,3)**	(103,1)	
Diluted headline loss per share (cents)	**(47,2)**	(103,0)	
Total operations (cents)			
Basic earnings per share (cents)	**364,2**	1 231,4	(70,4)
Diluted basic earnings per share (cents)	**363,5**	1 229,3	(70,4)
Headline earnings per share (cents)	**694,0**	1 340,5	(48,2)
Diluted headline earnings per share (cents)	**692,5**	1 338,2	(48,3)
Distributions per share (cents)	**330,0**	640,0	(48,4)

Summary consolidated statement of other comprehensive income

for the year ended June 30

R000	2020 Audited	2019 Audited
Profit for the year	**1 232 102**	4 137 335
Other comprehensive income	**4 331 548**	(241 652)
Items that may be reclassified subsequently to profit or loss	**4 237 684**	(235 565)
Foreign currency translation reserve		
Increase (decrease) in foreign currency translation reserve	**4 381 823**	(234 959)
Movement in investment held at fair value through other comprehensive income		
Fair value loss	**(54 139)**	–
Movement in fair value of cash flow hedges	**–**	(606)
Fair value loss	**–**	(837)
Deferred taxation relief	**–**	231
Items that will not be reclassified subsequently to profit or loss		
Defined benefit obligations	**3 864**	(6 087)
Remeasurement of defined benefit obligations	**2 035**	(6 257)
Deferred taxation charge	**1 829**	170
Total comprehensive income for the year	**5 563 650**	3 895 683
Attributable to		
Shareholders of the company	**5 506 566**	3 862 897
Non-controlling interest	**57 084**	32 786
	5 563 650	3 895 683

Headline earnings

for the year ended June 30

R000	2020 Audited	2019 Audited	% change
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	**1 548 383**	4 836 138	
Impairments	**939 836**	40 748	
Goodwill	**797 899**	–	
Property, plant and equipment	**116 572**	27 992	
Intangible assets	**25 638**	21 346	
Associates	**11 738**	––	
Taxation relief	**(12 011)**	(8 590)	
Capital profit on disposal of property, plant and equipment	**(29 058)**	(65 358)	
Property, plant and equipment	**(43 335)**	(93 444)	
Taxation charge	**14 277**	28 086	
Loss on disposal of interest in subsidiary	**16 920**	–	
Disposal of subsidiary	**15 175**	–	
Taxation charge	**1 745**	–	
Headline earnings from continuing operations	**2 476 081**	4 811 528	(48,5)

Summary consolidated statement of cash flows

for the year ended June 30

R000	2020 Audited	2019 Audited
Cash flows from operating activities	**3 928 340**	2 332 967
Operating profit	**3 136 109**	6 568 380
Dividends received from jointly controlled entity	**20 000**	–
Acquisition costs	**1 968**	27 686
Depreciation and amortisation	**1 534 354**	1 330 200
Depreciation on right-of-use lease assets	**771 412**	–
Nowaco share incentive scheme	**(299 496)**	–
Non-cash items	**2 025 355**	94 436
Cash generated by operations before changes in working capital	**7 189 702**	8 020 702
Changes in working capital	**1 184 435**	(1 439 767)
Cash generated by operations	**8 374 137**	6 580 935
Finance income received	**80 683**	103 797
Finance charges paid	**(677 897)**	(366 610)
Taxation paid	**(1 354 174)**	(1 423 951)
Dividends paid	**(2 213 668)**	(1 978 885)
Net operating cash flows from discontinued operations	**(280 741)**	(582 319)
Cash effects from investment activities	**(3 153 212)**	(3 739 498)
Additions to property, plant and equipment	**(2 724 587)**	(2 957 607)
Additions to intangible assets	**(191 576)**	(156 023)
Proceeds on disposal of property, plant and equipment	**370 328**	271 349
Proceeds on disposal of intangible assets	**9 148**	3
Acquisition of subsidiaries	**(171 604)**	(448 640)
Proceeds on disposal of interests in subsidiary	**34 659**	–
Investment in jointly controlled entity	**–**	(51 017)
(Payments to) receipts from associates	**(8 048)**	70 409
Proceeds on disposal of investments	**72 167**	33 202
Investments acquired	**(42 832)**	(79 166)
Payments made to puttable non-controlling interests	**(12 828)**	(74 428)
Payments made to vendors for acquisition	**(58 553)**	(297 443)
Net investing activities from discontinued operations	**(429 486)**	(50 137)
Cash effects from financing activities	**(912 235)**	856 149
Borrowings raised	**6 476 215**	5 135 168
Borrowings repaid	**(6 408 623)**	(4 232 742)
Right-of-use lease liability payments from continuing operations	**(720 512)**	–
Right-of-use lease liability payments from discontinued operations	**(230 994)**	–
Payments to non-controlling interests	**(28 321)**	(39 971)
Treasury shares purchased during the year	**–**	(6 306)
Net decrease in cash and cash equivalents	**(137 107)**	(550 382)
Net cash and cash equivalents at the beginning of the year	**6 058 269**	6 643 149
Exchange rate adjustment	**1 103 264**	(34 498)
Net cash and cash equivalents at end of the year	**7 024 426**	6 058 269
Net cash and cash equivalents comprise:		
Cash and cash equivalents of continuing operations	**7 024 426**	5 775 863
Cash and cash equivalents of discontinued operations	**–**	282 406
	7 024 426	6 058 269

Summary consolidated statement of financial position

as at June 30

R000	2020 Audited	2019 Audited
ASSETS		
Non-current assets	**42 088 766**	31 294 178
Property, plant and equipment	**17 618 435**	14 025 113
Intangible assets	**838 223**	667 572
Right-of-use lease assets	**4 934 213**	–
Goodwill	**16 676 574**	14 784 154
Deferred taxation asset	**1 202 709**	944 212
Defined benefit pension surplus	**18 008**	20 928
Interest in associates	**193 364**	177 978
Investment in jointly controlled entity	**489 933**	481 975
Investments and loans	**117 307**	192 246
Current assets	**29 509 639**	33 637 800
Inventories	**10 195 539**	9 703 879
Trade and other receivables	**12 289 674**	15 213 598
Assets classified as held-for-sale	**–**	2 944 460
Cash and cash equivalents	**7 024 426**	5 775 863
Total assets	**71 598 405**	64 931 978
EQUITY AND LIABILITIES		
Capital and reserves	**27 938 586**	28 735 967
Attributable to shareholders of the company	**27 672 556**	28 498 700
Non-controlling interest	**266 030**	237 267
Non-current liabilities	**16 000 901**	6 524 604
Deferred taxation liability	**686 554**	686 849
Long-term borrowings	**4 565 025**	4 659 325
Long-term right-of-use lease liabilities	**5 363 091**	–
Post-retirement obligations	**67 478**	59 117
Long-term vendors for acquisition	**73 150**	275 144
Long-term puttable non-controlling interest liabilities	**4 632 682**	336 620
Long-term provisions	**612 921**	430 462
Long term lease liabilities	**–**	77 087
Current liabilities	**27 658 918**	29 671 407
Trade and other payables	**17 602 244**	18 698 495
Short-term provisions	**632 950**	313 892
Short-term vendors for acquisition	**204 188**	103 882
Short-term puttable non-controlling interest liabilities	**55 262**	1 126 128
Liabilities classified as held-for-sale	**–**	3 116 633
Taxation	**246 077**	470 753
Short-term right-of-use lease liabilities	**872 229**	–
Short-term borrowings	**8 045 968**	5 841 624
Total equity and liabilities	**71 598 405**	64 931 978
Net tangible asset value per share (cents)	**3 029**	3 890
Net asset value per share (cents)	**8 251**	8 497

Summary consolidated statement of changes in equity

for the year ended June 30

R000	2020 Audited	2019 Audited
Equity attributable to shareholders of the company	**27 672 556**	28 498 700
Stated capital	**5 428 016**	5 428 016
Treasury shares	**(247 824)**	(435 584)
Balance at beginning of the year	**(435 584)**	(601 908)
Shares disposed of in terms of share incentive plans	**187 760**	172 630
Shares purchased during the year	**–**	(6 306)
Foreign currency translation reserve	**9 609 715**	5 263 176
Balance at beginning of the year	**5 263 176**	5 497 156
Arising during the year	**4 340 036**	(234 579)
Realisation of reserve on foreign subsidiaries	**6 503**	599
Hedging reserve	**(1 056)**	(1 056)
Balance at beginning of the year	**(1 056)**	(450)
Fair value loss incurred during the year	**–**	(837)
Deferred taxation recognised directly in reserve	**–**	231
Equity-settled share-based payment reserve	**290 007**	341 798
Balance at beginning of year	**341 798**	325 383
Arising during the year from total operations	**102 408**	116 882
Deferred tax recognised directly in reserve	**(22 560)**	7 143
Utilisation during the year from total operations	**(487 256)**	(172 630)
Transfer to retained earnings	**355 617**	65 020
Movement in retained earnings	**12 593 698**	17 902 350
Balance at beginning of the year	**17 902 350**	15 896 255
IFRS 16 transition adjustment to retained earnings at beginning of year	**(1 035 469)**	–
IFRS 9 transition adjustment to retained earnings	**–**	(60 447)
Attributable profit	**1 216 805**	4 104 169
Remeasurement of defined benefit obligations during the year	**3 864**	(6 087)
Recognition of puttable non-controlling interest liabilities	**(2 673 442)**	–
Remeasurement of puttable non-controlling interest	**131 537**	12 964
Fair value adjustment for investments held at fair value through other comprehensive income	**(54 139)**	–
Dividends paid	**(2 213 668)**	(1 978 885)
Reclassification of Nowaco equity-incentive scheme to cash-settled scheme	**(322 020)**	–
Transfer from foreign currency translation reserve	**(6 503)**	(599)
Transfer from equity-settled share-based payment reserve	**(355 617)**	(65 020)
Equity attributable to non-controlling interests of the company	**266 030**	237 267
Balance at beginning of the year	**237 267**	244 452
Other comprehensive income	**57 084**	32 786
Attributable profit	**15 297**	33 166
Movement in foreign currency translation reserve	**41 787**	(380)
Dividends paid	**(28 321)**	(52 854)
Changes in shareholding	**2 673 442**	83 347
Transfer to puttable non-controlling interest liability	**(2 673 442)**	(70 464)
Total equity	**27 938 586**	28 735 967

Summary consolidated segmental analysis

for the year ended June 30

R000	2020 Audited	2019 Audited	% change
REVENUE			
Bidfood			
Australasia	**28 986 744**	31 145 965	(6,9)
United Kingdom	**31 462 683**	33 327 046	(5,6)
Europe	**40 199 177**	43 663 890	(7,9)
Emerging Markets	**20 468 876**	21 113 087	(3,1)
	121 117 480	129 249 988	(6,3)
TRADING PROFIT			
Bidfood	**4 233 422**	6 770 272	
Australasia	**1 923 857**	2 147 000	(10,4)
United Kingdom	**666 755**	1 720 467	(61,2)
Europe	**958 081**	1 860 482	(48,5)
Emerging Markets	**684 729**	1 042 323	(34,3)
Corporate	**(70 884)**	(103 844)	31,7
	4 162 538	6 666 428	(37,6)

Comment

REVIEW OF OPERATIONS

Bidcorp has delivered a resilient performance for the year which has been significantly impacted by the catastrophic economic and social consequences of the COVID-19 pandemic (COVID) which took hold across every operating geography from late January 2020 onwards. Our employees remained our top priority in terms of protecting their health, well-being and where possible, maintaining their incomes. Sadly, two employees succumbed to the virus in South Africa and a third passed away arising out of lockdown measures taken by the South African government. We extend our sincere condolences to their families and colleagues within the business. Our group's resilience is testament to our decentralised operating model, and we are grateful to all our staff for their valued and selfless contribution during these challenging times.

Headline earnings per share (HEPS) from continuing operations, post the introduction of IFRS 16 Leases, decreased by 48,6% to 741,3 cents per share (F2019: 1 443,6 cents), with basic earnings per share (EPS) from continuing operations decreasing by 68,1% to 463,5 cents per share (F2019: 1 451,0 cents). On a like-for-like basis excluding the impacts of IFRS 16, HEPS decreased by 50,0%. Currency volatility increased dramatically in the second half of the financial year and positively impacted the rand-translated results by 2,3%.

Performance across our business up until February remained pleasing and in line with expectations, however, with the onset of COVID in each operating geography, demand in the discretionary spend sectors, particularly across hotels, restaurants, pubs, leisure and travel-related segments initially plummeted as lockdowns and restrictions were implemented, but towards the beginning of June started improving from a very low base. A majority of customers have reopened and emerged from their "hibernation" at a pace quicker than we had anticipated, however, those businesses associated with "large crowds", such as entertainment, sporting clubs, contract catering and travel remain shuttered or severely curtailed in almost every country. Our businesses opportunistically pivoted into new channels, such as home delivery and supply to other retail related channels, however, the overall contribution of these initiatives was small and remains non-core and temporary. Non-discretionary demand from our institutional customers, including hospitals, aged-care, prisons, military and government departments initially declined but stabilised reasonably quickly.

Governmental support programmes in which we participated in several countries to provide food and care packages to the most vulnerable members of society via home delivery, have continued but are tapering off as restrictions ease.

The discontinued operations, Best Food Logistics and PCL distribution in the United Kingdom (UK), were successfully exited in March.

DISTRIBUTION

Bidcorp has not declared a final dividend, meaning the total dividend for the year of 330,0 cents per share represents a 48,4% decline against F2019,

similar to the decline in HEPS for continuing operations in F2020 and in line with our overall distribution policy.

FINANCIAL OVERVIEW

Net revenue of R121,1 billion (F2019: R129,3 billion) fell by 6,3% (constant currency decline of 11,6%). Focus on volume growth in the independent sector has been offset by our multi-year journey to transition away from larger low-margin logistic type activities. The full impact of the COVID economic crisis became evident from late March onwards. Group sales for the last quarter of the financial year declined by 27,6% against the comparative quarter. In the week ended April 5 sales reached a low of 37% versus the corresponding week in F2019 but had recovered to 71% of the corresponding sales for the last week in June. This improving trend has continued to date and is currently at approximately 90%.

Gross profit percentage increased to 24,1% (F2019: 23,9%), which has enabled the group to trade through the higher cost base. For the last quarter of the financial year, the gross profit percentage was higher at 25,5% against the comparative quarter of 25,1% despite the additional COVID related inventory costs of R248,0 million.

The group's overall cost of doing business (operating costs excluding the IFRS 16 impact) increased to 20,9% (F2019: 18,7%), not a true representation of the cost saving efforts undertaken by the group's operations in the last quarter arising from the decline in sales. The group made EBITDAC (earnings before interest, tax, depreciation and amortisation and COVID related costs) equivalent to 5,7% of revenue. The additional COVID costs relating to abnormal receivables provisioning, inventory obsolescence and restructuring costs, which amounted to R1,5 billion for the year, was all incurred in the last quarter.

Group trading profit declined by 37,6% to R4,2 billion (F2019: R6,7 billion). Excluding the impacts of IFRS 16, like-for-like trading profit margin was 3,2% (F2019: 5,2%).

Net finance charges excluding the impact of IFRS 16 implementation were 19,2% higher at R340,9 million (F2019: R285,9 million), driven up by rising Asian base rates, pockets of weaker asset management in the earlier part of the financial year and some acquisitive activity now fully in the base. Bidcorp remains well-capitalised and retains adequate headroom for further organic and acquisitive growth. Non-IFRS 16 trading profit interest cover is still at a healthy 11,3 times (F2019: 23,3 times) despite the impacts of the COVID crisis.

Not all of our businesses entered this crisis in as strong a market position as we would have liked and in order to ensure their long-term success, we have restructured Fresh in the United Kingdom, Guzman in Spain and Pier 7 in Germany, at considerable cost. This is to achieve simplification and refocus on core competencies and markets. Accordingly, we have impaired the goodwill associated with our Spanish operations by €45,9 million (R793,8 million).

Net investments in property, plant and equipment and intangible assets of R2,5 billion (F2019: R2,8 billion) remained elevated, but necessary for anticipated organic growth. Most of the capital expenditure was already committed before the onset of the COVID crisis and will reduce significantly in the next year. Non-IFRS 16 net debt at R5,6 billion (F2019: R4,7 billion) has increased, however, this is distorted as a result of the significant rand depreciation against most currencies by year end. In hard currencies, our net debt is slightly better than June 2019 at £261,5 million compared to £265,1 million last year. Free cash flow from continuing operations for the year was excellent at R3,0 billion (F2019: R1,2 billion) despite elevated investing activities.

Cash generated by operations before working capital absorption was R7,2 billion, pleasingly only a small decline of 10,6% over F2019. Significant focus on working capital, particularly from the onset of the COVID crisis, ensured strong cash generation of R1,2 billion, a large improvement on the R1,4 billion utilised in the comparative year. Receivables declined with the focus on collections, inventory levels were slightly higher, with payables declining as we worked with our suppliers during the COVID shutdown. Monthly average net working capital days increased slightly to 14 days (F2019: 13 days).

PROSPECTS

Bidcorp's strategy firmly remains on growth opportunities in the wholesaling of food and allied products to the eating-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.

Comment continued

Our current focus is to anticipate the likely "new normal" that will exist post the short-term effects of the COVID crisis and to scale our activities accordingly and responsibly. Overall activity levels have returned to 85% to 90% of pre-COVID levels with several businesses now achieving growth higher than the comparative period a year ago. There are, however, a few markets which are still lagging, those being the UK and some in emerging markets. Our businesses are preparing to ride out the next phase of the economic recovery mindful that activity levels will fluctuate as further waves of the COVID pandemic arise. We believe that there will not be any major long-term fundamental shift in consumer behaviour away from eating-out-of-home and early anecdotal evidence supports this. Small aspects of the business model are continually being modified, however, major structural changes are not required.

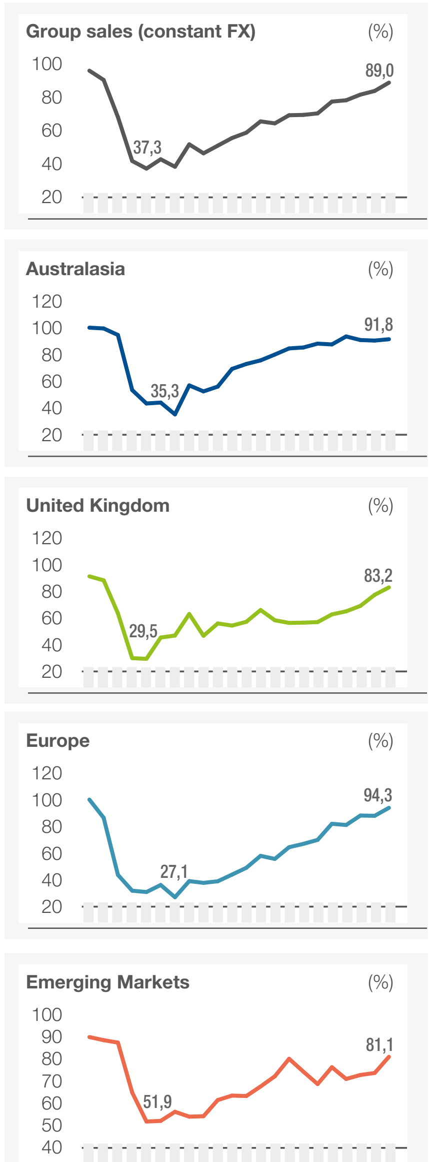
No significant acquisition opportunities in the foodservice space have yet become evident and we believe it is premature to be exploring these in the current environment. We are experiencing market share gains as competitors, without the financial strength of Bidcorp, struggle or exit the industry. We do expect in-country bolt-on opportunities to present themselves in the months ahead, and our local teams are all ready to pursue these as they arise.

We continue to scale back any discretionary spend in capex and other business expenses and are not committing to any large investments for future years until we have greater clarity on the growth outlook. We intend to conclude several end-of-useful-life property sales in the next six months.

Our ecommerce platform remains a source of competitive advantage and we are further investing in our digital strategy and data analytics capabilities. This crisis has accelerated our customers appetite for digitalisation, and we have been able to scale-up and enhance our capabilities accordingly.

Bidcorp's resilient business model and its entrepreneurial teams have enabled us to navigate the current COVID crisis and will enable us to take advantage of any market opportunities, whether organic or acquisitive, as they arise, and we remain optimistic about our future prospects, and the return of our longer-term growth trajectory.

Group and divisional sales evolution: March – August (as a % of F2019)



Divisional review

AUSTRALASIA

Revenue was down 6,9%, to R29,0 billion (F2019: R31,1 billion), a good result on the back of a difficult first three quarters and a very tough last quarter. Trading profits reported were 10,4% lower at R1,9 billion (F2019: R2,1 billion). Australasia remains the largest profit contributor in the group.

The onset of the COVID pandemic was a game changer over the last quarter, with sales recording a low of 35% of its F2019 demand in the week of April 19, however, recovering to 89% of the F2019 level by year end.

Australia performed remarkably given the tough conditions, not only with the impact of the COVID pandemic, but also off the back of the prolonged drought and the national bush fire crisis. Focus throughout remained on motivating staff and keeping the management team positive throughout this tumultuous time of uncertainty.

Results were notably impacted by the overall slowdown in the foodservice market, and the inbound tourism market. Indications are the local tourism uptick is predicted to revitalise the foodservice industry.

A significant benefit in navigating the restricted movement during the peak of the pandemic has been the strategically placed multiple depot approach, ensuring we are able to source, service and distribute locally. Many mid-size branches, within easy reach of suppliers and customers, have been a distinct advantage over the single large distribution centre model.

This extraordinary period presented an opportunity to focus on cost control, engage employees and draw close to customers in managing our collections and supporting them through the reopening process once the relaxation of restrictions commenced. Volumes held up well notwithstanding the impact of the sale of the Fresh business in September 2019, the discontinuation of Logistic operations and the exit of a large national contract.

Strategic focus on the preferred customer categories in the past has delivered, as aged care, cafes, restaurants and pubs recovered quickly post-lockdown, where large scale catering for events and venues have not yet been able to reopen.

New Zealand pushed through the low point of the COVID pandemic, with monthly sales being down 69% on prior month in April, recovering in June to only being marginally down on the prior year. This is an excellent result considering the complete shutdown of the border to international visitors and demonstrates the resilience of our industry when people can once again move around freely.

Notwithstanding this improvement, the hospitality industry remains highly vulnerable with the absence of foreign tourists and the end of government financial support. New service options were introduced such as home delivery, and new relationships established with the Civil Defence department who has added Bidfood to the approved national contractors for food supply in times of crisis.

Management's adopted post-lockdown strategy of proactively helping customers manage their debt while at the same time aggressively pursuing sales, has paid dividends, with the business seeing a significant jump in new customers and market share.

Sales and profit were slightly ahead of expectation at H1, however, the COVID pandemic terminated all international tourism, a key category of customer. Some relief has been experienced in the surge of domestic tourism.

Infrastructure investment was put on hold for all projects that had not commenced by March, Auckland North and New Plymouth depots were completed, with Christchurch Foodservice nearing completion at year end.

Foodservice and Fresh maintained high service levels despite the challenges faced. Processing continued their development as an important operating division reporting a pleasing result.

UNITED KINGDOM

The UK remained in full lockdown for most of Q4 due to the COVID pandemic. This enforced a downturn in revenue of 5,6% to R31,5 billion (F2019: R33,3 billion). Trading profit was even harder hit with a decrease of 61,2%, to R666,8 million (F2019: R1,7 billion).

Bidfood UK achieved a low of 30% of its F2019 sales in the week of April 5 however sales recovered to 57% of the F2019 level by year end. Most of this activity has arisen away from our traditional markets.

Operational performance was buoyed by the shared-award of the delivery of the government care packs to vulnerable people identified to be shielded from the virus, and to a lesser extent from growing the new B2C markets.

The foodservice business utilised the government's job retention scheme to keep resource levels in line with the reduced volume and revenues. Trading profit was negatively impacted by once-off exceptional items brought about largely by the lockdown and reduced activity levels.

Active engagement with customers and suppliers early in the lockdown, such as agreeing to extended payment terms, matching activity levels and ensuring ongoing communication has delivered good results on collections and cash generation. Notwithstanding these proactive initiatives the increased risk of debtors defaulting is recognised and is an area of management attention.

The national accounts team are putting significant focus on winning new business from their targeted pipeline and have already secured a significant portion of their F2021 targeted new business.

Elite Fine Foods, a small regional wholesaler was acquired at the onset of F2020.

Fresh UK had an exceptionally difficult year, aggravating an already troubled environment by the near-to-complete shutdown of the entire customer base. Summertime events in the UK are the lifeblood of the business and the cancellation of events such as Epsom, Ascot, Chelsea Flower Show, Wimbledon and the like, has proven to be significant.

After senior management changes, a new CEO from within the business took the reins in January and has capably guided the restructure efforts.

We removed as much cost as possible, as quickly as possible, which delivered some relief and the government job retention scheme allowed the furlough of staff. To ensure sustainability of the business, a significant restructure of most of the Fresh operations has commenced. We remain confident that a good business underlies these challenges. Once volumes resume and the changes are embedded, a return to acceptable profitability is anticipated.

The discontinued UK logistics' operations, Best Food Logistics and PCL, were successfully exited in March.

EUROPE

Considering the spread of countries and the varied levels of COVID-related impacts, Europe delivered solid results. Revenue was down 7,9% at R40,2 billion (F2019: R43,7 billion), with most businesses finding opportunities in the midst of the crisis to continue to operate. Trading profit was down 48,5% at R1,0 billion (F2019: R1,9 billion). Our eastern European businesses have shown great resilience, embracing the benefit of a retail customer base. Eastern Europe appears to be further along the economic recovery path than what we are experiencing in western Europe.

Sales reached a low of 27% of the F2019 activity levels in the week of April 19, however, has recovered to 70% of the F2019 level by the end of June. Activity levels in Italy, Spain and the Netherlands continue to recover, albeit somewhat more cautiously than our other European operations.

Netherlands was well-positioned for an excellent performance for F2020 prior to the impact of the COVID pandemic. Overall, sales volumes were down by 20%, but the cost base remained high as Dutch law prohibited any staff contraction through the pandemic. As the summer holiday period commenced, lockdown restrictions eased, and the recovery was palpable. National accounts, large caterers and institutional customers are still struggling, however, the freetrade hospitality sector is back to near pre-COVID levels.

Belgium was hard hit by COVID, and economic activity across the country fell 9%. Markets reopened in early June and the recovery was good, in spite of some cautiousness around second-wave infections. Focus remains on cash management and expense reduction until the market improves. Rollout of the new "myBidfood" ecommerce platform was completed, and fortuitously well-timed as the market embraces our online engagement.

Czech Republic and Slovakia capitalised on a resilient economy to weather the COVID pandemic very successfully. Recovery post-lockdown was very positive and the business was able to mobilise its resources to take advantage of this opportunity. Ongoing labour shortages persisted as cross border labour movement is restricted, accelerating the implementation of process automation where possible. Ice cream remains an important category, but strategic product diversification has brought better balance. Businesses were strongly cash generative.

Italy, the European epicentre of the COVID pandemic, experienced large-scale deterioration of economic activity and labour pressures. Economic recovery is anticipated to take more than two years, as the populace regains their confidence to return to normal. The business continues to drive its position as a strategic partner of independent, street-based operators.

Poland's very successful year to March was derailed by the COVID pandemic in the last quarter. Activity in the primary customer base, being hotels, tourism and conferences was significantly impacted post-March. Cost reduction has been key over the last quarter and some redundancies were unavoidable. Salary cuts and reduced hours were implemented to further decrease costs but protect job security. An optimistic recovery is underway. Some investment into vehicles was completed early in the year, but all other capex was postponed. The ecommerce platform processed nearly 30% of total sales.

Pier 7 **Germany** struggled, navigating both a difficult operational environment and a market plunged into recession due to the COVID pandemic. Significant restructuring was undertaken to simplify the operation and refocus our market. Management changes, although costly, were necessary and should be a turning point for this business. New warehousing capacity in Munich came on stream in the first half and the benefits of a simpler structure are already evident at year end.

Baltics reported much reduced revenues between March through May, but the recovery has been remarkable with year-end results outperforming the prior year. National account revenues have dropped but have been more than offset by the positive growth shown in the independent foodservice market and the retail sector. Local tourism is booming.

Iberia overall had a very difficult year. The COVID pandemic significantly impacted the population, aggravating an already problematic Guzman operational environment. After the year end, the management team has been replaced, triggering a significant overhaul of internal processes and controls to achieve simplification and focus on core competencies and markets. There is still some distance to cover on this journey, but the local team is motivated, and the market is recovering and remains an attractive foodservice opportunity. Igartza (a recently acquired multi-category business based in the north) pleasingly, was only slightly down on prior year results. Frustock, our Portuguese business, did well in light of the challenging last quarter.

EMERGING MARKETS

Emerging Markets, other than Angliss Greater China, continue to experience the onslaught of the COVID pandemic, with most territories still recording high daily infection rates. The challenging economic and political headwinds have not abated. Sales reached a low of 52% of the F2019 activity levels in the week of April 12, however, has recovered to 70% of the F2019 level by the end of June.

Revenue was down 3,1% to R20,5 billion (F2019: R21,1 billion), and trading profit down 34,3% to R0,7 billion (F2019: R1,0 billion).

Sales in mainland China have recovered and are now exceeding those of the comparative week in F2019. Activity levels in the other emerging market countries in which the group operates (South Africa, Brazil, Chile, Turkey and the Middle East) remain subdued as the path out of the COVID crisis still lags that of Australasia and Europe.

Bidcorp Food Africa (BFA) struggled through a difficult last quarter, navigating some of the most stringent COVID lockdown restrictions. Revenue and profits for the first eight months were pleasing but managing the crisis has been the focus for the last four months of the year.

Bidfood South Africa's business was severely disrupted by the lockdown restrictions, decimating the horeca and hospitality industry in South Africa. BFA found respite in busying the team with the more philanthropic type activities such as distribution of food care packages to impacted communities and mobilising home delivery services to support those in isolation. The competitive landscape is expected to undergo some change as the ravages of the lockdown go full-course, and we intend to capitalise where we can in market share growth.

Proactive engagement with customers, working alongside them to reopen and supporting them with payment plans, reopening training programmes and supply of the required personal protective equipment (PPE) to the horeca industry has grown goodwill. These initiatives will hopefully drive recovery in the short to medium-term.

Crown Food Group was able to fully operate over lockdown as people were forced to eat-at-home. The retail activity levels were impacted due to the restriction on deli's selling hot meals. The independent channel was also impacted as some butcheries were closed. The export operations struggled due to border closures. Ongoing competitor pressure in the meat and poultry sectors continue to challenge the team. Overall profitability showed solid growth for the year.

Equity-accounted JV Chipkins Puratos had a difficult first half of the year, navigating tough competition but growing own-manufactured products to the artisanal and industry segments and realising new opportunities with the global Puratos brands.

The properties entity will make further investments in Port Elizabeth, Pretoria, and there are plans to develop a new Johannesburg South multi-temp facility.

Greater China delivered acceptable results despite the negative impact from the COVID lockdown and ongoing social unrest in Hong Kong. Hong Kong and Macau faced headwinds as COVID lockdown, border restrictions and protests impacted consumption and tourism. Out-of-home eating was hard hit, with many customers having to downsize significantly or even close their doors.

Management have focused on the reduction of operational costs and tight management of working capital. The sale and leaseback of a Hong Kong property was concluded post-yearend and will be a strong contributor to positive cash flow in the year ahead.

Mainland China saw growth in the food and beverage sectors after the gradual release of city lockdowns across China. Businesses continue to widen their brand portfolio, in particular in the dairy brands. Penetration of the supermarket segment was well-timed as the sector benefitted from increased household consumption. Strong focus remains on restaurant customers, Chinese cuisine, own-brands and medium to high-end ranges like chilled and processed meats, to enhance our foodservice offering.

Singapore delivered a great result despite the country entering recession following the impacts of the COVID lockdown, restricting all tourism, conference and hotel occupancies. Government wage subsidies contributed to managing the cost base in addition to the general expense reductions. The foodservice division struggled as the market closed, but the consumer division showed positive growth as consumers prepared more food at home. Similar trends were noted in Malaysia and Vietnam, with quick recoveries experienced as the markets begin to reopen.

Brazil struggled under the lockdown, with sales dropping to below 50% of the prior year levels. Both the Irmãos Avelino and Mariusso operations implemented strict cost-cutting measures, including staff redundancies, but results were heavily impacted. Internal restructuring should deliver cost savings in the new year. "myBidfood" ecommerce platform was well used through lockdown, encouraging online sales and engagement with customers. Working-from-home continues to keep city centres quiet and the lunch-time clientele away.

Chile experienced a dramatic fall in sales volumes due to the knock-on effect of both the political unrest in H1 and the COVID lockdown in H2. Management have been keeping a close eye on managing the working capital, while at the same time pursuing other opportunities related to the foodservice market that are already showing promise. Relaxation of lockdown restrictions is anticipated in August, and hopefully the recovery is as quick as in many of our other geographies.

Argentina (in which Bidcorp has a 38% stake) was classified as an essential service and able to continue to operate through their lockdown, albeit at around 30% capacity. Government support through April helped ease the cost burden but losses were incurred. By year end, the business generated profits again and the team has a positive outlook.

Middle East, although boosted by an exceptional first half, felt the impact of the COVID pandemic as many of the large events planned for the year were cancelled. UAE suffered as demand for key products dropped off and inventory shelf-life was managed. Al Diyafa (Saudi Arabia) resumed activity once restrictions were eased as the QSR market was embraced. Introduction of their home delivery ecommerce platform provided a well-timed online engagement tool.

Turkey's foodservice operations struggled through the lockdown, however, their liquor distribution activities delivered good sales. The new operation in Antalya has been impacted by the late and partial opening of the resorts in this region. Bidfood EFE continues to establish itself and grow market share. A broad-based foodservice business was set up in Istanbul effective July 2020.

CORPORATE

BidOne, developers of the group's proprietary software including the ecommerce platform ("myBidfood"), saw continuing uptake of electronic orders, rising along with order value, and now handles in excess of 30% of total group sales, indicating promising momentum. Several businesses successfully repurposed their "myBidfood" platforms for B2C ordering during their height of the COVID pandemic.

Bidfood Procurement Community (BPC) continues to assist group procurement initiatives and to support the supply chain. Work to improve supplier terms and grow product categories continues.

DIRECTORATE

Mr DDB Band retired from the board at the 2019 AGM. The board expresses its sincere appreciation to Mr Band for his services as lead independent director, and the significant role Mr Band played through the development and establishment of the group.

The board welcomes Mrs T Abdool-Samad and Mr CJ Rosenberg, who were appointed as independent non-executive directors to the Bidcorp board in November 2019.

BL Berson
Chief executive

DE Cleasby
Chief financial officer

Basis of presentation of summary 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 2019 the group adopted IFRS 16 Leases (IFRS 16). IFRS 16 replaces IAS 17 Leases which requires that all operating leases, other than short-term and low-value leases, to be recorded on the statement of financial position in a similar manner to finance leases under IAS 17.

The group elected to adopt IFRS 16 using a modified retrospective approach. Under a modified retrospective approach, the group applies IFRS 16 from the beginning of July 1 2019 and has not restated prior-period financial information. The lease liability was measured using the present value of the remaining lease payments discounted at the incremental borrowing rates at July 1 2019. The right-of-use lease assets was measured as if IFRS 16 had always been applied (but using the incremental borrowing rates at July 1 2019). The cumulative effect of initially applying IFRS 16 has been recognised as an adjustment to the opening balance of retained earnings on date of initial application (being July 1 2019).

Judgements and assumptions made by management in applying the related accounting policies for IFRS 16:

> Lease discount rate – Except where a discount rate implicit in the lease has been stipulated in the lease agreement, the lease payments are discounted using the incremental borrowing rate. The calculation of an incremental borrowing rate requires significant judgement. The incremental borrowing rate is calculated as a function of a base rate, plus a credit spread, plus other adjustments. Other adjustments take into account the lease period, currency of the lease payments, lease duration, lease-specific adjustments such as asset class and security risk in relation to the asset.

> Lease term – In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The group leases various leasehold property, vehicles and equipment as the need arises. Lease contracts are negotiated on an individual basis and contain a wide range of different terms and conditions. Extension and termination options are included in a number of leases across the group. These options are used to maximise operational flexibility in terms of managing lease contracts. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

On transition to IFRS 16, the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 6,4% for the group.

The adoption of the IFRS 16 from July 1 2019 complicates the comparison of the performance of financial years 2020 and 2019. In order to provide comparative information to assess the group's performance, a pro forma condensed consolidated statement of profit or loss, pro forma summarised consolidated statement of financial position, pro forma summarised consolidated statement of cash flows and pro forma supplementary information regarding the currency effects of the translation of foreign operations on the group (the pro forma information) has been presented for the year ended June 30 2020.

With effect from July 1 2019 the group adopted IFRIC 23 – Uncertainty over Income Tax Treatments (IFRIC 23). IFRIC 23 clarifies how the recognition and measurement requirements of IAS 12 Income Taxes are applied when there is uncertainty over income tax treatment. No additional current or deferred tax liabilities were recognised as a result of IFRIC 23.

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.

AUDIT REPORT

These summary consolidated financial statements for the year ended June 30 2020 have been audited by PricewaterhouseCoopers Inc., 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 and of the auditor's report on the annual consolidated financial statements are available for inspection on the company's website and at the company's registered office, together with the financial statements identified in the respective auditor's reports.

The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

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 25 2020.

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

EXCHANGE RATES

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

	June 30	
	2020 Audited	2019 Audited
Rand/Sterling		
Closing rate	**21,37**	17,82
Average rate	**19,73**	18,35
Rand/Euro		
Closing rate	**19,46**	15,97
Average rate	**17,31**	16,18
Rand/Australian Dollar		
Closing rate	**11,92**	9,87
Average rate	**10,50**	10,14

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

for the year ended June 30

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 Inc. 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 2019 average rand exchange rates to the 2020 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 2020.

				Illustrative 2020 at 2019 average exchange rates	
R000	**Audited 2020**	Audited 2019	% change	**Pro forma 2020**	% change
Continuing operations					
Revenue	**121 117 480**	129 249 988	(6,3)	**114 254 759**	(11,6)
Trading profit	**4 162 538**	6 666 428	(37,6)	**3 967 758**	(40,5)
Headline earnings	**2 476 081**	4 811 528	(48,5)	**2 367 758**	(50,8)
Headline earnings per share (cents)	**741,3**	1 443,6	(48,6)	**708,8**	(50,9)
Constant currency per segment from continuing operations					
Revenue					
Australasia	**28 986 744**	31 145 965	(6,9)	**27 885 233**	(10,5)
United Kingdom	**31 462 683**	33 327 046	(5,6)	**29 263 351**	(12,2)
Europe	**40 199 177**	43 663 890	(7,9)	**37 718 592**	(13,6)
Emerging Markets	**20 468 876**	21 113 087	(3,1)	**19 387 583**	(8,2)
	121 117 480	129 249 988	(6,3)	**114 254 759**	(11,6)
Trading profit					
Australasia	**1 923 857**	2 147 000	(10,4)	**1 851 202**	(13,8)
United Kingdom	**666 755**	1 720 467	(61,2)	**620 147**	(64,0)
Europe	**958 081**	1 860 482	(48,5)	**904 173**	(51,4)
Emerging Markets	**684 729**	1 042 323	(34,3)	**658 384**	(36,8)
Corporate office	**(70 884)**	(103 844)		**(66 148)**	
	4 162 538	6 666 428	(37,6)	**3 967 758**	(40,5)

Acquisition of businesses and subsidiaries

for the year ended June 30

ACQUISITIONS

Acquisition opportunities in the year were limited, due to unrealistic vendor expectations and management's focus on bedding down recently acquired underperforming businesses. The acquisition of 100% of Elite Frozen Foods Limited (Elite), a regional wholesaler in the United Kingdom supplying ambient, chilled and frozen products was completed in July 2019. Total investment in Elite was R163,7 million, and its contribution to revenue and trading loss for the year ended June 30 2020 was R693,3 million and R57,9 million respectively.

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. No separately identifiable intangible assets were recognised on acquisition. The Elite acquisition has 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. Qualitative factors that support (but, not limited to) the goodwill recognised on Elite:

- Growing scale and access to customers in the southwest of the United Kingdom;
- Improving purchasing power for the group; and
- Management's skill and expertise as a platform from which to consolidate their respective fragmented foodservice markets.

There were no significant contingent liabilities identified in the businesses acquired.

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

R000	**2020 Audited**	2019 Audited
Property, plant equipment	**44 679**	88 547
Intangible assets	**–**	10
Deferred taxation	**(935)**	(37 820)
Interest in associates	**–**	4 244
Other investments and loans	**–**	51
Inventories	**39 395**	47 607
Trade and other receivables	**124 860**	58 249
Cash and cash equivalents	**(34 080)**	88 446
Borrowings	**(14 554)**	(7 801)
Trade and other payables	**(100 061)**	(70 603)
Taxation	**(3 845)**	(7 179)
Total identifiable net assets at fair value	**55 459**	163 751
Separately identifiable intangible assets	**–**	192 672
Goodwill	**80 307**	365 948
Non-controlling interest	**–**	(3 950)
Total value of acquisitions	**135 766**	718 421
Cash and cash equivalents acquired	**34 080**	(88 446)
Vendors for acquisition recognised	**(210)**	(138 557)
Puttable non-controlling interest liabilities recognised	**–**	(70 464)
Costs incurred in respect of acquisitions	**1 968**	27 686
Net amount paid	**171 604**	448 640

The purchase price allocations for Elite are provisional and may be retrospectively adjusted if the group obtains new information about facts and circumstances that existed at the acquisition date relating to these entities.

Disposals

Bidfood Australia disposed of its Fresh business for A$3,3 million (R34,7 million) in September 2019. Amounts included in 2020 years results for operations disposed to revenue and trading profit was R122,6 million and R10,3 million respectively. Amounts included in 2019 years results for operations disposed to revenue and trading profit was R649,0 million and R7,4 million respectively.

Subsequent events

Subsequent to year end, the group concluded a sale and leaseback transaction for a freehold property in Hong Kong. Settlement of HK$325 million (R715 million) is expected in late August 2020. Other than the above matter, there are no other material events since or subsequent to June 30 2020.

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.

R000	2020 Audited	2019 Audited
Capital expenditure approved		
Contracted for	**747 726**	1 113 122
Not contracted for	**686 007**	1 188 901
	1 433 733	2 302 023
Capital expenditure split		
Property, plant and equipment	**1 336 171**	2 171 767
Computer software	**97 562**	130 256
	1 433 733	2 302 023

It is anticipated that capital expenditure will be financed out of existing cash resources. Capital expenditures for F2021 are to approximate the depreciation and amortisation charge for F2020. Significant contracted capital expenditures relate to property, plant and equipment in the following components: Bidfood UK (R351 million), New Zealand (R139 million) and Australia (R59 million).

Discontinued operations

for the year ended June 30

Bidcorp's UK logistics activities (Best Food Logistics and PCL), which were classified as discontinued operations, were exited at the beginning of March 2020. The results of the discontinued operations included in the group's results is detailed below:

R000	2020 Audited	2019 Audited
Revenue	**17 304 237**	19 502 386
Cost of revenue	**(15 491 772)**	(16 838 559)
Gross profit	**1 812 465**	2 663 827
Operating expenses	**(1 910 279)**	(3 049 910)
Trading loss	**(97 814)**	(386 083)
Share-based payments	**(1 634)**	(2 414)
Acquisition costs	**(17 610)**	–
Capital items	**(206 491)**	(470 514)
Operating loss	**(323 549)**	(859 011)
Net finance charges	**(52 547)**	(12 326)
Finance income	**61**	193
Finance charges	**(52 608)**	(12 519)
Loss before taxation	**(376 096)**	(871 337)
Taxation relief	**44 518**	139 368
Loss for the year from discontinued operations	**(331 578)**	(731 969)
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	**(331 578)**	(731 969)
Loss on disposal of intangible assets and property, plant and equipment	**156 151**	4 347
Property, plant and equipment	**184 468**	2 182
Intangible assets	**319**	3 185
Taxation relief	**(28 636)**	(1 020)
Loss on disposal of Best Food Logistics and PCL	**17 580**	–
Best Food Logistics	**19 205**	–
PCL	**2 499**	––
Taxation relief	**(4 124)**	–
Impairments	**–**	383 907
Intangible assets	**–**	465 147
Taxation relief	**–**	(81 240)
Headline loss from discontinued operations	**(157 847)**	(343 715)
Basic loss per share (cents)	**(99,3)**	(219,6)
Diluted basic loss per share (cents)	**(99,1)**	(219,2)
Headline loss per share (cents)	**(47,3)**	(103,1)
Diluted headline loss per share (cents)	**(47,2)**	(103,0)

Discontinued operations continued

for the year ended June 30

R000	2020 Audited	2019 Audited
Effect of the discontinued operations on the statement of financial position of the group		
Assets classified as held-for-sale	–	2 944 460
Property, plant and equipment	–	323 355
Intangible assets	–	5 871
Deferred tax asset	–	6 952
Investments and loans	–	434
Inventories	–	523 457
Trade and other receivables	–	1 687 617
Taxation	–	114 368
Cash and cash equivalents	–	282 406
Liabilities classified as held-for-sale	–	3 116 633
Deferred tax liability	–	11 704
Long-term portion of provisions	–	128 056
Trade and other payables	–	2 976 873

R000	2020 Audited	2019 Audited
Cash flows from discontinued operations		
Net operating cash flows from discontinued operations	**(280 741)**	(582 319)
Net investing cash flows from discontinued operations	**(429 486)**	(50 137)
Net financing cash flows from discontinued operations	**(230 994)**	–
Net decrease in cash and cash equivalents	**(941 221)**	(632 456)

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 following table 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.

	Non-current assets (liabilities)			Current assets (liabilities)					
R000	Puttable non-controlling interests	Invest-ments	Vendors for acquisition	Puttable non-controlling interests	Vendors for acquisition	Total	Level 1	Level 2	Level 3
June 30 2020									
Financial assets measured at fair value	**–**	**32 264**	**–**			**32 264**	**–**	**–**	**32 264**
Financial liabilities measured at fair value	**(4 632 682)**	**–**	**(73 150)**	**(55 262)**	**(204 188)**	**(4 965 282)**	**–**	**–**	**(4 965 282)**
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)

VALUATION TECHNIQUES AND SIGNIFICANT UNOBSERVABLE INPUTS

Valuation technique

The expected payments are determined by considering the possible scenarios of forecast EBITDA's, 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

> Average EBITDA growth rates: 10% (2019: n/a)
> EBITDA multiples: 10,5x (2019: 7,0x)
> Risk-adjusted discount rate: 1,7% (2019: 1,99%)

Sensitivity analysis on changes in significant variable unobservable inputs for puttable non-controlling interests (liability)

	Increase in assumption %	Increase in liability R000	Decrease in assumption %	Decrease in liability R000
Average EBITDA growth rate	10	206 909	10	197 677

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)

Annexure A
Pro forma information – IFRS 16 Leases

The adoption of the IFRS 16 from July 1 2019 complicates the comparison of the statement of profit or loss for the performance of F2020 and F2019. To provide comparative information in order to assess the group's performance; a pro forma condensed consolidated statement of profit or loss, pro forma summarised consolidated statement of financial position, pro forma summarised consolidated statement of cash flows and pro forma supplementary pro forma information regarding the currency effects of the translation of foreign operations on the group (the pro forma information) has been presented for the year ended June 30 2020. The pro forma financial information of the group as set out below has been prepared for illustrative purposes and reflects the group as if IFRS 16 had not been adopted on July 1 2019.

The directors of Bidcorp are responsible for compiling the pro forma financial information on the basis applicable of the criteria as detailed in paragraphs 8.14 to 8.33 of the JSE Listings Requirements and the SAICA Guide on Pro forma Financial Information, revised and issued in September 2014 (applicable criteria). The pro forma information does not constitute financial statements fairly presented in accordance with IFRS. The pro forma information has been prepared for illustrative purposes only and because of its nature may not fairly present the group's financial position, results of operations and 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.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Year ended June 30				
R000	2020* Audited	IFRS 16 adjustments Reported	**Pro forma 2020 Reported**	2019 Audited	% change
Continuing operations					
Revenue	121 117 480	–	**121 117 480**	129 249 988	(6,3)
Cost of revenue	(91 921 749)	–	**(91 921 749)**	(98 418 233)	6,6
Gross profit	29 195 731	–	**29 195 731**	30 831 755	(5,3)
Operating expenses	(25 033 193)	(318 491)	**(25 351 684)**	(24 165 327)	(4,9)
Trading profit	4 162 538	(318 491)	**3 844 047**	6 666 428	(42,3)
Share-based payment expense	(100 774)	–	**(100 774)**	(114 468)	
Acquisition costs	(1 968)	–	**(1 968)**	(27 686)	
Capital items	(923 687)	–	**(923 687)**	44 106	
Operating profit	3 136 109	(318 491)[1]	**2 817 618**	6 568 380	
Net finance charges	(710 263)	369 391	**(340 872)**	(285 942)	19,2
Finance income	85 647	–	**85 647**	109 506	
Finance charges	(795 910)	369 391[2]	**(426 519)**	(395 448)	
Share of profit of associates and jointly controlled entities	6 448	–	**6 448**	59 148	
Profit before taxation	2 432 294	50 900	**2 483 194**	6 341 586	(60,8)
Taxation	(868 614)	(11 948)	**(880 562)**	(1 472 282)	
Profit for the year from continuing operations	1 563 680	38 952	**1 602 632**	4 869 304	(67,1)
Discontinued operations					
Loss after taxation from discontinued operations	(331 578)	(3 295)	**(334 873)**	(731 969)	
Profit for the year	1 232 102	35 657	**1 267 759**	4 137 335	(69,4)
Attributable to:					
Shareholders of the company	1 216 805	35 657	**1 252 462**	4 104 169	
From continuing operations	1 548 383	38 952	**1 587 335**	4 836 138	(67,2)
From discontinued operations	(331 578)	(3 295)	**(334 873)**	(731 969)	
Non-controlling interest from continuing operations	15 297	–	**15 297**	33 166	
Continuing operations (cents)					
Headline earnings per share	741,3	11,7	**753,0**	1 443,6	(47,8)
Diluted headline earnings per share	739,7	11,7	**751,4**	1 441,2	(47,9)

* *These figures include the impact of IFRS 16.*
Adjustments for IFRS 16 comprise of the following:
[1] *Reinstatement of operating lease expenses (R1,1 billion) per IAS 17 allocation to operating expenses and the reversal of IFRS 16 amortisation (R771,4 million) on right-of-use lease assets.*
[2] *Reversal of the IFRS 16 finance cost on right-of-use lease liabilities.*

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R000	2020* Audited	IFRS 16 adjustments Reported	Pro forma 2020 Reported	2019 Audited
	Year ended June 30			
ASSETS				
Non-current assets	42 088 766	(5 166 542)	**36 922 224**	31 294 178
Property, plant and equipment	17 618 435	–	**17 618 435**	14 025 113
Right-of-use lease assets	4 934 213	(4 934 213)[1]	**–**	–
Intangible assets	838 223	–	**838 223**	667 572
Goodwill	16 676 574	–	**16 676 574**	14 784 154
Deferred taxation asset	1 202 709	(232 329)[4]	**970 380**	944 212
Defined benefit pension surplus	18 008	–	**18 008**	20 928
Interest in associates	193 364	–	**193 364**	177 978
Investment in jointly controlled entities	489 933	–	**489 933**	481 975
Investments and loans	117 307	–	**117 307**	192 246
Current assets	29 509 639	–	**29 509 639**	33 637 800
Inventories	10 195 539	–	**10 195 539**	9 703 879
Trade and other receivables	12 289 674	–	**12 289 674**	15 213 598
Assets classified as held-for-sale	–	–	**–**	2 944 460
Cash and cash equivalents	7 024 426	–	**7 024 426**	5 775 863
Total assets	71 598 405	(5 166 542)	**66 431 863**	64 931 978
EQUITY AND LIABILITIES				
Capital and reserves	27 938 586	999 812	**28 938 398**	28 735 967
Attributable to shareholders of the company	27 672 556	999 812[2]	**28 672 368**	28 498 700
Non-controlling interest	266 030	–	**266 030**	237 267
Non-current liabilities	16 000 901	(5 294 125)	**10 706 776**	6 524 604
Deferred taxation liability	686 554	–	**686 554**	686 849
Long-term borrowings	4 565 025	–	**4 565 025**	4 659 325
Long-term right-of-use lease liabilities	5 363 091	(5 363 091)[3]	**–**	–
Post-retirement obligations	67 478	–	**67 478**	59 117
Long-term vendors for acquisition	73 150	–	**73 150**	275 144
Long-term puttable non-controlling interest liabilities	4 632 682	–	**4 632 682**	336 620
Long-term provisions	612 921	–	**612 921**	430 462
Long-term lease liabilities	–	68 966	**68 966**	77 087
Current liabilities	27 658 918	(872 229)	**26 786 689**	29 671 407
Trade and other payables	17 602 244	–	**17 602 244**	18 698 495
Short-term provisions	632 950	–	**632 950**	313 892
Short-term vendors for acquisition	204 188	–	**204 188**	103 882
Short-term puttable non-controlling interest liabilities	55 262	–	**55 262**	1 126 128
Liabilities classified as held-for-sale	–	–	**–**	3 116 633
Taxation	246 077	–	**246 077**	470 753
Short-term right-of-use lease liabilities	872 229	(872 229)[3]	**–**	–
Short-term borrowings	8 045 968	–	**8 045 968**	5 841 624
Total equity and liabilities	71 598 405	(5 166 542)	**66 431 863**	64 931 978

* *These figures include the impact of IFRS 16.*
Adjustments for IFRS 16 comprise of the following:
[1] Reversal of IFRS 16 right-of-use lease assets.
[2] Reversal of the impact of IFRS 16 adjustments to retained earnings comprising of the transition date adjustment of R1,035 billion and recognition of profit attributable to shareholders of R35,7 million under IAS 17.
[3] Reversal of IFRS 16 right-of-use lease liabilities.
[4] Reversal of the right-of-use deferred taxation.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

R000	2020* Audited	IFRS 16 adjustments Reported	Pro forma 2020 Reported	2019 Audited
	Year ended June 30			
Cash flows from operating activities	3 928 340	(951 506)	**2 976 834**	2 332 967
Operating profit	3 136 109	(318 491)[1]	**2 817 618**	6 568 380
Dividends from jointly controlled entity	20 000	–	**20 000**	–
Acquisition costs	1 968	–	**1 968**	27 686
Depreciation and amortisation	1 534 354	–	**1 534 354**	1 330 200
Amortisation on right-of-use lease assets	771 412	(771 412)[2]	**-**	–
Nowaco share incentive scheme	(299 496)	–	**(299 496)**	–
Non-cash items	2 025 355	–	**2 025 355**	94 436
Cash generated by operations before changes in working capital	7 189 702	(1 089 903)	**6 099 799**	8 020 702
Changes in working capital	1 184 435	–	**1 184 435**	(1 439 767)
Cash generated by operations	8 374 138	(1 089 903)	**7 284 234**	6 580 935
Net finance charges paid	(597 294)	369 391	**(227 823)**	(262 813)
Taxation paid	(1 354 174)	–	**(1 354 174)**	(1 423 951)
Dividends paid	(2 213 668)	–	**(2 213 668)**	(1 978 885)
Net operating cash flows from discontinued operations	(280 741)	(230 994)[1]	**(511 735)**	(582 319)
Cash effects of investment activities	(3 153 212)	–	**(3 153 212)**	(3 739 498)
Additions to property, plant and equipment	(2 724 587)	–	**(2 724 587)**	(2 957 607)
Acquisition of subsidiaries	(171 604)	–	**(171 604)**	(448 640)
Additions to intangible assets	(191 576)	–	**(191 576)**	(156 023)
Proceeds on disposal of property, plant and equipment	370 328	–	**370 328**	271 349
Proceeds on disposal of investments	72 167	–	**72 167**	33 202
Proceeds on disposal of interests in subsidiaries	34 659	–	**34 659**	–
(Payments to) receipts from associates	(8 048)	–	**(8 048)**	70 409
Proceeds on disposal of intangible assets	9 148	–	**9 148**	3
Payments made to vendors for acquisition	(58 553)	–	**(58 553)**	(297 443)
Payments made to puttable non-controlling interests	(12 828)	–	**(12 828)**	(74 428)
Investments acquired	(42 832)	–	**(42 832)**	(79 166)
Investment in jointly controlled entity	–	–	**–**	(51 017)
Net investing cash flows from discontinued operations	(429 486)	–	**(429 486)**	(50 137)
Cash effects of financing activities	(912 235)	951 506	**39 271**	856 149
Borrowings raised	6 476 215	–	**6 476 215**	28 498 700
Borrowings repaid	(6 408 623)	–	**(6 408 623)**	237 267
Right-of-use lease liability payments from continuing operations	(720 512)	720 512[1]	**–**	686 849
Right-of-use lease liability payments from discontinued operations	(230 994)	230 994[1]	**–**	4 659 325
Payments to non-controlling interests	(28 321)	–	**(28 321)**	–
Treasury shares purchased during the year	–	–	**–**	59 117
Net decrease in cash and cash equivalents	(137 107)	–	**(137 107)**	(550 382)
Cash and cash equivalents at beginning of period	6 058 269	–	**6 058 269**	6 643 149
Exchange rate adjustment	1 103 264	–	**1 103 264**	(34 498)
Cash and cash equivalents at end of period	7 024 426	–	**7 024 426**	6 058 269

* *These figures include the impact of IFRS 16.*
Adjustments for IFRS 16 comprise of the following:
[1] *Reclassification of cash flows relating to lease payments shown as finance costs in financing activities under IFRS 16 to cash generated by operations as previously disclosed under IAS 17.*
[2] *Reversal of depreciation on right-of-use assets to operating profit.*

PRO FORMA SUPPLEMENTARY INFORMATION REGARDING THE CURRENCY EFFECTS OF THE TRANSLATION OF FOREIGN OPERATIONS ON THE GROUP

In addition to excluding the adoption IFRS 16 on July 1 2019, the illustrative information detailed below has been prepared on the basis of applying the F2019 average rand exchange rates to the F2020 foreign subsidiary income statements and recalculating the reported income of the group for the year ended June 30 2020.

R000	Illustrative 2020 at 2019 average exchange rates Reported*	IFRS 16 adjustments translated at 2019 average rates Reported	**Pro forma 2020 Reported**	2019 Audited	% change
Continuing operations					
Revenue	114 254 759	–	**114 254 759**	129 249 988	(11,6)
Trading profit	3 967 758	(297 861)[1]	**3 669 897**	6 666 428	(44,9)
Headline earnings	2 367 758	35 884[2]	**2 403 642**	4 811 528	(50,0)
Headline earnings per share (cents)	708,8	10,7	**719,5**	1 443,6	(50,2)
Constant currency per segment from continuing operations					
Revenue					
Australasia	27 885 233	–	**27 885 233**	31 145 965	(10,5)
United Kingdom	29 263 351	–	**29 263 351**	33 327 046	(12,2)
Europe	37 718 592	–	**37 718 592**	43 663 890	(13,6)
Emerging Markets	19 387 583	–	**19 387 583**	21 113 087	(8,2)
	114 254 759	–	**114 254 759**	129 249 988	
Trading profit					
Australasia	1 851 202	(46 117)	**1 805 085**	2 147 000	(15,9)
United Kingdom	620 147	(109 378)	**510 769**	1 720 467	(70,3)
Europe	904 173	(64 508)	**839 665**	1 860 482	(54,9)
Emerging Markets	658 384	(77 163)	**581 221**	1 042 323	(44,2)
Corporate office	(66 148)	(695)	**(66 843)**	(103 844)	35,6
	3 967 758	(297 861)[1]	**3 669 897**	6 666 428	(44,9)

* *These figures include the impact of IFRS 16.*
Adjustments for IFRS 16 comprise of the following:
[1] *Constant currency reinstatement of operating lease expenses (R1,0 billion) per IAS 17 allocation to operating expenses and the reversal of IFRS 16 amortisation (R721,7 million) on right-of-use lease assets.*
[2] *Constant currency ZAR impact on headline earnings on the adoption of IFRS 16.*

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, pages 16 to 17 and pages 19 to 23 of the Bid Corporation Limited results for the year ended 30 June 2020, which comprise the summary consolidated statement of financial position as at 30 June 2020, the summary consolidated statements of profit or loss, summary consolidated statement of other comprehensive income, 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 2020.

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 25 August 2020. 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 period.

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

25 August 2020

Administration

DIRECTORS

Chairman: *S Koseff*

Lead independent director: *NG Payne*

Independent non-executive: *T Abdool-Samad, PC Baloyi, DD Mokgatle, CJ Rosenberg*, 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
Private Bag X9000, Saxonwold, 2132
0861 100 950

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

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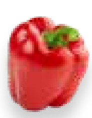
Further information regarding our group can be found on the Bidcorp website: www.bidcorpgroup.com



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