Bidvest

UNAUDITED FINANCIAL RESULTS AND CASH DIVIDEND DECLARATION

FOR THE SIX MONTHS ENDED 31 DECEMBER

2021

SALIENT FEATURES

for the six months ended 31 December 2021*

R50 billion
revenue
+13%

R5 billion
trading profit
+25%

R7 billion
cash generated by operations before
R3 billion
absorption in working capital

ROFE up to
40%

* *Continuing operations*

Group HEPS
813.8 cents
+37%

Normalised HEPS
852.9 cents,
+31%

Interim dividend of
380 cents
+31%

"Bidvest has delivered a remarkable operating and financial interim result, with all divisions reporting double digit trading profit growth, culminating in strong returns."

Mpumi Madisa, Chief executive

MESSAGE TO SHAREHOLDERS

Introduction

The Group's strong operating and financial results over this past interim period reflect the agility of Bidvest's decentralised leadership and team structure, the portfolio of value-adding essential services, the financial muscle to invest in inventory and capital projects, as well as the successful delivery of strategic growth plans.

Trading profit grew by 24.8% to R5.1 billion, with R1.0 billion earned internationally. Robust cash generation by operations of R6.6 billion was delivered before absorbing R2.6 billion in working capital as the seasonal trend returned. Capital investment of R1.2 billion was maintained and a R0.5 billion investment in a LPG terminal in Isando, Johannesburg was approved.

The successful maiden issuance of an USD800 million international bond bolstered the Group's financial capacity to execute our international growth ambitions. The pipeline of strategic growth opportunities continues to build.

Highlights

All divisions reported double digit trading profit growth. This is an excellent result considering the benign trading environment, global supply chain constraints, increasing input price inflation and continuing waves of the COVID-19 pandemic. The acquisitions made by Noonan in the prior year delivered in line with expectations.

HEPS grew by 35.3% to 813.8 cents from continuing operations. Normalised HEPS[1], a measure used by management to assess the underlying business performance, grew by 30.9% to 852.9 cents.

Return on Funds Employed (ROFE) improved significantly from 31.3% at 31 December 2020 to 40.4%. Return on Invested Capital (ROIC) of 15.5%, which compares to 12.9% as at 31 December 2020, is above the Group's weighted cost of capital.

The Group declared an interim dividend of 380.0 cents per share, up 31.0%.

Note 1: Normalised HEPS excludes acquisition costs, amortisation of acquired customer contracts and COVID-19 costs

Financial overview

Group revenue grew 12.9% to R50.2 billion (1HFY2021: R44.4 billion). Greater bulk commodity volumes handled in Freight, strong pharmaceutical volume increases in Adcock Ingram (Adcock) and the maiden contribution from the acquisitions concluded by Noonan, were the key growth drivers.

The gross and trading profit margins were 29.6% (1HFY2021: 30.2%) and 10.1% (1HFY2021: 9.2%), respectively. Expenses were exceptionally well managed and increased by only 6.8%, well below revenue growth.

Trading profit grew by 24.8% to R5.1 billion. Growth was led by Freight on the back of record maize export volumes handled, annualisation of the LPG terminal investment and buoyant commodity demand. Coming off a record high base, Commercial Products delivered another excellent result driven by a strong trading ability, market share gains and good expense management. Branded Products' results were very strong, boosted by a record Adcock performance and a good performance from the remainder of the businesses. In the Services division, the international operations achieved an excellent result, while the South African businesses delivered a good performance, which was augmented by the turnaround in travel and related industries. Automotive's focus on margin stood it in good stead and culminated in good growth while Financial Services' result was boosted by investment returns. Almost all businesses reported a sequential improvement in quarterly performance over the six-month period.

Acquisition costs, which were significantly higher year-on-year, were incurred as part of the inaugural international bond issuance. The amortisation of acquired customer contracts of R143.2 million increased modestly.

Net capital items contributed an immaterial loss of R5 million compared to the R134.0 million recognised in the prior period due to losses on the closure and disposal of businesses.

Net finance charges were 7.7% higher at R790.7 million (1HFY2021: R734.4 million). Excluding IFRS16, fair value adjustments and hedge costs, the increase was 16.9%, which was as a result of the higher gross debt following the international bond issuance and the step up in funding costs. The Group's average cost of funding was 4.7% - pre-tax (1HFY2021: 4.6%).

Share of associate profits amounted to R54.5 million, largely attributable to Adcock's associate holdings.

The Group's effective tax rate, excluding capital items, is 26.9% (1HFY2021: 31.3%). The foreign tax differential is 2.0%.

Basic EPS from continuing operations increased from 562.3 cents to 811.3 cents mainly due to a strong operational performance as well as disposal losses and impairments in the prior period. Basic EPS for the Group improved from 554.5 cents to 811.3 cents.

Bidvest's net debt increased from R13.3 billion as at 30 June 2021 to R15.5 billion at the end of December 2021. Strong cash was generated by the businesses which was invested in working capital while maintaining capital investment, resulting in less free cash flow generation. Covenant net debt to adjusted EBITDA of 1.8x remained unchanged from 30 June 2021. Interest cover was 9.4x (1HFY2021: 8.6x).

MESSAGE TO SHAREHOLDERS

(CONTINUED)

Cash generated by operations before working capital of R6.6 billion was 12.3% higher than in the prior period. The Group absorbed R2.6 billion into working capital in the current year compared to R0.3 billion released in the prior year. Higher inventory and trade receivables are on the back of stronger activity levels and securing stock within a constrained global supply chain. A decrease in trade payables is primarily due to timing. The absorption of working capital is a normal seasonal position and is encouraging as it points to a recovery in demand and economic activity. The quality of trade receivables and inventory improved.

Corporate action

On 16 September 2021, The Bidvest Group (UK) Plc successfully issued its inaugural 5-year USD800 million bond at a fixed semi-annual coupon on 3.625%. The proceeds were simultaneously swapped into Sterling, using a cross currency swap, to match the operational currency profile of the international services businesses. Part of the proceeds were used to repay the Revolving Credit Facility element of the new syndicated credit facility negotiated in July 2021 and funding raised in South Africa to part finance the PHS acquisition in May 2020. The balance of the proceeds is held offshore for acquisition purposes. Net debt/EBITDA remains well below bank covenants, Group liquidity remains strong and the maturity profile of debt extended to FY2027.

Our pipeline, in the specific niches for international expansion as well as local bolt-on acquisitions, is healthy. Opportunities are being actively pursued.

We are also actively engaging with Transnet with regard to the Durban and Richards Bay Port Master Plans to derive the best possible outcome for all stakeholders. In November 2021, the board approved a R500 million capital investment to establish an inland LPG terminal in Isando, twice the size of original ambitions. Commissioning is anticipated towards the end of 2025. Efficient and reliable rail plays a key part in the viability and returns of this planned investment.

Prospects

We are optimistic that demand and economic recovery is gathering momentum. There are encouraging signs of a return to offices, albeit from very low levels. Tender activity and building plans passed are increasing, while customer engagement and procurement decision making is picking up. A record maize season is expected with strong export demand given adverse weather in other key maize producing regions. Bulk commodity demand is expected to remain robust. Demand for renewable and alternative energy solutions and products is accelerating.

An optimised cost base, continuing efforts to improve efficiencies and innovation, together with active gross margin management will positively support future results, whilst contending with rising inflation.

Effective, 1 April 2022, the Services division will be split into two divisions, Services SA and Services International, to better support Bidvest's international growth strategy.

The Group

Bidvest encourages a performance-driven, decentralised business model that continuously seeks scale and growth. We empower the many enterprises across our diverse areas of operation – Services, Branded Products, Freight, Commercial Products, Financial Services and Automotive – which acts as a remarkable catalyst for enduring value creation.

Divisional review

Services

Services' trading profit grew strongly, up by 19.3%. Organic growth was solid off a high base augmented by Noonan's Cordant and Axis acquisitions in the second half of FY2021. Trading profit of R2.0 billion was almost equally split across South Africa and offshore. Internationally, strong organic revenue growth, the lifting of trade restrictions, upselling and the realisation of synergies limited the negative mix impact from the lower margin businesses acquired. Noonan added niche transport solutions to its portfolio in the United Kingdom while PHS launched several innovative products that will deliver both commercial and sustainability benefits. The South Africa operations posted yet another strong trading profit performance. The annuity income businesses delivered solid results while the travel and hospitality related businesses were profitable, recovering from COVID-19 incurred losses over the past 18 months. The slow return to offices and hotels was evident in the revenue and trading profit growth within the Allied cluster. Across the division, a number of businesses benefitted from COVID-related work. The anticipated roll-off of this work is expected to be broadly neutralised by the lifting of trade restrictions and new products. ROFE remains extremely high across the division despite an increase in funds employed as the working capital cycle, particularly receivables, normalised.

MESSAGE TO SHAREHOLDERS

(CONTINUED)

Branded Products

A very strong trading profit of R1.0 billion, up 24.4%, was achieved as a result of excellent pharmaceutical and related volume growth together with positive product mix and a sequential improvement in demand from various office, print and packaging products. Adcock delivered an excellent trading result on the back of new product launches, higher demand for flu products, which was largely absent over the past two years, improved factory recoveries and expanded product portfolio. The strategic focus on growing the non-regulated part of the business is yielding benefits. Given the early, and ongoing, rightsizing and re-engineering of the balance of the division, modest revenue growth converted into good trading profit growth across all the clusters. The back-to-school season normalised and customer downtrading was evident in appliances as lower-priced brands outperformed premium brands. Konica Minolta grew its machine base at a healthy level and has a strong order pipeline. Stock availability will be key to delivering on this in the second half. Operating cash generation was excellent, mainly due to a significant working capital inflow in Adcock while the cash flow cycle in the balance of the division normalised.

Freight

An exceptional trading profit result of R833.6 million is up 29.0% for the six months to December 2021. This is the result of the continuation of bumper agricultural volumes, the annualisation of good LPG volumes through the new terminal and reasonable bulk mineral volumes handled by the terminals and related businesses. The global shortage and imbalance in the container market is resulting in lower container volumes which negatively impact other Freight businesses. Naval in Mozambique benefitted from greater volumes handled. The benefit of restructuring efforts materialised, particularly in Bidfreight Port Operations and Bidvest International Logistics. Clearing, forwarding and road freight activities picked up markedly over the two quarters, which is evidence of an economic recovery. ROFE improved from 31.2% to 43.6%, due to increased volumes off a largely fixed asset base.

Commercial Products

After an exceptional FY2021, Commercial Products delivered another excellent result, growing trading profit by 24.9% to R619.4 million. The impact of the riots at the start of the interim period, the lack of supply into Yamaha, and non-repeat project work limited revenue growth despite numerous price increases. Demand was robust from customers in the mining, agriculture, renewable energy, select industrial segments and luxury goods, while general public infrastructure demand remains absent. Stock on hand continues to be a key differentiator. Improved gross margin and cost management culminated in excellent performances from the Trade, DIY / Tools / Workwear, Leisure and Warehousing clusters. Plumblink, Electrical, Matus, Yamaha and Berzack's all delivered growth at a pace faster than the overall division. Funds employed increased significantly post June 2021 as management invested in inventory given the ongoing supply chain challenges and market demand. This muted cash conversion temporarily, but ROFE improved from 26.7% to 33.2%.

Automotive

South Africa's automotive sector continued its slow recovery with new vehicle dealer sales growing 4.7%, despite significant vehicle supply challenges. The Automotive division grew trading profit by a strong 15.0% to R372.5 million. Some 9.9% more new vehicles, but 10.8% fewer used vehicles, were sold. McCarthy's share of the new vehicle dealer market increased to 7.1%. Volume brand activity remained buoyant compared to the luxury end of the market, with McCarthy's brand representation mirroring this market dynamic. Parts sales grew while the servicing activity remained relatively stagnant. Management's focus on gross margin and cost containment resulted in the strong trading result. The supply of new and good quality, reasonably priced used vehicles is an ongoing challenge. The bolt-on acquisition of Melrose Nissan was concluded during the period. ROFE at 45.3% is a fantastic result, partly enhanced by constrained inventory.

Financial Services

Financial Services' trading profit increased by 20.1% to R201.6 million. Bidvest Bank's non-interest revenue continues to be negatively impacted by the net roll-off of fleet management units and lower transaction activity. Foreign exchange and related products and services into corporate clients grew nicely. The pipeline for loans and advances is good and management's focus is on conversion. Bidvest Bank's deposit book remains healthy and ratios comfortably above South African Reserve Bank minimum requirements. Growth in gross written premiums in the insurance businesses was encouraging. The operational cost containment focus was neutralised by higher claims and bad debt provisions. Cross-selling opportunities within the division and across the Group are being pursued. Higher portfolio returns for the period more than offset lower core results.

MESSAGE TO SHAREHOLDERS

(CONTINUED)

Bidvest Properties and Corporate

The Group owns a significant property portfolio which is largely Bidvest occupied. Bidvest Properties delivered a resilient result in a very challenging property market marred by falling market values and vacancies with occupancy costs increasing by more than inflation. Trading profit was flat at R275.8 million. The portfolio comprises of 133 properties across South Africa and Namibia with a stable estimated market value of R8.1 billion, significantly higher than the R3.8 billion book value.

Corporate costs remained well controlled while the non-core Namibian food distribution businesses had a challenging trading period. The base included the last negative foreign exchange mark-to-market adjustment for MIAL.

Directorate

In accordance with the section 3.59 of the JSE Listings Requirements, the board of directors of the Group advised shareholders that, effective 3 January 2022, Ms. Faith Nondumiso (Faith) Khanyile and Ms. Motlanalo Glory (Koko) Khumalo were appointed as independent non-executive directors.

For and on behalf of the board

BF Mohale
Chairman

NT Madisa
Chief executive

Johannesburg
28 February 2022

Dividend declaration

In line with the Group dividend policy, the directors have declared an interim gross cash dividend of 380 cents (304.0000 cents net of dividend withholding tax, where applicable) per ordinary share for the six months ended 31 December 2021 to those members registered on the record date, being Friday, 25 March 2022. The dividend has been declared from income reserves. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

Share code:	BVT
ISIN:	ZAE000117321
Company registration number:	1946/021180/06
Company tax reference number:	9550162714
Gross cash dividend amount per share:	380.0000
Net dividend amount per share:	304.0000
Issued shares at declaration date:	340 274 346
Declaration date:	Monday, 28 February 2022
Last day to trade cum dividend:	Tuesday, 22 March 2022
First day to trade ex-dividend:	Wednesday, 23 March 2022
Record date:	Friday, 25 March 2022
Payment date:	Tuesday, 28 March 2022

Share certificates may not be dematerialised or rematerialised between 23 March 2022, and 25 March 2022, both days inclusive.

For and on behalf of the board

Ms. Nonqaba Katamzi
Company Secretary

CONDENSED CONSOLIDATED INCOME STATEMENT

for the

R000s	Half-year ended 31 December 2021 Unaudited	2020 Restated* Unaudited	% Change	Year ended 30 June 2021 Audited
Continuing operations				
Revenue	**50 196 400**	44 448 758	12.9	88 314 806
Non-interest revenue	**49 979 918**	44 219 237		87 881 064
Interest revenue	**216 482**	229 521		433 742
Cost of revenue	**(35 315 870)**	(31 033 160)	13.8	(61 140 027)
Gross profit	**14 880 530**	13 415 598	10.9	27 174 779
Operating expenses	**(9 932 275)**	(9 300 613)	6.8	(19 278 934)
Net impairment losses on financial assets	**(72 431)**	(41 847)		(252 164)
Other income	**90 277**	84 109		273 347
Income from investments	**112 071**	(88 961)		(26 103)
Trading profit	**5 078 172**	4 068 286	24.8	7 890 925
Share-based payment expense	**(166 957)**	(120 907)		(246 096)
Acquisition costs and customer contracts amortisation	**(160 359)**	(143 754)		(305 025)
Net capital items	**(5 245)**	(134 005)		(179 663)
Profit before finance charges and associate income	**4 745 611**	3 669 620	29.3	7 160 141
Net finance charges	**(790 667)**	(734 400)	7.7	(1 470 534)
Finance income	**54 376**	45 907		57 367
Finance charges	**(845 043)**	(780 307)		(1 527 901)
Share of profit of associates and joint ventures	**54 463**	63 137	(13.7)	100 095
Current period earnings	**54 463**	63 137	(13.7)	100 208
Net capital items	**–**	–		(113)
Profit before taxation	**4 009 407**	2 998 357	33.7	5 789 702
Taxation	**(1 072 942)**	(939 947)	14.1	(1 670 774)
Profit for the period from continuing operations	**2 936 465**	2 058 410	42.7	4 118 928
Discontinued operations				
(Loss) profit after tax from discontinued operations	**–**	(25 365)		3 789
Profit for the period	**2 936 465**	**2 033 045**		**4 122 717**
Attributable to				
Shareholders of the Company – continuing operations	**2 757 591**	1 910 663	44.3	3 840 933
Shareholders of the Company – discontinued operations	**–**	(25 365)		3 789
Non-controlling interest	**178 874**	147 747	21.1	277 995
	2 936 465	2 033 045	44.4	4 122 717
Basic earnings per share (cents) – continuing operations	**811.3**	562.3	44.3	1 130.2
Diluted basic earnings per share (cents) – continuing operations	**810.1**	561.9	44.2	1 129.4
Basic earnings per share (cents) – discontinued operations	**–**	(7.5)		1.1
Diluted basic earnings per share (cents) – discontinued operations	**–**	(7.5)		1.1
Basic earnings per share (cents) – Group	**811.3**	554.8	46.2	1 131.3
Diluted basic earnings per share (cents) – Group	**810.1**	554.4	46.1	1 130.5
Supplementary information				
Normalised headline earnings per share (cents) – continuing operations#	**852.9**	651.6	30.9	1 292.0
Headline earnings per share (cents) – continuing operations	**813.8**	601.7	35.3	1 183.3
Diluted headline earnings per share (cents) – continuing operations	**812.7**	601.3	35.2	1 182.4
Headline earnings per share (cents) – discontinued operations	**–**	(7.5)		15.2
Diluted headline earnings per share (cents) – discontinued operations	**–**	(7.5)		15.2
Normalised headline earnings per share (cents) – Group#	**852.9**	644.1	32.4	1 307.2
Headline earnings per share (cents) – Group	**813.8**	594.2	37.0	1 198.4
Diluted headline earnings per share (cents) – Group	**812.7**	593.8	36.9	1 197.5
Shares in issue				
Total ('000)	**339 888**	339 888		339 888
Weighted ('000)	**339 888**	339 807		339 847
Diluted weighted ('000)	**340 381**	340 037		340 096
Dividends per share (cents)	**380.0**	290.0	31.0	600.0

** Refer to restatement note (Interest Revenue)*
 # Refer to Normalised headline earnings per share note for detailed definition

CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)

for the

R000s	Half-year ended 31 December 2021 Unaudited	2020 Unaudited	% Change	Year ended 30 June 2021 Audited
Headline earnings				
The following adjustments to profit attributable to shareholders were taken into account in the calculation of headline earnings:				
Profit attributable to shareholders of the Company – continuing operations	**2 757 591**	1 910 663	44.3	3 840 933
Impairment of property, plant and equipment, right-of-use assets, goodwill and intangible assets	**–**	–		71 872
Property, plant and equipment #	**–**	–		48 976
Right-of-use assets #	**–**	–		(12 950)
Intangible assets #	**–**	–		44 395
Taxation effect	**–**	–		(8 549)
Net loss on disposal of interests in subsidiaries and disposal and closure of businesses	**3 378**	114 539		62 821
Loss on disposal and closure #	**3 378**	120 897		64 722
Taxation effect	**–**	(6 358)		(1 901)
Net loss on disposal and impairment of associates	**14 150**	36 147		77 448
Impairment of associates #	**30 754**	36 147		77 448
Net change in shareholding in associates #	**(17 218)**	–		–
Non-controlling interest	**614**	–		–
Net gain on disposal of property, plant and equipment and intangible assets	**(8 457)**	(2 690)		(2 270)
Property, plant and equipment #	**(10 949)**	(3 354)		(8 503)
Intangible assets #	**–**	–		6 259
Taxation effect	**2 492**	664		375
Non-controlling interest	**–**	–		(401)
Compensation received on loss or impairment of property plant and equipment	**(518)**	(14 173)		(29 667)
Compensation received #	**(720)**	(19 685)		(40 684)
Taxation effect	**202**	5 512		11 017
Non-headline items included in equity accounted earnings of associated companies	**–**	–		113
Headline earnings – continuing operations	**2 766 144**	2 044 486	35.3	4 021 250
(Loss) profit attributable to shareholders of the Company – discontinued operations	**–**	(25 365)		3 789
Loss on disposal of discontinued operations	**–**	–		85 224
Impairment of property, plant and equipment, right-of-use assets, goodwill and intangible assets	**–**	–		(37 478)
Property, plant and equipment	**–**	–		(28 782)
Intangible assets	**–**	–		(23 271)
Taxation effect	**–**	–		14 575
Headline earnings – Group	**2 766 144**	2 019 121		4 072 785

Items above included as capital items on condensed consolidated income statement.

CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)

for the

Normalised headline earnings per share

Normalised headline earnings per share is a measurement used by the chief operating decision makers, Mpumi Madisa and the Group executive directors. The calculation of normalised headline earnings per share excludes acquisition costs, amortisation of acquired customer contracts, COVID-19 pandemic expenses relating to abnormal receivables provisioning, inventory obsolescence, restructuring costs and COVID-19 compliance regulatory costs and is based on the normalised headline earnings attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the year. The presentation of normalised headline earnings is not an IFRS requirement.

	Half-year ended 31 December			Year ended 30 June
R000s	**2021 Unaudited**	2020 Unaudited	% Change	2021 Audited
Headline earnings – continuing operations	**2 766 144**	2 044 486		4 021 250
Acquisition costs	**17 139**	7 580		33 509
Amortisation of acquired customer contracts	**143 220**	136 174		271 516
COVID-19 pandemic expenses (refer *Significant accounting policies and judgements*)	**–**	83 878		182 466
Taxation effect	**(26 321)**	(48 195)		(101 433)
Non-controlling interest	**(1 420)**	(9 876)		(16 474)
Normalised headline earnings – continuing operations	**2 898 762**	2 214 047	30.9	4 390 834
Normalised headline earnings – discontinued operations	**–**	(25 365)		51 535
Normalised headline earnings – Group	**2 898 762**	2 188 682		4 442 369

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the

R000s	Half-year ended 31 December 2021 Unaudited	Half-year ended 31 December 2020 Unaudited	Year ended 30 June 2021 Audited
Profit for the period	**2 936 465**	2 033 045	4 122 717
Other comprehensive income (expense) net of taxation			
Items that may be reclassified subsequently to profit or loss	**465 398**	(548 174)	(620 829)
Increase (decrease) in foreign currency translation reserve			
Exchange differences arising during the period	**335 247**	(510 887)	(647 494)
Increase (decrease) in fair value of cash flow hedges	**130 151**	(37 287)	26 665
Fair value loss (gain) arising/during the period	**166 537**	(51 788)	37 035
Taxation effect for the period	**(36 386)**	14 501	(10 370)
Other comprehensive income transferred to profit or loss			
Realisation of exchange differences on disposal of subsidiaries and or associates	**–**	63 367	52 954
Items that will not be reclassified subsequently to profit or loss	**1 260**	(425)	13 956
Changes in the fair value of financial assets recognised through other comprehensive income	**1 260**	(425)	1 862
Defined benefit obligations	**–**	–	12 094
Net remeasurement of defined benefit obligations during the period	**–**	–	16 798
Taxation effect for the period	**–**	–	(4 704)
Total comprehensive income for the period	**3 403 123**	1 547 813	3 568 798
Attributable to			
Shareholders of the Company	**3 200 406**	1 443 485	3 326 301
Non-controlling interest	**202 717**	104 328	242 497
	3 403 123	1 547 813	3 568 798

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the

R000s	Half-year ended 31 December 2021 Unaudited	Half-year ended 31 December 2020 Unaudited	Year ended 30 June 2021 Audited
Cash flows from operating activities	**1 233 564**	4 443 194	9 743 709
Profit before finance charges and associate income	**4 745 611**	3 669 620	7 160 141
Dividends from associates	**86 718**	55 282	97 767
Acquisition costs	**17 139**	7 580	33 509
Depreciation and amortisation	**1 783 888**	1 824 076	3 639 341
Share-based payment expense	**159 862**	113 946	224 666
Impairments of associates	**30 754**	36 147	77 448
Impairment of goodwill and intangibles	**–**	–	44 395
Impairment of PPE and right-of-use assets	**–**	–	36 026
Fair value adjustment to investments	**(97 432)**	86 933	68 384
Other non-cash items	**(156 067)**	57 982	(130 945)
Cash generated by operations before changes in working capital	**6 570 473**	5 851 566	11 250 732
Changes in working capital	**(2 621 988)**	335 804	2 394 336
(Increase) decrease in inventories	**(164 305)**	897 914	918 156
Increase in trade receivables	**(913 162)**	(330 062)	(436 212)
Decrease in banking and other advances	**223 053**	3 187	198 852
(Decrease) increase in trade and other payables and provisions	**(1 705 618)**	(566 619)	1 373 632
(Decrease) increase in amounts owed to bank depositors	**(61 956)**	331 384	339 908
Cash generated by operations	**3 948 485**	6 187 370	1 3 645 068
Net finance charges paid	**(845 728)**	(708 919)	(1 411 645)
Taxation paid	**(739 317)**	(645 822)	(1 814 274)
Dividends paid by the Company	**(1 053 652)**	–	(985 674)
Dividends paid by subsidiaries	**(76 224)**	(7 245)	(83 059)
Non-controlling shareholders	**(71 671)**	(5 727)	(80 024)
Put-call option holders	**(4 553)**	(1 518)	(3 035)
Net operating activities from discontinued operations	**–**	(382 190)	393 293
Cash effects of investment activities	**(1 852 803)**	(766 045)	(1 786 944)
Net additions to property, plant and equipment	**(1 011 793)**	(1 038 041)	(1 916 901)
Net additions to intangible assets	**(251 991)**	(91 732)	(324 156)
Net acquisition of subsidiaries, businesses, associates and investments	**(589 019)**	(237 201)	(986 073)
Net investing activities from discontinued operations	**–**	600 929	1 440 186
Cash flows from financing activities	**3 423 277**	(3 396 262)	(7 083 290)
Repayment of lease liabilities	**(618 160)**	(627 291)	(1 294 769)
Settlement of puttable non-controlling interest liability	**(39 299)**	–	–
Transactions with non-controlling interests	**(388)**	(177 411)	(481 410)
Borrowings raised	**19 176 587**	5 245 296	5 424 273
Borrowings repaid	**(15 095 463)**	(7 743 015)	(10 372 402)
Net financing activities from discontinued operations	**–**	(93 841)	(358 982)
Net increase in cash and cash equivalents	**2 804 038**	280 887	873 475
Net cash and cash equivalents at the beginning of the period	**5 818 129**	5 343 865	5 343 865
Exchange rate adjustment	**270 974**	(233 061)	(399 211)
Net cash and cash equivalents at end of the period	**8 893 141**	5 391 691	5 818 129
Net cash and cash equivalents comprise:			
Cash and cash equivalents – continuing operations	**9 706 877**	10 092 014	7 438 073
Cash and cash equivalents – discontinued operations	**–**	(623 828)	–
Bank overdrafts included in short-term portion of interest bearing borrowings	**(813 736)**	(4 076 495)	(1 619 944)
	8 893 141	5 391 691	5 818 129

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at

R000s	31 December 2021 Unaudited	31 December 2020 Restated* Unaudited	30 June 2021 Audited
ASSETS			
Non-current assets	**55 328 414**	51 769 923	53 211 879
Property, plant and equipment	**14 303 512**	14 268 474	14 107 562
Right-of-use assets	**4 639 126**	4 529 842	4 615 625
Intangible assets	**14 340 468**	12 721 488	13 661 818
Goodwill	**14 467 918**	13 463 859	13 678 707
Deferred taxation assets	**1 417 892**	1 446 405	1 538 254
Defined benefit pension surplus	**252 230**	214 329	252 230
Interest in associates and joint ventures	**497 042**	555 192	527 908
Life assurance fund	**435 089**	303 384	368 937
Investments	**3 400 219**	2 414 708	2 758 682
Banking and other advances	**1 574 918**	1 852 242	1 702 156
Current assets	**36 802 118**	35 314 921	33 187 856
Inventories	**10 317 753**	10 143 539	10 106 113
Short-term portion of banking and other advances	**1 107 893**	1 249 287	1 203 708
Short-term portion of investments	**–**	1 037 928	–
Trade and other receivables	**15 356 082**	12 439 201	14 072 021
Taxation	**313 513**	352 952	367 941
Cash and cash equivalents	**9 706 877**	10 092 014	7 438 073
Assets of disposal group held for sale	**–**	1 056 726	–
Total assets	**92 130 532**	88 141 570	86 399 735
EQUITY AND LIABILITIES			
Capital and reserves	**31 136 268**	28 105 413	28 790 766
Attributable to shareholders of the Company	**27 742 979**	24 692 361	25 537 831
Non-controlling interest	**3 393 289**	3 413 052	3 252 935
Non-current liabilities	**29 822 081**	25 143 201	24 337 921
Deferred taxation liabilities	**3 941 696**	3 711 638	3 907 936
Life assurance fund	**251 808**	193 698	222 165
Long-term portion of borrowings	**20 864 497**	16 451 175	1 5 355 102
Post-retirement obligations	**77 292**	80 034	77 040
Puttable non-controlling interest liabilities	**–**	21 430	20 889
Long-term portion of provisions	**603 303**	568 769	635 356
Long-term portion of lease liabilities	**4 083 485**	4 116 457	4 119 433
Current liabilities	**31 172 183**	33 634 017	33 271 048
Trade and other payables	**16 534 162**	14 023 936	18 288 267
Short-term portion of provisions	**835 244**	870 613	460 634
Vendors for acquisition	**752**	24 912	752
Taxation	**764 390**	723 691	482 485
Amounts owed to bank depositors	**7 564 716**	7 618 148	7 626 671
Short-term portion of borrowings	**4 339 205**	9 411 174	5 380 263
Short-term portion of lease liabilities	**1 133 714**	961 543	1 031 976
Liabilities of disposal group held for sale	**–**	1 258 939	–
Total equity and liabilities	**92 130 532**	88 141 570	86 399 735
Supplementary Information			
Net asset value per share (cents)	**8 162**	7 265	7 514

* *Refer restatement note (Life assurance fund)*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the

R000s	Half-year ended 31 December 2021 Unaudited	2020 Unaudited	Year ended 30 June 2021 Audited
Equity attributable to shareholders of the Company	**27 742 979**	24 692 361	25 537 831
Share capital	**17 014**	17 014	17 014
Share premium	**1 367 796**	1 367 796	1 367 796
Foreign currency translation reserve	**153 703**	(19 279)	(166 446)
Balance at beginning of the period	**(166 446)**	400 927	400 927
Movement during the period	**320 149**	(483 573)	(620 327)
Realisation of reserve on disposal of subsidiaries and or associates	**–**	63 367	52 954
Hedging reserve	**82 787**	(86 466)	(38 619)
Balance at beginning of the period	**(38 619)**	(65 284)	(65 284)
Fair value losses arising during the period	**154 391**	(29 420)	37 035
Deferred tax recognised directly in reserve	**(32 985)**	8 238	(10 370)
Equity-settled share-based payment reserve	**251 357**	(362 065)	(326 401)
Balance at beginning of the period	**(326 401)**	(437 247)	(437 247)
Arising during the period	**150 198**	108 572	215 848
Deferred tax recognised directly in reserve	**1 234**	745	23 362
Utilisation during the period	**(70 671)**	(34 135)	(130 097)
Realisation of reserve on disposal of subsidiaries and or associates	**–**	–	1 733
Transfer to retained earnings	**496 997**	–	–
Movement in retained earnings	**25 191 057**	23 095 374	24 005 009
Balance at the beginning of the period	**24 005 009**	21 211 095	21 211 095
Attributable profit	**2 757 591**	1 885 298	3 844 722
Changes in the fair value of financial assets recognised through other comprehensive income	**1 260**	(425)	1 861
Net remeasurement of defined benefit obligations during the period	**–**	–	12 297
Transfer of reserves as a result of changes in shareholding of subsidiaries	**(32)**	(594)	(79 292)
Remeasurement of put option liability	**(22 122)**	–	–
Net dividends paid	**(1 053 652)**	–	(985 674)
Transfer from equity-settled share-based payment reserve	**(496 997)**	–	–
Treasury shares	**679 265**	679 987	679 478
Balance at the beginning of the period	**679 478**	664 746	664 746
Purchase of shares by subsidiaries	**(70 426)**	(15 611)	(111 975)
Shares disposed of in terms of share incentive scheme	**70 213**	30 852	126 707
Equity attributable to non-controlling interests of the Company	**3 393 289**	3 413 052	3 252 935
Balance at beginning of the period	**3 252 935**	3 481 856	3 481 856
Total comprehensive income	**202 717**	104 328	242 497
Attributable profit	**178 874**	147 747	277 995
Movement in foreign currency translation reserve	**15 098**	(27 314)	(27 167)
Net movement in hedging reserve	**8 745**	(16 105)	(8 169)
Changes in the fair value of financial assets recognised through other comprehensive income	**–**	–	41
Net remeasurement of defined benefit obligations during the period	**–**	–	(203)
Dividends paid	**(71 671)**	(5 727)	(80 024)
Equity-settled share-based payment reserve arising in the period	**9 664**	6 076	7 391
Changes in shareholding	**(388)**	(174 075)	(478 077)
Transfer of reserves as a result of changes in shareholding of subsidiaries	**32**	5 94	79 292
Total equity	**31 136 268**	28 105 413	28 790 766

CONDENSED DISAGGREGATED REVENUE

for the

R000s	Half-year ended 31 December 2021 Unaudited	2020 Restated* Unaudited	Year ended 30 June 2021 Audited
Revenue			
Sale of goods [1]	**28 609 301**	26 615 117	53 723 694
Rendering of services [2]	**20 278 359**	16 657 750	33 449 398
Commissions and fees earned [3]	**1 019 478**	1 080 553	2 190 198
Billings relating to clearing and forwarding transactions [4]	**1 609 843**	1 202 770	1 946 949
Interest [5]	**216 482**	229 521	433 742
Insurance [6]	**268 609**	255 979	531 792
	52 002 072	46 041 690	92 275 773
Inter-group eliminations	**(1 805 672)**	(1 592 932)	(3 960 967)
	50 196 400	44 448 758	88 314 806
Included in commissions and fees earned is R856 million (1HFY2021: R920 million) which does not relate to revenue from contracts with customers but commissions and fees from rendering financial services. All other categories other than insurance relate to revenue from contracts with customers.			
Disaggregation of segmental revenue			
Services [2]	**17 127 945**	13 575 145	27 612 714
Branded Products [1]	**9 127 749**	8 497 459	17 081 744
Freight [2, 4]	**3 685 999**	3 186 112	5 846 612
Commercial Products [1]	**7 057 105**	6 874 900	13 449 322
Automotive [1]	**11 545 195**	10 524 519	20 883 554
Financial Services [3, 5, 6]	**1 172 863**	1 253 246	2 464 425
Properties [2]	**35 687**	22 246	43 444
Corporate and Investments [1]	**443 857**	515 131	932 991
	50 196 400	44 448 758	88 314 806
Geographic disaggregation of revenue			
Southern Africa	**39 692 924**	37 015 736	73 352 022
International	**10 503 476**	7 433 022	14 962 784
	50 196 400	44 448 758	88 314 806

* *Refer restatement note (Interest revenue)*

CONDENSED SEGMENTAL ANALYSIS

for the

R000s	Half-year ended 31 December 2021 Unaudited	2020 Unaudited	% Change	Year ended 30 June 2021 Audited
Segmental revenue				
Services	**17 567 453**	13 999 637	25.5	28 892 866
Branded Products	**9 570 803**	8 852 034	8.1	17 793 068
Freight	**3 929 995**	3 395 822	15.7	6 204 869
Commercial Products	**7 166 519**	6 971 509	2.8	14 024 659
Automotive	**11 746 436**	10 643 705	10.4	21 095 402
Financial Services	**1 243 654**	1 318 610	(5.7)	2 646 657
Properties	**298 885**	293 075	2.0	587 726
Corporate and investments	**478 327**	567 298	(15.7)	1 030 526
	52 002 072	46 041 690	12.9	92 275 773
Inter-group eliminations	**(1 805 672)**	(1 592 932)		(3 960 967)
	50 196 400	44 448 758	12.9	88 314 806
Geographic region				
Southern Africa	**41 498 596**	38 608 668		76 993 821
International	**10 503 476**	7 433 022		15 281 952
	52 002 072	46 041 690		92 275 773
Segmental trading profit				
Services	**2 009 585**	1 684 901	19.3	3 303 383
Branded Products	**1 000 097**	804 202	24.4	1 462 522
Freight	**833 597**	646 444	29.0	1 295 003
Commercial Products	**619 356**	495 684	24.9	921 610
Automotive	**372 453**	323 784	15.0	652 031
Financial Services	**201 639**	167 926	20.1	331 584
Properties	**275 761**	275 436	0.1	560 689
Corporate and investments	**(234 316)**	(330 091)	29.0	(635 897)
	5 078 172	4 068 286	24.8	7 890 925
Geographic region				
Southern Africa	**4 039 588**	3 246 138		6 328 706
International	**1 038 584**	822 148		1 562 219
	5 078 172	4 068 286		7 890 925
Earnings before interest, taxation, depreciation and amortisation (EBITDA)				
EBITDA is determined as trading profit before depreciation and amortisation charges. EBITDA has been adjusted for the impact of IFRS 16: Leases by adding back the right-of-use assets depreciation and deducting the lease payments.				
Services	**2 418 764**	2 115 474	14.3	4 140 815
Branded Products	**1 105 125**	924 399	19.6	1 686 534
Freight	**948 844**	760 527	24.8	1 522 180
Commercial Products	**664 096**	549 203	20.9	1 006 409
Automotive	**382 673**	338 704	13.0	685 034
Financial Services	**335 119**	293 984	14.0	605 633
Properties	**279 149**	279 292	(0.1)	567 518
Corporate and investments	**(231 737)**	(326 375)	29.0	(623 375)
	5 902 033	4 935 208	19.6	9 590 748
Geographic region				
Southern Africa	**4 678 396**	3 885 424		7 616 966
International	**1 223 637**	1 049 784		1 973 782
	5 902 033	4 935 208		9 590 748

CONDENSED SEGMENTAL ANALYSIS

(CONTINUED)

for the

R000s	Half-year ended 31 December 2021 Unaudited	2020 Restated* Unaudited	% Change	Year ended 30 June 2021 Audited
Segmental operating assets				
Services	**10 666 174**	8 268 163	29.0	9 350 235
Branded Products	**10 079 349**	10 376 352	(2.9)	9 723 479
Freight	**8 555 612**	8 044 399	6.4	8 339 044
Commercial Products	**6 116 309**	5 662 378	8.0	6 113 905
Automotive	**3 737 466**	4 041 491	(7.5)	4 330 847
Financial Services	**8 470 540**	7 852 927	7.9	7 786 911
Properties	**3 891 220**	3 696 771	5.3	3 895 019
Corporate and investments	**986 445**	1 805 540	(45.4)	797 589
	52 503 115	49 748 021	5.5	50 337 029
Inter-group eliminations	**(619 251)**	(739 895)		(622 087)
	51 883 864	49 008 126	5.9	49 714 942
Geographic region				
Southern Africa	**45 788 185**	45 326 191		44 333 476
International	**6 714 930**	4 421 830		6 003 553
	52 503 115	49 748 021		50 337 029
Segmental operating liabilities				
Services	**8 424 576**	6 708 839	25.6	8 173 531
Branded Products	**4 076 009**	4 205 692	(3.1)	4 295 126
Freight	**4 481 041**	3 976 336	12.7	4 659 191
Commercial Products	**2 298 505**	2 164 960	6.2	2 965 766
Automotive	**2 471 146**	2 376 045	4.0	2 827 663
Financial Services	**9 272 726**	9 038 892	2.6	9 344 214
Properties	**59 469**	13 984	325.3	78 152
Corporate and investments	**619 503**	688 345	(10.0)	739 986
	31 702 975	29 173 093	8.7	33 083 629
Inter-group eliminations	**(619 251)**	(739 895)		(622 087)
	31 083 724	28 433 198	9.3	32 461 542
Geographic region				
Southern Africa	**25 767 130**	24 854 741		27 299 845
International	**5 935 845**	4 318 352		5 783 784
	31 702 975	29 173 093		33 083 629

* *Refer restatement note (Life assurance fund)*

BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have been prepared in accordance with and containing information required by IAS 34: Interim Financial Reporting as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the Companies Act of South Africa and the JSE Listings Requirements. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Group during the interim reporting period (IAS 34 para 6). Selected explanatory notes are included to explain events and transactions that are significant to an understanding to the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2021.

In preparing these interim condensed consolidated financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Significant accounting policies and judgements

The accounting policies applied in these interim condensed financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ending 30 June 2021. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2021. Following a comprehensive business transformation the Group has successfully adapted to the continued lingering effects of the global pandemic, which coupled with a significant easing of social restrictions the Board of Directors has determined that COVID-19 has not had a material impact on the results presented in the current period.

Restatement of comparatives

In the prior period the net life assurance fund was disclosed on the face of the Condensed Consolidated Statement of Financial Position. In the current reporting period the gross life assurance fund asset and the gross reinsurer's share have been separately disclosed in non-current assets and non-current liabilities respectively, the prior period comparative has been restated accordingly. Interest revenue, disclosed in the Rendering of services category in the prior period, is disclosed as a separate category in the current period. The prior period comparatives have been restated accordingly.

Significant commitments

Bidvest Freight has committed R500 million to an LPG tank farm and terminal project in Isando Gauteng, as at 31 December 2021 R2 million has been spent. The initial commissioning date is towards the end of 2025, however, the project is reliant on efficient rail service commitment.

Bidvest Properties has committed R318 million to various property investments as at 31 December 2021. R10 million has been spent. The estimated completion dates are during the next financial year.

Fair value of financial instruments

The Group's investments of R3 400 million (1HFY2021: R3 453 million) include R138 million (1HFY2021: R131 million) recorded at amortised cost, R3 145 million (1HFY2021: R2 148 million) recorded and measured at fair values using quoted prices (Level 1) and R117 million (1HFY2021: R1 174 million) recorded and measured at fair value using factors not based on observable data (Level 3). Fair value losses on Level 3 investments recognised in the income statement total R1 million (1HFY2021: R140 million).

Analysis of investments at a fair value not determined by observable market data

R000s	**Half-year ended 31 December** 2021 Unaudited	2020 Unaudited	Year ended 30 June 2021 Audited
Balance at the beginning of period	**119 208**	1 276 338	1 276 338
Purchases, loan advances or transfers from other categories	**–**	42 412	36 815
Fair value adjustment recognised directly in equity	**–**	–	124
Fair value adjustment arising during the period recognised in the income statement	**1 118**	(139 505)	(3 040)
Proceeds on disposal, repayment of loans or transfers to other categories	**–**	(4 364)	(1 050 807)
Profit on disposal of investments	**(3 151)**	–	(140 222)
Exchange rate adjustments	**–**	(524)	–
	117 175	1 174 357	119 208

The carrying values of all financial assets and liabilities approximate their fair values, with the exception of borrowings of R25 171 million whose carrying value is R25 204 million.

BASIS OF PRESENTATION OF SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Hedge accounting

During the period the Group entered into fixed-for-fixed, USD / GBP pair, cross currency swaps ("CCS") in order to mitigate and hedge Group currency risk. The designated hedged instrument is a USD-denominated Reg S / 144A senior unsecured five-year bond of USD800 million at a fixed coupon rate of 3.625%, issued by The Bidvest Group (UK) Plc and guaranteed by The Bidvest Group Limited. The primary purpose of the bond is to secure long term funding for the Group's acquisition of the UK based PHS Group, whose functional currency is GBP. The Board of Directors has concluded that an effective cashflow hedging relationship exists and IFRS 9 hedge accounting has been applied. A R154 million financial asset derivative instrument was recognised at period end and included in trade and other receivables; R34 million was credited to the Condensed Consolidated Income Statement via finance charges; a debit of R198 million was booked to the foreign currency translation reserve and R92 million credited to the hedging reserve net of R22 million deferred taxation through the Condensed Consolidated Statement of Other Comprehensive Income.

Discontinued operations

The comparative period discontinued operations disclosure relates to Bidvest Car Rental ("BCR"), which was disposed of effective 29 June 2021. There are no discontinued operations in the current period.

Business combinations

Net acquisition of businesses, subsidiaries, associates and investments

During September 2021 the Group, via its Automotive division, acquired the assets and liabilities of the Nissan Melrose motor dealership for R70 million. The acquisition complements the four existing Nissan dealerships owned and operated by the Group.

The following table summarises and incorporates the provisional amounts of assets acquired and liabilities assumed which have been included in these results from the respective dates.

R000s	Nissan Dealership Melrose Arch	Other	Total
Property, plant and equipment	2 175	(12)	2 163
Right-of-use assets	61 544	–	61 544
Deferred taxation	196	–	196
Interest in associates and joint ventures	–	(2 291)	(2 291)
Investments and advances °	–	533 662	533 662
Inventories	29 619	–	29 619
Trade and other receivables	2 920	(1 484)	1 436
Cash and cash equivalents	15 950	(8 975)	6 975
Borrowings	(22 919)	–	(22 919)
Lease liabilities	(61 544)	–	(61 544)
Trade and other payables and provisions	(5 049)	7 094	2 045
Taxation	534	–	534
	23 426	527 994	551 420
Goodwill	46 574	–	46 574
Net assets acquired (disposed)	70 000	527 994	597 994
Settled as follows:			
Cash and cash equivalents acquired			(6 975)
Acquisition costs			17 139
Net profit on disposal of operations			(13 840)
Net settlement of receivable arising on disposal of subsidiaries and associates in prior periods			(5 299)
Net acquisition of businesses, subsidiaries, associates and investments			589 019

° Includes purchases of R584 million and disposals of R50 million in the Group's various investment portfolios, primarily those of Bidvest Bank and Bidvest Insurance ("Other" column).

BASIS OF PRESENTATION OF SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Goodwill arose on the minor acquisitions as the anticipated value of future cash flows that were taken into account in determining the purchase consideration exceeded the net assets acquired at fair value. The 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.

Unaudited results

These results have not been audited or reviewed by the Group's auditors. The interim condensed consolidated financial statements have been prepared under supervision of the Chief Financial Officer, MJ Steyn BCom CA (SA), and were approved by the board of directors on 25 February 2022.