

Bidvest

Unaudited financial results and cash dividend declaration

for the six months ended 31 December

2022



People and products behind a brighter future



Salient features

for the six months ended 31 December 2022



R57.2 bn

revenue

↑ **14.0%**

R5.8 bn

trading profit

↑ **14.5%**

HEPS

938.5 cents

↑ **15.3%**

Normalised HEPS

983.4 cents

↑ **15.3%**

“Bidvest delivered an excellent interim result. Strong organic growth and market share gains are the main drivers of this first half performance.”

Mpumi Madisa, *Chief executive*

ROFE

37.6%

R7.3 billion

cash generated by operations before

R5.5 billion

investment in working capital



Interim dividend of

437 cents

↑ **15.0%**



Message to shareholders



Introduction

Bidvest delivered an impressive first half result by capitalising on growth nodes within the agriculture, mining, renewable energy and travel and tourism industries. Organic growth has been strong, notwithstanding various global macro-economic pressures. The financial strength of the Group remains key to successfully advancing and competing in these sectors, while also pursuing overall strategic growth.

Trading profit grew by 14.5% to R5.8 billion, with R1.1 billion contributed by the international operations. Robust cash generation of R7.3 billion was delivered before investing R5.5 billion in working capital. Capital investment of R1.5 billion was made into the operations to upgrade facilities and maintain assets while R2.3 billion was used for acquisitions.

The expansion of Bidvest's facilities management footprint into Australia, effective 7 July 2022, delivered in line with expectations. Pleasingly, the pipeline of strategic growth opportunities is active across the Group.

Highlights

At the start of the financial year, against a backdrop of unprecedented inflation, margin management was a key focus area. The team delivered with both gross (29.4%) and trading profit (10.2%) margins remaining stable compared to the prior period. This is commendable considering the inflationary trading environment and incremental energy and distribution costs.

Despite an already high base, six out of the seven divisions delivered real trading profit growth with many individual businesses producing record months during the six months under review.

HEPS and Normalised HEPS¹, a measurement used by management to assess the underlying business performance, grew by 15.3% to 938.5 cents and 983.4 cents, respectively.

Return on Funds Employed (ROFE) was slightly down at 37.6% at 31 December 2022 (1H FY2022: 40.4%) given the working capital investment. Return on Invested Capital (ROIC) of 16.3%, compares favorably to 15.5% as at 31 December 2021, and remains above the Group's weighted cost of capital.

The Group declared an interim dividend of 437 cents per share, up 15.0%.

Note 1: Normalised HEPS excludes acquisition costs and amortisation of acquired customer contracts

Financial overview

Group revenue grew 14.0% to R57.2 billion (1H FY 2022: R50.2 billion), with acquisitions boosting the growth rate by 2.5%. Increased bulk commodity volumes handled in Freight, exponential renewable energy sales growth, improved travel and related services demand, strong pharmaceutical volume, as well as market share gains were the key growth drivers.

Expenses were well managed and increased by 11.0%, although on an organic basis 9.1%. Loadshedding is negatively impacting operational costs, primarily in the factory environments, which are mainly within the Branded Products and Commercial Products divisions.

Message to shareholders continued

Six divisions delivered excellent double digit profit growth resulting in trading profit advancing by 14.5% to R5.8 billion. The continuation of strong demand for bulk, mineral and agricultural, commodities, as well as higher Liquid Petroleum Gas (LPG) volumes, benefitted the Freight terminal operations, while clearing and forwarding activity recovered strongly. The expected revival in tourism volumes materialised, notwithstanding continued air travel capacity constraints, resulting in excellent performances from the Group's travel and hospitality-related businesses. Coming off record high bases, both Commercial Products and Branded Products, delivered strong results as many of the underlying businesses gained market share by trading in sought-after products, while simultaneously managing margins well. The expected, improved performance from Financial Services materialised and margin discipline in Automotive continued. Services International's largely unchanged financial result was commendable, given the businesses realigning following the extraordinary Covid-related work in the prior year, while augmented by the inclusion of BIC for six months.

Acquisition costs, which were significantly higher year-on-year, were incurred in the acquisition of BIC in Australia, the disposal of Tauer & Corssen (T&C) in Namibia and several bolt-on transactions. The amortisation of acquired customer contracts increased from R143.2 million to R165.2 million at 31 December 2022, mainly due to the BIC acquisition.

Net capital items of R51.1 million largely represent a loss on the disposal of T&C and compensation received from insurers on the loss of property, plant and equipment.

Net finance charges were 16.1% higher at R918.1 million (1H FY2022: R790.7 million). Excluding IFRS16, fair value adjustments and hedge costs, the increase was 21.2%, which was as a result of R2.3 billion higher gross debt following the international bond issuance in September 2021 and the investment in working capital, together with the step up in global interest rates. The Group's average cost of funding is 5.2% – pre-tax (1H FY2022: 4.7%).

Share of associate profits amounted to R68.8 million, largely attributable to Adcock Ingram's (Adcock) associate holdings.

The Group's effective tax rate is 27.0% (1H FY2022: 26.8%). The foreign tax differential is 1.0%.

Basic earnings per share (EPS) increased from 811.3 cents to 918.2 cents, mainly due to a strong operational performance as well as disposal losses in the current period.

Cash generated by operations of R7.3 billion was 10.9% higher than in the prior period. The Group absorbed R5.5 billion of working capital in the current year compared to R2.6 billion in the prior year. Higher inventory reflects the stronger activity levels, an element of increased buying from suppliers in the East, product price increases and the expected normalisation of vehicle supply in Automotive. In line with Bidvest Bank's capital deployment acceleration plan, loans and advances increased, funded from the existing deposit book. A decrease in trade payables is primarily due to timing, increased pre-payments, early settlements to secure imported stock and earlier disbursement pay-outs as the end of the period fell over a weekend. The absorption of working capital is a normal seasonal position, albeit at a higher absolute level than in the past. The quality of trade receivables and inventory remain high, but there are certain businesses where stock days increased beyond internal parameters.

Bidvest's net debt increased from R13.6 billion as at 30 June 2022 to R20.2 billion at the end of December 2022. At the start of the interim period, BIC was acquired for R1.7 billion by utilising available debt funding. Robust cash generated by the operations was invested in working capital, maintaining capital investment and paying dividends to shareholders. Our covenant net debt to adjusted EBITDA of 1.9x compared to 1.8x as at 31 December 2021. Interest cover was 9.4x (1H FY2022: 9.4x).

Corporate action

Corporate action, an integral part of our growth strategy, continued. We are participating in processes, both locally and offshore, which are in varying phases of completion. Engagement with regards to possible public private partnerships continues.

Effective 31 December 2022, Bidvest disposed of T&C, a Namibian distributor of local and imported fast moving consumer goods, as well as the related properties. We are pleased to have concluded this disposal process, which commenced in 2020, in accordance with the Group's strategy of divesting non-core businesses.

Bolt-on acquisitions of A², a complementary forklift hire business, Autosure, an underwriter of insurance and value-added products into the motor retail industry, and Sahicasa, a Spanish-based pest and hygiene services business, became effective during the period under review.

Previously reported as a subsequent event, Bidvest Australia acquired BIC effective 7 July 2022, as part of the Group's international growth strategy.

In total, R2.3 billion was attributed to acquisitions, all funded from existing debt resources.

Management changes

Kevin Wakeford, the Branded Products divisional CEO will retire effective 30 June 2023. Gail Solomon, currently the MD of the Consumer division of Adcock, has been appointed to succeed Kevin, effective 1 April 2023. Simultaneously, the Branded Products division will be restructured as follows: Adcock will be a standalone business, under the leadership of the current CEO, Andy Hall, while the balance of the division will remain unchanged as Branded Products, under the leadership of Gail.

Adcock is a separately listed subsidiary of Bidvest. The current strategy of Adcock remains unchanged and the business, under the leadership of the Adcock Board of Directors, will continue to operate independently. Kevin Wakeford will resign as non-executive director of Adcock, effective 31 March 2023, and Mark Steyn appointed in his stead, effective 1 April 2023.

Steve Keys, the Automotive divisional CEO will retire effective 31 December 2023. Carla Seppings, currently the Automotive divisional CFO, has been appointed to succeed Steve effective 1 July 2023. Carla has been part of the Automotive team since 2010.

Message to shareholders continued

Prospects

Activity in renewable energy, mining, agricultural, tourism and hospitality-related sectors is expected to remain healthy. Planned investments into alternative energy to mitigate the impact of the electricity crisis in South Africa will continue. Consumer disposable income pressure is anticipated to intensify throughout the calendar year. Demand for select bulk commodities is expected to remain robust, supporting terminal activity in the southern African ports. The improved performance from Financial Services should gain momentum.

We will remain disciplined on margin generation, nimble in offering a differentiated product and/or service and focused on expense management as competition intensifies, together with declining economic growth, suboptimal infrastructure as well as labour cost pressures.

The recent acquisitions are performing in line with expectations and growth opportunities have been identified to add incremental value. Several corporate action opportunities are currently being actively pursued and discussions continue with regards to capital intensive partnership opportunities in South Africa. The Group balance sheet remains able to support its growth strategy.

The Group

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

Divisional reviews

Services International

Trading profit was unchanged at R1.6 billion. This was expected as the non-repeat of Covid related work created a high base in our hygiene and cleaning services businesses, particularly in the first half of the previous financial year. Rising employee costs, inflation driven by a fuel and energy crisis and full employment made for challenging trading conditions, particularly in the United Kingdom. The facilities management businesses in South Africa, Ireland and Australia performed well, supported by new business wins. Underlying, hygiene pool growth continued unabated, and consumables increased as office occupancies improved. A reduction of customers' real estate footprints and the discontinuation of extended youth employment incentives are challenges. Sourcing and cost synergies remain areas of opportunity to sustain the annual profit of this division as it cycles the extraordinary FY2022 base. ROFE at 144.6% remains excellent.

Branded Products

The 14.3% higher trading profit, at R1.1 billion, is a first-rate result. All businesses performed well, considering a volatile exchange rate, supply chain challenges, significantly higher product, fuel and distribution costs. Adcock performed well which is attributed to its diverse and affordable product portfolio, excellent sales and marketing strategies and good cost management. The result from the Data, Print and Packaging cluster was pleasing. The Office Products and Consumer Products clusters benefitted from strong back-to-school demand, healthy office automation machine, furniture and luggage sales. Loadshedding severely impacted electrical appliance sales which, together with constrained consumer spending, left an over-stocked retail pipeline. The omni-channel approach to market adopted by many businesses is yielding good benefit. ROFE for the division was slightly lower at 29.8% and cost management was outstanding. Increased inventory days is mainly related to supply chain buffers.

Freight

Trading profit was outstanding at R1.1 billion, which is a 31.5% increase. The terminal operations, in South Africa and port services businesses, as well as the logistics businesses, with the exception of one, grew strongly. The demand for bulk minerals and LPG drove volume increases through the terminals and other ancillary businesses while higher activity in the automotive sector and new business contributed positively to clearing, forwarding and warehousing activities. A decline in maize volumes was partly offset by the increase in wheat, rice and sorghum imports, as well as soybean exports. The constrained South African rail capacity necessitates the bulk of cargo being received on road, resulting in some handling inefficiencies, and increasing the need for truck staging areas to alleviate congestion. Several investment projects are in progress and under consideration. ROFE is an excellent 51.9%.

Commercial Products

Trading profit increased 17.2% to R725.7 million, which is excellent considering the past two years of strong performances, and no public sector infrastructure spend. The strategic decision to bulk up the renewable energy business during the last two years has been a resounding success, with exponential revenue growth in the recent periods. There were strong contributions from the Trade, Warehousing and General Industrial clusters as it capitalised on the shift away from DIY to solar products, the resurrection of the local textile industry, greater warehousing demand and the recent A² acquisition. In a very price sensitive and competitive market, cost and margin management remain important focus areas. Inventory is high and needs to be reduced in line with improved supply chains. ROFE decreased slightly to 31.0%.

Message to shareholders continued

Services South Africa

A phenomenal 36.9% increase in trading profit, to R553.4 million, resulted from an exceptionally strong rebound in travel and hospitality-related services, an improvement in corporate occupancies as well as market share gains. Consequently, the Hospitality and Catering Services, Travel Services and Allied Services clusters performed particularly well. The Security and Aviation Cluster delivered a mixed performance with strong new contract wins in security and auxiliary operations but lower demand for air cargo services as airfreight capacity returned and activity reduced as a result of softer economic activity. Failing water and power infrastructure is posing challenges for the businesses within the Allied Cluster, but management is working on various sustainable solutions. ROFE was 114.6% and the cash generation was very strong.

Automotive

Trading profit rose an impressive 10.7% to R412.2 million, resulting in a slight margin uplift due to mix. Despite severe vehicle supply limitations at a major OEM for part of the period under review, 2.5% more new vehicles were retailed than in the comparative period. Tight consumer spending in South Africa has added additional pressures, most evident in volume brands and used cars while luxury vehicle sales remain strong. Used vehicle stock is becoming more freely available with new car supply stabilising, and several car rental companies de-fleeting, resulting in a normalisation of gross margin. Aftermarket activity has returned to pre-Covid levels in the volume brands while the consequences of a shrinking car parc, particularly in luxury vehicles, is evident in lower throughput. Used vehicles and aftermarket represents significant opportunities for this division, with this diversification now a key focus area. With the normalisation of new vehicle supply, ROFE moderated to 44.7%.

Financial Services

The anticipated turnaround is materialising, evidenced by the 10.2% increase in trading profit to R222.1 million. Core trading profit grew by 92.2% while investment income more than halved to R42.0 million. Capital deployment at Bidvest Bank has accelerated resulting in higher net interest income. Growth in net interest was compounded by the cumulative 350 basis points rate hikes coupled with a cheaper funding mix. Cross selling opportunities are actively pursued, while the digital client and business transformation journeys are underway. The Bank was the main driver of the improved performance augmented by a good performance from FinGlobal. The insurance cluster's contribution was higher than last year as Bidvest Life improved profitability. Compendium delivered another solid result, and the short-term insurance book is back into growth. Encouragingly, the cost to income ratio declined in Bidvest Bank reflecting a culture of cost discipline and strong growth in income. The divisional ROFE deteriorated to 3.2%, mostly due to the weak trading profit result in the second half of the previous year.

Bidvest Properties and Corporate

The Group owns a significant property portfolio, which is largely Bidvest occupied. Bidvest Properties delivered a strong result with trading profit up by 14.6% to R316.2 million, driven by rental escalations, declining vacancies and new projects rentalising. The portfolio spanning South Africa, Namibia and the United Kingdom has an estimated market value of almost R9.0 billion, double its book value.

Corporate costs remained well controlled. The trading losses from the now disposed, non-core, Namibian businesses were accounted for at the centre.

Directorate

In accordance with the section 3.59 of the JSE Listings Requirements, the board of directors of the Group advised shareholders that, effective 25 November 2022, Ms. Sibongile (Bongi) Masinga retired as independent non-executive director and Ms. Nonzukiso (Zukie) Siyotula resigned as independent non-executive director and member of the Audit Committee.

For and on behalf of the board

BF Mohale
Chairman

NT Madisa
Chief executive

Johannesburg
6 March 2023

Message to shareholders continued

Dividend declaration

In line with the Group dividend policy, the directors have declared an interim gross cash dividend of 437 cents (349.6000 cents net of dividend withholding tax, where applicable) per ordinary share for the six months ended 31 December 2022 to those members registered on the record date, being Friday, 31 March 2023. 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:	437.00000
Net dividend amount per share:	349.60000
Issued shares at declaration date:	340 274 346
Declaration date:	Monday, 6 March 2023
Last day to trade cum dividend:	Tuesday, 28 March 2023
First day to trade ex-dividend:	Wednesday, 29 March 2023
Record date:	Friday, 31 March 2023
Payment date:	Monday, 3 April 2023

Share certificates may not be dematerialised or rematerialised between Wednesday 29 March 2023 and Friday 31 March 2023, 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		% Change	Year ended 30 June
	2022 Unaudited	2021 Unaudited		2022 Audited
Revenue	57 209 574	50 196 400	14.0	99 929 074
Non-interest revenue	56 878 736	49 979 918		99 480 106
Interest revenue	330 838	216 482		448 968
Cost of revenue	(40 369 222)	(35 315 870)	14.3	(69 966 260)
Gross profit	16 840 352	14 880 530	13.2	29 962 814
Operating expenses	(11 026 316)	(9 932 275)	11.0	(20 268 608)
Net impairment losses on financial assets	(174 122)	(72 431)		(182 912)
Other income	172 316	202 348		218 744
Trading profit	5 812 230	5 078 172	14.5	9 730 038
Share-based payment expense	(171 304)	(166 957)		(294 156)
Acquisition costs and customer contracts amortisation	(193 389)	(160 359)		(341 567)
Net capital items	(51 141)	(5 245)		176 628
Profit before finance charges and associate income	5 396 396	4 745 611	13.7	9 270 943
Net finance charges	(918 101)	(790 667)	16.1	(1 592 489)
Finance income	379 600	54 376		132 184
Finance charges	(1 297 701)	(845 043)		(1 724 673)
Share of profit of associates and joint ventures	68 811	54 463	26.3	101 101
Current period earnings	68 811	54 463	26.3	101 317
Net capital items	-	-		(216)
Profit before taxation	4 547 106	4 009 407	13.4	7 779 555
Taxation	(1 226 454)	(1 072 942)	14.3	(2 332 248)
Profit for the period	3 320 652	2 936 465	13.1	5 447 307
Attributable to				
Shareholders of the Company	3 120 846	2 757 591	13.2	5 071 735
Non-controlling interest	199 806	178 874	11.7	375 572
	3 320 652	2 936 465	13.1	5 447 307
Basic earnings per share (cents)	918.2	811.3	13.2	1 492.2
Diluted basic earnings per share (cents)	916.6	810.1	13.1	1 490.0
Supplementary Information				
Normalised headline earnings per share (cents)*	983.4	852.9	15.3	1 601.5
Headline earnings per share (cents)	938.5	813.8	15.3	1 442.0
Diluted headline earnings per share (cents)	936.8	812.7	15.3	1 439.9
Shares in issue				
Total ('000)	339 888	339 888		339 888
Weighted ('000)	339 888	339 888		339 888
Diluted weighted ('000)	340 499	340 381		340 376

* Refer normalised headline earnings per share note for a detailed definition

Condensed consolidated income statement continued

for the

R000s	Half-year ended 31 December		% Change	Year ended
	2022 Unaudited	2021 Unaudited		2022 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	3 120 846	2 757 591	13.2	5 071 735
Impairment (reversal) of property, plant and equipment, right-of-use assets, goodwill and intangible assets	(17 500)	–		17 351
Property, plant and equipment [#]	–	–		5 121
Right-of-use assets [#]	–	–		(9 230)
Intangible assets [#]	(17 500)	–		21 454
Taxation effect	–	–		6
Net loss (gain) on disposal of interests in subsidiaries and disposal and closure of businesses [#]	139 833	3 378		(155 532)
Net loss (gain) on disposal and impairment of associates	–	14 150		(16 604)
Impairment of associates [#]	–	30 754		–
Net change in shareholding in associates [#]	–	(17 218)		(17 218)
Non-controlling interest	–	614		614
Net gain on disposal of property, plant and equipment and intangible assets	(20 577)	(8 457)		(15 892)
Property, plant and equipment [#]	(26 252)	(10 949)		(36 516)
Intangible assets [#]	–	–		15 293
Taxation effect	5 671	2 492		5 290
Non-controlling interest	4	–		41
Compensation received on loss or impairment of property plant and equipment	(32 806)	(518)		–
Compensation received [#]	(44 940)	(720)		–
Taxation effect	12 134	202		–
Non-headline items included in equity accounted earnings of associated companies	–	–		125
Non-headline items	–	–		216
Non-controlling interest	–	–		(91)
Headline earnings	3 189 796	2 766 144	15.3	4 901 183

[#] Items above included as capital items on condensed consolidated income statement

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, changes in deferred tax rates 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.

Headline earnings	3 189 796	2 766 144		4 901 183
Acquisition costs	28 187	17 139		58 517
Amortisation of acquired customer contracts	165 202	143 220		283 050
Taxation effect	(39 427)	(26 321)		(52 266)
Change in deferred tax rates	–	–		255 637
Non-controlling interest	(1 439)	(1 420)		(2 724)
Normalised headline earnings	3 342 319	2 898 762	15.3	5 443 397

Condensed consolidated statement of other comprehensive income

for the

R000s	Half-year ended 31 December	Year ended 30 June	
	2022 Unaudited	2021 Unaudited	2022 Audited
Profit for the period	3 320 652	2 936 465	5 447 307
Other comprehensive income net of taxation			
<i>Items that may be reclassified subsequently to profit or loss</i>	411 928	465 398	1 250 100
Increase in foreign currency translation reserve			
Exchange differences arising during the period	134 841	335 247	190 535
Increase in fair value of cash flow hedges	277 087	130 151	1 059 565
Fair value gain arising during the period	344 158	166 537	1 433 517
Taxation effect for the period	(67 072)	(36 386)	(373 953)
Other comprehensive income transferred to profit or loss	(63 321)	–	(1 161 065)
Realisation of exchange differences on disposal of subsidiaries and or associates	(13)	–	6 645
Hedging gains reclassified	(84 410)	–	(1 556 946)
Taxation effect	21 103	–	389 237
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in the fair value of financial assets recognised through other comprehensive income	15 416	1 260	2 834
Defined benefit obligations	–	–	(6 042)
Net remeasurement of defined benefit obligations during the period	–	–	(9 227)
Taxation effect for the period	–	–	3 185
Total comprehensive income for the period	3 684 675	3 403 123	5 533 134
Attributable to			
Shareholders of the Company	3 489 976	3 200 406	5 139 873
Non-controlling interest	194 699	202 717	393 261
	3 684 675	3 403 123	5 533 134

Condensed consolidated statement of cash flows

for the

R000s	Half-year ended 31 December	Year ended 30 June	
	2022 Unaudited	2021 Unaudited	2022 Audited
Cash flows from operating activities	(1 438 570)	1 233 564	5 587 689
Profit before finance charges and associate income	5 396 396	4 745 611	9 270 943
Dividends from associates	25 196	86 718	86 718
Acquisition costs	28 187	17 139	58 517
Depreciation and amortisation	1 878 903	1 783 888	3 590 848
Share based payment expense	169 646	159 862	288 460
Shares acquired by staff in settlement of share incentive scheme obligations	(211 666)	(70 671)	(215 104)
Impairments of associates	–	30 754	–
Impairment of goodwill and intangibles	(17 500)	–	21 454
Impairment of PPE and right-of-use assets	–	–	(4 109)
Fair value adjustment to investments	(54 163)	(97 432)	(34 128)
Loss (profit) on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	139 833	(13 840)	(172 750)
Decrease in life assurance fund	(37 854)	(36 510)	(62 300)
Remeasurement of post-retirement obligations	(2 506)	253	(7 002)
Other non-cash items	(25 538)	(35 299)	13 149
Cash generated by operations before changes in working capital	7 288 934	6 570 473	12 834 696
Changes in working capital	(5 548 483)	(2 621 988)	(1 369 047)
Increase in inventories	(2 012 728)	(164 305)	(1 215 160)
Increase in trade receivables	(646 363)	(913 162)	(2 390 372)
(Increase) decrease in banking and other advances	(601 781)	223 053	431 477
(Decrease) increase in trade and other payables and provisions	(2 238 503)	(1 705 618)	2 137 895
Decrease in amounts owed to bank depositors	(49 108)	(61 956)	(332 887)
Cash generated by operations	1 740 451	3 948 485	11 465 649
Net finance charges paid	(919 309)	(845 728)	(1 388 364)
Taxation paid	(940 106)	(739 317)	(1 989 508)
Dividends paid by the Company	(1 237 191)	(1 053 652)	(2 345 225)
Dividends paid by subsidiaries	(82 415)	(76 224)	(154 863)
– Non-controlling shareholders	(82 415)	(71 671)	(150 310)
– Put-call option holders	–	(4 553)	(4 553)
Cash effects of investment activities	(3 753 783)	(1 852 803)	(2 948 296)
Net additions to property, plant and equipment	(1 383 628)	(1 011 793)	(2 670 521)
Net additions to intangible assets	(103 833)	(251 991)	(331 633)
Acquisition of subsidiaries, businesses, associates and investments	(2 344 889)	(685 686)	(2 966 468)
Disposal of subsidiaries, businesses, associates and investments	78 567	96 667	3 020 326
Cash effects of financing activities	(1 114 359)	3 423 277	2 029 927
Repayment of lease liabilities	(665 861)	(618 160)	(1 251 802)
Settlement of puttable non-controlling interest liability	–	(39 299)	(39 299)
Transactions with non-controlling interests	(77 981)	(388)	(1 557)
Borrowings raised	656 161	19 176 587	20 492 288
Borrowings repaid	(1 026 678)	(15 095 463)	(17 169 703)
Net (decrease) increase in cash and cash equivalents	(6 306 712)	2 804 038	4 669 320
Net cash and cash equivalents at the beginning of the period	10 476 688	5 818 129	5 818 129
Exchange rate adjustment	113 737	270 974	(10 761)
Net cash and cash equivalents at end of the period	4 283 713	8 893 141	10 476 688
Net cash and cash equivalents comprise:			
Cash and cash equivalents	7 242 880	9 706 877	11 521 461
Bank overdrafts included in short-term portion of interest bearing borrowings	(2 959 167)	(813 736)	(1 044 773)
	4 283 713	8 893 141	10 476 688

Condensed consolidated statement of financial position

for the

R000s	Half-year ended 31 December		Year ended 30 June
	2022 Unaudited	2021 Unaudited	2022 Audited
ASSETS			
Non-current assets	59 555 992	55 482 315	55 687 654
Property, plant and equipment	15 469 018	14 303 512	14 901 527
Right-of-use assets	4 564 419	4 639 126	4 507 081
Intangible assets	14 488 373	14 340 468	13 633 353
Goodwill	15 807 947	14 467 918	14 085 245
Deferred taxation assets	1 537 337	1 417 892	1 518 704
Defined benefit pension surplus	264 667	252 230	264 667
Interest in associates and joint ventures	666 432	497 042	587 551
Life assurance fund	548 665	435 089	484 740
Investments	2 812 870	3 400 219	2 378 183
Currency swap derivative asset	1 717 107	153 901	1 339 439
Banking and other advances	1 679 157	1 574 918	1 987 164
Current assets	39 769 105	36 648 217	40 328 516
Inventories	13 362 478	10 317 753	11 375 865
Short-term portion of banking and other advances	1 397 011	1 107 893	487 223
Trade and other receivables	17 524 484	15 202 181	16 560 642
Taxation	242 252	313 513	383 325
Cash and cash equivalents	7 242 880	9 706 877	11 521 461
Total assets	99 325 097	92 130 532	96 016 170
EQUITY AND LIABILITIES			
Capital and reserves	34 135 100	31 136 268	31 875 342
Attributable to shareholders of the Company	30 550 721	27 742 979	28 366 633
Non-controlling interest	3 584 379	3 393 289	3 508 709
Non-current liabilities	31 166 980	29 822 081	30 591 509
Deferred taxation liabilities	4 295 194	3 941 696	4 092 040
Life assurance fund	301 738	251 808	275 668
Long-term portion of borrowings	21 940 236	20 864 497	21 571 043
Post-retirement obligations	71 046	77 292	73 551
Long-term portion of provisions	703 716	603 303	671 955
Long-term portion of lease liabilities	3 855 050	4 083 485	3 907 252
Current liabilities	34 023 017	31 172 183	33 549 319
Trade and other payables	18 127 457	16 534 162	20 498 175
Short-term portion of provisions	971 956	835 244	398 812
Vendors for acquisition	2 752	752	752
Taxation	788 803	764 390	661 467
Amounts owed to bank depositors	7 244 677	7 564 716	7 293 785
Short-term portion of borrowings	5 545 613	4 339 205	3 512 224
Short-term portion of lease liabilities	1 341 759	1 133 714	1 184 104
Total equity and liabilities	99 325 097	92 130 532	96 016 170
Supplementary Information			
Net asset value per share (cents)	8 988	8 162	8 346

Condensed consolidated statement of changes in equity

for the

R000s	Half-year ended 31 December	Year ended 30 June	
	2022 Unaudited	2021 Unaudited	2022 Audited
Equity attributable to shareholders of the Company	30 550 721	27 742 979	28 366 633
Share capital	17 014	17 014	17 014
Share premium	1 367 796	1 367 796	1 367 796
Foreign currency translation reserve	157 298	153 703	21 376
Balance at beginning of the period	21 376	(166 446)	(166 446)
Movement during the period	135 935	320 149	181 177
Realisation of reserve on disposal of subsidiaries and or associates	(13)	–	6 645
Hedging reserve	63 786	82 787	(154 006)
Balance at beginning of the period	(154 006)	(38 619)	(38 619)
Fair value losses arising during the period	263 761	154 391	(133 427)
Deferred tax recognised directly in reserve	(45 969)	(32 985)	18 040
Equity-settled share-based payment reserve	303 153	251 357	332 121
Balance at beginning of the period	332 121	(326 401)	(326 401)
Arising during the period	164 025	150 198	274 529
Deferred tax recognised directly in reserve	16 325	1 234	(1 885)
Utilisation during the period	(211 666)	(70 671)	(215 104)
Realisation of reserve on disposal of subsidiaries and or associates	(1 203)	–	–
Transfer of equity-settled share-based payment reserve as a result of changes in shareholding of subsidiaries	–	–	(2 609)
Transfer to retained earnings	3 551	496 997	603 591
Movement in retained earnings	27 963 912	25 191 057	26 103 669
Balance at the beginning of the period	26 103 669	24 005 009	24 005 009
Attributable profit	3 120 846	2 757 591	5 071 735
Changes in the fair value of financial assets recognised through other comprehensive income	15 416	1 260	2 570
Net remeasurement of defined benefit obligations during the period	–	–	(6 867)
Transfer of reserves as a result of changes in shareholding of subsidiaries	(35 277)	(32)	2 160
Remeasurement of put option liability	–	(22 122)	(22 122)
Net dividends paid	(1 237 191)	(1 053 652)	(2 345 225)
Transfer from equity-settled share-based payment reserve	(3 551)	(496 997)	(603 591)
Treasury shares	677 762	679 265	678 663
Balance at the beginning of the period	678 663	679 478	679 478
Purchase of shares by subsidiaries	(199 370)	(70 426)	(211 779)
Shares disposed of in terms of share incentive scheme	198 469	70 213	210 964
Equity attributable to non-controlling interests of the Company	3 584 379	3 393 289	3 508 709
Balance at beginning of the period	3 508 709	3 252 935	3 252 935
Total comprehensive income	194 699	202 717	393 261
Attributable profit	199 806	178 874	375 572
Movement in foreign currency translation reserve	(1 094)	15 098	9 358
Net movement in hedging reserve	(4 013)	8 745	7 242
Changes in the fair value of financial assets recognised through other comprehensive income	–	–	264
Net remeasurement of defined benefit obligations during the period	–	–	825
Dividends paid	(82 415)	(71 671)	(150 310)
Movement in equity-settled share-based payment reserve	8 136	9 664	13 931
Transfer of equity-settled share-based payment reserve as a result of changes in shareholding of subsidiaries	–	–	2 609
Equity-settled share-based payment reserve transferred to retained earnings	(2 530)	–	–
Changes in shareholding	(77 497)	(388)	(1 557)
Transfer of reserves as a result of changes in shareholding of subsidiaries	35 277	32	(2 160)
Total equity	34 135 100	31 136 268	31 875 342

Condensed disaggregated revenue

for the

R000s	Half-year ended 31 December		% Change	Year ended 30 June
	2022 Unaudited	2021 Unaudited		2022 Audited
Revenue				
Sale of goods ¹	32 155 644	28 609 301	12.4	58 925 533
Rendering of services ²	23 414 446	20 278 359	15.5	40 500 267
Commissions and fees earned ³	1 038 372	1 019 478	1.9	1 907 653
Billings relating to clearing and forwarding transactions ⁴	2 155 063	1 609 843	33.9	2 577 787
Interest ⁵	330 838	216 482	52.8	448 968
Insurance ⁶	314 110	268 609	16.9	577 653
	59 408 473	52 002 072	14.2	104 937 861
Inter-group eliminations	(2 198 899)	(1 805 672)	21.8	(5 008 787)
	57 209 574	50 196 400	14.0	99 929 074
Included in commissions and fees earned is R894 million (H1 2022: R856 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 International ²	15 627 243	13 632 759	14.6	26 526 256
Branded Products ¹	10 086 047	9 127 749	10.5	18 284 841
Freight ^{2, 4}	4 760 279	3 685 999	29.1	6 919 476
Commercial Products ¹	8 329 216	7 057 105	18.0	14 065 153
Services South Africa ²	4 279 323	3 495 186	22.4	7 718 441
Automotive ¹	12 378 615	11 545 195	7.2	23 239 644
Financial Services ^{3, 5, 6}	1 257 184	1 172 863	7.2	2 248 222
Properties ²	26 375	35 687	(26.1)	56 413
Corporate and Investments ¹	465 292	443 857	4.8	870 628
	57 209 574	50 196 400	14.0	99 929 074
Geographic disaggregation of revenue				
Southern Africa	45 196 623	39 692 924	13.9	79 582 271
International	12 012 951	10 503 476	14.4	20 346 803
	57 209 574	50 196 400	14.0	99 929 074

Condensed segmental analysis

for the

R000s	Half-year ended 31 December		% Change	Year ended 30 June
	2022 Unaudited	2021 Unaudited		2022 Audited
Segmental revenue				
Services International	15 872 056	13 856 889	14.5	27 449 466
Branded Products	10 725 323	9 570 803	12.1	19 082 709
Freight	5 056 946	3 929 995	28.7	7 446 212
Commercial Products	8 387 623	7 166 519	17.0	15 037 761
Services South Africa	4 542 518	3 710 564	22.4	8 225 664
Automotive	12 654 502	11 746 436	7.7	23 708 713
Financial Services	1 336 650	1 243 654	7.5	2 435 017
Properties	333 806	298 885	11.7	609 689
Corporate and investments	499 049	478 327	4.3	942 630
	59 408 473	52 002 072	14.2	104 937 861
Inter group eliminations	(2 198 899)	(1 805 672)	21.8	(5 008 787)
	57 209 574	50 196 400	14.0	99 929 074
Geographic region				
Southern Africa	47 383 209	41 498 596	14.2	84 447 866
International	12 025 264	10 503 476	14.5	20 489 995
	59 408 473	52 002 072	14.2	104 937 861
Segmental trading profit				
Services International	1 606 550	1 605 265	0.1	3 053 475
Branded Products	1 143 389	1 000 097	14.3	1 878 061
Freight	1 096 024	833 597	31.5	1 767 499
Commercial Products	725 652	619 356	17.2	1 174 422
Services South Africa	553 408	404 320	36.9	880 337
Automotive	412 155	372 453	10.7	819 032
Financial Services	222 146	201 639	10.2	85 599
Properties	316 159	275 761	14.6	563 304
Corporate and investments	(263 253)	(234 316)	12.3	(491 691)
	5 812 230	5 078 172	14.5	9 730 038
Geographic region				
Southern Africa	4 697 845	4 039 588	16.3	7 798 064
International	1 114 385	1 038 584	7.3	1 931 974
	5 812 230	5 078 172	14.5	9 730 038
Earnings before interest, taxation, depreciation and amortisation (EBITDA)				
Services International	1 917 046	1 855 155	3.3	3 557 100
Branded Products	1 260 534	1 105 125	14.1	2 090 955
Freight	1 226 103	948 844	29.2	1 999 457
Commercial Products	777 947	664 096	17.1	1 256 302
Services South Africa	706 062	563 609	25.3	1 162 765
Automotive	423 356	382 673	10.6	837 178
Financial Services	311 474	335 119	(7.1)	366 971
Properties	319 090	279 149	14.3	569 731
Corporate and investments	(260 285)	(231 737)	12.3	(471 200)
	6 681 327	5 902 033	13.2	11 369 259
Geographic region				
Southern Africa	5 347 728	4 678 396	14.3	9 114 326
International	1 333 599	1 223 637	9.0	2 254 933
	6 681 327	5 902 033	13.2	11 369 259

Condensed segmental analysis continued

for the

R000s	Half-year ended 31 December		% Change	Year ended 30 June
	2022 Unaudited	2021 Unaudited		2022 Audited
Segmental operating assets				
Services International	9 155 384	8 135 439	12.5	8 499 257
Branded Products	11 680 701	10 079 349	15.9	10 359 565
Freight	9 204 326	8 555 612	7.6	9 424 713
Commercial Products	7 630 828	6 116 309	24.8	6 820 867
Services South Africa	3 027 727	2 530 735	19.6	2 635 873
Automotive	4 946 038	3 737 466	32.3	4 061 288
Financial Services	8 530 938	8 470 540	0.7	7 393 310
Properties	4 430 350	3 891 220	13.9	4 347 247
Corporate and investments	478 634	986 445	(51.5)	783 214
	59 084 926	52 503 115	12.5	54 325 334
Inter group eliminations	(795 725)	(619 251)	28.5	(790 691)
	58 289 201	51 883 864	12.3	53 534 643
Geographic region				
Southern Africa	51 593 452	45 788 185	12.7	47 327 308
International	7 491 474	6 714 930	11.6	6 998 026
	59 084 926	52 503 115	12.5	54 325 334
Segmental operating liabilities				
Services International	6 854 728	6 751 245	1.5	6 503 559
Branded Products	4 730 122	4 076 009	16.0	4 662 587
Freight	5 226 399	4 481 041	16.6	5 939 046
Commercial Products	2 769 585	2 298 505	20.5	3 366 906
Services South Africa	1 887 918	1 673 331	12.8	1 920 395
Automotive	2 671 475	2 471 146	8.1	2 637 313
Financial Services	9 063 653	9 272 726	(2.3)	9 393 405
Properties	66 448	59 469	11.7	76 702
Corporate and investments	142 796	619 503	(76.9)	594 077
	33 413 124	31 702 975	5.4	35 093 990
Inter group eliminations	(795 725)	(619 251)	28.5	(790 691)
	32 617 399	31 083 724	4.9	34 303 299
Geographic region				
Southern Africa	27 511 679	25 767 130	6.8	29 611 475
International	5 901 445	5 935 845	(0.6)	5 482 515
	33 413 124	31 702 975	5.4	35 093 990

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 2022 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 2022.

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 condensed consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ending 30 June 2022. 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 2022.

Significant commitments

At 31 December 2022 no additional amounts (FY2022: R2 million) have been spent of the R500 million Bidvest Freight has committed to an LPG tank farm and terminal project in Isando Gauteng as a commercial rail solution has not yet been finalised, engagements with Transnet Freight Rail are on going. Bidvest Freight spent R8 million of the R172 million committed to the refurbishment and repurpose of three butadiene storage tanks at Bidvest Tank Terminals' Richards Bay facilities, the project remains on track to be completed by 31 August 2023. Expenditure on an environmental assessment has been authorised for the R550 million project to increase the multi-purpose storage tank capacity at Bidvest Freight's Richards Bay facility, the project is on track to be completed and commissioned in June 2024.

Fair value of financial instruments

The Group's investments of R2 813 million (H1 2022: R3 400 million) include R56 million (H1 2022: R138 million) recorded at amortised cost, R2 638 million (H1 2022: R3 145 million) recorded and measured at fair values using quoted prices (Level 1) and R119 million (H1 2022: R117 million) recorded and measured at fair value using factors not based on observable data (Level 3). Fair value gains on Level 3 investments recognised in the income statement total R4 million (H1 2022: R1 million).

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

	Half-year ended 31 December	Year ended 30 June	
	2022 Unaudited	2021 Unaudited	2022 Audited
Balance at the beginning of period	118 531	119 208	119 208
Fair value adjustment recognised directly in equity	(106)	–	919
Fair value adjustment arising during the period recognised in the income statement	3 994	1 118	4 778
Proceeds on disposal, repayment of loans or transfers to other categories	(3 368)	(3 151)	(6 374)
	119 051	117 175	118 531

The carrying values of all financial assets and liabilities approximate their fair values, with the exception of interest bearing borrowings of R26 billion whose carrying value is R28 billion.

Basis of presentation of condensed consolidated financial statements continued

Hedge accounting

In the 2022 financial year 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 US\$-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 foreign acquisitions, whose functional currencies are GBP. The Board of Directors has concluded that an effective cashflow hedging relationship exists and IFRS 9 hedge accounting has been applied. The non-current financial asset derivative instrument included in the Condensed Consolidated Statement of Financial Position at period end is R2 billion (£83 million); during the current period R29 million (£1 million) was credited to finance charges in the Condensed Consolidated Income Statement; a currency valuation adjustment in the amount of R84 million (£4 million) was credited to interest bearing borrowings and R218 million (£13 million) credited to the hedging reserve, net of R48 million (£2 million) deferred taxation, through the Condensed Consolidated Statement of Other Comprehensive Income.

On application of hedge accounting the R84 million (£4 million) currency valuation adjustment to borrowings was debited to the Condensed Consolidated Statement of Other Comprehensive Income and credited against the unrealised foreign exchange loss initially recognised in the Condensed Consolidated Income Statement. The change in the fair value of the derivative instrument, in terms of the requirements of IFRS9, amounting to a gain of R307 million (£15 million) was recognised to the cash flow hedge reserve given that the hedge relationship was concluded to be effective.

Business combinations

Acquisition of businesses, subsidiaries, associates and investments

Bidvest Services International via The Bidvest Group Australia acquired 100% of the ordinary share capital and voting rights of B.I.C Services Pty Limited (BIC), effective 7 July 2022. The acquisition price of AUD163 million (R2 billion) was funded from the Group's international bond proceeds raised in September 2021. BIC is a leading provider of niche integrated facilities management services across office, commercial and education sites in Australia. The acquisition provides an important foothold, which will allow the Group to expand its hygiene, cleaning and facilities management business in the Asia Pacific region.

On 1 July 2022 Bidvest Material Handling, a division of Bidvest Commercial Products, acquired the assets and liabilities of the A² Group of companies for R92 million utilising existing cash resources and facilities. The acquisition of the A² businesses supplements Bidvest Material Handling's product range and introduces an electric materials handling rental business to the Group.

On 26 October 2022 Serkonten (Spain), a component of Bidvest Services International, acquired 100% of the share capital and voting rights of Servicios Antiplagas, Higiene Y Control Ambiental S.A.U. (Sahicasa) for EUR2 million (R39 million) utilising existing cash resources and facilities. Sahicasa provides pest control, environmental and personal hygiene services, and water and environmental control services in Spain. The acquisition extends Serkonten's existing pest control footprint in Spain.

Effective 1 November 2022 Bidvest Financial Services acquired 100% of the ordinary share capital and voting rights of F&I products and Consulting Services (Pty) Ltd and its subsidiaries Autosure (Pty) Ltd and Autosure Cover (Pty Ltd (Autosure) for R16 million. Autosure is an underwriting management agency specialising in insurance and value-added products and services in the South African motor retail industry. The acquisition, funded with existing cash resources and facilities, complements the Group's existing value-added insurance products and services business by providing an additional platform to sell the augmented products and services offering to a new and broader range of clients.

Basis of presentation of condensed consolidated financial statements continued

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	BIC	Other	Total
Identifiable assets and liabilities acquired			
Property, plant and equipment	55 647	117 645	173 292
Right-of-use assets	27 213	5 472	32 685
Deferred taxation	(96 745)	338	(96 407)
Interest in associates and joint ventures [^]	–	37 854	37 854
Investments and advances [^]	–	442 044	442 044
Inventories	3 293	18 515	21 808
Trade and other receivables	131 120	67 308	198 428
Cash and cash equivalents	116 781	19 628	136 409
Borrowings	(14 182)	(63 773)	(77 955)
Lease liabilities	(28 159)	(6 503)	(34 662)
Trade and other payables and provisions	(275 921)	(82 931)	(358 852)
Taxation	1 696	579	2 275
Intangible assets	633 335	–	633 335
	554 078	556 176	1 110 254
Goodwill	1 284 441	60 416	1 344 857
Net assets acquired	1 838 519	616 592	2 455 111
<i>Settled as follows:</i>			
Cash and cash equivalents acquired	(116 781)	(19 628)	(136 409)
Acquisition costs	–	–	28 187
Net change in vendors for acquisition	–	(2 000)	(2 000)
Net acquisition of businesses, subsidiaries, associates and investments	1 721 738	594 964	2 344 889
Trade and other receivables stated net of the following loss allowances			
Expected credit loss allowances	(11 499)	(469)	(11 968)
Contribution to results for the period			
Revenue	861 732	125 279	987 011
Profit	134 991	13 815	148 806
Contribution to results for the period if the acquisitions had been effective on 1 July 2022			
Revenue	861 732	161 616	1 023 348
Profit	134 991	15 648	150 639

[^] Includes purchases of R432 million in the Group's various investment portfolios, primarily those of Bidvest Bank and Bidvest Insurance ("Other" column)

[^] R38 million advance to associate, Strait Access Technologies ("Other" column)

The fair values of the assets and liabilities have been determined provisionally for the BIC acquisition and resulted in the identification of definite life customer relationship intangible assets in the amount of R421 million and indefinite life brand intangible assets of R212 million. The Multi-Period Excess Earnings Method (MPEEM), using cash flows attributable to the customer related intangible asset, was used to value Customer Relationships, which were estimated to have a Remaining Useful Life (RUL) of 10 years. An existing customer attrition rate of 20.0% was applied to forecasted existing customer revenues. A Weighted Average Cost of Capital (WACC) in a range of 12.0% to 13.4%, plus a premium of 0.25%, was applied in the valuation. The Relief from Royalty Method has been utilised to determine the fair value of the BIC brand, which has been in existence for over 30 years and therefore concluded to have an indefinite future life. The use of a royalty rate of 2.5% was informed by market data for similar transactions that occurred in the last five years and the profitability of BIC. A portion of the residual goodwill is supported by the identified trained and assembled workforce.

Goodwill arose on the acquisition 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 acquisitions have enabled the Group to expand its range of complementary products and services and, as a consequence, has broadened the Group's base in the market place.

Basis of presentation of condensed consolidated financial statements continued

Disposal of businesses, subsidiaries, associates and investments

Effective 31 December 2022, the Group disposed of its entire interest in the Taeuber and Corrsen Group of companies (T&C), principally Taeuber & Corrsen SWA (Pty) Ltd, Rennies Logistics (Pty) Ltd and T&C Properties (Pty) Ltd for R55 million. T&C is a Namibian countrywide provider of distribution, sales, marketing and merchandising services for quality consumer goods, representing major international and local product brands. The disposal is in accordance with the Group's strategy of divesting from non-core businesses and geographies.

During September 2022 the Group disposed of its entire interest in Mubelo Electrical Ltd, a Mauritian electrical distribution company for R1 million.

Effective 1 December 2022, the Group disposed of its entire interest in Bidvest Wealth and Employee Benefits (Pty) Ltd, a South African employee and group benefits administrator for R6 million.

The disposals are in keeping with the Group's strategy of divesting from non-core businesses.

R000s	T&C	Other	Total
Property, plant and equipment	(121 416)	(1 544)	(122 960)
Right-of-use assets	(1 599)	(12 966)	(14 565)
Deferred taxation	32 160	(4 033)	28 127
Investments and advances ^o	–	(76 936)	(76 936)
Inventories	(52 802)	(4 855)	(57 657)
Trade and other receivables	(153 506)	(293)	(153 799)
Cash and cash equivalents	(3 880)	(6 117)	(9 997)
Lease liabilities	1 693	16 683	18 376
Trade and other payables and provisions	110 649	2 699	113 348
Taxation	61	–	61
Intangible assets	(963)	(11)	(974)
	(189 603)	(87 373)	(276 976)
Non-controlling interest	–	(484)	(484)
Realisation of foreign currency translation reserve	–	13	13
Realisation of share-based payments reserves	–	1 203	1 203
Goodwill	–	(2 084)	(2 084)
Net assets disposed	(189 603)	(88 725)	(278 328)
<i>Settled as follows:</i>			
Cash and cash equivalents sold	3 880	6 117	9 997
Net loss on disposal of operations	134 603	5 230	139 833
Net receivable arising on disposal of subsidiaries and associates ^o	55 000	(5 069)	49 931
Net proceeds on disposal of businesses, subsidiaries, associates and investments	3 880	(82 447)	(78 567)

^o Includes disposals of R77 million in the Group's various investment portfolios, primarily those of Bidvest Bank and Bidvest Insurance ("Other" column)

[^] R55 million proceeds on the disposal of T&C were received in January 2023

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 3 March 2023.

