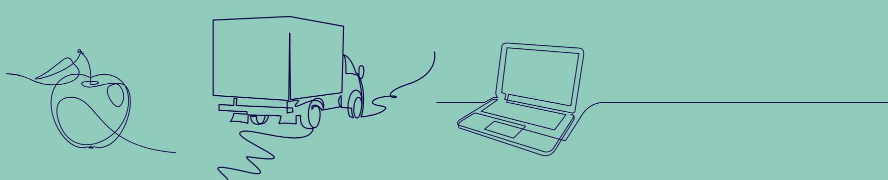
Bidcorp

Unaudited results for the half year ended

December 31 2022



Food | Service | Technology

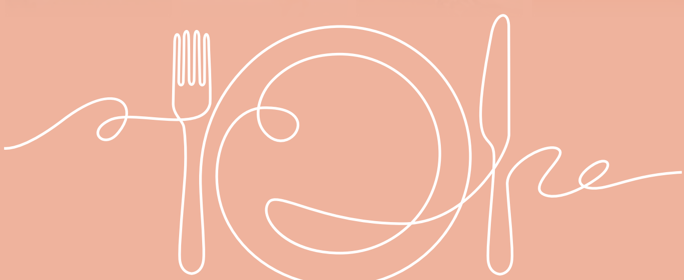
Bidcorp's entrepreneurial and decentralised business model, the depth and experience of our management teams, and the strength of the group's culture, positions the group for sustained growth in the future.

It's all about the food, service, and technology

Who we are

Bidcorp:

- is a complete foodservice solution serving customers in 35 countries
- people are entrepreneurial and incentivised to be so
- runs as a decentralised group with best practices widely shared
- growth is organic, acquisitive-organic through bolt-ons, and acquisitive
- believes that balance sheet conservatism is a competitive financial advantage
- is at the forefront of foodservice digital commerce with its dynamically evolving proprietary technology
- embraces environment, social, and governance criteria within its day-to-day operations and integrated reporting framework
- business model continues to be relevant, proven over more than three decades, and is scalable



Financial highlights

Revenue
R91,8bn
(H1F2022: R71,6bn)

↑ 28,1%

Constant currency ↑ 25,0%

Trading profit
R4,9bn
(H1F2022: R3,4bn)

↑ 43,9%

Constant currency ↑ 39,9%

HEPS
971,7 cents
(H1F2022: 668,0 cents)

↑ 45,5%

Constant currency ↑ 41,6%

Distribution per share
440,0 cents
(H1F2022: 300,0 cents)

↑ 140,0 cents ↑ 46,7%

Segmental highlights (in constant currency)

United Kingdom

Revenue	Trading profit
R23,3bn	R0,9bn
↑ 24,4%	↑ 56,8%

Europe

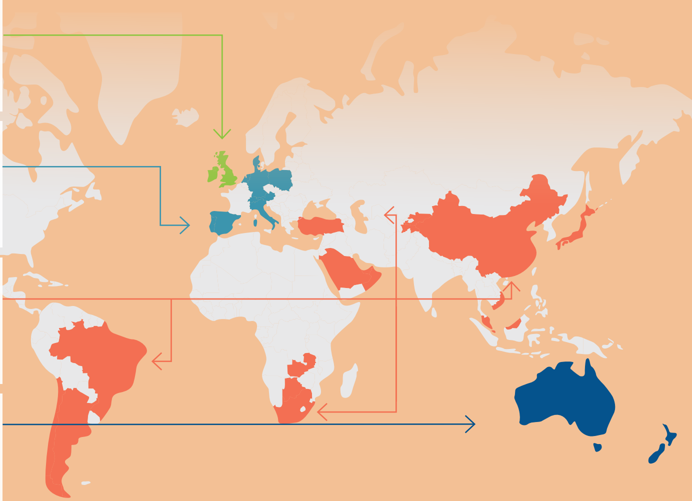
Revenue	Trading profit
R31,2bn	R1,6bn
↑ 29,4%	↑ 39,3%

Emerging Markets

Revenue	Trading profit
R14,2bn	R0,8bn
↑ 10,5%	↑ 13,0%

Australasia

Revenue	Trading profit
R21,0bn	R1,5bn
↑ 30,9%	↑ 51,5%



Condensed interim consolidated statement of profit or loss

for the

R'000	Half year ended December 31 2022 Unaudited	Half year ended December 31 2021 Unaudited	% change	Year ended June 30 2022 Audited
Revenue	**91 748 567**	71 627 600	28,1	147 138 311
Cost of revenue	**(70 095 821)**	(54 499 729)	(28,6)	(111 495 826)
Gross profit	**21 652 746**	17 127 871	26,4	35 642 485
Operating expenses	**(16 800 139)**	(13 756 246)	(22,1)	(28 051 710)
Trading profit	**4 852 607**	3 371 625	43,9	7 590 775
Share-based payment expense	**(98 575)**	(69 146)		(161 258)
Acquisition costs	**(17 899)**	(8 046)		(16 320)
Capital items	**3 136**	(42 109)		(333 150)
Operating profit	**4 739 269**	3 252 324	45,7	7 080 047
Net finance charges	**(421 250)**	(324 606)	(29,8)	(689 754)
Finance income	**61 347**	24 805		58 244
Finance charges	**(482 597)**	(349 411)		(747 998)
Share of profit of associates and jointly controlled entities	**47 953**	31 230	53,5	39 718
Monetary (loss) gain arising from hyperinflation in Türkiye	**(9 991)**	–		69 215
Profit before taxation	**4 355 981**	2 958 948	47,2	6 499 226
Taxation	**(1 064 701)**	(733 417)	(45,2)	(1 584 987)
Profit for the period	**3 291 280**	2 225 531	47,9	4 914 239
Attributable to:				
Shareholders of the company	**3 246 776**	2 192 840		4 824 720
Non-controlling interest	**44 504**	32 691		89 519
	3 291 280	2 225 531		4 914 239
Shares in issue ('000)				
Total	**335 404**	335 404		335 404
Weighted	**333 909**	334 113		334 062
Diluted weighted	**334 608**	334 552		334 970
Total operations (cents)				
Basic earnings per share	**972,4**	656,3	48,2	1 444,3
Diluted basic earnings per share	**970,3**	655,5	48,0	1 440,3
Headline earnings per share	**971,7**	668,0	45,5	1 538,3
Diluted headline earnings per share	**969,7**	667,2	45,3	1 534,1
Distributions per share (cents)	**440,0**	300,0	46,7	700,0

Condensed interim consolidated statement of other comprehensive income

for the

R'000	Half year ended December 31 2022 Unaudited	Half year ended December 31 2021 Unaudited	Year ended June 30 2022 Audited
Profit for the period	**3 291 280**	2 225 531	4 914 239
Other comprehensive income	**1 292 835**	2 165 620	903 551
Items that may be classified subsequently to profit or loss	**1 292 835**	2 165 620	910 468
Foreign currency translation reserve			
Increase in foreign currency translation reserve	**1 292 835**	2 165 620	909 270
Cash flow hedges	**–**	–	1 198
Fair value gain	**–**	–	1 577
Taxation relief	**–**	–	(379)
Items that will not be reclassified subsequently to profit or loss			
Defined benefit obligations	**–**	–	(6 917)
Remeasurement of defined benefit obligations	**–**	–	(6 555)
Deferred taxation relief	**–**	–	(362)
Total comprehensive income for the period	**4 584 115**	4 391 151	5 817 790
Attributable to			
Shareholders of the company	**4 524 863**	4 327 740	5 782 651
Non-controlling interest	**59 252**	63 411	35 139
	4 584 115	4 391 151	5 817 790

Headline earnings

for the

R'000	Half year ended December 31 2022 Unaudited	Half year ended December 31 2021 Unaudited	% change	Year ended June 30 2022 Audited
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	**3 246 776**	2 192 840		4 824 720
Impairments	**324**	49 116		141 475
Property, plant and equipment	**400**	47 634		99 094
Intangible assets	**–**	7 106		37 448
Goodwill	**–**	–		25 601
Taxation relief	**(76)**	(5 624)		(20 668)
Associates	**(1 848)**	–		–
Share of associate capital items	**(2 651)**	–		–
Taxation charge	**803**	–		–
Capital profit on disposal of property, plant and equipment	**(618)**	(5 523)		(56 218)
Property, plant and equipment	**(884)**	(7 787)		(56 513)
Taxation charge	**266**	2 264		295
Insurance proceeds in relation to an impairment of property, plant and equipment	**–**	(1 102)		(3 378)
Insurance proceeds	**–**	(1 530)		(4 692)
Taxation charge	**–**	428		1 314
(Profit) loss on disposal of interests in subsidiaries	**–**	(3 314)		232 212
Headline earnings	**3 244 634**	2 232 017	45,4	5 138 811

Condensed interim consolidated statement of cash flows

for the

R'000	Half year ended December 31 2022 Unaudited	Half year ended December 31 2021 Unaudited Re-presented[1]	Year ended June 30 2022 Audited Re-presented[1]
Cash flows from operating activities	**460 022**	124 947	3 483 490
Operating profit	**4 739 269**	3 252 324	7 080 047
Dividends from jointly controlled entity	**–**	–	20 051
Acquisition costs	**17 899**	8 046	16 320
Depreciation and amortisation	**770 944**	706 201	1 460 901
Depreciation on right-of-use lease assets	**477 112**	393 203	844 545
Nowaco share incentive scheme	**–**	(16 622)	(16 430)
Non-cash items	**119 569**	139 526	534 777
Cash generated by operations before changes in working capital	**6 124 793**	4 482 678	9 940 211
Changes in working capital	**(3 066 117)**	(1 776 281)	(1 983 500)
Cash generated by operations	**3 058 676**	2 706 397	7 956 711
Finance charges paid	**(352 796)**	(281 707)	(599 620)
Taxation paid	**(904 241)**	(958 126)	(1 525 772)
Dividends paid	**(1 341 617)**	(1 341 617)	(2 347 829)
Cash effects of investment activities	**(2 419 969)**	(1 378 335)[1]	(3 379 734)[1]
Additions to property, plant and equipment	**(2 011 370)**	(1 132 648)	(2 930 155)
Acquisition of subsidiaries	**(375 791)**	(215 659)	(818 114)
Additions to intangible assets	**(66 967)**	(69 283)	(152 597)
Proceeds on disposal of property, plant and equipment	**38 513**	103 579	593 842
Proceeds on disposal of investments	**22 928**	12 382	30 835
Proceeds on disposal of interests in subsidiaries	**–**	–	3 440
Receipts (payments to) from associates	**13 836**	1 744	(17 670)
Proceeds on disposal of intangible assets	**6 186**	–	–
Payments made to vendors for acquisition	**(33 529)**	(15 572)	(23 173)
Investments acquired	**(13 775)**	(62 878)	(66 142)
Cash effects of financing activities	**1 690 633**	147 349[1]	(869 350)[1]
Borrowings raised	**5 276 389**	2 460 065	7 943 760
Borrowings repaid	**(2 953 938)**	(1 856 612)	(7 736 449)
Right-of-use liability payments	**(535 010)**	(447 275)	(862 451)
Payments made to puttable non-controlling interests	**(43 605)**	(1 226)[1]	(49 476)[1]
Receipts from (payments to) non-controlling interests	**9 807**	(7 603)	(26 559)
Treasury shares purchased	**(63 010)**	–	(138 175)
Net decrease in cash and cash equivalents	**(269 314)**	(1 106 039)	(765 594)
Cash and cash equivalents at beginning of period	**7 398 250**	8 120 639	8 120 639
Exchange rate adjustment	**286 974**	463 191	255 095
Hyperinflation effect on cash and cash equivalents	**(10 676)**	–	(211 890)
Cash and cash equivalents at end of period	**7 405 234**	7 477 791	7 398 250

[1] *Refer to statement of cash flow re-presentation note.*

Condensed interim consolidated statement of financial position

as at

R'000	December 31 2022 Unaudited	December 31 2021 Unaudited	June 30 2022 Audited
ASSETS			
Non-current assets	**44 210 030**	40 816 340	40 493 131
Property, plant and equipment	**19 396 176**	17 075 991	17 298 876
Right-of-use lease assets	**4 692 266**	4 055 061	4 501 704
Intangible assets	**729 927**	723 432	694 435
Goodwill	**17 044 945**	16 668 290	15 755 681
Deferred taxation asset	**1 452 850**	1 440 178	1 394 294
Defined benefit pension surplus	**22 169**	22 029	22 169
Interest in associates	**197 194**	156 808	178 703
Investment in jointly controlled entities	**546 916**	531 121	516 916
Investments and loans	**127 587**	143 430	130 353
Current assets	**42 175 302**	34 251 105	39 074 357
Inventories	**15 865 182**	12 038 317	13 757 645
Trade and other receivables	**18 904 886**	14 734 997	17 918 462
Cash and cash equivalents	**7 405 234**	7 477 791	7 398 250
Total assets	**86 385 332**	75 067 445	79 567 488
EQUITY AND LIABILITIES			
Capital and reserves	**34 362 434**	31 194 085	31 103 472
Attributable to shareholders of the company	**34 006 288**	30 880 266	30 843 156
Non-controlling interest	**356 146**	313 819	260 316
Non-current liabilities	**18 071 314**	12 108 494	16 726 268
Deferred taxation liability	**777 908**	740 537	758 336
Long-term borrowings	**6 824 005**	1 566 476	5 978 502
Long-term right-of-use lease liabilities	**5 213 340**	4 756 489	5 129 946
Post-retirement obligations	**34 293**	28 282	32 543
Long-term vendors for acquisition	**110 378**	47 803	115 477
Long-term puttable non-controlling interest liabilities	**4 389 211**	4 266 826	4 006 503
Long-term provisions	**722 179**	702 081	704 961
Current liabilities	**33 951 584**	31 764 866	31 737 748
Trade and other payables	**26 499 243**	21 889 728	26 653 020
Short-term provisions	**303 894**	297 456	287 719
Short-term vendors for acquisition	**117 106**	178 125	49 128
Short-term puttable non-controlling interest liabilities	**212 694**	71 689	266 658
Taxation	**587 397**	81 583	396 843
Short-term right-of-use lease liabilities	**1 033 349**	928 122	947 331
Short-term borrowings	**5 197 901**	8 318 163	3 137 049
Total equity and liabilities	**86 385 332**	75 067 445	79 567 488
Net tangible asset value per share (cents)	**4 839**	4 022	4 291
Net asset value per share (cents)	**10 139**	9 207	9 196

Condensed interim consolidated statement of changes in equity

for the

R'000	Half year ended December 31 2022 Unaudited	Half year ended December 31 2021 Unaudited	Year ended June 30 2022 Audited
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Stated capital	**5 428 016**	5 428 016	5 428 016
Treasury shares	**(273 920)**	(203 871)	(284 653)
Balance at beginning of period	**(284 653)**	(272 679)	(272 679)
Shares disposed of in terms of share incentive plans	**73 743**	68 808	126 201
Shares purchased during the period	**(63 010)**	–	(138 175)
Foreign currency translation reserve	**9 071 423**	9 341 788	7 793 336
Balance at beginning of period	**7 793 336**	7 206 888	7 206 888
Opening reserve adjustment for hyperinflation effects	**–**	–	(320 329)
Realisation of reserve on foreign subsidiaries	**–**	–	15
Arising during the period including hyperinflation effects	**1 278 087**	2 134 900	906 762
Hedging reserve	**1 198**	–	1 198
Balance at beginning of period	**1 198**	–	–
Fair value gain arising during the period	**–**	–	1 577
Deferred taxation recognised directly in reserve	**–**	–	(379)
Equity-settled share-based payment reserve	**848 863**	336 513	615 554
Balance at beginning of year	**615 554**	346 364	346 364
Arising during the period from operations	**98 575**	69 146	165 560
Deferred tax recognised directly in reserve	**–**	–	3 697
Utilisation during the period from operations	**(73 743)**	(85 430)	(126 201)
Transfer from retained earnings	**208 477**	6 433	226 134
Retained earnings	**18 930 708**	15 977 820	17 289 705
Balance at beginning of period	**17 289 705**	15 146 713	15 146 713
Attributable profit	**3 246 776**	2 192 840	4 824 720
Dividends paid	**(1 341 617)**	(1 341 617)	(2 347 829)
Remeasurement of puttable non-controlling interest	**13 359**	(3 678)	(2 038)
Recognition of puttable non-controlling interest liabilities	**(42 266)**	–	(86 138)
Remeasurement of defined benefit obligations	**–**	–	(6 917)
Deficit as a result of an exchange with non-controlling interest	**(26 772)**	(10 005)	(12 657)
Transfer from foreign currency translation reserve	**–**	–	(15)
Transfer to equity-settled share-based payment reserve	**(208 477)**	(6 433)	(226 134)
	34 006 288	30 880 266	30 843 156
Equity attributable to non-controlling interests of the company			
Balance at beginning of period	**260 316**	232 872	232 872
Total comprehensive income	**59 252**	63 411	35 139
Attributable profit	**44 504**	32 691	89 519
Opening reserve adjustment for hyperinflation effects	**–**	–	(56 888)
Movement in foreign currency translation reserve	**14 748**	30 720	2 508
Dividends paid	**–**	(8 169)	(28 239)
Share of movement on reserves	**487**	609	–
Transfer to puttable non-controlling interest liabilities	**(42 266)**	–	(194 110)
Changes in shareholding	**78 357**	25 096	214 654
	356 146	313 819	260 316
Total equity	**34 362 434**	31 194 085	31 103 472

Condensed interim segmental analysis

for the

R'000	Half year ended December 31 2022 Unaudited	 2021 Unaudited	 % change	Year ended June 30 2022 Audited
REVENUE				
Bidfood				
Australasia	**21 752 049**	16 002 910	35,9	33 343 369
United Kingdom	**23 120 860**	18 699 205	23,6	37 818 927
Europe	**31 580 690**	24 115 197	31,0	50 077 127
Emerging Markets	**15 294 968**	12 810 288	19,4	25 898 888
	91 748 567	71 627 600	28,1	147 138 311
TRADING PROFIT				
Bidfood	**4 925 845**	3 421 109	44,0	7 687 487
Australasia	**1 543 380**	981 495	57,2	2 330 923
United Kingdom	**908 828**	583 146	55,8	1 533 213
Europe	**1 579 358**	1 113 886	41,8	2 382 215
Emerging Markets	**894 279**	742 582	20,4	1 441 136
Corporate	**(73 238)**	(49 484)		(96 712)
	4 852 607	3 371 625	43,9	7 590 775

Comment

Bidcorp has delivered an excellent trading performance for the half year, benefiting from resurgent demand across the hospitality, tourism, and leisure industries. This performance is a testament to our strategy implemented by our experienced global teams over many years, our entrepreneurial and decentralised operating model, along with the continuing support of our loyal customer and supplier base.

Headline earnings per share (HEPS) increased by 45,5% to 971,7 cents per share (H1F2022: 668,0 cents per share), with basic earnings per share (EPS) increasing by 48,2% to 972,4 cents per share (H1F2022: 656,3 cents per share). Currency volatility positively impacted the rand-translated results by 3,9%, with constant currency HEPS of 945,9 cents per share being recorded.

Activity for the half year continued the momentum seen in the latter part of F2022, with most economies rebounding strongly. Normal seasonality resulted in a positive festive season through December, however, weather-related events in the northern hemisphere did impact the UK and European businesses. Australasia delivered a fantastic performance. Emerging Markets showed real growth and resilience, and further improvements as the business models mature and evolve.

Overall demand in the hospitality markets maintained the buoyancy seen in the latter part of F2022, assisted by inflationary impacts, but well surpassing pre-COVID-19 (COVID) levels. Our exposure to office catering in major cities has reduced over the years shielding many businesses from the slow recovery in this segment. Refinement of our exposure across all segments of our diverse customer base remains a continual exercise in both the discretionary and non-discretionary spend segments.

Operating conditions in the period have remained challenging, high food inflation remains underpinned by higher labour, energy, and fuel costs, which have not moderated as yet. Labour scarcity, ongoing supply chain disruptions, and certain product shortages remain prevalent.

Our teams around the world are flexible, nimble, and highly adaptive to the evolving environment and these results are because of this commendable performance.

Investment activity has remained strong as the businesses prepare for anticipated continued growth, both in distribution capacity and bolt-on acquisitions.

Distribution

The board has declared an interim cash dividend of 440,0 cents per share for the half year ended December 31 2022 (H1F2022: 300,00 cents per share), representing approximately 2,2 times HEPS cover, in line with group policy.

Financial overview

Net revenue of R91,8 billion (H1F2022: R71,6 billion) rose by 28,1% (constant currency increase of 25,0%). Revenue across all divisions was significantly higher than H1F2022, reflecting the benefits of high inflation but also representing real double-digit growth in activity levels. In all cases, each division exceeded that of the pre-COVID levels achieved in H1F2020.

Gross profit percentage at 23,6% (H1F2022: 23,9%) held up very well in the current inflationary environment. In a few businesses, we have taken strategic decisions to maintain volumes by sacrificing some margins and in others, margins are impacted as there is a timing lag in repricing customer contracts in the national accounts sector. In the main, most businesses have been able to substantially pass through product and cost inflation increases.

The overall cost-of-doing-business decreased from 19,2% in H1F2022 to 18,3% currently, well below the pre-COVID levels of 18,8%. On a constant currency basis, the group achieved cost efficiencies with a 19,4% increase in operating costs against an increase in revenues of 25,0%. Management has run the businesses very efficiently despite rising employee costs, high energy and fuel prices, and ongoing inefficiencies from supply chain disruptions.

Group trading profit increased by 43,9% to R4,9 billion (H1F2022: R3,4 billion) and the trading margin achieved was 5,3% (H1F2022: 4,7%), surpassing those achieved pre-COVID.

Net finance charges (excluding IFRS 16 charges) were significantly higher by 45,7% at R223,9 million (H1F2022: R153,7 million) driven by higher working capital, ongoing investments into facility expansions, higher dividend payments to shareholders, and a materially higher interest rate environment across all financial markets.

Cash generated by operations before working capital was R6,1 billion, R1,6 billion more than that generated in H1F2022. Bidcorp, however, absorbed working capital of R3,1 billion reflecting an increase of R1,3 billion on H1F2022. In terms of monthly average net working capital days, the 12,1 days (H1F2022: 7,2 days) has increased, however, our working capital percentage to revenue at 4,5% sits well within our normalised target of 4,0% to 5,0%. Despite revenue being 34,5% higher than H1F2020 (last pre-COVID interim trading period), monthly average net working capital days are better by 1,6 days. However, there are a number of businesses running higher than intended working capital levels, which remains a focus for the second half.

Gross investments in property, plant, and equipment of R2,0 billion (H1F2022: R1,1 billion) reflect a step-up in expanding capacity, the largest portion of which has been in Australia. Six bolt-on acquisitions were concluded at a cost of R375,8 million, expanding either our in-country geographic reach or product range in all of our trading divisions.

Non-IFRS 16 net debt to EBITDA at 0,4 times (H1F2022: 0,3 times) and non-IFRS 16 EBITDA interest cover at 24,3 times (H1F2022: 25,4 times) remains well within group covenants and in line with the group's philosophy of maintaining conservative gearing within the operating environment. Bidcorp remains well capitalised and retains adequate headroom for further organic and acquisitive growth.

Bidcorp cares

In two of the territories in which we operate, Türkiye and New Zealand, recent natural disasters have caused significant loss and suffering to the local communities. Our businesses in these regions and around the world have responded with food donations to alleviate some of the desperate need experienced by those impacted. Our thoughts are with those communities who have suffered at this time.

Prospects

Bidcorp's strategic focus remains on the wholesaling of food and allied products to the eating-out-of-home market, focusing on growth through selling to the correct mix of customers, serviced by well-located infrastructure, and enabled by world-class technology solutions. This strategy is supplemented via in-territory bolt-on acquisitions to expand geographic reach and product ranges, or via strategic acquisitions to enter new markets.

Organic growth remains the primary focus of all businesses through broadening our service offering to our existing customer base while gaining new customers. Further development of our product sourcing capabilities, both local and imported, is creating the opportunity to expand our Own Brand offering. Small, but strategic, investments are also being made into value-add product opportunities to further enhance the product range.

Operating conditions are likely to remain volatile and challenging with ongoing staff shortages, supply chain disruptions, and stubbornly high inflation. Despite the anticipated slowdown in discretionary spend due to tougher economic conditions, current activity levels across our diverse customer base remain positive, fortunately with no significant evidence of a slowdown yet.

Capex investments, principally into strategic distribution facilities to provide for future capacity, will remain elevated to cater for anticipated organic growth. Integral to these investments, is the deployment of new technologies for renewable energy, refrigeration, energy efficiency, and logistics optimisation in an environmentally and cost-efficient way. Bidcorp's target of a 25% reduction in carbon emissions by 2025 is well within our grasp.

Post-December 2022, two bolt-on acquisitions have been concluded in the UK and others are under consideration across the group. No new geographic-market acquisitions have presented themselves, but we are alert to any potential opportunities should they become evident.

Our ecommerce and digital technology solutions continue to drive innovation in our businesses in a cost effective, high-impact way. Our digital strategy is a competitive advantage, designed to facilitate real-time, user-friendly, positive engagements with our customers and suppliers.

We continue to invest to develop our technology and data capability to support our growth strategy.

Management is optimistic that Bidcorp should continue to see the benefits of the current strategy play out through its businesses in the global foodservice industry. Trading into January and February has held up well notwithstanding normal seasonality, particularly in the Northern Hemisphere and Asia. There are many obstacles in various economies, consumer confidence is waning, and many operational challenges remain, however, we are confident that we have the management teams and the business model to continue to deliver real growth into the second half of the financial year.

Australasia

Exceptional results were achieved off a comparative base that had been impacted by COVID-related restrictions. Revenue for the half year increased 35,9% to R21,8 billion (H1F2022: R16,0 billion). Demand in the region has been buoyant and the businesses have responded well. Trading profit was up 57,2% to R1,5 billion (H1F2022: R981,5 million), an excellent performance on the back of a good recovery, despite the ongoing acute labour challenges experienced throughout the region. Growth opportunities lie in the identification of customers and product categories where we are able to create value through the manufacture or procurement of key products, and where we can work closely with our customers to unlock these mutually beneficial opportunities.

Australia has delivered an excellent first-half performance. Looking after the team has been key, with focused retention and incentivisation programmes paying off, to keep our team strong and to attract good staff to meet the growing demand. Food inflation is at an all-time high, and the expense base is starting to feel inflationary pressure. Continued efforts to maintain margins and to navigate the ongoing labour and supply chain challenges into H2 remain, although indications of some easing are apparent.

Foodservice achieved well above prior period results, with profits reported in all operating businesses. Indications support that we are gaining market share. Labour costs, especially overtime costs in city centres, remain high. The National Sales Team have been closely managing the right customer mix, using training events and innovative social media tools to grow awareness in the market. The Lismore branch, impacted by the Q3F2022 floods, is due to reopen in H2. Investment into new purpose-built facilities provides additional capacity to accommodate forecast growth. Newly acquired, Variety Foods, has performed well, and this business will move into the new Western Australian Malaga (Perth) branch, due to be opened in Q4.

Supply Solutions continued to perform with all product lines, except hygiene (being COVID-related PPE), exceeding expectation. Further investment into additional storage capacity is planned as this business continues to grow.

Our manufacturing business, Simply Food Solutions, now a key part of the future growth strategy, has delivered positive results.

We are sustainably focused on our capex allocation, particularly in new buildings, all fitted with solar panels and zero-emission cooling systems. In addition, we continue to replace end-of-life motor vehicles, material handling, and refrigeration equipment, to maximise our energy efficiency.

New Zealand maintained the excellent first-quarter performance, benefiting from the robust rebound after lockdowns, as well as embracing the holiday season. Results were the strongest on record. Resurgent international tourism should continue to fuel this trajectory into H2. Sales were boosted by inflation, but the key driver has been ongoing margin management, reflecting the work in passing on price increases and in ensuring the rising costs impact is captured in the margin expectations.

Fuel cost increases, labour shortages, and wage inflation pressures remain, and have not yet shown signs of abatement. Across the country, the horeca sector continues to implement cost-saving measures such as reducing operating hours and simplifying menus to counter some of these pressures. Our teams are sensitive to these adjustments, identifying value-add opportunities to support our customers, while also keeping abreast of these challenges within our own operations.

Foodservice had an outstanding period with sales volumes and margins higher than previously recorded, supported by tightly managed operating costs. A solid focus has been placed on driving growth in free trade, which has delivered in all regions. Maintaining the required staffing levels has been a constant pressure, requiring wage increases and robust staff development programmes to attract and retain good staff.

The supply side of the Fresh business was challenging throughout Q2, due to the high food inflation. Supply chain disruptions continued, as growers grappled with staff shortages, coupled with the unpredictable weather conditions, adding to pricing and margin pressures. Focus on margin protection and consistency of supply has set our operations apart, and is reflected in the excellent results.

Simply Food Solutions (SFS), our newest division comprising the previous Manufacturing and Bidfood Imports business, had a strong start to the year, with the rebound in Prepared Produce being especially pleasing. A strong shift towards value-add products has been noted, as customers are appreciating these products offer a solution to their own staffing challenges. SFS benefited from improved yields following the investment into new processing equipment. Imports, in spite of supply chain challenges and a very expensive delivery route, continue to grow from strength to strength.

Logistics remains a tough market, with tight margins, that has not performed to expectation. The exit of a key QSR customer has had a short-term impact, caused by our decision not to cut headcount, as we rolled this business back into Foodservice.

Capex investments principally relate to the purchase of trucks, all meeting the Euro 6 emissions standard. Fleet capex continues to be challenging with long lead times on trucks and bodies showing no signs of improvement.

United Kingdom (UK)

Following on from a turbulent first quarter both politically and economically in the UK, there were some green shoots of recovery in the second quarter. Revenue increased a pleasing 23,6% to R23,1 billion (H1F2022: R18,7 billion), with trading profit also up 55,8% to R908,8 million (H1F2022: R583,1 million). We remain vigilant to the inflationary pressures experienced by our customers, and ensure that price review increases embrace opportunities to continue to protect volumes and margins.

Wholesale delivered a good result, despite severe weather conditions and rail strikes dampening a usually very busy festive season. Overheads remain the key challenge with relatively fixed wage costs, and high energy and fuel costs. An operational pay simplification exercise has been completed to support the recruitment and retention of a flexible, multi-skilled workforce. Fuel, energy, and currency hedging programmes are in place to control costs. Rollout of new sales contract wins will have a positive impact in H2.

The **Caterfood Buying Group (CBG)** recorded improved profits, benefiting from the acquisition of Nicol Hughes. All CBG businesses achieved good growth, with the exception of Elite which has had a challenging few months. CBG will be boosted in H2 following the acquisitions of Harvest Fine Foods (from January 16) and Thomas Ridley (from January 20). The Manufacturing division is profitable, with Simply Foods delivering a particularly good result.

Fresh continued the strong Q1 performance through Q2, with solid profit growth achieved. Seafood continues to perform well, with margins holding up. Meat sales have grown, and Produce looks forward to adding a major new account in Q4, which will add good volume through the business.

Digitisation strategies and investment into the IT infrastructure continue, with a strong focus on continued improvements to the IT security posture. Innovative solution developments and the successful implementation of a cloud-based environment have bolstered our digital customer journey.

A new *People and Sustainability Vision, Mission and Purpose* has been launched. The vision is to create outstanding leaders to develop talent and drive the business forward. Work has also commenced on interrogating our carbon emissions trajectory towards setting net-zero target plans.

Europe

Revenue performance for the half year was pleasing, up 31,0% to R31,6 billion (H1F2022: R24,1 billion). Trading profit results increased to R1,6 billion, up 41,8% on the prior period (H1F2022: R1,1 billion). Sales held up very well through the northern hemisphere summer across all businesses, benefiting from inflation against a relatively normal comparative period.

Netherlands experienced a strong Q2, well above pre-COVID levels, a testament to the success of focusing on the right customer mix. Inflationary price increases were passed on as margins were maintained. Ongoing cost pressures remain, although some easing of energy and fuel prices was noted. Staff absenteeism remains high, and is getting management's attention. Expense and operational pressures did not detract from performance, reflected in the excellent results. Additional investment into inventory was intentional, buying ahead of the price increases. Investment into a new depot, Zierikzee, is on schedule for completion in Q3; and the new Hague property development is underway, with occupancy planned in April 2024.

Belgium ended the calendar year with revenues exceeding expectations and the prior period. Pleasingly, trading profit followed suit. Q2 results were positively impacted by three full months of trading activity within the education sector. Over exposure to the national account and institutional sector remains structural. Controlling overheads is a key management focus, aggravated by the rising labour, fuel and energy costs, as well as wider persistent cost inflationary pressures. Catering, which has been impacted by the lag in the return-to-office rebound, remains behind pre-COVID activity levels. Outside of city centres, people have returned to eating-out-of-home social activities. Recently acquired Foster Fast Food, contributed positively as the market embraced QSR meal options, which also benefited our business in Thuin. Wholesale performed slightly above expectation and our horeca businesses performed well.

Czech Republic and Slovakia have felt the full impact of the significant inflationary pressures across the whole cost base and with their retail customers. In spite of these unprecedented conditions, the operations were able to produce record trading results. Supply chain pressures moderated as demand dropped off and shipping routes opened up, thus reducing costs. The Russia-Ukraine war continues to present uncertainty in the region, and this has impacted volumes in the horeca market. Solar investments continue to both ease the rising energy costs as well as positively contribute towards reducing the environmental impact. A further five sites have been earmarked to have solar installations completed in the coming half year.

Italy ended the second quarter with record revenues. Trading profits were up, as the cost-of-doing-business improved. Purchasing ahead of the inflation curve resulted in higher inventory levels at the end of December, but the benefit thereof will be realised into the second half. Stricter payment terms applicable to certain suppliers have been legislated, adding to the working capital pressures. Navigating the Europe-wide challenges of labour shortages, food inflation, supply chain disruptions, and the fallout of the conflict in Ukraine is ongoing.

Poland achieved excellent revenue, margin, and trading profit results in H1, comfortably beating all previous trading periods. Profitable revenue, driven by getting the customer mix correct, has again proven the success of this strategy. Despite the significant inflationary pressures, the freetrade segment thrived. Increasing product pricing, energy and fuel costs, and wage pressures were actively managed throughout the period. Ongoing tension from the Russia-Ukraine war continues, but opportunities present as the region comes together to support those most vulnerable. Investment into further digitising customer engagement and warehouse processes continues to deliver efficiencies and support growth. A new depot was opened in Nowy Targ in December 2022. Solar panels have been installed in the Poznan depot, and more installations are planned, as the business realises its green energy targets.

In **Germany**, a good summer and strong start to Q2 was somewhat dampened by poor trading through December. Supply chain challenges and increased wage pressures fuelled uncertainties within the consumer environment, which dampened activity levels through the festive season. Reorganisation of the team into focused product categories should promote product knowledge and specialisation. Austria was profitable, with good prospects ahead.

Baltics delivered good revenue growth in both Lithuania and Latvia, with both regions achieving record profit performances. Foodservice sales have been excellent. Unprecedented cost increases in the fuel and energy sector have impacted cost management, although signs of this cost pressure starting to ease is now evident. The Estonian acquisition, Fruit Xpress, was completed in December 2022, a fresh and multi-temp food wholesaler in the foodservice sector. Further investment into expanding the current freezer capacity is planned to meet growth demands. The foodservice market has maintained its momentum overall, and management is confident of a strong second half.

Spain overall has had a difficult first half, with food inflation up. Declining volumes through October and November impacted both the Guzman and Igartza operations. A stronger December was not enough to show any real growth in the period. On the positive side, a new acquisition of a bread and pastry business, Euskopan, was completed in December 2022, and an investment into land for a new depot in San Sebastian will increase capacity. A leadership change late in the period will allow the business to realign itself in the coming months.

Portugal delivered an excellent result. Significant changes in the horeca market added to the uncertainty, but our team was able to successfully navigate these pressures. Maintaining margins was a key focus area and labour retention was a challenge. Further investment to meet the increasing demand is being made into the new Sintra depot in Lisbon, and investigations are underway to build a new site in Porto. A successful rebranding of the business to Bidfood Portugal was completed in December 2022.

Emerging Markets

The Emerging Markets businesses continued to report progressively stronger growth, with current activity levels significantly improved. Revenue in the segment was up 19,4% to R15,3 billion (H1F2022: R12,8 billion) and trading profit up 20,4% to R894,3 million (H1F2022: R742,6 million). Greater China had a tough first half as a result of continued COVID restrictions, but notwithstanding, delivered an improved trading performance. Markets opened late in the second quarter and activity levels are resuming. We are confident of a better second-half trading performance.

Bidcorp Food Africa (BFA) achieved excellent results, on the back of an impressive performance in our foodservice business. Facing significant infrastructural challenges from the constant power blackouts disrupting nation-wide economic activity, our teams have navigated this superbly. Many customers and suppliers have closed down or significantly downscaled to improve their chance of survival. This challenge, accompanied by the significant inflationary cost pressures, has necessitated our businesses to embrace even more creative solutions to maintain their current growth trajectory.

Bidfood South Africa (Bidfood) achieved outstanding half-year results, exceeding pre-COVID levels in revenue and trading profits. Pent-up demand for dining out continued through the summer and excellent results were achieved in the independent channel. National accounts sales improved, with hotel occupancy only slightly below pre-COVID levels. Airline catering struggled due to fewer flights and reduced food offering onboard. Industrial caterer's channel was up on the prior period, nearing pre-COVID levels as office workers returned. Bidfood's expenses were well managed given the revenue growth. Working capital came under pressure, impacted by the late arrival of frozen chips during the Transnet strike and strategic buy-ins of hake fillets and sugar. Bidfood continues to make improvements in the IT environment. Investment in human capital and transformation continues. Bidfood is optimistic of a strong second half, despite high inflation and electricity blackouts challenges.

Crown Food Group (CFG) has struggled to avoid the impact of the high inflation and low economic growth. The ongoing blackouts have impacted independent butcheries and production in the meat and chicken processing sectors. Wholesale customers have also chosen to hold less inventory due to the downturn in demand. A loyalty programme was launched in September 2022. The increase in expenses was well managed, with major increases relating to salary and wages. Delivery-related expenses increased due to the fuel price. Capex investment into manufacturing facilities and vehicles was incurred. Tough trading conditions are expected to continue.

Chipkins Puratos (CP) (50% equity accounted) achieved pleasing profit growth. Inflation was passed onto customers with margins maintained across most categories. Revenue in the retail channel increased but this was impacted by the intentional exit of a customer. Expenses increased due to the increased provision for bad debts and higher delivery costs. Capex spend was on the new powder plant, delivery vehicles, and the cream yeast installations. CP will seek to grow its position in manufactured products. Expansion projects in the industry and export segments are ongoing. The trading conditions on commodities and yeast are challenging, and small bakeries have been impacted by continuous blackouts.

Bidfood Properties finalised the new Gqeberha development for Bidfood and CFG. Construction of the new Johannesburg South multi-temp facility is due to commence later this year.

Greater China has been severely impacted by the COVID-related restrictions, limiting dine-out and travel across the region. In December, the government abruptly reversed its zero-COVID policy leading to a massive wave of infections, spreading through the major cities, impacting consumer confidence. We maintained regular deliveries to our customers throughout the quarter by reallocating resources despite significant health-related absenteeism.

Hong Kong's revenue performance had been sluggish compared to the prior period, until mid-December when the pivot in COVID policies was announced. Consumer sentiment improved and revenues rebounded strongly. The faster-than-expected reopening of mainland China will accelerate the pace of Hong Kong's economic recovery.

Singapore had a strong quarter, increasing both revenue and trading profits. A rebrand to Bidfood Singapore, previously Angliss Singapore, was completed, now with three trading divisions: Angliss (Broadline), Bidfood Innovations (previously FoodPride), and Gourmet Partner (Premium products). Inflation continued to drive price increases in food, transport, and utilities. Expenses increased due to higher labour costs, increased third-party storage, container storage, and significantly higher electricity tariffs. The small Vietnam business has not performed to expectation, largely because of the slow return of tourists, but we are hopeful of improved results in H2.

Malaysia had a challenging second quarter, impacted by the earlier monsoon season, flash floods, and political instability. Bidfood Malaysia is primarily focused on foodservice. Gourmet Partner has grown, despite the unfavourable environment and supply chain shortages. In September 2022, the business completed a 60% acquisition of a small business based in Kota Kinabalu Sabah (Borneo Islands). A positive festive season and the introduction of the Illy coffee range offset some of the earlier challenges. Investment into additional fleet and warehouse capacity is planned.

The **Middle East (BME)** delivered great H1 results, well above the prior period. All regions participated in achieving growth, albeit at the loss of some margin following a change in customer mix and combined with multiple inflationary price increases, negatively impacted volumes. Margins have also been impacted by the liquidation of slow-moving stock items in the UAE and Saudi Arabia, and the change in product mix across the region. Increased expenses were driven by additional distribution and storage costs (due to higher inventory levels), and increased payroll expenses. The Food Fabrique acquisition was completed in October 2022, with a real contribution anticipated from this business in Q3 during the tourist season.

Türkiye closed the period with record revenues. Despite the high inflation environment and several food price increases, demand for consumer goods has increased. Trading through increased utility prices and high inflation was challenging, however, all businesses were profitable. New depots are now in operation in Izmir and Ankara, with new facilities in Antalya and a second premises in Istanbul planned for H2.

South America delivered a good result, in spite of market challenges, political change, and high inflation pressures across the region. Investment into growing the national footprint in each county, supported by embracing digitisation strategies, is paying off.

In **Brazil**, the foodservice market was stable through the second quarter, tracking a gradual revenue upward curve until mid-December which saw a sharp decline as the festive season began. Margins grew following the addition of protein to the product portfolio. Profits were pleasing, up on the prior period, commendable in light of wage increases following tough union negotiations. Integration of the recent acquisitions incurred some costs, but synergistic benefits are anticipated as new processes are bedded down. Investment in positioning a gastronomic experimental kitchen offering has commenced growing market presence and customer and supplier engagement.

Chile performed well through Q2, with revenue and trading profits improving on the first quarter. Protein product categories were still the strongest contributors, despite the significant drop in poultry volumes in Q2, as a result of a bird flu outbreak. Cross-selling in foodservice channels has strengthened margins, supported through increased use of the myBidfood platform. The two branches that were opened in the prior year, Punta Arenas and La Serena, contributed positively.

Argentina (46% equity accounted) exceeded revenue and trading profit expectations. Progress has been made in identifying further acquisition opportunities in Buenos Aires, and expanding our national footprint with a new depot in Córdoba later this year.

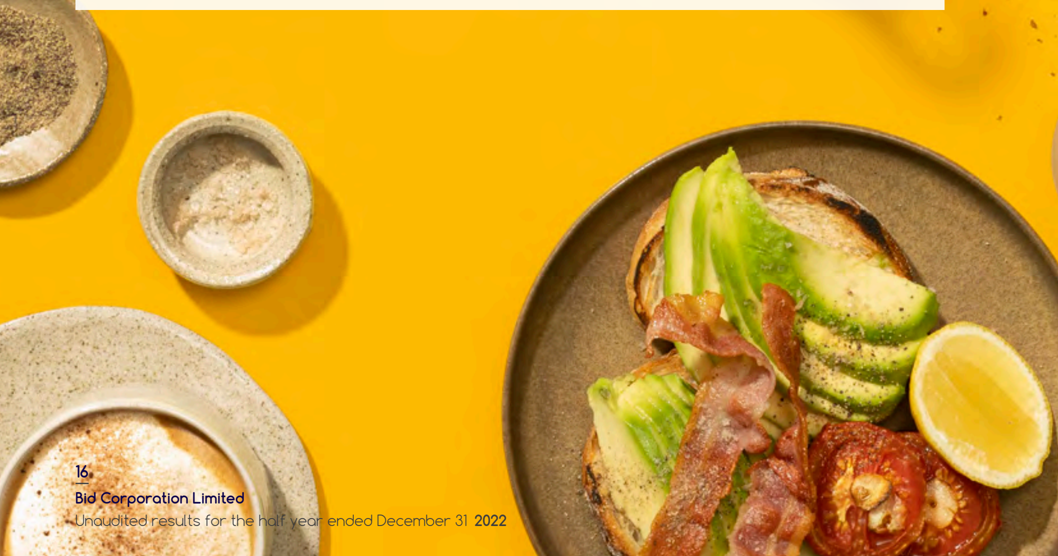
Corporate

BidOne continues to deliver world-class ecommerce and digital solutions, embracing real-time "AI" as well as experiential learning from within the group. Significant benefit is enjoyed by those businesses embarking on their digital strategy journey. The maturity of the BidOne operations continues to develop, reflected in enhanced depth in leadership and support.

Bidfood Procurement Community (BPC) expended significant efforts to strengthen and grow supplier and customer relationships post-COVID, which are now starting to bear fruit. Despite supply chain constraints and Chinese-based COVID restrictions, BPC has again delivered a satisfactory result. The team continues to develop product categories, product knowledge and insight, researching and confirming suppliers' certifications with internationally recognised food safety accreditations.

BL Berson
Chief executive officer

DE Cleasby
Chief financial officer



Dividend declaration

In line with the group dividend policy, the directors declared an interim gross cash dividend of 440,0 cents (352,0 cents net of dividend withholding tax, where applicable) per ordinary share for the six months ended December 31 2022 to those members registered on the record date, being Friday, March 24 2023.

The dividend will be paid out of income reserves. A dividend withholding tax of 20% is applicable to all shareholders who were not exempt.

Share code:	BID
ISIN:	ZAE000216537
Company registration number:	1995/008615/06
Company tax reference number:	9040946841
Gross cash dividend amount per share:	440,0 cents
Net dividend amount per share:	352,0 cents
Issued shares at declaration date ('000):	335 404
Declaration date:	Wednesday, February 22 2023
Last day to trade cum dividend on the JSE:	Monday, March 20 2023
First trading day ex dividend on the JSE:	Wednesday, March 22 2023
Record date:	Friday, March 24 2023
Payment date:	Monday, March 27 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, March 22 2023 to Friday, March 24 2023, both days inclusive.

For and on behalf of the board

AK Biggs

Company secretary representative

Johannesburg
February 22 2023

Basis of presentation of the condensed interim consolidated financial statements

The condensed interim consolidated financial statements have been prepared in accordance with the JSE Limited Listings Requirements for interim reports, and the requirement of the Companies Act of South Africa applicable for condensed interim consolidated financial statements. The Listings Requirements require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, and include disclosure as required by IAS 34 *Interim Financial Reporting* and the Companies Act of South Africa. The accounting policies applied in the preparation of the condensed interim consolidated financial statements from which the condensed interim consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

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

Preparation and results

These results for the half year ended December 31 2022 have not been audited or reviewed by the group's auditors.

The condensed interim consolidated financial statements have been prepared by CAM Bishop CA(SA), under the supervision of DE Cleasby CA(SA), and were approved by the board of directors on February 21 2023.

Statement of cash flows re-presentation

The group made the following re-presentation to the statement of cash flows and have adjusted comparatives accordingly.

Cash effects from payments made to puttable non-controlling interests were reclassified from cash effects from investing activities to cash effects from financing activities. The subsequent purchase by the group of a subsidiary's equity instruments is now accounted for as an equity transactions and is classified in the same way as transactions with owners described in IAS 7.17. The comparatives were re-presented to show this cash flow activity change. This representation had no impact on the group's cash and cash equivalents or statement of financial position.

R'000	Previously reported H1F2022	Payments to puttable NCI re-presented as financing activities	Re-presented H1F2022
Operating activities	124 947	–	124 947
Investing activities	(1 379 561)	1 226	(1 378 335)
Financing activities	148 575	(1 226)	147 349
Movement in cash and cash equivalents	(1 106 039)	–	(1 106 039)

Accounting estimates, judgements and fair values

During the period, the **expected credit loss** provision increased from 5,8% (June 30 2022) to 6,1% at December 31 2022. The ECL percentage remains elevated compared to 2019 (pre-COVID ECL percentage of 4,5%) as we operate in times of economic uncertainty (Russia-Ukrainian war and rampant global inflation), heightened cash flow pressures on independent free trade customers and possible changes to the macro-economic environment (ie economic recession). It is possible that estimates and actual uncollectible amounts will differ, and additional charges may be required; however, it is also possible that reductions in the group's provision for bad debts could also occur over time.

As at December 31 2022, the provision for **stock obsolescence** is 2,2% of gross inventory (H1F2022: 2,9%).

The group has applied judgement to recognise subsequent measurement changes in the **puttable NCI liabilities** in accordance with the principles of IFRS 10.23. Changes in assumptions used to estimate the future purchase price of the puttable NCI liabilities are recorded directly in retained earnings in the statement of changes in equity. There is diversity in practice as to whether to recognise subsequent measurement changes in the carrying amount in profit or loss or equity. The total remeasurement changes of the puttable NCI liabilities during the year was R13,4 million (credit) (H1F2022: R3,7 million (debit)).

Hyperinflationary accounting requires transactions and balances of each reporting period to be presented in terms of the measuring unit current at the end of the reporting period to account for the effect of loss of purchasing power during the period. The group has applied the Turkish consumer price index (CPI) (as determined by TURKSTAT) as the general price index to restate amounts as it provides an official observable indication of the change in the price of goods and services. From July 1 2020, the cumulative CPI at December 31 2022 is 91,0 (June 30 2022: 76,5), which has been used to restate amounts. CPI provides an official observable indication of the change in the price of goods and services. Hyperinflation accounting for Türkiye resulted in the group recording a net monetary loss of R10,0 million.

Significant commitments

The group's policy is to maintain a strong capital base to sustain future development of the businesses so that it can continue to provide benefits to its stakeholders. During H1F2023, R2,1 billion of the R3,4 billion F2023 approved capital expenditure has been spent mainly on infrastructure capex (through upgrades to (or new) distribution centres including the fit out of plant and equipment, purchase of land and vehicle fleet). For H2F2023, significant capital commitments will involve:

- Australia – continued infrastructure investment into Lismore, Queensland to rebuild the refrigeration damaged in the floods and Malaga, Western Australia – to grow capacity.
- New Zealand – to start construction on Taupo distribution centre and purchase land in Kerikeri.
- United Kingdom – infrastructure investment for Glasgow distribution centre (expected opening March 2023) and continued replacement of vehicle fleet.
- Poland – infrastructure investment in Wroclaw.

Related parties

The group has a related party relationship with its subsidiaries and associates. Key management personnel has been defined as the executive and non-executive directors of the company. The definition of key management includes the close members of family of key management personnel and any other entity over which key management exercise control.

The group encourages its employees to purchase food products from group companies. These transactions are generally conducted on terms similar to those with third parties, although in some cases nominal discounts are granted. Transactions with key management personnel are conducted on similar terms. No abnormal or non-commercial credit terms are allowed, and no impairments were recognised in relation to any transactions with key management personnel during the year, nor have they resulted in any non-performing debts at December 31 2022.

Trading relationships with associates and jointly controlled entities are generally concluded on terms similar to those of third parties and there are no abnormal or non-commercial credit terms allowed. No impairments of associates or jointly controlled entities were recognised during the period (H1F2022: nil).

Revenue disaggregation

Composition of revenue

- Revenue comprises amounts earned from customers from the sale of frozen, chilled, ambient and non-food products (goods) and from the rendering of services.
- Revenue is disclosed net of value added taxation.
- Revenue is net of returns and allowances, trade discounts and volume rebates, all of which have been apportioned to the sale of goods.

	December 31			June 30
R'000	**2022 Unaudited**	2021 Unaudited	% change	2022 Audited
Sale of goods – frozen	**33 663 287**	26 206 430	28,5	53 156 263
Sale of goods – chilled	**24 419 459**	19 490 487	25,3	40 318 102
Sale of goods – ambient	**29 184 135**	22 379 182	30,4	46 140 256
Sale of goods – non-food	**4 333 351**	3 408 313	27,1	7 241 749
Rendering of services and commissions earned	**148 335**	143 188	3,6	281 941
	91 748 567	71 627 600		147 138 311
Revenue percentage by customer type				
Hotels, restaurants and cafés	**42%**	40%		41%
Caterers, butcheries and canteens	**14%**	13%		13%
Retail, wholesalers and other distributors	**13%**	14%		14%
Quick service restaurants	**12%**	15%		14%
Healthcare and aged care	**8%**	9%		9%
Education	**6%**	5%		5%
Travel (airlines and cruise liners)	**3%**	2%		2%
Government-related customers	**2%**	2%		2%
Analysis of revenue per country by percentage				
United Kingdom	**25%**	26%		26%
Australia	**16%**	15%		15%
Netherlands	**9%**	8%		9%
New Zealand	**8%**	8%		8%
Italy	**7%**	7%		6%
Czech Republic	**6%**	5%		6%
People's Republic of China and Hong Kong	**5%**	7%		6%
Belgium	**5%**	5%		5%
South Africa	**5%**	5%		5%
Other	**14%**	14%		14%

Financial instruments

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

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

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

	Non-current assets (liabilities)			Current liabilities		
R'000	Investments	Puttable non-controlling interests	Vendors for acquisition	Puttable non-controlling interests	Vendors for acquisition	Total
December 31 2022						
Financial assets measured at fair value	**29 262**	**–**	**–**	**–**	**–**	**29 262**
Financial liabilities measured at fair value	**–**	**(4 389 211)**	**(110 378)**	**(212 694)**	**(117 106)**	**(4 829 389)**
December 31 2021						
Financial assets measured at fair value	29 715	–	–	–	–	29 715
Financial liabilities measured at fair value	–	(4 266 826)	(47 803)	(71 689)	(178 125)	(4 564 443)
June 30 2022						
Financial assets measured at fair value	28 613	–	–	–	–	28 613
Financial liabilities measured at fair value	–	(4 006 503)	(115 477)	(266 658)	(49 128)	(4 437 766)

Fair value

R'000	Level 1	Level 2	Level 3	Total
December 31 2022				
Financial assets measured at fair value	**–**	**–**	**29 262**	**29 262**
Financial liabilities measured at fair value	**–**	**–**	**(4 829 389)**	**(4 829 389)**
December 31 2021				
Financial assets measured at fair value	–	–	29 715	29 715
Financial liabilities measured at fair value	–	–	(4 564 443)	(4 564 443)
June 30 2022				
Financial assets measured at fair value	–	–	28 613	28 613
Financial liabilities measured at fair value	–	–	(4 437 766)	(4 437 766)

Valuation techniques and significant unobservable inputs

The table shows the valuation techniques used in measuring the DAC puttable non-controlling interests at December 31:

Valuation technique	Unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The expected payments are determined by considering the possible scenarios of forecast EBITDAs, the amount to be paid under each scenario and the probability of each scenario. The valuation models consider the present value of expected payment, discounted using a risk-adjusted discount rate.	• Average revenue growth rates: 6,5% (H1F2022: 16%)[1] • Average EBITDA margin: 7,0% (H1F2022: 7,3%) • EBITDA multiples: 10,5x (H1F2022: 10,5x)	The estimated fair value would increase (decrease) if: • the EBITDA were higher (lower); or • the risk-adjusted discount rate were lower (higher).

[1] *Average revenue growth rates for 2021 were distorted by the low revenue base as a result of the COVID pandemic.*

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

	Increase in assumption %	Increase in liability R'000	Decrease in assumption %	Decrease in liability R'000
Average EBITDA margin	**10**	**519 830**	**10**	**368 370**

The group recognises any changes in the value of the liability as a result of changes in assumptions used to estimate the future purchase price directly in retained earnings in the statement of changes in equity.

Exchange rates

The following exchange rates were used in the conversion of foreign interests and foreign transactions during the periods:

	December 31		June 30
	2022 Unaudited	2021 Unaudited	2022 Audited
Rand/Sterling			
Closing rate	**20,59**	21,53	19,79
Average rate	**20,35**	20,48	20,24
Rand/Euro			
Closing rate	**18,22**	18,07	17,02
Average rate	**17,56**	17,44	17,14
Rand/Australian dollar			
Closing rate	**11,61**	11,57	11,23
Average rate	**11,61**	10,99	11,03

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

The pro forma financial information has been compiled for illustrative purposes only and is the responsibility of the board. Due to the nature of this information, it may not fairly present the group's financial position, changes in equity and results of operations or cash flows. The pro forma information has been compiled in terms of the JSE Listings Requirements and the Revised Guide on Pro Forma Information by SAICA.

The illustrative information, detailed below, has been prepared on the basis of applying the H1F2022 average rand exchange rates to the H1F2023 foreign subsidiary income statements and recalculating the reported income of the group for the period.

	For the half year ended December 31				
R'000	**2022 Unaudited**	2021 Unaudited	% change	**Illustrative 2022 at 2021 average exchange rates**	% change
Continuing operations					
Revenue	**91 748 567**	71 627 600	28,1	**89 560 555**	25,0
Trading profit	**4 852 607**	3 371 625	43,9	**4 718 101**	39,9
Headline earnings	**3 244 634**	2 232 017	45,4	**3 158 476**	41,5
Headline earnings per share (cents)	**971,7**	668,0	45,5	**945,9**	41,6
Constant currency per segment from continuing operations					
Revenue					
Australasia	**21 752 049**	16 002 910	35,9	**20 950 091**	30,9
United Kingdom	**23 120 860**	18 699 205	23,6	**23 262 977**	24,4
Europe	**31 580 690**	24 115 197	31,0	**31 196 250**	29,4
Emerging Markets	**15 294 968**	12 810 288	19,4	**14 151 237**	10,5
	91 748 567	71 627 600	28,1	**89 560 555**	25,0
Trading profit					
Australasia	**1 543 380**	981 495	57,2	**1 486 494**	51,5
United Kingdom	**908 828**	583 146	55,8	**914 414**	56,8
Europe	**1 579 358**	1 113 886	41,8	**1 552 011**	39,3
Emerging Markets	**894 279**	742 582	20,4	**839 175**	13,0
Corporate office	**(73 238)**	(49 484)	(48,0)	**(73 993)**	(49,5)
	4 852 607	3 371 625	43,9	**4 718 101**	39,9

Acquisition of businesses and subsidiaries

Acquisitions

In the six months to December 31 2022, six bolt-on acquisitions were concluded, these were as follows:

- Variety Foods, a distributor to the independent pizza and kebab markets in Perth, Western Australia;
- Nichol Hughes, a regional wholesaler supplying ambient, chilled and frozen products, which serves the North West of England and northern Wales;
- Fruit Xpress OU which trades mainly fresh food products into the foodservice sector in Tallin, Estonia;
- H&T Group, an importer and distributor of food products in Kota Kinabalu, East Malaysia;
- Food Fabrique, a small cured meat and sausage processing business located in Dubai, United Arab Emirates; and
- Euskopan, a bread and pastry business based in Bilbao, Spain.

Goodwill arose on the acquisitions as the anticipated value of future cash flows that were taken into account in determining the purchase consideration exceeded the net assets or net liabilities acquired at fair value. The acquisitions have enabled the group to expand its range of complementary products, services and, as a consequence, has broadened the group's base in the market place. In addition, through these acquisitions the group has acquired management skills and expertise as a platform from which to consolidate the regional and vertical integration of the foodservice market.

Total investment in acquisitions for the period was R375,8 million, the benefits of which will be evident in the medium term as we extract synergies and efficiencies. These bolt-on acquisitions contributed R283,1 million to revenue and R30,8 million to trading profit for the period ended December 31 2022. The expected annual total contribution from these acquisitions to revenue is R1,3 billion and an increase in trading profit of R105 million. There were no significant contingent liabilities identified in the businesses acquired.

Subsequent events

Subsequent to December 31 2022, two bolt-on acquisitions namely Harvest Fine Foods Ltd and Thomas Ridley & Sons Ltd, both based in the south of England, were concluded at an investment of R914 million. The expected annual total contribution from these acquisitions to revenue is R1,9 billion and an increase in trading profit of R128 million.

Directors

Chairman: S Koseff

Lead independent director: NG Payne

Independent non-executive: T Abdool-Samad, PC Baloyi, B Joffe, KR Moloko, CJ Rosenberg*, H Wiseman*

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

* *Australian*

Company secretary

Bidcorp Corporate Services (Pty) Ltd

Represented by AK Biggs and L Roos

Bid Corporation Limited

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

Registered office

Bid Corporation Limited
2nd Floor North Wing, 90 Rivonia Road
Sandton, 2196
Postnet Suite 136, Private Bag X9976
Sandton, 2146

Transfer secretaries

JSE Investor Services
19 Ameshoff Street, Braamfontein
Johannesburg, 2001
PO Box 4844, Johannesburg, 2000

Sponsor

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

Independent auditor

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

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

THE OAK TREE GROUP

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www.bidcorpgroup.com