Bidvest

Unaudited summarised results

for the half year ended 31 December 2023

PEOPLE AND **PRODUCTS**
BEHIND A **BRIGHTER FUTURE**

Salient **features**

for the six months ended 31 December 2023

"The Group delivered a pleasing result with five of our seven divisions reporting double digit profit growth. This interim result reflects our businesses' ability to rise above structural headwinds and deliver value for all stakeholders."

Mpumi Madisa, *Chief executive*

Normalised HEPS	*+6.9%*

1 051.3 cents

Interim dividend	*+6.9%*

467 cents

HEPS	*+5.3%*

987.9 cents

ROFE	*+70bps*

38.3%

Revenue	*+8.8%*

R62.2bn

Trading profit	*+11.8%*

R6.5bn

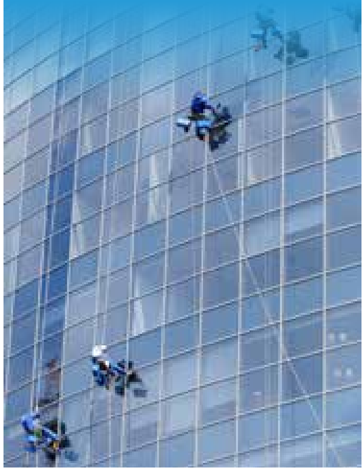
Improved trading profit margin of

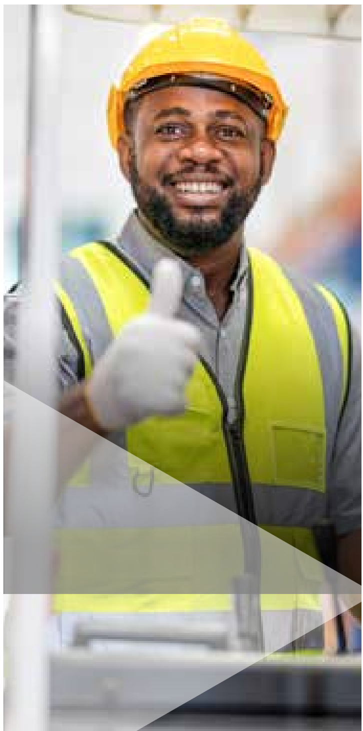
10.5%

Cash generated by operations almost doubled to

R3.7bn

after R4.5 billion investment in working capital





Message to **shareholders**

Introduction

Bidvest has delivered a good result against a pedestrian trading backdrop, characterised by stubbornly high inflation, peak interest rates and minimal underlying economic growth.

Pleasing organic operational growth has been achieved, largely through new business secured, and good gross margin and expense management. We leveraged our broad service and product basket to add value to customers. Higher interest costs moderated the bottom-line performance.

We successfully executed on our pipeline. Numerous acquisitions concluded in South Africa, Australia, the United Kingdom and Singapore, added to our geographic footprint in hygiene services, enhanced geographic scale in facilities management and augmented our product and service offering.

Pursuing our strategy of building a sustainable business for the long-term, enables us to increase levels of employment, improve livelihoods, invest in skills and technology while reducing our environmental footprint and contributing to building South Africa.

Highlights

Five of our of seven divisions reported double digit trading profit growth.

Modest top-line growth, together with active gross margin management and strong expense control, culminated in 11.8% Group trading profit growth. This is commendable especially in the current very competitive and price conscious market, with close to double digit wage inflation.

Cash generated by operations almost doubled. We spent R3.2 billion on acquisitions, invested in maintaining and growing our asset base, as well as awarded our shareholders with a higher dividend. Despite this, our gearing increased only modestly year-on-year. The coveted cash generative nature of the Group remains firmly intact.

HEPS and Normalised HEPS[1], a measurement used by management to assess the underlying business performance, grew by 5.3% and 6.9%, respectively. Return on Funds Employed (ROFE) remained stable at 38.3% since year end, a very good outcome given the growth in working capital. Return on Invested Capital (ROIC) of 15.8% compares to 16.3% in the prior period. Despite higher interest rates, this remains well above the Group's weighted cost of capital.

The Group declared an interim dividend of 467 cents per share, up 6.9%.

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

Financial overview

Group revenue grew 8.8% to R62.2 billion (1HFY2023: R57.1 billion), with acquisitions boosting the growth rate by 2.8%. In largely stagnant markets, price inflation, a weaker rand against major currencies as well as new business gains were the key growth drivers.

Expenses were again well managed and increased by only 3.6%. Reduced overtime, the streamlining of businesses as well as reduced costs associated with loadshedding mitigated the inflationary pressures.

Trading profit grew by 11.8% to R6.5 billion. Organic growth was 9.3% and the trading profit margin improved from 10.2% to 10.5%. The Freight terminal operations benefitted from positive price mix, robust demand for bulk commodities as well as strong oil and gas activity in Namibia. Healthy travel and tourism-related activity continued and new business wins culminated in exceptional profit growth reported by Services South Africa. Capitalising on pockets of niche demand whilst keeping a tight rein on costs boosted Branded Products' trading profit. Services International's pleasing organic growth on continued hygiene pool demand and new business wins was boosted by acquisitions and foreign exchange movements. A much improved cost-to-income ratio in Bidvest Bank was the primary driver of the core profit growth in Financial Services. Commercial Products navigated significant competition and an overstocked renewables supply chain to deliver a satisfactory result. The cyclical downturn in the automotive market coincided with high levels of excess stock which compressed Automotive's margin. Adcock Ingram (Adcock) delivered a flat result.

Acquisition costs were incurred in the purchase of Consolidated Property Services Pty Limited (Consolidated) in Australia, Rental Hygiene Services (RHS) in Singapore and several bolt-on transactions, both locally and abroad. The amortisation of acquired customer contracts increased from R165.2 million to R205.1 million at 31 December 2023, mainly due to the two mentioned acquisitions and a weaker average rand.

Net capital items of R89.5 million largely represent an impairment of the disposal group held for sale.

Net finance charges were 35.8% higher at R1.2 billion (1HFY2023: R0.9 billion). Excluding IFRS16, fair value adjustments and hedge costs, the increase was 41.5%, which was as a result of R5.1 billion higher average gross debt, R3.2 billion of which was corporate action driven, the investment in working capital and capex together with the step up in global interest rates. The Group's average cost of funding is 6.1% – pre-tax (1HFY2023: 5.2%).

Message to **shareholders** continued

Share of associate profits amounted to R57.7 million, largely attributable to Adcock's associate holdings.

The Group's effective tax rate was 27.4% (1HFY2023: 27.0%). The foreign tax differential is 0.4%. The main difference for the year-on-year increase is the higher corporate tax rate in the UK.

Basic earnings per share (EPS) increased from 918.2 cents to 960.8 cents, or 4.6%, mainly due to a strong operational performance diluted by significantly higher net finance and acquisition charges as well as increased amortisation on customer contracts in the current period.

Cash generated by operations of R3.7 billion was almost double that generated in the prior interim period. The Group absorbed R4.6 billion of working capital, one billion less than a year ago. Included in this was R1.2 billion absorbed in inventory, particularly in renewable energy products and new vehicles. Trade payables decreased by R4.2 billion on a seasonally consistent basis with the prior period as well as an increase in floorplan utilisation.

Bidvest's net debt increased by R6.8 billion since 30 June 2023 to R25.9 billion. 68.3% of net debt is offshore. Available debt funding, mainly from the offshore multicurrency syndicated revolving credit facility, as well as domestic bond and banking facilities, were utilised for acquisitions concluded during the period. The Group successfully refinanced maturing local bonds and preference shares, totalling R1.6 billion at more attractive interest rate spreads than previously. Robust cash generated by the operations was invested in working capital, increased capital investment and paying dividends to shareholders.

Our covenant net debt to adjusted EBITDA of 2.0x compared to 1.9x as at 31 December 2022 and 1.7x as at 30 June 2023. Interest cover was 7.3x (1HFY2023: 9.4x). Group cash conversion was 26.7%, compared to 7.6% in the comparative period.

Corporate action

Acquisitions remain an integral part of our growth strategy. We are participating in processes, both locally and offshore, which are in varying phases of completion. Engagement with regards to possible private sector participation in South Africa continues.

As was reported in September 2023, Bidvest acquired 100% of Consolidated from its private shareholders. This acquisition doubles Bidvest's facilities management operations in Australia. RHS, a leading hygiene services business in Singapore, was acquired. This is a small business in an attractive growth market.

Bolt-on acquisitions of Interloc, a complementary road and air freight consolidator, Brandability, a corporate promotional gift sales channel, Roan and Green Home Products, which have complementary products to the existing data, print and packaging portfolio, and a few small hygiene and facilities management services business in our existing territories, became effective during the period under review.

As communicated previously, a decision was taken to exit Bidvest Life, which has been recognised on the balance sheet as a disposal group held-for-sale. This process is ongoing.

Prospects

Our scale, range of product and service offering, agility as well as sector-leading innovation, ensure that our businesses remain in a strong position to offer solutions and value-added propositions to customers, existing and new, in a competitive global market.

Traditional seasonal trading trends appear to be re-establishing in bulk commodity freight movement. This, together with the non-repeat of frenetic renewable product as well as ongoing weak vehicle demand, will result in continued market pressures in the second half of the financial year.

We remain optimistic about the Group's ongoing growth trajectory as we pursue pockets of opportunity in certain sectors such as travel and tourism. Recent strong business wins will contribute fully and management will also remain vigilant with regards to margin and expense management.

Our acquisition pipeline remains strong and we are actively pursuing a number of acquisition opportunities.

We will continue to advance our strategy and maintain our financial discipline, while collaborating with all stakeholders to build and support a brighter future.

The Group

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

Divisional review

Services International

Trading profit, which rose 16.5% to R1.9 billion, grew strongly and is equally split between hygiene and facilities management services. Acquisitions, of which Consolidated is the only sizeable one, contributed to pleasing organic growth. The performance of the hygiene operations in the United Kingdom was the highlight over the past six-month period, with strong growth across our comprehensive hygiene services portfolio. Locally, the hygiene pool also grew and new business wins were encouraging. RHS, the newly acquired leading hygiene services business in Singapore, marked our entry into the ASEAN market. In South Africa, cleaning contract wins, and strategic optimisation initiatives are starting to deliver, while the integrated facilities management business fared better than expected post a material contract rescope in the prior year. New business wins continued their strong momentum in both

Ireland and Australia, albeit at reduced margin. The geographic scale added by Consolidated, together with planned synergies, will add value to the operations in Australia. Trading remained challenging in the UK, particularly in securing new business and margin management, while restructuring continued. Innovation and best practice are shared across regions to differentiate businesses in home-markets. ROFE was 131.4%, which remains an acceptable return for the division.

Freight

Bidvest Freight delivered an outstanding result with trading profit increasing 16.0% to R1.3 billion. The terminal operations, which represent most of the division's profit, delivered good contributions off high bases. Modest growth in net bulk volumes handled through SA ports was the consequence of notable product mix changes with greater gas, fuel, wheat, sorghum and chrome volumes more than offsetting lower chemical, maize, manganese and coal volumes. Port operations outside of South Africa continued to benefit from a redirection of mineral volumes. In addition, operations in Namibia benefitted from strong oil and gas industry activity in the region. Operational stoppages due to inclement weather and poor Transnet marine services were experienced in South African terminal operations during the period under review. The repurposed butane tanks in Richards Bay were commissioned in October 2023. The other capital investment projects are progressing well for commissioning during 2025. Clearing and forwarding profit grew on the back of higher air volumes and new business secured. The growth in air volumes is attributable to the ongoing port issues in South Africa. Trading was challenging for bulk packing into containers. ROFE rose to 60.1%.

Commercial Products

Trading profit increased 2.2% to R741.3 million, which is satisfactory considering the very competitive, stagnant market. Renewable energy sales, which provided exceptional growth last year, have been fairly steady year-on-year, but margins are under pressure. Restructuring and repositioning efforts, gross margin focus and tight operational expense management all contributed to a broadly flat divisional trading margin. Standout growth was delivered by the niche electrical businesses, capitalising on industrial project activity. Packaging and adhesive tape operations were driven by automotive export volume growth, as well as market share gains in materials handling, PPE, lifting and rigging, workwear and catering equipment distribution activities. Constrained spend resulted in product substitution and reduced demand that manifested in muted performances from the balance of the businesses. Order books of the niche electrical businesses are healthy at the end of the interim period. Elevated inventory, particularly in renewable energy products, compressed ROFE from 31.0% to 27.0%.

Services South Africa

Trading profit increased 12.3% to R621.7 million, with all clusters delivering double digit growth. This is a superb result given the current economic environment in South Africa. The Travel cluster continues to benefit from healthy travel volume growth, driven by all sectors. This was echoed in the results delivered by the airport lounges within the Hospitality and Catering cluster. The biggest cluster, Security Services, achieved excellent new business growth in traditional services and through product diversification, while growth resumed in peak air cargo volumes. A bolt-on acquisition broadened the business' participation in efficient cargo movement across the country. Contract pricing pressure poses headwinds. Supply into continued robust demand for water, coffee, laundered garments supported healthy annuity income growth in the Allied cluster albeit with the added investment into rental assets. ROFE declined to 101.4%, but remains within the expected target range.

Branded Products

Branded Products delivered a stellar result with trading profit growing by 23.1% to R647.4 million. Excluding acquisitions trading profit grew 18.8%. Price reduction pressures have become a common theme as consumers face inflationary inputs. Alternative power solutions and reduced loadshedding culminated in improved factory recoveries while delays at the ports during the months leading up to calendar year end, negatively impacted inventory and sales. The Office Products cluster produced exceptional trading profit growth on strong sales momentum as well as an acquisition. The Data, Print and Packaging cluster benefited from the recent acquisitions of Roan and Green Home Products while delivering a pleasing organic performance as operations pivot in response to changing demands. Despite lower consumer demand the Consumer Products cluster also delivered double digit trading profit growth, enabled by lower operating costs, enhanced efficiencies and product innovation. ROFE improved to 37.8%.

Automotive

Trading profit declined 11.4% to R365.1 million, as South Africa's automotive trading environment remains extremely difficult. Consumers are experiencing considerable strain on disposable income, negatively impacting demand. At the same time, there is an oversupply of vehicles from the Original Equipment Manufacturers and aggressive discounting which compresses gross margin. This causes a negative knock-on effect in the used vehicle market. The division's lower sales volumes mirror the nearly 5.0% contraction in South Africa's new vehicle dealer market. McCarthy's brand mix is skewed to the traditional brands, many of which are losing share to new brand entrants. The strategy to broaden the divisions' exposure to select new brands and the older segment of the used car market gained traction through the award of new dealer representation and the launch of Cubbi. Diversification remains critical to reduce cyclicality and bolt-on acquisitions are being pursued. There is emphasis on expense control and inventory management. ROFE contracted materially to 29.7%.

Message to **shareholders** continued

Financial Services

The turnaround to an improved performance is continuing with a 24.2% increase in core trading profit to R215.0 million, primarily driven by standout performances of Bidvest Bank and FinGlobal. Notably, Bidvest Bank delivered net interest income growth given higher rates, an improved cost-to-income ratio and net positive capital deployment. Additional impetus is needed in the Fleet vertical to grow the full maintenance leasing book and non-interest income. All regulatory ratios and the deposit base are healthy. FinGlobal reported significant growth, benefiting from expanded business areas. Bidvest Insurance and Compendium both experienced market pressures, and top-line growth was lower than expected. Lower claim costs and good expense control supported profit growth. Bidvest Life, reporting under a new accounting standard (IFRS17), delivered a pleasing profit turnaround, despite sales disruptions. Investment income rebounded strongly in the second quarter, but still yielded less contribution compared to the prior period. ROFE improved to 15.3%, but remains below acceptable levels.

Adcock Ingram

Bidvest owns an effective 63.0% in Adcock.

Revenue grew in the Consumer and Hospital divisions but was flat in the Prescription and Over-The-Counter divisions. Organic volumes declined by 5.0%, impacted by the difficult trading environment, certain inventory supply challenges caused by port delays in South Africa and lower ARV tender sales. Price realisation of 4.0% and a mix benefit of 2.0% were mitigating factors. Gross margin declined mainly due to an increase in forward exchange contract rates for imported products. Operating expenditure was well controlled yielding a largely unchanged trading profit. For more detail on the Adcock results, please refer to www.adcock.co.za.

Bidvest Properties and Corporate

The Group owns a significant property portfolio, which is mainly Bidvest occupied, and spans South Africa, Namibia and the United Kingdom. Bidvest Properties delivered a good result with trading profit up by 7.9% to R341.3 million, driven by rental escalations and declining vacancies.

Corporate costs are incurred in the governance, financial and strategic support provided from the corporate office as well as the Group socio-economic initiatives that include the Bidvest Supplier Development Program, executive development, the SASCOC/Team SA sponsorship, etc.

For and on behalf of the board

BF Mohale, CHAIRMAN
NT Madisa, CHIEF EXECUTIVE

Johannesburg
1 March 2024

Dividend declaration

In line with the Group dividend policy, the directors have declared an interim gross cash dividend of 467 cents (373.60000 cents net of dividend withholding tax, where applicable) per ordinary share for the six months ended 31 December 2023 to those members registered on the record date, being Thursday, 28 March 2024. 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:	467.0000
Net dividend amount per share:	373.60000
Issued shares at declaration date:	340 274 346
Declaration date:	Monday, 4 March 2024
Last day to trade cum dividend:	Monday, 25 March 2024
First day to trade ex-dividend:	Tuesday, 26 March 2024
Record date:	Thursday, 28 March 2024
Payment date:	Tuesday, 2 April 2024

Share certificates may not be dematerialised or rematerialised between Tuesday 26 March 2024, and Thursday 28 March 2024, 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 2023 Unaudited	Half-year ended 31 December 2022 Restated* Unaudited	Percentage Change	Year ended 30 June 2023 Audited
Revenue	**62 163 306**	57 146 631	8.8	114 911 518
Non-interest revenue	**61 995 818**	56 994 249		114 587 864
Net interest revenue	**167 488**	152 382		323 654
Cost of revenue	**(44 207 753)**	(40 306 279)	9.7	(81 570 287)
Gross profit	**17 955 553**	16 840 352	6.6	33 341 231
Operating expenses	**(11 523 357)**	(11 026 316)	4.5	(22 307 729)
Net impairment losses on financial assets	**(80 166)**	(174 122)	54.0	(61 549)
Other income	**147 706**	172 316	(14.3)	471 101
Trading profit	**6 499 736**	5 812 230	11.8	11 443 054
Share-based payment expense	**(189 039)**	(171 304)		(347 865)
Acquisition costs and customer contracts amortisation	**(265 943)**	(193 389)		(390 495)
Net capital items	**(89 545)**	(51 141)		(128 963)
Profit before finance charges and associate income	**5 955 209**	5 396 396	10.4	10 575 731
Net finance charges	**(1 246 810)**	(918 101)	35.8	(2 007 477)
Finance income	**80 707**	379 600		88 629
Finance charges	**(1 327 517)**	(1 297 701)		(2 096 106)
Share of profit of associates and joint ventures	**57 685**	68 811	(16.2)	125 872
Profit before taxation	**4 766 084**	4 547 106	4.8	8 694 126
Taxation	**(1 304 452)**	(1 226 454)	6.4	(2 327 902)
Profit for the period	**3 461 632**	3 320 652	4.2	6 366 224
Attributable to				
Shareholders of the Company	**3 265 692**	3 120 846	4.6	5 972 689
Non-controlling interest	**195 940**	199 806	(1.9)	393 535
	3 461 632	3 320 652	4.2	6 366 224
Basic earnings per share (cents)	**960,8**	918,2	4.6	1 757,3
Diluted basic earnings per share (cents)	**957,4**	916,6	4.5	1 752,9
Supplementary Information				
Normalised headline earnings per share (cents) ˜	**1 051,3**	983,4	6.9	1 884,7
Headline earnings per share (cents)	**987,9**	938,5	5.3	1 794,8
Diluted headline earnings per share (cents)	**984,3**	936,8	5.1	1 790,4
Shares in issue				
Total ('000)	**339 888**	339 888		339 888
Weighted ('000)	**339 888**	339 888		339 877
Diluted weighted ('000)	**341 112**	340 499		340 729

˜ refer normalised headline earnings note for detailed definition

** refer note on restatement of comparatives*

Condensed consolidated **income statement** for the

R000s	Half-year ended 31 December 2023 Unaudited	2022 Unaudited	Percentage Change	Year ended 30 June 2023 Audited
Supplementary Information continued				
Headline earnings				
The following adjustments to attributable profit were taken into account in the calculation of headline earnings:				
Profit attributable to shareholders of the Company	**3 265 692**	3 120 846	4.6	**5 972 689**
Impairment of property, plant and equipment, right-of-use assets, goodwill and intangible assets	**73**	(17 500)		**63 760**
Property, plant and equipment #	**98**	–		**12 667**
Right-of-use assets #	**–**	–		**3 207**
Intangible assets (reversal) #	**–**	(17 500)		**62 173**
Taxation effect	**(25)**	–		**(13 002)**
Non-controlling interest	**–**	–		**(1 285)**
Net loss on disposal of interests in subsidiaries and disposal and closure of businesses	**100 000**	139 833		**138 551**
Loss on disposal and closure #	**–**	139 833		**138 551**
Impairment of disposal group held-for-sale #	**100 000**	–		**–**
Net profit on disposal of property, plant and equipment and intangible assets	**(8 031)**	(20 577)		**(38 126)**
Property, plant and equipment #	**(10 553)**	(26 252)		**(44 971)**
Taxation effect	**2 532**	5 671		**6 873**
Non-controlling interest	**(10)**	4		**(28)**
Compensation received on loss or impairment of property, plant and equipment	**–**	(32 806)		**(36 624)**
Compensation received #	**–**	(44 940)		**(42 664)**
Taxation effect	**–**	12 134		**6 040**
Headline earnings	**3 357 734**	3 189 796	5.3	**6 100 250**

 # 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 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 period. The presentation of normalised headline earnings is not an IFRS requirement.

	2023	2022	Percentage Change	2023
Headline earnings	**3 357 734**	3 189 796		**6 100 250**
Acquisition costs	**60 851**	28 187		**45 040**
Amortisation of acquired customer contracts	**205 092**	165 202		**345 455**
Taxation effect	**(49 160)**	(39 427)		**(82 299)**
Non-controlling interest	**(1 286)**	(1 439)		**(2 879)**
Normalised headline earnings	**3 573 231**	3 342 319	6.9	**6 405 567**

Condensed consolidated statement of other **comprehensive income** for the

R000s	Half-year ended 31 December 2023 Unaudited	Half-year ended 31 December 2022 Unaudited	Year ended 30 June 2023 Audited
Profit for the period	**3 461 632**	3 320 652	**6 366 224**
Other comprehensive (expenses) income net of taxation			
Items that may be reclassified subsequently to profit or loss	**(466 699)**	411 928	**811 594**
Increase in foreign currency translation reserve			
Exchange differences arising during the period	**(149 026)**	134 841	**835 747**
(Decrease) increase in fair value of cash flow hedges	**(317 673)**	277 087	**(24 153)**
Fair value (loss) gain arising during the period	**(443 035)**	344 158	**(35 252)**
Taxation effect for the period	**125 362**	(67 072)	**11 099**
Other comprehensive income transferred to profit or loss	**15 870**	(63 321)	**443 852**
Realisation of exchange differences on disposal of subsidiaries	**–**	(13)	**(13)**
Hedging gains (losses) reclassified	**21 160**	(84 410)	**591 820**
Taxation effect for the period	**(5 290)**	21 103	**(147 955)**
Items that will not be reclassified subsequently to profit or loss			
Changes in the fair value of financial assets recognised through other comprehensive income	**2 774**	15 416	**9 888**
Defined benefit obligations	**–**	–	**37 696**
Net remeasurement of defined benefit obligations during the period	**–**	–	**51 638**
Taxation effect for the period	**–**	–	**(13 942)**
Total comprehensive income for the period	**3 013 577**	3 684 675	**7 669 254**
Attributable to			
Shareholders of the Company	**2 832 272**	3 489 976	**7 256 875**
Non-controlling interest	**181 305**	194 699	**412 379**
	3 013 577	3 684 675	**7 669 254**

Condensed consolidated statement of **cash flows** for the

R000s	Half-year ended 31 December 2023 Unaudited	2022 Restated* Unaudited	Year ended 30 June 2023 Audited
Cash flows from operating activities	**(58 368)**	(1 226 904)	**5 055 038**
Profit before finance charges and associate income	**5 955 209**	5 396 396	**10 575 731**
Dividends from associates	**16 078**	25 196	**25 196**
Acquisition costs	**60 851**	28 187	**45 040**
Depreciation and amortisation	**2 074 037**	1 878 903	**3 894 145**
Share based payment expense	**189 039**	169 646	**347 135**
Impairment of disposal group assets held-for-sale	**100 000**	–	**–**
(Reversal) impairment of goodwill and intangibles	**–**	(17 500)	**62 173**
Impairment of property, plant and equipment and right-of-use assets	**98**	–	**15 874**
Fair value adjustment to investments	**(31 546)**	(54 163)	**(168 721)**
Loss on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	**–**	139 833	**138 551**
Decrease in life assurance fund	**–**	(37 854)	**(71 413)**
Remeasurement of post-retirement obligations	**33 305**	(2 506)	**(11 885)**
Other non-cash items	**(114 948)**	(25 538)	**(72 896)**
Cash generated by operations before changes in working capital	**8 282 123**	7 500 600	**14 778 930**
Changes in working capital	**(4 555 331)**	(5 548 483)	**(2 625 235)**
Increase in inventories	**(1 176 847)**	(2 012 729)	**(2 733 997)**
Decrease (increase) in trade receivables	**441 084**	(646 363)	**(866 070)**
Increase in banking and other advances	**(336 546)**	(601 781)	**(877 589)**
(Decrease) increase in trade and other payables and provisions	**(4 243 505)**	(2 238 502)	**1 623 341**
Increase (decrease) in amounts owed to bank depositors	**760 483**	(49 108)	**229 080**
Cash generated by operations	**3 726 792**	1 952 117	**12 153 695**
Net finance charges paid	**(1 177 174)**	(919 309)	**(1 815 181)**
Taxation paid	**(1 035 105)**	(940 106)	**(2 382 321)**
Dividends paid by the Company	**(1 492 107)**	(1 237 191)	**(2 722 501)**
Dividends paid by subsidiaries	**(80 774)**	(82 415)	**(178 654)**
Cash flows from investment activities	**(5 730 933)**	(3 753 783)	**(5 897 723)**
Net additions to property, plant and equipment	**(1 912 411)**	(1 383 628)	**(3 186 341)**
Net additions to intangible assets	**(64 875)**	(103 833)	**(196 105)**
Acquisition of subsidiaries, businesses, associates and investments	**(4 871 659)**	(2 344 889)	**(5 190 631)**
Disposal of subsidiaries, businesses, associates and investments	**1 118 012**	78 567	**2 675 354**
Cash flows from financing activities	**2 363 967**	(1 326 025)	**(2 453 947)**
Acquisition of treasury shares in settlement of share based payment liabilities	**(320 225)**	(211 666)	**(414 678)**
Repayment of lease liabilities	**(728 826)**	(665 861)	**(1 380 997)**
Acquisition of non-controlling interests	**(94 478)**	(77 981)	**(556 546)**
Disposal of non-controlling interests	**–**	–	**187 710**
Borrowings raised	**5 167 773**	656 161	**4 234 337**
Borrowings repaid	**(1 660 277)**	(1 026 678)	**(4 523 773)**
Net decrease in cash and cash equivalents	**(3 425 334)**	(6 306 712)	**(3 296 632)**
Net cash and cash equivalents at the beginning of the period	**7 560 841**	10 476 688	**10 476 688**
Net cash and cash equivalents of disposal group held-for-sale	**–**	–	**(71 005)**
Exchange rate adjustment	**(148 506)**	113 737	**451 790**
Net cash and cash equivalents at end of the period	**3 987 001**	4 283 713	**7 560 841**
Net cash and cash equivalents comprise:			
Cash and cash equivalents	**7 169 605**	7 242 880	**9 253 504**
Bank overdrafts included in short-term portion of interest bearing borrowings	**(3 182 604)**	(2 959 167)	**(1 692 663)**
	3 987 001	4 283 713	**7 560 841**

** refer note on restatement of comparatives*

Condensed consolidated statement of **financial position** as at

R000s	31 December 2023 Unaudited	31 December 2022 Unaudited	30 June 2023 Audited
ASSETS			
Non-current assets	**68 359 582**	59 555 992	**63 503 817**
Property, plant and equipment	**17 344 814**	15 469 018	**16 457 121**
Right-of-use assets	**4 405 259**	4 564 419	**4 457 814**
Intangible assets	**16 709 941**	14 488 373	**15 388 222**
Goodwill	**19 233 664**	15 807 947	**17 424 831**
Deferred taxation assets	**1 787 117**	1 537 337	**1 607 318**
Defined benefit pension surplus	**312 791**	264 667	**344 987**
Interest in associates and joint ventures	**971 042**	666 432	**811 346**
Life assurance fund	**–**	548 665	**–**
Investments	**3 572 903**	2 812 870	**3 001 989**
Currency swap derivative asset	**1 048 095**	1 717 107	**1 513 982**
Banking and other advances	**2 973 956**	1 679 157	**2 496 207**
Current assets	**42 438 460**	39 769 105	**43 223 497**
Inventories	**15 341 923**	13 362 478	**14 111 588**
Short-term portion of banking and other advances	**714 565**	1 397 011	**855 768**
Trade and other receivables	**18 733 220**	17 524 484	**18 602 251**
Taxation	**479 147**	242 252	**400 386**
Cash and cash equivalents	**7 169 605**	7 242 880	**9 253 504**
Disposal group assets held-for-sale	**359 375**	–	**781 208**
Total assets	**111 157 417**	99 325 097	**107 508 522**
EQUITY AND LIABILITIES			
Capital and reserves	**37 353 375**	34 135 100	**36 331 692**
Attributable to shareholders of the Company	**34 016 017**	30 550 721	**32 992 176**
Non-controlling interest	**3 337 358**	3 584 379	**3 339 516**
Non-current liabilities	**34 421 712**	31 166 980	**32 291 126**
Deferred taxation liabilities	**5 062 581**	4 295 194	**4 631 801**
Life assurance fund	**–**	301 738	**–**
Long-term portion of borrowings	**24 979 259**	21 940 236	**23 151 013**
Post-retirement obligations	**66 860**	71 046	**65 751**
Long-term portion of provisions	**550 558**	703 716	**567 657**
Long-term portion of lease liabilities	**3 762 454**	3 855 050	**3 874 904**
Current liabilities	**39 239 769**	34 023 017	**38 527 809**
Trade and other payables	**19 590 593**	18 127 457	**23 215 138**
Short-term portion of provisions	**870 738**	971 956	**639 343**
Vendors for acquisition	**102 783**	2 752	**4 108**
Taxation	**1 078 665**	788 803	**761 424**
Amounts owed to bank depositors	**8 283 348**	7 244 677	**7 522 865**
Short-term portion of borrowings	**8 051 760**	5 545 613	**5 205 356**
Short-term portion of lease liabilities	**1 261 882**	1 341 759	**1 179 575**
Disposal group liabilities held-for-sale	**142 561**	–	**357 895**
Total equity and liabilities	**111 157 417**	99 325 097	**107 508 522**
Net asset value per share (cents)	**10 008**	8 988	**9 707**

Condensed consolidated statement of **changes in equity** for the

R000s	Half-year ended 31 December **2023** **Unaudited**	Half-year ended 31 December 2022 Unaudited	Year ended 30 June 2023 Audited
Equity attributable to shareholders of the Company	**34 016 017**	30 550 721	**32 992 176**
Share capital	**17 014**	17 014	**17 014**
Share premium	**1 367 796**	1 367 796	**1 367 796**
Foreign currency translation reserve	**699 580**	157 298	**840 887**
Balance at beginning of the year	**840 887**	21 376	**21 376**
Movement during the period	**(141 307)**	135 935	**819 524**
Realisation of reserve on disposal of subsidiaries	**–**	(13)	**(13)**
Hedging reserve	**(30 927)**	63 786	**263 960**
Balance at beginning of the year	**263 960**	(154 006)	**(154 006)**
Net (losses) gains arising during the period	**(414 959)**	263 761	**554 822**
Deferred tax recognised directly in reserve	**120 072**	(45 969)	**(136 856)**
Equity-settled share-based payment reserve	**575 997**	303 153	**623 992**
Balance at beginning of the year	**623 992**	332 121	**332 121**
Arising during the period	**176 738**	164 025	**338 511**
Deferred tax recognised directly in reserve	**(4 998)**	16 325	**137 670**
Utilisation during the period	**(356 147)**	(211 666)	**(428 357)**
Realisation of reserve on disposal of subsidiaries	**–**	(1 203)	**552**
Transfer of equity-settled share-based payment reserve as a result of changes in shareholding of subsidiaries	**–**	–	**(1 548)**
Transfer to retained earnings	**136 412**	3 551	**245 043**
Movement in retained earnings	**30 709 736**	27 963 912	**29 200 261**
Balance at the beginning of the year	**29 200 261**	26 103 669	**26 103 669**
Opening balance IFRS 17 transition adjustment	**(127 000)**	–	**–**
Attributable profit	**3 265 692**	3 120 846	**5 972 689**
Change in fair value of financial assets recognised through other comprehensive income	**2 774**	15 416	**9 350**
Net remeasurement of defined benefit obligations during the year	**–**	–	**37 359**
Transfer of reserves as a result of changes in shareholding of subsidiaries	**(3 472)**	(35 277)	**44 738**
Net dividends paid	**(1 492 107)**	(1 237 191)	**(2 722 501)**
Transfer from equity-settled share-based payment reserve	**(136 412)**	(3 551)	**(245 043)**
Treasury shares	**676 821**	677 762	**678 266**
Balance at the beginning of the year	**678 266**	678 663	**678 663**
Purchase of shares by subsidiaries	**(320 225)**	(199 370)	**(414 678)**
Shares disposed of in terms of share incentive scheme	**318 780**	198 469	**414 281**
Equity attributable to non-controlling interests of the Company	**3 337 358**	3 584 379	**3 339 516**
Balance at beginning of the year	**3 339 516**	3 508 709	**3 508 709**
Total comprehensive income	**181 305**	194 699	**412 379**
Attributable profit	**195 940**	199 806	**393 535**
Movement in foreign currency translation reserve	**(7 719)**	(1 094)	**16 223**
Movement in cash flow hedging reserve	**(6 916)**	(4 013)	**1 746**
Changes in the fair value of financial assets recognised through other comprehensive income	**–**	–	**538**
Net remeasurement of defined benefit obligations during the period	**–**	–	**337**
Dividends paid	**(80 774)**	(82 415)	**(178 654)**
Movement in equity-settled share-based payment reserve	**(11 683)**	5 606	**8 624**
Arising during the period	**12 301**	11 139	**13 108**
Utilisation during the period	**(23 984)**	(5 533)	**(4 484)**
Transfer of equity-settled share-based payment reserve as a result of changes in shareholding of subsidiaries	**–**	–	**1 548**
Transactions with non-controlling interests	**(94 478)**	(77 497)	**(368 352)**
Transfer of reserves as a result of changes in shareholding of subsidiaries	**3 472**	35 277	**(44 738)**
Total equity	**37 353 375**	34 135 100	**36 331 692**

Condensed disaggregated **revenue** for the

R000s	Half-year ended 31 December 2023 Unaudited	2022 Restated* Unaudited	Percentage Change	Year ended 30 June 2023 Audited
Revenue				
Sale of goods[1]	**33 365 567**	32 155 644	3.8	**66 957 214**
Rendering of services[2]	**27 569 638**	24 206 621	13.9	**48 199 247**
Commissions, fees and lease income earned[3]	**1 421 566**	1 038 372	36.9	**2 730 013**
Billings relating to clearing and forwarding transactions[4]	**1 526 734**	1 478 401	3.3	**2 703 072**
Net interest[5]	**172 941**	152 382	13.5	**323 654**
Insurance[6]	**277 252**	314 110	(11.7)	**697 018**
	64 333 698	59 345 530	8.4	**121 610 218**
Inter-group eliminations	**(2 170 392)**	(2 198 899)	(1.3)	**(6 698 700)**
	62 163 306	57 146 631	8.8	**114 911 518**
Disaggregation of revenue from contracts with customers				
Automotive[1]	**12 715 266**	12 378 615	2.7	**24 489 162**
Branded Products[1]	**6 092 076**	5 409 636	12.6	**10 531 547**
Commercial Products[1]	**8 495 837**	8 329 216	2.0	**17 527 871**
Financial Services[3]	**550 223**	489 878	12.3	**975 765**
Freight[2, 4]	**4 294 142**	4 083 617	5.2	**7 919 472**
Services International[2]	**18 862 360**	15 627 243	20.7	**32 297 793**
Services South Africa[2]	**5 624 255**	4 893 042	14.9	**9 836 703**
Adcock Ingram[1]	**4 740 424**	4 676 411	1.4	**9 131 852**
Properties[3]	**–**	–	0.0	**1 570**
Corporate and Investments[1]	**2 294**	465 292	(99.5)	**476 157**
	61 376 877	56 352 950	8.9	**113 187 892**
Geographic disaggregation of revenue from contracts with customers				
Southern Africa	**45 889 113**	44 341 094	3.5	**88 205 606**
International	**15 487 764**	12 011 856	28.9	**24 982 286**
	61 376 877	56 352 950	8.9	**113 187 892**
Reconciliation to Group revenue				
Revenue from contracts with customers	**61 376 877**	56 352 950	8.9	**113 187 892**
Leasing contracts	**341 689**	327 189	4.4	**803 143**
Gross insurance premiums	**277 252**	314 110	(11.7)	**596 829**
Net Interest	**167 488**	152 382	9.9	**323 654**
	62 163 306	57 146 631	8.8	**114 911 518**

** refer note on restatement of comparatives*

Condensed segmental **analysis** for the

R000s	2023 Unaudited	Half-year ended 31 December 2022 Restated* Unaudited	Percentage Change	Year ended 30 June 2023 Audited
Segmental revenue				
Services International	**19 251 671**	15 872 056	21.3	**33 187 251**
Freight	**4 476 300**	4 380 284	2.2	**8 393 662**
Commercial Products	**8 638 059**	8 387 623	3.0	**19 877 467**
Services South Africa	**5 897 827**	5 156 237	14.4	**10 436 000**
Branded Products	**6 691 661**	6 048 912	10.6	**11 729 589**
Automotive	**12 926 881**	12 654 502	2.2	**24 934 816**
Financial Services	**1 345 282**	1 336 650	0.6	**2 732 179**
Adcock Ingram	**4 740 424**	4 676 411	1.4	**9 131 852**
Properties	**363 301**	333 806	8.8	**677 489**
Corporate and investments	**2 292**	499 049	(99.5)	**509 913**
	64 333 698	59 345 530	8.4	**121 610 218**
Inter group eliminations	**(2 170 392)**	(2 198 899)	(1.3)	**(6 698 700)**
	62 163 306	57 146 631	8.8	**114 911 518**
Geographic region				
Southern Africa	**48 876 518**	47 320 266	3.3	**96 469 869**
International	**15 457 180**	12 025 264	28.5	**25 140 349**
	64 333 698	59 345 530	8.4	**121 610 218**
Segmental trading profit				
Services International	**1 871 748**	1 606 550	16.5	**3 352 615**
Freight	**1 271 444**	1 096 024	16.0	**2 165 178**
Commercial Products	**741 280**	725 652	2.2	**1 425 635**
Services South Africa	**621 712**	553 408	12.3	**1 068 453**
Branded Products	**647 440**	526 121	23.1	**860 586**
Automotive	**365 116**	412 155	(11.4)	**914 912**
Financial Services	**256 983**	222 146	15.7	**463 540**
Adcock Ingram	**622 364**	617 268	0.8	**1 178 199**
Properties	**341 267**	316 159	7.9	**635 936**
Corporate and investments	**(239 618)**	(263 253)	9.0	**(622 000)**
	6 499 736	5 812 230	11.8	**11 443 054**
Geographic region				
Southern Africa	**5 044 137**	4 697 845	7.4	**9 156 846**
International	**1 455 599**	1 114 385	30.6	**2 286 208**
	6 499 736	5 812 230	11.8	**11 443 054**
Earnings before interest, taxation, depreciation and amortisation (EBITDA)				
Services International	**2 243 186**	1 917 046	17.0	**3 970 207**
Freight	**1 401 678**	1 226 103	14.3	**2 429 650**
Commercial Products	**781 737**	777 947	0.5	**1 523 454**
Services South Africa	**810 891**	706 062	14.8	**1 387 194**
Branded Products	**698 126**	571 515	22.2	**954 886**
Automotive	**371 413**	423 356	(12.3)	**931 029**
Financial Services	**342 654**	311 474	10.0	**661 628**
Adcock Ingram	**686 818**	689 019	(0.3)	**1 313 146**
Properties	**342 873**	319 090	7.5	**640 542**
Corporate and investments	**(239 217)**	(260 285)	8.1	**(600 075)**
	7 440 159	6 681 327	11.4	**13 211 661**
Geographic region				
Southern Africa	**5 702 999**	5 347 728	6.6	**10 491 123**
International	**1 737 159**	1 333 599	30.3	**2 720 538**
	7 440 158	6 681 327	11.4	**13 211 661**

** refer note on restatement of comparatives*

Condensed segmental **analysis** for the

R000s	Half-year ended 31 December 2023 Unaudited	2022 Restated* Unaudited	Percentage Change	Year ended 30 June 2023 Audited
Segmental operating assets				
Services International	**10 922 253**	9 155 384	19.3	**10 310 945**
Freight	**9 204 721**	9 204 326	0.0	**9 252 961**
Commercial Products	**8 688 156**	7 630 828	13.9	**8 512 358**
Services South Africa	**3 332 168**	3 027 727	10.1	**3 218 736**
Branded Product	**5 279 217**	5 030 585	4.9	**4 664 757**
Automotive	**5 811 714**	4 946 038	17.5	**5 280 207**
Financial Services	**9 698 444**	8 530 938	13.7	**8 765 659**
Adcock Ingram	**6 918 578**	6 650 116	4.0	**6 838 055**
Properties	**4 588 018**	4 430 350	3.6	**4 455 355**
Corporate and investments	**917 920**	478 634	91.8	**827 863**
	65 361 189	59 084 926	10.6	**62 126 896**
Inter group eliminations	**(990 716)**	(795 725)		**(987 825)**
	64 370 473	58 289 201	10.4	**61 139 071**
Geographic region				
Southern Africa	**55 983 168**	51 593 452	8.5	**53 479 938**
International	**9 378 021**	7 491 474	25.2	**8 646 958**
	65 361 189	59 084 926	10.6	**62 126 896**
Reconciliation to total assets				
Operating assets	**64 370 473**	58 289 201	10.4	**61 139 071**
Goodwill	**19 233 664**	15 807 947	21.7	**17 424 831**
Intangible assets	**16 709 941**	14 488 373	15.3	**15 388 222**
Deferred taxation asset	**1 787 117**	1 537 337	16.2	**1 607 318**
Currency swap derivative asset	**1 048 095**	1 717 107	(39.0)	**1 513 982**
Taxation	**479 147**	242 252	97.8	**400 386**
Cash and cash equivalents	**7 169 605**	7 242 880	(1.0)	**9 253 504**
Disposal group assets held-for-sale	**359 375**	–	–	**781 208**
	111 157 417	99 325 097	11.9	**107 508 522**
Segmental operating liabilities				
Services International	**8 447 364**	6 854 728	23.2	**8 124 162**
Freight	**4 900 576**	5 226 399	(6.2)	**5 505 310**
Commercial Products	**2 963 936**	2 769 585	7.0	**3 927 396**
Services South Africa	**2 070 755**	1 887 918	9.7	**2 282 604**
Branded Products	**2 514 996**	2 403 890	4.6	**2 649 897**
Automotive	**2 353 634**	2 671 475	(11.9)	**2 993 834**
Financial Services	**9 288 125**	9 063 653	2.5	**9 455 919**
Adcock Ingram	**2 411 618**	2 326 232	3.7	**2 566 362**
Properties	**56 644**	66 448	(14.8)	**78 073**
Corporate and investments	**369 501**	142 796	158.8	**469 501**
	35 377 149	33 413 124	5.9	**38 053 058**
Inter group eliminations	**(990 716)**	(795 725)	24.5	**(987 825)**
	34 386 433	32 617 399	5.4	**37 065 233**
Geographic region				
Southern Africa	**27 868 638**	27 511 679	1.3	**31 098 744**
International	**7 508 511**	5 901 445	27.2	**6 954 314**
	35 377 149	33 413 124	5.9	**38 053 058**
Reconciliation to total liabilities				
Operating liabilities	**34 386 433**	32 617 399	5.4	**37 065 233**
Deferred taxation liabilities	**5 062 581**	4 295 194	17.9	**4 631 801**
Interest bearing borrowings	**33 031 019**	27 485 849	20.2	**28 356 369**
Vendors for acquisition	**102 783**	2 752		**4 108**
Taxation	**1 078 665**	788 803	36.7	**761 424**
Disposal group liabilities held-for-sale	**142 561**	–		**357 895**
	73 804 042	65 189 997	13.2	**71 176 830**

** refer note on restatement of comparatives*

Basis of presentation of **condensed consolidated financial statements**

The 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 2023 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 2023.

In preparing these 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

Save for the adoption of IFRS17 Insurance contracts, 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 2023.

IFRS17 affects two of the Group's Financial Services operations, Bidvest Insurance Limited and Bidvest Life Limited (BLL). As of 30 June 2023 BLL has been disclosed as a Disposal group held-for-sale (refer Disposal group held-for-sale note). Management has determined that the adoption of, and transition to IFRS17 has not had a material impact on the Group's consolidated income statement and statement of financial position, consequently the prior period comparatives have not been restated, but the current period opening retained earnings has been adjusted by R127 million.

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 2023.

Restatement of comparatives

Adcock Ingram, previously included as a component of Bidvest Branded Products, is now reported separately as Adcock Ingram for segmental purposes, the prior period segmental disclosure has been restated.

Cash flows arising from the acquisition of treasury shares in settlement of share based payment liabilities, previously disclosed as cash flows from operating activities, have been reclassified to cash flows from financing activities as required in accordance with IFRS. The prior period comparative has been restated by R212 million from R1.4 billion cash outflows from operating activities and R1.1 billion cash outflows from financing activities to, R1.2 billion cash outflows from operating activities and R1.3 billion cash outflows from financing activities. Cash generated by operations has increased from R1.7 billion to R1.9 billion. The acquisition of treasury shares in settlement of share based payment liabilities amounting to R212 million has been reflected separately on the statement of cash flows as part of financing activities.

Upon review of the 31 December 2022 prior period, R677 million of revenue from Billings relating to clearing and forwarding transactions was determined to arise from a principal-agent arrangement and R614 million of revenue from Rendering of services previously treated as a principal-agent arrangement was determined to have been conducted on a principal only basis. Prior period Group Revenue and Cost of Revenue have been restated and decreased by R63 million, the net of R677 million and R614 million. The presentation of interest revenue has been amended to be presented on a net basis. The prior period interest revenue comparative has been restated by R178 million from R331 million to R152 million. Non-interest revenue, that incorrectly included interest expenses of R178 million and net principal-agent revenue of R63 million, has been restated by R115 million from R56.9 billion to R57.1 billion.

In the Revenue note, prior period Billings relating to clearing and forwarding transactions, Bidvest Freight segmental and disaggregated revenue have been restated and decreased by R677 million. The prior period Rendering of services revenue has been restated by R855 million from R23.4 billion to R24.2 billion, Bidvest Services South Africa segmental and disaggregated revenue have been restated and increased by R614 million. Net interest decreased from R331 million to R152 million.

Basis of presentation of **condensed consolidated financial statements** continued

Significant commitments

At 31 December 2023, Bidvest Tank Terminals (BTT) has spent the full amount of R175 million on the refurbishment and repurpose of three old butadiene spheres for butane storage at their Richards Bay facility and the project was commissioned in October 2023. R227 million of the approved R550 million has been spent on 18 additional multi-purpose storage tanks at BTT's Richards Bay facility. This project will be commissioned in June 2024 and ready for commercial use in July 2024. R183 million has been approved for the development of two additional fuel tanks at the BTT Richards Bay facility.

Fair value of financial instruments

The Group's investments of R3 573 million (H1 2023: R2 813 million) include R79 million (H1 2023: R56 million) recorded at amortised cost, R3 467 million (H1 2023: R2 638 million) recorded and measured at fair values using quoted prices (Level 1) and R26 million (H1 2023: R119 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 Rnil (H1 2023: R4 million).

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

R000s	Half-year ended 31 December 2023 Unaudited	Half-year ended 31 December 2022 Unaudited	Year ended 30 June 2023 Audited
Balance at the beginning of year	**26 650**	118 531	**118 531**
Purchases or loan advances	**–**	–	**1 883**
Fair value adjustment recognised directly in equity	**–**	(106)	**1 712**
Fair value adjustment arising during the period recognised in the income statement	**–**	3 994	**(6 080)**
Proceeds on disposal, de-recognition or repayment of loans	**(685)**	(3 368)	**(89 396)**
	25 965	119 051	**26 650**

The carrying values of all financial assets and liabilities approximate their fair values, with the exception of interest bearing borrowings of R32 billion whose carrying value is R33 billion.

Significant 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 USD 800 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 concluded that an effective cash flow hedging relationship exists and IFRS 9 hedge accounting has been applied. A R1.0 billion (£45 million) asset derivative instrument has been disclosed at period end and included in the Consolidated Statement of Financial Position as a non-current asset; R7 million (£307 thousand) was credited to the Consolidated Income Statement via finance charges; a currency valuation adjustment was credited to interest bearing borrowings in the amount of R21 million (£903 thousand) and R282 million (£12 million) debited to the hedging reserve net of R112 million (£5 million) deferred taxation through the Consolidated Statement of Other Comprehensive Income. On application of hedge accounting the R21 million (£903 thousand) currency valuation adjustment to borrowings was credited to the Consolidated Statement of Other Comprehensive Income and debited against the unrealised foreign exchange gain initially recognised in the Consolidated Income Statement. The change in the fair value of the derivative instrument, in terms of IFRS9, amounting to a loss of R402 million (£17 million) was recognised in the cash flow hedge reserve given that the hedge relationship was concluded to be effective.

Business combinations

Net acquisition of businesses, subsidiaries, associates and investments

The Bidvest Group Australia, a component of Bidvest Services International, acquired 100% of the ordinary share capital and voting rights of Consolidated Property Services Pty Limited (Consolidated), effective 20 September 2023. The acquisition price of AUD187 million (R2.3 billion) was funded from the Group's international revolving credit facilities. Consolidated one of the largest professional clearing service providers across Eastern Australia, servicing high profile commercial and retail sites. The acquisition augments and expands the Group's hygiene, cleaning and facilities management business in Australia.

Effective 1 July 2023, Bidvest Services International acquired 100% of the ordinary share capital and voting rights of Rental Hygiene Services Pte Ltd (RHS). RHS provides total hygiene and cleaning solutions, using a comprehensive line of washroom equipment and janitorial consumables, to customers on the Island of Singapore. The acquisition price of SGD45 million (R622 million) was funded from existing facilities and cash resources. SGD6 million (R63 million) of this is contingent on the achievement of certain profit targets. The transaction was executed to establish a foothold in the ASEAN region.

During the period the Group also made the following less significant "bolt-on" acquisitions, which were funded from existing facilities and cash resources:

Effective 20 July 2023 Bidvest Services International acquired 100% of the ordinary share capital and voting rights of the Robinson Services group of companies (Robinson), primarily Robinson Services Ltd, Robinson Services Laundry Ltd and Sword Security (NI) Ltd. Robinson delivers key support services including cleaning, security, hygiene, workwear rental and laundering, dust mat rental, window cleaning and specialist services including one-off cleans to a range of customers big and small across the Retail, Commercial, Industrial and Hospitality sectors throughout Northern Ireland. The acquisition increases the Group's footprint in Ireland. The acquisition price was GBP7 million (R170 million).

Bidvest Services International acquired 100% of the ordinary share capital and voting rights of the following minor acquisitions: Pure Hygiene Pty Ltd (Australia), effective 1 September 2023, AUD3.4 million (R42 million); and Principal Hygiene Systems Ltd (United Kingdom), effective 6 October 2023, GBP2.5 million (R58 million). Bidvest Services International acquired 37.5% of the ordinary share capital and voting rights of Daelibs Pty Ltd, a developer and creator of Facilities Management software, for AUD6.8 million (R81 million) effective 1 August 2023. These acquisitions assist in expanding the Group's Facilities Management service offering and geographic coverage.

Effective 1 July 2023, Bidvest Services South Africa acquired 100% of the ordinary share capital and voting rights of Interloc Freight Services (Pty) Ltd (Interloc) for R56 million. Interloc provides a neutral air and road freight consolidation facility through which freight forwarders, courier companies and airlines can benefit from operational integration, preferred capacity allocations and cost savings. The acquisition compliments the Group's existing Bidair Cargo operations.

Bidvest Branded Products acquired the assets, liabilities and businesses of Brandability Pty Ltd, effective 1 October 2023, for R51 million. Brandability specialises in the sale of corporate/promotional gifts and apparel.

Effective 1 July 2023 Bidvest Branded Products acquired 100% of the ordinary share capital and voting rights of:

- Roan Group of companies (Roan), primarily Roan Systems Pty Ltd and Roan Safety Products Pty Ltd. Roan offers products and services for a variety of Information Technology, Production Automation, FMCG, Healthcare and various other sectors and applications. Roan was acquired for R24 million;
- Green Home Products Pty Ltd (Green Home). Green Home is South Africa's first and longest running completely compostable food packaging company, whose vision is to provide sustainable packaging for takeaway food throughout Africa, and beyond. Green Home was acquired for R20 million to augment the Group's existing packaging businesses; and
- Channel Label Solutions Pty Ltd and Printer Distribution Company Pty Ltd for a combined acquisition price of R16 million.

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. The values represent at acquisition fair values consolidated by the Group.

R000s	Consolidated Property Services	Rental Hygiene Services	Other Acquisitions	Other Disposals	Total
Property, plant and equipment	64 034	17 337	20 532	–	**101 903**
Right-of-use assets	9 145	9 887	–	–	**19 032**
Deferred taxation	(305 894)	(44 220)	(21 107)	–	**(371 221)**
Interest in associates and joint ventures	–	–	135 401	–	**135 401**
Investments and advances†	–	–	1 624 750	(1 112 155)	**512 595**
Inventories	1 116	12 919	46 992	–	**61 027**
Trade and other receivables	439 926	80 398	169 309	–	**689 633**
Cash and cash equivalents	98 138	32 473	97 726	–	**228 337**
Borrowings	(82 469)	(41 597)	(5 176)	–	**(129 242)**
Trade and other payables and provisions	(683 740)	(37 276)	(213 354)	–	**(934 370)**
Lease liabilities	(9 489)	(10 610)	–	–	**(20 099)**
Taxation	(8 185)	(8 389)	518	–	**(16 056)**
Intangible assets	1 330 038	271 758	88 001	–	**1 689 797**
	852 620	282 680	1 943 592	(1 112 155)	**1 966 737**
Goodwill	1 432 297	339 396	287 407	–	**2 059 100**
Net assets acquired	2 284 917	622 076	2 230 999	(1 112 155)	**4 025 837**
Settled as follows:					
Cash and cash equivalents acquired	(98 138)	(32 473)	(97 726)	–	**(228 337)**
Acquisition costs	–	–	60 851	–	**60 851**
Net receivable arising on disposal of subsidiaries and associates	–	–	–	(5 857)	**(5 857)**
Net change in vendors for acquisition	–	(86 350)	(12 497)	–	**(98 847)**
Net acquisition (disposal) of businesses, subsidiaries, associates and investments	2 186 779	503 253	2 181 627	(1 118 012)	**3 753 647**
Trade and other receivables stated net of the following loss allowances					
Expected credit loss allowances	(39 768)	(783)	(3 149)	–	**(43 700)**
Contribution to results for the period					
Revenue	698 565	123 623	818 660	–	**1 640 848**
Profit	71 403	19 346	60 562	–	**151 311**
Contribution to results for the period if the acquisitions had been effective on 1 July 2023					
Revenue	1 232 247	123 623	883 105	–	**2 238 975**
Profit	117 692	19 346	68 807	–	**205 845**

† *R1 620 million purchases made in the Bidvest Bank investment portfolio, R1 106 million disposals made in the Bidvest Bank investment portfolio, R3 million disposals in the Bidvest Insurance portfolio, R5 million of advances to BBBEE and other partners and R3 million repayment of loans to BBBEE and other partners,*

The fair values of the assets and liabilities have been determined provisionally for the Consolidated acquisition and resulted in the identification of definite life customer relationship intangible assets in the amount of AUD66 million (R808 million) and indefinite life Brand intangible assets of AUD42 million (R522 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 20 years. An existing customer attrition rate of 10% was applied to forecasted existing customer revenues. A Weighted Average Cost of Capital (WACC) in a range of 11.7% to 13.5%, 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 Consolidated Property Services brand, which has been in existence for almost 50 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 Consolidated. A portion of the residual Goodwill is supported by the identified trained and assembled workforce.

The fair values of the assets and liabilities have been determined provisionally for the RHS acquisition and resulted in the identification of definite life customer relationship intangible assets in the amount of SGD12 million (R163 million) and indefinite life Brand intangible assets of SGD8 million (R107 million). The MPEEM, using cash flows attributable to the customer related intangible asset, was used to value Customer Relationships, which were estimated to have a RUL of 20 years. An existing customer attrition rate of 10% was applied to forecasted existing customer revenues. A WACC in a range of 9.8% to 10.8%, 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 Rental Hygiene Services brand, which has been in existence for 21 years and therefore concluded to have an indefinite future life. The use of a royalty rate of 3% was informed by market data for similar transactions that occurred in the last five years and the profitability of RHS. Included in the intangibles acquired is computer software with a carrying value of SGD163 thousand (R2 million). A portion of the residual Goodwill is supported by the identified trained and assembled workforce.

Management has made a provisional assessment of the fair values of assets and liabilities acquired in Robinson. The application of the MPEEM lead to the identification of a customer relationship intangible in the amount of GBP4 million (R88 million), using a RUL of 10 years, a customer attrition rate of 10% on forecasted existing customer revenues, and a WACC in a range of 9.0% to 11.0%. A portion of the residual Goodwill is supported by the identified trained and assembled workforce.

Goodwill arose on the acquisitions as the anticipated value of future cash flows that were taken into account in determining the purchase considerations 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, have broadened the Group's base in the market place.

Disposal group held-for-sale

During June 2023, the Group entered into a process to dispose of 100% of its shareholding and claims in BLL. BLL is a licensed life assurance company and registered financial service provider specialising in income protection, disability, critical illness and life cover. Despite attracting a number of potential buyers BLL was not sold during the period, however it continues to be actively marketed for sale at a price which is reasonable to its fair value.

R000s	Half-year ended 31 December **2023** **Unaudited**	2022 Unaudited	Year ended 30 June 2023 Audited
Disposal group liabilities held-for-sale			
Life assurance fund (re-insurers share)	**–**	–	**302 733**
Net insurance contract laibility	**116 826**	–	**–**
Trade and other payables and provisions	**25 735**	–	**53 801**
Lease liability	**–**	–	**1 361**
	142 561	–	**357 895**
Disposal group assets held-for-sale			
Property, plant and equipment	**2 832**	–	**3 690**
Right-of-use assets	**–**	–	**992**
Life assurance fund	**–**	–	**583 218**
Net insurance contract asset	**302 347**	–	**–**
Deferred taxation	**57 757**	–	**57 757**
Trade and other receivables	**2 856**	–	**34 507**
Cash and cash equivalents and bank overdrafts	**67 263**	–	**71 005**
Taxation	**1 232**	–	**1 232**
Intangible assets	**18 597**	–	**22 316**
Share based payment reserve	**426**	–	**426**
Goodwill	**6 065**	–	**6 065**
	459 375	–	**781 208**
Impairment of disposal group held-for-sale	**(100 000)**	–	**–**
Net carrying value	**216 814**	–	**423 313**

Basis of presentation of **condensed consolidated financial statements** continued

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 1 March 2024.