Unaudited results
for the half year ended December 31 2023

Food | Service | Technology

Bidcorp

ITS ALL ABOUT
THE FOOD, SERVICE, AND **TECHNOLOGY ...**

Bidcorp is an international broad-line foodservice group, listed on the Johannesburg Stock Exchange.

Bidcorp people provide a comprehensive foodservice solution to a growing customer base in Africa, Asia, Australasia, Europe, Middle East, South America, and the UK.

FINANCIAL HIGHLIGHTS

Revenue

R113,8bn

(H1F2023: R91,8bn)

↑ 24,0%

Constant currency ↑ 10,8%

Cash generated by operations (before working capital)

R6,8bn

(H1F2023: R6,1bn)

↑ 11,3%

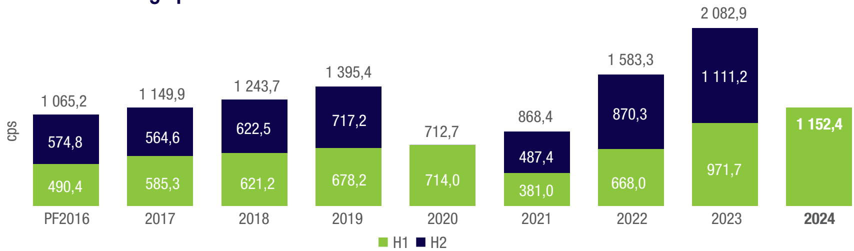
Total distribution per share

525,0 cents

(H1F2023: 440,0 cents)

↑ 85 cents ↑ 19,3%

Headline earnings per share



HEPS H1F2024 ↑ 18,6%

Constant currency ↑ 6,8%

SEGMENTAL RESULTS IN CONSTANT CURRENCY

Europe

Revenue	Trading profit
R35,1bn	R2,0bn
↑ 11,2%	↑ 25,8%

United Kingdom

Revenue	Trading profit
R28,0bn	R0,8bn
↑ 21,2%	↓ 15,0%

Emerging Markets

Revenue	Trading profit
R16,1bn	R0,9bn
↑ 5,1%	↓ 0,9%

Australasia

Revenue	Trading profit
R22,4bn	R1,7bn
↑ 3,0%	↑ 10,8%

Condensed interim consolidated statement of profit or loss

for the

R'000	Half year ended December 31 2023 Unaudited	2022 Unaudited	% change	Year ended June 30 2023 Audited
Revenue	**113 802 770**	91 748 567	24,0	196 341 239
Cost of revenue	**(86 878 786)**	(70 095 821)	(23,9)	(149 537 909)
Gross profit	**26 923 984**	21 652 746	24,3	46 803 330
Operating expenses	**(21 061 257)**	(16 800 139)	(25,4)	(36 294 726)
Trading profit	**5 862 727**	4 852 607	20,8	10 508 604
Share-based payment expense	**(114 208)**	(98 575)		(226 717)
Acquisition costs	**(13 745)**	(17 899)		(45 806)
Capital items	**(28 438)**	3 136		(77 724)
Operating profit	**5 706 336**	4 739 269	20,4	10 158 357
Net finance charges	**(536 408)**	(421 250)	(27,3)	(909 802)
Finance income	**150 783**	61 347		162 974
Finance charges	**(687 191)**	(482 597)		(1 072 776)
Share of profit of associates and jointly controlled entities	**64 172**	47 953	33,8	89 242
Monetary (loss) gain arising from hyperinflation in Türkiye	**(2 222)**	(9 991)		7 426
Profit before taxation	**5 231 878**	4 355 981	20,1	9 345 223
Taxation	**(1 381 141)**	(1 064 701)	(29,7)	(2 393 482)
Profit for the period	**3 850 737**	3 291 280	17,0	6 951 741
Attributable to:				
Shareholders of the company	**3 826 308**	3 246 776		6 886 260
Non-controlling interest	**24 429**	44 504		65 481
	3 850 737	3 291 280		6 951 741
Shares in issue ('000)				
Total	**335 404**	335 404		335 404
Weighted	**334 521**	333 909		333 999
Diluted weighted	**335 576**	334 608		334 969
Total operations (cents)				
Basic earnings per share	**1 143,8**	972,4	17,6	2 061,8
Diluted basic earnings per share	**1 140,2**	970,3	17,5	2 055,8
Headline earnings per share	**1 152,4**	971,7	18,6	2 082,9
Diluted headline earnings per share	**1 148,7**	969,7	18,5	2 076,9
Distributions per share (cents)	**525,0**	440,0	19,3	940,0

Condensed interim consolidated statement of other comprehensive income

for the

R'000	Half year ended December 31 2023 Unaudited	Half year ended December 31 2022 Unaudited	Year ended June 30 2023 Audited
Profit for the period	**3 850 737**	3 291 280	6 951 741
Other comprehensive income	**(794 556)**	1 292 835	5 160 686
Items that may be classified subsequently to profit or loss	**(794 556)**	1 292 835	5 161 178
Foreign currency translation reserve			
(Decrease) increase in foreign currency translation reserve	**(794 556)**	1 292 835	5 162 376
Cash flow hedges	**–**	–	(1 198)
Fair value loss	**–**	–	(1 577)
Taxation relief	**–**	–	379
Items that will not be reclassified subsequently to profit or loss			
Defined benefit obligations	**–**	–	(492)
Remeasurement of defined benefit obligations	**–**	–	1 349
Deferred taxation charge	**–**	–	(1 841)
Total comprehensive income for the period	**3 056 181**	4 584 115	12 112 427
Attributable to:			
Shareholders of the company	**3 044 132**	4 524 863	11 991 358
Non-controlling interest	**12 049**	59 252	121 069
	3 056 181	4 584 115	12 112 427

Headline earnings

for the

R'000	Half year ended December 31 2023 Unaudited	Half year ended December 31 2022 Unaudited	% change	Year ended June 30 2023 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	**3 826 308**	3 246 776		6 886 260
Impairments	**28 679**	324		78 814
Property, plant and equipment	**28 679**	400		21 892
Intangible assets	**–**	–		8 258
Goodwill	**–**	–		56 023
Taxation relief	**–**	(76)		(7 359)
Associates	**371**	(1 848)		1 010
Share of associate capital items	**371**	(2 651)		1 010
Taxation charge	**–**	803		–
Capital profit on disposal of property, plant and equipment	**(447)**	(618)		(5 770)
Property, plant and equipment	**(612)**	(884)		(6 057)
Taxation charge	**165**	266		287
Profit on disposal of interests in associates	**–**	–		(3 402)
Headline earnings	**3 854 911**	3 244 634	18,8	6 956 912

Condensed interim consolidated statement of cash flows

for the

R'000	Half year ended December 31 2023 Unaudited	Half year ended December 31 2022 Unaudited	Year ended June 30 2023 Audited
Cash flows from operating activities	**(161 638)**	460 022	7 665 873
Operating profit	**5 706 336**	4 739 269	10 158 357
Dividends from jointly controlled entity	**14 408**	–	27 786
Acquisition costs	**13 745**	17 899	45 806
Depreciation and amortisation	**995 051**	770 944	1 713 907
Depreciation on right-of-use lease assets	**594 741**	477 112	1 025 470
Share incentive schemes	**(669 684)**	–	–
Non-cash items	**160 701**	119 569	694 400
Cash generated by operations before changes in working capital	**6 815 298**	6 124 793	13 665 726
Changes in working capital	**(3 473 715)**	(3 066 117)	(453 756)
Cash generated by operations	**3 341 583**	3 058 676	13 211 970
Finance charges paid	**(403 177)**	(352 796)	(716 105)
Taxation paid	**(1 423 023)**	(904 241)	(2 012 597)
Dividends paid	**(1 677 021)**	(1 341 617)	(2 817 395)
Cash effects of investment activities	**(3 225 871)**	(2 419 969)	(5 774 795)
Additions to property, plant and equipment	**(2 916 535)**	(2 011 370)	(4 284 573)
Acquisition of subsidiaries	**(206 929)**	(375 791)	(1 340 143)
Additions to intangible assets	**(109 202)**	(66 967)	(154 786)
Proceeds on disposal of property, plant and equipment	**102 748**	38 513	128 319
Proceeds on disposal of investments	**14 555**	22 928	37 771
Receipts from associates	**8 517**	13 836	6 160
Proceeds on disposal of intangible assets	**2 104**	6 186	1 218
Payments made to vendors for acquisition	**(113 234)**	(33 529)	(129 376)
Investments acquired	**(7 895)**	(13 775)	(39 385)
Cash effects of financing activities	**(513 572)**	1 690 633	1 735 055
Borrowings raised	**3 461 034**	5 276 389	10 722 066
Borrowings repaid	**(3 303 174)**	(2 953 938)	(7 627 594)
Right-of-use liability payments	**(615 645)**	(535 010)	(1 126 037)
Payments made to puttable non-controlling interests	**(52 717)**	(43 605)	(143 783)
(Payments to) receipts from non-controlling interests	**(3 070)**	9 807	(26 587)
Treasury shares purchased	**–**	(63 010)	(63 010)
Movement in cash and cash equivalents	**(3 901 081)**	(269 314)	3 626 133
Cash and cash equivalents at beginning of period	**12 224 633**	7 398 250	7 398 250
Exchange rate adjustment	**(257 652)**	286 974	1 187 723
Hyperinflation effect on cash and cash equivalents	**146**	(10 676)	12 527
Cash and cash equivalents at end of period	**8 066 046**	7 405 234	12 224 633
Cash and cash equivalents comprise:			
Cash and cash equivalents	**8 089 862**	7 405 234	12 397 292
Bank overdrafts included in short-term borrowings	**(23 816)**	–	(172 659)
	8 066 046	7 405 234	12 224 633

Condensed interim consolidated statement of financial position

as at

R'000	Half year ended December 31 2023 Unaudited	Half year ended December 31 2022 Unaudited	Year ended June 30 2023 Audited
ASSETS			
Non-current assets	**54 271 879**	44 210 030	52 857 592
Property, plant and equipment	**24 932 016**	19 396 176	23 347 364
Right-of-use lease assets	**5 696 424**	4 692 266	5 797 500
Intangible assets	**959 874**	729 927	948 194
Goodwill	**19 961 532**	17 044 945	20 234 696
Deferred taxation asset	**1 516 380**	1 452 850	1 551 652
Defined benefit pension surplus	**30 653**	22 169	30 653
Interest in associates	**240 056**	197 194	254 799
Investment in jointly controlled entities	**577 950**	546 916	542 049
Investments and loans	**356 994**	127 587	150 685
Current assets	**48 681 931**	42 175 302	53 782 660
Inventories	**17 427 517**	15 865 182	17 866 396
Trade and other receivables	**23 164 552**	18 904 886	23 518 972
Cash and cash equivalents	**8 089 862**	7 405 234	12 397 292
Total assets	**102 953 810**	86 385 332	106 640 252
EQUITY AND LIABILITIES			
Capital and reserves	**41 198 055**	34 362 434	40 194 621
Attributable to shareholders of the company	**40 805 033**	34 006 288	39 810 578
Non-controlling interest	**393 022**	356 146	384 043
Non-current liabilities	**24 070 229**	18 071 314	24 773 239
Deferred taxation liability	**1 126 879**	777 908	1 150 000
Long-term borrowings	**10 640 851**	6 824 005	10 974 753
Long-term right-of-use lease liabilities	**6 125 724**	5 213 340	6 316 001
Post-retirement obligations	**49 306**	34 293	50 624
Long-term vendors for acquisition	**34 749**	110 378	88 994
Long-term puttable non-controlling interest liabilities	**5 320 284**	4 389 211	5 408 028
Long-term provisions	**772 436**	722 179	784 839
Current liabilities	**37 685 526**	33 951 584	41 672 392
Trade and other payables	**31 480 668**	26 499 243	35 496 521
Short-term provisions	**349 247**	303 894	376 265
Short-term vendors for acquisition	**304 154**	117 106	337 112
Short-term puttable non-controlling interest liabilities	**210 786**	212 694	217 899
Taxation	**498 520**	587 397	548 319
Short-term right-of-use lease liabilities	**1 216 296**	1 033 349	1 194 672
Short-term borrowings	**3 625 855**	5 197 901	3 501 604
Total equity and liabilities	**102 953 810**	86 385 332	106 640 252
Net tangible asset value per share (cents)	**5 928**	4 839	5 554
Net asset value per share (cents)	**12 166**	10 139	11 869

Condensed interim consolidated statement of changes in equity

for the

R'000	Half year ended December 31 2023 Unaudited	Half year ended December 31 2022 Unaudited	Year ended June 30 2023 Audited
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Stated capital	**5 428 016**	5 428 016	5 428 016
Treasury shares	**130 819**	(273 920)	(134 001)
Balance at beginning of period	**(134 001)**	(284 653)	(284 653)
Shares disposed of in terms of share incentive plans	**264 820**	73 743	213 662
Shares purchased during the period	**–**	(63 010)	(63 010)
Foreign currency translation reserve	**12 117 948**	9 071 423	12 900 124
Balance at beginning of period	**12 900 124**	7 793 336	7 793 336
Arising during the period including hyperinflation effects	**(782 176)**	1 278 087	5 106 788
Hedging reserve	**–**	1 198	–
Balance at beginning of period	**–**	1 198	1 198
Fair value gain arising during the period	**–**	–	(1 577)
Deferred taxation recognised directly in reserve	**–**	–	379
Equity-settled share-based payment reserve	**389 921**	848 863	971 889
Balance at beginning of period	**971 889**	615 554	615 554
Arising during the period from operations	**109 522**	98 575	208 157
Deferred tax recognised directly in reserve	**–**	–	56 337
Utilisation during the period from operations	**(746 998)**	(73 743)	(213 662)
Transfer from retained earnings	**55 508**	208 477	305 503
Retained earnings	**22 738 329**	18 930 708	20 644 550
Balance at beginning of period	**20 644 550**	17 289 705	17 289 705
Attributable profit	**3 826 308**	3 246 776	6 886 260
Dividends paid	**(1 677 021)**	(1 341 617)	(2 817 395)
Remeasurement of puttable non-controlling interest	**–**	13 359	(304 244)
Recognition of puttable non-controlling interest liabilities	**–**	(42 266)	(74 082)
Remeasurement of defined benefit obligations	**–**	–	(492)
Deficit as a result of an exchange with non-controlling interest	**–**	(26 772)	(29 699)
Transfer to equity-settled share-based payment reserve	**(55 508)**	(208 477)	(305 503)
	40 805 033	34 006 288	39 810 578
Equity attributable to non-controlling interests of the company			
Balance at beginning of period	**384 043**	260 316	260 316
Total comprehensive income	**12 049**	59 252	121 069
Attributable profit	**24 429**	44 504	65 481
Movement in foreign currency translation reserve	**(12 380)**	14 748	55 588
Dividends paid	**(2 650)**	–	(23 721)
Share of movement on reserves	**(420)**	487	–
Transfer to puttable non-controlling interest liabilities	**–**	(42 266)	(224 981)
Changes in shareholding	**–**	78 357	251 360
	393 022	356 146	384 043
Total equity	**41 198 055**	34 362 434	40 194 621

Condensed interim segmental analysis

for the

R'000	Half year ended December 31 2023 Unaudited	2022 Unaudited	% change	Year ended June 30 2023 Audited
REVENUE				
Bidfood				
Australasia	**23 704 674**	21 752 049	9,0	44 336 732
United Kingdom	**32 253 579**	23 120 860	39,5	51 378 872
Europe	**40 748 181**	31 580 690	29,0	69 548 732
Emerging Markets	**17 096 336**	15 294 968	11,8	31 076 903
	113 802 770	91 748 567	24,0	196 341 239
TRADING PROFIT				
Bidfood	**5 935 878**	4 925 845	20,5	10 689 990
Australasia	**1 809 129**	1 543 380	17,2	3 541 197
United Kingdom	**888 938**	908 828	(2,2)	1 918 805
Europe	**2 308 022**	1 579 358	46,1	3 659 132
Emerging Markets	**929 789**	894 279	4,0	1 570 856
Corporate	**(73 151)**	(73 238)		(181 386)
	5 862 727	4 852 607	20,8	10 508 604

Comment

Bidcorp has delivered a very pleasing performance for the half year to December 2023 in a turbulent and challenging world beset with anaemic, stagnant and sometimes negative economic growth. We have grown our top line by 24% and after adjusting for our relevant food-basket inflation, we believe our real volume growth to be in the region of 6%. Our global teams are to be commended on successfully delivering our strategic foodservice focus, within our entrepreneurial and decentralised operating model, contributing to an excellent result.

In terms of financial performance, headline earnings per share (HEPS) increased by 18,6% to 1 152,4 cents per share (H1F2023: 971,7 cents per share), with basic earnings per share (EPS) increasing by 17,6% to 1 143,8 cents per share (H1F2023: 972,4 cents per share). Currency volatility positively impacted the rand-translated HEPS.

Europe produced an excellent performance under the circumstances both in terms of revenue growth and margins, with almost every business showing solid growth. Australasia's revenue growth moderated however both Australia and New Zealand delivered strong trading performances. The UK delivered good volume growth from the prior contract wins and acquisitions although profitability was impacted by lower margins and higher costs. Emerging Markets benefited from a strong performance from our South African businesses, however, the negative macro in Greater China impacted the half-year outcome.

Activity levels held up well in Q1, however, there was a general slowdown into the festive season. Our focus on the optimal mix of sales in both the discretionary and non-discretionary market segments assisted in protecting our gross margins. Moderating but persistent food inflation complicated trading as many customers became more price sensitive and competition increased. Cost inflation has eased, labour availability is improving, although wage pressures remain as we backfill positions and grow our workforce to cater for the increased scale of the business. There has been some relief in energy and fuel cost impacts.

Investment activity, primarily into new distribution capacity, has continued to cater for current and future growth. Only one bolt-on acquisition was concluded in Australia in the period.

Distribution

The board has declared an interim cash dividend of 525,0 cents per share for the half year ended December 31 2023 (H1F2023: 440,0 cents per share), an increase of 19,3% and approximately 2,2 times HEPS cover, in line with group policy.

Financial overview

Net revenue of R113,8 billion (H1F2023: R91,8 billion) rose by 24,0% (constant currency increase of 10,8%), representing solid real growth, despite rapidly moderating inflation and softening demand.

Gross profit percentage at 23,7% (H1F2023: 23,6%) held up very well. As supply chain disruptions corrected themselves, there was substantially less availability of opportunistic buying opportunities, and our teams have pivoted their purchasing capabilities accordingly. Most businesses are continually refining their sales mix, reducing the low-margin, low-return customers, the benefits of which have assisted in offsetting the decline in the UK. Management is continually managing the trading environment which may require the need to sacrifice margin to maintain volumes, and vice versa. The UK's margins remain below norm due to their exposure to national customers, a segment which has structurally lower margins.

The overall cost-of-doing-business increased slightly from 18,3% in H1F2023 to 18,5%. Despite our businesses having been able to substantially pass through moderating product inflation, the strongest headwind we have encountered is in the cost base. Although cost inflation is decelerating, there are still many lagging impacts that will continue to affect us in the short term, the biggest input being labour which accounts for around two-thirds of the cost base. We are looking at further efficiency measures; however, we are aware that our businesses are efficient and operate a high-service model in growing markets.

Group trading profit increased by 20,8% to R5,9 billion (H1F2023: R4,9 billion) and 9,0% in constant currency. H1F2024 trading profit margins remain good at 5,2% slightly below H1F2023 at 5,3%, an excellent result in this environment.

Net finance charges (excluding IFRS 16 charges) were higher by 41,8% at R317,5 million (H1F2023: R223,9 million) driven by higher investments into working capital, further facility expansions, dividend payments to shareholders, and a materially higher interest rate environment in all markets. Finance charges from H2F2023 to H1F2024 are flat in constant currency.

Overall cash flow has been good considering the normal seasonality of the businesses. Cash generated by operations before working capital was strong at R6,8 billion, some 11% more than the R6,1 billion in H1F2023. Bidcorp absorbed working capital of R3,5 billion, R0,4 billion more than H1F2023 driven by higher activity levels and a weaker rand exchange rate translation. All working capital metrics were stronger with average net working capital days at 10,1 days (H1F2023: 12,1 days) working capital percentage to revenue at 4,0% (H1F2023: 4,5%), well within our normalised target of 4,0% to 5,0%.

Gross capital investments in property, plant, and equipment of R2,9 billion (H1F2023: R2,0 billion) include R1,9 billion expansionary investments in new capacity, the largest portion of which has been in Australia.

Non-IFRS 16 net debt to EBITDA at 0,5 times is slightly up on H1F2023 but within expectations considering working capital cycles and capital investments. Non-IFRS 16 EBITDA interest cover is at 20,7 times (H1F2023: 24,7 times), both of these well within group covenants.

Strategy

Bidcorp's overall 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. Growth is further supplemented by in-territory bolt-on acquisitions to expand geographic reach and product range, or via strategic acquisitions to enter new markets.

Although our businesses operate largely in the same broad industry, we actively encourage competitiveness among our businesses, and equally encourage co-operation and sharing of ideas and learnings, recognising each business presents its own nuances, issues, outlook, challenges and opportunities. We manage each business on a standalone basis, while ensuring we maximise the benefit of our global scale, experience, expertise and IP. Our greatest synergy is the collective knowledge of operating in multiple geographies, with each business at differing stages of maturity and development. We benchmark and compare, to demonstrate what works and what does not, and to inspire what success looks like.

Prospects

Further investments into strategic distribution facilities to provide for future capacity are planned in many businesses to cater for anticipated organic growth, however, the rate of investment is likely to moderate. Investing in new technologies for renewable energy, refrigeration, energy efficiency and logistics optimisation in an environmentally and cost-efficient way remains a strategic imperative to furthering our sustainability.

We are ramping up our advancements in technology as well as continuing to explore what opportunities AI can bring, actively looking to AI-solutions to maximise sales opportunities, margin optimisation, inventory management, as well as labour efficiencies.

Several bolt-on acquisitions are under consideration across the group, both for in-country geographic expansion as well as value-add product development, which are likely to conclude in the latter part of the financial year or early in the new year. No new geographic-market acquisitions are being investigated at present, but we are alert to any opportunities should they present themselves.

The long-term growth fundamentals of the global foodservice industry remain positive, in the short term, the economic outlook for many of our jurisdictions is much tougher. Food inflation is abating erratically, cost inflation remains elevated driven by ongoing wage increases, and consumer spend will remain under pressure until interest rates start to decline. Activity levels into February have been reasonable, considering the seasonally slower winter in the Northern Hemisphere. We have the management teams and the business model to continue to perform, adapting and maximising the changing circumstances we encounter. We believe our market share is increasing and we remain confident that we can continue to deliver real growth for the remainder of the financial year.

Divisional review

Australasia

Consumer sentiment in both Australia and New Zealand was dampened by the impact of ongoing inflationary and interest rate pressures, but the results in the region were good, reporting growth in both revenue and trading profit off an incredibly strong prior-year performance. Revenue grew 9,0% to R23,7 billion. Trading profit was up 17,2% to R1,8 billion (H1F2023: R1,5 billion), benefiting from excellent margin and cost management in spite of the inflationary cost pressures experienced.

Australian sales were flattish with top-line results impacted by the exit of further QSR activity in the previous year, which has resulted in improved margins. Expenses increased with continued energy price increases, labour cost increases, and further investment into new facilities.

Foodservice delivered a solid performance in a tough market. Sales maintained, margins grew, resulting in an improved contribution for the first half. Focus will remain on growing the “right” customer categories and developing the “right” product mix. An acquisition in Dubbo (NSW) was completed in the period, the integration of which is starting. New facilities are near completion in Darwin and Canberra, as well as branch extensions in Emerald and Toowoomba, all of which add capacity for growth.

Supply Solutions have implemented some positive changes to their freight model which has delivered a significant improvement in overall contribution. Navigating ongoing supply shortages because of global geopolitical instabilities remains the biggest challenge. Simply Food Solutions has had a great first half and continues to focus on being a key supplier to the Foodservice businesses, growing the range and increasing the exposure to the current customer base. Meat has had a good first half, with the outlook positive. Investments continue to grow processing capability. Current market conditions will remain into the second half, with weakening consumer confidence likely to impact the hospitality sector.

New Zealand delivered pleasing results despite the continuing negative consumer sentiment following recessionary economic conditions. The decline in activity was somewhat offset by the increased flow in international tourism. Successful implementation of the importing and manufacturing strategy has delivered increased sales well in excess of food inflation, boosted by good expense management, resulting in a trading profit result ahead of expectations.

The Foodservice team worked hard to achieve sales volume growth, benefiting from a focus on growing the Own Brand range, as well as category focus on specific specialised ranges such as the alcohol offering. Some regions made the decision to sacrifice margin to retain market share, however many regions felt competitive pressure. Volumes lost following the exit of a large QSR customer in October 2022 was replaced and, in some cases, exceeded previous levels.

Simply Food Solutions had an outstanding second quarter as the pull-through of internal Own Brand sales improved and airline catering benefited from the increase in international tourism. Efficiencies realised on the investment into automated processing solutions has materially improved yield and margins. Investment into additional processing capacity continues. New investment has commenced to increase our protein processing capability.

Rising wage costs, staff retention, and sourcing additional staffing needed to meet the volume growth demands, remain a key focus area. Costs are being impacted by the steep growth of market rentals, reflecting the rising cost of construction. A new site in Taupo is due to be opened in May 2024, with work commencing in both Waipapa and Wellington. Continuing the current growth trajectory while navigating a tough trading environment remains a key focus to yearend.

United Kingdom (UK)

Trading conditions in the UK have been tough in the hospitality sector, with operators navigating high food, labour, rent, and energy prices, to keep their doors open. Green shoots of recovery are expected with food inflation coming down, energy costs lower than a year ago, and interest rates stabilising.

Under these circumstances, Bidfood UK grew revenue 39,5% to R32,3 billion (H1F2023: R23,1 billion) however, trading profit was impacted by the drop in gross margins. The lower cost-of-doing-business, despite the ever-increasing cost burden, was unable to arrest the decline and overall trading profit was down 2,2% to R889 million (H1F2023: R909 million).

The Wholesale depots achieved great top-line growth in the first half, growing volumes by 12% on H1F2023, but margin was compromised to achieve this growth, with both freetrade and national accounts margin down. Additional cost was incurred as a result of investing in new depots and infrastructure to meet the increasing volume, the benefits of which will be evident as these sites become fully operational.

Caterfood Buying Group (CBG) benefited from their prior year acquisitions, which are being successfully transitioning to Bidfood's approach and working practices. Through developing and improving buying synergies, as well as capturing resource and transport efficiencies, a stronger second half is anticipated.

Fresh was slightly better than the prior year first half, in both revenue and profits. Costs have been well-controlled, and expectations are good for a positive second half. Manufacturing was profitable in the period despite having to navigate some one-off costs, the outlook is good.

Digitising the environment continues with an advanced stock management solution which will impact efficiencies across the service offering and contribute to working capital improvements. Work continues in embedding the sustainability strategy, with efforts focused on material impact areas. Progress is being made in the measurement and extent of scope 3 carbon emissions, working closely with key suppliers, on the journey towards setting net-zero targets.

Good progress has been made on the six new builds, with two completed and ready for operations in early H2. Management continues to actively pursue bolt-on acquisition opportunities in the independent market.

Europe

Our European operations have had an excellent first half, increasing revenue and trading profits to record levels, an outstanding performance in a tough, erratic environment. Revenue growth was up 29,0% to R40,7 billion (H1F2023: R31,6 billion). Trading profit results were even better with an impressive 46,1% increase to R2,3 billion (H1F2023: R1,6 billion). The businesses navigated energy costs volatility, erratic inflationary impacts and ongoing supply chain disruptions in both inventory and capital products – yet still delivered record performances.

Netherlands had an excellent first half, with revenue growth outstripping inflation levels. Gross margin and excellent cost management contributed to the strength of the result. National accounts have delivered good results through continued focus on customer requirements and getting the product mix "right". Growth in the freetrade sector continues.

Energy and fuel costs continue to increase, mitigated by efficiency improvements implemented in the operations. Construction of the new property development in The Hague has started, completion is expected to be March 2025.

Belgium had a solid half year, revenue growth responding well, driven by an improved economic environment and trading profit benefiting from lower inflation rates and energy costs. Consumer sentiment, and spend in the hospitality sector, remains cautious. The loss of a low-margin account in the Thuin operations did not affect profitability. Institutional sales in Kruibeke have increased, benefiting from a focus on the customer profile. Activity in the horeca sector was under pressure but performance benefited from internal efficiencies. Expenses overall have been well-managed. An acquisition opportunity continues to be pursued, with a positive outcome expected by the summer.

Czech Republic and Slovakia experienced subdued domestic demand as consumers remain cautious. Disinflation in overall costs across the market, with falling energy prices, easing wage and food inflation as well as a stabilising in the supply chain activity, contributed to the business reporting excellent results for the first half. Staff resourcing remains challenging in the current record-low unemployment environment. Investment into growing capacity continues, through expanding the current Slovak site and commencing construction of a South Bohemia site.

Italy continues to deliver good results, with margins coming under a little pressure but benefiting from the overall cost-of-doing-business starting to ease. Improved sales were reported across all businesses. Margins were impacted by commodity price increases for products such as tomatoes, pasta and flour. Capital investment (capin) was focused on maintenance in plant, machinery and equipment, vehicles. A new Rome depot is in the process of development, which will be fully operational in H2.

Poland delivered sales and profitability increases, with the biggest growth contribution from the freetrade sector. Capin into improvements in the IT technologies, as well as warehouse capacity continued, with the opening of the new Wrocław depot in the second quarter. Further solar investments into the Poznań depot, and additional "green efficiency" initiatives have been implemented. Cost pressures are not anticipated to ease, especially considering a national minimum wage increase of 18% effective January 2024.

Baltics foodservice operations in Lithuania, Latvia and Estonia all reported improved sales, notably achieved in the independent horeca segment. Retail sales have performed well but a few one-off significant costs impacted profitability. An acquisition to grow the specialist product range in Latvia has been identified and the due diligence is underway.

Spain has maintained the positive momentum of the prior year across all operations. Guzman pleasingly continues to report monthly profits, and despite the loss of a few customers, has increased sales in the independent and hotel sectors by more than 20%. The new management team has implemented efficiencies and controlled costs downward to improve overall performance. Igartza has seen a tougher trading environment but remains profitable. The Euskopan acquisition has bedded down well. Inflation is not easing, but market share growth is the focus and embracing synergies within the three operations. Bolt-on acquisitions are under consideration.

Portugal, although navigating dampened economic activity, has shown pleasing growth. Pricing strategies and market positioning continues to be management's focus. Investing for growth continues, with approvals received to proceed with the new Sintra depot build and Porto progressing well. A bolt-on acquisition has been identified and negotiations are well underway.

Germany's results disappointed, with sales and trading profit slightly down on the prior period. Restructuring of the current depot footprint and creating cross-dock capacity is expected to create efficiencies. A small acquisition of a bakery specialist business (with effect from January 2024) is anticipated to create cross-selling opportunities.

Emerging Markets

Emerging Markets delivered a solid overall performance despite economic challenges in several markets. Revenue was up 11,8% to R17,1 billion (H1F2023: R15,3 billion) and trading profit up 4,0% to R930 million (H1F2023: R894 million).

Bidcorp Food Africa (BFA including Bidfood and Crown Food Group) achieved excellent results considering the overall environment in South Africa. Inflation is moderating but interest rates remain elevated, increasing the pressure on consumers' disposal income. Power blackouts continue. Avian influenza impacted availability and pricing of commercial poultry stock and eggs. Supply chain bottlenecks through the ports have impacted sales and production, all of which compounded stagnant growth rates.

Bidfood South Africa (Bidfood) delivered a commendable performance, despite the impact of avian flu and a weaker Christmas period, evidence of the pressure on patrons' disposable income. Bidfood's margin and expense management has been excellent. An acquisition of a frozen foodservice business in the Eastern Cape is underway and should complete in Q4F2024. Investment into security and digital enhancements of the IT environment continue. Investment in human capital and transformation is ongoing. The Johannesburg South Bidfood multi-temp facility occupation is planned for April 2024. Competitive activity into H2 will intensify as operators fight for market share.

Crown Food Group (CFG) delivered an excellent second quarter and half year results notwithstanding the supply chain challenges. Margin management improved and cost control was good. Both the lower beef price and the avian flu impact on poultry products stimulated demand for the CFG products. Growth in manufactured products normalised with a consequent positive benefit on margins. Competition in the retail segment is fierce, intensified by competitors introducing their own brands to regain market share. Independent butcheries were impacted by the supply chain delays on certain products.

Chipkins Puratos (CP) (50% equity accounted) trade profit grew despite volumes being under pressure as customers struggle to operate through the ongoing power crisis and the avian influenza impact on the supply of eggs. Artisanal channels benefited from increased demand for speciality fats, sugars and yeast, with declines in pâtisserie mixes and vegetable creams. Focus continues in growing the own manufactured product range.

Greater China's (including **Hong Kong**) half-year performance was below expectations, largely attributable to the fiscal pressures facing the economy, a bleak export outlook and dampened private sector confidence. There are some glimmers of hope, in that most mainland operations outperformed their comparative Q2F2023. Ongoing efforts to expand the local supplier base continues, to mitigate the pricing risk of imported products. The newly appointed management team have settled well, placing focus on sales growth, cost management and focus on improving the control environment, strengthening processes and policies across the region. Management is optimistic of an improved H2.

Singapore has had a challenging half year. Outbound tourism contributed to the dampened growth, however, profitability has been protected through tight margin management and good cost control. Changes in senior leadership, although disruptive, has positioned the business for a marked second-half improvement.

Malaysia delivered good sales growth but at the expense of margins. Disruptions to supply chains due to the unrest in the Middle East, impacted product availability as well as the pricing of the range. Investing in marketing and brand knowledge awareness is key as we grow the footprint in this region. Capacity constraints in all three warehouses are impacting growth, however, investments to remedy this are underway.

Bidfood Middle East (BME) performed reasonably well in all operations delivering sales above the prior year but trading profits lagged behind. The unrest in the region has impacted supply chains and motivated local boycotts of American brands. Volatile salmon pricing put pressure on Wet Fish margins. Horeca UAE benefited from the diversification of their product range, expanding their customer base. Oman performed well, Bahrain was flat and Jordan struggled.

Türkiye continues to report sales growth in the local currency in an environment with high inflation headwinds. Expenses have been impacted by the new facilities brought on line in growing the footprint, combined with the rapid increase in interest rates and inflation, and coupled with the deflation of the Turkish lira. There is no expectation of these conditions abating soon. Minimum wage increases of 49% will impact costs and therefore pricing into H2. myBidfood rollout has been a success, with 64% of active customers engaging on this platform.

Brazil has experienced a volatile political climate which has stifled economic activity and reduced market confidence. Sales were flat but tight margin management delivered a pleasing trading profit. Restructuring the sales team to reinvigorate incentivisation and to onboard the recently appointed culinary specialists is underway, expected to drive growth in the second half. Management is investigating a bolt-on acquisition to bolster the Paulina branch while also exploring expansion opportunities beyond the São Paulo area.

Chile's economic outlook has started to improve, and with the currency stabilising and inflation easing, consumer confidence is growing, especially in the independent horeca market. Re-examining the product range and embracing procurement efficiencies has benefited margins. Expenses were up except for warehouse expenses which benefited from the tighter inventory controls recently implemented. Efforts to optimise the purchasing and pricing of the protein range remains a key focus.

Argentina (46% equity accounted), following the completion of the local elections, embraced the positive economic respite, with sales and profits reflecting this uptick. The currency devaluation makes Argentina a much sought-after international tourist destination, with our Puerto Iguazú and Ushuaia branches benefiting. Acquisition opportunities are not plentiful, but our teams are resilient and will continue to keep watch.

Corporate

BidOne, under new leadership, is focusing on strategic projects aligned with four key goals being: "Performance, Personalisation, Data and Product". The BidOne operation continues to develop to complement our operations, positioned around the world, in delivering a world-class online ecommerce engagement platform.

Bidfood Procurement Community (BPC) continues to grow engagement with and relationship with all the Bidfood procurement teams, identifying and supporting opportunities to improve product sourcing, supply and pricing. Developing product categories, product knowledge and insight continues, as well as researching and confirming suppliers' compliance with internationally recognised food safety accreditations, aligning with the group's food safety standards.

BL Berson
Chief executive officer

DE Cleasby
Chief financial officer

Dividend declaration

In line with the group dividend policy, the directors declared an interim cash dividend of 525,0 cents (420,0 cents net of dividend withholding tax, where applicable) per ordinary share for the six months ended December 31 2023 to those members registered on the record date, being Friday, March 22 2024.

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

Share code:	BID
ISIN:	ZAE000216537
Company registration number:	1995/008615/06
Company tax reference number:	9040946841
Gross cash dividend amount per share:	525,0 cents
Net dividend amount per share:	420,0 cents
Issued shares at declaration date:	335 404 212
Declaration date:	Wednesday, February 21 2024
Last day to trade cum dividend on the JSE:	Monday, March 18 2024
First trading day ex-dividend on the JSE:	Tuesday, March 19 2024
Record date:	Friday, March 22 2024
Payment date:	Monday, March 25 2024

Share certificates may not be dematerialised or rematerialised between Tuesday, March 19 2024 to Friday, March 22 2024, both days inclusive.

For and on behalf of the board

AK Biggs
Company secretary representative

Johannesburg
February 21 2024

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 half year ended December 31 2023 results have not been audited or reviewed by the group's auditors. The condensed interim consolidated financial statements have been prepared by SG Larkin FCCA, under the supervision of DE Cleasby CA(SA), and were approved by the board of directors on February 20 2024.

Accounting estimates, judgements and fair values

During the period, the expected credit loss (ECL) provision increased from 5,9% (June 30 2023) to 6,1% at December 31 2023. The ECL percentage remains elevated compared to 2019 (pre-COVID-19 ECL percentage of 4,5%) as we operate in times of economic uncertainty and heightened cash flow pressures on independent free trade customers, and particularly a more difficult macro-economic environment. 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 groups' ECL provision could also occur over time.

As at December 31 2023 the provision for stock obsolescence is 2,4% of gross inventory (H1F2023: 2,2%).

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. There was no remeasurement changes of the puttable NCI liabilities during the period (H1F2023: R13,4 million (credit)).

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 2023 is 142,4 (June 30 2023: 109,4), 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 R2,2 million (H1F2023: R10,0 million loss).

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 H1F2024, R2,9 billion of the R5,1 billion F2024 approved capital investment has been spent mainly on infrastructure (through upgrades to (or new) distribution centres including the fit out of plant and equipment, purchase of land and vehicle fleet). For H2F2024, significant capital commitments will involve:

- Australia – continued infrastructure investment to grow capacity in Yatala, Toowoomba, Hervey Bay, Malaga and Darwin.
- United Kingdom – infrastructure investment in new Manchester distribution centre and continued vehicle fleet replacement.
- New Zealand – continued infrastructure investment in distribution centres in Taupo (expected opening May 2024), Kerikeri and Wellington.
- South Africa – continued infrastructure investment into new facility in Alberton (expected completion April 2024).
- Portugal – infrastructure investment in Lisbon distribution centre to grow capacity.
- Southeast Asia – infrastructure investment in Malaysia.

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 period, nor have they resulted in any non-performing debts at December 31 2023.

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 (H1F2023: 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.

	Half year ended December 31			Year ended June 30
R'000	2023 Unaudited	2022 Unaudited	% change	2023 Audited
Sale of goods – frozen	**41 324 569**	33 663 287	22,8	70 788 648
Sale of goods – chilled	**32 588 613**	24 419 459	33,5	55 303 603
Sale of goods – ambient	**34 904 638**	29 184 135	19,6	61 004 022
Sale of goods – non-food	**4 845 221**	4 333 351	11,8	8 948 959
Rendering of services and commissions earned	**139 729**	148 335	(5,8)	296 007
	113 802 770	91 748 567		196 341 239
Revenue percentage by customer type				
Hotels, restaurants and cafés	**43%**	42%		43%
Caterers, butcheries and canteens	**14%**	14%		14%
Quick service restaurants	**13%**	12%		12%
Retail, wholesalers and other distributors	**11%**	13%		10%
Healthcare and aged care	**8%**	8%		9%
Education	**5%**	6%		6%
Travel (airlines and cruise liners)	**3%**	3%		3%
Government-related customers	**3%**	2%		3%
Analysis of revenue per country by percentage				
United Kingdom	**28%**	25%		26%
Australia	**13%**	16%		15%
Netherlands	**9%**	9%		9%
New Zealand	**7%**	8%		8%
Italy	**7%**	7%		7%
Czech Republic	**6%**	6%		7%
Belgium	**5%**	5%		5%
People's Republic of China and Hong Kong	**4%**	5%		5%
South Africa	**4%**	5%		4%
Other	**17%**	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 assets (liabilities)		
R'000	Investments	Puttable non-controlling interests	Vendors for acquisition	Puttable non-controlling interests	Vendors for acquisition	Total
December 31 2023						
Financial assets measured at fair value	**29 447**	**–**	**–**	**–**	**–**	**29 447**
Financial liabilities measured at fair value	**–**	**(5 320 284)**	**(34 749)**	**(210 786)**	**(304 154)**	**(5 869 973)**
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)
June 30 2023						
Financial assets measured at fair value	19 634	–	–	–	–	19 634
Financial liabilities measured at fair value	–	(5 408 028)	(88 994)	(217 899)	(337 112)	(6 052 033)

Fair value

R'000	Level 1	Level 2	Level 3	Total
December 31 2023				
Financial assets measured at fair value	**–**	**–**	**29 447**	**29 447**
Financial liabilities measured at fair value	**–**	**–**	**(5 869 973)**	**(5 869 973)**
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)
June 30 2023				
Financial assets measured at fair value	–	–	19 634	19 634
Financial liabilities measured at fair value	–	–	(6 052 033)	(6 052 033)

Valuation techniques and significant unobservable input

The table shows the valuation techniques used in measuring the DAC puttable non-controlling interests at December 31 2023:

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: 5,7% (2022: 6,5%) • Average EBITDA margin: 6,5% (2022: 7,0%) • Contractual EBITDA multiple: 10,5x (2022: 10,5x) • Risk-adjusted discount rate: 1,7% (2022: 1,7%)	The estimated fair value would increase (decrease) if: • the EBITDA were higher (lower); or • the risk-adjusted discount rate were lower (higher).

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

	Increase in assumption %	Increase (decrease) in liability R'000	Decrease in assumption %	Increase (decrease) in liability R'000
Average EBITDA margin	10	561 536	10	(564 066)
Risk-adjusted discount rate	10	(30 839)	10	28 505
Revenue growth rates	10	85 048	10	(86 247)

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 2023 Unaudited	December 31 2022 Unaudited	June 30 2023 Audited
Rand/Sterling			
Closing rate	23,30	20,59	23,85
Average rate	23,43	20,35	21,40
Rand/Euro			
Closing rate	20,20	18,22	20,50
Average rate	20,22	17,56	18,61
Rand/Australian dollar			
Closing rate	12,46	11,61	12,51
Average rate	12,20	11,61	11,96

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 H1F2023 average Rand exchange rates to the H1F2024 foreign subsidiary income statements and recalculating the reported income of the group for the period.

R'000	For the half year ended December 31 2023 Unaudited	2022 Unaudited	% change	Illustrative 2023 at 2022 average exchange rates	% change
Revenue	**113 802 770**	91 748 567	24,0	**101 617 304**	10,8
Trading profit	**5 862 727**	4 852 607	20,8	**5 287 829**	9,0
Headline earnings	**3 854 911**	3 244 634	18,8	**3 470 756**	7,0
Headline earnings per share (cents)	**1 152,4**	971,7	18,6	**1 037,5**	6,8
Constant currency per segment					
Revenue					
Australasia	**23 704 674**	21 752 049	9,0	**22 397 837**	3,0
United Kingdom	**32 253 579**	23 120 860	39,5	**28 017 932**	21,2
Europe	**40 748 181**	31 580 690	29,0	**35 132 137**	11,2
Emerging Markets	**17 096 336**	15 294 968	11,8	**16 069 398**	5,1
	113 802 770	91 748 567	24,0	**101 617 304**	10,8
Trading profit					
Australasia	**1 809 129**	1 543 380	17,2	**1 709 511**	10,8
United Kingdom	**888 938**	908 828	(2,2)	**772 200**	(15,0)
Europe	**2 308 022**	1 579 358	46,1	**1 987 573**	25,8
Emerging Markets	**929 789**	894 279	4,0	**886 245**	(0,9)
Corporate office	**(73 151)**	(73 238)	0,1	**(67 700)**	7,6
	5 862 727	4 852 607	20,8	**5 287 829**	9,0

Acquisition of businesses and subsidiaries

Acquisitions

As at December 31 2023 one bolt-on acquisition was concluded in Australia of Midwest Foods, a food and liquor distributor servicing the Central West of New South Wales.

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

Total investment in acquisition for the period was R206,9 million, the benefits of which will be evident in the medium term as we extract synergies and efficiencies. This bolt-on acquisition contributed R157,1 million to revenue and R6,5 million to trading profit for the period ended December 31 2023. The expected annual total contribution from this acquisition to revenue is R556 million and an increase in trading profit of R32 million. There were no significant contingent liabilities identified in the business acquired.

Subsequent events

There have been no material events subsequent to December 31 2023.

Directors

Chairman: S Koseff

Lead independent director: NG Payne

Independent non-executive directors: 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*

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 and postal address

Bid Corporation Limited
2nd Floor North Wing, 90 Rivonia Road
Sandton, 2196

Company secretary

Bidcorp Corporate Services (Pty) Limited

Represented by Ms AK Biggs and Ms L Roos

Transfer secretaries

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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

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THE OAK TREE GROUP

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