

The Bidvest Group Limited
(Incorporated in the Republic of South Africa)
(Registration number 1946/021180/06)
Share code: BVT
ISIN ZAE000117321
("Bidvest" or "the Company")

UNAUDITED FINANCIAL RESULTS AND CASH DIVIDEND DECLARATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

SALIENT FEATURES

- R4.1bn trading profit from continuing operations, +3.5%
- Normalised HEPS(1) from continuing operations 651.6 cents, +6.1%
- HEPS from continuing operations 601.7 cents, +6.3%
- Basic EPS from continuing operations 562.3 cents, +17.2%
- R6.2bn cash generated from operations, +86.2%
- ROFE up to 31.3%
- Net debt / EBITDA improved to 1.7x from 2.1x as at June 2020
- Interim dividend 290 cents, +2.8%
- Commissioned R1 billion LPG terminal in Richards Bay
- Executive leadership team 45% women and 45% black

Introduction

During the six months to December 2020, Bidvest pulled together like never before, strengthening our resolve to emerge stronger. Our entrepreneurial philosophy, agility, discipline, customer centricity enabled us to deliver a good set of results. Solid profit and HEPS growth converted into exceptional cash flow which enhanced our balance sheet.

Our people, many of whom are frontline workers, were key enablers in delivering this outcome. We are particularly pleased that today 95% of our employees have been able to return to work, a massive shift from the approximately 75% of employees that were unable to work during the height of the lockdown in 2020.

We sadly lost a further 44 employees to COVID-19 during the period as infections peaked over the past few months. We extend our sincere condolences to their families, friends and colleagues. The Bidvest COVID-19 Fund continued to support South African employees during the past six months. In the UK and Ireland, employees continued to receive support from their respective government employee relief schemes. Governments of South Africa, Ireland and the UK are commended for the support provided to livelihoods through TERS and furlough schemes.

In order to protect the health, safety and wellbeing of the Bidvest family, we will cover the cost of vaccinations of our employees not on medical aid in the coming months.

Highlights

Trading profit growth of 3.5%, off a pre-pandemic base, was enhanced by the consolidation of PHS, the leading hygiene service provider in the UK. During the six months to December 2020, demand was disparate across industries. There was good demand for hygiene and facility services, DIY products and bulk commodity handling services. Travel and related, as well as hospitality, sectors were hard hit and remain, largely, closed.

Bidvest's focus was on expense and balance sheet management while delivering efficiently into market demand. Exceptional cost and margin management across the Group limited the negative profit impact of lower demand. This, together with excellent working capital management, resulted in cash generated by operations almost doubling to R6.2 billion (H1 2020: R3.3 billion). Free cash flow totalled R3.1 billion (H1 2020: R306.9 million). Group cash conversion was 124.3%.

Normalised HEPS(1), a measurement used by management to assess the underlying business performance, grew by 6.1% to 651.6 cents from continuing operations.

The balance sheet strengthened over the period. Return on Funds Employed (ROFE) improved significantly from 17.8% at year end to 31.3%. ROIC of 12.9%, unchanged from 30 June 2020, is above the Group's weighted cost of capital.

The Group declared an interim dividend of 290 cents per share, up 2.8%.

(1) Normalised HEPS, which excludes acquisition costs, amortisation of acquired customer contracts and COVID-19 costs, is a measurement management uses to assess the underlying business performance

Prospects

Looking ahead, it is likely that the economic downturn will persist with the pace of recovery remaining largely uncertain. Cognisant of the constrained operating environment, we have optimised our cost base and improved efficiencies. Our businesses are future-fit and their operating models scalable, well placed for growth.

In addition, we have better aligned our product and service mix with evolving market demands and we expanded our geographic footprint.

Bidvest's comprehensive basic-need services and everyday essential products position us favourably to withstand the current headwinds as well as capitalise on the resumption of trade. Our businesses will continue to seek new revenue and take advantage of the opportunities that are evident in some sectors.

Whilst we continue to pursue our strategy of expanding into niche areas, we will maintain our sound capital allocation disciplines. In so doing, we remain confident in our ability to deliver sustainable growth and create long-term value for all stakeholders.

Bidvest is actively participating in national workstreams to enable a return to economic activity as soon as possible. This includes working alongside industry peers to ensure the effective distribution of COVID-19 vaccines across the country.

Dividend declaration

In line with the Group dividend policy, the directors have declared a final gross cash dividend of 290 cents (232.0000 cents net of dividend withholding tax, where applicable) per ordinary share for the six months ended 31 December 2020 to those members registered on the record date, being Friday, 26 March 2021. 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:	290.0
Net dividend amount per share:	232.0000
Issued shares at declaration date:	340 274 346
Declaration date:	Monday, 1 March 2021
Last day to trade cum dividend:	Tuesday, 23 March 2021
First day to trade ex-dividend:	Wednesday, 24 March 2021
Record date:	Friday, 26 March 2021
Payment date:	Monday, 29 March 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 24 March 2021, and Friday, 26 March 2021, both days inclusive.

Regulatory requirements

The contents of this short-form announcement are the responsibility of the board of directors of the Group. These are the summarised results of the full announcement for the interim period and do not contain full or complete details of the financial results. Any investment decisions made by investors and/or shareholders should be based on consideration of the full announcement as a whole and shareholders are encouraged to read the full announcement which is available for viewing on the Company's website (www.bidvest.co.za) and <https://senspdf.jse.co.za/documents/2021/jse/isse/BVT/1HFY2021.pdf>

The full announcement is available for inspection at the registered office of Bidvest, Bidvest House, 18 Crescent Drive, Melrose Arch, Melrose, Johannesburg, 2196, South Africa and at the offices of Bidvest's sponsors, Investec Limited, 100 Grayston Drive, Sandown, Sandton, 2196, South Africa. Inspection of the full announcement is available to investors at no charge, during normal business hours from 1 March 2021.

The information in this announcement has been extracted from the Unaudited Condensed Consolidated Financial Statements. The Unaudited Condensed Consolidated Financial Statements have been prepared under the supervision of the Chief Financial Officer, MJ Steyn, BCom CA(SA).

Date: 1 March 2021
Johannesburg

Sponsor: Investec Bank Limited