

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")

Bidvestco Limited
(Incorporated in the Republic of South Africa)
(Registration No. 1966/011512/06)
Company code: BIBIDV
("Bidvestco" or the "Issuer")

AUDITED FINANCIAL RESULTS AND CASH DIVIDEND DECLARATION
FOR THE YEAR ENDED 30 JUNE 2021

SALIENT FEATURES

- R88 billion revenue from continuing operations, +15.4%
- R8 billion trading profit from continuing operations, +47.8%
- Strengthened balance sheet with net debt / EBITDA 1.8x
- R14 billion cash generated by operations, +48.6%
- Normalised HEPS from continuing operations 1 292.0 cents, +25.6%
- HEPS from continuing operations 1 183.3 cents, +113.9%
- ROFE up to 31.6%
- Total dividend of 600 cents with 310 cents final dividend
- R230 million spent toward easing the impact of COVID-19 on employees and communities
- Group EPS, HEPS and normalised HEPS of 1 131.3 cents (FY20 loss 136.6 cents), 1 198.4 cents (FY20 394 cents) and 1 307.2 cents (FY20 869.1 cents)

Introduction

There have been numerous noticeable features over the past year, not least of which has been an excellent financial and operating performance for the year ended 30 June 2021, with trading profit increasing by 47.8% to a stellar R7.9 billion and cash generated by operations of R13.6 billion, which is 48.6% higher than last year.

These financial results reflect Bidvest's success in achieving its planned strategic objectives, increased market share and organic growth in key sectors. It also follows the successful conclusion of the disposal of non-core assets, which started after the unbundling of the foodservices businesses and resulted in cumulative proceeds of more than R4 billion since FY 2017.

The Group has been successful in advancing its strategy of carefully considered geographic diversification, concluding two sizeable and a few smaller bolt-on acquisitions in the United Kingdom.

A special tribute must be directed towards the Bidvest family of employees that have worked consciously and faithfully through these difficult times. Our employees displayed tremendous dedication, often in difficult circumstances, to ensure the continuation and enhancement of value in the delivery of the Group's products and services. Bidvest's Board of Directors acknowledges this commitment and expresses its thanks and gratitude to all employees on behalf of all stakeholders.

Sadly, we lost 122 Bidvest family members to the COVID-19 pandemic and extend our sincere condolences to the families and colleagues of these employees. Bidvest continues to provide support to employees and communities besieged by the harsh impacts of the pandemic.

The value of a diverse Board and executive leadership team is evident. We are extremely proud of the fact that the Bidvest Board is now comprised of 70% females and 80% Black and the Exco are 42% female and 50% Black.

There was limited damage to the infrastructure of the Group during the riots in KwaZulu-Natal and parts of Gauteng and thankfully, no employees were harmed. The Group provided assistance to both employees and communities in the affected areas where there were food shortages due to supply chain disruptions.

Highlights

The essential and contractual nature of a significant part of the Bidvest portfolio, together with the trading agility across the Group and excellent cost management, culminated in a very strong operational result. The Services, Automotive and Commercial Products divisions delivered their highest ever trading profit, as did Branded Products, which is inclusive of a second full year contribution from Adcock Ingram.

Cash generation was 48.6% higher at R13.6 billion with free cash generated doubling to R7.3 billion and Group cash conversion of 144.5% (FY 2020 137.8%). HEPS grew by 1 13.9% to 1183.3 cents from continuing operations. Normalised HEPS(1), a measurement used by management to assess the underlying business performance, grew by 25.6% to 1 292.0 cents. Group EPS increased from a loss of 136.6 cents in FY 2020 to a profit of 1 131.3 cents.

Return on Funds Employed (ROFE) improved significantly from 23.0% at 30 June 2020 to 31.6%. Return on Invested Capital (ROIC) of 14.1%, which compares to 12.9% last year, is above the Group's weighted cost of capital.

The Group declared a final dividend of 310 cents per share, bringing the total dividend for the year to 600 cents per share, up 112.8%.

(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

While the pandemic continues to disrupt global supply chains and affect certain markets, a rapid sustainable economic recovery is likely to be delayed. Bidvest remains positive that profitability momentum will be maintained given the Group's spread of products and services. Encouragingly, there are signs of increased infrastructure investment activity out of mining and industrial sectors. While we will continue to optimise our cost base and improve efficiencies across the Group, the significant work already done over the last two years in these areas, will positively support future results.

Shortly after year-end, we concluded the refinancing of the EUR320 million Euro loan facility that was due to mature in September 2022. As part of this refinancing, a new syndicated Sterling facility was upsized to GBP400 million and include a revolving credit element that provides the Group with enhanced funding flexibility. The remaining GBP60 million PHS bridge finance balance was settled. The maturity profile of the Group was pushed out by three years.

The Group's business objectives and strategy remain unchanged and its growth ambitions resolute.

The recent riots, which occurred in KwaZulu-Natal and certain parts of Gauteng in South Africa, have been devastating from a personal loss and harm perspective, while the infrastructure destruction has been extremely distressing. The Group reaffirms its duty and commitment to building an inclusive South Africa.

Bidvest has over 120 000 passionate employees, a committed leadership team, as well as an extensive product and service range, which are aligned in the pursuit of delivering enduring value.

Dividend declaration

In line with the Group dividend policy, the directors have declared a final gross cash dividend of 310 cents (248.0000 cents net of dividend withholding tax, where applicable) per ordinary share for the twelve months ended 30 June 2021 to those members registered on the record date, being Friday, 1 October 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:	310.0000
Net dividend amount per share:	248.0000
Issued shares at declaration date:	340 274 346
Declaration date:	Monday, 6 September 2021
Fast day to trade cum dividend:	Tuesday, 28 September 2021
First day to trade ex-dividend:	Wednesday, 29 September 2021
Record date:	Friday, 1 October 2021
Payment date:	Monday, 4 October 2021

Share certificates may not be dematerialised or rematerialised between 29 September 2021, and 1 October 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 financial year 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/FY21result.pdf>

The auditor's report with Key Audit Matters together with the accompanying AFS and full announcement are available for viewing on the Company's website and 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. at no charge, during normal business hours from 6 September 2021.

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

Date: 6 September 2021
Johannesburg

Sponsor: Investec Bank Limited