

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 FINANCIAL YEAR ENDED 30 JUNE 2022

SALIENT FEATURES*

- R99.9 billion revenue, +13%
- R9.7 billion trading profit, +23%
- R11.5 billion cash generated by operations
- ROFE up to 37.6%
- Group HEPS 1 442.0 cents, +22%
- Normalised HEPS 1 601.5 cents, +24%
- EPS 1 492.2 cents, +32%
- Total dividend of 744 cents, +24%

* Continuing operations

Introduction

This year's exceptional operating and financial results were delivered despite several domestic and global crises and rapid changes in demand.

The R9.7 billion reported trading profit is similar to the profits pre the 2016 unbundling of the foodservice businesses. Cash flows from operating activities, excluding dividends and on a comparable basis, are almost R0.5 billion higher. This is a remarkable achievement in a mere six years.

For the first time, the Commercial Products division generated trading profit of more than R1.0 billion, another milestone. Four of the seven Bidvest divisions now generate profitability in excess of a billion rand each.

Bidvest has also made further progress with its international growth ambitions, adding incremental value to stakeholders through scale in existing territories and expanding its facilities management footprint, post year end, into Australia for the first time.

Investment in the Freight division to increase capacity in terminals remains a focus with the Bidvest board approving two projects, an inland LPG terminal and multi-purpose tanks in Richards Bay, at a combined value of R1 billion. Investment made to increase capacity in factories and back-offices, as well as inventory, has and will continue to yield good results. The considerable strength of Bidvest's balance sheet remains a key enabler.

Simultaneously, good progress has been made to reduce the Group's environmental footprint, improve social and economic well-being of business and communities, and offer customers more innovative and sustainable products and services.

Financial overview

Excellent trading profit growth was delivered by six out of the seven divisions, off a base that had already rebounded strongly after the worst of the pandemic. Importantly, the performance was emulated in operational cash generation. The successful inaugural international bond issuance diversified and extended the capital structure, enhancing the continued pursuance of Bidvest's growth strategy.

HEPS from continuing operations grew by 21.9% to 1 442.0 cents. Normalised HEPS(1), a measurement used by management to assess the underlying business performance, grew by 24.0% to 1 601.6 cents. Basic EPS for the Group improved from 1 131.3 cents to 1 492.2 cents mainly due to the strong operational performance and the net capital profit on disposal and closures compared to losses and impairments in the prior period.

Return on Funds Employed (ROFE) improved significantly from 31.6% a year ago to 37.6%. Return on Invested Capital of 17.1%, which compares to 14.1% as at 30 June 2021, remained well above the Group's weighted cost of capital.

The total dividend for the year amounts to 744 cents per share, up 24.0%, after declaring a final dividend of 364 cents.

Group NAV grew from R75.14 in the prior period to R83.46 as at 30 June 2022.

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

Prospects

The agility and diversity of the Group has presented opportunities for continued operating efficiency and growth.

South Africa's mining and agricultural sectors remain robust, whilst ongoing private sector investment and renewable energy projects are contributing positively to demand. Local manufacturing and production capacity has normalised, showing increased activity.

Demand in the tourism and hospitality related areas has been increasing, with the Group's platforms all geared for this upswing. Basic product and service demand from improved corporate office occupancy continues to rise, albeit on a price sensitive basis. The Group's range of products offered, and its ability to customise services and entrench value-added offerings, will stand it in good stead. Throughout the Group, the ability to innovate service and product offerings, with a strong sustainability undertone, is entrenching business partnerships and adding real value to customers.

Whilst the Financial Services division delivered a poor result, recovery of this division represents material uplift for the Group in the coming year. Strategies for the 2023 financial year have been set and we expect digital migration, optimised credit processes, fully resourced sales teams and entry into new niche markets to significantly improve the division's results in the coming year.

Entering the facilities management and general cleaning markets in Australia will deliver new profit streams for the coming financial year. The Group's intention remains focused on pursuing acquisitive growth opportunities internationally in its selected niches and operating regions.

Whilst we acknowledge the precarious global macro-economic backdrop, rampant inflation and intensifying energy crises, we remain confident that our strategic alignment over recent years, the close management of operating costs, prudent cash conversion and capital allocation, as well as an absolute focus on customer growth, care and retention, will yield good operating and financial results over the long-term.

Dividend declaration

In line with the Group dividend policy, the directors have declared a final gross cash dividend of 364 cents (291.2000 cents net of dividend withholding tax, where applicable) per ordinary share for the financial year ended 30 June 2022 to those members registered on the record date, being Friday, 30 September 2022. 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:	364.0000
Net dividend amount per share:	291.2000
Issued shares at declaration date:	340 274 346
Declaration date:	Monday, 5 September 2022
Last day to trade cum dividend:	Tuesday, 27 September 2022
First day to trade ex-dividend:	Wednesday, 28 September 2022
Record date:	Friday, 30 September 2022
Payment date:	Monday, 3 October 2022

Share certificates may not be dematerialised or rematerialised between Wednesday 28 September 2022, and Friday 30 September 2022, 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 investors and/or 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/2022/jse/isse/BVT/FY22result.pdf>

The Company's independent auditor, PwC Inc., has audited the consolidated annual financial statements of The Bidvest Group and has expressed an unmodified audit opinion thereon. The auditor's report with Key Audit Matters together with the accompanying annual financial statements and full announcement are available for viewing on the Company's website (www.bidvest.co.za) 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, during normal business hours from 5 September 2022.

The information in this announcement has been extracted from the audited summarised consolidated financial statements have been prepared under the supervision of the Chief Financial Officer, MJ Steyn, BCom CA (SA).

Date: 5 September 2022

Johannesburg

Equity Sponsor: Investec Bank Limited

Debt Sponsor: FirstRand Bank Limited, acting through its Rand Merchant Bank division