

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" or "the Group")

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

UNAUDITED FINANCIAL RESULTS AND CASH DIVIDEND DECLARATION FOR THE SIX MONTHS
ENDED 31 DECEMBER 2022

SALIENT FEATURES

- R57.2 billion revenue, +14.0%
- R5.8 billion trading profit, +14.5%
- R7.3 billion cash generated by operations before R5.5 billion investment in working capital
- ROFE 37.6%
- HEPS 938.5 cents, +15.3%
- Normalised HEPS 983.4 cents, +15.3%
- Interim dividend of 437 cents, +15.0%

Introduction

Bidvest delivered an impressive first half result by capitalising on growth nodes within the agriculture, mining, renewable energy and travel and tourism industries. Organic growth has been strong, notwithstanding various global macro-economic pressures. The financial strength of the Group remains key to successfully advancing and competing in these sectors, while also pursuing overall strategic growth.

Trading profit grew by 14.5% to R5.8 billion, with R1.1 billion contributed by the international operations. Robust cash generation of R7.3 billion was delivered before investing R5.5 billion in working capital. Capital investment of R1.5 billion was made into the operations to upgrade facilities and maintain assets while R2.3 billion was used for acquisitions.

The expansion of Bidvest's facilities management footprint into Australia, effective 7 July 2022, delivered in line with expectations. Pleasingly, the pipeline of strategic growth opportunities is active across the Group.

Financial overview

At the start of the financial year, against a backdrop of unprecedented inflation, margin management was a key focus area. The team delivered with both gross (29.4%) and trading profit (10.2%) margins remaining stable compared to the prior period. This is commendable considering the inflationary trading environment and incremental energy and distribution costs.

Despite an already high base, six out of the seven divisions delivered real trading profit growth with many individual businesses producing record months during the six months under review. The continuation of strong demand for bulk, mineral and agricultural, commodities, as well as higher Liquid Petroleum Gas (LPG) volumes, benefitted the Freight terminal operations, while clearing and forwarding activity recovered strongly. The expected revival in tourism volumes materialised, notwithstanding continued air travel capacity constraints, resulting in excellent performances from the Group's travel and hospitality-related businesses. Coming off record high bases, both Commercial Products and Branded Products, delivered strong results as many of the underlying businesses gained market share by trading in sought-after products, while simultaneously managing margins well. The expected improved performance from Financial Services materialised and margin discipline in Automotive continued. Services International's largely unchanged financial result was commendable, given the businesses realigning following the extraordinary Covid-related work in the prior year, while augmented by the inclusion of BIC for six months.

HEPS and Normalised HEPS(1), a measurement used by management to assess the underlying business performance, grew by 15.3% to 938.5 cents and 983.4 cents, respectively.

Return on Funds Employed (ROFE) was slightly down at 37.6% at 31 December 2022 (1H FY2022: 40.4%) given the working capital investment. Return on Invested Capital (ROIC) of 16.3%, compares favorably to 15.5% as at 31 December 2021, and remains above the Group's weighted cost of capital.

Group NAV grew from R81.62 in the prior period to R89.88 as at 31 December 2022.

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

Prospects

Activity in renewable energy, mining, agricultural, tourism and hospitality-related sectors is expected to remain healthy. Planned investments into alternative energy to mitigate the impact of the electricity crisis in South Africa will continue. Consumer disposable income pressure is anticipated to intensify throughout the calendar year. Demand for select bulk commodities is expected to remain robust, supporting terminal activity in the southern African ports. The improved performance from Financial Services should gain momentum.

We will remain disciplined on margin generation, nimble in offering a differentiated product and/or service and focused on expense management as competition intensifies, together with declining economic growth, suboptimal infrastructure as well as labour cost pressures.

The recent acquisitions are performing in line with expectations and growth opportunities have been identified to add incremental value. Several corporate action opportunities are currently being actively pursued and discussions continue with regards to capital intensive partnership opportunities in South Africa. The Group balance sheet remains able to support its growth strategy.

Dividend declaration

In line with the Group dividend policy, the directors have declared an interim gross cash dividend of 437.00000 cents (349.60000 cents net of dividend withholding tax, where applicable) per ordinary share for the six months ended 31 December 2022 to those members registered on the record date, being Friday, 31 March 2023. 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: 437.00000
Net dividend amount per share: 349.60000
Issued shares at declaration date: 340 274 346
Declaration date: Monday, 6 March 2023
Last day to trade cum dividend: Tuesday, 28 March 2023
First day to trade ex-dividend: Wednesday, 29 March 2023
Record date: Friday, 31 March 2023
Payment date: Monday, 3 April 2023

Share certificates may not be dematerialised or rematerialised between Wednesday 29 March 2023 and Friday 31 March 2023, 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 half 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/2023/jse/isse/BVT/1HFY2023.pdf>

The full announcement is 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 March 2023.

The information in this announcement has been extracted from the Interim Condensed Consolidated Financial Statements. The results have not been audited or reviewed by the Group's auditors and have been prepared under the supervision of the Chief Financial Officer, MJ Steyn, BCom CA (SA).

Date: 6 March 2023
Johannesburg
Sponsor: Investec Bank Limited