

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
LEI: 3789004678BDF4374378
("Bidvestco" or the "Issuer")

SHORT FORM ANNOUNCEMENT: AUDITED FINANCIAL RESULTS AND CASH DIVIDEND DECLARATION FOR THE YEAR ENDED 30 JUNE 2023 AND APPOINTMENT OF NON-EXECUTIVE DIRECTOR TO THE BOARD

SALIENT FEATURES

- R114.9 billion revenue, +15.0%
- R11.4 billion trading profit, +17.6%
- R12.2 billion cash generated by operations
- ROFE 38.3%
- Basic EPS 1 757.3 cents, +17.8%
- HEPS 1 794.8 cents, +24.5%
- Normalised HEPS 1 884.7 cents, +17.7%
- Final dividend of 439 cents, + 20.6%

Introduction

Bidvest's second six-month period improved on an already impressive interim performance, delivering a commendable result for the 2023 financial year. The second half's trading profit growth accelerated to 21.0%. Cash generated from operations for the last six months totalled R10.4 billion, which is a third higher year-on-year, as capital discipline remained a core focus.

The Group delivered excellent organic growth led by exponential demand in renewable energy products as well as travel and tourism services. The recovery in Financial Services exceeded expectations. Services South Africa breached the billion rand mark and Freight delivered trading profit exceeding R2.0 billion, double its contribution a mere three years ago.

Financial overview

Seven divisions reported double-digit trading profit growth, off already high bases. This is commendable considering the weak and volatile macro backdrop.

Margin management was a key focus area during FY2023, given unprecedented and persistent inflation, particularly in our international geographies, together with record wage inflation and the additional cost of doing business caused by loadshedding and unreliable rail services in South Africa. The trading profit margin improved by 22bps to 10.0% despite a slight contraction in gross margin (100bps to 29.0%) as operating expenses were well controlled.

HEPS and Normalised HEPS¹, a measurement used by management to assess the underlying business performance, grew by 24.5% and 17.7%, respectively. Return on Funds Employed (ROFE) improved further from 37.6% to 38.3%. Return on Invested Capital (ROIC) of 17.3% compares to 17.1% in the prior year. Despite higher interest rates, this remains well above the Group's weighted cost of capital.

Group NAV per share grew from R83.46 in the prior period to R97.07 as at 30 June 2023.

⁽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

Notwithstanding various macro factors, and in true Bidvest spirit, we will find the pockets of opportunity while protecting our base, not in isolation, or at the expense of, but in collaboration with our employees, social partners and broader business.

Bidvest stands tall with many other corporates, in our commitment and support to remove obstacles hindering growth in South Africa.

We are expecting robust activity in key sectors like renewable energy (albeit not at the frenetic pace seen this year), mining, agriculture, tourism and basic infrastructure while at the same time alert to the pressure in discretionary spend and heightened competition. Our optimism for Bidvest's ongoing growth remains intact. Entrenched disciplines in cash generation and margin management positions our businesses favourably. The Group's acquisition pipeline is exciting and readily executable.

Dividend declaration

In line with the Group dividend policy, the directors have declared a final gross cash dividend of 439.00000 cents (351.20000 cents net of dividend withholding tax, where applicable) per ordinary share for the year ended 30 June 2023 to those members registered on the record date, being Friday, 29 September 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 (cents):	439.00000
Net dividend amount per share (cents):	351.20000
Issued shares at declaration date:	340 274 346

Declaration date:	Monday, 4 September 2023
Last day to trade cum dividend:	Tuesday, 26 September 2023
First day to trade ex-dividend:	Wednesday, 27 September 2023
Record date:	Friday, 29 September 2023
Payment date:	Monday, 2 October 2023

Share certificates may not be dematerialised or rematerialised between Wednesday 27 September 2023 and Friday 29 September 2023, both days inclusive.

Audit opinion and regulatory requirements

The auditors, PricewaterhouseCoopers Inc., have issued their unmodified audit opinion on the consolidated financial statements for the year ended 30 June 2023. The audit was conducted in accordance with International Standards on Auditing.

A copy of the auditor's report together with a copy of the audited consolidated financial statements are available on the company's website (www.bidvest.co.za) and the following link:

<https://senspdf.jse.co.za/documents/2023/jse/isse/BVT/AFSF2023.pdf>

Any investment decisions made by investors and/or shareholders should be based on consideration of the audited consolidated financial statements.

Appointment to the board and board committees

In compliance with Section 3.59 of the Listing Requirements of the JSE Limited, Bidvest is pleased to announce the appointment of Mr Khumo L Shuenyane as an independent non-executive director and member of the Audit and Acquisition Committees effective 4 September 2023. Khumo was previously the chairman of Investec Group and currently a non-executive director of Ninety One and Vodacom Group.

The board welcomes Khumo to Bidvest and looks forward to his contribution.

Date: 4 September 2023

Johannesburg

Equity sponsor: Investec Bank Limited

Debt sponsor: Rand Merchant Bank, a division of FirstRand Bank Limited