

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")

UNAUDITED FINANCIAL RESULTS AND CASH DIVIDEND DECLARATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

SALIENT FEATURES

- R62.2 billion revenue, +8.8%
- R6.5 billion trading profit, +11.8%
- Improved trading profit margin of 10.5%
- Cash generated by operations almost doubled to R3.7 billion after R4.5 billion investment in working capital
- ROFE 38.3.%
- HEPS 987.9 cents, +5.3%
- Normalised HEPS 1 051.3 cents, +6.9%
- Final dividend of 467 cents, + 6.9%

Introduction

Bidvest has delivered a good result against a pedestrian trading backdrop, characterised by stubbornly high inflation, peak interest rates and minimal underlying economic growth.

Pleasing organic operational growth has been achieved, largely through new business secured, and good gross margin and expense management. We leveraged our broad service and product basket to add value to customers. Higher interest costs moderated the bottom-line performance.

We successfully executed on our pipeline. Numerous acquisitions concluded in South Africa, Australia, the United Kingdom and Singapore, added to our geographic footprint in hygiene services, enhanced geographic scale in facilities management and augmented our product and service offering.

Pursuing our strategy of building a sustainable business for the long-term, enables us to increase levels of employment, improve livelihoods, invest in skills and technology, while reducing our environmental footprint and contributing to building South Africa.

Financial overview

Five of our seven divisions reported double digit trading profit growth.

Modest top-line growth, together with active gross margin management and strong expense control, culminated in 11.8% trading profit growth. This is commendable especially in the current very competitive and price conscious market, with close to double digit wage inflation.

Cash generated by operations almost doubled. We spent R3.2 billion on acquisitions, invested in maintaining and growing our asset base, as well as awarded our shareholders with a higher dividend. Despite this, our gearing increased only modestly year-on-year. The coveted cash generative nature of the Group remains firmly intact.

HEPS and Normalised HEPS(1), a measurement used by management to assess the underlying business performance, grew by 5.3% and 6.9%, respectively. Return on Funds Employed (ROFE(2)) remained stable at 38.3% since year end, a very good outcome given the growth in working capital. Return on Invested Capital (ROIC) of 15.8% compares to 16.3% in the prior year. Despite higher interest rates, this remains well above the Group's weighted cost of capital.

Basic earnings per share (EPS) increased from 918.2 cents to 960.8 cents, or 4.6%, mainly due to a strong operational performance diluted by significantly higher net finance and acquisition charges as well as increased amortisation on customer contracts in the current period.

Group NAV per share grew from R89.88 in the prior period to R100.08 as at 31 December 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

(2) Trading income divided by net operating assets plus net working capital

Prospects

Our scale, range of product and service offering, agility as well as sector-leading innovation, ensure that our businesses remain in a strong position to offer solutions and value-added propositions to customers, existing and new, in a competitive global market.

Traditional seasonal trading trends appear to be re-establishing in bulk commodity freight movement. This, together with the non-repeat of frenetic renewable product purchases as well as ongoing weak vehicle demand, will result in continued market pressures in the second half of the financial year.

We remain optimistic about the Group's ongoing growth trajectory as we pursue pockets of opportunity in sectors such as travel and tourism. Recent strong business wins will contribute fully and management will also remain vigilant with regards to margin and expense management.

Our acquisition pipeline remains strong and we are actively pursuing a number of acquisition opportunities.

We will continue to advance our strategy and maintain our financial discipline, while collaborating with all stakeholders to build and support a brighter future.

Dividend declaration

In line with the Group dividend policy, the directors have declared an interim gross cash dividend of 467 cents (373.60000 cents net of dividend withholding tax, where applicable) per ordinary share for the six months ended 31 December 2023 to those members registered on the record date, being Thursday, 28 March 2024. 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):	467.00000
Net dividend amount per share (cents):	373.60000
Issued shares at declaration date:	340 274 346
Declaration date:	Monday, 4 March 2024
Last day to trade cum dividend:	Monday, 25 March 2024
First day to trade ex-dividend:	Tuesday, 26 March 2024
Record date:	Thursday, 28 March 2024
Payment date:	Tuesday, 2 April 2024

Share certificates may not be dematerialised or rematerialised between Tuesday 26 March 2024, and Thursday 28 March 2024, 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/2024/jse/isse/BVT/1HFY2024.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 Bank Limited, 100 Grayston Drive, Sandown, Sandton, 2196, South Africa at no charge, during normal business hours from Monday, 4 March 2024.

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: 4 March 2024

Johannesburg

Equity sponsor: Investec Bank Limited

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