Bid Corporation Limited
(Incorporated in the Republic of South Africa)
Registration number: 1995/008615/06
Share code: BID
ISIN: ZAE000216537
("Bidcorp" or "group" or the "company")

CAPITAL MARKETS UPDATE

Shareholders are advised that today, Thursday, May 23rd 2024, Bidcorp management wishes to update the market on the trading performance across its global operations, for the period January through April 2024. This is in accordance with the group's obligation for continuous disclosure in terms of the JSE Listings Requirements.

Group performance for the ten months to April 2024

Our F2024 constant currency trading results to the end of April 2024 reflect a very solid performance and a continuation of the real constant currency growth seen through H1 F2024. Bidcorp's estimated weighted average food inflation of approximately 2,6% to April 2024 has declined significantly from 15,2% a year ago. Currency volatility has impacted our rand-translated results, with YTD FX movements to the end of April 2024 having a 9% positive impact on our rand numbers.

Divisional trading performance

- **Australasia (AUS) -** Both Australia and New Zealand delivered strong trading results despite weaker economic conditions, particularly in New Zealand. Sales in home currencies in Australia are up 4,6% YTD and New Zealand are up 10,4% YTD, excluding the two significant QSR contracts that were exited in October 2022. Gross and trading margins in both businesses have remained stable.

- **Europe (EUR) –** Continues to perform very well with almost all businesses tracking ahead of F2023. Sales have held up very well YTD despite the slower winter period and are trading in line or ahead of expectation. The general trends we are seeing across Europe are very consistent, sluggish demand, rapidly declining food inflation, and wage cost pressures. Gross and trading margins have improved marginally compared to YTD April F2023.

- **United Kingdom (UK) -** Sales continue to track well ahead of F2023, with volume growth in both the free trade and national account sectors around 10%. The bolt-on acquisitions concluded in F2023, as well as new contract activations are all contributing. We are starting to see an improvement in overall conditions with growth and consumer sentiment improving. Gross margins are slowly improving, and the cost base seems to be getting more controlled. Trading margins are still tracking well below their long-term trends, with an opportunity for improvement in the medium term.

- **Emerging Markets (EM) -** Our EM region has delivered an overall solid sales performance in the ten months to April 2024 but with mixed fortunes in each region. South Africa is delivering an excellent performance despite being hampered by overall low economic growth exacerbated by ongoing electricity supply issues, albeit much improved in the past 8 weeks. Consumer spending remains under pressure in

Mainland China, and their move away from the higher-priced imported European dairy products negatively impacted the gross margin. Hong Kong continues to be affected by the net outflow of consumers from the city and inbound tourism just hasn't materialised. In Brazil, sales were flat as the foodservice market has not grown as expected, impacted by the slow economy, yet trading results have improved slightly from F2023. Chile and the Middle East, who delivered weaker H2 F2023 trading performances, are much improved. Malaysia is performing well, and we are investing in infrastructure to expand our capability. Singapore is settling down after a management restructure. Türkiye, where we continue to build out our national footprint, performed in line with expectations.

Prevailing market conditions

Economic growth is stagnant or anemic, food inflation is cooling rapidly but erratically, geo-political risks remain heightened, disruptions to supply chains are ongoing, unemployment is still very low in all developed markets (which accounts for the bulk of our business), and consumers remain under pressure as a result of higher interest costs coupled with a major housing shortage. Notwithstanding all these negatives, our teams around the world are continuing to grow their businesses in real terms, increasing market share, and continuing to perform very well in challenging times. There is no doubt it is tougher in the market, yet at the same time we are seeing some positive signs emerging as well.

The operating environment remains challenging. Food inflation is for the first time in 2 years tracking at a lower rate than core inflation. The demand for skills and the availability of labour continues to drive higher than core inflation wage increases. Energy and fuel costs, both of which are not a material component of the cost base, have started to tick up as some hedged positions roll off. Replacement of capital equipment and new depot investment costs remain high, impacting depreciation charges.

We continue to grow in our preferred sectors of the market. Our largely independent customer base remains resilient in tightening economic conditions and we are maintaining our vigilance in managing credit risk in all jurisdictions. In our businesses which have larger national account type customers, we continue to focus on margin management while maintaining volume growth. The greatest competitive activity is being experienced in the national account sector as competitors try to regain market share.

Sales performance

Group revenues reflect record levels to April 2024, against the normalised comparative base across almost all jurisdictions. Sales into May (as shown below) have picked up as the Northern Hemisphere summer gears up.

TABLE: Cumulative constant currency sales by division and group from July 2023 to the end of April and the 3 weeks into May 2024 compared to the prior year:

MONTH	AUSTRALASIA	EUROPE	EMERGING MARKETS	UNITED KINGDOM	GROUP
% OF PRIOR YEAR F2023					
YTD APRIL 2024	103,7%	109,3%	103,6%	115,9%	**108,8%**
3 WEEKS INTO MAY 2024	102,6%	110,8%	108,3%	107,7%	**107,6%**

' Note that the month-on-month percentages in May should be viewed as a sales trend rather than absolute numbers, only YTD numbers are cumulative*

Financial performance

Group margins have held up well considering the overall economic environment and are tracking slightly ahead of F2023. The UK and certain Emerging Market business' margins remain below norm however this year-on-year decline has been more than offset by Australasia and Europe. Our businesses continually weigh up the need to balance volume growth and margins depending on prevailing consumer demand.

Our operating costs as a percentage of net revenue ("cost of doing business") through to April 2024 has increased to 18,9%, around 40 bps worse than comparative F2023 period, driven by employment and asset replacement costs.

For YTD to April 2024, the group made a pleasing EBITDA before IFRS 16 margin of 5,6% of net revenue, similar to an exceptionally strong comparative F2023.

Traditionally Bidcorp absorbs working capital in its first half of the financial year and generates into the second half. Average working capital days for Q3 F2024 are around 1,5 days better than comparative F2023 at around 12 days. The current working capital investment is within management expectations of around 5% of annualised revenue.

The strong level of capital investments has continued and, to March 2024, R4,4 billion (comparative Q3 F2023: R2,0 billion) has been invested in the creation of future capacity and maintenance activities, most notably vehicles. Two small bolt-on acquisitions have been concluded since December 2023, a small bakery business in Germany and a seafood wholesaler in South Africa.

Liquidity and debt covenants

No further financing or refinancing has been concluded. The group and its subsidiaries have at the beginning of May 2024, total headroom available, including uncommitted facilities and cash and cash equivalents, of R19,1 billion (£815 million). The group remains well within its debt covenants.

Strategic focus and opportunities

Many of the actions taken over the past few years have strategically positioned the businesses well to deal with changing economic environments. Our exceptional team is our key asset, and we remain dedicated to nurturing young future talent for succession.

We continue to pursue bolt-on acquisitions across geographies and are confident that we will conclude a couple in the UK and one in Europe early in the new financial year, collectively with annualised revenues of around R2,9 billion at an estimated cost of R1,8 billion. Larger opportunities remain scarce albeit a few opportunities are being explored. Our balance sheet remains strong and provides significant financial firepower for growth.

The group continues to invest to deliver on our achievable target of a 25% reduction in carbon emissions by 2025. Focus is being directed into understanding what the post-2025 plan might look like. Our ESG investments are focused on areas of energy-efficient refrigeration, renewable energy generation, and lower impact distribution capability.

Our teams have once again delivered record results for the ten months to April 2024, and we are confident of continuing to deliver real growth for the rest of F2024.

Comment

Bernard Berson, CEO, commented as follows:

"Our people are our strongest and best asset, and we need to thank our amazing teams who continue to drive the business forward with enthusiasm and passion."

The information contained in this announcement has not been reviewed or reported on by the group's external auditors.

Date: May 23rd 2024
Johannesburg

Sponsor: The Standard Bank of South Africa Limited