

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 2024

SALIENT FEATURES

- R64.5 billion revenue, +6%
- Flat trading profit of R6.3 billion
- Trading profit margin of 9.7%, down 66bps
- R4.5 billion cash generated by operations, +18%
- ROFE 37.9%
- Group HEPS 1 015.5 cents, +3%
- Group Normalised HEPS 1 057.7 cents, +1%
- Continuing operations HEPS 941.3 cents, -1%
- Flat continuing operations Normalised HEPS 1 011.4 cents
- Interim dividend of 470 cents, +1%

Introduction

The Group delivered a decent result for the six months ended 31 December 2024 despite the expected headwinds in bulk commodity movements and renewable energy product sales, as well as an unexpected weak Adcock Ingram (Adcock) performance.

The majority of Bidvest businesses generated substantial and consistent profits, with four of the six divisions reporting trading profit growth. This performance was driven by continued demand for everyday essential products and services supplied by the Group across most sectors of the economy. New business growth, additional tank capacity and bolt-on acquisitions helped to mitigate the impact of price sensitive customers and weaker than anticipated discretionary consumer spend.

Pleasingly, free cash generation was positive with almost half a billion rand increase year on year in this seasonally weaker interim period. This resulted in a flat net debt/EBITDA ratio even though we continued to execute on our growth strategy, concluding six bolt-on acquisitions.

Bidvest Bank, FinGlobal and Bidvest Life are reported as discontinued operations. As announced in December 2024, we are pleased with the respective signed offers that make both financial and strategic sense whilst also providing continued employment for employees. The conditions precedent are mainly regulatory in nature.

Financial overview

Group revenue grew 5.7% to R64.5 billion (1H FY2024: R61.1 billion). A slightly lower overall gross profit margin of 27.6% was achieved, due largely to the divisional mix shift. Individually, all but two divisions held or improved their margins. Expenses were well controlled across the divisions.

Four out of the six divisions reported good trading profit growth. The expected contraction in Freight and Commercial Products' trading profit was primarily due to no maize export volumes handled and cycling of the elevated renewable energy sales base. The unexpected Adcock result was due to declining consumer spend, reduced inventory holdings in the pharmaceutical wholesale channel and the knock-on effect of factory under-recoveries.

Cash generated by operations after working capital increased by an excellent 18.4% to R4.5 billion. The resultant cash conversion ratio improved from 33.4% to 44.8%.

On a FY2024 pro-forma basis, the capital structure of the Group's continuing operations yielded a higher than overall Return on Funds Employed (ROFE(2)), but a lower Return on Invested Capital (ROIC). At 31 December 2024, as a result of the flat interim trading profit and continued capital investment in the business, ROFE and ROIC declined to 37.9% (1H FY2024 40.9%) and 14.4% (1H FY2024 15.8%), respectively on a like-for-like basis. ROIC remains above the Group's weighted cost of capital.

Continuing operations HEPS and Normalised HEPS(1), a measurement used by management to assess the underlying business performance, contracted by 1.1% and 0.4%, respectively.

Group basic earnings per share (EPS) increased from 960.8 cents to 1 016.1 cents, or 5.8%, the result of a 1.3% contraction in continuing operations EPS and a significant increase in profit after tax from discontinued operations as depreciation and amortisation was suspended in terms of IFRS and healthy trading profit growth across the three entities.

Group HEPS increased by 2.8% to 1 015.5 cents. A net impairment recognised on the disposal group held-for-sale in the prior period moderated the growth.

Group NAV per share grew from R100.08 in the prior period to R108.61 as at 31 December 2024.

- (1) Normalised HEPS, which excludes acquisition costs, amortisation of acquired customer contracts and the impact of one-off taxation events, is a measurement management uses to assess the underlying business performance
- (2) Trading income divided by net operating assets plus net working capital

Prospects

We remain confident in our clearly defined strategy and that our diverse portfolio of businesses, as a collective, can successfully navigate the environments we operate in. Trading conditions are constrained and rapidly changing, making it more important than ever to deliver value to customers, maintain innovation and be nimble. We will remain focused on what we can control and will continue to contribute to structural advancement in our home base.

To date, structural reform frameworks and ambitions relating to South Africa's infrastructure build have not translated into basic infrastructure spend and increased demand. The projected spend and envisaged opportunities pose exciting growth prospects for the Group over the medium- to long-term. What remains outstanding is action and project mobilisation.

Domestically, the beneficial impact of lower interest rates and inflation should ease pressure on consumer spend, but broad economic activity is expected to remain tight in the immediate future until pro-growth initiatives are implemented. Contractual business will remain healthy while order books and contract pipelines across the Group are encouraging.

Offshore, geoeconomic fragmentation and elevated policy uncertainty make for tough economic backdrops and sizeable labour-related increases will need to be recovered from customers. The annuity nature of these operations and the increased use of technology will contribute to defensiveness.

The bolt-on acquisitions will continue to add incremental value and restructure processes in several businesses will better align cost bases to demand changes.

We are vigorously working towards closing the financial services disposal transactions, whilst pursuing a handful of bolt-on acquisitions. Addressing upcoming debt maturities proactively is also receiving focused attention.

We continue to seek operational excellence and focus on free cash generation while simultaneously shaping our portfolio for the future and creating social value for our own and surrounding communities.

Dividend declaration

In line with the Group dividend policy, the directors have declared an interim gross cash dividend of 470 cents (376.00000 cents net of dividend withholding tax, where applicable) per ordinary share for the six months ended 31 December 2024 to those members registered on the record date, being Friday, 28 March 2025. The dividend has been declared from income reserves. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

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| Share code: | BVT |
| ISIN: | ZAE000117321 |
| Company registration number: | 1946/021180/06 |
| Company tax reference number: | 9550162714 |
| Gross cash dividend amount per share (cents): | 470.00000 |
| Net dividend amount per share (cents): | 376.00000 |
| Issued shares at declaration date: | 340 274 346 |
| Declaration date: | Monday, 3 March 2025 |
| Last day to trade cum dividend: | Tuesday, 25 March 2025 |
| First day to trade ex-dividend: | Wednesday, 26 March 2025 |
| Record date: | Friday, 28 March 2025 |
| Payment date: | Monday, 31 March 2025 |

Share certificates may not be dematerialised or rematerialised between Wednesday 26 March 2025, and Friday 28 March 2025, 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/2025/jse/isse/BVT/1HFY2025.pdf>.

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: 3 March 2025
Johannesburg

Equity sponsor: Investec Bank Limited
Debt sponsor: Nedbank Corporate and Investment Banking, a division of Nedbank Limited