Bidvest

Integrated Report 2023

for the year ended 30 June

PEOPLE AND **PRODUCTS**
BEHIND A **BRIGHTER FUTURE**

PEOPLE and PRODUCTS behind a BRIGHTER FUTURE

The **Bidvest Group**

Reflecting on **FY2023**

Value added **statement**

Divisional **reviews**

Financial **performance**

Shareholder dairy and **administration**

About this **Integrated Report**

This report has been developed to enable Bidvest stakeholders to make an informed assessment about our ability to create value over time.

To facilitate such an assessment: We introduce the Group, outlining who we are, where we operate, what we do, and our value proposition; Provide a high-level strategic and governance overview incorporating the Chairman's statement and review of our leadership team and governance and remuneration practices; Provide a summary of our performance and strategy in the CEO's statement; Identify the material matters that impact on value creation in terms of our operating environment, and the principal risks and opportunities facing the Group; Reflect on our interaction with the six capitals that enable our business and the value we created for our stakeholders; and Review our financial and divisional performance and plan.

This report covers the period from 1 July 2022 to 30 June 2023.

Key stakeholders

This report is directed at our stakeholders who remain critical to the ongoing success of Bidvest. We believe that it is only with robust partnerships formed and developed over years that we can continue delivering growth and acceptable returns for our society at large. This report outlines those key stakeholders that play a part in our strategic planning process and that have an impact on our decision making, and we outline the progress we have made in responding to their concerns. Our key stakeholders include:

Equity and debt investors: Current and potential shareholders, and the broader investment community, together with lending and financing institutions.

Employees and trade unions: As one of the largest private employers in South Africa (SA) and with businesses in the Republic of Ireland (Ireland), the United Kingdom (UK), Spain and Australia, Bidvest has a broad base of employees ranging from security and cleaning teams, manufacturing and logistics people, financial and administrative professionals, as well as IT, sales and customer support specialists and experienced leadership and management teams that oversee the day-to-day implementation of business activities.

Communities, including community-based organisations, non-profit and non-governmental organisations: As a microcosm of SA business, Bidvest's activities extend throughout the country, as welll as Ireland, the UK, Spain and Australia. Our communities are therefore broad in characteristic, diverse and extend across a large geographic footprint.

Government, governing and regulatory bodies: Operating across many different sectors, through seven operating divisions, results in interaction with numerous authorities and regulators. These entities and other public sector partners, provide the laws, regulations and guidelines that the Group implements to ensure strict compliance in terms of its operating practices.

Partners and potential partners: Within certain Group businesses, Bidvest forms partnerships where the source of product and service is best held externally, but which are necessary to ensure delivery of a valued added offering. Bidvest values these relationships and actively promotes this working concept in the search for new partners that will ultimately add substance to Bidvest's overall offering.

Customers: The Group services thousands of customers through its over 250 companies across its operating footprint, and with a focused business-to-business (or B2B) philosophy. The Group always attempts to ensure compliance to a customer-centric ethos, which is best achieved through the segmentation of the portfolio into logical, decentralised offerings that enable a much closer focus on the needs and demands of the respective customers.

Suppliers: Companies that provide goods and services to the Group, including outsourced services.

Reporting frameworks

Our reporting process has been guided by the principles and requirements contained in the International Financial Reporting Standards (IFRS), the IIRC's International Framework, the GRI's Sustainability Reporting Standards, the King Code on Corporate Governance 2016 (King IV™), the JSE Listings Requirements (Listing Requirements), the South African Companies Act, No. 71 of 2008 (Companies Act), the Task Force on Climate-related Financial Disclosure (TCFD), the United Nation's 17 Sustainability Development Goals (SDG) as well as the World Economic Forum's stakeholder capitalism principles.

We have derived the summarised financial statements in this report from the consolidated annual financial statements (AFS). The full set of AFS, as well as a suite of additional reports, are available online (at www.bidvest.co.za) or can be requested from our company secretary.

Assurance

This report provides information on all those matters that we believe could substantively affect value creation at Bidvest. Integrated thinking is intrinsic to how we manage our business and to our internal strategy development and reporting practices. Our strategy has been developed to ensure that we manage the resources and relationships needed to create value over time. We use a combined assurance model to provide us with comfort obtained from management in conjunction with internal and external assurance providers. PricewaterhouseCoopers Inc. (PWC) audited our FY2023 consolidated AFS and provided an unqualified opinion thereon. The extracts from the AFS in this Integrated Report are audited. Our Audit and Risk committees provide internal assurance to the Board annually on the execution of the combined assurance plan. The Group's financial, operating, compliance and risk management controls are assessed by the Group's Internal Audit (IA) function, which is overseen by the Audit and Risk committees.

Approval

The Board has applied its collective mind to the preparation and presentation of the information in this report, which has been guided by the IIRC's International Framework. The Board believes that this report addresses all material issues and presents a balanced and fair account of the Group's performance for the reporting period, as well as an accurate reflection of our core strategic commitments. On the recommendation of the Audit and Risk committees, the Board approved the Bidvest AFS on 1 September 2023 and the Bidvest Integrated Report on 23 October 2023.

Signed on the Board's behalf:

Bonang Mohale
Chairman

Mpumi Madisa
Chief executive

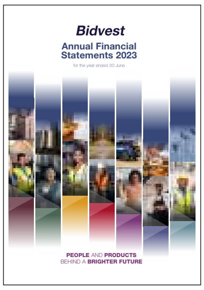
23 October 2023

Disclaimer

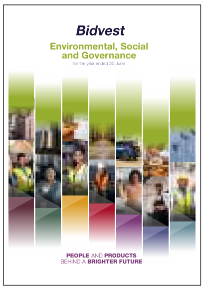
Certain statements in this document constitute "forward-looking statements". Forward-looking statements may be identified by words such as "believe", "anticipate", "expect", "plan", "estimate", "intend", "project", "target", "predict" and "hope". By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future, involve known and unknown risks, uncertainties and other facts or factors which may cause the actual results, performance or achievements of the Group, or the various sectors in which the Group operates, to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future performance and are based on assumptions regarding the Group's present and future business strategies and the environments in which it operates now and in the future. No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements. Any forward-looking information contained in this notice has not been reviewed or reported on by the Company's external auditors. Forward-looking statements apply only as of the date on which they are made, and Bidvest does not undertake other than in terms of the Listings Requirements of the JSE Limited, to update or revise any statement, whether as a result of new information, future events or otherwise.

Our Reporting Suite

Integrated Report



Annual Financial Statements



Environmental, Social and Governance Report

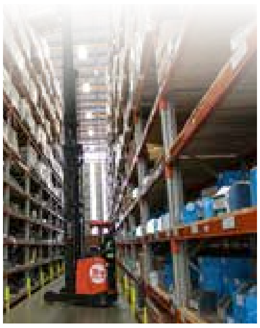
Notice of Annual General Meeting

We welcome feedback on this year's Integrated Report and the supplementary information we provide. Please feel free to send your feedback to info@bidvest.co.za

The Bidvest Group

This is us and the **difference we made**

Founded in 1988 and listed on the JSE Limited in Johannesburg, SA, Bidvest has over 250 individual businesses across the Group and employs almost 130 000 people. Our roots are firmly established in SA, and we have expanded our footprint into the UK, Ireland, Spain and Australia over recent times.



Principles

Empowering entrepreneurship

Committed to customers

Driven by excellence

Creating social value

Leading by example

Refer page 8

Structure

Decentralised operating model

ESG Framework

Seven divisions

Functional governance structure

Refer page 9

The Group has an entrenched functional governance structure with an unwavering ethical foundation, a strong balance sheet and a focused Environmental, Social and Governance Framework (ESG Framework) with specific targets. Bidvest encourages a performance-driven business model that continuously seeks scale and growth.

Our strategy over the last 35 years has remained true to our diversified offering. We have developed businesses that align to the concept of providing goods and services with a focused B2B philosophy. Our diversified portfolio operates in two segments – Business services and Trading and distribution – through seven divisions. Bidvest's diversity is its strength, empowering its businesses to act as catalysts for value creation.

Strategy

Decentralised and diverse portfolio

Performance driven culture

Financial strength

delivers

Scale and growth

Responsible stewardship

Refer page 16

Operating environment

Key drivers:

- Economic growth
- Government policy and regulation
- Technology advances
- Consumer spend
- Structural growth sectors
- Infrastructural development and maintenance

Risks:

- Energy supply
- Inflation
- Economic outlook
- SA infrastructure
- Climate change
- Cyber assaults

Refer page 28, 30

Our vision: Turning ordinary companies into extraordinary performers, delivering strong and consistent shareholder returns in the process, while understanding that people create wealth, companies only report it

Performance

Trading profit	*+18%*

R11.4bn

Normalised HEPS	*+18%*

1 884.7 cents

Total dividends per share	*+18%*

876 cents

Cash generated by operations

R12.2bn

ROFE up to

38.3%

Exco is 58% black and 58% female

R760m
invested in skills development

An additional R3bn spent on procurement from black women-owned businesses

This is what we **stand for**

Our principles

Driven by excellence
We value and respect the skills, time and intentions of all our people. We strive to provide an environment where they can do, and become, their best.

Committed to customers
We make every decision and measure our performance on how well it serves our customers. When our customers succeed and grow, we succeed and grow.

Leading by example
We do the right thing, even when no one else is looking. What is right, is different to doing what is easy.

Empowering entrepreneurship
We think like customers but act like owners. Every employee has the power to make our business better.

Creating social value
We take the long view and strive to make a sustainable difference in society. We are building something worth building, that will endure the test of time.

Our values

Accountability

Honesty

Integrity

Respect

We focus on providing the often overlooked, essential components of everyday life that respond to the diverse needs of society. Getting this right does not happen by chance.

Bidvest is unwavering in ensuring the highest standards of corporate governance and responsibility. There is a deeply entrenched functional governance structure that places significant reliance on the ethical behaviour of all Bidvest employees, which is firmly entrenched across the Group. There is a high hurdle of responsibility on everyone.

The Group Board and its six sub-committees together with seven divisional boards and Audit committees, chaired by independent non-executives, provide robust oversight. Combined assurance receives deliberate and focused attention at Bidvest. The Audit committee ensures that our combined assurance model adequately addresses Bidvest's risks and material matters through the aggregated efforts of assurance providers. Continually optimising our combined assurance model avoids duplication and rationalises collaboration efforts upstream amongst assurance providers. This enables an effective control environment and ensures the integrity of information used for reporting and decision making.

People and Products behind a Brighter Future

Top-down

- Code of Ethics and Levels of Authority matrix governs day-to-day activities
- Key issues discussed and reviewed by Board and its sub-committees
- Bidvest Ethics Line, externally managed
- Internal audit function (progressive, independent, value-adding, responsive)
- Governance built into short- and long-term incentives

Functional governance comes from the heart

Doing the right thing, even when no one is watching

Results in:

Dynamic and iterative risk assessment and **mitigation actions;**

Strategic review and **identification of opportunities;** and

Stakeholder engagement

Bottom-up

- Processes/structures at business level are the first line of defence
- Business and divisional Exco's, Risk and Audit committees
- Due diligence on all third-party partners externally verified

These are our **operations**

Bidvest is a leading B2B services, trading and distribution Group operating in the areas of consumer, pharmaceutical and industrial products, outsourced hard and soft services, financial services, freight management, office and print solutions, travel services and automotive retailing.

We have a blended portfolio of defensive and cyclical businesses that are diversified, essential and asset-light.

The diversified portfolio operates in two segments – Business services and Trading and distribution – through seven divisions and a majority-owned listed subsidiary, Adcock Ingram.

Trading and distribution

Commercial Products

Incorporating, amongst others: Voltex, Plumblink, Matus, Renttech, Vulcan, G Fox, Berzacks, Afcom, Buffalo Tape, Yamaha, Academy Brushware, Cabstrut

Revenue	**R19.9bn**
	(2022: R15.0bn)
Trading profit	**R1.4bn**
	(2022: R1.2bn)

Manufacturing, distribution and trading businesses, representing multiple leading industrial (day-to-day) branded products.

Branded Products

Incorporating, amongst others: Waltons, Konica Minolta, Cecil Nurse, Silveray, Kolok, Lithotech, Bidvest Data, Home of Living Brands, Masterpack

Revenue	**R11.7bn**
	(2022: R10.4bn)
Trading profit	**R0.9bn**
	(2022: R0.7bn)

Leading distributor, supplier and manufacturer of a comprehensive suite of office products and services and branded household appliances as well as a provider of outsourced customer communication services.

Automotive

Incorporating, amongst others: Bidvest McCarthy, Burchmores

Revenue	**R24.9bn**
	(2022: R23.7bn)
Trading profit	**R0.9bn**
	(2022: R0.8bn)

One of SA's largest motor retailers, with a trading history going back more than 100 years. It retails vehicles through a national footprint as well as conducts vehicle auctioneering.

Adcock Ingram

Incorporating, amongst others: Panado, Plush, Bioplus, Citro-soda, Compral

Revenue	**R9.1bn**
	(2022: R8.7bn)
Trading profit	**R1.2bn**
	(2022: R1.1bn)

Adcock is a leading SA pharmaceutical manufacturer listed on the JSE, 62% owned by Bidvest. The company manufactures, markets and distributed a wide range of healthcare, personal car and homecare products and is a leading supplier to both the private and public sectors.

www.adcock.co.za

Business services

Services International

Incorporating, amongst others: Steiner, Prestige, Bidvest Facilities Management, Noonan, PHS, BIC Services

Revenue	**R33.2bn**
	(2022: R27.4bn)
Trading profit	**R3.4bn**
	(2022: R3.1bn)

The division offers a wide range of corporate outsourced services and is a leader in the provision of products and services that enhance the working environment through hygiene services and pest control, waste management, property and facilities management solutions.

Operations span SA, UK, Ireland, Australia and Spain.

Freight

Incorporating, amongst others: Bidvest Tank Terminals, SABT, Bulk Connections, Bidvest International Logistics, Manica Group, Bidvest SACD, Bidvest Port Operations

Revenue	**R8.4bn**
	(2022: R7.4bn)
Trading profit	**R2.2bn**
	(2022: R1.8bn)

Leading private sector freight management group in sub-Saharan Africa, drawing on more than 150 years of portside experience. Facilitates the storage, handling and movement of cargo through its independent terminal operations, international clearing and forwarding, logistics and marine services.

Services South Africa

Incorporating, amongst others: Bidvest Protea Coin, Aquazania, GPT, Bidair Cargo, Rennies Travel, Execuflora

Revenue	**R10.4bn**
	(2022: R8.2bn)
Trading profit	**R1.1bn**
	(2022: R0.9bn)

Operating across multiple sectors, the division's comprehensive and diverse range of service capabilities, which comprise security, travel, hospitality, catering and various allied products, creates a unique platform for customised client solutions in SA.

Financial Services

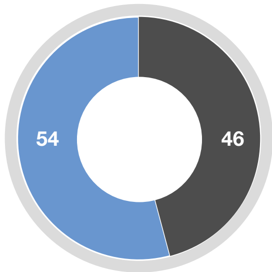
Incorporating, amongst others: Bidvest Bank, Compendium, FinGlobal, Bidvest Insurance, Master Currency

Revenue	**R2.7bn**
	(2022: R2.4bn)
Trading profit	**R0.5bn**
	(2022: R0.09bn)

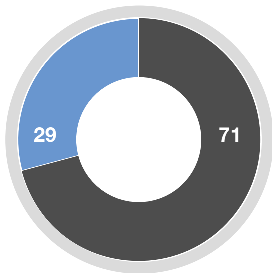
Specialised fleet management and foreign exchange services, insurance and other financial services for the corporate and business markets. Bidvest Bank is a leading second-tier bank.

FY2023 key financials

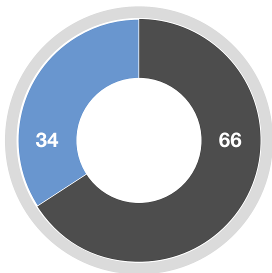
Revenue (%)



Trading Profit (%)

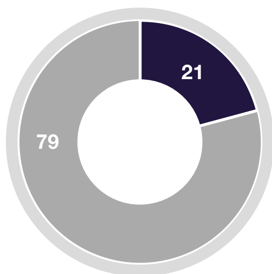


EBITDA (%)



Trading and distribution
Business services

Geographic Trading Profit (%)



South Africa
International

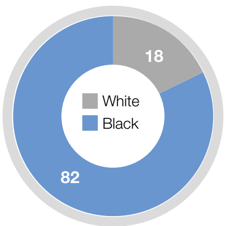
Leadership
Board

Board of directors

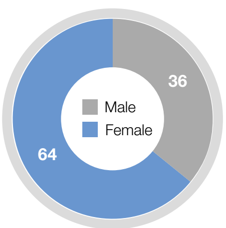
The Board has six standing committees (Audit; Social, ethics and transformation; Risk; Remuneration; Nominations and Acquisition committees) with delegated authority from the Board. Each Board committee is chaired by an independent non-executive director.

Diversity, in its broadest sense, is the hallmark of the Bidvest Board, something we are very proud of. The non-executive directors are all independent and represent 73% of the Board.

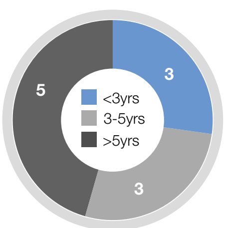
Race (%)



Gender (%)



Tenure



Executive directors

Mpumi Madisa (44)
Group chief executive

Mark Steyn (53)
Chief financial officer

Gillian McMahon (51)
Executive director

Independent non-executive directors

Bonang Mohale (61)
Chairman

Renosi Mokate (65)
Lead independent director

Khumo Sheunyana (52)

Norman Thomson (72)

Lulama Boyce (44)

Sindi Mabaso-Koyana (54)

Faith Khanyile (56)

Koko Khumalo (56)

Key to committees

- Acquisitions committee
- Audit committee
- Nominations committee
- Risk committee
- Remuneration committee
- Social, ethics and transformation committee
- C Chairman

For more detail on governance processes please refer to page 50 and the Annual Environmental, Social and Governance Report.

Exco

Mpumi Madisa (44)
Group chief executive

Mark Steyn (53)
Chief financial officer

Gillian McMahon (51)
Executive director

Ilze Roux (49)
Corporate Affairs executive

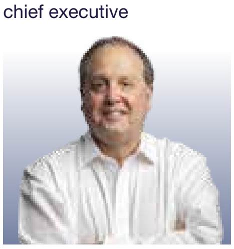
Phathu Tshivhengwa (41)
Corporate Finance executive

Akona Matsau (43)
Services South Africa
chief executive

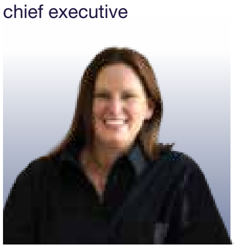
Alan Fainman (60)
Services International
chief executive

Wiseman Madinane (55)
Freight
chief executive

Hannah Sadiki (58)
Financial Services
chief executive



Howard Greenstein (60)
Commercial Products
chief executive



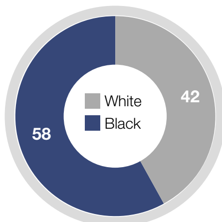
Carla Seppings (50)
Automotive
chief executive

Gail Solomon (56)
Branded Products
chief executive

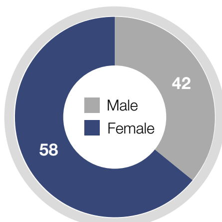
Executive committee

The Group Exco consists of twelve members, including the Group executive directors and functional executives covering strategy, finance, transformation, investor relations, ESG, business development, as well as the seven divisional chief executive officers. The Group believes that its decentralised governance structure supported by experienced management, many of whom are specialised in particular sectors or industries, leading the day-to-day operations of the businesses, positions the Group well for the continued focus and execution of its key strategic initiatives. As a result, most of the members of the Group's senior management team (whether focused on individual businesses, divisions or the Group as a whole) are heavily rooted, not just in the relevant industry or industries from decades of prior experience, but also in the Group's journey to the diversified business that it is today.

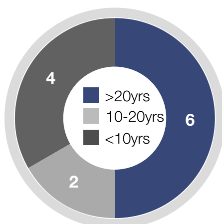
Race (%)



Gender (%)



Tenure



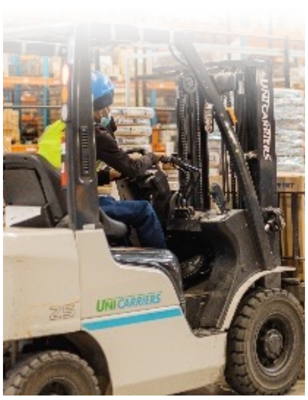
Our **value proposition**

The impact of climate change and social inequality has become more and more evident, highlighting the need for common cause, understanding and purpose. Our commitment is outlined in the Bidvest ESG Framework.

We recognise that people are the enabler of our business and a critical resource that needs to be empowered. As a Group that serves virtually all industry sectors, it is our responsibility to ensure that we contribute to the success of our host nations. We use the United Nation's 17 SDGs, which provide a comprehensive definition of sustainability, as a guideline. We identified the SDGs that are most relevant to us: Good health and wellbeing; Gender equality; Decent work and economic growth; Industry, innovation and infrastructure; Sustainable cities and communities; and Responsible consumption and production. Using these SDGs as guidelines, we are able to assess the impact we are making, through our basket of services and products as well as our operations and corporate citizenship activities.

In FY2021, Bidvest established an ESG Framework which is a culmination of our sustainability ambitions, focused on the areas where we can make the biggest difference with specified targets and metrics. These medium-term targets were used to determine specific ESG performance hurdles in the incentive scorecards. Progress has been pleasing, with the entire organisation working towards these common sustainability goals.

As one of the largest employers in SA, where inequality and unemployment, particularly among youth, is widespread, and exacerbated by cost of living pressures, we are intentional in our interventions both for our people, their multiple dependents and the broader socio economic cohort. As indicated previously, the social component was upweighted in our incentive scorecards.



Commitments

To conduct profitable business in a responsible and accountable manner

To care for the Bidvest family and the Group's connected societies

To drive positive change through partnerships and social dialogue

Objectives

Preserve empowering decentralised governance model

Nurture people and business diversity

Unlock value through innovation and efficiencies

Represent responsibly made products

Maintain financial strength through growth, focus and discipline

Targets

Inclusive employer with **females** at all levels making up **45%,** and **African** people representing **50%** of the SA businesses' **management** by 2025

Reduce carbon, water and waste **footprint** by a further **20%** by 2025

Become SA's leader in supply chain transformation by targeting more than **90%** of **local sourcing** from suppliers that have a Level 4 or better B-BBEE rating

Ensure that **100%** of our **tier 1 suppliers** are compliant and responsible in their dealings, and that we contribute to the **circular economy** while protecting and enhancing livelihoods

Actively **manage cybersecurity** risk to a global benchmark **25%** IT hygiene score, continuously assessed by ALICE (Bidvest's AI 'employee')

Performance

People

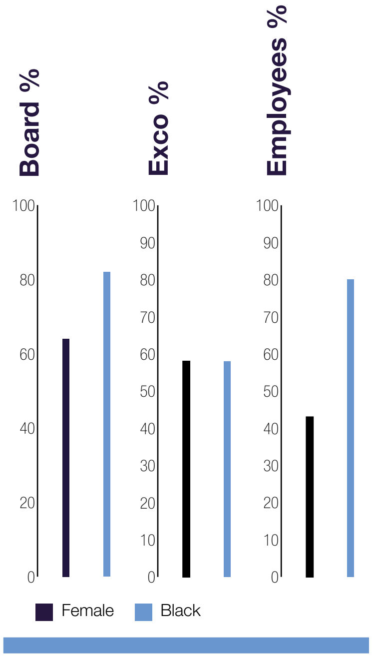
A diverse, inclusive leadership and employee base

894 otherwise-abled employees

R758m spend on skills development and bursaries

679 learners permanently employed

A diverse, inclusive leadership and employee base:



Planet

Reduced emissions **(32%)** and water **(38%)** intensity

Solar installations in 10 businesses

73% of waste generated recycled

Purpose

Increased local procurement spend to **76%** with suppliers rated **B-BBEE Level 4** or better

Revenue of suppliers participating in Bidvest Supplier Diversity programme grew by **R4bn**

Our **strategy**

The Group's strategic ambition of scale and growth, and continually pursuing responsible stewardship, is being achieved by maintaining a strong balance sheet, exercising financial discipline through considered capital allocation, and pursuing organic and acquisitive growth opportunities in our identified areas of strategic focus.

We promote and support our entrepreneurial management teams that empower many enterprises across all our areas of operation to be catalysts for value creation. We further support our teams to create an ecosystem of businesses that actively supports and adds value to our customer base, focuses on cash generation and returns, but at the same time strengthens society and enables it to function efficiently and sustainably.

Enablers

Decentralised and diverse portfolio

Maximising a decentralised and diverse asset portfolio by innovation and continuously broadening the service and product basket

- Seven focused divisions, operating in SA, UK, Spain, Ireland and Australia
- Each with own chief executive and leadership team
- Diverse leadership empowered as catalysts for value creation
- A range of everyday essential products and services
- Clear succession plan in place

Performance driven culture

Promoting and supporting entrepreneurial management teams, and providing the agility and an environment for decisive actions

- Empowering entrepreneurship
- Committed to customers
- Driven by excellence
- Leading by example
- Providing a safe and healthy workplace with equal opportunities for all
- Learning and personal development opportunities

Financial strength

Maintaining a strong financial position by focusing on asset management, generating cash and growth

- Strong balance sheet
- Financial discipline
- Highly cash generative
- Tight cost control an everyday principle
- Entrenched Return on Funds Employed* (ROFE) measurement:
  - Services related businesses >50%; and
  - Distribution related businesses ~30%

We foster innovation and an environment in which employees thrive, which in turn drives our advancement across markets, geographies and society. We continually seek to maximise our portfolio by broadening our offering, expanding internationally in niche hygiene and facilities management services as well as plumbing related wholesaling, and we allocate capital efficiently, on bolt-on acquisitions and long-dated assets.

We are extremely proud to have been singled out as the only JSE Top 40 company that has achieved **gender parity** at Board and Exco levels.

Diversity, business and people-wise, is an invaluable asset that is a key enabler for consistent and sustainable outperformance. Ongoing innovation and an ever-growing range of products and services assist customers in meeting their sustainability goals and augmented organic growth. Our M&A pipeline is exciting and executable. The successful extension and upsizing of our offshore syndicated loan facility is testament to the financial strength of the Group and a key enabler of our growth ambitions.

Our steadfast discipline when evaluating opportunities remained firmly intact as we walked away from several acquisition possibilities.

Outcomes

Scale and growth

Capital invested in key areas, ensuring growth and internationalising niche services

- Targeting a blend of defensive, cyclical and growth assets
- Established market players of scale
- Organic growth:
  - Extract value in fragmented markets;
  - Expand service and product offering; and
  - Agile pivot into growth sectors
- Acquisitive growth:
  - Selected international niche sectors of hygiene services, facilities management and plumbing products;
  - Bolt-on acquisitions; and
  - Capital investment in long-dated assets

Responsible stewardship

Social value and long-term sustainability created for all stakeholders

- Opportunities to develop and offer environmentally friendly products and services to enhance value for customers
- Deploy technology to drive efficiencies
- Projects to lower our own footprint
- Inclusive socio-economic initiatives
- Maintain high standards of corporate governance

* *ROFE equals trading profit divided by tangible net operating assets*

Performance driven business model, continuously seeking scale and growth through a diverse portfolio

Ensuring sustainable value for **all stakeholders**

This report is directed at our stakeholders who remain critical to the ongoing success of Bidvest. We believe that it is only with robust partnerships formed and developed over years that we can continue delivering growth and acceptable returns for our society at large. This report outlines those key stakeholders that play a part in our strategic planning process and that have an impact on our decision making, and we outline the progress we have made in responding to their concerns.

Our key stakeholders include:

Equity and debt investors: Current and potential shareholders, and the broader investment community, together with lending and financing institutions.

Employees and trade unions: As one of the largest private employers in SA and with businesses in Ireland, the UK, Spain and Australia, Bidvest has a broad base of employees ranging from security and cleaning teams, manufacturing and logistics people, financial and administrative professionals, as well as IT, sales and customer support specialists and experienced leadership and management teams that oversee the day-to-day implementation of business activities.

Communities, including community-based organisations, non-profit and non-governmental organisations: As a microcosm of SA business, Bidvest's activities extend throughout the country, as well as Ireland, the UK, Spain and Australia. Our communities are therefore broad in characteristic, diverse and extend across a large geographic footprint.

Government, governing and regulatory bodies: Operating across many different sectors, through seven operating divisions, results in interaction with numerous authorities and regulators in the country of operation. These entities, and other public sector partners, provide the laws, regulations and guidelines that the Group implements to ensure strict compliance in terms of its operating practices.

Partners and potential partners: Within certain Group businesses, Bidvest forms partnerships where the source of product and service is best held externally, but which are necessary to ensure delivery of a valued added offering. Bidvest values these relationships and actively promotes this working concept in the search for new partners that will ultimately add substance to Bidvest's overall offering.

Customers: The Group services thousands of customers through its over 250 companies across its operating footprint, and with a focused business-to-business (or B2B) philosophy. The Group always attempts to ensure compliance to a customer-centric ethos, which is best achieved through the segmentation of the portfolio into logical, decentralised offerings that enable a much closer focus on the needs and demands of the respective customers.

Suppliers: Companies that provide goods and services to the Group, including outsourced services.

Our key stakeholders provide us with capital:

Social and relationship capital is where we focus our efforts to achieve an inclusive and sustainable economy. We aim to improve our proposition to the entire range of stakeholders across our value chain. The value we build through ongoing engagement, information sharing and working together with all stakeholders is important, as it ensures that we can deliver quality products and services. It also advances our ongoing contributions to socio-economic wellbeing and respecting human rights, with an objective of adding to the development of inclusive economic growth.

Human and intellectual capital is our key competitive advantage. Value is achieved because of the knowledge and experience delivered by the people that comprise Bidvest. Their knowledge, skills, talents and experience ultimately determine our capacity to accomplish goals. We have a performance, value-driven culture that encourages innovation and disruption within an empowering decentralised operating structure to ensure maximum delivery of the agreed objectives within each division.

Our **manufactured and natural capital** enables us to invest in and upgrade our services capabilities, distribution centres, storage and handling facilities, branch network and other infrastructure. These are all critical to generating the income for disbursement by way of salaries, contributions to the host-country fiscus, dividends and social contributions. Our ecosystems and natural assets, specifically energy, fuel and water, are managed to reduce usage and lessen impacts on the environment and our societies.

Financial capital includes the economic resources that fund our business, backed by a strong balance sheet that provides an ability to attract fairly-priced capital for continued growth. We are focused on enhancing long-term relationships with investors and funders, as we strive for financial sustainability.

While the Group is diverse and widely spread, Bidvest strives for integration in terms of value creation across all its divisions, its broad group of stakeholders and the provided capital. This invariably means an assessment of the key stakeholders and the value created

Ensuring sustainable value for **all stakeholders**
continued

Equity and debt investors

Current and potential shareholders, and the broader investment community, together with lending and financing institutions.

Relevant capitals:
Social and Relationship; Manufactured and Natural; Financial

Objectives

Bidvest aims to achieve investor and debt market trust by providing clarity on the Group's strategic ambitions, explaining the businesses and divisions, introducing key leadership and providing clear feedback on performance, while ensuring understanding about mutual expectations.

How we engage:

- Ongoing dialogue through results presentations and Company announcements
- Investor meetings, roadshows and conferences
- Website updates
- Engagement with Group leadership

Engagement topics:

- Group strategic direction
- Ability to continue to outperform in weak macro environment
- Margin management
- Pricing power
- Impact of loadshedding and poor rail availability in SA
- Growth pipeline and outlook for geographic expansion
- Currency and interest rate risks
- Funding capacity and liquidity management
- Diversity targets

Risks to value creation:

- Uncertainty or misunderstanding about strategy
- Negative sentiment and lack of investor interest due to country concerns
- Non-performance leads to investor confidence being eroded
- Value destructive acquisitions
- More expensive cost of debt and capital
- Actual or perceived sustainability concerns

Opportunities:

- Continued capital value and dividend growth
- Regular face-to-face access and interaction with local and global investors and funders
- Geographic diversification allows for a more focused and resilient investment proposition to a broader investor base
- Digital communication enhances the frequency of investor and debt market interaction
- Active engagement with funders and debt institutions and continued delivery allows the Group to secure additional financing facilities at attractive rates

Value created

Preserved investor confidence through the Group's commitment to the highest standards of governance

Total dividend per share **876 cents**, **+18% or R3bn,** distributed to providers of **equity capital**

Group HEPS	+25%

1 794.8 cents

Market capitalisation	+27%

R89bn
(at 30 June 2023)

Upsized and restructured offshore syndicated loan facility for more flexibility and at only a 10bps spread increase

Hosted investor briefing sessions to enhance market knowledge base

R2bn
in payments to debt providers

Delivered better than target performance on STI sustainability metrics

Employees and trade unions

As one of the largest private employers in SA and with businesses in Ireland, the UK, Spain and Australia, Bidvest has a broad base of employees ranging from security and cleaning teams, manufacturing and logistics people, financial and administrative professionals, as well as IT, sales and customer support specialists and experienced leadership and management teams that oversee the day-to-day implementation of business activities.

Relevant capitals: Human and Intellectual; Social and Relationship; Manufactured and Natural

Objectives

Bidvest strives for a safe, healthy and thriving working environment that is free from discrimination that provides fair and sustainable income and offers career advancement opportunities, supported by upskilling and reskilling interventions. We encourage involvement between managers with local trade unions; advance employment equity and skills development forums within Bidvest; and obtain feedback by way of employee surveys, employee forums and the Group Ethics line. Across the Group, management strives to ensure equal opportunities for all.

How we engage:

- Employee engagement occurs mainly within individual companies
- Individual employee and group forum interaction is encouraged
- Individual company and Group newsletters
- Regular union briefing sessions
- Digital applications within certain businesses
- Group employee wellness and support programme in place
- Awards and recognition events

Engagement topics:

- Market-related remuneration, reward and benefit
- Cyber security and private data awareness
- Health and safety in the workplace
- Mental health and wellness
- Deliberate diversity and inclusion initiatives
- General company and Group news

Risks to value creation:

- Securing, retaining and development of necessary skills
- High staff turnover and absenteeism
- Internal inequality and lack of diversity
- Unclear messages as a consequence of the size of the Group
- Cost of living and other economic pressures lead to workplace work stoppages

Opportunities:

- Enhancing the employee value proposition leads to an ability to attract and retain skills needed to achieve the Group's strategic intent
- Sustainable job creation
- Continued Group growth and innovation provides additional opportunity for career advancement
- Superior performance leads to higher reward

Value created

R5bn
in employee taxes paid to governments

Second largest private employer in SA that added net employment of 6 325

128 471 Bidvest family members who contribute meaningfully to their own communities and societies (R34bn remuneration)

894
otherwise-abled employees

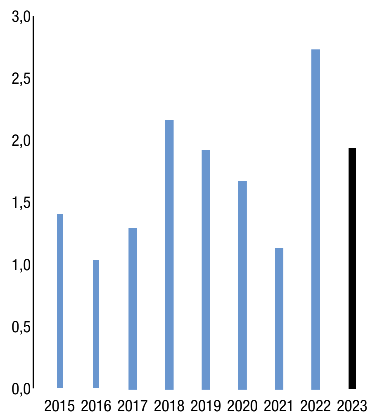
39% of top and senior management appointments female

Career development programmes and other training initiatives to enhance the skills base

Regrettably we had 6 fatalities:
two security personal were killed in the line of duty; three due to workplace incidents and one employee in a vehicle accident

5 751 learner-, apprentice- and internship programme participants

LTIFR (per 200 000 hours worked)



Ensuring sustainable value for **all stakeholders**
continued

Communities, including community-based organisations, non-profit and non-governmental organisations

As a microcosm of SA business, Bidvest's activities extend throughout the country, as well as Ireland, the UK, Spain and in Australia. Our communities are therefore broad in characteristic, diverse and extends across a large geographic footprint.

Relevant capitals: Human and Intellectual; Social and Relationship; Manufactured and Natural

Objectives

To improve the welfare of our various communities, we enhance direct engagement and support with regard to socio-economic and other specific needs.

How we engage:

- Through various national, regional and community programmes, specifically aimed at individual development and advancement, job creation, health, wellness and safety
- Deliberation and engagement with local community, welfare, education, health and other support groups in key operating regions
- Participation in local community forums, where relevant
- Actively seek support initiatives to guide and develop small- to medium-owned businesses, and remedy negative human rights impacts

Engagement topics:

- Socio-economic aspects affecting communities
- Providing Group resources to improve wellbeing of communities
- Enhancing local procurement and employment
- Sustainability initiatives and support

Risks to value creation:

- Misinformed communities create misunderstanding of Group intent
- Diminished employment and supplier base
- Disrupted and fragmented communities impact Group businesses, and operating efficiencies

Opportunities:

- Mutual understanding of needs will ensure maximum benefit to many communities in urgent need of assistance
- Increased job creation, and an enhanced supplier base means wider economic participation
- Lower our (and the customer) environmental footprint through innovative products and services

Value created

Launched male incontinence awareness campaign in the UK

R54m invested in socio-economic development programmes

R100m was invested on supplier development

Established school **ablution facilities** in two communities

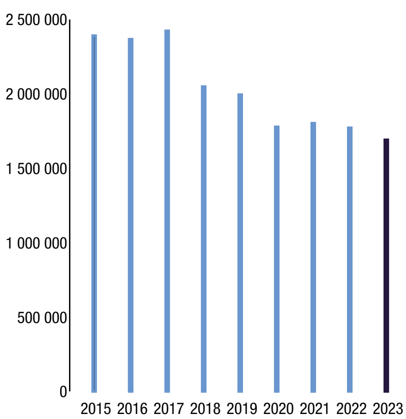
Recruitment drive with Syrian migrant communities in Ireland

Supported The Property Industry Foundation in Australia to **address youth homelessness**

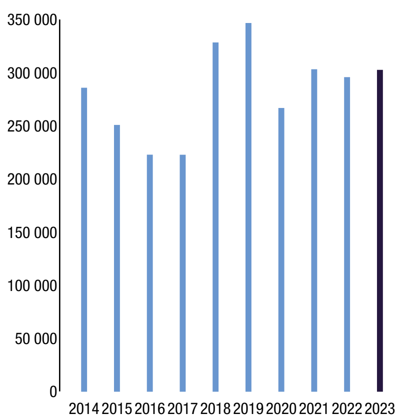
Advocacy work through UNGCSA. Completed **Workplace Diversity** as well as **Business and Human Rights** accelerator programmes

Endorsed net zero plans in Noonan, PHS and SBTi validated BIC scope 1 and 2 goals

Total water usage (kilolitres)



Scope 1 & 2 Emissions (tons)



Government, governing and regulatory bodies

Operating across many different sectors, results in interaction with numerous authorities and regulators. These entities, and other public sector partners, provide the laws, regulations and guidelines that the Group implements to ensure strict compliance in terms of its operating practices.

Relevant capitals: Human and Intellectual; Social and Relationship; Manufactured and Natural

Objectives

Continually enhancing understanding and engagement is essential to contribute, and respond, to national imperatives. A focus on regulatory and policy submissions as well as compliance are key focus areas.

How we engage:

- Strive for face-to-face engagement and Bidvest representation on industry bodies
- Participation and submission into various government and industry requests for dialogue as well as written proposals and/or responses
- Regulatory submissions as required

Engagement topics:

- Socio-, political and economic issues impacting the nations in which the Group is active
- Deteriorating basic infrastructure – electricity, rail, water – in South Africa
- Ongoing compliance with regulatory frameworks and good governance
- Tender processes and adjudication
- Local procurement and employment
- Crime and corruption prevention

Risks to value creation:

- Non-compliance leads to operational disruption and possible penalty
- Default in taxation and other regulated payments results in reputational, operational and financial damage
- A lack of industry participation on numerous initiatives, including upholding standards, impacts business collaboration and sector development
- Lack of infrastructural development obstructs business operations and growth

Opportunities:

- Private and public sector working together will support economic growth activity
- Clear understanding of national priorities will advance and improve growth, business processes, employment and fiscal contributions
- Improved essential supply and provision, such as power, security, rail and public transportation, education and health will enhance and accelerate the national imperative

Value created

A combined **R46bn paid in taxes** to host countries (FY22: R38bn)

No material regulatory fines or violations

Bidvest Group

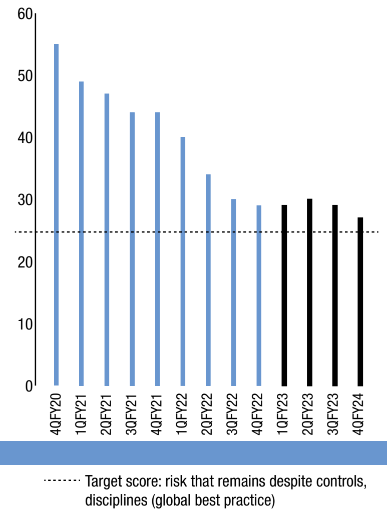
Level 2 rating

Introduced **local partners, including indigenous people,** and procurement elements in various contracts

Engagement with Transnet on private sector participation opportunities

UDS assisted in training the first South African Police Service **drone pilots**

Group IT risk score



Ensuring sustainable value for **all stakeholders**
continued

Partners and potential partners

Within certain Group businesses, Bidvest forms partnerships where the source of product and service is best held externally, but which are necessary to ensure delivery of a valued added offering. Bidvest values these relationships and actively promotes this working concept in the search for new partners that will ultimately add substance to Bidvest's overall offering.

Relevant capitals: Human and Intellectual; Social and Relationship; Manufactured and Natural

Objectives

To expand the database of international, regional and industry contacts. Ensure relevant market intelligence, and engage leaders in specific niche areas where Bidvest sees growth opportunities.

How we engage:

- Direct interaction
- Sessions to achieve regulated deliverables
- Industry bodies
- Partner forums, including conferences
- Proposal and tender processes

Engagement topics:

- Market impacts
- Logistics constraints
- Product and service quality, pricing and innovation
- Sustainability along the supply/value chain
- New product and service offerings
- IT modernisation and resilience

Risks to value creation:

- Disjointed partnership structure leads to business interruption
- Misaligned partnership base causes inefficiency, a deterioration in advice, pricing disorders, all resulting in planning challenges

Opportunities:

- An available and improving skill-set and experience base continues to enhance the overall Group product and service offering
- Efficiencies, costs and quality improves with sound advice

Value created

Strong **partnership** base formed over many years

Renewed and/or extended several licence agreements

Launched **new products and services**

Cost saving from decommissioned servers and legacy systems directed towards modernisation in Bidvest Bank

Launched partnership between Bidvest Bank and Sorbet to cultivate female entrepreneurs

Packaged **alternative power solution plus funding** for King Pie franchisors

Customers

The Group services over 300 000 customers through some 550 facilities across its operating footprint, and with a focused B2B philosophy. The Group always attempts to ensure compliance to a customer centric ethos, which is best achieved through the segmentation of the portfolio into logical, decentralised, offerings that enable a much closer focus on the needs and demands of the respective customers.

Relevant capitals: Human and Intellectual; Social and Relationship; Manufactured and Natural

Objectives

To monitor internal call centres for customer feedback and independent complaint channels. Bidvest website is used for two-way information sharing. A Group product and service brochure is provided each year to create better understanding. Direct calls can be made to divisional chief executives, customer visits are welcomed and we obtain insight from Group sales representatives and client relations teams. Assist customers in meeting their strategic goals and sustainability ambitions.

How we engage:

- Planned procurement and supply processes
- Regular contact with key customers, including hosting innovation days
- Ongoing contact with vast customer base through marketing and other promotional activities
- Training and development interventions
- Digital platforms, including customer care systems
- Industry and product specific events

Engagement topics:

- Efficient office and building management, including occupancy trends
- Compliance to a customer-centric ethos
- Increasingly complex and value sensitive business environment
- Retain and grow key customers
- Requirements for higher black ownership
- Price increases to recover higher input costs
- Sustainability along the supply/ value chain

Risks to value creation:

- Declining acceptance of product and service offering potentially reduces revenues, profits, and sustainability
- Interruptions to customer supply
- Non-compliance with customer protection legislation causes operational disruption and reputational damage
- Customer affordability, driven by declining consumer spend, detrimental to sustainable growth and ongoing societal contributions
- Shortage of skilled and/or experienced employees

Opportunities:

- Everyday essential product range continues to attract larger market interest
- Hygiene and wellness offering has good market acceptance, creating a platform to enhance international growth
- Decentralised structure enables focused customer attention and reaction when required, and strategic agility enabled when market dynamics or customer expectations change
- The Group's advancing use of technology, innovation and data improves the customer experience and expectation

Value created

Revenue	*+15%*

R115bn

Allocation of working capital, particularly renewable energy inventory to **meet customer demands**

Renewable energy product sales increased ten-fold

Environmentally friendly solutions to customers, include **chemical-free** cleaning and on-foot hygiene technicians

Focus on key senior relationships with strategic customers

Pragmatic and commercial approach to black ownership

Sold 37.5%
stake in Bidvest International Logistics to black women-owned consortium

New products, services launched:

- **Waste** management services **enriched** with technology
- **Reusable Tom-bags** for waste removal
- **Soluble cleaning pods** that reduce single use plastic bottles
- **Battery-operated** gardening **tools** that reduce noise pollution at customer sites

Ensuring sustainable value for **all stakeholders**
continued

Suppliers

Companies that provide goods and services to the Group, which including outsourced services, including consultants.

Relevant capitals: Human and Intellectual; Social and Relationship; Manufactured and Natural

Objectives

To ensure a procurement base that enhances the relationship model between the Group and supply company. To achieve this, the communication with key suppliers on market trends and requirements, as well as product innovations, is a key focus area

How we engage:

- Managed at a decentralised level
- Supplier systems (including audits) in place to inform and improve regulatory, standards, financial, legal, quality and sustainability issues
- Procurement teams pursue regular, and where possible direct face-to-face communication through various channels
- Trade, product, industry and sector events

Engagement topics:

- Clear communication channels supporting accurate and timely information flow to all parties
- Long-term sustainable support of small and/or black-owned supplier companies
- Loadshedding challenges faced by certain suppliers
- Security of supply
- Sustainability along the supply/value chain

Risks to value creation:

- A lack of collaboration to enhance efficiencies will reduce the Group's key cost focus
- Misunderstanding causes delays and market supply frustrations
- Declining product and service quality leads to negative impacts on overall business deliverables

Opportunities:

- Bidvest Supplier Diversity Programme underway to support long-term relationships with small and black-owned businesses to ensure their sustainability
- Significant focus on expanding and growing the supplier base to meet the commitments set out in the Group's ESG Framework
- A better, more informed and efficient supply chain enhances growth and stakeholder returns

Value created

R54bn
procurement spend in SA

Continually **establishing** alternative supply channels

Operational system enhancements in several businesses to improve customer service visibility

R24bn
procured from black-owned and black woman-owned SME businesses

Engaged with suppliers on product innovation

Continued efforts to **streamline** logistics chain

Increased spend with indigenous businesses


UNICARRIERS
15
UNICARRIERS
Bidvest
Materials Handling

Key drivers in our operating **environment**

SA's economic growth is constrained in the absence of structural reforms and investment

Response

Although we expect the uncertain and fragile operating environment in SA to remain, we have a track record of outperforming, and we are confident into the medium term. Bidvest's basic-need services and everyday essential product ranges should stand us in good stead, especially when coupled with an innovative, value-adding mindset.

Stakeholders impacted:

- Equity and debt investors
- Government, governing and regulatory bodies
- Partners and potential partners
- Customers
- Suppliers

Performance

18% trading profit growth

10bps increase in trading margin to 7.3% despite significant cost pressures

Organic, like-for-like expense growth **+8%**

Third consecutive year of significant outperformance of the macro environment

SA government policy and regulation

Response

SA's need for real GDP growth to create social and economic prosperity for all is undeniable. Bidvest is actively participating in national workstreams incorporating labour, government, civil society and business to achieve real and sustainable GDP growth. Enabling and aligned legislation that cuts across sectors is key.

The recent interventions announced as part of the energy crisis plan, opens the door for considerable private sector self-generation.

Stakeholders impacted:

- Government, governing and regulatory bodies
- Partners and potential partners
- Customers
- Suppliers

Performance

Ten-fold increase in **renewable energy** product sales as self-generation cap was completely lifted

As part of a consortium, submitted a response to Transnet's Natcor line tender

Ongoing engagement with Transnet around **private sector participation** in a bulk terminal in Richards Bay

Record wage increases gazetted for the lower-end of employee base. This was largely recovered through contractual pass-through

Technology advances to enhance Group businesses

Response

Technology brings opportunity to enhance efficiency, improve service and reduce environmental impact. It also drives changed behaviours and needs, to which we respond accordingly.

Stakeholders impacted:

- Employees and trade unions
- Partners and potential partners
- Customers
- Suppliers

Performance

Technology investments continued to drive internal efficiencies and **optimise operations**

Introduced **technology in waste management and facilities** management services thereby adding value to customers

Digitised Bidvest Bank completely

ALICE capabilities and monitoring expanded to further increase **cybersecurity** defense

The roll-out of **electric vehicles** in offshore operations continued and lithium-ion batteries were introduced in forklifts, cleaning and landscaping equipment to reduce the environmental impact of operations

Consumer spend

Response

Consumer spending is expected to remain under pressure, especially as inflation ticks up. Consumer healthcare spend on preventative measures is forecast to increase as health concerns and protecting families take priority.

Stakeholders impacted:

- Equity and debt investors
- Customers
- Suppliers

Performance

The nature of the majority of the Group's **products and services** are **designed for everyday use**, by a wide customer base

Multiple product launches in Interbrand, Home of Living Brands, Adcock

Launched Cubbi, new independant used vehicle business to participate in the older used vehicle market

Pressure on consumer spend incrementally more evident during the course of the financial year

Structural growth sectors

Response

The hygiene market is increasingly resilient and is supported by structural growth drivers such as urbanisation, a growing middle class, growing and aging population as well as hygiene and safety standards in the food, pharmaceutical and retail sectors. The global outbreak of the pandemic has undoubtedly heightened the awareness of, and the need for, out-of-home hygiene.

The need to provide safe, hygienic and pleasant workplaces and operating environments support active facilities management.

Stakeholders impacted:

- Communities, including community-based organisations, non-profit and non-governmental organisations
- Government, governing and regulatory bodies
- Partners and potential partners
- Customers
- Suppliers

Performance

Hygiene pool continued to grow in all the territories

Return to office drove **greater consumable volumes**

Services International met its goal to deliver a flat organic result as the businesses had to rebase post significant COVID work

Continued innovation and greater use of technology delivering enhanced customer solutions

Infrastructural development and maintenance

Response

Infrastructural investment and maintenance have been limited. Government's ability to credibly address the precarious position of several SOEs, initiation of development programmes and ongoing maintenance of national infrastructure and key facilities remain critical to achieve sustainable growth in the SA economy. Private sector also needs to invest to establish and grow businesses and industries.

Stakeholders impacted:

- Equity and debt investors
- Government, governing and regulatory bodies
- Partners and potential partners
- Customers

Performance

Failing rail infrastructure in SA redirected commodity flow to neighbouring countries, **benefitting Naval and Manica Group Namibia**

Almost all bulk commodity volumes handled in terminals in SA arrived via road

Extensive loadshedding necessitated the use of generators to ensure business continuity

Increased water storage capacity in businesses that are dependent on municipal supply

Installed solar solutions at 10 Group businesses. Sold 78MW of solar panels and 5 254 solar geysers

Material focus **areas and risks**

Materiality and Material Matters

Although the Group's decentralised, asset-light and everyday essential products and service business model is, in itself, an effective risk management tool, there are certain material matters that might disrupt Bidvest's ability to continue creating value for its stakeholders.

As external factors emerge and evolve, the key matters that may interrupt the operations of the Group's businesses are carefully assessed through a controlled process, which includes the Board's Risk committee, divisional Risk committees and Internal Audit. The meaning of material is defined and clarified across the Group. Those matters that may have an impact on the effective and successful future operations are assessed and the risk management thereof, including mitigating action, integrated into day-to-day activities. On an enterprise-wide level the key material matters are described below.

Global risks

The global risks of poor economic growth, stubborn inflation, geopolitical tensions, cost of living pressures and climate change remain largely unchanged. The cumulative and interconnected impact of all these is manifesting across most economies and societies.

Recent economic data and predictions remain volatile and the signals are mixed. Consensus appears to have settled that the US will avoid a recession, but the outlook for China is fragile. Core inflation remains stubborn and labour inflation high. Unemployment levels globally are back to levels not seen since before the 2008 financial crisis.

Post-Brexit, the pass-through to import prices in the UK is one of the highest in the advanced world with 55% of UK import prices now estimated to reflect changes in foreign exchange, compared to around a third a decade ago. This is similar to the situation in SA. Given the depreciation of the GBP, inflation is therefore expected to remain high and economic activity relatively weak. This will naturally increase the price sensitivity for corporate entities and consumers alike.

Australia remains dependent on commodity demand from the East, and concerns are growing with regards to the Chinese economy with no big stimulus announcements (as yet) from its government to support growth, and the Australian economic activity could therefore remain pedestrian.

Unemployment remains very low in the UK, Ireland and Australia. This is placing pressure on service delivery and drives greater overtime and/or sub-contracted labour.

Environmental and social sustainability of businesses can no longer be considered and managed in isolation. Business, the environment and human rights are intertwined. By addressing human rights, global risks are mitigated. Business should avoid harming the human rights of others and should address adverse human rights impacts in which it is involved, directly and indirectly.

South African risks

In SA, the energy, infrastructure and logistics crises have not eased, and remain the Group's single biggest risks. The base effects of core inflation and interest rates started to show up in recent data releases, which resulted in the Reserve Bank keeping interest rates steady of late.

Loadshedding eased somewhat during the middle of calendar 2023, but this was at the expense of an enormous diesel bill for Eskom, the State power utility. Towards the end of the financial year, Eskom announced new grid access rules (from first come first served to first ready first served) in response to the concern that some developers are dominating the grid, while the utility is seeking to fast-track new projects. The grid has become increasingly constrained, especially in areas that are deemed optimal for renewable energy. Recent data shows that SA is now using 25% less Eskom electricity to generate the same GDP as in 2000. Renewable energy investment is driving this.

Finding alternatives to the rail and port troubles are, however, far more challenging.

Significant Group risks

Energy supply

The unreliability of the power grid remains a structural issue in SA. Following the introduction of the National Energy Crisis Committee's (NECOM) Energy Action Plan (EAP), some progress has been made on key priorities, but a significant amount of work still needs to be done to reverse the current unsustainable situation. Organised business has been working in support of Government, through NECOM to assist the planning and implementation of key energy reforms, including planning for efficient grid access and expansion. An absolute imperative is to expedite the passage of the Electricity Regulation Amendment (ERA) Bill through Parliament. The ERA Bill is crucial to ending loadshedding, expediting energy development, expanding transmission infrastructure, establishing a competitive electricity market, and attracting investment in the energy sector. It is also important to complete the establishment of the National Transmission Company of South Africa (NTCSA), which is necessary to create a level playing field for electricity generators and enable increased investment in transmission infrastructure. The One Stop Shop to fast-track renewable energy projects has made progress, and this will lead to ensuring that adequate capacity and systems are in place to facilitate authorisations for energy projects and reduce lead times to construction.

Energy costs are a challenge faced by businesses across the globe. Noonan and Bidvest Facilities Management offer energy management services to their customers. The offering includes energy audits to identify energy saving projects, optimising utility tariffs and load balancing.

Root Cause:

- Regular loadshedding caused as a result of declining performance of Eskom fleet
- Insufficient rate of new infrastructure build
- Policy uncertainty
- Significant capacity shortfall

Key performance indicator:

- Consistent power supply
- Promulgation of the ERA Bill is critical to improve grid access and expansion

Consequence of risk:

- Limited trading profit and HEPS growth
- Declining ROFE
- Capex and other cost increases and efficiency declines

Control and mitigating actions:

- NECOM has been agreed as a joint working platform between Government, Eskom and business to realise the expedited implementation of the EAP
- Supporting and driving all efforts to close the current capacity shortfall to end loadshedding
- There has been a doubling of rooftop photovoltaic solar installed in SA
- Significant additional power from renewable sources has been implemented across Bidvest, with a total of 1 371MW introduced in the past financial year
- Further capex is planned to enable operations to function uninterruptedly during loadshedding

Material focus **areas and risk** continued

Inflation and costs

Inflation and the resultant impact on the Group's cost base is persistent. Labour inflation in excess of core inflation, low unemployment levels outside SA and skill shortages are forcing remuneration costs higher. Remuneration and employee benefit costs represented an unchanged 32.4% of total costs for the financial year, but increased by 13.0% on a per employee basis.

Inflation across Bidvest's key operational territories peaked in the third quarter of the financial year after rising sharply since the beginning of the financial year. Subsequent moderation has been less than expected.

Operating costs continue to be actively managed, especially considering the relentless contract price scrutiny of customers in the services units and downtrading that is driving negative revenue mix in the trading and distribution businesses. More and more non-compliant product is finding its way into the market. As a consequence, operating leverage has been limited over the past financial year.

Cost of living constraints driven by rising inflation, socio-political and other events are also expected to have a detrimental impact on corporate and consumer spending in the short- to medium-term.

Root Cause:

- Rising energy prices
- Rising labour cost
- Rising unemployment levels in SA, low employment levels outside of SA
- Reduced manufacturing capacity
- Non-compliant product in the market

Key performance indicator:

- GP margin pressure
- Above-inflation cost increase
- Actively managing operational costs

Consequence of risk:

- Limits trading profit and HEPS growth
- Declining ROFE
- Retrenchments and/or restructuring
- Ongoing contract price scrutiny
- Downtrading is driving negative revenue mix

Control and mitigating actions:

- Contract terms to pass on wage increases
- Active and focused management of GP margin throughout product and service portfolio
- Working smartly using enabling technology such as robotics, remote monitoring
- Energy savings initiatives
- Fleet and distribution efficiencies pursued

Economic outlook and consumer spend

Heightened pressures are caused by the cumulative impact of inflation and interest rate hikes, leading to limited, if any, economic growth in slower semi- and durable consumer spend as well as increased impairments at the large commercial banks on both consumer and corporate exposures. Macroeconomic scenarios are being adapted on a regular basis, and we remain disciplined in our approach to allocating capital, ultimately ensuring continued financial strength and an ability to access funding on acceptable terms, regardless of market conditions.

Root Cause:

- Lowered GDP growth forecasts
- Recession risk globally
- Accelerated interest rate hikes result in reduced consumer spend and weakened business confidence
- High unemployment in SA

Key performance indicator:

- Level of demand for products/services
- Trading profit growth
- Cash generated from operations
- Revenue growth
- Social unrest

Consequence of risk:

- Low/no trading profit and HEPS growth
- Declining ROFE and margin
- Lower cash conversion ratio
- Poor factory efficiencies
- High logistics cost
- Higher cost of debt
- Market changes and disruptions (as is evident in SA's automotive market)
- Increased competitor activity

Control and mitigating actions:

- Value-adding solutions and products to customer
- Offering spans wide price range
- Innovation
- Skills development
- Organic focus on growth segments, especially mining and agriculture
- Acquisitive focus on growth industries and geographies

Material focus **areas and risk** continued

SA infrastructure

The state of basic infrastructure across SA remains of grave and serious concern, and is seriously impacting SA's competitiveness as a global supply chain player. A high-performing rail system is a cost-effective and efficient way of moving high-volume, long-distance freight. However, it is estimated that 80.0% of total freight transport is now by road, resulting in damaged roads and accidents. SA port inefficiencies are resulting in permanent loss of export traffic as cargo is diverted to neighbouring country ports.

Bold and decisive action in a coordinated and integrated approach is needed to drive the required turnaround. Business is now working with key Government departments and Transnet to stabilise and improve performance of the freight logistics network. Facilitating private sector participation recognises the need for urgent interventions to address the immediate crisis and to increase volumes transported on the network, as well as longer-term measures to ensure future competitiveness and resilience.

Progress is being made, specifically within Transnet, such as the tender being awarded for the development and upgrade of the Durban Container Terminal to be conducted through a Private Sector Participation (PSP) company. Three consortiums have won the rights to present proposals to Transnet to build the Boegoebaai port and associated rail links to ship commodities, including hydrogen and its derivatives. Additionally, there has also been some movement in respect of rail or port tenders/initiatives in which Bidvest is involved, and which includes the operation and maintenance of the Transnet Container Corridor, while discussions for the Bulk Terminal PSP in Richards Bay are progressing well.

Root Cause:

- Lack of meaningful investment
- Deteriorating rail and port networks
- Deteriorating water quality and supply
- Corruption

Key performance indicator:

- Operational inefficiencies
- Lost productivity
- Contract losses
- Rolling blackouts
- Increased cargo transported on road

Consequence of risk:

- Inability to secure supply of critical goods and services, such as raw materials, energy, water, gas, equipment and spare parts, and other consumables
- Limited trading profit and HEPS growth
- Disrupted supply chains
- 24-hour services provision impacted
- Service levels compromised
- Inability to deliver on demand
- Gross margin reduction
- Above inflation expense increase
- Reduction in product handled in terminals

Control and mitigating actions:

- Formation of the National Logistics Crisis Committee for business to collaborate with Government to improve performance and efficiency of SA's freight logistics systems
- Deploy intervention teams to improve operational performance of rail-based supply chains on key corridors
- Deploy intervention teams to improve infrastructural failures
- Finalise a private sector participation framework for ports and rail, in line with the Freight Logistics Roadmap
- Implement reforms to modernise the freight transport system to restore efficiency and competitiveness and ensure future competitiveness and resilience

Climate change

Challenges arising from climate change and the slow transition to a low carbon economy may impact the performance of certain Group businesses, which also have the potential to impact biodiversity, air, land and water resources. The consequence of not managing these issues effectively, could lead to higher operating and other costs, and adverse impacts on the environment and certain stakeholders, potentially leading to reputational damage.

Root Cause:

- Heavy reliance on coal as source of power
- Limited utilisation of clean, renewable energy
- Single usage and limited recycling
- Growing population increases burden on nature

Key performance indicator:

- Extreme weather conditions
- Unpredictable weather patterns
- Shortage of natural resources/commodities

Consequence of risk:

- Property and infrastructure destruction
- Social turmoil
- Reduced agricultural volumes handled
- Disruption of operations

Control and mitigating actions:

- Installation of solar systems
- Water and waste recycling efforts
- Environmentally friendly product and service innovation
- Advocacy work through UN Global Compact Network SA

Material focus **areas and risk** continued

Cyber assault

Globally, cyber-crimes remain prevalent and pose a major threat to business, and Governments alike. This is evolving rapidly, as the speed of technological change brings additional threat and complexity. This has the potential of eroding, or even destroying value and increasing the cost and risk of doing business. While significant work is continually underway to secure the various Group systems, this issue could result in business disruption, litigation, penalties and fines for non-compliance as well as reputational damage.

Root Cause:

- Criminal intent

Key performance indicator:

- Number of cyber attacks
- Ethical hacking results
- ALICE dashboard

Consequence of risk:

- Disruption of operations
- Leak of confidential information and proprietary data
- Breach of laws

Control and mitigating actions:

- Intrinsic system and operational diversity of the Group
- Actioning ALICE continuous monitoring and improvement suggestion
- *Ad-hoc* ethical hacking
- IT governance framework
- Disaster recovery plans
- Business interruption insurance

Conclusion

The key risks for Bidvest remain largely unchanged from previous years. Steps have been and continue to be taken to mitigate the direct consequences, but the structural nature of the infrastructure and energy risks are difficult to navigate in isolation.

Recognition of this, by multiple stakeholders, and the desire to all work together to resolve this is the pledge signed by CEOs from many SA corporations, including Bidvest, underpinning the collective belief in and determination to assist SA in realising its potential.

A SA national election is planned for 2024 and this could bring additional risk. We are, however, comforted by the fact that these elections are administered under the auspices of an Electoral Commission that is an independent constitutional body, which ensures electoral democracy.

The diversity of Group operations, in terms of nature of operations, location, financial contribution, mitigating actions, etc. remains Bidvest's most powerful top-down risk mitigant tool.


CAUTION
WET FLOOR


Reflecting on
FY2023

Chairman's **report**

"Bidvest has again demonstrated its determination and resilience and delivered an exemplary result enabling us to contribute meaningfully to all stakeholders and host nations."

Bonang Mohale
Chairman

Economies around the world are stumbling. Central banks' unrelenting efforts to tame inflation ushered in a new era of high interest rates and aggravated several countries' ability to settle their international financial obligations.

Meanwhile, the uneven recovery from the COVID pandemic continued to feature in global headlines. The combination of fragility in parts of the world and adverse weather conditions has dampened global economic growth.

Throughout its 35 years, Bidvest has continually demonstrated its determination and resilience during times that included periods of turmoil and disruption. The past few years have been no different as, globally, we continue to experience considerable macro environment complexity and uncertainty, coming so soon after the traumatic pandemic period.

True to form, the Bidvest family has again delivered operating and financial agility, while ensuring that our businesses remain a force for social good.

The management team and the Board continue, successfully, to refine and enhance the bold strategy we introduced after the unbundling of the food services assets in 2016. Working in tandem with the Group leadership team, we remain focused on building a culture that aligns with our purpose, reflects our values and supports the delivery of our strategy.

I am more optimistic than ever that the Bidvest strategy remains firmly intact and on course to ensure competitive advantage and create stakeholder value for many years to come.

We continue to encourage a performance driven business model that continuously seeks scale and growth, grounded on product, service and geographic diversification. The portfolio is aligned to our financial strength, ultimately leading to an ability to ensure responsible stewardship.

This strategy is working. The 2023 result demonstrated the Group's operating and leadership strength, together with robust liquidity and solvency across the Group.

There is a close alignment of Board imperatives and initiatives to Bidvest's strategic priorities, which includes aspects embedded in the ESG Framework. Executive rewards are based on performance against specific metrics derived from these.

ESG Framework

One of the non-negotiable priorities among our Group leadership is advancing the sustainability agenda.

As sustainability issues continue to impact the fragility of the planet and society as a whole and, aligned to our long-term commercial objectives, we crystalised our commitments and objectives as they pertain to ESG, set targets and determined measurements of progress and impact.

Environmental

Good progress has been made, with 4.6% less water consumed when compared to last year. CO_2 emissions increased by 2.3% due to the increased use of generators.

There is a focused initiative underway to source product from supply chain partners that are responsible in their dealings. A Code of Ethical Purchasing was introduced, which is intended to promote safe and fair working conditions, ethical business practices and the responsible management of environmental and social issues within the Group's supply chain. During the past year, 88.0% of Bidvest suppliers have signed the Code (or equivalent), up from 66.0% at the end of the prior year.

Social

The ESG Framework has a key imperative to improve top and senior management appointments in terms of gender and race. We are making good progress toward our medium-term objective for females to represent 45.0% of employees at all levels and African people 50.0% of management in SA businesses by 2025. During the last year, 44.0% out of 202 appointments at top and senior management levels were African. This is lower than the 58.0% achieved in the prior year, but there were 17 more individuals appointed, or 89 in total. Female appointments made up 78 (or 39.0%) of appointments and 51 (or 25.0%) were African females. As at 30 June 2023, 22.0% of top and senior management are African, and 32% of this management group are female. Our international operations are also focused on building a more diverse management team, both in terms of race and gender.

Another key objective is to support local businesses in their development and growth ambitions, and we have made a strong commitment to source locally from B-BBEE compliant suppliers. To contribute to a growing and thriving local economy and, consequently lowering unemployment, we have committed to directing 90.0% of our local SA spend to suppliers with a Level 4, or better, rating by 2025. Good progress has been made and the Group spent an aggregated R41.0 billion with Level 4 or better rated suppliers in 2023, which represents 76.0% of local procurement spend, compared to 74.0% last year.

Governance

We actively contribute to SA's broad economic empowerment objectives. There are 72 Bidvest operating entities in SA that have been assessed against B-BBEE sector or generic codes. Of these, 35 are rated Level 1 & 2, compared to 27 last year; 10 at Level 3 (16 last year); and 10 are at Level 4 (14 last year). Additional work needs to be done in this area and management teams have been directed to make certain improvements.

Importantly, there is also an objective to improve the basic security hygiene score of the Group's IT systems (as assessed by our internal AI employee, ALICE) to mitigate cybersecurity risk. ALICE has been deployed in 70 Bidvest companies, up from 63 at the same time last year. Additional controls to strengthen cyber security defences (and ensure insurance cover) were introduced this past year and pleasingly, the Group end score has improved.

Major shocks

We continue to experience the effects of major shocks over the past few years. Although COVID impacts have largely been overcome, social and geopolitical tensions remain a concern. This stems from the pointless and tragic war in Ukraine, differing views and intentions of major global economic powerhouses and socio-economic disorder and instability closer to home in SA.

SA economic confidence levels are the lowest since 2015, and it has become necessary to articulate and deliver a critical path to recovery and in so doing, build societal and business confidence. As Bidvest, and as South Africans, we recognise the importance of business working together with Government. Alongside the larger business fraternity, we have mobilised to support key actions to realise the collective benefits for all in the country. We believe that organised business cannot be spectators on the sidelines as SA faces unprecedented economic challenges – there is an urgent need to roll up our sleeves and be part of the solution to the national economic crisis. We are therefore collaborating through tactical partnerships, and in a transparent and well-governed process with broad consultation and oversight.

Our realistic hopes and ambitions for a better future for all is predicated on inclusive economic growth and job creation, as failure will amplify existing constraints and reduce confidence levels even further.

Appreciation

During this past financial year, we expressed our gratitude to Ms. Sibongile (Bongi) Masinga who retired and Ms. Nonzukiso (Zukie) Siyotula who resigned as independent non-executive directors. After year end, we welcomed Mr. Khumo Shuenyane to the Bidvest Board. Khumo currently serves on various boards, including Vodacom, and investment firm, Ninety One, and he recently retired as Chairman of Investec Bank. We look forward to his contribution as well as his sound guidance and advice during Board deliberations.

My gratitude is extended to my Board colleagues for your considered deliberations at all meetings, all aimed at ensuring a better Bidvest, while striving for a robust and rewarding future. Equally, to the executive and management team, I extended my gratitude to you all for your exemplary leadership over the past year.

The entire Bidvest family must be thanked and congratulated on these stellar results, and we look forward to another exciting and eventful year as we continue delivering on a strategy that is designed to provide meaning and benefit to the many organisations and individuals we connect with on a regular basis.

My optimism for the future remains strong and I am confident that Bidvest, despite challenges and surprises that may come our way, is exceptionally well positioned for future success.

Bonang Mohale
Chairman


ZS-RGP
Bidvest
PROTEA COIN
R44

Chief **executive's report**

"We have proven our ability to participate successfully within our chosen areas of operation, and delivered an exceptional annual result. This has been made possible by the considerable and unselfish contributions made by all stakeholders, specifically our almost 130 000 employees, who have ultimately been the reason for this extraordinary performance."

Mpumi Madisa
Group chief executive

Our strategic focus on scale, innovation and geographic expansion, together with an obsession to achieving real growth and increasing market share in key operating areas, have again demonstrated the robustness of the Bidvest Group. Extraordinary performances were delivered by the seven divisions with overall revenue increasing 15.0%, and trading profit higher by 17.6%. Despite higher input costs, including energy and wage pressures, the trading margin at 10.0% is solid and the expense management increase of 8.2%, on a like for like basis, is commendable.

A hat-trick of +20% growth

For three years in succession, Bidvest has delivered growth in headline earnings per share in excess of 20.0% which, when considering the current market environment, is an exemplary achievement. Over the past year, each of the Group's seven divisions delivered double digit percentage growth in trading profit. Six of the seven divisions generated a ROFE in excess of 30.0%, again demonstrating the Group's focus on maximising shareholder returns.

Our strategic intent of building a considerable international business is gaining traction.

Our largest contributing division, Services International, reported a trading profit in excess of R3.0 billion. This division now operates across SA, UK, Ireland, Spain, and Australia. Post year end, we acquired 100.0% of Consolidated Property Services, which is a leading Australian provider of integrated property services. This effectively doubles the size of our facilities management operations in Australia.

In SA, and by design, Bidvest capitalised on carefully considered strategic growth areas, which stemmed from the mining, agriculture, renewables, and travel and tourism sectors, and which contributed significantly to the overall result.

The Freight division delivered a commendable performance, reaching the R2.0 billion trading profit mark for the first time, effectively doubling profitability over the last three years. Another first, is the Services South Africa division that achieved a record R1.1 billion in trading profit. We have also delivered on our commitment made last year for an improvement in our Financial Services division, where a pleasing turnaround, particularly in Bidvest Bank, materialised.

Equally pleasing was the success achieved in managing costs across the Group, resulting in good operational cash generated at R12.2 billion, with 76.4% of trading profit converted to cash. Our balance sheet remains strong and net debt to EBITDA, at 1.7x, has improved. There has been a solid increase in ROFE to 38.3% and ROIC, at 17.3% is up from 17.1%.

We have a straight-forward and simple strategy that is matched by a disciplined approach to capital allocation.

Our strong focus on investing for growth remains firmly intact, which does not impede us from also developing and rewarding the multitude of stakeholders across the Group. The year's total dividend paid to equity investors rose 17.7%, equating to R3.0 billion.

Growth means jobs

An exciting consequence of a growing organisation is that job creation becomes endemic.

We are proud to report that we created more than 6 000 new jobs during the period under review. This now brings our total employee complement to just under 130 000 people. We employ 894 people who are otherwise-abled.

Diversity and inclusion remain a key focus among our Bidvest team, and we strive to ensure that our leadership team leads by example.

At the Group Exco level, for example, 58.0% of the members are black, and 58.0% are female.

The work and effort by our leadership teams toward employee, business, social and economic transformation and development is commendable and something that has made me, personally, very proud.

In SA, the demographic profile of our leadership team continues to adapt accordingly and black representation in the Group's 5 900-strong top, senior and middle management team has increased to 61.0%. The number of female managers increased from 32.0% to 34.0%. Internationally, the inclusion of females in leadership positions is a key focus area with

PHS, Noonan and BIC setting internal targets of gender parity. These companies are making good progress toward achieving this objective. Cultural diversity is as important, particularly at Noonan and BIC.

Our investment in skills development for the year amounted to R758.4 million, and 5 751 black people participated in learnerships and internships, a vast increase on the prior year's 4 115. The Group has collectively awarded tertiary bursaries to the value of R31.9 million for the year. The Bidvest Global Executive Development Programme was launched during the year with the first module being a great success.

The Group's employee well-being programme continues to provide support and assistance to employees across the Group. There are currently over 77 000 employees registered on the programme, providing both individual and group support in areas of personal development, mental wellness, trauma and professional services. Also, a medical insurance programme is well underway, as we firmly believe that ensuring as many employees as possible are covered with some form of medical insurance is key for ongoing Group health and prosperity. Communication across the Group has also been stepped-up following the introduction of an Employee Engagement app.

Value proposition remains intact

While our strategy continues to serve us well, we do not lose sight of the fact that operating efficiencies at existing operations remain equally key to ongoing success.

Our focus on enhancing operating processes, controlling costs and ensuring common understanding of our ultimate objectives, is largely being achieved by the enormous amount of time spent connecting with our people, customers, communities, and suppliers.

Strategies are continually being advanced to create value for each stakeholder group, which in turn drives our focus on optimising the value of our products and services, at a sustainable cost to society. Aligned to our long-term commercial objectives, we have carefully defined our objectives and commitments as they pertain to sustainability, set targets and determined measurements of progress and impact, which are set out in the Bidvest ESG Framework. Work remains to be done in this space, and we are committed to matching our financial result with an equally solid non-financial performance.

In SA, the energy and infrastructure crisis has not improved and remains the Group's single biggest risk. Bidvest is therefore focused internally on managing this risk. We have reduced emission and water intensity by 31.8% and 38.3%, respectively. Across Group companies, approximately 2.7% of electricity used is now coming from 'green' sources and we generated 3.2GwH of power from our own solar systems.

Other material risks include increasing inflation and input costs, as well as impaired infrastructure in SA, which is debilitating many sectors, particularly transport and logistics. Globally, consumer spending is constrained and is expected to deepen as concerns continue with regard to economic growth in key trading markets. Unemployment remains very low in the UK, Ireland and Australia. This places additional pressure on service delivery and drives greater overtime and/or sub-contracted labour.

Standing together

SA, specifically, finds itself at an interesting juncture with economic growth extremely low, exacerbated by the power interruptions, leading to low levels of investor confidence.

Bidvest is standing with many other corporates, and with their respective CEOs, voicing commitment and support to remove certain obstacles hindering growth.

The ultimate aim is to chart a critical path to recovery, foster societal and business confidence, and provide support to the government in effectively implementing selected interventions. We believe that through partnerships and focused dialogue, and collaboration with government, we can maximise the scope for inclusive growth and thereby create hope for all South Africans, and for the benefit of all.

Our agility, diversity, scale and balance sheet strength, among other aspects, give us the ability to counter these risks to some degree, while finding and presenting opportunity to continue advancing the delivery of solid and credible operating and financial result performances, across all divisions.

Services International: After two years of robust COVID-related revenues and profits, there has been a normalisation period, which resulted in trading profit being relatively flat over the first half of the year to 31 December 2022. However, a focus on cost and strong organic growth has resulted in a superb second half turnaround. Revenue rose 20.9% to R33.2 billion, with Bidvest FM, PHS, and the inclusion of BIC (in Australia), Mayflower (in the UK) and the Sahicasa (Spain) acquisitions adding to profitability. Trading profit at R3.4 billion was up 9.8%, an excellent result for the division. If you exclude acquisitions and the impact of the COVID revenue, the division is up 14.0%, a reflection of the strong underlying performance of the businesses. Trading profit between the facilities management and hygiene businesses is now almost equally split with 31.5% of profits in the division generated offshore.

Freight: The traditional annual rate escalations, improved capacity in the Group's bulk liquid operations, new business and increased bulk mineral commodity volumes were some of the main reasons for revenue increasing 12.7% to R8.4 billion. Grain volumes were down year on year, but this must be seen in light of a record maize export season in the prior year. Gross margins improved and expenses increased in line with the growth in revenue. Trading profit at R2.2 billion was up 22.5%. The bulk mineral terminal operations in SA, Mozambique, and Namibia all outperformed, as a result of increased volumes of coal, chrome, manganese, copper concentrates and ship spares handled for the oil and gas industry. The clearing and forwarding operations produced a very strong result.

Commercial Products: Revenue at R19.9 billion was up 32.2%, driven by inflation, and a tenfold increase in renewable energy sales. The growth in the electrical cluster has been exponential with good demand for certain products coming from the industrial, textile, automotive and mining sectors. Ongoing pressure on consumers and redirection of spending away from the DIY market has been very evident over the period. Expenses were up 11.0%, but materially below the growth in revenue. Trading profit at R1.4 billion was up 21.4%, which was excellent. The trade cluster delivered an outstanding result, but the DIY, packaging and leisure clusters came under pressure as the reduction in consumer spend and demand in the DIY and leisure product sector contracted. The general industrial cluster produced an excellent result and warehousing showed a strong underlying performance, supported by the addition of the A² forklift acquisition.

Services South Africa: Revenue at R10.4 billion was up 26.9% driven by a recovery in building occupancies, especially in universities, where students have returned in large numbers. The rebound in travel and tourism volumes has been strong, and we believe that the industry is now back to pre-COVID levels, even though there are still capacity constraints due to a reduced airline fleet. The allied cluster delivered an excellent trading result off the back of increased office and hotel occupancies, the resumption of conferencing and banqueting events, and increased water and coffee sales. The security and aviation cluster delivered a mixed result with very strong performances for the security and related businesses, while the balance of the businesses came under pressure due to the non-repeat of significant project work in the prior year and COVID-related revenue. There have been good new contract wins in the division and market share gains in certain sectors. Expenses were up 20.0% due to the increase in turnover, higher fuel costs and input costs mainly in our catering cluster. Trading profit at R1.1 billion was up 21.4%, which was excellent.

Branded Products: Revenue rose 13.0% to R11.7 billion, driven by good price increases, a very strong back-to-school season, increased office, school, and university occupancies, robust demand from packaging products, and significant demand in the office automation space. Expense growth at 9.0% was reflected in the increase in fuel and distribution costs, the impact of loadshedding on factory recoveries and reduced retail sales. Pleasingly, this expense growth remains below the growth in revenue. Trading profit of R860.6 million, was 15.5% higher. Waltons delivered a standout performance, and the businesses in office automation, leisure and office products clusters delivered a phenomenal performance, with record results from Konica and Interbrand. The data, print and packaging cluster delivered an excellent performance driven by an increase in demand for print and packaging products, but the consumer business contracted on the back of constrained disposable income and profitability declines in certain product categories.

Automotive: The R24.9 billion revenue was up 5.2%, driven by inflation and diversifying the product mix. New vehicle volumes increased by 1.8%, while used vehicle volume declined by 10.3%. Expense management was exceptional, increasing only 3.0%, materially boosting the operating leverage. Trading profit at R914.9 million, which increased 11.7%, was a record result. New vehicle sales growth was below the overall dealer market volumes that were up 10.0%, and this is due mainly to entry-level brands, where we either have no or very little representation. The used vehicle volumes decline was as a result of stock becoming more freely available and used vehicle prices softening. Aftersales contributed positively and our new independent used vehicle business, Cubbi, has been launched.

Financial Services: Revenue at R2.7 billion was up 12.2%, largely as a result of increased capital deployment in Bidvest Bank and higher interest rates. The plans and strategies to improve performance within this division have exceeded expectations. Trading profit at R463.5 million was significantly up – 441.3% – on last year, with core trading profit at R329.0 million and investment income up R117.0 million. What is very pleasing is that the current level of profitability is 40.0% higher than the profits reported in the 2021 financial year, so the division is tracking well ahead of plan.

At Adcock Ingram, of which Bidvest owns 62.3%, revenue of R9.1 billion was 4.9% higher and the trading profit of R1.2 billion was 4.0% up. The defensive nature of the product offering in this business remains appealing and we continue to support the strategy of increasing the non-regulated sections of the portfolio.

Onward and upward

Our product, service and geographic diversity is very evident, with robust underlying growth trends continuing in most parts of the business, but with increasing social and economic shifts very apparent.

The macro factors that we experienced in the 2023 financial year remain broadly unchanged going into the 2024 financial year. Our businesses are geared to navigate these headwinds and will continue to find pockets of above average demand and growth.

From a renewable and a travel industry perspective, the exponential growth seen over the past year is expected to be more muted, but we expect demand to remain robust. In the fourth quarter of the 2023 financial year, a new green shoot emerged, which was an increase in government spend, mainly in local government, and largely related to basic infrastructure. If the stimulus continues into the 2024 financial year, it will be good for our trading businesses.

The SA consumer is under immense pressure due to rising interest rates and high inflation, and we are watching the impact of consumer buying patterns, ensuring that our entry level and affordable product offerings capture the shift in purchasing decisions. Innovation and technology continue to support our product and service offering, while margin and cost management will remain top of mind.

Our businesses are well-positioned to grow, while cash generation and margin management is disciplined, and our acquisition pipeline is exciting, and very executable.

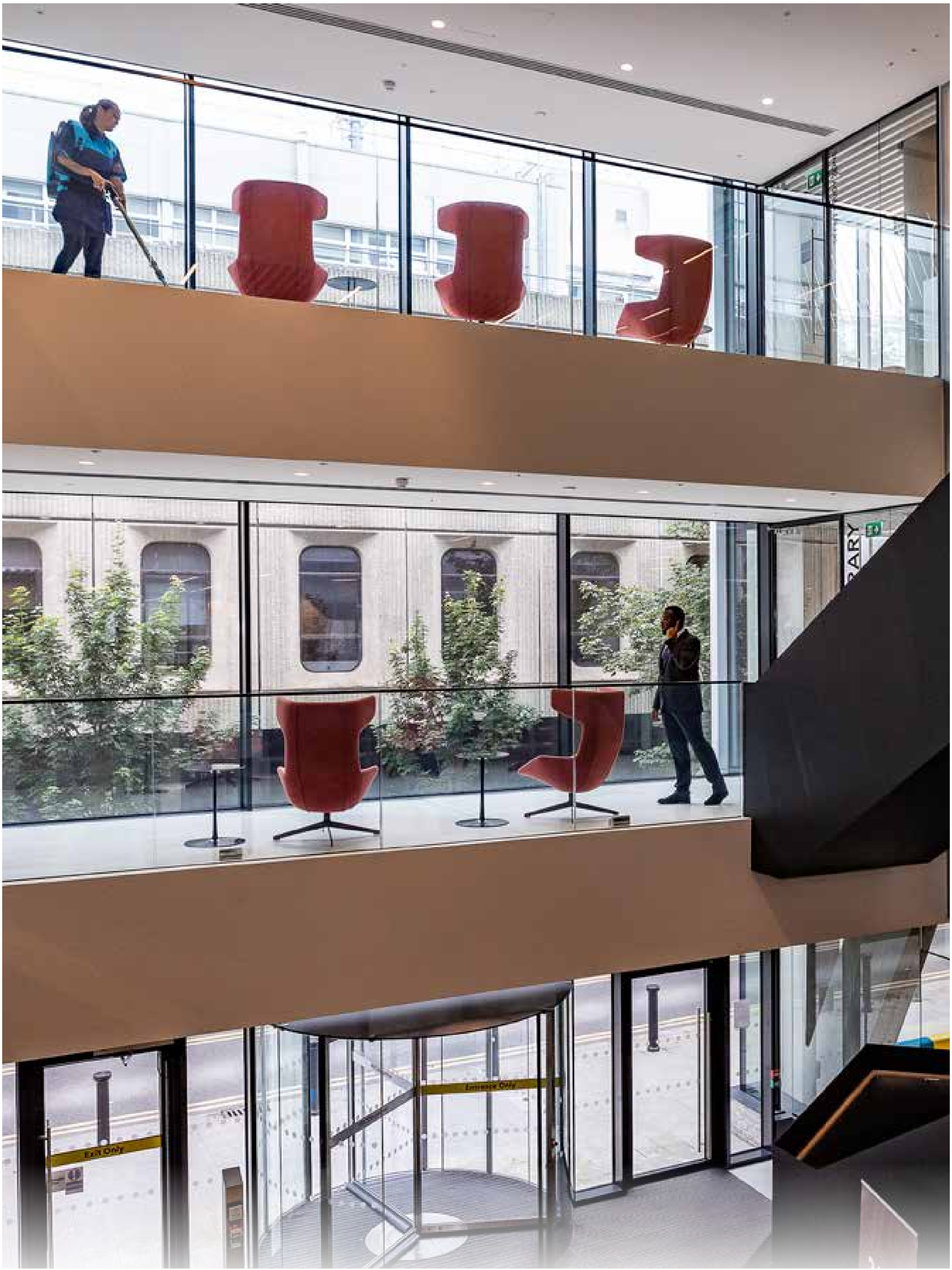
Sincere gratitude

I would like to extend a massive thank you to the teams within the 250 Group businesses that produced these results.

Outstanding leadership is at the heart of top performance. To the Bidvest management teams across SA, Swaziland, Namibia, Mozambique, the UK, Ireland, Spain, and Australia, congratulations on another stellar performance. These results demonstrate your ability as management teams to drive operational excellence. They demonstrate your ability to mobilise teams to deliver beyond their own expectations. I am blessed to be part of this team and do not take this moment in time for granted.

To our stakeholders and shareholders alike, thank you for your continued support.

Mpumi Madisa
Chief executive


Entrance Only
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Chief **financial officer's report**

"The past year has been immensely gratifying, with strong organic growth, quality earnings, a steady uptick in acquisitions and good cost control all contributing to an excellent result."

Mark Steyn
Chief financial officer

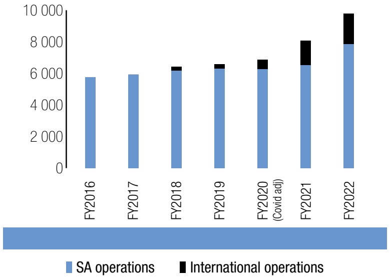
Double-digit revenue growth was achieved in most Group divisions with exceptionally strong performances in Commercial Products, Services South Africa, and Services International. Improved sales activity levels were essentially the drivers in the Services South Africa, Freight and Commercial Products divisions, while pricing was the main reason for the increases achieved in the other businesses. Recent acquisitions, specifically BIC Services, added approximately 230 bps to the revenue growth. Organically, revenue grew 12.7%.

From a gross income perspective, our gross profit margin declined by 100 bps to 29.0%. This remains acceptable given the significant increase in lower margin disbursements in Freight, travel and hospitality revenues, as well as the termination of COVID work in the prior year. Impacts in the second half of the year included the continued higher input prices and forex weakness, while loadshedding continued to impact factory efficiencies.

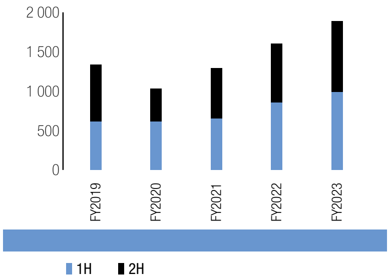
There was a very good expense performance across the divisions. Overall expenses were up 10.1% against a revenue increase of 15.0%. On an organic basis, expenses have grown 8.2% driven by payroll inflation, selling and distribution costs, forex movements and fuel, energy and utility costs. Our expense ratio has improved from 20.5% last year to 19.5% and the keen focus on cost containment across the Group is a standout feature of these results.

The 17.6% increase in trading profit, with underlying organic growth at 14.1%, is very pleasing. All businesses contributed, supporting the intent of the Group's diversification strategy. Freight, Commercial Products and Services South Africa performed exceptionally well, with strong mineral exports, the rebound of travel, hospitality and catering sectors, as well as extraordinary renewable energy sales, all driving growth. In Branded Products and Automotive, the results were all the more commendable

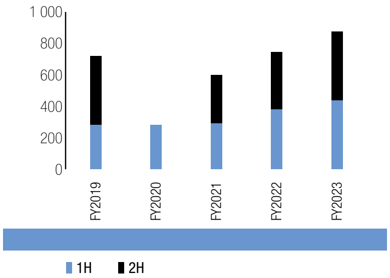
Bidvest offshore profit contribution (Rbn)



Normalised HEPS (cents)



DPS (cents)



considering the high base in the prior year, while both Services International and Adcock Ingram grew off extraordinary COVID-led 2022 comparatives. Financial Services produced an exceptional turnaround, ahead of expectation. The underlying core business was solid, supported by strong investment portfolio returns.

Group HEPS was up 24.5% and our normalised HEPS, which is after acquisition costs and amortisation of acquired customer contracts, was up 17.7%. In the prior year the normalised HEPs' included an adjustment for UK deferred tax, which has not recurred. From a dividend perspective, the final dividend of 439 cents was up 20.6%. Our cover ratio was 2.06x, which is within our policy range of 2.0x to 2.5x normalised headline earnings.

Debt approach: offshore and long-dated

The Group continues to maintain a conservative and consistent approach to debt, holding 65.0% and 80.0% of gross and net debt respectively. Importantly, 81.0% of gross debt is of a long-term nature, and 56.0% is at fixed rates. Our gross debt at R27.4 billion, up R3.3 billion year on year, was largely driven by a R3.2 billion forex translation impact, which relates to Rand weakness. Net debt after cash and cash equivalents increased R6.1 billion to R18.1 billion, again as a consequence of the forex impact, and the acquisition of BIC Services for R1.8 billion. We have a comfortable covenant position, with net debt to EBITDA at 1.7x, compared to 1.5x this time last year.

Offshore, the net debt to EBITDA in hard currency is at 4.7x post the BIC Services acquisition, which compares favourably to last year's 5.0x. The average pre-tax cost of debt at 5.4% is up 70 bps, which is a good result given the movement in the base rates. EBITDA interest cover of 8.2x has extended from the 9.8x last year, largely impacted by the growth in the underlying net debt levels and higher interest rates. The ratio, is comfortably in excess of our covenant, and similar to our pre-COVID levels. The debt maturity profile is good with no sizeable maturities in the near term. The offshore term loan, which matures in 2026, has two further one-year extension options, and there are no material domestic maturities.

Strong balance sheet

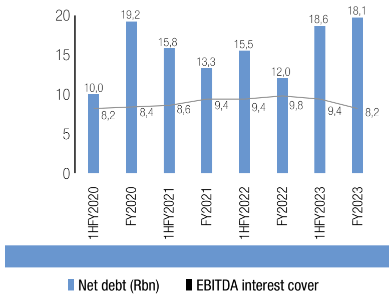
Capital expenditure increased to R3.4 billion, with higher capacity spend in certain packaging lines and the drones (UDS) business, as well as additional maintenance capex in fleets and statutory liquid tank upgrades. Bidvest commissioned two distribution centres in the Commercial Products division, while in Freight a further R910 million was approved for expansion projects, mainly in Richards Bay.

Bidvest Life has been reflected as a disposal group held for sale, as it is currently in a sale process. There have been a few other disposals concluded, with the largest being the non-core food distribution business, Taeuber & Corssen (T&C) in Namibia.

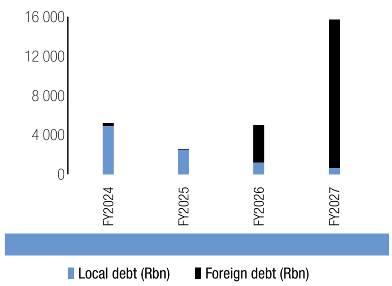
Spending on mergers and acquisitions over the year of R2.1 billion largely represents BIC Services and a few smaller bolt-on acquisitions.

An exciting pipeline of potential acquisitions is being actively pursued. For this reason, there has been a increased focus on funding activity in the last six months, where increased capacity from a syndicated funding perspective has been agreed. This facility increased from £400 million to €750 million with a further three-year term and two additional one-year renewal options. Pleasingly, this was achieved at a relatively small margin increase. The Group has offshore funding facilities of €560 million available and, in SA, a further R17 billion.

Interest cover



Debt maturity (Rbn)



Good cash generation

Cash flow remains a key focus and critical component throughout Bidvest. The underlying cash generated by operations before working capital has been good at R14.8 billion, up 13.3% on last year. The seasonal release of working capital, at R2.9 billion in the second half, was better than expected. Overall, for the year, the net investment in working capital of R2.6 billion was commensurate with our business growth.

Our inventory has grown by R2.7 billion, predominantly in the Commercial Products and Automotive divisions. The growth in Commercial Products largely reflects additional renewable stock to support a revenue base that was ten-times higher. We previously flagged the normalisation of the Automotive inventory at half-year and overall stock levels are back to pre-COVID levels, although certain of the OEMs are slightly higher. Overall stock days have moved up slightly, but we are comfortable that the quality and saleability of the stock remains good. Debtors' growth was in line with revenue, the underlying book is healthy, and we have consistent overall aging.

Pleasingly, Bidvest Bank increased net advances by R650 million, which represented positive business growth. Creditors increased in line with inventory levels.

The cash conversion at year end was 76.4%, slightly down on last year's 88.3%, and due to the higher working capital absorption. Seasonal cash inflow was consistent with the Group's normal working capital cycle, albeit at an improved level.

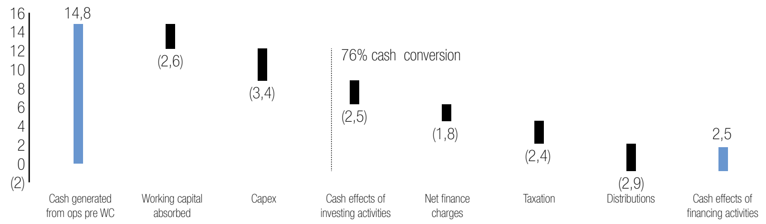
Ending on a strong note

I am pleased with the Group's current financial position. This was supported by good expense control among all companies, which resulted in a positive operating leverage and an improved trading margin. Cash flow was robust and we have increased our investment in working capital, especially in the trading businesses with higher levels of inventory, debtors and trade payables. The growth in working capital was commensurate with the growth in the businesses.

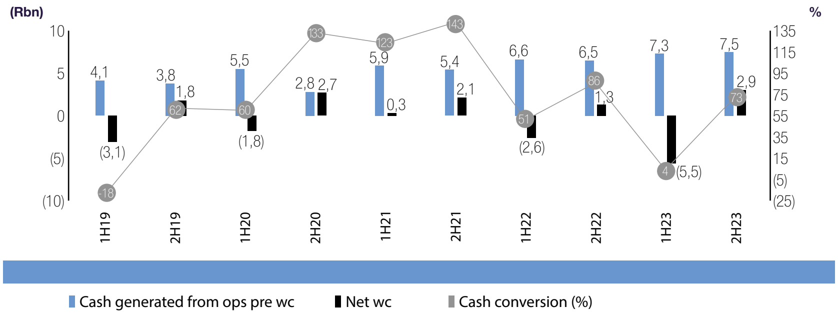
The Group merger and acquisition pipeline is healthy, and we have appropriately aligned debt capacity, both internationally and locally, to meet these requirements.

The Bidvest business model continues to demonstrate its resilience, considering the pressures from a number of the broader macros. The ability of our decentralised businesses to pivot and reprioritise growth opportunities has been key to this good result. We continue to focus on sectors showing structural growth to lessen the impact of the weak GDP environment. Margin management and expense control will remain top of mind over the next six months.

Free cash flow (Rbn)



Cash generated vs working capital



I express my sincere gratitude to the financial teams working diligently across the Group for their considerable contributions. This overall team effort has ensured the successful compilation of the various reporting requirements.

My thanks to fellow executive and Board members for their support, assistance and guidance throughout the year.

Mark Steyn
Chief financial officer

Value added statement

Value-added **statement**

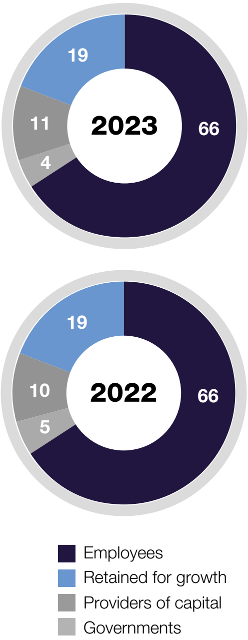
"Value added" is the value which the Group has added to purchased materials and goods by process of manufacture and conversion, and the sale of its products and services. This statement shows how the value so added has been distributed.

R000s	2023	%	2022	%
Non-interest revenue	**114 587 864**		99 742 742	
Net cost of raw materials, goods and services	**(63 884 765)**		(55 282 948)	
Wealth created by trading operations	**50 703 099**		44 459 794	
Impairments	**(139 596)**		(200 257)	
Finance income	**824 713**		581 152	
Dividend income	**18 641**		15 251	
Total wealth created	**51 406 857**	**100.0%**	44 855 940	100.0%
Distributed as follows				
Employees				
Benefits and remuneration	**33 802 430**	**65.8%**	29 373 712	65.5%
Governments				
Taxation	**2 327 902**	**4.5%**	2 332 248	5.2%
Providers of capital	**5 409 691**	**10.5%**	4 487 397	10.0%
Finance charges	**2 508 536**	**4.9%**	1 987 309	4.4%
Distributions to shareholders	**2 901 155**	**5.6%**	2 500 088	5.6%
Retained for growth	**9 866 834**	**19.2%**	8 662 583	19.3%
Depreciation and amortisation	**3 894 145**	**7.6%**	3 590 848	8.0%
Profit for the year attributable to shareholders of the Company	**5 972 689**	**11.6%**	5 071 735	11.3%
	51 406 857	**100.0%**	44 855 940	100.0%

Exchanges with governments *including amounts collected on their behalf*

	South African		Foreign	
R000s	**2023**	2022	**2023**	2022
Group operations				
Employee taxes	**2 726 223**	2 436 438	**2 662 672**	2 026 275
Company taxes	**2 047 095**	1 878 641	**280 807**	453 607
Value added tax and sales tax	**27 759 152**	22 907 417	**3 747 470**	2 786 118
Customs and excise duty	**5 839 677**	4 907 697	**158 029**	122 509
Other	**246 520**	272 045	**53 930**	47 375
	38 618 667	32 402 238	**6 902 908**	5 435 884

Value to stakeholders (%)



Divisional **reviews**

Business Services
Services International

CEO
Alan Fainman

The division offers a wide range of corporate outsourced services and is a leader in the provision of products and services that enhance the working environment through hygiene services and pest control, waste management, property and facilities management solutions.

Operations span SA, UK, Ireland, Australia and Spain

The division delivered an exceptional result, driven by an excellent performance over the second half of the financial year. This is particularly commendable considering the extraordinarily high FY2022 base.

The hygiene and facilities management clusters both delivered increased revenue and profitability, with the trading profit contribution now virtually equal.

Record wage inflation and almost full employment in the international territories, on top of unprecedented inflation and lackluster markets, made for challenging trading where cost recovery was paramount. Coupled with this, is the COVID work and sanitiser sales that have effectively disappeared.

The collaboration between the individual businesses remains encouraging and bodes well for future efficiencies.

The **hygiene** businesses had a successful year, which resulted in a pleasing increase over the prior year that included significant revenue and profits from pandemic and vaccine services. The hygiene pool continued to grow, and consumable sales increased strongly as people returned to corporate offices. PHS' portfolio delivered well with reasonable price recovery secured, while the Mayflower bolt-on acquisition has given good energy to the consumable business. At Bidvest Steiner, the back-to-work trend is driving healthy consumable sales, price recovery disciplines were strong, but new business contracts lagged to some degree.

The **facilities management** segment benefitted from material contract wins in the prior year and there was a maiden contribution from BIC, which delivered ahead of expectations and was boosted by new business and an expansion into new market verticals. BIC has also started to self-perform hygiene services using PHS products, which is an exciting growth area for the company. The technical and hard services capabilities in this segment are key competitive advantages in Ireland, Australia and SA. Noonan's Irish operations completed an outstanding year, with the UK operations facing market challenges, compounded by intense competition and cinema closures, but which are being addressed. In SA, Bidvest Facilities Management (Bidvest FM) delivered an exceptional performance as contract mobilisation costs rolled off and optimisation continued. Bidvest Prestige clients experienced extreme cost pressures, compounded by rampant wage inflation and the new hybrid version of return to work.

Technology is being leveraged across all operations, while product and service innovations are being deployed successfully to drive efficiencies, add value and assist customers in their sustainability, governance and reporting ambitions.

Cash generation and asset management was fantastic, resulting in a ROFE of 132.9%.

Looking forward

The strategy to internationalise Bidvest's hygiene and facilities management services continue unabated with numerous bolt-on acquisition opportunities being assessed in Singapore, Australia, Ireland and Northern Ireland. In addition to adding new territories, growth in market share is encouraging.

Bidvest Prestige has embarked on a campaign to enhance efficiencies, using proven BIC technology. Within Bidvest FM, a material contract was rescoped towards the end of FY2023 and will impact profitability.

The new hybrid working model is finding acceptance, and office occupancy levels are significantly better than at the start of the 2023 financial year. This is evident in the sale of consumables into buildings in the key regions.

Across the division, price increases within all businesses remain a key focus area given record wage increases, together with growing the existing market share, while cash generation is always an important principle.

Sustainability and innovation highlights

- **Noonan introduced water recycling machines that recycles dirty water from machines and mop buckets**
- **BIC rolled out TESS (Tenant Education and Sustainability System) to provide tailored customer information which results in improved recycling outcomes**
- **Steiner built an IoT sensor that is scalable, multi-use and cost effective for the SA market**
- **Dynamic cleaning sensor technology was implemented at various clients**

Financial performance

Revenue	*+21%*
R33.2bn	
Trading profit	*+10%*
R3.4bn	
Trading margin	*-100bps*
10.1%	
EBITDA	*+12%*
R4.0bn	
Funds employed	*+70%*
R2.5bn	
ROFE	*-7 010bps*
132.9%	

Non-financial performance

African appointments*	**56%**
Female appointments*	**11%**
LTIFR	**0.83**

Local procurement with B-BBEE Level L1-4 suppliers

89%

ALICE score	**29%**
Carbon intensity**	*+35%*
Water intensity**	*-72%*

* Top, Senior Management
** FY23/FY19

Business Services
Freight

CEO
Wiseman Madinane

Leading private sector freight management group in sub-Saharan Africa, drawing on more than 150 years of portside experience. Facilitates the storage, handling and movement of cargo through its independent terminal operations, international clearing and forwarding, logistics and marine services

The past year's operating performance has been exceptional, exceeding the R2.0 billion profit mark for the first time. This is a remarkable achievement considering the teams had to contend with a significantly impaired rail infrastructure. Double digit trading profit growth was reported across most companies, and the division doubled profits from 2020.

The volume of bulk agriculture, and liquid commodities handled was flat. The mineral products demand was up with significant growth in the neighbouring country ports as exporters redirected cargo flow due to infrastructure challenges in SA. The volume mix, however, changed notably year on year driving healthy revenue growth in the terminal operations. Oil and gas activity off the west coast also boosted the performance.

Management teams have remained alert to opportunities presented by shifts in product demand and logistics to get to market. This benefited terminal operations outside of SA disproportionately.

International clearing and forwarding activities benefited from increased global air and ocean freight activity as well as new contract wins. Services closely linked to railed container movement experienced difficult trading conditions.

The introduction of new capacity, particularly liquid tanks and the upgrading of other infrastructure, progressed according to plan.

Bidvest Tank Terminals: There was good trading profit growth, driven by improved storage capacity and increased demand for services. There were higher gasses and fuel volumes handled, but chemicals and vegetable oils were stable.

Bidvest International Logistics: A strong year of organic growth and new business wins, aided by exchange rate fluctuations, higher interest rates, as well as a recovery in the automotive sector.

South African Bulk Terminals: A reasonable annual performance was delivered with increased wheat, rice, soybean and sorghum volumes, partly off-set by lower maize tonnages handled.

Bulk Connections (BC): The year ended with a spectacular result, following the recent introduction of an improved product mix strategy, which is targeting higher value cargoes. These largely include coal, copper concentrates and ferrochrome, which more than off-set the lower manganese volumes.

Bidfreight Port Operations (BPO): There was strong year on year growth, with the teams capitalising on opportunities in various ports across the country. This was driven by increased mineral volumes, which were also handled more efficiently.

Bidvest SACD: There was a constrained performance, which fell short of the desired result, mainly because of the strategic restructuring on the rail-linked activities. Export revenues increased, with clients exceeding committed volumes.

Naval had a good year from significantly increased coal volumes exported via Mozambique, and **the Manica Group Namibia** delivered a spectacular result, particularly from bulk commodities, ships spares for the oil and gas industry and copper metals exported through Namibia.

Looking forward

The demand for key commodities has stabilised, but opportunities still exist in some sectors.

Several new potential projects are under consideration, and approval has been secured for additional fuel tank capacity in Richards Bay. Investment in additional multi-purpose, butane and fuel tank capacity, will continue in the year ahead, both in and outside SA.

Discussions are also continuing with regard to various other capital-intensive projects in SA.

Sustainability and innovation highlights

- **In Richards Bay, three spheres are being repurposed**
- **BPO introduced articulated skips and automated spreaders which increased loading capacity by 30%**
- **BC developed an app to manage truck flow from the staging area to the terminal**
- **SABT partnered with Food & Trees for Africa to contribute positively to food security in the KwaXimba area in KZN**

Financial performance

Revenue	+13%
R8.4bn	
Trading profit	+23%
R2.2bn	
Trading margin	+210bps
25.8%	
EBITDA	+22%
R2.4bn	
Funds employed	+3%
R3.9bn	
ROFE	+1 160bps
56.2%	

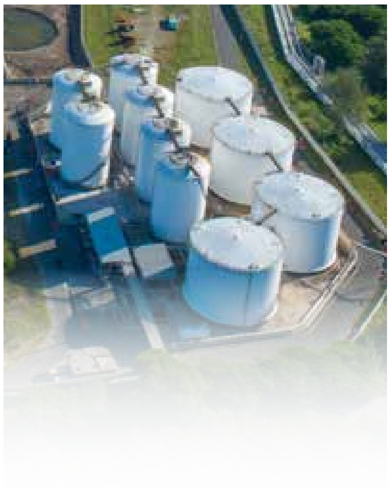
Non-financial performance

African appointments*	**58%**
Female appointments*	**38%**
LTIFR	**1.00**

Local procurement with B-BBEE Level L1-4 suppliers
81%

ALICE score	**28%**
Carbon intensity**	-34%
Water intensity**	-25%

* Top, Senior Management
** FY23/FY19



Business Services
Services South Africa

CEO Akona Matsau

Operating across multiple sectors, the division's comprehensive and diverse range of service capabilities, which comprise security, travel, hospitality, catering and various allied products, creates a unique platform for customised client solutions in SA

Trading profit growth was outstanding. The result, which significantly exceeds pre-COVID levels, improved following impressive profit growth from the Travel Services cluster, with pleasing contributions from the Hospitality and Catering Services and Allied Services clusters. These clusters benefited from better efficiencies following innovative products and services that were recently launched.

The increased travel volumes, which were serviced off a streamlined, technology-enabled backbone, came from higher tourism and corporate occupancies as well as new business wins. The performance was achieved despite challenges posed by an uninspiring economy, food inflation and impaired basic infrastructure in SA.

Within the Security Services cluster, good new business growth was achieved following additions to the already comprehensive basket of security services offered. Although this did not make-up for the contraction in air cargo services, which came off a particularly high base as a result of last year's COVID cargoes, and the significant increase in the jet fuel price that made alternative logistics channels more attractive for clients.

Overall divisional expense growth was good and aligned to the increase in revenue. There was good operational cash generated, which was then invested in rental assets and other capital requirements. ROFE declined from 121.1% to 105.7% as capital investment stepped up to support future revenue.

Travel: The continued return to travel across both the corporate and leisure markets was welcome, delivering the much-needed boost to profitability. The improved air capacity levels have also contributed to the rebound in travel volumes, and the international inbound volumes are ahead of pre-COVID levels. Leisure travel, particularly inbound, performed well.

Hospitality and Catering: Catering and Lounges delivered good results, with Lounges benefitting from the returning air travel passengers. Catering is receiving attention, specifically a major contract that was lossmaking.

Allied: There has been very good new business growth in Aquazania, in both water and coffee supplies. Execuflora, Top Turf and HAS benefitted from higher hospitality and corporate activity. Laundries were impacted by impaired water and electricity infrastructure and significant increases in raw material input costs.

Security and Aviation: There was positive growth from Bidvest Protea Coin, which also reflects good recurring business. UDS and Bidtrack results were excellent, ClickOn and BidAir Cargo were somewhat disappointing, and Vericon was depressed.

Looking forward

The overall cost base remains a key focus area, while innovative sales initiatives have been amplified across the division.

Travel volumes are expected to remain positive, and the strong order book bodes well for the future.

The impact of reduced cargo volumes is being managed carefully.

Technological system improvements will continue unabated.

There are various new complementary growth initiatives under strategic consideration.

Sustainability and innovation highlights

- **A new lounge offering was launched in the Cape Town International Airport lounge**
- **Protea Coin improved its cargo locking device to track and unlock containers remotely**
- **BidAir Cargo introduced automated Electronic Customer Security Declarations and weight recording**
- **Laundries partnered with a black women-owned waste management company that uses plastic waste in the manufacturing of strong, durable and fire-retardant bricks**

Financial performance

Revenue	*+27%*
R10.4bn	
Trading profit	*+21%*
R1.1bn	
Trading margin	*+50bps*
10.2%	
EBITDA	*+19%*
R1.4bn	
Funds employed	*+33%*
R1.0bn	
ROFE	*-1 540bps*
105.7%	

Non-financial performance

African appointments*	**38%**
Female appointments*	**49%**
LTIFR	**2.20**

Local procurement with B-BBEE Level L1-4 suppliers
82%

ALICE score	**27%**
Carbon intensity**	*-34%*
Water intensity**	*-39%*

* Top, Senior Management
** FY23/FY19

Business Services
Financial Services

CEO Hannah Sadiki

Specialised fleet management and foreign exchange services, insurance and other financial services for the corporate and business markets. Bidvest Bank is a leading second-tier bank

Core trading profit increased from R68.0 million to R329.0 million, delivering more than the envisaged turnaround. Bidvest Bank maintained the accelerated capital deployment momentum reported at half-year.

Bidvest Bank's bigger book, together with higher rates, resulted in strong net interest income. Non-interest revenue growth was more muted. All ratios improved and was well within regulatory limits. Financial emigration services reported strong growth. Reasonable gross written premium growth across the insurance businesses and a bolt-on acquisition together with good expense management resulted in an improved core performance from the Insurance cluster. Investment income totaled R135.0 million.

Significant strides have been made on the division's digital transformation journey.

ROFE improved from 2.6% to 13.6%.

Bidvest Bank: It is pleasing that the accelerated capital deployment was achieved without increasing credit risk. The Bank has moved fully digital following the branch closures in the prior year. The expense discipline and top-line growth resulted in an improved cost-to-income ratio of 80.7%, from 98.3%. Capital payouts were up 114.0% to R2.3 billion. Leased assets were R1.7 billion, and loans and advances R3.4 billion. The deposit base is 7.0% higher at R8.0 billion. The credit-loss-ratio normalised to 1.0% (FY2022 4.1%).

Bidvest Insurance: The decline in the insured book has been successfully reversed despite a softening in vehicle sales. The recent Autosure acquisition has been successfully incorporated, with additional synergies still to be pursued.

FinGlobal: The client base has grown significantly as the momentum of emigration from SA has continued. There is a strong order book in place.

Compendium: Sales growth and cross-sell opportunities have been very pleasing, and operating expenses were well managed.

A decision has been taken to exit the life assurance business, which is now reported as a disposal group held for sale on the balance sheet.

Looking forward

A carefully considered focus has been placed on growing the client base across all businesses and increasing the synergies in the overall offering.

There is a continued focus on capital deployment and digitisation, while the cross-selling of products and services to new and existing clients is gaining momentum. Transactional bank clients are a key focus.

The numerous technology initiatives will continue to pursue efficiencies and improve customer service, with additional sales channels being targeted in the insurance businesses.

The positive growth experienced over the past year is anticipated to continue.

Sustainability and innovation highlights

- **Bidvest Bank launched automated credit scoring for deals under R5 million which enables faster response times**
- **Bidvest Insurance implemented process automation Bots and re-engineered claim and administrative processes**
- **The value proposition to Financial Services employees was enhanced through access to The Tax Faculty and Succeed Academy to enhance skills and personal growth**

Financial performance

Revenue	*+12%*	**R2.7bn**
Trading profit	*+442%*	**R0.5bn**
Trading margin	*+1 350bps*	**17.00%**
EBITDA	*+80%*	**R0.7bn**
Funds employed	*flat*	**R3.4bn**
ROFE	*+1 100bps*	**13.6%**

Non-financial performance

African appointments*	**48%**
Female appointments*	**52%**
LTIFR	**0.00**

Local procurement with B-BBEE Level L1-4 suppliers
85%

ALICE score	**33%**
Carbon intensity**	*-53%*
Water intensity**	*-84%*

* Top, Senior Management
** FY23/FY19

Trading & distribution
Commercial Products

CEO
Howard Greenstein

Manufacturing, distribution and trading businesses, representing multiple leading industrial day-to-day branded products

An excellent overall trading profit was delivered. Businesses within the Trade, Catering, Warehousing and General Industrial clusters achieved impressive results despite a turbulent operating environment with many pressures affecting all businesses.

Demand from the industrial, textile, automotive and mining sectors has been strong, while restrained SA consumers diverted from DIY spending to solar solutions. The lack of power availability in SA presented an exceptional opportunity for the division. Although it had a detrimental impact on factory efficiencies and sections of the local supply chain, renewable energy sales increased almost ten-fold year-on-year.

The A^2 acquisition bolstered the Warehousing cluster, and has also provided an opportunity to enter the lithium-ion battery market.

Sales mix changes and input price inflation compressed the gross profit margin in a competitive market. High input cost pressures, loadshedding, intense competition and the negative price mix also constrained the margin. However, overall operating expenses were well contained, which is commendable considering the large revenue increase in renewable energy sales. Cash generation was acceptable, even after the working capital investment that was required to meet market demand.

There is some concern due to the increasing prevalence of non-compliant products in the market.

Trade: The electrical businesses delivered superb results, with Voltex Wholesale, Voltex MVLV, Bidvest Renewable Solutions and Eagle Lighting all delivering superb performances, but Cabstrut faced pricing pressures. The recent merger between Professional Lighting and Eagle is proving successful. There has been another solid result from Plumblink, which was also supported by its new distribution facility.

Industrial: The Buffalo Tapes and Afcom combination in the packaging sector is settling well with benefits already evident, and Berzacks delivered another excellent performance. Burncrete and Renttech performed well.

DIY/Tools/Workwear: Academy Brushware and Matus experienced the constrained economic environment and the shift away from DIY spend. There has been strong demand for PPE, which is wholesaled by G Fox, and the expanded factory must still achieve projected efficiencies.

Warehousing: Delivered excellent results and the Bidvest Materials Handling contribution was well supported by the A^2 acquisition.

Catering: The strategic repositioning of Vulcan is advanced, and despite key contract losses and high food inflation, King Pie delivered an improved performance.

Leisure: The current SA consumer spending slump is negatively impacting Yamaha.

Looking forward

SA's weak economic situation will continue to have a major impact on this division. The turmoil in the energy sector will continue to benefit the electrical offering, at a slower pace, but the negative effects on divisional factories will remain.

The successful integration of Buffalo Tapes into Afcom is expected to deliver synergistic benefits, while Academy Brushware and Matus will be better positioned for growth.

The combining of Moto Quip with Academy Brushware will yield greater customer focus and the addition of digital printing to the Berzacks line-up will enhance its product offering.

The Matus and Plumblink distribution warehouses will enhance efficiencies, and Cabstrut should profit from emerging infrastructural projects. Vulcan's strategic realignment will contribute positively.

There is a visible return of some public sector spend, and continuing demand in the renewable energy, agriculture and mining sectors. Opportunities to add to the product suite are being evaluated.

Sustainability and innovation highlights

- **Berzacks expanded its apparel technology solutions through digital printing and pattern seamer machines**
- **With additional capital, Chase introduced a wider range of lithium-ion batteries**
- **King Pie replaced polystyrene chip tubs with paper ones, lowering the environmental impact of product packaging**
- **The new Matus and Plumblink distribution warehouses are solar powered and the former has a water recycling system as well**

Financial performance

Revenue **R19.9bn**	*+32%*
Trading profit **R1.4bn**	*+21%*
Trading margin **7.2%**	*+60bps*
EBITDA **R1.5bn**	*+21%*
Funds employed **R4.7bn**	*+24%*
ROFE **30.6%**	*-50bps*

Non-financial performance

African appointments*	**41%**
Female appointments*	**35%**
LTIFR	**5.40**

Local procurement with B-BBEE Level L1-4 suppliers
49%

ALICE score	**27%**
Carbon intensity**	*-44%*
Water intensity**	*-38%*

* Top, Senior Management
** FY23/FY19

Trading & distribution
Branded Products

**CEO
Gail
Solomon**

Leading distributor, supplier and manufacturer of a comprehensive suite of office products and services and branded household as well as a provider of outsourced customer communication services

Branded Products delivered another pleasing result. Two of three of the operating clusters delivered double digit percentage profit growth. There was increased volumes in office and leisure products, but a contraction in household appliance sales.

Constrained consumer spending, volatile exchange rates, material input cost increases and loadshedding impacts were neutralised by excellent expense control.

The Data, Print & Packaging cluster's growth was largely generated through the recovery in the travel industry, strong demand from the fast food sector, sustainable packaging requirements and increased project work in the mobile computing business. Digital print, mobile scanning and other processing technology is in high demand.

The Office Products cluster benefited from a robust back-to-school season and higher office occupancies. This environment also positively affected the Consumer Products cluster, which capitalised on these drivers.

Across the businesses, increased volumes, product and range extensions, well managed cost and operating leverage, neutralised material input cost increases that could not be fully recovered in the annual price increase.

ROFE increased from 32.9% to 33.5% on the back of good asset management and cash generation.

Data, Print and Packaging: This cluster delivered an excellent result following strong demand for Lithotech, S&N Labels, Lufil, Sprint, Aluminium Foil Converters and Bidvest Mobility products. Demand for packaging was good from the fast food segment as well as deli's in the retail environment.

Office Products: Waltons delivered very good revenue and profitability growth following a recovery in paper sales, a strong back to school season, support for IT hardware and higher office occupancy levels.

Konica Minolta saw a recovery from public sector spend, good commercial and dealer revenue, and excellent expense management, all contributing to record profitability growth.

Cecil Nurse delivered excellent growth, with record breaking revenue achieved.

Consumer Products: Home of Living Brands and Aerial King continued to be impacted by constrained consumer spend, loadshedding in specific categories as well as unfavorable market dynamics.

Silveray delivered double digit growth in a declining market, and Interbrand had a record breaking year with owned retail stores and luggage sales the key contributors. Lower demand due to a constrained consumer market affected MIC's profitability, while Kolok had an excellent result, despite some volume decline.

Looking forward

The challenging SA economic environment is expected to persist but executional excellence and continued cost management are anticipated to drive profitable organic growth.

Bolt-on acquisition opportunities are being assessed to, amongst others, expand the sustainable packaging and print offering.

We will continue to focus on attracting, developing and retaining talent by inspiring and engaging our people. Succession planning remains a focus.

Sustainability and innovation highlights

- **A new acoustic product range was launched by Cecil Nurse**
- **Rapid Boil Zone widgets were introduced in a Russell Hobbs range, which allows for energy savings**
- **Rotolabel developed and launched Cleanflake material, which allows labels to peel off PET without leaving glue residue, resulting in enhanced recycling**
- **A solar system providing 60% of Lithotech's Epping factory power requirements was installed**

Financial performance

Revenue	*+16%*	**R11.7bn**
Trading profit	*+16%*	**R0.9bn**
Trading margin	*+10bps*	**7.3%**
EBITDA	*+17%*	**R1.0bn**
Funds employed	*+13%*	**R2.6bn**
ROFE	*+60bps*	**33.5%**

Non-financial performance

African appointments*	**44%**
Female appointments*	**44%**
LTIFR	**8.09**

Local procurement with B-BBEE Level L1-4 suppliers
74%

ALICE score	**30%**
Carbon intensity**	*-26%*
Water intensity**	*-42%*

* Top, Senior Management
** FY23/FY19

Trading & distribution
Automotive

**CEO
Carla
Seppings**

One of SA's largest motor retailers, with a trading history going back more than 100 years. It retails vehicles through a national footprint as well as conducts vehicle auctioneering

Trading profit growth was impressive considering the shifts in the market, low business confidence and ongoing consumer pressure. The continued and deliberate focus on maximising margins aided the result.

There are noticeable shifts underway in the SA automotive market, and the importance of brand and segment diversification is becoming more evident. This is mainly as a consequence of significant competition with wider brand availability, changing pricing structures in both the new and used segments of the market, and with the online and bricks-and-mortar operating models undergoing disruption.

An intense operating focus has resulted in a stable overall margin, despite meaningful market share shifts and improved vehicle supply. In some instances, the supply from traditional volume brands remained erratic. New vehicle volume growth of 1.8% was below market growth, and Bidvest McCarthy's new vehicle market share was slightly lower, year on year, at 6.4%. McCarthy's brand representation is skewed to traditional volume brands. Fleet sales improved as the supply of key model derivatives eased.

Used vehicle volumes declined by 10.3%, and margins followed as prices corrected. Aftermarket activity was stronger, particularly in volume brands, and has returned to pre-COVID levels. Management focused on efficiencies in the workshops and controlled costs well.

The independent used car brand, Cubbi, was recently launched and is progressing as planned. The vast majority of SA car parc is older than five years. McCarthy has had almost no exposure to this segment of the market, and through Cubbi the vast opportunity set will be tapped.

There has been a very strong performance from the division's Namibian automotive dealers.

The division's auctioneering business, Burchmores, reported mixed results across its branch network. It is encouraging that there is an upward trend in the number of people attending live auctions.

Expense management was excellent but inventory levels, particularly in new vehicles, increased at the back end of the financial year, and is being addressed with the respective Original Equipment Manufacturers.

As expected, the ROFE moderated off a record level to 40.0% given the elevated inventory.

Looking forward

As new vehicle supply improves at a time when affordability is incrementally weakening, management will be focused on asset turn and operational expenses. This is particularly important as affordability pressure is manifesting in poor credit approvals and actual financial contract acceptances with finance institutions.

Diversification is a key strategic focus area actively pursued, and increasing brand representation discussions are underway.

Cubbi's exciting growth journey is expected to contribute positively, and the used vehicle focus will include the sourcing of good reasonably priced used vehicles, improving activity levels and units sold, and aligning the expense base.

Sustainability and innovation highlights

- **Cubbi is a technology driven business using AI to determine optimum buying and selling prices**
- **Bidvest McCarthy and E-Deaf announced a transformational partnership that marked the beginning of a remarkable journey for 40 individuals with hearing impediments**
- **Solar systems are operational at five dealerships**
- **Cubbi buying pods are completely self-sustained and off the grid**

Financial performance

Revenue	*+5%*
R24.9bn	
Trading profit	*+12%*
R0.9bn	
Trading margin	*+20bps*
3.7%	
EBITDA	*+11%*
R0.9bn	
Funds employed	*+44%*
R2.4bn	
ROFE	*-1 000bps*
40.0%	

Non-financial performance

African appointments*	**40%**
Female appointments*	**20%**
LTIFR	**0.27**

Local procurement with B-BBEE Level L1-4 suppliers

90%

ALICE score	**27%**
Carbon intensity**	*-35%*
Water intensity**	*-40%*

* Top, Senior Management
** FY23/FY19

Financial performance

Independent auditor's report on the **summary consolidated financial statements**

To the shareholders of The Bidvest Group Limited

Opinion

The summary consolidated financial statements of The Bidvest Group Limited, set out on pages 77 to 90, which comprise the summarised consolidated statement of financial position as at 30 June 2023, the summarised consolidated income statement, the summarised consolidated statement of other comprehensive income, the summarised consolidated statement of cash flows and the summarised consolidated statement of changes in equity for the year then ended, and related notes, are derived from the audited consolidated financial statements of The Bidvest Group Limited for the year ended 30 June 2023.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, as set out in the notes to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 1 September 2023. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Director's responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, set out in the notes to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers Inc.

Director: C West
Registered Auditor

Johannesburg, South Africa

1 September 2023

Summarised consolidated income statement

for the year ended 30 June

R000s	2023 Audited	2022 Restated* Audited	% Change
Revenue	**114 911 518**	99 929 074	15.0
Non-interest revenue	**114 587 864**	99 742 742	
Net Interest revenue	**323 654**	186 332	
Cost of revenue	**(81 570 287)**	(69 966 260)	16.6
Gross profit	**33 341 231**	29 962 814	11.3
Operating expenses	**(22 307 729)**	(20 268 608)	10.1
Net impairment losses on financial assets	**(61 549)**	(182 912)	(66.3)
Other income	**471 101**	218 744	115.4
Trading profit	**11 443 054**	9 730 038	17.6
Share-based payment expense	**(347 865)**	(294 156)	
Acquisition costs and customer contracts amortisation	**(390 495)**	(341 567)	
Net capital items	**(128 963)**	176 628	
Profit before finance charges and associate income	**10 575 731**	9 270 943	14.1
Net finance charges	**(2 007 477)**	(1 592 489)	26.1
Finance income	**88 629**	132 184	
Finance charges	**(2 096 106)**	(1 724 673)	
Share of profit of associates and joint ventures	**125 872**	101 101	24.5
Current year earnings	**125 872**	101 317	24.2
Net capital items	**–**	(216)	
Profit before taxation	**8 694 126**	7 779 555	11.8
Taxation	**(2 327 902)**	(2 332 248)	(0.2)
Profit for the year	**6 366 224**	5 447 307	16.9
Attributable to:			
Shareholders of the Company	**5 972 689**	5 071 735	17.8
Non-controlling interest	**393 535**	375 572	4.8
	6 366 224	5 447 307	16.9
Basic earnings per share (cents)	**1 757.3**	1 492.2	17.8
Diluted basic earnings per share (cents)	**1 752.9**	1 490.0	17.6
Supplementary Information			
Normalised headline earnings per share (cents) ~	**1 884.7**	1 601.5	17.7
Headline earnings per share (cents)	**1 794.8**	1 442.0	24.5
Diluted headline earnings per share (cents)	**1 790.4**	1 439.9	24.3
Shares in issue			
Total ('000)	**339 888**	339 888	
Weighted ('000)	**339 877**	339 888	
Diluted weighted ('000)	**340 729**	340 376	

~ *Refer to normalised headline earnings note for detailed definition.*
* *Refer to note on restatement of comparatives.*

Summarised consolidated **income statement** for the year ended 30 June continued

R000s	2023 Audited	2022 Audited	% Change
Supplementary Information continued			
Headline earnings			
The following adjustments to attributable profit were taken into account in the calculation of headline earnings:			
Profit attributable to shareholders of the Company	**5 972 689**	5 071 735	17.8
Impairment of property, plant and equipment, right-of-use assets, goodwill and intangible assets	**63 760**	17 351	
Property, plant and equipment#	**12 667**	5 121	
Right-of-use assets/(reversal)#	**3 207**	(9 230)	
Intangible assets#	**62 173**	21 454	
Taxation effect	**(13 002)**	6	
Non-controlling interest	**(1 285)**	–	
Net loss/(profit) on disposal of interests in subsidiaries and disposal and closure of businesses#	**138 551**	(155 532)	
Net loss on disposal and impairment of associates and joint ventures	**–**	(16 604)	
Net profit on change in shareholding in associates and joint ventures#	**–**	(17 218)	
Non-controlling interest	**–**	614	
Net profit on disposal of property, plant and equipment and intangible assets	**(38 126)**	(15 892)	
Property, plant and equipment#	**(44 971)**	(36 516)	
Intangible assets#	**–**	15 293	
Taxation effect	**6 873**	5 290	
Non-controlling interest	**(28)**	41	
Compensation received on loss or impairment of property, plant and equipment	**(36 624)**	–	
Compensation received#	**(42 664)**	–	
Taxation effect	**6 040**	–	
Non-headline items included in equity accounted earnings of associated and joint venture companies	**–**	125	
Non-headline items	**–**	216	
Non-controlling interest	**–**	(91)	
Headline earnings	**6 100 250**	4 901 183	24.5

Items above included as capital items on summarised consolidated income statement.

Normalised headline earnings per share

Normalised headline earnings per share is a measurement used by the chief operating decision makers, Mpumi Madisa and the Group executive directors. The calculation of normalised headline earnings per share excludes acquisition costs, amortisation of acquired customer contracts, changes in deferred tax rates and is based on the normalised headline earnings attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the period. The presentation of normalised headline earnings is not an IFRS requirement.

R000s	2023 Audited	2022 Audited	% Change
Headline earnings	**6 100 250**	4 901 183	
Acquisition costs	**45 040**	58 517	
Amortisation of acquired customer contracts	**345 455**	283 050	
Taxation effect	**(82 299)**	(52 266)	
Change in deferred tax rates	**–**	255 637	
Non-controlling interest	**(2 879)**	(2 724)	
Normalised headline earnings	**6 405 567**	5 443 397	17.7

Summarised consolidated statement of other **comprehensive income** for the year ended 30 June

R000s	2023 Audited	2022 Audited
Profit for the year	**6 366 224**	5 447 307
Other comprehensive income net of taxation		
Items that may be reclassified subsequently to profit or loss	**811 594**	1 250 100
Increase in foreign currency translation reserve		
Exchange differences arising during the year	**835 747**	190 535
(Decrease)/increase in fair value of cash flow hedges	**(24 153)**	1 059 565
Fair value (loss)/gain arising during the period	**(35 252)**	1 433 517
Taxation effect for the year	**11 099**	(373 953)
Other comprehensive income transferred to profit or loss	**443 852**	(1 161 065)
Realisation of exchange differences on disposal of subsidiaries	**(13)**	6 645
Hedging gains reclassified	**591 820**	(1 556 946)
Taxation effect	**(147 955)**	389 237
Items that will not be reclassified subsequently to profit or loss		
Changes in the fair value of financial assets recognised through other comprehensive income	**9 888**	2 834
Defined benefit obligations	**37 696**	(6 042)
Net remeasurement of defined benefit obligations during the year	**51 638**	(9 227)
Taxation effect for the year	**(13 942)**	3 185
Total comprehensive income for the year	**7 669 254**	5 533 134
Attributable to:		
Shareholders of the Company	**7 256 875**	5 139 873
Non-controlling interest	**412 379**	393 261
	7 669 254	5 533 134

Summarised consolidated statement of **cash flows** for the year ended 30 June

R000s	2023 Audited	2022 Restated* Audited
Cash flows from operating activities	**5 055 038**	5 799 468
Profit before finance charges and associate income	**10 575 731**	9 270 943
Dividends from associates	**25 196**	86 718
Acquisition costs	**45 040**	58 517
Depreciation and amortisation	**3 894 145**	3 590 849
Share-based payment expense	**347 135**	288 460
Impairment of goodwill and intangibles	**62 173**	21 454
Impairment of property, plant and equipment and right-of-use assets	**15 874**	(4 109)
Fair value adjustment to investments	**(168 721)**	(34 127)
Loss/(profit) on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	**138 551**	(172 750)
Decrease in life assurance fund	**(71 413)**	(62 300)
Remeasurement of post-retirement obligations	**(11 885)**	(7 002)
Other non-cash items	**(72 896)**	9 823
Cash generated by operations before changes in working capital	**14 778 930**	13 046 476
Changes in working capital	**(2 625 235)**	(1 369 048)
Increase in inventories	**(2 733 997)**	(1 215 160)
Increase in trade receivables	**(866 070)**	(2 390 372)
Increase/(decrease) in banking and other advances	**(877 589)**	431 477
Increase in trade and other payables and provisions	**1 623 341**	2 137 895
Increase/(decrease) in amounts owed to bank depositors	**229 080**	(332 887)
Cash generated by operations	**12 153 695**	11 677 428
Net finance charges paid	**(1 815 181)**	(1 388 364)
Taxation paid	**(2 382 321)**	(1 989 508)
Dividends paid by the Company	**(2 722 501)**	(2 345 225)
Dividends paid by subsidiaries	**(178 654)**	(154 863)
– Non-controlling shareholders	**(178 654)**	(150 310)
– Put-call option holders	**–**	(4 553)
Cash flows from investment activities	**(5 897 723)**	(2 948 296)
Net additions to property, plant and equipment	**(3 186 341)**	(2 670 521)
Net additions to intangible assets	**(196 105)**	(331 633)
Acquisition of subsidiaries, businesses, associates and investments	**(5 190 631)**	(2 966 468)
Disposal of subsidiaries, businesses, associates and investments	**2 675 354**	3 020 326
Cash flows from financing activities	**(2 453 947)**	1 818 148
Shares acquired by staff in settlement of share incentive scheme obligations	**(414 678)**	(211 779)
Repayment of lease liabilities	**(1 380 997)**	(1 251 802)
Settlement of puttable non-controlling interest liability	**–**	(39 299)
Transactions with non-controlling interests	**(368 836)**	(1 557)
Borrowings raised	**4 234 337**	20 492 288
Borrowings repaid	**(4 523 773)**	(17 169 703)
Net increase in cash and cash equivalents	**(3 296 632)**	4 669 320
Net cash and cash equivalents at the beginning of the year	**10 476 688**	5 818 129
Net cash and cash equivalents of disposal group held for sale	**(71 005)**	–
Exchange rate adjustment	**451 790**	(10 761)
Net cash and cash equivalents at end of the year	**7 560 841**	10 476 688
Net cash and cash equivalents comprise:		
Cash and cash equivalents	**9 253 504**	11 521 461
Bank overdrafts included in short-term portion of interest-bearing borrowings	**(1 692 663)**	(1 044 773)
	7 560 841	10 476 688

* *Refer to note on restatement of comparatives.*

Summarised consolidated statement of financial position for the year ended 30 June

	2023 Audited	2022 Audited
ASSETS		
Non-current assets	**63 503 817**	55 687 654
Property, plant and equipment	**16 457 121**	14 901 527
Right-of-use assets	**4 457 814**	4 507 081
Intangible assets	**15 388 222**	13 633 353
Goodwill	**17 424 831**	14 085 245
Deferred taxation assets	**1 607 318**	1 518 704
Defined benefit pension surplus	**344 987**	264 667
Interest in associates and joint ventures	**811 346**	587 551
Life assurance fund	**–**	484 740
Investments	**3 001 989**	2 378 183
Currency swap derivative asset	**1 513 982**	1 339 439
Banking and other advances	**2 496 207**	1 987 164
Current assets	**43 223 497**	40 328 516
Inventories	**14 111 588**	11 375 865
Short-term portion of banking and other advances	**855 768**	487 223
Trade and other receivables	**18 602 251**	16 560 642
Taxation	**400 386**	383 325
Cash and cash equivalents	**9 253 504**	11 521 461
Disposal group assets held for sale	**781 208**	–
Total assets	**107 508 522**	96 016 170
EQUITY AND LIABILITIES		
Capital and reserves	**36 331 692**	31 875 342
Attributable to shareholders of the Company	**32 992 176**	28 366 633
Non-controlling interest	**3 339 516**	3 508 709
Non-current liabilities	**32 291 126**	30 591 509
Deferred taxation liabilities	**4 631 801**	4 092 040
Life assurance fund	**–**	275 668
Long-term portion of borrowings	**23 151 013**	21 571 043
Post-retirement obligations	**65 751**	73 551
Long-term portion of provisions	**567 657**	671 955
Long-term portion of lease liabilities	**3 874 904**	3 907 252
Current liabilities	**38 527 809**	33 549 319
Trade and other payables	**23 215 138**	20 498 175
Short-term portion of provisions	**639 343**	398 812
Vendors for acquisition	**4 108**	752
Taxation	**761 424**	661 467
Amounts owed to bank depositors	**7 522 865**	7 293 785
Short-term portion of borrowings	**5 205 356**	3 512 224
Short-term portion of lease liabilities	**1 179 575**	1 184 104
Disposal group liabilities held for sale	**357 895**	–
Total equity and liabilities	**107 508 522**	96 016 170
Net asset value per share (cents)	**9 707**	8 346

Summarised consolidated statement of **changes in equity** for the year ended 30 June

R000s	2023 Audited	2022 Audited
Equity attributable to shareholders of the Company	**32 992 176**	28 366 633
Share capital	**17 014**	17 014
Share premium	**1 367 796**	1 367 796
Foreign currency translation reserve	**840 887**	21 376
Balance at beginning of the year	**21 376**	(166 446)
Movement during the year	**819 524**	181 177
Realisation of reserve on disposal of subsidiaries	**(13)**	6 645
Hedging reserve	**263 960**	(154 006)
Balance at beginning of the year	**(154 006)**	(38 619)
Fair value gains/(losses) arising during the year	**554 822**	(133 427)
Deferred tax recognised directly in reserve	**(136 856)**	18 040
Equity-settled share-based payment reserve	**623 992**	332 121
Balance at beginning of the year	**332 121**	(326 401)
Arising during the year	**338 511**	274 529
Deferred tax recognised directly in reserve	**137 670**	(1 885)
Utilisation during the year	**(428 357)**	(215 104)
Realisation of reserve on disposal of subsidiaries	**552**	–
Transfer of equity-settled share-based payment reserve as a result of changes in shareholding of subsidiaries	**(1 548)**	(2 609)
Transfer to retained earnings	**245 043**	603 591
Movement in retained earnings	**29 200 261**	26 103 669
Balance at the beginning of the year	**26 103 669**	24 005 009
Attributable profit	**5 972 689**	5 071 735
Change in fair value of financial assets recognised through other comprehensive income	**9 350**	2 570
Net remeasurement of defined benefit obligations during the year	**37 359**	(6 867)
Transfer of reserves as a result of changes in shareholding of subsidiaries	**44 738**	2 160
Remeasurement of put option liability	**–**	(22 122)
Net dividends paid	**(2 722 501)**	(2 345 225)
Transfer from equity-settled share-based payment reserve	**(245 043)**	(603 591)
Treasury shares	**678 266**	678 663
Balance at the beginning of the year	**678 663**	679 478
Purchase of shares by subsidiaries	**(414 678)**	(211 779)
Shares disposed of in terms of share incentive scheme	**414 281**	210 964
Equity attributable to non-controlling interests of the Company	**3 339 516**	3 508 709
Balance at beginning of the year	**3 508 709**	3 252 935
Total comprehensive income	**412 379**	393 261
Attributable profit	**393 535**	375 572
Movement in foreign currency translation reserve	**16 223**	9 358
Movement in cash flow hedging reserve	**1 746**	7 242
Changes in the fair value of financial assets recognised through other comprehensive income	**538**	264
Net remeasurement of defined benefit obligations during the year	**337**	825
Dividends paid	**(178 654)**	(150 310)
Movement in equity-settled share-based payment reserve	**8 624**	13 931
Transfer of equity-settled share-based payment reserve as a result of changes in shareholding of subsidiaries	**1 548**	2 609
Transactions with non-controlling interests	**(368 352)**	(1 557)
Transfer of reserves as a result of changes in shareholding of subsidiaries	**(44 738)**	(2 160)
Total equity	**36 331 692**	31 875 342

Summarised disaggregated revenue for the year ended 30 June

R000s	2023 Audited	2022 Restated* Audited
Revenue		
Sale of goods[1]	**66 957 214**	58 925 533
Rendering of services[2]	**48 199 247**	40 500 267
Commissions and fees earned[3]	**2 730 013**	1 907 653
Billings relating to clearing and forwarding transactions[4]	**2 703 072**	2 577 787
Interest[5]	**323 654**	186 332
Insurance[6]	**697 018**	577 653
	121 610 218	104 937 861
Inter-group eliminations	**(6 698 700)**	(5 008 787)
	114 911 518	99 929 074
Disaggregation of revenue from contracts with customers		
Services South Africa[2]	**9 836 703**	7 718 441
Services International[2]	**32 297 793**	26 526 256
Branded Products[1]	**10 531 547**	9 461 302
Adcock Ingram [1]	**9 131 852**	8 705 817
Freight[2, 4]	**7 919 472**	6 914 021
Commercial Products[1]	**17 527 871**	14 065 153
Financial Services[3, 5, 6]	**975 765**	978 823
Automotive[1]	**24 489 162**	23 239 644
Properties[2]	**1 570**	859
Corporate and investments[1]	**476 157**	870 628
	113 187 892	98 480 945
Geographic disaggregation of revenue		
Southern Africa	**88 205 606**	78 134 142
International	**24 982 286**	20 346 803
	113 187 892	98 480 945
Reconciliation to Group revenue		
Revenue from contracts with customers	**113 187 892**	98 480 945
Leasing contracts	**803 143**	769 085
Gross insurance premiums	**596 829**	492 712
Net interest	**323 654**	186 332
	114 911 518	99 929 074

* *Refer note on restatement of comparatives*

Summarised segmental **analysis** for the Year ended 30 June

R000s	2023 Audited	2022 Restated* Audited	% Change
Segmental revenue			
Services International	**33 187 251**	27 449 466	20.9
Freight	**8 393 662**	7 446 212	12.7
Commercial Products	**19 877 467**	15 037 761	32.2
Services South Africa	**10 436 000**	8 225 664	26.9
Automotive	**24 934 816**	23 708 713	5.2
Branded Products	**11 729 589**	10 376 892	13.0
Financial Services	**2 732 179**	2 435 017	12.2
Adcock Ingram	**9 131 852**	8 705 817	4.9
Properties	**677 489**	609 689	11.1
Corporate and investments	**509 913**	942 630	(45.9)
	121 610 218	104 937 861	15.9
Inter group eliminations	**(6 698 700)**	(5 008 787)	
	114 911 518	99 929 074	15.0
Geographic region			
Southern Africa	**96 469 869**	84 447 866	14.2
International	**25 140 349**	20 489 995	22.7
	121 610 218	104 937 861	
Segmental trading profit			
Services International	**3 352 615**	3 053 475	9.8
Freight	**2 165 178**	1 767 499	22.5
Commercial Products	**1 425 635**	1 174 422	21.4
Services South Africa	**1 068 453**	880 337	21.4
Automotive	**914 912**	819 032	11.7
Branded Products	**860 586**	745 366	15.5
Financial Services	**463 540**	85 599	441.5
Adcock Ingram	**1 178 199**	1 132 695	4.0
Properties	**635 936**	563 304	12.9
Corporate and investments	**(622 000)**	(491 691)	26.5
	11 443 054	9 730 038	17.6
Geographic region			
Southern Africa	**9 156 846**	7 798 064	17.4
International	**2 286 208**	1 931 974	18.3
	11 443 054	9 730 038	
Earnings before interest, taxation, depreciation and amortisation (EBITDA)			
Services International	**3 970 207**	3 557 100	11.6
Freight	**2 429 650**	1 999 457	21.5
Commercial Products	**1 523 454**	1 256 302	21.3
Services South Africa	**1 387 194**	1 162 765	19.3
Automotive	**931 029**	837 178	11.2
Branded Products	**954 886**	814 212	17.3
Financial Services	**661 628**	366 971	80.3
Adcock Ingram	**1 313 146**	1 276 743	2.9
Properties	**640 542**	569 731	12.4
Corporate and investments	**(600 075)**	(471 200)	27.4
	13 211 661	11 369 259	16.2
Geographic region			
Southern Africa	**10 491 123**	9 114 326	15.1
International	**2 720 538**	2 254 933	20.6
	13 211 661	11 369 259	

* *Refer note on restatement of comparatives*

R000s	2023 Audited	2022 Restated* Audited	% Change
Segmental operating assets			
Services International	**10 310 945**	8 499 257	21.3
Freight	**9 252 961**	9 424 713	(1.8)
Commercial Products	**8 512 358**	6 820 867	24.8
Services South Africa	**3 218 736**	2 635 873	22.1
Branded Product	**4 664 757**	4 144 669	12.5
Automotive	**5 280 207**	4 061 288	30.0
Financial Services	**8 765 659**	7 393 310	18.6
Adcock Ingram	**6 838 055**	6 214 896	10.0
Properties	**4 455 355**	4 347 247	2.5
Corporate and investments	**827 863**	783 214	5.7
	62 126 896	54 325 334	14.4
Inter group eliminations	**(987 825)**	(790 691)	
	61 139 071	53 534 643	14.2
Geographic region			
Southern Africa	**53 479 938**	47 327 308	13.0
International	**8 646 958**	6 998 026	23.6
	62 126 896	54 325 334	
Reconciliation to total assets			
Operating assets	**61 139 071**	53 534 643	14.2
Goodwill	**17 424 831**	14 085 245	23.7
Intangible assets	**15 388 222**	13 633 353	12.9
Deferred taxation asset	**1 607 318**	1 518 704	5.8
Currency swap derivative asset	**1 513 982**	1 339 439	13.0
Taxation	**400 386**	383 325	4.5
Cash and cash equivalents	**9 253 504**	11 521 461	(19.7)
Disposal Group assets held for sale	**781 208**	–	
	107 508 522	96 016 170	12.0
Segmental operating liabilities			
Services International	**8 124 162**	6 503 559	24.9
Freight	**5 505 310**	5 939 046	(7.3)
Commercial Products	**3 927 396**	3 366 906	16.6
Services South Africa	**2 282 604**	1 920 395	18.9
Branded Products	**2 649 897**	2 284 494	16.0
Automotive	**2 993 834**	2 637 313	13.5
Financial Services	**9 455 919**	9 393 405	0.7
Adcock Ingram	**2 566 362**	2 378 093	7.9
Properties	**78 073**	76 702	1.8
Corporate and investments	**469 501**	594 080	(21.0)
	38 053 058	35 093 993	8.4
Inter group eliminations	**(987 825)**	(790 691)	
	37 065 233	34 303 302	8.1
Geographic region			
Southern Africa	**31 098 744**	29 611 478	5.0
International	**6 954 314**	5 482 515	26.8
	38 053 058	35 093 993	
Reconciliation to total liabilities			
Operating liabilities	**37 065 233**	34 303 302	8.1
Deferred taxation liabilities	**4 631 801**	4 092 040	13.2
Interest bearing borrowings	**28 356 369**	25 083 267	13.0
Vendors for acquisition	**4 108**	752	446.3
Taxation	**761 424**	661 467	15.1
Disposal group liabilities held for sale	**357 895**	–	
	71 176 830	64 140 828	11.0

* *Refer note on restatement of comparatives*

Basis of presentation of **summarised consolidated financial statements**

The provisional summarised consolidated financial statements have been prepared in accordance with and containing information required by IAS 34: Interim Financial Reporting as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the Companies Act of South Africa and the JSE Listings Requirements. The summarised report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Group during the interim reporting period (IAS 34 para 6). Selected explanatory notes are included to explain events and transactions that are significant to an understanding to the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2023.

In preparing these provisional summarised consolidated financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Significant accounting policies and judgements

The accounting policies applied in these provisional summarised consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ending 30 June 2023. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023.

Restatement of comparatives

Adcock Ingram, previously included as a component of Bidvest Banded Products, is now reported separately as Adcock Ingram for segmental purposes; the prior year segmental disclosure has been restated. Cash flows arising from the acquisition of treasury shares in settlement of share based payment liabilities, previously disclosed as cash flows from operating activities have been reclassified to cashflows from financing activities as required in accordance with IFRS. The prior year comparative has been restated by R212 million from R6 billion cashflows from operating activities and R2 billion cashflows from financing activities to, R6 billion cash flows from operating activities and R2 billion cashflows from financing activities. Cash generated by operations has increased from R11 billion to R12 billion. The acquisition of treasury shares in settlement of share based payment liabilities amounting to R212 million has been reflected separately on the statement of cash flows as part of financing activities. The presentation of interest revenue has been amended to be presented on a net basis. The prior year interest revenue comparative has been restated by R263 million from R449 million to R186 million and non-interest revenue, that incorrectly included interest expenses, by R263 million from R99 billion to R100 billion. In addition, the Revenue note was corrected to disclose revenue from rendering of services, which increased by R263 million from R40 billion to R41 billion and net interest decreased from R448 million to R186 million.

Significant commitments

During the latter half of the 2023 financial year, a decision was made to discontinue the investment into the LPG tank farm and terminal project in Isando Gauteng owing to a lack of a commercial rail solution. At 30 June 2023, Bidvest Freight has spent R104 million of the R172 million committed to the refurbishment and repurpose of three Butadiene storage tanks to Butane storage tanks at Bidvest Tank Terminals' Richards Bay facilities, and the project commissioning date has moved to mid-October for commercial use by 31 October 2023. R62 million of the approved R550 million has been spent on the increased multi-purpose storage tank capacity at Bidvest Freight's Richards Bay facility. The project will be commissioned in June 2024.

Fair value of financial instruments

The Group's investments of R3 002 million (FY2022: R2 378 million) include R88 million (FY2022: R43 million) recorded at amortised cost, R2 887 million (FY2022: R2 217 million) recorded and measured at fair values using quoted prices (Level 1) and R27 million (FY2022: R119 million) recorded and measured at fair value using factors not based on observable data (Level 3). Fair value losses on Level 3 investments recognised in the income statement total R6 million (FY2022: R5 million gain).

Analysis of investments at a fair value not determined by observable market data

R000s	Year ended 30 June 2023 Audited	2022 Audited
Balance at the beginning of year	**118 531**	119 208
Purchases or loan advances	**1 883**	–
Fair value adjustment recognised directly in equity	**1 712**	919
Fair value adjustment arising during the year recognised in the income statement	**(6 080)**	4 778
Proceeds on disposal, de-recognition or repayment of loans	**(89 396)**	(6 374)
	26 650	118 531

The carrying values of all financial assets and liabilities approximate their fair values, with the exception of interest-bearing borrowings of R27 billion whose carrying value is R28 billion.

Significant hedge accounting

In the 2022 financial year the Group entered into fixed-for-fixed, USD / GBP pair, cross currency swaps (CCS) in order to mitigate and hedge Group currency risk. The designated hedged instrument is a US$-denominated Reg S / 144A senior unsecured five-year bond of USD 800 million at a fixed coupon rate of 3.625% (refer note 10.3 Borrowings), issued by The Bidvest Group (UK) Plc and guaranteed by The Bidvest Group Limited. The primary purpose of the bond is to secure long term funding for the Group's foreign acquisitions, whose functional currencies are GBP. The Board of Directors concluded that an effective cashflow hedging relationship exists and IFRS 9 hedge accounting has been applied. A R1,5 billion (£63 million) asset derivative instrument has been disclosed at year end and included in the Consolidated Statement of Financial Position as a non-current asset; R32 million (£1,5 million) was credited to the Consolidated Income Statement via finance charges; a currency valuation adjustment was credited to interest bearing borrowings in the amount of R592 million (£28 million) and R409 million (£19 million) debited to the hedging reserve net of R132 million (£6 million) deferred taxation through the Consolidated Statement of Other Comprehensive Income. On application of hedge accounting the R592 million (£28 million) currency valuation adjustment to borrowings was credited to the Consolidated Statement of Other Comprehensive Income and debited against the unrealised foreign exchange gain initially recognised in the Consolidated Income Statement. The change in the fair value of the derivative instrument, in terms of IFRS9, amounting to a loss of R4 million (£202 thousand) was recognised in the cash flow hedge reserve given that the hedge relationship was concluded to be effective.

Business combinations

Acquisition of businesses, subsidiaries, associates and investments

Bidvest Services International via The Bidvest Group Australia acquired 100% of the ordinary share capital and voting rights of B.I.C Services Pty Limited (BIC), effective 7 July 2022. The acquisition price of AUD163 million (R1.8 billion) was funded from the Group's international bond proceeds raised in September 2021. BIC is a leading provider of niche integrated facilities management services across office, commercial and education sites in Australia. The acquisition provides an important foothold, which will allow the Group to expand its hygiene, cleaning and facilities management business in the Asia Pacific region.

During the year the Group also made the following less significant "bolt-on" acquisitions, which were funded from existing facilities and cash resources:

On 1 July 2022 Bidvest Material Handling, a division of Bidvest Commercial Products (Pty) Limited, acquired the assets and liabilities of the A^2 Group of companies for R92 million utilising existing cash resources and facilities. The acquisition of the A^2 businesses supplements Bidvest Material Handling's product range and introduces an electric materials handling rental business to the Group.

On 26 October 2022 Serkonten (Spain), a component of Bidvest Services International, acquired 100% of the share capital and voting rights of Servicios Antiplagas, Hygiene Y Control Ambiental S.A.U. (Sahicasa) for EUR2.2 million (R39 million) utilising existing cash resources and facilities. Sahicasa provides pest control, environmental and personal hygiene services, and water and environmental control services in Spain. The acquisition extends Serkonten's existing footprint in Spain.

Basis of presentation of **summarised consolidated financial statements** continued

Effective 1 November 2022 Bidvest Financial Services acquired 100% of the ordinary share capital and voting rights of F&I products and Consulting Services (Pty) Ltd and its subsidiaries Autosure (Pty) Ltd and Autosure Cover (Pty Ltd (Autosure) for R15.5 million. Autosure is an underwriting management agency specialising in insurance and value-added products and services in the South African motor retail industry. The acquisition, funded with existing cash resources and facilities, complements the Group's existing value-added insurance products and services business by providing an additional platform to sell the augmented products and services offering to a new and broader range of clients.

The following table summarises the assets acquired and liabilities assumed at fair value which have been included in these results from the respective acquisition date. The values represent provisional at acquisition fair values consolidated by the Group.

R000s	BIC	Other	Total
Property, plant and equipment	55 430	117 537	**172 967**
Right-of-use assets	29 281	9 065	**38 346**
Deferred taxation	(151 321)	(7 264)	**(158 585)**
Interest in associates and joint ventures	–	80 078	**80 078**
Investments and advances†	–	3 120 822	**3 120 822**
Inventories	3 293	14 199	**17 492**
Trade and other receivables	146 800	107 086	**253 886**
Cash and cash equivalents	93 111	18 957	**112 068**
Borrowings	(14 110)	(63 870)	**(77 980)**
Trade and other payables and provisions	(264 608)	(114 687)	**(379 295)**
Lease liabilities	(30 232)	(10 097)	**(40 329)**
Taxation	(463)	(3 811)	**(4 274)**
Intangible assets	602 170	38 815	**640 985**
	469 351	3 306 830	**3 776 181**
Goodwill	1 369 168	56 733	**1 425 901**
Net assets acquired	1 838 519	3 363 563	**5 202 082**
Settled as follows:			
Cash and cash equivalents acquired	(93 111)	(18 957)	**(112 068)**
Prepaid acquisitions	–	58 500	**58 500**
Acquisition costs	–	–	**45 040**
Net change in vendors for acquisition	–	(2 923)	**(2 923)**
Net acquisition of businesses, subsidiaries, associates and investments	1 745 408	3 400 183	**5 190 631**
Trade and other receivables stated net of the following loss allowances			
Expected credit loss allowances	(11 502)	(1 418)	**(12 920)**
Contribution to results for the period			
Revenue	1 757 874	281 965	**2 039 839**
Profit or (loss)	274 928	58 562	**333 490**
Contribution to results for the period if the acquisitions had been effective on 1 July 2022			
Revenue	1 757 874	308 462	**2 066 336**
Profit or (loss)	274 928	68 778	**343 706**

† *R11 million arising on the acquisition of Autosure, R39 million of advances to B-BBEE and other partners, R3 058 million purchases made in the Bidvest Bank investment portfolio and R13 million in the Short-term Insurance portfolio.*

The fair values of the assets and liabilities have been determined provisionally for the BIC acquisition and resulted in the identification of definite life customer relationship intangible assets in the amount of R421 million and indefinite life Brand intangible assets of R212 million. The Multi-Period Excess Earnings Method (MPEEM), using cash flows attributable to the customer related intangible asset, was used to value Customer Relationships, which were estimated to have a Remaining Useful Life (RUL) of 10 years. An existing customer attrition rate of 20% was applied to forecasted existing customer revenues. A Weighted Average Cost of Capital (WACC) in a range of 12% to 13.4%, plus a premium of 0.25%, was applied in the valuation. The Relief from Royalty Method has been utilised to determine the fair value of the BIC brand, which has been in existence for over 30 years and therefore concluded to have an indefinite future life. The use of a royalty rate of 2.5% was informed by market data for similar transactions that occurred in the last five years and the profitability of BIC. A portion of the residual Goodwill is supported by the identified trained and assembled workforce.

Goodwill arose on the acquisitions as the anticipated value of future cash flows that were taken into account in determining the purchase consideration exceeded the net assets acquired at fair value. The acquisitions have enabled the Group to expand its range of complementary products and services and, as a consequence, have broadened the Group's base and geographic reach in the market place.

There were no significant contingent liabilities identified in the businesses acquired.

Disposal of businesses, subsidiaries, associates and investments

Effective 31 December 2022, the Group disposed of its entire interest in the Taeuber and Corrsen Group of companies, principally Taeuber & Corrsen SWA (Pty) Ltd, Rennies Logistics (Pty) Ltd and T&C Properties (Pty) Ltd for R55 million. Taeuber and Corrsen is a Namibian countrywide provider of distribution, sales, marketing and merchandising services for quality consumer goods, representing major international and local product brands. The disposal is in accordance with the Group's strategy of divesting from non-core businesses.

Other minor disposals include:

During September 2022 the Group disposed of its entire interest in Mubelo Electrical Ltd (Mubelo), a Mauritian electrical distribution company, for R1 million.

Effective 1 December 2022, the Group disposed of its entire interest in Bidvest Wealth and Employee Benefits (Pty) Ltd (BWEB), a South African employee and group benefits administrator for R5.6 million. The disposal is in keeping with the Group's strategy of divesting from non-core businesses.

R000s	Taeuber & Corrsen	Other	Total
Property, plant and equipment	(121 416)	(1 544)	**(122 960)**
Right-of-use assets	(1 599)	(12 966)	**(14 565)**
Deferred taxation	32 160	(4 070)	**28 090**
Investments and advances†	–	(2 613 385)	**(2 613 385)**
Inventories	(52 802)	(4 855)	**(57 657)**
Trade and other receivables	(153 506)	(293)	**(153 799)**
Cash and cash equivalents and bank overdrafts	(3 880)	(6 117)	**(9 997)**
Lease liability	1 693	16 683	**18 376**
Trade and other payables and provisions	112 843	3 153	**115 996**
Taxation	61	–	**61**
Intangible assets	(963)	(11)	**(974)**
	(187 409)	(2 623 405)	**(2 810 814)**
Non-controlling interest	–	(484)	**(484)**
Realisation of foreign currency translation reserve	–	13	**13**
Realisation of share based payment reserve	–	(126)	**(126)**
Goodwill	–	(2 084)	**(2 084)**
Net assets disposed of	(187 409)	(2 626 086)	**(2 813 495)**
Settled as follows:			
Cash and cash equivalents and bank overdrafts disposed of	3 880	6 117	**9 997**
Net loss on disposal of operations	132 409	6 142	**138 551**
Net receivable reversed on disposal of subsidiaries and associates	–	(10 407)	**(10 407)**
Net proceeds on disposal of businesses, subsidiaries, associates and investments	(51 120)	(2 624 234)	**(2 675 354)**

† *R11 million repayment of advances to B-BBEE and other partners, R2 576 million sales made in the investment portfolios of Bidvest Bank and R26 million sales made in the investment portfolios of Bidvest Insurance.*

Basis of presentation of **summarised consolidated financial statements** continued

Disposal group held for sale

During June 2023, the Group entered into a process to dispose of 100% of its shareholding and claims in Bidvest Life Limited (Bidvest Life). Bidvest Life is a licensed life assurance company and registered financial service provider specialising in income protection, disability, critical illness and life cover. The Group is actively engaging with a number of interested parties. The decision to exit the life assurance business is consistent with the Group's strategy of continually re-assessing activities.

R000s	**2023 Audited**	2022 Audited
Disposal group liabilities held for sale		
Life assurance fund (re-insurers share)	302 733	–
Trade and other payables and provisions	53 801	–
Lease liability	1 361	–
	357 895	–
Disposal group assets held for sale		
Property, plant and equipment	3 690	–
Right-of-use assets	992	–
Life assurance fund	583 218	–
Deferred taxation	57 757	–
Trade and other receivables	34 507	–
Cash and cash equivalents and bank overdrafts	71 005	–
Taxation	1 232	–
Intangible assets	22 316	–
Share based payment reserve	426	–
Goodwill	6 065	–
	781 208	–
Net realisable value less cost to sell	423 313	–

Audit report

The auditors, PricewaterhouseCoopers Inc., have issued their 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. They have issued an unmodified opinion. A copy of the auditor's report together with a copy of the audited consolidated financial statements are available for inspection at the Company's registered office.

These summarised consolidated financial statements have been derived from the consolidated financial statements and are consistent in all material respects with the consolidated financial statements. These summarised consolidated financial statements have been audited by the Company's auditors who have issued an unmodified opinion. The auditor's report does not necessarily report on all of the information contained in this announcement. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditors. Shareholders are advised, that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of that report together with the accompanying financial information from the Company's registered office.

Preparer of the summarised consolidated financial statements

The consolidated financial statements and final summarised consolidated financial statements have been prepared under the supervision of the Chief Financial Officer, MJ Steyn, BCom CA (SA), and were approved by the board of directors on 1 September 2023.

Shareholder diary and **Administration**

Shareholder **diary**

Financial year end		30 June
Annual general meeting		28 November 2023
Announcement of interim results to December 2023		4 March 2024 (provisional)
Announcement of annual results		2 September 2024 (provisional)
Distribution	**Declaration**	**Payment**
Interim	February/March	March/April
Final	August/September	September/October

Notes

Notes

Administration

The Bidvest Group Limited
Incorporated in the Republic of South Africa
Registration number: 1946/021180/06
ISIN: ZAE000117321
Share code: BVT

Group company secretary
Nonqaba Katamzi

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Legal advisers
Alchemy Law Africa
Baker and McKenzie
Edward Nathan Sonnenbergs
Werksmans Inc

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ABSA Bank Limited
Bank of America
Barclays PLC
FirstRand Group Limited
Investec Bank Limited
Nedbank Limited
The Standard Bank of South Africa Limited

Share transfer secretaries
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