Bidvest

Integrated Report 2024

for the year ended 30 June

People and **products** behind a **brighter future**

Table of **Contents**

The Bidvest Group

About this Integrated Report	2
How we create value	5
This is us	6
These are our operations	7
Making a differences	8
Leadership	10
Our strategy	12
Key drivers in our operating environment	16
Material focus areas and risks	19
Ensuring sustainable value for all stakeholders	24

Reflecting on FY2024

Chairman’s report	36
Chief executive’s report	39
Chief financial officer’s report	44

Value added statement

Value added statement	49

Divisional reviews

Services International	52
Freight	54
Services South Africa	56
Financial Services	58
Commercial Products	60
Branded Products	62
Automotive	64
Adcock Ingram	66

Financial performance

Independent auditor’s report on the summary consolidated financial statements	69
Summarised consolidated financial statements	70

Shareholder diary and administration

Shareholder diary	92
Administration	92

PEOPLE and PRODUCTS behind a BRIGHTER FUTURE

About this **Integrated Report**

This report has been developed to enable Bidvest stakeholders to make an informed assessment of 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 how we make a difference;
- 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 and CFO statements;
- 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.

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 the 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.

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 (Listings 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.

Scope and boundary

The report covers all the operations of Bidvest for the period 1 July 2023 to 30 June 2024. There have been no significant changes in the scope and boundary of this report compared to the 2023 report, nor have there been notable changes in the nature of the Group's business or any material restatement of information provided in earlier reports.

WWW For further information, please visit www.bidvest.co.za

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 FY2024 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.

Materiality and reporting process

When choosing the information to include in the Integrated Report, priority is given to issues, opportunities and challenges that have a significant impact on Bidvest's capacity to provide value to all stakeholders in a sustainable manner. Through stakeholder engagement, strategy sessions, and the risk management process, material matters as set out in this report we deliberated on. This report was prepared and reviewed by management.

Navigating this report

IR This icon signifies related information elsewhere in this report

ESG This icon signifies related information available in the 2024 Annual ESG Report

AFS This icon signifies related information available in the 2024 AFS

WWW This icon signifies related information available online at www.bidvest.co.za

Approval

The Board acknowledges its responsibility to ensure the integrity of the report and has applied its collective mind to the preparation and presentation of the information in this report. The report is presented in accordance with 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 30 August 2024 and the Bidvest Integrated Report on 25 October 2024.

Approved by:

Bonang Mohale (Chairman), Mpumi Madisa (Chief executive), Mark Steyn (Chief financial officer), Gillian McMahon (executive director) and non-executive directors Renosi Mokate, Khumo Shuenyane, Norman Thomson, Lulama Boyce, Sindi Mabaso-Koyana, Faith Khanyile, Koko Khumalo and Daniel Masata.

25 October 2024

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, to update or revise any statement, whether as a result of new information, future events or otherwise.

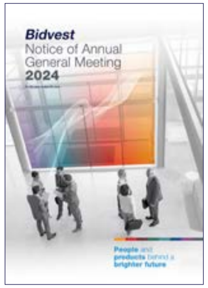
Our Reporting Suite

Integrated Report

Annual Financial Statements

Environmental, Social and Governance Report

Notice of Annual General Meeting

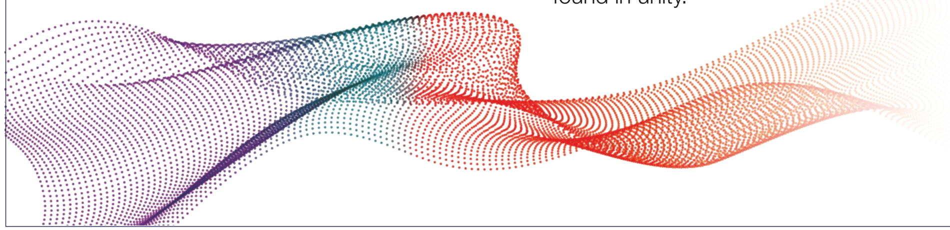


We welcome feedback on this year's Integrated Report and the supplementary information we provide. Please feel free to send your feedback to info@bidvest.co.za

Murmuration

The design theme of this year's report embodies the concept of a murmuration – a mesmerising display of thousands of starlings moving in harmony. Just as these birds gracefully spread out and come together, Bidvest exemplifies unity amidst diversity.

With over 250 active companies and more than 130 000 employees, our Group navigates the rapid changes of today's world, always converging as one to pursue a shared vision. A murmuration serves as a powerful reminder that, by observing and supporting one another, we can adapt and thrive together to achieve a common ambition. At Bidvest, we are committed to delivering positive impact for all our stakeholders, no matter where we operate. Together, we can soar to new heights, as we embrace this collective journey, inspired by the beauty of collaboration and the strength found in unity.



The **Bidvest Group**

5 How we create value
6 This is us
7 These are our operations
8 Making a difference
10 Leadership
12 Our strategy
16 Key drivers in our operating environment
19 Material focus areas and risks
24 Ensuring sustainable value for all stakeholders

How we **create value**

To make a meaningful impact, our disciplined strategy is based on entrenched principles and distinctive attributes...

Principles

Empowering entrepreneurship
Committed to customers
Driven by excellence
Creating social value
Leading by example

Refer to page 6

Attributes

Decentralised and diverse portfolio
Performance-driven culture
Financial strength
Scale and growth
Responsible stewardship

Refer to page 6

...which are influenced by our operating environment and a unique, resilient and agile structure...

Key drivers

Economic growth
Government policy and regulation
Technology advances
Safe and hygienic work environments
Consumer spend
Infrastructural development and maintenance

Refer to page 16

Key risks

SA infrastructure
Energy supply
Labour inflation and costs
Economic outlook and consumer spend
Cyber assaults
Extensive weather and climate change

Refer to page 19

Structure

Decentralised operating model
ESG Framework
Seven divisions
Functional governance structure

Refer to pages 7 and 13

...resulting in value created and shared with all stakeholders

Performance

	HEPS[1]	ROFE[1]	Net gearing	DPS	Scope 1&2 emissions intensity[2]	Water intensity[2]	% offshore suppliers compliant[2]	Female employees[2]	African employees[2]	Female management[2]	African management[2]	LTIFR	% local procurement with L1-4 suppliers[2]	B-BBEE rating[2]	ALICE IT score[2]
Targets	1% real growth	32%	<2.5x net debt/EBITDA	2-2.5x cover	-20%	-20%	100%	45%	50%	45%	50%	5% p.a. reduction	>90%	L2	25%
FY2024 achieved	1.5%	38%	1.7x	2.2x	-39%	-43%	73%	43%	84%	38%	37%	-30%	83%	L1	28%

Note 1: Represents target hurdles in STI scorecard

*Note 2: FY2024 performance against ESG Framework FY2025 target: **Green** – met/exceeded target; **Orange** – on track to meet; **Red** – focus needed to meet, Refer to* ESG

This is **us**

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

Our principles

Empowering entrepreneurship

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

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.

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.

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.

Leading by example

We do the right thing, even when no one else is looking. Doing what is right is different to doing what is easy.

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.

Our values

Accountability | **Honesty** | **Integrity** | **Respect**

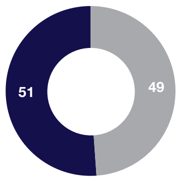
The Group has an entrenched functional governance structure with an unwavering ethical foundation, which places a high hurdle of responsibility on everyone. We live by the mantra of "Doing the right thing, even when no one is watching."

These are our **operations**

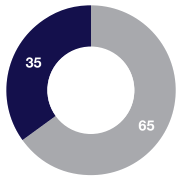
Bidvest is a leading B2B services, trading and distribution Group. We have a blended portfolio of defensive and cyclical businesses that are diversified, essential and asset-light. The diverse portfolio operates in two segments – Business services and Trading and distribution – through seven divisions and a majority-owned listed subsidiary, Adcock Ingram.

FY2024

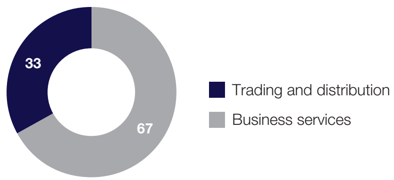
Revenue (%)



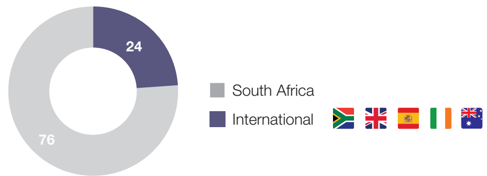
Trading Profit (%)



EBITDA (%)



Geographic (Trading Profit)



BUSINESS SERVICES

Services International

Operating in the hygiene and facilities management sectors, offering a unique platform for an integrated, customised client solution.

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

Revenue
R39.4bn (R33.2bn)

Trading profit
R3.8bn (R3.4bn)

Services South Africa

Operating across multiple sectors, offering a comprehensive and diverse range of service capabilities, comprising security, travel, hospitality, catering and various allied products.

Incorporating, amongst others: Bidvest Protea Coin, Aquazania, GPT, Bidair Cargo, Rennies Travel, Execuflora, First Garment Rental.

Revenue
R11.7bn (R10.4bn)

Trading profit
R1.3bn (R1.1bn)

Freight

Leading private sector freight management service provider in sub-Saharan Africa. Facilitates the storage, handling and movement of cargo though its independent port operations as well as international clearing and forwarding.

Incorporating, amongst others: Bidvest Tank Terminals, SABT, Bulk Connections, Bidvest International Logistics, Manica Group Namibia.

Revenue
R8.8bn (R8.4bn)

Trading profit
R2.3bn (R2.2bn)

Financial Services

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

Incorporating, amongst others: Bidvest Bank, Compendium, FinGlobal, Bidvest Insurance.

Revenue
R2.5bn (R2.7bn)

Trading profit
R0.6bn (R0.5bn)

TRADING & DISTRIBUTION

Branded Products

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

Incorporating, amongst others: Waltons, Konika Minolta, Cecil Nurse, Silveray, Kolok, Lithotech, Home of Living Brands, Bidvest Mobility.

Revenue
R12.9bn (R11.7bn)

Trading profit
R1.0bn (R0.9bn)

Commercial Products

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

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

Revenue
R17.9bn (R19.9bn)

Trading profit
R1.3bn (R1.4bn)

Automotive

One of SA's largest motor retailers, it retails vehicles through a national dealership network and offers vehicle insurance and related value-added products.

Incorporating, amongst others: Bidvest McCarthy, Burchmores, Cubbi.

Revenue
R25.1bn (R24.9bn)

Trading profit
R0.7bn (R0.9bn)

Adcock Ingram (65% owned)

A domestic pharmaceutical manufacturer listed on the JSE. The company manufactures, markets, and distributes a wide range of healthcare, homecare and personal care products to both the private and public sectors of the market.

Incorporating, amongst others: Panado, Bioplus, Citro Soda, Compral, Epimax, Plush.

Revenue
R9.6bn (R9.1bn)

Trading profit
R1.2bn (R1.2bn)

Making a **difference**

The impact of climate change and social inequality has become even more evident, highlighting the need for common cause, understanding and purpose. We focus on providing the often overlooked, essential components of everyday life that respond to the needs of a diverse society. Getting this right does not happen by chance.

Our commitment is outlined in the Bidvest ESG Framework

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 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:

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.

Our people

We recognise that people are the enabler of our business and a critical resource that needs to be empowered. As one of the largest employers in SA, where inequality and unemployment, particularly among youth is widespread, we are intentional in our interventions for our people, their multiple dependants, and the broader community. We seek to drive positive change through partnerships and social dialogue.

Environment

In line with SDGs aimed at affordable and clean energy and climate action, the Group is focused on energy and water efficiency, responsible waste management, and innovative solutions to aid customer sustainability.

Governance

Bidvest has a deeply entrenched functional governance structure that places significant reliance on the ethical behaviour of all employees. This places a very high hurdle of responsibility and accountability on everyone. Rather than having many policies and manuals, we have a Bidvest Code of Ethics that sets out our expected behaviour. When someone missteps, decisive action is taken and communicated back into the business. An authority matrix forms the backbone of day-to-day governance.

We are **committed** to:

Conducting **profitable business** in a **responsible** and **accountable** manner

Caring for the **Bidvest family** and the Group's connected **societies**

Driving **positive change** through partnerships and social dialogue

We aim to **achieve** that by:

Preserving our empowering **decentralised governance model**

Nurturing people and business **diversity**

Representing **responsibly made products**

Unlocking value through **innovation** and **efficiencies**

Maintaining financial strength through growth, focus and discipline

Our **targets** are:

Be an **inclusive employer** with a higher representation of females and African people in management positions

Reduce carbon, water and waste further

Become SA's **leader in supply chain transformation**

Ensure **compliance and responsible dealings** with suppliers

Actively **manage** the **cybersecurity risk** to our business

Performance

42%
of managers appointed are females

77%
of managers appointed are black
51% African

R44bn of SA procurement with Level 1 – 4 B-BBEE suppliers

LTIFR reduced by
30%

R740mn
invested in skills development

Reduced emission 39%
and water 43% intensity*

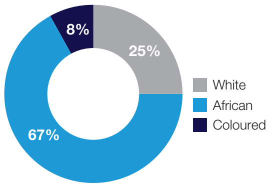
** FY24 VS FY19*

Leadership: **Board**

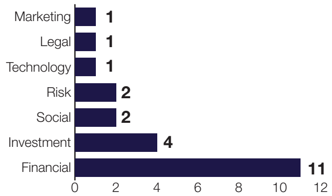
The Board and its six sub-committees, together with seven divisional boards and Audit committees, chaired by independent non-executives, provide robust oversight. Combined assurance receives deliberate and focused attention at Bidvest. Each Board committee is chaired by an independent non-executive director with delegated authority from the Board.

Diversity, in its broadest sense, is the hallmark of the Bidvest Board, something we are very proud of. The Group has set targets for gender and race representation at all levels of the organisation, as embedded in the ESG Framework.

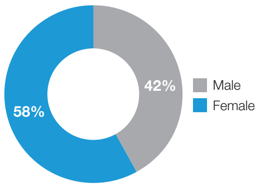
Race



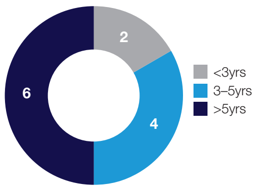
Skills



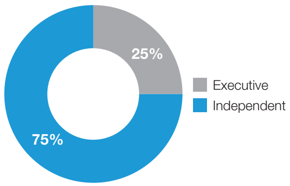
Gender



Tenure



Dependent



Executive directors

Mpumi Madisa (45)
Group chief executive

Mark Steyn (54)
Chief financial officer

Gillian McMahon (52)
Executive director

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

Independent non-executive directors

Bonang Mohale (62)
Chairman

Renosi Mokate (66)
Lead independent director

Khumo Shuenyane (53)

Norman Thomson (73)

Lulama Boyce (45)

Sindi Mabaso-Koyana (55)

Faith Khanyile (57)

Koko Khumalo (57)

Daniel Masata (45)

Leadership: **Exco**

Mpumi Madisa (45)
Group chief executive

Mark Steyn (54)
Chief financial officer

Gillian McMahon (52)
Executive director

Phathu Tshivhengwa (42)
Corporate Finance executive

Ilze Roux (50)
Corporate Affairs executive

Alan Fainman (61)
Services International chief executive

Wiseman Madinane (56)
Freight chief executive

Hannah Sadiki (59)
Financial Services chief executive

Howard Greenstein (61)
Commercial Products chief executive

Carla Seppings (51)
Automotive chief executive

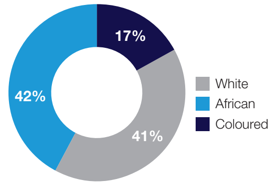
Gail Solomon (57)
Branded Products chief executive

Akona Matsau (44)
Services South Africa chief executive

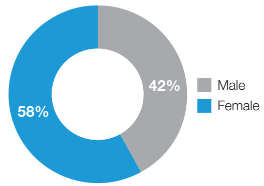
The Group Exco consists of twelve members, including the Group executive directors and functional executives covering strategy, finance, transformation, investor relations, ESG, business development, as well as the seven divisional chief executive officers.

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.

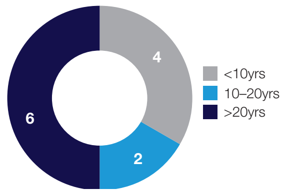
Race



Gender



Tenure



Our **strategy**

The Group's strategic ambition is one of scale and growth, grounded in product, service and geographic diversification, and continually pursuing responsible stewardship. This 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.

Our strategy over the last 36 years has remained true to our diversified offering. We focus on providing the often overlooked, essential components of everyday life that respond to the needs of a diverse society. We have developed businesses that align with the concept of providing these essential goods and services with a focused B2B philosophy.

We support our entrepreneurial managements teams across all our businesses to be catalysts for value creation

We further empower them to offer strong value propositions, focus on cash generation and returns whilst at the same time contribute to an efficient and sustainable socio-economic environment.

We foster innovation and an environment in which employees thrive, which in turn drives our advancement across industries and geographies

Ongoing innovation and an ever-growing range of products and services assist customers in meeting their sustainability goals and augment organic growth.

Diversity, business and people-wise, is an invaluable asset that is a key enabler for consistent and sustainable outperformance

Operational focus

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. We target a blend of defensive, cyclical and growth assets. Capital is invested in key areas, to develop relevant market players of scale.

Organic growth considerations

- Extract value in fragmented markets
- Expand service and product offering
- Agile pivot into growth sectors

Acquisitive growth considerations

- Selected international niche sectors of hygiene services, facilities management and plumbing products
- Bolt-on acquisitions
- Capital investment in long-dated assets

How we deliver

Our ambition
- Scale
- Innovation
- Sustainable growth

DIVERSIFICATION

Our course of action
- Products
- Services
- Geographic expansion

Organic | Acquisitive

Our focus

Operations
- B2B enterprises
- Essential everyday goods and services
- Building a considerable international business

Disciplined capital allocation
- Performance monitoring with entrenched ROFE* measurement
- Services-related business **>50%**
- Distribution and trading-related businesses **>30%**

Our enablers
- Decentralised and diverse portfolio
- Performance-driven culture
- Financial strength

DELIVERING

Our outcomes
- Consistent value accretive growth
- Responsible stewardship

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

Our **strategy** continued

Progress in the past year

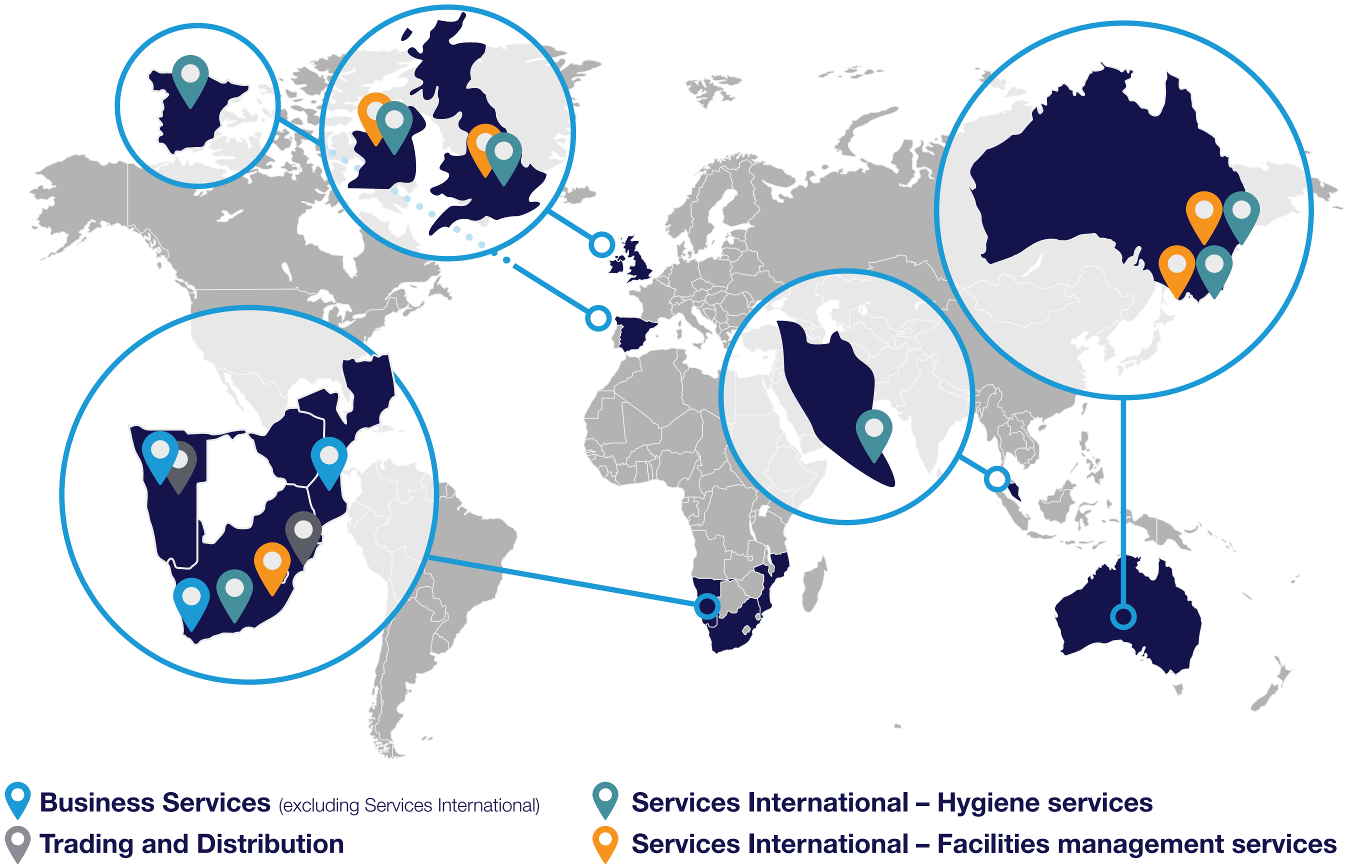
Organic growth

- Inbound tourism volumes continued to grow with healthy order books for peak tourist season. Bush Breaks launched a new product, Weekend Breaks, to meet domestic tourism demand
- Demand for LPG continued to increase, resulting in greater throughput benefits at the dedicated storage facility in Richards Bay
- First Garment Rental invested in rental garments to meet increased demand and Aquazania in additional purification capacity to meet drinking water demand
- Strong economic activity in the Western Cape and new office furnishing trends benefitted our Cecil Nurse business
- Automotive secured dealer points for Mahindra and FAW to diversify its traditional brand portfolio
- Despite lower consumer demand for renewable energy solutions, which negatively impacted growth off an unsustainable base, the electrical businesses reported strong orders from industrial customers

Acquisitive growth

- Services International doubled its footprint in Australia, now covering the largest two states, through the acquisition of Consolidated
- RHS, a hygiene services business in Singapore, was acquired and marked our first foray into the Asia-Pacific region
- We bolstered our packaging offering through the acquisition of Green Home, which is a biodegradable packaging producer, to meet sustainability demand
- Through the acquisition of Interloc, an aggregator of domestic freight, Bidair Cargo broadened its exposure to cargo movement enabling improved efficiencies
- Bolt-on acquisitions to bolster hygiene services and facilities management offerings internationally

Bidvest's footprint expanded



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

Our M&A pipeline is exciting and executable. The successful extension of our offshore syndicated loan facility and issuing domestic bonds at tighter spreads are testament to the financial strength of the Group and a key enabler of our growth ambitions.

Post year end, we announced the proposed acquisition of Citron Hygiene, a hygiene services business with operations in Canada, the United States and the UK. This transaction is subject to CMA approval.

Innovation is at the heart of everything we do

We continue to encourage a performance-driven culture with clearly defined performance metrics to define success. Executive rewards are based on performance against specific metrics derived from these. We are committed to matching our financial results with an equally solid non-financial performance.

Refer to the Divisional reviews and the ESG

Performance

Trading profit
R12.4bn, +9%

Normalised HEPS, +4%
to **1 964.8 cents**

Total dividends per share
914 cents, +4%

+15% Cash generated by operations
to **R14.0bn**

ROFE
37.3%

and ROIC well above WACC
16.1%

Consistent value accretive growth

We operate predominantly in businesses with low barriers to entry. To create consistent value in these circumstances requires a comprehensive geographic footprint, a broad product and/or service offering, customised solutions and continued innovation. Refer to page 14 IR for details of the acquisitions that broadened our footprint as well as product and services basket.

Post year end a decision was taken to dispose of Bidvest Bank and FinGlobal. This decision allows for these businesses to be set up for their next sustainable phase of expansion under dedicated financial services ownership, while recycling capital to position the Group for continued growth. The remaining short-term insurance businesses, which focus primarily on vehicle insurance cover and related value-added products, was transferred to the Automotive division post year end. This aligns to the division's strategy to diversify into allied services.

Responsible stewardship

Bidvest has entrenched its belief in the creation of social value and long-term sustainability for all stakeholders. To align the belief with our actions we continue to identify:

- Opportunities to develop and offer environmentally friendly products and services to enhance value for customers
- Deploy technology to drive efficiencies
- Implement projects to lower our environmental footprint
- Introduce inclusive socio-economic initiatives
- Maintain high standards of corporate governance

Refer to page 8 IR and ESG

Key drivers in our **operating environment**

The following Capitals influence our business:

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.

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.

Capitals index

- IC Intellectual capital
- NC Natural capital
- MC Manufactured capital
- FC Financial capital
- HC Human capital
- SRC Social and relationship capital

SA's economic growth potential unlocked by structural reforms and investment

Response

We expect the uncertain and fragile operating environment in SA to improve, specifically following the introduction of SA's Government of National Unity (GNU), but certain areas will remain constrained over the immediate, near term. Bidvest has a track record of outperforming, and we are more confident into the medium term. Bidvest's basic-needs services and everyday essential product ranges should stand us in good stead, especially when coupled with an innovative, value-adding mindset.

Capitals impacted

IC NC MC FC HC SRC

Stakeholders impacted

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

Performance

- 8.5% trading profit growth, and trading margin steady at previous year's level
- Organic, like-for-like expense growth flat
- Fourth consecutive year of delivering more than nominal growth
- Principles and priorities of GNU expected to drive infrastructure maintenance and investment which has been sorely missing over the last decade. This presents material opportunities for the Commercial Products division, in particular

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 is key, backed up by urgent execution.

Capitals impacted

IC NC MC **FC** HC **SRC**

Stakeholders impacted

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

Performance

- Ongoing participation at various Government/business forums, with positive results becoming evident
- Amended legislation and frameworks providing policy clarity to ensure more conducive operating environment and private sector participation opportunities
- Ongoing engagement with Transnet. Bilateral discussions regarding bulk terminal in Richards Bay ceased. Lease extensions at critical liquid and agricultural terminal operations in Durban pursued with Transnet support
- Real wage increases gazetted for the lower end of employee base across all operating territories. This was largely recovered through contractual pass-through

Technology advances to enhance Group businesses

Response

Technology brings opportunity to enhance efficiency, improve service, reduce environmental impact and increase competitive advantage in relatively low barrier to entry segments. It also drives changed behaviours and needs, to which we respond accordingly.

Capitals impacted

IC NC MC FC **HC** **SRC**

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, facilities management services, customer channels as well as monitoring tools thereby adding value to customers
- ALICE™ capabilities and monitoring expanded to further increase cybersecurity defence
- Established a framework to responsibly introduce artificial intelligence in our businesses
- Modernised IT systems across operations
- Successfully piloted a machine learning bot to capture specific environmental data across multiple branches and ecosystems without human intervention. Plans to roll this out across the Group post an external assurance process as part of journey to enhance measurement and disclosure

Safe and hygienic work and public places

Response

The hygiene market is increasingly resilient and is supported by structural drivers such as urbanisation, an expanding middle class, growing and aging population, legislation as well as heightened awareness of the need for out-of-home hygiene. The need to provide safe, hygienic and pleasant workplaces and operating environments supports active facilities management.

Capitals impacted

IC NC MC **FC** HC **SRC**

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. Maiden entry into Asia through Singapore
- Australian facilities management footprint doubled through the acquisition of Consolidated and hygiene services have been added to the portfolio
- Return to office driving greater consumables volumes
- Continued innovation and greater use of technology delivering enhanced solutions and multidimensional value-add to customers

Key drivers in our **operating environment** continued

Consumer spend

Response

Consumer spending under pressure due to cost-of-living pressures and peak interest rates. There are noticeable shifts in spending patterns to brands that offer value at lower price points. Consumer healthcare spend on preventative measures is forecast to increase as health concerns and protecting families take priority, as is spend on experiences.

Capitals impacted

IC NC **MC** **FC** HC SRC

Stakeholders impacted

- Equity and debt investors
- Customers
- Suppliers

Performance

- The majority of the Group's products and services are designed for everyday use, by a wide customer base, at various price points
- Pressure on durable consumer spend continues to be evident
- Strategic reset underway within the Automotive division by introducing alternative automotive brands with complementary products in a multi-franchise offering
- Cubbi, an independent used vehicle retail offering, continues to build scale and presence in a low-capital cost, technology-enabled manner
- Addition of products aligned to evolving customer demands and needs
- Strong inbound leisure travel performance with a strong forward order book
- Weekend Breaks launched to meet domestic leisure travel demand for short break-aways

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.

Capitals impacted

IC NC **MC** **FC** HC SRC

Stakeholders impacted

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

Performance

- Sub-par rail performance in SA continues to redirect commodity flow to neighbouring countries, benefitting Naval and Manica Group Namibia
- Almost all bulk commodity volumes handled in terminals in SA arrived via road, constraining efficiency
- Focused on improved product mix in Freight terminal businesses
- Increased water storage and purification capacity as well as introduced products such as filtration and storage systems for residences and businesses
- Opportunity to enter the water testing market through an acquisition
- Commercial demand for alternative energy solutions rebase off elevated levels but persists as SA's energy mix transitions
- Focused on renewing leases in key terminal operations which will allow for growth capex
- Explored expansion opportunities in Namibian ports

Material focus areas **and risks**

The Group's decentralised, asset-light, diverse and everyday essential products and services business model is, in itself, the Group's most effective risk management tool. It is, however, acknowledged that there are certain material matters that have the potential of hindering Bidvest's ability to continue creating value for its stakeholders.

As external factors emerge and evolve, the key matters that may hinder 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.

Global risks

The Group has given due consideration to key global risks, including: Extreme weather events caused by climate change; Inflation as well as poverty and social inequality; Political and societal polarisation that are being brought to the fore in electioneering campaigns in countries around the world, specifically with incidents of AI-generated misinformation; and Rising cyberattacks, including cyber incidents on government agencies, which are becoming prevalent.

With some 70 countries, covering ~50% of the global population, participating in political elections this calendar year, it is natural that far-reaching political and non-political impacts will be experienced. In particular, the US elections as well as changing political and social sentiment across Europe and the UK may have consequences for their respective economies, and negatively impact countries' attractiveness to foreign investment. These possibilities may have a bearing on the Group's strategic decision-making processes and capital allocation practices.

Global inflation has been trending down to target levels given the pullback in energy prices and core inflation also seemed to have peaked, making restrictive monetary policy less likely.

Ongoing conflicts in the Middle East are impacting supply chains, with shipping costs continuing to increase dramatically on the Asia to Europe routes. This has the potential of increasing European inflation; the ability of China to stimulate its economy sufficiently is another key area being observed and assessed.

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

SA's failing and inefficient infrastructure and basic service delivery challenges are in urgent need of reform. Municipalities are the providers of social services and these need to be brought to an acceptable level of efficiency as a matter of urgency. It is acknowledged that functioning, modern and reliable basic infrastructure is required to attract future investment.

SA elections: The national election in May 2024 was incident free and declared fair. It resulted in no outright majority party and the GNU was consequently formed. Ten political parties signed a Statement of Intent through which they made a firm commitment to respect the Constitution and the rule of law and promote accountability, transparency, integrity and good governance. The GNU identified three strategic priorities for the next five years and placed inclusive economic growth at the top of the national agenda: Drive inclusive growth and job creation; Reduce poverty and tackle the high cost of living; and Build a capable, ethical and developmental state. The GNU has pledged to increase infrastructure massively through a more integrated and holistic approach. Simplifying the regulations on public-private partnerships and employing capable and qualified people to senior positions in municipalities are all steps towards delivering on the GNU's pledge.

South Africans and the rest of the world have responded favourably to the GNU, but it is important to entrench this positive sentiment through tangible actions. Naturally, in the pre-election period there was minimal business investment and commitment, and while activity levels have not, as yet, recovered, there is optimism that the economic growth path of SA can provide a step change, resulting in economic and job growth, with the broadening of economic inclusion. Should this all materialise, it would have a positive impact on various Bidvest companies.

Material focus areas **and risks** continued

Corruption: There must be consequences for fraud and corruption, and it is critical for the GNU to demonstrate SA's ability to accelerate the prosecution of corruption, modernise and streamline the criminal justice system, enhance law enforcement and urgently improve state capacity and capability. The damage done to institutions through state capture was considerable and our weaknesses in tackling crimes like money laundering and terrorist financing have landed the country on the grey list of the international watchdog, the Financial Action Task Force. This is not good for SA and makes doing business even more difficult.

Impact on the SA consumer: As the impact of high-interest rates persists, the shift towards value-based spending accelerated and consumers will continue to prioritise value for money necessities. It remains critical for the Group's consumer facing businesses to ensure that their product portfolio covers the entire price spectrum. Additionally, the two-pot retirement legislation was effected on 1 September 2024. Based on experiences in other countries, this should provide positive momentum to retail sales and the early pension withdrawals could provide a GDP uplift and additional tax revenue. This, of course, at the expense of long-term savings and retirement financial security.

The capitals impacted

- IC Intellectual capital
- NC Natural capital
- MC Manufactured capital
- FC Financial capital
- HC Human capital
- SRC Social and relationship capital

Risk severity Low Medium High

Key Group risks

SA infrastructure

Risk severity High

The state of basic infrastructure across SA remains concerning and is seriously impacting the country's competitiveness. There are many interventions required across numerous urgent requests to repair and replace critical infrastructure, and key among these is a high-performing rail system, which is the backbone of doing more efficient business in the country. It is estimated that 80% of total freight transport is now by road, resulting in damaged roads, accidents, high logistics costs and emissions. 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 improve performance of the freight logistics network and to ensure future competitiveness and resilience. While progress was made in establishing the frameworks and enabling legislation, substantial interventions are still required to improve performance for the urgently needed sustainable economic growth. Adherence to the Freight Logistics Roadmap deadlines remain crucial to address SA's national logistics challenges.

Water supply and water quality is considered to be the next major crisis facing SA, with demand for boreholes and water tanks seemingly following the same trajectory as solar panels in the initial stages of the power crisis. The percentage of households that experience water interruptions continues to rise and water supply is increasingly uncertain due to a combination of factors, such as deteriorating and failed infrastructure, environmental degradation, persistent droughts and disparities in water and sanitation access. Significant resources are required to curb water losses and address non-revenue water. The deteriorating quality of water is equally concerning.

Capitals impacted

IC NC **MC** **FC** HC SRC

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
- 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 to deliver on demand
- Limited trading profit and HEPS growth
- Disrupted supply chains
- Service levels compromised
- Gross margin reduction
- Above inflation expense increase
- Reduction in product handled in terminals

Control and mitigating actions

- Advancing the work of the National Logistics Crisis Committee and actively participate on the Transport Logistics Council, a channel 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
- Actively pursue private sector participation opportunities in ports and rail, in line with the Freight Logistics Roadmap, in particular terminal lease extensions in Durban
- Invest in additional water storage, purification as well as bottling capacity whilst also pursuing allied services

Energy supply

Risk severity High

SA has seen a dramatic reduction in loadshedding and significant grid capacity recovery, with more than 6 GW of new energy generation added, and with the energy availability factor currently tracking above 60% (compared to 54% in 2023). However, the country still faces multiple challenges including rapidly rising electricity costs, unsustainable municipal utilities, complex market reform, a constrained grid with delayed expansion, and stalling investment in new generation. Significant investment will be required for energy sector reform over the next 5-10 years and there is strong consensus that it is critical to pave the way now to address the challenges. In the National Energy Crisis Committee (NECOM) prioritisation has now shifted to transmission, market reform, municipal utilities and new energy generation.

The National Transmission Company of SA (NTCSA), which has started trading, will own and operate the country's national transmission system, the system operator, the grid strengthening function, energy market services and the international trader. The transition to a competitive electricity market has commenced and is key for the next major step in private sector energy investment. Organised business continues to work in support of Government, through NECOM, to assist the planning and implementation of key energy reforms.

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. Niche electrical businesses in the Commercial Products division offer engineering solutions to commercial customers in addition to renewable energy products.

Capitals impacted

IC NC MC **FC** HC SRC

Root cause

- Declining performance of the Eskom fleet
- Insufficient rate of new infrastructure build

Key performance indicator

- Consistent power supply
- Escalating real electricity costs

Consequence of risk

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

Control and mitigating actions

- Advancing the NECOM working platform between Government, Eskom and business to further progress just and sustainable energy transition
- Actively driving electricity saving initiatives within businesses
- Adding additional power from renewable sources at operating sites

Labour inflation and costs

Risk severity High

Persistent inflation continues to impact the Group's cost base. Labour inflation in excess of core inflation and low unemployment levels outside SA are forcing remuneration costs higher. Remuneration and employee benefit costs represented 35% of total costs for the financial year, which was an increase of 11% on a per employee basis.

In the UK, labour inflation is expected to remain in excess of core inflation for some time to address inequality and cost-of-living pressures. Given the lower economic growth in our various territories, customers are extremely price sensitive. Value-add to customers through efficiencies, technology, scope changes and innovation is therefore critical. Contractual price escalations and greater use of technology are our main risk-mitigating tools. The National Minimum Wage in the UK increased by 10%, almost 2.5x CPI, while unionised wage increases in the Irish cleaning and security sectors, at 5.1% and 5.4%, respectively, are more than double CPI.

In the UK, attention has swung towards what the new Labour Party government will do with its recent majority win at the polls. The consensus is that modest tax rises will be necessary in the short term to fund higher spending commitments. Longer term, the key aim is to raise GDP growth to 2.5% p.a., initially by getting people back into the workforce, then by raising labour productivity growth. Ireland's main business lobby group has called on the government to pause all further labour market measures that will increase business costs, saying the pace and scale of recent changes are leading to a rise in business failures. Ireland has hiked the national minimum wage by 12%.

In Australia, wage increases were legislated at 4%. Although still modestly higher than CPI, it is a markedly smaller increase than in the prior year. In SA, the national minimum wage increased by 8%.

Material focus areas **and risks** continued

Capitals impacted

IC NC **MC** FC **HC** SRC

Root cause

- Changing political and social views
- Rising utility prices
- Rising labour cost
- Rising unemployment levels in SA, low employment levels outside of SA

Key performance indicator

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

Consequence of risk

- Enhanced cost scrutiny: retrenchments and/or restructuring
- Limits trading profit and HEPS growth
- Declining ROFE
- Ongoing contract price scrutiny
- Downtrading is driving negative revenue mix
- Increased non-compliant product introduced into the market.
- Cost-of-living constraints

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-saving initiatives
- Fleet and distribution efficiencies pursued

Economic outlook and consumer spend

Risk severity High

Heightened pressures are caused by the cumulative impact of inflation and interest rate hikes, as well as low business confidence and logistics constraints leading to stifled economic growth and a contraction in semi-durable and durable consumer spend. The Group remains disciplined in its approach to allocating capital, ultimately ensuring continued financial strength and an ability to access funding on acceptable terms, regardless of market conditions.

Capitals impacted

IC NC MC **FC** **HC** **SRC**

Root cause

- Lowered GDP growth forecasts
- Recession risk globally
- Persistent high interest rates and inflation result in reduced consumer spend and weakened business confidence
- High unemployment in SA

Consequence of risk

- Low/no trading profit and HEPS growth
- Declining ROFE and margin
- Lower cash conversion rate
- High logistics cost
- Higher cost of debt
- Market changes and disruptions as is evident in SA's automotive market

Control and mitigating actions

- Value-adding solutions and products to customer
- Offering spans wide price range
- Innovation
- Skills development
- Organic focus by levering an unrivalled product and service basket
- Acquisitive focus on growth industries and geographies

Cyber assault

Risk severity Medium

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.

A recent risk study in Australia revealed that cybersecurity emerged as the top challenge for executives in 2024. This follows high-profile cyber incidents that were more than merely the sharing of private information, but caused serious disruption to the economy.

Capitals impacted

IC NC MC **FC** HC SRC

Root cause

- Criminal intent

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

Extreme weather and climate change

Risk severity Medium

Challenges arising from climate change and the slow transition to a low carbon economy may impact the performance of certain Group businesses; they 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.

SA President Ramaphosa has signed into law a bill that will impose caps on big carbon emitters and mandate all local towns and cities to develop climate response plans. The Climate Change Act aims to enable SA to meet its emissions reduction commitments under the Paris climate agreement. The environment minister is now expected to allocate a carbon budget to large greenhouse gas-emitting companies, setting a limit on their emissions over a prescribed period. This is not expected to impact Bidvest in any material manner.

Capitals impacted

IC NC **MC** **FC** HC SRC

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

Consequence of risk

- Property and infrastructure destruction
- Social turmoil
- Water shortages
- 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

Conclusion

The key risks for Bidvest remain largely unchanged from previous years, despite the electricity supply in SA improving significantly. Steps continue to be taken to mitigate the direct consequences, but the structural nature of the infrastructure and energy risks make them difficult to navigate in isolation.

The Group's key risks are shifting from macro- and top-down risk elements to the operational consequences of these risks. The focus of the Group's risk management efforts is therefore firmly on agility and resilience, as much as it is on prevention and detection.

Bidvest continues to participate in the private/public workstreams focused on critical areas of energy, transport and logistics, and crime and corruption to further unlock and overcome barriers to a more sustainable economic environment, where growth and job creation become the norm.

Ensuring sustainable value for **all stakeholders**

Bidvest focuses on building and maintaining meaningful and lasting relationships with stakeholders individually.

It is the Company's belief that, given the diversity, dispersion and complexity of the Group, an aggregated view of the quality of the relationship with each stakeholder group adds little value.

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, Australia and Singapore, 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 – Bidvest's activities extend throughout SA, as well as selected international regions. Our communities are therefore broad in characteristic, diverse and operate 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 the overall offering.

Customers – The Group services thousands of customers through its over 250 companies across its operating footprint, and with a focused philosophy. The Group always attempts to ensure compliance with 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.

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

Equity and debt investors

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

Relevant Capitals

IC NC MC FC HC SRC

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 virtual conferences
- Website updates
- Engagement with Group leadership

Engagement topics

- Group strategic direction
- Margin management
- Impact of poor port and rail availability in SA
- Outlook for geographic expansion and transaction multiples
- Currency and interest rate risks relating to funding
- Upcoming international bond maturity
- Pay gap disclosure
- Employee fatalities

Risks to value creation

- Uncertainty or misunderstanding about strategy
- Negative sentiment and lack of investor interest due to country concerns
- Non-performance leading 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
- Geographic diversification allows for a more focused and resilient investment proposition to a broader investor base
- Regular face-to-face access and interaction with local and global investors and funders
- Participation in international conferences showcasing SA as an attractive investment destination
- Pro-active engagement with funders and debt institutions and continued delivery allows the Group to secure additional financing facilities at attractive rates
- Integration of BIC Consolidated in Australia

Value created

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

Total **dividend** per share **914 cents, +4%** distributed to providers of equity capital (R3.3bn)

Group HEPS, +7%
1 912.6 cents

Market capitalisations, +7%

R95.5bn
(at 30 June 2024, yoy)

R2.5bn
in payments to debt providers

Extended offshore syndicated loan facility for another year and raised domestic bond funding at tighter spreads

Delivered better than target performance on STI sustainability metrics

Ensuring sustainable value for **all stakeholders** continued

Employees and trade unions

As one of the largest private employers in SA and with businesses in Namibia, Mozambique, Ireland, the UK, Spain, Australia and Singapore, 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

IC NC MC FC HC SRC

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 meaningful engagement with local trade unions and employment equity forums; offer reskill and upskill development opportunities to employees; take collective responsibility for safety in the workplace 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, digitally and/or in person
- Individual company and Group newsletters
- Regular union briefing sessions
- Group CommUnity app in place
- 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
- Medical insurance to low-income earners
- 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 and remuneration
- Continued Group growth and innovation provides additional opportunity for career advancement
- Superior performance leads to higher reward

Value created

Second largest private employer in SA that added net employment of 5 841

131 326 Bidvest family members who **contribute meaningfully** to their own communities and societies (**R38bn** remuneration)

1 203 employees otherwise-abled

46% of top and senior management appointments female

18 **participants** in the Executive Development Programme

R740m spend on **skills development and bursaries**

LTIFR -30%

Regrettably we had **4 fatalities**: 2 security personnel were killed in the line of duty and 2 due to workplace incidents

5 820 learner-, apprentice- and internship programme participants; **729 learners permanently employed**

Medical insurance roll-out

The roll-out of the medical insurance programme continues with steady progress being made. To date there are 4 440 employees, 286 adults and 830 child dependents registered on the programme. Employer contributions vary between 40% – 100% of the total contribution. During the past year, work went into employee and employer engagements. Our focus in the new financial year is to grow the number of employees enrolled onto the programme.

Of the 70 000 qualifying employees (employees earning less than R15 000 per month), the majority are employed by Bidvest Prestige and Protea Coin. Protea Coin employees are already members of a health insurance programme negotiated through the industry bargaining council.

Kaelo, the Bidvest service provider, is currently working with the Bidvest Prestige team to facilitate broader discussions with the industry bargaining councils as well as explore alternative options that are more cost effective given the large number of qualifying employees.

We have the ambitious target of enrolling a further 20 000+ qualifying employees.

Making a difference

Bidvest Prestige submitted an application to broaden participation in the Cleaning Industry Bargaining Council to advance compliance and establish a collective voice on relevant matters.

RHS has been working with agencies to implement the Occupational Progressive Wages system in Singapore, in terms of which employees will be rotated through various business units for skills upgrading and allowing them to attain Workforce Skills Qualification.

PHS launched two 'LEAP' cohorts for first line leaders in Feb 2024. The internally developed 'LEAP' programme was recognised by the Institute of Leadership and Management in Feb 2024, adding to the list of five other leadership and development programmes with recognised status at PHS.

Ensuring sustainable value for **all stakeholders** continued

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

Bidvest has an extensive footprint across SA and is also active in Ireland, the UK, Spain, Australia and Singapore. Our communities are therefore diverse and geographically spread.

Relevant Capitals

IC NC MC FC HC SRC

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

- 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
- 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 for 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
- BIC Consolidated will develop a combined carbon footprint plan to meet net zero targets

Value created

99 jobs and increased revenue for companies on the Group Suppliers Diversity Programme

R191mn
Established ablution facilities in two communities

Water intensity reduced by
9% and 43%
compared to FY23 and FY19

Emission intensity reduced by
5% and 39%
compared to FY23 and FY19

Sponsorship of Team SA for the Olympic and Paralympic games

Spend A$0.4mn with indigenous suppliers, double the target

Supported **The Kids Foundation** in Australia that does impactful work in childhood injury prevention and recovery

Advocacy work through UN Global Compact Network South Africa. Participated in VNR programme

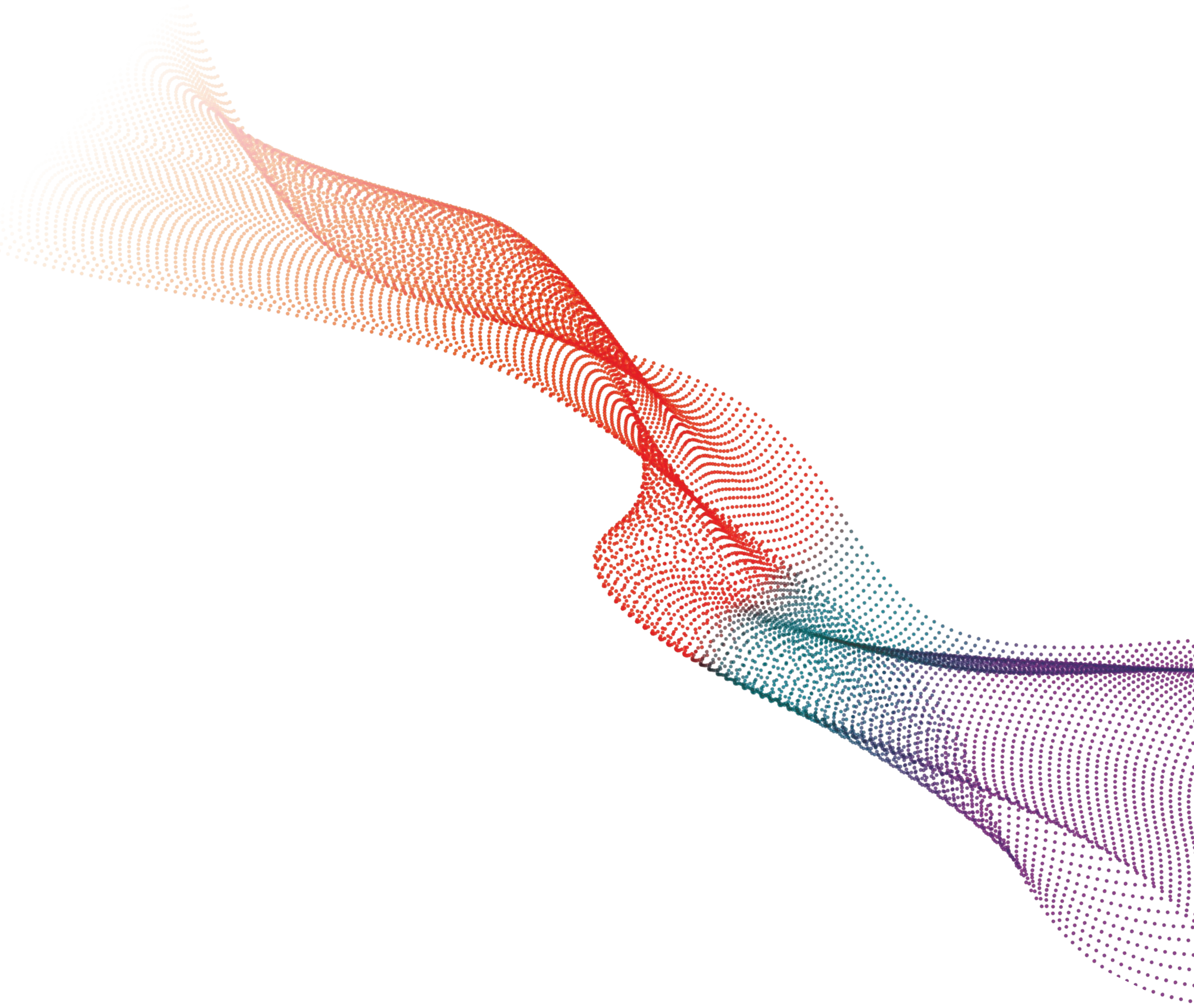
Making a difference

PHS won the "Diversity and Social Value" award at the CBR Supplier Innovation Challenge for its male incontinence campaign. The second phase of the project will target disposal facilities in sports arenas across the UK.

Waste generated by BTT is sent to Thuthukani for recycling. Thuthukani provides sheltered employment for people with intellectual disabilities through skills development while preventing social and physical abuse as well as taking care of their basic needs.

In collaboration with Transnet, Bidvest Bank established an Agricultural Training Facility aimed at equipping youth from various local communities in the City of uMhlathuze, KwaZulu-Natal, with skills in aquaculture, agriculture, and hydroponics. There are currently 30 students at the facility, which is accredited by the Agri-SETA.

Protea Coin recognised that illegal mining and crime in the vicinity of closed/mothballed mines required a rethink of security services and policing. Well trained mobile task teams were deployed, in collaboration with customers, to address all forms of crime in the area. The impact has been massively positive. Wes Wits, a previously crime-ridden area, experienced zero crime during the Christmas break, while around the Impala mine properties in the Rustenburg area, the crime rate dropped by 85%. The benefit to all stakeholders is immeasurable, whilst also introducing a new revenue stream for Protea Coin. Harmony, a gold mining company, recognised this positive impact by bestowing a special award on the Protea Coin task team.



Ensuring sustainable value for **all stakeholders** continued

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 across its operating practices.

Relevant Capitals

IC NC MC FC HC SRC

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.

Risks to value creation

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

How we engage

- Face-to-face engagement and Bidvest representation on industry bodies
- Participation in and submissions to 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 SA
- Ongoing compliance with regulatory frameworks and good governance
- Tender processes and adjudication
- Local procurement and employment
- Crime and corruption prevention

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 R38bn paid in taxes to host countries

No material regulatory **fines or violations**

Group level 1 B-BBEE rating

Engagement with Transnet on private sector participation opportunities

Local procurement from suppliers with B-BBEE rating L1-4 from 76% to 83%

Group IT risk score 28%

Making a difference

A Transport & Logistics Council (TLC) is in the process of being formed to establish an investor-friendly environment, advocate for various interests and requirements; and play a leading role in the national logistics implementation pathway. The establishment of this council will be modelled on the successful Energy Council of SA and focused on shaping a competitive, enabling and intelligent logistics sector. Bidvest is a founding member of the TLC.

Protea Coin, Top Turf and UDS partnered with the National Rural Youth Services Corps initiative where learners participate in the GSO learnership programme (four months training at various army bases in SA and then placed in workplaces for job experience).

UDS introduced Cross-Checks, a digital drone compliance solution which will replace highly manual and inefficient processes and reduce the risk of non-compliance considerably.

Given the ad hoc nature of the Protea Coin Special Operations Unit activities, their core functions are high dependable on the use of firearms. Protea Coin's armoured personnel carriers have been fitted with bolted-in weapon and ammunition safes, eliminating the need to purchase, mount and remove wall-mounted safes at every deployment.

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

IC NC MC FC HC SRC

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 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 improve with sound advice

Value created

R9mn

invested in the eradication of pit latrines, providing **3 661 children & educators, access to decent and safe ablutions**

R6mn

a further allocated as non-refundable grants to help four black Sorbet employees acquire Sorbet Franchises in Gauteng and KwaZulu-Natal

Contract solutioning, particularly in the domestic business of Services International and Services SA, frequently includes localised suppliers and service providers

Introduction of McCarthy parts portal **to create efficiency in vehicle repair** by virtually linking part supply, panel shops and insurers

Making a difference

Support towards "Primestars" was extended by participating in an additional programme – "what about the boys" – which was created for the prevention of GBV. The programme focuses on positive masculinity by targeting high school youth on a national and digital level. Since the start of the programme in August, it has reached 10 000+ high school boys at 100+ under-resourced schools, with 120+ mentors involved.

BPO continued with the ongoing clean-ups of the roads around their facilities. These clean-ups are also part of the 'adopt a spot' initiative that was introduced to terminals by Transnet National Ports Authority. They are currently exploring ways to reduce the amount of waste going to landfill sites through collection of waste for secondary use by third parties.

Ensuring sustainable value for **all stakeholders** continued

Customers

The Group services over 350 000 customers through some 600 facilities across its operating footprint, and with a focused B2B philosophy. The Group always attempts to ensure compliance with 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

IC NC MC FC HC SRC

Objectives

Bidvest's 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. Monitor internal call centres for customer feedback and independent complaint channels.

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 with 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 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

R123bn, +7%

Roll-out of IoT and other autonomous solutions in facilities management services to **address customer value demands**

Focus on **key senior relationships** with strategic customers

New products, services launched include:

Waste solutions, including bin tracking with QR codes for accurate recording, bio-processing that reduces food waste by 80%, electric kitchen composter, among others

Workplace solutions, including modern office furniture linked to wellness and ergonomics

Additional **customer channels** such as Waltons @Speed

Various **IoT and camera applications** for vehicle rental, fleet monitory and logistics

Making a difference

Automotive rolled out a Manufacturer Approval Programme for black-owned panel shops, as part of their Enterprise Development programmes. On this programme, Automotive will support (through paying for required OEM audits/monthly licence fees/procurement of equipment required) a select number of black-owned panel shops in obtaining OEM approval to repair accident-damaged vehicles that are still within OEM warranty. The panel shops that participate in this programme will be required to sign three-year purchase agreements with Automotive for all the brands represented. The programme will be run in conjunction with Chaze. To assist these black-owned panel shops manage their working capita. Automotive introduced specialist third party organisations with whom they have existing agreements, to provide on-going cash management support.

Suppliers

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

Relevant Capitals

IC NC MC FC HC SRC

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
- Security of supply
- Sustainability along the supply 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

R53bn
procurement spend in SA

R26bn
procured from black-owned and black woman-owned SME businesses

Continually **establishing** alternative supply channels

Interbrand sources leather from tanneries that are **LWG** (Leather Working Group) **certified**

McCarthy secured Mahindra, FAW, Suzuki, Je Tour, GAC and LDV dealer representation to broaden its retail offering

Cubbi introduced Carra.ai to set new standards in **customer service levels and efficiently scale** up capacity to handle leads

Increased spend with indigenous businesses in Australia

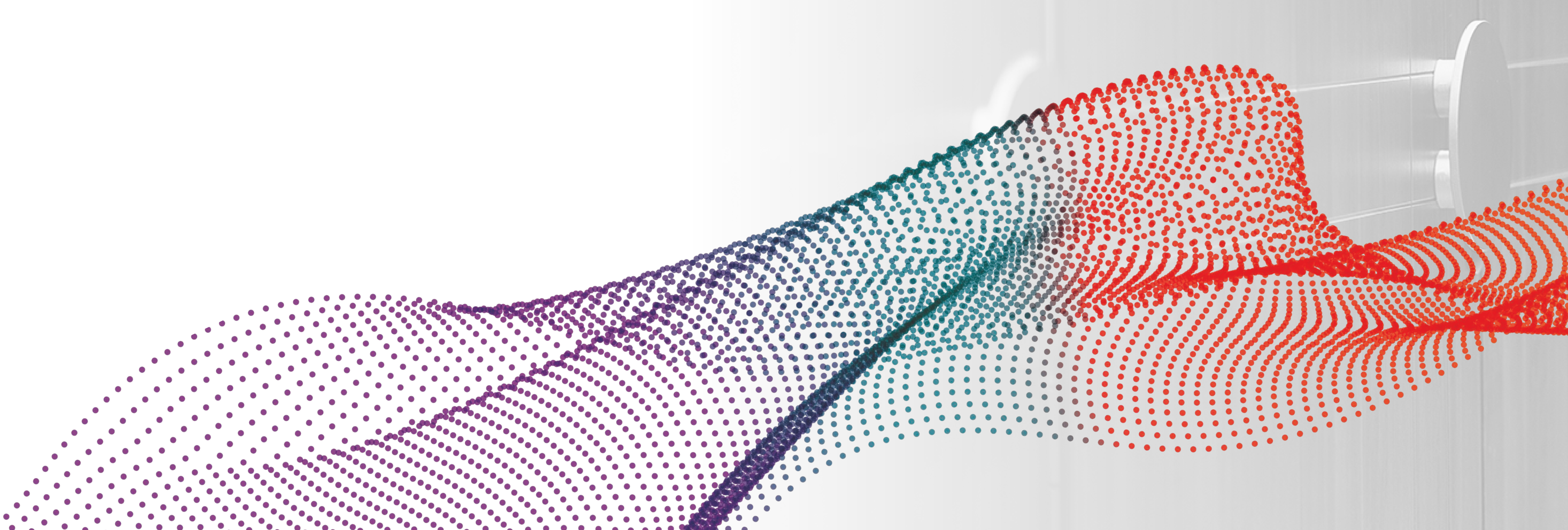
Making a difference

In conjunction with the supplier, PHS' new generation hand dryers have no plastic packaging, and the energy usage has also been reduced from 1.8kw to 820w. All other products sourced from this supplier will be reworked with regard to plastic packaging and redundant fixing kits.

Home of Living Brands implemented better sourcing strategies and stringent quality control measures. This resulted in a lower product return ratio of 1.88%, compared to 2.51% the previous year.

Reflecting on **FY 2024**

36 Chairman's report
39 Chief executive's report
44 Chief financial officer's report



Chairman's **report**

Bonang Mohale

"The Group's ESG Framework is delivering real benefit in terms of preserving our decentralised governance model, nurturing people and diversity, unlocking value through innovation and efficiencies, representing responsibly made products and contributing to broader economic inclusion."

Our detailed ESG Framework progress report-back is contained within the separate annual ESG Report. A particular highlight has been the increasing diversity across all levels of the Group, including the Board of Directors being 75% black and 58% female: 43% of Group employees are female, with 38% female representation at management level, while African people comprise 84% of the total, and 37% at the SA management level.

We have maintained our relentless focus on health, safety, security and protecting the environment to ensure that our people are safe, comply and respect their neighbours. The Group's Lost-Time Injury Frequency rate continues to improve and was lower by 30% this year, while our environmental footprint was also smaller.

It is pleasing that working closely with supply companies participating in the Bidvest Supplier Diversity Programme, these companies have managed to create nearly 100 additional jobs and increased revenue earned from Bidvest by R192 million

Impressive results

The Bidvest Group has again performed superbly well. Most divisions delivered outstanding performances, driven in large part by the carefully considered portfolio positioning over recent years, as well as our absolute focus on operating excellence and efficiency.

This strategic imperative of sustaining our diverse portfolio of products and services, and operating from a position of scale, remains firmly intact. This continues to result in a thriving Bidvest that is able to deliver returns to our broader stakeholders, create jobs and contribute to the societies and host nations in which we operate. This does not happen by chance.

The year under review was characterised by significant global disruption. There are ongoing global conflicts in both the Middle East and Ukraine, growing geopolitical and social tensions, and economic challenges unfolding in different regions of the world, including in our operating territories. We are witnessing an accelerated transition to a greener economy, volatility in global supply chains, host nations needing additional support from the private sector and the social and business impacts of cost-of-living increases. Together these factors have led to a sometimes, unpredictable operating environment.

Against this backdrop, Bidvest delivered an impressive operating and financial performance. Group revenue and trading profit increased by 6.7% and 8.5%, respectively. Total returns to shareholders are higher, as are the contributions by way of total employee salaries, payments to host governments and spending on social commitments.

This success is largely achieved through the power of our operating philosophy, guiding principles, financial strength and an entrepreneurially empowered Bidvest leadership team who come to work each day in pursuit of ongoing improvement. At the same time, the responsibility we have to our broader stakeholders is always recognised.

A credit to the Bidvest team

Principally, this overall progress must be credited to the many people who comprise Bidvest. Their dedication and commitment enable us to build capability, which advances our prospects and future positioning.

They deal with customers, partners, suppliers and all other stakeholders, while also driving innovation, executing strategic decisions, managing risks and serving our communities.

Bidvest's commitment to responsible citizenship has not wavered, including nation building, social cohesion and providing support for a stronger and more inclusive economy. This is demonstrated through our ongoing programmes to support numerous communities and host nations, our expenditure on work skills enhancement and other training within the workplace, and our external development initiatives. We have committed substantial sweat, financial and developmental support to new local procurement partners.

Financial discipline and agility are firmly entrenched within Bidvest. This drives our growth trajectory and the Group's continued innovation to ensure productivity enhancements, which have enabled us to achieve ongoing consistency and continual improvement.

Equally essential to this continuance and success is the deeply entrenched functional governance structure that we have in place. It is resulting in a dynamic and iterative risk assessment and mitigation process that is anchored on the Group's Code of Ethics and Delegated Levels of Authority matrix that govern our day-to-day activities. Our decentralised management model, which allows for agile decision making and execution, operates within this framework. It relies on the ethical behaviour of all employees, together with appropriately structured processes.

A changing South Africa

SA remains our key operating jurisdiction and the past year's changing political landscape has naturally been closely monitored. The result of our national election was the formation of a GNU, which saw a politically diverse assembly of people start working together, without any major disturbance or interference, soon after the election results were released.

While the GNU's term of office is in its infancy, there are early signs of it being able to accelerate the country's stability and economic recovery

Investors in bonds and equities seemingly agree, with more enthusiasm, interest and action being shown.

The task of rebuilding trust, hope and confidence in the prospects for SA is significant, but it certainly is doable. A highlight from the previous administration has been the formation and success of Operation Vulindlela, which is the joint initiative of the Presidency and National Treasury to accelerate the implementation of structural reforms and support economic recovery. This, together with the continually improving relationship between all social partners, especially government and business, provides a level of goodwill that the new GNU administration must use prudently, and urgently, to get things done.

The most important imperatives to ensure the reduction of stubbornly high and growing levels of unemployment, which has led to increasing levels of inequality and poverty, is to stimulate economic growth and investment. It is encouraging that the partnership among all social partners is focused largely on execution, not more planning nor more policy. It is our firm view that the partnership can continue its course and improve the mood of the country, bringing trust, hope and confidence, which will ensure the investment flywheel starts turning with more urgency and determination.

The brisk pace of change is evident and augurs well for improved business conditions – regulatory certainty and policy stability. Some imperatives are succeeding. Among others, these include measures to progress the country's law and order, and a more stable, reliable and predictable energy supply, as well as clean running water and advancing solutions to turn around port and rail backlogs. We hope even more impetus will be directed to the unfinished project of transformation to ensure that the economy is broadly reflective of the demographics.

Chairman's **report** continued

Together, these interventions will give society a more confident view of the future and stimulate investment appetite and a willingness to contribute to growing the economy. We all understand that more work is needed to move SA toward an economic growth rate that will be the step-change to ensure broader participation in the economy, as well as a better life for all, the welfare of our country, and our international competitiveness.

We are mindful that social partners will sometimes have differing views, but we are confident that all partners will work to their respective and collective strengths. This will, no doubt, ultimately lead to a safer SA and improved economic environment, which will create sustainable jobs, boost taxes and create a capable state that must upgrade and introduce better social services.

Law and order – safety and security remain a concern

The effectiveness and efficiency of the country's policing and legal system is equally important for a more conducive operating environment.

Business is willing and able to work with the relevant authorities to assist in legal and other non-policing initiatives to stem this economically damaging activity. The legislation which made the Investigating Directorate a permanent unit within the National Prosecuting Authority was an important step in the right direction, as were amendments to the Independent Police Investigative Directorate Act, which strengthens its ability to deal with police corruption. The effectiveness of the rule of law depends on the continuing independence of our judiciary.

Appreciation

I am extremely proud of the Bidvest Group's resilience and humbled by the contributions and achievements of the more than one hundred and thirty thousand Bidvest employees around the world.

We understand the prevailing challenges and know how to confront the issues that impact our operating environment. We will not waver on our commitment to serve our stakeholders. United by our driving purpose of 'People and products behind a brighter future', we will continue to focus on providing the often overlooked, but essential components of everyday life that respond to the diverse and urgent needs of society

I express my sincere thanks and appreciation to our Board members for their invaluable contributions and thoughtful guidance throughout the year. I welcome Daniel Masata to our Board. Daniel has considerable international expertise, and we look forward to his contribution.

On behalf of the Board, I wish to thank Norman Thompson, who will retire at the next annual general meeting, for his immense contribution to the Group over many years. His guidance, dedication and commitment are truly appreciated.

My congratulations and gratitude go to the leadership of the Group, ably led by the Chief Executive Sis' Nompumelelo Thembekile Madisa, who have achieved our objectives of scale, growth and responsible stewardship.

We remain very well positioned.

Bonang Mohale
Chairman

Group chief **executive's report**

Mpumi Madisa

"The Group has delivered a solid financial result, we grew market share in several of our businesses and continued to make significant investments in our products, people and technology across multiple geographies. Five divisions delivered robust trading profit growth, with four reporting excellent double-digit profit increases."

I am extremely proud of our Company's spirit and performance, which is a culmination of the individual and collective achievements of our employees in many parts of the world. We continue to serve our clients and our communities, as well as numerous other stakeholders, to the best of our ability.

Positioning for the future

As we remain focused on broadening innovation and technology initiatives and advancing our acquisition and capital development strategies, I am reassured and confident that the key long-term decisions being made today position the Group for continued growth.

Bidvest's acquisition success over the past year has been remarkable. Eleven transactions were concluded in the period, which doubled our footprint in Australia, marked our maiden entry into hygiene services in the Asia-Pacific market and resulted in additional scale and broader offerings in the UK, Ireland and SA.

In addition, we deployed almost R1 billion in growth capital expenditure, which included commissioning the butane spheres at the port of Richards Bay and finalising the construction of multi-purpose tanks in Richards Bay, which were commissioned in July 2024.

Periodically Bidvest conducts portfolio reviews, during which we highlight and debate scenarios to hone our growth and portfolio focus, both locally and offshore, and assess our most optimal future capital allocation opportunities. One of the outcomes for this year's portfolio review was the decision to exit the banking industry, and we commenced a process to sell Bidvest Bank and FinGlobal.

Although the cadence in this business is on an upward trajectory, we believe that for Bidvest Bank to advance, scale up and sustainably grow in today's fast-changing, technology-driven and highly competitive sector, it requires dedicated financial services ownership. Good progress is being made with the sale process, with significant interest shown, and we intend to select a preferred buyer by the end of calendar 2024, with a target transaction completion date of June 2025, subject to various regulatory approvals. This will streamline the Group's focused product and service offering and allow us to recycle capital.

Creating social value

Another coveted Bidvest attribute is our ongoing creation of social value, which was successfully reflected this year in the 5 841 new jobs created in the period and the more than R740 million we invested in various training and development programmes for employees. We spent R71 million on projects that supported community development and introduced many product and service solutions that contribute to lowering the Group's, and our customers' environmental footprint. We also rolled out medical insurance to almost 4 500 of our lowest income earning employees, thereby facilitating access to private healthcare.

Group chief **executive's report** continued

A major partnership was formed with the South African Sports Confederation and Olympic Committee (SASCOC), resulting in Bidvest becoming the official partner for the Team SA Olympic and Paralympic athletes and the relaunch of SASCOC's excellence initiative, now called the Bidvest Operation Excellence programme. The programme is aimed at supporting athletes who have the potential to qualify for world events at the highest level, in multiple sporting codes. I congratulate the Team SA athletes who competed in the 2024 Paris Olympics and Paralympics. As the main sponsor, we are exceptionally proud of Team SA's performance and extend our congratulations to all participants, their respective support structures and the SASCOC management.

This partnership also allowed us the opportunity to take 60 of our employees, most of whom had never travelled, to experience the Olympic Games and Paris firsthand. It was incredibly humbling and heart-warming to see and hear what this meant to our colleagues

Solid financial and operating results

Group revenue rose 6.7% to R122.6 billion, with acquisitions contributing 2.9% to the top line. The overall gross margin declined to 28.4%, from 29.0%, mainly due to higher distribution costs, wage inflation and rand weakness.

Cost control across all companies was outstanding and follows carefully considered cost-management initiatives throughout the Group. The Bidvest culture of controlling the controllables translated into excellent operating leverage, and the Group achieved 8.5% trading profit growth to R12.4 billion, at a slightly improved trading margin of 10.1%.

The Group's growing international operations base now accounts for 22% of profits, compared to 20% in the prior year

The Group balance sheet remains strong and the R14.0 billion cash generated, higher by 15.3%, was exceptional. Cash conversion at 83.4% was excellent and compares favourably to 76.4% last year. Returns remained well ahead of our weighted average cost of capital. Headline earnings per share were up 6.6%, and the Board declared a final dividend of 447 cents per share, bringing the total dividend for the year to 914 cents, up 4.3%, in line with the increase in normalised HEPS.

Divisional strength through diversity

Services International

The Group's largest contributing division, Services International, delivered an excellent result, with profits split, roughly equally, between hygiene and facilities management services. Revenue at R39.4 billion was 18.8% higher. Organic growth of 10.6% was driven by strong new business and continued hygiene-pool growth. Acquisitions were made for both facilities management (Consolidated Property Services (Consolidated), Robinson Services, and OSS) and in hygiene (Rental Hygiene Services, Pure Hygiene, Principal Hygiene, and Synergy Waste).

The gross margin eased slightly due to high wage increases across all territories, the restructured contract in SA, and lower office occupancies in Australia. The above-inflation expense increase was driven primarily by the consolidation of costs from the acquisitions. Trading profit at R3.8 billion was 12.4% higher.

Some 73% of the division's profits are generated offshore

The facilities management businesses delivered a strong result, driven by acquisitions and by securing good new business contracts, while the hygiene service businesses went from strength-to-strength on continued hygiene pool growth and consumable volume increases.

In Australia, the integration of BIC Services and Consolidated is underway. The greater scale of our facilities management business in this country sets the business up for strong growth. The addition of hygiene services during the year further enriches the business offering and potential. The new hygiene acquisition in Singapore adds a new geography to the offering and a responsible avenue to assess opportunities in the Asian market.

More recently, we completed a due diligence on Citron Hygiene, which provides washroom hygiene products and services in the USA, Canada and the UK. The acquisition is subject to the UK Competition and Markets Authority approval, and our submission has been filed. Pending approval, this will introduce Services International into a vast and exciting new region.

Freight

The Freight team delivered a solid result off an exceptionally high base

Revenue at R8.8 billion was up 4.5%, driven by annual price increases, increased oil and gas activity in Namibia, good new business wins, and an improved product mix in the terminal operations.

Gross margins reduced slightly due to increased disbursements in oil and gas related clearing and forwarding activities in Namibia. Cost management was excellent, with operating expenditure flat year-on-year. Trading profit at R2.3 billion was 7.3% higher and the trading margin, at 26.5%, was up from 25.8% in the prior year. ROFE, at 54.4%, was an excellent return for this capital-intensive division.

Volume pressures were experienced on the bulk grain side, due to the decline in maize export volumes. We handled 4.4 million tonnes in the 2022 financial year, 4.1 million tonnes in 2023, and 2.9 million tonnes in the year under review. On the upside, bulk minerals benefitted from a favourable commodity mix, which more than offset the decline in coal and manganese volumes. Annual increases, improved capacity let, and the commissioning of the butane spheres in Richards Bay supported the bulk liquid and gasses terminal operations. The Namibian operation delivered a standout performance, while the clearing and forwarding business grew profits on the back of higher air freight volumes and new business.

The R0.6 billion project to construct multi-purpose tanks in Richards Bay was successfully commissioned in July 2024 and the Bidvest Board has agreed to spend a further R185.0 million on new fuel tanks, which will be commissioned in the 2026 financial year.

Commercial Products

Amid a highly competitive trading environment in the year, Commercial Products was challenged by significantly slower demand for renewable energy products. However, the division performed admirably in its other operating areas and delivered double-digit profit growth, excluding the renewable impact.

Revenue at R17.9 billion was down 9.9% as renewable sales contracted from R2.5 billion in the prior year to R0.9 billion. Gross margin management was commendable, improving by 200bps, while expense management was exceptional. Trading profit at R1.3 billion was down 9.0%, but the benefit derived from the good gross margin and expense management resulted in a trading margin that was stable at 7.2%.

ROFE, at 22.1%, was down on last year's 30.6%, largely due to the excess renewable stock on hand and lower trading profit.

Of the 18 companies in the division, 12 increased trading profit relative to the prior year, with nine of the 12 delivering double-digit profit growth

Standout performances were delivered by the niche electrical businesses, where the focus is on the robust demand from industrial projects. The Packaging cluster delivered an exceptional profit, mainly driven by increased supply into the automotive export market. The DIY/tools/workwear cluster delivered a strong result after growing market share in the protective equipment and workwear business. The Catering cluster produced a good result, primarily due to the turnaround in the catering equipment business, and the General Industrial cluster delivered a satisfactory result.

Services South Africa

Profitability in all clusters increased, with overall revenue up 12.4% to R11.7 billion, which was an extremely good performance. This mostly organic growth was driven by new business wins in the Security and Aviation cluster, improved volumes in the travel and lounges businesses, increased water and coffee sales, and a maiden contribution from the Interloc acquisition.

The gross margin improved slightly due to a change in the sales mix, with above-inflation expenses largely due to increased trade, higher distribution costs, and the cost of the Interloc acquisition. Trading profit at R1.3 billion was up 18.7%, which was an excellent result, and the trading margin, at 10.8%, was up on last year's 10.2%. Cash conversion was good at 93.6% and ROFE, at 103.9%, was a very pleasing return.

The Travel cluster delivered impressive profit growth off the back of increased inbound travel volumes, which were supported by a weaker rand

The Catering and Hospitality cluster achieved robust growth. There was a solid turnaround from the catering unit, and volumes in the lounges are now ahead of pre-COVID levels and we are in the process of refurbishing and upgrading some of the lounges. The Security and Aviation cluster delivered excellent growth due to increased new business, improved air cargo volumes, and the Interloc acquisition. The Allied cluster performed well as demand for water and coffee grew, indoor plant sales improved, and hotel amenities' volumes increased.

Branded Products

All clusters performed very well, with double-digit profit increases. Overall, revenue was up 10.2% at R12.9 billion, driven by strong organic growth, good retention, and the first contribution from recent acquisitions – Roan Systems, Green Home, and Brandability. Excluding acquisitions, revenue was 7.0% higher.

The gross margin declined slightly due to pricing pressure, exchange rate volatility, higher input costs, and changes in sales mix. Expenses were well managed, increasing only 3.0% but flat on an organic basis. Trading profit at R1.0 billion was an impressive 21.1% ahead of the prior year. Excluding acquisitions, profits were up an outstanding 18.0%.

Operating leverage was strong, with the trading margin at 8.1%, up from 7.3% in the prior year

ROFE, at 38.8%, was significantly higher on the prior year's 33.6%. To add around five points on the return line in one year is outstanding.

Remarkably, 17 of the 22 businesses in this division delivered high, double-digit profit growth. The Data, Print and Packaging cluster achieved an impressive result, driven by improved demand and growth in the hardware and services categories in the barcoding solutions business. The inclusion of the Roan Systems and Green Home acquisitions further boosted this cluster. The Consumer Product cluster delivered a good result due to excellent margin management and cost control, increased sales in the luggage retail stores, and the restructuring concluded in the prior year. The Office Product cluster delivered a tremendous result on the back of increased demand for office furniture and office automation. Efficiencies in the furniture factory also improved and we realised a modest increase in commercial sales in our stationery business. The recently acquired Brandability contributed to the cluster's profit for the first time.

Group chief **executive's report** continued

Automotive

The vehicle trading environment remains extremely challenging due to higher interest rates, cost-of-living constraints on consumers, inventory oversupply, discounting to move stock, and market share declines in some of the OEMs represented.

Revenue at R25.1 billion was up a marginal 0.6%, due mainly to new vehicle volume declines and a small volume increase on the used car side. Gross margins contracted, with most of the impact from new vehicles. Operating expense growth was flat year-on-year, mitigating some of the lost margin but trading profit was still 24.8% lower at R688 million. Consequently, the trading margin declined from 3.7% to 2.7%. ROFE, at 21.4%, was almost half that of the prior year as a consequence of the increase in average funds employed, driven by higher inventory levels and a decrease in trading profit.

In SA, new vehicle sales volumes were down 7.8% relative to an overall dealer market that was 6.2% lower. Dealerships in Namibia delivered an excellent performance. Service and parts sales were resilient. Cubbi was successfully launched and is gaining market credibility.

Several strategic decisions were made to better position the division for a stronger performance, including successfully negotiating dealer representation of complementary Indian and Chinese brands

Financial Services

The turnaround in this division continues unabated and we are pleased with the improved performance. Revenue at R2.5 billion decreased by 7.8%, mainly due to declines in the short-term insurance business, which was impacted by lower vehicle insurance sales. Bidvest Life reduced revenue, while net interest income in Bidvest Bank increased.

Gross margin increased due to fleet disposals, better margins on the loans and advances book, and higher margins on the deposit mix. Operating expenses decreased largely as a result of significant cost savings at Bidvest Bank and Bidvest Life. Trading profit at R642.6 million was up 38.6%, with the investment portfolio contributing gains of R109.6 million. It is very pleasing that profitability returned to pre-COVID levels. The bank's balance sheet reflects a strong and liquid position and remains adequately capitalised, well above regulatory requirements.

A process has commenced to dispose of Bidvest Bank and FinGlobal, while Bidvest Life also remains in a sale process. The remaining short-term insurance businesses focus primarily on vehicle insurance cover and related value-added products. Subsequent to year end, Bidvest Insurance and Compendium were transferred to the Automotive division. This aligns to Automotive's strategy of diversifying into allied automotive services.

Adcock Ingram

Bidvest's shareholding in Adcock increased to 64.8% from 63.0%. Adcock increased market share and maintained its position as the leading pharmaceutical player in the South African private market. It delivered good revenue growth, which was 5.6% higher at R9.6 billion, with trading profit increasing to R1.2 billion, up 5.0%. Adcock's share buyback programme – six million shares over the year – supported HEPS, resulting in a 10.0% increase, and Adcock declared a final dividend of 150 cents per share.

Adding AI to ESG

In FY2021 we developed stringent objectives and launched the Group's first ESG Framework. FY2025 is the final year of this Framework and, as we review performance against targets, we will set new ambitions to positively impact the environment and the communities in which we operate. To achieve this appropriately, and measure our performance more accurately, we are piloting an AI-driven tool that will be at the heart of the ESG data collection process across the Group. This digital tool is being tested in the Commercial Products division and will be rolled out across the rest of our divisions.

Safety in the workplace continues to receive attention and I'm pleased to report that our lost-time injury frequency rate reduced by 30% year-on-year

Unfortunately, we had four workplace fatalities. Our condolences extend to the families and colleagues of these employees. Operationally we reviewed and adjusted our processes and procedures post each event in pursuit of zero harm.

Undertone of positive sentiment

Although market conditions are expected to remain broadly unchanged for our key operating activities, there is a definite undertone of positive sentiment. At the macro level, we are seeing this underway across three pillars.

First, not only did South Africa have a free and fair national election, it was an incident-free national election. A ruling party that had been at the helm for decades lost its national majority for the first time in democratic history, after which multiple parties with differing interests gathered to map out a multiparty framework for the country. And while they were trying to figure this out, we had peace and calm. Power transitions of this nature don't always take place peacefully. This is important because political stability and policy certainty are important for investment. We have a stable political start to the next five years of government, which is a cause for optimism across the country.

Second, reforms in the electricity sector are critical to unlock higher inclusive and sustainable economic growth. We recognise that the recent performance from SA's national energy provider, Eskom, has exceeded all forecasts and is restoring confidence in business, in society, and SA in general. As Bidvest, we are more confidently thinking about domestic investment. As an example, we are planning to increase capacity of our water purification plant, spending more on local sourcing, and increasing our retail footprint by opening more outlets and branches.

Third, in terms of transport and logistics, we accept that more needs to be done, but we are comforted that Transnet's new executive management is in place. They are committed to delivering better infrastructure for the country and are making progress on implementation of the Transnet recovery plan, which is closely aligned to the country's freight logistics roadmap.

The National Logistics Crisis Committee is operating effectively, with business input part of the solution

While we are not likely to see major shifts in the short term, the required work to deliver a long-term sustainable solution is firmly underway.

In the UK and Europe, there are early signs of a more positive macro environment, but the key objectives to lower inflation and interest rates remain important. The sooner we can get there, the better.

Headwinds exist, but there are tailwinds

Operationally, we anticipate low maize export volumes in the first half of the 2025 financial year and we face the elevated renewables base.

We are not certain what normalised levels of renewable energy sales will be, but we believe that the current base remains elevated

Consumer demand will be constrained for some time, and the new GNU may take time to ensure the infrastructure rebuild, so desperately needed across SA, happens with urgency and intensity.

SA remains a cost-effective and attractive travel destination, and it is pleasing the GNU's mission includes elevating the profile of tourism by supporting efforts to grow the sector and demonstrating the sector's impact on the economy and communities. It is generally understood that tourism is one of the country's fastest-growing economic sectors and there is an opportunity to increase employment in this sector. Authorities are focused on a plan to achieve the desired 15 million arrivals by 2030, from 8.5 million international arrivals in 2023.

We believe financial year 2024 was the trough in new vehicle volumes. Our franchise motor retail business is transforming to reflect the structural changes, which sets the business up well for 2025. This increased brand representation includes Mahindra, FAW, JeTour, GAC and LDV dealer points, which are already operational. We expect this mix to support improved trade.

Committed to excellence

My sincere appreciation goes to the 131 326 Bidvest employees who delivered these results with generous dedication

To the management teams across SA, Swaziland, Namibia, Mozambique, the UK, Ireland, Spain, Australia and Singapore, I pass on my gratitude and congratulations. Thank you for your leadership and ongoing commitment to excellence.

My thanks to my fellow Board members for their considered guidance over the years. It has been gratifying knowing that Bidvest has access to this level of expertise to guide us to ensure sound operating and governance philosophies and lead the Group into an exciting future

The new financial year is well underway, and I can already see the enthusiasm to ensure Bidvest moves up another gear.

Mpumi Madisa
Chief executive

Chief financial **officer's report**

Mark Steyn

"We are very happy with this set of results, especially given the context in which they were achieved. The second half of the year was certainly more challenging, particularly in the renewables and automotive sectors. The remaining businesses stepped up and helped produce a good, balanced set of results, across all spheres of trading, cash generation and balance sheet strength. Organic growth was enhanced by M&A, and very pleasing cost control helped achieve strong operating leverage."

Revenue and trading profit

Group revenue was 6.7% higher at R122.6 billion, with double-digit revenue growth in three divisions, Services International, Services SA, and Branded Products. Revenue growth in Freight and Adcock was more moderate. In Commercial Products and Automotive, the slowdown in renewables and new vehicle sales necessitated a focus on product mix and gross margins. Group acquisitions boosted growth by 290 bps.

Gross profit was up 4.6%, with the gross margin declining 60 bps to 28.4%, largely due to higher raw material prices, real wage inflation prevalent in all our jurisdictions, some rand weakness and higher distribution costs.

A stand-out feature of the year was the exceptional expense management

Operating expenses were only 2.4% higher, compared to the revenue increase of 6.7%. On an organic basis, the operating expense increase was a mere 0.8%. Our expense to revenue ratio improved to 18.7%, versus 19.5% last year. The absolute focus on cost containment remains across the Group. The normal inflationary pressures were moderated by some business restructuring and rationalisation, reduced overtime and lower load shedding-related costs, particularly in the second half of the year.

Overall trading profit was up 8.5% to R12.4 billion, with positive operating leverage generated by expense control. Underlying organic growth of 5.6% was achieved. Activity in the second half of the year was slower, as expected, particularly in the lead up to the South African national elections. Trading has subsequently improved.

In terms of the divisional trading profit performances, Branded Products and Services South Africa were outstanding. In Branded Products, the office products and automation businesses were particularly strong, supported by the division's packaging and consumer product offerings. Within Services South Africa, there was a resurgence in travel that also supported our airport lounge business, while security and the sale of consumables into the office environment was robust.

Services International produced very good results, supported by continued strategic M&A, which created enhanced geographic representation, scale and a broader service offering.

The Freight businesses produced pleasing results off an exceptionally strong prior year.

The turnaround initiated in Financial Services last year continued, with improved capital deployment, higher net interest income and very good cost containment.

Adcock's performance was good, 5% higher year-on-year.

While Commercial Products' results were down, this was largely a function of the decrease in load shedding and the commensurate reduction in renewable sales, which was particularly noticeable in the second half of the year. The balance of the businesses in this division performed well, producing double-digit growth.

Automotive's profits contracted materially due to lower demand, meaningful market share shifts and a significant contraction in new vehicle gross margins.

Group HEPS rose 6.6%, and normalised HEPS was up 4.3%

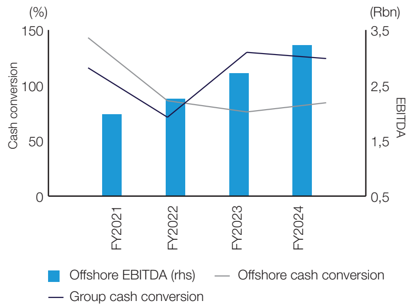
A final dividend of 447 cents per share was declared, bringing the year's total dividend to 914 cents, 4.3% higher than last year. The total cover ratio for the year was 2.15x, which is within the range of 2x to 2.5x normalised HEPS, and in line with the prior year.

Funding profile

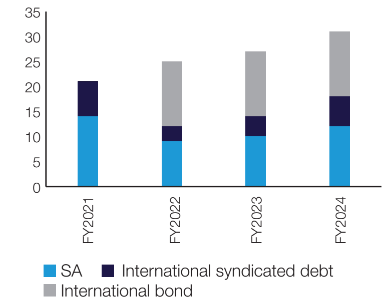
The Group's debt capacity, both internationally and locally, remains robust and is sufficient for the potential acquisition pipeline that currently exists.

We amended the debt mix to be overweight on variable interest rate debt in anticipation of a cutting cycle, both locally and offshore. 54% of our gross debt is now at variable rates as compared to 44% in the prior year. Increased net debt, together with higher average interest rates and a weaker rand, increased our interest costs, although this certainly moderated since half-year. Our average cost of debt was 6.5% pre-tax, up 110 bps from last year.

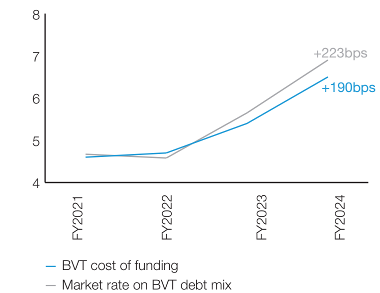
Strong offshore cash conversion supports higher debt



Gross debt mix (Rbn)



Funding cost vs weighted market cost (%)



Gross debt was R31.8 billion, up R3.4 billion, driven by R3.3 billion in acquisitions and R2.1 billion investment in working capital. Net debt, after cash and cash equivalents, was up R3.6 billion to R22.7 billion. Our net debt to EBITDA of 1.7x, was unchanged from last year, which was pleasing given the M&A activity and capital investment that took place over the year. EBITDA interest cover was at 7.0x, compared to 8.2x last year, impacted by higher underlying net debt levels and higher interest rates. We remained well within our covenants.

We continue to maintain a conservative and consistent approach to funding. We hold 63% of our gross debt offshore, while 64% and 81% of our net and gross debt, respectively, is long-term in nature.

Offshore, the net debt to EBITDA was at 4.8x, after the acquisitions of Consolidated in Australia and Rental Hygiene Services in Singapore. This compares to 4.7x last year, so largely unchanged. This metric was 5.3x at half year, directly following the two acquisitions. The reduction in the second half of the financial year is a consequence of the strong cash generative nature of the offshore operations. Domestically, the net debt to EBITDA ratio was at 0.8x.

The debt maturity profile is good, and there are no sizeable maturities in the near term. We continue to monitor the larger international maturities in the context of the interest rate cycle and our M&A pipeline.

Capital structure solid

Bidvest has an ongoing and deliberate process to create and maintain funding capacity.

Internationally, we extended the tenure of the syndicated facility by a further year, and we have one further extension option. There were no other changes in our international funding lines. Domestically two bond issuances were successfully completed at improved spreads and extended maturity. We have a definite refinancing plan for the Eurobond that matures in September 2026.

Chief financial **officer's report** continued

In terms of M&A funding capacity, there is €395 million available in the offshore RCF, and a further R16 billion available domestically. This is more than sufficient for the current M&A pipeline

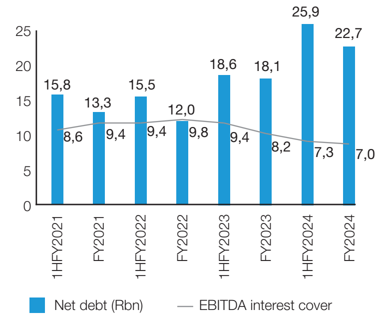
The Group has managed to contain base funding costs below market over the past three years and at the same time expanded the overall debt mix. This is a key strategic focus from a capital management perspective. Equally important is the higher cash conversion we achieved in our international businesses as it supports higher gearing.

Cash generation remains a highlight

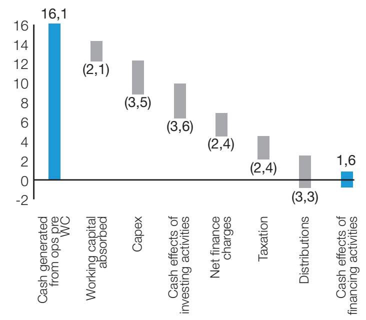
The Group's cash generation and cash flow is always a highlight, and this year did not disappoint. Cash flow was particularly good in the second half of the year and underlying cash generated by operations during the year, before working capital, was up 8.9% to R16.1 billion. Over the year, R2.1 billion was invested in working capital, with a seasonal outflow of R4.6 billion in the first half, followed by a release of R2.5 billion in the second half.

Inventory growth was R0.7 billion, predominantly in Commercial Products, Automotive, and Branded Products. Overall, while stock days moved out, we were comfortable with the quality and the saleability of the stock. Debtors were up marginally by R0.1 billion on better trading in the final quarter and good collections in several divisions. The underlying book was in good shape, with consistent overall ageing. Creditors decreased, following the lower inventory procurement in the final quarter.

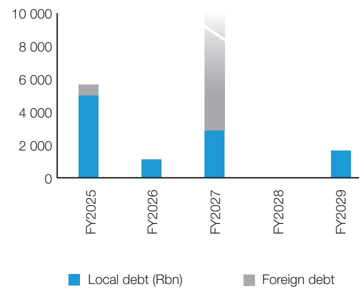
Interest cover



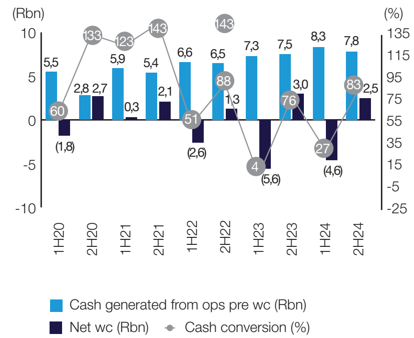
Free cash flow (Rbn)



Debt maturity profile deliberately extended
(Rbn)



Cash generated vs working capital



Cash conversion was higher at 83.4%, compared to 76.4% last year, which was a pleasing improvement. Free cash flow at R8.9 billion, was 20.3% up on last year

Balance sheet remains strong

Bidvest's strategic ambition to pursue scale and growth remains intact. We acknowledge this can only be achieved by maintaining a strong balance sheet, matched by exercising financial discipline through a considered capital allocation approach.

Growth in inventory was in line with revenue performance, except for renewable product sales following the significant reduction in load shedding in SA, and lower new vehicle volumes. Trade payables reduced, reflecting the additional inventory held beyond our normal credit terms.

Capital expenditure over the year was stable at R3.5 billion, compared to R3.4 billion last year. There are several capital projects underway to expand capacity in the Freight division, including the commissioning of multi-purpose tanks shortly after year end.

The two larger acquisitions concluded during the year were Consolidated and RHS, with the balance being a mix of smaller bolt-on acquisitions, both internationally and domestically.

The Group's acquisition pipeline remains positive and, post year-end, we closed a further five bolt-on transactions. We also announced the potential acquisition of Citron Hygiene, a hygiene services business based in Canada, the USA, and the UK, subject to UK Competition and Markets Authority approval.

Conclusion

This past year was a period of very active management. Several key strategic decisions were made, including those that will better position the Automotive and Financial Services divisions for the future.

Bidvest's diversified business model cannot be underestimated and was a key enabler for these results

Once again, our ability to proactively manage and maintain margins and limit expense increases stood us in good stead. Good progress was made on international expansion, where revenues already represent almost a quarter of the Group's total. This will remain a key focus area.

With a proven strategy and the best team, we will continue to strive to operate from a position of strength. I remain very confident about the future and our ability to deliver a strong performance.

Mark Steyn
Chief Financial Officer

Value added **statement**

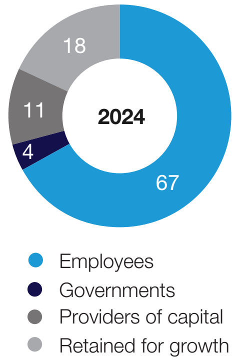
49 Value added statement

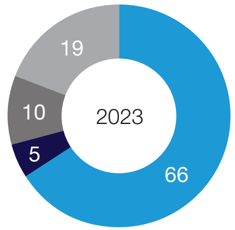
Value added **statement** for the year ended 30 June

"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	2024	%	2023	%
Non-interest revenue	**122 309 811**		114 587 864	
Net cost of raw materials, goods and services	**(65 506 932)**		(63 884 765)	
Wealth created by trading operations	**56 802 879**		50 703 099	
Impairments	**(35 358)**		(139 596)	
Finance income	**1 086 175**		824 713	
Dividend income	**19 965**		18 641	
Total wealth created	**57 873 661**	**100.0%**	51 406 857	100.0%
Distributed as follows				
Employees				
Benefits and remuneration	**38 448 505**	**66.4%**	33 802 430	65.8%
Governments				
Taxation	**2 289 050**	**4.0%**	2 327 902	4.5%
Providers of capital	**6 546 525**	**11.3%**	5 409 691	10.5%
Finance charges	**3 286 296**	**5.7%**	2 508 536	4.9%
Distributions to shareholders	**3 260 229**	**5.6%**	2 901 155	5.6%
Retained for growth	**10 589 581**	**18.3%**	9 866 834	19.2%
Depreciation and amortisation	**4 220 606**	**7.3%**	3 894 145	7.6%
Profit for the year attributable to shareholders of the Company from continuing operations	**6 368 975**	**11.0%**	5 972 689	11.6%
	57 873 661	**100.0%**	51 406 857	100.0%

Value to stakeholders (%)





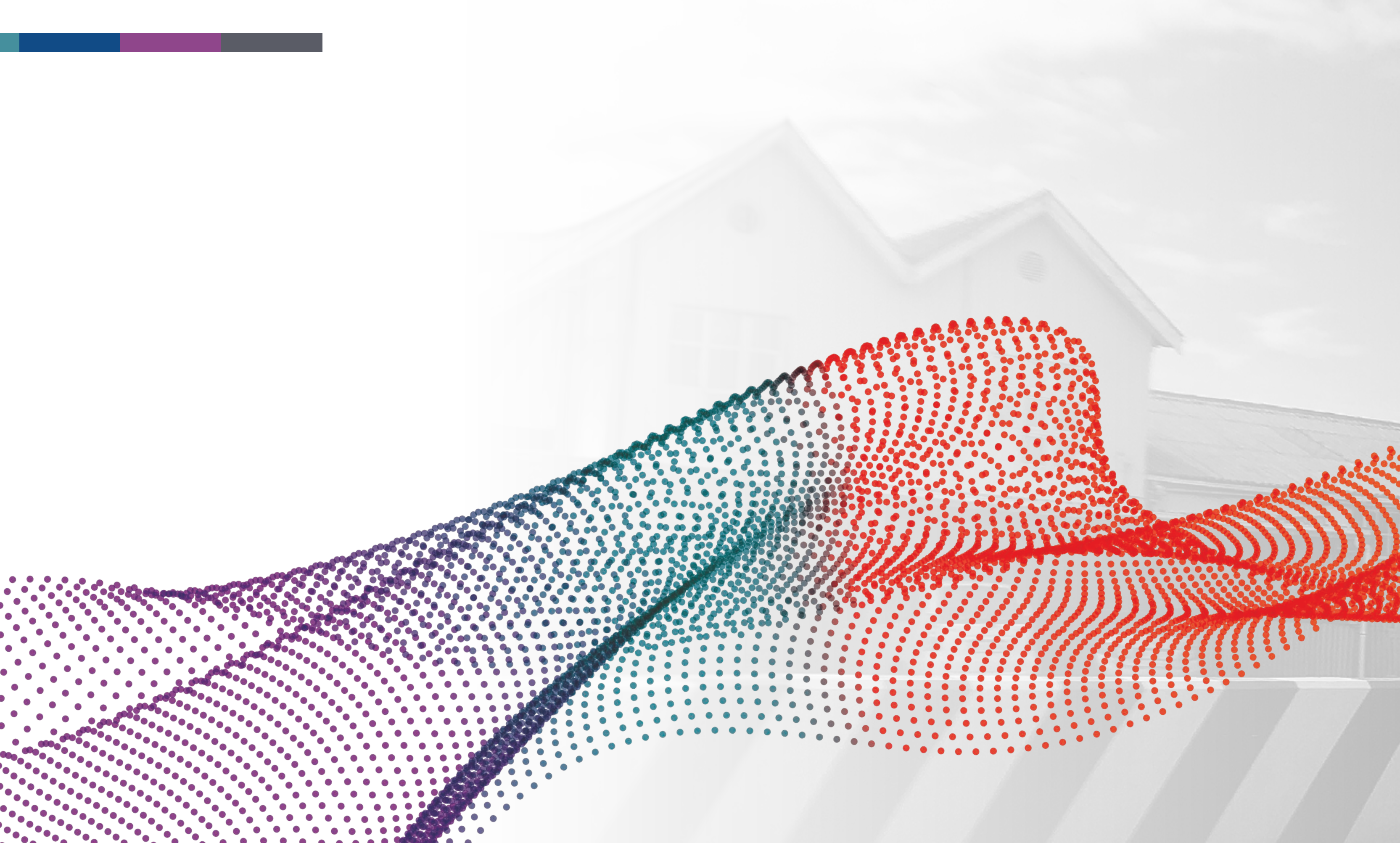
Exchanges with governments

including amounts collected on their behalf

R000s	South African 2024	South African 2023	Foreign 2024	Foreign 2023
Group operations				
Employee taxes	**2 972 118**	2 726 223	**3 438 394**	2 662 672
Company taxes	**2 011 053**	2 047 095	**277 997**	280 807
Value added tax and sales tax	**27 808 380**	27 759 152	**4 045 439**	3 747 470
Customs and excise duty	**5 078 230**	5 839 677	**266 568**	158 029
Other	**131 193**	246 520	**229 830**	53 930
	38 000 974	38 618 667	**8 258 228**	6 902 908

Divisional **reviews**

52 Services International
54 Freight
56 Services South Africa
58 Financial Services
60 Commercial Products
62 Branded Products
64 Automotive
66 Adcock Ingram




PROUDLY
BIDVest
Gundle
PHONE 031-5774771

Business services: **Services International**

Alan Fainman
Services International chief executive

Operating in the hygiene and facilities management sectors in key regions internationally, offering a unique platform for an integrated, customised client solution

Another impressive result was achieved, with trading profit growing by 12.4% to R3.8 billion. This was supported by recent acquisitions, specifically Consolidated in Australia and Rental Hygiene Services in Singapore. These added scale and are delivering in line with expectations.

New, pioneering service offerings are also setting the businesses apart in key competitive segments, including innovations to reduce the environmental footprint of products and services delivered.

Excluding the acquisition of Consolidated in Australia, divisional growth was still respectable at 5.0% despite the rescoping of a significant facilities management contract in SA towards the end of the prior year.

Both the hygiene services and the facilities management clusters, which are broadly equal in size, delivered pleasing increases in revenue and profitability. Revenue from the facilities management businesses grew 19.4% year-on-year, while hygiene growth was 17.2%.

Key operating regions have experienced cumulative wage growth of 25-30% over the past few years, which is well ahead of overall inflation. This has necessitated closer scrutiny of costs.

Cash generation was excellent, and ROFE remained stable at 133.0%.

Hygiene services: In SA, there has been good new business success with technology and innovation driving improvements in added value, efficiency and client retention. Well-controlled expenses were another highlight of the year. Steiner again delivered superbly well with an excellent contribution from the pest division. In the UK, despite a constrained economy, PHS had a pleasing year and delivered good profit growth. Washroom service contracts have contributed well, while some of the smaller, specialised businesses have taken a level of strain, but these have been reviewed and there is already some recovery. PHS' cash generation has been excellent, and there is good hygiene growth and lower client attrition expected, while potential bolt-on acquisitions are being pursued. In Australia, 'greenfields' hygiene offerings have been introduced and the ambition of achieving scale has been supported by the acquisition of Pure Hygiene. Since entering the hygiene services market in Singapore, investments have been made in people, systems and processes to gear the business to capture growth opportunities.

Facilities management: In the UK, Noonan had a difficult year as client retention and securing new business proved challenging. Corrective action has been taken and is starting to yield benefit. Business momentum has remained pleasingly solid in Ireland. These businesses remain at the forefront of innovation and delivering solutions that assist customers in fulfilling their sustainability ambitions. Organically, profit growth at BIC in Australia was subdued due to a negative revenue mix and input cost pressure in a challenging economic environment with the property sector under real pressure. New business wins were reasonable and Consolidated performed in line with expectations. The integration of BIC and Consolidated has been brought forward and is currently in progress. In SA, Prestige recovered extremely well, with its cost base reset and new business targets achieved. Bidvest Facilities Management delivered a satisfactory performance from key accounts, and the restructured cost base has contributed to mitigating the rescoping of a significant contract.

Driving successful innovation

The heightened interest and needs within the global hygiene and facilities management sectors are demanding rapid efficiency and cost containment change. Technological developments and innovations, in many instances industry leading, are being implemented with added urgency across the division.

Among many initiatives, there is virtual reality training, electric cargo motorbikes, male incontinence bins, nitrogen powered aerosols and producing energy from waste. at several customer sites.

New technologies, being pioneered in SA, Australia, Ireland and the UK, are moving beyond bathrooms to boardrooms, office and desk occupancy, water flow, air quality, monitoring of technical support, among other aspects. The use of IoT, for example, is addressing common issues like empty soap dispensers or toilet paper shortages, among many operational requirements. There are also key initiatives to provide stakeholders with a comprehensive view of assets under management, the state and utilisation thereof, and the resultant servicing requirements to deliver a pleasant environment.

Noonan has expanded its ‘cobotic’ cleaning fleet to great effect. Where Noonan collects waste, bio-processor units were introduced, which convert food waste into soil within 24 hours, reducing waste pick-up volumes by 80%. PHS’ vehicle fleets have been fully replaced with more fuel efficient, EV or hybrid vehicles. An energy from waste strategy at PHS has been augmented by a waste reporting tool that includes emission data, which can be used by customers in their own carbon reporting. PHS’s new generation hand dryers have no plastic packaging, and the energy usage has also been reduced.

Looking ahead

There have been exciting new contracts secured, which are expected to contribute positively into the future. Inflation, pricing pressures and cost of living remain a feature.

The SA market is showing good signs of recovery.

Additionally, collaboration and innovation across borders is drawing on best practice across all operations, and these synergies will provide better efficiencies and cost management.

Specifically, the integration process underway in Australia will be positive as synergies, in terms of both revenue and costs, are delivered and as this business pursues its growth ambitions, and adds to its scale.

There is an intense focus on customer experience across all regions and this, together with additional innovative services, is expected to drive a level of future growth and profitability.

Financial performance

Revenue	R39.4bn	+19%
Trading profit	R3.8bn	+12%
Trading margin	9.6%	-50bps
EBITDA	R4.4bn	+12%
Funds employed	R2.8bn	+12%
ROFE	133.0%	-10bps

Non-financial performance

African appointments*	63%
Female appointments**	49%
LTIFR	0.83%
Local procurement with B-BBEE L1-4 suppliers	93%
ALICE™ score	27%
Emission intensity (FY24/FY19)	-36%
Water intensity (FY24/FY19)	-64%

* Top, senior management
** Middle management

Divisional **reviews** continued

Business services: **Freight**

Wiseman Madinane
Freight
chief executive

A leading private sector freight management service provider in sub-Saharan Africa. The division facilitates the storage, handling and movement of cargo through its independent terminal operations, as well as international clearing and forwarding, logistics and marine services

Notwithstanding double-digit percentage growth reported over the previous two years, another solid trading profit has been delivered this year, up 7.3% to R2.3 billion. The second half of the year was somewhat constrained due to the seasonal trend of lower agricultural volumes.

This overall growth continues to be driven by annual rate increases, global demand for minerals, SA demand for LPG, as well as a positive price mix, specifically in the terminal businesses. Declining maize exports and lower rice imports were offset by an increase in wheat and fertiliser imports, and exports of soybeans, copper and chrome.

Operating costs were well controlled.

The division's expansion programme is well underway with the butane spheres at Bidvest Tank Terminals now successfully commissioned, while the new multi-purpose tanks were commissioned post year end. Further growth investment is being directed toward new fuel tanks, with several opportunities being explored in SA and Namibia.

Buoyant oil and gas activity as well as higher dry bulk volumes imported and exported via Namibian ports, resulted in a phenomenal result.

International clearing and forwarding operations benefitted from new business wins and the consolidation of the warehousing and road freight business units is yielding good synergies.

The restructuring and repositioning of activities linked to railed container services started to bear fruit.

Despite continued capital investment, the ROFE remained stable at 54.4%.

Bidvest Tank Terminals: Profit growth was largely a consequence of improved capacity, with a pleasing 6.0% increase in volumes, and strong gas demand. Chemical and fuel volumes were higher, but base- and hard-oil storage contributions were lower. Additional revenue was also derived from the newly commissioned butane spheres tanks, as well as increased LPG handling.

Bidvest International Logistics: There has been positive operating leverage, with a good growth in profit, driven largely by higher volumes and new business wins in both international and overland logistics. This was further aided by higher interest rates and exchange rate fluctuations. The overland logistics product continues to expand its footprint in SA, with additional sites as well as services offered at customer sites. There are improved service levels as well as synergies from consolidating the warehousing and road freight business units.

South African Bulk Terminals: The second half of the year slowed considerably, given no maize movement. The lower maize and rice volumes were not completely offset by the higher wheat, soybeans and sorghum volumes. The decrease in volumes was balanced by annual rate increases and additional storage contracts secured. Competitor activity is increasing for wheat imports, which has led to enhanced customer engagement and interaction.

Bulk Connections: The planned and strategically aligned higher-value product mix has delivered the expected profit growth. Improved volumes were reported for chrome and ferrochrome, but manganese and coal movements were lower, particularly in the second half.

Bidfreight Port Operations: There was reduced profitability as a result of lower mineral and steel volumes handled, although fertiliser activity was strong. The decline in volumes handled was predominantly in Durban and Saldanha Bay, partly offset by the other coastal stevedoring regions.

Manica Group Namibia: Higher oil and gas activity, copper concentrate and fertiliser movements, ensured an extraordinary result. All businesses reported growth, and trading in the last quarter was strong.

Bidvest SACD: While a business turnaround was achieved, the full growth recovery remains underway. The focus has been on increased business development efforts, with alternative service offerings to customers, as well as cost-cutting. This year's improvement is also a result of additional operational restructuring efforts in certain areas.

Naval: Less coal volumes were handled, which affected the changed business mix.

The **Marine Services** unit, which includes Ships, Surveying, Protection, and the Indemnity Agency, has restructured to expand into this market.

Efficiency through innovation

A transformative journey into harnessing the power of AI, machine learning and Optical Character Recognition is underway within the division. The logistics industry has long relied on paper-based processes, which is time consuming and prone to errors. Areas have been identified to significantly enhance internal business processes, augmented by machine learning capabilities.

This should lead to improved customer service, a reduction in the new business cost, and increasing competitiveness, as well as improved data quality and efficiencies.

Additionally, a system to improve the weighbridge operation, for better efficiency and safety, is also being implemented, while risk assessments for the storage tanks are now being measured using advanced technologies.

A waste management system has also been upgraded.

Looking ahead

No maize shipments are expected to be handled in the first half of the 2024/25 financial year, which will impact trading.

In Bidvest Tank Terminals, the additional fuel tanks, which should be complete towards the end of the 2024/25 financial year, will add to future profitability.

Bulk commodity handling should remain robust. Maize and soybean crop estimates are low, reducing the likelihood of exports; rice imports are expected to reduce, largely due to cheaper alternative food prices, but wheat imports are expected to remain strong.

Bidvest International Logistics' commercial and business development team continues to focus efforts on sourcing new business.

The division remains actively engaged with regard to investment opportunities in SA, Mozambique and Namibia, but greater activity in the country is attracting additional competition.

Financial performance

Revenue	R8.8bn	+5%
Trading profit	R2.3bn	+7%
Trading margin	26.5%	+70bps
EBITDA	R2.6bn	+6%
Funds employed	R4.3bn	+11%
ROFE	54.4%	-180bps

Non-financial performance

African appointments*	60%
Female appointments**	40%
LTIFR	1,21
Local procurement with B-BBEE L1-4 suppliers	92%
ALICE™ score	27%
Emission intensity (FY24/FY19)	-36%
Water intensity (FY24/FY19)	-27%

* Top, senior management
** Middle management

Divisional **reviews** continued

Business services: **Services South Africa**

Akona Matsau
Services South Africa chief executive

Operates across multiple sectors, offering a comprehensive and diverse range of service capabilities, comprising security, travel, hospitality, catering and various allied products

New business wins, unrivalled service and product bundling, as well as strong inbound leisure travel, culminated in excellent profit growth of 18.7% to R1.3 billion.

There were impressive results in the Security and Aviation, Hospitality, and Travel clusters all reflecting double-digit growth, together with pleasing results from the Allied cluster.

The Security and Aviation cluster, the largest in this division, delivered pleasing new business growth as its strategy to bundle security services, as well as its technological innovation in tracking and access, set these businesses apart in a very competitive market. There were also excellent new contract sales achieved, and the acquisition of Interloc proved hugely accretive and value-adding to the cargo service offering.

In the Hospitality and Catering cluster, passenger volumes through the multiple airport lounges exceeded pre-COVID volumes. This, together with improved catering contract profitability, resulted in an exceptional result.

In the Travel cluster, the inbound leisure market was particularly buoyant; while corporate travel demand was subdued, it remained resilient with good growth in conferencing and events. We are watching potential global agent consolidation and system disaggregation closely.

The Allied cluster reflected steady growth with bottled water demand continuing to grow, and investments were made in rental assets that generate recurring revenue in laundry and garment services.

Cash generation was good, and ROFE remained stable at 103.9%.

Security and Aviation: Very good profit growth was delivered by most companies, particularly Protea Coin and Bidair Cargo. Protea Coin's result was particularly impressive given the highly competitive trading environment. Reduced pricing to secure or retain business has placed increased pressure on margins. Major contributors were the Reaction Unit, Mining and Guarding, all off the back of new business and additional *ad hoc* services rendered. Bidtrack's sales increased, driven by a higher customer base, while Bidair Cargo was boosted by Interloc, but the lower demand for air freight remains evident, with further cost savings and efficiency measures implemented. Vericon produced a good result mainly due to improved operating performances and GPT was constrained by the economic environment, leading to weak demand. SACO delivered a pleasing annual result, considering the environment, managing to stabilise its existing customer base, and grow the business into new sectors and territories. ClickOn's focus on both software and hardware related improvement projects to enhance its competitive advantage has been successful. UDS was severely impacted by price reductions and reduced high-margin business, with cost saving initiatives implemented.

Travel: Profits were higher, driven by resilient corporate trade and inbound leisure travel outperformance. In corporate travel, there were some good months of trade and a limited negative impact from the SA elections. There have been volume losses in certain areas, but growth in new accounts. There was an increase in conferencing and events within SA and on the rest of the continent. The inbound leisure businesses also delivered a solid result, despite a reduced traditional holiday season, and the year ended with a very strong future order book.

Hospitality and Catering: An outstanding result was delivered, with significant progress in securing contract retention and extensions, while important new client contracts were also signed. Food inflation was better managed towards year end. The Lounges business has had phenomenal success on the back of increased volumes and increased rates, and an infrastructure refresh programme is currently under way across all sites.

Allied: There was a satisfactory performance over the year driven by exceptional trading performances from Aquazania, Execuflora and HAS, where the bolt-on acquisition of Just Pure was secured, and cross border revenue increased. These three entities produced record breaking trading profits and strong double-digit growth.

It was, however, a more difficult year for Top Turf, which lost a key contract. Laundries experienced a tough year with new rental asset deployment and critical new equipment acquired.

A drone and a K9

Drones and K9s have come together to deliver a comprehensive and effective security service for Protea Coin. Drones can provide detection across vast areas and provide excellent visuals to lead ground tactical teams to suspects. In some instances, dense vegetation, uneven and treacherous terrains, makes it difficult to reach suspicious people. K9s, which are faster and more agile, have now been trained to follow the sound of a drone, and lead the dog to a suspect. This is in a trial phase, but it could provide a safer and more effective way to ensure security operations.

SACO has redesigned its network access point hardware controller to include tamper detection and alerting features, enhanced data protection as well as broaden the application scope beyond reader control.

GPT has designed a new front-end module for a Cash Deposit Machine that allows its banking customers to tie cash deposits to individuals, effectively an integrated and automated KYC feature.

UDS designed and built a fit-for-purpose mobile drone unit that has reduced downtime, while also improving working conditions in remote deployment.

A cloud-based chemical dosing system was introduced for use in the laundries at First Garment Rental, which allows for easy monitoring of and adjustments to chemicals used, saving significant input costs and damage to garments and linen.

Looking ahead

Although each business is unique in respect of their trading environments, the conditions and the general business landscape have become increasingly challenging. Despite this, the unparalleled service and product offering, and bundling, across the division will continue to drive new business.

Good new business secured in key areas will add to future profitability.

Inbound travel volumes are expected to remain buoyant.

The acquisition of Wearcheck, a condition, monitoring specialist business, is starting to demonstrate new growth opportunities and will further diversify the SA service offering in this growing market.

Competitor activity is increasing in the security and catering sectors and various measures are being introduced to continue enhancing the offerings.

Financial performance

Revenue	R11.7bn	+12%
Trading profit	R1.3bn	+19%
Trading margin	10.8%	+60bps
EBITDA	R1.7bn	+19%
Funds employed	R1.2bn	+20%
ROFE	103.9%	-154bps

Non-financial performance

African appointments*	54%
Female appointments**	40%
LTIFR	0,87
Local procurement with B-BBEE L1-4 suppliers	86%
ALICE™ score	27%
Emission intensity (FY24/FY19)	-44%
Water intensity (FY24/FY19)	-53%

* Top, senior management
** Middle management

Divisional **reviews** continued

Business services: **Financial Services**

Hannah Sadiki
Financial Services chief executive

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

The turnaround momentum was maintained, and trading profit has continued to improve. This year's profit was 38.6% higher at R642.6 million, with the core business trading profit increasing by 62.8% to R533.0 million. Investment income declined by R26.6 million.

As announced on 3 July 2024, a strategic decision was taken to dispose of Bidvest Bank and FinGlobal, as dedicated financial services ownership is required for the continued sustainability and prosperity of these companies.

Bidvest Bank performed well, driven by growth in the loan book and higher interest rates, resulting in strong net interest income growth. Modest non-interest revenue growth was impacted by a stable leasing book, despite the better forex result. There was a favourable funding mix, with 24.1% higher loans and advances, and 3.2% leased asset growth. The deposit base grew by 4.2% to R8.3 billion and all regulatory ratios remained very healthy. Good cost control culminated in an improved cost-to-income ratio. Pleasing client growth across distribution channels resulted in net positive capital deployment.

FinGlobal delivered excellent trading profit growth, with record-breaking results, driven by strong financial emigration demand.

Bidvest Life showed a pleasing turnaround. The sale process is continuing.

The insurance and related businesses achieved muted gross written premium growth, given the downturn in vehicle sales and a tight insurance market.

Good progress has been made in terms of strategic technology upgrades and migration to enhance operational efficiency.

Costs were well contained across all businesses and ROFE improved to 20.2%.

Technology driving better client interaction

Bidvest Insurance has introduced technology to better manage the claims system, while Bidvest Bank has automated its source-to-pay process. In addition to efficiency gains in the financial operations, supplier management, governance and risk management have been enhanced.

To streamline interaction with clients, FinGlobal launched an app for clients to book forex deals, which has reduced interaction time by 60%; similarly, Bidvest Life launched an app for its financial advisers to improve communication.

Disposal process of Bidvest Bank and FinGlobal progressing. Management aims to identify suitable acquirer/s by end 2024.

Bidvest Life sale ongoing.

Division will cease to exist subsequent to year end.

Looking ahead

Financial performance

Revenue	R2.5bn	-8%
Trading profit	R0.6bn	+39%
Trading margin	25.2%	+820bps
EBITDA	R0.9bn	+29%
Funds employed	R3.2bn	-8%
ROFE	20.3%	+670bps

Non-financial performance

African appointments*	43%
Female appointments**	45%
LTIFR	n/a
Local procurement with B-BBEE L1-4 suppliers	84%
ALICE™ score	37%
Emission intensity (FY24/FY19)	-34%
Water intensity (FY24/FY19)	-81%

* Top, senior management
** Middle management

Divisional **reviews** continued

Trading & distribution: **Commercial Products**

Howard Greenstein
Commercial Products
chief executive

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

A satisfactory result was delivered, despite trading profit declining by 9.0% to R1.3 billion. The significant contribution from renewable product sales in the prior year, which were not repeated, was the main reason for the reduction.

The improved gross margin and flat operating costs limited the negative operating leverage as the balance of the division delivered a superb result. There was profit growth from 12 of the 18 operating companies in the division, despite fierce competition in a stagnant market.

Within the Trade cluster, the biggest profit contributor to the division, the specialist electrical businesses performed strongly as industrial and commercial demand for engineering solutions continue unabated, while the plumbing wholesale operation held its own as range extension initiatives in the solar and water segments yielded benefit.

In the DIY/Tools/Workwear and Packaging clusters, improved factory recoveries and healthy sales, together with tight cost management, culminated in exceptional growth.

The Warehousing and General Industrial clusters delivered higher profits regardless of noticeable revenue mix changes, while the Leisure cluster delivered a poor result as discretionary spend declined.

Improved gross profit margin and flat operating expenses were a highlight, but working capital absorption, particularly in renewable inventory, needs attention.

Overall operating expenses were exceptionally well contained. ROFE declined to 22.1%.

Trade: The reduced renewable sales severely constrained Voltex Wholesale and Waco, but commercial demand, specifically project work in Cabstrut and Voltex MVLV, resulted in strong profit growth. Electech Power Solutions is undergoing strategic changes, with new management in place, and the Eagle Lighting result was good. Plumblink's performance was solid with newly introduced solar and water-related products, seen as a robust future growth area, starting to contribute.

Industrial: The Buffalo Tapes and Afcom combination, formed to provide a stronger packaging offering, is proving successful. Buffalo Tapes capitalised on strong automotive exports. Berzacks' performance was stable, and there are pleasing signs as it further strengthens its market position. Burncrete performed well, and Renttech held its own. Warehousing delivered a respectable result, driven by both Bidvest Materials Handling and A² Forklift.

DIY/Tools/Workwear: An excellent result from G Fox was achieved on the back of factory efficiencies and strong orders. Academy Brushware, now merged with MotoQuip, increased profits as additional sales were secured, with the expected leveraging of the route to market and customer base still to fully materialise. Matus was impacted by the DIY decline, and a refocus is underway to improve sales.

Catering: Vulcan capitalised on export sales and benefitted from the repurposing of the business to outsourced manufacturing, which has strengthened the margin considerably. King Pie's results reflect consumer pressure in the market, but the retail sector is presenting an opportunity. New franchise outlets continue to be opened.

Leisure: The significantly reduced discretionary spending on leisure products sold by Yamaha, resulted in a considerable decline in profitability. The music product portfolio is being reassessed and consideration is being given to additional remedial measures across this cluster.

ESG reporting tool leveraging artificial intelligence

To streamline and improve the data collection process essential for environmental ESG reporting, a technology partner has been engaged to pioneer an innovative solution that enhances data accuracy and completeness, in a cost-efficient manner. This solution integrates AI capabilities into Robotic Process Automation, eliminating manual data extraction. This tool was successfully piloted within Plumblink and is starting to be introduced at the various other business units.

At Afcom, a tool has also been designed to effectively quantify the business' value proposition, which is able to compare Afcom's offerings with those of its competitors.

Voltex has introduced cost-effective combinations of power inverters, lithium batteries, and solar panels, as 'combo-kits', that address the needs of diverse customers.

At Academy Brushware, product packaging now includes a code that provides consumers with a direct link and access to product information, and to manage a high volume of waste at G Fox, a programme is underway to recycle this waste into sporting equipment.

Looking ahead

The order book for commercial engineering solutions is healthy and will be delivered over the next three years. However, renewable energy sales to consumers will remain challenging during the first half of FY2025.

Commercial demand for alternative energy solutions expected to remain robust.

There are opportunities for volume growth in the energy, water and industrial sectors as well as cross-border exports.

Various strategic restructuring processes underway are expected to yield benefits. Innovation and product enhancement across multiple businesses is expected to be beneficial.

The expected delivery of SA's infrastructural development programme should be a major boost to the businesses in this division.

Financial performance

Revenue	R17.9bn	-10%
Trading profit	R1.3bn	-9%
Trading margin	7.2%	flat
EBITDA	R1.4bn	-8%
Funds employed	R5.9bn	+26%
ROFE	22.1%	-850bps

Non-financial performance

African appointments*	49%
Female appointments**	35%
LTIFR	1,38
Local procurement with B-BBEE L1-4 suppliers	68%
ALICE™ score	27%
Emission intensity (FY24/FY19)	-37%
Water intensity (FY24/FY19)	-26%

* Top, senior management
** Middle management

Divisional **reviews** continued

Trading & distribution: **Branded Products**

Gail Solomon
Branded Products chief executive

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

Product innovation and extended ranges to meet shifts in customer demand, together with tight cost control, resulted in Branded Products' outstanding trading profit result of R1.0 billion, 21.1% ahead of the prior year.

There was a strong finish to the year, with good client retention and new business secured despite persistent price reduction pressure. All three clusters delivered double-digit profit growth.

The Office Products cluster benefitted from impressive office furniture sales focused on innovative, cutting-edge workplace wellness products, an expanded offering, strong office automation sales as well as an acquisition in the promotional and corporate branding space.

Despite price pressures, a negative revenue mix, the collapse of the SA Post Office and the scrapping of e-Tolls, the Data, Print and Packaging cluster delivered a strong result. Bolt-on acquisitions augmented the product range to include sustainable biodegradable packaging, and additional mobile computing and barcoding solutions to deliver on changing customer needs. Existing businesses continue to supply basic printing and packaging solutions in the most cost-effective manner. Margins were under some pressure with the sales mix in the Data business constrained by market conditions, competitive pricing in the packaging segment and increased material costs. The expanded product range, factory efficiencies and good cost control culminated in a strong result regardless.

Notwithstanding depressed consumer demand, the Consumer Products cluster benefitted from product innovation as well as efficiency gains.

Tight operational cost control was again a feature throughout the division.

ROFE improved to an impressive 38.8% from 33.5%.

Data, Print and Packaging: Within the printing sector, Lithotech, Rotolabel and S&N Labels produced exceptionally strong results. This was off the back of improved demand from existing customers, specifically the FMCG sector, and the inclusion of recently acquired Green Home Products, which offers a range of environmentally friendly food packaging products. The packaging businesses had a tough year as customer pressure to reduce prices had an impact on revenue and margins, but support from retail and food sectors drove Sprint, Masterpack and Aluminium Foil Converters higher. Mobility had a strong performance off the back of the Roan and PDC acquisitions and growth in the hardware and services categories. Data reported an overall decline in performance due to the SA Post Office business rescue impact, the scrapping of the tolls in Gauteng as well as customers moving from outsourced to in-house solutions. The Data business has started a restructuring process.

Office Products: Waltons continues to produce excellent results, supported by a very good result from the Namibian business and a maiden contribution from newly acquired, Brandability. In SA, Waltons experienced headwinds from a disappointing back-to-school performance and retail sales remained flat. Konica's machine and copy sales increased, with good growth from Develop, a provider of printing systems. There was another very pleasing result from Cecil Nurse as product innovation continued, with good growth driven by improved performances in Western Cape and Gauteng.

Consumer Products: An excellent result was delivered as the restructuring in the prior year is starting to yield benefit. There were very good, year-on-year, profit increases from Silveray, Interbrand and Kolok: Silveray successfully targeted new customers to counter the aggressive pricing strategies of competitors; Interbrand/MIC experienced reduced handbag trading, but this was offset by growth in luggage sales; and Kolok's increase was driven by higher graphics supply, as well as Epson and Canon sales. Coming of a low base, Home of Living Brands was also higher, although appliance sales and cartridge volumes contracted. New products were added through innovation and new agencies secured.

Innovative products to fulfil customer needs

Furniture solutions for the modern workplace, including research on the link between wellness and ergonomics, are being introduced, as are innovative appliance products for the more eco-conscious consumer, like rechargeable circulation fans and cordless food preparation tools, among other products. Bidvest Mobility and Bidvest Data worked together to deliver a solution that enhanced a large retailer's supply chain, and Konica Minolta has deployed numerous technology-enabled business enhancement initiatives.

Waltons has launched, @Speed, a quick response online store and delivery offering to capture the growing online market, and introduced store-in-store copy and courier services centres.

Across many of the companies, materials are being changed to remove plastic packaging. Silveray, for example, has saved 1.7 tonnes of plastic by modifying packaging for Croxley highlighters, pens, pencils and wax crayons.

Looking ahead

The carefully considered strategy of expansion and product innovation, organically and through bolt-on acquisitions, continues unabated.

The outlook for 2025 is positive, with the focus on commercial initiatives as well as the completion and integration of recent acquisitions.

Specifically, the retail and food sectors are expected to remain buoyant, and the back-to-school period will continue to add positively to sales. Digital products and mobility plans are providing encouragement for good growth.

Investments in technological capability and infrastructure will be a priority for this year.

Linked to all of this, is the imperative to continue building high-performance teams with a focus on innovation, inclusivity, diversity and equity in all businesses.

Financial performance

Revenue	R12.9bn	+10%
Trading profit	R1.0bn	+21%
Trading margin	8.1%	+80bps
EBITDA	R1.1bn	+19%
Funds employed	R2.7bn	+5%
ROFE	38.8%	+530bps

Non-financial performance

African appointments*	52%
Female appointments**	55%
LTIFR	1,54
Local procurement with B-BBEE L1-4 suppliers	82%
ALICE™ score	28%
Emission intensity (FY24/FY19)	-29%
Water intensity (FY24/FY19)	-48%

* Top, senior management
** Middle management

Divisional **reviews** continued

Trading & distribution: **Automotive**

Carla Seppings
Automotive chief executive

One of SA's largest motor retailers, which sells vehicles through a national dealership network and offering vehicle insurance and related value-added products

Annual profit declined by 24.8% to R688.0 million. While disappointing, the result is understandable given the weak and very competitive automotive trading environment. It has resulted in excess new inventory, margin pressure and negative operating leverage.

Consumers are experiencing considerable strain on disposable income, negatively impacting demand. McCarthy's new vehicle unit sales declined 8%, which is more than SA's reported average for the automotive industry, at 6%. The decline is largely due to the current brand mix being misaligned to demand trends.

During the year, several new brand owners were engaged to secure representation, with good success achieved. Dealer points for Mahindra, FAW, JeTour, GAC and LDV have and are being added. Strong support will continue for the traditional brands represented.

The number of used vehicles sold grew slightly, by 1%, with the focus remaining on sourcing good reasonably priced vehicles and expanding activity levels. It has been important to align the expense base appropriately.

The 100bps decrease in margin realised, together with an extra R1.0 billion in funds employed, mainly in new inventory, resulted in ROFE almost halving to 21.4%.

Franchise dealerships: The market remains to be extremely competitive. This is expected to continue for some time due to an over-supply situation. The luxury vehicle segment is under pressure, but the commercial vehicle businesses have held-up better than expected, and fleet sales grew. The new imported vehicle brands continue to disrupt the market, and the McCarthy portfolio is being aligned to current demand trends with a strategic reset well underway.

Independent motor retail: Cubbi has been launched with all internal processes and systems to support the expansion programme now in place. The physical footprint is being increased and additional technology has been deployed to scale the business cost effectively. Burchmores has reassessed its brand positioning, and subsequently re-energised the brand with a new business focus and an increased number of monthly auctions.

Allied automotive services: Despite consumer affordability challenges, after-sales activity has held its own. The focus has been on enhancing and securing services that will enable growth in a shrinking car park. This includes an increase in out-of-warranty and service plan volumes.

Post year end, the Dekra acquisition concluded, which will introduce vehicle testing and inspection services. The Serco acquisition has also been finalised, which provides market access to the manufacture, sale, rental and repair of new light- and heavy-duty insulated, as well as dry freight, truck bodies and trailers.

Enhancing client contact through innovation

Cubbi is introducing technology into operations to change how it interacts with potential clients. One of the most critical success factors at Cubbi, especially as the brand gets established in the market, is speed, and an advanced AI service is being used that effectively provides sales and other services beyond working hours. The system is becoming more adept at predicting client needs and providing timely, relevant responses.

The Bidvest McCarthy Parts Portal system, an integrated parts order management system originally for internal use, has been repurposed and now also contributes to revenue generation.

Looking ahead

While the local vehicle market is expected to remain under pressure, the new brand representation is anticipated to contribute positively to McCarthy.

SA taxi sales have collapsed and are not expected to recover until the industry finds a sustainable funding solution.

The short-term insurance businesses, recently transferred from the Financial Services division, which focus primarily on vehicle insurance cover and related value-added products, aligns to the strategy of diversifying into allied automotive services. These, as well as the recently acquired Dekra and Serco businesses, will add scale and reduce profit cyclicality. These steps are expected to add to future divisional results.

Opportunities to advance the diversification strategy to deliver end-to-end automotive solutions have been enhanced, and the divisional executive team has been restructured to focus on delivery.

Financial performance

Revenue	R25.1bn	+1%
Trading profit	R0.7bn	-25%
Trading margin	2.7%	-100bps
EBITDA	R0.7bn	-25%
Funds employed	R3.2bn	+36%
ROFE	21.4%	-1 960bps

Non-financial performance

African appointments*	23%
Female appointments**	32%
LTIFR	0,26
Local procurement with B-BBEE L1-4 suppliers	87%
ALICE™ score	28%
Emission intensity (FY24/FY19)	-27%
Water intensity (FY24/FY19)	-40%

* Top, senior management
** Middle management

Divisional **reviews** continued

Adcock **Ingram**

Andy Hall
Adcock Ingram
chief executive

A leading pharmaceutical manufacturer that markets and distributes a wide range of healthcare products and is a leading supplier to both the private and public sectors of the market. Bidvest owns an effective 64.8% share in Adcock Ingram

A very pleasing result with a good trading performance, coupled with excellent cost control, resulted in the business delivering a 4.2% improvement in trading profit to R1.2 billion, and double-digit HEPS growth.

Strong cash generation facilitated the continued return of value to shareholders, including the repurchase of 6 million shares and 10% growth in dividends.

Revenue during the year under review increased by 5.6% to R9.7 billion from R9.1 billion previously. This was supported by a better price realisation and product mix benefit. Organic volumes declined by 0.8%, a satisfying recovery from the 5.0% decline experienced in the first six months of the financial year. The second half of the financial year benefitted from increased demand for winter products, driven by a rise in cold and flu cases and other respiratory illnesses.

Operating expenses have been exceptionally well controlled and decreased by 0.9%, despite the favourable sales variance, general inflationary pressures and salary increases.

Cash generated from operations, after working capital, was R1.2 billion, from R1.1 billion.

The Board declared a final dividend of 150 cents per share for the year ended 30 June 2024.

The Consumer Division competes in the healthcare, personal care and home care segments of the market. Turnover, which was impacted by limited consumer spend, increased by 3% with seven of the top ten brands in growth. Epi-Max and Bioplus both achieved impressive double-digit growth and surpassed R300 million in sales for the first time. Gross margin ended lower than the prior year, adversely affected by cost push from suppliers, the weak Rand and the inclusion of the E45 skincare range at a lower average margin. With good cost control, trading profit of R362 million was realised, an improvement of 2%.

The OTC Division leads the market with well-established brands across pain relief, coughs, colds and flu, digestive health, and allergy treatments through the pharmacy channel in SA. Revenue increased by 8%, driven by higher demand for winter products due to a rise in cold and flu cases, and other respiratory illnesses. Brands such as Corenza C, Citro Soda, and Adco-Mayogel continued to show robust growth. Gross margin ended marginally below the prior year as the adverse impact of the weaker currency and increases in production costs were largely offset by an advantageous sales mix and selling price increases. With excellent cost control, trading profit improved by an impressive 10%, reaching R384 million.

The Prescription Division offers a diverse portfolio that includes both branded and generic medicines, and specialised ophthalmic equipment and surgical products. Revenue increased by 4%, with strong performances across most categories, except for ARVs, where the division experienced a significant drop in tender volumes. The Branded portfolio delivered impressive results, with all Top 10 products in this segment experiencing growth. The Generic segment also grew compared to last year, with seven of the top ten products showing gains.

The lower ARV tender sales led to a more favourable sales mix resulting in the gross margin ending only marginally below the prior year despite an average increase of 10% in forward exchange contract rates for products acquired in foreign currency. Although inflationary pressures posed challenges, operating expenses were well controlled, resulting in trading profit improving by a commendable 10% to R352 million.

The Hospital Division is SA's leading manufacturer and supplier of critical care and hospital products, as well as renal dialysis treatments. Turnover increased by 8%, boosted by the commencement of the large volume parenterals tender on 1 October 2023. The division faced several production challenges, including water supply interruptions which affected production output. Furthermore, the weaker currency and a shift in the sales mix towards a higher proportion of tender sales negatively impacted margins, resulting in a 16% decrease in trading profit to R128 million.

Looking ahead

A recovery in consumer spend is likely, should South Africa's expected economic improvement materialise.

The commitment remains strong to seek additional affordable brands, expand the non-price regulated portfolio, and pursue partnerships with respected multinational companies.

Financial performance

Revenue	R9.6bn	+6%
Trading profit	R1.2bn	+5%
Trading margin	12.8%	-10bps
EBITDA	R1.4bn	+4%
Funds employed	R5.2bn	+5%
ROFE	26.2%	+20bps

Non-financial performance

R78mn
spent on training

55% of middle management and higher appointments were African

86%
of promotions to management were African

Emissions reduced
10% yoy

Water increased
5% yoy

LTIFR
0.37
-55% yoy

Financial **performance**

69 Independent auditor’s report on the summary consolidated financial statements
70 Summarised consolidated income statement
73 Summarised consolidated statement of other comprehensive income
74 Summarised consolidated statement of cash flows
76 Summarised consolidated statement of financial position
78 Summarised consolidated statement of changes in equity
80 Summarised disaggregated revenue
81 Summarised segmental analysis
84 Basis of presentation of summarised consolidated financial statements

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 70 to 90, which comprise the summary consolidated statement of financial position as at 30 June 2024, the summary consolidated statements of comprehensive income, changes in equity and cash flows 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 2024.

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 IFRS Accounting 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 2 September 2024. 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: A Tshesane
Registered Auditor
Johannesburg, South Africa
30 August 2024

PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukskei View, 2090
Private Bag X36, Sunninghill, 2157, South Africa
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za

Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.

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

R000s	2024 Audited	2023 Audited	% Change
Revenue	**122 615 986**	114 911 518	6.7
Non-interest revenue	**122 309 811**	114 587 864	
Net interest revenue	**306 175**	323 654	
Cost of revenue	**(87 739 492)**	(81 570 287)	7.6
Gross profit	**34 876 494**	33 341 231	4.6
Operating expenses	**(22 908 200)**	(22 307 729)	2.7
Net impairment losses on financial assets	**8 268**	(61 549)	113.4
Other income	**438 973**	471 101	(6.8)
Trading profit	**12 415 535**	11 443 054	8.5
Share-based payment expense	**(362 538)**	(347 865)	
Acquisition costs and customer contracts amortisation	**(475 356)**	(390 495)	
Net capital items	**(147 546)**	(128 963)	
Profit before finance charges and associate income	**11 430 095**	10 575 731	8.1
Net finance charges	**(2 506 296)**	(2 007 477)	24.8
Finance income	**207 474**	88 629	
Finance charges	**(2 713 770)**	(2 096 106)	
Share of profit of associates and joint ventures	**136 863**	125 872	8.7
Current year earnings	**136 819**	125 872	8.7
Net capital items	**44**	–	
Profit before taxation	**9 060 662**	8 694 126	4.2
Taxation	**(2 289 050)**	(2 327 902)	(1.7)
Profit for the year	**6 771 612**	6 366 224	6.4
Attributable to			
Shareholders of the Company	**6 368 975**	5 972 689	6.6
Non-controlling interest	**402 637**	393 535	2.3
	6 771 612	6 366 224	6.4
Basic earnings per share (cents)	**1 873,8**	1 757,3	6.6
Diluted basic earnings per share (cents)	**1 869,0**	1 752,9	6.6

R000s	2024 Audited	2023 Audited	% Change
Supplementary Information			
Normalised headline earnings per share (cents) ˜	**1 964,8**	1 884,7	4.3
Headline earnings per share (cents)	**1 912,6**	1 794,8	6.6
Diluted headline earnings per share (cents)	**1 907,6**	1 790,4	6.5
Shares in issue			
Total (‘000)	**339 888**	339 888	
Weighted (‘000)	**339 888**	339 877	
Diluted weighted (‘000)	**340 769**	340 729	

˜ refer normalised headline earnings note for detailed definition.

Supplementary Information continued

Headline earnings

The following adjustments to attributable profit were taken into account in the calculation of headline earnings:

R000s	2024 Audited	2023 Audited	% Change
Profit attributable to shareholders of the Company	**6 368 975**	5 972 689	6.6
Impairment of property, plant and equipment, right-of-use assets, goodwill and intangible assets	**30 314**	63 760	
Property, plant and equipment #	**33 453**	12 667	
Right-of-use assets #	**9 090**	3 207	
Intangible assets #	**1 083**	62 173	
Taxation effect	**(11 809)**	(13 002)	
Non-controlling interest	**(1 503)**	(1 285)	
Net loss on disposal of interests in subsidiaries and disposal and closure of businesses	**100 000**	138 551	
Loss on disposal and closure #	**–**	138 551	
Impairment of disposal group assets held for sale #	**76 832**	–	
Impairment of identifiable asset of disposal group #	**23 168**	–	
Net loss (profit) on disposal of property, plant and equipment and intangible assets	**1 390**	(38 126)	
Property, plant and equipment #	**3 920**	(44 971)	
Taxation effect	**(2 365)**	6 873	
Non-controlling interest	**(165)**	(28)	
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	**(29)**	–	
Non-headline items	**(44)**	–	
Non-controlling interest	**15**	–	
Headline earnings	**6 500 650**	6 100 250	6.6

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

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

Normalised headline earnings per share

Normalised headline earnings per share is a measurement used by the chief operating decision makers, Ms Mpumi Madisa and the Group executive directors. The calculation of normalised headline earnings per share excludes acquisition costs, amortisation of acquired customer contracts, the impact of one-off taxation events (refund of withholding tax and IFRIC 23 provision reversed) 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 Accounting Standards requirement.

R000s	**2024 Audited**	2023 Audited	% Change
Headline earnings	**6 500 650**	6 100 250	
Acquisition costs	**61 567**	45 040	
Amortisation of acquired customer contracts	**413 789**	345 455	
Taxation effect	**(99 180)**	(82 299)	
Impact of one-off taxation events	**(196 334)**	–	
Non-controlling interest	**(2 512)**	(2 879)	
Normalised headline earnings	**6 677 980**	6 405 567	4.3

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

R000s	2024 Audited	2023 Audited
Profit for the year	**6 771 612**	6 366 224
Other comprehensive (expense) income net of taxation		
Items that may be reclassified subsequently to profit or loss	**(577 937)**	811 594
(Decrease) increase in foreign currency translation reserve		
Exchange differences arising during the year	**(320 810)**	835 747
Decrease in fair value of cash flow hedges	**(257 127)**	(24 153)
Fair value loss arising during the period	**(369 542)**	(35 252)
Taxation effect for the year	**112 415**	11 099
Other comprehensive (expense) income transferred to profit or loss	**(60 716)**	443 852
Realisation of exchange differences on disposal of subsidiaries	**–**	(13)
Hedging (losses) gains reclassified	**(80 955)**	591 820
Taxation effect	**20 239**	(147 955)
Items that will not be reclassified subsequently to profit or loss		
Changes in the fair value of financial assets recognised through other comprehensive income	**1 818**	9 888
Defined benefit (surplus) obligations	**(1 324)**	37 696
Net remeasurement of defined benefit (surplus) obligations during the year	**(1 695)**	51 638
Taxation effect for the year	**371**	(13 942)
Total comprehensive income for the year	**6 133 453**	7 669 254
Attributable to		
Shareholders of the Company	**5 752 779**	7 256 875
Non-controlling interest	**380 674**	412 379
	6 133 453	7 669 254

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

R000s	2024 Audited	2023 Audited
Cash flows from operating activities	**5 998 996**	5 055 038
Profit before finance charges and associate income	**11 430 095**	10 575 731
Dividends from associates	**112 426**	25 196
Acquisition costs	**61 567**	45 040
Depreciation and amortisation	**4 220 606**	3 894 145
Share based payment expense	**361 392**	347 135
Impairment of goodwill and intangibles	**1 083**	62 173
Impairment of property, plant and equipment and right-of-use assets	**42 543**	15 874
Fair value adjustment to investments	**(98 316)**	(168 721)
Loss on disposal of interests in subsidiaries and associates, and closure of businesses	**–**	138 551
Decrease in life assurance fund	**–**	(71 413)
Remeasurement of post-retirement obligations	**301**	(11 885)
Other non-cash items	**(42 030)**	(72 896)
Cash generated by operations before changes in working capital	**16 089 667**	14 778 930
Changes in working capital	**(2 079 834)**	(2 625 235)
Increase in inventories	**(733 672)**	(2 733 997)
Increase in trade receivables	**(113 623)**	(866 070)
Increase in banking and other advances	**(772 004)**	(877 589)
(Decrease) Increase in trade and other payables and provisions	**(838 133)**	1 623 341
Increase in amounts owed to bank depositors	**377 598**	229 080
Cash generated by operations*	**14 009 833**	12 153 695
Net finance charges paid	**(2 397 913)**	(1 815 181)
Taxation paid	**(2 352 695)**	(2 382 321)
Dividends paid by the Company	**(3 079 383)**	(2 722 501)
Dividends paid by subsidiaries	**(180 846)**	(178 654)
Cash flows from investment activities	**(7 139 575)**	(5 897 723)
Net additions to property, plant and equipment	**(3 380 656)**	(3 186 341)
Net additions to intangible assets	**(167 528)**	(196 105)
Acquisition of subsidiaries, businesses, associates and investments	**(5 717 904)**	(5 190 631)
Disposal of subsidiaries, businesses, associates and investments	**2 126 513**	2 675 354

R000s	2024 Audited	2023 Audited
Cash flows from financing activities	**1 604 843**	(2 453 947)
Acquisition of treasury shares in settlement of share based payment liabilities	**(596 431)**	(414 678)
Repayment of lease liabilities	**(1 473 753)**	(1 380 997)
Acquisition of non-controlling interests	**(328 285)**	(556 546)
Disposal of non-controlling interests	**–**	187 710
Borrowings raised	**5 640 817**	4 234 337
Borrowings repaid	**(1 637 505)**	(4 523 773)
Net increase (decrease) in cash and cash equivalents	**464 264**	(3 296 632)
Net cash and cash equivalents at the beginning of the year	**7 560 841**	10 476 688
Net cash and cash equivalents of disposal group held for sale	**–**	(71 005)
Exchange rate adjustment	**(225 624)**	451 790
Net cash and cash equivalents at end of the year	**7 799 481**	7 560 841
Net cash and cash equivalents comprise:		
Cash and cash equivalents	**9 096 654**	9 253 504
Bank overdrafts included in short-term portion of interest bearing borrowings	**(1 297 173)**	(1 692 663)
	7 799 481	7 560 841

** Includes dividends from associates*

Summarised consolidated statement of **financial position**

for the year ended 30 June

R000s	2024 Audited	2023 Audited
ASSETS		
Non-current assets	**67 812 346**	63 503 817
Property, plant and equipment	**17 642 389**	16 457 121
Right-of-use assets	**4 397 109**	4 457 814
Intangible assets	**15 490 257**	15 388 222
Goodwill	**19 664 282**	17 424 831
Deferred taxation assets	**1 638 858**	1 607 318
Defined benefit pension surplus	**238 190**	344 987
Interest in associates and joint ventures	**1 004 352**	811 346
Investments	**3 367 944**	3 001 989
Currency swap derivative asset	**1 127 020**	1 513 982
Banking and other advances	**3 241 945**	2 496 207
Current assets	**44 451 392**	43 223 497
Inventories	**14 894 387**	14 111 588
Short-term portion of banking and other advances	**882 034**	855 768
Trade and other receivables	**19 168 125**	18 602 251
Taxation	**410 192**	400 386
Cash and cash equivalents	**9 096 654**	9 253 504
Disposal group assets held for sale	**317 781**	781 208
Total assets	**112 581 519**	107 508 522

R000s	2024 Audited	2023 Audited
EQUITY AND LIABILITIES		
Capital and reserves	**38 532 032**	36 331 692
Attributable to shareholders of the Company	**35 324 074**	32 992 176
Non-controlling interest	**3 207 958**	3 339 516
Non-current liabilities	**34 779 773**	32 291 126
Deferred taxation liabilities	**4 621 432**	4 631 801
Long-term portion of borrowings	**25 845 725**	23 151 013
Post-retirement obligations	**57 646**	65 751
Long-term portion of provisions	**518 864**	567 657
Long-term portion of lease liabilities	**3 736 106**	3 874 904
Current liabilities	**39 214 060**	38 527 809
Trade and other payables	**22 958 643**	23 215 138
Short-term portion of provisions	**397 802**	639 343
Vendors for acquisition	**124 918**	4 108
Taxation	**581 426**	761 424
Amounts owed to bank depositors	**7 900 463**	7 522 865
Short-term portion of borrowings	**5 959 597**	5 205 356
Short-term portion of lease liabilities	**1 291 211**	1 179 575
Disposal group liabilities held for sale	**55 654**	357 895
Total equity and liabilities	**112 581 519**	107 508 522
Net asset value per share (cents)	**10 393**	9 707

Summarised consolidated statement of **changes in equity**

for the year ended 30 June

R000s	2024 Audited	2023 Audited
Equity attributable to shareholders of the Company	**35 324 074**	32 992 176
Share capital	**17 014**	17 014
Share premium	**1 367 796**	1 367 796
Foreign currency translation reserve	**528 750**	840 887
Balance at beginning of the year	**840 887**	21 376
Movement during the year	**(312 137)**	819 524
Realisation of reserve on disposal of subsidiaries	**–**	(13)
Hedging reserve	**(40 109)**	263 960
Balance at beginning of the year	**263 960**	(154 006)
Net (losses) gains arising during the year	**(436 723)**	554 822
Deferred tax recognised directly in reserve	**132 654**	(136 856)
Equity-settled share-based payment reserve	**693 734**	623 992
Balance at beginning of the year	**623 992**	332 121
Arising during the year	**372 974**	338 511
Deferred tax recognised directly in reserve	**75 788**	137 670
Utilisation during the year	**(660 581)**	(428 357)
Realisation of reserve on disposal of subsidiaries and disposal group	**36**	552
Transfer of equity-settled share-based payment reserve as a result of changes in shareholding of subsidiaries	**–**	(1 548)
Transfer to retained earnings	**281 525**	245 043
Movement in retained earnings	**32 081 248**	29 200 261
Balance at the beginning of the year	**29 200 261**	26 103 669
Opening balance IFRS 17 transition adjustment	**(118 609)**	–
Attributable profit	**6 368 975**	5 972 689
Change in fair value of financial assets recognised through other comprehensive income	**1 600**	9 350
Net remeasurement of defined benefit obligations during the year	**(1 590)**	37 359
Transfer of reserves as a result of changes in shareholding of subsidiaries	**(8 481)**	44 738
Net dividends paid	**(3 079 383)**	(2 722 501)
Transfer from equity-settled share-based payment reserve	**(281 525)**	(245 043)
Treasury shares	**675 641**	678 266
Balance at the beginning of the year	**678 266**	678 663
Purchase of shares by subsidiaries	**(596 431)**	(414 678)
Shares disposed of in terms of share incentive scheme	**593 806**	414 281

R000s	2024 Audited	2023 Audited
Equity attributable to non-controlling interests of the Company	**3 207 958**	3 339 516
Balance at beginning of the year	**3 339 516**	3 508 709
Total comprehensive income	**380 674**	412 379
Attributable profit	**402 637**	393 535
Movement in foreign currency translation reserve	**(8 673)**	16 223
Movement in cashflow hedging reserve	**(13 774)**	1 746
Changes in the fair value of financial assets recognised through other comprehensive income	**218**	538
Net remeasurement of defined benefit obligations during the year	**266**	337
Dividends paid	**(180 846)**	(178 654)
Movement in equity-settled share-based payment reserve	**(11 582)**	8 624
Transfer of equity-settled share-based payment reserve as a result of changes in shareholding of subsidiaries	**–**	1 548
Transactions with non-controlling interests	**(328 285)**	(368 352)
Transfer of reserves as a result of changes in shareholding of subsidiaries	**8 481**	(44 738)
Total equity	**38 532 032**	36 331 692

Summarised disaggregated **revenue** for the year ended 30 June

R000s	2024 Audited	2023 Audited
Revenue		
Sale of goods[1]	**66 749 279**	66 957 214
Rendering of services[2]	**55 104 990**	48 199 247
Commissions and fees earned[3]	**3 139 116**	2 730 013
Billings relating to clearing and forwarding transactions[4]	**2 964 306**	2 703 072
Net interest[5]	**338 435**	323 654
Insurance[6]	**409 814**	697 018
	128 705 940	121 610 218
Inter-group eliminations	**(6 089 954)**	(6 698 700)
	122 615 986	114 911 518
Disaggregation of revenue from contracts with customers		
Services South Africa[2]	**10 983 916**	9 836 703
Services International[2]	**38 407 350**	32 297 793
Branded Products[1]	**11 625 967**	10 531 547
Adcock Ingram[1]	**9 643 128**	9 131 852
Freight[2, 4]	**8 384 546**	7 919 472
Commercial Products[1]	**16 250 207**	17 527 871
Financial Services[3, 5, 6]	**1 088 682**	975 765
Automotive[1]	**24 776 284**	24 489 162
Properties[2]	**–**	1 570
Corporate and Investments[1]	**3 373**	476 157
	121 163 453	113 187 892
Geographic disaggregation of revenue from customer contracts		
Southern Africa	**89 880 929**	88 205 606
International	**31 282 524**	24 982 286
	121 163 453	113 187 892
Reconciliation to Group revenue		
Revenue from contracts with customers	**121 163 453**	113 187 892
Leasing contracts	**736 544**	803 143
Gross insurance premiums	**409 814**	596 829
Net Interest	**306 175**	323 654
	122 615 986	114 911 518

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

R000s	2024 Audited	2023 Audited	Percentage Change
Segmental revenue			
Services International	**39 370 083**	33 187 251	18.6
Freight	**8 769 063**	8 393 662	4.5
Commercial Products	**17 910 097**	19 877 467	(9.9)
Services South Africa	**11 732 902**	10 436 000	12.4
Branded Products	**12 934 962**	11 729 589	10.3
Automotive	**25 092 568**	24 934 816	0.6
Financial Services	**2 517 802**	2 732 179	(7.8)
Adcock Ingram	**9 643 128**	9 131 852	5.6
Properties	**731 961**	677 489	8.0
Corporate and investments	**3 374**	509 913	(99.3)
	128 705 940	121 610 218	5.8
Inter group eliminations	**(6 089 954)**	(6 698 700)	
	122 615 986	114 911 518	6.7
Geographic region			
Southern Africa	**97 234 304**	96 469 869	0.8
International	**31 471 636**	25 140 349	25.5
	128 705 940	121 610 218	
Segmental trading profit			
Services International	**3 769 930**	3 352 615	12.4
Freight	**2 322 203**	2 165 178	7.3
Commercial Products	**1 297 440**	1 425 635	(9.0)
Services South Africa	**1 268 663**	1 068 453	18.7
Branded Products	**1 042 399**	860 586	21.1
Automotive	**688 025**	914 912	(24.8)
Financial Services	**642 576**	463 540	38.6
Adcock Ingram	**1 236 673**	1 178 199	5.0
Properties	**685 319**	635 936	7.8
Corporate and investments	**(537 693)**	(622 000)	13.6
	12 415 535	11 443 054	8.5
Geographic region			
Southern Africa	**9 689 779**	9 156 846	5.8
International	**2 725 756**	2 286 208	19.2
	12 415 535	11 443 054	

Summarised segmental **analysis** for the year ended 30 June continued

R000s	2024 Audited	2023 Audited	Percentage Change
Earnings before interest, taxation, depreciation and amortisation (EBITDA)			
Services International	**4 445 898**	3 970 207	12,0
Freight	**2 584 119**	2 429 650	6.4
Commercial Products	**1 399 340**	1 523 454	(8.1)
Services South Africa	**1 656 531**	1 387 194	19.4
Branded Products	**1 133 672**	954 886	18.7
Automotive	**702 822**	931 029	(24.5)
Financial Services	**853 683**	661 628	29.0
Adcock Ingram	**1 371 309**	1 313 146	4.4
Properties	**688 495**	640 542	7.5
Corporate and investments	**(508 884)**	(600 076)	(15.2)
	14 326 985	13 211 660	8.4
Geographic region			
Southern Africa	**11 103 533**	10 491 122	5.8
International	**3 223 452**	2 720 538	18.5
	14 326 985	13 211 660	
Segmental operating assets			
Services International	**10 896 352**	10 310 945	5.7
Freight	**9 524 517**	9 252 961	2.9
Commercial Products	**9 063 254**	8 512 358	6.5
Services South Africa	**3 723 750**	3 218 736	15.7
Branded Product	**4 859 857**	4 664 757	4.2
Automotive	**5 465 650**	5 280 207	3.5
Financial Services	**9 678 658**	8 765 659	10.4
Adcock Ingram	**7 030 069**	6 838 055	2.8
Properties	**4 732 277**	4 455 355	6.2
Corporate and investments	**1 059 594**	827 863	28.0
	66 033 978	62 126 896	6.3
Inter group eliminations	**(1 197 503)**	(987 825)	
	64 836 475	61 139 071	6.0
Geographic region			
Southern Africa	**56 841 228**	53 479 938	6.3
International	**9 192 750**	8 646 958	6.3
	66 033 978	62 126 896	

R000s	2024 Audited	2023 Audited	Percentage Change
Reconciliation to total assets			
Operating assets	**64 836 475**	61 139 071	6.0
Goodwill	**19 664 282**	17 424 831	12.9
Intangible assets	**15 490 257**	15 388 222	0.7
Deferred taxation asset	**1 638 858**	1 607 318	2.0
Currency swap derivative asset	**1 127 020**	1 513 982	(25.6)
Taxation	**410 192**	400 386	2.4
Cash and cash equivalents	**9 096 654**	9 253 504	(1.7)
Disposal Group assets held for sale	**317 781**	781 208	
	112 581 519	107 508 522	4.7
Segmental operating liabilities			
Services International	**8 804 820**	8 124 162	8.4
Freight	**5 034 175**	5 505 310	(8.6)
Commercial Products	**3 638 047**	3 927 396	(7.4)
Services South Africa	**2 628 988**	2 282 604	15.2
Branded Products	**2 649 481**	2 649 897	–
Automotive	**2 593 726**	2 993 834	(13.4)
Financial Services	**9 575 327**	9 455 919	1.3
Adcock Ingram	**2 666 867**	2 566 362	3.9
Properties	**67 301**	78 073	(13.8)
Corporate and investments	**399 506**	469 501	(14.9)
	38 058 238	38 053 058	–
Inter group eliminations	**(1 197 503)**	(987 825)	
	36 860 735	37 065 233	(0.6)
Geographic region			
Southern Africa	**30 461 973**	31 098 744	(2.0)
International	**7 596 265**	6 954 314	9.2
	38 058 238	38 053 058	
Reconciliation to total liabilities			
Operating liabilities	**36 860 735**	37 065 233	(0.6)
Deferred taxation liabilities	**4 621 432**	4 631 801	(0.2)
Interest bearing borrowings	**31 805 322**	28 356 369	12.2
Vendors for acquisition	**124 918**	4 108	n/m
Taxation	**581 426**	761 424	(22.6)
Disposal group liabilities held for sale	**55 654**	357 895	(84.4)
	74 049 487	71 176 830	4.0

Basis of presentation of summarised consolidated financial statements

The 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 Limited 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 2024 and any public announcements made by the Group during the interim reporting period (IAS34 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 2024.

In preparing these 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 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 2024.

The adoption of IFRS17 affects two of the Group's Financial Services operations, Bidvest Insurance Limited and Bidvest Life Limited (BLL). As of 30 June 2023 BLL has been disclosed as a Disposal group held-for-sale. Management has determined that the adoption of, and transition to IFRS17 has not had a material impact on the Group's consolidated income statement and statement of financial position, consequently the prior period comparatives have not been restated and the current period opening retained earnings has been adjusted by R119 million.

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 2024.

Significant commitments

The project for the refurbishment and repurposing of three old butadiene spheres for butane storage at Bidvest Tank Terminal's Richards Bay facility was commissioned in October 2023 at a total cost of R180 million. At 30 June 2024, R408 million of the approved R550 million had been spent on 18 additional multi-purpose storage tanks at the same Richards Bay facility. This project was commissioned during July 2024 and all tanks were ready for commercial use from 1 August 2024. In addition, R27 million of the approved R183 million was spent on the development of two additional fuel tanks at the Richards Bay facility which is targeted for commissioning in July 2025.

Fair value of financial instruments

The Group's investments of R3 368 million (2023: R3 002 million) include R94 million (FY2023: R88 million) recorded at amortised cost, R1 775 million (FY2023: R1 615 million) recorded and measured at fair values using quoted prices (Level 1), asset prices or derived-from prices (Level 2) and R1 473 million (FY2023: R1 272 million) recorded and measured at observable data (Level 3). Fair value losses on Level 3 investments recognised in the income statement totaled R3 million (FY2023: R6 million).

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

R000s	Year ended 30 June 2024 Audited	 2023 Audited
Balance at the beginning of year	**26 650**	118 531
Purchases or loan advances	**3 418**	1 883
Fair value adjustment recognised directly in equity	**730**	1 712
Fair value adjustment arising during the year recognised in the income statement	**(2 805)**	(6 080)
Proceeds on disposal, de-recognition or repayment of loans	**(1 408)**	(89 396)
	26 585	26 650

The carrying values of all financial assets and liabilities approximate their fair values, with the exception of interest bearing borrowings of R31 billion whose carrying value is R32 billion.

Significant hedge accounting

The Group makes use of 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 USD800 million at a fixed coupon rate of 3.625% 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 IFRS9 hedge accounting has been applied. A R1 billion (£49 million) asset derivative instrument has been disclosed at year end and included in the Consolidated Statement of Financial Position as a non-current asset; R17 million (£727 thousand) was credited to the Consolidated Income Statement via finance charges; a currency valuation adjustment was credited to interest bearing borrowings in the amount of R81 million (£4 million) and R280 million (£12 million) debited to the hedging reserve net of R118 million (£5 million) deferred taxation through the Consolidated Statement of Other Comprehensive Income. On application of hedge accounting the R81 million (£4 million) currency valuation adjustment to borrowings was debited to the Consolidated Statement of Other Comprehensive Income and credited against the unrealised foreign exchange loss 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 R286 million (£12 million) was recognised in the cash flow hedge reserve given that the hedge relationship was concluded to be effective.

Business combinations

Net acquisition of businesses, subsidiaries, associates and investments

The Bidvest Group Australia, a component of Bidvest Services International, acquired 100% of the ordinary share capital and voting rights of Consolidated Property Services Pty Ltd (Consolidated), effective 20 September 2023. The acquisition price of AUD187 million (R2 billion) was funded from the Group's international revolving credit facilities. Consolidated is one of the largest professional cleaning service providers across Eastern Australia, servicing high profile commercial and retail sites. The acquisition augments and expands the Group's hygiene, cleaning and facilities management business in Australia.

Effective 1 July 2023, Bidvest Services International acquired 100% of the ordinary share capital and voting rights of Rental Hygiene Services Pte Ltd (RHS). RHS provides total hygiene and cleaning solutions, using a comprehensive line of washroom equipment and janitorial consumables, to customers in Singapore. This acquisition was executed to establish a foothold in the ASEAN region. The acquisition price of SGD48 million (R662 million), of which SGD9 million (R128 million) is contingent on the achievement of certain profit targets, was funded from existing facilities and cash resources.

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

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

Effective 20 July 2023 Bidvest Services International acquired 100% of the ordinary share capital and voting rights of the Robinson Services group of companies (Robinson), primarily Robinson Services Ltd, Robinson Services Laundry Ltd and Sword Security (NI) Ltd. Robinson delivers key support services including cleaning, security, hygiene, workwear rental and laundering, dust mat rental, window cleaning and specialist services including one off cleans to a range of customers big and small across the Retail, Commercial, Industrial and Hospitality sectors throughout Northern Ireland. The acquisition increases the Group’s footprint in Ireland. The acquisition price was £7 million (R170 million).

Bidvest Services International acquired 100% of the ordinary share capital and voting rights of the following minor acquisitions: Pure Hygiene Pty Ltd (Australia), effective 1 September 2023, AUD3 million (R42 million); Principal Hygiene Systems Ltd (United Kingdom), effective 6 October 2023, £2 million (R58 million); Synergy Waste Solutions Ltd (United Kingdom), effective 1 February 2024, £3 million (R75 million). Bidvest Services International acquired 37.5% of the ordinary share capital and voting rights of Daelibs Pty Ltd, a developer and creator of Facilities Management software, for AUD7 million (R81 million) effective 1 August 2023. These acquisitions assist in expanding the Group’s facilities management service offering and geographic coverage.

Effective 1 July 2023, Bidvest Services South Africa acquired 100% of the ordinary share capital and voting rights of Interloc Freight Services (Pty) Ltd (Interloc) for R56 million. Interloc provides a neutral air and road freight consolidation facility through which freight forwarders, courier companies and airlines can benefit from operational integration, preferred capacity allocations and cost savings. The acquisition complements the Group’s existing Bidair Cargo operations.

Bidvest Branded Products acquired the assets, liabilities and businesses of Brandability Pty Ltd (Brandability), effective 1 October 2023, for R51 million. Brandability specialises in the sale of corporate/promotional gifts and apparel, the acquisition complements the existing Waltons offering.

Effective 1 July 2023 Bidvest Branded Products acquired 100% of the ordinary share capital and voting rights of the following: Roan Group of companies, primarily Roan Systems Pty Ltd and Roan Safety Products Pty Ltd (Roan). Roan offers products and services for a variety of Information Technology, Production Automation, FMCG, Healthcare and various other sectors and applications. Roan was acquired for R24 million; Green Home Products Pty Ltd (Green Home). Green Home is South Africa’s first and longest running completely compostable food packaging company, whose vision is to provide sustainable packaging for takeaway food throughout Africa, and beyond. Green Home was acquired for R20 million to augment the Group’s existing packaging businesses; Channel Label Solutions Pty Ltd and Printer Distribution Company Pty Ltd for a combined acquisition price of R16 million.

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 at acquisition fair values consolidated by the Group.

R000s	Consolidated Property Services	Rental Hygiene Services	Other Acquisitions	Other Disposals	Total
Property, plant and equipment	62 992	17 337	21 757	–	**102 086**
Right-of-use assets	7 623	9 404	–	–	**17 027**
Deferred taxation	(84 788)	(29 856)	(20 341)	–	**(134 985)**
Interest in associates and joint ventures	–	–	190 354	–	**190 354**
Investments and advances[1]	–	–	2 394 071	(2 114 735)	**279 336**
Inventories	1 116	12 919	47 407	–	**61 442**
Trade and other receivables	439 926	80 881	177 119	–	**697 926**
Cash and cash equivalents	98 138	32 473	111 100	–	**241 711**
Borrowings	(82 469)	(41 597)	(5 176)	–	**(129 242)**
Trade and other payables and provisions	(679 025)	(37 275)	(224 722)	–	**(941 022)**
Lease liabilities	(7 939)	(10 610)	–	–	**(18 549)**
Taxation	4 964	(8 389)	(356)	–	**(3 781)**
Intangible assets	563 964	187 264	97 195	–	**848 423**
	324 502	212 551	2 788 408	(2 114 735)	**1 210 726**
Goodwill	1 960 414	449 623	344 672	–	**2 754 709**
Net assets acquired	2 284 916	662 174	3 133 080	(2 114 735)	**3 965 435**
Settled as follows:					
Cash and cash equivalents acquired	(98 138)	(32 473)	(111 100)	–	**(241 711)**
Acquisition prepaid in prior year	–	–	(58 500)	–	**(58 500)**
Acquisition costs	–	–	61 567	–	**61 567**
Net receivable arising on disposal of subsidiaries and associate	–	–	–	(11 778)	**(11 778)**
Net change in vendors for acquisition	–	(127 664)	4 042	–	**(123 622)**
Net acquisition of businesses, subsidiaries, associates and investments	**2 186 778**	**502 037**	**3 029 089**	**(2 126 513)**	**3 591 391**
Trade and other receivables stated net of the following loss allowances					
Expected credit loss allowances	39 771	780	253	–	**40 804**
Contribution to results for the period					
Revenue	1 932 679	245 926	899 769	–	**3 078 374**
Profit	210 965	34 008	62 202	–	**307 175**
Contribution to results for the period if the acquisitions had been effective on 1 July 2023					
Revenue	2 469 947	245 926	982 674	–	**3 698 547**
Profit	269 611	34 008	73 850	–	**377 469**

** Consideration for the acquisition of Roan, Green Home, Channel Label Solutions and Printer Distribution Company was paid in June 2023, but the acquisition was effective 1 July 2023.*

[1] R7 million of advances to B-BBEE and other partners, R2 381 million purchases made in the Bidvest Bank investment portfolio and R6 million purchases in the Bidvest Insurance portfolio. R7 million repayment of loans to B-BBEE and other partners, R2 073 million disposals made in the Bidvest Bank investment portfolio, and R43 million disposals in the Bidvest Insurance portfolio.

Basis of presentation of summarised consolidated financial statements

The fair values of the assets and liabilities have been determined for the acquisition of Consolidated and resulted in the identification of definite life customer relationship intangible assets in the amount of AUD46 million (R564 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 20 years. An existing customer attrition rate of 10% was applied to forecasted existing customer revenues. A Weighted Average Cost of Capital (WACC) in a range of 11.8% to 13.6%, plus a premium of 0.25%, was applied in the valuation. No value was assigned to the CPS brand. A portion of the residual Goodwill is supported by the identified trained and assembled workforce.

The fair values of the assets and liabilities have been determined for the Rental Hygiene Services (RHS) acquisition and resulted in the identification of definite life customer relationship intangible assets in the amount of SGD6 million (R89 million) and indefinite life Brand intangible assets of SGD7 million (R96 million). The MPEEM, using cash flows attributable to the customer related intangible asset, was used to value Customer Relationships, which were estimated to have an RUL of 15 years. An existing customer attrition rate of 13.5% was applied to forecasted existing customer revenues. A WACC in a range of 10.1% to 11.1%, 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 Rental Hygiene Services brand, which is well established and has been in existence since 2002 and therefore concluded to have an indefinite future life. The use of a royalty rate of 3% was informed by market data for similar transactions with similar profitability to RHS. Included in the intangibles acquired is computer software with a carrying value of SGD163 thousand (R2 million) A portion of the residual Goodwill is supported by the identified trained and assembled workforce.

Management has assessed the fair values of assets and liabilities acquired in Robinson. The application of the MPEEM lead to the identification of a customer relationship intangible in the amount of £4 million (R88 million), using a RUL of 10 years, a customer attrition rate of 10% on forecasted existing customer revenues, and a WACC in a range of 9.0% to 11.0%. A portion of the residual Goodwill is supported by the identified trained and assembled workforce.

Other minor acquisitions resulted in the identification of further R9 million definite life Customer Relationships, which are estimated to have a RUL of 10 years.

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 group held for sale

Towards the end of June 2023, the Group entered into a process to dispose of 100% of its shareholding and claims in Bidvest Life Limited (BLL). BLL is a licensed life assurance company and registered financial service provider specialising in income protection, disability, critical illness and life cover. Despite attracting a number of potential buyers, BLL was not sold during the year, however it continues to be actively marketed for sale at a price which is reasonable relative to its fair value.

R000s	2024 Audited	2023 Audited
Disposal group liabilities held-for-sale		
Life assurance fund (re-insurers share)	–	302 733
Net insurance contract liability	53 791	–
Trade and other payables and provisions	1 863	53 801
Lease liability	–	1 361
	55 654	357 895
Disposal group assets held-for-sale		
Property, plant and equipment	–	3 690
Right-of-use assets	–	992
Life assurance fund	–	583 218
Net insurance contract asset	260 232	–
Deferred taxation	53 059	57 757
Trade and other receivables	6 581	34 507
Cash and cash equivalents and bank overdrafts	73 509	71 005
Taxation	1 232	1 232
Intangible assets	–	22 316
Share based payment reserve	–	426
Goodwill	–	6 065
	394 613	781 208
Impairment to net realisable value less cost to sell	(76 832)	–
Net carrying value	262 127	423 313

In determining the fair value less cost to sell the following identifiable assets have been impaired: Property, plant and equipment R2 million; Computer software R15 million; and Goodwill R6 million.
The balance of the disposal group was impaired by R77 million.

Basis of presentation of summarised consolidated financial statements

Subsequent events

Following the year end, a formal process was initiated to dismantle the Financial Services segment and dispose of Bidvest Bank and FinGlobal. The remaining Financial Services short-term insurance businesses, which focus primarily on vehicle insurance cover and related value-added products, will be transferred to the Automotive segment.

Subsequent to 30 June 2024, the Group entered into an agreement to acquire 100% of Citron Hygiene LP (Citron) from Birch Hill Equity Partners and other investors. Citron, headquartered in Toronto, Canada, was founded in 1974 and serves approximately 50 000 customer locations from seven branches in Canada, four in the USA and ten in the UK. The acquisition is subject to UK Competition and Markets Authority approval, with a decision expected within five months of submission. The anticipated acquisition will be financed using existing facilities and will be included in the Services International segment.

Audit report

The auditors, PricewaterhouseCoopers Inc, have issued their audit opinion on the consolidated financial statements for the year ended 30 June 2024. 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 and/or available through a secure electronic manner at the election of the person requesting inspection.

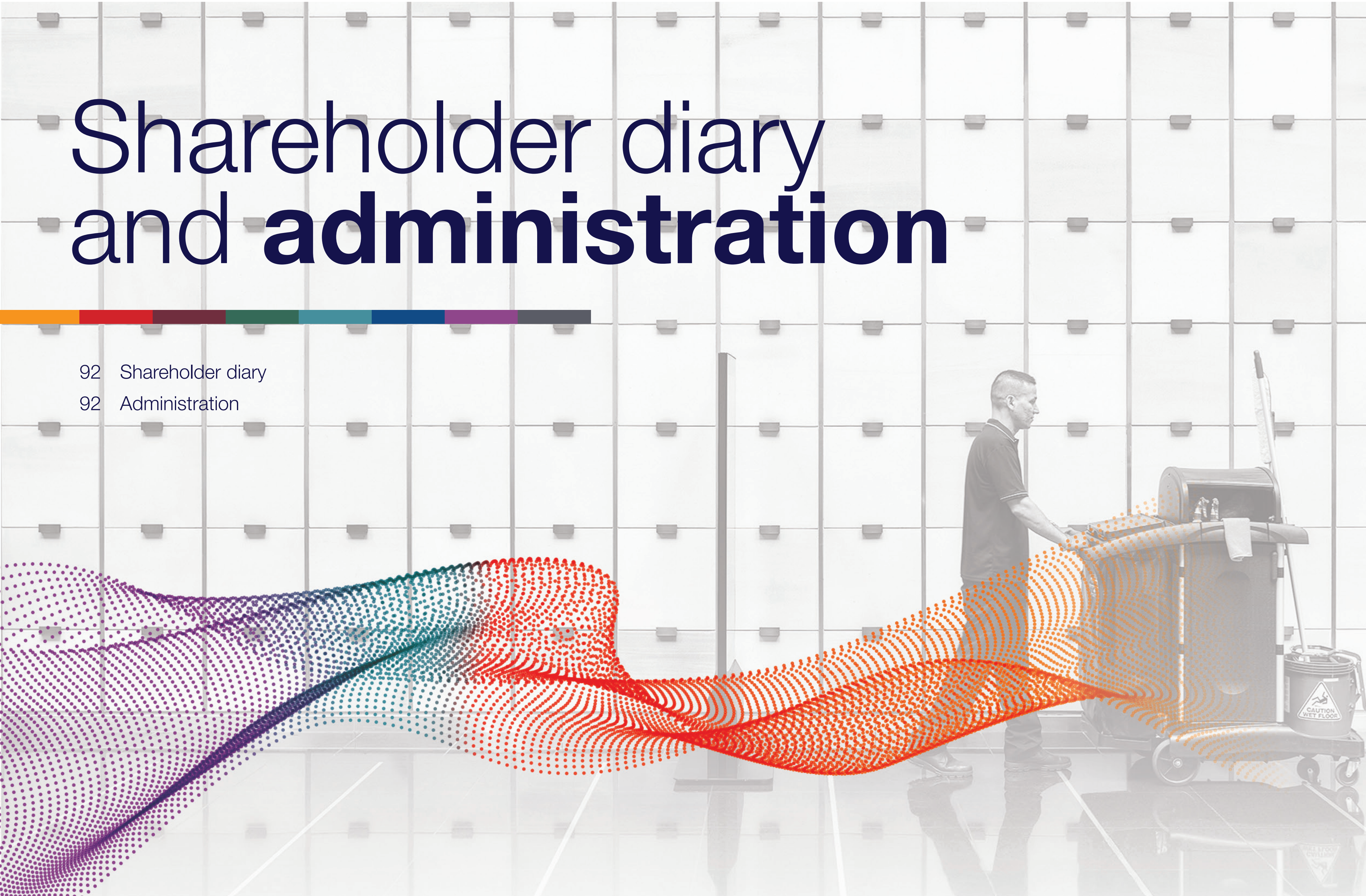
These summarised consolidated financial statements have been derived from the consolidated financial statements and are consistent in all material respects with the consolidated financial statements. These summarised provisional consolidated financial statements have been audited by the Company's auditors 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 30 August 2024.

Shareholder diary and **administration**

92 Shareholder diary
92 Administration



Shareholder **diary**

Financial year end		30 June
Annual general meeting		29 November 2024
Announcement of interim results to December 2024		3 March 2025 (provisional)
Announcement of annual results		1 September 2025 (provisional)
Distribution	**Declaration**	**Payment**
Interim	February/March	March/April
Final	August/September	September/October

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

Auditors
PricewaterhouseCoopers Inc.

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

Bankers
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
Computershare Investor Services
Proprietary Limited
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Debt sponsor
Nedbank Limited

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Mark Steyn

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