

THE BIDVEST GROUP LIMITED

("Bidvest" or "The Group")

(Incorporated in the Republic of South Africa)

(Registration number 1946/021180/06)

JSE Share code: BVT

ISIN: ZAE000117321

TRADING STATEMENT

In accordance with Section 3.4(b) (i) of the JSE Listings Requirements, listed companies are required to publish a trading statement as soon as they become reasonably certain that the financial results for the period to be reported will differ by at least 20% from those of the previous corresponding period.

The remeasurement of associates' fair value based on Adcock Ingram and Comair share prices, which is of a capital nature, contracted since 30 June 2019 compared to material increases in the prior period. This negatively impacted attributable income. Adcock Ingram was revalued as at 31 July 2019, subsequent to which it became a subsidiary. Comair was marked-to-market as at 31 December 2019.

As a result, basic earnings per share (EPS) for the six months to 31 December 2019 is expected to be between 23% and 28% lower, translating into EPS of between 475 cents and 502 cents, when compared to the previous interim period (1H FY19: 660.0 cents).

During the six months to December 2019, Bidvest's domestic operations held their own in a tough trading environment characterised by low business confidence and constrained consumer demand culminating in lower volumes. Offshore service businesses performed well. Operational cash generation has been good and the balance sheet remains strong. The impact of accounting for Adcock Ingram as an associate for one month and consolidating it from 1 August 2019, was neutral on headline earnings.

The adoption of IFRS16 had a modest positive impact on the trading profit, however, the resulting higher interest charge had a net adverse impact of 4% on attributable income and headline earnings, in line with our expectations and guidance in the 30 June 2019 Annual Financial Statements.

As per the trading statement issued on 19 February 2020, Comair expects to report a loss for the six months to December 2019, the result of increased operational costs and the impairment of the full outstanding SAA settlement. This once-off impairment negatively impacted Bidvest's headline earnings by 6%. As Bidvest excluded its share of the unpaid portion of Comair's SAA claim in normalised headline earnings as at 30 June 2019, this does not impact Bidvest's normalised headline earnings during the current reporting period.

Shareholders are advised that:

- Excluding the impact of IFRS16, normalised headline earnings per share⁽¹⁾ (HEPS) is expected to be 1% higher to 1% lower compared to the prior period (1H FY19: 635.7 cents).
- The normalised HEPS for the six months to 31 December 2019 is expected to be 2% to 5% lower than the prior interim period, translating into normalised HEPS of between 604 cents and 636 cents.
- The HEPS for the six months to 31 December 2019, which includes the SAA impairment, is expected to be between 6% and 11% lower than the prior interim period (1H FY19: 629.1 cents), translating into HEPS of between 560 cents and 591 cents.

The financial information on which this trading statement is based has not been reviewed and reported on by the Group's auditors. The Group expects its interim results to 31 December 2019 to be released on SENS on or about the 2nd of March 2020.

⁽¹⁾ Normalised HEPS, which excludes acquisition costs, amortisation of acquired customer contracts and includes an adjustment for Bidvest's share of Comair's SAA impairment, is a measurement management uses to assess the underlying business performance

Date: 20 February 2020

Johannesburg

Sponsor: Investec Bank Limited