

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

VOLUNTARY TRADING UPDATE: Four months to 31 October 2021

At the Group's Annual General Meeting (AGM) held today, 26 November 2021, the Group provided an update on its performance for the first four months, ended 31 October 2021, of the financial year (FY22).

"We delivered a strong financial performance over the past four months, while also advancing various initiatives to create value for all stakeholders. The global supply chain and the COVID-19 fourth wave are key challenges, but the Group remains well positioned to deliver on its growth plans, notwithstanding these headwinds," said Mpumi Madisa, Bidvest chief executive.

Revenue and profit growth continue to build momentum across the Group, despite the unfortunate disruptions caused by the unrest in July 2021 as well as the third wave of COVID-19 infections experienced in South Africa. The bolt-on acquisitions made in Noonan in the second half of FY21 contributed notably, particularly to revenue.

During the four months to October 2021, the combination of pleasing revenue growth, gross margin focus and cost management leveraged into strong trading profit growth. Encouragingly, demand is slowly returning in the travel and tourism related industries as well as corporate office consumables. Discretionary spend is under some pressure and our manufacturing facilities are being impacted by electricity supply interruptions.

Our business service operations, which include the Services, Freight and Financial Services divisions, delivered a very strong performance. The acquisitions made by Noonan and the annualization of good volumes through the new LPG storage terminal augmented robust organic revenue growth driven by the lifting of trade restrictions, market share gains and the continuation of bumper agricultural volumes handled despite the net roll-off of the fleet management and finance book. Profit mirrored revenue growth despite the addition of the low-margin acquired businesses. PHS, Noonan, Protea Coin, BidTrack, South Africa Bulk Terminals and Bidfreight Port Operations delivered exceptional performances while investment income increased. Early signs of improved activity in the travel and hospitality related businesses are encouraging.

Our trading and distribution operations, which include the Branded Products, Commercial Products and Automotive divisions, performed well despite the challenges posed by global supply chain constraints, limited infrastructure spend and the riots. Market share gains, additional supplies into the growing e-commerce ecosystem and price increases supported revenue. Focus on gross margin, especially given significant input cost inflation, and cost management culminated in good profit growth. Supply chain challenges, particularly pertaining to container movement, and product shortages are ongoing headwinds and product substitution has become common.

Encouragingly, the Group absorbed working capital year-to-date which was largely funded by robust operational cash generation. This mainly stemmed from an increase in trade receivables, a function of the improved trade over the recent months, not a deterioration in the quality of the debtors book. There was also a modest increase in inventory as our businesses managed a constrained supply chain by front loading orders while trade creditors decreased. In line with historic seasonal patterns, working capital absorption is likely to be reported at the end of the interim period.

On 16 September 2021, The Bidvest Group (UK) Plc successfully issued its inaugural 5-year USD800mn bond at a fixed semi-annual coupon of 3.625%. The proceeds were simultaneously swapped into Sterling, using a cross currency swap, to match the operational currency profile of the international services businesses. Part of the proceeds were used to repay the Revolving Credit Facility element of the new syndicated credit facility concluded in July 2021 and funding raised in South Africa to part finance the PHS acquisition in May 2020. The

balance of the proceeds are held offshore for acquisition purposes. Net debt/EBITDA remains well below bank covenants, Group liquidity strong and the maturity profile of debt extended to FY27.

In terms of corporate action, the focus is on building a pipeline, in the Group's selected niches for international expansion as well as local bolt-on acquisitions. Nissan Melrose was acquired in September 2021. We are also actively engaging with Transnet with regards to the Durban Port Master Plan. The board also approved a R500mn capital investment to establish an inland LPG terminal in Isando, twice the size of the original ambitions. Commissioning is anticipated towards the end of 2025.

Group ROFE and ROIC improved since financial year end.

We are pleased to report that all employees have returned to work on a full time basis, while we hired additional employees in the travel services operations in recent weeks.

We have launched vaccination education drives across the Group and facilitated easy access to immunisation through mobile clinics and other initiatives.

The UK and Ireland, like many other parts of Europe, is currently experiencing a fourth wave but no specific restrictions have been implemented in response and thus no adverse impact on trading.

Administration

Bidvest results for the six-months ending 31 December 2021 are expected to be released on SENS on or about Monday, 28 February 2022.

The information above has not been audited, reviewed, or reported on by the Group's auditors and does not constitute a forecast.

Date: 26 November 2021

Johannesburg
Sponsor: Investec Bank Limited