

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: Ten months to 30 April 2022

The strong financial year-to-date performance of the Group continued in line with that reported for the six months ended 31 December 2021. Solid growth in the contractual annuity income businesses and exceptional growth in the trading businesses yielded impressive results.

Good revenue growth together with a sharp gross profit margin focus and tight cost management resulted in strong trading profit growth. Cash generation remained excellent and considered working capital investments have proven beneficial.

Our business service operations, which include the Services International, Services South Africa, Freight and Financial Services divisions, delivered an excellent performance. The anticipated benefit of increased scale post the bolt-on acquisitions in the UK is materialising, adding to solid organic growth in the annuity-income businesses. The gradual return to offices, improved travel and hospitality related demand, continuation of bumper agricultural volumes handled as well as good demand for port services further bolstered the result. Disappointingly, the fleet and finance book continued to shrink, on a net basis, while credit provisions rose, and investment income declined.

Our trading and distribution operations, which include the Branded Products, Commercial Products and Automotive divisions, performed exceptionally well. Proactive and nimble supply chain and margin management, product portfolio focus and innovation, good underlying demand from alternative energy, agriculture, mining and select industrial sectors, as well as indications of a reasonably normal flu season, all culminated in a strong financial performance, which was off an already high FY21 base.

The Group continued to invest in working capital, particularly inventory, to ensure that customer needs are met. On average, higher net working capital compared to the prior period, is indicative of improved trading, proactive inventory management and product inflation. There is no concern with regards to the quality of debtors. Operational cash generation remained robust, the balance sheet strong, and return generation solid.

Bidvest businesses in the KwaZulu-Natal region suffered minimal asset damage in the aftermath of the flooding and the Group is actively navigating input and product inflation and supply chain constraints.

The focus on the Group's international expansion strategy remains on course, with several possible corporate action opportunities at different stages. The pipeline can be completed within the current funding capacity of the Group.

Administration

Group results for the financial year ending 30 June 2022 are expected to be released on SENS on or about Monday, 5 September 2022.

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

Date: 30 May 2022

Johannesburg
Sponsor: Investec Bank Limited