

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

Bidvestco Limited
(Incorporated in the Republic of South Africa)
(Registration No. 1966/011512/06)
Company code: BIBIDV
("Bidvestco" or the "Issuer")

UNAUDITED FINANCIAL RESULTS AND CASH DIVIDEND DECLARATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

SALIENT FEATURES*

- R50 billion revenue, +13%
- R5 billion trading profit, +25%
- R7 billion cash generated by operations before R3 billion absorption in working capital
- ROFE up to 40%
- Group HEPS 813.8 cents, +37%
- Normalised HEPS 852.9 cents, +31%
- EPS 811.3 cents, +44%
- Interim dividend of 380 cents, + 31%

* Continuing operations

Introduction

The Group's strong operating and financial results over this past interim period reflect the agility of Bidvest's decentralised leadership and team structure, the portfolio of value-adding essential services, the financial muscle to invest in inventory and capital projects, as well as the successful delivery of strategic growth plans.

Trading profit grew by 24.8% to R5.1 billion, with R1.0 billion earned internationally. Robust cash generation by operations of R6.6 billion was delivered before absorbing R2.6 billion in working capital as the seasonal trend returned. Capital investment of R1.2 billion was maintained and a R0.5 billion investment in a LPG terminal in Isando was approved.

The successful maiden issuance of an USD800 million international bond bolstered the Group's financial capacity to execute our international growth ambitions. The pipeline of strategic growth opportunities continues to build.

Financial overview

All divisions reported double digit trading profit growth. This is an excellent result considering the benign trading environment, global supply chain constraints, increasing input price inflation and continuing waves of the COVID-19 pandemic. The acquisitions made by Noonan in the prior year delivered in line with expectations.

HEPS grew by 35.3% to 813.8 cents from continuing operations. Normalised HEPS(1), a measure used by management to assess the underlying business performance, grew by 30.9% to 852.9 cents. Group EPS and HEPS increased by 46.2% and 37.0% to 811.3 cents and 813.8 cents, respectively.

Return on Funds Employed (ROFE) improved significantly from 31.3% at 31 December 2020 to 40.4%. Return on Invested Capital (ROIC) of 15.5%, which compares to 12.9% as at 31 December 2020, is above the Group's weighted cost of capital.

Group NAV grew from R75.14 in the prior period to R81.62 as at 31 December 2021.

(1) Normalised HEPS, which excludes acquisition costs, amortisation of acquired customer contracts and COVID-19 costs, is a measurement management uses to assess the underlying business performance

Prospects

We are optimistic that demand and economic recovery is gathering momentum. There are encouraging signs of a return to offices, albeit from very low levels. Tender activity and building plans passed are increasing, while customer engagement and procurement decision making is picking up. A record maize season is expected with strong export demand given adverse weather in other key maize producing regions. Bulk commodity demand is expected to remain robust. Demand for renewable and alternative energy solutions and products is accelerating.

An optimised cost base, continuing efforts to improve efficiencies and innovation, together with active gross margin management will positively support future results, whilst contending with rising inflation.

Effective, 1 April 2022, the Services division will split into two divisions, Services SA and Services International, to better support Bidvest's international growth strategy.

Dividend declaration

In line with the Group dividend policy, the directors have declared an interim gross cash dividend of 380 cents (304.0000 cents net of dividend withholding tax, where applicable) per ordinary share for the six months ended 31 December 2021 to those members registered on the record date, being Friday, 25 March 2022. The dividend has been declared from income reserves. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

Share code:

BVT

ISIN: ZAE000117321
Company registration number: 1946/021180/06
Company tax reference number: 9550162714
Gross cash dividend amount per share: 380.0000
Net dividend amount per share: 304.0000
Issued shares at declaration date: 340 274 346
Declaration date: Monday, 28 February 2022
Last day to trade cum dividend: Tuesday, 22 March 2022
First day to trade ex-dividend: Wednesday, 23 March 2022
Record date: Friday, 25 March 2022
Payment date: Monday, 28 March 2022

Share certificates may not be dematerialised or rematerialised between 23 March 2022, and 25 March 2022, both days inclusive.

Regulatory requirements

The contents of this short-form announcement are the responsibility of the Board of directors of the Group. These are the summarised results of the full announcement for the half year and do not contain full or complete details of the financial results. Any investment decisions made by investors and/or shareholders should be based on consideration of the full announcement as a whole and shareholders are encouraged to read the full announcement which is available for viewing on the Company's website (www.bidvest.co.za) and <https://senspdf.jse.co.za/documents/2022/jse/isse/BVT/1HFY2022.pdf>

The full announcement is available for viewing on the Company's website and for inspection at the registered office of Bidvest, Bidvest House, 18 Crescent Drive, Melrose Arch, Melrose, Johannesburg, 2196, South Africa and at the offices of Bidvest's sponsors, Investec Limited, 100 Grayston Drive, Sandown, Sandton, 2196, South Africa. at no charge, during normal business hours from 28 February 2022.

The information in this announcement has been extracted from the Interim Condensed Consolidated Financial Statements. The results have not been audited or reviewed by the Group's auditors and have been prepared under the supervision of the Chief Financial Officer, MJ Steyn, BCom CA (SA).

Date: 28 February 2022

Johannesburg

Sponsor: Investec Bank Limited