

**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 2022**

At the Group's Annual General Meeting (AGM) held today, 25 November 2022, an update on the performance during the first four months of the financial year (FY23), which ended 31 October 2022, was provided.

"The Group has delivered a very good all-round performance during the first four months of FY23. At a time of unprecedented macro events, our agility, expertise and clear strategic focus, have enabled us to maintain our momentum", said Mpumi Madisa, Bidvest chief executive.

Revenue growth resulted from contract wins, modest overall activity growth and pricing. Travel and hospitality, commercial consumables, the increased demand for certain South African commodities, as well as an expanding renewable energy market, were pockets of real growth. Trading profit growth mirrored the top-line on the back of active margin and expense management.

Our business services operations, which include the Services International, Services South Africa, Freight and Financial Services divisions, delivered an excellent performance. As expected, travel and hospitality related demand continued to recover strongly, bulk volumes handled through our terminal operations increased despite the significant rail challenges in South Africa, new business wins across most operations annualised, while the capital deployment at Bidvest Bank improved at a higher net interest margin. BIC, the acquisition we concluded shortly after the last financial year end, is delivering in line with expectations and has secured strong new business wins. Contractual price increases, largely resulting from gazetted wage increases across all operational territories, have been passed on. Significantly higher fuel and consumable prices are harder to recover. The non-repeat of COVID related work has created a high base in our hygiene and cleaning services businesses, particularly in the first half. We remain confident that slightly higher office occupancies, sourcing and cost synergies, together with continued growth in the hygiene and contract pools, will sustain the annual profit contribution.

Our trading and distribution operations, which include the Branded Products, Commercial Products and Automotive divisions, all performed well. Significant price inflation of goods, limited infrastructure activity and frequent load shedding were the main headwinds faced, but strong renewable energy demand, increased office occupancy and delivering into healthy order books, supported activity. The strain on consumer spending caused by cost-of-living pressures and interest rate hikes have started to manifest, but the overall portfolio mix remains reasonably defensive. The operating leverage in these businesses was somewhat dampened by higher operating expenses as well as investment to mitigate electricity and water infrastructure failures. Margin management remains top of mind.

In line with normal business seasonality, working capital was absorbed, albeit at a somewhat greater quantum as stock days remain intentionally higher, coupled with reinstated new vehicle supply from a local manufacturer and improved trading in the recent months. The quality of stock and debtor books remain good. Group ROFE and ROIC have improved from the prior year.

Corporate action, an integral part of our growth strategy, continued as we were participating in processes, both locally and offshore, which are in varying phases of completion. Engagement with regards to possible public private partnerships continues.

**Administration**

Bidvest results for the six-months ending 31 December 2022 are expected to be released on SENS on or about Monday, 5 March 2023.

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

Date: 25 November 2022

Johannesburg

Sponsor: Investec Bank Limited