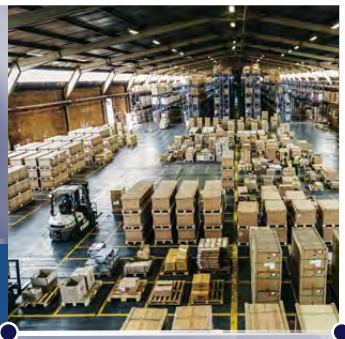
Bidvest

Integrated Report

for the year ended 30 June

2022



People and products behind a brighter future

Bidvest
STEINER

TRAINEE

SALES COUNTER
CASHIER
voltex

Contents

2 About this Integrated Report

4 The Bidvest Group

6 This is us

8 This is what we stand for

10 These are our operations

12 Corporate governance

14 ESG Framework

16 Our strategy

18 Creating value for our stakeholders

26 Key drivers in our operating environment

30 Material focus areas and risk

34 Reflecting on FY2022

36 Chairman's report

40 Chief executive's report

44 CFO's report

48 Value added statement

52 Divisional reviews

68 Financial performance

88 Shareholder diary and administration

About this Integrated Report

This report has been developed to enable Bidvest stakeholders to make an informed assessment about our ability to create value over time for all stakeholders.

To facilitate such an assessment: We introduce the Group, outlining who we are, where we operate, what we do, and how we create and sustain value; Provide a high-level strategic and governance overview incorporating the Chairman's statement and review our leadership team and governance practices; Provide an operational summary of our performance and strategy incorporating the Group chief executive's statement; Identify the material matters that impact on value creation in terms of our operating environment, and the principal risks and opportunities facing the Group; Reflect on our interaction with the six capitals that enable our business and our key stakeholder relationships and review our performance across our operations. This report covers the period from 1 July 2021 to 30 June 2022.

Key stakeholders

This report is directed at our stakeholders who remain critical to the ongoing success of Bidvest. We believe that it is only with robust partnerships formed and developed over years that we can continue delivering growth and acceptable returns for our society at large. This report outlines those key stakeholders that play a part in our strategic planning process and that have an impact on our decision making, and we outline the progress we have made in responding to their concerns. Our key stakeholders include:

Equity and debt investors - Current and potential shareholders, and the broader investment community, together with lending and financing institutions.

Employees and trade unions - As one of the largest private employers in South Africa (SA) and with businesses in Ireland, the United Kingdom (UK) and Australia, Bidvest has a broad base of employees ranging from security and cleaning teams, manufacturing and logistics people, financial and administrative professionals, as well as IT, sales and customer support specialists and experienced leadership and management teams that oversee the day-to-day implementation of business activities.

Communities, including community-based organisations, non-profit and non-governmental organisations - As a microcosm of SA business, Bidvest's activities extend throughout the country, Ireland and the UK. Our society is therefore broad in characteristic, diverse and extends across a large geographic footprint.

Government, governing and regulatory bodies - Operating across many different sectors and across seven operating divisions, results in interaction with numerous authorities and regulators. These entities, and other public sector partners, provide the laws, regulations and guidelines that the Group implements to ensure strict compliance in terms of its operating practices.

Partners and potential partners - Within certain Group businesses, Bidvest forms partnerships where the source of product and service is best held externally, but which are necessary to ensure delivery of a value added offering. Bidvest values these relationships and actively promotes this working concept in the search for new partners that will ultimately add substance to Bidvest's overall offering.

Customers - The Group services thousands of customers through its over 250 companies across its operating footprint, and with a focused business-to-business (B2B) philosophy. The Group always attempts to ensure compliance to a customer-centric ethos, which is best achieved through the segmentation of the portfolio into logical, decentralised, offerings that enable a much closer focus on the needs and demands of the respective customers.

Suppliers - Companies that provide goods and services to the Group, which include outsourced services.

Reporting frameworks

Our reporting process has been guided by the principles and requirements contained in the International Financial Reporting Standards (IFRS), the IIRC's International Framework, the GRI's Sustainability Reporting Standards, the King Code on Corporate Governance 2016™ (King IV), the JSE Listings Requirements (Listing Requirements), the South African Companies Act, No. 71 of 2008 (Companies Act), the Task Force on Climate-related Financial Disclosure (TCFD), the United Nation's 17 Sustainability Development Goals (SDG) as well as the World Economic Forum's stakeholder capitalism principles.

The consolidated Annual Financial Statements (AFS), as well as a suite of additional reports, are available online (at www.bidvest.co.za) or can be requested from our company secretary.

Assurance

This report provides information on all those matters that we believe could substantively affect value creation at Bidvest. Integrated thinking is intrinsic to how we manage our business and to our internal strategy development and reporting practices. Our strategy has been developed to ensure that we manage the resources and relationships needed to create value over time. We use a combined assurance model to provide us with comfort obtained from management in conjunction with internal and external assurance providers. PricewaterhouseCoopers Inc. (PWC) audited our FY2022 consolidated AFS and provided an unqualified opinion thereon.

Our Audit and Risk committees provide internal assurance to the board annually on the execution of the combined assurance plan. The Group's financial, operating, compliance and risk management controls are assessed by the Group's Internal Audit (IA) function, which is overseen by the Audit and Risk committees.

Approval

The board has applied its collective mind to the preparation and presentation of the information in this report, which has been guided by the IIRC's International Framework. The board believes that this report addresses all material issues and presents a balanced and fair account of the Group's performance for the reporting period, as well as an accurate reflection of our commitments. On the recommendation of the Audit and Risk committees, the board approved the Bidvest AFS on 2 September 2022 and the Bidvest Integrated Report on 18 October 2022.

Signed on the board's behalf:

Bonang Mohale
Chairman

Mpumi Madisa
Chief executive

18 October 2022

Disclaimer

Certain statements in this document constitute "forward looking statements". Forward-looking statements may be identified by words such as "believe", "anticipate", "expect", "plan", "estimate", "intend", "project", "target", "predict" and "hope". By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future, involve known and unknown risks, uncertainties and other facts or factors which may cause the actual results, performance or achievements of the Group, or the various sectors in which the Group operates, to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future performance and are based on assumptions regarding the Group's present and future business strategies and the environments in which it operates now and in the future. No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements. Any forward-looking information contained in this notice has not been reviewed or reported on by the Company's external auditors. Forward-looking statements apply only as of the date on which they are made, and Bidvest does not undertake other than in terms of the Listings Requirements of the JSE Limited, to update or revise any statement, whether as a result of new information, future events or otherwise.

Our reporting suite

Integrated Report

Annual Financial Statements

Environmental, Social and Governance Report

Notice of Annual General Meeting

We welcome feedback on this year's Integrated Report and the supplementary information we provide. Please feel free to send your feedback to info@bidvest.co.za

The Bidvest Group

voltex

This is us

Founded in 1988 and listed on the JSE Limited in Johannesburg SA, Bidvest is a leading industrial group with over 250 individual businesses and employs over 125 000 people in SA, the United Kingdom (UK), Republic of Ireland (Ireland), Spain and Australia.

The Group has an entrenched functional governance structure with an unwavering ethical foundation, a strong balance sheet and a focused Environmental, Social and Governance Framework (ESG Framework) with specified targets. Bidvest encourages a performance-driven business model that continuously seeks scale and growth.

Our strategy over the last 34 years has remained true to our diversified offering. We have developed businesses that align to the concept of providing goods and services with a focused B2B philosophy. Our diversified portfolio operates in two segments – business services, and trading and distribution – through seven divisions. Bidvest's diversity is its strength as it empowers businesses to act as catalysts for value creation.

Our vision

Principals

Empowering entrepreneurship

Committed to customers

Driven by excellence

Creating social value

Leading by example

Refer to page 8

Structure

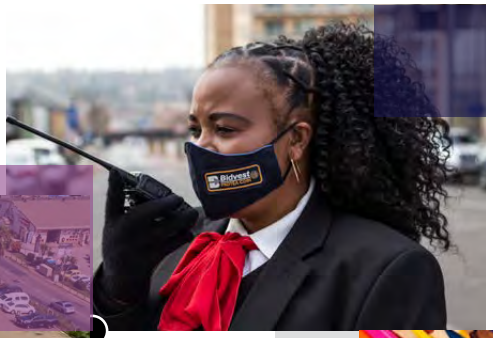
Decentralised operating model

Seven divisions

Functional governance structure

ESG Framework

Refer to page 10



Turning ordinary companies into extraordinary performers, delivering strong and consistent shareholder returns in the process, while understanding that people create wealth, companies only report it

Strategy

Decentralised and diverse portfolio

+

Performance driven culture

+

Financial strength

=

Scale and growth

+

Responsible stewardship

Refer to page 16

Operating environment

Key drivers:

- Economic growth
- Government policy and regulation
- Technology advances
- Consumer spend
- Growing demand for hygienic facilities
- Infrastructural development and maintenance

Risks:

- High inflation
- Challenging economic outlook
- Impaired SA infrastructure
- Supply chain constraints
- Cyber assaults
- Climate change

Refer to page 18

Performance

Trading profit **R9.7bn**	+23%
Normalised HEPS **1 601.5 cents**	+24%
Total dividends for the year **744 cents**	+24%
Cash generated by operations	R11.5bn
ROFE up to	37.6%

Increased capacity to execute **international growth strategy**

93% of our SA employees are black and **47% are female; 83%** of the management **appointments black,** 44% female

5 596 people on development programmes; **406 learners** absorbed permanently

R149m spent on **employee & community support programs**

R8bn, +60%, procured from black-owned SME

Environmental footprint reduced

Refer to page 34, 52

This is what we stand for

Our purpose

We achieve our Purpose by focusing on providing the often overlooked, essential components of everyday life that respond to the diverse needs of society. Getting this right, does not happen by chance.

Driven by excellence

We value and respect the skills, time and intentions of all our people. We strive to provide an environment where they can do, and become, their best.

Committed to customers

We make every decision and measure our performance on how well it serves our customers. When our customers succeed and grow, we succeed and grow.

Leading by example

We do the right thing, even when no one else is looking. What is right, is different to doing what is easy.

Empowering entrepreneurship

We think like customers but act like owners. Every employee has the power to make our business better.

Creating social value

We take the long view and strive to make a sustainable difference in society. We are building something worth building, that will endure the test of time.

Our vision

To turn ordinary companies into extraordinary performers, delivering strong and consistent shareholder returns in the process, while understanding that people create wealth, companies only report it

Our values

Accountability Honesty Integrity Respect

People and products behind a brighter future

Bidvest is unwavering in ensuring the highest standards of corporate governance and responsibility. There is a deeply entrenched functional governance structure that places significant reliance on the ethical behaviour of all Bidvest employees, which is firmly entrenched across the Group. There is a high hurdle of responsibility on everyone.

The Group board and its six sub-committees together with seven divisional boards and Audit committees, chaired by independent non-executives, provide robust oversight. Combined assurance receives deliberate and focused attention at Bidvest. The Audit committee ensures that our combined assurance model adequately addresses Bidvest's risks and material matters through the aggregated efforts of assurance providers. Continually optimising our combined assurance model avoids duplication and rationalises collaboration efforts upstream amongst assurance providers. This enables an effective control environment and ensures the integrity of information used for reporting and decision making.

Top-down

- Code of Ethics and Levels of Authority matrix governs day-to-day activities
- Key issues discussed and reviewed by board and its sub-committees
- Bidvest Ethics Line, externally managed
- Internal audit function (progressive, independent, value-adding, responsive)
- Governance built into short- and long-term incentives

Functional governance comes from the **heart**

Doing the right thing, even when no one is watching

Bottom-up

- Processes/structures at business level are the first line of defense
- Business and divisional Exco's, Risk and Audit committees
- Due diligence on all 3rd party partners externally verified

Results in:

dynamic and iterative risk assessment and **mitigation actions;**

strategic review and **identification of opportunities;** and

stakeholder engagement

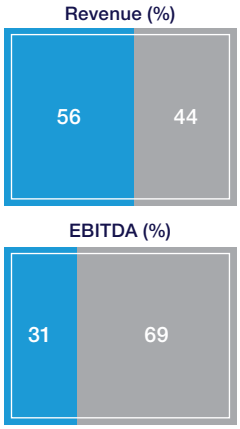
These are our operations

Bidvest is a leading B2B services, trading and distribution Group operating in the areas of consumer, pharmaceutical and industrial products, outsourced hard and soft services, financial services, freight management, office and print solutions, travel services and automotive retailing. The diversified portfolio operates in two segments – business services, and trading and distribution – through seven divisions.

We have a blended portfolio of defensive and cyclical businesses that are diversified, essential and asset-light.

During FY2022, the Services division was split into Services International and Services SA. This was done to create management capacity and focus to execute Bidvest's international growth strategy.

FY2022 key financials



Trading and distribution

Branded Products

Revenue	**R19.1bn**	**+7%**
Trading profit	**R1.9bn**	**+27%**

Leading distributor, supplier and manufacturer of a comprehensive suite of office products and services, branded household and pharmaceutical products as well as a provider of outsourced customer communication services.

Incorporating, amongst others: Waltons, Konica Minolta, Silveray, Kolok, Lithotech, Bidvest Data, Home of Living Brands, Masterpack, Adcock Ingram

Commercial Products

Revenue	**R15.0bn**	**+7%**
Trading profit	**R1.2bn**	**+33%**

Manufacturing, distribution and trading businesses, representing multiple leading industrial day-to-day branded products.

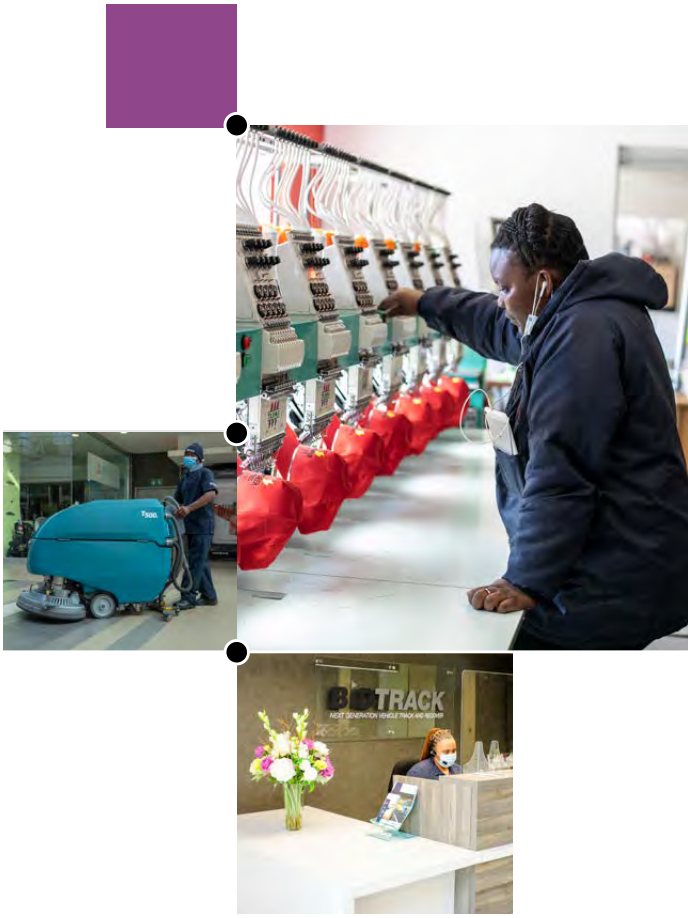
Incorporating, amongst others: Voltex, Plumblink, Matus, Renttech, Vulcan, G Fox, Berzacks, Afcom, Buffalo Tape, Yamaha, Academy Brushware, Cabstrut

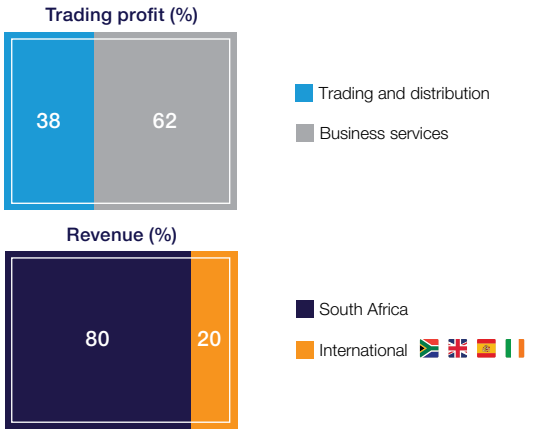
Automotive

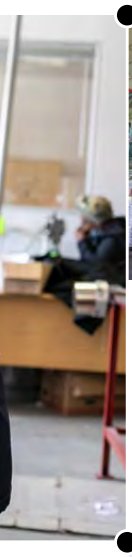
Revenue	**R23.7bn**	**+12%**
Trading profit	**R0.8bn**	**+14%**

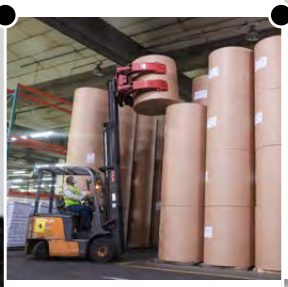
Manufacturing, distribution and trading businesses, representing multiple leading industrial day-to-day branded products.

Incorporating, amongst others: Bidvest McCarthy, Burchmores









Business services

Services International

Revenue	R27.4bn	+26%
Trading profit	R3.1bn	+15%

The division offers a wide range of corporate outsourced services including cleaning, hygiene and is a leader in the provision of products and services that enhance the working environment through hygiene services and pest control, waste management, property and facilities management solutions. Operations span SA, UK, Ireland, Spain and Australia.

Incorporating, amongst others: Steiner, Prestige, Bidvest Facilities Management, Noonan, PHS, BIC

Freight

Revenue	R7.4bn	+19%
Trading profit	R1.8bn	+38%

Leading private sector freight management group in sub-Saharan Africa, drawing on more than 150 years of portside experience. Facilitates the storage, handling and movement of cargo through its independent terminal operations, international clearing and forwarding, logistics and marine services.

Incorporating, amongst others: Bidvest Tank Terminals, South African Bulk Terminals, Bulk Connections, Bidvest International Logistics, Manica Group Namibia, Bidvest SACD, Naval

Services South Africa

Revenue	R8.2bn	+14%
Trading profit	R0.9bn	+50%

Operating across multiple sectors, the division's comprehensive and diverse range of service capabilities, which comprise security, travel, hospitality, catering and various allied products, creates a unique platform for customised client solutions in SA.

Incorporating, amongst others: Bidvest Protea Coin, Aquazania, GPT, BidAir Cargo, Rennies Travel, Execuflora

Financial Services

Revenue	R2.4bn	-8%
Trading profit	R0.09bn	-70%

Specialised fleet management and foreign exchange services, insurance and other financial services for the corporate and business markets. Bidvest Bank is a leading second tier bank.

Incorporating, amongst others: Bidvest Bank, Bidvest Insurance, Compendium, FinGlobal, Bidvest Life

Leadership

Board of directors

The board has six standing committees (Audit; Social, ethics and transformation; Risk; Remuneration; Nominations and Acquisition committees) with delegated authority from the board. Each board committee is chaired by an independent non-executive director.

Diversity, in its broadest sense, is the hallmark of the Bidvest board, something we are very proud of. The non-executive directors are all independent and represent 75% of the board.

Executive directors

Mpumi Madisa (43)
Group chief executive

Mark Steyn (52)
Chief financial officer

Gillian McMahon (50)
Executive director

Independent non-executive directors

Bonang Mohale (60)
Chairman

Renosi Mokate (64)
Lead independent director

Bongi Masinga (55)

Norman Thomson (71)

Zukie Siyotula (38)

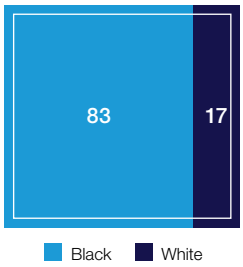
Lulama Boyce (43)

Sindi Mabaso-Koyana (53)

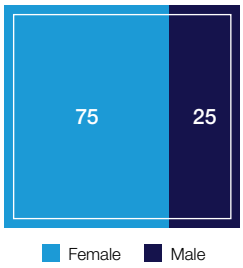
Faith Khanyile (55)

Koko Khumalo (55)

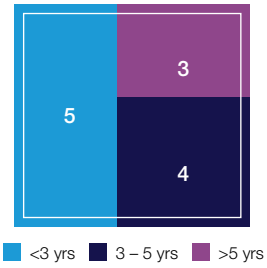
Race (%)



Gender (%)



Tenure (number of directors)



KEY TO COMMITTEES

- Acquisitions committee
- Audit committee
- Nominations committee
- Risk committee
- Remuneration committee
- Social, ethics and transformation committee
- C Chairman

Executive committee

The Group Exco consists of twelve members, including the Group executive directors and functional executives covering strategy, finance, transformation, ESG, business development, as well as the seven divisional chief executive officers. The Group believes that its decentralised governance structure supported by experienced management, many of whom are specialised in particular sectors or industries, leading the day-to-day operations of the businesses, positions the Group well for the continued focus and execution of its key strategic initiatives. As a result, most of the members of the Group's senior management team (whether focused on individual businesses, divisions or the Group as a whole) are heavily rooted, not just in the relevant industry or industries from decades of prior experience, but also in the Group's journey to the diversified business that it is today.

Ilze Roux (48)
Corporate Affairs executive

Phathu Tshivhengwa (40)
Corporate Finance executive

Akona Ngcuka (42)
Services South Africa chief executive

Alan Fainman (59)
Services international chief executive

Wiseman Madinane (54)
Freight chief executive

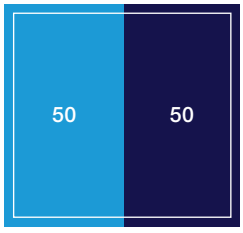
Hannah Sadiki (57)
Financial Services chief executive

Howard Greenstein (59)
Commercial Products chief executive

Steve Keys (61)
Automotive chief executive

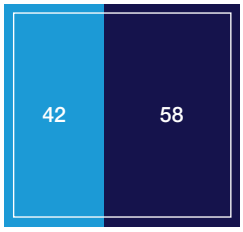
Kevin Wakeford (62)
Branded Products chief executive

Race (%)



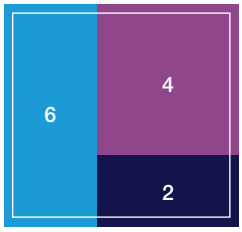
Black White

Gender (%)



Female Male

Tenure (number of members)



<10 yrs 10 – 20 yrs >20 yrs

For more detail on governance processes please refer to page 50 and the Annual Environmental, Social and Governance Report.

ESG Framework

The impact of climate change and social inequality has become more and more evident, highlighting the need for common cause, understanding and purpose.

We recognise that people are the enabler of our business and a critical resource that needs to be empowered. As a Group that serves virtually all industry sectors, it is our responsibility to ensure that we contribute to the success of our host nations. We use the United Nation's 17 SDGs, which provide a comprehensive definition of sustainability, as a guideline. We identified the SDGs that are most relevant to us: Good health and wellbeing; Gender equality; Decent work and economic growth; Industry, innovation and infrastructure; and Responsible consumption and production. Using these SDGs as guidelines, we are able to assess the impact we are making, through our basket of services and goods as well as our operations and corporate citizenship activities.

In FY2021, Bidvest established an ESG Framework which is a culmination of our sustainability ambitions, focused on the areas where we can make the biggest difference with specified targets and metrics. These medium-term targets were used to determine specific ESG performance hurdles in the incentive scorecards. The consistent, focused attention on six key metrics yielded great momentum and results during FY2022.

Looking ahead, there is more to be done. As one of the largest employers in SA where inequality and unemployment is widespread, we are contemplating an emphasis, through a greater weighting, on the social component, both from a people and broader socio-economic perspective, of sustainability in incentive scorecards from FY2024 onwards.

Commitments	Objectives
To conduct profitable business in a responsible and accountable manner	**Preserve empowering decentralised governance model**
To care for the Bidvest family and the Group's connected societies	**Nurture people and business diversity**
	Unlock value through innovation and efficiencies
To drive positive change through partnerships and social dialogue	**Represent responsibly made products**
	Maintain financial strength through growth, focus and discipline

People, planet, purpose

Targets

Inclusive employer with **females** at all levels making up **45%,** and **African** people representing **50%** of the SA businesses' **management** by 2025

Reduce carbon, water and waste **footprint** by a further **20%** by 2025

Become SA's leader in supply chain transformation by targeting more than **90%** of **local sourcing** from suppliers that have a Level 4 or better B-BBEE rating

Ensure that **100%** of our **tier 1 suppliers** are compliant and responsible in their dealings, that we contribute to the **circular economy** while protecting and enhancing livelihoods

Actively **manage cybersecurity** risk to a global benchmark **25%** IT hygiene score, continuously assessed by ALICE (Bidvest's AI 'employee')

Performance

People

Excellent progress on diversity and inclusion:

- **Board:** **75%** female; **83%** black
- **Exco:** **42%** female; **50%** black

1 041 employees with disabilities

R545m spend on **skills development** & bursaries

406 learners permanently **employed**

729 bursary beneficiaries

Planet

Reduced emission **(30%)** and water **(26%)** intensity

Launched **environmentally-friendly products and services** (cobotic cleaning, water efficient taps, handbags that include recycled material and wheat grass, etc)

Phased plan to retrofit **Bidvest properties** with **solar solutions**

Purpose

R149m spent on **employee & community support** programs, including during riots and floods in FY2022

Increased local procurement spend from 68% to **74%** with **suppliers B-BBEE Level 4 or better** ranked

Group **supplier diversity programme** launched

Our strategy

The Group's strategic ambition of scale and growth, and continually pursuing responsible stewardship, is being achieved by maintaining a strong balance sheet, exercising financial discipline through considered capital allocation, and pursuing organic and acquisitive growth opportunities in our identified areas of strategic focus.

We promote and support our entrepreneurial management teams that empower many enterprises across all our areas of operation to be catalysts for value creation. We further support our teams to create an ecosystem of businesses that actively supports and adds value to our customer base, focuses on cash generation and returns, but at the same time strengthens society and enables it to function efficiently and sustainably.

We foster innovation and an environment in which employees thrive, which in turn drives our advance across markets, geographies and society. We continually seek to maximise our portfolio by broadening our offering, expanding internationally in niche hygiene and facilities management services as well as plumbing related wholesaling, and we allocate capital efficiently, including on bolt-on acquisition and long-dated assets.

During FY2022, we made further progress in advancing our strategy. We started the year with the successful placement of Bidvest's inaugural, attractively priced,

Enablers

Decentralised and diverse portfolio

Maximising a decentralised and diverse asset portfolio by innovation and continuously broadening the service and product basket

- Seven focused divisions, operating in SA, UK, Spain, Ireland and Australia
- Each with own chief executive and leadership team
- Diverse leadership empowered as catalysts for value creation
- A range of everyday essential products and services
- Clear succession plan in place

Performance driven culture

Promoting and supporting entrepreneurial management teams, and providing the agility and an environment for decisive actions

- Empowering entrepreneurship
- Committed to customers
- Driven by excellence
- Leading by example
- Providing a safe and healthy workplace with equal opportunities for all
- Learning and personal development opportunities

Financial strength

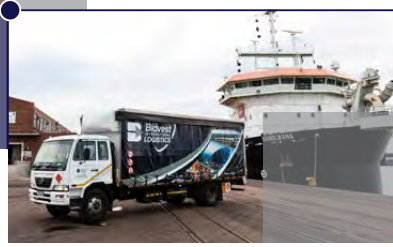
Maintaining a strong financial position by focusing on asset management, generating cash and growth

- Strong balance sheet
- Financial discipline
- Highly cash generative
- Tight cost control an everyday principle
- Entrenched Return on Funds Employed (ROFE) measurement:
  - Services related ROFE >50%; and
  - Distribution related businesses ~30%

The Bidvest Group strategy is enabled by a performance driven, decentralised business model that continuously seeks scale and growth through its diverse portfolio

international bond. This is a critical enabler of our growth ambitions, particularly internationally, and a clear external endorsement of such. A good M&A pipeline was proactively built, and several exploratory engagements kicked off. A handful of bolt-on acquisitions were concluded, both locally and offshore. The anticipated scale benefits from the bolt-on acquisitions concluded by Noonan in the prior year, as well as organic growth, is manifesting in an excellent return uplift.

Our steadfast discipline when evaluating opportunities remained firmly intact as we walked away from several acquisition possibilities.



Outcomes

Scale and growth

Capital invested in key areas, ensuring growth and internationalising niche services

- Targeting a blend of defensive, cyclical and growth assets
- Established market players of scale
- Organic growth:
  - » Extract value in fragmented markets;
  - » Expand service & product offering; and
  - » Agile pivot into growth sectors
- Acquisitive growth:
  - » Selected international niche sectors of hygiene services, facilities management and plumbing products;
  - » Bolt-on acquisitions; and
  - » Capital investment in long-dated assets

Responsible stewardship

Social value and long-term sustainability created for all stakeholders

- Opportunities to develop and offer environmentally friendly products and services to enhance value for customers
- Deploy technology to drive efficiencies
- Projects to lower our own footprint
- Inclusive socio-economic initiatives
- Maintain high standards of corporate governance

Creating value for our stakeholders

Whereas most definitions of a business are demand-driven, ours is largely supply driven. Bidvest provides products and services that are essential for everyday use into selected key markets. The markets are chosen for their scale and growth potential as we continually seek to participate in the expansion and development of momentum in these sectors.

Our 34 years of operating experience has demonstrated that meaningful growth can only be achieved, and real value can only be created, when the needs of our entire stakeholder group are taken into consideration. This makes the management of our stakeholder relationships specifically important, and why we continually strive to ensure that our ambition of meaningful stakeholder interaction, and reward, is successfully achieved. This is being done by embedding stakeholder needs, and measuring the return, into the selected capital inputs of our value creation model. This ultimately enables us to deliver on our overriding purpose of "People and Products Behind a Brighter Future".

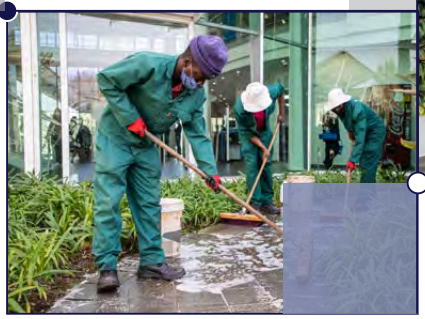
Our key stakeholders provide us with capital:

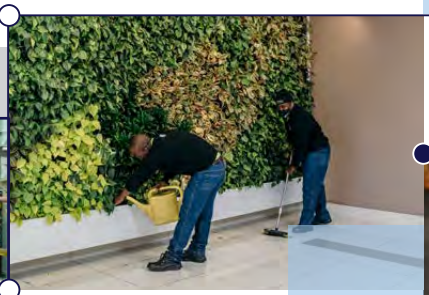
Social and relationship capital is where we focus our efforts to achieve an inclusive economy. We aim to improve our proposition to the entire range of stakeholders across our value chain. The value we build through ongoing engagement, information sharing and working together with all stakeholders is important, as it ensures that we can deliver quality products and services. It also advances our ongoing contributions to socio-economic wellbeing, with an objective of adding to the development of inclusive economic growth.

Human and intellectual capital is our key competitive advantage. Value is achieved because of the knowledge and experience delivered by the people that comprise Bidvest. Their knowledge, skills, talents and experience ultimately determine our capacity to accomplish goals. We have a performance, value-driven culture that encourages innovation and disruption, within an empowering decentralised operating structure to ensure maximum delivery of the agreed objectives within each division.

Our **manufactured and natural capital** enables us to invest in and upgrade our services capabilities, distribution centres, storage and handling facilities, branch network and other infrastructure. These are all critical to generating the income for disbursement by way of salaries, contributions to the host-country fiscus, dividends and social contributions. Our ecosystems and natural assets, specifically, energy, fuel and water, are managed to reduce usage and lessen impact on the environment and our societies.

Financial capital includes the economic resources that fund our business, backed by a strong balance sheet that provides an ability to attract capital for continued growth. We are focused on enhancing long-term relationships with investors and funders, as we strive for financial sustainability.





Ensuring sustainable value for all stakeholders

Equity and debt investors

Current and potential shareholders, and the broader investment community, together with lending and financing institutions

Relevant capitals: Social and Relationship; Manufactured and Natural; Financial

Objectives

Bidvest aims to achieve investor and debt market trust by providing clarity on the Group's strategic ambitions, explaining the businesses and divisions, introducing key leadership and providing clear feedback on performance, while ensuring understanding about mutual expectations.

How we engage

- Ongoing dialogue through results presentations and Company announcements
- Investor meetings/ roadshows
- Website updates
- Engagement with Group leadership

Engagement topics

Group strategic direction

Maintaining the performance momentum

Margin management

Market share gains

Growth pipeline and clarity on geographic expansion

Currency risk

Funding capacity and future plans

ESG metrics linked to incentives

Financial Services division turnaround

Value created

Demonstrating **investor confidence** through the Group's commitment to the highest standards of governance

R3bn distributed to providers of **equity capital** (FY2021: R1bn) by way of the total dividend

Group HEPS
1 442 cents +22%

Market capitalisation
R70bn +15%

Nearly **60%** increase in **Company value** since food services unbundling (May 2016)

R2bn in payments to **debt providers**

Hosted investor briefing sessions to enhance market knowledge base

Delivered better than target performance on STI sustainability metrics

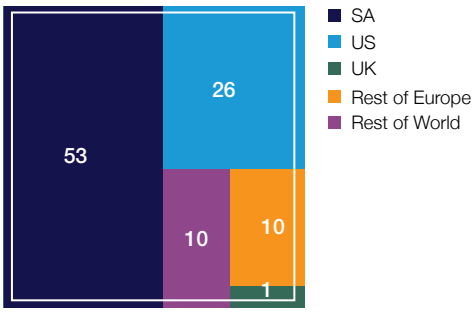
Risk to value creation

- Uncertainty or misunderstanding about strategy and asset base results in negative sentiment and lack of investor interest
- Non-performance leads to trust being eroded
- No or little interaction with leadership results in Group objectives not being properly understood
- More expensive cost of debt and capital

Opportunities

- Continued capital value and dividend growth
- The return of international travel allows face-to-face access and interaction with global investors and funders
- Geographic diversification allows for a broader investor base
- Innovation and digital communication enhance the frequency of investor and debt market interaction

Geographic spread of shareholders (%)



Employees and trade unions

As one of the largest private employers in SA and with businesses in Ireland, the UK and Australia, Bidvest has a broad base of employees ranging from security and cleaning teams, manufacturing and logistics people, financial and administrative professionals, as well as IT, sales and customer support specialists and experienced leadership and management teams that oversee the day-to-day implementation of business activities

Relevant capitals: Human and Intellectual; Social and Relationship; Manufactured and Natural

Objectives

Bidvest strives for a safe and conducive working environment that provides fair and sustainable income and offers career advancement opportunities. We encourage involvement between managers with local trade unions; advance employment equity and skills development forums within Bidvest; obtain feedback by way of employee surveys and Group ethics line. Across the Group, management strives to ensure equal opportunities for growth and development.

How we engage

- Main focus of employee engagement occurs within Group companies
- Individual employee and group forum interaction is encouraged
- Individual company and Group wide newsletters
- Regular union briefing sessions
- Digital applications within certain businesses
- Employee wellness and support systems in place

Engagement topics

Market-related remuneration, reward and benefit

Bribery, corruption and cyber security awareness

Health and safety, particularly during the pandemic

Post COVID wellness

Career advancement

General company and Group news

Value created

Second largest private employer in SA

126 468 Bidvest family members who contribute meaningfully to their own communities and societies (R29bn remuneration)

1 041 employees with disabilities

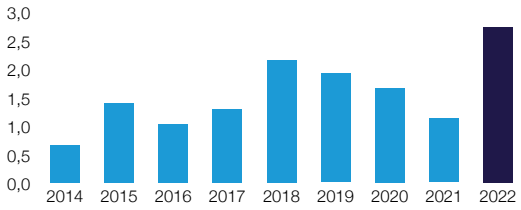
Diversity targets achieved – 93% of SA employees are black and 47% are female

R4bn in employee taxes paid to governments

Career development programmes and other training initiatives to enhance the skills base

R545m spend on **skills development** and bursaries

LTIFR



Regrettably we had **11** fatalities: 2 security officers were killed in the line of duty; 5 employees in vehicle accidents; 2 due to workplace incidents and 2 personal circumstances

5 596 learner-, apprentice- and internship programme participants. **406** learners permanently employed

729 bursary beneficiaries

Risk to value creation

- Securing, retaining and development of necessary skills
- Breakdown in communication leads to unclear directives
- Distorted messages as a consequence of the size of the Group
- Cost of living and other economic pressures lead to workplace work stoppages

Opportunities

- Enhancing the employee value proposition leads to an ability to attract and retain skills needed to achieve the Group's strategic intent
- Sustainable job creation and work preservation
- Continued Group growth provides additional opportunity for career advancement
- Enhanced performance leads to higher reward

Communities, including community-based organisations, non-profit and non-governmental organisations

As a microcosm of SA business, Bidvest's activities extend throughout the country, Ireland and in the UK. Our society is therefore broad in characteristic, diverse and extends across a large geographic footprint

Relevant capitals: Human and Intellectual; Social and Relationship; Manufactured and Natural

Objectives

To improve the welfare of our various communities, we enhance direct engagement and support with regards to socio-economic and other specific needs.

How we engage

- Through various national, regional and community programmes, specifically aimed at individual development and advancement, job creation, health, wellness and safety
- Deliberation and engagement with local community, welfare, education, health and other support groups in key operating regions
- Participation on local community forums, where relevant
- Actively seek support initiatives to guide and develop small- to medium-owned businesses, and assistance for business development programmes

Engagement topics

Socio-economic aspects affecting communities

Providing Group resources to improve wellbeing of communities

Enhancing local procurement and employment

Sustainability enhancements and support

Value created

Numerous initiatives in place to **build sustainable societies**

R148m socio-economic support spend

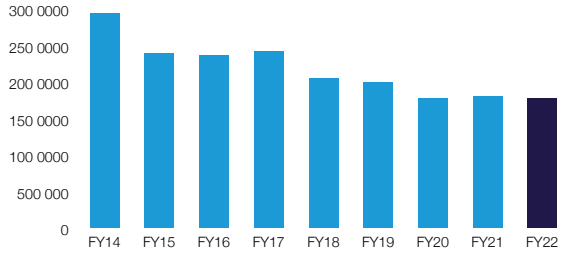
Group Supplier Diversity Programme launched

Wellness and food support programmes established

Advocacy work through UN Global Compact Network SA

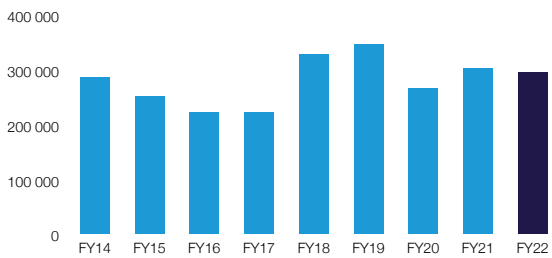
Water intensity **reduced by 13%** and **26%** compared to FY2021 and FY2019, respectively

Total water usage (kilolitres)



Emission intensity **reduced by 14%** and **29%** compared to FY2021 and FY2019, respectively

Scope 1 & 2 emissions (tons)



Risk to value creation

- Disconnected communities create misunderstanding of Group intent
- Diminished employment and supplier base
- Disrupted and fragmented communities impact Group businesses, and operating efficiencies

Opportunities

- Mutual understanding and clarification of needs will ensure improved benefit to many communities in urgent need of assistance
- Increased job creation, and an enhanced supplier base
- Lower our, and customers', environmental footprint through innovative products and services

Government, governing and regulatory bodies

Operating across many different sectors, results in interaction with numerous authorities and regulators. These entities, and other public sector partners, provide the laws, regulations and guidelines that the Group implements to ensure strict compliance in terms of its operating practices

Relevant capitals: Human and Intellectual; Social and Relationship; Manufactured and Natural

Objectives

Continually enhancing understanding and engagement is essential to contribute, and respond, to national imperatives. A focus on regulatory and policy submissions as well as compliance are key focus areas.

How we engage

- Strive for face-to-face engagement, and Bidvest representation on industry bodies
- Participation and submission into various government and industry requests for dialogue as well as written proposals and/or responses
- Using digital communication channels for selected commentary

Engagement topics

Socio-, political and economic issues impacting the nations in which the Group is active

B-BBEE development and advancement, as well as ongoing equity plan implementation

Ongoing compliance with regulatory frameworks and good governance

Tender processes and adjudication

Local procurement and employment

Crime and corruption prevention

Value created

A combined **R38bn paid in taxes** to host countries (FY2021: R33bn)

No material regulatory fines or violations

Group **Level 2** B-BBEE rating:
73% of individual businesses Level 1-3;
98% Level 1-4

Constructive engagement with various tender boards

Introduced local partners and procurement elements in various contracts

Engagement with Transnet on public private partnership in dry bulk terminal

Significant improvement in **basic security control disciplines** using ALICE

Risk to value creation

- Non-compliance leads to operational disruption and possible penalty
- Default in taxation and other regulated payments results in reputational, operational and financial damage
- A lack of industry participation on numerous initiatives, including upholding standards, impacts business collaboration and sector development
- Lack of infrastructural development obstructs business operations and growth

Opportunities

- Private and public sector working together will support economic growth activity
- Clear understanding of national priorities will advance and improve growth, business processes, employment and fiscal contributions
- Improved essential supply and provision, such as power, security, rail and public transportation, education and health will enhance and accelerate the national imperative

Partners and potential partners

Within certain Group businesses, Bidvest forms partnerships where the source of product and service is best held externally, but which are necessary to ensure delivery of a value added offering. Bidvest values these relationships and actively promotes this working concept in the search for new partners that will ultimately add substance to Bidvest's overall offering

Relevant capitals: Human and Intellectual; Social and Relationship; Manufactured and Natural

Objectives

Expand the database of international, regional and industry contacts. Ensure relevant market intelligence, and engage leaders in specific niche areas where Bidvest sees growth opportunities.

How we engage	Engagement topics	Value created
• Direct interaction • Sessions to achieve regulated deliverables • Industry bodies • Partner forums, including conferences • Proposal and tender processes	**Market impacts** **Supply constraints and impediments** **Product and service quality and pricing** **Industry development** **Bundled service and product provision** **New product and service offerings**	Strong partnership base formed over many years **Renewed and/or extended** licence agreements Launched **new products and services** Partnership with two banks to **offer solar solution to home loan customers** **ALICE partnered** with **audit firms** to build capability to audit certain financial information at scale with limited human interaction; and digitised the digital transformation assessments conducted by a **technology service provider** Bidvest partnered with the **Black Management Forum** and established the **Women's Empowerment Desk** A **leadership development programme,** in partnership with a service provider, personalised for each Exco member and divisional CFO PHS and Htf partnered on **Project SEARCH** to support young people with learning disabilities into paid full-time employment

Risk to value creation

- Disjointed partnership structure leads to business interruption
- Diminishing partnership base causes inefficiency, a deterioration in advice, pricing disorders, all resulting in planning challenges

Opportunities

- An available and improving skill-set and experience base continues to enhance the overall Group product and service offering
- Efficiencies, costs and quality improves with sound advice

Customers

The Group services over 300 000 customers through some 550 facilities across its operating footprint. The Group always attempts to ensure compliance to a customer centric ethos, which is best achieved through the segmentation of the portfolio into logical, decentralised, offerings that enable a much closer focus on the needs and demands of the respective customers

Relevant capitals: Human and Intellectual; Social and Relationship; Manufactured and Natural

Objectives

Monitor internal call centres for customer feedback and independent complaint channels. Group ethics line has a direct feedback line to executive members. Bidvest website is used for two-way information sharing. A Group product and service brochure is provided each year to create better understanding. Direct calls can be made to divisional chief executives, customer visits are welcomed and we obtain insight from Group sales representatives and client relations teams.

How we engage

- Planned procurement and supply processes
- Regular contact with key customers
- Ongoing contact with vast customer base through marketing and other promotional activities
- Training and development interventions
- Digital platforms, including customer care systems
- Industry and product specific events

Engagement topics

Market normalisation

Compliance to a customer-centric ethos

Increasingly complex and value sensitive business environment

Retain and grow key customers

Requirements for higher Black ownership

Tenders and procurement opportunities and decisions

Value created

Revenue up 13% to R100bn

Invested in working capital, particularly inventory to meet customer demands

Services division split to enhance focus and customer offering, and better define geographic expansion

Gained market share

Turnkey solutions to customers, include the monitoring of RBCT rail line, Transnet pipeline, telecom towers, etc

Focus on key **senior relationships** with strategic customers

Pragmatic and commercial approach to Black ownership

New products, services launched:

AERAMAX Professional and BIOZONE **air purifiers** that remove harmful germs, allergens from the air

Patented, water-efficient washroom water products – FLOWSAVER – **save customers** >2.6mn m³ of **water** annually

Plastic-free biodegradable bags to dispose sanitary waste into PHS bins

Energy efficient waste baling machines for a more cost effective waste streams

Security **uniforms** with incorporating more **sustainable fabric**

Introduction of **2 cobots,** Leoscrub and Rex

Risk to value creation

- Declining acceptance of product and service offering potentially reduces revenues, profits, and sustainability
- Interruptions to customer supply
- Non-compliance with customer protection legislation causes operational disruption and reputational damage
- Customer affordability, driven by declining consumer spend, detrimental to sustainable growth and ongoing societal contributions

Opportunities

- Everyday essential product range continues to attract larger market interest
- Hygiene and wellness offering finding good market acceptance, creating a platform to enhance international growth
- Decentralised structure enables focused customer attention, and reaction when required, and strategic agility enabled when market dynamics or customer expectations change
- The Group's advancing use of technology, innovation and data usage improves the customer experience and expectation

Suppliers

Companies that provide goods and services to the Group, which include outsourced services, including consultants

Relevant capitals: Human and Intellectual; Social and Relationship; Manufactured and Natural

Objectives

Ensure a procurement base that enhances the relationship model between the Group and supply company. To achieve this, the communication with key suppliers on market trends and requirements, as well as product innovations is a key focus area

How we engage

- Managed at a decentralised level
- Supplier systems (including audits) in place to inform improve regulatory, standards, financial, legal and quality issues
- Procurement teams pursue regular, and where possible direct face-to-face, communication through various channels
- Trade, product, industry and sector events

Engagement topics

Clear communication channels supporting accurate and timely information to all parties

Long-term sustainable support of small and/or Black-owned supplier companies

Financial and operational challenges faced by certain suppliers

Security of supply

Enhancing communication channels

Value created

R47bn procurement spend in SA. **R8bn procured from black-owned** and black woman-owned SME businesses

Continually **establishing alternative supply channels**

Engaged with suppliers on **product innovation**

Engaging with select suppliers of Noonan and PHS to understand complete **supply chain footprint**

Continued efforts to streamline logistics chain

Bidvest integrated Supplier Diversity Programme overview:

Demographics

47 Total participating businesses
47 Black owned
25 Black women owned

Size by Annual Turnover

36 **< R10m**
8 **R10m – R50m**
3 **> R50m**

R244m annual procurement value with participating businesses

Sectors/Industries: automotive, waste, manufacturing, electrical, transport, food, facilities management, tourism

Risk to value creation

- A lack of collaboration to enhance efficiencies will reduce the Group's key cost focus
- Misunderstanding causes delays and market supply frustrations
- Declining product and service quality leads to negative impacts on overall business deliverables

Opportunities

- Supplier diversity programme underway to support long-term relationships with small and Black-owned businesses to ensure their sustainability
- Significant focus on expanding and growing the supplier base that meets the expectations of the Group's ESG Framework
- A better, more informed and efficient supply chain enhances growth and stakeholder return

Key drivers in our operating environment

Key driver: **SA's economic growth is constrained in the absence of structural reforms and investment**

Response

Although we expect the uncertain and fragile operating environment in SA to remain, we have a track record of outperforming, and we are confident into the medium-term. Bidvest's basic-need services and everyday essential product ranges should stand us in good stead, especially when coupled with an innovative, value-adding mindset.

Stakeholders impacted

- Equity and debt investors
- Government, governing and regulatory bodies
- Partners and potential partners
- Customers
- Suppliers

Performance

23% trading profit growth
3x SA real GDP growth

Focus on growth sectors
– mining, agriculture, private sector infrastructure spend, alternative energy, e-commerce

Expenses well managed, **+4.7%**

Financial strength allowed for increased **investment** in inventory in Commercial Products and Branded Products

Key driver: **SA government policy and regulation**

Response

SA's need for real GDP growth to create social and economic prosperity for all is undeniable. Bidvest is actively participating in national workstreams incorporating labour, government, civil society and business to achieve real and sustainable GDP growth. Enabling and aligned legislation that cuts across sectors is key.

The recent interventions announced as part of the energy crisis plan, opens the door for considerable private sector self-generation.

Stakeholders impacted

- Government, governing and regulatory bodies
- Partners and potential partners
- Customers
- Suppliers

Performance

Lifting of the self-generation cap to 100Mw led to a notable increase in **demand** for products and services into renewable energy sector

Established truck staging areas outside Durban Harbour to alleviate congestion

Active engagement with Transnet around **potential public private partnership** for bulk terminal

Ongoing active participation in deliberations with government and engagement through industry bodies, for example Business Leadership SA, will support reform

Key driver: **Technology advances to enhance Group businesses**

Response

Technology brings opportunity to enhance efficiency, improve service and reduce environmental impact. It also drives changed behaviours and needs, to which we respond accordingly.

Stakeholders impacted

- Employees and trade unions
- Partners and potential partners
- Customers
- Suppliers

Performance

Technology and **innovation** introduced to drive **internal efficiencies** and optimise sale channels (for example robotic process automation to efficiently handle high-volume transactions in Bidvest McCarthy; cable length tracker in Burncrete to reduce rope wastage; Car Scan to do claim assessments in Bidvest Insurance; etc)

Additional capabilities in **ALICE** to continuously monitor external threats in addition to basic IT hygiene

Introduction of cobotic cleaning and mobile water recycling systems by Noonan and electric vehicles into the PHS fleet, all aimed at **reducing environmental impact**

Key driver: **Consumer spend**

Response

Consumer spending is expected to remain under pressure, especially as inflation ticks up. Consumer healthcare spend on preventative measures is forecast to increase as health concerns and protecting families take priority.

Stakeholders impacted

- Equity and debt investors
- Customers
- Suppliers

Performance

The nature of the majority of the Group's products and services are designed for everyday use, by a wide customer base

Multiple **new product launches** in Adcock Ingram

Strategic focus to expand consumer product offering in Adcock Ingram

Multi brand representation allow for consumer choice at **tiered price points**

Pressure evident as entry-level vehicle volumes outstrip luxury

Key drivers in our operating environment continued

Key driver: **Resilient out-of-home hygiene and facilities management market**

Response

The hygiene market is increasingly resilient and is supported by structural growth drivers such as urbanisation, a growing middle class, growing and aging population as well as hygiene and safety standards in the food, pharmaceutical and retail sectors. The global outbreak of the pandemic has undoubtedly heightened the awareness of, and the need for, out-of-home hygiene.

The need to provide safe, hygienic and pleasant workplaces and operating environments support active facilities management.

Stakeholders impacted

- Communities, including community-based organisations, non-profit and non-governmental organisations
- Government, governing and regulatory bodies
- Partners and potential partners
- Customers
- Suppliers

Performance

The continued reliance on **hygiene and wellness services** remains **strong,** but the end of strict pandemic controls is impacting these offerings

Technology driven and/or enhanced **customer solutions** include smart building solutions and bluetooth enabled access control launched by Noonan achieving touchless access control

Bidvest Facilities Management secured a material contract in the **telecommunication sector,** establishing themselves a leader in this **niche**

Key driver: **Infrastructural development and maintenance**

Response

Infrastructural investment and maintenance have been limited. Government's ability to credibly address the precarious position of several SOEs, initiation of development programmes and ongoing maintenance of national infrastructure and key facilities remains critical to achieve sustainable growth in the SA economy. Private sector also needs to invest to establish and grow businesses and industries.

Stakeholders impacted

- Equity and debt investors
- Government, governing and regulatory bodies
- Partners and potential partners
- Customers

Performance

Commercial Products benefited notably from **private sector investment**

Rail inefficiencies impacted volumes handled in Bulk Connections, SACD

Extensive loadshedding necessitated the use of generators, increased diesel consumption

Solar solutions no longer only an environmental impact consideration but a **risk mitigant.** Phased plan to roll out solar solutions to Bidvest properties

Technology driven customer solutions include air and ground monitoring of rail networks; renewable energy solutions

Bidvest
STEINER
PLACE HAND IN FRONT OF SENSOR

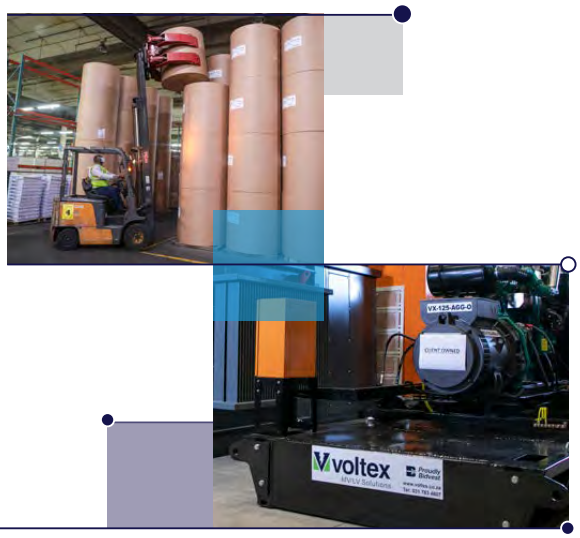
PLUMBLINK
Proudly Bidvest

Material focus areas and risk

Materiality and material matters

There are certain material matters that might disrupt Bidvest's ability to continue creating value for its stakeholders. Our decentralised, asset-light and everyday essential products and service business model is, in itself, an effective risk management tool.

As external factors emerge and evolve, the key matters that may interrupt the operations of the Group's business are carefully assessed through a controlled process, which include the board's Risk committee, divisional Risk committees and Internal Audit. The meaning of material is defined and clarified across the Group. Those matters that may have an impact on the effective and successful future operations are assessed and the risk management thereof, including mitigating action, integrated into day-to-day activities. On an enterprise-wide level the key material matters are described below.



Global risks

According to the International Monetary Fund (IMF), the outlook for the global economy has deteriorated in recent months, and the world faces an increasing risk of recession in the next 12 months. The commodity price escalation from the war in Ukraine exacerbated the cost-of-living crisis for hundreds of millions of people, and the situation seems to be deteriorating.

As a consequence, several shocks have hit a world economy already weakened by the pandemic and its supply chain and other disruptions. Higher-than-expected inflation worldwide triggered tighter financial conditions; a worse-than-anticipated slowdown in China, reflecting the ripple effects globally of its continued zero-COVID strategy; and further negative spill overs from the war in Ukraine. The latter seems to be impacting European economies disproportionately, owing to higher energy prices, weaker consumer confidence and slower manufacturing momentum due to persistent supply chain disruptions, the short supply of gas and rising input cost.

In response to negative inflation surprises, central banks have raised interest rates faster than anticipated. This is a difficult balancing act to rein in inflation without inducing a recession. Today, 60% of low-income countries are in or at high risk of government debt distress, up from 20% a decade ago.

At the same time living standards are dropping around the world and this is disproportionately impacting the most vulnerable people, government finances are stretched, and climate change mitigation needs urgent multilateral action.

Cyber security and the climate change 'cost' remains concerning across the globe with significant investment being directed toward mitigation and implementing disaster recovery plans. Business interruption insurance has become an expensive consequence.

Material focus area: **Inflation**

Root cause	Key performance indicator	Consequence of risk	Control and mitigating actions
Rising energy prices Rising labour cost Higher input commodity prices Reduced manufacturing capacity	• GP margin • Real cost increases • Recovery of full wage inflation	• Limited trading profit and HEPS growth • Declining ROFE • Retrenchments and/or restructuring	Contract terms to pass on wage increases Active management of GP margin Use enabling technology such as robotics, remote monitoring Energy savings initiatives Pursue fleet and distribution efficiencies

Material focus area: **Challenging economic outlook**

Root cause	Key performance indicator	Consequence of risk	Control and mitigating actions
Lowered GDP growth forecasts Recession risk building globally Accelerated interest rate hikes result in reduced consumer spend and weakened business confidence High unemployment in SA	• Level of demand for products/ services • Trading profit growth • Cash generated from operations • Revenue growth • Social unrest	• Low/no trading profit & HEPS growth • Declining ROFE and margin • Lower cash conversion ratio • Poor factory efficiencies • Higher cost of debt	Value-adding essential solutions and products to customer Offering spans wide price-range Innovation Skills development Organic focus on growth segments, especially mining and agriculture Acquisitive focus on growth industries and geographies

Material focus area: **Supply chain constraints**

Root cause	Key performance indicator	Consequence of risk	Control and mitigating actions
Pandemic resulted in supply chain shifts from SA to other ports and skewed containerised cargo flows Durban port efficiencies continue to lag pre-COVID levels Russia / Ukraine war negatively impacting supply of energy and agricultural-related commodities Flooding caused supply disruption at certain vehicle manufacturer facilities	• Product availability • Raw material availability • Logistics cost • Input prices	• Inability to deliver on demand • Gross margin reduction • Above inflation expense increase • Reduction in product handled in terminals	Front loading of orders Securing alternative raw material sources Substitution of product Broaden sourcing supplier base Take-or-pay agreements

Material focus area: **Cyber assaults**

Root cause	Key performance indicator	Consequence of risk	Control and mitigating actions
Criminal intent	• Number of cyber attacks • Ethical hacking results • ALICE dashboard	• Disruption of operations • Leak of confidential information and proprietary data • Breach of laws	Intrinsic system and operational diversity of the Group Actioning ALICE continuous monitoring and improvement suggestions Ad-hoc ethical hacking IT governance framework Disaster recovery plans Business interruption insurance

Material focus area: **Climate change**

Root cause	Key performance indicator	Consequence of risk	Control and mitigating actions
Heavy reliance on coal as source of power Limited utilisation of clean, renewable energy Single usage and limited recycling Growing population increases burden on nature	• Extreme weather conditions • Unpredictable weather patterns • Shortage of natural resources/ commodities	• Property and infrastructure destruction • Social turmoil • Reduced agricultural volumes handled • Disruption of operations	Installation of solar systems Water and waste recycling efforts Environmentally friendly product and service innovation Advocacy work through UN Global Compact Network SA

Refer to Environmental, Social and Governance Report, page 6, for detailed climate change discussion.

Country risks

During the fourth quarter of FY2022, SA experienced unprecedented rolling blackouts. By mid-July 2022, the country surpassed the 1 150 hours of load shedding experienced for the entire 2021, equating to more than 2 500GWh or 1.0% of energy required. Rolling blackouts continued through August and September 2022, severely impacting economic progress.

Eskom's coal power stations are, on average, 42 years old, resulting in high levels of breakdowns. This was exacerbated by labour unrest which halted preventative maintenance and impeded repairs.

On 25 July 2022, SA President Cyril Ramaphosa announced an action plan to confront the electricity crisis in SA. Six interventions were tabled:

- Restructure Eskom and improve the availability of existing supply;
- Improve conditions for private investment in new generation capacity by removing the 100Mw generation cap;
- Accelerate procurement of new capacity from renewables, gas and battery storage;
- Empower municipalities to procure additional electricity;
- Provide better conditions for businesses and households to invest in rooftop solar; and
- Fundamentally transform the electricity sector to achieve long-term energy security.

Changes to legislation, processes and regulatory frameworks are needed to execute on some of the above interventions. These regulatory changes are still awaited.

The non-availability of power has moved from a nuisance to a material business continuity risk which needs to be mitigated. The installation of solar solutions, with or without battery capability, has become a risk mitigation tool in addition to other sustainability considerations.

Unfortunately, it is not only SA's power infrastructure that has deteriorated. Lack of, or interruptions to, the rail network as well as basic essential services (such as water) delivered by government entities and municipalities have become commonplace. This is due to a lack of maintenance over many years and operational inefficiencies, exacerbated by flood damage. State-owned enterprises need to reassess why they exist and focus on delivering just that. The private sector stands ready to help execute on that for the benefit of all.

Material focus area: **Impaired SA infrastructure**

Root cause	Key performance indicator	Consequence of risk	Control and mitigating actions
Energy crisis as a result of constrained base load and alternative energy supply Inefficient and damaged rail network Deteriorating water quality and supply	• Productivity • Quality of manufacturing • Power supply • Cargo received by rail	• Disrupted factory and warehouse operations • Reduced demand • 24-hour services provision impacted • Service levels comprised	Installations of solar systems and back-up generators Alternative water sourcing and storage solutions Truck staging area and back of port facilities

Other risks

Other key risks include sustained employment and the retention of skills. The Group endeavours to continuously develop the skills of its employees and in the industries in which it operates and continues to focus on maintaining and rewarding a high-performance culture, while maintaining its encouragement for an entrepreneurial attitude. There is ongoing development of employees through training academies, graduate and learnership programmes and recognition. Bidvest is also investing in the human capital of its various communities, which affords the Group the opportunity to draw skills from and support local businesses. There are also wellness services programmes available to all employees.

A Group supplier diversity programme was launched during the year. The programme is designed as a unique learning experience for the entrepreneur, focused on business context and awareness, entrepreneurial mindset, business modelling, building competency and capacity as well as sustainable business practices. Contributors, facilitators and partners will monitor and evaluate performance against objectives on an ongoing basis.

Reflecting on FY2022

Bidvest
McCarthy
SILVER OAKS
We Deliver. Always.

Chairman's report

Excellent **growth** delivered across all metrics

Pleasing progress made in **reducing environmental footprint**

Good balance between services and trading and distribution businesses

Continuing to deliver beyond the financial statements

"As the world starts its cautious return to normality, it is pleasing that Bidvest's planning and preparation over the past few years has demonstrated tremendous resolve and the intended benefits have started materialising. In many instances, beyond expectation."

Bonang Mohale
Chairman

This past financial year's extraordinary performance is an indication of the quality of the Group's leadership and the dedication and commitment of the more than 125 000 people who come to work each day to deliver operational excellence. They continue to uphold the Bidvest tradition of delivering above-average returns and providing ongoing benefits for all the stakeholders and societies we serve.

Excellent trading profit growth was delivered, earnings are strong, cash and funding facility availability is healthy, and our key ROFE measurement improved significantly. Most pleasing is that we were able to reward shareholders with a total dividend that is 24.0% up on last year.

Achieving growth, proving the purpose

Coming off a relatively high base last year, Bidvest delivered growth across all its key financial metrics. This is especially noteworthy considering the unexpected events we all experienced, both locally and globally, over recent years. It is extraordinary how quickly we were able to re-set and deliver another excellent performance, while continuing to entrench the deep focus and attention directed toward all the parameters and aspects relevant to our businesses, and the way we operate.

We continue to work hard to ensure the Group's principles, values, and the outcomes arising from the recently introduced ESG Framework, are judged on their respective effectiveness, and the ability of the business to fulfil its purpose.

Delivering a good result is one thing but, at Bidvest, we believe we are only performing satisfactorily if we deliver beyond the financial statements and provide benefit to our broader base of stakeholders. We are doing this remarkably well, specifically in terms of providing for all levels of education and sustainable employment generation, providing more learnerships and bursaries, achieving visibly higher levels of leadership, employee and supplier transformation, supporting those in need, while also delivering on pledges made to all other social and environmental ambitions. You can only say that success has been achieved when you deliver on commitments, made through a clearly defined purpose, and which provide benefit for your people, the planet, and ultimately result in a strong performance.

Social transformation through economic upliftment of communities and businesses, and investment in education and health is a prerequisite at Bidvest, and we have established strategic partnerships with key stakeholders to gain scale, add value and entrench long-term relationships through common purpose. Diversity and inclusion are prioritised for both internal and external stakeholders, and we are continually enhancing economic transformation through a more diverse supplier network and inclusive procurement approach.

It is pleasing that Bidvest made good progress on reducing its environmental footprint, improving social and community well-being, while also being able to offer customers more innovative and sustainable products and services. Ultimately, ensuring a better future for all our stakeholders.

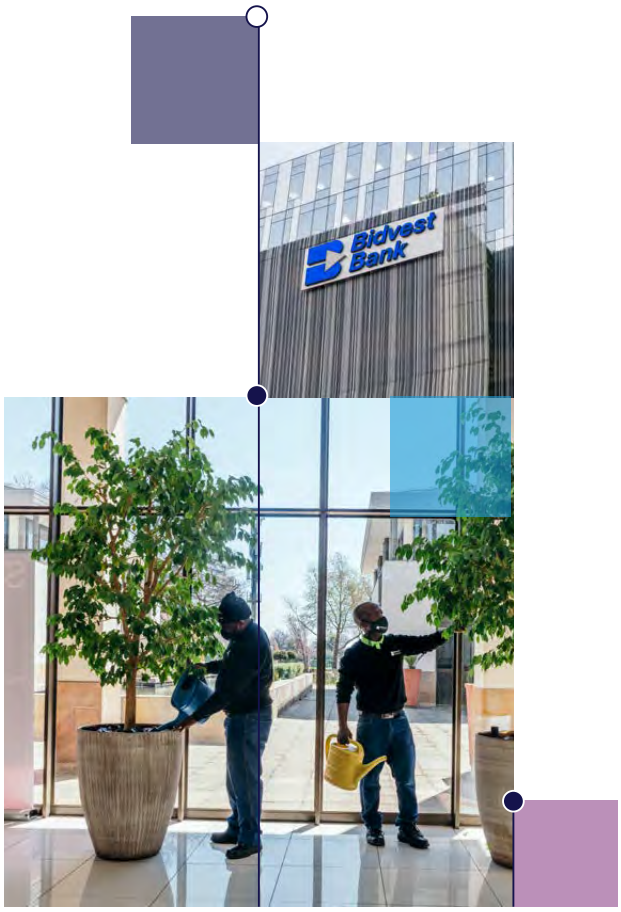
Growing concern, rising risk

The past year bore witness to several worrying events which are placing strain on a world economy already damaged by the pandemic.

Decades-high inflation in many of the world's biggest economies was exacerbated by Russia's invasion of Ukraine, which had a more negative than previously anticipated global impact, resulting in food and energy prices soaring and interest rates aggressively hiked. While inflation in SA seems to be fairly well contained at 6.5%, with a forecast of 5.7% next year, the country's forecast GDP growth is of real concern, at around 2.0% in 2022, declining to 1.3% in 2023. In the UK, a significantly lowered GDP growth expectation of 0.5% in 2023, with inflation increasing to 10.5% for 2022, is cause for alarm. The European Commission's updated economic forecast for Ireland indicates good GDP growth at 5.3% and 4.0% for 2022 and 2023, respectively, with inflation at 7.3% and 3.3%. Australia's economic growth is expected to remain strong during 2022, moderating in 2023 with forecast GDP growth of 3.8% and 2.2%, respectively, and the country's CPI is expected at 7.8% over 2022 and around 4.0% in 2023.

It is clear living standards around the world are declining, disproportionately impacting the most vulnerable people. Government finances are stretched and climate change mitigation needs urgent multilateral action. This is not an easy operating environment to navigate.

The consequence is continued negative impacts on consumer and business confidence, extending economic headwinds even further. This is concerning, specifically for a Group like Bidvest that prides itself on delivering everyday essential products and services. We are monitoring these global events and their respective impacts very carefully and will continue to seek out pockets of growth.



The Group's risk monitoring processes are firmly established, and actions were taken to mitigate the areas of most concern, which include continued inflationary effects and the secure provision of energy.

Additionally, while supply chains broadly stabilised and product delivery is more consistent, delivery lead times are extended. Together with pricing variations, this resulted in Group inventory levels being higher than the prior reporting year.

The continued decline in the state of SA infrastructure is of grave concern. Water infrastructure and supply in many municipalities has deteriorated significantly. Poorly managed rail and port operations are limiting the effective distribution of goods across the country, and those destined for export markets. Freight cargo is being diverted away from Durban and other SA ports to neighbouring countries. Government's indication that it seeks to work with the private sector on progressing municipal effectiveness, as well as rail and port upgrades and efficiencies, needs urgent advancement.

A changing world

The pandemic, and its consequences, has driven many corporations to review ways of operating, employee work practices and behaviours, as well as customer and other stakeholder demands. It has also resulted in our companies reviewing and amplifying their respective ESG practices, which is based on the Framework entrenched across the Group.

We are all experiencing a time of enormous change, with challenges and opportunities emerging. In SA, despite good progress in certain areas and sectors, there remains a need for further and significant improvement. This includes an urgent requirement to rapidly rollout a revitalised infrastructure development strategy across the country, together, and with a stronger resolve to stabilise energy provision. Over the past year, SA's energy supply interruptions were more severe than ever experienced. Uninterrupted access to electricity is of utmost importance for Bidvest, and indeed all SA companies. There is a pressing need to accelerate the restructuring of state energy provider, Eskom, and the recent momentum delivered through the Independent Power Producer Procurement Programme to intensify renewable energy availability is welcomed and must be maintained. Additional changes to legislation, processes and regulatory frameworks are urgently needed to ensure a better energy supply environment.

We must remove the obstructions brought on by red tape bureaucracy within many areas of government, ethical leadership must be more visible and more emphasis placed on driving crime and corruption out of the system.

Strategic alignment and growth driving success

The success of our growth strategy, which is delivering returns beyond our expectations, was one of the key drivers of this year's remarkable financial results.

Concurrently, the strategic impetus across the Group – improving operational efficiencies, maintaining good cost management and cash generation, together with ongoing investments to increase capacity in terminals, factories and back-offices, as well as robust inventory levels – contributed to this past year's excellent results.

It demonstrated several realities, including Bidvest's capacity to ensure strategic agility, the importance of our everyday essential products and services, and the critical need to maintain a strong balance sheet coupled with a relevant and considered capital allocation programme. Product and geographic diversification remain key enablers, ensuring a good balance between our services, trading and distribution offerings. In previous years, the balance between those sectors performing well and segments more harshly impacted, was roughly in equilibrium. However, we are now seeing the majority of our operations performing well across most areas of the business. This is, I believe, a consequence of how Bidvest has adapted to the turmoil the world has seen, and we are all currently experiencing.

Appreciation

During this past financial year, we welcomed Ms Faith Nondumiso Khanyile (Faith) and Ms Motlanalo Glory Khumalo (Koko) as independent non-executive directors. They are both providing valuable insights into Board deliberations. After year-end, we announced that Ms Nonzukiso Siyotula (Zukie) and Ms Sibongile Masinga (Bongi) would step down from the Board at the conclusion of forthcoming annual general meeting. My gratitude is expressed to all Board colleagues for their unstinting time, as well as their generous contributions and sound guidance.

On behalf of the Board, it is difficult to adequately express our thanks and congratulations on these stellar results in mere words to the entire Bidvest family of employees and the leadership teams across the Group. We are extremely grateful and encouraged by what has been achieved and look forward to what lies ahead as we aim to shape a brighter future for the Bidvest Group, for all our stakeholders and the respective countries in which we operate.

I am confident that Bidvest's ability to continue adapting to these ever-changing markets, its focused growth strategy, prudent management, resilient companies, robust balance sheet and strong financial standing, will stand us in good stead as we move forward.

Bonang Mohale

Chief executive's report

23%
Group trading profit growth, and 24% higher dividend

Strong balance sheet
allows us to pursue opportunities for growth

6 325
people on various development programmes

The most senior leadership are **45%** black and **34%** female

"I am delighted to report on a remarkable year. Six of our seven divisions have posted double digit profit growth, which is off last year's high base, and four divisions each delivered more than one billion rand in trading profit."

Mpumi Madisa
Group chief executive

This year's performance demonstrates the Group's resilience and is an indication of the Bidvest team's ability to deliver, year-in and year-out. Six of the seven divisions generated a ROFE, our internal performance measurement indicator, of more than 30.0% and, importantly, the performance was emulated in operational cash generation.

Group trading profit growth at R9.7 billion is 23.3% higher, which is remarkable considering the increase from R6.7 billion in 2019, and the R7.9 billion recorded in 2021.

Normalised HEPS from continuing operations and the total dividend grew by 24.0% to 1 442.0 cents and 744.0 cents, respectively.

Through all of this, and like all other companies globally, we contended with numerous adversities, including the lasting impacts of the pandemic, an economic environment that remains uncertain, social and political unrest, flooding in parts of South Africa, rising inflation and serious supply chain restrictions.

Continuing to evolve our strategy

This past year was especially gratifying considering that it is a mere six years since the unbundling of the significant food service business. After the unbundling, we quickly settled into a period of refocusing the remaining businesses into divisions, each with a clear portfolio of quality assets, to pursue growth, organically and through acquisitions. This was certainly achieved: this year's reported trading profit is similar to the profit generated before the 2016 unbundling. Cash flows from operating activities, excluding dividends and on a comparable basis, are almost R0.5 billion higher. This is a remarkable achievement.

One of the early decisions we made after the unbundling was to embark on an international growth strategy, focused on acquiring niche businesses in the facilities management, hygiene services, plumbing and related sectors. Our clearly defined acquisition criteria – of acquiring asset-light businesses that are highly cash generative, are established market players with identifiable opportunities to scale, together with good entrepreneurial management teams – has proven successful. Our strong balance sheet allows us to continuously assess and pursue opportunities across the world.

We quickly evolved our strategy of product and geographic diversification and, in 2017, acquired Noonan, followed by PHS in 2020. These acquisitions resulted in the entry into the UK, Ireland and Spain. We increased the scale of our operations with several bolt-on acquisitions. The consolidation, in a somewhat fragmented market, led to Bidvest enabling Noonan to scale-up to become a top 10 facilities management business in the UK. More recently, we entered Australia after acquiring BIC Services, providing a platform to introduce a similar growth strategy in that region. At a trading profit level, Services International delivered over R3.0 billion in trading profit, which is 31.4% of the Group total and more than 30 000 of our 126 468 employees work internationally – all of this achieved in less than five years.

The extraordinary growth achieved internationally led to a decision, taken in the past year, to split the Services division into Services International and Services South Africa, resulting in the formation of our seventh division. The intended consequences, which are already evident, is that management capacity was increased to pursue our ambitions to build a global hygiene and facilities management services business, and Services South Africa now has a clear and dedicated focus on enhancing the division's value proposition.

The Group is constantly assessing and launching actions to disrupt the industries in which it operates. This is done, largely, by including technology and innovation advancements in all businesses. Key among many introductions, were upgrades in security services, such as facial recognition technology and using drones to patrol high-risk areas, as well as environmentally friendly products and services across the Group. Electric vehicles, autonomous robots and collaborative robots (cobots) are being used in the facilities management, cleaning and hygiene sectors, while artificial intelligence has improved planning, monitoring, reporting, and therefore governance, throughout Bidvest.

People: where it all starts

We strive for a Bidvest that is relevant, innovative and future fit. This, we believe, can only be achieved if we ensure that all stakeholders are treated fairly and with respect. We are unwavering in our approach to provide a safe and healthy workplace with equal opportunities, conducive to learning and personal development.

Diversity and inclusion are critically important aspects and remain a big focus. For us, the jurisdiction in which we operate does not matter: all Group businesses must reflect the demographics of that country. We worked hard to ensure our diversity targets are achieved, and it is satisfying that all internal targets were exceeded. Today, 93% of our SA employees are black and 42% are female. At the Board level, 83% of the Directors are black and 75% female. At our most senior level of leadership, 45% are black and 34% female. People with disabilities now make up just more than 1 000 of our employees, up from 790 in the prior year.

We have 6 325 people on training, internships and bursary programmes, and we have invested almost R550 million on these initiatives. We also have employee well-being programmes across the Group to support Bidvest employees and their families.

Job creation remains critical, especially in SA considering the high levels of unemployment. It is important that, as we grow, we create more jobs. Over the past year, we absorbed 406 learners across our various programmes into permanent positions within the Group. We introduced new work opportunities wherever possible, such as the more than 400 people employed into the G. Fox facility, and the 150 new drone pilots employed in UDS. In our travel businesses, and as this sector continues to rebound and recover, we were able to re-employ a significant number of people back into the industry.

Our focus also extends externally, into the communities we serve, and specifically those regions where members of the Bidvest family live. We contributed R148 million to various community programmes across the country, including the support provided to employees and communities during the floods and riots in KwaZulu-Natal. In many instances we are actively involved in community development to enhance education, health, economic upliftment and diversity.

We are immensely proud that we were able to spend an additional R3 billion, making the total R8 billion, on procuring goods and services from black-owned and black woman-owned small- to medium-sized (SME) businesses in SA. Our view is that improving the country's economy is reliant on a growing SME sector. Big business must play a more active role, we believe, in supporting SMEs in SA. We aim to have more than 90% of total local procurement spend directed toward Level 1-4 B-BBEE suppliers, compared to 74% in FY2022.

Planet: looking beyond the financial statements

At Bidvest, we believe in doing the right thing, even when no one is looking. Doing what is right is different to doing what is easy. Wherever we work, even though we ensure we operate profitable entities, we insist on all business being conducted in a responsible and accountable manner. This includes sourcing products and services from supply chain partners who share our views on sustainable enterprises. Consequently, and in our efforts to contribute to the circular economy, we offer innovative customer solutions to aid sustainability. Examples of this include the LPG storage terminal we established in Richards Bay to facilitate reliable availability of an affordable

low-carbon energy alternative, offering a vast range of renewable energy products and solutions through Bidvest Electrical, using fuel-free drone and remote-monitoring security services, environmentally sustainable cleaning materials and increased recycled material content in products.

We made good progress in achieving the goals set in our ESG Framework. Several projects are underway across most of our businesses, including greywater wash bays, an electric fleet at PHS, recycling activities, natural offset initiatives, and we are retrofitting the Bidvest property portfolio with solar energy capabilities in a phased approach.

Our Framework includes explicit targets to reduce scope 1 & 2 emissions, as well as our water and waste footprint by 20% by 2025, off the 2019 base. Emissions and water intensity, off the FY2019 base, declined by 30% and 26%, respectively. Year-on-year, emission and water footprints reduced on an absolute and intensity basis. All businesses have initiatives to reduce their footprint further in the coming year.

Performance: record results

The past year was extraordinary, with four divisions – Freight, Commercial Products, Branded Products and Automotive – delivering best-ever performances. There were pleasing performances from the Freight, Services South Africa, Services International, Branded Products, Commercial Products and Automotive divisions. Key growth drivers included pharmaceutical sales, record bulk commodity volumes handled, new vehicle prices, new business growth, a strong rebound in travel- and tourism-related revenue, and full year contributions received from the acquisitions concluded in the UK and Ireland in the latter part of the 2021 financial year.

This was the first year of reporting for the new **Services International** division, which delivered strong top line and organic growth. Trading profit between the facilities management and hygiene businesses is now almost equally split. The SA businesses delivered solid results and Noonan, the facilities management business, reported an outstanding organic result, with operations in Ireland performing particularly well. The hygiene business, PHS, delivered an excellent performance, and its hygiene pool continues to expand. The recent acquisition of Mayflower, will enhance PHS's consumable offering. As expected, there was a decline in high margin COVID-19 work. This division's cost control was excellent with expenses up only 4.4%, significantly below average inflation across SA, the UK and Ireland. Cash generation and conversion was strong, with the high return hygiene and facilities management businesses delivering an excellent ROFE of 203.0%.

Branded Products' improved results were driven, primarily, by an increase in demand for Adcock Ingram's over-the-counter and consumer products, a more normalised back-to-school season, and the increase in e-commerce packaging demand. There was excellent cost control, and the operating leverage was clearly visible, with a 7.2% increase in divisional revenue translating into a 28.4% higher trading profit. All businesses exceeded last year's profits with the overall margin increasing from 8.2% in the prior year to 9.8%. ROFE at 29.6% is up from 24.4% in the prior year, and cash generated from operations was excellent. For the first time, Adcock Ingram surpassed the R1.0 billion profit mark, and the office products cluster delivered a standout performance, as stock was on hand to meet demand. The data, print and packaging cluster performed well, driven by an increased demand for print and packaging products, where the online delivery space is steadily increasing. The consumer products cluster remains consumer-spending constrained, but businesses did well to reduce costs.

The **Freight** division's record performance was driven by volume increases across most of the bulk commodities handled. This year was the first full twelve-month contribution from our LPG terminal, and we also experienced a significant rebound in clearing and forwarding. Considering the significant volume increases, operating expenses were very well controlled. The trading margin increased from 20.9% to 23.7%, and the ROFE of 44.6%, up from 30.8%, for a capex intensive business is excellent. The terminal and related operations in SA, Mozambique and Namibia all outperformed, each without exception, due to higher volumes of chrome, manganese, maize, copper concentrate, iron ore, coal and gasses. There were also good new businesses wins leading to a recovery at Bidvest International Logistics. We continue to invest in the future of this division, and recently approved R1.0 billion in capital expenditure to build an inland LPG terminal as well as additional multipurpose tanks in Richards Bay. The Freight division's primary operations are in KwaZulu-Natal, which experienced rioting and floods during the past year, as well as a cyber-attack on Transnet, which impacted efficiencies. It is remarkable that the team managed to produce this exceptional performance.

Commercial Products' best-ever performance was due to improved sales, gross margin management and outstanding cost control, with expenses growing by only 3.1%. The leverage is also clearly demonstrated in this division, where the 7.2% revenue increase translated into a 27.4% higher trading profit, with most of the businesses increasing profits year-on-year. The trading margin at 7.8% is up from 6.6% and ROFE at 31.1% is materially up on last year, with excellent cash generation. The trade cluster delivered outstanding results with the electrical business delivering record profits, as sales into the renewable and private sector increased, and Plumblink opened 15 new branches. The catering cluster was down on the prior year, with King Pie, which opened 16 new stores, outperforming. The leisure, warehousing and general product clusters delivered superb results, notwithstanding supply chain disruptions, with Berzacks and Yamaha exceeding expectations. The DIY and packaging sectors delivered excellent trading results. A^2 Forklifts was acquired in August 2022, which will increase market share in the forklift hire space, while also introducing electric forklifts to the product range, which is firmly in line with our sustainability strategy.

Services South Africa experienced a significant rebound in travel and tourism, and higher occupancies at offices, schools and universities. Cost control was outstanding, with expenses increasing only 2.6%. The trading margin increased from 8.9% in the prior year to 10.7%. Returns in the division continue to improve and ROFE at 121.1% is significantly up on the prior year's 97.1%. Operationally, the turnaround in the hospitality and catering cluster was significant, and the airport lounge business continues to grow. The security and aviation cluster delivered an exceptional performance driven by new contract wins, particularly in UDS. The rebound in the travel cluster exceeded expectations, with post-pandemic volumes increasing and efficiencies obtained from the restructuring, which started pre-pandemic. At a domestic level, travel volumes are up at about 80% of pre-COVID volumes, and while international travel volumes are higher, these are only around 25% of pre-COVID volumes. The allied cluster delivered excellent trading results off the back of increased office and hotel occupancies and the resumption of conferencing and banqueting events.

The **Automotive** division delivered record-breaking revenue and profit, with virtually all brands up on the prior year. There was a volume increase in new vehicle and part sales. This was an exceptional performance given the material shortage of new and used cars, increasing interest rates and constrained disposable income. The 2021 financial year's trading profit increased by 267.3%, and there was further growth of 25.6% this year. The trading profit margin at 3.5% is up from 3.1% in the prior year, and ROFE at 50.0% is the highest return this division has ever produced. This must be viewed in the context of reduced funds employed due to vehicle supply shortages. There were market share gains in the new vehicle market, with the more affordable brands performing well. Used vehicle revenue increased, despite unit volumes declining by 10.0%. The shortage of new vehicle stock continues to place pressure on the availability and pricing of used vehicles.

Financial Services experienced a difficult year, and the results are disappointing. Revenue is lower, after a reduction in non-interest income, and there was a lack of new leasing agreements as some clients are choosing to extend existing contracts and push out their re-fleeting cycle. Credit approved pay-outs at Bidvest Bank were delayed due to vehicle shortages, but forex revenue is showing signs of recovery. Overall, insurance revenue was flat year-on-year. The division's gross profit improved, but expenses increased, due largely to the significant and delayed impairment charges raised, while there were also certain one-off costs. The life insurance business, expenses and acquisition costs increased at a faster pace than revenue and the expected profit contribution from this business did not materialise. The other major impact was the investment portfolio, which declined by almost R100.0 million on the back of a more bearish market. FinGlobal delivered in line with expectations, and the short-term insurance business delivered a good result with Compendium performing very well. We have focused on stabilising and solidifying the strategy for the 2023 year, which includes the complete digital migration of the Bank. All branches were closed, a strong lending pipeline is in place, sales teams further resourced, and credit processes reviewed, streamlined and optimised. The Bank's balance sheet is strong, liquid and well capitalised, in excess of regulatory requirements. The capacity to grow is certainly evident and expense management across the division is under tight control. There has been a portfolio clean-up enabling the team to focus.

Forward into an exciting future

We have reason to remain bullish about the coming year. We see several 'green shoots,' such as the additional momentum expected from the travel and tourism sector, which remains below pre-COVID levels, and where a full recovery will be positive. Other growth areas include private sector infrastructure projects, including renewable and alternative energy projects following the lifting of the megawatt cap on self-generation.

The sectors in SA that are expected to continue to grow include the online sector while mining and agriculture should remain buoyant. This will benefit the many Bidvest businesses that are significant product and services suppliers into these industries.

The acquisitions concluded will enhance market growth and consolidation in their respective niche areas. This includes BIC Services (BIC) in Australia, which offers an exciting growth platform for facilities management, as well as leveraging our hygiene expertise across this large geographic area. We also expect a material recovery from the Financial Services division.

We remain very aware of and alert to inflationary pressures, we are carefully managing higher costs, and we will protect margins as best possible.

Closing with gratitude

I express my sincere thanks and gratitude to the remarkable management teams across SA, the UK, Ireland, Spain, Namibia, Mozambique, Swaziland and now Australia. Spectacular results were delivered by more than 125 000 people that comprise Bidvest, and we should all be proud.

My thanks also to all the members of our Board, for your guidance and wise counsel. I look forward to working with you as we move forward into an exciting future.

We have clearly defined priorities that will ensure we continue to focus. The Bidvest family is well positioned, and aligned, to deliver an improved performance, ensuring value-adding returns for all stakeholders and continuing our societal contribution. This is, after all, the Proudly Bidvest way of doing things.

Mpumi Madisa

CFO's report

13.2% revenue growth to **R99.9bn**

21.9% increase in HEPS to 1 442 cents

Cash generated by operations up to **R12.8bn**

BIC acquired for **A$163m**

"Market momentum, solid operational performances, exceptional cash management, coupled with an unfolding and powerful growth strategy, have all contributed to a year of record profit performances."

Mark Steyn
Chief financial officer

There are some pertinent points to highlight prior to reviewing the overall performance:

- Following our announcement earlier in the year, there are now seven divisions reflected in the Group's results, as the Services division was split into Services International, which houses facilities management and hygiene services worldwide, and Services South Africa, which focuses on domestic security, travel and hospitality and related allied services.
- One of the Group's key strategic advantages, which is an important enabler for future growth, is its financial strength and flexibility. Pleasingly, despite the various challenges, we strengthened the Group's balance sheet over the past year and improved our debt capacity and maturity profile, while at the same time limiting our downside risk on interest rates hikes.
- From an accounting perspective, the only material change is the hedge accounting adopted for currency swaps, which were used to hedge our international bond. These are now reflected on our balance sheet.
- We concluded several acquisitions this year including the purchase of hygiene consumables business Mayflower in Services International (in PHS), and hygiene service business Service Royale (in Steiner). Just after year-end, we concluded the acquisition of BIC in Australia for A$163 million, which is a facilities management business servicing A-grade properties across the country.

There was good top line growth with revenue up 13.2% to R99.9 billion. Double-digit revenue growth was achieved in Services International, Services South Africa, as well as Freight and Automotive. Branded Products benefited from strong pharmaceutical volumes and good growth across the division, while Commercial Products produced excellent results off last year's very high base, despite supply chain constraints. Financial Services was impacted by a net roll-off in its lending and fleet books.

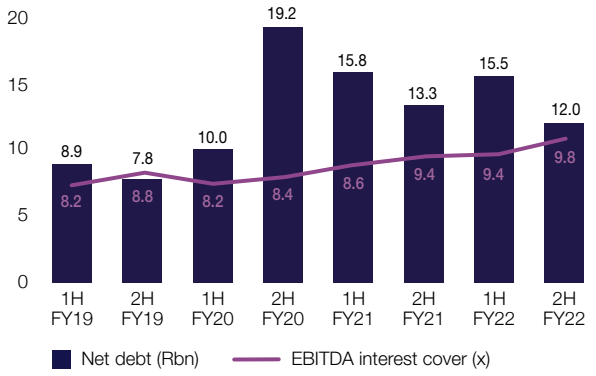
The gross profit margin was down slightly to 30.0% versus 30.8% in the prior year. This was largely due to the combined impact of significantly increased revenue levels from lower-margin disbursement business, largely in the Freight division, increased travel revenue in Services South Africa, higher facilities management demand within Noonan in the UK, and normalising of hygiene revenues in PHS.

Bidvest again delivered excellent expense management, with expenses only rising 4.7%, well below inflation and revenue growth. As a consequence, the expense ratio improved to 20.5% from 22.1%. This includes the impact of higher net impairment losses and restructuring costs, which were taken at Bidvest Bank. Management teams across the Group are continuing this strong focus on costs, which is expected to maintain the Bidvest tradition of superior cost management.

This year's trading margin at 9.7% is up from 8.9% in the prior year, and Group trading profit 23.3% higher at R9.7 billion, which represents strong double-digit growth across most divisions, and good underlying organic growth.

From a finance charge perspective, interest costs are up 8.3% including the IFRS 16 impact, fair value adjustments and hedge costs. Borrowing costs, excluding IFRS 16, were up 11.3%, which reflects the slightly higher gross debt levels due to the international bond and then a small step up in funding costs. But overall, the EBITDA interest cover remains very conservative and has improved to 9.8x.

Net debt and interest cover



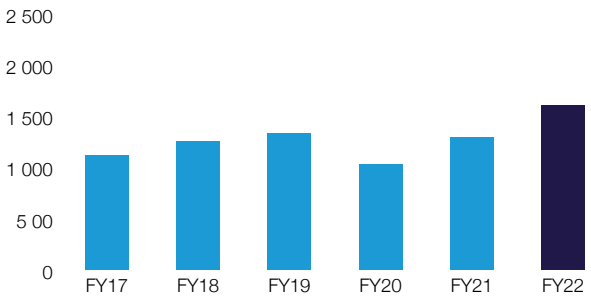
Acquisition costs are up on the back of the international bond that was successfully concluded last year, and the higher levels of corporate activity. Customer amortisation is also higher, largely due to the bolt-on acquisitions in Noonan, that have now been annualised over the full year.

The taxation rate increased from 28.9% to 30.0%, mainly due to a deferred tax impact stemming from higher rates announced in the UK, which will move from 19.0% to 25.0%. This offsets the benefit we enjoy from the lower tax jurisdictions. We adjusted for the UK deferred tax impact in the normalised HEPS calculation.

In terms of net capital items, there was a capital profit of R176.6 million, largely due to a R165.8 million profit on the sale of properties in Namibia. This compares to a loss last year of R179.7 million.

HEPS rose 21.9% to 1 442 cents and normalised HEPS – which excludes acquisition costs, the amortisation of acquired customer contracts, and the deferred tax impact referenced earlier – was 24.0% higher. Normalised HEPS is the true measure of our performance.

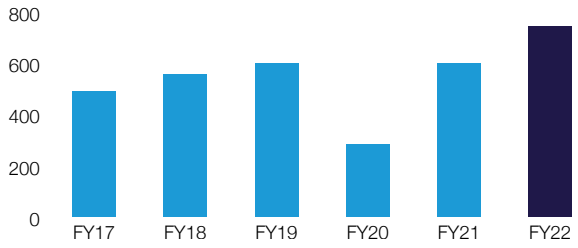
Normalised HEPS (cents)



There were no material COVID-19 costs in the current year.

Dividends are up 24.0% with a total dividend of 744 cents for the year, on a cover ratio of 2.2x, which is within Bidvest's policy range of 2.0x to 2.5x normalised HEPS.

DPS (cents)



Four out of seven divisions delivered

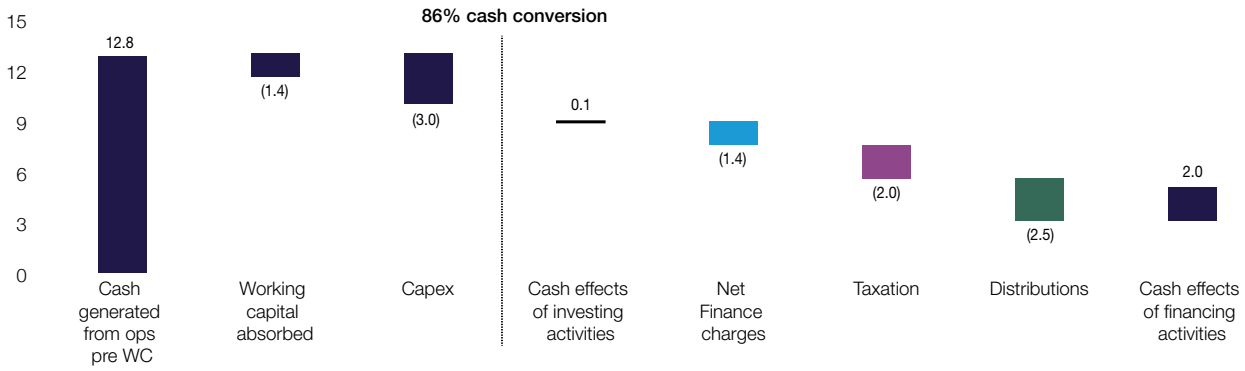
> R1bn trading profit

Six divisions generated

> 30% ROFE

Another annual cash flow highlight

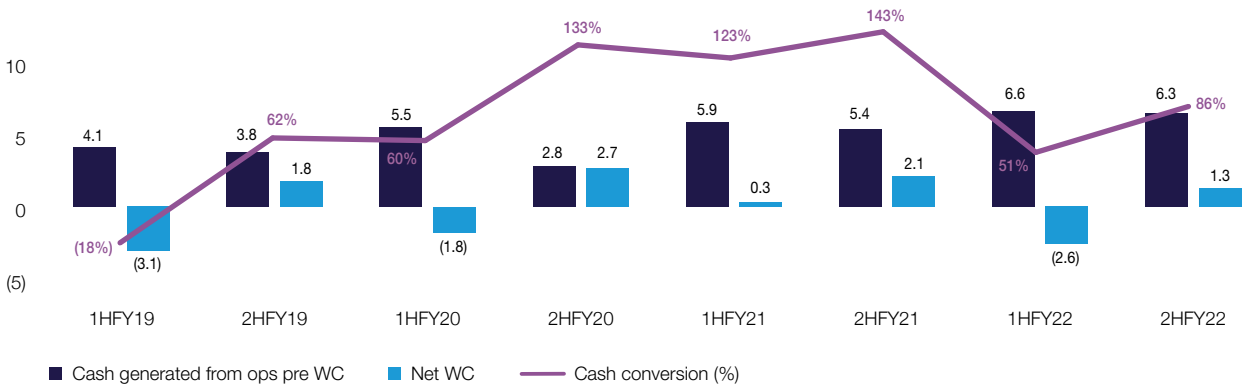
Free cash flow (Rbns)



Excellent trading resulted in cash generated by operations, before working capital, increasing to R12.8 billion, well up on the R11.3 billion last year. There was a working capital absorption of R1.4 billion for the year, after a release of R2.4 billion in the previous year. This year's absorption relates largely to an investment in inventory, which reflects the strong trading volumes and higher levels of stock being held because of supply chain delays. There was a R1.3 billion working capital release in the second half, as the normal working capital cycle resumed.

Cash conversion at 86.0% is good, lower than the 143.0% last year following the COVID-19 release, but well above the pre-COVID-19 position of 65.0%.

Cash generated vs working capital (Rbns)



The increase in debtors and creditors balances, which offset one another, largely mirror the year's improved trading.

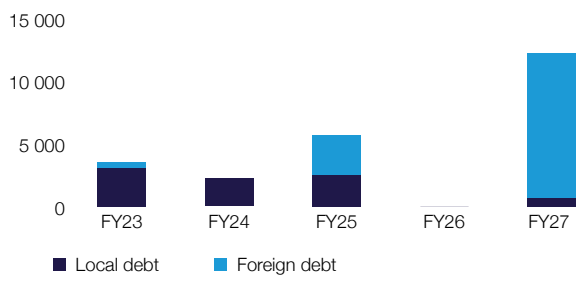
Balance sheet, debt and funding

Our focus on maximising returns is steadfast. We delivered a solid increase in the Group's overall ROFE, which improved from 31.6% in the prior year to 37.6%, and ROIC at 17.1% is up from 14.1%. This is well in excess of the weighted cost of capital.

We maintain a conservative and consistent approach to debt. Gross debt at R23.5 billion is R2.8 billion higher, largely off the back of the international bond.

Long-term debt constitutes 85.0% of gross debt, and 52.0% of this is subject to fixed rates, which is pleasing considering the recent dramatic hardening of rates. Net debt, after cash and cash equivalents, is down R3.5 billion to R12.0 billion from R15.5 billion last year. This is a good reflection of the positive cash generation across the Group. Net debt to EBITDA at 1.5x, compared to 1.8x last year, is a pleasing improvement and compares favourably to the Group's external covenant of 3.0x.

Debt maturity (R000s)



The average cost of debt is slightly up on last year at 4.7% pre-tax. There was a fair amount of funding activity over the past year, in particular the restructuring of our offshore syndicated loan of £400.0 million and the issuance of the inaugural international $800.0 million bond. The latter efficiently created more funding capacity with a longer maturity cycle and a greater fixed rate exposure. In June 2022, we concluded a small domestic bond raise, our first post the pandemic, of R1.1 billion. It was well received, more than four times oversubscribed, with good rates achieved.

Debt capital market activity

- Restructured syndicated loan facility offshore (July 2021)
- Raised inaugural five-year U$800 million Eurobond (September 2021)
- Repaid debt (domestic bonds, syndicated and bridge loans) raised for PHS acquisition (October, November 2021)
- Locally refinanced bonds with three- and five-year maturities (June 2022)

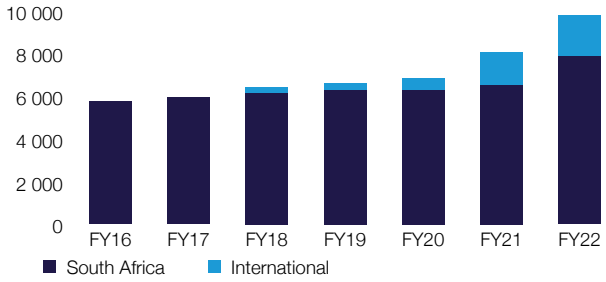
We are exceptionally well positioned with regard to future growth opportunities. From a funding perspective, there is £256.0 million available offshore, after the post-year-end BIC transaction. Funding capacity in SA exceeds R23.0 billion.

Investing in capacity and expansion

Capital expenditure increased to R3.0 billion due to higher investment into capacity and expansion opportunities. This included an increase in new warehouses and distribution centres, and factory capacity at G. Fox, Cabstrut, Lufill and UDS, the acquisition of strategic PHS properties, as well as maintenance capex, fleet renewals and upgrades. Two large projects, totalling R1.0 billion, in the Freight division – the inland LPG terminal expansion, and the Richards Bay multi-purpose tanks – were approved by the Board. The latter is expected to be commissioned by mid-2024.

Conclusion and appreciation

Bidvest's offshore profit contribution growing (R000s)



It is very comforting that the Group remains well positioned for additional growth and profitability, both in SA and internationally. The growing offshore profit share is expected to continue and will be aided by a maiden contribution from the recently acquired asset base in Australia.

Key markets are continuing to build momentum, strategic advances are defined and are being executed, enhanced efficiencies and cost controls are firmly in place and the Group's growth pipeline is solid. Coupled with financial strength and a solid capacity for future organic and acquisitive funding, we look forward to delivering another pleasing set of operating and financial results.

My personal thanks are extended to the entire Bidvest family, specifically the finance teams across the Group, as well as my fellow executive and Board members for their support, assistance and guidance throughout the year. I look forward to another exciting year ahead.

Mark Steyn

Value added statement

RALEIGH
Bidvest
Bidvest Reinsurance
melrose
BONTRAGER

Value added statement

for the year ended 30 June

"Value added" is the value which the Group has added to purchased materials and goods by process of manufacture and conversion, and the sale of its products and services. This statement shows how the value so added has been distributed.

R000s	2022	%	2021	%
Revenue	**99 480 106**		87 881 064	
Net cost of raw materials, goods and services	**(55 020 312)**		(49 537 041)	
Wealth created by trading operations	**44 459 794**		38 344 023	
Impairments	**(200 257)**		(410 033)	
Finance income	**581 152**		491 109	
Dividend income	**15 251**		42 280	
Total wealth created	**44 855 940**	**100.0%**	38 467 379	100.0%
Distributed as follows				
Employees				
Benefits and remuneration	**29 373 712**	**65.5%**	26 455 525	68.8%
Governments				
Taxation	**2 332 248**	**5.2%**	1 670 774	4.2%
Providers of capital	**4 487 397**	**10.0%**	2 860 805	7.5%
Finance charges	**1 987 309**	**4.4%**	1 792 071	4.7%
Distributions to shareholders	**2 500 088**	**5.6%**	1 068 734	2.8%
Retained for growth	**8 662 583**	**19.3%**	7 480 275	19.5%
Depreciation and amortisation	**3 590 848**	**8.0%**	3 639 342	9.5%
Profit for the year attributable to shareholders of the Company from continuing operations	**5 071 735**	**11.3%**	3 840 933	10.0%
	44 855 940	**100.0%**	38 467 379	100.0%

Employees
Governments
Providers of capital
Retained for growth

Exchanges with governments *including amounts collected on their behalf*

	South African		Foreign	
R000s	2022	2021	2022	2021
Employee taxes	**2 436 438**	2 120 016	**2 026 275**	2 028 582
Company taxes	**1 878 641**	1 464 070	**453 607**	206 704
Value added tax and sales tax	**22 907 417**	19 379 516	**2 786 118**	2 649 361
Customs and excise duty	**4 907 697**	3 701 436	**122 509**	120 352
Other	**272 045**	227 212	**47 375**	49 015
	32 402 238	26 892 250	**5 435 884**	5 054 014

Divisional reviews

Divisional reviews

Business services

Services International

Bidvest Services International is a leading integrated facilities management provider offering solutions to deliver outsourced expertise to drive efficiencies and cost reductions. It has a unique platform for an integrated solution that is proprietary and customised to clients' requirements. The division's footprint is expanding, with operations in SA, the UK, Ireland, Spain and Australia. The businesses include Noonan, PHS Group, Facilities Management, Prestige, Steiner, and BIC

Alan Fainman

Financial performance

Revenue	+27%	R27.4bn
Trading profit	+15%	R3.1bn
Trading margin	-120bps	11.1%
EBITDA	+10%	R3.6bn
Funds employed	+64%	R1.5bn
ROFE	n/m	203.0%

Non-financial performance

African appointments*	61%
Female appointments*	67%
LTIFR	0.80
Local procurement with B-BBEE Level L1-4 suppliers	80%
ALICE score	34%
Carbon intensity**	-24%
Water intensity**	-51%

* *Top, senior management*

** *FY22/FY19*

The creation of this division enables management to provide greater focus on the fledgling international portfolio, which is focused on the hygiene and facilities management sectors, while further expanding Bidvest's footprint through the acceleration of the international growth strategy.

Trading profit is almost equally split between hygiene and facilities management. The offshore businesses delivered strong results, with contributions from the bolt-on acquisitions concluded towards the end of the previous year and benefits of scale materialising, leading to new business being secured. Since Bidvest's acquisition of Noonan, the bolt-on acquisitions which have expanded its UK footprint and broadened its service offering, together with strong organic growth, resulted in trading profit and return tripling since 2017.

The SA businesses' performance was solid. The market has started normalising after the significant demand for wellness and hygiene products and services during and immediately after the pandemic period.

The division's cash generation and cash conversion has been exceptionally good, while the focus on maintaining margins through active pricing is progressing well. There has been an enhanced focus on efficiencies and operating methodologies, specifically adopting technology-led innovations within most businesses. This product and service innovation, underpinned by technology and sustainability, will be a key enabler for continued efficiency enhancement.

The post-year-end acquisition of BIC is important in that it provides the platform from which to grow niche offerings in that region and adds geographic diversity. BIC has developed a vertically focused, client-centric business model, which is supported by a web-based reporting system that can be integrated into client systems and an interactive customer experience platform.

Facilities management services delivered excellent results, particularly in Ireland and SA on the back of strong new business wins. Focus on particular segments continue to yield benefit. The demise of pandemic spending resulted in a muted performance from cleaning activities but new business secured has created good momentum into the new financial year.

PHS and Steiner are the hygiene services businesses. The end of COVID-19 related work impacted the business particularly in the last quarter. The energy crisis in Europe has also been detrimental while supply chain issues remain a challenge to deal with. The underlying hygiene pool grew and Steiner finished the year stronger.

Looking forward

Hygiene services remain in demand. Steiner's focus on growing existing, smaller accounts is gaining momentum, while a focus has also been placed on pricing strategies. PHS' new business development has been successful with consumables being an exciting new focus area. The non-repeat of pandemic-related work is expected to be broadly neutralised by higher office occupancies, scale opportunities, growth in focus segments and efficiencies.

The facilities management business is building strong expertise in telecommunications, which will remain a focus sector in SA moving forward. Office occupancies are normalising in the UK and Ireland, as well as in SA albeit at a much slower pace, but remain significantly below pre-Covid-19 levels. Noonan has a clear strategy to deliver additional services into the client base and secure new customers given its wider geographic reach.

Contributions will also emerge from recent bolt-on acquisitions, including Mayflower, a hygiene consumable business in the UK, and Service Royale, a hygiene company that expands the regional base in SA's KwaZulu-Natal Province. The acquisition of BIC by Bidvest will combine experience, knowledge and global best practice to strengthen the offering to BIC's current and new clients in Australia.

Across the division synergies identified will be pursued and expenses and margin optimised on contracts. Management is very focused on pricing across its very large customer base.

Sustainability and innovation highlights

- PHS using floormats made from a durable nylon yarn sourced from discarded fishing nets recovered by volunteer divers
- Plastic-free biodegradable bag for users to dispose of their sanitary waste
- Replacing the PHS fleet with electric vehicles
- Telematic systems to optimise routing and reduce emissions
- PHS improved its energy production from waste from 60% to 72% in 2021, with a target of 80%
- PHS has launched an "on foot" washroom service in high density areas
- Noonan's introduced cobots, Rex and Leoscrub, for autonomous cleaning
- Noonan security uniforms now includes recycled fabrics
- Bidvest Facilities Management improved its internally developed, web-based sustainable reporting tool

Business services

Freight

Bidvest Freight is a leading private-sector freight management group in sub-Saharan Africa, drawing on more than 150 years of portside experience. Its primary objective is to efficiently handle multiple products across berths and provide capacity to serve current and future demand. It has liquid and dry bulk terminals with significant storage capacity, and multipurpose terminals with the capability of handling agricultural, mineral, steel, cement, fertiliser and other products. In addition, it provides stevedoring, ships agency services and has container freight operations as well as logistics and supply chain solutions through its clearing and forwarding business in SA

Wiseman Madinane

Financial performance

Revenue	+20%	R7.4bn
Trading profit	+37%	R1.8bn
Trading margin	+280bps	23.7%
EBITDA	+31%	R2.0bn
Funds employed	-6%	R4.0bn
ROFE	+1 380bps	44.6%

Non-financial performance

African appointments*	100%
Female appointments*	86%
LTIFR	0.74
Local procurement with B-BBEE Level L1-4 suppliers	75%
ALICE score	35%
Carbon intensity**	-26%
Water intensity**	-18%

** Top, senior management*

*** FY22/FY19*

In contrast with traditional patterns, the second half of the year, which is generally slower due to the cyclical and seasonal nature of certain commodities handled, delivered very pleasing trading.

The division's terminal and related operations delivered an exceptional result, buoyed by a record maize export season, strong LPG demand and healthy global demand for SA commodities, specifically chrome, manganese, coal and iron ore. The terminal operations outside of SA benefited from re-directed cargo to avoid some of the bottlenecks in SA.

Despite the ongoing global sea and airfreight challenges, there was a remarkable turnaround and recovery in the international clearing and forwarding activities within the supply chain solutions business. Services closely linked to railed container movement continued to trade under difficult conditions.

During the past year, all SA businesses were negatively impacted by the socio-political unrest as well as the flooding in KwaZulu-Natal, while logistical infrastructure challenges and a cyber, ransomware attack on Transnet operations also hampered operations.

Bidvest Tank Terminals (BTT) was boosted by the growing LPG contribution and greater tank capacity ultilisation. Bulk Connections performed reasonably well, with the product mix shifting from predominantly chrome and manganese, to introducing iron ore, copper concentrates and coal. South African Bulk Terminal's (SABT) delivered good results, with a significant maize volume increase, driven to some extent by the drought in Brazil, while wheat volumes were flat and rice volumes grew. Bidfreight Port Operations (BPO) benefited from the growing demand handling capacity, leading to exceptionally good results.

Bidvest International Logistics' (BIL) turnaround and recovery has been remarkable, buoyed by organic growth, new business and increased volumes from existing customers recovering from the impacts of the pandemic. Naval's performance was driven by the coal volumes handled in Maputo, which grew significantly. Manica Group Namibia (MGN) performed well after a better contribution from bulk volumes and cargo shipments. Bidvest SACD is trading under difficult conditions due largely to a slow recovery of import and export container volumes caused by the ongoing global sea and airfreight challenges impacting the supply chain. The rail disruptions also impacted operations.

Looking forward

The Bidvest board has approved two projects, an inland LPG terminal and new multi-purpose tanks, at a combined value of R1 billion. The new multi-purpose tanks will mainly be used by BTT for chemical storage in Richards Bay. The inland terminal is dependent on a reliable rail solution.

The ongoing sea and airfreight challenges are expected to continue, and the congestion in the Durban Port will remain for some time. The unreliability and poor service of the country's rail operation, as well as its inability to provide adequate infrastructure and rail wagons, will continue to have a negative financial impact on the rail linked businesses. Berthing delays in all major ports result in customers considering other ports, such as Maputo, for faster vessel turnaround and lower demurrage costs.

Domestic demand for LPG imports is expected to continue and the demand for certain bulk commodities to remain strong. BPO has a distinct advantage focused on throughput and efficiencies which will also prove beneficial going forward. BIL is expected to benefit from increased air cargo capacity and a slowly normalising automotive supply chain.

MGN is well positioned to capitalise on the oil and gas developments in Namibia, and cargoes being redirected from SA and Mozambican ports.

There are several multi-year terminal projects that are being pursued, which are expected to have a positive impact, some the result of the Port Master Plans.

Sustainability and innovation highlights

- Waste and water reduction initiatives are being implemented
- Dust previously destined for landfill is now being repurposed as covering for compost and animal feed filler
- BPO reduced its Durban Terminal's carbon footprint by 20% while handling the same throughput at a lower cost
- Assistance provided to ensure employees were taken care of following KwaZulu-Natal's catastrophic floods in April 2022
- Launched a downstream liquefied petroleum gas enterprise development programme to encourage disadvantaged communities to use safer LPG products

Business services

Services South Africa

Bidvest Services South Africa is a sought-after corporate partner in outsourced services. The division is well-resourced with leading brands across various sectors, ensuring agility and rapid client responsiveness. Its innovative approach enables the delivery of unique, one-stop outsourced expertise, offering a mix of solutions. Technology is used to drive efficiencies through integrated, bundled support services, which are covered by one contract, one invoice, through one point of contact

Akona Matsau

Financial performance

Revenue	+14%	R8.2bn
Trading profit	+37%	R0.9bn
Trading margin	+180bps	10.7%
EBITDA	+27%	R1.2bn
Funds employed	+8%	R0.8bn
ROFE	+2 400bps	121.1%

Non-financial performance

African appointments*	59%
Female appointments*	44%
LTIFR	1.41
Local procurement with B-BBEE Level L1-4 suppliers	80%
ALICE score	32%
Carbon intensity**	-23%
Water intensity**	-24%

* *Top, senior management*

** *FY22/FY19*

There has been excellent organic growth across all businesses, specifically with the early stages of a rebound in travel, and an increase in office, school and university occupancies.

The Security and Aviation Services cluster performed exceptionally well despite the sharp increase in fuel costs. Bidvest Protea Coin delivered healthy trading profit growth as sales recovered well in the last quarter with numerous new contracts secured and a strong pipeline for the forthcoming year. BidTrack's delivered its 12th consecutive year of double-digit growth while BidAir Cargo was impacted by the loss of pandemic and perishable cargo, and a general reduction in volumes due to macro-economic impacts. UDS had a strong year securing exciting multi-disciplinary contracts.

Allied Services continues to capitalise on the gradual return in demand from the corporate environment and maximized opportunities within small- to medium-sized enterprises. There has also been increased penetration in the residential market and all the cluster's businesses have adapted well to market changes. Aquazania, Execuflora, the HAS Group and TopTurf all delivered very good growth in profitability, while the Laundry Group's revenue and trading profit was satisfactory.

The Travel cluster and airport lounges delivered strong results as both domestic and global travel returned, albeit still below pre-pandemic levels. This turnaround in the travel-related businesses was pleasing and exceeded expectations, with strong momentum shown towards the end of the financial year. Rennies BCD Travel, CWT, Travel Connections, BushBreaks & More and Cruises International all experienced pleasing results. Catering and lounges delivered a superb performance.

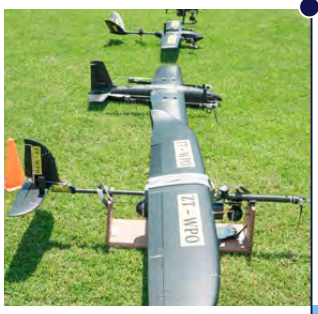
Looking forward

While travel, hospitality and related businesses are seeing good signs of growth, flight capacity and visa availability remain concerning bottlenecks for the full recovery of the industry.

There is still some uncertainty around the impact of hybrid working policies in the corporate sector, however there is a noticeable increase in requests for proposals and tenders from different industries.

Contract and margin retention remains a priority and the overall divisional sales pipeline is healthy.

A further improvement is expected in the tourism related businesses, our Allied and Catering cluster with the increase in office and educational occupancy environments, as well as our security business growth in protecting national assets, which will contribute to future divisional profitability.



Sustainability and innovation highlights

- Introduced an agnostic command centre that ensures total end-to-end management of all deployed sub-system security devices and enables rapid autonomous deployment
- UDS created 150 employment opportunities to young black drone pilots
- Protea Coin hosted, trained, and provided work experience during the year for 619 unemployed youth, of which 234 were disabled
- Protea Coin is recycling second-hand uniforms into bags, masks, and various other apparel
- GPT pledged a total of 1 521 trees for Food and Trees for Africa

Business services

Financial Services

Bidvest Financial Services has a diversified offering with banking and insurance licences, and several other financial service businesses. Bidvest Bank is a leading second tier bank, which offers niche foreign exchange and asset-based finance solutions to a largely corporate and business customer base. Non-bank offerings include amongst others short-term insurance, life insurance, and emigration fund management. The division complies with the regulatory capital requirements laid out by the Prudential Authority, Financial Sector Conduct Authority, Banks Act and Insurance Acts

Hannah Sadiki

Financial performance

Revenue	-8%	R2.4bn
Trading profit	-74%	R0.09bn
Trading margin	-900bps	3.5%
EBITDA	-39%	R0.4bn
Funds employed	-7%	R3.5bn
ROFE	-650bps	2.6%

Non-financial performance

African appointments*	56%
Female appointments*	60%
LTIFR	0.00
Local procurement with B-BBEE Level L1-4 suppliers	84%
ALICE score	36%
Carbon intensity**	-45%
Water intensity**	-84%

** Top, senior management*

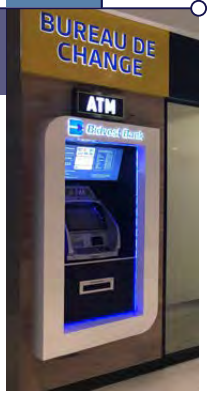
*** FY22/FY19*

Bidvest Bank accounted for significant one-off costs that included branch closure costs, which forms part of the Bank's digital journey. There were also credit impairment charges on a few single name exposures where the lagged effect of the pandemic and national lockdown caught-up. Market demand for fleet and forex-related products remain muted, exacerbated by channel-to-market changes. At the same time, the deployment of capital was slower than anticipated and approved pay-outs were delayed due to vehicle stock shortages. The deposit base is stable, with liquidity and capital adequacy ratios healthy. Core lending activities are improving, with credit processes optimised to enable speed of execution.

Bidvest Insurance reported lower policy sales, but claims were well managed and cost reductions have been achieved, largely as a result of internalising certain functions. The investment income recognised on the investment portfolio declined significantly, year on year, as it bore the brunt of challenging markets and global market uncertainties.

Bidvest Life remained lossmaking. Disappointing policy sales and high costs are receiving focused attention.

FinGlobal performed as expected post legislative changes. Compendium delivered a good performance with revenue and trading profit growing.



Looking forward

The division is well capitalised and positioned for new client growth. Niche sectors for growth have been identified and the necessary industry skills and resources have been secured. Innovative ways of financing female owned business are being implemented. The growing renewable energy sector has become a key focus area, with plans initiated to direct financing and insurance products for assets dedicated to associated infrastructure.

There are also opportunities to optimise divisional cross sell synergies, specifically across distribution channels, information technology and compliance, while providing turn-key solutions throughout the customer base. Being part of the broader Bidvest Group is a key advantage with product growth success being achieved along other Bidvest companies. Plans are in place to expand this even further.

While the availability of key skills is a challenge, the implementation of the division's digitisation strategy is being advanced, taking clients on a digital transformation journey. This is expected to optimise and create better efficiencies by improving processes, ultimately leading to revenue growth.

Sustainability and innovation highlights

- Bidvest Bank is now providing all services through a digitally enabled environment
- There is an enhanced focus on financing female-owned businesses and directing financing toward renewable energy initiatives
- Bidvest Insurance is using Car Scan technology to do claim assessments
- A diverse divisional Exco is now in place – 50% black, 30% female

Trading and distribution

Branded Products

Bidvest Branded Products distributes everyday consumer, household and pharmaceutical products as well as a comprehensive range of essential office requirements, including automation, stationery and furniture, while also meeting all print, packaging, labelling and communication needs. The division represents local and global brands such as Russell Hobbs, Pineware, Salton, Croxley, Primeline, Konica Minolta, Cellini, Maxwell & Williams, Panado, Probiflora, Bioplus and Plush, among many others

Kevin Wakeford

Financial performance

Revenue	+7%	R19.1bn
Trading profit	+28%	R1.9bn
Trading margin	+160bps	9.8%
EBITDA	+24%	R2.1bn
Funds employed	+5%	R6.7bn
ROFE	+520bps	29.6%

Non-financial performance

African appointments*	60%
Female appointments*	80%
LTIFR	10.99
Local procurement with B-BBEE Level L1-4 suppliers	67%
ALICE score	35%
Carbon intensity**	-12%
Water intensity**	-34%

** Top, senior management*

*** FY22/FY19*

All businesses' trading profit levels were higher than last year, with most market segments demonstrating slower recoveries. Gross margins benefitted from a better exchange rate. There is price resistance being experienced in some areas, but the advantage of multiple price points and brands is enabling a level of mitigation. Expense control was excellent.

Adcock Ingram's revenue and trading was exceptional, delivering a record performance. Profits were driven by improved demand for over-the-counter and consumer healthcare products, together with an increase in elective surgeries, doctors' consultations, and dispensary visits. There has been good organic volume growth and the product mix has proven beneficial. Key brands posted healthy growth while multiple new product launches and an expanded portfolio, together with good expense control, also contributed to the performance. Hospital had a challenging year.

All Data, Print and Packaging operations reported higher profit compared to last year as significant plans were successfully implemented. Revenue increase was driven by ongoing growth in the on-line food retail market, a shift to paper products, a recovery in retail delicatessen counter sales and increased demand for the efficiencies delivered by mobile computing and barcoding solutions. Print to post grew off a low base last year.

The Office products cluster was a stand-out performer. The back-to-school market normalised and commercial demand ticked up at Waltons with more people back in offices. Cecil Nurse benefitted from good stock holding of products in demand and new innovations. Konica Minolta retained a key contract and delivered a very good performance following specific initiatives put in place.

Mixed demand patterns were reported in the Consumer Products cluster, but good and respected brand (and price point) representation, innovation and recovery in the tourism industry, all supported revenue and profit growth.

Looking forward

Adcock Ingram's portfolio is well balanced, resilient and its brands remain well supported.

The various businesses are continuing product innovation strategies at multiple price points to support revenue growth. The supply chain is currently normalising albeit with longer lead times.

Continued close management of margins and costs will be key to mitigate rand deterioration and other inflationary impacts.

Sustainability and innovation highlights

- COVID-19 immunisation statistics have been exemplary with 92% of the SA employees vaccinated
- The cyber security effort is a key focus area and capital expenditure has been allocated to upgrade hardware and software
- Konica Minolta has launched its own toner recycling programme where each component is 100% recycled
- Silveray has changed Croxley's packaging in an effort to eliminate, or reduce, the use of plastic, which has reduced plastic usage by 311kg
- Cecil Nurse launched furniture such as the Mutebox which addressed the need for a soundproof bubble in a collaborative, open-space workplace
- Lufil has been accredited by the FSSC (Forest Stewardship Council) which is an industry body that ensures companies in the paper trade source raw materials from ethical suppliers

Trading and distribution

Commercial Products

The industrial grouping of companies includes manufacturing and trading businesses in SA, representing global brands such as Hikoki Power Tools, Signode (strapping), Unicarriers (forklifts), Tajima (embroidery machines), Juki (sewing machines) and Tesa Tapes. Plumblink supplies a full range of bathroom and plumbing products, and Voltex distributes a vast array of electrical, cable and allied products

Howard Greenstein

Financial performance

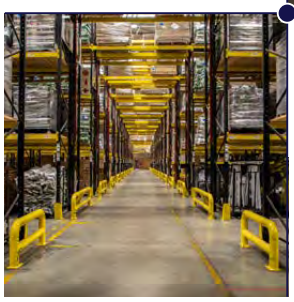
Revenue	+7%	R15.0bn
Trading profit	+27%	R1.2bn
Trading margin	+120bps	7.8%
EBITDA	+25%	R1.3bn
Funds employed	+5%	R3.8bn
ROFE	+560bps	31.1%

Non-financial performance

African appointments*	43%
Female appointments*	31%
LTIFR	18.67
Local procurement with B-BBEE Level L1-4 suppliers	44%
ALICE score	29%
Carbon intensity**	-26%
Water intensity**	2%

* *Top, senior management*

** *FY22/FY19*

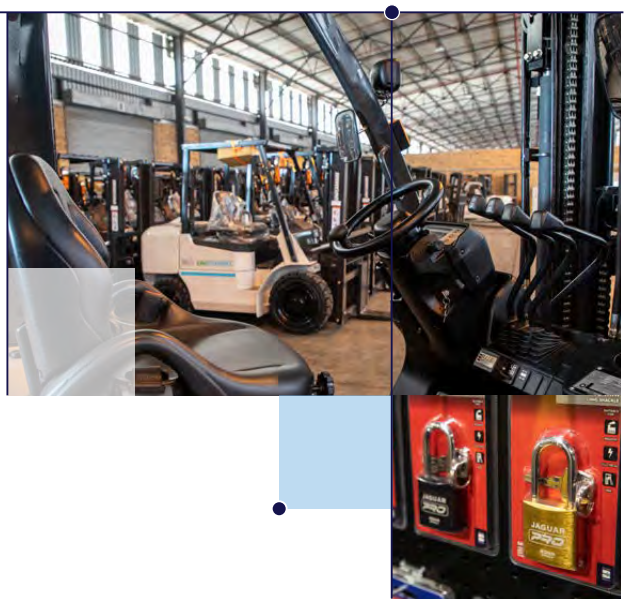


All operations experienced difficulties in varying forms, from riots, floods, supply chain issues, the consequences resulting from the pandemic, exchange rate volatility, major power supply disruptions, as well as continued consumer spending pressures. It is a tribute to all divisional employees, where their continued health and wellness has been the key success over the past year, that a record set of results have been achieved. This is a good demonstration of the versatility of the businesses and the ability of the leadership to effectively execute and deliver strategically considered plans. Margin management was superb and expense management exemplary.

The Trade cluster, which includes the electrical and plumbing businesses, delivered another stellar result. Private sector infrastructure spending in SA supported demand to some degree, and the electrical businesses produced record profitability as SA's rapidly advancing renewable energy programme gained momentum. Plumblink is successfully continuing its expansion programme, with double-digit growth delivered. There have been 15 new stores openings, bringing the current footprint to 130 outlets, and a new distribution centre for the Gauteng region is being developed. A major competitive advantage is the scale as well as the availability of stock and the increasing presence of its own (Plumbline) range of products.

The DIY/Tools/Workwear cluster's contributions were excellent with modest revenue growth amplified by excellent gross margin improvements. Capacity was added to the workwear factory and the revival of the local textile industry boosted demand for relevant product. G Fox's capital upgrade has been completed, leading to some 400 new work opportunities being created, and better positioning to secure export orders. Berzacks had an excellent year and the Coats (thread and yarn) agency was secured to include consumables in their product mix. Matus produced an excellent result following its strategically considered programme of product simplification and a customer centric focus. Academy Brushware delivered another excellent performance.

Within the Leisure cluster, Yamaha had a pleasing year, and its retail strategy is starting to deliver positive results. In the Industrial cluster, Bidvest Afcom increased revenue and trading profit with the agricultural and online sectors performing well. Bidvest Buffalo Tapes and Renttech are undergoing restructure processes. Bidvest Materials Handling's offering has been enhanced with the bolt-on acquisition of the A^2 Group. Vulcan has initiated an enhanced focus on its core customer base, and to restore profitability.



Looking forward

The operating environment is likely to remain muted, with consumer spending and a lackluster economy still major factors impeding real growth. Supply chain concerns and load shedding remain disruptive.

Notwithstanding subdued activity in public infrastructure, the mining, agriculture and renewables sectors continue to present growth opportunities. Product substitution will likely continue given material price increases.

Ongoing strategic agility, focused leadership, cost control and margin management will remain critical to ensure continued, strong profitability.

Sustainability and innovation highlights

- >82% of the employees in the division are vaccinated
- There is advanced alignment with the new Extended Producer Responsibility regulations, specifically for the management of end-of-life lighting, electrical and electronical waste
- Several businesses are installing solar solutions
- Voltex partnered with two banks to include solar solutions as part of home loan funding
- Academy Brushware's use of toxic chemicals for plating has been replaced with a non-toxic solution
- Yamaha has introduced waterless washing of boats and motorcycles

Trading and distribution

Automotive

Bidvest Automotive, one of South Africa's most respected motor retailers and auctioneers with a trading history going back more than 100 years, is an industry leader and innovator. It was a pioneer in adopting online motor retailing and has developed sophisticated systems to drive e-commerce and customer service

Steve Keys

Financial performance

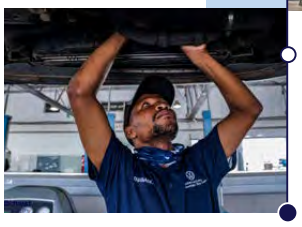
Revenue	+12%	R23.7bn
Trading profit	+26%	R0.8bn
Trading margin	+40bps	3.5%
EBITDA	+22%	R0.8bn
Funds employed	-5%	R1.6bn
ROFE	+1 240bps	50.0%

Non-financial performance

African appointments*	50%
Female appointments*	75%
LTIFR	0.17
Local procurement with B-BBEE Level L1-4 suppliers	89%
ALICE score	26%
Carbon intensity**	-30%
Water intensity**	-17%

* *Top, senior management*

** *FY22/FY19*



Management's focus on margin rather than volume and continued attention to improving efficiencies has been beneficial, resulting in an all-time divisional high trading profit. A ROFE of 50% is unprecedented aided by the short supply of vehicles.

The availability of new vehicles across the dealer network continues to be erratic with global vehicle supply, componentry and parts still a challenge. The KwaZulu-Natal floods further hampered supply. Despite this, new vehicle sales still increased 8.6% and Bidvest McCarthy's market share increased. Fleet sales are yet to recover to pre-pandemic levels.

Demand for used vehicles was strong, as competition in this sector has been heightened, placing pressure on the franchised dealer network to secure good quality, well-priced used vehicles. In total 9.6% fewer used vehicle were retailed during the financial year.

South African national dealer market brand sales continue to demonstrate the trend of shifting away from luxury vehicles to the more traditional volume brands. Toyota has maintained market share notwithstanding the damage to its Kwazulu-Natal facility, which is indicative of its brand strength.

Aftermarket activity improved as the year progressed, and as traffic volumes increased, but recently showed signs of plateauing. Efficiency levels are good, and the focus on costs has been increased.

It is pleasing that Bidvest McCarthy brands have won numerous industry and OEM awards over the past year.

Looking forward

Consumer disposable income pressure has become more noticeable, with lower bank credit approval rates being granted. This is being carefully monitored for its effect on future sales.

The supply of new vehicles has started showing early signs of improvement.

The discipline of targeting good margin sales will continue, and strategies to grow the contribution from used vehicles explored.

Strategically, there are opportunities being assessed to diversify this divisions offering which, if implemented, may be beneficial in the longer term.

Sustainability and innovation highlights

- Waste management has been identified as a strategic area in the drive to decarbonisation and is also exploring nature-based offset solutions
- Water recycling plants were installed in two dealerships in conjunction with outsourced wash bay service providers
- McCarthy Toyota Ballito installed a solar system that provides power for the dealership
- Robotic process automation of routine, high volume tasks gained further traction

Financial performance

Classic
QUALITY. SAFETY. RELIABILITY.
Crabtree
WHITE
A1227
6859P

Directors' responsibility for the financial statements

To the shareholders of The Bidvest Group Limited

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), the interpretations adopted by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE stock exchange Listings Requirements, and in terms of the requirements of the Companies Act of South Africa.

The directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the Group's ability to continue as a going concern and there is no reason to believe that the Group will not be a going concern in the year ahead.

The auditors are responsible for reporting on whether the consolidated financial statements are fairly presented in accordance with IFRS and in terms of the requirements of the Companies Act of South Africa.

The consolidated financial statements of the Group for the year ended 30 June 2022, were approved by the board of directors and are signed on its behalf by:

Bonang Mohale
Chairman

Mpumi Madisa
Chief executive

Mark Steyn
Chief financial officer

Chief executive officer and chief financial officer responsibility statement

The directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 18 to 109 of the Bidvest AFS, fairly present in all material respects the financial position, financial performance and cash flows of The Bidvest Group Limited in terms of IFRS;
- no facts have been omitted or untrue statements made that would make the consolidated annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to The Bidvest Group Limited and its consolidated subsidiaries have been provided to effectively prepare the consolidated financial statements of The Bidvest Group Limited; and
- the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the Audit Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

We are pleased to confirm that no fraudulent activities involving directors were experienced in the Group during the past year.

Mpumi Madisa
Chief executive

Mark Steyn
Chief financial officer

Independent auditors report

Independent auditor's report on the summary consolidated financial statements

To the shareholders of The Bidvest Group Limited

Opinion

The summary consolidated financial statements of The Bidvest Group Limited, set out on pages 73 to 85 of the Bidvest Audited Financial Results for the year ended 30 June 2022, which comprise the summarised consolidated statement of financial position as at 30 June 2022, the summarised consolidated income statement, the summarised consolidated statement of other comprehensive income, the summarised consolidated statement of cash flows and the summarised consolidated statement of changes in equity for the year then ended, and related notes, are derived from the audited consolidated financial statements of The Bidvest Group Limited for the year ended 30 June 2022.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in the notes to the summary consolidated financial statements titled "Basis of presentation of provisional summarised consolidated financial statements", and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 2 September 2022. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Director's responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in the notes to the summary consolidated financial statements titled "Basis of presentation of

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Private Bag X36, Sunninghill, 2157, South Africa
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za

Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.

provisional summarised consolidated financial statements", and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Craig West
Registered Auditor
Johannesburg, South Africa
5 September 2022

Summarised consolidated income statement

for the year ended 30 June

R000s	2022 Audited	2021 Audited	% Change
Continuing operations			
Revenue	**99 929 074**	88 314 806	13.2
Non-interest revenue	**99 480 106**	87 881 064	
Interest revenue	**448 968**	433 742	
Cost of revenue	**(69 966 260)**	(61 140 027)	14.4
Gross profit	**29 962 814**	27 174 779	10.3
Operating expenses	**(20 268 608)**	(19 278 934)	5.1
Net impairment losses on financial assets	**(182 912)**	(252 164)	(27.5)
Other income	**218 744**	247 244	(11.5)
Trading profit	**9 730 038**	7 890 925	23.3
Share-based payment expense	**(294 156)**	(246 096)	
Acquisition costs and customer contracts amortisation	**(341 567)**	(305 025)	
Net capital items	**176 628**	(179 663)	
Profit before finance charges and associate income	**9 270 943**	7 160 141	29.5
Net finance charges	**(1 592 489)**	(1 470 534)	8.3
Finance income	**132 184**	57 367	
Finance charges	**(1 724 673)**	(1 527 901)	
Share of profit of associates and joint ventures	**101 101**	100 095	1.0
Current year earnings	**101 317**	100 208	
Net capital items	**(216)**	(113)	
Profit before taxation	**7 779 555**	5 789 702	34.4
Taxation	**(2 332 248)**	(1 670 774)	39.6
Profit for the year from continuing operations	**5 447 307**	4 118 928	32.3
Discontinued operations			
Profit after tax from discontinued operations	**–**	3 789	
Profit for the year	**5 447 307**	4 122 717	
Attributable to			
Shareholders of the Company – continuing operations	**5 071 735**	3 840 933	32.0
Shareholders of the Company – discontinued operations	**–**	3 789	(100.0)
Non-controlling interest	**375 572**	277 995	35.1
	5 447 307	4 122 717	32.1
Basic earnings per share (cents) – continuing operations	**1 492.2**	1 130.2	32.0
Diluted basic earnings per share (cents) – continuing operations	**1 490.0**	1 129.4	31.9
Basic earnings per share (cents) – discontinued operations	**–**	1.1	
Diluted basic earnings per share (cents) – discontinued operations	**–**	1.1	
Basic earnings per share (cents) – Group	**1 492.2**	1 131.3	31.9
Diluted basic earnings per share (cents) – Group	**1 490.0**	1 130.5	31.8
Supplementary Information			
Normalised headline earnings per share (cents) – continuing operations*	**1 601.5**	1 292.0	24.0
Headline earnings per share (cents) – continuing operations	**1 442.0**	1 183.3	21.9
Diluted headline earnings per share (cents) – continuing operations	**1 439.9**	1 182.4	21.8
Headline earnings per share (cents) – discontinued operations	**–**	15.2	
Diluted headline earnings per share (cents) – discontinued operations	**–**	15.2	
Normalised headline earnings per share (cents) – Group*	**1 601.5**	1 307.2	22.5
Headline earnings per share (cents) – Group	**1 442.0**	1 198.4	20.3
Diluted headline earnings per share (cents) – Group	**1 439.9**	1 197.5	20.2
Shares in issue			
Total ('000)	**339 888**	339 888	
Weighted ('000)	**339 888**	339 847	
Diluted weighted ('000)	**340 376**	340 096	

** Refer normalised headline earnings note for detailed definition.*

Summarised consolidated income statement (continued)

R000s	2022 Audited	2021 Audited	% Change
Supplementary Information continued			
Headline earnings			
The following adjustments to profit attributable to shareholders were taken into account in the calculation of headline earnings:			
Profit attributable to shareholders of the Company – continuing operations	**5 071 735**	3 840 933	32.0
Impairment of property, plant and equipment, right-of-use assets, goodwill and intangible assets	**17 351**	71 872	
Property, plant and equipment#	**5 121**	48 976	
Right-of-use assets reversal#	**(9 230)**	(12 950)	
Intangible assets#	**21 454**	44 395	
Taxation effect	**6**	(8 549)	
Net (profit)/loss on disposal of interests in subsidiaries and disposal and closure of businesses	**(155 532)**	62 821	
(Profit)/loss on disposal and closure#	**(155 532)**	64 722	
Taxation effect	**–**	(1 901)	
Net loss on disposal and impairment of associates and joint ventures	**(16 604)**	77 448	
Impairment of associates and joint ventures#	**–**	77 448	
Net profit on change in shareholding in associates and joint ventures#	**(17 218)**	–	
Non-controlling interest	**614**	–	
Net profit on disposal of property, plant and equipment and intangible assets	**(15 892)**	(2 270)	
Property, plant and equipment#	**(36 516)**	(8 503)	
Intangible assets#	**15 293**	6 259	
Taxation effect	**5 290**	375	
Non-controlling interest	**41**	(401)	
Compensation received on loss or impairment of property plant and equipment	**–**	(29 667)	
Compensation received#	**–**	(40 684)	
Taxation effect	**–**	11 017	
Non-headline items included in equity accounted earnings of associated and joint venture companies	**125**	113	
Non-headline items	**216**	113	
Non-controlling interest	**(91)**	–	
Headline earnings – continuing operations	**4 901 183**	4 021 250	21.9
Profit attributable to shareholders of the Company – discontinued operations	**–**	3 789	
Loss on disposal of discontinued operations	**–**	85 224	
Impairment reversal of property, plant and equipment, right-of-use assets, goodwill and intangible assets	**–**	(37 478)	
Property, plant and equipment	**–**	(28 782)	
Intangible assets	**–**	(23 271)	
Taxation effect	**–**	14 575	
Headline earnings – Group	**4 901 183**	4 072 785	20.3

 # Items above included as capital items on summarised consolidated income statement.

Normalised headline earnings per share

Normalised headline earnings per share is a measurement used by the chief operating decision-maker, Mpumi Madisa and the executive board. The calculation of normalised headline earnings per share excludes acquisition costs, amortisation of acquired customer contracts, the impact of changes in deferred tax rates (included for the first time in the current year), and COVID-19 pandemic expenses relating to abnormal receivables provisioning, inventory obsolescence, restructuring costs and COVID-19 compliance regulatory costs and is based on the normalised headline earnings attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the year. The presentation of normalised headline earnings is not an IFRS requirement.

R000s	2022 Audited	2021 Audited	% Change
Headline earnings – continuing operations	**4 901 183**	4 021 250	
Acquisition costs	**58 517**	33 509	
Amortisation of acquired customer contracts	**283 050**	271 516	
COVID-19 pandemic expenses	**–**	182 466	
Taxation effect	**(52 266)**	(101 433)	
Change in deferred tax rates	**255 637**	–	
Non-controlling interest	**(2 724)**	(16 474)	
Normalised headline earnings – continuing operations	**5 443 397**	4 390 834	24.0
Normalised headline earnings – discontinued operations	**–**	51 535	
Normalised headline earnings – Group	**5 443 397**	4 442 369	22.5

Summarised consolidated statement of other comprehensive income

for the year ended 30 June

R000s	2022 Audited	2021 Audited
Profit for the year	**5 447 307**	4 122 717
Other comprehensive income/(expense) net of taxation		
Items that may be reclassified subsequently to profit or loss	**1 250 100**	(620 829)
Increase/(decrease) in foreign currency translation reserve		
Exchange differences arising during the year	**190 535**	(647 494)
(Decrease)/increase in fair value of cash flow hedges	**1 059 565**	26 665
Fair value gain arising during the period	**1 433 517**	37 035
Taxation effect for the year	**(373 953)**	(10 370)
Other comprehensive income transferred to profit or loss	**(1 161 065)**	52 954
Realisation of exchange differences on disposal of subsidiaries	**6 645**	52 954
Hedging gains reclassified	**(1 556 946)**	–
Taxation effect	**389 237**	–
Items that will not be reclassified subsequently to profit or loss		
Changes in the fair value of financial assets recognised through other comprehensive income	**2 834**	1 862
Defined benefit obligations	**(6 042)**	12 094
Net remeasurement of defined benefit obligations during the year	**(9 227)**	16 798
Taxation effect for the year	**3 185**	(4 704)
Total comprehensive income for the year	**5 533 134**	3 568 798
Attributable to		
Shareholders of the Company	**5 139 873**	3 326 301
Non-controlling interest	**393 261**	242 497
	5 533 134	3 568 798

Summarised consolidated statement of cash flow

for the year ended 30 June

R000s	2022 Audited	2021 Audited
Cash flows from operating activities	**5 587 689**	9 743 709
Profit before finance charges and associate income	**9 270 943**	7 160 141
Dividends from associates	**86 718**	97 767
Acquisition costs	**58 517**	33 509
Depreciation and amortisation	**3 590 849**	3 639 341
Share-based payment expense	**288 460**	224 666
Shares acquired by staff in settlement of share incentive scheme obligations	**(215 104)**	(128 732)
Impairments of associates	**–**	77 448
Impairment of goodwill and intangibles	**21 454**	44 395
Impairment of PPE and right-of-use assets	**(4 109)**	36 026
Fair value adjustment to investments	**(34 127)**	68 384
(Profit)/loss on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	**(172 750)**	64 722
Decrease in life assurance fund	**(62 300)**	(70 584)
Remeasurement of post-retirement obligations	**(7 002)**	(6 938)
Other non-cash items	**13 148**	10 587
Cash generated by operations before changes in working capital	**12 834 697**	11 250 732
Changes in working capital	**(1 369 048)**	2 394 336
(Increase)/decrease in inventories	**(1 215 160)**	918 156
Increase in trade receivables	**(2 390 372)**	(436 212)
Decrease in banking and other advances	**431 477**	198 852
Increase in trade and other payables and provisions	**2 137 895**	1 373 632
(Decrease)/increase in amounts owed to bank depositors	**(332 887)**	339 908
Cash generated by operations	**11 465 650**	13 645 068
Net finance charges paid	**(1 388 364)**	(1 411 645)
Taxation paid	**(1 989 508)**	(1 814 274)
Dividends paid by the Company	**(2 345 225)**	(985 674)
Dividends paid by subsidiaries	**(154 863)**	(83 059)
– Non-controlling shareholders	**(150 310)**	(80 024)
– Put-call option holders	**(4 553)**	(3 035)
Net operating cash flows from discontinued operations	**–**	393 293
Cash flows from investment activities	**(2 948 296)**	(1 786 944)
Net additions to property, plant and equipment	**(2 670 521)**	(1 916 901)
Net additions to intangible assets	**(331 633)**	(324 156)
Acquisition of subsidiaries, businesses, associates and investments	**(2 966 468)**	(3 935 212)
Disposal of subsidiaries, businesses, associates and investments	**3 020 326**	2 949 139
Net investing cash flows from discontinued operations	**–**	1 440 186
Cash flows from financing activities	**2 029 927**	(7 083 290)
Repayment of lease liabilities	**(1 251 802)**	(1 294 769)
Settlement of puttable non-controlling interest liability	**(39 299)**	–
Transactions with non-controlling interests	**(1 557)**	(481 410)
Borrowings raised	**20 492 288**	5 424 273
Borrowings repaid	**(17 169 703)**	(10 372 402)
Net financing cash flows from discontinued operations	**–**	(358 982)
Net increase in cash and cash equivalents	**4 669 320**	873 475
Net cash and cash equivalents at the beginning of the year	**5 818 129**	5 343 865
Exchange rate adjustment	**(10 761)**	(399 211)
Net cash and cash equivalents at end of the year	**10 476 688**	5 818 129
Net cash and cash equivalents comprise:		
Cash and cash equivalents – continuing operations	**11 521 461**	7 438 073
Bank overdrafts included in short-term portion of interest bearing borrowings	**(1 044 773)**	(1 619 944)
	10 476 688	5 818 129

Summarised consolidated statement of financial position

at 30 June

R000s	2022 Audited	2021 Audited
ASSETS		
Non-current assets	**55 687 654**	53 211 879
Property, plant and equipment	**14 901 527**	14 107 562
Right-of-use assets	**4 507 081**	4 615 625
Intangible assets	**13 633 353**	13 661 818
Goodwill	**14 085 245**	13 678 707
Deferred taxation assets	**1 518 704**	1 538 254
Defined benefit pension surplus	**264 667**	252 230
Interest in associates and joint ventures	**587 551**	527 908
Life assurance fund	**484 740**	368 937
Investments	**2 378 183**	2 758 682
Currency swap derivative asset	**1 339 439**	–
Banking and other advances	**1 987 164**	1 702 156
Current assets	**40 328 516**	33 187 856
Inventories	**11 375 865**	10 106 113
Short-term portion of banking and other advances	**487 223**	1 203 708
Trade and other receivables	**16 560 642**	14 072 021
Taxation	**383 325**	367 941
Cash and cash equivalents	**11 521 461**	7 438 073
Total assets	**96 016 170**	86 399 735
EQUITY AND LIABILITIES		
Capital and reserves	**31 875 342**	28 790 766
Attributable to shareholders of the Company	**28 366 633**	25 537 831
Non-controlling interest	**3 508 709**	3 252 935
Non-current liabilities	**30 591 509**	24 337 921
Deferred taxation liabilities	**4 092 040**	3 907 936
Life assurance fund	**275 668**	222 165
Long-term portion of borrowings	**21 571 043**	15 355 102
Post-retirement obligations	**73 551**	77 040
Puttable non-controlling interest liabilities	**–**	20 889
Long-term portion of provisions	**671 955**	635 356
Long-term portion of lease liabilities	**3 907 252**	4 119 433
Current liabilities	**33 549 319**	33 271 048
Trade and other payables	**20 498 175**	18 288 267
Short-term portion of provisions	**398 812**	460 634
Vendors for acquisition	**752**	752
Taxation	**661 467**	482 485
Amounts owed to bank depositors	**7 293 785**	7 626 671
Short-term portion of borrowings	**3 512 224**	5 380 263
Short-term portion of lease liabilities	**1 184 104**	1 031 976
Total equity and liabilities	**96 016 170**	86 399 735
Net asset value per share (cents)	**8 346**	7 514

Summarised consolidated statement of changes in equity

for the year ended 30 June

R000s	2022 Audited	2021 Audited
Equity attributable to shareholders of the Company	**28 366 633**	25 537 831
Share capital	**17 014**	17 014
Share premium	**1 367 796**	1 367 796
Foreign currency translation reserve	**21 376**	(166 446)
Balance at beginning of the year	**(166 446)**	400 927
Movement during the year	**181 177**	(620 327)
Realisation of reserve on disposal of subsidiaries	**6 645**	52 954
Hedging reserve	**(154 006)**	(38 619)
Balance at beginning of the year	**(38 619)**	(65 284)
Fair value (losses)/gains arising during the year	**(133 427)**	37 035
Deferred tax recognised directly in reserve	**18 040**	(10 370)
Equity-settled share-based payment reserve	**332 121**	(326 401)
Balance at beginning of the year	**(326 401)**	(437 247)
Arising during the year	**274 529**	215 848
Deferred tax recognised directly in reserve	**(1 885)**	23 362
Utilisation during the year	**(215 104)**	(130 097)
Realisation of reserve on disposal of subsidiaries	**–**	1 733
Transfer of equity-settled share-based payment reserve as a result of changes in shareholding of subsidiaries	**(2 609)**	–
Transfer to retained earnings	**603 591**	–
Movement in retained earnings	**26 103 669**	24 005 009
Balance at the beginning of the year	**24 005 009**	21 211 095
Attributable profit	**5 071 735**	3 844 722
Change in fair value of financial assets recognised through other comprehensive income	**2 570**	1 861
Net remeasurement of defined benefit obligations during the year	**(6 867)**	12 297
Transfer of reserves as a result of changes in shareholding of subsidiaries	**2 160**	(79 292)
Remeasurement of put option liability	**(22 122)**	–
Net dividends paid	**(2 345 225)**	(985 674)
Transfer from equity-settled share-based payment reserve	**(603 591)**	–
Treasury shares	**678 663**	679 478
Balance at the beginning of the year	**679 478**	664 746
Purchase of shares by subsidiaries	**(211 779)**	(111 975)
Shares disposed of in terms of share incentive scheme	**210 964**	126 707
Equity attributable to non-controlling interests of the Company	**3 508 709**	3 252 935
Balance at beginning of the year	**3 252 935**	3 481 856
Total comprehensive income	**393 261**	242 497
Attributable profit	**375 572**	277 995
Movement in foreign currency translation reserve	**9 358**	(27 167)
Movement in cashflow hedging reserve	**7 242**	(8 169)
Changes in the fair value of financial assets recognised through other comprehensive income	**264**	41
Net remeasurement of defined benefit obligations during the year	**825**	(203)
Dividends paid	**(150 310)**	(80 024)
Movement in equity-settled share-based payment reserve	**13 931**	7 391
Transfer of equity-settled share-based payment reserve as a result of changes in shareholding of subsidiaries	**2 609**	–
Transactions with non-controlling interests	**(1 557)**	(478 077)
Transfer of reserves as a result of changes in shareholding of subsidiaries	**(2 160)**	79 292
Total equity	**31 875 342**	28 790 766

Summarised segmental analysis

for the year ended 30 June

R000s	2022 Audited	2021 Restated* Audited	% Change
Revenue			
Services International	**27 449 466**	21 684 887	26.6
Branded Products	**19 082 709**	17 793 068	7.2
Freight	**7 446 212**	6 204 869	20.0
Commercial Products	**15 037 761**	14 024 659	7.2
Services South Africa	**8 225 664**	7 207 979	14.1
Automotive	**23 708 713**	21 095 402	12.4
Financial Services	**2 435 017**	2 646 657	(8.0)
Properties	**609 689**	587 726	3.7
Corporate and investments	**942 630**	1 030 526	(8.5)
	104 937 861	92 275 773	13.7
Inter-group eliminations	**(5 008 787)**	(3 960 967)	
	99 929 074	88 314 806	13.2
Geographic region			
Southern Africa	**84 447 866**	76 993 821	9.7
International	**20 489 995**	15 281 952	34.1
	104 937 861	92 275 773	
Trading profit			
Services International	**3 053 475**	2 661 443	14.7
Branded Products	**1 878 061**	1 462 522	28.4
Freight	**1 767 499**	1 295 003	36.5
Commercial Products	**1 174 422**	921 610	27.4
Services South Africa	**880 337**	641 940	37.1
Automotive	**819 032**	652 031	25.6
Financial Services	**85 599**	331 584	(74.2)
Properties	**563 304**	560 689	0.5
Corporate and investments	**(491 691)**	(635 897)	22.7
	9 730 038	7 890 925	23.3
Geographic region			
Southern Africa	**7 798 064**	6 328 706	23.2
International	**1 931 974**	1 562 219	23.7
	9 730 038	7 890 925	
Earnings before interest, taxation, depreciation and amortisation (EBITDA)			
Services International	**3 557 100**	3 225 903	10.3
Branded Products	**2 090 955**	1 686 534	24.0
Freight	**1 999 457**	1 522 180	31.4
Commercial Products	**1 256 302**	1 006 409	24.8
Services South Africa	**1 162 765**	914 912	27.1
Automotive	**837 178**	685 034	22.2
Financial Services	**366 971**	605 633	(39.4)
Properties	**569 731**	567 518	0.4
Corporate and investments	**(471 200)**	(623 375)	24.4
	11 369 259	9 590 748	18.5
Geographic region			
Southern Africa	**9 114 327**	7 616 966	19.7
International	**2 254 933**	1 973 782	14.2
	11 369 260	9 590 748	

** Refer note on restatement of comparatives*

R000s	2022 Audited	2021 Restated* Audited	% Change
Operating assets			
Services International	**8 499 257**	7 355 568	15.5
Branded Products	**10 359 565**	9 723 479	6.5
Freight	**9 424 713**	8 339 044	13.0
Commercial Products	**6 820 867**	6 113 905	11.6
Services South Africa	**2 635 873**	1 994 667	32.1
Automotive	**4 061 288**	4 330 847	(6.2)
Financial Services	**7 393 310**	7 786 911	(5.1)
Properties	**4 347 247**	3 895 019	11.6
Corporate and investments	**783 214**	797 589	(1.8)
	54 325 334	50 337 029	7.9
Inter-group eliminations	**(790 691)**	(622 087)	
	53 534 643	49 714 942	7.7
Geographic region			
Southern Africa	**45 987 869**	44 333 476	3.7
International	**8 337 465**	6 003 553	38.9
	54 325 334	50 337 029	
Operating liabilities			
Services International	**6 503 559**	6 681 086	(2.7)
Branded Products	**4 662 587**	4 295 126	8.6
Freight	**5 939 046**	4 659 191	27.5
Commercial Products	**3 366 906**	2 965 766	13.5
Services South Africa	**1 920 395**	1 492 445	28.7
Automotive	**2 637 313**	2 827 663	(6.7)
Financial Services	**9 393 405**	9 344 214	0.5
Properties	**76 702**	78 152	(1.9)
Corporate and investments	**594 080**	739 986	(19.7)
	35 093 993	33 083 629	6.1
Inter-group eliminations	**(790 691)**	(622 087)	
	34 303 302	32 416 542	5.7
Geographic region			
Southern Africa	**29 611 478**	27 299 845	8.5
International	**5 482 515**	5 783 784	(5.2)
	35 093 993	33 083 629	

** Refer note on restatement of comparatives*

Basis of presentation of summarised consolidated financial statements

The provisional summarised consolidated financial statements have been prepared in accordance with and containing information required by IAS 34: Interim Financial Reporting as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the Companies Act of South Africa and the JSE Listings Requirements. The summarised report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year-ended 30 June 2022 and any public announcements made by the Group during the interim reporting period (IAS 34 para 6). Selected explanatory notes are included to explain events and transactions that are significant to an understanding to the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2022.

In preparing these summarised consolidated financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Significant accounting policies and judgements

The accounting policies applied in these provisional summarised consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ending 30 June 2022. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2022.

Restatement of comparatives

The prior year segmental disclosure has been restated. During the current period, Bidvest Services was divided into two separately reportable operating segments, Bidvest Services International and Bidvest Services South Africa. Bidvest Services International is a focused hygiene, cleaning and facilities management business, operating in the United Kingdom (UK), European Union, Southern Africa and, from 7 July 2022, in Australia. Bidvest South Africa is a diverse services business providing security, laundry, landscaping, catering, travel, cargo, aviation, water and coffee vending services to corporate and small to medium business clients in Southern African.

Significant commitments

During the first half of the year Bidvest Freight committed R500 million to a LPG tank farm and terminal project in Isando Gauteng, as at 30 June 2022 R2 million has been spent. The initial commissioning date is towards the end of 2025, however, the project is reliant on efficient rail service commitment. Bidvest Freight committed a further R548 million to increase the multi-purpose storage tank capacity at the Richards Bay facility, with completion and commissioning expected in June 2024. Bidvest Properties committed R318 million to various property investments. As at 30 June 2022, R85 million remains to be spent to complete the projects during FY2023.

Fair value of financial instruments

The Group's investments of R2 378 million (FY2021: R2 759 million) include R43 million (FY2021: R163 million) recorded at amortised cost, R2 217 million (FY2021: R2 476 million) recorded and measured at fair values using quoted prices (Level 1) and R119 million (FY2021: R119 million) recorded and measured at fair value using factors not based on observable data (Level 3). Fair value gains on Level 3 investments recognised in the income statement total Rnil (FY2021: R140 million loss).

Analysis of investments at a fair value not determined by observable market data

R000s	2022 Audited	2021 Audited
Balance at the beginning of year	**119 208**	1 276 338
Purchases or loan advances	**–**	36 815
Fair value adjustment recognised directly in equity	**919**	124
Fair value adjustment arising during the year recognised in the income statement	**4 778**	(3 040)
Proceeds on disposal, repayment of loans	**(6 374)**	(1 050 807)
Loss on disposal of investments	**–**	(140 222)
	118 531	119 208

The carrying values of all financial assets and liabilities approximate their fair values, with the exception of interest bearing borrowings of R24 billion whose carrying value is R25 billion.

Hedge accounting

During the period, the Group entered into fixed-for-fixed, USD/GBP pair, cross currency swaps in order to mitigate and hedge Group currency risk. The designated hedged instrument is a US$-denominated Reg S / 144A senior unsecured five-year bond of USD800 million at a fixed coupon rate of 3.625%, issued by The Bidvest Group (UK) Plc and guaranteed by The Bidvest Group Limited. The primary purpose of the bond is to secure long-term funding for the Group's acquisition of the UK based PHS Group, whose functional currency is GBP. The Board of Directors has concluded that an effective cash flow hedging relationship exists and IFRS 9 hedge accounting has been applied. A R1 billion (£67 million) asset derivative instrument was recognised at year-end and included in the summarised consolidated statement of financial position as a non-current asset; R5 million (£0,25 million) was debited to the summarised consolidated income statement via finance charges; a currency valuation adjustment was credited to interest bearing borrowings in the amount of R2 billion (£77 million) and R157 million (£8 million) debited to the hedging reserve net of R35 million (£2 million) deferred taxation through the summarised consolidated statement of other comprehensive income. On application of hedge accounting the R2 billion (£77 million) currency valuation adjustment to borrowings was debited to the summarised consolidated statement of other comprehensive income and credited against the unrealised foreign exchange loss initially recognised in the summarised consolidated income statement. The change in the fair value of the derivative instrument on which the hedge ineffectiveness was measured amounted to a gain of R1 billion (£71 million).

Discontinued operations

The comparative period discontinued operations' disclosure relates to Bidvest Car Rental, which was disposed of effective 29 June 2021. There are no discontinued operations in the current year.

Business combinations

Acquisition of businesses, subsidiaries, associates and investments

On 25 May 2022, Personnel Hygiene Services Limited UK and Karmarton Limited ROI, wholly-owned Bidvest Group subsidiaries, acquired 100% of the share capital and voting rights in the Mayflower Group of companies for £20 million. The acquisition is a "bolt-on" to the Group's existing UK and European hygiene and cleaning operations and will extend the Group's customer base in these regions and result in logistical, procurement and workforce synergies.

During September 2021, the Group via its Automotive division, acquired the assets and liabilities of the Nissan Melrose motor dealership for R70 million. The acquisition complements the four existing Nissan dealerships owned and operated by the Group.

Effective 8 April 2022, the Group re-acquired 100% of the share capital and voting rights in Renfreight Proprietary Limited (Renfreight) from Makana Investment Corporation (MIC). In FY2019, the Group sold its entire interest in Renfreight to MIC for R110 million. The transaction was completed as part of a Broad-Based Black Economic Empowerment deal, which provided MIC an 11% share of the Bidvest International Logistics (BIL) partnership, a leading South African end-to-end supply chain solutions company. MIC used R72 million of the proceeds to settle an outstanding debt owing to the Group (refer disposals note). BIL is currently pursuing an alternative empowerment deal.

The Group also made a number of less significant acquisitions during the year. All acquisitions were funded from existing facilities and cash resources.

The following table summarises the assets acquired and liabilities assumed at fair value which have been included in these results from the respective acquisition date. The values represent provisional at acquisition fair values consolidated by the Group.

Basis of presentation of summarised consolidated financial statements (continued)

R000s	Mayflower Group	Nissan Melrose	Renfreight	Other acquisitions	Total acquisitions
Property, plant and equipment	26 675	2 175	–	777	29 627
Right-of-use assets	36 194	–	–	–	36 194
Deferred taxation	(12 353)	196	5 466	(31)	(6 722)
Interest in associates and joint ventures	–	–	–	56 712	56 712
Investments and advances[v]	–	–	–	2 351 949	2 351 949
Inventories	21 572	29 619	–	736	51 927
Trade and other receivables	88 205	2 920	91 127	127	182 379
Cash and cash equivalents	59 669	15 950	1 397	456	77 472
Borrowings	(9 049)	(22 919)	–	–	(31 968)
Trade and other payables and provisions	(96 443)	(5 049)	–	(280)	(101 772)
Lease liabilities	(36 194)	–	–	–	(36 194)
Taxation	(7 175)	534	–	(8)	(6 649)
Intangible assets	24 247	–	–	232	24 479
	95 348	23 426	97 990	2 410 675	2 627 434
Goodwill	293 192	46 574	12 010	6 213	357 989
Net assets acquired	388 540	70 000	110 000	2 416 888	2 985 423
Settled as follows:					
Cash and cash equivalents acquired	(59 669)	(15 950)	(1 397)	(456)	(77 472)
Acquisition costs					58 517
Net acquisition of businesses, subsidiaries, associates and investments	328 871	54 050	108 603	2 416 427	2 966 468

[v] *R15 million of advances to BBBEE and other partners, R2 335 million purchases made in the Bidvest Bank investment portfolio and other investments of R2 million.*

The fair value of the assets and liabilities acquired have been determined provisionally for the Mayflower Group and resulted in the identification of definite life Customer Relationship intangible assets in the amount of R24 million (£1 million). The Multi-Period Excess Earnings Method using cash flows attributable to the customer related intangible asset was used to value Customer Relationships, which were estimated to have a Remaining Useful Life of 12 years. An existing customer attrition rate of 10.0% was applied to forecasted existing customer revenues. A Weighted Average Cost of Capital of 9.9% (6.9% base rate plus 3.0% premium due to the non-contractual nature of the business) was used in valuation. The residual Goodwill is supported by the identified trained and assembled workforce.

Goodwill arose on the acquisitions as the anticipated value of future cash flows that were taken into account in determining the purchase consideration exceeded the net assets acquired at fair value. The acquisitions have enabled the Group to expand its range of complementary products and services and, as a consequence, have broadened the Group's base and geographic reach in the market place.

Trade receivables acquired are stated net of impairment allowances of R10 million (2021: R25 million). There were no significant contingent liabilities identified in the businesses acquired.

The Mayflower Group acquisition contributed R46 million to revenue and R4 million to operating profit, had the acquisitions taken place on 1 July 2021 the contribution to revenue would have been R486 million and R42 million to operating profit. Other acquisitions contributed R168 million in revenue and R0.1 million in operating losses, had these other acquisitions taken place on 1 July 2021 the contribution to revenue would have been R201 million and R1 million in operating losses.

Disposals

On 31 March 2022, the Group disposed of 100% of the share capital and voting rights in Bidvest Namibia United Properties Proprietary Limited (United Properties) for R231 million. The property owned by United Properties was no longer suitable to the Group's requirements in Namibia.

The Group's entire holding and voting rights in Cannon Asset Managers Proprietary Limited (Cannon) was disposed of effective 31 August 2021 for R1, following the Group's decision to exit the asset management market.

R000s	United Properties	Cannon	Other disposals	Total disposals
Property, plant and equipment	(37 473)	(12)	–	(37 485)
Deferred taxation	(27 757)	–	541	(27 216)
Interest in associates and joint ventures	–	–	(33 300)	(33 300)
Investments and advances[v]	–	–	(2 734 390)	(2 734 390)
Trade and other receivables	(719)	(1 484)	–	(2 203)
Cash and cash equivalents and bank overdrafts	(1 845)	(8 975)	–	(10 820)
Trade and other payables and provisions	2 275	7 094	(771)	8 598
Taxation	591	–	–	591
	(64 928)	(3 377)	(2 767 920)	(2 836 225)
Realisation of foreign currency translation reserve	–	–	(6 645)	(6 645)
Net assets disposed of	(64 928)	(3 377)	(2 774 565)	(2 842 870)
Settled as follows:				
Cash and cash equivalents and bank overdrafts disposed of	1 845	8 975	–	10 820
Net gain on disposal of operations	(165 785)	3 378	(10 343)	(172 750)
Net receivable reversed on disposal of subsidiaries and associates	–	–	(15 526)	(15 526)
Net proceeds on disposal of businesses, subsidiaries, associates and investments	(228 868)	(8 976)	(2 800 434)	(3 020 326)

[v] *R72 million repayment of advance to MIC, R35 million repayment of advances to B-BBEE and other partners, R2 627 million sales made in the investment portfolios of Bidvest Bank and Bidvest Insurance.*

Subsequent event

Bidvest Services International via The Bidvest Group Australia acquired 100% of the ordinary share capital and voting rights of BIC effective 7 July 2022. The acquisition price was A$163 million and funded from the Group's international bond proceeds raised in September 2021. BIC is a leading provider of niche integrated facilities management services across office, commercial and education sites in Australia. This acquisition is firmly aligned to Bidvest's stated strategic intent of expanding its international presence in facilities management and hygiene services.

Audit report

The auditors, PriceWaterhouseCoopers Inc, have issued their audit opinion on the consolidated financial statements for the year ended 30 June 2022. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified opinion. A copy of the auditor's report together with a copy of the audited consolidated financial statements are available for inspection at the Company's registered office.

These summarised consolidated financial statements have been derived from the consolidated financial statements and are consistent in all material respects with the consolidated financial statements. These summarised consolidated financial statements have been audited by the Company's auditors who have issued an unmodified opinion. The auditor's report does not necessarily report on all of the information contained in this announcement. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditors. Shareholders are advised, that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of that report together with the accompanying financial information from the Company's registered office.

Preparer of the summarised consolidated financial statements

The consolidated financial statements and final summarised consolidated financial statements have been prepared under the supervision of the Chief Financial Officer, MJ Steyn BCom CA (SA), and were approved by the board of directors on 2 September 2022.

Shareholders diary and administration

Bidvest
PROTEA COIN
SANDTON
PRECINCT

Shareholder diary

Financial year end		30 June
Annual general meeting		25 November 2022
Announcement of interim results to December		6 March 2023
Announcement of annual results		4 September 2023
Distributions	**Declaration**	**Payment**
Interim	February/March	March/April
Final	August/September	September/October

Administration

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

Group company secretary
Nonqaba Katamzi

Auditors
PricewaterhouseCoopers Inc.

Legal advisers
Alchemy Law Africa
Baker and McKenzie
Edward Nathan Sonnenbergs
Werksmans Inc

Bankers
ABSA Bank Limited
Bank of America
Barclays PLC
FirstRand Group Limited
Investec Bank Limited
Nedbank Limited
The Standard Bank of South Africa Limited

Share transfer secretaries
Computershare Investor Services
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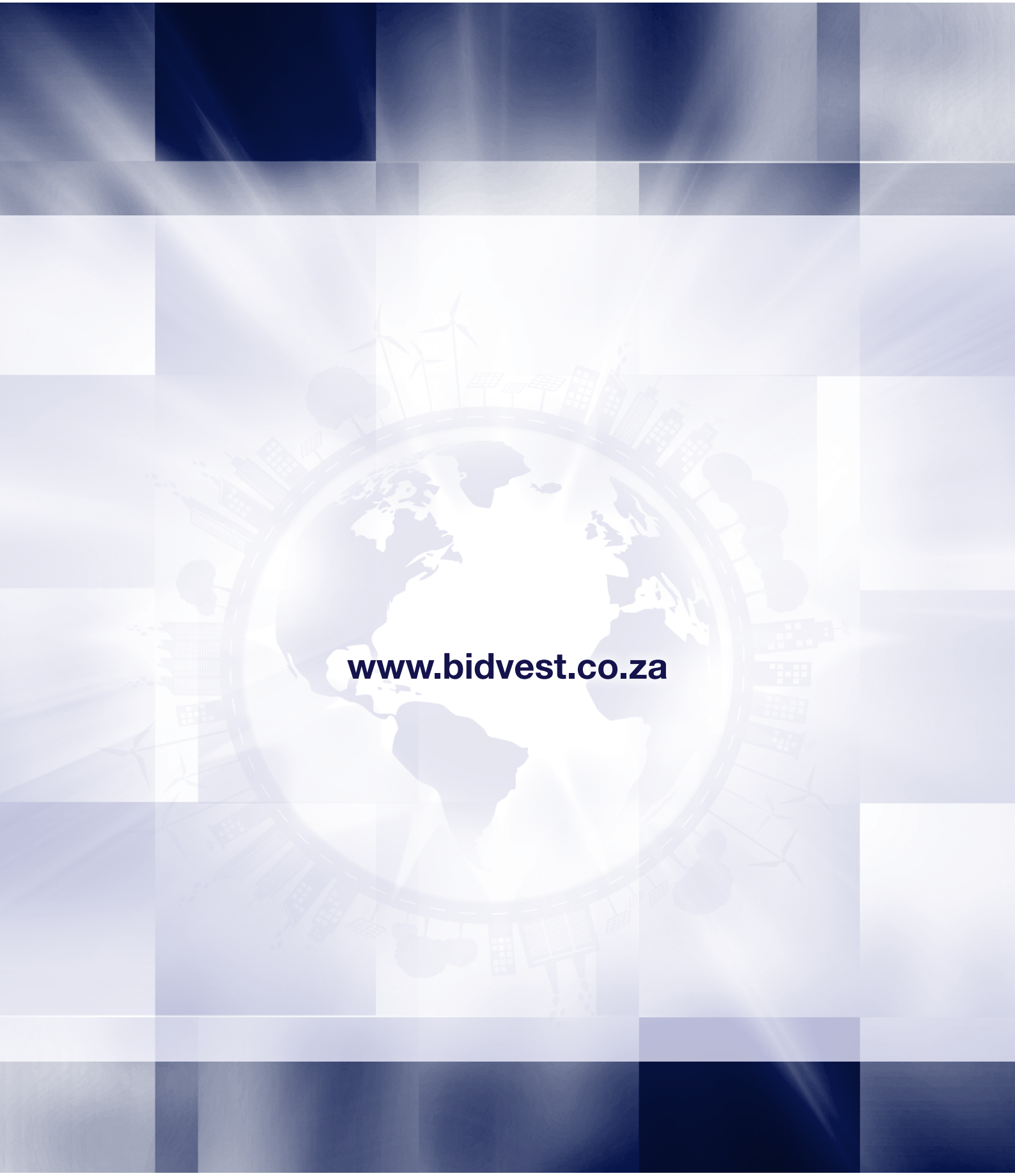

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