Bidvest

INTEGRATED REPORT
FOR THE YEAR ENDED 30 JUNE
2021

PEOPLE AND PRODUCTS BEHIND A BRIGHTER FUTURE



CONTENTS

2021 HIGHLIGHTS

Financial

R14bn
cash generated by operations
+49%

Strengthened balance sheet with net debt/EBITDA
1.8x

ROFE# up to
32%

Total dividend of 600 cents
+113%

R8bn
trading profit*
+48%

Normalised HEPS*
1 292 cents
+26%

HEPS* 1 183 cents
+114%

Normalised
* *Continuing operations*
** *Like-for-like*

ESG

44% of
121,343
employees female

6,886
learnerships

58%
of businesses achieved Level 1–3 B-BBEE ratings

R230 million
spent towards easing the impact of COVID-19 on employees and communities

Electricity from renewable resources
+49%

Water intensity declined**
15%

ABOUT THIS REPORT

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

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 and remuneration practices; Provide an operational summary of our performance and strategy in the CEO'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 financial performance and plans in terms of our strategic focus areas across our operations. This report covers the period from 1 July 2020 to 30 June 2021.

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 and with businesses in Ireland and the United Kingdom, Bidvest has a broad base of people 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 South African business, Bidvest's activities extend throughout the country, Ireland and the United Kingdom. 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, 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 valued 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 (or 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.

Materiality and material matters

There are certain material matters that might disrupt Bidvest's ability to continue creating value for its stakeholders. Bidvest has consistently acknowledged its duty to share the value created, fulfilling a responsibility to contribute to economic and social development among its Group of stakeholders, including investing in the Bidvest team of people, and the environment. 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. The meaning of material is defined and clarified across the Group, and those matters that may have an impact on the effective and successful future operations are assessed on an enterprise-wide level and, where necessary, mitigating action is introduced. The key material matters are shown below, and discussed in more detail on page 38, and highlighted in varying detail throughout this report:

- Supply chain constraints;
- Challenging economic outlook and constrained consumer spend;
- Increasing regulation and cost of doing business;
- Ongoing COVID-19 impacts, notably the hybrid way of working and learning;
- Cyber assaults;
- Loss of agency and distribution rights, port leases and licences; and
- The shortage of skills.

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.

We have derived the summarised financial statements in this report from the consolidated annual financial statements (AFS). The full set of 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 FY2021 consolidated annual financial statements and provided an unqualified opinion thereon. The extracts from the AFS in this Integrated Report are audited. 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 core strategic commitments. On the recommendation of the Audit and Risk committees, the board approved the Bidvest AFS on 3 September 2021 and the Bidvest Integrated Report on 22 October 2021.

Signed on the board's behalf:

Bonang Mohale
Chairman

Mpumi Madisa
Chief executive

22 October 2021

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.

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 focus of this year's design speaks to the contribution made by the Bidvest family of employees during a year of continued change and challenge. The Group employs more than 120,000 people and their collective efforts over the past two demanding years, have ensured that Bidvest has **#Emerged Stronger** and in a position to continue making a positive contribution to the three Ps – People, Planet and Profit. Over this past year, we have better defined our fourth P, Purpose – which ensures continued alignment by adhering to certain principles: Empowering Entrepreneurship; Driven by Excellence; a Commitment to Customers; Leading by Example; and Creating Social Value (see page 8). Consequently, our 2021 theme is **"People and Products Behind a Brighter Future"**. The past 12 months have shown once again that when you challenge great people, great people respond, and winning teams emerge. This is what we mean when we say, Proudly Bidvest!

The Group

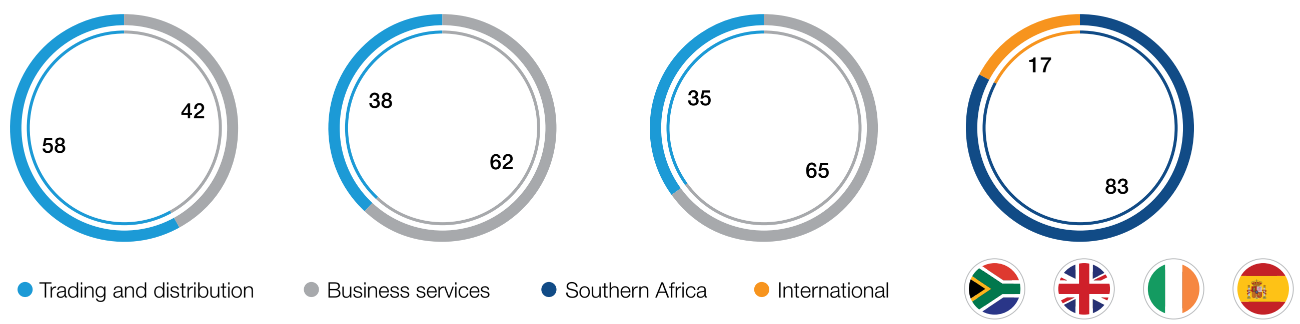
THIS IS BIDVEST

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.

Listed on the JSE Limited and with its roots firmly established in South Africa, we consistently broaden our offering and geographic footprint.

A diverse portfolio has allowed for 32 years of consistent delivery. Bidvest encourages a performance-driven business model that continuously seeks scale and growth. We empower the many enterprises across our diverse areas of operation, which act as remarkable catalysts for value creation.

FY2021 key financials[1]



Services

Revenue	EBITDA	Trading profit
R28.9bn	R4.1bn	R3.3bn
30.8% Growth	14.3% Margin	11.4% Margin

Facilities management
Security
Allied
Travel

Operating across multiple sectors, Services' comprehensive and diverse range of facilities management capabilities creates a unique platform for customised client solutions

Freight

Revenue	EBITDA	Trading profit
R6.2bn	R1.5bn	R1.3bn
(1.6%) Growth	24.5% Margin	20.9% Margin

Terminals
Freight logistics

Offers leading private sector freight management in sub-Saharan Africa. Facilitates the storage, handling and movement of cargo through its independent terminal operations, logistics and marine services

Financial Services

Revenue	EBITDA	Trading profit
R2.6bn	R0.6bn	R0.3bn
(0.1%) Growth	22.9% Margin	12.5% Margin

Bank
Short-term insurance
Life insurance
Other financial services

Specialists in fleet management and foreign exchange services. Offers insurance and other financial services to the corporate markets

Branded Products

Revenue	EBITDA	Trading profit
R17.8bn	R1.7bn	R1.5bn
2.7% Growth	9.5% Margin	8.2% Margin

Pharmaceuticals
Office products
Data, print and packaging
Household consumer products

Offers leading branded pharmaceutical, office and household products, and office services

Commercial Products

Revenue	EBITDA	Trading profit
R14.0bn	R1.0bn	R0.9bn
17.4% Growth	7.2% Margin	6.6% Margin

Plumbing and electrical products
Catering
DIY, tools and workwear
Industrial products

Manufacturing, distribution and trading businesses representing well-recognised industrial and consumer day-to-day essential products

Automotive

Revenue	EBITDA	Trading profit
R21.1bn	R0.7bn	R0.7bn
15.5% Growth	3.2% Margin	3.1% Margin

Vehicle retailing
Vehicle auctioneering

One of South Africa's largest motor retailers, with a trading history of more than 100 years. It retails vehicles through a national footprint as well as vehicle auctioneering

1 *Reflects segmental FY2021 Revenue, EBITDA and trading profit respectively, before inter-company eliminations related to Properties and the Corporate Office.*

WHO WE ARE

People and Products Behind a Brighter Future

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. The creation of something unique, distinctive and valuable results from the passionate entrepreneurial ambitions of our people. More than 130,000 people are united in their pursuit of delivering something that is enduring and will stand the test of time.

Bidvest encourages a performance driven, decentralised business model that continuously seeks scale and growth. We empower the many enterprises across our diverse areas of operation – Services, Branded Products, Freight, Commercial Products, Automotive and Financial Services – to be the catalysts for value creation. We support our exceptional leaders and their teams to create an ecosystem of businesses that strengthen society and enable it to function more smoothly, efficiently and sustainably.

We are deeply invested in the communities we serve. Increasing diversity across Bidvest supports our firm commitment towards inclusive, job-rich and sustainable economic growth. We foster innovation and an environment in which employees thrive, which in turn drives our advancement across markets, geographies and society.

A global business, forever South African, Bidvest can celebrate more than 30 years of excellence. But the Group has never been content to rest on its achievements. That is why we are constantly looking for that next moment of adaption and change: the next opportunity to transform the ordinary into the extraordinary.

Our vision

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

Our values

Accountability | Honesty | Integrity | Respect

Bidvest adheres to the following principles, which are entrenched in all businesses.

Empowering entrepreneurship

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

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.

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.

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.

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.

An enabling business philosophy:

Performance-driven, **decentralised business model** that seeks scale and growth.

We maintain a **strong balance sheet,** exercising financial discipline through well considered capital allocation, and pursuing **organic and bolt-on** growth opportunities.

We promote and support **entrepreneurial management** across our diverse areas of operation.

We foster **innovation** and an environment in which employees thrive.







Our ESG Framework

ESG has been part of corporate thinking and reporting for some time. Bidvest has, this year, elevated ESG considerably across the Group.

As the impact of climate change and inequality become more and more evident, the need for all stakeholders to ensure common cause, understanding and purpose, and to avoid damaging the environmental and social status for future generations, has become a critically important imperative. We recognise that people are the enabler of our business and a critical resource that needs to be nurtured, developed and supported.

Our sustainability strategy, focused on areas where we can make the biggest difference, culminated in an ESG Framework. The notion of stakeholder capitalism and sustainable enterprise value creation resonates strongly with the Group and for this reason we have set innovative, measurable and challenging targets for our leadership to implement this framework. This will ultimately ensure the continued generation of long-term value for shareholders, for all other members of stakeholder society and for the planet we share.

Bidvest has reviewed its commitments and these have been reiterated as:

- To conduct profitable business in a responsible and accountable manner;
- To care for the Bidvest family and our connected societies; and
- To drive positive change through partnerships and social dialogue.

To achieve these commitments, we set the following objectives for ourselves:

- Nurture people and business diversity;
- Unlock value through innovation and efficiencies;
- Represent responsibly made products;
- Maintain financial strength through growth, focus and discipline; and
- Preserve empowering decentralised governance model.

Our ESG Framework sets our focus areas and targets to achieve our objectives and meet our commitments, all while delivering the Bidvest strategy. These focus areas include:

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

We want to be an inclusive employer with **females making up 35–45%,** and **African people representing 50%** of the SA businesses' management by 2025;

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

Ensuring that our **supply chain partners are responsible in their dealings,** that we **contribute to the circular economy** while protecting and enhancing livelihoods; and

Conducting business with **uncompromising integrity** will remain our cornerstone and **actively manage cybersecurity risk.**

We will continue using the United Nation's 17 SDG's as a guideline and incorporated recommendations from the TCFD and the principles of stakeholder capitalism as championed by the World Economic Forum.

For more detail please refer to page 44.

Our ongoing COVID-19 response

The benefit of Bidvest's decentralised structure, has been clearly evident in the speed at which our businesses reacted, specifically and independently, to their own challenges and were able to share near real-time best practices and experiences across sectors. The rapid response to the pandemic consequences, including cost containment and the implementation of considered strategic initiatives, while enhancing innovation, has served the Group well.

It has resulted in a robust balance sheet and enhanced liquidity and the Group expects that a meaningful portion of the restructuring measures will continue to support the financial performance in future periods.

The protection of Group employees, customers and communities was maintained over the past year. Some R230 million has been spent toward easing the impact of COVID-19 on employees and communities.

The COVID-19 pandemic has affected some of the Group's businesses more positively than others.

The Services and Commercial Products divisions, specifically, have products and services that are more aligned to dealing with the pandemic, and these businesses thrived in the prevailing environment. There was a marked increase in hygiene and cleaning services as well as personal protective equipment demand.

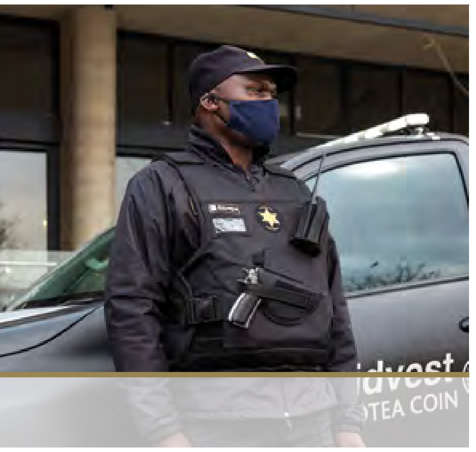
Bidvest's scale and balance sheet strength also enabled us to ensure stock availability to meet demand. This was more specifically in the Branded Products and Commercial Products businesses and proved to be a strong competitive advantage.

The travel and certain commercial sectors, in particular, remain under pressure from ongoing, variable COVID-19 restrictions and related decreases in demand.

One of the more serious concerns for the Group, is the global supply chain constraints. Both import and export logistics are being challenged by shortages of stock, and freight routes that are being diverted to more lucrative destinations.

The pandemic accelerated the development and the maturity of out-of-home hygiene services, adding to the structural growth drivers already supporting this industry, which is a focus of the Group's offshore expansion strategy, where four bolt-on acquisitions were concluded during the year. Through our Adcock Ingram subsidiary, in which we increased our shareholding, we expect to grow further in the area of consumer brand products to protect family, health and wellness.

All Group businesses have been appropriately set-up to offer continued health, hygiene and wellness protection for all stakeholders. This has included sanitisation and the provision of PPE, and the Group does not see this changing within the foreseeable future.



VALUE CREATION MODEL

The Bidvest Group has a performance driven, decentralised business model that continuously seeks scale and growth through its diverse portfolio. We do this by maintaining a strong balance sheet, exercising financial discipline through considered capital allocation, and pursuing organic and acquisitive growth opportunities in the identified areas of strategic focus to deliver value.

We promote and support our entrepreneurial management teams that empower many enterprises across our diverse 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.

INPUTS

Whereas most definitions of a business are demand-driven, ours is largely supply driven. We've chosen what we believe are significant markets and developed products and services around the areas of operation. These products and services are essential and part of the every day activities of our customers. While we have a very diverse range of products and services, the customer profile is fairly similar. This makes the management and quality of our stakeholder relationships specifically important in that we want to remain focused on those interventions that are meaningful for enhanced stakeholder interaction with the Group.

Social and relationship capital: As we increasingly acknowledge the need for an inclusive economy, we aim to improve our proposition to the 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 ensure that we can deliver the highest 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: Our key competitive advantage is gained by our people through their knowledge and intellectual property, together with our well-established brand and reputation. The knowledge, skills, talents and experience of our people 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.

Manufactured and natural capital: We invest in and upgrade our services capabilities, distribution centres, storage and handling facilities, branch network and other infrastructure, which 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: 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.

Functional governance structure:

- Diverse and experienced leadership;
- Majority independent non-executive board;
- Code of Ethics and Authority matrix;
- Formal reporting structures; and
- Clear and simple key performance indicators.

Our operating environment:

- Recognising that South Africa's economic growth is constrained in the absence of structural reforms and investment;
- Dealing with government policy and regulation;
- Responding to technology advances to enhance Group businesses;
- Volatile socioeconomic conditions (exacerbated by COVID-19);
- Out-of-home hygiene market which is increasingly resilient and supported by structural growth drivers;
- Increased health and wellness awareness by consumers; and
- Increase in outsourcing and bundled spend remains strong.

Material matters:

- Global supply chain constraints;
- Challenging economic outlook and constrained consumer spend;
- Increasing regulation and cost of doing business;
- Ongoing COVID-19 impacts, notably the hybrid way for working and learning;
- Cyber assaults;
- Loss of agency and distribution rights, port leases and licences; and
- The shortage of skills.

For more detailed information about the Group's governance processes and material focus areas, risks and responses, please refer to the Annual Environmental, Social and Governance Report and throughout this report.

OUR BLUEPRINT

An intimate understanding of the factors that drive value enables us to identify our areas of strategic focus.

Creating value

The concept of value creation is deeply embedded in Bidvest. This is closely aligned to all our efforts to create value for each stakeholder group, which in turn drives our focus on optimising the value of our products and services, at a sustainable cost to society.

OUTPUTS

We use our capital inputs to help us define enablers to ensure the successful delivery of our Purpose

Considerable direct economic and social value generated in FY2021

R50bn spend on raw materials, goods and services, with R20bn spend in SA	Employee benefits **R26bn +18%**	Payments to debt providers **R2bn**	Dividends declared to shareholders **R2bn**
Employee and company taxes **R4bn +27%**	**R303m** invested for future capacity (capex minus depreciation)	**R372m** invested in skills development	**49%** more electricity from renewable resources

For more detailed information about the Group's governance processes and material focus areas, risks and responses, please refer to the Annual Environmental, Social and Governance Report and throughout this report.

SUSTAINABLE VALUE FOR ALL

OUTCOMES

While the Group is diverse and widely spread, Bidvest strives for integration in terms of value creation across all its divisions and its broad group of stakeholders.

This invariably means an assessment on the key stakeholders that impact meaningfully on the Group. COVID-19 and the consequential impact on our society has also gathered the Group's thinking and heightened our commitment to delivering measurable value in terms of its environmental, social and governance aspects.

Creating value for **Equity and debt investors:**

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

Objectives

Ongoing dialogue through results presentations and Company announcements; Investor meetings/roadshows; Internet updates; Engagement with Group leadership.

Key issues raised:

- Group strategy.
- Financial performance.
- M&A pipeline.
- Funding plan.
- ESG metrics linked to incentives.

Value created

- R2 billion distributed to providers of capital (FY2020: R1 billion) by way of a total dividend.
- 26% increase in normalised HEPS to 1,292 cents
- R61 billion market capitalisation, +30%.
- 27% increase in Company value over the last five years (excluding food services).
- R2 billion in payments to debt providers.
- Hosted investor briefing sessions to enhance market knowledge base.
- Continued reinforcement of importance of the functional governance structure and ethical behaviour as well as refinement of sustainability metrics.
- Active engagement with funders and debt institutions to re-arrange and secure additional financing facilities.
- Specific ESG targets introduced.

Creating value for **Employees and trade unions:**

As one of the largest private employers in South Africa and with businesses in Ireland and the United Kingdom, Bidvest has a broad base of people 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.

Objectives

The creation of 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.

Key issues raised:

- Market-related remuneration.
- Protecting livelihoods.
- Bribery, corruption and cyber security awareness.
- Health and safety, particularly during the pandemic.
- Securing, retaining and development of necessary skills.

Value created

- R372 million was invested in skills development.
- 85% of skills spend on Black employees.
- 440 interns and apprentences were employed within the Group.
- 585 bursary beneficiaries.
- R230 million dispersed to employees and communities to ease the impact of COVID-19.
- Mobile clinics travel to various Group businesses to dispense vaccination.
- 77% of the workforce are Black; 44% women.
- 80% Black representation at board level. 50% at Exco.

Creating value for **Communities, including community-based organisations, non-profit and non-governmental organisations:**

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

Objectives

Enhance the direct engagement and support with local communities and organisations with regards to socio-economic and other specific needs.

Key issues raised:

- Improving the lives of those in the communities.
- Use expertise and other resources to give back to communities.
- Enhancing local procurement and employment.

Value created

- 121,343 Bidvest family members who contribute meaningfully to their own communities and societies (FY2021: remuneration R26 billion).
- Second largest private employer in South Africa.
- R5 billion in employee taxes paid to governments.
- Group level 4 B-BBEE rating. 58% of individual businesses Level 1–3.
- 6,866 individuals benefitted from learnerships, apprenticeships, internships.
- R27 million spent on CSI initiatives.
- R10 million saved in electricity costs through reduced usage.
- 15% reduction in Group water intensity.
- 6% reduction in Group emissions intensity.
- 37,000 food hampers distributed.
- Participated in the government workstream to ensure effective distribution of COVID-19 vaccines across South Africa.
- R10 million donation to the Presidents GBV fund.

SUSTAINABLE VALUE FOR ALL continued

Creating value for 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.

Objectives

Focus is on regulatory submissions and compliance. We strive for face-to-face engagement, and Bidvest representation on industry bodies.

Key issues raised:

- Ongoing compliance with regulatory frameworks and good governance.
- Tender processes and adjudication.
- Local procurement and employment.

Value created

- Maintained sound governance policies and procedures.
- Constructive engagement with various tender boards.
- Introduced local partners and procurement elements in various contracts.
- Participated in B4SA initiative to engage government on reopening of economy during lockdown.
- Contributed to the post-lockdown economic recovery plan.
- Implementation and continuous monitoring of basic security control disciplines using ALICE, resulted in an improved IT risk landscape across the Group.

Creating value for 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 valued 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.

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.

Key issues raised:

- Scope for complementary growth.
- Prospects for entry into new markets.
- Potential to better serve existing customers by forming an alliance or a relationship, thereby anticipating emerging needs.

Value created

- Constant evaluation of market developments, new technologies and solutions.
- Enhanced communication with brand principals, industry leaders and entrepreneurs.
- Interaction with investment bankers with regards to M&A opportunities.
- Within six weeks, Adcock Ingram formulated, retooled equipment and completed necessary regulatory requirements to commercially produce 2ml saline diluent used to reconstitute the Pfizer COVID-19 vaccine.

Creating value for Customers:

The Group services over 300,000 customers through some 550 facilities across its operating footprint, and with a focused 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.

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.

Key issues raised:

- Compliance to a customer-centric ethos.
- Increasingly complex and value-sensitive business environment.
- Retain and grow key customers.
- Demands for higher Black ownership.
- Tenders and procurement decisions deferred due to lockdown.

Value created

- Meet and exceed customer needs and expectations through innovative solutions and broader product ranges – for example, Protea Coin developed a cable theft device; Bidvest Prestige is using an environmentally friendly disinfectant.
- Focus on key senior relationships with strategic customers.
- PHS's hygiene pool has shown growth for 29 consecutive months.
- Pragmatic and commercial approach to Black ownership.
- Business development team converted R1.4 billion of the opportunity pipeline into sales.

Creating value for Suppliers:

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

Objectives

Communication with key suppliers on market trends and requirements, as well as product innovations.

Key issues raised:

- 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.

Value created

- R20 billion procurement spend in South Africa.
- Established alternative supply channels.
- Engaged with suppliers on product innovation.
- Supportive long-term relationships with small and Black-owned businesses to ensure their sustainability.
- Continued efforts to streamline logistics chain.
- Proactively sourced high-demand product.

LIVING OUR BLUEPRINT

ENTREPRENEURIAL LEADERSHIP

… we ensure the agility and environment for decisive management actions. Board diversity now 70% female and 80% Black, and the Exco is 42% female and 50% Black, which contributes unique insights into the Group's development.

EMPOWERED PEOPLE

… we provide opportunities that exceed personal ambitions. We encourage team work to ensure ongoing growth at operational level. To achieve this successfully, support is provided in various ways, such as the R230 million spent on employee and community assistance through the pandemic, a wellness programme available within Bidvest, and easy access to vaccine immunisation.

ENABLING STRUCTURE

… our decentralised management structure enabled us to prepare early for the consequences of the pandemic. We focused on conserving cash resources, protecting liquidity, rapidly right-sized businesses, and we disposed of businesses that have been extraordinarily hard-hit by the pandemic. We also improved digital access and assurance throughout the Group. This has all resulted in continued delivery of superior shareholder returns, which are balanced with all our other stakeholder priorities.

RESPONSIBLE STEWARDSHIP

… we approved and formulated our ESG Framework with management targets linked to performance indicators, agreed and implemented. Like-for-like emissions and water intensity reduced by 6% and 15%, respectively. Significant support provided to our communities, to counter COVID-19 impacts, as well as provide education, healthcare and other support for the most vulnerable in our societies.

DEFINED STRATEGY

… we continue to extract value from our strategy, which includes a better than expected contribution from PHS, advancing the Noonan growth plan to achieve significant scale, introduced numerous innovations (monitoring cable theft, floor scrubbers, call centre "bots" and other exciting developments), accelerated ITC specialist services and enhanced technological support functions.

EXTERNAL OPERATING ENVIRONMENT

Economic growth

Although we expect the uncertain and fragile operating environment in South Africa 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.

Government policy and regulation

South Africa'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.

Consumer spend

Consumer spend is expected to be 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. Automotive further reduced its dealer footprint in luxury cars and Adcock Ingram's acquisitive focus on homecare, healthcare and personal care gathered momentum.

Technology

Technology brings opportunity to enhance efficiency, improve service and reduce environmental impact. It also drives changed behaviours and needs, to which we respond accordingly. Automotive implemented robotic process automation to efficiently handle high-volume transactions. Noonan introduced a scalable integrated smart building solution that comprises sensors, analytics and mobile user interfaces.

EXTERNAL OPERATING ENVIRONMENT

Out-of-home hygiene

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 COVID-19 pandemic undoubtedly heightened the awareness of, and the need for, out-of-home hygiene. This is expected to accelerate the development and maturity of the industry globally. This is the focus for our offshore expansion strategy.

Increase in outsourcing and bundled spend

The market dynamics that influence customers to outsource and consolidate spend remains strong as efficiencies and value are being sought. Bidvest offers a variety of comprehensive and innovative solutions in Services, Branded Products, Commercial Products and Financial Services. To enhance this even further, alliances and synergies are being pursued between the South African, United Kingdom and Irish facilities management and hygiene businesses.

Infrastructure development and maintenance

Gross Fixed Capital Formation investment and maintenance have been limited. Government's ability to credibly address the precarious financial position of several SOEs, initiation of development programs and ongoing maintenance of national infrastructure and key facilities remains critical to achieve sustainable growth in the South African economy. Private sector also needs to invest to establish and grow businesses and industries Bidvest, as a committed corporate citizen and investor in South Africa, is eager and well-positioned to augment initiated projects.

Reflecting on FY2021

CHAIRMAN'S REPORT

Bonang Mohale
Chairman

"As we approach the two-year anniversary of this dreaded pandemic, it is prudent to take time to reflect and assess how the environment in which we operate has changed. It is incumbent on us, as business leaders, to take cognisance of the complications that have emerged and acknowledge, accept and work to resolve this predicament, without relinquishing the longer-term aims and ambitions of society."

Sadly, 122 Bidvest Group employees passed away as a result of the COVID-19 pandemic. Our thoughts, condolences, and support remain with all their families, and we will never forget, and fully appreciate, the individual contributions they made to the development of the Bidvest Group.

It is pleasing that Bidvest's leadership has, throughout this chaotic time, remained completely focused on the Group's longer-term purpose and delivered a remarkable result, which has ensured continued value for all stakeholders.

Group revenue increased by 15.4% to R88.3 billion, trading profit was R7.9 billion, which is a considerable 47.8% higher than last year, and this translated into substantial cash generated by operations of R13.6 billion, up 48.6%. This enabled a total dividend payment for the year that was 112.8% higher at 600 cents a share.

A special acknowledgement and word of gratitude must be directed toward the Group's employees. They have shown the will, determination, incredible dedication and commitment in their collective efforts to ensure that our vast customer base remained stocked with product and continued to receive the quality services for which Bidvest has become known.

Agility and strength

Around the world, throughout the pandemic period, business, supply chains and operating models have been tested. The strength and robustness of a business can only be truly tried during times of volatility and disruption and when companies, like Bidvest, emerge with strength from tough times, it suggests a model that is working.

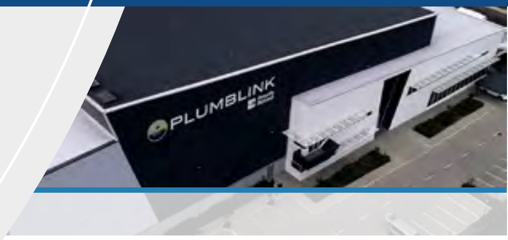
Our everyday essential product and service offerings, together with a structure in which we manage and operate at a decentralised level, and with teams that are incentivised and empowered to grow their respective operations, have all contributed to these sterling results. We are now even better aligned for a future where we will continue to broaden our offering basket to stay relevant, and at the same time offer cost-effective value adding solutions.

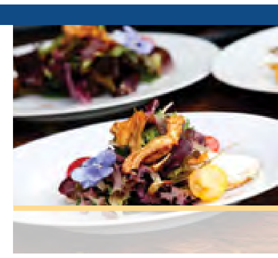
The Group's acquisitive and organic growth has continued unabated. This has enabled us to maintain benefits from efficiencies and economies of scale and scope, whilst delivering sustained service improvements to our customers. We have emerged with an even stronger, better blended portfolio of defensive, cyclical and growth assets, which allows

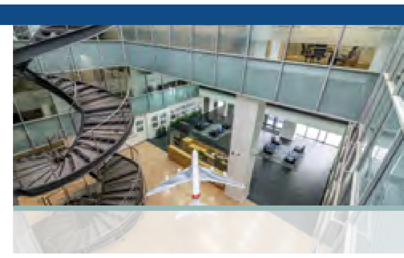
Growth continues unabated

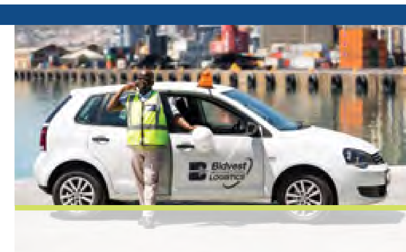
Noonan now a facility manager of scale in the UK

R372m skills development spend









us to leverage this scale to innovate, enter new markets and achieve sustainable competitive advantage. This is very evident in our facilities management and hygiene growth in the United Kingdom and Ireland. From a standing start in 2017, and through selecting carefully considered niche focus areas for acquisition, the Bidvest Group has become a top-10 facilities management company (through Noonan) and the number one hygiene services company (through PHS) in the United Kingdom. This is a remarkable achievement and is another demonstration of the quality, foresight and ability of the Group's leadership, which is being ably directed by chief executive, Nompumelelo Thembekile Madisa.

Resilience and challenge

The impact of COVID-19 has affected industries in various ways. Bidvest, being a broad, diversified operator across numerous sectors experienced resilience in some areas, but we were more harshly affected in others. Whereas hygiene, pharmaceutical and other products and services benefited from the pandemic consequences, and freight has been boosted by the commodities boom, the travel and tourism industry, as well as automotive sales, have had to contend with severe challenges. This is a true demonstration of the nature of diversification. While it is crucial that management's attention remains directed toward the longer-term purpose and objective, the imperative for a strong balance between product and service, where advances are continually made to enhance and improve the offering, is similarly essential. This invariably means unrelentless growth through innovation, product and service development and acquisition. Equally important, is to continue the contribution to societies served. The Bidvest leadership has again demonstrated success in all these areas.

This would not have been possible without our decentralised management structure. Bidvest achieves this by a commonality of understanding of the overall Group objectives, ensuring uniformity and simplicity, with measurement of specific targets, in our case: trading profit growth; cash conversion; Return on Funds Employed (ROFE); sustainability and transformation.

There has, over recent years, also been a timeous and considerable amount of time spent within all Group businesses on rightsizing to ensure that operating models remain relevant and future fit. This process was certainly accelerated by the COVID-19 disruptions, with many of our businesses now realigned to operate in a changed and adapted environment.

Political and macroeconomic intricacies

The South African economy, already under pressure prior to the pandemic, experienced a contraction in GDP of some 7% for the 2020 year, when compared to the previous year. Like the rest of the world, we are expecting a rebound off this low rate with anticipated growth of approximately 5% this year, from which the Group is, and will continue, to benefit.

Going forward, however, South African GDP growth predictions are more difficult to forecast with the unknown level of market recovery and immunisation success. While we are confident that sufficient supply of the vaccine is now available, the current, emerging and unknown variants of the virus, and a consequential fourth wave, remain a concern.

In South Africa, there is a tremendous amount of work to be done to ensure a continuation of acceptable growth. Over and above the COVID-19 impacts, the South African government must restore economic activity, confidence, trust and hope. There is an urgent need to realign certain policies to ensure a conducive growth environment. While steps have been made to stem the corruption tide, and the power generation and supply model seem to be headed in a better direction, major hurdles remain. We see regulatory certainty, policy consistency and stability, the re-industrialisation of the economy, focusing on SMEs, investment and growth being absolute imperatives for a return of investor confidence. We must defeat the coronavirus pandemic, accelerate our economic recovery, implement economic reforms to create sustainable jobs, drive inclusive growth, while fighting corruption and strengthening the state.

CHAIRMAN'S REPORT continued

There is extreme urgency to increase both direct domestic and significant foreign direct investment. The immediate focus must be on implementing projects which will lead to near-term employment gains.

There is still a considerable amount of work needed by the government in all these areas.

Committed to an improved, and inclusive society

An ongoing concern is that of South Africa's elevated joblessness and the ever-increasing scholar dropout numbers. South Africa's economy will only thrive when sustainable jobs are created. We firmly believe that this should be focused through SME support, which is the primary source of new jobs, as well as infrastructure development and mass employment programmes.

When economic recovery resumes, it will further amplify socio-economic transformation. We are doing our part and we are very proud of our efforts in terms of our Broad-Based Black Economic Empowerment (B-BBEE) ratings. We employ over 120,000 people of which 80% are Black and 44% are female, 834 employees have disabilities, and there are 6,866 learnerships, internships and apprenticeships, and our skills development spend was R372 million this past year. Our firmly established succession plans incorporate diversity, inclusivity and belonging.

Our support for product and service localisation is reflected in our procurement efforts. We are further developing and transforming our supplier base towards local manufacture and supply. We intend expanding our reach into buying more locally and assist in the creation of new businesses and industries. While our procurement policies and actions have been successful in equipping and increasing purchases from local, Black women-owned and Black-owned firms, we are enhancing the procurement spend even further.

Our continued focus on social justice, diversity, inclusion and equality at Board level has also been enhanced and we have contributed to the private-sector led Gender-based Violence and Femicide Response Fund, launched by President Matamela C Ramaphosa in February 2021, as well as the Female Academic Leaders Fellowship Programme.

Risk management

While Bidvest's diversified, decentralised, asset-light and everyday essential products and service business model is, in itself an effective risk management tool, we are obviously impacted by numerous exogenous factors that affect our various divisions in different ways. These include the ongoing impacts of the COVID-19 pandemic, the continued strain on the South African economic environment, increased requirements for hygiene and wellness as well as the continued demand for South Africa's bulk commodities, petrochemical and agricultural supply. The diminished construction, infrastructure, manufacturing and industrial activity, as well as an overall low business confidence, lead to reduced consumer spending, vehicles sales, and the like.

Specific attention is also given to cyberassurance, cybersecurity and data protection, where Group Internal Audit ensures adherence to our strict ICT frameworks and guidelines. Comprehensive Group-wide property damage and business interruption insurance is in place while we continually explore and find solutions enabled by technology. An emerging risk is that of the local and global supply chain, which is constrained as disruptions within international manufacturers, and logistical service providers grapple with an extremely challenging environment.

Bidvest management is accountable to the board for implementing and monitoring the processes of risk management and integrating this into day-to-day activities. The directors have taken a considered view when it comes to risk management. The board has clear sight of the emerging and management of the major, known risk areas that are raised within the divisional risk committees, and directors have access to risk registers which are used to actively focus management on critical issues faced at a business and industry level.

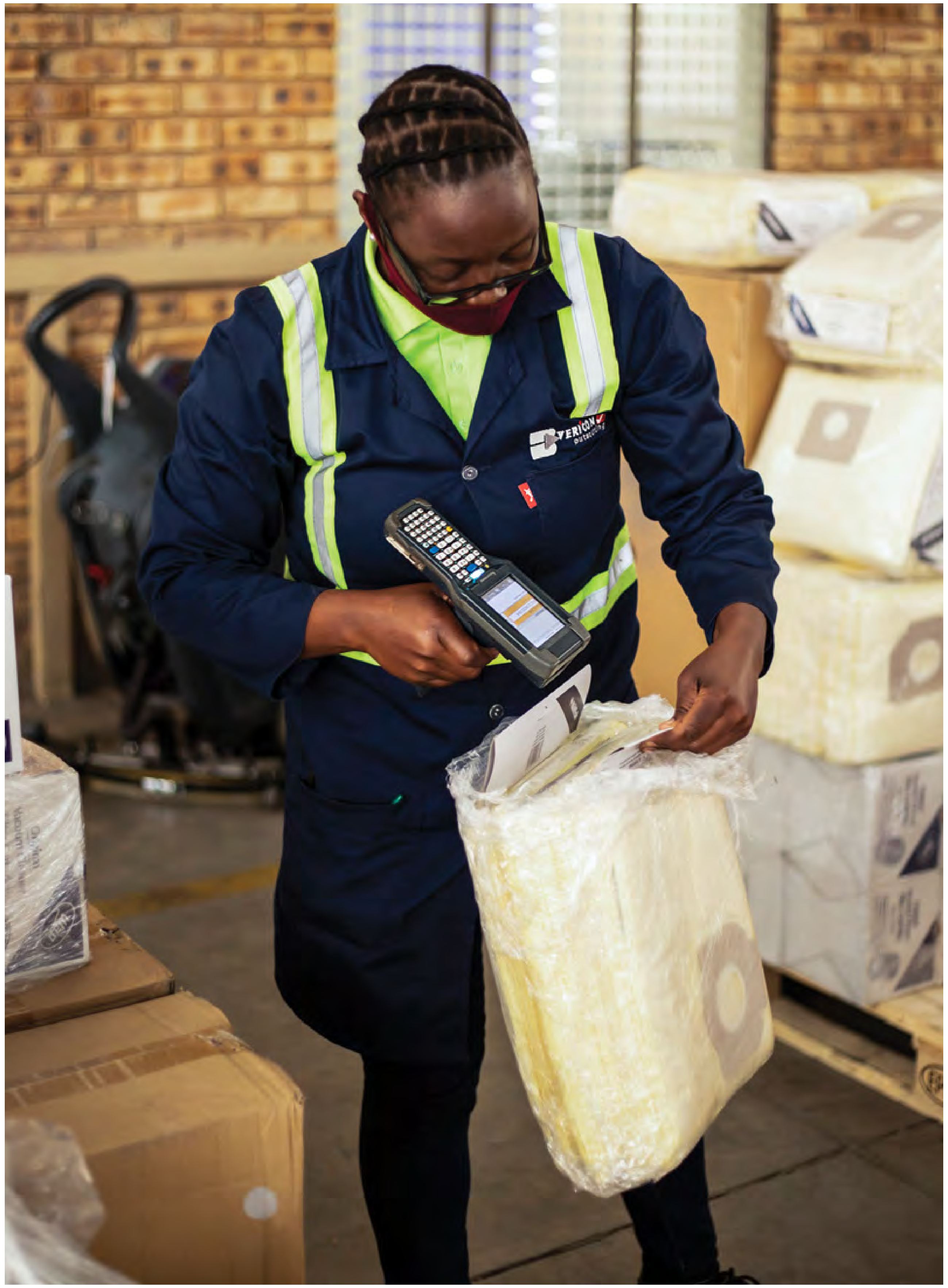
Appreciation

With Group management focused on managing risks superbly well, and market sentiment returning to a level of normality, combined with the full extent of recent acquisitions and strategic interventions, there is a degree of comfort that Bidvest's growth momentum is set to continue. This will ensure an ongoing, always improving level of financial and operating performance for which Bidvest has become known.

It is a privilege to be able to share this success with all our stakeholders. I thank each and every, single, solitary one of you, for your unselfish and dedicated contributions to this amazing Group of businesses and people who continue to use their collective leverage, abilities and capabilities to provide ever increasing and much-needed support and assistance to our society at large. Collectively, this will ensure a better and brighter future for all.

Together we've got this!

Bonang Mohale
Chairman



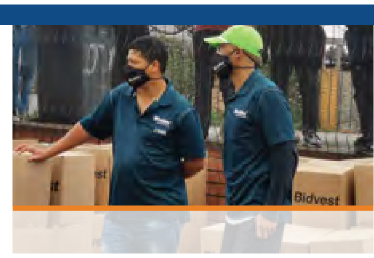
CEO'S REPORT

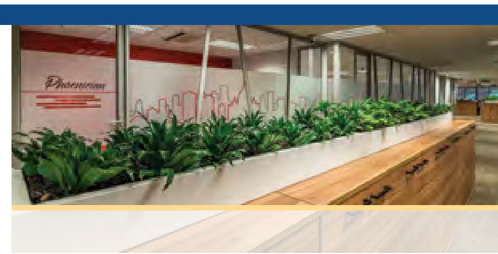
Mpumi Madisa
Chief executive

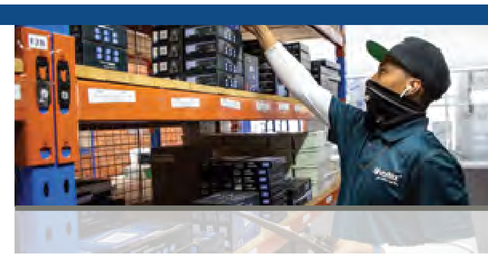
R13.6bn cash generated

ESG targets introduced

Total dividend up 113%







"Bidvest has achieved a stellar set of operating and financial results. What we did really well this year, was to translate a strong trading profit of R7.9 billion into cash generation of R13.6 billion, which we utilised to reduce debt. And at the same time, we maintained our growth focus, concluding four international acquisitions, and we were able to provide additional support to our employees, the people within our immediate communities, and fellow South African citizens that have been impacted by the pandemic and social unrest."

The Bidvest team has performed exceptionally well over this past financial year, reporting a very strong operating and financial result, notwithstanding the ongoing impacts of COVID-19. Management's actions to stimulate trading, manage margins, contain operating costs and convert profit to cash have been remarkable, resulting not only in enhanced returns to all stakeholders, but also ensuring a stronger balance sheet that positions us well for continued organic and acquisitive growth.

The low point over the year, has of course been turmoil that the COVID-19 pandemic continues to place on our society. On behalf of our board of directors, we extend our sincere condolences to the families, friends and colleagues of the 122 Bidvest employees who sadly succumbed to the pandemic. Losing our colleagues has been another sad, and stark reminder of the chaos and pain that the virus has brought to millions of people around the world. Over the last 18 months, the Bidvest Group has provided various levels of assistance to ensure that our employees, communities and our country have some form of support. We have dispersed R230 million to support employees and communities in the wake of the pandemic and we have also provided meaningfully to the most vulnerable in our society through numerous support packages ranging from the distribution of over 37,000 food hampers, personal protective equipment and other donations, and assistance with a televised, senior school learning programme.

The progress of vaccination programmes globally, and including our key operating territories of South Africa, the United Kingdom, and Ireland, is very positive. We have introduced a Group-wide awareness programme to encourage all employees to be vaccinated and we are improving access to the vaccine through the use of mobile clinics.

About 98% of our employees are back at work, from 75% who were unable to work in April 2020, and our over 250 businesses continue to implement COVID-19 health and safety protocols, which will remain a normal way of working.

The significant changes to our operating environment, and the degree to which risk has changed, cannot be ignored. To ensure that Bidvest remains cognisant of our transitioning world and the Group is positioned to continue making a positive contribution to the three Ps – People, Planet and Profit – it is pleasing that we have also been able to significantly enhance our Environmental, Social and Governance (ESG) Framework. Our ESG priorities have been amplified and have been cascaded into the divisions, and further into our numerous individual businesses. We have introduced ESG-specific targets into our incentives for the 2022 financial year.

The social unrest protests that occurred in KwaZulu-Natal and parts of Gauteng in mid-July 2021, dealt South Africa a devastating blow. The Group was fortunate to have suffered no loss of life, and minimal damage to facilities with limited disruption to operations. It was encouraging to see how business quickly assembled with a common cause to amplify the fight against poverty, inequality and unemployment. This was an example of how, as business, we are capable of doing more to fight the poverty plague by creating additional opportunities wherever possible.

Financial performance powers ahead

Group revenue at R88.3 billion increased by 15.4% from R76.5 billion in the previous year, and trading profit was 47.8% higher at R7.9 billion. The trading margin improved from 7.0% to 8.9%.

Highest-ever performances were produced by Commercial Products, Services, Automotive and Branded Products. Freight and Financial Services delivered strong second half performances. PHS, which is now included for the full 12-month period, exceeded expectations, delivering a double digit increase in constant currency. Noonan's scale in the United Kingdom has been boosted following four bolt-on acquisitions made during the past year.

Group headline earnings per share (HEPS) from continuing operations at 1,183 cents is up 114.0% and normalised HEPS, from continuing operations, increased by 25.6% to 1,292 cents. Our normalised HEPS indicator is important because this shows the underlying performance of the business, assuming that we didn't have COVID-19. For the Group to deliver a 25.6% increase in normalised HEPS is encouraging and is a sign that most of our markets are operating at, or close to, normality.

Cash generated by operations at R13.6 billion was higher by R4.5 billion mostly due to the increase in operating profit, and a significant working capital release. Cash conversion improved to 144.5%.

The balance sheet remains very strong and ROFE improved to 31.6% against 23.0% in the prior year. Our ROIC at 14.1% is comfortably above our WACC which is 10.5%.

A final dividend of 310 cents has been declared, bringing the total dividend for the financial year to 600 cents, up 112.8% on the prior year.

The Bidvest journey continues

The Group has made significant strategic strides since the unbundling of the foodservices businesses in 2016. At that time, we defined a very focussed and simple strategy, which has been well executed.

The Group has grown organically, and all businesses have been rightsized for current demand. We remain confident that as demand and volumes increase, we won't need to increase the cost base significantly.

The portfolio has also been streamlined and simplified. We diluted our interest in Comair and sold our interests in Mumbai International Airport, our listed operations in Namibia, as well as BidAir Services and Bidvest Car Rental. Through this portfolio clean-up, we have received proceeds of R1.2 billion in the current financial year from the disposals, and cumulatively since 2016 we have been able to monetise R4.0 billion.

Over this medium-term period, we deployed approximately R21.0 billion, which includes the acquisitions of PHS and Noonan, through a strategy of increasing our international footprint in selected niche operating areas of facilities management and hygiene services. We are building scale in these two areas, and we are broadening our products and services in various divisions, while also investing in freight and storage infrastructure in South Africa. We have also increased our shareholding in Adcock Ingram.

CEO'S REPORT continued

When Noonan was acquired in 2017, it was the number one facilities management operator in Ireland with one office and a very small market share in the United Kingdom. Soon after the transaction concluded, Noonan acquired Ultimate Security, Future Cleaning, Axis, and Cordant, in quick succession and today Noonan has 17 offices across the United Kingdom. This consolidation, in a somewhat fragmented market, has built the scale we wanted, becoming a top 5 company in security, and a top 10 facilities management business in the United Kingdom. In Ireland, Noonan remains the number one facilities management company.

Our strategic imperative of continuing to enhance the diversification of the Group has advanced. At a trading profit level, 62% of our businesses are in business services and 38% in trading and distribution. The United Kingdom and Ireland are now material geographies for us, delivering 19.8% of trading profit this past year.

Post financial year-end, Bidvest, through its offshore subsidiary The Bidvest Group (UK) plc, successfully issued an inaugural US$-denominated senior unsecured five-year bond of US$800 million.

Divisional performances encouraging

Bidvest Services' revenue, its trading profit and margin increased significantly from last year. ROFE at 205.9% is more than double last year's 85.0%. A key divisional highlight is that trading profit from international operations is already half of the division's total profit. Compared to 2019, the division increased trading profit by 50.1%. The Services team delivered an extraordinary set of results bolstered by additional months of PHS and the Noonan bolt-on acquisitions, as well as strong underlying organic growth. Services' businesses in South Africa delivered good growth despite the year-on-year decline in the travel cluster and BidAir lounges.

Branded Products' revenue, trading profit and margin is higher than the prior year. ROFE at 24.4% is up from 23.2%. Compared to 2019, this division increased trading profit by 55.4% driven primarily by the consolidation of Adcock Ingram. It has been a solid performance from the Branded Products team over this past year, given the continued domination of the pandemic fallout, which resulted in a very complex and unpredictable business environment.

Bidvest Freight's revenue was lower, but trading profit was up on last year, and the trading margin increased slightly. ROFE at 30.8% is up from 28.9% in the prior year. The division decreased trading profit by 6.6% compared to 2019. The team delivered a good result following increased bulk agricultural and commodity volumes and an eight-month contribution from the Liquid Petroleum Gas (LPG) terminal, which is operating well, and where volume is exceeding expectation.

Commercial Products' revenue increased, and trading profit was up 135% while the trading margin at 6.6% doubled from the prior year. ROFE at 25.5% is significantly up from 9.5% in the prior year. The division increased trading profit by 25.3% compared to 2019. The Commercial Products team has produced a superb set of results. This performance is largely due to significant market share gains in all key markets in which we operate, outstanding gross margin and expense management, restructuring and optimisation of the electrical cluster, and excellent inventory management.

The **Automotive division's** revenue, trading profit and margin were higher than last year. ROFE at 37.6% was excellent, up from 7.0% in the prior year. Compared to 2019, the Automotive division increased trading profit by 22.6%. This division's results reflect strong strategic and operational achievements in a very challenging period. The team's focus on margin rather than volume yielded material benefit.

Financial Services revenues were flat, with the trading profit margin higher than the prior year. ROFE at 9.1% is disappointing despite it being higher than the 8.2% in the prior year. Trading profit comparison to 2019 reflects a 43.3% decline. The 2021 financial year was exceptionally difficult for this division. Notwithstanding the negative impact of the pandemic and a cautious approach to accounting for expected credit losses, the division executed a very strong second half reversal, turning a 39.3% decline in trading profit at half year into a 8.9% full year increase in trading profit, which is commendable.

Strategic agility intact

This past year's excellent results have proven that our decentralised structure, where management teams are empowered to make decisions with autonomy, is critically important during times of change and challenge.

While we continue to provide Group businesses with strategic guidance, capital to deliver an agreed growth plan, operational autonomy to execute their growth strategy and a functional governance structure, our entrepreneurial leadership philosophy provides Group leadership with the agility and flexibility to make decisions quickly and be decisive on calls to respond rapidly to our changing environment.

We don't expect any major changes to be made to our portfolio. We will grow the facilities management and hygiene service businesses globally, while we will also consider acquisition opportunities in the plumbing and plumbing-related wholesale area.

Innovation remains key, and our focus on technology and in particular digital assurance is important. We have introduced call centre, and process robots, and we have elevated digital assurance with ALICE, our internally developed Artificial Intelligence platform that is crucial to our Internal Audit function and cyber security defences. There are also many other exciting technological developments that are happening across the Group.

Committed citizenship

We are continuing our deep-rooted corporate citizenship in South Africa, as we engage in community development initiatives focused on enhancing social inclusion, education, health, economic advancement and diversity. In the year ended 30 June 2021, we spent approximately R27 million on socio-economic development projects.

Throughout the Group, we participate in a range of corporate social responsibility projects and initiatives to support the communities and the environments in which they operate and leverage their respective operational capabilities in furthering these projects. Investing in communities and human capital is critically important as it affords Bidvest the opportunity to operate, do business in, draw skills from and support local communities and businesses in their growth aspirations.

Across our businesses, 52% of local procurement spend is with suppliers holding a B-BBEE Level 4 and better rating. We spend R20 billion annually in procuring materials, product and services in South Africa. Every subsidiary is expected to transform in their own right and fully integrate B-BBEE in its operations. 88% of Bidvest businesses have a Level 1–4 rating and 58% Level 1–3. The Group intends to continue to drive positive social change alongside its business activities.

We have a deeply entrenched functional governance structure that places significant reliance on the ethical behaviour of all employees, and our Code of Ethics continues to underpin the culture within Bidvest. We continually work to make sure that we live our values of honesty, integrity, accountability and respect, and ethical behaviour is part of the way that we run this business, even when no-one is looking. ESG is definitely getting a far more heightened focus, and for the right reasons. It's an imperative for us to create value, and it's also important for us to be cognisant of how we do business and that is why we have elevated ESG.

Looking into the future

As an executive team, we remain very optimistic about the 2022 financial year, and there are identified areas for additional organic growth in each of the divisions, which are being pursued.

As the global vaccine programme advances, the world will start gravitating towards a more normalised way of living and working, and this will definitely increase demand and volumes in sectors where recovery has lagged, which will benefit parts of our Group. Increased infrastructure spend is critical for the growth of our trading businesses. We have already seen private sector spend increase as mining operations upgrade existing plants and facilities. There are also many exciting opportunities as independent power producers come on stream, which is being driven by the recent announcement by the South African government that the "cap" on self-generation without a licence will be raised to 100 MW. This will undoubtedly catalyse capital expenditure projects, providing further opportunities for our trading businesses.

One of the unknowns, is the pace of recovery in international travel, which is urgently needed for Bidvest Bank and our travel cluster. The recent announcement that South Africa is off the United Kingdom's "red list" is encouraging.

The second unknown is the extent to which occupancies in the professional services segment will improve from the current 10% to 15% occupancy we are seeing, specifically in South Africa. I doubt 85% of any workforce working from home is sustainable, and we are expecting some level of increase. How much and when remains unknown.

Global supply chains have been materially disrupted and we're seeing significant shortages across various parts of the business. We are actively managing the supply chain throughout the Group.

Appreciation

My sincere thanks and gratitude is extended to the Group's executive team for delivering a spectacular set of results. The business did not only rebound from the 2020 financial year but demonstrated the resilience of the Bidvest business model of diversification and decentralisation. During good times all businesses do well. It's in the bad times that business models are truly tested. And these results bear testament that at Bidvest we have a formula that works and remains relevant, even after more than 30 years of operation.

I also express my deep appreciation to my fellow board members for their sound guidance and advice, often during challenging times. From a diversity perspective we have made good progress in just 12 months. Diversity not only brings a wealth of benefit that should not be underestimated, but it also contributes to a Bidvest that is relevant, innovative and future fit. Our board today is 80% Black and 70% female, while our executive team is 50% Black and 42% female. And that has set the tone for the rest of the Group.

A special thanks to our shareholders for their commitment and support, we are confident that we can continue serving your interest in the best possible way.

More importantly, these results are not only an indication of the Group's financial strength, but a reflection of the dedication and commitment of the Bidvest family. We would not have been able to produce these results if our employees were not confident that they were working in COVID-19 safe environments. We couldn't produce these results if our management teams, across all territories, hadn't provided our employees reporting for work with a safe working environment. And for me that's by far our biggest achievement this past year.

To our over 120,000 employees in Southern Africa, the United Kingdom, Ireland and Spain, I thank you for your significant contribution.

Mpumi Madisa
Chief executive

CFO'S REPORT

Mark Steyn
Chief financial officer

"This year represented a post-COVID recovery period, with underlying businesses returning to normal. The Group benefitted from bedding-down the significant PHS acquisition and completing other strategic investments and divestments. The financial position was strongly enhanced and the Group remains healthy, resilient and well-placed for future growth."

Liquidity and solvency improved

Gross margin improved to 30.8%

4 bolt-on acquisitions concluded

Together with the 47.6% improvement in trading profit, which rose to R7.9 billion, an equally significant highlight has been the translation of this profit into very strong cash generation, which has been deployed to reduce debt and strengthen the balance sheet.

There has been a conscious focus on streamlining businesses, which has extended from actions taken in the previous year. This has resulted in improved efficiencies and a lower cost base. Similarly, the process of disposing of non-core assets that started after the unbundling of the foodservice businesses in 2016, is now largely complete and we are comfortable with our portfolio of defensive, cyclical and growth assets. The portfolio enables us to leverage our scale to innovate, enter new markets and achieve competitive advantage. The active management of the assets of the Group has been a standout feature over the last year.

Continued COVID-19 impact

It is important to contextualise this result with regard to the COVID-19 impact. Our direct COVID-19 costs, of R182.5 million, were significantly lower than last year's R1.6 billion. The COVID-19 trading impact however continues in certain sectors, specifically in travel, aviation and related businesses, which have all been appropriately resized to the significantly lower demand. Similarly, the extension of work from home and the delayed return to a normal learning cycle, has created pressure. Management has made significant progress in realigning all these businesses to ensure better profitability into the future.

The supply chain continues to be impacted by the pandemic, which is evident in some of the trading businesses as well as in container freight movements, where material delays when importing containerised goods are being experienced. Freight rates have increased significantly, and we are managing certain product and raw material shortages. Where possible, orders are being front-loaded and management is very cognisant of the risk of inventory brought in at (potentially) elevated prices. Stock availability has, however, been a key differentiator and significant contributor to the trading businesses results. Within the Automotive division, while vehicle model shortages depressed sales activity to some degree, management anticipated this and successfully concluding sales at an improved gross margin, rather than focus on volume.

Protecting the financial position

The carefully considered and managed measures taken last year to protect the Group's financial position, continue to deliver benefit. The Group's liquidity and solvency have improved with a significant reduction in debt and an improved maturity profile, while expense control and cash management have been exceptional.

Bidvest concluded four bolt-on acquisitions in the Services division, and more specifically within Noonan, which has meaningfully enhanced its scale in the United Kingdom and is now better placed to target larger facilities management contracts.

Bidvest disposed of its interest in the Mumbai International Airport and finalised the sale of Bidvest Car Rental, which was shown as a discontinued operation previously. BidAir Services and a number of smaller, non-core operations have also been exited.

From an audit perspective there were no material IFRS changes. We did, however, complete PHS's Purchase Price Allocation (PPA), which gave rise to a reclassification between goodwill and intangible assets in the balance sheet in the prior year.

Excellent results delivered

Group revenue was up 15.4% to R88.3 billion, which was enhanced by PHS' inclusion for the full year, compared to two months previously, as well as the recent Noonan acquisitions. From an organic perspective, there was good revenue growth of 6.6%. There has been steady revenue growth following last year's COVID-19 restrictions and four divisions produced good revenue increases, with two divisions slightly down.

The gross margin improved to 30.8%, with margin growth in Freight, Commercial Products and Services, with Automotive doing well to maintain its margin in a declining market. The Financial Services margin was impacted by lower foreign exchange activity and interest rate cuts, while in Branded Products there was a decline in margin, mainly as a result of the higher cost of imported products and a changed sales mix.

As has become common for Bidvest, expenses were exceptionally well managed. On a gross basis, operating expenditure is up 6.6% and on a like-for-like basis costs were well contained, rising only 3.3%. We are benefiting from the extensive restructure programmes which were undertaken in the previous year, and the strong focus on cost containment is continuing unabated.

In terms of trading profit, there were excellent results from the Commercial Products division with a good underlying trading performance, improved factory recoveries and well managed costs. Services has also performed particularly well and there is now an equal contribution in trading profit between the South African and offshore businesses. The Automotive division's improved margin, together with better efficiencies and cost management, resulted in an improved performance. The Freight division handled higher bulk exports, and the results from these more than offset the constrained import and export container volumes. The Branded Products division, including Adcock Ingram, produced a good result especially given the changed working environment. Financial Services produced a reasonable result in what is a difficult environment, considering there was no foreign exchange as international travel was restricted, interest rates reduced as a consequence of last year's COVID-19 interest adjustments, and delayed decisions on new fleet orders.

Acquisition costs are down, with no major businesses acquired this year, compared to the significant PHS transaction last year. There was an increase in the amortisation of acquired customer contracts, which relates to the PHS PPA, as well as the Noonan acquisitions.

There was a significant reduction in capital items from the previous year, where we incurred R2.0 billion, largely related to the COVID-19 impact. This year's relates to the disposal of certain businesses, specifically Ontime Automotive in the United Kingdom and BidAir Services. These costs were partially offset by insurance claim proceeds.

The overall finance charge is up 2.9% including IFRS 16, and borrowing costs, excluding IFRS 16, are 4.9% higher.

Dealing with debt

There was a higher average debt level over the year, because of the PHS bridge loan that was raised last year, and there was a lower average interest rate through the period. The average borrowing cost for the Group reduced markedly from 5.7% to 4.6%.

CFO'S REPORT continued

We maintained our normal, conservative approach to debt and funding. Net debt after cash and cash equivalents was lowered to R13.3 billion from R19.2 billion last year. We are comfortable with our debt funding ratios, with interest cover at 9.4x compared to last year's 8.4x, and net debt to EBITDA at 1.8x, against 2.7x previously. The stability of our interest cover is pleasing and has been very consistent over the last two years.

A total of R4.9 billion in debt was repaid in the year. In terms of gross debt, 74.1% is long term, which we achieved through a debt restructuring exercise during the period. In July 2021, we raised a new offshore syndicated facility of £400 million comprising an RCF of £240 million and a term loan of £160 million. This will not only lower the overall cost of debt, but also extends the debt maturity profile and creates improved flexibility. The proceeds of this facility have been used to completely repay both the Euro term loan, and the balance of the PHS bridge.

In mid-September 2021, Bidvest successfully issued an inaugural $-denominated Reg S/144A senior unsecured five-year bond of US$800 million at a coupon of 3.625%. The notes, issued by The Bidvest Group (UK) plc, are guaranteed by Bidvest. This further diversified the Group's funding providers and extended the debt maturity profile. Current funding facilities both locally and offshore are more than adequate to fund working capital requirements and support the Group's strategic growth intentions internationally.

Associate income is down following Bidvest's exit from Comair last year and the only remaining, material joint ventures are within Adcock Ingram.

Group taxation, excluding the impact of the Mumbai International Airport foreign exchange impairment, is broadly in line with the statutory rate in South Africa at an effective rate of 28% (FY2020: 30%). We expect this rate to reduce over time as the international operations become proportionately larger. New taxation rates are being proposed in South Africa for next year, and in the United Kingdom for 2023, and the possible impacts are being monitored closely.

The non-controlling interest or minorities is almost exclusively Adcock Ingram, where Bidvest has an effective shareholding of 57.9%.

HEPS was up 114.0% to 1,183 cents, which is an exceptional result. However, the more meaningful internal measure of performance, is normalised HEPS (where we strip-out acquisition costs, amortisation of customer contracts and COVID-19 expenses), which was 25.6% higher at 1,292 cents.

The Group has declared a final dividend of 310 cents, which was 6.9% higher than the 290 cents declared at the interim stage, resulting in a total dividend of 600 cents, which was a 112.8% increase year-on-year. We paid the dividend within our cover ratio of 2x to 2.5x normalised HEPS.

Free cash flow strong at R10.1 billion

Cash flow is, and will always remain, an important focus for Bidvest. We are exceptionally pleased with the cash conversion ratio of 144.5%, against the 137.8% last year. The cash generated by operations at R13.6 billion, compared to R9.2 billion, was enhanced by a working capital release of R2.4 billion, driven mainly by reduced inventories, which is partially a COVID-19 impact, as well as a result of supply chain constraints, and also increased accounts payable which is due to improved trading. Inventory levels are being monitored closely because of the exacerbated supply chain constraints in certain markets.

Our capital expenditure programme continues in South Africa. The main capital items are largely improvements to infrastructure in the Freight division.

There has been good working capital management across the divisions, and as the business cycles continue to normalise, we are expecting an absorption of working capital – which would be normal as business levels improve – in the first half of 2022.

Looking to the future

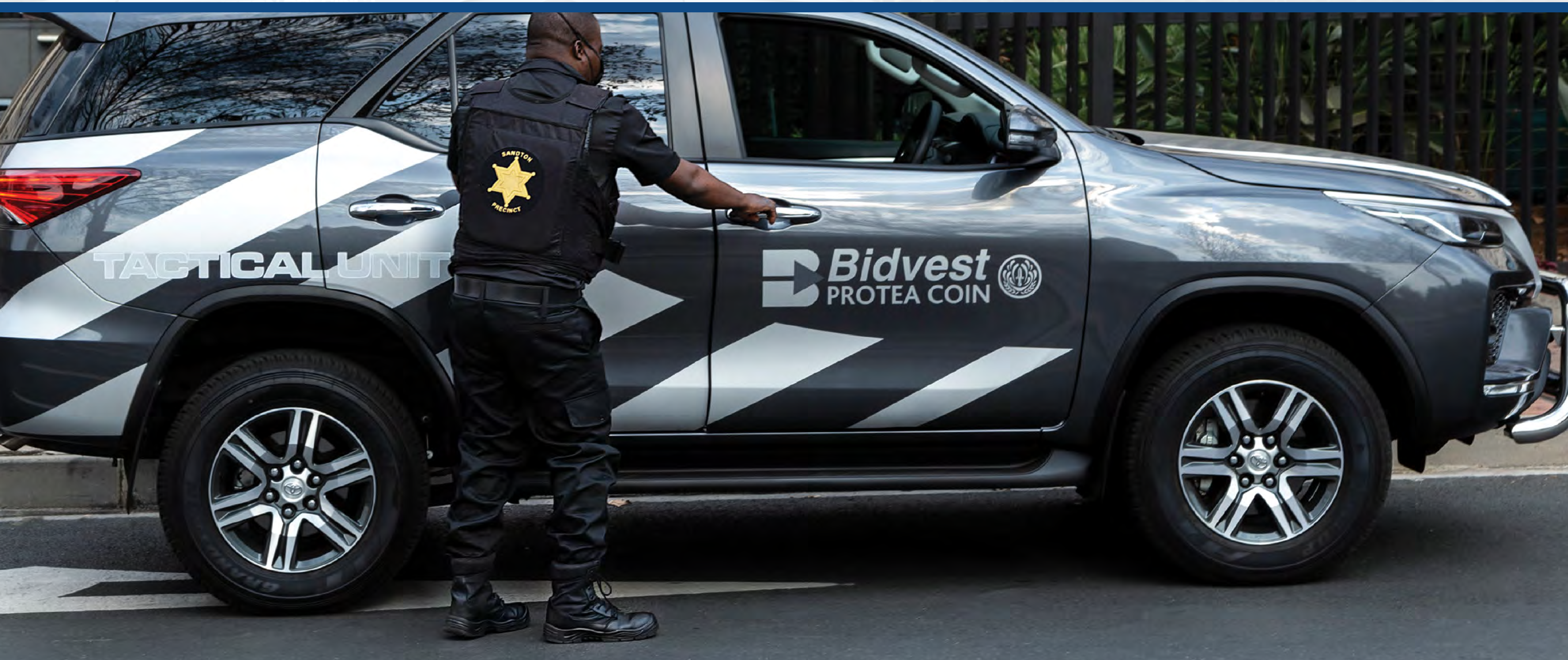
It's very encouraging to see the improvement of COVID-19 vaccination statistics, especially in South Africa. This will stimulate an acceleration of economic recovery as the return-to-work and a reintroduction of international travel will be beneficial to profitability. Group businesses have been appropriately rightsized for current demand levels, and we expect upside as trading levels improve.

The Group's financial position remains robust with good capacity for growth, and we are therefore actively engaged in seeking new acquisition opportunities.

The main levers for continued growth, including stronger markets, cost savings and efficiency improvements, as well as contributions from PHS and the Noonan acquisitions, all provide the comfort that profitability momentum will be maintained going forward.

Mark Steyn
Chief financial officer

Stewardship



LEADERSHIP

Board of directors

Executive directors

Mpumi Madisa 42
Chief executive officer

Mark Steyn 51
Chief financial officer

Gillian McMahon 49

Key to committees

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

Independent non-executive directors

Bonang Mohale 59
Chairman

Renosi Mokate 63
Lead independent director

Bongi Masinga 54

Sindi Mabaso-Koyana 52

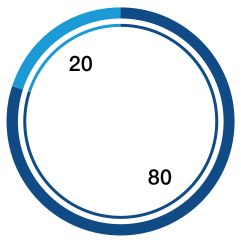
Norman Thomson 70

Zukie Siyotula 37

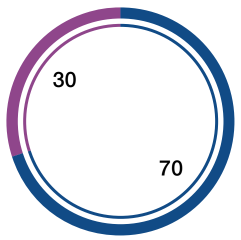
Lulama Boyce 42

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. The Group's Executive committee (Group Exco) and Company board has been instrumental in setting the strategic direction for the Group and its blueprint for growth. Six divisional boards and audit committees include independent non-executive individuals to further strengthen 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, rationalises collaboration efforts upstream amongst assurance providers, coupled with effectively managing assurance costs. The activities are coordinated to maximise the depth and reach of assurance achieved by each of the assurance providers. This enables an effective control environment and ensures the integrity of information used for reporting and decision making.

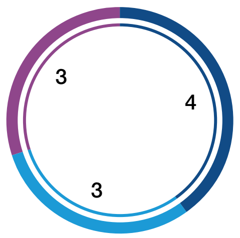
Race (%)



Gender (%)



Tenure (number of directors)

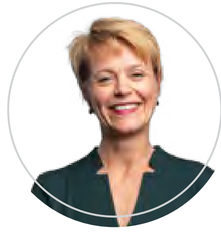


Executive committee

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 six divisional CEOs. 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 to continue to successfully execute 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.

Akona Ngcuka 41
Business development

Phathu Tshivhengwa 39
M&A



Ilze Roux 47
Corporate affairs

Alan Fainman 58
Services CEO

Wiseman Madinane 53
Freight CEO

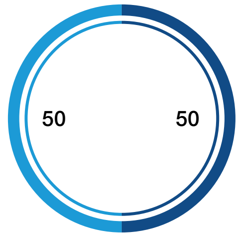
Hannah Sadiki 56
Financial Services CEO

Howard Greenstein 58
Commercial Products CEO

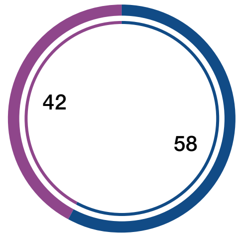
Steve Keys 60
Automotive CEO

Kevin Wakeford 61
Branded Products CEO

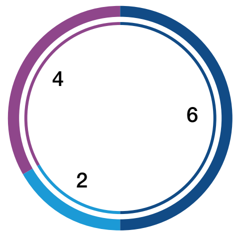
Race (%)



Gender (%)



Tenure (number of members)



For more detail on governance processes please refer to page 49 and the Annual Environmental, Social and Governance Report.

MATERIAL FOCUS AREAS, RISKS AND RESPONSES

Our decentralised, asset-light and everyday essential products and service business model is an effective risk management tool. We cannot control macro conditions, but we can control how we respond.

The board's Risk committee assists in recognising all material risks to which the Group is exposed and ensuring that the requisite risk management culture, policies and systems are in place and functioning effectively. Risks are assessed on an enterprise-wide level and their individual and combined impact considered. Internal Audit assist in evaluating the effectiveness of the risk management process and comment on this in their own assessment reports. Management is accountable to the board for implementing and monitoring the processes of risk management and integrating this into day-to-day activities. Divisional risk committees are engaged to actively focus management on critical issues faced at a business and industry level. The key strategic risks are reported to the Group Risk committee for consideration at board level.

The material risks identified have emerged as a result of analysing and understanding the direction in which each entity is moving as well as the overlay of the Group's strategy and macro conditions.

Supply chain constraints

Material focus area	Stakeholders impacted	Response to ensure value is sustained
• The imbalance in the world's container fleet, various levels of lockdown across the world, the impact of the third wave of the pandemic on manufacturing facilities in the East and the resumption of economic activity in pockets of the global economy are resulting in material delays when importing containerised goods. • Additionally, the Transnet cybersecurity attack exacerbated the already inefficient Durban harbour, disrupting the broader supply chain into South Africa even further and adding extra costs. • Freight rates have also increased significantly, and we continue to be faced with product and raw material shortages.	• Partners and potential partners • Customers • Suppliers	• In as far as possible, orders are being front loaded whilst being very cognisant of the risk of inventory brought in at (potentially) elevated prices. Stock availability has been a key differentiator in FY2021. • Dialogue with Transnet has been elevated to ensure a better understanding of the need to improve efficiencies. • Commercial Products received some enquiries from customers that are exploring dropping house brands in favour of other branded product as they struggle to source product. In Home of Living Brands a very distinct growth differentiation between core brands across the price spectrum (Russell Hobbs, for example) and small, peripheral brands was noted. • Exploratory work is being done by Adcock Ingram and Commercial Products to establish local manufacturing of some products. • To date, most customers have accepted price increases. • Vehicle model shortages have started to depress sales activity, but management used this to improve gross margins on sales and focus on selling more used vehicles.

Challenging economic outlook and constrained consumer spend

Material focus area	Stakeholders impacted	Response to ensure value is sustained
• Constrained operating environments requires that the Group enhances its operating focus to ensure a managed impact on the business. • It is critical for the Group to maintain its competitive advantages, and remain relevant in its markets.	• Equity and debt investors • Employees and trade unions • Government, governing and regulatory bodies • Partners and potential partners • Customers • Suppliers	• Although we expect the uncertain and fragile operating environment in South Africa to continue, we have a track record of outperforming and we remain confident into the medium-term. • Encouragingly, there are signs of increased infrastructure investment activity out of the mining and industrial sectors. • Significant attention has been placed on rightsizing all Group businesses to ensure that operating models remain relevant and future fit. • Bidvest has a portfolio of defensive, cyclical and growth assets that are strongly cash generative, and will retain its ethos of being a customer-centric organisation. • Agility, a can-do attitude and appropriate disruptive strategies result in innovative and value-adding solutions, as well as opening-up additional opportunities, thereby maximising its diverse portfolio and adapt quickly to changing customer requirements and market dynamics.

Increasing regulation, the cost of doing business and diminishing South African infrastructure

Material focus area	Stakeholders impacted	Response to ensure value is sustained
• South Africa requires sustainable GDP growth to create social and economic prosperity. • The country's infrastructure development and maintenance has been limited. • Government's ability to credibly address the precarious financial position of several SOEs, initiation of development programmes and ongoing maintenance of national infrastructure and key facilities remains critical to sustainable growth in the South African economy. • Managing the proliferation of regulatory and governance requirements across industries add costs in an already price-sensitive market. • These complexities consume a growing amount of management time and resources.	• Equity and debt investors • Employees and trade unions • Government, governing and regulatory bodies • Partners and potential partners • Customers • Suppliers	• Bidvest's decentralised model allows it to adapt and implement value-adding solutions and structures while complying with relevant legislation at operational level. • Bidvest is actively participating in national workstreams incorporating labour, government, civil society and business to achieve real and sustainable GDP growth. • Private sector needs to invest to establish and grow businesses and industries. Bidvest, as a committed corporate citizen and investor in South Africa, is well-positioned to augment initiated projects, and has undertaken various projects to achieve this objective. • An enabling and aligned legislation that cuts across sectors is key. • Thorough due diligence is done on potential business partners. • Continuous rightsizing and the introduction of technology lowers the cost of doing business. • The Group made significant progress in implementing POPIA awareness campaigns and putting in place compliance processes, all done in time to meet the legislative deadline.

MATERIAL FOCUS AREAS, RISKS AND RESPONSES continued

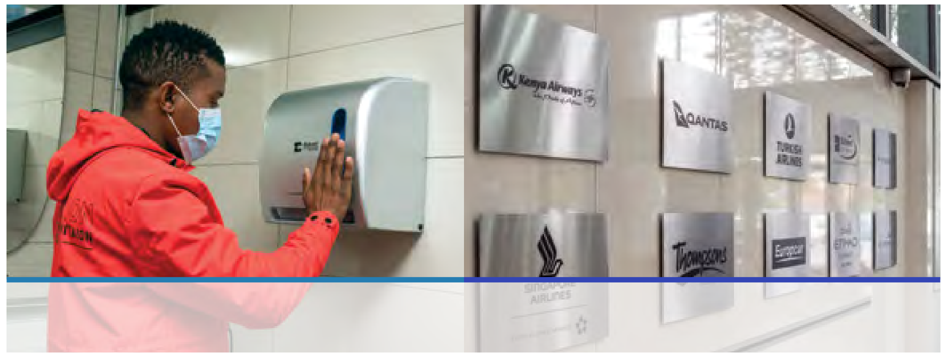
Ongoing COVID-19 impacts, notably the hybrid way of working and learning

Material focus area	Stakeholders impacted	Response to ensure value is sustained
• The COVID-19 pandemic continues to affect Group's businesses in various ways: some are impacted more positively, while others continue to feel the effects of the decline in economic activity. • This transitioning model for a new way of working, learning, buying/transacting is driving rapid adoption of technology resulting in material structural demand contraction in office products, money transfer, etc. • The travel, hospitality and certain commercial sectors, in particular, remain under pressure from ongoing and variable restrictions and related decreases in demand. • The pandemic has undoubtedly heightened the awareness of and the need for out-of-home hygiene. This is expected to accelerate the development and maturity of the industry globally. • Both the United Kingdom and Ireland have eased lockdowns after achieving high vaccination rates. In these regions, the return to offices is evident in the reduction in PHS' contract suspensions. • In South Africa, lockdown restrictions remain, and corporates, particularly in professional services, have not fully returned to the office. • Growing inequality has elevated socio-economic instability risk. This is particularly relevant in South Africa.	• Equity and debt investors • Employees and trade unions • Communities, including community-based organisations, non-profit and non-governmental organisations • Government, governing and regulatory bodies • Partners and potential partners • Customers • Suppliers	• Bidvest continues its response and support for the safety, health and well-being of all is stakeholders. A Group-wide comprehensive employee wellness programme was rolled-out. • Bidvest's growth strategy, internationally, is focused on hygiene and facilities management services. While office occupancy is not likely to reach pre-pandemic levels in the immediate future, demand for cleaning and hygiene services is expected to remain high as more people return to office work, for at least part of the week, and a greater awareness and requirement for sanitisation. • Strategic actions have been taken to make sure that operating models remain relevant, Bidvest's scale and balance sheet strength ensured stock availability in preparation for an, albeit slow, return to markets, and business development teams across the Group have adapted traditional approaches and put forward value-added solutions to customers. • The facilities management type-operations can be flexed to meet varied customer demand. • This changing environment has also brought opportunities for greater on-line penetration of our products and supply enabling product into this channel. • The pandemic brought about socio-economic shifts and long-term structural changes, and the Group has proved support and assistance in varying forms across the spectrum to alleviate these pressures. • A vaccination campaign has been launched internally encouraging employees to be immunised, and a mobile clinic travels to various Group businesses to assist in administering the vaccine.

Cyber assaults

Material focus area	Stakeholders impacted	Response to ensure value is sustained
• IT systems are vulnerable to a number of problems, such as software or hardware malfunctions, malicious hacking, physical damage, and computer virus infection. • The Group relies heavily on these systems and is increasingly dependent on its technology infrastructure for the effective operation of its business. • Consequently, this could result in disruption of service provision, reduced revenues, cost increases and will impact long-term sustainability.	• Equity and debt investors • Partners and potential partners • Customers • Suppliers	• The Group remains committed to conducting business with uncompromising integrity and actively manages cybersecurity risk. • Bidvest continues to invest in IT infrastructure, including business continuity plans, back-up systems and maintain and improving the disaster recovery centre. • ALICE, an internally developed artificial intelligent tool, monitors and advises on IT hygiene across businesses and systems on a continuous basis. This allows for near immediate remediation. • Data governance, including the necessary IT architecture, is being tackled at business level, particularly by the Group's companies which are most exposed to data risks. • Bidvest has comprehensive Group-wide property damage and business interruption insurance in place.





MATERIAL FOCUS AREAS, RISKS AND RESPONSES continued

Loss of agency and distribution rights, port leases and licences

Material focus area	Stakeholders impacted	Response to ensure value is sustained
• This remains a cornerstone of the way Bidvest does business. If the Group is unable to acquire and protect its agency and distribution rights, it could harm the Group's business. • The Commercial Products and Branded Products divisions in particular are reliant on their ability to retain their existing agency and distribution rights. • Freight businesses hold leases with Transnet for tenures varying from month-to-month to multiple years. • Transnet has a legislated right to restructure and reform its port footprint, and the private sector primarily secures leases through open tender processes.	• Equity and debt investors • Government, governing and regulatory bodies • Partners and potential partners • Customers • Suppliers	• Fostering positive long-term relationships with key suppliers, landlords and licensors, and management is constantly challenged to manage and grow these relationships. • The constant communication and monitoring of demand changes allow Bidvest businesses to be proactive and part of the solution. • Many of the Commercial Products and Branded Products divisions' agency and distribution rights are longstanding and have historically been renewed without notable difficulties, which remains Bidvest's strategic intent. • Bidvest has had several interactions with Transnet with regards to the new Durban Port Master Plan and a joint technical team has been set up to explore alternatives in the quest to achieve a commercially viable outcome for the benefit of all stakeholders.

The shortage of skills

Material focus area	Stakeholders impacted	Response to ensure value is sustained
• The short- and medium-term disruption in the event of sudden departures due to lack of skilled management is a concern, but well understood.	• Employees and trade unions • Government, governing and regulatory bodies • Partners and potential partners • Customers	• The Group endeavours to continuously develop the skills of its employees and in the industries in which it operates. • It will continue to focus on maintaining and rewarding a high-performance culture and will maintain its encouragement for an entrepreneurial attitude. • The Group will also continue to develop people 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.

Other key risks areas:

- Excessive capital investment in terms of both operational asset management and acquisitions;
- Reputational risk embedded in sub-contracting and third party relationships; and
- Environmental and social impact consciousness.

SUSTAINABILITY

Our 2021 theme of **“People and Products Behind a Brighter Future”** guide our efforts to create value for each stakeholder group which in turn drives our focus on optimising the value of our products and services, at a sustainable cost to society.

Empowering entrepreneurship

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

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 suceed 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.

Creating social value

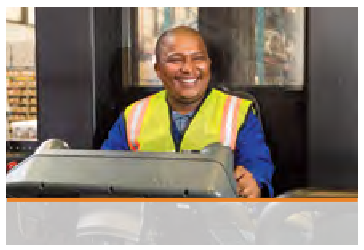
We take the long view and strive to make a sustainable difference in society. We are building something worth building, that will endure the test of time.

As the impact of climate change and inequality become more and more evident, the need for all stakeholders to ensure common cause, understanding and purpose, and to avoid damaging the environmental and social status for future generations, has become a critically important imperative. We recognise that people are the enabler of our business and a critical resource that needs to be nurtured, developed and supported. As one of the largest employers in the country, and as a Group that by nature covers virtually all industry sectors, it is our responsibility to ensure that we contribute to the success of our nation. We use the United Nation’s 17 SDGs as a guideline. The SDGs provide a comprehensive definition of sustainability, ranging from good health and well-being, affordable and clean energy and climate action to quality education, peace, justice and strong institutions. We identified the SDGs that are most relevant to us and assess the impact we are making, through our basket of services and goods as well as our operations and corporate citizenship activities.

Despite a decentralised operating model, we have a unified understanding throughout the Group of what needs to be achieved to ensure ongoing success. Conducting profitable business in a responsible and sustainable manner is therefore integrated into our day-to-day activities. Given the decentralised and varied nature of the businesses, sustainability is managed at business level. From a Group perspective, we identified a set of material issues that are common throughout our businesses.

In FY2021, we worked on establishing the Bidvest ESG Framework in which we have set innovative, measurable and challenging targets for our leadership for FY2025. This will ultimately ensure the continued generation of long-term value for shareholders, for all other members of stakeholder society and for the planet we share.

Please refer to our comprehensive Annual Environmental, Social and Governance Report for more detail on our ESG Framework and performance in FY2021.



SOCIAL: Caring for the Bidvest family and driving positive change through partnerships and social dialogue

In line with SDGs aimed at good health and wellbeing and gender equality, the Group is committed to providing a safe and healthy workplace with equal opportunities conducive to learning and personal development. In particular, the Group will continue to promote and offer out-of-home hygiene services and integrated facilities management services in order to support safe and healthy occupational environments.

The Group is proud to be a deep-rooted corporate citizen in South Africa, as it is highly engaged in community development activities, with a particular focus on enhancing education, health, economic advancement and diversity. Investing in communities and human capital and supporting local suppliers, affords us the opportunity to operate, do business in and draw skills from the communities in which we operate.

The social element of ESG is of particular importance to Bidvest as it is one of the largest private sector employers and touches multiple sectors and communities.

COVID-19 specific

A special tribute must be directed toward the Bidvest family of employees that have worked consciously and faithfully through these difficult times. Our employees displayed tremendous dedication, often in difficult circumstances, to ensure the continuation and enhancement of value in the delivery of the Group’s products and services. Bidvest’s board of directors has acknowledged this commitment and expressed its thanks and gratitude to all employees on behalf of all stakeholders.

Sadly, we lost 122 Bidvest family members to the COVID-19 pandemic and extend our sincere condolences to the families and colleagues of these employees. Bidvest continues to provide support to employees and communities besieged by the harsh impacts of the pandemic.

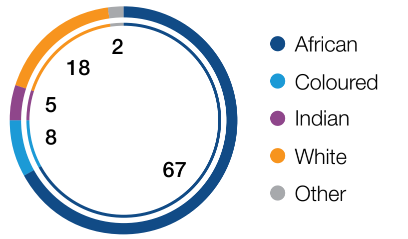
The protection of Group employees, customers and communities was maintained over the past year. From the established Bidvest COVID-19 Fund (the Fund), some R230 million was spent toward easing the impact of COVID-19 on employees and communities. This includes compensation for employees, particularly those in the lower income brackets, who were impacted by lockdown restrictions. Risk benefits and pension fund contributions by employers remained in place for all these affected employees.

The progress of vaccination programmes globally and in particular in our key operating territories, South Africa, the United Kingdom and Ireland, is very encouraging. We are running a Group-wide COVID-19 vaccine awareness programme to encourage all our employees to be vaccinated. We are also improving access to the vaccine through the use of mobile vaccination clinics that are visiting our various operations. We encourage the Bidvest family to get vaccinated to protect themselves and their loved ones.

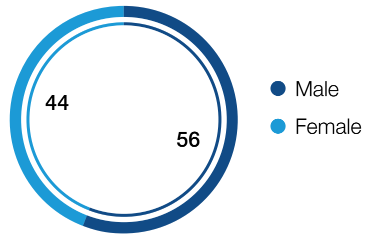
Transformation, diversity and employment equity

Our people form the backbone of Bidvest. The diversity of background, age, race, gender, religion, skills and experience undoubtedly contributes to a Bidvest that is relevant, innovative and future-fit. Our focus remains on advancing inclusion, diversity and equality.

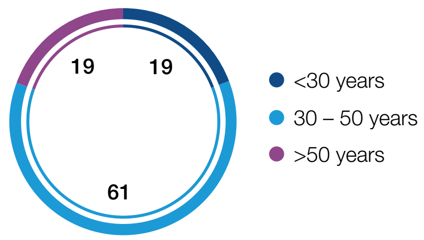
Race (%)



Gender (%)



Age profile (%)



790 employees have disabilities

38% of employees belong to unions/ bargaining councils

13% staff turnover

At middle, senior and top management levels 11.0%, 15.6% and 35.9% are African, respectively. Women represent 33.1%, 30.6% and 37.6%, respectively, at the three management levels. The overall increase in the representation of Black people across all three levels of management is very pleasing but the increase in Black people in top management is the most encouraging. This is probably the biggest shift we have seen over the past few years.

No material strike activity encountered at any of the Group companies during the year

SUSTAINABILITY continued

Health, safety and wellness

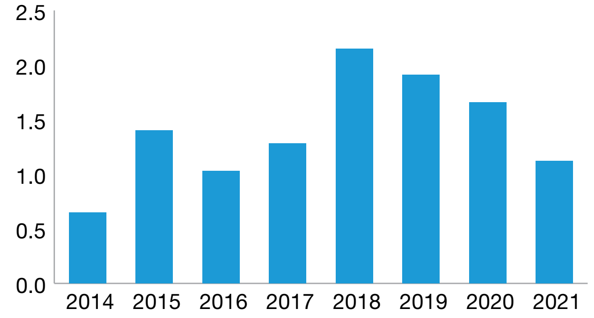
Approximately 72,000 of the Group's employees in South Africa have benefitted from the Fund since its inception to date. The cost of COVID-19 testing for employees not on medical aid is also borne by the company. At the end of FY2020, the Group introduced an employee wellness programme, which was rolled out to all employees across South Africa, recognising the importance of mental, wellness, financial and trauma counselling, particularly in light of COVID-19. The utilisation of the program has been steadily increasing.

Bidvest is committed to investing in its human capital and ensuring that everyone receives support when they need it most

At the start of the financial year, we also introduced an Executive programme that was made available to the Group Exco as well as the divisional CFOs. The purpose of the programme is to provide support and guidance to the executive on a very holistic basis that covers both personal and professional aspects of their lives.

Consistent with the Group's aim to provide a safe and healthy workplace, an improved loss time injury frequency rate (LTIFR) of 1.12 was reported.

LTIFR



Regrettably two fatalities occurred during the last financial year: A security officer was killed in the line of duty and an employee in a bicycle accident

14,103 employees and **4,532** contractors were trained on health and safety standards

Learning and development

The Group endeavours to continuously develop the skills of its employees and in the industries in which it operate. Established training academies not only meet internal needs but also those of the industries in which we operate.

Skills development spend
R372m

Bidvest offered
6,866
learnerships, internships and apprenticeships. 440 of these beneficiaries were absorbed into the Group workforce post completion

Launched
Bidvest Technology Internship
This internship programme is run by the BidvestALICE Team under the auspices of Microsoft's AppFactory

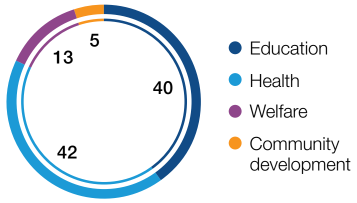
The Bidvest Education Trust, established in 2003, is aimed at children of Bidvest employees that fall with a certain income bracket. There are 582 beneficiaries from the bursary program across the various grades and three tertiary education students. A further 37 children of former employees, who passed away due to COVID-19 or who were retrenched as a result of business restructuring, benefited from bursaries extended for a year.

PHS joined Chwarae Teg, a charity inspiring gender equality in Wales, which offers leadership qualifications and mentoring opportunities for women in Wales.

Procuring local

Supporting local businesses in their growth aspirations is important to Bidvest. Across the Group's businesses, 52% of its local procurement spend was with suppliers holding a B-BBEE Level 4 and better rating. By moving all local procurement away from poorly rated, or even non-compliant, suppliers, the Group has the opportunity to direct more than R20 billion local procurement expenditure to transformed businesses.

Socio-economic spend (%) of R27 million



Projects

The Group's businesses engage in a range of corporate social responsibility projects and initiatives to support the communities and the environments in which they operate and to leverage their respective operational capabilities in furthering these projects. A few examples include:

WOZA Bursaries

R2.5 million

As an extension to the WOZA Matrics programme, Bidvest awarded bursaries to 16 matriculants from disadvantaged backgrounds.

Gender-Based Violence (GBV) and Femicide Response Fund

R10 million

Despite substantial ongoing efforts to tackle the scourge of GBV, more work still needs to be done in South Africa. To play its part towards creating a better and safer South Africa, Bidvest donated to this GBVF Response Fund, which was launched by the President of South Africa, in conjunction with the International Women's Forum of SA, in February 2021.

"Women make up 44% of our employee base," said Bidvest chief executive, Mpumi Madisa, adding that they are the ones most affected by GBV. "We recognise that as business, we operate in an ecosystem that functions optimally when we are all safe, secure and protected."

Female Academic Leaders Fellowship Programme

R5 million

This is a fund established by Dr Judy Dlamini in her capacity as Chancellor at Wits University. The fund will be used to develop a pipeline of African and Coloured female academic leaders. Whilst this programme is being established at Wits University, the intention is to roll it out to all other universities across the country.

Food distribution programme

37,000 hampers, totalling R27 million

SUSTAINABILITY continued

ENVIRONMENT: Conduct profitable business in a responsible and accountable manner

In line with SDGs aimed at affordable and clean energy and climate action, the Group is focused on energy and water efficiency, responsible waste management, and innovative solutions to aid customer sustainability.

Bidvest's environmental footprint is largely concentrated in its Freight operations, Bidair Cargo, laundries and the businesses with extensive networks, which collectively represent the vast majority of Group emissions and water usage.

Scope 1 and 2 emissions of 302,952 tons in the financial year ended 30 June 2021, was 14% more when compared to the financial year ended 30 June 2020. Excluding the impact of the acquired businesses, the Group's emissions increased 4%.

Environmental management systems are in place at businesses, representing 50% of Group revenue.

The Group is also committed to innovative customer solutions to aid sustainability. For example, the Richards Bay LPG terminal was commissioned in October 2020. Contributing to the facilitation of reliable availability of an affordable low-carbon energy alternative, it is expected that the Richards Bay LPG terminal will increase the current supply of LPG in South Africa by 50%.

Bidvest Prestige introduced Tersano, a highly effective, environmentally friendly alternative to disinfectant chemicals. It is a cleaning chemical system that turns ordinary tap water into Stabilised Aqueous Ozone, nature's most powerful cleaner. It is a highly effective cleaning agent that breaks down dirt, grease and other contaminants, safely replacing traditional chemical cleaners, deodorisers and sanitisers.

PHS historically offered a bin replacement service whereby they took sanitary bins back to depots where the waste was removed and the bins washed. Having moved to a liner service, bins no longer need to be washed and fuel consumption reduced as drivers no longer need to return to depots daily. Both water and emissions reduced.

During FY2021, the Group used 1.9 million kl of water, an increase of 2%. Excluding the impact of acquired businesses, the Group's water consumption declined 3%.

Almost all businesses have waste recycling plans. No environmental fines were incurred in FY2021.

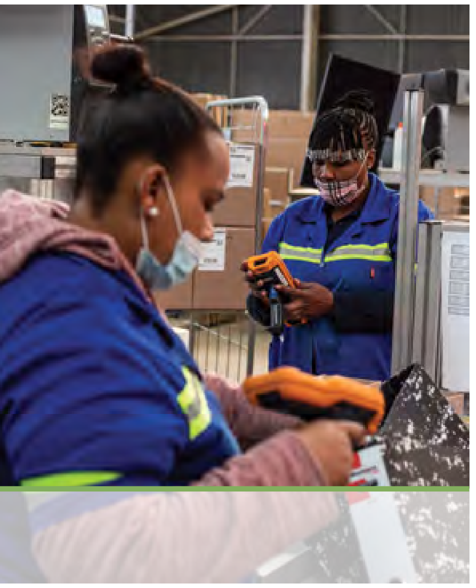
Emission intensity decreased **6%**

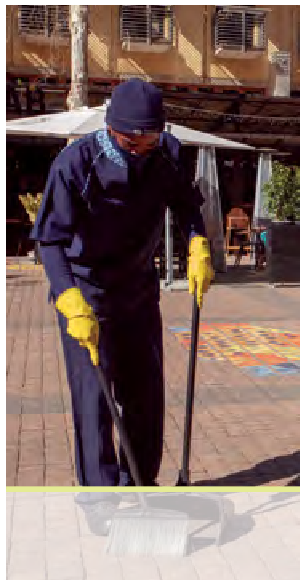
49% more electricity used was drawn from **renewable sources**

Water intensity decreased **15%**

0.5m m^3 of **industrial wastewater was treated** and discharged

Recycled 126,235 tonnes of waste






GOVERNANCE: Doing the right thing even when no one else is looking

Bidvest has a deeply entrenched functional governance structure that places significant reliance on the ethical behaviour of all employees. This places a very high hurdle of responsibility and accountability on everyone. Rather than having many policies and manuals, we have a Code of Ethics that sets out our behaviour. When someone missteps, decisive action is taken, and communicated back into the business. An authority matrix forms the backbone of day-to-day governance.

Formal reporting structures complement business-level processes resulting in dynamic and iterative risk assessment and mitigation actions. Relevant management and executive committees have been structured into each of the six divisions. These in turn report into divisional boards, represented by the divisional exco as well as representatives from Bidvest's corporate office executives. Matters from these divisional board meetings are escalated further to the Group Exco meeting, which is attended by the Group directors and functional executives (covering strategy, M&A, finance, transformation, ESG, business development) as well as the six divisional CEOs. The three executive directors in turn report into the main group board of directors, directly or through the established committees.

Ethics

The Group subscribes to a philosophy or transparency, accountability and integrity in all our business dealings, as captured in the Bidvest Code of Ethics.

There are established grievance and whistle-blower processes at individual businesses, in addition to an independently administered Ethics facility. This free-to-use facility administered by Deloitte provides whistle-blowers with three channels to raise their concerns, namely telephonic, email and a website form. Internal Audit also track, and log applicable calls received outside of the Ethics facility, for example, via social media, the website or emails.

Awareness campaigns are run across the Group, using mechanisms such as SMS and posters being prominently displayed in high traffic areas to encourage employees to "not support it, but rather report it".

During FY2021, a total of 146 calls were logged through the Ethics facility. Of these, 13 remain open with five relating to fraud, six human resource related, and one each, corruption and governance related. A further two from previous periods are also still open.

The oversight process was enhanced during FY2021. The Group CEO reviews calls and responses for further investigation with specific focus on calls relating to racism, discrimination and harassment. The Group executive director responsible for transformation and sustainability, together with the Head of Internal Audit also reviews quarterly calls and progress in detail.

As a consequence of calls received via the Bidvest Ethics facility, 47 internal control enhancements were implemented, nine disciplinary actions were taken, three employees were dismissed and two civil or criminal cases were opened.

Toll-free telephone number 0800 506 090
or bidvest@tip-offs.com

Regulatory compliance

No regulatory fines	88% of the Group's businesses have a Level 1–4 rating and 58% of the Group's businesses have a Level 1–3 rating	Level 4 Group B-BBEE

The sale of Bidvest Car Rental and BidAir Services to Black owned entities will count towards the Group's Black shareholding, as will the transaction concluded for Bidvest Protea Coin.

The Group B-BBEE certificate and annexures are available on www.bidvest.co.za/sustainability-transformation.php.

The Group made significant progress in implementing Protection of Personal Information Act (POPIA) awareness campaigns and putting in place compliance processes, all done in time to meet the legislative deadline. POPIA compliance in the form of policies, procedures and training will be an ongoing process in the Group to ensure legal compliance with data privacy.

IT governance and security

The Internal Audit function is an independent, value-adding, progressive and responsive service to Bidvest shareholders. Given the ever-increasing dependencies of the business on IT, specialised IT audit and consulting skills have become a necessity in the function. Analytics and automation are well-entrenched into the mechanisms of the Internal Audit functions with further disruptive robotic initiatives being the focus for the future of Internal Audit.

An example of such initiatives is ALICE, Bidvest's digital auditor. She combines robotics and cognitive intelligence to provide audit-as-a-service to the Group companies. Much effort has been afforded to the digital assurance roadmap for Bidvest using the ALICE platform. The appetite for ALICE to connect remotely into data sources across the Group, coupled with the uptake to build remote monitoring and continuous testing capabilities on ALICE, increased significantly.

The board acknowledges technology as a mechanism to access, protect and manage information. In relation to the Group's IT Governance Framework, the board governs both technology and information so that these support the organisation in achieving its strategic objectives.

SUSTAINABILITY continued

ALICE

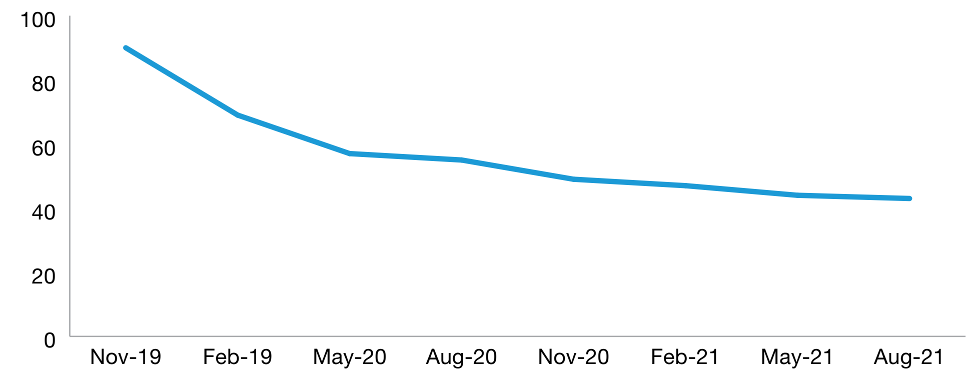
The scope of IT assurance provided by ALICE is listed below and is subject to integration (connector) limitations and data availability across the IT environments of the Group.

- User Administration
- Amendments to User Profiles
- New and Terminated User Profile Management
- User Access Policies and Procedures
- User Profile Data Accuracy
- User Profile Management
- Microsoft SQL Hardening
- Microsoft SQL Security Measures
- Cloud Security
- Generic Security Measures
- Azure-Specific Security Measures
- Technical Security
- Antivirus
- Asset Management
- Network Security Configuration
- Password Configuration
- Patch Management
- User Profile Management
- Website Security
- WordPress Specific Security
- Business Resilience
- Backup Management
- Backup Operations
- Business Continuity Planning
- Disaster Recovery Planning

ALICE runs on a scheduled frequency (continuously, daily, weekly, monthly or quarterly) as deemed fit for purpose based on the maturity, complexity and posture of the IT environment of each company within the divisions. IT findings are available to IT management on a continuous, remote and near real-time basis. Remediated IT findings are re-audited by ALICE upon receipt of updated audit evidence. The Internal Audit function is required to follow-up on unresolved IT findings with IT management on a monthly basis.

Since the deployment of ALICE in November 2019, the IT risk landscape across the Group has improved as illustrated below. Through implementation and continuous monitoring of basic security control disciplines, the Group has managed to lower their risk score determined by ALICE from 90 to 43 in a two-year period. The Group is aiming to achieve a risk score of 25, the lowest score achievable on ALICE. The risk score of 25 represents the residual risk that remains despite the controls and/or disciplines being in place and operating as expected.

IT Risk Score



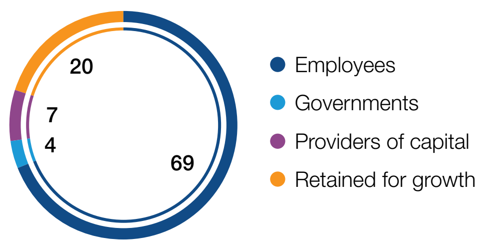
VALUE ADDED STATEMENT

FOR THE YEAR ENDED 30 JUNE

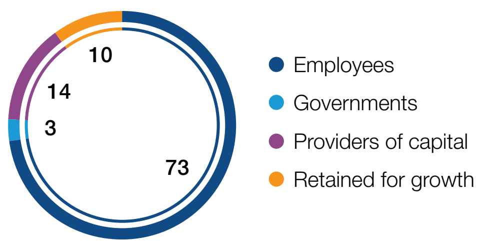
"Value added" is the value which the Group has added to purchased materials and goods by process of manufacture and conversion, and the sale of its products and services. This statement shows how the value so added has been distributed.

R'000s	2021	%	2020	%
Revenue	87 881 064		75 953 538	
Net cost of raw materials, goods and services	(49 537 041)		(44 056 927)	
Wealth created by trading operations	38 344 023		31 896 611	
Impairments	(410 033)		(1 955 261)	
Finance income	491 109		669 296	
Dividend income	42 280		39 166	
Total wealth created	38 467 379	100.0	30 649 812	100.0
Distributed as follows				
Employees				
Benefits and remuneration	26 455 525	68.8	22 510 592	73.4
Governments				
Taxation	1 670 774	4.3	851 589	2.8
Providers of capital	2 860 805	7.4	4 170 954	13.6
Finance charges	1 792 071	4.7	1 903 390	6.2
Distributions to shareholders	1 068 734	2.8	2 267 564	7.4
Retained for growth	7 480 275	19.4	3 116 677	10.2
Depreciation and amortisation	3 639 342	9.5	2 947 696	9.6
Profit for the year attributable to shareholders of the Company from continuing operations	3 840 933	10.0	168 981	0.6
	38 467 379	100.0	30 649 812	100.0

Value added 2021 (%)



Value added 2020 (%)



Exchanges with governments *(including amounts collected on their behalf):**

	South African		International	
R'000s	2021	2020	2021	2020
Employee taxes	2 120 016	2 330 239	2 612 605	1 426 488
Company taxes	1 464 070	770 611	206 704	80 978
Value added tax and sales tax	19 379 516	21 687 179	3 205 416	1 145 891
Customs and excise duty	3 701 436	4 729 552	120 352	92 455
Other	227 212	207 097	49 015	29 339
	26 892 250	29 724 678	6 194 092	2 775 151

* *Continuing operations.*

Divisional reviews

DIVISIONAL REVIEWS
BUSINESS SERVICES
Services


Alan Fainman

Bidvest Services division is a leading integrated facilities management provider offering solutions to deliver one-stop 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 facilities management, hygiene and allied services are complemented by security and travel offerings. The division's international footprint is expanding and comprises Noonan – a leading facilities manager in the United Kingdom, Ireland and Northern Ireland – and PHS, a major hygiene service provider in the United Kingdom, Ireland and Spain.

Revenue
R28.9bn
+31%

The division delivered a very strong trading profit of
R3.3bn
+55%
and which was supported by exceptional cash conversion
The trading profit was almost equally split between South Africa and the international businesses

Trading margin
11.4%
(FY2020: 9.7%)

EBITDA
R4.1bn
+51%

Funds employed
R1.3bn
(FY2020: R1.7bn)

ROFE
206%
(FY2020: 85%)

PHS delivered a result that exceeded pre-acquisition expectations. Noonan produced a solid result in underlying currency, augmented – for only part of the second six months of the financial year – by the inclusion of its recent acquisitions:

- Axis, a UK-based security and cleaning services provider;
- Cordant, a leading UK cleaning and security company;
- Amber, a specialist cleaning company; and
- Interact, a provider of technical services.

Despite the COVID-19 impact on South African businesses, particularly as it pertains to reduced office occupancy in mainly the professional services sector, the division's facilities management services continued to deliver significant growth, and produced another good financial result.

The Security & Aviation cluster performed strongly across virtually all its businesses, with stand-out performances from BidTrack, Protea Coin, Bidair Cargo and GPT.

Within the Allied cluster, which includes products and services to corporate offices and hotels, trading profit was slightly down, but the strategic changes made over the last year as well as system and customer integrations, are starting to show real benefits.

The Travel Services cluster remained under pressure due to pandemic restrictions, but some indication of stronger domestic travel was evident in the last quarter. The return of international travel is a prerequisite for enhanced profitability. The significant investments in technology and the rationalisation of back-office function are expected to yield benefit when demand returns.

Across the division, some businesses benefited from COVID-related work, but operations were tempered by suspended customer contracts. The reversal of both these aspects are expected to be broadly neutral going forward.

This division successfully disposed of BidAir Services to a Black consortium, with existing management becoming shareholders in this new consortium.

Looking forward

Numerous cost management and efficiency initiatives are underway within the division, which are expected to enhance profitability.

The sales teams' focus has been strengthened and better aligned to increase the pipeline and new client conversion rate. There is also a process underway to convert non-contractual sales to contractual revenue.

Facilities management service expertise in niche sectors such as food and ICT is being augmented, and the continued integration of existing soft and hard service clients is being pursued.

There is also a process underway to extract synergies and value from the recent Noonan acquisitions, and management is continuing to pursue hygiene opportunities that PHS have identified both pre- and post-COVID. Successful strategic interventions with Bidvest Steiner in South Africa continues.

DIVISIONAL REVIEWS

BUSINESS SERVICES

Freight

Wiseman Madinane

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. This includes liquid and dry bulk terminals with significant storage capacity, and multi-purpose terminals with the capability of handling agricultural, mineral, steel, cement, fertiliser and other products. It has container freight operations and offers logistics and supply chain solutions. It is also a market leader in customs broking as well as in clearing and forwarding in South Africa.

Revenue
R6.2bn
-2%

Trading profit
R1.3bn
+12%

Trading margin
20.9%
(FY2020: 18.4%)

EBITDA
R1.5bn
+12%

Funds employed
R3.8bn
(FY2020: R4.1bn)

ROFE
31%
(FY2020: 29%)

Annuity income
now represents approximately half of the divisional profit

Bidvest Tank Terminals delivered growth in volumes and profitability, despite fuel and vegetable oil volumes that were lower than the prior year. The Liquefied Petroleum Gas (LPG) terminal was commissioned at the end of October 2020 and is operating as planned.

South African Bulk Terminals (SABT) delivered an outstanding result. Overall volumes at 3.1 million tonnes were 12% up on prior year comprising mainly maize export volumes at 1.2 million tonnes, wheat import volumes at 1.4 million tonnes, and rice import volumes at 356,000 tonnes.

Bulk Connections produced an excellent result, driven by the commodity export boom, which is reflected in the bulk volumes growing by 17%. A record 4.6 million tonnes were handled, comprising 2 million tonnes of manganese, 2.1 million tonnes of chrome, and iron ore (which was handled for the first time), and mainly accounted for the remaining volume. An enhanced focus on operational efficiencies also yielded benefits.

Bidfreight Port Operations (BPO) had a spectacular year after a 72% increase in bulk volumes, mainly due to export minerals. The team's ability to secure cargo volumes in the second half of the year and the reduction in operating costs, a benefit from the restructuring conducted in 2020, boosted this performance.

Bidvest SACD, Bidvest International Logistics, Naval and Manica Group Namibia experienced a tough year, where trading was characterised by significantly low volumes, shortages of containers and exponential increases in sea and air freight costs.

A key highlight is that SABT, Bulk Connections and BPO reported ROFE in excess of our expectation, an outstanding performance for capital intensive businesses boosted by the commodity volumes.

Looking forward

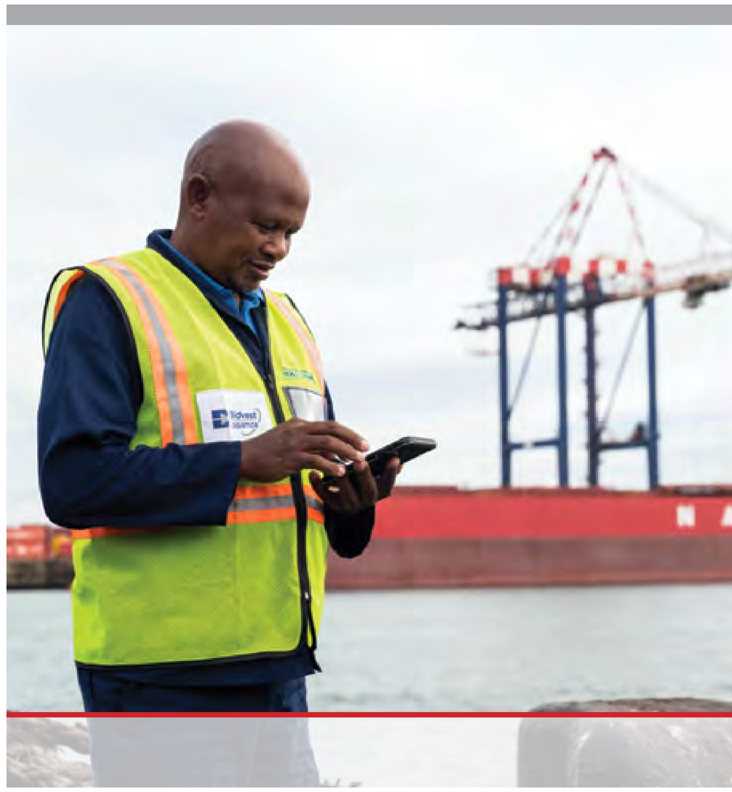
The tenure extension of port leases remains a key strategic objective and focus area, which is receiving the requisite attention.

Maize exports are expected to remain robust and the zero-based import duty on wheat, should continue to have a positive impact on imports despite expectations of a bumper domestic crop.

Continued LPG volume growth is expected in the new financial year.

There are, however, concerns about freight rates to and from Southern Africa that have increased significantly, and this trend is expected to continue for some time. Additionally, poor efficiencies at the South African ports are an issue together with the continued impact of COVID-19 on global trade and supply chain constraints.

The division is focussed on various major projects, which include the new Durban and Richards Bay Port Masterplan, and back-of-port services at the Saldanha port.



DIVISIONAL REVIEWS

BUSINESS SERVICES

Financial Services

Hannah Sadiki

Bidvest Financial Services has a diversified offering with banking, short-term and life 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, trade finance 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 Act.

Revenue
R2.6bn
no change

Trading profit
R332m
+9%

Trading margin
12.5%
(FY2020: 11.5%)

EBITDA
R605m
+11%

Funds employed
R3.3bn
(FY2020: R3.5bn)

ROFE
9%
is still disappointing despite its increase (FY2020: 8.2%)

The 2021 financial year was exceptionally difficult for this division. Notwithstanding the negative impact of the pandemic and the cautious approach to accounting for expected credit losses, the division executed a very strong second half turnaround, turning a 39% decline in trading profit at half year into a 9% full year increase in trading profit, which is commendable.

Costs were well managed. The division is operating in a demanding environment and while a recovery is expected, it will take time to materialise and is likely to be uneven.

Bidvest Bank's overall result remained adversely affected due to interest rate cuts resulting in lower interest yields, lower lending growth in fleet and personal and business banking, a decline in the lease asset book, significantly reduced foreign exchange trading income, while the fee and commission income was negatively impacted by low branch transactional income due to the reduced branch network. The Bank's balance sheet remains strong and liquid, and the key ratios are well above the South African Reserve Bank's minimum requirements. Deposits continue to grow.

The insurance cluster grew gross written premiums, mainly in the life insurance products.

Claims are stable and client retention has been very good. FinGlobal delivered a strong performance, resulting from the increasing immigration trend. Compendium faced a challenging market as did Bidvest Wealth and Employee Benefits and TradeFlow. Compendium acquired Genesis Insurance Brokers and the investment portfolio performed well, with investment returns almost doubling on the prior year, boosting the cluster's results.

Automotive related policy sales were lower, but insurance products sold through the direct channel grew. FMI grew gross written premiums and successfully rolled out a digital client application process. Costs were well managed.

Looking forward

There is enhanced strategic focus on digital transformation and cross-selling across the entire range of products and services are being pursued with customers, which are expected to increase sales. Strategic alliances are being considered.

Meaningful fleet management opportunities are being assessed.

There is also a focus on new niche insurance products launches to grow the book, and a retention strategy to limit policy cancellations.

The lifting of international travel restrictions will significantly boost foreign exchange transactions.

DIVISIONAL REVIEWS

TRADING AND DISTRIBUTION

Branded Products

Kevin Wakeford

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

Revenue
R17.8bn
+3%

Trading profit
R1.5bn
+4.2%
after being 18.7% down at the half-year stage, which is a commendable turnaround

Trading margin
8.2%
(FY2020: 8.1%)

EBITDA
R1.7bn
+2%

Funds employed
R5.6bn
(FY2020: R5.8bn)

ROFE
24%
(FY2020: 22%)

The year was characterised by constrained consumer spending, exchange rate fluctuations that affected certain businesses, the impact of people working from home, disruption in the education sector, the lack of a flu season, as well as supply chain challenges.

The early rightsizing and re-engineering of the businesses, together with the impressive cost control, has been the ultimate key to this year's good results. Cash generation was outstanding.

Adcock Ingram, which is the largest contributor to trading profit, naturally experienced uncertainty and volatility with regard to demand patterns. It still managed a healthy increase in sales albeit at a lower gross margin, due largely to a weaker exchange rate, lower factory recoveries and the product mix. There was a decline in the OTC business unit, but the Consumer, Prescription and Hospital divisions were all up on the prior year. Plush and the Roche renal portfolio were integrated into the business, and Adcock Ingram also acquired a portfolio of generic products from Aspen, as well as the remaining 51% share of Novartis Ophthalmics.

The print, packaging and electronic products businesses delivered excellent profit growth, following a significant restructure and excellent expense control. There was pleasing demand in the packaging market with increases from the online shopping and food products sectors. There was solid demand for labels and electronic printing, but print-to-post volumes dropped.

The office products cluster was marginally up with retail sales resilient, but overall sales were impacted by low occupancies as clients' work from home policies remained in place. Despite this obstacle, Bidvest Waltons delivered a good performance.

The consumer products cluster delivered good trading profit driven by demand for basic essential products, with online channels showing growth.

Looking forward

Demanding trading conditions are expected to continue into the next year, and the continued work-from-home challenge will persist for some time.

As a result, and following the significant restructuring that has taken place within the division, strategic attention has turned to productivity, revenue growth, continued simplification of business structures and the seeking of appropriate acquisitions.

Adcock Ingram remains committed to expanding its product range in each of its business units.

DIVISIONAL REVIEWS

TRADING AND DISTRIBUTION

Commercial Products

Howard Greenstein

Bidvest Commercial Products' industrial grouping of companies includes manufacturing and trading businesses in South Africa, which represent global brands in sectors spanning tools, lifting and rigging equipment, embroidery and sewing machines, protective clothing, packaging and fastening products, commercial and industrial catering equipment and leisure products. It also supplies a full range of bathroom and plumbing products and is one of South Africa's largest distributors of electrical cable and allied products.

Revenue
R14bn
+17%

Trading profit
R922m
+135%

Trading margin
6.6%
(FY2020: 3.3%)

EBITDA
R1bn
+98%

Funds employed
R3.2bn
(FY2020: R3.7bn)

ROFE
26%
(FY2020: 10%)

The division benefited from significant market share gains, a focus on stock management, as well as good gross margin and expense management

The Trade cluster's performance was excellent, and a renewal plan implemented at Bidvest Electrical is yielding positive results with Voltex, Cabstrut and Eagle Lighting trading exceptionally well. The plumbing business continues from strength-to-strength and its phenomenal trading year was driven by an outstanding increase in turnover.

The Catering cluster posted an impressive trading profit increase despite major challenges in the hospitality industry. Vulcan's export revenue growth was strong and King Pie's results increased considerably.

The DIY, Tools and Workwear cluster produced a good trading result boosted by the increase in DIY demand as people spend a greater proportion of time at home. Exceptional market gains were also evident in this cluster as new product lines were launched in Academy Brushware and G. Fox and improved factory recoveries were achieved. There were good market share gains as a result of stock availability, product innovation, and an enhanced sales focus.

The Leisure cluster grew profit exponentially as consumer spending patterns shifted and sales of certain lifestyle products increased. This was apparent from the terrific results reported by Yamaha. Supply chain constraints are concerning, but this is expected to improve over the coming months.

The Industrial cluster delivered pleasing results with the business securing significant market share from competitors.

A key highlight in this division is that Plumblink, Electrical, Academy Brushware, Matus, Yamaha, Afcom, Burncrete and Vulcan all reported high double digit profit growth off the 2019 financial year. There was solid revenue growth as demand from mining, automotive, apparel and industrial customers were met with available stock. Cash generation and the operating cash ratio were additional highlights.

Looking forward

Investments have been made into manufacturing and distribution facilities to improve efficiencies and create capacity for growth.

Management is focused on selling a broader product basket to existing customers, and the division is ideally suited to be a beneficiary of government development programmes.

Product availability will remain critical, while operational cost management and inventory control is receiving focused attention.

The initial indicators of underlying demand is improving particularly in the mining, agricultural and DIY sectors.

DIVISIONAL REVIEWS

TRADING AND DISTRIBUTION

Automotive

Steve Keys

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.

Revenue
R21bn
+16%

Trading profit
R652m
+267%

Trading margin
3.1%
(FY2020: 1.0%)

EBITDA
R685m
+201%

Funds employed
R1.5bn
(FY2020: R2.3bn)

ROFE
38%
(FY2020: 7%)

The balance sheet is strong and cash generation was exceptional

This division's results reflect strong strategic and operational achievements in a very challenging period. The previous rationalisation interventions and decisive expense action contributed significantly to the year's performance, which led to the team's focus on margin rather than volume, and which has yielded material benefit.

McCarthy retailed 1.1% more new vehicles and 7.2% more used vehicles. The ratio of used to new vehicles has improved to 1.2 used vehicles sold for every new vehicle.

There was a strong contribution from VW/Audi and Toyota in particular, but a shortage of new vehicle supply is constraining sales. The sourcing of quality used vehicles at the right price is becoming increasingly more challenging.

In terms of aftersales and parts, service throughput is at 86% of pre-COVID-19 levels, indicating that the market has yet to return to normality. Consequently, the demand for spare parts has also been lower.

Fleet sales remained depressed as clients hold back on major procurement decisions.

Bidvest Car Rental was sold, which is now owned by a Black consortium where former management are also shareholders.

The new Right-to-Repair concept which was introduced in July 2021, is viewed as an area of opportunity.

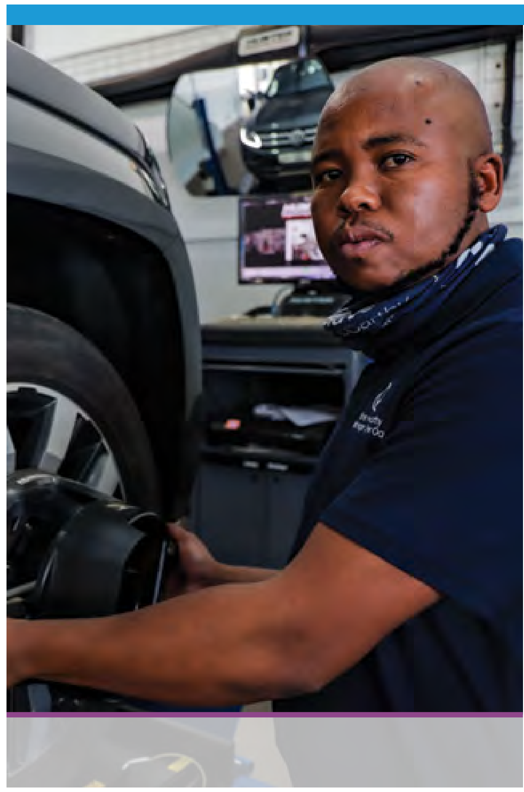
Looking forward

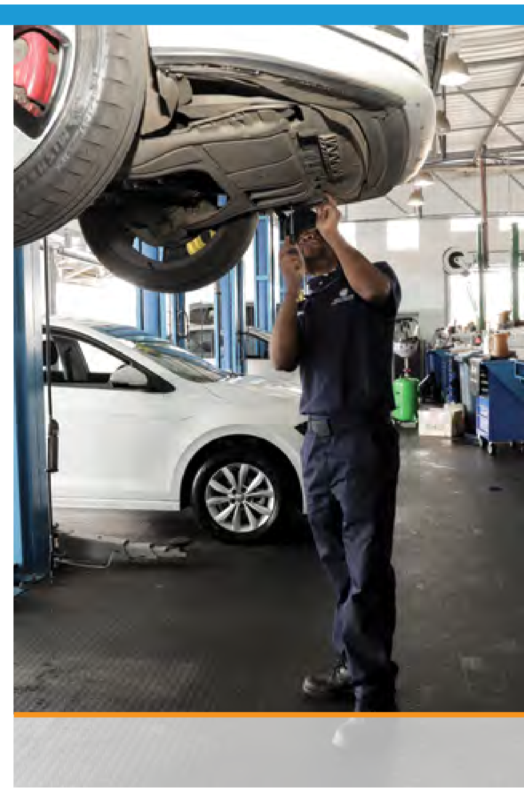
The supply chain remains a heightened risk in this division, given the global shortage of chips, new vehicle stock and automotive parts.

The division will be targeting a more balanced retail business, reassessing its mix of new and used sales/passenger cars and commercial vehicles.

Interventions are underway to extract value from the greater adoption of the intelligent used car procurement system, and robot processing.

There is an enhanced focus on targeting fleet customers, including their aftermarket service requirements.





Financial performance

SUMMARISED SEGMENTAL ANALYSIS

FOR THE

R'000s	Year ended 30 June 2021 Audited	2020 Restated Audited	Percentage Change
Segmental revenue			
Services	28 892 866	22 090 784	30.8
Branded Products	17 793 068	17 327 336	2.7
Freight	6 204 869	6 308 343	(1.6)
Commercial Products	14 024 659	11 943 006	17.4
Financial Services	2 646 657	2 650 190	(0.1)
Automotive	21 095 402	18 263 276	15.5
Properties	587 726	624 292	(5.9)
Corporate and investments	1 030 526	1 514 587	(32.0)
	92 275 773	80 721 814	14.3
Inter-Group eliminations	(3 960 967)	(4 179 233)	
	88 314 806	76 542 581	15.4
Geographic region			
Southern Africa	76 993 821	71 857 855	7.1
International	15 281 952	8 863 959	72.4
	92 275 773	80 721 814	
Segmental trading profit			
Services	3 303 383	2 133 745	54.8
Branded Products	1 462 522	1 404 039	4.2
Freight	1 295 003	1 160 543	11.6
Commercial Products	921 610	393 032	134.5
Financial Services	331 584	304 354	8.9
Automotive	652 031	177 518	267.3
Properties	560 689	579 110	(3.2)
Corporate and investments	(635 897)	(812 640)	(21.7)
	7 890 925	5 339 701	47.8
Geographic region			
Southern Africa	6 328 706	4 766 668	32.8
International	1 562 219	573 033	172.6
	7 890 925	5 339 701	
Earnings before interest, taxation, depreciation and amortisation (EBITDA)			
EBITDA is determined as trading profit before depreciation and amortisation charges. EBITDA has been adjusted for the impact of IFRS 16: Leases by adding back the right-of-use asset depreciation and deducting lease payments.			
Services	4 140 815	2 740 148	51.1
Branded Products	1 686 534	1 652 919	2.0
Freight	1 522 180	1 361 220	11.8
Commercial Products	1 006 409	508 313	98.0
Financial Services	605 633	546 669	10.8
Automotive	685 034	227 853	200.6
Properties	567 518	586 860	(3.3)
Corporate and investments	(623 375)	(800 184)	(22.1)
	9 590 748	6 823 798	40.5
Geographic region			
Southern Africa	7 616 966	6 113 383	24.6
International	1 973 782	710 415	177.8
	9 590 748	6 823 798	

R'000s	30 June 2021 Audited	2020 Restated Audited	Percentage Change
Segmental operating assets			
Services	9 350 235	8 928 512	4.7
Branded Product	9 723 479	10 026 686	(3.0)
Freight	8 339 044	8 311 029	0.3
Commercial Products	6 113 905	6 036 883	1.3
Financial Services	7 786 911	7 630 831	2.0
Automotive	4 330 847	4 656 611	(7.0)
Properties	3 895 019	3 561 295	9.4
Corporate and investments	797 589	2 086 390	(61.8)
	50 337 029	51 238 237	(1.8)
Inter-Group eliminations	(622 087)	(761 094)	
	49 714 942	50 477 143	(1.5)
Geographic region			
Southern Africa	44 333 476	46 201 208	(4.0)
International	6 003 553	5 037 029	19.2
	50 337 029	51 238 237	
Segmental operating liabilities			
Services	8 173 531	7 306 940	11.9
Branded Products	4 295 126	4 298 796	(0.1)
Freight	4 659 191	4 257 185	9.4
Commercial Products	2 965 766	2 360 317	25.7
Financial Services	9 344 214	8 973 342	4.1
Automotive	2 827 663	2 354 633	20.1
Properties	78 152	40 877	91.2
Corporate and investments	739 986	839 395	(11.8)
	33 083 629	30 431 485	8.7
Inter-Group eliminations	(622 087)	(761 094)	
	32 461 542	29 670 391	9.4
Geographic region			
Southern Africa	27 299 845	25 610 101	6.6
International	5 783 784	4 821 384	20.0
	33 083 629	30 431 485	

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 Listing 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 2021, 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 15 to 108 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 AUDITOR'S REPORT

pwc

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 11 to 21 of the Bidvest Audited Financial Results and Cash Dividend Declaration, which comprise the summarised consolidated statement of financial position as at 30 June 2021 and the summarised consolidated income statement, statement of other comprehensive income, statement of cash flows and 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 2021.

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 audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 3 September 2021. 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 note to the summary consolidated financial statements titled "Basis of presentation of

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Private Bag X36, Sunninghill, 2157, South Africa
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INDEPENDENT AUDITOR'S REPORT continued

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: C West
Registered Auditor
Johannesburg, South Africa
6 September 2021

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE

	Notes	2021 R'000	Restated* 2020 R'000
Continuing operations			
Revenue	5.1	88 314 806	76 542 581
Non-interest revenue		87 881 064	75 953 538
Interest revenue		433 742	589 043
Cost of revenue		(61 140 027)	(53 101 006)
Gross profit		27 174 779	23 441 575
Operating expenses		(19 278 934)	(18 079 797)
Net impairment losses on financial assets		(252 164)	(245 401)
Other income		273 347	266 807
(Loss) from investments		(26 103)	(43 482)
Trading profit	5.2	7 890 925	5 339 702
Share-based payment expense		(246 096)	(202 494)
Acquisition costs and customer contracts amortisation		(305 025)	(345 229)
Net capital items	5.4	(179 663)	(1 973 149)
Profit before finance charges and associate income	5.5	7 160 141	2 818 830
Net finance charges	10.1	(1 470 534)	(1 429 627)
Finance income		57 367	80 253
Finance charges		(1 527 901)	(1 509 880)
Share of profit (loss) of associates and joint ventures		100 095	(92 250)
Current period earnings		100 208	(87 129)
Net capital items	7.4	(113)	(5 121)
Profit before taxation		5 789 702	1 296 953
Taxation	6	(1 670 774)	(851 589)
Profit for the year from continuing operations		4 118 928	445 364
Discontinued operations			
Profit (loss) after taxation from discontinued operations	14	3 789	(632 267)
Profit (loss) for the year		4 122 717	(186 903)
Attributable to			
Shareholders of the Company – continuing operations		3 840 933	168 981
Shareholders of the Company – discontinued operations		3 789	(632 267)
Non-controlling interests		277 995	276 383
		4 122 717	(186 903)
Basic earnings per share (cents) – continuing operations	7.3	1 130.2	49.8
Diluted basic earnings per share (cents) – continuing operations	7.3	1 129.4	49.7
Basic earnings per share (cents) – discontinued operations	7.3	1.1	(186.4)
Diluted basic earnings per share (cents) – discontinued operations	7.3	1.1	(186.1)
Basic earnings per share (cents) – Group	7.3	1 131.3	(136.6)
Diluted basic earnings per share (cents) – Group	7.3	1 130.5	(136.4)
Supplementary Information			
Normalised headline earnings per share (cents) – continuing operations	7.6	1 292.0	1 028.3
Headline earnings per share (cents) – continuing operations	7.5	1 183.3	553.2
Diluted headline earnings per share (cents) – continuing operations	7.5	1 182.4	552.5
Headline earnings per share (cents) – discontinued operations	14	15.2	(159.2)
Diluted headline earnings per share (cents) – discontinued operations	14	15.2	(159.0)
Normalised headline earnings per share (cents) – Group	7.6	1 307.2	869.1
Headline earnings per share (cents) – Group	7.5	1 198.4	394.0
Diluted headline earnings per share (cents) – Group	7.5	1 197.5	393.5

* *Refer note 5.1. Revenue for further details.*

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE

	2021 R'000	2020 R'000
Profit (loss) for the year	4 122 717	(186 903)
Other comprehensive (expense) income net of taxation		
Items that may be reclassified subsequently to profit or loss	(620 829)	155 080
(Decrease) increase in foreign currency translation reserve		
Exchange differences arising during the year	(647 494)	200 770
Increase (decrease) in fair value of cash flow hedges	26 665	(51 704)
Fair value loss arising during the year	37 035	(71 811)
Taxation effect for the year	(10 370)	20 107
Share of other comprehensive income of associates and joint ventures	–	6 014
Other comprehensive income transferred to profit or loss		
Realisation of exchange differences on disposal of subsidiaries	52 954	7 327
Items that will not be reclassified subsequently to profit or loss		
Changes in the fair value of financial assets recognised through other comprehensive income	1 862	(15 865)
Defined benefit obligations	12 094	(28 030)
Net remeasurement of defined benefit obligations during the year	16 798	(38 729)
Taxation effect for the year	(4 704)	10 699
Total comprehensive income (expense) for the year	3 568 798	(68 391)
Attributable to		
Shareholders of the Company	3 326 301	(368 125)
Non-controlling interest	242 497	299 734
	3 568 798	(68 391)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE

	Notes	2021 R'000	2020 R'000
Cash flows from operating activities		9 743 707	4 258 631
Cash generated by operations	5.6	13 547 301	9 055 797
Finance income	10.2	41 166	63 688
Finance charges	10.2	(1 452 812)	(1 495 743)
Taxation paid	6.2	(1 814 274)	(1 454 118)
Dividend income received		97 767	123 910
Distributions to shareholders	13.2	(1 068 734)	(2 267 564)
Net operating cash flows from discontinued operations	14	393 293	232 661
Cash flows from of investment activities		(1 786 943)	(3 319 199)
Amounts advanced to associates		(61 954)	(58 632)
Proceeds on disposal of investments		2 747 929	3 964 433
Investments acquired		(2 364 541)	(4 258 585)
Additions to property, plant and equipment		(2 270 439)	(2 019 560)
Additions to intangible assets		(328 710)	(190 109)
Proceeds on disposal of property, plant and equipment		353 537	341 509
Proceeds on disposal of intangible assets		4 555	48 699
Cash and cash equivalents arising on consolidation of Adcock Ingram		–	467 913
Acquisition of businesses, subsidiaries and associates	9.2	(1 508 717)	(1 011 785)
Proceeds on disposal of interests in subsidiaries and associates	9.3	201 211	49 934
Net investing activities from discontinued operations	14	1 440 186	(653 016)
Cash flows from financing activities		(7 083 290)	2 041 278
Part held subsidiary share buy-back from non-controlling interests		–	(154 056)
Transactions with non-controlling interests		(481 410)	(200 650)
Repayment of lease liabilities	8.2	(1 294 769)	(1 017 544)
Settlement of puttable non-controlling interest liabilities	10.5	–	(57 050)
Borrowings raised	10.4	5 424 273	19 954 763
Borrowings repaid	10.4	(10 372 402)	(16 774 408)
Net financing activities from discontinued operations	14	(358 982)	290 223
Net increase in cash and cash equivalents		873 474	2 980 710
Cash and cash equivalents at beginning of year		5 343 865	2 034 523
Effects of exchange rate fluctuations on cash and cash equivalents		(399 210)	328 632
Cash and cash equivalents at end of year		5 818 129	5 343 865
Cash and cash equivalents comprise			
Cash and cash equivalents – continuing operations	10.2	7 438 073	10 412 475
Cash and cash equivalents – discontinued operations	14	–	(746 561)
Bank overdrafts included in short-term portion of borrowings	10.2	(1 619 944)	(4 322 049)
		5 818 129	5 343 865

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE

	Notes	2021 R'000	Restated* 2020 R'000
ASSETS			
Non-current assets		**53 211 879**	53 367 575
Property, plant and equipment	8.1	**14 107 562**	14 425 708
Right-of-use assets	8.2	**4 615 625**	5 134 768
Intangible assets	9.4	**13 661 818**	13 313 157
Goodwill	9.5	**13 678 707**	14 058 238
Deferred taxation assets	6.3	**1 538 254**	1 588 036
Defined benefit pension surplus	12.3	**252 230**	214 329
Interest in associates and joint ventures	8.7	**527 908**	599 188
Life assurance fund	8.5	**368 937**	242 048
Investments	8.6	**2 758 682**	2 031 937
Banking and other advances	8.3	**1 702 156**	1 760 166
Current assets		**33 187 856**	36 806 591
Inventories	8.8	**10 106 113**	11 060 258
Short-term portion of banking and other advances	8.3	**1 203 708**	1 344 550
Short-term portion of investments	8.6	**–**	1 141 545
Trade and other receivables	8.9	**14 072 021**	12 522 646
Taxation	6.2	**367 941**	325 117
Cash and cash equivalents	10.2	**7 438 073**	10 412 475
Assets of disposal group held for sale	14	**–**	1 806 855
Total assets		**86 399 735**	91 981 021
EQUITY AND LIABILITIES			
Capital and reserves		**28 790 766**	26 640 903
Capital and reserves attributable to shareholders of the Company	13.1	**25 537 831**	23 159 047
Non-controlling interests		**3 252 935**	3 481 856
Non-current liabilities		**24 337 921**	32 143 344
Deferred taxation liabilities	6.3	**3 907 936**	3 931 901
Life assurance fund	8.5	**222 165**	165 860
Long-term portion of borrowings	10.3	**15 355 102**	22 883 554
Post-retirement obligations	12.3	**77 040**	79 075
Puttable non-controlling interest liabilities	10.5	**20 889**	22 002
Long-term portion of provisions	8.11	**635 356**	667 672
Long-term portion of lease liabilities	8.2	**4 119 433**	4 393 280
Current liabilities		**33 271 048**	31 557 555
Trade and other payables	8.10	**18 288 267**	15 018 849
Short-term portion of provisions	8.11	**460 634**	820 590
Vendors for acquisition		**752**	2 611
Taxation	6	**482 485**	438 105
Amounts owed to bank depositors	8.4	**7 626 671**	7 286 764
Short-term portion of borrowings	10.3	**5 380 263**	6 752 335
Short-term portion of lease liabilities	8.2	**1 031 976**	1 238 301
Liabilities of disposal group held for sale	14	**–**	1 639 219
Total equity and liabilities		**86 399 735**	91 981 021

* *Refer note 9.2. Acquisition of businesses, subsidiaries and associates and note 8.5. Life assurance fund.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE

	2021 R'000	2020 R'000
Equity attributable to shareholders of the Company	**25 537 831**	23 159 047
Share capital	**17 014**	17 014
Balance at beginning of the year	**17 014**	16 948
Shares issued during the year	**–**	66
Share premium	**1 367 796**	1 367 796
Balance at beginning of the year	**1 367 796**	1 099 231
Shares issued during the year	**–**	268 856
Share issue costs	**–**	(291)
Foreign currency translation reserve	**(166 446)**	400 927
Balance at beginning of the year	**400 927**	208 936
Movement during the year	**(620 327)**	184 664
Realisation of reserve on disposal of subsidiaries	**52 954**	7 327
Hedging reserve	**(38 619)**	(65 284)
Balance at beginning of the year	**(65 284)**	(13 580)
Fair value profit (loss) arising during the year	**37 035**	(71 811)
Taxation recognised directly in reserve	**(10 370)**	20 107
Equity-settled share-based payment reserve	**(326 401)**	(437 247)
Balance at beginning of year	**(437 247)**	(343 118)
Arising during current year	**215 848**	219 827
Taxation recognised directly in reserve	**23 362**	(18 093)
Utilisation during the year	**(130 097)**	(295 863)
Realisation of reserve on disposal of subsidiaries	**1 733**	–
Movement in retained earnings	**24 005 009**	21 211 095
Balance at beginning of the year	**21 211 095**	23 818 868
Attributable profit (loss)	**3 844 722**	(463 286)
Changes in the fair value of financial assets recognised through other comprehensive income	**1 862**	(15 865)
Net remeasurement of defined benefit obligations during the year	**12 297**	(28 319)
Other transactions with subsidiaries	**–**	(154 056)
Net dividends paid	**(985 675)**	(2 033 951)
Net remeasurement of put option liability	**–**	1 266
Transfer of reserves as a result of changes in shareholding of subsidiaries	**(79 292)**	80 424
Share of other comprehensive income of associates and joint ventures	**–**	6 014
Treasury shares	**679 478**	664 746
Balance at beginning of the year	**664 746**	637 063
Purchase of shares	**(111 975)**	–
Shares disposed of in terms of share incentive scheme	**126 707**	27 683
Equity attributable to non-controlling interests of the Company	**3 252 935**	3 481 856
Balance at beginning of the year	**3 481 856**	304 620
Total comprehensive income	**242 497**	299 734
Attributable profit	**277 995**	276 383
Movement in foreign currency translation reserve	**(27 167)**	16 106
Movement in cash flow hedge fund	**(8 169)**	6 936
Changes in the fair value of financial assets recognised through other comprehensive income	**41**	20
Net remeasurement of defined benefit obligations during the year	**(203)**	289
Dividends paid	**(80 024)**	(229 818)
Movement in equity-settled share-based payment reserve	**7 391**	(2 155)
Transactions with non-controlling interests	**(478 077)**	3 189 899
Transfer of reserves as a result of changes in shareholding of subsidiaries	**79 292**	(80 424)
Total equity	**28 790 766**	26 640 903

SUMMARISED SEGMENTAL ANALYSIS
FOR THE

R'000s	Year ended 30 June 2021 Audited	2020 Restated Audited	Percentage Change
Segmental revenue			
Services	**28 892 866**	22 090 784	30.8
Branded Products	**17 793 068**	17 327 336	2.7
Freight	**6 204 869**	6 308 343	(1.6)
Commercial Products	**14 024 659**	11 943 006	17.4
Financial Services	**2 646 657**	2 650 190	(0.1)
Automotive	**21 095 402**	18 263 276	15.5
Properties	**587 726**	624 292	(5.9)
Corporate and investments	**1 030 526**	1 514 587	(32.0)
	92 275 773	80 721 814	14.3
Inter-Group eliminations	**(3 960 967)**	(4 179 233)	
	88 314 806	76 542 581	15.4
Geographic region			
Southern Africa	**76 993 821**	71 857 855	7.1
International	**15 281 952**	8 863 959	72.4
	92 275 773	80 721 814	
Segmental trading profit			
Services	**3 303 383**	2 133 745	54.8
Branded Products	**1 462 522**	1 404 039	4.2
Freight	**1 295 003**	1 160 543	11.6
Commercial Products	**921 610**	393 032	134.5
Financial Services	**331 584**	304 354	8.9
Automotive	**652 031**	177 518	267.3
Properties	**560 689**	579 110	(3.2)
Corporate and investments	**(635 897)**	(812 640)	(21.7)
	7 890 925	5 339 701	47.8
Geographic region			
Southern Africa	**6 328 706**	4 766 668	32.8
International	**1 562 219**	573 033	172.6
	7 890 925	5 339 701	
Earnings before interest, taxation, depreciation and amortisation (EBITDA)			
EBITDA is determined as trading profit before depreciation and amortisation charges. EBITDA has been adjusted for the impact of IFRS 16: *Leases* by adding back the right-of-use asset depreciation and deducting lease payments.			
Services	**4 140 815**	2 740 148	51.1
Branded Products	**1 686 534**	1 652 919	2.0
Freight	**1 522 180**	1 361 220	11.8
Commercial Products	**1 006 409**	508 313	98.0
Financial Services	**605 633**	546 669	10.8
Automotive	**685 034**	227 853	200.6
Properties	**567 518**	586 860	(3.3)
Corporate and investments	**(623 375)**	(800 184)	(22.1)
	9 590 748	6 823 798	40.5
Geographic region			
Southern Africa	**7 616 966**	6 113 383	24.6
International	**1 973 782**	710 415	177.8
	9 590 748	6 823 798	

R'000s	30 June 2021 Audited	2020 Restated Audited	Percentage Change
Segmental operating assets			
Services	**9 350 235**	8 928 512	4.7
Branded Product	**9 723 479**	10 026 686	(3.0)
Freight	**8 339 044**	8 311 029	0.3
Commercial Products	**6 113 905**	6 036 883	1.3
Financial Services	**7 786 911**	7 630 831	2.0
Automotive	**4 330 847**	4 656 611	(7.0)
Properties	**3 895 019**	3 561 295	9.4
Corporate and investments	**797 589**	2 086 390	(61.8)
	50 337 029	51 238 237	(1.8)
Inter-Group eliminations	**(622 087)**	(761 094)	
	49 714 942	50 477 143	(1.5)
Geographic region			
Southern Africa	**44 333 476**	46 201 208	(4.0)
International	**6 003 553**	5 037 029	19.2
	50 337 029	51 238 237	
Segmental operating liabilities			
Services	**8 173 531**	7 306 940	11.9
Branded Products	**4 295 126**	4 298 796	(0.1)
Freight	**4 659 191**	4 257 185	9.4
Commercial Products	**2 965 766**	2 360 317	25.7
Financial Services	**9 344 214**	8 973 342	4.1
Automotive	**2 827 663**	2 354 633	20.1
Properties	**78 152**	40 877	91.2
Corporate and investments	**739 986**	839 395	(11.8)
	33 083 629	30 431 485	8.7
Inter-Group eliminations	**(622 087)**	(761 094)	
	32 461 542	29 670 391	9.4
Geographic region			
Southern Africa	**27 299 845**	25 610 101	6.6
International	**5 783 784**	4 821 384	20.0
	33 083 629	30 431 485	

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 2021 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 2021.

In preparing these provisional 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 2021. 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 2021.

Judgement was required to consider the impact of COVID-19 on the results of the Group for the period under review. The financial impact arising from the Group's assessment is detailed below:

R'000s	**2021**	2020
Restructuring and retrenchment costs	**160 638**	460 443
Net impairment losses on financial assets (IFRS 9: Expected Credit Losses)	**5 622**	228 315
Write-down of inventory to net realisable value	**11 302**	54 738
Onerous contracts	**4 903**	57 148
Bidvest COVID-19 Fund	**–**	400 000
Impairment of MIAL, classified as a financial asset at fair value through profit or loss, where the fair value is not based on observable market data (Level 3)	**–**	351 442
COVID-19 non-capital charges	**182 465**	1 552 086
COVID-19 capital impairments	**134 693**	1 147 958

Restatement of comparatives

The comparative consolidated statement of financial position has been restated following a Purchase Price Allocation (PPA) review of a prior year acquisition (refer Business Combinations note for further details). In prior periods the net life assurance fund was disclosed on the face of the consolidated statement of financial position. In the current reporting period the gross life assurance fund asset and the gross reinsurer's share have been separately disclosed in non-current assets and non-current liabilities respectively, the prior year comparative has been restated accordingly. The impact on the 2019 financial period was not material. Interest revenue, disclosed in the Rendering of services category in prior periods, has been restated and disclosed in the interest from banking operations category.

Significant commitments

Bidvest Properties has committed R195 million to build two Gauteng distribution centres for operations within the Bidvest Commercial Products division. The estimated completion date for the distribution centre project is 30 November 2021.

Fair value of financial instruments

The Group's investments of R2 759 million (2020: R3 173 million) include R163 million (2020: R141 million) recorded at amortised cost, R2 476 million (2020: R1 757 million) recorded and measured at fair values using quoted prices (Level 1) and R119 million (2020: R1 276 million) recorded and measured at fair value using factors not based on observable data (Level 3). Fair value losses on Level 3 investments recognised in the income statement total R140 million (2020: R103 million gain).

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

	Year ended 30 June	
R'000s	**2021 Audited**	2020 Audited
Balance at the beginning of year	**1 276 338**	1 311 132
On acquisition of business	**–**	29 627
Purchases, loan advances or transfers from other categories	**36 815**	41 169
Fair value adjustment recognised directly in equity	**124**	55
Fair value adjustment arising during the year recognised in the income statement	**(3 040)**	(102 831)
Proceeds on disposal, repayment of loans or transfers to other categories	**(1 050 807)**	(3 396)
Loss on disposal of investments	**(140 222)**	–
Exchange rate adjustments	**–**	582
	119 208	1 276 338

Effective 5 February 2021 the Group disposed of its entire remaining interest in the Indian based Mumbai International Airport Private Limited (MIAL) for R1.0 billion (₹cr 505). MIAL was an unlisted investment held at fair value through profit or loss, where the fair value is not based on observable market data (Level 3). A R140 million loss on disposal was recognised in the current period. The carrying value at 30 June 2020 was R1.1 billion (₹cr 497).

The carrying values of all financial assets and liabilities approximate their fair values, with the exception of borrowings of R20 796 million whose carrying value is R20 735 million.

Discontinued operations

Bidvest Car Rental (BCR) is a motor vehicle rental business operating in South Africa, Botswana and Namibia. As a result of declining international and domestic travel brought on by the COVID-19 pandemic and a slow anticipated mid-term recovery, management took the decision to exit the business. The BCR business is an identifiable component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group. BCR represents a separate major line of business in the geographical area of Southern Africa. The relevant requirements of IFRS 5 were met for this operation to be classified as a disposal group held for sale and as a discontinued operation as at 30 June 2020. BCR is a separate and major business component of the Automotive segment.

Effective 29 June 2021 the Group disposed of its entire interest in BCR for the gross consideration of R725 million (net R701 million) to the Thesele Consortium, lead by the 100% Black-owned Thesele Group. The balance of the discontinued operations' net assets were disposed of on the open market.

BASIS OF PRESENTATION OF SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

Results of the discontinued operation included in the Group's results for the year ended 30 June are detailed as follows:

R'000s	2021 Audited	2020 Audited
Revenue	536 819	1 057 525
Cost of revenue	(291 257)	(840 519)
Gross profit	245 562	217 006
Operating expenses	(7 135)	(716 538)
Other income	–	1 063
Trading profit (loss)	238 427	(498 469)
Share-based payment expense	1 427	(1 324)
Impairment of property, plant and equipment and right-of-use assets	52 051	(128 300)
Loss on disposal of discontinued operations	(85 224)	–
Operating profit (loss) before finance charges and associate income	206 681	(628 093)
Net finance charges	(77 931)	(210 151)
Finance income	31 815	5 151
Finance charges	(109 746)	(215 302)
Operating profit (loss) before taxation	128 750	(838 244)
Taxation	(124 961)	205 977
Gain (loss) for the year from discontinued operations	3 789	(632 267)
Basic earnings per share (cents) – discontinued operations	1.1	(186.4)
Diluted basic earnings per share (cents) – discontinued operations	1.1	(186.1)
Effect of the discontinued operation on the Group's consolidated statement of financial position		
Assets of disposal group held for sale	–	1 806 855
Current tax asset	–	58 335
Vehicle rental fleet	–	1 561 338
Inventories	–	1 600
Trade and other receivables	–	168 694
Cash and cash equivalents	–	16 888
Liabilities of disposal group held for sale	–	1 639 219
Post-retirement medical aid obligations	–	1 123
Lease liabilities	–	78 096
Trade and other payables	–	195 325
Provisions for discontinuation	–	255 233
Interest-bearing borrowings	–	345 993
Cash and cash equivalents (overdrafts)	–	763 449
Cash flows from discontinued operations		
Net operating cash flows from discontinued operations	393 293	232 661
Net investing activities from discontinued operations	1 440 186	(653 016)
Net financing activities from discontinued operations	(358 982)	290 223
Net increase (decrease) in cash and cash equivalents	1 474 497	(130 132)
Analysis of discontinued net assets sold and consideration received		
Assets of disposal group sold	864 757	–
Liabilities of disposal group sold	(54 533)	–
Net assets sold	810 224	–
Loss on disposal	(85 224)	–
Gross consideration received	725 000	–
Cash and cash equivalents included in net assets of disposal group sold	(24 206)	–
Net consideration received	700 794	–

Business combinations

The prior year acquisition, PHS Group was subject to a Purchase Price Allocation (PPA) review in the current period. The PPA review, which was finalised during the current period, resulted in the recognition at 30 June 2020 of an indefinite life Brand intangible asset in the amount of R2 336 million (£108.8 million), a 15-year definite life Customer Relationships intangible asset in the amount of R2 482 million (£115.6 million) and deferred tax liabilities of R915 million (£42.6 million), a resultant net R3 903 million (£181.7 million) goodwill has been de-recognised. The 30 June 2020 comparative condensed consolidated statement of financial position has been restated accordingly, the impact of which is illustrated in the table below. The impact of the PPA on the consolidated income statement and condensed consolidated statement of other comprehensive income was considered immaterial and these statements were not restated.

R'000s	De-recognised at acquisition (1 May 2020)	Restated at acquisition (1 May 2020)	Movement in FCTR to 30 June 2020	Net impact of restatement at 30 June 2020
Deferred taxation	–	(1 006 737)	91 253	(915 484)
Intangible asset – PHS brand (indefinite life)	–	2 569 026	(232 863)	2 336 163
Intangible asset – Customer relationships (15-year life)	–	2 729 590	(247 416)	2 482 174
Goodwill	(11 685 164)	7 393 285	389 026	(3 902 853)
Net assets recognised	(11 685 164)	11 685 164	–	–

The relief-from-royalty method was used to determine the value of the PHS brand. A royalty rate of 3.5% was applied after considering PHS's market-leading position, profitability levels and licensing transactions for similar entities. The Multi-Period Excess Earnings Method (MPEEM), an income-based valuation method that isolates the cash flow attributable to the customer related intangible asset, was used to value Customer Relationships, which were estimated to have a Remaining Useful Life (RUL) of 15 years. A ratio of 92.5% was applied to forecasted revenues (representing the revenue remaining after removing revenue from new customers) in addition to an existing customer attrition rate of 13.5%. The Weighted Average Cost of Capital (WACC) was calculated as 9.8%, to which a 0.25% intangible asset specific risk premium was added to arrive at the discount rate of 10.05% used in valuation of the identified intangible assets. The residual Goodwill is supported by the identified trained and assembled workforce.

Acquisition of businesses, subsidiaries, associates and investments

During the current period, Bidvest Services' international operations, Noonan Services (UK) and Noonan Services (ROI) made a number of bolt-on acquisitions in the United Kingdom (UK) and Republic of Ireland (ROI), which have been collectively disclosed as the Bidvest Services international acquisitions. The acquired companies specialise in security, cleaning and other facilities management services throughout the UK and ROI in the retail, transport, corporate, warehouse and distribution sectors. The acquisitions substantially add to the Bidvest Services division's facilities management offerings as a whole and in the UK and ROI. The Group will gain and achieve substantial synergies from these bolt-on acquisitions, which have been funded using the Group's cash resources and existing facilities.

Acquisition	Effective acquisition date	Net identifiable assets	Goodwill	Cash and cash equivalents acquired	Net purchase price paid
Axis Group Limited (United Kingdom)	01-Feb-21	186 490	200 818	(12 734)	374 574
Cordant Group (United Kingdom)	01-Jun-21	484 309	116 056	292 767	893 132
Lynch Interact (Republic of Ireland)	01-May-21	116 499	64 863	(25 554)	155 808
Amber Cleaning (United Kingdom)	01-May-21	51 824	5 267	(17 300)	39 791
		839 122	**387 004**	**237 179**	**1 463 305**

A PPA review resulted in the identification of definite life Customer Relationship intangible assets in the amount of R1 087 million (£47 million and €9 million). The Multi-Period Excess Earnings Method (MPEEM) 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 (RUL) of 20 years. An existing customer attrition rate of 5% was applied to forecasted existing customer revenues. A WACC of 11% was used in valuation. The residual Goodwill is supported by the identified trained and assembled workforce.

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

BASIS OF PRESENTATION OF SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

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

	Bidvest Services international acquisitions				
R'000s	Cordant Group	Axis Group Limited	Other Services int. acquisitions	Other minor acquisitions	Total acquisitions
Property, plant and equipment	18 894	8 663	10 875	638	39 070
Right-of-use assets	3 109	22 854	2 144	–	28 107
Deferred taxation	(110 394)	(57 374)	(25 281)	(2 047)	(195 096)
Interest in associates and joint ventures	–	–	–	62 054	62 054
Investments and advances°	–	–	42	2 364 541	2 364 583
Inventories	–	692	–	787	1 479
Trade and other receivables	935 228	629 655	60 898	1 808	1 627 589
Cash and cash equivalents	(292 767)	12 734	42 854	324	(236 855)
Borrowings	–	–	(20 191)	–	(20 191)
Trade and other payables and provisions	(609 030)	(717 585)	(79 233)	(13 329)	(1 419 177)
Lease liabilities	(9 741)	(39 948)	(2 013)	–	(51 702)
Taxation	(32 011)	–	(5 192)	159	(37 044)
Intangible assets	581 021	326 799	183 420	10 094	1 101 334
	484 309	186 490	168 323	2 425 029	3 264 151
Non-controlling interest	–	–	–	(3 106)	(3 106)
Goodwill	116 056	200 818	70 130	14 939	401 943
Net assets acquired	600 365	387 308	238 453	2 436 862	3 662 988
Settled as follows:					
Cash and cash equivalents acquired	292 767	(12 734)	(42 854)	(324)	236 855
Acquisition costs				33 509	33 509
Net change in vendors for acquisition				1 860	1 860
Net acquisition of businesses, subsidiaries, associates and investments	893 132	374 574	195 599	2 471 907	3 935 212

° *R8 million of advances to B-BBEE and other partners, R36 million costs capitalised to MIAL investment, R2 321 million purchases made in the Bidvest Insurance and Bidvest Bank investment portfolios.*

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 marketplace.

Trade receivables acquired are stated net of impairment allowances of R25 million (2020: R151 million). There were no significant contingent liabilities identified in the businesses acquired.

The Bidvest Services international acquisitions contributed R1 412 million to revenue and R98 million to operating profit, had the acquisitions taken place 1 July 2020 the contribution to revenue would have been R7 094 million and R328 million to operating profit. Other minor acquisitions contributed R54 million in revenue and R1.1 million in operating losses, had these other acquisitions taken place 1 July 2020 the contribution to revenue would have been R56 million and R0.7 million in operating losses.

Disposals

On 23 December 2020, the Group disposed of 100% of the share capital and voting rights of Ontime Automotive Limited (Ontime). Ontime is a specialist in vehicle transport services and is Europe's largest enclosed car delivery operator. This disposal follows the prior period disposal of DH Mansfield and completes the divestiture of the Group's Freight interests in the United Kingdom, which are considered non-core because of size, geographical isolation and lack of scalability.

On 4 June 2021, the Group disposed of its entire interest in BidAir Services Proprietary Limited to National Aviation Services (NAS), Colossal Africa and a consortium comprising the BidAir Services executive management team. BidAir Services provides handling services, including passenger and ramp handling, load control and operations, cleaning, and toilet and water services, at nine South African airports. The decision to sell arose due to the advent of COVID-19 and the Group's reassessment of the suitability of this investment within its security and aviation portfolio.

R'000s	On Time Automotive	BidAir Services	Other disposals	Total disposals
Property, plant and equipment	(140 601)	(66)	(12 077)	(152 744)
Right-of-use assets	(42 609)	–	(208)	(42 817)
Deferred taxation	(3 305)	(9)	1 719	(1 595)
Interest in associates	–	–	(2 815)	(2 815)
Investments and advances°	–	–	(2 747 929)	(2 747 929)
Inventories	(818)	(672)	(12 380)	(13 870)
Trade and other receivables	(74 493)	(45 157)	(8 803)	(128 453)
Cash and cash equivalents and bank overdrafts	31 262	(5 537)	(3 642)	22 083
Borrowings	18 169	–	–	18 169
Lease liability	45 151	–	230	45 381
Trade and other payables and provisions	52 965	31 374	16 853	101 192
Taxation	(162)	4 618	(198)	4 258
Intangible assets	(55)	(717)	(116)	(888)
	(114 496)	(16 166)	(2 769 366)	(2 900 028)
Non-controlling interest	–	–	(227)	(227)
Realisation of foreign currency translation reserve	(62 143)	–	9 189	(52 954)
Realisation of share based payment reserve	–	533	(2 266)	(1 733)
Goodwill	–	(16 983)	(5 770)	(22 753)
Net assets disposed of	(176 639)	(32 616)	(2 768 440)	(2 977 695)
Settled as follows:				
Cash and cash equivalents and bank overdrafts disposed of	(31 262)	5 537	3 642	(22 083)
Net loss on disposal of operations	96 580	(42 382)	8 622	62 820
Raising of other investment arising on disposal of subsidiaries and associates	–	35 000	–	35 000
Net receivable reversed on disposal of subsidiaries and associates	51 839	–	(99 020)	(47 181)
Net proceeds on disposal of businesses, subsidiaries, associates and investments	(59 482)	(34 461)	(2 855 196)	(2 949 139)

° *R30 million repayment of advances to B-BBEE and other partners, R1 666 million sales made in the investment portfolios of Bidvest Insurance and Bidvest Bank, R1 040 million for the disposal of MIAL and R12 million disposal of other investments*

Subsequent event

Subsequent to the year end the Group executed a new three year banking facility dated 8 July 2021 with a Syndicate of seven international and local banks for a total facility amounting to £400 million. The facility comprises a Term loan of £160 million and a committed Revolving Credit Facility ("RCF") of £240 million. The facility can be drawn in multi-currencies and has the potential to be upsized to an aggregate of £460 million upon request by the Company. £345 million of the facility was drawn down on 14 July 2021 and used to repay in full the €320 million Term Facility (due for repayment in September 2022) and the remaining £60 million balance of the PHS Bridge facility (due for repayment in December 2021). Both repaid facilities have been terminated. The facility adds further available liquidity to the group in terms of the undrawn portion of the RCF and lengthens the loan maturity to July 2024. The company has the option to extend the facility by a further two years upon request to the lenders.

BASIS OF PRESENTATION OF SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

Audit report

The auditors, PriceWaterhouseCoopers Inc. have issued their audit opinion on the consolidated financial statements for the year ended 30 June 2021. 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 provisional 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 3 September 2021.

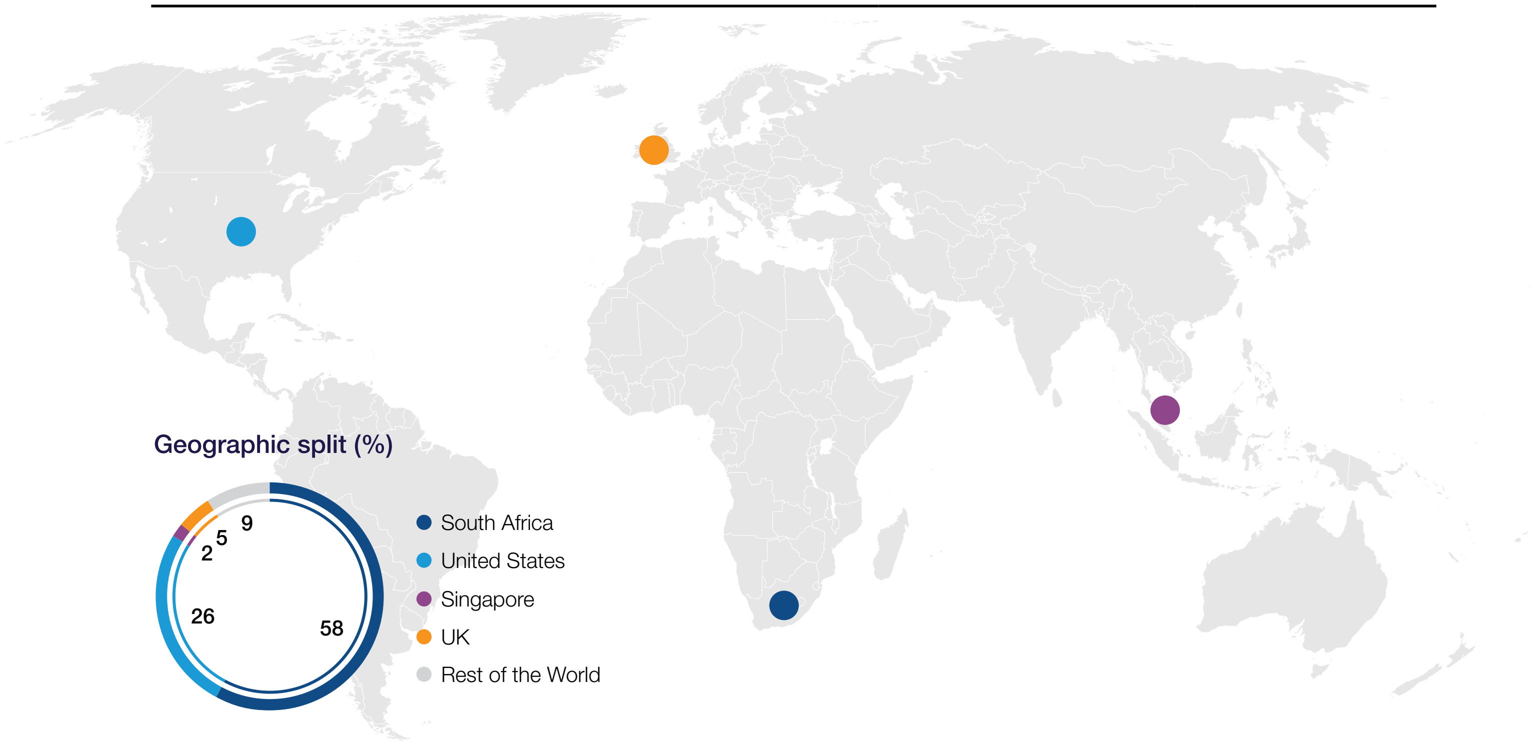
Shareholders and administration

SHAREHOLDER DIARY

Financial year end		30 June
Annual general meeting		26 November 2021
Announcement of interim results to December		28 February 2022
Announcement of annual results		5 September 2022
Distributions	**Declaration**	**Payment**
Interim	February/March	March/April
Final	August/September	September/October

SHAREHOLDER ANALYSIS

Investment Manager (30 June 2021)	Ownership %	Value (Rm)
PIC	15.3	**9 898,0**
Westwood Global Investments LLC	7.1	**4 628,1**
Old Mutual Investment Group SA	5.1	**3 273,4**
BlackRock Advisors LLC	4.3	**2 761,3**
The Vangaurd Group Inc	3.6	**2 301,1**
Fairtree Asset Management (Pty) Limited	3.5	**2 268,7**
Lazard Asset Management LLC	3.3	**2 158,5**
Ninety One SA (Pty) Limited	2.3	**1 497,3**
Coronation Asset Management (Pty) Limited	2.3	**1 490,9**
Foord Asset Management	2.1	**1 361,2**
GIC Asset Management Pte Limited	2.1	**1 341,8**
Fidelity Management & Research Company	2.0	**1 322,3**
	52.9	



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

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Legal advisers
Baker & McKenzie
Edward Nathan Sonnenbergs
Werksmans Inc

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Barclays PLC
FirstRand Group Limited
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Nedbank Limited
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