Bidcorp

AUDITED FINANCIAL RESULTS
for the year ended June 30 **2022**

Food | Service | Technology

Notes

BIDCORP STRATEGY

A well-established, flexible, financially robust, and resilient foodservice business model

Bidcorp is a complete foodservice solution serving customers in 35 countries

Bidcorp people are entrepreneurial and incentivised to be so

Bidcorp runs as a decentralised group with best practices widely shared

Bidcorp growth is organic, acquisitive-organic through bolt-ons, and acquisitive

Bidcorp believes that balance sheet conservatism is a competitive financial advantage

Bidcorp is at the forefront of foodservice digital commerce with its dynamically evolving proprietary technology

Bidcorp embraces environment, social and governance criteria within its day-to-day operations and integrated reporting framework

Bidcorp's business model continues to be relevant, proven, and scalable

Notes

AGENDA

Bernard Berson, CEO — *F2022 in perspective*

Bernard Berson, CEO — *Trading analysis and outlook*

David Cleasby, CFO — *Financial analysis*

Q&A

Supplementary information

Notes

F2022 IN PERSPECTIVE

Bernard Berson

Notes

BIDCORP HEPS OF 1538 CENTS UP 77% ON F2021 AND 10% UP ON PRE-PANDEMIC F2019

Bidcorp ended the year with a debt to equity ratio of only 5,5% after investing R4 billion in our businesses and on acquisitions

Financial and operational highlights

- Credit to a superb team who have performed, against seemingly impossible odds at times, to deliver our best-ever performance
- Nevertheless, this has been a difficult year, challenges remain, not all business are where we would like them to be
- Trading gathered momentum during the second half and has continued into July and August 2022
- The pandemic has been an opportunity for us, we are better today than we were in 2019, importantly we retained our people capacity
- Good business is ethical business built on trust, goodwill, and confidence - we stand by our customers and suppliers
- The Bidcorp way of doing things has been developed and sharpened over more than three decades, putting us in a strong position
- This is a high quality result, the group trading margin of 5,2% is at the same level as F2019 with the cash conversion ratio over 100%
- Our reporting currency, the rand, has been relatively strong against the currencies we are most exposed to resulting in a six percentage point headwind on trading profit and earnings
- Strong growth typically requires higher investment in working capital and yet we have minimised the second half effect with 90% of annual working capital incurred in the first half
- We made 10 small acquisitions, there will be more - this strategy of not biting off more than we can chew minimises financial risk and allows us to integrate properly without taking excessive management time
- ESG is an integral part of our business model, indeed most of our capex is on modern facilities and fleet – environmentally sound practices, doing good by our staff and communities, and robust governance makes for more efficient business

Notes

Bidcorp

TRADING ANALYSIS

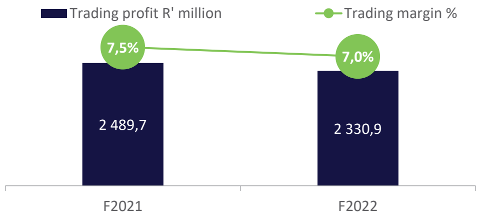
Bernard Berson

Notes

TRADING PERFORMANCE | AUSTRALASIA

Revenue R33,3bn (+4,9% in CC vs. +1,9% in H1), trading profit R2,3bn (-2,7% in CC vs. -6,9% in H1) - Australia only opened fully from November 2021 whilst New Zealand was beset by COVID disruption for most of the year; provided no further restrictions F2023 outlook encouraging

AUSTRALASIA
incorporating Australia and New Zealand



Segment overview

- Trading margin of 7,0% vs 6,9% in F2019 (trading profit 8,6% higher)
- Group contribution 30,7% (F2021: 52,0%; F2019: 32,2%)
- Gross margin has risen, with cost of goods mainly passed on, but trading profit margin has been under pressure with expenses rising
- New generation branch strategy, staff retention, and flexibility during a prolonged pandemic is a competitive advantage for service delivery
- Three bolt-on acquisitions concluded
- Manufacturing in both countries now fronted by the name "Simply Food Solutions" (same as UK)
- Two QSR contracts to be exited in October 2022

Australia (AUD)

- Total trading profit exceeded F2019 (pre-pandemic) by 9,5% (AUD)
- Foodservice sales 5,5% higher than F2019, trading profit 6% higher
- Total net sales up 8,6% (mostly inflationary but there was small volume growth), trading profit up 4,3%
- Imports & Manufacturing is growing (20% sales growth in F2022); Meat was stable on F2021
- Salad World acquired July 2021 and Bayview acquired February 2022 – both incorporated within "Simply Food Solutions"
- Branch footprint continues to expand and modernise premises
  - Newcastle, Geelong, Bunbury, Adelaide, Armidale, Morwell, and Perth
- New build and refit has a clear environmental and efficiency objective

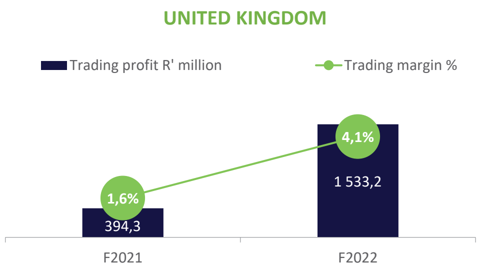
New Zealand (NZD)

- Foodservice sales down 1,2% and total sales down 1,8% in NZD with total trading profit down 17,1% or 16,2% lower than F2019
- Future exit of a QSR contract frees up capacity to target freetrade
- Proposed Wellington DC shelved due to high costs with a focus now on optimising existing site and rather expanding in North Island
- After a pleasing H1 Manufacturing accelerated in H2, achieving a 37% rise in trading profit – growth focus under the "Simply Food Solutions" brand that will incorporate imports as a standalone
- Total Repack (acquired September 2021) relocated, all work now inhouse
- Fresh, particularly hard hit in the pandemic, is rebounding with potential for future sales of >NZD100 million at good margin

Notes

TRADING PERFORMANCE | UNITED KINGDOM

Revenue R37,8bn (+55,1% in CC vs. +42,4% in H1), trading profit R1,5bn (+297,9% in CC vs. +104,5% in H1)
H2 trading profit exceeded H2 F2019 in GBP with current run-rate on track to beat the pre-pandemic high at similar margin



Segment overview

- Group contribution 20,2% (F2021: 8,2%; F2019: 25,8%)
- Revenue now 7% higher than F2019, whilst trading profit is 16% lower than pre-pandemic, the H2 performance reflects a full recovery
- UK GDP above pre-pandemic level, employment levels high but there are challenges, not least food inflation at 9,8% for the year
- Agile trading meant margin was protected in the face of rising costs
- Constructive wage negotiations result in a settlement within a simplified structure, higher employment costs now in the base
- Working capital metrics reflect good control as the business normalises
- Health & wellbeing initiatives for our staff yielding tangible physical and mental benefits with the added advantage of better productivity

Foodservice (GBP)

- Sales up 51% (H2 sales up 63%), trading profit up 85% - Wholesale depots, Caterfood, and Manufacturing all profitable with higher sales
- Market sectors have bounded back strongly
- Bidfood named 'Wholesaler of the Year' in Grocer Gold Awards; 'Technology Team of the Year' at The Real IT Awards; and won the FPA 'Corporate Social Responsibility Award' among other accolades
- New business wins include one of the largest pub companies in UK with other sizeable tenders submitted at top names
- Nicol Hughes, based in Chester, acquired wef July 2022 and now part of Caterfood network of independents; another deal pending
- Digitised recruitment project underway designed to improve the hiring, integration, governance, and timing process in a tight labour market

Fresh (GBP)

- Successful restructuring with a product offering that is a high quality complement for Foodservice, a holistic farm-to-fork customer solution
- An 84% rise in sales with a significant turnaround in segment profitability buoyed by secured business and healthy pipeline – team highly motivated for F2023
- Seafood has had the best recovery but there is substantial scope for Produce and Meat to aim for sustainable profitability
- Foodservice / Fresh collaboration has a clear framework with monthly meetings, introductions, and joint tendering
- Meat offering rebranded under Campbells

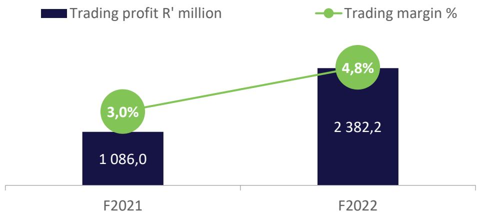
Notes

TRADING PERFORMANCE | EUROPE

Revenue R50,1bn (+49,0% in CC vs. +34,9% in H1), trading profit R2,4bn (+130,6% in CC vs. +180,2% in H1)
In total the region is well above F2019 level of trading profit and margin and in better shape post-pandemic, with Spain and Germany improving

Europe

Netherlands, Belgium, Czech & Slovakia, Poland, Italy, Baltics, Spain, Portugal, Germany



Segment overview

- Trading is finally resembling pre-pandemic as re-openings have an immediate and positive demand impact, notably tourism
- Group contribution 31,4% (F2021: 22,7%; F2019: 27,9%) and so marginally the largest segment contributor
- Segment margin an all-time high of 4,8%, previous best 4,3% in F2019
- Small presence now in Hungary, initially run through Czech
- Two bolt-on acquisitions in Belgium and Netherlands
- Sáenz meat business in Spain sold in January 2022, and the Hamburg branch in Germany sold in June 2022 – both were lossmaking and realised a loss on sale but this is necessary as part of the restructuring in both territories

Netherlands (EUR)

- Sales recovered after the Omicron lockdown before Christmas with growth of 68% for the year and in line with F2019, GP% a record in Q4
- Institutional, national accounts, and freetrade are above pre-pandemic with catering lagging (a similar experience in Belgium due to telecommuting, fewer events, or distance learning)
- Zegro, a broadline food wholesaler, acquired wef March 2022
- Associates (meat, fish, produce) a minimal contribution

Belgium (EUR)

- Sales up 35,7% with trading profit up 79,1%, just ahead of F2019 but benefitting from the acquisition of Foster Fast Food, a wholesaler in fast food concepts, located in Mechelen (wef September 2021)
- As with Netherlands, the longer term nature of institutional/national tenders prevents or restricts pricing flexibility to preserve margin; exited a large national catering contract July 2022

Czech and Slovakia (CZK)

- Trading profit in koruna 6% higher than F2019 at a similar margin %
- Total sales up 29% (foodservice alone up 52% and 16% above F2019 with retail stable and 8% above F2019), trading profit up 56%
- A new fish processing plant in Kralupy and a cold store in Chlumec nad Cidlinou opened in H2, adding to other recent capex
- Despite challenges such as inflation and rising interest rates, the business looks forward to another year of progress

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Poland (PLN)

- A 60% rise in sales at a higher GP with trading profit >3-fold up, trading margin 4,9% compared with 2,8% in F2019
- Freetrade has grown to 88% of sales from 76% in F2019
- Working capital management tricky in a high inflation environment but has been well handled, inventory has found willing buyers
- Further capex is planned in depot capacity

Italy (EUR)

- Record sales of €600 million (20% higher than F2019), an improved GP, trading profit up 4-fold
- Eating out demand rebounded, benefitting street trade
- DAC, Quartiglia, and Italgel ended the year strongly off a depressed base whilst "Made in Italy" sales to group increased 46%
- Net w/c days improved but the cultural peculiarities of trade in Italy typically result in a significantly extended cycle vs. group norms

Baltics (EUR)

- Sales up 49,6% with trading margin improving to 3,6% in Q4, a big increase since F2019 with Baltics now sustainably profitable
- Q4 Foodservice sales up 80% (66% of total); with Retail (24% share); and Other also strong
- Ecommerce sales have jumped with 32% of Foodservice now online
- Growth in new customers, more products being sold to each customer

Spain (EUR)

- Q4 showed a glimmer of light that remedial measures are working with a 5% trading margin (Guzman and Igartza profitable)
- Inflation very high, running over 20% but seen as a peak
- Focus now is on consolidating gains and profitable growth, helped by a return of tourism

Portugal (EUR)

- Sales up 84,5% (+47% H1) with a sharp turnaround to profitability on higher volumes and GP% with expenses well controlled
- Pricing strategy has been effective thus protecting margin
- New depots underway in Porto and Lisbon

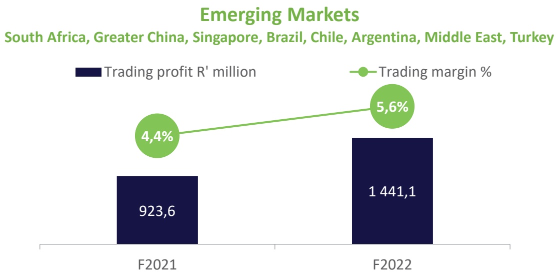
Germany (EUR) – 50% interest in Austria

- Group executive guidance with the restructuring process
- Sales improved and the total trading loss narrowed sharply (which includes the Hamburg loss for a full year)
- A positive start to F2023
- Objective to build off a rationalised platform and sustain profitability

Notes

TRADING PERFORMANCE | EMERGING MARKETS

Revenue R25,9bn (+24,6% in CC vs. +26,8% in H1), trading profit R1,4bn (+57,4% in CC vs. +88,6% in H1)
South Africa a standout performer but all other businesses contributed to a commendable performance in difficult circumstances



Segment overview

- Segment margin of 5,6% vs 4,9% in F2019 and 5,5% in F2018 (mix and geography) with a record level of trading profit
- Trading profit growth of 57,4% in CC was off an already impressive recovery of 55,9% in F2021 (South Africa at an all-time high)
- Group contribution 19,0% (F2021: 19,3%; F2019: 15,6%)
- 5 acquisitions in Greater China, South Africa, Brazil (x2), and Chile
- COVID restrictions remained an impediment to Greater China
- Segment reaching meaningful scale after several years of acquisitions in new and existing territories, strong organic growth, and adoption of Bidcorp best practice with an expectation that the best is yet to come

South Africa (ZAR)

- Total sales grew 18,7% with trading profit up 54,4% (18,3% above F2019), including JV and associates net income grew 56,6%
- Regional floods, electricity outages, civil unrest, and a fiercely competitive market notwithstanding Bidfood achieved a record result with sales up 22,4% and trading profit up 176,2%, assisted by tight expense control
- Crown sales up 12,9% and trading profit 19,3%, volumes were strong in own-manufactured products, customer base growth in wholesale
- Spice World Kuruman a distributor of spice, natural casings, and butchery equipment acquired wef September 2021
- JV Chipkins Puratos concluded the year with a pleasing Q4, annual sales grew 9,3% and trading profit 11,7% (33% ahead of F2019)
- New premises opened in Gqeberha (shared by Bidfood and Crown)
- Ongoing investment in property and facilities modernisation

Hong Kong and Macau (HKD)

- Sales up 1,5% for the year and trading profit 51,1% but sales and profitability were negatively impacted in Q4 by lockdowns
- A recovery in tourism from the mainland is key to F2023 result as is a cessation of on-and-off lockdowns
- Unease in Hong Kong with consequent emigration having an effect on the premium market

Notes

TRADING PERFORMANCE | EMERGING MARKETS

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Mainland China (RMB)

- Sales up 4,4% but declined in Q4, along with a steep fall in profits
- Sporadic lockdowns in Shanghai during H2 hit catering with sales down 48% y/y, inter-city traveling restrictions impacted other areas
- Shantou Longjia Food Company acquired wef August 2021
- Teams continue to trade with agility in an unpredictable environment; we continue to exploit opportunities in second-tier cities

Singapore, Malaysia and Vietnam (SGD)

- Sales up 11,7% for the year, Q4 particularly strong, up 34% y/y and 15% sequentially, on reopening of borders and removal of restrictions
- Trading profit up 78% a record with trading margin over 5%, assisted by much improved volume and selling prices
- Malaysia traded well at healthy margins, well-placed for F2023 with a new distribution agency secured, hotel and restaurant demand buoyant, branches in Johor and Penang poised for strong growth, an acquisition pending

Chile (CLP)

- Sales doubled in peso, boosted by the new branches, and trading profit grew to far exceed F2019 at an aggregate margin of 2% with three of the better established branches above 5%
- Q4 sales were especially good (up 68% y/y and 23% sequentially), boosted by the number of monthly active customers (up 17% on Q3 alone), and a strong rise in beef and poultry sales
- Insupan in La Serena acquired wef December 2021

Brazil (BRL)

- Vinhais acquired wef October 2021 and Central Foods wef January 2022, both in São Paulo
- A 128% rise in sales in real, almost double F2019, with trading profit recovering strongly, margin at 3,7% (Vinhais acquisition contributed 24% of sales and 32% of trading profit)
- Investment in modernisation and capacity expansion ongoing

Middle East (AED)

- From small beginnings Middle East has grown to a US$156 million equivalent annual sales business with promising prospects
- 47,4% rise in sales (65% above F2019) with trading profit up 121% (a margin of 6,8%), double F2019
- UAE, Saudi Arabia, Bahrain, Oman, and Jordan performed well above budget and ended Q4 strongly – well placed for F2023, benefitting from higher energy prices, economic diversification, and opening up of travel

Turkey (TRY)

- Turkey is an example of a territory where we are thriving despite the negative macro headlines
- High inflation and a 50% depreciation of the lira vs. the USD notwithstanding, real sales growth achieved at a margin of 4,4%

Argentina (ARS) – Joint control

- Sales and trading profit recovered strongly (adjusted for hyperinflation accounting) with margin a satisfactory 2,1%; tourism is rebounding
- New distribution centre in Puerto Iguazú Misiones was opened

Notes

OUTLOOK

The pandemic is seemingly in the rear view mirror in almost all jurisdictions but we cannot be complacent

The Ukrainian conflict is a destabilising factor that affects not just Europe but the entire world, including higher energy and food prices and grain scarcity

We shall navigate these challenges with agility and resourcefulness

Yet, as this past year shows us, humans are gregarious and wish to mingle, to share a glass of wine over a meal, go to a concert or a movie, get out and about and travel – these preferences bounced back strongly as restrictions eased

We shall invest further in our world-class foodservice technological solutions, making the lives of our customers and suppliers just that bit more convenient, and keep adding value across our extensive offering

Our expectation is that 2023 will be another year of profitable progress, as things currently stand we are budgeting for real growth

Bidcorp people provide a comprehensive foodservice solution to a growing customer base in Africa, Asia, Australasia, Europe, Middle East, South America, and UK

We are a team of diverse cultures with a common purpose and strategic framework

Our proven decentralised way of doing things over more than three decades encourages flexibility and entrepreneurship

Bidcorp is financially conservative, consistently delivering real returns for our stakeholders

Notes

Bidcorp

FINANCIAL ANALYSIS

David Cleasby

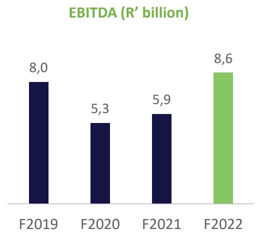
Notes

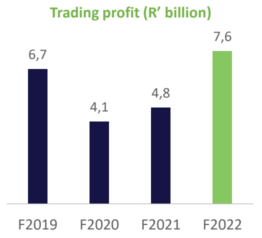
UNDERLYING FINANCIAL PERFORMANCE SOLID

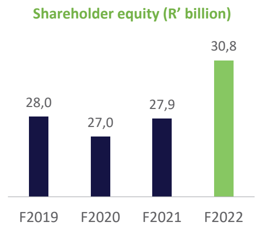
Strong recovery in activity delivered an excellent financial performance

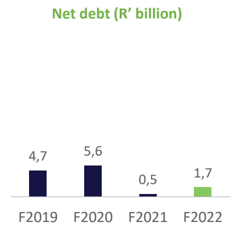
Highlights

- Revenue of R147,1 billion (↑28,2%)
- Gross margin improved to 24,2% (F2021: 24,0% and F2019: 23,9%)
- Non-IFRS 16 EBITDA (trading) margin of 5,9% (F2021: 5,1%)
- Trading margin of 5,2%, back at pre-pandemic levels
- Hyperinflation accounting for our Turkey business added R81,9 million to HEPS or 24,5 cps
- Headline Earnings R5,1 billion (↑77,1%) with constant FX earnings R5,3 billion (↑83,0%)
- Actual HEPS of 1 538,3 cps (↑77,1%), constant FX HEPS 1 588,9 cps (↑83,0%); Normalised HEPS (excluding the effects of hyperinflation in Turkey) of 1 513,8 cps (↑74,3%)
- Working capital days same as F2021 at 7 days and net working capital higher of R5,0 billion vs. R2,8 billion in F2021
- Cash flow generated by operations (after working capital absorption of R2,0 billion) of R8,0 billion; an excellent performance considering EBITDA of R8,6 billion
- Unmodified audit opinion issued for Bidcorp (impacts of Miumi fraud behind us)
- Final dividend of 400,0 cps; total dividend for F2022 of 700,0 cps, ↑75,0%; 2,16 times covered by normalised HEPS









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STATEMENT OF PROFIT

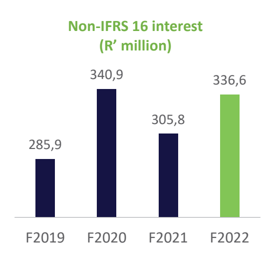
Quality of earnings good, despite difficult operating conditions

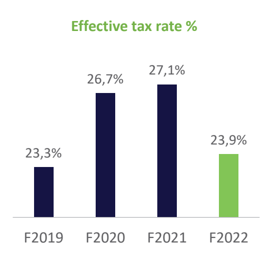
- Revenue of R147,1 billion (F2021: R114,8 billion) is higher by 28,2% (constant currency improvement of 33,1%). In most geographies, we have seen a strong recovery in demand in the discretionary spend sectors: the group's strategic focus on "smaller independent customers" has led to good revenue increases in the hotels, restaurants and cafés segment up from 35% (F2021) to 41% (F2022); non-discretionary demand from institutional customers, including education, hospitals, aged care, prisons, the military, and government departments has remained stable subject to the usual seasonality (school holidays etc.)
- Weekly sales normalised into Q4 F2022 (37,7% ahead of Q4 F2021) tracking now at consistently above R3,0 billion per week in constant currency
- Gross profit % improved to 24,2% (F2021: 24,0%) indicating that the businesses traded well through a period of rapid food inflation achieved because of the broad independent customer mix; those operations that are exposed to more "larger-type" customers experienced some temporary margin squeeze due to delayed timing in passing price increases through
- Operating expenses managed well despite the rapid and extraordinary increases seen in wage increases and energy and fuel costs. Compared to F2019, cost-of-doing-business (CODB) increases to 19,1% from 18,7% but well below F2021 CODB of 19,8%. Ratio of staff costs to revenue has remained consistent. Group achieved cost efficiencies with a 28,4% increase in constant currency operating costs against an increase in constant currency revenues of 33,1% but many of the efficiencies gained through the pandemic were dissipated by rising costs and increasingly inefficient operating environment
- Group trading profit increased by 58,5% to R7,6 billion (F2021: R4,8 billion), 64% higher in constant currency terms. Trading profit margins at 5,2% (F2021: 4,2%) are comparable against F2019 trading margins of 5,2%

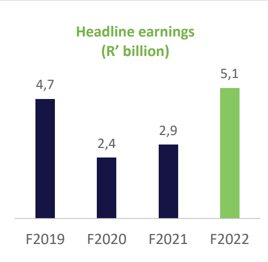
Notes

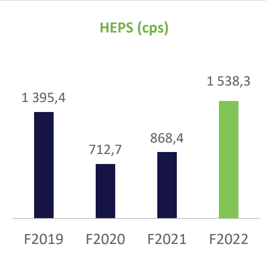
STATEMENT OF PROFIT

Quality of earnings good, despite difficult operating conditions









- EBITDA (Earnings Before Interest, Tax, Depreciation, and Amortisation) was equivalent to 5,9% of revenue, higher than F2021 of 5,1%, but slightly lower than EBITDA for F2019 of 6,2%
- Constant currency non-IFRS 16 net interest ↑ by 14,8% to R350,9 million; increased by a normalisation of working capital investment, more capex, and higher dividend payments than F2021
- Effective tax rate (excluding associate income and capital items) within guidance at 23,9% which is down on F2021 of 27,1%. The effective tax rate should remain at around 25% but there is potential change in certain geographies i.e., in the UK post-PM elections
- Capital items are principally R232 million loss on the exit of loss-making entities (in Spain and Germany), impairment of PPE of R99 million, and a profit of the sale of properties of R57 million
- Headline earnings per share (HEPS) increased by 77,1% to 1 538,3 cps (F2021: 868,4 cps), with basic earnings per share (EPS) increasing by 56,2% to 1 444,3 cps (F2021: 924,6 cps)
- HEPS benefitted from accounting for hyperinflation (IAS 29) for Turkey (only determined by the IMF in June) by 24,5 cps which if excluded, gives normalised HEPS for F2022 of 1 513,8 cps (↑74,3%). Currency volatility negatively impacted the rand-translated results by 5,8% with constant currency HEPS of 1 588,9 cps recorded (normalised constant currency HEPS of 1 564,4 cps (↑80,1%))
- Small buyback concluded (500k BID shares) to limit dilution of employee incentive scheme allocations

Notes

CASH FLOWS

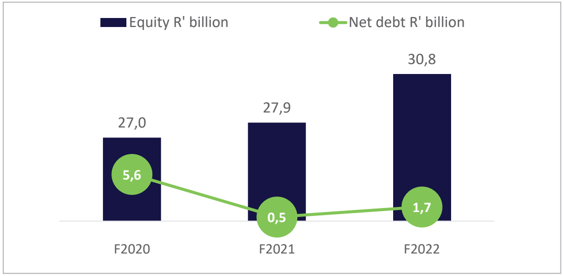
More normalised cash flow cycle with higher investments into working capital, capex investments, and higher dividends

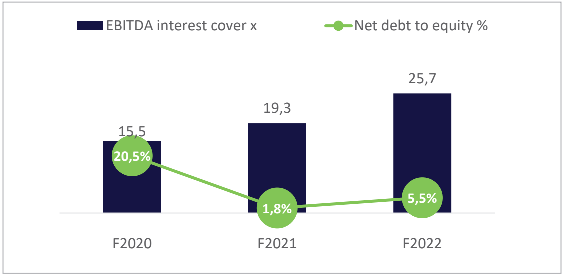
- Cash generated from operations before working capital of R9,9 billion (F2021: R7,0 billion); cash generation by operations for F2022; split R4,5 billion in H1 F2022 and R5,4 billion in H2 F2022
  - 92% of EBITDA and 105% of trading profit (F2021: 130% of EBITDA and 160% of trading profit)
  - Non-cash items mainly comprise profit on sale of properties, impairments to PPE and intangible assets, loss on sale of businesses, and share based payment costs
- Working capital
  - R2,0 billion absorbed vs. R0,6 billion generated in F2021; net monthly average working capital cycle 7 days (F2021: 7 days)
  - Net working capital % of annualised revenue (WCR%) of 3,4% (F2021: 2,5%); the group’s normal WCR% is between 4% to 5%; as noted in F2021, there was working capital absorption into F2022
  - Receivable provisioning normalising but erring on conservative as credit risks remain (5,8% of gross debtors' book vs. 9,8% at June 2021 vs. 4,5% at June 2019)
  - Inventory stocking due to global supply chain disruptions and product availability (provisioning at 2,3% of gross inventory vs. 3,2% at June 2021)
- Cash effects of investing activities of R3,4 billion (cash outflow)
  - Investments in PPE reflecting maintenance capex (R1,3 billion) and investment into new capacity (modern distribution facilities with freezers and refrigeration) and necessary for anticipated organic growth (R1,6 billion); F2021 included proceeds of sale and leaseback property transactions of R1,6 billion; our strategic intention remains to own our facilities (72% of property portfolio owned)
  - Net acquisitions and investments R0,9 billion (F2021: R0,2 billion) include 10 bolt-on’s at a cost of R0,8 billion in Australasia, Emerging Markets, and Europe to expand geographic reach and or product range; contributions of 1,0% to net revenue and 0,3% to trading profit
  - Non-IFRS 16 net debt at R1,7 billion has increased from June 2021 (F2021: R0,5 billion) primarily due to the investments into working capital and capex combined with higher dividends off the back of improved profitability. F2021 benefitted from a better working capital position (lower activity levels) and the proceeds arising out of the sale & leaseback transactions
- Cash and cash equivalents of R7,4 billion (F2021: R8,1 billion)

Notes

FINANCIAL POSITION

Financial position remains strong





- Balance sheet remains strong with reliable cash flows which allows flexibility to achieve strategic growth objectives, organic and acquisitive
- Shareholders equity increased by retained profit and positive FCTR movements and reduced by dividends paid; AUD/EUR closing FX rates higher than F2021
- Liquidity management
  - Short-term debt (R3,1 billion) < cash (R7,4 billion); all debt de facto long term
  - Headroom liquidity available of R19,3 billion (including undrawn facilities; and cash and cash equivalents)
  - A significant refinancing exercise undertaken in Q3 F2022 to rollover and refinance maturing term debt; enabled a large portion of the short-term debt to be termed out to differing maturity dates of three, five, and seven years at competitive fixed interest rates; reducing both liquidity and interest rate risks
- Risk management (no change in practice or policy)
  - Debt is matched to the underlying assets for a natural hedge; mixture of fixed (long-term funding) and floating interest rates (short-term funding)
- Solvency
  - Net debt (non IFRS16) to equity ratio 5% (F2021: 2%)
  - Net debt (non IFRS16) to annualised EBITDA 0,2x (F2021: 0,1x)
  - EBITDA interest cover 25,7x (F2021: 19,3x)

Notes

FINANCIAL GUIDANCE

Sound financial position supportive of continued growth into F2023

- Group sales tracking well into July and August 2022, benefitting from the Northern Hemisphere summer, but the impact of ongoing inflation and energy crisis in Europe (and the UK) over the Northern Hemisphere winter is uncertain
- Financial strength supportive of businesses growth
  - Bidcorp remains cash generative and management are expecting further cash generation into F2023
  - Inflation – via product pricing and operating costs (ongoing staff shortages and higher energy prices) – may impact consumer demand
  - Adequate headroom to fund our organic and acquisitive growth
  - Some further absorption of working capital in H1 F2023 expected as normal trading cycle (into Christmas) expected but not guaranteed
  - No material debt maturities in the year ahead; more efficient treasury focus in F2023 to counter rising interest rate environment
  - Further and continued capex planned for Australasia, the UK, Europe, and South Africa; catering for anticipated organic growth given lead times
  - Strength of Bidcorp's financial position remains a competitive advantage
  - ESG – heightened E & S focus across all facets of the group; online ESG platform launched to deal with numerous stakeholder information requests
  - Miumi fraud episode – process focussed on both civil and criminal prosecutions; some recoveries expected but not accounted for as yet
  - Correct balance needs to be maintained between entrepreneurial and decentralised model vs. increased governance requirements
- Core philosophy of naturally hedging assets and liabilities remains; businesses are managed and measured in their local currencies
- Forecasting risk remains high, ongoing uncertainty a constant in the global environment – our provisioning remains conservative amid potentially more difficult economic conditions ahead (global recession)
- Currency volatility likely to remain a feature into F2023; ZAR is the reporting currency however non-ZAR trading profits 90% of group
- International shareholder base stable at around 51%
- Q1 F2023 has started off well, trading results in July well above F2022. Bidcorp budgeting for real growth into F2023

Notes

Notes

SUPPLEMENTARY INFORMATION

Segment profits detail

Notes

SEGMENTAL REVENUE

R' million	Revenue F2022	*share of group %*	*change %*	Revenue F2021	*share of group %*	Constant Currency F2022	*change %*
Australasia	**33 343,4**	*22,7*	*1,0*	33 010,2	*28,8*	**34 624,8**	*4,9*
United Kingdom	**37 818,9**	*25,7*	*51,5*	24 955,4	*21,7*	**38 703,2**	*55,1*
Europe	**50 077,1**	*34,0*	*40,2*	35 706,2	*31,1*	**53 189,1**	*49,0*
Emerging Markets [1]	**25 898,9**	*17,6*	*22,6*	21 131,6	*18,4*	**26 323,4**	*24,6*
Total	**147 138,3**		*28,2*	114 803,4		**152 840,5**	*33,1*

[1] Emerging Markets include a positive impact of R630,6 million for Turkey hyperinflation adjustments. Excluding the hyperinflation impact, Emerging Markets are ↑19,6% and in constant currency are ↑21,6%

Notes

SEGMENTAL TRADING PROFIT

R' million	F2022	margin %	share of group %	change %	F2021	margin %	share of group %	Constant Currency F2022	change %
Bidfood	**7 687,5**				4 893,6			**7 948,7**	
Australasia	**2 330,9**	*7,0*	*30,7*	*(6,4)*	2 489,7	*7,5*	*52,0*	**2 421,7**	*(2,7)*
United Kingdom	**1 533,2**	*4,1*	*20,2*	*288,8*	394,3	*1,6*	*8,2*	**1 569,1**	*297,9*
Europe	**2 382,2**	*4,8*	*31,4*	*119,3*	1 086,0	*3,0*	*22,7*	**2 504,0**	*130,6*
Emerging Markets [1]	**1 441,2**	*5,6*	*19,0*	*56,0*	923,6	*4,4*	*19,3*	**1 453,9**	*57,4*
Corporate	**(96,7)**				(105,9)			**(98,2)**	
Total	**7 590,8**	*5,2*		*58,5*	4 787,7	*4,2*		**7 850,5**	*64,0*

[1] Emerging Markets include a positive impact of R28,0 million for Turkey hyperinflation adjustments. Excluding this hyperinflationary impact, Emerging Markets are ↑53,1% and in constant currency are ↑54,4%

Notes

SUPPLEMENTARY INFORMATION

Financial analysis

Notes

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

R' million	F2022		F2021	Constant Currency F2022	
Revenue	**147 138,3**	*28,2*	114 803,4	**152 840,5**	*33,1*

Segmental revenue

- Bidfood UK: R37,8 billion (ZAR movement: ↑51,5%; Local FX: ↑55,1%)
- Bidfood Europe: R50,1 billion (ZAR movement: ↑40,2%; Local FX: ↑49,0%)
- Bidfood Australasia: R33,3 billion (ZAR movement: ↑ 1,0%; Local FX: ↑ 4,9%)
- Bidfood EM: R25,9 billion (ZAR movement: ↑22,6%; Local FX: ↑24,6%)

In most geographies in which we operate, we have seen a strong recovery in demand in the discretionary spend sectors and because of the groups' strategic focus on "smaller independent customers" which has led to good revenue increases in the hotels, restaurants & cafés customer type, up from 35% (F2021) to 41% (F2022). Non-discretionary demand from our institutional customers, including education, hospitals, aged care, prisons, the military, and government departments has remained stable subject to the usual seasonality where applicable.

F2022 revenues benefitted positively from a largely unrestricted Northern Hemisphere summer in 2021 but negatively from COVID related lockdowns in parts of Asia (January 2022 onwards), Europe (from November 2021 to February 2022), and Australasia (Australia from August 2021 to November 2021 and New Zealand for a big part of the year). Revenue across all sectors of the market, except for workplace catering, have returned to pre-COVID trading levels. The emergence of the Omicron variant in late November mainly affected sales in Europe, particularly in the Netherlands where the government imposed harsh restrictions on the hospitality sector, but sales have bounced back strongly through March/ April 2022. Q4 F2022 revenues were 37,7% higher than Q4 F2021 and 22,3% higher than Q3 F2022 showing good momentum into F2023.

QSR and contract catering contracts being exited or will be (possible) exited: Belgium –exited large caterer from July 2022 (€25 million); Australia – QSR contract to be exited in October 2022 (AUD138 million); New Zealand – QSR contract to be exited October 2022 (NZD76 million); and Belgium – QSR contract to be exited contract in December 2022 (€31 million). These exits will free up capacity to onboard more of the correct type of customer.

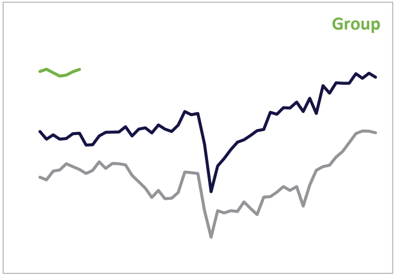
Notes

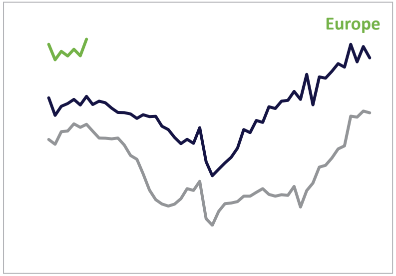
CONSOLIDATED STATEMENT OF PROFIT OR LOSS

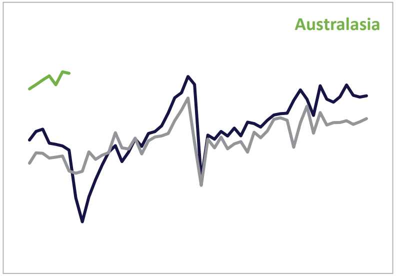
The illustrations reflect the group's weekly sales in constant currency for 2021, 2022, and YTD 2023

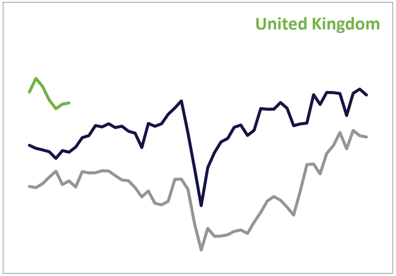
Green = 2023
Blue = 2022
Grey = 2021

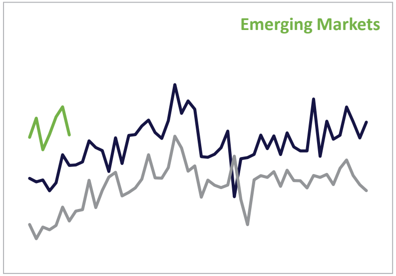
Month	Australasia	Europe	Emerging Markets	United Kingdom	Group
F2022 % of F2021					
April	110,4%	194,6%	122,6%	160,1%	**146,4%**
May	109,1%	164,1%	123,4%	141,4%	**136,2%**
June	110,9%	134,9%	128,6%	125,4%	**125,6%**
F2022 % of F2019					
April	114,6%	118,8%	115,9%	113,6%	**116,0%**
May	155,2%	128,1%	117,6%	118,7%	**120,6%**
June	126,5%	120,4%	127,3%	123,3%	**123,8%**
F2023 % of F2022					
July	122,6%	128,1%	127,2%	140,0%	**129,4%**
August	132,6%	127,9%	118,5%	133,4%	**128,7%**











Notes

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

R' million	F2022		F2021	Constant Currency F2022	
Revenue	**147 138,3**	*28,2*	114 803,4	**152 840,5**	*33,1*
Gross profit %	**24,2**	*1,1*	24,0		

Segmental gross margins

- Bidfood Australasia 23,7% from 23,0% (F2021)
- Bidfood UK 24,9% from 26,0% (F2021)
- Bidfood Europe 25,0% from 24,7% (F2021)
- Bidfood EM 22,2% from 21,8% (F2021)

- Market share gains from growth in the independent trading segment benefitting Australasia, Europe, and Emerging Markets
- Gross margins were under pressure in geographies exposed to national account customers which in some cases have rigid pricing windows and where it is difficult to pass on rapidly rising prices. This was only be a timing issue, and dependent on availability of certain key products
- Overall group margins held up well at 24,2%, above both F2021 (24,0%) and F2019 (23,9%), benefitting from our strategic mix of smaller independent customers, who have experienced reasonably buoyant trading. The onset of the Omicron variant in November 2021 and the rise of food price inflation put pressure on gross margins in Q2 F2022 which were 50 bps lower versus Q1 F2022 but recovered in Q3 F2022 to Q1 F2022 levels of 24,2% and have further improved to 24,8% for Q4 F2022, supported by buying gains associated with large stock purchases ahead of price increases

Notes

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

R' million	F2022		F2021	Constant Currency F2022	
Revenue	**147 138,3**	*28,2*	114 803,4	**152 840,5**	*33,1*
Trading profit	**7 590,8**	*58,5*	4 787,7	**7 850,5**	*64,0*
Trading margins	**5,2**	*23,7*	4,2		
Non-IFRS 16 EBITDA	**8 644,8**	*46,4*	5 905,5	**8 943,5**	*51,4*

- **Operating costs** as a % of revenue decreased from 19,8% to 19,1%. Constant currency opex increased by 28,4% compared to constant currency revenue increase of 33,1%. We have seen operating leverage as economies normalise but opex is under pressure from cost price inflation which has been driven by the following trends:
  - **higher staff costs** driven by pay increases to secure warehouse workers and drivers. Government support received decreased from R1,2 billion in F2021 to R151 million in F2022. However, staff costs % of revenue remained constant at 11,9% due to cost to serve price increases pushed through to customers
  - **rapidly rising energy and fuel costs**. The groups' average fuel cost per liter has increased 32% to R20,1 p/liter and cost an additional R250 million compared to F2021. In addition, the cost per kWh of electricity has increased 41% and cost an additional R215 million compared to F2021
  - **supply chain disruptions** are not only restricted to food products but across the supply of many capital inputs such as refrigeration equipment, delivery vehicles, and forklifts has become more expensive
  - **ESG related expenditures** where initial costs of ESG spend is higher but economic and social benefits are to be received over time, for example, European VI standard trucks have an estimated cost premium of €5 000
- Fortunately, the group has been able to push cost increases through. Bidfood is a reliable supplier with a broad range of products at competitive prices. Trading profit margin achieved was 5,2% (F2021: 4,2%) which equates to those achieved pre-pandemic

Notes

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

R' million	F2022		F2021	Constant Currency F2022	
Revenue	**147 138,3**	*28,2*	114 803,4	**152 840,5**	*33,1*
Trading profit	**7 590,8**	*58,5*	4 787,7	**7 850,5**	*64,0*
Net finance expense	**(689,8)**	*0,5*	(693,4)	**(716,8)**	*(3,4)*

- **Constant currency net finance charges** (excluding IFRS 16 charges) were higher by 14,8% at R350,9 million (F2021: R305,8 million). Since October 2021 interest costs have moved higher largely due to increased working capital requirements (pressure on supply chains ↑ inventory; increased trading activity ↑ receivables) and a significant increase in global interest rates
- Of the group borrowings as at June 30 2022, 71% of the borrowed funds are at fixed interest rates. Significant fixed rate instruments include 3-year, 5-year, and 7-year term debt financing instruments, fixed at an average of 1,74%. Floating interest rate exposures are mainly related to Greater China which has seen an increase in base rates of approximately 200 bps from January 2022
- Bidcorp remains well capitalised and retains adequate headroom for further organic and acquisitive growth. Non-IFRS 16 trading EBITDA interest cover of 25,7x (F2021: 19,3x)

Share of profit of associates and JVs	**39,7**	*32,8*	29,9	**39,9**	*33,4*

- Principally attributable to Chipkins Puratos JV interest in South Africa; the 46% interest in Blancaluna Grupo (a broadline foodservice wholesaler in Argentina); and investments by Bidfood Netherlands into various specialist product businesses

Notes

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

R' million	F2022		F2021	Constant Currency F2022	
Revenue	**147 138,3**	*28,2*	114 803,4	**152 840,5**	*33,1*
Trading profit	**7 590,8**	*58,5*	4 787,7	**7 850,5**	*64,0*
Net finance expense	**(689,8)**	*0,5*	(693,4)	**(716,8)**	*(3,4)*
Share of profit of associates and JVs	**39,7**	*32,8*	29,9	**39,9**	*33,4*
Taxation	**(1 585,0)**	*(39,7)*	(1 134,7)	**(1 643,9)**	*(44,9)*
Effective taxation rate %	***23,9***		*27,1*		

Effective taxation rate
(ex-capital items and associates and JV's)

The clean taxation rate (excluding that attributable to capital items and associates) of 23,9% (F2021: 27,1%) is broadly in line with 'guided' group taxation rates of 25%

F2022 effective taxation rate was lower due to the change in the group's profit mix. F2021 trading profit contraction was dominated by Australasia (who have higher taxation rates (Australia 30% and New Zealand 28%)) at 62% reducing to 33% in F2022; an improvement in UK, Czech Republic, and Poland F2022 earnings which have corporate taxation rates of 19% (profit mix increased from 20% (F2021) to 40% (F2022)); and accelerated (one-off) tax deductions for property, plant and equipment

The group's tax effective rate should return to an approximate effective rate of 25%, dependent on potential changes i.e., the UK

Notes

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

R' million	F2022		F2021	Constant Currency F2022	
Revenue	**147 138,3**	*28,2*	114 803,4	**152 840,5**	*33,1*
Trading profit	**7 590,8**	*58,5*	4 787,7	**7 850,5**	*64,0*
Net finance expense	**(689,8)**	*0,5*	(693,4)	**(716,8)**	*(3,4)*
Share of profit of associates and JVs	**39,7**	*32,8*	29,9	**39,9**	*33,4*
Taxation	**(1 585,0)**	*(39,7)*	(1 134,7)	**(1 643,9)**	*(44,9)*
Non-controlling interests	**(89,5)**		(29,7)	**(89,9)**	
Headline earnings	**5 138,8**	*77,1*	2 900,9	**5 307,9**	*83,0*
HEPS (cps)	**1 538,3**	*77,1*	868,4	**1 588,9**	*83,0*
Normalised HEPS (cps)	**1 513,8**	*74,3*	868,4	**1 564,4**	*80,1*

Headline earnings

Performance for the financial year started well with most economies rebounding strongly in July through to September 2021, contributing to a record first quarter performance that was driven by Europe, the UK, and Emerging Markets. Australasia was significantly impacted by COVID in the first six months; but recovered strongly into the second half to deliver a great performance. Following the Omicron variant's impact through the Northern Hemisphere winter, we experienced a steadily building momentum with the last four months being particularly strong

- **Capital items** pre-tax loss of R333 million:
  - R232 million - loss on sale of businesses sold (Carnicas Saenz (Spain) and Hamburg (Germany))
  - R99 million - impairment of PPE (Lismore Australia floods and other PPE impairments)
  - R57 million - profit on freehold property sales
  - R25 million - impairment of Spain's goodwill relating to the Food4 business
- **Record results** achieved by Australia, Czech Republic, Italy, Portugal, Africa, Chile, Brazil, Middle East, Turkey, Poland, Baltics, and Singapore
- **Normalised HEPS** adjusted to exclude the hyperinflationary accounting adjustments for Turkey

Notes

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

R' million	F2022		F2021	Constant Currency F2022	
Revenue	**147 138,3**	*28,2*	114 803,4	**152 840,5**	*33,1*
Trading profit	**7 590,8**	*58,5*	4 787,7	**7 850,5**	*64,0*
Net finance expense	**(689,8)**	*0,5*	(693,4)	**(716,8)**	*(3,4)*
Share of profit of associates and JVs	**39,7**	*32,8*	29,9	**39,9**	*33,4*
Taxation	**(1 585,0)**	*(39,7)*	(1 134,7)	**(1 643,9)**	*(44,9)*
Non-controlling interests	**(89,5)**		(29,7)	**(89,9)**	
Headline earnings	**5 138,8**	*77,1*	2 900,9	**5 307,9**	*83,0*
Normalised HEPS (cps)	**1 513,8**	*74,3*	868,4	**1 564,4**	*80,1*
Dividend (cps)	**700,0**	*75,0*	400,0		

- Final dividend declared 400,0 cps (payable in September 2022)
- Total dividends for F2022 of 700,0 cps, up 75% on F2021
- Dividend cover of 2,16x normalised HEPS, in line with group policy and growth in normalised HEPS

Notes

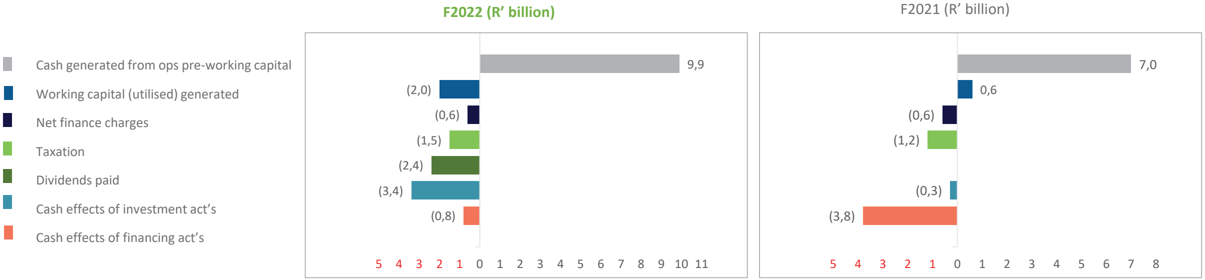
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R' million	F2022	F2021
Non-current assets	**40 493,1**	37 513,4
Property, plant and equipment	**17 298,6**	15 505,8
Right-of-use lease assets	**4 501,7**	3 924,1
Goodwill	**15 755,7**	15 292,8
Other non-current assets	**2 937,1**	2 790,7
Current assets	**39 074,4**	31 696,6
Inventories	**13 757,6**	10 145,7
Trade and other receivables	**17 918,5**	13 430,3
Cash and cash equivalents	**7 398,3**	8 120,6
Total assets	**79 567,5**	69 210,0
Equity	**31 103,5**	28 088,2
Non-current liabilities	**16 726,3**	11 512,9
LT borrowings	**5 978,5**	1 479,3
LT right-of-use lease liabilities	**5 129,9**	4 597,5
LT puttable NCI liability	**4 006,5**	3 983,8
Other non-current liabilities	**1 613,4**	1 452,3
Current liabilities	**31 737,8**	29 608,9
Trade and other payables	**26 653,0**	20 729,0
ST borrowings	**3 137,1**	7 144,9
ST right-of-use lease liabilities	**947,3**	894,4
Other current liabilities	**1 000,4**	840,6
Total	**79 567,5**	69 210,0

- **Investment in PPE infrastructure**
  - Expansionary capital expenditure accounted for R1,6 billion which related to infrastructure capex (through upgrades to (or new) distribution centres including the fit out of plant and equipment). The groups' infrastructure capex is long-term in nature as distribution centres are generally used for 20 to 40 years (or beyond); they are custom built close to the customer; integrated with leading ESG trends (solar, water saving measures, LED lighting, state-of-the-art refrigeration etc.), and over time provide a strategic advantage to our businesses. Operational (replacement) capex of was in line with depreciation
- **Working capital management**
  - Net working capital of R5,0 billion (F2021: R2,8 billion)
  - WAR% of 3,4% (F2021: 2,5%) better than F2019 comparatives of 4,8%. Normal monthly WAR% operating levels through the year are between 4% and 5%
  - Average working capital days of 6,8 days (F2021: 6,7 days). Great result despite significant pressure on supply chains and intentional stocking up leading into the yearend. Bidcorp absorbed working capital of R0,2 billion in the second half which, in the context of rapid fourth quarter growth, compares favourably with a first half absorption of R1,8 billion
  - Receivables provisioning levels (ECL %) reduced from 9,8% to 5,8% due to increased activity levels and better collections (90% of debtors aged < 30 days (F2021: 86%). ECL % remains elevated compared to 2019 (pre-COVID ECL) as we operate in times of economic uncertainty (Russia-Ukraine war and rampant global inflation) and possible changes to the macro-economic environment (i.e., Greater China government-imposed restrictions and possible recessions)
- **Liquidity management**
  - Short-term debt (R3,1 billion) < Cash (R7,1 billion), all debt de facto long term. Net borrowings of R1,7 billion, all non-South African
  - Headroom liquidity available of R19,3 billion (including undrawn facilities, and cash and cash equivalents)
  - Group debt termed out to differing maturity dates of three, five, and seven years at an average fixed interest rate of 1,74%. Reduced liquidity and interest rate risks
  - Weighted average interest rate on foreign borrowings = 3,1%
- **Long-term puttable NCI liability**
  - DAC Italy 40% put option negotiated in January 2021. Key terms include a seven-year lock-in period and present value of the put option liability of €230 million
- **Solvency**
  - Debt to equity ratio 5% (F2021: 2%) ; Net debt to annualised EBITDA 0,2x (F2021: 0,1x) ; EBITDA interest cover 25,7x (F2021: 19,3x); and net debt in hard currencies = £87 million
- **IFRS 16**
  - Net debt including IFRS 16 = R7,8 billion
  - Leasehold properties comprise 91% of the lease liability. Average property lease term of 9 years. For all properties utilised by the group, owned freehold property = 72%
- **Returns**
  - Return on average funds employed for operations (excluding freehold properties) increased to 62,8% from 42,3% (F2021), higher than F2019 and F2018 comparatives of 49,4% and 54,9% respectively

Notes

CONSOLIDATED STATEMENT OF CASH FLOWS



Operating activities

- Record cash generated by operations (before WC) of R9,9 billion (F2021: R7,0 billion), which is ↑ R2,9 billion or 41%, and higher than both F2020 (R7,2 billion) and F2019 (R8,0 billion)
- 131% of trading profit and 115% of EBITDA (non-IFRS 16) was turned into cash
- Non-cash items: Loss on disposal of Carnicas Saenz (Spain) and Hamburg (Germany) (R232 million); SBP expenses (R161 million); impairments to PPE (R99 million), intangibles (R37 million), and goodwill (R26 million) offset by profits on disposal of PPE (R72 million) and cancelled / terminated RoU lease arrangements (R40 million)
- Dividends of R2,4 billion were paid during the year (2021: R nil)

Investment activities

- Gross investments in property, plant and equipment of R2,9 billion (F2021: R1,8 billion) largely reflects new capacity necessary for organic growth. Significant contributors: Australia (R718 million); UK (R504 million) ; Czech Republic (R412 million)
- Proceeds on disposal of PPE of R594 million, includes R385 million for Zegro property acquired through acquisition which was sold and leased back for a two-year period to a third-party investor
- 10x bolt-on acquisitions were concluded during the year, and total cash paid was R818 million (F2021: R87 million)

Financing activities

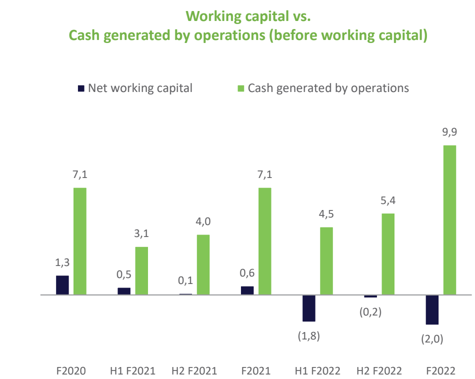
- Net increase in overall gross borrowings of R208 million
- 500 000 Bidcorp shares were repurchased at an average price of R276 per share
- Payments for contracted lease arrangements were R862 million (F2021: R820 million)

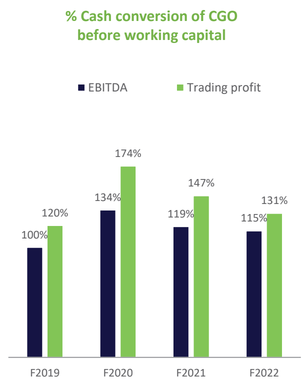
Free cash flow for the year at R1,5 billion was behind F2021 (R4,7 billion), but acceptable in relation to the necessary reinvestments undertaken. F2021 free cash flows benefitted from the one-off sale and leaseback property transactions

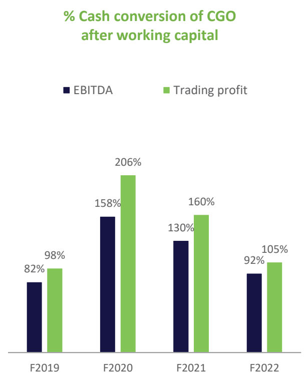
Bidcorp **Audited Financial Results** for the year ended June 30 **2022** 35

Notes

CASH GENERATED BY OPERATIONS, NET WORKING CAPITAL, AND CASH CONVERSION







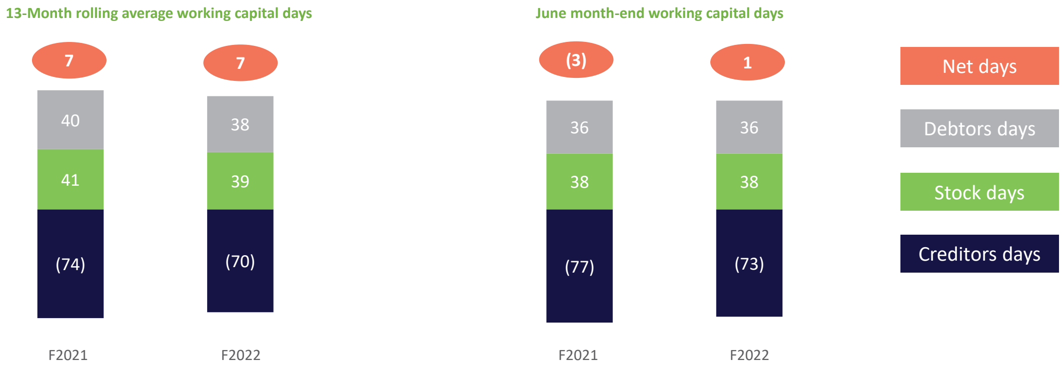
- Steady and strong cash generation by operations (before WC) for F2022 an increase of 22% from H2 F2022 to H2 F2022
- Over 3-years (F2020 to F2022) net working capital has remained relatively the same, despite ZAR activity levels having increased by 14% since F2019
- H2 F2022 working capital absorption of R0,2 billion in the context of rapid fourth quarter growth, compares favourably with a first half absorption of R1,8 billion

- Strong cash conversion continued into F2022. Four-years of cash generation (before WC) of 100% above EBITDA
- F2020 & F2021 cash conversion after working capital affected by COVID and drop in activity levels
- As guided F2022 was expected to have working capital absorption as markets reopen from government-imposed restrictions and intentional stocking up to counter supply chain disruptions. Strong cash flow generation after working capital as 105% of the F2022 trading profit results was converted into cash and was comparably stronger against F2019

EBITDA is adjusted for IFRS 16 and is comparable year-on-year

Notes

NET WORKING CAPITAL DAYS

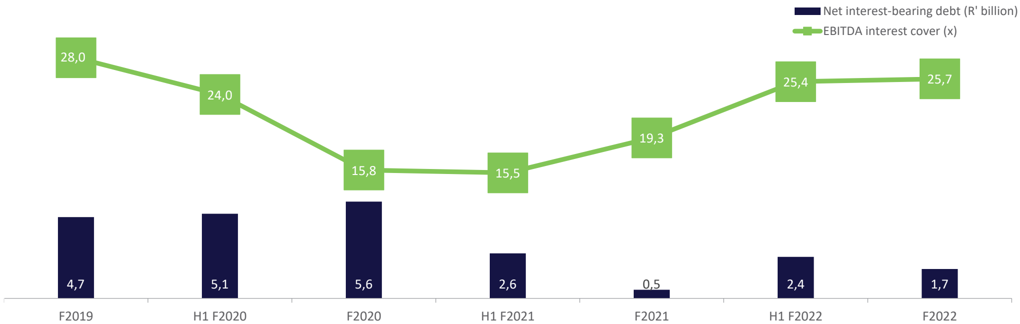


- 13-month rolling average working capital days remained constant at 7 days
- June month-end working capital was higher than F2021 but mainly due to the size of the intentional early payments to creditors to secure product supply and take advantage of discounts
- Working capital was well managed considering food supply shortages and intentional stocking up leading into the busy Northern Hemisphere summer

Notes

GEARING

Current EBITDA : net debt covenant – Net debt to be lower than R21,6 billion



- Conservative approach to gearing with EBITDA interest cover at 25,7x (F2021: 19,3x) exceeds group covenant of 5x
- Net debt to annualised EBITDA of 0,2x (F2021: 0,1x); well below group covenant of 2,5x
- Ample headroom to fund organic or acquisitive expansion. However, we remain conscious of the need to balance gearing and shareholder returns

Notes

HYPERINFLATION ACCOUNTING - TURKEY

The International Monetary Fund World Economic Outlook Report determined that subsidiaries of the group with the functional currency of the Turkish lira should apply Financial Reporting in Hyperinflationary Economies (IAS 29) for reporting dates ended June 30 2022. Accordingly, the statement of profit or loss, statement of cash flows and statement of financial position for our Turkish subsidiaries have been expressed in terms of the Turkish lira at the reporting date (June 30 2022).

Hyperinflationary accounting requires transactions and balances of each reporting period to be presented in terms of the measuring unit (Turkish lira (TRY)) at the end of the reporting period in order to account for the effect of loss of purchasing power during the year. The group has used the Turkish consumer price index (as determined by TURKSTAT) as the general price index to restate amounts as it provides an official observable indication of the change in the price of goods and services for our Turkish subsidiaries.

The carrying amounts of non-monetary assets and liabilities carried at historic cost have been stated to reflect the change in the general price index from the date of acquisition to the end of the reporting period. No adjustments have been made for those non-monetary assets and liabilities measured at fair value.

All items recognised in the statement of profit or loss and other comprehensive income are restated by applying the change in the average monthly general price index when the items of income and expenses were initially earned or incurred.

This has resulted in the group recording in the statement of profit and loss a net monetary gain of R81,9 million for the year ended June 30 2022.

While the application of IAS 29 is meant to improve comparability of the group's results, the use of inflation and exchange rates differ from those experienced by the Turkish operations and reflected in the underlying transactions has, to some extent, distorted the comparability of the group's results.

Hyperinflation increase (decrease) to the statement of profit or loss

R' million	F2022
Revenue	**630,6**
Trading profit	**28,0**
Headline earnings	**81,9**
Headline earnings per share (cents)	**24,5**

The group's comparative statement of profit or loss has not been restated for changes in the price level as the presentation currency of the group, being the South African rand, is a non-hyperinflationary economy

Hyperinflation increase (decrease) to the statement of financial position

R' million	F2022
Non-current assets	**100,1**
Current assets	**8,3**
Capital and reserves	**108,4**
Non-current & current liabilities	**-**

Hyperinflation increase (decrease) to the statement of cash flows

The statement of cash flows is prepared to reflect cash flows during the year measured at the current purchasing power at the end of the reporting period and as such is not reflecting actual cash flows paid during the year ended June 30 2022. While the statement of cash flows is adjusted to reflect current purchasing power, the cash and cash equivalents balance can only ever represent the actual cash flow (i.e. not indexed) at the point in time when the transactions occurred.

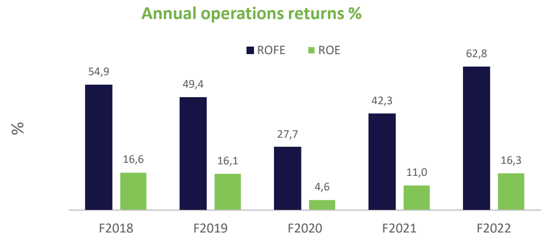
Notes

SUPPLEMENTARY INFORMATION

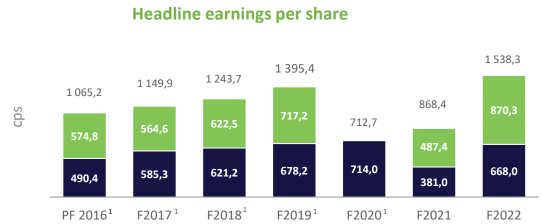
Bidcorp historical results

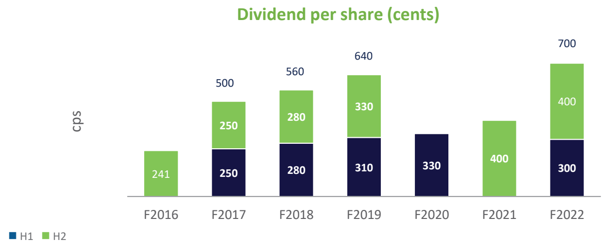
Notes

BIDCORP HISTORIC PERFORMANCE



ROFE excludes freehold property

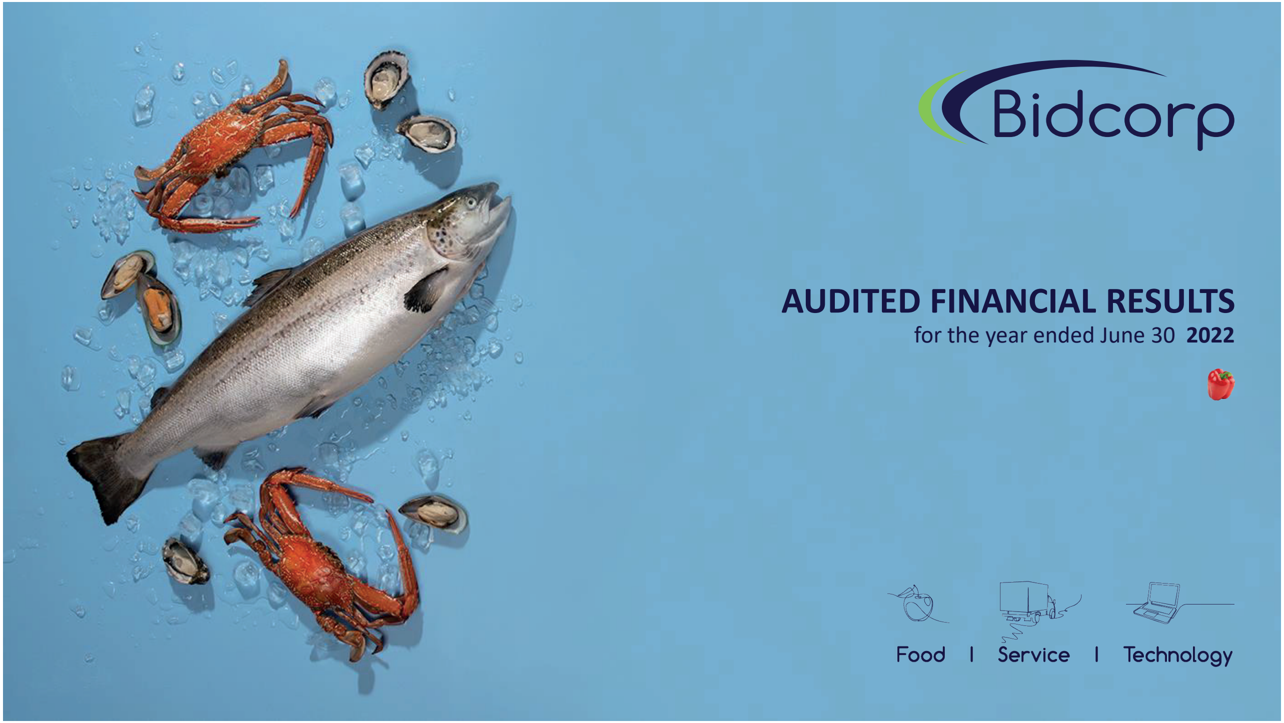




PF = Pro forma (Continuing and Discontinued)

[1] *Restated balances due to the Miumi fraud*

Notes


Bidcorp
AUDITED FINANCIAL RESULTS
for the year ended June 30 2022
Food | Service | Technology

Notes