Audited results
for the year ended June 30 2023

Food | Service | Technology

Bidcorp's entrepreneurial and decentralised business model, the depth and experience of our management teams, and the strength of the group's culture, positions the group for sustained growth.

IT'S ALL ABOUT THE **FOOD, SERVICE,** AND **TECHNOLOGY**

FINANCIAL HIGHLIGHTS

Revenue

R196,3bn

(F2022: R147,1bn)

↑ 33,4%

Constant currency ↑ 23,5%

Cash generated by operations (after working capital)

R13,2bn

(F2022: R8,0bn)

↑ 66,0%

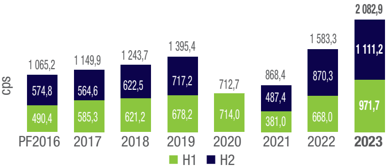
Total distribution per share

940,0 cents

(F2022: 700,0 cents)

↑ 240,0 cents ↑ 34,3%

Headline earnings per share



↑ 35,4%

Constant currency ↑ 25,3%

SEGMENTAL RESULTS (in constant currency)

United Kingdom

Revenue	Trading profit
R48,6bn	R1,8bn
↑ 28,5%	↑ 18,4%

Europe

Revenue	Trading profit
R63,6bn	R3,3bn
↑ 27,0%	↑ 39,6%

Emerging Markets

Revenue	Trading profit
R28,2bn	R1,5bn
↑ 10,9%*	↑ 3,4%*

Australasia

Revenue	Trading profit
R41,3bn	R3,3bn
↑ 23,7%	↑ 41,3%

** Excluding hyperinflation impact.*

Summary consolidated statement of profit or loss

for the year ended June 30

R'000	2023 Audited	2022 Audited	% change
Revenue	**196 341 239**	147 138 311	33,4
Cost of revenue	**(149 537 909)**	(111 495 826)	(34,1)
Gross profit	**46 803 330**	35 642 485	31,3
Operating expenses	**(36 294 726)**	(28 051 710)	(29,4)
Trading profit	**10 508 604**	7 590 775	38,4
Share-based payment expense	**(226 717)**	(161 258)	
Acquisition costs	**(45 806)**	(16 320)	
Capital items	**(77 724)**	(333 150)	
Operating profit	**10 158 357**	7 080 047	43,5
Net finance charges	**(909 802)**	(689 754)	31,9
Finance income	**162 974**	58 244	
Finance charges	**(1 072 776)**	(747 998)	
Share of profit from associates and jointly controlled entities	**89 242**	39 718	
Monetary gain arising from hyperinflation in Türkiye	**7 426**	69 215	
Profit before taxation	**9 345 223**	6 499 226	43,8
Taxation	**(2 393 482)**	(1 584 987)	(51,0)
Profit for the year	**6 951 741**	4 914 239	41,5
Attributable to:			
Shareholders of the company	**6 886 260**	4 824 720	
Non-controlling interest	**65 481**	89 519	
	6 951 741	4 914 239	41,5
Shares in issue			
Total ('000)	**335 404**	335 404	
Weighted ('000)	**333 999**	334 062	
Diluted weighted ('000)	**334 969**	334 970	
Basic earnings per share (cents)	**2 061,8**	1 444,3	42,8
Diluted basic earnings per share (cents)	**2 055,8**	1 440,3	42,7
Headline earnings per share (cents)	**2 082,9**	1 538,3	35,4
Diluted headline earnings per share (cents)	**2 076,9**	1 534,1	35,4
Distributions per share (cents)	**940,0**	700,0	34,3

Summary consolidated statement of other comprehensive income

for the year ended June 30

R'000	2023 Audited	2022 Audited
Profit for the year	**6 951 741**	4 914 239
Other comprehensive income	**5 160 686**	903 551
Items that may be reclassified subsequently to profit or loss	**5 161 178**	910 468
Foreign currency translation reserve		
Movement in foreign currency translation reserve including hyperinflation effects	**5 162 376**	909 270
Movement in fair value of cash flow hedges	**(1 198)**	1 198
Fair value (loss) gain	**(1 577)**	1 577
Deferred taxation relief (charge)	**379**	(379)
Items that will not be reclassified subsequently to profit or loss		
Defined benefit obligations	**(492)**	(6 917)
Gain (loss) on remeasurement of defined benefit obligations	**1 349**	(6 555)
Deferred taxation charge	**(1 841)**	(362)
Total comprehensive income for the year	**12 112 427**	5 817 790
Attributable to:		
Shareholders of the company	**11 991 358**	5 782 651
Non-controlling interest	**121 069**	35 139
	12 112 427	5 817 790

Headline earnings

for the year ended June 30

The following adjustments to profit attributable to shareholders were taken into account in the calculation of headline earnings:

R'000	2023 Audited	2022 Audited
Profit attributable to shareholders of the company	**6 886 260**	4 824 720
Impairments	**79 824**	141 475
Property, plant and equipment	**21 892**	99 094
Intangible assets	**8 258**	37 448
Goodwill	**56 023**	25 601
Associates	**1 010**	–
Taxation relief	**(7 359)**	(20 668)
Capital profit on disposal of property, plant and equipment	**(5 770)**	(56 218)
Property, plant and equipment	**(6 057)**	(56 513)
Taxation charge	**287**	295
Insurance proceeds in relation to an impairment of property, plant and equipment	**–**	(3 378)
Insurance proceeds	**–**	(4 692)
Taxation charge	**–**	1 314
Profit on disposal of interests in associate	**(3 402)**	–
Loss on disposal of interests in subsidiaries	**–**	232 212
Headline earnings	**6 956 912**	5 138 811

Summary consolidated statement of cash flows

for the year ended June 30

R'000	2023 Audited	2022 Audited Re-presented[1]
Cash flows from operating activities	**7 665 873**	3 483 490
Operating profit	**10 158 357**	7 080 047
Dividends received from jointly controlled entity and associates	**27 786**	20 051
Acquisition costs	**45 806**	16 320
Depreciation and amortisation	**1 713 907**	1 460 901
Depreciation on right-of-use lease assets	**1 025 470**	844 545
Nowaco share incentive scheme	**–**	(16 430)
Non-cash items	**694 400**	534 777
Cash generated by operations before changes in working capital	**13 665 726**	9 940 211
Changes in working capital	**(453 756)**	(1 983 500)
Cash generated by operations	**13 211 970**	7 956 711
Finance income received	**154 398**	53 479
Finance charges paid	**(870 503)**	(653 099)
Taxation paid	**(2 012 597)**	(1 525 772)
Dividends paid	**(2 817 395)**	(2 347 829)
Cash flows from investment activities[1]	**(5 774 795)**	(3 379 734)
Additions to property, plant and equipment	**(4 284 573)**	(2 930 155)
Additions to intangible assets	**(154 786)**	(152 597)
Proceeds on disposal of property, plant and equipment	**128 319**	593 842
Proceeds on disposal of intangible assets	**1 218**	–
Acquisition of businesses and subsidiaries	**(1 340 143)**	(818 114)
Proceeds on disposal of interests in subsidiaries	**–**	3 440
Receipts from (payments to) associates	**6 160**	(17 670)
Investments acquired	**(39 385)**	(66 142)
Proceeds on disposal of investments	**37 771**	30 835
Payments made to vendors for acquisition[2]	**(129 376)**	(23 173)
Cash flows from financing activities[1]	**1 735 055**	(869 350)
Borrowings raised	**10 722 066**	7 943 760
Borrowings repaid	**(7 627 594)**	(7 736 449)
Right-of-use lease liability payments (including lease incentives)	**(1 126 037)**	(862 451)
Payments made to puttable non-controlling interests[1]	**(143 783)**	(49 476)
Payments to non-controlling interests	**(26 587)**	(26 559)
Treasury shares purchased	**(63 010)**	(138 175)
Movement in cash and cash equivalents	**3 626 133**	(765 594)
Cash and cash equivalents at the beginning of the year	**7 398 250**	8 120 639
Effects of exchange rate fluctuations on cash and cash equivalents	**1 187 723**	255 095
Hyperinflation effect on cash and cash equivalents	**12 527**	(211 890)
Cash and cash equivalents (including bank overdrafts) at end of the year	**12 224 633**	7 398 250
Cash and cash equivalents comprise:		
Cash and cash equivalents	**12 397 292**	7 398 250
Bank overdrafts included in short-term portion of borrowings	**(172 659)**	–
	12 224 633	7 398 250

[1] *Refer to statement of cash flow re-presentation note.*

[2] *Payments made to vendors for acquisition were in line with their acquisition date fair values.*

Summary consolidated statement of financial position

as at June 30

R'000	2023 Audited	2022 Audited
ASSETS		
Non-current assets	**52 857 592**	40 493 131
Property, plant and equipment	**23 347 364**	17 298 876
Intangible assets	**948 194**	694 435
Right-of-use lease assets	**5 797 500**	4 501 704
Goodwill	**20 234 696**	15 755 681
Deferred taxation assets	**1 551 652**	1 394 294
Interest in associates	**254 799**	178 703
Investments and loans	**150 685**	130 353
Investment in jointly controlled entities	**542 049**	516 916
Defined benefit pension assets	**30 653**	22 169
Current assets	**53 782 660**	39 074 357
Inventories	**17 866 396**	13 757 645
Trade and other receivables	**23 518 972**	17 918 462
Cash and cash equivalents	**12 397 292**	7 398 250
Total assets	**106 640 252**	79 567 488
EQUITY AND LIABILITIES		
Capital and reserves	**40 194 621**	31 103 472
Attributable to shareholders of the company	**39 810 578**	30 843 156
Non-controlling interest	**384 043**	260 316
Non-current liabilities	**24 773 239**	16 726 268
Deferred taxation liabilities	**1 150 000**	758 336
Long-term borrowings	**10 974 753**	5 978 502
Long-term right-of-use lease liabilities	**6 316 001**	5 129 946
Post-retirement obligations	**50 624**	32 543
Long-term vendors for acquisition	**88 994**	115 477
Long-term puttable non-controlling interest liabilities	**5 408 028**	4 006 503
Long-term provisions	**784 839**	704 961
Current liabilities	**41 672 392**	31 737 748
Trade and other payables	**35 496 521**	26 653 020
Short-term provisions	**376 265**	287 719
Short-term vendors for acquisition	**217 899**	49 128
Short-term puttable non-controlling interest liabilities	**337 112**	266 658
Taxation	**548 319**	396 843
Short-term right-of-use lease liabilities	**1 194 672**	947 331
Short-term borrowings	**3 501 604**	3 137 049
Total equity and liabilities	**106 640 252**	79 567 488
Net tangible asset value per share (cents)	**5 554**	4 291
Net asset value per share (cents)	**11 869**	9 196

Summary consolidated statement of changes in equity

for the year ended June 30

R'000	2023 Audited	2022 Audited
Equity attributable to shareholders of the company	**39 810 578**	30 843 156
Stated capital	**5 428 016**	5 428 016
Treasury shares	**(134 001)**	(284 653)
Balance at beginning of the year	**(284 653)**	(272 679)
Shares disposed of in terms of share incentive plans	**213 662**	126 201
Shares purchased during the year	**(63 010)**	(138 175)
Foreign currency translation reserve	**12 900 124**	7 793 336
Balance at beginning of the year	**7 793 336**	7 206 888
Opening reserve adjustment for hyperinflation effects	**–**	(320 329)
Arising during the year including hyperinflation effects	**5 106 788**	906 762
Realisation of reserve on foreign subsidiaries	**–**	15
Hedging reserve	**–**	1 198
Balance at beginning of the year	**1 198**	–
Fair value gain arising during the year	**(1 577)**	1 577
Deferred taxation recognised directly in reserve	**379**	(379)
Equity-settled share-based payment reserve	**971 889**	615 554
Balance at beginning of year	**615 554**	346 364
Arising during the year	**208 157**	165 560
Deferred tax recognised directly in reserve	**56 337**	3 697
Utilisation during the year	**(213 662)**	(126 201)
Transfer from retained earnings	**305 503**	226 134
Movement in retained earnings	**20 644 550**	17 289 705
Balance at beginning of the year	**17 289 705**	15 146 713
Attributable profit	**6 886 260**	4 824 720
Remeasurement of defined benefit obligations during the year	**(492)**	(6 917)
Recognition of puttable non-controlling interest liabilities	**(74 082)**	(86 138)
Remeasurement of puttable non-controlling interest	**(304 244)**	(2 038)
Dividends paid	**(2 817 395)**	(2 347 829)
Change in shareholding with non-controlling interests	**(29 699)**	(12 657)
Transfer from foreign currency translation reserve	**–**	(15)
Transfer to equity-settled share-based payment reserve	**(305 503)**	(226 134)
Equity attributable to non-controlling interests of the company	**384 043**	260 316
Balance at beginning of the year	**260 316**	232 872
Other comprehensive income	**121 069**	35 139
Attributable profit	**65 481**	89 519
Opening reserve adjustment for hyperinflation effects	**–**	(56 888)
Movement in foreign currency translation reserve	**55 588**	2 508
Dividends paid	**(23 721)**	(28 239)
Changes in shareholding	**251 360**	214 654
Transfer to puttable non-controlling interest liability	**(224 981)**	(194 110)
Total equity	**40 194 621**	31 103 472

Summary consolidated segmental analysis

for the year ended June 30

R'000	2023 Audited	2022 Audited	% change
REVENUE			
Bidfood			
Australasia	**44 336 732**	33 343 369	33,0
United Kingdom	**51 378 872**	37 818 927	35,9
Europe	**69 548 732**	50 077 127	38,9
Emerging Markets	**31 076 903**	25 898 888	20,0
	196 341 239	147 138 311	33,4
TRADING PROFIT			
Bidfood	**10 689 990**	7 687 487	39,1
Australasia	**3 541 197**	2 330 923	51,9
United Kingdom	**1 918 805**	1 533 213	25,1
Europe	**3 659 132**	2 382 215	53,6
Emerging Markets	**1 570 856**	1 441 136	9,0
Corporate	**(181 386)**	(96 712)	
	10 508 604	7 590 775	38,4

Comment

Bidcorp has delivered a record performance for the financial year to June 2023, in an environment where management teams were able to maximise the trading opportunities created by resurgent demand across the broader foodservice market and higher inflation. Our strategic focus implemented by our experienced global teams within our entrepreneurial and decentralised operating model, contributed to a very successful result.

The financial performance of the group has been excellent. Headline earnings per share (HEPS) increased by 35,4% to 2 082,9 cents per share (F2022: 1 538,3 cents per share), with basic earnings per share (EPS) increasing by 42,8% to 2 061,8 cents per share (F2022: 1 444,3 cents per share). Currency volatility, particularly in the second half of the reporting period, positively impacted the rand-translated HEPS by 10,1%.

Activity levels in every market showed real growth and market share gains however the rate of growth moderated in the second half as our businesses cycled through the buoyancy seen in the latter part of F2022. Overall demand in our hospitality markets remained strong, well surpassing the pre-pandemic trajectory. Australasia delivered a fantastic performance both in terms of revenue growth and margins achieved. Normal seasonality returned to Europe with all businesses delivering much improved performances. The UK benefitted from contract wins and new acquisitions, achieving good growth albeit at lower margins. Emerging Markets delivered real top line growth, but profitability was impacted by 'growing pains' in several businesses.

Our focus on the correct exposure to both the discretionary and non-discretionary market segments remains a priority for our businesses, the correct balance of which has contributed to the strong performance in all our markets. Stubbornly high food inflation has complicated trading but overall has been beneficial to the businesses. Higher cost inflation has been driven by labour, energy, and fuel cost increases, which only started to slow in the latter part of the financial year as labour availability, supply chain disruptions, and product shortages started to ease.

Investment activity, both in distribution capacity and bolt-on acquisitions, has accelerated in F2023 as our businesses cater for current and future growth.

Distribution

The board has declared a final cash dividend of 500,0 cents per share for the year ended June 30 2023 (final F2022: 400,0 cents per share), representing approximately 2,2 times HEPS cover, in line with group policy.

Financial overview

Net revenue of R196,3 billion (F2022: R147,1 billion) rose by 33,4% (constant currency increase of 23,5%), representing real double-digit growth despite the benefits of high food inflation.

Gross profit percentage at 23,8% (F2022: 24,2%) held up very well. Gains achieved from the current inflationary environment were offset to a small extent by strategic decisions to sacrifice margin to maintain volumes, some discounting of overstocked positions and some pressure from the exposure to national customers where there has been a timing lag in repricing contracts. Nearly all businesses have been able to substantially pass through product and cost inflation increases.

The overall cost-of-doing-business decreased from 19,1% in F2022 to 18,5%. The group achieved constant currency cost efficiencies with a 19,7% increase in operating costs against an increase in revenues of 23,5% despite rising employee costs, high energy and fuel prices, and ongoing inefficiencies from supply chain disruptions.

Group trading profit increased by 38,4% to R10,5 billion (F2022: R7,6 billion) and the trading margin achieved was 5,4% (F2022: 5,2%).

Net finance charges (excluding IFRS 16 charges) were significantly higher by 51,1% at R508,5 million (F2022: R336,6 million) driven by higher investments into working capital, facility expansions, dividend payments to shareholders, and a materially higher interest rate environment across in all markets.

Overall cashflow has been excellent. Cash generated by operations before working capital was strong at R13,7 billion, some 37% more than the R9,9 billion in F2022. Bidcorp absorbed working capital of R0,5 billion, R1,5 billion less than F2022 despite higher activity levels. Quarterly average net working capital days at 7,1 days (F2022: 5,0 days) has increased, however, our yearend working capital percentage to revenue at 3,0% sits well below our normalised target of 4,0% to 5,0%.

Gross capital investments in property, plant, and equipment of R4,3 billion (F2022: R2,9 billion) include R1,8 billion expansionary investments in new capacity, the largest portion of which has been in Australia. Nine bolt-on acquisitions were concluded at a cash cost of R1,3 billion, the majority of which extended our in-country geographic reach in the UK and Europe. Non-IFRS 16 net debt to EBITDA at 0,2 times, similar to F2022 and non-IFRS 16 EBITDA interest cover at 23,2 times (F2022: 25,2 times) is well within group covenants. Bidcorp retains adequate headroom for further organic and acquisitive growth.

Prospects

Bidcorp's overall strategic focus is on the wholesaling of food and allied products to the eating-out-of-home market; focusing on growth through selling to the correct mix of customers; serviced by well-located infrastructure; and enabled by world-class technology solutions. Growth is further supplemented by in-territory bolt-on acquisitions to expand geographic reach and product range, or via strategic acquisitions to enter new markets.

Although all our businesses operate in the same broad industry, we encourage diversity and individuality through decentralisation and entrepreneurship. Our greatest synergy is the collective knowledge of operating in multiple geographies, with each business at differing stages of maturity and development. We benchmark and compare, to demonstrate what works and what doesn't, and what success looks like. We actively encourage competitiveness amongst our businesses, but we equally encourage co-operation and sharing of ideas and learnings.

For our less mature businesses, focus is on building their scale, either through organic growth or bolt-on acquisitions, to expand their geographic reach. For our mature businesses, both local and imported product sourcing capabilities are bolstering our Own Brand offering which, combined with value-add manufacturing and processing opportunities, further enhance their product range.

Further investments into strategic distribution facilities to provide for future capacity are planned in many businesses to cater for anticipated organic growth. New technologies for renewable energy, refrigeration, energy efficiency, and logistics optimisation in an environmentally and cost-efficient way afford Bidcorp the opportunity to reduce its carbon footprint. We continue to invest to develop our technology and data capability to support our growth strategy.

Several bolt-on acquisitions are under consideration across the group, both in geographic expansion opportunities as well as value-add product development. At present, no new geographic-market acquisitions are being investigated, but we are alert to any opportunities should they become evident.

Bidcorp believes the long-term growth fundamentals of the global foodservice industry remain positive. However, in the short term, the global economic outlook is volatile but not necessarily negative. Global operating conditions are changing rapidly with high food inflation abating, and consumer spend under pressure as high interest rates compound the cost-of-living crises. The strong bounce in consumer behaviour experienced through F2023 has tapered off, which is, in our view, a return to normality. In every geography we operate in, we believe there remains more market share to be gained and we have the management teams and the business model to continue to outperform. Activity levels into July and August are within management's expectations and we remain positive that we can continue to deliver real growth into the financial year ahead.

Australasia

Australasia ended the year with record results continuing its strong positive trajectory set throughout F2023 with both Australia and New Zealand delivering excellent results. Demand to yearend has remained buoyant and both Australia and New Zealand are trading strongly. Revenue for the year increased 33,0% to R44,3 billion (F2022: R33,3 billion), bearing in mind that in October 2022 two material QSR contracts were exited in the period. Trading profit was up 51,9% to R3,5 billion (F2022: R2,3 billion), an excellent result with commendable expense management. Management focused on growth opportunities working closely with their customers to unlock mutually beneficial opportunities, through creating value in the manufacturing and procurement offering.

Australia has delivered an exceptional performance, delivering a best-in-class result. Food inflation did assist the full-year results, but significant volume growth and market share gains were recorded. Focused efforts to maintain margins and to navigate the labour market and supply chain challenges were a constant throughout the year, with some easing noted late in H2. Looking after our people has been key, with retention and incentivisation programmes paying off, keeping our team positive and delivering their best.

Foodservice performance evidenced the incredibly hard work and dedication from our branch teams, and the success of our strategy to focus on managing the right customer and product mix. Record low unemployment levels, especially in warehouse and distribution roles, were a challenge and labour costs, especially overtime costs in city centres, remain high. We opened new branches in Morwell (Victoria), Malaga (Perth WA), Armidale and Newcastle (NSW), as well as expanded existing sites in Toowoomba (QLD) and John Lewis (Adelaide). A new build commenced in Darwin (NT), reinforcing our confidence in our national growth prospects. Our ability to invest ahead of the curve has strengthened our market position.

Supply Solutions were faced with navigating a turbulent commodity price environment, impacted by fluctuating cooking oil prices. Recent investments include additional storage of a new dry warehouse in Adelaide and two frozen and chilled facilities, in Girraween and Yatala.

Our manufacturing business, Simply Food Solutions, is a key part of the future growth strategy. The success of our cheese processing activities has required additional capacity in a new cheese processing plant in Brisbane. Meat and Repacking have both navigated some operational challenges but are getting the necessary management attention.

We are sustainably focused, continuing to drive emissions reductions and positively influencing the communities in which we operate. The future looks positive with a great foundation for continued growth and success.

New Zealand surpassed all previous period results with the best-on-record results achieved. Resurgent tourism, inflation, and most significantly excellent margin management ensured the impact of rising costs were contained. Towards the latter part of the year, an easing in the inflation rates and overall activity levels was noted. Our teams are well experienced in being flexible and nimble to adjust strategically ahead of the curve.

Management focus was on ensuring a variable service model that was able to adjust to the changing needs and cost appetites our customers were experiencing with the ever-fluctuating hospitality sector operating environment. Expense containment well below sales growth levels was evidence of the success of this approach, considering the exit of our single biggest customer in October 2022.

Foodservice had an outstanding year with sales volumes and margins higher than previously recorded, despite the disruption experienced in H2 due to adverse weather conditions. In spite of ongoing weather challenges causing supply chain disruptions, the Fresh business was able to deliver a superb result. Focus on margin protection and consistency of supply has set our operations apart. We remain underrepresented in many areas of the country and are positioning the team for good growth.

Simply Food Solutions bedded down through the year and navigated startup challenges to deliver a positive result, positioned well for growth. Navigating ongoing supply chain challenges and a restrained labour market has been a key focus area, with the team delivering a commendable outcome.

Capital investments are planned for at least three new sites in Taupo, Waipapa, and Wellington, to meet current growth needs. Plans are underway for additional capacity in Rotorua, Whangarei, and Christchurch. The capital goods supply chain is still struggling to return to normalcy.

Focus for the year ahead is to bed down the gains of the past year, both in terms of customer retention and cost management. Opportunities abound as we tighten our customer engagement, broaden the product offering into alcohol, strengthen the imports product range, and continue to support and incentivise our phenomenal team.

United Kingdom (UK)

A turbulent H1 both politically and economically in the UK resulted in little growth being recorded in the food and beverage sector, which bore the brunt of inflation, labour challenges, cost-of-living pressures, and materially higher interest rates. Despite these challenges, Bidfood UK grew revenue 35,9% to R51,4 billion (F2022: R37,8 billion) and trading profit up 25,1% to R1,9 billion (F2022: R1,5 billion). Gross profit margins declined a little as the exposure to national account customers, with rigid pricing windows, made it difficult to pass on price increases timeously in the environment of high and rapidly increasing inflation. In addition, in a strategy to grow their free trade customers, some margin was traded away to support this channel.

Wholesale delivered a good result, despite adverse weather conditions and ongoing national rail strikes dampening activity levels. Volume growth in excess of 10% was achieved, most importantly in both free trade and national account sectors. Bedding down of new sales contract wins positively impacted H2 results. Significant focus on managing overheads remains the key challenge with relatively fixed wage costs, and high energy and fuel costs. Trading margins are in line with prior year but well below the long-term trends, with opportunity for improvement in the medium term.

Caterfood Buying Group (CBG) recorded improved profits, benefiting from the acquisition of three bolt-ons (Nicol Hughes (Q1), Harvest Fine Foods (Q3), and Thomas Ridley (Q3)). Manufacturing is profitable, however, Simply Foods Solutions struggled operationally.

Fresh delivered solid profit and growth was achieved. Passing on supplier price increases and maintaining margins offset higher but well-controlled costs. Trading profits doubled in sterling.

Digitisation strategies and consolidating the IT infrastructure will continue, with a strong focus on aligning the new acquisitions to group standards. Plans are underway for six new-builds, strengthening our national footprint and capacity.

The new “People and Sustainability Vision, Mission and Purpose” has driven a wide range of projects and engagements to improve our stakeholder experience. Work continues in developing our wider sustainability impact, focussing efforts on where we can make a material difference. Progress is being made in the measurement and extent of scope 3 carbon emissions, working closely with key suppliers, on the journey towards setting net-zero targets.

Europe

Our European sales have held up well with all businesses having traded above expectation, bolstered by good summer weather and benefiting from inflation. Revenue growth was outstanding, up 38,9% to R69,5 billion (F2022: R50,1 billion). Trading profit results were as impressive with an increase of 53,6% to R3,7 billion (F2022: R2,4 billion). The businesses navigated high energy costs volatility through localised hedging strategies. Supply chain disruptions continued through the period, which led to higher prices across most expenditure categories, particularly capital equipment.

Netherlands delivered an exceptional performance with revenues exceeding the €1 billion mark for the first time – an excellent achievement. Revenue growth exceeded 20% as the free trade segment continued to exceed expectations. Gross margin was strong and operating expenses were impacted by one-off costs related to the integration of the Zegro acquisition. Trading profits reached record levels. National accounts performed at expectation, with focus on growing the basket and customer cost management. Independent and free trade market is growing and exceeding expectations.

Capital investments included a new depot, Zierikzee, the purchase of a building in Meppel, and a new property development in the Hague. Occupancy is planned in April 2024. Reducing carbon emissions by using electric vehicles, as well as replacement of lighting and refrigeration to low emission alternatives remains a priority.

Belgium's revenue growth, over 20%, exceeded expectations. Pleasingly, trading profit followed suit, achieving their best results on record. Managing the inflationary pressures well had minimal impact to gross margins. Cost management was impacted by rising labour costs, but an easing in energy costs assisted. The Delitraiteur contract was terminated from June 2023 and all exit costs accounted for. The horeca businesses improved profitability in a highly competitive environment. Belgium saw strong growth in the QSR segment as consumers' buying power remains low. An acquisition opportunity is being explored.

Czech Republic and Slovakia had a great Q4 with the early summer weather boosting ice cream sales, and manufacturing running at full capacity to yearend. Excellent trading profits were recorded. Revenue into all customer sectors increased on prior year, benefiting from high inflation. Slovakia and Hungary had a more challenging year. Volatility in the price of certain commodities, mainly cooking oil, due to shortages of supply being quickly replaced by surpluses, negatively impacted market prices.

Capital investments have focused on solar panel installations, easing increased energy costs, and improved fire protection systems. New vehicles, previously delayed by supply chain challenges, have been delivered and commissioned. A small bolt-on acquisition in the produce category was completed at yearend.

Italy delivered record revenues, buoyed by tourism activity which bolstered the street trade and national account segments. Out-of-home eating was up nearly 10%. Trading profits were up, as the whole business focused on recovering operating profitability. Wholesale segment was impacted by low product availability in frozen seafood, but this pressure eased into the summer months.

Purchasing ahead of the inflation curve resulted in higher inventory levels. Capital investments were made in buildings, equipment, and machinery, most notably into solar panels and low emission vehicles, as well as expanding the current capacity for Quartiglia in Teramo.

Poland continued their H1 trajectory achieving excellent revenue, margin, and trading profit results. Increased activity in the free trade sales, focussing on the right mix of customer and product, was the key driver of the great performance. Inflationary cost pressures were present throughout the year, but real growth was recorded with much higher volumes delivered.

Expenses were impacted by inflation, and unprecedented labour cost increases. Stability of the economic environment is being impacted by the ongoing tension from the Russian invasion of Ukraine but opportunities continue to present themselves in support of the relief efforts present along the border. Investment into digitising the customer engagement continues with ecommerce sales now 58% of total revenue. The Nowy Targ depot (opened December 2022) has increased capacity to meet growth targets, and good progress has been made on the two new sites in Wrocław and Poznań.

Germany delivered trading profits for the first time since joining the group. Volume growth and significant food inflation positively impacted the full-year revenue. Margins also improved slightly. Increased labour costs in response to the macro-inflationary environment was the biggest impact in expense management. Increased investment into maintaining and growing the vehicle fleet is required to support the forecast growth. Improvements in the IT environment have been noted, following an investment of time and capex.

Baltics pleasingly grew revenue in both Lithuania and Latvia, as well as the new acquisition in Estonia. The Fruit Xpress acquisition (with effect from December 2022) has established our presence as a fresh and multi-temp food wholesaler in the Estonian foodservice sector. Lithuanian and Latvian margins came under pressure due to fresh produce price increases trading into the retail sector, however, Estonia maintained good margins. Energy and fuel costs eased back to prior year levels, assisting with cost management.

Spain's hospitality sector has exceeded pre-pandemic levels, with the hotel and tourism industry delivering excellent growth. All trading branches were profitable. Guzman had a tough year, but improved profitability. Igartza is showing signs of real improvement, although still not quite at its previous levels. Customer retention remains a priority. The acquisition of a bread and pastry business, Euskopan (with effect from December 2022), has contributed positively. Investment into a new facility for Igartza will help support long-term growth, and into land for a new depot in San Sebastian to increase capacity. Cross-selling opportunities between operations have shown positive results and will continue.

Portugal performed well even though consumer cost-of-living pressures slowed growth in the second half. Expenses were impacted by staff incentivisation. The new Sintra depot in Lisbon has been delayed by legalities but should be on track for occupation by end F2024. The Porto warehouse expansion has commenced. Bolt-on acquisition opportunities have been identified to grow the product and service offering.

Emerging Markets

Emerging Markets delivered a solid overall performance despite economic challenges in several markets, compounded by supply chain challenges and volatile exchange rates. Revenue was up 20,0% to R31,1 billion (F2022: R25,9 billion) and trading profit up 9,0% to R1,6 billion (F2022: R1,4 billion). The devastating earthquake in Türkiye, low economic growth exacerbated by electricity blackouts in South Africa, and Greater China's sluggish post-COVID activity, impacted our businesses. Other than in Greater China, discretionary spend has normalised and in some cases improved, now approaching normalised trading levels.

Bidcorp Food Africa (BFA including Bidfood and CFG) achieved excellent results for the financial year, due to the outstanding performance of our foodservice business. Inflation and interest rates remain at elevated levels, increasing the pressure on consumers' disposable income. This is particularly prevalent in lower LSM segments serviced indirectly by CFG. The pent-up demand for dining out expenditure continues, and the hotel occupancies have returned to pre-pandemic levels. All businesses have faced double digit price increases in fuel and utilities over the financial year. Ongoing power blackouts increased into the second half, causing many customers to close or downscale production, resulting in a loss of revenue in an environment facing high unemployment, inequality, and low growth.

Bidfood South Africa (Bidfood) delivered a solid performance. Revenue grew well above inflation with focus on growing the street trade and national account channels, despite the economic pressure on consumers and the impact of power blackouts on customers. National accounts sales continue to grow strongly in the quarter, particularly the hotels and hospitals. Workplace catering remains subdued. Industrial caterers' channel was up but losing market share on ambient lines. Food inflation impacted all products, especially in commodities like frozen chips. Bidfood's expenses were well managed given the revenue growth. Investment into vehicles, material handling equipment, and IT infrastructure improvements were made in the year.

Crown Food Group (CFG) struggled, impacted by high inflation, lower factory volumes, and weak economic growth which has had a devasting impact on the LSM groups that is serviced by its customers. Continual power blackouts have materially impacted our customers such as independent butcheries and the meat and chicken processing sectors. CFG was also impacted by a downturn in retail demand, lower manufacturing recoveries, and necessary action taken to liquidate overstocked inventories. Pricing disciplines and controls have been strengthened. Expenses were impacted by higher distribution and premises costs, resulting in lower trading profit. Tough conditions are expected to continue but the foundations have been laid for a better F2024.

Chipkins Puratos (CP) (50% equity accounted) volumes were under pressure across most categories with power blackouts impacting smaller customers. CP did well to pass on the price inflation across all channels. Gross margins were positively impacted by growth in the production facilities and yeast, while the trading margins were under pressure. Expenses increased due to warehouse and distribution costs. CP will seek to grow its position in manufactured products.

Bidfood Properties finalised the new Gqeberha development for Bidfood and CFG. Construction for the new Johannesburg South Bidfood multi-temp facility to replace the existing Heriotdale site has started. Development of a new Bidfood and CFG facility in Pretoria is underway, with occupation due in late 2024.

Greater China's (including **Hong Kong)** rebound at the start of the 2023 calendar year faded due to consumer weakness and the net outflow of tourism in Hong Kong. Deflation resulted in imported dairy products becoming uncompetitive after repeated price hikes, leading to a loss in market share in mainland China. Improved gross margins in Hong Kong and the pickup of tourism to Macau offset the impact in Greater China. Government stimulus will benefit consumer confidence and the return of international tourism to the region will assist performance going forward.

Singapore performed well, increasing both revenue and trading profits despite sluggish economic activity, high inflation, and a tight labour market. In Angliss, overall performance was good. Margins were under pressure in poultry but offset by improved margins in the beef and seafood categories. Operating expenses increased due to higher labour and energy costs. Bidfood Innovations contributed well with an investment into larger premises to increase production capacity. Gourmet Partner continues to improve results.

Malaysia had a difficult year, impacted by weak currency affecting imported products, yet all businesses reported an improvement in sales. Investment into additional fleet and warehouse capacity is underway, with occupancy planned for F2025. Operating expenses were higher than anticipated, which is getting management attention. myBidfood implementation is planned for F2024.

Bidfood Middle East (BME) revenues increased with the introduction of new brands in the UAE and growth in a QSR account in Saudi Arabia (KSA). BME gross margins were impacted by an unfavourable change in sales mix, a drop in margins on the mixes business in KSA, and liquidating overstocked dairy products in the UAE. BME underperformed and delivered lower trading profits than F2022.

Türkiye sales grew off the back of an increase in local consumption. Despite the impact from the February earthquake and disruptions from elections, all divisions met targets. Foodservice operations in Antalya and Izmir both surpassed expectations and have moved to new facilities to cater for anticipated growth. Ankara is progressing and the new distribution centre in Marmara will open in September. Although the tourism season started a bit later than anticipated, summer trade has been incredibly promising. Despite the high inflation environment, demand for consumer goods has increased.

South America delivered an overall good result, in spite of market challenges, political change, and high inflation pressures across the region. Investments into bolt-on acquisitions to grow the product offering and expand the national footprint is paying off.

In **Brazil**, the foodservice market has felt the pressure of high interest rates, unemployment, and low consumer confidence impacting the eating-out-of-home market. Hybrid working continues to hinder the full return of commercial catering activity. Hotel demand has returned to pre-pandemic levels. The Central Foods acquisition, completed in F2022, had some teething issues in managing customer service levels. Focus on managing the inflationary pressures from fuel, energy, and labour has aided profits. The restructuring of sales, purchasing, and marketing functions has enabled closer cooperation between the teams, the benefits of which will flow in F2024. Management are investigating opportunities to expand their regional footprint.

Chile had a poor F2023 but started to track back to normality in Q4. Financial and operational controls are receiving significant focus from local management. Gross margins were negatively impacted by losses in meat processing and lower poultry margins following a bird flu outbreak in January and February. Expense management, particularly in warehouse and distribution costs, was difficult. Focus on optimising the purchasing and pricing of the protein range is key to returning to profitability.

Argentina (46% equity accounted) buoyed by the influx of tourism, exceeded revenue and trading profit expectations. New branches in Ushuaia and Iguazu have been bedded down and are set to contribute profitably. Progress is being made to acquire a new depot in Córdoba later this year.

Corporate

BidOne has embraced a new technology "roadmap" to focus on strategic projects aligned with four key goals being "Performance, Personalisation, Data, and Product". BidOne continues to deliver world-class ecommerce and digital solutions, embracing real-time "AI" as well as experiential learning from within the group. The maturity of the BidOne operations continues to develop, reflected in enhanced depth in leadership and support.

Bidfood Procurement Community (BPC) team is working closely with procurement teams across the group to identify and support opportunities to improve product supply and pricing. Developing product categories, product knowledge and insight, researching and confirming suppliers' certifications with internationally recognised food safety accreditations continues.

BL Berson
Chief executive officer

DE Cleasby
Chief financial officer

Dividend declaration

In line with the group dividend policy, the directors declared a final cash dividend of 500,0 cents (400,0 cents net of dividend withholding tax, where applicable) per ordinary share for the year ended June 30 2023 to those members registered on the record date, being Friday, September 29 2023.

The dividend will be paid out of income reserves. A dividend withholding tax of 20% is applicable to all shareholders who were not exempt.

Share code:	BID
ISIN:	ZAE000216537
Company registration number:	1995/008615/06
Company tax reference number:	9040946841
Gross cash dividend amount per share:	500,0 cents
Net dividend amount per share:	400,0 cents
Issued shares at declaration date:	335 404 212
Declaration date:	Wednesday, August 30 2023
Last day to trade cum dividend on the JSE:	Tuesday, September 26 2023
First trading day ex dividend on the JSE:	Wednesday, September 27 2023
Record date:	Friday, September 29 2023
Payment date:	Monday, October 2 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, September 27 2023 to Friday, September 29 2023, both days inclusive.

For and on behalf of the board

AK Biggs
Company secretary representative

Johannesburg
August 30 2023

Basis of presentation of summary consolidated financial statements

The summary consolidated financial statements are prepared in accordance with the JSE Limited Listings Requirements for summary consolidated financial statements, and the requirement of the Companies Act of South Africa applicable to summary financial statements. The Listings Requirements require summary consolidated financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The accounting policies applied in the preparation of the consolidated financial statements from which the summary financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

A number of new pronouncements and/or interpretations were effective from July 1 2022. These had no material effect on the group's financial statements.

The financial statements have been prepared on the historical cost basis adjusted for the effects of inflation where entities operate in hyperinflationary economies and for certain financial instruments that have been measured at fair value, where applicable. For the year ended June 30 2023, the Türkiye lira is considered to be hyperinflationary. Accordingly, the statement of profit or loss, statement of cash flows and statement of financial position for our Türkiye subsidiaries have been expressed in terms of the Türkiye lira at the reporting date (June 30 2023). Refer note for the impact of hyperinflationary accounting on the group's statement of profit or loss, statement of cash flows and statement of financial position.

Statement of cash flows re-presentation

The group made the following re-presentation to the statement of cash flows and have adjusted comparatives accordingly:

- Cash flows from payments made to puttable non-controlling interests were reclassified from cash flows from investing activities to cash flows from financing activities due to the subsequent purchase by the group of a subsidiary's equity instruments and is accounted for as an equity transaction and is classified in the same way as transactions with owners described in IAS 7.17. The comparatives were re-presented to show this cash flow activity change. This re-presentation had no impact on the group's cash and cash equivalents or statement of financial position.

R'000	Previously reported June 30 2022	Payments to puttable NCI re-presented as financing activities	Re-presented June 30 2022
Cash flows from operating activities	3 483 490	–	3 483 490
Cash flows from investing activities	(3 429 210)	49 476	(3 379 734)
Cash flows from financing activities	(819 874)	(49 476)	(869 350)
Movement in cash and cash equivalents	(765 594)	–	(765 594)

Audit report

These summary consolidated financial statements for the year ended June 30 2023 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor expressed an unmodified opinion on the annual consolidated financial statements from which these summary consolidated financial statements were derived.

A copy of the auditor's report on the summary consolidated financial statements and of the auditor's report on the annual consolidated financial statements are available for inspection on the company's website and at the company's registered office, together with the financial statements identified in the respective auditor's reports.

The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

Preparation and results

These summary consolidated financial statements have been prepared by CAM Bishop CA(SA), under the supervision of DE Cleasby CA(SA) and were approved by the board of directors on August 29 2023.

The directors are responsible for the preparation of the summary consolidated financial statements and the correct extraction of the financial information from the financial statements.

Exchange rates

The following exchange rates were used in the conversion of foreign interests and foreign transactions for the year ended:

	June 30	
	2023	2022
Rand/Sterling		
Closing rate	**23,85**	19,79
Average rate	**21,40**	20,24
Rand/Euro		
Closing rate	**20,50**	17,02
Average rate	**18,61**	17,14
Rand/Australian dollar		
Closing rate	**12,51**	11,22
Average rate	**11,96**	11,03

Revenue disaggregation

for the year ended June 30

Composition of revenue

- Revenue comprises amounts earned from customers from the sale of frozen, chilled, ambient and non-food products (goods) and from the rendering of services.
- Revenue is disclosed net of value added taxation.
- Revenue is net of returns and allowances, trade discounts and volume rebates, all of which have been apportioned to the sale of goods.

R'000	2023 Audited	2022 Audited
Sale of goods – frozen	**70 788 648**	53 156 263
Sale of goods – chilled	**55 303 603**	40 318 102
Sale of goods – ambient	**61 004 022**	46 140 256
Sale of goods – non-food	**8 948 959**	7 241 749
Rendering of services and commissions earned	**296 007**	281 941
	196 341 239	147 138 311
	%	%
Revenue percentage by customer type		
Hotels, restaurants and cafés	**43**	41
Caterers, butcheries and canteens	**14**	13
Quick service restaurants	**12**	14
Retail, wholesalers and other distributors	**10**	14
Healthcare and aged care	**9**	9
Education	**6**	5
Travel (airlines and cruise liners)	**3**	2
Government related customers	**3**	2
Analysis of revenue per country by percentage		
United Kingdom	**26**	26
Australia	**15**	15
Netherlands	**9**	9
New Zealand	**8**	8
Italy	**7**	6
Czech Republic	**7**	6
People's Republic of China and Hong Kong	**5**	6
Belgium	**5**	5
South Africa	**4**	5
Other	**14**	14

Supplementary pro forma information regarding the currency effects of the translation of foreign operations on the group

for the year ended June 30

The pro forma financial information has been compiled for illustrative purposes only and is the responsibility of the board. Due to the nature of this information, it may not fairly present the group's financial position, changes in equity and results of operations or cash flows. An unmodified reasonable assurance report has been issued by the group's auditor, PricewaterhouseCoopers Inc. The ISAE 3420 *Assurance Engagements to Report on the Compilation of the Pro Forma Information in a Prospectus* is available for inspection at the company's registered office. The pro forma information has been compiled in terms of the JSE Listings Requirements and the Revised Guide on Pro Forma Information by SAICA.

The illustrative information, detailed below, has been prepared on the basis of applying the 2022 average rand exchange rates to the 2023 foreign subsidiary income statements and recalculating the reported revenue, trading profit, headline earnings and headline earnings per share of the group for the year ended June 30 2023.

				Illustrative 2023 at 2022 average exchange rates	
R'000	**2023 Audited**	2022 Audited	% change	**2023 Pro forma**	% change
Trading performance					
Revenue	**196 341 239**	147 138 311	33,4	**181 653 136**	23,5
Trading profit	**10 508 604**	7 590 775	38,4	**9 724 159**	28,1
Headline earnings	**6 956 912**	5 138 811	35,4	**6 435 999**	25,2
Headline earnings per share (cents)	**2 082,9**	1 538,3	35,4	**1 927,0**	25,3
Constant currency per segment					
Revenue					
Australasia	**44 336 732**	33 343 369	33,0	**41 249 252**	23,7
United Kingdom	**51 378 872**	37 818 927	35,9	**48 594 298**	28,5
Europe	**69 548 732**	50 077 127	38,9	**63 607 816**	27,0
Emerging Markets	**31 076 903**	25 898 888	20,0	**28 201 771**	8,9
	196 341 239	147 138 311	33,4	**181 653 137**	23,5
Trading profit					
Australasia	**3 541 197**	2 330 923	51,9	**3 292 812**	41,3
United Kingdom	**1 918 805**	1 533 213	25,1	**1 814 812**	18,4
Europe	**3 659 132**	2 382 215	53,6	**3 325 651**	39,6
Emerging Markets	**1 570 856**	1 441 136	9,0	**1 465 903**	1,7
Corporate	**(181 386)**	(96 712)		**(175 018)**	
	10 508 604	7 590 775	38,4	**9 724 160**	28,1

Acquisition of businesses and subsidiaries

for the year ended June 30

For the year ended June 30 2023, nine bolt-on acquisitions were concluded, these were as follows:

- Nicol Hughes, a regional wholesaler supplying ambient, chilled and frozen products, which serves the North West of England and northern Wales (100% acquisition, effective from July 2022);
- Fruit Xpress OÜ which trades mainly fresh food products into the foodservice sector in Tallin, Estonia (80% acquisition, effective from July 2022);
- Variety Foods, a distributor to the independent pizza and kebab markets in Perth, Western Australia (100% acquisition, effective from August 2022);
- H&T Group, an importer and distributor of food products in Kota Kinabalu, East Malaysia (89% acquisition, effective from September 2022);
- Food Fabrique, a small cured meat and sausage processing business located in Dubai, United Arab Emirates (75% acquisition, effective from October 2022);
- Euskopan, a bread and pastry business based in Bilbao, Spain (80% acquisition, effective from December 2022);
- Thomas Ridley, a regional wholesaler supplying ambient, chilled and frozen products. Servicing the East and South East of the United Kingdom with premises at Bury St Edmunds and cross dock at Paddock Wood (100% acquisition, effective from January 2023);
- Harvest Fine Foods, a regional wholesaler supplying fresh produce, ambient, chilled and frozen products. Located in Southampton serving the South of the United Kingdom (100% acquisition, effective from January 2023); and
- Míča-Bagoňová s.r.o., a distributor of the fresh vegetables to the gastro market in the Brno, Czech Republic and surrounding areas (80% acquisition, effective from June 2023).

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 or net liabilities acquired at fair value. The acquisitions have enabled the group to expand its range of products and services and, as a consequence, has broadened the group's base in the marketplace. In addition, through these acquisitions the group has acquired management skills and expertise as a platform from which to further consolidate its position in the foodservice market. There were no significant contingent liabilities identified in the businesses acquired. No taxation relief is expected from the R1,4 billion acquisition-related goodwill.

The impact of these acquisitions on the group's results can be summarised as follows:

R'000	Thomas Ridley	Nichol Hughes	Fruit Xpress OÜ	Individually insignificant	Total
Property, plant and equipment	(297 147)	(6 768)	(7 053)	(80 242)	(391 210)
Intangible assets	–	–	(912)	(4 101)	(5 013)
Right-of-use leased assets	–	(9 772)	(3 539)	(78 527)	(91 838)
Deferred taxation	13 544	1 242	–	2 199	16 985
Investments and advances	–	–	–	(897)	(897)
Inventories	(117 650)	(14 386)	(23 724)	(58 115)	(213 875)
Trade and other receivables	(201 146)	(18 551)	(42 820)	(107 898)	(370 415)
Cash and cash equivalents	(24 430)	(29 702)	(36 858)	(30 798)	(121 788)
Borrowings	15 759	23 213	16 016	14 550	69 538
Right-of-use lease liabilities	–	15 087	14 371	92 072	121 530
Trade and other payables and provisions	217 651	22 377	103 365	170 687	514 080
Taxation	1 041	6 330	6 271	7 780	21 422
Total identifiable net (assets) liabilities at fair value	(392 378)	(10 930)	25 117	(73 290)	(451 481)
Separately identified intangible assets	(54 397)	(20 558)	–	(13 980)	(88 935)
Deferred taxation on separately identified intangible assets	13 599	5 140	–	3 495	22 234
Goodwill	(504 170)	(190 160)	(237 383)	(461 561)	(1 393 274)
Total value of acquisition(s)	(937 346)	(216 508)	(212 266)	(545 336)	(1 911 456)
Cash and cash equivalents acquired	24 430	29 702	36 858	30 798	121 788
Vendors for acquisition recognised	128 410	42 803	83 544	89 675	344 432
Puttable NCI liabilities recognised	–	–	64 695	86 204	150 899
Costs incurred in respect of acquisitions	(12 777)	(1 935)	(4 521)	(26 573)	(45 806)
Cash paid for acquisitions	(797 283)	(145 938)	(31 690)	(365 232)	(1 340 143)
Contribution to results for the year					
Revenue	783 125	283 717	651 222	684 488	2 402 552
Trading profit	53 898	45 663	37 972	27 862	165 395
Contribution to results for the year if the acquisitions had been effective July 1 2022					
Revenue	1 800 685	283 717	651 222	1 304 177	4 039 801
Trading profit	80 847	45 663	37 972	63 799	228 280

Thomas Ridley (TR)

Qualitative factors that support (but not limited to) the goodwill recognised on TR of R504,2 million: Factors include access to customers in the South East and East of the United Kingdom which enables cross selling opportunities for the group; cost synergies from better purchasing power, technology sharing and improved working practices and access to TR's key members of staff who all work together to achieve the TR trading results, performance and management's expertise as a platform from which to further grow its position in the South East and East of the United Kingdom foodservice market and retain its day-to-day trading relationships.

Separately identified intangible assets

Separately identified intangible assets have been recognised for brandnames relating to Thomas Ridley, Nichol Hughes and Harvest Fine Food acquisitions. These brands have a strong influence in their respective regional areas of the United Kingdom and the group expects to continue using these brandnames into the foreseeable future.

The purchase price allocations for these bolt-on acquisitions are provisional and may be retrospectively adjusted if the group obtains new information about facts and circumstances that existed at the acquisition date relating to these entities.

Subsequent events

There have been no material events subsequent to June 30 2023.

Capital commitments

The board of directors' policy is to maintain a strong capital base so as to sustain future development of the businesses so that it can continue to provide benefits to its stakeholders.

R'000	2023	2022
Capital expenditure approved:		
Contracted for	**2 792 300**	1 901 240
Not contracted for	**2 354 240**	1 504 346
	5 146 540	3 405 586
Capital expenditure split		
Property, plant and equipment	**4 975 566**	3 339 080
Computer software	**170 974**	66 505
	5 146 540	3 405 585

It is anticipated that capital expenditure will be financed out of existing cash resources.

Significant capital expenditures relate to the following:

- United Kingdom – infrastructure for land in Gateshead; fit out for a new Bedford leased site; new Worcester depot and replacing vehicles and information technology related costs.
- Australia – capital infrastructure in new depots (Canberra and Darwin) using energy efficient lighting and refrigeration and the depots will be fitted with solar power, land for new depots (Brisbane and Mackay) and purchased facilities in Kalgoorlie and Broome.
- New Zealand – infrastructure including four new depots (Taupo, Kerikeri, Wellington and Christchurch Butchery); and replacing vehicles (existing passenger vehicles replaced with hybrid solutions).
- Netherlands – new Hague depot and replacement of plant, property and equipment and vehicles (including installation of electric vehicle charging stations).
- Czech Republic – installation of solar power at five sites to double solar output.
- Emerging Markets – infrastructure in Africa and Southeast Asia.

Financial instruments

for the year ended June 30

Fair value hierarchy

When measuring the fair value of an asset or a liability, the group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques categorised as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Non-current assets (liabilities)			Current assets (liabilities)		
R'000	Puttable non-controlling interests	Investments	Vendors for acquisition	Puttable non-controlling interests	Vendors for acquisition	Total
June 30 2023						
Financial assets measured at fair value	**–**	**19 634**	**–**	**–**	**–**	**19 634**
Financial liabilities measured at fair value	**(5 408 028)**	**–**	**(88 994)**	**(217 899)**	**(337 112)**	**(6 052 033)**
June 30 2022						
Financial assets measured at fair value	–	28 613	–	–	–	28 613
Financial liabilities measured at fair value	(4 006 503)	–	(115 477)	(266 658)	(49 128)	(4 437 766)

R'000	Total	Level 1	Level 2	Level 3
June 30 2023				
Financial assets measured at fair value	**19 634**	**–**	**–**	**19 634**
Financial liabilities measured at fair value	**(6 052 033)**	**–**	**–**	**(6 052 033)**
June 30 2022				
Financial assets measured at fair value	28 613	–	–	28 613
Financial liabilities measured at fair value	(4 437 766)	–	–	(4 437 766)

Valuation techniques and significant unobservable inputs

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The expected payments are determined by considering the possible scenarios of forecast EBITDAs, the amount to be paid under each scenario and the probability of each scenario. The valuation models consider the present value of expected payment, discounted using a risk-adjusted discount rate.	• Average revenue growth rates: 5,7% (2022: 6,5%) • Average EBITDA margin: 6,5% (2022: 7,0%) • Contractual EBITDA multiple: 10,5x (2021: 10,5x) • Risk-adjusted discount rate: 1,7% (2022: 1,7%)	The estimated fair value would increase (decrease) if: • the EBITDA were higher (lower); or • the risk-adjusted discount rate were lower (higher).

Sensitivity analysis on changes in significant variable unobservable inputs for puttable non-controlling interests (liability)

	Increase in assumption %	Increase (decrease) R'000	Decrease in assumption %	Increase (decrease) R'000
Revenue growth rates	10	85 608	10	(84 249)
Average EBITDA margin	10	610 043	10	(522 894)
Risk-adjusted discount rate	10	(33 443)	10	33 735

The group recognises any changes in the value of the liability as a result of changes in assumptions used to estimate the future purchase price directly in retained earnings in the statement of changes in equity.

Hyperinflation accounting

for the year ended June 30

From years ended June 30 2022, the International Monetary Fund World Economic Outlook Report determined that subsidiaries of the group with the functional currency of the Türkiye lira should apply *Financial Reporting in Hyperinflationary Economies* (IAS 29).

Hyperinflationary accounting requires transactions and balances of each reporting period to be presented in terms of the measuring unit (Türkiye lira (TRY)) at the end of the reporting period in order to account for the effect of loss of purchasing power during the year. Accordingly, the statement of profit or loss, statement of cash flows and statement of financial position for our Türkiye subsidiaries have been expressed in terms of the Türkiye lira at the reporting date (June 30 2023). The group has used the Türkiye 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 Türkiye 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 adjustment has been made for those non-monetary assets and liabilities measured at fair value. An impairment loss is recognised in profit or loss if the remeasured amount of a non-monetary asset exceeds the recoverable amount. 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.

Gains or losses on the net monetary position have been recognised as part of profit or loss before taxation in the statement of profit or loss and other comprehensive income. All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

The results and financial position of the Türkiye operations have been translated at the official inter-bank closing exchange rate which is in line with the requirements of the provisions of IAS 21 *The Effects of Foreign Exchange Rates* (IAS 21) for the translation of hyperinflationary economies. The following general price indices and conversion factors were applied to consolidate our Türkiye subsidiaries.

Date	General price index[1]	Conversion factor
June 30 2023	**109,4**	**1,0**
June 30 2022	76,5	1,4
June 30 2021	16,3	4,7

1 *The general price index is measured from July 1 2020. These numbers reflect the year-on-year consumer price index changes at these respective reporting dates. The three-year cumulative inflation rate from July 1 2020 to June 30 2023 is 109,4%.*

Inflation and exchange rates (relative to the South African rand) applied to consolidate the Türkiye subsidiaries results:

Financial period	Average exchange rate[2]	Closing exchange rate	Conversion factor (average)
July 1 2021 to June 30 2022	0,98	0,98	3,1
July 1 2022 to June 30 2023	**0,72**	**0,72**	**1,2**

2 *Converted at the closing exchange rate due to IAS 29 requirements.*

Reporting on the Türkiye subsidiaries

The Türkiye subsidiaries of the group with the functional currency of the Türkiye lira have applied IAS 29 *Hyperinflation Accounting* for the 12 months ended June 30 2023. This has resulted in the group recording in the statement of profit and loss a monetary gain of R7,4 million for the year ended June 30 2023 (2022: monetary gain of R81,9 million).

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 Türkiye operations and reflected in the underlying transactions has, to some extent, distorted the comparability of the group's results. The impact of adjusting the group's results for the effects of hyperinflation is set out below:

Hyperinflation increase (decrease) to the statement of profit or loss	2023 R'000	2022 R'000
Revenue	152 486	630 602
Gross profit	30 033	122 338
Operating expenses	(24 645)	(94 326)
Trading profit	5 387	28 012
Finance charges	(5 257)	(13 149)
IAS 29 monetary gain	7 426	69 215
Headline earnings	7 398	81 890
Headline earnings per share (cents)	2,2	24,5

Hyperinflation increase (decrease) to the statement of financial position	2023 R'000	2022 R'000
Non-current assets	20 746	100 131
Property, plant and equipment	9 209	61 924
Right-of-use lease assets	11 450	31 875
Other non-current assets	87	6 332
Current assets	(1 551)	8 308
Total assets	19 195	108 439
Capital and reserves	19 195	108 439
Non-current liabilities	–	–
Current liabilities	–	–
Total equity and liabilities	19 195	108 439

The hyperinflation increase to the statement of financial position is included in the other comprehensive income movement of the foreign currency translation reserve.

Hyperinflation effect on cash and cash equivalents

As a result of applying hyperinflation accounting for the Türkiye subsidiaries of the group, all items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period. The resultant 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 2023.

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 (ie not indexed) at the point in time when the transactions occurred. As a result, an adjustment of R12,5 million was required to account for the change in value between the hyperinflation-adjusted cash flows and the actual cash flows, as well as to account for the change in value in the opening cash and cash equivalent balances.

Independent auditor's report on the summary consolidated financial statements

To the shareholders of Bid Corporation Limited

Opinion

The summary consolidated financial statements of Bid Corporation Limited, set out on pages 2 to 7, pages 18 to 20 and pages 22 to 29, which comprise the summary consolidated statement of financial position as at 30 June 2023, the summary consolidated statements of profit or loss, statement of other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Bid Corporation Limited for the year ended 30 June 2023.

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 summary financial statements, as set out in the Basis of presentation of summary consolidated financial statements note to the summary 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 29 August 2023. 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 summary financial statements, set out in the Preparation and results note to the summary 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.
Director: E J Gerryts
Registered Auditor

4 Lisbon Lane, Waterfall City, Jukskei View, 2090
Private Bag X36, Sunninghill, 2157, Johannesburg, South Africa

29 August 2023

Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information included in Bid Corporation Limited's financial results

To the Directors of Bid Corporation Limited

We have completed our assurance engagement to report on the compilation of the pro forma financial information of Bid Corporation Limited (the "Group") by the directors. The pro forma financial information, as set out on page 21 of the summary consolidated financial results (the "Annual Results"), consist of Pro Forma financial information which presents the currency effects of foreign operations on the Group as at 30 June 2023. The applicable criteria on the basis of which the directors have compiled the pro forma financial information are specified in the JSE Limited (JSE) Listings Requirements and described on page 21 of the Annual Results.

The pro forma financial information has been compiled by the directors to provide users with relevant information and measures used by the Group to assess performance and to illustrate the impact of foreign currency movements on the Group's reported financial results for the year ended 30 June 2023. As part of this process, information about the Group's financial performance has been extracted by the directors from the Group's financial statements for the year ended 30 June 2023, on which an audit report has been published.

Directors' responsibility

The directors of the Group are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described on page 21 of the Annual Results.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described on page 21 of the Annual Results based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information included in Bid Corporation Limited's financial results
continued

The purpose of pro forma financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described on page 21 of the Annual Results.

PricewaterhouseCoopers Inc.
Director: E J Gerryts
Registered Auditor

4 Lisbon Lane, Waterfall City, Jukskei View, 2090
Private Bag X36, Sunninghill, 2157, Johannesburg, South Africa

29 August 2023

Directors

Chairman: S Koseff

Lead independent director: NG Payne

Independent non-executive directors: T Abdool-Samad, PC Baloyi, B Joffe, KR Moloko, CJ Rosenberg*, H Wiseman*

Executive directors: BL Berson* (chief executive officer), DE Cleasby (chief financial officer)

** Australian*

Bid Corporation Limited

(Bidcorp or the group or the company)
Incorporated in the Republic of South Africa
Registration number: 1995/008615/06
Share code: BID
ISIN: ZAE000216537

Registered office and postal address

Bid Corporation Limited
2nd Floor North Wing, 90 Rivonia Road
Sandton, 2196

Company secretary

Bidcorp Corporate Services (Pty) Limited

Represented by Ms AK Biggs and Ms L Roos

Transfer secretaries

JSE Investor Services (Pty) Limited
19 Ameshoff Street, Braamfontein
Johannesburg, 2001
PO Box 4844, Johannesburg, 2000

Sponsor

The Standard Bank of South Africa Limited
30 Baker Street, Rosebank, 2196

Independent auditor

PricewaterhouseCoopers Inc.
Registration number: 1998/012055/21
Waterfall City, 4 Lisbon Lane, Jukskei View
Midrand, 2090

THE OAK TREE GROUP

Bidcorp

www.bidcorpgroup.com