



**Bidvest**

The Bidvest Group Limited



## Appendix 1

### Bidvest segment profits detail



# Segment profits detail



**Bidvest**  
The Bidvest Group Limited

ZAR'000	2014 Trading Profit	Margin	Share of Group	Change	2013 Trading Profit	Margin	Share of Group
Bidvest South Africa	4 942 038	6,2%	55.2%	17.0%	4 223 653	6.1%	55.0%
Automotive	618 001	2.8%	6.9%	(3.6)%	640 956	3.1%	8.4%
Consumer Products	102 073	8.1%	1.1%		-		
Electrical	258 148	5.2%	2.9%	14.9%	224 614	5.0%	2.9%
Financial Services	616 661	37.1%	6.9%	3.7%	594 883	40.8%	7.8%
Freight	1 113 896	4.2%	12.5%	13.7%	979 402	3.9%	12.8%
Industrial	125 663	6.3%	1.4%	46.1%	86 030	5.6%	1.1%
Office	365 519	7.8%	4.1%	12.7%	324 259	7.6%	4.2%
Paperplus	315 590	6.5%	3.5%	12.2%	281 292	7.0%	3.7%
Rental and Products	477 608	20.3%	5.3%	9,6%	435 825	19.7%	5.7%
Services	527 511	7.3%	5.9%	90.8%	276 465	8.5%	3.6%
Travel and Aviation	421 368	17.5%	4.7%	10.9%	379 927	17.2%	5.0%
Bidvest Foodservice	3 185 767	3.1%	35.6%	28.0%	2 488 149	3.0%	32.4%
Asia Pacific	1 500 044	4.5%	16.8%	23.8%	1 211 408	4.2%	15.8%
Europe	1 314 737	2.1%	14.7%	40.4%	936 242	1.9%	12.2%
Southern Africa	370 986	5.6%	4.1%	9.0%	340 499	5.7%	4.4%
Bidvest Namibia	493 714	12.4%	5.5%	(16.6)%	592 223	16.5%	7.7%
Bidvest Corporate	324 002	23.4%	3.6%	(12.7)%	371 202	38.1%	4.8%
Properties	366 801	94.5%	4.1%	13.2%	324 015	95.6%	4.2%
Corporate & Investments	(42 799)	-4.3%	-0.5%	(190.7)%	47 187	7.4%	0.6%
Grand total	8 945 521	4.9%	100.0%	16.6%	7 675 227	5.0%	100.0%



Audited results for the year ended June 30 2014



The Bidvest Group Limited



## Appendix 2

### Segmental results analysis – Bidvest South Africa



## Features of the past year

- Difficult trading environment characterised by Rand weakness, rising interest rates and contracting credit
- Industry plagued by industrial action
- Return on sales acceptable but slightly below 2013
- McCarthy Motor Group new vehicle unit sales of 45 105 vs 48 284
  - dealer units in South Africa, including AMH, for the fiscal year totalled 523 296 vs 549 319
  - new vehicle margins under pressure
  - importers with lower market shares suffering
- Used vehicle unit sales 60 606 vs 51 655, up 17.3% on last year
  - used vehicle market beginning to respond to increasing pricing in the new vehicle market
  - roll-out of stand-alone pre-owned dealerships continuing
  - auction activity responding to tightening market
- Reorganisation of dealer network and cost rationalisation completed in the last quarter

## Objectives for the year ahead

- Focus on cost base and efficiencies throughout the business
- Customer-centricity program
- Improved performance through reorganisation in multi-franchise
- Growth focus on aftersales and used vehicles





## Features of the past year

- Tough trading conditions with strong competition from both competitors and house-brands
- Main factors affecting performance were:
  - exchange rate volatility
  - successful Launch of Cuisinart, a high-end product range, as well as promotions on Russell Hobbs, Salton and Pineware brands
  - quality standards have been improved, resulting in lower customer returns
  - toll road and fuel costs increased, but implemented tighter control of expenses and operating costs
  - reorganisation of business structure focusing on procurement and sourcing
  - major reduction of Shoprite sales into Africa

## Objectives for the year ahead

- Market conditions remain challenging, necessitating a continued pursuit of efficiencies and savings, whilst maintaining ROFE levels; growth into Africa to be energetically pursued
- Our go-to-market model will be expanded to cover more categories; approach to market to cut time taken to get stock into store; distribution efficiency will be leveraged to capture greater market share
- Plans well advanced to open online store - taking our brands direct to targeted consumer groups, including Bidvest staff members
  - the Bidvest connection will be utilised, enabling us to explore local and international supply synergies and efficiencies
  - Hoover brand to be re-launched and several new products will be introduced
  - Salton corporate identity to be introduced and brand repositioned to appeal to younger audience, and 1st time home buyers
- We remain alert for acquisition opportunities

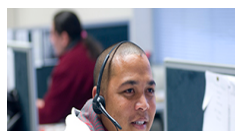


## Features of the past year

- Strategic bolt-on acquisitions implemented in Northern Cape and new branches in Makhado and Mount Frere
- Implementation of joint venture culminating in the creation of MV/LV, a company involved in specialist activities in the medium and low voltage arena
- Completion of RAD Phambile acquisition which includes Weidmuller, Bocchiotti & Pfannenberger niche offerings
- Enhancement of imports through a dedicated exclusive specialist foreign sourcing office to broaden the group's proprietary brands
- Expansion of the strategic Lascon brand into blue chip commercial and retail property space
- Continuing development of the Atlas Group hub for local and export opportunities
- Returns are at acceptable levels, expense and working capital control remains a key performance ingredient
- Greater attention to supplier and customer needs; opportunities created a more positive working proposition

## Objectives for the year ahead

- Further niche acquisitions
- Expansion into smart metering and energy management
- Roll-out of Solid State's unique SABS approved solar geyser
- Evaluating and implementing opportunities regarding strategic partnerships in Africa
- Achieve real turnover and trading profit growth



## Features of the past year

- Moody's reaffirms Bank rating with a stable outlook
- Strong capital levels, ratio's and liquidity for Bidvest Bank, Insurance and Life
- Strong progress evident with the evolving partnering strategy
- Good revenue growth from foreign note margin; and new and revised insurance products
- Good insurance claims management; costs well contained; good investment return
- Developing new income streams:
  - new e-wallet and card offering launched together with Vodacom
  - Trade Finance product introduced and launched partnering with Trade Flow
- Development of a travel insurance offering
- Opening up outbound call centre in Johannesburg
- Increased market awareness for Bidvest Bank and Bidvest Insurance brands
- Focus on back office function efficiencies
- Growing customer base and deposits
- Small strategic acquisitions
- Expenses well controlled in Bank and Insurance
- New distribution channels developed



## Objectives for the year ahead

### Bank

- Finalising Grindrod Bank due diligence and acquisition
- Securing replacement business for loss of major FML client
- Bulking up the business and widening our previously narrow franchise
- Further diversification of income streams through transactional banking and new product development
- Building on the Vodacom m-pesa product and relationship
- Improved packaged value proposition to be implemented for the travel industry
- Increased focus on Trade Finance and increased lending in commercial property finance
- Launching of a new Business Banking offering

### Insurance

- Further diversification through new channels and new products
- Further product innovation to support Trade Finance and Marine Insurance
- Roll-out of travel insurance via travel agents, Bidvest Bank and on-line media
- Small strategic acquisitions where it makes sense
- Revamping back office process efficiency
- Increases sales focus via call centre

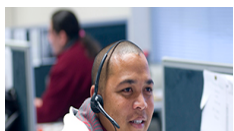


## Features of the past year

- Export volumes broadly favourable, imports remain constrained
- Bidvest Freight had a 7% growth in billings, and an improved product mix enhanced profit margins
- Bulk commodity exports strengthened
- Imports for green energy projects increased
- Reduced domestic consumer demand slowed containerised and airfreight imports
- Capital expenditure of R350 million
  - upgrade of Durban Bulk Shipping (part of South African Bulk Terminals)
  - expansion of Island View Storage capacity in Durban
  - stevedoring equipment and transport vehicles for the Bidfreight Port Operations (Saldanha)
  - completion of Bulk Connections upgrade
- Bidvest Panalpina Logistic's ongoing investment in technology to maintain competitive advantage
- Road transport volumes increase noticeably in relation to rail

## Objectives for the year ahead

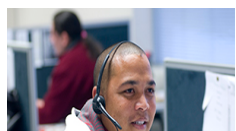
- Continued reinvestment in key strategic assets
- Enhance regional opportunities in Africa





## Trading

- **Island View Storage:** pleasing result delivered despite reduced chemical export volumes and capacity out of service; consistent improvement in quarter to quarter operational performance; additional capacity in Durban effective June 2014
- **South African Bulk Terminals:** impact of agricultural production and weather volatility, lower than forecasted maize exports; Wheat imports, rice and sunflower seeds made up for some lost cargo, Durban Bulk Shipping upgrade progressing well
- **Bidvest Panalpina Logistics:** solid performance with strong revenue growth supported by good cost control; International Logistics, Transport and Warehousing divisions all performed well, replacement business secured by Dedicated Solutions
- **SACD Freight:** revenue under pressure; improving volumes in Cape Town offset by reduced volumes in Durban; Johannesburg volumes increased; transport volumes have declined
- **Bulk Connections:** manganese volumes continue to increase strongly, benefitting from the upgrade in facilities; substantial increase in road transport volumes at the expense of rail, further investment in capacity upgrades
- **Bidfreight Port Operations:** stevedoring operations performed very well, particularly in Saldanha and Port Elizabeth; Durban imports of steel, cement and fertiliser have improved; Transport division performed well
- **Naval:** performance boosted by magnetite volumes, Iron Ore volumes remained steady whilst export coal declined
- **Manica:** disappointing result; Zimbabwean economy depressed and Zambian kwacha devalued compounding trading difficulties; Malawian operations had a pleasing result; South Africa had a satisfactory performance



## Features of the past year

- Academy Brushware; results better than expected and synergistic opportunities identified
- Yamaha improved performance continues with solid market share gains
- Vulcan Catering Equipment delivers an excellent performance
- Afcom's performance improves with increased volumes as a result of manufacturing capacity upgrade
- Good prospects for Bidvest Materials Handling with new long term contracts signed
- Buffalo Executape was unable to pass full impact of price increases to market but solid second half performance
- Berzack Brothers lost a major agency in consumer goods as a result of the HoLB acquisition; a poor performance and management changes effected

## Objectives for the year ahead

- Materials handling will build on recent improvements and grow the national footprint
- Investment in manufacturing capacity
- Brands and product ranges are a good basis for future development

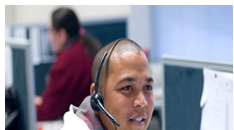


## Features of the past year

- Walton's stationery has delivered an acceptable result once again; delivering an on budget performance during major restructure and consolidation activity
- The furniture sales companies performed well, especially Cecil Nurse, Dauphin and Seating; the Ditulo JV has been restructured, now has new shareholders and we are expecting a much improved performance going forward; the BFM factory has not performed to expectations and is undergoing major restructure
- Konica Minolta and Develop produced very good results once again; GPT produced an on budget result; and Océ had a difficult year missing its targets
- Konica Minolta Medical has gained further ground and will be introducing some revolutionary ultrasound technology which will enhance our offering in this market

## Objectives for the year ahead

- Walton's continues with consolidation and rationalisation; rollout of upgraded IT system to all regions continues
- Relocation of Queenstown manufacturing plants to Johannesburg
- Technology group to provide more integration software capability in the future; acquisitions to be considered to meet this demand



## Features of the past year

- Kolok improved profitability by successfully managing currency weakness and strengthening its market position; the new Mozambique business is well established
- Acceleration in the decline of traditional print continues to be proactively managed but general associated services expanding
- Wholesale stationery distribution channel restructured; Good market share retention in competitive environment
- Successful integration of traditional and electronic communication offerings off common data platform with innovation for mobile devices; Bidvest Data had reasonable growth from its broad multi-channel offering
- Good foundation for expansion of both Packaging and Label divisions; divisions are set for good future growth, both areas of business were in consolidation mode during this period
- Market conditions remained competitive with general disruptions due to industrial action impacting trading
- Continued benefit from export project revenue
- Continued optimisation of distribution channels with excellent expense control and expense extraction

## Objectives for the year ahead

- Strong sales focus in each redefined segment; more emphasis in newer Packaging and Labels divisions
- Balance declining segments with growth segments; continued expansion into African market with general trade and special projects
- Build critical mass in 6 new sub-divisions; continued focus on efficiencies and product innovation in mature segments



Audited results for the year ended June 30 2014

## Features of the past year

- Revenue streams impacted by industrial unrest
- Margins maintained despite currency weakness
- Solid profit growth on the back of well contained costs
- Asset management strong with well balanced capex growth

## Trading

- **Steiner** - strong performance with pest control becoming more relevant; hygiene margins remain under pressure; remains the market leader
- **Laundries** - positive growth on the back of higher productivity and low cost platform
- **Industrial Products** - an improved second half despite the impact of industrial unrest
- **Puréau** - new management team focussed on sales growth; tough second half reflective of slowing economy
- **Execuflora** - positive earning growth despite lower volumes; new art offerings launched at year end
- **Hotel Amenities** - much improved financial performance following on from new facilities
- **Masterguard** - impacted severely by the woes in the furniture industry

## Objectives for the year ahead

- Continue African expansion with potential to add in other products and services
- Sustainable profit growth and pursue acquisitive efforts



Audited results for the year ended June 30 2014



## Features of the past year

- Significant acquisitive growth was successfully managed as Mvelaserve Group – Total Facilities Management Company (TFMC), Protea Coin Security, Royalserve Cleaning, Royal Mnandi, Khuseti, SA Water and Velocity - joined the division
- Integration of security businesses led to the creation of Bidvest Protea Coin - South Africa's second largest security services provider
- Strong platform was put in place for strategic expansion of the facilities management offering
- Staff numbers increased from 48 108 to 77 104 - with minimal disruption
- Margins were under pressure, but margin management was satisfactory
- Improved cash flow targets were achieved
- Proactive strategies yielded pleasing progress to maintain BEE status ahead of government's implementation of new, more stringent empowerment codes



## Objectives for the year ahead

- Good growth in revenue and trading profit as the business takes advantage of full-year benefit of acquisitions
- Economic conditions will remain challenging; expense and asset management remain priorities
- Maintaining BEE status is imperative
- New CSI interventions planned with focus on youth and sport; an integrated approach will combine community assistance with jobs information and recruitment
- New partners will be sought in the security field to enable wider roll-out of new security bureau service, offering vehicle tracking, route optimisation and driver behaviour monitoring
- Further growth via an expanded mast management service will be energetically pursued by TFMC
- A total support service to be developed covering facilities management, soft services and additional outsourced services, creating an end-to-end solution that enables clients to concentrate on core competencies
- The Africa footprint will be widened to additional jurisdictions in sub-Saharan Africa
- All businesses to step up marketing efforts and Royal Mnandi will pursue further hot food growth
- Continue to gain momentum in the “Green Building Theme”



## Features of the past year

- Down trading by customers in BidTravel put results under pressure
- Budget Rent a Car benefited from improved rate management and good fleet control; industry pricing remains sub-optimal
- BidAir Services achieved a very pleasing result, acquiring additional services from customers while maintaining world class operating standards
- Bidvest Lounges continued to be popular although passenger numbers flattened
- BidAir Cargo did well in a competitive environment

## Objectives for the year ahead

- BidTravel will continue to invest in technologies and manage expenses aggressively
- Budget Rent a Car to continue focus on effective fleet and rate management as well as investment in technology
- Operating conditions in ground handling at the airport terminals remain challenging; BidAir Services to continue delivering high service levels





**Bidvest**

The Bidvest Group Limited



## Appendix 3

### Segmental results analysis – Bidvest Foodservice



## Features of the past year

- Australia - continued growth despite flat economy
- New Zealand - impressive growth continues
- Greater China - China business grows strongly
- Singapore - Transformation into a foodservice business substantially complete
- South America - Brazil business acquired effective 1 January 2014

## Future objectives

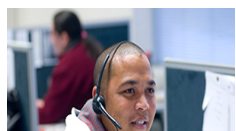
- Australia concentrates on Fresh offering (Produce & Meat) and reduction of large, low margin business
- New Zealand to improve niche retail and processing businesses
- China still presents growth potential. Innovative logistics solutions being looked at in Hong Kong
- Singapore is now a pure foodservice business, growth in value-add products
- Chile has been scaled up, is now the 2nd largest player
- Brazil is a big market with lots of growth potential





## Trading

- **Australia:** continued revenue and profitability growth
  - despite Spotless contract exit and zero inflation, top line growth achieved
  - focus on core Foodservice business has been very positive
  - fresh produce and meat continue to grow and national presence being established
  - rebalancing of portfolio will continue, away from low margin logistics and similar business
- **New Zealand:** impressive growth trajectory continues
  - NZ economy showing good positive signs and we are benefitting from this
  - all traditional business segments continued to grow
  - niche retailer acquired earlier in the year causing more teething pain than expected
- **Angliss Greater China:** the China growth story continues, rapid sales and earnings growth
  - Mainland China now represents over 40% of Greater China profit and growing
  - core Hong Kong business still growing but challenged by increases in costs from minimum wage legislation as well as old and inadequate physical infrastructure
- **Angliss Singapore:** negative sales growth as we exit commodity and export trading. Profits flat on LY
  - the end of the transition phase is close, still a bit more pain to come
  - our Asian businesses are now closely aligned, same branding, common procurement, sharing of sales specialists, similar brand representation

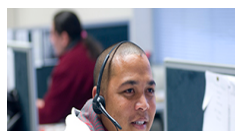


## Features of the past year

- UK economy improved
- Netherlands/Belgium - although tough environment, its not getting worse
- Czech/Slovakia - strong foodservice growth, declining retail reliance
- Poland - strong growth as we focus on core foodservice
- Middle East - geographic reach greatly enhanced, a major regional player now
- Baltics - continued improvement
- Spain - a small distributor acquired during the year to better understand this large market

## Future objectives

- UK management changes and greater cooperation
- Netherlands/Belgium to focus on profitable growth segments in market
- Eastern Europe presents upside opportunity
- Product range expansion in Czech and Slovakia, as well as further infrastructure requirements. Fresh produce business acquired recently
- Italian market entered into in July 14 with 60% acquisition of DAC Italia, the number 2 player in the important Italian market
- Specialist Chilled logistics operator acquired in UK in July 14, spread of risk and better asset utilisation



## Trading

- **Bidvest 3663:** good sales growth, change in management effective July 2014
- **Bidvest Logistics UK:** solid performance to be enhanced by recent acquisition
- **Bidvest Fresh UK:** great results, now a meaningful player across seafood, produce, meat, cheese and specialty products
- **Bidvest Netherlands:** reasonable increase in profits as restructure bears fruit
- **Bidvest Belgium:** tough going in Institutional segment but overall performing well
- **Bidvest Middle East:** a slower year although profitability still increased, as we built our regional footprint. Dubai, Abu Dhabi, Bahrain, Oman, Saudi Arabia, Turkey and Lebanon
- **Bidvest Czech & Slovakia:** good foodservice sales offset by lower retail exposure. Strong ice-cream seasons
- **Poland:** a record year from a refocused foodservice business
- **Baltics** are at breakeven with pleasing future outlook
- **Spain:** minor acquisition effective December 2013 to get an understanding of the market

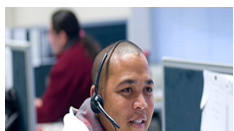


## Features of the past year

- Cohesive SA food business achieved
- Trading conditions deteriorated from around February 2014 onwards
- Foodservice grew as multi-temp strategy implemented
- Crown Foods innovates and invests in technology, new product segments launched
- Bakery invests in new manufacturing plant and yeast business now settled and integrated
- Export division establishes physical presence in Zambia, more to follow. Africa expansion is slow and difficult
- Patleys grows offering, but is under pressure as Rand weakens and consumers flee premium products

## Future objectives

- Extraction of further Food SA synergies and co-operation
- Patleys is evolving its offering in line with market developments, more local flavour
- Foodservice operating to international benchmark level
- House Brand and global procurement opportunities further developed
- Injection brine legislation will present a major challenge to Crown, alternatives being sought
- Bakery to continue diversification away from commodities and major baking base





**Bidvest**

The Bidvest Group Limited



## Appendix 4

### Segmental results analysis – Bidvest Namibia





## Features of the past year

- Horse mackerel tonnage increased by 10.5% to 149 257 tons but average selling prices in USD declined by 18.6% - affected by price cap in DR Congo, import curbs in Nigeria and general oversupply
- Average exchange rate for the year was N\$10,32 versus N\$8,86 in 2013 - positive effect from exchange rate weakness was more than offset by the larger dollar market price variance
- An improved pilchard result, particularly from the canning factory
- The legal matter affected the Angolan 49% investment Pesca Fresca was resolved but production only recommenced in June 2014 and thus adversely affected the full year result
- Freight & Logistics benefited from oil & gas exploration and transport project business with profits up 20%
- Food & Distribution result was positively influenced by a turnaround at Caterplus with profits up 15.8%
- Industrial & Commercial Services businesses generally contributed well with profits growing 18.1%
- Budget sold to Bidvest SA effective 1 July 2013, affecting Services prior year comparison
- Bidvest Namibia Steiner is gaining market share and had strong revenue growth and respectable performances were also achieved by Waltons, Kolok, Minolco and Cecil Nurse



## Objectives for the year ahead

- Financial position remains sound with high cash balances and minimal debt
- The horse mackerel biomass is healthy but low horse mackerel quotas are concerning and management is engaging with the appropriate authorities
- Process of improving the performance of the Commercial operations, seeking to diversify income streams
- Pro Trade and Voltex in particular require remedial action
- Project activity is promising for the Freight & Logistics businesses





**Bidvest**

The Bidvest Group Limited



## Appendix 5

### Segmental results analysis – Bidvest Corporate



## Features of the past year

- Bidvest's strategic property holdings contributed R366,8 million in trading profit (R324,0 million)
- Ongoing property developments for internal purposes but strictly at arms length
- Investment, other income, corporate costs (including some Mvelaserve HO costs) and ongoing promotion of the 'Bidvest' brand, both locally and internationally
- Ontime Automotive Rescue & Recovery merged with The Mansfield Group effective 1 July 2013, impacted by rationalisation costs of the merger





The Bidvest Group Limited



## Appendix 6

### Bidvest Financial Analysis



# Consolidated Income Statement

Year ended June 30 2014 Rm	June 30 2014 Avg R/£ 16,91		June 30 2013 Avg R/£ 13,87	2014 Currency effects @ R/£ 13,87	
Turnover	<b>183 645,2</b>	<b>19.7%</b>	153 404,5	169 460,8	10.5%

- R14,2bn exchange rate impact on Turnover on translation
- Major translation impacts arise in Bidvest Europe and Bidvest Asia Pacific
- 56/44 split between Foodservice and rest of the Group
- Major acquisitions account for R7,2bn of Turnover growth
  - Mvelaserve R4bn + HOLB R1,3bn + Other R1,6bn



Audited results for the year ended June 30 2014



# Consolidated Income Statement

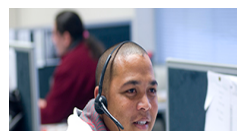


**Bidvest**  
The Bidvest Group Limited

Year ended June 30 2014	June 30 2014		June 30 2013	2014	
Rm	Avg		Avg	Currency effects @	
	R/£ 16,91		R/£ 13,87	R/£ 13,87	
Turnover	<b>183 645,2</b>	<b>19.7%</b>	153 404,5	169 460,8	10.5%
Trading profit	<b>8 945,5</b>	<b>16.6%</b>	7 675,2	8 590,1	11.9%

Trading margins	Jun 30 2014	June 30 2013	Comment
SA	<b>6.2%</b>	6.1%	Improvements in Electrical, Freight, Industrial, Office, Rental and Products and Travel
Foodservice	<b>3.1%</b>	3.0%	Improvements in Europe and Asia Pacific
Namibia	<b>12.4%</b>	16.5%	Fishing operations decline
Group	<b>4.9%</b>	5.0%	Increase in Corporate costs, Ontime and TMG

- Margin held up well despite impact of mix change and acquisitions
- Costs 14.9% up on constant currency basis, 10.2% like for like (excluding major acquisitions), actual 6.0% excluding Freight reallocations from cost of revenue
- Bidvest SA contribution to Group trading profit 55.2% vs. 55.0% in 2013
- Foodservice contribution to Group trading profit 35.7% vs. 32.4% in 2013



Audited results for the year ended June 30 2014

# Consolidated Income Statement

Year ended June 30 2014	June 30 2014		June 30 2013	2014	
Rm	Avg		Avg	Currency effects @	
	R/£ 16,91		R/£ 13,87	R/£ 13,87	
Turnover	<b>183 645,2</b>	<b>19.7%</b>	153 404,5	169 460,8	10.5%
Trading profit	<b>8 945,5</b>	<b>16.6%</b>	7 675,2	8 590,1	11.9%
Net finance expense	<b>(1 048,3)</b>	<b>37.1%</b>	(764,5)	(1 021,0)	33.5%

- Exposure to the rising short end of the funding cycle in South Africa but locked in competitive long term rates, both locally and internationally
- Net offshore finance expense R212,2m vs. R117,9m (2013)
- Net foreign debt R330,3m vs. R270,3m (2013)
- Group net borrowings increased from R4,5bn in 2013 to R7,9bn
- Increase in expense driven by higher working capital absorption through the year, acquisitions and higher interest rate environment in South Africa



Audited results for the year ended June 30 2014

# Consolidated Income Statement



**Bidvest**  
The Bidvest Group Limited

Year ended June 30 2014 Rm	June 30 2014 Avg R/£ 16,91		June 30 2013 Avg R/£ 13,87	2014 Currency effects @ R/£ 13,87	
Turnover	<b>183 645,2</b>	<b>19.7%</b>	153 404,5	169 460,8	10.5%
Trading profit	<b>8 945,5</b>	<b>16.6%</b>	7 675,2	8 590,1	11.9%
Net finance expense	<b>(1 048,3)</b>	<b>37.1%</b>	(764,5)	(1 021,0)	33.5%
Associate Income	<b>110,1</b>	<b>-31.9%</b>	161,8	109,8	-32.2%

## Associates

Comair



Improved performance in 2013

Other



Home of Living Brands (Amaps) became a subsidiary from July 1 2013 and Mvelaserve a subsidiary from November 1 2013

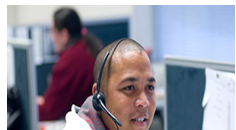


Audited results for the year ended June 30 2014

# Consolidated Income Statement

Year ended June 30 2014 Rm	June 30 2014 Avg R/£ 16,91		June 30 2013 Avg R/£ 13,87	2014 Currency effects @ R/£ 13,87	
Turnover	<b>183 645,2</b>	<b>19.7%</b>	153 404,5	169 460,8	10.5%
Trading profit	<b>8 945,5</b>	<b>16.6%</b>	7 675,2	8 590,1	11.9%
Net finance expense	<b>(1 048,3)</b>	<b>37.1%</b>	(764,5)	(1 021,0)	33.5%
Associate Income	<b>110,1</b>	<b>-31.9%</b>	161,8	109,8	-32.2%
Taxation	<b>(2 107,2)</b>	<b>18.1%</b>	(1 783,7)	(2 031,8)	13.9%

Effective tax rates (ex MIAL & capital items)	June 30 2014	June 30 2013	Comment
Local	<b>27.9%</b>	29.1%	Statutory rate of 28%
Offshore	<b>26.4%</b>	23.7%	Benefit of deferred tax asset in 2013
Group	<b>27.3%</b>	26.7%	Sustainable rate of ± 27%



Audited results for the year ended June 30 2014

# Consolidated Income Statement



**Bidvest**

The Bidvest Group Limited

Year ended June 30 2014 Rm	June 30 2014 Avg R/£ 16,91		June 30 2013 Avg R/£ 13,87	2014 Currency effects @ R/£ 13,87	
Turnover	<b>183 645,2</b>	<b>19.7%</b>	153 404,5	169 460,8	10.5%
Trading profit	<b>8 945,5</b>	<b>16.6%</b>	7 675,2	8 590,1	11.9%
Net finance expense	<b>(1 048,3)</b>	<b>37.1%</b>	(764,5)	(1 021,0)	33.5%
Associate Income	<b>110,1</b>	<b>-31.9%</b>	161,8	109,8	-32.2%
Taxation	<b>(2 107,2)</b>	<b>18.1%</b>	(1 783,7)	(2 031,8)	13.9%
Minority interests	<b>(233,4)</b>	<b>-16.7%</b>	(279,9)	230,1	-17.8%

	June 30 2014	June 30 2013	Comment
Bidvest Namibia	<b>181,8m</b>	245,2m	Due to decline in Bidvest Namibia results
Other	<b>51,6m</b>	34,7m	



Audited results for the year ended June 30 2014

# Consolidated Income Statement

Year ended June 30 2014 Rm	June 30 2014 Avg R/£ 16,91		June 30 2013 Avg R/£ 13,87	2014 Currency effects @ R/£ 13,87	
Turnover	<b>183 645,2</b>	<b>19.7%</b>	153 404,5	169 460,8	10.5%
Trading profit	<b>8 945,5</b>	<b>16.6%</b>	7 675,2	8 590,1	11.9%
Net finance expense	<b>(1 048,3)</b>	<b>37.1%</b>	(764,5)	(1 021,0)	33.5%
Associate Income	<b>110,1</b>	<b>-31.9%</b>	161,8	109,8	-32.2%
Taxation	<b>(2 107,2)</b>	<b>18.1%</b>	(1 783,7)	(2 031,8)	13.9%
Minority interests	<b>(233,4)</b>	<b>-16.7%</b>	(279,9)	230,1	-17.8%
Headline earnings	<b>5 459,6</b>	<b>11.9%</b>	4 878,0	5 217,7	7%



Audited results for the year ended June 30 2014



# Consolidated Income Statement

Year ended June 30 2014	June 30 2014		June 30 2013	2014	
Rm	Avg		Avg	Currency effects @	
	R/£ 16,91		R/£ 13,87	R/£ 13,87	
Turnover	<b>183 645,2</b>	<b>19.7%</b>	153 404,5	169 460,8	10.5%
Trading profit	<b>8 945,5</b>	<b>16.6%</b>	7 675,2	8 590,1	11.9%
Net finance expense	<b>(1 048,3)</b>	<b>37.1%</b>	(764,5)	(1 021,0)	33.5%
Associate Income	<b>110,1</b>	<b>-31.9%</b>	161,8	109,8	-32.2%
Taxation	<b>(2 107,2)</b>	<b>18.1%</b>	(1 783,7)	(2 031,8)	13.9%
Minority interests	<b>(233,4)</b>	<b>-16.7%</b>	(279,9)	230,1	-17.8%
Headline earnings	<b>5 459,6</b>	<b>11.9%</b>	4 878,0	5 217,7	7%
HEPS (cps)	<b>1 733,9</b>	<b>11.1%</b>	1 560,6	1 657,1	6.2%

Headline earnings per share impacted by:

- Currency effects + 4.9% on HEPS
- The average Rand exchange rate was weaker against the major currencies in which the Group operates and in particular against the Euro and Sterling, largely since the emerging market financial crisis in January 2014



Audited results for the year ended June 30 2014

# Consolidated Income Statement

Year ended June 30 2014 Rm	June 30 2014 Avg R/£ 16,91		June 30 2013 Avg R/£ 13,87	2014 Currency effects @ R/£ 13,87	
Turnover	<b>183 645,2</b>	<b>19.7%</b>	153 404,5	169 460,8	10.5%
Trading profit	<b>8 945,5</b>	<b>16.6%</b>	7 675,2	8 590,1	11.9%
Net finance expense	<b>(1 048,3)</b>	<b>37.1%</b>	(764,5)	(1 021,0)	33.5%
Associate Income	<b>110,1</b>	<b>-31.9%</b>	161,8	109,8	-32.2%
Taxation	<b>(2 107,2)</b>	<b>18.1%</b>	(1 783,7)	(2 031,8)	13.9%
Minority interests	<b>(233,4)</b>	<b>-16.7%</b>	(279,9)	230,1	-17.8%
Headline earnings	<b>5 459,6</b>	<b>11.9%</b>	4 878,0	5 217,7	7%
HEPS (cps)	<b>1 733,9</b>	<b>11.1%</b>	1 560,6	1 657,1	6.2%
Diluted HEPS (cps)	<b>1 723,0</b>	<b>11.0%</b>	1 551,6	1 646,7	6.1%

- 317m vs. 314m diluted weighted average shares
- Increased due to scrip dividend and exercise of share options by staff
- Total ordinary shares (net of treasury) 319m vs. 314m



Audited results for the year ended June 30 2014

# Consolidated Income Statement



**Bidvest**

The Bidvest Group Limited

Year ended June 30 2014	June 30 2014		June 30 2013	2014	
Rm	Avg		Avg	Currency effects @	
	R/£ 16,91		R/£ 13,87	R/£ 13,87	
Turnover	<b>183 645,2</b>	<b>19.7%</b>	153 404,5	169 460,8	10.5%
Trading profit	<b>8 945,5</b>	<b>16.6%</b>	7 675,2	8 590,1	11.9%
Net finance expense	<b>(1 048,3)</b>	<b>37.1%</b>	(764,5)	(1 021,0)	33.5%
Associate Income	<b>110,1</b>	<b>-31.9%</b>	161,8	109,8	-32.2%
Taxation	<b>(2 107,2)</b>	<b>18.1%</b>	(1 783,7)	(2 031,8)	13.9%
Minority interests	<b>(233,4)</b>	<b>-16.7%</b>	(279,9)	230,1	-17.8%
Headline earnings	<b>5 459,6</b>	<b>11.9%</b>	4 878,0	5 217,7	7%
HEPS (cps)	<b>1 733,9</b>	<b>11.1%</b>	1 560,6	1 657,1	6.2%
Diluted HEPS (cps)	<b>1 723,0</b>	<b>11.0%</b>	1 551,6	1 646,7	6.1%
Distribution (cps)	<b>834,1</b>	<b>15.8%</b>	720,0	834,1	15.8%

- Dividend cover of approximately 2,1x (policy) maintained
- Policy approximately 2,25x

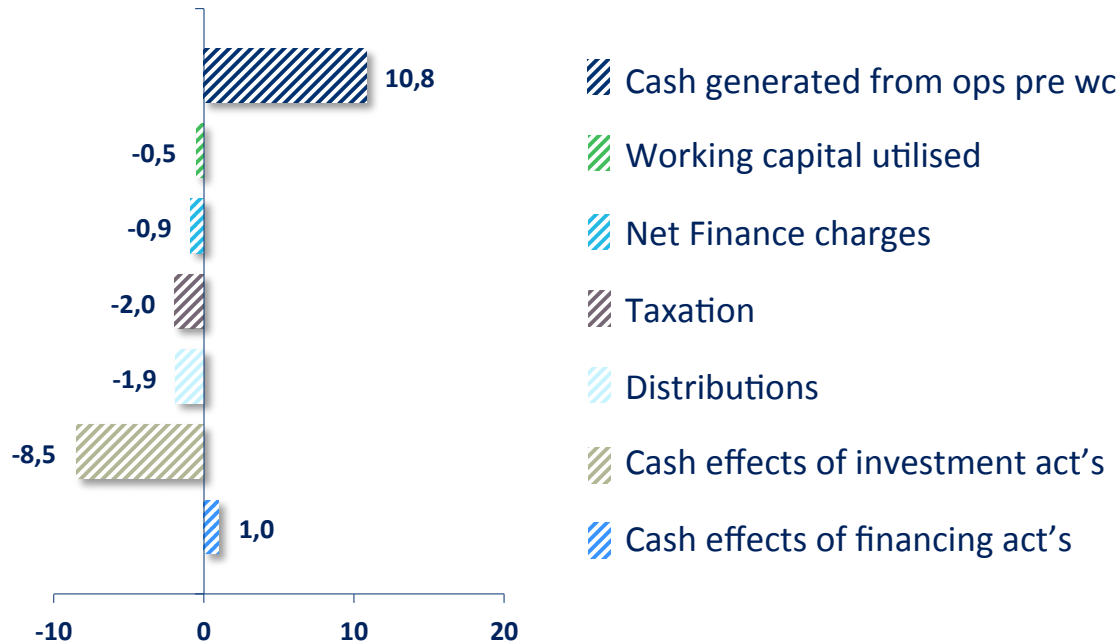


Audited results for the year ended June 30 2014

# Consolidated cash flow statement

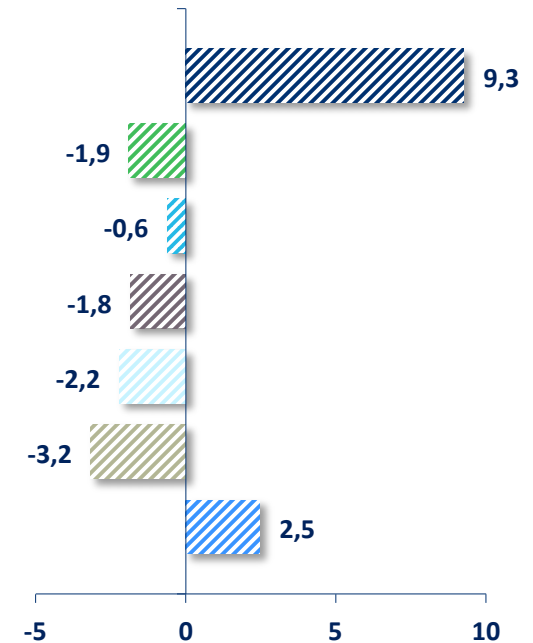
## Year ended June 30 2014

R bn



## Year ended June 30 2013

R bn

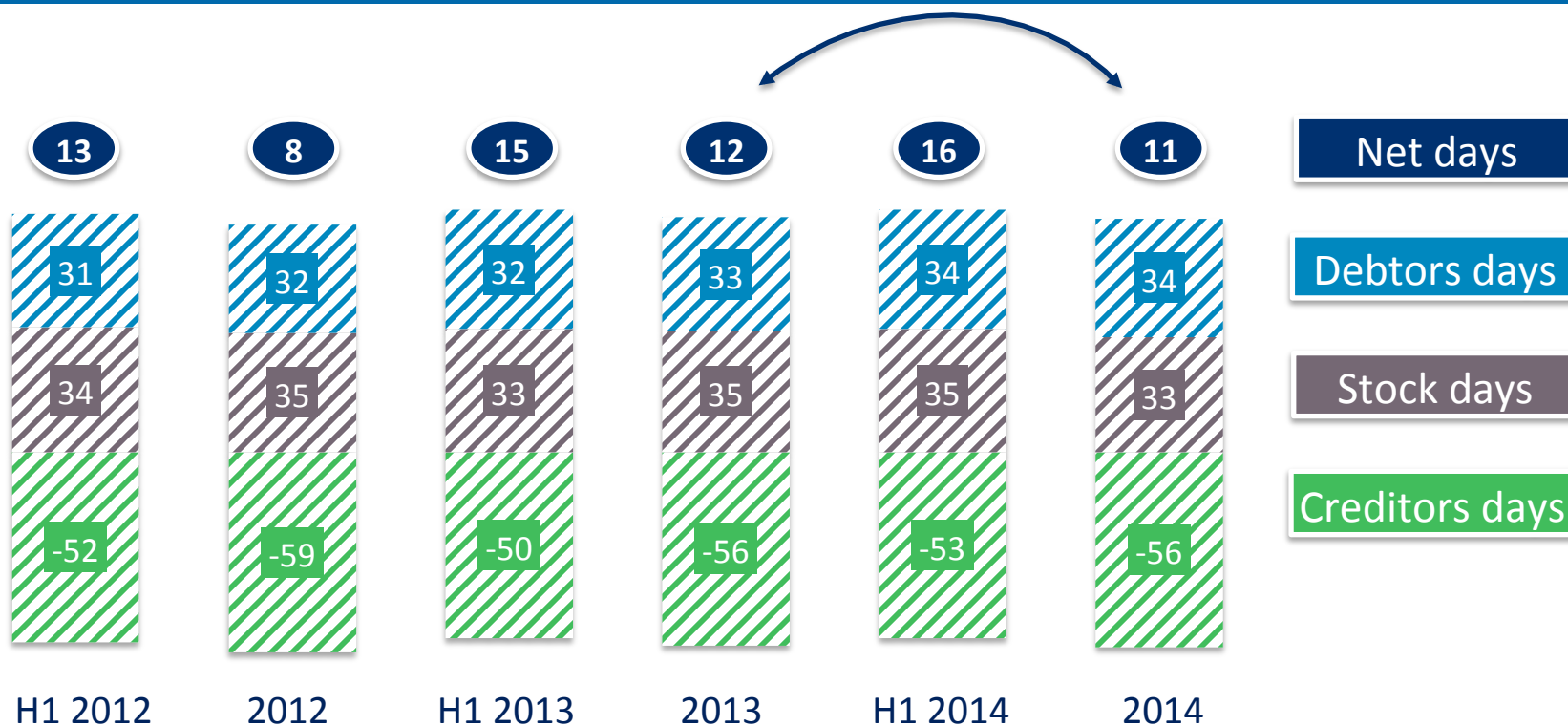


- Working capital absorption R0,5bn, down from R1,9bn in 2013
- Investment activities
  - Net capex on PPE and intangibles of R3,0bn vs. R2,5bn in 2013
  - Net acquisitions of R5,3bn vs R0,4bn in 2013
  - Debtors book well managed and conservatively provided



Audited results for the year ended June 30 2014

# Net working capital days



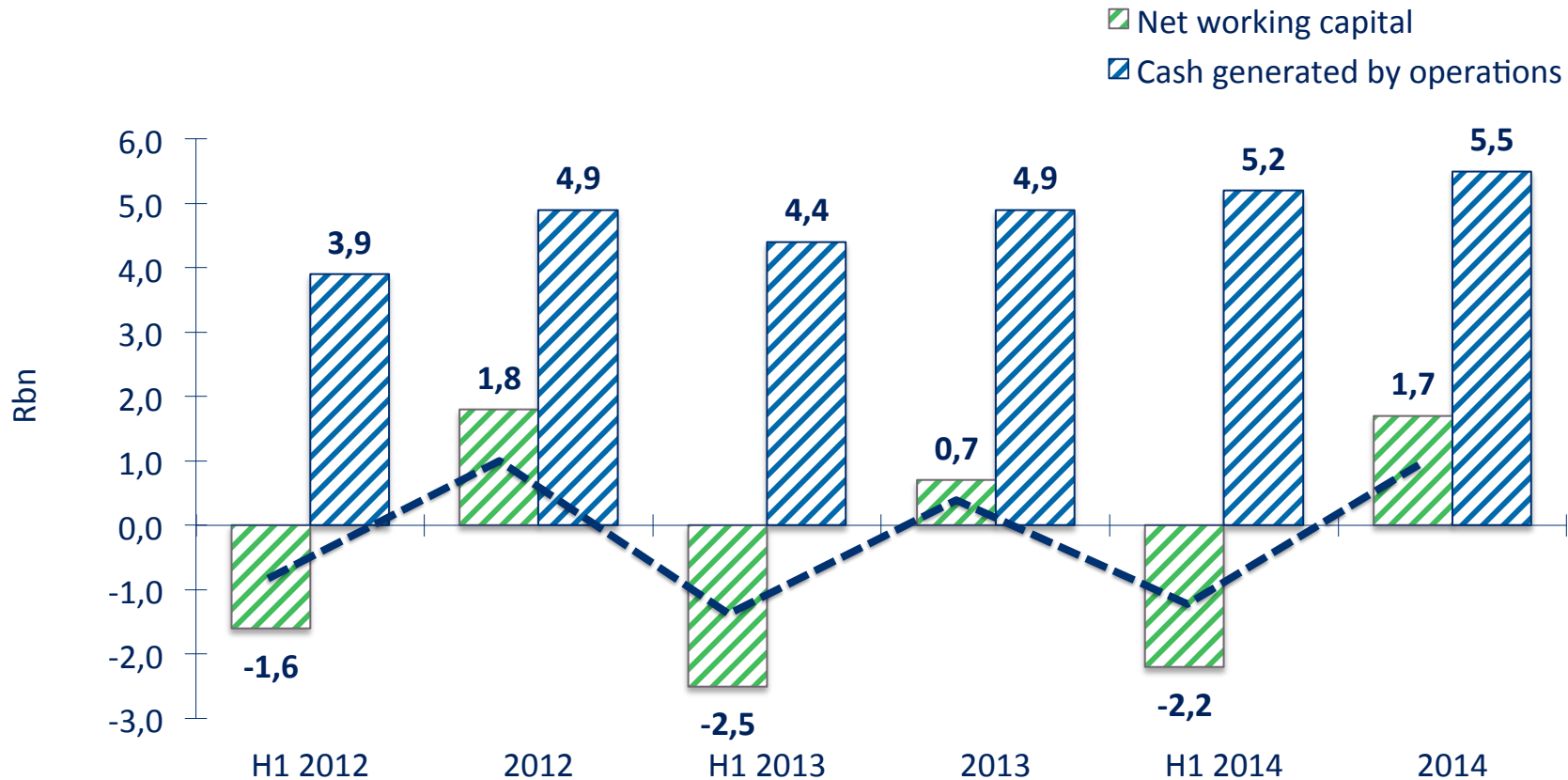
Net working capital days, 1 day lower than 2013

- Inventory - in line with prior year, strategic stocking and Rand replacement values
- Debtors - receivables slightly higher, delinquencies remain well controlled
- Creditors - consistent with 2013



Audited results for the year ended June 30 2014

# Net working capital flows vs cash generated

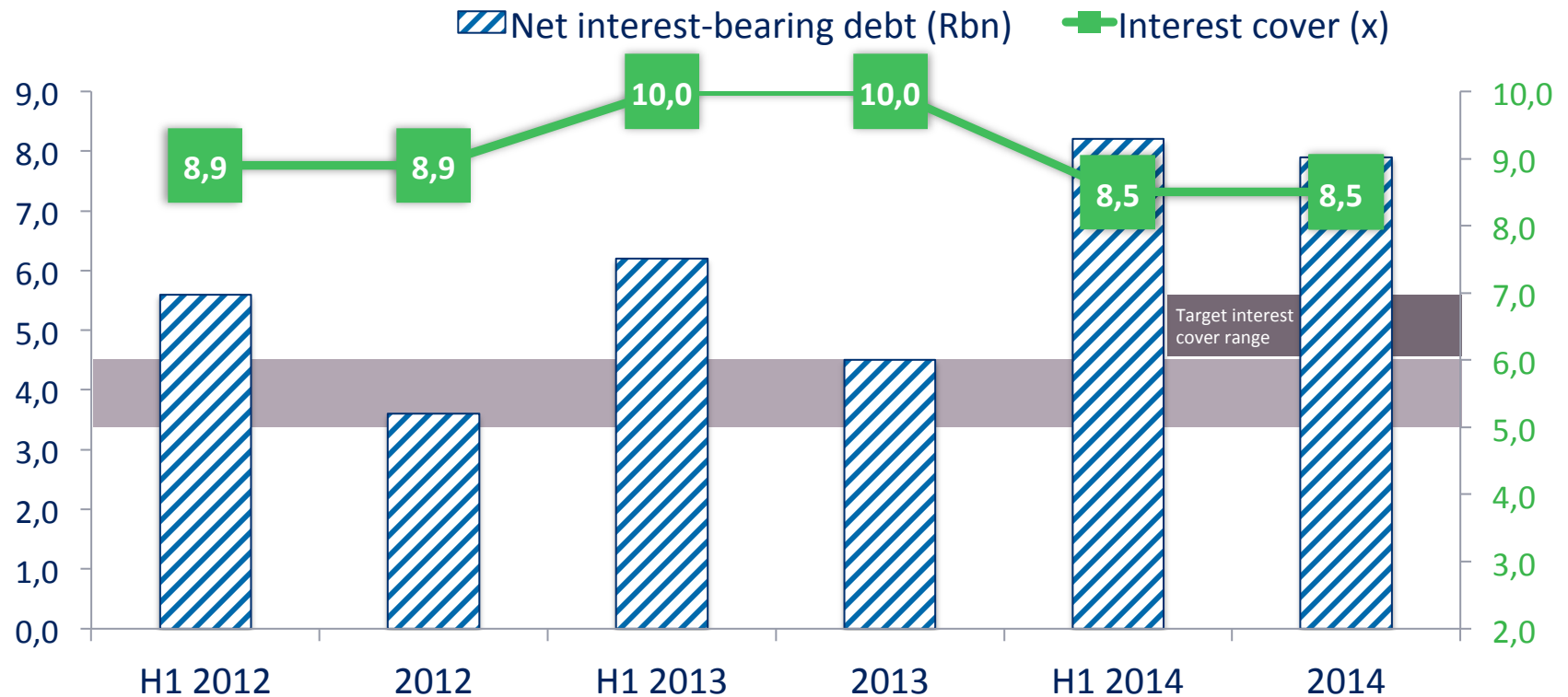


- Working capital continuing a well established cycle, impacted by Rand replacement values and strategic investments in inventory
- Cash generation by operations BEFORE WC increases by 16.0% to R10,7bn
- Cash generation by operations AFTER WC increases by 38.6% to R10,2bn



Audited results for the year ended June 30 2014





- Net interest cover of 8,5x exceeds Group benchmark of 5-6x
- Ample headroom to fund organic or acquisitive expansion
- A conservative approach to gearing with trading profit interest cover at 8,5 times (2013: 10,0 times)
- Excluding the impact of Adcock acquisition earnings shown below the line trading profit interest cover is at 9,4 times



Audited results for the year ended June 30 2014



**Bidvest**

The Bidvest Group Limited



## Appendix 7

### Bidvest Historical Results

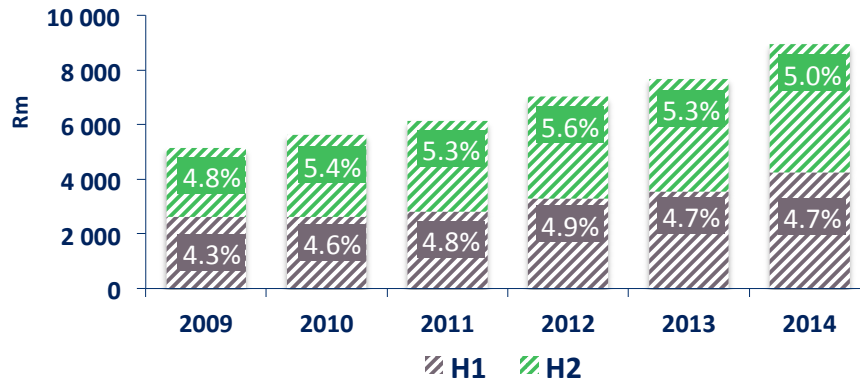


# Historic Performance – year to June

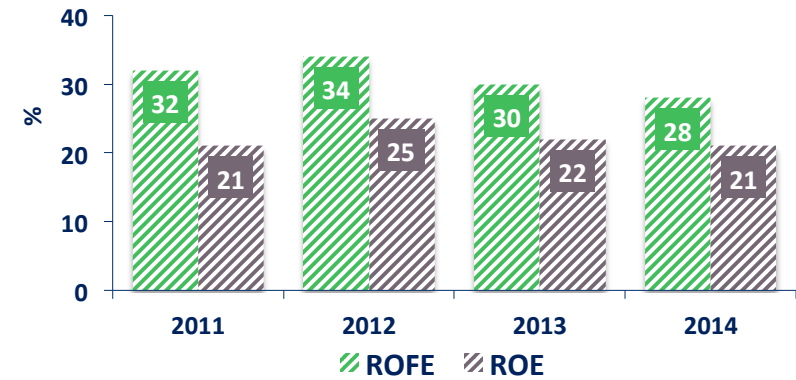


**Bidvest**  
The Bidvest Group Limited

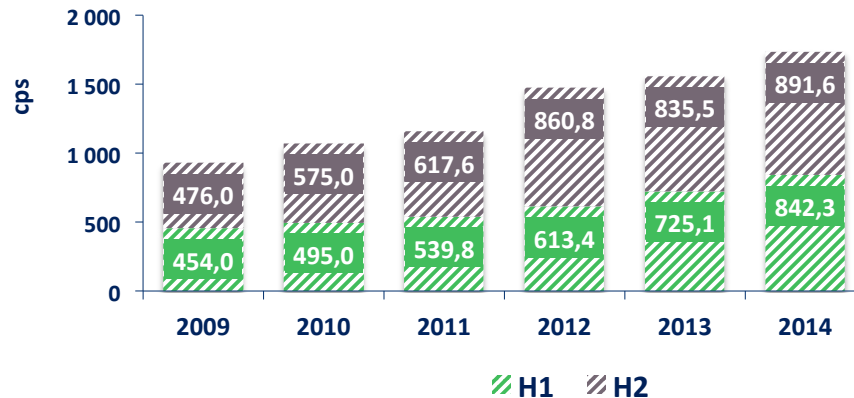
## Trading Profit and Trading Margin



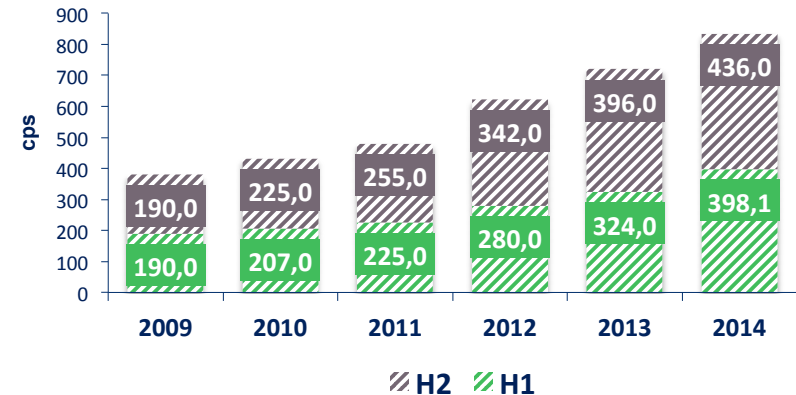
## Returns (annual)



## Headline earnings per share

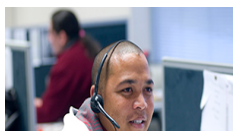


## Dividend per share



12% CAGR over 10 fiscal years

13% CAGR over 10 fiscal years



Audited results for the year ended June 30 2014