Agenda

01 Introduction
   Lindsay Ralphs

02 Financial review
   Mark Steyn

03 Operational updates
   Lindsay Ralphs

04 Strategic overview and outlook
   Lindsay Ralphs

05 Appendices
Introduction

Lindsay Ralphs
CE
Highlights for the period

- Trading profit up **19.8%** to **R4.0 billion**
  - Excellent performance from offshore services businesses (Noonan)
  - Services, Automotive, Financial Services and Properties performed well. Branded Products delivered a resilient result. Freight and Commercial Products fell short of expectation
  - Gross (+120bps) and trading (+81bps) profit margins improved
- **R5.5 billion**, +32.7%, operational cash generated
- Exceptional balance sheet
- ROFE improved to **24.8%**
- Acquiring the **UK and Spain’s no1 hygiene service provider, PHS** for GBP495 million
- Normalised HEPS **636.5 cents**, +0.1% (pro forma)
- Interim DPS of **282 cents**
We are Bidvest

Restructured into six operating divisions

---

1. Reflect segmental H1 2020 revenue, EBITDA and trading profit respectively, before Properties and the Corporate Office

THE BIDVEST GROUP LIMITED Unaudited Results for the half-year ended 31 December 2019
Diversified portfolio

No one segment dominant in profit contribution
Strategy overview and progress

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

- Strong growth in annuity income-type businesses
- Lower volumes and pricing pressure in trading and distribution businesses

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

- Stable net debt/EBITDA and net interest cover of 1.1x and 8.2x, respectively
- Operational cash generation increased 3-fold

Investing capital in key areas that will ensure future growth and internationalising of niche services

- LPG project almost complete
- Acquired Future Cleaning
- Acquiring PHS, Eqstra

Promoting responsible stewardship

- Group B-BBEE Level 3
- 50% of businesses Level 1-2

Principle approach is to invest in:

- Blend of defensive, counter-cyclical and growth assets
- Diversified and asset light businesses that are highly cash generative
- Dominant positions in each of their markets
- Entrepreneurial and decentralised management and operations supported by a strong corporate office
- Efficient capital allocation

Core values: Honesty, Integrity, Accountability and Respect
Financial review

Mark Steyn
CFO
## Financial highlights

<table>
<thead>
<tr>
<th>R billion</th>
<th>Interim 31 December 2019</th>
<th>^ Pro forma interim 31 December 2019</th>
<th>Interim 31 December 2018</th>
<th>Change</th>
<th>Pro forma Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>43.7</td>
<td>43.7</td>
<td>40.0</td>
<td>9.2%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Gross profit *</td>
<td>30.5%</td>
<td>30.5%</td>
<td>29.3%</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Expense *</td>
<td>21.7%</td>
<td>21.9%</td>
<td>21.5%</td>
<td>↓</td>
<td>↓</td>
</tr>
<tr>
<td>EBITDA</td>
<td>4.8</td>
<td>4.8</td>
<td>4.2</td>
<td>15.6%</td>
<td>15.6%</td>
</tr>
<tr>
<td>Trading profit</td>
<td>4.0</td>
<td>3.9</td>
<td>3.3</td>
<td>19.8%</td>
<td>16.8%</td>
</tr>
<tr>
<td>Trading profit margin</td>
<td>9.2%</td>
<td>8.9%</td>
<td>8.3%</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Headline earnings</td>
<td>1.9</td>
<td>2.0</td>
<td>2.1</td>
<td>(9.9%)</td>
<td>(5.8%)</td>
</tr>
<tr>
<td>HEPS (cents)</td>
<td>563.2</td>
<td>588.9</td>
<td>629.1</td>
<td>(10.5%)</td>
<td>(6.4%)</td>
</tr>
<tr>
<td>Normalised HEPS (cents)</td>
<td>610.9</td>
<td>636.5</td>
<td>635.7</td>
<td>(3.9%)</td>
<td>0.1%</td>
</tr>
<tr>
<td>DPS (cents)</td>
<td>282.0</td>
<td></td>
<td>282.0</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>EBITDA interest cover (times)</td>
<td>8.2x</td>
<td></td>
<td>8.2x</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Net debt/EBITDA (times)</td>
<td>1.1x</td>
<td></td>
<td>1.1x</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Cash conversion **</td>
<td>52.4%</td>
<td></td>
<td>(17.8%)</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>ROFE</td>
<td>24.8%</td>
<td></td>
<td>22.8%</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>ROIC</td>
<td>16.3%</td>
<td></td>
<td>16.0%</td>
<td>↑</td>
<td></td>
</tr>
</tbody>
</table>

* As % of revenue
** As % of trading profit
^ Pro forma interim applies IAS 17 to operating leases for the half year ending 31 December 2019
Income statement analysis

Revenue
- Revenue +9.2%
- Consolidation of Adcock for 5 months
- Strong Noonan performance, bolt-on acquisitions and rate increases more than offset lower activity in certain areas

Gross income
- Gross margin up 120bps to 30.5%
- Adcock and strong Noonan performance enhanced margins

Expenses
- Operating expenses increased 10.2%
- Life-for-like expense growth 2.7%
- Continued, strong focus on cost containment

Trading profit
- Strong performances from Services, Automotive, Financial Services and Properties
- Branded Products, ex Adcock, Commercial Products and Freight delivered lower profits
- Profit uplift from Adcock consolidation
- Excluding IFRS 16 and Adcock, trading profit grew 3.7%

Other costs
- Acquisition costs of R16 million relate mainly to Eqstra and Adcock
- Amortisation of acquired customer contracts of R27 million (mainly Noonan)

Net capital items
- Reduction in fair value of associates (mainly Adcock in July), net of Comair’s full SAA settlement provision
- Disposal of businesses
Income statement analysis

Net finance charges
- 7.3% higher (excluding IFRS 16)
- Additional funding for acquisitions
- Capital expenditure continued
- Conservative interest cover of 8.2x EBITDA

Associate income
- Adcock Ingram included for only 1 month
- Comair operating losses
- Recognition of our full share of the Comair SAA claim impairment

Taxation
- Effective tax rate broadly in line with statutory rate
- Marginally lower statutory rate in offshore operations

Non-controlling interest
- Predominantly Adcock on consolidation

HEPS
- Declined 10.5% to 563.2 cents. IFRS 16 contributed 4.1% and Comair’s impairment of the SAA settlement 5.8% of the contraction, respectively
- Adcock neutral on headline earnings level
- Normalised HEPS +0.1% (excluding IFRS 16). Acquisition cost, amortisation of customer contracts and non-cash share of Comair claim

Dividend
- Interim dividend 282 cents, flat on prior year
- Cover ratio of 2.16x consistent with policy range of 2.00x to 2.50x of normalised HEPS
Debt and funding

A conservative approach to gearing

- Net debt of R10 billion
- EBITDA interest cover stable at 8.2 times
- Net debt/EBITDA 1.1 times
- 57% of gross debt long-term
- Successful bond placements
- Eqstra and PHS acquisitions expected to result in peak net debt/EBITDA ratio as at June 2020. But comfortably below bank covenants

<table>
<thead>
<tr>
<th>Moody’s Investors Service credit rating</th>
<th>Long term</th>
<th>Short term</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Bidvest Group Limited</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National scale</td>
<td>Aa1.za</td>
<td>P-1.za</td>
<td>Negative</td>
</tr>
<tr>
<td>Global scale</td>
<td>Baa3</td>
<td>P-3</td>
<td>Negative</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest cover</th>
<th>H1 2018</th>
<th>2018</th>
<th>H1 2019</th>
<th>2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt (Rbn)</td>
<td>9.0</td>
<td>6.3</td>
<td>8.9</td>
<td>7.8</td>
<td>10.0</td>
</tr>
<tr>
<td>EBITDA Interest cover</td>
<td>7.6</td>
<td>8.0</td>
<td>8.2</td>
<td>7.9</td>
<td>8.2</td>
</tr>
</tbody>
</table>

Moody’s Investors Service credit rating for The Bidvest Group Limited:
- National scale: Aa1.za, P-1.za, Negative
- Global scale: Baa3, P-3, Negative
Cash flow

Cash generative businesses that are capital light

Free cash flow (Rbn)

- Cash generated from ops pre WC
- Working capital (absorbed)/released
- Capex
- Cash effects of investing activities
- Net Finance charges
- Taxation
- Distributions
- Cash effects of financing activities
- Cash generated vs working capital (Rbn)

- Cash conversion 52.4% (H1 2019: 17.8% negative)
- Working capital absorbed of R1.8 billion (H1 2019: R3.1 billion absorbed). The movement in trade receivables normalised. Bidvest Bank raised additional deposits in excess of loans advanced (net R704 million, or ½ of cash movement)
- Capex spend continues in SA
IFRS16: Leases

No impact on cash flow or strategy

- IFRS16 adopted, effective 1 July 2019, using a modified retrospective approach
- The adoption has no impact on new cashflows. Non-interest portion of lease payments reallocate from operating activities to financing activities
- Financial statement impact:
  - Right-of-use assets R5.0 billion
  - Lease liabilities R5.2 billion
  - Corresponding deferred tax assets and liabilities
  - Trading profit increase R100 million
  - Finance charges increase R229 million
  - Profit before tax decrease R123 million
  - Attributable income decrease R87 million
03 Operational updates

Lindsay Ralphs
CE
## Trading profit

<table>
<thead>
<tr>
<th>Trading profit (R’000)</th>
<th>Interim 31 December 2019</th>
<th>Interim 31 December 2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>1 221 397</td>
<td>1 058 665</td>
<td>15.4</td>
</tr>
<tr>
<td>Branded Products</td>
<td>988 864</td>
<td>562 833</td>
<td>75.7</td>
</tr>
<tr>
<td>Freight</td>
<td>645 613</td>
<td>711 518</td>
<td>(9.3)</td>
</tr>
<tr>
<td>Automotive</td>
<td>378 971</td>
<td>325 213</td>
<td>16.5</td>
</tr>
<tr>
<td>Commercial Products</td>
<td>343 183</td>
<td>380 053</td>
<td>(9.7)</td>
</tr>
<tr>
<td>Financial Services</td>
<td>276 607</td>
<td>242 919</td>
<td>13.9</td>
</tr>
<tr>
<td>Properties</td>
<td>294 808</td>
<td>281 971</td>
<td>4.6</td>
</tr>
<tr>
<td>Corporate and Investments</td>
<td>(149 620)</td>
<td>(224 227)</td>
<td>33.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3 999 823</strong></td>
<td><strong>3 338 945</strong></td>
<td><strong>19.8</strong></td>
</tr>
</tbody>
</table>
Exceptional results were delivered by Noonan, Protea Coin and BidTrack. Facilities Management, BidAir Cargo, BidAir Lounges and the Allied Services cluster performed well. Corporate travel businesses performed poorly.

- Market stagnant and price sensitive. Focus on technology and customised solutions to remain relevant and manage churn.
- Noonan grew trading profit 29% in EUR on strong margin growth. Acquisition of Future Cleaning added scale and capabilities in the UK.
- The acquisitions concluded in the prior year, augmented the service basket and performed well.
- Cash generation was good and funds employed well managed.
- Acquisition of PHS expected to close Q4 2020.

### Interim Results

<table>
<thead>
<tr>
<th></th>
<th>Interim ended 31 December 2019</th>
<th>Interim ended 31 December 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>10 975</td>
<td>10 289</td>
<td>6.7%</td>
</tr>
<tr>
<td>Trading profit</td>
<td>1 221</td>
<td>1 059</td>
<td>15.4%</td>
</tr>
<tr>
<td>Trading margin</td>
<td>11.1%</td>
<td>10.3%</td>
<td>↑</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1 489</td>
<td>1 322</td>
<td>12.6%</td>
</tr>
<tr>
<td>Average Funds Employed</td>
<td>2 663</td>
<td>2 467</td>
<td>8.0%</td>
</tr>
<tr>
<td>ROFE</td>
<td>91.7%</td>
<td>85.8%</td>
<td>↑</td>
</tr>
</tbody>
</table>
Branded Products | CEO: Kevin Wakeford

- Restructured to include Office & Print, Adcock and consumer products previously in Commercial Products
- Adcock consolidated for 5 months. Results reflected difficult trading conditions – voluntary suspension of Broncleer, pricing pressure on generics, incl ARVs and certain stock supply issues
- Like-for-like trading profit 4% lower. Good result considering structural industry challenges. Excellent cost control
- Konica Minolta results exceeded expectations considering impact of Treasury contract
- Despite lower office product demand profit was flat
- Data, Print and Packaging as well as Furniture held its own
- Home of Living Brands result reflected depressed retail sector

<table>
<thead>
<tr>
<th>R million</th>
<th>Interim ended 31 December 2019</th>
<th>Interim ended 31 December 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>9 271</td>
<td>6 161</td>
<td>50.5%</td>
</tr>
<tr>
<td>Trading profit</td>
<td>989</td>
<td>563</td>
<td>75.7%</td>
</tr>
<tr>
<td>Trading margin</td>
<td>10.7%</td>
<td>9.1%</td>
<td>↑</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1 114</td>
<td>644</td>
<td>73.0%</td>
</tr>
<tr>
<td>Average Funds Employed</td>
<td>6 409</td>
<td>2 871</td>
<td>123.3%</td>
</tr>
<tr>
<td>ROFE</td>
<td>32.5%</td>
<td>39.2%</td>
<td>↓</td>
</tr>
</tbody>
</table>
Freight | CEO: Wiseman Madinane

- Lower volumes, particularly yellow maize, weighed on the performance
- Greater liquid and bulk commodity volumes handled. General cargo down, both import and export
- New agency agreement secured with EMO Tran. Rebranded Bidvest International Logistics (BIL)
- Negative impact from Durban port congestion and Arcelor Mittal’s Saldanha Steel closure. Working with stakeholders to find solution for Durban port congestion
- Annuity-income represents 50% of trading profit
- LPG project on track and within budget. Capex for smaller inland LPG storage terminal was approved
Automotive | CEO: Steve Keys

- Excellent turnaround from Bidvest Car Rental and flat motor retailing profit in SA
- Bidvest McCarthy sold fewer new and used vehicles, respectively. Sales to fleet customers were healthy
- The luxury segment remained under pressure but volume brands held its own. Technology tool introduced to source and sell used cars yielded benefits in improved contributions
- The aftermarket segment reported a flat contribution as the car parc under warrantee & service plans shrunk and restructuring benefits materialised
- Bidvest Car Rental grew rental days strongly, achieved modest rental rate increases and achieved improved fleet utilisation, culminating in improved profitability

<table>
<thead>
<tr>
<th>R million</th>
<th>Interim ended 31 December 2019</th>
<th>Interim ended 31 December 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>12 149</td>
<td>12 346</td>
<td>(1.6%)</td>
</tr>
<tr>
<td>Trading profit</td>
<td>379</td>
<td>325</td>
<td>16.5%</td>
</tr>
<tr>
<td>Trading margin</td>
<td>3.1%</td>
<td>2.6%</td>
<td>↑</td>
</tr>
<tr>
<td>EBITDA</td>
<td>512</td>
<td>462</td>
<td>10.9%</td>
</tr>
<tr>
<td>Average Funds Employed</td>
<td>4 099</td>
<td>4 197</td>
<td>(2.3%)</td>
</tr>
<tr>
<td>ROFE</td>
<td>18.5%</td>
<td>15.5%</td>
<td>↑</td>
</tr>
</tbody>
</table>
Incorporates former Electrical division and King Pie but no longer HoLB and Cellini. Very challenging trading conditions

- Excellent result from Plumblink. Good results from Electrical, Afcom, Materials Handling and King Pie. Disappointing results from Matus, Academy Brushware and G Fox
- Margin was key challenge. Operating costs very well managed
- Benefit of the right product at right price backed up by expert technical support very evident in Plumblink and speciality electrical businesses
- Poor factory recoveries in Academy Brushware, G Fox and Buffalo Tapes

### Table: Commercial Products - Interim Results

<table>
<thead>
<tr>
<th></th>
<th>Interim ended 31 December 2019</th>
<th>Interim ended 31 December 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>R 6 533</td>
<td>R 6 342</td>
<td>3.0%</td>
</tr>
<tr>
<td>Trading profit</td>
<td>R 343</td>
<td>R 380</td>
<td>(9.7%)</td>
</tr>
<tr>
<td>Trading margin</td>
<td>5.3%</td>
<td>6.0%</td>
<td>↓</td>
</tr>
<tr>
<td>EBITDA</td>
<td>R 411</td>
<td>R 461</td>
<td>(10.9%)</td>
</tr>
<tr>
<td>Average Funds Employed</td>
<td>R 4 251</td>
<td>R 4 106</td>
<td>3.5%</td>
</tr>
<tr>
<td>ROFE</td>
<td>16.1%</td>
<td>18.5%</td>
<td>↓</td>
</tr>
</tbody>
</table>
Financial Services | CEO: Thinus Liebenberg

- Bidvest Bank grew 1%. Transnet HCV fleet slow to roll out. Foreign exchange revenue was under pressure while Business banking grew
- Fleet Maintenance assets declined 7% but fleet loans increased 4%; deposits and loans & advances increased by 26% and 29%, respectively
- Exciting initiatives are being explored for Bidvest’s Global World Currency Card
- Bidvest Insurance had a slow start given significant market pressure and a renewed focus on automotive value-add products
- Bidvest Life sales grew strongly, continuing to cause new business strain
- Investment income was significantly higher
- Eqstra transaction is awaiting SARB approval to close

<table>
<thead>
<tr>
<th>R million</th>
<th>Interim ended 31 December 2019</th>
<th>Interim ended 31 December 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1 394</td>
<td>1 351</td>
<td>3.2%</td>
</tr>
<tr>
<td>Trading profit</td>
<td>277</td>
<td>243</td>
<td>13.9%</td>
</tr>
<tr>
<td>Trading margin</td>
<td>19.8%</td>
<td>18.0%</td>
<td>↑</td>
</tr>
<tr>
<td>EBITDA</td>
<td>403</td>
<td>358</td>
<td>12.5%</td>
</tr>
<tr>
<td>Average Funds Employed</td>
<td>3 711</td>
<td>3 497</td>
<td>6.1%</td>
</tr>
<tr>
<td>ROFE</td>
<td>14.9%</td>
<td>13.9%</td>
<td>↑</td>
</tr>
</tbody>
</table>
Corporate & Properties

- Corporate comprises Bidvest Properties and other investments
- Bidvest Properties performed well (trading profit +4.6%) and continues to be of strategic importance to the Group
- The Mansfield Group was disposed of
- MIAL transaction is progressing

<table>
<thead>
<tr>
<th></th>
<th>Interim ended 31 December 2019</th>
<th>Interim ended 31 December 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1 172</td>
<td>1 390</td>
<td>(15.7%)</td>
</tr>
<tr>
<td>Trading profit</td>
<td>145</td>
<td>57</td>
<td>151.4%</td>
</tr>
<tr>
<td>Average Funds Employed</td>
<td>6 808</td>
<td>10 727</td>
<td>(36.5%)</td>
</tr>
</tbody>
</table>
Strategic overview and outlook

Lindsay Ralphs
CE
Outlook

- Core competencies, structural drivers, portfolio diversification and broad reach will allow Bidvest to weather the challenging trading conditions
- Invest in technology and innovation to disrupt ourselves and industries
- Anticipate the SA economy to remain unchanged in H2
- Pockets of opportunities and activity exist. Bidvest will capitalise on these

Trading profit relationship with South African nominal GDP³

- Eqstra, PHS expected to close Q4 2020
- Bolt-on opportunities attractive and to continue
- Continuously evaluate niche international acquisitions in services and distribution of everyday-essential products
- Invest in long-dated annuity-type projects in SA
- Unwavering disciplined approach

1. Reflects turnover from FY2007 to FY2016, with revenue shown from FY2017-FY2019, given disclosure changes from FY2017
2. Annuity income is mainly service and property related activities. Margin relates to trading activities in branded and commercial products and automotive retailing
3. Calculated using the 3-year rolling average from 2007-2019 of trading profit (adjusted for Bidcorp unbundling) divided by South African Nominal GDP

Source: IMF as at January 2020

The graph shows the trading profit relationship with South African nominal GDP from 2007 to 2019, with 2019 showing a 1.2x average over the period.
PHS acquisition

- In line with Bidvest’s strategy to expand internationally into niche service businesses
  - PHS is no1 in UK hygiene market
  - Competent management to run it
  - Opportunities to improve margins and returns
- Annuity income from providing essential services to contracted customer base
- Strong growth prospects – scalable platforms in a structurally growing industry
- Attractive returns and strong cash conversion
- Acquisition terms
  - EV of GBP495 million. Purchase on a cash-free-debt-free basis
  - 2019 EV/EBITA 13.2x
  - Conditions precedent – SARB, FCA, European Competition Commission

- Pro-forma financial impact
  - Accretive ~7%, excluding amortisation (to be determined in PPA)
  - Fully debt funded @ 4%
  - 18% tax rate
  - ROFE neutral
  - ROIC initially lower
  - WACC benefit from cheaper funding
PHS Group snapshot

Description

- PHS Group is a leading hygiene services platform with leading market positions across UK, Ireland and Spain complemented by a high growth specialist business
- Serves ~120 000 customers across ~300 000 locations
- Bidvest announced the acquisition of PHS Group for R9.1bn in December 2019 in line with its stated strategic intent to expand its presence beyond South Africa in niche, asset light businesses that will benefit from Bidvest’s capabilities and expertise
  - Funding the acquisition through committed GBP-denominated bank debt
  - The transaction is expected to be completed Q2 2020, subject to fulfilment of relevant approvals and conditions precedent

Contract-based model

<table>
<thead>
<tr>
<th>3-5 year contract length with automatic renewal</th>
<th>~88% retention</th>
<th>Contracts with automatic annual inflation + price adjustments</th>
<th>~80% of contracts billed in advance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low upfront capex, linked to service-rental contracts</td>
<td>Penalty for early termination (up to 75% of contract value)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Drivers of competitive advantage

- **Scale**: Ability to serve local, regional and national customers
  - Well-established firm (established 1963) with track record best positioned to win given criticality and regulated nature of services
- **Existing contract base**: Customers with long relationship terms and low switching incentives
  - 50% of customers retained longer than 10 years
- **Brand and reputation**: Well-established firm (established 1963) with track record best positioned to win given criticality and regulated nature of services
- **National organisational capabilities**: IT systems, customer information management, national account management and national customer services drive increased customer loyalty through ability to serve customers of every size in every region
- **Ability to comply with regulation**: Expertise and know-how required to be able to provide compliant products and services

Scale and network density benefits

Forecast hygiene market is expected to grow 1.5-2.0x GDP

Leading market positions

- UK: ~31% share
- Spain: ~15% share
- Ireland: ~11% share
Appendices
Services

- FM Services performed well considering the environment. FM and Prestige delivered good growth. ABSA FM contract was secured. Post Kusile contract loss (H2 2019), Catering needs scale
- Noonan grew revenue 5% and profit 29% in EUR. Margin management remains a core competence. FY19 contract losses annualise but new contract wins good. Working capital management exceptional
- Security & Aviation Services delivered an strong result. Excellent performance from Protea Coin and USD exceeded expectations. BidAir Lounges and BidAir Cargo performed well on increased volumes
- Travel Services trading profit declined materially. Business lost to Amex, downtrading and no rebates more than offset cost restructuring. Leisure travel doing well and bolt-on acquisition was made
- Allied Services delivered a reasonable result given pressure in the hospitality sector. Pureau/Aquazania integration is progressing as planned

Outlook for FY20

- Margin management will remain a key focus area
- Niche technology solutions offer exciting opportunities
- Targeted new customer opportunities and bedding down contract wins
- PHS acquisition expected to close Q4 2020
Branded Products

- Constrained demand and margin pressure remained features in most of the activities
- Konica Minolta held its own despite the new Treasury contract as the expense base was dramatically reduced and the business revitalised
- Print and Data delivered solid results despite lower sales. Packaging activities rolled out alternative products to customers and bolt-on acquisitions contributed. Bidvest Mobility reported strong profit growth
- Waltons result resilient despite lower demand as efficiencies improve. Back-to-school season was good
- Cecil Nurse delivered a solid result on back of continued product development focus and cost control
- HoLB profit contracted on constrained consumer demand, loss a distribution agency, increased rebates paid and lower decoder sales
- Silveray delivered another strong result
- Adcock faced voluntary suspension of Broncleer, pricing pressure on generics, incl ARV, and certain stock supply issues in its regulated businesses. Consumer and Hospital segments performed very well

Outlook for FY20

- Konica Minolta to broaden its customer base
- Current plans to simplify the businesses and drive productivity will continue
- Adcock looking to expand its range in less regulated product classes
- Tough trading conditions are expected to persist
- Impact of Coronavirus on supply chain has been assessed and will be closely monitored
Freight

- BTT Richards Bay showed good volume growth despite lower tank capacity available
- SABT handled 23% less volumes as very little maize was exported H1 despite higher wheat imports. Damaged caused by fire to Island View facility is being repaired
- Chrome and manganese volumes up 14% in BC. Negotiations ongoing with TFR to increase cargo delivered via rail
- BIL, previously BPL, results reflected high-end consumer spend under pressure which impacted overall import volumes into SA. Improved performance from Warehousing. New agency agreement secured with EMO Trans
- BPO handled lower bulk volumes which depressed margins. The closure of Arcelor Mittal’s Saldanha Steel added further pressure in the coastal area
- BSACD had a challenging period on lower container volumes while Naval profits improved on greater bulk volumes handled

Outlook for FY20

- Maize crop appears good and movement expected to start at the end of the year. Wheat imports continue
- Chrome and manganese volumes expected to taper off
- Bedding down the new international forwarding and clearing partnership
- Complete LPG project
- Impact of Coronavirus on global trade uncertain
**Automotive**

- Bidvest McCarthy sold 5.9% fewer new vehicles (industry -1.5%) and 3.1% fewer used vehicles
- Profit at luxury brand dealers continued to decline sharply. Toyota and Ford dealerships grew profits
- The dealerships in Namibia delivered a strong turnaround
- Profitability at Burchmores were negative impacted by auction vehicle mix and quality of stock available
- Gross margin remained flat across all departments of McCarthy. Cost containment and improved efficiencies resulted in higher profit contribution
- Finance approval rates declined
- The ability to sell finance and insurance product increasingly difficult as OEMs incorporate this into the offering
- Bidvest Car Rental rate per day increase was largely driven by improved mix yield, strong rental day growth and improved fleet utilisation at 73%
- Good balance sheet management across the division

**Outlook for FY20**

- Targeting a more balanced motor retail business
- Extract value from new intelligent used car procurement system rolled out
- Management will focus on driving down the cost and asset base
- Bidvest Car Rental to leverage upgraded technology to drive further improvement
Commercial Products

- Division now includes Electrical, King Pie but excludes HoLB, Interbrand and MIC
- Difficult trading environment exacerbated by volatile demand
- Plumblink grew revenue and gross margin despite slower contract sales and trade sales increased. Further direct sourcing opportunities are being explored
- Electrical grew revenue and trading profit despite significant margin pressure in Voltex branches, Atlas and Versalec. The specialist businesses, Cabstrut, Electech Solutions and EMS Invirotel performed very well
- Factory recoveries in Academy Brushware, G Fox and Buffalo Tapes were poor and is receiving attention. Price competition is fierce
- A lack of sales and disappointing margin management at Matus more than offset the lower cost base
- Catering and Warehousing clusters grew profits
- Traction in Yamaha’s retail strategy and take-up of lower-priced Kymco range have been slower than expected

Outlook for FY20

- Investment in facilities and capacity needs to deliver efficiencies
- Product focus and margin management remain key focus areas, particularly given depressed demand
- Operational cost management and inventory control will receive focused attention
- Tough trading conditions are expected to continue
Financial Services

- Growth in Business banking, trade finance, acquiring and lending offset fleet runoff. Transnet HCV contract slow to rollout. Walked away from a few large FML deals due to reputational risk
- Bidvest Bank deposits grew 26% to R7.1 billion, loans & advances 24% to R2.7 billion and leased assets declined 7% to R1.5 billion
- FinGlobal reported strong results
- Bidvest Insurance closed its commercial book. Increased policy sales in the direct channel resulted in less net unearned premiums released. Costs were well managed. Compendium had a slow start
- Bidvest Life continued on its strong growth path with a unique product. The growth in new business caused a drag on profitability
- The surplus cash and capital in the Bank should be addressed by the acquisition of Eqstra

Outlook for FY20

- Sizeable fleets are being pursued. Timing uncertain. Delivery of Transnet HCV has started
- The successful acquisition of Eqstra will be transformational for Bidvest Bank
- Roll out online forex ordering and money transfer solutions
- Bidvest Insurance refocusing on its core business
- Bidvest Life is expected to continue its growth trajectory and breakeven in H2
Diversified shareholder base

Investment management shareholding

<table>
<thead>
<tr>
<th>Investment manager (27 December 2019)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIC</td>
<td>13.9</td>
</tr>
<tr>
<td>GIC Asset Management</td>
<td>5.0</td>
</tr>
<tr>
<td>Westwood Global Investments LLC</td>
<td>4.8</td>
</tr>
<tr>
<td>Lazard Asset Management LLC</td>
<td>4.0</td>
</tr>
<tr>
<td>The Vanguard Group Inc</td>
<td>3.8</td>
</tr>
<tr>
<td>Old Mutual Investment Group SA</td>
<td>3.8</td>
</tr>
<tr>
<td>BlackRock Advisors LLC</td>
<td>3.5</td>
</tr>
<tr>
<td>Stanlib Asset Management</td>
<td>2.2</td>
</tr>
<tr>
<td>Morgan Stanley Investment Management</td>
<td>2.0</td>
</tr>
<tr>
<td>William Blair Investment Management</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Geographic spread of shareholders

- South Africa: 48%
- United States: 29%
- Singapore: 5%
- UK: 5%
- Rest of the World: 13%