

# Bidfood Emerging Markets



With a geographic footprint over four continents, this division includes operations in Africa, South America, Asia, and Europe. African operations manufacture and distribute ingredients for the meat, poultry, dairy, and bakery industries; as well as being a market-leader in multi-temp foodservice offering ambient, chilled and frozen food products to the horeca market. Asia and the Middle East have established themselves as a significant foodservice player in their markets, whilst still distributing exclusive high-end speciality products into the western styled food market. South America sources and distributes frozen, chilled and ambient product into the independent street market.

## HC

### Our team

**Male employees (#)**  
**4 236** 2021: 3 799

**37% female**

**Female employees (#)**  
**2 477** 2021: 2 121

**Fatalities**  
**Zero** in 2022,  
 1 fatality in 2021

**Payroll spend**  
**R2,4bn** 2021: R2,0bn

**Employee training spend**  
**R16,4m** 2021: R16,7m\*

\* Restated

## FC

**Revenue**  
**R25,9bn** ↑ 23%  
 2021: R21,1bn

**Trading profit**  
**R1,4bn** ↑ 56%  
 2021: R0,9bn

## CONSTANT CURRENCY

(at 2021 average exchange rates)

**Revenue**  
**R26,3bn** ↑ 25%

**Trading profit**  
**R1,5bn** ↑ 57%

## MC

**Depots (m<sup>2</sup>)**  
**335 349** 2021: 315 854

**Vehicles (#)**  
**963** 2021: 824

**Capex investment**  
**R550,1m** 2021: R239,8m\*\*

Split between:

Depots	Vehicles	IT
<b>55%</b>	<b>21%</b>	<b>24%</b>

**Investment in IT**  
**R133,2m** 2021: R76,9m\*\*

Split between:

HARDWARE*	SOFTWARE
<b>R126,6m</b>	<b>R6,6m</b>
2021: R67,6m**	2021: R9,3m

\* Hardware includes IT and office equipment.

\*\* Reclassification of capex WIP has resulted in some 2021 comparatives being reclassified.

## IC

### Our customers

#### Mix 2022

Independent	<b>54%</b>
Chain	<b>34%</b>
Logistics	<b>0%</b>
Retail and other	<b>12%</b>

**Ecommerce platform sales**  
**21% of 2022 divisional revenue**  
 2021: 15%

### Our suppliers

**Foreign suppliers make up**  
**50% of purchases** 2021: 52%

### Our products

Mix 2022	
Frozen	<b>36%</b>
Chilled	<b>25%</b>
Ambient	<b>35%</b>
Non-food	<b>4%</b>

**Product SKUs (#)**  
**90 096** 2021: 79 048

**Own Brand**  
**18% of 2022 divisional revenue**  
 2021: 17%

## SC

### LIVES TOUCHED

**Our employees (#)**  
**6 713** 2021: 5 920

**Our customers (#)**  
**109 033** 2021: 88 748

**Our suppliers (#)**  
**9 147** 2021: 9 188

### COMMUNITY PROJECTS

Charitable programmes and donations were up 25% in the year; some projects include:

- Asia – **Food Angel** (Hong Kong); **Shan You** (Singapore)
- South Africa – **Mandela Day**, **Clarens Christmas project**, **U Can Grow** (EDI project), **CP Bakery School**, food donations to KZN flood victims
- South America – **Pequeno Cotolengo Paulista** (Brazil), food and clothing donations to communities during the pandemic
- Middle East – **UAE Foodbank**, Ramadan charity support
- Türkiye – aid and assistance provided during devastating national fires

For more detail on these and other programmes, please go to the company websites

www Refer to the 2022 sustainability report for more information

## NC

### TOTAL CARBON EMISSIONS (tCO<sub>2</sub>e)

**76 766** Marginally higher  
 2021: 76 701\*

#### Fuel and gas

**SCOPE 1 emissions (tCO<sub>2</sub>e)**  
 (excl refrigerants and aircon gases)  
**22 756** 2021: 21 871 ↑ 4%

**SCOPE 1+ emissions (tCO<sub>2</sub>e)**  
 (only refrigerants and aircon gases)  
**12 242** 2021: 11 497 ↑ 6%

#### Power

**SCOPE 2 emissions (tCO<sub>2</sub>e)**  
**40 833** 2021: 42 632 ↓ 4%

#### Waste and water

**SCOPE 3 emissions (tCO<sub>2</sub>e)**  
**935** 2021: 701\* ↑ 33%

\* Restatement, details in 2022 sustainability report.

## OUR BUSINESSES

**Bidcorp Food Africa**  
 CEO: Klaas Havenga

**Bidfood South Africa**  
 CEO: Brent Varcoe

**Crown Food**  
 CEO: John Morris

**Chipkins Puratos**  
 CEO: Nigel Phillips

**Bidfood Türkiye**  
 CEO: Nedim Makzume

**Bidfood Middle East**  
 CEO: Hisham al Jamil

**Angliss Asia**  
 CEO: Johnny Kang

**Bidfood Brazil**  
 CEO: Antonio Celso Dias Avelino

**Bidfood Chile**  
 CEO: Gabriel Abramovicz

**Blancaluna Argentina**  
 CEO: Gustavo Picciafuoco



Shan You Food Drive, Angliss Singapore.



myBidfood marketing campaign.



Bidfood Brazil donations to Pequeno Cotolengo Paulista, a home for children and adults with disabilities.

Please link to individual country websites for more detail, using the buttons alongside.



# Two of our value creation stories

## Bidfood Food Africa

Riots, power shortages, floods, inflation, and a chronically weak economy in 2022 were just some of the challenges our businesses had to overcome. Yet, all three of our businesses achieved double-digit revenue growth.

Gross revenues for the year rose by 19%, outstripping the increase in cost of sales which were up by 17.4%. A big rise in trading profit translated into EBIT growth of 55%.

Bidfood, our foodservice business, delivered most of the increase in profits while Crown Food Group (CFG) and the equity accounted joint venture Chipkins Puratos (CP) continued to make excellent contributions. Bidfood experienced a strong bounce-back in the restaurant and hotel channels (particularly in Q4 with the return of conferencing), and ended the financial year with a larger proportion of independent/freetrade customers than before the pandemic.

### Headwinds

The year began on an extremely troubling note with widespread looting and vandalism in Gauteng and KwaZulu-Natal. In early July 2021 our Cornubia site, just outside Durban, housing all three of our businesses was looted and badly damaged, together with two CFG retail factory marts on other sites that were vandalised. Property and fixed assets were damaged or destroyed, stock stolen, and 60 vehicles were damaged. But our staff responded magnificently, immediately springing into action to repair the damage and restart operations. Then, in April 2022, massive flood damage, also in KwaZulu-Natal, negatively affected Q4 results.

Economic and operational headwinds experienced in 2022 included inflation (fuel costs rose by 35%), supply chain disruptions, competitor activity, electricity shortages, and a slow

Investing for growth in South Africa, opportunities abound says Klaas Havenga, CEO, Bidcorp Food Africa



return to normal activity in industrial and commercial catering. Despite these challenges, costs were mostly well contained: delivery vehicle expenses rose by less than half the increase in fuel prices; and Bidfood's expenses-to-revenue ratio was exceptional.

In the face of multiple and growing pressures, most of our business segments gained market share. CFG experienced growth in all its channels, driven largely by Own Brands and other ingredients used in food manufacturing. For its part, CP grew manufacturing output and sales of these products but experienced a decline in commodity products for the baking industry.

### Investing in the future

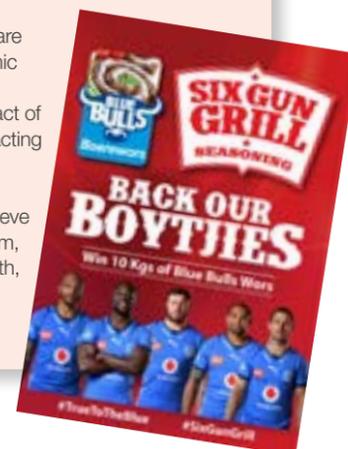
Capex investment was higher than the previous year. We completed the Gqeberha distribution centre to service the Eastern Cape. Solar installations in Longmeadow, Johannesburg and Montague Gardens, Cape Town generated 474 937 kWh of solar power during 2022. Solar is now delivering 11% of the electricity requirement of the two sites.

In Pretoria, land for a new distribution facility for Bidfood and CFG progressed and building plans for a multi-temperature operation – to replace Heriotdale – in the south of Johannesburg were lodged with the authorities. This property, in Elandspark, is expected to be ready for occupation in the second half of 2023.

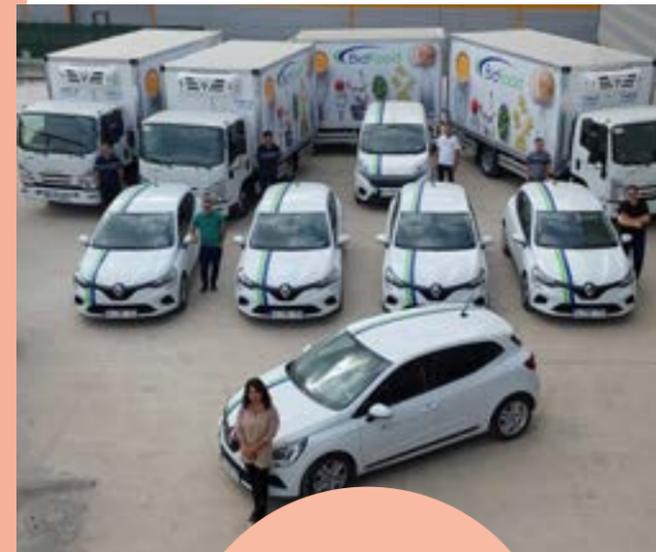
In 2022 two battery-operated Bidfood truck refrigerators were bought following lengthy trials. Orders have been placed for a few additional units for Durban and Gqeberha.

Pleasingly, the business continued to invest in training and skills development; through various learnership programmes as well as the youth focused YES initiative.

The business's short-term prospects are clouded by the likelihood that economic growth will moderate in 2023 from an already weakened base, and the impact of higher inflation and interest rates impacting consumers and patrons that our customers serve. Despite this, the businesses are well positioned to achieve growth. Over the medium- to long-term, the fact that we are investing for growth, is an indicator of the confidence we have in our South African prospects.



## Bidfood Türkiye



Nedim Makzume, CEO of Bidfood Türkiye, tells us how transitioning into a national foodservice provider boosts confidence

Bidfood Türkiye's reach into Ankara. Supporting our exponential growth – and to meet projected resource requirements – in the year we grew our team by 68 positions to 254.

In line with group policy to install the latest energy and water efficient technology, the Izmir and Ankara distribution centres will reduce the intensity of the company's environmental impacts. The Izmir branch can operate effectively off the grid, producing all of its own electricity and water. Also, the freezer room panels are thicker than the industry standard, translating into sustainable energy savings of 20% to 25%. These investments will have a lasting, positive financial impact, especially considering utility costs in 2022 rose sharply and repeatedly.



We have taken big strides in our transition – begun in 2017 with the acquisition of a foodservice business in Izmir – transforming from an importer of niche brands to a broadline foodservice distributor occupying over 24 000m<sup>2</sup> of warehouse space in 2023 and serving more than 15 000 customer locations daily. myBidfood platform enjoyed strong growth in the number of customers taking up our ecommerce offering.

With a population of 82 million, Türkiye has an addressable foodservice market worth over US\$18 billion. I believe that our recent results underscore Bidfood's potential to become a significant contributor to group results.

Bidfood Türkiye is still in the early stages of development and while we are growing rapidly we are conscious of being a relatively minor contributor to group profits. We plan to change that in the next few years.

Our story reflects the developmental group strategy, transitioning from exclusively importing and supplying niche brands five years ago, to embracing a full broadline foodservice offering, and establishing a solid national footprint, positioning ourselves not only close to our customers but also as a national foodservice provider in the region.

Bidfood Türkiye delivered outstanding results despite economic turmoil which saw the Turkish lira lose 44% of its value against the US dollar in the 12 months to June 2022.

Revenue was more than double that of the previous year – and 600% higher than in 2019. Trading profit was five times what we projected at the beginning of the year. While rampant inflation and flagging investor confidence characterised the economy throughout the year, we – and many of our customers – did benefit from a strong rebound in the tourism sector.

### A major, national player

In 2022 the business made considerable strides towards becoming one of only a handful of truly national foodservice distributors. A new 7 800 m<sup>2</sup> distribution centre was opened to service the Izmir region and another, 3 600 m<sup>2</sup> facility, extended

