

Chairman's message



Stephen Koseff

As a foodservice business, food safety and the imperative to consistently and transparently ensure that food is sourced sustainably and responsibly, are top priorities.



The year under review has been a year of compounded macroeconomic and geopolitical issues, as the ravages of war, drought and flooding, inflation, and labour scarcities played out against a backdrop of the interminable impacts of COVID.

This has resulted in one of the most challenging external environments for businesses to navigate, however, most of the customers we serve have adapted, finding opportunity in adversity. We saw widespread innovation across industries, as restaurants pivoted to home delivery during lockdowns and replacement hamburger garnishes were found to counter unsustainably high lettuce prices.

Through all of this, Bidcorp was alongside their customers, enabling their agility and innovating in parallel. The deep understanding Bidcorp employees have of their customers resulted in commendable resilience and ultimately a financial result that was exceptional in almost all respects.

Performance that delivers

Pleasingly, all the regions in which we operate contributed to this strong set of results, with solid performances from our businesses in Europe, despite the impacts of the Russian invasion of Ukraine, double-digit growth across our emerging market businesses and resilience in Australasia, as the region successfully navigated the impacts of prolonged COVID lockdowns.

The managers of our various operations all deserve to be congratulated, as do Bernard, David, and the head-office leadership for providing the strategic support and the financial headroom and direction to the teams on the ground, enabling this strong performance.

As the food services market continues to evolve, my fellow directors and I are encouraged by the ongoing investment being made in ecommerce and analytics – capabilities which are essential to driving growth and differentiation. Capital expenditure continues to be both appropriate and effective, advancing our strategic imperatives of expanding our footprint, getting us closer to our customers, differentiating our offering and our brand, and meeting our environmental obligations.

Focused on sustainability

Sustainability remains a central driver of how we conduct our business, holding ourselves to higher standards than those seen across the industry. As a food services business, servicing the global food chain, food safety and the imperative to consistently and transparently ensure that food is sourced sustainably and responsibly, are top priorities. We have responsibilities towards both our customers (and their customers) and food producers. I'm pleased to say that these are responsibilities we live up to every day in varied and multiple ways – details of which can be found in this report and within our sustainability report.

In response to the pressing need to reduce climate impacts, 2022 once again saw increased investment to lower our negative environmental impacts. This was achieved through increased solar generation capacity and advancing our early adoption of greener refrigeration and vehicles.

A very welcome innovation realised post-year-end was the implementation of an online Bidcorp ESG portal – a reporting analysis tool which will enhance transparency and, we hope, encourage stakeholder confidence in our commitment to sustainability.

All about people

As employers we are also responsible for providing safe, fulfilling work for the people who are the heart and soul of Bidcorp. Talent development and succession planning are top management priorities. Around the world the group continues to successfully recruit top talent and especially, to bring future leaders through the ranks – talent that is growing up immersed in the Bidcorp culture.

Social investment and community development are managed by our in-country managers – who have an intimate understanding of where and how they can have the greatest impact.

Management has acted decisively to address the fraud discovered at our Miami operation in China in the prior year; having made adequate provisions and working with authorities to bring those responsible to book. It is therefore pleasing that as we tightened controls and drew a line under this unfortunate episode, our external auditors have expressed an unqualified opinion on our results.

Against this backdrop, we were pleased to declare a total dividend of 700 cents per share (cps), c.10% higher than the 640cps distribution made in 2019. This is reflective of the excellent work being done to restore the business to, and surpass, pre-pandemic levels.

Appreciation

I wish to thank Bernard, his executive team, and the entire Bidcorp team for their dedication to consistently creating value for all our stakeholders. These stakeholders – whose interest and goodwill are essential to our success – include our investors, our people, suppliers, and customers, as well as governments and regulators. I thank them all.

I would also like to acknowledge my fellow directors, including our board committee chairmen, Helen Wiseman, Nigel Payne, Paul Baloyi, and Tasneem Abdool-Samad, together with all our directors for the tireless work they do to ensure that Bidcorp's governance is as unfailingly ethical as it is effective. Once again, my thanks to our founder, Brian Joffe who continues to play an inspirational role in the development of our group.

Outlook

The macroeconomic outlook remains uncertain and challenging in the short-term, however, we are encouraged to see the resumption of the trend that has seen consumer spend on food service grow in relation to retail (groceries) spend. This speaks to the strength of our prospects – and the Bidcorp investment case.

The fallout from the war in Ukraine is likely to continue putting pressure on the European economy and on our operations on the continent for some time. However, Bidcorp Europe's recent performances give considerable comfort that the division is well equipped to continue delivering resilient performances.

At the time of this report's publication, inflation remained a defining global economic feature with concerns around its severity still prevalent. Hopefully whatever transpires, the bulk of the price increases we experience will continue to be margin neutral.

Our balance sheet strength, together with our growing physical and digital reach, alongside the commitment of our people, augur well for Bidcorp's continued success.



Stephen Koseff
Chairman

