



Stephen Koseff

CHAIRMAN'S STATEMENT

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We were delighted to report a very strong set of results in the first full year unaffected by COVID since the June 2019 financial year.

These results took us to a new level of earnings, helped by a very strong bounceback as hospitality and travel took off, a trend we first experienced towards the end of the previous year. Inflation and rand weakness also had a positive impact on the final numbers.

Bidcorp people, led by Bernard at both head office and at our operations around the world, are to be congratulated on another job well done. Under COVID the business continued to be very well run with management navigating the abnormal conditions created by the pandemic. We managed to maintain a strong balance sheet and a sound infrastructure, both physical and people, that enabled the group to be well positioned for the post-pandemic opportunities that presented themselves. When the bounceback came, we were more than ready for it, as these results demonstrate.

We must acknowledge that the global situation was by no means all plain sailing during the year under review. Inflation was high, in many cases very high, and we experienced a rapidly rising interest rate environment not experienced for many years which will ultimately affect consumers' spending power. Geopolitical tensions remained elevated and the war in Ukraine was very close to some of our operations, including those in Czech, Slovakia, Hungary, the Baltics, and Poland which all performed admirably during the year.

Many of our businesses achieved record earnings and all, except one, were profitable including Greater China, the Middle East, and other emerging markets demonstrating their ability to thrive under sometimes unpredictable circumstances.

It was particularly pleasing to be able to reward our shareholders for the faith they have put in Bidcorp over the years. In line with our dividend policy, we declared a final dividend of 500,0 cents, taking the total payment for the year to a record 940,0 cents an increase of 34,3 % over last year and 46,9% higher than the pre-COVID dividend paid in 2019.

A culture of sustainability

Our positive outcome this year was not just a good financial one. At Bidcorp we are serious about operating sustainably, an ethos that is set by the board and senior management and practised by our teams on the ground. As I write, the board and social and ethics committee are considering setting management new ESG targets beyond 2025 – which we are confident we will meet.

It almost goes without saying that food safety and responsible sourcing are among our core values and these values are rigorously enforced daily.

Embracing good governance

As part of our governance process, this year Bidcorp directors visited three of the group's European operations – the UK, Netherlands, and the Czech Republic.

In all three countries we were, once again, impressed by the calibre of people we have on the ground and by their entrepreneurial, decentralised culture. This is a culture that doesn't wait for direction from the top but gets on with the job in hand, to deliver for our customers while operating responsibly and safely towards all stakeholders and the environment.



As much as we empower our in-country businesses to pivot and navigate uncertainties as they see fit without excessive intervention from head office, good governance is of the utmost importance to Bidcorp and well respected throughout the organisation – notwithstanding our entrepreneurial spirit.

Our governance framework ensures that we cultivate a resilient, responsible culture and that we have in place strong systems and controls, with robust oversight. Our devolved divisional audit and risk committees are a key group strength, ensuring that appropriate systems are adhered to and issues that may arise are timeously escalated.

Appreciation

I would like to acknowledge Bernard, David, their executives, and Bidcorp's worldwide team for the success they have once again achieved in value creation for all stakeholders. I thank these stakeholders, including our investors, suppliers, regulators and, in particular our customers, for their engagement and continuing support.

My thanks also to all my fellow board members, including our founder, Brian Joffe, and all of the members of our board committees, Helen Wiseman, Paul Baloyi, Tasneem Abdool-Samad, Nigel Payne, Keneilwe Moloko, and Cliff Rosenberg, for their tremendous diligence and support of the group.

Outlook

Our business ended 2023 on a good note and, although it is difficult to predict where the world will be in six months or a year's time, we are well positioned to navigate whatever external developments arise. Group management are in full control and our businesses on the ground are all on the front foot.

Certainly, conditions will be more difficult than those we experienced in the year reviewed but we will stick to our proven business model (interspersed with variations to suit local conditions). We will keep investing for growth in physical assets, our digital capability, and our people, appropriately rewarding our executives, managers, and individuals throughout the organisation.

We will keep making measured, mostly bolt-on, acquisitions to grow our footprint and capacity. As we do so, we will be resolute in greening our operations and proving our credentials as good corporate citizens.

Stephen Koseff
Chairman

