

Bid Corporation Limited

(Incorporated in the Republic of South Africa)

Registration number: 1995/008615/06

Share code: BID

ISIN: ZAE000216537

(“Bidcorp” or “group” or the “company”)

CAPITAL MARKETS UPDATE

Shareholders are advised that today, Tuesday, May 27th 2025, Bidcorp management wish to update the market on the trading environment across its global operations, for the period to April 2025. This is in accordance with the group’s obligation for continuous disclosure in terms of the JSE Listings Requirements.

Trading performance to April 2025

Our F2025 year-to-date (YTD) constant currency results to the end of April 2025 reflect the continuing positive momentum reported for the first half of the financial year, with trading profit growth of around 10%, achieved in an almost zero-food inflationary environment across our basket. Constant currency Headline Earnings Per Share (cc HEPS) YTD to April 2025 has shown growth of approximately 10%, pleasingly surpassing the record comparative trading period. Currency volatility has negatively impacted our rand-translated results, with YTD forex movements having a 3,8% adverse impact on group rand numbers. As the group has more than 90% of its operations located outside of South Africa, management evaluate the constant currency performance of the businesses as the true measure of performance.

The third quarter is the quietest for the UK and European businesses due to the Northern Hemisphere winter. March trading was particularly slow, however, April trading recovered benefiting from the later Easter holiday period and warmer weather. Australian demand remains lacklustre, and the weak economic conditions continue in New Zealand. In Emerging Markets, performance has held up well overall, except for Greater China where conditions remain challenging. Performance in South Africa has been good and South America increasingly positive.

Overall market conditions

Consumer spending generally remains subdued primarily due to the ongoing cost-of-living pressures but also heightened by uncertainty arising from tariff turmoil (which has little direct impact on our business). Interest rates have started coming down in many markets, however, core-inflation push is limiting the impact of the rate declines, and we haven’t seen a noticeable improvement in consumer sentiment or spending yet.

The operating environment is challenging; core inflation is still sticky and continues to track higher than food inflation in most parts of the world. Labour costs are being influenced by high regulatory minimum wage increases, generally outstripping core inflation. Labour availability in essential driver and warehouse operative categories remains tight, impacted by low unemployment levels in many countries. Global shipping dislocations and higher supply chain costs remain. Replacement of capital equipment and new depot investment costs continue to escalate, negatively impacting the cost base.

Market competition has intensified in tougher economic conditions. Our focus remains on being competitive and growing market share, in some cases sacrificing margin to increase volumes. Our customer base has been resilient in tighter economic conditions, and we are actively managing and monitoring increased credit risk in all jurisdictions.

We continue to grow in our preferred sectors of the market. Our teams remain flexible, nimble, and highly adaptive in maintaining high service levels and their relevance to our target market.

Group performance

Our revenues continue to set record levels to the end of April 2025, outperforming the excellent comparative F2024 by 6,7% in constant currencies. Acquisitions contributed 2,1% to net revenue reflecting real organic growth of 4,6%, a commendable achievement in an almost zero-food inflationary environment.

Group gross profit percentage continues to hold up well, assisted by an improved UK margin, offsetting where other businesses are deliberately sacrificing some gross margin. Our operating costs as a percentage of net revenue (“cost-of-doing-business”) has increased primarily due to labour cost pressures, however the increase in gross margins has more than mitigated the increased cost-of-doing-business.

For the period to April 2025, the group’s EBITDA margin (before IFRS16) of 5,8% is around 20 bps better than our F2024 comparative.

The clean tax rate (excluding capital items and associates) is in line with previous guidance of between 26% and 27%.

Bidcorp absorbs working capital in its’ first half of the financial year and generates into the second half. Average working capital days for Q3 F2025 are a little higher than Q3 F2024, at around 14 days. The current working capital investment, albeit higher, is within management expectations and will tighten into the last few months of the financial year.

Net capital investments to April 2025 of R5,6 billion (F2024: R5,1 billion) reflect the creation of future capacity (R2,8 billion) and the replacement of capital equipment, most notably delivery vehicles (R2,8 billion). These investments come at a cost to short-term performance (impacting results in the UK, Italy, Australia, and New Zealand), but in line with group strategy remains the correct long-term decision to ensure the sustainability of our operations.

Two previously announced large bolt-on acquisitions were concluded in the first half of the year: Turner Price in the UK (R1,2 billion); and VDS in Belgium (R580 million). Post December 2024, a further 4 smaller bolt-on acquisitions, collectively costing R583 million, have been completed in the Netherlands, Italy, Portugal, and Türkiye. YTD 10 small bolt-on’s have been completed in F2025 at a cost of R1,1 billion.

Divisional trading performance to April 2025

- **Australasia (AUS)** – Australia continues to grow trading profits in a very subdued market. Margins are being maintained through good customer mix in a price-sensitive environment. Despite the overall negativity, the momentum recently seems to have shifted slightly to the upside. New Zealand continues to operate in an extremely challenging environment with the hospitality market under significant pressure. Although revenues have held up, margins have been sacrificed to sustain customer volumes in a heightened competitive market. Trading profits have declined slightly as costs have been well managed. Both the Australian and New Zealand businesses continue to benefit from their manufacturing and import activities.
- **Europe (EUR)** - Sales have held up well YTD increasing around 10% in constant currencies, maintaining the H1 trajectory. Good trading performances have been achieved by the Netherlands, Belgium (acquiring VDS with effect from September), Czech & Slovakia, Poland, and Spain. Italy has delivered good top line growth, but profitability was impacted by increased costs of new capacity.

Portugal, which continues to transition to a more horeca-focused business, completed a bolt-on acquisition in the Algarve region.

- **United Kingdom (UK)** - Sales have grown at 6% in constant currency, translating into excellent trading profit growth. Trading conditions began to improve into April following the economic uncertainty (largely due to the NI increases) impacting consumers eating out and discretionary spend on leisure and hotel stays. The business has seen meaningful improvement in gross margins and trading profits as our strategic improvement initiatives gain traction. Turner Price, acquired in July 2024, has met management's expectations.
- **Emerging Markets (EM)** - Our EM region has delivered solid YTD sales growth of 7% in constant currencies. South Africa continues to perform well, in both the Bidfood and Crown businesses, against a backdrop of slow economic growth. Interest rates remain at elevated levels keeping the pressure on consumers' and patron's disposable income. The sentiment in the country is positive, but this hasn't yet translated into real outcomes. Lacklustre consumer spending and low tourism in Greater China continues to impact Angliss. The business is holding steady, sales have declined, but the cost-saving initiatives haven't been able to fully limit the downside impact on the business. In South America (Brazil, Chile, and Argentina), sales and profits improved, however the foodservice markets remain constrained by the slow economic activity. The Middle East is growing despite the broader regional conflict. YTD Singapore has lost some ground, but the recent run rate shows the business is improving. Malaysia continues to deliver strong growth, with some infrastructure investments underway. Türkiye is improving as we continue to organically grow into our national footprint.

Liquidity and debt covenants

A €75 million bilateral bank loan, which matured in March 2025, was refinanced through the USPP market and further funding was raised. The group and its subsidiaries have, at April 2025, total headroom available, including uncommitted facilities and cash and cash equivalents, of R18,2 billion (£755 million). The group remains well within its debt covenants.

Focus and opportunities

We are very pleased with the growth the businesses have achieved to date in F2025, which are in line with our optimistic expectations, despite the economically tough and stagnant markets and near zero food inflation. Our decentralised model and the extraordinary agility of our people enable us to actively address the shifting market dynamics. The outlook remains positive for the balance of F2025 and into F2026, despite the ever-present uncertainties.

We recognise that market conditions and macro-political challenges are beyond our control; however, we monitor these whilst placing our attention on those issues we can control, so that we remain relevant to our customers and competitive in our chosen markets.

We are continually refining our customer portfolio, investing in future capacity to create growth, developing our capabilities in Own Brand, imports, and light value-add manufacturing to sustain and enhance our margins, in order to deliver market-leading returns to our stakeholders. Simplicity, tight asset and cash management, and technological advancements to enhance our offering remain core to our strategic focus.

Our pipeline of bolt-on acquisition opportunities to achieve geographic reach and new product opportunities is full, however, we continue to be disciplined in converting the right opportunities, at the right price. Our management is focused on integrating those acquisitions that have been completed to realise their growth potential and relevant synergistic benefits. Our appetite for the larger opportunities remains, even though these

have been sparse in recent years. Our capital structure provides significant financial firepower for the right opportunities.

We have very pleasingly delivered record results to April 2025, and we look to the future with quiet confidence as we aspire to achieve continued real growth.

Comment

Bernard Berson, CEO, commented as follows:

“I would like to acknowledge and thank our amazing teams who repeatedly deliver record results, driving our business forward with their enthusiasm and passion. Our people are our strongest and best asset - who are motivated by doing what they do best, delivering growth and returns”

The information contained in this announcement has not been reviewed or reported on by the group’s external auditors.

Date: May 27th 2025
Johannesburg

Sponsor: The Standard Bank of South Africa Limited