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Capital Markets Day – May 16 2018
Management update on general trading conditions

Bid Corporation Limited
(Incorporated in the Republic of South Africa)
Registration number: 1995/008615/06
Share code: BID ISIN ZAE 000216537
("Bidcorp" or "Company" or "Group")

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Management update on general trading conditions

Shareholders are advised that the Bidcorp executive management are meeting with members of the financial community (including shareholders, financial analysts and the press), today May 16th 2018, for an update on current market conditions and the trading environment across its international operations.

As announced in February 2018, Bidcorp took the decision to treat the UK Logistics CD ("CD") business segment as a discontinued operation. The following update deals with the continuing and discontinued operations separately.

Continuing operations:

Management comments as follows:

1. Current trading performance and overall market conditions

- Trading for the third quarter of the 2018 financial year has been positive (measured in home currencies), largely maintaining the earnings trajectory achieved in the first 6 months of the 2018 financial year. Performance achieved by our European businesses remains excellent.
- Currency volatility continues to impact Bidcorp's rand translated results, with a negative constant currency impact of approximately 0,4% (to the end of March 2018) against the basket of currencies in which the Group trades.
- Trading conditions have seen increasing inflation in certain categories of products, particularly dairy and some wage cost pressure is evident in a few economies as unemployment levels fall.
- Fundamentals within the global foodservice industry remain positive and continued organic growth and bolt-on opportunities remain in all our operating geographical segments.
- Bidcorp remains focused on growth – organically in current markets, via in-territory bolt-on acquisitions to expand geographic reach and product ranges; and via strategic acquisitions as the Group enters new markets.

Australasia

- Bidfood Australia’s performance is in line with expectation as our major metro expansion gathers pace. The splitting of the Melbourne, Sydney and Brisbane / Gold Coast branches has created some cost pain and disruption but the quarterly profitability run rate is now positive in two of the 3 regions. Our focus with our recently acquired liquor wholesaler has been to grow into the branches. Supply Solutions (Imports) launched its cheese processing plant with immediate success. The fresh and meat businesses are showing improvement. A bolt-on foodservice business in regional Western Australia was acquired with effect from March 2018.
- New Zealand continues to perform well despite experiencing volatile pricing and availability of fresh produce, a tightening labour market and the costs of increased capacity. All segments of the business continue to develop profitably. Further capacity expansion is being planned.
- Further acquisition opportunities remain under consideration in both countries.

United Kingdom (“UK”)

- Bidfood UK continues to perform well despite a challenging 3rd quarter with unseasonal weather conditions, increasing stress in the business community and lower consumer confidence. Sales volumes continue to improve particularly in the independent and undisciplined multiple sectors. National account volumes have also grown. Internal business improvements continue to be implemented, particularly in the ecommerce arena. Further investment into increased capacity remains a key focus to cater for anticipated growth. Opportunities in relation to importing exclusive brands are being explored. Further acquisitions of niche independent foodservice businesses are under consideration. The 4th Quarter sales have rebounded strongly.
- Trading in Bidfresh has been a little disappointing in the 3 rd quarter as a depot move, seafood price volatility and poor cost management dampened profitability. The Fresh business has achieved a good national footprint across each of the Meat, Produce and Seafood segments however further focus is directed to building management capability in each of the pillars.

Europe

- Overall results from our European businesses have been pleasing. Strong like-for-like trading profit growth in constant FX, excluding positive effects of acquisitions, has been achieved. In particular, the performances of the Netherlands, Belgium, Czech & Slovakia, Poland and Italy are good.
- Netherlands delivered an improved performance, albeit off a low base. The business is making progress as the infrastructure reconfiguration and distribution rationalization projects start to benefit the overall cost base. Further benefits of range consolidation and IT simplification are anticipated in the medium term. A small bolt-on acquisition to complement the geographic footprint was completed in the 3rd quarter.
- The Belgium performance is pleasing, delivering solid volume growth

in its freetrade and institutional sectors. Depot consolidation has commenced between Bestfoods and Langens to achieve operational efficiencies in the infrastructure footprint. Private label opportunities in the freetrade segment are being explored. The myBidfood ecommerce platform implementation is underway.

- Czech & Slovakia have continued to perform strongly across all segments of their business. Robust economic growth is driving low unemployment and higher wage costs. Higher consumer spending is boosting demand in the horeca and retail segments. Production facilities are operating at high capacities to meet demand. Further infrastructure investment in depots and production facilities is underway to bolster capacity.
- Good organic growth in Poland has continued driven by focus on the freetrade sector. New depots in Gda?sk, Lublin and Pozna? have come on stream, boosting productive capacity. The current product range is being expanded to incorporate both Asian cuisine and liquor. Further margin enhancement continues to be achieved.
- DAC Italy has delivered a solid performance in Q3 F2018 off the back of high business and consumer confidence. D&D, a horeca specialist, was acquired with effect from January 2018, broadening the geographic footprint. Global procurement benefits in Italian product (sourced/co-sourced from/with DAC Italy) are being achieved across the Group.
- Bidfood Iberia comprises businesses in Spain and Portugal. Political disturbances in Catalonia have had a dampening effect on Guzman, particularly in Barcelona however consumer confidence is returning quickly. The acquisitions of a produce business in Portugal and meat business in Spain have settled in well and overall performance is in line with expectations. Significant internal focus is being directed to integrating our recent acquisitions and the new ERP implementation. Management remain confident about the potential opportunity in the Spanish market.
- Our German and Austrian acquisition, made in July 2017, is strengthening its business foundation including sales structures, IT platforms, human capital and infrastructure. Germany represents a very large and developed foodservice opportunity.
- The Baltics, with a focus on Lithuania, is now profitable. A new depot is under construction in Kaunas.
- Further expansion, both in terms of in-country bolt-on acquisitions and strategic entry into new geographies in Europe, remains possible, as we are not represented or underrepresented in many countries.

Emerging markets

- South Africa has performed credibly in extremely tough operating conditions. Recent positive political developments have yet to translate into meaningful economic growth and improved consumer sentiment. Food inflation had declined markedly since the double-digit rate in 2017 resulting in a challenging trading environment in the Bidfood business. The listeriosis outbreak in the 3rd quarter impacted consumer confidence in chilled processed meats, impacting sales growth in the Crown Ingredients business. The Chipkins Puratos JV is performing well and developing new product offerings with the benefit of the Puratos influence.
- Within Greater China overall, performance has held up well despite the impacts of dairy market supply dislocation, margin pressures, the effects of a strong euro and rising operating and logistics costs. Hong

Kong profitability remains hobbled by cost inefficiencies due to duplicate warehousing costs but management have plans to reduce this impact. In mainland China, our geographic expansion continues. Operations faced challenges with dairy supply and pricing however reliance as a category on lower margin dairy is diminishing overall as the product range grows. Structural supply chain changes resulted in some working capital absorption. A small foodservice acquisition has been made to complement the footprint. As the overall business grows, management structures are being reviewed.

- Singapore continues to make steady progress as we develop our foodservice model. Growth has been positive. Bidfood Malaysia, albeit small, is developing well.
- Further expansion into Asia always remains an opportunity. A joint venture in Vietnam is being pursued.
- In South America, management continues to focus on building a strong growth platform in a region with significant potential. Our Brazilian business has delivered a solid performance in a tough foodservice market. Investment continues to enable the development of their broadline product range. Bolt-on opportunities continue to be explored. Chile is performing to expectation, with a focus on product range extension with further expansion of its geographic footprint planned.
- In the Middle East, our business in the UAE has underperformed affected by lower tourism impacted from the geopolitical challenges, lower oil prices and new consumer taxes in the region. Our Saudi operation has performed well, buoyed by structural reforms and less impacted by regional geopolitical issues. Our investment in Jordan has commenced.

2. Acquisitive activity

- In Q3 F2018, we have made the following bolt-on acquisitions costing (exclusive of acquisition costs) in aggregate R318 million:
  - We acquired 70% of D&D, a broadline distributor operating in Italy.
  - Bidfood SA acquired 70% of a fresh produce distributor.
  - Angliss Greater China acquired 60% of a foodservice distributor.
  - In Australia, we acquired 100% of a broadline distributor in regional Western Australia.
- YTD F2018, we have spent in aggregate (exclusive of acquisition costs) R906 million on new territory and bolt-on acquisitions.
- Management remains highly motivated and alert to all acquisition opportunities that present themselves both in current markets and in new territories.

Discontinued operation:

Trading performance in CD has been poor as corrective action to downscale our exposure is being undertaken. Significant restructuring was implemented following the exit of the KFC contract on February 14th 2018. However, a portion of the contract was awarded back to CD effective end March. Negotiations for the sale of the business are progressing positively.

The full presentation is being webcast and recorded and a playback recording
is available on the Group's website www.bidcorpgroup.co.za .

The Capital Markets Day presentations and management update has not been reviewed or reported on by the Company's independent auditors.

Johannesburg
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