

<https://eprop.co.za/commercial-property-news/item/21622-brainworks-posts-revenue-growth-across-all-segments-for-fy18.html>

Brainworks posts revenue growth across all segments for FY18

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Brainworks a Mauritian-based JSE-listed holding company with a diversified Zimbabwean investment portfolio – released its trading statement and operational trading update for the year ended 31 December 2018 (“FY18”).



Recording revenue growth across all segments of the group with the hospitality segment as the lead driver.

Occupancy rate is expected to show an increase of 7% to 59% (FY17:52%) supported by a 17% increase in average daily rate (“ADR”) to US\$109.00 compared to US\$93.00 in the comparative period (“FY17”).

The strategic focus on debt reduction yielded notable results with the group reducing its debt burden by 55% from US\$38.3 million, attracting a weighted average interest rate of 12%.

CEO Brett Childs says: “Despite Zimbabwe’s economic and political headwinds and the current currency reforms, the group has done exceptionally well for the year under review. The expected growth in revenue was underpinned by the strong performance

from all our investments and the successful exit from the financial services sector, which had a positive impact on the group's profitability. We can now focus on implementing our value chain integration."

The successful disposal of the group's equity investments in GetSure and GetBucks has had a positive financial impact on profitability and reaffirms the strategic focus on the core business sector namely hospitality and real estate.

<http://m.engineeringnews.co.za/article/brainworks-posts-revenue-growth-across-all-segments-for-fy18-2019-04-01>

Brainworks Posts Revenue Growth Across All Segments For Fy18

1st April 2019, Media Statement

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Earnings per share are expected to be positive given the growth in revenues, reduction in finance charges, and the positive contribution to profitability resulting from the group exiting the financial services sector.

While the Zimbabwean economy remains constrained by a number of challenges and in particular the shortage of foreign currency, there are positive signs of growth, with the majority of the business sectors reporting significant growth in earnings for 2018. Although inflation closed the year under review at 42.1% in comparison to 3.46% in December 2017, authorities are confident that measures have been implemented to contain inflation from further spiralling upwards.

Following the uncertainty around the presentation currency in Zimbabwe, the Zimbabwe Stock Exchange has issued a one-month extension to all issuers with December year-ends. Brainworks' major subsidiaries, African Sun Limited and Dawn Properties Limited are incorporated, domiciled, and listed in Zimbabwe, finalisation and release of their 2018 financial results has therefore been delayed.

Therefore, the group will not be in a position to publish FY18 results by 31 March 2019 but believes it may be in a position to publish its results on or about 30 April 2019.