

'We are on sound footing for the next chapter'

KC: Can you give us a brief history of the company?

PS: Arden was first registered in Mauritius in 2015 as a privately-owned company with investments held under a private equity investment model.

It transformed itself to a public company on the October 13, 2017 when it became the first Zimbabwean oriented investment holding company to list on the Johannesburg Stock Exchange ("the JSE").

Early in 2017, a conscious decision was made to focus and consolidate the investment sectors, and exit financial services and focus on hospitality and real estate.

In its early days, the company had a vibrant advisory arm which has since been discontinued.

Arden Capital is the controlling shareholder in both Dawn Properties Limited ("Dawn") and African Sun Limited ("African Sun") where it holds equity stakes of 66.81 percent and 57.64 percent, respectively.

Dawn owns seven of the 11 hotels that are operated by African Sun and both subsidiaries are listed on the Zimbabwe Stock Exchange ("the ZSE").

LAST year, Brainworks Limited, an investment holding company registered in Mauritius with interests in Zimbabwe, announced that it had changed its name to Arden Capital as it was undergoing structural changes. The restructuring exercise has seen the company streamline its diversified investment portfolio which included investments in financial services, logistics, resources, real estate, investment banking, advisory services and a myriad other ventures to focus on its hospitality business. Our Markets Editor, Kuda Chideme caught up with Peter Saungweme (pictured), Arden's acting chief executive to discuss the company's journey and future prospects. Below are excerpts.

FML Logistics (Private) Limited is wholly-owned by Arden Capital, which operates in the petroleum logistics space.

KC: What motivated the name change?

PS: There is no "magic" or any hidden meaning in the name "Arden" it was drawn from the name of the street address of the Harare office.

Following the change in the investment model and listing on the JSE in 2017 shareholders considered this development significant enough to warrant a new identity.

KC: Has the re-branding exercise been completed?

PS: There are a number of regulatory formalities that have to be addressed before one can consider the rebranding complete.

We are pleased to advise that these formalities

are substantially complete and the company shares began trading on the JSE under the new name Arden Capital Limited, on December 4, 2019.

KC: Can you walk us through your new investment focus going forward?

PS: Management spent the last three years consolidating the business by moving towards a more specific hospitality and infrastructure portfolio focus.

This strategy necessitated exiting financial services and other investments — you will be aware that the company disposed of its stakes in GetBucks Microfinance Bank Limited, GetSure Life Assurance Company (Private) Limited and GetCash (Private) Limited in 2018.

In addition, over the last three years, the company has focused on addressing the debt albatross



which stood at US\$38 million as of December 31, 2017, with US\$24 million thereof being directly attributable to the holding company itself and the balance to the operating subsidiaries.

With tremendous support from our shareholders and other asset rationalisation programmes, we managed to achieve a milestone where the balance sheet is substantially debt free.

We are now in a phase where we are interrogating the current group operating structure with a view to eliminating value traps between the holding company and the subsidiary to improve efficiencies.

Our focus going forward is to increase our investment footprint in hospitality and leisure assets in Zimbabwe and regionally.

We aim to achieve this by improving our current hospitality product offering, constructing new hotels and related assets, as well as pursuing growth opportunities along the value chain. This will be done through our hospitality subsidiary — African Sun.

As the major shareholder, we will do everything to ensure that African Sun has the necessary financial support to achieve the desired outcome.

KC: What changes have been made to the management team to support this transformation?

PS: The changes we discuss here have already been formally announced by the company and are already in the public domain.

During the early part of 2017, the founding executive team led by George Manyere and Walter Kambwanji resigned from the executive management of the company and ultimately the board to pursue other interests.

Towards the end of 2018, they disposed of all their shares held in Arden Capital.

A new executive team came on board led by Brett Childs, a Mauritian resident, as the chief executive officer. Childs was supported by myself and Markus de Klerk, both Zimbabweans, as chief finance officer and as group legal counsel, respectively.

Childs subsequently stepped down as CEO in June 2019 and since then I have been acting as the interim CEO and substantive CFO.

KC: The company recently announced that it had effectively deferred making a substantial appointment by a further six months. What were the reasons behind this decision?

PS: That is a great question. Let me also take this opportunity to correct the narrative that is in the public domain which insinuates disagreements among foreign and Zimbabwean-based shareholders concerning the contemplated appointment.

As far as I am aware, this is not correct. As earlier alluded to, the company is currently considering various group restructuring options whose outcome could have an impact on this appointment.

Shareholders, and in particular the JSE, are fully informed on progress on this matter. The board remain fully briefed with this and announcements would be made soon.

KC: Take us through your journey since you have been with the company?

PS: It is now nearly five years since I joined the Arden Group, initially coming in as finance director of Dawn.

My first task together with colleagues at the time was to restructure the business with a view to improving operating cost efficiencies.

That was a success as since then, all the business units within Dawn itself have been profitable.

I left Dawn when we had just embarked on a drive to develop the land bank with the maiden project being the Elizabeth Windsor housing project. That was challenging but quite exciting as well.

Effective April 1, 2017, I was elevated to the role of CFO at Arden Capital and in June 2019 I assumed the additional role as the interim CEO.

Together with my colleagues, it has been quite fulfilling listing Arden Capital on the JSE in 2017, resolving the significant debt challenge and successfully concluding various other corporate actions. It has been a privilege to serve as CEO, albeit in an interim capacity at such a relatively young age.

KC: What corporate actions should the market look forward to in 2020 from Arden Capital?

PS: We have a number of transactions that we are working on, they progress, would result in formal announcements being made to the market at the appropriate time.

See the full interview on www.fingaz.co.zw

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