

BRAIT P.L.C.  
(Registered in Mauritius as a Public Limited Company)  
(Registration No. 183309 GBC)  
Share code: BAT ISIN: LU0011857645  
Bond code: WKN: A2SBSU ISIN: XS2088760157  
LEI: 549300VB8GBX4UO7WG59  
("Brait" or the "Company")

## **VOLUNTARY PRE-CLOSED PERIOD TRADING UPDATE**

### **Premier**

As set out in Premier's pre-closed period trading update (released on 5 March 2024), the business has continued to perform strongly despite adverse trading conditions and the impact of inflation on consumer spending.

Revenue in the MillBake business continued to see inflationary price increases that were delivered during the period. The first full year of operational integration of the Pretoria bakery positively impacted the operating results offsetting the impact of the planned closure for a major refurbishment of the Aeroton facility.

The Groceries and International business showed positive momentum during the second half of the year as the Confectionary business benefitted from operational improvements and synergies from the Mister Sweet acquisition. The HPC business grew volumes and managed to pass on price increases across both the South African and International businesses, whilst CIM continued to be impacted by the challenging macro factors in the Mozambican market.

Based on trading for the financial year to date, overall revenue growth has moderated to low single digit growth mainly due to stability in the soft commodity prices that are inputs into the Company's MillBake products. Premier has focused on maintaining margins, which are expected to remain in line with those achieved for the first half of the current period.

Premier's capital expenditure is expected to be marginally higher than the guidance issued in the 2024 interim results announcement of R600 million for the year ending 31 March 2024. The major project being undertaken is the rebuilding of its Aeroton Bakery which is a multi-year project and which remains on track. Other significant projects that are underway are the Mthatha bakery rebuild and the creation of two centres of excellence for the Sugar Confectionary business which involves the relocation and upgrading of certain manufacturing lines.

Premier has continued to generate cash from operations and as a result, has focused on de-gearing by settling, in full, the revolving credit facility of R 1 billion that was drawn down in November 2022. This will increase Premier's financial flexibility for future investment opportunities. At this stage, Premier is on track to improve its leverage ratio (which was 1.4x as at 30 September 2023) at year end and to pay a maiden, final dividend for the year ending 31 March 2024.

### **Virgin Active**

The operational and financial turnaround of the business has continued during the period since the September 2023 interim results. The higher yielding international business, in particular, has benefitted from strong membership growth and higher yields given price increases during the period.

Virgin Active South Africa increased its active membership base from 606k as at 30 September 2023 to 625k as at 29 February 2024. Sales remain relatively robust despite the impact of inflation on consumer

spend and management's continued focus on membership engagement through the institution of a number of operational changes to address attrition are starting to benefit the business.

Italy continued its strong performance with active membership increasing from 175k to 188k as a result of like for like club growth and new club openings as well as revenue benefitting from the yield management initiatives. The UK also benefitted from an increase in its active membership base from 132k to 140k with robust growth across its Provincial clubs, the London Residential clubs and the London Corporate clubs with revenues also increasing disproportionately due to higher yields. The Asia Pacific territories showed positive momentum in membership growth (Australia 4%, Singapore 8% and Thailand 5%) and yield improvements. All of the territories, other than Australia, are now EBITDA positive.

The overall performance resulted in an increase in active members from 972k in September 2023 to 1,015k as at 29 February 2024. The average yield on the portfolio has increased over the period as Virgin Active continues to invest in its clubs and enhance the overall member proposition and offering.

The increased membership levels and higher yields have positively impacted the "run rate EBITDA" which as of 29 February 2024 implied an EBITDA of c.GBP55 million, up from GBP30 million as at 30 September 2023. The renewal of the Vitality contract together with the agreed extension to the International business debt facilities and the new capital raised, provides Virgin Active the platform to complete the turnaround of the business and position it for growth.

### **New Look**

Against the backdrop of a soft and competitive UK retail market, New Look had a reasonable Christmas Quarter. Whilst average selling prices were higher, overall volumes were down due to a more considered customer, resulting in a slight reduction in revenue. Management focussed on margin retention which reduced the overall impact on profitability. Whilst trading conditions in the UK remain challenging, management remain focused on the actions within their control to streamline and optimise the business.

### **BRAIT CAPITAL STRUCTURE**

As highlighted at its Interim Results Presentation in November 2023, Brait is engaging with its stakeholders on potential options regarding the respective extensions of the December 2024 maturities for the Company-issued Convertible Bonds and Exchangeable Bonds (which are issued by its wholly-owned subsidiary Brait Investment Holdings Limited) (collectively the "**Bonds**"). The positive momentum in the portfolio has been helpful for these engagements which to date have been positive and remain ongoing. The Company will keep shareholders updated to the extent that any agreement is reached regarding any extension of these Bonds.

Port Louis, Mauritius

12 March 2024

Brait's primary listing (ordinary shares) is on the Euro MTF market of the Luxembourg Stock Exchange ("**LuxSE**") and its secondary listing is on the exchange operated by the JSE Limited ("**JSE**"). Brait's 2024 Convertible Bonds are dual listed on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange as well as the Official Market of the Stock Exchange of Mauritius ("**SEM**").

#### **LuxSE Listing Agent:**

Harney Westwood & Riegels SARL

#### **JSE Sponsor:**

Rand Merchant Bank (A division of FirstRand Bank Limited)

**SEM Authorised Representative and Sponsor:**

Perigeum Capital Limited