

# Brainworks Limited

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## Brainworks' Zimbabwe hotels increase occupancy against tough backdrop

Johannesburg-listed hotel and leisure group Brainworks Limited (JSE: BRA) saw growth across its portfolio in 2018 in spite of the political unrest in Zimbabwe.

Occupancy at its hotels rose by 7 percentage points to 59% FY17:5%), with room rates rising 17% to US\$109 on average.

Hotel occupancy was driven by 'strong performance from all our source markets with room nights sold for domestic, international and regional increasing by 12%, 14% and 7%, respectively'.

Brainworks' real estate arm also recorded a notable increase in revenue, with 70% of the growth attributable to first property sales at the maiden development project in Harare.

Over 60% of the units were sold in 2018 and although there was demand for the remaining 22 units, the group adopted a strategic decision of deferring sales as the Zimbabwe currency environment became volatile during the third quarter of 2018.

Efforts to sell the remaining units have resumed.

Brett Childs, chief executive, said: "Despite Zimbabwe's economic and political headwinds and the current currency reforms, the group has done exceptionally well for the year under review.

"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.

"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."

Due to currency shortages in the country, the Zimbabwe Stock Exchange has issued a one-month extension to all issuers with December year-ends and Brainworks hopes to publish its full results on or about 30 April.

### Share Information

**Code:** BRA

**Listing:** JSE

**Sector:** Investments and investor services

**Website:** [www.brainworkscapital.com](http://www.brainworkscapital.com)

### Company Synopsis:

*Brainworks Limited is a Mauritian diversified investment holding company, listed on the Johannesburg Stock Exchange, with an exclusive focus on Zimbabwe. Brainworks invests in assets that are consumer-facing and cash-generative, and aims to build a portfolio that will deliver capital growth.*

[action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

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Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

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