

Brait share plunges after results show Brexit effect

By [Robert Laing](#)

11 Aug 2016

UK-focused investment group Brait's share price plunged as much as 10% to a low of R110.33 on Wednesday, after it reported that the pound's Brexit plunge had caused its rand-denominated net asset value to fall.



Picture: [Reuters](#)

Its net asset value per share at the end of the June quarter was R131.94, a 3.2% decline from R136.27 at the end of March.

The owner of UK chains Iceland Foods, New Look and Virgin Active said the pound had weakened 7.5% against the rand from R21.21/£ at March 31 to R19.62/£ at June 30.

If the pound had remained at R21.21/£ instead of diving after the UK's vote on June 23 to leave the EU, Brait's net asset value per share would have grown 2.7% for the quarter, it said in Wednesday's quarterly update.

New Look's revenue declined 4.2% during the 13 weeks ending June 25 from the matching period in 2015. Excluding new store openings, its UK sales fell 7%.

"The UK clothing and apparel sector has experienced a challenging quarter as a result of unfavourable market conditions, lower consumer confidence and consequent increase in promotional sales," Brait said in the statement.

Iceland Food's sales for the 12 weeks ended June 17 fell 0.6%. Excluding new stores, sales fell 2.4%, "a modest improvement on the 2.5% decline recorded in the final quarter of its 2016 financial year".

Iceland Food added six stores during the June quarter, including four Food Warehouse stores. Taking into account two store closures, the group had a total of 885 stores at period end, which includes 16 Food Warehouse stores.

Virgin Active opened 18 new gyms over the year to end-June, three of which were opened in SA this year.

Brait's South African operation, fast-moving consumer goods group Premier, "delivered solid, double-digit ebitda (earnings before interest, taxes, depreciation and amortisation) growth over this period". Brait increased its holding in Premier to 91.4% at the end of June from 91.1% at the end of March.

Premier's baking division grew bread volumes 6% to more than 500-million loaves sold. Brait said this followed a R370m investment over the past two years to upgrade facilities and increase capacity in its Western Cape and KwaZulu-Natal operations.

Source: Business Day

For more, visit: <https://www.bizcommunity.com>