

Brait SE  
(Registered in Malta as a European Company)  
(Registration No.SE1)  
Share code: BAT ISIN: LU0011857645  
Bond code: WKN: A1Z6XC ISIN: XS1292954812  
LEI code: 549300VB8GBX4UO7WG59  
("Brait" or "the Company")

TRADING STATEMENT: YEAR ENDED 31 MARCH 2019

The following disclosure is made pursuant to Section 3.4 (b) of the Listing Requirements of the JSE Limited. Shareholders of the Company are advised that:

Brait's reported Net Asset Value ("NAV") per share at 31 March 2019 is anticipated to be between ZAR40.75 and ZAR42.75 (EUR2.51 and EUR2.63). This represents a reduction of between 23.4% and 27.0% from the 31 March 2018 restated NAV per share of ZAR55.86 (in Euro, a decrease of between 31.3% and 34.5% from EUR3.83).

The challenging environment has resulted in the decline of the respective peer group average multiples for each of Brait's portfolio companies. To maintain historic levels of discount to these peer averages, Brait has reduced the respective valuation multiples applied at 31 March 2019 for Virgin Active, Premier and Iceland Foods. The historic EV/EBITDA valuation multiples used compared to respective peer average multiples are:

	31 March 2019						31 March 2018		
	Valuation multiples used	% discount/ (premium) to peer average:		Had valuation multiples remained unchanged	% discount/ (premium) to peer average:		Valuation multiples used	% discount/ (premium) to peer average:	
		3-year	Spot		3-year	Spot		3-year	Spot
Virgin Active	<b>11.0x</b>	17%	13%	11.4x	14%	10%	<b>11.4x</b>	16%	17%
Premier	<b>11.0x</b>	10%	(6%)	12.4x	(2%)	(19%)	<b>12.4x</b>	5%	2%
Iceland Foods	<b>7.0x</b>	24%	8%	8.4x	9%	(11%)	<b>8.4x</b>	18%	-
NAV per share	<b>R40.75 – R42.75</b>			<b>R50.25 – R52.25</b>			<b>R55.86</b>		

For comparison purposes, had the valuation multiples used at reporting date remained unchanged from those at 31 March 2018 (thus valuing Virgin Active at 11.4x; Premier at 12.4x and Iceland at 8.4x), Brait's NAV per share at 31 March 2019 would be between ZAR50.25 and ZAR52.25 representing a reduction of between 6.4% and 10.0% (in Euro, between EUR3.09 and EUR3.21, a decrease of between 16.1% and 19.3%).

The composition of the peer groups for Premier and Iceland Foods remain unchanged for the financial year. Virgin Active's peer group has been revised at 31 March 2019 to (i) exclude Whitbread (given the downsizing of Virgin Active's UK estate); (ii) exclude Planet Fitness (given its US based franchise model); and (iii) include Technogym (Virgin Active's primary supplier of fitness equipment). As a result, Virgin Active's peer group at 31 March 2019 comprises: The Gym Group, Basic Fit, Technogym, Woolworths, Life Healthcare, Clicks and Merlin Entertainments. The effect of this revised composition at reporting date to the Virgin Active peer group, is a reduction to the average 3-year trailing multiple from 13.7x to 13.2x, with the average spot multiple reducing from 14.3x to 12.7x.

As previously announced, New Look's balance sheet restructuring transaction completed on 3 May 2019 which is post reporting date. Therefore, at reporting date, Brait's investment in New Look comprises (i) its 18% holding of Senior Secured Notes (SSNs) valued using the reinstatement issue price; (ii) the pro-rata proportion of the Bridge Facility, which was subsequently refinanced by the New Money Bonds issued on 3 May 2019; and (iii) Brait's equity investment in New Look, which remains valued at zero.

The financial information on which this trading statement is based has not been reviewed and reported on by the Company's external auditors. The 31 March 2019 financial results of the Company are currently being prepared and are expected to be released on the website of the Luxembourg Stock Exchange and the Stock Exchange News Service of the JSE Limited on or about 18 June 2019.

Malta

23 May 2019

The Company's primary listing is on the Euro MTF market of the Luxembourg Stock Exchange and its secondary listing is on the Johannesburg Stock Exchange.

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)