



## MEDIA RELEASE

18 June 2020

### **AEEI NAV now 6,4 billion with strong balance sheet able to manage the COVID storm**

*AEEI Unaudited Consolidated Condensed Interim Results to 29 February 2020*

#### **KEY POINTS:**

- Revenue increased by 111% from the restated R766m to R1 614m
- Profit before tax increased to R139m from a restated loss of R593m
- Profit for the period is R118m as compared to the prior restated profit of R448m, a decrease of 74%
- Earnings per share is 12.22c as compared to the prior restated earnings of 74.76c
- Headline earnings per share is 12.30c as compared to the prior restated headline earnings of 17.64c
- Total assets increased to R7 496m
- Net asset value per share increased to 1 310.98c
- Net cash outflow from operating activities is R28m
- Gross interim dividend decreased by 9% from 11.00 cents per share to 10.00 cents per share which has been declared to shareholders

**Cape Town, 18 June 2020** – Diversified investment group, African Equity Empowerment Investments (AEEI), today released its Unaudited Consolidated Condensed Interim Results for the trading period to 29 February 2020. A strong balance sheet and significant cash resources with minimal external debt underpin AEEI's performance, despite decreases to profit, EPS and HEPS.

Excellent performances are once again noted from the Technology division as well as strategic and associate investments, which include stakes in BT Communication Services SA Proprietary Limited, Saab Grintek Defence Proprietary Limited, and Sygnia Limited. AEEI has minority equity stakes in these

strategic investments, which have shown growth in investment value since acquisition. Consistent growth in earnings and regular dividends are received from all the strategic investments.

AEEI also noted a buoyant performance from its foods division, through Premier Fishing and Brands' results, which while impacted by enforced local and international lockdowns, have held their own with expansion plans of their abalone plant continuing.

Hardest hit in the Group are the divisions not considered essential services and that have been most affected by the COVID-19 economic lockdown. These include the health and beauty division, travel and tourism and the events side of the business, such as the Cape Town International Jazz Festival, which was unable to proceed in 2020, and whose revenues are historically generated in the latter half of the year.

#### *Focused on the future*

In addition to taking into consideration the extraordinary circumstances created by global lockdowns as a result of the transmission of COVID-19, AEEI is busy entering a restructuring period where it will transition from an operational organisation, to that of an investment holding company. This was communicated to the market in March 2020, around the same time as the Group appointed its new and acting Chief Executive Officer, Mrs Valentine Dzvova.

Under Dzvova's decisive leadership and guidance, AEEI will look to streamline corporate operations and resources, as it turns its attention to managing the performance of its significant portfolio. This may necessarily involve the disposal of certain non-core assets that the Group had previously actively managed, as well as equipping those investee companies - that fit the new structure - with the tools to function independently of the parent company.

Of the immediate future for the Group, Dzvova is direct, stating: "COVID-19 has had a major impact globally on all businesses and AEEI has not been spared. We realistically expect this effect to last for at least the next 24 -36 months, with potential for further fallout. To that end, we have already started making the necessary adjustments to the business, mindful of the people and environments these decisions will also affect.

"That said, the AEEI Group is well positioned, with a Net Asset Value of R6, 4 billion and significant cash of R3,4 billion, with which to make high quality acquisitions during this time. Our policy going forward however, will be to only make highly selective acquisitions, taking our time to study potential target companies so as not to put our balance sheet at risk," stated Dzvova.

With South Africa now in Level 3, and the Group moving into increased capacity, it is focused on implementing its developed resilience plans to support its stakeholders through the continued economic crisis.

Dzvova also noted: "The way we work and engage with our colleagues and employees has improved our productivity and social structure by assisting us to work through these challenges together. The world we knew has changed forever because of COVID-19 and our Group shows the signs of agility and flexibility to adapt to the new normal conditions."

AEEI and its companies, management and employees will continue to adhere to safety and health protocols to encourage social distancing measures and will endorse a return to work if personnel are unable to work from home. For the foreseeable future, AEEI's primary emphasis is on the health and safety of its employees, serving and providing support for its stakeholders and improving overall operational efficiencies to preserve shareholder value.

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