

📈 **R229.2m**
Operating profit
416% (2015: R44.4m*)

📈 **R1,214.8m**
Total assets
161% (2015: R466m)

📈 **R321.8m**
Revenue
122% (2015: R144.7m*)

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Bravo: no snoozing, no losing

Innovation is the name of the game as the bed maker looks to new markets to offset stalled sales in SA

13 JULY 2017 - 23:03 by MARK ALLIX



Picture: ISTOCK

When there's no growth in SA, what's a furniture and bedding manufacturer to do?

Innovate its "loungue and sleep" product lines and rely on growing business in European cinema markets and places such as Zimbabwe and the US's "Lone Star State", Texas, it would seem.

That is what SA player Bravo Group is doing, having recently exhibited at a cinema industry expo in Barcelona, Spain, and leased a showroom for its African Heritage leather furniture line in Dallas, Texas. Bravo was formerly owned by dual-listed retailer Steinhoff. For competition reasons, Steinhoff sold out to a consortium led by Absa Capital in 2007. At the time it was involved in negotiations to buy JD Group.

The takeover was difficult and controversial, but it ultimately appears to have paid off.

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BACKSTORY: Bravo Group's Greg Boule
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Steinhoff in a state of (re) flux
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The group has a broad portfolio of iconic international and local mattress and furniture brands, and chances are the bed you're sleeping on is made by Bravo. Its stable includes Sealy, Edblo, GommaGomma, Grafton Everest, King Koil and Slumberland.

Bravo CEO Greg Boule says the group has been forced to be innovative, as there is essentially no growth in SA.

"We have grown with inflation over the past years and now are going for real growth," he says, adding that there has been a decline in spending on furniture in SA since 2007.

"We are now making a concerted effort to internationalise," he says.

" It's like Bloemfontein on steroids, McDonald says of Dallas "

Naturally, the company is going where other SA manufacturers have gone: the rest of Africa. The group is benefiting from the rise of an African middle class, with more than one-third of Africa's 1bn people already living in urban areas.

Globally, it is selling thousands of leather cinema seats into the UK and Europe, and hoping to turn this into a R100m industry in the near future. Bravo started making these products at its Grafton Everest factory in Durban in September. Exhibiting has also taken Bravo to Shanghai, China, where, ironically, it got some orders from Ghana. But the whole exercise "cost a fortune". Now, it has added European cinema markets and Texas hunters to its roster.

Until about two years ago, Bravo's market was almost entirely local, with occasional orders from tourism-related businesses in Kenya and Mauritius. COO Malcolm McDonald says what the company has done in recent years is unique. Its "African Heritage" furniture offering in the US retains the natural look of leather, complete with scratches from thorn bushes. "And the other part we have added in is the Africa story," McDonald says. This means the group uses "exotic" gemsbok hide in addition to cattle and water buffalo hides for its leather furnishings.

McDonald says there has been "great feedback" from customers in the US state, where residents put bullhorns on their vehicle bumpers and wear 10-gallon hats, and where hunting lodges thrive. He says the group has beaten competition from China with its novel approach. "It's like Bloemfontein on steroids," McDonald says of Dallas. "We are hoping to send about 1,500 [lounge] suites [there] by the end of financial 2018 to July."

Steinhoff to list its African retail assets

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Boulle says Bravo's annual turnover is about R2bn and that, in addition to factories in Namibia and Zimbabwe, it is opening a "mini-operation" in Dar es Salaam, Tanzania.

The company will initially start by exporting finished lounge and sleep products to the country, and then train staff to assemble brands such as Sealy mattresses and La-Z-Boy reclining chairs and lounge suites. Bravo sells to all major furniture retailers in SA, such as Lewis Stores and JD Group, which sells the Russells and Bradlows furniture brands. It also sells to hospitality groups such as the Hyatt, Protea and City Lodge hotel chains.

The company has its own fleet of about 100 vehicles. It exports 15% of all sleep products and 12% of lounge products to the Southern African Development Community (SADC) and further into Africa.

But Bravo has pulled out of Angola, where profits converted into US dollars got frozen after the bust in the world oil price. It was also going to enter Nigeria, but stopped short for the same reason.

However, in Namibia, where it makes a yearly turnover of R60m – and especially in Zimbabwe, which adds R50m to annual group revenue – the gains have outweighed the risks.

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