



Total Transport & Logistics Solutions



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Trading update for Third Quarter 2019

OVERVIEW FINANCIAL PERFORMANCE

Revenue generation continues to be positive from all the Group's brands. The results for Q3 2019 are still good, despite a deteriorating business climate in the country. Revenue is up \$46.2M (229%) on prior year, and \$37.6M (130%) ahead of budget. EBITDA is up \$16.4M (449%) on prior year, \$14.6M (263%) ahead of budget.

We are pleased to report a profit of \$12.8M for Q3 2019, which is \$10.1M ahead of budget and \$11.6M ahead of the previous year. The positive out-turn is attributed to good customer care and service, consistency in fleet availability and alignment in business operations.

Cost Management

Foreign currency shortages have had a negative impact on the business as operational expenses continue to increase month on month due to the hyperinflationary economic environment.

Fuel and repairs & maintenance (R&M) costs remain within budget. However, fuel availability remains a challenge as the continuous shortages persist. R&M costs continue to spike due to the fluctuating foreign currency exchange rate which has a direct impact on procurement of spares. The major focus is to grow revenues, ensure right pricing and maintain costs within threshold.

Outlook

We will continue to focus on growing volumes on the Low Margin (LTL) in the Swift business, which is yielding the much needed positive results. We will also continue to grow the specialised dedicated service through our Bulwark Brand. SkyNet continues to expand its footprint on the international courier service.

Third Quarter Financial Statements

The company is currently unable to publish its Quarter 3 ending 30 September 2019 Financial Results pending clarification and guidelines from the Public Accountants and Auditors Board (PAAB) on the implementation of International Accounting Standards (IAS) 29: Financial Reporting in hyperinflationary economies.

Dividend

The Board of Directors did not propose an interim dividend for the third quarter ending 30 September 2019.

Appreciation

We appreciate the dedication and commitment of management and staff in ensuring that the company continues to generate positive results under the prevailing economic hardships.

By Order of the Board

M.T. Mukamba
Company Secretary

15 November 2019



Directors: P.J. Annesley (Chairman); R.E. Kuipers * (Chief Executive Officer);
C.D. Amira; B.N. Ndebele; S.L. Rudland; D. Hlatywayo *Executive