



TRADING UPDATE FOR THE QUARTER ENDED 30 SEPTEMBER 2021

OPERATING ENVIRONMENT

The operating environment in the third quarter ended 30 September 2021 was predominantly stable as characterised by decelerating inflation, with year on year closing at 51.5% compared to 659.4% in comparative period. Towards the end of the quarter there was significant volatility which resulted in pricing distortions, mainly emanating from the gap between the official and parallel exchange rates.

The easing of lockdown measures towards end of the second quarter enabled various sectors of the economy to operate at near normal levels.

BUSINESS PERFORMANCE

Revenue volumes in inflation adjusted terms improved by 12% from comparative period. The growth was on the back of an improved order book in the Roads & Earthworks, Mining, Housing Infrastructure and Buildings sectors. Profitability remained firm, despite inflationary cost pressure increases.

The business managed to maintain favourable liquidity and gearing ratios through implementation of robust and stringent working capital strategies. Notwithstanding the liquidity constraints that prevailed in the market, the debtors book performed satisfactorily in the period.

Capital and investment property expenditure incurred in inflation adjusted terms at ZWL352,457,666 (December 2020: ZWL288,689,194) and ZWL180,779,340 (December 2020: ZWL112,273,194), respectively, was mainly to support the growing order book as well as a value preservation strategy. This was funded by a combination of internal resources and borrowings. Resultantly, borrowings closed the quarter at ZWL301,404,875 (December 2020: ZWL174,547,978).

Lost Time Injury Frequency Rate as at 30 September 2021 was Zero. In addition, the Group retained its Safety, Health, Environmental and Quality Management systems certifications.

OUTLOOK

COVID-19 remains a significant risk for businesses across the world. The call for vaccination by Government will go a long way in mitigating the impact of COVID-19 on businesses. To date, 99,62% of the Group's employees have since been vaccinated. The Board continues to assess the situation and implement appropriate mitigation measures to minimise the impact on the business and its stakeholders.

The Group has a strong order book which is evenly balanced between public and private sectors. Resultantly, the forecast results up to 31 December 2021 are projected to be ahead of the comparative period.

By Order of the Board

P. Mutiti
Company Secretary

15 November 2021