



## TRADING UPDATE FOR THE FIRST QUARTER ENDED 31 MARCH 2022

### OPERATING ENVIRONMENT

The operating environment in the first quarter remained volatile as characterized by continued hyperinflation and disparity between the official and alternative market foreign exchange rates. These exchange rate disparities have resulted in pricing challenges in the marketplace, hence further accelerating inflationary pressures with year-on-year closing the quarter at 72.7% (2021: 240.50%). The worsening inflation threatens the viability and sustainability of long-term infrastructure development projects, given its impact on United States Dollar denominated materials pricing.

### PERFORMANCE REVIEW

Inflation adjusted turnover was ahead of the comparable period by 19%, driven by a strong and firm order book. Profitability in the period remained stable as supported by a hedged financial position. The Group was sufficiently liquid with a current ratio of 1:11 (2021: 1.07:1).

Capital expenditure incurred in the period under review amounted to ZWL381,925,360 (2021: ZWL43,394,947) while borrowings as at 31 March 2022 were at ZWL267,878,918 (2021: ZWL396,896,573).

The Group retained its Safety, Health, Environment and Quality Management systems certifications. Lost Time Injury Frequency Rate in the period was at Nil (2021: 1.51).

### OUTLOOK

The Group has a firm order book, the execution of which may be negatively impacted by the prevailing volatility in the current macro environment. In addition, the continued conflict in Ukraine has affected supply chains and pricing of key construction materials such as steel, fuel and bituminous products.

COVID-19 remains a key risk and the Group will continue to adhere to the World Health Organisation and Government of Zimbabwe mitigation guidelines.

Despite the continued difficulties, the Group will remain focused on its value preservation strategy that is anchored on resource optimisation, product, and market diversification.

### By Order of the Board

**P. Mutiti**  
Company Secretary

13 May 2022