



NATIONAL TYRE SERVICES LIMITED

TRADING UPDATE TO 31 JUNE 2022

1. Trading Environment

Key economic drivers were affected by global inflation driven by tensions in Eastern Europe. Rising prices of goods and services, agricultural inputs, and basic commodities are negatively impacting business operations, as disposable income is eroded. National Tyre Services recorded growth in premium new tyres and retreading volumes during the period under review, premised on availability of market driven products.

2. Volume Performance

The table below shows volume performance for the quarter under review as well as comparisons with the preceding quarter.

Group	Q1-2022/23	Q1-2021/22
New tyres	8,786	11,952
Retreading	3,479	3,267
Tubes	484	1,923
Services	19,409	22,527
Repairs	2,062	2,526
Accessories	7,156	9,660
TOTAL	41,376	51,855

Notes:

- Q1 2022/2023 Retreading volumes increased by 6% when compared to the same period last year, as the Company continues to offer value added services to support retreading customers.
- Sales volumes for premium tyres grew by 36% during the period under review when compared to Q1 2021/2023. National Tyre Services is implementing effective strategies to serve the premium tyre market segment.
- Overall new tyre sales volumes for the first quarter declined by 26% compared to Q1 2021/2022, due to foreign currency inadequacies affecting importation of tyres from China and India.
- Services volumes for Q1 2022/2023 decreased by 18% compared to same period last year, as power outages affected branch operations during the period under review.

3. Outlook

There is optimism that measures being implemented by the Government will stabilize local currency and build market confidence going forward.

By Order of the Board

A handwritten signature in black ink, appearing to be 'S. N. Mandimika'.

S. N. Mandimika
Company Secretary
17 August 2022