



TRADING UPDATE FOR THE QUARTER ENDED 30 SEPTEMBER 2022

OPERATING ENVIRONMENT

The operating environment in the third quarter ended 30 September 2022 was predominantly unstable as characterised by accelerating inflation with month on month averaging 14% over the period. Year on year inflation closed off at 280.4% compared to 51.5% reported in the comparative period. However, towards the end of the quarter, month on month inflation decelerated to 3.5%, which was largely attributable to policy interventions.

PERFORMANCE REVIEW (INFLATION ADJUSTED)

The Group's revenue (Inflation adjusted) improved by 70% from the comparative period. The growth was on the back of an improved order book in the Roads & Earthworks, Mining and Housing Infrastructure. Profitability in the period remained satisfactory, despite inflationary cost pressure increases.

The business maintained favourable liquidity and gearing ratios through implementation of robust and stringent working capital strategies, notwithstanding the liquidity constraints that prevailed in the market following the temporary suspension of local payments by National Treasury.

Capital and investment property expenditure incurred at USD7,001,358 (December 2021: USD11,427,515), was mainly to support the growing order book as well as a value preservation strategy. This was funded from a combination of internal resources and vendor supply credit facilities.

As part of its Zero Harm value, the Group celebrated reaching a milestone of three (3) million Lost Time Injury Free hours. In addition, the Group retained its Safety, Health, Environmental and Quality Management systems certifications.

OUTLOOK

We applaud the Government on the policy interventions which have culminated in a stable foreign currency exchange rate regime. This has, resultantly, created an improved environment for the execution of infrastructure projects.

The Group has a firm and well-balanced order book with average tenures of between three to twelve months. The Group's results for the year ended 31 December 2022 are forecasted to be significantly ahead of the comparative period.

By Order of the Board

P. Mutiti
Company Secretary

11 November 2022