

MEIKLES

— LIMITED —

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Columbus DDB

TRADING UPDATE FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022

TRADING ENVIRONMENT

The trading environment for the quarter under review was characterised by tighter financial conditions due to the policy measures implemented by the Government to stabilise prices and the exchange rate from July 2022. The policy measures had a positive impact on both inflation and the exchange rate.

Electricity supply challenges worsened during the quarter under review leading to increased use of generators and in some instances reduction in operating hours.

SALES VOLUME PERFORMANCE

Sales volumes for the supermarkets segment decreased by 16.49% for the quarter but were resilient to the challenges in the operating environment and grew by 2.50% for the nine months period ended 31 December 2022.

Room occupancy for the hospitality segment grew by 9.85 and 18.43 percentage points for the quarter and nine months respectively. Revenue per available room increased by 94% and 210% in US\$ terms for the quarter and nine months respectively.

FINANCIAL PERFORMANCE

Group revenue grew by 40% and 58% in inflation adjusted terms for the quarter and the nine months respectively. In historical cost terms, Group revenue grew by 399% and 411% for the quarter and the nine months respectively.

All operating subsidiaries generated positive cash flows during the period under review.

The supermarkets segment completed and opened two new stores, Pick n Pay Simon Mazorodze and Pick n Pay Madokero during the quarter under review. Branch network expansion and refurbishments are funded from operating cash flows.

OUTLOOK

The Group is optimistic about its prospects despite the evolving challenges in the operating environment. The Group's financial stability remains strong with cash and bank balances amounting to more than US\$19 million at the end of December 2022. The Group has no bank borrowings. Both expansion and replacement capital expenditure plans continue to be implemented as the Group has adequate financial resources at its disposal.

By Order of the Board



T. Mpofu
Company Secretary
14 February 2023

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