

Operating Environment

The operating environment was stable with moderate price increases as the inflationary pressures were subdued. This was a result of tight monetary policy as excess liquidity was mopped up from the market. This also resulted in a revised 2023 national output (GDP) growth projections to 5,3%, up from the initial projection of 3,8%.

Business Performance

During the period under review, revenue saw a positive improvement to prior year comparable period mainly driven by inflation. The revenue for the prior year third quarter was ZWL 13.9 Million (ZWL14.2 Million Inflation Adjusted) compared to the current year third quarter ZWL 142.4 Million (ZWL161.9 Million Inflation Adjusted).

The performance of the group will largely depend on the economic environment which affects cost of production and operating costs. However, at a group level we realised revenue from our real estate businesses where we are letting out some space resulting in a positive effect on working capital.

On the real estate business, shop occupancy rate during the period was 48.14%, an improvement from 28.57% from the same period last year. The moderate occupancy rates are because the real estate business is entering the growth stage whilst renovations are taking place which will result in more shop space. Administration expenses stood at 15.24% and Property expenses at 8.24% for the quarter. Most of the revenue is being ploughed back into the renovations and construction until the place is complete.

Outlook

We expect the tight monetary conditions to persist and prices to continue stabilizing which will result in business thriving. Under the conditions we expect new business in the real estate sector as we complete renovations and construction. We will continue to positively innovate in the competitive environment by pursuing new market segments.

By Order of the Board



J Mwinjilo

Company Secretary (3 November 2023)