



# NATIONAL TYRE SERVICES LIMITED

## TRADING UPDATE FOR Q3 TO 31 DECEMBER 2023

### 1. Trading environment

The volatility of the foreign exchange rate continues to negatively impact price competitiveness in the market. Prices of goods and services increased towards the end of the reporting period due to high festive season demand. Erratic electricity generation towards the end of the year negatively affected turnaround time in our retreading factories.

Despite challenges in the operating environment, National Tyre Services recorded 15% growth in new tyres sales volumes from April 2023 to December 2023 over prior year.

### 2. Volume performance

The table below shows volume performance for the quarter under review as well as comparisons with the preceding quarter and prior year's corresponding period.

Group	Q3 2023/24	Q3-2022/23	YTD 2023/24	L-YTD2022/23
New tyres	10,528	8,847	29,522	25,673
Retreading	3,030	3,081	8,524	9,478
Other services	30,750	27,679	103,423	82,959
<b>TOTAL</b>	<b>44,308</b>	<b>39,607</b>	<b>141,469</b>	<b>118,110</b>

#### Notes:

- New tyre sales volumes grew by 19% in Q3 2023 when compared to Q3 2022 as the Company embarked on various marketing initiatives to improve sales.
- Tyre services sales in units increased by 11% during the period under review when compared to Q3 of 2022. Growth in tyre services was premised on increased volume of new tyres.
- Retreading volumes in Q3 2023 slightly dropped by 2% when compared to the same period last year due to production disruptions caused by electricity challenges.
- YTD December 2023, overall volume performance improved significantly by 20% compared to prior year, mainly supported by market driven procurement of tyres.

### 3. Outlook

The Company is optimistic that the new regulations on tax introduced by the Government to enforce compliance will minimize unfair competition in the market. National Tyre Services is focused on full business recovery premised on remodelling the business and continued implementation of a raft of cost-cutting measures introduced during the year.

By Order of the Board

**S. N. Mandimika**  
Company Secretary  
6 February 2024