



OK ZIMBABWE LIMITED

TRADING UPDATE

THIRD QUARTER ENDED 31 DECEMBER 2023



THE COMPANY HEREBY PROVIDES ITS TRADING UPDATE FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023

OPERATING ENVIRONMENT

The depreciation of the local currency against foreign currencies continued in the quarter under review. Consequently, persistent price changes adversely impacted on consumer demand and supply dynamics. Compliance with laws and regulations governing currency resulted in high instore prices and loss of competitiveness especially against unregulated markets. The Group continued to engage amicably with regulatory authorities to enhance macroeconomic stability and support the sustainable growth of formal retail business.

VOLUME PERFORMANCE

Volumes declined by 32% for the quarter versus prior year and by 28% for the 9 months ended 31 December 2023. Stringent supplier payment terms on Zimbabwean Dollar denominated purchases as well as and credit limitations on foreign currency denominated purchases affected stock availability and pricing dynamics during the quarter. The Group continues to implement volume growth strategies to stabilise business performance.

FINANCIAL HIGHLIGHTS

Group revenue for the quarter of ZWL568 billion was 50% above last year in inflation adjusted terms. In historical cost terms, Group revenue grew by 535% to ZWL490.5 billion. Group revenue for the nine (9) months ended 31 December 2023 grew by 57% to ZWL1.6 trillion in inflation adjusted terms and by 501% to ZWL1 trillion in historical cost terms. The business has adopted a structured cost containment programme to align overhead costs with business performance.

OUTLOOK

Looking ahead, the Group remains optimistic about its future prospects and recognizes the need to adapt to the changing operating environment. The business is focusing on delivering value to its customers by enhancing customer experience, executing fair pricing, improving market presence and optimizing operational efficiencies for long term sustainability.

BY ORDER OF THE BOARD

MARGARET MUNYURU (MRS.)
GROUP COMPANY SECRETARY
14 FEBRUARY 2024



DIRECTORS: H. Nkala (Chairman), M. P. Karombo (Chief Executive Officer), P. Mushosho (Chief Finance Officer), T. L. Gumbo, R. A. Maunze, R. Mavima, A. S. McLeod, C. J. Goncalves (Alternate), R. J. Moyo, K. Mtemerwa, W. S. Nyabereka, L. Webster-Rozon

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