



OK ZIMBABWE LIMITED

TRADING UPDATE

FIRST QUARTER ENDED 30 JUNE 2024



THE COMPANY HEREBY PROVIDES ITS TRADING UPDATE FOR THE FIRST QUARTER ENDED 30 JUNE 2024

OPERATING ENVIRONMENT

The introduction of the new Zimbabwe Gold currency (ZWG) brought with it a measure of stability. This resulted in year on year inflation declining from 57.48% in April 2024 to 3.76% by 30 June 2024. However, the shortage of foreign currency in the formal banking sector continued to put pressure on the exchange rate and some stakeholders began to insist on USD payments for products and services.

The domestic economy has remained on a growth trajectory and the Group continued to position itself to seize opportunities from the increased consumer spending. Whilst the liquidity challenges impacted trading during the period, the RBZ increased ZWG notes and coins in circulation easing change shortages and has taken further steps post the quarter to curtail liquidity constraints.

VOLUME PERFORMANCE

Volumes increased by 20.2% for the quarter ended 30 June 2024 compared to the same period in prior year. The growth was mainly driven by improvement in the performance of the OK Grand Challenge promotion, which marked the inaugural participation of the Group's OKmart stores. The success of this promotion was further bolstered by the ongoing support from our key partner suppliers, who played a crucial role in its execution. Additionally, the stability of pricing during this period contributed positively to volume recovery, as customers responded favourably to the Group's commitment to fair pricing practices.

FINANCIAL HIGHLIGHTS

Revenue increased by 2.2% for the first quarter ended June 2024 compared to same period in prior year. USD collections, however dropped significantly from FY2024 last quarter and FY2025 first quarter as most consumers were now using ZWG.

Despite the significant increase in volumes, sales values increased marginally as a result of the growth in contribution of bulk product sales that carry a lower unit price. This resulted in an increase in basket size of 28% against a customer count decline of 6.8%.

OUTLOOK

The fiscal and monetary measures being implemented by the government are highly commendable. The Group remains committed to delivering value to its shareholders by focusing on executing fair pricing, expanding market presence and optimizing operational efficiencies, while prioritizing customer satisfaction for long term sustainability.

BY ORDER OF THE BOARD

MARGARET MUNYURU (MRS.)
GROUP COMPANY SECRETARY
14 AUGUST 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. Mtemererwa, W. S. Nyabereka, L. Webster-Rozon, K. Zawanda