

# MEIKLES

— L I M I T E D —

(Incorporated in Zimbabwe under Company registration number 1/37)  
ZSE alpha code: MEIK ISIN: ZW 000 901 211 4

## TRADING UPDATE

For the third quarter ended 30 November 2024

### TRADING ENVIRONMENT

The trading environment for the third quarter, which ended on 30 November 2024, continued to be complex and challenging. In September 2024, the Reserve Bank of Zimbabwe (RBZ) devalued the ZWG by 44%, leading to an inflationary increase in revenue and profits for the Group.

### BUSINESS PERFORMANCE

#### SUPERMARKETS

##### *Sales Volume Performance*

The supermarket's sales volume increased by 8% for the quarter and by 2% for the nine months. Management focused on ensuring the availability of stocks across all the stores in a harsh and complex trading environment. The percentage of revenue collected in USD during the quarter remained steady at 19%, the same as last year. For the nine months, the percentage of revenue received in USD rose to 21%, up from 17% in the previous year.

#### HOSPITALITY

Room occupancy in the hospitality segment increased to 44% for the quarter, up from 42% the previous year. Occupancy was also 44% for the nine months, compared to 41% last year. The average room rate and revenue per available room for the nine months grew by 2% and 9%, respectively.

### GROUP FINANCIAL PERFORMANCE

Group revenue grew by 54% for the quarter, driven by the upward movement in the exchange rate and sales volume growth across all segments. Group revenue grew by 7% for nine months, marking a recovery from the 20% decline recorded for the six months ended 31 August 2024. Profit after tax for the quarter stood at ZWG 73.4 million, compared to a loss of ZWG 4.5 million in the same period last year. For the nine months, profit after tax grew by 87% to ZWG 67.9 million, a turnaround from ZWG 5.6 million recorded during the preceding six months that ended 31 August 2024.

All operating subsidiaries generated positive cash flows during the period under review. The Group's financial stability remains strong, bolstered by the US cash balance in our offshore subsidiary.

### OUTLOOK

Despite the challenges of the evolving operating environment, the Group is optimistic about its prospects. We are confident of the Group's ability to adapt to the evolving operating environment. The capital expenditure plans for the year continue to be implemented, as the Group has adequate financial resources.

### By Order of the Board



T. Mpofu  
Company Secretary  
30 January 2025

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