

TRUWORTHS

TRADING UPDATE FOR THE FIRST QUARTER ENDED 11 OCTOBER 2020

TRADING ENVIRONMENT

1. There was an improvement and stability in the trading environment due to the Introduction of the Foreign Currency Auction System which brought down the month on month inflation to single digits and improved product availability at stable prices.
2. However, the loss of purchasing power of disposable incomes constrained demand.

SALES PERFORMANCE

	Post COVID-19 Prior Quarter (Q4-2020) beginning 06 April 2020 to 12 July 2020 against Quarter (Q1 - 2021) beginning 13 July 2020 to 11 October 2020	Year on year comparisons Quarter Q1 2019 (08/07/2019 - 06/10/2019) against Quarter Q1 2020 (13/07/2020 - 11/10/2020)
Units sold	+35%	-25%
	1st Quarter 2020/2021	1st Quarter 2019/2020
Cash sales as a % of turnover	68.5%	51.9%

KEY TRADING EXPENSES

Despite the stability in pricing and low overall month on month inflation; Employment Costs, Occupancy Costs, Distribution Costs and Information Technology Costs have increased ahead of month on month inflation, thereby putting pressure on margins for the Quarter.

IMPACT OF COVID-19

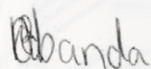
Harare CBD has still not recovered from the COVID-19 lockdown, with low traffic and virtual working. This has impacted negatively on sales as Harare CBD is traditionally the highest volume trading centre. All other parts of the country are trading normally.

The ultimate impact of COVID-19 remains uncertain.

OUTLOOK

The Quarter from October to December is traditionally the busiest trading period. We anticipate that this year will not be any different, subject to any COVID-19 restrictions that may be imposed.

By Order of the Board



B. M. Chibanda
Company Secretary

23 November 2020