



NATIONAL TYRE SERVICES LIMITED

TRADING UPDATE FOR Q3 TO 31 DECEMBER 2022

1. Trading environment

Depressed electricity generation during the third quarter of 2022 resulted in increased load curtailment countrywide. Revenue generation and customer service delivery were negatively affected by power outages that disrupted the Company's retreading factories and retail operations.

Although constrained by the above, the Company managed to retain business from key fleet operators from October to December 2022.

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	Q3-2022/23	Q3-2021/22	YTD:2022-23	L-YTD
New tyres	8,847	8,931	25,673	34,062
Retreading	3,081	3,560	9,478	10,297
Other services	27,679	26,241	82,959	93,310
TOTAL	39,607	38,732	118,110	137,669

Notes:

- Tyre services grew by 5% during the period under review compared to the same period last year. Good workmanship improved demand for tyre services across all our branches.
- New tyre sales volumes dropped by 1% in Q3 2022 compared to Q3 2021 due to the negative impact of power outages on the Company's retail operations, which also affected the cumulative performance.
- Retreading sales volumes declined by 13% during the third quarter of 2022 compared to the same period last year as retreading factories were severely affected by power challenges.
- YTD December 2022 overall volume performance decreased by 14% compared to the prior year as the energy crisis deepened, negatively affecting demand for tyre services across our retail outlets.

3. Outlook

We are optimistic that the economy will recover, backed by an improvement in energy and agricultural produce growth given the current strong rainy season.

By Order of the Board

A handwritten signature in black ink, appearing to be 'S. N. Mandimika'.

S. N. Mandimika
Company Secretary
6 February 2023