



*(Incorporated in Zimbabwe in 1948, under Company Registration Number 379/1948)*

**Directors:** T. N. Sibanda (Chairman), S. Mushosho (CEO)\*, M. Hosack, C. Claassen, M. Robb, C. Mutevhe (CFO)\*, P. D. Mnyama\* \*Executive

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## **TRADING UPDATE FOR THE 1<sup>ST</sup> QUARTER ENDED 5 APRIL 2026**

### **OPERATING ENVIRONMENT**

During the quarter, the operating environment remained relatively stable, supported by continued exchange rate stability under the willing-buyer willing-seller framework and easing inflationary pressures. Annual ZIG inflation remained in single-digit territory, although it rose modestly towards quarter-end following fuel price increases in March 2026. Improved pricing certainty assisted formal sector planning and reduced prior market distortions. Agricultural prospects improved significantly following a better rainfall season, while mining activity and diaspora remittances continued to support foreign currency inflows and liquidity. However, tight monetary conditions and limited access to affordable credit continued to weigh on household incomes and discretionary spending. Fuel price increases placed upward pressure on transport, distribution and generator-related costs, while businesses continued to manage elevated energy expenses despite improved electricity supply. The Group remains focused on strengthening value chain control, increasing local manufacturing through Carousel, optimising working capital, expanding value retail formats and enhancing product competitiveness in this improving but still challenging environment.

### **FINANCIAL PERFORMANCE**

Sales volumes increased by 43%, from 379,535 units in the prior year's first quarter to 543,100 units in the current period. This growth was driven by improved merchandise assortments and customer endorsement of the product range and overall offering. However, gross profit (GP) margins softened from 54% in the prior period to 49% during the quarter under review, mainly due to a deliberate pricing strategy aimed at fostering price competitiveness aimed at inducing increased sales volumes offtake. Management continues to focus on enhancing merchandise freshness, quality, and price competitiveness across all stores.

### **RETAIL PERFORMANCE**

Edgars Chain sales volumes increased by 35%, rising from 172,320 units in the first quarter of the prior year to 231,919 units in the current first quarter. The sales mix between credit and cash shifted notably towards cash, with credit sales accounting for 54% (2024: 66%) and cash sales increasing to 46% (2024: 34%).

Jet Chain Sales volumes recorded a 37% increase, from 220,204 units in the first quarter of prior year to 302,054 units in the current first quarter. Similar to Edgars Chain, the sales mix between credit and cash sales observed a shift towards cash sales closing, at 56% credit sales (2024: 62%) and 44% cash sales (2024: 38%).

Units sold by the Express Chain amounted to 26,030.

### **CAROUSEL MANUFACTURING**

During the quarter, manufactured units increased slightly by 0.8% to 95,184 units from 94,403 units in the prior comparative period. The volumes are expected to increase substantially in the second quarter and beyond as summer production commences in June 2026.

### **FINANCIAL SERVICES**

Revenue for the quarter increased 11% against the same period last year, to close at \$1.5m. The increase was underpinned by an improved debtors' book, which grew to \$11.2m from \$9.8m in the comparative period, a 14% growth on the back of increased credit sales. The debtors' book closed March 2026 at 83% being in current status, a static position when compared to the prior period. Total accounts grew from 128,638 as at Q1 2025 to 145,132 as at end

of the period under review.

The business continues in its efforts to grow its top line through aggressive new account drives and credit utilization promotions. Despite the challenging environment, the Group seeks to continue to write good credit to new and existing customers.

### **CLUB PLUS MICROFINANCE**

The loan book declined from \$1.6m in the comparative period to \$930k as at close of the quarter owing to cautious lending. We expect growth in the book in the second half of the year as we grow our SSB loan offerings and salary-based loans.

### **OUTLOOK**

The operating environment is expected to remain challenging in the near term, with constrained liquidity conditions, cautious consumer spending and sustained competitive pressures likely to persist across the retail sector. While exchange rate stability and improved agricultural output prospects may provide some support to economic activity, uncertainty around consumer demand and input cost pressures remain.

Management will continue to focus on working capital discipline, cost containment, merchandise competitiveness, selective store expansion and maintaining prudent credit risk management across the Group's operations. The Group will also continue to assess opportunities to improve operational efficiencies and strengthen its value offering in response to prevailing market conditions.

Accordingly, management remains cautious in its outlook for the remainder of the financial year

**S MUSHOSHO**  
**GROUP CHIEF EXECUTIVE OFFICER**  
**19 May 2026**