



R B Patel Group Limited

24 April 2020

MARKET ANNOUNCEMENT COVID-19 IMPACT

RBG Chairman, Mr Yogesh Karan, today said that the safety of our customers, employees and the communities are our number one priority while announcing the impact of COVID-19 on the company's operations.

"In accordance with the Government's directives, RBG has ensured that all its stores remain open and are able to provide communities our best services. We have also eliminated all non-essential activities to support government's objective of reducing the risks of spreading the COVID-19 virus."

"In recent weeks, sales growth across the stores has been strong, reflecting temporary demand for a range of products as customers have initially resorted to *"panic-buying"* and later consumed more at home and replenished stocks concurrently. This led to challenges across the supply-chain in keeping up with demand which unfortunately led to temporary shortages on store shelves."

"Together with our suppliers and logistics partners, we made good progress in improving the flow of product into stores. Customers can have confidence in food supply chains as collectively our industry is more than capable of providing enough food for everyone in Fiji. What we experienced was a short-term shock to the system driven by panic-buying when the initial government COVID-19 announcements were made. The FCCC assisted with the imposition of limits on certain basic products to ensure that all customers were able to buy essential items."

"We are pleased to see early signs of moderation in shopping behavior in our supermarkets, however current sales level appears to be subdued particularly in the Western division where tourism activity has come to a standstill. This may be a combination of various factors and it is too early to make any substantive predictions."

"We remain focused on supporting the community at this time and our online shopping is available for those who find this more convenient. This can be accessed from our website www.rbpatel.com.fj."

"We would like to thank our customers, government agencies and suppliers for their support at this uniquely challenging time. The ability to work together has ensured that our communities have had an uninterrupted supply of basic food items at all times"

"I want to specifically thank all our employees who have been working tirelessly to support customers and replenish stores swiftly. Our employees responded incredibly well in a crisis and I am very proud of how they have worked as a great team to serve all our valued customers."

“As we focus on employees and customer safety, social distancing measures have been implemented in all stores nationwide. This includes informative notices requesting customers to comply to social distancing in stores together with additional cleaning and hygiene measures.”

“The measures we’ve introduced have been well received by our employees and customers alike, and we’re grateful for the community support for this incredibly important public health effort.”

“Given the significant uncertainty associated with current sales performance, changes to customer shopping patterns including impulse stocking and the closure of non-essential businesses, we are not able to accurately forecast the net impact of COVID-19 on the financial year 2020 results. At this stage, we are confident that we will match or better last year’s results. Further updates on the impact of COVID-19 on the company’s performance will be provided as appropriate.”

“RBG has a strong balance sheet, with access to liquidity and funding. It is well supported by its lenders, with significant headroom in available facilities and lending covenants. RBG’s cash flows are being managed efficiently, and payments to the employees and suppliers are being made on time. As this period of uncertainty continues, both discretionary spend and capital expenditure will be reviewed with adjustments made as required.”

“RBG has two construction projects that are currently in progress, in Nadi and Lami, funded by ANZ Banking Group Ltd. Work on these will continue to completion.”

“As major landlords we have also received many requests from our tenants for relief with rent payments. These are being reviewed on a case by case basis and it is likely that our rent revenues will be impacted.”

“The Board has not made any decisions on dividends. This will be announced when considered by the Board.”

Chairman, Yogesh Karan, also added: “The Board is confident that RBG remains in a strong financial position and the team is doing everything possible in very challenging circumstances. On behalf of the Board, I would like to extend my sincere appreciation to them for their continued efforts and to our customers for their support.”


.....
Director


.....
Company Secretary

For more information, please contact Company Secretary, Deepak Rathod on Ph. 3391899.