



# ARISTON

HOLDINGS LIMITED

(A public company incorporated in the Republic of Zimbabwe under company registration number 254B 104/1947)

## TRADING UPDATE FOR THE FIRST QUARTER ENDED 31 DECEMBER 2024

### ENVIRONMENT

The period October to mid-December 2024, was characterised by extremely hot temperatures coupled with dry weather. Thereafter, the weather improved with year-to-date rainfall being ahead of the prior year comparative.

The local trading environment continued to be challenging. The cost of doing business continued to increase. In order to stabilise the Company a number of cost-cutting measures have been undertaken and some are in the process of being implemented. These measures include an extensive staff reduction exercise and further automation of processes where possible.

High cost of production for key inputs such as fertilisers, crop chemicals and payroll coupled with the effects of the 25% RBZ retention on exports at a time when export prices are still constrained has negatively affected the operations. In the first quarter of the year, the Group focused more of its revenues to the local market in order to protect the loss of margin arising from the export proceeds retention.

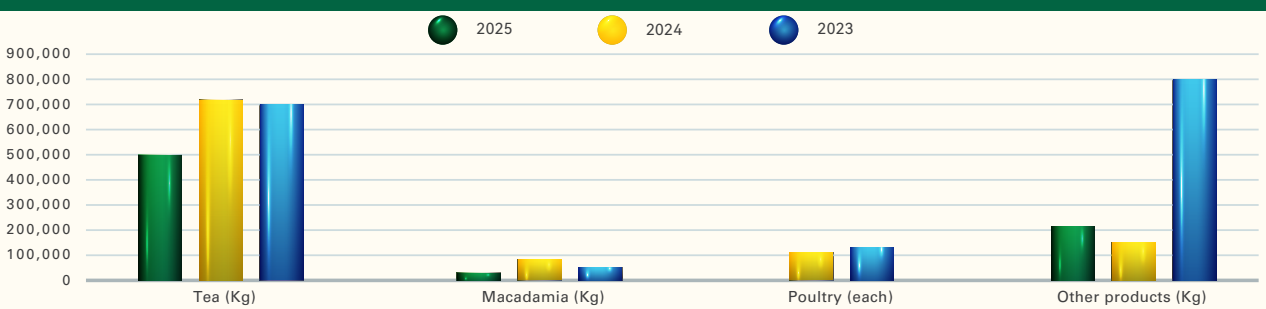
Positive impact has been noted on the solar energy plant commissioned at Southdown Estate in July 2023. This project has resulted in significant cost savings whilst safeguarding environmental resources through use of a renewable energy source. It is the Group's intention to instal further solar plants at Roscommon, Clearwater and Kent to mitigate against power outages and the resultant cost of using generators.

The local market remained predominantly United States dollar-based. The Zimbabwe Gold currency "ZwG" has been largely in short supply and has had a disruptive effect on the local trading as its liquidity was constrained.

### BUSINESS PERFORMANCE

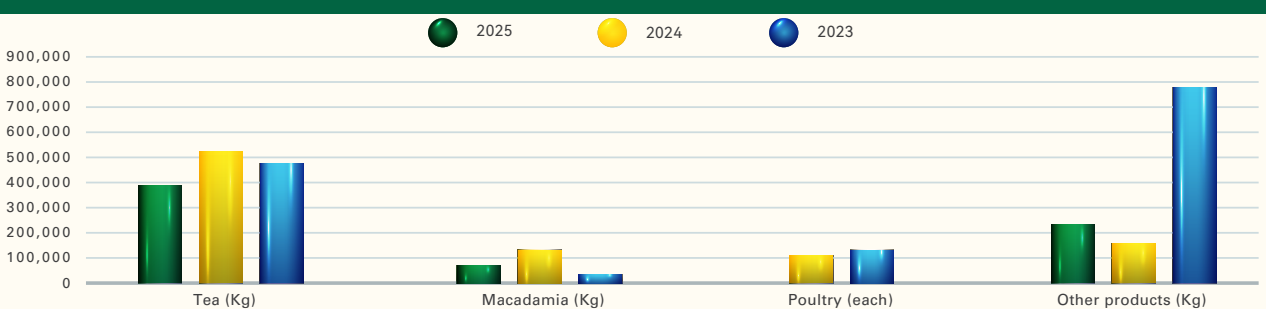
#### Volume performance:

#### 1st Quarter Production Volumes



- Current year Tea production volume at 496 tonnes was 31% lower than prior comparative period's 716 tonnes. The decline was due to the extremely hot and dry weather experienced in the first quarter of the year.
- Macadamia harvesting only commences in April. The volume depicted above comprises of early nut drop. Therefore, the lower this early volume is, the better as it means more nuts are still on the trees and are available to reach maturity. Early indications are that the Macadamia orchards, so far, have better nut set than the prior comparative period.
- Poultry is produced on an out-grower model. Volumes are determined by the poultry operator for whom the chickens are being grown. There were no poultry placements done during the quarter.
- In the current quarter, other products consist of bananas, sugar beans and commercial maize. There was a volume increase of 32 % compared to prior comparative period as a result of increased yields on bananas.

#### 1st Quarter Sales Volumes



- Tea sales volume for the quarter to date at 388 tonnes was 27% lower than prior comparative period's sales of 530 tonnes. Average selling prices for both export and local sales held at the same level as those experienced in the prior comparative period.
- Macadamia nut sales volume for the period was 52% lower than prior comparative period's 132 tonnes. Macadamia export prices being indicated are higher than prices achieved in the prior year. Indications are that the global macadamia oversupply situation that arose during the COVID-19 period has now come to an end.
- Sales of Other Products were in line with production volumes.

### FINANCIAL PERFORMANCE

Revenue generated in the current year was 16% lower than that of prior comparative period. This arose as a result of the delayed onset of rains hence lower production volumes. Only other products had higher revenue than prior year.

### OUTLOOK

Early indication is that demand for macadamia nuts will be firm and improved prices are expected as buyers are approaching the Group for macadamia offtake agreements for the season. 660 hectares of row crops were planted in the current year. These are expected to produce a good yield. Overall, the Group expects to achieve a higher revenue in the current year on the back of improved production and prices. Expenses will this year carry the cost of re-organising the business for sustainable growth.

The Group expects that the operating environment will continue to be difficult mainly arising from the tight liquidity conditions being experienced. As a result, focus will remain on quality, production efficiencies and cost cutting measures in order to maximise shareholder value.

#### By Order of the Board

**Anesu Museta**  
Company Secretary

4 March 2025

**Directors:** Mr. A.C. Jongwe (Chairman), Mr. L. W. Nortier\* (Chief Executive Officer), Mr. I. Chagonda, Mr. C.P. Conradie, Mrs. T.C. Mazingi, Mr. P.T Spear\*, Mr. J.W. Riekert, Mr. Z. T. Zifamba, \* Executive

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