



ARISTON

HOLDINGS LIMITED

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

TRADING UPDATE FOR THE THIRD QUARTER ENDED 30 JUNE 2024

ENVIRONMENT

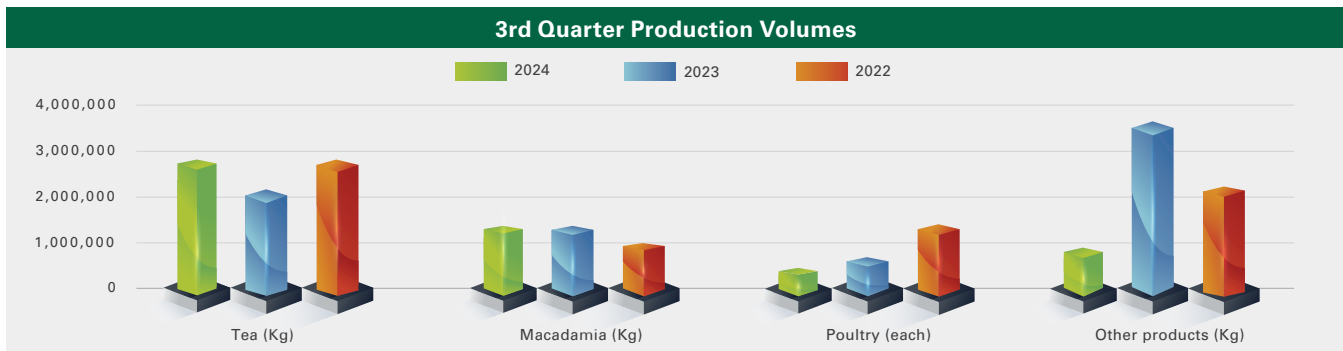
This agricultural season has been difficult for the operations as trading recovery post price decline experienced during the COVID-19 period was hampered by challenges arising from the El Nino induced climatic conditions. Lower rainfall was received for the agricultural season at all the operations.

The local trading environment continued to be predominantly dollar-based. However, in April 2024 the introduction of the ZWG currency occurred. This has been largely in short supply and has had a disruptive effect on local trading as liquidity was constrained.

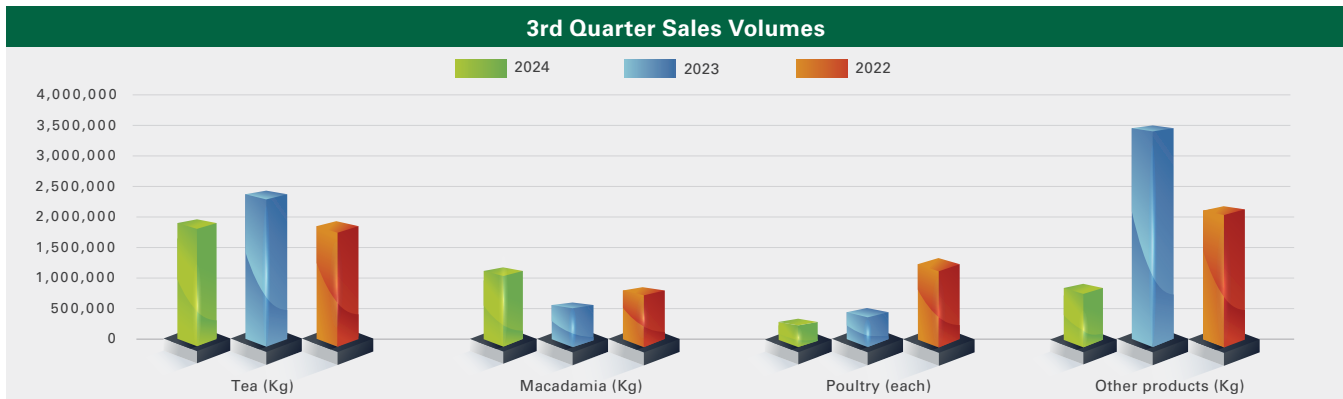
Operations continued to be affected by the increased cost of production for key inputs such as electricity, fertilisers and crop chemicals. The Group continued to benefit from the positive impact made by installation of the solar energy plant at Southdown Estate in July 2023. This achieved cost saving through reduced reliance on generators and the associated maintenance cost, whilst contributing towards safeguarding environmental resources through use of a renewable energy source. Cost savings were however countered by the increase in the electricity charge out rate.

BUSINESS PERFORMANCE

Volume performance:



- Current year Tea production volume at 2,880 tonnes was 28% ahead of the prior comparative period's 2,245 tonnes. This was a significant improvement as the Group exceeded the volume achieved in FY2022 of 2,850 tonnes.
- 1,292 tonnes of Macadamia were harvested in the current year. This was 2% lower than the 1,313 tonnes harvested in 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 was a significant reduction in volume as poultry houses were put on hold for a part of the year as the poultry operator installed a new abattoir. Poultry houses have now been operational since January 2024.
- In the current period, other products consist of bananas, seed maize, seed soyabeans, commercial maize and soyabeans. In the prior comparative periods, other products included potatoes which are not part of the cropping plan in the current period in an effort to preserve the dam water for seed crop irrigation given the predictions for an El Nino induced climate. Accordingly, there was a significant volume decline in this category.



- Tea sales volumes for the current year to date at 1,964 tonnes was 17% behind the prior comparative period's sales of 2,371 tonnes. Average selling prices for both export and local sales held at the same level as those experienced in the prior comparative period.
- During the period, the Group purchased and installed a new X-ray machine. It enables one to definitively differentiate macadamia nut in shell into its different kernel sizes thereby enhancing selling price determination and enabling the company to guarantee its product quality on sale. Macadamia nut sales volumes for the period were 1,171 tonnes, 93% ahead of the prior comparative period's 606 tonnes. This is a clear indication of an improved demand in the macadamia industry following the global decline in volumes that occurred during the COVID-19 pandemic period.
- Sales of Poultry and Other Products were in line with production volumes.

FINANCIAL PERFORMANCE

Revenue generated in the current year was 0.5% ahead of prior comparative period. This was arising from improved macadamia volumes and selling price when compared with prior comparative period. All other products had lower revenue than prior year.

OUTLOOK

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 cost containment measures, improvement of product quality and production processes.

By Order of the Board

Anesu Museta
Company Secretary

30 July 2024

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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