



# ARISTON HOLDINGS LIMITED

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

AHL 1948

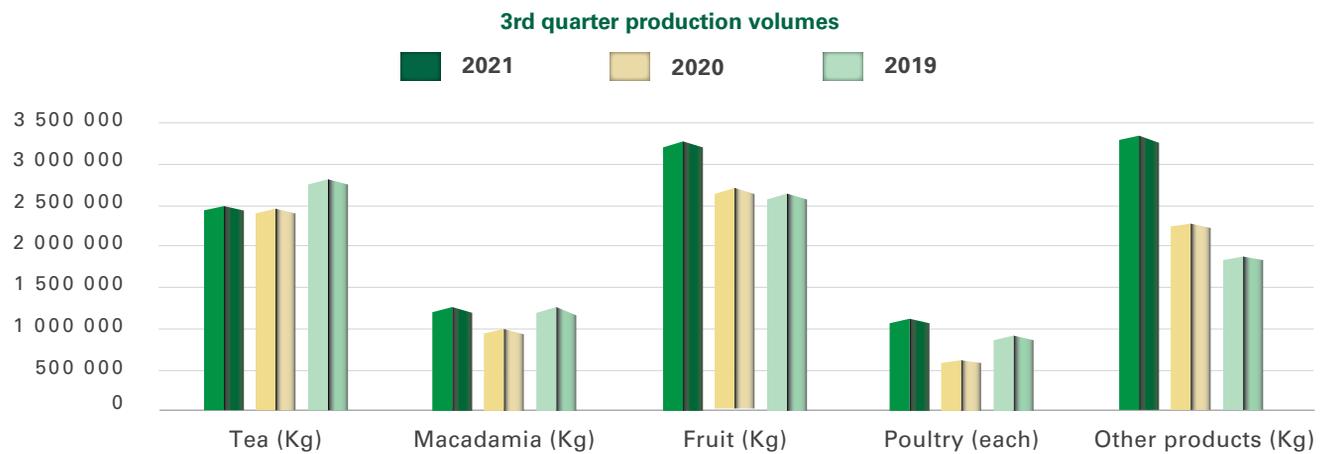
## TRADING UPDATE FOR THE 3RD QUARTER ENDED 30 JUNE 2021

### ECONOMIC ENVIRONMENT

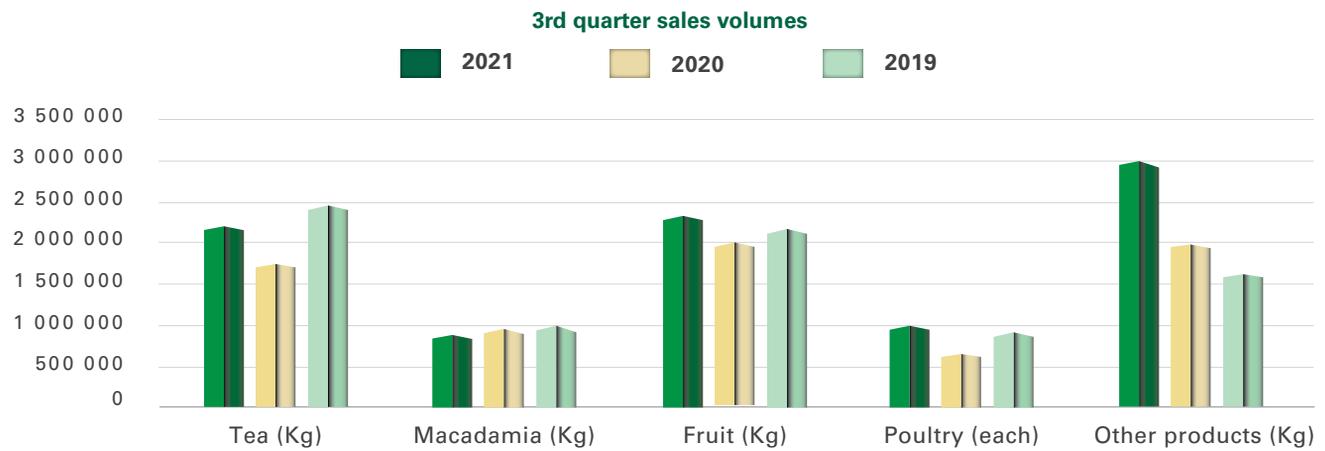
The operating environment improved in the current period due to a decline in inflationary pressures. This was also accompanied by favourable weather patterns experienced in the current period.

### BUSINESS PERFORMANCE

#### Volume performance



- The slight increase in tea production was due to good weather conditions experienced in the current period.
- Macadamia volumes were 18% ahead of prior period.
- The fruit category comprises stone fruit and pome fruit and current year volumes are a result of young orchards' improving yields.
- Poultry is grown on an out-grower model for the largest poultry producer in Zimbabwe. In the current period, the producer increased the number of placements thus resulting in higher production volumes.
- Other products consist of potatoes, bananas, commercial maize, seed maize, soya beans, sugar beans, and sweet potatoes. Favourable weather conditions in the current period, resulted in improved yields in both the dryland crops as well as the irrigated crops. Further, due to an expectation of good weather conditions, dryland cropping area was extended also adding to the improved production volumes noted above.



- Tea sales registered an increase which was mainly driven by an increase in local market demand.
- There was a 12% decrease in macadamia nut sales in the current period arising from harvesting and production processes having commenced later than in prior period. As a result, there were stocks at the end of the third quarter which are now being sold in the fourth quarter. Our expectation is that the current year macadamia crop will show higher volumes when compared to prior year volumes.
- Although stone fruit sales were negatively impacted by the National Lockdown imposed in January 2021 in response to the COVID-19 pandemic, current period sales of the fruit category improved due to an increase in pome fruit sales.
- Sales of poultry and other products are in line with both the prior periods and the production volumes.

### FINANCIAL PERFORMANCE

The Group's revenue remains predominantly foreign currency denominated. Revenue for the 9 months ended 30 June 2021 increased by 3% compared to the prior period.

### IMPACT OF COVID-19 PANDEMIC ON THE GROUP

The Group's sale of stone fruit was negatively affected by the lockdown measures which were introduced by the Government in January 2021. This resulted in a disproportionately larger volume of stone fruit being sold to processors at reduced selling prices.

Whilst the Group sells its export crops ex-farm gate, reduced availability of containers for outward storage and logistics channels being affected by COVID 19 has resulted in a slower movement of goods from the farms.

As the Group's operations are classified as essential services, all estates remained operational during the lockdown. Measures implemented to protect staff have continued to be strictly monitored and adhered to.

### OUTLOOK

The return to level 4 of lockdown recently announced is expected to continue to put pressure on low disposable incomes. For the Group, as this is the tail end of the season, the effect will not be significant. The Group is confident that all stocks still on hand will be sold by year end. In this new quarter the Group commences its preparations for the next summer season. All factories go into shutdown for repairs and maintenance while lands and orchards are prepared for the next season. Cost containment continues to be an area of key focus.

#### By Order of the Board

  
**R.A. Chinamo**  
 Company Secretary

30 July 2021



**YOUR WELL-BEING AND SAFETY SHOULD BE YOUR MAIN PRIORITY.**  
 Stay healthy and protected from COVID-19



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