



## TRADING UPDATE FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

Zimplow Holdings Limited issues the following trading update for the third quarter ended 30 September 2020:

### Business Overview

The Group's YTD performance gained momentum in the third quarter(Q3). Volumes across all business units were up, spurring the year to date (YTD) revenues to be 10% ahead of prior year. Operating profit was flat against prior year.

### Operations

The new financing relationship on our capital goods, the injection of new energy in the team and our ability to take advantage of market opportunities, despite the serious headwinds in the trading environment, provided the lift off to our performance.

### Barzem

Barzem YTD performance was 420% ahead of the previous year's performance. The business unit sold 26 whole goods compared to 5 in the same period prior year. After sales business was flat compared to prior year.

### CT Bolts

Aggressive efforts to put CT Bolts on a growth trajectory continue to yield positive results. The business unit achieved an average of 33% growth on all fastener lines on a year to date basis.

### Farmec

Tractor volume sales were flat with 76 units being sold, however, sales from the business unit's implements category shot up, pushing Farmec's overall performance to 4% ahead of the previous year. Pipeline prospects are promising, as such, the business forecasts that year-end (FY20) volumes will surpass the prior year's (FY19) performance.

### Powermec

Powermec's revenue on whole goods were 8% ahead of prior year, the business unit's product mix was skewed towards big gen-sets. After sales labour hours sold were 56% ahead of prior year volumes for the same period. Looking ahead, the business is planning to broaden its product mix in line with business targets.

### Mealie Brand

The third quarter saw Mealie Brand with local implements sales levelling against prior year to date performance. Spares were 11% ahead of prior year for both the export and local market. Weather forecasts project good rains for the country, as such, the teams are working aggressively to meet demand for this coming period in order to close the year with a strong performance.

### Outlook

Despite the challenging year, the energy levels in the Group, the determination and drive of the teams, combined with the sales prospects in the pipeline, all signal that the Group will not only exceed the initial targets set, but prior year performance as well.

### By Order of the Board



**C. L. Chaibva**  
Company Secretary  
16 October 2020