



Trading Update – for the first quarter ended 31 December 2024

Trading Environment

In the first quarter ended 31 December 2024, we have witnessed industry and commerce adjusting to various changes, including the September 2024 currency devaluation, reduced expansionary spending on road infrastructure, increased power disruptions, and a rise in informal retail.

The market experienced an increase in smuggled products, disrupting value chains and forcing retailers and manufacturers to adapt rapidly. In addition, this was encouraged by a shift in trade towards the United States Dollar due to transacting preferences as well as limited circulation of Zimbabwean Gold (ZWG).

The gold sector experienced a price rally, whilst other commodities saw their average prices softening during the 2024 calendar year. The relatively stable performance in the mining sector, buoyed by gold production, was unable to offset the negative impact of the drought on agricultural output and the weak commodity prices of other minerals on the Zimbabwean economy.

Operational Update

Despite the shifting trading environment, CAFCA's volumes for the first quarter ended 31 December 2024 grew by 23%, supported by a 74% growth in aluminum volumes compared to the prior comparative period. The copper-based business grew by 13% compared to the prior comparative period.

Utilities and commercial business showed substantial growth, with volumes increasing by 187% and 83% respectively, compared to the prior comparative period.

Retail and distribution volumes declined by 25% in the first quarter, compared to the prior comparative period, due to the constrained trading space influenced by informalization.

Exports dropped by 39% against prior year, due to foreign currency supply gaps in the key export markets such as Malawi, Mozambique, and East Africa.

In terms of delivery, production was affected by power disruptions and surges, causing equipment breakdowns. CAFCA, however, managed to meet customer production requirements. The company continued to engage distributors to maintain high product availability on the shop floor.

Financial Update

Revenue for the quarter ended 31 December 2024 grew by 29% compared to the prior comparative period due to volume growth. Trading margins remained under pressure due to increased industry competition.

Directorate

There were no changes to the directorate during the period under review.

Outlook

The operating environment in Zimbabwe continues to pose challenges, influenced by policy changes, currency instability and power supply challenges. Whilst it is expected that the Government will take measures to address these gaps, CAFCA is working to improve its operational capabilities to constantly compete and meet our customers' needs. To that end, CAFCA will focus on operational effectiveness to protect margins and drive profitability.

By order of the Board



C. Kangara
Company Secretary

6 March 2025