



African Distillers Limited



# Trading Update

For The First Quarter Ended 30 June 2025.

## Operating Environment

The trading environment for the quarter was relatively stable, with slower inflation and a steady ZIG exchange rate, providing a conducive operating environment for business. The monetary policy remains tight, resulting in local currency liquidity constraints and high borrowing costs. Electricity supply challenges persisted, and businesses continue to incur high operating costs from alternative power sources.

## Volume Performance

Total volume for the quarter grew by 40% over prior year, benefiting from strong demand, driven by increased consumer spending from a record tobacco output, good summer crop harvest and increased gold production and prices. The business also benefited from ongoing interventions by authorities, that include the blitz against smuggled products and the banning of illicit ethanol-based cheap spirits. The Ready-to-Drink (RTD) category grew by 45%, with the recently introduced Hunters 660ml pack contributing positively to cider performance. The Spirit category increased by 36%, mainly driven by brown spirits while wines grew by 25% benefiting from good demand within the affordable segment.

## Financial Performance

Turnover for the quarter at US\$19 million was 51% above prior year as a result of improved product availability and the strong volume performance.

## Outlook

Management remains committed to sustained business growth leveraging on opportunities arising from the stable operating environment. A strong focus on profitability and margin enhancement through optimised brand and pack mix, route to market proficiencies and cost containment measures will continue to drive the business.

By Order of the Board.

**L Mutamuko**  
Company Secretary  
18 July 2025

