

# TRADING UPDATE FOR THE THIRD QUARTER ENDED 31 JULY 2025

TSL Limited hereby issues a trading update for the third quarter ended 31 July 2025.

## Operating environment

The operating environment was relatively stable, underpinned by tighter monetary policy and limited money supply growth. Constrained liquidity conditions, however, negatively affected demand for certain product lines.

The 2025 tobacco marketing season closed during the first week of August 2025, with total earnings reaching a record US\$1.2 billion from 352.7 million kilograms sold. Data from the Tobacco Industry and Marketing Board (TIMB) indicates that the average price of US\$3.32 per kilogram was marginally lower than prior year's average price of US\$3.43 per kilogram.

## Financial performance overview

Group revenue for the quarter increased by 14% compared to prior year and grew by 30% for the nine months, driven by improved performance in the agricultural sector, notably tobacco.

## Agricultural trading operations review

Demand for all product lines at Agricura was stronger than in prior year, with volume growth recorded in all categories except herbicides. Growth in volumes was supported by dealer blitz campaigns, onboarding of new customers and increased demand from tobacco merchants following a successful tobacco season.

Fungicide volumes increased during the quarter by 675% compared with the same quarter in prior year and increased by 315% for the nine months, mainly driven by increased demand for tobacco seedbed packs. Insecticides volumes for the quarter grew by 34% and increased by 8% for the nine months, whilst volumes of dips increased during the quarter by 85% compared to same quarter in prior year and increased by 6% for the first nine months of the year.

Herbicide volumes increased by 56% during the quarter but declined by 22% over the first nine months of this year owing to the delayed onset of the 2024/2025 rainfall season.

## Packaging

At Propak, hessian hire volumes grew by 62% in the quarter compared with the same period last year and recorded a 37% increase over the nine months, driven by the larger national tobacco crop and the onboarding of new customers. Tobacco paper volumes were up 91% for the quarter and 23% overall for the nine-month period relative to prior year, reflecting sustained positive market uptake of the locally coated paper.

## Tobacco marketplace operations review

Tobacco Sales Floor ("TSF") handled 58.6million kilograms of tobacco during the quarter under review compared to 26.9million kilograms handled during the same period in prior year. For the nine-month

period ended 31 July 2025, TSF handled 80.1million kilograms of tobacco, representing a 52% increase from the prior year.

Contract tobacco volumes have significantly increased over prior year in line with business strategy.

## End to end logistics services operations review

Forklift hours were 9% and 4% ahead of prior year for the quarter and nine months respectively, reflecting higher FMCG and agriculture throughput. Green tobacco bales satellite handling volumes were ahead of same quarter in prior year by 96% and 52% for the nine months.

Space utilization improved during the quarter increased to 92% compared to 90% recorded in prior year supported mainly by higher sorghum volumes and additional business from existing customers.

A multi model solution to complement rail movement of cargo is expected to improve container volumes in the near future.

## Outlook

The recently concluded successful tobacco season, coupled with forecasts of a La Nina weather pattern indicating average to above-average rainfall, has boosted farmer confidence and driven higher agro input purchases. Tight liquidity prevailing in the market is however likely to limit spending capacity.

The Group will continue to prioritise enhancing operational efficiency, client retention, asset optimization and treasury management to deliver enhanced sustainable value for stakeholders.

## BY ORDER OF THE BOARD



**Fadzayi Pedzisayi**  
Company Secretary

## REGISTERED HEAD OFFICE

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17 September 2025