



**ZIMBABWE NEWSPAPERS
(1980) LIMITED**

Market leader in Publishing, Broadcasting, Printing and Packaging

TRADING UPDATE FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025

Business Operating Environment

The operating environment during the quarter remained generally positive, supported by notable stability in inflation and exchange rates as the Reserve Bank of Zimbabwe sustained its tight monetary policy stance. Macroeconomic conditions were relatively stable, with month-on-month inflation averaging 1.4% year-to-date. The Zimbabwe Gold (ZWG) demonstrated resilience, depreciating by only 3.3% between December 2024 and September 2025, while appreciating by 1.1% during the quarter from USD1: ZWG26.9502 on 1 July 2025 to USD1: ZWG26.6439 on 30 September 2025. Annual weighted inflation eased from 28.1% in July to 25.1% in September, and monthly weighted inflation averaged 0.2% over the same period, reflecting the impact of tight monetary policy. Despite these positive developments, persistent liquidity constraints and inconsistent utility services continued to pose challenges. The Company remains proactive in managing costs and working capital to improve operational efficiency and financial stability. The Company continues to implement digital transformation strategies aimed at delivering and safeguarding long-term shareholder value.

Performance

Zimpapers continues to advance its digital transformation strategy, now prioritising the alignment of digital audience growth with a clear focus on increasing digital revenues. The total digital footprint shrunk from 11.3 million to the current 10.7 million due to the launch of a consolidated HeraldOnline website where we had to re-build our monthly audiences from zero in April 2025. The website traffic has since grown to 910 thousand per month. Our growing social media audiences was spurred by radio stations like Star FM whose Facebook followers only, now stands at over 1.4 million and an online listenership of more than 100 thousand while the other three radio stations (Diamond FM, Capital FM and Platinum FM) also continue registering positive audience growth positions. For the Television business, the launch of the ZTN OTT Platform marks a significant milestone, offering both content "on demand and live programming" to meet the growing preference for video on demand over traditional linear TV. ZTN studios have also undergone a complete revamp, including substantial investment in advanced cameras, ensuring high-quality content delivery across all platforms.

For the newspapers business, teams are now enhancing content creation and analysis through the use of AI-powered tools acquired as part of the Newsroom Transformation Project. This has seen a growth in both the website visitors and social media followers to the current 5.6 million. These strategic initiatives position Zimpapers for sustained growth and innovation in a rapidly evolving media landscape.

During the quarter under review, the Digital and Publishing Division recorded a 16% increase in volumes compared to the second quarter. This growth was primarily driven by a 25% rise in advertising revenue, supported by improved circulation resulting from heightened business activity. The positive momentum reflects stronger advertiser confidence and effective engagement strategies that boosted readership and brand visibility. Despite the quarterly improvement, year to date volumes remain 18% lower than the prior year. This decline is attributed to reduced business from the retail sector which continues to face competitive fragmentation and consumer migration to digital platforms. The Division will continue to focus on digital transformation, content innovation, and strategic partnerships in order to reduce the year-to-date decline and positioning the division for long-term growth.

The Commercial Printing Division recorded a 59% decline in the third quarter compared to the prior year and a 63% decline against the second quarter, resulting in a 23% year-on-year reduction in volumes. This volume performance was primarily impacted by aging machinery. In response, the division has implemented a short-term scheduled maintenance program aimed at stabilising operations and mitigating further losses. At the same time, strategic recapitalisation plans are underway to restore capacity, enhance productivity and position the unit for sustainable recovery. Notably, in 2025 the division acquired a BOPP Labels Printing machine, an investment designed to strengthen revenue generation capabilities and support long-term growth.

The Broadcasting Division recorded a 26% decline in advertising volumes in the third quarter compared to the prior year and a 10% decline compared to the second quarter, resulting in an overall 23% year-on-year decrease. This performance was primarily impacted by macroeconomic pressures and tighter liquidity conditions, which led to reduced advertising spend and delayed campaign executions. To mitigate these challenges and restore growth, the Division is implementing a revenue diversification strategy focused on introducing digital advertising packages and cross-platform bundles to capture emerging market opportunities. The Division is also exploring content monetisation initiatives through streaming services and strategic partnerships to broaden income streams. These measures are expected to attract new business and reduce the volume decline over the medium term.

Revenue for the quarter increased by 52% year-on-year, reaching ZWG472 million. On a year-to-date basis, revenue doubled compared to prior-year levels. Despite this growth, the Company recorded a net loss before tax margin of 15%, primarily driven by high operational costs and aging machinery. Cost reduction and revenue diversification measures are expected to reduce the loss margin in the coming quarter and position the Company for sustainable growth.

Outlook

Zimbabwe's economy is on track for a strong recovery in 2025, with growth projected at 6.6%, underpinned by a favourable agricultural season, elevated gold prices, and resilient remittance inflows. The Government's commitment to reviewing levies, licenses and permits across all economic sectors is expected to enhance competitiveness, attract private investment and accelerate progress toward Vision 2030 of achieving upper middle-income status. This environment presents new growth opportunities and supports broader economic expansion. The Company remains firmly committed to driving digital transformation strategies that deliver sustainable, long-term value for all stakeholders. To strengthen shareholder returns, it is prioritizing volume recovery through diversified revenue streams while maintaining a focus on cost optimisation.

By order of the Board

William Chikoto
ACTING CHIEF EXECUTIVE OFFICER

Digital &
Publishing

Commercial
Printing


RADIO

BoldAds



Directors: Mrs. D. J. Sibanda (Chairperson), Dr. G. K. Machengete (Vice Chairperson), Mr. W. Chikoto (Acting Group Chief Executive), Mrs C. A. Kufakunesu (Acting Chief Finance Officer), Mrs. S. Madzikanda, Mrs. R. Nyahwa, Dr. A. M. Rusero, Mr. P. Mbano, Ms. R. Mangudya, Eng. R. P. Mushanawani, Mr. G. Chisoko, Mrs. P. Makandwa