



African Distillers Limited



# Trading Update

Third Quarter Ended 31 December 2025.

## Operating Environment

The trading environment in the third quarter was characterised by relative stability in both inflation and exchange rates, which supported effective business planning. The business continued to benefit from increased consumer spend in the economy largely derived from mining, informal sector activity and diaspora remittances. The sustained regulatory enforcement against smuggled and counterfeit products by authorities had a positive impact on the industry performance. Conversely, the restricted circulation of ZWG coupled with elevated borrowing costs created obstacles for businesses seeking affordable capital, thereby impeding sustained economic growth.

## Volume Performance

Volume for the quarter grew by 64% compared to the same period in prior year and grew by 51% for the nine months to date. This robust performance for the quarter was driven by strong consumer demand during the festive season. The Ready-to-Drink (RTD) category delivered an exceptional growth of 92% over prior year, driven by a firm demand for cider packs. The Wine category grew by 49%, sustained by the affordable range, while Spirits grew by 30% over prior year, anchored by brown spirits.

## Financial Performance

Revenue for the quarter was US\$30 million, a 62% increase over prior year and grew by 57% for the nine months to date to US\$71 million.

This growth is attributed to the strong volume performance through improved product availability across all distribution channels, particularly the independent trade.

## Outlook

The economic environment continues to present opportunities for growth benefiting from increased activity in key economic sectors such as mining, construction, agriculture and diaspora remittances. Ongoing restrictions on smuggled and counterfeit goods will support local manufacturing growth and maintain strong performance going forward.

Management remains optimistic about the remainder of the financial year. The business aims to grow market share and enhance profit margins through continued effective distribution and cost management. To address increasing consumer demand, significant investments are being made in plant and equipment. Notably, the business is acquiring an additional packaging line valued at US\$8 million. This strategic investment will equip the company with the necessary capacity to efficiently meet rising market demand and support sustained growth.

By Order of the Board.

  
L. Mutamukoro

**L. Mutamukoro**  
**Company Secretary**

27 January 2025