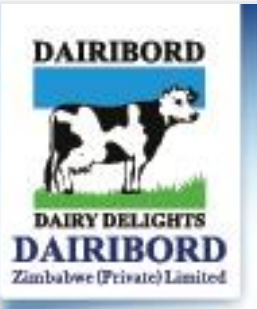




Dairibord
Holdings
More Than Just Milk



**Endurable
Business,
Endurable
Brands**



AGM TRADE UPDATE JULY 2023

Trading Environment

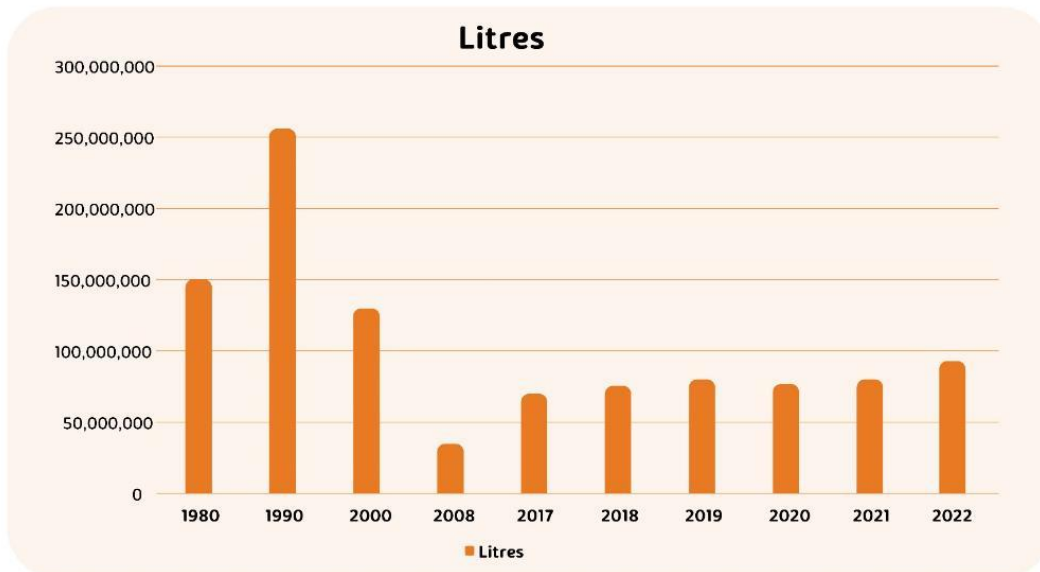


OPERATING ENVIRONMENT

- Operating environment remained challenging with effects from global and local growth slowdowns.
 - Volume of Manufacturing Index for Q1 2023 declined 14.8% YoY (Zimstats).
 - Increased inflationary pressures due to devaluation of the ZWL - pricing distortions and route to market challenges.
 - Erosion of consumer disposable incomes negatively impacting aggregate demand - pressure on wage demands.
 - Economy now largely dollarized. Suppliers indexing prices to USD and adopting replacement cost price strategy.
- High cost of raw and packaging materials, utilities, fuel and labour, contributed to cost push.
 - Erratic supply of utilities – water and electricity – increasing cost and impacting output.
 - Interest rates remained high. Limited liquidity for both ZWL and USD.
 - Policy interventions have brought some stability.

OPERATING ENVIRONMENT cont'd

ZIMBABWE MILK PRODUCTION TRENDS



Year	Litres '000
1980	150,000
1990	256,000
2000	129,700
2008	35,000
2017	70,000
2018	75,420
2019	79,900
2020	76,700
2021	79,900
2022	91,000

- Steady growth in national raw milk production.
- Cost of stock feed remains high threatening farmer viability.
- Raw milk demand- supply gap persists.

Source: ZDIT

May YTD Performance



MAY YTD PERFORMANCE SUMMARY

<p>Raw Milk Utilised</p>	<ul style="list-style-type: none"> • 8% growth in national raw milk production compared to same period last year (Dairy Services Unit). • DZPL received 11.6 million L for processing during the period, accounting for 33% of milk received by processors. • Raw milk utilised was 11% higher than the prior year. 	<p>▲ ▲ ▲</p>
<p>Sales Volume</p>	<ul style="list-style-type: none"> • Overall, 10% increase over prior year. 4% growth in liquid milks and 18% growth in beverages, driven by installed capex investments- increased output and improved efficiencies. Equipment includes: <ul style="list-style-type: none"> - Chilled water plant at RT. - Blow moulder for Steri bottles at Chipinge. - 3rd maheu filling line at Chitungwiza. - Drinking yoghurt filling line at RT • Foods declined 18% , due to inconsistent supply of quality inputs affecting peanut butter and salad cream. Depressed demand affected ice creams. 	<p>▲ ▼</p>

MAY YTD PERFORMANCE SUMMARY cont'd

Revenue	<ul style="list-style-type: none">• 516% growth in historical terms – Foreign currency revenues converted at official exchange rate.	▲
Foreign Currency	<ul style="list-style-type: none">• Foreign currency sales accounted for 61% of volume sold vs 24% in the same period last year.	▲
Borrowings	<ul style="list-style-type: none">• ZWL borrowings closed at ZWL1.2b, at an all-in cost of 75%.• US\$ borrowings closed at USD3.9m at an all-in cost of 12%.	

Outlook

Beverages



OUTLOOK

The business will focus on value creation and preservation. Initiatives include:

- Exploration of regional opportunities for growth, risk diversification and foreign currency generation.
- Boost processing capacity to increase product supply.
- Innovations, line extensions and introduction of new products (Nutriplus, Yummy Gold, Fun n Fresh Peach Apricot).
- Growth of raw milk supply
- Focus on digitalization and automation.

NEW PRODUCTS & LINE EXTENSIONS

DAIRIBORD
DAIRY DELIGHTS
DAIRIBORD
Zimbabwe (Private) Limited

CASCADE

Indigenous ingenuity

LongLife
CASCADE
dairy fruit mix
baobab
Ready to Drink

CASCADE
dairy fruit mix
1 Litre

CASCADE
dairy fruit mix
250ml

EXCEPTIONAL INNOVATION AWARDS
BEST NATIONAL NEW PRODUCT/ INNOVATION OF THE YEAR 2022

Cascade Baobab received the Best National New Product/ Innovation of the Year 2022 award at the MAZ Exceptional Marketing Awards.

Enjoy the rich, indigenous taste of Cascade Baobab. Get yours today!

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NEW

FRESH NEW FLAVOUR

DAIRIBORD
fun 'n' fresh
Peach Apricot

Contains Fruit Juice and Milk Proteins

fun 'n' fresh
250ml

fun 'n' fresh
250ml

NEW

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Now available in store. Grab yours today.

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NOW BACK

DAIRIBORD NUTRIplus

FORTIFIED DAIRY FRUIT BLEND

with Added minerals and vitamins

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NUTRIplus
WITH ADDED VITAMINS AND MINERALS
1 Litre

DAIRIBORD
NUTRIplus
WITH ADDED VITAMINS AND MINERALS
1 Litre

DAIRIBORD
NUTRIplus
WITH ADDED VITAMINS AND MINERALS
1 Litre

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NUTRIplus
WITH ADDED VITAMINS AND MINERALS
250 ml

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NUTRIplus
WITH ADDED VITAMINS AND MINERALS
250 ml

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NUTRIplus
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NEW

Yummy Gold

Fruit Yoghurt

tasty, fruity, full of flavour

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Yummy Gold
Fruit Yoghurt
150ml

DAIRIBORD
Yummy Gold
Fruit Yoghurt
150ml

DAIRIBORD
Yummy Gold
Fruit Yoghurt
150ml

Premium, real fruit yoghurt available in 3 delectable flavours.

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CONCLUSION

Despite the headwinds in the operating environment, the business is expected to grow.

Thank You