

# F24 HY RESULTS

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January 2024





## Agenda

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Business Review

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Financial Review

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Looking Ahead

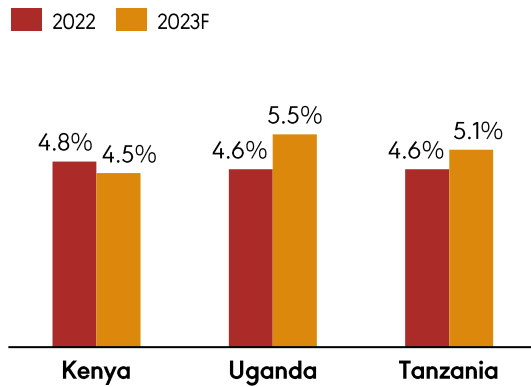
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Q&A

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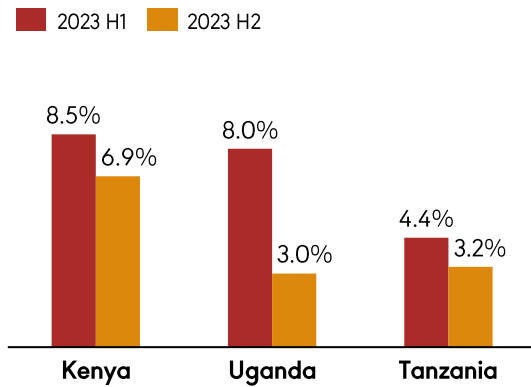
# TOUGH MACRO ENVIRONMENT

## GDP



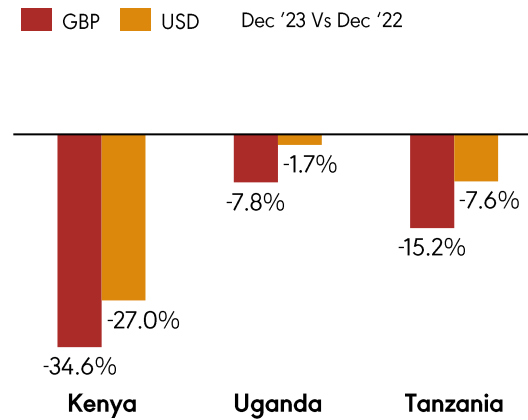
Growth supported by the agricultural & service sectors

## Inflation



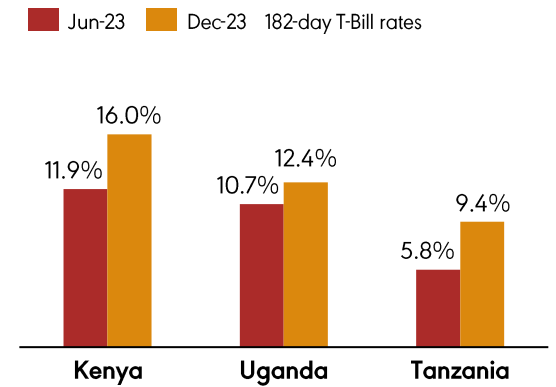
CPI reaching an all time high in Dec '23

## Currency



Devaluation against major foreign currencies

## Interest Rates



Significant rise in the 182 T-Bill rates

Sources: GDP forecast based on December '23 EIU reports, National bureau of statistics, Currency appreciation/depreciation vs USD Dec 2022, 182-day T Bill rates

## Raw Materials

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Excise increases: Glass +10%, Sugar +5%  
Inflation: +16%

## Fuel

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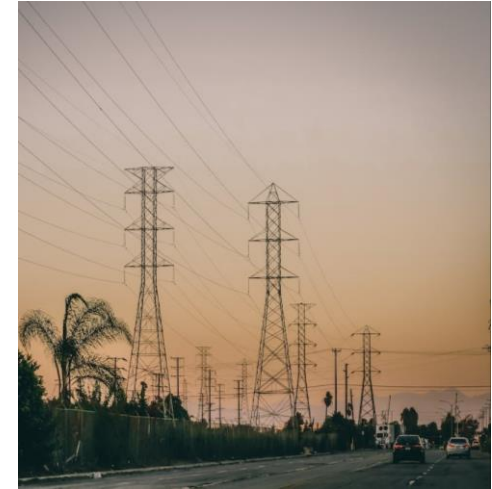


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+39%

## Electricity

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+16%

## Lower Discretionary Spend



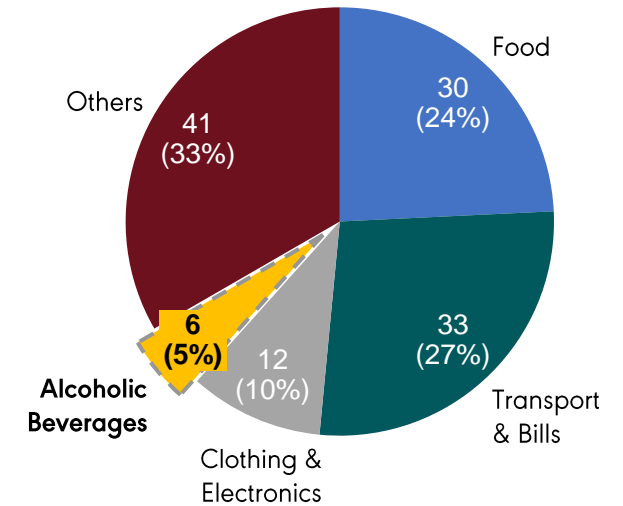
Spend on FMCG dropped by 12% vs  
2022

## Value Hunting



ca. 40% of all purchases are on  
discount

## Reprioritised Spend



Alcohol share of wallet dropping by 2%  
vs pre Covid - 19

## On Trade



Spaces to connect and enjoy  
across price tiers

## Off Trade



Evolving to cater for  
premiumisation and convenience

## Emerging Channels



New marketplaces  
(3rd and 4th space)

## E-Commerce



Supporting exploration and  
creating new occasions

# OUR STRATEGY



To create the best performing, most trusted and respected consumer products company in Africa

Vibrant Beer

Explode Mainstream Spirits

Win in Premium

Shape New Frontiers

Aspirational and Accessible Innovations

Digital Transformation

Route to Consumer

Reputation, Society 2030

Supply Footprint

Efficient Growth / Productivity

Unlock growth through People and Organisation



# RESILIENT PERFORMANCE ON THE BACK OF CHALLENGING ENVIRONMENT



Volume

↑ +2%

Net Sales

↑ +16%

PAT

↓ -22%

CASH

↑ +6Bn

DPS (KShs)

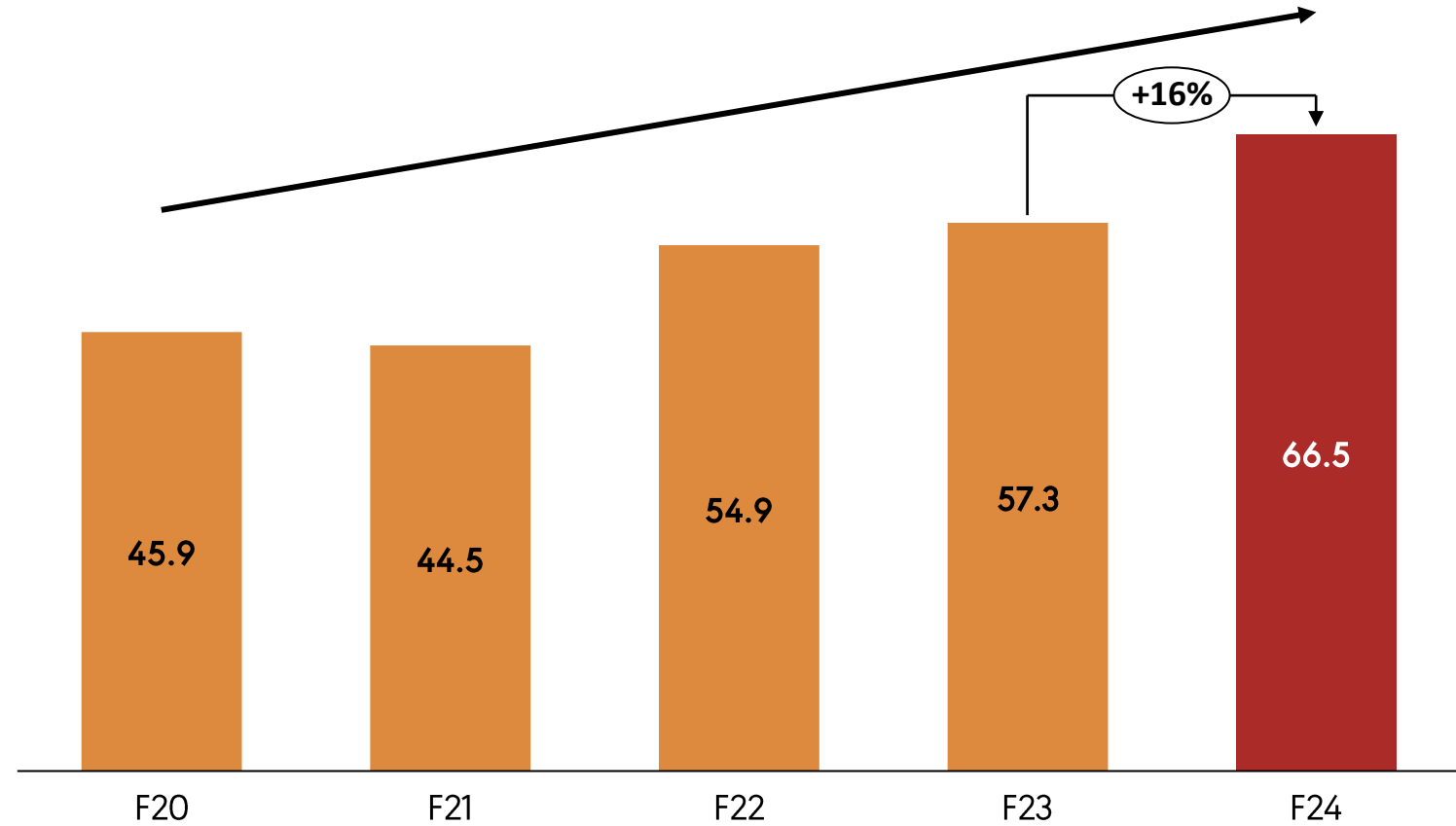
1.00



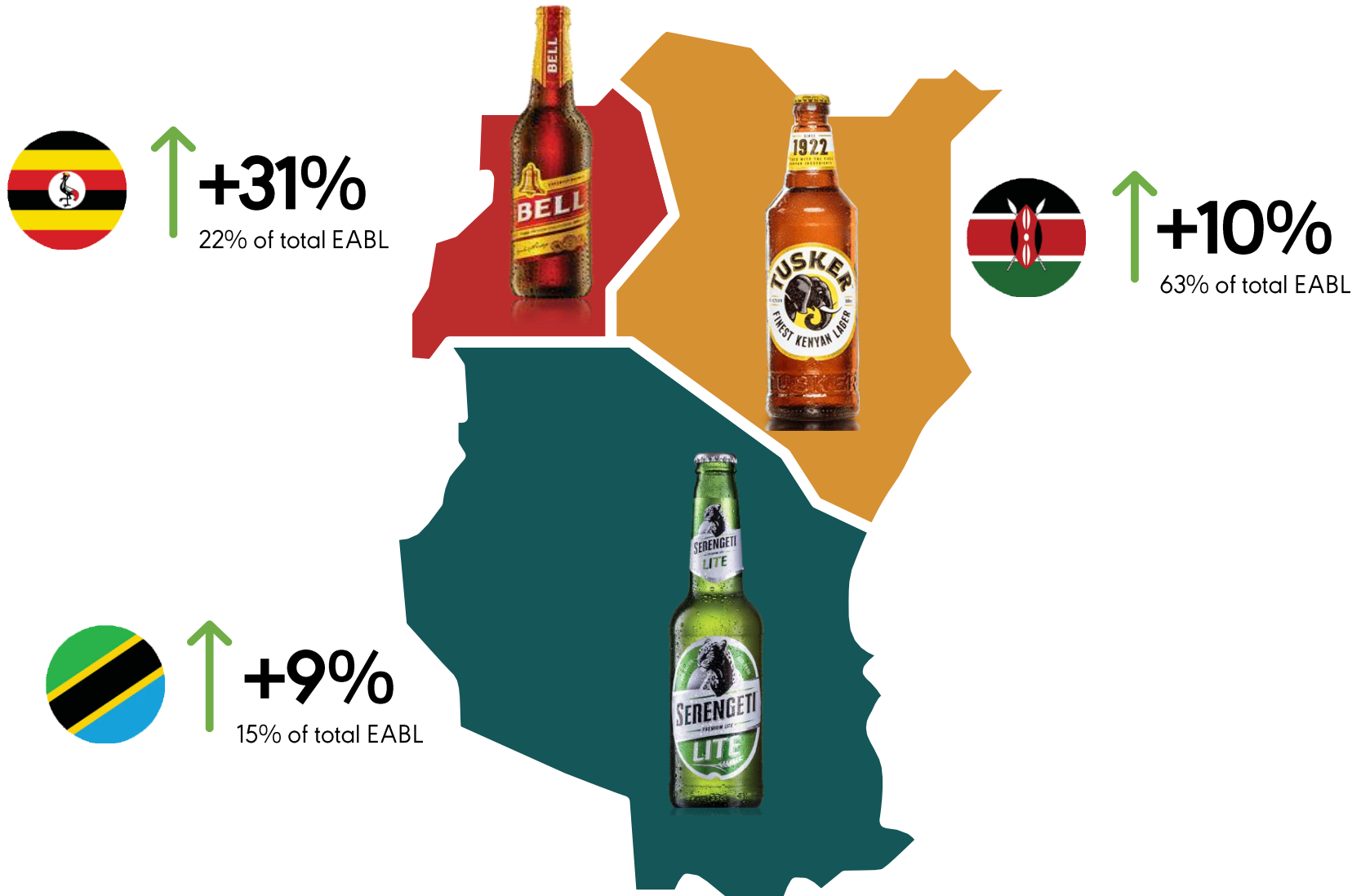
# GROWTH MOMENTUM CONTINUING IN H1



NSV (KES bn), HY



# GROWTH ACROSS MARKETS...



# ... AND STRATEGIC IMPERATIVES

## Vibrant Beer



↑ +18%

## Explode Mainstream Spirits



↑ +11%

## Win in Premium



↑ +18%

## Shape New Frontiers



↑ +34%

# GREAT PORTFOLIO TO MEET CONSUMER NEEDS

## Most Loved Brands



## In Culture



## New Occasions



## Innovation



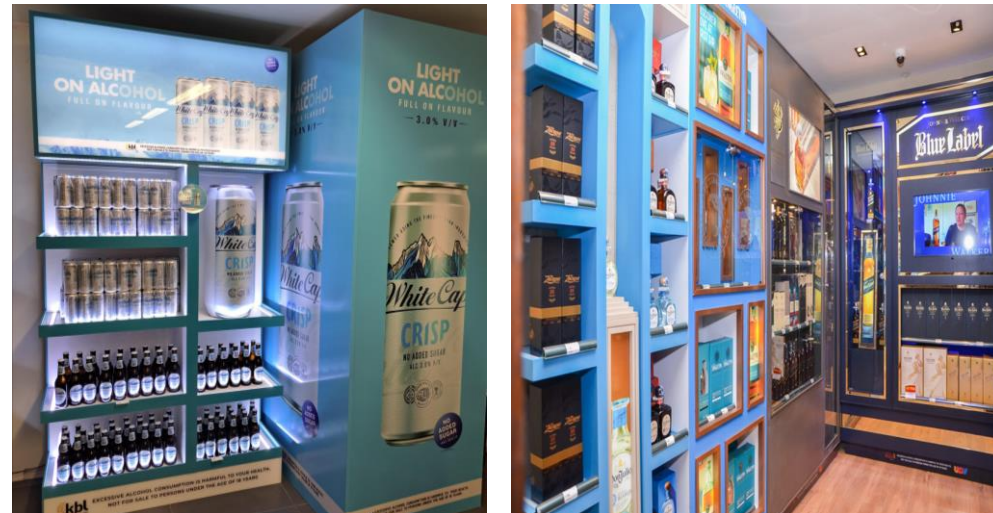
## Advantaged RtC

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## Winning at the Point of Sale

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## Building Emerging Channels

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## Consumer



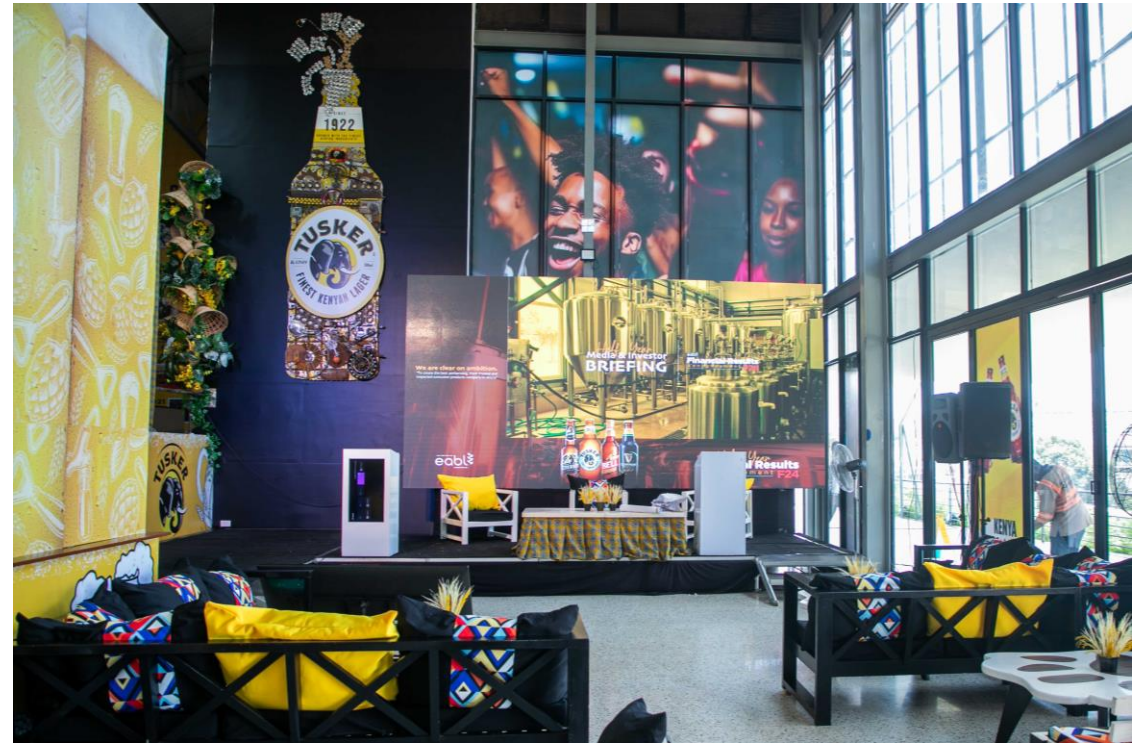
## B2C



## B2B



# MICROBREWERY: AT THE HEART OF OUR INNOVATION



# DELIVERING AGAINST OUR ESG STRATEGY; SOCIETY 2030





## Performance Enablement

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## Talent

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## Culture

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**BOLD  
PROGRESS  
CONNECTED**  
**#FIRE**  
FEARLESS INTENT RAPID EXECUTION

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# BUSINESS RECOGNITION



- Employer awards in KE and TZ
- Marketing awards in KE and UG
- CR awards in KE and UG
- Legal awards in KE
- Supply awards in KE
- I&D Award in UG



# Agenda

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Financial Review

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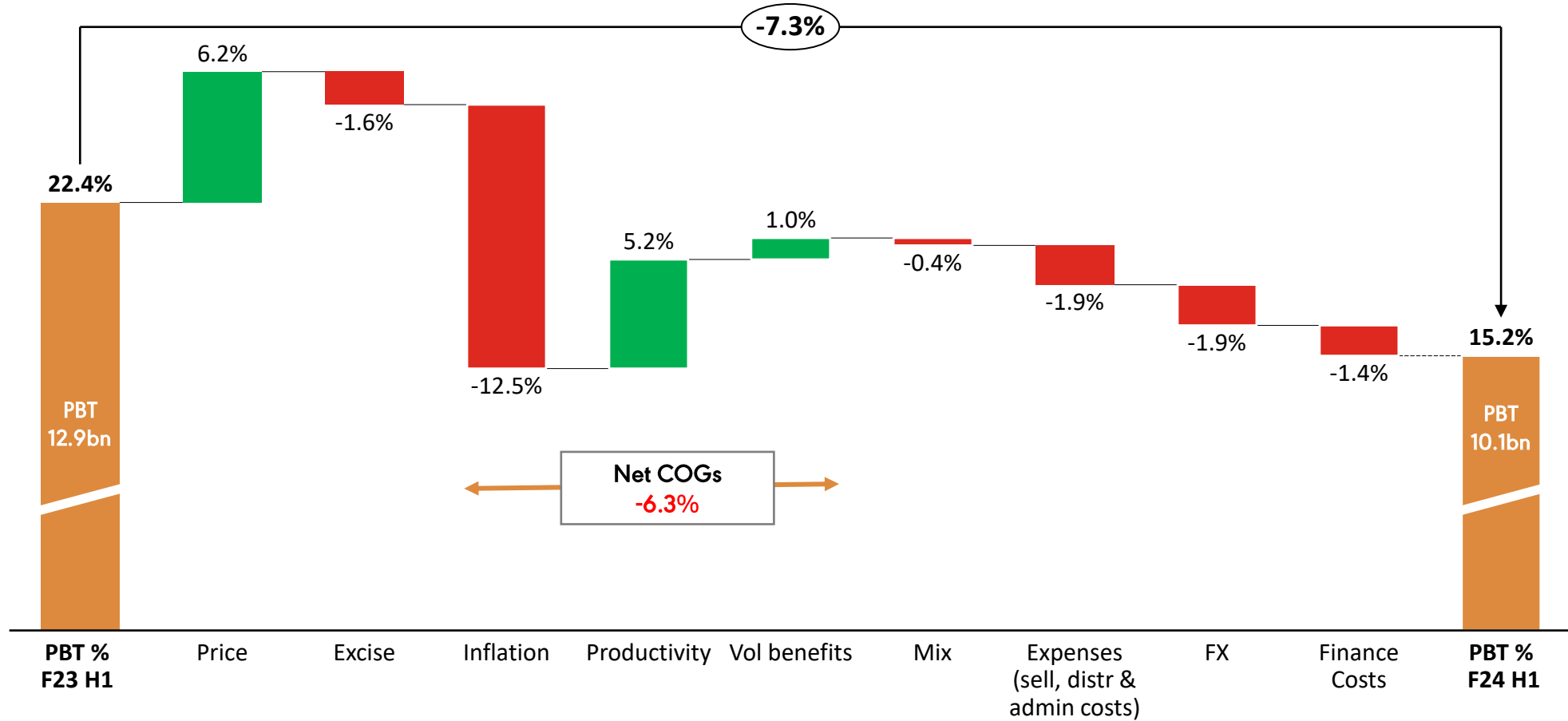
# SOLID TOPLINE GROWTH, PROFITABILITY IMPACTED BY INFLATION, FX & FINANCE COST



Kes bn	F24	F23	vs F23
<b>Net Sales</b>	<b>66.5</b>	<b>57.3</b>	<b>+16%</b> ▲
Cost of Sales	(37.0)	(30.7)	+21% ▲
<b>Gross Profit</b>	<b>29.5</b>	<b>26.6</b>	<b>+11%</b> ▲
Selling and distribution costs	(6.1)	(5.2)	+17% ▲
Administrative expenses	(6.5)	(6.1)	+6% ▲
Other (expenses)/income, net	(0.6)	0.3	+118% ▲
<b>Operating Profit (before Fx)</b>	<b>16.4</b>	<b>15.5</b>	<b>+6%</b> ▲
Fx	(2.3)	(0.2)	+1007% ▲
Net Finance Cost	(4.0)	(2.4)	+66% ▲
<b>Profit Before Tax</b>	<b>10.1</b>	<b>12.9</b>	<b>-21%</b> ▼
Income Tax	(3.3)	(4.2)	-20% ▼
<b>Profit After Tax</b>	<b>6.8</b>	<b>8.7</b>	<b>-22%</b> ▼
<i>Attributable to:</i>			
<b>Equity holders</b>	<b>5.5</b>	<b>6.8</b>	<b>-20%</b> ▼
<b>Minorities</b>	<b>1.3</b>	<b>1.9</b>	<b>-30%</b> ▼
Earnings per Share	6.90	8.63	-20% ▼

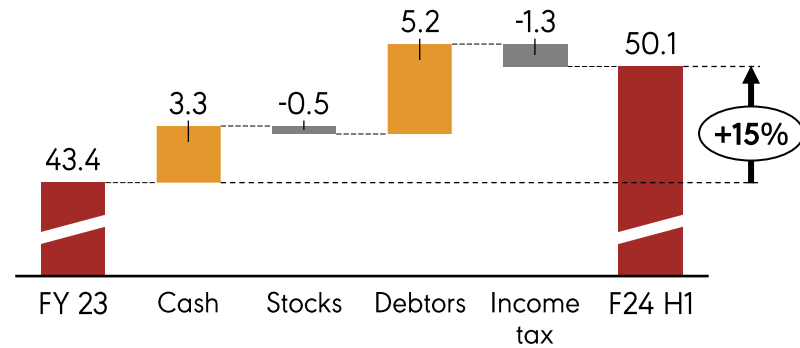
# MARGINS IMPACTED BY RISING COSTS

F24 H1 vs LY

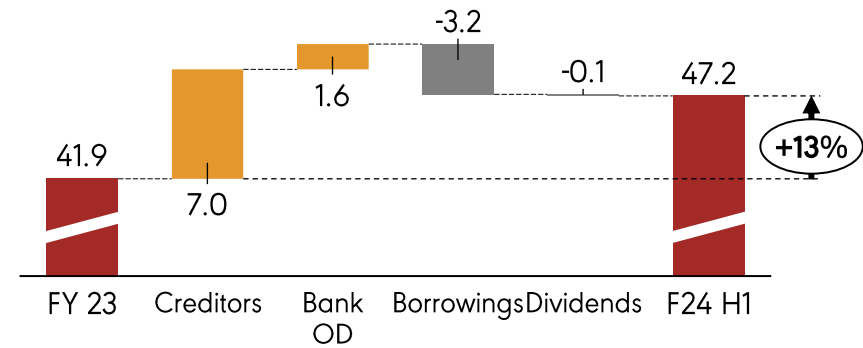


# STRENGTHENED BALANCE SHEET

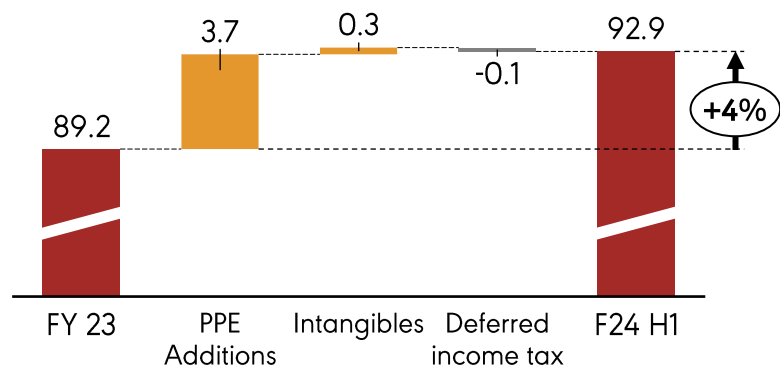
## Current Assets



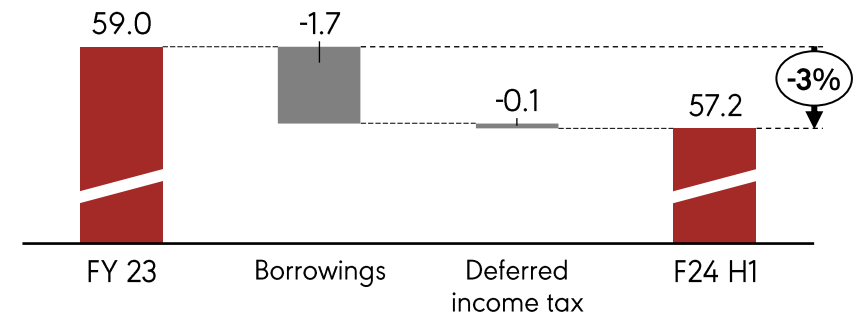
## Current Liabilities



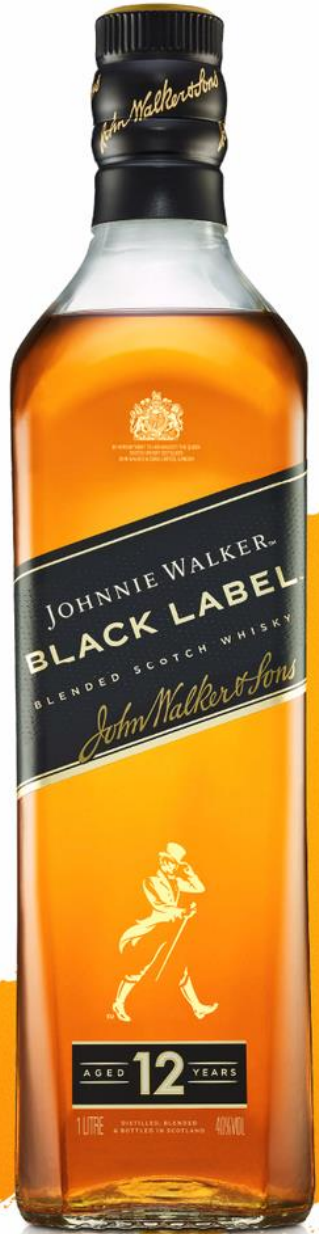
## Non-Current Assets



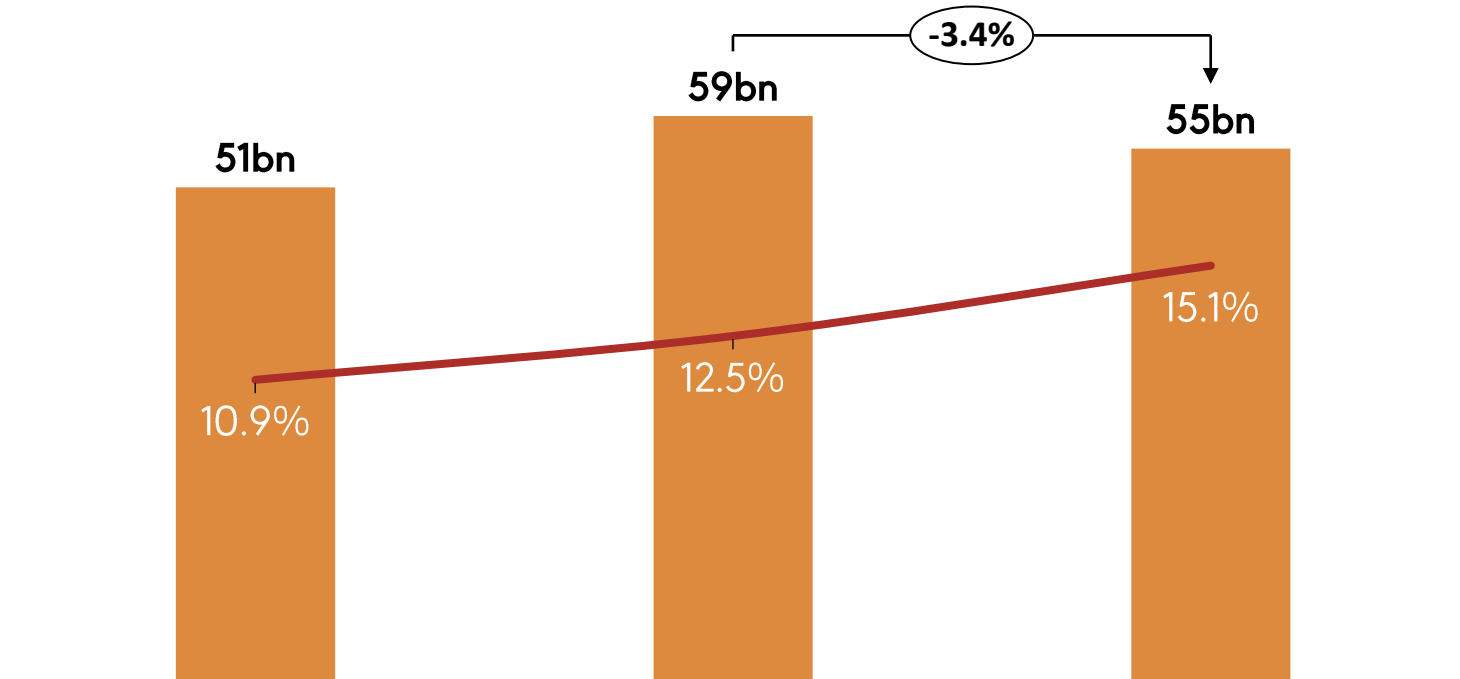
## Non-Current Liabilities



# DECREASING DEBT ALBEIT RISING INTEREST RATES



Net debt Effective cost of debt



Net Debt/  
EBITDA

F23 H1

1.23

F23 FY

1.60

F24 H1

1.23

182 day  
T-Bill (KE)

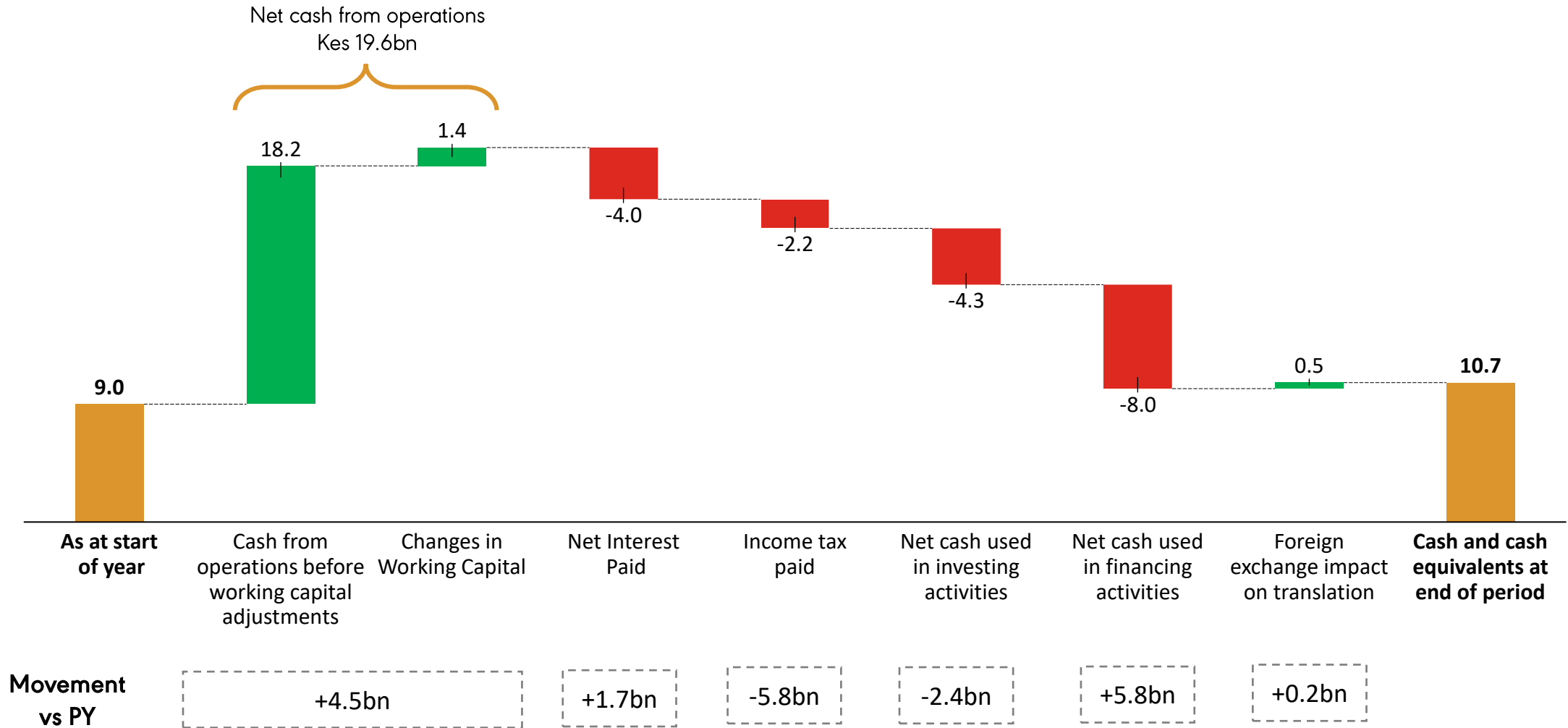
9.8%

11.9%

16.0%

# BUSINESS GROWTH IMPROVING CASHFLOW

Kes bn





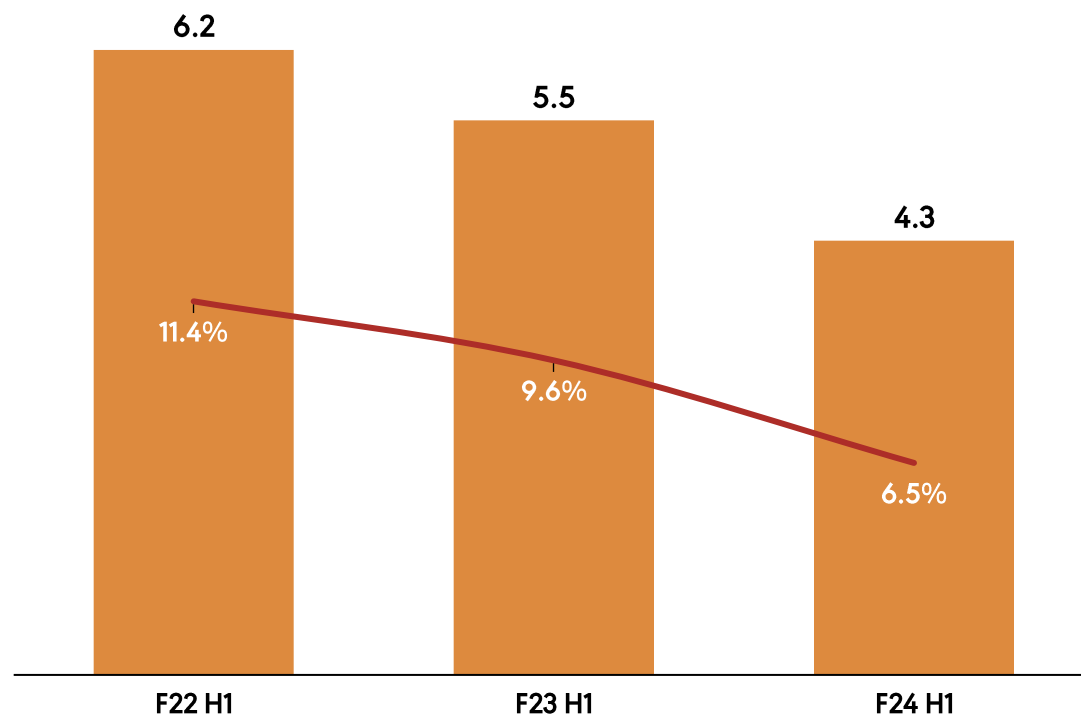


18+ DRINK RESP

## REPRIORITISED CAPEX SPEND

Capex Spend, KES bn

— Capex % NSV





## Agenda

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Looking Ahead

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Q&A

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## F24 H2 PRIORITIES

- Consumer centricity
- Margin expansion
- Smart investment
- Society 2030
- People



# Q&A

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### **Cautionary statement concerning forward-looking statements**

This document contains ‘forward-looking’ statements. These statements can be identified by the fact that they do not relate only to historical or current facts. In particular, forward-looking statements include all statements that express forecasts, expectations, plans, outlook, objectives and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of changes in interest or exchange rates, the availability or cost of financing to EABL, anticipated cost savings or synergies, expected investments, the completion of any strategic transactions and restructuring programmes, anticipated tax rates, changes in the international tax environment, expected cash payments, outcomes of litigation or regulatory enquiries, anticipated changes in the value of assets and liabilities related to pension schemes and general economic conditions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including factors that are outside EABL's control.

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- changes in consumer preferences and tastes, including as a result of changes in demographics, evolving social trends (including any shifts in consumer tastes towards small-batch craft alcohol, low or no alcohol, or other alternative products), changes in travel, vacation or leisure activity patterns, weather conditions, health concerns, pandemics and/or a downturn in economic conditions;
- any litigation or other similar proceedings (including with tax, customs, competition, environmental, anti-corruption or other regulatory authorities), including litigation directed at the beverage alcohol industry generally or at EABL in particular;
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