

EABL posts strong revenue growth as rising costs dampen half-year earnings

- *Net sales up 16 percent to Kshs 66.5 billion, on portfolio expansion and brilliant commercial execution*
- *Group's bottom-line impacted by input cost inflation, local currency devaluation and escalating interest rates*
- *Directors recommended an interim dividend of Kshs 1 per share, to be paid on or about April 26, 2024*

Nairobi, Kenya, January 25, 2024: East African Breweries PLC (EABL) has reported Kshs 66.5 billion in net sales for the half year ended December 31, 2023, representing a 16 percent growth compared to prior year.

EABL Group's volumes increased by 2 percent, lifted by resilient consumer demand as markets leveraged a strong and expanding portfolio with brilliant commercial execution.

The Group reported net sales growth across the three markets: Kenya at 10 per cent, Uganda at 31 at per cent and Tanzania at 9 percent. Additionally, beer and spirits categories grew at 18 percent and 13 percent respectively.

EABL's half-year profit after tax declined 22 percent to Kshs 6.8 billion compared to same period last year, primarily driven by macro-economic-driven cost inflation and rising finance costs. Further, the devaluation of local currency has resulted to (FX) loss of Kshs 2.3 billion, an increase of Kshs 2.1 billion versus same period last year.

EABL Group Managing Director and CEO, Jane Karuku, said: "We have achieved a resilient set of results in the half-year period. Our great brand building, brilliant commercial execution, as well as consumer insight led innovation, has allowed us to continue our revenue growth momentum. However, our bottom line has been impacted by increased costs of inputs, currency devaluation and rising interest rates.

Following the commissioning of our microbrewery, we have accelerated the launch of exciting beer and cider propositions. We continued to deliver on our Environmental, Social and Governance (ESG) strategy, yielding positive results around water efficiency and carbon footprint."

EABL continued to invest behind its brands with advertising and promotions spend rising 16.5 percent to Kshs 6.1 billion. The company's Kshs 1.2 billion microbrewery in Kenya started producing the first innovation brands during the half.

Looking ahead, Ms. Karuku said: "Our priorities for the second half are clear: we will remain consumer-centric and execute brilliantly to keep up with the dynamism in the market, drive cost efficiencies to grow margins and invest smartly in our brands and business. Further, we will continue to deliver against our ESG commitments, whilst driving high performance culture and engagement of our people."

The EABL Board has recommended an interim dividend of Kshs 1 per share to be paid on or about April 26, 2024.

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About EABL PLC

East African Breweries PLC (EABL) is a regional leader in beverage alcohol with an exceptional collection of brands across beer and spirits. Although our business is concentrated on three core markets of Kenya, Uganda and Tanzania, our products are sold in more than 10 countries across Africa and beyond.

Our brands are an outstanding combination of local jewels and international premium spirits. These include among others Tusker, Guinness, Bell Lager, Serengeti Lager, Kenya Cane, Chrome Vodka, Johnnie Walker, Captain Morgan and Smirnoff.

Our performance ambition is to be one of the best performing, most trusted and respected consumer products companies in Africa. We are proud of the brands we make and the enjoyment they give to millions. We are passionate about alcohol playing a positive role in society as part of a balanced lifestyle.