

# EABL F12 Full Year Results Investor Briefing

Charles Muchene, Group Chairman  
Devlin Hainsworth, Group Managing Director  
Tracey Barnes, Group Finance Director

24<sup>th</sup> August 2012





- Introduction Charles Muchene
- F12 Full Year Review Devlin Hainsworth
- Financial Performance Tracey Barnes
- Outlook and Summary Devlin Hainsworth
- Q&A

# Introduction

Charles Muchene,  
Chairman



# F12 Full Year Review

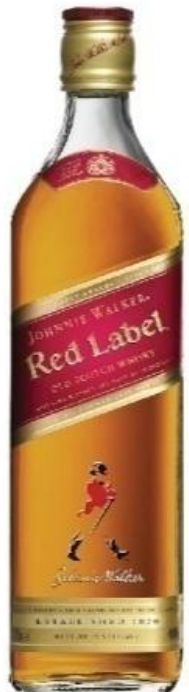
Devlin Hainsworth,  
Group Managing Director & CEO



## Vision Statement

EABL will be the most celebrated business in every market in Eastern Africa

- History in this region since 1922
- Brands across Total Beverage Alcohol covering all consumer price points
- Commitment to significant investment across our business to deliver long-term growth across the region
- Strong values:
  - Talent development
  - Having a positive impact in the communities in which we operate
  - Role modelling great governance and ethical standards





We have a clear strategy and continue to invest behind it



### Strategic Objectives

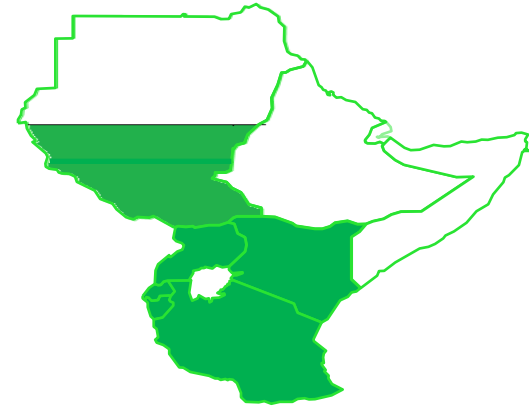
Winning in Beer



Spirits Transformation



Geographic Expansion



### Enablers

Supply



Route to Market



Winning Organisation





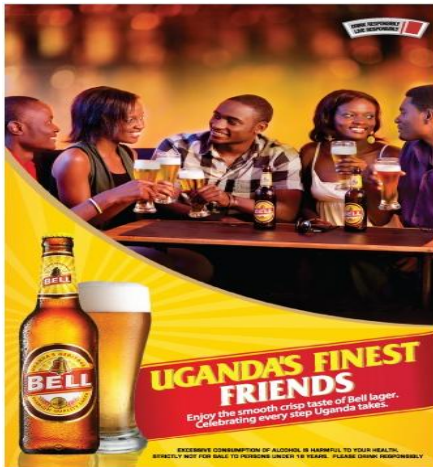
# We have made significant investments behind Winning in Beer



- Flagship brands in key markets
- 3 Innovation launches:
  - Tusker Lite, Pilsner Ice, Windhoek
- 2 major brand renovations:
  - Premium Serengeti Lager, Pilsner
- Market-leading brand campaigns
- Emphasis on digital



Tusker +17%  
 Guinness +23%  
**Beer Net Sales +21%**





# We have made great progress on Spirits Transformation



- Market-leading brands across key segments
- 3 major brand renovations:
  - Richot, Waragi Gin, Smirnoff
- Increased A&P
- Increased salesforce capability and focus

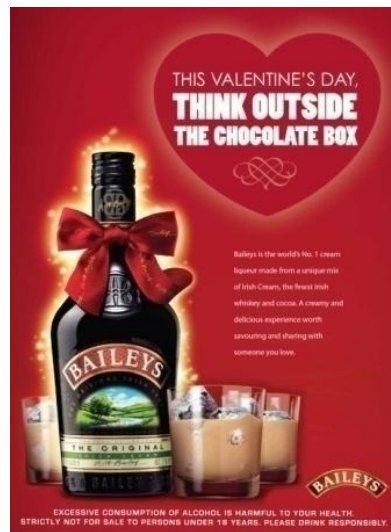


Johnnie Walker +74%

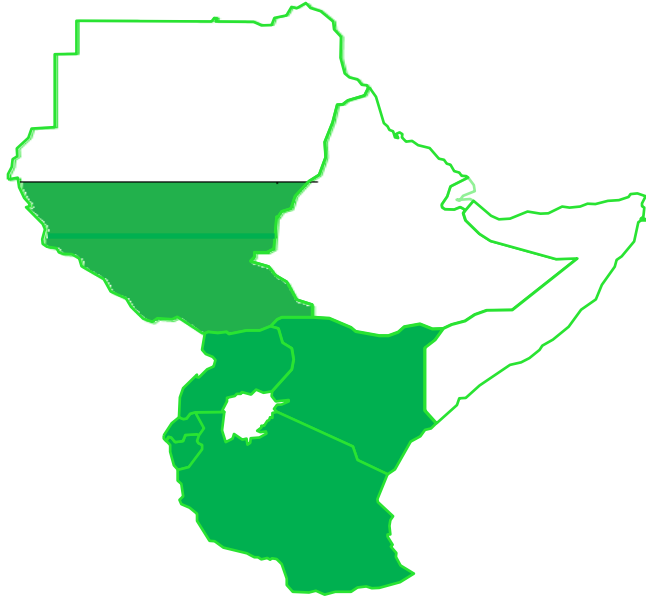
Richot +40%


Smirnoff +55%

**Spirits Net Sales +47%**







- Pan-regional brand activity
    - Roll-out of Senator
    - Tusker Project Fame 5
    - Guinness
  - Small SKUs of Premium Spirits
  - Increased distributor and sales network
- 
- Uganda Net Sales +38%  
Tanzania Net Sales +76%  
EABLi Net Sales +30%





DIAGEO We have made major investments in our Supply base



- Efficiency, quality and availability
- Capex investment
  - Moshi Brewery
  - Uganda Mash Filter
  - Kenya Canning Line
- Cost control
- Local sourcing





# We continue to optimise our Route to Market



- Increased outlet coverage of 5% over the year
- Salesforce headcount +12%
- Spirits distribution investments
- Rolled out tools for our customers:
  - Platform for Growth
  - Distributor Management System
  - Master Bartender Academy





# Building a Winning Organisation is our third Enabler



- Talent initiatives
  - Early Career Programme
  - Growing Leaders Programme
- Reputation initiatives
  - Water of Life
  - Responsible Drinking
  - Skills for Life
  - Environment





We have delivered a strong set of results across the P&L



**F12 FY vs F11**

Net Sales

**+24%**

Gross Profit

**+22%**

Selling Costs (incl A&P)

**+31%**

Operating Profit

**+21%**

# F12 Full Year Financial Update

Tracey Barnes,  
Group Finance Director



## Financial Report for the year ended 30 June 2012

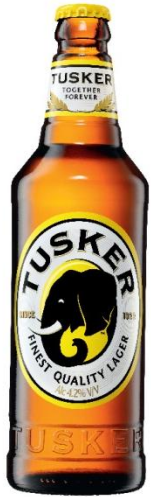
### EABL Consolidated Income Statement

	30-Jun-2012 Kshs'000	30-Jun-2011 Kshs'000	Growth %
<b>Revenue</b>	<b>55,522,166</b>	<b>44,895,037</b>	<b>24%</b>
Cost of sales	(28,657,047)	(22,828,144)	26%
<b>Gross profit</b>	<b>26,865,119</b>	<b>22,066,893</b>	<b>22%</b>
Selling costs	(4,588,896)	(3,491,554)	31%
Administrative expenses	(7,450,204)	(6,474,500)	15%
Other Income and Expenses	150,869	320,673	-53%
<b>Operating Profit</b>	<b>14,976,888</b>	<b>12,421,512</b>	<b>21%</b>

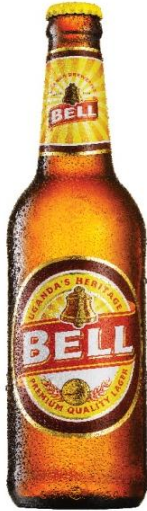
- Strong Net Sales performance seen in first half continued into second half
- Net Sales growth supported by mix into spirits and selected price rises
- Beer Net Sales +21%
- Spirits Net Sales +47%



We have delivered strong sales growth across our portfolio



+17%



+11%



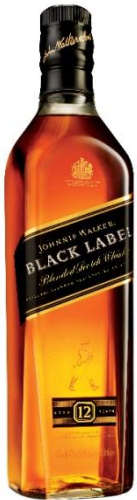
+49%



+23%



+53%



+74%



+55%



+40%



+37%





We have also delivered strong sales growth across the region



**Net Sales growth versus last year**

Kenya	+16%
Uganda	+38%
EABLi	+30%
Tanzania	+76%

## Financial Report for the year ended 30 June 2012

### EABL Consolidated Income Statement

	30-Jun-2012 Kshs'000	30-Jun-2011 Kshs'000	Growth %
<b>Revenue</b>	<b>55,522,166</b>	<b>44,895,037</b>	<b>24%</b>
Cost of sales	(28,657,047)	(22,828,144)	26%
<b>Gross profit</b>	<b>26,865,119</b>	<b>22,066,893</b>	<b>22%</b>
Selling costs	(4,588,896)	(3,491,554)	31%
Administrative expenses	(7,450,204)	(6,474,500)	15%
Other Income and Expenses	150,869	320,673	-53%
<b>Operating Profit</b>	<b>14,976,888</b>	<b>12,421,512</b>	<b>21%</b>

- Cost of Sales (COGS) growth ahead of NSV growth
  - Inflation and fx shocks seen in the first half
- COGS mitigation initiatives
  - Local sourcing of sorghum
  - Local production of Guinness, Tusker Malt Lager and Senator in Tanzania
  - Manufacturing Excellence Programmes to drive efficiencies

## Financial Report for the year ended 30 June 2012

### EABL Consolidated Income Statement

	30-Jun-2012	30-Jun-2011	
	Kshs'000	Kshs'000	Growth %
<b>Revenue</b>	<b>55,522,166</b>	<b>44,895,037</b>	<b>24%</b>
Cost of sales	(28,657,047)	(22,828,144)	26%
<b>Gross profit</b>	<b>26,865,119</b>	<b>22,066,893</b>	<b>22%</b>
Selling costs	(4,588,896)	(3,491,554)	31%
Administrative expenses	(7,450,204)	(6,474,500)	15%
Other Income and Expenses	150,869	320,673	-53%
<b>Operating Profit</b>	<b>14,976,888</b>	<b>12,421,512</b>	<b>21%</b>
Net finance costs - operating items	(918,928)	(162,523)	465%
<b>Profit before exceptional Items</b>	<b>14,057,960</b>	<b>12,258,989</b>	<b>15%</b>
Net Finance Costs - KBL/SBL Acquisition	(2,451,250)	-	
Other Income - TBL Share Gain	3,646,339	-	
<b>Profit before income tax</b>	<b>15,253,049</b>	<b>12,258,989</b>	<b>24%</b>
Income tax expense	(4,066,936)	(3,235,329)	26%
<b>Profit for the year</b>	<b>11,186,113</b>	<b>9,023,660</b>	<b>24%</b>
Non controlling interest	(542,526)	(1,660,985)	-67%
<b>Profit attributable to Equity holders of the Company</b>	<b>10,643,587</b>	<b>7,362,675</b>	<b>45%</b>



Proposed Dividends - Kshs

Interim Dividend	2.50
Final Dividend	6.25
Total Dividend	8.75

# Outlook & Summary

Devlin Hainsworth  
Group Managing Director & CEO



- Invest to win share of beer across the region
- Accelerate topline net sales growth ahead of the market through Spirits and Innovation
  - Premiumisation
  - Female Opportunity
  - Emerging sector
- Increase Supply and Route to Market availability and efficiencies
- Reinforce our winning culture





We continue to feel positive about the future of EABL



- Attractive economic fundamentals
- Consumer trends in our favour
- EABL well positioned to win

# Q & A Session



Thank You

