

East African Breweries Limited

HALF-YEAR RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2019



+ 10%
Revenue

+ 9%
Profit After Tax

Interim Dividend
Kshs 3.0 per share

Condensed consolidated income statement

	Half-year ended 31 December	
	2019	2018
	Kshs 'M	Kshs 'M
Revenue	45,856	41,574
Cost of sales	(24,013)	(22,402)
Gross profit	21,843	19,172
Total costs	(11,241)	(9,453)
Profit before income tax	10,602	9,719
Income tax expense	(3,393)	(3,110)
Profit after tax (for the period)	7,209	6,609
Basic Earnings per share	7.00	6.52
Dividend per share	3.00	2.50

Condensed consolidated statement of financial position

	31 December	At 30 June
	2019	2019
	Kshs 'M	Kshs 'M
Total equity	17,924	16,155
Non-current liabilities	38,527	37,251
	56,451	53,406
Non-current assets	60,756	57,463
Working capital		
Current assets	32,612	29,602
Current liabilities	(36,917)	(33,659)
Net assets	56,451	53,406

Condensed consolidated statement of changes in equity

	Share capital & Share premium	Other reserves	Proposed dividend & Retained earnings	Non-controlling interest	Total equity
	Kshs 'M	Kshs 'M	Kshs 'M	Kshs 'M	Kshs 'M
At 1 July 2018	3,273	(3,874)	6,282	5,971	11,652
Comprehensive income	-	575	8,804	2,673	12,052
Shared based payments	-	(90)	-	-	(90)
Dividends	-	-	(6,326)	(1,133)	(7,459)
At 30 June 2019 & 1 July 2019	3,273	(3,389)	8,760	7,511	16,155
Comprehensive income	-	(211)	5,536	1,655	6,980
Transactions with non-controlling interests	-	-	140	(448)	(308)
Dividends	-	-	(4,745)	(158)	(4,903)
At 31 December 2019	3,273	(3,600)	9,691	8,560	17,924

Condensed consolidated statement of cash flows

	Half-year ended 31 December	
	2019	2018
	Kshs 'M	Kshs 'M
Cash generated from operations	15,158	15,733
Net interest paid	(1,841)	(1,664)
Tax paid	(4,390)	(1,471)
Net cash generated from operating activities	8,927	12,598
Net cash used in investing activities	(4,652)	(4,681)
Net cash used in financing activities	(4,714)	(2,483)
Net (decrease)/increase in cash and cash equivalents	(439)	5,434
At start of period	12,469	3,187
Foreign exchange impact of translation	62	135
Net (decrease)/increase in cash and cash equivalents	(439)	5,435
Cash and cash equivalents at end of period	12,092	8,757

The Board of Directors of East African Breweries Limited (EABL) is pleased to announce the half year results for the period ended 31 December 2019. EABL revenue rose by 10% to Kshs 45.9 billion driven by higher volumes sold across the Group. Profit for the period grew by 9% attributable to increased revenue, strong innovation pipeline and continued cost efficiencies across the organization.

Key Highlights:

- Group's volumes grew by 5% driven by a strong mix across brand categories.
- During the period, EABL leveraged innovations to drive sales, with new brands contributing 28% of revenues. Recently-launched brands include Tusker Cider, Hop House 13 Lager, Guinness Smooth, Sikera Cider, Black & White whisky, Smirnoff X and Triple Ace Vodka and Uganda Waragi variants among others.
- Gross profit improved by 14% and profit after tax grew 9% driven by a calmer operational environment, strong top line performance, positive mix and cost efficiencies generated through productivity initiatives.
- Group's capital expenditure stood at Kshs 4.4 billion with investment in production capacity improvements for existing and new brands as part of supporting future growth of the business.

Overall, EABL delivered a strong set of results in the first half of the year across all segments and markets, although excise duty escalation on alcoholic beverages in Kenya's last budget negatively impacted bottled beer. This robust set of results, supported by continued investment behind our brands, places us on a consistent growth trajectory to achieve our performance ambition.

Dividend

The Board of Directors has recommended an interim dividend of Kshs 3.0 per share. The records date for qualification of the dividend is 28 February 2020. The dividend shall be paid net of withholding tax on or about 17 April 2020.

By order of the Board.

Joyce Munene
Group Company Secretary
Date: 31 January 2020