

# East African Breweries Limited



RESULTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021 (AUDITED)

Net Revenue  
**Kshs 86bn**  
+15%

Gross Profit  
**Kshs 37.4bn**  
+13%

Profit After Tax  
**Kshs 7bn**  
-1%

The Board of Directors of East African Breweries Limited (EABL) is pleased to announce its results for the year ended 30<sup>th</sup> June 2021.

## Condensed consolidated statement of comprehensive income for the year ended

	30 June 2021 Kshs 'M	30 June 2020 Kshs 'M
Net revenue	85,962	74,916
Cost of sales	(48,548)	(41,896)
<b>Gross profit</b>	<b>37,414</b>	<b>33,020</b>
Selling and distribution costs	(7,362)	(6,591)
Administrative expenses	(9,320)	(8,565)
Other costs and expenses	(9,874)	(7,209)
<b>Profit before tax</b>	<b>10,858</b>	<b>10,655</b>
Income tax expense	(3,896)	(3,634)
<b>Profit after tax for the year</b>	<b>6,962</b>	<b>7,021</b>
Other comprehensive income	210	658
<b>Total comprehensive income</b>	<b>7,172</b>	<b>7,679</b>
Basic earnings per share	5.51	5.17

## Condensed consolidated statement of financial position as at

	30 June 2021 Kshs 'M	30 June 2020 Kshs 'M
Total equity	14,852	13,993
Non-current liabilities	45,562	43,621
	<b>60,414</b>	<b>57,614</b>
<b>Non-current assets</b>	<b>66,024</b>	<b>62,690</b>
<b>Working capital</b>		
Current assets	34,092	25,968
Current liabilities	(39,702)	(31,044)
	<b>60,414</b>	<b>57,614</b>

## Condensed consolidated statement of cash flows for the year ended

	30 June 2021 Kshs 'M	30 June 2020 Kshs 'M
Cash generated from operations	21,524	13,636
Net interest paid	(3,140)	(3,805)
Tax paid	(3,772)	(6,485)
<b>Net cash generated from operating activities</b>	<b>14,612</b>	<b>3,346</b>
<b>Net cash used in investing activities</b>	<b>(14,198)</b>	<b>(8,330)</b>
<b>Net cash generated from / (used in) financing activities</b>	<b>3,464</b>	<b>(5,358)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,878</b>	<b>(10,342)</b>
At start of year	1,729	12,469
Foreign exchange impact of translation	(1,186)	(398)
Net increase / (decrease) in cash & cash equivalents	3,878	(10,342)
<b>Cash and cash equivalents at end of the year</b>	<b>4,421</b>	<b>1,729</b>

## Condensed consolidated statement of changes in equity for year ended 30 June 2021

	Share capital & share premium Kshs 'M	Other reserves Kshs 'M	Retained earnings Kshs 'M	Non-controlling interest Kshs 'M	Total Kshs 'M
<b>At 30 June 2019 &amp; 1 July 2019</b>	<b>3,273</b>	<b>(3,389)</b>	<b>8,761</b>	<b>7,510</b>	<b>16,155</b>
Comprehensive income	-	532	4,086	3,061	7,679
Share based payments	-	22	-	-	22
Employee share ownership plan	-	14	-	-	14
Transactions with non-controlling interests	-	-	140	(448)	(308)
Dividends	-	-	(7,118)	(2,451)	(9,569)
<b>At 30 June 2020 &amp; 1 July 2020</b>	<b>3,273</b>	<b>(2,821)</b>	<b>5,869</b>	<b>7,672</b>	<b>13,993</b>
Comprehensive income	-	195	4,355	2,622	7,172
Share based payments	-	25	-	-	25
Employee share ownership plan	-	(6)	-	-	(6)
Transactions with non-controlling interests	-	-	(4,705)	(1,566)	(6,271)
Dividends	-	-	-	(61)	(61)
<b>At 30 June 2021</b>	<b>3,273</b>	<b>(2,607)</b>	<b>5,519</b>	<b>8,667</b>	<b>14,852</b>

### Performance Overview

East African Breweries Limited (EABL) recorded 15% growth in revenue to Kshs 86.0 billion for the year ended June 2021. Profit before tax was up 2% to Ksh 10.9 billion. The slower profit growth rate was driven by the impact of cost inflation, adverse foreign exchange impact and tax charges.

### Operating Environment

EABL's performance was delivered on the back of a tough operating environment. Through fiscal 2021, the pandemic continued to impact the business negatively across East Africa due to the restrictions in Kenya and Uganda and the general decline in disposable incomes in the region. The company responded to the new realities by continuing to invest behind the brands (leveraging changing consumer behaviour and channel shifts), expanding capacity and sustaining productivity initiatives to manage cost base to ensure we emerge stronger.

### Future Outlook

We are cognisant of the fact that the uncertainty posed by the pandemic will continue. However, we are confident that our strategy is working and will continue to focus on business recovery to grow top line and recover margin.

### Financial Highlights

- EABL's volumes grew 13% to 14 million EUs.

- Group revenues up 15% to Kshs 86.0 billion, driven by smart investment behind brands, channel focus and innovations.
- Profit after tax for the period declined 1% to reach Kshs 7 billion.
- Net cash from operating activities up 337% to Ksh 14.6 billion, driven by tight management of working capital and productivity initiatives.
- Capital investment of Ksh 7.8 billion, investing ahead to support growth.

### Dividend

In recognition of the continued uncertainty in the external environment due to Covid-19 related restrictions, the Directors do not recommend a final dividend.

By order of the Board

Kathryne Maundu  
**Group Company Secretary**

Date: 29<sup>th</sup> July 2021