



CELEBRATING LIFE,
EVERY DAY, EVERYWHERE

FIXED INCOME INVESTOR ROADSHOW



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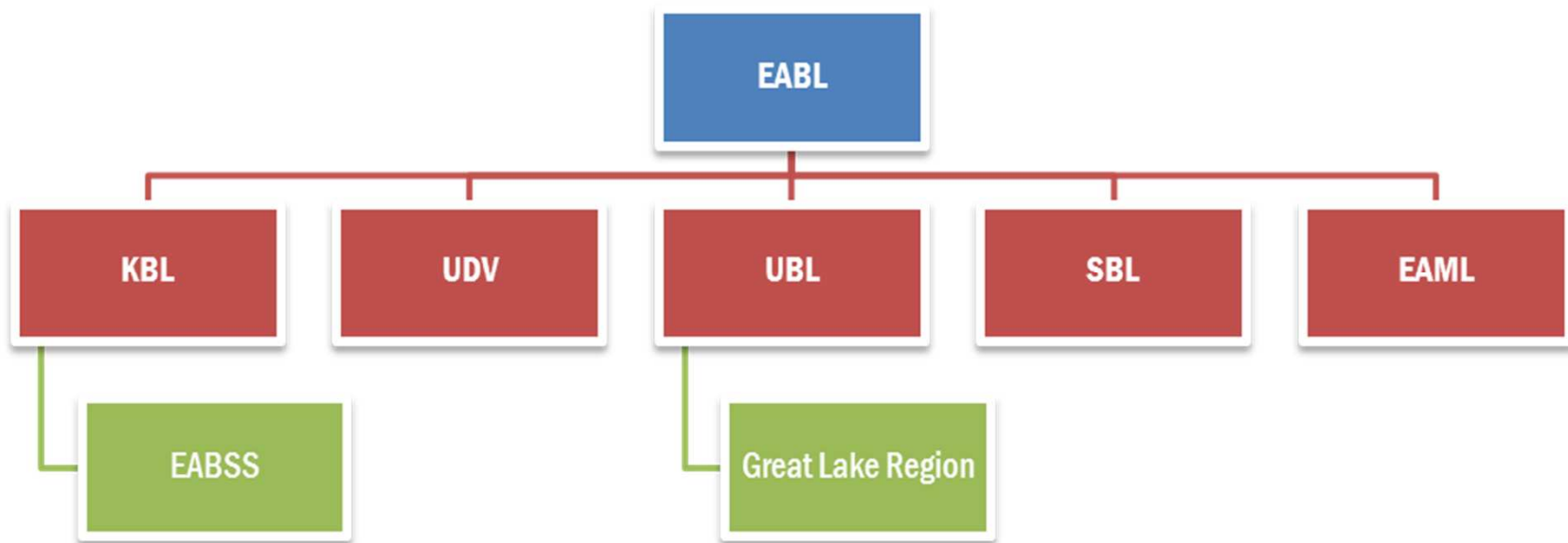
SECTION 1

Overview



Company Overview

- East African Breweries Limited (EABL) is East Africa's leading branded alcohol beverage business with an outstanding collection of brands that range from beer, spirits and adult non alcoholic drinks
- Diageo, a global leader in alcoholic beverage owns 50.03% of EABL with the rest of the ownership widely held by institutions and individuals



Our Ambition



Celebrating Life

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

- Strengthen and accelerate our premium core brands
- Win in reserve in every market
- Innovate at scale to meet new consumer needs
- Build and then constantly extend our advantage in route to consumer
- Drive out cost to constantly invest in growth
- Guarantee our plans with the right people and capabilities

Senior Management

Andrew Cowan
Group MD & CEO

- Mr. Cowan was appointed Group Managing Director & CEO in July 2016.
- He is an established business leader, with a wide range of commercial and strategic management experience spanning over 20 years in the FMCG sector. Prior to this appointment he led Diageo Great Britain (GB)

Dr. György Geiszl
Group Finance Director

- Dr. György Geiszl was appointed as Group Finance Director of the Company and Executive Director on 1st October, 2015. He joined Diageo in 2006 as Finance Director Corporate Region and Diageo Business Services Centre.
- He has subsequently held other Senior Management roles in Diageo including Group Reporting Director, Group Chief Accountant and most recently Finance Director for Diageo's Russia and Eastern Europe markets

Jane Karuku
Managing Director KBL

- Mrs. Karuku has a wealth of management expertise and experience in a cross section of fields in both the public and private sectors.
- She has held senior leadership positions in a number of international companies most notably as Deputy Chief Executive & Secretary General, Telkom Kenya and Managing Director, Cadbury East & Central Africa before taking on the role of President at AGRA in April 2012

Mark Ongom
Managing Director UBL

- Mr. Ocitti was appointed Managing Director of Uganda Breweries in 2016.
- He joined EABL in August 2014 as Managing Director for EABL International ("EABLi") which is responsible for EABL's business in South Sudan, Rwanda, Burundi and DRC. Prior to joining EABL, Mark spent eleven years in the oil industry with Shell

Senior Management

Helene Weesie

*Managing Director
SBL*

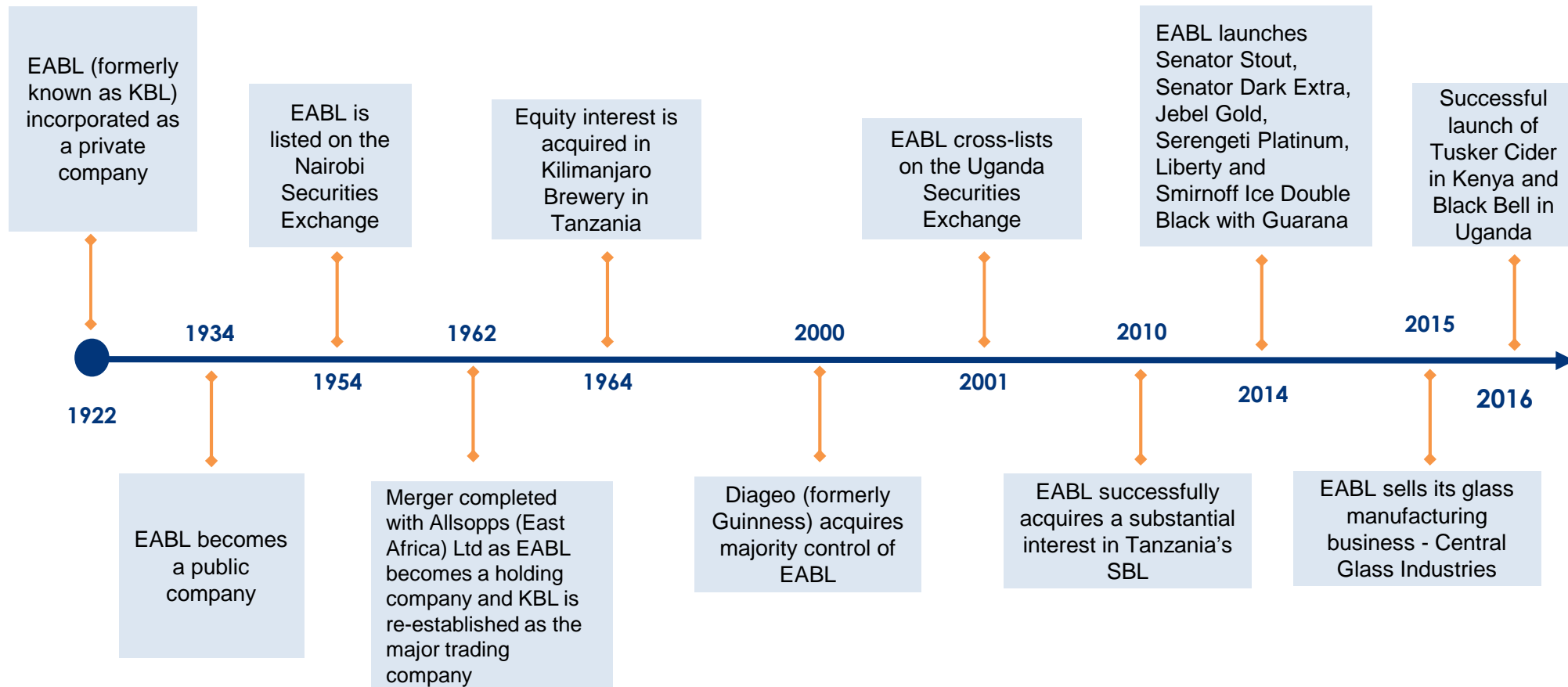
- Ms. Helene Weesie was appointed Managing Director of Tanzania Breweries in 2015
- Ms. Weesie has deep experience of our industry and Africa. She joined Heineken from Unilever in 1993. During her time with the company Helene held a number of roles including Commercial Director Africa Middle-East region, Global Marketing Director, Heineken Export Group and Helene's last role with Heineken was in South America as Managing Director Cervecerias Baru-Panama

Paul Kasimu

Group HR Director

- Mr. Kasimu was appointed Group HR Director in May 2011. Paul worked for Barclays Bank in a variety of HR roles, rising to become HR business partner for Barclays Bank, East Africa. He then moved to Kenya Airways as the Group HR Director a position he held until his current appointment
 - Mr. Kasimu is currently the Chairman of the Institute of Human Resource Management, Kenya and Country Board Member of AMREF, Kenya
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EABL Milestones



SECTION 2

The Macroeconomic Environment



East Africa Market is Growing



East Africa's potential for growth is underpinned by strong macroeconomic factors

- Growth in the middle class due to economic progress
- Positive demographics supporting a rising consumer base
- Urbanization leading to increased disposable income and developed distribution network
- Investment in infrastructure
- Possibility of integration allowing for a more regional beer strategy

Economic Drivers – Kenya

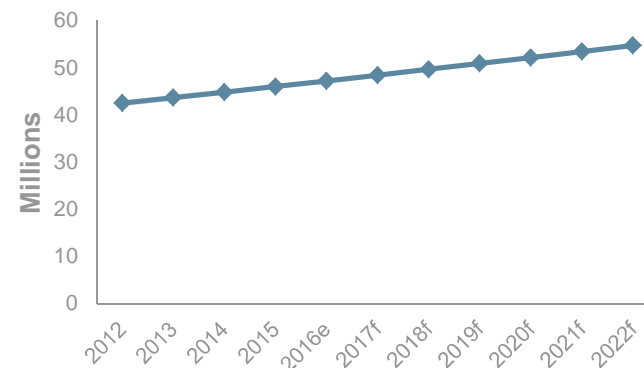
Overview

- East Africa's most diversified economy
- Regional business hub
- Economic growth driven by robust infrastructure investment, improving financial conditions and tourism

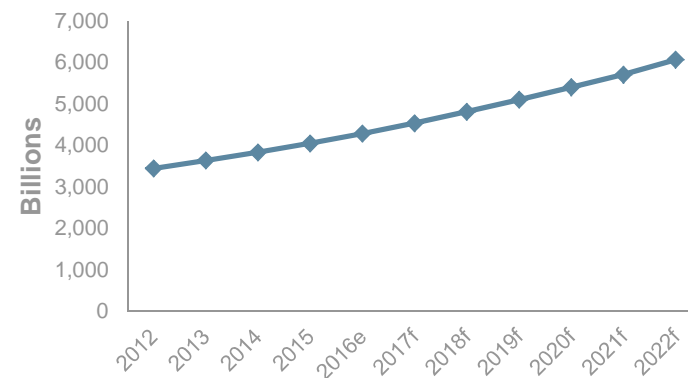
Outlook Drivers

- Bank interest rates regulations
- Weather conditions
- 2017 Elections

Population



Real GDP-KES



Economic Drivers - Uganda

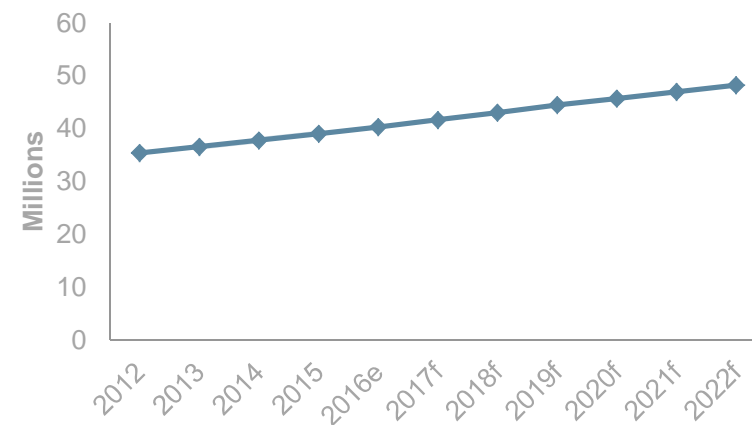
Overview

- Landlocked country
- Rich in natural resources - fertile soils, copper, cobalt, gold and crude oil
- Economy is expected to receive a boost once crude oil production commences

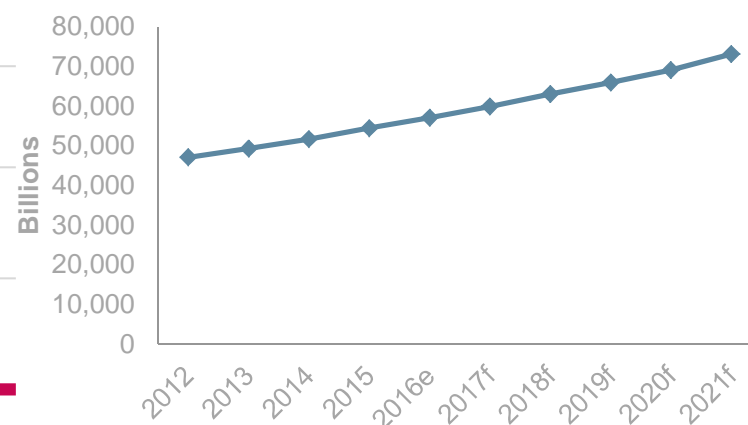
Outlook Drivers

- Political uncertainty following Feb 2016 elections
- International oil prices
- Investments in roads and power projects

Population



Real GDP (UGX)



Economic Drivers - Tanzania

Overview

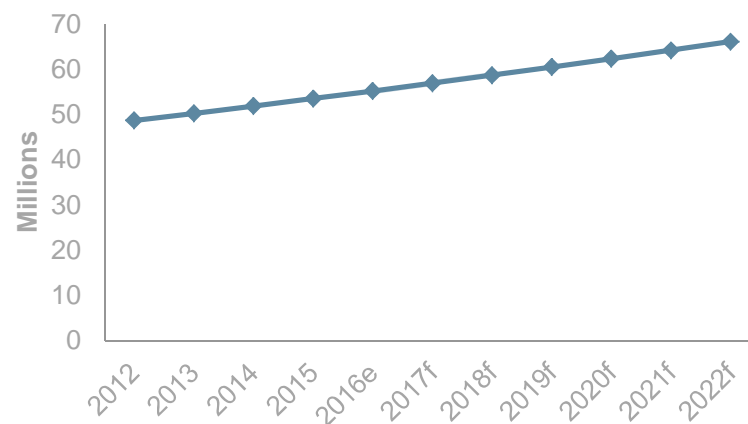
- Widely regarded as East Africa's most stable democracy
- The economy depends heavily on agriculture
- Significant presence of hard metal commodities

Outlook Drivers

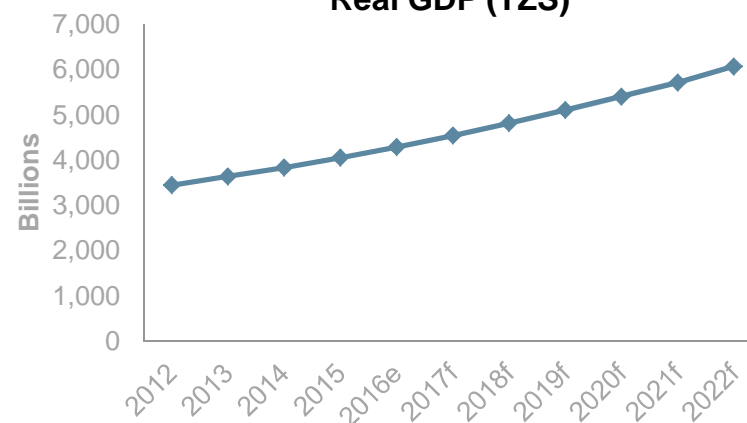
- Magufuli government's policies
- Weather conditions
- Tourism sector and investment in natural gas developments
- Levels of private investments



Population



Real GDP (TZS)



SECTION 3

Section 3.1

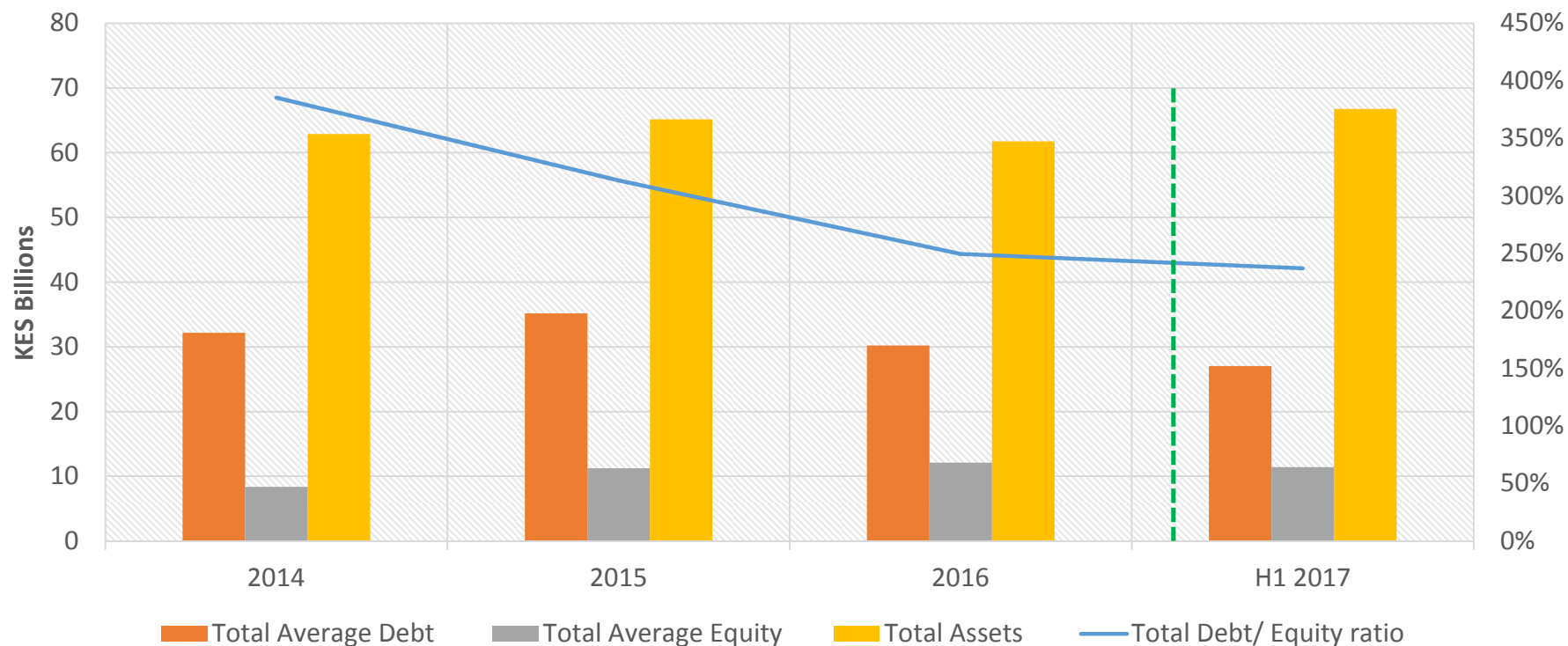
Financial Highlights



Overview of Financial Statements

KES Millions	2014	2015	2016	H1 2017
Revenue	61,292	60,749	64,322	35,156
Profit after tax	6,859	9,575	10,271	5,585
Net Profit Margin	11.30%	14.86%	15.97%	15.89%
Total Debt (Borrowings)	36,598	33,764	26,649	27,435
Total Shareholders Equity	9,101	13,353	10,867	11,946
<u>Cash Flow Highlights</u>				
Net Cash Flow from Operations	6,193	13,559	18,577	6,047
Capital Expenditure	(6,940)	(4,944)	(4,870)	(1,749)

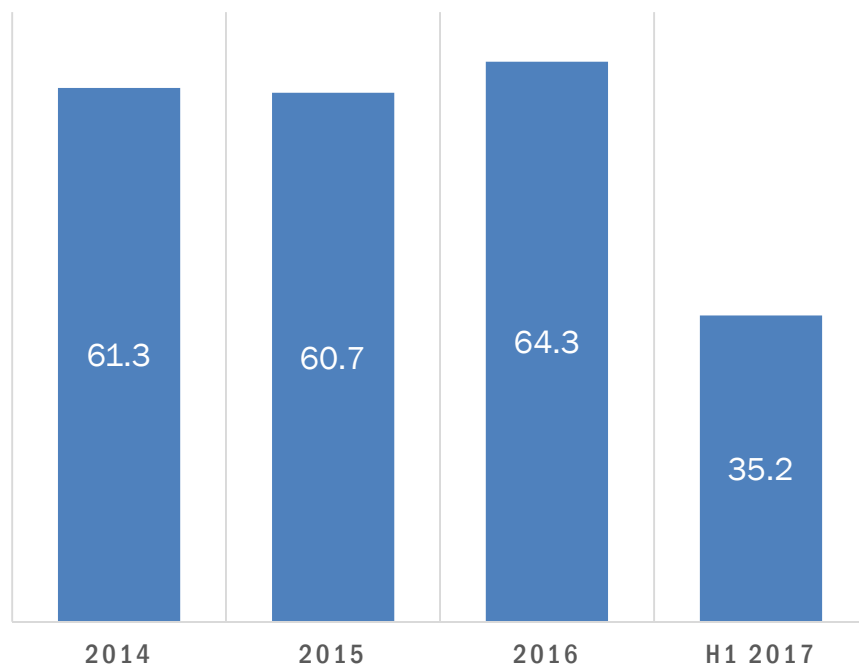
Company Leverage



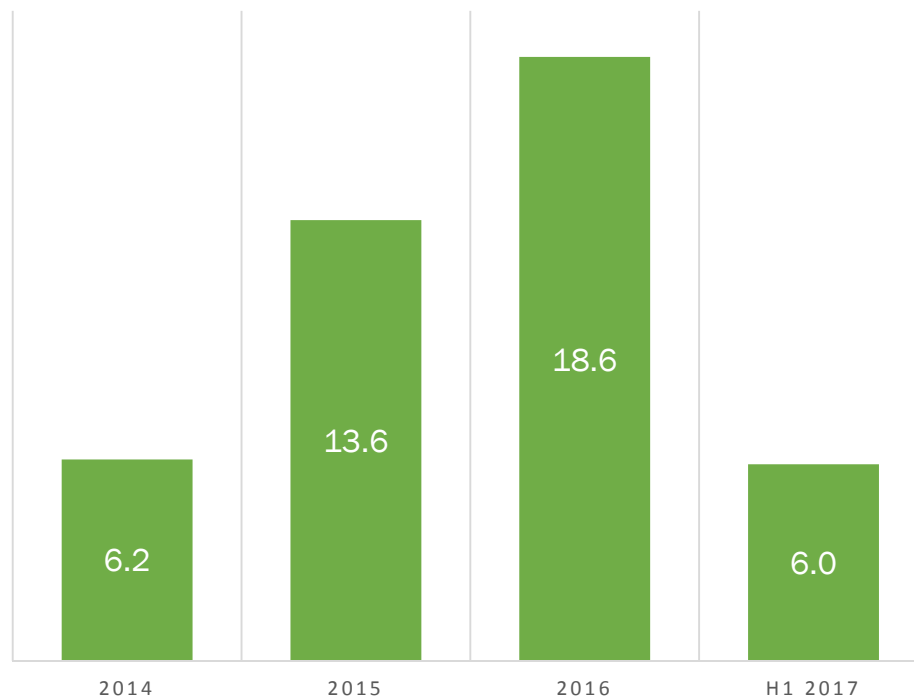
- Debt levels have declined over the period, driven by a 50% reduction of long term debt.
- Coupled by improved borrowing rates, total finance costs have declined with the total debt to equity ratio also reducing
- Equity movements are mostly driven by translational differences resultant consolidations in financial statements.

Revenue and Cash Flow

REVENUE

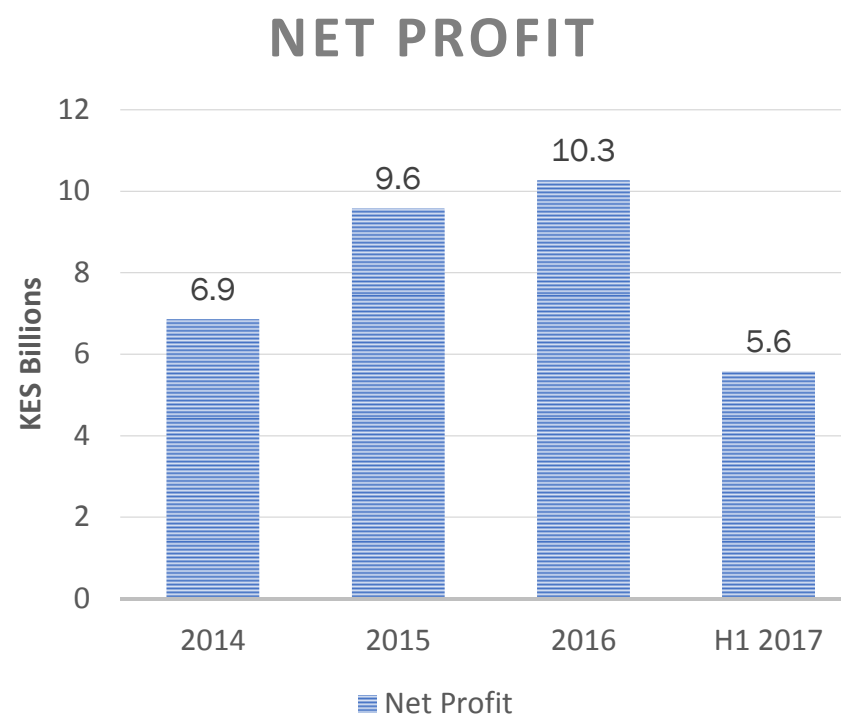
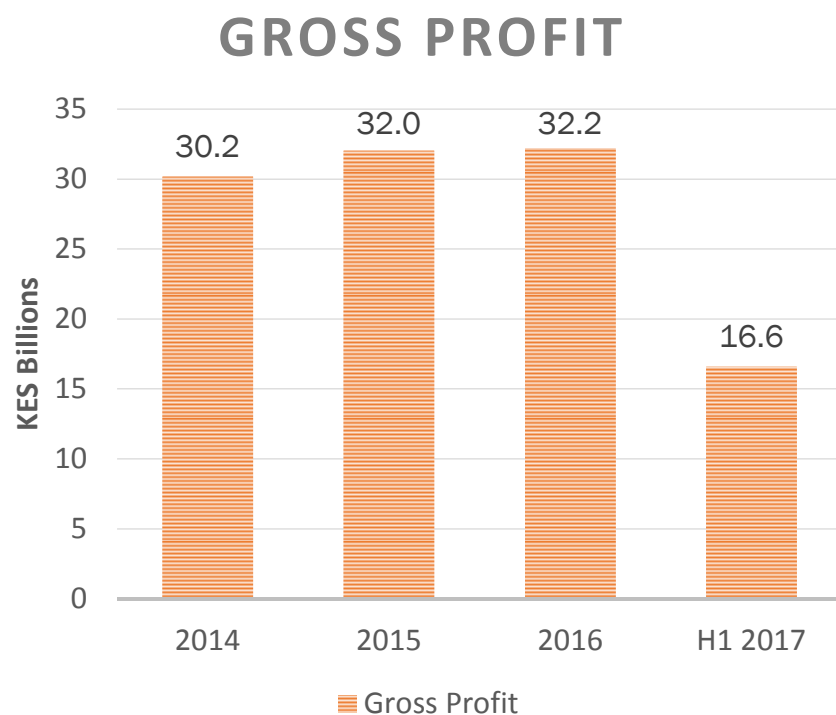


NET CASH FLOW FROM OPERATIONS



- Sales growth from 2015 to 2016 has been driven by organic growth in beers and spirits in Kenya and improvements of business in Tanzania and Uganda
- Excise duty increase has dampened revenue growth. In H1 F17, this has been offset by growth in Senator (21%) and spirits (18%)
- Improvements in working capital management and inventory planning have resulted in improved cash from operating activities

Company Profits



- Increase in gross profit margins has been driven by companywide cost reduction initiatives as well as improved management of COGS.
- Operational efficiencies and reduction in the finance costs have led to improved profit levels

Revenue Contribution

	H1 2017	2016	2015	Key Brands		
KENYA	74%	71%	61%			
UGANDA	17%	16%	18%			
TANZANIA	9%	10%	11%			
Other	0%	3%	10%			
Total EABL	100%	100%	100%			

SECTION 3

Section 3.2

H1 2017 Results



Down Trading and Productivity are the Two Main Drivers of Performance

	vs LY
Volume	+5%
Net sales	-6%
Gross profit	-5%
Profit from continuing operations	+2%
Operating cash conversion	+94%

Growth in Profit from Continued Operations

	H1 F17 KES bn	H1 F16 KES bn	vs LY
Operating profit	9.5	9.3	+3%
Finance costs, net	<u>(1.5)</u>	<u>(1.4)</u>	+11%
Profit before tax	8.0	7.9	+1%
Income tax expense	<u>(2.4)</u>	<u>(2.4)</u>	0%
Profit after tax-continuing operations	5.6	5.5	+2%
Profit from sale of CGI	-	2.2	N/A
Profit for the year	5.6	7.7	-28%
Non-controlling interest	<u>(0.6)</u>	<u>(0.5)</u>	
Equity holders of the company	5.0	7.2	-31%
EPS - continuing operations	6.28	6.29	0%
EPS - total	6.28	9.14	-31%

SECTION 4

Investment Case



Building Blocks for EABL's Credit Story



Ability to generate strong and stable cash flows

EABL has an experienced and diverse management team

Market leader in East Africa

Diversified brand portfolio

Geographic diversification

Synergies achieved through strong shareholding



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 EABL's strategic transactions and restructuring programmes, anticipated tax rates, changes in the international tax environment, expected cash payments, outcomes of litigation, anticipated deficit reductions in relation 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.

These factors include, but are not limited to:

- Economic, political, social or other developments in countries and markets in which EABL and its Subsidiaries operate, which may contribute to reduced demand for EABL's products, reduced consumer spending, negative impact on EABL's customers, suppliers and financial counterparties or the imposition of import, or currency restrictions;
- Changes in consumer preferences and tastes, including as a result of changes in demographic and social trends, public health regulations, vacation or leisure activity patterns, or as a result of counterfeiting or other circumstances which could harm the integrity or sales of EABL's brands;
- Any litigation or other similar proceedings (including with tax, customs and other regulatory authorities), including those directed at the drinks and spirits industry generally or at EABL in particular, or the impact of a product recall or product liability claim on EABL's profitability or reputation;
- The effects of climate change and related regulations and other measures to address climate change, including any resulting impact on the cost and supply of water;
- Changes in the cost of production, including as a result of increases in the cost of commodities, labour and/or energy or as a result of inflation;
- Legal and regulatory developments, including changes in regulations regarding production, product liability, distribution, importation, labelling, packaging, consumption, advertising and data privacy; changes in tax law (including tax treaties), rates or requirements (including with respect to the impact of excise tax increases) or accounting standards; and changes in environmental laws, health regulations and the laws governing labour and pensions;
- The consequences of any failure by EABL to comply with anti-corruption and other laws and regulations or any failure of EABL's related internal policies and procedures to comply with applicable law;
- Ability to maintain EABL's brand image and corporate reputation or to adapt to a changing media environment, and exposure to adverse publicity, whether or not justified, and any resulting impacts on EABL's reputation and the likelihood that consumers choose products offered by EABL's competitors;
- Increased competitive product and pricing pressures, including as a result of actions by increasingly consolidated competitors, that could negatively impact EABL's market share, distribution network, costs or pricing;
- The effects of EABL's business strategies, including in relation to expansion in emerging markets and growth of participation in international premium spirits markets, the effects of business combinations, partnerships, acquisitions or disposals, existing or future, and the ability to realise expected synergies and/or costs savings;
- EABL's ability to benefit from its strategy, including its ability to expand into new markets, to complete and benefit from existing or future business combinations or other transactions, to implement cost saving and productivity initiatives or to forecast inventory levels successfully;
- Contamination, counterfeiting or other events that could adversely affect the perception of EABL's brands;
- Increased costs or shortages of talent;
- Disruption to production facilities or business service centres or information systems (including cyber-attack), existing or future;
- Fluctuations in exchange rates and interest rates, which may impact the value of transactions and assets denominated in other currencies, increase the cost of financing or otherwise affect EABL's financial results;
- Movements in the value of the assets and liabilities related to EABL's pension funds;
- Renewal of supply, distribution, manufacturing or licence agreements (or related rights) and licences on favourable terms or at all when they expire; and
- Failure of EABL to protect its intellectual property rights.

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