

For and on behalf of:



AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors of British American Tobacco Uganda Limited announce the results for the year ended 31 December 2021.

Gross Revenue (Ushs) 93.8bn	Taxes (Ushs) 53.5bn	Profit After Tax (Ushs) 10.3bn	Dividend per Share (Ushs) 209
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The results below have been extracted from the audited financial statements of British American Tobacco Uganda Limited for the year ended 31 December 2021. The financial statements were audited by KPMG Uganda who expressed an unqualified audit opinion.

Condensed Statement of Comprehensive Income for the year ended 31 December

	2021 Ushs' m	2020 Ushs' m
Gross revenue	93,849	162,010
Excise Duty and Value Added Tax	(48,640)	(82,762)
Net revenue	45,209	79,248
Total cost of operations	(30,005)	(50,099)
Profit from operations	15,204	29,149
Finance (costs)/ income	(72)	63
Profit before tax	15,132	29,212
Income tax expense	(4,846)	(9,252)
Profit after tax	10,286	19,960
Total comprehensive income	10,286	19,960
Basic and diluted earnings per share (Shs)	210	407

Condensed Statement of Financial Position as at 31 December

	2021 Ushs' m	2020 Ushs' m
Shareholders' equity	38,536	48,176
Non-current liabilities	6,958	6,539
Equity and non-current Liabilities	45,494	54,715
Assets		
Non-current assets	29,410	32,545
Working capital		
Current assets	29,999	37,201
Current liabilities	(13,915)	(15,031)
Net working capital	16,084	22,170
Net assets	45,494	54,715

Condensed Statement of Cash Flows for the year ended 31 December

	2021 Ushs' m	2020 Ushs' m
Cash generated from operations	19,549	27,063
Net interest paid	(165)	(144)
Tax paid	(4,114)	(8,432)
Net cash from operating activities	15,270	18,487
Net cash used in investing activities	(76)	(399)
Net cash used in financing activities	(20,431)	(16,260)
Movement in cash & cash equivalents	(5,237)	1,828
At the start of the year	14,583	12,755
At the end of the year	9,346	14,583

Condensed Statement of Changes in Equity

	Share Capital Ushs' m	Revaluation surplus Ushs' m	Retained earnings Ushs' m	Total Ushs' m
As at 1 January 2020	61	13,611	30,249	43,921
Profit for the year	-	(264)	20,224	19,960
Dividends paid 2019	-	-	(15,705)	(15,705)
At 31 December 2020	61	13,347	34,768	48,176
At 1 January 2021	61	13,347	34,768	48,176
Profit for the year	-	(264)	10,550	10,286
Dividends paid 2020	-	-	(19,926)	(19,926)
At 31 December 2021	61	13,083	25,392	38,536

Operating Environment

The Company demonstrated resilience amidst an exceptionally challenging operating environment.

During the year, there was significant increase and sustained prevalence of illicit trade in tax-evaded cigarettes following the implementation of the Tobacco Control Regulations, 2019 (TCR), with several illicit product variants displaying irregular graphic health warnings or no such warnings at all. Illicit trade in tax evaded cigarettes, estimated at 24% (source: 3rd party research), continues to adversely impact legitimate industry revenues and deny the Government tax revenues in excess of Ushs 30 billion per annum. We appreciate the Uganda Revenue Authority's efforts and continue to urge the relevant authorities to enforce the packaging and labelling requirements of the Tobacco Control Act, 2015 (TCA) and TCR, to address the growth of illicit cigarettes in the market.

Notwithstanding the easing of COVID-19 restrictions, there has been slow economic recovery with consumer disposable incomes remaining low and continuing to impact affordability. This coupled with the increased incidence of illicit trade in tax-evaded cigarettes, resulted in a material reduction of our sales volume, revenue and profitability. This was mitigated through effective support to our trade partners, excellence in execution by our team and sustained investment in our brands.

We continue to focus on accelerating delivery of our strategy and purpose to build A Better Tomorrow™, for our stakeholders, with our Health, Environment, Social and Governance (HESG) agenda at the center of our business.

Kampala
24 February 2022

Financial Performance

Gross revenue declined by 42% to Ushs 93.8 billion, driven by reduction in sales volume. Excise Duty and Value Added Tax (VAT) reduced by 41% to Ushs 48.6 billion in line with the decline in sales volume. Consequently, net revenue decreased by 43% to Ushs 45.2 billion.

Total cost of operations reduced by 40% to Ushs 30 billion, driven by lower sales volume and cost management initiatives undertaken to cushion business profitability. Profit after tax decreased by 48% to Ushs 10.3 billion, reflecting the drop in net revenue and lower costs.

Despite the challenges experienced during the year, the Company remained profitable with strong cash generation, enabling Directors to recommend dividend to shareholders as outlined below.

Dividend

The Board of Directors has proposed a final dividend in respect to the year ended 31 December 2021 of Ushs 209 per ordinary share, to be recommended for approval by the shareholders at the Annual General Meeting to be held on 15 June 2022. The dividend, which is subject to withholding tax, will be paid on 11 July 2022 to shareholders on the register at the close of business on 20 June 2022.

By Order of the Board
Nicholas Eciru
Company Secretary

Handwritten signatures and date:
24/02/2022
Shlemmer
24/02/2022