



AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors of British American Tobacco Uganda Limited announce the audited results for the year ended 31 December 2022.

Gross revenue (Ushs) 99.5bn	Taxes (Ushs) 56.1bn	Profit before tax (Ushs) 14.3bn	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 2022. 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

	2022 Ushs' m	2021 Ushs' m
Gross revenue	99,549	93,849
Excise Duty and Value Added Tax	(50,627)	(48,640)
Net revenue	48,922	45,209
Cost of operations	(34,524)	(30,005)
Profit from operations	14,398	15,204
Finance costs	(116)	(72)
Profit before tax	14,282	15,132
Income tax expense	(4,400)	(4,846)
Profit after tax	9,882	10,286
Total comprehensive income	9,882	10,286
Basic and diluted earnings per share (Shs)	201	210

Condensed Cash Flow Statement for the year ended 31 December

	2022 Ushs' m	2021 Ushs' m
Cash generated from operations	16,290	19,511
Net interest paid	(144)	(165)
Tax paid	(4,158)	(4,114)
Net cash from operating activities	11,988	15,232
Net cash generated from / (used in) investing activities	53	(76)
Net cash used in financing activities	(10,854)	(20,393)
Movement in cash & cash equivalents	1,187	(5,238)
At the start of the year	9,346	14,584
At the end of the year	10,533	9,346

Operating Environment

The Company continues to demonstrate resilience amidst a challenging operating environment characterised by drought, floods and high inflation. These slowed down economic recovery, adversely impacted the trading environment and placed further pressure on consumers' disposable incomes hence limiting purchasing power.

The prevalence of illicit trade in tax-evaded cigarettes, estimated at 29.4% (source: 3rd party research) continues to adversely impact legitimate industry revenue and deny the Government tax revenues. We appreciate the Uganda Revenue Authority's efforts against illicit trade in cigarettes.

We continue to call for increased resources towards enforcement of the Tobacco Control Act, 2015 and Tobacco Control Regulations, 2019, with regards to flavoured tobacco, packaging and labelling, to further address the growth of illicit cigarettes in the market.

We remain committed to our evolved 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.

Condensed Statement of Financial Position as at 31 December

	2022 Ushs' m	2021 Ushs' m
Shareholders' equity	38,159	38,536
Non-current liabilities	7,236	6,958
Equity and non-current liabilities	45,395	45,494
Assets		
Non-current assets	28,249	29,410
Working capital		
Current assets	28,172	29,999
Current liabilities	(11,026)	(13,915)
Net working capital	17,146	16,084
	45,395	45,494

Condensed Statement of Changes in Equity for the year ended 31 December

	Share capital Ushs' m	Revaluation surplus Ushs' m	Retained earnings Ushs' m	Total Ushs' m
As at 1 January 2021	61	13,347	34,768	48,176
Comprehensive income	-	(264)	10,550	10,286
Dividends	-	-	(19,926)	(19,926)
At 31 December 2021	61	13,083	25,392	38,536
At 1 January 2022	61	13,083	25,392	38,536
Comprehensive income	-	(264)	10,146	9,882
Dividends	-	-	(10,259)	(10,259)
At 31 December 2022	61	12,819	25,279	38,159

Financial Highlights

- Gross revenue increased by 6% to US\$ 99.5 billion driven by higher sales volumes.
- Total cost of operations grew by 15% to US\$ 34.5 billion in line with higher sales volumes and inflationary increases in input costs net of savings.
- Profit before tax was down by 6% to US\$ 14.3 billion reflecting higher cost of operations which more than offset the increase in revenue.
- Taxes in the form of Excise Duty, VAT, Pay As You Earn (PAYE) and Corporation Tax increased by 4% to US\$ 56.1 billion primarily driven by higher indirect taxes in line with sales volumes.

Despite the challenging operating environment, the Company remained profitable with strong cash generation, enabling the Directors to recommend a dividend to shareholders as outlined below, consistent with that paid in respect of the year ended 31 December 2021.

Dividend

The Board of Directors has proposed a final dividend in respect of the year ending 31 December 2022 of US\$ 209 per share, to be recommended for approval by the shareholders at the Annual General Meeting to be held on 22 June 2023. The dividend, which is subject to withholding tax, will be paid on or about 7 July 2023 to shareholders on the register as at the close of business on 23 June 2023.