

CONFIDENTIAL



24<sup>th</sup> January 2019,

The Chief Executive,  
Nairobi Securities Exchange Limited,  
The Exchange,  
Westlands Road,  
P.O. Box 43633,

**NAIROBI**



✓ The Chief Executive,  
Uganda Securities Exchange Ltd.  
Nakawa Business Park, Park  
Block A, 4th Floor  
P.O.Box 23552,

**KAMPALA**

The Chief Executive,  
Dar es Salaam Stock Exchange,  
Golden Jubilee Towers, 14th Floor,  
Ohio Street,  
P. O. Box 70081,

**DAR ES SALAAM**

*Legal/Trading*  
*25/01*

Dear Sirs,

**RE: HALF YEAR FINANCIAL RESULTS - EAST AFRICAN BREWERIES LIMITED**

At a board meeting held on 24<sup>th</sup> January 2019, the directors of East African Breweries Limited approved the Group's half year financial results for the period ended 31<sup>st</sup> December 2018. A copy of the financial statements shall be delivered to your offices.

We attached for your perusal and records, a copy of the announcement to appear on various newspapers from 25<sup>th</sup> January 2019.

Yours faithfully,  
FOR: East African Breweries Limited

  
Joyce Munene

**Group Company Secretary**

\*Encl:

# East African Breweries Limited

## HALF YEAR RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2018

**+ 13%**  
Revenue

**+ 33%**  
Profit After Tax

**+ 21%**  
Cash from operations

### Condensed consolidated income statement

	Half year ended 31 December	
	2018	2017
	Kshs 'M	Kshs 'M
Revenue	41,574	36,800
Cost of sales	(22,402)	(20,831)
Gross profit	19,172	15,969
Total costs	(9,453)	(8,686)
Profit before income tax	9,719	7,283
Income tax expense	(3,110)	(2,331)
Profit for the year	6,609	4,952
Basic Earnings per share	6.52	5.21

### Condensed consolidated statement of financial position

	As at 31 December At 30 June	
	2018	2017
	Kshs 'M	Kshs 'M
Total equity	14,321	11,652
Non-current liabilities	35,315	33,811
Total equity and non-current liabilities	49,636	45,463
Non-current assets	52,499	49,721
Working capital		
Current assets	28,391	21,526
Current liabilities	(31,254)	(25,784)
Net assets	49,636	45,463

### Condensed consolidated statement of changes in equity

Half year ended 31 December 2018	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 2017	3,273	(2,572)	11,684	(397)	11,988
Comprehensive income	-	(810)	5,683	1,517	6,390
Transactions with non-controlling interests	-	-	(5,694)	5,694	-
Share based payments	-	(492)	540	-	48
Dividends	-	-	(5,931)	(843)	(6,774)
At 30 June and 1 July 2018	3,273	(3,874)	6,282	5,971	11,652
Comprehensive income	-	421	5,156	1,467	7,044
Share based payments	-	4	-	-	4
Dividends	-	-	(4,349)	(30)	(4,379)
At 31 December 2018	3,273	(3,449)	7,089	7,408	14,321

### Condensed consolidated statement of cash flows

	Half year ended 31 December	
	2018	2017
	Kshs 'M	Kshs 'M
Cash generated from operations	15,733	13,005
Net interest paid	(1,664)	(1,954)
Tax paid	(1,471)	(3,864)
Net cash generated from operating activities	12,598	7,187
Net cash used in investing activities	(4,681)	(5,002)
Net cash used in financing activities	(2,483)	(1,312)
Net increase in cash and cash equivalents	5,435	873
At start of period	3,187	3,318
Foreign exchange impact of translation	135	393
Net increase in cash and cash equivalents	5,435	873
Cash and cash equivalents at end of period	8,757	4,584

The Board of Directors of East African Breweries Limited is pleased to announce its half year results for the period to 31 December 2018. EABL's revenues for the period rose by 13% to Kshs 41.6 billion driven by strong underlying performance on the back of a stable operating environment in the region. Profit for the year was up 33% attributable to increased revenues and continued cost efficiencies across the organization.

#### Key Highlights:

- Group's volumes grew by 13% driven by strong performance from mainstream spirits, bottled beer and Senator Keg across the region.
- Innovations contributed Kshs 8.2 billion to net sales across our markets driven by brands as Serengeti Lite, Tusker Cider, Black & White, Captain Morgan Gold and Uganda Waragi Pineapple.
- Gross profit improved by 20% and profit after tax grew 33% driven by strong top line performance, positive product mix, cost efficiencies driven through the productivity initiatives and reduced interest charge.
- Group's capital expenditure stood at Kshs 5 billion with new Kisumu brewery set to be commissioned soon supporting the future growth of the business. The strong cash performance driven by focus on working capital management resulted in a reduction of net debt.

Overall, EABL delivered a strong set of results in the first half of the year across all segments and markets compared to a weak half-year during the same period last year. This robust set of results, supported by continued investment behind our brands, places us on a great growth trajectory to achieve our performance ambition.

#### Dividend

The Board of Directors has recommended an interim dividend of Kshs 2.50 per share.

By order of the Board

Joyce Munene  
Group Company Secretary  
Date: 25<sup>th</sup> January 2019