

EABL issues sh276 dividend per share

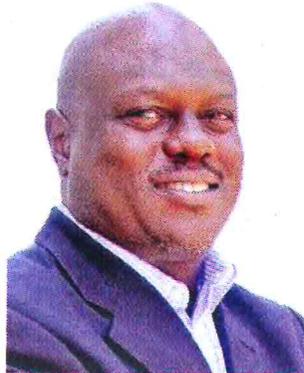
By Samuel Sanya

East African Breweries Limited (EABL) has reported a 5% revenue growth for the year ending June 2018, but could do little to escape a drop in net profit to Ksh7.25b (sh267b) due to higher costs of business and tax expenses.

The net profit dropped from Ksh8.51b (sh314b) in 2017. Despite the reduction in profit, the EABL board of directors has recommended a final dividend of Ksh5.50 per share. This implies that the 2018 annual dividend will stand at Ksh7.50 (sh276) per share when the interim dividend is factored in.

During the year, EABL's spirits net sales increased by 8% in the full year, driven by a strong performance of the mainstream spirits portfolio (up 23%) while beer increased 4%, fueled by growth of bottled beer and partially offset by decline of Senator keg sales.

Innovation delivered good performance, hence contributing 22% to EABL's net sales with new brands



Mark Ociti Ongom

such as Serengeti Lite in Tanzania, Tusker Cider in Kenya and Uganda Waragi flavours in Uganda. These results reflect the diversity of the geographical and category performance across East Africa.

Gross margin improved by 4% as productivity savings and positive mix more than offset inflation on cost of sales. EABL continued to invest behind our brands with marketing spending to 19%, ahead of net sales growth to rejuvenate bottled beer, drive innovation and improve

August 7

Index	Current	Previous								
USE ALSI	2,054.22	2,057.18								
USE LCI	414.96	414.65								
Co.	Opening Price (UGX)	Closing Price (UGX)	High (UGX)	Low (UGX)	Turnover (UGX)	Deals	Outstanding Bids	Outstanding Offers	Volume	Market Cap (UGX) Billions
BATU	30,000.00	30,000.00	0.00	0.00	0	0	0	0	0	1,472.40
BOBU	140.00	140.00	140.00	140.00	233,520	3	0	12,900	1,668	350.00
CENT	1,253.24	1,242.34	0.00	0.00	0	0	0	200	0	826.70
DFCU	900.00	900.00	900.00	900.00	8,280,000	2	256	6,500	9,200	673.33
EABL	8,440.94	8,282.25	0.00	0.00	0	0	0	0	0	6,549.39
EBL	1,815.36	1,831.30	0.00	0.00	0	0	0	0	0	6,780.90
JHL	18,577.44	18,552.24	0.00	0.00	0	0	0	0	0	1,111.19
KA	366.76	364.42	0.00	0.00	0	0	0	0	0	2,070.42
KCB	1,789.28	1,785.29	0.00	0.00	0	0	0	0	0	5,327.55
NIC	17.00	17.00	17.00	17.00	435,914	21	0	100,000	25,642	24.07
NMG	3,335.83	3,312.90	0.00	0.00	0	0	0	0	0	624.62
NVL	450.00	450.00	0.00	0.00	0	0	0	3,559	0	34.43
SBU	32.75	32.75	0.00	0.00	0	0	63,581	203,051	0	1,676.43
UCHM	51.60	55.22	0.00	0.00	0	0	0	0	0	14.66
UCL	21.00	25.00	25.00	25.00	77,500	4	4,680	108,000	3,100	22.50
UMEM	320.00	320.00	320.00	320.00	384,000	5	45,369	22,500	1,200	519.77
Total					9,410,934	35			40,810	28,078.35

Senator keg's performance.

Speaking about the performance of Uganda Breweries Limited (UBL), a subsidiary of EABL, the company's CEO, Mark Ocitti Ongom, said the Ugandan company had registered an overall 4% growth mostly driven by the Spirits sector, mainly propelled by Uganda Waragi, which grew by 17%, and other brands like Gilbeys and Bond 7.

Ongom noted that the growth

of the premium beers category, by 11% and the spirits category is highly indicative of the growing sophisticated palate of consumers and their growing pockets.

"Our goal as a company is to ensure that we continue to satisfy our consumer hence innovation being at the centre of our success. We have seen our new Uganda Waragi flavours taking shape and contributing to our bottom line in a big way," Ongom said.

"We recently launched a new spirits glass production line, which means that more of our spirits products such as Gilbeys, Richot and Smirnoff will now be bottled here, which make these brand more affordable and accessible to our consumers," he added.

EABL growth trajectory

Ongom noted that the company intends to continue with recruitment of bottled beer and spirits consumers to

move them away from illicit alcohol. He noted that this would improve their health and improve government taxes.

Meanwhile, the Uganda Securities Exchange (USE) all share index dropped to 2,054.22 from 2,057.18 while the Local Share Index inched up to 414.96 from 414.65 on Tuesday. Investors made sh9.4m from Baroda, dfcu, NIC, Uganda Clays and Umeme shares.