



## FULL YEAR RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

### A STRONG PERFORMANCE IN A CHALLENGING ENVIRONMENT

The Directors of British American Tobacco Uganda Limited announce the results for the year ended 31 December 2019 as shown below:

|  |  |   |   |
|--|--|---|---|
| Gross revenue<br>(Ushs)<br><b>164.3bn</b><br>+7% | Contribution to<br>Government revenues<br>(Ushs)<br><b>96.0bn</b><br>+6% | Profit after tax<br>(Ushs)<br><b>15.7bn</b><br>+14% | Dividends per share<br>(Ushs)<br><b>320 per share</b><br>+14% |
|--|--|---|---|

The results below have been extracted from the audited financial statements of British American Tobacco Uganda Limited for the year ended 31 December 2019. The financial statements were audited by KPMG Uganda who expressed an unqualified audit opinion.

#### Condensed Statement of Profit or Loss and other Comprehensive Income for the year ended 31 December

|   | 2019<br>Ushs' m | 2018<br>Ushs' m |
|---|-----------------|-----------------|
| Gross revenue                               | 164,261         | 154,058         |
| Excise Duty and Value Added Tax             | (88,825)        | (84,247)        |
| Net revenue                                 | 75,436          | 69,811          |
| Cost of operations                          | (52,997)        | (49,858)        |
| Profit from operations                      | 22,439          | 19,953          |
| Finance income                              | 23              | 42              |
| Profit before tax                           | 22,462          | 19,995          |
| Income tax expense                          | (6,780)         | (6,253)         |
| Profit after tax                            | 15,682          | 13,742          |
| Revaluation gain                            | 1,433           | -               |
| Total comprehensive income                  | 17,115          | 13,742          |
| Basic and diluted earnings per share (Ushs) | 320             | 280             |

#### Condensed Statement of Financial Position as at 31 December

|                                    | 2019<br>Ushs' m | 2018<br>Ushs' m |
|------------------------------------|-----------------|-----------------|
| Shareholders' equity               | 43,921          | 40,580          |
| Non-current liabilities            | 6,432           | 4,473           |
| Equity and non-current liabilities | 50,353          | 45,053          |
| Assets                             |                 |                 |
| Non-current assets                 | 33,703          | 30,223          |
| Working capital                    |                 |                 |
| Current assets                     | 34,277          | 28,427          |
| Current liabilities                | (17,627)        | (13,597)        |
| Net working capital                | 16,650          | 14,830          |
| Net assets                         | 50,353          | 45,053          |

#### Condensed Cash Flow Statement for the year ended 31 December

|                                       | 2019<br>Ushs' m | 2018<br>Ushs' m |
|---------------------------------------|-----------------|-----------------|
| Cash generated from operations        | 17,991          | 30,747          |
| Net interest paid                     | -               | (5)             |
| Tax paid                              | (7,217)         | (5,374)         |
| Net cash from operating activities    | 10,774          | 25,368          |
| Net cash used in investing activities | (993)           | (27)            |
| Net cash used in financing activities | (14,288)        | (12,075)        |
| Movement in cash and cash equivalents | (4,507)         | 13,266          |
| At the start of the period            | 17,262          | 3,996           |
| At the end of the period              | 12,755          | 17,262          |

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

|                              | Share capital<br>Ushs' m | Revaluation surplus<br>Ushs' m | Retained earnings<br>Ushs' m | Total<br>Ushs' m |
|------------------------------|--------------------------|--------------------------------|------------------------------|------------------|
| At 1 January 2018            | 61                       | 12,769                         | 26,083                       | 38,913           |
| Comprehensive income         | -                        | (304)                          | 14,046                       | 13,742           |
| Dividends                    | -                        | -                              | (12,075)                     | (12,075)         |
| At 31 December 2018          | 61                       | 12,465                         | 28,054                       | 40,580           |
| At 31 December 2018          | 61                       | 12,465                         | 28,054                       | 40,580           |
| Accounting policy change     | -                        | -                              | (32)                         | (32)             |
| Revised As at 1 January 2019 | 61                       | 12,465                         | 28,022                       | 40,548           |
| Comprehensive income         | -                        | 1,146                          | 15,969                       | 17,115           |
| Dividends                    | -                        | -                              | (13,742)                     | (13,742)         |
| At 31 December 2019          | 61                       | 13,611                         | 30,249                       | 43,921           |

### Business performance

The Company delivered strong financial results in the year ended 31 December 2019.

Gross revenue increased by 7% to Ushs 164.3 billion, driven by benefits of a revamped portfolio and distribution efficiencies.

Profit from operations increased by 13% to Ushs 22.4 billion as a result of growth in net revenues. Total cost of operations increased marginally due to inflationary increases and portfolio transformation expenses. Consequently, profit after tax increased by 14% to Ushs 15.7 billion.

A revaluation gain of Ushs 1.4 billion was recognised following revaluation of the Company's properties by an independent valuer.

#### Contribution to Government revenues

Our contribution to Government revenues in form of Excise Duty, Value Added Tax and Corporation Tax increased by 6% to Ushs 96 billion in line with higher sales revenue.

Despite this strong performance, the high incidence of illicit trade in cigarettes remains a key challenge for our business and the overall economy, denying the Government an estimated Ushs 30 billion in annual revenue (Source: Trade Monitor Uganda, TNS RMS East Africa Ltd). We continue to work closely with the relevant Government agencies to tackle illicit trade in cigarettes. Implementation of the Digital Tracking Solution by the Uganda Revenue Authority presents an opportunity to further address this challenge.

#### Dividend

The Board of Directors has proposed a final dividend in respect of the year ended 31 December 2019 of Ushs 320 per Ordinary Share to be recommended for approval by the shareholders at the Annual General Meeting to be held on 21 May 2020. The dividend, which is subject to withholding tax, will be paid on 19 June 2020 to the shareholders on the register at the close of business on 29 May 2020.

Kampala  
13 February 2020

By Order of the Board  
Nicholas Ecimur  
Company Secretary

Enquiries may be addressed to the Company Secretary on P.O. Box 7100, Kampala; Telephone No. +256 31 2200100

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