



AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors of British American Tobacco Uganda Limited announce the audited results for the financial year ended 31st December 2023.

Gross revenue (Ushs) 86.0bn -14%	Taxes (Ushs) 46.2bn -16%	Profit before tax (Ushs) 13.0bn -9%	Dividend per share (Ushs) 181 -13%
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The results below have been extracted from the audited consolidated Financial Statements of British American Tobacco Uganda limited, for the year ended 31 December 2023. The Financial Statements have been prepared in accordance with International Financial Reporting Standards and have been audited by KPMG Uganda, who have expressed an unqualified audit opinion.

Condensed Statement of Comprehensive Income for the year ended 31 December 2023

	2023 Ushs' m	2022 Ushs' m
Gross revenue	85,959	99,549
Excise Duty and Value Added Tax (VAT)	(41,089)	(50,627)
Net revenue	44,870	48,922
Total cost of operations	(31,872)	(34,524)
Profit from operations	12,998	14,398
Finance Income / (costs)	13	(116)
Profit before tax	13,011	14,282
Income tax expense	(4,101)	(4,400)
Profit after tax	8,910	9,882
Net revaluation gain	2,103	-
Total comprehensive income	11,013	9,882
Basic and diluted earnings per share (Ushs)	181	201

Condensed Statement of Cash Flows for the Financial Year ended 31 December 2023

	2023 Ushs' m	2022 Ushs' m
Cash generated from operations	15,610	16,290
Net interest paid	(154)	(144)
Tax paid	(3,669)	(4,158)
Net cash from operating activities	11,787	11,988
Net cash used in investing activities	333	53
Net cash used in financing activities	(10,896)	(10,854)
Movement in cash & cash equivalents	1,224	1,187
At the start of the period	10,533	9,346
At the end of the period	11,757	10,533

Operating Environment

The Company continues to demonstrate resilience amidst a challenging operating environment, characterised by a high prevalence of illicit trade in tax evaded cigarettes as well as cost of living pressures which adversely impacted consumer purchasing power.

It is estimated that illicit trade in tax evaded cigarettes (estimated at 29% based on third party research) denies the government the much needed tax revenue, approximated at Ushs 30 billion annually. Illicit trade also continues to undermine legitimate industry revenues. Illicit cigarette products are characterised by lack of tax stamps, absent or altered graphic health warnings, and contain flavours. To address the illicit trade menace, we reiterate our call for a multi-agency approach to ramp up enforcement of tobacco control regulations.

Looking ahead, we are confident in our ability to navigate the increasingly challenging operating environment, powered by our world class talent, consumer-centric brand portfolio, and sustainable trade partnerships. This is anchored on our robust Environment, Social and Governance (ESG) agenda.

Financial Highlights

- Gross Revenue reduced by 14% to Ushs 86.0 billion primarily driven by lower sales volume.
- Excise Duty and Value Added Tax (VAT) decreased by 19% to Ushs 41.1 billion reflecting the impact of illicit trade on sales volume.

Kampala
22 February 2024

Condensed Statement of Financial Position as at 31 December 2023

	Dec 2023 Ushs' m	Dec 2022 Ushs' m
Shareholders' equity	38,915	38,159
Non-current liabilities	8,539	7,236
Equity and non-current liabilities	47,454	45,395
Assets		
Non-current assets	30,513	28,249
Working capital		
Current assets	27,604	28,172
Current liabilities	(10,663)	(11,026)
Net working capital	16,941	17,146
	47,454	45,395

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 2022	61	13,083	25,391	38,535
Profit for the year	-	(264)	10,145	9,881
Dividends 2021	-	-	(10,257)	(10,257)
At 31 December 2022	61	12,819	25,279	38,159
At 1 January 2023	61	12,819	25,279	38,159
Profit for the year	-	(263)	9,173	8,910
Gain on revaluation	-	2,103	-	2,103
Dividends 2022	-	-	(10,257)	(10,257)
At 31 December 2023	61	14,659	24,195	38,915

- Total cost of operations decreased by 8% to Ushs 31.9 billion in line with lower sales volume, higher input costs and offset by prudent cost management initiatives.
- Profit after tax decreased by 9% to Ushs 9.0 billion, reflecting the lower revenue and the decrease in cost of operations.
- Taxes in the form of Excise Duty, VAT and Income Tax decreased to Ushs 46.2 billion, driven by lower sales volume and reduced profit.

Notwithstanding the challenges faced, the company remained profitable with strong cash generated enabling the Directors to recommend a dividend to shareholders as outlined below consistent with prior years.

Dividend

The Board of Directors has proposed a final dividend in respect of the year ending 31 December 2023 of Ushs 181 per share, to be recommended for shareholder approval at the Annual General Meeting to be held on 4th July 2024. The dividend, which is subject to withholding tax, will be paid on or about 25th July 2024 to shareholders on the register as at the close of business on 13th June 2024.

By Order of the Board
Paul Mbuga
S&L Advocates – DLA Piper Africa Uganda
Company Secretary