

Net Sales
Kshs 54.9bn
+23%

Profit After Tax
Kshs 8.7bn
+131%

Interim Dividend Per Share
Kshs 3.75

Taxes
Kshs 45.0bn*
+26%

The Board of Directors of East African Breweries PLC (EABL) is pleased to announce its unaudited half-year results for the six months ended 31 December 2021.

Condensed consolidated statement of profit or loss for the six months ended

	31 st December 2021 Kshs 'M	31 st December 2020 Kshs 'M
Gross sales	96,836	78,164
Indirect Taxes	(41,937)	(33,704)
Net Revenue	54,899	44,460
Cost of sales	(28,429)	(25,127)
Gross profit	26,470	19,333
Selling and distribution costs	(4,810)	(3,878)
Administrative expenses	(5,052)	(4,258)
Other costs and expenses	(3,730)	(5,361)
Profit before tax	12,878	5,836
Income tax expense	(4,140)	(2,044)
Profit after tax for the period	8,738	3,792
Other comprehensive income	1,026	489
Total comprehensive income	9,764	4,281
Basic earnings Per Share	8.45	2.71

Condensed consolidated statement of cash flows for the six months ended

	31 st December 2021 Kshs 'M	31 st December 2020 Kshs 'M
Cash generated from operations	17,631	17,889
Net interest paid	(1,994)	(1,915)
Tax paid	(3,018)	(1,973)
Net cash generated from operating activities	12,619	14,001
Net cash used in investing activities	(6,334)	(8,995)
Net cash used in financing activities	(3,688)	(3,719)
Net increase/(decrease) in cash and cash equivalents	2,597	1,287
At start of period	4,421	1,729
Foreign exchange impact of translation	195	(485)
Net increase / (decrease) in cash & cash equivalents	2,597	1,287
Cash and cash equivalents at end of the period	7,213	2,531

Operating Environment

Across the region, we have seen an easing of COVID-19 restrictions contributing to a more favourable trading environment, as consumers return to pubs and bars. The broader economic rebound across East Africa continues to strengthen consumer demand across all our product categories, supporting our overall performance.

Performance Overview

EABL's performance for the half year ended 31 December 2021 demonstrates a strong recovery from the impact of the Covid 19 pandemic that affected the last two financial years. Net sales grew 23% to Kshs 54.9 billion driven by investment behind brands and channel innovation in response to consumer behaviour shifts. At country level, Kenya, Uganda and Tanzania revenues grew 27%, 18% and 15% respectively compared to the same period last year, as Covid-19 restrictions were lifted.

Profit after tax grew 131% to Kshs 8.7 billion driven by the increase in net revenue and effective cost management. As a result, earning per share grew 312% reflecting faster growth in profits attributable to equity holders.

To support future growth, capital expenditure increased by 51% to Kshs 6.2 billion against the same period last year mainly in relation to capacity expansion in Tanzania and Uganda.

Net debt reduced from KShs 40.7 billion at 30 June 2021 to Kshs 34.7 billion as at 31 December 2021. During the period, the group raised Kshs 11 billion through the issue of a Medium Term Note in the capital markets. The proceeds of the issue were utilised to refinance existing debt and fund capital expenditure.

The performance in the half-year ended 31 December 2021 is testament to the resilience of EABL's employees, brands and business strategy.

Condensed consolidated statement of financial position as at

	31 st December 2021 Kshs 'M	30 th June 2021 Kshs 'M
Share capital and share premium	3,273	3,273
Retained earnings	9,236	5,519
Other reserves	(1,640)	(2,607)
Proposed dividends	2,965	-
Non-controlling interests	10,704	8,667
Total equity	24,538	14,852
Borrowings	33,441	38,261
Other non-current liabilities	7,382	7,301
Non-current liabilities	40,823	45,562
Total equity and non-current liabilities	65,361	60,414
Property, plant & equipment	64,571	59,747
Other non-current Assets	6,483	6,277
Non-current assets	71,054	66,024
Inventory	12,444	11,688
Trade and other receivables	18,695	16,792
Cash and bank balances	7,760	5,612
Current Assets	38,899	34,092
Trade and other payables	35,212	31,217
Borrowings	8,433	6,900
Bank overdraft	547	1,191
Other non-current liabilities	400	394
Current Liabilities	44,592	39,702
Net current liabilities	(5,693)	(5,610)
Total equity and non-current liabilities	65,361	60,414

Condensed consolidated statement of changes in equity

	Share capital & share premium Kshs 'M	Other reserves Kshs 'M	Proposed dividends & Retained earnings Kshs 'M	Non-controlling interest Kshs 'M	Total Kshs 'M
At 1 July 2020	3,273	(2,822)	5,869	7,673	13,993
Comprehensive income	-	197	4,354	2,622	7,173
Share based payments	-	25	-	-	25
Employee share ownership plan	-	(6)	-	-	(6)
Transactions with non-controlling interests	-	-	(4,705)	(1,567)	(6,272)
Dividends	-	-	-	(61)	(61)
At 30 June 2021 & 1 July 2021	3,273	(2,606)	5,518	8,667	14,852
Comprehensive income	-	966	6,683	2,115	9,764
Dividends	-	-	-	(78)	(78)
At 31 December 2021	3,273	(1,640)	12,201	10,704	24,538

Contribution to Government Revenue

The group continues to be a major contributor to the revenues of Governments in the region. Taxes in the form of Excise Duty and Corporate Income Taxes in the period amounted to KSh 45 billion across the region.

Excise tax remains uncertain in Kenya with the annual escalation remaining a key concern for our biggest market. In Uganda a 41% reduction of the digital tax stamps value was effected and Tanzania maintained excise on beer but implemented a 20% increase in excise duty on spirits.

Future Outlook

The trading environment remains uncertain with the lingering socio-economic impact of the pandemic, excise tax volatility, and shifting political changes on the horizon. However, we are cautiously optimistic that improved consumer incomes, on-trade recovery, and off-trade resilience will continue apace, fueling our net sales growth momentum across East Africa.

Dividend

The Board of Directors has recommended an interim dividend of Kshs 3.75 per share to be paid subject to withholding tax, on or about 27th April, 2022 to shareholders registered at the close of business on 28th February, 2022.

By order of the Board

Kathryne Maundu
Group Company Secretary

Date: 27th January 2022