

# EABL F'12 Half Year Results

## Investor Briefing

Seni Adetu, Group Managing Director

Stanley Njoroge, Group Financial Controller

17<sup>th</sup> February 2012



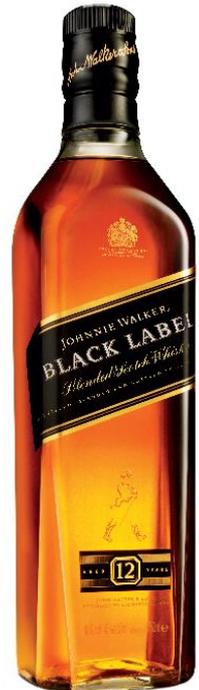


- Highlights Seni Adetu
- Financial Performance Stanley Njoroge
- Outlook and Summary Seni Adetu

## Vision Statement

EABL is the most celebrated business in every market in Eastern Africa

- Market-leading brands across all price points across Total Beverage Alcohol
- Focused on delivering sustainable top and bottom line performance
- Building strong routes to market supported by a secure supply base
- Committed to the responsible sales and marketing of iconic brands leveraging our deep consumer understanding
- Devoted to developing our talent and having a positive impact in the communities in which we operate



We have a broad portfolio with strong brands at all price points



# F'12 Half Year Review

Seni Adetu

Group Managing Director & CEO





We have delivered strong performance in the face of macro challenges



- Turbulent macro-economic conditions across all our markets
- Consumer confidence and disposable income have been hit
- Short-term market events impacted our sales
- The inconsistent application of new regulations continues to provide challenging conditions for our industry
- In spite of this, EABL has performed strongly

We have delivered strong volume growth on our brands



+21 %



+4%



+51%



+48%



+164 %



+36%



+17%



+55%

## First half F12 vs First half F11

Volumes

**+18%**

NSV

**+36%**

COGS

**+45%**

A&P

**+55%**

Operating Profit

**+20%**

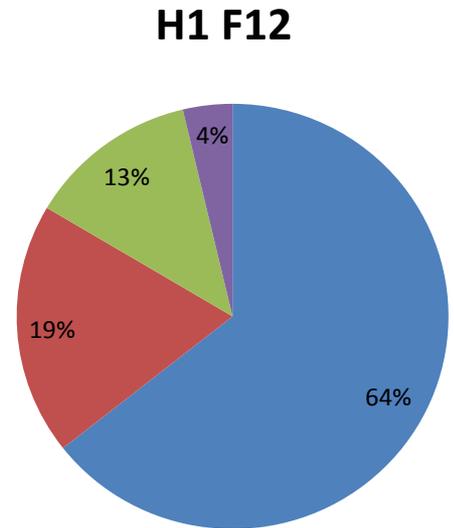
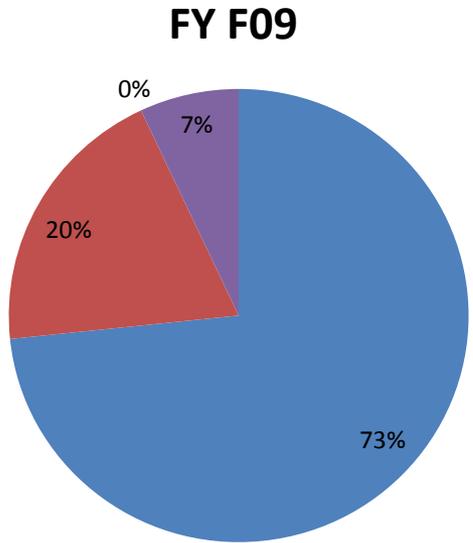
Net Profit

**+38%**

- ✓ Net Sales grew ahead of volume
- ✓ Increased investment in A&P
- ✓ Cost management

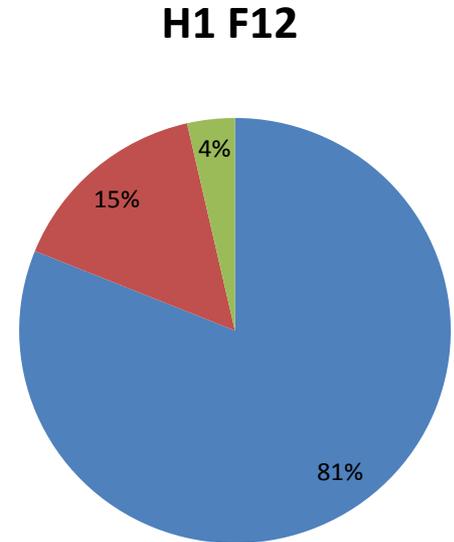
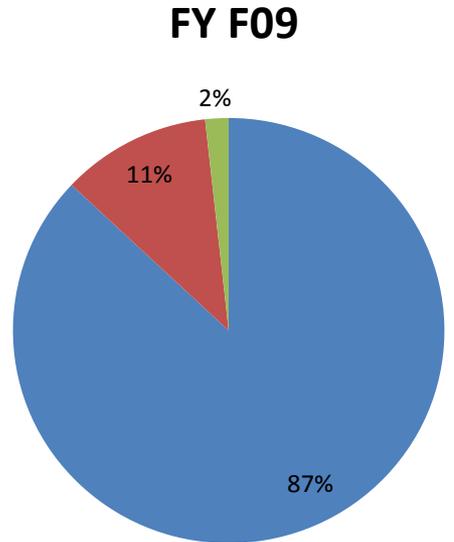
# We have delivered geographic and product mix diversification

## NSV by Geography



- Kenya
- Uganda
- Tanzania
- EABLI

## NSV by Category



- Beers
- Spirits
- Others

## Renovation



## Uganda



## Innovation



## Key brand growth





CELEBRATE OUR AFRICAN SPIRIT

18+

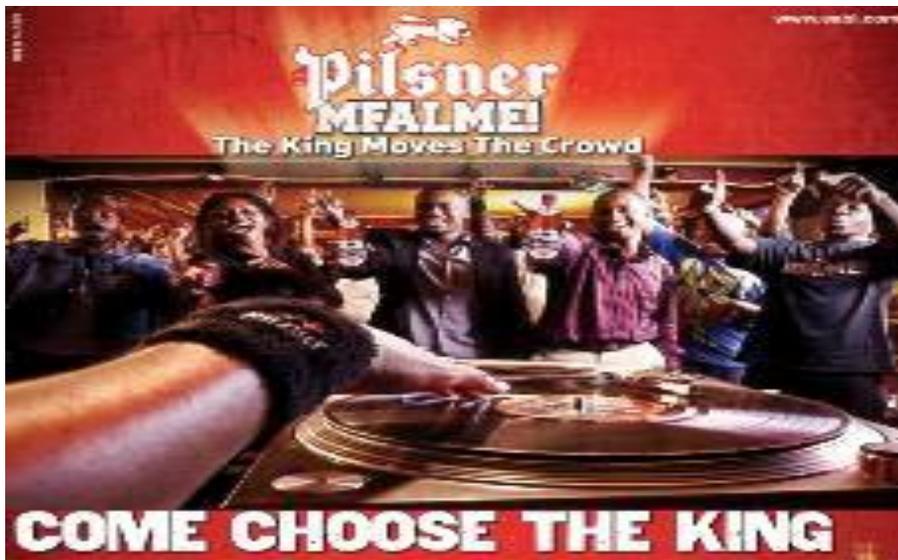
**TUSKER**  
ALL STARS  
THE CONCERT

Starring: **Cabo Snoop | Eve | Shaggy**  
Our 3 All Stars: **Alpha - Msechu - Davis**



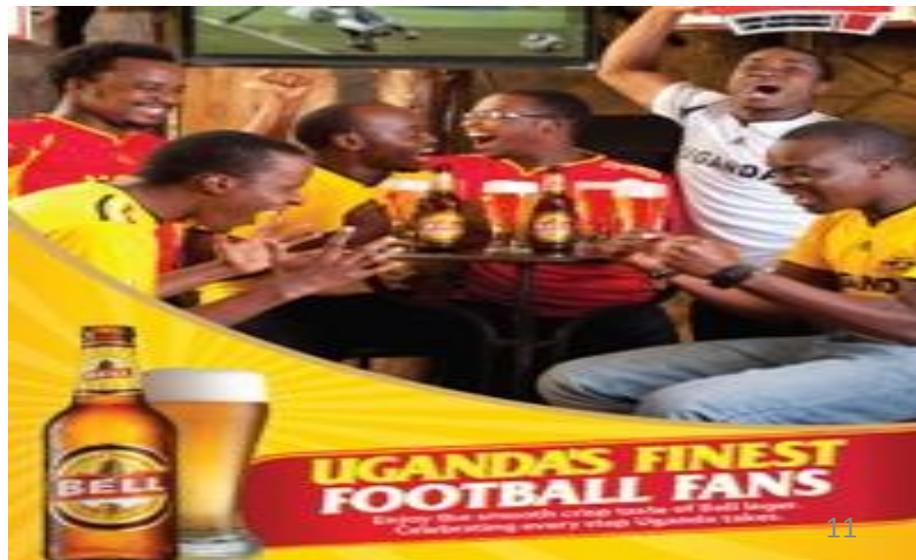
IT'S BACK!  
**BIGGER & BETTER**  
MORE SKILLS • MORE MONEY • MORE DRAMA

**GUINNESS**  
FOOTBALL CHALLENGE TV SHOW



**Pilsner Mfalme!**  
The King Moves The Crowd

**COME CHOOSE THE KING**



**BELL**

**UGANDA'S FINEST FOOTBALL FANS**  
Enjoy the smooth crisp taste of Bell Lager.  
Celebrating every great Uganda fan.

- Completed the unwinding of our relationship with SAB Miller
- Successfully disposed by public offer of EABL's 20% shareholding in TBL
- Accelerated integration of SBL with new appointments
- Commissioned Moshi Brewery
- Top line performance encouraging but ongoing investments impact profitability





We continue to invest in our people

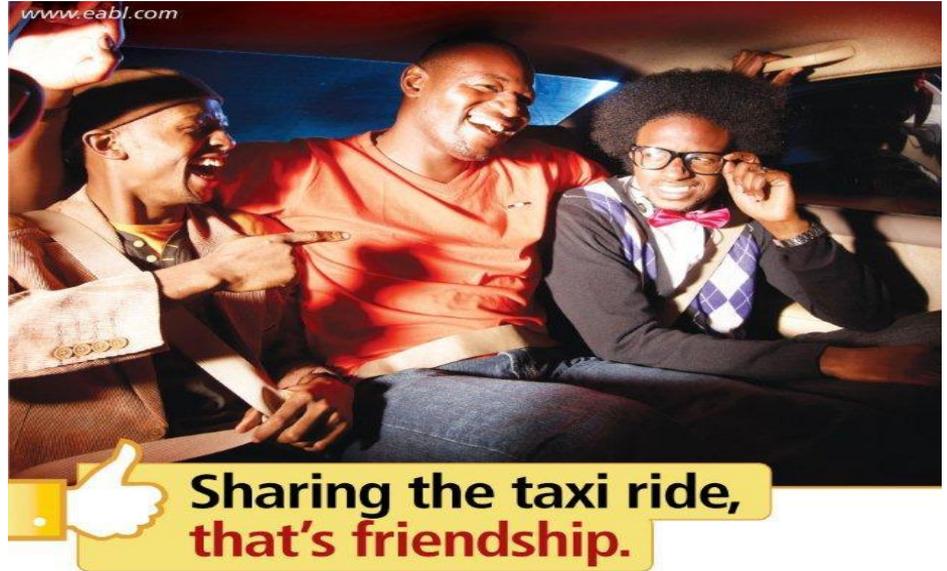


- Capability – Attracting & retaining the best talent in the market
- Employee engagement – EABL is the best place to be
- Succession planning – Building a robust talent pipeline





As well as our communities

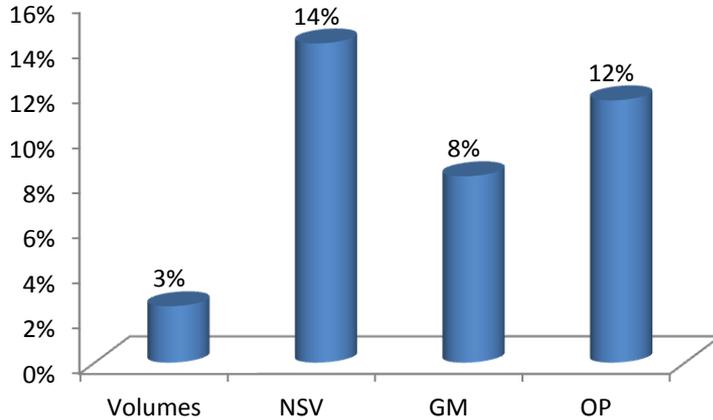


# F'12 Half Year Financial Update

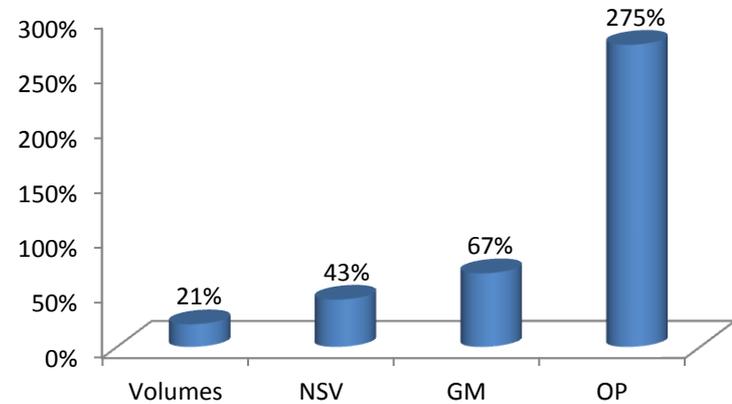
Stanley Njoroge  
Group Financial Controller



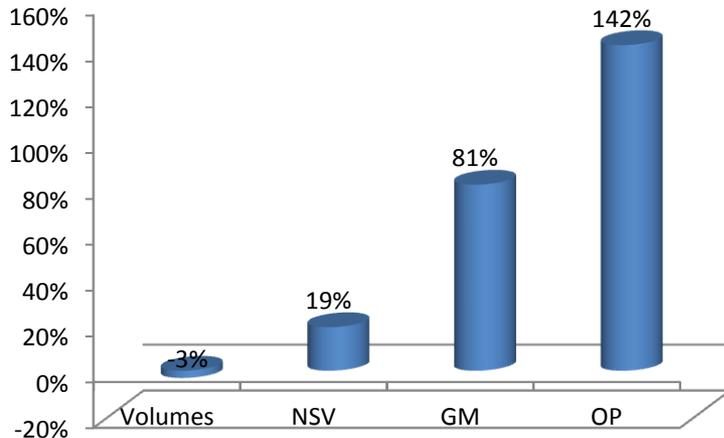
## Kenya



## Uganda



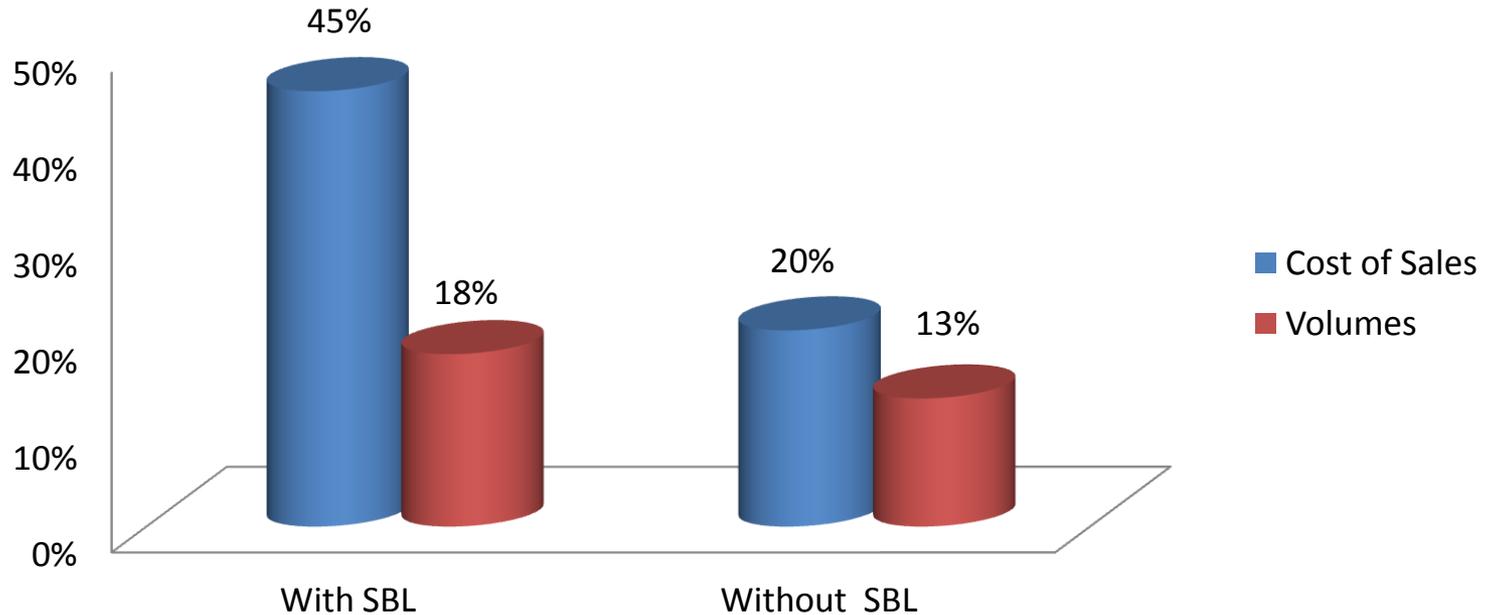
## EABLI



### Tanzania market:

- Positive growth in volumes and NSV
- Serengeti contribution to the EABL group:
  - Volumes 10%
  - NSV 13%
  - A&P 20%

## Cost of Sales Vs LY



- Inflation on major inputs caused challenges
- Forex depreciation accounted for £3m in COGS or 4% of the variance

**Interim Financial Report for the period ended 31 December 2011 (UNAUDITED)**  
**Consolidated Income Statement**

	<b>Six months to 31-Dec-11</b>	<b>Six months to 31-Dec-10</b>	
	<u><b>Kshs M</b></u>	<u><b>Kshs M</b></u>	<u><b>Change %</b></u>
<b>Net Revenue</b>	<b>27,777</b>	<b>20,463</b>	36%
Cost of Sales	(14,321)	(9,851)	45%
<b>Gross profit</b>	<b>13,456</b>	<b>10,612</b>	27%
Other operating expense	(134)	(301)	-56%
Selling and distribution costs	(2,311)	(1,494)	55%
Administrative expenses	(3,699)	(2,702)	37%
<b>Profit from operations</b>	<b>7,312</b>	<b>6,115</b>	20%
Net finance income / (costs)	(642)	50	-1394%
<b>Profit before taxation</b>	<b>6,670</b>	<b>6,165</b>	8%
Income tax expense	(1,793)	(2,013)	-11%
<b>Profit after taxation</b>	<b>4,877</b>	<b>4,152</b>	17%
Non controlling interest	(488)	(963)	-49%
<b>Net profit</b>	<b>4,389</b>	<b>3,189</b>	38%
Basic earnings per share	5.55	4.03	
Diluted earnings per share	5.55	4.03	



Proposed FY12 Interim  
Dividend per Share

**2.50 Ksh**

FY11 Interim Dividend per  
Share

**2.50 Ksh**

Total Cash to  
Shareholders

**1,977m Ksh**

# Outlook

Seni Adetu

Group Managing Director & CEO





- Increased investment behind Innovation, Renovation and Marketing activity
- Continued focus on input costs
- Continued focus on premium spirits
- Capex investment
- Seeking Governmental support
  - More consistent application of regulations
  - Renewed cooperation within EAC





We feel very positive about the future of EABL



- Very encouraging long-term prospects for the consumer economy in the region
- We have strong consumer brands with strong brand equities
- We still have significant share growth potential in the geographies in which we operate
- We have a proven business model which is highly cash-generative
- We are investing ahead for future growth
- We have a highly motivated team who are committed to delivering strong growth
- Our partnership with Diageo gives us access to expertise and support

# Q & A Session

Thank You

