

# East African Breweries Limited

## HALF YEAR RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2018

**+ 13%**  
Revenue

**+ 33%**  
Profit After Tax

**+ 21%**  
Cash from operations

### Condensed consolidated income statement

	Half year ended 31 December	
	2018 Kshs 'M	2017 Kshs 'M
Revenue	41,574	36,800
Cost of sales	(22,402)	(20,831)
<b>Gross profit</b>	<b>19,172</b>	<b>15,969</b>
Total costs	(9,453)	(8,686)
<b>Profit before income tax</b>	<b>9,719</b>	<b>7,283</b>
Income tax expense	(3,110)	(2,331)
<b>Profit for the year</b>	<b>6,609</b>	<b>4,952</b>
<b>Basic Earnings per share</b>	<b>6.52</b>	<b>5.21</b>

### Condensed consolidated statement of financial position

	As at 31 December At 30 June	
	2018 Kshs 'M	2017 Kshs 'M
Total equity	14,321	11,652
Non-current liabilities	35,315	33,811
<b>Total equity and non-current liabilities</b>	<b>49,636</b>	<b>45,463</b>
<b>Non-current assets</b>	<b>52,499</b>	<b>49,721</b>
<b>Working capital</b>		
Current assets	28,391	21,526
Current liabilities	(31,254)	(25,784)
<b>Net assets</b>	<b>49,636</b>	<b>45,463</b>

### Condensed consolidated statement of changes in equity

Half year ended 31 December 2018	Share capital & Share premium Kshs 'M	Other reserves Kshs 'M	Proposed dividend & Retained earnings Kshs 'M	Non-controlling interest Kshs 'M	Total equity Kshs 'M
Comprehensive income	-	(810)	5,683	1,517	6,390
Transactions with non-controlling interests	-	-	(5,694)	5,694	-
Shared based payments	-	(492)	540	-	48
Dividends	-	-	(5,931)	(843)	(6,774)
<b>At 30 June and 1 July 2018</b>	<b>3,273</b>	<b>(3,874)</b>	<b>6,282</b>	<b>5,971</b>	<b>11,652</b>
Comprehensive income	-	421	5,156	1,467	7,044
Share based payments	-	4	-	-	4
Dividends	-	-	(4,349)	(30)	(4,379)
<b>At 31 December 2018</b>	<b>3,273</b>	<b>(3,449)</b>	<b>7,089</b>	<b>7,408</b>	<b>14,321</b>

### Condensed consolidated statement of cash flows

	Half year ended 31 December	
	2018 Kshs 'M	2017 Kshs 'M
Cash generated from operations	15,733	13,005
Net interest paid	(1,664)	(1,954)
Tax paid	(1,471)	(3,864)
<b>Net cash generated from operating activities</b>	<b>12,598</b>	<b>7,187</b>
Net cash used in investing activities	(4,681)	(5,002)
Net cash used in financing activities	(2,483)	(1,312)
<b>Net increase in cash and cash equivalents</b>	<b>5,434</b>	<b>873</b>
At start of period	3,187	3,318
Foreign exchange impact of translation	135	393
Net increase in cash and cash equivalents	5,435	873
<b>Cash and cash equivalents at end of period</b>	<b>8,757</b>	<b>4,584</b>

The Board of Directors of East African Breweries Limited is pleased to announce its half year results for the period to 31 December 2018. EABL's revenues for the period rose by 13% to Kshs 41.6 billion driven by strong underlying performance on the back of a stable operating environment in the region. Profit for the year was up 33% attributable to increased revenues and continued cost efficiencies across the organization.

#### Key Highlights:

- Group's volumes grew by 13% driven by strong performance from mainstream spirits, bottled beer and Senator Keg across the region.
- Innovations contributed Kshs 8.2 billion to net sales across our markets driven by brands as Serengeti Lite, Tusker Cider, Black & White, Captain Morgan Gold and Uganda Waragi Pineapple.
- Gross profit improved by 20% and profit after tax grew 33% driven by strong top line performance, positive product mix, cost efficiencies driven through the productivity initiatives and reduced interest charge.
- Group's capital expenditure stood at Kshs 5 billion with new Kisumu brewery set to be commissioned soon supporting the future growth of the business. The strong cash performance driven by focus on working capital management resulted in a reduction of net debt.

Overall, EABL delivered a strong set of results in the first half of the year across all segments and markets compared to a weak half-year during the same period last year. This robust set of results, supported by continued investment behind our brands, places us on a great growth trajectory to achieve our performance ambition.

#### Dividend

The Board of Directors has recommended an interim dividend of Kshs 2.50 per share. The records date for qualification of the dividend is 22 February 2019. The dividend shall be paid net of withholding tax on or about 11 April 2019.

By order of the Board

Joyce Munene  
Group Company Secretary  
Date: 25<sup>th</sup> January 2019