

F21 FULL YEAR RESULTS

JULY 2021





AGENDA

F21 Business Review

F21 Financial Review

Looking Ahead

Q&A



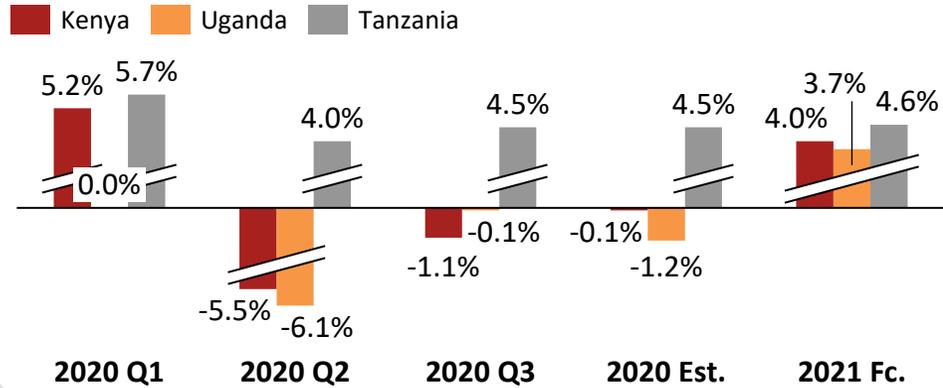
F21 FY BUSINESS REVIEW

- Macro Environment
 - Commercial Strategy
 - Performance Highlights
 - Investing into the future
 - Growing Value for our Stakeholders
 - Our People
-

Jane Karuku

A CHALLENGING MACRO & RESTRICTIVE OPERATING ENVIRONMENT

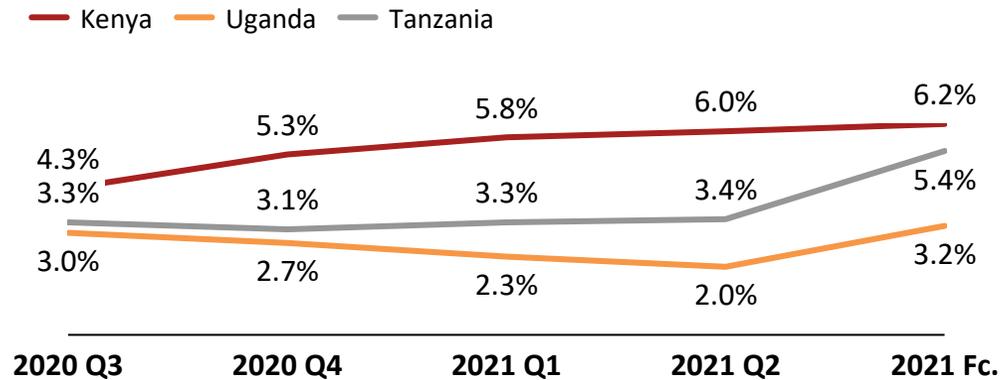
GDP STRAINED OVER THE PAST YEAR



VUCA BUSINESS ENVIRONMENT

- Covid-19 Impact:
 - Increased volatility due to curfews and restrictions
 - Depressed consumer spending
 - Vulnerable consumer
- Global supply chain disruptions

RISING INFLATION FORECAST ACROSS THE REGION



STABLE POLITICAL AND REGULATORY ENVIRONMENT

- Renewed co-operation in East Africa
- Peaceful elections conducted in Ug and Tz
- Revenue collection pressure across governments



OUR STRATEGY HOUSE

Ambition

To create the best performing, most trusted and respected consumer products company in Africa

Strategic imperatives

**Vibrant
Mainstream
Beer**

**Explode
Mainstream
Spirits**

Win in Premium

**Shape New
Frontiers**

Aspirational and Accessible Innovations

Key enablers

**Route to
Consumer**

Reputation

Supply Footprint

**Efficient Growth
/ Productivity**

Unlock Growth Through People and Organisation

SIGNIFICANT CONSUMER, CHANNEL AND CATEGORY SHIFTS

E-COMMERCE EXPLOSION AND STRENGTHENING OFF TRADE



- Consistent strength in at-home consumption
- Growing need for convenience

LOWER TEMPO AND CASUAL OCCASIONS



- Smaller familiar groups
- Curfew and limited operating hours

PREMIUM CONSUMPTION AND SPIRITS ACCELERATION



- Increased at-home consumption
- Shared serves

GROWTH IN INFORMAL AND ILLICIT



- Disposable income leading to value hunting
- Consumer ease of access

WE HAVE LEVERAGED PREMIUM ACCELERATION, ADAPTED OUR RTC & INNOVATED IN FUTURE CONSUMPTION OCCASIONS

ELEVATED BRAND EXPERIENCES
(SIGNATURE SERVES, PREMIUM FOCUS)



E-COMMERCE BRINGING BRANDS
CLOSER TO THE CONSUMER



CREATIVITY ADDRESSING NEW CONSUMER
OCCASSIONS



EXTENDING OUR PORTFOLIO TO ADDRESS INCREASED AT-HOME BEER CONSUMPTION

BEER IN CAN PORTFOLIO EXTENDED



CONVENIENT PACK FORMATS INTRODUCED



ONE WAY GLASS FORMAT FOR OFF TRADE CHANNEL



INNOVATION FUELLED GROWTH ACROSS MARKETS, CATEGORIES & SEGMENTS

FUELLING THE GIN EXPLOSION



DRIVE PRICE ACCESSIBILITY THROUGH PACK FORMATS



NEW BRANDS TO TAP INTO NEW OCCASSIONS

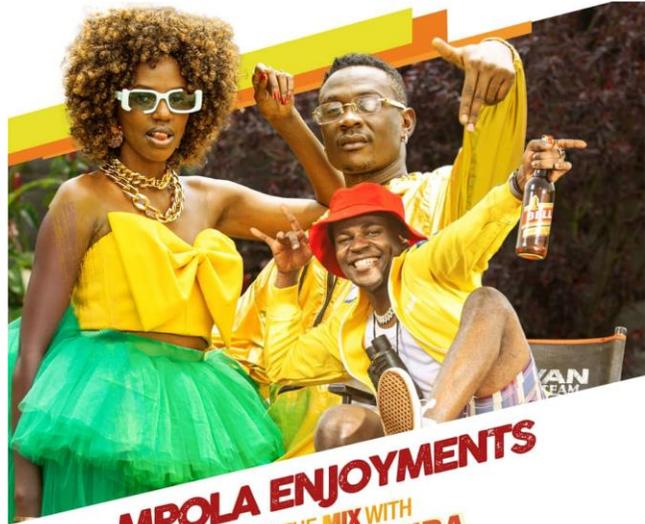


EMBEDDED A DIGITAL-FIRST MINDSET REACHING MILLIONS OF CONSUMERS

IN-HOUSE DIGITAL MARKETING AGENCY TO BUILD AND DRIVE IN-CULTURE CONTENT

INFLUENCER MARKETING DELIVERED EARNED MEDIA VALUE

USING ONLINE PLATFORMS TO BUILD AND STREAM LIVE ENTERTAINMENT



MPOLA ENJOYMENTS
 IN THE MIX WITH
PRIM·FIK·PANDA

#NTVMixShow
 Friday 30th | 10pm

DO NOT FORWARD TO PERSONS UNDER 18 YEARS

WWW.PARTYCENTRAL.CO.KE

Jamhuri Live
 CELEBRATING DECADES OF ENTERTAINMENT
 SATURDAY 12th DECEMBER
 10:30PM - 12:00AM | KTN

KTN Home Jamhuri Live Eyeballs
 831,000
 Sat 12th Dec

Vybez Radio @VybezRadioKE
 Farn, which genre do you think made Kenyan Music a success? #KenyaMilele @TuskerLager @ktnhome_

Reggae	21.1%
Kapuka	32.7%
Hip Hop	11.5%
Gengetone	35.2%

199 votes - Final results
 7:32 PM · Dec 12, 2020 · Twitter Web App

#KenyaMilele

184 replies · 117 retweets · 33,620 likes · 2,719,122 views · 14,414 shares

LIT FRIDAY KATCH
 THIS FRIDAY 10PM UP

WITH **MARTHA MUKISA**

ABSOLUTELY NOTHING TO PROVE

EXCLUSIVE DEALS ON JUMIA & FOOD

SafeBoda

KikubOnline

ENJOY RESPONSIBLY 18+

DO NOT FORWARD TO PERSONS UNDER 18



STRENGTHENING OUR EAST AFRICAN FOOTPRINT

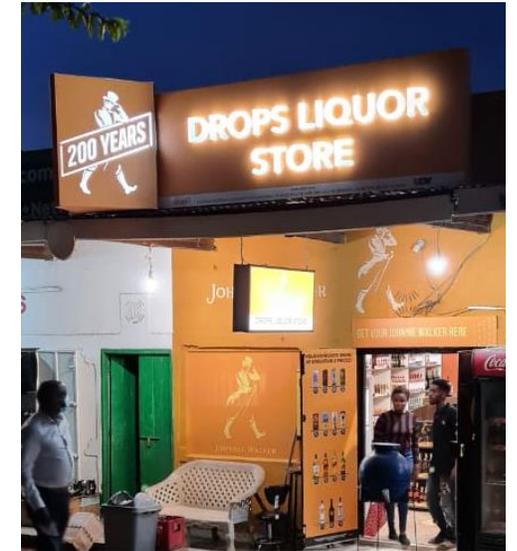
WE OWN THE BIGGEST & FASTEST
GROWING BRANDS



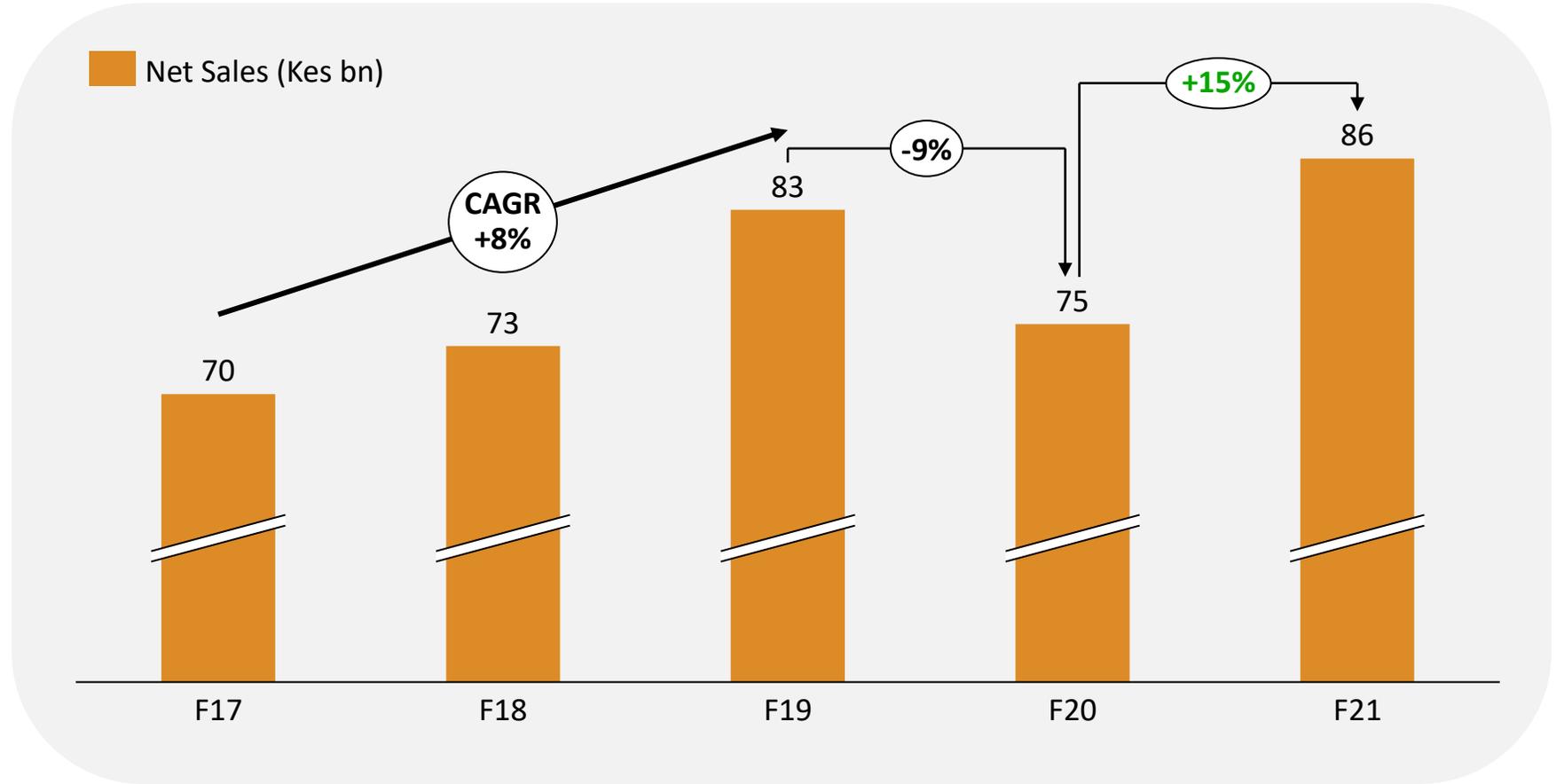
BUILDING STRENGTH IN EXPORT
MARKETS



INVESTED AHEAD IN STRATEGIC BRANDS



WE HAVE DEMONSTRATED STRONG RECOVERY, WITH GROWTH VS PRE C19



OPTIMISED AND STRENGTHENED OUR PORTFOLIO TO ACHIEVE DOUBLE DIGIT GROWTH ACROSS ALL MARKETS



MARKET



NET SALES VS LY

+10%

+33%

+15%

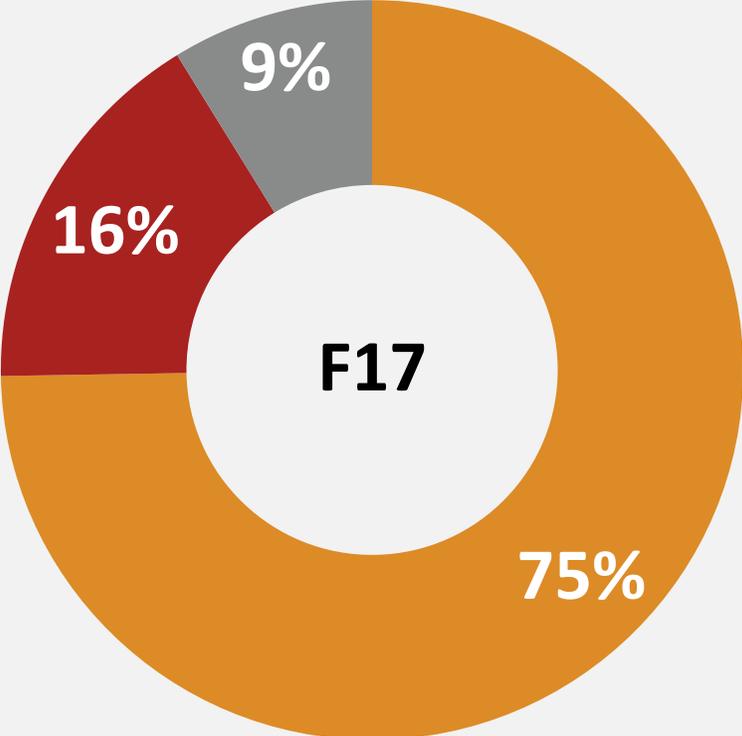
+15%

KEY BRANDS

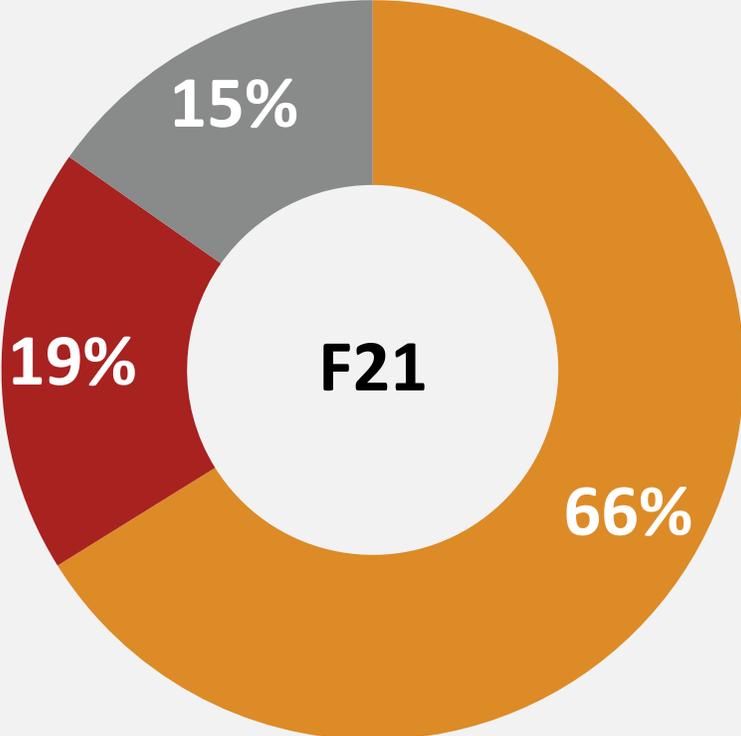


SHIFT IN REGIONAL CONTRIBUTION

EABL REPORTED NET SALES BY REGION, F17



EABL REPORTED NET SALES BY REGION, F21



Kenya Uganda Tanzania



BEER GROWING FAST, SPIRITS GROWING FASTER

VIBRANT MAINSTREAM BEER



+12%

EXPLODE MAINSTREAM SPIRITS



+23%

WIN IN PREMIUM



+21%

SHAPE NEW FRONTIERS



+6%

Net sales growth vs prior year





Kenya
+10%*

RESILIENT RECOVERY ACROSS CATEGORIES

Bottled Beer

+5%



Mainstream Spirits

+22%



Premium Spirits

+32%



Senator

+3%



Total Spirits

+24%



* Net sales growth vs prior year

Uganda
+33%*

AMPLIFIED DOUBLE-DIGIT GROWTH



Mainstream Beer
+46%



Premium beer
+34%



Value beer
+21%



Total Spirits
+24%



* Net sales growth vs prior year



Tanzania
+15%*

ROBUST GROWTH ACROSS CATEGORIES

Serengeti Family
+12%



Pilsner
+31%



Guinness
+18%



Premium Spirits
+38%



* Net sales growth vs prior year



INVESTING SMARTLY FOR THE LONG TERM

MSS Cube – Moshi, Tanzania



Packaging Line - Uganda



Biomass Plant – Kenya & Uganda



Returnables & Keg Barrels



Filtration Plant - Uganda



Water Recovery – Kenya & Uganda

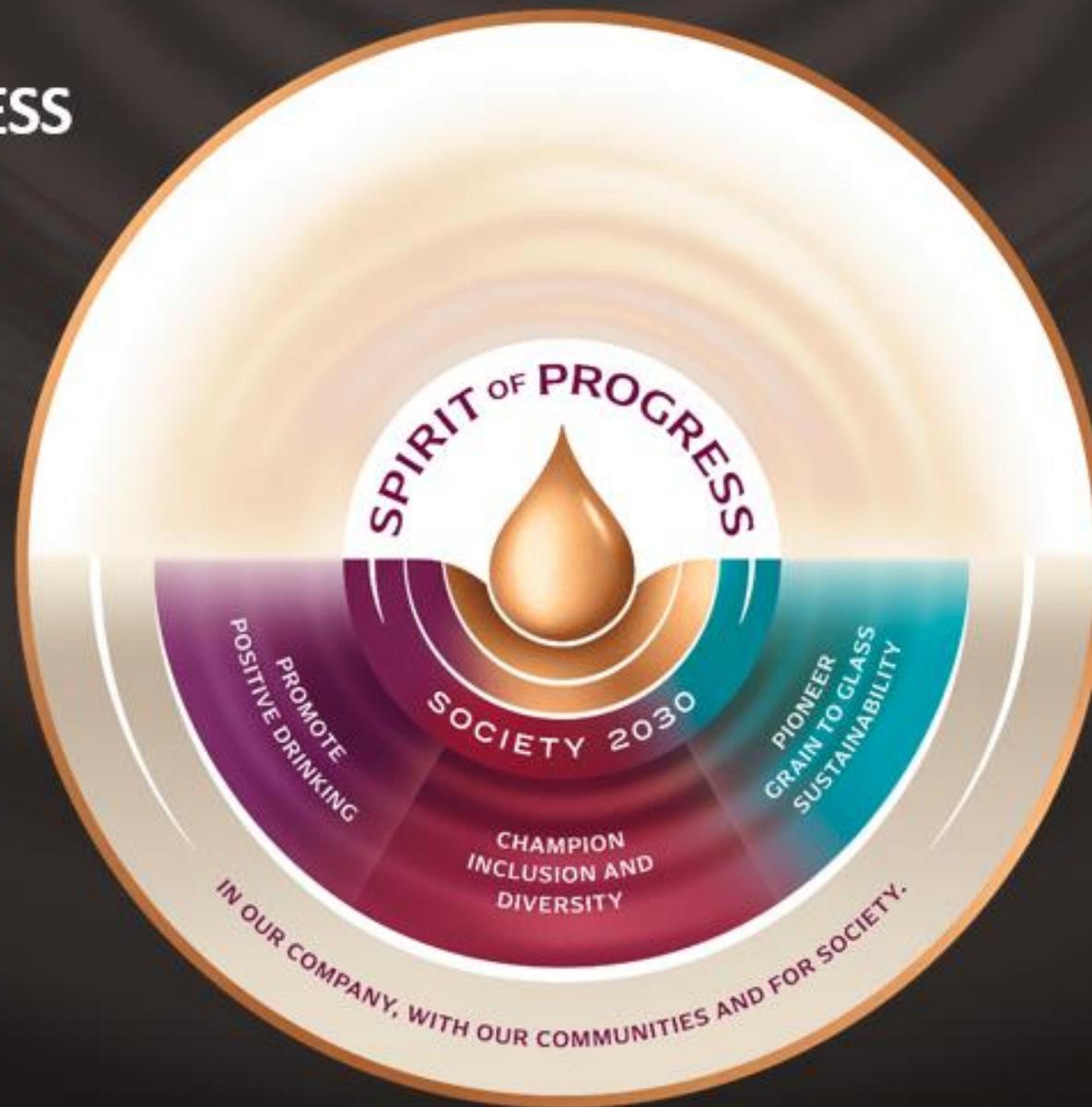


SUSTAINABILITY



SOCIETY 2030: SPIRIT OF PROGRESS

By 2030 we will deliver a positive impact on society everywhere we live, work, source and sell



POSITIVELY IMPACTING OUR COMMUNITY BY 2030



- >13m people reached through Positive Drinking campaign
- The Red Card under the 'Cool Teens Don't Drink' campaign



- Reducing inequality through the STEM program
- Female packaging lines in TZ and UG



POSITIVELY IMPACTING OUR COMMUNITY BY 2030



- Water of Life Programs Total water replenished (198,501 m³)
- Access to water for over 30k people



- New water recovery, purification and reuse facilities, saving over 1.2 bn ltrs³ of water annually



- Locally sourced barley and sorghum from >62k farmers across the region



COMMUNITY SUPPORT



- Donations of Sanitizers in KE and TZ
- Contribution of medical equipment in UG



- Raising the bar program: Partnering with bars to reach consumers safely

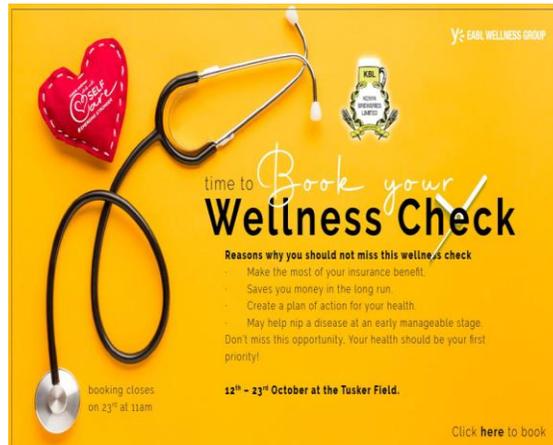


- Diageo Bar Academy: Providing support and training to bar owners

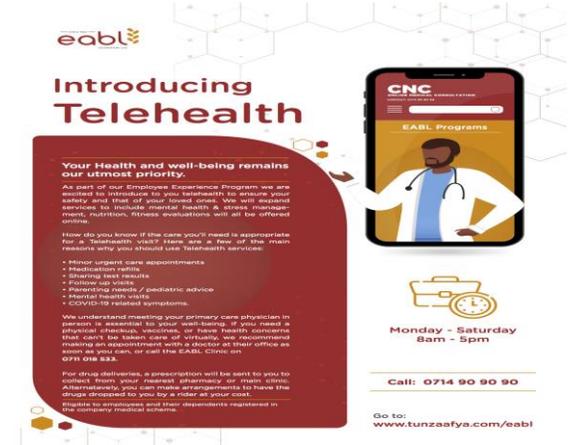
OUR PEOPLE INITIATIVES



- Virtual learning through Leaders as Teachers program
- Online learning via My Learning Hub



- Annual wellness check and mental health awareness sessions
- Introduced a post retirement medical scheme



- Telehealth offering online medical services
- Virtual gym classes

EXTERNAL RECOGNITION ACROSS THE BUSINESS



- Overall Winner At 2020 MSK Awards



- Diageo Global Brewery of the year

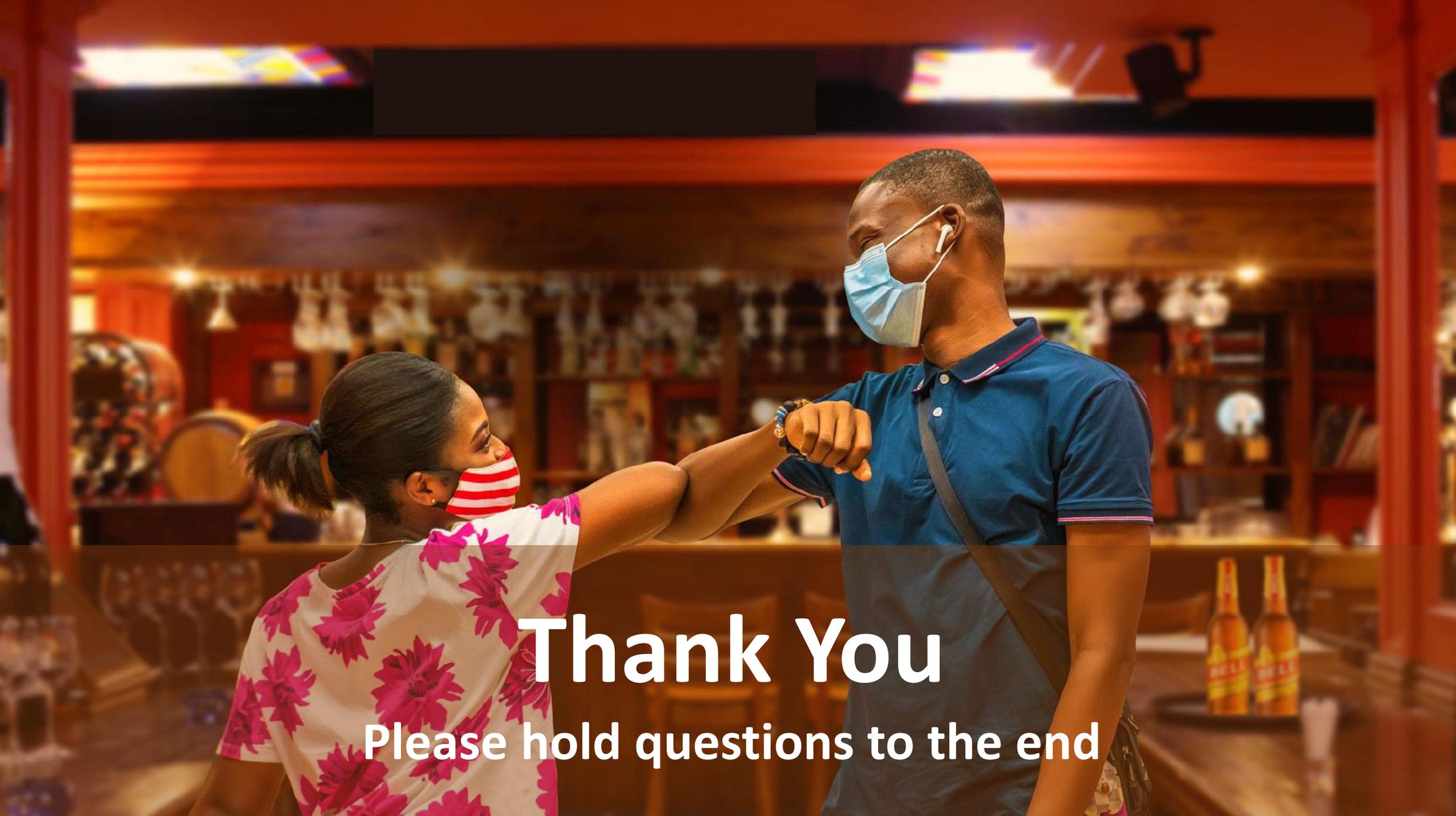


- Social Investment Campaign of the Year at the Public Relations Society of Kenya Awards



- Recognized for advancing SDGs implementation under private sector





Thank You

Please hold questions to the end

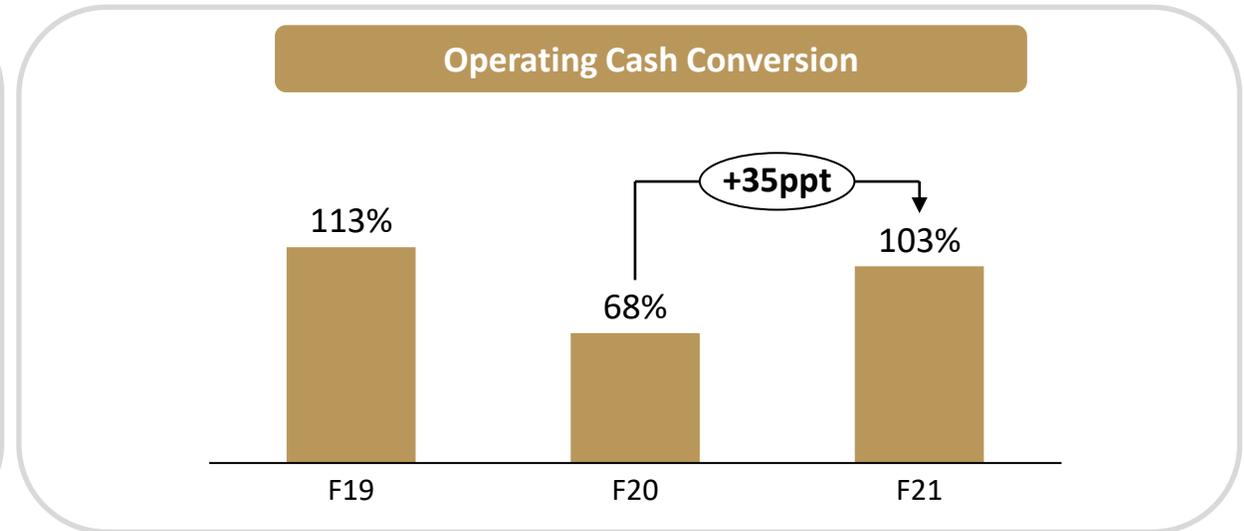
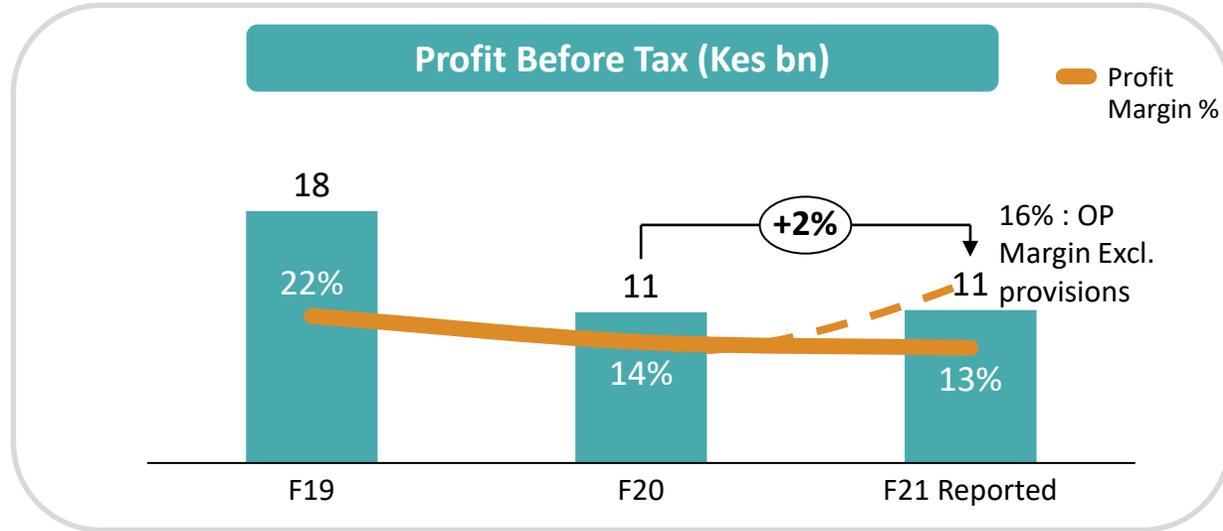
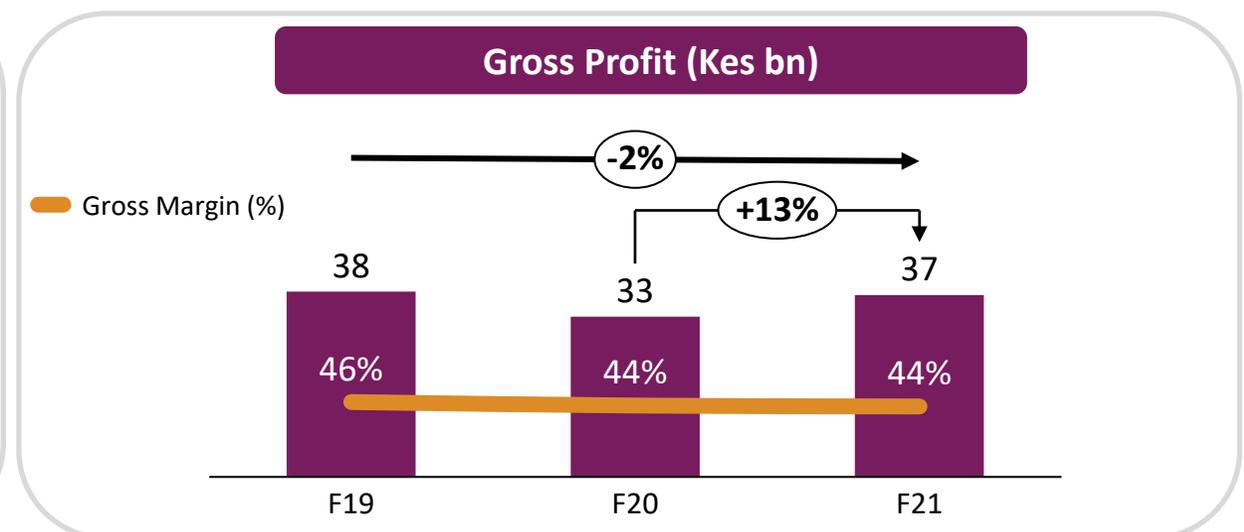
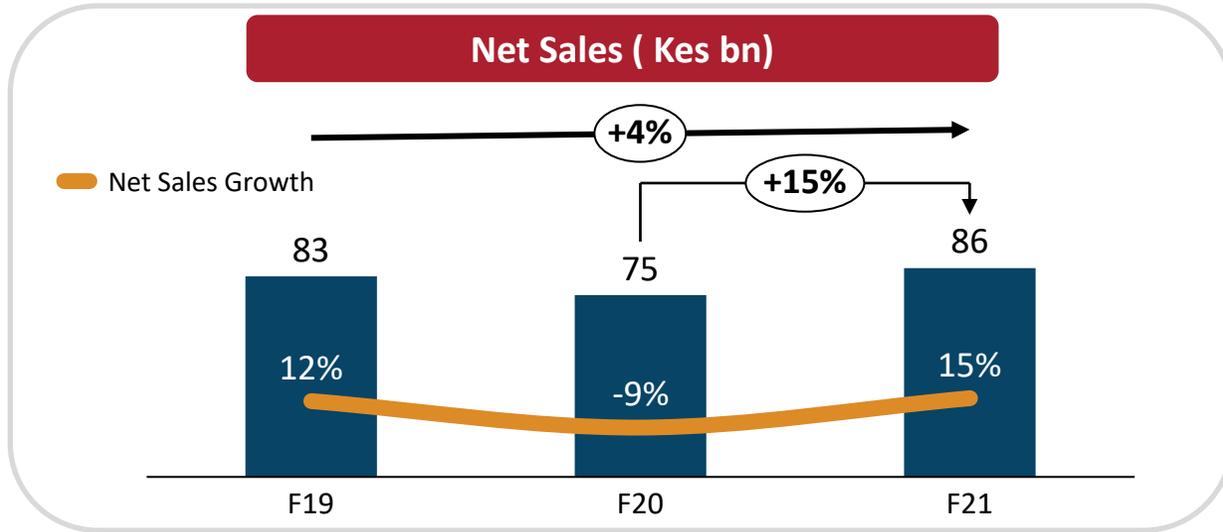


F21 FY FINANCIAL PERFORMANCE

- Financial Highlights
 - Topline Performance
 - Profitability
 - Balance Sheet
 - Cash Performance
 - Capex
-

Risper Ohaga

ROBUST PERFORMANCE IN AN UNPRECEDENTED BUSINESS ENVIRONMENT



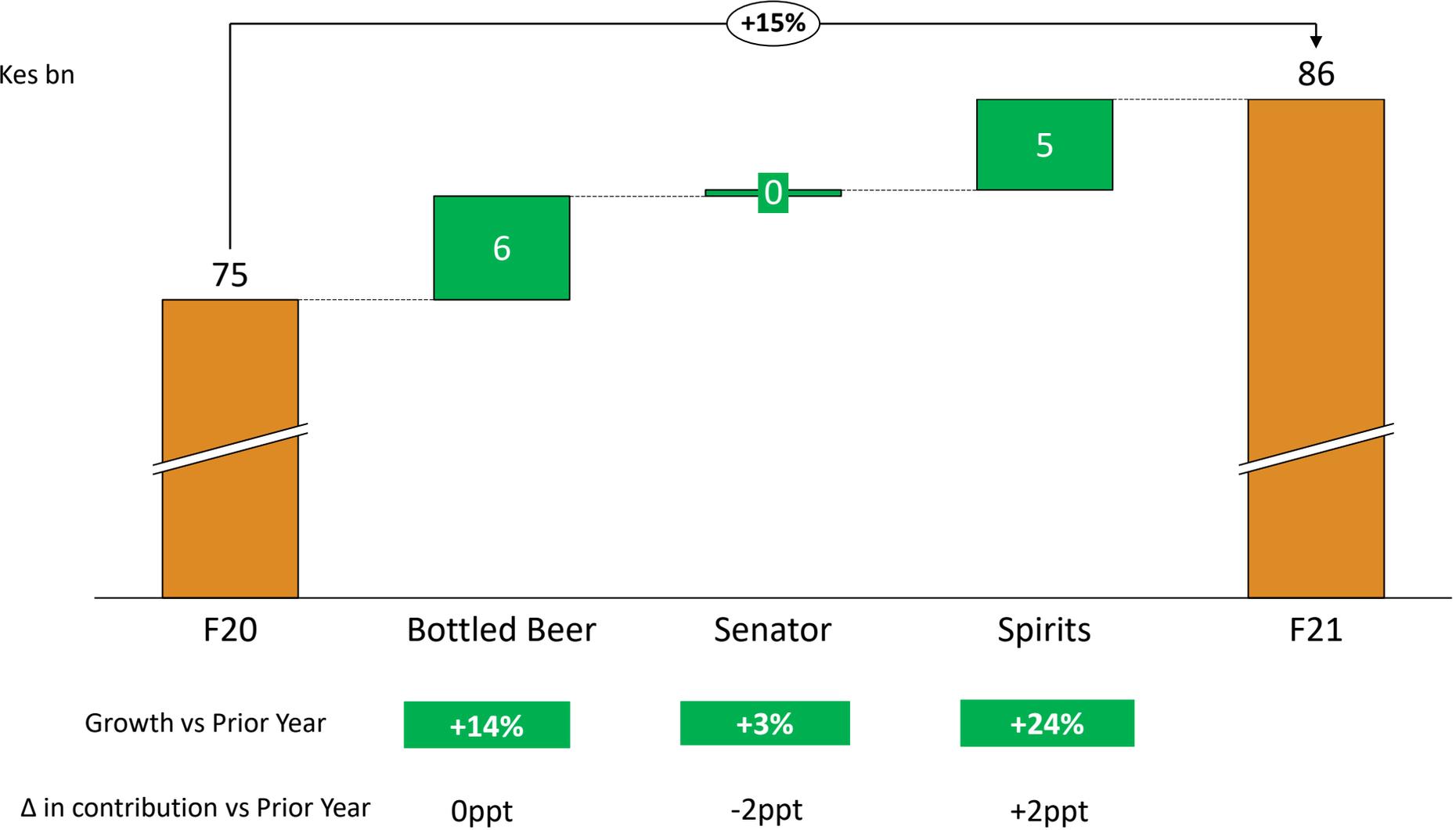


IMPROVED FINANCIAL STRENGTH DESPITE INCREASED COSTS

	F21 Kes bn	F20 Kes bn	Vs F20
Volume (m EUs)	14.1	12.4	13% ↑
Excise Duty	(66.6)	(58.4)	14% ↑
Net Sales	86.0	75.0	15% ↑
Cost of Sales	(48.6)	(42.0)	16% ↑
Gross Profit	37.4	33.0	13% ↑

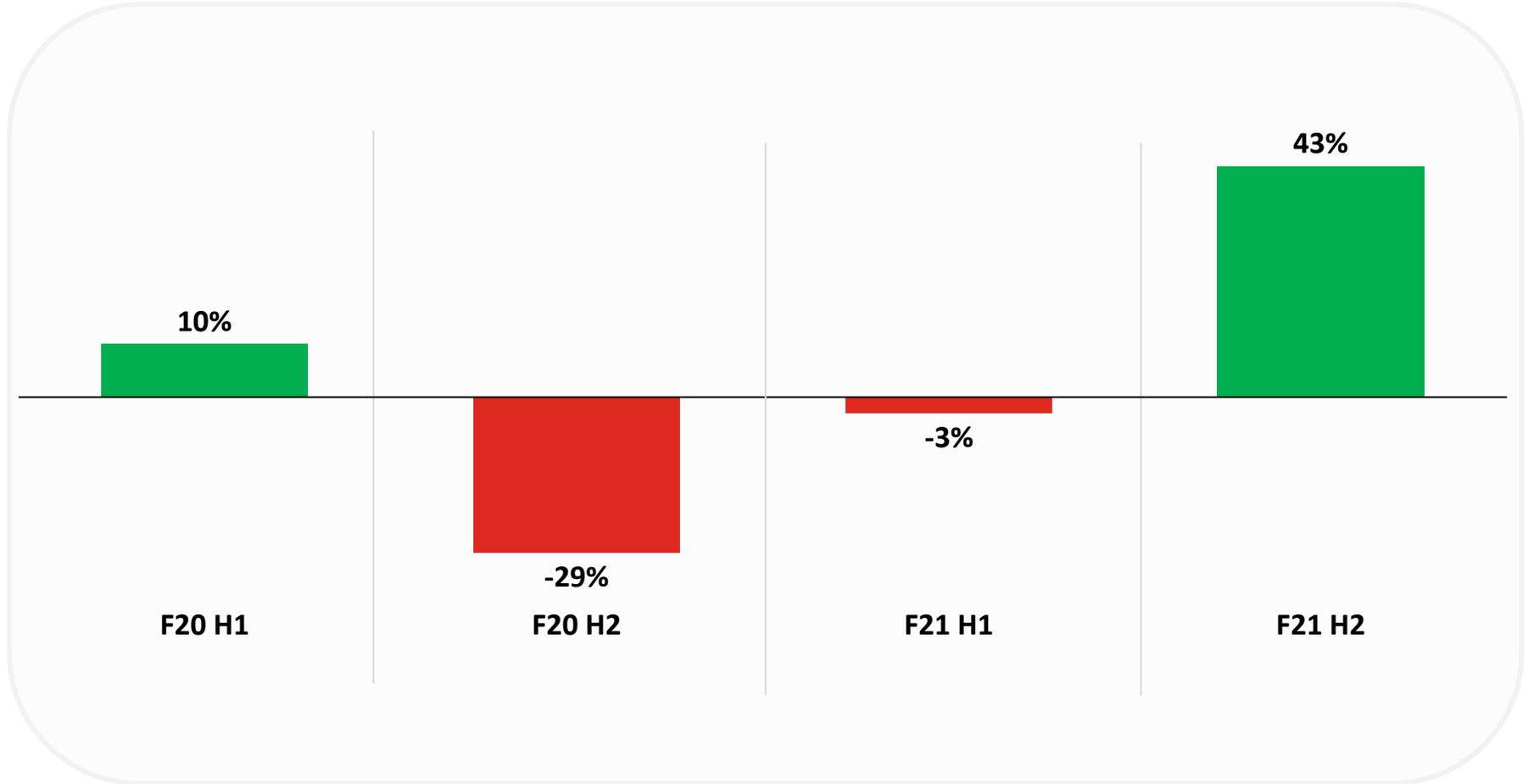
EU – Equivalent unit

UNRELENTING RECOVERY ACROSS SEGMENTS



KEEP WALKING

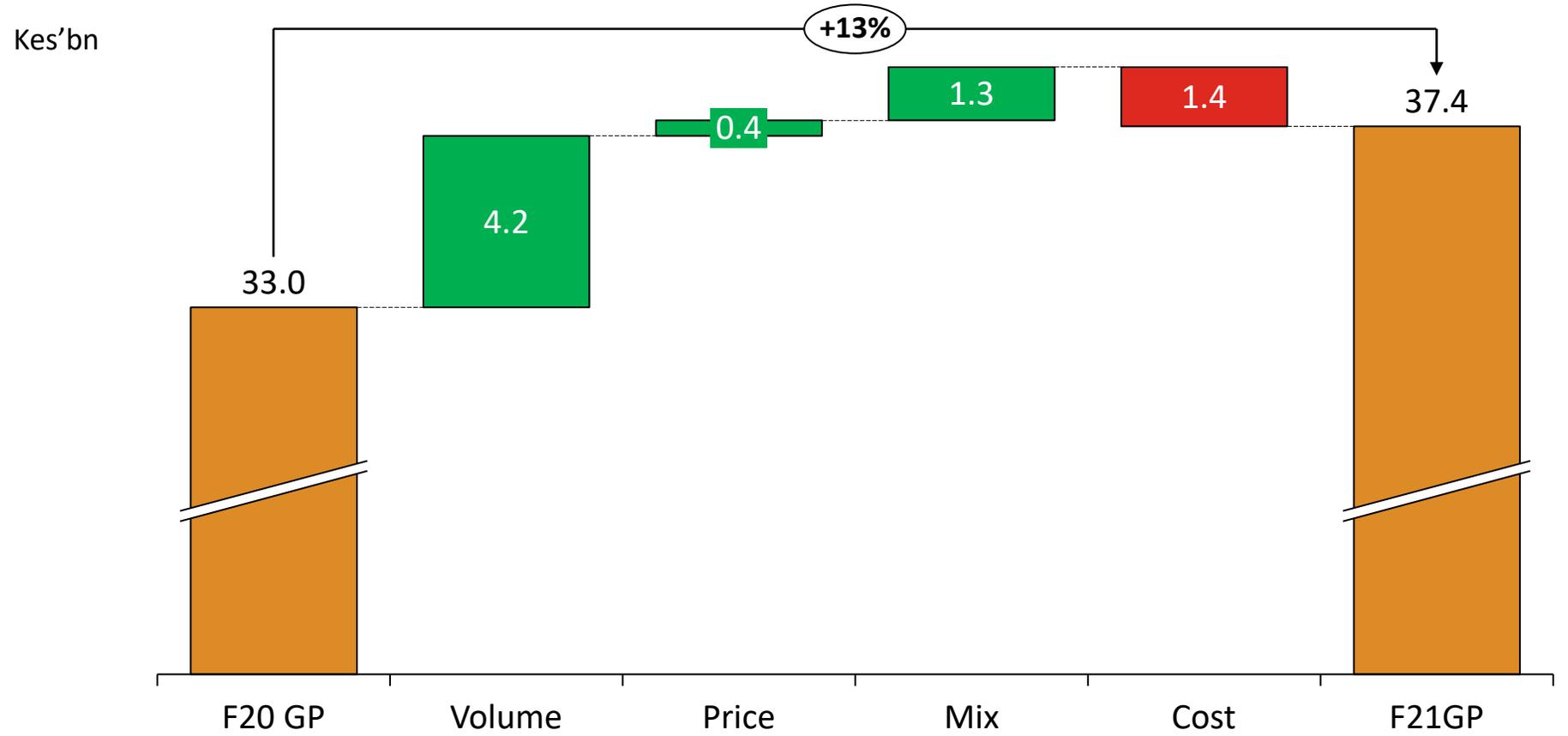
SEQUENTIAL RECOVERY OF TOP LINE PERFORMANCE SINCE F20H2



Net sales growth vs prior year



IMPROVED VOLUME AND PRODUCT MIX



REVENUE GROWTH DRIVING REBOUND IN THE BOTTOM LINE



	F21 Kes Bn	F20 Kes Bn	Vs F20	
Gross Profit	37.4	33.0	13%	↑
Selling & Distribution	(7.4)	(6.6)	12%	↑
Administrative expenses	(9.3)	(8.6)	9%	↑
FX	(1.2)	(0.2)	>100%	↑
Other expenses	(4.7)	(3.2)	48%	↑
Net Finance cost	(3.9)	(3.8)	3%	↑
Profit before Tax (underlying)	13.6	10.7	28%	↑
Profit before Tax (reported)	10.9	10.7	2%	↑

FX – foreign exchange

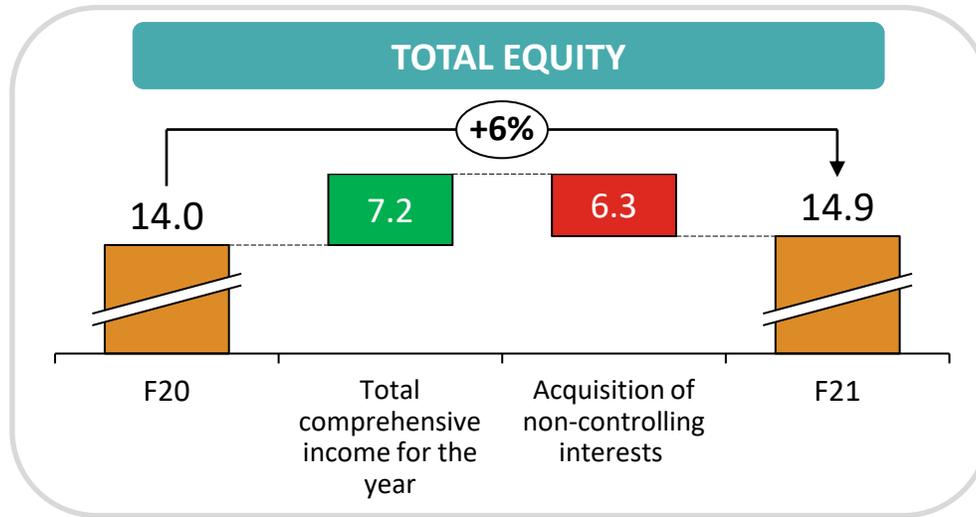
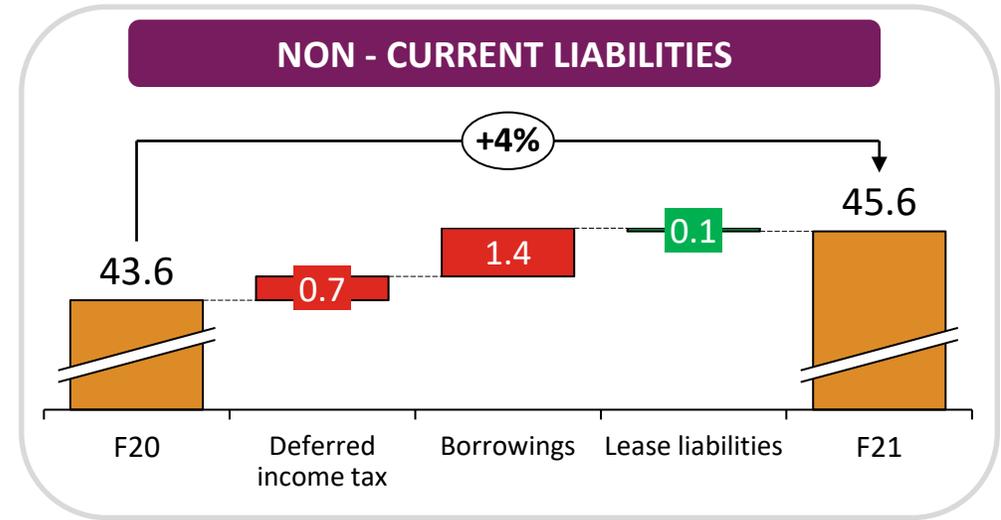
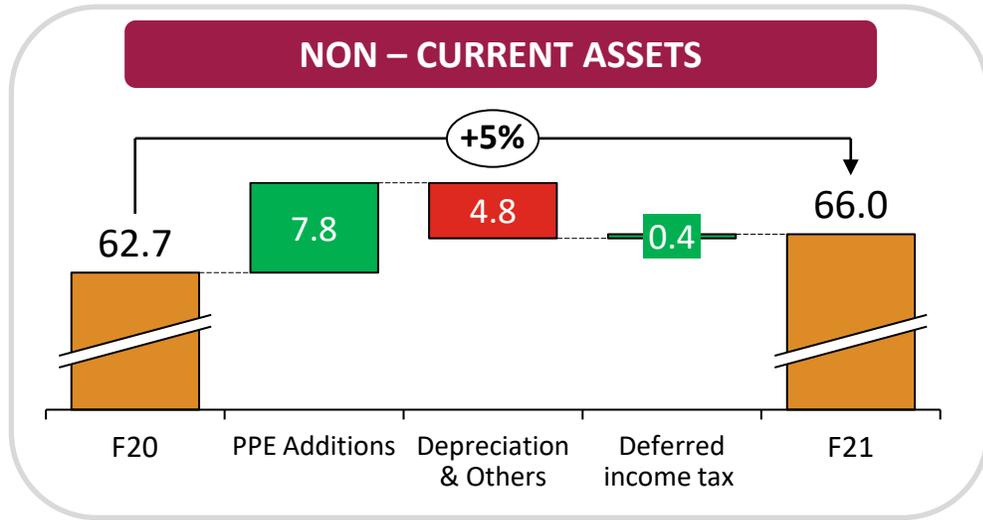


GRADUAL RECOVERY OF EARNINGS

	F21 Kes Bn	F20 Kes Bn	Vs F20
Profit before Tax	10.9	10.7	2% 
Income Tax	(3.9)	(3.6)	7% 
Profit after Tax	7.0	7.0	-1% 
EPS (Kes/Share)	5.51	5.17	7% 
DPS (KES/share)	0.0	3.0	

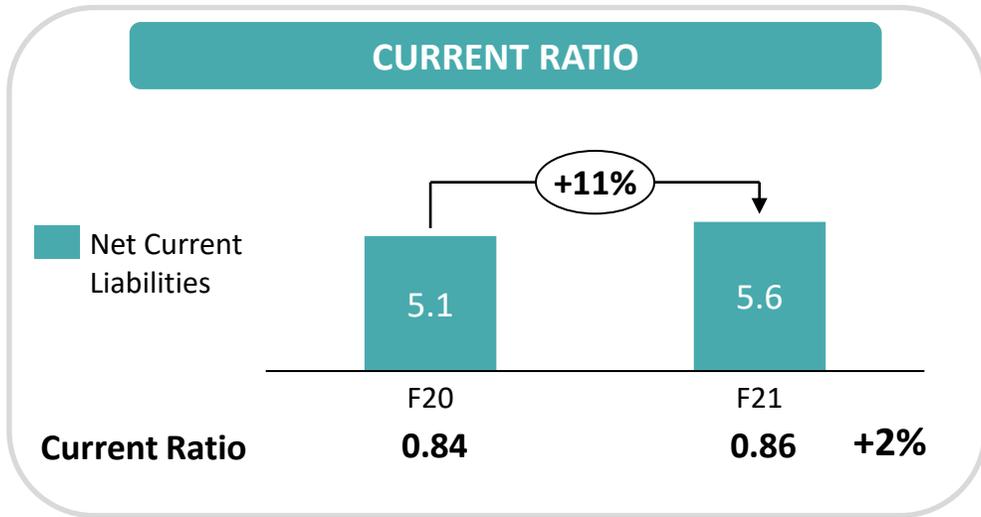
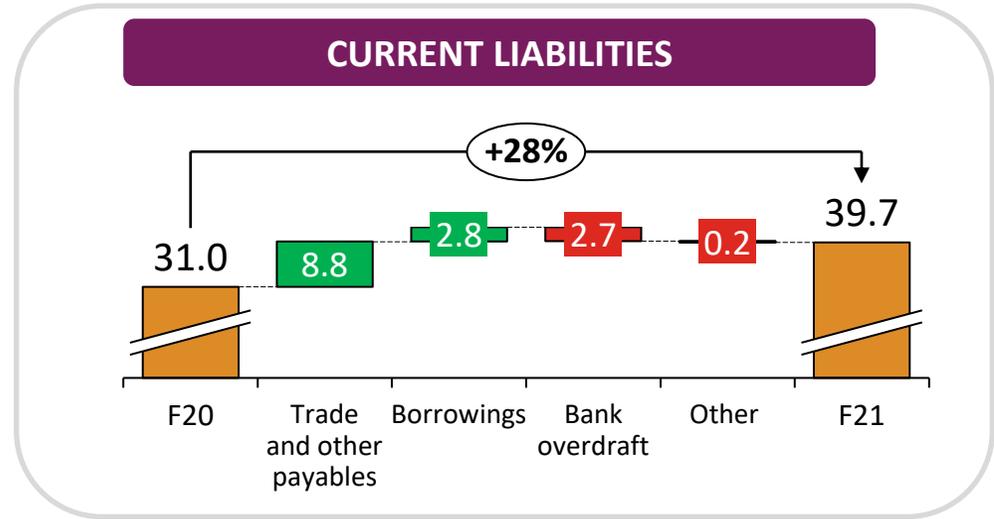
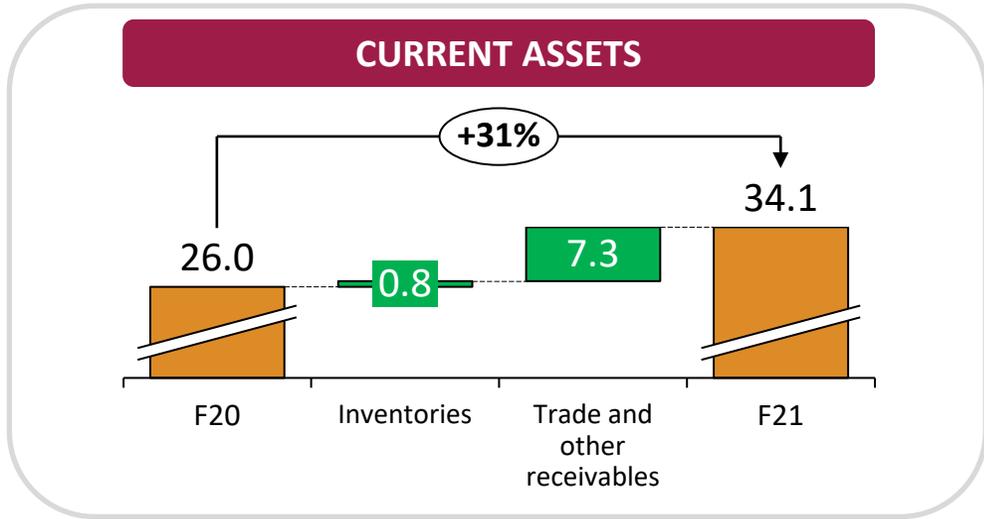


FOCUS ON STRENGTHENING OF OUR BALANCE SHEET



Kes bn; NCI – Non-Controlling Interest; PPE - Property, plant and equipment

FOCUS ON STRENGTHENING OF OUR BALANCE SHEET



Kes bn; NCI – Non-Controlling Interest; PPE - Property, plant and equipment

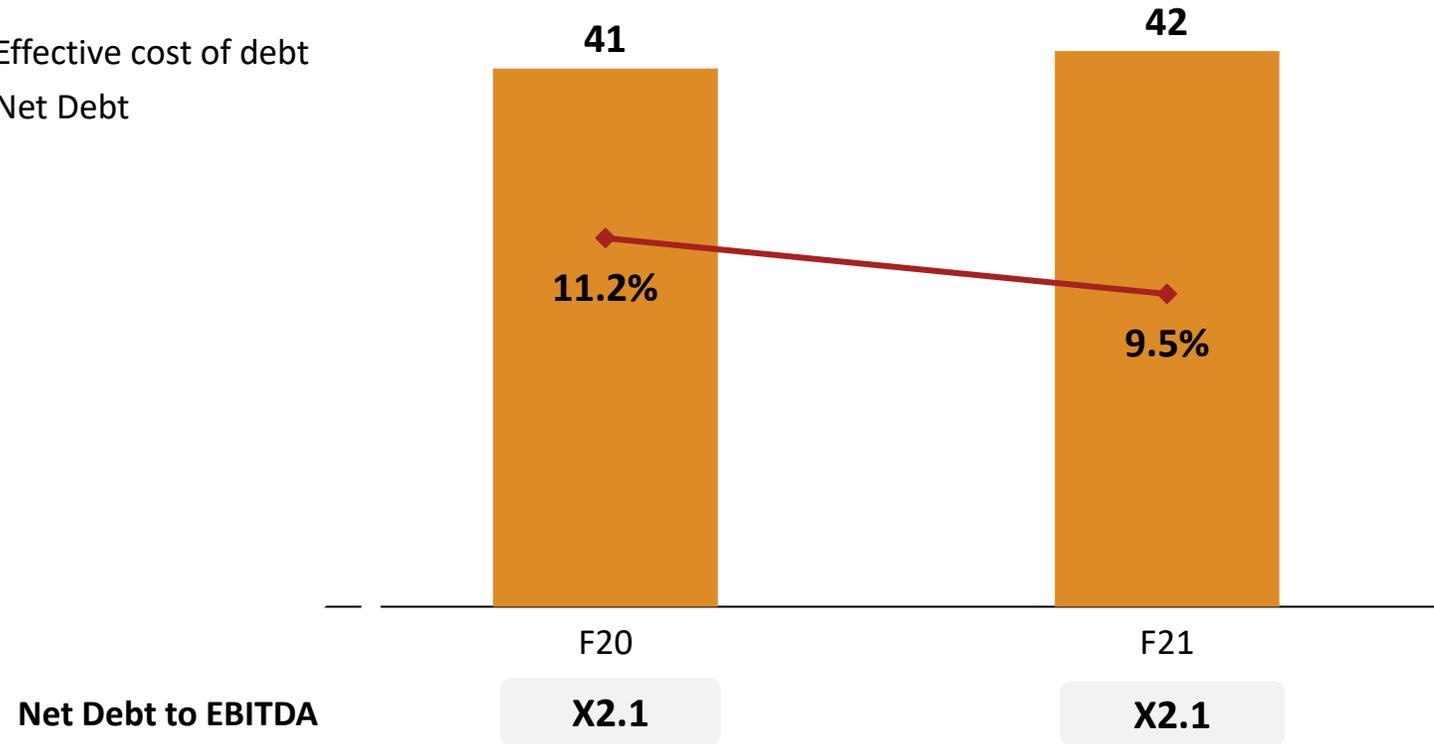


IMPROVED EFFECTIVE COST OF DEBT

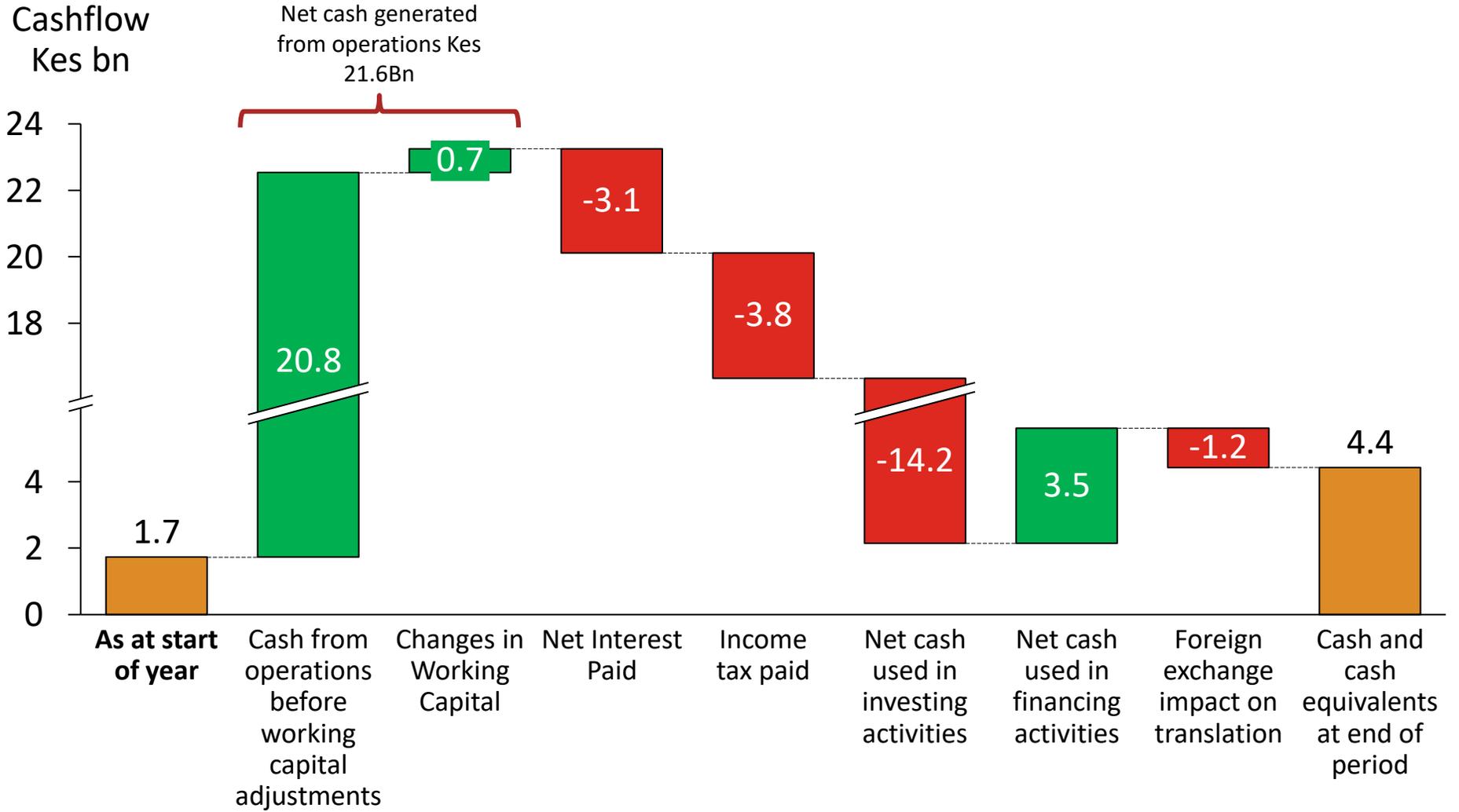
Kes bn

◆ Effective cost of debt

■ Net Debt

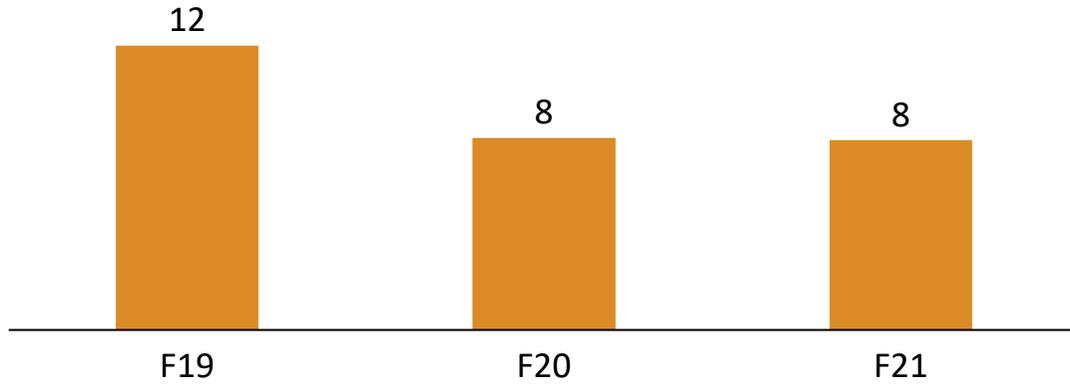


CASH POSITION SUPPORTED BY BUSINESS GROWTH

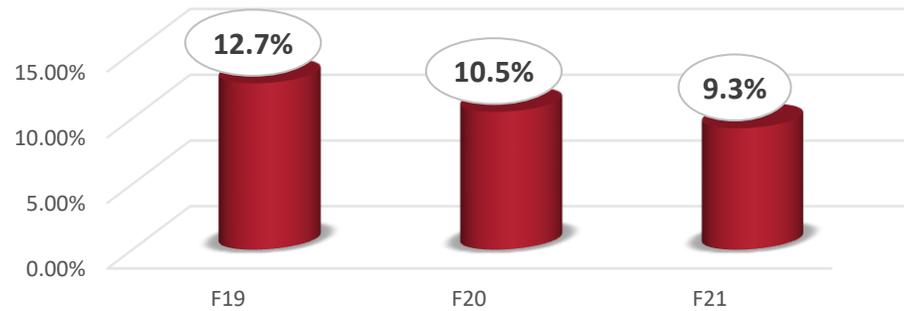


SUPPORTING QUALITY GROWTH THROUGH STRATEGIC INVESTMENTS

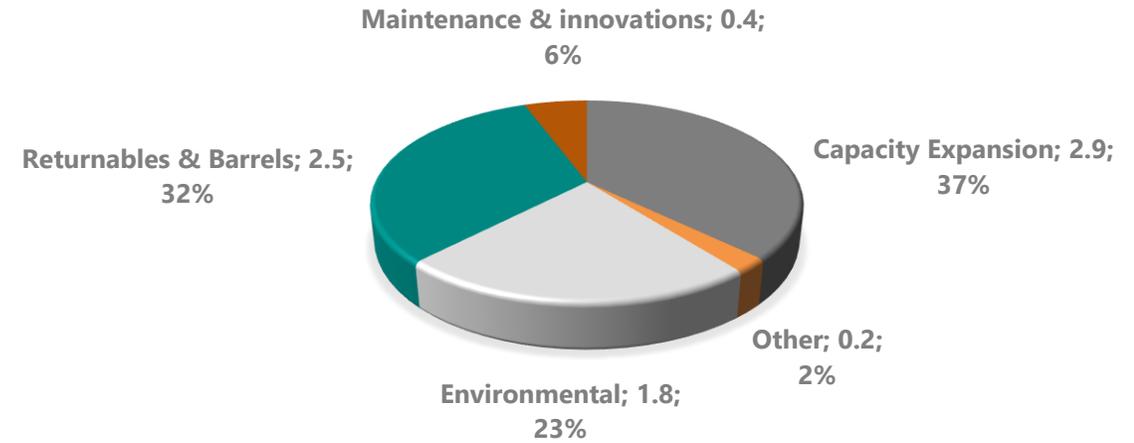
Capex Spend Kes 8bn



Capex % Net Sales



Capex spend by Category





Thank You

Thank You

Please hold questions to the end



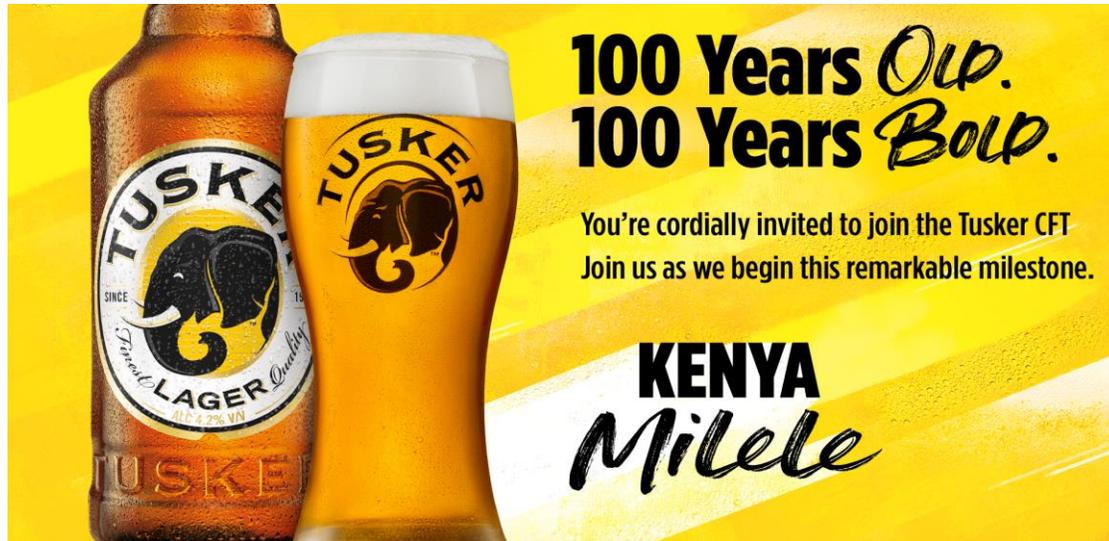
LOOKING AHEAD

- Tusker Centenary & UBL 75th Anniversary
 - F22 Priorities
-

Jane Karuku

CELEBRATING OUR LOCAL JEWELS AS WE ACHIEVE LANDMARK MILESTONES

TUSKER CENTENARY



UBL 75TH ANNIVERSARY



We are ready for a big year on Tusker and have laid the foundation for an exciting centenary celebration

We are celebrating extraordinary character, shared wins, and our progressive spirit

F22 PRIORITIES



Business Recovery

Margins

Cost Efficiency

Business Integrity

People



Q&A SESSION

Eric Kiniti

Cautionary statement concerning forward-looking statements

This document contains ‘forward-looking’ statements. These statements can be identified by the fact that they do not relate only to historical or current facts. In particular, forward-looking statements include all statements that express forecasts, expectations, plans, outlook, objectives and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of changes in interest or exchange rates, the availability or cost of financing to EABL, anticipated cost savings or synergies, expected investments, the completion of any strategic transactions and restructuring programmes, anticipated tax rates, changes in the international tax environment, expected cash payments, outcomes of litigation or regulatory enquiries, anticipated changes in the value of assets and liabilities related to pension schemes and general economic conditions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including factors that are outside EABL's control.

Factors that could cause actual results and developments to differ materially from those expressed or implied by forward-looking statements include, but are not limited to:

- economic, political, social or other developments in countries and markets in which EABL operates, which may contribute to a reduction in demand for EABL's products, adverse impacts on EABL's customer, supplier and/or financial counterparties, or the imposition of import, investment or currency restrictions (including the potential impact of any global, regional or local trade disputes or any tariffs, duties or other restrictions or barriers imposed on the import or export of goods between territories);
- changes in consumer preferences and tastes, including as a result of changes in demographics, evolving social trends (including any shifts in consumer tastes towards small-batch craft alcohol, low or no alcohol, or other alternative products), changes in travel, vacation or leisure activity patterns, weather conditions, health concerns, pandemics and/or a downturn in economic conditions;
- any litigation or other similar proceedings (including with tax, customs, competition, environmental, anti-corruption or other regulatory authorities), including litigation directed at the beverage alcohol industry generally or at EABL in particular;
- changes in the domestic and international tax environment, leading to uncertainty around the application of existing and new tax laws and unexpected tax exposures;
- the effects of climate change, or legal, regulatory or market measures intended to address climate change, on EABL's business or operations, including on the cost and supply of water;
- changes in the cost of production, including as a result of increases in the cost of commodities, labour and/or energy or as a result of inflation;
- legal and regulatory developments, including changes in regulations relating to production, distribution, importation, marketing, advertising, sales, pricing, labelling, packaging, product liability, antitrust, labour, compliance and control systems, environmental issues and/or data privacy;
- the consequences of any failure by EABL or its associates to comply with anti-corruption, sanctions, trade restrictions or similar laws and regulations, or any failure of EABL's related internal policies and procedures to comply with applicable law or regulation;
- the consequences of any failure of internal controls, including those affecting compliance with existing or new accounting and/or disclosure requirements;
- EABL's ability to maintain its brand image and corporate reputation or to adapt to a changing media environment;
- contamination, counterfeiting or other circumstances which could harm the level of customer support for EABL's brands and adversely impact its sales;
- increased competitive product and pricing pressures, including as a result of actions by increasingly consolidated competitors or increased competition from regional and local companies, that could negatively impact EABL's market share, distribution network, costs and/or pricing;
- any disruption to production facilities, business service centres or information systems, including as a result of cyber-attacks;
- increased costs for, as well as shortages of, talent, as well as labour strikes or disputes;
- EABL's ability to derive the expected benefits from its business strategies, including in relation to expansion in emerging markets, acquisitions and/or disposals, cost savings and productivity initiatives or inventory forecasting;
- fluctuations in exchange rates and/or interest rates, which may impact the value of transactions and assets denominated in other currencies, increase EABL's cost of financing or otherwise adversely affect EABL's financial results;
- EABL's ability to renew supply, distribution, manufacturing or licence agreements (or related rights) and licences on favourable terms, or at all, when they expire; or
- any failure by EABL to protect its intellectual property rights.

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CELEBRATING LIFE