

# East African Breweries PLC

CONDENSED AUDITED RESULTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2024



The Board of Directors of East African Breweries PLC (EABL) is pleased to announce its audited results for the year ended 30<sup>th</sup> June 2024.



EABL has demonstrated resilience and strategic agility, achieving commendable results on the back of a myriad of challenges during the period.

The past year has been marked by significant macroeconomic volatility across East Africa. Inflationary pressures, regulatory changes, rising interest rates and fluctuating currency posed substantial hurdles for consumer spending and business operations.

On this backdrop, EABL has posted a strong revenue growth of 13% with operating profit growth of 10%. Profit after tax declined 12% mainly impacted by currency devaluation and significant increase in finance costs.

The EABL Board has declared a final dividend of Kshs 6.00 per share, bringing the total dividend to Kshs 7.00 per share.

The Board remains committed to guiding the company through this unpredictable environment with a focus on long-term value creation. We remain prudent and optimistic about the growth prospects for our business.

Dr. Martin Oduor-Otieno - Group Chairman



We have delivered a solid double-digit topline and operating profit growth in a challenging environment, highlighting the strength of our core business and our ability to capture market opportunities effectively.

The results were achieved by leveraging our advantaged portfolio and exciting, consumer led, innovations. Additionally, supply productivity allowed us to mitigate some of the impact of cost inflation.

Our new microbrewery continues to enable us to tap into the next generation of consumers, whilst investment in our digital capabilities has meant we can service our customers and consumers more efficiently. Further, we continue to make great progress against our Environmental, Social and Governance (ESG) goals, surpassing our targets for the year.

This performance is a result of the EABL team who have remained highly engaged, externally curious, collaborative, agile and bold in navigating a volatile environment. I am grateful to our team and to

our stakeholders for their continued support and commitment.

Looking ahead, we remain committed to deliver consistent and sustainable long-term growth.

Ms. Jane Karuku – Group MD & CEO

Net Sales  
**Kshs 124.1bn**  
+13% vs LY

Operating Profit excl. FX  
**Kshs 28.8bn**  
+10% vs LY

Profit After Tax  
**Kshs 10.9bn**  
-12% vs LY

Final Dividend Per Share  
**Kshs 7.00**  
+27% vs LY

## Condensed consolidated statement of comprehensive income for the year ended:

	30 June 2024 Kshs 'M	30 June 2023 Kshs 'M
Net revenue	124,131	109,649
Cost of sales	(70,326)	(62,249)
<b>Gross profit</b>	<b>53,805</b>	<b>47,400</b>
Operating costs	(24,986)	(21,105)
<b>Operating profit excl. FX</b>	<b>28,819</b>	<b>26,295</b>
Foreign exchange losses (FX)	(3,873)	(2,101)
Net finance costs	(8,175)	(5,485)
<b>Profit before income tax</b>	<b>16,771</b>	<b>18,709</b>
Income tax expense	(5,901)	(6,386)
<b>Profit for the year</b>	<b>10,870</b>	<b>12,323</b>
Other comprehensive income	(3,958)	4,237
<b>Total comprehensive income</b>	<b>6,912</b>	<b>16,560</b>
Basic earnings per share	10.30	12.47

## Condensed consolidated statement of changes in equity

	Share capital & share premium Kshs 'M	Other reserves Kshs 'M	Retained earnings Kshs 'M	Proposed dividends Kshs 'M	Non controlling interest Kshs 'M	Total Kshs 'M
<b>At 30 June 2022 &amp; 1 July 2022</b>	<b>3,273</b>	<b>(1,470)</b>	<b>8,678</b>	<b>5,733</b>	<b>10,200</b>	<b>26,414</b>
Comprehensive income	-	4,124	9,857	-	2,579	16,560
Employees share based ownership plan	-	(85)	-	-	-	(85)
Dividends:						
- Final for 2022	-	-	-	(5,733)	(2,447)	(8,180)
- Interim for 2023	-	-	(2,965)	-	-	(2,965)
- Final for 2023	-	-	(1,384)	1,384	-	-
<b>At 30 June 2023 &amp; 1 July 2023</b>	<b>3,273</b>	<b>2,569</b>	<b>14,186</b>	<b>1,384</b>	<b>10,332</b>	<b>31,744</b>
Comprehensive income	-	(3,869)	8,146	-	2,635	6,912
Employees share based ownership plan	-	252	-	-	-	252
Dividends:						
- Final for 2023	-	-	-	(1,384)	(1)	(1,385)
- Interim for 2024	-	-	(791)	-	-	(791)
- Final for 2024	-	-	(4,745)	4,745	-	-
<b>At 30 June 2024</b>	<b>3,273</b>	<b>(1,048)</b>	<b>16,796</b>	<b>4,745</b>	<b>12,966</b>	<b>36,732</b>

## Condensed consolidated statement of cash flows for the year ended:

	30 June 2024 Kshs 'M	30 June 2023 Kshs 'M
<b>Cash generated from operations</b>	<b>34,615</b>	<b>26,145</b>
Net interest paid	(8,031)	(5,485)
Tax paid	(4,486)	(9,606)
<b>Net cash generated from operating activities</b>	<b>22,098</b>	<b>11,054</b>
Purchase of property, plant and equipment	(7,236)	(12,926)
Other investing activities	(24)	(100)
<b>Net cash used in investing activities</b>	<b>(7,260)</b>	<b>(13,026)</b>
Dividends paid	(2,176)	(10,852)
Net movement in borrowings	(9,710)	13,516
<b>Net cash from financing activities</b>	<b>(11,886)</b>	<b>2,664</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,952</b>	<b>692</b>
At start of the year	9,043	8,067
Foreign exchange impact of translation	(1,181)	284
Net increase in cash and cash equivalents	2,952	692
<b>Cash and cash equivalents at end of the year</b>	<b>10,814</b>	<b>9,043</b>

## Condensed consolidated statement of financial position as at:

	30 June 2024 Kshs 'M	30 June 2023 Kshs 'M
Share capital and share premium	3,273	3,273
Retained earnings	16,796	14,186
Other reserves	(1,048)	2,569
Proposed dividend	4,745	1,384
Non-controlling interests	12,966	10,332
<b>Total equity</b>	<b>36,732</b>	<b>31,744</b>
Borrowings	43,290	51,017
Other non-current liabilities	8,085	7,941
<b>Non-current liabilities</b>	<b>51,375</b>	<b>58,958</b>
<b>Total equity and non-current liabilities</b>	<b>88,107</b>	<b>90,702</b>
Property, plant and equipment	75,935	81,477
Other non-current assets	6,738	7,678
<b>Non-current assets</b>	<b>82,673</b>	<b>89,155</b>
Inventories	12,630	15,608
Trade and other receivables	12,650	12,250
Cash and bank balances	11,716	10,253
Other current assets	4,577	5,327
<b>Current assets</b>	<b>41,573</b>	<b>43,438</b>
Trade and other payables	28,354	30,048
Borrowings	5,636	8,880
Bank overdraft	901	1,210
Other current liabilities	1,248	1,753
<b>Current liabilities</b>	<b>36,139</b>	<b>41,891</b>
<b>Net current assets</b>	<b>5,434</b>	<b>1,547</b>
	<b>88,107</b>	<b>90,702</b>

### Operating Environment

Over the year, we navigated a complex and unpredictable macro environment marked by significant increases in interest rates and currency devaluation. Additionally, cost inflation coupled with El Niño rains and social unrest disrupted our operations, whilst constrained consumer purchasing power led to spend reprioritisation and downtrading. The economic conditions have also led consumers to illicit trade.

### Business Review

- Net sales grew 13% to Kshs 124.1 billion while volume grew 1%. This is attributable to strategic pricing, a strong portfolio and innovation launches. Further, our diversified geographical footprint helped mitigate volatility.
- Operating profit excluding foreign exchange losses grew 10% to Kshs 28.8 billion as pricing and productivity offset cost inflation. Profit after tax declined 12% to Kshs 10.9 billion, impacted by currency devaluation and rising interest rates.
- Cash and cash equivalents increased by Ksh 1.8 billion to Kshs 10.8 billion, driven by revenue growth and improved working capital management.
- Total debt reduced by Kshs 11 billion cushioning the impact of rising interest rates.

### Looking Ahead

We are confident in our long-term strategy, which is backed by the strength of our brands, solid commercial engine, supply footprint and talent and capability of our people. With these, we are well placed to successfully capture opportunities and navigate volatility to drive sustainable growth, and live our purpose of celebrating life, every day, everywhere.

### Dividend

The Board of Directors recommends a final dividend of Kshs 6.00 per share subject to withholding tax. This dividend is scheduled for payment on or about 28th October 2024 to shareholders who are duly registered at the close of business on 16th September 2024. If approved, the total dividend for the year will amount to Kshs 7.00 per share (FY 2023: Kshs 5.50).

By order of the Board  
Ms. Angela Namwakira  
Group Company Secretary  
Date: 29 July 2024