



## UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The Directors of British American Tobacco Uganda Limited announce the unaudited financial results for the six months ended 30 June 2024 as shown below:

Gross revenue (Ushs) <b>39.6bn</b>	Total costs of operations (Ushs) <b>15.2bn</b>	Taxes (Ushs) <b>21.1bn</b>	Profit before tax (Ushs) <b>6.5bn</b>
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The condensed Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by Companies Act, 2012 Laws of Uganda. These standards have been consistently applied to all years presented.

### Condensed Statement of Comprehensive Income for the six months ended 30 June

	2024 Ushs' m	2023 Ushs' m
<b>Gross revenue</b>	<b>39,577</b>	<b>48,576</b>
Excise Duty and Value Added Tax	(17,797)	(24,404)
<b>Net revenue</b>	<b>21,780</b>	<b>24,172</b>
Total cost of operations	(15,236)	(18,660)
<b>Profit from operations</b>	<b>6,544</b>	<b>5,512</b>
Finance costs	(8)	(24)
<b>Profit before tax</b>	<b>6,536</b>	<b>5,488</b>
Income tax expense	(2,026)	(1,695)
<b>Profit after tax</b>	<b>4,510</b>	<b>3,793</b>
<b>Total comprehensive income</b>	<b>4,510</b>	<b>3,793</b>
Basic and diluted earnings per share (Ushs)	92	77

### Condensed Statement of Financial Position as at

	30 June 2024 Ushs' m	31 Dec 2023 Ushs' m
<b>Capital and reserves</b>		
Share capital	61	61
Revaluation surplus	14,659	14,659
Retained earnings	28,801	24,195
<b>Shareholders' equity</b>	<b>43,521</b>	<b>38,915</b>
Non-current liabilities	8,199	8,538
	<b>51,720</b>	<b>47,453</b>
<b>Assets</b>		
<b>Non-current assets</b>	<b>29,924</b>	<b>30,512</b>
<b>Working capital</b>		
Current assets	32,167	27,604
Current liabilities	(10,371)	(10,663)
<b>Net working capital</b>	<b>21,796</b>	<b>16,941</b>
	<b>51,720</b>	<b>47,453</b>

### Condensed Statement of Cash Flows for the six months ended 30 June

	2024 Ushs' m	2023 Ushs' m
Cash generated from operations	8,922	9,012
Tax paid	(2,521)	(2,038)
<b>Net cash from operating activities</b>	<b>6,401</b>	<b>6,974</b>
Net cash used in financing activities	(351)	(409)
<b>Movement in cash &amp; cash equivalents</b>	<b>6,050</b>	<b>6,565</b>
At the start of the period	11,757	10,533
Exchange loss on cash at bank	(12)	(3)
<b>At the end of the period</b>	<b>17,795</b>	<b>17,095</b>

### Condensed Statement of Changes in Equity

	Share capital Ushs' m	Revaluation surplus Ushs' m	Retained earnings Ushs' m	Total Ushs' m
<b>At 1 January 2023</b>	<b>61</b>	<b>12,819</b>	<b>25,279</b>	<b>38,159</b>
Total comprehensive income	-	-	3,793	3,793
Dividends	-	-	-	-
<b>At 30 June 2023</b>	<b>61</b>	<b>12,819</b>	<b>29,072</b>	<b>41,952</b>
<b>At 1 January 2024</b>	<b>61</b>	<b>14,659</b>	<b>24,195</b>	<b>38,915</b>
Total comprehensive income	-	-	4,510	4,510
Dividends	-	-	96	96
<b>At 30 June 2024</b>	<b>61</b>	<b>14,659</b>	<b>28,801</b>	<b>43,521</b>

### Operating environment

The macro-economic landscape was relatively stable as demonstrated by low inflation levels and foreign currency exchange rates. Notwithstanding this relative stability, the Company's performance was impacted by high prevalence of illicit trade in tax evaded cigarettes, which continued to shrink the legitimate market.

Third party research indicates growth in illicit trade incidence, estimated at 34% in June 2024 versus 29% in December 2022. This growth further impacts industry revenues and deprives the Government of an estimated Ushs 35 billion consequently affecting the overall economy.

Illicit cigarette products are characterised by lack of digital tax stamps, absent or altered graphic health warnings, flavour features and are sold at significantly lower prices which drives their prevalence. It is imperative that the Government intensifies its efforts to stem the growing prevalence of illicit cigarettes in the market.

### Financial highlights

- Gross revenue declined by 19% to Ushs 39.6 billion while Excise Duty and Value Added Tax (VAT) decreased by 27% to Ushs 17.8 billion primarily driven by lower sales volume. Consequently, net revenue declined by 10% to Ushs 21.8 billion.
- Total cost of operations decreased by 18% to Ushs 15.2 billion reflecting the impact of lower sales volume, prudent cost management and efficiencies following a successful

route-to-market business simplification completed in 2023. This was further offset by rental income from leasing unutilized Company property to a third party.

- Profit before tax increased by 19% to Ushs 6.5 billion primarily due to lower total cost of operations partly offset by lower net revenue.
- Taxes in the form of Excise Duty, VAT and Income Tax decreased by 23% to Ushs 21.1 billion, driven by lower sales volume (lower Excise Duty and VAT), partly offset by growth in profitability (higher Income Tax).

### Dividend

The Board does not recommend an interim dividend.

### Outlook

We are committed to our purpose to build A Better Tomorrow™ by reducing the health impact of our business and sustainably delivering shareholder value. We are confident in our ability to navigate the increasingly challenging operating environment, supported by our world class talent, consumer-centric brand portfolio, continued investment in the simplification of our business and sustainable trade partnerships.

We reiterate our call to Government for a multi-agency approach towards enforcement of tobacco control laws to address the high prevalence of illicit trade as an enabler for legitimate industry sustainability.

Kampala  
1 August 2024

By Order of the Board  
Paul Mbuga  
S&L Advocates - DLA Piper Africa  
Company Secretary