



**2022 INTEGRATED REPORT
& FINANCIAL STATEMENTS**



Group Chairman's Statement

Overview

I am very pleased to share with you our report for fiscal year 2022, a period which saw regional economies begin to recover from the impact of the Covid 19 pandemic. As you know, our two previous financial years were deeply impacted by the vagaries of the pandemic, and our focus then was to protect our people and the business. Fiscal Year 22 has been a much better year: not only have we seen a full reopening of our economies in East Africa, but we have also witnessed a resumption of our on-trade business.

Despite the challenges, our focus and agility have enabled us to navigate the volatility and deliver strong performance. Our employee engagement remains high, and we continue to invest for long-term growth, in our brands and in our portfolio. As a consumer-driven business, we take time to study the market, to understand consumer needs and wants and how best to satisfy them. That is why we continuously invest in innovation of our brands and delivery channels.

The Board and management team are committed to delivering long-term value to all our stakeholders. As we celebrate 100 years of EABL's operations, we will continue to pursue our vision to be the best performing, most trusted, and respected company in Africa.

Regional Operating Environment

Fiscal Year 22 saw the respective East African governments make significant strides in vaccine administration against Covid 19 leading to the easing of pandemic-related restrictions that had been in place in the past fiscal year. This easing contributed to an improved operating environment as outlets reopened and consumer activities picked up.

As a Group we remain a major contributor to the revenues of governments in the region, and in the current fiscal year paid total taxes of Kshs 87.7 billion to the revenue authorities in the countries in which we operate.



On behalf of the Board of Directors, I would like to recognise and celebrate our customers, consumers, suppliers, partners, and agencies, as well as the governments in the respective countries in which we operate for the support given to EABL during the year.

Having said this, it is important to note that the East African region has some of the highest alcohol excise tax rates in sub-Saharan Africa, with the excise regime in Kenya becoming increasingly aggressive and unpredictable, creating uncertainty for businesses like ours. We continue to raise our concerns with the relevant stakeholders on the importance of reasonable tax increases to protect the industry and cushion the impact on consumers and government revenues.

Dividend

As a business, we have navigated the rising inflation and increase in excise taxes through strategic pricing and effective cost management to deliver our highest profit in 5 years. It is against this background that an interim dividend of Kshs 3.75 per share was paid during the year.

The Board of Directors has recommended a final dividend of Kshs 7.25 per share to be paid on or before 30th October, 2022, to shareholders registered at the close of business on 15th September, 2022, subject to withholding tax. This brings the total dividend for the year to Kshs11.00 per share, the highest in many years.

Supporting our Community

During the year, we supported the hospitality industry through our US\$5 million Raising the Bar initiative. This fund enabled physical and digital support to bars welcoming customers back after lockdowns. We also complemented governments’ effort across East Africa in driving national programmes to combat the impact of Covid 19, by making vaccines available to our employees, their families, and consumers.

Our commitment to promote positive drinking is a core pillar of our strategy. We want to change the way our consumers drink for the better. That means promoting moderation and continuing to address the harmful use of alcohol by changing attitudes and expanding our programmes that tackle underage drinking, drunk driving and binge drinking. Promoting moderation and addressing the harmful use of alcohol is not only the right thing to do, but an essential part of our performance ambition.

As a business, our commercial success depends on us creating a positive impact on society, wherever we live, work, source and sell. We want our consumers to drink better, not more – and to trade up to our higher quality drinks.

We have taken a strategic direction on our Environmental, Social and Governance (ESG) agenda that focuses on Society 2030: Spirit of Progress, which is our 10-year sustainability programme. This is a three-pronged agenda aimed at promoting positive drinking, championing diversity and inclusion and pioneering grain to glass sustainably across our value chain.

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Looking Ahead

We are stepping into the future with the heritage and foundation we have built over the last 100 years. Our commitment remains to grow our business in a consistent and sustainable way. We are confident in our long-term strategy, the strength of our brands and the extraordinary character and talent of our people. With these, we are well-placed to successfully manage the challenges and capture opportunities that will continue to drive sustainable growth across East Africa, and live our purpose to celebrate life every day, everywhere.

Appreciation

On behalf of the Board of Directors, I would like to recognise and celebrate our customers, consumers, suppliers, partners, and agencies, as well as the governments in the respective countries in which we operate for the support given to EABL during the year.

I also wish to recognise and celebrate our management and all our staff for their continued agility and resilience throughout the year. They have demonstrated a deep commitment to the business, dexterity in a time of uncertainty, and creativity and innovation that have enabled the business to deliver an outstanding performance during the year.

Likewise, I would like to thank my fellow Board members at EABL, and members of the boards of our subsidiary companies for their counsel, support and dedication throughout the year and for delivering a strong corporate governance environment.

I remain optimistic about the prospects for our business.

Dr. Martin Oduor-Otieno
Group Chairman