

SINCE 1922
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CELEBRATING LIFE



**2022 INTEGRATED REPORT
& FINANCIAL STATEMENTS**



Group Chief Financial Officer’s Statement

Great performance in a challenging macroeconomic environment

The Group’s performance remained largely resilient despite key challenges faced during the year, demonstrating a sustained positive momentum even as we continue to navigate a dynamic operating environment.

Performance review

Net sales were up 27% to Kshs 109.4 billion as both beer and spirits recovered. Volume growth delivered 22% of the growth while 5% was delivered through a mix of premiumisation and strategic price increases following excise adjustments in Kenya and Uganda.

Volume

↑ **+22%**

NSV

↑ **+27%**
Kshs109.4bn

PAT

↑ **+124%**
Kshs 15.6bn

DPS

↑ **Kshs 11.0**



We are confident about EABL’s growth prospects across our markets. While there is no doubt about the challenges we continue to face, our performance over the past year demonstrates the strength of our business. Our sustained investments in brand building, in our people and communities position us well to achieve our strategic ambitions and deliver long term value for all our stakeholders.

“ **At the country level, Kenya, Uganda, and Tanzania’s revenues grew 30%, 24%, and 21%, respectively, driven by volume recovery, coupled with investments in brands and continued channel innovation in response to consumer behaviour shifts.** ”

At the country level, Kenya, Uganda, and Tanzania’s revenues were up 30%, 24%, and 21%, respectively, driven by volume recovery, coupled with investments in brands and continued channel innovation in response to consumer behaviour shifts. Profit after tax grew by 124% to Kshs 15.6 billion, driven by an increase in net revenue and effective cost management.

Growth in cash generation

Net cash from operating activities (Kshs 26.4 billion) grew by 81%, while free cash flow increased by Kshs 12.8 billion to close at Kshs 13.2 billion as at 30th June, 2022, driven by growth in operating profit and working capital management.

Everyday efficiency productivity savings

Our productivity initiatives through the year including competitive sourcing, and efficiencies in production and logistics delivered Kshs 2.5 billion, offsetting the more than Kshs 1.8 billion absolute impact of cost inflation, and the adverse impact on gross margin.

Increasing reinvestment

We used our strong cash generation to invest in long-term growth. We grew our reinvestment rate in our iconic brands to 8.9% +33 bps vs the prior year. To support future growth, capital expenditure stood at 12% (Kshs 13.2 billion) mainly in relation to expanding production capacity in Tanzania and Uganda.

Net debt

Net debt for the group reduced from Kshs 41.8 billion as at 30th June, 2021, to Kshs 34.7 billion as at 30th June, 2022, as a result of increased cashflows enabling the repayment of certain borrowings. During the period, the group raised Kshs 11 billion through the issue of a Medium Term Note in the capital markets -- the largest public issue in Kenya’s history - providing an opportunity for investors to participate in the funding of the company. The proceeds of the issue were used to refinance existing debt and fund capital expenditure.

Earnings per share (EPS)

Earnings per share increased by 172% to Kshs 15.0 (2021: Kshs 5.51) reflecting the higher profitability. The recommended final dividend for the year ended 30th June, 2022, which will be put to the shareholders for approval at the Annual General Meeting, is Kshs 7.25 (2021: Nil) reflecting our commitment to deliver long-term shareholder value.

Looking ahead

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Ms. Risper Ohaga
Group Chief Financial Officer