

SINCE 1922
eabl
CELEBRATING LIFE



**2022 INTEGRATED REPORT
& FINANCIAL STATEMENTS**



Group Managing Director's Statement

Creating a growth platform for the next 100 years

I am pleased to report another year of strong and consistent performance at East African Breweries PLC (EABL). In Fiscal Year 22, our company made progress towards its ambition of becoming one of the best performing, most trusted and respected consumer products companies in Africa. EABL is celebrating 100 years in 2022, and I would like to thank all our employees for their continued resilience, commitment and passion.

In the first half of the financial year, we saw the lifting of Covid 19 lockdowns across East Africa, and this led to the re-opening of the broader economy and on-premise channel. As a result, our business operations returned to normal. As consumers returned to trade, we supported re-opening of bars, investing \$5 million over the pandemic period to revive our outlets.

During the pandemic, we saw significant shifts for both our consumers and customers. Leveraging data and insights, we invested appropriately to understand these shifts and innovated brands to ensure that we met emerging consumer demands. In addition, we innovated in route to consumer channels and invested in e-commerce and last mile distribution to ensure that all our products were easily accessible.

This helped us deliver the strongest results in recent years across all metrics, a moment of great pride for everyone connected to this great company.

Performance

EABL's net sales grew by 27% to Kshs 109.4 billion with strong double-digit growth across our markets and categories. We also registered good performance in our strategic imperatives: vibrant beer grew by 27%; mainstream spirits by 27%; premium by 26% and new frontiers by 35%.

We delivered this robust performance due to the consistent focus on our strategy and execution, as well as our strong portfolio of brands.

Creating value

Our operating environment is becoming more unpredictable, with significant challenges relating to both regional and global macro-economic trends and environment. Further, there is continued uncertainty in tax and policy changes across governments in our region.



EABL is transforming into a more entrepreneurial and creative business. Our performance was delivered by our consumer-centricity, speed in execution and our people's agility to adapt to changing environment.

Our business will not be immune to this volatility but the depth and breadth of our portfolio and discipline and focus of our people will help us navigate these headwinds. As we celebrate a centenary of our existence, EABL is determined to build a company that will prosper beyond the next 100 years.

Our strategy is delivering consistent top-line performance, sustained margin expansion, with increased investment in our brands and business. We will continue focusing on our consumers and customers, sustainable growth, smart investments, ESG strategy and our people.

Our people and culture

EABL is transforming into a more entrepreneurial and creative business. Our performance was delivered by our consumer-centricity, speed in execution and our people’s agility to adapt to changing environment.

We are embedding a culture of discipline and efficiency at pace, leading to significant operational savings that have been reinvested in the most attractive opportunities. These investments not only support growth of our brands and strengthen our portfolio but have also allowed us to build more advanced capabilities through new technology and enhanced training.

One of the hallmarks of EABL over the last century has been our support for our people. We have established a talent management structure that ensures we recruit the best, train and create the right environment to thrive.

Sustainability

As a 100-year-old business, we are proud to be the custodians of some of the most iconic brands in the world. These were built over generations by people who understood the importance of building a business for the long term. We are also determined to build a business that makes a positive impact on the issues that matter most to wider society.

EABL’s commitment to sustainability is a critical imperative for this business to continue to thrive beyond the next century. Our efforts towards environment, inclusivity, diversity and promoting positive drinking through our 10-year ESG plan is central to our strategy to deliver commercial advantage and attract talent.

We have partnered with critical stakeholders in private, government, and non-profit bodies to execute our sustainability plans at scale. Our Wrong Side of the Road, a new programme to support changes in attitudes to drunk driving, has reached nearly 30,000 people in East Africa.

“ **As we step into the next 100 years with our heritage and the foundation we have built, our commitment remains to grow our business in a consistent and sustainable way, as we continue to deliver long term value to all our stakeholders.** ”

In Fiscal Year 22, SMASHED, our programme focused on tackling underage drinking, has educated over 48,000 people, 137% more than we targeted. We leveraged DRINKIQ, our responsible drinking tool, to reach over 104,000 people with dedicated responsible drinking – 317% more than we targeted.

On our diversity journey, I’m also very proud that we continue to make progress in building a more inclusive and diverse company: 36% of our senior leaders and 63% of our programme beneficiaries are female.

Additionally, we have made progress this year in the delivery of our grain-to-glass sustainability goals, with a focus on preserving water for life, accelerating to a low-carbon world and becoming sustainable by design **(read more from page 68 to page 75)**.

Looking into the future

As we step into the next 100 years with our heritage and the foundation we have built, our commitment remains to grow our business in a consistent and sustainable way, as we continue to deliver long-term value to all our stakeholders.

While the external environment remains uncertain, we remain sharply focused on executing against our strategic priorities. The consumer remains at the heart of our business and we will sustain investment behind our brands, leveraging our portfolio to drive quality market share and margin growth. We have embedded efficiency across the business through our productivity initiatives and this will enable continued growth, improved agility, and consistent cash flow generation.

We are confident that with these, combined with our extremely capable and motivated people, we are well positioned to maneuver the challenges and realise the opportunities. We are assured that we’ll continue on the path of sustainable growth across East Africa, continue to build our brands and enable our consumers to ‘celebrate life every day, everywhere’.

Ms. Jane Karuku
Group Managing Director & CEO