

SINCE 1922
eabl
CELEBRATING LIFE



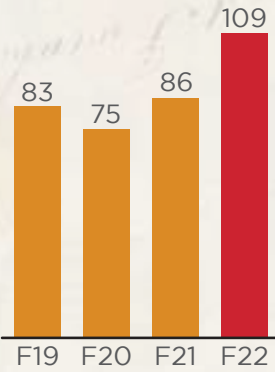
**2022 INTEGRATED REPORT
& FINANCIAL STATEMENTS**



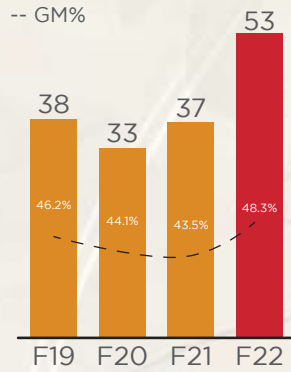
Performance Highlights

Great Performance Against Key Metrics

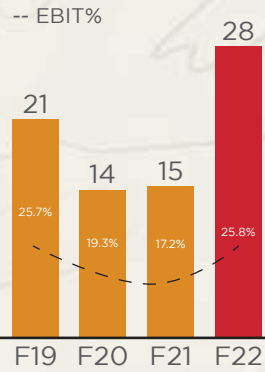
Net Sales Value (Kshs bn)



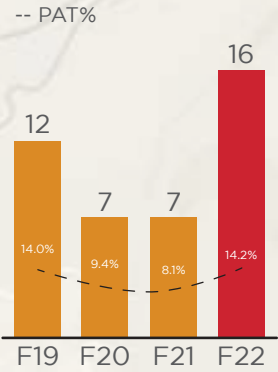
Gross Profit (Kshs bn)



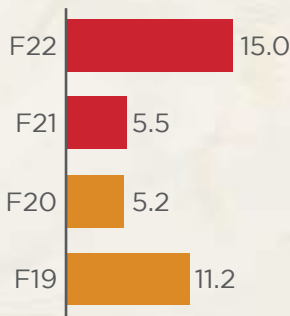
EBIT (Kshs bn)



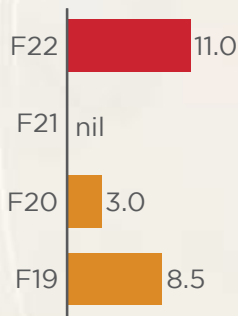
PAT (Kshs bn)



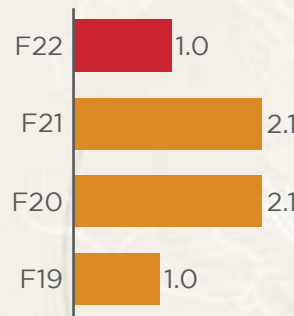
EPS (Kshs)



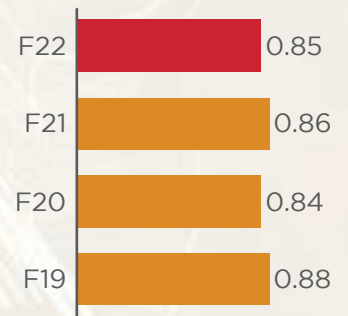
DPS (Kshs)



Net Debt / EBITDA



Current Ratio



Non-Financial Highlights

>17,000,000 reached with messages of moderation

36% senior leadership roles are held by women, +26% vs F21. Women make up 71% of our community training programs



362,248 m³ volume of water replenished and reused. Over **36k** beneficiaries of our water projects reached, +18% vs F21

0 Total waste to landfill from our direct operations

Biomass plants to help reduce **42,000 tonnes** off our carbon footprint. **91.5%** of renewable electricity utilized across our direct operations, +10% vs F21

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.

“ 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. ”

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

Taarifa ya Mwenyekiti wa Kundi

Ripoti ya Mwaka wa Kifedha wa 22 Kwa Ufupi

Katika mwaka wa kifedha wa 22, katika East African Breweries PLC (EABL) tulishuhudia mataifa ya kanda hii yakijikwamua kiuchumi kutoka kwa athari za janga la Covid 19. Kama mjuavyo, miaka miwili ya kifedha iliyopita kwetu iliathiriwa sana na janga hilo, na kipaumbele chetu kimekuwa ni kuwakinga watu na biashara yetu. Mwaka wa kifedha wa 22 umekuwa mwema: sio tu kwamba tumeshuhudia mataifa Afrika Mashariki yakifungulia tena shughuli za kiuchumi, bali pia tumeona biashara yetu ikirejelea kawaida.

Licha ya changamoto zilizokuwepo, kuwa na mwelekeo pamoja wepesi wa kubadilika vilituwezesha kupitia changamoto zilizokuwepo na kumaliza mwaka tukiwa imara zaidi, na kutuwezesha wka mara nyingine kuandikisha matokeo mazuri ya kifedha. Kiwango chetu cha wafanyakazi wetu kushiriki kimeendelea kuwa cha juu na tunaendelea kuwekeza kwa ajili ya ukuaji wa kipindi kirefu, katika nembo zetu na bidhaa zetu. Kama biashara inayoongozwa na wateja, huwa twachukua muda kudadisi soko na kuyaelewa vyema mahitaji na matamano ya mteja na njia gani bora ya kukidhi mahitaji hayo. Hii ndiyo sababu tumeendelea kuwekeza katika uvumbuzi na ubunifu kuboresha bidhaa zetu ili kuendana na mitindo ya wateja inayobadilika.

Bodi na wasimamizi wamejitolea kutoa thamani ya kipindi kirefu kwa wadau wetu. Tunaposherehekea miaka 100 ya shughuli za EABL, tutaendelea kujizatiti kuwa kampuni yenye matokeo bora zaidi, ya kuaminika zaidi na inayoheshimiwa zaidi Afrika.

Mazingira ya Uendeshaji Shughuli katika Kanda

Mwaka wa kifedha wa 22 serikali za mataifa ya Afrika Mashariki zilipiga hatua kubwa katika utoaji wa chanjo dhidi ya Covid 19 na kuchangia kuondolewa kwa vikwazo vilivyokuwa vimewekwa kuhusiana na janga hilo kwa sehemu kubwa ya mwaka huo wa kifedha.

Hatua hiyo ilichangia kuimarika kwa mazingira ya uendeshaji shughuli kwani vituo vingi vilifungua tena biashara na shughuli za watumiaji wa bidhaa zetu zikaongezeka. Kama Kundi, tunaendelea kuwa moja ya wanaochangia pakubwa katika mapato ya serikali katika kanda, ambapo huwa tulilipa kodi ya Kes 87.7 bilioni mwaka huo.

Kanda ya Afrika Mashariki ina baadhi ya viwango vya juu zaidi vya ushuru wa bidhaa Afrika kusini mwa



Kwa niaba ya Bodi ya Wakurugenzi, ningependa kuwatambua na kuwashukuru wateja wetu, wanaotumia bidhaa zetu, wasambazaji wetu, washirika, na mamlaka pamoja na serikali katika mataifa husika tunayohudumu kwa ushirikiano wao na kwa kutuunga mkono.

Sahara. Mfumo wa ushuru huo Kenya umeendelea kuwa mkali na usiotabirika, jambo linalozua wasiwasi kwa biashara kama yetu. Tumeendelea kueleza wasiwasi wetu kwa wadau husika kuhusu umuhimu wa nyongeza ya ushuru ya maana ili kulinda maslahi ya watumiaji wa bidhaa na serikali, pamoja na mapato ya sekta hii.

Kama biashara, tuliweza kuhimili ongezeko la mfumko wa bei na kuongezwa kwa ushuru wa bidhaa kupitia kuongeza bei ya bidhaa zetu kwa busara na pia kudhibiti gharama na hili likatuwezesha kupata faida yetu ya juu zaidi katika kipindi cha miaka 5.

Ni katika mazingira haya ambapo mgawo wa faida wa muda wa Kes 3.75 kwa kila hisa ulilipwa mapema mwaka huo. Bodi ya Wakurugenzi imependekeza pia mgawo wa mwisho wa faida wa Kes7.25 kwa kila hisa ulipwe mnamo au kabla ya 30 Oktoba 2022 kwa wenyehisa ambao watakuwa kwenye sajili wakati wa kufungwa kwa biashara mnamo 15 Septemba 2022, baada ya kutozwa kodi ya zuio. Hii pamoja na mgawo wa faida wa muda imefanya mgawo wa faida kwa jumla mwaka huo kuwa Kes11.00 kwa kila hisa.

Kusaidia jamii yetu

Katika mwaka huo, tuliisaidia sekta ya hoteli na baa kupitia mkakati wa thamani ya US\$5 milioni kwa jina Raising the Bar. Fedha hizo ziliwezesha kutolewa kwa usaidizi wa vitu mbalimbali na wa kidijitali kwa baa zilizokuwa zinawakaribisha tena wateja baada ya kufungwa kwa muda mrefu. Tulisaidia pia juhudi za serikali za Afrika Mashariki katika mipango ya kukabiliana na Covid 19, kutoa chanjo kwa wafanyakazi wetu, familia zao, na watumiaji wa bidhaa zetu.

Kujitolea kwetu kuhamasisha unywaji pombe kwa busara ni nguzo kuu katika biashara yetu. Tunataka kubadilisha jinsi wateja wetu wanavyokunywa pombe. Hii ina maana ya kuhamasisha kunywa kwa wastani na pia kuendelea kuangazia madhara ya pombe kwa kubadilisha mitazamo. Pia, kupanua miradi yetu inayoangazia kukabiliana na unywaji pombe kwa watu wasiotimiza umri ulioruhusiwa, kuendesha magari watu wakiwa walevi na pia ulevi wa kupindukia. Kuhamasisha unywaji pombe kwa kipimo na kuangazia madhara ya pombe sio tu kwamba ni jambo njema la kufanya, bali pia ni sehemu kuu ya azma yetu.

Kama biashara, mafanikio yetu ya kifedha yanategemea sisi kuwa na manufaa kwa jamii, maeneo tunamoishi, kufanyia kazi, kununua bidhaa na kuuza. Tunataka wateja wetu wanywe kwa njia bora zaidi, si kwamba eti wanywe zaidi – na wapande na kunywa vinywaji vyetu vya ubora wa hali ya juu na ladha bora zaidi.

Tumeendelea pia kujibu mahitaji ya wateja wetu na bidhaa zetu zina madhara ya chini sana kwa mazingira. Kama biashara, tumechukua mwelekeo wa kimkakati katika ajenda yetu ya Mazingira, Jamii na Utawala (ESG) ambayo huangazia Spirit of Progress, ambao ni mpango wetu wa uendeleu wa miaka 10. Mpango huu una ajenda tatu ambazo ni kuhamasisha mazuri, kutetea thamani ya tofauti zetu na kujumuisha wote na pia kuhakikisha uendeleu kuanzia kwa nafaka hadi kwenye chupa katika mfumo wetu wa uzalishaji.

“Kujitolea kwetu kuhamasisha unywaji pombe kwa busara ni nguzo kuu katika biashara yetu. Tunataka kubadilisha jinsi wateja wetu wanavyokunywa pombe. Hii ina maana ya kuhamasisha kunywa kwa wastani na pia kuendelea kuangazia madhara ya pombe kwa kubadilisha mitazamo. Pia, kupanua miradi yetu inayoangazia kukabiliana na unywaji pombe kwa watu wasiotimiza umri ulioruhusiwa, kuendesha magari watu wakiwa walevi na pia ulevi wa kupindukia.”

Kutazama Mbele

Kama biashara, tunaingia kwenye siku za usoni tukiwa na urathi na msingi tulioujenga kwa miaka 100 iliyopita. Ahadi yetu inasalia kuwa kukuza biashara yetu kwa njia imara na endelevu. Tuna imani katika mkakati wetu wa kipindi kirefu, nguvu ya nembo zetu na sifa za kipekee na vipaji vya wafanyakazi wetu. Tukiwa na haya yote, tupo katika nafasi nzuri ya kukabiliana na changamoto na kutumia vyema fursa na hivyo kuendelea kupata ukuaji endelevu kote Afrika Mashariki, na pia kutimiza lengo letu kuu ya kusherehekea maisha kila siku, pahala popote.

Shukrani

Kwa niaba ya Bodi ya Wakurugenzi, ningependa kuwatambua na kuwashukuru wateja wetu, wanaotumia bidhaa zetu, wasambazaji wetu, washirika, na mamlaka pamoja na serikali katika mataifa husika tunayohudumu kwa ushirikiano wao na kwa kutuunga mkono.

Ningependa pia kuwatambua na kuwashukuru Wasimamizi wetu na wafanyakazi wetu kwa kuendelea kuwa wepesi wa kuchukua hatua na kufanya kazi katika mwaka huo wote. Wamedhihirisha kujitolea sana katika biashara yetu. Kadhalika, wepesi wa kubadilika kipindi cha kutotabirika, na ubunifu na uvumbuzi wao ambavyo vimewezesha biashara yetu kubadilika kuendana na hali na pia kujifunza mengi kutokana na kipindi hicho cha janga.

Vilevile, ningependa kuwashukuru wanachama wenzangu kwenye Bodi na wanachama wa bodi za kampuni zetu tanzu kwa ushauri wao, uungaji mkono na kujitolea kwao mwaka huo wote na pia kwa kuwezesha mazingira mazuri na imara ya utawala wa kampuni.

Sina shaka kwamba tutatokea imara zaidi na wenye imani ya kutumainia siku za usoni za ufansi.

Dkt. Martin Oduor-Otieno
Mwenyekiti wa Kundi

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

Taarifa ya Meneja Mkurugenzi na CEO wa Kundi

Kujenga msingi wa ukuaji kwa ajili ya miaka 100 ijayo

Nina furaha kwamba tumeandikisha mwaka mwingine wa matokeo mazuri na thabiti ya kifedha katika East African Breweries PLC (EABL). Katika mwaka wa kifedha wa 22, kampuni yetu ilipiga hatua katika kutimiza lengo lake la kuwa moja ya kampuni ya kutengeneza bidhaa iliyo bora zaidi, inayoaminika na kuheshimika zaidi. Mwaka huu wa 2022 EABL inasherehekea miaka 100 tangu kuanzishwa kwake na ningependa kuwashukuru wafanyakazi wetu wote kwa kuendelea kuwa wakakamavu na wenye kujitolea.

Katika nusu ya kwanza ya mwaka huo wa kifedha, tulishuhudia kuondolewa kwa vikwazo na masharti yaliyokuwa yamewekwa kutokana na janga la COVID-19 kote Afrika Mashariki na hili lilichangia kufunguliwa tena kwa uchumi na pia baa na maeneo mengine ya kuuzia bidhaa zetu kwa wateja. Kkutokana na hili, shughuli za kibiashara zilirejelea hali ya kawaida. Wateja walivyokuwa wanarejea kwenye biashara, tulisaidia kufunguliwa tena kwa baa, ambapo tuliwekeza zaidi ya \$5 milioni katika kipindi hicho cha janga kusaidia kufufua vituo vya kuuzia bidhaa zetu.

Wakat iwa janga, tulishuhudia mabadiliko makubwa miongoni mwa wateja wetu na wanaotumia bidhaa zetu pia. Kwa kutumia data na habari za kina, tuliwekeza kwa njia ifaayo ili kufahamu mabadiliko hayo na pia tukafanyia uvumbuzi na maboresho bidhaa zetu kuhakikisha zinakidhi mahitaji ya watumiaji wa bidhaa yaliyokuwa yanaibuka. Kadhalika, tulifanyia uvumbuzi njia mpya za kumfikia mteja na kuwekeza katika biashara ya dijitali na pia kuboresha mfumo wa hatua ya mwisho ya kufikisha bidhaa ili kuhakikisha bidhaa zetu zinapatikana kwa njia rahisi.

Mambo haya yalituwezesha kuandikisha matokeo bora zaidi katika miaka ya hivi karibuni ukiangalia vigezo vyote, na hili ni jambo la kujivunia kwa kila mtu anayehusishwa na kampuni hii kuu.

Matokeo

Licha ya hali ya changamoto, tuliandikisha matokeo mazuri Mwaka wa kifedha wa 22, ambapo mauzo halisi ya EABL yalikuwa kwa 27% hadi Kshs 109.4 bilioni. Kulikuwa na ukuaji wa zaidi ya asilimia kumi katika masoko yetu yote. Tuliandikisha pia matokeo mazuri katika sehemu kuu za mikakati: bia ilikuwa kwa 27%, vileo vikali kwa 27%, vileo vya ubora wa juu kwa 26% na vileo vipya kwa 35%.

Tulifanikisha matokeo haya kwa sababu ya kuendelea kuangazia mkakati wetu na pia utekelezaji wake. Kadhalika, kwa kuwa na mkusanyiko wa bidhaa imara na zinazopendwa.

Kuunda thamani

Mazingira yetu ya kuendesha biashara yanaendelea kuwa ya kutotabirika hata zaidi, na kuna changamoto kubwa kuhusiana na mitindo ya mabadiliko ya kiuchumi katika kazi ya kanda na hata kimataifa na pia kwenye mazingira ya kiuchumi yenyewe.



EABL inabadilika na kuwa kampuni inayokumbatia zaidi ukuaji wa biashara na ubunifu. Matokeo yetu mazuri ya kifedha yalitokana na kuangazia watumiaji wa bidhaa, kasi katika utekelezaji na wepesi wa wafanyakazi wetu kubadilika kuendana na mabadiliko katika mazingira.

Isitoshe, bado kuna hali ya wasiwasi kuhusu mabadiliko katika kodi na sera katika serikali katika mataifa ya kanda hii.

Biashara yetu haijakingwa dhidi ya misukosuko hii lakini kina na upana wa bidhaa zetu pamoja na nidhamu yetu na kuangazia wafanyakazi wetu vitatusaidia kupitia misukosuko hiyo. Tunapoadhimisha karne moja ya uwepo wetu, EABL imejitolea kujenga kampuni itakayonawiri zaidi ya miaka 100 ijayo.

Mkakati wetu ni kuendelea kuzalisha bidhaa za kiwango cha hali ya juu, uendelevu katika kupanua biashara na kuongeza faida sambamba na uwekezaji katika nembo zetu na biashara. Tutaendelea kuwaangazia wateja wetu na watumiaji wa bidhaa zetu, ukuaji endelevu, uwekezaji wa busara, mkakati wa Mazingira, Jamii na Utawala na pia watu wetu.

Watu na utamaduni wetu

EABL inabadilika na kuwa kampuni inayokumbatia zaidi ukuaji wa biashara na ubunifu. Matokeo yetu mazuri ya kifedha yalitokana na kuangazia watumiaji wa bidhaa, kasi katika utekelezaji na wepesi wa wafanyakazi wetu kubadilika kuendana na mabadiliko katika mazingira.

Tunakuza kwa kasi utamaduni wa nidhamu na kufanya mambo kwa njia bora zaidi. Hili limechangia kuokolewa kwa fedha nyingi ambazo zimewekezwa tena katika maeneo ambayo tuna fursa bora zaidi. Uwekezaji huu sio tu kwamba unasaidia ukuaji wa bidhaa na nembo zetu na kuimarisha mseto wa bidhaa zetu bali pia umetuwezesha kuboresha uwezo wetu wa kufanya mambo kupitia teknolojia mpya na utoaji wa mafunzo.

Moja ya sifa kuu za EABL katika karne moja iliyopita imekuwa ni usaidizi na uungaji mkono wa wafanyakazi wetu. Tumejenga muundo wa usimamizi unaohakikisha huwa tunaajiri watu bora zaidi kutoka kwa taasisi za elimu na kisha kuwapa mafunzo na kuwapa mazingira bora zaidi ya kunawiri.

Uendelevu

Kama biashara ambayo imekuwepo kwa miaka 100, tunajivunia kuwa tuna baadhi ya nembo za bidhaa maarufu zaidi duniani. Hizi ziliundwa na vizazi vya watu walioelewa umuhimu wa kuunda biashara na kuiweka sawa kwa ajili ya kipindi kirefu. Tumejitolea pia kuunda biashara itakayokuwa na matokeo ya kufaa katika masuala muhimu kwetu na kwa jamii kwa jumla.

Kujitolea kwa EABL katika uendelevu ni kiungo muhimu sana kwa biashara yetu kuhakikisha inadumu zaidi ya karne ijayo. Juhudi zetu kwa mazingira, ujumuishaji wa wote, uthamini wa watu wa asili mbalimbali na kuendeleza unywaji pombe wa kuwajibika kupitia mpango wetu wa miaka 10 wa ESG ni nguzo muhimu sana katika mkakati wetu wa kuhakikisha tupo katika nafasi nzuri kibiashara na pia kuwawutia watu wenye vipaji.

Tumeshirikiana na wadau muhimu katika sekta ya kibinafsi, serikali, na mashirika yasiyo ya kutengeneza faida, ili kutekeleza mipango yetu ya uendelevu kwa mapana. Mpango wetu wa Wrong Side of the Road (Upande Usiofaa wa Barabara), unaohamasisha mabadiliko ya mtazamo kuhusu kuendesha gari ukiwa umelewa, umewafikia watu zaidi ya 30,000 Afrika Mashariki.

Katika mwaka wa kifedha wa 22, SMASHED, mpango wetu unaoangazia kukabiliana na unywaji pombe miongoni mwa watu wasiotimiza umri ulioruhusiwa, umewaelimisha watu zaidi ya 48,000, au 137% zaidi ya tulivyotarajia. Tulitumia pia DRINKIQ, kifaa chetu cha



Tumeendelea kuimarisha mkakati tulioutayarisha katika miaka miwili iliyopita, unaohitaji wepesi wa kubadilika pamoja na kuangazia mahitaji ya wateja wetu kila wakati huku tukijizatiti kutoa thamani kwa bei stahiki kwa kila mteja. Tumeendelea kuimarisha mkakati tulioutayarisha katika miaka miwili iliyopita, unaohitaji wepesi wa kubadilika pamoja na kuangazia mahitaji ya wateja wetu kila wakati huku tukijizatiti kutoa thamani kwa bei stahiki kwa kila mteja.

kuhamasisha unywaji pombe wa kuwajibika, kuwafikia zaidi ya watu 104,000 kuhusu unywaji pombe wa kuwajibika – 317% zaidi ya lengo letu.

Katika safari yetu ya kuwajumuisha watu wa sifa na asili mbalimbali, tuna furaha kwamba tumeendelea kupiga hatua katika kujenga kampuni inayojumuisha wote na kuthamini watu wa asili mbalimbali: 36% ya viongozi wetu wa ngazi ya juu na 63% ya wanaonufaika na miradi yetu ni wanawake, mtawalia.

Kadhali, tumepiga hatua mwaka huo katika kutekeleza malengo yetu ya uendelevu ya mpango wa kuanzia kwa nafaka hadi kwa gilasi, tukiangazia zaidi uhifadhi wa maji, kuongeza kasi juhudi za kupunguza uzalishaji wa gesi ya mkaa na kwa jumla kuwa biashara yenye uendelevu. **(Endelea kusoma ukurasa 68-75)**

Tukisonga mbele

Tunapoingia katika miaka 100 ijayo tukiwa na sifa na msingi tuliujenga, tunaendelea kujitolea kukuza biashara yetu kwa njia endelevu, tunapoendelea kuhakikisha tunatoa thamani ya kipindi kirefu kwa wadau wetu.

Ingawa mazingira ya nje yamesalia kutoweza kutabirika, tunaendelea kuangazia macho yetu katika kutekeleza mambo makuu kwenye mkakati wetu. Watumiaji wa bidhaa zetu wanasalia kuwa muhimu sana kwa biashara yetu na tutaendelea kuwekeza katika nembo zetu za bidhaa na kutumia vyema mseto wetu wa bidhaa kuongeza thamani ya biashara yetu sokoni na kukuza faida. Tumeboresha uendeshaji wa shughuli zetu kote katika baishara yetu kupitia mikakati yetu ya kuimarisha uzalishaji. Hili litahakikisha ukuaji wetu unaendelea, kuboresha wepesi wetu wa kubadilisha mambo inapohitajika, na kuhakikisha kuna mzunguko wa pesa kwenye kampuni yetu.

Tuna imani kwamba tukifanya haya, pamoja na sifa za kipekee na vipaji vya wafanyakazi wetu, tumo katika nagasi nzuri ya kupitia changamoto na kutumia vyema fursa zitakazojitokeza na hivyo basi kuendelea kuchochea ukuaji endelevu wa biashara yetu kote Afrika Mashariki, kukuza nembo zetu za bidhaa na kusaidia masoko yetu kusherehekea maisha, popote.

Bi. Jane Karuku
Meneja Mkurugenzi wa Kundi & CEO

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%
Kshs 109.4bn

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

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.

Ms. Risper Ohaga
Group Chief Financial Officer

Taarifa ya Afisa Mkuu wa Kifedha wa Kundi

Matokeo mazuri katika mazingira ya changamoto

Matokeo ya Kundi kwa kiwango kikubwa yalisalia kuwa ya kuridhisha licha ya changamoto nyinhi tulizokumbana nazo mwaka huo. Ni dhahirisho la uendeleu wa kasi yetu ya ukuaji hata tunapoendelea kukabiliana na mazingira yanayobadilika sana.

Utathmini wa matokeo

Mauzo halisi yalikuwa kwa 27% hadi Kes 109.4 bilioni baada ya biashara ya bia na vilevi vikali kuimarika. Ongezeko la kiasi kilichouzwa lilichangia 22% ya ukuaji huo nayo 5% ikachangiwa na mchanganyiko wa kutiliwa mkazo kwa ubora wa bidhaa

Volume

↑ +22%

NSV

↑ +27%
Kshs109.4bn

PAT

+124%
Kshs 15.6bn

DPS

↑ Kshs 11.0



Tuna Imani kuu katika ukuaji wa EABL katika masoko yetu. Ingawa hakuna shaka kuhusu changamoto tunazoendelea kukumbana nazo, matokeo yetu katika mwaka uliomalizika ni thibitisho la uthabiti wa biashara yetu. Uwekezaji wetu endeleu katika kujenga nembo na bidhaa bora, uwekezaji katika watu na pia jamii, ni mambo yanayotuweka katika nafasi bora ya kutimiza malengo yetu na kutoa thamani ya kipindi kirefu kwa wadau wetu.

“ Katika ngazi ya taifa, mapato Kenya, Uganda, na Tanzania yaliongezeka kwa 30%, 24%, na 21%, mtawalia, yakichochea na kuimarika kwa mauzo pamoja na uwekezaji katika bidhaa na nembo zetu na pia kuendeleza uvumbuzi katika njia za uuzaji kujibu mabadiliko katika tabia za wateja.

zetu na pia mabadiliko kwenye bei baada ya kuongezwa kwa ushuru wa bidhaa Kenya na Uganda.

Katika ngazi ya taifa, mapato Kenya, Uganda, na Tanzania yaliongezeka kwa 30%, 24%, na 21% mtawalia yakichochea na kuimarika kwa mauzo pamoja na uwekezaji katika bidhaa na nembo zetu na pia kuendeleza uvumbuzi katika njia za uuzaji kujibu mabadiliko katika tabia za wateja.

Faida baada ya ushuru iliongezeka 124% hadi Kes 15.6 bilioni kutokana na ongezeko la mapato halisi na pia udhibiti wa gharama.

Ukuaji katika uzalishaji wa fedha

Fedha halisi kutoka wka shughuli zetu (Kes 26.4 bilioni) ziliongezeka 81%, nazo fedha zilizokuwa kwenye mzunguko zikaongezeka kwa Kes 12.8 bilioni na kufikia Kes 13.2 bilioni mnamo 30 Juni 2022, hili likitokana na ukuaji katika faida iliyotokana na shughuli zetu za kibiashara na pia usimamizi mwema wa mtaji.

Kuokoa fedha kupitia uboreshaji

Mikakati yetu mwaka huo ikiwa ni pamoja na kupata bidhaa kwa njia ya ushindani, kuboresha mfumo wetu wa uzalishaji na mipango na uendeshaji shughuli ilituwezesha kupata Kes 2.5 bilioni, na kufuta athari ya zaidi ya Kes 1.8 bilioni iliyotokana na mfumko wa bei, na pia madhara yake kwenye faida.

Kuongeza uwekezaji

Tulitumia kiwango chetu cha juu za kupata fedha kuwekeza katika ukuaji wa kipindi kirefu. Tuliongeza kiwango chetu cha uwekezaji tena katika nembo zetu maarufu hadi 8.9%, +33 juu ya alama za kuanzia, ukilinganisha na mwaka uliotangulia. Ili kusaidia ukuaji siku za usoni, matumizi yetu katika mitambo na mashine yalifikia 12% (Kes 13.2 bilioni) sana kutokana na upanuzi wa uwezo wetu wa uzalishaji Tanzania na Uganda.

Mikopo

Mikopo halisi ya Kundi ilishuka kutoka Kes 41.8 bilioni kufikia 30 Juni 2021 hadi Kshs 34.7 bilioni kufikia 30 Juni 2022, kwa kuwa kuongezeka kwa mzunguko wa fedha kuliwezesha kulipwa kwa baadhi ya mikopo. Katika kipindi hicho, Kundi liliweza kupata Kes 11 bilioni kupitia kuuzwa kwa Hati za Kipindi cha Wastani katika masoko ya mtaji – uuzaji mkubwa zaidi kwa umma katika historia ya Kenya – ambapo wawekezaji walipata fursa ya kuwekeza katika kufadhili kampuni hii. Fedha kutoka kwa uuzaji huo zilitumiwa kulipa baadhi ya mikopo na kuwekeza katika mitambo na mashine.

Mapato kwa kila hisa (EPS)

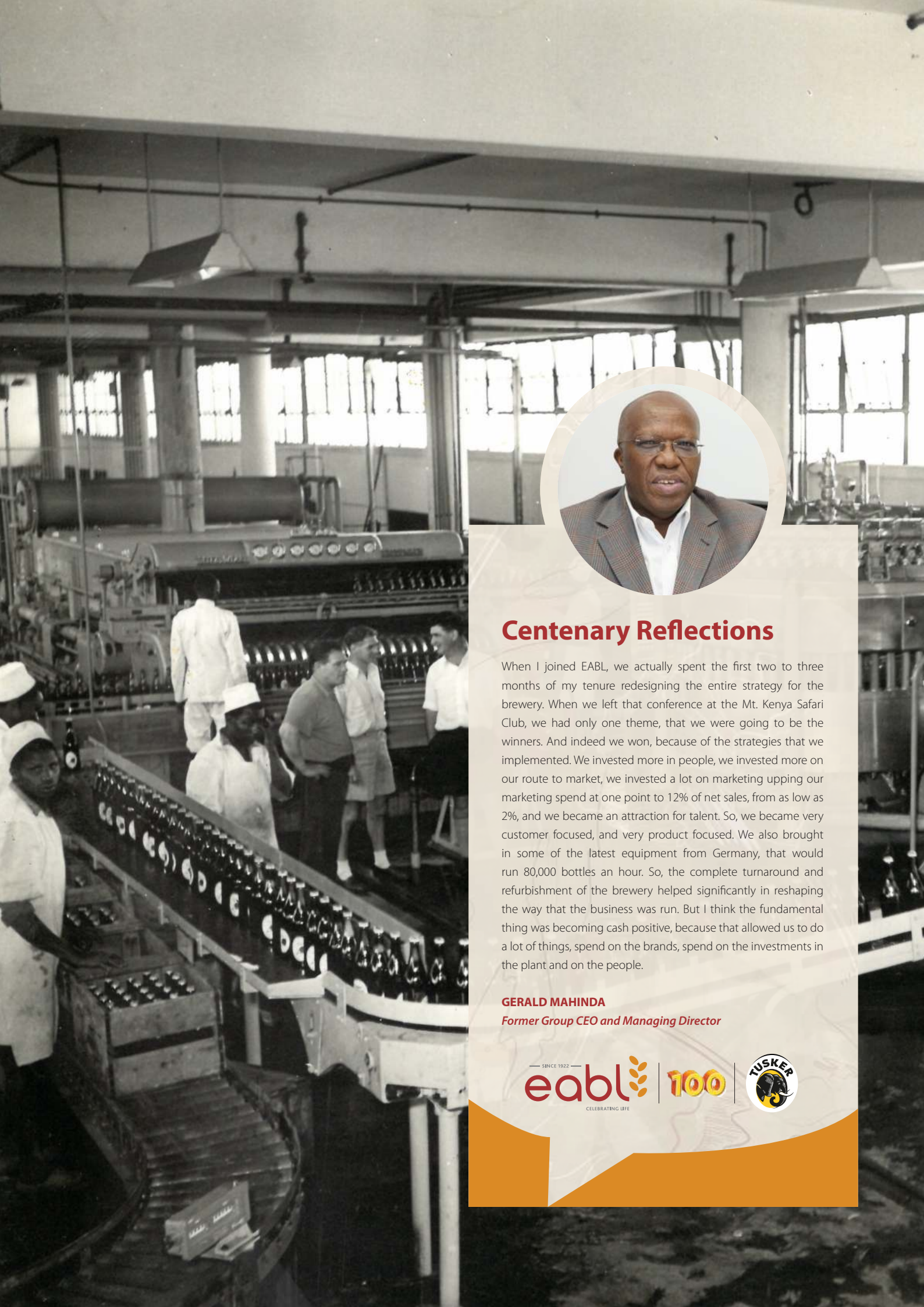
Mapato kwa Kila Hisa yaliongezeka kwa 172% hadi Kshs 15.0 (2021: Kshs 5.51) na kuashiria ongezeko la utengenezaji faida. Mgawo wa faida wa mwisho uliopendekezwa kwa mwaka uliomalizika 30 Juni 2022, ambao wenyehisa wataombwa kuuidhinishwa katika Mkutano Mkuu wa Kila Mwaka, ni Kshs 7.25 (2021: Sifuri). Ni ishara ya kujitolea kwetu kutoa thamani kwa wenyehisa wetu katika kipindi kirefu.

Kutazama mbele

Tuna Imani kuu katika ukuaji wa EABL katika masoko yetu. Ingawa hakuna shaka kuhusu changamoto tunazoendelea kukumbana nazo, matokeo yetu katika mwaka uliomalizika ni thibitisho la uthabiti wa biashara yetu. Uwekezaji wetu endelevu katika kujenga nembo na bidhaa bora, uwekezaji katika watu na pia jamii, ni mambo yanayotuweka katika nafasi bora ya kutimiza malengo yetu na kutoa thamani ya kipindi kirefu kwa wadau wetu.

Bi. Risper Ohaga

Afisa Mkuu wa Kifedha wa Kundi



Centenary Reflections

When I joined EABL, we actually spent the first two to three months of my tenure redesigning the entire strategy for the brewery. When we left that conference at the Mt. Kenya Safari Club, we had only one theme, that we were going to be the winners. And indeed we won, because of the strategies that we implemented. We invested more in people, we invested more on our route to market, we invested a lot on marketing upping our marketing spend at one point to 12% of net sales, from as low as 2%, and we became an attraction for talent. So, we became very customer focused, and very product focused. We also brought in some of the latest equipment from Germany, that would run 80,000 bottles an hour. So, the complete turnaround and refurbishment of the brewery helped significantly in reshaping the way that the business was run. But I think the fundamental thing was becoming cash positive, because that allowed us to do a lot of things, spend on the brands, spend on the investments in the plant and on the people.

GERALD MAHINDA
Former Group CEO and Managing Director

