



EABL 2019 FULL-YEAR RESULTS

FULL YEAR RESULTS BRIEFING

F19 Commercial Review

Andrew Cowan

F19 Financial Performance

Gyuri Geiszl

F20 Priorities

Andrew Cowan

Q&A





F19 FULL YEAR REVIEW



Andrew Cowan
Group Managing Director

We are clear on our ambition



Since 1922...













To create one of the **best performing, most trusted and respected consumer products company in Africa**

- Vibrant mainstream beer
- Explode mainstream spirits
- Win in premium
- Viable value recruitments
- Aspirational and accessible innovations
- Route to consumer
- Stakeholder relationships
- Supply footprint
- Productivity
- Our people

STRONG FINANCIAL PERFORMANCE

Volume	+11%
Net sales	+12%
Operating profit	+40%
Operating Cash Conversion	111.3%
Final dividend	KES 6.0/share

CONSISTENT GROWTH ACROSS OUR MARKETS

	Contribution to Overall EABL	Net Sales growth (%)	Key Brands
KENYA	73%	+13%	   
UGANDA	15%	+8%	   
TANZANIA	12%	+20%	   
Total EABL	100%	+12%	

BROAD-BASED GROWTH ACROSS ALL CATEGORIES

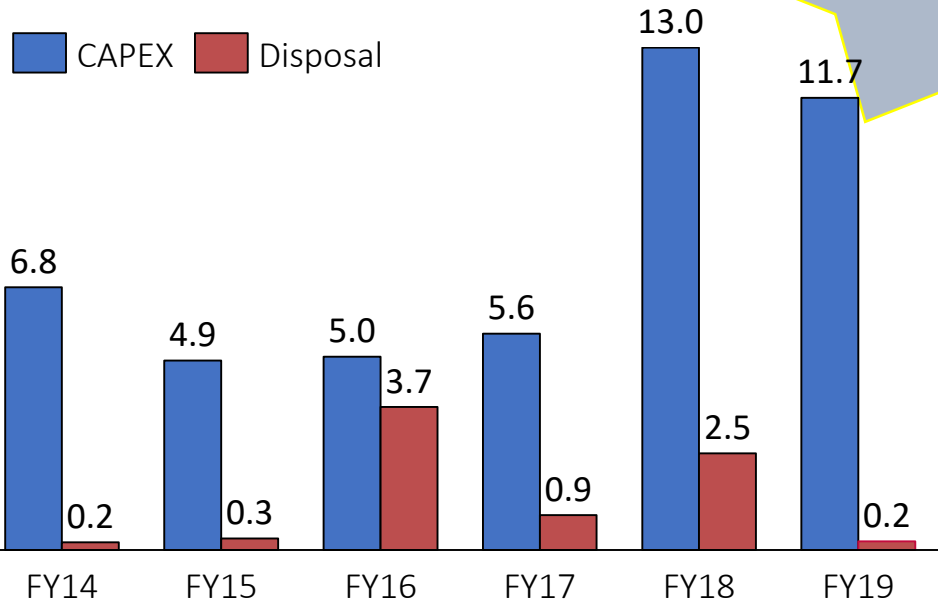
	Premium	Mainstream	Value	RTD's
Beer	+7%	+16%	+15%	+2%
				

	Reserve	Premium	Mainstream	Value
Spirits	+36%	+3%	+20%	+4%
				



Capital investments in the last 6 years to meet increasing demand

**KES 14bn
Kisumu
investment**



NEW ENVIRONMENTAL INVESTMENT PROGRAM

EABL HAS COMMISSIONED KSH 3.7BN ENVIRONMENTAL INVESTMENT PROGRAMS, THE LARGEST ENVIRONMENTAL INVESTMENT IN AFRICA



Investments in EABL

- ❑ New biomass boilers will replace heavy fuel oil **reducing carbon emissions by 42,000 tonnes**



- ❑ New water recovery and reuse facilities for our sites in Kenya and Uganda, **saving over a billion cubic litres of water a year.**



- ❑ Solar installation in Kenya, Uganda and Tanzania, that will produce up to **10% of each brewery's electricity demand.** Brewery in Kisumu already installed with solar power facilities.

BUILDING OUR REPUTATION

□ People

- Inclusion and diversity -Launch of new family leave policy.
- Invest in talent
- Simplify our business

□ Recognition

- Africa food industry excellence awards- Alcoholic beverages plant of the year & Sustainability initiative of the year.
- Diageo Africa recognition for manufacturing, teamwork and business growth.

□ Social responsibility

- Responsible drinking campaigns across all markets aimed at reducing drunk-driving incidents.
- Community investment initiatives in water, tree planting and sports across the region.

□ Ongoing stakeholder engagement

- Building strong relationships with Government, Private Sector and investors to shape our industry.
- EABL Board engaged Kisumu governor on the new Kisumu brewery.



Thank You

Please hold the questions to the end



F19 FINANCIAL PERFORMANCE

Gyuri Geiszl

Group Finance and Strategy Director

FINANCIAL HIGHLIGHTS



	F19	vs LY
Volume		+11%
Net sales	KES 82.5bn	+12%
Operating profit	KES 21.2bn	+40%
Profit after tax	KES 11.5bn	+59%
Operating cash conversion	111%	-6ppt
Net debt	KES 23.9bn	-13%
Final dividend	KES 6.0/share	



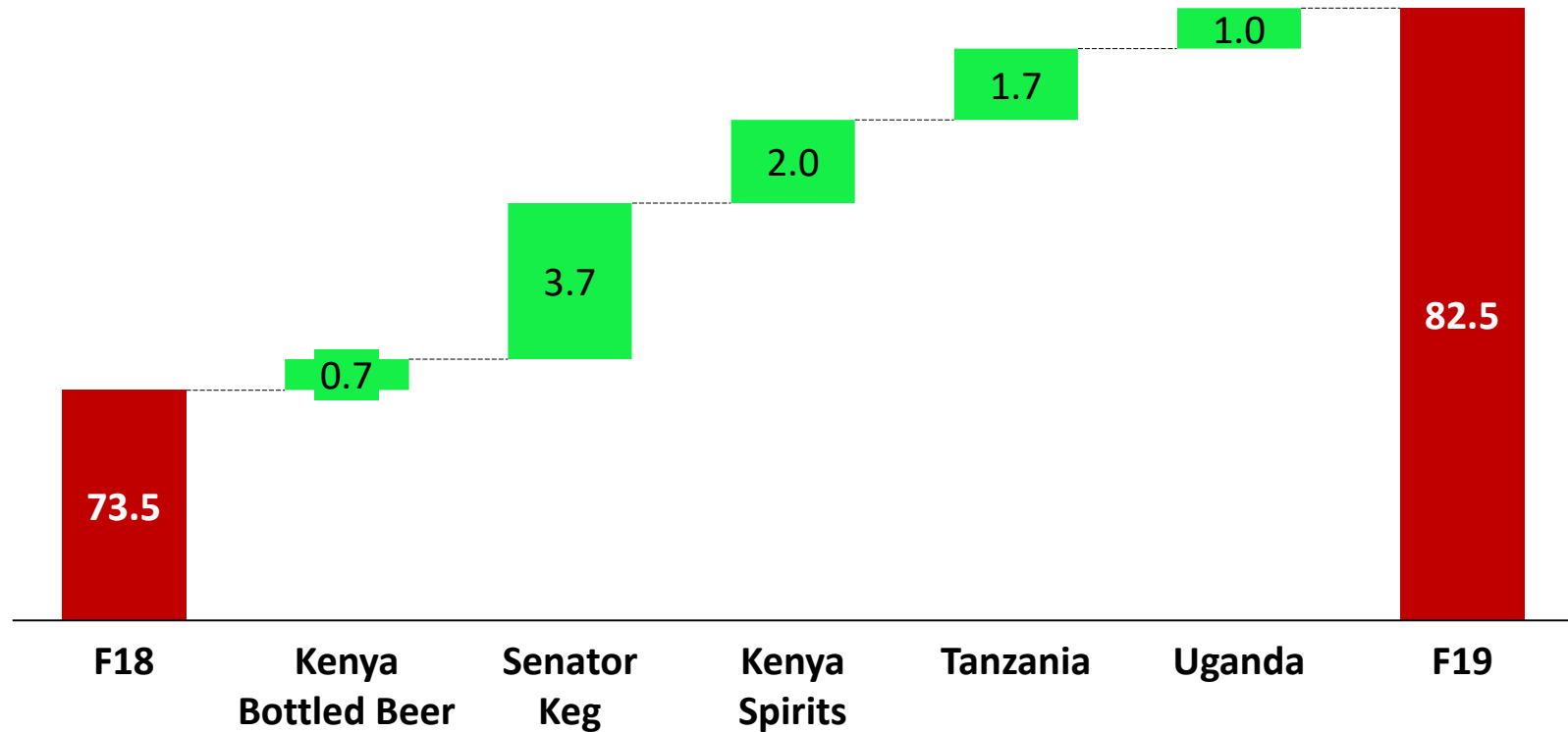
STRONG VOLUME GROWTH DRIVING NSV

		F19 KES bn	F18 KES bn	vs LY
<p>□ Volume growth driven by Senator Keg recovery in Kenya, premium and mainstream beer in Uganda, continued growth of Serengeti in Tanzania, mainstream spirits and innovation across the markets</p>	Volume (mEU)	14.0	12.5	+11%
	Gross sales	149.6	135.0	+11%
	Excise duties	<u>(67.1)</u>	<u>(61.5)</u>	-9%
<p>□ Net sales growth also helped by improved mix in Uganda and Tanzania</p>	Net sales	82.5	73.5	+12%



COUNTRY PERFORMANCE: STRONG GROWTH ACROSS ALL MARKETS

Movements in net sales (KES bn)



- Recovery of **Senator in Kenya** supported by a stable operating environment
- **Uganda** delivering **strong mix** from premium and mainstream beer
- Continued strong performance in **Tanzania** driven by **Serengeti Lite**



STRONG P&L PERFORMANCE

- Cost of Sales optimization** through efficiencies and productivity savings; +8% increase behind +11% volume growth

- Re-investment of productivity savings continues. **Selling and distribution costs** grew +12% from investing behind our brands to accelerate growth,

- Administrative costs:** investment in additional headcount in sales.

	F19 Kes bn	F18 Kes bn	Vs LY
Revenue	82.5	73.5	+12%
Cost of sales	<u>(44.4)</u>	<u>(41.1)</u>	<u>-8%</u>
Gross profit	38.1	32.4	+18%
Selling and distribution costs	(7.2)	(6.4)	-12%
Administrative expenses	(9.4)	(8.5)	-10%
Other (expenses)/income	<u>(0.3)</u>	<u>(2.3)</u>	+86%
Profit from operations	21.2	15.1	+40%

DOUBLE DIGIT GROWTH IN PROFIT AFTER TAX

❑ Lower **interest charge** driven by reduction in **net borrowings**

❑ Reduction in **effective tax rate**

❑ **Profit after tax** grew +59% (excluding F18 tax provision: by +33%)

	F19 KES bn	F18 KES bn	vs LY
Operating profit	21.2	15.1	+40%
Finance costs, net	<u>(3.4)</u>	<u>(3.4)</u>	-
Profit before tax	17.8	11.7	+52%
Income tax expense	<u>(6.3)</u>	<u>(4.4)</u>	
Profit after tax	11.5	7.3	+59%

DIVIDEND

Dividends	F19 KES/share	F18 KES/share
Interim	2.5	2.0
Final	6.0	5.5
Total	8.5	7.5

Thank You

Please hold the questions to the end





F20 PRIORITIES

Andrew Cowan
Group Managing Director

Priorities going forward



Opportunities for further growth

- ❑ **Commercialize** the **Kisumu brewery**
- ❑ **Bottled beer** to maintain growth in Kenya
- ❑ Maintain **mainstream spirits** growth despite higher excise
- ❑ Win in premium leading with **Scotch**
- ❑ Deliver **productivity** initiatives
- ❑ Deliver key **innovation** projects
- ❑ Maintain focus on **People**



Q & A Session

