

East African Breweries Limited

FULL YEAR RESULTS

Condensed Audited Financial Statements for the Financial Year ended 30 June 2018

Condensed consolidated income statement

	Year ended 30 June	
	2018	2017
	Kshs 'M	Kshs 'M
Revenue	73,457	70,247
Cost of sales	(41,052)	(39,117)
Gross profit	32,404	31,130
Total Costs	(20,663)	(17,823)
Profit before income tax	11,742	13,307
Income tax expense	(4,486)	(4,793)
Profit for the year	7,256	8,515
Basic Earnings per share	7.19	9.71

Condensed consolidated statement of changes in equity

Year ended 30 June 2018	Share capital & Share premium Kshs 'M	Other reserves Kshs 'M	Proposed dividend & Retained earnings Kshs 'M	Non-controlling interest Kshs 'M	Total equity Kshs 'M
At 1 July 2016	3,273	(1,927)	9,938	(416)	10,867
Total comprehensive income for the year	-	(644)	7,677	693	7,726
Dividend	-	-	(5,931)	(674)	(6,605)
At 30 June 2017	3,273	(2,571)	11,684	(397)	11,988
Total comprehensive income for the year	-	(810)	5,684	1,517	6,390
Transactions with non-controlling interests	-	-	(5,694)	5,694	-
Share based payments	-	(493)	540	-	47
Dividend	-	-	(5,931)	(843)	(6,774)
At 30 June 2018	3,273	(3,874)	6,282	5,971	11,652

Condensed consolidated statement of financial position

	As at 30 June	
	2018	2017
	Kshs 'M	Kshs 'M
Total Equity	11,652	11,988
Non-current liabilities	33,811	32,694
Total equity and non-current liabilities	45,463	44,683
Non-current assets	49,721	44,532
Working capital		
Current assets	21,526	22,135
Current liabilities	(25,784)	(21,984)
Net assets	45,463	44,683

Condensed consolidated statement of cash flows

	Year ended 30 June	
	2018	2017
	Kshs 'M	Kshs 'M
Cash generated from operations	21,717	21,524
Net interest paid	(3,347)	(3,174)
Tax Paid	(4,811)	(4,435)
Net cash generated from operating activities	13,559	13,914
Net cash used in investing activities	(10,492)	(4,668)
Net cash used in financing activities	(3,493)	(992)
Net (decrease)/increase in cash and cash equivalents	(426)	8,255
At start of year	3,318	(3,954)
Foreign exchange impact of translation	295	(983)
Net (decrease)/increase in cash and cash equivalents	(426)	(8,255)
Cash and cash equivalents at end of year	3,187	3,318

The Board of Directors of East African Breweries Limited (EABL) is pleased to announce the company's results for the year ended 30 June 2018. EABL's net revenues for the period rose by 5% to Kshs 73.5 billion. Profit from operations was up by 4% excluding the impact of provisions made for pending tax claims, as strong top line performance and productivity savings were leveraged to invest more behind rejuvenating bottled beer, driving innovation and improving Senator keg's performance.

Key highlights:

- Group's volumes grew by 7% driven by bottled beer, mainstream spirits and Scotch whisky growth across the region.
- Innovation contribution went up to 22%, adding Kshs 16.2 billion to the total revenue across East Africa driven mainly by new brands such as Tusker Cider, Serengeti Lite, Black and White, Captain Morgan Gold and Uganda Waragi Coconut.
- Profit after tax declined by 15% as a result of the one-off tax provision but strong underlying performance with robust cash flow delivery secured the necessary funding for the higher investment in the period.
- The Group's capital expenditure stood at Kshs 13 billion. In addition to the construction of the new brewery in Kisumu, expansion of brewery capacity in Nairobi and installation of new spirits lines in both Kenya and Uganda were delivered as EABL intensified its capital investments.

Overall, EABL delivered a good set of results as performance improved in the second half of the financial year and we continued to make progress on our performance ambition as we increased investments behind brands, capital expenditure and capability to sustain future growth.

DIVIDEND

The Board of Directors has recommended a final dividend of Kshs 5.50 per share. The 2018 annual dividend remains in line with last year at Kshs 7.50 per share. The records date for qualification for the dividend is 24 August 2018. The dividend shall be paid, net of withholding tax, on or about 30 October, 2018.

By order of the Board

Joyce Munene

Group Company Secretary

Date: 26 July 2018