

East African Breweries Plc (EABL) delivered a strong set of results posting a revenue growth of 3.75% from Kes. 124.13Bn in 2024 to Kes. 128.79Bn for the year 2025. The performance has resulted in a 12.22% growth in the company's profit after tax to Kes. 12.2Bn in 2025 buoyed by reduced financial costs and foreign gains.

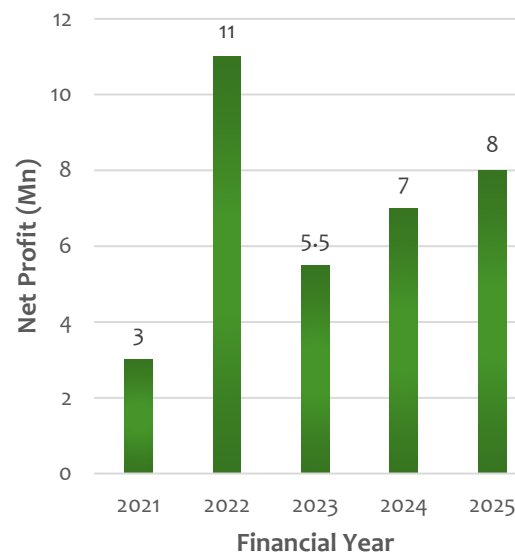
Earnings per share (EPS) have increased by 16.21% from Kes. 10.30 to Kes. 11.97 in 2024 and 2025 respectively. The company's Board of Directors have recommended a final dividend payment of Kes. 5.50 in addition an interim dividend payment of Kes. 2.50 per share subject to withholding tax. Therefore, the total dividend for the year 2025 will amount to Kshs 8.00 per share (FY 2024- Kes. 7.00). This dividend is scheduled for payment on or about 28th October 2025 to duly registered shareholders at the close of business on 16th September 2025.

The company has seen a revenue growth of 3.75% to Kes. 128.8Bn in 2025 from Kes. 124.13Bn in 2024 with a volume growth of 2% as both beers and spirit brands registered a similar trend in the market. The revenue performance was however, suppressed by a 20% increase in income taxes from Kes. 5.90Bn in 2024 to Kes. 7.11Bn in 2025. It is worth noting that the company's net finance costs declined significantly by 27.90% from Kes. 8.12Bn in 2024 to Kes. 5.86Bn in 2025. The decline is largely attributed to the appreciation of the Kenyan Shilling against major currencies and effective debt reduction strategies.

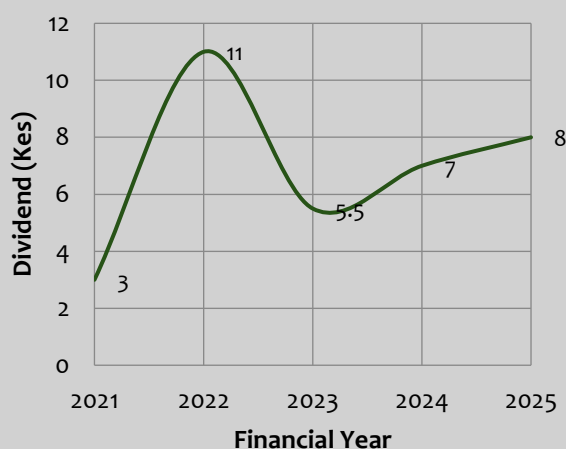
The macroeconomic environment across the region remained stable, with steady economic growth recorded over the past financial year. In Kenya, there was sustained decline in interest rates and an appreciation of the Kenya Shilling against major currencies, reversing the depreciation effects experienced in the prior year. Interest rates remained stable in the Tanzanian market while the Tanzanian Shilling depreciated against major currencies. The Ugandan market remained largely stable.

The cost of sales grew by 6.00% y-y from Kes. 70.48Bn in 2024 to Kes. 74.71Bn in 2025 driven by external shocks and consumer factors. The continued increase in the prices of grains such as barley in Tanzania has remained a key area of concern with the potential to affect the company's profitability in the long run.

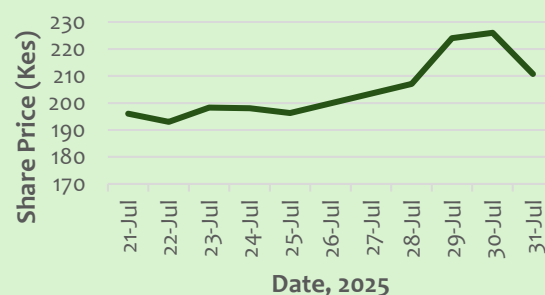
#### EABL 5-year Profitability



#### EABL 5-YEAR DIVIDEND PAYMENT



#### EABL 10-day Share Price



The company has, however, managed to navigate external pressures, including proliferation of illicit alcohol, sustained input cost inflation and declining consumer spending driven by reduced disposable income. These issues underscore the need for stronger regulatory enforcement and collaborative action to safeguard consumers and legitimate players within the sector.

The company's gross income has seen a slight growth from Kes. 53.65Bn in 2024 to Kes. 54.08Bn in 2025. The company has also seen a profit after tax growth of 12.22% to Kes. 12.20Bn. The profitability was largely driven by topline growth, foreign exchange gains, and lower finance costs realized through reduction of both debt and interest rates. These offset the impact of one-off costs during the year.

Cash and cash equivalents of Kes. 12.7Bn increased by Kes. 1.9 billion, driven by revenue growth and lower cost of debt in 2025. Total debt (including bank overdrafts) declined by Kes 8.3Bn contributing to lower finance costs.

#### Outlook

We expect the performance of EABL to improve due to the appreciation of Kenya Shilling against major currencies, low interest rates, and effective debt reduction approaches. The company should improvise ways to address issues such as external shocks, proliferation of illicit alcohol, and reduced disposable income among customers that continue to affect its performance in the market. Besides, the developments in Kenya's legal framework such as the proposed NACADA amendments on alcohol-related regulations are likely have a negative impact on performance if approved and implemented. The Tanzania and Uganda business will continue to drive revenue growth as Kenya sees a headwind in revenues due to the proliferation of illicit alcohol and developments in the industry's regulatory environment.

#### P&L Statement (Kes. Mn)

	FY 2024	FY 2025	% Change
<b>Net revenue</b>	124,131	128,791	3.75%
Cost of sales	-70,483	-74,713	6.00%
<b>Gross profit</b>	<b>53,648</b>	<b>54,078</b>	<b>0.80%</b>
Operating costs	-24,830	-29,220	17.68%
Fx gains/(losses)	-3,921	313	-107.98%
EBIT	24,897	25,171	1.10%
<b>Finance costs</b>	<b>-8,126</b>	<b>-5,859</b>	<b>-27.90%</b>
PBT	16,771	19,312	15.15%
Tax	-5,901	-7,114	20.56%
Operating profit	10,870	12,198	12.22%
Other income	-3,959	515	-113.01%
<b>PAT</b>	<b>6,911</b>	<b>12,713</b>	<b>83.95%</b>
EPS	10.30	11.97	16.21%
DPS	7.00	8.00	14.29%

#### Statement of Financial Position (Kes. Mn)

	FY 2024	FY 2025	% Change
Total Equity	36,732	42,267	15.07%
Noncurrent Liabilities	51,375	45,009	-12.39%
Total Equity+			
Noncurrent liabilities	88,107	87,276	-0.94%
Noncurrent Assets	82,673	82,438	-0.28%
Current Assets	41,573	48,652	17.03%
Current Liabilities	36,139	43,794	21.18%
Net Current Assets	5,434	4,656	-14.32%

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  - **Accumulate** – An accumulate rating reflects 1) An analyst has a lesser bullish conviction on a stock 2) Expected return falls between 10% and 30%.
  - **Hold** – A hold rating reflects 1) An analyst has a neutral conviction (lack of bullish or bearish conviction) on a stock 2) Expected return falls within the range of 5% to 10%.
  - **Speculative Buy** – A speculative buy rating reflects 1) An analyst has a bullish conviction accompanied by a substantially higher than normal risk 2) Expected return falls above 10%.
  - **Sell** – A sell rating reflects 1) An analyst has a bearish conviction on a stock 2) Expected return falls below 5%.
- \*Expected Return (ER) represents the sum of both capital appreciation and the dividend yield

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