



UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

The Directors of British American Tobacco Kenya plc announce the unaudited results for the six months ended 30 June 2022 as shown below:

Gross revenue (KSh) 21.9bn +8%	Profit before tax (KSh) 4.2bn +8%	Cash from Operations (KSh) 3.7bn +2%	Interim dividend per share (KSh) 5.00
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Condensed Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June

	2022 KShs' m	2021 KShs' m
Gross revenue	21,864	20,245
Excise Duty and Value Added Tax (VAT)	(7,772)	(7,703)
Net revenue	14,092	12,542
Cost of operations	(9,934)	(8,638)
Profit from operations	4,158	3,904
Finance costs	20	(49)
Profit before tax	4,178	3,855
Income tax expense	(1,253)	(1,157)
Profit after tax	2,925	2,698
Other comprehensive income	11	115
Total comprehensive income	2,936	2,813
Interim dividend	500	350
Basic and diluted earnings per share (Shs)	29.25	26.98

Condensed Statement of Financial Position as at:

	30 June 2022 KShs' m	31 Dec 2021 KShs' m
Capital and reserves		
Share capital	1,000	1,000
Revaluation surplus	2,837	2,837
Retained earnings	9,073	11,137
Shareholders' funds	12,910	14,974
Non-current liabilities	1,954	1,939
	14,864	16,913
Assets		
Non-current assets	12,615	12,305
Working capital		
Current assets	11,271	11,814
Current liabilities	(9,022)	(7,206)
Net working capital	2,249	4,608
	14,864	16,913

Condensed Cash Flow Statement for the six months ended 30 June

	2022 KShs' m	2021 KShs' m
Cash generated from operations	3,690	3,616
Net interest paid	(10)	(65)
Tax paid	(2,295)	(1,434)
Net cash from operating activities	1,385	2,117
Net cash used in investing activities	(125)	(192)
Net cash used in financing activities	(2,670)	(4,151)
Movement in cash & cash equivalents	(1,410)	(2,226)
At the start of the period	3,029	1,884
At the end of the period	1,619	(342)

Condensed Statement of Changes in Equity

	Share capital KShs' m	Revaluation surplus KShs' m	Retained earnings KShs' m	Total KShs' m
At 1 January 2021	1,000	1,727	9,129	11,856
Comprehensive income	-	-	2,813	2,813
Dividends	-	-	(4,150)	(4,150)
At 30 June 2021	1,000	1,727	7,792	10,519
At 1 January 2022	1,000	2,837	11,137	14,974
Comprehensive income	-	-	2,936	2,936
Dividends	-	-	(5,000)	(5,000)
At 30 June 2022	1,000	2,837	9,073	12,910

Operating environment

The rising cost of commodities globally continues to impose inflationary pressure on already stretched consumer disposable income. The steep increases in excise duty rates (+5% in November 2021, and +10% effective July 2022), coupled with the rising cost of inputs, is placing further pressure on consumer affordability and purchasing power.

For the Company, this is triggering downtrading to lower priced brands and exacerbating the prevalence of illicit trade in tax evaded cigarettes. Illicit trade continues to adversely impact industry revenues and deny the Government in excess of an estimated KSh 4 billion per annum in revenue. We continue to contribute to national dialogue on the regulatory and fiscal framework, and work with relevant agencies to fight the illicit trade menace.

We remain committed to our evolved strategy and purpose to build A Better Tomorrow™ by reducing the health impact of our business, through offering alternative innovative products, including tobacco-free oral nicotine pouches.

Financial highlights

- Gross revenue increased by 8% to KSh 21.9 billion primarily driven by pricing benefit in the domestic market and growth in export sales following economic recovery in some of our key markets.
- Total cost of operations increased by 15% to KSh 9.9 billion primarily driven by higher input costs due to global supply chain challenges.
- Profit before tax was up 8% to KSh 4.2 billion driven by higher revenue, partially offset by higher cost of operations.
- Taxes in the form of Excise Duty, VAT, Pay As You Earn (PAYE) and Corporation Tax increased by 2% to KSh 9.4 billion reflecting higher excise duty rates and profitability.

Dividend

The Board of Directors has approved an interim dividend in respect of the year ending 31 December 2022 of KSh 5.00 per share. The interim dividend, which is subject to withholding tax, will be paid on or about 16 September 2022 to shareholders on the register at the close of business on 12 August 2022.

Nairobi
19 July 2022

By Order of the Board
Kathryne Maundu
Company Secretary