

# AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors of British American Tobacco Kenya plc announce the results for the year ended 31 December 2025.



The results below have been extracted from the audited consolidated Financial Statements of British American Tobacco Kenya plc, for the year ended 31 December 2025. The Financial Statements have been audited by KPMG Kenya, who have expressed an unqualified audit opinion.

## Condensed Statement of Profit or Loss and Other Comprehensive Income for the year ended:

	31-Dec-25 KShs' m	31-Dec-24 KShs' m
<b>Gross sales including indirect taxes</b>	<b>35,946</b>	<b>41,083</b>
Excise Duty and Value Added Tax	(12,754)	(15,367)
<b>Net revenue</b>	<b>23,192</b>	<b>25,716</b>
Cost of operations	(15,717)	(18,403)
<b>Operating profit</b>	<b>7,475</b>	<b>7,313</b>
Finance income / (cost)	196	(829)
<b>Profit before tax</b>	<b>7,671</b>	<b>6,484</b>
Income tax expense	(2,425)	(2,001)
<b>Profit after tax</b>	<b>5,246</b>	<b>4,483</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>5,246</b>	<b>4,483</b>
Dividend	7,000	5,000
<b>Basic and diluted earnings per share (KShs)</b>	<b>52.46</b>	<b>44.83</b>

## Condensed Statement of Cash Flow for the year ended:

	31-Dec-25 KShs' m	31-Dec-24 KShs' m
Cash generated from operations	8,582	10,427
Net interest paid	196	(76)
Tax paid	(2,136)	(2,523)
<b>Net cash from operating activities</b>	<b>6,642</b>	<b>7,828</b>
Net cash used in investing activities	(289)	783
Net cash used in financing activities	(5,525)	(5,042)
<b>Movement in cash &amp; cash equivalents</b>	<b>828</b>	<b>3,569</b>
At the start of the year	5,390	1,821
<b>At the end of the year</b>	<b>6,218</b>	<b>5,390</b>

## Robust underlying performance despite illicit trade headwinds

Business performance in the domestic market continues to be adversely impacted by illicit trade. Illicit cigarette prevalence now represents 45% of the domestic market, a drastic increase from 37% in 2024 (according to third-party research). This illicit activity not only undermines industry revenues but also deprives Government of an estimated KShs 12 billion annually.

Despite elevated levels of illicit cigarettes in the domestic market, the company delivered strong underlying performance. Revenue was supported by stable export sales - representing approximately half of the Company's revenue - and the resumption of sales of our oral nicotine pouches in the second half of the year. Profitability was positively impacted by currency stability and proactive cost-management initiatives that more than offset inflationary pressures.

## Financial highlights

- Net revenue declined by 10%, driven primarily by heightened illicit trade in the domestic market, partially offset by new revenue from oral nicotine pouch sales.
- Total cost of operations decreased by 15%, reflecting lower sales volumes, the benefit of effective cost management and productivity initiatives implemented during the period.
- Finance income of KShs 0.2 billion was earned, a significant improvement from KShs 0.8 billion exchange loss in the prior period, driven by Kenyan Shilling stability against the US Dollar and prudent cash management.
- Profit before tax increased by 18% to KShs 7.7 billion driven by a 2% improvement in operating profit and lower finance costs.
- Closing cash at the end of the year increased by 15% to KShs 6.2 billion reflecting prudent cash management throughout the year.

## Condensed Statement of Financial Position as at:

	31-Dec-25 KShs' m	31-Dec-24 KShs' m
<b>Capital and reserves</b>		
Share capital	1,000	1,000
Revaluation surplus	2,620	2,661
Retained earnings	11,865	12,072
<b>Shareholders' funds</b>	<b>15,485</b>	<b>15,733</b>
Non-current liabilities	1,902	1,896
	<b>17,387</b>	<b>17,629</b>
<b>Assets</b>		
<b>Non-current assets</b>	<b>9,687</b>	<b>10,061</b>
<b>Working capital</b>		
Current assets	13,898	13,593
Current liabilities	(6,198)	(6,025)
<b>Net working capital</b>	<b>7,700</b>	<b>7,568</b>
	<b>17,387</b>	<b>17,629</b>

## Condensed Statement of Changes in Equity

	Share capital KShs' m	Revaluation surplus KShs' m	Retained earnings KShs' m	Total KShs' m
<b>As at 1 January 2024</b>	<b>1,000</b>	<b>2,762</b>	<b>12,488</b>	<b>16,250</b>
Comprehensive income	-	(101)	4,584	4,483
Dividends	-	-	(5,000)	(5,000)
<b>As at 31 December 2024</b>	<b>1,000</b>	<b>2,661</b>	<b>12,072</b>	<b>15,733</b>
<b>As at 1 January 2025</b>	<b>1,000</b>	<b>2,661</b>	<b>12,072</b>	<b>15,733</b>
Comprehensive income	-	(34)	5,286	5,252
Dividends	-	-	(5,500)	(5,500)
<b>As at 31 December 2025</b>	<b>1,000</b>	<b>2,627</b>	<b>11,858</b>	<b>15,485</b>

## Dividend

In line with our commitment to delivering sustainable shareholder value, the Board of Directors has proposed a final dividend in respect of the year ended 31 December 2025 of KShs 60 per share, to be recommended for approval by shareholders at the Annual General Meeting to be held on 12<sup>th</sup> June 2026.

The final dividend, when added to the interim dividend already paid, gives a total dividend of KShs 70 per share. The dividend, which is subject to withholding tax, will be paid on or about 12<sup>th</sup> June 2026 to the shareholders on the register at the close of business on 8<sup>th</sup> May 2026.

## Looking forward

We are confident in the resilience of our business, our proven strategy and ability to sustainably deliver shareholder value. Aligned with our purpose of building A Better Tomorrow™, we continue advancing A Smokeless World through innovative, reduced-risk alternatives, as demonstrated by the relaunch of our oral nicotine pouches in the second half of 2025.

The Company remains committed to combating the illicit trade menace and engaging transparently for progressive and evidence-based regulation of the industry. The scale and acceleration of this challenge requires urgent, coordinated and sustained enforcement action including stronger border controls, enhanced market surveillance, stricter penalties for offenders, and improved inter-agency collaboration. This will dismantle illicit supply networks, restore market integrity, protect compliant businesses, and safeguard critical fiscal revenues that support national development priorities.