



PRESS RELEASE

BAT Kenya publishes 2025 performance report, profit before tax up 18% despite significant illicit trade headwinds.

- Profit before tax up 18% to KShs 7.7 billion
- Net revenue down 10% to KShs 23.2 billion
- Cost of operations down 15% to KShs 15.7 billion
- Closing cash at year end up 15% to KShs 6.2 billion
- Proposed Total Dividend for 2025 increased by 40% to KShs 70 per share

Nairobi, 26 February 2026: BAT Kenya has reported a strong financial performance for the year ended 31 December 2025, driven by effective cost management and lower finance costs despite a challenging operating environment dominated by a marked increase in illicit trade.

During the period, profit before tax rose to KShs 7.7 billion from KSh 6.5 billion in the previous year, representing an 18% increase.

Net revenue dropped by 10% from 25.7 billion to Ksh 23.2 billion, driven by growing incidence of illicit cigarettes in the domestic market.

Total cost of operations decreased by 15% to KShs 15.7 billion, reflecting lower sales volumes, effective cost management and productivity initiatives implemented during the period.

During the period, the company recorded a finance income of KShs 0.2 billion, 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.

Despite the challenges, the company has maintained its strong dividend position with an expected total dividend payout of KShs. 70 per share, affirming the BAT Kenya stock as one of the highest yielding on the Nairobi Securities Exchange (NSE).

Commenting on the performance, BAT Kenya Managing Director, Crispin Achola said:

“I am happy to report that despite a challenging environment driven by growth of illicit cigarettes that now dominate the market locally and regionally, the company was able to post positive results.



“In Kenya, the domestic market continues to be adversely impacted 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.

“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 12th June 2026. The final dividend, when added to the interim dividend already paid, gives a total dividend of KShs 70 per share.”

“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 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.

The Company remains committed to working with relevant government agencies combating the illicit trade menace, and engaging transparently for progressive and evidence-based regulation of the industry.”

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ABOUT BAT KENYA

BAT began operations in Kenya in 1907. BAT Kenya has been listed on the Nairobi Securities Exchange (NSE) since 1969. As of 31st January 2026, the total number of shareholders was 7388, where 7255 were local shareholders. The Company is in the business of tobacco farming and processing, manufacturing, sale and export of cigarettes and other tobacco and nicotine products. The Company has a manufacturing plant in Nairobi and a Green Leaf Threshing Plant in Thika. This is a strategic manufacturing hub for the BAT Group, exporting more than 65% of its output to ten countries in Africa.

The Company's tobacco growing operations partner with approximately 2,200 contracted farmers in the counties of Bungoma, Busia, Migori, Meru and Homa Bay. BAT Kenya generates direct and indirect employment opportunities for more than 80,000 Kenyans through tobacco farming, tobacco processing, cigarette manufacturing, tobacco product distribution, urban and rural retailing, wholesale trade, transport, logistics and domestic procurement.

BAT Kenya is a major contributor to Kenya's economic growth, including through our year on-year investments and payments over the last six years of over KShs 100 billion to national revenue in the form of various taxes (Excise Duty, Value Added Tax (VAT), Pay as You Earn (PAYE) and Corporation Tax). BAT Kenya places sustainability at the front and center of its operations and invests in various initiatives to reduce the impact of its business and contribute to the development and protection of the communities and ecosystems in which it operates. The Company drives various programmes in Sustainable Agriculture and Environmental Conservation, including afforestation activities through which it has recorded over 54 million surviving trees planted since 1978. BAT Kenya has been certified eight times in a row (2018, 2019, 2020, 2021, 2022, 2023, 2024 and 2025), as a Top Employer in Kenya and Africa by the global Top Employers Institute. The Company is also a member of the Kenya Business and Disabilities Network (KBDN), an organisation whose mandate is geared at championing workplace inclusivity for Persons with Disabilities.

