



# AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors of British American Tobacco Kenya plc announce the results for the year ended 31 December 2021.

<b>Gross Revenue</b> (KSh) <b>40bn</b> +3%	<b>Taxes</b> (KSh) <b>18bn</b> +13%	<b>Profit After Tax</b> (KSh) <b>6.5bn</b> +18%	<b>Dividend per Share</b> (KSh) <b>53.50</b> +19%
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The results below have been extracted from the audited consolidated Financial Statements of British American Tobacco Kenya plc for the year ended 31 December 2021. The Financial Statements were audited by KPMG Kenya who expressed an unqualified audit opinion.

## Condensed Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December

	2021 KSh' m	2020 KSh' m
<b>Gross revenue</b>	<b>40,049</b>	<b>38,845</b>
Excise Duty and Value Added Tax (VAT)	(14,621)	(13,506)
<b>Net revenue</b>	<b>25,428</b>	<b>25,339</b>
Cost of operations	(16,058)	(17,750)
<b>Profit from operations</b>	<b>9,370</b>	<b>7,589</b>
Finance costs	(82)	(173)
<b>Profit before tax</b>	<b>9,288</b>	<b>7,416</b>
Income tax expense	(2,805)	(1,898)
<b>Profit after tax</b>	<b>6,483</b>	<b>5,518</b>
Other comprehensive income	1,135	(27)
<b>Total comprehensive income</b>	<b>7,618</b>	<b>5,491</b>
Dividend	5,350	4,500
Basic and diluted earnings per share (KSh)	<b>64.83</b>	<b>55.18</b>

## Condensed Statement of Financial Position as at 31 December

	2021 KSh' m	2020 KSh' m
<b>Capital and reserves</b>		
Share capital	1,000	1,000
Revaluation surplus	2,837	1,727
Retained earnings	11,137	9,129
<b>Shareholders' funds</b>	<b>14,974</b>	<b>11,856</b>
Non-current liabilities	1,939	1,576
	<b>16,913</b>	<b>13,432</b>
<b>Assets</b>		
<b>Non-current assets</b>	<b>12,305</b>	<b>10,914</b>
<b>Working capital</b>		
Current assets	11,814	10,792
Current liabilities	(7,206)	(8,274)
<b>Net working capital</b>	<b>4,608</b>	<b>2,518</b>
	<b>16,913</b>	<b>13,432</b>

## Condensed Cash Flow Statement for the year ended 31 December

	2021 KSh' m	2020 KSh' m
Cash generated from operations	8,576	7,418
Net interest paid	(102)	(175)
Tax paid	(2,234)	(2,497)
<b>Net cash from operating activities</b>	<b>6,240</b>	<b>4,746</b>
Net cash used in investing activities	(570)	(1,279)
Net cash used in financing activities	(4,525)	(3,394)
<b>Movement in cash &amp; cash equivalents</b>	<b>1,145</b>	<b>73</b>
At the start of the year	1,884	1,811
<b>At the end of the year</b>	<b>3,029</b>	<b>1,884</b>

## Condensed Statement of Changes in Equity

	Share Capital KSh' m	Revaluation surplus KSh' m	Retained earnings KSh' m	Total KSh' m
<b>At 1 January 2020</b>	<b>1,000</b>	<b>1,756</b>	<b>6,959</b>	<b>9,715</b>
Comprehensive income	-	(29)	5,520	5,491
Dividends	-	-	(3,350)	(3,350)
<b>At 31 December 2020</b>	<b>1,000</b>	<b>1,727</b>	<b>9,129</b>	<b>11,856</b>
<b>At 1 January 2021</b>	<b>1,000</b>	<b>1,727</b>	<b>9,129</b>	<b>11,856</b>
Comprehensive income	-	1,110	6,508	7,618
Dividends	-	-	(4,500)	(4,500)
<b>At 31 December 2021</b>	<b>1,000</b>	<b>2,837</b>	<b>11,137</b>	<b>14,974</b>

## Operating Environment

The easing of COVID-19 restrictions during the year created a more favorable trading environment compared to the prior year. This coupled with continued investments behind our brands, support to our trade partners and excellence in execution by our people resulted in the stability of our domestic sales.

However, the continued prevalence of illicit trade in tax-evaded cigarettes, estimated at 22% (source: 3<sup>rd</sup> party research), remains a significant challenge and continues to adversely impact legitimate industry revenues and deny Government more than an estimated KSh 4 billion per annum in taxes. It therefore remains crucial for industry players to work with relevant Government agencies to contain flows of illicit product.

We continue to make progress on implementing our strategy to build A Better Tomorrow™, with our Health, Environment, Social and Governance (HESG) agenda at the center of our business. We continue to contribute to national dialogue on the regulatory and fiscal framework to support a commercially sustainable re-entry into the Tobacco-free Oral Nicotine category.

## Financial Performance

Gross revenue increased by 3% to KSh 40 billion. This was primarily driven by pricing benefit in the domestic market. This revenue growth was marginally reduced by lower export sales, attributable to slower economic recovery in some of our key markets.

The growth in gross revenue was offset by a KSh 1.1 billion (8%) increase in Excise Duty and Value Added Tax (VAT), following inflationary increases in Excise Duty rates and VAT rate changes. Consequently, net revenue increased marginally by 0.4% to KSh 25.4 billion.

Nairobi  
17 February 2022

Profit after tax improved by 18% to KSh 6.5 billion driven by the increase in net revenue, effective cost management and offset by higher corporation tax in line with rate changes. The growth in profitability is reflected in higher earnings per share (+18%), aligned to our commitment to deliver sustainable shareholder value.

During the year, a property valuation exercise was done in line with the Company's accounting policy, resulting in a gain of KSh 1.2 billion in other comprehensive income.

## Contribution to Government revenues

Taxes in the form of Excise Duty, VAT, Pay As You Earn (PAYE) and Corporation Tax increased by KSh 2 billion (13%) to KSh 18 billion as a result of the inflationary increase in Excise Duty rates, as well as the VAT and Corporation Tax rate changes effected in January 2021.

## Dividend

The Board of Directors has proposed a final dividend in respect of the year ended 31 December 2021 of KSh 50 per share to be recommended for approval by shareholders at the Annual General Meeting to be held on 24 May 2022.

The final dividend, when added to the interim dividend already paid, gives a total dividend of KSh 53.50 per share. The dividend, which is subject to withholding tax, will be paid on or about 24 May 2022 to the shareholders on the register at the close of business on 22 April 2022.

By Order of the Board  
Kathryne Maundu (Ms)  
Company Secretary