

## **BRALIRWA Plc REPORTS 2020 FULL YEAR RESULTS**

**Kigali, 30 March 2021** – Bralirwa Plc (“Bralirwa”) announces:

### **2020 full year highlights:**

- Total volume increased by 0.4%:
  - Beer volume increased by 7.2 % versus last year as a result of consistent focus on Off-trade and On-Trade channels (Boutiques, Mini Markets, Supermarkets and on trade Restaurants)
  - Soft Drink volume decreased by 19.1% versus last year mainly as a result of measures against the spread of COVID-19.
- Revenue decreased by 0.2% versus last year mainly due to negative products mix.
- Results from operating activities increased by 85.9% compared to 2019 driven by lower fixed expenses, mainly from efficiency in fixed expenses (marketing expenses, personnel expenses, repair and maintenance costs and other fixed expenses) and other cost saving initiatives.

### **Managing Director Statement**

“In 2020, the overall top line results slightly increased compared to 2019 driven by beer volume but offset by Soft Drinks volume decline. Revenue management combined with a focus on cost savings initiatives as well as operational efficiencies significantly impacted positively the operating results. However, to drive sustainable performance, we continued to invest in our people, brands, capacity, sustainability and digital solutions.”

### **Operational Review 2020**

Top line results improved driven by beer volume. Revenue was 0.2% slightly lower than last year at Rwf 100.5 billion (2019: Rwf 100.6 billion), mainly due to decline of Soft Drinks volume partially offset by strong beer volume growth (7.1%).

A continued focus on cost saving combined with operational efficiencies resulted in an improved Gross Profit (GP) which increased by 3.8%.

Operating result increased by 85.9% to Rwf 19.8 billion (2019: Rwf 10.7 billion) mainly due to cost saving initiatives to mitigate the COVID-19 impact. Profit and total comprehensive income increased by 655.6% to Rwf 9 billion (2019: Rwf 1.2 billion), due to the reasons above. This resulted in better earnings per share of Rwf 8.75 (2019:Rwf 1.16).

## **Investment**

Capital expenditure in 2020 increased to Rwf 14.6 billion (2019: Rwf 12.5 billion), explained by the brewhouse expansion and fermentation and storage tanks' projects initiated in 2020.

## **Bramin**

The Bramin JV farm, now in its seventh year of commercial farming, requires further improvement in operational results, efficiencies, cost savings and crop rotation to become profitable. In 2020, an impairment was recorded in the Bralirwa financials on the loan to Bramin.

## **Debt**

Debt reduction remains a priority at Bralirwa. Following the latest repayment, the USD denominated long-term IFC loan is now Rwf 9.2 billion (2019: 14.6 billion). However, due to higher bank overdrafts, our net debt position increased to Rwf 42.6 billion (2019: Rwf 41.3 billion). Net finance cost decreased to Rwf 6.8 billion (2019: Rwf 7.8 billion).

## **Outlook 2021**

Ongoing uncertainties and resulting volatility in the global economy are expected to continue to impact African economies in the coming year. Our initial plan for 2021 is further top line, profit and margin growth in the context of continued outperformance of the Rwandan economy relative to the broader African Region driven by new product introductions, cost management and further debt reduction.

However, the outbreak of COVID-19 continues to present an unprecedented health crisis and macro-economic risk, which is likely to have a significant impact on the economy and our business in the short term while we stay optimistic with the Government's effort to roll-out vaccines that we expect to further reduce new COVID-19 cases here in Rwanda. As always, our priority is the safety and health of our employees, their families, customers and partners, and in playing a constructive role supporting the government as they work to contain the spread of the virus. At this stage, it is not possible to assess the extent and duration of this crisis and its impact on the economy and our business.

## **Dividend 2020**

Payment of a cash dividend for 2020 of Rwf 8.75 per share (2019: Rwf 1.00) will be proposed to the Annual General Meeting of shareholders scheduled for 20 May 2021. The proposed dividend, if approved, will be paid on 20 June 2021. The dividend represents 99.9% of the net profit of the year 2020. Please note that the payment will be subject to a withholding tax. The book close date for Bralirwa shares will be 25 May 2021, such that the final dividend will be paid to all shareholders, whose names appear in the Register of Shareholders at the close of business on 25 May 2021.

### **Conference call details**

Bralirwa Plc will host a conference call to discuss its full year 2020 financial results. The call will also be webcasted live via the investor relations section of the company's website: <http://www.bralirwa.com/cms/index.php/investors>. An audio replay service will also be made available after the conference call at the above web address.

### **About Bralirwa**

Bralirwa Plc is a Rwandan company producing and selling beers and soft drinks. The Company's beer brand portfolio includes Mützig, Primus, Turbo King, Legend, Amstel and Heineken produced in the Gisenyi Brewery. Primus, one of the Company's largest selling beer brand has been available to consumers since 1959. Since 1974, the Company has been producing and selling soft drink brands under a licensing agreement with The Coca-Cola Company. These include Coca Cola, Fanta Orange, Fanta Citron, Fanta Fiesta, Sprite, Krest, Tonic, Stoney and the Company's own brand Vital'O.

The Company was founded in 1957 with the construction of a Brewery located in Gisenyi. Since 1971, Bralirwa Plc is a subsidiary of Heineken N.V., which holds 75% of the shares of Bralirwa with the remaining 25% listed on the Rwanda Stock Exchange. As a socially responsible company, Bralirwa supports a variety of projects from Health to Environment.

## Statement of Profit or Loss and other comprehensive income

<i>(In '000hl and Rwf millions)</i>	2020	2019	% Change
Sales volume	1,894	1,886	0.4%
<b>Revenue</b>	<b>100,521</b>	<b>100,691</b>	<b>(0.2%)</b>
Cost of sales	(64,324)	(65,814)	(2.3%)
<b>Gross profit</b>	<b>36,197</b>	<b>34,877</b>	<b>3.8%</b>
Other income	461	469	(1.7%)
Selling and distribution expenses	(3,179)	(7,856)	(59.5%)
Administrative expenses	(10,083)	(12,428)	(18.9%)
Other operating expenses	(3,570)	(4,395)	(18.8%)
<b>Results from operating activities</b>	<b>19,826</b>	<b>10,667</b>	<b>85.9%</b>
Finance costs	(6,832)	(7,788)	(12.3%)
<b>Net finance cost</b>	<b>(6,832)</b>	<b>(7,788)</b>	<b>(12.3%)</b>
<b>Profit before income tax</b>	<b>12,994</b>	<b>2,879</b>	<b>351.3%</b>
Income tax expense	(3,989)	(1,687)	136.5%
<b>Profit after tax</b>	<b>9,005</b>	<b>1,192</b>	<b>655.5%</b>
Other Comprehensive income	-	-	0.0%
<b>Profit and total comprehensive income for the year</b>	<b>9,005</b>	<b>1,192</b>	<b>655.5%</b>
<b>Attributable to:</b>			
Equity holders of the parent	6,754	894	655.5%
Equity attributable to other shareholders	2,251	298	655.4%
	<b>9,005</b>	<b>1,192</b>	<b>655.5%</b>
Earnings per share (basic and diluted) - Rwf	8.75	1.16	654.3%
Dividend per share - Rwf	8.75	1.00	775.0%
Net Debt	42,630	41,298	3.2%
EBITDA	32,882	24,476	34.3%

## Statement of Financial Position

<i>(In Rwf millions)</i>	2020	2019	% Change
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	87,554	85,914	1.9%
Intangible assets	1,697	1,672	1.5%
Investments	9	1,166	(99.2%)
Receivable from related parties - principal	-	-	0.0%
<b>Total non-current assets</b>	<b>89,260</b>	<b>88,752</b>	<b>0.6%</b>
<b>Current assets</b>			
Inventories	19,963	18,477	8.0%
Receivable from related parties	1,934	3,266	(40.8%)
Trade and other receivables	10,261	6,530	57.1%
Tax recoverable	896	452	98.2%
Bank and cash balances	4,957	4,264	16.3%
<b>Total current assets</b>	<b>38,011</b>	<b>32,989</b>	<b>15.2%</b>
<b>Total assets</b>	<b>127,271</b>	<b>121,741</b>	<b>4.5%</b>
<b>Equity</b>			
Share capital	5,143	5,143	0.0%
Share premium	85	85	0.0%
Other reserves	2,072	2,072	0.0%
Retained earnings	35,287	27,311	29.2%
<b>Total equity</b>	<b>42,587</b>	<b>34,611</b>	<b>23.0%</b>
<b>Non-current liabilities</b>			
Loans and borrowings	11,612	17,413	(33.3%)
Deferred tax liability	4,194	5,805	(27.8%)
<b>Total non-current liabilities</b>	<b>15,806</b>	<b>23,218</b>	<b>(31.9%)</b>
<b>Current liabilities</b>			
Loans and borrowings	35,975	28,149	27.8%
Payable to related parties	3,881	6,430	(39.6%)
Trade and other payables	29,022	29,333	(1.1%)
<b>Total current liabilities</b>	<b>68,878</b>	<b>63,912</b>	<b>7.8%</b>
<b>Total liabilities</b>	<b>84,684</b>	<b>87,130</b>	<b>(2.8%)</b>
<b>Total equity and liabilities</b>	<b>127,271</b>	<b>121,741</b>	<b>4.5%</b>

## Statement of Cash Flows

(In Rwf millions)	2020	2019	% Change
<b>Cash flow from operating activities</b>			
Profit before tax	12,994	2,879	351.3%
Adjustments for:			
Impairment of related party loan	3,516	3,180	10.6%
Interest expense	5,472	6,326	(13.5%)
Interest lease expense	26	42	(38.1%)
Foreign exchange difference on loans	883	790	11.8%
Depreciation	12,604	13,387	(5.8%)
Amortization of intangible assets	452	422	7.1%
Loss / (Gain) on sale of property, plant, and equipment	(26)	197	(113.2%)
	<b>35,921</b>	<b>27,223</b>	<b>32.0%</b>
<b>Changes in working capital</b>			
(Increase)/ decrease in trade and other receivables	(3,731)	2,958	(226.1%)
Increase in related party balances	(3,576)	2,053	(274.2%)
Increase in inventories	(1,487)	1,479	(200.5%)
(Decrease)/increase in trade and other payables	(122)	569	(121.4%)
<b>Cash generated from operating activities</b>	<b>27,005</b>	<b>34,282</b>	<b>(21.2%)</b>
Income tax received/(paid)	(6,043)	(2,090)	189.1%
<b>Net cash flows generated from operating activities</b>	<b>20,962</b>	<b>32,192</b>	<b>(34.9%)</b>
<b>Cash flow from investing activities</b>			
Interest income	-	-	0.0%
Proceeds from sale of property, plant, and equipment.	27	150	(82.0%)
Purchase of property, plant and equipment	(14,245)	(11,420)	24.7%
Purchase of intangible assets	(476)	(1,191)	(60.0%)
<b>Net cash used in investing activities</b>	<b>(14,694)</b>	<b>(12,461)</b>	<b>17.9%</b>
<b>Cash flow financing activities</b>			
Proceeds from loans and borrowings	-	-	0.0%
Repayment of loans and borrowings	(6,369)	(5,653)	12.7%
Dividends paid to equity holders of the company	(771)	(4,243)	(81.8%)
Dividends paid to other shareholders	(257)	(1,414)	(81.8%)
Payment of lease commitments	(191)	(123)	55.3%
Interest on leases	(26)	(42)	(38.1%)

Interest expense	(5,472)	(6,326)	(13.5%)
<b>Net cash flows used in financing activities</b>	<b>(13,086)</b>	<b>(17,801)</b>	<b>(26.5%)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(6,818)</b>	<b>1,930</b>	<b>(453.3%)</b>
Cash and cash equivalents at 1 January	(18,062)	(19,992)	(9.7%)
<b>Cash and cash equivalents as at 31 December</b>	<b>(24,880)</b>	<b>(18,062)</b>	<b>37.7%</b>