



PRESS RELEASE

Bralirwa PLC reports 2019 first half year results

Kigali, 5th August 2019 – Bralirwa PLC. (“Bralirwa”) announces today its unaudited financial results for the period ended 30 June 2019. Highlights included:

- Total volume increased by 5.2%
- Organic revenue increased 3.9% driven by volume growth, partly offset by mix
- Results from operating activities increased by 6.6% vs. HY 2018 due to top line growth, increased GP margin and lower marketing and sales expenses

Merid Demissie, Vice Chairman of the Board and Managing Director of Bralirwa commented:

“In a challenging operating environment we delivered top line growth in the first half of the year. Volume, revenue and GP margin improved driven by innovation, investment in our brands and lower input costs as a result of locally produced Heineken®. In order to drive further performance Bralirwa will continue to invest in both its brands and people and this combined with strict cost management should improve the result from operating activities.”

Operational review first half year 2019

Revenue improved by 3.9% to Rwf 47.1 billion in the first half year of 2019 (HY 2018: Rwf 45.4 billion). This was mainly the result of the volume increase of 5.2% partly offset by unfavourable mix effects. Volume growth was sustained from prior years in what remains a competitive market environment. Revenue was adversely impacted by the second and last part of the excise tax correction of Rwf 0.5 billion (HY 2018: Rwf 0.4 billion) related to prior years 2015 – 2017.

Bralirwa’s operating result increased by 6.6% to Rwf 7.4 billion (HY 2018: Rwf 7.0 billion) coming from increased revenue, GP Margin and cost management. Additionally, local production of Heineken® which commenced at the end of last year at Gisenyi brewery helped lower the cost of sales. Profit and total comprehensive income for the first half year of 2019 grew by 8.8% to Rwf 2.3 billion (HY 2018: Rwf 2.1 billion).

Investments

Total capital expenditure in the first half year of 2019 were as planned. Most of the capital expenditure is expected to take place in the second half of the year.

Debt

Debt repayment continued to further reduce our debt position. This combined with leveraging the improved financing terms and conditions, partly offset by slightly the devaluation of the RWF, resulted in a reduction of the net finance cost.



Outlook full year 2019

In the second half of 2019, Bralirwa expects continued volume growth. Whilst the market environment in Rwanda is expected to remain competitive and constrained by consumer spending power, the overall beverage market is expected to be broadly positive. Bralirwa will continue to invest in its brands, route to market and people to drive performance.

Further top line growth is expected during 2019 supported by new product introductions in the market. Cost pressures and the uncertain tax environment will likely continue to be challenging, but further focus on cost management and reducing debt should enable margin improvement in 2019.

Conference call details

On 21 August 2019, Bralirwa will host a conference call to discuss its unaudited first half year 2019 financial results. Details of the dial in for this call will be shared ahead of this date in the investor section of the company website at:

<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 is a Rwandan company producing and selling beers and soft drinks. The Company's beer brand portfolio includes Heineken, Primus, Mützig, Legend, Amstel and Turbo King produced in the Gisenyi brewery. Primus, 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, 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 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 Education to Health and Environment.



Statement of Profit or Loss and other comprehensive income

<i>(In '000hl and Rwf millions)</i>	HY 2019	HY 2018	% Change
Sales Volume	880	837	5.2%
Revenue	47,137	45,369	3.9%
Results from operating activities	7,448	6,987	6.6%
Net finance cost	(3,919)	(3,959)	1.0%
Profit before income tax	3,529	3,028	16.5%
Income tax expense	(1,221)	(908)	34.5%
Profit and total comprehensive income for the period	2,308	2,120	8.8%
Earnings per share (basic and diluted) (EPS)	2.24	2.06	8.8%

Disclaimer

This press release contains forward-looking statements with regard to the financial position and results of Bralirwa's activities. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.

Many of these risks and uncertainties relate to factors that are beyond Bralirwa's ability to control or estimate precisely, such as future market and economic conditions, the behaviour of other market participants, changes in consumer preferences, costs of raw materials, interest rate and foreign exchange fluctuations, change in tax rates, changes in law, changes in pension costs, the actions of government regulators and weather conditions. These and other risk factors are detailed in Bralirwa's publicly filed annual reports.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Bralirwa does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.