

KWAL INVESTOR BRIEFING

4 September 2019

KWAL executive team



Kuria Muchiru
Chairman - KWAL Board



Lina Githuka
Managing Director



Mwenda Kageenu
Supply Chain Director



Greg Pitt
Commercial Director



Rosemary Ng'ayu
HR Director



Bernard Ngondo
Finance Director



Doris Thangei
Company Secretary &
Legal Services Director



Gordon Mutugi
Corporate Affairs Manager



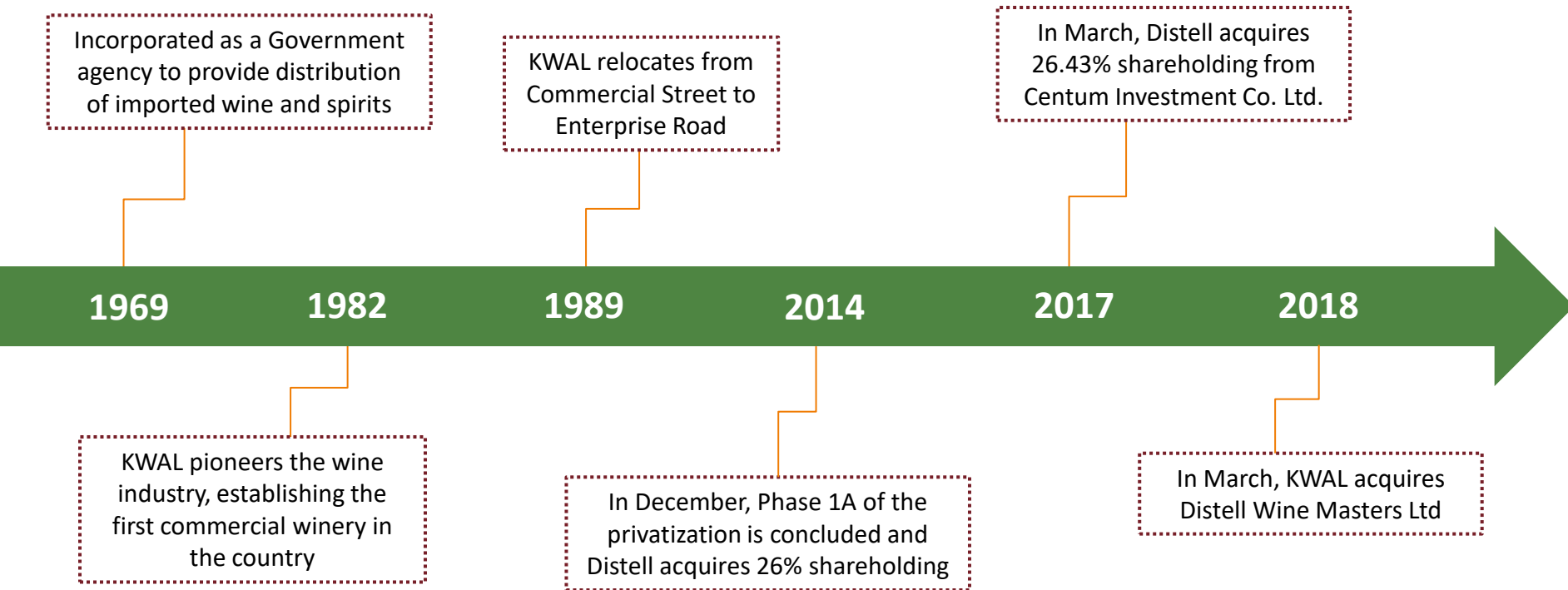
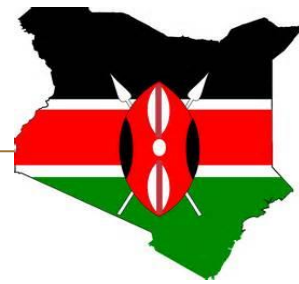
Joshua Koskei
ICT Manager



James Muchai
Internal Audit Manager

OVERVIEW & CURRENT REALITY





CURRENT SHAREHOLDING:

Distell Inter. 55.37% | ICDC 43.77% | Others 0.86%

Our performance is anchored on a sound strategy

FY24 Strategic Ambition
2 x V , 3 x EBIT

Become a leader
in selected market
segments

Maximize
Operational
Efficiencies

Be a Renowned
Corporate Citizen

Become an
Employer of Choice
with highly
productive
Workforce

Become a leader in selected market segments

- Grow Sales Revenue by category ahead of market growth.
- Attain market share ambitions for key brands within their defined market segments.
- Improve Brand offerings.
- RTM Strategies delivering efficient and effective customer service and value.



EXCESSIVE CONSUMPTION OF ALCOHOL IS HARMFUL TO YOUR HEALTH.
NOT FOR SALE TO PERSONS UNDER THE AGE OF 18 YEARS.



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EXCESSIVE CONSUMPTION OF ALCOHOL IS HARMFUL TO YOUR HEALTH.
NOT FOR SALE TO PERSONS UNDER 18 YEARS.

Maximize operational efficiencies

- Continuously improve processes thus delivering sustainable cost savings.
- Eliminate waste and losses.
- Maximize asset utilization by driving sustainable productivity.



Be a renowned corporate citizen

- Fully Compliant and ethical business practices.
- Socially responsible.
- Environmentally conscious and sustainable operating practices.



Become an employer of choice with a highly productive workforce

- Great achievements and performances adequately recognized.
- Fair employment practices and remuneration.
- Performance focused teams.
- Culture Transformation.



COMMERCIAL OVERVIEW

Great KWAL brands
bring the greatest moments

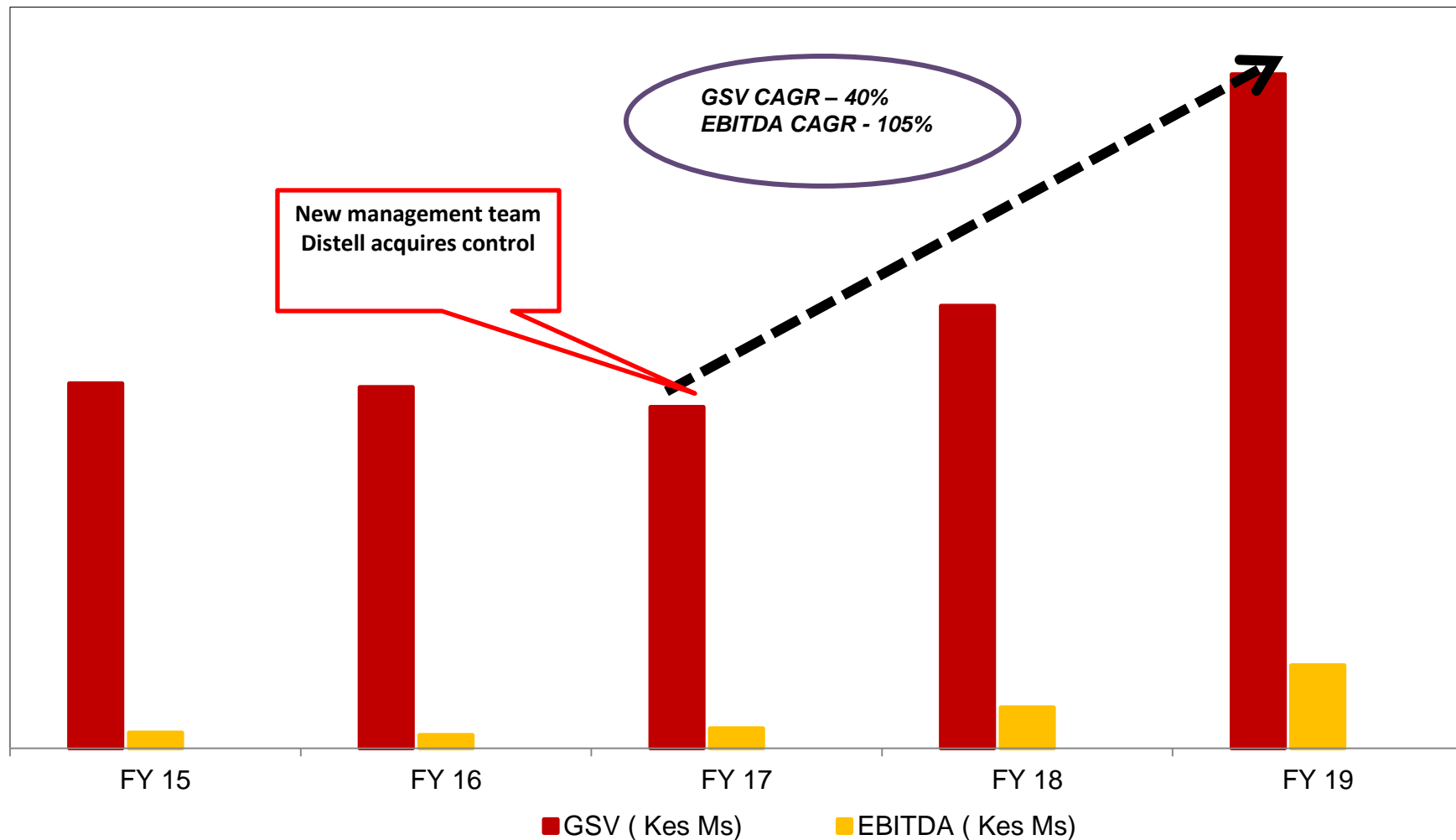


KWAL
KENYA WINE AGENCIES LTD
www.kwal.co.ke

#MakeItGreatForEveryone

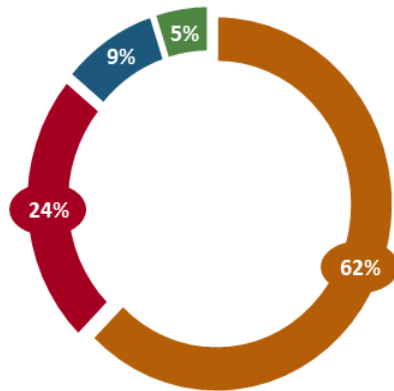
Progressive growth in gross revenues and EBITDA under new management and Distell control

Gross Revenue & EBITDA performance



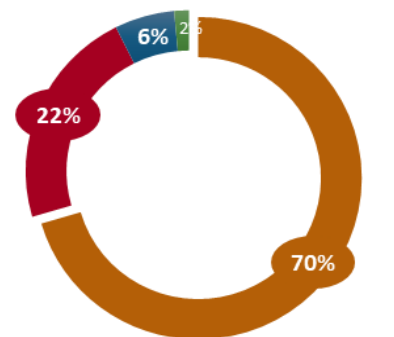
Overview of the KWAL Portfolio

VOLUME CONTRIBUTION PER CATEGORY



■ Spirits ■ Wine ■ RTD's ■ Non Alc

REVENUE CONTRIBUTION PER CATEGORY



■ Spirits ■ Wine ■ RTD's ■ Non Alc

Our top 11 brands generate 94.5% of our revenue

SPIRITS



Kibao Vodka



Hunter's Choice



Viceroy



Best Whisky

WINE



Caprice



4th Street



Cellar Cask



Drostdy Hof

RTD/CIDER



Kingfisher



Savanna

CREAM

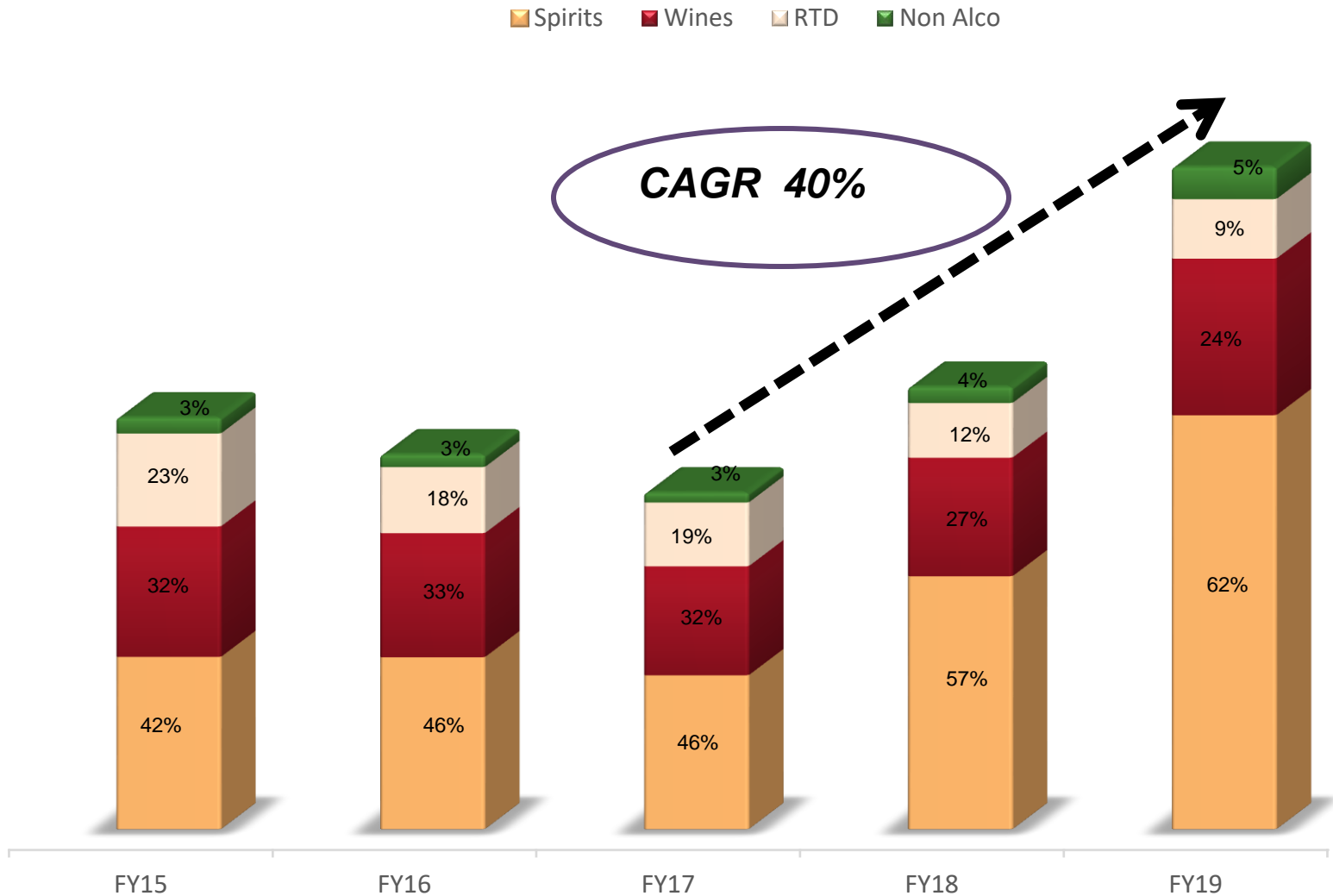


Amarula

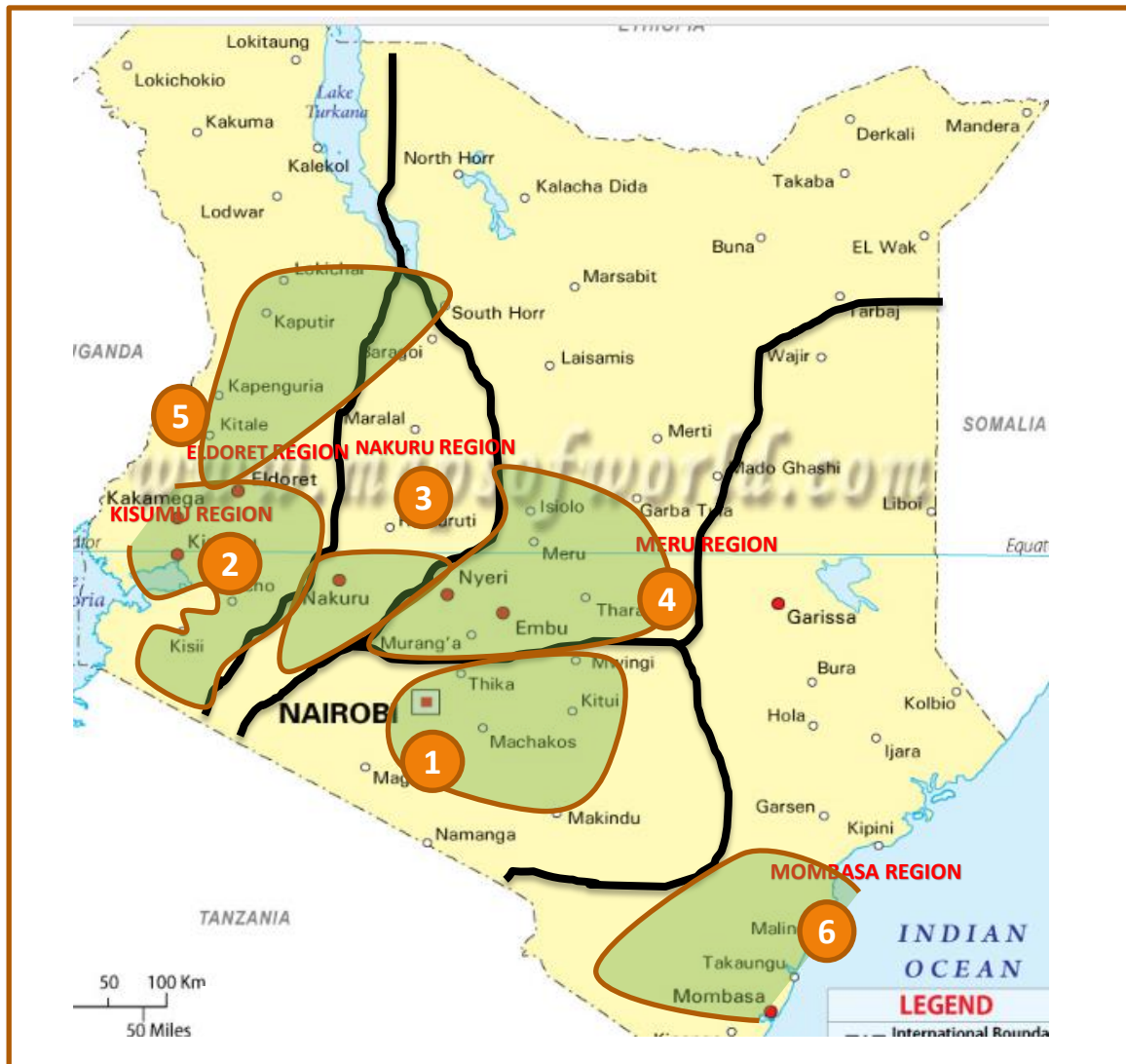
Improved Brand innovations to increase consumer appeal and strengthen brand equity resulting in strong brand growth



Positive turnaround in volume growth ahead of market growth



Market coverage: 6 key regions



SUPPLY CHAIN OVERVIEW



KWAL's Current Manufacturing Capacity

KEY MARKETS

- Kenya
- DRC

SKU'S

108

KEY BRANDS

Spirits

- Kibao Vodka
- Hunters choice

Wines

- Caprice
- Cellar Cask

RTD

- Kingfisher
- Hunters Cider
- Savanna

CAPACITY

Cellars:

- 26mm Lts/ yr

PLANT STATISTICS

Site Area:
6.7 Acres

Permanent
employees:
104



KWAL PLANT ORIGINS AND GROWTH

- 1969:** KWAL inception on Commercial Street
- 1982:** First Winery built at KWAL
- 1998:** Viceroy first Production
- 2016:** Line 1 Washer and Labeller Upgrade
- 2017:** New TBA Line Installation
- 2018:** UPS Installation for TBA Power
- 2019:** Filler Replacement & Line conveying to warehouse

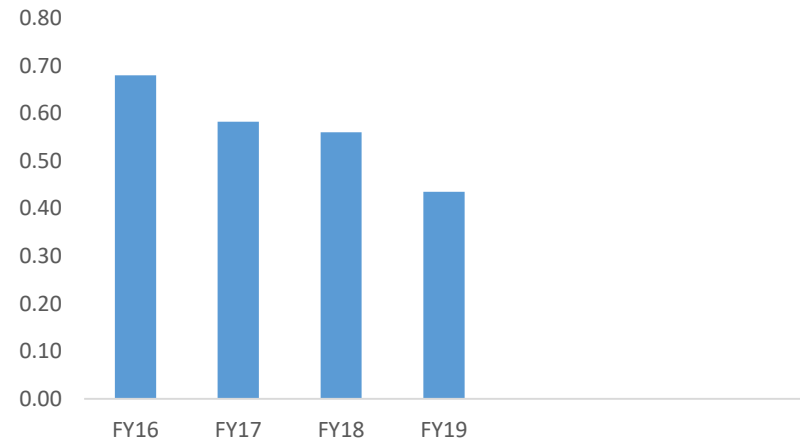


KWAL factory improvements

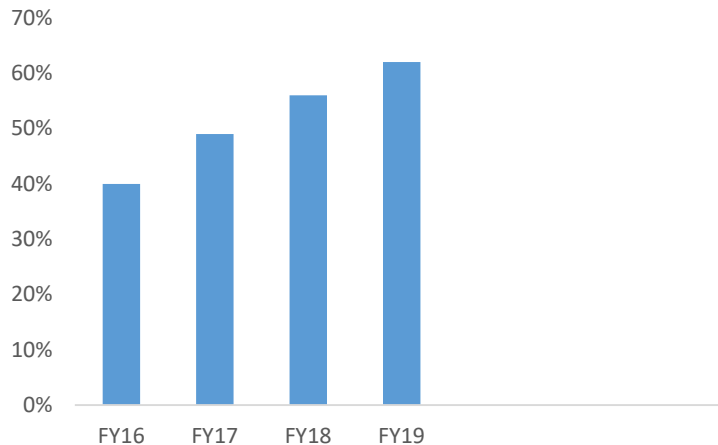
KWAL has seen constant improvement across a range of metrics (Financial, efficiencies and resource usage):

- Improvement in total conversion cost year on year
- Improvement in line OEE's due to the impact of training programmes and preventative maintenance
- Plant reliability also improved significantly
- Improved environmental conservation over the period

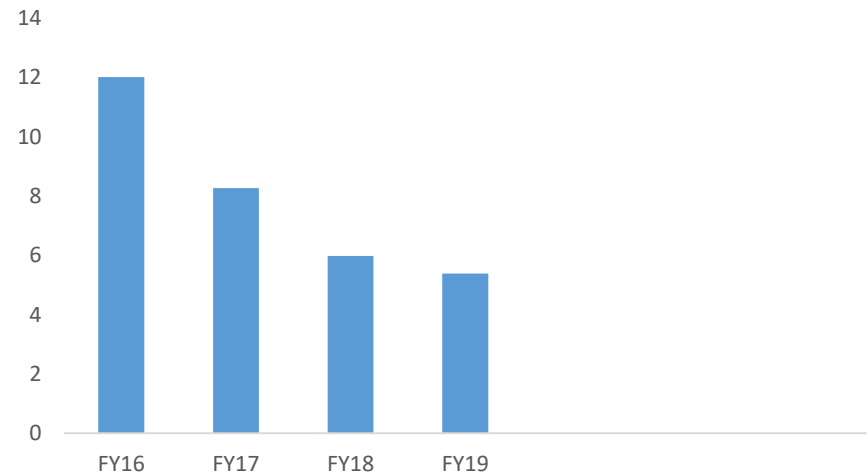
Conversion Cost USD



KWAL OEE



Water Usage Lt/LtBev



KWAL's Proposed Greenfield Manufacturing Capacity in TATU

KEY MARKETS

- Kenya
- Eastern Africa

SKU'S

98

KEY BRANDS

Spirit

- Kibao Vodka
- Hunters choice

Wine

- Caprice
- Cellar Cask
- BIBs

RTD

- Kingfisher
- Hunters Cider
- Savanna

CAPACITY

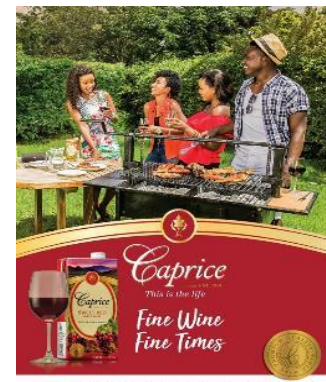
Cellars:

- 40 mn Lts/ yr

PLANT STATISTICS

Site Area:
20 Acres

Permanent employees:
116



HR OVERVIEW



Our People Strategy revolves around 4 key pillars

Talent & Performance Management; Reward & Recognition

- Development of diverse talent pipeline
- Career Mapping
- Linking the EPMS to Reward

Capability Development

- Building Competencies to drive business growth
- Transforming the L&D strategy, both technologically and content wise to adapt to new business needs
- Continuous development and maintenance of Capability Improvement programs

Business & Culture Transformation

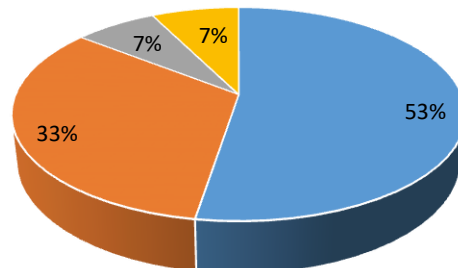
- Inspiring employees through shared purpose and value
- Continued culture/climate assessment in the organization
- Developing and marketing our EVP

HR Operational Excellence

- Investing in technology and bringing our business along the change journey
- Moving to a more efficient operating model enabled by technology and streamlined processes
- Equipping staff with the knowledge to utilize the new technology

Some of the HR initiatives achieved to drive capability & productivity

TOTAL KWAL EMPLOYEE POPULATION (215)



- SUPPLY CHAIN
- COMMERCIAL
- FINANCE & ICT
- LEGAL, HR, MD, AUDIT, CA

TALENT & PERFORMANCE MANAGEMENT



- Win –Win Remuneration
- Talent Reviews and interventions
- Internships
- Job enrichment and rotations

CAPABILITY DEVELOPMENT



- Accelerated Leadership Programmes
- Supervisory & Management training
- Machine Operators programmes
- Sales Academy

BUSINESS TRANSFORMATION

Deloitte

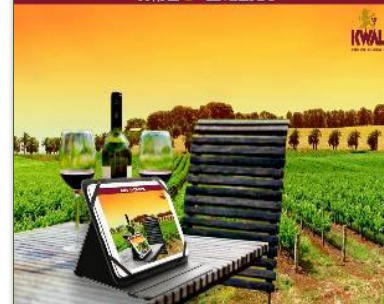


Silver
64.87%
Congratulations to KwaVine Agencies Limited
for achieving a Silver Seal of Achievement on the
Deloitte Best Company Survey 2018

- Employee Engagement Survey
- Focus Groups
- Refreshed Corporate Values
- Embedding the KWAL Culture

HR EXCELLENCE

KWAL e-LIMISHA



- E- Learning
- E- Leave Management
- Resource Centre
- HR Information System

CORPORATE AFFAIRS OVERVIEW



Corporate Affairs: 3 key focus areas

1 Public Policy & Regulatory Affairs

National Alcohol Policy;

- Development of new alcohol standards;
- Alcohol Drinks Act (ADCA) Amendment Bill;
- Legal Metrology Bill;
- Devolved Governments Alcohol Drinks Control Laws;
- Religious influence – Evangelical Christians and Muslim against alcohol in Kenya.

Optimal taxation

- Excise Management
- Optimal alcohol levies at County and National Governments;
- Customs Duty – influence.

Regulatory Compliance

- County and National Government licenses;
- KEBS, KRA and Film Board.

Leadership in Alcohol Industry Association; Industry approach to influence policy and regulatory matters and approach to Government Lobbying.

2 Corporate Social Responsibility

Responsible alcohol usage;

Shared Value – Protect KWAL license to trade:

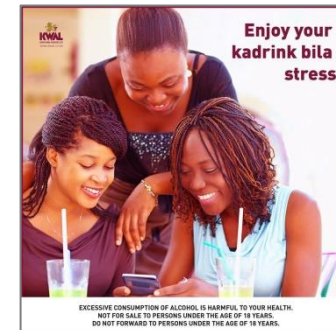
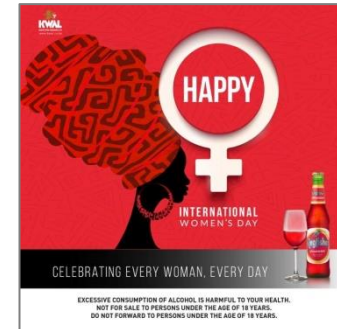
Roll out KWAL's new sustainable development ambition '*Inua Local*' whose core emphasis is supporting Alcohol micro enterprises in Corporate value chain.

Sustainability to be aligned to Distell CARA function

3 Communication

Digital Media– Grow and manage corporate owned digital media channels;

Reputation Management.



Q&A'S

