

Diageo seeks to raise its stake in Kenyan brewer EABL, to keep listing

By [Duncan Miriri](#)

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Diageo Plc, the world's largest spirits maker, has offered to buy additional shares in Kenya's East African Breweries to boost its stake by a third to 65%, it said on Friday, 14 October.



Source: Reuters/Thomas Mukoya/File Photo

Diageo is offering to buy 118.39 million shares at 192 shillings (\$1.59) each, the multinational drinks group said in a statement, amounting to a 40% premium over the market price.

The offer closes on 10 March next year, Diageo said, adding that it will not seek to take over the entire company should it attain its desired level of ownership, and it will keep the company listed.

Diageo has been seeking to increase its stakes in African breweries and distilleries due to rising consumption across the continent. Last year, in neighbouring Tanzania, it raised its equity holdings in Serengeti Breweries.



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14 Jul 2022



The resilience shown by EABL [during the Covid-19 pandemic](#), Diageo said was a factor that persuaded it to seek an increase in stake.

Like other frontier and emerging markets, the Nairobi bourse has been suffering from a bear run caused by interest rate hikes in advanced economies.

The drop in prices will make Diageo's offer attractive, as investors who have been buying the shares in recent months look to take a "chunky" profit, said a market participant, who described the timing as "perfect".

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