



**PRIVATISATION AUTHORITY**

Formerly,



**KWA HOLDINGS (E.A.) LIMITED  
(KHEAL)**

*TEASER DOCUMENT*

**MARCH 2024**



**Corporate  
Citizenship**

## TRANSACTION OVERVIEW

The Government of Kenya (GoK), through the Privatisation Authority, is offering prospective investors the opportunity to acquire its stake in KWA Holdings (E.A) Limited (KHEAL) and Kenya Wine Agencies Limited (KWAL), comprising 43.77% and 0.1% of Government shareholding, respectively. KHEAL, a non-trading holding company, holds 99.9% of the shares in KWAL. This offering represents the second privatisation phase following a previous divestment of 26% government shareholding in 2014/15. KWAL, a key player in Kenya's wine and spirits industry, has witnessed notable growth and expansion post-privatisation. It has witnessed growth in brand capabilities, an expanded product portfolio, and an extended regional footprint resulting in a significant growth in turnover, profitability and asset base. More detailed information will be provided to shortlisted bidders.

## INDUSTRY OVERVIEW

According to Our World in Data, consumption of alcohol in Kenya is 2.78 litres of pure alcohol per person aged 15 or older per year. Spending on alcohol is anticipated to continue growing at a rate of about 6.60% in the medium term. Brewers and alcohol distributors in East Africa are battling for control of the spirits market — currently the most profitable — notwithstanding the onslaught from imports and counterfeits. Brewers in Kenya have recorded significant growth in the spirits market.



**Profitable  
Business**

## COMPANY OVERVIEW

KWAL was established as a Government Agency in 1969 to provide a platform for importation and distribution of wines and spirits and, promoting local Kenyan participation in this sector. KWAL holds a historical significance to the country as a pioneer in Kenya's wine industry, notably founding the nation's first commercial winery in 1982. Currently, the principal activities of KWAL include manufacturing, importing, and distribution of wine and spirits, with production facilities based in Nairobi. Visit [www.kwal.co.ke](http://www.kwal.co.ke) for more information on the company.



**Strong  
Corporate  
Governance**

### Why Privatisation?

Offloading GOK's stake in KHEAL will :

- encourage more participation of the private sector in the economy by shifting the production and delivery of products and services from the public sector to the private sector;
- generate additional revenue for the government through compensation for privatisation; and
- improve the efficiency of the Kenyan economy by making it more responsive to market forces.

The success story of KHEAL is a testament that privatisation works.

### Growth Prospects

- KWAL's growth prospects are underpinned by strategic initiatives, including investing Ksh. 4 Billion in an ultra-modern manufacturing facility in Tatu City Industrial Park. The facility aims at enhancing its manufacturing capacity and value creation and, in turn, its competitiveness within the East African region.
- Market trends indicate continued growth in alcoholic beverage spending, presenting opportunities for KWAL's expansion.

### Award-Winning Beverages

The company offers a range of alcoholic and non-alcoholic drinks, including wines, spirits, grape juice, and syrup, and is known for its quality products. Its diverse portfolio includes a variety of world-class brands like KWAL County Brandy and Hunter's Choice Whisky, and wines such as Caprice and Drostdy-Hof.

### Regional Presence

The company boasts of a countrywide branch network in Kenya, and aims to expand its market presence within the East African Region.



**Track  
Record of  
Growth**



**Track  
Record of  
Excellence**