



# Genie Capital

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## SA des Brasseries du Cameroun: **Structural Diagnosis and Headwinds**

*A public structural diagnosis by Genie Capital Ltd*

OCTOBER 2026



## Report Details

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|              |                                             |
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*All figures in FCFA unless otherwise noted.*



# Genie Capital

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## OVERVIEW

# Executive Summary

*SABC is structurally sound. It is not under strain. Its identity is stable, its commitments are deep, and its structure is supported by both. It absorbs shocks because its core business is resilient, its brands are entrenched, and its distribution network is unmatched.*

The company dominates Cameroon's beverage market. It controls over 80% of the beer market, generates approximately FCFA 729 billion in annual revenue, pays over FCFA 367 billion in taxes—roughly half its turnover—and employs around 10,000 people directly and indirectly. It is backed by the Castel Group, has absorbed Guinness Cameroon, and has demonstrated a consistent ability to absorb shocks that would cripple less resilient competitors.



It faces real challenges. UCB is expanding capacity aggressively. Source du Pays dominates water and energy drinks. The Coca-Cola license was lost in 2022. A health crisis linked to illicit sachet whisky is reshaping consumer behavior. Price controls limit pricing power. Taxes are punishing. Power outages disrupt production. The Anglophone crisis threatens distribution in two regions.

None of these are existential. The diagnosis is structural soundness. The prescription is maintenance and vigilance. The headwinds are margin pressures and competitive erosion, not collapse.

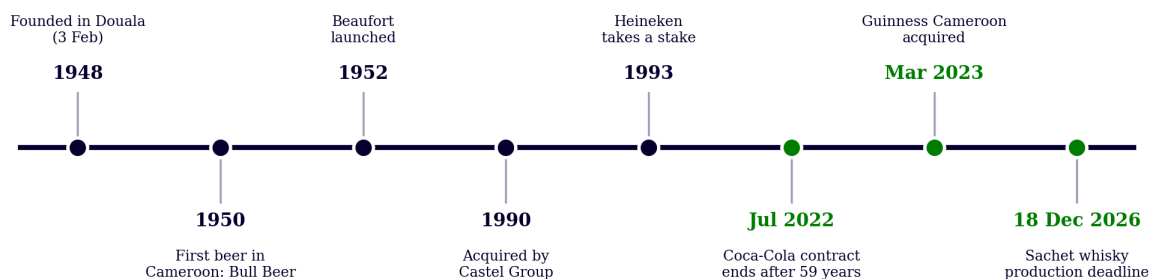
## PART I · WHERE IT BEGAN

# 1. The Background

## 1.1 Founding and Early History

SABC was founded on February 3, 1948, with its first factory in Douala. In 1950, it brewed the first beer in Cameroon, "Bull Beer." In 1952, it launched Beaufort, which remains a flagship brand. The company was acquired by the Castel Group in 1990. Heineken took a stake in 1993.

The company's legal name is Société Anonyme des Boissons du Cameroun. It is commonly known as Les Brasseries du Cameroun or simply SABC.



## 1.2 Ownership

The company is majority-owned by BGI Castel. Following the Guinness Cameroon acquisition in 2023, Castel's stake increased from 84.12% to nearly 88%. Heineken holds approximately 8.8%. The company was historically listed on Euronext Paris but was delisted. Shares now trade on the Douala Stock Exchange (BVMAC).

## 1.3 Market Position

SABC controls over 80% of Cameroon's beer market. It is the second-largest taxpayer after the oil sector. It is one of the largest private employers in the country.

## 1.4 Production and Distribution

SABC operates five brewing sites, 23 bottling lines, and six brewhouses. It owns SOCAVER (glass manufacturing) and SEMC (mineral water). Its distribution network includes 400 wholesalers and semi-wholesalers and 70,000 retail clients.

## 1.5 Product Portfolio

Beer brands include 33 Export, Beaufort, Castel, Tuborg, Amstel, Heineken, Mützig, Isenbeck, Castle Milk Stout, and Guinness. Soft drinks include World Cola, YouZou, Top, and Djino. Water includes Source Tangui. Energy drinks include XXL and FEROX.

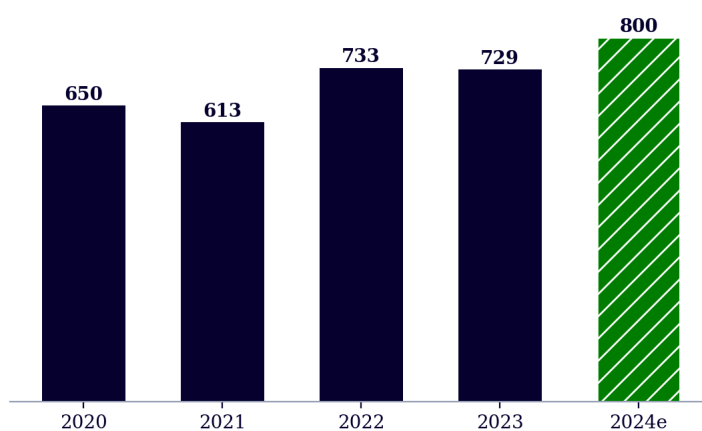
## PART II • WHERE IT STANDS

## 2. The State as at September 2026

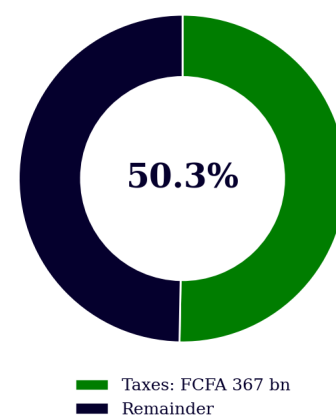
### 2.1 Financial Position

Revenue has been broadly stable over the past five years. In 2020, revenue was approximately FCFA 650 billion. In 2021, it was FCFA 613 billion. In 2022, it peaked at FCFA 733 billion. In 2023, it was FCFA 729 billion—a slight decline despite an increase in sales volume from 1.095 billion to 1.1 billion liters. The 2024 figure is estimated at around FCFA 800 billion based on press reports, though audited figures were not available.

Annual revenue (FCFA billion)



2023 revenue vs. taxes paid



The company paid over FCFA 367 billion in taxes in 2023, representing 50.3% of its total revenue. It paid a gross dividend of FCFA 600 per share in both 2023 and 2024.

The company has committed to a FCFA 200 billion investment program over five years, with over FCFA 45 billion already spent on Guinness integration, new production lines, and IT systems.

### 2.2 Market Position

SABC's beer market share exceeds 80%. Its soft drink position has been weakened by the loss of the Coca-Cola license, but World Cola and YouZou provide alternatives. Its water subsidiary, SEMC, trails Source du Pays with approximately 40% market share against Source du Pays's 67%. Its energy drink position is marginal.

### 2.3 Management

The General Manager is Stéphane Descazeaud, who has held the position since July 1, 2022, succeeding Emmanuel de Tailly. The Deputy General Manager is Patricia Berthelot. The CFO is Bertrand Lenglard. The Commercial and Marketing Director is Aubin Tedom. The Human Resources Director is Hermine Dolorès Boum. The Board of Directors is presided over by Aïssatou Yaou.

## 2.4 Guinness Integration

Castel acquired Guinness Cameroon in March 2023 for GBP 389 million. The CEMAC competition authority approved the acquisition on March 28, 2023. SABC is executing a merger by absorption, where Guinness Cameroon will transfer its entire patrimony to SABC and cease to exist as a separate entity. Production is being expanded to Yaoundé, Bafoussam, and Garoua. Three new production lines with a combined annual capacity of 2.1 million hectoliters are being installed. The goal is to double Guinness production.

## 2.5 Coca-Cola Termination

SABC ceased production and distribution of Coca-Cola, Fanta, Sprite, and Schweppes on July 1, 2022, after a 59-year partnership. The contract was awarded to Gracedom Invest, led by Jacqueline Dongmo. SABC launched World Cola and YouZou as replacements. Coca-Cola sales in Cameroon "literally crashed" during the transition.

## 2.6 Health Crisis

A persistent health crisis linked to illicit sachet whisky—FCFA 100–150 sachets containing methanol and industrial alcohol—has caused kidney failures, cirrhosis, and neurological damage. A 2025 study found that 32.1% of beers, wines, and spirits sold in Yaoundé exceeded safe methanol limits. The government has fixed December 18, 2026, as the deadline for sachet whisky production units to cease operations. Consumer awareness of the link between alcohol and kidney disease is high (63%) but specific knowledge gaps remain (only 35% know diabetes and hypertension are risk factors).

## 2.7 Operational Environment

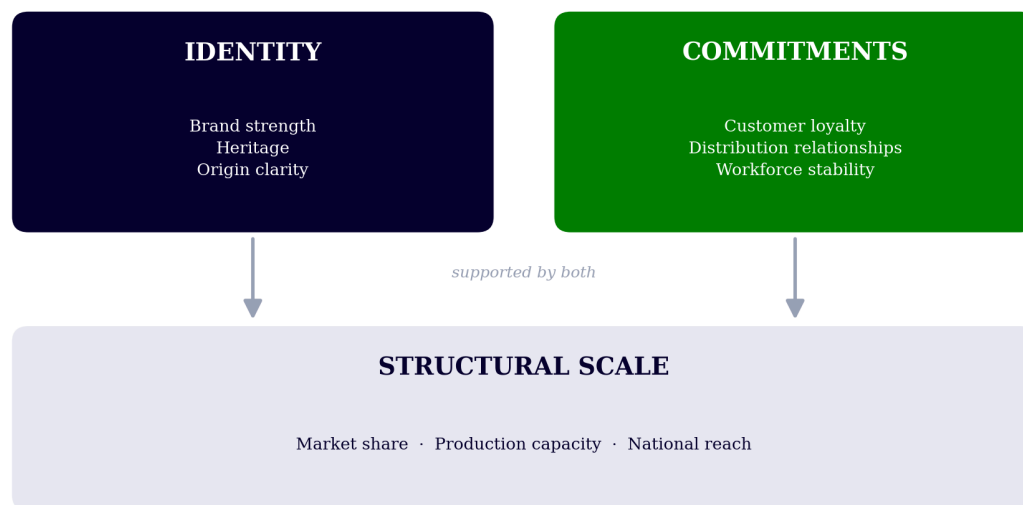
Power outages lasting 6–8 hours daily have disrupted production and damaged equipment. Foreign exchange constraints and PECAE directives have delayed supplier payments. The Anglophone crisis has forced the closure of seven distribution centers and reduced growth by an estimated 10%. Raw material costs rose 20% between 2020 and 2022. The 2024 Finance Law removed the 10% excise tax rebate on low-alcohol beers. Price revision proposals have been rejected by the Minister of Commerce for three consecutive years.

## PART III · WHAT IT MEANS

## 3. The Diagnosis

### 3.1 Structural Assessment

SABC is structurally sound. Its identity—brand strength, heritage, and origin clarity—and its commitments—customer loyalty, distribution relationships, and workforce stability—fully support its structural scale—market share, production capacity, and national reach. The company is not draining brand equity or trust to maintain dominance. It absorbs shocks because its core business is resilient and its financial backing is deep.



The primary challenges are margin pressures and competitive threats, not existential risks. SABC's dominance is durable, but complacency could lead to slow erosion of market share or profitability.

### 3.2 Plain Economics Assessment

SABC has a wide economic moat. Its market share is dominant. Its brands are strong and carry deep heritage. Its customers are loyal. Its scale economies are substantial. Its distribution network is unmatched. Its parent company provides capital and strategic support. It is systemically important to the Cameroonian state as a taxpayer and employer.

It faces real challenges. UCB is expanding capacity. Source du Pays dominates water and energy drinks. The Coca-Cola loss removed a high-margin product. The health crisis could tarnish overall alcohol perception. Price controls limit pricing power. Taxes are punishing. Infrastructure is unreliable. Security is a concern in the Anglophone regions.

These are margin and growth pressures. They are not existential threats. The company's core business is resilient. Its financial position is solid. It generates strong cash flow. It can invest. It can absorb shocks.

### 3.3 Key Strengths

The strengths are structural and durable.

- Dominant market position with over 80% beer market share.
- Strong brand portfolio with deep heritage and loyalty.
- Unmatched distribution network reaching 70,000 retail clients.
- Scale economies that lower unit costs.
- Castel Group backing providing capital and regional synergies.
- Vertical integration through SOCAVER and CFC.
- Systemically important status as a major taxpayer and employer, reducing regulatory risk of existential action.

### 3.4 Key Risks

The risks are manageable but require attention.

- UCB capacity expansion could erode share in the value segment.
- Source du Pays dominance in water and energy drinks limits SABC's growth in those segments.
- The Coca-Cola loss removed a high-margin product, and World Cola and YouZou must build equity from scratch.
- The health crisis could affect overall alcohol perception even though it primarily concerns illicit products.
- Price controls limit pricing power.
- Heavy taxation constrains profitability.
- Power outages, FX constraints, and transport bottlenecks raise operating costs.
- The Anglophone crisis disrupts distribution and growth.
- Monopoly perceptions and price sensitivity affect consumer sentiment.

## PART IV · WHY THE OBVIOUS READING FAILS

## 4. Why Conventional Tools Miss It

Conventional analytical tools would look at SABC and see a company under siege. They would see a lost Coca-Cola license, an aggressive competitor in UCB, a dominant rival in Source du Pays, a health crisis, price controls, heavy taxes, power outages, and a separatist conflict. They would add these up and conclude that SABC is in trouble.

That conclusion would be wrong. Conventional tools miss what matters because they focus on isolated threats rather than systemic resilience. They treat each challenge as a separate line item rather than understanding how the company's structure absorbs them.

| Pressure                        | Conventional reading          | Structural reading                                                                  |
|---------------------------------|-------------------------------|-------------------------------------------------------------------------------------|
| <b>Coca-Cola loss</b>           | A major blow to revenue       | Beer, the core business, was unaffected; loss absorbed without threatening solvency |
| <b>UCB expansion</b>            | A serious competitive threat  | UCB's share is small, SABC's network far larger, beer loyalty deep and durable      |
| <b>Source du Pays</b>           | SABC is losing                | Segments peripheral to core profitability; water assets under divestment review     |
| <b>Health crisis</b>            | Alcohol demand at risk        | Concerns illicit sachet whisky; may push consumers to formal alternatives           |
| <b>Price controls and taxes</b> | Margins unsustainable         | Strong cash flow, parent capital, systemic importance                               |
| <b>Anglophone crisis</b>        | Operations severely disrupted | Affected regions are a minority of revenue; distribution adapted                    |

Conventional tools would calculate the revenue impact of the Coca-Cola loss and conclude that SABC suffered a major blow. They would not see that beer—the core business—was unaffected and that the loss was absorbed without threatening solvency.

Conventional tools would look at UCB's FCFA 100 billion investment and 5 million hectoliter target and conclude that SABC faces a serious competitive threat. They would not see that UCB's current market share is small, that SABC's distribution network is far larger, and that brand loyalty in beer is deep and durable.

Conventional tools would look at Source du Pays's dominance in water and energy drinks and conclude that SABC is losing. They would not see that these segments are peripheral to SABC's core profitability and that the company is considering divesting its water assets because they are "no longer genuinely profitable."

Conventional tools would look at the health crisis and conclude that demand for alcohol is at risk. They would not see that the crisis primarily affects illicit sachet whisky, not branded products, and that it may actually push consumers toward safer, formal alternatives.

Conventional tools would look at price controls and heavy taxes and conclude that SABC's margins are unsustainable. They would not see that the company generates strong cash flow, has access to parent capital, and is systemically important enough that the government is unlikely to let it fail.

Conventional tools would look at the Anglophone crisis and conclude that SABC's operations are severely disrupted. They would not see that the affected regions represent a minority of revenue and that the company has adapted its distribution.

The structural diagnostic framework used in this assessment captures something that conventional tools miss: the relationship between identity, commitment, and structure. SABC's identity is stable. Its commitments are deep. Its structure is supported by both. It is not draining trust to maintain scale. It is not consuming brand equity to sustain dominance. It is structurally sound.

*That is why it absorbs shocks. That is why the Coca-Cola loss, the UCB expansion, the Source du Pays dominance, the health crisis, the price controls, the taxes, the power outages, and the Anglophone crisis have not crippled it. They are pressures, not ruptures. They are manageable, not existential.*

## PART V · WHAT TO WATCH

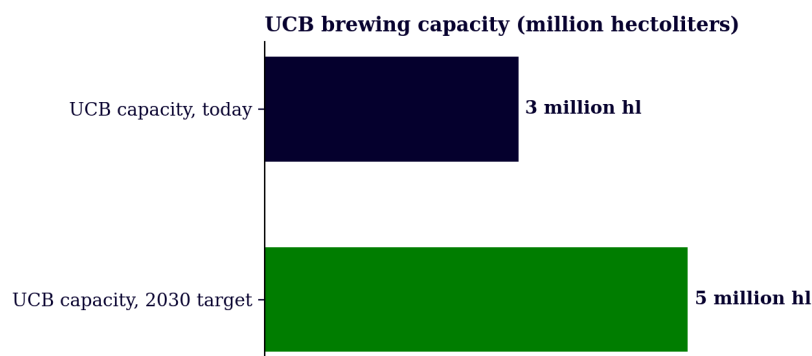
## 5. Headwinds to Watch

The ten headwinds below are the pressures most likely to test SABC's margins and market position. The table summarizes them; the sections that follow set out each in full.

| #  | Headwind                        | Type         | Core response                                                               |
|----|---------------------------------|--------------|-----------------------------------------------------------------------------|
| 1  | <b>UCB capacity expansion</b>   | Competitive  | Monitor share gains; targeted pricing or marketing                          |
| 2  | <b>Source du Pays dominance</b> | Competitive  | Evaluate divestment or repositioning in water and energy                    |
| 3  | <b>Coca-Cola loss</b>           | Portfolio    | Invest in marketing and distribution for World Cola and YouZou              |
| 4  | <b>Health crisis</b>            | Reputational | Consumer education; responsible consumption; low- and non-alcoholic options |
| 5  | <b>Price controls</b>           | Regulatory   | Constructive government engagement; cost efficiencies; product mix          |
| 6  | <b>Tax burden</b>               | Regulatory   | Emphasize role as major taxpayer and employer                               |
| 7  | <b>Infrastructure deficits</b>  | Operating    | Renewable energy; supplier diversification; buffer stocks                   |
| 8  | <b>Security situation</b>       | Operating    | Adapt distribution; alternative routes and local partners; dialogue         |
| 9  | <b>Competitive erosion</b>      | Competitive  | Brand health, customer trust, efficiency; monitor rivals closely            |
| 10 | <b>Governance and antitrust</b> | Governance   | Proactive regulator engagement; post-merger transparency                    |

### 5.1 UCB Capacity Expansion

UCB is investing FCFA 100 billion to boost production from 3 million to 5 million hectoliters by 2030. Its new Mounjo plant has a capacity of 2 million hectoliters. This is a credible long-term threat to SABC's beer volumes, particularly in the value segment. SABC should monitor UCB's market share gains and respond with targeted pricing or marketing if necessary.



## 5.2 Source du Pays Dominance

Source du Pays controls 67% of the water market and over 85% of the energy drinks market. SABC's SEMC trails in water, and its energy drink brands are marginal. SABC should evaluate whether continued competition in these segments is value-accretive or whether divestment or repositioning is preferable.

## 5.3 Coca-Cola Loss

The loss of the Coca-Cola license removed a high-margin, high-volume product. World Cola and YouZou are replacements, but they must build brand equity from scratch against a global icon. SABC should invest in marketing and distribution to establish these brands.

## 5.4 Health Crisis

The kidney failure crisis linked to illicit sachet whisky could affect overall alcohol perception even though it primarily concerns unregulated products. SABC should proactively address health concerns through consumer education, promote responsible consumption, and explore non-alcoholic and low-alcohol options.

## 5.5 Price Controls

The Minister of Commerce has rejected price revision proposals for three consecutive years. This limits SABC's ability to pass cost inflation on to consumers and squeezes margins. SABC should continue engaging constructively with government while exploring cost efficiencies and product mix adjustments.

## 5.6 Tax Burden

SABC paid over FCFA 367 billion in taxes in 2023, representing 50.3% of revenue. The 2024 Finance Law removed the 10% excise rebate on low-alcohol beers. Further tax increases would constrain profitability. SABC should emphasize its role as a major taxpayer and employer in its engagement with government.

## 5.7 Infrastructure Deficits

Power outages lasting 6–8 hours daily disrupt production and damage equipment. FX constraints delay supplier payments. Transport bottlenecks raise costs. SABC should invest in renewable energy, diversify suppliers, and build buffer stocks.

## 5.8 Security Situation

The Anglophone crisis has forced the closure of seven distribution centers and reduced growth by an estimated 10%. The inaccessible territory represents 35% of the national area. SABC should adapt distribution in affected regions, use alternative routes and local partners, and maintain dialogue with stakeholders.

## 5.9 Competitive Erosion

While SABC's dominance is durable, complacency could lead to slow erosion of market share or profitability. The company should continue investing in brand health, customer trust, and operational efficiency. It should monitor UCB and Source du Pays closely and respond strategically to competitive moves.

## 5.10 Governance and Antitrust

The Guinness merger increased Castel's stake to nearly 88%, concentrating control. UCB has denounced the operation as an abuse of a dominant position. The CEMAC competition authority approved the acquisition, but tensions remain. SABC should engage proactively with regulators and ensure transparency in post-merger integration.

## PART VI · THE VERDICT

## 6. Conclusion

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*SABC is structurally sound. It is not under strain. It absorbs shocks because its identity is stable, its commitments are deep, and its structure is supported by both.*

It dominates the beer market, generates strong cash flow, and has the backing of a major multinational group. It faces real challenges—competition, regulation, infrastructure, health crisis, and security—but none are existential.

The diagnosis is clear. The prescription is maintenance and vigilance. The headwinds are margin pressures and competitive erosion, not collapse. SABC is not in bad shape. It is in good shape. It should stay that way.

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