

Diageo to sell Guinness Cameroon to Castel Group for \$459m

Beverage giant Diageo has agreed to sell its Guinness Cameroon brewery to France's Castel Group for £389m (\$459.8m). Castel will take over the production and nationwide distribution of Guinness in Cameroon under a licence and royalty agreement.



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A strategic review of options to support strong growth of Guinness in Cameroon identified capacity constraints, Diageo said, adding that the agreement provides a robust platform for Guinness expansion in both production and distribution via Castel's five brewing sites and its national distribution network.

"Guinness has outgrown its existing brewery in Douala as a result of its strong performance. Under this new agreement, the brand will have both expanded brewing capacity and distribution. It will remain part of the global Guinness family through direct marketing oversight. We look forward to unlocking even greater potential through this agreement with Castel, ensuring we continue to have great tasting Guinness across Cameroon," commented Dayalan Nayager, president of Diageo Africa.

Guinness marketing in Cameroon will continue to be managed by the Guinness global brand team, who will set strategy with dedicated Diageo resources in the market working alongside Castel.



Diageo to sell Ethiopian brewery Meta Abo to BGI

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African development milestone for Castel

Gil Martignac of Castel said: "Since its creation, Castel has been constantly on the move. The planned acquisition of

Guinness Cameroon marks a new milestone in its development, both in Africa and in Cameroon where it has been recognised as an economic player for many years through SABC. This acquisition expands the company's portfolio in the strategic stout market and strengthens its historical partnership with Diageo in many other markets.

"Guided by its entrepreneurial spirit, Castel continues its growth momentum and its commitment to promoting the economic and social vitality of Cameroon and the African continent."

The deal is expected to be completed in the first half of fiscal 2023, subject to regulatory clearances. When completed, the transaction will result in an exceptional gain on disposal of approximately £250m after tax, Diageo said.

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