

## Stock Recommendation

Company	Fair Value (KES)	Closing Price (KES)	Upside/downside (%)	Current Rating
Safaricom	33.95	30.20	12.4%	HOLD
Equity bank	60.84	45.50	33.7%	BUY
KCB bank	59.61	35.75	66.7%	BUY
Co-op bank	16.15	12.25	31.8%	BUY
ABSA bank	12.47	9.70	28.6%	BUY
StanChart bank	134.08	124.75	7.5%	HOLD
NCBA bank	33.44	26.50	26.2%	BUY
I&M bank	21.43	17.95	19.4%	BUY
Stanbic bank	94.83	103.25	-8.2%	HOLD
DTB bank	106.48	53.75	98.1%	BUY
EABL	256.11	141.50	81.0%	BUY
Bamburi Cement	89.84	37.00	142.8%	BUY
BAT Kenya	521.50	423.00	23.3%	BUY

## Kenya Weekly Commentary

### Kenya Market Summary

#### Notable Events

- Safaricom FY22 EPS +1.8% y/y – Below Expectations
- Equity bank 1Q22 EPS +33.6% y/y – In line with Expectations
- Stanbic bank 1Q22 EPS +12.1% y/y –Above Expectations

#### Equity market commentary and outlook

- Last week, Safaricom (-5.6% w/w) marked its fourth weekly loss, touching a 17-month low after release of FY22 results. Equity bank (-3.5% w/w) hit a 10-month low on the back of foreign selling, while KCB bank (-1.4% w/w) sustained a 16-month low on local selling. EABL (+1.8% w/w) recovered on local demand, however, the stock continues to trade at a 2-year low.

#### Debt market commentary and outlook

- Overall subscription rates rose to 102.3%, up from 70.2% recorded in the previous week. For the fifth consecutive week, the yield on the 364-Day T-Bill edged up. Similarly, the yield on the 91-Day and 182-Day T-Bills sustained an upward trend – gaining for the ninth straight week.

#### Key Market Indicators

Index Returns	Level	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)	ytd (%)
Kenya NSE 20 Index Return	1,747.2	-0.5%	-6.7%	-6.8%	-9.0%	-6.2%	-8.2%
Kenya NASI Return	139.7	-3.5%	-11.7%	-13.3%	-18.6%	-15.8%	-16.1%
FTSE NSE Kenya 15 Return	178.1	-2.1%	-11.6%	-12.9%	-14.5%	-7.2%	-15.0%
FTSE NSE Kenya 25 Return	185.8	-3.2%	-12.4%	-14.4%	-18.8%	-14.9%	-15.7%
FTSE Kenya Bond Index Return	94.7	-0.4%	-0.1%	-1.9%	-1.9%	-2.0%	-1.4%

Source: NSE, Kestrel Research

#### NSE versus other markets

Index Returns (USD)	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)	ytd (%)
Nairobi All Share Index	-3.7%	-12.2%	-18.2%	-16.6%	-22.2%	-18.5%
Johannesburg Index	-0.9%	-16.2%	-17.6%	-6.7%	-11.2%	-9.4%
Nigeria Stock Exchange	4.2%	11.5%	13.0%	26.5%	32.6%	26.7%
Ghana Stock Exchange	-5.5%	-3.0%	-17.8%	-26.0%	-24.3%	-25.4%
Egyptian Stock Exchange	-2.5%	0.4%	-20.5%	-20.6%	-15.1%	-23.4%
MSCI EFM ex SA Index	-2.9%	-3.4%	-13.1%	-11.4%	-10.5%	-13.0%

### Other market statistics

Currencies	Level	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)
USD/KES	116.33	-0.2%	-0.7%	-2.3%	-2.9%	-7.8%
USD/ZAR	16.17	-1.1%	-9.2%	-7.1%	-1.1%	-12.6%
USD/EGP	18.32	0.9%	0.5%	-14.1%	-14.2%	-14.5%
USD/NGN	415.95	0.1%	-0.1%	0.5%	-0.4%	-1.3%
USD/GHS	7.58	-0.8%	-0.3%	-13.5%	-18.8%	-23.9%

### NSE most active counters

Counter	Value Traded (KES m)	Foreign Investor Net Buying/(Selling) (KES m)	Foreign Investor Activity as % of total	Weekly Price Change (%)	YTD (%)	% Below 12-month high	% Above 12-month low
Safaricom	1605.2	-809.6	64.0%	-5.6%	-20.4%	-32.8%	0.0%
Equity bank	375.8	-291.3	45.8%	-3.5%	-13.7%	-16.1%	11.2%
KCB bank	189.2	-75.5	35.2%	-1.4%	-21.3%	-28.4%	0.1%
EABL	131.3	-32.0	68.0%	1.8%	-14.2%	-27.0%	1.8%
NCBA bank	44.2	-0.0	0.0%	6.2%	5.2%	-5.9%	15.2%

### Notable Events

#### Safaricom FY22 EPS +1.8% y/y – Below Expectations

Reported EPS - KES 1.74, 1.8% y/y to KES 1.74, largely weighed by OpEx in Ethiopia at KES 5.0bn (9.1% of total operating costs) and higher finance costs at KES 6.4bn (>100% y/y). FY22 EPS underperformed our forecasts by 7.0%, mainly on net finance costs (58.8%) and minority interests (104.5%). On an underlying basis (excluding OpEx in Ethiopia), EPS grew by 12.1% y/y to KES 1.92, in line with our growth forecast of 12.3% y/y. The board of directors recommend a final DPS of KES 0.75, bringing the total DPS in FY22 to KES 1.39 (+1.5% y/y).

#### Summary Performance Table

(KES bn)	FY21A	FY22A	Y/y growth	FY22E	Variance
<b>Service Revenue</b>	<b>250.4</b>	<b>281.1</b>	<b>12.3%</b>	<b>279.5</b>	<b>0.6%</b>
Voice	92.0	93.1	1.1%	95.1	-2.2%
SMS	13.6	10.9	-20.0%	11.2	-2.7%
Mobile Data	44.8	48.4	8.1%	47.3	2.5%
Fixed Data	9.5	11.2	18.3%	11.3	-0.5%
M-Pesa	82.6	107.7	30.3%	105.3	2.9%
Other service revenue	7.8	9.8	25.9%	9.4	5.6%
<b>Total Revenue</b>	<b>263.5</b>	<b>298.1</b>	<b>13.1%</b>	<b>295.2</b>	<b>1.1%</b>
Direct costs	-80.0	-93.8	17.3%	-89.6	5.3%
Contribution margin (%)	68.5	68.5	0.1%	69	-0.7%
Operating costs	-46.0	-55.2	19.9%	-57.6	-5.2%
EBITDA	134.1	149.1	11.1%	146.2	2.1%
<b>EBITDA margin</b>	<b>50.9%</b>	<b>50.0%</b>	<b>-0.9%</b>	<b>49.5%</b>	<b>0.9%</b>
<i>Underlying EBITDA margin*</i>	<i>50.9%</i>	<i>51.7%</i>	<i>0.8%</i>	<i>52.9%</i>	<i>-1.2%</i>
D&A expense	-37.9	-39.9	5.2%	-39	2.4%
EBIT	96.2	109.1	13.5%	107.2	2.0%
Net finance costs	-2.0	-6.4	221.6%	-5.3	58.8%
PBT	93.7	102.2	9.1%	101.8	0.5%
Net income	68.7	67.5	-1.8%	70.2	-4.0%
Minority interests	-	-2.2	-	-4.4	104.5%
Attributable income	68.7	69.6	1.4%	74.6	-7.2%
<b>EPS</b>	<b>1.7</b>	<b>1.74</b>	<b>1.8%</b>	<b>1.86</b>	<b>-7.1%</b>
<i>Underlying EPS*</i>	<i>1.7</i>	<i>1.92</i>	<i>12.0%</i>	<i>1.91</i>	<i>0.6%</i>
DPS	1.4	1.39	1.5%	1.49	-7.3%

\*Excludes OpEx in Ethiopia

### What stood out for us?

- **Mobile data revenues outperformed on higher data usage:** Mobile data revenue outperformed by 2.5%, driven by a stronger growth in 2H22 (+4.9% h/h vs our forecast of 0.2% h/h). We note that Safaricom focused on personalized offerings, driving data usage (+60.5% y/y to 2.3GB per active user) above our estimate of 2.2GB (+ 53.0% y/y). In addition, the effective rate per MB declined at a slower rate at 31.2% y/y against our target of 34.3% y/y. Active data customers grew 4.3% y/y to 25.2m, largely in line with our forecasts (+4.4% y/y).
- **Higher-than-expected M-Pesa revenue growth:** M-Pesa revenues grew 2.9% above our forecasts, largely on account of higher-than-expected P2P revenues (+55.4% y/y vs. +50.3% y/y) and Fintech revenues (+30.3% y/y vs. +26.5% y/y). M-Pesa transaction values grew 34.0% y/y with chargeable transactions on the platform expanding by 16.6% y/y. Active M-Pesa customers grew by 7.8% y/y to 30.5m, above our forecast of 5.4% y/y.
- **Voice revenue underperformed in 2H22:** Voice revenue grew 1.1% y/y relative to our forecast at 3.3% y/y. We had anticipated a stronger outlook on voice in 2H22 mainly on higher voice traffic on Safaricom's network (+16.5% y/y). Voice revenue was relatively flat at 0.5% h/h in 2H22 versus our forecast of 4.7% h/h.
- **Higher than-expected direct costs:** Direct costs grew 5.3% above our forecasts, mainly driven by handset costs (+43.7% y/y) to support Safaricom's strategy of rolling out affordable 4G devices in the market. According to management, the company has sold 0.8m 4G devices thus far through the 'Lipa Mdogo Mdogo' device financing scheme.
- **OpEx in Ethiopia was lower-than-expected:** Based on management's FY22 EBIT guidance, we had expected initial start-up costs for Safaricom Telecommunication of Ethiopia (STE) to reach KES 8.0bn. However, OpEx came in 60.0% below our forecast. Staff costs accounted for 41.1% of STE's total OpEx. Management expects to grow STE's staff base from 305 in FY22 to 1,000 by FY23.

### Key highlights on Ethiopia operations:

- The USD 400m bridge facility on USD 400m to support payment of Ethiopia license fee was converted to a 5-year facility of USD 120m and KES 31.1bn (USD 280m) 7-year facility with 2-year moratorium on principal repayment. By lengthening the maturity profile of the debt, we expect this ease to pressure on finance costs going forward.
- Negotiations with Ethio telecom on infrastructure sharing, termination rates and national roaming are still underway, delaying the commercial launch of telco services in Ethiopia. Management is yet to give new guidance on the expected launch date.
- FY22 Capex in Ethiopia stood at KES 10.4bn, with network costs accounting for 79.8% of total Capex.

### Impact on outlook

- We expect to raise our growth outlook on M-Pesa and mobile data revenues given the better-than-expected performance in fintech revenues and data usage, respectively. In addition, we expect to raise our outlook on direct costs. We currently have a **HOLD** recommendation on Safaricom, implying a 12.4% upside.

### Equity bank 1Q22 EPS +33.6% y/y – In line with Expectations

Reported EPS – KES 3.06, +33.6% y/y, driven by net interest income (+30.6% y/y) and non-funded income (+9.7% y/y). EPS came in largely in line with our forecasts – exceeded our estimates by a modest 1.7% - on better-than-expected NFI growth (+2.5%) and lower-than-expected loan loss provisions (-33.8%).

#### Summary Performance Table

	Reported	Forecast	Variance
NIM	7.9%	7.4%	0.5%
NIR growth	30.6%	44.6%	-14.0%
NFI mix	38.1%	35.2%	2.9%
NFI growth	9.7%	7.2%	2.5%
CoR	1.1%	1.6%	-0.5%
CTI	45.3%	42.7%	2.6%
OpEx Growth	11.5%	9.3%	2.2%
EPS	3.06	3.01	1.7%
DPS	-	-	0.0%
Net Loan growth	27.9%	12.1%	15.8%
Deposit growth	14.1%	9.5%	4.6%
NPL Ratio	8.7%	9.6%	-0.9%
NPL Coverage*	58.4%	92.0%	-33.6%
ROE	26.4%	23.1%	3.3%

\*CBK Coverage

#### What stood out for us?

- **Lower-than-expected loan loss provisions;** cost of risk settled at 1.1% against our forecast of 1.6%. We also note that the NPL ratio came in lower at 8.7% (vs. 9.6%). Management appears confident of its recovery efforts (expects to recover KES 14bn and target an NPL ratio of 6.0% by year end), backed by its relatively high NPL coverage.
- **Better-than-expected non-funded income growth;** non-funded income expanded 2.6% above our expectations on account of outperformance in fee & commission income. We attribute the growth to increased lending, leading to higher fees from originations as well as higher transaction volumes as the trading activities in the economy continue to pick up.
- **Higher-than-expected OpEx growth;** operating costs escalated 2.2% faster than our estimates, mainly on account of staff costs. There was increased staff onboarding within the risk and IT departments to support the digital platforms and provide the necessary risk measures. Going forward, management expects the costs to rise in line inflation.

#### Impact to our investment thesis

- In our model update, we expect to revise downwards our cost of risk outlook. Equity bank is currently trading at a P/B of 1.0x. At current levels, against our fair value estimate of KES 60.84, Equity bank offers upside potential of 33.7%. We therefore retain our **BUY** rating.

### Stanbic bank 1Q22 EPS +12.1% y/y –Above Expectations

Reported EPS – KES 12.37, +12.1% y/y, largely attributable to increased interest income and higher non-funded income as well as reduced loan loss provisions. EPS beat our forecasts by 15.8% on account of better-than-expected total income (+5.7%) and lower-than-expected loan loss provisions (-10.5%).

#### Summary Performance Table

	Reported	Forecast	Variance
NIM	5.1%	5.0%	0.1%
NIR growth	16.9%	11.2%	5.7%
NFI mix	44.7%	44.4%	0.3%
NFI growth	9.6%	3.0%	6.6%
CoR	0.9%	1.1%	-0.2%
CTI	49.6%	48.2%	1.4%
OpEx Growth	20.6%	11.1%	9.5%
EPS	12.37	10.68	15.8%
DPS	-	-	0.0%
Net Loan growth	30.8%	4.7%	26.1%
Deposit growth	3.8%	6.5%	-2.7%
NPL Ratio	10.6%	11.4%	-0.8%
NPL Coverage*	49.3%	85.4%	-36.1%
ROE	17.4%	15.4%	2.0%

\*CBK Coverage

#### What stood out for us?

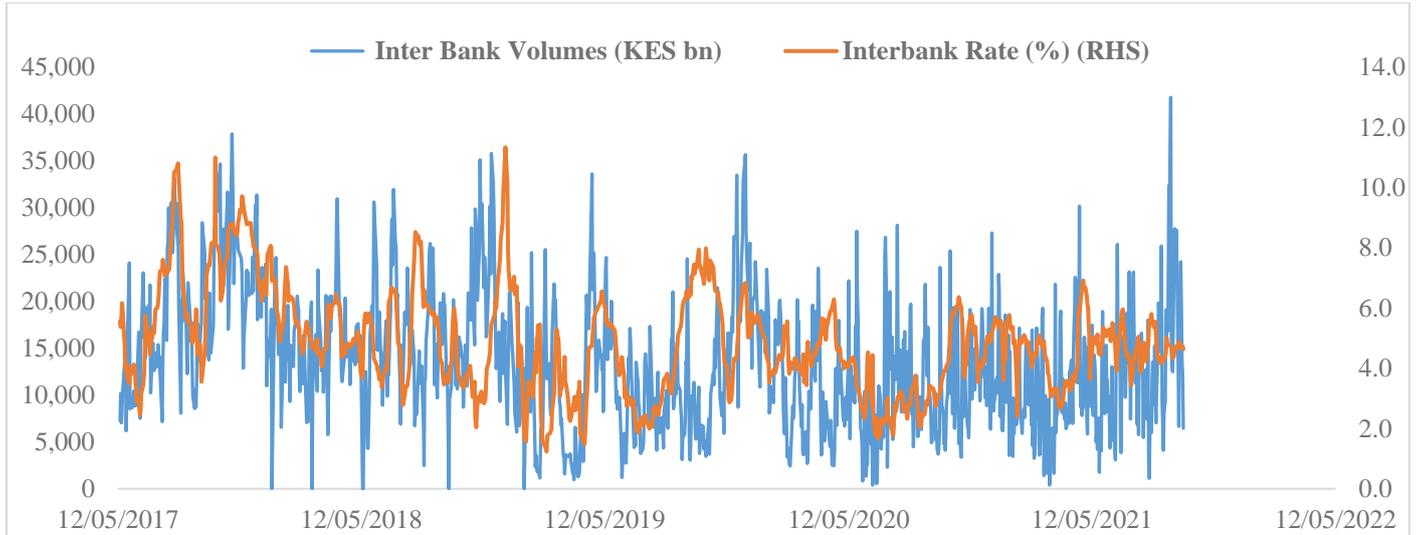
- **Higher-than-expected net-interest income;** net interest income beat our forecasts largely on account of significant loan growth of 30.8% y/y (vs. our estimate of 4.7% y/y) and slightly higher NIMs, driven by better cost of funds management.
- **Higher-than-expected OPEx growth;** operating costs went up by 20.6% y/y - above our forecasts - mainly driven by higher staff costs, which came in 11.3% ahead of our projections. Also, other operating costs escalated 20.6% y/y – 12.5% above forecasts. We think the faster growth emanated from continued investments in the digital platforms.

#### Impact to our investment thesis

- We expect to adjust upwards our loan growth estimates as well as the non-funded income line. Meanwhile, while the reported cost of risk came in lower than our estimates, we don't expect to revise downwards our numbers owing to the faster growth in loan book, which could potentially result in higher defaults. Stanbic bank is currently trading at a P/B of 0.9x. At current levels, our fair value estimate of KES 94.83, implies 8.2% downside potential. We currently have a **HOLD** rating on Stanbic bank.

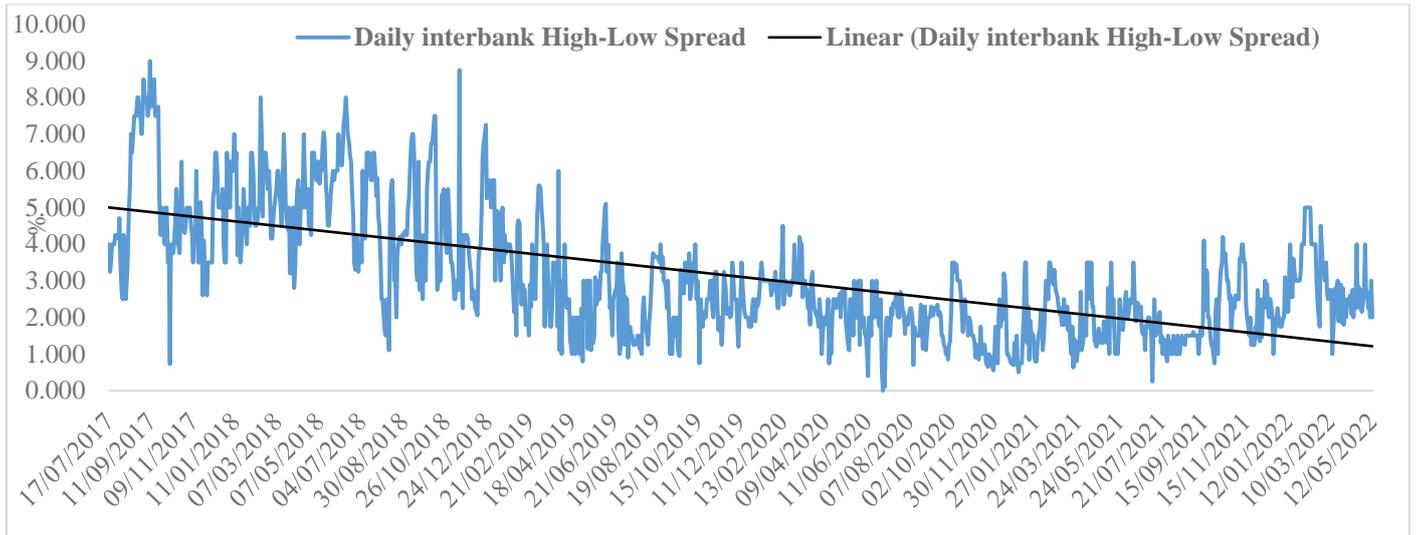
**Key Rates and Spreads**

Inter-bank rate declines week-on-week, albeit marginally



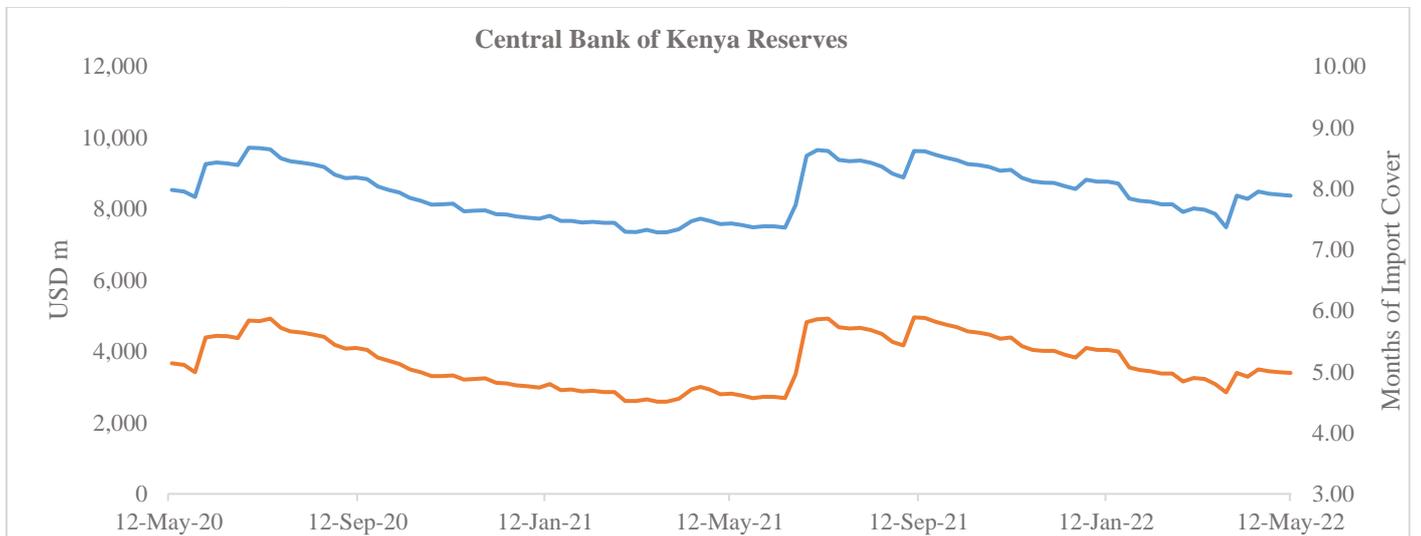
Source: CBK

Inter-bank spread narrows for the third consecutive week



Source: CBK

Forex reserves and import cover decline week-on-week



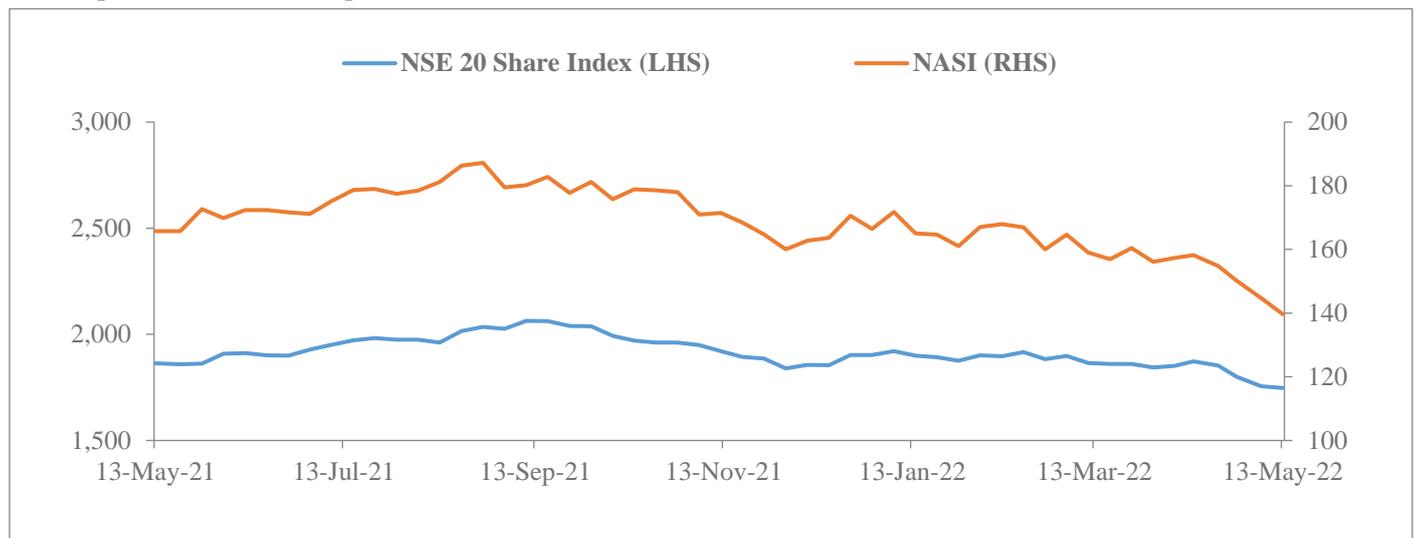
Source: CBK

## Equity market trading commentary

Weekly turnover rose 78.1% w/w to stand at USD 21.3m (KES 2.5bn). Extending its losses for the fourth straight week, both the NASI and NSE 20 edged down 3.5% w/w and 0.5% w/w to settle at 139.65 and 1,747.22, respectively. Local trading picked up to 7-week high of 44.1%, up from 35.0% printed in the previous week. Foreign investors remained net sellers for the 13<sup>th</sup> consecutive week as net foreign outflows settled at USD 10.4m (KES 1.2bn). Safaricom marked the highest net foreign outflows at USD 6.9m (KES 809.6m). Equity bank and KCB bank followed with net foreign outflows of USD 2.5m (KES 291.3m) and USD 0.7m (KES 75.5m), respectively. On the other hand, Stanbic bank recorded the highest net foreign inflows at USD 0.2m (KES 19.2m).

Last week, Safaricom (-5.6% w/w) marked its fourth weekly loss, touching a 17-month low after release of FY22 results. Equity bank (-3.5% w/w) hit a 10-month low on the back of foreign selling, while KCB bank (-1.4% w/w) sustained a 16-month low on local selling. EABL (+1.8% w/w) recovered on local demand, however, the stock continues to trade at a 2-year low. Among the banking stocks, NCBA (+6.2% w/w) was the only gainer, driven by local demand. Sanlam Insurance (+15.1%) emerged as the top gainer for the week while Nairobi Business Ventures (-15.9% w/w) was the top loser.

### Market performance over the past 12 months



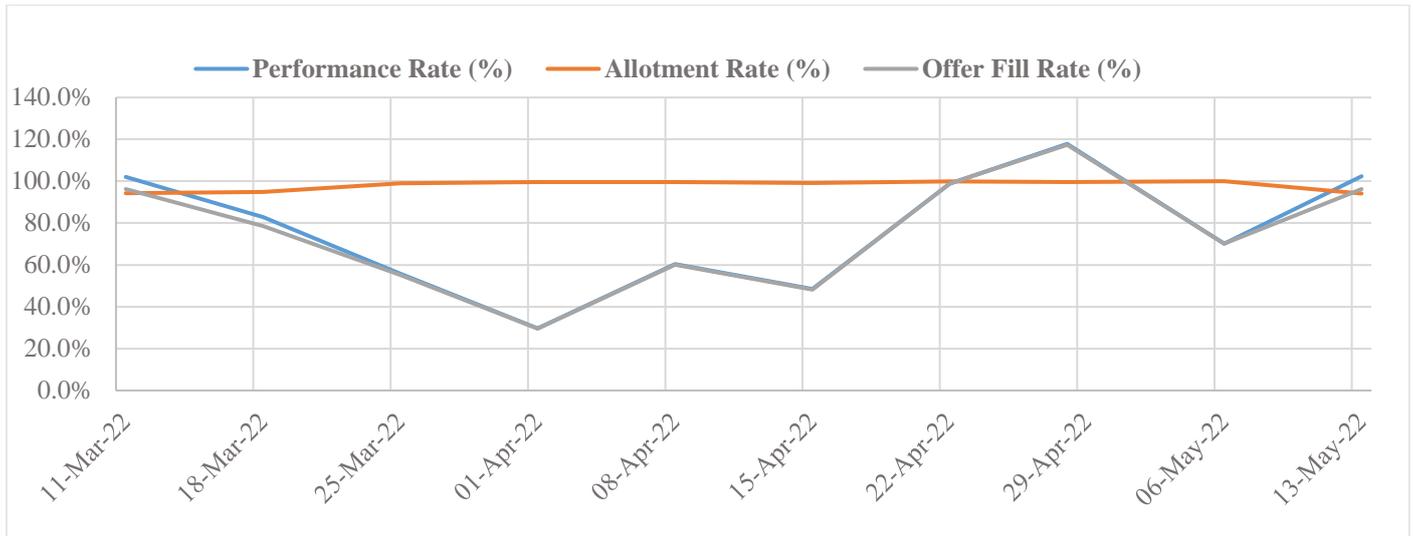
Source: NSE

## Debt market trading commentary

Overall subscription rates rose to 102.3%, up from 70.2% recorded in the previous week. For the fifth consecutive week, the yield on the 364-Day T-Bill edged up. Similarly, the yield on the 91-Day and 182-Day T-Bills sustained an upward trend – gaining for the ninth straight week.

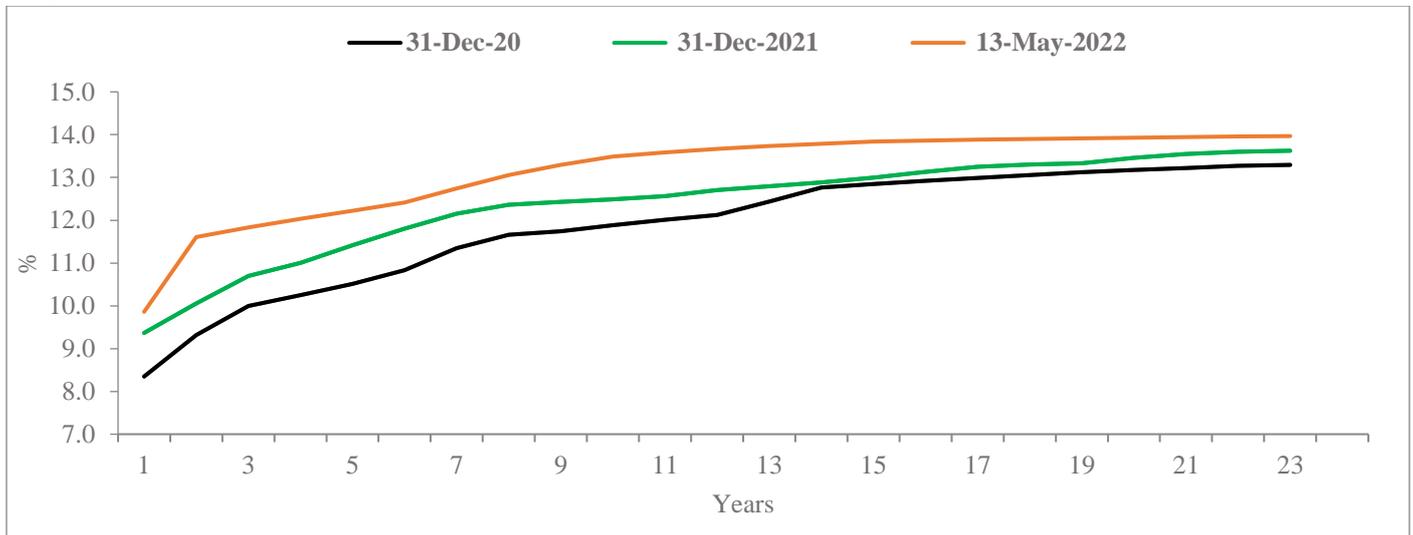
The Central Bank of Kenya offered KES 4.0bn for the 91-Day T-Bill and KES 10.0bn each for the 182-Day T-Bill and the 364-Day T-Bill. It received bids worth KES 5.3bn for the 91-Day T-Bill, implying a subscription rate of 132.0%. It accepted bids worth KES 5.3bn at an average yield of 7.683% (+10.3bps w/w). The 182-Day T-Bill received bids worth KES 7.9bn, implying a performance rate of 79.3%. It accepted bids worth KES 7.9bn at an average yield of 8.722% (+18.0bps w/w). The 364-Day T-Bill received bids worth KES 11.3bn, implying a performance rate of 113.4%. It accepted bids worth KES 9.9bn at an average yield of 9.860% (+2.0bps w/w).

**T-Bills Performance: Overall performance rate rises week-on-week**



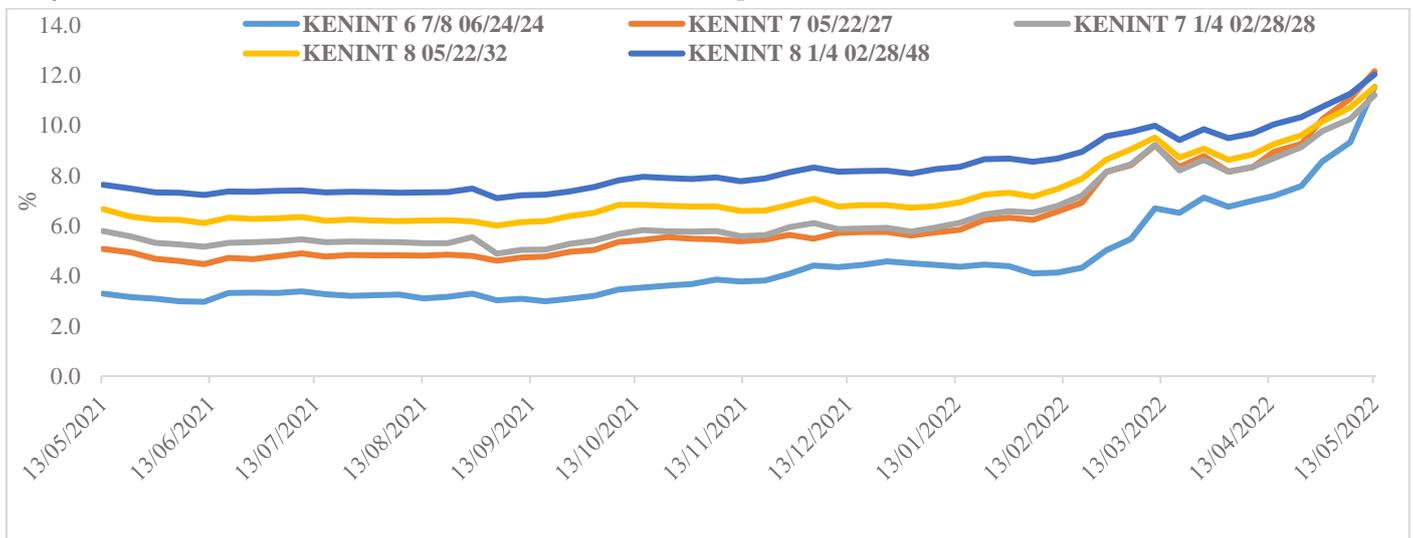
Source: CBK

**Kenya Domestic Yield Curve**



Source: CBK

**Kenya Eurobond Yields: Yields across all maturities sustain an upward trend**



Source: Bloomberg

## Top counters by market capitalization

Company	Sector	Year	12 M	12 M	Price	YTD	Market <sup>1</sup> cap (USD m)	Weighting	EPS	DPS	NAV	P/E	Div	P/B	ROE %	Daily Trading <sup>1</sup>
		end	High	Low		%						ratio x	yld %	ratio x		vol (USD)
Safaricom	Telecom	Mar	44.95	30.20	30.20	-20.4	10,420	55.3%	1.74	1.39	3.5	17.4	4.6	8.7	49.9	1,853,602
Equity Bank	Banking	Dec	54.25	40.90	45.50	-13.7	1,479	7.9%	13.44	3.00	44.3	3.4	6.6	1.0	30.3	408,106
KCB Bank	Banking	Dec	49.90	35.70	35.75	-21.3	989	5.3%	10.61	3.00	53.4	3.4	8.4	0.7	19.9	402,381
EA Breweries	Breweries	Jun	193.75	139.00	141.50	-14.2	964	5.1%	11.25	3.75	17.5	12.6	2.7	8.1	64.3	220,706
Co-op Bank	Banking	Dec	13.95	11.80	12.25	-5.4	619	3.3%	2.82	1.00	17.1	4.3	8.2	0.7	16.5	23,080
Absa Bank	Banking	Dec	12.70	8.84	9.70	-18.1	454	2.4%	2.00	1.10	10.4	4.8	11.3	0.9	19.3	62,947
StanChart Bank	Banking	Dec	146.25	124.00	124.75	-2.7	406	2.2%	23.93	19.00	140.8	5.2	15.2	0.9	17.0	161,083
NCBA Bank	Banking	Dec	28.15	23.00	26.50	5.2	376	2.0%	6.21	3.00	47.3	4.3	11.3	0.6	13.1	39,011
BAT Kenya	Tobacco	Dec	509.00	404.00	423.00	-4.2	364	1.9%	64.83	50.00	149.7	6.5	11.8	2.8	43.3	78,252
Stanbic Bank	Banking	Dec	105.50	79.50	103.25	18.3	352	1.9%	23.57	7.30	122.8	4.4	7.1	0.8	19.2	82,783
I&M Holdings	Banking	Dec	23.90	17.90	17.95	-14.9	256	1.4%	4.92	1.50	42.1	3.7	8.4	0.4	11.7	9,132
Bank of Kigali	Banking	Dec	40.00	24.30	30.00	3.4	232	1.2%	6.50	3.22	35.7	4.6	10.7	0.8	18.2	7,299
KenGen	Power	Jun	4.98	3.54	3.55	-15.3	202	1.1%	0.16	0.18	32.4	22.3	5.1	0.1	0.5	13,070
Kenya Airways	Airlines	Dec	3.99	3.83	3.83	0.0	187	1.0%	(2.79)	-	(14.7)	-	-	-	-	-
Jubilee Insurance	Insurance	Dec	390.00	248.50	265.00	-16.3	165	0.9%	94.22	14.00	544.4	2.8	5.3	0.5	17.3	8,006
Britam	Insurance	Dec	8.38	6.60	6.72	-10.4	146	0.8%	0.03	-	7.5	235.1	-	0.9	0.4	3,053
DTB Bank	Banking	Dec	69.00	51.75	53.75	-9.7	129	0.7%	13.98	3.00	240.7	3.8	5.6	0.2	5.8	5,468
Total Oil	Oil	Dec	26.30	22.05	23.05	-7.8	125	0.7%	4.35	1.31	45.4	5.3	5.7	0.5	9.6	1,153
Bamburi Cement	Cement	Dec	39.80	33.55	37.00	-2.6	116	0.6%	3.58	3.58	83.5	10.3	9.7	0.4	4.3	7,922
Umeme Ltd.	Power	Dec	8.30	5.48	8.00	18.7	112	0.6%	2.74	1.73	17.6	2.9	21.7	0.5	15.6	10,581
Kakuzi	Agric	Dec	427.00	327.75	400.00	3.9	68	0.4%	27.77	18.00	275.9	14.4	4.5	1.4	10.1	236
Centum Investment	Finance	Mar	17.85	11.55	11.60	-17.7	66	0.4%	(2.42)	0.33	69.7	-	2.8	0.2	(3.5)	8,154
Kenya Re	Insurance	Dec	2.68	2.10	2.22	-3.5	54	0.3%	1.06	0.10	13.2	2.1	4.5	0.2	8.0	3,025
Crown Paints	Manufac.	Dec	42.80	19.65	38.80	27.2	48	0.3%	5.13	4.00	24.1	7.6	10.3	1.6	21.3	4,542
CIC Insurance	Insurance	Dec	3.39	2.00	2.10	-5.0	47	0.3%	0.26	-	3.1	8.2	-	0.7	8.4	1,760
ARM Cement	Cement	Dec	5.55	5.55	5.55	0.0	46	0.2%	(7.77)	-	19.8	-	-	0.3	(39.2)	-
Sasini Tea & Coffee	Agric	Sept	129.00	16.85	20.75	11.0	41	0.2%	(1.48)	0.50	56.5	-	2.4	0.4	(2.6)	928
Nation Media	Media	Dec	26.10	15.75	20.10	8.9	33	0.2%	2.59	1.49	42.1	7.8	7.4	0.5	6.2	5,343
Liberty K. Holdings	Insurance	Dec	9.98	5.32	5.70	-18.6	26	0.1%	0.15	-	15.9	37.3	-	0.4	1.0	121
Carbacid	Gases	July	13.25	10.00	11.40	3.6	25	0.1%	2.22	0.70	13.5	5.1	6.1	0.8	16.4	2,984
Kenya Power	Power	Jun	2.02	1.30	1.46	-16.6	25	0.1%	2.65	-	29.3	0.6	-	0.0	9.0	9,041
TPSEA Serena	Tourism	Dec	16.95	11.50	12.00	-21.3	19	0.1%	(3.47)	-	33.3	-	-	0.4	(10.4)	4,566
NSE	Finance	Dec	10.15	7.00	8.38	4.8	19	0.1%	0.51	1.40	8.0	16.4	16.7	1.1	6.4	3,103
Unga Ltd	Food	Jun	36.25	26.10	28.50	3.1	19	0.1%	2.89	-	56.2	9.9	-	0.5	5.1	54
Sanlam Kenya	Insurance	Dec	15.00	9.16	14.85	28.6	18	0.1%	(1.88)	-	9.5	-	-	1.6	(19.8)	121
WPP Scangroup	Media	Dec	5.80	3.41	3.59	-13.3	13	0.1%	(0.09)	-	12.0	-	-	0.3	(0.7)	1,293
BOC Kenya	Gases	Dec	93.25	61.50	78.50	12.1	13	0.1%	4.78	6.70	84.3	16.4	8.5	0.9	5.7	-
Car & Gen	Motors	Sept	76.00	22.00	32.00	-5.7	11	0.1%	22.12	3.20	114.3	1.4	10.0	0.3	19.4	-
Housing Finance	Banking	Dec	4.90	2.91	2.99	-23.3	10	0.1%	(1.45)	-	20.5	-	-	0.1	(7.1)	740
Standard Newspapers	Media	Dec	20.00	11.90	13.00	-4.1	9	0.0%	(1.45)	-	10.6	-	-	1.2	(13.7)	61
Longhorn	Publishing	Jun	4.48	3.31	3.44	-14.0	8	0.0%	0.62	-	2.8	5.6	-	1.2	22.2	133
Limuru Tea	Agric	Dec	350.00	263.00	320.00	0.0	7	0.0%	(0.50)	0.70	75.9	-	0.2	4.2	(0.7)	57
EA Portland	Cement	Jun	9.40	6.06	6.94	4.2	5	0.0%	(30.77)	-	208.4	-	-	0.0	(14.8)	16
TransCentury	Finance	Dec	1.53	1.01	1.18	0.9	4	0.0%	(6.72)	-	(9.5)	-	-	-	-	65
											<b>Average</b>	<b>14.1</b>	<b>5.9</b>	<b>5.5</b>	<b>38.0</b>	<b>3,447,172</b>

### **Disclaimer**

**Note:** Readers should be aware that Kestrel Capital (EA) Ltd does and seeks to do business with companies covered in its research reports. Consequently, a conflict of interest may arise that could affect the objectivity of this report. This document should only be considered a single factor used by investors in making their investment decisions. The reader should independently evaluate the investment risks and is solely responsible for their investment decisions.

The opinions and information portrayed in this report may change without prior notice to investors. This publication may not be distributed to the public media or quoted or used by the public media without prior and express written consent of Kestrel Capital (EA) Ltd.

Directors, staff of Kestrel Capital (EA) Ltd and their family members, may from time to time hold shares in the company it recommends to either buy or sell and as such the investor should determine for themselves the applicability of this recommendation.

This document does not constitute an offer, or the solicitation of an offer, for the sale or purchase of any security. Whilst every care has been taken in preparing this document, no representation, warranty or undertaking (express or implied) is given and no responsibility or liability is accepted by Kestrel Capital or any employee of Kestrel Capital as to the accuracy of the information contained and opinions expressed herein.

---

**Kestrel Capital E.A. Ltd.**

Orbit Place, 1st Floor  
Westlands Road

Tel: +254 20 2251758

research@kestrelcapital.com  
www.kestrelcapital.com

**Bloomberg: KEST <GO>**

---

### **Equity Sales & Trading**

**Sally Kotut**  
sallyk@kestrelcapital.com

**Chris Miriti**  
chrism@kestrelcapital.com

**Amanda Onyango**  
amandao@kestrelcapital.com

---

### **Research**

**Ephantus Maina**  
ephanusm@kestrelcapital.com

**Maureen Kirigua, CFA**  
maureenk@kestrelcapital.com

---

### **Fixed Income Sales & Trading**

**Alexander Muiruri**  
alexanderm@kestrelcapital.com

**Edwin Muthaura**  
edwinm@kestrelcapital.com

---

### **CEO & Executive Director**

**Francis Mwangi, CFA**  
francism@kestrelcapital.com