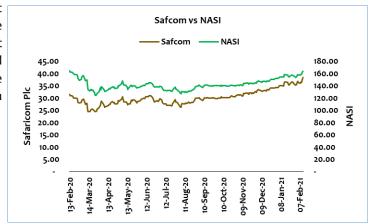
Equity Stock Pick

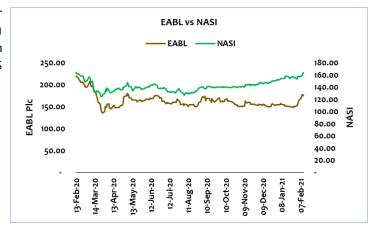
February 15th, 2021

KINGDOM SECURITIES

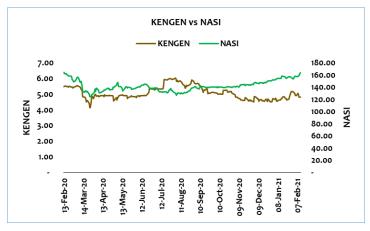
Safaricom – Buy - We retain a buy on the telecommunication company as it continues to see a price surge boosted by foreign investors interest. The management issued an interim dividend of KES 0.45 per share. We expect the firm to pay a final dividend of KES 1.00 on the full year results for a total dividend of KES 1.45, a 3.6% increase on dividend from KE S1.40 in 2020. The counter gained 5.9% w-w and we fathom a further gain boosted by foreign investors entry.



EABL – **Short Term Sell** – The stock has eased on the HY1-2021 half year announcement momentum. For investors who bought on before the H1-21 result release, we advise a **SELL** for profit taking with the market ease on the pricing of the results. We retain a long term Buy at a valuation of KES 203.61 on the stock pegged on positive performance on H2-21.



Kengen – Sell – The utility company posted 113% growth in profit after tax benefiting from tax breaks on reduction of corporate tax from 30% to 25%. This is an even not expected to recur as profits before tax increased by 18.3% boosted by gain on fair value of financial assets on weakening of the Kenya shilling. The counter reached price resistance at a high of KES 5.18. We foresee a further 7% decline.



KSL Stock Meter

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			Vwap	Vwap										
Eaagads Ltd	52 wk high 14.00	52 wk low 8.24	(05/02/2020) 12.50	(31/12/2020) 12.50	Performance YTD (%) 0.0%	Trailing EPS -2.18	DPS	BVPS 26.34	P/E	P/B 0.47	Div Yield (%)	Div Payout (%)	ROE 3.36%	ROA 3.02%
Kakuzi Plc	397.00	300.00	370.00	365.00	1.4%	36.40	14.00	266.24	10.16	1.39	3.78%	38.46%	13.67%	11.04%
Kapchorua Tea Kenya Plc Ord 5.00	90.00	62.00	78.00	78.00	0.0%	2.48	10.00	259.86	31.45	0.30	12.82%	403.23%	-6.18%	-6.18%
The Limuru Tea Co. Plc Sasini Plc	475.00	360.00	360.00	360.00	0.0%	0.79	0.70	80.84	455.70	4.45	0.19%	88.61%	0.98%	0.71%
Williamson Tea Kenya Plc	20.00 147.50	14.85 92.00	18.30 135.00	19.50 130.25	-6.2% 3.6%	0.07 7.59	20.00	49.65 451.14	261.43 17.79	0.37 0.30	14.81%	263.50%	-2.98% 1.74%	-2.30% 1.74%
Industry Average	147.50	32.00	155.00	130:23	3.0%	7.55	20.00	452.24	19.26	0.57	14.0170	203.30%	1.5%	1.3%
			Vwap	Vwap										
AUTOMOBILES & ACCESSORIES Car & General (K) Ltd	52 wk high 26.00	52 wk low 20.00	(05/02/2020)	(31/12/2020)	Performance YTD (%) 9.1%	Trailing EPS 6.85	DPS 0.80	98.23	P/E 3.50	P/B 0.24	Div Yield (%) 3.33%	Div Payout (%) 11.68%	ROE 9.11%	ROA 5.81%
Industry Average	20.00	20.00	24.00	22.00	3.1%	0.03	0.00	30.23	3.50	0.24	5.5570	11.00%	9.1%	5.8%
			Vwap	Vwap										
BANKING ABSA Bank Kenya Plc	52 wk high 13.30	52 wk low 8.62	(05/02/2020)	(31/12/2020) 9.66	Performance YTD (%) -0.6%	Trailing EPS 1.32	DPS 1.10	8.32	P/E 7.27	P/B 1.15	Div Yield (%) 11.46%	Div Payout (%) 83.33%	ROE 16.50%	ROA 1.99%
BK Group Plc	22.40	12.15	20.50	20.50	0.0%	4.54	1.58	28.45	4.52	0.72	7.71%	34.80%	16.90%	3.66%
Diamond Trust Bank Kenya Ltd	113.00	59.50	69.00	75.00	-8.0%	20.44	2.70	230.74	3.38	0.30	3.91%	13.21%	10.52%	1.76%
Equity Group Holdings Plc HF Group Plc	50.25 5.78	28.10 3.00	37.85 3.50	36.55 3.32	3.6% 5.4%	5.93 -0.29		29.62 26.63	6.38	1.28 0.13		-	20.03% -1.08%	3.32% -0.20%
I&M Holdings Plc	55.00	42.10	45.00	45.00	0.0%	12.47	2.55	73.61	3.61	0.13	5.67%	20.45%	17.69%	3.42%
KCB Group Plc	50.75	30.55	38.00	38.10	-0.3%	8.11	3.50	40.37	4.69	0.94	9.21%	43.16%	19.40%	2.80%
National Bank of Kenya Ltd NCBA Group Plc	4.12 36.00	4.12 20.20	4.12 24.45	4.12 26.75	0.0% -8.6%	1.17 8.69	0.25	40.82	2.81	0.60	1.02%	2.88%	0.00% 11.66%	0.00% 1.58%
Stanbic Holdings Plc	118.50	73.50	85.00	85.00	0.0%	16.14	7.05	124.04	5.27	0.69	8.29%	43.68%	12.86%	2.08%
Standard Chartered Bank Kenya Ltd	213.25	135.00	135.00	144.25	-6.4%	23.49	20.00	126.40	5.75	1.07	14.81%	85.14%	17.25%	2.73%
The Co-operative Bank of Kenya Ltd	15.15	10.30	12.70	12.50	1.6%	2.43	1.00	13.52	5.23 4.76	0.94	7.87%	41.15%	18.04% 16.4%	3.13% 2.59%
Industry Average			Vwap	Vwap					4.76	0.86			16.4%	2.59%
COMMERCIAL AND SERVICES	52 wk high	52 wk low	(05/02/2020)	(31/12/2020)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Deacons (East Africa) Plc Eveready East Africa Ltd	0.45 1.38	0.45 0.75	0.45 1.11	0.45 1.20	0.0% -7.5%	-6.82 -1.45		2.67 2.08	-	0.17 0.53			-254.96% -26.59%	-54.19% -36.12%
Express Kenya Plc	6.50	2.58	3.80	3.61	5.3%	-1.43		-2.87		-1.32			50.92%	-21.71%
Homeboyz Entertainment Plc	4.66	0.00	4.66	4.66	0.0%	0.57	-	0.63	8.18	7.39	-	-	97.57%	26.57%
Kenya Airways Ltd Longhorn Publishers Plc	3.83 5.78	0.86 4.35	3.83 4.79	3.83 4.88	0.0% -1.8%	-2.23 0.68	-	-0.44 2.70	7.04	-8.73 1.78	-		303.17% -30.74%	-5.53% -9.22%
Nairobi Business Ventures Ltd	5.78	0.49	4.79 5.20	4.88 4.28	-1.8% 21.5%	-3.20		0.18	7.04	1.78 28.44			-30.74% -36.50%	-9.22% -22.86%
Nation Media Group Plc	35.00	9.04	13.50	15.45	-12.6%	4.50	1.50	41.78	3.00	0.32	11.11%	33.33%	14.19%	9.98%
Sameer Africa Plc	4.26	2.00	3.00	3.25	-7.7%	-3.82		4.06		0.74		-	-46.86%	-20.45%
Standard Group Plc TPS Eastern Africa Ltd	26.40 18.45	18.00 11.50	19.00 14.50	22.50 16.00	-15.6% -9.4%	-5.25 0.81		17.39 50.31	17.90	1.09 0.29			-34.06% 1.30%	-11.54% 0.79%
Uchumi Supermarket Plc	0.38	0.24	0.28	0.28	0.0%	-4.60	-	-5.75	-	-0.05		-	135.25%	-56.71%
WPP Scangroup Plc	22.10	5.92	5.96	6.00	-0.7%	1.00	-	19.64	5.96	0.30		-	7.21%	4.24%
Industry Average			Vwap	Vwap					(2.15)	1.47			-43.2%	-5.6%
CONSTRUCTION & ALLIED	52 wk high	52 wk low	(05/02/2020)	(31/12/2020)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
ARM Cement Plc	5.55	5.55	5.55	5.55	0.0%	-6.83	-	28.95		0.19			-10.08%	-5.48%
Bamburi Cement Ltd Crown Paints Kenya Plc	65.00 65.00	19.90 36.40	38.85 40.00	37.85 38.00	2.6% 5.3%	1.74 3.14	0.60	79.08 18.37	22.33 12.74	0.49 2.18	1.50%	19.11%	1.25% 24.27%	0.97% 5.75%
E.A.Cables Ltd	2.36	1.28	1.47	1.38	6.5%	-1.92	-	10.10	-	0.15	-	-	-22.79%	-7.72%
E.A.Portland Cement Co. Ltd	16.00	10.00	10.20	11.00	-7.3%	-16.35	-	187.68		0.05		-	-8.71%	-5.38%
Average			Vwap	Vwap					-3.08	0.31			-5.4%	-3.3%
ENERGY & PETROLEUM	52 wk high	52 wk low	(05/02/2020)	(31/12/2020)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
KenGen Co. Plc	6.04	4.14	4.81	4.71	2.1%	2.79	0.30	32.04	1.72	0.15	6.24%	10.75%	8.70%	4.45%
Kenya Power & Lighting Co Plc Total Kenya Ltd	2.84 27.15	1.24 21.10	1.53 23.70	1.71 24.00	-10.5% -1.2%	0.13 3.67	1.30	28.81 129.47	11.77 6.46	0.05 0.18	5.49%	35.42%	0.47% 10.20%	0.08% 5.89%
Umeme Ltd	8.56	6.06	6.80	7.28	-6.6%	2.36	1.13	14.19	2.88	0.48	16.62%	47.88%	16.69%	5.47%
Industry Average									2.16	0.16			7.9%	2.9%
INSURANCE	52 wk high	52 wk low	Vwap (05/02/2020)	Vwap (31/12/2020)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Britam Holdings Plc	10.65	6.00	7.30	7.26	0.6%	1.41	0.25	11.64	5.18	0.63	3.42%	17.73%	12.06%	2.83%
CIC Insurance Group Ltd	2.70	1.98	2.12	2.13	-0.5%	0.12	-	3.00	17.67	0.71		-	4.10%	0.91%
Jubilee Holdings Ltd Kenya Re Insurance Corporation Ltd	360.00 3.00	215.00 2.00	276.00 2.46	284.00 2.32	-2.8% 6.0%	49.07 2.55	9.00 0.10	160.96 11.41	5.62 0.96	1.71 0.22	3.26% 4.07%	18.34% 3.92%	15.94% 12.41%	1.89% 7.88%
Liberty Kenya Holdings Ltd	10.00	6.80	7.48	7.70	-2.9%	1.31	-	14.99	5.71	0.50	-	3.3270	9.22%	1.94%
Sanlam Kenya Pic	18.70	11.00	11.30	12.95	-12.7%	0.79	-	12.05	14.30	0.94		-	6.59%	0.39%
			Vwap	Vwap		:	Sector PE	11.18361464	3.67	0.62			11.6%	2.8%
INVESTMENT	52 wk high	52 wk low		(31/12/2020)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Centum Investment Co Plc	28.45	15.50	17.50	16.05	9.0%	6.68	1.20	79.08	2.62	0.22	6.86%	17.96%	8.80%	4.54%
Home Afrika Ltd Kurwitu Ventures Ltd	0.50 1500.00	0.31 1500.00	0.36 1500.00	0.42 1500.00	-14.3% 0.0%	-1.54 -36.00	-	-4.79 592.46	-	-0.08 2.53			-45.79% -8.90%	-20.44% -3.90%
Olympia Capital Holdings Ltd	2.58	1.92	2.28	2.20	3.6%	0.11	-	32.09	20.73	0.07			0.45%	0.35%
Trans-Century Plc	2.52	1.18	1.35	1.45	-6.9%	-7.95	-	9.45	-	0.14	-	-	-56.07%	-9.11%
Industry Average			Vwan	Vwan					14.95	0.23			3.2%	1.3%
INVESTMENT SERVICES	52 wk high	52 wk low	Vwap (05/02/2020)	Vwap (31/12/2020)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Nairobi Securities Exchange Plc	11.00	6.58	8.82	8.16	8.1%	0.30	0.08	8.04	29.40	1.10	0.91%	26.67%	3.84%	3.61%
Industry Average			Vivian	Vivian					29.40	1.10			3.8%	3.6%
MANUFACTURING & ALLIED	52 wk high	52 wk low	Vwap (05/02/2020)	Vwap (31/12/2020)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
B.O.C Kenya Plc	72.00	54.00	59.25	63.00	-6.0%	2.86	2.35	78.03	20.72	0.76	3.97%	82.17%	4.57%	3.24%
British American Tobacco Kenya Plc	499.50	309.50	425.00	361.00	17.7%	38.85	33.50	97.15	10.94	4.37	7.88%	86.23%	39.99%	36.36%
Carbacid Investments Plc East African Breweries Ltd	12.80 219.25	7.52 135.25	11.85 175.00	12.10 154.25	-2.1% 13.5%	1.38 7.19	0.70 8.50	8.38 17.70	8.59 24.34	1.41 9.89	5.91% 4.86%	50.72% 118.22%	12.39% 50.17%	7.93% 5.84%
Flame Tree Group Holdings Ltd	213.23	0.78	1.26	1.23	2.4%	0.26	-	4.57	4.85	0.28	4.00%	- 120.22/0	4.16%	1.84%
riame rice aroup riolamba eta	2.09				-1.0%	0.69	-	1.88	15.07	5.52		-	36.65%	7.76%
Kenya Orchards Ltd	12.50	10.40	10.40	10.50										
Kenya Orchards Ltd Mumias Sugar Co. Ltd	12.50 0.27	10.40 0.27	0.27	0.27	0.0%	-9.90	-	-9.40 74.00	71 11	-0.03	-		105.26%	-96.22% 0.55%
Kenya Orchards Ltd	12.50	10.40					-	-9.40 74.09	71.11 -37.06	-0.03 0.43 9.69			105.26% 1.18% -19.5%	0.55%
Kenya Orchards Ltd Mumias Sugar Co. Ltd Unga Group Ltd Industry Average	12.50 0.27 33.90	10.40 0.27 26.10	0.27 32.00 Vwap	0.27 31.80 Vwap	0.0% 0.6%	-9.90 0.45		74.09	-37.06	0.43 9.69			1.18% -19.5%	0.55% -2.3%
Kenya Orchards Ltd Mumias Sugar Co. Ltd Unga Group Ltd Industry Average TELECOMMUNICATION & TECHNOLOGY	12.50 0.27 33.90 52 wk high	10.40 0.27 26.10	0.27 32.00 Vwap (05/02/2020)	0.27 31.80 Vwap (31/12/2020)	0.0% 0.6% Performance YTD (%)	-9.90 0.45 Trailing EPS	DPS	74.09 BVPS	-37.06 P/E	0.43 9.69 P/B		Div Payout (%)	1.18% -19.5% ROE	0.55% -2.3% ROA
Kenya Orchards Ltd Mumilas Sugar Co. Ltd Unga Group Ltd Industry Average TELECOMMUNICATION & TECHNOLOGY Safaricom Pic	12.50 0.27 33.90	10.40 0.27 26.10	0.27 32.00 Vwap	0.27 31.80 Vwap	0.0% 0.6%	-9.90 0.45		74.09	-37.06 P/E 27.39	0.43 9.69 P/B 10.74	Div Yield (%) 4.85%	Div Payout (%) 132.86%	1.18% -19.5% ROE 43.68%	0.55% -2.3% ROA 547.48%
Kenya Orchards Ltd Mumias Sugar Co. Ltd Unga Group Ltd Industry Average TELECOMMUNICATION & TECHNOLOGY Safaricom PIC Industry Average	12.50 0.27 33.90 52 wk high 38.35	10.40 0.27 26.10 52 wk low 24.35	0.27 32.00 Vwap (05/02/2020) 38.35	0.27 31.80 Vwap (31/12/2020) 34.25	0.0% 0.6% Performance YTD (%) 12.0%	-9.90 0.45 Trailing EPS 1.40	DPS 1.86	74.09 BVPS 3.57	-37.06 P/E 27.39 27.39	0.43 9.69 P/B 10.74 10.74	4.85%	132.86%	1.18% -19.5% ROE 43.68% 43.7%	0.55% -2.3% ROA 547.48% 547.5%
Kenya Orchards Ltd Mumias Sugar Co. Ltd Unga Group Ltd Industry Average TELECOMMUNICATION & TECHNOLOGY Safaricom Pic Industry Average REAL ESTATE INVESTMENT TRUST	12.50 0.27 33.90 52 wk high 38.35	10.40 0.27 26.10 52 wk low 24.35	0.27 32.00 Vwap (05/02/2020) 38.35 Vwap (05/02/2020)	0.27 31.80 Vwap (31/12/2020) 34.25 Vwap (31/12/2020)	0.0% 0.6% Performance YTD (%) 12.0%	-9.90 0.45 Trailing EPS 1.40	DPS 1.86	74.09 BVPS 3.57	-37.06 P/E 27.39 27.39 P/E	0.43 9.69 P/B 10.74 10.74	4.85% Div Yield (%)	132.86% Div Payout (%)	1.18% -19.5% ROE 43.68% 43.7%	0.55% -2.3% ROA 547.48% 547.5%
Kenya Orchards Ltd Mumias Sugar Co. Ltd Unga Group Ltd Industry Average TELECOMMUNICATION & TECHNOLOGY Safaricom PIC Industry Average	12.50 0.27 33.90 52 wk high 38.35	10.40 0.27 26.10 52 wk low 24.35	0.27 32.00 Vwap (05/02/2020) 38.35	0.27 31.80 Vwap (31/12/2020) 34.25	0.0% 0.6% Performance YTD (%) 12.0%	-9.90 0.45 Trailing EPS 1.40	DPS 1.86	74.09 BVPS 3.57	-37.06 P/E 27.39 27.39	0.43 9.69 P/B 10.74 10.74	4.85%	132.86%	1.18% -19.5% ROE 43.68% 43.7%	0.55% -2.3% ROA 547.48% 547.5%

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Equity Stock Pick

February 15, 2021

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Recommendation Guide:

Analysts' stock ratings are defined as follows:

- Buy A buy rating reflects 1) An analyst has a bullish conviction on a stock 2) A 30% or greater expected return.
- Accumulate An accumulate rating reflects 1) An analyst has a lesser bullish conviction on a stock 2) Expected return falls between 10% and 30%.
- **Hold** A hold rating reflects 1) An analyst has a neutral conviction (lack of bullish or bearish conviction) on a stock 2) Expected return falls within the range of 5% to 10%.
- **Speculative Buy** A speculative buy rating reflects 1) An analyst has a bullish conviction accompanied by a substantially higher than normal risk 2) Expected return falls above 10%.
- Sell A sell rating reflects 1) An analyst has a bearish conviction on a stock 2) Expected return falls below 5%.

*Expected Return (ER) represents the sum total of both capital appreciation and the dividend yield.

Kingdom Securities Ltd - A subsidiary of Co-operative Bank Limited.

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