Equity Stock Pick

KINGDOM SECURITIES

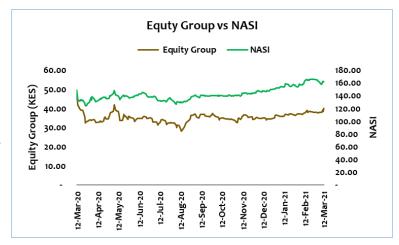
March 15, 2021

With the full year rereporting season fast approaching, we have seen a rally on large cap banking stock with an expectation of dividend payment. This was signaled by the Stanbic Bank board approval of KES 3.81 per share payment an indication that bank did reach an agreement with CBK to be allowed to pay dividends upon confirmation of adequate capitalization.

Equity Group – LONG TERM BUY – The group continues to position itself on lending to MSMEs after receiving KES 15.80Bn from the European Union and European Investment Bank in support of companies most impacted by the Covid-19 Pandemic.

We fathom the bank stable and adequate capitalization; the lender will revert to KES 2.00 per share dividend for the FY-2020 results after reversing a payout promise in 2019. This is also a positive indicator of expected 2021 performance.

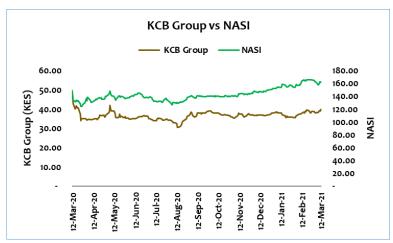
The counter has gained 10.3% on y-t-d basis to close the week at KES 40.00 compared to 36.25 at the beginning of 2021.



KCB Group – LONG TERM BUY – The bank is expected to retain its payout trend despite failing to pay interim dividend in 2020. With the large capital base and growing asset book, we expect the bank to continue with the upward growth in total income. Renewal energy in growing its mobile loan book after cleanup will see a boost in non-financing income (NFI).

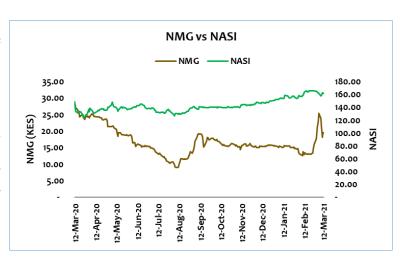
Reopening of the economy and release of county fund will help the lender contain its NPL which shot driven by the pandemic effect on its borrowers.

The bank has gained 4.0% y-t-d lagging its main peer due to lower expected FY-2020 results.



NMG – SELL- We retain a sell view on NMG despite a 27.8% gain y-t-d. The gain was in response to proposed share buyback of up to 10% of its issued shares. The buyback still awaits shareholders approval as investors await additional information.

The news was absorbed in the market leading to the stock losing 22.9% from a high KES 25.35 seen on March 5th to close at KES 19.55. We do not expect much upward movement after shareholders approval due to the poor performance on FY-2020 with the counter already having issues a profit warning.



KSL Stock Meter

15-Mar-2

KINGDOM SECURITIES

	52 wk high	52 wk low	Vwap (19/02/2020)	Vwap (31/12/2020)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Vield (%)	Div Payout (%)	ROE	ROA
Eaagads Ltd	14.00	8.24	13.05	12.50	4.4%	-2.18		26.34		0.50	Div Held (70)	- Div Payout (%)	3.36%	3.02%
Kakuzi Plc	397.00	300.00	365.00	365.00	0.0%	36.40	14.00	266.24	10.03	1.37	3.84%	38.46%	13.67%	11.04%
Kapchorua Tea Kenya Plc Ord 5.00	90.00	62.00	78.25	78.00	0.3%	2.48	10.00	259.86	31.55	0.30	12.78%	403.23%	-6.18%	-6.18%
The Limuru Tea Co. Plc Sasini Plc	475.00	360.00 14.85	360.00	360.00	0.0% -10.3%	0.79	0.70	80.84	455.70	4.45	0.19%	88.61%	0.98%	0.71% -2.30%
Williamson Tea Kenya Plc	20.00 147.50	92.00	17.50 132.50	19.50 130.25	1.7%	0.07 7.59	20.00	49.65 451.14	250.00 17.46	0.35	15.09%	263.50%	-2.98% 1.74%	1.74%
Industry Average	147.50	32.00	132.30	150.25	1.770	7.55	20.00	452.24	18.88	0.56	13.03%	203.30%	1.5%	1.3%
			Vwap	Vwap										
AUTOMOBILES & ACCESSORIES	52 wk high			(31/12/2020)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B		Div Payout (%)	ROE	ROA
Car & General (K) Ltd Industry Average	26.00	20.00	22.15	22.00	0.7%	6.85	0.80	98.23	3.23 3.23	0.23	3.61%	11.68%	9.11%	5.81% 5.8%
muusu y Average			Vwap	Vwap					3.23	0.23			3.170	3.070
BANKING	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
ABSA Bank Kenya Plc	13.30	8.62	9.42	9.66	-2.5%	1.32	1.10	8.32	7.14	1.13	11.68%	83.33%	16.50%	1.99%
BK Group Plc	22.40	12.15	21.00	20.50	2.4%	4.54	1.58	28.45	4.63	0.74	7.52%	34.80%	16.90%	3.66%
Diamond Trust Bank Kenya Ltd Equity Group Holdings Plc	113.00 49.95	59.50 28.10	75.25 40.00	75.00 36.55	0.3% 9.4%	20.44 5.93	2.70	230.74 29.62	3.68 6.75	0.33 1.35	3.59%	13.21%	10.52% 20.03%	1.76% 3.32%
HF Group Pic	5.34	3.00	3.41	3.32	2.7%	-0.29	-	26.63	-	0.13			-1.08%	-0.20%
I&M Holdings Plc	54.50	42.10	43.00	45.00	-4.4%	12.47	2.55	73.61	3.45	0.58	5.93%	20.45%	17.69%	3.42%
KCB Group Plc	50.50	30.55	39.95	38.10	4.9%	8.11	3.50	40.37	4.93	0.99	8.76%	43.16%	19.40%	2.80%
National Bank of Kenya Ltd	4.12	4.12 20.20	4.12 24.85	4.12	0.0%	1.17 8.69	0.25	40.82	- 2.00	- 0.61	1.01%	2.88%	0.00% 11.66%	0.00% 1.58%
NCBA Group Plc Stanbic Holdings Plc	35.80 118.50	73.50	24.85 83.00	26.75 85.00	-7.1% -2.4%	13.13	3.80	130.86	2.86 6.32	0.61 0.63	4.58%	28.94%	10.04%	1.58%
Standard Chartered Bank Kenya Ltd	213.25	135.00	134.50	144.25	-6.8%	23.49	20.00	126.40	5.73	1.06	14.87%	85.14%	17.25%	2.73%
The Co-operative Bank of Kenya Ltd	14.90	10.30	12.95	12.50	3.6%	2.43	1.00	13.52	5.33	0.96	7.72%	41.15%	18.04%	3.13%
Industry Average									4.93	0.88			16.2%	2.55%
COMMERCIAL AND SERVICES	52 wk high	52 wk low	Vwap (19/02/2020)	Vwap (31/12/2020)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Viold (%)	Div Payout (%)	ROE	ROA
Deacons (East Africa) Plc	0.45	0.45	0.45	0.45	0.0%	-6.82		2.67		0.17	Div Held (%)	- Siv rayout (76)	-254.96%	-54.19%
Eveready East Africa Ltd	1.38	0.75	1.05	1.20	-12.5%	-1.45	-	2.08		0.50	-	-	-26.59%	-36.12%
Express Kenya Plc	6.50	2.58	4.28	3.61	18.6%	-1.97	-	-2.87		-1.49	-	-	50.92%	-21.71%
Homeboyz Entertainment Plc	4.66	0.00	4.66	4.66 3.83	0.0%	0.57		0.63 -0.44	8.18	7.39			97.57%	26.57%
Kenya Airways Ltd Longhorn Publishers Plc	3.83 5.60	0.86 4.35	3.83 4.35	3.83 4.88	0.0% -10.9%	-2.23 0.68		-0.44 2.70	6.40	-8.73 1.61			303.17% -30.74%	-5.53% -9.22%
Nairobi Business Ventures Ltd	5.70	0.49	4.17	4.28	-2.6%	-3.20		0.18	0.40	22.81			-36.50%	-22.86%
Nation Media Group Plc	33.00	9.04	19.55	15.45	26.5%	4.50	1.50	41.78	4.34	0.47	7.67%	33.33%	14.19%	9.98%
Sameer Africa Plc	4.26	2.00	3.20	3.25	-1.5%	-3.82	-	4.06	-	0.79		-	-46.86%	-20.45%
Standard Group Plc	26.15	18.00	20.35	22.50	-9.6%	-5.25	-	17.39	- 22.16	1.17	-	-	-34.06%	-11.54%
TPS Eastern Africa Ltd Uchumi Supermarket Plc	18.45 0.38	11.50 0.24	17.95 0.28	16.00 0.28	12.2% 0.0%	0.81 -4.60		50.31 -5.75	22.16	0.36 -0.05			1.30% 135.25%	0.79% -56.71%
WPP Scangroup Plc	22.10	5.60	5.42	6.00	-9.7%	1.00		19.64	5.42	0.28			7.21%	4.24%
Industry Average									(2.22)	1.51			-43.2%	-5.6%
			Vwap	Vwap										
CONSTRUCTION & ALLIED	52 wk high			(31/12/2020)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	-5.48%
ARM Cement Plc Bamburi Cement Ltd	5.55 64.00	5.55 19.90	5.55 39.10	5.55 37.85	0.0%	-6.83 1.74		28.95 79.08	22.47	0.19 0.49			-10.08% 1.25%	-5.48% 0.97%
Crown Paints Kenya Plc	65.00	36.40	39.70	38.00	4.5%	3.14	0.60	18.37	12.64	2.16	1.51%	19.11%	24.27%	5.75%
E.A.Cables Ltd	2.36	1.28	1.31	1.38	-5.1%	-1.92		10.10		0.13		-	-22.79%	-7.72%
E.A.Portland Cement Co. Ltd	16.00	9.50	8.00	11.00	-27.3%	-16.35	-	187.68		0.04		-	-8.71%	-5.38%
Average			Muse	Muse					-3.05	0.30			-5.4%	-3.3%
ENERGY & PETROLEUM	52 wk high	52 wk low	Vwap (19/02/2020)	Vwap (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	4.61	4.71	-2.1%	2.79	0.30	32.04	1.65	0.14	6.51%	10.75%	8.70%	4.45%
Kenya Power & Lighting Co Plc	2.72	1.24	1.39	1.71	-18.7%	0.13	-	28.81	10.69	0.05	-	-	0.47%	0.08%
Total Kenya Ltd	27.15	21.10	25.00	24.00	4.2%	3.67	1.30	129.47	6.81	0.19	5.20%	35.42%	10.20%	5.89%
Umeme Ltd Industry Average	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% 7.9%	5.47% 2.9%
muusu y Average			Vwap	Vwap					2.10	0.13			7.576	2.570
INSURANCE	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
Britam Holdings Plc	10.65	6.00	7.18	7.26	-1.1%	1.41	0.25	11.64	5.09	0.62	3.48%	17.73%	12.06%	2.83%
CIC Insurance Group Ltd	2.70	1.98 215.00	2.29	2.13	7.5% -7.8%	0.12 49.07	9.00	3.00 160.96	19.08	0.76 1.63	3.44%	18.34%	4.10% 15.94%	0.91% 1.89%
Jubilee Holdings Ltd Kenya Re Insurance Corporation Ltd	353.75 3.00	2.00	261.75 2.60	284.00 2.32	-7.8% 12.1%	2.55	0.10	11.41	5.33 1.02	0.23	3.44%	3.92%	12.41%	7.88%
Liberty Kenya Holdings Ltd	9.50	6.80	9.62	7.70	24.9%	1.31		14.99	7.34	0.64	-	-	9.22%	1.94%
Sanlam Kenya Pic	18.45	10.05	12.45	12.95	-3.9%	0.79	-	12.05	15.76	1.03		-	6.59%	0.39%
							Sector PE	11.18361464	3.73	0.63			11.6%	2.8%
INVESTMENT	52 wk high	52 wk low	Vwap (19/02/2020)	Vwap (31/12/2020)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Centum Investment Co Plc	27.35	15.50	16.60	16.05	3.4%	6.68	1.20	79.08	2.49	0.21	7.23%	17.96%	8.80%	4.54%
Home Afrika Ltd	0.50	0.31	0.38	0.42	-9.5%	-1.54	-	-4.79	-	-0.08	-	-	-45.79%	-20.44%
Kurwitu Ventures Ltd	1500.00	1500.00	1500.00	1500.00	0.0%	-36.00	-	592.46	-	2.53			-8.90%	-3.90%
Olympia Capital Holdings Ltd	2.58	1.92 1.18	2.16	2.20	-1.8% -17.2%	0.11 -7.95	-	32.09	19.64	0.07	-	-	0.45% -56.07%	0.35% -9.11%
Trans-Century Plc Industry Average	2.52	1.18	1.20	1.45	-17.2%	-7.95		9.45	14.17	0.13		_	-56.07% 3.2%	-9.11% 1.3%
,			Vwap	Vwap									J11276	11070
INVESTMENT SERVICES		52 wk low	(19/02/2020)	(31/12/2020)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E			Div Payout (%)	ROE	ROA
Nairobi Securities Exchange Plc	10.95	6.58	8.30	8.16	1.7%	0.30	0.08	8.04	27.67	1.03	0.96%	26.67%	3.84%	3.61%
Industry Average			Vwap	Vwap					27.67	1.03			3.8%	3.6%
MANUFACTURING & ALLIED	52 wk high	52 wk low	(19/02/2020)	(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	60.00	63.00	-4.8%	2.86	2.35	78.03	20.98	0.77	3.92%	82.17%	4.57%	3.24%
British American Tobacco Kenya Plc	490.00	309.50	484.50	361.00	34.2%	55.18	45.00	118.56	8.78	4.09	9.29%	81.55%	46.54%	25.42%
Carbacid Investments Plc Fast African Breweries Ltd	12.80 207.75	7.52 135.25	11.75 175.25	12.10 154.25	-2.9% 13.6%	1.38 7.19	0.70 8.50	8.38 17.70	8.51 24.37	1.40 9.90	5.96% 4.85%	50.72% 118.22%	12.39% 50.17%	7.93% 5.84%
Flame Tree Group Holdings Ltd	207.75 1.99	135.25 0.78	175.25	154.25	13.6% 4.1%	7.19 0.26	8.50	17.70 4.57	24.37 4.92	9.90 0.28	4.85%	118.22%	50.17% 4.16%	5.84% 1.84%
Kenya Orchards Ltd	12.50	10.40	10.40	10.50	-1.0%	0.69		1.88	15.07	5.52		-	36.65%	7.76%
Mumias Sugar Co. Ltd	0.27	0.27	0.27	0.27	0.0%	-9.90	-	-9.40	-	-0.03			105.26%	-96.22%
Unga Group Ltd	33.85	26.10	29.00	31.80	-8.8%	0.45	-	74.09	64.44	0.39			1.18%	0.55%
Industry Average			Vivian	Vivian					-56.34	9.00			-10.0%	-1.2%
TELECOMMUNICATION & TECHNOLOGY	52 wk high	52 wk low	Vwap (19/02/2020)	Vwap (31/12/2020)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Safaricom Plc	39.05	24.35	37.10	34.25	8.3%	1.40	1.86	3.57	26.50	10.39	5.01%	132.86%	43.68%	547.48%
Industry Average									26.50	10.39			43.7%	547.5%
DEAL ESTATE INVESTMENT TO LOS	52	F2	(40 (02 (2020)	Vwap	D	T11: 500		D) (D)	0/5	0/8	Div Vi-11/00	Div Day 100		
REAL ESTATE INVESTMENT TRUST STANLIB FAHARI I-REIT	52 wk high 8.96	52 wk low 5.00	(19/02/2020) 6.78	(31/12/2020) 5.64	Performance YTD (%) 20.2%	Trailing EPS 0.97	0.75	BVPS 20.58	P/E 6.99	P/B 0.33	Div Yield (%) 11.06%	Div Payout (%) 77.32%	5.20%	ROA 5.02%
Industry Average	0.30	5.00	0.78	5.04	20.2%	0.57	3.73	20.30	6.99	0.33	11.00%	11.32/0	3.2070	5.02/0
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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.

Co-operative Bank House- 5th Floor, P.O Box 48231 - 00100 Nairobi, Kenya

Office: 0711049540/0711049956

Email: kingdomresearch@co-opbank.co.ke/

Research Department

Equities Trading

Willis Nalwenge wnalwenge@co-opbank.co.ke

Shadrack Manyinsa smanyinsa@co-opbank.co.ke

Andrew Karanja amkaranja@co-opbank.co.ke