

May 24th 2021

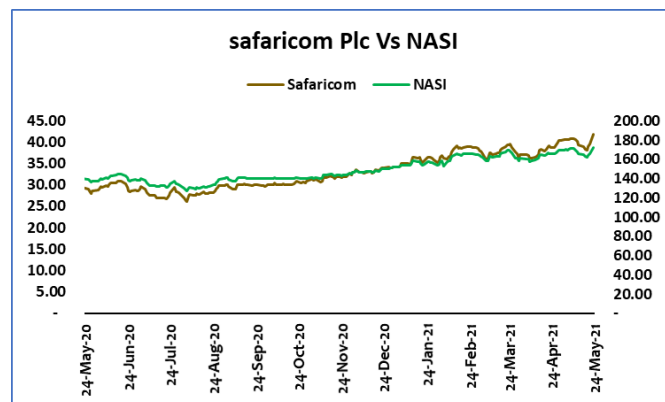
KINGDOM SECURITIES

WEEKLY STOCK PICKS & STOCKMETER

Safaricom – BUY (Short-Term & Long-term) The counter is on an ever upward trajectory boosted by its entry to the virgin land, Ethiopia. Having been approved by Ethiopian Communication authority and owing to its tough muscles, we expect the firm to steadily utilize the new vast opportunities in the telecommunication sector.

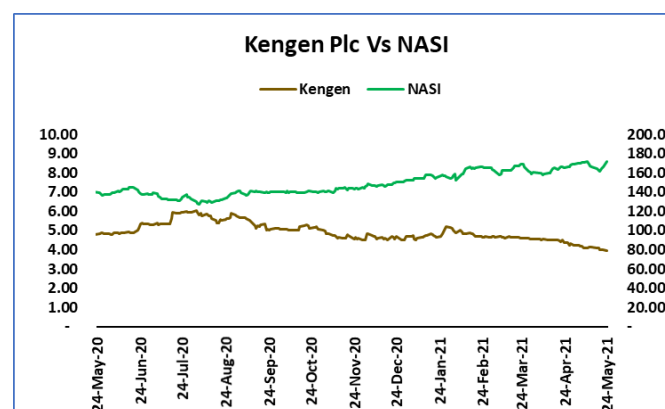
With a population of over 110Mn people and only about 47Mn (41%) connected with mobile phones and with a network penetration of 19% as January 2020, countless opportunities exist. As we look forward to an approval for mobile money transfer later in May 2022, we foresee an upward trend in the telecommunication sector in Ethiopia.

It's with this that we recommend both short-term and long-term buy in view of M-pesa revenue avenues thereafter which is one of its key sources of revenue.



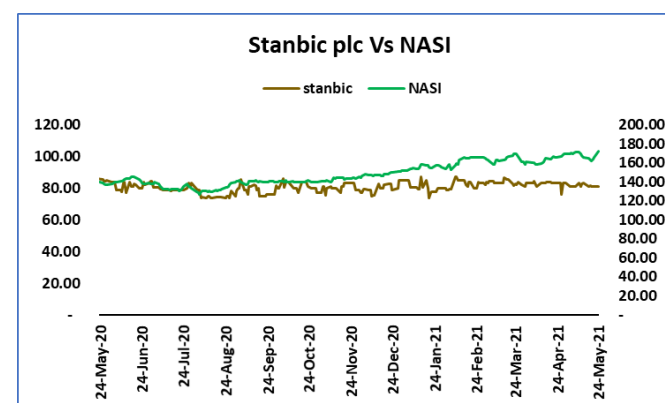
Kengen plc - Short-Term Buy: Currently trading at its lowest technical price of Kes. 4.01 and having lost 14.1% YTD, we **MAINTAIN a Short-Term BUY** on the counter. The electric generating company recorded a 9.0% growth in profits for H1 2020 despite the challenging environment issued a dividend of Kes. 0.30 whose book closure was on 29th March, 2021.

As the company continues to focus on its strategy on sustainable energy while leveraging on innovation and partnership on business growth, and as reopening of the economy continues, we expect a price surge. The financial year for the counter comes to an end in June 2021.



Stanbic Plc: Sell – Having closed its books on 21st May 24, 2021, we fathom a downward price movement. The lender had announced final dividend of Kes. 3.80 whose payment is due on 4th June 2021.

The bank announced its Q1 2021 results on 20th May with an improved PAT of 13.9% Q/Q from Kes. 1.65Bn to Kes. 1.88Bn. However, we noted that its topline of income dipped 5.5% Q/Q from Kes. 5.15Bn to Kes. 4.81Bn. For the short-Term investors we advise a SELL on the counter to gain on both capital gains and dividend. For long-term investors we retain a hold as the banking sector outlook looks promising



DIVIDEND PAYMENT

COUNTER	EVENT	ANNOUNCEMENT DATE	BOOK CLOSURE	PAYMENT DATE	AMOUNT	EPS	PAYOUT
Safaricom	F	13-05-21	TBA	TBA	0.92	1.71	53.8%
Kengen	F&F	28-01-21	29-03-21	44399	0.30	2.79	10.8%
BAT Kenya	F	19-02-21	16-04-21	12-05-21	41.50	55.18	75.2%
Cgen	F&F	28-01-21	22-02-21	25-03-21	0.80	6.85	11.7%
Stanbic Hold	F&F	04-03-21	21-05-21	TBA	3.80	13.13	28.9%
Co-op Bank	F&F	17-03-21	13-04-21	14-04-21	1.00	1.98	50.5%
KCB Group	F&F	17-03-21	26-04-21	TBA	1.00	6.10	16.4%
Kakuzi Plc	F&F	18-03-21	31-05-21	30-06-21	18.00	31.74	56.7%
Fahari I-REIT	F&F	19-03-21	06-04-21	30-04-21	0.60	0.82	73.2%
UMEME*	F&F	23-03-21	25-06-21	19-07-21	12.20	27.00	45.2%
Stanchart	F&F	25-03-21	27-04-21	27-05-21	10.50	13.95	75.3%
NCBA	F&F	26-03-21	20-04-21	09-06-21	1.50	2.77	54.2%
NSE Ltd	F&F	26-03-21	04-06-21	30-08-21	0.53	0.65	81.5%
I&M Holdings	F&F	31-03-21	10-05-21	21-05-21	2.25	9.77	23.0%
Total Kenya	F&F	06-04-21	25-06-21	30-07-21	1.57	4.03	39.0%
Jubilee Holdings	F&F	16-04-21	26-05-21	26-07-21	8.00	50.06	16.0%
Bamburi	F&F	20-04-21	16-05-21	15-07-21	3.00	2.90	103.4%
B.O.C	F	21-04-21	25-05-21	19-07-21	4.15	5.21	79.7%
sasin Tea	F	05-11-21	06-02-21	15-07-21	0.50	0.07	714.3%

BONUS PAYMENT

COUNTER	EVENT	ANNOUNCEMENT DATE	BOOK CLOSURE	PAYMENT DATE	ISSUED	ISSUED AND PAID	SHARES
I&M Holdings	BS	31-03-21	10-05-21	21-05-21	1:1	826,810,738	1,653,621,476

AGM MEETING

Counter	Date	Venue
KCB Group	25-05-21	Virtual
Stanbic Holdings	20-05-21	Virtual
NCBA Group	09-06-21	Virtual
Stanchart Kenya	27-05-21	Virtual
Housing Finance	28-05-21	Virtual
Absa Kenya	27-05-21	Virtual
Britam Holdings	28-05-21	Virtual
Safaricom	30-07-21	Virtual
NSE	06-03-21	Virtual
NCBA Group	06-09-21	Virtual

KINGDOM SECURITIES

Equity Stock Pick
KSL Stock Meter
May 24th 2021

	Vwap		Vwap		Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
	52 wk high	52 wk low	(10/05/2020)	(31/12/2020)										
AGRI														
Eaagads Ltd	15.00	8.24	14.00	12.50	12.0%	-2.18	-	26.24	-	0.53	-	-	3.36%	3.02%
Kakuzi Plc	397.00	320.50	360.00	365.00	-1.4%	31.74	18.00	266.24	11.34	1.35	5.00%	56.71%	13.67%	11.04%
Kapchorua Tea Kenya Plc Ord 5.00	90.00	71.00	82.50	78.00	5.8%	2.48	10.00	259.86	33.27	0.32	12.12%	403.23%	-6.18%	-6.18%
The Limuru Tea Co. Plc	400.00	340.00	340.00	360.00	-5.6%	0.79	0.70	80.84	430.38	4.21	0.21%	88.61%	0.98%	0.71%
Sasini Plc	20.00	15.50	18.85	19.50	-3.3%	0.07	0.50	49.65	269.29	0.38	2.65%	714.29%	-2.98%	-2.30%
Williamson Tea Kenya Plc	149.75	119.00	149.00	130.25	14.4%	7.59	20.00	451.14	19.63	0.33	13.42%	263.50%	1.74%	1.74%
Industry Average										21.98	0.58		1.5%	1.3%
AUTOMOBILES & ACCESSORIES														
Car & General (K) Ltd	26.00	0.00	20.25	22.00	-8.0%	6.85	0.80	98.23	2.96	0.21	3.95%	11.68%	9.11%	5.81%
Industry Average									2.96	0.21			9.1%	5.8%
BANKING														
ABSA Bank Kenya Plc	10.80	8.62	8.78	9.66	-9.1%	0.69	-	8.56	12.72	1.03	-	-	8.9%	1.1%
BK Group Plc	26.15	12.15	26.00	20.50	26.8%	4.66	-	28.45	5.58	0.91	-	-	16.9%	3.7%
Diamond Trust Bank Kenya Ltd	77.50	59.50	64.00	75.00	-14.7%	10.89	-	244.33	5.88	0.26	-	-	4.8%	0.8%
Equity Group Holdings Plc	42.00	28.10	40.85	36.55	11.8%	5.24	-	36.74	7.80	1.11	-	-	14.3%	1.9%
HF Group Plc	4.99	3.00	4.00	3.32	20.5%	-4.44	-	26.63	-	0.15	-	-	-1.1%	-0.2%
I&M Holdings Plc	52.50	23.10	42.60	45.00	-5.3%	9.77	2.25	73.61	4.36	0.58	5.3%	23.0%	17.7%	3.4%
KCB Group Plc	42.45	30.55	42.40	38.10	11.3%	6.10	1.00	44.32	6.95	0.96	2.4%	16.4%	0.0%	0.0%
National Bank of Kenya Ltd	360.00	4.12	4.12	4.12	0.0%	1.17	-	0.00	-	-	-	-	0.0%	0.0%
NCBA Group Plc	28.00	20.20	24.70	26.75	-7.7%	2.77	1.50	44.03	8.92	0.56	6.1%	54.2%	6.3%	0.9%
Stanbic Holdings Plc	87.25	73.50	83.00	85.00	-2.4%	13.13	3.80	130.86	6.32	0.63	4.6%	28.9%	10.0%	1.6%
Standard Chartered Bank Kenya Ltd	173.75	131.00	131.50	144.25	-8.8%	13.66	10.50	134.68	9.63	0.98	8.0%	76.9%	10.7%	1.7%
The Co-operative Bank of Kenya Ltd	13.90	10.30	12.55	12.50	0.4%	2.34	1.00	15.69	5.36	0.80	8.0%	42.7%	11.7%	2.0%
Industry Average									6.81	0.81			9.0%	1.4%
COMMERCIAL AND SERVICES														
Deacons (East Africa) Plc	0.45	0.00	0.45	0.45	0.0%	-6.82	-	2.67	-	0.17	-	-	-255.0%	-54.2%
Eveready East Africa Ltd	1.38	0.87	1.00	1.20	-16.7%	-0.33	-	2.08	-	0.48	-	-	-26.6%	-36.1%
Express Kenya Plc	6.00	2.58	4.37	3.61	21.1%	-1.97	-	-2.87	-	-1.52	-	-	50.9%	-21.7%
Homeboyz Entertainment Plc	4.66	4.66	4.66	4.66	0.0%	0.57	-	0.46	8.18	10.15	-	-	-77.5%	-24.3%
Kenya Airways Ltd	3.83	1.99	3.83	3.83	0.0%	-6.22	-	-0.44	-	-8.73	-	-	303.2%	-5.5%
Longhorn Publishers Plc	5.06	4.05	4.36	4.88	-10.7%	0.68	-	2.70	6.41	1.62	-	-	-30.7%	-9.2%
Nairobi Business Ventures Ltd	5.70	0.55	4.59	4.28	7.2%	-3.20	-	0.18	-	25.10	-	-	-36.5%	-22.9%
Nation Media Group Plc	25.35	9.04	15.60	15.45	1.0%	4.50	1.50	41.78	3.47	0.37	9.6%	33.3%	14.2%	10.0%
Sameer Africa Plc	4.26	2.61	3.51	3.25	8.0%	0.16	-	4.06	21.94	0.86	-	-	-46.9%	-20.5%
Standard Group Plc	25.30	15.55	17.10	22.50	-24.0%	-5.25	-	13.70	-	1.25	-	-	26.9%	7.4%
TPS Eastern Africa Ltd	18.00	11.75	16.00	16.00	0.0%	0.81	-	50.31	19.75	0.32	-	-	1.3%	0.8%
Uchumi Supermarket Plc	0.38	0.21	0.24	0.28	-14.3%	-4.60	-	-5.75	-	-0.04	-	-	135.3%	-56.7%
WPP Scangroup Plc	22.10	5.10	5.66	6.00	-5.7%	1.00	-	19.64	5.66	0.29	-	-	7.2%	4.2%
Industry Average									(0.96)	1.49			-40.9%	-5.2%
CONSTRUCTION & ALLIED														
ARM Cement Plc	5.55	5.55	5.55	5.55	0.0%	-6.83	-	28.95	-	0.19	-	-	-10.1%	-5.5%
Bamburi Cement Ltd	46.35	19.90	39.30	37.85	3.8%	2.89	3.00	83.49	13.60	0.47	7.6%	103.8%	3.7%	3.1%
Crown Paints Kenya Plc	49.50	36.00	39.20	38.00	3.2%	3.14	0.60	18.37	12.48	2.13	1.5%	19.1%	24.3%	5.7%
E.A.Cables Ltd	2.36	1.25	1.30	1.38	-5.8%	-1.92	-	10.10	-	0.13	-	-	-22.8%	-7.7%
E.A.Portland Cement Co. Ltd	16.00	7.86	8.00	11.00	-27.3%	-16.35	-	18.18	-	0.04	-	-	-8.7%	-5.4%
Average									-3.24	0.30			-4.3%	-2.7%
ENERGY & PETROLEUM														
KenGen Co. Plc	6.04	4.01	4.11	4.71	-12.7%	2.79	0.30	32.04	1.47	0.13	7.3%	10.8%	8.7%	4.5%
Kenya Power & Lighting Co Plc	2.40	1.24	1.39	1.71	-18.7%	0.13	-	28.81	10.69	0.05	-	-	0.5%	0.1%
Total Kenya Ltd	27.15	21.10	24.00	24.00	0.0%	5.24	1.57	129.47	4.58	0.19	6.5%	30.0%	10.2%	5.9%
Umeme Ltd	8.56	5.68	6.22	7.28	-14.6%	0.81	0.37	14.19	7.68	0.44	5.9%	45.7%	16.7%	5.5%
Industry Average									2.11	0.14			7.9%	2.9%
INSURANCE														
Britam Holdings Plc	10.65	6.50	6.94	7.26	-4.4%	1.41	0.25	6.76	4.92	1.03	3.6%	17.7%	53.4%	7.3%
CIC Insurance Group Ltd	2.53	1.98	2.12	2.13	-0.5%	-0.11	-	3.00	-	0.71	-	-	4.1%	0.9%
Jubilee Holdings Ltd	296.00	215.00	284.75	284.00	0.3%	50.06	9.00	490.33	5.69	0.58	3.2%	18.0%	11.5%	2.8%
Kenya Re Insurance Corporation Ltd	2.70	2.00	2.42	2.32	4.3%	2.55	0.10	11.41	0.95	0.21	4.1%	3.9%	12.4%	7.9%
Liberty Kenya Holdings Ltd	10.30	6.80	7.74	7.70	0.5%	1.23	-	14.99	6.29	0.52	-	-	9.2%	1.9%
Sanlam Kenya Plc	16.05	9.58	11.35	12.95	-12.4%	0.81	-	12.05	14.01	0.94	-	-	6.6%	0.4%
Sector PE							11.18361464		3.80	0.55			18.0%	4.3%
INVESTMENT														
Centum Investment Co Plc	27.35	14.50	14.75	16.05	-8.1%	6.68	1.20	79.08	2.21	0.19	8.1%	18.0%	8.8%	4.5%
Home Afrika Ltd	0.50	0.35	0.39	0.42	-7.1%	-1.54	-	-4.79	-	-0.08	-	-	-45.8%	-20.4%
Kurwitu Ventures Ltd	1500.00	1500.00	1500.00	1500.00	0.0%	-36.00	-	592.46	-	2.53	-	-	-8.9%	-3.9%
Olympia Capital Holdings Ltd	2.53	1.92	2.18	2.20	-0.9%	0.11	-	32.09	19.82	0.07	-	-	0.4%	0.4%
Trans-Century Plc	2.52	1.03	1.13	1.45	-22.1%	-7.95	-	9.45	-	0.12	-	-	-56.1%	-9.1%
Industry Average									12.68	0.19			3.2%	1.3%
INVESTMENT SERVICES														
Nairobi Securities Exchange Plc	9.10	6.58	9.04	8.16	10.8%	0.65	0.53	8.04	13.91	1.12	5.9%	81.5%	3.8%	3.6%
Industry Average									13.91	1.12			3.8%	3.6%
MANUFACTURING & ALLIED														
B.O.C Kenya Plc	69.25	54.00	68.25	63.00	8.3%	5.21	4.15	78.03	13.10	0.87	6.1%	79.7%	4.6%	3.2%
British American Tobacco Kenya Plc	499.75	309.50	470.00	361.00	30.2%	55.18	45.00	118.56	8.52	3.96	9.6%	81.6%	46.5%	25.4%
Carbacid Investments Plc	12.80	7.90	11.15	12.10	-7.9%	1.38	0.70	8.38	8.08	1.33	6.3%	50.7%	12.4%	7.9%
East African Breweries Ltd	177.50	148.25	171.75	154.25	11.3%	7.19	8.50	17.70	23.89	9.71	4.9%	118.2%	50.2%	5.8%
Flame Tree Group Holdings Ltd	1.99	0.88	1.36	1.23	10.6%	0.42	-	4.57	3.24	0.30	-	-	4.2%	1.8%
Kenya Orchards Ltd	12.25	10.40	10.40	10.50	-1.0%	0.69	-	1.88	15.07	5.52	-	-	36.7%	7.8%
Mumias Sugar Co. Ltd	0.27	0.27	0.27	0.27	0.0%	-9.90	-	-9.40	-	-0.03	-	-	105.3%	-96.2%
Unga Group Ltd	33.00	27.00	31.80	31.80	0.0%	0.45	-	74.09	70.67	0.43	-	-	1.2%	0.5%
Industry Average									-56.40	8.82			-10.0%	-1.2%
TELECOMMUNICATION & TECHNOLOGY														
Safaricom Plc	40.85	26.15	40.85	34.25	19.3%	1.40	1.86	3.57	29.18	11.44	4.6%	132.9%	51.5%	34.5%
Industry Average									29.18	11.44			51.5%	34.5%
REAL ESTATE INVESTMENT TRUST														
STANLIB FAHARI I-REIT	7.00	5.00	6.18	5.64	9.6%	0.82	0.60	20.86	7.54	0.30	9.7%	73.2%	3.9%	3.8%
Industry Average									7.54	0.30				



KINGDOM SECURITIES

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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

Villis Nalwenge vnalwenge@co-opbank.co.ke Justus Ogalo
hadrack Manyinsa smanyinsa@co-opbank.co.ke Andrew Karanja

Equities Trading

ogalo@co-opbank.co.ke
mkaranja@co-opbank.co.ke