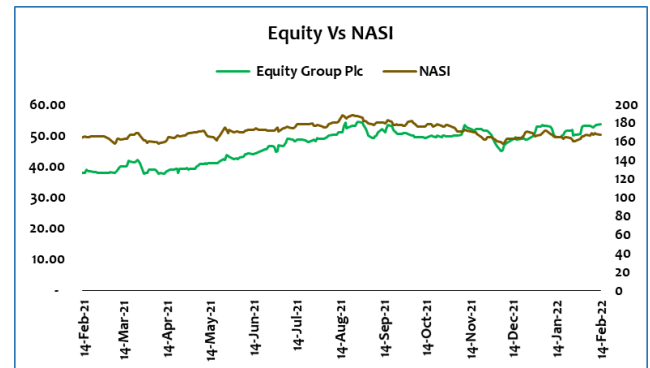


WEEKLY STOCK PICKS SELECTION – 15TH FEBRUARY

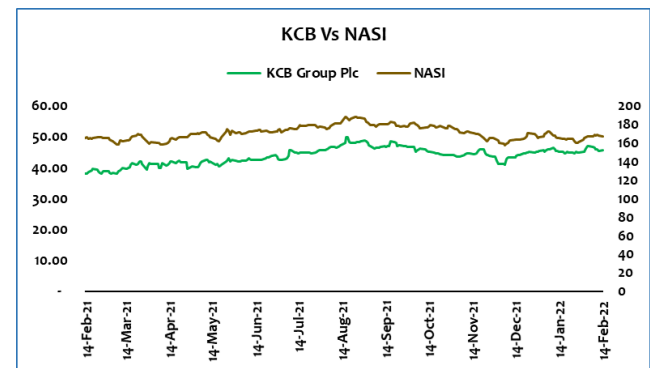
Equity Group – Long-Term Buy: The leading bank in customer deposits remain lucrative to investors on its growing returns on both assets and equity on our projections of 2.5% and 19.42% respectively. We project the counter’s earnings per share (EPS) to jump 61.5% y/y from 5.24 to 8.46 in FY-2021.

With the expected better performance for FY-2021, we expect the lender to issue a dividend as per to its pre-covid norm. The recent venture into the life assurance business and the counter’s rising revenues has seen the counter’s price surge to the current price of KES. 53.50. It’s in line with this that we retain our entry recommendation to gain on both capital gains and dividend payment.



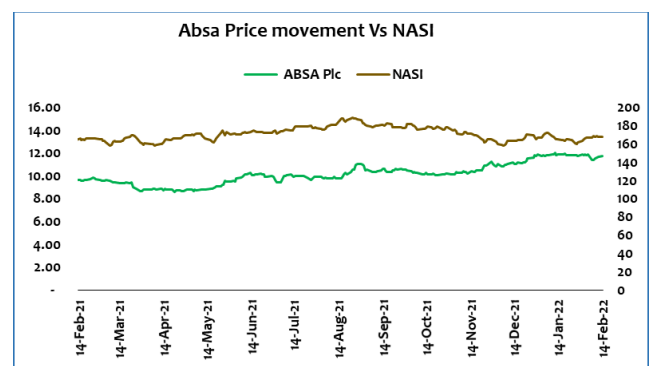
KCB Group – Long-Term Buy: Currently trading at KES. 45.65, the group has gained 20.0% y/y and lost 5.1% in the last 6 months. Its last 3, 6, and 12-months average stands at KES. 44.70, KES. 45.46 and KES. 43.76 respectively.

We project the counter’s EPS to jump from 6.10 in FY-2020 to 10.55 in FY-2021 on its growing revenues reflected by Q3-2021 financials. In addition to the expected final dividend payment, we fathom this to rally the counter’s price to the pre-covid levels of above KES. 50.00 and hereby retain our buy recommendation.

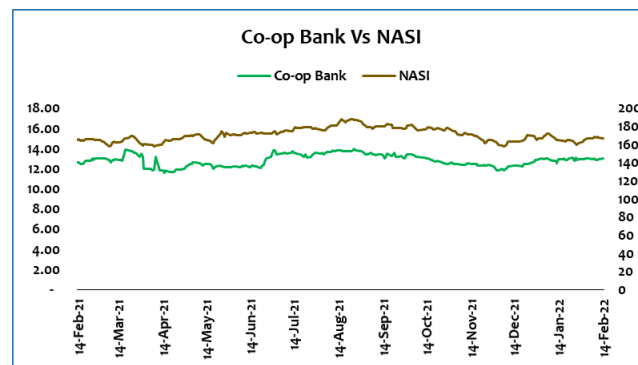


ABSA Group – Long-Term Buy: The group recorded a stellar performance in Q3-2021 at a 249.9% Y/Y growth from KES. 3.39Bn to KES. 11.86Bn as it seeks to deepen its Kenyan market share. Currently trading at KES. 11.75 the counter has gained 22.4% Y/Y and 19.9% in the last six months.

With the better performance, we expect the lender to pay a full year dividend leading to price stability at the current range of KES 11.75. It’s in line with this we retain a buy on the counter the reap the dividend.



Co-op Bank Group – Long-Term Buy: The largest Co-operatives Kenyan bank remains cost effective especially on rewarding its shareholders. Currently the bank is trading at KES 13.00 with a high of KES 13.95 and a low of KES 11.60 in the last one year. The lender recorded 21.6% spike on its interest income in Q3-2021, signaling of a better performance in the upcoming FY-2021 results.



Counting on the bank’s payout, we expect the bank to retain Kes. 1.00 dividend payment equivalent to a dividend yield of 8.5% on the current entry price of KES 13.00. To gain on the dividend yield and the anticipated price recovery to the pre-covid levels of above KES 15.00, we retain our entry on the counter.

Ongoing Corporate Action List

DIVIDEND PAYMENT							
COUNTER	EVENT	ANNOUNCEMENT DATE	BOOK CLOSURE	PAYMENT DATE	AMOUNT	EPS	PAYOUT
EABL	I	27-Jan-22	28-Feb-22	27-Apr-22	3.75	8.45	44.4%
Kengen	F&F	1-Nov-21	16-Dec-21	10-Feb-22	0.30	0.18	166.7%
Car General	F&F	6-Jan-22	25-Feb-22	24-Mar-22	3.20	22.30	14.3%
Sasin	F	11-Jan-22	22-Feb-22	15-Mar-22	0.50	2.49	20.1%
F -Final, F&F - First and Final, SD - Special Dividend I - Interim, TBA- To be Advised							
BONUS PAYMENT							
COUNTER	EVENT	ANNOUNCEMENT DATE	BOOK CLOSURE	PAYMENT DATE	ISSUED	ISSUED AND PAID	SHARES
Car General	Bonus Share	06-01-22	24-03-22	08-04-22	1:1	40,103,308	80,206,616

	52 wk high	52 wk low	Vwap (14/2/2022)	Vwap (31/12/2021)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
AGRI														
Eaagads Ltd	15.00	10.50	13.10	13.50	-3.0%	0.05	-	31.40	262.00	0.42	-	-	17.61%	15.93%
Kakuzi Plc	423.50	351.00	8.00	385.00	-97.9%	31.74	18.00	259.37	0.25	0.03	225.00%	56.71%	12.24%	9.36%
Kapchorua Tea Kenya Plc Ord 5.00	101.00	78.00	92.00	95.50	-3.7%	0.90	10.00	202.45	102.22	0.45	10.87%	1111.11%	2.80%	1.96%
The Limuru Tea Co. Plc	360.00	263.00	320.00	320.00	0.0%	0.79	0.70	79.18	405.06	4.04	0.22%	88.61%	-0.63%	-0.58%
Sasini Plc	22.40	16.85	20.80	18.70	11.2%	2.49	0.50	58.95	8.35	0.35	2.40%	20.08%	4.26%	3.79%
Williamson Tea Kenya Plc	152.25	126.00	131.00	130.00	0.8%	-8.31	10.00	338.08	-	0.39	7.63%	-	-3.17%	-2.29%
Industry Average										8.63	0.33		4.5%	3.7%
AUTOMOBILES & ACCESSORIES														
Car & General (K) Ltd	72.75	20.00	62.00	33.95	82.6%	22.43	3.20	121.04	2.76	0.51	5.16%	14.27%	18.28%	12.53%
Industry Average									2.76	0.51			18.3%	12.5%
BANKING														
ABSA Bank Kenya Plc	12.00	8.62	11.75	11.85	-0.8%	0.69	-	10.02	17.03	1.17	-	-	18.27%	2.48%
BK Group Plc	40.00	20.25	30.00	29.00	3.4%	4.66	-	28.45	6.44	1.05	-	-	16.90%	3.66%
Diamond Trust Bank Kenya Ltd	77.00	54.75	58.00	59.50	-2.5%	10.89	-	262.23	5.33	0.22	-	-	5.53%	0.87%
Equity Group Holdings Plc	54.25	37.50	53.50	52.75	1.4%	5.24	-	43.56	10.21	1.23	-	-	19.42%	2.52%
HF Group Plc	4.99	3.37	3.54	3.90	-9.2%	-4.44	-	17.79	-	0.20	-	-	-20.63%	-2.72%
I&M Holdings Plc	50.00	20.35	21.45	21.10	1.7%	9.77	2.25	43.14	2.20	0.50	10.49%	23.03%	13.28%	2.37%
KCB Group Plc	49.90	37.95	45.65	45.45	0.4%	6.10	1.00	52.74	7.48	0.87	2.19%	16.39%	20.01%	3.27%
NCBA Group Plc	28.15	22.95	25.50	25.20	1.2%	2.77	1.50	46.67	9.21	0.55	5.88%	54.15%	8.58%	1.19%
Stanbic Holdings Plc	95.25	76.00	94.00	87.25	7.7%	13.13	3.80	141.40	7.16	0.66	4.04%	28.94%	10.99%	2.07%
Standard Chartered Bank Kenya Ltd	146.75	124.00	137.00	128.25	6.8%	13.66	10.50	134.64	10.03	1.02	7.66%	76.87%	13.93%	2.06%
The Co-operative Bank of Kenya Ltd	13.95	11.60	13.00	12.95	0.4%	2.34	1.00	17.68	5.56	0.74	7.69%	42.74%	12.21%	2.05%
Industry Average									7.20	0.82			14.6%	2.2%
COMMERCIAL AND SERVICES														
Deacons (East Africa) Plc	0.45	0.45	0.45	0.45	0.0%	-6.82	-	2.67	-	0.17	-	-	-254.96%	-54.19%
Evereedy East Africa Ltd	1.22	0.85	0.97	0.98	-1.0%	-0.33	-	0.20	-	4.97	-	-	-283.95%	-36.12%
Express Kenya Plc	4.61	3.37	3.95	4.10	-3.7%	-1.97	-	-2.87	-	-1.38	-	-	50.92%	-21.71%
Homeboyz Entertainment Plc	4.66	4.66	4.66	4.66	0.0%	-0.51	-	0.46	-	10.15	-	-	-77.47%	-24.29%
Kenya Airways Ltd	3.83	3.83	3.83	3.83	0.0%	-6.22	-	-13.00	-	-0.29	-	-	15.55%	-7.49%
Longhorn Publishers Plc	4.79	3.64	4.00	4.00	0.0%	0.68	-	2.16	5.88	1.85	-	-	-86.38%	-20.73%
Nairobi Business Ventures Ltd	12.80	3.81	4.99	6.06	-17.7%	-3.20	-	0.11	-	45.36	-	-	22.12%	18.52%
Nation Media Group Plc	26.10	13.00	19.00	18.45	3.0%	0.20	-	42.54	95.00	0.45	-	-	8.75%	8.29%
Sameer Africa Plc	3.88	2.52	2.62	2.86	-8.4%	0.16	-	1.38	16.38	1.90	-	-	66.97%	21.33%
Standard Group Plc	21.35	13.50	15.00	13.55	10.7%	-3.79	-	13.00	-	1.15	-	-	-5.34%	-1.41%
TPS Eastern Africa Ltd	18.00	13.05	13.05	15.25	-14.4%	-6.32	-	39.35	-	0.33	-	-	-15.71%	-8.16%
Uchumi Supermarket Plc	0.29	0.21	0.22	0.24	-8.3%	-4.60	-	-5.75	-	-0.04	-	-	135.25%	-56.71%
WPP Scangroup Plc	6.24	3.57	4.25	4.14	2.7%	1.00	-	12.19	4.25	0.35	-	-	-32.89%	-19.82%
Industry Average									(0.93)	-0.76			33.6%	-8.9%
CONSTRUCTION & ALLIED														
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	43.15	33.55	38.75	38.00	2.0%	2.89	3.00	93.81	13.41	0.41	7.74%	103.81%	3.47%	2.39%
Crown Paints Kenya Plc	42.80	19.65	36.30	30.50	19.0%	8.42	-	17.22	4.31	2.11	-	-	27.98%	10.25%
E.A.Cables Ltd	1.60	1.13	1.21	1.20	0.8%	-2.15	-	10.10	-	0.12	-	-	-22.79%	-7.72%
E.A.Portland Cement Co. Ltd	10.20	6.06	6.70	6.66	0.6%	20.97	-	187.68	0.32	0.04	-	-	-8.71%	-5.38%
Average									-8.59	0.30			-3.6%	-2.1%
ENERGY & PETROLEUM														
KenGen Co. Plc	4.98	3.91	3.99	4.19	-4.8%	0.18	0.30	32.04	22.17	0.12	7.52%	166.67%	8.70%	4.45%
Kenya Power & Lighting Co Plc	2.02	1.28	1.58	1.75	-9.7%	0.76	-	28.81	2.08	0.05	-	-	0.47%	0.08%
Total Kenya Ltd	26.30	21.85	23.75	25.00	-5.0%	5.24	1.57	129.47	4.53	0.18	6.61%	29.96%	10.20%	5.89%
Umeme Ltd	7.20	0.00	5.94	6.74	-11.9%	0.81	0.37	14.19	7.33	0.42	6.23%	45.68%	16.69%	5.47%
Industry Average									8.81	0.14			7.9%	2.9%
INSURANCE														
Britam Holdings Plc	8.38	6.72	7.34	7.50	-2.1%	-3.62	-	6.76	-	1.09	-	-	53.39%	7.28%
CIC Insurance Group Ltd	3.39	2.00	2.29	2.21	3.6%	-0.11	-	3.00	-	0.76	-	-	4.10%	0.91%
Jubilee Holdings Plc	390.00	261.75	299.00	316.75	-5.6%	50.06	9.00	490.33	5.97	0.61	3.01%	17.98%	11.50%	2.80%
Kenya Re Insurance Corporation Ltd	2.68	2.22	2.24	2.30	-2.6%	2.55	0.10	11.41	0.88	0.20	4.46%	3.92%	12.41%	7.88%
Liberty Kenya Holdings Ltd	10.30	6.52	7.00	7.00	0.0%	1.23	-	14.99	5.69	0.47	-	-	9.22%	1.94%
Sanlam Kenya Plc	12.50	9.16	11.00	11.55	-4.8%	0.81	-	12.05	13.58	0.91	-	-	6.59%	0.39%
Sector PE								11.18361464	27.25	0.57			18.0%	4.3%
INVESTMENT														
Centum Investment Co Plc	17.85	14.00	14.00	14.10	-0.7%	-0.93	0.33	79.08	-	0.18	2.36%	-	8.80%	4.54%
Home Afrika Ltd	0.45	0.36	0.37	0.40	-7.5%	-0.60	-	-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	2.29	1.76	1.91	2.00	-4.5%	-0.14	-	32.09	-	0.06	-	-	0.45%	0.35%
Trans-Century Plc	1.53	1.03	1.28	1.17	9.4%	-7.95	-	9.45	-	0.14	-	-	-56.07%	-9.11%
Industry Average									-2.64	0.18			3.2%	1.3%
INVESTMENT SERVICES														
Nairobi Securities Exchange Plc	10.15	7.74	8.10	8.00	1.3%	0.65	1.03	8.04	12.46	1.01	12.7%	158.5%	3.8%	3.6%
Industry Average									12.46	1.01			3.8%	3.6%
MANUFACTURING & ALLIED														
B.O.C Kenya Plc	77.50	57.00	76.00	70.00	8.6%	5.21	4.15	78.03	14.59	0.97	5.46%	79.65%	4.57%	3.24%
British American Tobacco Kenya Plc	499.75	420.25	445.00	441.50	0.8%	55.18	45.00	118.56	8.06	3.75	10.11%	81.55%	46.54%	25.42%
Carbacid Investments Plc	13.25	10.00	10.95	11.00	-0.5%	1.63	1.60	8.38	6.72	1.31	14.61%	98.16%	12.39%	7.93%
East African Breweries Ltd	193.75	148.25	160.50	165.00	-2.7%	5.51	-	17.70	29.13	9.07	-	-	50.17%	5.84%
Flame Tree Group Holdings Ltd	1.43	1.16	1.21	1.26	-4.0%	0.42	-	4.57	2.88	0.26	-	-	4.16%	1.84%
Kenya Orchards Ltd	10.40	10.40	10.40	10.40	0.0%	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	36.25	26.10	32.80	27.65	18.6%	0.45	-	74.09	72.89	0.44	-	-	1.18%	0.55%
Industry Average									-38.59	8.30			-10.0%	-1.2%
TELECOMMUNICATION & TECHNOLOGY														
Safaricom Plc	44.95	35.90	38.10	37.95	0.4%	1.71	1.37	3.57	22.28	10.67	3.6%	80.1%	51.5%	34.5%
Industry Average									22.28	10.67			51.5%	34.5%
REAL ESTATE INVESTMENT TRUST														
STANLIB FAHARI I-REIT	7.20	5.72	6.50	6.26	3.8%	0.82	0.60	20.86	7.93	0.31	9.2%	73.2%	3.9%	3.8%
Industry Average									7.93	0.31			3.9%	3.8%

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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.

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