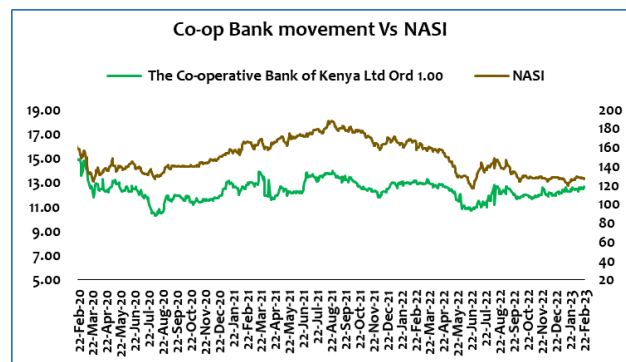


WEEKLY STOCK PICKS SELECTION

With the banking sector reporting season around the corner, we have identified the following stocks for your investing considerations. These stocks have proven themselves through a consistent growth fundamentally and in rewarding their shareholders.

Co-op Bank –BUY: Trading at KES 12.70 as of 22nd February 2023, the counter has gained 5.4%, 2.0% and 5.0% in the last 3 and 6 months and year to date (y-t-d). Its highest prices in 2020, 2021 and 2022 were KES 16.55, KES 13.95 and KES 13.30 with lows of KES 10.30, KES 11.60 and 10.70 same period respectively.

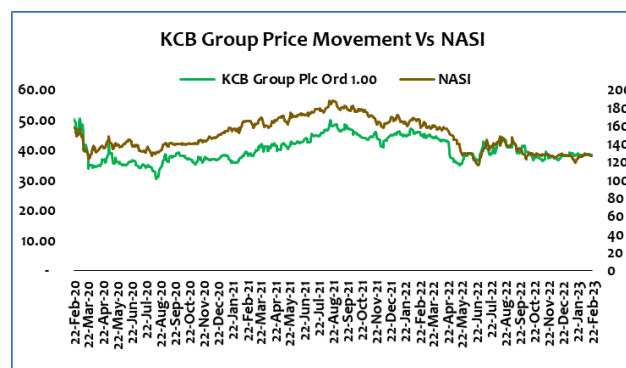
The lending Group remains among the best in dividend yield. The Group has been consistent in rewarding its investors, paying dividends of KES 1.00 in the last 4-years. In view of this, we anticipate the Group to issue a final dividend of KES 1.00 on its FY-2022 financials which we expect will rally its price upwards.



The Lender's profits after tax (PAT) for the first 3-quarters of 2022 expanded by 37.3% Y/Y from KES 11.623Bn in Q3-2021 to KES 17.10Bn, signaling of a better reporting and return on investment for FY 2022.

KCB Group – BUY: Trading at KES 38.45 on 22nd February 2023, the lender has gained 0.3% and 3.1% y-t-d and in the last 3 months while shedding 11.6% and 16.3% in the last six months and one year respectively. Its lowest price in 2020, 2021 and 2022 were KES 30.55, KES 35.70 and 35.00 while hitting highs of KES 55.00, KES 49.90 and 47.00 respectively.

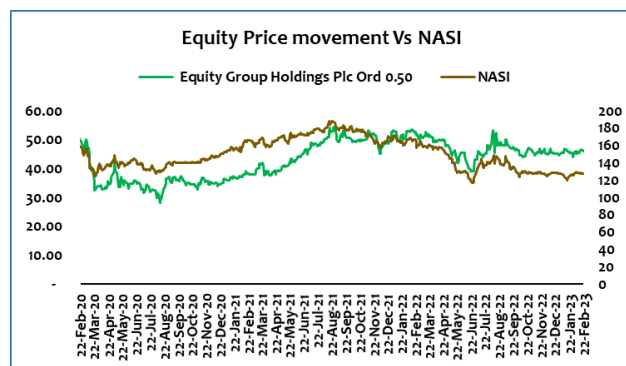
The Group posted a stellar financial performance in the first three quarters of 2022, with the PAT spiking 21.4% Y/Y to KES 30.59Bn in Q3-2022. The Bank issued a KES 1.00 interim dividend, paid on 13th January 2022.



Following an expected better performance for FY-2022, we expect the Lender to retain a final dividend of KES 2.00 on its FY-2022 results to give a total of KES 3.00 whose equivalent was paid in 2021. We view that this will rally the price upwards to levels of above KES 45.00, witnessed in 2021 and therefore retain our BUY recommendation on the counter.

Equity – BUY: Currently trading at KES 46.00 as of 22nd Feb 2023, the lender's price has grown by 2.1% in the last three months while shrinking by 6.1% and 11.5% in the last 6- and 12-months. Its last 3, 6- and 12-months average prices are KES 45.51, KES 46.37 and 46.87 respectively. Its highest in 2020, 2021 and 2022 were KES 55.00, KES 54.25 and KES 53.50 with lows of KES 28.10, KES 36.00 and KES 39.00 respectively.

The Group's Q3-2022 PAT jumped 27.9% to KES 34.38Bn from that of KES 26.87Bn of Q3-2021. This remained boosted by the Bank's growing



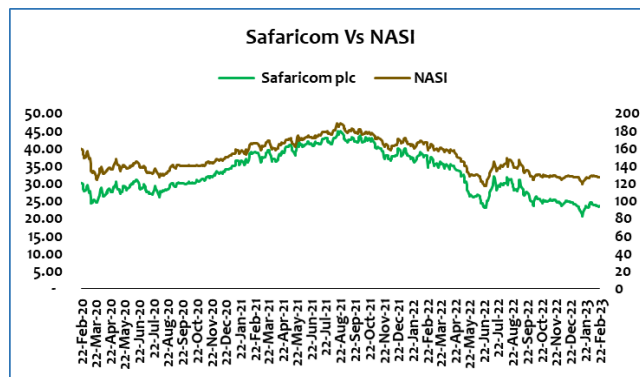
interest and non-funded incomes. This pushed the company's earnings per share 26.6% Y/Y up from 6.98 to 8.84.

The lender resumed dividend payment in 2021, issuing a final dividend of KES 3.00, which we expect them to retain in its FY-2022 results. We expect this to help in the counter's price recovery to the pre-covid levels and therefore retain our BUY recommendation.

Safaricom – BUY: Trading at KES 23.50 as of 22nd Feb 2023, the Telco's price has shed 6.0%, 21.9% and 37.9% in the last 3, 6 and 12 months respectively. Safaricom was the most hit by the global interest rate hikes and geopolitical tension sentiments. This saw recall of cash from emerging economies and thereby affecting foreign dominated stocks, especially Safaricom.

Fundamentally, Safaricom remains strong posting a PAT of KES 30.23Bn, an 18.4% Y/Y drop on effect of the infrastructure and operational cost towards its Ethiopia subsidiary, that went live in August 2022.

With the easing of global inflations witnessed in January 2023 and the general relaxation of interest rate hikes globally, we expect a general recovery of equity prices. This will see the Telco's price recover furthered by the Ethiopia Subsidiary incomes and therefore retain a LONG-TERM BUY on the counter.

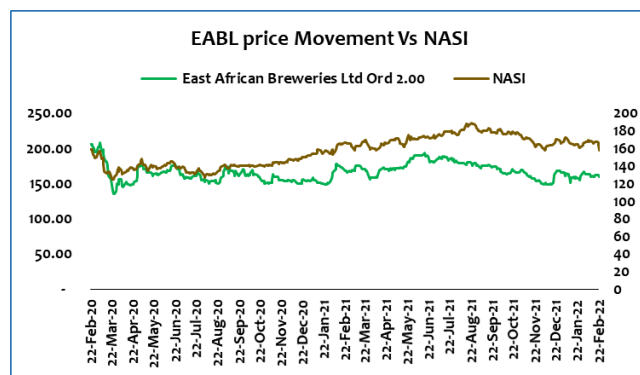


EABL – SELL: Currently trading at KES 174.00, the manufacturing companies has receded from a high of KES 181.50 recorded on 16th February, the book closure date of its interim dividend of KES 3.75 issued on 26th January 2023. The payment date for the dividend is on 28th April 2023.

EABL recorded a low of 110.00 on 27th June 2022.

Diageo proposed a tender to buy EABL shares at a price of KES 192.00 per share. The offer started on 6th Feb 2023 to close on 24th Feb 2024. If the proposed target won't be attained, the second phase will reopen after the result announcement on 6th March and close on 17th March 2023.

About the offer, we advise our clients to SELL their EABL holdings through the over the counter issued by Diageo KSL, with an expectation of repurchasing them after the price stabilizes thereafter.



AGRICULTURE	52 wk high	52 wk low	Vwap 22/Feb/2023	Vwap 30/12/2022	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Eaagads Ltd	13.80	10.00	10.00	10.50	-4.8%	0.26	-	31.40	38.46	0.32	-	-	17.61%	15.93%
Kakuzi Plc	441.25	367.50	8.00	385.00	-97.9%	16.31	22.00	259.37	0.49	0.03	275.00%	134.89%	12.24%	9.36%
Kapchorua Tea Kenya Plc Ord 5.00	137.00	81.00	137.00	113.25	21.0%	27.35	10.00	202.45	5.01	0.68	7.30%	36.56%	2.80%	1.96%
The Limuru Tea Co. Plc	510.00	320.00	400.00	420.00	-4.8%	0.79	0.70	79.18	506.33	5.05	0.18%	88.61%	-0.63%	-0.58%
Sasini Plc	24.00	17.90	22.30	22.45	-0.7%	2.49	0.50	58.95	8.96	0.38	2.24%	20.08%	4.26%	3.79%
Williamson Tea Kenya Plc	179.00	120.00	179.00	160.00	11.9%	29.73	20.00	338.08	6.02	0.53	11.17%	67.27%	-3.17%	-2.29%
Industry Average										6.57	0.39		4.5%	3.7%
AUTOMOBILES & ACCESSORIES	52 wk high	52 wk low	Vwap 22/Feb/2023	Vwap 30/12/2022	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Car & General (K) Ltd	76.00	30.00	36.25	47.45	-23.6%	22.43	3.20	60.52	1.62	0.60	8.83%	14.27%	18.28%	12.53%
Industry Average									1.62	0.60			18.3%	12.5%
BANKING	52 wk high	52 wk low	Vwap 22/Feb/2023	Vwap 30/12/2022	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
ABSA Bank Kenya Plc	12.70	9.70	12.60	12.30	2.4%	1.90	1.10	10.39	6.63	1.21	8.73%	57.89%	20.54%	2704.08%
BK Group Plc	32.75	27.00	31.00	31.50	-1.6%	6.49	3.24	28.45	4.78	1.09	10.45%	49.92%	16.90%	3.66%
Diamond Trust Bank Kenya Ltd	59.00	46.00	49.70	50.00	-0.6%	10.60	3.00	240.68	4.69	0.21	6.04%	28.30%	6.56%	0.97%
Equity Group Holdings Plc	53.25	39.00	46.00	44.50	3.4%	10.38	3.00	46.69	4.43	0.99	6.52%	28.90%	22.74%	3.07%
IF Group Plc	3.84	2.86	3.53	3.19	10.7%	-1.54	-	17.79	-	0.20	-	-	-20.63%	-2.72%
I&M Holdings Plc	21.50	16.50	17.75	17.00	4.4%	4.92	1.50	43.14	3.61	0.41	8.45%	30.49%	13.28%	2.37%
KCB Group Plc	46.00	35.00	38.45	38.10	0.9%	10.64	3.00	55.74	3.61	0.69	7.80%	28.20%	21.44%	3.70%
NCBA Group Plc	40.00	23.00	36.95	39.35	-6.1%	2.77	1.50	47.34	13.34	0.78	4.06%	54.15%	13.11%	1.73%
Stanbic Holdings Plc	114.00	90.00	111.00	102.00	8.8%	18.23	9.00	142.80	6.09	0.78	8.11%	49.37%	12.77%	2.19%
Standard Chartered Bank Kenya Ltd	163.50	123.75	163.50	142.75	14.5%	23.49	19.00	138.89	6.96	1.18	11.62%	80.89%	17.23%	2.70%
The Co-operative Bank of Kenya Ltd	13.30	10.70	12.70	12.30	3.3%	2.66	1.00	16.49	4.77	0.77	7.87%	37.59%	21.35%	3.42%
Industry Average									4.78	0.78			17.8%	2.9%
COMMERCIAL AND SERVICES	52 wk high	52 wk low	Vwap 22/Feb/2023	Vwap 30/12/2022	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Deacons (East Africa) Plc	0.45	0.45	0.45	0.45	0.0%	-6.82	-	2.67	-	0.17	-	-	-254.96%	-54.19%
Eveready East Africa Ltd	0.97	0.64	0.65	0.69	-5.8%	-0.33	-	0.03	-	21.67	-	-	-550.65%	-495.80%
Express Kenya Plc	5.10	2.70	4.46	4.71	-5.3%	-1.97	-	-2.87	-	-1.55	-	-	50.92%	-21.71%
Homeboy 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%	-2.73	-	-13.00	-	-0.29	-	-	15.55%	-7.49%
Longhorn Publishers Plc	4.07	2.74	2.82	3.00	-6.0%	0.68	-	2.75	4.15	1.02	-	-	4.03%	1.39%
Nairobi Business Ventures Ltd	5.18	2.73	3.50	3.77	-7.2%	-3.20	-	0.11	-	31.82	-	-	22.12%	18.52%
Nation Media Group Plc	23.20	14.55	15.10	15.95	-5.3%	2.50	1.50	42.51	6.04	0.36	9.93%	60.00%	6.10%	5.77%
Sameer Africa Plc	4.35	3.88	2.15	2.10	2.4%	0.16	-	1.38	13.44	1.56	-	-	66.97%	21.33%
Standard Group Plc	15.80	8.74	10.25	10.45	-1.9%	-3.79	-	13.00	-	0.79	-	-	-5.34%	-1.41%
TPS Eastern Africa Ltd	17.50	10.85	13.80	13.35	3.4%	-3.40	-	39.35	-	0.35	-	-	-15.71%	-8.16%
Uchumi Supermarket Plc	0.28	0.16	0.19	0.23	-17.4%	-4.60	-	-5.75	-	-0.03	-	-	135.25%	-56.71%
WPP Scangroup Plc	4.41	2.84	2.98	3.01	-1.0%	-0.04	-	12.19	-	0.24	-	-	-32.89%	-19.82%
Industry Average									(1.59)	-0.68			32.9%	-8.7%
CONSTRUCTION & ALLIED	52 wk high	52 wk low	Vwap 22/Feb/2023	Vwap 30/12/2022	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	38.45	27.05	27.05	31.50	-14.1%	3.58	3.58	93.81	7.56	0.29	13.23%	100.00%	3.47%	2.39%
Crown Paints Kenya Plc	44.00	36.40	35.40	41.85	-15.4%	6.85	4.00	17.22	5.17	2.06	11.30%	58.39%	27.98%	10.25%
E.A.Cables Ltd	1.26	0.78	0.96	0.84	14.3%	-2.15	-	10.10	-	0.10	-	-	-22.79%	-7.72%
E.A.Portland Cement Co. Ltd	8.80	6.02	6.50	6.80	-4.4%	6.02	-	187.68	1.08	0.03	-	-	-8.71%	-5.38%
Average									-4.90	0.25			-3.6%	-2.1%
ENERGY & PETROLEUM	52 wk high	52 wk low	Vwap 22/Feb/2023	Vwap 30/12/2022	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
KenGen Co. Plc	3.95	2.62	2.62	3.22	-18.6%	0.18	0.30	32.04	14.56	0.08	11.45%	166.67%	8.70%	4.45%
Kenya Power & Lighting Co Plc	2.08	1.31	1.58	1.56	1.3%	1.80	-	28.81	0.88	0.05	-	-	0.47%	0.08%
Total Kenya Ltd	25.85	21.75	21.90	23.85	-8.2%	4.35	1.31	129.47	5.03	0.17	5.98%	30.11%	10.20%	5.89%
Umeme Ltd	10.00	5.50	9.82	7.42	32.3%	2.76	1.74	14.19	3.56	0.69	17.72%	63.04%	16.69%	5.47%
Industry Average									4.04	0.13			7.9%	2.9%
INSURANCE	52 wk high	52 wk low	Vwap 22/Feb/2023	Vwap 30/12/2022	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Britam Holdings Plc	7.10	4.97	5.08	5.20	-2.3%	0.02	-	6.76	254.00	0.75	-	-	53.39%	7.28%
CIC Insurance Group Ltd	2.22	1.72	1.97	1.95	1.0%	0.23	-	3.05	8.57	0.65	-	-	8.37%	1.61%
Jubilee Holdings Ltd	291.25	181.00	183.00	198.75	-7.9%	89.88	13.00	490.33	2.04	0.37	7.10%	14.46%	11.50%	2.80%
Kenya Re Insurance Corporation Ltd	2.30	1.74	1.83	1.83	0.0%	2.55	0.10	11.41	0.72	0.16	5.46%	3.92%	12.41%	7.88%
Liberty Kenya Holdings Ltd	7.48	4.28	4.98	5.60	-11.1%	0.15	-	16.45	33.20	0.30	-	-	0.93%	0.20%
Sanlam Kenya Plc	15.00	7.86	8.34	9.58	-12.9%	-2.79	-	12.05	-	0.69	-	-	6.59%	0.39%
Industry Average									11.18361464	2.88	0.39		17.5%	4.2%
INVESTMENT	52 wk high	52 wk low	Vwap 22/Feb/2023	Vwap 30/12/2022	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Centum Investment Co Plc	14.30	7.90	9.08	8.36	8.6%	-0.93	0.33	79.08	-	0.11	3.63%	-	8.80%	4.54%
Home Afrika Ltd	0.41	0.30	0.30	0.32	-6.3%	-0.72	-	-4.79	-	-0.06	-	-	-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	3.10	1.91	2.87	2.96	-3.0%	0.28	-	31.63	10.25	0.09	-	-	1.38%	1.18%
Trans-Century Plc	1.30	0.79	1.10	0.93	18.3%	-7.95	-	9.45	-	0.12	-	-	-56.07%	-9.11%
Industry Average									-1.76	0.12			3.2%	1.4%
INVESTMENT SERVICES	52 wk high	52 wk low	Vwap 22/Feb/2023	Vwap 30/12/2022	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Nairobi Securities Exchange Plc	8.40	6.34	6.34	6.78	-6.5%	0.51	1.40	8.04	12.43	0.79	22.1%	274.5%	3.8%	3.6%
Industry Average									12.43	0.79			3.8%	3.6%
MANUFACTURING & ALLIED	52 wk high	52 wk low	Vwap 22/Feb/2023	Vwap 30/12/2022	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
B.O.C Kenya Plc	93.25	65.00	77.00	70.75	8.8%	5.55	4.40	78.03	13.87	0.99	5.71%	79.28%	4.57%	3.24%
British American Tobacco Kenya Plc	509.00	404.00	463.75	460.00	0.8%	64.83	53.50	118.56	7.15	3.91	11.54%	82.52%	46.54%	25.42%
Carbadd Investments Plc	14.15	10.55	12.25	12.00	2.1%	2.78	1.70	8.38	4.41	1.46	13.88%	61.15%	12.39%	7.93%
East African Breweries Ltd	181.50	110.00	174.00	167.50	3.9%	15.00	11.00	17.70	11.60	9.83	6.32%	73.33%	50.17%	5.84%
Flame Tree Group Holdings Ltd	1.34	0.92	1.18	1.08	9.3%	0.58	-	4.57	2.03	0.26	-	-	4.16%	1.84%
Kenya Orchards Ltd	15.00	10.40	15.00	10.40	44.2%	0.28	-	1.88	53.57	7.96	-	-	36.65%	7.76%
Mumias Sugar Co. Ltd	0.27	0.27	0.27	0.27	0.0%	-9.90	-	-9.40	-	-0.03	-	-	105.22%	-96.22%
Unga Group Ltd	34.75	21.85	22.30	32.00	-30.3%	2.48	-	74.09	8.99	0.30	-	-	1.18%	0.55%
Industry Average									44.35	8.86			-10.0%	-1.2%
TELECOMMUNICATION & TECHNOLOGY	52 wk high	52 wk low	Vwap 22/Feb/2023	Vwap 30/12/2022	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Safaricom Plc	37.95	20.60	23.50	24.15	-2.7%	1.74	1.39							

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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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