

### Amsons Offer to Acquire Bamburi Cement Plc

On 11th July 2024, Bamburi Cement plc announced the intention of Amsons Industries (K) Limited to acquire all (100%) the issued share capital of Bamburi Cement Plc at a price of KES 65.00 per share. At the point of acquisition, the offeror does not own any shares in Bamburi Cement.

If the proposed acquisition achieves 75% of the offered shares or more, then the offeror will evaluate the efficacy of the Bamburi plc remaining listed and may, therefore subject to approval from the CMA, apply for delisting from the NSE market.

Following this offer, we expect the share price to hit KES 65.00 per share in the coming few days. Overall, Bamburi plc has thinned over time from highs of above KES 200. We recommend a SELL on the counter's share price at the offer price following possibility of de-listing as Amsons seem to have already acquired/secured 58.6% from the counter's top two shareholders.

The total offer consideration is KES 23.59Bn for 362.96Mn shares at KES 65.00 each, a 44.4% upside(premium) from the KES 45.00 of 10<sup>th</sup> July 2024.

The offeror, Amsons Industries (K) Limited is a subsidiary of Amsons Industries (T) Limited, a Tanzania based company with diverse specialization in oil and gas, manufacturing, storage, and trading of fast-moving consumer goods. The company is associated to Pan African Cement and Mbeya Cement based in Mauritius and Tanzania respectively.

Amsons Industries (K) Limited was incorporated in Kenya on 29<sup>th</sup> June 2024, with the mother company Amsons Tanzania being founded in 2006.

The takeover offer is expected to remain open for 30 days.

Bamburi Cement plc is Kenya's leading cement producer with a market share of 32.6% with two cement plants in Kenya, an integrated plant in Mombasa, and a grinding plant in Athi River.

### Shareholding and Accepted Undertakings

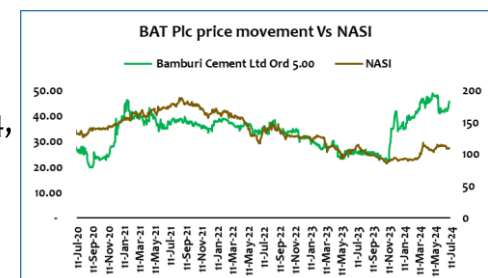
As part of the buyout offer, the following top two shareholders of Bamburi Cement plc, Fincem Holding Limited and Kencem Holding, which hold 29.3% each, gave their irrevocable commitments for the offer on 10<sup>th</sup> July 2024 making the offer a takeover.

Fincem and Kencem total shareholding stand at 58.6% as per Bamburi's annual report for FY\_2024.

Shareholder	No. of Shares	% of shareholding
Fincem Holding Limited	106,360,798	29.30%
Kencem Holding Limited	106,360,797	29.30%
Standard Chartered Nominees	56,906,640	15.68%
Aksaya Investment Holdings	14,956,990	4.12%

Recommendation: SELL	
Bloomberg Ticker: BAMB	
Share Statistics	
Offer price	65.00
Upside/Premium	44.5%
Current Price (10th July 2024)	45.00
3-Month Average	44.95
6 Month Average	42.82
52 Week Average	35.41
52 Week High - Low	57.75 – 22.50
Issued shares Mn	362.96

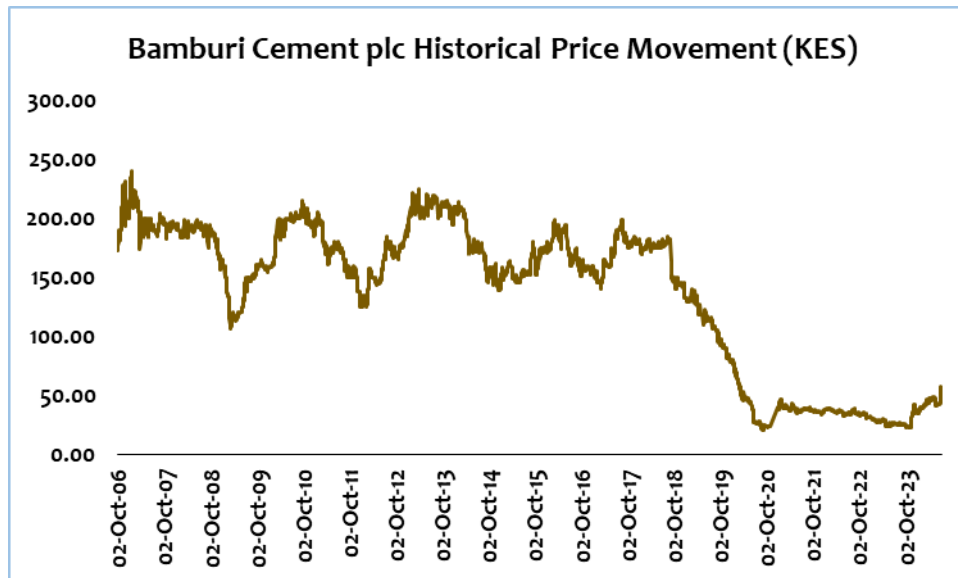
Year\Counter	Bamburi Cement plc Price
2020 Lowest	19.90
2020 Highest	80.00
2021 Lowest	33.55
2021 Highest	46.35
2022 Lowest	29.90
2022 Highest	39.00
2023 Lowest	22.50
2023 Highest	42.00
2024 Lowest	34.80
2024 Highest	57.75
Price 11th July	57.75
FY-2022 Dividend	0.75
FY 203 Dividend	5.47
Dividend payout	-27.4%



Standard Chartered Nominees	6,659,900	1.83%
Standard Chartered Kenya Nominees	4,080,337	1.12%
Standard Chartered Nom Non resident	2,768,400	0.76%
Standard Chartered Nom	2,607,700	0.72%
Standard Chartered Kenya Nominees	2,187,900	0.60%
ICEA Lion Life Assurance Company	2,055,663	0.57%
Others (4,599 Shareholders)	58,014,150	15.98%
<b>Total Shares Issued</b>	<b>362,959,275</b>	<b>100.00%</b>

### Offer Documentation and Timetable

- The offer document and acceptance forms will be sent directly to shareholders for acceptance/rejection.
- The offer document will entail the transaction timetable, instructions of acceptance and payment arrangements.



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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.

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