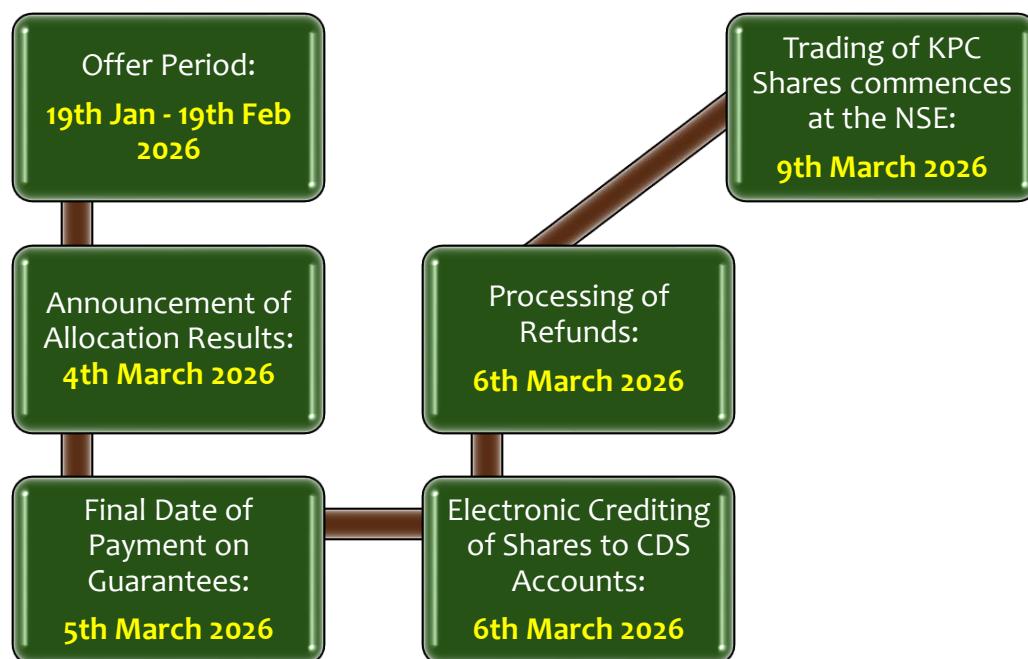


Attractiveness Hinges on Execution and Efficiency Gains

The Kenya Pipeline Company Limited (KPC) Initial Public Offer was a keenly anticipated market event that has generated significant interest and robust public discourse, particularly around valuation and offer pricing. While plans for the listing only crystallized in 2025, the offer is coming to market at a time when equity market sentiment remains positive, with the equities market having rallied and continuing to demonstrate upward momentum.

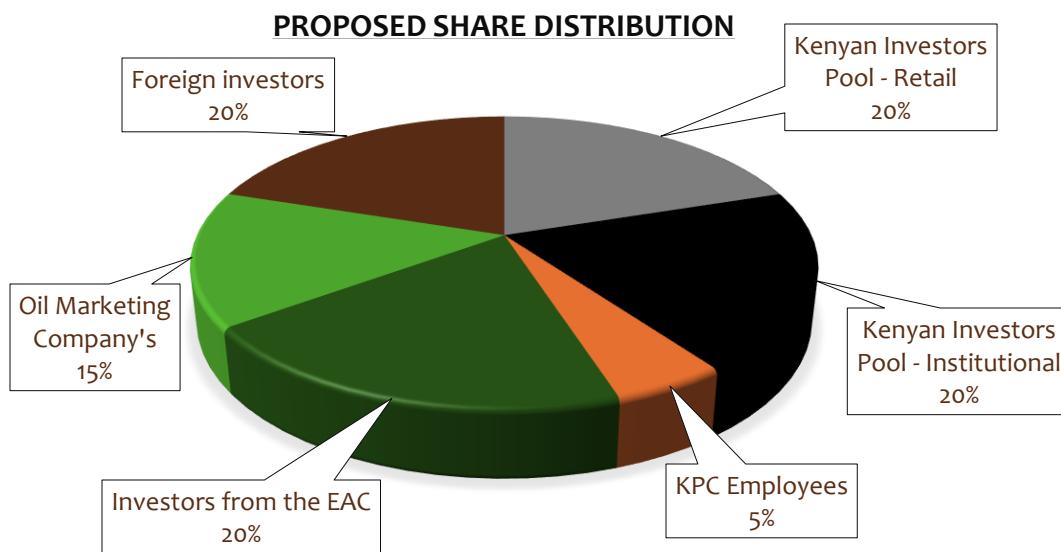
The offer price has been set at KES 9.00 per share, with the offer opening on 19 January 2026 and closing on 19 February 2026. See below the timelines for the IPO:



The application process has been fully digitized, enhancing accessibility and efficiency. Investors may apply via:

- **USSD: *483*816#**
- **Online platform: [Kenya Pipeline Initial Public Offer](#)**

A total of 11.81 billion shares are being offered to the public, segmented across various investor categories to promote broad-based participation. These include Kenyan retail and institutional investors, KPC employees, investors from the East African Community, Oil Marketing Companies (OMCs), and foreign investors as follows;



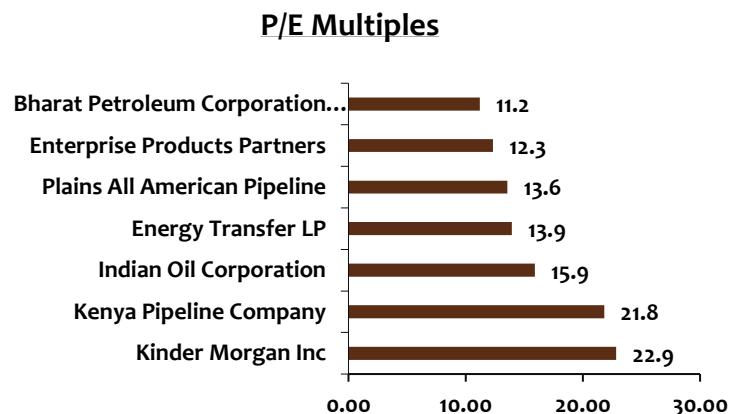
From a fundamentals perspective, KPC operates a strategically critical infrastructure asset with a business model that offers long-term relevance and defensiveness. However, the offer valuation appears to be supported by optimistic assumptions, particularly around future efficiency gains, operational improvements, and governance outcomes following partial privatization.

While the investment case is compelling on paper, the attractiveness of the offer hinges largely on execution. Realization of value will depend on how effectively the new ownership structure translates into private-sector discipline, operational efficiency, and strategic clarity. The successful rollout of the company's revised strategy and governance framework will therefore be key.

In addition, the company's outlook remains sensitive to the resolution of historical challenges, including litigation risks and legacy operational issues, which could influence performance if not adequately addressed.

KPC presents a strategically important and potentially high-quality asset entering the market at a premium valuation, compared to peers in emerging markets. While the long-term story is attractive, value realization will depend on disciplined execution, efficiency gains, and improved governance.

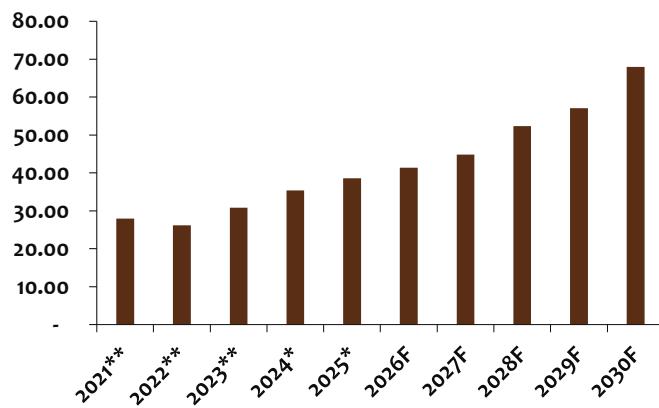
Investors may therefore wish to balance the strategic appeal of the asset against valuation considerations and execution risk.



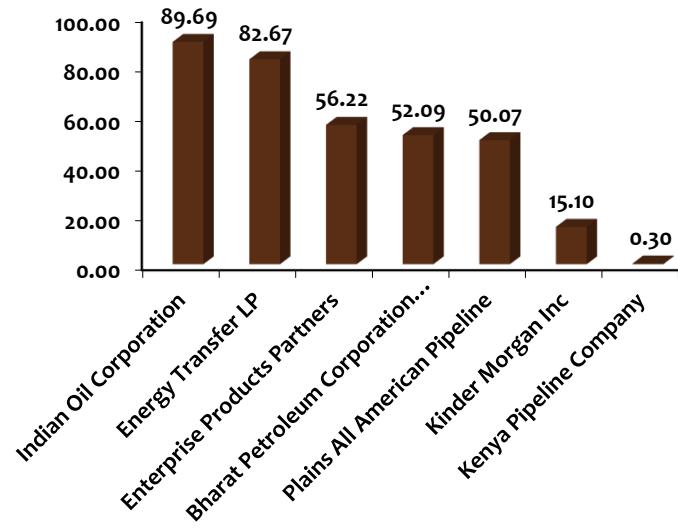
Source: Bloomberg, KPC IPO IM | Chart: KSL

Charts:

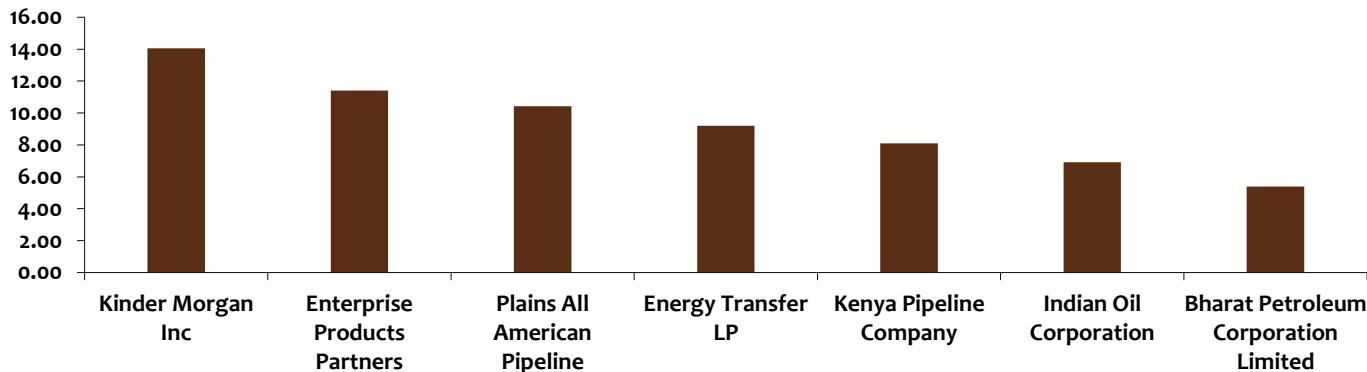
**KPC Historical & Projected Revenues
(Kes Bn)**



Revenue Comparison (USD Bn)



EV/EBITDA



Source: Bloomberg, KPC IPO IM | Chart: KSL

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Kingdom Securities Ltd – A subsidiary of Co-operative Bank Limited. Co-operative Bank House- 5th floor, P.O Box 48231 - 00100 Nairobi, Kenya

Research Department

Stellah Swakei	sswakei@co-opbank.co.ke	+254711049152
Chrisanthus Lunani	clunani@co-opbank.co.ke	+254711049973

Sales Team

Dennis Langat	dlangat@co-opbank.co.ke	+254 711049592
Alfred Too	atoo@co-opbank.co.ke	+254 711049538
Moffat Asena	amoffat@co-opbank.co.ke	+254 711049663
Gloria Ohito	gohito@co-opbank.co.ke	+254711049993

Client Service and Operation

info@kingdomsecurities.co.ke