

DYER & BLAIR INVESTMENT BANK

DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

13TH MAY 2021



DYER & BLAIR
INVESTMENT BANK

WE KNOW. YOU KNOW.

CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
KES/USD	107.02	(0.21)	1.97
KES/GBP	151.21	(0.20)	(1.92)
KES/EUR	129.75	(0.03)	3.10

KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	165.76	(0.98)	8.97
NSE-20	1,863.25	0.11	(0.28)
NSE-25	3,586.62	(0.48)	5.02
FTSE 15	191.85	(0.12)	7.69
FTSE 25	218.34	(0.69)	10.51

Market Activity	Close	1-day	y-t-d	Cumm.
Market Cap (USD BN)*	24.12	24.36	21.39	
Market Turnover (USD MN)	4.18	3.26	416.15	
Foreign Buys (%)	11.86	55.46	59.79	
Foreign Sales (%)	39.22	62.29	61.42	
Foreign Participation (%)	25.54	58.88	60.60	

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
Eveready E.A	1.09	9.00	4,400
Eaagads Ltd	15.00	7.14	100
NBV Ltd	4.90	4.03	86,900

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
Uchumi	0.23	(8.00)	44,200
Home Afrika Ltd	0.42	(6.67)	45,700
Olympia Capital	2.03	(5.58)	1,200

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
KCB Group	1.34	-	1.07	41.95	0.48
Equity Group	1.33	0.02	0.02	40.95	0.74
Safaricom	0.85	0.17	0.31	39.40	(1.75)
E.A Breweries	0.35	0.30	0.19	172.25	0.15
Stanbic Holdings	0.11	-	-	83.00	0.61

*Year-to-date refers to Market Capitalization as at 31st December 2020

CURRENCY PERFORMANCE-TSH, USH, RWF

	Close	1-day	y-t-d
KES/USH	33.08	(0.21)	(0.89)
KES/RWF	9.35	(0.20)	3.06
KES/TSH	21.67	(0.21)	2.01
USD/USH	3,540.83	(0.00)	2.84
USD/RWF	1,001.15	(0.01)	(1.03)
USD/TSH	2,319.01	(0.00)	(0.00)

EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
DSE DSEI**	1,915.58	(0.43)	5.43
DSE TSI**	3,558.19	0.27	2.11

DSE **

CRDB	8,819.38	11.31	245.00	-
DCB	244.60	12.23	265.00	-
DSE	160,604.02	53.53	1,160.00	-
JATU	35,775.93	62.76	1,360.00	(1.45)
MUCOBA	184.60	18.46	400.00	-
NICO	25,844.32	9.23	200.00	-
SWIS	2,067.55	51.69	1,120.00	-
TCCL	107,992.36	18.00	390.00	-
TICL	161.53	16.15	350.00	-
TPCC	1,632,262.95	135.68	2,940.00	5.00
VODA	47,262.81	35.54	770.00	-

*Local Currency

**Trading data for the previous day.

NOTE

- The Uganda Securities Exchange (USE) remained closed on 12th May 2021, in observance of the presidential inauguration holiday.
- The Rwanda Stock Exchange (RSE) remained closed on 13th May 2021, in observance of Eid-al-Fitr.

RESEARCH DEPARTMENT

research@dyerandblair.com

SALIENT NEWS

SAFARICOM PLC: FY21 EARNINGS SNAPSHOT

Safaricom PLC announced its FY21 results recording a 6.8% y-o-y decline in profit after tax to KES 68.7 BN mainly on the back of a 0.3% y-o-y decline in service revenue to KES 250.35 BN (this however points to improved performance in 2H21: 1H21 service revenue declined 4.8% y-o-y) coupled with a 7.1% y-o-y increase in direct costs to KES 80.0 BN. Operating costs declined 3.2% y-o-y to KES 46.0 BN. EBITDA declined 2.8% y-o-y to KES 134.1 BN while EBIT declined 5.3% y-o-y to KES 96.2 BN.

Service revenue declined a marginal 0.3% y-o-y to KES 250.4 BN mainly held by a 10.1% y-o-y growth in mobile data revenue to KES 44.8 BN. Voice revenue declined 2.6% y-o-y to KES 92.0 BN while Mpesa revenue was down 2.1% y-o-y to KES 82.6 BN. Voice revenue contribution to service revenue in turn declined to 36.8% compared to FY20's 37.6%. Mpesa revenue contribution stood at 33.0% compared to FY20's 33.6%. Mpesa transfers performance continued to be impacted by the zero rating of transactions below KES 1000 and transactions to and from banking wallets.

Mpesa ARPU declined 12.9% y-o-y to KES 256.74 on the back of 5.6% y-o-y reduction in the number of chargeable transactions per user to 12.0. Mobile data ARPU was up 3.7% y-o-y to KES 186.28, with the segment's revenue performance also being supported by 8.1% y-o-y growth in mobile data customers. Voice ARPU was down 10.3% y-o-y on the back of declining usage.

30 day active customers increased 12.0% y-o-y to 39.9 MN with one month active customer ARPU standing at KES 689.8, down 9.1% y-o-y. FTTH customers notably increased by 31.5% y-o-y while FTTH ARPU also grew 8.5% y-o-y to KES 2,126 as customers increasingly adopted working from home.

Management expects FY22 EBIT to be in the range of KES 105.0-108.0 BN, a growth of 9.2-12.3%, with a capex spend of KES 10.0-43.0 BN.

Management proposed a final dividend of KES 0.92 per share, implying a total DPS of KES 1.37 and a payout ratio of 79.9%.

Safaricom is trading at a P/E multiple of 23.4x and a P/B multiple of 11.7x. Its ROE stands at 49.9% and ROA stands at 29.8%. *(Source: Capital Markets Authority, DBIB Research)*

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