

# DBIB WEEKLY BULLETIN

# WEEK 12

Date: 26.03.2021

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## INDICES & MARKET METRICS MOVEMENT

**NSE 20** and **NASI** indices declined 1.6% and 0.3% w-o-w to close at 1,903.06 and 166.48 respectively.

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	166.48	(0.28)	10.85	18.60	9.45
NSE-20	1,903.06	(1.58)	3.45	3.00	1.86
DBIB Select	104.62	(0.27)	7.12	19.67	7.20
FTSE 15	190.79	(1.71)	9.85	9.01	7.10
FTSE 25	216.56	(0.70)	11.35	15.80	9.61
FTSE Frontier 50	44,935.12	(1.33)	3.76	19.38	1.98

(Source: NSE, Bloomberg, DBIB Research)

**Weekly equity turnover** grew by 42.2% w-o-w to USD 22.0 MN (KES 2.41 BN).

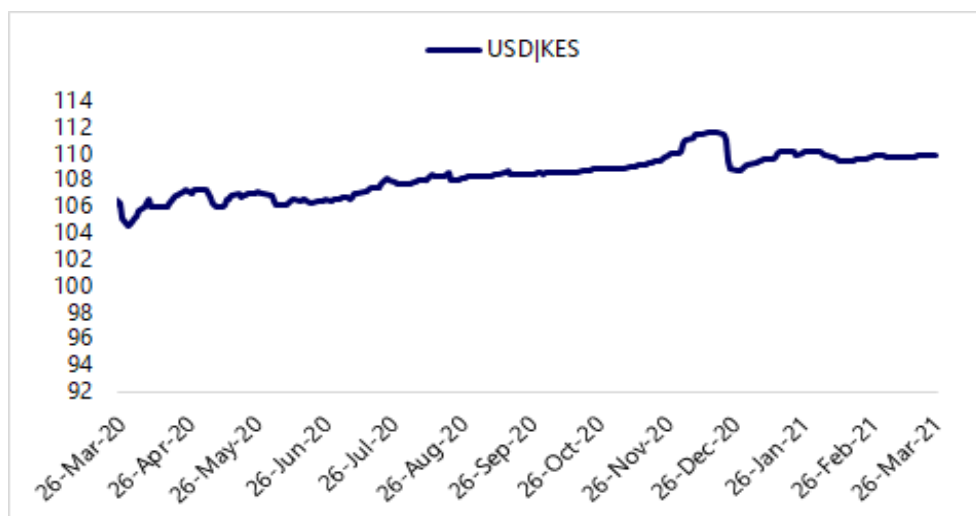
Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,558.02	(0.27)	0.66	10.88	18.70
Market Turnover (USD m)	21.95	42.16	(24.18)	74.96	(30.79)
Market P/E (x)	13.98	4.32	2.04	(1.59)	13.95
Market Div. yld (%) *	4.23	(16.98)	(23.23)	(55.10)	(326.98)
Market ROE (%) *	32.73	(44.45)	(392.05)	423.86	(1,262.45)

\* Changes in bps \*\* Market ROE is market cap weighted

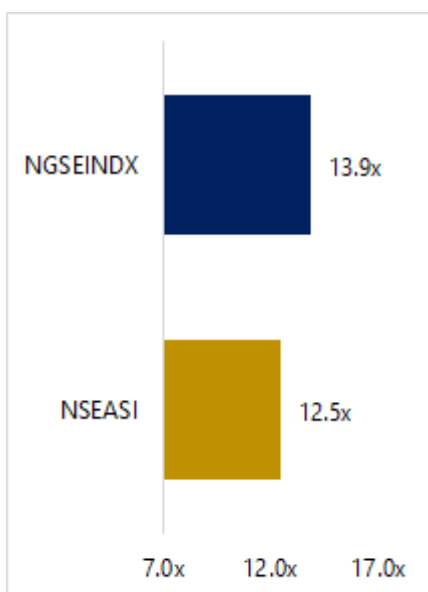
(Source: NSE, DBIB Research)

**USD | KES:** KES strengthened 0.1% w-o-w to close at 109.79 (-0.6% YTD).

### USD | KES : 52-Week Trend



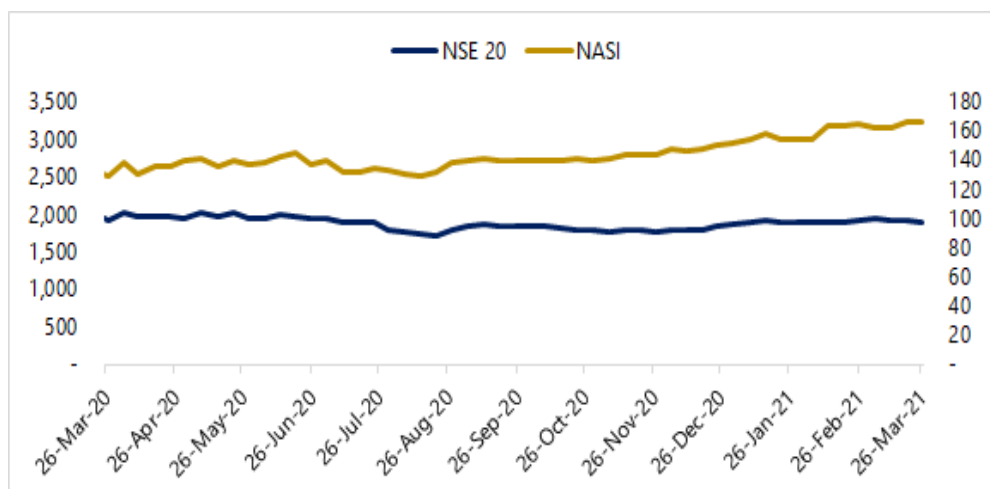
### PEER P/E MULTIPLES



NSEASI\* - Nairobi All Share Index  
NGSEINDX\* - Nigeria All Share Index  
\*LTM Price/EPS

(Source: Bloomberg, DBIB Research)

### Indices : 52-Week Trend



(Source: NSE, DBIB Research)

# WEEKLY BOURSE WRAP UP...

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**Safaricom** emerged the top traded counter on the bourse recording a weekly turnover of USD 11.21 MN (KES 1.23 BN) representing 51.06% of this week's turnover.

The stock gained 0.4% w-o-w to close at KES 38.75 on Friday.

Foreign investors assumed a net buying position on the counter this week by accounting for 39.97% of foreign sales and 64.92% of foreign purchases.  
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## Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Housing Finance	33.9
Sameer Africa	11.3
Sasini Ltd	9.4
Williamson Tea	9.3
<u>Stanchart Bank</u>	<u>9.0</u>

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
DTB Kenya	(9.8)
NCBA Group	(7.4)
Liberty Kenya	(6.4)
ABSA Bank	(6.1)
<u>Jubilee Holdings</u>	<u>(6.1)</u>

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	11.21
Equity Group	3.78
KCB	2.41
E.A Breweries	1.16
<u>Stanchart Bank</u>	<u>0.57</u>

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Housing Finance	38.0
BAT Kenya	33.2
STANLIB FAHARI I-REIT.	23.0
Express Kenya	18.6
<u>Nation Media</u>	<u>15.9</u>

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
E.A.Portland	(22.5)
Kenya Power	(21.6)
Trans-Century Ltd	(17.9)
NCBA Group	(13.6)
<u>Longhorn Publishers</u>	<u>(13.1)</u>

(Source: NSE, DBIB Research)



## Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Jubilee Holdings	96.3
Stanbic Holdings	92.2
Umeme Ltd	91.7
E.A Breweries	85.8
<u>Crown Paints</u>	<u>83.8</u>

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
BAT Kenya	97.2
Stanbic Holdings	92.2
E.A Breweries	71.7
Uchumi Supermarket	70.6
<u>Equity Group</u>	<u>54.2</u>

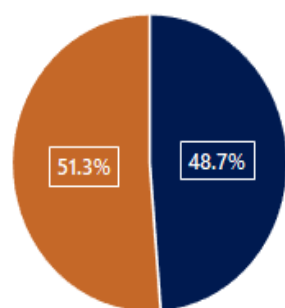
## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	100.0
Stanbic Holdings	81.1
Safaricom	79.6
Equity Group	70.4
<u>NSE</u>	<u>68.3</u>

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	100.0
Stanbic Holdings	77.3
KCB	75.5
KenGen	70.5
<u>Equity Group</u>	<u>70.2</u>

## WEEKLY LOCAL VS FOREIGN PARTICIPATION



■ Foreign Participation  
 ■ Local Participation

(Source: NSE, DBIB Research)



## FROM THE FIXED INCOME DESK

The **Bond market's turnover** for the week stood at USD 104.26 MN (KES 11.45 BN) representing a 5.3% w-o-w increase from USD 99.05 MN (KES 10.88 BN) recorded the previous week.

The Bond market's turnover for the week stood at USD 104.26 MN (KES 11.45 BN) representing a 5.3% w-o-w increase from USD 99.05 MN (KES 10.88 BN) recorded the previous week. The bond issue number FXD2/2018/20Yr emerged as the top traded bond with a turnover of KES 2.64 BN accounting for 23.1% of the week's turnover. The bond traded between 12.8242% and 13.6800%.

### April Issue: IFB1/2021/18

This April, the government has issued the bond number IFB1/2021/18 (18.0 yrs.) with the aim of raising KES 60.0 BN for the funding of infrastructure projects in the FY2020/21 budget estimates. The coupon rate is market determined and period of sale runs from 26 March 2021 to 06 April 2021.

### Top Trades for the week ending 26 March 2021

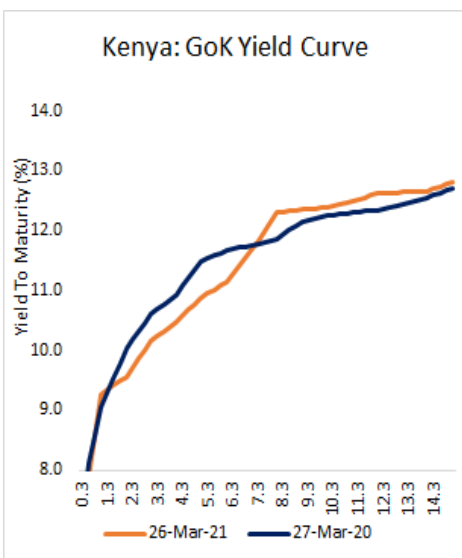
						Total
						Value
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	(KES m)
26-Mar	IFB 1/2020/11Yr	131.7	10.9000	11.0000	100.43	600.0
22-Mar	FXD 1/2019/10Yr	7.9	12.4380	12.3000	101.62	500.0
25-Mar	FXD2/2018/20Yr	17.3	13.2000	13.2000	102.09	500.0
24-Mar	IFB 1/2014/12Yr	5.6	11.0000	10.2000	107.11	400.0
26-Mar	FXD 2/2018/10Yr	7.7	12.5020	12.1500	105.19	400.0
23-Mar	FXD2/2018/20Yr	17.3	13.2000	13.4250	100.52	345.0
22-Mar	FXD 2/2019/ 5Yr	3.1	10.8720	10.2000	105.71	300.0
24-Mar	FXD2/2018/20Yr	17.3	13.2000	13.4000	100.72	300.0
24-Mar	IFB 1/2021/16Yr	137.1	12.2570	11.8500	104.45	300.0
25-Mar	FXD2/2018/20Yr	17.3	13.2000	13.2700	101.62	300.0
23-Mar	IFB 1/2016/9Yr	4.1	12.5000	10.0000	110.03	295.0
23-Mar	FXD 1/2019/10Yr	7.9	12.4380	12.2434	101.94	260.0
22-Mar	FXD 1/2019/10Yr	7.9	12.4380	12.3250	101.49	200.0
22-Mar	IFB 1/2016/9Yr	4.1	12.5000	9.9631	110.09	200.0
23-Mar	FXD 1/2019/10Yr	7.9	12.4380	12.2250	102.03	200.0
23-Mar	FXD2/2018/20Yr	17.3	13.2000	13.4500	100.36	200.0
23-Mar	IFB 1/2016/15Yr	10.5	12.0000	11.0800	108.98	200.0
24-Mar	FXD2/2018/20Yr	17.3	13.2000	13.3250	101.22	200.0
25-Mar	FXD2/2018/20Yr	17.3	13.2000	13.1700	102.30	200.0
25-Mar	FXD1/2010/25Yr	14.2	11.2500	12.7800	93.16	200.0
25-Mar	IFB 1/2020/11Yr	131.7	10.9000	11.2500	99.15	200.0

(Source: NSE, DBIB Research)

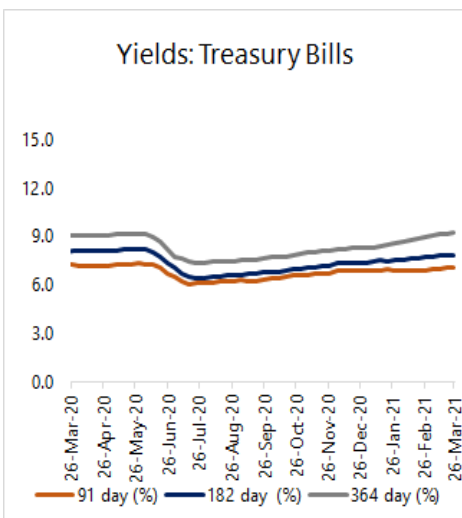
### Treasury Bill auction for the week ending 26 March 2021

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	3.30	82.57	3.30	7.087	1.6
182-day	10.00	3.07	30.71	3.07	7.890	0.6
364-day	10.00	16.60	165.95	12.67	9.259	4.6

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

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## Salient News

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**DTB Group** released its FY20 results reporting a 51.5% y-o-y decline in PAT to KES 3.5 BN.

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### DTB Group FY20 Earnings

**DTB Group released its FY20 results reporting a 51.5% y-o-y decline in PAT to KES 3.5 BN** owing to an upsurge in loan loss provisions by 453.6% y-o-y to KES 7.3 BN. The EPS for the period stands at KES 11.61. No dividend was recommended for the period.

**Net interest income fell by 3.4% y-o-y to KES 18.1 BN** following a 5.4% y-o-y drop in interest income to KES 31.1 BN but buffered by an 8.0% y-o-y decrease in interest expense to KES 13.0 BN.

**Non-funded income grew by 6.1% y-o-y to KES 6.1 BN** following a 27.1% y-o-y increase in net income from forex dealings to KES 2.3 BN and a 34.2% y-o-y increase in other operating income to KES 525.9 MN. Fees and commissions income dropped 7.8% y-o-y to KES 3.3 BN.

**Operating expenses (less loan loss provisions) increased by 3.7% y-o-y to KES 12.3 BN** mainly due to a 5.1% y-o-y increase in other operating expenses to KES 4.6 BN and a 1.1% y-o-y increase in staff costs to KES 4.7 BN.

**Loan loss provisions edged up by 453.6% y-o-y to KES 7.3 BN** leading to a subsequent 285 bps y-o-y rise in cost of risk to 3.5%.

**Total assets increased by 10.1% y-o-y to KES 425.1 BN** mainly on account of a rise in customer loans and advances by 4.8% y-o-y to KES 208.6 BN and a 12.0% y-o-y increase in investment securities to KES 148.4 BN.

**On the funding side**, customer deposits rose by 6.4% y-o-y to KES 298.2 BN while borrowed funds increased by 74.3% y-o-y to KES 19.8 BN. Total equity rose by 5.9% y-o-y to KES 68.3 BN.

**DTB is currently trading at a P/E multiple of 6.0x against an industry median of 6.4x;** a P/B multiple of 0.3x against an industry median of 0.7x. ROE stands at 5.2% against an industry median of 10.4% while ROA stands at 0.8% against an industry median of 1.6%.. *(Source: Company Filings, DBIB Research)*

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## Salient News Cont'd...

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**Standard Chartered Group** released its FY20 results recording a 33.9% y-o-y drop in profit after tax (PAT) to KES 5.4 BN.

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### Standard Chartered FY20 Earnings

Standard Chartered Group released its FY20 results recording a 33.9% y-o-y drop in **profit after tax (PAT) to KES 5.4 BN**. This was largely attributable to a 578.0% y-o-y rise in loan loss provision expense to KES 3.9 BN. EPS for the period stood at KES 13.95. The Directors are expected to recommend the payment of a first and final dividend of KES 10.50 per ordinary share, at the AGM to be held on 27 May 2021.

**Net interest income dropped by 1.8% y-o-y to KES 19.1 BN** owing to a 6.1% y-o-y decrease in interest income to KES 23.7 BN but cushioned by a 20.4% y-o-y decline in interest expense to KES 4.6 BN.

**Non-funded income declined by 10.2% y-o-y to KES 8.3 BN** on the back of a 12.0% y-o-y decline in fees and commission income to KES 4.5 BN, a 17.9% y-o-y drop in net income from forex dealings to KES 2.6 BN. Other operating income rose by 27.2% y-o-y to KES 1.1 BN.

**Operating expenses (less loan loss provisions) increased marginally by 1.1% y-o-y to KES 16.1 BN** mainly on the back of a 7.6% y-o-y increase in staff cost to KES 7.7 BN.

**Pre-provision operating profit declined 11.5% y-o-y to KES 11.3 BN**. Loan loss provision expense rose more than six-fold (+578.0% y-o-y) to KES 3.9 BN. As a result, profit before tax fell 39.2% y-o-y to KES 7.4 BN.

**Customer loans and advances declined 5.6% y-o-y to KES 121.5 BN (-7.7% q-o-q)** while customer deposits saw a 12.3% y-o-y increase to KES 256.5 BN.

**On a trailing basis**, Stanchart is trading at a P/E multiple of 9.8x against an industry median of 6.5x and a P/B multiple of 1.1x against an industry median of 0.7x. Its ROE stands at 10.8% while its ROA stands at 1.7%.. *(Source: Company Filings, DBIB Research)*

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## Salient News Cont'd...

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**CIC Insurance Group** released their FY20 results reporting a KES 296.8 MN loss after tax compared to a profit after tax of KES 321.6 MN recorded in FY19.

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### CIC Insurance FY20 Earnings

CIC Insurance Group released their FY20 results reporting a KES 296.8 MN loss after tax compared to a profit after tax of KES 321.6 MN recorded in FY19. Loss per share for the period stood KES 0.11.

**Gross written premiums dropped by 4.0% y-o-y to KES 17.0 BN** while premiums ceded declined by 7.6% y-o-y to KES 3.0 BN.

**Total income declined by 4.4% y-o-y to KES 16.9 BN** following a 3.2% y-o-y decrease in net earned premiums to KES 13.9 BN and a 9.6% y-o-y drop in investment income to KES 2.9 BN.

**Total expenditure fell by 1.7% y-o-y to KES 16.9 BN** on account of a 2.9% y-o-y decrease in operating and other expenses to KES 7.0 BN and a 0.9% y-o-y drop in net claims and benefits to KES 10.0 BN.

**Total assets grew by 9.9% y-o-y to KES 38.8 BN** largely on account of a 17.5% y-o-y increase in other investments to KES 20.8 BN. Total liabilities rose by 13.5% y-o-y to KES 31.2 BN mainly due to a 15.0% y-o-y increase in insurance liabilities to KES 25.1 BN. Total equity declined by 2.9% y-o-y to KES 7.6 BN. *(Source: Company Filings, DBIB Research)*

### Sanlam Kenya FY20 Earnings

Sanlam Kenya released its FY20 results. **Loss after tax stood at KES 78.2 MN compared to FY19's profit after tax of KES 114.4 MN.** The deterioration in performance came on the back of a 12.4% y-o-y increase in total benefits, claims and other expenses. Loss per share for the period stood KES 0.81.

**Gross premium income was up 24.4% y-o-y to KES 8.7 BN.** Investment income increased 5.3% y-o-y to KES 2.5 BN. Gross benefits and claims paid increased 17.6% y-o-y to KES 6.5 BN.

**Total assets grew by 8.4% y-o-y to KES 31.5 BN** largely on account of a 17.8% y-o-y increase government securities held at fair value to KES 22.0 BN. *(Source: Company Filings, DBIB Research)*

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**Sanlam Kenya** released its FY20 results recording a loss after tax stood at KES 78.2 MN compared to FY19's profit after tax of KES 114.4 MN.

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## Salient News Cont'd

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**ABSA Group** announced its FY20 results reporting a 44.2% y-o-y decline in profit after tax (PAT) to KES 4.2 BN.

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### ABSA Group FY20 Earnings

**ABSA Group** announced its FY20 results reporting a 44.2% y-o-y decline in profit after tax (PAT) to KES 4.2 BN. The group recorded an 8.5% y-o-y increase in pre-provision operating profit to KES 17.9 BN. However, this growth was wiped off by a 114.9% y-o-y increase in the group's bad debt charge to KES 9.0 BN. Earnings per share (EPS) for the period stood at KES 0.77 compared to KES 1.37 in FY19. No dividend was recommended.

**Net interest income rose 0.9% y-o-y to KES 23.4 BN**, on the back of a 1.3% y-o-y increase in interest income to KES 31.4 BN. Interest expense increased 2.7% y-o-y to KES 8.0 BN. Net interest margin contracted 28 bps y-o-y to 6.6% on account of decline in yield on assets.

**Non-funded income (NFI) rose 5.2% y-o-y to KES 11.1 BN**, partly attributable to a 22.2% y-o-y increase in net income from forex dealings to KES 4.4 BN and a 42.0% y-o-y increase in other operating income to KES 1.2 BN. Fees and commissions income declined 9.9% y-o-y to KES 5.5 BN.

**Operating expenses (less loan loss provisions) declined 3.7% y-o-y to KES 16.6 BN**, owing to a 3.9% y-o-y decline in staff costs to KES 9.8 BN. The cost-to-income ratio in turn improved by 297 bps y-o-y to 48.2% compared to FY19's 51.2%.

**The bank's loan loss provision expense saw a 114.9% y-o-y upsurge to KES 9.0 BN**, spiking the cost of risk to 4.3%, up 217 bps y-o-y.

**Customer loans and advances saw a 7.2% y-o-y increase to KES 208.8 BN (-0.2% q-o-q)**. The group's investments in government securities rose 13.2% y-o-y to KES 89.7 BN (-5.3% q-o-q). On the funding side, customer deposits rose 6.7% y-o-y to KES 253.6 BN (+2.9% q-o-q).

**ABSA is trading at a P/E multiple of 12.3x and a P/B multiple of 1.1x, above sector medians of 6.5x and 0.7x respectively**. Its ROE stands at 8.9% whereas its ROA stands at 1.1%. *(Source: Company Filings, DBIB Research)*



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## Salient News Cont'd

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**Centum Investments** announced that based on the preliminary assessment of its projected consolidated financial results for the year ending 31 March 2021, net earnings are expected to be at least 25% lower y-o-y.

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### Centum Investments issues profit warning

Centum Investments announced that based on the preliminary assessment of its projected consolidated financial results for the year ending 31 March 2021, net earnings are expected to be at least 25% lower y-o-y. This is attributable to a number of factors. Firstly, there was no disposal of investments in FY21 thus no gains on disposal recorded. Secondly, some of the portfolio companies in which Centum has controlling or significant stake have reported a decline in net earnings which will reflect in the Group's consolidated net earnings as well as a lower share of associate profit. In addition, the company has minority stakes in other portfolio companies which have cut back dividend payments in order to preserve their liquidity so as to navigate through COVID-19 uncertainties subsequently affecting the Group's performance. Thirdly, Centum's real estate subsidiary sustained very strong sales and cash collection levels. However, this performance will not be reflected in the Group's consolidated income statements for FY21 but in subsequent years because revenue from the sale of residential units is only recognised upon registration and transfer of ownership to the respective buyers. Lastly, Centum real estate completed land sales in FY21 and booked approximately KES 2.0 BN in revenue at a significant value uplift on the initial cost. However, the value uplift on the parcels of land that were sold was already recognized in prior periods even though it has been realized in the current year. *(Source: Company Filings, DBIB Research)*

### NSE FY20 Earnings

The NSE released its FY20 results. **Profit after tax doubled (+109.5% y-o-y) to stand at KES 167.9 MN** on the back of a 25.3% y-o-y decline in administrative expenses to KES 467.2 MN. This was on account of reduction in staff-related costs and product development costs.

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**NSE** released its FY20 results where its PAT doubled (+109.5% y-o-y) to stand at KES 167.9 MN.

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**Revenue was down 5.0% y-o-y to KES 548.2 MN** while total income declined 6.4% y-o-y to KES 669.9 MN. This was mainly driven by a 3% y-o-y drop in equity turnover which declined from KES 154 BN in FY19 to KES 149 BN in FY20. This in turn led to a reduction in equity trading levies by 3% y-o-y from KES 369.2 MN in FY19 to KES 356.8 MN in FY20.

**The company's total assets stood at KES 2.3 BN, up 3.2% y-o-y.**

**EPS stood at KES 0.65, up 116.7% y-o-y.** A first and final dividend of KES 0.53 per share was recommended (2019: Sh.0.08 per share), placing the pay-out ratio at 81.5% compared to FY19's 26.7%.

Return on assets and return on equity both doubled from 3.6% and 3.9% respectively in 2019 to 7.2% and 7.7% in 2020. *(Source: Company Filings, DBIB Research)*

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## Salient News Cont'd...

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**Umeme Ltd** released its FY20 earnings recording a 69.0% y-o-y decline in PAT to USH 43.1 BN (KES 1.3 BN).

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### Umeme Ltd FY20 Earnings

**Umeme Ltd** released its FY20 earnings recording a 69.0% y-o-y decline in PAT to USH 43.1 BN (KES 1.3 BN). This was on account of the effects of the COVID-19 pandemic on the operating and regulatory environment and the regulatory lag in the recovery of outstanding income. The EPS for the period stood at USH 27.0 (KES 0.8), 68.6% lower y-o-y. The directors recommend a final dividend of USH 12.2 (KES 0.4) per ordinary share for the year ended 31st December 2020, subject to withholding tax deductions where applicable, to be paid on 19th July 2021 if approved, to registered shareholders as at the close of business 25th June 2021.

**Revenues from contracts with customers dropped 6.5% y-o-y to USH 1.7 TN** following a reduction in revenues from the provision of Electricity Connections Policy (EPC) services by 72.0% y-o-y to USH 54.0 BN due to the suspension of the ECP program. Cost of sales reduced by 0.1% y-o-y to USH 1.2 TN.

**Operating expenses edged up 8.5% y-o-y to USH 244.7 BN** on the back of a 48.0% y-o-y increase in repair and maintenance expenses to USH 45.7 BN and a 46.7% y-o-y increase in foreign exchange losses to USH 11.4 BN.

**Finance income rose 7.2% y-o-y to USH 18.9 BN.** Finance costs fell 16.8% y-o-y to USH 49.0 BN primarily due to the reduction of interest expense incurred on facility A (provided by IFC) and facility B (provided by Stanbic Bank Uganda Ltd and Standard Chartered Bank), following the repayment of principal of USH 110.0 BN and the reduction in the variable 6-month LIBOR rates.

**Total assets advanced by 4.8% y-o-y to KES 2.7 TN** largely on account of an 18.9% y-o-y increase in other financial assets to USH 1.0 TN and a 47.0% y-o-y rise in inventories to USH 102.6 BN. Total liabilities increased by 9.0% y-o-y to USH 1.9 TN while total equities fell 3.6% y-o-y to USH 803.2 BN.

**Net cash flows from operating activities grew 42.8% y-o-y to USH 277.1 BN.** Net cash flows used in investing activities rose by 166.3% y-o-y to USH 278.7 BN while net cash flows used in financing activities increased by 418.7% y-o-y to USH 106.5 BN.

**Umeme Ltd is currently trading at a P/E multiple of 8.7x against an industry median of 2.0x** and a P/B multiple of 0.5x against an industry median of 0.2x. The ROE stands at 5.4% against an industry median of 6.2% while the ROA stands at 1.6% against an industry median of 2.6%. The dividend yield stands at 5.3% as per current prices.

*(Source: Company Filings, DBIB Research)*

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## Salient News Cont'd...

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**Kenya Airways** released its FY20 earnings reporting a loss after tax of KES 36.2 BN, a further deterioration by 178.9% y-o-y.  
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### Kenya Airways FY20 Earnings

**Kenya Airways released its FY20 earnings reporting a loss after tax of KES 36.2 BN, a further deterioration by 178.9% y-o-y.** This was occasioned by the COVID-19 pandemic where the Government issued directives to suspend all scheduled passenger services into and out of the country from April to July 2020, to curb the spread of the virus. Upon resumption of scheduled operations in August, network operations remained low as the effects of the pandemic continued to be felt and with travel restrictions still prevalent in some of its key destinations. The loss per share for the period stood at KES 6.2.

**Total income declined by 58.8% y-o-y to KES 52.8 BN** as a result of reduced flight capacity aligned to the depressed demand. Passengers uplifted in 2020 reduced by 65.7% y-o-y to 1.8 MN. In addition, passengers revenue declined by 67.5% y-o-y to KES 33.7 BN while the total passenger capacity measured in Available Seat Kilometres (ASKs) dropped by 68.4% y-o-y to 5.3 BN, with cabin factor declining to 65.3%, 12 bps lower y-o-y.

**Total operating costs reduced by 38.5% y-o-y to KES 79.9 BN**, largely driven by the reduced operations in FY20. An impairment of leased assets due to the lower earning capacity of its assets due to reduced flights of KES 7.0 BN was included in the company's results, thus affecting the assets' carrying values in its books.

**Total assets dropped 12.4% y-o-y to KES 171.5 BN** on the back of a 15.1% y-o-y reduction in non-current assets to KES 144.3 BN while total liabilities rose by 10.3% y-o-y to KES 235.6 BN.

**Net cash generated from operating activities fell by 59.4% y-o-y to KES 6.5 BN.** Net cash used in investing activities dropped 166.6% y-o-y to KES 964.0 MN whereas net cash generated from financing activities plunged 95.7% y-o-y to KES 884.0 MN.

*(Source: Company Filings, DBIB Research)*

## UPCOMING EVENTS

### Profit Warnings

	<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
1. Eaagads	Safaricom	Interim : KES 0.45	5-Mar-21	31-Mar-21
2. Eveready	BAT Kenya	Final: 41.50	16-Apr-21	12-May-21
3. Nation Media	KenGen	First & Final: KES 0.30	29-Apr-21	22-Jul-21
4. E.A. Cables	Stanbic Holdings	Final: KES 3.80	21-May-21	STA*
5. I&M	Co-operative Bank	First & Final: KES 1.00	31-Mar-21	14-Apr-21
6. Sameer	KCB Group	First & Final: KES 1.00	26-Apr-21	STA*
7. HF Group	ILAM Fahari I-REIT	First & Final: KES 0.60	STA*	30-Apr-21
8. Britam	Kakuzi	First & Final: KES 18.00	31-May-21	30-Jun-21
9. Limuru Tea	Umeme Ltd	Final: USH: 12.20	25-Jun-21	19-Jul-21
10. Homeboyz	Stanchart Bank	First & Final: KES 10.50	27-Apr-21	27-May-21
11. Centum	NSE	First& Final: KES 0.53	4-Jun-21	30-Aug-21

*(Source: NSE, DBIB Research)*

*STA\*—Subject to approval*

## AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Kenya Power	11:00 am	Virtual	01-April-21
Kakuzi	12:00 noon	Virtual	18-May-21

*(Source: Company filings , DBIB Research)*

*\*TBC—To be confirmed*



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## APPENDIX

### COMPANY INVESTMENT RATINGS

**Buy:** Share price may generate more than 15.0% upside over the next 12 months

**Overweight:** Share price may generate between 10.0% and 15.0% upside over the next 12 months

**Hold:** Share price may fall within the range of < +5.0%/ -10.0% over the next 12 months

**Take Profit:** Target price has been attained. Look to accumulate at lower levels. Company fundamentals however remain strong

**Underweight:** Share price may generate between 10.0% and 15.0% downside over the next 12 months

**Sell:** Share price may generate more than 15.0% downside over the next 12 months, significant business and/or financial risks present, industry concerns

**Not Rated:** Counter is not within regular research coverage

### SECTOR INVESTMENT RATINGS

**Overweight:** Industry performance better than that of the whole market

**Equal weight:** Industry performance about the same as that of the whole market

**Underweight:** Industry performance worse than that of the whole market

### DBIB SELECT INDEX

*The DBIB Select Index is an **in-house, bespoke index** designed by DBIB Research department to represent the performance of select Kenyan companies listed on the Nairobi Securities Exchange which fall within DBIB Research's class A and B coverage. The Index is market capitalization-weighted and comprises of counters in the Banking, Insurance, FMCG, Investments, Cement, Telco, Utilities and Media space. We believe this provides investors with a complementary index with which to measure the performance of the major capital and industry segments of the Kenyan Stock Market, hence appealing to broad range of investors and intermediaries seeking to develop structured portfolios based on indices*

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