

DBIB WEEKLY BULLETIN

WEEK 13

Date: 31.03.2023

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INDICES & MARKET METRICS MOVEMENT

NSE 20 & NASI dropped by 3.7% and 1.6% w-o-w to close at 1,622.05 and 112.76 respectively.

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	112.76	1.65	(11.54)	(12.19)	(11.54)
NSE-20	1,622.05	3.70	(3.22)	(5.57)	(3.22)
DBIB Select	107.87	1.96	(1.31)	170.42	(1.31)
MSCI Kenya (USD)	876.67	1.15	(20.62)	(23.13)	(20.62)
MSCI Frontier (USD)	483.89	0.85	2.45	0.99	2.45

(Source: NSE, Bloomberg, DBIB Research)

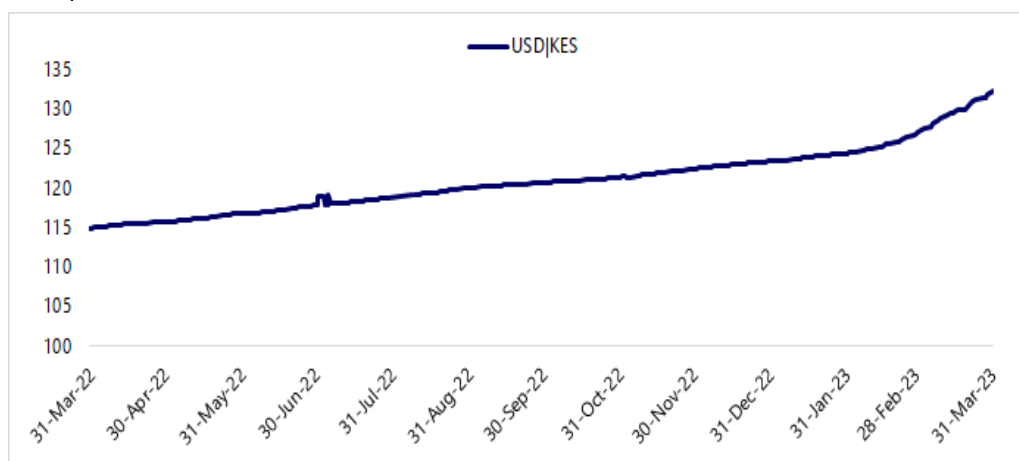
Weekly equity turnover dropped by 93.3% w-o-w to close at USD 13.20 MN (KES 1.75 BN).

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,756.26	1.65	(10.66)	(11.57)	(12.22)
Market Turnover (USD m)	13.20	(93.25)	67.76	92.58	7.08
Market P/E (x)	8.44	(4.24)	(19.37)	(21.32)	838.05
Market Div. yld (%) *	9.13	24.99	140.99	182.99	305.70
Market ROE (%) *	35.59	(94.34)	28.48	(70.03)	(384.94)

* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes
(Source: NSE, DBIB Research)

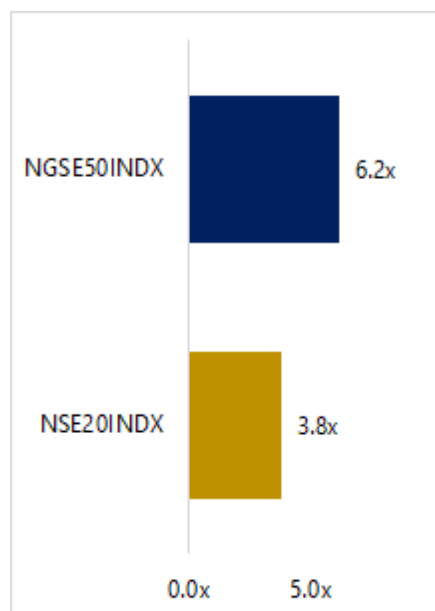
USD | KES: KES weakened 0.8% w-o-w to close at 132.33 (-7.3% year-to-date).

USD | KES : 52-Week Trend



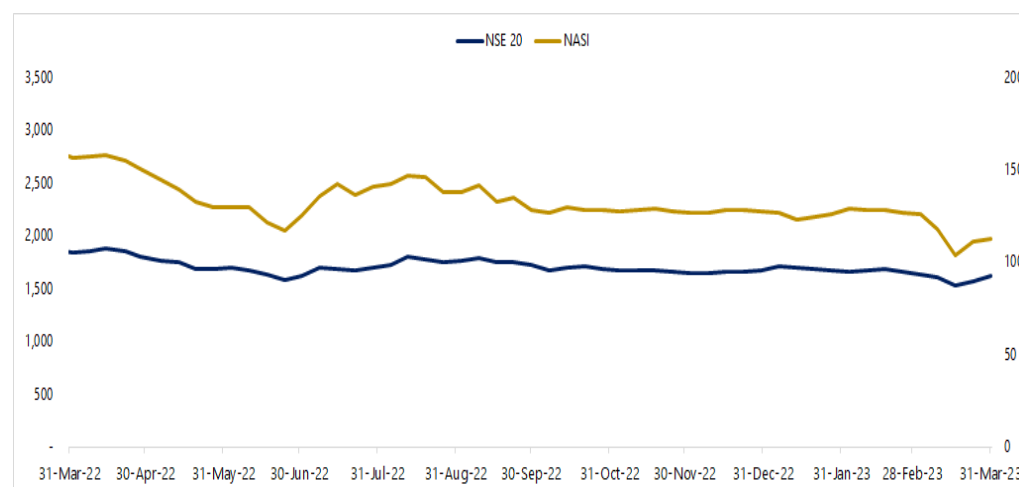
(Source: CBK, DBIB Research)

PEER P/E MULTIPLES



NSE20INDX* - NSE 20 Index
NGSE50INDX* - Nigeria Stock Exchange 50 Index
*LTM Price/EPS

Indices : 52-Week Trend



(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

Safaricom emerged as the top traded counter on the bourse recording a weekly turnover of USD 4.83 MN (KES 639.52 MN) representing 36.61% of this week's turnover.

The stock shed 4.2% w-o -w to close at KES 18.10 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 95.90% of foreign sales and 32.91% of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
I&M Group	22.3
Jubilee	18.0
Equity Group	17.7
Umeme	17.0
Unga Group	16.6

(Source: NSE, DBIB Research)

<u>Top Losers</u>	<u>%</u>
Standard Group	(13.1)
Kapchorua Tea	(10.0)
Sanlam Kenya	(9.9)
E.A. Portland	(6.6)
Longhorn	(6.5)

(Source: NSE, DBIB Research)

<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	4.83
Equity Group	3.61
KCB Group	2.49
E.A Breweries	0.92
Stanbic Holdings	0.23

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Umeme	57.0
Kenya Orchards	44.2
I&M Holdings	22.6
New Gold ETF	19.8
Flame Tree	19.4

(Source: NSE, DBIB Research)

<u>Top Losers</u>	<u>%</u>
Unga Group	(41.9)
Car & General	(38.5)
KenGen	(31.7)
Kakuzi	(31.4)
Safaricom	(25.1)

(Source: NSE, DBIB Research)

Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Equity Group	78.5
BAT Kenya	65.9
Kenya Power	53.0
Safaricom	32.9
Crown Paints	29.0

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Safaricom	95.9
BAT Kenya	93.3
Nation Media	89.7
E.A Breweries	88.0
Equity Group	44.1

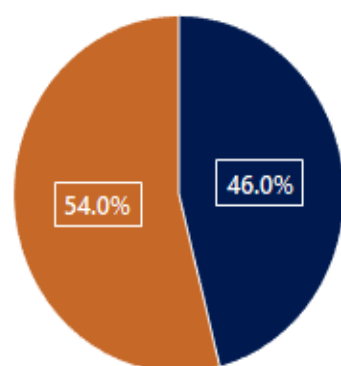
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	98.1
Flame Tree	65.2
Stanbic Holdings	64.5
Equity Group	55.4
E.A Breweries	51.9

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	98.3
BAT Kenya	92.6
Unga Group	83.8
TPS E.A	82.9
Safaricom	81.5

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 145.35 MN (KES 19.23 BN) representing a 1.7% w-o-w decrease from USD 147.90 MN (KES 19.42 BN) recorded the previous week.

The Bond market's turnover for the week stood at USD 145.35 MN (KES 19.23 BN) representing a 1.7% w-o-w decrease from USD 147.90 MN (KES 19.42 BN) recorded the previous week. The bond issue number IFB1/2019/16 emerged as the top traded bond with a turnover of KES 2.92 BN accounting for 15.2% of the week's turnover. The bond traded between 12.5063% and 14.8000%.

April Issue: FXD2/2018/10 , FXD1/2022/03 & FXD1/2019/15 (re-opens)

The Central Bank of Kenya re-opened FXD2/2018/10 (5.8 yrs.) with the intention of raising KES 20.0 BN and FXD1/2022/03 (2.1 yrs.) & FXD1/2019/15 (10.9 yrs.) with the intention of raising 30.0 BN; all for budgetary support. The coupon rates for FXD2/2018/10 , FXD1/2022/03 & FXD1/2019/15 stand at 12.502%, 11.766% and 12.857% respectively. The period of sale of FXD2/2018/10 runs from 16th March 2023 to 4th April 2023 while that of FXD1/2022/03 & FXD1/2019/15 runs from 16th March 2023 to 18th April 2023.

Top Trades for the week ending 31 March 2023

						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
27-Mar	FXD2/2019/5Yr	1.1	10.8720	11.4000	103.62	700.0
29-Mar	FXD2/2019/5Yr	1.1	10.8720	11.1000	103.98	700.0
30-Mar	FXD2/2019/5Yr	1.1	10.8720	11.8000	103.31	600.0
31-Mar	IFB1/2019/16Yr	12.5	11.7500	14.8000	89.68	600.0
29-Mar	IFB1/2019/16Yr	12.5	11.7500	14.8000	89.61	400.0
30-Mar	IFB1/2019/16Yr	12.5	11.7500	14.4000	91.46	400.0
31-Mar	IFB1/2019/16Yr	12.5	11.7500	14.2000	92.42	400.0
29-Mar	IFB1/2014/12Yr	3.5	11.0000	13.1000	99.09	385.0

Sell & Buy Backs

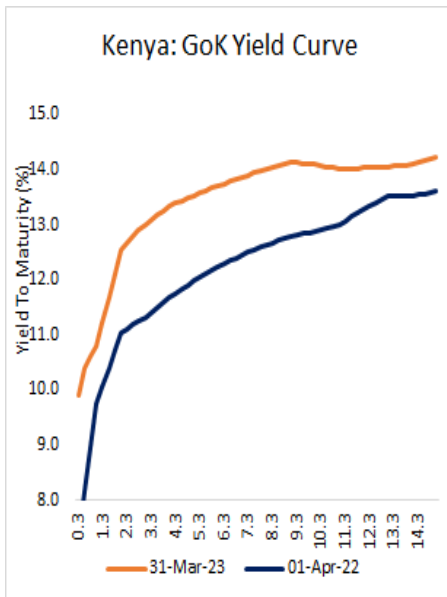
29-Mar	FXD1/2013/15Yr	4.9	11.2500	11.7000	99.69	500.0
29-Mar	FXD1/2013/15Yr	4.9	11.2500	11.1500	101.70	500.0
30-Mar	IFB1/2021/16Yr	8.5	12.0000	13.5000	99.03	250.0
29-Mar	FXD4/2019/10Yr	6.6	12.2800	12.3900	103.79	200.0
29-Mar	FXD4/2019/10Yr	6.6	12.2800	12.1500	104.86	200.0
29-Mar	FXD1/2011/20Yr	8.1	10.0000	12.0900	93.05	200.0
29-Mar	FXD1/2011/20Yr	8.1	10.0000	12.0400	93.29	200.0

(Source: NSE, DBIB Research)

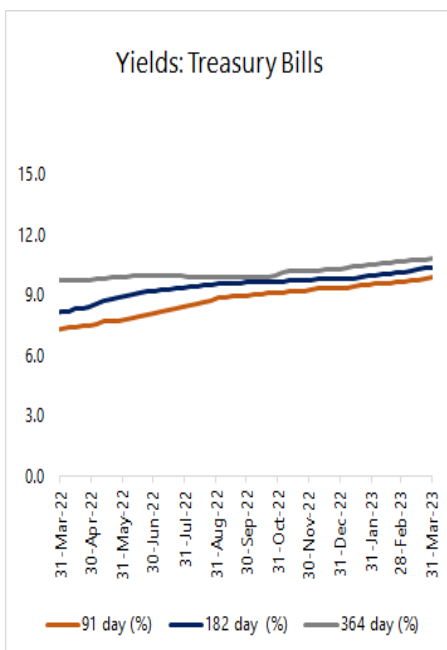
Treasury Bill auction for the week ending 31 March 2023

Instrument	Amount	Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.00	2.90	72.60	2.77	9.907	7.8
182-day	10.00	3.55	35.47	3.46	10.399	5.5
364-day	10.00	1.81	18.10	1.81	10.800	1.3

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

Equity Group FY22 Results

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Equity Group released its FY22 results reporting a 15.1% y-o-y growth in after tax profits to KES 46.1 BN.

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Equity Group released its FY22 results reporting a 15.1% y-o-y growth in after tax profits to KES 46.1 BN. The group's financial performance was supported by a 25.0% y-o-y uplift in net interest income to KES 86.0 BN and a 34.5% y-o-y advancement in non-funded income to KES 59.9 BN. EPS for the period stood at KES 11.90 (FY21: KES 10.38). **The board announced a first and final dividend of KES 4.00 per share (FY21: KES 3.00).** If approved, the dividend will be paid on or before 30th June 2023 to shareholders registered on the group's register at the close of business on 19th May 2023.

Net interest income increased by 25.0% y-o-y to KES 86.0 BN driven by a 26.8% y-o-y growth in total interest income to KES 119.6 BN against a 31.7% y-o-y climb in total interest expenses to KES 33.6 BN.

Non-funded income improved by 34.5% y-o-y to KES 59.9 BN mainly bolstered by a 30.2% y-o-y growth in other fees and commissions to KES 28.1 BN and a 58.4% y-o-y jump in foreign exchange trading income to KES 13.0 BN. Other income rose by 41.2% y-o-y to KES 9.9 BN while fees and commissions on loans and advances edged up by 14.8% y-o-y to KES 8.9 BN. The contribution of non-funded income to total income increased by 176 bps y-o-y to 41.1% (FY21: 39.3%).

Operating expenses (excluding provisions) registered a 27.0% y-o-y climb to KES 70.7 BN mainly on the back of a 32.0% y-o-y growth in other expenses to KES 37.9 BN and a 29.7% y-o-y advance in staff costs to KES 24.8 BN. The group's cost-to-income ratio (excluding provisions) eased by 66 bps y-o-y to 48.4% (FY21: 49.1%).

Loan loss provisions surged by 163.7% y-o-y to KES 15.4 BN as gross non-performing loans for the group advanced by 17.2% y-o-y to KES 63.1 BN. However, the NPL ratio eased by 60 bps y-o-y to 7.7%.

Net loans and advances rose by 20.2% y-o-y to KES 706.6 BN (+4.8% q-o-q) while government and investment securities remained relatively unchanged at KES 394.0 BN (+7.5% q-o-q). On the funding side, customer deposits improved by 9.7% y-o-y to KES 1.1 TN (+4.4% q-o-q) while borrowed funds decreased by 8.2% y-o-y to KES 113.7 BN (-2.1% q-o-q).

Equity Group is currently trading at a P/E multiple of 3.5x commensurate with the industry median of 3.5x and a P/B multiple of 0.9x against an industry median of 0.7x. Its ROE stands at 25.5% while its ROA stands at 3.1%. As per current prices, its dividend yield stands at 9.5%.

Source: Company Filings, DBIB Research

Salient News

NCBA Group FY22 Results

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NCBA Group released its FY22 results reporting a 34.8% y-o-y increase in after-tax profits to KES 13.8 BN.

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NCBA Group released its FY22 results reporting a **34.8% y-o-y increase in after-tax profits to KES 13.8 BN** driven by a 36.8% y-o-y growth in non-funded income to KES 30.3 BN and a 13.5% y-o-y increase in net interest income to KES 30.7 BN. EPS for the period stood at KES 8.36 (FY21: KES 6.21). **The board has recommended a final dividend of KES 2.25 per share** placing the total dividend per share for the period at KES 4.25 (FY21: 3.00), having already paid an interim dividend of KES 2.00 per share. If approved, the final dividend will be paid on or about 31st May 2023 to shareholders on the register at the close of business on 28th April 2023.

Net interest income went up by 13.5% y-o-y to KES 30.7 BN following a 12.7% y-o-y increase in interest income to KES 52.4 BN which offset an 11.5% y-o-y rise in interest expense to KES 21.7 BN.

Non-funded income inched higher by 36.8% y-o-y to KES 30.3 BN. This improvement was occasioned by a 147.1% y-o-y upswing in net income from forex dealings to KES 12.5 BN, a 4.3% y-o-y rise in fees and commissions on loans to KES 11.3 BN, and a 6.9% y-o-y growth in other fees and commissions to KES 4.0 BN. Other operating income remained fairly flat at KES 2.5 BN (-0.7% y-o-y). Total operating income grew by 24.0% y-o-y to KES 60.9 BN. The contribution of non-funded income to the total operating income came in at 49.7%, 466 bps up y-o-y.

Operating expenses (less loan loss provisions) rose by 19.9% y-o-y to KES 24.9 BN mainly on account of a 16.5% y-o-y advance in other expenses to KES 11.5 BN and a 27.2% y-o-y increase in staff costs to KES 10.1 BN. The cost-to-income ratio eased by 139 bps y-o-y to 40.8% (FY21: 42.2%). **Loan loss provision expense edged up by 2.7% y-o-y to KES 13.1 BN** placing the cost of risk at 4.7%, 53 bps lower y-o-y. The cumulative loan loss provisions dropped by 36.1% y-o-y to KES 15.6 BN (-7.3% q-o-q) placing the NPL coverage ratio at 49.0%, a decline from 67.6% in FY21. Gross NPLs contracted by 11.7% y-o-y to KES 39.1 BN (+7.5% q-o-q), pivoting the NPL ratio to 12.3% (3Q21: 15.4%).

Customer loans and advances scaled by 14.3% y-o-y to KES 278.9 BN (+4.8% q-o-q) while investment securities rose by 4.6% y-o-y to KES 229.7 BN (-1.6% q-o-q). On the funding side, customer deposits edged up by 7.0% y-o-y to KES 502.7 BN (+8.8% q-o-q) while borrowed funds dwindled by 31.0% y-o-y to KES 4.2 BN (-6.4% q-o-q).

NCBA is currently trading at a P/E multiple of 4.3x above an industry median of 4.1x and a P/B multiple of 0.7x at par with the industry median. Its ROE stands at 16.7% while its ROA stands at 2.2%. As per current prices, its dividend yield stands at 11.8%.

Salient News

I&M Group FY22 Results

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I&M Group released its
FY22 results reporting a
34.3% y-o-y growth in after-
tax profits to KES 11.6 BN.
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I&M Group released its FY22 results reporting a **34.3% y-o-y growth in after-tax profits to KES 11.6 BN**. This improvement was mainly underpinned by a 45.7% y-o-y jump in the total non-funded income to KES 12.7 BN and a 9.9% y-o-y increase in net interest income to KES 22.9 BN. The EPS for the period went up by 37.6% y-o-y to KES 6.77 (FY21: KES 4.92). **The board announced a first and final dividend of KES 2.25 per share (FY21: KES 1.50)**. If approved, the dividend will be paid on or about 25th May 2023 to shareholders on the company's register at the close of business on 20th April 2023.

Net interest income rose by 9.9% y-o-y to KES 22.9 BN supported by a 12.9% y-o-y growth in interest income to KES 37.4 BN against an 18.0% y-o-y increase in interest expense to KES 14.4 BN.

Non-funded income jumped by 45.7% y-o-y to KES 12.7 BN on account of a 191.0% y-o-y advancement in net income from forex dealings to KES 5.0 BN, a 26.0% y-o-y growth in other fees and commissions to KES 3.7 BN and a 12.8% y-o-y rise in fees and commissions on loans to KES 2.2 BN. Other operating income fell by 15.6% y-o-y to KES 1.8 BN. Total operating income inched higher by 20.4% y-o-y to KES 35.7 BN. The contribution of non-funded income to total operating income went up by 617 bps y-o-y to 35.7% (FY21: 29.5%).

Operating expenses (less loan loss provisions) went up by 18.8% y-o-y to KES 16.1 BN mainly owing to a 27.5% y-o-y rise in other operating expenses to KES 6.3 BN and a 9.8% y-o-y increase in staff costs to KES 6.5 BN. The cost-to-income ratio dwindled by 64 bps y-o-y to 45.1%. **Loan loss provisions increased by 24.9% y-o-y to KES 5.2 BN**, placing the cost of risk at 2.2%, 20 bps up y-o-y. Cumulative loan loss provisions rose by 17.6% y-o-y to KES 13.7 BN (+1.0% q-o-q) placing the NPL coverage ratio at 66.1%, 64 bps up y-o-y. Gross non-performing loans increased by 16.4% y-o-y to KES 25.0 BN (+5.4% q-o-q), pivoting the NPL ratio to 9.5% (23 bps higher y-o-y).

Customer loans and advances rose by 13.3% y-o-y to KES 238.6 BN (+3.2% q-o-q) while investment securities fell by 9.9% y-o-y to KES 113.1 BN (-1.2% q-o-q). On the funding side, customer deposits increased by 5.3% y-o-y to KES 312.3 BN (+1.4% q-o-q) while borrowed funds shrunk by 14.1% y-o-y to KES 16.8 BN (-10.0% q-o-q).

I&M Group is currently trading at a P/E ratio of 2.7x, against a sector median of 4.1x, and a P/B ratio of 0.4x against a sector median of 0.7x. Its ROE stands at 14.6% while its ROA stands at 2.6%. As per current prices, its dividend yield stands at 12.4%.

Source: Company Filings, DBIB Research

Salient News

DTB Group FY22 Results

DTB Group has released its FY22 results reporting a 55.1% y-o-y improvement in after-tax profits to KES 6.1 BN.

DTB Group has released its FY22 results reporting a 55.1% y-o-y improvement in after-tax profits to KES 6.1 BN supported by a 43.5% y-o-y growth in non-funded income to KES 9.1 BN, a 14.5% y-o-y increase in net interest income to KES 22.9 BN and a 5.5% y-o-y drop in loan loss provisions to KES 7.1 BN. The EPS for the period stood at KES 21.68 vis-à-vis KES 13.98 in FY21. **The board issued a first and final dividend of KES 5.00 (FY21: KES 3.00).** If approved, the dividend will be paid on or about 15th June 2023 to shareholders on the register at the close of business on 12th May 2023.

Net interest income rose by 14.5% y-o-y to KES 22.9 BN on the back of an 18.2% y-o-y growth in interest income to KES 40.1 BN as the interest expense rose by 23.5% y-o-y to KES 17.2 BN.

Non-funded income climbed by 43.5% y-o-y to KES 9.1 BN mainly due to a 75.8% y-o-y jump in net income from forex dealings to KES 4.3 BN, a 28.9% y-o-y increase in fees and commissions on loans to KES 1.7 BN and a 14.7% y-o-y rise in other fees and commissions to KES 2.6 BN. The contribution of non-funded income to the total operating income came in at 28.3% from 24.0% in FY21.

Operating expenses (less loan loss provisions) increased by 21.2% y-o-y to KES 14.9 BN primarily due to a 26.9% y-o-y rise in staff costs to KES 6.1 BN and a 27.0% y-o-y increase in other operating expenses to KES 6.3 BN. The cost-to-income ratio eased marginally by 9 bps y-o-y to 46.8%. **Loan loss provisions expense edged down by 5.5% y-o-y to KES 7.1 BN** leading to a subsequent 61 bps y-o-y drop in the cost of risk to 2.8%. Cumulative loan loss provisions grew by 20.8% y-o-y to 13.7 BN (+5.9% q-o-q), placing the NPL coverage ratio at 44.2%, 485 bps higher y-o-y.

Gross non-performing loans went up by 7.2% y-o-y to KES 32.2 BN (-2.2% q-o-q) as the NPL ratio fell by 73 bps y-o-y to 11.3%.

Customer loans and advances inched higher by 15.1% y-o-y to KES 253.7 BN (+4.1% q-o-q) while investment securities rose by 11.5% y-o-y to KES 188.3 BN (+19.4% q-o-q). On the funding side, customer deposits advanced by 16.9% y-o-y to KES 387.6 BN (+7.8% q-o-q) while borrowed funds rose by 26.5% y-o-y to KES 25.5 BN (+27.1% q-o-q).

DTB is currently trading at a P/E multiple of 2.1x against an industry median of 3.4x and a P/B multiple of 0.2x against an industry median of 0.7x. ROE stands at 8.8% while ROA stands at 1.2%. As per current prices, its dividend yield stands at 10.8%.

Source: Company Filings, DBIB Research

Salient News

Britam Group FY22 Results

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Britam has released its FY22 results reporting after-tax profits of KES 1.7 BN, a significant growth from KES 72.1 MN realized in FY21 (more than 23-fold growth).

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Britam has released its FY22 results reporting after-tax profits of KES 1.7 BN, a significant growth from KES 72.1 MN realized in FY21 (more than 23-fold growth). This improvement was mainly supported by a 2.4% y-o-y rise in net earned premiums to KES 26.3 BN, a 19.6% y-o-y increase in interest and dividend income to KES 13.0 BN, and a 26.1% y-o-y drop in operating expenses to KES 8.4 BN. EPS for the period closed off at KES 0.63 vis-à-vis KES 0.02 in FY21. The board did not recommend the payment of a dividend for the period.

Gross earned premiums and fund management fees went up by 2.7% y-o-y to KES 33.4 BN while premiums ceded rose by 3.7% y-o-y to KES 7.1 BN, placing the net earned premiums at KES 26.3 BN, 2.4% higher y-o-y. International general insurance business contributed 23.0% of the group's total gross earned premiums.

Interest and dividend income rose by 19.6% y-o-y to KES 13.0 BN. Net unrealized losses on assets held at FVPL stood at KES 3.9 BN compared to a gain of KES 1.8 BN recorded in FY21 mainly due to the upward shift in the yield curve.

Net claims and benefits remained fairly flat at KES 17.9 BN (+0.1% y-o-y) placing the claims ratio at 67.8%, 157 bps lower y-o-y. Operating and other expenses dwindled by 26.1% y-o-y to KES 8.4 BN placing the expense ratio at 31.8% compared to 44.1% in FY21. Commission payable decreased by 7.0% y-o-y to KES 3.8 BN while commission earned edged up by 9.8% y-o-y to KES 1.6 BN. As a result, the acquisition ratio fell by 188 bps y-o-y to 8.5%. Altogether, the combined ratio eased from 123.8% in FY21 to 108.1%.

The group's total assets rose by 3.3% y-o-y to KES 158.4 BN predominantly driven by a 3.5% y-o-y increase in investment assets to KES 134.9 BN. Total liabilities increased by 2.4% y-o-y to KES 137.6 BN while total equity rose by 9.2% y-o-y to KES 20.8 BN.

Britam is currently trading at a P/E multiple of 7.0x and a P/B of 0.6x against sector median price multiples of 3.4x and 0.4x respectively. Its ROE stands at 8.2% while its ROA stands at 1.1%.

Source: Company Filings, DBIB Research

Salient News

UMEME FY22 Results

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Umeme released its FY22 results reporting a 6.5% y-o-y rise in PAT to USH 148.2 BN (USD 39.3 MN).

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Umeme released its FY22 results reporting a 6.5% y-o-y rise in PAT to USH 148.2 BN (USD 39.3 MN). The improvement in profitability was largely attributable to an 11.3% y-o-y decline in total expenses to USH 233.8 BN (USD 62.0 MN). EPS for the period stands at USH 91.30. **The board has recommended a first and final dividend per share of USH 63.90 (FY21: USH 54.10).** If approved, the dividend will be paid on or about 20th July 2023 to shareholders on the share register at the close of business on 30th June 2023.

Revenue from contracts with customers remained relatively flat at USH 1.9 TN (USD 500.3 MN). Revenue was supported by an increase in customer grid connections (+7.4% y-o-y to 1.75 MN customers), lower energy losses (-100 bps y-o-y to 16.8%) and an improvement in revenue collection rate (+60 bps y-o-y to 99.7%).

Cost of sales rose by 0.9% y-o-y to USH 1.3 TN (USD 332.6 MN) and due to a faster growth in comparison to that realized in the top-line, the gross profit declined by 1.5% y-o-y to USH 632.7 BN (USD 167.7 MN). This saw the gross profit margin ease by 54 bps y-o-y to 33.5%. Total expenses sank by 11.3% y-o-y to USH 233.8 BN (USD 62.0 MN) principally due to lower repair & maintenance costs (-32.2% y-o-y to USH 34.2 BN/USD 9.1 MN) and the realization of foreign exchange gains of USH 14.1 BN/USD 3.7 MN as administration expenses rose by 12.5% y-o-y to USH 213.3 BN/USD 56.5 MN. The company attributed the rise in administration expenses to inflationary pressures experienced during the period. Finance costs increased by 16.3% y-o-y to USH 45.4 BN (USD 12.0 MN) as a result of increases in interest rates and other financing costs. Finance income, however, grew by 10.2% y-o-y to USH 21.5 BN (USD 5.7 MN).

Net cash flows from operating activities went up by 11.1% y-o-y to USH 350.0 BN (USD 92.8 MN). Net cash flows used in investing activities declined by 9.6% y-o-y to USH 110.7 BN (USD 29.3 MN) while net cash flows used in financing activities rose by 40.3% y-o-y to USH 267.7 BN (USD 71.0 MN).

Total assets increased by 2.5% y-o-y to USH 2.6 TN (USD 681.5 MN) characterized by a 3.4% y-o-y rise in non-current assets to USH 2.1 TN (USD 562.2 BN) and a 1.2% y-o-y decline in current assets to USH 450.0 BN (USD 119.3 BN). Total liabilities eased by 3.3% y-o-y to USH 1.6 TN (USD 413.8 MN) while total equity rose by 13.1% y-o-y to USH 1.0 TN (USD 267.7 MN).

Umeme is trading at a P/E multiple of 3.1x against a sector median of 2.5x and a P/B multiple of 0.5x against a sector median of 0.1x. Its ROE stands at 14.7% while its ROA stands at 5.8%.

UPCOMING EVENTS

Profit Warnings

1. Bamburi
2. Crown Paints
3. Flame Tree
4. Eveready

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
E.A Breweries	Interim: KES 3.75	16-Feb-23	28-Apr-23
TransCentury	Rights Issue: 5:1	17-Mar-23	20-Apr-23
Fahari I-REIT	First & Final: KES 0.65	06-Apr-23	30-Apr-23
KCB Group	Final: KES 1.00	06-Apr-23	26-May-23
Limuru Tea	Final: KES 2.5	14-Apr-23	30-Jun-23
I&M Group	First & Final: KES 2.25	20-Apr-23	25-May-23
StanChart Bank	Final: KES 16.00	21-Apr-23	25-May-23
ABSA Bank	Final: KES 1.15	28-Apr-23	25-May-23
NCBA Group	Final: KES 2.25	28-Apr-23	31-May-23
CIC Insurance	Final: KES 0.13	08-May-23	26-May-23
DTB Kenya	First & Final: KES 5.00	12-May-23	15-Jun-23
Stanbic Holdings	First & Final: KES 12.60	19-May-23	STA*
Equity Group	First & Final: KES 4.00	19-May-23	30-Jun-23
Co-op Bank	First & Final: KES 1.50	24-May-23	09-Jun-23
BAT Kenya	Final: KES 52.00	26-May-23	15-Jun-23
Kakuzi	First & Final: KES 24.00	31-May-23	15-Jun-23
Kenya Re	Final: KES 0.20	16-Jun-23	28-Jul-23
Umeme Ltd	Final: USH 63.90	27-Jun-23	20-Jul-23

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
-	-	-	-

(Source: Company filings , DBIB Research)

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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