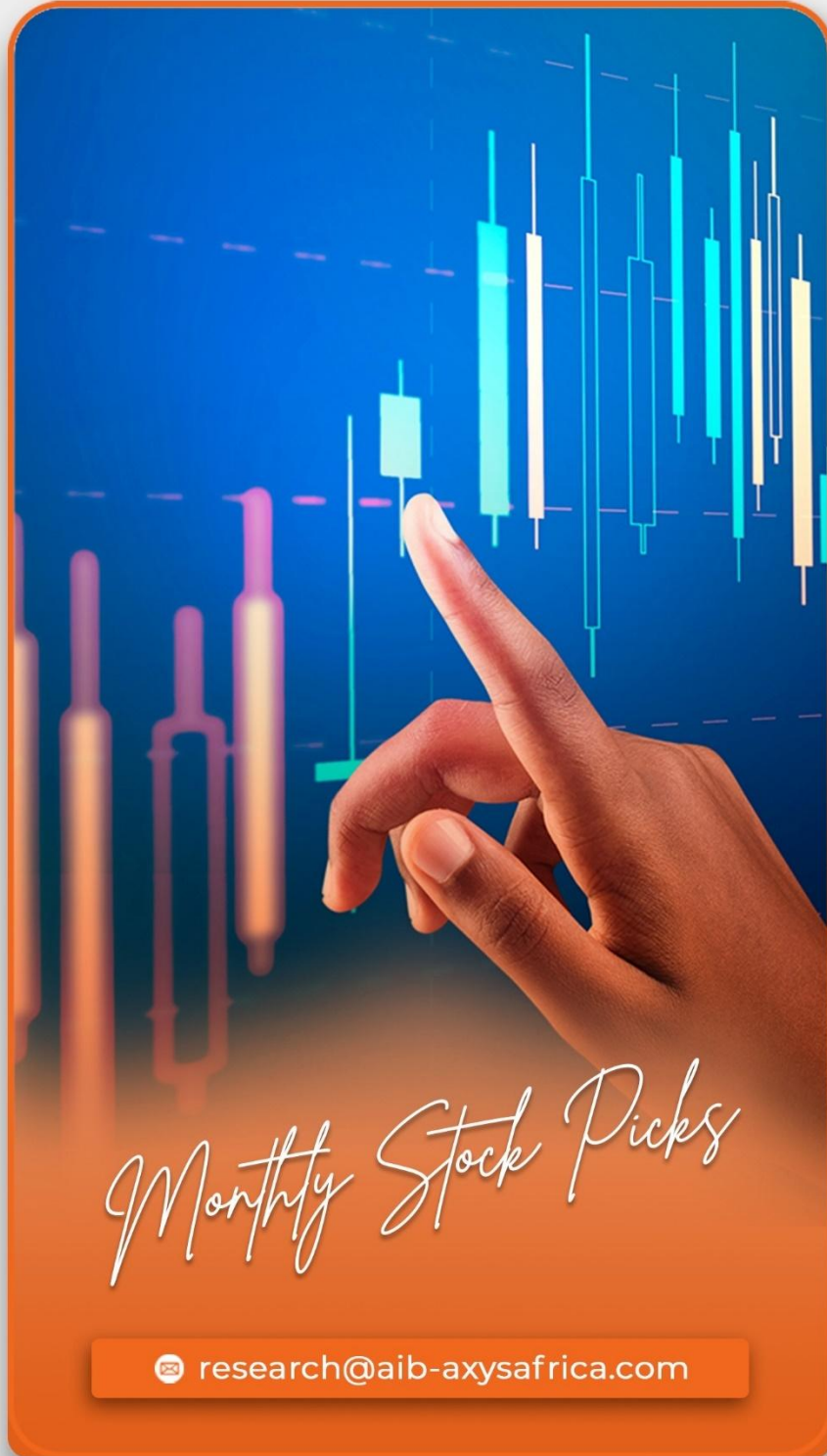


MONTHLY



*Monthly Stock Picks*

 [research@aib-axysafrica.com](mailto:research@aib-axysafrica.com)

STOCK PICKS

## AIB-AXYS April 2025 Stock Recommendations

### March 2025 Highlights

- **FY'24 Earning Season - Banking Sector** - The banking industry concluded FY'24 as all listed banks reported higher net earnings, primarily driven by growth in Net Interest Income. KCB stood out with a 64.9% y/y surge in net profit to KES 61.77Bn. However, rising Non-Performing Loans (NPLs) remained a concern, though NCBA Group, Diamond Trust Bank, Standard Chartered Kenya, and Stanbic Bank bucked the trend. With declining lending rates, banks are expected to cautiously expand their loan books while managing NPL risks.
- **Insurance Sector - Insurers reported mixed performance in a challenging year marked by flood-related claims and protest-induced losses.** Most listed insurance firms posted increased net profits, except Kenya Re, which suffered foreign exchange losses but still declared a dividend of KES 0.15 per share. Sanlam returned to profitability after four years, reporting KES 1.05Bn in net earnings, while Britam maintained its growth trajectory with KES 5.03Bn in profit, though it withheld dividends due to accumulated losses. CIC, registered an impressive 98.0% y/y surge in net earnings to KES 2.8 Bn in FY'24. Notably, Liberty Kenya Holdings raised their total dividend to KES 1.0 per share inclusive a special dividend of KES 0.5 per share. We expect the insurance sector to continue growing, fueled by innovative client products and more strategic investments. However, we anticipate reduced returns as returns on government securities have been on a downward trajectory
- **Umeme Limited Buyout** - Umeme Limited's share trading was temporarily suspended on March 31st following the expiration of its 20-year concession, triggering a government buyout process under the original agreement. While Umeme submitted a buyout valuation of KES 303.3 Bn (USD 234.0 Mn) the Ugandan government's Auditor General countered with KES 15.3 Bn (USD 118.39 Mn) excluding an additional USD 9.9 Mn pending verification, a figure Umeme disputes. Amid the deadlock, the government has enforced the transfer of distribution assets to the Uganda Electricity Distribution Company Ltd. Umeme's board expects the dispute to be resolved either within the 30-day negotiation window or through arbitral tribunal in London.
- **Kenya Airways Back to Profit Making** - Kenya Airways posted a profit of KES 5.4 Bn in FY'24, a turnaround from a loss of KES 22.7 Bn in FY'23. The profit was primarily supported by KES 1.2 Bn in foreign exchange gains as the Kenyan shilling appreciated against the dollar throughout the year, a sharp contrast to the KES 19.1 Bn in foreign exchange losses recorded in FY'23. The airline also reported 4.0y/y growth in the number of passengers and a 25.0% increase in cargo tonnage to 70,776 tons. Despite its remarkable performance, Kenya Airways still requires robust capital restructuring to improve liquidity, following an equity deficit of KES 118.0 Bn.

### What does April 2025 Hold?

- **Upcoming MPC Meeting** - The Monetary Policy Committee (MPC) is expected to meet on April 8, 2025, to review the Central Bank Rate (CBR), currently set at 10.75%. Major global economies have recently adjusted their rates, the European Central Bank cut its rate to 2.5%, while the US Federal Reserve maintained its target range at 4.25%-4.5%. Given these developments, we anticipate the MPC will align with global trends to address inflation, which stood at 3.6% in March, while balancing the need to support credit availability in the economy. As a result, we expect a rate cut of 25.0-50.0 bps, bringing the CBR to a range of 10.25%-10.5%.

**Table 1: Summary of Latest Net Earnings Results**

	Company	Comment
1.	<b>ABSA Bank</b>	Net earnings increased by 27.5% y/y to KES 20.88Bn, underpinned by a 15.4% y/y growth in net interest income and a notable 10.8% y/y rise in non-funded income. Credit impairment provisions decreased 1.6% y/y while the loan book contracted by 7.9% y/y.
2.	<b>Co-operative Bank</b>	Net earnings increased by 9.8% y/y to KES 25.46Bn, underpinned by a 13.9% y/y increase in net interest income and a 10.1% y/y increase in non-funded income. Credit impairment provisions increased 44.2% y/y.
3.	<b>Diamond Trust Bank</b>	Net earnings increased by 13.1% y/y to KES 8.82Bn, underpinned by a 3.0% y/y increase in net interest income and a 6.1% y/y increase in non-funded income. Credit impairment provisions declined 15.6% y/y while the loan book contracted by 7.5% y/y.
4.	<b>E.A Breweries Limited</b>	EABL Group posted a 20% uptick in its earnings translating to KES 8.1Bn for the period under review. This growth was driven by effective cost management offsetting inflation, enhanced operational efficiencies and currency appreciation. An interim dividend of KES 2.50 per share was declared.
5.	<b>E.A Portland Cement</b>	Net earnings improved to a profit of KES 35.1Mn from a loss of KES 720.7Mn. This return to profitability was anchored on improving sales volume driven by strategic pricing. Additionally, improved plant utilization helped minimize operational costs, improving retained earnings in the period.
6.	<b>Equity Group</b>	Net earnings increased by 11.6% y/y to KES 48.82Bn underpinned by an 3.7% y/y increase in net interest income and a 10.7% y/y increase in non-funded income. Credit impairment provisions declined by 43.3% while the loan book contracted by 7.7% y/y.
7.	<b>I&amp;M Group</b>	Net earnings increased by 24.8% y/y to KES 16.65Bn, underpinned by a 31.2% y/y increase in net interest income. Non-funded income decreased by 2.8% y/y. Credit impairment provisions increased by 13.8% y/y while the loan book contracted by 7.8% y/y.
8.	<b>Kapchorua Tea</b>	Net earnings plunged by 91.6% y/y to KES 18.23Mn from KES 218.10Mn. The decline was driven by persistent oversupply in the global tea market, which continued to suppress demand and prices.
9.	<b>KCB Group</b>	Net earnings increased by 64.9% y/y to KES 61.77Bn underpinned by a 28.0% y/y increase in net interest income and an 16.6% y/y increase in non-funded income. Credit impairment provisions increased 11.0% y/y.
10.	<b>KPLC</b>	KPLC maintained its earnings momentum witnessed in the second half of FY24, as net earnings recorded a 3025.39% y/y growth to KES 9.97 Bn up from KES 0.32 Bn recorded a year prior. An interim dividend of KES 0.20 per share was declared.

**Table 1: Summary of Latest Net Earnings Results**

Company	Comment
11. <b>NCBA Group</b>	Net earnings increased by 1.9% y/y to KES 21.87Bn. Net interest income declined by 0.3% y/y while non-funded income declined by 3.1%y/y. Credit impairment provisions decreased by 40.1% y/y while the loan book contracted 10.4% y/y.
12. <b>Safaricom</b>	Shareholder net earnings declined by 17.7% y/y to KES 28.12Bn, primarily prompted by foreign exchange reforms in Ethiopia. Group revenues grew 15.1% y/y to KES 189.42Bn driven largely by value-driven double-digit growth in M-Pesa and Mobile Data.
13. <b>Stanbic</b>	Net earnings increased by 12.8% y/y to KES 13.72Bn. This growth was achieved in the face of a 5.1% y/y decrease in revenue, primarily offset by a significant 50.3% y/y reduction in credit impairment charges. Net interest income declined by 5.1% y/y while non-funded income declined by 1.7%y/y.
14. <b>Standard Chartered Bank Kenya</b>	Net earnings increased by 45.0% y/y to KES 20.06Bn underpinned by a 13.4% y/y growth in net interest income and a 40.4% y/y growth in non-funded income. Credit impairment provisions increased by 29.6% y/y.
15. <b>Williamson Tea</b>	Net earnings declined to a loss of KES 122.39Mn from a profit of KES 477.11Mn. Revenue declined 11.9% y/y driven by oversupply in the global tea market, which pressured prices and demand.
16. <b>Liberty Kenya Holdings</b>	Net earnings increased to KES 1.40 Bn from a profit of KES 0.68Bn. Revenue momentum was propelled by an 872.2% y/y increase in Investment gains to KES 5.73Bn. Insurance revenue increased by 1.1% y/y to KES 10.95 Bn while insurance service expenses declined by 1.1%, leading to net insurance revenue of KES 2.42Bn.
17. <b>CIC Insurance</b>	Net earnings increased to KES 2.85 Bn from a profit of KES 1.44Bn. Revenue momentum was propelled by a 201.4% y/y increase in Investment return to KES 8.83Bn. Insurance revenue increased by 3.7% y/y to KES 26.3 Bn while insurance service expenses declined by 7.4%, leading to net insurance revenue of KES 0.34Bn.
18. <b>Jubilee Insurance</b>	Net earnings increased to KES 4.24Bn from a profit of KES 2.58Bn. Revenue momentum was propelled by an increase in net financial results to KES 4.06Bn from a loss of KES 0.27Bn in FY'23. Insurance revenue increased by 13.5% y/y to KES 25.67 Bn while insurance service expenses declined by 11.3%, leading to net insurance revenue of KES 0.69Bn.

## March 2025 Equities Market Highlights

- On a monthly perspective, the market indices registered bearish sentiments with the **Nairobi All Share Index** declining by **1.0% m/m**, NSE-20 declining **3.2% m/m**, and NSE-10 declining **1.8% m/m**.
- Equities market turnover dwindled by 4.9% m/m to KES 8.11Bn in March 2025 from KES 8.52Bn in February 2025. On a yearly perspective, turnover dwindled by 27.7% from KES 11.2Bn.** Market capitalization contracted by 1.0% m/m to KES 2.05Tn, signaling a slight decline in investor wealth. Looking ahead, we expect Kenyan equities market performance to be measured in the near term, as investors closely watch shifting global trade dynamics that could potentially reignite inflation and stalling monetary easing efforts and ultimately affect equity valuations. Meanwhile, trading activity is likely to concentrate on banking and financial services stocks, with investors positioning for upcoming dividend payouts following recent strong earnings reports.
- Foreigners' participation contracted to 31.1% of the total market activity.** Foreign sentiment remained bearish, resulting in net outflows of KES 926.2Mn.

Table 2: Equity Market Statistics

Statistic	Mar-25	Feb-25	Mar-24	m/m change	y/y change
Equity Turnover (KES Mn)	8,112.2	8,528.7	11,224.8	▼ (4.9%)	▼ (27.7%)
Market Cap (KES Bn)	2,056.1	2,076.8	1,767.0	▼ (1.0%)	▲ 16.4%
NSE All Share Index (RHS)	130.8	132.1	113.1	▼ (1.0%)	▲ 15.7%
NSE 10 Index	1,342.4	1,366.9	1,155.4	▼ (1.8%)	▲ 16.2%
NSE 20 Index	2,226.9	2,300.2	1,752.4	▼ (3.2%)	▲ 27.1%
NSE 25 Index	3,532.4	3,595.1	2,975.4	▼ (1.7%)	▲ 18.7%
Foreign buys	2,058.7	2,568.1	6,242.7	▼ (19.8%)	▼ (67.0%)
Foreign sales	2,984.9	3,851.7	7,445.7	▼ (22.5%)	▼ (59.9%)
Net F. Flows	(926.2)	(1,283.6)	(1,202.9)	▼ (27.8%)	▼ (23.0%)
<b>Total Volume Traded (Mn)</b>	<b>470.4</b>	<b>470.7</b>	<b>642.0</b>	<b>▼ (0.1%)</b>	<b>▼ (26.7%)</b>

Source: NSE, AIB-AXYS Africa Research

- Liberty Kenya Holdings** was the top gainer in March 2025 clocking a 38.4% m/m valuation gain to KES 10.30. **E.A. Portland Cement** was the second largest gainer rising 12.7% m/m to KES 40.25. **Sanlam Kenya Plc** was the third, climbing 11.4% m/m to KES 8.40. **Sameer Africa** was fourth climbing 10.1% m/m to KES 3.61 and **Unga Group** was fifth gaining 9.1% m/m to KES 25.10.
- Car & General** was the top capital loser shedding 20.7% m/m to KES 20.15. **TPS Eastern Africa** was second trimming 17.7% m/m to KES 14.60 while **Centum Investment** was third trimming 16.9% m/m to KES 12.55. **Home Afrika Ltd** was fourth trimming 14.6% to KES 0.76 while **HF Group Plc** was fifth trimming 13.8% m/m to KES 6.90.



**Table 3: Top Gainers and Losers March 2025**

Top Gainers March	Closing Price	% Change	Top Losers March	Closing Price	% Change
Liberty Kenya Holdings	KES 10.30	▲ 38.4%	Car & General	KES 20.15	▼ (20.7%)
E.A. Portland Cement	KES 40.25	▲ 12.7%	TPS Eastern Africa	KES 14.60	▼ (17.7%)
Sanlam Kenya Plc	KES 8.40	▲ 11.4%	Centum Investment	KES 12.55	▼ (16.9%)
Sameer Africa	KES 3.61	▲ 10.1%	Home Afrika Ltd	KES 0.76	▼ (14.6%)
Unga Group	KES 25.10	▲ 9.1%	HF Group Plc	KES 6.90	▼ (13.8%)
Britam Holdings	KES 7.98	▲ 8.4%	Eveready East Africa Kenya Re Insurance Corporation	KES 1.16	▼ (10.8%)
Limuru Tea	KES 320.00	▲ 6.7%		KES 1.61	▼ (10.6%)
Sasini Plc	KES 15.80	▲ 4.6%	Jubilee Holdings	KES 192.25	▼ (10.3%)
Olympia Capital Holdings	KES 3.62	▲ 3.7%	I&M Holdings	KES 32.35	▼ (10.1%)
NCBA Group	KES 52.50	▲ 3.4%	Express Kenya Ltd	KES 3.57	▼ (10.1%)

Source: NSE, AIB-AXYS Africa Research

- Safaricom Plc** recorded the highest turnover in March 2025, with aggregate turnover clocking KES 2,125.0Mn. **KCB Group** was second, with turnover amounting to KES 1,971.7Mn. **Equity Group Holdings** stood third, with total turnover clocking KES 984.3Mn. Foreigners accounted for the larger share of trading activity in **Safaricom** and **BK Group**.

**Table 4: Top Movers March 2025**

Top Movers	Turnover (KES Mn)	Turnover (USD Mn)	Foreigners' Participation	Closing Price	% Change (YTD)
Safaricom Plc	KES 2,125.0	\$16.45	67.2%	KES 18.30	▲ 1.1%
KCB Group	KES 1,971.7	\$15.26	20.1%	KES 42.15	▼ (5.5%)
Equity Group Holdings	KES 984.3	\$7.62	28.0%	KES 47.10	▼ (3.2%)
Liberty Kenya Holdings	KES 631.5	\$4.89	0.0%	KES 10.30	▲ 38.4%
Co-operative Bank of Kenya	KES 351.6	\$2.72	5.5%	KES 16.00	▼ (5.3%)
I&M Holdings	KES 250.6	\$1.94	0.1%	KES 32.35	▼ (10.1%)
East African Breweries	KES 237.9	\$1.84	38.7%	KES 180.00	▼ (3.6%)
Standard Chartered Bank	KES 197.4	\$1.53	3.6%	KES 299.25	▼ (0.3%)
Absa Bank Kenya	KES 181.1	\$1.40	0.2%	KES 19.00	▼ (0.3%)
Stanbic Holdings	KES 176.7	\$1.37	34.3%	KES 161.75	▲ 2.2%
BK Group	KES 147.2	\$1.14	98.6%	KES 34.00	▲ 2.1%
Kenya Power & Lighting Co	KES 128.0	\$0.99	10.2%	KES 6.76	▼ (1.7%)
Diamond Trust Bank	KES 121.5	\$0.94	25.0%	KES 75.75	▼ (2.9%)
Kenya Re Insurance Corporation	KES 117.3	\$0.91	4.3%	KES 1.61	▼ (10.6%)
KenGen Co.	KES 110.9	\$0.86	6.3%	KES 5.02	▲ 1.0%

Source: NSE, AIB-AXYS Africa Research

**AIB-AXYS Africa Equities Coverage Universe**

Stock	Strengths	Risks	Recommendation
<b>ABSA Bank Kenya</b> Current Price: KES 18.1 Target Price: KES 21.20 Upside: 17.1%	<ul style="list-style-type: none"> <li>Above-average return on equity momentum on the back of effective strategy implementation.</li> <li>Industry-leading efficiency indicators support further scope for capital investment spending.</li> </ul>	<ul style="list-style-type: none"> <li>A notable acceleration in the NPL ratio to 12.6%</li> </ul>	<b>BUY</b>
<b>Co-operative Bank</b> Current Price: KES 16.15 Target Price: KES 17.82 Upside: 10.3%	<ul style="list-style-type: none"> <li>Rising yield on interest-earning assets signals an improvement in reinvestment returns.</li> <li>Non-funded income grew 10.1% y/y to KES 29.13Bn as in FY'24- driven by other Fees and commissions</li> </ul>	<ul style="list-style-type: none"> <li>An acceleration in the NPL ratio to 16.7%.</li> <li>Elevated stock of non-performing loans recorded by FY'24.</li> </ul>	<b>BUY</b>
<b>Equity Group</b> Current Price: KES 47.1 Target Price: KES 54.38 Upside: 15.5%	<ul style="list-style-type: none"> <li>Robust commercial momentum across regional subsidiaries, notably Equity BCDC and Equity Rwanda units, supported by demographic dividends, ecosystem lending and insurance cross-selling.</li> <li>Adequate coverage against protracted market risks.</li> </ul>	<ul style="list-style-type: none"> <li>Operating efficiency eroded as reflected by the cost-to-income ratio increasing to 58.2%.</li> <li>Elevated stock of non-performing loans recorded by FY'24 to KES 112.0 Bn</li> </ul>	<b>BUY</b>
<b>Diamond Trust Bank (DTB-K)</b> Current Price: KES 75.0 Target Price: KES 85.68 Upside: 14.2%	<ul style="list-style-type: none"> <li>A recovering asset quality by 13.2% y/y to KES 37.85Bn reflecting a decrease in credit risk, as the bank continues to employ conservative lending approaches</li> <li>A large spread between trading price and book value implies meaningful upside as the market adjusts</li> </ul>	<ul style="list-style-type: none"> <li>Rising brick-and-mortar expenses raising operating expenses.</li> <li>Operating efficiency decreased signaled by the cost-to-income increasing to 51.8%.</li> </ul>	<b>HOLD</b>
<b>KCB Group</b> Current Price: KES 39.75 Target Price: KES 49.14 Upside: 23.6%	<ul style="list-style-type: none"> <li>Strategic restructuring to restore capital buffers in Kenya well above regulatory minimum coupled with the sale of National Bank of Kenya set to position Group on stable growth trajectory.</li> <li>The lender remains cautious about NPLs (non-performing loans) and has increased its NPL coverage ratio to 65.1%</li> </ul>	<ul style="list-style-type: none"> <li>Non-performing loans remained elevated in FY'24</li> <li>Moderating yet elevated NPL ratio remains above the industry average.</li> </ul>	<b>BUY</b>
<b>Stanbic Kenya</b> Current Price: KES 165.5 Target Price: KES 183.06 Upside: 10.6%	<ul style="list-style-type: none"> <li>Rising yield on interest-earning assets signals an improvement in reinvestment returns.</li> <li>Gross Non-Performing Loans (NPL's) decreased by 14.4% y/y in FY'24</li> </ul>	<ul style="list-style-type: none"> <li>Non-funded Income declined attributable to decrease in foreign exchange trading income</li> </ul>	<b>BUY</b>

**AIB-AXYS Africa Equities Coverage Universe**

Stock	Strengths	Risks	Recommendation
<b>NCBA Group</b> Current Price: KES 54.00 Target Price: KES 58.97 Upside: 9.2%	<ul style="list-style-type: none"> <li>Increasing returns to scale from an expanding digital presence in East and West Africa.</li> <li>The completed acquisition of AIG Insurance Kenya to ramp up overall earnings from increased risk underwriting margins and cross-selling onto existing product lines.</li> <li>Resilient asset quality despite macro headwinds.</li> </ul>	<ul style="list-style-type: none"> <li>Declining efficiency as Cost to Income ratio increased by to 51.3% in FY'24</li> </ul>	<b>BUY</b>
<b>Standard Chartered Bank</b> Current Price: KES 300.25 Target Price: KES 323.79 Upside: 7.8%	<ul style="list-style-type: none"> <li>Balanced demand growth for personalized wealth management and mass retail propositions unlocking 'last mile' growth frontiers.</li> <li>Widest net interest margins on account of stable cost of funds despite rising rate environment.</li> <li>Gross Non-Performing Loans (NPLs) decreased by 30.2% y/y in FY'24.</li> </ul>	<ul style="list-style-type: none"> <li>Suboptimal deployment of investable assets, despite its inexpensive funding base.</li> </ul>	<b>BUY</b>
<b>EABL Group</b> Current Price: KES 185.75 Target Price: KES 210.87 Upside: 13.5%	<ul style="list-style-type: none"> <li>Resilient demand levels across its portfolio brand offerings.</li> <li>Nimble growth across subsidiaries to support steady long-term growth.</li> <li>Current ratio moved into safety territory while cost indicators point to increased efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>Declining return on equity grounded by slower-than-expected net sales growth.</li> <li>Elevated finance costs likely to weigh on profitability over the medium-term.</li> </ul>	<b>BUY</b>
<b>Safaricom Plc</b> Current Price: KES 18.65 Target Price: KES 19.85 Upside: 6.4%	<ul style="list-style-type: none"> <li>Customer Value Management initiatives unlock new pockets of revenue growth for mature revenue lines like Voice and SMS.</li> <li>Strong commercial traction in Ethiopia - led by M-Pesa and Mobile Data propositions - propelling overall group earnings growth.</li> <li>Increased third-party platforming and utilization on M-Pesa App.</li> </ul>	<ul style="list-style-type: none"> <li>Rising finance costs likely to weigh on profitability margins and compress the dividend payout ratio.</li> <li>Competition from State-backed telco competitor likely to lengthen break-even projections in the Ethiopia unit.</li> </ul>	<b>HOLD</b>



**AIB-AXYS Africa Equities Coverage Universe**

Stock	Strengths	Risks	Recommendation
<b>Jubilee Holdings</b> Current Price: KES 210.0 Target Price: KES 228.43 Upside: 8.8%	<ul style="list-style-type: none"> <li>Promising growth in general insurance market share complemented by the roll-out of bancassurance partnerships.</li> <li>Progressive dividend policy</li> <li>Large disparity between market price and book value per share offers ample room for price discovery.</li> </ul>	<ul style="list-style-type: none"> <li>Industry-wide increase in claims ratio.</li> </ul>	HOLD
<b>I&amp;M Group</b> Current Price: 31.6 Target Price: 38.84 Upside: 22.9%	<ul style="list-style-type: none"> <li>Rebounded performance of regional subsidiaries driving strong double-digit profit margins.</li> <li>Resilient net interest margins on account of effective reinvestment yields.</li> </ul>	<ul style="list-style-type: none"> <li>Stock of Gross Non-Performing Loans (NPLs) increased to KES 35.51 Bn in FY'24</li> </ul>	BUY
<b>Kapchorua Tea</b> Current Price: KES 210.00 Target Price: KES 252.72 Upside: 20.3%	<ul style="list-style-type: none"> <li>Efficient cost management supports agile return on equity.</li> </ul>	<ul style="list-style-type: none"> <li>Escalation of geopolitical tensions risk disrupting key export market destinations.</li> <li>Strengthening shilling presents downside risks for offshore sales.</li> <li>Torrential rains risks destroying biological assets.</li> </ul>	HOLD
<b>CIC Insurance</b> Current Price: KES 2.98 Target Price: KES 3.11 Upside: 4.4%	<ul style="list-style-type: none"> <li>Profit After Tax surging 98.0% y/y to KES 2.8 Bn in FY'24 despite sector challenges from flood-related claims and anti-government protests.</li> <li>Management's strategic investments delivered exceptional results, with investment income growing 201.5% y/y to KES 8.8 Bn in FY'24</li> </ul>	<ul style="list-style-type: none"> <li>Dividend yield of 4.5% trails the industry average</li> <li>Industry-wide rise in claims ratio.</li> </ul>	HOLD
<b>Williamson Tea</b> Current Price: KES 220.00 Target Price: KES 245.00 Upside: 11.4%	<ul style="list-style-type: none"> <li>Growing demand for diverse tea blends offer new growth frontiers.</li> </ul>	<ul style="list-style-type: none"> <li>Escalation of geopolitical tensions risk disrupting key export market destinations.</li> <li>Strengthening shilling presents downside risks for offshore sales.</li> </ul>	HOLD

**AIB-AXYS Africa Equities Coverage Universe**

Stock	Strengths	Risks	Recommendation
<p><b>KenGen Plc</b>                      Current Price: KES 4.99                      Target Price: KES 5.64                      Upside: 13.0%</p>	<ul style="list-style-type: none"> <li>Shifting weather patterns supporting an acceleration in geothermal energy production.</li> <li>Ongoing expansion of Olkaria I and IV plants to step up energy capacity by an extra 58MW by 2025.</li> <li>Cost optimization initiatives continue to actualize improved cost to revenue performance</li> </ul>	<ul style="list-style-type: none"> <li>Adverse changes in weather patterns may lead to a decline in geothermal energy production. Existing thermal power operations remains expensive owing to rising fuel costs.</li> </ul>	<p><i>HOLD</i></p>
<p><b>KPLC</b>                      Current Price: KES 6.48                      Target Price: KES 7.18                      Upside: 10.8%</p>	<ul style="list-style-type: none"> <li>Continued optimization of business operations has seen working capital improvement during the half year, coming in at negative KES 18.99 Bn from negative KES 42.46 Bn registered at 2024</li> <li>Finance costs continue to decline due to the strengthening of the shilling, with retained earnings surging</li> </ul>	<ul style="list-style-type: none"> <li>Infrastructure constraints and elevated price level could hinder the potential upside for investors, with many manufactures and high consumption clients opting to use their own power sources in a bid to tame cost pressures.</li> </ul>	<p><i>HOLD</i></p>
<p><b>BAT Kenya</b>                      Current Price: KES 374.75                      Target Price: KES 516.2                      Upside: 37.8%</p>	<ul style="list-style-type: none"> <li>Organic consumer growth, driving consistent revenue expansion.</li> <li>Stabilizing cost pressures may raise gross margins.</li> <li>Progressive dividend policy.</li> </ul>	<ul style="list-style-type: none"> <li>Declining earnings momentum noted by FY'24.</li> <li>Strengthening shilling presents downside risks for offshore sales.</li> <li>Potential risks due to ongoing tax review</li> </ul>	<p><i>BUY</i></p>

**AIB-AXYS Africa Shari'ah Equities Portfolio Recommendation**

Stock	Strengths	Risks	Recommendation
<b>Williamson Tea</b> Current Price: KES 220.00 Target Price: KES 245.00 Upside: 11.4%	<ul style="list-style-type: none"> <li>Growing demand for diverse tea blends offer new growth frontiers.</li> </ul>	<ul style="list-style-type: none"> <li>Escalation of geopolitical tensions risk disrupting key export market destinations.</li> <li>Strengthening shilling presents downside risks for offshore sales.</li> </ul>	<i>HOLD</i>
<b>Kapchorua Tea</b> Current Price: KES 210.00 Target Price: KES 252.72 Upside: 20.3%	<ul style="list-style-type: none"> <li>Efficient cost management supports agile return on equity.</li> </ul>	<ul style="list-style-type: none"> <li>Escalation of geopolitical tensions risk disrupting key export market destinations.</li> <li>Strengthening shilling presents downside risks for offshore sales.</li> <li>Torrential rains risks destroying biological assets.</li> </ul>	<i>BUY</i>
<b>KenGen Plc</b> Current Price: KES 4.99 Target Price: KES 5.64 Upside: 13.0%	<ul style="list-style-type: none"> <li>Shifting weather patterns supporting an acceleration in geothermal energy production.</li> <li>Ongoing expansion of Olkaria I and IV plants to step up energy capacity by an extra 58MW by 2025.</li> </ul>	<ul style="list-style-type: none"> <li>Adverse changes in weather patterns may lead to a decline in geothermal energy production.</li> <li>Existing thermal power operations remains expensive owing to rising fuel costs.</li> </ul>	<i>HOLD</i>
<b>KPLC</b> Current Price: KES 6.48 Target Price: KES 7.18 Upside: 10.8%	<ul style="list-style-type: none"> <li>Continued optimization of business operations has seen working capital improvement during the half year, coming in at negative KES 18.99 Bn from negative KES 42.46 Bn registered at 2024</li> <li>Finance costs continue to decline due to strengthening of the shilling, with retained earnings surging</li> </ul>	<ul style="list-style-type: none"> <li>Infrastructure constraints and elevated price level could hinder the potential upside for investors, with many manufactures and high consumption clients opting to use their own power sources in a bid to tame cost pressures.</li> </ul>	<i>HOLD</i>
<b>Safaricom Plc</b> Current Price: KES 18.65 Target Price: KES 19.85 Upside: 6.4%	<ul style="list-style-type: none"> <li>Customer Value Management initiatives unlock new pockets of revenue growth for mature revenue lines like Voice and SMS.</li> <li>Increased third-party platforming and utilization on M-Pesa App.</li> </ul>	<ul style="list-style-type: none"> <li>Rising finance costs likely to weigh on profitability margins and compress the dividend payout ratio.</li> <li>Lengthened break-even projections in the Ethiopia unit.</li> </ul>	<i>HOLD</i>



**Upcoming Dividend Dates**

Company	Interim/Special Dividend	Final Dividend	Book Closure	Dividend Payment
EABL Plc	KES 2.50		21-Feb-25	30-Apr-25
Kenya Power and Lighting Company PLC	KES 0.20		28-Feb-25	11-Apr-25
KenGen Plc		KES 0.65	28-Nov-24	13-Feb-25
BAT		KES 50.00	23-May-25	25-Jun-25
Safaricom Plc	KES 0.55		3-Mar-25	31-Mar-25
Stanbic Holdings Plc **		KES 18.90	16-May-25	
ABSA Bank Kenya		KES 1.55	30-Apr-25	28-May-25
Co-operative Bank of Kenya		KES 1.50	28-Apr-25	10-Jun-25
Standard Chartered Bank of Kenya		KES 37.00	30-Apr-25	28-May-25
KCB Group Plc		KES 1.50	3-Apr-25	23-May-25
Nairobi Securities Exchange		KES 0.32	21-May-25	31-Jul-25
Equity Group Holdings Plc		KES 4.25	23-May-25	30-Jun-25
Diamond Trust Bank Kenya Ltd		KES 7.00	23-May-25	27-Jun-25
BK Group		RwF 19.02	30-May-25	25-Jun-25
CIC Insurance Group		KES 0.13	22-Apr-25	18-Jun-25
Kakuzi Plc		KES 8.00	31-May-25	16-Jun-25
The Co-operative Bank		KES 1.5	28-Apr-25	10-Jun-25
NCBA Group Plc		KES 3.25	30-Apr-25	28-May-25
I & M Group Plc		KES 1.70	16-Apr-25	22-May-25
Laptrust Imara I-REIT		KES 0.82	2-Apr-25	30-Apr-25
Kenya RE Insurance Corporation Ltd **		KES 0.15		
Liberty Kenya Holdings Ltd ** (Final)		KES 0.5		
Liberty Kenya Holdings Ltd ** (Special)		KES 0.5		
E.A Portland Cement		KES 1.00	31-Dec-24	28-Feb-25

\*\* Date Subject to APPROVAL

Source: NSE, AIB-AXYS Africa Research

## CONTACTS

### Research Desk

Email: [research@aib-axysafrica.com](mailto:research@aib-axysafrica.com)

### Equities Dealing

Email: [trading@aib-axysafrica.com](mailto:trading@aib-axysafrica.com)

### Bond Dealing

Email: [trading@aib-axysafrica.com](mailto:trading@aib-axysafrica.com)

### Derivatives Trading

Email: [Derivapplications@aib-axysafrica.com](mailto:Derivapplications@aib-axysafrica.com)

---

## Disclaimer

AIB-AXYS Africa and its parent company AXYS Group seek to do business with companies covered in their research reports. Consequently, a conflict of interest may arise that could affect the objectivity of this report. This document should only be considered a single factor used by investors in making their investment decisions. The reader should independently evaluate the investment risks and is solely responsible for their investment decisions. The opinions and information portrayed in this report may change without prior notice to investors.

This publication is intended solely for informational purposes and is not authorized for public distribution or use by the public media without prior and express written consent of AIB-AXYS Africa or AXYS Group. Redistribution or dissemination of this material, in whole or in part, is strictly prohibited and may lead to legal actions. By accessing this report, you acknowledge and agree to abide by these terms, ensuring the security and confidentiality of its contents.

This document does not constitute an offer, or the solicitation of an offer, for the sale or purchase of any security. Whilst every care has been taken in preparing this document, no representation, warranty or undertaking (express or implied) is given and no responsibility or liability is accepted by AIB-AXYS Africa or any of its employees as to the accuracy of the information contained and opinions expressed in this report.

Unlock our Exclusive Research spanning Macroeconomics, Equities, Fixed Income, and Sector-Specific Analyses now seamlessly on AlphaSense, LSEG, Tellimer, and S&P Global platforms

**S&P Global**

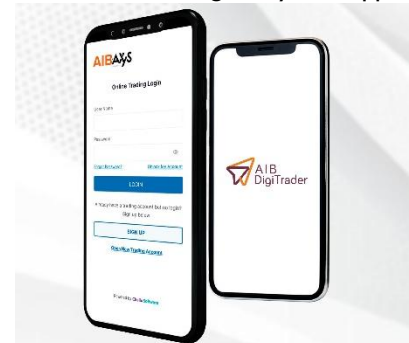
**Tellimer**

**AlphaSense**

**LSEG**

Begin your investment journey on our award-winning  
AIB DigiTrader App.

Available on both Google Play and Appstore.



Download the **AIB DigiTrader App!**

Trade Kenyan stocks online

