

Bamburi Cement LTD

We initiate coverage with a **BUY** recommendation based on a target price of KES 29.3 implying a 28.1% upside, from the current price of KES 23.35 as of 31st October 2023.

The recommendation is based on the company's revamped business strategy underpinned by digitization, product innovation and sustainability initiatives.

Key Upsides

- Resilient Revenue Growth-** the Group's revenue has been resilient despite declining by 5.8% to KES 39.0Bn in the previous year. We expect sales to register mild growth with a forecast CAGR of 2.7% in the next five years. The slower growth is on the back of a challenging operating environment and reduced government spending on infrastructure development due to heavy debt servicing. This should however be countered by opportunities emanating from implementation of the Government's affordable housing programme.
- Strong Asset Base-** Bamburi's assets have grown by 8.4% to KES 56.1Bn with a forecast CAGR of 2.8% in the next 5 years. Property, Plant and Equipment consisting of Land and residential buildings, Equipment and plant and machinery accounted for more than 70% of assets coming in at KES 39Bn. Limestone reserves are essential for the operations and were valued at KES 0.66Bn in 2022.

Key Downsides

- Deteriorating Efficiency-** The Group's operating expenses increased by 8.7% to KES 3.4Bn in 2022 from KES 3.1Bn in 2021. This was attributable to high cost of production arising from high energy costs and increased importation costs of raw materials such as clinker.
- Declining profit margins -** Bamburi's Profit after Tax declined by 86.9% to KES 0.2Bn from KES 1.4Bn in 2022. This was on the back of slump in revenue arising from significant inflation of fuel prices, logistics costs and imported clinker prices both in Kenya and Uganda. However, we project net income for the group to recover with a forecasted CAGR growth rate of 54% based on the growth strategy and settlement of Uganda's subsidiary tax issues.

Share Data

Recommendation	BUY
Current Price (KES) – 30 Oct '23	23.35
Target Price (KES)	29.3
Upside	25.6%
52WK High (KES)	37.0
52WK Low (KES)	21.3
Market Cap (Bn)	8.4
Current P/E	41.3x

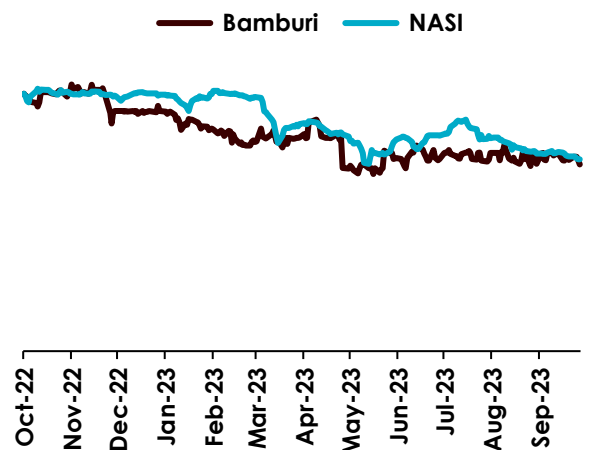
Source: Bloomberg, NSE, NCBA IB Research

Financial Performance – FY'2022 Snip

PAT	KES 0.18 Bn
Dividend per share	KES 0.75
Revenue	KES 34.0 Bn
Operating Cost	KES 3.42 Bn
Assets	KES 56.09 Bn
Liabilities	KES 17.80 Bn

Source: Annual Reports, NCBA IB Research

Share Price Performance

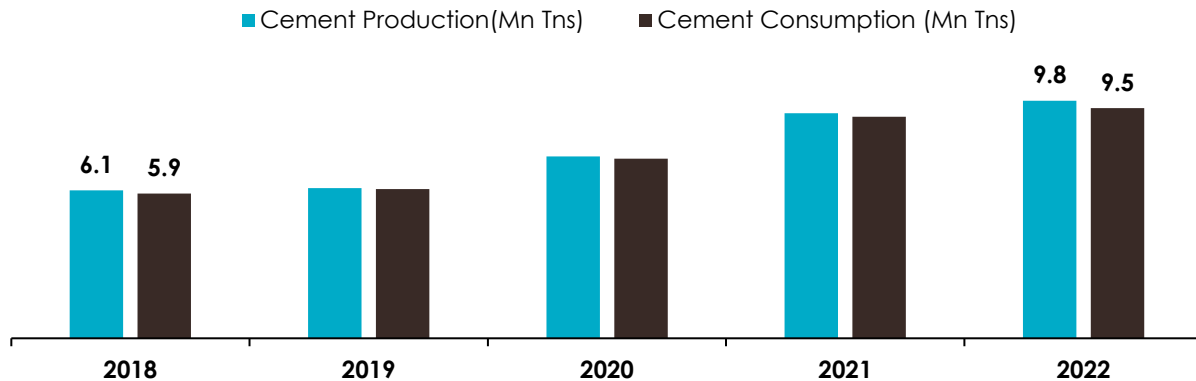


Kenyan Cement Industry

Kenya's cement production grew at a CAGR of 12.3% from 6.1 million metric tonnes in 2018 to 9.8 million metric tonnes in 2022, underpinned by growth in demand in the construction sector.

In the same period, cement consumption grew at a CAGR of 12.6% as shown by the graph below:

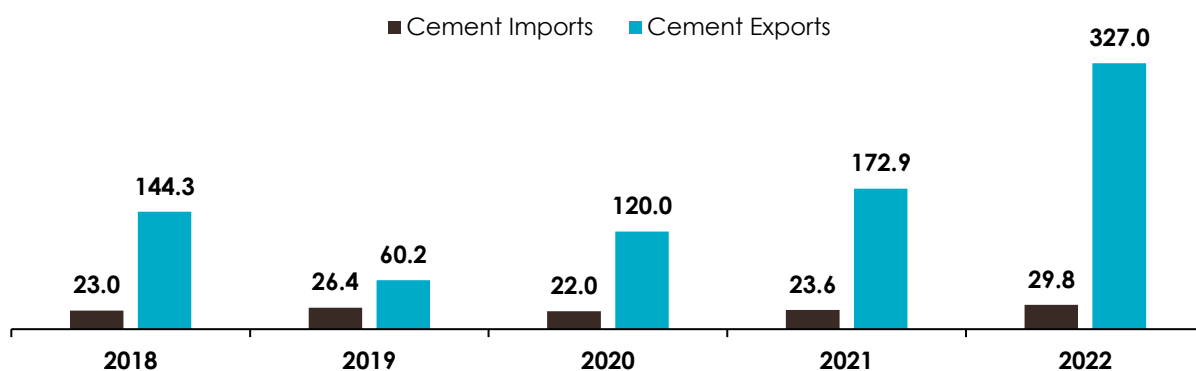
Cement Production Vs Consumption (Mn Metric Tonnes)



Source: KNBS, NCBA IB Research

Importation of cement remained subdued over the years despite a 23.6% increase to 29.8 thousand metric tonnes in 2022 from 23.6 thousand metric tonnes in 2021. Exports on the other hand, increased between 2018 and 2022 at a CAGR of 22.7%. There was a significant surge between 2021 and 2022 of 88.4% to 327.0 thousand metric tonnes in 2022 from 172.9 thousand metric tonnes in 2021. Tanzania and Uganda accounted for 18% of the total exports in 2022 while the rest of the countries accounted for 82%.

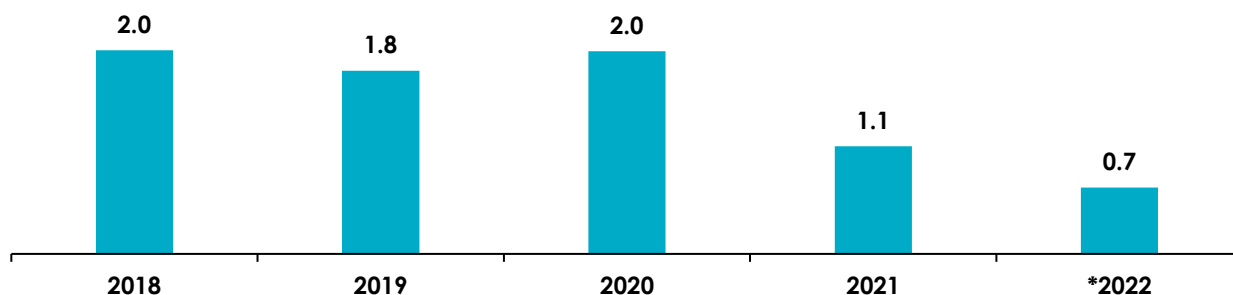
Cement Exports Vs Imports (Thousand Metric Tns)



Source: KNBS, NCBA IB Research

Cement production highly depends on clinker which constitutes about 60% of the finished cement. Clinker importation has been on the decline since 2021 with the increase in local clinker production by cement manufacturers.

Cement Clinker Imports(Million Metric Tonnes)

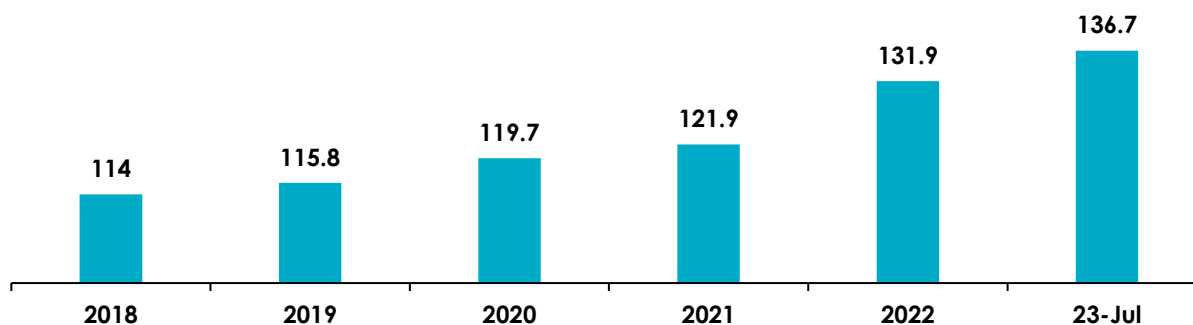


* Provisional

Source: KNBS, NCBA IB Research

Despite the adverse macro-economic environment, access to credit in the building and construction has grown at a CAGR of 3.7% between 2018 and July 2023. Access to credit supports the construction industry and sustains demand for cement. However, the increasing cost of credit driven by increase in interest rates, is expected to dampen demand for credit by all players in the construction industry.

Credit to Building & Construction Sector (KES Bn)



Source: CBK, NCBA IB Research

Relatedly, the government's affordable housing programme is expected to spur growth in the construction sector. The government allocated **KES 35.3Bn** in the FY'2023/24 for the affordable housing programme. This ambitious project will boost cement consumption as it is expected to deliver at least 250,000 housing units per annum, according to [National Treasury](#). The program will include;

Housing & Settlement Program	Budgeted Amount (KES 'Bn)
Construction of Markets	5.1
Kenya Affordable Housing Project (KMRC)	5.0
Construction of Affordable Housing Units	3.2
Kenya Informal Settlement Improvement Project-Phase II	5.6
Construction of Housing Units for National Police and Kenya Prisons	1.0
Kenya Urban Program	7.2
Construction of Social Housing Units	3.3
Total	30.4

Source: National Treasury, NCBA IB Research

COMPANY OVERVIEW – BAMBURI CEMENT PLC

Bamburi Cement is a public limited company that specializes in production of cement and construction materials. The company was founded in Kenya in 1951 by Dr. Felix Mandl becoming a household brand and industry leader contributing immensely to regional development.

Bamburi acquired Hima Cement Ltd in Uganda in 1999 to expand its East African regional footprint. The geographical location of the Uganda subsidiary provided ease of access to markets in DRC, Rwanda and Burundi.

Bamburi Cement is a subsidiary of LafargeHolcim and has operation bases in Kenya and Uganda.

Its plants in Kenya are located in:

- **Mombasa** - Integrated plant for clinkering and cement.
- **Athi River** – Cement grinding plant.

Its Uganda plants are located in:

- **Kasese, Western Uganda** – Integrated plant for clinkering and cement.
- **Tororo** – Cement grinding plant.
- **Namanve** – Blending station.

The company has four subsidiaries;

1. **Hima Cement** in Uganda,
2. **Bamburi Special Products Limited** offering ready mix concrete and precast blocks,
3. **Diani Estates Limited** and
4. **Lafarge Eco System Limited** that concentrates on environmental conservation through land reclamation.

Bamburi Cement Products and Services

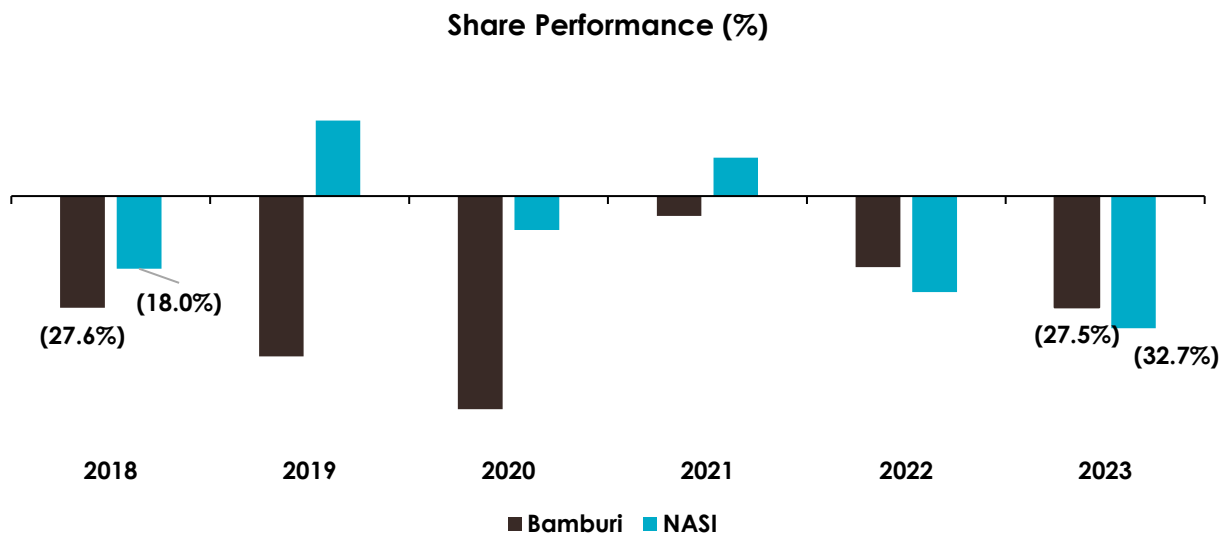
Bamburi is the leading cement and concrete producer in Eastern Africa region. The Group has been at the forefront of construction innovation and driving sustainably produced construction materials. The company's main markets are Kenya, Uganda, Rwanda, DRC and South Sudan.

Bamburi's products are;

- **Cement-** Bamburi's main product is cement with brands such as **Fundi, Tembo, Nguvu, power max, Duracem, Powerplus**, among others. Cement revenues accounted for approximately 96% of the total revenue in 2022;
- **Concrete-** The Group has used innovation and technology to produce a variety of quality concrete products through its subsidiary, Bamburi Special Products Ltd. The specialized concrete products include precast concrete and paving blocks and ready-mix concrete marketed under the brand name **BAMBURICONCRETE**.

Bamburi was listed in the Nairobi Securities Exchange (NSE) in 1970 in the Construction and Allied category and trades under the symbol BAMB. It has the largest market capitalization of KES 8.4Bn.

Bamburi's share price has recorded losses since 2018 performing poorly against NASI. However, the share price outperformed NASI in 2022 and in 2023 YTD.



Source: NSE, NCBA IB Research

Bamburi's major shareholders are Fincem Holding Ltd and Kencem Holding Ltd, each accounting for 29.3% share ownership, and represents Lafarge Holdings stake. The Group has a foreign ownership of 61% and local ownership of 39%. The table below shows Bamburi Cement top-ten shareholders:

Share Ownership	Percentage
FINCEM HOLDING LIMITED	29.30%
KENCEM HOLDING LIMITED	29.30%
STANDARD CHARTERED NOMINEES RESD A/C KE11396	15.68%
AKSAYA INVESTMENT HOLDINGS LIMITED	4.67%
STANDARD CHARTERED NOMINEES RESD A/C KE11443	2.80%
STANDARD CHARTERED KENYA NOMINEES LTD A/C KE004667	1.12%
STANDARD CHARTERED NOMINEES NONRESIDENT A/C 9661	0.76%
STANDARD CHARTERED NOM A/C KE 11993	0.72%
KESTREL CAPITAL NOMINEE SERVICES LIMITED A/C 6	0.60%
ICEA LION LIFE ASSURANCE COMPANY LIMITED-POOLED	0.57%
OTHERS	14.48%
TOTAL	100.0%

Source: NSE, NCBA IB Research

KEY DEVELOPMENTS

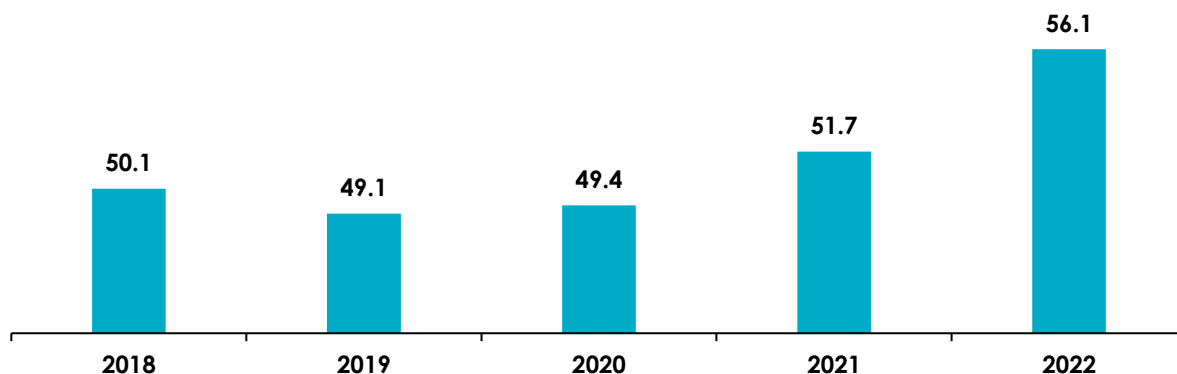
- 1. Digitization-** Digital transformation journey created an adaptable and resilient IT business model in 2022 to enhance value to both the business and clients. The **EcoSafi** project digitized existing archives and automated operations. Hima Cement rolled out e-permit to enhance safety compliance within different plants and launched HSE App to track and manage the operations.
- 2. Product Innovation-** the Group has continued with its innovation by introducing a range of products to increase efficiency and convenience. In 2022, Bamburi launched a construction solution aimed at resolving challenges in the tiling sector as well as tap into demand for specialty mortar products such as tile adhesives. The company launched Bamburi TectorCeram SETI 300, a ready to use tile adhesive designed for placement of porous tiles such as ceramic tiles. The Group also launched the dry mortar range of products (Tector ceram) to enhance accuracy in concrete mixing ratios to ascertain quality of structures for clients. The products offer value to customers by ensuring quality output for every project, as well as enhance construction convenience to clients. Additionally, Bamburi Cement, is well positioned to be the market leader in pushing out innovative and sustainable building products as captured in its **Strategy 2025-Accelerating Green Growth**. The strategy is anchored on four drivers, that is, accelerating growth, expanding solutions and products, leading in sustainability and innovation, and delivering superior performance.
- 3. Sustainability-** Bamburi is committed to its sustainability agenda evidenced by the launch of eco-labelled green products such as Bamburi Fundi whose goal is lowering CO₂ and NO_x emissions by more than 30%. Bamburi also launched its first Environmental, Social and Governance (ESG) committee to support sustainability reporting. The Group launched its Sustainability Report highlighting key sustainability milestones.
- 4. Health and Safety-** Bamburi's growth strategy is also pegged on its commitment to safety of all its stakeholders and the environment. The Group launched its critical management program in 2021 to ensure safety compliance. Lafarge Eco Systems limited is committed to rehabilitating used mining quarries into productive areas for tourism as well as ensure the safety of the local communities.
- 5. Geographical Diversification-** Bamburi Cement currently has production operations in Kenya and Uganda through which it services other major regional markets in Rwanda, South Sudan and DRC. The Company's operations in Kenya and Uganda are mainly involved in the sale and manufacture of cement, comprising over 96% of the Group's revenue. However, the Kenya segment remains the primary market accounting for 52.9% of total revenue in 2022.

KEY INVESTMENT THEMES

Strong Brand Name and Asset Base

Bamburi Cement has a strong brand name and a significant asset size of KES 56.1Bn, which grew at a CAGR of 2.8% between 2018 to 2022. It is one of the largest cement producers in Kenya and the East African region. It is a subsidiary of the larger LafargeHolcim.

Assets (KES Bn)



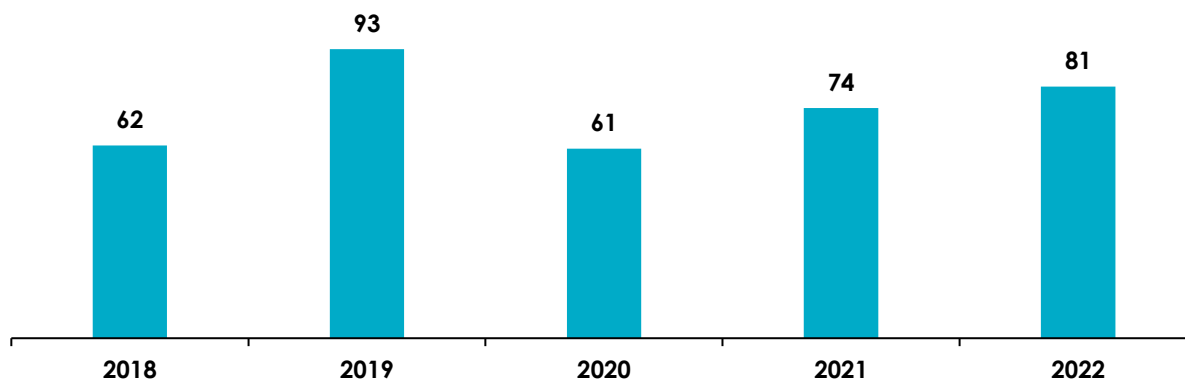
Source: Company Financials, NCBA IB Research

Diversification of Products and Services

Bamburi Cement has diversified its sources of revenue to not only include its traditional products of cement and precast blocks; but to also include eco-tourism proceeds. The latter is offered by its subsidiary, Lafarge Eco Systems Ltd. The subsidiary is committed to rehabilitating used mining quarries into productive areas for tourism, as well as ensure the safety of the local communities. Examples include Bamburi Haller Park and Bamburi Forest Trails in Kenya.

Income from tourism related activities from the aforementioned sites increased by a CAGR of 6.9% between 2018 and 2022 with a decline in 2020 attributable to onset of the COVID-19 pandemic. Despite contributing only 0.2% of total revenue in 2022, we expect positive performance given continued sustainability efforts to rehabilitate used mining quarries.

Income From Tourism Activities (KES Mn)

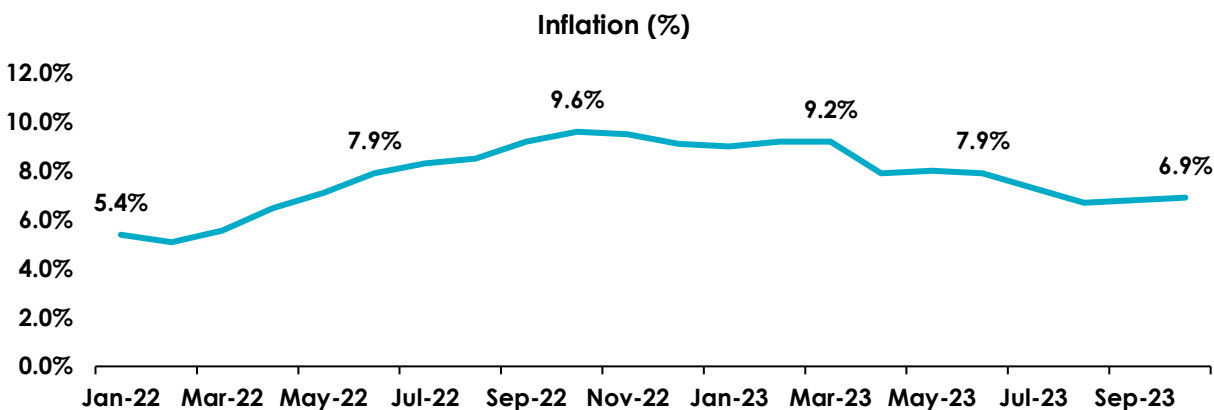


Source: Company Financials, NCBA IB Research

KEY INVESTMENT RISKS

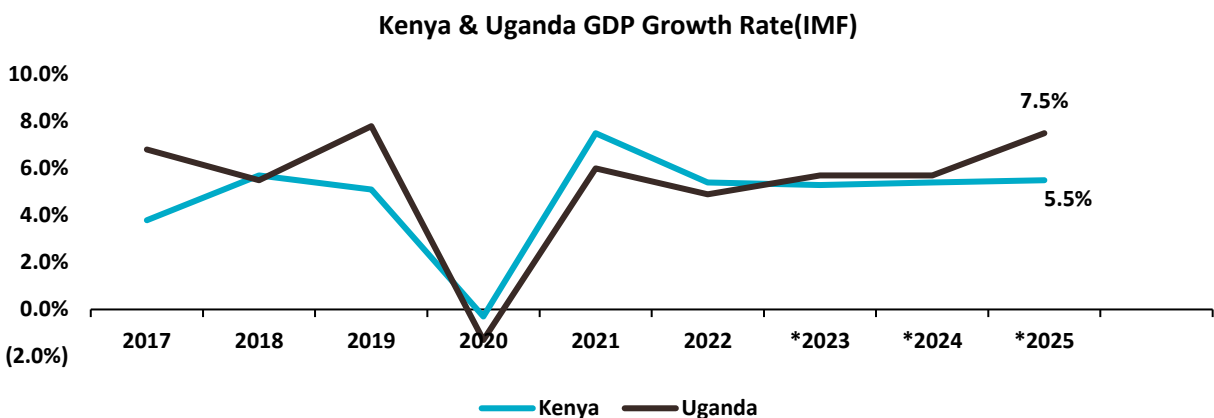
Adverse Economic Environment

The current economic condition in the company's primary market, Kenya is characterised by elevated inflation, high interest rate environment and increasing taxes. This has affected the cement market by reducing consumers' disposable income and subsequently impacting demand. Inflation in its other markets such as Rwanda, DRC and South Sudan also remains elevated. This is manifested in the decline of revenue by 5.8% to KES 39.0Bn in 2022.



Source: KNBS, NCBA IB Research

Political instability and ethnic conflicts in some of Bamburi's major markets such as DRC and South Sudan also affect the business adversely. Global geo-political tensions such as Russia-Ukraine war raised the cost of relevant raw materials such as Clinker consequently increasing the cost of production.



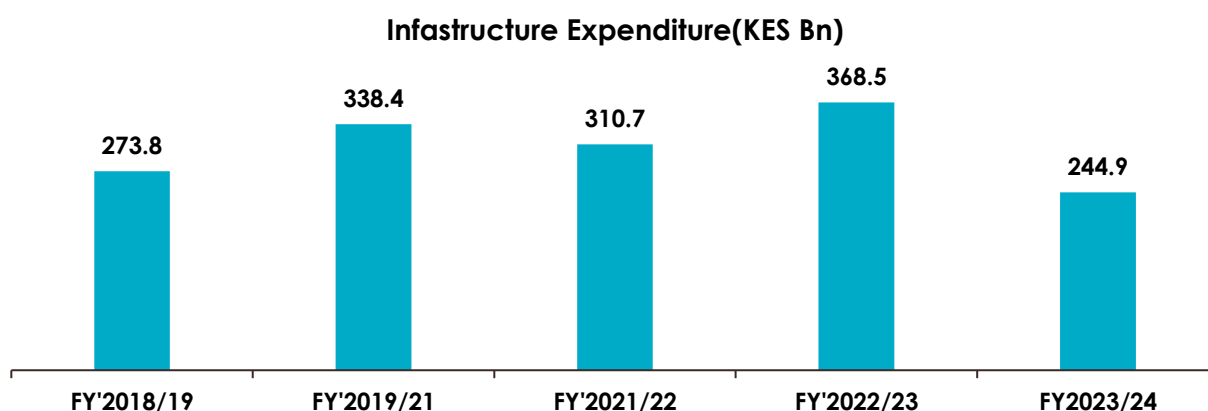
Source: IMF, NCBA IB Research

Despite the challenging business environment, Uganda's cement market is expected to perform better given the implementation of various construction projects especially in oil and energy sector development. Uganda, through partnerships with firms such as Total Energies reached a Final Investment Decision for oil production from the country's oil reserves. The country's economic recovery is also expected to continue and will support cement market.

Reduced Infrastructure Development Expenditure

Cement consumption is to a large extent driven by large government infrastructure projects such as road construction. Bamburi recorded the highest cement revenues in 2021 and 2022 at KES 39.3Bn and KES 37.6Bn, respectively, due to large infrastructural projects such as the expansion of Nairobi Eastern Bypass and Makupa Courseway Bridge, and the construction of the Nairobi Expressway.

We expect subdued cement demand due to the reduction in government allocation for infrastructure development to **KES 244.9Bn** in FY'2023/24 from **KES 365.8Bn** in the FY'2022/23. Indeed, the 2023/24 budgetary allocation to development expenditure is the lowest in the past five years. The reduced development expenditure underscores the government's austerity measures aimed at shoring up the significant upcoming debt repayment obligations.

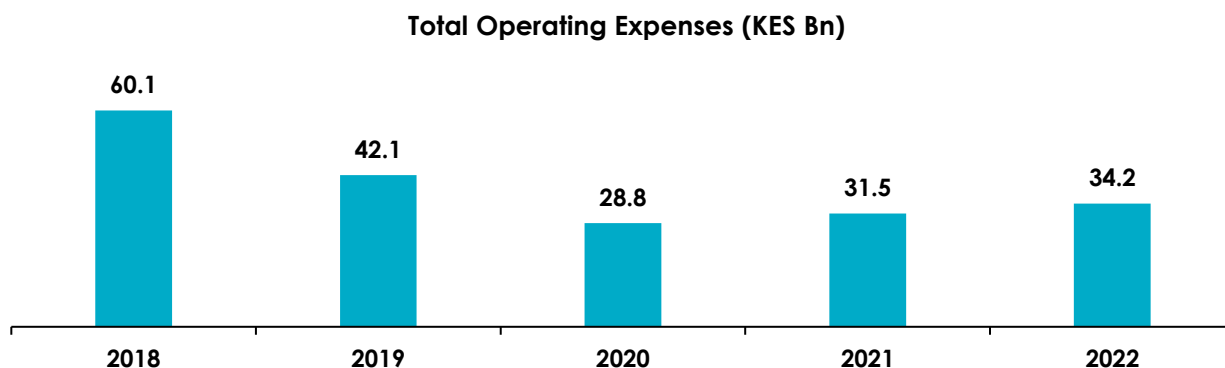


Source: National Treasury, NCBA IB Research

High Cost of Production

Cement manufacturing is an energy/power intensive venture. The continuing increase in power costs is likely to increase cost of production, which could erode the Company's profit margin, if there is no corresponding increase in output prices in future.

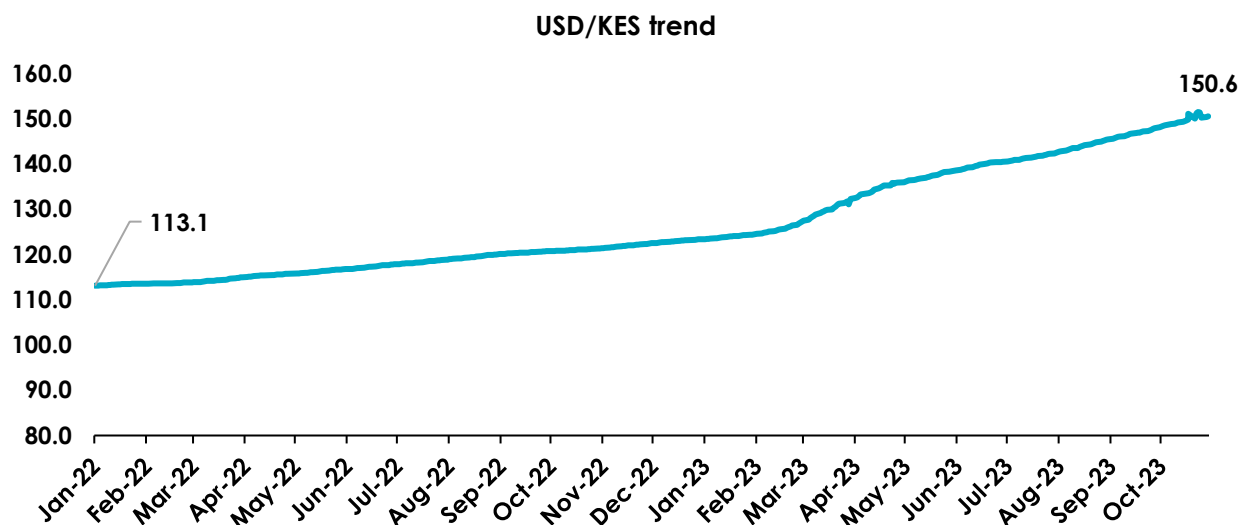
Bamburi's operating expenses increased by 8.7% to KES 34.2Bn in 2022 partly attributable to high energy and power prices. Operating expenses declined from 2018 to 2020 due to restructuring done in 2018 to reduce staff.



Source: Company financials, NCBA IB Research

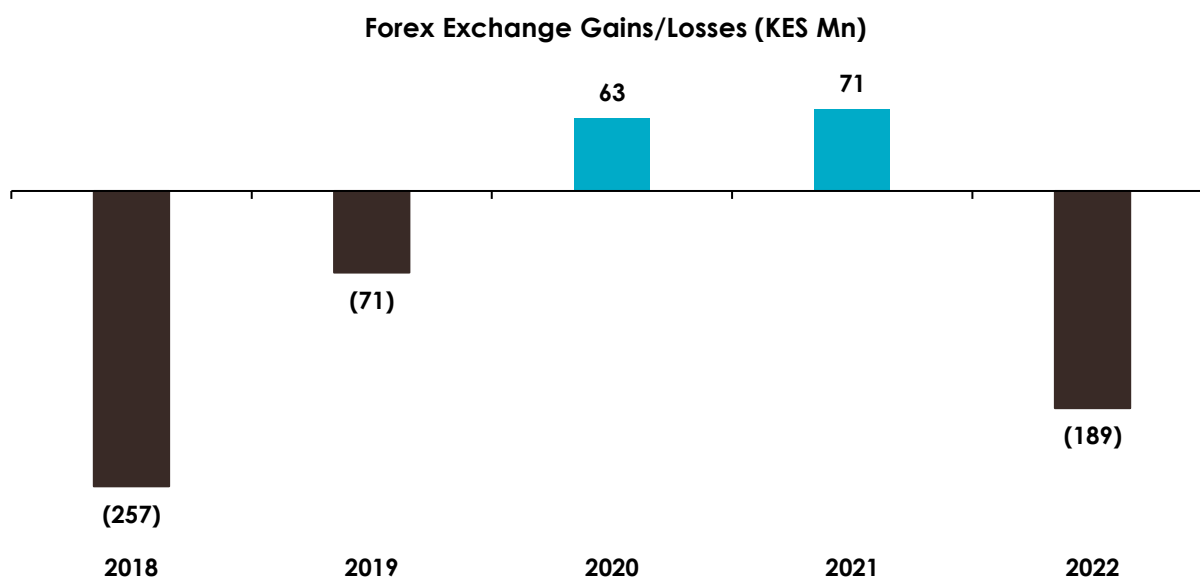
Exchange Rate Risk

Bamburi Cement imports raw materials such as clinker hence the exposure to exchange rate fluctuations in the market. The Kenyan shilling has depreciated significantly against the dollar with a YTD depreciation of 23%.



Source: CBK, NCBA IB Research

Consequently, Bamburi cement recorded forex exchange losses of KES 189Mn in 2022 from gains of KES 71Mn in 2021 which in turn eroded the profits. Going forward, we expect forex exchange losses to persist because of continued depreciation arising from current account deficit, high debt servicing cost and dwindling forex reserves.



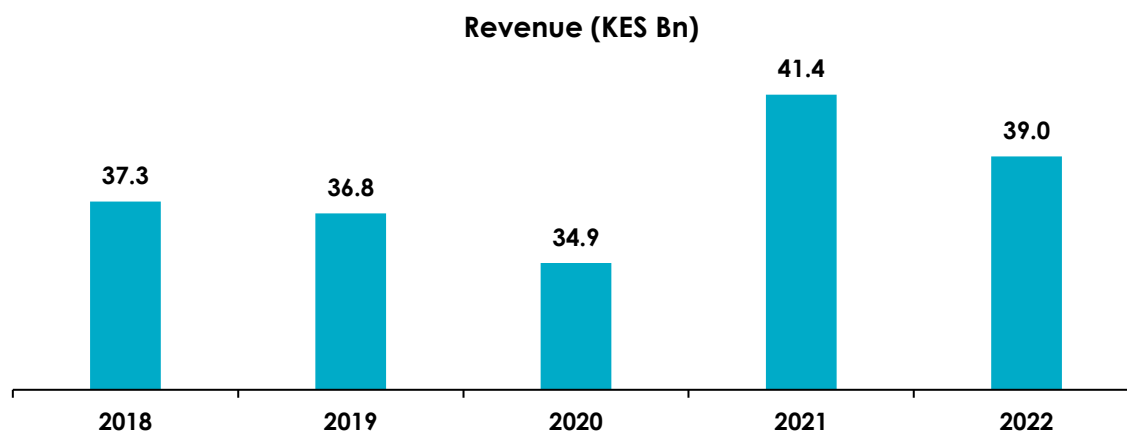
Source: Company financials, NCBA IB Research

FINANCIAL PERFORMANCE

Revenue Performance

Bamburi Cement revenue declined by 5.8% to KES 39.0Bn in 2022 driven by significant sales decline in Kenya. The shrink in revenue in Kenya was mainly driven by the decline in government infrastructure developments, suppressed consumer purchasing power and stunted private sector credit growth.

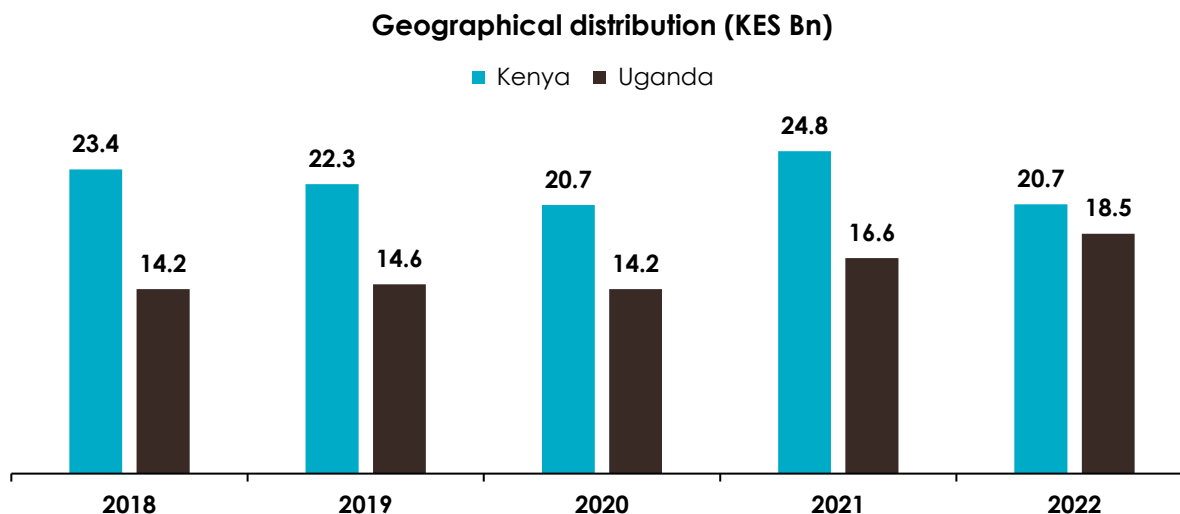
Despite the dwindling performance, the Group expects positive growth given the revamped business strategy and continued economic recovery. We project revenue will rise to KES **40.2Bn** in 2023 hinged on the success of the strategies put in place.



Source: Company Financials, NCBA IB Research

Kenya operations' revenue performance slumped by 16.5% to KES 20.7Bn in 2022 from KES 24.8Bn in 2021 attributable to decline in infrastructure projects and adverse macro-economic conditions.

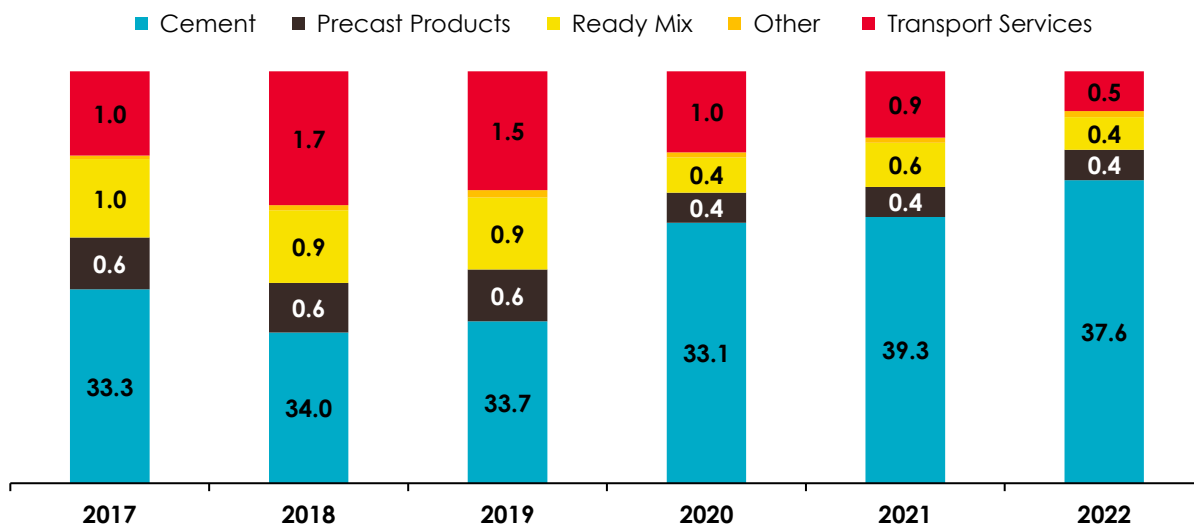
However, Uganda's revenue rose by 11.3% to KES 18.5Bn in 2022 on the back of a 6% growth in the Ugandan cement market driven by urbanization as well as the start of the construction of the oil refinery and gas projects.



Source: Company Financials, NCBA IB Research

Cement has been the largest revenue contributor for Bamburi accounting for 96.3% in 2022. Transport services, Ready mix and Precast Products accounted for 1.4%, 1.1% and 1.0%, respectively. Other revenue sources accounted for 0.2% of total revenue and consist mainly of service delivery income from tourism activities earned by Lafarge Eco Systems.

Revenue Distribution (KES Bn)



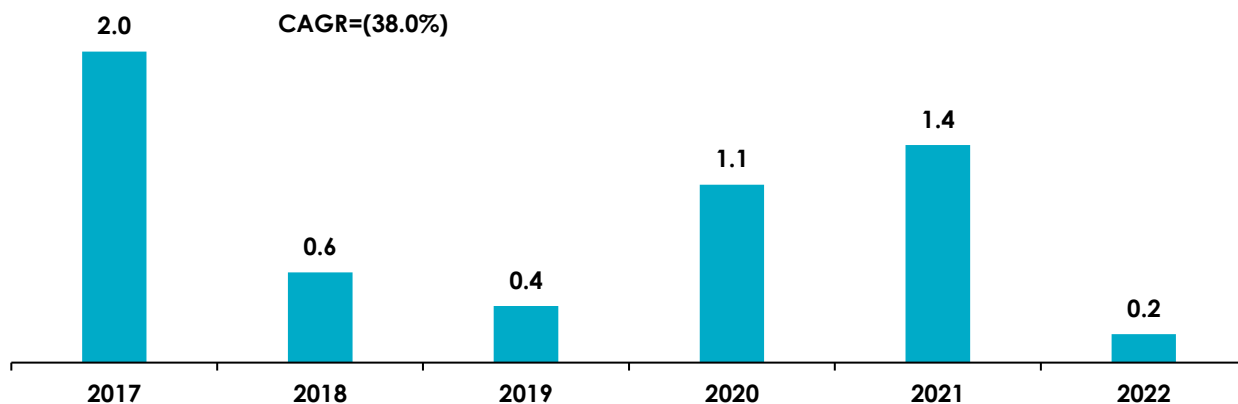
Source: Company Financials, NCBA IB Research

Profitability

The Group's profit has declined at a 5-year CAGR of 38% to KES 0.2Bn in 2022 from KES 2.0Bn in 2017. The reduction was partly due to the drop in the top line coupled with significant inflationary pressures arising from fuel prices, logistics costs and clinker import prices both in Kenya and Uganda.

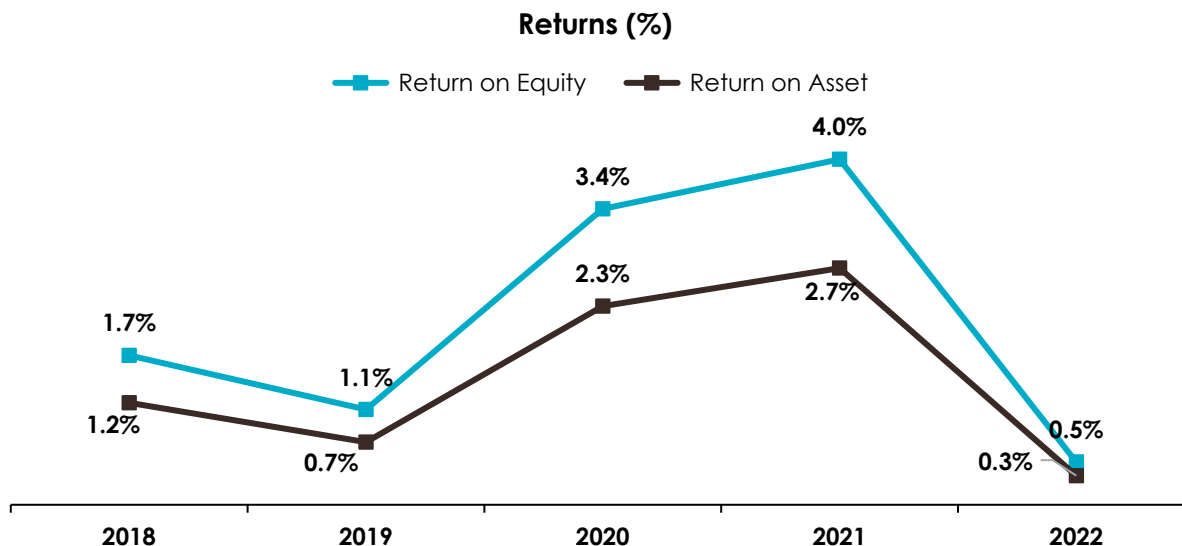
We believe the business will register improved performance in the long term based on the revamped business strategy and expected economic recovery.

Profit after tax (KES Bn)



Source: Company Financials, NCBA IB Research

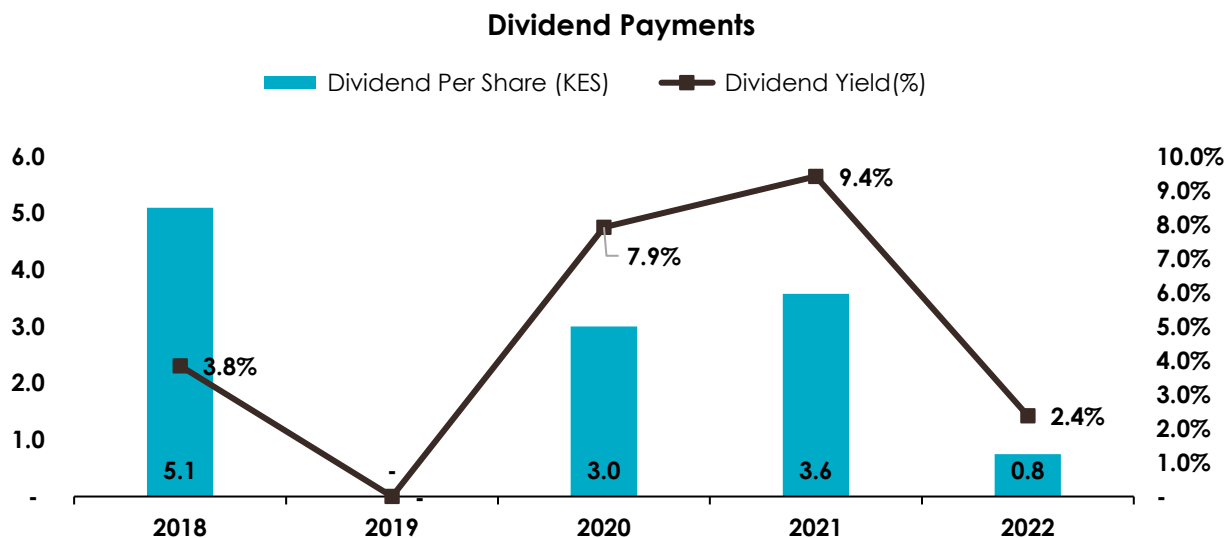
Bamburi's Return on Equity (ROE) declined by 3.5% points to 0.5% in 2022 mainly attributable to decline in PAT to KES 0.18Bn in 2022 from KES 1.38Bn in 2021. Similarly, Return on Asset (ROA) declined by 2.4% points to 0.3% in 2022. The decline in profitability is mainly on the back of declining performance arising from adverse economic conditions.



Source: Company Financials, NCBA IB Research

Dividend Payout:

Bamburi has consistently paid dividends in the past 5 years except for 2019. However, dividend paid declined significantly to **KES 0.75** per share in 2022 from **KES 3.6** per share in 2021. Consequently, the dividend yields also declined to 2.4% in 2022 from 9.4% in 2021. The reduced dividend payment is due to the decline in Bamburi's performance with PAT deteriorating significantly by **86.9%** to **KES 0.18Bn** in 2022. Going forward, we expect Bamburi to continue paying dividends depending on the performance.



Source: Company Financials, NCBA IB Research

H1'2023 Performance

Bamburi Cement Plc	Key Metrics Y/Y
Turnover	Up 10.6% to KES 22.3Bn
Total Operating Cost	Up 10.5% to KES 21.8Bn
Operating Profit	Up 15.6% to KES 451Mn
Profit Before Tax	Up 400.8% to KES 621Mn
Taxation	Up 1,737.9% to KES 533Mn
Profit After Tax	Down 7.4% to KES 88Mn
EPS	Down 16.3% to KES 0.36

Source: Company financials, NCBA IB Research

Turnover - Bamburi's total turnover increased by 10.6% to KES 22.3Bn in H1'2023 despite the operating environment given the heightened inflationary pressures, coupled with currency depreciation.

Operating Expenses- H1'2023, Bamburi's total operating cost increased by 10.5% to KES 21.8Bn. The surge is partly attributable to increased costs of inputs arising from elevated inflation and currency depreciation consequently increasing the cost of fuel, power and raw materials.

Taxation -The amount of taxes paid for H1'2023 increased significantly to KES 533.0Mn from KES 29.0Mn paid in the same period last year attributable to settlement of corporation tax in Uganda.

Profit After Tax (PAT) – Net income declined by 7.4% to KES 88.0Mn in H1'2023 mainly attributable to the massive increase in taxes paid as a result of settlement of corporation tax in Uganda. Consequently, EPS also contracted by 16.3% to KES 0.36 in H1'2023.

Outlook

Despite the less than impressive performance in 2022 and H1'2023, we believe Bamburi will deliver a relatively stable performance in the future. The performance will be pegged on;

- 1. Expected Economic Recovery** – We expect sustained economic recovery both in Kenya and Uganda, as well as in Bamburi's main markets in Rwanda, DRC and South Sudan. Manufacturing growth is expected to accelerate given the global supply chain stabilization and consumer demand surge. However, we remain cognizant that the global disruptions on the raw material supply chain are still expected to persist.
- 2. Reduced production cost** – The main production cost components for Bamburi Cement are energy, power and raw materials such as clinker, remain higher due to supply chain constraints. However, we believe the logistic constraints will ease going forward hence reducing the cost of major production inputs.
- 3. Revamped Business Strategy** – The group revamped its Strategy **2025-Accelerating Green Growth** to become the market leader in innovative and sustainable building solutions. The strategy will ensure profitable growth sustainably coupled with innovation, thus making the group well-positioned to improve its market share by seizing and servicing opportunities in the market.

Valuation

We derive our target price by blending Discount Cashflow Model, EV/EBITDA and P/E approaches to arrive at a 12-month target price of **KES 29.3 for Bamburi Cement Plc.**

The target price implies an upside of **28.1%** to the current trading price of **KES 23.35** as of 31st October 2023.

Assumptions

- Risk free rate of 13.8% based on the 10-year Treasury bond yields.
- Tax rate of 30%.
- Equity risk premium of 14.9%.
- Beta of 1.19 on stock's relative volatility on the index.
- Long term growth rate of 5.0% based on GDP growth forecast for 2023.

Valuation Methodology	Implied Price	Weighting	Weighted Value
DCF Approach	24.95	60%	14.97
EV/EBITDA	37.28	30%	11.18
P/E Approach	31.75	10%	3.17
Fair Value		100%	29.33
Current Price (31st Oct 2023)			23.35
Upside/(Downside)			28.1%

Investment Recommendation

We recommend a **BUY** based on a target price of **KES 29.3** implying a **28.1%** return on the current market price of KES 23.35 as of 31st October 2023.

The recommendation is based on the company's revamped business strategy underpinned by digitization, product innovation and sustainability initiatives. The expectation for sustained economic recovery should improve fortunes for the cement industry.

Appendix I: Key Ratios

	Profitability Ratios				
	2018	2019	2020	2021	2022
Gross Profit Margin	18.1%	14.4%	13.9%	13.2%	10.9%
Net Profit Margin	1.5%	1.0%	3.2%	3.3%	0.5%
Operating Profit Margin	2.1%	3.0%	5.7%	5.6%	2.2%
Return on Equity	1.7%	1.1%	3.4%	4.0%	0.5%
Return on Asset	1.2%	0.7%	2.3%	2.7%	0.3%

	Liquidity Ratios				
	2018	2019	2020	2021	2022
Quick Ratio	0.6	0.7	1.2	1.3	0.8
Current Ratio	1.3	1.4	1.8	1.9	1.5

	Solvency Ratios				
	2018	2019	2020	2021	2022
Debt to Equity	0.06	0.06	0.06	0.06	0.07
Debt to Asset	0.04	0.04	0.04	0.04	0.04

Appendix II: Historical Profit and Loss Statement (KES Mn)

	2018	2019	2020	2021	2022
Cement	33,956	33,668	33,088	39,333	37,556
Precast Products	625	648	356	423	402
Ready Mix	923	903	419	620	431
Other	62	93	61	74	81
Transport Services	1,696	1,484	960	931	528
Total Revenue Actuals	37,262	36,796	34,884	41,381	38,998
Costs of goods sold	(26,526)	(27,737)	(26,685)	(31,908)	(30,975)
Transport Services	(4,001)	(3,755)	(3,361)	(4,028)	(3,762)
Cost of sales Actuals	(30,527)	(31,492)	(30,046)	(35,936)	(34,737)
Gross Profit Actuals	6,735	5,304	4,838	5,445	4,261
Other income Actuals	47	24	21	17	20
Gross Profit and Other Income Actuals	6,782	5,328	4,859	5,462	4,281
Other gains and losses	(255)	125	323	290	(77)
Marketing and distribution costs Actuals	(1,002)	(862)	(321)	(623)	(761)
Administrative expenses Actuals	(3,033)	(2,085)	(1,929)	(2,679)	(2,614)
Net impairment losses on financial assets	(52)	(132)	(118)	47	68
Other Operating Expenses	(1,463)	(1,182)	(831)	-	-
Restructuring Costs	(153)	-	-	-	-
Impairment of property, plant and equipment	(49)	(75)	-	(182)	(38)
Total Operating Expenses	(6,007)	(4,211)	(2,876)	(3,147)	(3,422)
Operating Profit	775	1,117	1,983	2,315	859
Finance Income	103	60	62	78	68
Finance cost	(258)	(449)	(269)	(221)	(292)
Net Finance costs Actuals	(155)	(389)	(207)	(143)	(224)
Profit before income tax Actuals	620	728	1,776	2,172	635
Tax calculated at domestic rate; 30% Actuals	(48)	(369)	(647)	(792)	(454)
Total Net Profit After Tax	572	359	1,129	1,380	181

Appendix III: Historical Statement of Financial Position (KES Mn)

	2018	2019	2020	2021	2022
Non-Current Assets					
Property, plant and equipment Actuals	36,224	35,003	35,159	35,396	39,407
Prepaid operating lease rentals actuals	124	-	116	116	110
Right-of-use assets Actuals	-	588	407	424	721
Intangible Assets Actuals	244	139	35	29	24
Equity Investments Actuals	180	163	124	75	77
Biological Assets Actuals	399	335	119	-	-
Limestone Reserves Actuals	525	521	560	604	625
other long-term investments actuals	-	-	-	-	-
Goodwill Actuals	217	217	217	217	217
Total Non-current Assets Actuals	37,913	36,966	36,737	36,861	41,181
Current Assets					
Inventories Actuals	6,862	5,821	4,267	5,007	6,832
Biological Assets	72	136	-	-	-
Trade and other Receivables Actuals	2,653	2,515	1,630	2,419	2,964
Corporate Tax Recoverable Actuals	280	514	425	507	827
Cash at bank and cash in hand Actuals	2,366	3,106	6,387	6,934	4,283
Total Current Assets Actuals	12,233	12,092	12,709	14,867	14,906
Assets classified as held for sale	-	27	-	-	-
Total Assets Actuals	50,146	49,085	49,446	51,728	56,087
Capital Reserves Attributable to Company's Shareholder's Equity					
Share Capital Actuals	1,815	1,815	1,815	1,815	1,815
Asset Revaluation Reserves Actuals	11,906	11,664	11,422	11,160	14,839
Translation Reserve Actuals	(2,042)	(2,027)	(1,462)	(803)	(475)
Fair Value Reserves Actuals	-	-	-	-	-
Retained Earnings Actuals	17,897	17,251	18,527	18,970	17,865
Equity attributable to owners of the Company	29,576	28,703	30,302	31,142	34,044
Non-controlling Interest	3,694	3,429	3,749	4,111	4,231
Total equity Actuals	33,270	32,132	34,051	35,253	38,275
Non-Current Liabilities					
Deferred tax liability	4,675	4,915	4,935	5,015	6,437
Provisions	289	285	448	491	454
Employees' defined benefit liabilities	479	468	383	366	354
Long term borrowings	2,010	2,056	2,191	2,273	-
Lease liabilities	-	448	421	454	742
Total non-current liabilities Actuals	7,453	8,172	8,378	8,599	7,987
Current Liabilities					
Unclaimed Dividends	1	1	-	-	-
Bank overdrafts Actuals	1,403	1,772	136	245	316
Short term borrowings Actuals	-	-	-	-	2,508
Lease liability Actuals	-	47	29	20	42
Provisions Actuals	69	89	94	101	149
Employees' defined benefit liabilities Actuals	42	47	54	48	50
Trade and other payables Actuals	7,815	6,655	6,397	7,413	6,760
Corporate tax payables Actuals	93	170	307	49	-
Total Current Liabilities Actuals	9,423	8,781	7,017	7,876	9,825
Total Liabilities Actuals	16,876	16,953	15,395	16,475	17,812
Total Equity and Liabilities Actuals	50,146	49,085	49,446	51,728	56,087

About NCBA Investment Bank

NCBA Investment Bank is a subsidiary of NCBA Group. The services offered by the brokerage department include equities trading for listed securities, fixed income trading for both corporate and government bonds, Over the Counter (OTC) equity transactions as well as execution of equities transactions across the East African countries. Additionally, NCBA Investment Bank backs these activities with solid advice from the research team to enable investors meet their return objectives. NCBA Investment Bank deploys simple and convenient client driven technologies, robust risk management, highly competent and experienced staff and has the backing of robust research capabilities to differentiate itself from other players in the market.

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Certification

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Rating Definitions

BUY – Total expected 12-month return (incl. dividends) greater than 20%
ACCUMULATE - Total expected 12-month return (incl. dividends) between 10% - 20%
HOLD – Total expected 12-month return (incl. dividends) between 0% -10%
SELL – Total expected 12-month return (incl. dividends) less than 0%

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