

CARBACID KENYA PLC | FY 2024 EARNINGS UPDATE

Carbacid PLC announced their FY2024 financial results recording a 3.44% increase in profit after tax. The performance was on the back of positive topline despite the challenging macro-economic environment marred with elevated inflation and unpredictable regulatory policies.

FY 2024 Financial Highlights (% = y/y performance)

- Turnover:** The company recorded a turnover of KES 2.07Bn, up from KES 1.72Bn in 2023, reflecting an 20% increase. The growth was primarily driven by growing regional demand for carbon dioxide and entry into new markets.
- Profitability:** PAT increased by 3.34% to KES 0.84Bn from KES 0.82Bn recorded in 2023. Despite rising costs across the entire supply chain, the business successfully maintained profitability through cost management initiatives.
- Dividend:** The company declared a KES 1.70 DPS with a books closure being on 26th November and payment on or about 18th December 2024.
- Earnings per share:** The investment portfolio comprising government bonds, deposits, and listed equities, continued to register exponential growth. As a result, the EPS increased to **KES 3.31** from KES 3.20 in the previous year.

Outlook

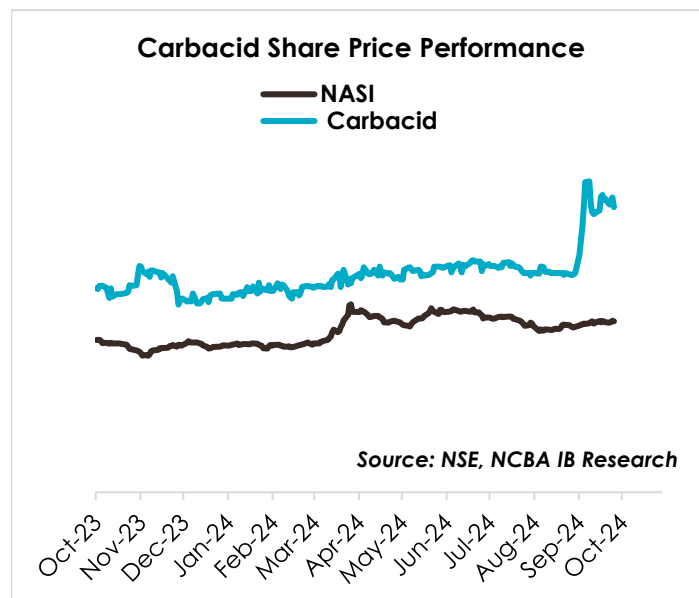
The company is poised to deliver relatively strong performance inspite of a significant uptick in the cost of doing business arising from higher input costs.

The performance will be pegged on;

- Value addition:** The Group is adopting agile and optimal business processes. It has elevated the quality of its production capacity and has continued to upgrade its assets and capabilities to differentiate its services from its competitors. We remain cognizant of the fact that global disruptions on the supply chain of raw materials may persist.

Share Data	
Ticker	CBIL KN
RECOMMENDATION	HOLD
Current Price (KES)	22.70
Target Price (KES)	22.30
Upside	1.8%
52WK High (KES)	23.90
52WK Low (KES)	11.00
Market Cap (KES Mn)	KES 5.78
Dividend FY2024	KES 1.70
Current Price = as of 30 th October 2024	

Source: Bloomberg, Company financials, NCBA IB Research



Analyst: Anjali Patel

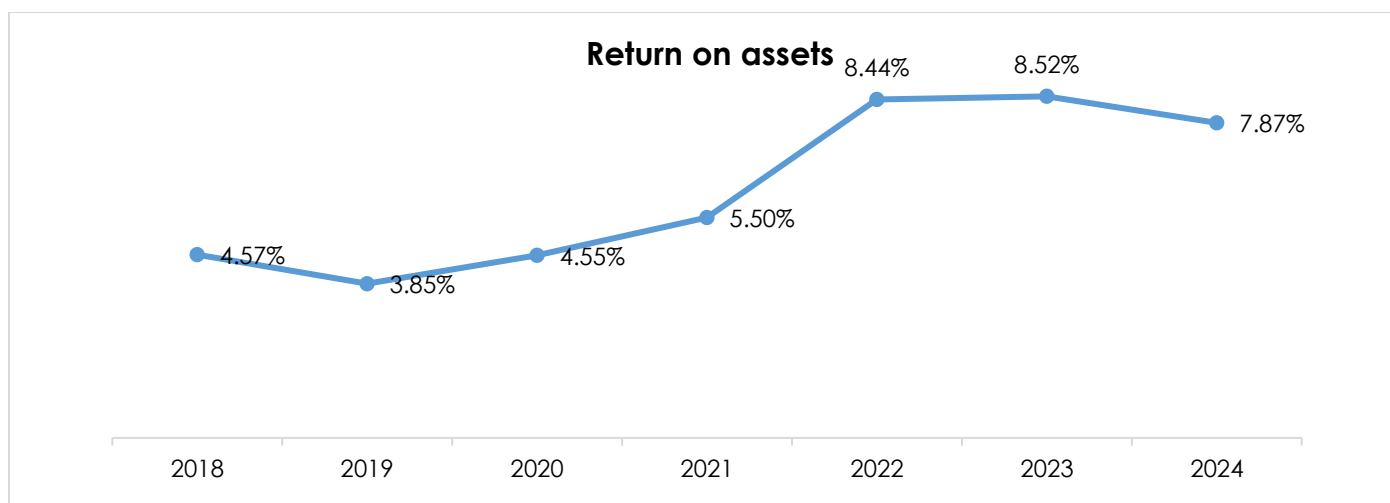
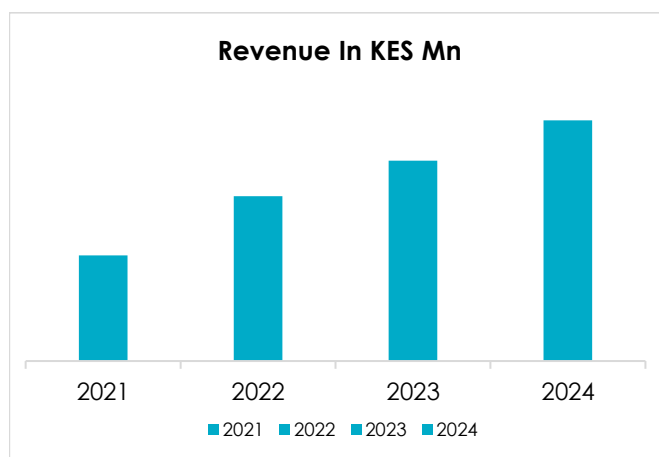
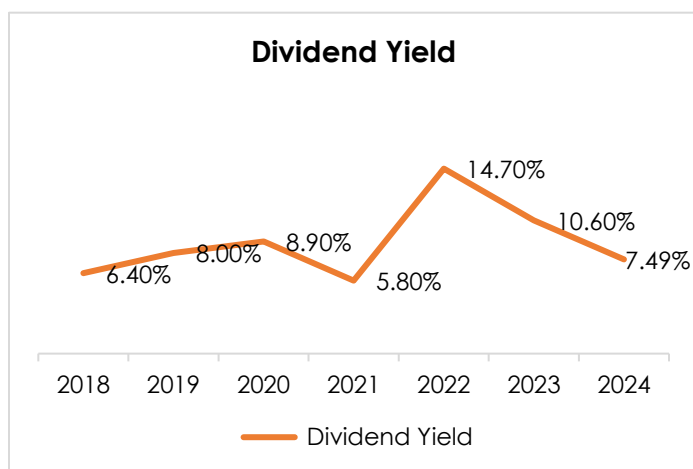
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- To further support future business growth, the Group has also successfully commissioned a new state-of-the-art CO₂ recovery plant which became fully operational in 2024. The additional capacity from this new plant is expected to improve plant utilization and enable the business to venture into new markets.
- Diversification and Regional Presence** – The manufacturer has recorded increased turnover driven by growth in regional demand and continued search for new markets. The group is continuously sourcing new markets for its products. It continues to invest in R&D to diversify revenue streams and improve overall profitability.

Investment Recommendation

We recommend a **HOLD** based on a target price of **KES 22.30** implying an 1.8% return on the current market price of KES 22.70 as of 30th October 2024.

The recommendation is based on the company's revamped business strategy underpinned by increased productivity. Relatedly its commitment to operational efficiency coupled with high safety standards will enhance its competitiveness.



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