

EABL Plc Launches KES 20.0Bn Domestic Medium-Term Note Programme

East African Breweries Plc (EABL) has re-entered the corporate bond market, announcing a **KES 20.0Bn Domestic Medium-Term Note Programme** following approval by the Capital Markets Authority on 2 October 2025.

The **first tranche**, targeting **KES 11.0Bn**, comprises a **5-year listed corporate bond** offering a **fixed coupon of 11.80% per annum**. The offer opens on 27 October 2025 and closes on 10 November 2025, with a **minimum subscription of KES 10,000**.

Proceeds will be applied towards **general corporate purposes**, with EABL noting that the issue will not result in an increase in the Group's overall debt levels.

Key Offer Details	Summary
Programme Amount	Up to KES 20.0Bn
Tranche I Amount	KES 11.0Bn
Instrument	Listed Corporate Bond
Tenor	5 years
Coupon	11.80% p.a.
Offer Period	27 Oct – 10 Nov 2025
Listing	Nairobi Securities Exchange
Minimum Subscription	KES 10,000
Payment & Issue Date	18 Nov 2025

Market Commentary

The **11.8% pricing** sits narrowly above comparable sovereign yields, underscoring **EABL's strong credit standing** and **investor confidence** amid constrained supply of A-rated corporate paper.

While the yield appears modest from a risk premium perspective, the issuance reflects a **confidence-led transaction**, driven by the brand's market reputation and investors' search for credible, high-quality paper.

Market Insight

- From a macro perspective, the EABL issuance offers more than just a pricing signal — it provides a window into current market dynamics and investor sentiment.

Tight credit spreads continue to define Kenya's fixed income landscape, driven by the limited availability of A-grade corporate paper.

- The transaction **highlights the fragility of the capital markets**, where a few blue-chip issuers dominate issuance and genuine **risk-based price discovery remains shallow**.
- It **underscores the absence of market breadth**, as investors compete for a narrow pool of credible names amid persistent supply constraints.
- It may also **signal early signs of macro stability** — not an imminent policy pivot, but a steadier, more predictable rate environment if inflation expectations remain contained and CBK maintains its stance.

Ultimately, the real story lies beyond the coupon — in the confidence it conveys.

EABL's successful return to the market reinforces both investor trust and issuer credibility, quietly revealing the underlying sentiment of a market in cautious recovery.

Recommendation

We view the EABL issuance as a **statement of confidence rather than a yield play**. The pricing reflects compressed credit spreads amid strong demand for top-tier issuers, limited corporate supply, and improving investor sentiment.

As the market stabilises, broader corporate participation will be critical in restoring depth, diversification, and true risk-based pricing across Kenya's fixed income landscape.

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