



Faida Investment Bank

February 2026
STOCK PICKS

To Our Esteemed Clients,

We are pleased to share our **February 2026 Stock Picks**, reflecting current market dynamics, sectoral trends, and company-specific fundamentals across the Nairobi Securities Exchange (NSE).

Our objective remains to provide timely and actionable insights that empower investors to make informed decisions. This report outlines updated ratings, target prices, and rationale for select counters, based on rigorous research and continuous engagement with market developments.

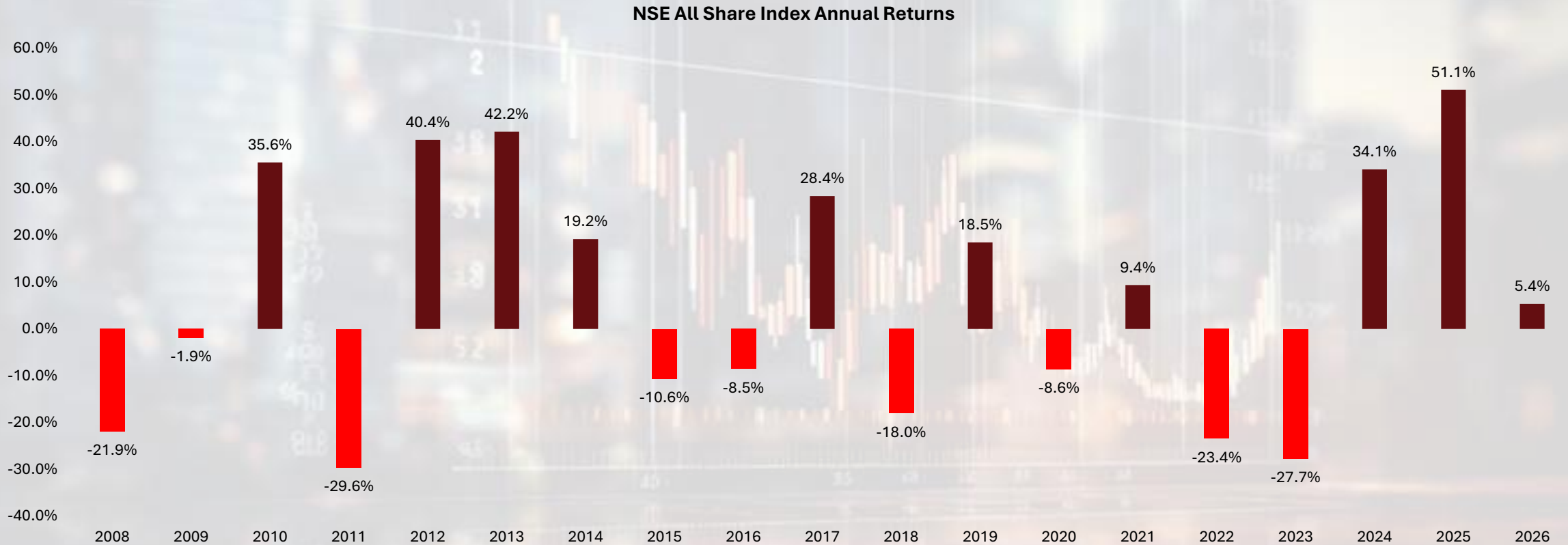
We hope you find the report insightful. For further guidance or personalised investment planning, feel free to reach out to our Research Team or your Wealth Manager.

Research Team.
Faida Investment Bank
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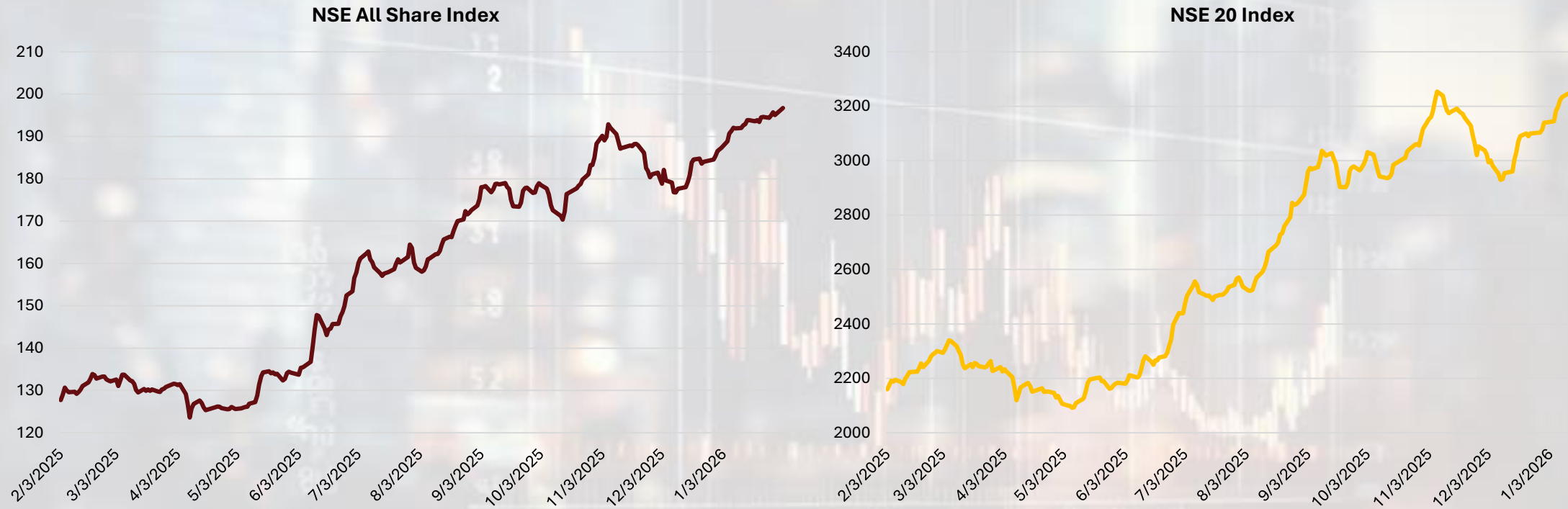
NSE All Share Index Annual Returns



Source: Bloomberg



Index Performance



Source: Bloomberg

The NSE All-Share Index has gained **5.4%** YTD, rising from 186.58 to 196.72 points. Meanwhile, the NSE 20 climbed **5.5 %** YTD, moving from 3,139.19 to 3,313.26.



Upcoming Corporate Actions

Counter	Corporate Action	Amount Declared (Kes)	Date Announced	Books Closure	Payment Date
KenGen	Final Dividend	0.90	31-Oct-2025	04-Dec-2025	12-Feb-2026
EABL	Interim Dividend	4.00	29-Jan-2026	20-Feb-2026	30-Apr-2026
KPLC	Interim Dividend	0.30	02-Feb-2026	23-Feb-2026	27-Mar-2026

Source: NSE

source: NSE

2026 Equities Market Key Highlights.

Top Gainers Year-To-Date

Century	Last Price	YTD Return (02/02/2026)
Kenya Airways	4.91	39.10%
Uchumi	1.29	25.20%
COOP	28.1	17.30%
DTB-K	129.75	13.30%
EA Portlands	83.25	13.30%
NMG	13.05	13.00%
Absa	27.85	12.80%
Sasini	19.95	11.80%
Kenya Power	15.2	11.80%
BOC-K	139.5	9.80%

Source: Bloomberg

Least-Performing Stocks Year-To-Date

Century	Last Price	YTD Return (02/02/2026)
Home Afrika	1.24	-7.50%
Olympia Capital	7.76	-5.60%
WPP Scangroup	2.42	-5.10%
Express	7.04	-4.90%
Williamson Tea	142.25	-4.80%
Liberty	9.62	-4.80%
Kakuzi	386.75	-3.80%
EABL	254.25	-3.30%
Jubilee	325	-3.00%
NBV	1.43	-2.70%



January 2026 Portfolio Review.

Counter	9/1/2026	Purchase 100 Shares	2/2/2026	Reval 100 Shares	Return
Co-op	25.95	2,595	28.10	2,810	8.3%
KPLC	15.05	1,505	15.20	1,520	1.0%
Equity	69.50	6,950	69.00	6,900	-0.7%
KCB	67.00	6,700	66.50	6,650	-0.7%
CIC	4.56	456	4.49	449	-1.5%
Kengen	9.82	982	9.58	958	-2.4%
Jubilee	345.75	34,575	325.00	32,500	-6.0%
BAT	467.75	46,775	486.50	48,650	4.0%
DTB-K	116.50	11,650	129.75	12,975	11.4%
Kapchorua	237.50	23,750	234.25	23,425	-1.4%
Williamson Tea	149.50	14,950	142.25	14,225	-4.8%
StanChart	305.75	30,575	308.50	30,850	0.9%
Absa	25.55	2,555	27.85	2,785	9.0%
BOC-K	130.00	13,000	139.50	13,950	7.3%
NCBA	89.00	8,900	91.75	9,175	3.1%
Carbacid	29.00	2,900	30.35	3,035	4.7%
Safaricom	29.10	2,910	29.95	2,995	2.9%
EABL	255.25	25,525	254.25	25,425	-0.4%
I&M	44.90	4,490	44.95	4,495	0.1%
Stanbic	197.75	19,775	197.75	19,775	0.0%
Weighted Average		261,518		263,547	0.8%



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Counter	Rationale	YTD (02/02/2026)	Recommendation	Current Price	Target Price
Co-op Upside: 4.1%	<ul style="list-style-type: none"> Net interest income grew 22.8% to KES 45.3 Bn in Q3 2025 from KES 36.9 Bn, while non-funded income slipped 0.8% to KES 22.1 Bn. The cost-to-income ratio excluding provisions improved to 45.1% from 45.8%. Net profit increased 12.3% to KES 21.6 Bn. ROE softened to 18.8% from 20.0%, while ROA edged up to 3.6% from 3.4%. The loan book expanded 6.6% and deposits rose 6.7%. On asset quality, risk pressures intensified: the NPL ratio rose to 17.3% from 16.5%. However, the bank strengthened buffers, with NPL coverage improving to 63.7% from 60.3%. 	17.3%	HOLD	28.10	29.25
KPLC Upside: 5.3%	<ul style="list-style-type: none"> Revenue from customers increased 6.9% YoY to KES 114.9 billion in HY 2026, supported by a 10.5% rise in electricity unit sales to 6,086 GWh and improved distribution efficiency, which strengthened to 77.97% from 76.35%. Gross profit grew 5.9% to KES 38.2 billion, reflecting stronger sales volumes and operational improvements. Operating costs rose 6.0% to KES 25.2 billion, mainly driven by higher provisions for expected credit losses linked to rising customer debt, increased depreciation following the capitalization of completed network projects, and higher staff-related expenses. Finance costs declined 25.0% to KES 1.5 billion, supported by lower interest expenses following scheduled loan repayments and a 6% reduction in total borrowings to KES 84.2 billion. Power purchase costs increased by KES 5.33 billion, largely reflecting higher electricity demand, with total energy purchases rising 8.3% to 7,807 GWh. Net profit increased 4.3% YoY to KES 10.4 billion. The Board declared an interim dividend of KES 0.30 per share, representing a 50% year-on-year increase. 	+11.8%	HOLD	15.20	16.00
Equity Group Upside: 8.7%	<ul style="list-style-type: none"> PAT rose 32.7% to KES 52.1 bn in Q3 2025 from KES 39.3 bn in Q3 2024, driven by a 16.1% increase in net interest income to KES 93.6 bn and a 2.5% rise in non-funded income to KES 62.7 bn. Customer deposits grew 2.2% to KES 1.35 tn, while the loan book expanded 7.5% to KES 859.8 bn. Shareholders' equity strengthened 33.6% to KES 303.2 bn. Asset quality improved, with the NPL ratio easing to 12.1% and IFRS coverage rising to 71%. The insurance arm posted higher premiums, revenue, and investment income, boosting PBT through stronger underwriting and asset returns. On the back of improved underwriting results and higher returns on invested assets. 	+3.4%	HOLD	69.00	75.00

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KCB Group Upside: 12.8%	<ul style="list-style-type: none"> Net interest income increased 12.4 percent to KES 104.3 billion in Q3 2025, while non-funded income declined 10.1 percent to KES 45.1 billion. Efficiency improved, with the cost-to-income ratio excluding provisions at 46.2 percent from 47.4 percent. Net profit rose 3.4 percent to KES 47.3 billion. ROE inched up to 2.3 percent, while ROA eased to 17.0 percent. Regional subsidiaries contributed 36.6 percent of group profit, up from 32.4 percent, highlighting their growing weight. The loan book grew 8.2 percent, and deposits softened slightly to KES 1.525 trillion. Asset quality strengthened, with the NPL ratio improving to 17.2 percent and coverage rising to 67.9 percent. KCB also acquired a minority stake in Pesapal Limited, pending regulatory approvals, reinforcing its digital and payments strategy. 	+1.1%	BUY	66.50	75.00
CIC Insurance Upside: 11.4%	<ul style="list-style-type: none"> Insurance revenue jumped 3.5% to KES 26.3 bn in 2024 from KES 25.4 bn in 2023 while PAT surged by 98.1% to KES 2.8 bn from KES 1.4 bn largely driven by strong investment income 	-1.8%	HOLD	4.49	5.00
Kengen Upside: 14.8%	<ul style="list-style-type: none"> PAT jumped 54.2% to KES 10.5 bn in FY2025 from KES 6.8 bn, driven by lower costs, reduced finance charges, and FX gains despite flat revenue at KES 56.1 bn. Power generation hit a record 8,482 GWh (+1.2%), supported by stronger hydrology, higher Kipevu III output, and Muhoroni's return. Diversified income rose 235% from geothermal consultancy in Eswatini. The board declared a final dividend of KES 0.90 per share (9.8% yield at KES 9.18), with the register closing Nov 27 2025 and payment due Feb 12 2026, subject to AGM approval. 	+4.4%	BUY	9.58	11.00

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Jubilee Holdings Upside:4.5%	<ul style="list-style-type: none"> Insurance revenue rose 32.6% in HY2025 to KES 16.7 billion, up from KES 12.6 billion in HY2024. Insurance service expenses increased by 36.6% to KES 15.4 billion from KES 11.3 billion. Consequently, net profit grew 21.7% to KES 3.1 billion from KES 2.5 billion, while earnings per share improved to KES 41.63 from KES 34.59. Jubilee recently launched J-Force a digital platform that aims to streamline insurance distribution by enabling agents, brokers and bancassurers to handle client onboarding, lead management, policy issuance, renewals, and claims-all in a paperless, real-time environment. 	-3.0%	HOLD	325.00	339.75
BAT Upside: 1.2%	<ul style="list-style-type: none"> In HY25, net revenue held steady at KES 11.7 billion, supported by strategic pricing in the domestic market, which helped offset the adverse impact of a lower transactional exchange rate on export revenues. PAT surged 39.7% to KES 2.98 billion from KES 2.14 billion, prompting the board to approve an interim dividend of KES 10.00 per share - a 100% increase from the KES 5.00 paid in the prior year. From a technical analysis standpoint, BAT's share price has been in a prolonged downtrend since 2016 but is now exhibiting early signs of a potential reversal on the daily chart. This could represent a critical inflection point, potentially setting the stage for renewed bullish momentum. 	+6.0%	HOLD	486.50	492.50
Diamond Trust Bank Kenya(DTB) Upside: 3.3%	<ul style="list-style-type: none"> The bank reported a 17.9% increase in net interest income to KES 25.13 billion in Q3 2025, offset by a 5.9% decline in non-funded income to KES 9.14 billion. Customer deposits grew 15.5% to KES 510.26 billion, while the loan book expanded 7.8% to KES 296.4 billion. Net profit rose 12.3% to KES 8.36 billion. Operating costs increased 9.5% to KES 23.07 billion, with loan loss provisions up 7.6% to KES 5.67 billion, reflecting a 4.5% rise in gross NPLs to KES 40.89 billion. The NPL ratio improved 60 basis points to 12.3%, and the cost-to-income ratio edged down slightly to 50.8%. ROE moderated to 11.0% from 11.6%, while ROA improved 20 basis points to 1.8%, signaling more efficient use of assets. 	+13.3%	HOLD	129.75	134.00

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Kakuzi Downside: 3.9%	<ul style="list-style-type: none"> In HY25, Kakuzi's sales rose 28.6% to KES 1.51 billion, supported by strong macadamia and blueberry volumes, while net profit fell 15% to KES 295.5 million due to weaker avocado and tea prices. Operating cash flow turned positive, boosting cash reserves to KES 890.3 million, though equity declined 5.8%. Blueberries posted their first profit of KES 13 million versus a KES 17 million loss in HY24. Risk: The National Land Commission (NLC) ordered the surrender of 3,250 acres, ~25% of total land, potentially affecting operations and asset base. As the legal battle continues the share price is likely to encounter pressure as investor price in the land-risk. 	-3.8%	SELL	386.75	371.50
Kapchorua Tea Upside: 6.3%	<ul style="list-style-type: none"> Kapchorua Tea's FY2025 revenue inched up 1.1% to KES 2.2bn, but net profit plunged to KES 181.2m from KES 399.4m, hit by higher output, weaker auction prices, and a stronger shilling. The firm completed a 1:1 bonus issue, capitalizing KES 39.1 million from reserves to enhance shareholder value. Despite the earnings decline, the board maintained a KES 25.00 dividend per share, unchanged from FY 2024, demonstrating management's sustained confidence in the business. 	+1.2%	HOLD	234.25	249.00
Williamson Tea Upside: 4.0%	<ul style="list-style-type: none"> Revenue slipped 2.0% in FY2025 to KES 4.1 billion, from KES 4.2 billion in the prior year. The topline has been expanding at a CAGR (Compounded Annual Growth Rate) of 2.4% since 2021. Williamson Tea has maintained a gradual upward trajectory in revenue, growing at a modest CAGR of 2.4% since 2021. Profitability remained resilient between 2022 and 2024, with profit after tax averaging about KES 0.5 billion annually, before sliding into a loss of KES 166.4 million, largely due to the winding-up of Williamson Power operations. The recently completed bonus issue highlighted management's confidence in Williamson Tea's long-term growth potential and underscored the resilience of its capital reserves despite prevailing headwinds. Backed by a solid net asset base of KES 6.3 billion, the company remained in a strong financial position. 	-4.8%	HOLD	142.25	148.00

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StanChart Upside: 1.8%	<ul style="list-style-type: none"> StanChart Kenya posted a soft Q3 2025, with NII down 10% to KES 22.3B and NFI 29% lower at KES 10.1B. The pension-case provision drove a sharp rise in operating costs, pushing the cost-to-income ratio to 54.0% (45.7% ex-pension). Net profit fell 38% to KES 9.8B, though core trends were more stable: the NPL ratio improved to 5.9%, deposits were steady, and the loan book contracted marginally. On the pension dispute, the bank had settled 79% of adjudicated dues by 21 November 2025, KES 1.9B paid to 499 claimants, against a total liability of KES 4.7B, which materially weighed on Q3 profitability. A separate “non-629” group of former pensioners is now seeking similar recalculation. If successful, this could create an incremental payout and further earnings drag, although such cases typically progress slowly, providing management with time to build buffers. 	+3.8%	HOLD	308.50	315.00
Umeme Downside: 21.8%	<ul style="list-style-type: none"> Umeme’s 20-year concession ended on 31 March 2025, with operations transferred to UEDCL. The firm is now seeking recovery of the Buy Out Amount, though a dispute over its size remains unresolved. In September, Umeme issued a profit warning after reporting a HY2025 net loss of KES 6.1bn, as revenue fell 56% to KES 18.5bn and gross profit dropped to KES 3.5bn from KES 15.1bn. The company has issued a second profit warning in just over three months, confirming the electricity distributor expects to post a full-year loss for 2025. 	4.3%	SELL	8.16	6.38
ABSA Upside: 2.3%	<ul style="list-style-type: none"> Net interest income declined 4.6% to KES 32.95 billion in Q3 2025 from KES 34.53 billion, while non-funded income grew 11.2% to KES 13.61 billion. The cost-to-income ratio excluding LLPs improved marginally to 37.6% from 37.8%. Net profit rose 14.7% to KES 16.9 billion from KES 14.7 billion. Customer deposits increased 9.3% to KES 384.3 billion, while the loan book was broadly flat at KES 311.5 billion versus KES 309.7 billion. Asset quality softened, with the NPL ratio rising to 13.1% from 12.6%, though still comfortably below the industry average of 17.6%. NPL coverage edged up to 66.9% from 65.3%. ROE moderated to 19.7% from 20.7%, while ROA improved to 3.3% from 3.0%. 	+12.8%	HOLD	27.85	28.50

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BOC Kenya Upside: 3.8%	<ul style="list-style-type: none"> In HY2025, BOC Kenya posted revenue of KES 725.0 million, up 38.5% from HY2024, driven by higher demand for gases and engineering projects. Gross margin rose to 54.1%, while net profit surged 169.8% to KES 166.7 million (EPS KES 8.54). Assets grew 19.2% to KES 2.5 billion, equity rose 12.0% to KES 2.2 billion, and working capital strengthened to KES 1.3 billion. With half-year results already exceeding last year, the company is set to outperform FY2025; FY2026 results are expected around April 2026. 	+2.4%	HOLD	139.50	145.00
NCBA Upside: 6.0%	<ul style="list-style-type: none"> Net interest income rose 27.4% to KES 32.0B in Q3 2025, while non-funded income eased 1.9% to KES 21.4B. Operating expenses increased 15.5% to KES 33.0B. Customer deposits fell 5.3% to KES 488.0B and the loan book contracted 3.5% to KES 292.7B. Asset quality improved, with gross NPLs down 6.0% to KES 38.7B. On the 22nd January 2026 Nedbank announced its intentions to acquire a 66% majority stake in NCBA Group Plc through a partial pro rata offer to acquire approximately 1,097,362,891 NCBA shares. Which upon completion, Nedbank will become the controlling shareholder, while the remaining 34% will continue to be listed on the Nairobi Securities Exchange (NSE). The proposed transaction values NCBA at approximately 1.4x book value and is structured as a combination of equity and cash consideration. Nedbank proposes an offer worth 13.9bn South African rand (kes.109.9bn) to all shareholders. 	+9.2%	HOLD	91.75	97.25
Carbacid Upside: 6.1%	<ul style="list-style-type: none"> Profit after tax rose 18.9% to KSh 1.003bn, the first time Carbacid has crossed the KSh 1bn mark. The board declared a KSh 2.00 dividend (↑ 17.6%), extending its payout streak since 1989. Revenue edged up 1.6% to KSh 2.10bn, supported by regional demand, though a stronger shilling tempered growth. Operational efficiencies improved with an additional 250 KWp of solar commissioned in March 2025 (total 700 KWp), fleet upgrades, and lower power costs; 750 KWp more is planned for FY2026. Risk: A sharp rise in royalty charges has lifted the cost base, posing margin pressure unless sales growth or efficiency gains accelerate. 	+3.4%	HOLD	30.35	32.20

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Safaricom Upside: 6.3%	<ul style="list-style-type: none"> Profit after tax jumped 52.1% to KSh 42.7 billion (HY2025: KSh 28.1 billion), supported by double-digit M-Pesa growth and a 59% reduction in Ethiopia's attributable loss to KSh 15.2 billion, aided by lower currency impacts and improved operations. Group revenue rose 11.1% to KSh 199.9 billion, with M-Pesa revenue up 14% to KSh 88.1 billion. Mobile data surpassed voice for the first time, reflecting the company's shift toward digital services, supported by 4G and 5G investments. Vodafone Kenya plans to acquire 15% of Safaricom (6.01 billion shares) from the government. Concurrently, Vodacom Group will buy Vodafone International Holdings' 12.5% stake in Vodafone Kenya, lifting its holding to 100% and giving Vodafone Kenya a 55% controlling stake in Safaricom. Vodafone Kenya will also pay KSh 40.2 billion for rights to future dividends on the remaining 20% government stake. The deals are interdependent, subject to regulatory approval, and Vodafone Kenya will seek an exemption from a mandatory takeover offer. Safaricom Ethiopia reported robust Q3 2026 growth, with revenue rising 47.9% YoY to KES 9.97 billion. Service revenue increased 54.2% to KES 9.68 billion, driven by strong M-PESA traction, with transaction values surging 102.8% to ETB 20.37 billion. Active customers grew 71.7% to 12.2 million, while voice revenue more than doubled to KES 2.13 billion. 	+5.6%	HOLD	29.95	31.85
EABL Upside: 6.2%	<ul style="list-style-type: none"> EABL delivered strong HY 2026 performance, supported by 8% volume growth, a resilient portfolio and effective innovation execution. Cost of sales increased 8.5% to KES 43.2 billion, reflecting higher spirits and beer volumes, while operating costs remained largely stable at KES 13.8 billion. Profit after tax rose 37.7% to KES 11.2 billion, with EPS increasing 52.7% to KES 23.36. The Board declared an interim dividend of KES 4.00 per share, payable around 30 April 2026 to shareholders on record as at 20 February 2026. Separately, Asahi Group Holdings' acquisition of a 65% stake in EABL shifts majority ownership from Diageo while maintaining the company's NSE, USE and DSE listings. The transaction secures long-term licensing for key brands including Guinness, Johnnie Walker and Smirnoff, and is expected to support market expansion, operational efficiency and long-term value creation across East Africa. 	-3.3%	HOLD	254.25	270.00

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I&M Bank Upside: 5.7%	<ul style="list-style-type: none"> Q3 2025 results show strong top-line momentum and improved efficiency. Net interest income rose 21.1% to KES 31.8 Bn, while non-funded income grew 17.9% to KES 11.2 Bn. The cost-to-income ratio (ex-provisions) improved to 44.5% from 47.1%, reflecting disciplined cost management. Net profit advanced 27.4% to KES 12.7 Bn, with the board declaring an interim dividend of KES 1.50 (book closure: 15 Dec; payment: 14 Jan). ROE held steady at 17.0%, while ROA improved 40 bps to 2.7%. The loan book expanded 7.3% to KES 301.9 Bn, supported by a 10.2% increase in deposits to KES 455.8 Bn. Asset quality strengthened, with the NPL ratio declining to 10.2% from 11.8% and coverage rising to 69.5% from 61.3%. 	+5.9%	HOLD	44.95	47.50
Stanbic Bank Upside: 1.1%	<ul style="list-style-type: none"> Q3 2025 results reflect mixed performance. Net interest income rose 8.0% to KES 20.5 Bn, offset by a 24.5% decline in non-funded income to KES 7.8 Bn. Efficiency weakened, with the cost-to-income ratio (ex-provisions) rising 270 bps to 45.6%. Net profit fell 7.7% to KES 9.4 Bn. ROE stands at 13.4% and ROA at 2.7%. The loan book expanded 15.7% to KES 253.1 Bn, supported by a 4.9% increase in customer deposits to KES 343.9 Bn. Asset quality improved, with the NPL ratio declining to 8.2% from 10.4% and coverage rising to 83.2% from 76.5%. 	0.0%	HOLD	197.75	200.00

To receive Investment Opportunities and the Latest Market Recommendations:

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