

SASINI LIMITED FY 2025 RESULTS REVIEW

Bloomberg: STCL KN



23rd February 2026

FY 2025 Results Highlights

Income Statement

- The company posted strong FY2025 results, with revenue rising 22.4% y-o-y to KES 8.44 billion, up from KES 6.84 billion in FY2024, reflecting solid revenue growth.
- Coffee stood out as the Key growth lever with the largest net profit of KES 237.2 million as of FY 2025.
- As a result, gross profit improved from KES 612.17 million to KES 1.01 billion in FY 2025, with net profit closing at KES 177.3 million.
- Higher Gross profit margins of 12.00% from 8.95% in FY 2024, tempered by input cost inflation.
- Total Operating profit reached KES 1.60 billion in FY 2025 reversing from a loss of KES 684.49 million FY 2024.
- Finance Income dropped to KES 61.97 million in FY 2025 from KES 261.88 million due to the falling interest rates and reduction of the Company's fixed income.
- Profit before tax showed impressive improvements by reporting a turnaround from a loss of KES 666.17 million to KES 344.03 million in FY 2025.
- This **resulted to Profit after tax (PAT) of KES.188.08 million** that was made up of continuing operations of KES.177.32 million and discontinued operations of KES.10.69 million a significant reversal from a full year's loss of KES 562.86 million in FY 2024.
- Earnings per share (EPS) improved to KES 0.85 in FY 2025 from a loss per share of KES 2.42 in FY 2024.
- The board did not recommend dividend payouts for the FY 2025.

Fig 1.0: Summary of Sasini's Financials

	FY 2025	FY 2024	Change(Δ)
Revenue (KES '000)	8,440,492	6,836,470	+2.44%
Gross Profit/ (Loss) (KES '000)	1,012,928	612,168	+65.46%
Gross Profit Margin (%)	12.00	8.95	+34.08%
Profit/Loss After Tax (KES '000)	188,008	(562,869)	+133.40%
EPS	0.85	-2.42	+135.12%
Total Assets (KES '000)	25,932,899	25,184,539	+2.97%
Return on Assets(%)	0.72	-2.23	+132.29%
Equity (KES '000)	21,407,229	21,247,981	+0.75%
Return on Equity (%)	0.88	-2.65	+133.21%
Working Capital (KES '000)	6,655,816	2,630,710	+153.00%

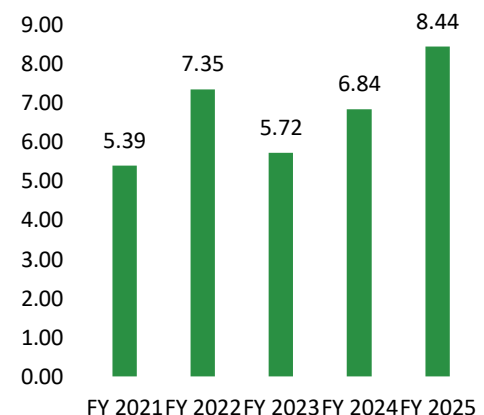
Source: Company financials

Key data

Market price (KES)- 23/02/26	28.00
No. of shares (Mn)	228.1
Market Cap (KESmn)	61385.6
Free float	21.7%
Dividend yield	-
P/E	35.4
P/B	0.31
YTD Change	56.9%
Min 52 weeks KES	13.3
Max 52 weeks KES	33.9

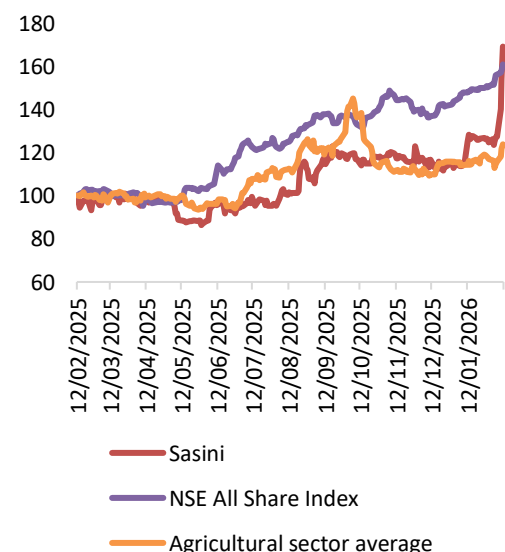
Source: Bloomberg and Faida Analysis

Revenue(KES Billions)



Source: Company financials

Normalised Share Price of Sasini Vs the market



Source: Bloomberg

Balance Sheet

- The Company's total Assets improved by 2.97% to KES 25.93 billion FY 2025 from KES 25.18 billion FY 2024.
- Return on Assets improved from -2.23% to 0.72% FY 2025.
- Total equity showed an improvement of 0.75% from KES 21.25 billion FY 2024 to KES 21.41 billion.
- On the liabilities side, non-current liabilities slightly increased by 1.47% to KES 3.46 billion FY 2024 from KES 3.41 billion, while current liabilities increased from KES 528.25 million to KES 1.06 billion FY 2025.
- Return on Equity improved from -2.65% FY 2024 to 0.88% FY 2025.
- Working capital position also improved by 152.85% from KES 2.63 million to KES 6.65 million FY 2025.
- Overall the Balance sheet is asset backed with value unlock potential from disposals.

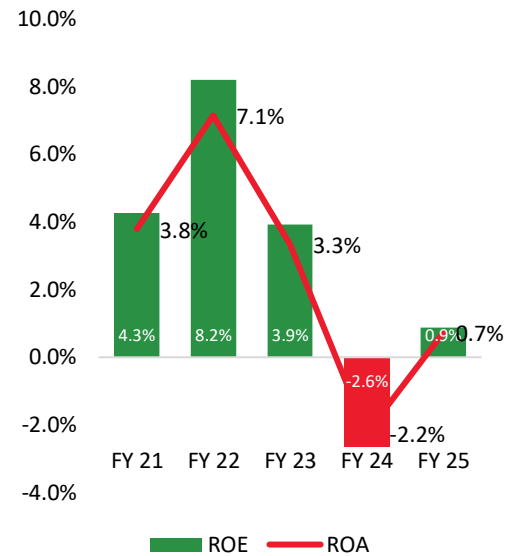
Cash flows

- Net cash generated from operating activities, continuing operations went down by 329.33% to a loss of KES 707.92 million FY 2025 from KES 308.69 million FY 2024, discontinued operations edged up by 127.83% to KES 11.08 million FY 2025 from KES 4.86 million.
- Net cash used in investing activities went down by 11.46% from KES 53.33 million FY 2024 to KES 47.22 million.
- Cash outflows from financing activities improved from an outflow of KES 192.17 million to an inflow of KES 373.77 million FY 2025.
- Cash and cash equivalents at the end of the year declined by 39% to KES 559.18 million FY 2025 from KES 929.46 million.
- The Cashflow statement is constrained in the near term due to Capex and estate reinvestment (Property, plant and Equipment at KES 14.47 billion due to the company being Asset heavy and high maintenance costs will likely consume long term capital with Capital work in progress at KES 54.65 million).

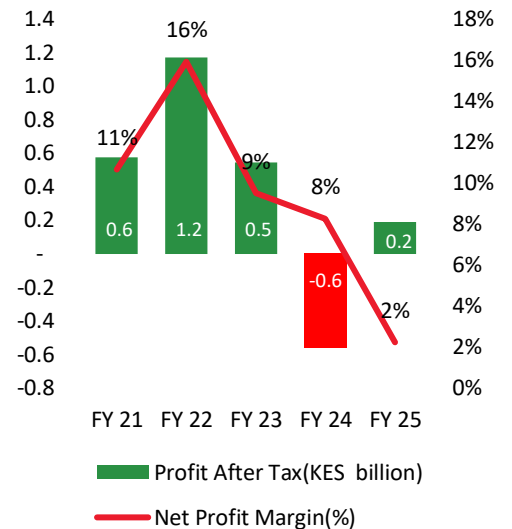
Outlook

- Sasini presents as a cyclical agribusiness with embedded asset value. While operational recovery is underway, the durability of returns will depend on converting land and biological asset strength into consistent operating cash flows rather than episodic valuation gains.
- That said, earnings quality remains mixed, with a notable contribution coming from biological asset fair value gains rather than purely operating cash flows. Sustained margin improvement will therefore be key in determining how durable the earnings recovery becomes.

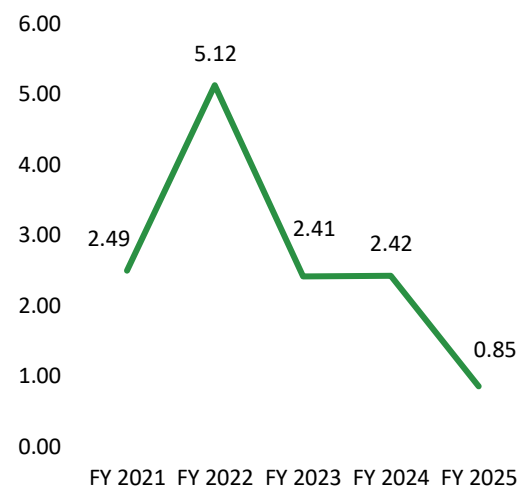
Profitability Ratios



Profit after tax and Net Profit Margin



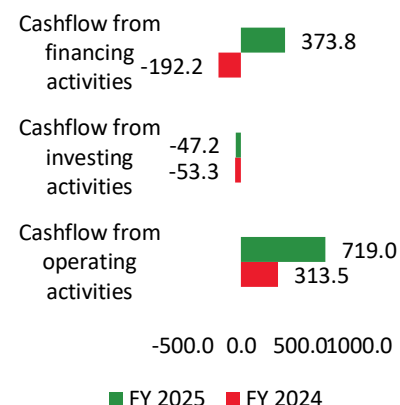
Earnings Per Share (KES)



Source: Company Financials

- A major near-term catalyst is the planned disposal of the Gulmarg coffee estate. The implied transaction value sits well at KES 7.9 billion above the asset's carrying value of KES 3.7 billion making substantial profit in the form of capital gains, which highlights the embedded worth of Sasini's land holdings relative to its market valuation. If completed as guided, the sale should enhance liquidity and provide management with flexibility around debt reduction, reinvestment, or balance-sheet strengthening. In this sense, part of the current investor interest is tied to value realization rather than purely operational expansion.
- Performance across business units has been uneven. Coffee trading has been the standout contributor, supported by firm global demand and solid execution on export volumes. Coffee estates have also benefited from improved price realization and supplementary income streams. The tea division has stabilized operationally, managing to break even despite weak auction prices and elevated production costs. Macadamia processing continues to face supply shortages that are limiting throughput, while the avocado segment has been affected by external logistics disruptions and higher freight costs linked to shipping route instability.
- Cost pressures remain a constraint on profitability. Labour, fertilizer, and energy inputs continue to weigh on margin recovery, particularly within tea operations. However, ongoing mechanization, estate rejuvenation, and processing upgrades could support gradual efficiency gains over the medium term if execution remains consistent.
- From a cash flow standpoint, free cash generation is likely to stay tight in the short term. Their upgrade to premium quality tea, high value coffee, factory investments, and working capital requirements continue to absorb operating inflows. As a result, dividend reinstatement appears unlikely in the immediate term positioning the stock more towards the capital upside than income yield.

Cashflows(KES millions)



Source: Company financials

Fig 1.1: Sasini's 5 Year Dividend History

Financial Year	Interim Dividend(KES)	Final Dividend(KES)
FY 2021	0.50	0.50
FY 2022	1.00	-
FY 2023	1.00	0.50
FY 2024	-	-
FY 2025	-	-

Source: Company's abridged financial results

Analyst

Malia Opiyo

Email: malia.mapenzi@fib.co.ke

Team: research@fib.co.ke

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Glossary of Terms

Net Interest Margin (NIM) - Net interest margin is a measure of the difference between interest paid and interest received, adjusted for the total amount of interest-generating assets held by the bank. It is calculated as: Net Interest Income/Average Interest Earning Assets

Basis points (bps) – one hundredth of a percentage i.e. 1.0%=100bps or 1bps=0.01%

Target price – Analyst estimate of the fair value or intrinsic value of the company

Cost of Funds-This is the effective average interest rate paid on interest earning liabilities. It is calculated as Total Interest Expense/Average Interest Earning Liabilities

Loan Yield- This is the effective average interest rate received on average loans and advances. It is calculated as Interest on Loans and Advances/Average Loans and Advances

Cost of Risk – This ratio measures the amount of risk involved in lending. It is calculated as: Net Impairment Provisions/Average Gross Loans in the period

Non-performing loans-These are loans that have been classified as impaired. The CBK classifies loans into five categories i.e. Normal, Watch, Substandard, Doubtful and Loss depending on performance of the loan. The last three i.e. sub-standard, doubtful and loss are referred to as non-performing loans. Under IFRS, these classified as stage 3 loans.

Non-performing loans (NPL) Ratio - This is the proportion of NPLs in the loan book. It is calculated as Gross NPLs/Gross Loans

Non-funded/Non-Interest Income– This represents the income that is not classified as interest income.

Non-Funded/Non-Interest Income Ratio. This represents the proportion of total operating income that is not classified as interest income. It is calculated as Non-Interest Income/Total Operating Income

Composite market share (Market share Index) - This is a weighted composite index comprising of assets, deposits, capital size, number of deposit and loan accounts. The composite market share is used by CBK to classify banks into three groups:

- Tier 1(Large Size Bank); Composite market share of 5.0% and above
- Tier 2(Medium Size Bank); Composite market share of between 1.0% and 5.0%
- Tier 3(Small size Bank); Composite market share of less than 1.0%

Recommendation

BUY – Minimal risks to catalysts

SELL- Risks outweigh the catalysts

NEUTRAL – This is where the positives and negatives in a company almost balance out. You can accumulate for the long term.



Head Office: Crawford Business Park, Ground Floor, State House Road | email: Info@fib.co.ke | web: www.fib.co.ke



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