

AFRIPRISE EQUITY RESEARCH REPORT – FY 2024

1. Overview

AFRIPRISE Investment Plc (ticker: AFRIPRISE) is a closed-end investment fund listed on the Dar es Salaam Stock Exchange (DSE) and originally incorporated in 1999 as TCCIA Investment PLC (TICL) under the sponsorship of the Tanzania Chamber of Commerce, Industry and Agriculture.

Highlights:

- It operated as a privately held investment vehicle for over a decade before officially listing on the DSE in March 2018.
- In April 2024, the company rebranded from TCCIA Investment to AFRIPRISE Investment Plc, modernizing its brand identity and aligning with new regional investment ambitions.
- AFRIPRISE deploys shareholder capital into a diversified mix of financial assets with a core focus on listed equities, alongside selective exposure to fixed income and private markets.

Principal Activities:

AFRIPRISE operates as a closed-end fund, targeting returns through a balanced strategy of:

- Dividend income
- Fair value appreciation
- Regional diversification

In 2023, AFRIPRISE undertook a significant rights issue, offering 72.96 million new shares at TZS 145 per share, raising capital to pursue regional investment opportunities and strengthen portfolio depth.

2. Overall Performance

Key performance indicators for FY2024 include:

(000')	FY2024	Remarks
Total Income	4,219,666	+ 37% YoY, includes dividend & interest
Operating Profit	3,514,025	Strong margin maintained
Profit After Tax (PAT)	3,395,505	+72% YoY
Other Income	466,937	Gain from the disposal of Government securities
Total Equity	52,548,487	Up from 47.5B in 2023
Equity Investments	30,949,793	Listed Equities (FV)
Other Financial Assets	2,355,000	Fixed Income Investment
Dividend Per Share	TZS 18.00	Payout ratio 77%
Total Comprehensive Income	6,929,406	Includes TZS 3.5B in fair value gains.

Source: Company Audited Financial Statements FY 2024, Kadoo Calculations

TICKER:	AFRIPRISE
Market Price (TZS) at 18/07/2025	TZS 390
Book Value	TZS 361
Recommendation	HOLD for dividend seekers
Date Established (TICL)	1999
AFRIPRISE Rights Issue (2023)	TZS 145/=
Market Symbol	AFRIPRISE
Historical Price Range	TZS 140 – TZS 420
Market Cap (TZS)	TZS 56.95 billion
Outstanding Shares	145.92 million Shares

Source: DSE, Company Website

3. Asset Quality

AFRIPRISE's portfolio is anchored in 14 publicly listed equities across local (DSE) and regional markets, offering diversified exposure to banks, manufacturing, and consumer sectors.

Sectoral diversification: Includes Banks (NMB, CRDB, DCB, Equity, KCB), Industrials (TBL, TCC, TPCC, BAT Kenya), Telecoms (Safaricom), Commercial services (Swissport), and Investment holding firms (NICOL, DSE).

Regional diversification: 5 out of the 14 holdings are Kenyan-listed (Equity, KCB, Safaricom, BAT Kenya, BK Group), improving foreign market exposure and return potential.

Table Showing AFRIPRISE Equity Portfolio Composition (FY 2024)

Company	Listed	% in Portfolio
NMB Bank Plc (NMB)	DSE	43.92%
Tanzania Breweries Limited (TBL)	DSE	25.30%
Tanzania Cigarette Company Limited (TCC)	DSE	18.77%
DCB Bank Plc (DCB)	DSE	3.71%
Equity Group Holdings Plc	NSE	1.33%
KCB Group Plc	NSE	1.25%
National Investments Plc (NICO)	DSE	1.23%
DSE Plc	DSE	1.08%
Tanzania Portland Cement Company Limited (TPCC)	DSE	1.03%
CRDB Bank Plc (CRDB)	DSE	0.74%
Safaricom Plc	NSE	0.63%
Swissport Tanzania Plc (Swiss)	DSE	0.36%
BK Group Plc	NSE	0.36%
British American Tobacco Kenya Plc	NSE	0.26%
Mwanza Community Investment Plc	Not Listed	0.02%

Source: Company's Annual Report



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Equity Portfolio Return Year to Date (YTD) as at 18th July 2025

Company	Capital Gain (%)	Dividend Yield (%)	Total Return	Weighted Return
NMB	36.82%	5.86%	42.68%	18.75%
TBL	-11.10%	8.44%	-2.66%	-0.67%
TCC	-7.71%	5.42%	-2.29%	-0.43%
DCB	3.70%	0.00%	3.70%	0.14%
Equity	2.48%	8.59%	11.07%	0.15%
KCB	11.06%	3.25%	14.30%	0.18%
NICO	126.15%	0.00%	126.15%	1.55%
DSE	27.12%	4.18%	31.30%	0.34%
TPCC	49.17%	11.17%	60.34%	0.62%
CRDB	49.25%	6.50%	55.75%	0.41%
Safaricom Plc	53.96%	4.57%	58.53%	0.37%
Swiss	36.36%	4.71%	41.08%	0.15%
BK Group Plc	7.68%	7.54%	15.22%	0.05%
BAT Kenya Plc	-7.11%	14.32%	7.20%	0.02%

AFRIPRISE'S Portfolio Return +21.62%

AFRIPRISE's equity portfolio return YTD 2025 stands at a strong **21.62%**. The outperformance was primarily driven by capital gains and dividend income from NMB Bank Plc, alongside notable contributions from NICO, CRDB, and Safaricom Plc.

Market Index Performance YTD (18th July 2025)

Benchmarking	03-Jan-25	18-Jul-25	YTD
Kenya Stock Market (NSE20)	2,010.65	2,266.10	+12.70%
All Shares Index (DSEI)	2,149.29	2,425.87	+12.87%
Blended Benchmark return (3.83%/96.14%)			+12.86%

Source DSE, Kadoo Calculations, African Markets

Comparison With AFRIPRISE'S Portfolio YTD (18th July 2025)

Metric	Return (%)
AFRIPRISE Equity Portfolio	21.62%
NSE20	12.70%
DSEI	12.87%
Blended Benchmark Return	12.86%

Source: Kadoo Calculations

AFRIPRISE's equity portfolio delivered a robust return of **+21.62%** year-to-date as of 18th July 2025, significantly outperforming the **blended benchmark return of 12.86%**, resulting in an **alpha of 8.76%**.

The portfolio's performance was largely driven by:

- **NMB Bank Plc**, contributing a remarkable **18.75%** to the overall return due to both price appreciation and dividend income.
- Exceptional gains from **NICO (126.15%)**, **CRDB (55.75%)**, and **Safaricom Plc (58.53%)**, indicating strong stock-picking ability.

Despite underperformance from a few counters like **TBL** and **TCC**, the overall portfolio remained resilient and well-diversified.

This performance not only demonstrates **effective active management** but also highlights the importance of **strategic asset allocation** across regional markets.

Other Financial Assets

As of FY 2024, AFRIPRISE's other financial assets totalled TZS 2.36 billion, reflecting a substantial increase from TZS 1.06 billion in FY 2023. These assets are entirely unlisted, and held at amortised cost, indicating a conservative and stable income-generating investment approach. The portfolio includes:

- **SUKUK Bonds (TZS 1.2 billion)**: Issued by Imaan Finance Ltd with a 2–3-year maturity and attractive semi-annual returns of 9–11% p.a., these Islamic bonds enhance portfolio diversification and provide stable fixed-income flows.
- **CRDB Fixed Deposit (TZS 305 million)**: A 12-month deposit with a reputable local bank offering standard interest rates, ensuring liquidity and safety.
- **iCash Investment (TZS 850 million)**: A new addition in 2024, representing AFRIPRISE's exposure to highly liquid, low-risk, diversified investments in T-bills, corporate bonds, and short-term debt via iTrust Finance Ltd, supporting innovation while capturing yield-enhancing opportunities.

Table Showing Classification of Other Financial Assets FY 2024

Instrument	Type	Risk Level	Yield / Return
SUKUK	Islamic Corporate Bonds	Moderate	9%–11% p.a.
Fixed Deposit	Time Deposit (12 months)	Low	Standard Bank Rate
iCash Fund Investment	Money Market Fund	Low	Annualized 11.53% YTD

Source: Company's Annual Report

Insight: The increase in this asset class reflects a strategic allocation into yield-driven, lower-risk instruments amid volatile equity markets, while maintaining a diversified credit exposure across conventional and Islamic finance instruments.



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4. Financial Performance

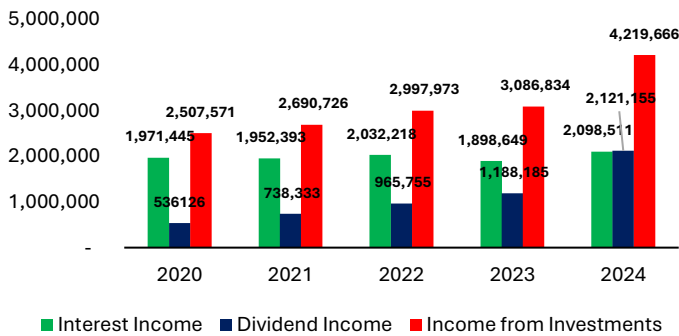
AFRIPRISE has exhibited a solid earnings trajectory in recent years, with Profit After Tax increasing by 72% to TZS 3.4 billion in 2024, up from TZS 1.98 billion in 2023.

The growth reflects improved investment yields, robust dividend flows, and disciplined cost management.

Investment Income Trend

AFRIPRISE has demonstrated strong and accelerating growth in investment income, reaching TZS 4.22 billion in 2024, a 36% increase from the previous year.

Income From Investments Trend (TZS 000')



Source: Company filings, Kadoo Calculations

This growth was driven by a strong rebound in dividend income and steady interest earnings from fixed-income securities, showcasing a well-balanced and resilient investment strategy.

Interest Income Vs Dividend Income

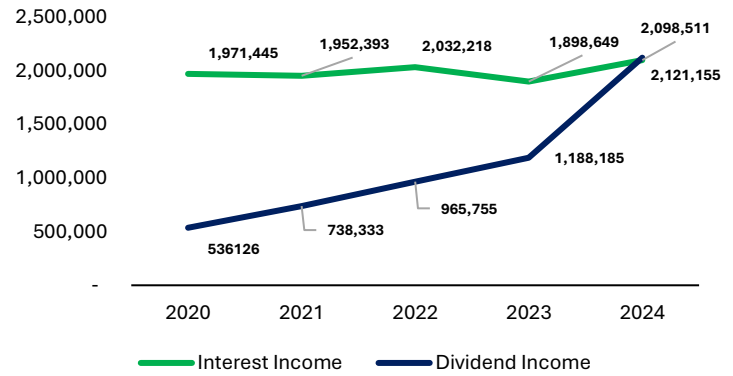
Interest income remains the dominant source of investment returns for AFRIPRISE, outpacing dividend income across all years. This is largely due to:

- **Substantial allocation to Government Securities:** As of 2024, AFRIPRISE held over TZS 15.68 billion in government securities offering **semi-annual interest payouts** at attractive rates ranging from 12.10% to 15.95%.
- **Stable fixed-income investments:** Additional holdings in corporate bonds, fixed deposits, and money market instruments (like the iCash Fund) further enhance interest income reliability.
- **Long maturity structure:** With government bonds maturing over 9 to 25 years, AFRIPRISE locks in long-term income with relatively low risk.

However, Dividend Income Still Rising

Dividend income has also shown consistent growth, doubling between 2020 and 2024, driven by improved profitability of listed equities, especially NMB, CRDB, and TPCC, which declared generous dividends in 2024.

Interest Income Vs Dividend Income (TZS 000')



Source: Company Annual reports

Key Insights:

- Interest income remained consistently higher than dividend income throughout the period.
- The gap narrowed significantly in 2024, with dividend income catching up (TZS 2.12B vs TZS 2.10B).

This trend reflects:

AFRIPRISE's substantial allocation in fixed-income instruments such as government and corporate bonds and deposits, which provide stable and predictable returns.

Dividend income, linked to company performance and payout policies, grew swiftly in 2023–2024 due to robust equity performance and high dividend declarations.

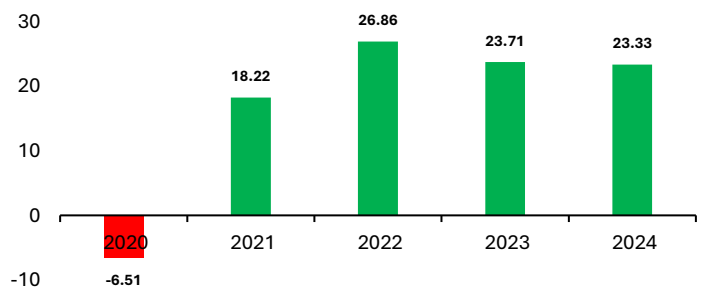
Earning Per Share (EPS)

AFRIPRISE has demonstrated a strong recovery from the 2020 loss, with profits consistently rising in the following years (2020–2024).

The EPS trajectory generally mirrors the profit trend, peaking in 2022 despite a lower profit in 2023, possibly due to a smaller number of shares outstanding.

The 2024 earnings more than doubled from 2023, underlining exceptional investment performance and cost control.

Earnings Per Share (EPS) Trend: 2020 - 2024



Source: Company Annual Reports



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Although AFRIPRISE posted robust profit growth in both 2023 and 2024, Earnings Per Share (EPS) declined from TZS 26.86 in 2022 to TZS 23.71 in 2023, and further to TZS 23.33 in 2024.

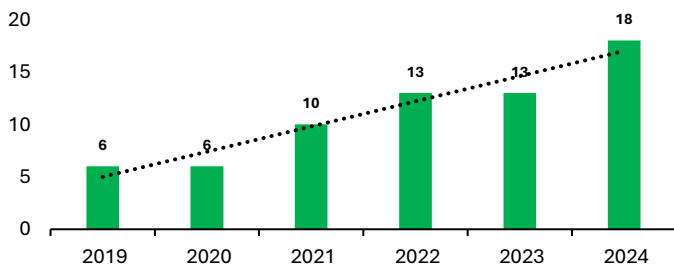
This softening in EPS is primarily attributed to the dilutive effect of a rights issue, which increased the number of shares outstanding. As a result, the net profit was spread across a larger equity base, dampening EPS despite higher absolute earnings.

Dividend Payout Trend (TZS)

AFRIPRISE has demonstrated a steadily rising dividend payout policy over the past five years, signalling improved earnings stability and a strong commitment to shareholders.

- From 6 TZS/share in 2019 and 2020, DPS climbed to 10 TZS in 2021, then to 13 TZS in 2022 and 2023, reflecting alignment with rising profits and distributable reserves.
- In 2024, the company increased the dividend to 18 TZS/share, a 38% hike, supported by a robust profit after tax of over TZS 3.3 billion.

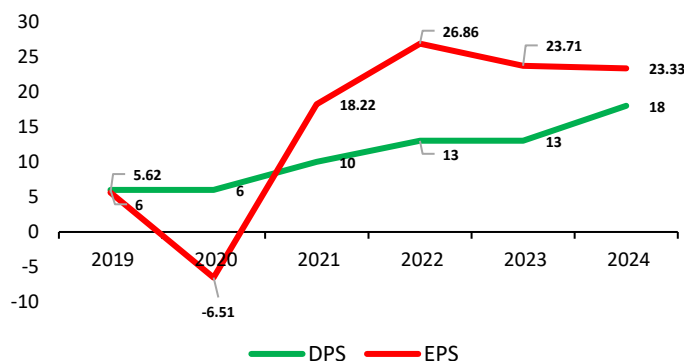
Dividend Trend: 2019 - 2024



Source: Company Filings

Insight: The rising DPS, despite fluctuations in EPS, suggests that management prioritizes stable income distribution while efficiently managing reinvestment and capital structure.

Observe the graph below showing EPS Vs DPS Trend: 2019 -2024



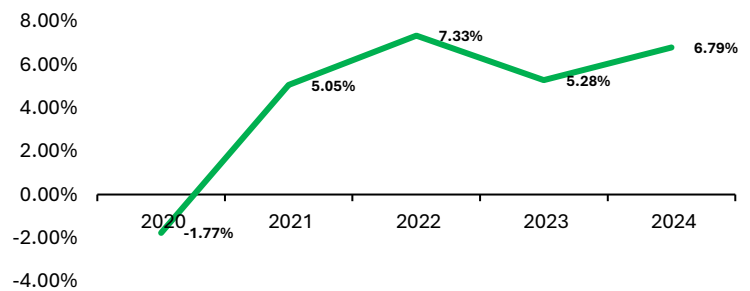
Source: Company Annual Statements

Return On Equity

The company's ROE has exhibited a positive recovery trajectory over the five years, reflecting improving profitability and efficient use of shareholder funds:

- In 2020, ROE stood at -1.77%, dragged down by a net loss during the year.
- By 2021, the company rebounded, delivering a 5.05% return as earnings turned positive.
- ROE peaked in 2022 at 7.33%, driven by strong earnings growth relative to the equity base.
- A slight moderation occurred in 2023, with ROE easing to 5.28% partly attributable to an expanded equity base following a rights issue, which diluted EPS but strengthened capital.
- In 2024, ROE improved again to 6.79%, as profitability advanced, supported by rising retained income.

ROE Trend: 2020 - 2024



Source: Company Annual Statements, Kadoo Calculations

The ROE trend indicates the company's growing ability to generate returns on shareholders' equity despite occasional profit fluctuations and capital injections. While the rights issue impacted per-share metrics, such as EPS, it helped maintain balance sheet strength, supporting sustainable returns.

Efficiency and Profitability Overview

Over the past five years, AFRIPRISE has demonstrated a remarkable transformation in its operational efficiency and profitability. The company's Cost-to-Income Ratio (CIR) has dropped sharply from 95.5% in 2020 to 13.8% in 2024, signalling improved cost control and leaner operations.

In tandem, Net Margins have surged from -18.9% to 86.1%, underscoring robust earnings growth and enhanced value extraction from revenue streams. This inverse trend between CIR and Net Margin highlights the success of AFRIPRISE's strategic realignment and financial discipline.



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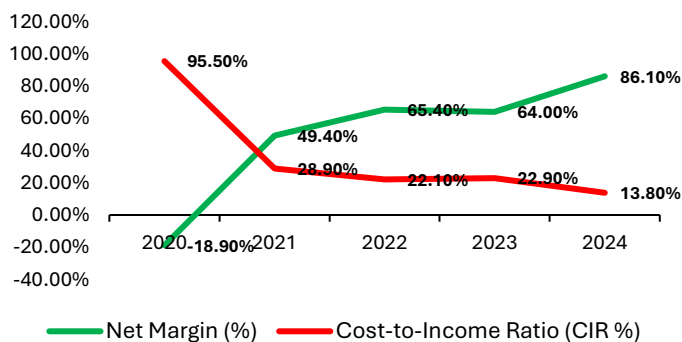


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Net Margin Vs CIR



As CIR (cost efficiency) improves, falling steadily from 95.5% in 2020 to 13.8% in 2024, Net Margins expand significantly. This inverse relationship reflects AFRIPRISE's improved profitability driven by tighter expense control and growing income streams.

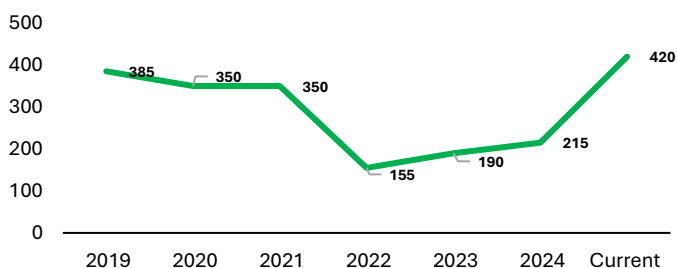
5. Stock Market Performance

This section reviews the performance of AFRIPRISE's shares on the Dar es Salaam Stock Exchange (DSE), highlighting price movements, investor sentiment, and the alignment between market trends and the company's financial fundamentals. The goal is to assess how effectively AFRIPRISE has delivered shareholder value in the public market.

Price Movement

"AFRIPRISE Share Price Rebounds Sharply on Improved Fundamentals."

Price Trend (2019 - Q2 2025)



Source: DSE

After a prolonged decline from TZS 385 in 2019 to a trough of TZS 155 in 2022, AFRIPRISE has staged an impressive comeback, climbing to TZS 420 by Q2 2025.

The turnaround reflects renewed investor confidence, underpinned by strong earnings recovery, a leaner cost structure, and improved portfolio performance.

Valuation Metrics

Metric	Value
Earnings per Share (EPS)	TZS 23.33 (2024)
Price-to-Earnings (P/E)	18.00x
Book Value per Share	TZS 361
Price-to-Book (P/B)	1.16x
Dividend (2024)	TZS 18
Dividend Yield	4.29% (based on 24/07/2025 price of TZS 420)
Market Cap	TZS 61.33 billion

Source: DSE, Kadoo Calculations

Peer Comparison Table – P/E Valuation Benchmark

Company	P/E Ratio
AFRIPRISE (Tanzania)	18.00x
NICOL (Tanzania)	9.79x
Britam Holdings (Kenya)	4.26x
Olympia Capital Holdings (Kenya)	7.96x
Average	10.00x
Median	8.87x

Source: Kadoo Research Team

Analyst Remarks:

Current Valuation Appears Stretched vs Peers

- AFRIPRISE trades at a P/E of 18.0x, compared to peer average of 10.0x
- On a relative basis, the stock is overvalued, suggesting limited upside unless earnings accelerate

Dividend Yield Offers Solid Floor

- Declared dividend of TZS 18 per share offers a yield of 4.3% at the current price (TZS 420)

Consistent Profitability Track Record

- Net profit grew to TZS 3.4B in 2024, up 72% YoY.
- EPS has stabilized around TZS 23, supporting continued dividend payments.

Thin Float, Limited Liquidity

- With only 145.92M shares, the counter has low trading liquidity, reducing volatility
- Price movements are more sentiment and dividend driven than fundamentals alone

Recommendation:

AFRIPRISE is a high-quality stock trading at a premium. Long-term holders may stay for the dividend, but new buyers should wait for a better entry point. A correction may occur, but dividend support and low float may limit downside in the short term.



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