KADOO Securities

NICOL The Economic Shield of The Nation

NICOL PLC

Equity Research Update

TICKER SYMBOL: **NICO**

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Trading at a 41% discount to adjusted NAV

Base-case view

Discounted exposure to NMB-led value creation

NICOL trades at TZS 3,800 per share, a 41% discount to adjusted NAV of TZS 6,460. Applying a 30% holding-company discount implies a base target price of TZS 4,522 and 19% upside.

As of 30 June 2026

TZS 6,460	Adjusted NAV/share
TZS 3,800	Current market price
TZS 4,522	Base target price
19.0%	Base-case upside
TZS 11.3bn	FY2025 net profit
TZS 239.0bn	FY2025 total equity
57.9%	Listed portfolio return
95.9%	NMB concentration

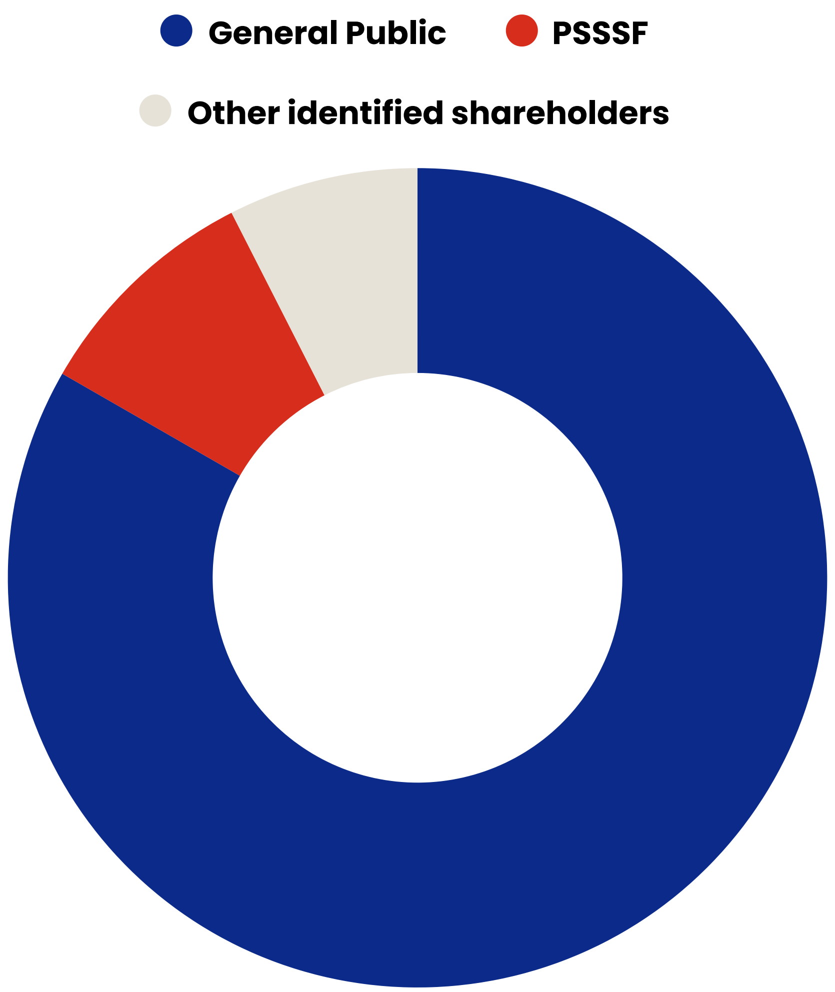
Investment stance

The opportunity is not a simple “cheap stock” story; it is a discounted holding-company exposure to a concentrated, high-performing NMB stake, with NAV recognition still lagging market value. The valuation case is attractive, but concentration risk should be explicitly priced through the holding-company discount.

Source: NICOL annual reports, DSE prices as of 30 June 2026, Kadoo Securities analysis

Broad retail ownership creates a public-market story

Ownership by shareholder class



83.3%

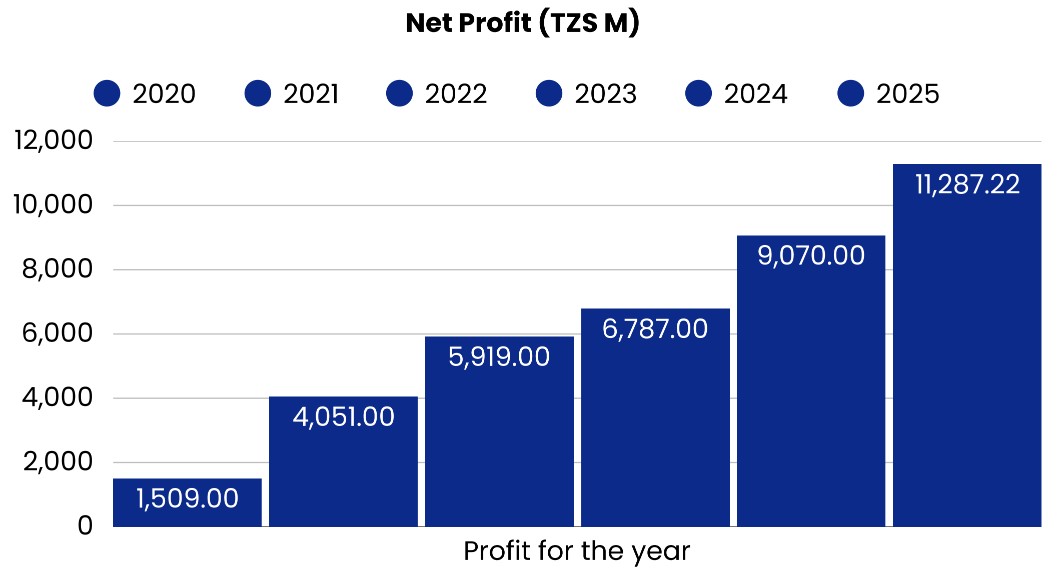
General public ownership

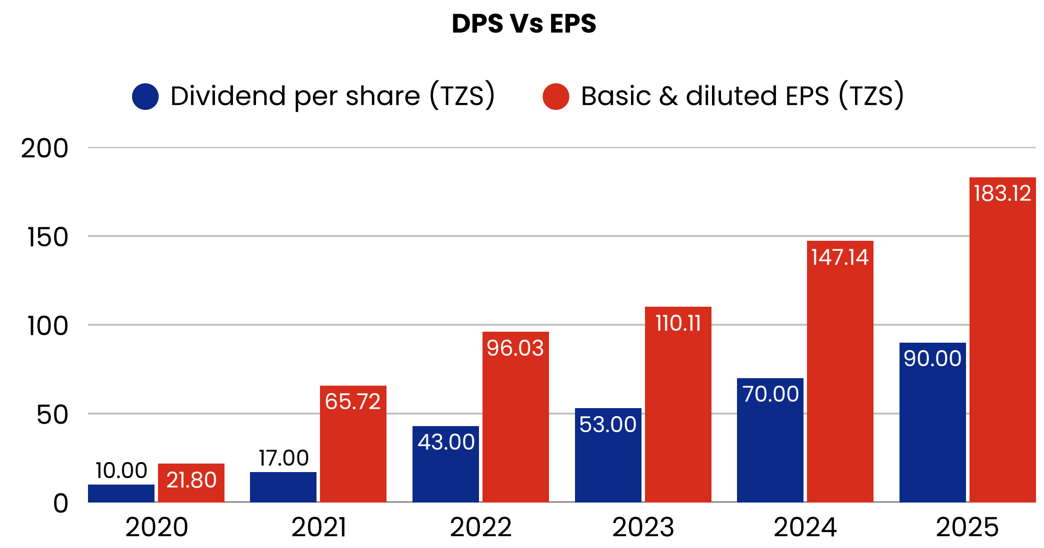
Shareholder	Shares	Ownership
General Public	51,352,682	83.3%
Public Service Social Security Fund	5,666,670	9.2%
Erncon Holdings Ltd	1,284,982	2.1%
Ernest S. Massawe	1,014,500	1.6%
Tanzania Posts Authority	800,000	1.3%
Commex Holding Ltd	800,000	1.3%
Mark William Njiu	716,000	1.2%
Total shares outstanding	**61,634,834**	**100.0%**

The structure supports a broad retail narrative: NICOL remains predominantly public-owned while institutional participation is anchored by PSSSF.

Source: NICOL annual reports, DSE prices as of 30 June 2026, Kadoo Securities analysis

Profit, equity and per-share value have scaled





647%

5Y profit growth

188%

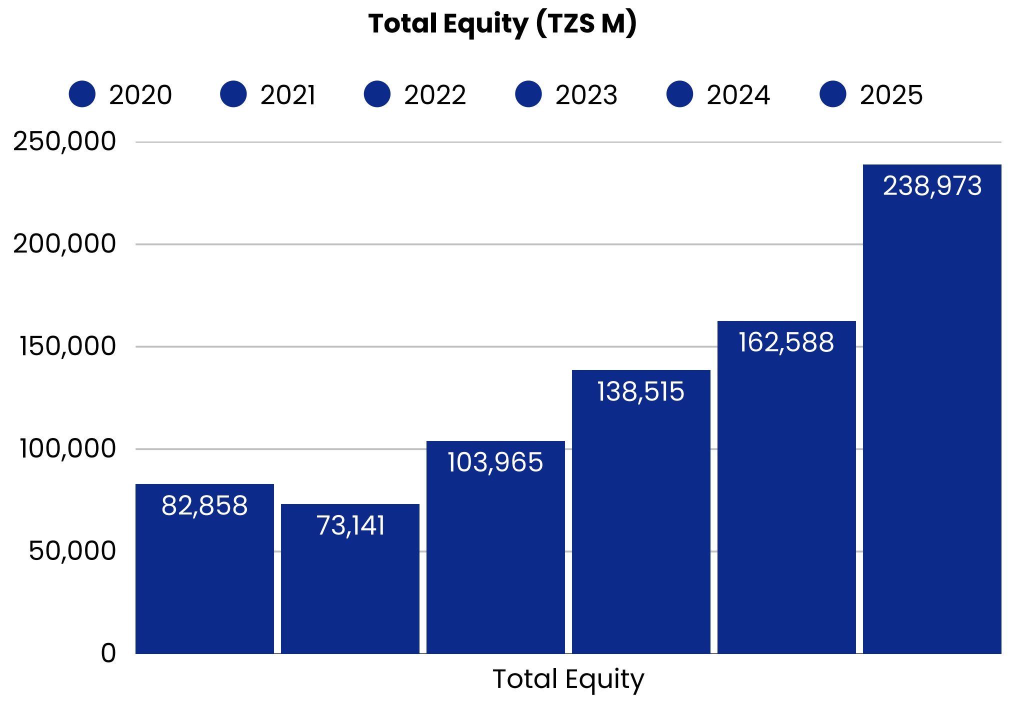
5Y equity growth

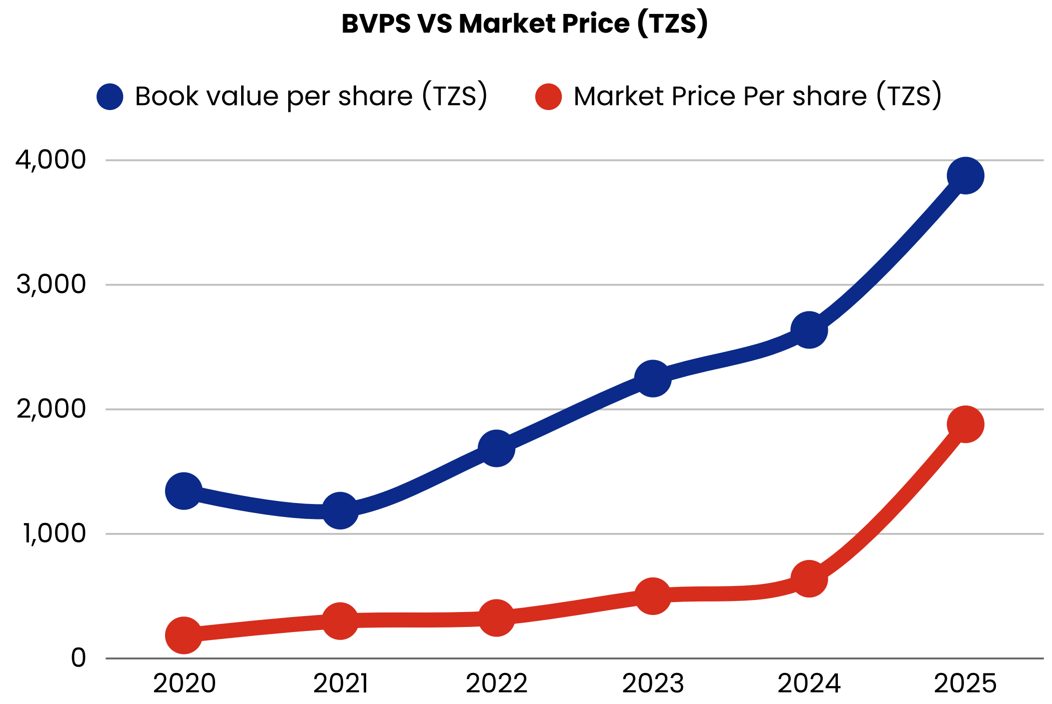
740%

5Y EPS growth

TZS 11.3bn

FY2025 net profit



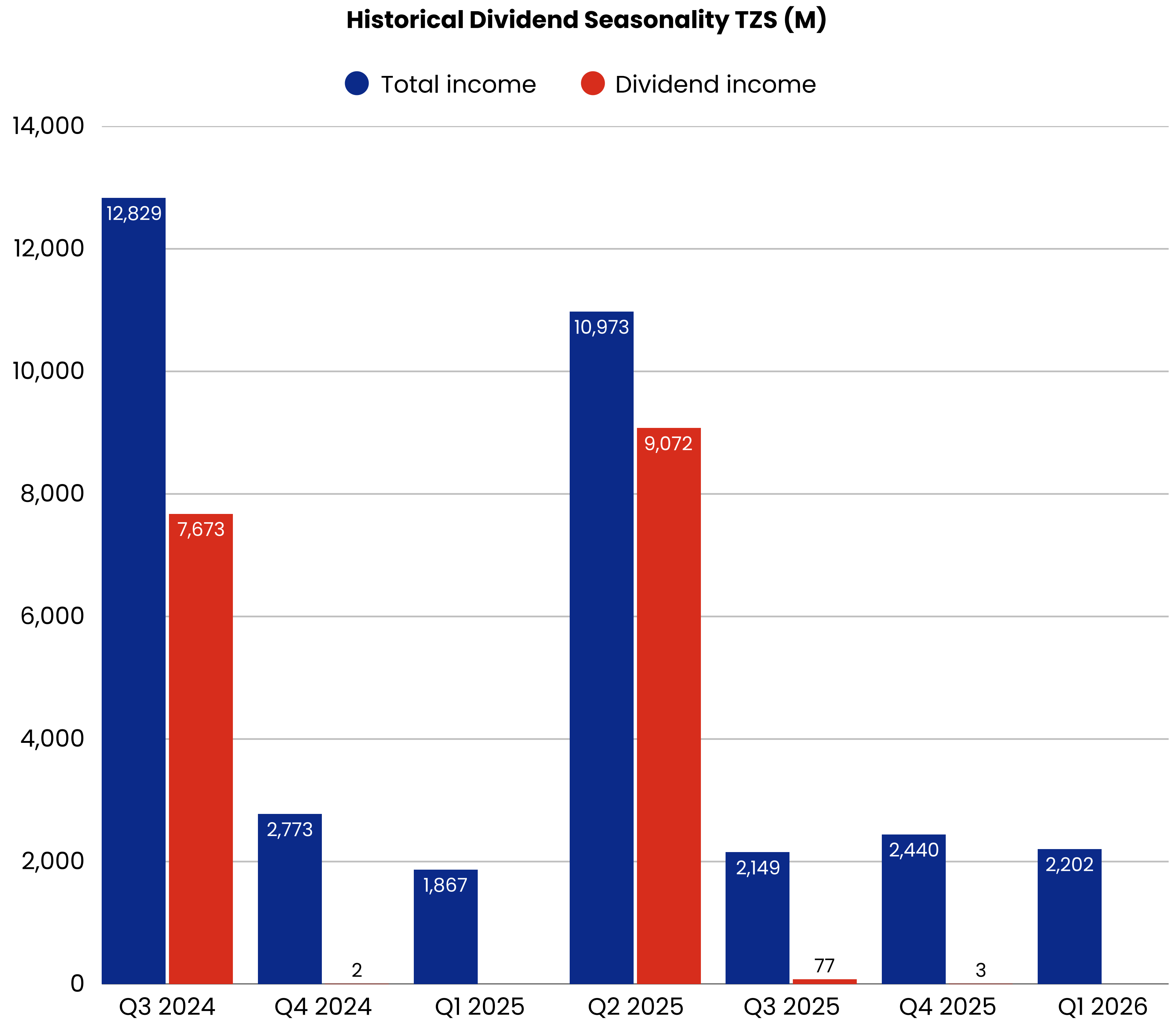


Read-through

Earnings growth has converted into book-value expansion and a rising dividend profile, but the market price still trails the underlying NAV trajectory.

Source: NICOL annual reports, DSE prices as of 30 June 2026, Kadoo Securities analysis

Dividend income is seasonal and heavily Q2-weighted



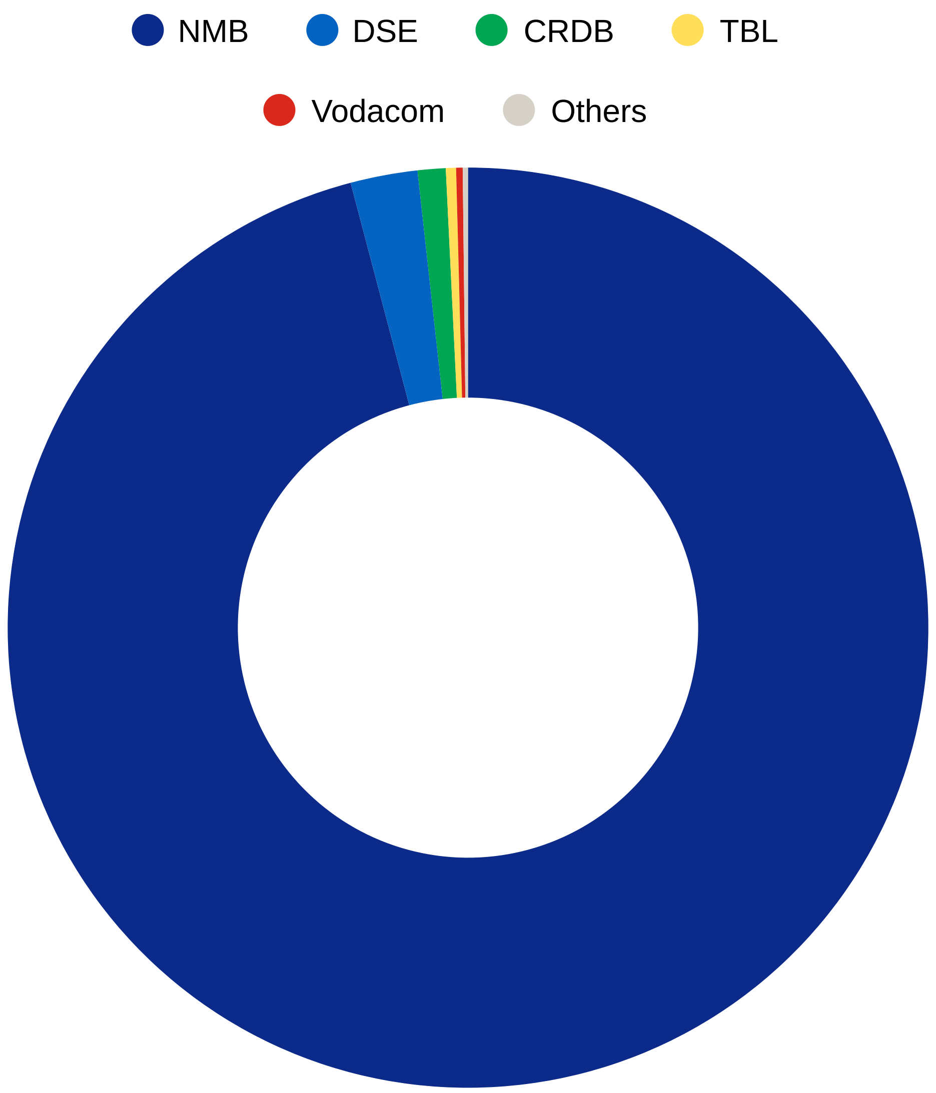
Holding	Cash Receipt
NMB	Q2
CRDB	Q2
TBL	Q2
TCC	Q2 &Q4
DSE	Q2
Vodacom	Q3
Swissport	Q2

Dividend income is heavily Q2-weighted, making Q1 performance a poor proxy for full-year earnings. Recognition and cash timing may also differ.

Source: NICOL annual reports, DSE prices as of 30 June 2026, Kadoo Securities analysis

NICOL is effectively a discounted NMB exposure

Portfolio by market value



Stock	Shares	Price	Value (TZS m)	Weight
NMB	20.4m	16,210	330,605	95.9%
DSE	1.29m	6,310	8,114	2.4%
CRDB	1.29m	2,630	3,385	1.0%
TBL	128k	9,610	1,231	0.4%
Vodacom	1.0m	790	790	0.2%
Others	112k	–	633	0.2%
Total	**-**	**-**	**344,757**	**100.0%**

95.9%
NMB portfolio weight

TZS 344.8bn
Total listed value

NMB alone represents TZS 330.6bn of market value.

Source: NICOL annual reports, DSE prices as of 30 June 2026, Kadoo Securities analysis

H1 2026 portfolio gains were overwhelmingly NMB-led

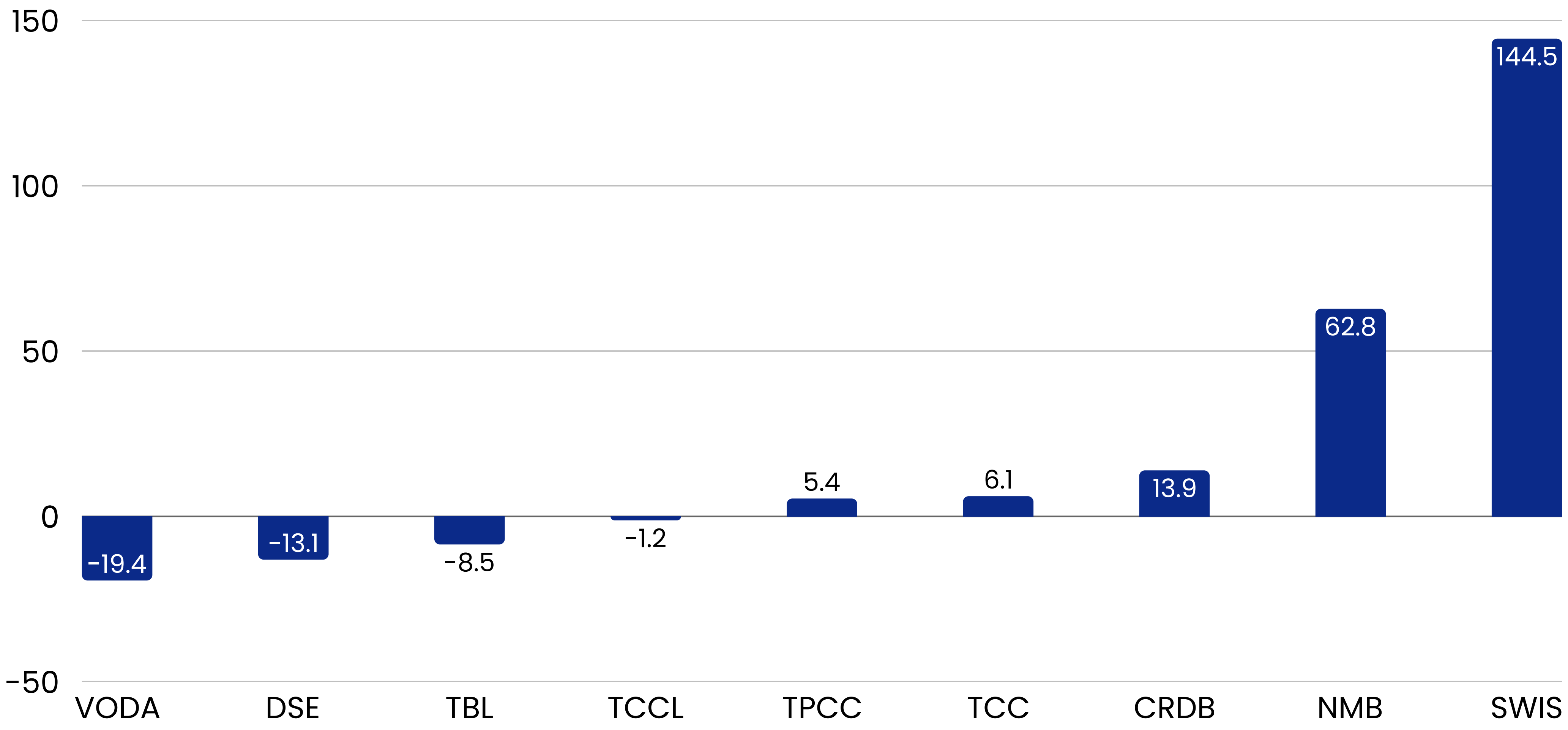
+57.9%
Listed portfolio return

TZS 344.8bn
Portfolio market value

TZS 126.4bn
Unrealized gains

TZS 127.5bn
NMB gain contribution

Stock returns (%)



Core message

NMB was the economic engine behind the H1 portfolio re-rating. This supports NAV expansion, but also means downside risk is tied closely to NMB price and dividend expectations.

The concentration is the thesis and the risk: investors receive indirect exposure to NMB, but require a discount for single-name dependence.

Source: NICOL annual reports, DSE prices as of 30 June 2026, Kadoo Securities analysis

NAV bridge supports the valuation gap, but requires a discount

NAV bridge (TZS bn)

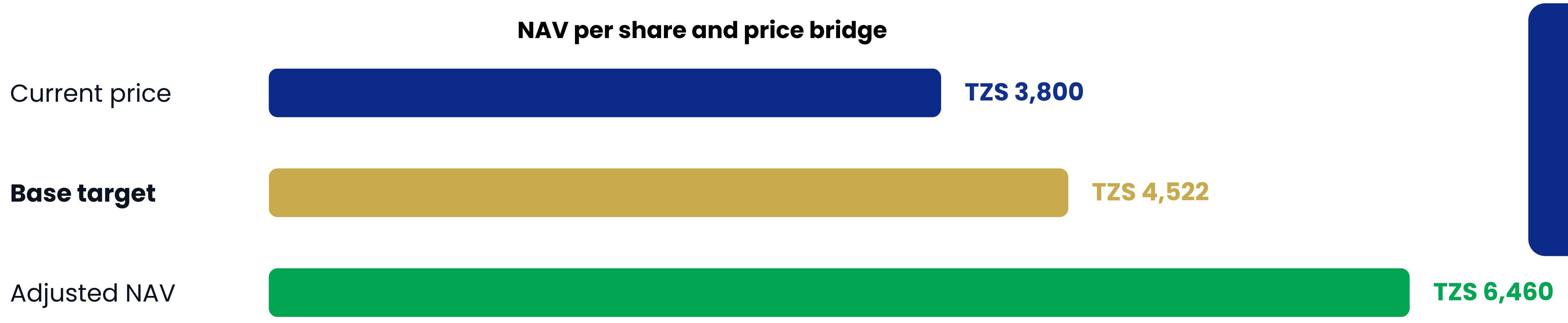
355.7
Reported equity
Q1 2026

+

42.5
MTM portfolio uplift
Q1 to Jun

+

398.2
Adjusted NAV
Jun-26



Discount to NAV

41.2%
Current market price vs adjusted NAV

Base target upside

19.0%
Applying 30% holding-company discount

Full NAV upside

70.0%
Only if holding-company discount closes fully

Source: NICOL annual reports, DSE prices as of 30 June 2026, Kadoo Securities analysis

Scenario analysis frames the return-risk trade-off

Scenario	Discount	Target Price	Upside
Bear	40%	TZS 3,876	2.00%
Base	**30%**	**TZS 4,522**	**19.00%**
Bull	20%	TZS 5,168	35.90%
Full NAV	0%	TZS 6,460	70.00%

Target price mechanics

1. **Mark-to-market portfolio**
   Update equity investments to current DSE prices
2. **Calculate adjusted NAV**
   Reported equity + portfolio value uplift
3. **Apply HCo discount**
   Concentration, liquidity and governance risk
4. **Compare to market price**
   Derive upside / downside

The base case deliberately does not assume full NAV convergence; it captures a partial discount closure while preserving a risk buffer for NMB concentration.

30%
Base holding-company discount

41%
Current NAV discount

19%
Base upside

Source: NICOL annual reports, DSE prices as of 30 June 2026, Kadoo Securities analysis

NICOL trades below adjusted NAV

Metric	NICOL	AFRIPRISE	Centum	Peer midpoint*
Price / NAV	0.59x	1.20x	0.21x	**0.71x**
Discount / (premium) to NAV	41.2%	(20.1%)	78.9%	**29.5%**
Price / book	0.66x	1.20x	0.22x	**0.71x**

Peer midpoint excludes NICOL and uses AFRIPRISE + Centum. Mean and median are identical because there are two external peers.

Read-through: NICOL's 0.59x Price/NAV is below the peer midpoint of 0.71x, supporting room for partial rerating without assuming full NAV convergence.

**Peer midpoint represents the mean / median of AFRIPRISE and Centum only.*

Source: NICOL annual reports, DSE prices as of 30 June 2026, company disclosures, Kadoo Securities analysis

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Peer midpoint Validation

0.71x
Peer midpoint P/NAV

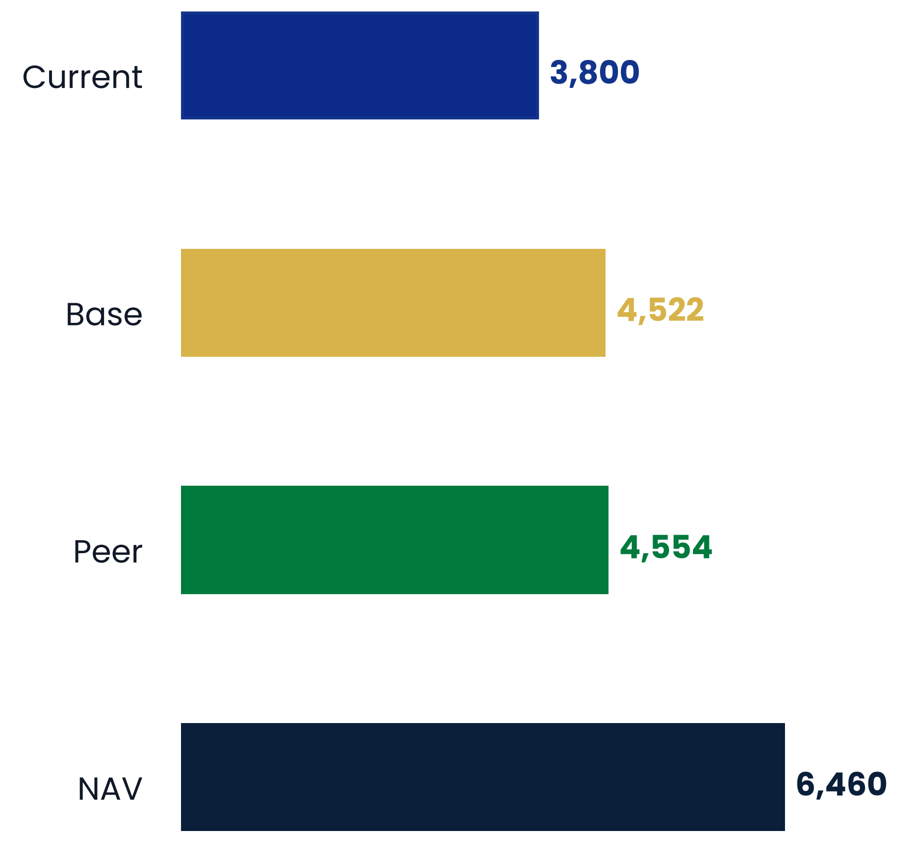
29.5%
Implied discount

TZS 4,554
Peer-implied target

19.8%
Implied upside

Valuation basis	Bear	Base	Peer midpoint	Bull
Applied P/NAV	0.60x	0.70x	0.71x	0.80x
Implied HCo discount	40.0%	30.0%	29.5%	20.0%
Adjusted NAV/share	6,460	6,460	6,460	6,460
Target price	TZS 3,876	**TZS 4,522**	**TZS 4,554**	TZS 5,168
Upside / (downside)	2.0%	**19.0%**	**19.8%**	35.9%

Price bridge



Conclusion: the external peer midpoint of 0.71x P/NAV implies a target price of c.TZS 4,554, almost identical to the 30% HCo-discount base case of TZS 4,522.

DIVIDEND TRACK RECORD

Dividend record supports the retail-income angle

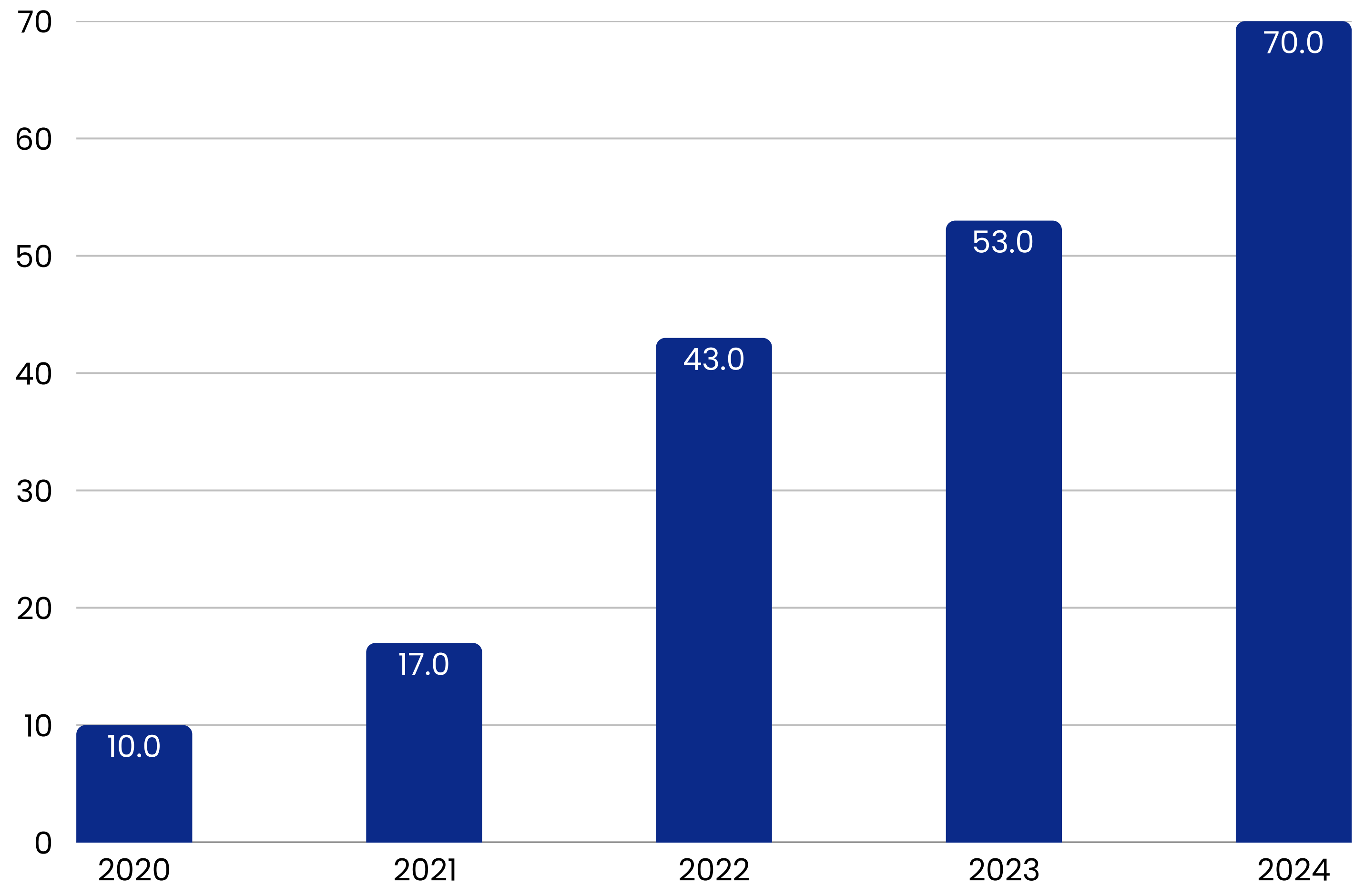
TZS 90

Expected DPS FY2025

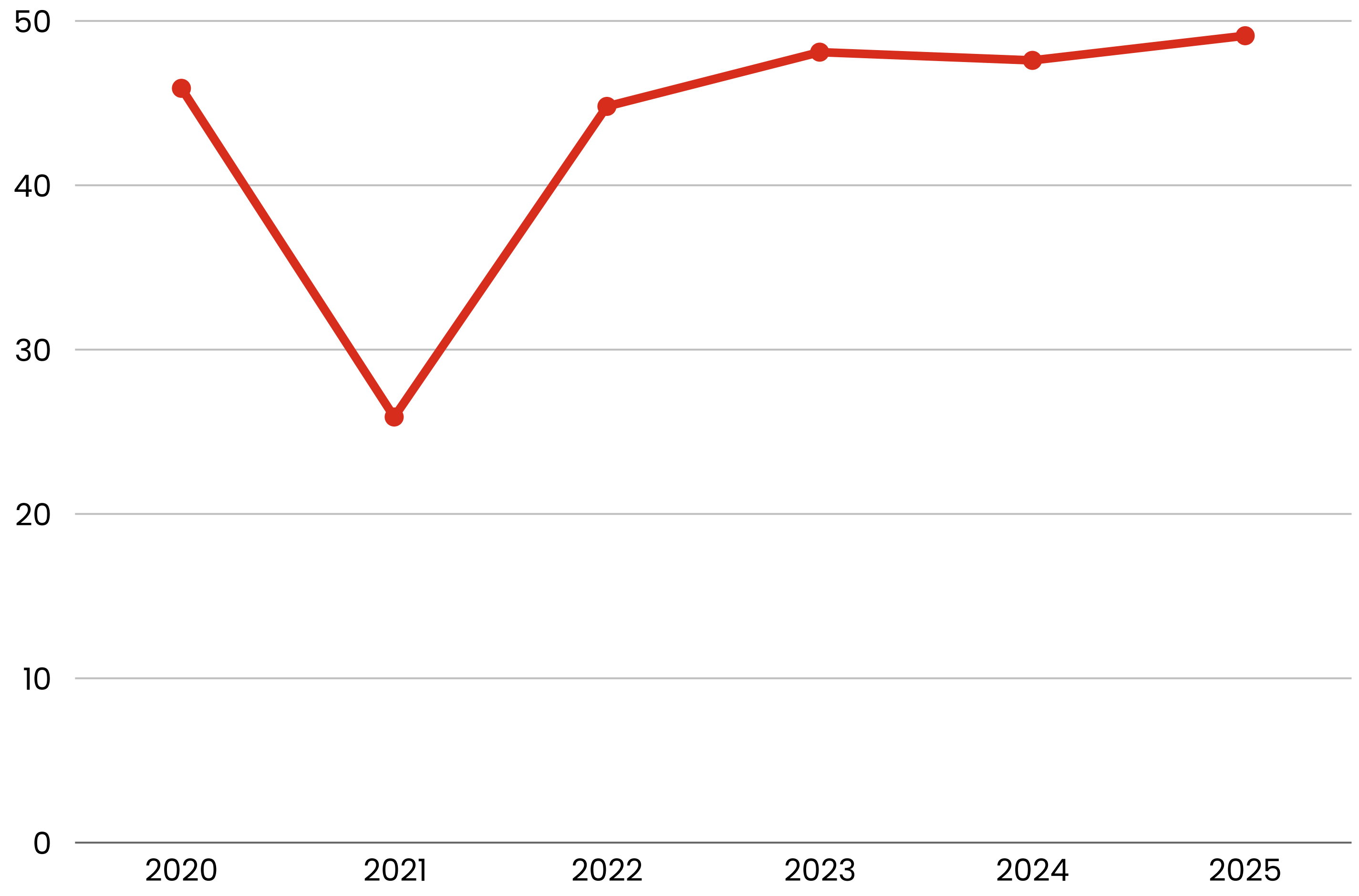
41.6% Payout

5-Year Average

Dividend per share



Payout ratio



NICOL's increasing dividend per share strengthens the retail-income story, but future payouts remain linked to portfolio company dividends and realized cash inflows.

Source: NICOL annual reports, DSE prices as of 30 June 2026, Kadoo Securities analysis

NICOL offers a clear NAV discount story with identifiable catalysts

01 Deep NAV discount

Current price is 41% below adjusted NAV.

02 NMB proxy

Portfolio value is anchored by a NMB stake.

03 Strengthened equity base

FY2025 equity rose to TZS 239.0bn.

04 Strategic optionality

REIT, property and diversification could narrow the discount.

Recommendation: BUY

Disclaimer:

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