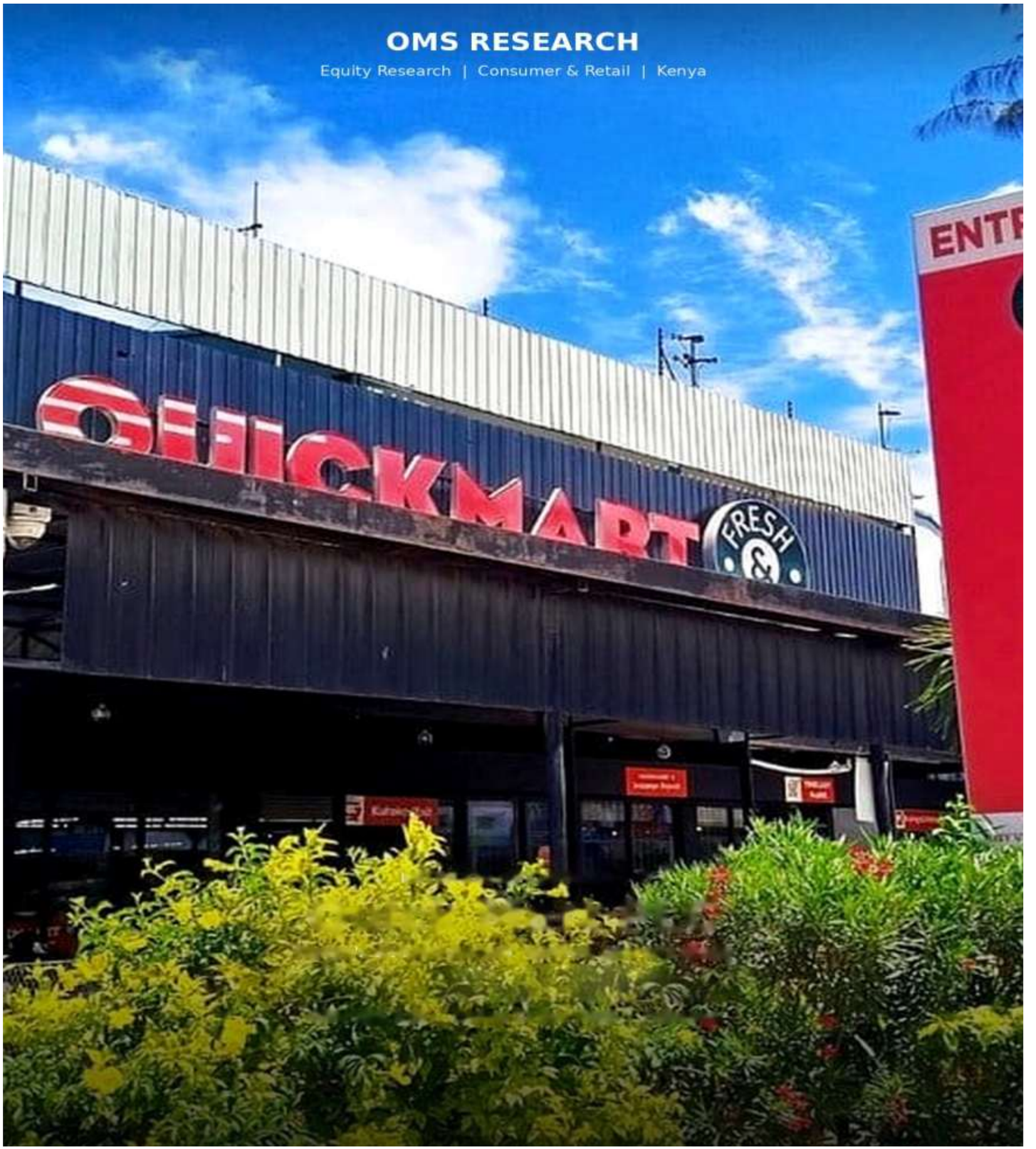
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OMNI MARCHÉ

INVESTMENT SNAPSHOT

Quick Mart PLC | NSE listing (MIMS) | 12 November 2026

Investment view

Quickmart is a high-quality, cash-generative modern grocery retailer with ~15% of formal grocery sales, 64–72 stores and a path to 125 by 2030 (management target; this model assumes it is achieved). At KES 7.50 the offer looks fairly valued: our probability-weighted DCF (KES 8.98) sits above the offer while the dividend discount model (KES 6.16) sits below. Blended target KES 8.13 (70% DCF, 30% DDM) implies about 8.5% price return and about 15% expected total return including the 6.7% FY26E yield. The price return is inside our Hold band under our recommendation guide.

Why Hold (not Accumulate / not Lighten)

- Good business: revenue CAGR 18.4% FY21–25, EBITDA margin 8.6%→10.1%, net profit KES 183m→1.5bn.
- Growth visible: this model assumes management's 125-store target by 2030 is achieved (64→73→83→97→111→125).
- Cash supports the high payout (95%/90% FY26–27) only 1.0–1.4× after leases — limited slack.
- Governance residual risk: 18 related-party leases; board only 2/8 independent (third due within 12 months).
- Structure: 20% of the company unrestricted after listing (KES ~6bn overhang risk).

What would change our view

We would move to Accumulate (price below about KES 7.40) or Buy (below about KES 6.80) if: the share price falls to those levels after listing; second-half 2026 profit comes in at or above the guided level; the company adds a third independent director and shows clear, arm's-length terms on related-party store leases; and store openings stay on track toward 125. We would move to Lighten (price above about KES 9.00) or Sell (above about KES 10.15) if: the price rises to those levels without matching delivery; margins disappoint in H2; the unrestricted 20% of shares is sold quickly after listing; or suppliers tighten credit terms.

Summary financials (KES m)

	2024A	2025A	2026E	2027E	2028E
Revenue	46,708	50,428	58,193	67,446	76,889
EBITDA	4,612	5,076	6,285	7,790	9,034
Net income	1,135	1,509	2,111	2,870	3,295
EPS (KES)	0.28	0.38	0.53	0.72	0.82
P/E at KES 7.50	26.4x	19.9x	14.2x	10.5x	9.1x

Valuation: 70% probability-weighted DCF (KES 8.98) + 30% DDM (KES 6.16) = TP KES 8.13. WACC 15.7%; terminal growth 5%; path to 125 stores by 2030. Key risks: inflation/trade-down, competition (Naivas, Carrefour), roll-out execution, related-party leases, unrestricted overhang.

OMS RESEARCH

Initiation of Coverage

Quick Mart PLC

Kenya's second-largest modern grocery chain: a good business, priced about right

Consumer & Retail | Kenya | NSE listing (MIMS): 12 November 2026

RATING	TARGET PRICE	EXPECTED TOTAL RETURN
HOLD	KES 8.13	15.1%
Fairly priced at the offer	+8.5% vs offer KES 7.50	incl. FY26E yield 6.7%

Key data		
Offer price / market cap	KES 7.50 / KES 30.0bn	Shares: 4,000m (50% on offer)
Enterprise value at offer	KES 37.3bn (incl. leases)	EV/EBITDA FY26E 5.9x
P/E FY26E	14.2x model (12.9x adjusted)	Dividend yield FY26E 6.7%
Revenue / EBITDA FY25A	KES 50.4bn / KES 5.1bn	Net income KES 1.5bn
DCF base / DDM / scenario-weighted	KES 9.46 / 6.16 / 8.98	WACC 15.7%; g 5%
Anchors	Cornerstones ~48% (KES 7.2bn)	IFC, MOBILIST, RWC, 337 Frontier
Offer timetable	Opens 5 Oct; closes 30 Oct	Results 6 Nov; listing 12 Nov

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1. Executive summary and investment view

Quick Mart PLC ("Quickmart") is Kenya's second-largest modern grocery chain, with about 15% of modern grocery revenue (Sagaci Research), 64 stores at December 2025, 72 stores by October 2026 and a stated plan to reach 125 stores by 2030. It is listing on the Main Investment Market Segment of the Nairobi Securities Exchange through a 100% offer for sale of 2.0 billion existing shares (50% of the company) at KES 7.50, raising KES 15 billion for the selling shareholder. The company receives nothing. The offer closes on 30 October 2026 and trading is scheduled for 12 November 2026.

Our conclusions

- Revenue has compounded at 18.4% a year since FY21 to KES 50.4bn, EBITDA margin has widened from 8.6% to 10.1% and net profit has gone from KES 183m to KES 1.5bn. At KES 7.50 the equity is valued at KES 30.0bn, which is 5.9x FY26E EBITDA on an enterprise basis (5.7x on the company's adjusted number), 14.2x FY26E earnings (12.9x adjusted) and a 6.7% forecast dividend yield. That is a fair price for a business of this quality, not a cheap one.
- The DCF and the dividend model disagree, and we think both are telling us something. The base-case DCF gives KES 9.46 (WACC 15.7%, terminal growth 5%), but 69% of that sits in the terminal value. The DDM, which counts only cash that is actually paid out, gives KES 6.16. Blending the scenario-weighted DCF (KES 8.98) and the DDM at 70/30 gives our KES 8.13.
- Management guides FY26E revenue of KES 58.2bn (+15.4%) and FY27E of KES 67.4bn (+15.9%). H1-26 revenue was up 18.4%, so the full year needs only about 13% in H2. Beyond FY27 we assume growth of 14%, 12% and 10% as the network moves toward management's target of 125 stores by 2030 (from 83 at end-FY27: path 97 → 111 → 125).
- Cash cover is thin. After lease payments, free cash flow covers the planned dividend only 1.0–1.4x over FY26–30E, and the company intends to pay out 95% of FY26E earnings, open 9–10 stores a year with KES 1.4bn of growth capex and keep funding itself from supplier credit. There is little slack if any of those moves.
- Governance is where the debate is. Founder-linked consultancy and management contracts were terminated in July 2026 after material payments, 18 store locations are still leased from related parties, and only two of eight directors are independent (both appointed on 1 October 2026; the regulator has given twelve months to add a third). We read that as a reason to ask for a margin of safety rather than a reason to stay away.
- The seller keeps 50% after the offer, of which 60% is locked up for 24 months. The remaining 20% of the company (about KES 6.0bn at the offer price) can be sold freely. The offer needs 75% subscription and is not underwritten. Anchor demand strengthened further: a CMA-approved supplementary memorandum (23 October 2026) expanded the cornerstone pool to about 48% of the offer (about 960m shares / KES 7.2bn), adding MOBILIST, RWC Asset Management and 337 Frontier alongside IFC. Cornerstones are not subject to pro-rata scale-back. Retail (Kenyan + EAC) was cut to 12%, local institutions to 32% and foreign investors to 8%.

Summary financials and valuation

KES m (FY Dec)	2024A	2025A	2026E	2027E	2028E
Revenue	**46,708**	**50,428**	**58,193**	**67,446**	**76,889**
growth y/y	13.3%	8.0%	15.4%	15.9%	14.0%
EBITDA	**4,612**	**5,076**	**6,285**	**7,790**	**9,034**
EBITDA margin	9.9%	10.1%	10.8%	11.5%	11.8%
Net income	**1,135**	**1,509**	**2,111**	**2,870**	**3,295**
EPS (KES, 4,000m shares)	0.28	0.38	0.53	0.72	0.82
Free cash flow to firm	3,758	3,830	2,141	3,358	4,183
Net debt incl. leases	5,499	5,171	6,089	6,544	6,290
Net debt / EBITDA	1.2x	1.0x	1.0x	0.8x	0.7x
P/E at KES 7.50	26.4x	19.9x	14.2x	10.5x	9.1x
EV/EBITDA at offer EV	8.1x	7.3x	5.9x	4.8x	4.1x

Source: OMS Research, Quickmart Information Memorandum. Offer EV = KES 30.0bn market cap + KES 7.27bn net debt (30 June 2026).

What would change our view

- **What would move us to Accumulate or Buy: an offer or listing price below about KES 7.40 (Accumulate) or KES 6.80 (Buy);** H2-26 profit delivery at or above the guided KES 1.23bn; evidence that the DCF's 5% terminal growth is supported by store roll-out beyond 83 stores; a third independent director and clear related-party lease benchmarking.
- **What would move us to Lighten or Sell: a price above about KES 9.00 (Lighten) or KES 10.15 (Sell);** H2 margin shortfall; further growth in related-party lease payments; early sell-down of the unrestricted 20%; evidence of supplier-credit tightening.

Key risks and catalysts

Risks: inflation and consumer pressure; competition from Naivas and Carrefour; execution on 9–10 openings a year; margin expansion not materialising; reliance on supplier credit; related-party leases; and the overhang from unrestricted seller shares. Catalysts: offer close (30 October), results announcement (6 November), listing (12 November), first dividend declarations, FY26 results and store roll-out disclosures.

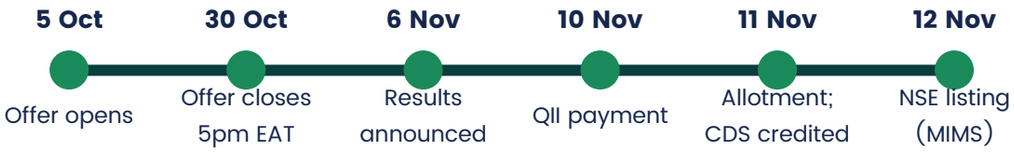
2. The offer: terms, timetable and structure

The initial public offering is an offer for sale. The seller, Sokoni Retail Kenya Limited, sells 2.0 billion existing ordinary shares (50% of issued capital) at KES 7.50. Quickmart issues no new shares and receives no proceeds. Net proceeds go to Sokoni's ultimate shareholders in proportion to their indirect holdings: Adenia Partners' funds, the Kinuthia family (the founders of Quickmart), the founders of Tumaini and the Group CEO, Peter Kang'iri.

Term	Detail
Issuer	Quick Mart PLC (wholly owned by Sokoni Retail Kenya Limited before the offer)
Offer	2,000,000,000 existing ordinary shares (50% of 4,000,000,000 issued shares; par KES 0.20)
Price / size	KES 7.50 per share / KES 15.0bn gross. Equity value at offer KES 30.0bn
Minimum application	500 shares (KES 3,750); multiples of 100 shares; no maximum
Minimum subscription	75% of offer shares (1.5bn shares, KES 11.25bn). If not met, the offer does not proceed and application monies are refunded without interest
Underwriting / stabilisation	Not underwritten. No over-allotment option. No stabilising agent appointed
Listing	Main Investment Market Segment (MIMS) of the NSE; CMA and NSE approvals received (approvals are not an endorsement of merit)
Indicative allocation	Revised (CMA supplementary IM, 23 Oct 2026): cornerstone investors 48% (960m / KES 7.2bn); Kenyan institutions 32%; Kenyan + EAC retail 12%; foreign investors 8%. Limits can still be adjusted to demand. Cornerstones not subject to pro-rata scale-back.
Cornerstone / anchors	IFC (conditional, up to ~KES 1.94bn); MOBILIST / UK FCDO (~KES 1.94bn); RWC Asset Management (~KES 1.3bn); 337 Frontier (~KES 1.94bn). Combined ~48% of offer / ~KES 7.2bn. IFC still subject to board approval.
Lock-up	24 months from listing on 60% of the seller's remaining shares (1,200m shares); 40% (800m shares) unrestricted
Dividend policy	At least about 80% payout, paid semi-annually; FY26 about KES 2.0bn and FY27 about KES 2.5bn guided

Source: Quickmart Information Memorandum; offer announcement of 4–5 October 2026; Quickmart IPO website.

Figure 1: IPO timetable



Source: Quickmart offer announcement

2.1 What the structure means for investors

- **No primary capital.** The business is self-funding (supplier credit, internal cash flow and leases). That is consistent with the capex-light model, but it also means the IPO does not de-lever the company or fund growth. Net debt including leases stays at KES 7.3bn (30 June 2026).
- **Seller alignment.** The sellers retain 50% and have a 24-month lock-up on 60% of that. Retained economic interest is a positive signal, but the unrestricted 40% of the retained stake (800m shares) can be sold at any time on notice to the CMA within two business days.
- **Fixed price, not book-built.** The price was set before the offer opened. The 75% minimum subscription is the only market test, and results are due on 6 November.
- **Pricing as presented by the issuer.** The IM quotes 5.7x EV/adjusted FY26E EBITDA, 12.9x FY26E adjusted P/E and a 6.7% dividend yield. We reproduce these in Section 10 using the IM's net debt and adjusted figures.

2.2 Cornerstone and anchor demand

On 21 October 2026 Quickmart announced that the UK Foreign, Commonwealth & Development Office (FCDO), through its MOBILIST programme, had subscribed for US$15 million (about KES 1.94 billion) of offer shares. A CMA-approved supplementary information memorandum dated 23 October 2026 then expanded the cornerstone pool: MOBILIST, RWC Asset Management LLP (Redwheel; about KES 1.3bn) and 337 Frontier Capital LP (about KES 1.94bn) joined IFC (conditional, up to about KES 1.94bn). The revised indicative allocation reserves about 48% of the offer (about 960 million shares, KES 7.2bn at KES 7.50) for cornerstone investors. Kenyan and East African retail was cut to 12%, local institutions to 32% and foreign investors to 8%. Cornerstone allocations are not subject to pro-rata scale-back if the offer is oversubscribed. Offer price (KES 7.50) and closing date (30 October 2026) were unchanged; existing applications remain valid. MOBILIST is the UK government's public-markets programme; IFC's commitment remains subject to its board approval.

Anchor	Size	% of offer	% of Quickmart	Status
IFC (World Bank private-sector arm)	Up to US$15m (about KES 1.94bn)	about 13%	about 6.5%	Conditional on IFC board approval
MOBILIST (UK FCDO)	US$15m (about KES 1.94bn)	about 13%	about 6.5%	Subscribed (announced 21 Oct 2026)
Combined	**about KES 3.88bn**	**about 26%**	**about 13%**	**If IFC completes**

Source: Quickmart / MOBILIST press release); CMA supplementary IM; Business Daily / market reports; Quickmart IM. Percentages at KES 7.50 and 2,000m offer shares.

- **Minimum subscription.** The offer needs 75% of shares (1,500m shares, KES 11.25bn). The two anchors total about 518m shares, about 35% of that minimum, leaving about 980m shares (KES 7.4bn) to come from institutions and retail investors. Anchor demand lowers, but does not remove, the risk of the minimum not being met.
- **Quality of demand.** Two development-finance institutions investing alongside is a positive signal for diligence and for governance expectations, particularly given the related-party questions in Section 11. It is not a valuation signal: both pay the same KES 7.50 and neither has disclosed a view on value.
- What we do not know. Transfer restrictions (if any) for MOBILIST, RWC and 337 Frontier were not fully detailed in the public summaries we reviewed; the IM states IFC may sell at any time. We assume no extra lock-ups for cornerstones beyond the seller lock-up and treat cornerstone stock as part of the free float unless later disclosed otherwise.

- **Impact on our numbers.** None on the DCF or DDM (the price is fixed and no new shares are issued). The anchors change the composition of the free float and the supply-demand backdrop around listing.

3. Top-down: macro backdrop and the Kenyan grocery market

3.1 Kenya macro: a large, urbanising, price-sensitive consumer

Kenya is East Africa's largest economy, with nominal GDP of KES 17.6tn (USD 135.9bn) in 2025 and a population of about 54.2 million, 32% of whom (18.5m) live in urban areas. Urban population growth of about 3.4% a year is nearly double overall population growth of 1.8–1.9%, which concentrates households in catchments that formal retailers can serve. KNBS data cited in the IM shows urban households buy about 98% of their food, and the share of food that rural households buy rather than produce rose from 30% (2009) to 78% (2022).

Indicator	2021	2022	2023	2024	2025	2026F	2027F
Real GDP growth	7.5%	4.9%	5.7%	4.7%	4.6%	5.0%	5.4%
CPI inflation (annual average)	6.1%	7.7%	7.7%	4.5%	4.1%	–	–
Quickmart LFL sales growth	6.5%	7.1%	8.0%	8.4%	5.7%	6.0% (model)	6.0% (model)
Quickmart total revenue growth	–	35.4%	18.5%	13.3%	8.0%	15.4%	15.9%

Source: IM macroeconomic overview (KNBS, CBK); Quickmart IM; OMS Research. Q2-26 real GDP growth was 5.1%.

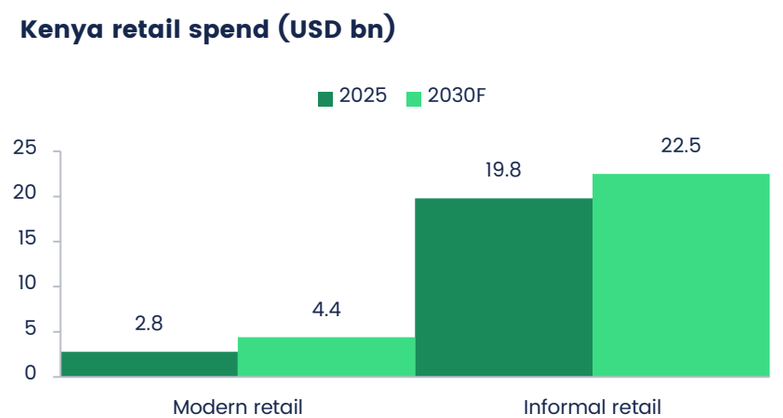
Interest rates and inflation. The Central Bank of Kenya cut its rate from 11.25% (December 2024) to 8.75% (February 2026) and then paused in April and June 2026 as energy and transport costs rose because of the US–Iran war. Inflation averaged 4.1% in 2025 but upside risks from fuel and transport are a live consideration for a retailer whose largest cost lines are staff, rent and utilities. For valuation, we use a risk-free rate of 12.83% (our 10-year Kenyan government bond input), well above the policy rate, which keeps the discount rate demanding.

Read-across to Quickmart. Grocery is mostly non-discretionary, which supports volumes. The risk is mix and trade-down: IM commentary notes consumers are increasingly value-conscious, making smaller baskets and more frequent trips. Quickmart's average monthly transactions rose from 2.8m (FY21) to 4.7m (FY25) while average basket rose from KES 769 to KES 893, so both traffic and basket have grown.

3.2 The retail market and the shift to modern trade

Total retail expenditure in Kenya was about USD 22.9bn (KES 3.0tn) in 2025 and is forecast to grow at 6.1% a year to USD 27.9bn by 2030. Modern retail is much smaller (about USD 2.8bn) but is forecast to grow at 9.5% a year to USD 4.4bn, lifting its share of retail spend to about 16%. Informal retail is forecast to grow at only 2.8% a year, and e-commerce at 28.5% from a very small base. That growth gap is the structural case for organised grocery chains.

Figure 2: Kenya retail spend: modern vs informal (USD bn)

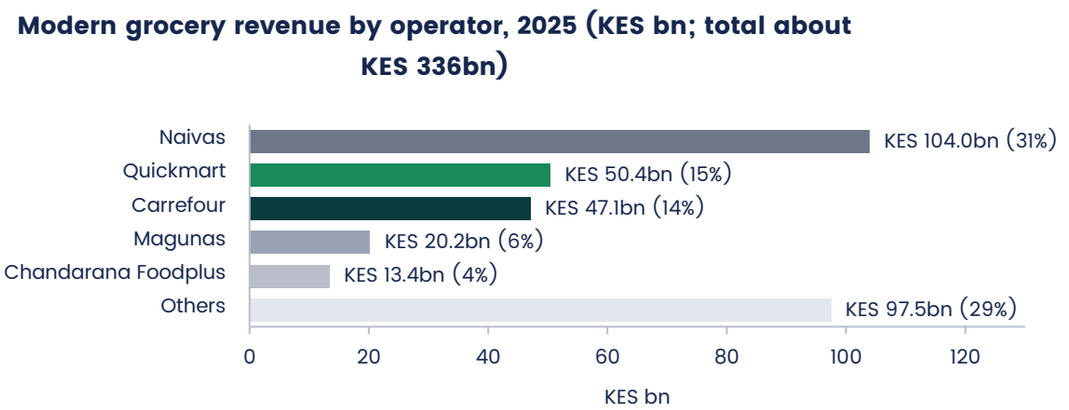


Source: Quickmart IM (market study). Informal bar shown net of modern retail and an e-commerce remainder; OMS Research.

3.3 Competitive landscape: Sagaci Research market data

The most recent market-share data come from **Sagaci Research (Kenya Retail Market Update, 2026)**, as published in the Quickmart Information Memorandum and reported by Business Daily, The Kenya Times and others. Sagaci estimates Kenya's modern grocery retail market at about **KES 336bn** in 2025, served by roughly 500 outlets across about 20 chains. Three operators account for about 60% of revenue: Naivas (31%, about KES 104bn), Quickmart (15%, KES 50.4bn) and Carrefour (14%, about KES 47.1bn). Magunas holds about 6% (KES 20.2bn) and Chandarana Foodplus about 4% (KES 13.4bn); the remaining 29% is spread across smaller chains. Sagaci also indicates that modern trade is only about 24% of Kenya's total grocery market, with the bulk of spending still in informal channels.

Figure 3: Modern grocery market share by operator (2025)



Source: Sagaci Research, Kenya Retail Market Update 2026, as cited in the Quickmart IM. KES values by operator are derived from the published percentages and the KES 336bn market estimate.

Operator	2025 share	Est. revenue (KES bn)	Comment
Naivas	31%	104.0	Market leader; IBL Group (a shareholder) reports 108 stores and about KES 114bn sales in the year to June 2025
Quickmart	15%	50.4	Second by store count and turnover; 64 stores (Dec-25), 72 (Oct-26), of which 35 trade 24 hours
Carrefour	14%	47.1	Franchise operation (Majid Al Futtaim); private
Magunas	6%	20.2	Regional chain
Chandarana Foodplus	4%	13.4	Nairobi-focused chain
Others	29%	97.5	About 15 further chains plus smaller formats

Source: Sagaci Research (via Quickmart IM and press coverage); IBL Group disclosures as cited in press. Naivas figures are on different year-ends and definitions (Sagaci: calendar 2025 estimate; IBL: year to June 2025) and should not be compared directly.

Reading the data. Quickmart's FY25 revenue of KES 50.4bn is the actual figure used by Sagaci for Quickmart, so the other shares are estimates derived relative to it. Quickmart's revenue per store (KES 788m) is below Naivas's implied level (about KES 1.0bn per store on IBL's figures), which can be read either as room to improve productivity or as a difference in store size and format mix; the data do not allow us to tell which. The IM notes that six large retailers had exited the market by 2023, including Nakumatt and Tuskys (peak 65 and 64 stores) and foreign-owned Shoprite and Choppies. Their failures are widely attributed to weak governance, over-aggressive expansion, poor cost control and, for foreign entrants, above-market rental commitments. That history is directly relevant to how investors should read Quickmart's related-party and leasing disclosures (Section 11). The Sagaci data are published by the issuer, informal trade makes any share estimate hard to verify, and the shares cover modern grocery only.

3.4 What the top-down view implies for Quickmart

As a cross-check on our revenue path, we apply the IM's forecast growth for modern retail (9.5% a year) to Sagaci's KES 336bn modern grocery base. That gives a modern grocery market of about KES 529bn in 2030. Quickmart's FY25 revenue of KES 50.4bn is 15.0% of the 2025 market and our FY30E revenue of KES 94.7bn would be about 17.9% of the 2030 market, a gain of about 2.9 points. In other

words our base case needs only a modest share gain, while the market itself is expected to grow faster than the broader retail market because modern trade is only about 24% of grocery spend and is being pulled up by urbanisation.

Management's stated ambition, as reported after the IPO opened, is to expand from 72 to 125 stores over about four years and to double annual revenue to about USD 1bn (roughly KES 131bn at KES 131/USD). Our FY30E revenue of KES 94.7bn is about 28% below that ambition. The base case therefore assumes the 125-store path but not management's full revenue ambition; the Bull case (growth +2 points a year in FY28–30E) goes further.

4. Company overview

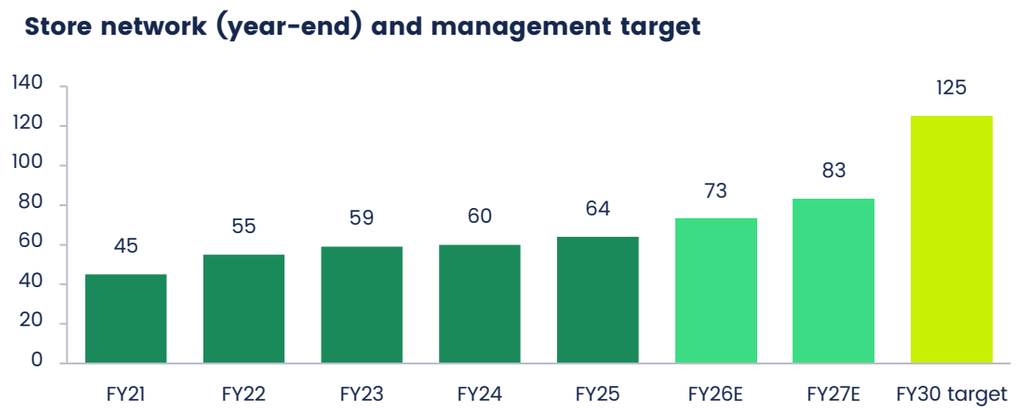
4.1 History and shareholders

Quickmart was started in Nakuru in 2006 by John Kinuthia and his son Duncan. Adenia Partners, a Mauritius-based private equity manager, acquired majority stakes in Quickmart (about 51%) and Tumaini (about 55%) in 2018–19, and the two chains combined under the Quickmart brand in 2020. Peter Kang'iri, formerly CEO of Tumaini, became Group CEO. Since Adenia's investment the business has been overseen by a Strategy and Investment Committee that brings together industry experts, the founder and institutional shareholders.

4.2 Store network

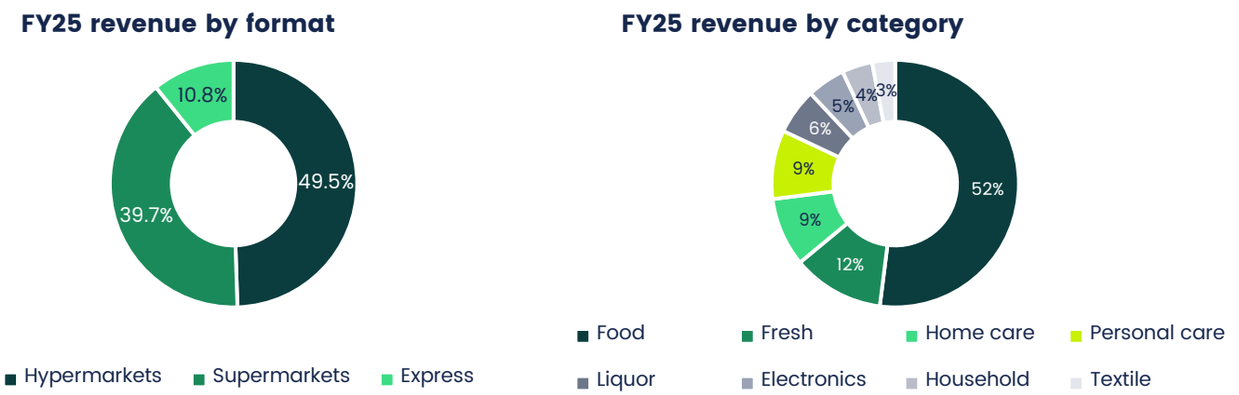
At 30 June 2026 Quickmart operated 68 stores across 16 counties (72 by October 2026, 35 of them trading 24 hours and 73 targeted for end-FY26): 26 hypermarkets, 28 supermarkets and 14 express stores. By region, 41 stores are in Nairobi metropolitan, 18 in the Coast region, 5 in Western/Rift Valley and 4 in Central/Eastern. The workforce was 7,974 at 30 June 2026 (1,906 direct employees and 6,068 outsourced and consignment staff), about 117 people per store.

Figure 4: Store network and management target



Source: Quickmart IM; OMS Research.

Figure 5: Revenue mix by format and by category (FY25)



Source: Quickmart IM.

Hypermarkets contributed 49.5% of FY25 revenue (KES 24.9bn), supermarkets 39.7% (KES 20.0bn) and express stores 10.8% (KES 5.5bn). Food and fresh account for about 64% of sales (food 52%, fresh 12%), with home care 9%, personal care 9%, liquor 6%, electronics 5%, household goods 4% and textiles 3%. Stores opened between FY21 and FY25 generated about KES 22.8bn, or 45% of FY25 sales, which shows how much of today's revenue comes from recent expansion.

4.3 Customer proposition and operating model

- **Loyalty.** Q-Points loyalty members rose from 0.3m (FY20) to 2.3m (FY25) and contributed 74% of FY25 sales.
- **Convenience.** 24-hour trading at selected high-traffic stores: night-shift sales were 15% of participating stores' sales and about 8% of total sales in FY25.
- **Value and freshness.** Localised assortments, year-round promotions and a growing private label, QuickChoice, currently concentrated in daily commodities such as bread, milk, sugar, rice and water, with expansion planned into higher-margin categories.
- **Digital.** QSOKO online grocery with third-party last-mile delivery; the long-term aim is more than 10% of revenue from digital channels.
- **Supply chain.** Centralised buying and supplier-led direct-to-store delivery rather than a central warehouse; a 48-vehicle fleet rebalances stock between stores. The top-ten suppliers were about 27% of FY25 purchases and the largest about 7% (H1-26). 269 joint business plans were active at FY25. Shrinkage and waste were about 0.5% and 0.2% of sales in H1-26.

4.4 Board and management

Name	Role	Note
Jérôme Loubère	Chairperson (non-executive)	Appointed Sep 2019; former CEO of Carrefour Greece
Peter Kang'iri	Group CEO (executive director)	Appointed Oct 2019; indirect holder of about 5.4%
Jacques Dôme	Managing Director – Kenya (executive)	Appointed Aug 2020
Alexis Caude	Non-executive director	Appointed Sep 2019; Adenia-related
Duncan Kinuthia	Non-executive director	Appointed Sep 2019; founder family; about 20.7% indirect
Martha Osier	Non-executive director	Appointed Sep 2019; Adenia partner
Disha Copreaux	Independent non-executive director	Appointed 1 Oct 2026; chairs Nomination, Remuneration and Governance
Jennifer Kinyoe	Independent non-executive director	Appointed 1 Oct 2026; chairs Audit and Risk Management
Simon Macharia	Chief Financial Officer	Joined Dec 2018; CPA(K)

Source: Quickmart IM (Directors, Executive Leadership Team, Directors' Interests). Adenia affiliation of Mr Caude per IM structure.

5. Strategy and growth drivers

Management's plan has five pillars. We assess each against evidence in the IM and in our model.

Pillar	What management says	Our read
Store roll-out	125 stores in Kenya by 2030; 30 prospective sites beyond 2026 (13 under negotiation, 17 under research); +10 stores in FY27 (7 supermarkets, 3 hypermarkets)	Credible near term (9 in FY26, 10 in FY27 versus 4 in FY25). 125 stores needs about +42 from FY27: more than the 30 identified sites, so the pipeline must be replenished
Like-for-like growth	Loyalty analytics, category management, promotions, 24-hour trading	LFL averaged 7.1% FY21–25 but slowed to 5.7% in FY25. We assume 6.0%
Digital	QSOKO; more than 10% of revenue over time; new ERP	Small today; helpful to data and personalisation, not yet a driver of our numbers
Private label and mix	Extend QuickChoice into higher-margin categories	Supports the +10bp a year gross margin drift we assume from FY28
Capital discipline	Asset-light (leased) model, rapid inventory turn, negative working capital	Evidenced by ROIC of about 43% in FY25 (IM) and 65% cash conversion. Depends on supplier credit remaining available

Source: Quickmart IM (Growth Plan 2026–2030); OMS Research.

Capex-light, but not lease-light

Management describes the model as capex-light: it does not buy land or buildings and invests only in fit-outs. That is accurate for property and equipment (PPE capex was KES 1.1bn in FY25), but leases are the real capital intensity. Lease liabilities were KES 7.9bn at 30 June 2026 and lease payments were KES 1.6bn in FY25 (3.2% of revenue). Because we capitalise leases as debt in the DCF, new leases are treated as capex-equivalent investment, which is why our reinvestment is higher than a naive "capex of 2–3% of revenue" view suggests.

6. Revenue growth: like-for-like versus total

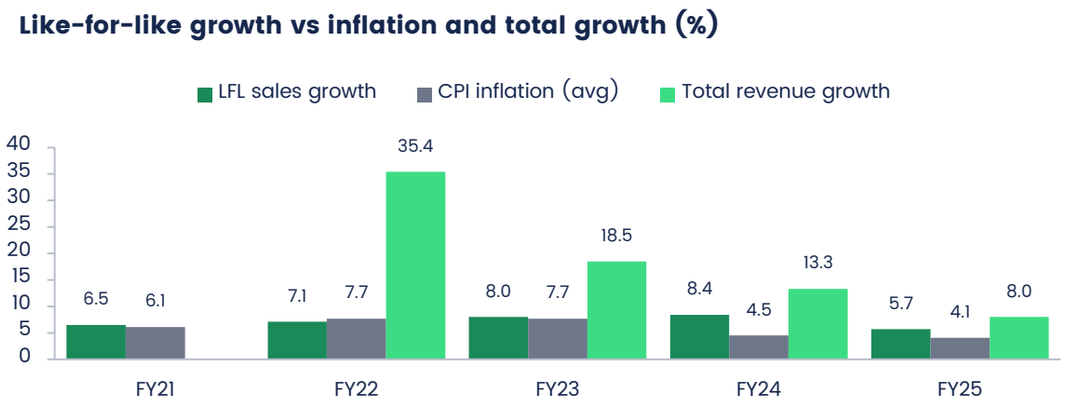
6.1 What like-for-like growth is

Like-for-like (LFL) sales growth measures the growth in sales of stores that have been open for at least 12 months, which removes the effect of openings and closures (IM definition). **Total revenue growth** is LFL growth plus the contribution from new stores: the part-year sales of stores opened in the year and the annualisation of stores opened in the prior year, less closures. The difference is the growth that came from adding space rather than from selling more through existing space.

The distinction matters because investors capitalise the two differently. LFL growth is high-margin, needs little extra capital, and reflects pricing, traffic and basket. New-store growth requires fit-out capex and new leases, and carries execution and cannibalisation risk. LFL growth that merely tracks inflation creates no real value; LFL above inflation indicates share gain or mix improvement.

6.2 History: strong, but decelerating

Figure 6: LFL growth versus inflation and total revenue growth

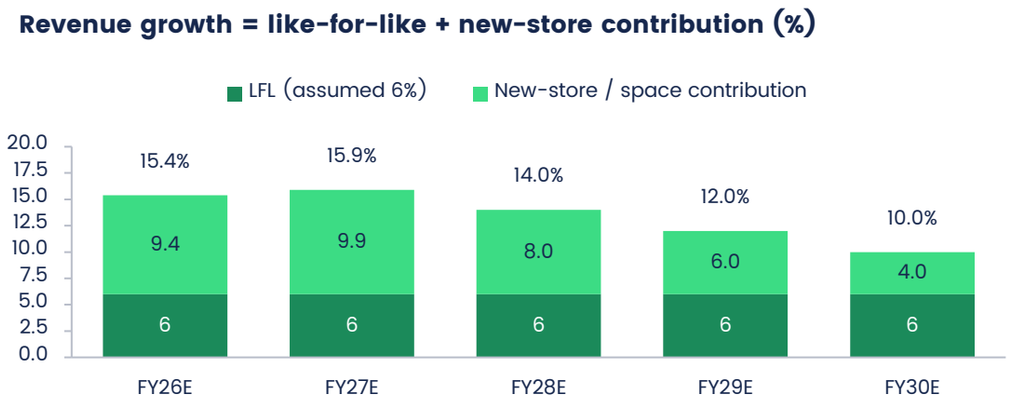


Source: Quickmart IM (LFL, CPI averages, revenue); OMS Research.

- LFL averaged **7.1%** over FY21–25 (6.5%, 7.1%, 8.0%, 8.4% and 5.7%) versus average CPI of 6.0%, a real LFL gain of about 1.1 points a year. FY25 LFL slowed to 5.7%, about 1.6 points above CPI of 4.1%.
- Total growth outran LFL in the expansion years (35.4% in FY22, 18.5% in FY23) because the network grew from 45 stores in FY21 to 59 in FY23. In FY25 only four stores opened (three in H2), so new-store contribution was about 2.3 points: total growth 8.0% less LFL 5.7%.
- Traffic and basket both contributed: monthly transactions rose from 2.8m to 4.7m and average basket from KES 769 to KES 893 over FY21–25.

6.3 Forecast: what we assume and why

Figure 7: Forecast revenue growth split into LFL and new-store contribution



Source: OMS Research. FY26–27E reproduce management guidance; FY28–30E are our assumptions.

	FY26E	FY27E	FY28E	FY29E	FY30E
Total revenue growth	**15.4%**	**15.9%**	**14.0%**	**12.0%**	**10.0%**
LFL growth (assumed)	6.0%	6.0%	6.0%	6.0%	6.0%
New-store / space contribution	9.4 pts	9.9 pts	8.0 pts	6.0 pts	4.0 pts
Year-end stores (IM target path)	73	83	97	111	125 target
Implied net new stores in our base	9–10	10	14	14	14
Revenue (KES bn)	58.2	67.4	76.9	86.1	94.7

Source: OMS Research. Implied net new stores = space-growth points × prior-year store count (approximation: ignores format size and timing).

Defence of the driver. For FY26–27E we adopt management's projections, which are supported by evidence: H1-26 revenue grew 18.4% to KES 27.3bn, so FY26E of KES 58.2bn requires KES 30.9bn in H2, or about +12.9% on H2-25. LFL of 6% plus new-store contribution of about 9–10 points is consistent with 9 and 10 openings on a base of 64 and 73 stores. For FY28–30E we fade growth to 14%, 12% and 10%. That is equivalent to a LFL of 6% plus 8, 6 and 4 points of space growth: about 14 net new stores a year on the path to management's 125-store target (97, 111 and 125 stores). The 30 identified sites cover only part of that pipeline, so the forecast depends on replenishing sites and carries execution and cannibalisation risk.

What would break it. (i) LFL at inflation (about 4–5%) rather than 6% would cut FY28–30 growth by 1–2 points a year; (ii) delays in openings; (iii) new stores ramping slower than the IM's 12-month maturity. Our scenario analysis (Section 10.6) flexes growth by ±2–3 points a year in FY28–30.

7. Unit economics: what the IM tells us and what we assume

Unit economics drive the case for roll-out. We separate what the IM discloses from what we infer, because the new-store economics in the IM are described qualitatively rather than as a full store P&L.

7.1 Disclosed facts

- New stores typically achieve **EBITDA break-even from their first month**, reach **sales maturity within 12 months**, and recover invested capital within **two to three years** (IM).
- FY25 revenue per store averaged **KES 788m** (KES 50.4bn / 64 stores) and EBITDA per store about **KES 79m** (post-IFRS 16).
- By format, implied revenue per store is about KES 958m for hypermarkets (KES 24.9bn / 26), KES 715m for supermarkets (KES 20.0bn / 28) and KES 389m for express stores (KES 5.4bn / 14). These use FY25 revenue and 30 June 2026 store counts, so they slightly understate per-store sales.
- Guided growth capex is **KES 1.4bn** in each of FY26 and FY27 against 9 and 10 openings, an implied **KES 156m and KES 140m per new store** (our derivation; it includes systems and other growth items, so it is an upper bound).

7.2 Payback cross-check

Using the implied supermarket revenue of KES 715m and an assumed store-level contribution margin before central costs, the table shows the simple payback for different capex per store. The margin range is our assumption: group EBITDA margin is 10.1–10.8% post-IFRS 16, which falls to roughly 7–7.5% once lease payments (3.2–3.3% of revenue) are deducted; store contribution before head-office costs is higher than that.

Capex per store (KES m)	8% margin	9% margin	10% margin	11% margin
125	2.2 yrs	1.9 yrs	1.7 yrs	1.6 yrs
150	2.6 yrs	2.3 yrs	2.1 yrs	1.9 yrs
175	3.1 yrs	2.7 yrs	2.4 yrs	2.2 yrs

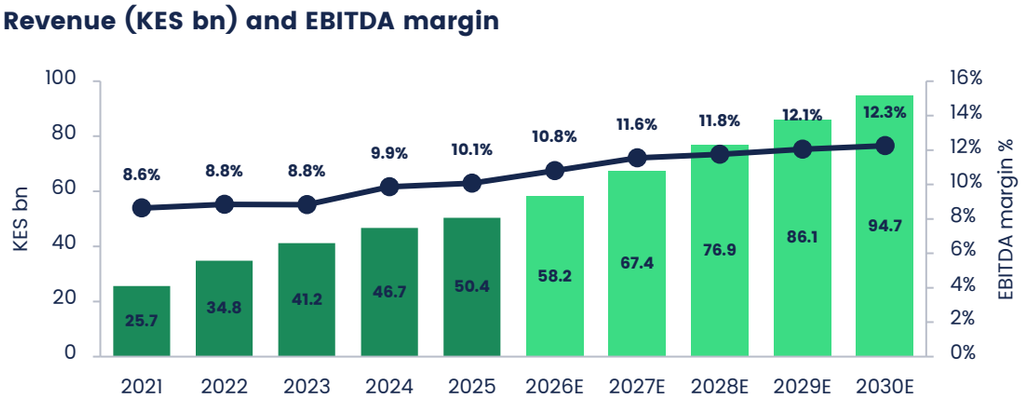
Source: OMS Research. Simple payback = capex / (KES 715m revenue × contribution margin). IM states payback of 2–3 years.

Payback of about 2.0–2.5 years falls out for capex of KES 140–156m and a 9–10% contribution margin, consistent with the IM's 2–3 years. The conclusion is that the IM's payback claim is plausible but depends on contribution margins that the IM does not disclose. We therefore treat store-level economics as supportive evidence, not as a driver of the valuation.

8. Historical financial analysis (FY21–H1-26)

8.1 Profit and loss

Figure 8: Revenue and EBITDA margin



Source: Quickmart IM; OMS Research (FY26E onwards).

KES m	2021A	2022A	2023A	2024A	2025A	H1-26A
Revenue	**25,681**	**34,781**	**41,216**	**46,708**	**50,428**	**27,300**
growth	–	35.4%	18.5%	13.3%	8.0%	18.4%
Gross profit	5,406	7,396	8,638	10,275	11,078	–
gross margin	21.1%	21.3%	21.0%	22.0%	22.0%	–
EBITDA (reported)	**2,216**	**3,076**	**3,635**	**4,612**	**5,076**	**2,819**
margin	8.6%	8.8%	8.8%	9.9%	10.1%	10.3%
EBIT	1,097	1,641	1,979	2,966	3,451	–
Net finance charges	(828)	(1,239)	(1,333)	(1,322)	(1,284)	(699)
Profit before tax	269	402	646	1,644	2,167	1,250
Net income	**183**	**275**	**450**	**1,135**	**1,509**	**873**
net margin	0.7%	0.8%	1.1%	2.4%	3.0%	3.2%

Source: Quickmart IM (Reporting Accountants' Report, H1-26 interim); OMS Research.

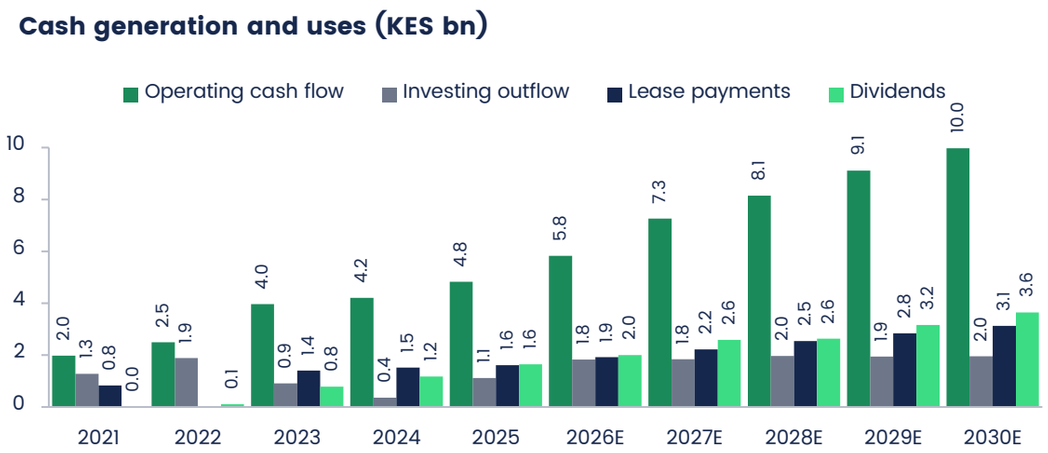
Gross margin improved from 21.1% to 22.0%, helped by mix and scale. EBITDA margin rose from 8.6% to 10.1% as employee and administrative costs grew more slowly than revenue (employee costs fell from 6.6% to 6.3% of revenue and administration from 6.6% to 6.3%). Net finance charges are mostly lease interest (we estimate about KES 1.0bn of the KES 1.28bn charged in FY25, an implied rate of about 13.7% on the lease liability). Net income rose eight-fold from FY21 to FY25 because of operating leverage and finance charges that stayed broadly flat.

8.2 Quality of earnings

The IM presents adjusted EBITDA of KES 5,361m for FY25 (reported KES 5,076m), after adding back KES 286m: management and consultancy fees (about KES 265m) and protest-related costs (about KES 21m). For FY26 the adjustment is KES 306m, giving adjusted EBITDA of KES 6,585m versus reported KES 6,279m. For H1-26, adjusted EBITDA was KES 2,966m (10.9%) versus reported KES 2,819m (10.3%) and adjusted net profit was KES 976m versus reported KES 873m. The fee add-backs recurred every year from FY21 to FY25. They are legitimate going forward only if the terminated sponsor and founder services do not need to be replaced, which we flag as an open question (Section 11).

8.3 Cash flow, leases and returns

Figure 9: Cash generation and uses



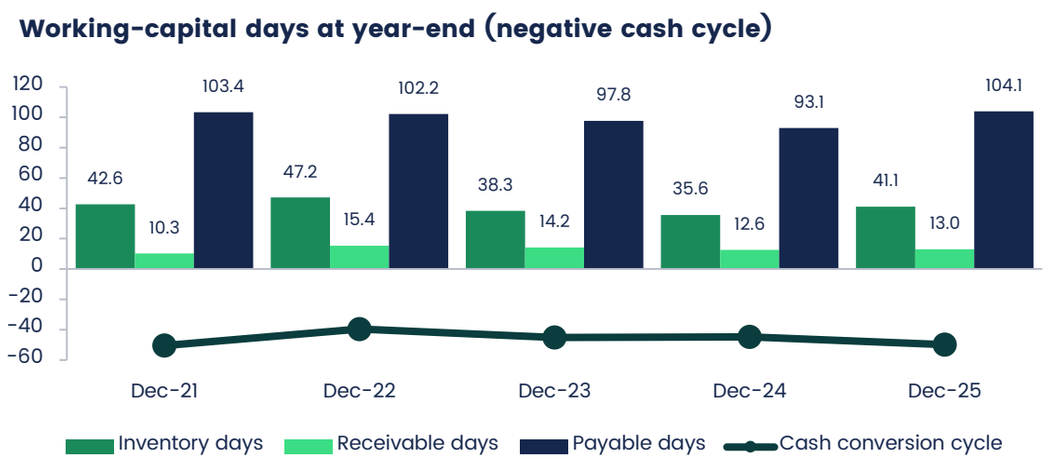
Source: Quickmart IM (FY21–FY25 reported cash flow); OMS Research for FY26E+.

Operating cash flow grew from KES 2.0bn (FY21) to KES 4.8bn (FY25) and was helped by working-capital inflows of KES 0.9bn in FY25. Cash generation before working capital was 78% of EBITDA in FY25. The IM's own "underlying adjusted cash flow" (adjusted EBITDA less maintenance capex of KES 0.28bn and lease repayments of KES 1.6bn) was KES 3.5bn in FY25, a conversion of about 65%. Investing outflows were KES 1.1bn in FY25 and financing outflows KES 3.4bn, of which lease repayments were KES 1.6bn (total payments, principal plus interest) and dividends KES 1.6bn. The IM reports ROIC of about 43% for FY25.

Distributions have been large relative to the equity base: dividends of KES 0.1bn (FY22), 0.8bn (FY23), 1.2bn (FY24) and 1.6bn (FY25), and a KES 1.1bn shareholder distribution in H1-26. Year-end equity was only KES 1.06bn (FY25), so return on equity (143% in FY25) is not a meaningful metric and we use ROIC and cash returns instead.

8.4 Working capital: negative by design

Figure 10: Working-capital days at year-end



Source: Quickmart IM; OMS Research.

Payables exceed inventory and receivables combined, so working capital is structurally negative and grows more negative as the business grows. Year-end inventory days were 36–47 and payable days 93–104. Management states the roughly 40-day gap between inventory and payable days is a December effect: December is peak trading and restocking, which inflates both inventory and payables, and the June 2026 cash conversion cycle was about −35 days with inventory around 33 days. Because our forecasts are at December year-ends, we hold year-end days at FY25 levels (41, 13 and 104) rather than assuming mid-year levels. Supplier credit is effectively

the funding source for the business: trade payables were KES 11.2bn at December 2025 against equity of KES 1.1bn. The IM lists withdrawal of supplier credit as a risk and cites the failures of Nakumatt and Tuskys.

8.5 Balance sheet and leverage

Borrowings were KES 6.8m at 30 June 2026 and the company had no non-current borrowings. Lease liabilities were KES 7.9bn (KES 7.0bn non-current, KES 1.0bn current). Net debt including leases was KES 7.27bn at 30 June 2026, up from KES 5.17bn at December 2025 mainly because of the H1 distribution and lease growth. Excluding leases, the company held net cash of about KES 0.7bn. Guarantees (bank and financial) were KES 418.5m (FY25: KES 467.2m).

9. Forecasts and driver assumptions

FY26E and FY27E revenue, EBITDA, EBIT, net income, capex, dividends and net finance charges reconcile to the IM's management projections within about 0.3–0.5%. FY28–30E are our extrapolations.

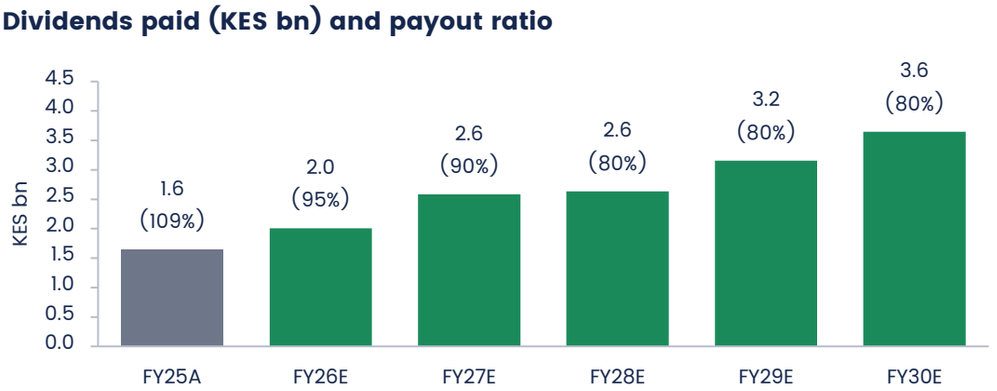
9.1 Forecast summary

KES m	2025A	2026E	2027E	2028E	2029E	2030E
Revenue	**50,428**	**58,193**	**67,446**	**76,889**	**86,115**	**94,727**
growth	8.0%	15.4%	15.9%	14.0%	12.0%	10.0%
Gross margin	22.0%	22.6%	22.7%	22.7%	22.8%	22.8%
EBITDA	**5,076**	**6,285**	**7,790**	**9,034**	**10,377**	**11,604**
margin	10.1%	10.8%	11.5%	11.8%	12.1%	12.3%
EBIT	3,451	4,423	5,598	6,566	7,656	8,658
Net finance charges	(1,284)	(1,462)	(1,667)	(1,859)	(2,017)	(2,144)
Net income	**1,509**	**2,111**	**2,870**	**3,295**	**3,947**	**4,560**
net margin	3.0%	3.6%	4.3%	4.3%	4.6%	4.8%
Capex (PPE)	(1,068)	(1,800)	(1,800)	(1,922)	(1,895)	(1,895)
Lease additions (RoU)	0	(1,780)	(2,015)	(1,882)	(1,898)	(1,870)
Free cash flow to firm	**3,830**	**2,141**	**3,358**	**4,183**	**5,174**	**6,082**
Free cash flow after leases	2,098	2,072	3,192	3,638	4,320	4,896
Dividends paid	1,647	2,005	2,583	2,636	3,158	3,648
Dividend cover (x)	1.3x	1.0x	1.2x	1.4x	1.4x	1.3x

Source: OMS Research. FCFF = NOPAT + D&A − capex − lease additions − change in net working capital (inflow positive).

9.2 Capital allocation and dividend capacity

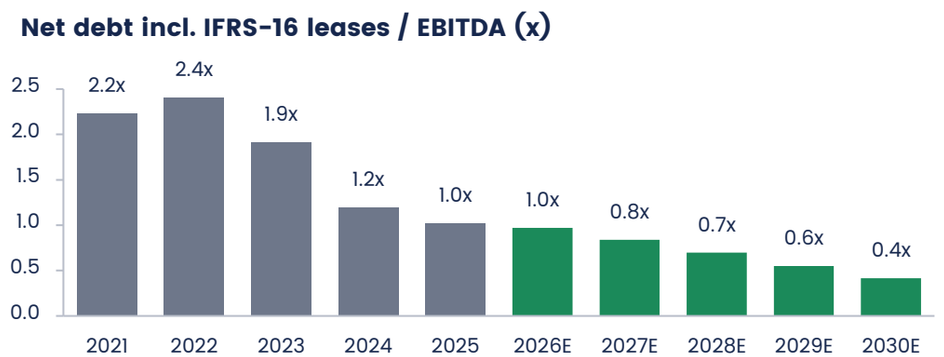
Figure 11: Dividends paid and payout ratio



Source: Quickmart IM; OMS Research.

Free cash flow after leases (operating cash flow, less investing, less lease payments) was KES 2.1bn in FY25 and is forecast at KES 2.1bn in FY26E, KES 3.2bn in FY27E and KES 4.9bn by FY30E. Against dividends of KES 2.0bn in FY26E (95% payout), cover is only 1.0x, rising to about 1.2–1.4x from FY27E. A KES 2.0bn dividend equals 6.7% of the market capitalisation at the offer price but nearly 100% of free cash flow after leases in the first year. Management also wants to open 9–10 stores a year from internal cash. Either the payout is lowered, supplier terms stretch, or openings slow. We model the IM payout in FY26–27E and 80% thereafter.

Figure 12: Net debt including leases / EBITDA



Source: OMS Research.

9.3 Segments: what the model assumes

The model forecasts at the consolidated level. Format mix, category mix and regional store counts are taken from the IM as FY25 or 30 June 2026 facts and are held constant; we do not forecast revenue by format or by category. A format-level forecast would help to test margin assumptions, because hypermarkets (about 50% of revenue) have different density and cost structures from express stores, but the IM does not disclose profit by format.

10. Valuation

10.1 Approach

We value Quickmart with a free-cash-flow-to-firm DCF as the primary method, cross-checked by a dividend discount model (DDM) and an exit-multiple DCF. We show the issuer's own pricing multiples (5.7x EV/EBITDA, 12.9x P/E) only to describe how the offer was priced.

Lease treatment. IFRS 16 lease liabilities are treated as debt: FCFF excludes lease payments, net debt includes lease liabilities, and new leases are deducted as capex-equivalent investment. The valuation date is 30 June 2026 (latest balance sheet); only the second half of FY26E cash flow is counted.

10.2 Cost of capital

Input	Value	Basis
Risk-free rate	12.83%	10-year Kenyan government bond yield
Equity risk premium	6.0%	(KES basis)
Beta	0.80	assumption;
Cost of equity	17.63%	Rf + beta × ERP
Pre-tax cost of debt	14.0%	IM-implied FY25 lease rate about 13.7%
Tax rate	30%	Statutory
After-tax cost of debt	9.8%	14.0% × (1 − 30%)
Debt / (debt + equity)	25%	Target; market weight at the offer is about 21%
WACC	**15.7%**	**75% × 17.63% + 25% × 9.8%**
Terminal growth	5.0%	Nominal KES; below the risk-free rate

Source: OMS Research.

10.3 DCF result

KES m	H2-26E*	FY27E	FY28E	FY29E	FY30E	Terminal (norm.)
NOPAT	3,153	4,087	4,596	5,359	6,061	6,364
+ D&A	1,862	2,192	2,468	2,721	2,946	–
− Capex (PPE)	(1,800)	(1,800)	(1,922)	(1,895)	(1,895)	–
− Lease additions	(1,780)	(2,015)	(1,882)	(1,898)	(1,870)	–
+ Working-capital inflow	705	894	923	887	840	–
FCFF (full year)	**2,141**	**3,358**	**4,183**	**5,174**	**6,082**	**5,964**
Discount factor (mid-period)	0.96	0.86	0.75	0.65	0.56	–
PV of FCFF (H2-26 = 53% of year)	1,096	2,903	3,127	3,343	3,398	–

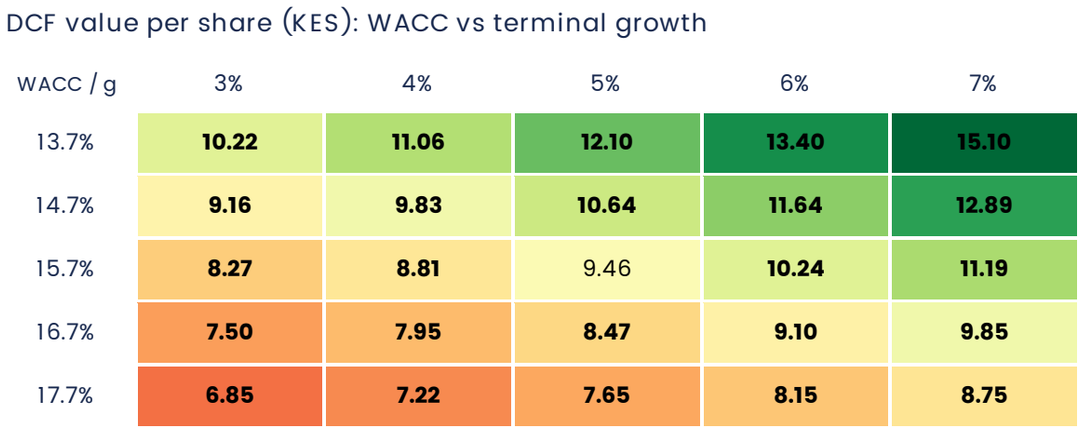
*Source: OMS Research. *FY26E shown for the full year; only H2 (53% of the year, by revenue) is counted from 30 June 2026.*

Item	KES m / x	Comment
PV of explicit FCFF (H2-26E to FY30E)	13,867	
PV of terminal value	31,229	69.2% of EV
Enterprise value	45,095	7.2x FY26E EBITDA
Less net debt incl. leases (30 June 2026)	7,273	IM
Equity value	37,823	
Value per share (KES)	**9.46**	**26.1% vs offer**
Implied terminal EV / EBITDA	5.0x	Below the 5.9x paid at the offer

Terminal value discipline. Terminal FCFF is normalised: it equals NOPAT less terminal growth times invested capital (the cash flow needed to sustain 5% growth), not the FY30E cash flow grown at 5%. An unnormalised terminal year would have flattered value because FY30E reinvestment is below depreciation plus growth. Terminal value is still 69% of enterprise value, which is why we rely on the DDM and scenarios as well.

10.4 Sensitivities

Figure 13: DCF value per share: WACC versus terminal growth



Source: OMS Research.

Exit EV/EBITDA →	4.5x	5.5x	6.5x	7.5x	8.5x
13.7%	9.13	10.76	12.39	14.02	15.65
14.7%	8.77	10.34	11.91	13.47	15.04
15.7%	8.43	9.94	11.44	12.95	14.46
16.7%	8.10	9.55	11.00	12.45	13.90
17.7%	7.79	9.18	10.58	11.97	13.37

Exit-multiple DCF value per share (KES) by WACC (rows) and terminal EV/EBITDA (columns). Terminal value discounted at year-end.

Each 1 percentage point of WACC moves value by roughly KES 1.0–1.2 per share. A 1 point change in terminal growth moves value by about KES 0.6–0.8. At a WACC near 17.7% the DCF falls to about KES 7.65, close to the offer price: that is roughly what the market price implies on our cash flows.

10.5 Dividend discount model

The DDM values only cash distributed to shareholders. We use the IM's FY26 total dividend (KES 2.0bn, of which KES 1.1bn was already paid in H1-26, leaving KES 0.9bn), 90% payout in FY27E and 80% thereafter, and a terminal payout of 80% with 5% growth, discounted at a cost of equity of 17.6%. Present value of dividends to FY30E is KES 8,811m and of terminal value KES 15,848m, giving equity value of KES 24,659m, or KES 6.16 per share (KES 5.71–6.70 for cost of equity ±1pp).

Why the DDM is below the DCF. (1) The DCF discounts at a blended WACC of 15.7%, which gives credit for 25% cheaper after-tax lease debt, while the DDM discounts at the 17.63% cost of equity. (2) An 80% payout leaves 20% of earnings undistributed in perpetuity, whereas the DCF assumes the business reinvests only what growth requires, and with negative working capital it needs little. (3) The DDM ignores the value of retained cash building on the balance sheet. The truth probably lies between the two, which is why we blend them. If payout were raised towards free cash flow after leases, the DDM would rise.

10.6 Scenarios and reverse DCF

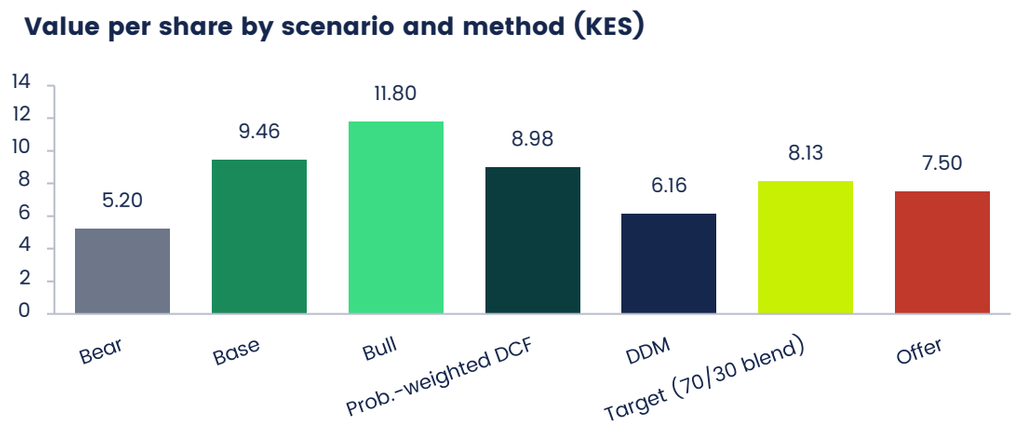
Scenario	Key assumptions	Revenue CAGR 25–30	WACC	Value / share (KES)	Probability
Bear	Growth −3pp in FY28–30E; margins held at FY26E (about 10.8% EBITDA); tax 30%; WACC +1.5pp; terminal growth 4%	10.4%	17.3%	5.20	25%
Base	IM facts + analyst assumptions as in Section 9	13.4%	15.7%	9.46	50%

Scenario	Key assumptions	Revenue CAGR 25–30	WACC	Value / share (KES)	Probability
Bull	Growth +2pp in FY28–30E (store roll-out nearer target); IM margin path continues	15.5%	15.3%	11.80	25%
Probability-weighted				**8.98**	

Source: OMS Research calculations.

How the scenarios were set. Bear represents a slower roll-out and a retailer that cannot expand margins beyond FY26 levels in a higher-rate world; Bull represents faster growth, an EBITDA margin near 13% by FY30E, a lower cost of capital and 5.5% terminal growth. The asymmetry (a -KES 4.3 downside against a +KES 2.3 upside to Base) reflects that the Base already includes margin expansion and a 5% terminal growth, so the Bull case needs several favourable assumptions at once. **Reverse DCF:** on our Base cash flows the offer price of KES 7.50 is consistent with a WACC of about 17.8%, versus 15.7% in the model.

Figure 14: Value per share by scenario and method (KES)



Source: OMS Research.

10.7 What is priced in at the offer

Metric at KES 7.50	FY25A	FY26E	FY27E
P/E (model net income)	19.9x	14.2x	10.5x
P/E (IM adjusted FY26E net income)	–	12.9x	–
EV/EBITDA (EV KES 37.3bn)	7.3x	5.9x	4.8x
EV/EBITDA (IM adjusted FY26E)	–	5.7x	–
Dividend yield	5.5% (KES 1.65bn)	6.7% (KES 2.0bn)	8.6% (KES 2.6bn)
FCF yield after leases (on equity)	7.0%	6.9%	10.6%
Price / sales	0.60x	0.52x	0.44x

The offer looks inexpensive on forward earnings and cash yield, but it prices in delivery of management's FY26–27 profit growth (net income of KES 2.1bn in FY26E versus KES 1.5bn in FY25). The second-half profit required (KES 1.23bn versus KES 873m in H1-26) is about 41% higher than the first half, which makes H2 delivery the first real test.

10.8 Target price and rating

Case	Method	Value (KES)	vs offer
1	Probability-weighted DCF only	8.98	19.7%
2	DDM only	6.16	-17.8%
3 (selected)	70% probability-weighted DCF + 30% DDM	8.13	8.5%

Case	Method	Value (KES)	vs offer
Reference	Base-case DCF	9.46	26.1%
Reference	Exit-multiple DCF (6.0x)	10.69	42.5%

We select Case 3 because the DCF and DDM capture different parts of the value (business cash flows versus distributions) and because each has a known bias: the DCF leans on terminal value; the DDM leans on a conservative payout. The target price of KES 8.13 implies a price return of about 8.5% against the offer, inside our Hold band (±10%). Adding the FY26E dividend of KES 0.50 (6.7%) gives an expected total return of about 15%. We give the DCF 70% because a store roll-out business is valued mainly on its growth, and the DDM 30% as a cross-check on distributable cash.

10.9 Limitations

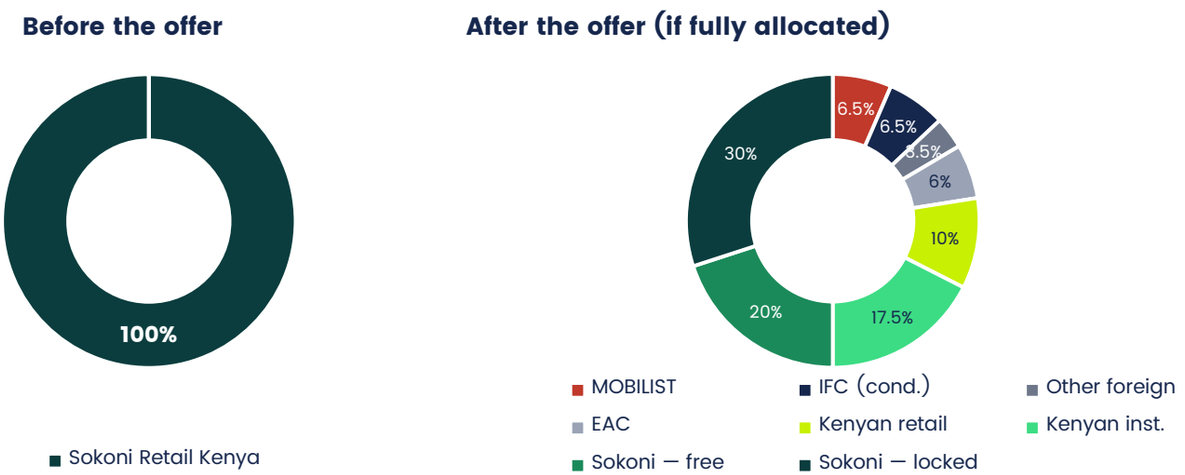
- The DCF is sensitive to cost of capital inputs that are judgements (risk-free rate, beta, equity risk premium) and to a terminal value that is about 69% of enterprise value.
- FY28–30E drivers (growth, margin, capex) are extrapolations beyond management's FY27 guidance; the Bear case tests the downside.
- Seasonality within the year is not modelled (year-end balances are the seasonal peak for payables and stock).

11. Ownership, governance and conflicts of interest

Governance is the most debated aspect of this IPO. This section sets out the ownership structure, the related-party arrangements disclosed in the IM and the latest press coverage (to 21 October 2026), and gives our assessment.

11.1 Who owns Quickmart before and after the offer

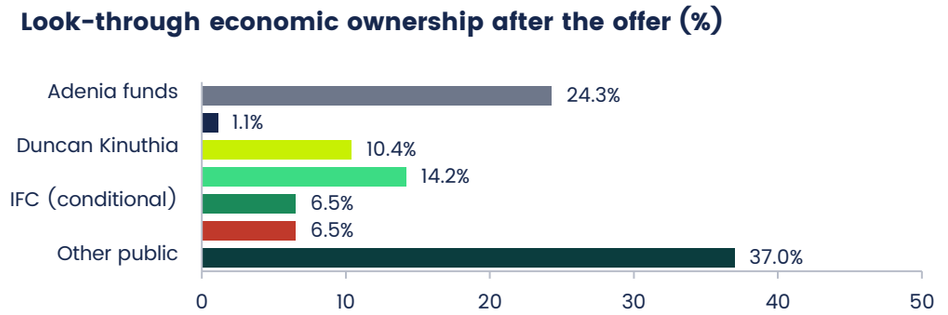
Figure 15: Ownership before and after the offer



Source: Quickmart IM (Shareholding Structure; Allocation Policy); CMA supplementary IM; Quickmart / MOBILIST release; OMS Research. After-offer view assumes the revised cornerstone-led allocation is fully taken up.

Before the offer, Sokoni Retail Kenya Limited owns 100% of Quickmart. Sokoni's own shareholders are Sokoni Retail Holdings Ltd (50.8%; two Adenia funds hold about 95.7% of it), Duncan Kinuthia (20.7%), Peter Kang'iri (5.4%) and other founders and managers, each holding 3–5%. The IM calculates Adenia's effective interest at about 48.6%. After the offer the sellers keep 50% of Quickmart.

Figure 16: Look-through economic ownership after the offer



Source: Quickmart IM; OMS Research calculations.

Holder (after offer)	% of Quickmart	Shares (m)	Value at KES 7.50 (KES m)
Adenia funds (via Sokoni Retail Holdings)	24.3%	973	7,298
Other Sokoni Retail Holdings holders	1.1%	43	320
Duncan Kinuthia	10.4%	414	3,106
Other Sokoni holders (founders, management)	14.2%	569	4,268
IFC (conditional cornerstone)	6.5%	260	1,950
MOBILIST (UK FCDO), subscribed	6.5%	260	1,950
Other public investors	37.0%	1,480	11,100

Source: OMS Research calculations from the IM shareholding tables.

Who is paid. Net proceeds are distributed pro rata to Sokoni's ultimate shareholders. Billionaires.Africa (23 September 2026) estimates that the Adenia-led holding company would receive about KES 7.3bn of net proceeds, the Kinuthia family about KES 4.6bn, the Tumaini founders about KES 1.7bn and Mr Kang'iri about KES 0.8bn. Commentary also argues that the timing reflects the life of Adenia's fund. That is a reasonable inference, but the company does not disclose it.

11.2 Lock-up and overhang

- **24-month lock-up on 60%** of the seller's remaining shares (1,200m shares, 30% of the company). **40% (800m shares, 20% of the company, about KES 6.0bn at the offer price) is unrestricted.** Sales must be notified to the CMA, the lead placing agent and the co-placing agent within two business days.
- Exceptions allow transfers to affiliates and between Adenia-controlled funds, disposals into a general offer, and consented sales. Pledges and charges over locked-up shares are permitted, including enforcement of security. Adenia may also reorganise its holdings after listing without the company's involvement.
- Terms for MOBILIST, RWC and 337 Frontier (including any transfer restriction) were not fully detailed in the releases we reviewed; we assume none beyond standard offer terms. The IM states IFC may sell at any time. Cornerstone stock is large (~48% of the offer), so secondary liquidity and any later lock-up disclosure will matter for the free float.
- **Free float:** 50% at listing, rising to as much as 70% if the unrestricted shares are sold. A large placement of unrestricted shares is the main technical risk in the first two years.

12. Recommendation and investor guidance

Rating: HOLD | Target price KES 8.13 | Offer KES 7.50

Expected total return at the offer price: 15.1% (price +8.5% plus dividend yield 6.7%). Accumulate below about KES 7.40 and Buy below about KES 6.80; Lighten above about KES 9.00 and Sell above about KES 10.15 (OMS guide).

Scenario range: Bear KES 5.20, Base KES 9.46, Bull KES 11.80; probability-weighted DCF KES 8.98; DDM KES 6.16.

In our view Quickmart is a high-quality, fast-growing retailer in a market that is moving to modern trade, and the offer is priced about right. The DCF sits above the offer, the dividend model below it, and the blend (KES 8.13) is about 8% above KES 7.50, inside our Hold band. Upside needs margin expansion and a roll-out that runs beyond the IM's FY27 guidance, and the bear case (KES 5.20) shows the downside if growth and margins disappoint.

Guidance for investors

- **Yield-oriented and long-term investors** can reasonably participate at the offer price for the dividend (6.7% forecast) and the roll-out optionality, accepting that our target implies price upside of only about 8.5%.
- **Value-oriented investors** should look for entry nearer KES 6.80 after listing, when supply from sellers or flow-back may offer a better price.
- **Position size:** moderate, given the governance flags (related-party leases, board independence), the dependence on supplier credit and the 20% unrestricted overhang.
- Anchor demand: revised cornerstone pool of about 48% of the offer (IFC, MOBILIST, RWC, 337 Frontier; CMA supplementary IM 23 October 2026) materially reduces the risk of failing the 75% minimum but does not change our valuation. Retail and foreign pools were cut (to 12% and 8%), so scale-back risk in those books is higher if they fill.
- **Subscription mechanics:** retail minimum KES 3,750; the offer needs 75% subscription; allocations between categories may be adjusted; refunds are without interest if the minimum is not met.

Appendix A. Financial statements

A.1 Income statement

KES m	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
Revenue	41,216	46,708	50,428	58,193	67,446	76,889	86,115	94,727
Cost of sales	(32,578)	(36,432)	(39,349)	(45,042)	(52,136)	(59,435)	(66,481)	(73,129)
Gross profit	**8,638**	**10,275**	**11,078**	**13,152**	**15,310**	**17,454**	**19,634**	**21,598**
Other income	233	284	340	349	371	423	474	521
Employee benefits	(2,620)	(2,936)	(3,156)	(3,666)	(4,317)	(4,844)	(5,339)	(5,778)
Administration & general	(2,588)	(3,018)	(3,172)	(3,550)	(3,575)	(3,998)	(4,392)	(4,736)
Depreciation – PPE	(773)	(740)	(697)	(774)	(944)	(1,076)	(1,206)	(1,326)
Depreciation – RoU	(845)	(873)	(897)	(1,053)	(1,207)	(1,346)	(1,464)	(1,563)
Amortisation	(38)	(33)	(31)	(35)	(40)	(46)	(52)	(57)
ECL	(28)	6	(15)	0	0	0	0	0
EBIT	**1,979**	**2,966**	**3,451**	**4,423**	**5,598**	**6,566**	**7,656**	**8,658**
Net finance charges	(1,333)	(1,322)	(1,284)	(1,462)	(1,667)	(1,859)	(2,017)	(2,144)
Profit before tax	646	1,644	2,167	2,960	3,931	4,708	5,639	6,514

KES m	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
Income tax	(196)	(509)	(658)	(850)	(1,061)	(1,412)	(1,692)	(1,954)
Net income	**450**	**1,135**	**1,509**	**2,111**	**2,870**	**3,295**	**3,947**	**4,560**
EBITDA	**3,635**	**4,612**	**5,076**	**6,285**	**7,790**	**9,034**	**10,377**	**11,604**

Source: OMS Research.

A.2 Balance sheet

KES m	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
Property & equipment	5,272	4,889	5,260	6,286	7,142	7,988	8,677	9,245
Right-of-use assets	5,965	5,320	5,169	5,895	6,703	7,239	7,674	7,981
Intangibles	104	86	100	100	100	100	100	100
Deferred tax & deposits	635	725	775	775	775	775	775	775
Inventories	3,418	3,555	4,431	5,072	5,871	6,693	7,486	8,235
Receivables	1,606	1,612	1,795	2,072	2,401	2,737	3,066	3,372
Short-term deposits	9	807	1,394	1,394	1,394	1,394	1,394	1,394
Cash	1,328	1,069	802	823	1,433	2,435	3,597	4,846
Total assets	**18,337**	**18,062**	**19,725**	**22,416**	**25,818**	**29,359**	**32,767**	**35,946**
Equity	**1,236**	**1,194**	**1,056**	**1,161**	**1,448**	**2,107**	**2,897**	**3,809**
Lease liabilities (total)	7,491	7,198	7,321	8,306	9,371	10,128	10,702	11,040
Borrowings	789	177	46	0	0	0	0	0
Trade & other payables	8,725	9,289	11,218	12,841	14,864	16,944	18,953	20,848
Income tax payable	97	203	84	108	135	179	215	248
Total liabilities	**17,101**	**16,867**	**18,669**	**21,255**	**24,369**	**27,252**	**29,870**	**32,137**

Source: OMS Research.

A.3 Cash flow statement

KES m	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
Cash generation before working capital	2,918	3,786	3,957	5,122	6,364	7,221	8,221	9,134
Working-capital movement	1,044	421	870	705	894	923	887	840
Operating cash flow	**3,962**	**4,207**	**4,827**	**5,827**	**7,259**	**8,144**	**9,108**	**9,974**
Investing cash flow	(912)	(365)	(1,115)	(1,835)	(1,840)	(1,968)	(1,946)	(1,951)
Lease payments (principal + interest)	(1,408)	(1,515)	(1,614)	(1,920)	(2,226)	(2,537)	(2,842)	(3,126)
Dividends	(782)	(1,176)	(1,647)	(2,005)	(2,583)	(2,636)	(3,158)	(3,648)
Financing cash flow	(2,347)	(3,303)	(3,392)	(3,972)	(4,808)	(5,174)	(5,999)	(6,774)
Net change in cash	**703**	**539**	**320**	**21**	**610**	**1,002**	**1,163**	**1,248**
Closing cash & ST deposits	**1,337**	**1,876**	**2,196**	**2,217**	**2,827**	**3,828**	**4,991**	**6,239**
Free cash flow after leases	1,642	2,327	2,098	2,072	3,192	3,638	4,320	4,896
Net debt incl. leases	6,943	5,499	5,171	6,089	6,544	6,300	5,711	4,801

Source: Quickmart IM (FY21–FY25 reported); OMS Research (forecast).

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Strong Buy: FV more than 30% above CSP
Buy: FV between 20% and 30% above CSP
Accumulate: FV between 10% and 20% above CSP
Hold: FV between -10% and 10% around CSP
Lighten: FV between 10% and 20% below CSP