

Projected PAT 2026, 2027 by KPC; on 18.17 Billion shares is Kshs 0.528 and 0.587

Different P/E Ratios => Target Price Range



ICIFA Registered Boutique Firm
{Privatizations & Small Business Advisory}

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**KENYA PIPELINE COMPANY LIMITED
COMPILED HISTORICAL FINANCIAL INFORMATION**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE

	Note	2025 KShs '000'
ASSETS		
Non-current assets		
Property, plant and equipment	17	91,288,133
Leasehold land	18	21,872,042
Right-of-use assets	20	75,407
Intangible assets	19	28,476
Employee benefits obligations	23	997,949
Investments in unquoted equity instruments	21	2,468
Other receivables	25	1,306,185
Financial investments		-
		<u>115,570,660</u>
Current assets		
Inventories	24	2,703,697
Current income tax	27	1,524,847
Trade and other receivables	25	7,421,057
Cash and bank balances	26	11,787,516
		<u>23,437,116</u>
Total assets		<u>139,007,776</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	33	24,511,796
Lease liabilities	35	32,246
		<u>24,544,042</u>
Current liabilities		
Trade and other payables	34	8,440,840
Provision for liabilities	37	4,268,173
Borrowings	36	3,309,520
Current income tax	27	-
Lease liabilities	35	50,429
		<u>16,068,962</u>
		<u>40,613,004</u>
Net assets		<u>98,394,772</u>
EQUITY		
Share capital	28	363,466
Share premium		512,289
Retained earnings	29	73,696,511
Revaluation reserve	30	13,215,497
Common control reserve	32	10,607,009
		<u>98,394,772</u>

22. INVESTMENT IN SUBSIDIARIES (CONTINUED)

An analysis of the carrying amount of the assets and liabilities of KPRL as at the date of acquisition is as

	KShs'000
ASSETS	
Property, plant and equipment	7,728,273
Leasehold property	12,365,000
Other assets	932,669
Inventories	319,546
Trade and other receivables	415,324
Current income tax	909,961
Cash and bank balances	53,531
Total assets	<u>22,724,304</u>
LIABILITIES	
Deferred income tax	5,824,674
Borrowings	3,405,301
Trade and other payables	784,126
Total current liabilities	<u>10,014,101</u>
Carrying amount of net assets acquired	12,710,203
Purchase consideration	(2,103,194)
Common control reserve	<u>10,607,009</u>

Kenya Petroleum Refineries Limited continues to operate as a separate entity providing petroleum storage services on behalf of Kenya Pipeline Company Limited on a cost-reimbursement basis.

Transportation and Loading



- Of Kshs 91 billion in Property, Plant and Equipment, Kshs 60 billion was Pipeline, Pumps & Tanks. Internationally, Pipeline Valuation Methodology is a highly complex undertaking: <https://www.pipelineequities.com/methods-determining-value-of-pipelines-pt1.php>, states “40 different factors to value determinations”.
- Leasehold Land/Property:
 - Kshs 10.3 billion as of 31 December 2021 was derecognized because of lack of title.
 - Kenya Petroleum Refineries Ltd from acquisition 2017 is Kshs 12.7 billion Carrying Net Assets and is Kshs 10.6 billion in Common Control Reserve in Equity.
- Trade Receivables: Expected Credit Losses of Kshs 23.85 billion {2021-2025} vis-à-vis Kshs 79.26 billion gross is 30% and is high. Kshs 1.85 billion is greater than 120 days and may largely be staff loans.
- Deferred Tax Liabilities of Kshs 24.5 billion largely associated with Property, Plant & Equipment and Revaluation Surplus.
- Trade Payables Kshs 3.3 billion – new owed to oil marketing companies associated with Kenya Petroleum Refineries.
- Provision for Liabilities of Kshs 4.26 billion was Pipeline 1 Decommissioning (Kshs 1.47 billion) and Legal Claims (Kshs 2.79 billion) {to monitor}.
- Total Revenue Kshs 38.59 billion: Export Service Fees and Local Service Fees were 55% & 32%. Kipevu Oil Storage Fees was 11%. Export Sales were 4.8 million M³. and Local Sales were 5.05 million M³.
- Total Cost of Providing Services Kshs 14.7 billion: Staff Costs exceeded Pipeline Maintenance and together were 47%. Depreciation and Electricity-Fuel together 49%.
- Administration Expenses were Kshs 14 billion and almost equal to above cost. Lease Recovery was Kshs 0 in 2024, but suddenly Kshs 1.6 billion in 2025 in Other Income.
- Profit Before Tax was Kshs 12 billion, and Income Tax was Kshs 4.5 billion. Profit After Tax of Kshs 7.4 billion was the same 2025 and 2024.
- Exposure Kshs 2.59 billion Legal Claim – Environmental Contamination. Constitutional Matters were Six Cases.
- “.....In September 2022, EPRA approved the current tariff of Kshs 5.44 per cubic meter per kilometre. EPRA has since confirmed that it has received a new application from KPC requesting a 2.4% tariff increase for the upcoming three-year period from July 2025 to June 2028.”
- Revenue affected by factors and whether this will grow from Kshs 41 billion (2026) to Kshs 67 billion (2030) is a key consideration: EPRA Approved Tariff 2026 applies, then 2027+ EPRA Approval Awaited {2028+ to “increase” 14%}.
- Cost of Providing Services from Kshs 16.4 billion (2026) to Kshs 26 billion (2030). Administrative Expenses of Kshs 10.9 billion (2026) (sudden drop from 2025) to Kshs 13.8 billion (2030) is provided.
- Profit After Tax of Kshs 9.5 billion (2026) (a significant increase from 2025) to Kshs 16.9 billion (2030) but remains the subject of continued deeper analysis.
- 50% Dividend Payout 2026 of Kshs 4.75 billion would be Kshs 0.263 per par value 0.02 share; on share price of Kshs 9 this would be 2.92% yield in some months which is a higher annualized yield return.
- 5 Major Projects Planned: Pipeline Extension to Malaba; New Pipeline Mombasa to Nairobi; Crude Oil Project; Receipt & Export; Fibre Optic Cable; LPG Storage.

Source: IPO Prospectus 2026

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