

Quickmart IPO Note

Executive Summary: Quickmart Plc [launched](#) an Initial Public Offering (IPO) through an Offer for Sale at the Nairobi Securities Exchange (NSE), with its sole shareholder, Sokoni Retail Kenya Limited, offering 2.0 bn shares, representing a 50.0% stake, to the public at Kshs 7.50 per share. Quickmart is Kenya's second-largest supermarket chain, with an estimated 15.0% share of modern grocery retail, behind Naivas at 31.0% and ahead of Carrefour at 14.0%;

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Quickmart traces its roots to 2006, when its first store opened in Nakuru, while the Tumaini supermarket chain was established in Nairobi's Eastlands. Private equity firm Adenia Partners invested in Tumaini in 2018 and Quickmart in 2019 before consolidating the two businesses under Sokoni Retail Kenya Limited in 2020. The IPO primarily provides an exit route for existing shareholders, as it is structured as an Offer for Sale, meaning all proceeds will accrue to Sokoni Retail Kenya Limited, with no funds raised directly by Quickmart.

The listing marks the second IPO at the NSE in 2026, following Kenya Pipeline Company (KPC), and represents the first private-sector, private-equity-backed IPO in Kenya in over a decade. It also provides investors with an opportunity to gain direct exposure to Kenya's consumer and modern grocery retail sector, which has lacked a listed pure-play supermarket following the decline of Uchumi Supermarkets. The table below shows previous IPOs at the NSE:

Cytonn Report: Previous IPOs at the NSE						
No.	Company	Year	Sector	Offer Price (Kshs)	Shares Offered	Approx. Amount Raised (Kshs)
1.	KPC	2026	Energy	9.00	11.8 bn	106.3 bn
2.	Stanlib Fahari I-REIT	2015	Real Estate	20.0	625.0 mn	12.5 bn
3.	Britam Holdings Plc	2011	Insurance	9.0	650.0 mn	5.9 bn
4.	Co-operative Bank of Kenya	2008	Banking	9.50	4.5 bn	43.0 bn
5.	Safaricom Plc	2008	Telecommunications	5.0	10.0 bn	50.0 bn
6.	AccessKenya Group	2007	ICT	5.0	800.0 mn	4.0 bn
7.	Kenya Reinsurance Corp.	2007	Insurance	9.5	240.0 mn	2.3 bn
8.	Mumias Sugar Co.	2006	Manufacturing	7.0	100.0 mn	0.7 bn
9.	ScanGroup Ltd	2006	Media & Advertising	10.45	69.0 mn	0.7 bn
10.	KenGen Plc	2006	Energy	11.90	659.5 mn	7.9 bn

Source: NSE

I. Quickmart IPO Offer Structure

The IPO is structured as an Offer for Sale, with 2.0 bn shares, representing 50.0% of Quickmart's issued share capital, being offered to investors at a fixed price of Kshs 7.50 per share and a par value of Kshs 0.20 per share. The offer is expected to raise gross proceeds of Kshs 15.0 bn for the selling shareholder, implying a post-listing market capitalisation of Kshs 30.0 bn at the offer price. The offer is conditional on a minimum subscription of 75.0%, equivalent to 1.5 bn shares. If this threshold is not met, the offer will lapse and application monies will be refunded, although the selling shareholder may waive or reduce the requirement subject to approval by the Capital Markets Authority (CMA).

The International Finance Corporation (IFC) has conditionally committed to subscribe for approximately Kshs 1.9 bn worth of shares as a cornerstone investor, representing 13.0% of the offer and approximately 6.45% of Quickmart's post-listing share capital, subject to IFC board approval. A cornerstone investor is an institutional investor that commits to purchasing a specified number of shares ahead of an IPO, providing a degree of certainty regarding demand for the offer and potentially boosting investor confidence. The minimum application is 500 shares, with additional applications accepted in multiples of 100 shares and no stated maximum. The shares will be listed on the Nairobi Securities Exchange (NSE) Main Investment Market Segment, with the offer running from 5th October 2026 to 30th October 2026, and trading scheduled to commence on 12th November 2026 as shown in the table below:

Cytonn Report: Summary of Key Details of the Quickmart IPO	
Item	Details
Offer Type	Offer for Sale
Shares on Offer	2,000,000,000
Percentage Offered	50.0%
Offer Price per share	Kshs 7.50
Expected Gross Proceeds	Kshs 15.0 bn
Implied Market Capitalisation	Kshs 30.0 bn
Listing Segment	NSE Main Investment Market Segment
Offer period	5 th October 2026 to 30 th October 2026
Commencement of trading at NSE	12 th November 2026

Source: Quickmart IPO Information Memorandum

II. Quickmart Shareholding Structure

Sokoni Retail Kenya Limited currently owns 100.0% of Quickmart, equivalent to 4.0 bn shares. Sokoni is 50.8% owned by Sokoni Retail Holdings Ltd, a Mauritius-based holding company controlled by Adenia Partners' private equity funds, Adenia Capital (IV) LP and Adenia Capital (IV) Parallel LP, which hold 86.5% and 9.2% of the entity respectively. The founding families and early shareholders of the original Quickmart and Tumaini supermarket businesses hold the remaining 49.2% of Sokoni Retail Kenya Limited. Through this ownership structure, Adenia's effective economic interest in Quickmart is approximately 48.6%. Upon completion of the IPO, Sokoni will retain a 50.0% stake in Quickmart, equivalent to 2.0 bn shares, while the public will hold the remaining 50.0%. This exceeds the 15.0% minimum free float requirement for listing on the NSE Main Investment Market Segment and is expected to provide a broad shareholder base, potentially supporting liquidity in the counter after listing. Sokoni's retained stake will be subject to a 24-month lock-up period from the listing date, although the restriction applies to only 60.0% of the retained shares, equivalent to 1.2 bn shares or 30.0% of Quickmart's issued share capital. The remaining 0.8 bn shares, representing 20.0% of the company, will not be subject to the lock-up and may be sold at any time after listing, subject to notification of the Capital Markets Authority (CMA) and the placing agents within two business days. The potential sale of these shares presents a supply overhang that could exert downward pressure on the share price, depending on the timing and volume of any disposals.

The table below summarizes the shareholding structure before and after the IPO, assuming full subscription.

Cytonn Report: Quickmart shareholding Before and After Successful IPO					
Before IPO			After IPO		
Owner	Shares	%	Owner	Shares	Percentage
Sokoni Retail Kenya Limited	4,000,000,000	100.0%	Sokoni Retail Kenya Limited	2,000,000,000	50.0%
Public Shareholders	-		Public Shareholders	2,000,000,000	50.0%
Total	4,000,000,000	100.0%	Total	4,000,000,000	100.0%

The table below shows the shareholders holding 3.0% or more of Sokoni Retail Kenya Limited, Quickmart's sole shareholder:

Cytonn Report: Sokoni Retail Kenya Limited (Quickmart's sole shareholder) shareholders			
Shareholder	No. of Shares	Percentage %	Nationality
Sokoni Retail Holdings Ltd	37,605,032	50.8%	Mauritius
Duncan Muiruri Kinuthia	15,347,118	20.7%	Kenyan
Peter Gathua Kang'iri	3,964,793	5.4%	Kenyan
Gladys Wambui Kinuthia	3,544,741	4.8%	Kenyan
Okello Elijah Omullo	3,256,674	4.4%	Kenyan
Nditika Moses	2,821,672	3.8%	Kenyan
Njoga Joram Ngeruro	2,821,672	3.8%	Kenyan
Zipporah Wanjiku Kinuthia	2,336,307	3.2%	Kenyan
William Gitau Kinuthia	2,336,307	3.2%	Kenyan

Source: Quickmart IPO Information Memorandum, Cytonn Research

The 2.0 bn shares on offer will be allocated among five investor categories, to give wide participation across local, regional and international investors. Kenyan institutional investors get the largest share at 35.0%. Kenyan retail, foreign investors get 20.0% each, the International Finance Corporation (IFC) as cornerstone investor gets 13.0%, and East African Community (EAC) investors get 12.0%. IFC has conditionally committed to buy about Kshs 1.9 bn of shares, giving it about 6.45% of Quickmart after listing. The commitment is subject to IFC board approval. IFC's participation adds a credible anchor investor to the offer, but IFC is free to sell its stake at any time after listing. If any category is undersubscribed, the unallocated shares will be redistributed in this order of priority: Kenyan retail investors, with Quickmart staff given priority within this category, Kenyan institutional investors, EAC investors Foreign investors, The cornerstone investor. Oversubscribed categories may be scaled back on a pro-rata basis. The table below shows the allocation of the offer shares:

Cytonn Report: Quickmart's IPO Allocation					
	Investor Category	No of shares	Value (Kshs)	% Of Offer	% Of Company
1	Kenyan Institutional Investors	700,000,000	5,250,000,000	35.0%	17.5%
2	Kenyan Retail Investors	400,000,000	3,000,000,000	20.0%	10.0%
3	Foreign Investors	400,000,000	3,000,000,000	20.0%	10.0%
4	Cornerstone Investor	260,000,000	1,950,000,000	13.0%	6.5%
5	EAC Investors	240,000,000	1,800,000,000	12.0%	6.0%
Total		2,000,000,000	15,000,000,000	100.0%	50.0%

The allocation gives 67.0% of the offer to local and regional investors and 33.0% to foreign investors, including IFC. The 35.0% institutional allocation shows that the offer relies mainly on pension funds, insurers and fund managers. The 20.0% retail allocation, together with the low minimum application of 500 shares (Kshs 3,750), is aimed at broadening retail participation in the NSE.

III. Proceeds of the Sale

The IPO is structured as an Offer for Sale of existing shares, with no new shares being issued and no proceeds accruing directly to Quickmart. Assuming full subscription, the Kshs 15.0 bn raised will go to the selling shareholder, Sokoni Retail Kenya Limited, providing liquidity to its shareholders, including Adenia Partners' private equity funds and the founding shareholders. The transaction therefore represents a partial exit for the existing investors following approximately seven years of Adenia's involvement in the business, rather than a capital-raising exercise to finance Quickmart's store expansion, technology investments or debt reduction. The listing is intended to broaden Quickmart's shareholder base, raise its profile in the capital markets and facilitate an orderly transition to public ownership. While the transaction will provide investors with an opportunity to participate in Kenya's modern grocery retail sector, Quickmart will not receive additional capital from the IPO to fund its future growth.

IV. Financial Performance Overview

Below is a summary of the balance sheet for the period between FY'2021 and H1'2026:

Cytonn Report: Summary of Quickmart's Balance Sheet (FY'2021-H1'2026) in Kshs bn							
	2021	2022	2023	2024	2025	H1'2026	y/y change (2024-2025)
Assets							
Non-current assets	9.1	11.8	12.0	11.0	11.3	12.3	2.6%
Current assets	4.0	5.6	6.4	7.0	8.4	7.2	19.6%
Total Assets	13.1	17.4	18.3	18.1	19.7	19.5	9.2%
Liabilities							

Non-current liabilities	5.2	7.1	7.0	6.4	6.5	7.0	2.4%
Current liabilities	6.5	8.9	10.1	10.5	12.2	10.6	15.7%
Total Liabilities	11.7	16.0	17.1	16.9	18.7	17.5	10.7%
Shareholders' Funds	1.4	1.4	1.2	1.2	1.1	1.9	(11.6%)
Total Shareholders' & Liabilities	13.1	17.4	18.3	18.1	19.7	19.5	9.2%

Key takeouts from the table include:

- Total assets increased by 9.2% to Kshs 19.7 bn in FY'2025 from the Kshs 18.1 bn recorded in FY'2024. This was attributable to the 19.6% increase in current assets to Kshs 8.4 bn from Kshs 7.0 bn recorded in FY'2024 coupled with a 2.6% increase in non-currents to Kshs 11.3 bn from Kshs 11.0 bn. In H1'2026 total assets stood at Kshs 19.5 bn. Quickmart's total assets have averaged Kshs 17.3 bn over the last 4 years, recording a 4-year CAGR of 10.7%.
- Total Liabilities increased by 10.7% to Kshs 18.7 bn from the Kshs 16.9 bn recorded in FY'2024. This is attributable to the 15.7% increase in current liabilities to Kshs 12.2 bn from Kshs 10.5 bn recorded in FY'2024, coupled with a 2.4% to Kshs 6.5 bn in FY'2025 from Kshs 6.4 bn in FY'2025. In H1'2026 total liabilities stood at Kshs 17.5 bn. Quickmart's total liabilities have averaged Kshs 16.1 bn over the last 4 years, recording a 4-year CAGR of 12.3%.
- The shareholders' funds decreased by 11.6% in FY'2025 to Kshs 1.1 bn from the Kshs 1.2 bn recorded in FY'2024. In H1'2026 shareholder's funds stood at Kshs 1.9 bn. Quickmart's total shareholder funds' have average Kshs 1.3 bn over the last 4 years, recording a 4-year CAGR of 6.8%.

Below is a summary of the Income statement for the period between FY'2021 and H1'2026:

Cytonn Report: Summary of Quickmart's Income Statement (FY'2021-H1'2026) in Kshs bn							
INCOME STATEMENT:	2021	2022	2023	2024	2025	H1'2026	y/y change (2024-2025)
Revenue	25.7	34.8	41.2	46.7	50.4	27.3	8.0%
Cost of sales	(20.3)	(27.4)	(32.6)	(36.4)	(39.3)	(21.1)	8.0%
Gross profit	5.4	7.4	8.6	10.3	11.1	6.1	7.8%
Other Income	0.2	0.2	0.2	0.3	0.3	0.2	19.6%
Operating Income	5.6	7.6	8.9	10.6	11.4	6.3	8.1%
Employee Benefits	(1.7)	(2.3)	(2.6)	(2.9)	(3.2)	(1.8)	7.5%
Administrative and general expenses	(1.7)	(2.2)	(2.6)	(3.0)	(3.2)	(1.8)	5.1%
Depreciation of property and equipment	(0.5)	(0.7)	(0.8)	(0.7)	(0.7)	(0.4)	(5.8%)
Depreciation of right of use assets	(0.6)	(0.7)	(0.8)	(0.9)	(0.9)	(0.5)	2.8%
Amortization of intangible assets	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(8.5%)
Allowances for expected credit losses	0.0	(0.0)	(0.0)	0.0	(0.0)	0.0	(343.5%)
Operating expenses	(4.5)	(5.9)	(6.9)	(7.6)	(8.0)	(4.4)	4.9%
Operating Profit before finance costs and tax	1.1	1.6	2.0	3.0	3.5	1.9	16.3%
Net finance charges	(0.8)	(1.2)	(1.3)	(1.3)	(1.3)	(0.7)	(2.9%)
Profit Before/(Loss) Tax	0.3	0.4	0.6	1.6	2.2	1.2	31.8%
Income Tax Expense	(0.1)	(0.1)	(0.2)	(0.5)	(0.7)	(0.4)	29.2%
Profit/(loss) After Tax	0.2	0.3	0.4	1.1	1.5	0.9	32.9%
Earnings per Share(Kshs)	0.0	0.1	0.1	0.3	0.4	0.2	32.9%
Dividends paid (Kshs bn)	0.0	0.1	0.8	1.2	1.6	1.1	40.0%
Dividend per share (DPS) (Kshs)	0.0	0.0	0.2	0.3	0.4	0.3	40.0%
Dividend yield	0.0%	0.4%	2.6%	3.9%	5.5%	3.7%	1.6%
Dividend payout ratio	0.0%	38.5%	174.0%	103.7%	109.2%	126.0%	5.5%

Key takeouts from the Income statement include:

- i. Total Revenue increased by 8.0% to Kshs. 50.4 bn in FY'2025 from the Kshs 46.7 bn recorded in FY'2024. In H1'2026 the total revenue stood at Kshs 27.3 bn. The revenue also grew over the 4-year period at a CAGR of 18.4%.
- ii. Quickmart's Profit After Tax increased by 32.9% to Kshs 1.5 bn in FY'2025 from Kshs. 1.1 bn recorded in FY'2024. IN H1'2026 PAT stood at Kshs 0.9 bn. The profit after tax has also grown at a CAGR of 69.5% over the 4-year period.

Below is a summary of Key ratios from Quickmart's financial results:

Cytonn Report: Summary of Quickmart's Key Ratios				
	FY'2024	FY'2025	H1'2026	y/y change (FY'2025/2024)
Return on Equity (ROE)	93.4%	134.1%	45.3%	40.7%
Return on Assets (ROA)	6.2%	8.0%	4.5%	1.7%
Current Ratio	67.0%	69.3%	68.2%	3.4%
Implied P/E(Annualized)	26.4x	19.9x	17.2x	(24.8%)
EV/EBITDA	7.9x	7.2x	6.6x	(8.5%)

Key takeouts from the table include:

- a. **Return on Equity (ROE):** ROE increased by 40.7% points to 134.1% in FY'2025, from 93.4% in FY'2024, driven by a 32.9% increase in profit after tax and an 11.6% decline in shareholders' funds. In H1'2026, ROE stood at 45.3%. While exceptionally high, Quickmart's ROE reflects its relatively small equity base rather than outsized profitability. Dividend payouts exceeding 100.0% of earnings since FY'2023 have kept shareholders' funds relatively low, at between Kshs 1.1 bn and Kshs 1.9 bn. Consequently, ROE is not directly comparable with that of listed peers and should be interpreted alongside the company's thin equity base.
- b. **Return on Assets (ROA):** ROA improved by 1.7% points to 8.0% in FY'2025, from 6.2% in FY'2024, as profit after tax grew by 32.9%, faster than the 9.2% growth in total assets. In H1'2026, ROA stood at 4.5%, putting the company on track to match or exceed the FY'2025 level if the performance is sustained in H2'2026. This represents a solid return for a grocery retailer, supported by efficient asset utilization.
- c. **Current Ratio:** The current ratio improved marginally to 69.3% in FY'2025, from 67.0% in FY'2024, and stood at 68.2% in H1'2026. A ratio below 100.0% indicates that current liabilities exceed current assets. For Quickmart, this primarily reflects its negative working capital model rather than necessarily indicating liquidity stress. However, the model exposes Quickmart to the risk of reduced supplier credit or tighter payment terms.
- d. **Implied Price-to-Earnings (P/E):** At the offer price of Kshs 7.50 per share, Quickmart is valued at 19.9x based on FY'2025 earnings, down from 26.4x based on FY'2024 earnings, reflecting the 32.9% growth in profit after tax. The multiple declines further to 17.2x based on annualized H1'2026 earnings.
- e. **Enterprise Value-to-EBITDA (EV/EBITDA):** The offer implies an enterprise value of Kshs 36.6 bn based on FY'2025 net debt and Kshs 37.3 bn based on H1'2026 net debt. The implied EV/EBITDA multiples are 7.2x FY'2025 EBITDA, down by 8.5% from 7.9x in FY'2024. Nearly all Quickmart's net debt comprises store lease liabilities of approximately Kshs 8.0 bn in H1'2026, with negligible bank borrowings. EV/EBITDA is therefore a more meaningful valuation measure, as it captures the company's operating earnings relative to its enterprise value, including lease-related obligations. The implied multiples suggest a reasonable entry valuation, subject to the company achieving its projected earnings.

In summary, Quickmart's financial ratios reflect a profitable retailer with improving returns, efficient asset utilization and relatively attractive forward earnings-based valuation multiples. However, ROE and P/B are distorted by a relatively small equity base resulting from sustained high dividend payouts. Meanwhile, the current ratio below 100.0% reflects the company's reliance on supplier credit, which supports cash generation but remains a key working capital risk. Overall, EV/EBITDA and P/E provide more useful valuation benchmarks, although the attractiveness of the offer will depend partly on Quickmart's ability to deliver its FY'2026 earnings projections.

V. Dividend Policy and Income Appeal

Dividends paid increased by 40.0% to Kshs 1.6 bn in FY'2025, from Kshs 1.2 bn in FY'2024, faster than the 32.9% increase in profit after tax. As a result, the dividend per share rose to Kshs 0.41 in FY'2025, from Kshs 0.29 in FY'2024. At the offer price of Kshs 7.50, this implies a historical dividend yield of 5.5% for FY'2025, 1.6% points increase from 3.9% in FY'2024. The dividend payout ratio increased by 5.5% points to 109.2%, from 103.7% in FY'2024. Payouts have exceeded 100% of earnings in every year since FY'2023, peaking at 174.0% in FY'2023. In H1'2026, the company made a further Kshs 1.1 bn distribution to the selling shareholder as a shareholder's advance, equal to 126.0% of half-year profit. After listing, the company intends to adopt a dividend policy targeting a payout of at least about 80.0% of annual profit after tax, paid semi-annually. This is subject to distributable reserves, capital requirements and growth plans.

VI. Conclusion and Recommendation

On projected 2026 earnings, Quickmart trades at a P/E of 12.9x, lower than Shoprite's 21.4x but higher than SPAR's 8.0x. Its EV/EBITDA of 5.7x is also lower than Shoprite's 8.9x and SPAR's 6.8x, indicating a more attractive valuation relative to operating earnings, even after accounting for lease-related obligations. Quickmart's historical dividend yield of 5.5% exceeds Shoprite's 2.7% and SPAR's 4.8%, although its dividend sustainability is a concern given its history of paying out more than 100.0% of earnings. Meanwhile, its ROE of 134.1% is significantly higher than Shoprite's 26.7% and SPAR's 5.5%. This is largely due to its small equity base following sustained dividend payouts above earnings, so it should be interpreted with caution when comparing Quickmart with its peers, as shown in the table below:

Cytonn Report: Comparison between Quickmart, Shoprite and SPAR			
	Quickmart	Shoprite	SPAR
Share Price (9 th Oct 2026)	7.50	2,549.6	371.9
Market Capitalization (Kshs bn)	30.0	1,506.2	71.6
Return on Equity (ROE)	134.1%	26.7%	5.5%
P/E (Projected 2026 earnings)	12.9x	21.4x	8.0x
Dividend yield	5.5%	2.7%	4.8%
EV/EBITDA (Projected 2026 EBITDA)	5.7x	8.9x	6.8x

Overall, Quickmart trades at a discount to Shoprite on both P/E and EV/EBITDA and at a discount to SPAR on EV/EBITDA. The main risk is the 0.8 bn of the selling shareholder's retained shares that are not subject to lock-up, which could pressure the share price after listing. Therefore, while the IPO provides exposure to a growing, cash-generative and dividend-paying business in Kenya's modern retail sector, we recommend it as a **SUBSCRIBE** for medium- to long-term investors seeking income and growth who are comfortable with execution risk. Value-focused and short-term investors should exercise caution, as the offer is not cheap on earnings.

Going forward, the outlook for the Quickmart IPO is expected to be shaped by a combination of market sentiment, execution of its post-listing strategy, and broader macroeconomic conditions. In the near term, trading activity is likely to be volatile as investors digest the valuation, adjust portfolios and test the price after listing. Over the medium to long term, performance will largely depend on Quickmart's ability to, sustain revenue growth through new store openings and same-store sales, maintain margins in a competitive market dominated by Naivas and Carrefour, manage operating costs and supplier terms, grow its e-commerce and loyalty platforms; and keep its dividend commitments.

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