



# Investor Briefing FY 2020/2021

27<sup>th</sup> July 2021



# Agenda

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**Business Review**

Dr. James Mworira - Chief Executive Officer

**Financial Review**

Wambua Kimeu - Chief Finance Officer

**Outlook**

Dr. James Mworira - Chief Executive Officer

**Q & A**

# Business Review

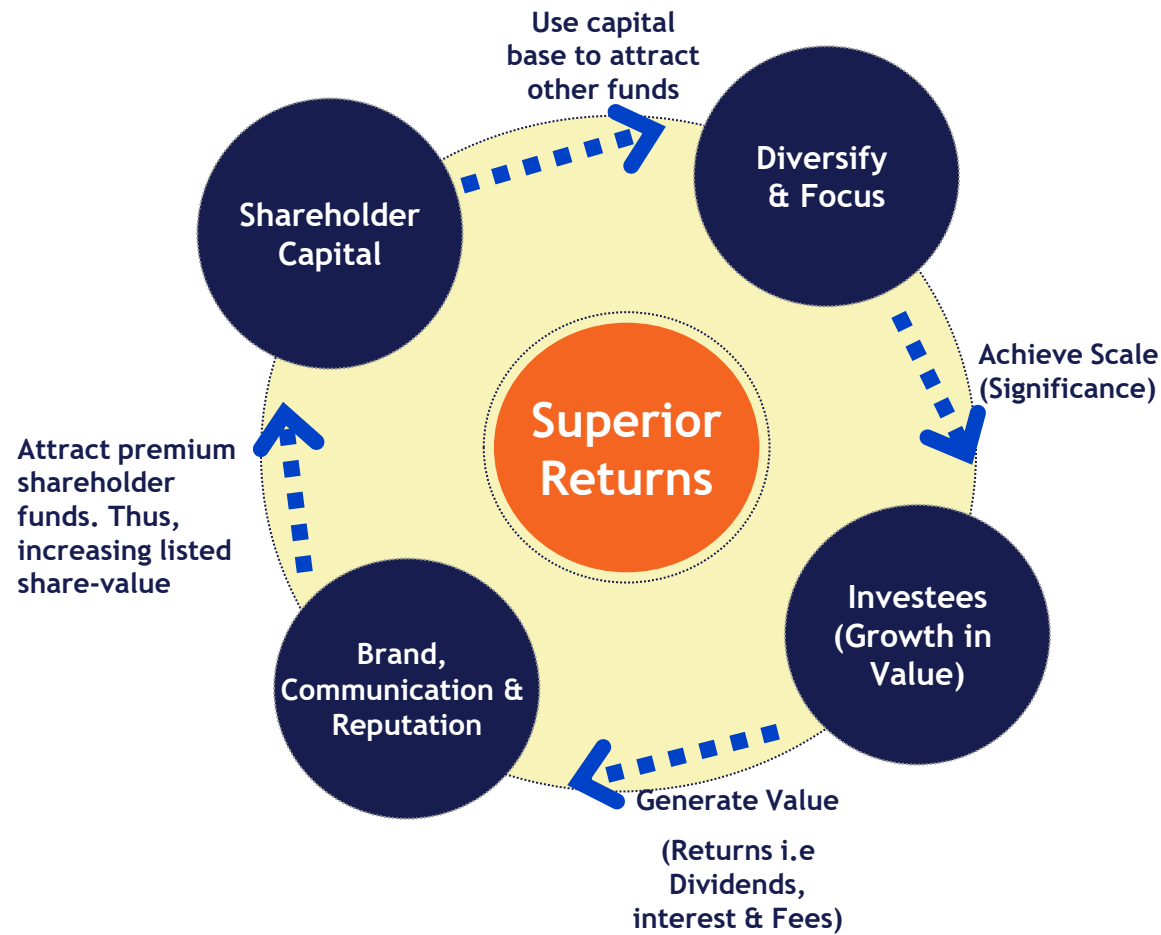
Chief Executive Officer: Dr. James Mworira





# About Centum

## Our Business | The Value Wheel



We are investors. We find good opportunities make them great and exit to monetize value created to lock in superior returns for our stakeholders.

### Deploy capital



- Identify compelling opportunities and Deploy capital through innovative investment structures.



### Create and grow value



- Institutionalize robust governance structures and enhance process efficiencies.
- Leverage on our networks to grow products and scale up markets
- Resolve operational challenges
- Optimize capital structures



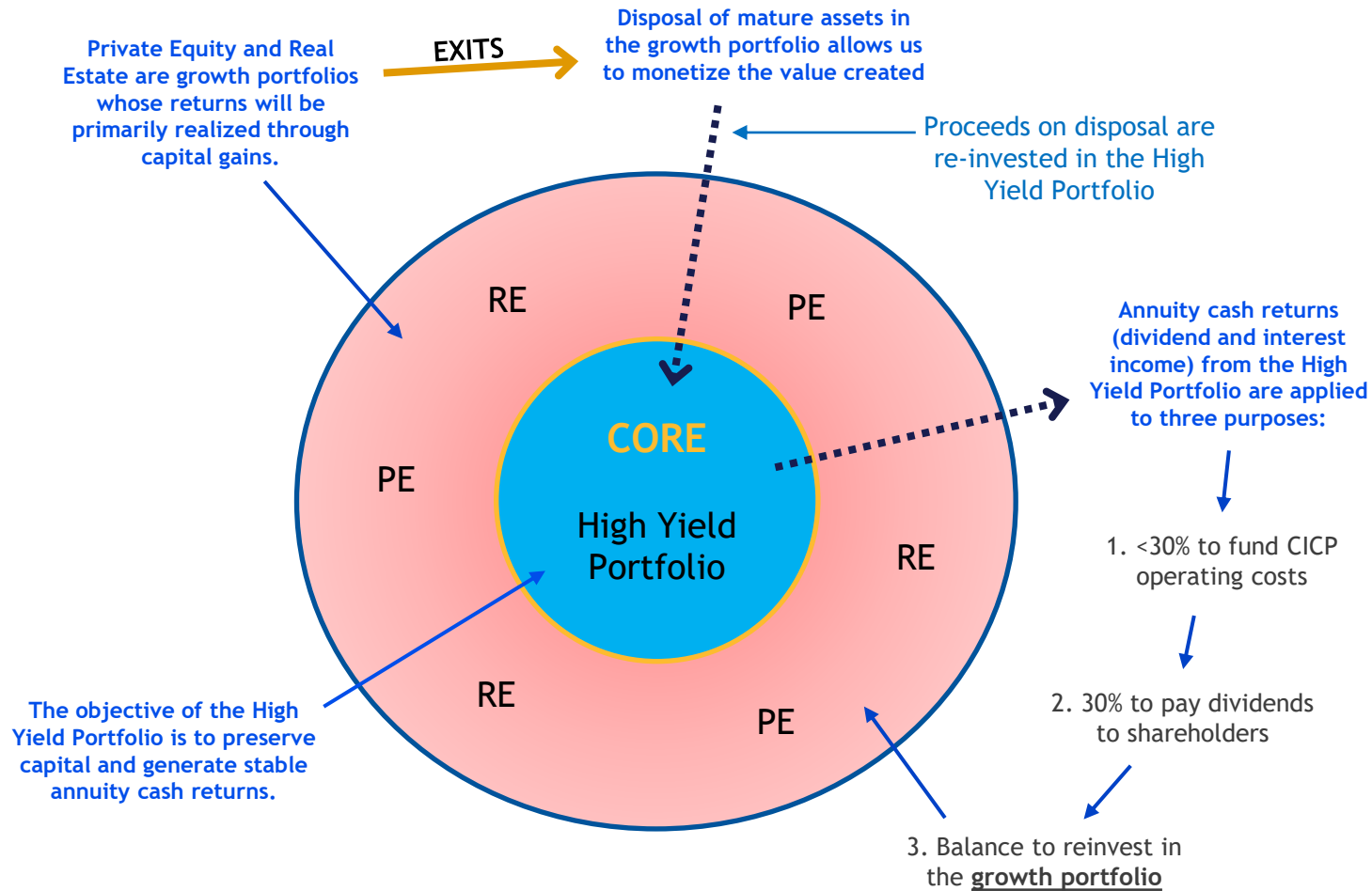
### Monetize value



- Annuity income stream in form of dividends, interest and fees.
- Repayment of shareholder loans from third party capital raise
- Equity exit at a gain on initial investment

# About Centum

## Our Business | A summary of our capital cycle



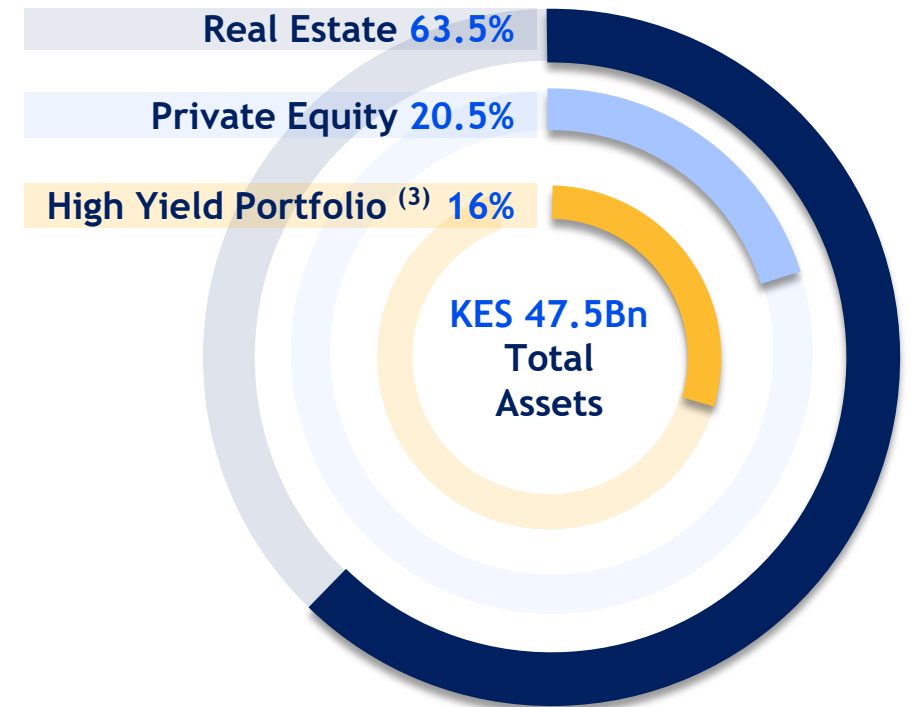
### Guiding principles

1. Don't put capital at risk i.e exit proceeds are to be preserved in the High Yield Portfolio.
2. Don't distribute capital, instead, dividend distribution is to be made from the annuity cash returns earned on the High Yield Portfolio.
3. Rationalize costs to remain less than 30% of annuity cash returns, thus costs will not eat into existing shareholder value.

# About Centum Company Snapshot



## Portfolio Allocation - 31 March 2021



1. Share price as of 21 July 2021

2. As at 31 March 2021

3. Previously called 'Marketable Securities Portfolio (MSP)' - comprises traded equities, bonds and cash equivalents

4. Rating accorded by Global Credit Ratings (GCR) in the last 12 months

# Business Review: FY2020/2021

## Key Focus Areas

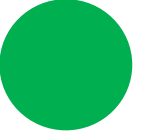
### Objective

### Status



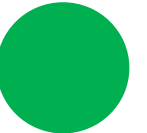
Balance sheet strengthening: Deleverage and build up liquidity

- We targeted to retire Kes 16 billion of debt by March 2024. As at 31 March 2021, we had retired **Kes 13 billion** which is **81%** achievement of the objective.
- We target to set up a High Yield Portfolio by of Kes 10 billion by 2024 of which we had achieved **Kes 7.5 billion** by 31 March 2021 which is **75%** achievement of the objective.



Portfolio monetization

- Centum Real Estate has returned capital to Centum of **Kes 4.5 Billion** which is **60%** of total capital deployed in the business.
- **No exits** were made in FY2021 as the economic environment was not favourable.
- **Active portfolio management** to build resilience in the Private Equity portfolio companies and reposition for growth post covid-19.



Returns to Centum shareholders

- **Kes 1.6 billion cash dividend** paid during FY2020 and FY2021 periods. This represented Kes 1.2 per share for each of the years equivalent to an average **dividend yield of 7%**.
- **Capital preservation:** focus was on capital preservation; **-10%** return achieved on the back of a challenging covid-19 environment that saw valuations dip.

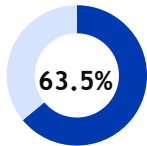


# Business Review: FY2020/2021

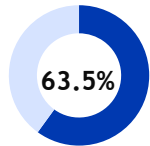
## Highlights and Performance Drivers



### Real Estate



of Total Assets



of Net Asset Value

Finalized the **reorganization** of Real Estate portfolio into Centum RE

**Kes 4.5 billion**  
Capital returned to Centum

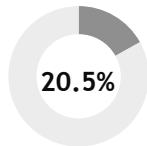
**Investment grade** credit rating of **A2<sub>(KE)</sub>** and **BBB+<sub>(KE)</sub>** for short and long-term respectively.

Units under construction with **Kes 4.5 billion** distributable profit potential over the next 36 months. **63%** of these are pre-sold.

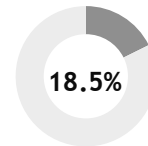
**Kes 2 billion** worth of development rights have been sold, of which **Kes 1.0 billion** will be distributable to Centum.



### Private Equity



of Total Assets



of Net Asset Value

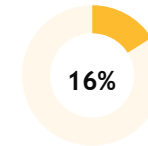
**Kes 9.8 billion**  
Total Assets

**5 out of 9**  
Portfolio companies remained profitable in FY2021

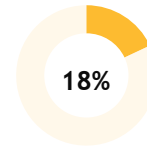
**Cash sufficiency**  
Despite covid-19 impact, all operating portfolio companies remained self funded with no capital calls to Centum



### High Yield Liquid Portfolio & cash



of Total Assets



of Net Asset Value

**Kes 7.5 billion**  
High Yield Liquid Portfolio + Cash

**93%**  
Allocated to Fixed Income and Cash for capital preservation

**12.0%**  
Annualized cash return generated in FY2021



# Centum 4.0 Strategy Progress

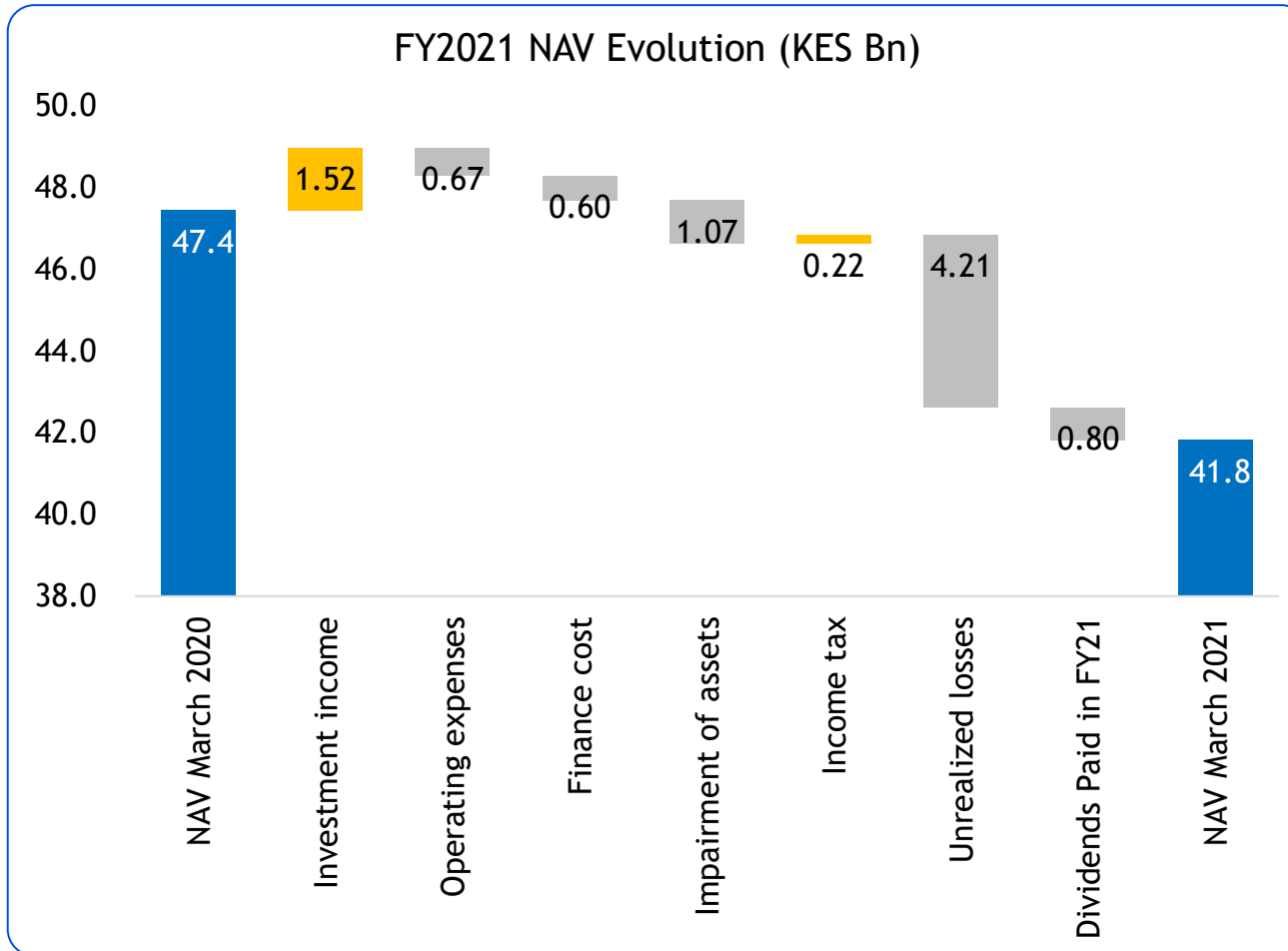
## Company Total Return Statement

KShs. Millions	FY2021	FY2020	%Δ
Investment income	1,517	3,695	(59%)
Operating expenses	(669)	(895)	(25%)
Finance cost	(603)	(1,815)	(67%)
<b>Profit/(loss) before tax</b>	<b>245</b>	<b>985</b>	<b>(75%)</b>
Impairment of assets	(1,071)	(3,580)	(70%)
Income tax credit/(expense)	220	(797)	128%
<b>Profit (Loss) after tax</b>	<b>(607)</b>	<b>(3,392)</b>	<b>82%</b>
Unrealised gains/(losses)	(4,212)	(971)	(334%)
<b>Total return for the year</b>	<b>(4,819)</b>	<b>(4,362)</b>	<b>(10%)</b>
<b>Opening NAV</b>	<b>47,439</b>	<b>52,600</b>	
<b>Return on opening NAV</b>	<b>(10%)</b>	<b>(8%)</b>	

- The Company made an operating profit of Kes 245 Mn and a net loss after tax of Kes 607 Mn largely on account of asset impairment provision
- Investment income
  - ✓ Lower dividends received as portfolio companies withheld cash to preserve liquidity.
  - ✓ FY2021 was not conducive for any exits hence no gains were realized unlike in prior year when we booked a gain of Kes 2.2 Bn arising from disposal of the bottlers.
- Revaluation losses of Kes 4.2 Bn driven by dampened business performance and depressed market performance and low multiples due to the Covid-19 impact.
- Cost containment measures effected by company led to reduction in operating expenses by 25%.
- Finance costs declined 67% following debt repayment through redemption of Kes 6.6 Bn bond.

# Centum 4.0 Strategy Progress

## NAV Movement | April 2020 - March 2021



- ❑ 10% decline in total shareholder value (NAV) in FY2021.
- ❑ 9% decline is attributed to portfolio value erosion occasioned by dampened earnings of underlying businesses and depressed multiples due to a difficult covid-19 environment.
- ❑ Kes 4.2 billion revaluation loss reflects our conservative asset valuation policy that marks the portfolio carrying values to prevailing market conditions.
- ❑ FY2020 dividend payment of Kes 799 Mn was done during the year.
- ❑ Gradual business recovery is already being experienced which could improve valuations going forward.

# Centum 4.0 Strategy Progress

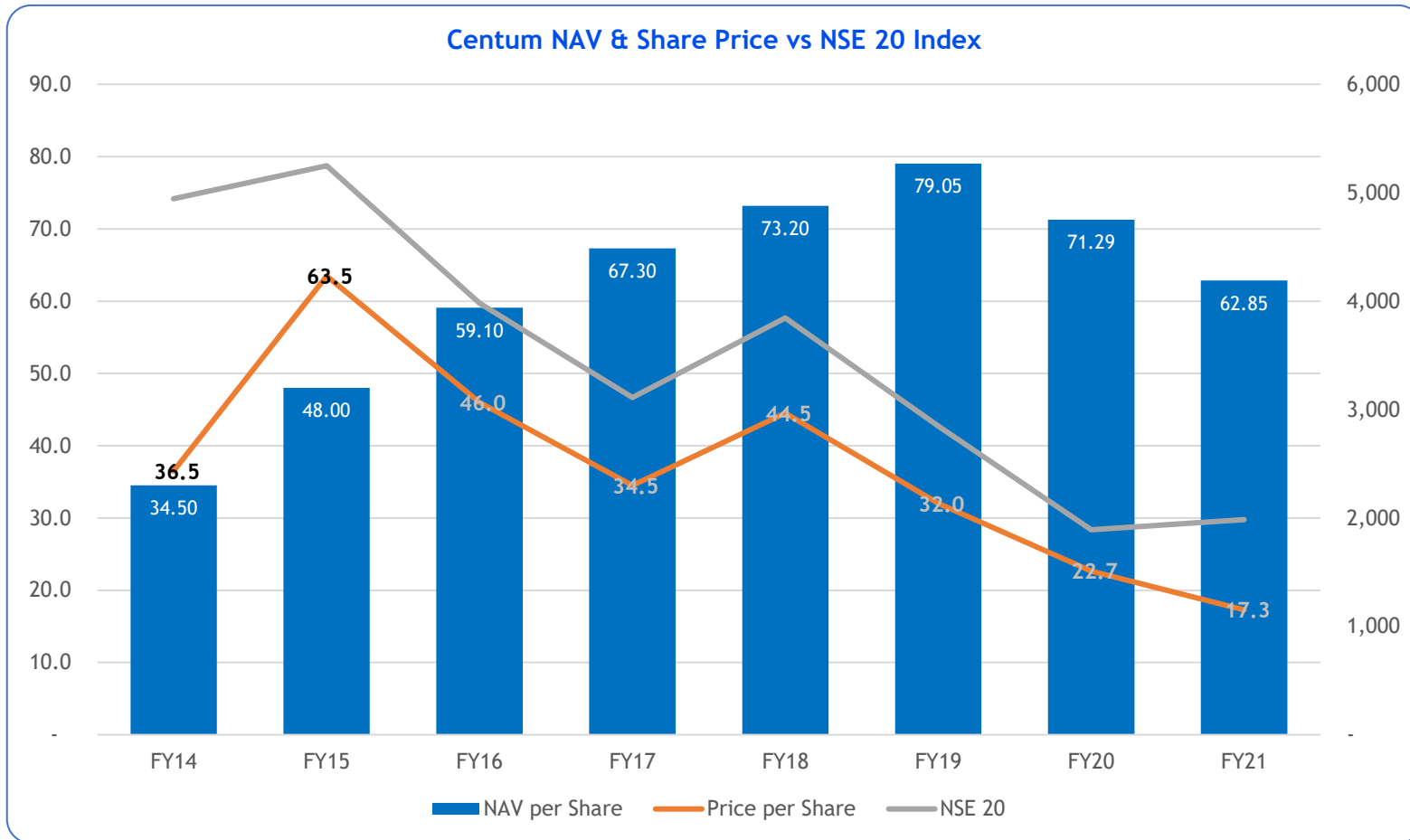
## Company NAV | Attribution to portfolio classes

Kes M	Private Equity		Centum RE		TRDL		High Yield Portfolio		Total	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
<b>Total CICIP Portfolio</b>	<b>9,764</b>	<b>11,006</b>	<b>22,610</b>	<b>29,846</b>	<b>7,607</b>	<b>7,034</b>	<b>7,534</b>	<b>8,965</b>	<b>47,515</b>	<b>56,850</b>
Funded by CICIP Borrowings	(1,482)	-	(1,444)	(6,722)	(1,195)	(763)	0	-	(4,122)	(7,484)
Other CICIP liabilities allocated	(545)	(818)	(804)	(869)	(223)	(238)	0	-	(1,572)	(1,927)
<b>Total CICIP Liabilities Allocated</b>	<b>(2,027)</b>	<b>(818)</b>	<b>(2,248)</b>	<b>(7,591)</b>	<b>(1,418)</b>	<b>(1,001)</b>	<b>0</b>	<b>-</b>	<b>(5,693)</b>	<b>(9,411)</b>
<b>Net asset value</b>	<b>7,737</b>	<b>10,188</b>	<b>20,362</b>	<b>22,255</b>	<b>6,189</b>	<b>6,033</b>	<b>7,534</b>	<b>8,965</b>	<b>41,822</b>	<b>47,439</b>
<b>NAV/Share (Kes)</b>	<b>11.6</b>	<b>15.3</b>	<b>30.6</b>	<b>33.4</b>	<b>9.3</b>	<b>9.1</b>	<b>11.3</b>	<b>13.5</b>	<b>62.85</b>	<b>71.3</b>
<b>% Weight in Centum's NAV</b>	<b>18%</b>	<b>21%</b>	<b>49%</b>	<b>47%</b>	<b>15%</b>	<b>13%</b>	<b>18%</b>	<b>19%</b>	<b>100%</b>	<b>100%</b>

- Relative significance by NAV attribution of portfolio asset classes remained stable year-on-year.
- Changes in real estate driven by the Deferred Tax adjustment mentioned later in the presentation as well as monetization of Centum RE through repayment of Kes 4.5 billion of capital to Centum
- Private Equity movements is due to fair value movements on revaluation of the portfolio assets

# Centum 4.0 Strategy Progress

## Share Price, Market Performance & NAV



Centum's share price has declined over the past 6 years in tandem with the bearish performance of the local stock market.

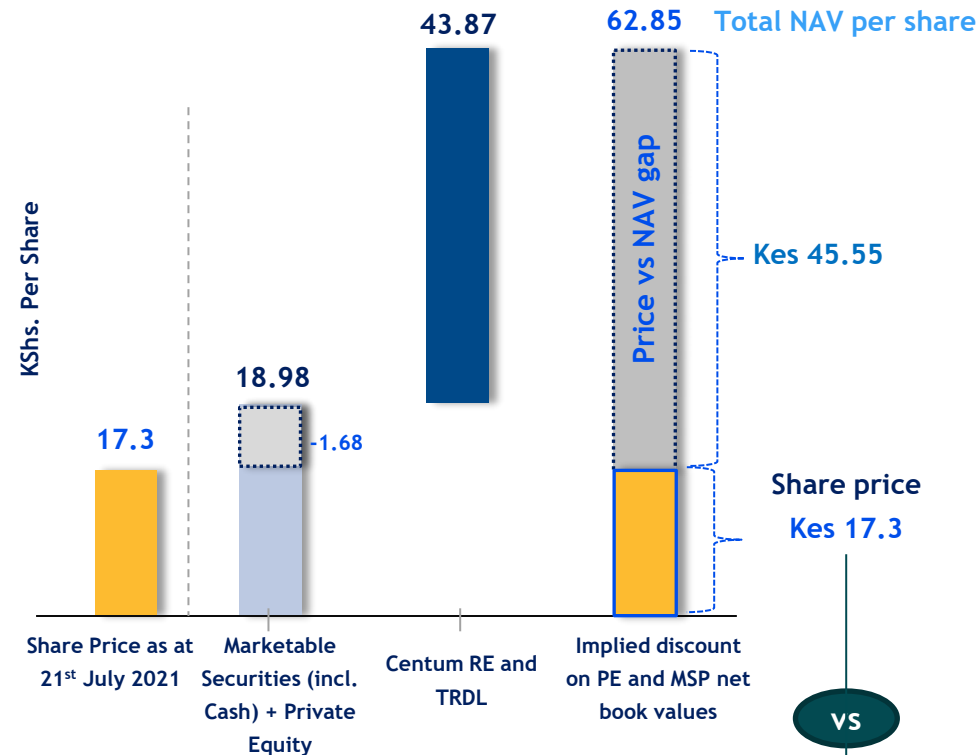
NAV per share reflects the intrinsic value of Centum and is derived from the performance of our underlying portfolio investments.

The NAV is approximately 3.6x higher than share price and in the long term, we expect the two to converge as we continue to monetize and rebalance the portfolio.

# Centum 4.0 Strategy Progress

## Analysis of Centum's price to NAV gap

Simulated share price attribution to our portfolio value



- A discount of Kes 1.68 market implied on the book value of PE and MSP.
- Implied zero market value for Real Estate assets.

Asset contribution to Centum's NAV per Share | March 2021

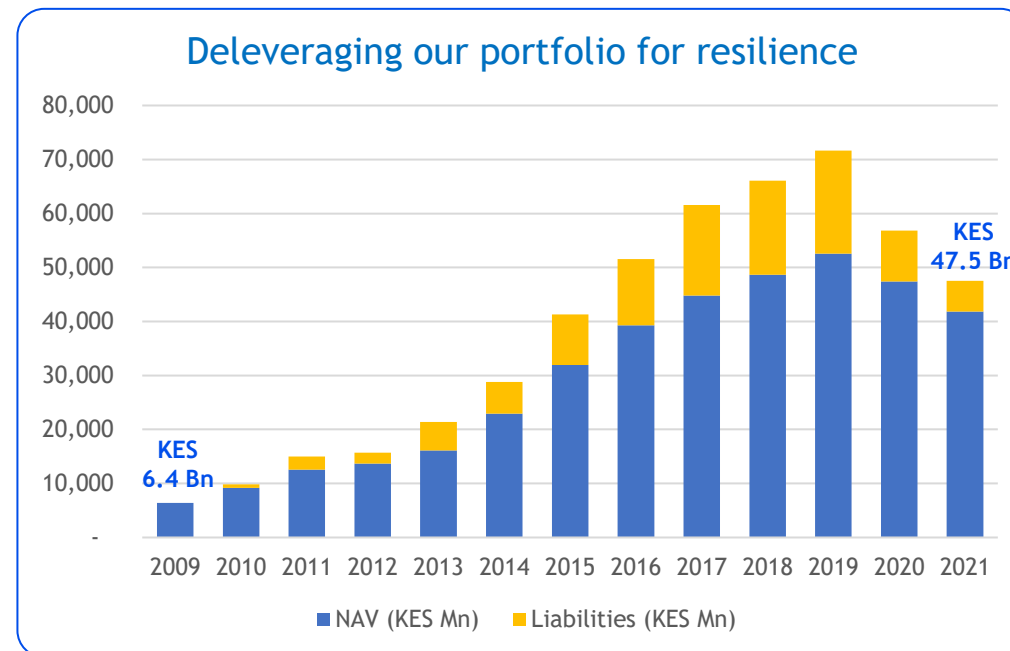
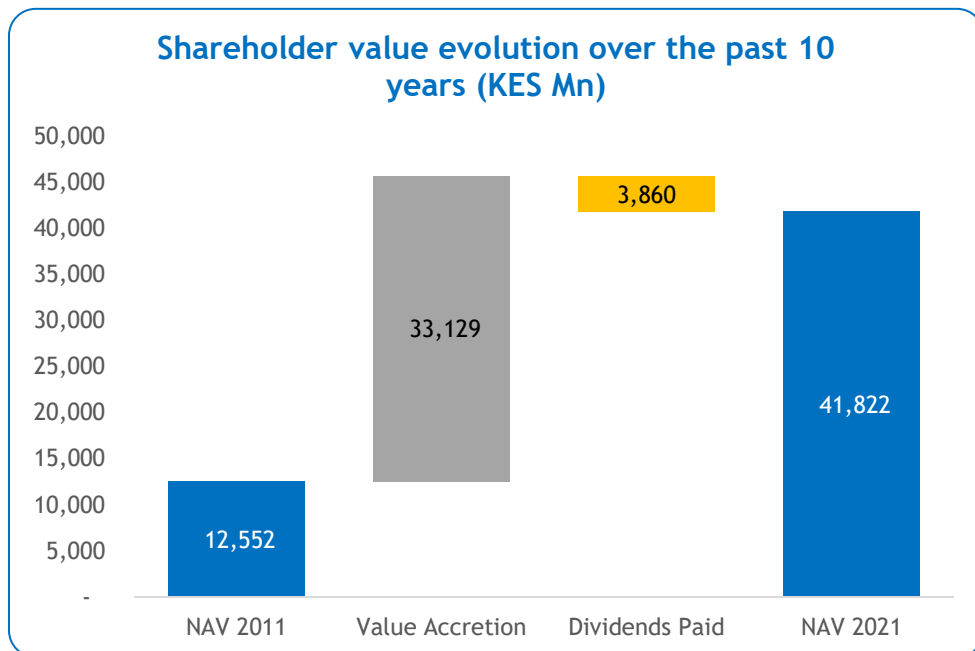
Portfolio Assets	NAV Per Share	Valuation Methodology	Multiple   (Discount)/ Premium
<b>Kenya Shillings</b>			
<b>March 2021</b>			
Sidian Bank	3.86	PB Multiple	0.63x   20%
Isuzu East Africa	3.50	EBITDA Multiple	7.61x   (30%)
Longhorn Publishers	1.01	Market price	na
NAS Servair	0.32	EBITDA Multiple	1.16x   (30%)
ACE Holdings	1.40	Cost	na
Akiira Geothermal	1.64	Cost	na
Amu Power	-	na	na
Greenblade Growers	0.30	Cost	na
Other PE assets	1.84	Cost	na
<b>Private Equity</b>	<b>13.85</b>		
<b>Marketables Securities Portfolio</b>	<b>11.32</b>	Market price	na
Less: Borrowings per share*	(6.19)		
<b>Total for PE and MSP</b>	<b>18.98</b>		
Centum Real Estate	32.77	Book Value	
Two Rivers Development	11.10	Book Value	na
<b>Real Estate</b>	<b>43.87</b>		
<b>Total NAV per share</b>	<b>62.85</b>		

\*Total borrowings of Kes 4.1Bn divided by number of shares issued (665 million shares)



# Centum 4.0 Strategy Progress

## The past decade of growth was funded by borrowed capital



- ❑ We have spent the last decade building up internally generated equity capital.
- ❑ This has enabled growth in total portfolio by **7.4x** (Kes 6.4 Bn to Kes 47.5 Bn between 2009 and 2021).
- ❑ Having achieved a sizeable scale, we have chosen to *deleverage* the portfolio and reduce financial risk while generating a *stable cash return* on shareholder funds going forward.

# Centum 4.0 Strategy Progress

## Company Cash Flows

The current focus is on monetizing mature assets to generate cash flows for the next round of investments and provide a sustainable return to our shareholders.

KES million	Mar '21	Mar '20
Opening cash and cash equivalents	1,875	144
Net cash from operations	4,536	19,083
Net cash used in investing activities	(2,067)	(4,800)
Cash used in financing activities	(4,493)	(12,552)
<b>Closing cash and cash equivalents</b>	<b>(149)</b>	<b>1,875</b>
<b>Made up of:-</b>		
Cash and cash equivalents	867	2,912
Overdraft	(1,016)	(1,037)
<b>Closing cash and cash equivalents</b>	<b>(149)</b>	<b>1,875</b>

- As an investment company, Centum realizes cash from its portfolio by way of:
  - ✓ dividend and/or interest income
  - ✓ sale/exit of equity stakes
  - ✓ repayment of shareholder loans previously advanced to the portfolio companies.
- In FY2021, Centum received its first cash distribution from Centum Real Estate of **Kes 4.5 billion** in form of repayment of shareholder loans and interest income.
- The company invested Kes 2.1 billion in its subsidiaries and purchase of govt securities and corporate bonds.
- Prior year cash mainly consisted of proceeds from disposal of the bottlers.
- Kes 6.6 billion** spent on repayment of Centum Bond including accrued interest.

# Portfolio Review



# Portfolio Snapshot

Centum Investment Company Plc.  
Total Assets (31st March 2021) - KES 47.5 Bn

REAL ESTATE : 63.5%



Total Assets: Kes 30.2 Bn

NAV per share: Kes 39.9

PRIVATE EQUITY : 20.5%



Total Assets: Kes 9.8 Bn

NAV Per Share: Kes 11.6

HIGH YIELD LIQUID PORTFOLIO : 16%



Total Assets: Kes 7.5 Bn

NAV Per Share: Kes 11.3



# Centum Real Estate Limited

Managed by  
**CENTUM** 



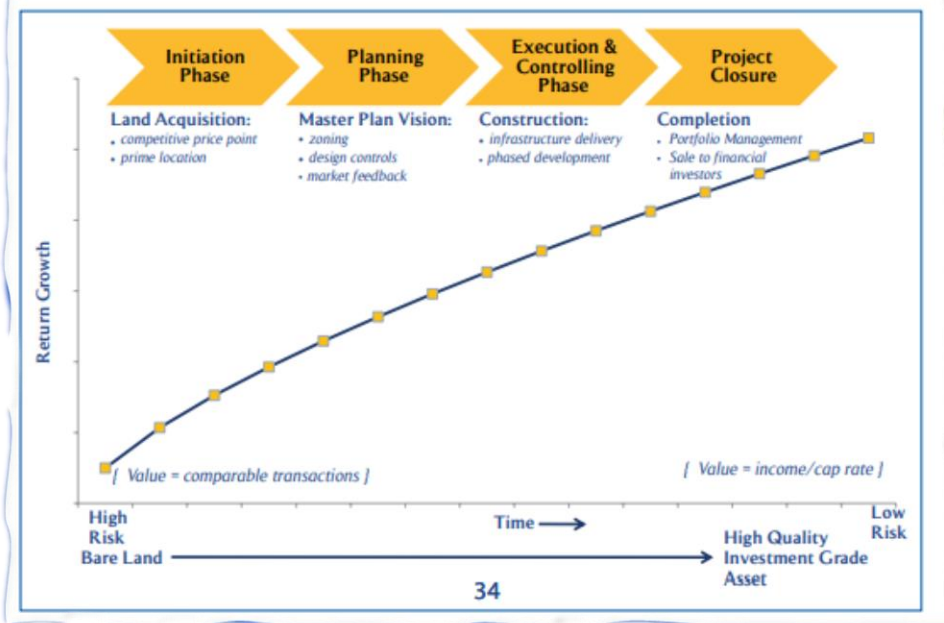


# Centum Real Estate

*We are in the final stage of our real estate value creation process*



The chart below illustrates the business model for Centum's recently acquired properties. The horizontal axis represents risk and the vertical axis represents return to the investor. As the projects progress through each development phase, the level of risk of the projects is reduced thereby generating additional returns.



Source: Centum Annual Report 2010/11 (Business Review - Real Estate, pg 37)

Centum RE Performance Highlights as at 31 March 2021

Stake: 100%

Total Investment by Centum (Kes Mn)	Capital Repaid to Centum (Kes Mn)	Carrying Value at 31 March 2021 (Kes Mn)	Potential Distributable Profits* (Kes Mn)
(7,804)	4,521	22,610	6,188

Additional Kes 5.5 billion distributable from Centum RE

*We have created an investment grade cash generative company:*

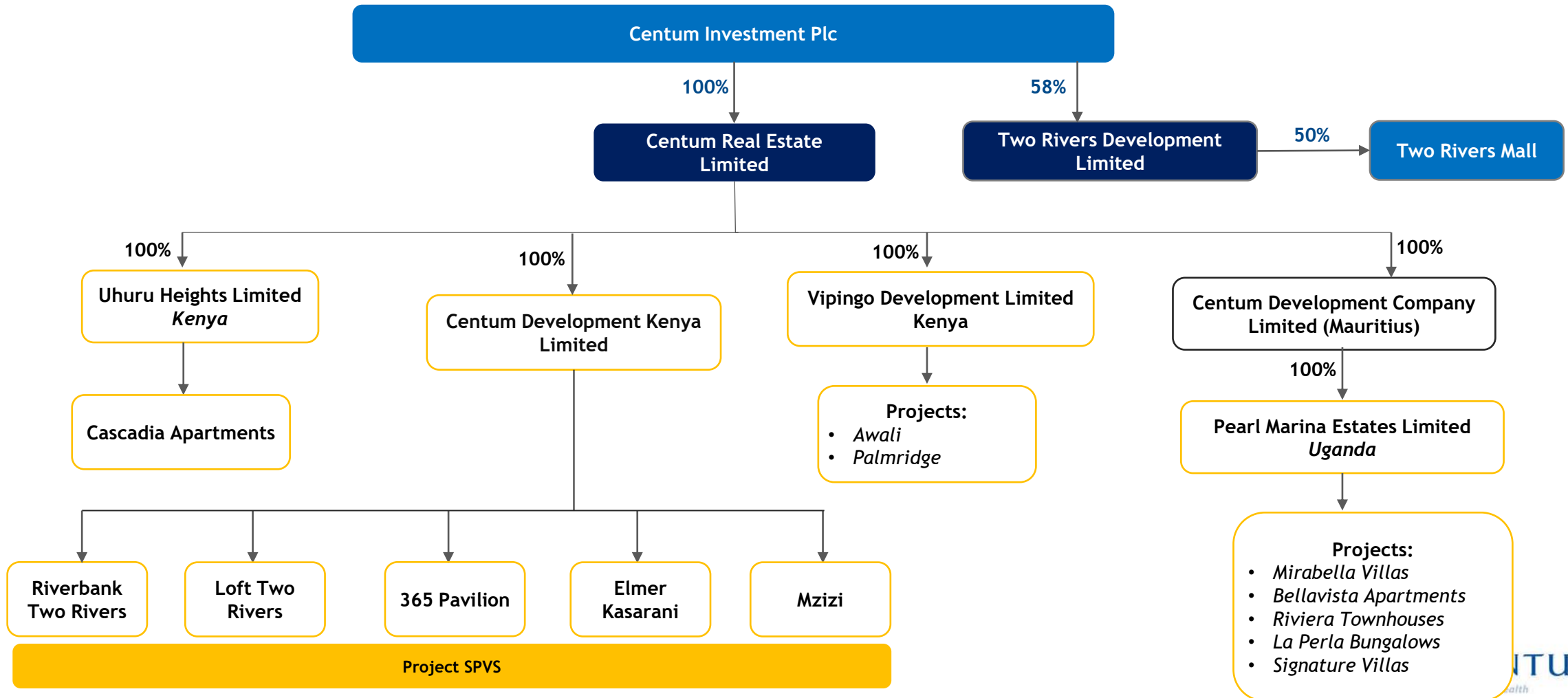
- ✓ The company returned **Kes 4.5 billion** representing 58% of the total capital invested.
- ✓ The company has **A2 (KE) credit rating** issued by GCR, an independent board and fully resourced management team.
- ✓ Units under construction have a revenue potential of **Kes 19 billion** of which **Kes 11.5 Bn** worth of units is sold. The units under construction are **63% sold**.
- ✓ These have a profit potential of **Kes 6.2 billion** of which **Kes 4.5 billion** is distributable to Centum
- ✓ **Kes 2 billion** sales of development rights have been sold of which **Kes 1 billion** is distributable to Centum.

# Centum Real Estate

## Portfolio reorganized



Our real estate assets are now consolidated under one vehicle called **Centum Real Estate Limited** in which we own **100%**. However, we still hold **58%** of **Two Rivers Development Limited** directly.



# Two Rivers Development Limited

The business model of Two Rivers Development Limited (TRDL)'s is sale of development rights to 3<sup>rd</sup> party developers as well development and sale of some of the available developable bulk

## Value Proposition of Development Rights

- Development rights are bundled with regulatory approvals, common area open spaces, facilities and parking, power and water supply, security and paved road network.
- Development rights have a bundled value proposition that save on cost, time and mitigate development risk. Development rights lease is a bankable instrument that a developer can use to secure financing.
- To date development rights have been sold for the following projects at Two Rivers:
  - a) *Completed:* TR Mall, City Lodge Hotel, Victoria Commercial Bank
  - b) *Ongoing development:* Loft Duplexes and Riverbank Apartments

## Affordable Housing @Two Rivers:

### Mzizi Homes

- Project initiated by TRDL as a way of breaking up some of the bulk development rights for sale as residential units to retail buyers.
- The project has sold 160 units to date and mobilized KES 140 million in deposits since it's market launch in January 2021.

## Comment

- ✓ We own 58% of TRDL which in turn owns Two Rivers Lifestyle Centre (TRLC).
- ✓ The two companies have debt in their capital structures which is contributing significant finance costs to the group.
- ✓ We are reviewing the capital structures to reduce the debt and in turn reduce finance costs and improve their performance.

# Private Equity

Managed by

CENTUM 



# Private Equity Portfolio Highlights | FY 2020/21



## 1 Profitability

- Businesses were affected by covid-19 and registered declined performance. However, half of the portfolio companies remained profitable.

## 2 Liquidity



- Despite reduced business activity, portfolio companies demonstrated resilience, preserving sufficient cash to remain self funded without the need for capital calls to Centum.
- Portfolio dividend income in FY2021 was 30% that of prior year.

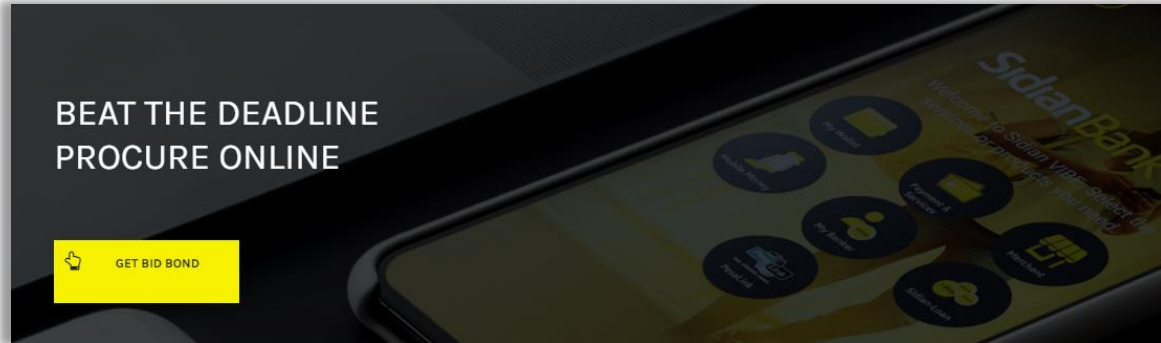
## 3 Investment Activity

- Planned exits were put on hold as the tough economic environment affected valuations on slowed down transaction activity.



# Private Equity

## Sidian Bank

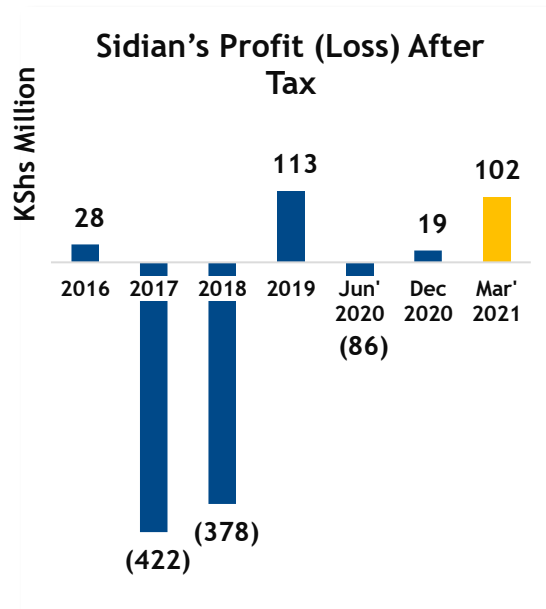
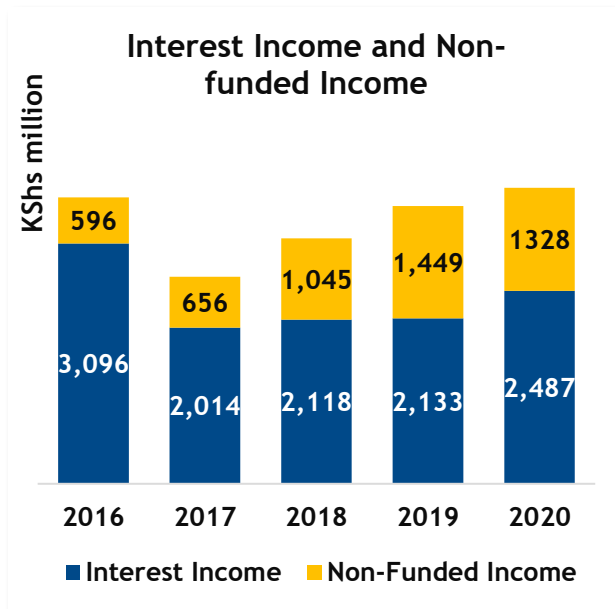


**35%**  
NFI contribution to total revenues. Growth in digital channels income recorded.

**45%**  
Liquidity Ratio

**11%**  
NPL ratio down from 20%

Recovery in performance noted with improvement from a loss of Kes 86 Mn in June 2020 to a profit after tax of Kes 102 Mn in March 2021.



**9 markets**

Geographical operations

**24.5%**

Market share in Kenya

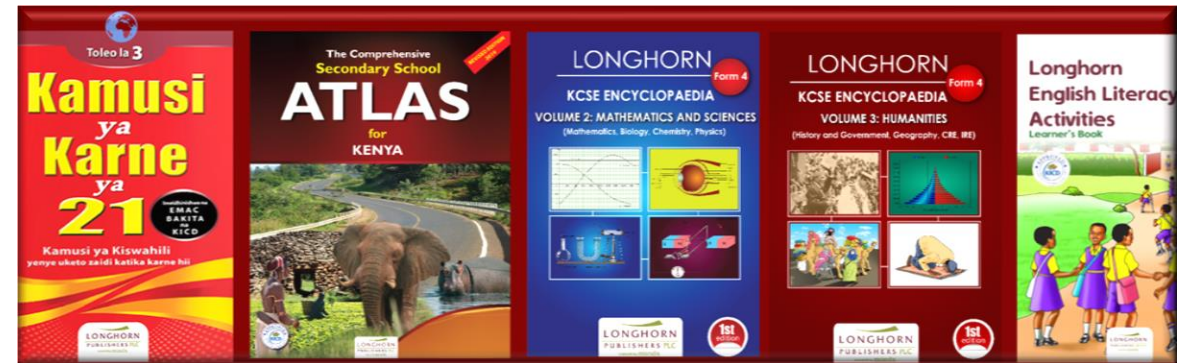
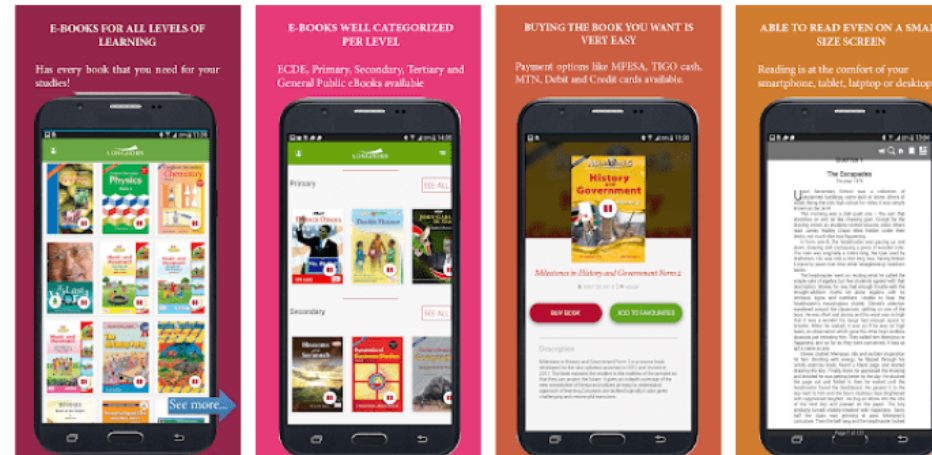
### New Markets & Strategic Partnerships

- The business continues to focus on sales growth through strategic partnerships

### Revenue Growth

Significant recovery in revenues on account of increased orders in the Jan'21 - Jun'21 compared to a similar period last year when schools were closed.

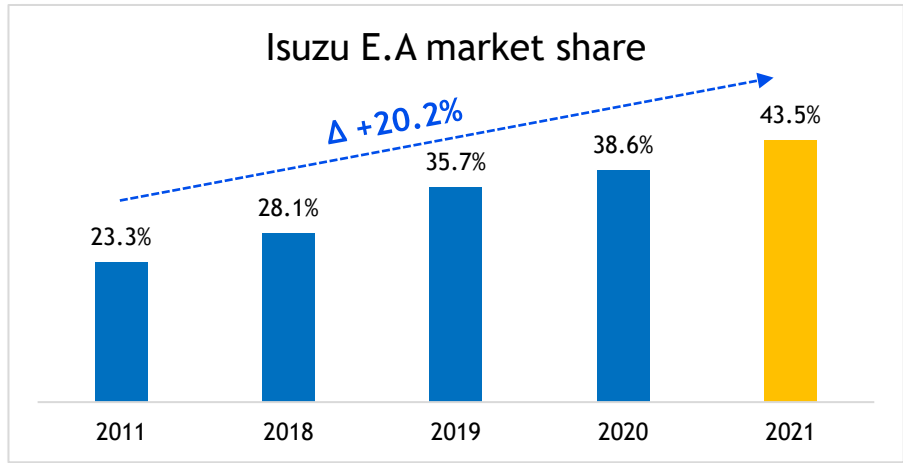
Digital and geographical diversification continue to present growth opportunities



# Private Equity

## Isuzu East Africa

Isuzu celebrated the production of their 100,000<sup>th</sup> vehicle this month, a demonstration of the growth achieved

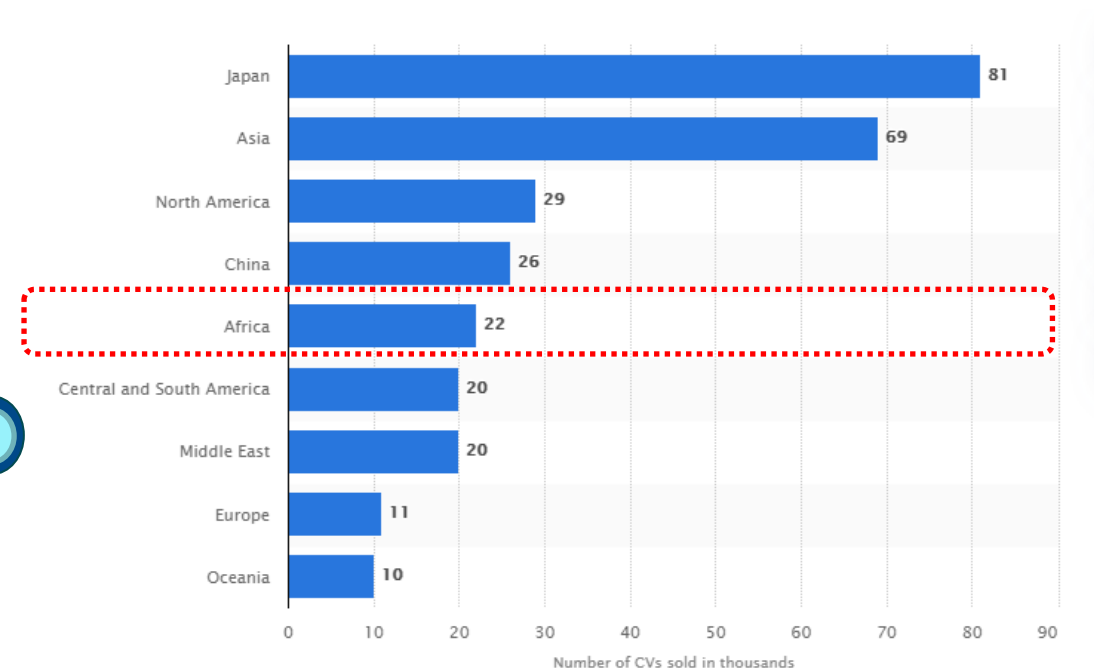


**Kes 2 Bn** capacity expansion and retooling completed in the last three years

**11,000 Units** installed annual production capacity with 40% utilization currently.

**20% market share** gained from 2011 to 2021.

Africa remains a key market for the Isuzu brand



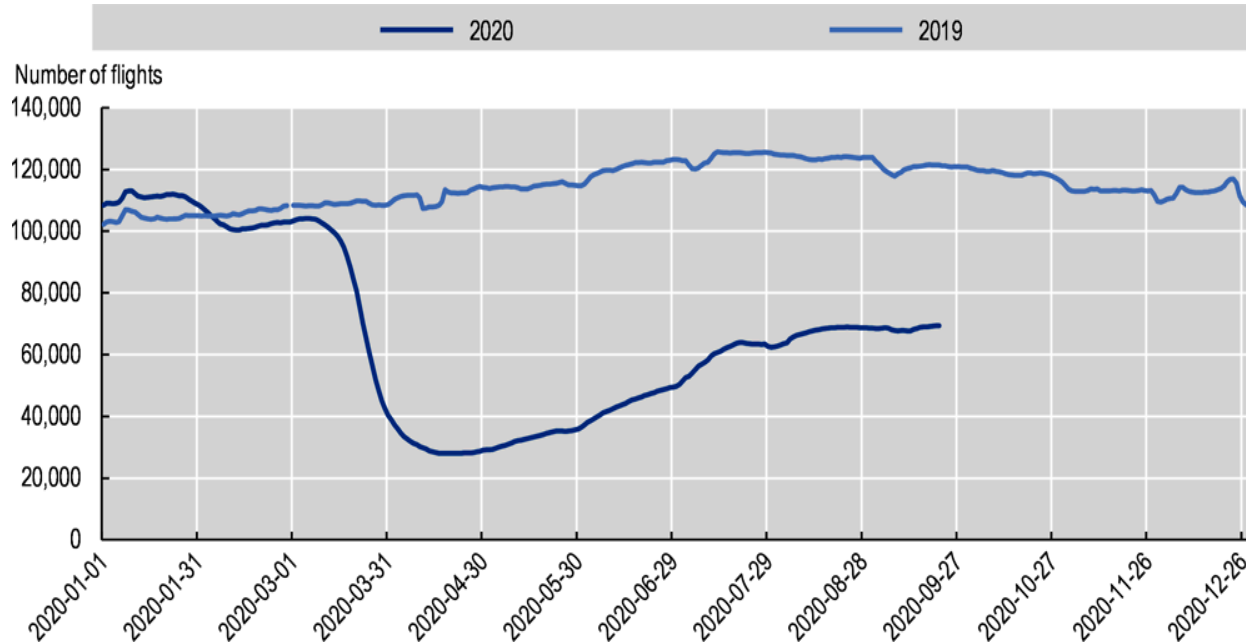
Number of commercial vehicles (CVs) sold by Isuzu Motors Limited in fiscal year 2020, by region (in 1,000s)

Source: Statista

# Private Equity

## NAS Servair

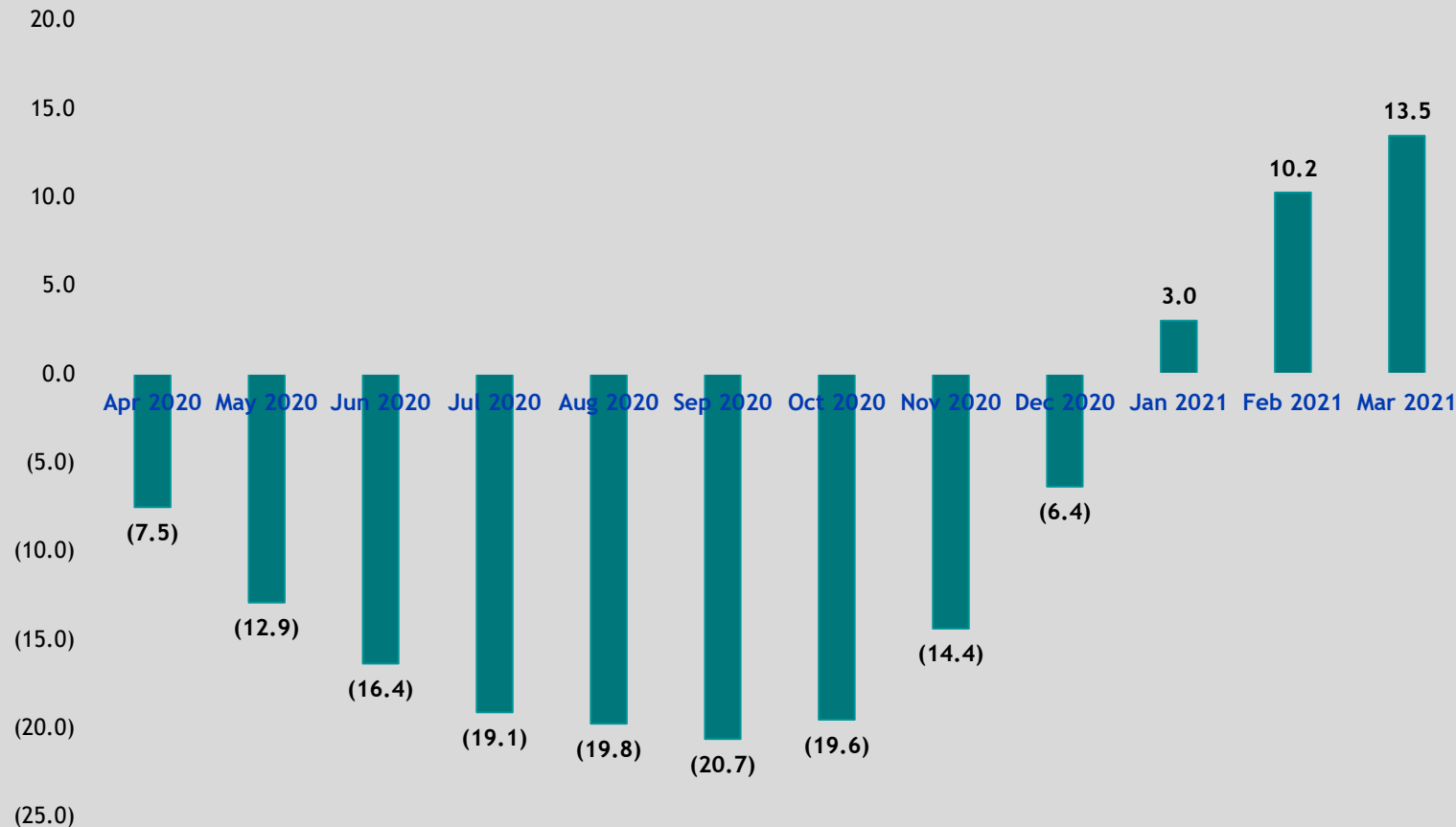
### Number of flights tracked daily by Flightradar24, 2020 v. 2019



- ❑ Aviation industry bore the biggest brunt of Covid-19.
- ❑ NAS continues to diversify its transport catering as well corporate catering revenue lines.
- ❑ Airline activity expected to gradually pick up with wider reach of Covid-19 vaccines and resumption of passenger travel across the globe.

# Private Equity Greenblade Growers

Cumulative Profit After Tax (Kes Millions)



- ✓ 22% year-on-year revenue growth.
- ✓ The business turned around and broke even in FY2021 on the back of improved production efficiencies.
- ✓ Significant market opportunity in terms of demand for the primary crop which is chives.
- ✓ We see a huge potential to scale up the company to a USD 2 million annual EBITDA business.



# Private Equity Akiira Geothermal

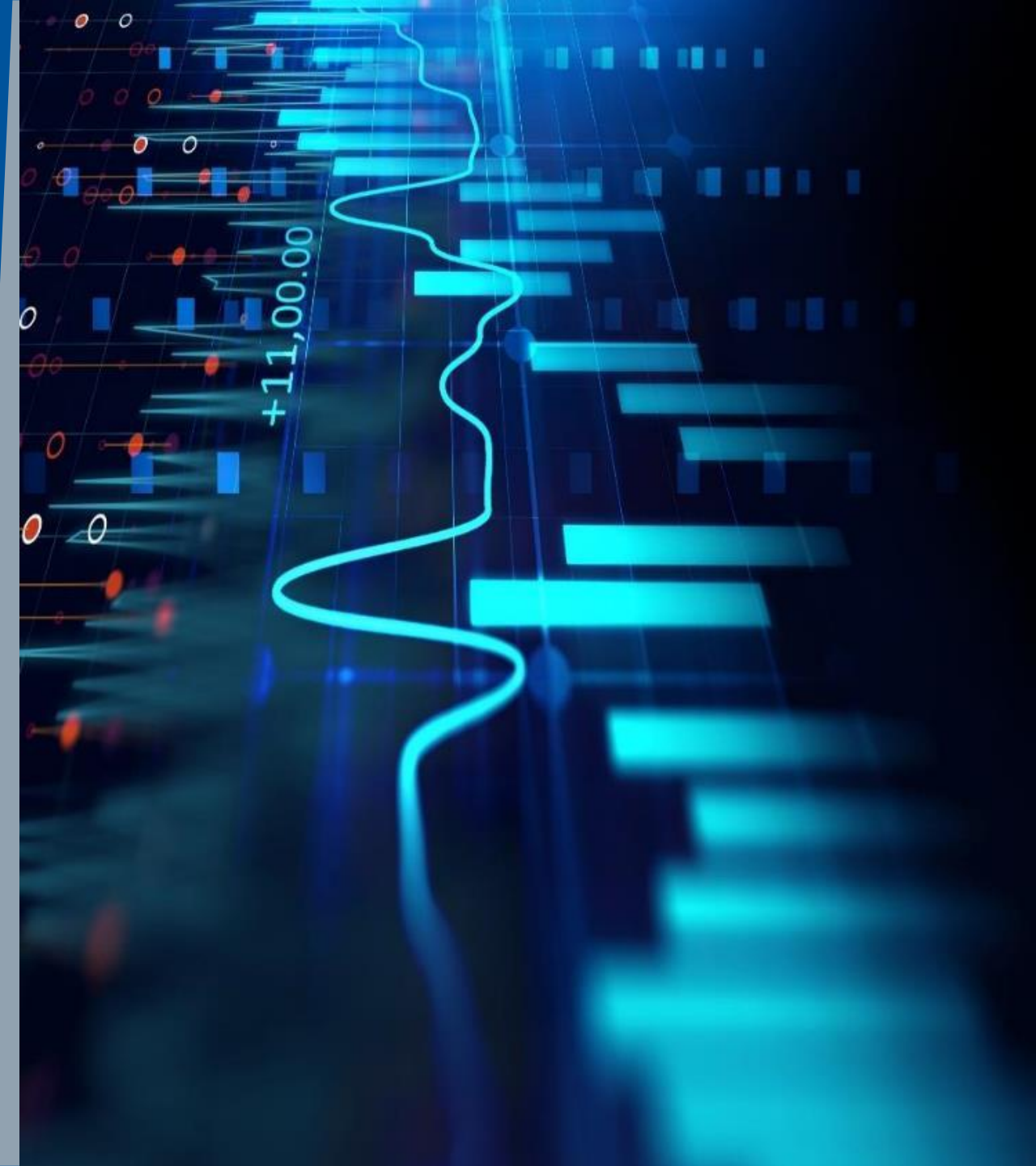
## Key milestone in FY2021

- ✓ Finalized agreement with strategic partners for joint development of the resource.



# Marketable Securities

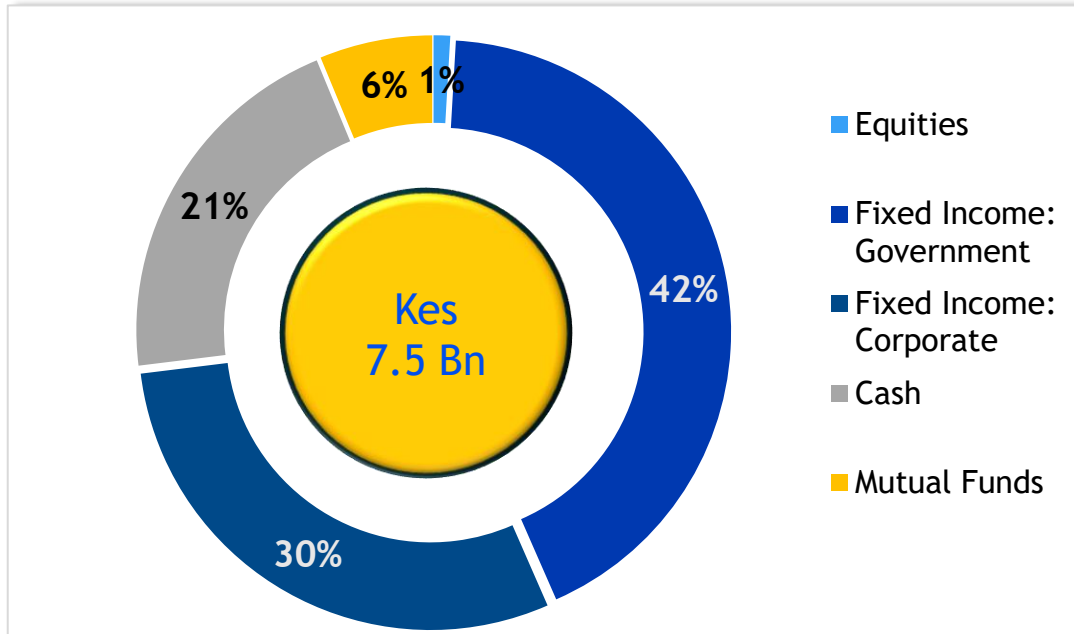
Managed by



# Marketable Securities

## Portfolio Allocation and Performance Highlights

Portfolio composition | 31 March 2021



- ❑ 93% of the portfolio made up of Cash and Fixed Income securities as at March 2021.
- ❑ The allocation is in line with Centum's objectives of capital preservation while earning above market returns on the portfolio.
- ❑ Annualized gross return achieved to March 2021 was 12.0%, net of fees and taxes. This was impacted by gradual sift from equities which underperformed.
- ❑ We are exploring new opportunities to achieve above 14% annualized net return.

High Yield Portfolio Allocation - Mar 2021	Kes M
Equities	69
Fixed Income: Government	3,203
Fixed Income: Corporate	2,232
Cash	1,560
Mutual Funds	470
<b>Total</b>	<b>7,534</b>

CSR Engagement

&

Awards



CENTUM  
FOUNDATION



# Corporate Social Responsibility

## Supporting SDGs



- 200 scholarships awarded to date in Vipingo
- Shortlisting of candidates for the next academic year ongoing
- Additionally, we have put up new classrooms for four schools: Makonde, Timboni, Kadzinuni and Mukwajuni Primary schools.
- We furnished Mathari Primary's Library with 700 books, 8 tables, 16 benches and a cupboard.



## 8 DECENT WORK AND ECONOMIC GROWTH



- Through Vipingo Development Limited, we have established a Vocational Training Centre in Kilifi County to equip the local community with relevant skills required for to benefit from employment opportunities.
- To date, 100 students have graduated from this Center, of whom 80 are now in gainful employment.





# Awards

## Winning is in our DNA

Fire Awards 2020

Winner

*Integrated Reporting Category*



# Financial Performance

Chief Finance Officer: Wambua Kimeu



# Company Income Statement (Total Return Statement)

KShs. Millions	March 2021	March 2020	%Δ
Investment income	1,517	3,695	(59%)
Operating expenses	(669)	(895)	(25%)
Finance costs	(603)	(1,815)	(67%)
<b>Operating profit</b>	<b>245</b>	<b>985</b>	<b>(75%)</b>
Impairment provision of assets	(1,071)	(3,580)	(70%)
<b>(Loss) Profit before tax</b>	<b>(826)</b>	<b>(2,595)</b>	<b>(68%)</b>
Income tax expense	220	(797)	128%
<b>Profit after tax</b>	<b>(606)</b>	<b>(3,392)</b>	<b>(82%)</b>
Unrealised gains	(4,212)	(971)	334%
<b>Total comprehensive (loss)/ income</b>	<b>(4,818)</b>	<b>(4,363)</b>	<b>10%</b>
<b>Return on opening NAV</b>	<b>(10.2%)</b>		

- Company made an operating profit of Kes 245 Mn; 75% lower than prior year.
- Prior Year exceptions included
  - ✓ Gain on disposal of bottlers KShs 2.2 Bn
  - ✓ Income Tax on Gain of KShs 0.8b
- Investment income
  - ✓ Lower dividends received
  - ✓ Total Interest income from Marketable Securities Portfolio of KShs 604 Mn and KShs 668 Mn from debt investment in subsidiaries.
- Cost containment measures effected by company reducing operating expenses by 25%.
- Finance Costs declined 67% on account of by debt payment through redemption of KShs 6.6 Bn bond.
- Revaluation losses of KShs 4.2 Bn driven by dampened business performance and decline in multiples due to Covid-19 impact.



# Company Statement of Financial Position

KShs. millions	March 2021	March 2020	%Δ
<b>Investment portfolio:</b>			
- Investment in Subsidiaries	26,258	30,236	(13%)
- Debt Investment in Subsidiaries	11,804	15,631	(24%)
- Unquoted Investments	3,585	4,126	(13%)
- Government securities and corporate bonds	4,235	3,151	34%
- Quoted Investments	156	23	593%
<b>Total Portfolio</b>	<b>46,039</b>	<b>53,167</b>	<b>(13%)</b>
Other Assets	609	771	(21%)
Cash and Equivalents	867	2,912	(70%)
<b>Total Assets</b>	<b>47,515</b>	<b>56,850</b>	<b>(16%)</b>

KShs. millions	March 2021	March 2020	%Δ
Borrowings	4,122	7,486	(45%)
Other Liabilities	1,572	1,926	(18%)
<b>Total Liabilities</b>	<b>5,693</b>	<b>9,411</b>	<b>(40%)</b>
Share Capital	922	922	0%
Retained Earnings	19,777	24,332	(19%)
Revaluation Reserves	21,122	22,185	(5%)
<b>Shareholder Funds</b>	<b>41,822</b>	<b>47,439</b>	<b>(12%)</b>
<b>Equity and Liabilities</b>	<b>47,515</b>	<b>56,850</b>	<b>(16%)</b>
<b>NAV Per Share (KShs.)</b>	<b>62.85</b>	<b>71.29</b>	<b>(12%)</b>

- NAV declined on account of FY 2020 dividend paid in the year (KShs 799 Mn)
- Impairment provisions and revaluation losses booked in the period.
- NAV was impacted by reduction in multiples and declined performance of underlying portfolio businesses.

# Company Cash Flow Statement

KES millions	Mar-21	Mar-20
<b>Cash flows from operating activities</b>		
<b>Net cash generated from operating activities</b>	<b>4,541</b>	<b>19,077</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	-	(11)
Investments in subsidiaries (equity)	-	(93)
Net debt investment in subsidiaries	(988)	(1,424)
Investment in government securities and corporate bonds	(1,085)	(3,048)
Purchase of shares in unquoted investments	-	(219)
<b>Net cash used in investing activities</b>	<b>(2,073)</b>	<b>(4,795)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	3,063	2,297
Repayment of borrowings	(6,210)	(12,600)
Interest paid on borrowings	(582)	(1,513)
Dividends paid	(763)	(735)
<b>Net cash generated from financing activities</b>	<b>(4,492)</b>	<b>(12,551)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(2,024)</b>	<b>1,731</b>
At start of period	1,875	144
<b>At end of period</b>	<b>(149)</b>	<b>1,875</b>
<b>Made up of:</b>		
Cash and Cash equivalents	867	2,912
Overdraft	(1,016)	(1,037)
<b>Closing Cash and Cash equivalents</b>	<b>(149)</b>	<b>1,875</b>

- Centum received its first cash distribution from Centum Real Estate of **Kes 4.5 billion** in repayment of shareholder loans.
- Prior period cash mainly consist of proceeds from disposal of the bottlers.
- The company invested Kes 2.1 billion in its subsidiaries and purchase of govt securities and corporate bonds.
- Kes 6.6 billion** spent on repayment of Centum Bond including accrued interest.
- Available cash balance and portfolio of marketable securities provide sufficient liquidity to take up any emerging investment opportunities.

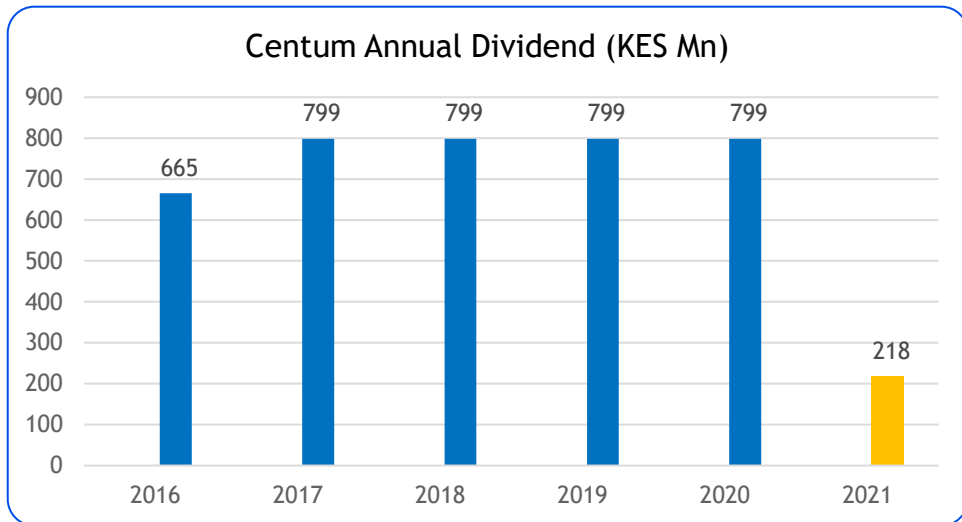


# FY2021 First & Final Dividend



The unprecedented covid-19 crisis impacted many of our portfolio companies who cut their dividend payments to conserve liquidity.

It is against that background, and to cushion our shareholders, the Centum Board of Directors has recommended the payment of a first and final dividend of **KES 0.33** per share, amounting to **KES 218 million** (Kes 1.2 per share amounting to Kes 799 Mn was paid in for FY2020).



**Kes  
4.1 Bn**

Total dividends for the last 6 years

Consistent cash return to the shareholders despite a challenging operating environment.

# Consolidated Financial Statements

*For purposes of compliance with the Company's Act requirements*



# Consolidated Income Statement

KES. '000	Mar '21	Mar '20
<b>Trading business:</b>		
Sales	996	5,469
Direct and other operating costs	(1,525)	(5,444)
<b>Trading (loss) profit</b>	<b>(529)</b>	<b>24</b>
<b>Financial services:</b>		
Income from financial services	4,338	3,796
Funding and other costs	(4,008)	(3,625)
<b>Profit from financial services</b>	<b>330</b>	<b>171</b>
<b>Real Estate</b>		
Real Estate sales and Investment income	2,158	4,211
Funding and other costs	(1,283)	(651)
<b>Profit from Real Estate investments</b>	<b>875</b>	<b>3,560</b>
<b>Two Rivers Development</b>		
Sales and Investment income	1,045	(2,061)
Funding and other costs	(1,830)	(1,819)
Share of loss from joint venture	(1,074)	(2,078)
<b>Loss from Two Rivers Development Group</b>	<b>(1,859)</b>	<b>(5,958)</b>
<b>Investment operations:</b>		
Investment and other income	684	13,347
Operating and administrative costs	(715)	(1,132)
Finance costs	(629)	(1,815)
<b>Operating Profit</b>	<b>(1,843)</b>	<b>8,198</b>
Impairment provision on assets	(489)	(2,752)
<b>(Loss)/profit before tax</b>	<b>(2,332)</b>	<b>5,446</b>
Income Tax	964	(818)
<b>(Loss)/Profit for the year</b>	<b>(1,368)</b>	<b>4,628</b>
<b>Earnings Per Share-Basic</b>	<b>(0.93)</b>	<b>10.25</b>
<b>Attributable to:</b>		
Owners of the parent	(619)	6,819
Non-controlling interest	(749)	(2,191)
<b>(Loss)/profit before tax</b>	<b>(1,368)</b>	<b>4,628</b>

Prepared as a requirement by Companies Act

- Trading Profit declined due to
  - ✓ Disposal of Almasi in prior year
  - ✓ Impact of Covid 19 on trading businesses
- Operating income from financial services
  - ✓ Profitability boosted by Sidian Bank profitability
- Profit From Real Estate
  - Driven by sale of units and sale of development rights
- Loss from Two Rivers Development
  - Impact of finance costs at TRDL and its JV
  - Steps taken to restructure the balance sheets
- Prior Year exceptions included
  - ✓ Gain on disposal of bottlers KShs 12 Bn
  - ✓ Income Tax on Gain of KShs 0.8 Bn
- Investment income
  - ✓ Lower dividends
  - ✓ Interest from High Yield Portfolio of KShs 604 Mn.
- Finance costs reduced due to settlement of Centum Bond of KShs 6.6 Bn.
- Excluding TRDL, the consolidated loss before tax would have been KES 473 million.
- 96% of the consolidated loss before tax were driven by Longhorn and TRDL. Longhorn business activity has recovered while we are reviewing TRDL and TRLC capital structures to reduce debt and finance costs.

# Consolidated Statement of Financial Position

KES million	Group	
	Mar '21	Mar '20 Restated
Investment portfolio	20,173	18,202
Cash and cash equivalents	5,877	8,182
Other assets	83,382	75,480
<b>Total Assets</b>	<b>109,432</b>	<b>101,864</b>
Customer deposits	23,070	17,460
Borrowings	25,501	22,197
Deferred Tax Liabilities	4,159	5,470
Other Liabilities	9,653	7,464
<b>Total Liabilities</b>	<b>62,383</b>	<b>52,591</b>
<b>Total Equity</b>	<b>47,049</b>	<b>49,273</b>
<b>Total Capital and Liabilities</b>	<b>109,432</b>	<b>101,864</b>

- Restatement of FY 2020 Statement of Financial Position
  - ✓ Centum Real Estate Limited restated their deferred tax provisions in for FY2020.
  - ✓ Consequently, the consolidated financial statements of Centum Investment Co. Plc has taken this into account.



# Outlook





# Outlook | FY 2021/22

As the local and regional economies recover from the pandemic, we anticipate improved performance across our portfolio as well as increased transaction activity in the financial year 2021/2022

## Portfolio Aspect

## Outlook

### Real Estate

- Continue to drive value creation by building a robust pipeline of products and markets that will ensure sustainable free cash flows into the future.
- Fully transition into an independent business with Centum retaining portfolio management responsibilities to maximize shareholder value.
- Prepare the asset for exit as it approaches maturity and become investor ready.

### Private Equity

- Pursue value creation opportunities to enhance portfolio cash return and growth.
- Consider exit of businesses that are fully optimized.
- Scout for new opportunities in the private equity space.

# Outlook | FY 2021/22

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## Portfolio Aspect

## Outlook

### High Yield Portfolio

- Focus on capital preservation and provide liquidity to Centum.
- Generate market beating returns through active portfolio management.
- Maintain the portfolio value within the strategic target of 10% - 20% in order to generate a sizeable return to cover company's recurrent obligations.


### Performance Reporting

- Align company reporting to the business model and strategic plan of the business.
- To include additional relevant KPIs relevant to an investment company for better information in line with the market feedback received.

Q & A







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