



Investor Briefing HY 2021/2022

30th November 2021



Agenda

Business Review

Dr. James Mworira - Chief Executive Officer

Financial Review

Wambua Kimeu - Chief Finance Officer

Outlook

Dr. James Mworira - Chief Executive Officer

Q & A

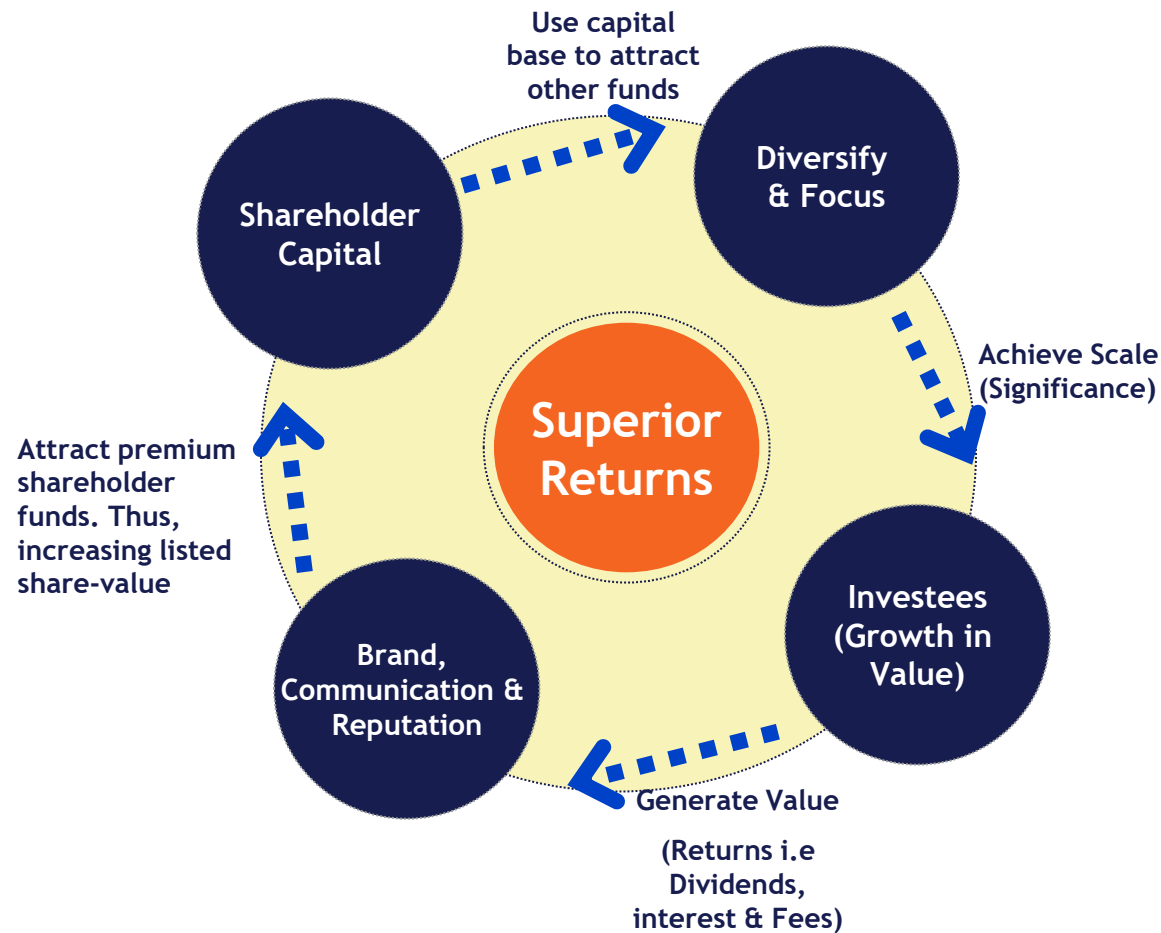
Business Review

Chief Executive Officer: Dr. James Mworira

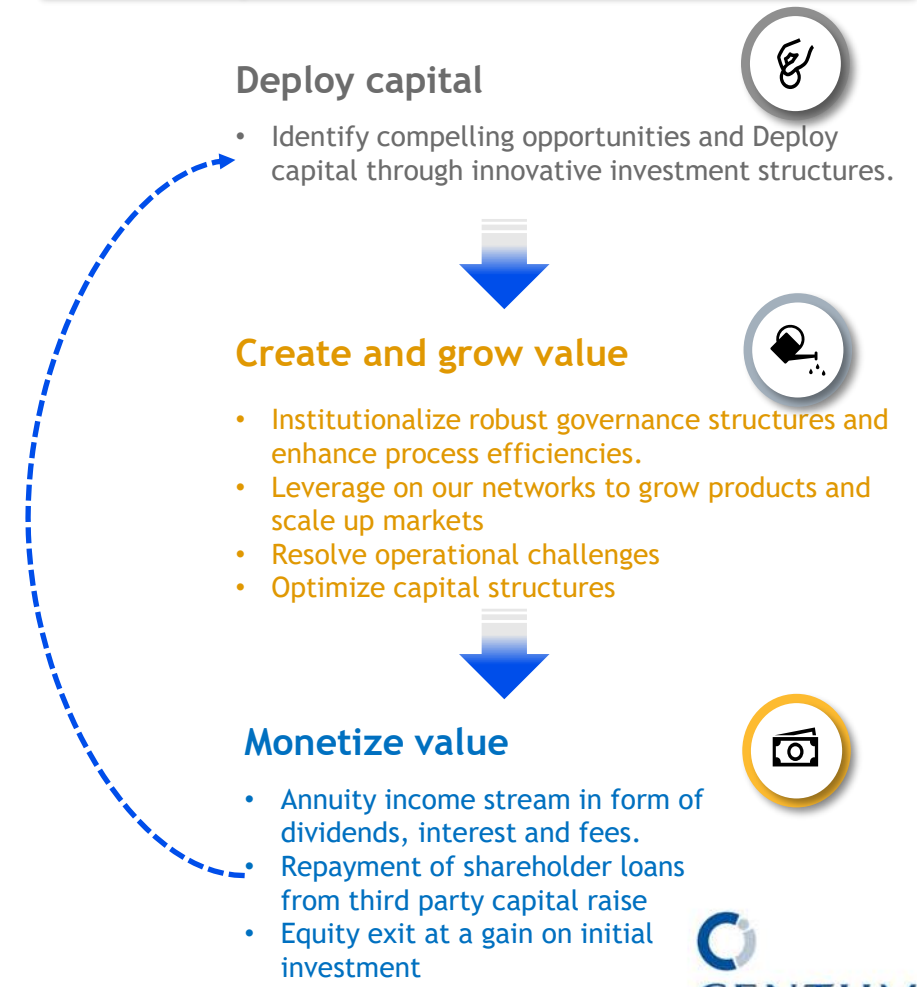


About Centum

Our Business | The Value Wheel

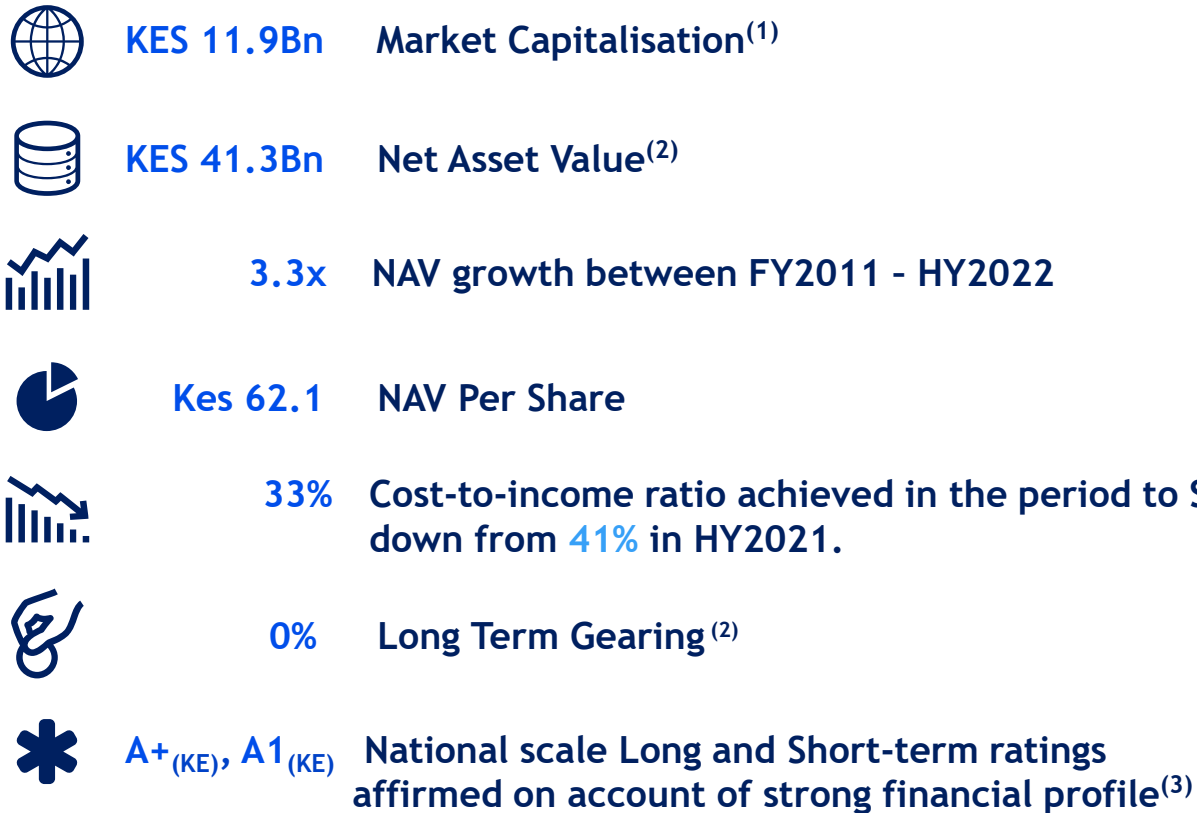


We are investors. We find good opportunities make them great and exit to monetize value created to lock in superior returns for our stakeholders.

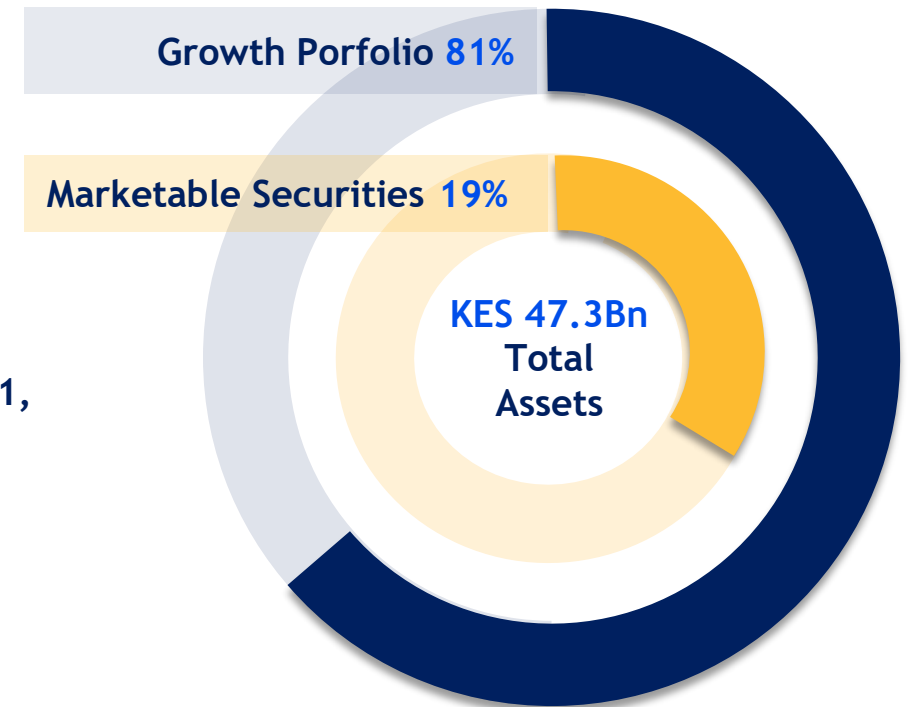


About Centum

Company Snapshot



Portfolio Allocation - 30 September 2021



1. Share price as of 30 September 2021
2. As at 30 September 2021
3. Rating accorded by Global Credit Ratings (GCR)

Business Review: HY2021/2022

Key Focus Areas

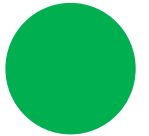
Objective

Status



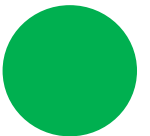
Balance sheet strengthening: Deleverage and build up liquidity

- We have maintained **zero long-term debt** at Company level in line with Centum 4.0 deleveraging objective.
- **Kes 7.9 billion** was held in marketable securities on 30 September 2021, up from **Kes 7.5 billion** held on 31 March 2021.



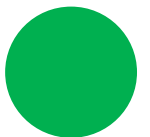
Growing long term value

- In line with our **active portfolio management** approach, we have developed **value creation plans** with each of the underlying portfolio companies' management to reposition the businesses for growth.
- All portfolio companies recorded **improved profitability**.



Enhancing cash returns to shareholders

- Marketable securities portfolio generated an average annualized **net return** of **15%p.a** against our minimum target of **14%**. Absolute cash returns from MSP grew by **58%** year-on-year.
- Investment income from growth portfolio companies increased by **18%**.



Business Review: HY2021/2022

Company Total Return Statement

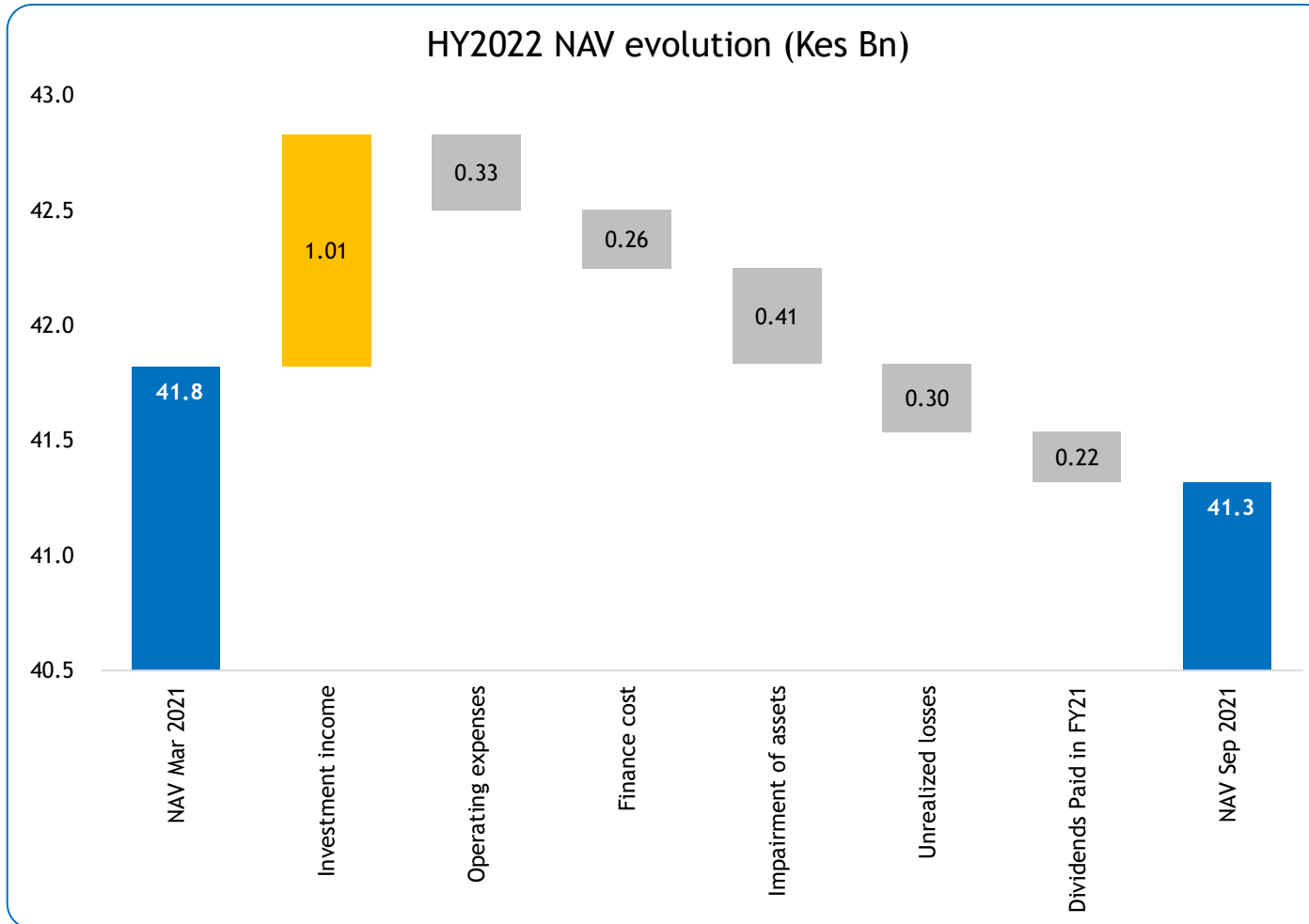
KShs. Millions	6 months to 6 months to		%Δ
	Sep 2021	Sep 2020	
Investment income	1,009	729	38%
Operating expenses	(328)	(298)	10%
Finance cost	(255)	(335)	(24%)
Operating profit	425	95	348%
Impairment of assets	(413)	-	(100%)
Profit (Loss) after tax	12	95	(87%)
Unrealised gains/(losses)	(296)	(1,392)	79%
Total return for the period	(283)	(1,297)	78%
Opening NAV	41,822	47,439	
Return on opening NAV	(0.7%)	(2.7%)	

- **38%** growth in investment income driven by:
 - ✓ resumption of dividend payment by the growth portfolio companies.
 - ✓ Enhanced returns generated by the marketable securities portfolio
- Finance costs declined by **24%** due to debt reduction in prior period.
- Operating profit grew by **348%**, being the residual cash income that will be distributable in future.

	6 months to	6 months to
Utilization of investment income	Sep 2021	Sep 2020
Investment income	100%	100%
Operating expenses	(33%)	(41%)
Finance costs	(25%)	(46%)
Residual operating income available for distribution	42%	13%

Business Review: HY2021/2022

NAV Movement



- ❑ Marginal - 0.7% change in net asset value.
- ❑ Kes 1.0 billion investment income fully covered the operating costs, finance costs, dividend distribution.
- ❑ Operating expenses and finance costs were 58% of the investment income, leaving a residual of 42%.
- ❑ Kes 219 million dividend with respect to FY2021 was declared in the period and subsequently paid out of the current investment income.
- ❑ Our dividend policy is to pay out 30% of investment income earned.

Business Review: HY2021/2022

Company NAV | Attribution to the company's portfolio

Kes M	Growth Portfolio		Marketable Securities		Total	
	Sep 2021	Mar 2021	Sep 2021	Mar 2021	Sep 2021	Mar 2021
Total CICIP Portfolio	39,420	39,982	7,890	7,534	47,310	47,515
Funded by CICIP Borrowings	(4,040)	(4,122)	-	-	(4,040)	(4,123)
Other liabilities allocated	(1,951)	(1,572)	-	-	(1,951)	(1,573)
Total CICIP Liabilities Allocated	(5,991)	(5,693)	-	-	(5,991)	(5,695)
Net asset value	33,429	34,289	7,890	7,534	41,319	41,820
NAV/Share (Kes)	50.2	51.5	11.9	11.3	62.1	62.85

% Weight in NAV	80.9%	82.0%	19.1%	18.0%	100%	100%
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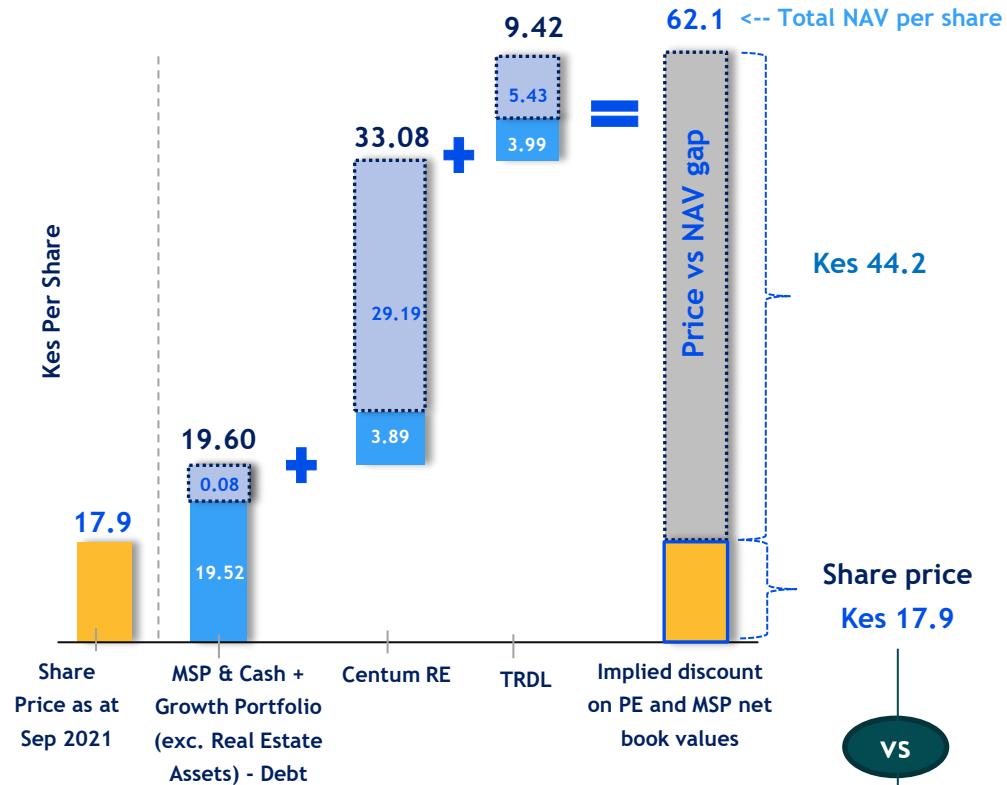
- 80.9% of the NAV was attributable to the Growth Portfolio while 19% was attributable to Marketable Securities Portfolio.
- In the six months to September 2021, there was a 1% shift from growth portfolio to marketable securities weighting on account of further repayment of capital by Centum RE.

Business Review: HY2021/2022

Analysis of Centum's price to NAV gap

Simulated share price attribution to our portfolio value

Asset contribution to Centum's NAV per Share | 30 September 2021



Key:

Cumulative value uplift

Cash invested by CICP

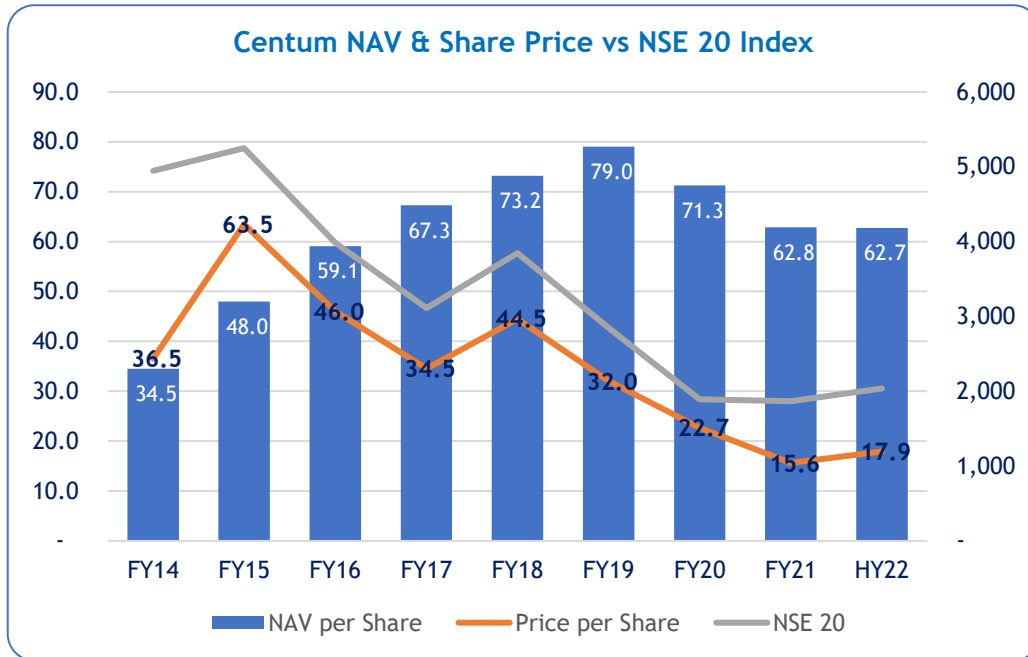
Portfolio Assets	Value Per Share		Valuation Methodology	Multiple (Discount)/ Premium
<i>Kenya Shillings</i>	Sep-21	Mar-21		
Sidian Bank	4.22	3.86	PB Multiple	0.61x (5%), 20%
Isuzu East Africa	3.48	3.50	EBITDA Multiple	6.5x (30%)
Longhorn Publishers	0.99	1.01	Market price	na
NAS Servair	0.32	0.32	EV/Sales Multiple	1.16x (30%)
ACE Holdings	1.40	1.40	Cost	na
Akiira Geothermal	1.66	1.64	Cost	na
Amu Power	-	-	na	na
Greenblade Growers	0.26	0.30	Cost	na
Other PE assets	1.49	1.84	Cost	na
Private Equity	13.81	13.85		
Marketable Securities Portfolio (MSP) + Cash	11.86	11.32	Market price	na
Less: Borrowings per share*	(6.07)	(6.19)		
Net Total for PE and MSP	19.60	18.98		
Centum Real Estate	33.08	32.77	Book Value	na
Two Rivers Development	9.42	11.10	Book Value	na
Real Estate	42.49	43.87		
Total NAV per share	62.09	62.85		

VS

*Total borrowings of Kes 4.0Bn divided by number of shares issued (665 million shares)

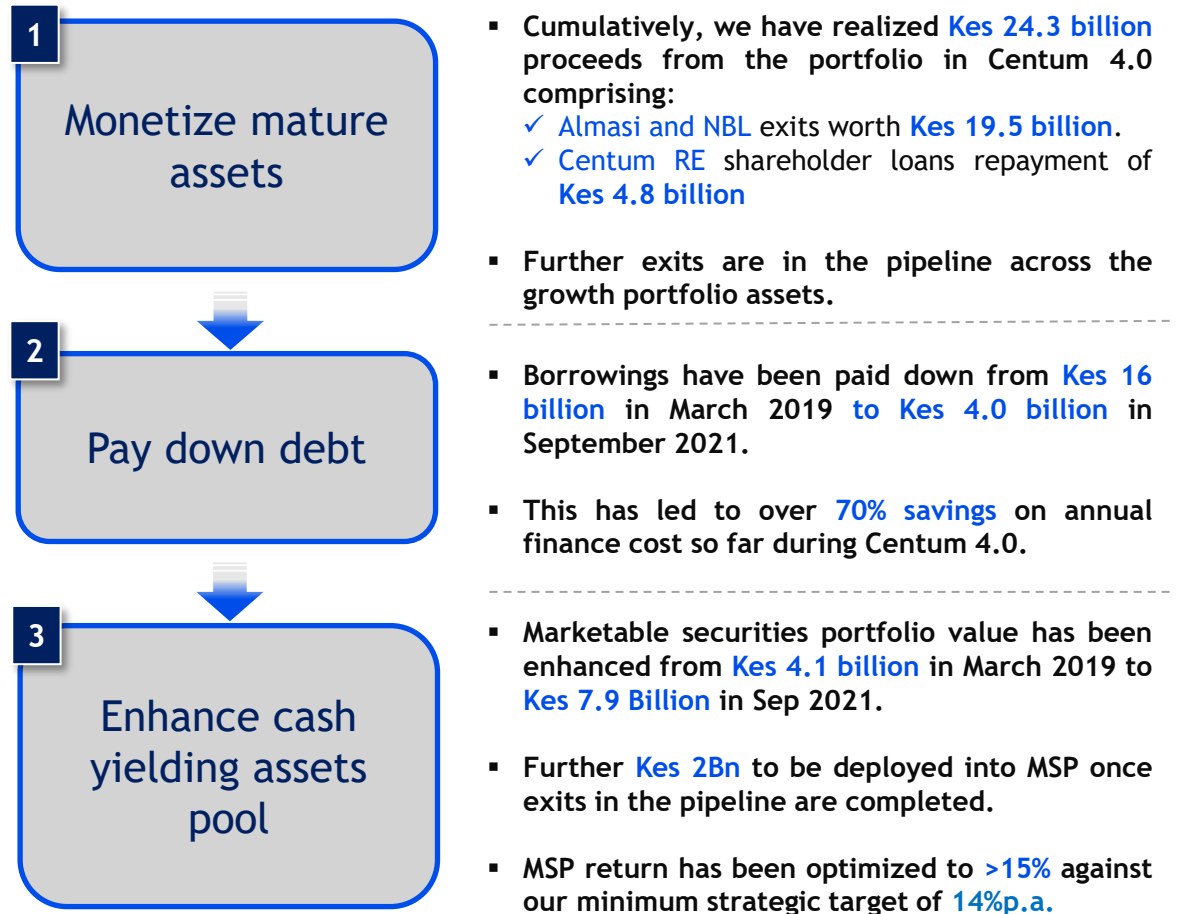
Business Review: HY2021/2022

Share Price, Market Performance & NAV



- ✓ Centum's share price has tracked market performance (NSE 20 Index) trend over the years.
- ✓ Management has continued to grow and preserve Centum's intrinsic value over the period.
- ✓ Current focus is to monetize the value, reduce debt to lower financial risk and enhance recurrent cash income to achieve sustainable long term returns and value to the shareholders.

Initiatives to close the valuation gap



PORTFOLIO REVIEW



Portfolio Review

Snapshot

Centum Investment Company Plc. (30 September 2021)

Total Assets - KES 47.3 Bn | Total NAV - 41.3 Bn | NAV Per Share - Kes 62.1

A. GROWTH PORTFOLIO: 80.9%

B. MARKETABLE SECURITIES: 19.1%

Sector diversification

1. Financial Services (3)
2. Technology (2)
3. Services (2)
4. Real Estate (2)
5. Automotive (1)
6. Power (1)
7. Education (2)
8. Agribusiness (1)



Total Assets: Kes 39.4 Bn

NAV Per Share: Kes 50.2

Total Assets: Kes 7.9 Bn

NAV Per Share: Kes 11.9

A. Growth Portfolio

Managed by



Growth Portfolio Highlights | HY 2021/22



1

Cash Yield

- **Kes 532m** investment income generated from growth portfolio in the period, representing **18%** growth.

2

Value Creation

- **All portfolio companies** have registered increased profitability year on year.
- Active engagement with management of portfolio companies is ongoing to implement value creation initiatives that will drive growth.

3

Investment Activity

- **Kes 180m** follow-on equity investment made in Sidian Bank.
- We have made progress in attracting third party equity capital for a number of our portfolio companies.

Growth Portfolio

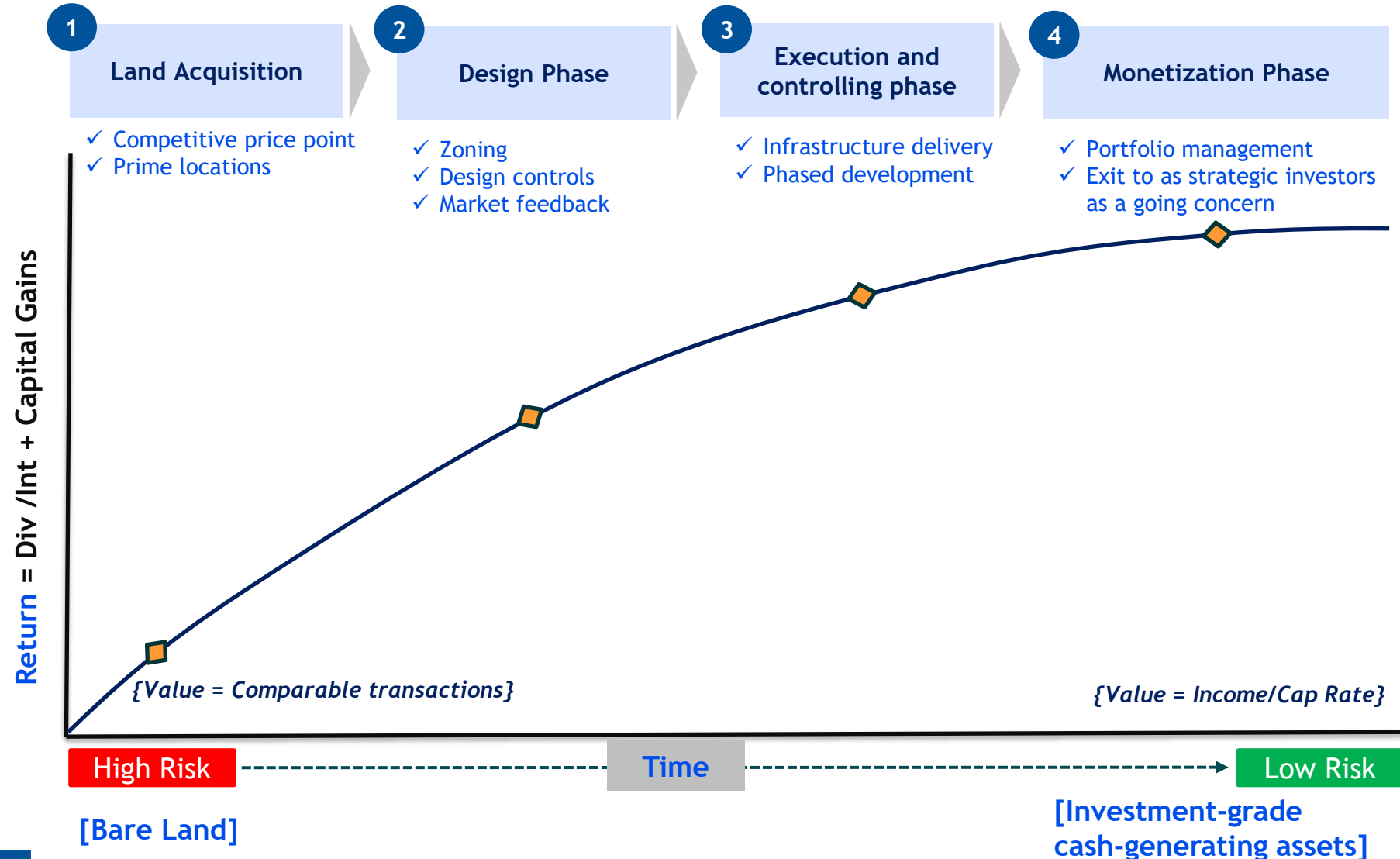
Highlights | Cash yield over the years



Growth Portfolio Assets	Sector	% of company owned	Initial Cost of investment (KES Mn)	Investment Date	Cash Distribution since inception (KES Mn)	Cash Distribution Apr - Sep 2021 (KES Mn)	Net Cost of Investment (KES Mn)	Carrying Value (KES Mn) Sep 2021	Multiple on Net Cost (MOC)
Sidian Bank	Financial Services	82.20%	4,765	2009	0	0	4,765	2,778	0.6x
Longhorn Publishers	Consumer	60.20%	750	2009	276	0	474	656	1.2x
Isuzu E.A	Manufacturing	17.80%	978	2009	1,110	134	0	2,424	3.6x
NAS Servair	Financial Services	15.00%	182	2009	828	0	0	212	5.7x
Green Blade Growers	Agribusiness	100.00%	561	2016	0	0	561	171	0.3x
ACE	Education	16.40%	1,006	2017	0	0	1,006	931	0.9x
Nabo	Financial Services	100.00%	454	2013	0	20	434	537	1.2x
Zohari	Financial Services	100.00%	260	2016	4	4	252	263	1.0x
TSG	Service	80.00%	6	2017	0	0	6	53	8.7x
Akiira	Power	37.50%	1,972	2016	0	0	1,972	1,105	0.6x
Centum Real Estate	Real Estate	100.00%	7,804	2010	4,514	269	3,020	22,937	3.5x
Two Rivers Development	Real Estate	58.00%	2,653	2010	0	0	2,653	6,456	2.4x
Totals			21,391		6,732	427	15,143	38,524	2.1x

Growth Portfolio: Centum Real Estate

Our investment thesis | value creation and monetization



Growth Portfolio: Centum Real Estate Limited

Investment performance



Centum RE Investment Value Highlights

Stake: 100%

Initial investment by Centum Inv. Co. Plc (CICP)

(Kes 7.8 billion)

Cumulative Cash back to CICP by 30 Sep 2021

Kes 4.8 billion

Net Cost of CICP's Investment in the asset

(Kes 3.0 billion)

Carrying Value as on 30 Sep 2021

Kes 23.3 billion

CICP's carrying value + Cash back as a multiple of initial cost

3.6x

Financial Summary

Key Metrics	Measure
Total Assets	Kes 40.9 Bn
Borrowings	Kes 6.4 Bn
Debt/Assets	16%

Key Value Drivers



1. Development rights sales:

- **Kes 5.4 Bn** cumulative sales have been made to date and are either completed or in progress.
- **Kes 3.6 Bn** has been collected from completed and ongoing sales with **Kes 1.8 Bn in receivables**.



2. Infill residential developments:

- **Kes 13.9 Bn** worth of units have been sold, representing **75%** of the value of units under development.
- **Kes 5.5 Bn** cash has been collected, with **Kes 8.4 Bn** in receivables.
- Sold units have **Kes 4.0 Bn** profit potential of which Kes 260m has been recorded in P&L and **Kes 3.6 billion deferred** to future periods when the units will be completed and handed over.

Growth Portfolio

Centum Real Estate: Development rights



DEVELOPMENT RIGHTS: Analysis of sales performance and valuations

- On **completed sales and those in progress**, the **realized profit** (i.e. [Selling price] - [Initial cost]) is on **average 10% higher** than the revaluation gains previously booked on these parcels.
- This validates the carrying value of the property which is approximately reflective of their market values.
- The cash profit from **signed sales undergoing completion** is expected to be **1.3x** higher than the previously recorded revaluation gains on those parcels. This profit will be booked (i.e. transferred from reserves to retained earnings in subsequent periods).
- Meanwhile, the proceeds from the **signed sales** are being collected monthly under the agreed payment plan with buyers.

As a Master-Developer of mixed used cities, the largest component of Centum Real Estate Limited's business value drivers is the monetization of development rights sellable on its land banks.

Centum Dev. Rights Monetization (Kes '000')	Completed Sales	Signed sales undergoing completion	Total value monetized or in the path to monetization
Total proceeds	2,638	2,815	5,454
Acquisition cost	(265)	(342)	(606)
Realized gains	2,374	2,474	4,847
Realized gains	2,374	2,474	4,847
Less: Previously recorded gains on revaluation	(2,549)	(1,843)	(4,392)
Net gain/(loss) booked in period of sale	(175)	631	456
% previously booked gains that is subsequently realized	93%	134%	110%

Kes 2.4 billion

Cash profits cumulatively realized by Centum RE from completed sales of development rights in current strategy period.

Cash collections from completed and ongoing sales	Financial year ended 31 March:			Six-month period ended:
	2019	2020	2021	30-Sep-21
KES'000				
Cumulative sales (completed + in progress)	-	420,000	2,908,301	5,453,954
Cumulative collections	-	83,255	2,604,356	3,615,865
Cumulative receivable	-	336,745	303,945	1,838,089

Kes 3.6 billion cash collected from completed and ongoing sales

Kes 1.8 billion receivable from ongoing sales.

Growth Portfolio

Centum Real Estate: Infill developments



Cash collections and receivables on infill developments	Financial year ended 31 March:			Six-month period ended:
	2019	2020	2021	30-Sep-21
	KES'000	KES'000	KES'000	KES'000
Cumulative value of pre-sales	3,385,628	7,623,443	11,389,608	13,884,155
Customer deposit collections	511,342	1,973,300	3,793,534	5,467,363
Cumulative receivables	2,874,286	5,650,143	7,596,074	8,416,792
% collected	15%	26%	33%	39%

Profit recognition over time from infill development sales	Financial year ended 31 March:			Six-month period ended:
	2019	2020	2021	30-Sep-21
	KES'000	KES'000	KES'000	KES'000
Cumulative profit potential of infill projects	2,827,918	3,282,498	3,617,584	4,018,642
Cumulative Profits booked in the income statement	-	-	124,418	259,944
Cumulative deferred profit	2,827,918	3,282,498	3,493,166	3,758,698

- ❑ Kes 13.9Bn worth of units had been sold by Sep 2021.
- ❑ 39% of the sales (Kes 5.5Bn) had been collected. All deposits are collected in a project specific account and are ringfenced for application to the project they relate to only.
- ❑ These sales and the related projects profitability have not been fully reflected in the Centum RE income statement yet - they will be recognized as the units are completed and transferred to buyers.
- ❑ Thus, the Kes 8.4Bn in receivables is not reflected on the company's balance sheet yet though it is being collected gradually as the projects progress.
- ❑ For the six months to Sep 2021, Centum RE's average monthly cash collection was circa Kes 280 million.
- ❑ 540 units had been completed with revenue potential of Kes 3.2 billion. Of these, 228 units had met the revenue recognition criteria of full payment and transfer to buyers. Revenue on the remainder of the completed units will be recognized in future periods.

Growth Portfolio

Two Rivers Development

TRDL Investment Value highlights

Stake: 58%

Net Cost of CICP's Investment in the asset

(Kes 2.6 billion)

Carrying Value as on 30 Sep 2021

Kes 6.45 billion

CICP's carrying value as a multiple of net cost

2.4x

Focus Areas:

- Capital structure optimization is ongoing. We are discussions with several institutional investors who have **expressed interest** in TRDL.
- Active engagements are underway for potential sale of **c. Kes 5.4 billion** worth of development rights to various developers.
- Two Rivers Lifestyle Centre capital structure optimization is almost complete.

Financial Summary

Financial Measure	Measure
Total Assets	Kes 21 Bn
Borrowings	Kes 9.7 Bn
Debt/Assets	46%

Key Value Drivers

Centum Dev. Rights Monetization (Kes '000')	Completed Sales
Monetized Bulk (Sqm)	157,906
Total sales proceeds	2,858
Average selling price (Kes/Sqm)	18,101
Balance of bulk (Sqm)	1,355,760
Carrying value	12,975.50
Average carrying value (Kes/Sqm)	9,571
Market value/ Carrying Value multiple	1.9x

Infill projects performance [Two Rivers Location Attractiveness]

Projects at Two Rivers	Units under construction	% Sold	Revenue Potential (Kes Mn)	% Collected
Riverbank	84	56%	998	41%
Cascadia	400	57%	2,993	30%
Loft Ph 1	32	53%	703	24%
Loft Ph 2	24	83%	674	32%
Mzizi Ph 1	271	80%	1,442	18%
Total	811	65%	6,810	28%

Growth Portfolio

Sidian Bank

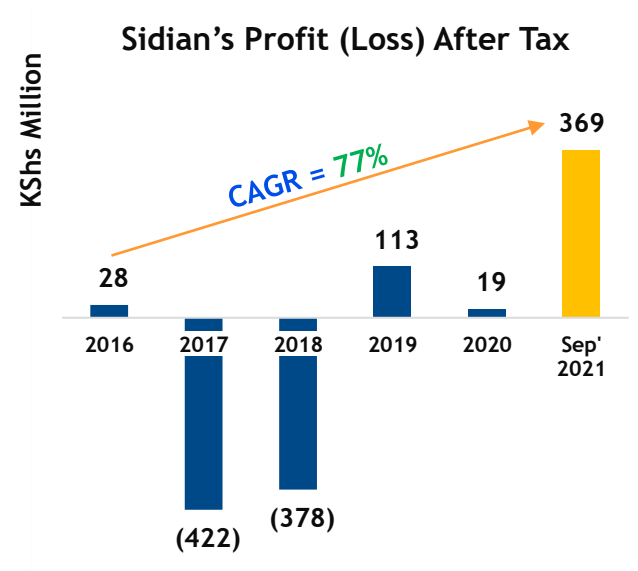
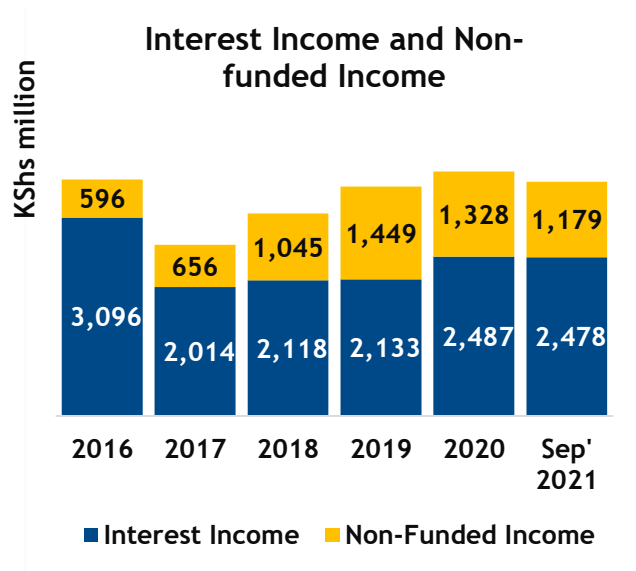


▲ 19x
Year-on-year PAT growth

41.7%
Liquidity Ratio vs 20%
regulatory minimum

▲ 20%
Loan book growth

▲ 13%
Customer deposits growth



- ❖ The bank has maintained top line growth and is on track to posting the highest revenue for the last 6 years.
- ❖ Profitability is also well on track having recorded Kes 369 million PAT for the nine months period to Sep 2021, the best performance in the last 6 years.

Growth Portfolio

Longhorn Publishers



30%

Debt reduction between June 2021 and Sep 2021 on the back of improved performance.

Strong recovery from Covid-19 Impact

▲ 16% Revenue growth

▲ 103% PBT growth

Market & Product Growth

9 markets
With most recent expansion into **Cameroon** and **Ghana**.

Focus is on **digital** channels of delivery and **diversifying customer base**.



Regional growth strategy and geographical diversification is expected to enhance revenues and grow profitability.

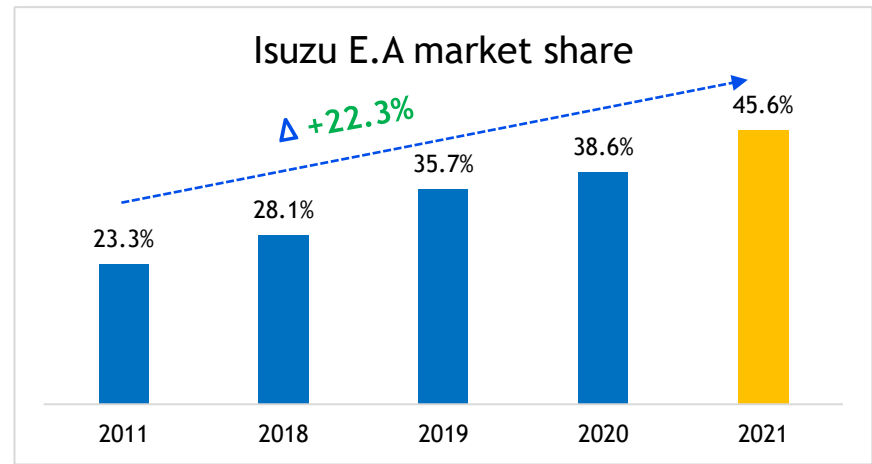
Growth Portfolio

Isuzu East Africa



Isuzu celebrated the production of their 100,000th vehicle in July 2021 and continues to cement their market leadership through capacity expansion and strategic partnerships

Renewal of partnership between Eliud Kipchoge and Isuzu E.A.



33% year-on-year **revenue growth** reflecting strong sector recovery.

51% growth in PBT

10.3% ROE, up from 4% in the previous year.

22% market share gained from 2011 to 2021.



Isuzu's ultra-modern factory in Kenya with capacity to produce 11,000 new vehicles per year.

Growth Portfolio

NAS Servair

Core business : Inflight catering

New product : Home deliveries in partnership with Jumia online shop

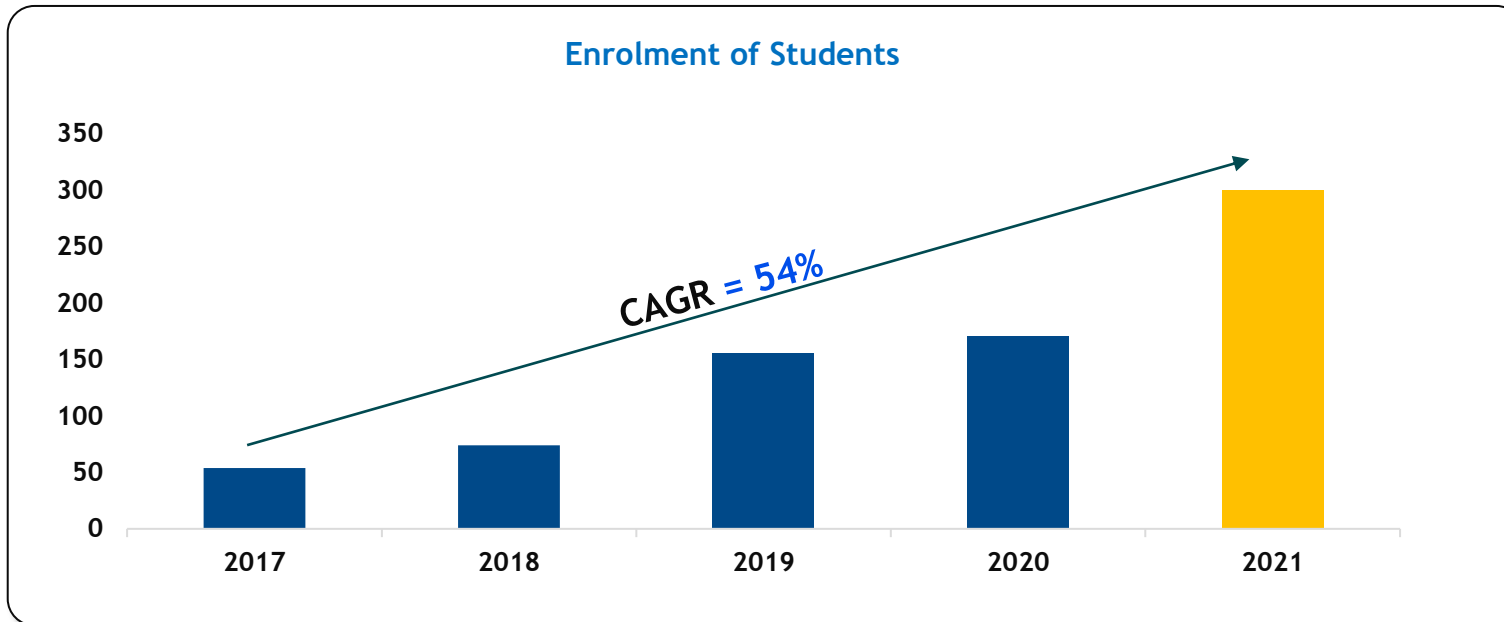


- ❑ Turnover grew marginally by **3.5%**.
- ❑ **76%** PBT improvement recorded owing to cost control measures instituted by management.
- ❑ Centum revalued NAS from **Kes 633m** in March **2020** to **Kes 212m** in March 2021 and we have maintained the same valuation as at Sep 2021 as we monitor business recovery in the sector.
- ❑ A recent analysis by the African Airlines Association (AFRAA) shows African carriers are on a recovery trajectory, **having reopened 81.3%** of their international routes.
- ❑ We projected a stronger performance in the second half of this financial year - FY2022.

Growth Portfolio

Africa Crest Education (ACE)

ACE Nairobi One is the holding company through which Centum has invested in SABIS International School Runda



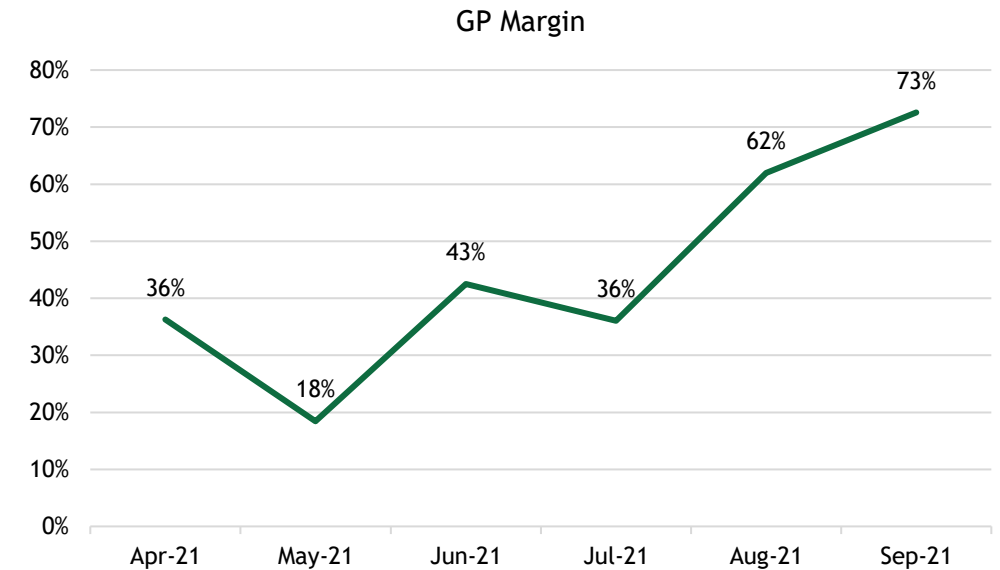
Strategic Focus:
Ramp up student enrolment to >400
in the medium term

Growth Portfolio

Greenblade Growers



- ✓ Target is to grow to >USD 4 million EBITDA by FY2024.
- ✓ 52% EBITDA growth achieved at HY2022 and a projected growth of 69% is estimated at full year.
- ✓ Production expansion is underway to meet the growing demand for products.



Improving production and processing efficiency to drive increased profitability

Growth Portfolio

Akiira Geothermal

Key milestones:

- ✓ Geoscientific studies completed with positive results.
- ✓ Exploration drilling is ongoing.
- ✓ We are pursuing a joint development agreement with a strategic partner experienced in geothermal.

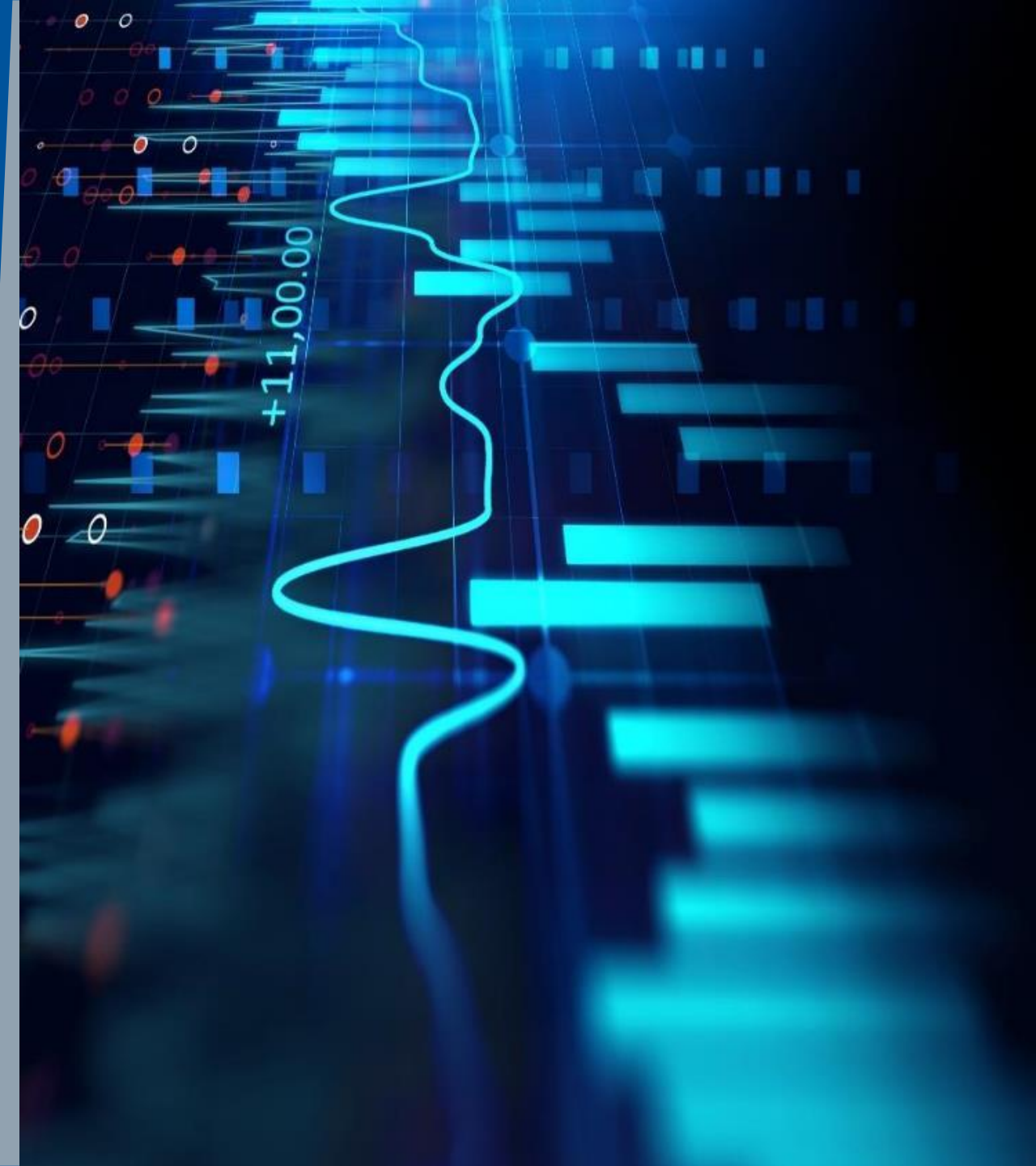


Steam being produced from Well 1

Date: 30 October 2021

Marketable Securities

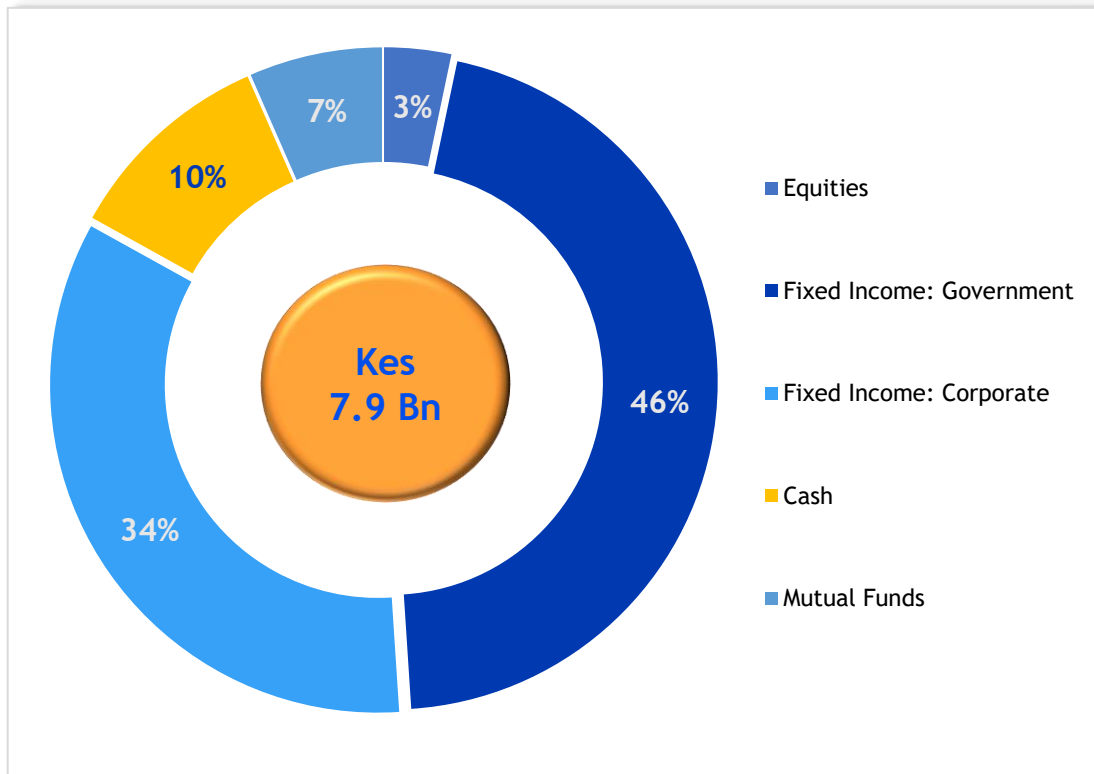
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Marketable Securities Portfolio

Allocation and Performance Highlights

Portfolio composition | 30 September 2021



- Kes 356 million net growth in portfolio value between April 2021 and September 2021.
- 90% of the portfolio was allocated to *Cash and Fixed Income* securities as of 30 September 2021.
- 52% growth in total return generated by the portfolio.
- 15% annualized time-weighted return vs 11.6% achieved in a similar period in the prior year.

Marketable Securities Portfolio	Sep 2021		Mar-21	
	Kes M	% Alloc	Kes M	% Alloc
Equities	260	3%	69	1%
Fixed Income: Government	3603	46%	3203	43%
Fixed Income: Corporate	2,690	34%	2,232	30%
Cash & equivalents	819	10%	1,560	21%
Mutual Funds	518	7%	470	6%
Total	7,890	100%	7,534	100%

Total Return - CICP	539	360
Total Return - Centum Exotics*	168	105
Total Return (realized + unrealized)	707	465

*100% owned subsidiary of Centum. Thus, the return is accounted for on Centum's financials as changes in net asset value under 'unrealized gains (losses)'.

CSR Engagement



CENTUM
FOUNDATION

Corporate Social Responsibility

Supporting SDGs



- 250+ scholarships awarded to date in Vipingo
- Every year, the Vipingo Scholarship Programme supports 50 bright but needy students to transition to secondary schools.
- The first batch of sponsored students completed form four in 2021 and are set to join various tertiary institutions to further their careers.



 3 Million litres per day capacity of the newly installed reverse osmosis desalination plant

Installed Sea Water Desalination Plant provides potable water for the development and the communities around Vipingo.



Financial Performance

Chief Finance Officer: Wambua Kimeu



Company Income Statement

KShs. Millions	6 months to 6 months to		%Δ
	Sep 2021	Sep 2020	
Investment income	1,009	729	38%
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Opening NAV	41,822	47,439	
Return on opening NAV	(0.7%)	(2.7%)	

- **38%** growth in investment income driven by:
 - ✓ resumption of dividend payment by the portfolio companies.
 - ✓ MSP Portfolio return of **15%** up from **12%**.
- Operating expenses up 10%. Steps taken to reduce the costs in the next financial year.
- Finance costs declined by **24%** following debt repayment in prior year.
- Non-cash impairment provision of **KES 413 million** following a conservative assessment of the realizable value of some of the assets on the Company's balance sheet.
- Total return improved by **78%** on the back of lower revaluation losses vs prior year at the onset of Covid-19 and its negative impact.

Company Statement of Financial Position

KShs. Millions	Sep 2021	Mar 2021	%Δ
Growth portfolio:			
- Investment in Subsidiaries	26,045	26,258	(1%)
- Debt Investment in Subsidiaries	9,057	9,528	(5%)
- Unquoted Investments	3,672	3,585	2%
- Other Assets	647	609	6%
Total growth portfolio	39,420	39,981	(1%)
Marketable securities portfolio			
- Government securities and corporate bonds	6,293	5,435	16%
- Equities and mutual funds	1,299	1,232	5%
- Cash and Equivalents	298	867	(66%)
Total marketable securities	7,890	7,534	5%
Total Assets	47,310	47,515	(0%)

KShs. millions	Sep 2021	Mar 2021	%Δ
Borrowings	4,040	4,122	(2%)
Other Liabilities	1,951	1,572	24%
Total Liabilities	5,991	5,693	5%
Share Capital	922	922	0%
Retained Earnings	19,026	19,777	(4%)
Revaluation Reserves	21,371	21,122	1%
Shareholder Funds	41,319	41,822	(1%)
Equity and Liabilities	47,310	47,515	(0%)
NAV Per Share (KShs.)	62.09	62.85	(1%)

- Total assets remained relatively flat with some reallocation within the MSP portfolio.
- Increase in other liabilities represent recognition of FY2021 dividends payable following shareholder approval at the AGM in Sep 2021
- NAV per share remained relatively flat at Kes 62.1.

Company Cash Flow Statement

KShs. Millions	6 months to Sep 2021	6 months to Sep 2020
Cash flows from operating activities		
Net cash generated from operating activities	776	3,908
Cash flows from investing activities		
Investments in subsidiaries (equity)	(180)	-
Net debt investment in subsidiaries	56	(461)
Investment in government securities and corporate bonds	(716)	(304)
Purchase of shares in quoted and unquoted investments	(167)	(169)
Net cash used in investing activities	(1,008)	(934)
Cash flows from financing activities		
Proceeds from borrowings	-	3,081
Repayment of borrowings	-	(6,210)
Interest paid on borrowings	(255)	(482)
Dividends paid	-	-
Net cash generated from financing activities	(255)	(3,611)
Net increase in cash and cash equivalents	(486)	(637)
At start of period	(149)	1,875
At end of period	(635)	1,238
Made up of		
Cash and cash equivalents	298	1,743
Overdraft	(933)	(505)
Closing cash and cash equivalents	(635)	1,238

- Kes 776 million cash flows generated from operations reflect cashflows from MSP Portfolio and Dividends received, shareholder loan repayments by portfolio companies.
- Kes 180 million follow on investment made in a Sidian Bank rights issue.
- Further allocation of Kes 716 million to government securities and corporate bonds was made within our marketable securities portfolio.
- Cash used in interest expense payment reduced by 47% from Kes 482 million in prior year to Kes 255 million.

Company Gearing & Liquidity

KES Million	FY '17	FY '18	FY'19	FY'20	FY'21	HY'22
Short Term debt	(982)	(3,482)	(108)	(7,486)	(4,122)	(4,040)
Long Term debt	(13,674)	(11,360)	(16,036)	-	-	-
Total debt	(14,656)	(14,842)	(16,144)	(7,486)	(4,122)	(4,040)
Cash and Cash Equivalents	2,447	1,078	253	2,912	867	298
Marketable Securities	3,133	3,566	3,781	6,053	6,668	7,592
Net (debt) / Cash Position	(9,076)	(10,198)	(12,110)	1,479	3,413	3,850
Equity	44,808	48,686	52,600	47,439	41,822	41,319
Net debt to Equity	20%	21%	23%	Nil	Nil	Nil
Long Term debt to Equity	31%	23%	30%	Nil	Nil	Nil

- ❑ We deliberately decided to deleverage the Company in Centum 4.0 and simultaneously grow the liquidity in our marketable securities portfolio.
- ❑ This has reduced financial risk and provides sufficient dry-powder for Centum take up any new attractive investment opportunities as they emerge.

Consolidated Financial Statements

For purposes of compliance with the Company's Act requirements



Consolidated Income Statement

KES. '000	Sep '21	Sep '20
Trading business:		
Sales	1,237,652	136,274
Direct and other operating costs	(982,322)	(453,067)
Trading profit/(loss)	255,330	(316,793)
Financial services:		
Income from financial services	2,570,133	1,871,656
Funding and other costs	(2,359,673)	(1,833,909)
Profit from financial services	210,460	37,747
Real Estate		
Real Estate sales and investment income	300,332	26,075
Funding and other costs	(442,139)	(305,850)
Loss from Real Estate investments	(141,807)	(279,775)
Two Rivers Development		
Sales and Investment income	474,474	(32,509)
Funding and other costs	(816,845)	(978,347)
Loss from Two Rivers Development Group	(342,371)	(1,010,856)
Investment operations:		
Investment and other income	771,172	329,095
Operating and Administrative costs	(401,019)	(354,561)
Finance costs	(326,964)	(453,776)
Profit/(loss) from investment operations	43,189	(479,242)
Profit/(loss) before impairment provisions	24,801	(2,048,919)
Impairment provision on assets	(721,407)	-
(Loss)/profit before tax	(696,606)	(2,048,919)
Loss for the year	(662,107)	(1,981,725)
Other comprehensive income, net of tax	418,486	267,700
Total comprehensive loss	(243,621)	(1,714,025)
Attributable to:		
Owners of the parent	(176,642)	(1,121,740)
Non-controlling interest	(66,979)	(592,285)
Total comprehensive loss	(243,621)	(1,714,025)
Earnings Per Share-Basic	(0.89)	(2.09)

- Profit from trading subsidiaries increased due to improved performance of Longhorn.
- Operating income from financial services reflect the improved performance of Sidian Bank and Nabo Capital.
- Finance costs reduced by 28% driven by debt repayment at Centum level.
- Centum RE made gross cash profits of Kes 207 million following recognition of revenue from completed sales of residential units (Kes 144 million) and development rights (Kes 63 million). No sales had been booked in a similar prior period.

KES '000	Sep 2021	Sep 2020
Real Estate:		
Residential unit sales	1,113,902	
Commissions	(6,131)	
Cost of Sales	(963,633)	
Gross profit	144,138	
Revenue from sale of development rights	172,171	
Cost of acquisition and development	(6,112)	
Cash profit on sale of development rights	166,059	
Less: previously recognized revaluations	(103,451)	
Net incremental gain on sale of development rights	62,608	
Other income	93,586	26,075
Operating and administrative expenses	(217,943)	(148,327)
Finance costs	(224,196)	(157,523)
Loss from real estate operations	(141,807)	(279,775)

Consolidated Statement of Financial Position

KShs. millions	Sep 2021	Mar 2021
Investment portfolio	22,667	20,173
Cash and cash equivalents	4,385	5,877
Other assets	86,234	83,381
Total Assets	113,286	109,432
Customer deposits	24,517	23,070
Borrowings	26,312	25,501
Deferred Tax Liabilities	5,075	4,159
Other Liabilities	11,005	9,654
Total Liabilities	66,909	62,384
Total Equity	46,377	47,049
Total Capital and Liabilities	113,286	109,432

- The Consolidated Statement of Financials Position represents an aggregation of the assets and liabilities held by entities in which Centum has controlling stakes.
- The growth reflects increase in the assets and liabilities of Sidian Bank and Centum RE due to increasing business activity.

Outlook



Outlook | FY 2021/22

We have seen strong recovery in business activity across the portfolio in 1HY2022 and anticipate that a similar trend will be sustained into 2HY2022

Portfolio Aspect

Key Focus Areas

Growth Portfolio

- Continue working to close transactions that will validate Centum RE's carrying value.
- Continue to optimize the capital structure of Two Rivers Development Ltd and significantly reduce its finance costs.
- Support management of portfolio companies to further optimize the businesses.
- Position the businesses for emerging opportunities and implement value creation plans to achieve significant growth in the medium term.
- Pursue exit of businesses that are fully optimized and recycle the capital into new opportunities.
- Using our refined investment criteria, find new attractive opportunities for capital deployment.

Outlook | FY 2021/22

Portfolio Aspect

Key Focus Areas

Marketable Securities Portfolio

- Maintain the average cash return yield on the portfolio above 15%.
- Preserve and grow the portfolio value to the strategic target level of 10% - 20% in order to generate a sizeable long term return to cover company's recurrent obligations.

Cost Efficiency

- Keep the operating costs below 30% of annuity cash income per the Centum 4.0 strategic objectives.
- Complete reorganization to achieve less than 30% cost-to-income ratio objective.

Capital Structure

- Maintain zero long term debt and work towards fully deleveraging the Centum balance sheet.
- Target to make a distribution to shareholders at 30% of investment income.

Q & A



Centum Investment Company Plc
9th Floor South Tower, Two Rivers
P.O. Box 10518 - 00100
Nairobi Kenya

Tel: (+254) 20 228 6000 / (+254) 709 902000
Email: investorelations@centum.co.ke

