



Investor Update Presentation

June 2019



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Centum at a Glance



KES 23.2b Market Capitalisation⁽¹⁾



KES 52.6b Net Asset Value⁽²⁾



18% CAGR on NAV FY14 - FY19



6 Active Sectors⁽³⁾



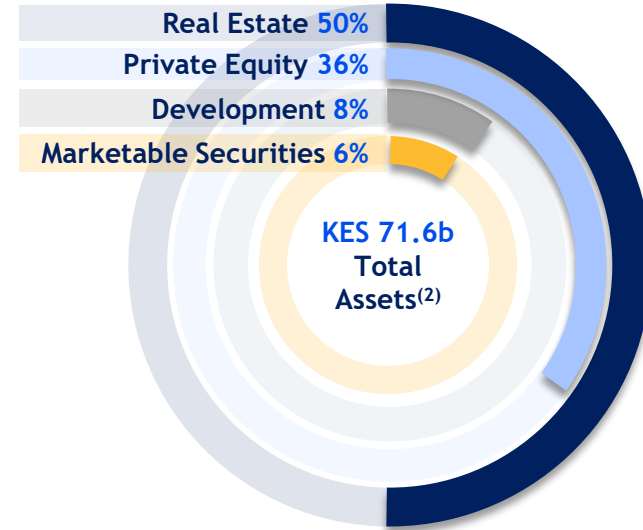
1.5% Average Cost Efficiency FY14 - FY19



26% Net Debt to Equity⁽²⁾



A_(KE), A1_(KE) National Scale Issuer Ratings in the Long Term and Short Term respectively⁽⁴⁾



1. Share price as of 13 June 2019 as per Nairobi Securities Exchange. Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019

2. As at 31 March 2019. Central Bank of Kenya Spot Rate - 100.7500 on 31 March 2019

3. Real Estate, Power, Financial Services, FMCG, Agribusiness, and Education.

4. Rating awarded by Global Credit Rating Company (GCR)

Our Strategic Pillars

Centum 4.0 FY20 - FY24

Return & Dividend Payout

- Generate a minimum return on equity of 20% through value-creating activities
- Optimise dividend pay-out to the higher of 30% of the cash annuity income (excluding capital gains) and the previous year's dividend pay-out

Capital Structure and Liquidity

- Balance sheet strengthening through repayment of all long-term debt obligations (i.e. zero long-term debt capital structure) at Holding Co. level. Project level debt non-recourse to Holding Co.
- Double the book-value of shareholders' funds to KES 100 billion by FY24

Operating Costs

- Maintain a maximum operating cost-to-cash annuity income ratio of 30% for the Holding Co.

Organizational effectiveness

- Ensure optimisation of Centum's operating model to support effective and efficient execution of its strategy including governance, structure, people, processes, technology and culture

Portfolio Focus

- Restructure portfolio to focus on three key business units, namely:
 - Real Estate (Target asset allocation: 30-35%)
 - Private Equity (Target asset allocation: 35-45%)
 - Marketable Securities (Target asset allocation: 20-30%)

Our Portfolio

As at 31 March 2019

	<u>Total Assets</u>	<u>NAV</u>	<u>NAV/ Share</u>
01 Real Estate Land banks in strategic locations that have been master-planned to new urban nodes	KES 35.9 billion	KES 24.9 billion	KES 37.45 47.4%
02 Private Equity Trading subsidiaries or investments that are cash generating	KES 25.6 billion	KES 21.2 billion	KES 31.85 40.3%
03 Marketable Securities Broadly diversified portfolio across various stock exchanges in Africa	KES 4.5 billion	KES 4.5 billion	KES 6.69 8.5%
04 Development Portfolio Investments, outside real estate, that are still under development	KES 5.7 billion	KES 2.0 billion	KES 3.06 3.8%

With Centum 4.0, Centum seeks to restructure its portfolio within target asset allocations

1 Private Equity: 35-45%

2 Real Estate: 30-35%

3 Marketable Securities: 20-30%

Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

Our Performance

Return Snapshot

KES millions	FY14	FY15	FY16	FY17	FY18	FY19
Dividend Income	1,789	1,318	2,671	1,765	2,040	700
Interest Income	40	77	676	1,326	1,347	1,197
Realised Gains	149	5,326	990	1,063	9	1,262
Other Income	11	(40)	8	146	133	8
Total Income	1,989	6,681	4,345	4,300	3,529	3,167
Portfolio Costs	(431)	(867)	(877)	(798)	(854)	(631)
Finance Costs	(462)	(669)	(1,511)	(1,754)	(1,646)	(1,710)
Profit Before Tax	1,096	5,145	1,957	1,749	1,030	827
Income Tax	(48)	(278)	(87)	(178)	12	(84)
Profit for the Year	1,048	4,867	1,870	1,571	1,041	743
Unrealised Gains	5,752	4,136	5,506	4,588	3,636	3,970
Total Return	6,800	9,003	7,376	6,160	4,677	4,713
Total Assets (KES billion)	28.8	41.2	51.5	61.6	66.1	71.6
Net Asset Value (KES/share)	34.5	48.0	59.5	67.3	73.2	79.1

Total assets and NAV per share have grown by a CAGR of 20.0% and 18.0% respectively since commencement of Centum 3.0

Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

Return Drivers

FY14

- Partial sale of Tanzania Breweries Limited leading to payment of KES 1.1b and dividends by Centum Exotix Limited

FY15

- Further sale of Tanzania Breweries Limited, hence KES 0.5b in dividends from Centum Exotix Limited
- Exit of UAP with KES 5b gain
- Higher bonus on account of the significant cash returns generated
- Aviation Industry Corporation of China, Ltd. (AVIC) investment in Two Rivers Development Limited hence significant equity uplift

FY16

- KES 1.4b Centum Exotix Limited dividend from accumulated reserves
- High interest regime and tactical listed equities portfolio allocation to cash
- Old Mutual Properties transaction with Nabo earning arrangers fees, hence paying KES 420m in dividends. Transaction also explains high unrealized value uplift
- KES 6b bond issued hence increased finance cost

FY17

- KES 1b of dividends from Investpool (Platcorp sale), Athena reserves and Almasi scrip
- Interest income from subsidiary loans
- KES 1b gains on KWAL exit

FY18

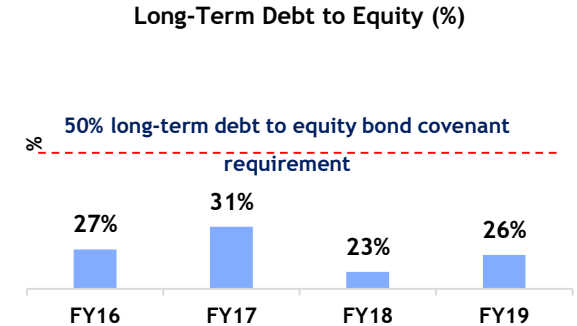
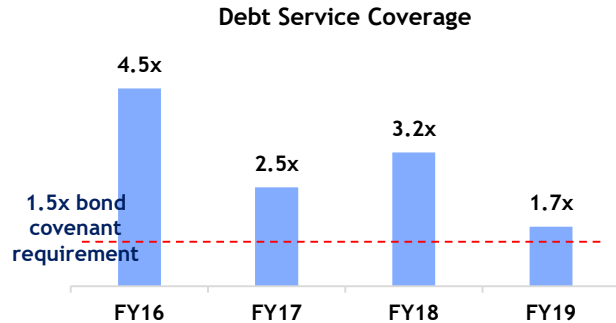
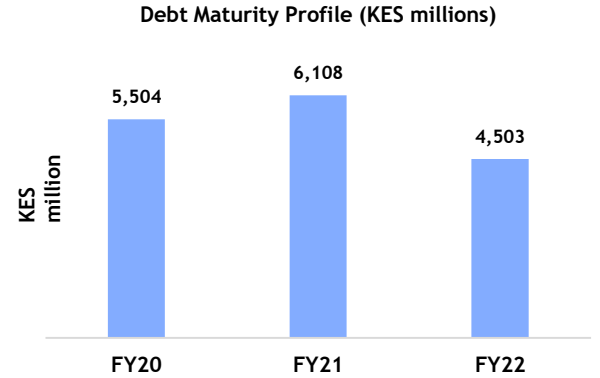
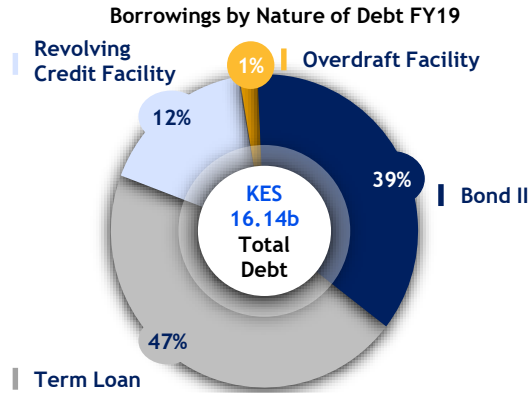
- KES 1.4b dividends following exit of Platcorp
- Excluding effect of one off costs, portfolio costs would have been 15% lower

FY19

- Sale of 73.35% stake in GenAfrica Asset Managers Ltd. to Kuramo Capital resulting in a KES 1.2b gain

Our Performance

Company Gearing



Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

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Real Estate Portfolio Assets

Sector Net Asset Value contribution

KES 24,919 million | 47.4% | KES 37.45 per share



Vipingo Development Limited

Stake: 100%

10,254 acres mixed-use development anchored by an industrial zone dubbed the Vipingo Investment Park, the site is located in Kilifi County, Kenya. Industrial plots of 20 acres are to be zoned out and fully serviced with residential, commercial, medical and educational facilities already master planned



Pearl Marina Development Limited

Stake: 100%

Pearl Marina is a 389-acre mixed use waterfront destination providing first world experiences incorporating villas, apartments, retail, entertainment, schools, a hospital, hotels and market resorts and is located along a 4 kilometer shore line of Lake Victoria between Kampala and Entebbe in Uganda

Two Rivers Development Limited

Stake: 58.3%




Two Rivers, a Kenya Vision 2030 flagship project, is a 102-acre development located within the Diplomatic Blue Zone of Gigiri, Nairobi. The development integrates a retail, entertainment and lifestyle centre, Grade A offices, 3 and 5 star hotels, conferencing facilities, a residential offering and medical facilities



Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

Real Estate Portfolio

Infill Development Projects as at June 2019

	Shareholding	Phase 1 Units under Development	Pre-sales Units	% of Phase 1	Sale Value of Pre-sold Units KES million
	100%	510	65	13%	985
	100%	402	337	84%	2,361
	100%	279	204	74%	1,839
	Total	1,188	606	51%	5,186

The above are units being developed on our existing landbanks and exclude planned rollout of 5,000 affordable mid-market units through JV with landowners

Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

Real Estate Portfolio

Infill Development Projects as at June 2019

Value Drivers



Retail

- Two Rivers Mall was **81%**⁽¹⁾ let (on gross lettable area)
 - Increased tenant uptake on both local and international brands



Office

- Two Rivers Office Towers, **14%**⁽¹⁾ of the space is currently let



Utilities

- Two Rivers Power and Two Rivers Water & Sewerage Co. recorded **28%** increase in revenue to **KES 334 million**⁽²⁾



- Near-term strategy is to realize value through:
 - Engaging 3rd party developers/ investors to unlock additional projects within the precinct (Amphitheater, 5-Star Hotel)
- The urban management company is expected in the next 5 years to service a population of **6,000** comprising residents, Two Rivers Lifestyle Centre tenants and office occupants

1. As at May 2019

2. As at 31 March 2019

Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

Project Pipeline

Riverbank Apartments



80 residential units
Construction ongoing

Cascadia Apartments



430 residential units
Market validation ongoing expected to break ground in Q2 FY 2020

Real Estate Portfolio

Vipingo Development: Overview

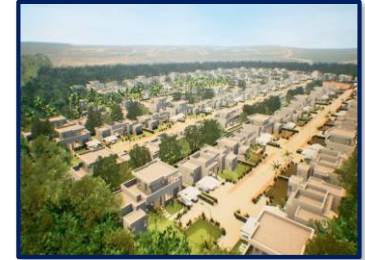


Real Estate Portfolio

Vipingo Development: Progress Update

	<u>Investment Park</u>	<u>Awali Estate</u>	<u>1255 Palm Ridge</u>	<u>Sea Water Desalination</u>
Description	Phase 1: Spread over 180 acres	152 units on 30 acres	1,255 apartments on 20 acres	-
Acquire Land	✓	✓	✓	✓
Master Plan and Obtain Approvals (NEMA*, PPA2)	✓	✓	✓	✓
Market Validation	✓	✓	✓	-
Fundraising	KES 2 billion third-party capital secured	Discussions Underway	Discussions Underway	Discussions Underway
Construction	Commenced in Q3 FY 2019	Commenced in Q4 FY 2019	Commenced in Q4 FY 2019	Commenced in Q4 FY 2019
Sales Target	KES 2.6 billion	KES 1.5 billion	KES 1.5 billion	-

Project Pipeline Awali Estate

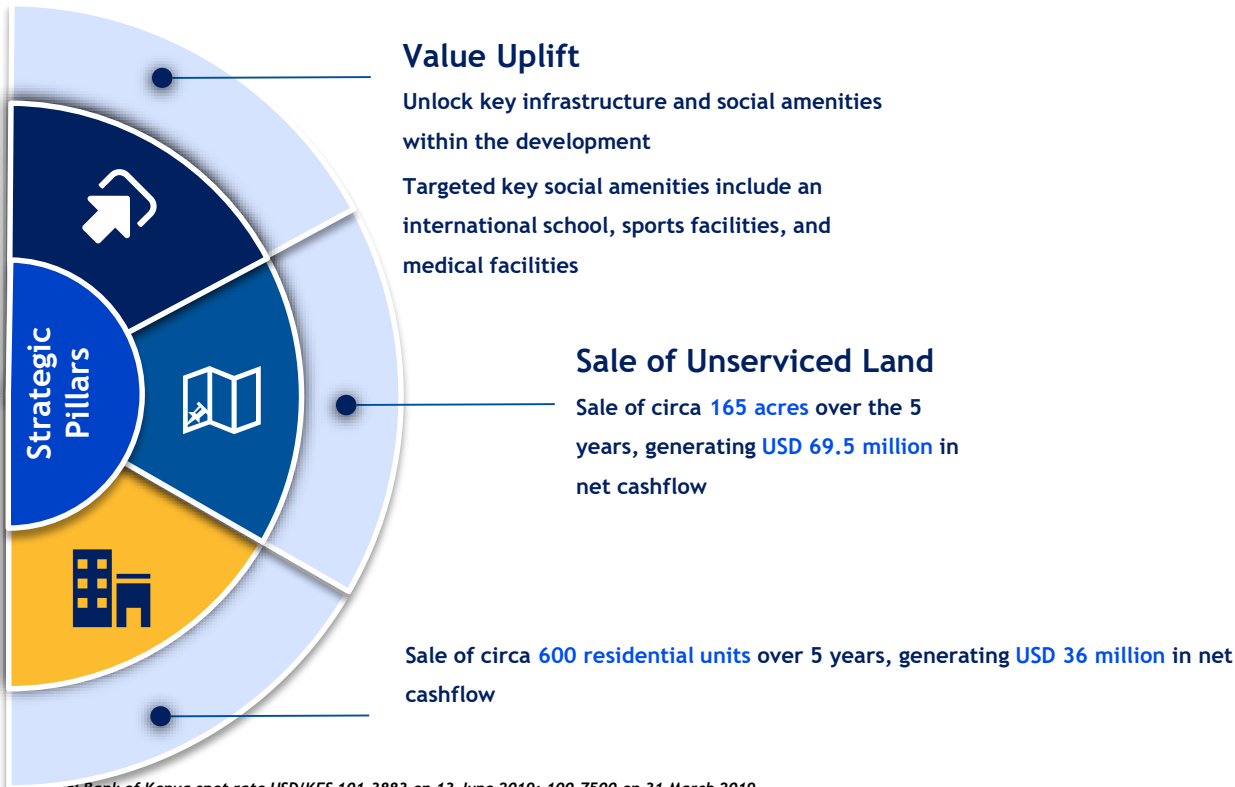


1255 Palm Ridge



Real Estate Portfolio

Pearl Marina: Overview



Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

Real Estate Portfolio

Pearl Marina: Progress Update

	<u>Mirabella Villas</u>	<u>Bella Vista</u>	<u>Riviera Town Houses</u>
Description	22 units on 4.7 acres	240 units on 6.5 acres	53 units on 4.7 acres
Acquire Land	✓	✓	✓
Master Plan and Obtain Approvals (NEMA*)	✓	Ongoing	Ongoing
Market Validation	✓	✓	Ongoing
Fundraising	Discussions underway	Discussions underway	Discussions underway
Construction	Commenced in Q4 FY 2019	Commenced in Q1 FY 2020	Target to complete market validation in Q2 FY 2020
Sales Target	USD 7.3 million	USD 14.5 million	TBD

To develop critical mass within the development, focus is on developing the robust pipeline of projects having secured 3rd party capital of USD 5mn, while raising additional capital at the project level

Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

Project Pipeline

Mirabella Residences



Bella Vista Apartments



Real Estate Portfolio

Valuation as at 31 March 2019

Real Estate Portfolio



<u>Portfolio Company</u>	<u>Stake</u>	<u>Carrying Value FY19 (KES million)</u>	<u>Carrying Value FY18 (KES million)</u>	<u>Valuation Method</u>
Vipingo Development Limited	100%	13,865	7,646	Net Asset Value
Two Rivers Development Limited	58.30%	9,898	12,357	Net Asset Value
Pearl Marina Development	100%	8,710	7,464	Net Asset Value
Vipingo Estates Limited	100%	1,568	1,012	Net Asset Value
Uhuru Heights	100%	819	855	Net Asset Value
Rasimu Limited	100%	604	742	Net Asset Value
Athena Properties Limited	100%	351	150	Net Asset Value
Broll	30%	37	37	Net Asset Value
Others		38	37	
Total		35,890	30,300	

Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

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Marketable Securities

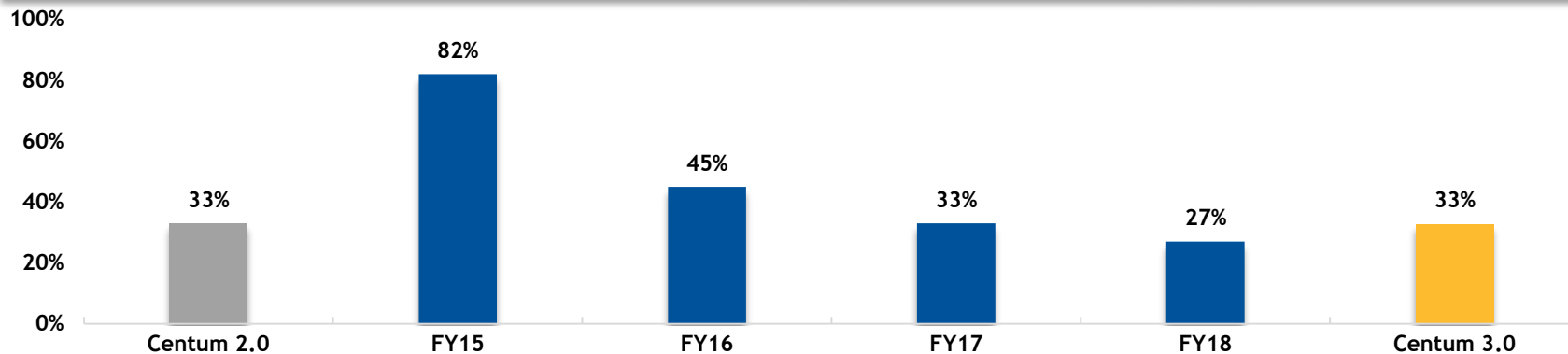
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Private Equity

Performance over Centum 3.0

Private Equity portfolio remains a significant driver of returns for the Group reflecting the success of our active portfolio management strategy

Private Equity IRR



Portfolio Dividend Received (KES million)



Centum 2.0 - FY10 to FY14

Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

Private Equity Portfolio

Fast Moving Consumer Goods Portfolio

FMCG Sector Net Asset Value contribution

KES 14,960 million | 24.6% | KES 22.48 per share



Almasi Beverages Limited

Stake: 53.9%

Net Asset Value per share contribution: KES 12.60 per share | 15.9%

The holding company owning three of Kenya's six Coca-Cola bottling franchises and is involved in the manufacturing, packaging, distributing and selling of Coca-Cola range of products



Nairobi Bottlers Limited

Stake: 27.6%

Net Asset Value per share contribution: KES 9.88 per share | 12.5%

The largest of the Coca-Cola franchise bottlers in Kenya and is engaged in the manufacturing, packaging, distributing and selling of Coca-Cola range of products

Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

Private Equity Portfolio

Financial Services Portfolio

Financial Services Sector NAV contribution

KES 2,426 million | 4.6% | KES 3.65 per share



Sidian Bank Limited

Stake: 77.0%

Net Asset Value per share contribution: KES 4.64 per share | 6.3%

A leading tier III bank SME focused commercial bank in Kenya providing an array of financial services to individuals and enterprises



Nabo Capital Limited

Stake: 100%

Net Asset Value per share contribution: KES 0.83 per share | 1.2%

Nabo's core business revolves around the management of traditional asset classes such as equities, money markets, fixed-income portfolios, alternative asset classes such as real estate, securitizations and private instruments as well as investment advisory services



Zohari Leasing Limited

Stake: 100%

Zohari Leasing is an operating and finance lease company serving the SME and corporate segments, providing financing solutions to companies looking to fund the acquisition of operating assets

Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

Sidian Bank

Accelerated Growth in Non-funded Income



- The bank is on track to position itself as a leading bank in trade finance solutions and growing its non-funded income lines. Non-funded income now accounts for 56% of total income as at December 2018
- The contribution of NFI to total income is expected to increase even further in 2019 as the bank:
 - channels excess liquidity to forex dealings and bond trading, and;
 - increases transaction-based income by on-boarding trade finance clients onto other bank platforms whilst increasing usage by existing clients

Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

Private Equity Portfolio

“Others” Portfolio

Others Sector NAV contribution

KES 3,802 million | 7.2% | KES 5.71 per share



Isuzu East Africa

Stake: 17.8%

Net Asset Value per share contribution: KES 2.90 per share | 3.7%

Involved in the assembly of trucks, pick-ups and bus chassis via a complete knock down (CKD) kit process and imports new completely built units (CBU) of SUVs for sale in East Africa. Also deals in after sales service and part sales



NAS Servair Limited

Stake: 15%

Net Asset Value per share contribution: KES 1.27 per share | 1.6%

A fully integrated catering solution for airlines and cruise ships. NAS Servair is the main airline caterer in Kenya’s two largest international airports and provides meals, laundry and custodial services to over 30 international airlines and cruise ships off Mombasa’s coast



Longhorn Publishers Limited

Stake: 60.2%

Net Asset Value per share contribution: KES 1.54 per share | 2.0%

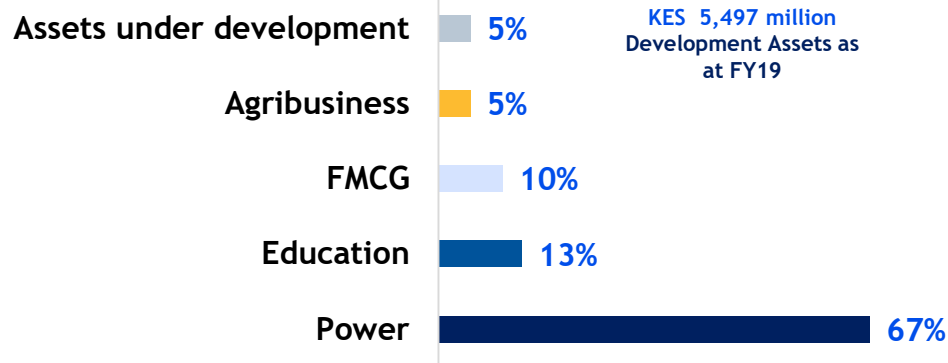
Longhorn is the second largest publisher in Kenya. Longhorn is the first publisher in Kenya to digitize all its books and place them on online platforms such as Amazon amongst others

Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

Development Portfolio Overview

Development Portfolio Net Asset Value contribution **KES 2,025 million | 3.8% | KES 3.06 per share**

Sector Split - Development Portfolio as at March 2019



The development portfolio's focus is to generate substantial value by creating new assets that have demonstrable market value preceding generation of substantial revenues



Development Portfolio

Priorities in FY20



Completed:

- PPA secured, EPC and O&M contracts, Debt term sheets secured, NEMA Approvals
- Transaction with General Electric

Next Steps:

- Awaiting Resettlement Action Plan and Fuel Supply Agreement and Generation License
- Achieving financial close for the project



Completed:

- PPA secured, Debt term sheets secured, NEMA Approvals
- Drilled 2 of 5 exploratory wells
- Signed geo-studies contract

Next Steps:

- Drilling Well 03, a key milestone to achieving financial close
- Awarding Operations & Maintenance and Engineering, Procurement & Construction Contracts
- Achieving financial close for the project



Completed:

- Construction completed
- Obtained curriculum approval, recruited teachers
- SABIS® International School - Runda admitted its first students in September 2018

Next Steps:

- Seek additional investments within the region
- Enrolling 100 students by the end of the first academic year



Completed:

- Opened up 20Ha for cultivation, established packhouse
- Produced in excess of 200 tonnes of fresh produce
- Acquired 6 export clients
- Annual revenue of KES. 100 million in FY19

Next Steps:

- Focus on expanding inhouse production to achieve a diverse product mix
- Target gross revenue of approximately KES. 300m in FY20



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Private Equity Portfolio

Valuation as at 31 March 2019

Private Equity Portfolio



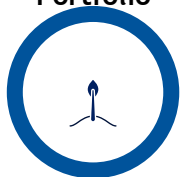
Portfolio Company	Stake	Sector	Carrying Value FY19 (KES million)	Carrying Value FY18 (KES million)	Valuation Method
Almasi Beverages Limited	53.88%	FMCG	9,851	8,697	FV ³ : Multiples - EV ¹ /EBITDA
Nairobi Bottlers Limited	27.60%	FMCG	6,912	5,078	FV ³ : Multiples - EV ¹ /EBITDA
Sidian Bank Limited	77.02%	Financial Services	3,315	3,891	FV ³ : Multiples P/B ²
Isuzu (E.A.) Limited	17.80%	"Others"	2,021	2,470	FV ³ : Recent price
GenAfrica Limited	73.35%	Financial Services	-	2,324	Exit Completed
Nabo Capital Limited	100.00%	Financial Services	522	494	Net Asset Value
NAS Servair	15.00%	"Others"	882	856	FV ³ : Multiples
Longhorn Kenya Limited	60.20%	"Others"	1,040	763	Market price
Centum Business Solutions Limited	100.00%	"Others"	855	408	Net Asset Value
Zohari Leasing Limited	100.00%	Financial Services	266	213	Net Asset Value
Others (PPE, Receivables)			155	113	
Total			25,819	25,307	

1. EV - Enterprise Value; 2. P/B - Price to Book; 3.FV - Fair Value 4. An illiquidity discount of 30% is applied to all multiples; Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

Development Portfolio

Valuation as at 31 March 2019

Development Portfolio



<u>Portfolio Company</u>	<u>Stake</u>	<u>Carrying Value FY19 (KES million)</u>	<u>Carrying Value FY18 (KES million)</u>	
Amu Power Ltd	51.00%	2,098	2,144	Cost
Akiira Geothermal Limited	37.50%	1,542	1,491	Cost
ACE Holdings Limited	16.40%	711	556	Cost
Greenblade Growers Limited	100%	249	185	Net Asset Value
King Beverage Limited	100%	534	471	Cost
Assets under development (healthcare, agribusiness and business development costs)	100%	298	241	Cost
Total		5,432	5,088	

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Marketable Securities

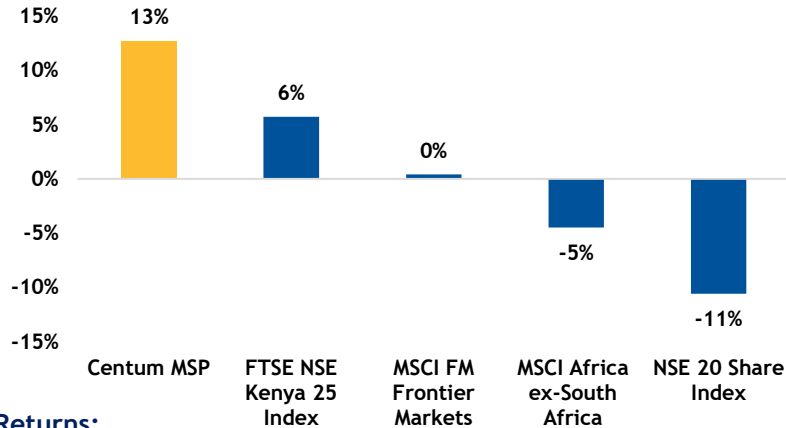
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Marketable Securities Performance over Centum 3.0

Marketable Securities NAV contribution

KES 4,450 million | 8.5% | KES 6.69 per share

Annualized Performance: FY14 - FY19



Returns:

MSP Portfolio generated strong performance over the Centum 3.0 strategy period, in a challenging market environment, with bulk of returns derived offshore from Tanzania & Egypt consumer staples investments

Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

Performance Highlights & Cash Generation: FY14 - FY19

	KES millions
Opening Portfolio	3,765
Net Cash to Centum	(2,538)
Total Return	1,997
- Dividend and Interest Income	1,293
- Capital Gains	704
Closing Portfolio	3,224

Liquidity & Performance Highlights

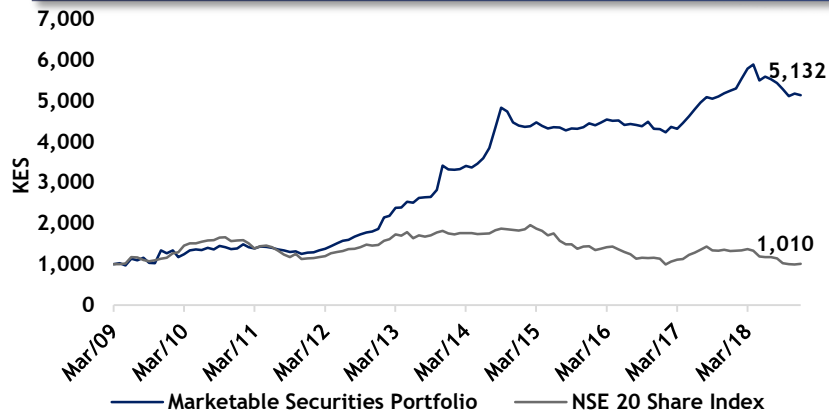
Annualized Returns over Centum 3.0	13%
Portfolio Liquidity	73%

Liquidity & Cash Generation:

Generated KES 2.5 billion in liquidity for the group while largely preserving the corpus. Position remains well diversified with allocations to fixed income and other liquid securities

Marketable Securities Performance as at FY19

MSP vs. NSE 20 - Track Record



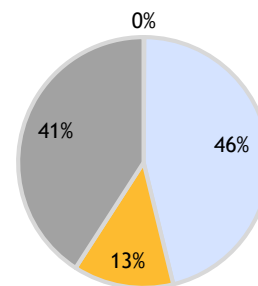
Returns:

QPE portfolio recorded a dollar return of -5.4% vs primary benchmarks [FTSE NSE Kenya 25 Index -18.6% and MSCI Africa ex-South Africa Index -17.6%] in a challenging capital market environment

Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

Portfolio Allocation - 31 March 2019

Total Portfolio
KES 4,450 million



■ Cash & Equivalents ■ Equities ■ Mutual Funds ■ Fixed Income

Diversification:

Relatively conservative allocation to Equities (w - 46%) in a volatile market environment but primed to participate in upside once market conditions turn bullish

This portfolio is structured to minimize risk of capital loss while generating cash and additional liquidity for the Group from income and capital gains

Marketable Securities Portfolio Valuation as at 31 March 2019

Marketable Securities



<u>Portfolio Company</u>	<u>Stake</u>	<u>Carrying Value FY19 (KES million)</u>	<u>Carrying Value FY18 (KES million)</u>	
Centum Exotics Limited	100%	3,782	3,589	Market Price
Centum QPE	100%	53	98	Market Price
Receivables	100%	417	628	Cost
Cash	100%	253	1,078	Cost
Total		4,505	5,393	

Central Bank of Kenya spot rate USD/KES 101.3883 on 13 June 2019; 100.7500 on 31 March 2019

Disclaimer

Certain statements in this presentation concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those presented in this report. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage and sustain growth, intense competition in the various sectors the company has invested in, in regions of operation, including those factors which may affect our cost and proprietary advantage, wage increases, our ability to attract and retain skilled professionals, time and cost overruns on planned capital expenditures, geographic concentration, industry segment concentration, our ability to manage our regional operations, reduced demand for our subsidiaries services in our key geographical areas, disruptions in operational platforms or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our licenses and service contracts, the success of the companies in which the Company has made strategic investments, withdrawal of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies in different countries where we plan to invest, and unauthorized use of our intellectual property and general economic conditions affecting the company. Additional risks that could affect our future operating results are described in our Annual Report for the fiscal year ended 31 March 2018. The Company may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the NSE, USE or CMA and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.

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