

Press Release

Centum posts KES425 million half-year operating profit

30 November 2021

Nairobi, Kenya. Centum Investment Company has reported KES425 million half-year operating profit, helped by a strong performance by its investee businesses.

The increase in operating profit from KES95 million reported in the first six months of last year was mainly driven by an increase in investment income.

"This increase in operating profitability is attributable to higher investment income as the company continued rebalancing its portfolio in line with its capital preservation and liquidity enhancement objectives," noted the Centum chief executive officer Dr. James Mworira.

The Nairobi Securities Exchange listed investment company saw an increase in its investment and other income from Kes.729 million to Kes.1.0 billion, a 38% increase, largely driven resumption of dividends from portfolio companies and increase in the cash return from its marketable securities portfolio.

The company however registered a decreased profit after tax of KES 12 million owing to an impairment provision of KES 413 million. The impairment provision was driven the company's prudent valuation policy on its assets and does not reflect a cash out flow.

At a consolidated level, the Group's half-year operating profit before impairment provisions was KES 25 million, which marked a complete turnaround in performance from the half-year operating loss of KES 2.0 billion in the prior year. The total comprehensive loss after impairment provisions narrowed significantly from KES 1.7 billion in the prior year to KES 243 million.

"We have seen improved performance in the first half from the various business segments as they recover and the economy rebounds from the impact of the Covid-19 pandemic. We're optimistic about the second half of the year as we continue to execute on the recovery plans across the various businesses," said Dr Mworira.

At company level, the benefits of the strategic decision to pay down debt, in the current strategy period dubbed Centum 4.0, has resulted in the reduction in finance costs by 24% to KES326 million.

In line with its strategic objective of fully deleveraging the balance sheet at Centum level, the company did not take up any new long-term debt during the period.

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