

## **PRESS RELEASE**

### **Centum shareholders set for KES391m dividend payout as company posts 142% improvement in operating profit for the year ended 31 March 2022**

26 July 2022

**Nairobi, Kenya.** Centum Investment Company Plc shareholders are set for a KES391 million dividend payout, marking a 77% increase in dividend payout compared to the KES219 million paid in the previous year.

The payout is in line with Centum's policy of paying out 30% of its annuity income.

Centum's total investment income for the period ended 31 March 2022 comprised KES1.3 billion of annuity income being dividend and interest income received from its portfolio companies and from its investment in marketable securities.

"This payout represents a dividend per share of KES0.59 up from KES0.33 in the last financial year. The proposed dividend will be considered for approval by shareholders at the upcoming annual general meeting," noted Group CEO Dr James Mworio in a statement.

Centum recorded a KES 592 million operating profit in its company financial statements, up from KES 245 million in the prior period. This improvement in operating profit by 142% is the result of the business' continued rebalancing of its portfolio in line with its capital preservation and liquidity enhancement objectives. Dr Mworio added that, "The improved performance came on the back of increased operational efficiencies as well as reduced impairment provisions".

The improved performance was recorded at both the Company and Consolidated levels, indicating recovery of the investment firm's underlying portfolio as the economy began to rebound from the adverse impact of the Covid-19 pandemic on economic activity.

At the consolidated level, the financial statements aggregate the performance of Centum's five distinct operations, namely the Trading Businesses, Financial Services, Real Estate, Two Rivers investment operations, and Investment operations.

Consolidated total comprehensive income for the year stood at KES142 million, a 110% growth from the loss of KES1.4 billion recorded in 2021.

Excluding the loss from Two Rivers investment operations, the consolidated total comprehensive income for the Centum Group would have been KES 2.1 billion, up from KES 405 million in the prior year. "This huge improvement in total comprehensive income demonstrates the health of our investment portfolio", noted Dr. Mworio. He added, "In regard to Two Rivers, while Centum owns 58% of the company, Centum consolidates 100% of the losses of the company, thereby over-stating the effect of the loss in the consolidated financial statements of Centum Group. Nonetheless, we are working with the management of Two Rivers to raise capital for the next phase of the development, comprising residential housing. Once successful, the capital raise will see Two Rivers knock off a huge amount of finance costs from its income statement, while recording a boost in its profits from the development and sale of the residential housing".

During the year, Centum did not take up any additional debt, and maintained a positive cash position, net of debt. Short term debt remained at KES4.1Bn, and gearing remained at 10%. There was no new long-term debt in the year.

“In line with objectives of the current strategy period, our focus is on enhancement of the return from our portfolio after a season of capital preservation. Each economic cycle presents different set of opportunities and risks. As an investment company, we are actively monitoring these and continuously rebalancing the portfolio as necessary to enhance returns and mitigate risks,” said Dr Mworia.

Ends/

### **Notes to Editors:**

#### **About Centum Investment Company PLC**

Centum is a publicly listed company on the Nairobi Securities Exchange and cross-listed on the Uganda Securities Exchange. The company has over 36,000 shareholders and its vision is to be Africa’s foremost investment channel. As part of its strategy, Centum is contributing socially and economically to the prosperity of the East Africa region by investing in key sectors of the economy namely; Real Estate; Financial Services; Education; FMCG; Health Care; Agriculture & Power. As at 31 March 2022, Centum had total assets of approximately US \$400 million.