

## PRESS RELEASE

### Centum Group gets GCR A+ credit rating affirmation with stable outlook

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**Nairobi, Kenya.** Global Credit Ratings (GCR) has affirmed Centum Investment Company PLC's national scale, long and short-term issuer ratings of A+(KE) and A1(KE) respectively, citing the company's debt reduction strategy and strong investment track record.

The rating affirmation reflects GCR's assessment of Centum PLC's continued repayment of its loans, the rating agency said in a statement released today.

"The stable outlook reflects GCR's view that Centum will progress with its planned deleveraging and maintain robust liquidity headroom," said GCR in a statement.

The Nairobi Securities Exchange (NSE) listed Centum has a sizeable investment portfolio, in regional terms, with a valuation of just over KES40 billion as per GCR's calculation.

The underlying investee companies span a range of sectors, including property development, financial services, automotive, publishing and agriculture.

The Centum Group CEO, Dr. James Mworira, said the rating affirmation is a vote of confidence in the underlying strong fundamentals of the business.

Centum had committed to significantly de-gear its balance sheet in the current strategy period christened Centum 4.0, an initiative that has seen it pay down KES 14.0 billion from KES 16.0 billion initial debt position March 2019 to close at KES 2.0 billion debt balance in the financial year ended March 2023. This feat has been largely achieved from cash generated internally from the investment company's portfolio.

"We are on course to achieving a debt-free balance sheet and that is a key focus of the group's overall financial profile," noted Dr. Mworira.

GCR views Centum's liquidity position as being "strong", with uses of cash versus sources likely to be maintained well above 1.5 times going forward.

"Liquidity sources include the large marketable securities investment portfolio, which continues to generate robust annuity-like returns, and pending known asset sales. This comfortably covers company debt obligations, interest and operating expenses and projected shareholder returns," states GCR.

The affirmation of Centum PLC's credit rating comes barely a week after GCR affirmed the rating of its 100% subsidiary, Centum Real Estate, which was assigned a national scale, long and short-term issuer ratings of BBB+(KE) and A2(KE) respectively, as well as the rating to its KES2 billion corporate bond.

The rating agency also revised the outlook on Centum Real Estate from negative to stable, citing Centum RE's continued ramp-up in contracted sales and stronger than expected cash earnings.

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