

# Trans-Century Group

## An Overview

INVESTING IN AFRICA



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1. Executive Summary

2. Power

3. Transport

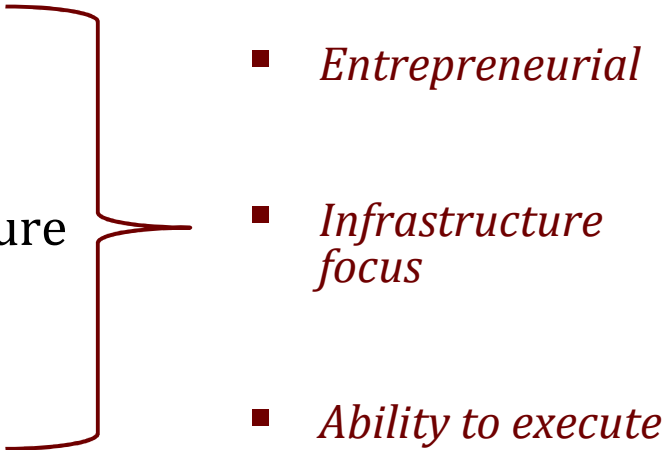
4. Specialised Engineering

5. Consumer

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# Executive Summary

- Trans-Century Limited (“TCL”) is a Kenya–headquartered infrastructure group with investments across East, Central & Southern Africa
  - Operating EBITDA of circa KES 1.4 Billion
  - Gross investment portfolio in excess of KES 9 billion
- Industry sectors include: **Power Infrastructure** - Tanelec, Kewberg, EA Cables, Cableries Du Congo; **Transport Infrastructure** - Rift Valley Railways; and **Specialised Engineering** - Avery
- **Uniqueness of TCL:**
  - Founded by entrepreneurial Kenyan business people and investors
  - Focus on power infrastructure, transport infrastructure and specialized engineering
  - Operating companies led by dynamic management with extensive experience & in-depth capabilities
  - *Entrepreneurial*
  - *Infrastructure focus*
  - *Ability to execute*

# Investment considerations

- **Strong market fundamentals** : under-penetration and inefficiencies in Power and Transport/ Cargo and Specialised Engineering
- **Strong market positioning:** In 7 countries; including Kenya, Uganda, Tanzania, Rwanda, DRC, Zambia and South Africa
- **Leveraging scale for execution:** Shareholder funds of KES 6.9 billion
- **Strong management teams**
- **Impressive financial performance:** Shareholders have enjoyed **43 (forty three) times money back** on their investment since 2003

# Historical timeline & pan-African growth

**2009: TCL becomes public**

2010

2008

**2006: engagement of full-time management team**

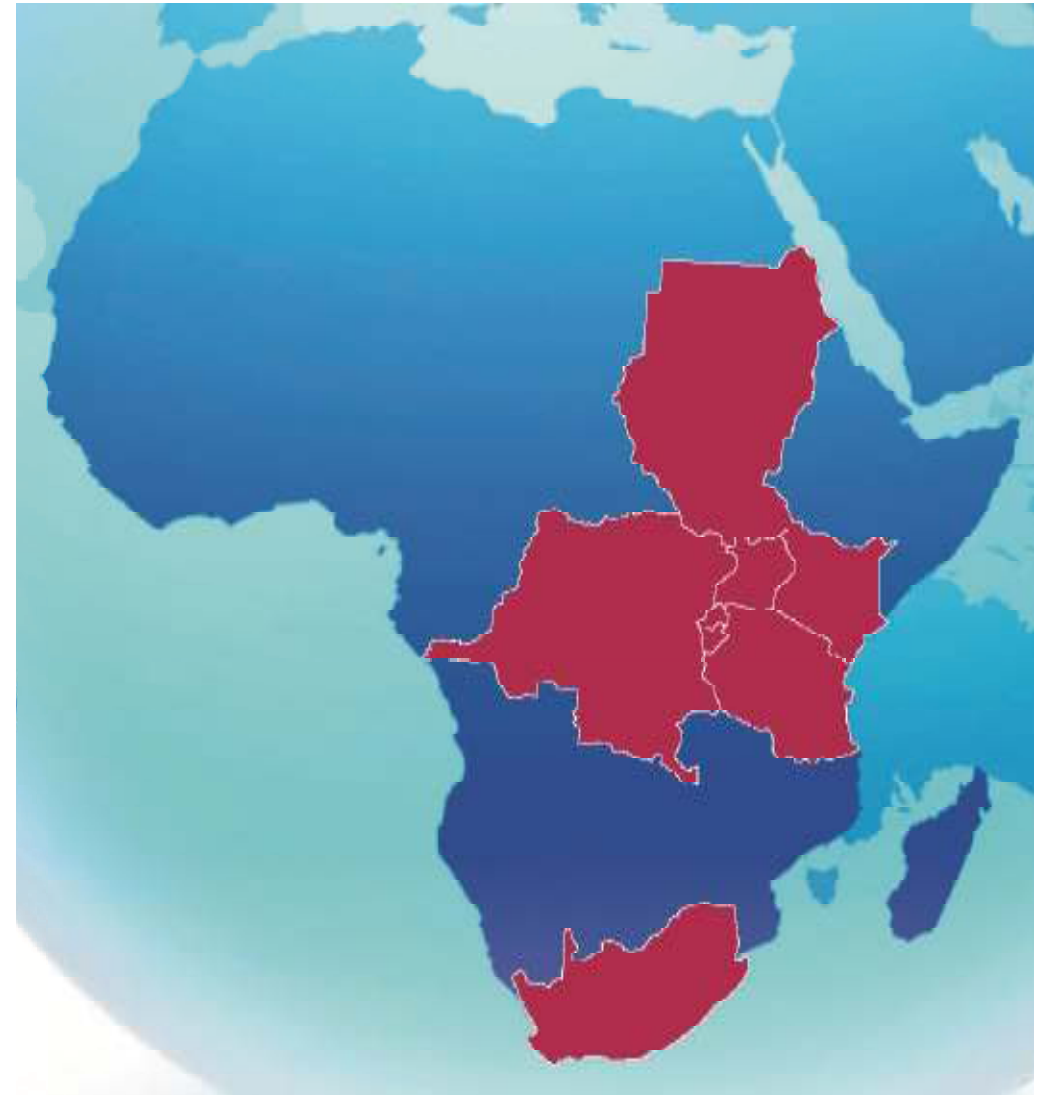
2006

**2004: TCL's initial buyout**

2004

2002


2000



## POWER

Feb-04  East African Cables Acquisition of majority stake	Sep-07  TANALEC LIMITED Acquisition of majority stake	Sep-07  KEWBERG CABLES Acquisition of majority stake	Dec-09  Câbleries du Congo Acquisition of majority stake
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## TRANSPORT

Dec-06  RIFT VALLEY RAILWAYS Acquisition of strategic stake
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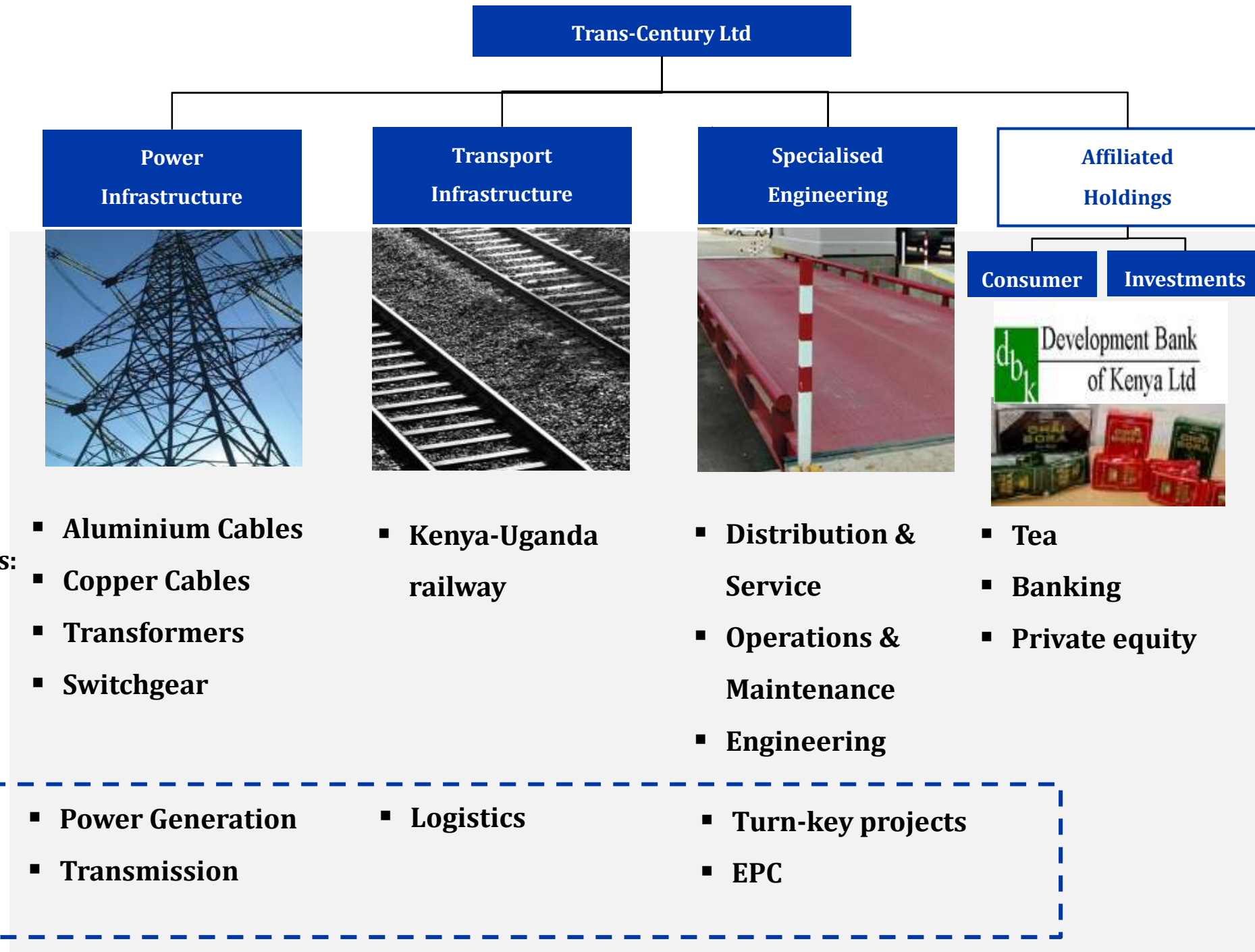
## SPECIALISED ENGINEERING

Jun-05  AFRIM Acquisition of majority stake
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## CONSUMER

Jun-08  CHAI BORA Acquisition of majority stake
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# TCL's focus going forward



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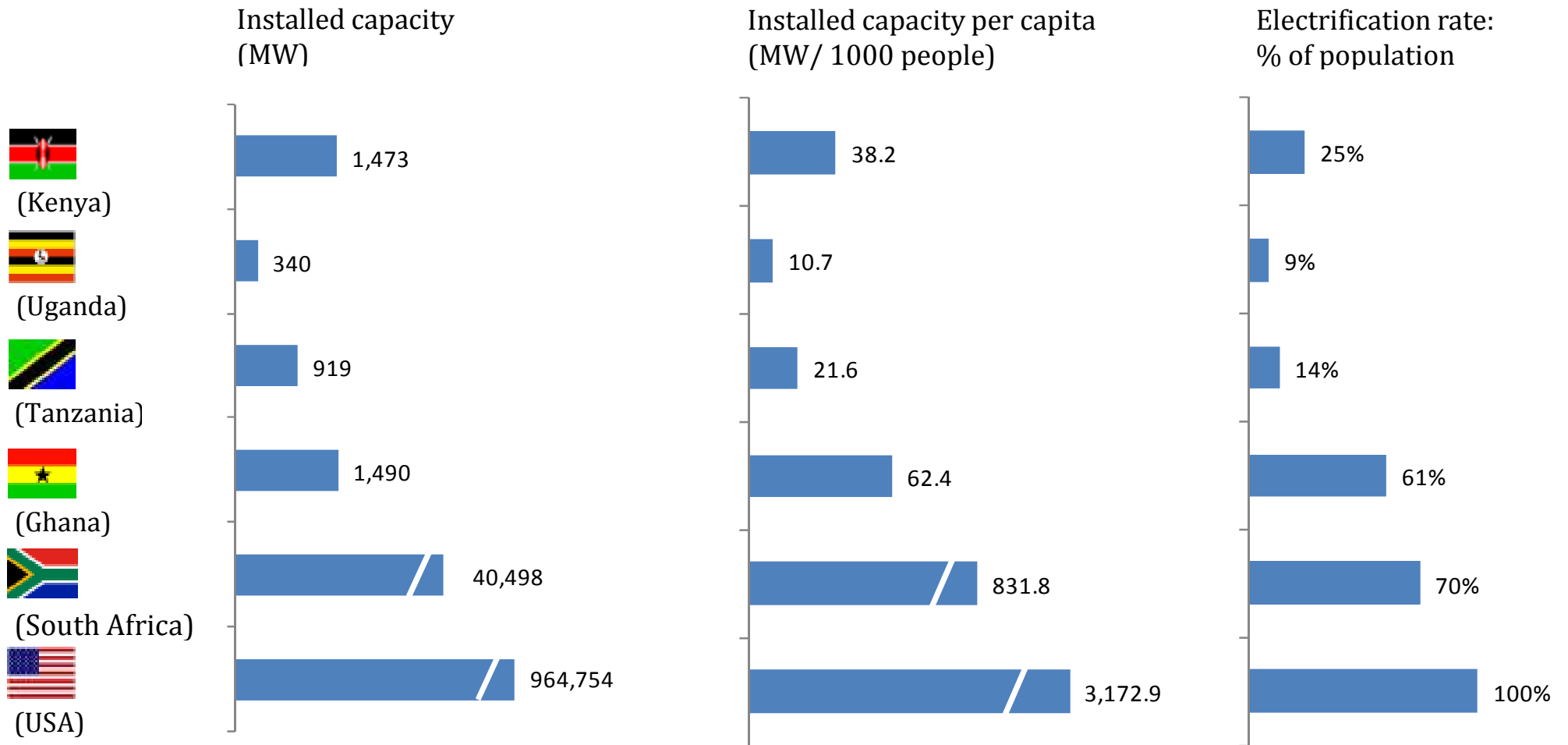
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# Under-penetration of electrification is a common theme across the region



# TCL's participation in the power sector



**Power generation**  
Focus area



**Substation**  
(step up)

Focus area



**Transmission**  
lines

✓ ✓ ✓



**Substations (step down)**

✓ ✓ ✓



**Distribution**  
transformers

✓ ✓ ✓



**Distribution**  
lines

✓ ✓ ✓



**Residential/  
Comm'l Use**

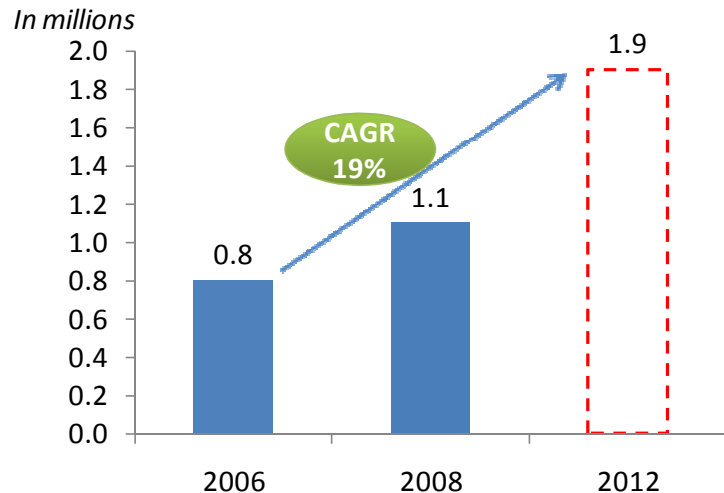
✓ ✓ ✓

# Regional utilities plans



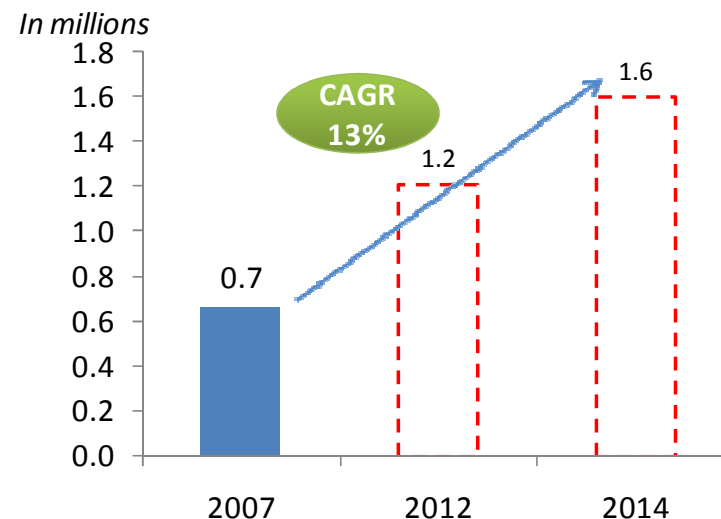
## Kenya

### Connections



## Tanzania

### Connections



## Uganda

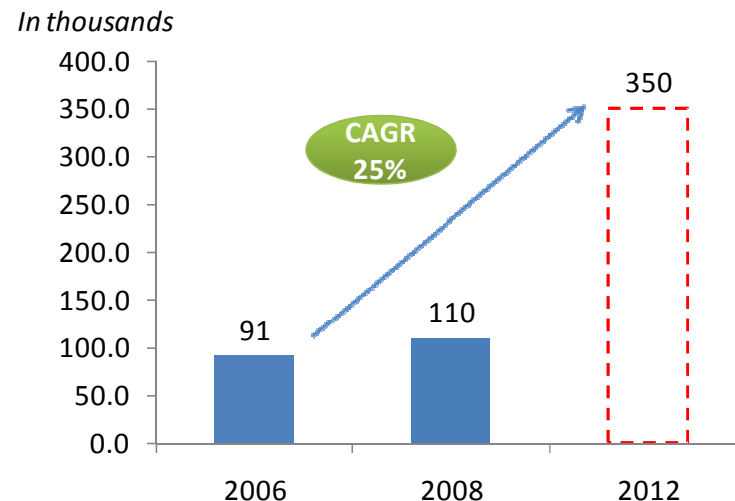
### Connections

- Umeme Ltd, a regulated distribution company with a **20yr concession**
- Charged with growing connections, currently at **300,000 connections**



## Rwanda

### Connections



# Segmental reporting

## Power

<i>In millions KES</i>	<u>2010A</u>	<u>2009A</u>	<u>% Variance</u>
Revenues	5,505	4,485	22.7%
EBIT	368	731	-49.7%



▪ Strong growth in the business fundamentals, leading to increased revenues:

– **Copper** volumes up **9%**

– **Aluminium** volumes up **140%**

– **Transformer** volumes up **38%**

▪ Impairment of working capital at subsidiary level impacted EBIT

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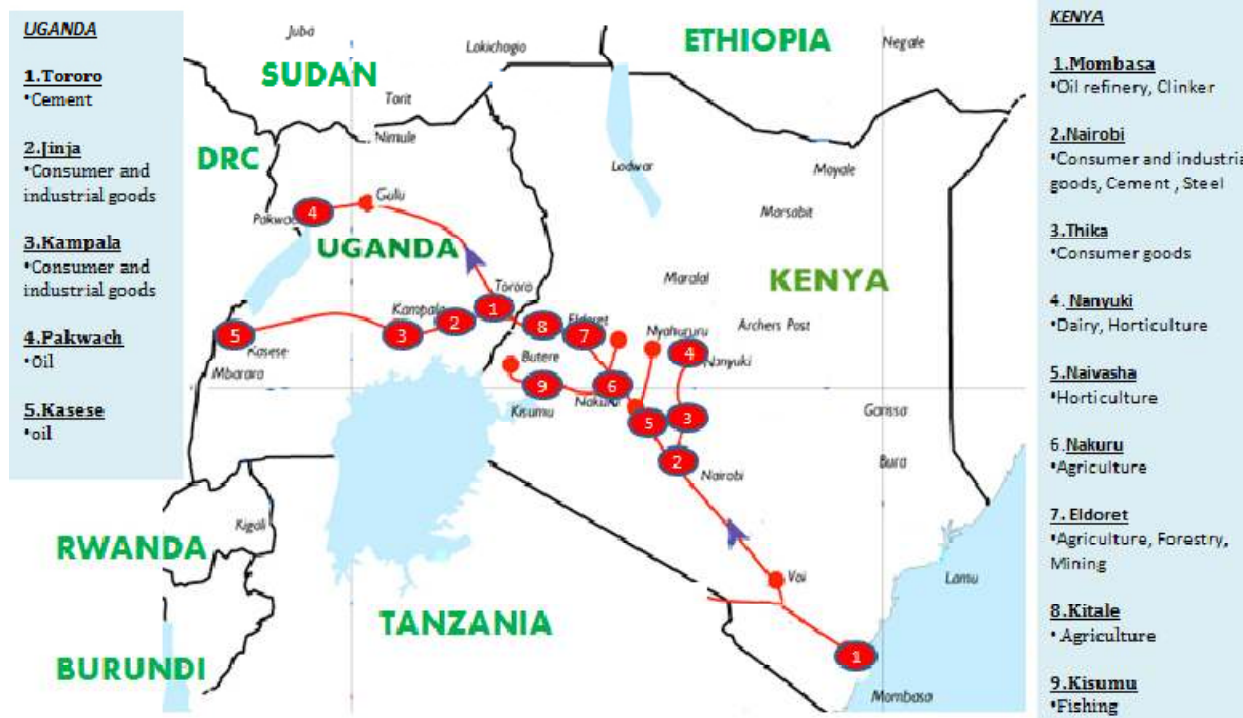
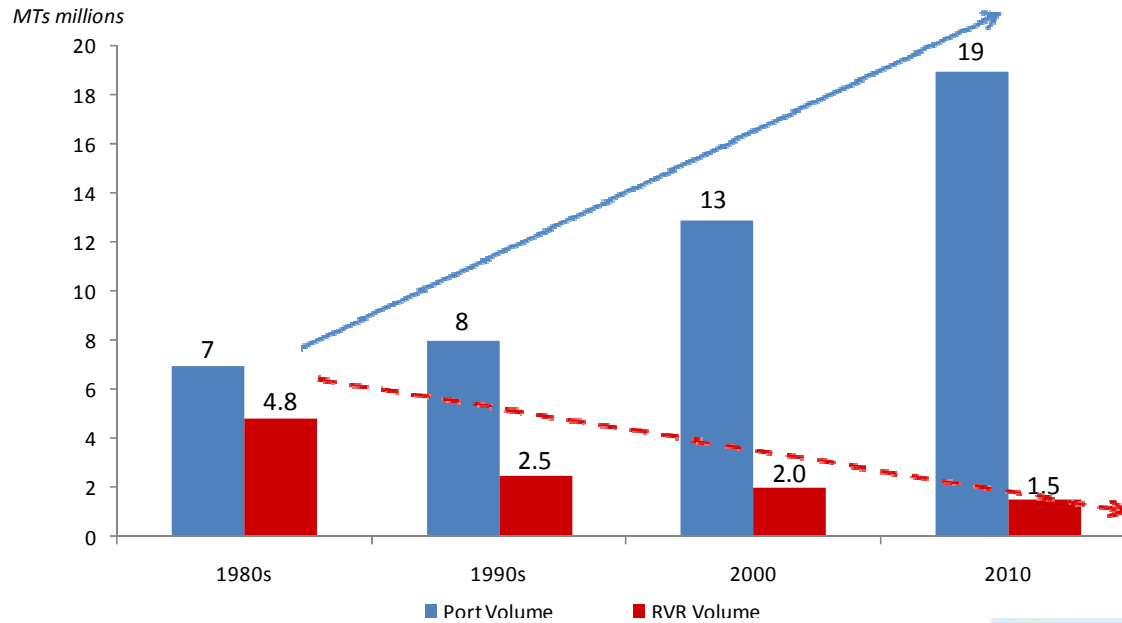
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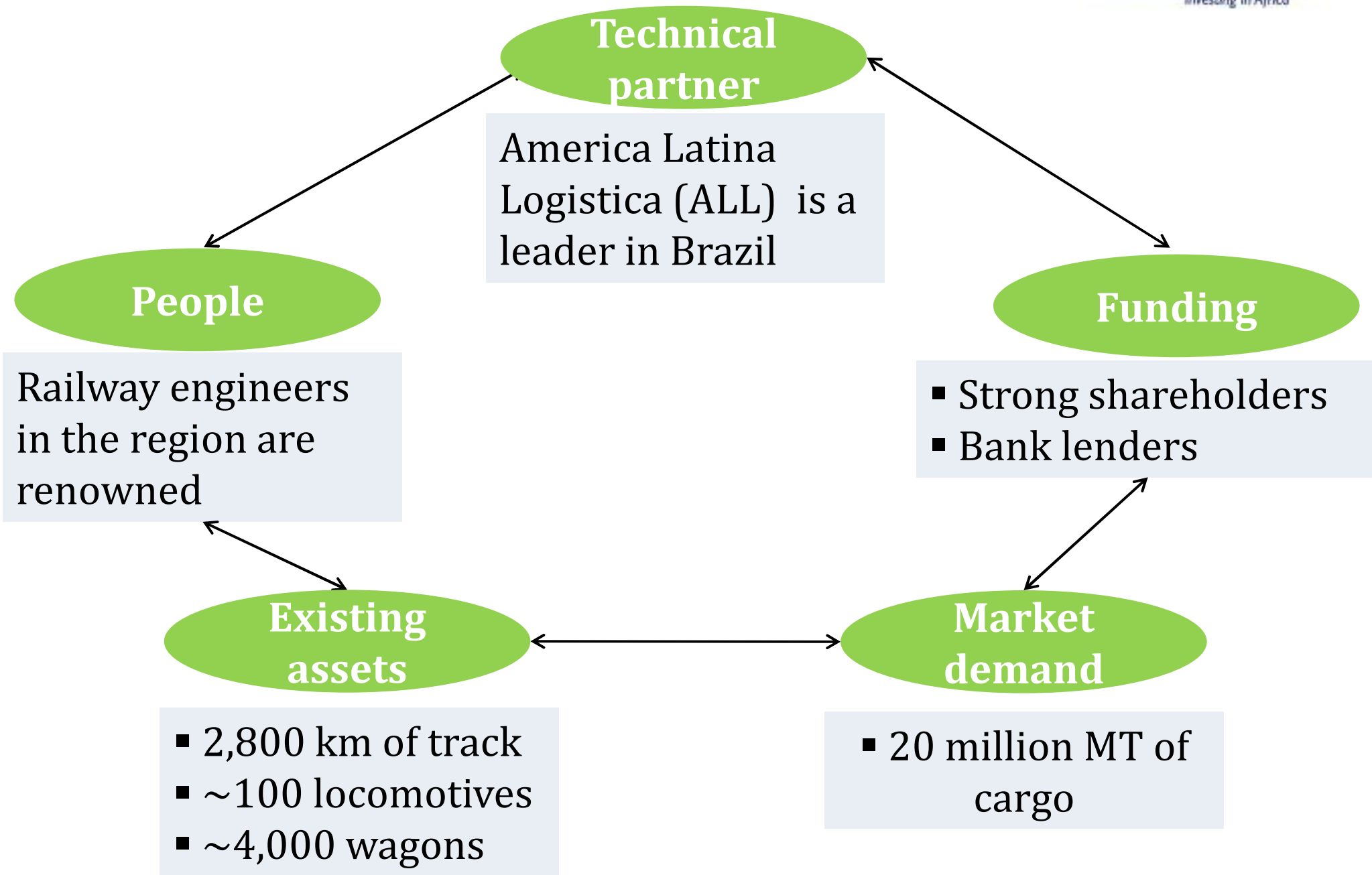
7. The Team



# As port volumes rose, railway volumes continued their consistent decline



# The RVR opportunity



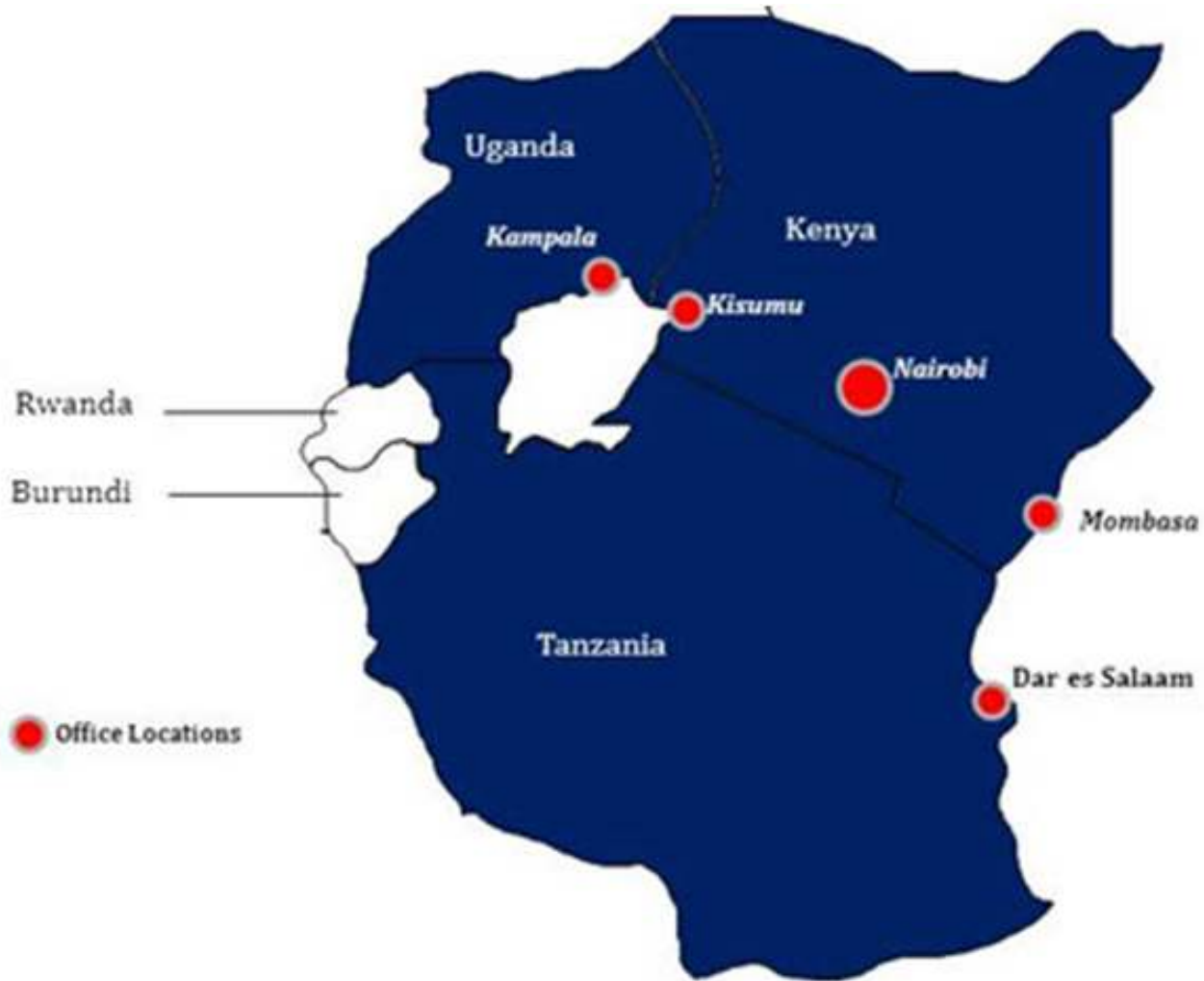
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# Network of opportunity

- Strong regional presence with key relationships



**Avery Weigh-Tronix**

**VIDEOJET**

**SALTER  
Brecknell**

**I  
INA  
A** **FAG**

**POWER SOURCE PRODUCTS/  
PERKINS**

# Segmental reporting

## *Specialised Engineering*

<i>In millions KES</i>	<u>2010A</u>	<u>2009A</u>	<u>% variance</u>
Revenues	411	226	82.0%
EBIT	65	22	191.9%



- Growth in the Specialised Engineering Division driven by:
  - Growing industrial base
  - Focus by authorities on stringent observance of codes and standards (weights)
  - Continued demand for back-up power

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## The products



- Products include:
  - loose tea (Nguvu, Supreme, Premium)
  - tea bags (Premium and Luxury)
  - infusion products (Camomile, Green tea, Hibiscus)

# Segmental reporting

## Consumer

<i>In millions KES</i>	<u>2010A</u>	<u>2009A</u>	<u>% variance</u>
Revenues	915	714	28.1%
EBIT	114	33	249.2%



- Tea volumes up **13%** driven by:
  - Growing demand for tea in the region
  - Successful business repositioning

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# 2010 Group Performance

Group revenues **25%** ↑  
at Ksh 6.8 billion

Group earnings before interest & taxes  
(EBIT) **22%** ↑  
at Ksh 974 million

Group net income **99%** ↑  
at Ksh 468 million

# Summary Financial Statements

## *Income statement*

<i>Ksh in thousands</i>	<b>GROUP 2010</b>	<b>GROUP 2009</b>
<b>Turnover</b>	<b>6,794,650</b>	<b>5,414,887</b>
Profit before depreciation, impairment and finance cost	1,415,828	1,105,627
<b>Results from operating activities</b>	<b>974,271</b>	<b>796,069</b>
Profit before income tax	630,585	526,625
<b>Profit after income tax</b>	<b>468,262</b>	<b>234,497</b>
<b>Profit after tax is attributable to:</b>		
Equity holders of the company	343,713	91,903
Non-controlling interest	124,549	142,594
<b>Profit for the year</b>	<b>468,262</b>	<b>234,497</b>

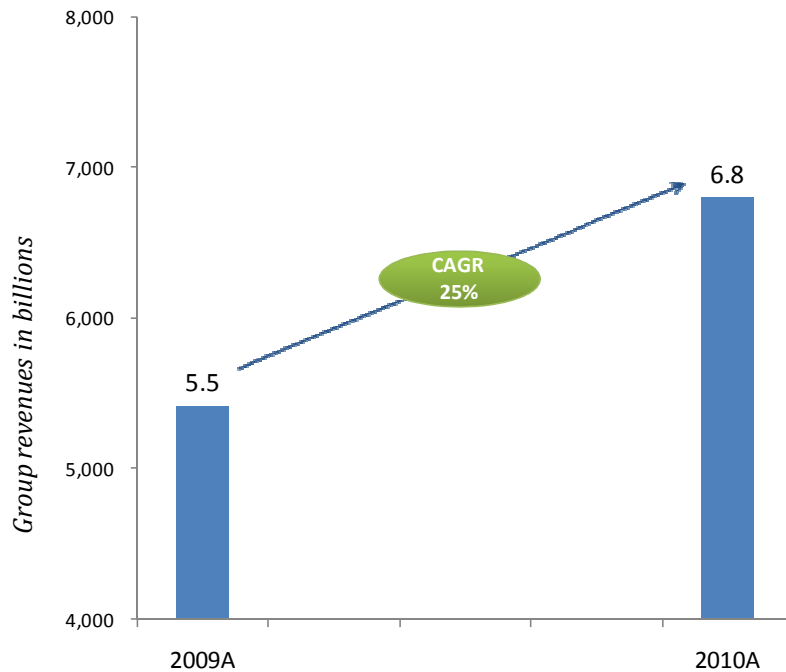
# Summary Financial Statements

## *Balance sheet*

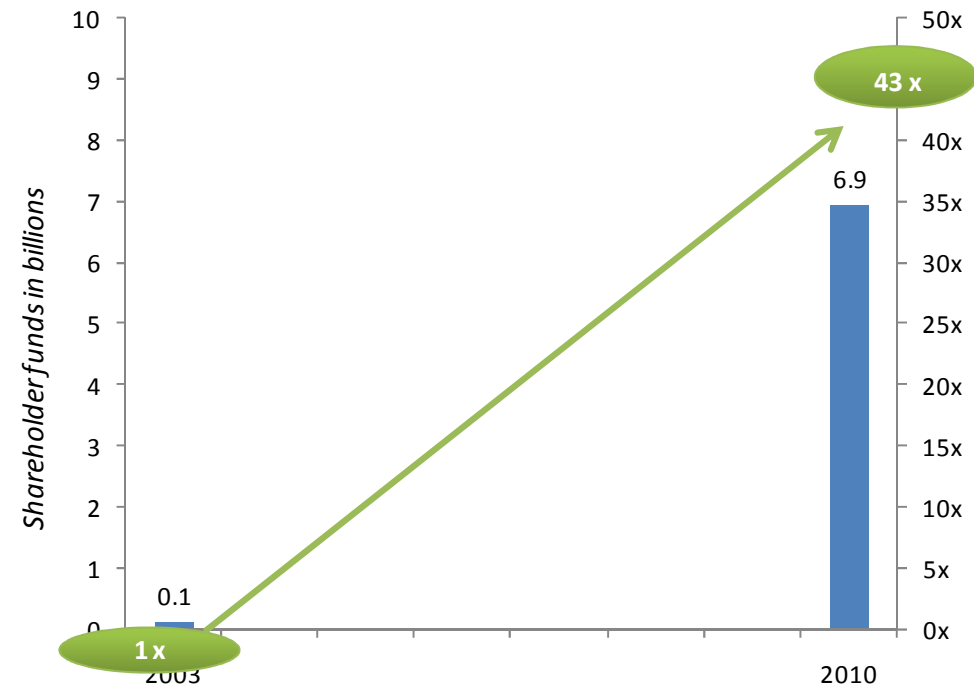
<i>Ksh in thousands</i>	COMPANY 2010 KShs'000	COMPANY 2009 KShs'000	GROUP 2010 KShs'000	GROUP 2009 KShs'000
<b><u>ASSETS</u></b>				
Non current assets	9,040,291	7,878,499	7,141,777	5,039,372
Current assets	392,374	556,398	4,094,701	3,693,959
<b>Total Assets</b>	<b>9,432,665</b>	<b>8,434,897</b>	<b>11,236,478</b>	<b>8,733,331</b>
<b><u>EQUITY AND LIABILITIES</u></b>				
Share capital	133,519	131,462	133,519	131,462
Share premium	106,684	106,684	106,684	106,684
Reserves	6,692,676	5,581,918	3,711,277	2,397,928
<b>Equity attributable to equity holders</b>	<b>6,932,879</b>	<b>5,820,064</b>	<b>3,951,480</b>	<b>2,636,074</b>
Non-controlling interest	-	-	1,341,974	881,771
Total Equity	6,932,879	5,820,064	5,293,454	3,517,845
Non current liabilities	2,166,657	1,952,622	3,371,518	3,168,545
Current liabilities	333,129	662,211	2,571,506	2,046,941
<b>Total equity and liabilities</b>	<b>9,432,665</b>	<b>8,434,897</b>	<b>11,236,478</b>	<b>8,733,331</b>

# TCL's Strong Track Record

## TCL Group Revenues



## Value creation<sup>1</sup>



No. of Investments: 0 1 5 6 8 9 10 10

- The group has seen remarkable growth in revenues, driven by organic growth in portfolio company revenue as well as new acquisitions
- TCL is investing in the future with circa USD 20 mm of capex spent aimed at tripling capacity across core cables and transformer businesses

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# Company Board of Directors

## Board of directors (8)

### Peter Kanyago



- *Founder East Africa Courier*
- *CPA (K), MBA, industrial management*

– *Directorship: Ecobank (chair), Fedex, Otis, KTDA*

### Njeru Kirira



- *Tax and fiscal policy administrator*
- *Served various capacities in Govt. Treasury*

– *Directorship: Inoorero University*

### Carol Musyoka



- *Extensive experience in banking & corporate finance*

– *Directorship: Enablis (EA), Institute for Economic Affairs*

### Zephaniah Mbugua, Chair



- *30 years of entrepreneurship experience (industrial chemicals)*

– *Directorship: EAC (chair), P&A (EA), Abcon Group, Zeniki Investments*

### Robin Kimotho



- *Business advisory & Consultancy regionally (Eastern & Southern Africa)*

– *Directorship: Polaris International (K), Sigona Golf Club*

### Ngugi Kiuna



- *Vast senior multinational management experience*

– *Directorship: UBA bank (Chair), Cooper Ke, Cannon Assn, X&R Tech*

### Joseph Karago



- *Large-scale architectural development*
- *Urban infrastructure development*

– *Directorship: Kenya Children's Home, Karago & Associates, Mcensal Ltd*

### Dr. Gachao Kiuna



- *Corporate finance & strategy consulting (McKinsey)*

# Experienced Management team

**Dr. Gachao Kiuna**

Chief Executive Officer



- *Corporate finance & strategy consulting (McKinsey)*
- *PhD Biotechnology, BSc Biochemistry*

**Yida Kemoli**

Group Head of Corporate finance & Strategy



- *Capital markets investment banking (JPMorgan), Africa PE experience (Actis)*
- *MEng in Chemical Engineering*

**Wambua Kimeu**

Group Head of Finance



- *Audit & Advisory (PwC)*
- *Certified Public Accountant (Kenya)*
- *Bcom finance*

**Allan Munyua**

Division Principal, Power & Specialised Engineering



- *Business procurement, Financial management advisory*
- *Masters in settlement & infrastructure development, Bachelors of Architecture*

**Mumo Muthengi**

Division Manager, Consumer and Investor Relations



- *Investment banking (Deutsche Bank) and private equity experience*
- *MBA (Harvard Business School), BBA finance*

**Geoffrey Njue**

Group Internal Auditor



- *Group audit experience at Nestle and Industrial Promotion Services*
- *CPA (Kenya)*
- *BSc in Civil Engineering*

**Ng'ang'a Njiinu**

Division Manager, Specialised Engineering



- *Financial analysis, planning & strategy*
- *Chartered Financial Analyst, MBA finance & investment management*

**Kibiru Muthaka**

Business Analyst



- *Bachelor of Science degree in Finance from Towson University, Maryland USA.*
- *level 3 candidate for the CFA designation*

**Janet Wanjiku**

Management & Financial Accountant



- *Audit (Kenya Women Finance Trust)*
- *Certified Public Accountant (Kenya)*
- *Bcom finance*

*[www.transcentury.co.ke](http://www.transcentury.co.ke)*