

CENTRAL SECURITIES CORP

Form N-30B-2

May 01, 2019

CENTRAL SECURITIES CORPORATION

INTERIM REPORT TO STOCKHOLDERS

MARCH 31, 2019

To the Stockholders of

CENTRAL SECURITIES CORPORATION:

Financial data for the quarter ended March 31, 2019 and other pertinent information prepared by management without audit by independent auditors are submitted herewith.

Comparative net assets are as follows:

| | Mar. 31, 2019 | Dec. 31, 2018 | Mar. 31, 2018 |
|--------------------------------------|---------------|---------------|---------------|
| Net assets | \$876,903,295 | \$765,342,588 | \$819,741,488 |
| Net assets per share of Common Stock | \$34.41 | \$30.02 | \$32.60 |
| Shares of Common Stock outstanding | 25,482,666 | 25,496,847 | 25,146,616 |

Comparative operating results are as follows:

| | Three months ended March 31, | |
|---|------------------------------|--------------|
| | 2019 | 2018 |
| Net investment income | \$5,489,626 | \$6,165,409 |
| Per share of Common Stock | .22 | * .25 * |
| Net realized gain on sale of investments | 7,582,127 | 14,276,708 |
| Increase (decrease) in net unrealized appreciation of investments | 98,830,673 | (27,114,888) |
| Increase (decrease) in net assets resulting from operations | 111,902,426 | (6,672,771) |

* Per-share data are based on the average number of Common shares outstanding during the three-month period.

We are pleased to report that at the Corporation's annual meeting on March 20, 2019, the stockholders elected seven directors and ratified the selection of KPMG LLP as auditors of the Corporation for the year 2019.

In the quarter ended March 31, 2019, the Corporation repurchased 17,181 shares of its Common Stock at an average price of \$24.91 per share. The Corporation may from time to time purchase Common Stock in such amounts and at such prices as the Board of Directors deems advisable in the best interests of stockholders. Purchases may be made in the open market or in private transactions directly with stockholders.

Stockholder inquiries are welcome.

Wilmot H. Kidd John C. Hill Andrew J. O'Neill

630 Fifth Avenue
New York, NY 10111
April 17, 2019

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PRINCIPAL PORTFOLIO CHANGES

January 1 to March 31, 2019

(Common Stock unless specified otherwise)

(unaudited)

| | Number of Shares | | Held March 31, 2019 |
|-----------------------------------|------------------|---------|---------------------------|
| | Purchased | Sold | |
| American Express Company | 30,000 | | 180,000 |
| Brady Corporation | | 35,000 | 285,000 |
| Capital One Financial Corporation | 30,000 | | 330,000 |
| Heritage-Crystal Clean, Inc. | | 10,000 | 690,000 |
| JPMorgan Chase & Co. | 50,000 | | 230,000 |
| Keysight Technologies, Inc. | | 45,000 | 250,000 |
| Motorola Solutions, Inc. | | 20,000 | 280,000 |
| Roche Holdings Ltd. ADR | 300,000 | | 300,000 |
| Roper Technologies, Inc. | | 5,000 | 60,000 |
| Star Group, L.P. | 65,984 | | 560,092 |
| Wells Fargo & Company | | 250,000 | — |

TEN LARGEST INVESTMENTS

March 31, 2019

(unaudited)

| | Cost | Value | Percent of Net Assets | Year First Acquired |
|-----------------------------------|------------|---------|--------------------------|------------------------|
| | (millions) | | | |
| The Plymouth Rock Company, Inc. | \$0.7 | \$179.1 | 20.4 % | 1982 |
| Coherent, Inc. | 13.5 | 49.6 | 5.7 | 2007 |
| Analog Devices, Inc. | 6.2 | 47.4 | 5.4 | 1987 |
| Intel Corporation | 7.6 | 45.1 | 5.1 | 1986 |
| Hess Corporation | 31.2 | 42.2 | 4.8 | 2017 |
| Motorola Solutions, Inc. | 12.9 | 39.3 | 4.5 | 2000 |
| Capital One Financial Corporation | 20.2 | 27.0 | 3.1 | 2013 |
| JPMorgan Chase & Co. | 13.0 | 23.3 | 2.7 | 2010 |
| Amazon.com | 3.8 | 23.1 | 2.6 | 2014 |
| Rayonier Inc. | 20.8 | 22.1 | 2.5 | 2014 |

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BOARD OF DIRECTORS

Wilmot H. Kidd, Chairman
L. Price Blackford, Lead Independent Director
Simms C. Browning
Donald G. Calder
David C. Colander
Jay R. Inglis
Wilmot H. Kidd IV
C. Carter Walker, Jr., Director Emeritus

OFFICERS

Wilmot H. Kidd, Chief Executive Officer
John C. Hill, President
Marlene A. Krumholz, Vice President and Secretary
Andrew J. O'Neill, Vice President
Lawrence P. Vogel, Vice President and Treasurer

OFFICE

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TRANSFER AGENT AND REGISTRAR

Computershare Trust Company, N.A.
P. O. Box 505000, Louisville, KY 40233
800-756-8200
www.computershare.com/investor

CUSTODIAN

UMB Bank, n.a.
Kansas City, MO

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP
New York, NY

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