



Centurion Corporation Limited

(Incorporated in the Republic of Singapore with limited liability)

(Co. Reg. No.: 198401088W)

1H 2022 Financial Results

11 August 2022



DISCLAIMER

This Presentation should be read in conjunction with the Company's 1H 2022 Unaudited Financial Statement Announcement for the period ended 30 June 2022.

This presentation and the accompanying presentation materials (if any) ("Presentation") are made for informational purposes, without regard to the objectives, financial situation nor needs of any specific persons.

This Presentation does not constitute, or form any part of any offer for sale of or subscription of, or solicitation of any offer to buy or subscribe for, any securities nor shall it, or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

This Presentation was prepared exclusively for the parties presently being invited for the purposes of discussion. Neither the Presentation nor any of its content may be distributed, reproduced or used without the prior written consent of Centurion Corporation Limited ("Centurion" or "Company"). The Company does not make any representation or warranty, express or implied, as to the accuracy of the information contained herein, and expressly disclaim any and all liability based, in whole or in part, on such information, errors therein or omissions therefrom.

This Presentation includes forward-looking statements provided with respect to the anticipated future performance of the Company. Such forward-looking statements reflect various assumptions of the management concerning the future performance of the Company. Accordingly, there can be no assurance that such projections and forward-looking statements will be realised. The actual results may vary from the anticipated results and such variation may be material. No representations or warranties are made as to the accuracy or reasonableness of such assumptions or the forward-looking statements based thereon.

CONTENTS

01

Business Overview

02

Financial Review

03

Business Review

04

Looking Ahead

Company Overview

An established business with strong fundamentals operating in a growing market

- The largest purpose built workers accommodation provider in Singapore and Malaysia * with **17** operating assets
 - Supported by stable occupancy and bed rates
- A student accommodation business in major global education hubs
 - **19** operating assets in Australia, South Korea, UK and US
 - Established investment management platform to manage US student accommodation assets for third party investors
- Operating a high quality portfolio in key locations through **two established and professional brand platforms**



Dedicated to workers accommodation



Dedicated to student accommodation

- Proven and reliable ability to generate **quality earnings** and **steady cashflow** from assets
- A **stable and experienced leadership team** with an average of 20+ years in the industry



Note: * Euromonitor report, 2017

Centurion Corporation Limited

Experienced and Competent Management Team

Highly qualified senior management with extensive experience



Wong Kok Hoe
Executive Director

- Re-designated from Non-Executive Director to Executive Director and appointed as Deputy Chairman of the Board in November 2019, responsible for the strategic planning and overall management of the Group
- Also a Director at Centurion Global Ltd, a controlling shareholder of the Company
- More than 18 years of legal experience in corporate law, corporate finance, and mergers and acquisitions



Kong Chee Min
CEO

- Appointed as the Group's CEO in August 2011 and oversees its operations and strategic growth
- Joined the Group in 1996 and was its Regional CEO and Finance Director
- Certified Public Accountant with over 26 years of finance and corporate management experience
- Named Best CEO (Small Cap Category – companies with less than S\$300 million in market capitalisation) at the Singapore Corporate Awards 2016



Foo Ai Huey
CFO

- Appointed as the Group's CFO in August 2011 and oversees its finance accounting and tax functions
- Over 25 years of experience in finance and accounting related experience
- Named Best CFO (Small Cap Category – companies with less than S\$300 million in market capitalisation) at the Singapore Corporate Awards 2017



Kelvin Teo
COO,
Accommodation
Business

- Responsible for the day-to-day operations and expansion of the Group's accommodation business
- First Vice President of Dormitory Association of Singapore
- Over 30 years of experience in the property and accommodation development and management business



Ho Lip Chin
CIO,
Accommodation
Business

- Responsible for growing the Group's Accommodation Business
- Over 20 years of experience in real estate and hospitality industries across Asia Pacific

Corporate Milestones



- Completed acquisition of Westlite Toh Guan and 45% interest in Lian Beng-Centurion
- Renamed Centurion Corporation Limited following RTO

- Opened the 5,800-bed Westlite Johor Technology Park
- Completed upgrading of Westlite Toh Guan
- Acquired RMIT Village in Melbourne, Australia
- Opened the 6,300-bed Westlite Mandai, Singapore
- Acquired four student accommodation assets in Manchester and Liverpool in the UK



- Acquired four student accommodation assets in Bristol, Newcastle and Manchester, UK
- Completed 7,900-bed ASPRI-Westlite Papan workers accommodation



- Completed construction and development of 280-bed dwell East End Adelaide in October
- Acquired 127-bed Princess Street, Manchester and 133-bed Castle Gate Haus, Nottingham, UK; and 208-bed dwell Dongdaemun (55% stake), Seoul, South Korea



- Secured 3+1 year lease to manage 4 Quick Build Dormitories (up to 6,400 beds) from JTC Corporation
- Secured 21+9 year lease to manage a ready-built workers dormitory (approx. 6,044 beds) from the Selangor State Development Corporation

1984

2011

2012

2014

2015

2016

2017

2018

2019

2020

2021

- Incorporated in Singapore to provide audio cassette tape duplication services



- Acquired assets in Johor (Westlite Tebrau, 2 blocks of workers accommodation at Pasir Gudang), Malaysia and a piece of land in Port Hedland Western Australia

- Awarded the tender to operate a 332-bed student accommodation, dwell Selegie, Singapore
- Completed 4,100-bed Westlite Woodlands workers accommodation asset



- Launched "dwell" as the Group's student accommodation brand
- Acquired a development site at Adelaide
- Dual primary listed in HK in Dec 2017 (SEHK code: 6090)
- Acquired six US assets (28.7% share)

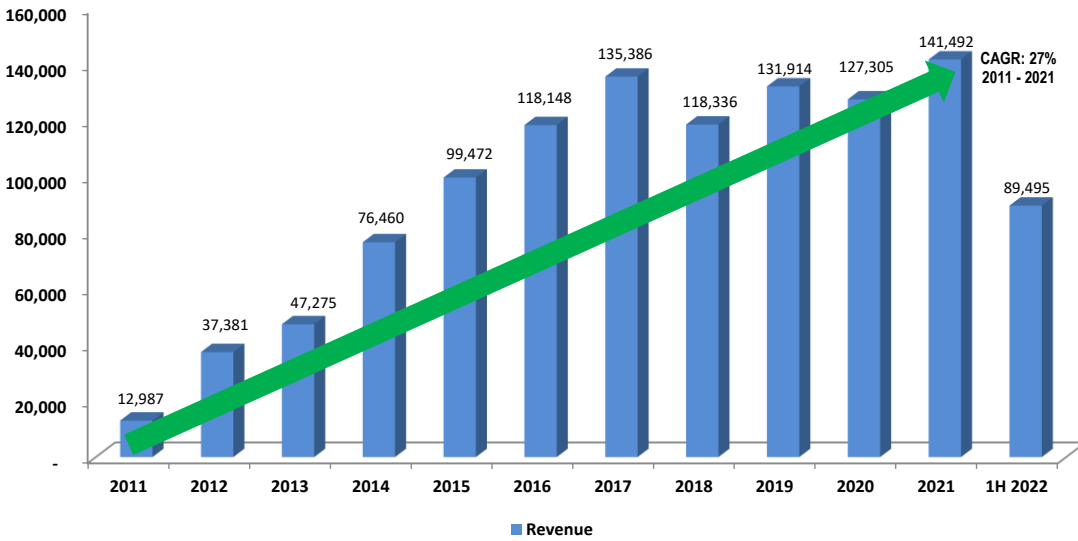


- Completed development of Westlite Bukit Minyak
- Secured 10+5 year lease to operate Westlite Juniper
- Acquired 177-bed Archer House, Nottingham, UK

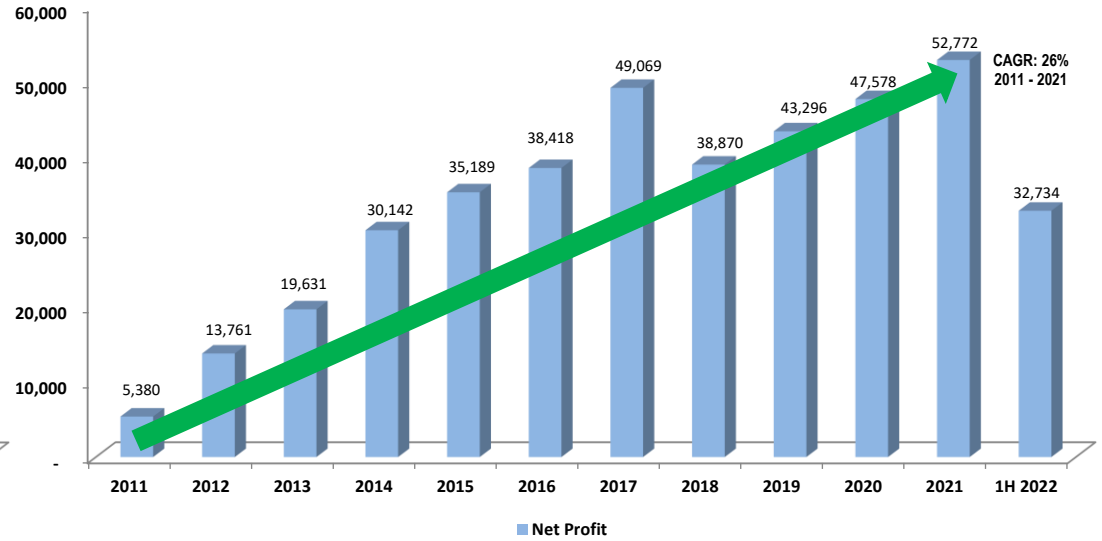
- Secured management contracts for 2 Onboard Centres ("OCs")
- Commenced AEI at Westlite Toh Guan to redevelop 1 block
- Completed development of 3 additional blocks adjacent to existing Westlite Tampoi
- Acquired and retro-fitted 2 blocks adjacent to Westlite Pasir Gudang

Financial Growth of Accommodation Business

Accommodation - Revenue¹ (S\$'000)



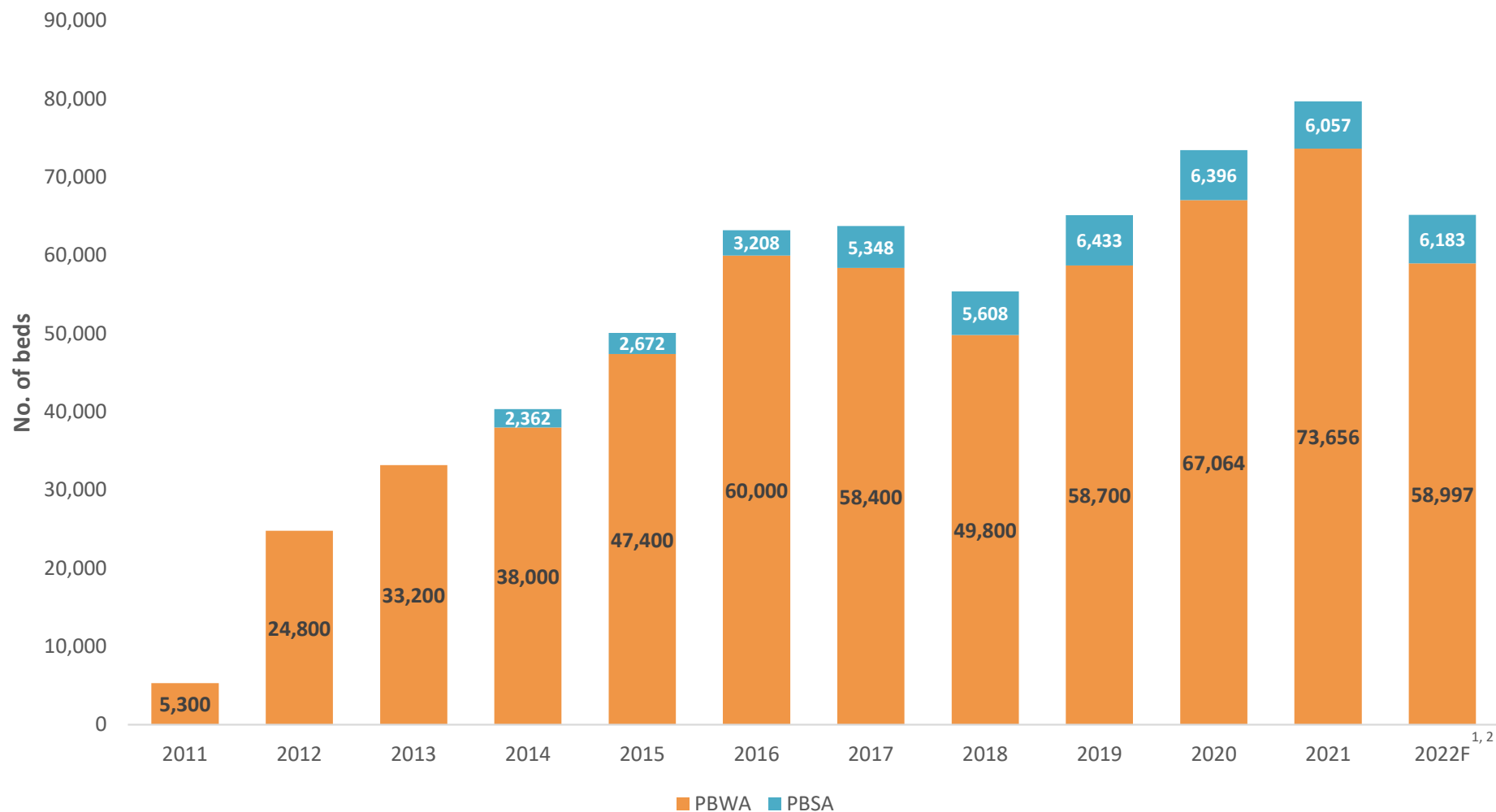
Accommodation - Net Profit¹ (S\$'000)



Note:
1. From core business operations

Accommodation Growth Profile

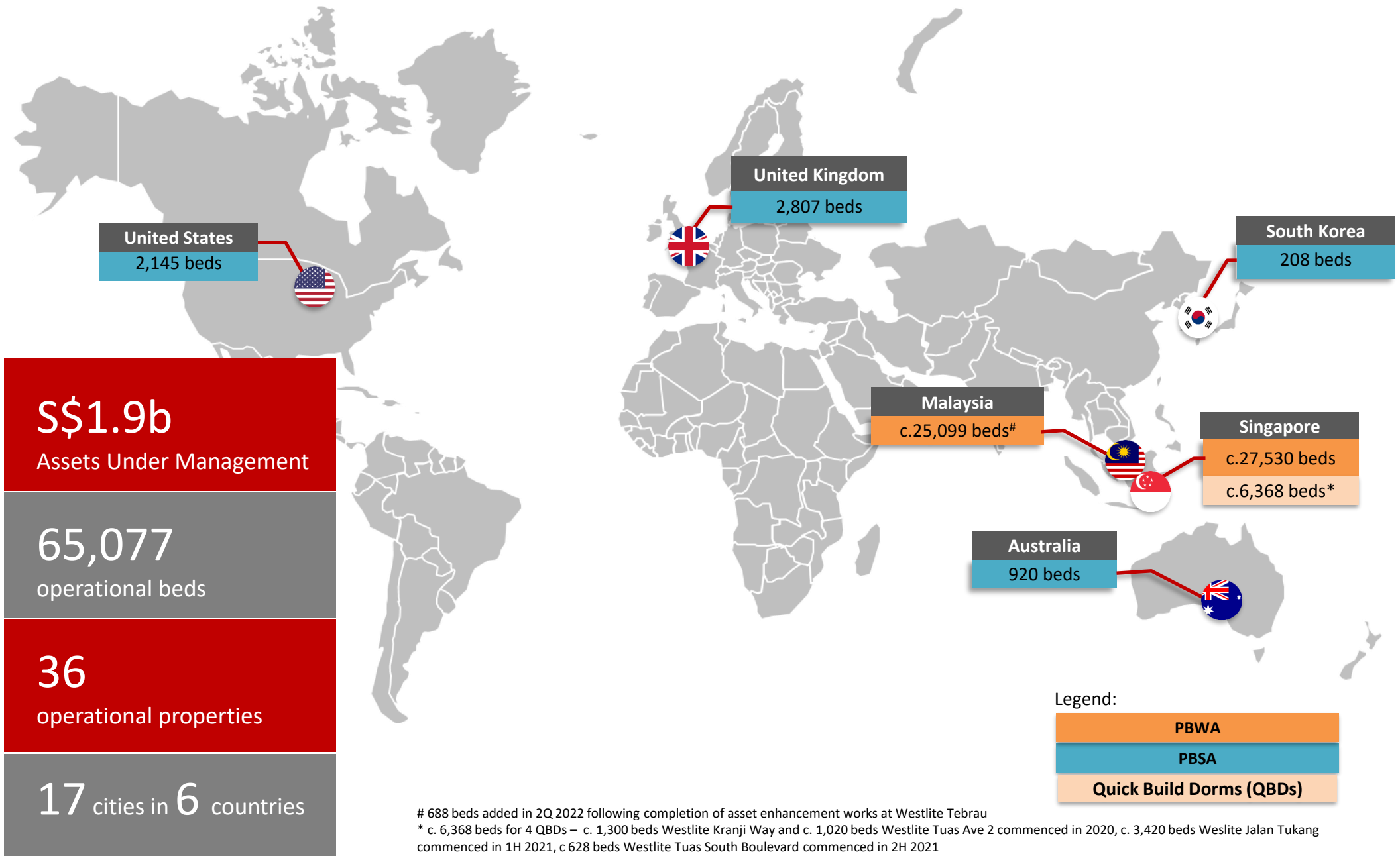
Accommodation Portfolio - Bed Capacity



Note:

- 1. MY - Include 688 beds added in 2Q 2022 following completion of asset enhancement works at Westlite Tebrau
- 2. UK - Include 103-bed dwell Orbital upon completion of acquisition

Diversified Business Portfolio across Geography and Asset Type





Financial Review



FY 2022 Key Performance Highlights

Revenue
S\$90.5m

▲ **40% from S\$64.7m in 1H 2021**

- New PBWA capacity and revenue streams that came into operations
- Improved performance in Singapore PBWA accommodation assets
- Recovery of occupancies in UK and Australia PBSA portfolio

NPAT(Equity holder)¹
S\$32.9m

▲ **277% from S\$8.7m in 1H 2021**

- Higher revenues mainly in SG, UK, Australia
- Net fair value gain on investment properties in 1H 2022 vs net fair value loss on investment properties in 1H 2021
- Partly offset by
 - increased administrative and finance expenses
 - higher deferred tax provided on fair value adjustments

Excluding Fair Valuation Adjustments
Net Profit from Core Business

S\$32.4m

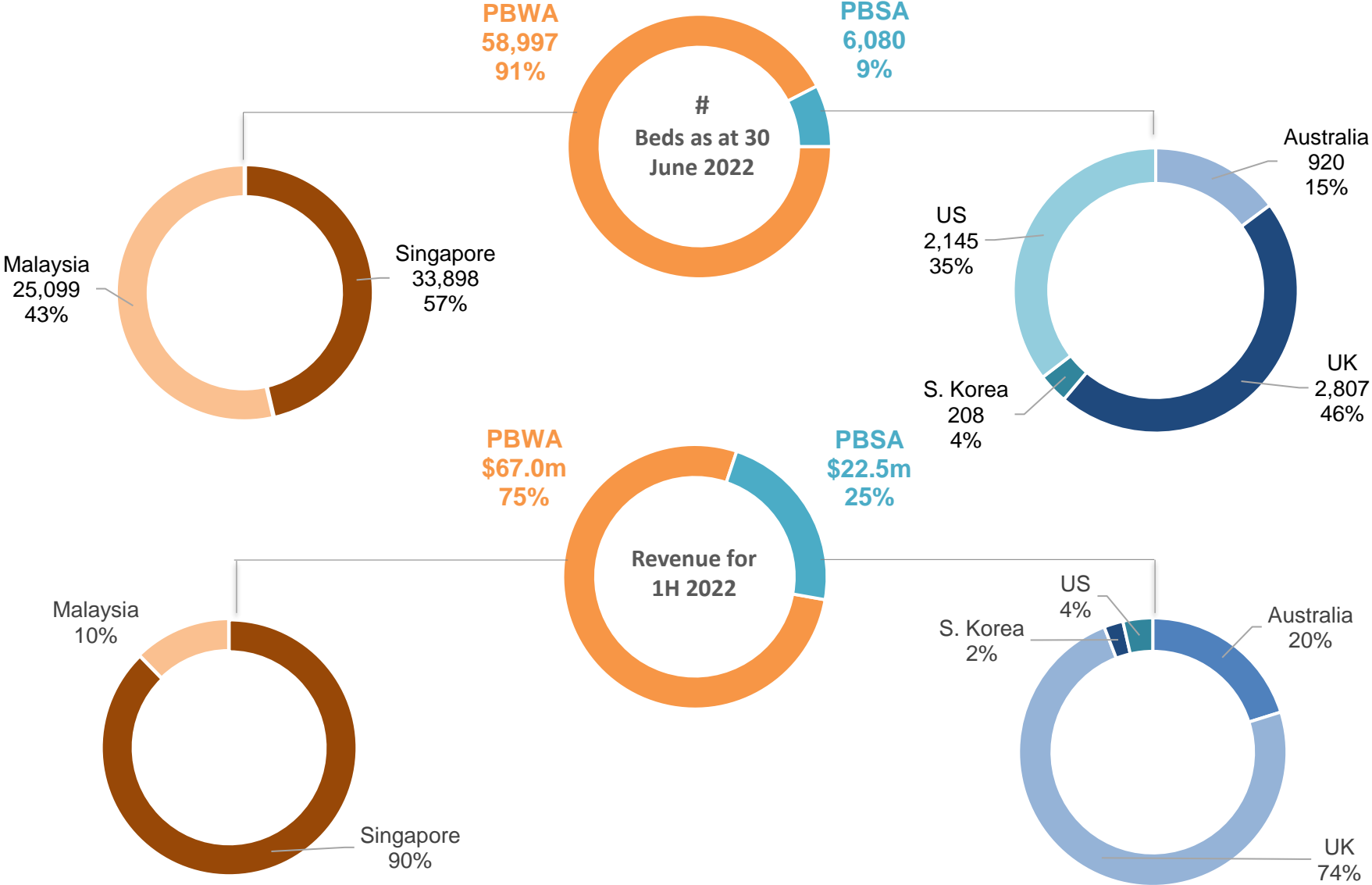
▲ **35% from S\$24.0m in 1H 2021**

Note:

1. NPAT(Equity holders) = Profit attributable to equity holders, which excludes the 49% interest in ASPRI-Westlite Papan.

Diversified Business Portfolio by Asset Type and across Geographies

Good diversification at asset class, country and asset levels



Financial Overview

S\$'000	1H 2022	1H 2021	Change %
Revenue	90,528	64,727	▲ 40%
Gross Profit	60,915	43,461	▲ 40%
Gross Profit Margin	67%	67%	Opp
Net Profit	35,073	9,098	▲ 286%
Net Profit (Equity holders) ¹	32,898	8,735	▲ 277%
Net Profit from core business	32,392	23,957	▲ 35%
Net Profit Margin	36%	37%	▼ -1pp
Net Profit from core business (Equity holders) ¹	28,958	20,384	▲ 42%

- **Revenue increased 40% to S\$90.5 million in 1H 2022** mainly due to:
 - New PBWA capacity and revenue streams that came into operations
 - Improved performance in Singapore PBWA accommodation assets
 - Recovery of occupancies in UK and Australia PBSA portfolio
- **Distribution, administrative and finance expenses** increased 18% mainly due to:
 - Business expansion as well as reinstatement of staff and management salaries
 - Higher interest rate environment, partially offset by reduced loan balances
- **Net fair value gain of S\$9.5 million in 1H 2022** as compared to net fair value loss of S\$14.5 million in 1H 2021
 - mainly fair valuation gain of UK and AU PBSA assets; reflection of current market conditions on paths of recovery
 - offset by fair value reductions on SG PBWA and ROU assets (mainly QBD leases)
- **Excluding fair value adjustments, Net Profit from core business (Equity holders) increased 42% in 1H 2022:**
 - contribution from new revenue streams and better performance in SG, UK and Australia

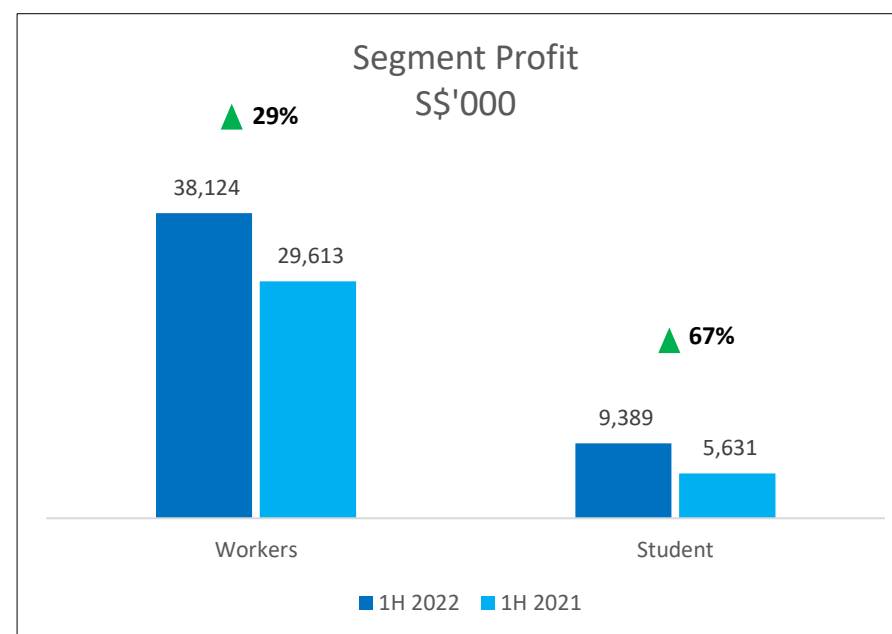
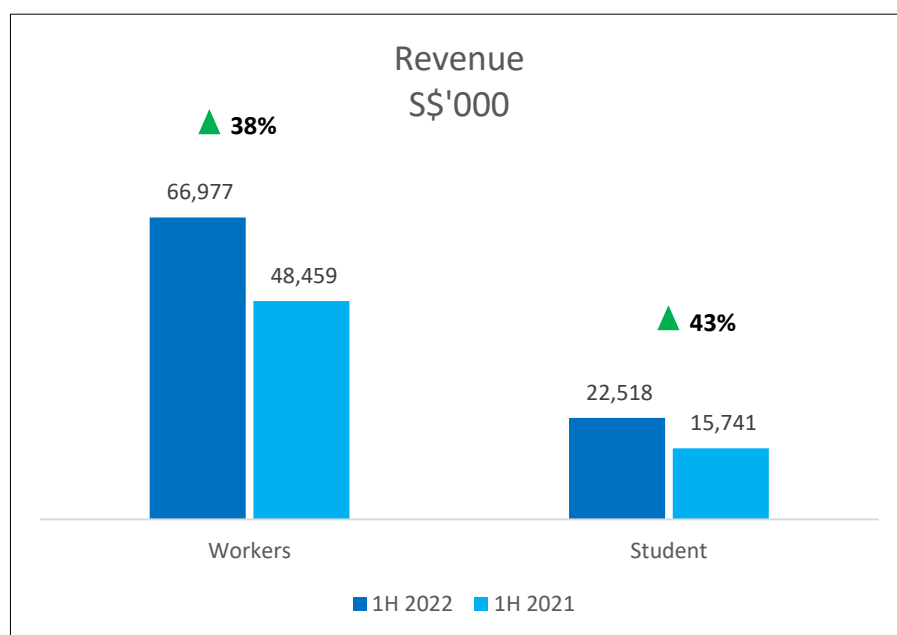
Note:

1. Net Profit (Equity holders) = Profit attributable to equity holders, which excludes the 49% interest in ASPRI-Westlite Papan.

Segment Breakdown

Accommodation Business Results in 1H 2022

S\$'000	Accommodation					
	Workers			Student		
	1H 2022	1H 2021	Change	1H 2022	1H 2021	Change
Revenue	66,977	48,459	▲ 38%	22,518	15,741	▲ 43%
Segment Profit	38,124	29,613	▲ 29%	9,389	5,631	▲ 67%
Segment Margin	57%	61%	▼ -4pp	42%	36%	▲ 6pp



Balance Sheet Highlights

S\$'000	30 Jun 2022	31 Dec 2021	Change %
Cash & Bank Balances	60,602	67,493	▼ -10%
Current Assets	87,989	96,630	▼ -9%
Non Current Assets	1,464,203	1,486,084	▼ -1%
Total Assets	1,552,192	1,582,714	▼ -2%
Current Liabilities	138,623	136,844	▲ 1%
Non Current Liabilities	724,975	768,551	▼ -6%
Total Liabilities	863,598	905,395	▼ -5%
Net Assets	688,594	677,319	▲ 2%
Net Gearing Ratio ¹	46%	47%	▼ -1pp

- ❑ **Healthy Balance Sheet** – S\$60.6m in cash and bank balances
- ❑ **Cash and bank balances** – decrease largely due to payment of borrowings and dividend to equity holders
- ❑ **Current Liabilities** – increase due to provision for corporate tax with higher taxable profits. The Group has sufficient cash resources and banking facilities available totaling S\$178.9m to meet its current liabilities
- ❑ **Net Assets** – increase mainly due to higher profits arising from increased revenue
- ❑ Average long term bank debt maturity profile of 6 years
- ❑ Interest cover is well within interest cover threshold at 4.6 times

Key Ratios

S\$'000	30 Jun 2022	30 Jun 2021
Earnings Per Share	3.91¢	1.04¢
Earnings Per Share From core business operations ¹	3.44¢	2.42¢
NAV Per Share	79.60¢	73.95¢
Share Price	35.00¢ ²	33.50¢ ³
Dividend	0.5¢ ⁴	-
Market Capitalisation	S\$294m ²	S\$282m ³

Notes:

1. Excluding one-off items
2. As at 30 June 2022
3. As at 30 June 2021
4. The Board has declared an interim dividend of 0.5 Singapore cent per ordinary share for FY 2022 (equivalent to 2.83 Hong Kong cents per ordinary share)



Business Review

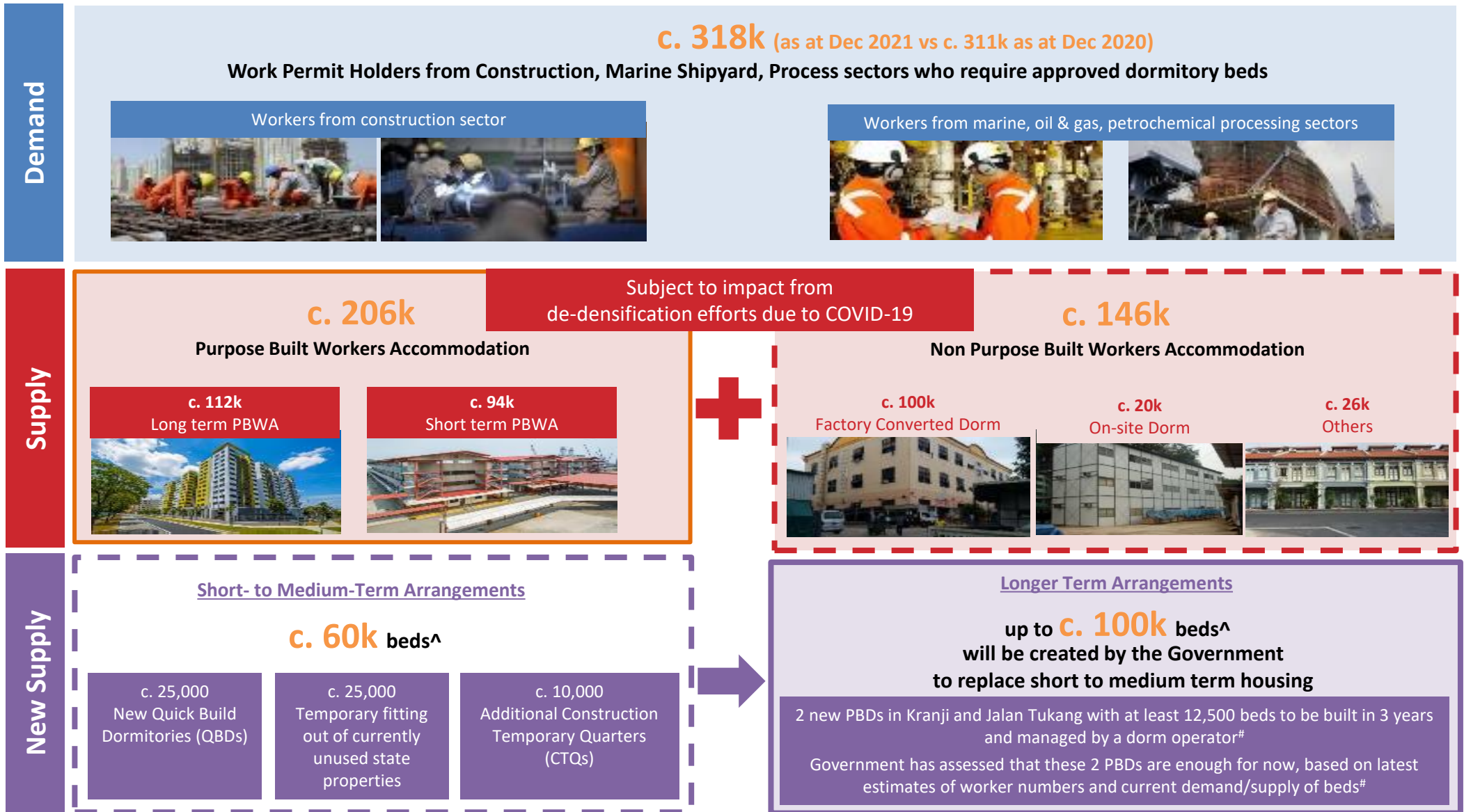




Purpose Built Workers Accommodation



Workers Accommodation Landscape - SG



Source: Singapore Ministry of Manpower (as at Dec 2021), Channel News Asia, The Straits Times, Centurion research

[^] [Joint MND-MOM Media Release on New Dormitories with Improved Standards for Migrant Workers - 1 Jun 2020](#)

[#] [MOM, MND, MOH - Improved Standards For New Migrant Worker Dormitories To Strengthen Public Health Resilience And Enhance Liveability - 17 Sep 2021](#)

Workers Accommodation – Portfolio at a glance

Singapore – 9 Properties (33,898 beds)



**ASPRI-Westlite Papan
(51% owned)**



Westlite Toh Guan*



**Westlite Mandai
(45% owned)**



Westlite Woodlands



Westlite Juniper



Westlite Kranji Way



Westlite Tuas Avenue 2



Westlite Jalan Tukang



Westlite Tuas South Boulevard

Orange = Quick Build Dormitories

Workers Accommodation



Singapore

- Average financial occupancy of 5 PBDs was 96% for 1H 2022 vs 82% for 1H 2021
- Including 4 QBDs, of which two commenced operations in 2H 2020 and two commenced operations in 2021, the average financial occupancy of all 9 PBWAs was 97% for 1H 2022
- The financial occupancy improved in tandem with the resumption of arrivals for dormitory-bound work pass holders with the reopening of the Singapore economy
- New specifications for existing dormitories are expected to be announced in 2022
 - taking into consideration constraints of current built infrastructure, with time and support extended by the authorities for the industry to achieve the desired state
- Onboard Centres management services contract due to expire in Sep 2022
- The Group remains vigilant to safeguard against potential outbreaks of new variants of COVID-19 and other viruses
 - continues to care for the physical, mental and social well-being of all its residents

Workers Accommodation – Portfolio at a glance (cont'd)

Malaysia – 8 Properties (25,099 beds)



**3,321
Beds**

Freehold

Westlite Bukit Minyak*



**3,020
Beds**

Freehold

Westlite Senai II*



**3,480
Beds**

**99
Years
wef 2013**

Westlite Johor Tech Park*



**4,286
Beds**

Freehold

Westlite Tampoi*



**1,210
Beds**

Freehold

Westlite Senai*



**1,786
Beds**

**60
Years
wef 2000**


Westlite Tebrau* ^



**1,776
Beds** + **176
Beds**

**99
Years
wef 1986** + **9
Years
wef 2019**

Westlite Pasir Gudang*



**6,044
Beds**

**21+9
Years
wef 2020**

Westlite – PKNS Petaling Jaya

*Post reconfiguration works to comply with Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("Act 446") with effect from 1 Jan 2022

^ 688 beds added in 2Q 2022 following completion of asset enhancement works

Workers Accommodation



Malaysia

- Average financial occupancy of 8 PBWAs was 70% for 1H 2022 vs 80% for 1H 2021
- Demand for quality and well-planned workers' accommodations expected to increase as employers move to comply with Act 446
 - Johor, Penang, and Selangor are top three states with highest number of foreign workers in manufacturing sector, which dominates the number of foreign workers, with about 35% of the country's estimated 2 million foreign workforce¹
- In 2Q 2022, the Group completed asset enhancement works at Westlite Tebrau and added 688 beds to the portfolio
 - following completion of reconfiguration works to comply with the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("Act 446"), the Group continually explores opportunities to grow organically by reconfiguring spaces to add bed capacity
- Migrant worker population numbers had fallen during the pandemic; recovery on-going but expected to be gradual
 - migrant workers gradually returning but the migrant workforce yet to resume to pre COVID-19 levels in 1H 2022
 - employers faced delays from procedural and technical issues in bringing in workers
 - occupancy is recovering gradually as new worker inflows progressively improve

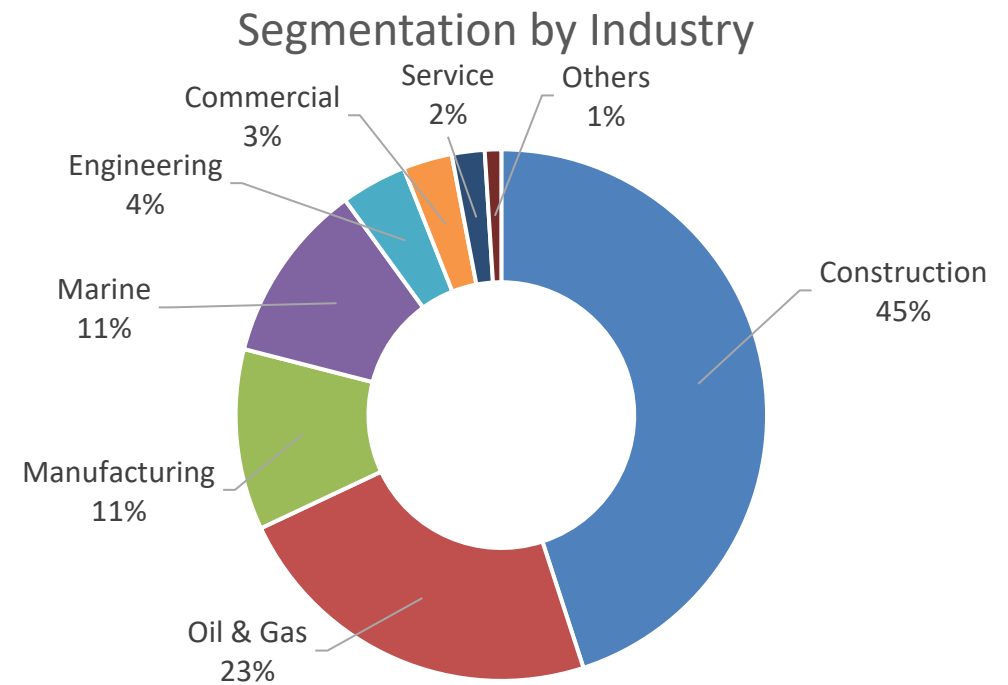
¹ ['The Changing Landscape Of Workers' Accommodations'](#), Knight Frank, November 2021

Workers Accommodation

Diversified, stable customer base

- more than 1,490 customers in Singapore and Malaysia
- serves companies from diverse industries
- ability to cater to multiple industries insulate the Group
- less affected by economic fluctuations or government policies affecting any one industry

S/N.	Industry Percentage	(%)
1	Construction	45
2	Oil & Gas	23
3	Manufacturing	11
4	Marine	11
5	Engineering	4
6	Commercial	3
7	Service	2
8	Others	1
	Total	100



^ Breakdown of workers revenue by industry for Singapore and Malaysia only

* As at 30 June 2022



Purpose Built Student Accommodation



Student Accommodation – Portfolio at a glance

United Kingdom – 10 Properties (2,807 beds)



1,003
Beds

Freehold

dwell Manchester Student Village
(MSV)



362
Beds

Freehold

dwell MSV South



145
Beds

Freehold

dwell The Grafton



140
Beds

125
Years
wef 2008

dwell Weston Court



126
Beds

Freehold

dwell Princess Street*



157
Beds

125
Years
wef 2009

dwell Hotwells House



383
Beds

250
Years
wef 2007

dwell Cathedral Campus



181
Beds

125
Years
wef 1995

dwell Garth Heads



177
Beds

Freehold

dwell Archer House



133
Beds

Freehold

dwell Castle Gate Haus^

*Changes to bed capacity due to reconfiguration of units

^ Centurion Overseas Investments Pte. Ltd. holds approximately 14.3% of the total number of units in the Centurion Student Accommodation Fund, which acquired dwell Castle Gate Haus

Student Accommodation



UK

- Average financial occupancy has improved to 90% for 1H 2022 vs 66% for 1H 2021
 - UK has lifted all COVID-19 travel restrictions and international students have been able to travel more easily into the UK
 - international student arrivals recovering as travel restrictions are lifted
- UK continues to attract international students
 - UK higher education providers hosted 605,130 international students in AY2020/21, which is 8.7% higher than AY2019/20 , hitting its target of 600,000 international students a decade earlier than its 2030 commitment¹
- Pre-leasing for AY2022/23 is ongoing and bookings for the academic year commencing August 2022 are strong
- In May 2022, the Group announced the proposed acquisition of a 103-bed freehold PBSA asset, which will add a 3rd PBSA asset to the Group's 2 existing assets in Nottingham
 - acquisition is expected to be completed in 4Q 2022

¹ ['UK Meets Target of 600,000 International Students Ten Years Earlier Than Planned'](#), Erudera College News, 25 January 2022

Student Accommodation – Portfolio at a glance (cont'd)

Australia – 2 Properties (920 beds)



dwell Village Melbourne City



dwell East End Adelaide*

South Korea – 1 Property (208 beds)



**dwell Dongdaemun
(55% owned)**

*Changes to bed capacity due to reconfiguration of units

Student Accommodation



Australia

- Average financial occupancy of the Group's two assets improved to 58% for 1H 2022 vs 27% for 1H 2021
 - borders re-opened since Dec 2021 and international students were welcomed back into the country
- There have been delays in the issuance of student visas but the Australian government is making efforts to improve the issuance of visas
 - international students are gradually returning throughout the term as visas were approved
- Bookings for 2nd semester commencing August are healthy and the demand recovery trend is expected to continue into 2023



South Korea

- Strong recovery with financial occupancy of 82% for 1H 2022 vs 55% for 1H 2021
 - expects continued recovery with robust pre-leasing for the second semester of the academic semester commencing August 2022

Student Accommodation – Portfolio at a glance (cont'd)

United States# - 6 Properties (2,145 beds)



dwel Logan Square



dwel Tenn Street



dwel The Towers On State



dwel The Statesider



dwel Stadium View



dwel College & Crown

Centurion Overseas Investments Pte. Ltd. holds approximately 28.7% of the total number of units in the Centurion US Student Housing Fund, which acquired all 6 US properties

Student Accommodation



US

- The average financial occupancy for 1H 2022 remained healthy and stable as compared to 1H 2021
- The US PBSA assets have been put up for sale as the Centurion US Student Housing Fund comes to the end of its term
- The Fund is in the process of reviewing bids



Looking Ahead



Looking Ahead



Managing Operating Performance



Global economy is on track to recover from COVID-19, with the normalisation of international travel and the numbers of migrant workers and students returning to geographical territories where Centurion operates

Inflationary pressures and rising interest rates will add to operating costs and financing expenses, which Centurion expects will be offset by positive rental rate reversions across its markets

Navigating the Evolving Landscape



Centurion will continue to calibrate its assets, spaces and operations, adjusting to market shifts and regulatory changes, to improve pandemic management resilience and ensure the well-being of its worker and student residents

Seeking Synergistic Growth



Centurion will continue its strategic review of its specialized accommodation portfolio, and seek opportunities for strategic global expansion through investments in synergistic assets and businesses to deliver sustainable, long-term value to shareholders



Thank You

For any enquiries, please contact:
Investor Relations Manager
Mr George Goh
george.goh@centurioncorp.com.sg
Tel: +65 6745 3288
W: www.centurioncorp.com.sg

