



Centurion Corporation Limited

3Q 2020 Business Updates

13 November 2020



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Business Overview



Performance Highlights

Revenue

3Q 2020 **S\$29.4m**

▼ 11% from S\$33.1m in 3Q 2019

9M 2020 **S\$96.0m**

▼ 1% from S\$97.3m in 9M 2019

Financial Occupancy



PBWA

87.5%¹ for 9M 2020

85.6%² for 9M 2019

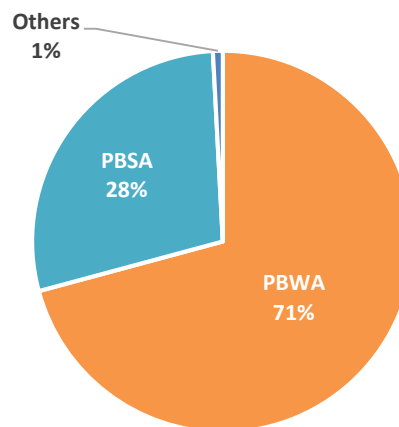


PBSA

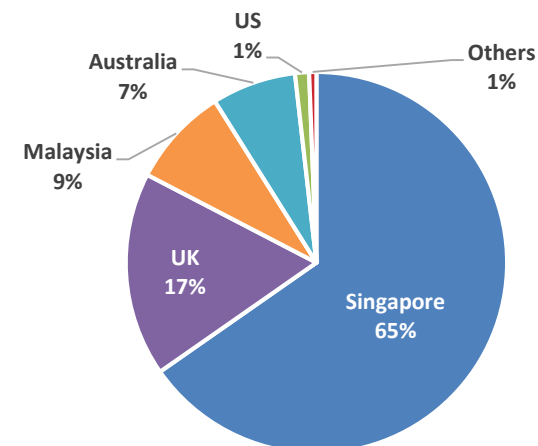
67.1%³ for 9M 2020

84.8%^{2,3} for 9M 2019

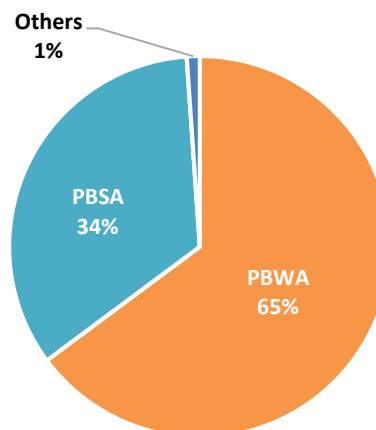
9M 2020 Revenue by Business Segment



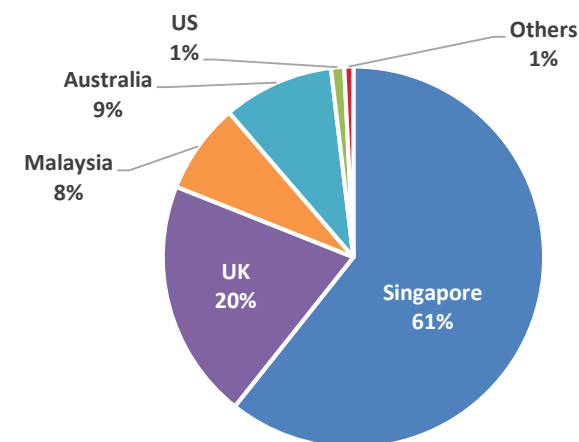
9M 2020 Revenue by Country



9M 2019 Revenue by Business Segment



9M 2019 Revenue by Country



Note:

¹ Occupancy excludes Westlite Kranji Way, a Quick Build Dormitory (QBD) which commenced operations in late September where occupancy is ramping up

² Includes assets under ramp-up stages in 2019 for comparison purposes (Westlite Bukit Minyak, dwell East End Adelaide, dwell Village Melbourne City and dwell Dongdaemun)

³ Occupancy excludes US where the properties are held under a private fund structure;

Performance Highlights



9M 2020 revenue is stable with only 1% decline.
11% reduction in 3Q 2020 revenue YOY was due to



Lower contributions mainly from

- UK student accommodation assets
- dwell Village Melbourne City

where occupancies were affected by COVID-19 since 2Q 2020



Mitigated by revenue contributions from

- dwell Archer House in the UK added in 2019
- management fees from managing JTC workers dormitories in 2020

Prudent capital management and ample liquidity



Total Assets
S\$1.5b



Total Borrowings
S\$0.7b



**Cash and undrawn
committed facilities**
S\$191m



Net Gearing Ratio
48%¹



Interest Cover Ratio
3.8x²



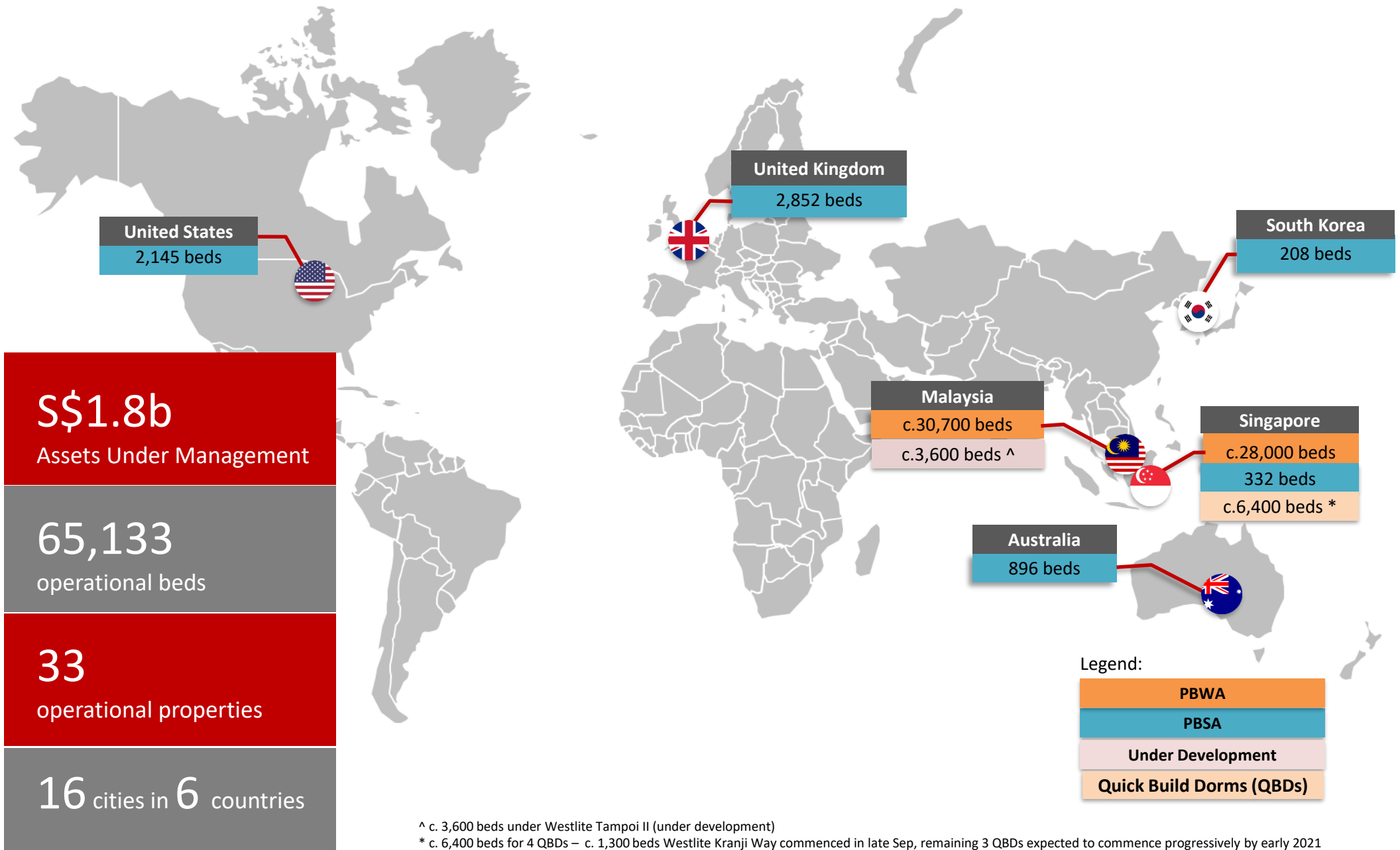
Average debt maturity
7 years

Note:

¹ Net gearing ratio is computed as borrowings less cash and bank balances divided by total capital. Total capital is calculated as borrowings plus net assets of the Group.

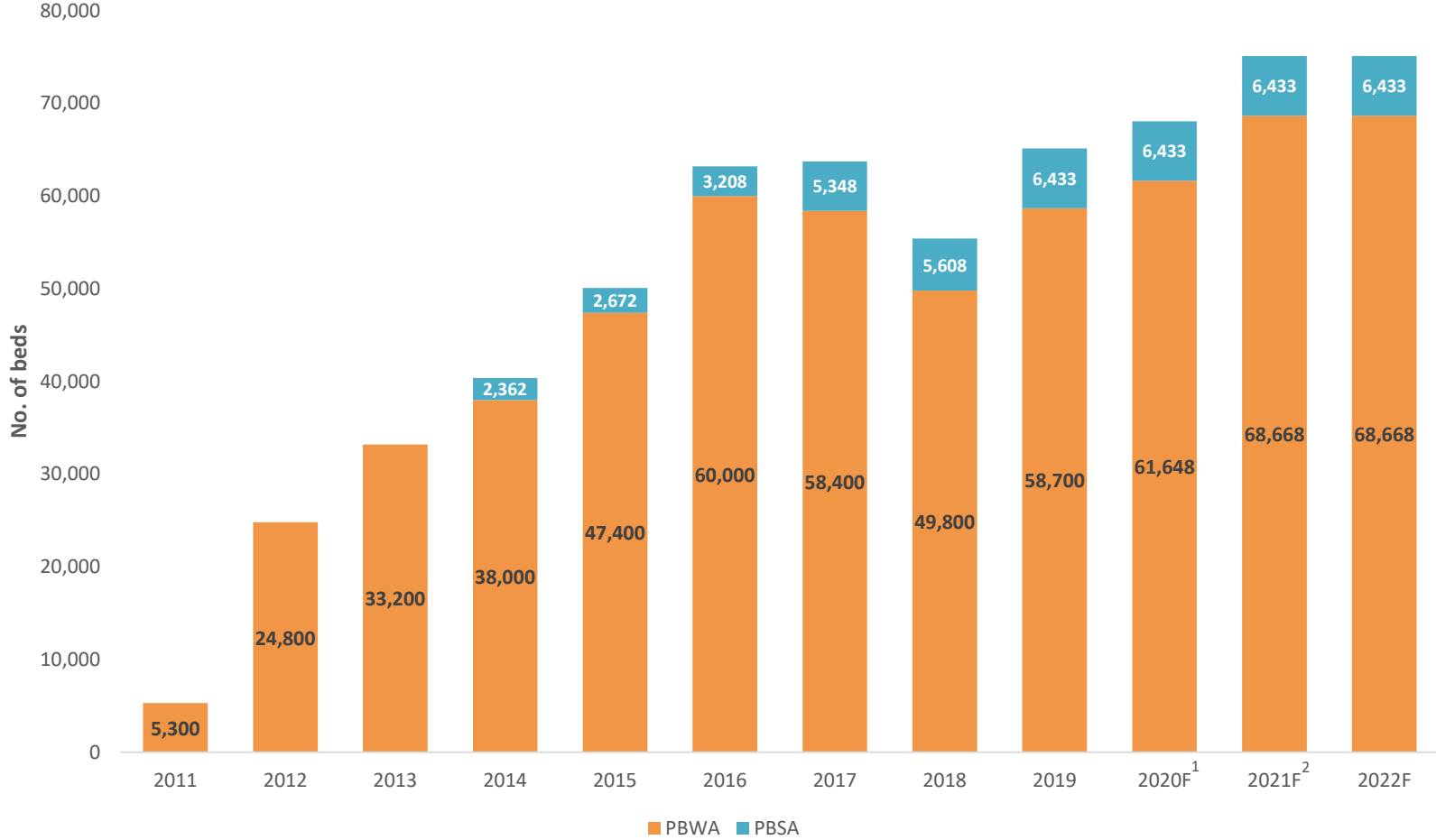
² Excluding interest on lease liability required under FRS116 and bank facility fees

Diversified Business Portfolio across Geography and Asset Type



Accommodation Growth Profile

Accommodation Portfolio - Bed Capacity



Note:
 1. Includes 3 QBDs commencing by end 2020
 2. Includes Westlite Tampoi II c.3,600 beds under development and all 4 QBDs

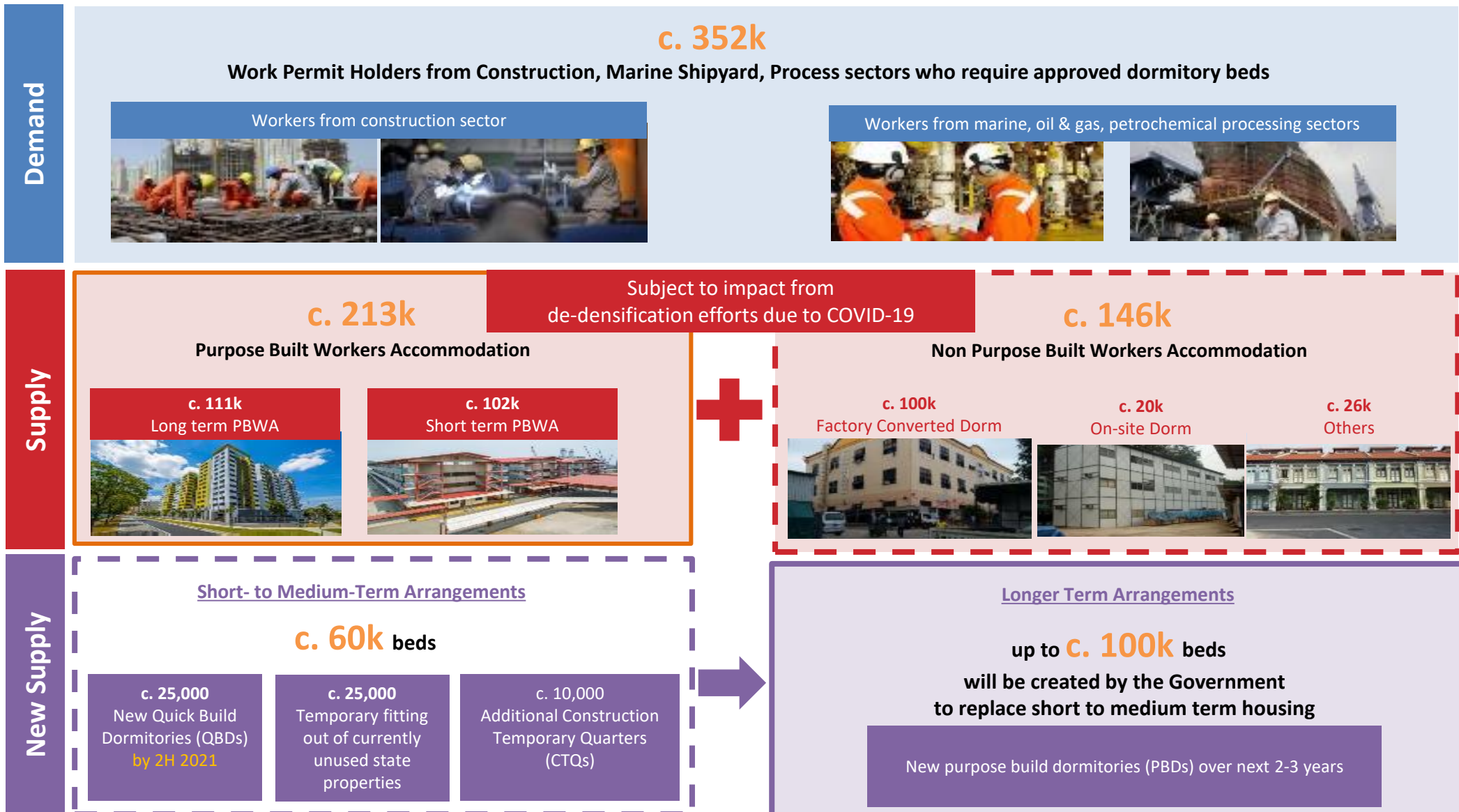


Business Review by Markets



Workers Accommodation Landscape - SG

Expected new supply of PBWA beds due to COVID-19[^]



Source: Singapore Ministry of Manpower (as at Jun 2020), Channel News Asia, The Straits Times, Centurion research

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

Workers Accommodation



Singapore

- Successfully secured a tender by JTC Corporation to lease and manage up to 6,400 beds in 4 new Quick Build Dormitories (QBD)
- 1st of 4 QBDs, Westlite Kranji Way, commenced operations in late September - as at 31 Oct 2020, physical occupancy of 35% and committed leases ~86% out of 1,300 beds
- Remaining 3 QBDs expected to commence progressively by early 2021
- Continues to enhance pandemic management capabilities and operations for safety of residents, resulting in continued higher operational costs
- Financial occupancy remains stable but receivables have increased due to the economic knock-on effect on the Group's employer-clients, in particular SMEs
- Anticipates payment and collection delinquencies to be higher than pre-COVID times
- On-going discussions with government agencies on new PBD specifications, regarding implementation to existing dormitories in the future
- Continue to be pursue opportunities from the government's plans to develop up to 25,000 QBDs beds and 100,000 PBD beds



Malaysia

- Dormitories located in Johor and Penang - no reported COVID-19 case so far despite surge in cases
- Financial occupancy continues to be stable
- Remain vigilant on safety measures and been working with local authorities/employers to facilitate precautionary measures
- Amendment to the Worker's Minimum Standards of Housing and Amenities Act requires employers to provide quality housing to migrant workers effective 1 September 2020 - employers have till 31 December 2020 to comply
- In the process of certifying properties to fulfil requirements under the new Act
- Resumed development of 3 additional blocks, adding c. 3,600 beds adjacent to existing Westlite Tampoi dormitory - expected completion in 1Q 2021
- Optimistic as demand for quality PBWA is expected to be strong, due to the amendment to the Worker's Minimum Standards of Housing and Amenities Act

Student Accommodation



UK

- Occupancy in 3Q, normally the summer lull, impacted due to the early lease termination offer for AY19/20
- Despite gradual lifting of travel restrictions and resumption of on-campus activities, COVID-19 situation remains fluid - cities such as Manchester continue to record high COVID-19 infections
- While demand from international students remain uncertain, domestic demand remains robust
- Implemented flexible leases allowing students to defer their stay when planned travel or university programmes are affected to attract/retain lease commitments
- Occupancy gradually recovering across the UK assets except in Manchester where the COVID-19 outbreak continues unabated



US

- Assets less impacted by COVID-19 travel restrictions, as properties cater mainly to domestic interstate and intra-state students
- Occupancy remained healthy despite the uncertain COVID-19 situation



Australia

- Universities effected blended or on-campus programmes and students are returning to campuses in Adelaide
- Victoria just emerging from 2nd lockdown and demand for student accommodation continues to be affected in Melbourne
- With recently announced plans for a travel bubble between countries, international student demand expected to recover gradually



Singapore

- Affected by the outbreak with few international students arrivals in 2020
- During this period, bed capacity at dwell Selegie reduced to from 332 to 240 in compliance with Singapore Land Authority directives and safe living measures
- Occupancy rate in 3Q compressed due to travel restrictions, and fewer foreign student visas issued



South Korea

- Efforts to ramp up this newly acquired asset curtailed as universities ceased exchange and language programmes due to COVID-19
- Refocused efforts to include local professionals



Looking Ahead



Looking Ahead

Group's business has been disrupted by COVID-19, mitigated by



- government subsidies
- bank moratoria
- low interest rate environment

Necessary pre-emptive measures taken



- enhance management and operational efficiencies
- costs reduction & deferred discretionary capital expenditure to conserve cash
- enlarge portfolio and revenue potential prudently through asset-light opportunities

In the face of COVID-19 uncertainties



- prepared for further headwinds
- remain confident in the fundamentals of our business and the resilience of our asset classes in the long term



Portfolio at a glance



Workers Accommodation – Portfolio at a glance

Singapore – 9 Properties (incl 3* under development)



7,900
Beds

23
Years
wef 2015

ASPRI-Westlite Papan
(51% owned)



7,800
Beds

60
Years
wef 1997

Westlite Toh Guan



6,300
Beds

Freehold

Westlite Mandai
(45% owned)



4,100
Beds

30
Years
wef 2013

Westlite Woodlands



1,900
Beds

10+5
Years
wef 2019

Westlite Juniper



1,300
Beds

3+1
Years
wef 2020

Westlite Kranji Way



3,420
Beds

3+1
Years
wef Jan 2021*

Westlite Jalan Tukang



1,020
Beds

3+1
Years
wef Dec 2020*

Westlite Tuas Avenue 2



628
Beds

3+1
Years
wef Dec 2020*

Westlite Tuas South Boulevard

*Expected commencement date. Orange = Quick Build Dormitories.

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

Malaysia – 7 Properties



6,600
Beds

Freehold

Westlite Bukit Minyak



5,900
Beds

Freehold

Westlite Senai II



5,800
Beds

99
Years
wef 2013

Westlite Johor Tech Park



5,300
Beds

Freehold

Westlite Tampoi



2,600
Beds

Freehold

Westlite Senai



2,100
Beds

60
Years
wef 2000

Westlite Tebrau



2,000
Beds + **400**
Beds

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

Westlite Pasir Gudang

Student Accommodation – Portfolio at a glance

United Kingdom – 11 Properties



1,017
Beds

Freehold

dwell Manchester Student Village (MSV)



383
Beds

250
Years
wef 2007

dwell Cathedral Campus



355
Beds

Freehold

dwell MSV South



181
Beds

125
Years
wef 1995

dwell Garth Heads



177
Beds

Freehold

dwell Archer House



157
Beds

125
Years
wef 2009

dwell Hotwells House



145
Beds

Freehold

dwell The Grafton



140
Beds

125
Years
wef 2008

dwell Weston Court



127
Beds

Freehold

dwell Princess Street



37
Beds

125
Years
wef 2009

dwell Beechwood House



133
Beds

Freehold

dwell Castle Gate Haus^

[^] 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 – Portfolio at a glance (cont'd)

Australia – 2 Properties



dwell Village Melbourne City



dwell East End Adelaide

Singapore



dwell Selegie

Korea



dwell Dongdaemun
(55% owned)

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

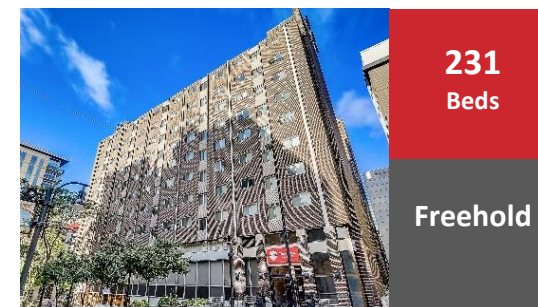
United States# - 6 Properties



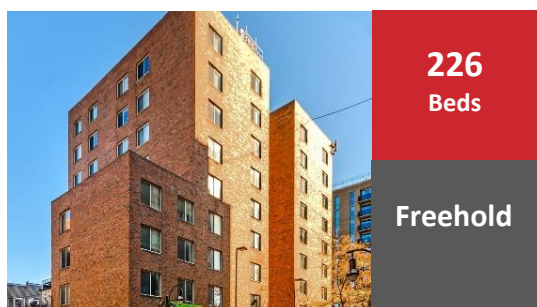
dwell Logan Square



dwell Tenn Street



dwell The Towers On State



dwell The Statesider



dwell Stadium View



dwell 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



Thank You

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