



Centurion Corporation Limited

(Incorporated in the Republic of Singapore with limited liability)
(Co. Reg. No.: 198401088W)

1H 2023 Financial Results

10 August 2023



DISCLAIMER

This Presentation should be read in conjunction with the Company's 1H 2023 Unaudited Financial Statement Announcement for the period ended 30 June 2023.

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 consistently high occupancy rates and stable bed rates
- A thriving **student accommodation business** in major global education hubs with **17** operating assets in Australia, the UK and US
 - high occupancy rates on the back of strong and stable demand
 - established investment management platform to manage US student accommodation assets for third party investors
- Operating a quality portfolio through **two established and professional brands**



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

Note: * Euromonitor report, 2017

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 19 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 27 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 26 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 31 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 21 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 5,800-bed Westlite Johor Technology Park
Acquired RMIT Village in Melbourne, Australia
Opened 6,300-bed Westlite Mandai, Singapore
Acquired four PBSA 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, Australia
Acquired 127-bed dwell Princess Street in Manchester and 133-bed Castle Gate Haus, Nottingham, UK and 208-bed dwell Dongdaemun (55% stake), South Korea



Secured 3+1 year master lease to operate 4 QBDs from JTC Corporation (c.6,400 beds)
Secured 21+9 year master lease to operate Westlite PKNS Petaling Jaya (approx. 6,044 beds) from Selangor State Development Corporation



Received certification of ACT 446 compliance from JTKSM for Westlite Malaysia properties
AEIs completed at Westlite Tebrau adding c.688 beds and also at Westlite Tampoi adding c.1,214 beds



1984

2011

2012

2014

2015

2016

2017

2018

2019

2020

2021

2022

2023

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 land plot in Port Hedland Western Australia



Awarded tender to operate 332-bed PBSA, dwell Selegie, Singapore
Completed 4,100-bed Westlite Woodlands PBWA asset



Launched the Group's student accommodation brand: "dwell"
Acquired development site at Adelaide
Dual primary listed in HKEX in Dec 2017 (SEHK code: 6090)
6 US assets acquired by Group's first private fund (28.7% share)



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



Secured management contracts from MOM for 2 Onboard Centres
Commenced AEI at Westlite Toh Guan to redevelop 1 block
Development of 3 new blocks adjacent to existing Westlite Tampoi
Acquired and retro-fitted 2 blocks adjacent to Westlite Pasir Gudang

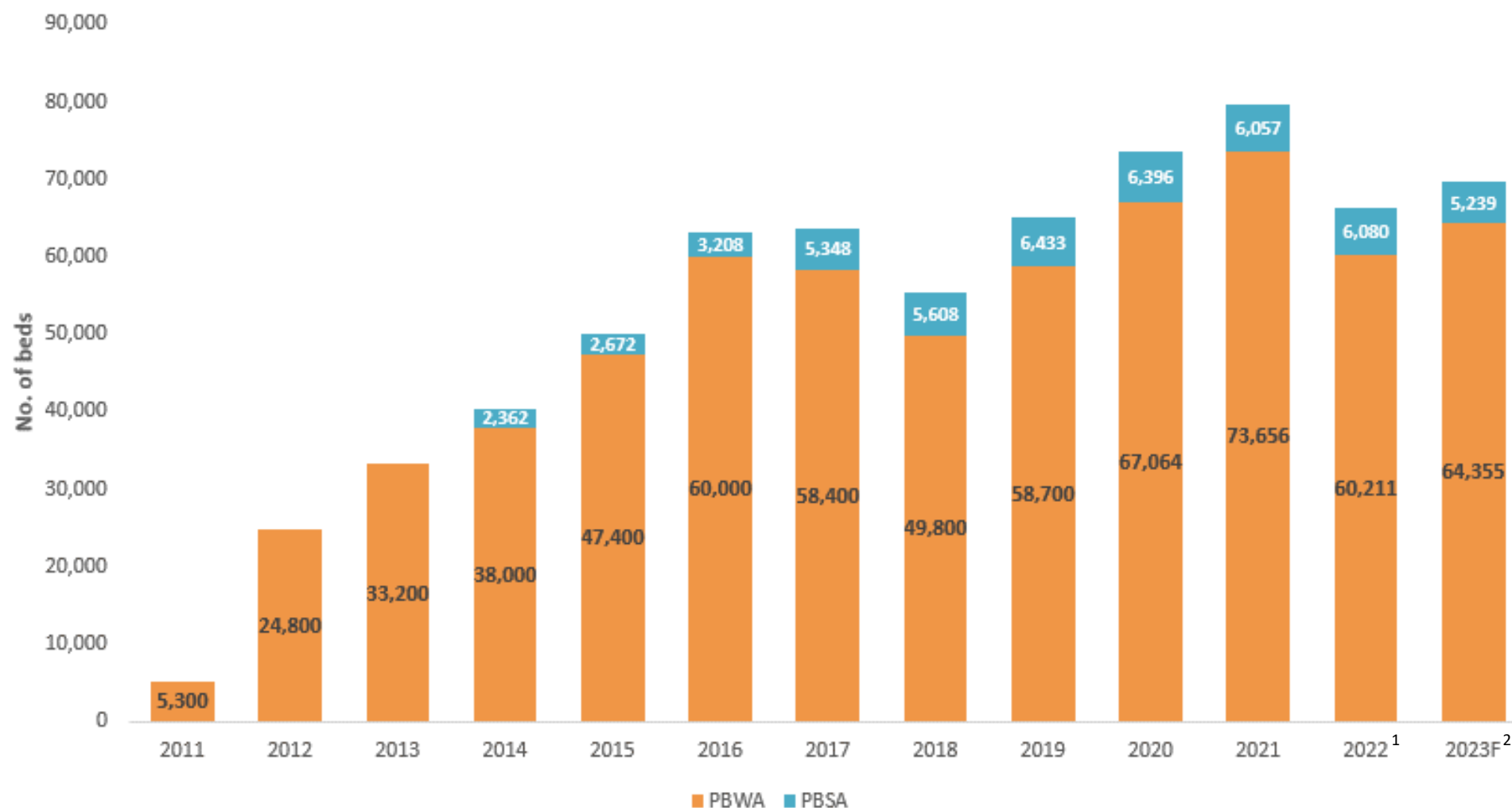


Awarded JTC tender to build and operate 1,650 bed PBD at Ubi Ave 3 Singapore
MOM approved 888-bed uplift at Westlite Tuas Ave 2 and Westlite Jalan Tukang
Management contract secured for 2,196-bed Westlite Cemerlang in Johor, Malaysia
AEI commenced at Westlite Senai to add c.770 beds



Accommodation Growth Profile

Accommodation Portfolio - Bed Capacity



Note:

1. Bed capacity for PBWA in Malaysia reduced to c.24,411 beds in 1 Jan 2022 to comply with Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("Act 446"). Following completion of AElS, 688 beds were added at Westlite Tebrau in 2Q 2022, and 1,214 beds were added at Westlite Tampoi in 4Q 2022.
2. Westlite Tampoi added 290 beds in 1 Q 2023. Westlite Tuas Ave 2 and Westlite Jalan Tukang added 888 beds in 2Q 2023. The Group secured a 10 + 5-year management contract for a 2,196-bed PBWA, Westlite Cemerlang in Johor, which is expected to commence operations in 4Q 2023. AEl commenced at Westlite Senai, to add c.770 beds on completion, expected by 3Q 2023. During 1H 2023, the Group had disposed of dwell Dongdaemun, and CUSSH had disposed of dwell Tenn Street.

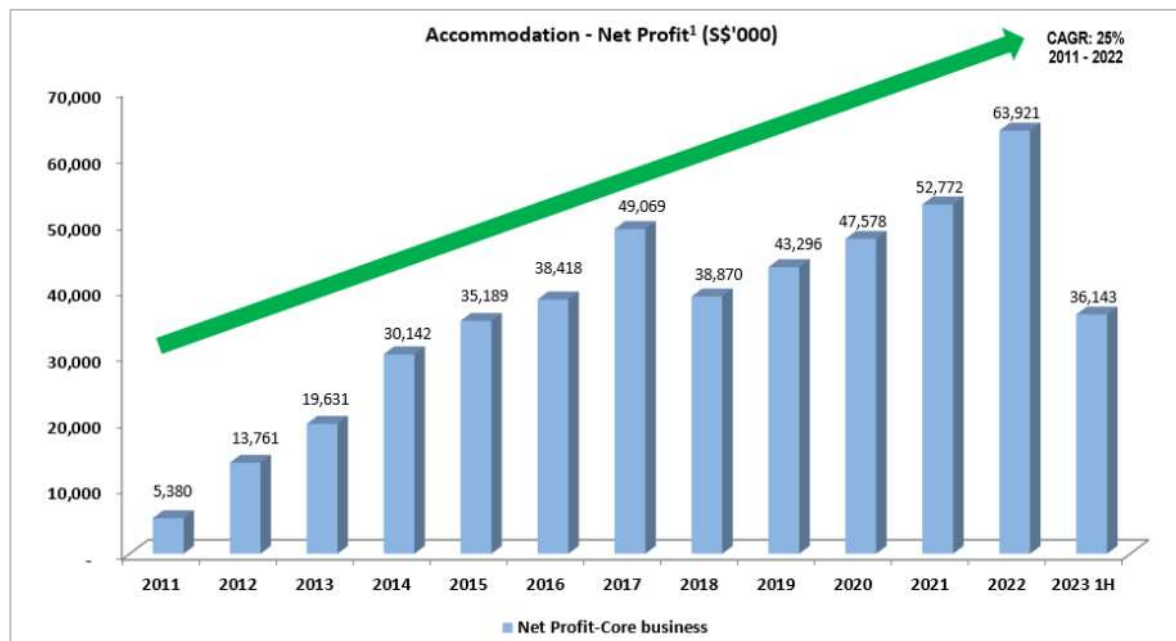
Financial Growth of Accommodation Business



Proven and reliable ability to generate **quality earnings** from specialized accommodation assets, despite pandemic challenges and macroeconomic headwinds.

27% CAGR in Revenue

from Core Business Operations
between 2011 to 2022



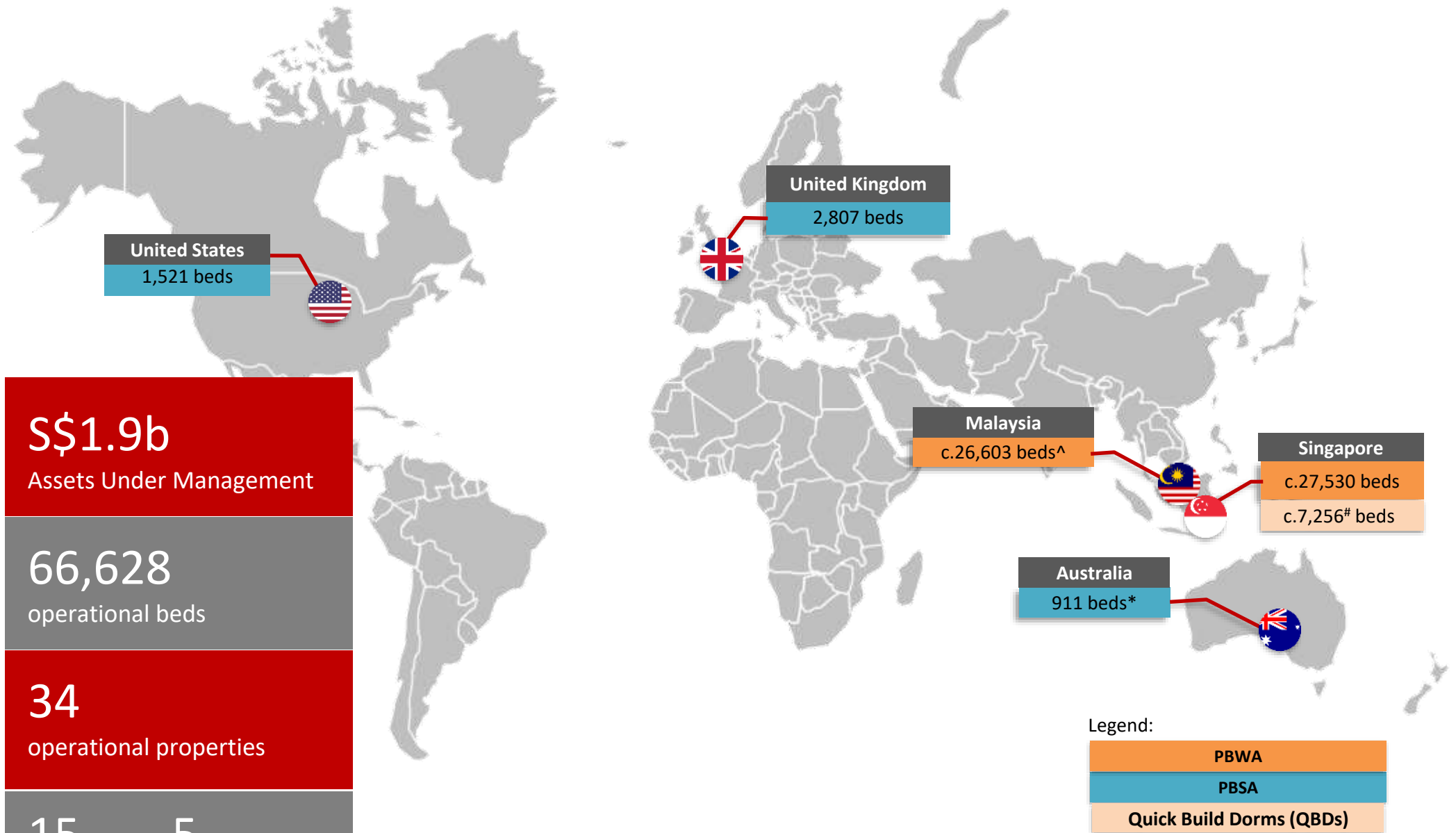
25% CAGR in Net Profit

from Core Business Operations
between 2011 to 2022

Note:

1. From core business operations

Diversified Business Portfolio across Geography and Asset Type



\$1.9b

Assets Under Management

66,628

operational beds

34

operational properties

15 cities in **5** countries

[^] Westlite Tampoi received JTKSM permit allowing an increase of 290 beds in 1H 2023.

^{*} Reduction of 9 beds in 1H 2023 following reconfiguration of selected apartments into room formats in Melbourne and Adelaide.

[#] Increase of 684 beds in Westlite Jalan Tukang and 204 beds in Westlite Tuas Ave 2 respectively in 1H 2023 following an approval received from JTC for a bed capacity uplift



Financial Review



FY 2023 Key Performance Highlights

Revenue
S\$97.9m

▲ 8% from S\$90.5m in 1H 2022

- Strong occupancies and positive rental revisions across all the PBWAs and PBSAs
- New managing contract for five Community Recovery Facilities that came into operations
- Partly offset by
 - Cessation of management contract of two Onboard Centres in Singapore
 - A weaker British Pound which reduced the revenue reported in Singapore dollars

NPAT(Equity holder)¹
S\$38.3m

▲ 16% from S\$32.9m in 1H 2022

- Higher revenues mainly in SG, Malaysia and Australia
- Lower cost of sales due to absence of two Onboard Centres
- Lower deferred tax from fair value adjustments
- Partly offset by
 - Lower net fair value gain on investment properties
 - Higher finance expenses from rising interest rates

Excluding Fair Value Adjustments
Net Profit from Core Business

S\$36.0m

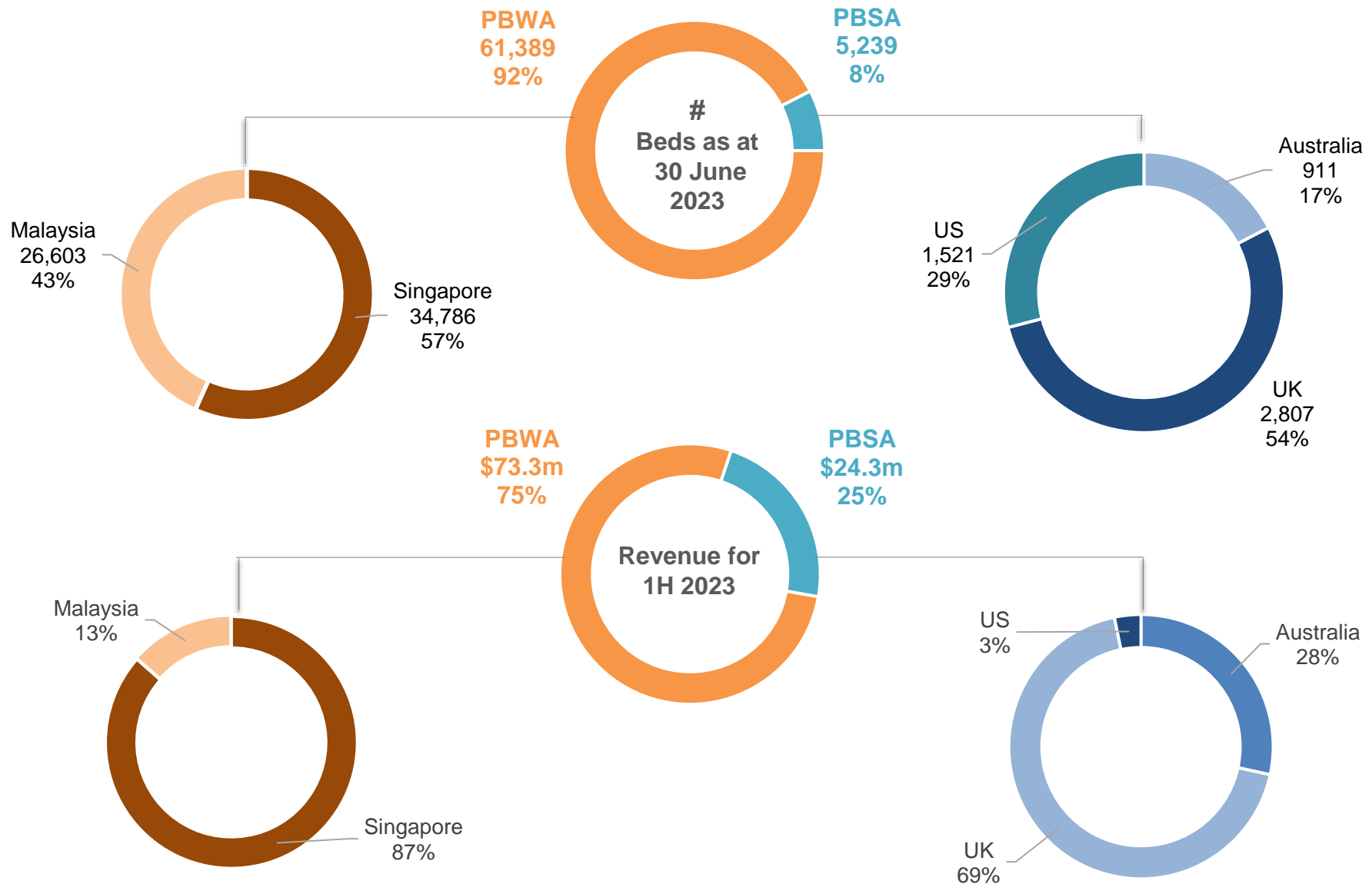
▲ 11% from S\$32.4m in 1H 2022

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 2023	1H 2022	Change %
Revenue	97,923	90,528	▲ 8%
Gross Profit	70,389	60,915	▲ 16%
Gross Profit Margin	72%	67%	▲ 5pp
Net Profit	42,393	35,073	▲ 21%
Net Profit (Equity holders) ¹	38,301	32,898	▲ 16%
Net Profit from core business	36,020	32,392	▲ 11%
Net Profit Margin	37%	36%	▲ 1pp
Net Profit from core business (Equity holders) ¹	33,043	28,958	▲ 14%

- ❑ **Revenue increased 8% to S\$97.9 million in 1H 2023** mainly due to:
 - Strong occupancies and positive rental revisions across all PBWAs and PBSAs
 - New management contract for five Community Recovery Facilities that came into operations
 - Partly offset by cessation of management contract of two Onboard Centres and a weaker British Pound which reduced the revenue reported in Singapore dollars
- ❑ **Cost of sales decreased 7% or S\$2.1 million** primarily due to absence of the Onboard Centres in 1H 2023
- ❑ **Finance expenses increased 55% or S\$6.5 million** mainly due to higher interest rate environment
- ❑ **Lower net fair value gain of S\$4.2 million in 1H 2023**
 - Lower fair value gain of Singapore and Malaysia PBWA assets in 1H 2023 as compared to fair value gain of UK and AU PBSA assets in 1H 2022; reflection of current market conditions on paths of recovery
- ❑ **Excluding fair value adjustments, Net Profit from core business (Equity holders) increased 14% in 1H 2023:**
 - Higher revenue, lower cost of sales, partly mitigated by higher interest expense

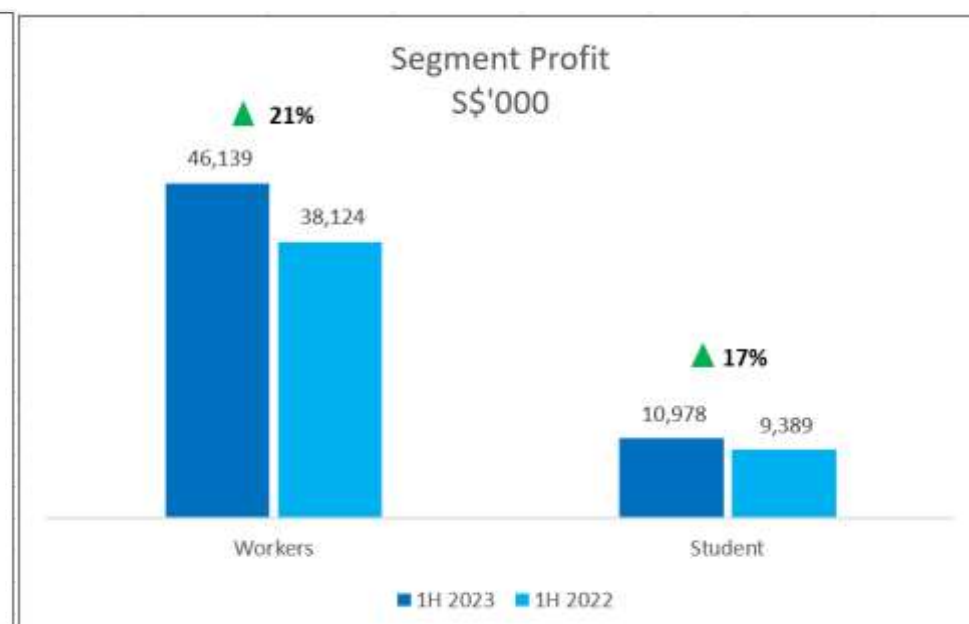
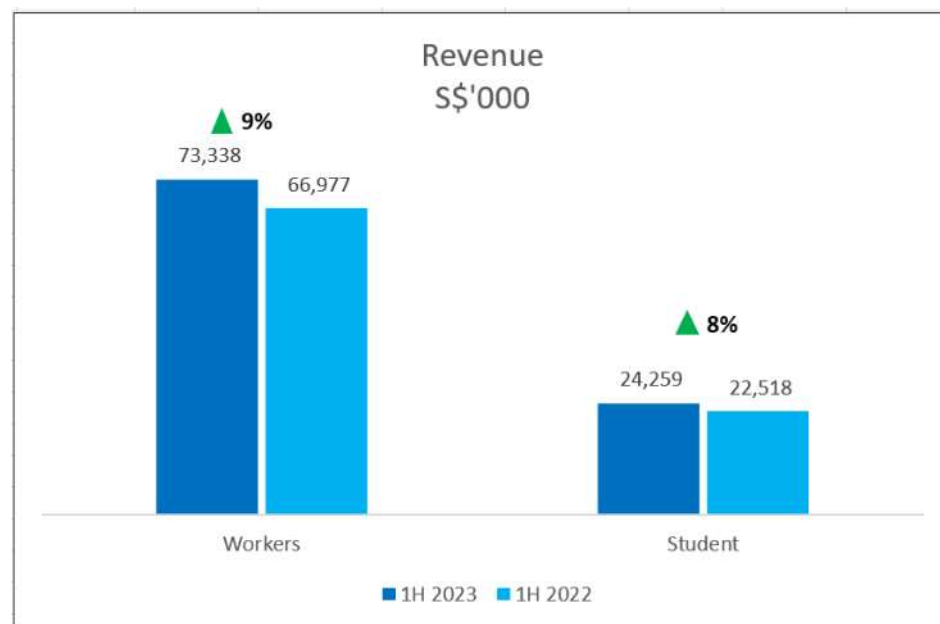
Note:

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 2023

S\$'000	Accommodation					
	Workers			Student		
	1H 2023	1H 2022	Change	1H 2023	1H 2022	Change
Revenue	73,338	66,977	▲ 9%	24,259	22,518	▲ 8%
Segment Profit	46,139	38,124	▲ 21%	10,978	9,389	▲ 17%
Segment Margin	63%	57%	▲ 6pp	45%	42%	▲ 3pp



Balance Sheet Highlights

S\$'000	30 Jun 2023	31 Dec 2022	Change %
Cash & Bank Balances	71,562	68,274	▲ 5%
Current Assets	93,162	91,757	▲ 2%
Non Current Assets	1,516,209	1,455,998	▲ 4%
Total Assets	1,609,371	1,547,755	▲ 4%
Current Liabilities	131,356	165,599	▼ -21%
Non Current Liabilities	722,856	673,668	▲ 7%
Total Liabilities	854,212	839,267	▲ 2%
Net Assets	755,159	708,488	▲ 7%
Net Gearing Ratio ¹	43%	43%	-

- ❑ **Healthy Balance Sheet** – S\$71.6m in cash and bank balances
- ❑ **Cash and Bank Balances** – increase largely due to cash generated from operating activities
- ❑ **Current Liabilities** – decrease mainly due to reclassification of borrowings which have been refinanced. The Group has sufficient cash resources and banking facilities available totaling S\$223.5m to meet its current liabilities
- ❑ **Non Current Liabilities** – increase mainly due to borrowings to finance acquisition of land at Ubi Ave 3 as well as reclassification of borrowings
- ❑ **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 3.4 times

Note:

1. The 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.

Key Ratios

S\$'000	30 Jun 2023	30 Jun 2022
Earnings Per Share	4.56¢	3.91¢
Earnings Per Share From core business operations ¹	3.93¢	3.44¢
NAV Per Share	86.59¢	79.60¢
Share Price	37.50¢ ²	35.00¢ ³
Dividend	1.0¢ ⁴	0.5¢ ⁵
Market Capitalisation	S\$315m ²	S\$294m ³

Notes:

1. Excluding one-off items
2. As at 30 June 2023
3. As at 30 June 2022
4. The Board has declared an interim dividend of 1.0 Singapore cent per ordinary share for 1H 2023 (equivalent to 5.77 Hong Kong cents per ordinary share)
5. An interim dividend of 0.5 cents per share for 1H 2022 was paid on 29 September 2022



Business Review

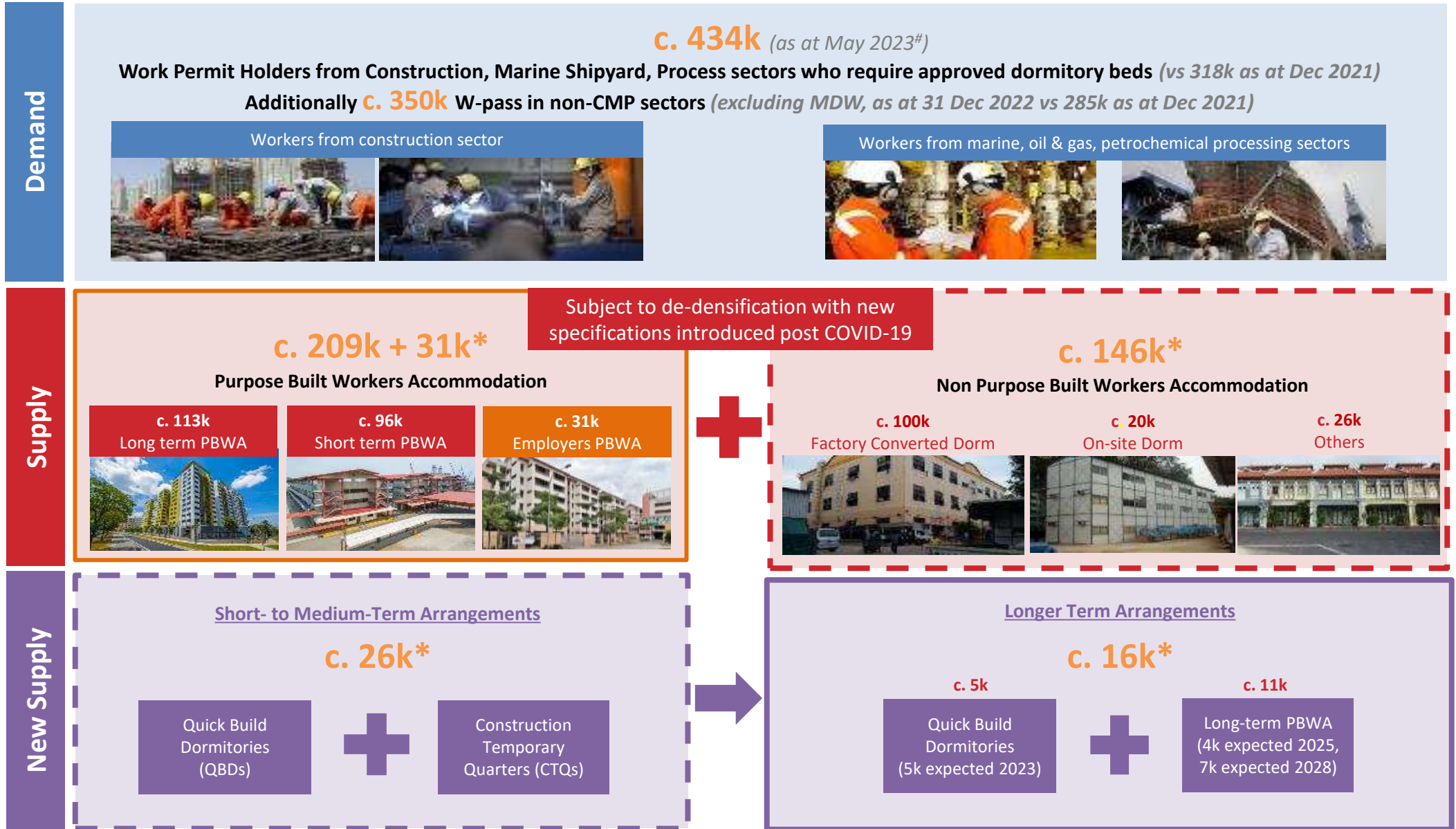




Purpose Built Workers Accommodation



Workers Accommodation Landscape - SG



[#] [Dorm rentals continue to climb, The Straits Times – 16 Jul 2023](#)

^{*} Centurion research

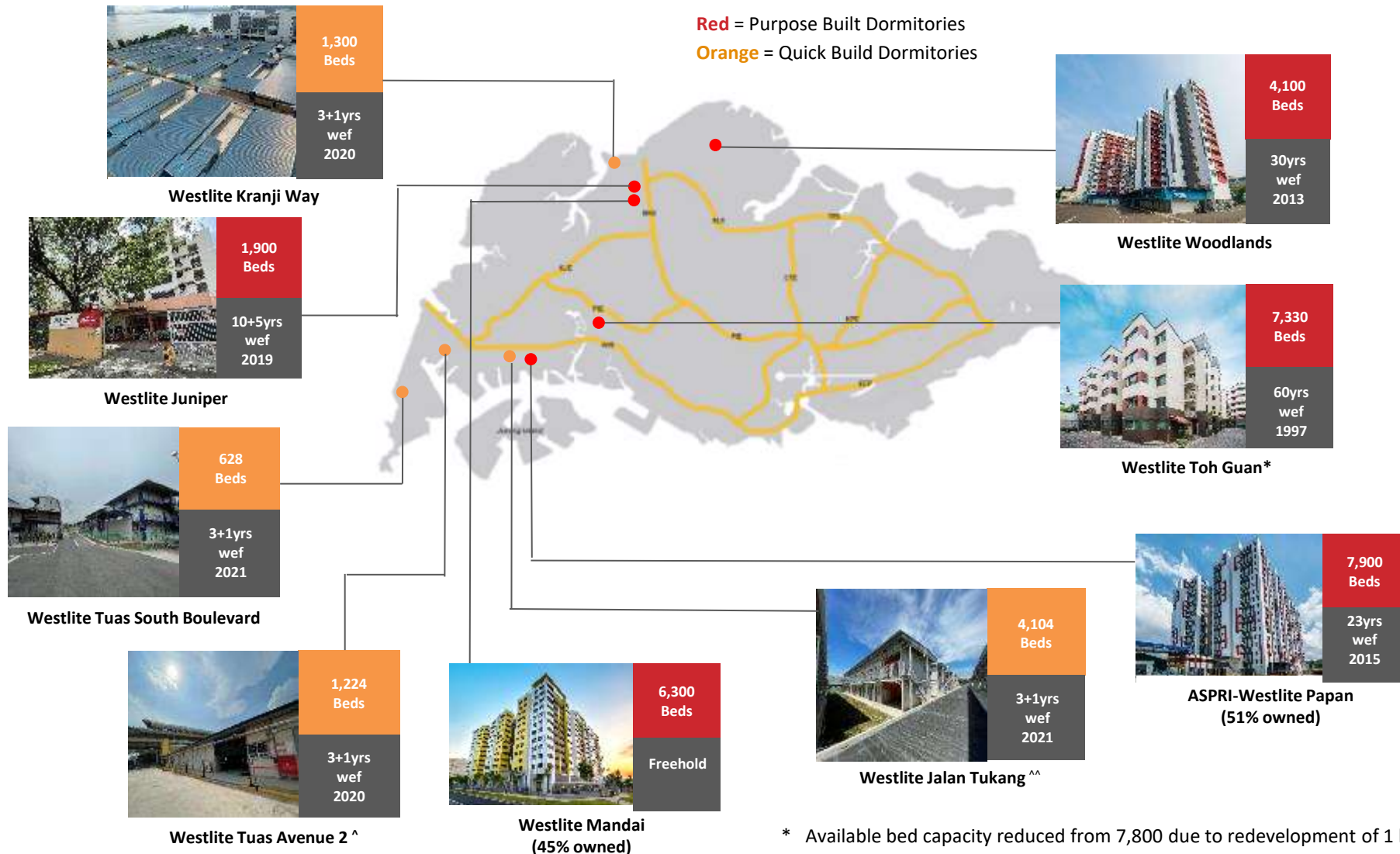
[^] [Joint MND-MOM Media Release on New Dormitories with Improved Standards for Migrant Workers - 1 Jun 2020](#)

^{^^} [MOM to set up new corporate entity to run 2 foreign worker dorms, The Straits Times, 1 Oct 2022](#)

Workers Accommodation Portfolio – Singapore



- **5** operating Purpose-Built Dormitories (PBD) assets capacity of c.**27,530** beds
- **4** operating Quick Build Dormitories (QBD) assets capacity of c.**7,256** beds
- Also operating **1** Community Recovery Centre (CRF) under management contract with MOM



* Available bed capacity reduced from 7,800 due to redevelopment of 1 block

^ Bed Capacity increased by 204 beds from 1,020 beds in Apr 2023

^^ Bed capacity increased by 684 beds from 3,420 beds in Apr 2023

Workers Accommodation



Singapore

- Average financial occupancy of 9 PBWAs was 98% for 1H 2023 vs 97% for 1H 2022
- The outlook for PBWAs continues to be positive, with healthy rental rate revisions
 - ongoing supply and demand imbalance due mainly to an increase in migrant worker population to address projects deferred during COVID-19 Pandemic (“Pandemic”)^{1, 2}
 - positive rental rate revisions began in 4Q 2022 and are being priced into new leases as existing leases expire over the year; full impact on rental revenue to emerge in upcoming 6 to 18 months
- In Jan 2023, the Group was awarded a JTC tender to develop and operate a new PBD on a 30-year land lease, through a joint venture in which Centurion holds 51%
 - situated in the east at Ubi Avenue 3, a region with high demand, under-served mainly by FCD
 - expected development completion in 2025, adding c. 1,650 beds
- In Mar 2023, the Group received approval from JTC for bed capacity uplifts at Westlite Jalan Tukang and Westlite Tuas Avenue 2, adding c. 888 beds from Apr 2023
- Also in Jan 2023, the Group secured an MOM management contract to manage 5 Community Recovery Facilities (“CRF”) for a period of 6 months, extendable up to 12 months
 - four CRFs’ leases have expired, while one has been extended for six months

1. [Improved Construction Demand Paves Way for BE sector recovery](#), Building and Construction Authority, 17 Feb 2022

2. [Dorm rentals continue to climb despite more beds](#), The Straits Times, 16 Jul 2023

Worker Accommodation Portfolio – Malaysia



- 8 operating assets with capacity of c. **26,603** beds
- Started operating in Johor before expanding into Penang and then Selangor



[^] Addition of 290 beds with JTKSM certification received in Feb 2023

^{*} Asset Enhancement Initiative in progress, to add approximately 770 beds on expected completion in 3Q 2023

^{**} Asset Enhancement Initiatives earmarked, expected to complete in 2024 and add approximately 2,720 beds upon completion

Workers Accommodation



Malaysia

- Average financial occupancy of 8 PBWAs was 94% for 1H 2023 vs 70% for FY 2021
- Demand for quality, well-managed PBWA remains robust; enabled healthy rental rate revisions
 - driven by growing concern for migrant worker welfare and increased regulatory controls with Act 446¹
 - the Group's Malaysian assets are certified compliant to the Act 446 by JTKSM
- The Group's assets are well-located in Johor, Penang, and Selangor, the top three states with highest number of foreign workers in manufacturing sector
 - manufacturing sector accounts for about 35% of Malaysia's estimated 2 million foreign workforce²
- The Group continues to enhance and enlarge its portfolio bed capacity in Malaysia
 - 290 beds added to Westlite Tampoi, following approval and certification by JTKSM
 - AEI commenced at Westlite Senai, to add c.770 beds upon expected completion in 3Q 2023
 - AEIs earmarked at Westlite Johor Tech Park and Westlite Senai II, to add c.2,720 beds with expected completion in 2024
- The Group secured a 10-year management contract for Westlite Cemerlang in Johor
 - c.2,196-bed PBWA , expected to commence operations in 4Q 2023

¹ ['Employers in Malaysia to comply with existing foreign workers accommodation laws](#), HROnline, 30 Jan 2023

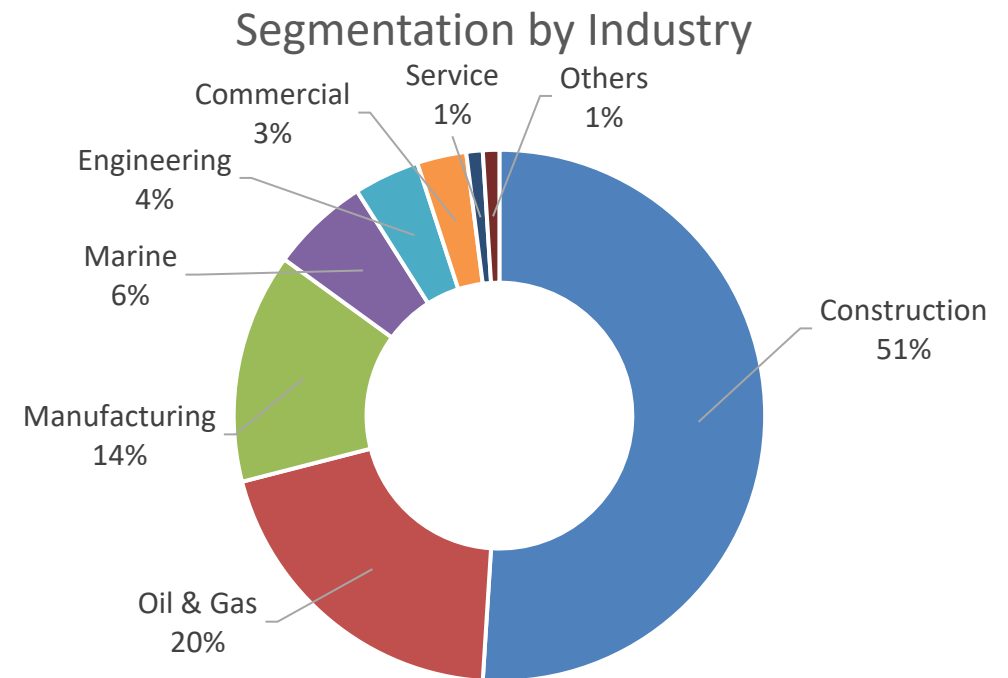
² ['The Changing Landscape Of Workers' Accommodations'](#), Knight Frank, November 2021

Workers Accommodation

Diversified, stable customer base

- more than 1,629 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	51
2	Oil & Gas	20
3	Manufacturing	14
4	Marine	6
5	Engineering	4
6	Commercial	3
7	Service	1
8	Others	1
	Total	100



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

* As at 30 June 2023



Purpose Built Student Accommodation



Student Accommodation Portfolio – UK



- **10** operating assets with a total capacity of **2,807 beds**
- Presence in five major cities with well known universities



1,003
Beds

Freehold

dwell MSV



362
Beds

Freehold

dwell MSV South



145
Beds

Freehold

dwell The Grafton



140
Beds

125yrs
wef 2008

dwell Weston Court



126
Beds

Freehold

dwell Princess Street



383
Beds

250yrs
wef 2007

dwell Cathedral Campus



181
Beds

125yrs
wef 1995

dwell Garth Heads



133
Beds

Freehold

dwell Castle Gate Haus[^]
(14.29% owned)



177
Beds

Freehold

dwell Archer House



157
Beds

125yrs
wef 2009

dwell Hotwells House



[^] Centurion owns 14.29% of the Centurion Student Accommodation Fund, which acquired dwell Castle Gate House

Student Accommodation



United Kingdom

- Average financial occupancy remained strong at 90% for 1H 2023
 - excluding 203 beds unavailable for leasing due to ongoing AEI, financial occupancy was 97% for 1H 2023
- Demand for Higher Education and PBSA continues to grow in the UK
 - domestic population of Higher Education-age students has grown, adding to demand for PBSA beds¹
 - UK higher education providers hosted 679,970 international students in AY2021/22, exceeded target of 600,000 international students a decade earlier than 2030 commitment²
- Continued shortage in PBSA bed supply enabled strong rental rate reversions
 - cushioned impact of increased operating costs as well as increased finance expenses
- Pre-bookings for Academic Year 2023/24 commencing September 2023 are healthy, and the Group continues to explore opportunities to enhance its UK portfolio
 - AEIs commenced at dwell MSV in Manchester and dwell Cathedral Campus in Liverpool, to convert selected cluster apartments to ensuite apartments
 - aligning to shifts in consumer demands post-Pandemic, to enhance occupancy and rental income

1 [HESA - Higher Education Student Statistics: UK, 2019/20 - Student numbers and characteristics](#), 27 January 2021

2 [International student recruitment data](#), Universities UK, 3 March 2023

Student Accommodation Portfolio – Australia, US



- **2** operating assets in Australia with a capacity of **911 beds**
- **5** operating assets in US* with a capacity of **1,521 beds**

Australia



dwelling Village Melbourne City[^]



dwelling East End Adelaide[^]



dwelling the Towers on State



dwelling The Statesider



United States

dwelling College & Crown



dwelling Stadium View



dwelling Logan Square

[^] Reduction of 9 beds in 1H 2023 following reconfiguration of selected apartments into single occupancy room formats in Melbourne and Adelaide

[#] Centurion holds approximately 28.74% of the units in the Centurion US Student Housing Fund ("CUSHF"), which acquired all 6 US properties. The Fund has disposed of 1 asset, dwelling Tenn Street, in 2Q 2023

Student Accommodation



Australia

- Average financial occupancy of the Group's two Australian assets improved significantly to 86% for 1H 2023 vs 58% for 1H 2022
- Financial occupancies are expected to remain at healthy levels given the growth in student population and demand for PBSAs¹
- In 1H 2023, the Group carried out minor reconfiguration to convert selected twin occupancy rooms to single occupancy room formats to optimize occupancy and yield



United States

- The portfolio assets continue to deliver healthy and stable occupancy for 1H 2023, with positive rental rate revisions
- The Group had in November 2022 extended the term of CUSSHF for a further two years
 - In 2Q 2023, CUSSHF successfully disposed of a single asset, dwell Tenn Street, in Tallahassee, Florida

1. [International students in Australia face accommodation crunch and soaring rents](#), The Straits Times, 11 February 2023



Looking Ahead



Looking Ahead



Managing Operating Performance



Positive demand and supply dynamics drive healthy financial occupancy and rental rate revisions, across the markets where the Group operates.

The Group remains mindful of high and rising interest rates and inflationary pressures in the year ahead but remains confident that its portfolio assets will continue to do well.

The Group will continue to practice prudent financial management, to mitigate economic uncertainties from inflationary pressures and rising interest rates.

Enhancing Portfolio Value and Performance



Centurion continues to enhance its existing portfolio assets, adjusting to regulatory changes and market shifts, to enhance asset values, improve operational efficiency and pandemic management resilience, and ensure the well-being of its residents.

Seeking Synergistic Growth



The Group will also continue its strategic review of its specialised accommodation portfolio, aligned with efforts to execute capital recycling and allocation towards higher yielding markets and assets, to deliver sustainable value to shareholders.



Thank You

For any enquiries, please contact:
Head, Corporate Communications
Mr. David Phey
david.phony@centurioncorp.com.sg
Tel: +65 9182 7171
W: www.centurioncorp.com.sg

