



Centurion Corporation Limited

(Incorporated in the Republic of Singapore with limited liability)

(Co. Reg. No.: 198401088W)

1Q 2024 Business Updates

9 May 2024



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Business Overview



Performance Highlights

Revenue

1Q 2024 **S\$61.1m**

▲ 30% from S\$47.1m in 1Q 2023

Financial Occupancy

PBWA



98%¹ in 1Q 2024

96% in 1Q 2023

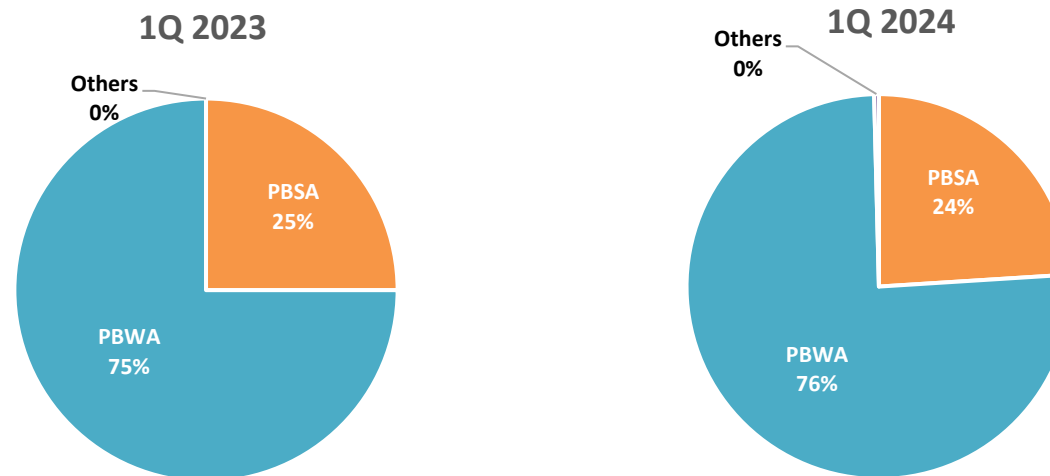
PBSA



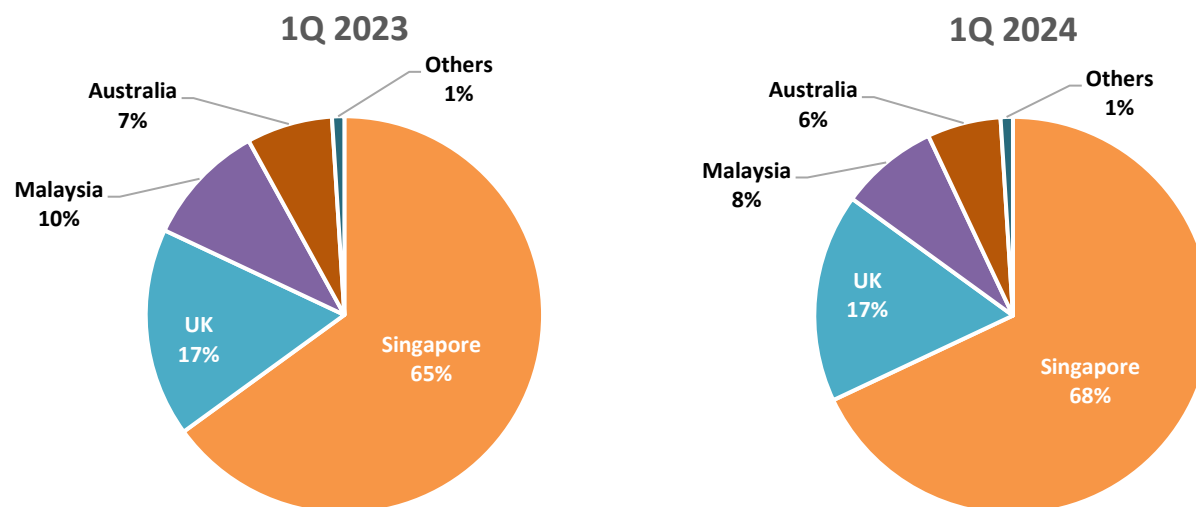
97%² in 1Q 2024

87%^{2&3} in 1Q 2023

Revenue by Business Segment



Revenue by Country



The following were excluded to facilitate fair comparison:

¹ The additional 888 beds in Quick Build Dormitories added in 2Q 2023 and 1,060 beds added in FY2023 through AEI in Malaysian PBWA

² US where the properties are held under a private fund structure

³ Korea where the property was sold in Apr 2023

Performance Highlights



30% increase in 1Q 2024 revenue YOY was due to



Improved revenue mainly from

- Positive rental rate revisions across all the PBWAs and PBSAs
- Healthy and sustained occupancies across all the PBWAs
- Improved occupancies in UK and Australia PBSAs



Partly offset by

- Cessation of management contract for five Community Recovery Facilities in Singapore

Prudent capital management and ample liquidity



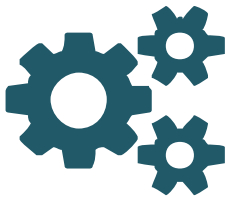
Total Assets
S\$1.7b



Total Borrowings
S\$0.6b



**Cash and undrawn
committed facilities**
S\$186m



Net Gearing Ratio
36%¹



Interest Cover Ratio
4.7x²



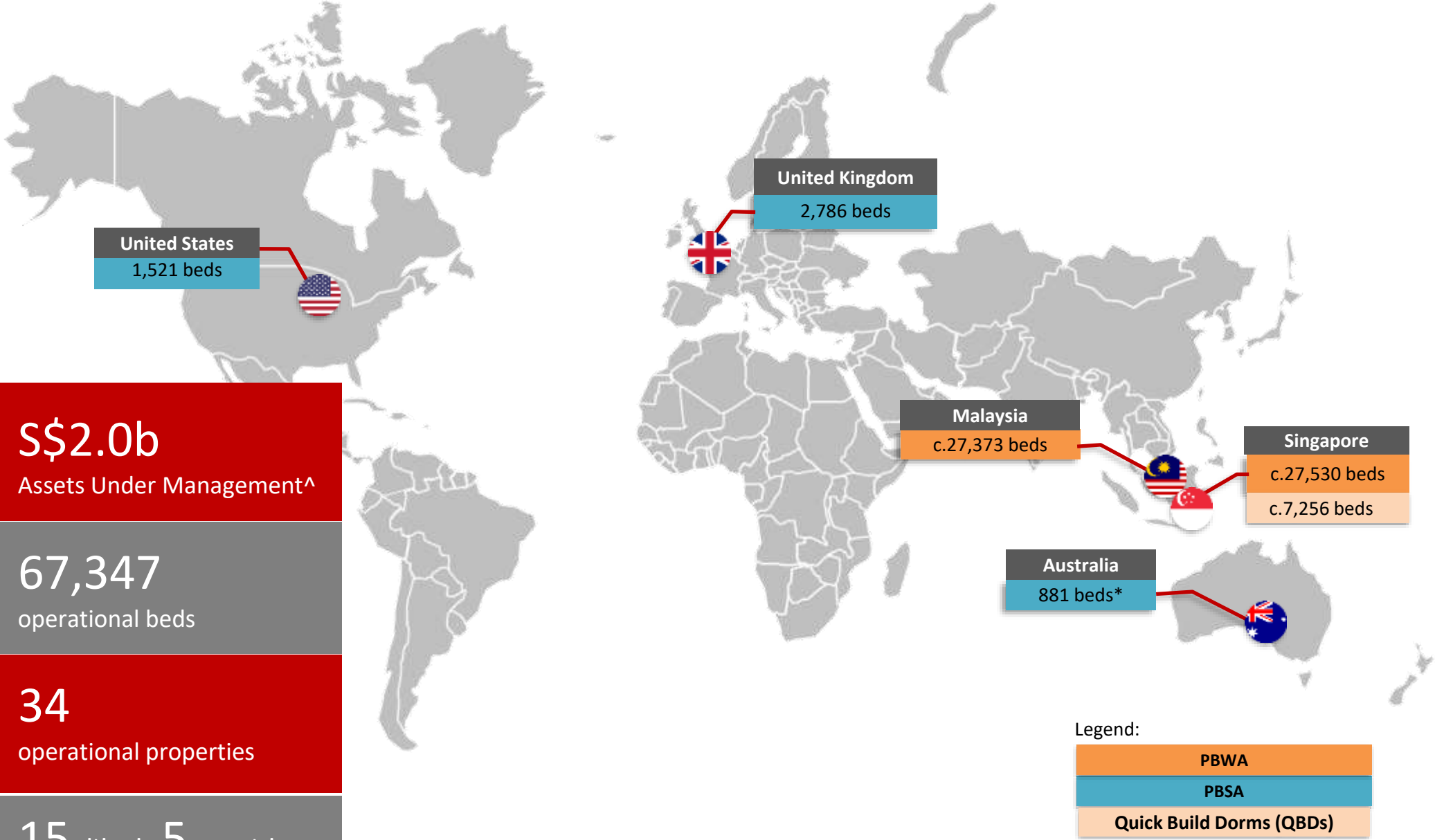
Average debt maturity
5 years

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 bank facility fees, amortization of transaction costs & etc.

Diversified Business Portfolio across Geography and Asset Type



\$2.0b

Assets Under Management[^]

67,347

operational beds

34

operational properties

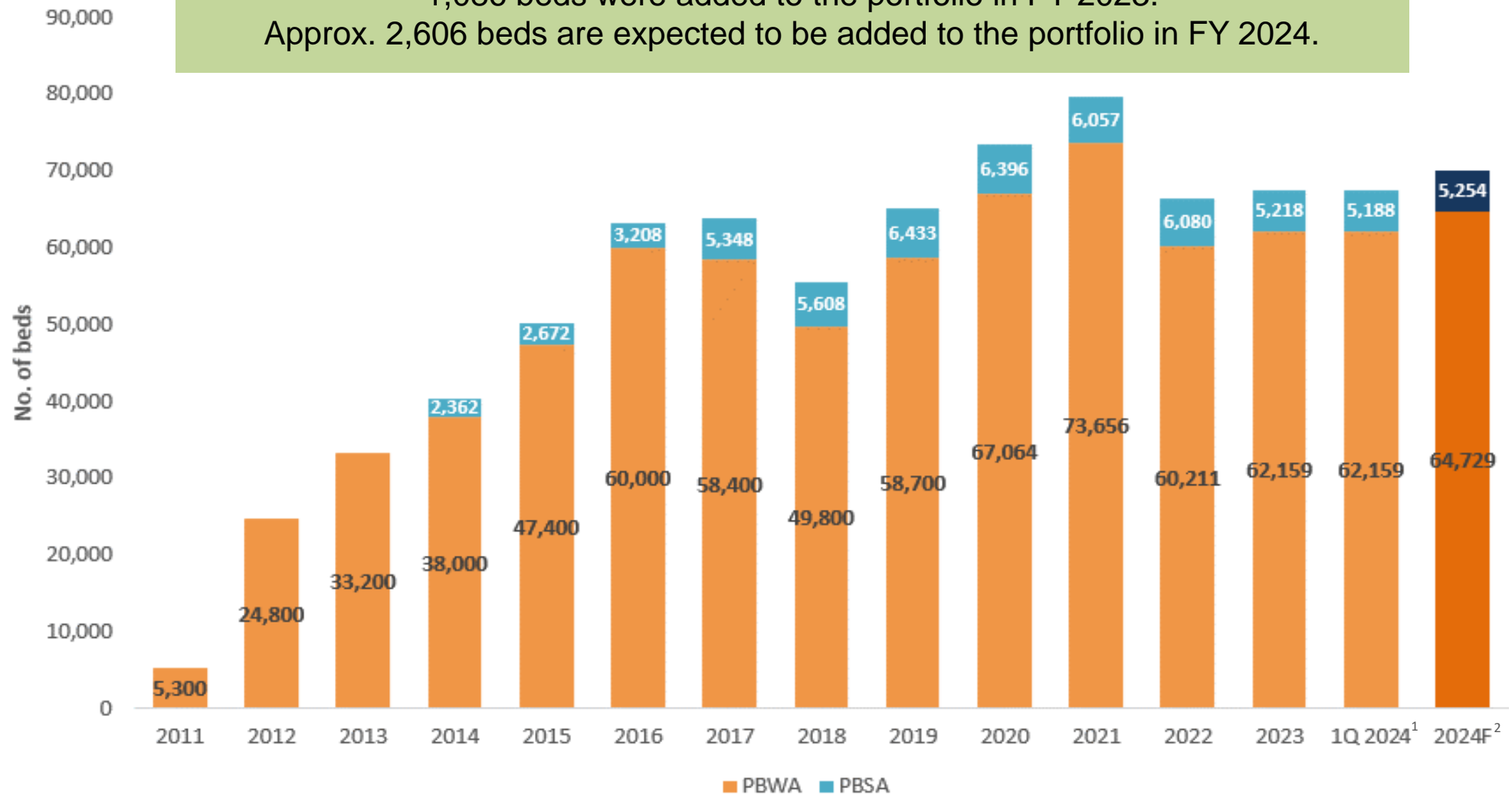
15 cities in **5** countries

[^] Based on 100% of total carrying value of investment properties managed by the Group which includes investment properties of its associated companies

* Reduction of 30 beds in 1Q 2024 due to planned redevelopment of carpark into additional PBSA block in Melbourne.

Accommodation Growth Profile

1,086 beds were added to the portfolio in FY 2023.
 Approx. 2,606 beds are expected to be added to the portfolio in FY 2024.



Note:

- 30 beds at dwell Village Melbourne City are unavailable due to planned redevelopment of existing carpark into new PBSA block of approx. 600 beds.
- Development of 1,650-bed PBWA Westlite Ubi is expected to complete in 2024. An Asset Enhancement Initiative is in progress at Westlite Senai II, to add approx 920 beds on expected completion in 4Q 2024. A Master Lease has been secured for a 66-bed PBSA in Hong Kong, China, expected to be operational Sep 2024.



Business Review by Markets



Workers Accommodation Portfolio

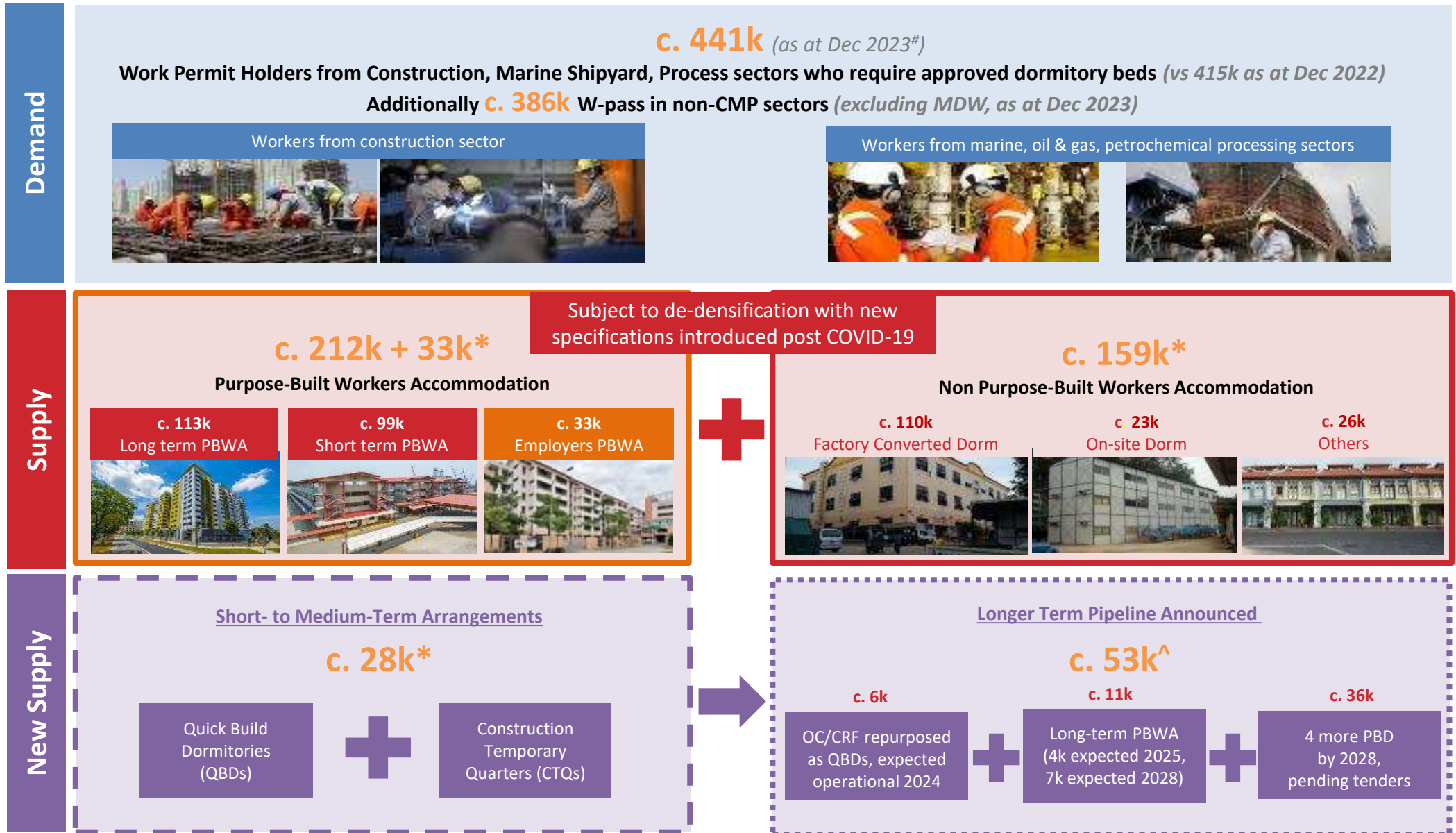


17 Purpose-Built Workers Accommodation (PBWA), comprising 62,159 beds across Singapore and Malaysia

<u>SINGAPORE</u>				<u>MALAYSIA</u>			
9 PBWA (5 Purpose-Built Dormitories + 4 Quick Build Dormitories)				8 PBWA (aka CLQ) in 3 cities			
Total capacity of 34,786 beds				Total capacity of 27,373 beds			

<p>ASPRI-Westlite Papan (51% owned)</p> <p>7,900 beds</p> <p>23 yrs wef 2015</p>	<p>Westlite Toh Guan*</p> <p>7,330 beds</p> <p>60 yrs wef 1997</p>	<p>Westlite Mandai (45% owned)</p> <p>6,300 beds</p> <p>Freehold</p>	<p>Westlite Tampoi</p> <p>5,790 beds</p> <p>Freehold</p>	<p>Westlite Johor Tech Park ^^</p> <p>3,480 beds</p> <p>99 yrs wef 2013</p>
<p>Westlite Woodlands</p> <p>4,100 beds</p> <p>30 yrs wef 2013</p>	<p>Westlite Juniper</p> <p>1,900 beds</p> <p>10+5 yrs wef 2019</p>	<p>Westlite Kranji Way</p> <p>1,300 beds</p> <p>3+1 yrs wef 2020</p>	<p>Westlite Senai II ^</p> <p>3,020 beds</p> <p>Freehold</p>	<p>Westlite Pasir Gudang ^^^</p> <p>1,776 beds + 176 beds</p> <p>99 yrs wef 1986 + 6+3 yrs wef 2019</p>
<p>Westlite Tuas Ave 2**</p> <p>1,224 beds</p> <p>3+1 yrs wef 2020</p>	<p>Westlite Jln Tukang***</p> <p>4,104 beds</p> <p>3+1 yrs wef 2021</p>	<p>Westlite Tuas South Boulevard</p> <p>628 beds</p> <p>3+1 yrs wef 2021</p>	<p>Westlite Tebrau</p> <p>1,786 beds</p> <p>60 yrs wef 2000</p>	<p>Westlite Senai</p> <p>1,980 beds</p> <p>Freehold</p>
<p>Singapore</p> <p>* Available bed capacity reduced from 7,800 due to redevelopment of 1 block</p> <p>** Bed Capacity increased by 204 beds from 1,020 beds in Apr 2023</p> <p>*** Bed capacity increased by 684 beds from 3,420 beds in Apr 2023</p>			<p>Malaysia</p> <p>^ AEI in progress, expected completion in 4Q 2024, to add approx 920 beds</p> <p>^^ AEI planned, to add approx 1,740 beds by 2025</p> <p>^^^ AEI planned, to add approx. 950 beds by 2025</p>	
			<p>Westlite Bukit Minyak</p> <p>3,321 beds</p> <p>Freehold</p>	<p>Westlite - PKNS Petaling Jaya</p> <p>6,044 beds</p> <p>21+9 yrs wef 2020</p>

Workers Accommodation Landscape - SG



<https://www.mom.gov.sg/documents-and-publications/foreign-workforce-numbers>

* Centurion market research

^ Straits Times : "at least 7 new Purpose Built Dormitories with a total of 47,000 beds"

Workers Accommodation Outlook – Singapore



Singapore

- Average financial occupancy of SG PBWAs was 99% for 1Q 2024 as compared to 98% in 1Q 2023
 - demand and supply dynamics for PBWAs continue to be positive¹
- 1Q 2024 PBWA revenue increased 37% to S\$41.6 million as compared to S\$30.5 million in 1Q 2023
 - tenancies renewed at prevailing higher rates in 4Q 2023 began to accrete higher revenue during 1Q 2024 and over the coming months
 - positive rental rate revisions continue, at a moderated pace
- New 1,650-bed PBD Westlite Ubi is expected to be completed in Dec 2024
 - 3+1 year master leases for Westlite Jalan Tukang and Westlite Tuas South Boulevard expected to be extended for 1 year when due in June 2024 and Sept 2024 respectively
 - master leases of 3+1 years for Westlite Kranji Way and Westlite Tuas Ave 2 were extended in 2H 2023
- Plans in progress for meeting Dormitory Transition Scheme² and new regulatory specifications
 - QBDs already meet the New Dormitory Specifications, retro-fitting required only for 5 PBDs
 - all SG PBD units are already ensuite with toilets, showers and kitchen
 - redevelopment of Westlite Toh Guan and Westlite Mandai commenced, to add new bed capacity by 2026 before retrofitting of existing PBDs commences
 - approx. reduction of 3% to 11% of current PBD bed capacity anticipated by 2030, excluding the new PBD Westlite Ubi

1. [\\$32b to \\$38b in construction contracts expected to be awarded in 2024: BCA](#), The Straits Times, 15 Jan 2024

2. [MOM to raise standards for around 1,000 migrant worker dormitories by 2030](#), Business Times, 11 Oct 2023

Workers Accommodation Outlook – Malaysia



Malaysia

- Average financial occupancy improved to 96%¹ in 1Q 2024 as compared to 94%¹ in 1Q 2023
 - demand by employers for quality PBWA beds (or Centralised Living Quarters) for migrant workers is expected to remain strong, with continued enforcement of Act 446²
- Revenue from Malaysia PBWA was S\$4.8 million in 1Q 2024
 - lower than revenue of S\$4.9 million reported in 1Q 2023, due to the weaker MYR which translated to a lower revenue when reported in SGD
 - in local currency, Malaysia revenue increased 5% in 1Q 2024 as compared to 1Q 2023
- the Group continues to explore opportunities to expand and enhance its Malaysia portfolio capacity
 - AEI in progress to add approx. 920 beds to Westlite Senai II, with expected completion in 4Q 2024
 - AEIs planned at Westlite Johor Tech Park and Westlite Pasir Gudang, to add approx 1,740 beds and 950 beds respectively, on completion in 2025
 - evaluating a new PBWA development in Nusajaya, Johor with an estimated capacity of 7,000 beds

1. Excluding 1,060 beds added through AEIs in FY 2023, whose occupancies are being progressively ramped up

2. [Employer fails to provide proper accommodation for foreign workers](#), The Star Malaysia, 30 Jan 2024

Student Accommodation Portfolio



17 Purpose-Built Student Accommodation (PBSA), comprising 5,188 beds across the UK, Australia and US

<u>United Kingdom</u> 10 PBSA in 5 cities Total capacity of 2,786 beds				<u>Australia</u> 2 PBSA in 2 cities Total capacity of 881 beds			
dwell MSV  982 beds Freehold	dwell MSV South  362 beds Freehold	dwell The Grafton  145 beds Freehold	dwell Village Melbourne City ^  581 beds Freehold		dwell East End Adelaide  300 beds Freehold		
dwell Weston Court  140 beds 125 yrs wef 2008	dwell Princess Street  126 beds Freehold	dwell Cathedral Campus*  383 beds 250 yrs wef 2007		dwell College & Crown  206 beds Freehold			
dwell Garth Heads  181 beds 125 yrs wef 1995	dwell Castle Gate Haus*  133 beds Freehold	dwell Archer House  177 beds Freehold	dwell The Statesider  226 beds Freehold		dwell The Towers on State  231 beds Freehold		
dwell Hotwells House  157 beds 125 yrs wef 2009	UK * Centurion owns approx 14.29% of the Centurion Student Accommodation Fund, which acquired dwell Castle Gate House		AU ^ 30 beds are unavailable due to planned redevelopment of existing carpark into new PBSA block of c. 600 beds		dwell Logan Square  642 beds Freehold		
			US ^^ Centurion holds approx. 28.74% in the Centurion US Student Housing Fund, which owns the US properties		dwell Stadium View  216 beds Freehold		

Student Accommodation Outlook – UK



UK

- Average financial occupancy remained high at 99% in 1Q 2024, as compared to 90%¹ in 1Q 2023
 - continued shortage in PBSA supply enables high financial occupancy and healthy rental revisions
- UK revenue in 1Q 2024 was S\$10.4 million, a 28% increase compared to S\$8.1 million for 1Q 2023
 - a stronger British pound registered in 1Q 2024 as compared to 1Q 2023 also translated to a higher revenue when reported in Singapore dollars
 - in British pounds, UK revenue increased 23% in 1Q 2024 as compared to 1Q 2023
- Positive demand-supply dynamics expected to sustain
 - increasing demand for PBSA beds as international students perceive UK as a top study destination
 - government's tightened scrutiny of visa integrity has contributed to a more genuine and committed tenant base, potentially benefiting PBSA providers²
 - domestic population of Higher Education-age students has also grown³
 - bookings for Academic Year 2024/25 commencing September 2024 are healthy
- The Group continues to explore opportunities to enhance its UK portfolio to meet evolving demands through asset enhancement initiatives or asset light means

1 [Included 203 beds which were unavailable for leasing due to ongoing AEI at dwell Cathedral Campus, Liverpool](#)

2 [Visa integrity: the hunt for 'genuine' students](#), The PIE News 4 Jan 2024

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

Student Accommodation – Australia, US, China



Australia

- Average financial occupancy has further increased from 80% in 1Q 2023 to 90% in 1Q 2024, while Revenue grew 25% from S\$3.2 million to S\$3.9 million, boosted by healthy rental rate revisions
 - student arrivals for 2023 set to be a new record for Australia¹
- Occupancies and rental revisions expected to remain at healthy levels
 - growth in student population continues, driving 'stable and resilient' demand for Australia PBSA²
 - pre-bookings for Semester 2 of Academic Year 2024 are healthy
- The Group continues to explore portfolio growth opportunities in Australia
 - pending finalization of Development Approval, to redevelop existing carpark of dwell Village Melbourne City into new block of PBSA with approx. 600 beds



United States

- Centurion US Student Housing Fund portfolio assets continue to deliver healthy and stable occupancy
- The Fund will come to term in November 2024; the Fund has begun the process of disposing of its assets
 - successfully disposed of a single asset, dwell Tenn Street in Tallahassee, Florida in 2Q 2023

¹ [New record set for number of international students in Australia](#), The Guardian, 2 Apr 2024

² [Australia PBSA sector stable and resilient, Savills finds](#), PBSA News, 4 Jan 2024



Looking Ahead



Portfolio Growth and Enhancements



PBWA

Singapore

- new PBD Westlite Ubi with c. 1,650 beds expected completion in Dec 2024
- redevelopment of Westlite Toh Guan and Westlite Mandai commenced, with expected completion in 2026

Malaysia

- entered into sale and leaseback agreements with Malaysia's public sector pension fund KWAP, for Westlite Bukit Minyak and Westlite Tampoi
 - Group to continue operating the 2 properties under Master Lease of 15 years
- AEI at Westlite Senai II to add c.920 beds on expected completion in 4Q 2024
- AEIs planned for Westlite Johor Tech Park and Westlite Pasir Gudang to add c. 1,740 beds and c. 950 beds respectively on completion in 2025

PBSA

Australia

- pending finalization of development approval, to redevelop dwell Village Melbourne City carpark into new PBSA block of c. 600 beds

China

- the Group announced in April 2024 its entry to Hong Kong, with a master lease of 5+3+2 years secured for a new PBSA of c. 66 beds, dwell Prince Edward, through a joint venture company in which Centurion holds 60%

Cautiously Optimistic Outlook



Managing Operating Performance



The Group continues to deliver high occupancies with positive rental revisions. **Demand-supply dynamics are positive across all markets.**

We anticipate further **increases in operating costs and financing expenses**, before inflation and high interest rates begin to abate.

The Group will **focus on optimizing occupancies and rental rates**, to moderate the cost effects of the dual headwinds.

Enhancing Portfolio Capacity & Performance



Centurion will redevelop and retrofit SG PBDs, to **comply with new regulations and optimize bed capacity**. We will continue to focus on enhancing our assets, to enlarge our portfolio of revenue-generating bed capacity.

Seeking Synergistic Growth



The Group continues our strategic review of our specialized accommodation portfolio, **seeking opportunities** to recycle and reallocate capital towards **synergistic assets and businesses, in existing or new countries and cities.**



Thank You

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