



Centurion Corporation Limited 2Q and 1H 2014 Results Presentation

13 August 2014



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Contents

- Key Highlights
- Financial Review
- Business Review
- Going Forward

Key Highlights

2Q 2014

- Total Revenue **+41% to S\$20 mil** in y-o-y
- Net Profit **+62% to S\$7.5 mil** y-o-y

1H 2014

- Total Revenue **+35% to S\$37 mil** in 1H 2014 y-o-y
- Net Profit **+52% to S\$13.1 mil** y-o-y

- Improved earnings mainly from higher revenue contribution from Accommodation Business
- Increased bed capacity at Westlite Toh Guan, contribution from RMIT Village, increase in rental rates and occupancy of Malaysia portfolio

Financial Review

Key Financials

Group Net Profit increased by 62% to \$7.5 m in 2Q 2014

(Recurring – Exclude one off items & profit / (loss) from discontinued operations)

S\$'000	2Q 2014	2Q 2013	Change	1H 2014	1H 2013	Change
Revenue	19,880	14,115	+ 41% ¹	37,439	27,743	+ 35%
Net Profit ² (recurring - excl one off items & discontinued ops)	7,540	4,642	+ 62%	13,075	8,622	+ 52%
Net Profit Margin	38%	33%	+ 5pp	35%	31%	+ 4pp
Net Profit (include one off items & discontinued ops)	7,688	55,999 ³	- 86%	30,313	59,824	- 49%

Notes:

- Largely stemmed from increase in capacity of Westlite Toh Guan, contribution from RMIT Village, increase in rental rates and occupancy of Malaysia portfolio assets.
- Net Profit represents the recurring earnings of the Group and excludes the below:
 - share of profits on sales of the factory units that were developed and sold by the 45% joint venture with Lian Beng Group.
 - Profit / (loss) from discontinued operations arise from the discontinuing of Australian optical business which was sold during 2Q 2014.
- Net Profit in 2Q 2013 and 1H 2013 includes one off items which comprise fair valuation gains arising from investment properties and impairment loss on plant and equipment.

Segment Breakdown

Strong Accommodation Business Results in 2Q 2014

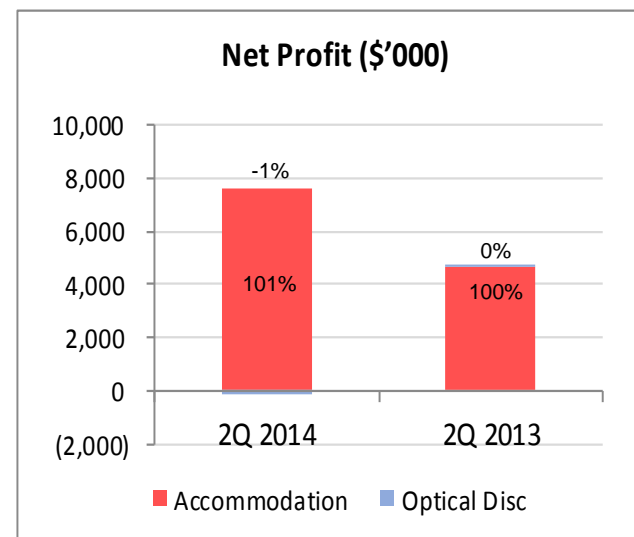
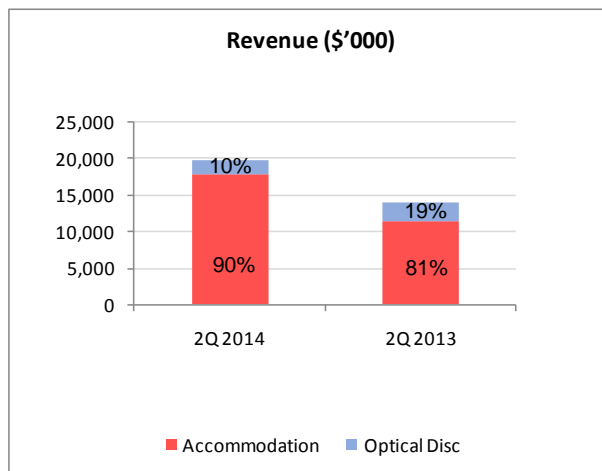
(Recurring - Exclude one off Items & profit / (loss) from discontinued operations)

S\$'000

Accommodation

Optical Disc

	2Q 2014	2Q 2013	Change	2Q 2014	2Q 2013	Change
Revenue	17,827	11,413	+ 56%	2,053	2,702	- 24%
Net Profit	7,643	4,634	+ 65%	(103)	8	n/m
Net Profit Margin	43%	41%	+ 2pp	- 5%	0%	- 5pp



Segment Breakdown

Strong Accommodation Business Results in 1H 2014

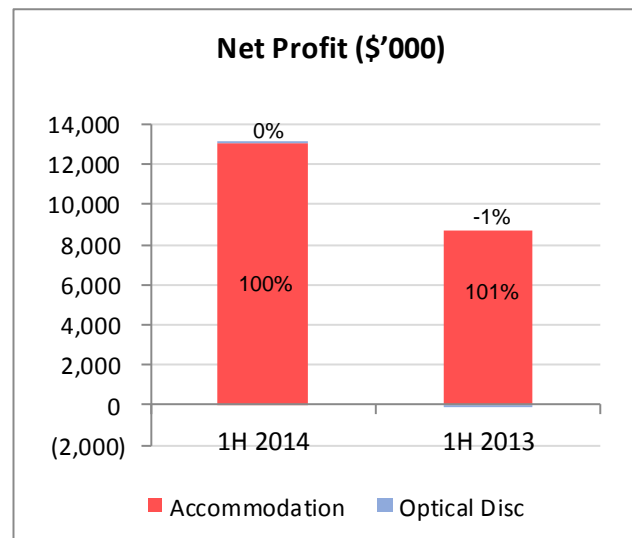
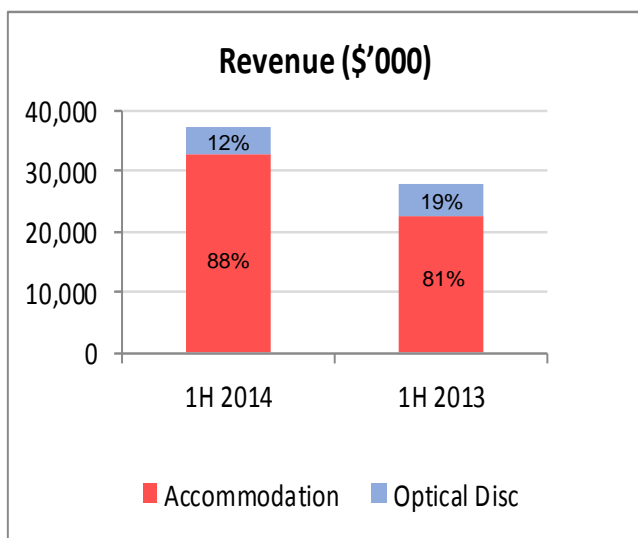
(Recurring – Exclude one off Items & profit / (loss) from discontinued operations)

S\$'000

Accommodation

Optical Disc

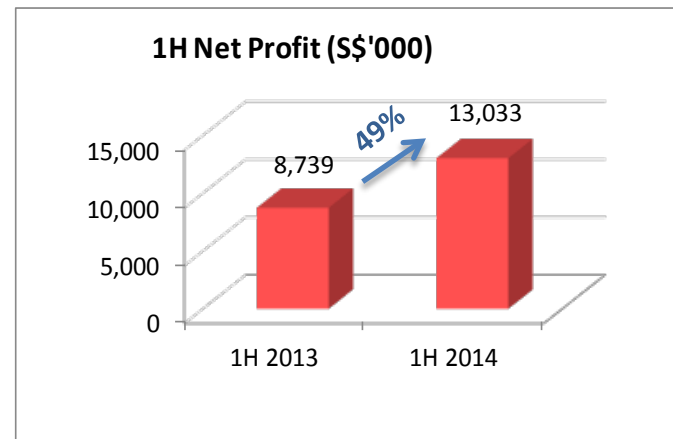
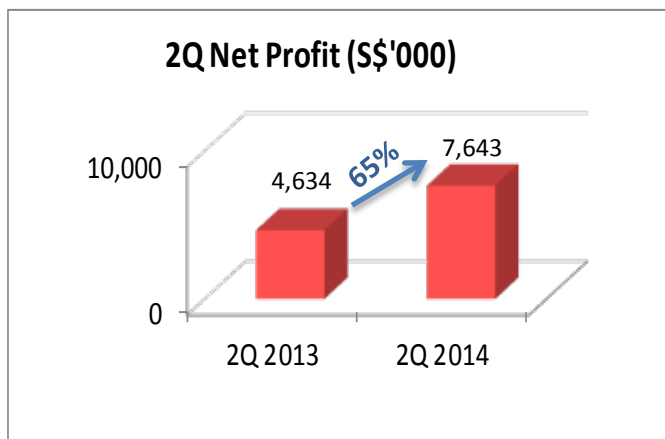
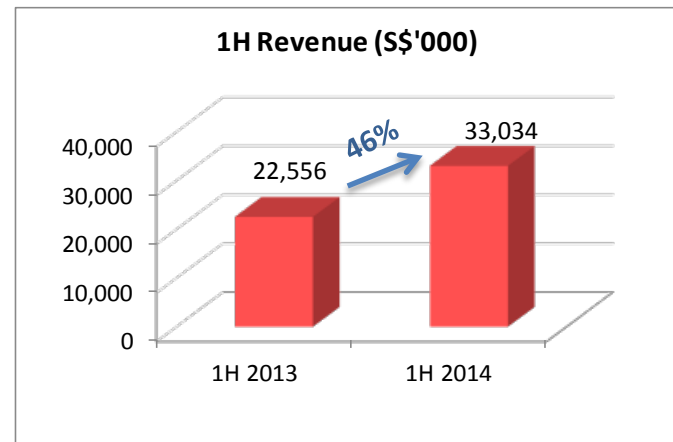
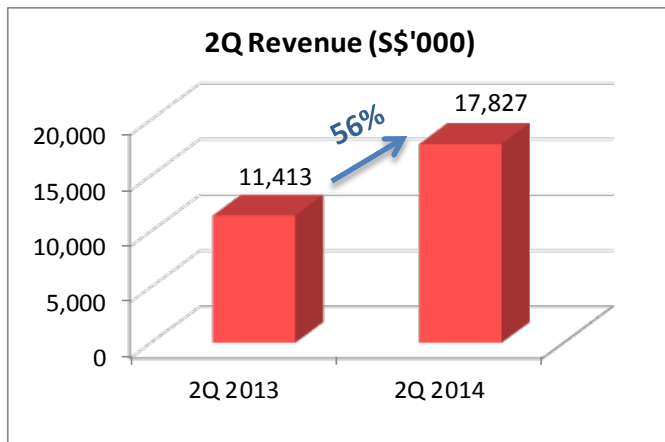
	1H 2014	1H 2013	Change	1H 2014	1H 2013	Change
Revenue	33,034	22,556	+ 46%	4,405	5,187	- 15%
Net Profit	13,033	8,739	+ 49%	42	(117)	n/m
Net Profit Margin	39%	39%	+ 0pp	1%	- 2%	+ 3pp



Accommodation Business

Net Profit increased by 65% in 2Q 2014

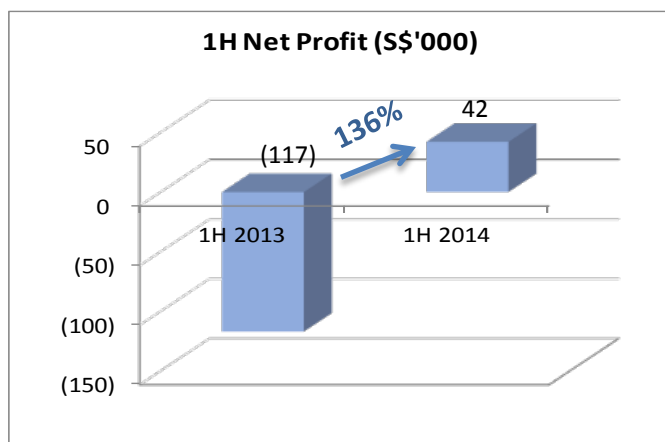
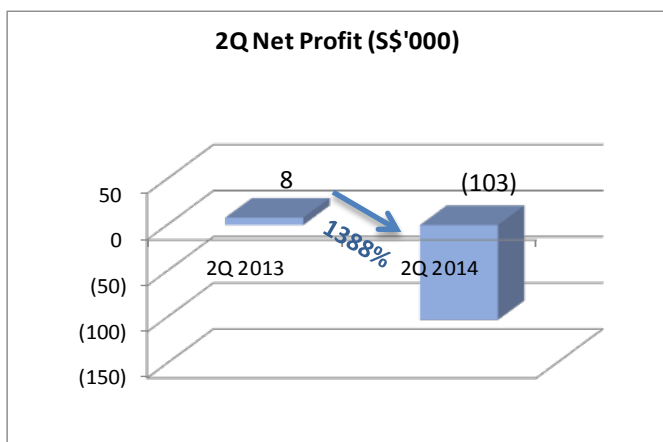
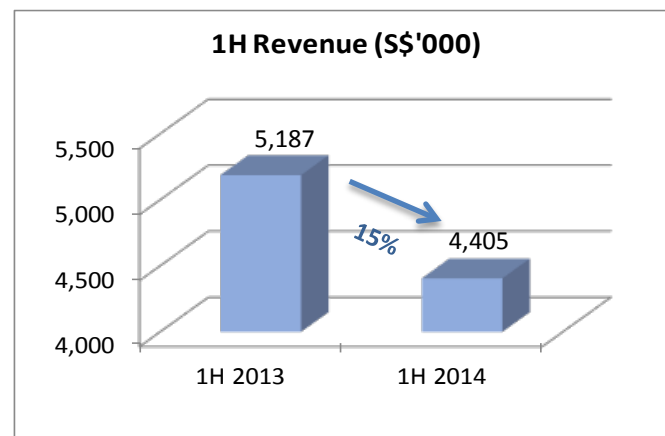
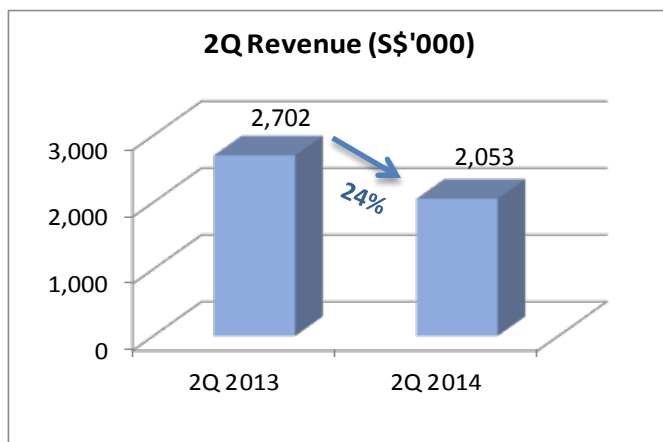
(Exclude one off items)



Optical Disc Business

24% reduction in revenue in 2Q 2014

(Exclude profit / (loss) from discontinued operations)



Balance Sheet Highlights

S\$'000	30 Jun 2014	31 Dec 2013	Change %
Cash & Cash Equivalents	68,073	44,374	+ 53%
Current Assets	79,864	67,646	+ 18%
Non Current Assets	549,879	448,198	+ 23%
Current Liabilities	52,321	50,115	+ 4%
Non Current Liabilities	259,542	172,808	+ 50%
Net Assets	317,880	292,921	+ 9%
Gearing Ratio ¹	46%	39%	+ 7pp

Note:

1. The gearing ratio is computed as borrowings divided by total capital. Total capital is calculated as borrowings plus net assets of the Group.

Key Ratios

	1H 2014	FY 2013
Earnings Per Share	4.01c	12.19c
Price	69.00c ¹	54.00c ²
Dividend	0.5c	0.6c ³
NAV per share	42.0c	38.7c
Market Capitalisation	S\$522m	S\$408m

Note:

1. As at 30 June 2014

2. As at 31 December 2013

3. Comprising a full year final dividend of 0.6 cents for FY2013

Business Review

Workers Accommodation - Singapore



- 3 dormitories with **23,500** beds in operation
- 1 dormitory with **4,100** beds under development
- On a portfolio basis, the assets are achieving high occupancy rates

Westlite Toh Guan



- Purpose-built accommodation with capacity of **8,600** beds on leasehold land (45 years lease remaining)
- Upgrading completed in January 2014
- Caters to workers in all industries

Westlite Tuas



- 3rd Term lease successfully renewed
- Temporary prefabricated workers accommodation on short term BCA lease (2 3/4 years remaining)
- Capacity: **8,600** beds
- For construction workers only

Westlite Mandai (45% owned)



- Purpose built accommodation on freehold land with capacity of **6,300** beds
- Officially opening in April 2014
- Development profit of S\$17.3m for its 141-unit Industrial ramp-up factory booked with good demand in 1Q 2014
- Caters to workers in all industries

Minister Tan Chuan-Jin Opens Westlite Mandai Opening (18 Apr 2014)



WESTLITE.COM.SG



“Dormitories like Westlite Mandai play an important role for foreign workers here. Developments such as this complement the Singapore government’s efforts to ensure that the well-being of foreign workers is taken care of...

...Westlite has done well in this respect - the dormitory features good recreational facilities like a gym, games room and sports courts. And Westlite also organises social activities and events for residents on an on-going basis. I would encourage other dormitories, especially the larger, purpose-built ones, to also look into how they too can fulfil the needs of their foreign worker residents.”



Project Under Development

Woodlands Avenue 10

- Tendered awarded by Jurong Town Corporation in Sept 2013
- Land tenure of 30 years
- **4,100** bed purpose-built workers accommodation
- Catering to process, marine and manufacturing industries
- Expected completion in 3Q 2015



Workers Accommodation - Malaysia

- **5** operating dormitories and **2** under development
- Current capacity of **14,400** beds; **10,800** beds in the pipeline
- Gaining traction and acceptance with MNCs and large local corporates
- On a portfolio basis, the Malaysian assets have achieved good occupancy
- Improving occupancy and rental rates
- Expand footprint with proposed land acquisition in Penang for workers accommodation development

Operating Dormitories

Westlite Tebrau



Opened in: Apr 2012
 Capacity: 2,500 beds

Westlite JB Techpark



Opened in: Jul 2012
 Capacity: 5,800 beds

Westlite Senai



Opened in: 3Q2013
 (Phase 1)
 Capacity: 2,600 beds

Westlite Cemerlang



Opened in: Jun 2012
 Capacity: 1,600 beds

Westlite Pasir Gudang



Opened in: Dec 2012
 Capacity: 2,000 beds

Projects Under Development



Westlite Tampoi

- Under construction
- Expected Capacity: **5,300** beds
- Expected completion in 1Q 2015



Westlite Senai Phase II

- Under construction
- Expected Capacity: **5,500** beds
- Expected completion in 4Q 2015

Student Accommodation in Melbourne, Australia

- Acquired RMIT Village and an adjoining car park building in Melbourne, Australia, in February 2014
- Total purchase consideration of A\$60 million
- High quality development strategically near RMIT University and the University of Melbourne
- Comprises 229 apartments and a current capacity of approximately 456 beds
- 100% occupancy rate
- Evaluating asset enhancement and redevelopment potential



UK Student Accommodation Portfolio

- Acquisition of 4 student accommodation properties located in the north-western part of United Kingdom comprising 1,906 beds for £77 mil
- 3 properties located in Manchester and 1 located in Liverpool, all strategically located to access university campuses and the city centre
- Asset enhancement potential to add more beds
- Expected completion of acquisition – 1 September 2014



Manchester Student Village



Manchester Student Village South



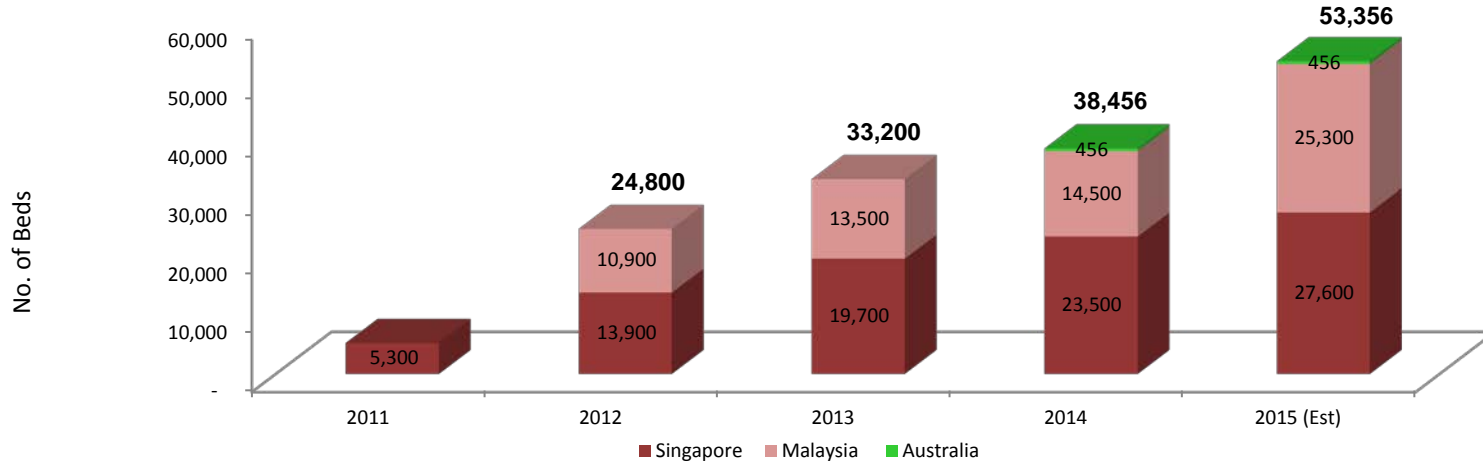
The Grafton



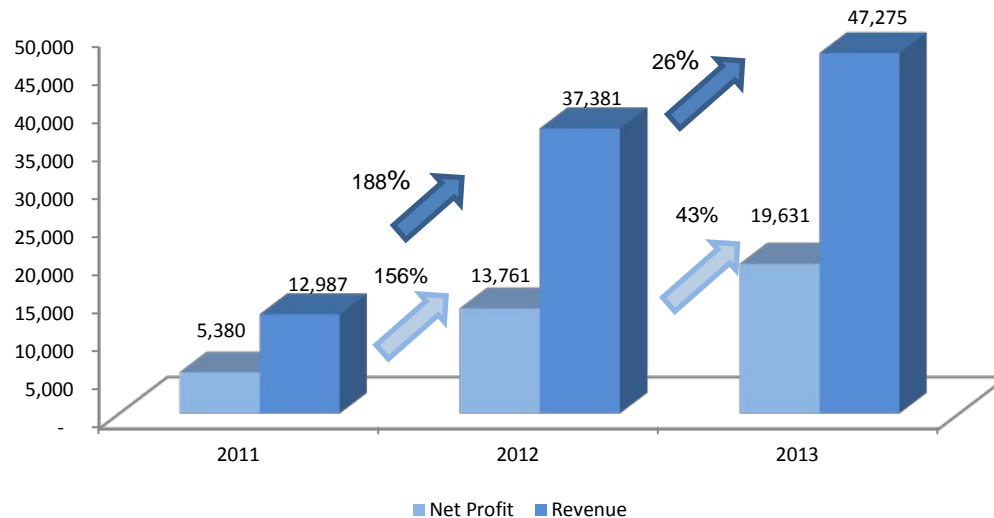
Cathedral Campus

Accommodation Growth Profile¹

Accommodation Portfolio - Bed Capacity



Accommodation - Revenue & Net Profit² (\$\$,000)



Note:

1. Based on developments at existing facilities that are already owned by Centurion Corp
2. Exclude fair value gains

Going Forward

Strategic Focus

- **Active management** of existing asset portfolio to deliver revenue and profit
- Continue to **seek opportunities to grow** its accommodation assets via acquisitions and joint ventures with reputable partners
 - ❖ **Workers Accommodation** in Singapore, Malaysia and the region as well as Middle East
 - ❖ **Student Accommodation** in Australia, UK and other education hubs
- **Enhance project returns** through asset enhancement initiatives
- **Calibrate operational capacity** of Optical disc business accordingly as demand continues to fall
- Active **capital management** to enhance shareholder value

Workers Accommodation

› Singapore

- Home base
- Active portfolio management in light of changing industry landscape
- Selective on new acquisition opportunities

› Malaysia

- Improve occupancy and rental rates through active marketing
- Leverage on existing platform to grow
- Seek further growth opportunity in key manufacturing hubs

› Other Markets

- Seeking growth opportunities in new markets including China and Indonesia

Student Accommodation

- Continue to seek and evaluate any acquisition opportunities to expand student accommodation assets
- Develop and build operational capability
- Evaluate asset enhancement and refurbishment opportunities for current assets





Thank You

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