



Centurion Corporation Limited

1Q 2020 Business Updates

14 May 2020



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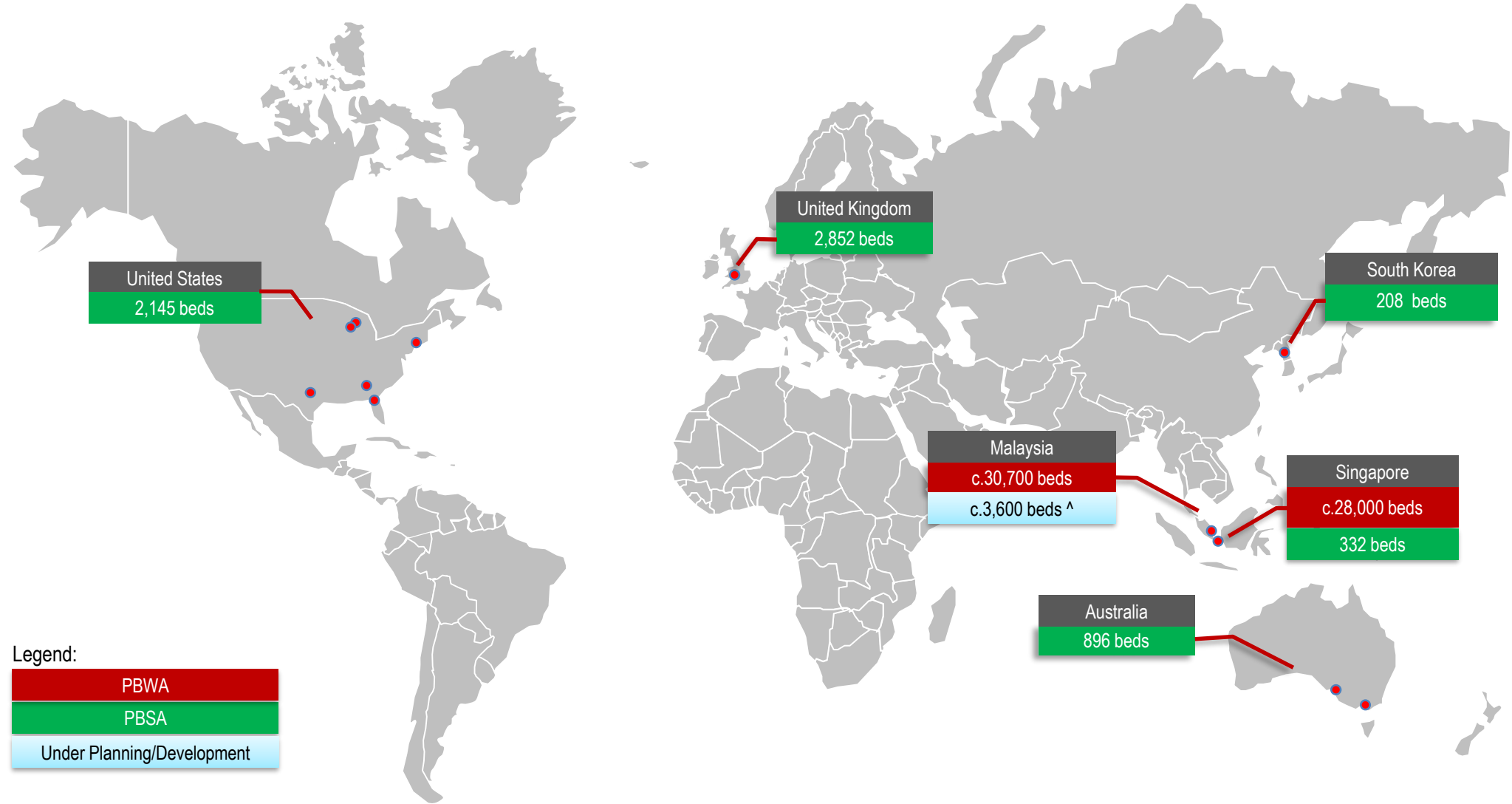


Business Overview



Diversified Business Portfolio across Geography and Asset Type

Geographic diversification across 6 countries worldwide (SG, AU, MY, UK, US, S. Korea)



Legend:

- PBWA
- PBSA
- Under Planning/Development

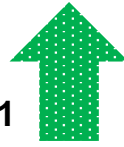
^ c. 3,600 beds under Westlite Tampoi II (currently under development) to be completed in 2020

Key Highlights – 1Q 2020

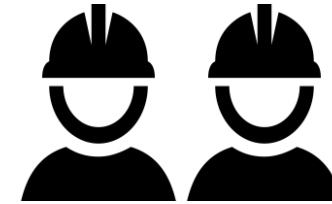


Revenue

S\$35.5m¹

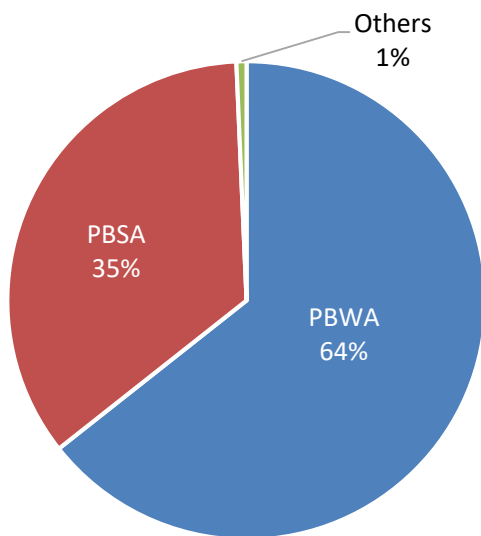


from S\$31.3m in 1Q 2019
13% increase YoY

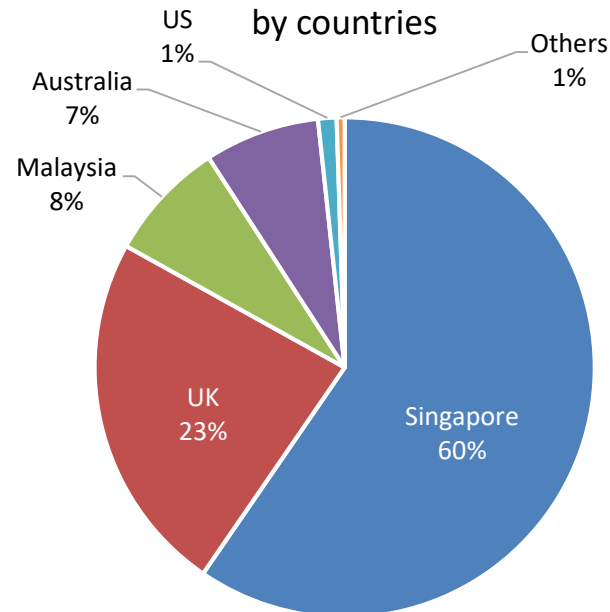


Average PBWA financial occupancy
96.4%²

1Q2020 Revenue
by business segments



1Q2020 Revenue
by countries



Average PBSA financial occupancy
84.9%³

Note:

¹ Group business operations largely not affected by Covid-19 in 1Q 2020 with revenue marginally lower than 4Q 2019's S\$36.0m, which recorded a 31% net profit margin from core business or S\$11.3m in 4Q 2019

² Occupancy excludes Westlite Bukit Minyak where occupancy is ramping up progressively. Including Westlite Bukit Minyak, average financial occupancy would be 89.0%

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

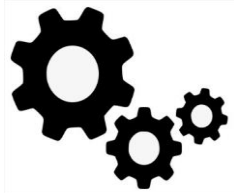
Key Highlights – 1Q 2020



Cash & Bank Balances: S\$48.0m



Total Assets: \$1.5b



Net Gearing Ratio: 50%¹



Total Borrowings: S\$0.7b



Interest Cover Ratio: 3.4 x²

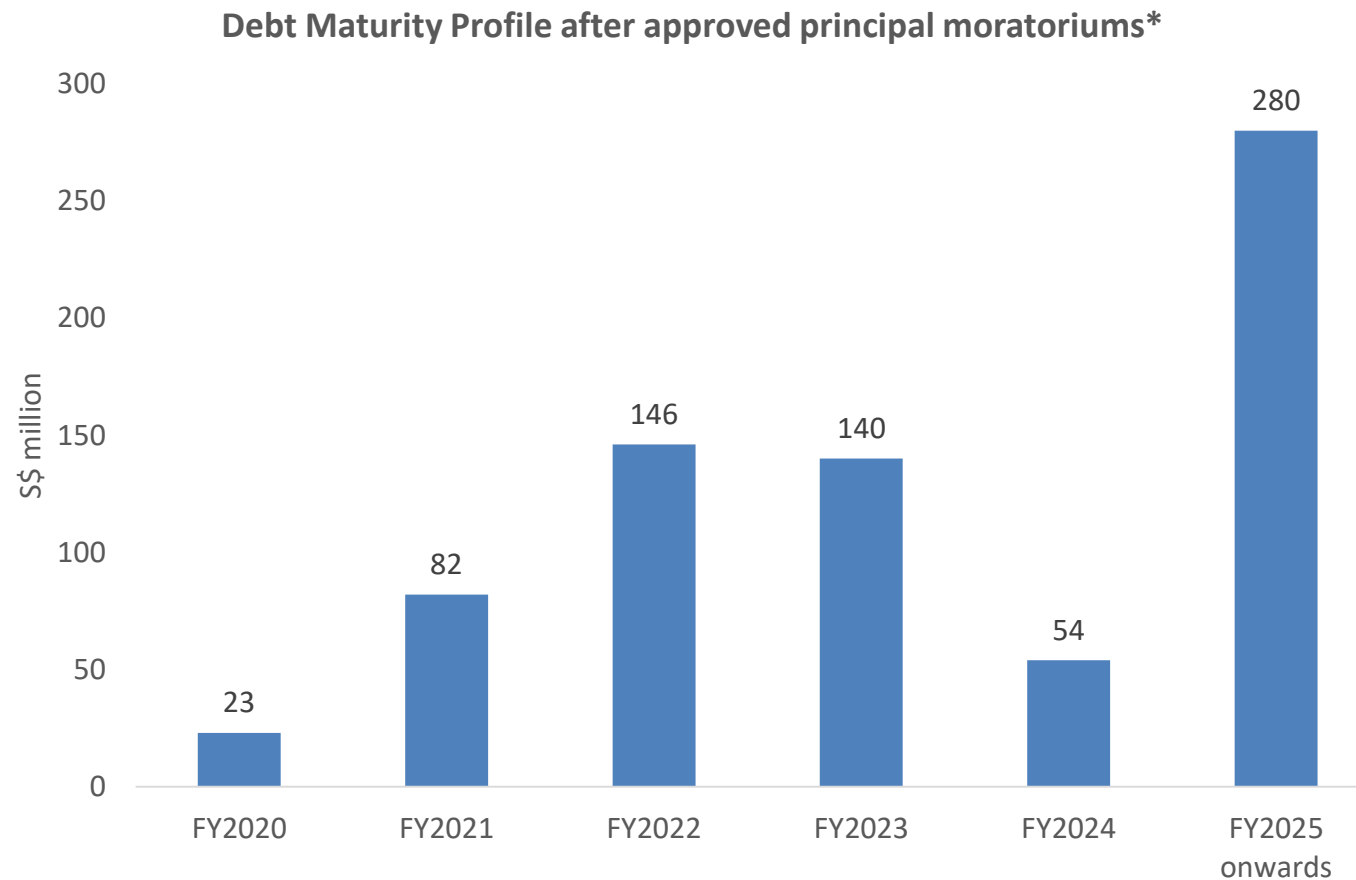
Note:

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 4.4 x excluding MTN interest, interest on lease liability and bank facility fees

Debt Maturity Profile

- Well spread debt maturity with 39% of debt maturing from FY2025 onwards
- Average debt maturity profile of 7 years
- MTN of S\$60m will mature by Feb 2022
- S\$115.5m of unutilised committed facilities



* Based on approved principal moratoriums obtained up to 8th May 2020



Business Review by Markets



Status of Covid-19 in Centurion's Markets



UK under lockdown
from 23 Mar 2020¹ till 7 May 2020²
Confirmed cases: 226,463



South Korea: No lockdown³
Confirmed cases: 10,962



US lockdown: different restriction levels and validity periods across states⁸
Confirmed cases: 1,369,314



Singapore under Circuit Breaker Measures from 7 Apr 2020 till 1 Jun 2020⁴
Confirmed cases: 25,346



Malaysia under Movement Control Order from 18 Mar 2020 till 9 Jun 2020⁵
Confirmed cases: 6,742



Australia under lockdown from 13 Mar 2020⁶ till 17 May 2020⁷
Confirmed cases: 6,980

Confirmed cases as at 13 May 2020

- Sources:
1. <https://www.thesun.co.uk/news/11238253/boris-johnson-coronavirus-lockdown-fines/>
 2. <https://www.standard.co.uk/news/uk/how-long-coronavirus-lockdown-last-a4415731.html>
 3. <https://www.scmp.com/week-asia/health-environment/article/3080764/coronavirus-lockdowns-are-not-reason-hong-kong-and>
 4. <https://www.straitstimes.com/politics/prime-minister-lee-hsien-loong-to-address-nation-on-covid-19-situation-at-5pm>
 5. <https://www.channelnewsasia.com/news/asia/malaysia-covid-19-muhyiddin-movement-control-order-jun-9-extend-12718738>
 6. <https://www.straitstimes.com/asia/australianz/australia-steps-up-lockdown-to-combat-coronavirus-spread>
 7. <https://www.dailymail.co.uk/news/article-8224271/Scott-Morrison-issues-bleak-warning-Australias-economic-future.html>
 8. <https://www.cnet.com/how-to/when-will-the-coronavirus-quarantine-end-where-can-you-go-in-lockdown-and-stay-at-home-order/>

Business Impact and mitigation due to Covid-19

Our PBSA and PBWA businesses, like any other businesses, are not immune to the disruptions from Covid-19:

- a. Affects bookings and occupancy due to travel ban and restrictions
- b. Pre-termination of leases which led to lower bed occupancy
- c. Rental waivers, discounts and deferment to assist customers who are in financial distress and needed financial assistance
- d. Increasing operating and capital cost to deal with Covid-19
- e. Increasing debt delinquencies and longer collection cycles
- f. Softening of demand for PBSA and PBWA beds should Covid-19 prolong



To tackle the current situation, Centurion

- will work on improving operational capabilities and strengthening cash flow management and cost controls
- will tap on relief packages rolled out by the various governments in the different countries where the Group operates
- has approached all the banks within the Group to provide moratoriums on principal repayments and grant additional working capital facilities, and these requests have been supported by the banks



Westlite SG snapshot



	Westlite Toh Guan*	Westlite Mandai*	Westlite Juniper^	Westlite Woodlands^	ASPRI-Westlite Papan	Total
Bed Capacity	7,800	6,300	1,900	4,100	7,900	28,000
Confirmed Covid-19 Cases as at 13 May	370	408	40	90	55	963

* Gazetted as an Isolation Area

^ Identified as a Cluster

Singapore Covid-19 situation as at 13 May:

- Total number of foreign worker dormitories gazetted as isolation areas: **25**
- Total number of foreign workers confirmed with Covid-19: **23,442**

Source : <https://www.mom.gov.sg/covid-19/dorms-gazetted-as-isolation-areas>
 Source: Ministry of Health Situation Report – 13 May 2020, Coronavirus Disease (Covid-19)

Workers Accommodation - SG



- With approximately 28,000 beds across five operating PBWA assets in Singapore as at 31 Mar 2020, with an average financial occupancy rate of **99.1%** for 1Q2020
- Circuit Breaker (“CB”) measures commenced 7 April 2020 till 1 Jun 2020. Except for essential workforce who continues to work, non essential workers are staying in the dormitory. On 21 Apr 2020, the dormitories are in total lock down. As at 13 May 2020, 3,084 resident workers have been decanted.
- Financial Occupancy not affected but expecting operating costs to increase due to workers isolation during CB and preventive measures. Certain costs are subsidised by the government.
- Deferred reconstruction of an existing block at Westlite Toh Guan until Covid-19 situation normalises
- Following the Ministry of Manpower’s (MOM) update in Parliament, expects policies to improve standards and conditions within the industry be introduced. Will engage with taskforce and Dormitory Association on inputs to the new standards.

Workers Accommodation - MY



- With approximately 30,700 beds across seven operating PBWA assets in Malaysia as at 31 Mar 2020, with an average financial occupancy rate of **93.2%**[^] for 1Q2020, excluding Westlite Bukit Minyak where occupancy continues to ramp up progressively
- Movement Control Order (MCO) started 18 March 2020 and with partial restricted MCO extended to 9 June 2020. All workers are staying in dormitories since 18 March but workers gradually started to work from 4th May 2020.
- Covid-19 disrupted the operations in Malaysia with all residents staying within the dormitory. Operational costs increased due to the precautionary measures and higher maintenance costs.
- Revenue stable with stable financial occupancy. Unable to increase occupancy during MCO.
- Development works at Westlite Tampoi II halted due to MCO.
- Westlite Juru project cancelled, after considering uncertain economic situations surrounding the ongoing Covid-19 outbreak.
- As Malaysia begins to ease restrictions, worker residents are resuming work gradually. We remain vigilant in our precautionary efforts.

Note:

[^] Including Westlite Bukit Minyak, average financial occupancy would be 79.9%

Student Accommodation - UK



- With approximately 2,852 beds across eleven operating PBSA assets in the UK as at 31 Mar 2020, with an average financial occupancy rate of **93.4%** for 1Q2020
- Despite various challenges such as political uncertainty, Brexit and immigration rhetoric, the number of students applying, accepting places and formally registering for university in the UK pre-COVID was higher than before¹
- UK was under lock down from 23 March 2020 till 7 May 2020 due to Covid19. Currently, in the phase of easing the lock down. PM Johnson unveiled a "conditional plan" to reopen society gradually from 13 May 2020². Primary schools are scheduled to open in June, opening of tertiary universities is still not scheduled. 'A' level results is scheduled to release on 15 August. Universities is expected to restart in September which is the beginning of academic year. Current bookings of AY20/21 ongoing even though slow.
- Expected impact to come from bookings by international students due to uncertainty over travelling and expected travel restrictions. Will focus on domestic students.
- Announced early lease termination policy and anticipated a reduction in revenue for current AY19/20, of GBP3 - 5 million, depending on number of residents who terminate their leases. Based on the termination requests received, the expected reduction in revenue is approximately GBP3.1 million, which is at the lower end of the range.

1. Source: CBRE – [The Impact of COVID-19 on the Purpose Built Student Accommodation Sector as at April 2020](#)

2. Source: Boris Johnson speech: PM unveils 'conditional plan' to reopen society <https://www.bbc.com/news/uk-52609952>



Manchester Metropolitan University

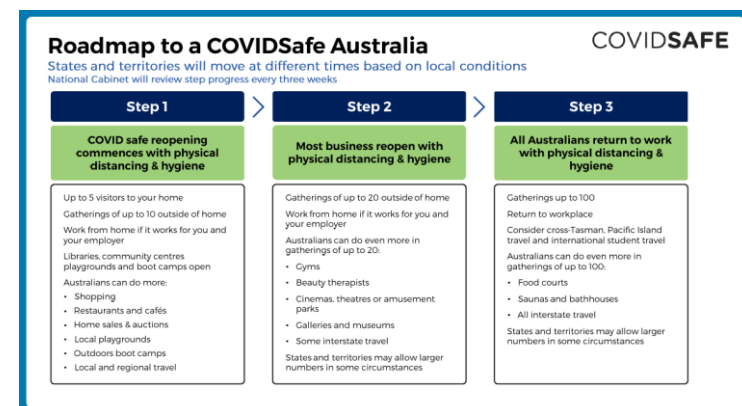


The University of Manchester

Student Accommodation - AU



- RMIT Village had an average financial occupancy rate of **67.0%** for 1Q2020, while dwell East End Adelaide had an average financial occupancy rate of **85.7%** for 1Q2020
- Reduction in occupancy for the period is within expectations, due to some residents, mainly citizens of the People's Republic of China (PRC), being unable to move in, as well as a reduction in demand from the PRC student source market for the university semester commencing March 2020 (PRC residents accounted for approximately 28% of our Australian PBSA's FY2019 occupancy)
- Australia on a lock down from 13 March till 17 May 2020. Cancellation requests from exchange students, who have left the country during the period, estimated to reduce revenue about A\$100k. As parts of the country ease social distancing restrictions, Australia is aiming for a Covid-19 safe economy by July 2020¹, pointing towards a gradual normalisation.
- While a decline in second semester international student enrolments is expected, the Australian government is working to focus on domestic students². Given that between 2012 and 2017, the number of Australian students studying outside their home state increased by 47,280³, domestic demand for PBSA is expected to remain stable.
- Australia announced the easing of social distancing restrictions in a 3-step process, targeting to remove most curbs by Jul 2020⁴. International students would also potentially be allowed to return to Australia.



1. Source: CNA Online – [Australia targets COVID-19 safe economy by July](#), 6 May 2020
2. Source: ICEF Monitor – [Measuring COVID-19's impact on higher education](#), 15 April 2020
3. Source: JLL Student Accommodation Investment Review and Outlook 2019
4. Source: <https://www.straitstimes.com/asia/australianz/australia-lays-out-road-map-to-lift-most-virus-curbs-by-july>

Student Accommodation – S. Korea



- dwell Dongdaemun impacted by the Covid-19 outbreak in mid-February when the country had the world's second largest number of coronavirus cases after China
- Resulted in an average financial occupancy rate of **25.0%** in 1Q2020, as students returned home
- With few new cases and the country largely returning to normal from 6 May, expecting occupancy to slowly ramp up
- Universities planning to start face to face courses in second semester
- Expanding service offering to include co-living working professionals



Student Accommodation - US



- Occupancy remained healthy despite the uncertainties around the Covid-19 situation
 - Students remained in residence to continue e-learning
- While university campuses have been closed to limit the spread of Covid-19, the American College Health Association has issued guidelines for reopening¹
- While resumption of activities will be phased based on local public health conditions as well as institutional capacity, it points towards a likely gradual normalisation
- Pre-leasing still on-going as normal
- No Covid-19 cases in US properties so far, except for 1 case in dwell College & Crown



1. Source: Inside Higher Ed – [American College Health Association Issues Guidelines for Reopening](#), 7 May 2020



Going Ahead



Going Ahead

- We remain confident in the fundamentals of the business, and the resilience of the workers and student accommodation sectors
- We expect impact to our financial occupancies and from operating cost increases and consequently our financial performance
- We believe the PBWA and PBSA sectors will recover fairly quickly once market normalises and we will continue with our course of expansion plans into these sectors

- Expects SG PBWA policies to improve standards and conditions within the industry be introduced
 - Will engage with relevant stakeholders
 - Likely to shift towards purpose-built housing
 - Operators with scalable management platform, strong expertise and proven track record will benefit from such changes

- Wait till the situations across our markets normalise from Covid-19 pandemic and reevaluate our expansion plans then accordingly to the market situations



Additional Information



Workers Accommodation – Portfolio at a glance

- **12** operating assets in SG and MY
 - 1 pipeline asset in MY, Westlite Tampoi II (3,600 beds) expecting completion in 2020

Country	Facility	Ownership	Capacity (approx. no of beds)	Lease tenure (no of years)	Start of lease (year)
Singapore (1Q2020 average financial occupancy: 99.1%)	Westlite Toh Guan	100%	7,800	60	1997
	Westlite Woodlands	100%	4,100	30	2013
	Westlite Juniper	100%	1,900	10 + 5	2019
	ASPRI-Westlite Papan	51%	7,900	23	2015
	Westlite Mandai	45%	6,300	Freehold	
	Total in Singapore		28,000		
Malaysia (1Q2020 average financial occupancy: 93.2%^)	Westlite Bukit Minyak	100%	6,600	Freehold	
	Westlite Senai II	100%	5,900	Freehold	
	Westlite Johor Tech Park	100%	5,800	99	2013
	Westlite Tampoi	100%	5,300	Freehold	
	Westlite Senai	100%	2,600	Freehold	
	Westlite Pasir Gudang	100%	2,000 400	99 9 (leased block)	1986 2019
	Westlite Tebrau	100%	2,100	60	2000
	Total in Malaysia		30,700		
	Total no of beds for Workers Accommodation		58,700		

^ Excluding Westlite Bukit Minyak where occupancy is ramping up progressively

Student Accommodation – Portfolio at a glance

- **21** operating assets with 6,433 beds across SG, AU, UK, US and KR

Country	Facility	Ownership	Capacity (approx. no of beds)	Lease tenure (no of years)	Start of lease (year)
UK (1Q2020 average financial occupancy: 93.4%)	dwell MSV	100%	1,017	Freehold	
	dwell Cathedral Campus	100%	383	250	2007
	dwell MSV South	100%	355	Freehold	
	dwell Garth Heads	100%	181	125	1995
	dwell Archer House	100%	177	Freehold	
	dwell Hotwells House	100%	157	125	2009
	dwell The Grafton	100%	145	Freehold	
	dwell Weston Court	100%	140	125	2008
	dwell Princess Street	100%	127	Freehold	
	dwell Beechwood House	100%	37	125	2009
	dwell Castle Gate Haus*	14.3%	133	Freehold	
	Total in UK		2,852		
Australia (1Q2020 average financial occupancy: 72.9%)	RMIT Village	100%	616	Freehold	
	dwell East End Adelaide	100%	280	Freehold	
	Total in Australia		896		
Singapore (1Q2020 average financial occupancy: 86.5%)	dwell Selegie	100%	332	3+3+2	2015
	Total in Singapore		332		

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

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

- **21** operating assets with 6,433 beds across SG, AU, UK, US and SK

Country	Facility	Ownership	Capacity (approx. no of beds)	Lease tenure (no of years)	Start of lease (year)
US#	dwell Logan Square	28.7%	642	Freehold	
	dwell Tenn Street	28.7%	624	Freehold	
	dwell Towers on State	28.7%	231	Freehold	
	dwell Statesider	28.7%	226	Freehold	
	dwell Stadium View	28.7%	216	Freehold	
	dwell College & Crown	28.7%	206	Freehold	
	Total in US		2,145		
South Korea (1Q2020 average financial occupancy: 25.0%)	dwell Dongdaemun	55.0%	208	Freehold	
	Total in South Korea		208		
	Total no of beds for Student Accommodation		6,433		

Centurion owns 28.7% of the Centurion US Student Housing Fund, which acquired all 6 US properties and is the portfolio manager as well as provider of property management services



Thank You

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