



Centurion Corporation Limited

(Incorporated in the Republic of Singapore with limited liability)

(Co. Reg. No.: 198401088W)

FY 2022 Financial Results

28 February 2023



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Business Review

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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 stable occupancy and bed rates
- A student accommodation business in major global education hubs
 - **19** operating assets in Australia, South Korea, UK and US
 - Established investment management platform to manage US student accommodation assets for third party investors
- Operating a high quality portfolio in key locations through **two established and professional brand platforms**



Dedicated to workers accommodation



Dedicated to student accommodation

- Proven and reliable ability to generate **quality earnings** and **steady cashflow** from assets
- A **stable and experienced leadership team** 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
- Completed upgrading of Westlite Toh Guan
- Acquired RMIT Village in Melbourne, Australia
- Opened the 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 in October
- Acquired 127-bed Princess Street, Manchester and 133-bed Castle Gate Haus, Nottingham, UK; and 208-bed dwell Dongdaemun (55% stake), Seoul, South Korea



- Secured 3+1 year lease to manage 4 Quick Build Dormitories (up to 6,400 beds) from JTC Corporation
- Secured 21+9 year lease to manage a ready-built workers dormitory (approx. 6,044 beds) from the Selangor State Development Corporation



- Received Certification from Department of Labour Peninsular Malaysia for all Westlite Malaysia properties
- Issued S\$53M Fixed Rate Notes due 2026
- Asset Enhancement Initiatives completed at Westlite Tebrau (2Q 2022) and Westlite Tampoi (4Q 2022) adding 1,902 beds

1984

2011

2012

2014

2015

2016

2017

2018

2019

2020

2021

2022

- 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 a piece of land in Port Hedland Western Australia



- Awarded the tender to operate a 332-bed student accommodation, dwell Selegie, Singapore
- Completed 4,100-bed Westlite Woodlands workers accommodation asset



- Launched "dwell" as the Group's student accommodation brand
- Acquired a development site at Adelaide
- Dual primary listed in HK in Dec 2017 (SEHK code: 6090)
- Acquired six US assets (28.7% share)



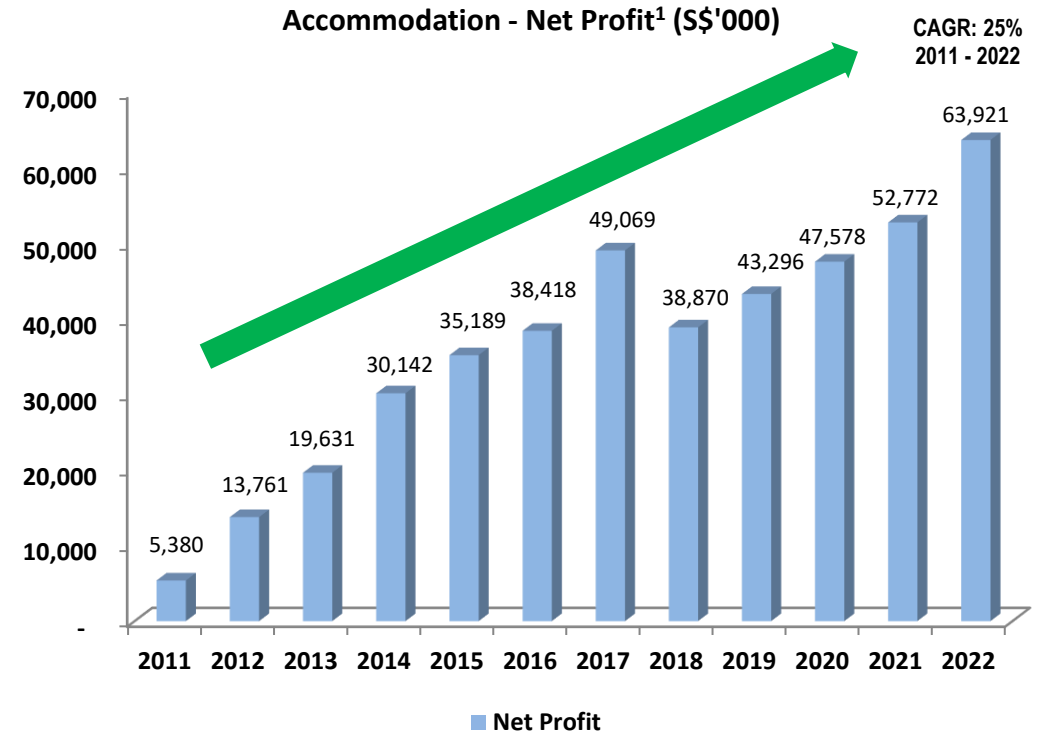
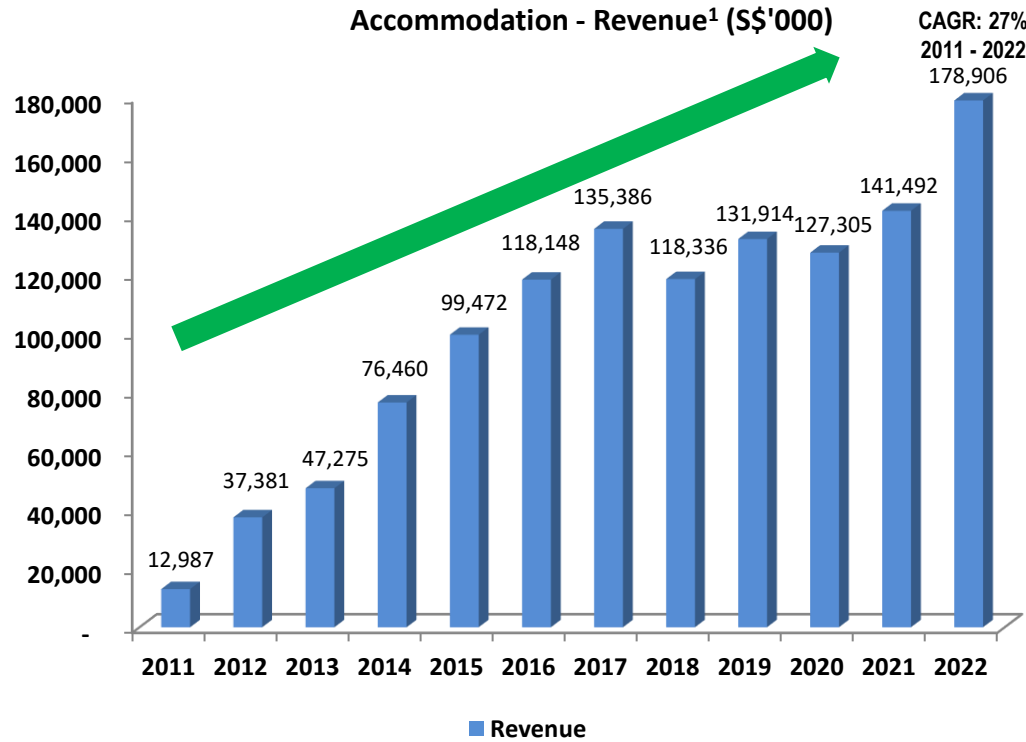
- Completed development of Westlite Bukit Minyak
- Secured 10+5 year lease to operate Westlite Juniper
- Acquired 177-bed Archer House, Nottingham, UK



- Secured management services contracts for 2 Onboard Centres
- Commenced AEI at Westlite Toh Guan to redevelop 1 block
- Completed development of 3 additional blocks adjacent to existing Westlite Tampoi
- Acquired and retro-fitted 2 blocks adjacent to Westlite Pasir Gudang



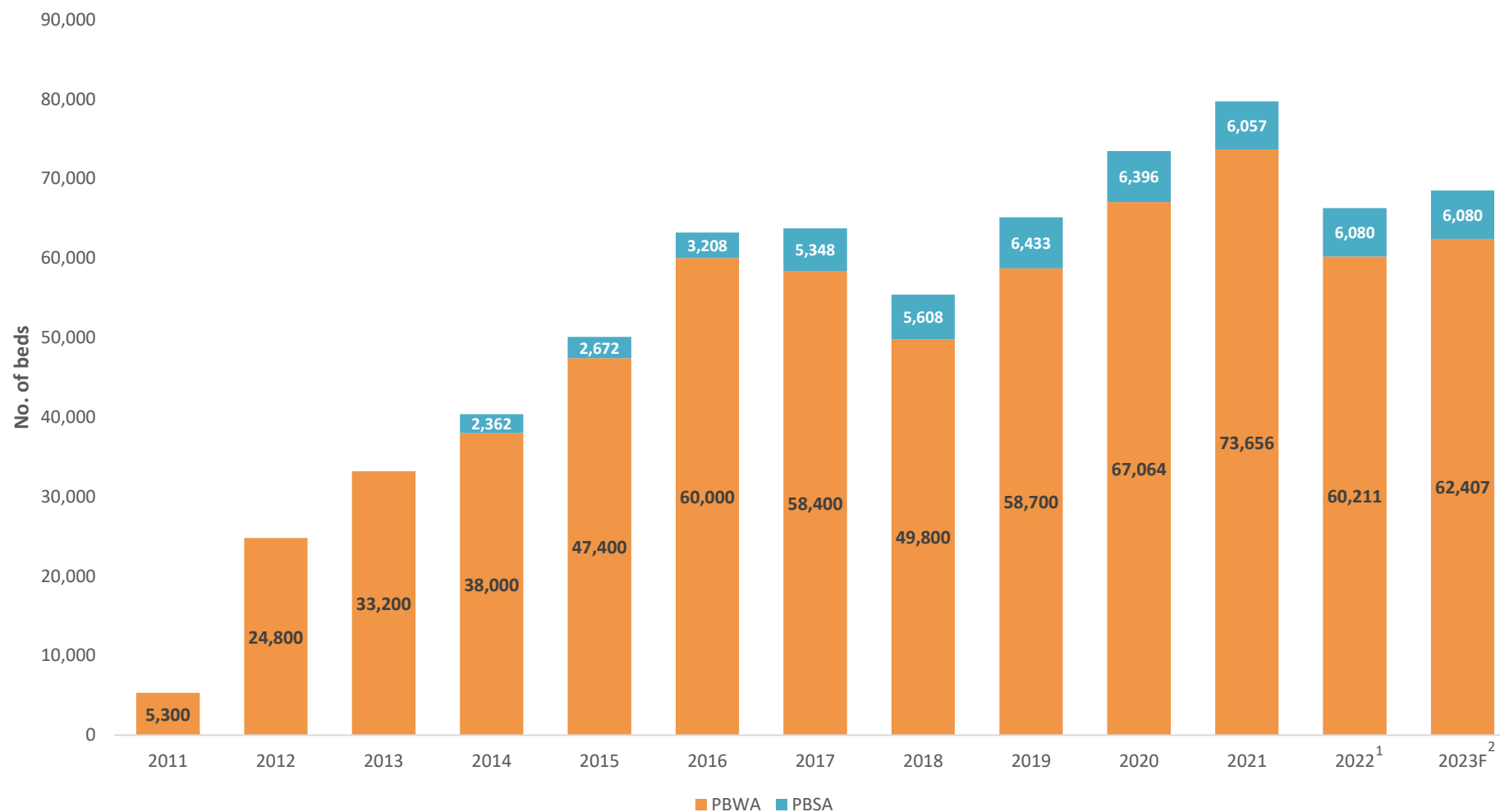
Financial Growth of Accommodation Business



Note:
1. From core business operations

Accommodation Growth Profile

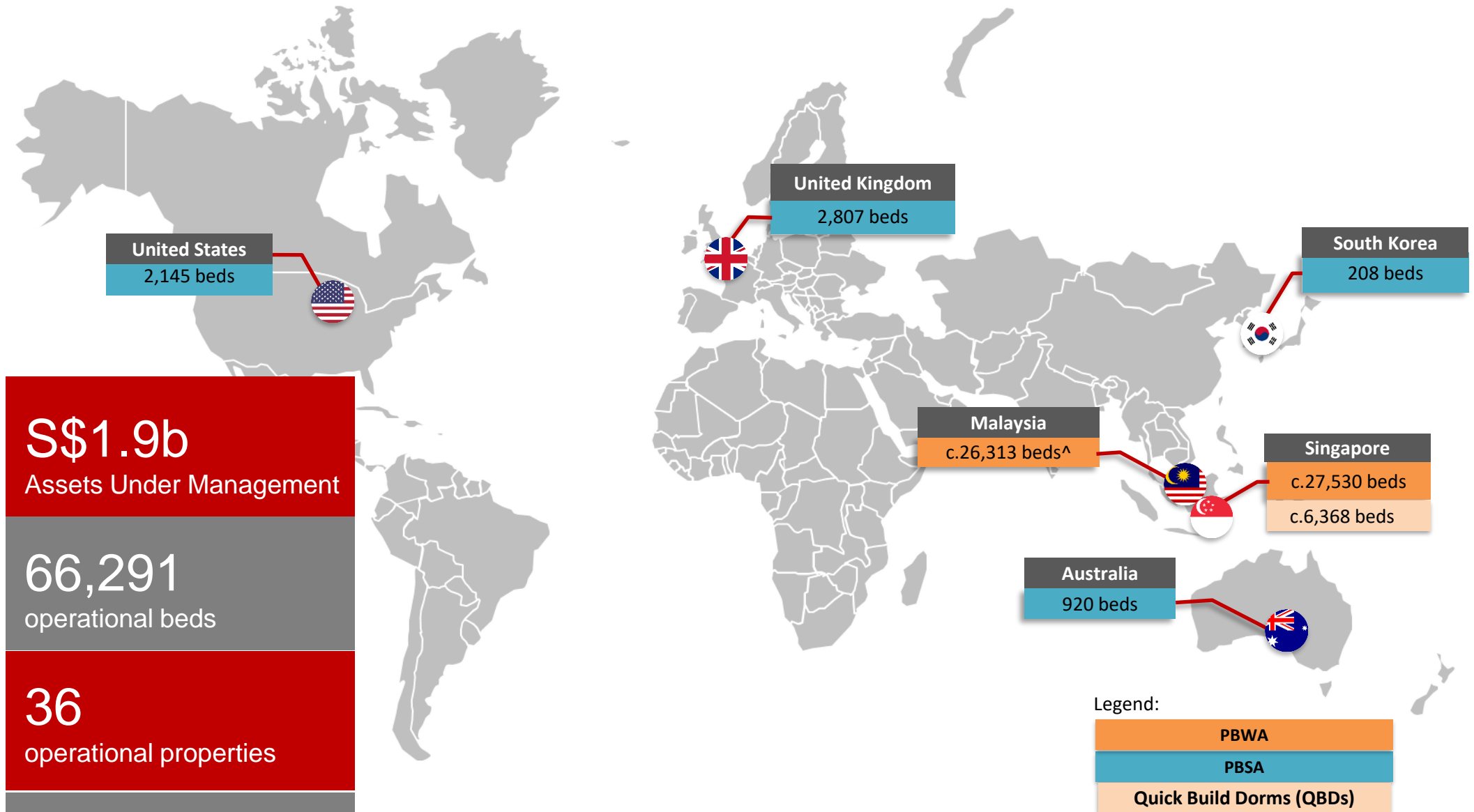
Accommodation Portfolio - Bed Capacity



Note:

1. Bed capacity for PBWA in Malaysia reduced to c.24,411 beds to comply with Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("Act 446") with effect from 1 Jan 2022. 688 beds added in 2Q 2022 following completion of asset enhancement works at Westlite Tebrau and 1,214 beds added in 4Q 2022 following completion of asset enhancement works at Westlite Tampoi
2. The Group secured a 10-year management contract for a 2,196-bed PBWA, Westlite Cemerlang in Johor, which is expected to commence operations in 3Q 2023

Diversified Business Portfolio across Geography and Asset Type



S\$1.9b
Assets Under Management

66,291
operational beds

36
operational properties

17 cities in **6** countries

[^] Bed capacity for PBWA in Malaysia has reduced to c.24,411 beds to comply with Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("Act 446") with effect from 1 Jan 2022. 688 beds added in 2Q 2022 following completion of asset enhancement works at Westlite Tebrau and 1,214 beds added in 4Q 2022 following completion of asset enhancement works at Westlite Tampoi.



Financial Review



FY 2022 Key Performance Highlights

Revenue

S\$180.5m

▲ 26% from S\$143.0m in FY 2021

- Increased financial occupancy across all countries where the Group operates
- Additional revenue contribution from QBDS during the year

NPAT

S\$76.3m

▲ 37% from S\$55.8m in FY 2021

- Higher revenues with increased occupancy
- Net fair value gain on investment properties in FY2022 vs net fair value loss on investment properties in FY2021
- Partly offset by:-
 - lower government grant support for COVID-19
 - lower share of profit from associated companies and joint venture largely due to fair value adjustments from US Portfolio
 - higher finance and admin expenses

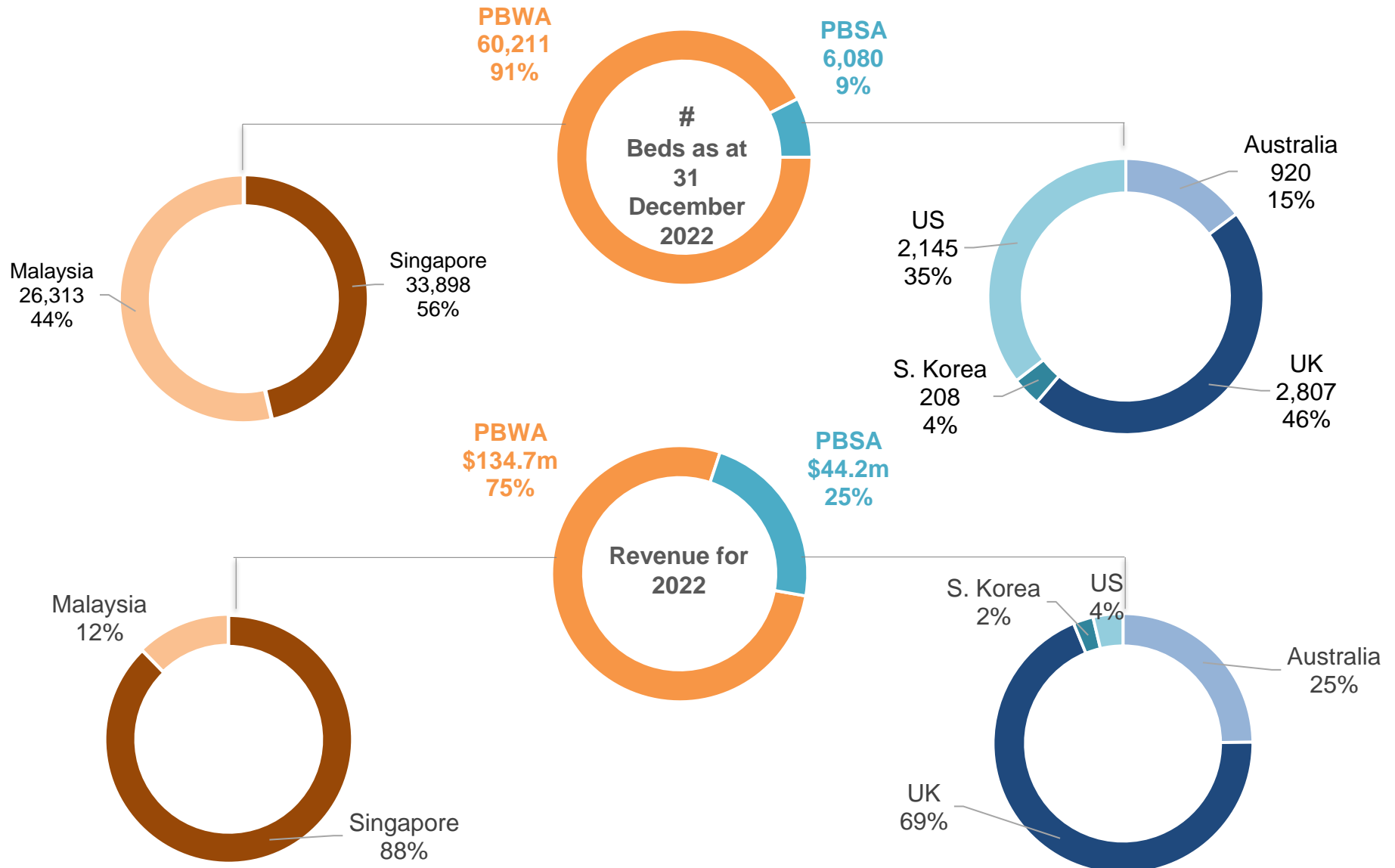
Excluding Fair Valuation Adjustments
Net Profit from Core Business

S\$63.5m

▲ 20% from S\$53.1m in FY 2021

Diversified Business Portfolio by Asset Type and across Geographies

Good diversification at asset class, country and asset levels



Financial Overview

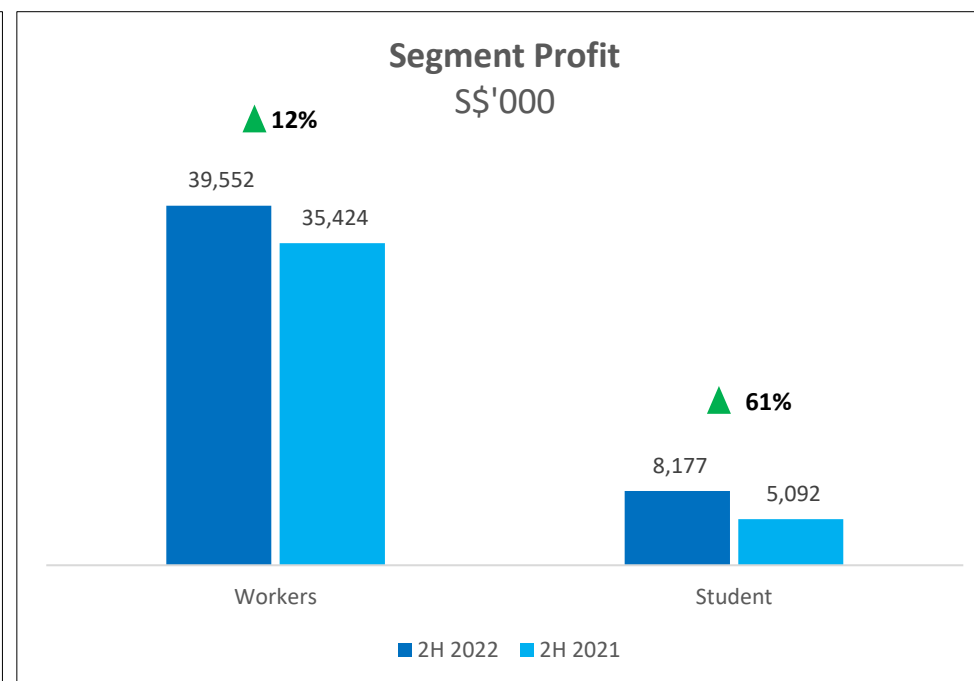
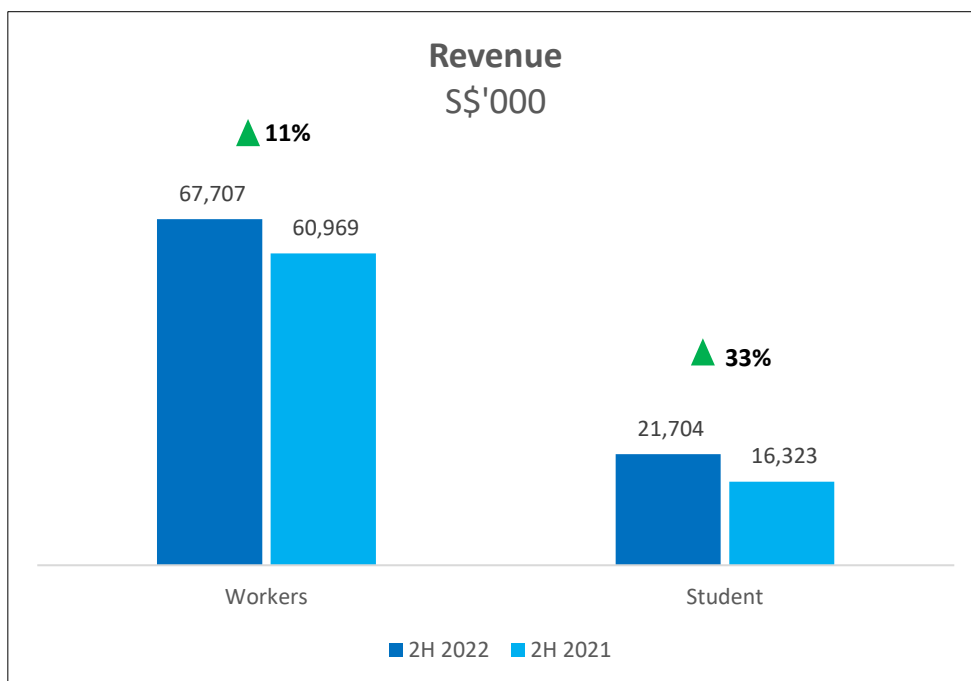
S\$'000	2H 2022	2H 2021	Change %	12M 2022	12M 2021	Change %
Revenue	89,922	78,290	▲ 15%	180,450	143,017	▲ 26%
Gross Profit	62,640	50,855	▲ 23%	123,555	94,316	▲ 31%
Gross Profit Margin	70%	65%	▲ 5pp	68%	66%	▲ 2pp
Net Profit	41,207	46,699	▼ -12%	76,280	55,797	▲ 37%
Net Profit from core business	31,096	29,131	▲ 7%	63,488	53,088	▲ 20%
Net Profit Margin	35%	37%	▼ -2pp	35%	37%	▼ -2pp
Net Profit (Equity holder) ¹	28,132	26,102	▲ 8%	57,090	46,486	▲ 23%

- ❑ **Revenue increased 15% to S\$89.9 million in 2H 2022 and 26% to S\$180.5 million in 12M 2022** mainly due to:-
 - Increases occupancy across all countries particularly Singapore PBDs, Australia and UK
 - Full year's contribution from four QBDs in FY 2022 compared to FY 2021 when only two QBDs delivered a full year's contribution while two QBDs commenced operations progressively in June and September 2021
- ❑ **Lower other income due to a reduction of grants associated with Covid-19**
- ❑ **Higher admin & distribution expenses** with increased business activities, higher professional fee for strategic review and **higher finance expenses** due to higher interest rate environment
- ❑ **Lower net fair value gain by S\$2 million in 2H 2022 and net fair value gain of S\$19 million in 12M 2022** as compared to net fair value loss of S\$3.1 million in 12M 2021
 - a reflection of current market conditions, on paths of recovery, offset by ROU fair value adjustment
- ❑ **Excluding fair value adjustments, Net Profit (Equity holders) increased 8% in 2H 2022 and 23% in 12M 2022** mainly due to:
 - higher revenue partly mitigated by lower grants and higher admin & interest expenses

Segment Breakdown

Accommodation Business Results in 2H 2022

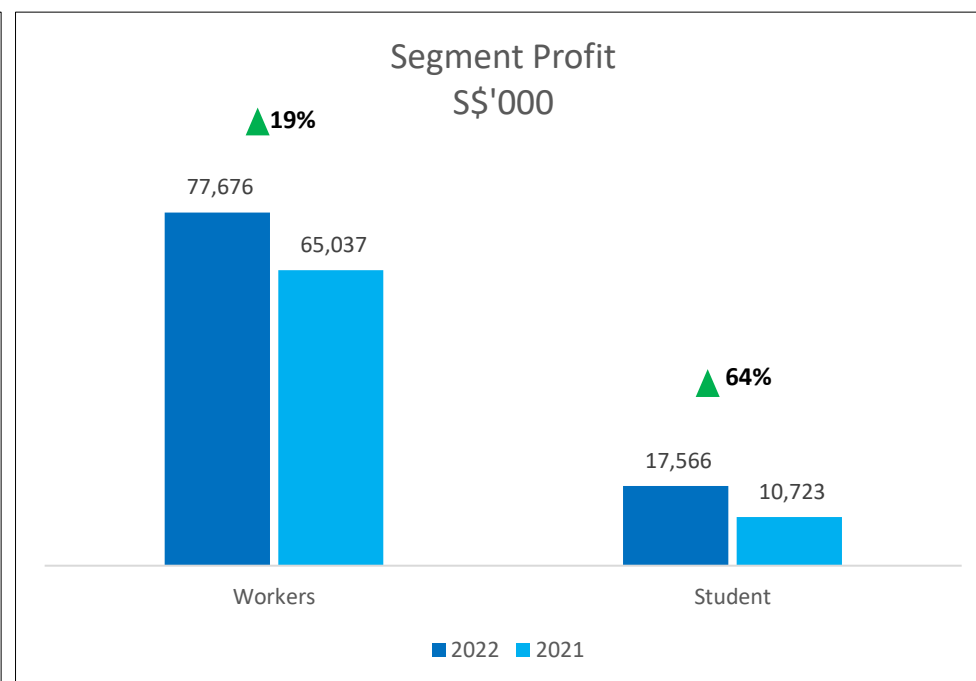
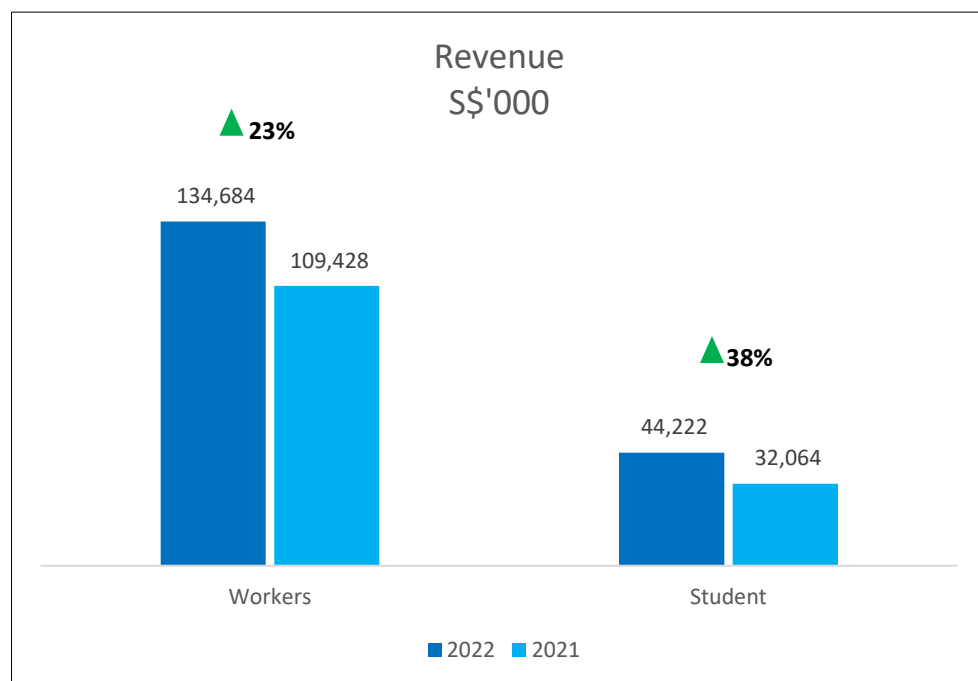
S\$'000	Accommodation					
	Workers			Student		
	2H 2022	2H 2021	Change	2H 2022	2H 2021	Change
Revenue	67,707	60,969	▲ 11%	21,704	16,323	▲ 33%
Segment Profit	39,552	35,424	▲ 12%	8,177	5,092	▲ 61%
Segment Margin	58%	58%	Opp	38%	31%	▲ 7pp



Segment Breakdown

Accommodation Business Results in FY 2022

S\$'000	Accommodation					
	Workers			Student		
	FY 2022	FY 2021	Change	FY 2022	FY 2021	Change
Revenue	134,684	109,428	▲ 23%	44,222	32,064	▲ 38%
Segment Profit	77,676	65,037	▲ 19%	17,566	10,723	▲ 64%
Segment Margin	58%	59%	▼ -1pp	40%	33%	▲ 7pp



Balance Sheet Highlights

S\$'000	31 Dec 2022	31 Dec 2021	Change %
Cash & Bank Balances	68,274	67,493	▲ 1%
Current Assets	91,757	96,630	▼ -5%
Non Current Assets	1,455,998	1,486,084	▼ -2%
Total Assets	1,547,755	1,582,714	▼ -2%
Current Liabilities	165,599	136,844	▲ 21%
Non Current Liabilities	673,668	768,551	▼ -12%
Total Liabilities	839,267	905,395	▼ -7%
Net Assets	708,488	677,319	▲ 5%
Net Gearing Ratio ¹	43%	47%	▼ -4pp

- ❑ **Healthy Balance Sheet** – S\$68.3m in cash and bank balances
- ❑ **Cash and bank balances** – Increase largely due to cash generated from operating activities
- ❑ **Current Liabilities** – increase due to reclassification of borrowings that was due within 1 year and increased rental deposits received from new tenants arising from higher occupancy. The Group has sufficient cash resources and banking facilities available in total of approximately S\$197.5m to meet its current liabilities
- ❑ **Non Current Liabilities** – decrease due to loan repayment and reclassification of borrowings due within 1 year as well as repayment of principal portion of lease liabilities
- ❑ Average long term bank debt maturity profile of 6 years
- ❑ Interest cover is well within interest cover threshold at 3.9 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	31 Dec 2022	31 Dec 2021
Earnings Per Share	8.50¢	6.27¢
Earnings Per Share From core business operations ¹	6.79¢	5.53¢
NAV Per Share	81.70¢	78.46¢
Share Price	33.5¢ ²	33.0¢ ³
Dividend	0.5¢ ⁴	0.5¢ ⁴
Market Capitalisation	S\$282m ²	S\$277m ³

Notes:

1. Excluding fair value adjustments and one-off item
2. As at 31 December 2022
3. As at 31 December 2021
4. The Board has recommended a final dividend of 0.5 Singapore cent per ordinary share for FY 2022 (equivalent to 2.87 Hong Kong cents per ordinary share*)

* based on exchange rate of S\$1.00: HK\$5.7494 as at 28 February 2023



Business Review

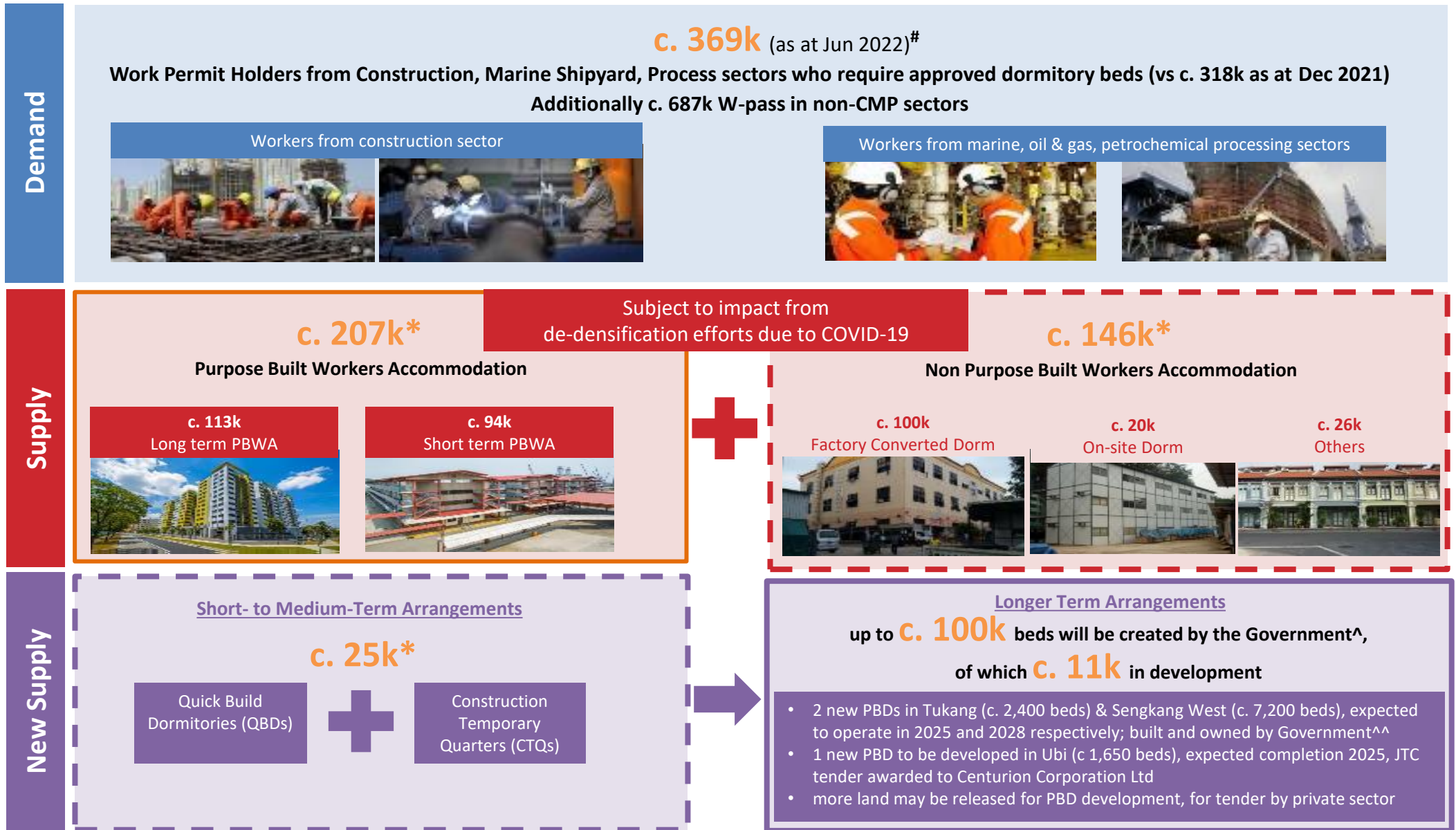




Purpose Built Workers Accommodation



Workers Accommodation Landscape - SG



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

* 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 at a glance

Singapore – 9 Properties (33,898 beds)



**7,900
Beds**

**23
Years
wef 2015**

ASPRI-Westlite Papan
(51% owned)



**7,330
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



**1,020
Beds**

**3+1
Years
wef 2020**

Westlite Tuas Avenue 2



**3,420
Beds**

**3+1
Years
wef 2021**

Westlite Jalan Tukang



**628
Beds**

**3+1
Years
wef 2021**

Westlite Tuas South Boulevard

Orange = Quick Build Dormitories

* Reduced bed capacity due to redevelopment of 1 block

Workers Accommodation



Singapore

- Average financial occupancy of 5 PBDs was 97% for FY 2022 vs 85% for FY 2021
 - including 4 QBDs, of which two commenced operations in 2H 2020 and two commenced operations in 2021, the average financial occupancy of all 9 PBWAs was 97% for FY 2022
- Financial occupancy has improved steadily alongside healthy rental rate increases
 - recovery of the Singapore economy in 2022 driven by the reopening of its borders
 - resumption of arrivals of dormitory-bound work pass holders in Singapore as CMP sectors recovered¹
- Occupancies at the Group's Singapore PBWA assets has recovered to pre-COVID levels
 - expected to remain robust in the year ahead with sustained strong demand under-met by bed supply
- 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 at Ubi Avenue 3 in the east of Singapore, a region with few PBD, supported mainly by FCD, and faces a shortage of quality bed supply
 - expected development completion in 2025, adding c. 1,650 beds
- Also in Jan 2023, the Group secured an MOM management services contract to manage 5 Community Recovery Facilities for a period of 6 months, extendable up to 12 months

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

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

Malaysia – 8 Properties (25,099 beds)

**3,321
Beds**

Freehold

Westlite Bukit Minyak*

**3,020
Beds**

Freehold

Westlite Senai II*

**3,480
Beds**

**99
Years
wef 2013**

Westlite Johor Tech Park*

**5,500
Beds**

Freehold

Westlite Tampoi* ^

**1,210
Beds**

Freehold

Westlite Senai*

**1,786
Beds**

**60
Years
wef 2000**

Westlite Tebrau* ^^

**1,776*
Beds** + **176
Beds**

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

Westlite Pasir Gudang*

**6,044
Beds**

**21+9
Years
wef 2020**

Westlite – PKNS Petaling Jaya

* Post reconfiguration works to comply with Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("Act 446") with effect from 1 Jan 2022

^ 1,214 beds added in 4Q 2022 following completion of asset enhancement works

^^ 688 beds added in 2Q 2022 following completion of asset enhancement works

Workers Accommodation



Malaysia

- Average financial occupancy of 8 PBWAs was 80% for FY 2022 vs 78% for FY 2021
- Demand for quality and well-planned workers' accommodations expected to increase as employers move to comply with Act 446
- Johor, Penang, and Selangor are top three states with highest number of foreign workers in manufacturing sector
 - sector dominates the number of foreign workers, with about 35% of the country's estimated 2 million foreign workforce¹
- In 2022, the Group completed asset enhancement works at 2 properties, enlarging portfolio capacity by 1,902 beds
 - Westlite Tebrau AEI completed 2Q 2022, added 688 beds
 - Westlite Tampoi AEI completed 4Q 2022, added 1,214 beds
- The Group has secured a 10-year management contract for a 2,196-bed PBWA, Westlite Cemerlang in Johor, which is expected to commence operations in 3Q 2023

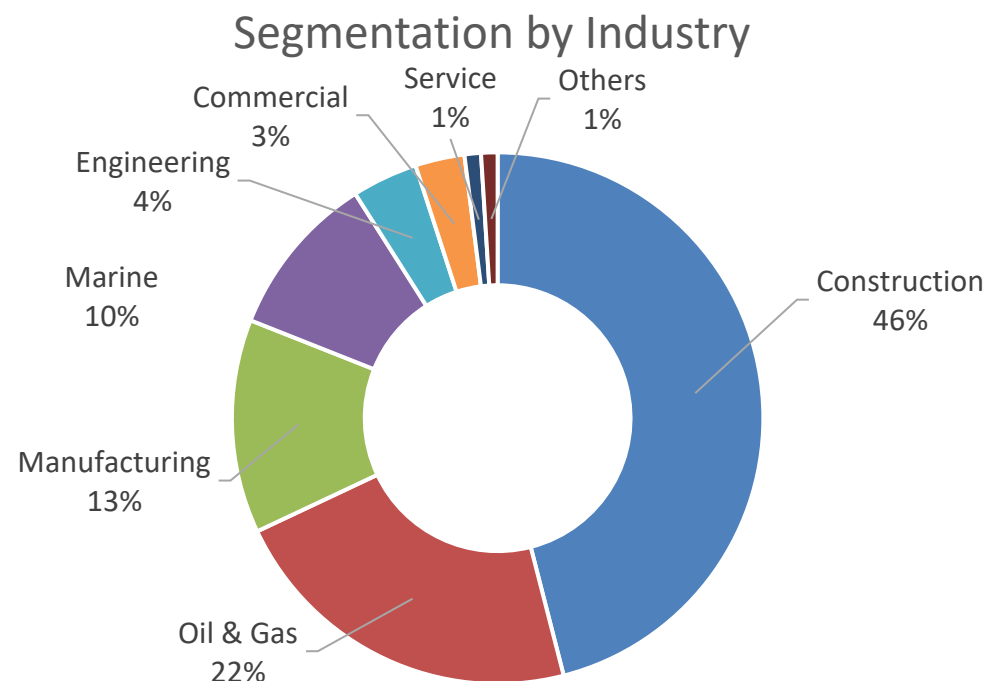
¹ [The Changing Landscape Of Workers' Accommodations](#), Knight Frank, November 2021

Workers Accommodation

Diversified, stable customer base

- more than 1,700 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	46
2	Oil & Gas	22
3	Manufacturing	13
4	Marine	10
5	Commercial	3
6	Engineering	4
7	Service	1
8	Others	1
	Total	100



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

* As at 31 December 2022



Purpose Built Student Accommodation



Student Accommodation – Portfolio at a glance

United Kingdom – 10 Properties (2,807 beds)



**1,003
Beds**

Freehold



**362
Beds**

Freehold



**145
Beds**

Freehold



**140
Beds**

**125
Years
wef 2008**

dwel Manchester Student Village (MSV)

dwel MSV South

dwel The Grafton

dwel Weston Court



**126
Beds**

Freehold



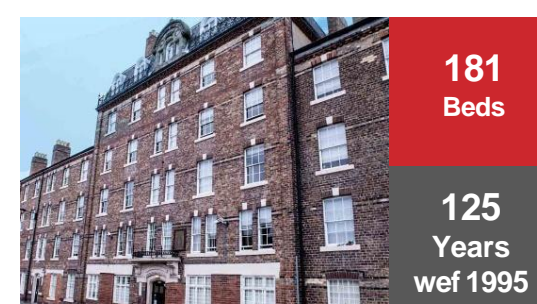
**157
Beds**

**125
Years
wef 2009**



**383
Beds**

**250
Years
wef 2007**



**181
Beds**

**125
Years
wef 1995**

dwel Princess Street*

dwel Hotwells House

dwel Cathedral Campus

dwel Garth Heads



**177
Beds**

Freehold



**133
Beds**

Freehold

dwel Archer House

dwel Castle Gate Haus^

* Changes to bed capacity due to reconfiguration of units

^ Centurion Overseas Investments Pte. Ltd. holds approximately 14.3% of the total number of units in Centurion Student Accommodation Fund, which acquired dwel Castle Gate Haus

Student Accommodation



United Kingdom

- Average financial occupancy improved to 90% for FY 2022 vs 72% for FY 2021
 - domestic population of Higher Education-age students has grown, adding to demand for PBSA beds¹
 - international student arrivals recovered as UK lifted all COVID-19 travel restrictions
- UK continues to attract international students
 - UK higher education providers hosted 679,970 international students in AY2021/22, hitting its target of 600,000 international students a decade earlier than its 2030 commitment²
- Continued shortage in PBSA bed supply in the face of increasing demand enabled healthy rental reversions
 - moderated the impact of escalation in energy prices and 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 to meet evolving demands

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

2 [International student recruitment data](#), Universities UK, 10 February 2023

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

Australia – 2 Properties (920 beds)



dwell Village Melbourne City



dwell East End Adelaide*

South Korea – 1 Property (208 beds)



dwell Dongdaemun
(55% owned)

* Changes to bed capacity due to reconfiguration of units

Student Accommodation



Australia

- Average financial occupancy of the Group's two Australian assets improved to 73% for FY 2022 vs 26% for FY 2021
 - borders re-opened since Dec 2021 and international students were welcomed back into the country
- International students steadily returning to Australia, but face a continued shortage of accommodations
- Growth in student population and demand for PBSA expected to continue to rise, following China's move to end recognition of online degrees¹



South Korea

- Strong recovery with financial occupancy to 84% for FY 2022 vs 66% for FY 2021
 - international student arrivals for exchange programmes and language courses expected to further improve
- the Group continues to explore opportunities to realise the value of its asset in South Korea

1. [China Bans Overseas Online Colleges](#), Inside Higher Ed, 9 February 2023

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

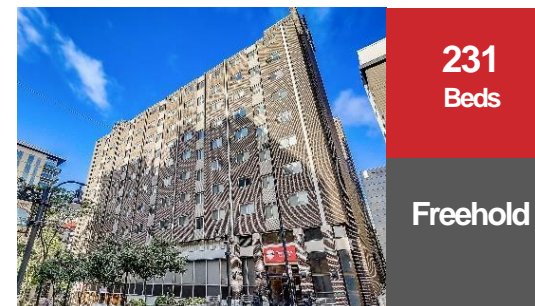
United States# - 6 Properties (2,145 beds)



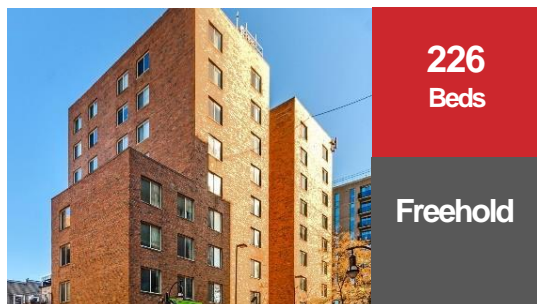
dwel Logan Square



dwel Tenn Street



dwel The Towers On State



dwel The Statesider



dwel Stadium View



dwel College & Crown

Centurion Overseas Investments Pte. Ltd. holds approximately 28.7% of the total number of units in the Centurion USStudent Housing Fund, which acquired all 6 US properties

Student Accommodation



United States

- The average financial occupancy for FY 2022 remained healthy and stable as compared to FY 2021
- The Group has in November 2022 extended the term of Centurion US Student Housing Fund for a further two years.



Looking Ahead



Looking Ahead



Managing Operating Performance



Global economy continues to recover from COVID-19, and demand continues to be strong across the geographical territories where Centurion operates.

Inflationary pressures and rising interest rates will add to operating costs and financing expenses, which Centurion expects to offset by positive rental reversions.

The Group aims to mitigate impact of the dual headwinds, with focus on management efficiencies, optimizing rental revenues, and prudent cash conservation.

Enhancing Portfolio Value and Performance



Centurion will continue to calibrate assets, spaces and operations, adjusting to market shifts and regulatory changes, to enhance the value of its assets, improve pandemic management resilience and ensure the well-being of its residents.

Seeking Synergistic Growth



Centurion continues its strategic review of its specialized accommodation portfolio, seeking opportunities for capital recycling and reallocation towards synergistic assets and businesses, to deliver sustainable, long-term value to shareholders



Thank You

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