



Centurion Corporation Limited

(Incorporated in the Republic of Singapore with limited liability)

(Co. Reg. No.: 198401088W)

# 3Q 2023 Business Updates

9 November 2023



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# Business Overview



# Performance Highlights

## Revenue

3Q 2023 **S\$51.1m**

▲ 15% from S\$44.3m in 3Q 2022

9M 2023 **S\$149.0m**

▲ 10% from S\$134.9m in 9M 2022

## Financial Occupancy



### PBWA

**96%<sup>1</sup>** for 9M 2023

**88%** for 9M 2022



### PBSA

**90%<sup>2</sup>** for 9M 2023

**84%<sup>2</sup>** for 9M 2022

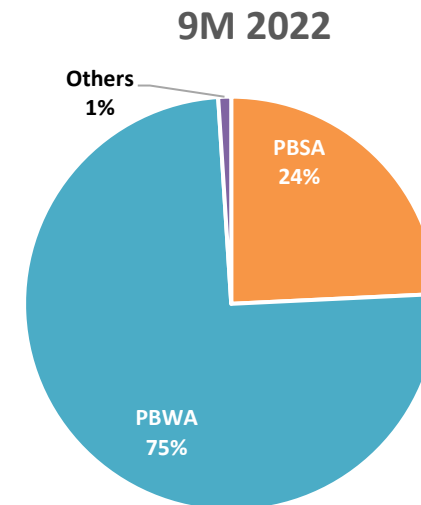
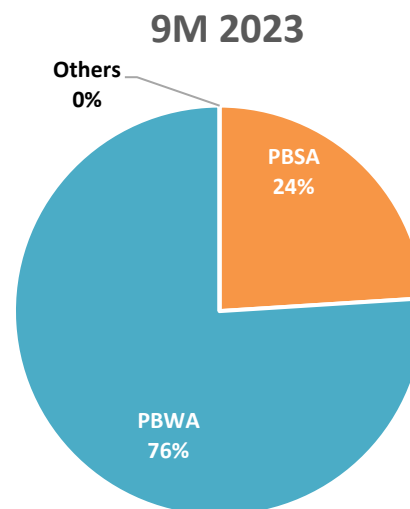
Note:

<sup>1</sup> Occupancy includes the additional 888 beds in Quick Build Dormitories added in 2Q 2023

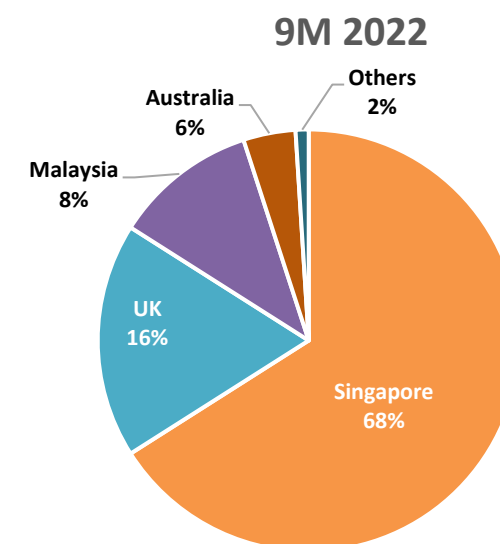
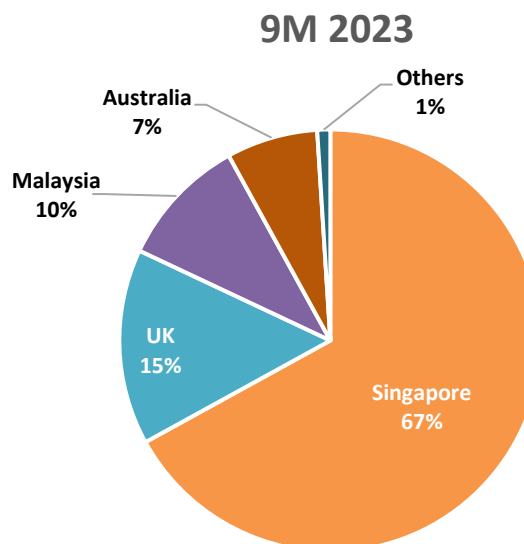
<sup>2</sup> Occupancy excludes US where the properties are held under a private fund structure and Korea where the property has been disposed in 2023

Centurion Corporation Limited

## Revenue by Business Segment



## Revenue by Country





# Performance Highlights



10% increase in 9M 2023 revenue YOY  
15% increase in 3Q 2023 revenue YOY



Higher contributions mainly from

- Strong occupancies and improved rental rates 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

# Prudent capital management and ample liquidity



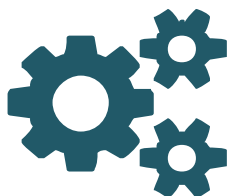
**Total Assets**  
**S\$1.6b**



**Total Borrowings**  
**S\$0.7b**



**Cash and undrawn  
committed facilities**  
**S\$226m**



**Net Gearing Ratio**  
**42%<sup>1</sup>**



**Interest Cover Ratio**  
**3.4x<sup>2</sup>**



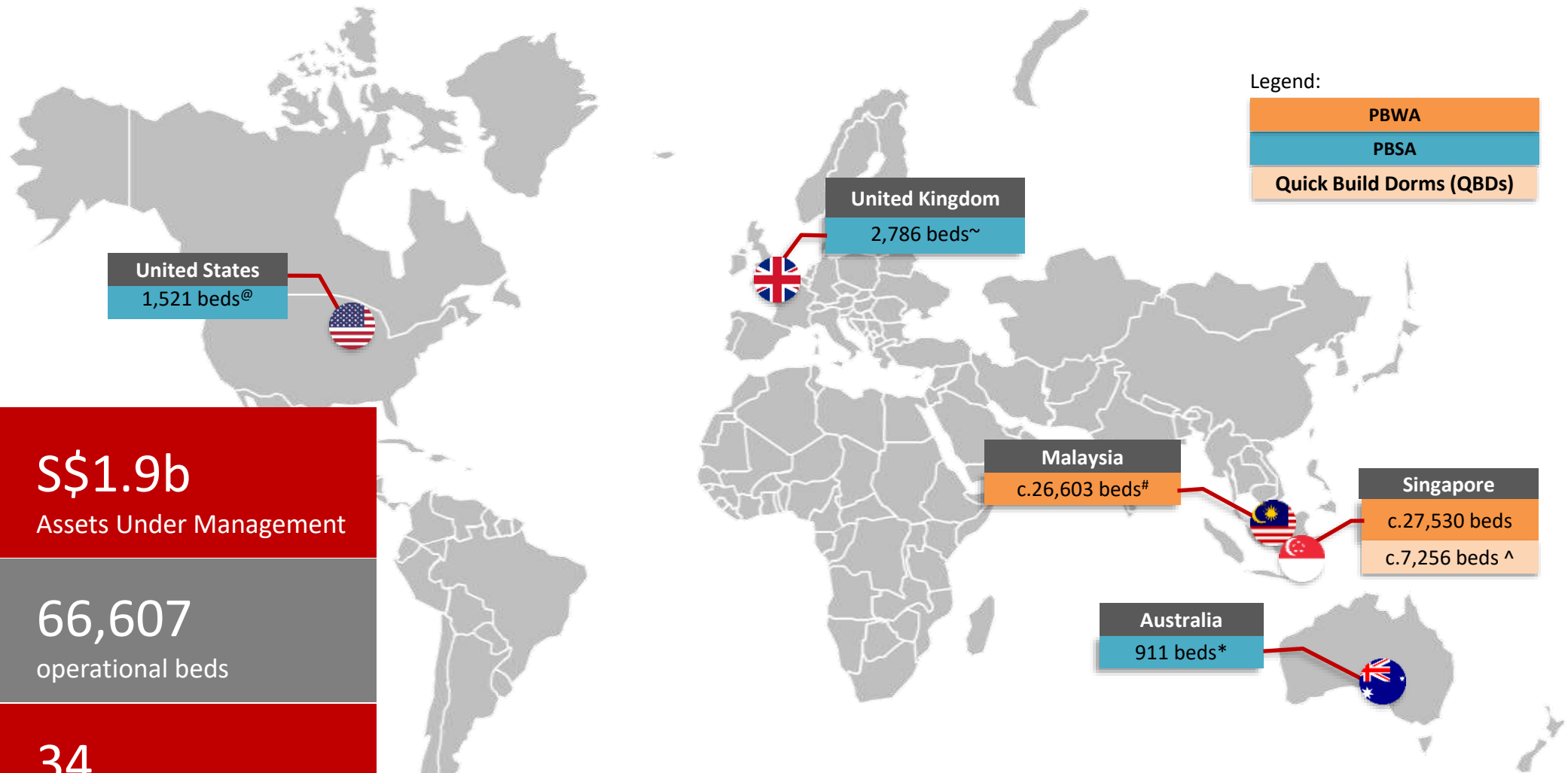
**Average debt maturity**  
**6 years**

Note:

<sup>1</sup> 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.

<sup>2</sup> Excluding bank facility fees, amortization transaction costs and amortization of interest rate cap premium

# Diversified Business Portfolio across Geography and Asset Type



**\$1.9b**

Assets Under Management

**66,607**

operational beds

**34**

operational properties

**15** cities in **5** countries

<sup>#</sup> Westlite Tampoi received JTKSM permit allowing an increase of 290 beds in 1Q 2023.

<sup>\*</sup> Reduction of 9 beds in 1H 2023 following reconfiguration of selected apartments into single occupancy room formats in Melbourne and Adelaide.

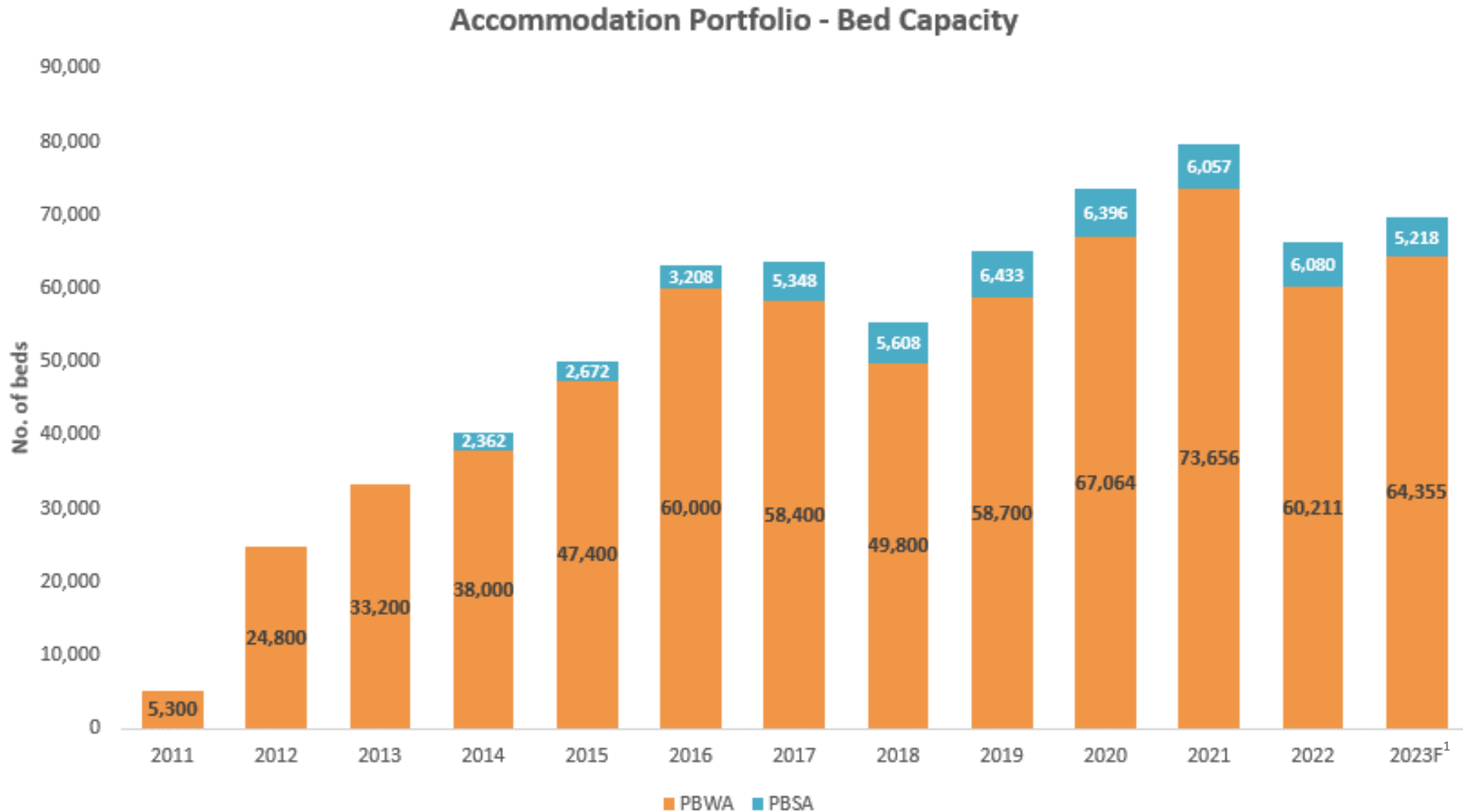
<sup>^</sup> Increase of 684 beds in Westlite Jalan Tukang and 204 beds in Westlite Tuas Ave 2 respectively in 2Q 2023 following approval received from JTC for a bed capacity uplift

<sup>@</sup> Centurion US Student Housing Fund disposed of dwell Tenn Street in 2Q 2023

<sup>~</sup> Reduction of 21 beds in 3Q 2023 following reconfiguration of selected cluster apartments into ensuite apartments in UK.



# Accommodation Growth Profile



Note:

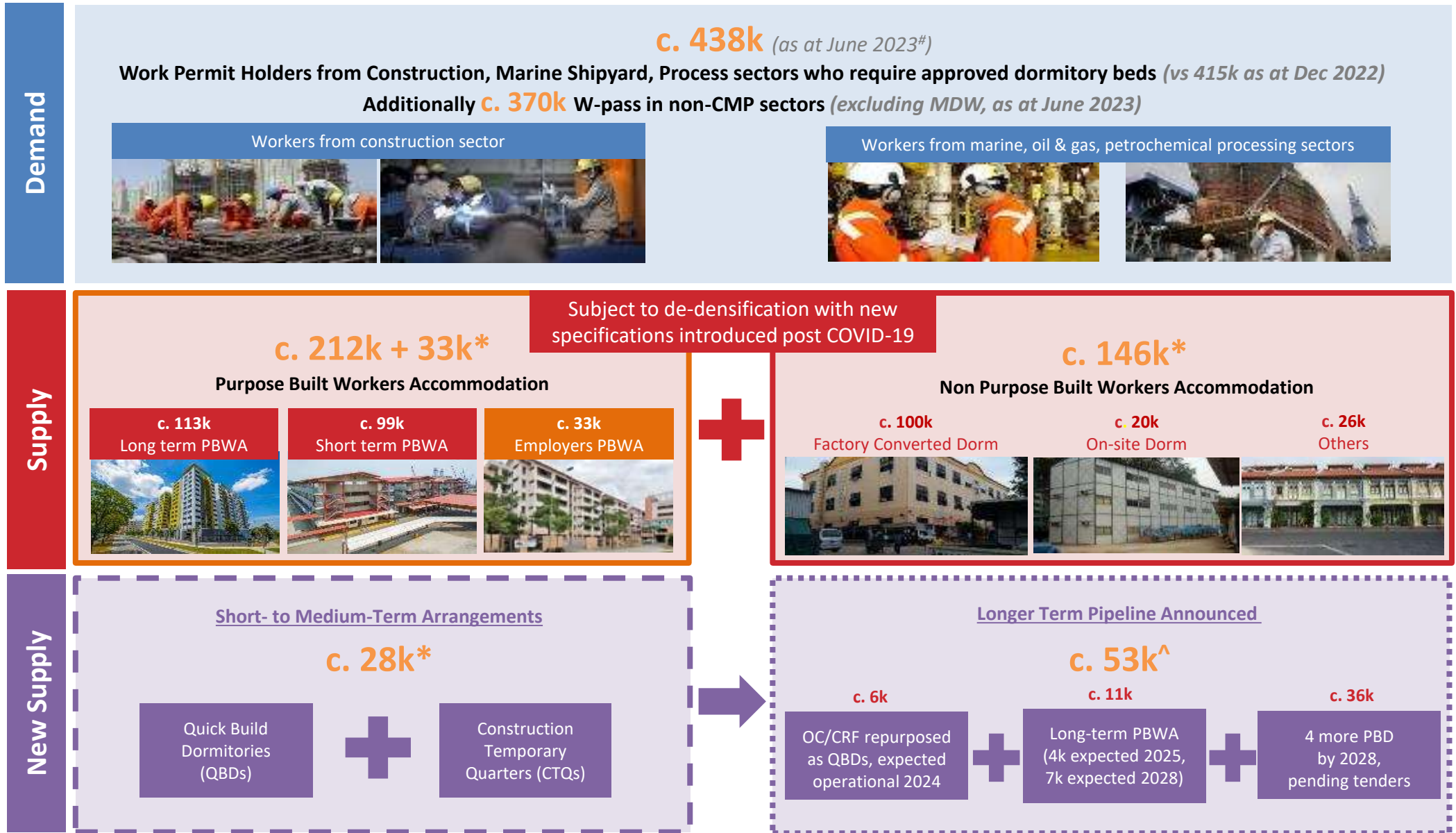
- The Group secured a 10-year management contract for a 2,196-bed PBWA, Westlite Cemerlang in Johor, which is expected to commence operations in 4Q 2023. An Asset Enhancement Initiative is in progress at Westlie Senai, to add approx 770 beds on expected completion in 4Q 2023.



# Business Review by Markets



# 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



## Singapore

- Demand and supply dynamics for PBWAs continue to be positive
  - Average financial occupancy for PBWAs (which include PBDs & QBDs) was 99% for 3Q 2023 as compared to 98% in 3Q 2022, excluding 888 beds added at Westlite Tuas Avenue 2 and Westlite Tukang in April 2023
- Rental rates adjust upwards
  - 3Q 2023 PBWA revenue increased 16% as compared to 3Q 2022, whereas revenue growth for 9M 2023 was 8% compared to 9M 2022
  - full impact on rental revenue growth expected to emerge progressively over the coming months, as 1-year tenant leases expire and are renewed at prevailing higher rental rates
- Continues to explore opportunities to enlarge its Singapore PBWA portfolio capacity
  - new PBD under development at Ubi Ave 3, with expected completion in 2025, to add approx 1,650 beds<sup>1</sup>
  - approx 888 beds added at Westlite Jalan Tukang and Westlite Tuas Avenue 2, progressively from Apr 2023
- Well-prepared with plans in place for the Dormitory Transition Scheme announced by MOM<sup>2</sup>
  - QBDs already meet the New Dormitory Specifications, retro-fitting required for 5 PBDs
  - Provisional Permission received for redevelopment of Westlite Toh Guan and Westlite Mandai, to add new bed capacity ahead of 2027 before retrofitting of PBDs commences
  - a reduction of approx. between 3% to 11% of its current PBD bed capacity in 2030, excluding the new PBD at Ubi Ave 3

1 JTC tender awarded in Jan 2023, secured by the Group together with a joint venture partner

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

# Workers Accommodation



## Malaysia

- Demand for quality, well-managed PBWAs continues to grow
  - increased regulatory controls with Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("Act 446")<sup>1</sup>
  - growing awareness of ethical concerns for migrant worker welfare
- Average financial occupancy improved steadily to 93% in 3Q 2023 as compared to 86% in 3Q 2022
  - Centurion's Malaysia PBWA assets are certified by JTKSM as compliant to Act 446
- The Group continues to explore opportunities to expand Malaysia portfolio and capacity
  - 290 beds added in Westlite Tampoi, following approval from JTKSM received in 1Q 2023
  - management contract of 10+5 years secured for new 2,196-bed PBWA, Westlite Cemerlang in Johor, which is expected to commence operations in 4Q 2023
  - AEI in progress at Westlite Senai to add 770 beds on expected completion in 4Q 2023
  - additional AEIs earmarked for Westlite Johor Tech Park and Westlite Senai II, to add approximately 2,720 beds on progressive completion in 2024 and 2025

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

# Student Accommodation



UK

- Continued shortage in PBSA supply has enabled high financial occupancy and healthy rental reversions
  - average financial occupancy remained robust at 99% in 3Q 2023<sup>1</sup>
  - cushioned the impact of high energy prices, inflationary pressures and increased finance expenses
- Bookings for Academic Year 2023/24 commencing September 2023 have been healthy
- Positive demand-supply dynamics are expected to continue
  - increasing demand for PBSA beds as international students perceive UK as a top study destination
  - domestic population of Higher Education-age students has also grown<sup>2</sup>
- The Group continues to explore opportunities to enhance its UK portfolio
  - AElS completed at dwell MSV, Manchester and dwell Cathedral Campus, Liverpool
    - converted selected cluster apartments to studios and ensuite apartments
    - reduction of 21 beds; new room formats expected to enhance occupancy and rental income
  - progressive implementation of IOT devices beginning at dwell MSV
    - enhancing management of utilities consumption, addressing environmental sustainability and high energy costs

1 Excluding beds unavailable due to ongoing AElS

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



# Student Accommodation



## Australia

- Average financial occupancy has increased from 85% in 3Q 2022 to 89% in 3Q 2023
  - student arrivals for 2023 set to be a new record for Australia<sup>1</sup>
- Occupancies and rental revisions expected to remain at healthy levels
  - growth in student population continues, with continued short supply of accommodation in key cities<sup>2</sup>
- During the year, the Group completed minor reconfiguration of its Australia asset
  - converted selected twin occupancy rooms to single occupancy formats, to optimize occupancy and yield
- Pre-bookings for Academic Year 2024 commencing Feb 2024 are healthy



## United States

- The portfolio assets in Centurion US Student Housing Fund continue to deliver healthy and stable occupancy.
- The Group had in November 2022 extended the term of the Fund for a further two years
  - in 2Q 2023, CUSSHF successfully disposed of a single asset, dwell Tenn Street in Tallahassee, Florida.

<sup>1</sup> [International students arriving in 'record numbers', putting more pressure on housing, News.com.au](#), 12 Sep 2023

<sup>2</sup> [International students in Australia face accommodation crunch and soaring rents](#), The Straits Times, 11 Feb 2023



# Looking Ahead



# Cautiously Optimistic Outlook



## Managing Operating Performance



The Group has delivered strong occupancies with rental rate improvements. **Demand-supply dynamics are positive across all markets.**

Anticipate further **increases in operating costs and financing expenses**, due to persistent inflation and rising interest rates, especially in AU and UK.

The Group will **focus on optimizing occupancies and rental rates**, to moderate costs 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 prudent management and operational efficiencies, to deliver sustainable stakeholder value.

## 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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