



**Centurion Corporation Limited**  
(Incorporated in the Republic of Singapore with limited liability)  
(Co. Reg. No.: 198401088W)

# **Strong, Resilient Global Growth in Specialized Accommodation**

RHB Small Cap Top 20 Jewels  
14 May 2024



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# Corporate Overview





# An Established Global Business in Specialized Accommodation

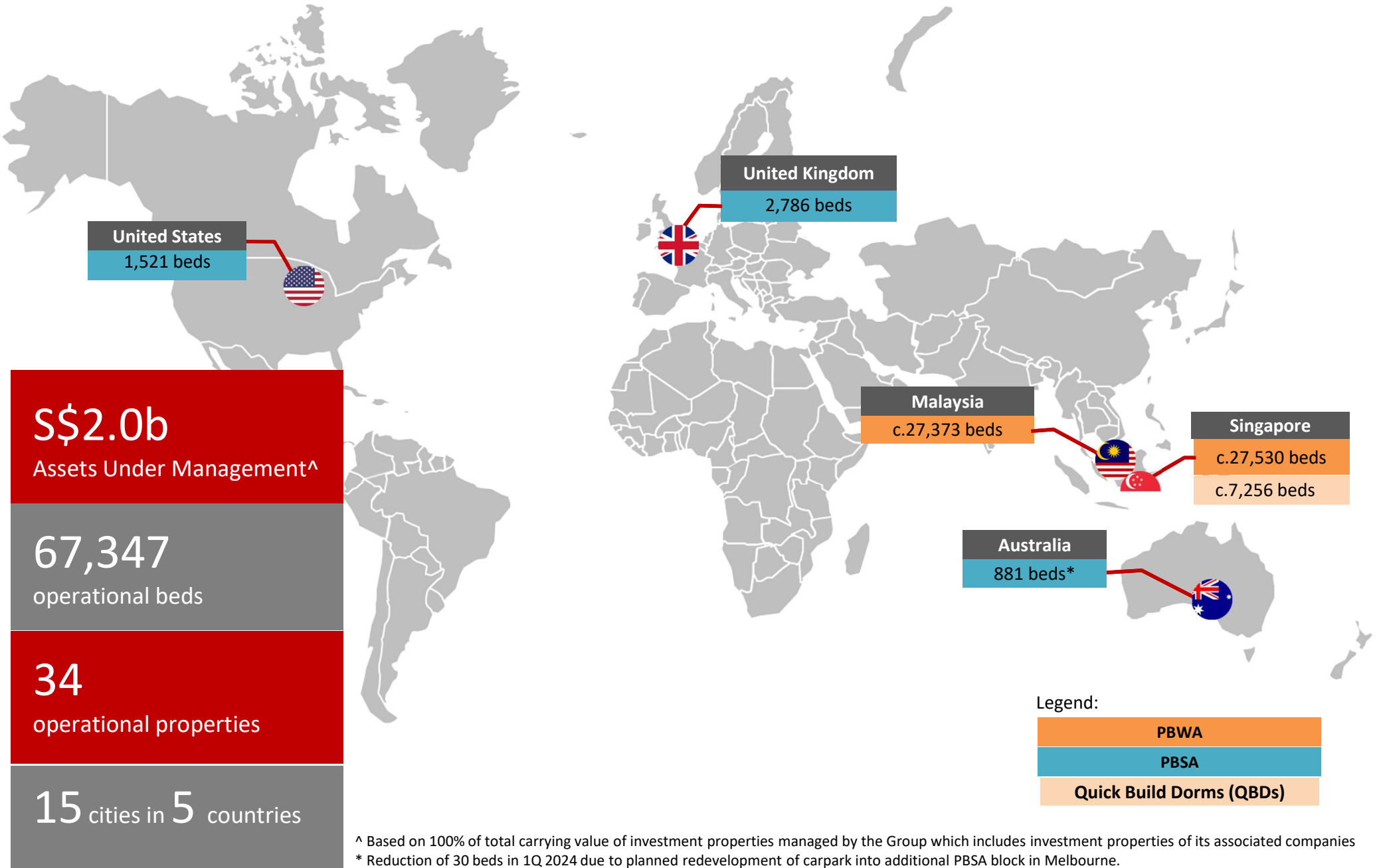
Centurion owns, develops and operates quality Specialized Accommodation properties worldwide.

- The largest **Purpose Built Workers Accommodation** (“PBWA”) provider with **17** operating assets in Singapore and Malaysia\*
  - supported by consistently high occupancy rates and stable bed rates
- A thriving **Purpose Built Student Accommodation** (“PBSA”) business with **17** operating assets in Australia, the UK and US
  - high occupancy rates on the back of strong and stable demand
- Operating two **established brand and management platforms**
  - established investment management platform to manage US student accommodation assets for third party investors
  - enables portfolio growth of Assets Under Management by asset light means
- **Stable and resilient property asset classes**, with positive demand and supply dynamics
  - proven ability to consistently generate quality earnings and steady cashflow
- **Stable, experienced leadership** with average 20+ years in the industry

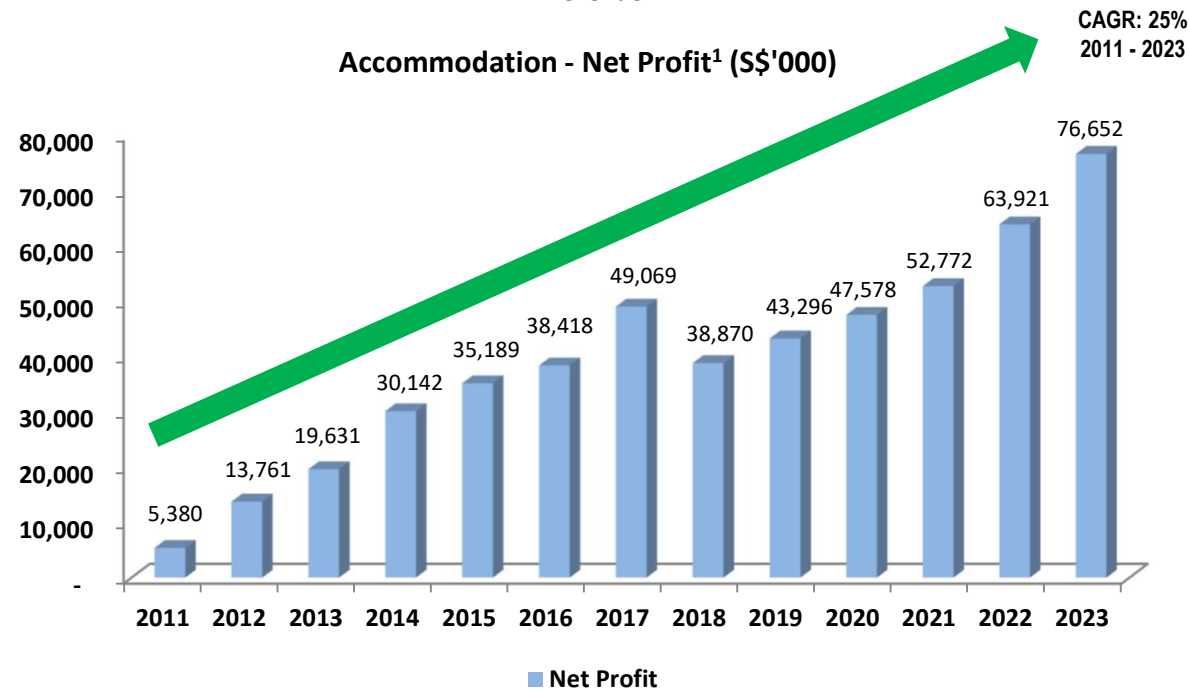
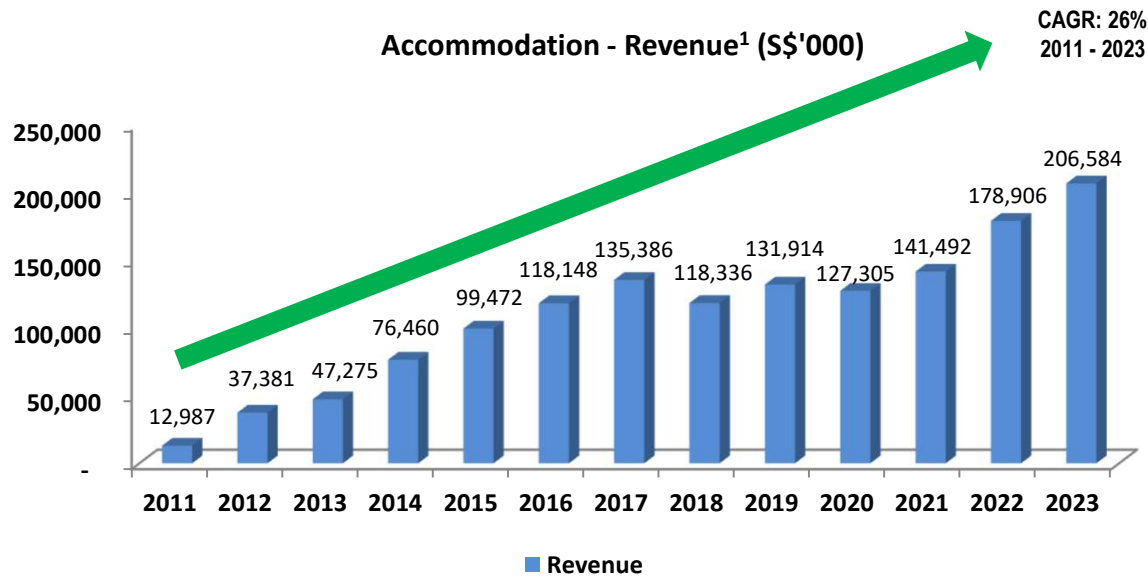


Note: \* Euromonitor report, 2017

# Diversified Business Portfolio across Geography and Asset Type



# Sustained Financial Growth of Accommodation Business



Proven and reliable ability to generate **quality earnings** from specialized accommodation assets, despite macroeconomic challenges.

**26% CAGR in Revenue** from Core Business Operations between 2011 to 2023

**25% CAGR in Net Profit** from Core Business Operations between 2011 to 2023

Note:  
1. From core business operations





# Financial Highlights

FY2023 Results  
1Q Business Update





# Record Performance in FY 2023

S\$'000	12M 2023	12M 2022	Change %
Revenue	207,245	180,450	▲ 15%
Gross Profit	150,029	123,555	▲ 21%
Gross Profit Margin	72%	68%	▲ 4pp
Net Profit	175,913	76,280	▲ 131%
Net Profit from core business	76,300	63,488	▲ 20%
Net Profit Margin	37%	35%	▲ 2pp
Net Profit (Equity holder) <sup>1</sup>	69,228	57,090	▲ 21%

- **Revenue increased 15%** to S\$207.3 million in 12M 2023
  - mainly due to increased occupancy and positive rental rate revisions across all countries
- **Net Profit from Core Business grew 20%** to S\$76.3 million
  - **Net Profit Margin increased 2pp**, despite higher finance expenses with higher interest rate environment
- **Net Profit leaped 131%** to S\$175.9 million in 12M 2023
  - on the back of **net fair value gain of S\$84.8 million** for the year
- Excluding fair value and one-off adjustments, **Net Profit (Equity holders) increased 21%** in 12M 2023
  - mainly due to higher revenue partly offset by higher interest expenses

Note:

1. Net Profit (Equity holders) = Profit from core business operations attributable to equity holders, which excludes the 49% interest in ASPRI-Westlite Papan.

## Balance Sheet Highlights (as at 31 Dec 2023)

S\$'000	31 Dec 2023	31 Dec 2022	Change %
Cash & Bank Balances	74,717	68,274	▲ 9%
Current Assets	163,778	91,757	▲ 78%
Non Current Assets	1,561,314	1,455,998	▲ 7%
Total Assets	1,725,092	1,547,755	▲ 11%
Current Liabilities	173,894	165,599	▲ 5%
Non Current Liabilities	679,565	673,668	▲ 1%
Total Liabilities	853,459	839,267	▲ 2%
Net Assets	871,633	708,488	▲ 23%
Net Gearing Ratio <sup>1</sup>	38%	43%	▼ -5pp

- **Healthy Balance Sheet** : S\$74.7m in cash and bank balances
- **Cash and bank balances grew 9%** : largely due to cash provided by operating activities
- **Current assets** : increase largely due to assets held for sale (S\$65.2m)
  - consisting of Westlite Bukit Minyak and Westlite Tampoi
- **Current Liabilities** : increase due to increased rental deposits and advance rental received from new tenants arising from higher occupancy
  - the Group has sufficient cash resources and banking facilities to meet its current liabilities

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 (as at 31 Dec 2023)

S\$'000	31 Dec 2023	31 Dec 2022
Earnings Per Share	18.21¢	8.50¢
Earnings Per Share From core business operations <sup>1</sup>	8.23¢	6.79¢
NAV Per Share	98.21¢	81.70¢
Share Price	40.5¢ <sup>2</sup>	33.5¢ <sup>3</sup>
Dividend	2.5¢ <sup>4</sup>	1.0¢
Market Capitalisation	S\$341m <sup>2</sup>	S\$282m <sup>2</sup>

Notes:

1. Excluding fair value adjustments and one-off item
2. As at 31 December 2023
3. As at 31 December 2022
4. An interim dividend of 1.0 Singapore cent per ordinary share for 1H 2023 was paid on 29 September 2023 and a final dividend of 1.5 Singapore cents per ordinary share for FY2023.



# 1Q 2024 Performance Highlights

## Revenue

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

▲ 30% from S\$47.1m in 1Q 2023

## Financial Occupancy

### PBWA



**98%<sup>1</sup>** in 1Q 2024

**96%** in 1Q 2023

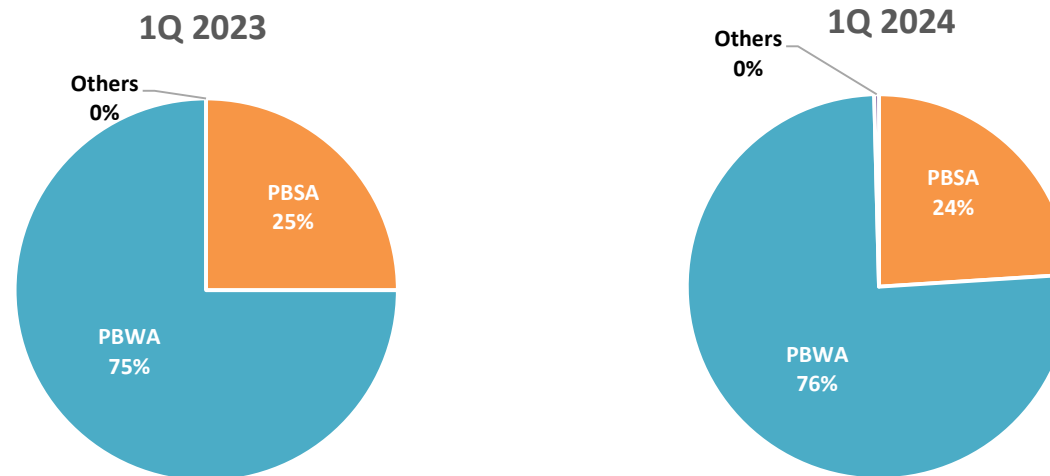
### PBSA



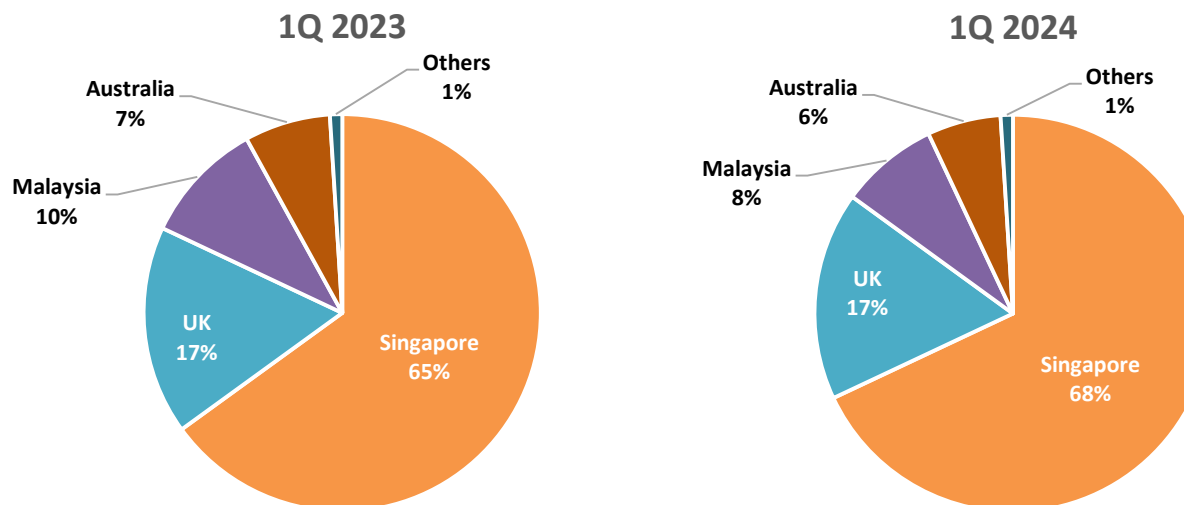
**97%<sup>2</sup>** in 1Q 2024

**87%<sup>2&3</sup>** in 1Q 2023

## Revenue by Business Segment



## Revenue by Country



The following were excluded to facilitate fair comparison:

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

<sup>2</sup> US where the properties are held under a private fund structure

<sup>3</sup> Korea where the property was sold in Apr 2023

# Prudent capital management and ample liquidity



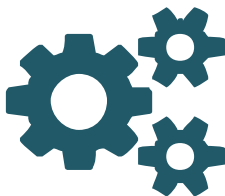
**Total Assets**  
**S\$1.7b**



**Total Borrowings**  
**S\$0.6b**



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



**Net Gearing Ratio**  
**36%<sup>1</sup>**



**Interest Cover Ratio**  
**4.7x<sup>2</sup>**



**Average debt maturity**  
**5 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 of transaction costs & etc.



# Business Outlook



## Purpose Built Workers Accommodation





# Workers Accommodation Portfolio



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

## SINGAPORE

9 PBWA (5 Purpose-Built Dormitories + 4 Quick Build Dormitories)

Total capacity of 34,786 beds

## MALAYSIA

8 PBWA (aka CLQ) in 3 cities

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>

### Singapore

- \* Available bed capacity reduced from 7,800 due to redevelopment of 1 block
- \*\* Bed Capacity increased by 204 beds from 1,020 beds in Apr 2023
- \*\*\* Bed capacity increased by 684 beds from 3,420 beds in Apr 2023

### Malaysia

- ^ AEI in progress, expected completion in 4Q 2024, to add approx 920 beds
- ^^ AEI planned, to add approx 1,740 beds by 2025
- ^^^ AEI planned, to add approx. 950 beds by 2025

<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>
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# PBWA : Healthy and Supportive Industry Fundamentals



Positive regulatory and demand-supply factors drive growth of PBWA sector and asset class

- **High demand for migrant workers** in multiple countries globally
  - SE Asia, Middle East etc
- **Growing awareness of the need for improved welfare** of migrant worker populations
  - **increased government legislation** and regulatory controls
    - requiring employers to provide quality accommodation to workers (FEDA in Singapore, Act 446 in Malaysia)
  - **international ethical pressures**
    - International Labour Organization, Responsible Business Alliance
    - threat of trade sanctions
- **Demand is underserved by supply** of purpose-built, professionally managed dormitory beds



Note:

1. The Straits Times : [All dorms to be regulated under a single law](#) - 3 Mar 2021
2. The Straits Times : [Foreign worker housing at full capacity](#) – 27 Mar 2023
3. Retalk Asia – [New law creates demand for formal workers' accommodation – Malaysia](#) – 11 Jun 2018
4. HROnline – [Employers in Malaysia to comply with existing foreign workers accommodation laws](#) – 30 Jan 2023

# 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 positive<sup>1</sup>
- 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 Scheme<sup>2</sup> 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%<sup>1</sup> in 1Q 2024 as compared to 94%<sup>1</sup> 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 446<sup>2</sup>
- 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



## Business Outlook



**Purpose Built  
Student Accommodation**





# 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	<u>United States</u> 5 PBSA in 4 cities^^ Total capacity of 1,521 beds		dwell College & Crown 206 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 The Statesider 226 beds Freehold	dwell The Towers on State 231 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 Logan Square 642 beds Freehold	dwell Stadium View 216 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					
				US ^^ Centurion holds approx. 28.74% in the Centurion US Student Housing Fund, which owns the US properties				



# PBSA : Healthy and Supportive Industry Fundamentals



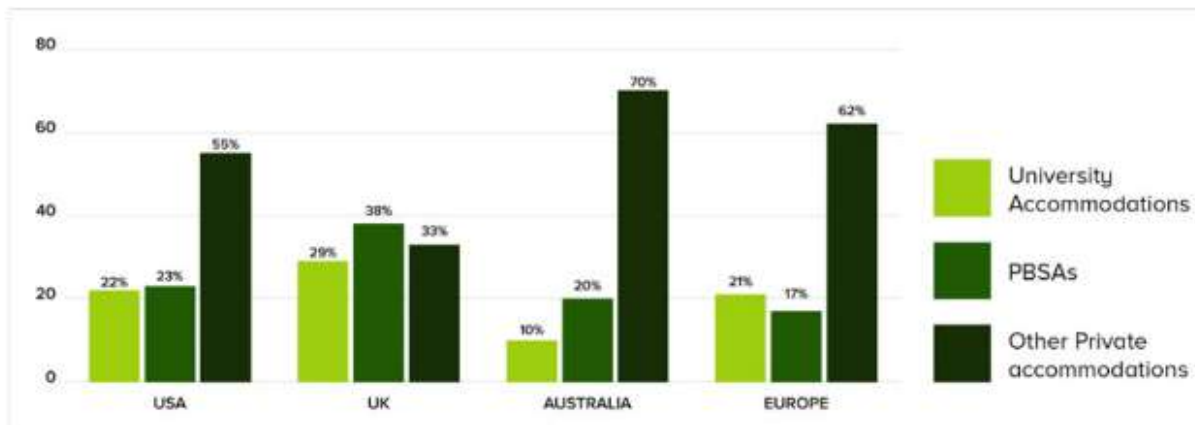
Resilient in-demand asset class with positive demand-supply dynamics

- **Highly sought after by institutional investors**

- total global investment in student housing continues to be strong, estimated at more than US\$31.5 billion in 2022<sup>1,2</sup>
- underpinned by expectations of positive underlying fundamentals and the prospect of high total returns led by strong rental growth

- **Supply of PBSA beds remains low** across major study destinations including Australia, UK and US

- student **demand** for housing **exceeds and is growing faster than supply**<sup>3</sup> in most destinations
- **high occupancy rates and positive rental revisions** in PBSA rents in 2023 across all higher education destinations analysed



Proportion of student housing by accommodation type for selected destinations, 2022. Source: Amber Student



Note:

1. ICEF Monitor : [Student housing investments jumped in 2022](#) – Mar 2023
2. Knight Frank Research: [Record breaking year for investment in student housing in Europe](#) – Feb 2023
3. Real Asset Insight : [Student housing supply and demand gap widens](#) – May 2022
4. Student Housing Annual Report 2023 [studytravel.network/magazine/news/0/30389](#) – Feb 2024

# Student Accommodation Outlook – UK



UK

- Average financial occupancy remained high at 99% in 1Q 2024, as compared to 90%<sup>1</sup> 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 providers<sup>1</sup>
  - domestic population of Higher Education-age students has also grown<sup>2</sup>
  - 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 Australia<sup>1</sup>
- Occupancies and rental revisions expected to remain at healthy levels
  - growth in student population continues, driving 'stable and resilient' demand for Australia PBSA<sup>2</sup>
  - 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

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

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

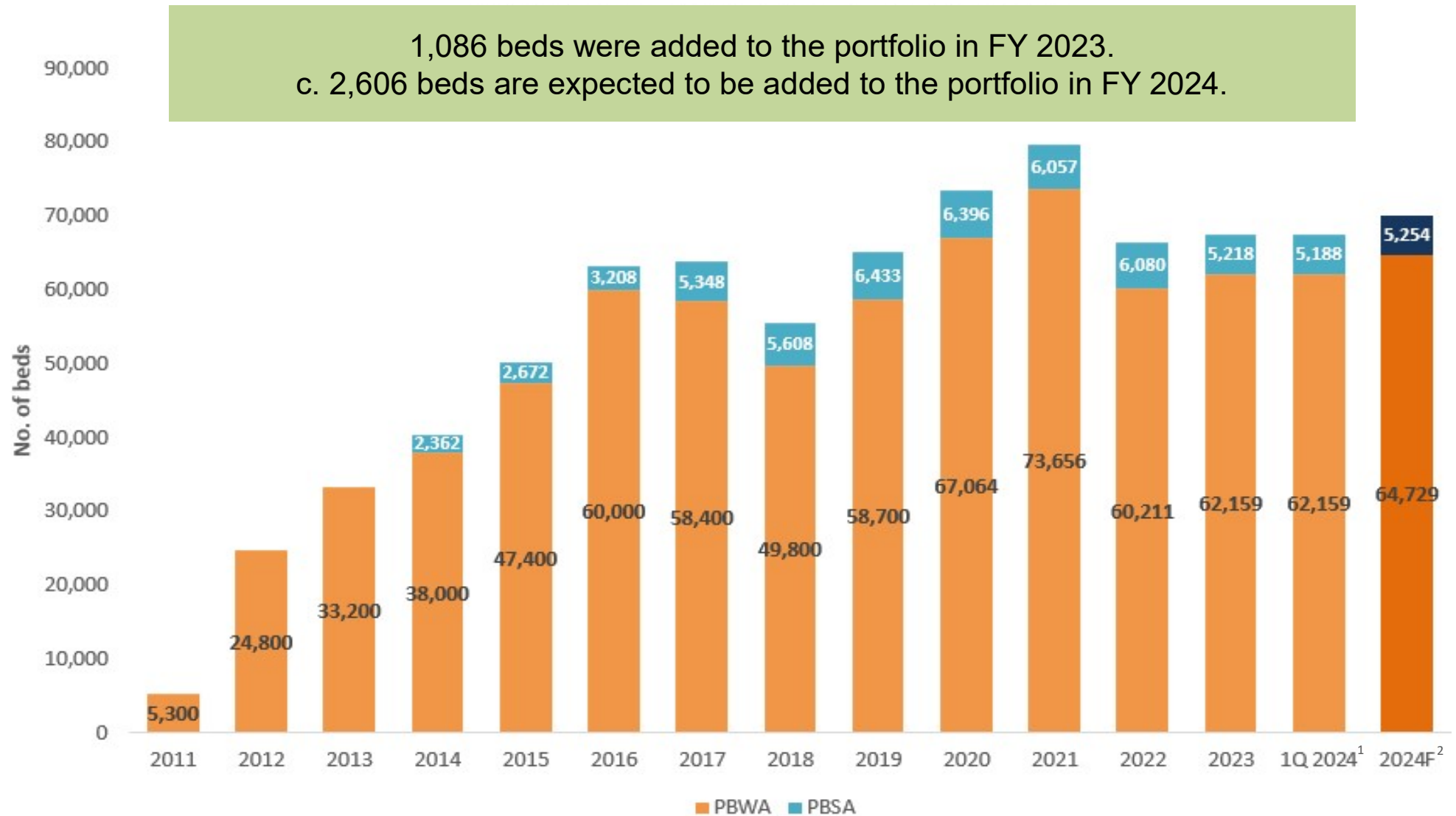




# Growth Ahead



# Accommodation Growth Profile



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.



# Portfolio Growth Pipeline – FY 2024 and Beyond



## 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, to add c. 1,764 beds and c. 3,696 beds respectively on 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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# FY 2023 Key Performance Highlights

Revenue

**S\$207.3m**

▲ 15% from S\$180.5m in FY 2022

- Strong occupancies and improved rental rates across all the PBWAs and PBSAs
- Partly offset by cessation of management contract of two Onboard Centres in Singapore

NPAT

**S\$175.9m**

▲ 131% from S\$76.3m in FY 2022

- Higher revenues with increased occupancy and positive rental rate revision
- Higher net fair value gain on the Group's investment properties in FY2023
- Higher share of profit from associated companies largely due to higher fair value gain on investment property
- Partly offset by higher finance expenses

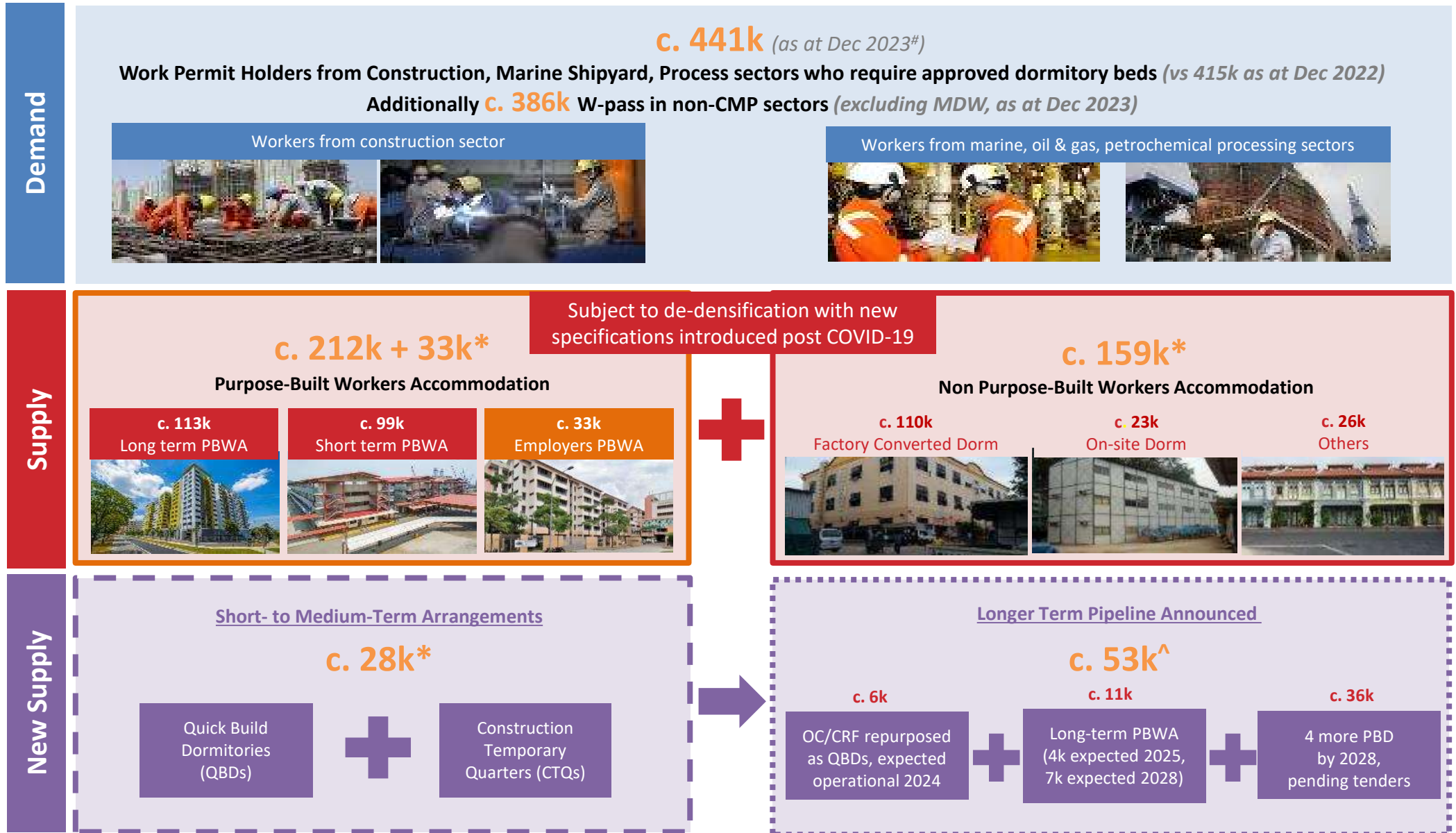
Excluding Fair Value Adjustments  
**Net Profit from Core Business**

**S\$76.3m**

▲ 20% from S\$63.5m in FY 2022



# 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"