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Centuria Capital Group

Centuria announces 1H18 results

Sydney, 15 February 2018:

Centuria Capital Group (ASX: CNI) today announced its results for the half year ended 31 December 2017 (1H18):

1H18 results

		1H18	1H17
Operating net profit after tax	\$m	30.2	2.9
Operating earnings per stapled security	cps	12.1	3.8
Statutory net profit after tax	\$m	36.3	(1.4)
Statutory earnings per stapled security	cps	13.4	(1.6)
Distribution per stapled security	cps	4.1	2.3

1H18 highlights

- **19% total return¹ to investors in 1H18**
- **19% increase in Assets Under Management² (AUM) to \$4.6 billion:**
 - **\$770 million organic growth from property acquisitions and asset revaluations**
 - **\$54 million (7%) growth in investment bonds with AUM up to \$0.9 billion**
- **Recurring revenue growth to \$32.1 million, up \$18.9 million**
- **\$25.8 million net performance fee before tax on sale of 10 Spring Street, Sydney**
- **13% operating gearing ratio³**
- **Reaffirm FY18 earnings guidance of 15.8-16.2 cents per stapled security (cps), previous FY18 guidance 10.8 cps**
- **FY18 distribution guidance 8.2 cps**

¹ Past performance is not indicative of future performance

² Includes post 31 December 2017 acquisitions

³ Gearing ratio is calculated based on (Operating Borrowings less cash) divided by (Operating Total Assets less cash)



John McBain, Group CEO, said: “FY18 will be the first opportunity for investors and the market to clearly see the benefits of the large property fund platform we acquired in January 2017, over a 12 month period. The acquisition significantly transformed the nature and composition of our earnings, markedly increasing recurring revenues and tripling the group’s market capitalisation.”

During the half, the Group acquired ten A-grade properties for \$655 million² and saw an uplift in asset revaluations of \$115 million. The Investment Bonds business experienced above market growth of 7% from new business and asset appreciation.

Centuria’s Group AUM grew strongly by 19% to \$4.6 billion². Furthermore, the Group realised strong annualised returns of 12.7%⁴ from co-investments in Centuria Metropolitan REIT, Centuria Industrial REIT and other investments, as well as a net performance fee of \$25.8 million earned from the sale of 10 Spring Street, Sydney.

Mr McBain said: “The scale of our property acquisitions in 1H18 was virtually unmatched in our peer set and we continue to review investment opportunities which we are capable of executing on.”

“To account for the performance fee from 10 Spring Street, we significantly increased our previous forecast approximate operating EPS of 10.8 cps up to 15.8-16.2 cps. We expect further embedded performance fees within our unlisted portfolio to be realised on an ongoing basis.”

FY18 outlook

Mr McBain said: “We will continue to deliver investment opportunities and further value creation through the expansion of our property fund platforms. We believe conditions remain favourable for the continued creation of property fund opportunities.”

“This includes leveraging our strong real-estate credentials to identify ‘pockets of value’ for our long-standing investor base, and improving our distribution capacity to accelerate Investment Bond business.”

“We also remain focused on improving our securityholder returns, underpinned by stable recurring revenue and embedded performance fees. Moreover, we continue to actively broaden our access to capital sources and remain attentive to earnings growth within our core businesses.”

– Ends –

⁴ Calculated based on total revenue divided by weighted average carrying value of investments for the half year ended 31 December 2017, and excludes finance costs



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About Centuria Capital Group

Centuria Capital Group (CNI) is an ASX-listed specialist investment manager with \$4.6 billion in funds under management. We offer a range of investment opportunities including listed and unlisted property funds as well as tax-effective investment bonds. Our drive, allied with our in-depth knowledge of these sectors and intimate understanding of our clients, allows us to transform opportunities into rewarding investments.