



Australian Securities Exchange – Company Announcements Platform

Centuria Capital Group

Centuria announces 1H19 results

Wednesday, 13 February 2019

Centuria Capital Group (ASX: **CNI** or **Centuria**) is pleased to announce 1H19 results for the period ending 31 December 2018.

1H19 Highlights

- **Strong 14.3% platform AUM growth in 1H19 to \$5.6bn**
 - **Completed \$645m¹ Hines portfolio**
- **Successful \$100m equity raise and \$80m corporate bond issuance supporting corporate initiatives and Centuria REIT co-investments**
- **Strong recurring revenue uplift to \$42.0 million**
- **Launched new Investment Bond product Centuria “LifeGoals”**
- **1H19 operating EPS^{2,3} of 6.5 cents per stapled security (cps)**
- **1H19 interim distribution of 4.25cps (up 3.7% from 1H18)**

		1H19	1H18	Variance
Operating NPAT ²	\$m	21.7	30.2	(28.1%)
Operating EPS ^{2,3}	cps	6.5	12.1	(46.3%)
Statutory NPAT ⁴	\$m	21.4	33.6	(36.3%)
Statutory EPS ⁴	cps	6.1	13.4	(54.5%)
Distribution per stapled security	cps	4.25	4.10	3.7%

John McBain, Group CEO, said: “During 1H19, CNI continued to enhance platform scale with AUM growing 14.3%. Expansion was aided by successfully executing Australia’s third largest real estate transaction, in CY18, for \$645m¹ in conjunction with the Lederer Group.”

“We have also undertaken a major repositioning of our investment bond business with the January 2019 launch of a new menu-style investment bond offering called Centuria LifeGoals.”

1 Includes CMA's 25% and Lederer Group's 75% interest in 465 Victoria Avenue, Chatswood, NSW

2 Operating NPAT of the Group comprises of the results of all operating segments and excludes non-operating items such as transaction costs, mark to market movements on property and derivative financial instruments, the results of Benefit Funds and Controlled Property Funds

3 Operating EPS is calculated based on Operating NPAT of the Group divided by the weighted average number of securities

4 Attributable to securityholders



“CNI’s balance sheet expanded through a successful \$100m equity raise and \$80m debt issuance further aligning CNI, through increased co-investments, to Centuria Metropolitan REIT (CMA) and Centuria Industrial REIT (CIP) with holdings of 24.9%⁵ and 24.2%⁵, respectively.”

“Overall, co-investments grew to \$0.5 billion during the period. The distributions from all of our co-investments have contributed \$14.6 million to the group’s recurring revenues while providing a total annualised return of 14.3%^{2,3}.”

Guidance

Centuria reaffirms FY19 distribution guidance of 9.25cps.

In addition, Centuria offers updated guidance in relation to FY19 operating earnings per security of 12.7cps.

Divisional Overview

In 1H19, Real Estate Funds Management lifted 20% to \$4.8 billion of AUM, underpinned by the \$645m¹ acquisition of the Hines portfolio office assets in conjunction with the Lederer Group . Centuria Diversified Property Fund (CDPF) generated AUM growth to \$50.7m.

John McBain said, “The real estate platform has experienced another step change in scale and asset quality. Pleasingly, we are now the external manager of Australia’s largest ASX listed “pure play” office REIT (CMA) and Australia’s largest income focused industrial REIT (CIP). With \$740m of property acquisitions in the half, the Group continues to demonstrate the ability to unlock and execute on transaction targets.”

In January 2019, Centuria Life significantly upgraded its investment bonds business with the launch of a completely new series of investment bonds called Centuria LifeGoals. This new, contemporary investment offer features an expanded investment menu of 22 high-quality investment options across highly-rated active, index and diversified funds.

John McBain said, “We are enthusiastic about the launch of the LifeGoals product. Following successive legislative changes impacting traditional superannuation, investors are seeking alternative, tax-effective options to supplement superannuation. Centuria LifeGoals active manager selection process and strategic partnerships with high-quality fund managers have the business well positioned to service this growing demand.”

Summary & Outlook

Centuria celebrated its 20th anniversary this year and is entering its sixth year of REIT management.

John McBain said, “We believe that continued low interest rates and attractive supply and demand fundamentals across our core commercial and industrial property markets are supportive of the continued growth of our property funds management platform and FY19 is likely to be a record year for Group property acquisitions.”

“We acknowledge the present intense focus on the Australian financial services markets and we are supportive of any sensible “whole of industry” reforms which would improve investor outcomes

⁵ Co-investment ownership percentage includes the ownership by associates of Centuria Capital Group



generally. In this regard, Centuria has developed a strong 20 year reputation with the investor community based on a legacy of transparency and fairness and this will continue to underpin our business philosophy.”

“We are enthusiastic regarding the roll out of the new Centuria LifeGoals investment bond product and believe that potential changes in the regulatory and taxation environment would be supportive of this product.”

“In terms of capital management, and specifically the potential sale of Centuria’s 19.5% stake in Propertylink (PLG), Centuria will keep the market updated with our intentions in regard to the stake and our ongoing capital management strategies in accordance with our continuous disclosure obligations.”

“Finally, we remain focussed on securityholder returns and earnings growth supported by stable recurring revenues. We will also continue to assess corporate transaction opportunities that complement the strategic direction of our business.”

– Ends –

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About Centuria Capital Group

Centuria Capital Group (CNI) is an ASX-listed specialist investment manager with \$5.6 billion of assets 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.

www.centuria.com.au



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