



COF: NISHI, 2 PHILLIP LAW STREET, CANBERRA, ACT

HY20 RESULTS

● ASX:CNI 12 Feb 2020

# Centuria Capital Group

Centuria

# Agenda

1. Group Overview
2. Financial Results
3. Divisional Overview
4. Q&A
5. Appendices







SECTION ONE

# Group Overview

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ASX:CNI

**Centuria**

# A leading ASX-listed funds manager

## \$7.3bn

Group AUM<sup>1</sup>ASX:CNI – Market capitalisation of \$1.0bn<sup>2</sup>

## \$6.4bn

Real Estate AUM

Listed Real Estate AUM

## \$3.7bn

Centuria  
Office  
REIT  
ASX:COF

## \$2.1bn

Centuria  
Industrial  
REIT  
ASX:CIP

## \$1.6bn

Unlisted Real Estate AUM

## \$2.7bn

Centuria  
Fixed Term  
Funds

## \$1.8bn

Centuria  
Diversified  
Property Fund  
(CDPF)

## \$0.2bn

Centuria  
Heathley  
Healthcare  
Real Estate

## \$0.7bn

## \$0.9bn

Investment Bonds AUM

Centuria  
Life

Centuria Investment Bonds  
Guardian Friendly Society

## \$0.6bn

CNI Co-Investments  
on balance sheet

Centuria Office  
REIT ASX:COF

## \$297m<sup>3</sup>

19.9%

Centuria Industrial  
REIT ASX:CIP

## \$231m<sup>4</sup>

19.9%

Unlisted Property  
and Debt Funds

## \$95m

1. Excludes the transaction proposal for Augusta Capital Limited announced on 29 January 2020. Pro forma Group AUM of A\$9.2 billion is calculated assuming Centuria's offer is successful and Centuria acquires 100% of Augusta

2. Based on CNI's closing price of \$2.28 on 31 December 2019

3. Based on COF closing price of \$2.90 on 31 December 2019. Includes ownership by associates of Centuria Capital Group

4. Based on CIP closing price of \$3.34 on 31 December 2019. Includes ownership by associates of Centuria Capital Group

# Delivering strong growth and creating value across the platform



**\$7.3bn**  
Group AUM<sup>1</sup>

18% over HY20



**4.50cps**  
HY20 Distribution  
per security

5.9% growth on HY19



**8.10cps**  
HY20 Operating Earnings  
per security

24.6% growth on HY19



**12.50cps**  
Forecast FY20 Operating  
Earnings per security



**\$1.0bn**  
CNI market  
capitalisation<sup>2</sup>  
Included in the S&P/ASX300 Index



**86.0%**  
12 month total  
securityholder return<sup>3</sup>

S&P/ASX300 index 23.8%  
S&P/ASX300 AREIT accumulation index 19.6%  
S&P/ASX200 AREIT accumulation index 19.4%



**73%**  
HY20 Group recurring  
revenues

80%-85% FY20 Forecast



**\$1.2bn**  
HY20 Group  
acquisitions<sup>1</sup>

1. Excludes the transaction proposal for Augusta Capital Limited announced on 29 January 2020. Pro forma Group AUM of \$9.2 billion is calculated assuming Centuria's offer is successful and Centuria acquires 100% of Augusta  
2. Based on CNI's closing price of \$2.28 on 31 December 2019

3. Source: Moelis Australia. Based on movement in security price from ASX closing on 1 January 2019 to ASX closing on 31 December 2019 plus distributions per security paid during the respective period(s) assuming re-investment of all distributions. Excludes non cash dividend paid on 29 June 2019. Past performance is not a reliable indicator of future performance

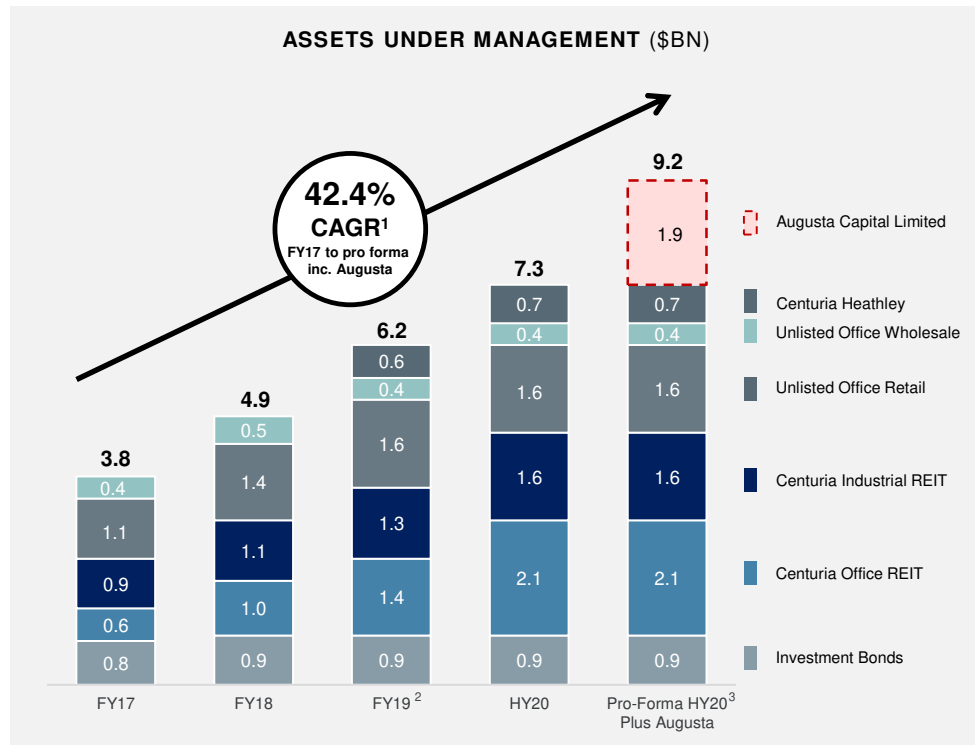
# Centuria AUM expands to \$7.3 billion

## HY20 ACTIVITY

- Group AUM expanded to \$7.3bn (+18%)
  - Real estate AUM grew 21% to \$6.4bn
  - \$1.2bn of gross acquisitions and \$0.2bn of revaluations supports platform growth

## POST HY20 ACTIVITY

- Augusta transaction to realise pro forma AUM of \$9.2bn<sup>1</sup> (+26%)
- Organic acquisitions in 2H20 expected to further increase Group AUM
- Augusta transaction expected to complete in early FY21 and provide strong momentum for FY21 EPS



1. Past performance is not indicative of future performance

2. Excludes the divestment of 821-843, Pacific Highway, Chatswood, NSW (Zenith), includes 80 Flinders Street, Adelaide, SA

3. Includes the transaction proposal for Augusta Capital Limited announced on 29 January 2020. Pro forma Group AUM of A\$9.2 billion is calculated assuming Centuria's offer is successful and Centuria acquires 100% of Augusta

# Centuria has delivered 187% total securityholder return since 2017<sup>1</sup>



Note: All figures above are in Australian dollars

1. Total securityholder return (TSR) is the profit generated by a combination of the change in the security price over the measurement period, plus any distributions paid. It assumes the reinvestment of distributions, excluding the non cash distribution paid on 29 June 2019. TSR calculated from 9 January 2017 to last close (6 February 2020)

2. Acquired by COF and The Lederer Group

3. Acquired by COF

4. Acquired by CIP

# Takeover bid for Augusta Capital Limited (NZ)



## Transaction overview

- Centuria Capital Group (Centuria, ASX:CNI) entered into a bid implementation agreement that outlines a proposal to acquire Augusta Capital Limited (Augusta), one of New Zealand's largest listed real estate funds management companies, for NZ\$180 million (A\$174 million)
- Augusta shareholders will be offered NZ\$2.00 per share<sup>1</sup> in either cash or Centuria scrip<sup>2</sup> via a "Mix and Match" facility (Bid Consideration)
- Augusta shareholders may elect to receive either NZ\$2.00 in cash or Centuria scrip<sup>2</sup> or a combination of both



## Pre-bid lock up agreements

- Augusta's founders and largest shareholders, Mark Francis (17.2%) and Bryce Barnett (6.1%) (Founders) have both entered into binding pre-bid lock up agreements in relation to the bid
  - The Founders have elected to receive all Scrip Consideration and will continue to lead the Augusta funds management platform as key executives of the Centuria team
  - The Founders have agreed to sign three year employment contracts on terms similar to their existing employment arrangements. Their Scrip Consideration will be subject to escrow arrangement for up to three years
- Pre-bid lock up agreements<sup>3</sup> executed by Augusta shareholders holding 36.2% of Augusta shares (including the two founders)



## Board support

- Augusta's Independent Board Committee unanimously recommends the transaction, in the absence of a superior proposal and subject to the offer price being within or above the Augusta independent adviser's value range



## Conditions

- The takeover offer, when made, will be subject to a number of conditions including the following:
  - Consent from the Overseas Investment Office in relation to sensitive lands regulations;
  - Augusta shareholders accepting the takeover offer for at least 90% of Augusta's shares; and
  - Other customary conditions.

1. The offer price will be reduced by any future distributions declared by Augusta in respect of the period commencing after 1 January 2020

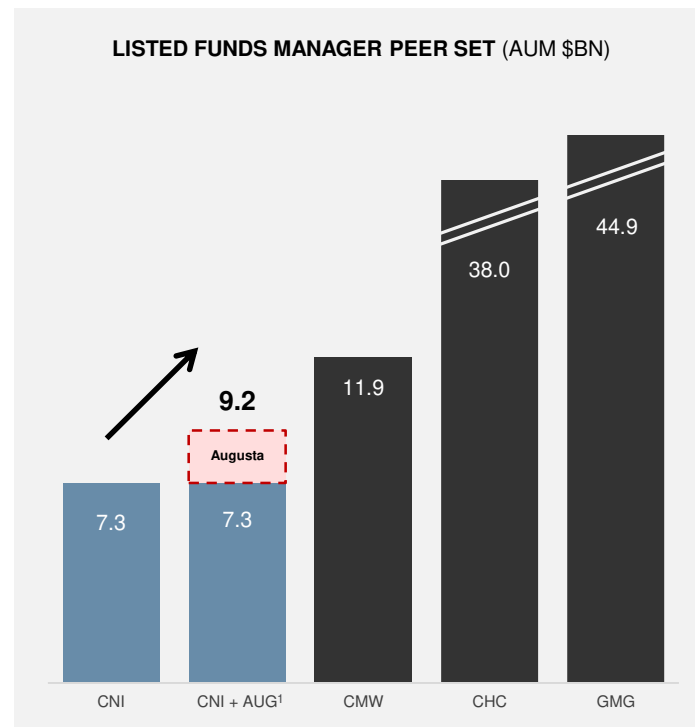
2. For the purposes of Section 91 of the Financial Markets Conduct Act 2013 (NZ) (FMCA), in respect of the Centuria Scrip Consideration, no funds are currently being sought. The Scrip Consideration cannot currently be applied for or accepted as consideration under the intended takeover offer; and if Scrip Consideration is offered under the intended takeover offer, the offer of Scrip Consideration in New Zealand will be made in accordance with the FMCA (or an exemption from the FMCA. Further details in announcement made on 29 January 2020

3. A lock up agreement is a legal commitment by a shareholder in a company listed on the new Zealand Exchange to accept a takeover offer. Pre-bid lock up agreements are commonly entered into prior to the public announcement of a takeover offer in New Zealand



# Centuria's pro forma platform to grow by 26% to \$9.2bn<sup>1</sup>

<b>Increase scale and relevance</b>	<ul style="list-style-type: none"> <li>Group AUM would increase 26% to \$9.2bn<sup>1</sup></li> <li>Market capitalisation is expected to increase by a minimum of ~A\$101m<sup>2</sup> to ~A\$1.2bn</li> </ul>
<b>Combines two complementary real estate platforms</b>	<ul style="list-style-type: none"> <li>Acquires one of New Zealand's largest listed funds managers</li> <li>Augusta has expertise in New Zealand office and industrial sectors</li> <li>Broadens sector diversification</li> </ul>
<b>Financially compelling</b>	<ul style="list-style-type: none"> <li>Expands real estate recurring revenues</li> <li>Attractive fee card across listed and unlisted funds</li> <li>Transaction provides strong momentum for Centuria's FY21 earnings growth</li> <li>Potential revenue and cost synergies</li> </ul>
<b>Diversification into New Zealand real estate</b>	<ul style="list-style-type: none"> <li>Market leading New Zealand based platform</li> <li>New Zealand is a globally recognised and comparable real estate market to Australia</li> <li>Significant exposure to strongly performing Auckland office and industrial markets</li> </ul>



1. Includes the transaction proposal for Augusta Capital Limited announced on 29 January 2020. Pro forma Group AUM of A\$9.2 billion is calculated assuming Centuria's offer is successful and Centuria acquires 100% of Augusta

2. Increase in market capitalisation includes A\$60m in Placement and A\$41m in scrip to be issued to Augusta investors as Bid Consideration under pre-bid lock up arrangements. If other Augusta shareholders select Centuria scrip under the Bid Consideration, the market capitalisation of Centuria will increase further

# Strategy & Outlook



## MARKETS

- Australian commercial, industrial and healthcare markets remain compelling and well supported
- Wholesale and retail investor demand extremely strong with capital seeking to deploy into Centuria funds
- Equity markets remain conducive to supporting the real estate sector



## VISION

Continue to build a leading listed real estate funds management platform and attain “top three Australian ranking”



## EXECUTION

### STRONG BALANCE SHEET

To support platform expansion e.g. Centuria Heathley and Augusta Capital

### LEVERAGE STRONG DISTRIBUTION NETWORK

And recycle capital to grow organic AUM

### DELIVER RECURRING REVENUES, UNLOCK PERFORMANCE FEES

Strong recurring revenue fees underpin distributions

Realise underlying performance fees embedded in unlisted funds

### NEW PLATFORMS

Grow new platform acquisitions – Centuria Heathley and Augusta Capital (NZ)<sup>1</sup> by deploying skills, systems and capital duplicating successful Centuria model

### GROWTH OPPORTUNITIES

Establish further wholesale real estate mandates

Grow Centuria LifeGoals Investment Bond Products

1. Transaction proposal for Augusta Capital Limited announced on 29 January 2020. Assuming Centuria's offer is successful and Centuria acquires 100% of Augusta



## SECTION TWO

# Financial Results

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ASX:CNI

Centuria

# Delivering strong investor returns

## HY20 PERFORMANCE

- Distributions per stapled security of 4.50 cents, a 5.9% increase on HY19
  - Underpinned by 73% recurring revenues
- Operating NPAT \$33.4m<sup>1</sup>; Operating EPS 8.10cps<sup>2</sup>
- Statutory NPAT \$77.0m<sup>3</sup>; Statutory EPS 18.60cps<sup>3</sup>

## FY20 GUIDANCE

- FY20 distributions of 9.70 cents per security reaffirmed
- FY20 earnings per security guidance of 12.50 cents

EARNINGS AND DISTRIBUTIONS (CENTS PER SECURITY)



1. 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, Controlled Property Funds and share of equity accounted net profit in excess of distributions received

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

3. Attributable to securityholders



# Expanded platform enhances fee generation for the Group

OPERATING PROFIT BY SEGMENT	HY20 (\$m)	HY19 (\$m)
Property funds management <sup>1</sup>	17.6	10.9
Performance fees	21.5	9.6
Investment bonds management	1.3	1.8
Co-investments earnings	15.3	15.4
Corporate segment	(5.5)	(6.1)
<b>Operating profit before interest and tax</b>	<b>50.2</b>	<b>31.6</b>
Finance costs <sup>2</sup>	(6.9)	(6.2)
<b>Operating profit before tax</b>	<b>43.3</b>	<b>25.4</b>
Operating tax expense	(9.9)	(3.7)
<b>Operating profit after tax<sup>3</sup></b>	<b>33.4</b>	<b>21.7</b>
Operating EPS (cents per stapled security) <sup>4</sup>	8.1	6.5

Profit increased 61.5% reflecting expanded platform, strong recurring revenue contribution and transaction fees

HY20 performance fees benefitted from strong sales outcomes in Centuria unlisted real estate division

Decline in earnings due to lower prevailing interest rates impacting capital guaranteed product returns

Redeployment of co-investment capital supports growth in Centuria unlisted products

Higher tax expense mainly due to significant performance and transaction fees compared to HY19

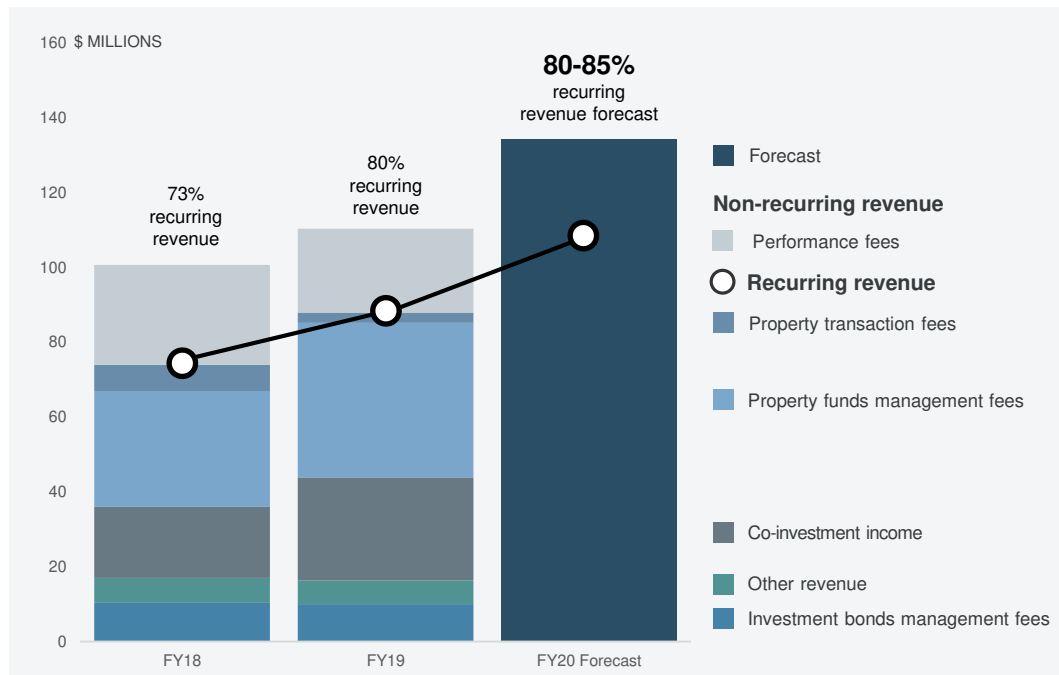
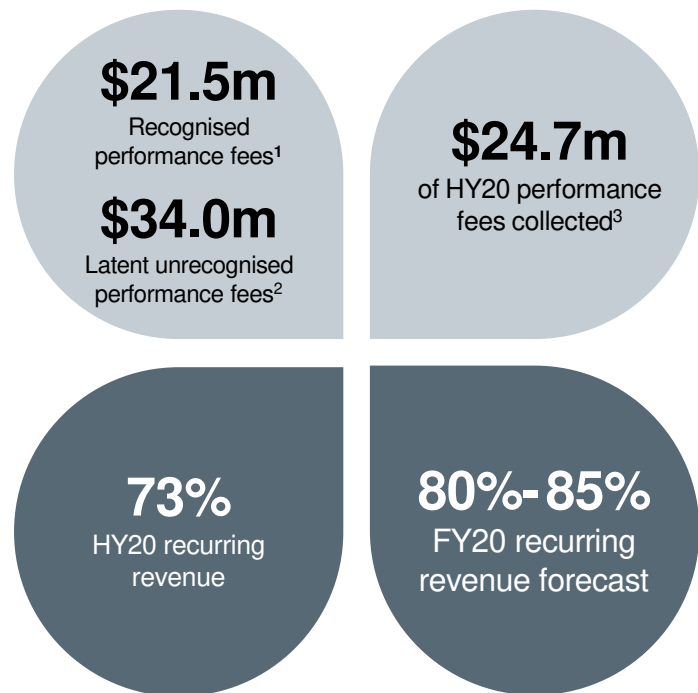
1. Excluding performance fees

2. Excluding reverse mortgages borrowing costs

3. 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, Controlled Property Funds and share of equity accounted net profit in excess of distributions received

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

# HY20 total revenues underpinned by recurring revenues



1. HY20 accrued performance fees under accounting standard AASB15. Refer to slide 35

2. The underlying property funds managed by Centuria Capital Group have accrued total performance fees of \$51.7m as at 31 December 2019. \$17.7m of this amount has been recognised life to date with the latent unrecognised performance fee being \$34.0m. This excludes the Centuria 8 Central Avenue Fund 1 performance fee of \$15.5m, which was paid during the period

3. Performance fee cash of \$24.7m attributable to Centuria Zenith Fund and Centuria 8 Central Avenue Fund 1 and excludes GST

4. 9.5% of HY20 total revenues

# Recycling larger balance sheet to grow platform

**\$1.53**

Net Asset Value  
per security<sup>1</sup>  
(FY19: \$1.32)

**7.2 times**

Operating interest  
cover ratio<sup>2</sup>  
(FY19: 4.9 TIMES)

**10.2%**

Operating  
gearing ratio<sup>3</sup>  
(FY19: 17.5%)

**\$85m**

Cash on Hand  
Required for growth  
opportunities

**Corporate  
bond maturity**

\$90m (1.3 years)  
\$80m (3.3 years)

OPERATING BALANCE SHEET	HY20 (\$m)	FY19 (\$m)
<b>Assets</b>		
Cash and cash equivalents	84.8	87.8
Receivables	68.9	65.7
Financial assets	604.0	112.2
Other assets	6.5	5.7
Equity accounted investments	-	360.4
Right of use asset	18.9	-
Intangible assets	191.7	157.7
<b>Total assets</b>	<b>974.8</b>	<b>789.5</b>
<b>Liabilities</b>		
Payables	43.1	35.7
Borrowings	175.9	210.8
Interest rate swap at fair value	28.3	28.1
Call/Put option liability	16.4	-
Lease liability	19.2	-
Provisions, deferred tax and other liabilities	4.5	7.4
<b>Total liabilities</b>	<b>287.4</b>	<b>282.0</b>
<b>Net assets</b>	<b>687.4</b>	<b>507.5</b>
<b>NAV (\$/per security)</b>	<b>1.53</b>	<b>1.32</b>

1. Number of securities on issue at 31 December 2019: 448,839,027 (at 30 June 2019: 383,557,332)

2. Operating interest cover ratio is calculated based on operating finance costs divided by operating profit before tax excluding finance costs (excluding reverse mortgages)

3. Gearing ratio is calculated based on (operating borrowings less cash) divided by (operating total assets less cash)

# Strong 14.7% annualised return

## Strong alignment to COF and CIP in FY19.

CNI is the largest unitholder of **COF** (15.25%)<sup>2</sup> and **CIP** (19.62%)<sup>2</sup>

Proceeds from PLG stake redeployed into CIP, COF and seeding unlisted funds

CO-INVESTMENTS	CARRYING VALUE 31 Dec 2019 (\$m)	DISTRIBUTION INCOME 1H20 (\$m)	CARRYING VALUE 31 Dec 2018 (\$m)	DISTRIBUTION INCOME 1H19 (\$m)
Centuria Office REIT (COF) <sup>2,3</sup>	227.4	6.4	178.8	4.4
Centuria Industrial REIT (CIP) <sup>2,3</sup>	227.1	6.2	173.0	5.5
Healthcare Investments	31.1	0.4	-	-
Centuria 111 St Georges Terrace Fund	29.9	1.0	9.4	0.3
Centuria Diversified Property Fund	17.8	0.4	7.3	0.2
Other unlisted real estate and debt funds	16.3	0.9	2.1	-
Propertylink Group (PLG)	-	-	136.9	4.2
<b>Sub-total</b>	<b>549.6</b>	<b>15.3</b>	<b>507.5</b>	<b>14.6</b>
<b>Capital Growth</b>	<b>-</b>	<b>21.0<sup>4</sup></b>		<b>13.5<sup>5</sup></b>
<b>Total</b>	<b>549.6</b>	<b>36.3</b>	<b>507.5</b>	<b>28.1</b>
<b>Annualised Total Return (%)<sup>1</sup></b>		<b>14.7%</b>		<b>14.3%</b>

1. Calculated based on total revenue for the period end divided by average carrying value of investments. Excludes finance costs

2. All information in relation to the financial contribution of the Group's co-investments stakes in COF and CIP exclude interests held through Benefit Funds

3. Co-Investments previously accounted for using the equity method are now recognised as financial assets carried at fair value through profit and loss

4. Comprises of non operating fair value gains

5. Comprises of non operating fair value gains and equity accounting earnings in excess of distribution income



# Increased ESG initiatives across Centuria's platform

## ENVIRONMENTAL

### COF'S EXPANDING SOLAR INITIATIVES



**856**

Solar Panels  
Installed



**300tn**

CO2 Emissions  
Reduced



Assessing  
other solar  
opportunities  
across portfolio



**4.63**

Average NABERS  
Energy Rating<sup>1</sup>

## SOCIAL & WELLBEING

St Lucy's School,  
over \$115,000 donated  
at 2019 annual trivia night

Social and Affordable Housing Projects:  
4 projects, c.\$75m end value

Supporting Foodbank with 4,500sqm  
of free storage for overflow donations toward  
the bushfire crisis

Member of the Diversity Council of Australia

Centuria supporting  
International Women's Day

## GOVERNANCE & COMPLIANCE

Continued focus on Non-Financial Risk  
Committee reporting direct to Board

Information Communication Technology and  
Cyber Security Committee

Support for gender equality and commitment  
to improving diversity

1. Average by value. Includes COF, fixed term funds and CDPF



SECTION THREE

# Divisional Overview

ASX:CNI

Centuria

# AUM increased to \$2.1bn underpinned by quality office acquisitions



COF

**TOTAL  
UNITHOLDER  
RETURN  
SINCE IPO<sup>1,2,3</sup>**

**109.5%**

S&P/ASX300 A-REIT  
INDEX 74.6%

**\$637m**  
OF ACQUISITIONS  
EXECUTED IN HY20

INTERESTS IN 3  
HIGH QUALITY PRIME  
GRADE ASSETS ACQUIRED

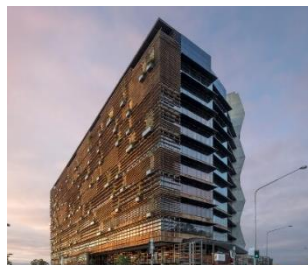
100% OCCUPANCY  
AND AVERAGE  
8.0 YEAR WALE  
FOR ACQUISITIONS



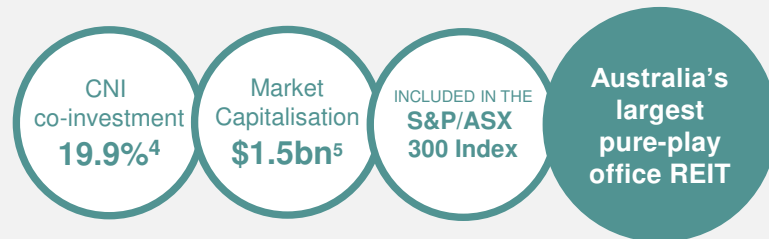
**\$189.5m**  
235 WILLIAM ST,  
NORTHBRIDGE, WA



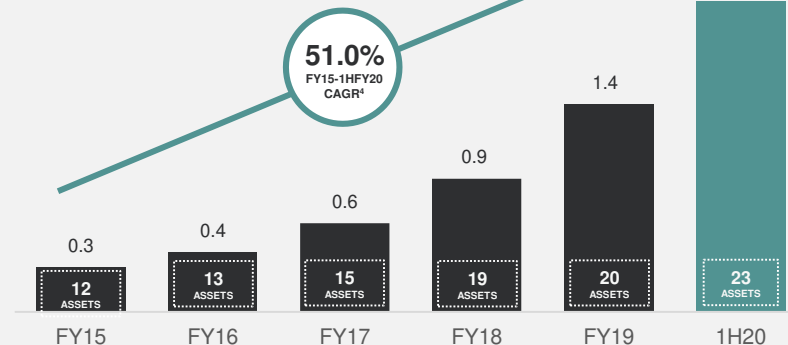
**\$191.0m**  
8 CENTRAL AVENUE,  
EVELEIGH, NSW (50%)



**\$256.0m**  
NISHI, 2 PHILIP LAW STREET,  
CANBERRA, ACT



PORTFOLIO VALUE (\$BN)



1. Source: Moelis Australia. Based on movement in security price from ASX closing on 10 December 2014 to ASX closing on 31 December 2019 plus distributions per security paid during the respective period(s) assuming re-investment of distributions. Past performance is not a reliable indicator of future performance

2. IPO December 2014

3. Past performance is not indicative of future performance

4. Includes ownership by associates of Centuria Capital Group

5. Based on COF closing price of \$2.90 on 31 December 2019

# AUM increased to \$1.6bn underpinned by quality industrial acquisitions



CIP

**TOTAL  
UNITHOLDER  
RETURN**  
EX JAN 2017<sup>1,2,3</sup>

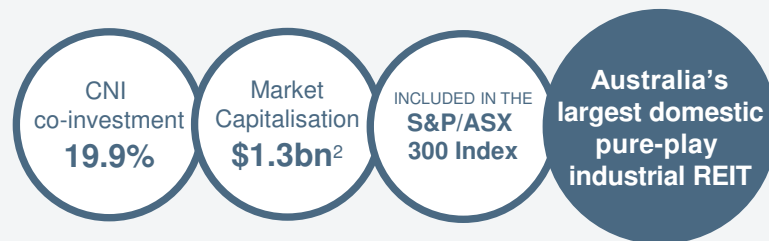
**63.1%**

S&P/ASX300 A-REIT  
INDEX 30.8%

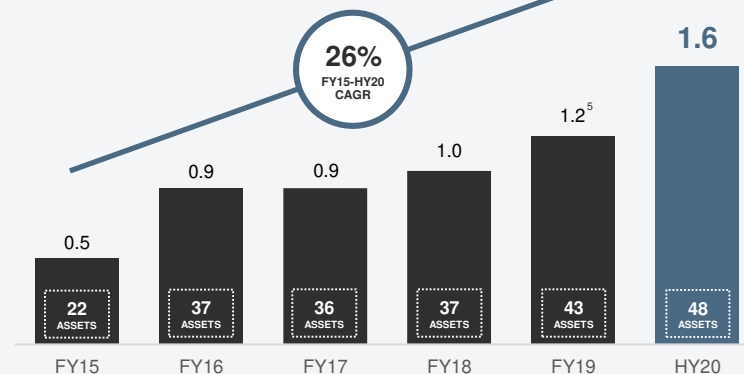
**\$300m**  
OF ACQUISITIONS  
EXECUTED IN HY20

6 ASSETS ACQUIRED,  
MAJORITY TRANACTED  
OFF MARKET

84% OF ACQUISITIONS  
SECURED UNDER  
TRIPLE NET LEASE  
STRUCTURES



PORTFOLIO VALUE (\$BN)



1. Source: Moelis Australia. Based on movement in security price from ASX closing on 7 January 2017 to ASX closing on 31 December 2019 plus distributions per security paid during the respective period(s) assuming re-investment of distributions. Past performance is not a reliable indicator of future performance  
2. Past performance is not indicative of future performance

3. Centuria management of CIP since 7 January 2017  
4. Based on CIP closing price of \$3.65 on 31 January 2020  
5. Excludes 75-95 & 105 Corio Quay Road, North Geelong and 680 Boundary Road, Richlands which were exchanged, but not settled by 30 June 2019



# \$216m of HY20 acquisitions enhance strong performance



Centuria Fixed  
Term Funds

**\$1.8bn**

AUM<sup>1</sup>

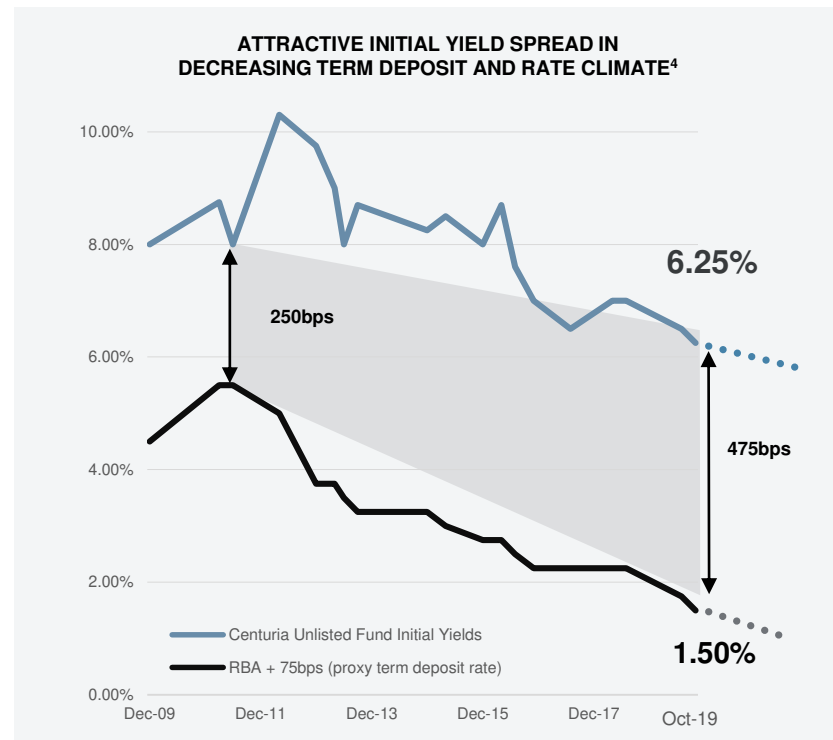
**16**

Fixed term funds  
Wholesale  
relationships

**4**

Funds in the  
top 10 index<sup>2</sup>

- Two new single asset unlisted funds established, \$216m of acquisitions
- Strong demand from Centuria's retail distribution network arising from significant return premium to cash
- \$0.6bn of divestments, \$24.7m<sup>3</sup> of HY20 performance fees collected
- Commenced demolition and construction works on all four social & affordable housing projects

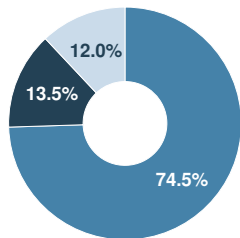


1. Includes pro forma adjustments for assets held for settlement. Excludes Centuria Diversified Property Fund (CDPF)  
 2. At least four funds in the Top 10 in The Property Council of Australia/MSCI Australia Unlisted Retail Quarterly Property Fund Index (Unfrozen) to 31 December 2019 each previous quarter for the last ten quarters (overall investment for the twelve months to the end of each quarter). Excludes Centuria Zenith Fund and Centuria 8 Central Avenue Fund 1 recently wound up  
 3. Performance fee cash of \$24.7m attributable to Centuria Zenith Fund and Centuria 8 Central Avenue Fund 1  
 4. Source: CPFL & RBA

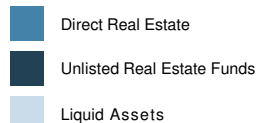
# CDPF Gross AUM increase of 74% from FY19



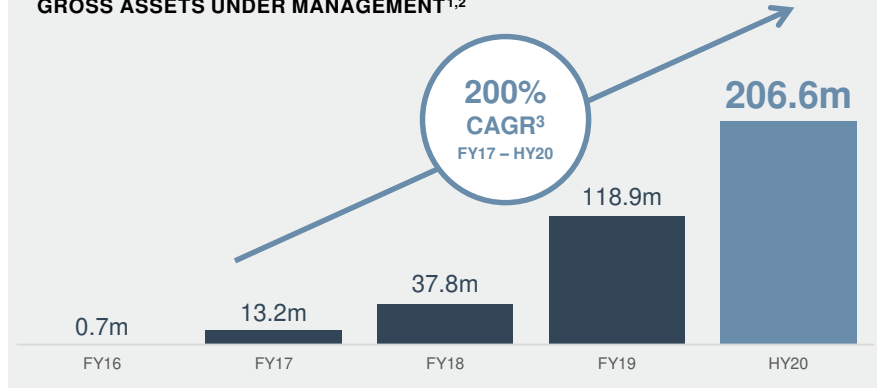
CDPF



ASSET ALLOCATION<sup>1,2</sup>



GROSS ASSETS UNDER MANAGEMENT<sup>1,2</sup>



HY20 ACQUISITIONS<sup>2</sup>



CDPF: 25 MONTPELIER ROAD, BOWEN HILLS, QLD

Purchase price	\$65.4m
Site area	3,750sqm
Net lettable area	7,739sqm
WALE <sup>4</sup>	5.9yrs
Occupancy <sup>4</sup>	100%
NABERS Energy Rating	3.5 Stars



CDPF: 13-15 COMPARK CIRCUIT, MULGRAVE, VIC

Purchase Price	\$27.8m
Site area	8,334sqm
Net lettable area	5,851sqm
WALE <sup>4</sup>	4.0yrs
Occupancy <sup>4</sup>	100%
NABERS Energy Rating	4.0 Stars

1. Includes debt and amortised acquisition costs
2. Includes the acquisition of 13-15 Compark Circuit Mulgrave VIC, unconditionally exchanged but not settled
3. Past performance is indicative of future performance
4. WALE by income, occupancy by area as at 31 December 2019

# Established presence in healthcare real estate sector



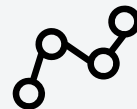
Centuria  
Heathley



**\$0.7bn<sup>1</sup>**  
AUM



**50**  
Assets



**11**  
Unlisted  
fixed-term funds



Progressing  
~\$300m  
acquisition  
pipeline



Est. \$500m  
healthcare property  
mandate with AXA  
Investment Managers  
and Grosvenor Group

## RECENT ACQUISITIONS

**\$8.1m**

South Bunbury, WA  
medical centre 100%  
leased to Healius Ltd

**\$12.7m**

Unconditional exchange  
Kallangar, QLD medical  
centre fund through

**\$5.6m**

Hobart, Tasmania  
Day hospital 100% leased  
to Nexus Hospitals



CENTURIA HEATHLEY: 122 SPENCER STREET, SOUTH BUNBURY, WA

1. Valuation complete on an as-if complete basis

# Continued investment in Centuria Life

**CENTURIA LIFE**  
**\$0.9bn**  
 AUM

**CENTURIA  
 LIFE GOALS**  
**22**  
 OPTIONS

- Property and infrastructure funds **2 options**
- Cash and fixed interest funds **3 options**
- Diversified balanced funds **3 options**
- International share funds **4 options**
- Diversified growth funds **4 options**
- Australian share funds **6 options**

ASSESSING OPPORTUNITIES TO EXPAND TO 30 INVESTMENT OPTIONS



**Launching  
 Centuria Life Goals  
 Investment  
 Forecaster (LIFT)**

## CENTURIA LIFE GOALS FUND MANAGERS



**ALLIANCEBERNSTEIN**



**Schroders**



**ANTIPODES**  
GLOBAL INVESTMENT PARTNERS

**BetaShares**

**BAEP**

**PENDAL**

**T.RowePrice**



**Vanguard**







## SECTION FOUR

# Q&A

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ASX:CNI

Centuria



## SECTION FIVE

# Appendices

ASX:CNI

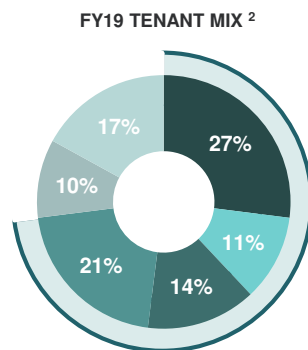
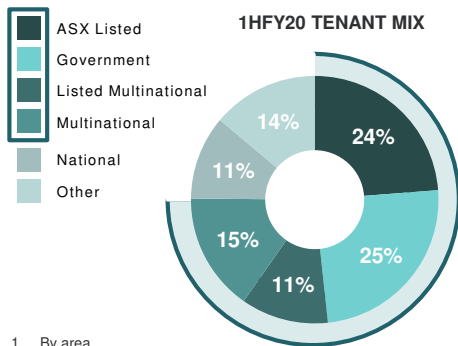
Centuria



## COF: Australia's largest pure play office REIT

- HY20 FFO of 9.6cpu, distributions of 8.9cpu delivered
- FY20 FFO guidance of 19.0 cpu and distribution guidance of 17.8 cpu reaffirmed

PORTFOLIO SNAPSHOT		HY20	FY19
Number of assets	#	23	20
Book value	\$m	2,063.4	1,400.0
WACR	%	5.92	6.22
NLA	sqm	303,855	218,080
Occupancy <sup>1</sup>	%	99.2	98.4
WALE <sup>2</sup>	yrs	5.1	3.9
Average NABERS Energy rating (by value)	Stars	4.7	4.5
Average building age (by value)	yrs	14.9	15.9



1. By area
2. By gross income



## CIP: Australia's largest domestic pure play industrial REIT

- HY20 FFO of 9.9cpu, distributions 9.4cpu delivered
- FY20 guidance of FFO between 19.6 to 19.9cpu, distribution 18.7cpu reaffirmed

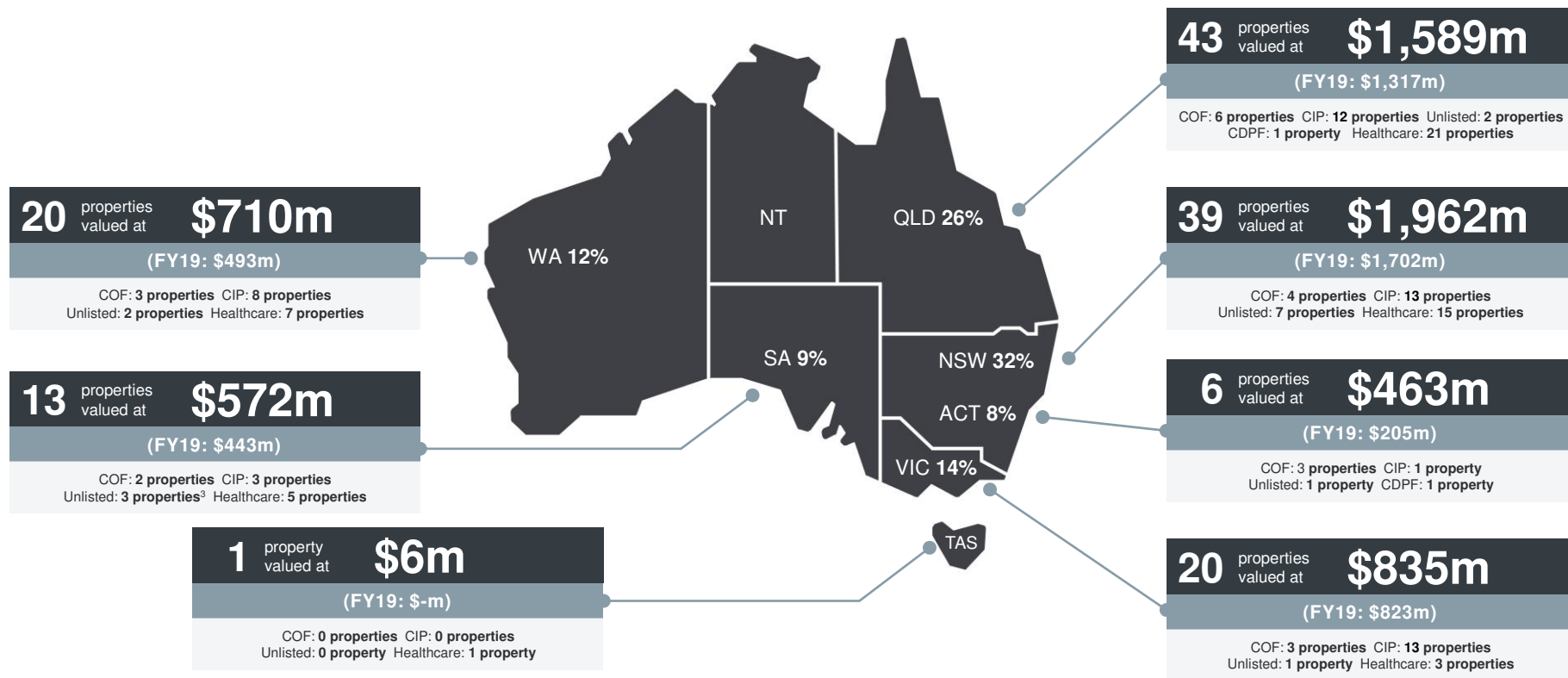
PORTFOLIO SNAPSHOT		HY20 <sup>1</sup>	FY19 <sup>2</sup>
Number of assets	#	48	43
Book value	\$m	1,552.3	1,221.3
WACR	%	6.19	6.46
GLA	sqm	936,492	821,823
Average asset size	sqm	19,510	19,112
Average tenancy size <sup>3</sup>	sqm	9,272	8,837
Occupancy by income	%	95.8	95.9
WALE by income	yrs	7.1	4.3



1. Excludes 24 West Link Place, Richlands which was exchanged, but not settled by 31 December 2019
2. Excludes 75-95 & 105 Corio Quay Road, North Geelong and 680 Boundary Road, Richlands which were exchanged, but not settled by 30 June 2019



# Real estate AUM grew 23% in FY19 to \$6.4 billion<sup>1</sup>



1. As at 31 December 2019. Includes cash and other financial assets. Excludes pro forma adjustments for Augusta Capital Limited transaction

# Centuria's pro forma AUM expands to \$9.2bn<sup>1</sup> (+26%)

## \$9.2bn

Pro forma Group AUM<sup>1</sup>ASX:CNI – Pro forma market capitalisation of ~\$1.2bn<sup>2</sup>

## \$8.3bn

Real Estate AUM

## \$0.9bn

Investment Bonds AUM

Listed Real Estate AUM

### \$3.8bn

Unlisted Real Estate AUM

### \$4.5bn

Centuria  
Life

AUGUSTA CAPITAL LIMITED

Centuria  
Office  
REIT  
ASX:COF

### \$2.1bn

Centuria  
Industrial  
REIT  
ASX:CIP

### \$1.6bn

Asset Plus  
Limited  
(NZX:APL)

### \$154m

Augusta  
Unlisted  
Real Estate

### \$1.8bn

Centuria  
Fixed Term  
Funds

### \$1.8bn

Centuria  
Diversified  
Property Fund  
(CDPF)

### \$0.2bn

Centuria  
Heathley  
Healthcare  
Real Estate

### \$0.7bn

Centuria Investment Bonds  
Guardian Friendly Society

Note: All figures above are in Australian dollars. Numbers presented may not add up precisely to the totals provided due to rounding

1. Includes the transaction proposal for Augusta Capital Limited announced on 29 January 2020. Pro forma Group AUM of A\$9.2 billion is calculated assuming Centuria's offer is successful and Centuria acquires 100% of Augusta

2. Increase in market capitalisation includes \$60m in Placement and \$41m in scrip to be issued to Augusta investors as Bid Consideration under pre-bid lock up arrangements. If other Augusta shareholders select Centuria scrip under the Bid Consideration, the market capitalisation of Centuria will increase further

# Enhanced asset diversification post transaction

## GEOGRAPHIC DIVERSIFICATION

**Enhances Centuria's presence as a leading funds manager across Australia and New Zealand**

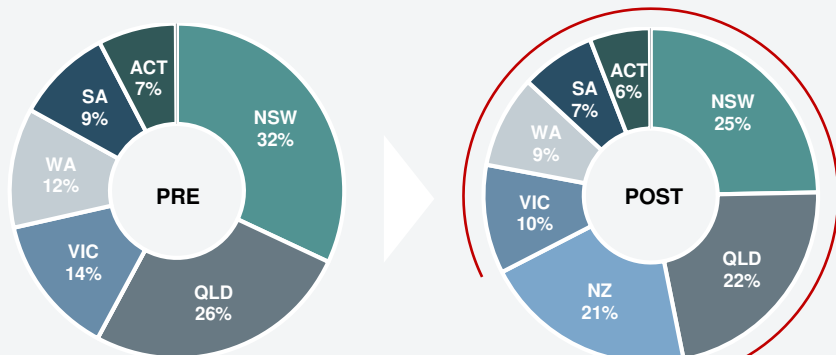
- Centuria to become one of New Zealand's largest funds managers in a globally recognised, comparable real estate market to Australia
- Post transaction, Australian real estate exposure represents ~79% of Centuria's established platform

## SECTOR DIVERSIFICATION

**Augusta's complementary platform is highly aligned to Centuria's sectors of expertise**

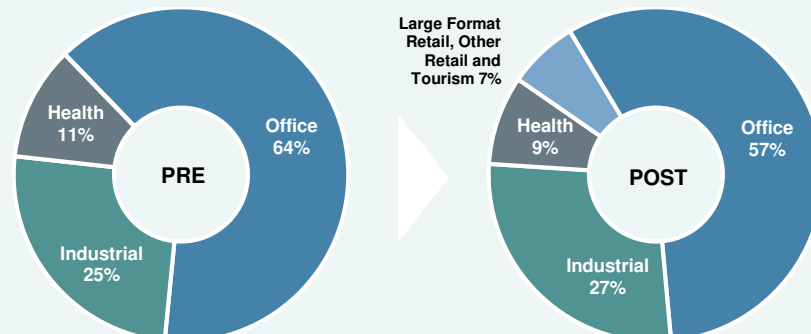
- Office and industrial continue to be the platform's predominant sectors
- Select exposure to New Zealand's emerging tourism and large format retail

### GEOGRAPHIC DIVERSIFICATION BY AUM (PRE AND POST TRANSACTION)<sup>1</sup>



Australia accounts for ~79% of Real Estate platform

### SECTOR DIVERSIFICATION BY AUM (PRE AND POST TRANSACTION)<sup>1</sup>



1. Excludes AUM from investment bonds



## Social and Affordable Housing

### PROGRESSING ALL PROJECTS

Development approvals  
received for all projects

Commenced **demolition  
and construction** works  
on all projects

**Major institutional  
funding** in place

PARTNERING WITH  
COMPASS HOUSING  
(TIER 1 SERVICE PROVIDER)  
AND TETRIS CAPITAL

Four projects,  
190 dwellings

CNI equity contribution  
circa **\$20 million**

**Centuria:** Developer

**Compass:** Community  
housing provider (Tenant)

**Tetris:** Upfront take out party

### ARTIST IMPRESSIONS



CARDIFF



MAYFIELD



WEST GOSFORD



NORTH GOSFORD

# Continuing to build out Centuria LifeGoals

## Centuria LifeGoals

- Assessing opportunities to expand from 22 to 30 investment options
- Ratings by Lonsec, Zenith and Australia Ratings recently completed
- Applications commenced, strong interest from newly established and existing non-aligned adviser groups

## Centuria Life AUM to \$884.5m for HY20

- Total Australian investment bond market \$7.7bn<sup>1</sup>
- Centuria Life positioned as fourth in the sector<sup>1</sup>

TOTAL AUM (\$m)	FY19	HY20	HY20 CHANGE (%)
Prepaid funeral plans (Guardian) <sup>2</sup>	534.0	550.0	3.0%
Capital Guaranteed (Centuria Life)	194.0	182.4	(6.0)%
Unitised Bonds (Centuria Life)	137.8	147.7	7.2%
Centuria LifeGoals	4.2	4.4	4.8%
<b>Total</b>	<b>870.0</b>	<b>884.5</b>	<b>1.7%</b>

FLows BREAKDOWN (\$M) H1 FY20	CENTURIA LIFEGOALS <sup>3</sup>	UNITISED BONDS	CAP GUAR	PRE-PAID FUNERAL PLANS	TOTAL
Applications	3.2	4.8	1.0	16.3	25.3
Redemptions	(0.1)	(5.3)	(12.9)	(17.4)	(35.7)

1. QDS report September 2019

2. Centuria Life Limited (CLL) is the key service provider to Over Fifty Guardian Friendly Society

# Reconciliation of statutory profit to operating profit

	HY20 (\$m)	HY19 (\$m)
Statutory net profit after tax	78.0	22.2
<i>Statutory EPS (cents)<sup>1</sup></i>	<i>18.6</i>	<i>6.4</i>
Less non-operating items:		
Gain on fair value movements in derivatives and investments	(38.3)	(0.9)
Transaction and other costs	2.1	5.3
Profit attributable to controlled property funds	(0.6)	(1.0)
Eliminations between the operating and non-operating segment	(1.9)	0.1
Equity accounting adjustments	0.1	(2.7)
Tax impact of above non-operating adjustments	(6.0)	(1.3)
<b>Operating net profit after tax<sup>2</sup></b>	<b>33.4</b>	<b>21.7</b>
<i>Operating EPS (cents)<sup>3</sup></i>	<i>8.1</i>	<i>6.5</i>

1. Attributable to securityholders

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, Controlled Property Funds and share of equity accounted net profit in excess of distributions received

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

# Operating segment balance sheet

OPERATING BALANCE SHEET	PROPERTY FUNDS MANAGEMENT (\$m)	INVESTMENT BONDS MANAGEMENT (\$m)	CO-INVESTMENTS (\$m)	CORPORATE (\$m)	HY19 (\$m)	FY19 (\$m)
<b>ASSETS</b>						
Cash and cash equivalents	37.8	6.4	29.8	10.8	84.8	87.8
Receivables	43.6	1.7	22.3	1.3	68.9	65.7
Financial assets	-	-	549.6	54.4	604.0	112.2
Other assets	0.1	0.2	0.1	6.1	6.5	5.7
Equity accounted investments	-	-	-	-	-	360.4
Right of use asset	-	-	-	18.9	18.9	
Intangible assets	191.7	-	-	-	191.7	157.7
<b>Total assets</b>	<b>273.2</b>	<b>8.3</b>	<b>601.8</b>	<b>91.5</b>	<b>974.8</b>	<b>789.5</b>
<b>LIABILITIES</b>						
Payables	10.9	1.2	15.4	15.6	43.1	35.7
Borrowings	-	-	168.3	7.6	175.9	210.8
Interest rate swap at fair value	-	-	-	28.3	28.3	28.1
Call/Put option liability	-	-	-	16.4	16.4	-
Lease liability	-	-	-	19.2	19.2	-
Provisions, deferred tax & other liabilities	1.6	(0.1)	-	3.0	4.5	7.4
<b>Total Liabilities</b>	<b>12.5</b>	<b>1.1</b>	<b>183.7</b>	<b>90.1</b>	<b>287.4</b>	<b>282.0</b>
<b>Net Assets</b>	<b>260.7</b>	<b>7.2</b>	<b>418.1</b>	<b>1.4</b>	<b>687.4</b>	<b>507.5</b>

## AASB15 revenue accounting standard impact on performance fees

The Group receives a performance fee for providing management services where the property fund outperforms a set IRR benchmark at the time the property is sold.

Consideration is due upon successful sale of the investment property if the performance hurdles are satisfied.

In assessing the timing and measurement of performance fees to be recognised, consideration is given to the facts and circumstances with respect to each investment property including external factors such as its current valuation, passage of time and outlook of the property market.

Performance fees are only recognised when they are deemed to be highly probable and the amount of the performance fees will not result in a significant reversal in future periods.

The Group's performance fees are recognised over-time under AASB 15 Revenue from Contracts with Customers.

The key assumptions made in estimating the amount of performance fee revenue that is highly probable include:

**2 years from forecast fund end date:** Management's model assumes that the highly probable threshold is only met when the forecast end date of the fund is within two years from balance date. The forecast end date is based on the PDS end date or a revised fund end date in the event that an alternative strategy is being undertaken by the Group.

**Probability thresholds for sensitivity to property valuations:** The level of constraint applied to performance fee revenue is adjusted depending on remaining fund tenure. Specifically, a discount in property values between 10.0% to 20.0% is applied, depending on when in the two-year window the fund is expected to wind up.

**Fair value of investment properties:** The fair value of investment properties is based on the latest available valuation of the underlying property from the published financial statements or board approved valuations.



# Definitions

**Operating Segments:** Group has five reportable operating segments. These reportable operating segments are the divisions which report to the Group's Chief Executive Officers and Board of Directors for the purpose of resource allocation and assessment of performance.

The reportable operating segments are:

- **Property Funds Management:** Management of listed and unlisted property funds
- **Investment Bonds Management:** Management of the Benefit Funds of Centuria Life Limited and management of the Over Fifty Guardian Friendly Society Limited. The Benefit Funds include a range of financial products, including single and multi-premium investments
- **Co-investments:** Direct interest in property funds and other liquid investments
- **Corporate:** Overheads supporting the Group's operating segments

**Non-operating segments:** Non-operating items comprises transaction costs, mark-to-market movements on property and derivative financial instruments, and all other non-operating activities. Includes Benefit Funds and Controlled Property Funds. Represents the operating results and financial position of the Benefit Funds which are required to be consolidated in the Group's financial statements in accordance with accounting standards

**AUM:** Assets under management

**CAGR:** Compound annual growth rate

**CIP:** Centuria Industrial REIT comprises the Centuria Industrial REIT ARSN 099 680 252 and its subsidiaries. The Responsible Entity of CIP is Centuria Property Funds No. 2 Limited ACN 133 363 185

**COF:** Centuria Office REIT comprises the Centuria Office REIT ARSN 124 364 718 and its subsidiaries. The Responsible Entity of COF is Centuria Property Funds Limited ACN 086 553 639

**CNI, CCG or the Group:** Centuria Capital Group comprises of Centuria Capital Limited ABN 22 095 454 336 (the 'Company') and its subsidiaries and Centuria Capital Fund ARSN 613 856 358 ('CCF') and its subsidiaries. The Responsible Entity of CCF is Centuria Funds Management Limited ACN 607 153 588, a wholly owned subsidiary of the Company

**CPFL:** Centuria Property Funds Limited

**CPF2L:** Centuria Property Funds No. 2 Limited

**DPS:** Distribution per stapled security

**EPS:** Earnings per stapled security

**IRR:** Internal Rate of Return

**NPAT:** Net Profit After Tax

**NTA:** Net Tangible Assets

**REIT:** Real Estate Investment Trust

**WACR:** Weighted Average Capitalisation Rate

**WALE:** Weighted Average Lease Expiry

# Disclaimer

This presentation has been prepared by Centuria Capital Limited and Centuria Funds Management Limited as responsible entity of Centuria Capital Fund (together the stapled listed entity CNI).

Centuria Property Funds Limited (ABN 11 086 553 639, AFSL 231 149) ('CPFL') and Centuria Property Funds Management No. 2 Limited (ABN 38 133 363 185, AFSL 340 304) ('CPF2L') are fully owned subsidiaries of CNI. CPF2L is the responsible entity for the Centuria Industrial REIT (ARSN 099 680 252) (ASX: CIP) and the Centuria Retail Fund (ARSN 601 486 668). CPFL is the responsible entity for the Centuria Office REIT (ARSN 124 364 718) (ASX: COF), the Centuria Diversified Property Fund (ARSN 611 510 699) and the rest of Centuria's unlisted property funds. Investment in Centuria's property funds is subject to risks that are set out in the Product Disclosure Statement ('PDS') for the fund. The PDS for any open fund is made available on Centuria's website (centuria.com.au). Investors should read the PDS in full before making a decision to invest.

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Centuria