

FY21 Financial Results

- **FY21 operating earnings per security¹ 12.0cps, distributions of 10.0cps**
- **FY22 guidance: Operating earnings per security 13.2 cps**
Distribution per security 11.0 cps
- **Strong AUM growth to \$17.4bn² (+98% on FY20)**
- **Record FY21 direct real estate acquisitions of \$2.5bn**
- **S&P/ASX 200 Index inclusion effective 16 July 2021**
- **\$1.9bn development pipeline³**
- **FY21 total securityholder return (TSR⁴) 62%**

SYDNEY (Wednesday, 11 August 2021) – Centuria Capital Group (ASX: CNI or “Centuria”) has announced its FY21 results for the period ended 30 June 2021.

Centuria Group total operating revenues rose to \$212.7million (+40% from FY20) and Operating Profit After Tax rose to \$70.2 million⁵ (+32% from FY20). At FY21 year-end Centuria enjoyed a strong balance sheet with \$250 million cash on hand representing an operating gearing ratio⁶ of 3.9%. Balance sheet flexibility increased from the \$198.7million listed notes issuance. Net asset value (NAV⁷) increased to \$1.92 (FY20: \$1.52).

Operating profit attributable to property funds management was \$45.9 million, up 40% on prior corresponding period (pcp) and operating recurring revenue increased to 92% of total revenues (FY20: 86%).

CNI generated a 12-month TSR⁴ of 62%, outperforming the S&P ASX200 A-REIT Index returns of 33.2%.

FY21 FINANCIAL RESULTS

Operating NPAT ⁵	\$m	70.2	53.3
Operating EPS ¹ “OEPS”	cps	12.0	12.0
Statutory NPAT ⁸	\$m	143.5	21.1
Statutory EPS ⁸	cps	24.6	4.7
Distribution per stapled security “DPS”	cps	10.0	9.7

Joint CEO, John McBain, said “FY21 has been a period of continued, strong performance particularly in view of persisting COVID-19 conditions. During the period, our platform expanded property assets under management (AUM²) to A\$16.5 billion, a 106% increase across our listed and unlisted real estate divisions.

A record \$2.5 billion of real estate acquisitions were transacted during the period, complemented by the integration of the Augusta Capital (NZ) and Primewest businesses. This combination of real estate and corporate acquisitions substantially increased AUM, distribution capacity and earnings momentum. These growth initiatives aided Centuria’s increasing market presence, culminating in Centuria Capital’s S&P/ASX 200 Index inclusion, effective 16 July 2021.”

Centuria today issued FY22 OEPS guidance of 13.2 cps and FY22 DPS guidance of 11.0 cps both up 10.0% on pcp.

REAL ESTATE FUNDS MANAGEMENT

Centuria more than doubled its property platform to \$16.5billion, including a 30% expansion across New Zealand and a 125% increase in Australia throughout FY21. Most significantly, unlisted AUM increased 175% to \$11billion and the listed platform grew 37% to \$5.5billion.

Several unlisted funds were launched during FY21, including the:

- Fixed-term, single-asset Centuria Government Income Property Fund (CGIPF) underpinned by an A\$224million office building (Centuria's largest single asset fund to date);
- Open-ended, single-asset Visy Penrose Fund, underpinned by the NZ\$178million Visy Glass facility (Centuria's largest single asset NZ unlisted fund to date);
- Open-ended Augusta Industrial Fund (NZ), underpinned by 12 industrial assets worth NZ\$547million;
- Open-ended Centuria NZ Property Fund, seeded with an NZ\$55million medical centre;
- Open-ended Centuria Healthcare Property Fund (CHPF), expanding to nine healthcare properties worth A\$190million; and
- Fixed-term Centuria Industrial Income Fund (CIIF), underpinned by three industrial assets worth A\$63million

Centuria also acquired a 50% interest in a real estate debt fund specialist, resulting in Centuria Bass Credit. To date, the business has secured a \$448million-dollar loan book and launched a \$176million-dollar open-ended debt fund.

Comprising more than 60% of real estate AUM, the unlisted platform continues to draw from increased fund and asset offerings that service a deep distribution network of over 12,000 direct retail, advisory, wholesale and institutional investors.

The recurring nature of Centuria's unlisted platform is emphasised with more than 30% of the unlisted AUM having no fund expiry review date and 57% of AUM with expiry review dates at or beyond five years.

Centuria's listed real estate division continued to benefit from Centuria Office REIT and Centuria Industrial REIT being positioned as the largest ASX-listed office and industrial REITs. COF benefited from solid rent collection and significant leasing execution. CIP added c.\$1.0billion of quality industrial acquisitions and benefited from a \$587million valuation uplift, with its growth culminating in FTSE EPRA Nareit Global Index inclusion.

Over the period, the Group collectively acquired⁹ 50 assets worth \$2.5billion, eclipsing the prior period by 108% (FY20: \$1.2billion). Record leasing activity also occurred during FY21 with terms agreed across 437,000sqm and 215 individual transactions⁹ (17% of the Group's leasable area). Importantly, Centuria's development division grew to a \$1.9 billion development pipeline during the period, providing its listed and unlisted funds with assured access to modern, sustainable assets.

Jason Huljich, Centuria Joint CEO, said, "FY21 has been a record year of growth across our listed and unlisted platforms. Decentralised office, industrial and healthcare remain the backbone of our real estate platform, however we have further diversified our asset classes, expanding into three compelling new sectors – Agriculture, Large Format Retail and Daily Needs Retail, resulting from our merger with Primewest.

"During the financial year, the strength of our in-house transactional capabilities was demonstrated with record acquisitions and leasing, delivering on our development pipeline and active asset management, exemplified with platform rent collection¹⁰ of 98.8%."

GOVERNANCE AND SUSTANABILITY

Centuria actively addressed environmental, social and governance (ESG) issues during FY21 and will release its first Sustainability Report later this calendar year, prior to its AGM. During FY21 the Board established a Culture and ESG Board Committee comprising independent non-executive directors and chaired by CNI Independent Non-Executive Director Susan Wheeldon, in addition Centuria has an active management-led ESG Committee. This Board Committee, in conjunction with the management committee, has oversight of modern slavery, diversity and inclusion, climate initiatives, employee engagement and satisfaction and related issues.

As part of our ongoing focus on diversity across the group Centuria has appointed Kristie Brown to the Board of CNI, Nicole Green to the Board of CPFL and Jennifer Cook to the Board of CPF2L.

Centuria Capital Group (CNI) ASX Announcement

Centuria

Centuria's environmental commitment in relation to its listed entities include an average 4.7-NABERS energy rating for Centuria Office REIT (ASX: COF) and delivery of a 5-star Green Star Design and As-Built rating for Centuria Industrial REIT's (ASX: CIP) new industrial development in Bundamba, Queensland.

Employee engagement survey results were encouraging with a 94% employee satisfaction rating¹¹. Employee education continued in relation to Centuria's Code of Conduct and Cyber Security the latter being monitored closely by the Board.

Of particular importance is the monitoring of staff wellbeing during COVID-related, extended lockdown periods. The well-being of our staff is of critical importance to us and all staff in locked-down States receive daily communication from management and an Employee Assistance and Wellbeing support programme is available to ensure help is there if it is needed.

STRATEGY & OUTLOOK

Mr McBain and Mr Huljich commented, "Centuria will continue to grow its platform throughout FY22 and beyond to consolidate its position as a leading Australasian real estate funds manager. The recent integration of the Augusta (NZ) and Primewest funds management businesses has added significant diversity in terms of geographic spread, sector expansion, capital access and operational expertise. The strength of our capital transactions team also enhances our ability to match fund opportunities with our investor clients.

"We will continue to operate in traditional asset sectors like Industrial, Office, Daily Needs Retail and Large-Format Retail and we are actively growing in alternative sectors such as Healthcare and Agriculture. We have a positive outlook for Australian and New Zealand property markets. Recent large scale unlisted capital raisings in both countries proved extremely successful with two record-sized transactions being well subscribed for being a NZ\$180 million industrial facility and a A\$224 million decentralised office building, illustrating continued strong investor demand for assets with high quality income streams."

"The Centuria listed REIT's, COF and CIP, continue to receive strong equity capital market support with CIP during FY21. We believe equity market conditions remain attractive to support and grow both these vehicles where opportunities exist to improve portfolio quality and investor returns.

"During FY21 Centuria significantly grew access to institutional capital and we presently enjoy a total mandate capacity of \$2.3 billion, of which over \$1 billion has yet to be drawn. We believe this aspect of our business will grow quickly, affording access to larger transactions which in combination with Centuria's suite of listed and unlisted funds will accelerate AUM growth."

A playback of the FY21 results webcast will be made available on CNI's [website](#).

-ENDS-

For more information or to arrange an interview, please contact:

John McBain

Joint CEO

Centuria Capital Limited

T: 02 8923 8923

E: john.mcbain@centuria.com.au

Tim Mitchell

Group Head of Investor Relations

Centuria Capital Limited

T: 02 8923 8923

E: tim.mitchell@centuria.com.au

Alexandra Koolman

Group Communications Manager

Centuria Capital Limited

T: 02 8923 8923

E: alexandra.koolman@centuria.com.au

Authorised for release by Anna Kovarik, Company Secretary.

About Centuria Capital Group

Centuria Capital Group (CNI) is an ASX-listed specialist investment manager with more than \$17 billion of assets under management. We offer a range of investment opportunities including listed and unlisted real estate 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

Disclaimer

This announcement contains selected summary information and does not purport to be all-inclusive, comprehensive or to contain all of the information that may be relevant, or which a prospective investor may require in evaluations for a possible investment in CNI. It should be read in conjunction with CNI's periodic and continuous disclosure announcements which are available at www.centuria.com.au.

This announcement is provided for general information purposes only. It should not be relied upon by the recipient in considering the merits of CNI or the acquisition of securities in CNI.

Before making an investment decision, the recipient should consider its own financial situation, objectives and needs, and conduct its own independent investigation and assessment of the contents of this announcement, including obtaining investment, legal, tax, accounting and such other advice as necessary or appropriate.

This announcement may contain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters ('Forward Statements'). No independent third party has reviewed the reasonableness of any such statements or assumptions. No member of CNI represents or warrants that such Forward Statements will be achieved or will prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this announcement.

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

2 Centuria AUM as at 30 June 2021. All figures above are in Australian dollars (currency exchange ratio of AU\$1.000:NZ\$1.0753). Numbers presented may not add up precisely to the totals provided due to rounding. Includes commenced development projects valued on an as if completed basis, cash and other assets, assets exchanged but not settled

3 Development projects and development capex pipeline, including fund throughs

4 Source: Moelis Australia. Based on movement in security price from ASX closing on 1 July 2020 to ASX closing on 30 June 2021 plus distributions per security paid

5 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

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

7 Number of securities on issue 30 June 2021: 787,802,693 (at 30 June 2020: 509,998,482)

8 Attributable to securityholders

9 Includes transactions post April 2021 Primewest merger announcement, assets exchanged but not settled

10 Excludes Primewest assets, assets exchanged but not settled at 30 June 2021

11 Centuria Capital undertakes regular employee engagement surveys The reported figure is from the Groups FY21 survey