

HY23 Financial Results

- **HY23 operating earnings per security (OEPS)¹ 7.4cents, distributions per security (DPS) 5.8cents**
- **FY23 guidance reaffirmed: OEPS 14.5cps
DPS 11.6cps**
- **Group AUM reaches \$21.2billion²**
- **\$1.0billion³ HY23 gross real estate activity, strong unlisted growth across alternative sectors**

SYDNEY (Tuesday, 7 February 2023) – Centuria Capital Group (ASX: CNI or “Centuria”) has announced its HY23 results for the period ended 31 December 2022.

Group total operating revenue for HY23 was \$159.7million (+14.6% from HY22) and Operating Profit After Tax was maintained at \$58.5million. CNI delivered OEPS of 7.4cps and declared a distribution of 5.8cps for the period.

Centuria reaffirms FY23 OEPS guidance of 14.5cps and DPS guidance of 11.6cps (+5.4% from FY22).

FINANCIAL RESULTS

		HY23	HY22
Operating NPAT ⁴	\$m	58.5	58.7
Operating EPS ¹ “OEPS”	cps	7.4	7.4
Statutory NPAT ⁵	\$m	74.3	112.7
Statutory EPS ⁵	cps	9.3	13.8
Distribution per stapled security “DPS”	cps	5.8	5.5

Operating recurring revenues reflected 91% of total revenues (HY22: 87%). Record transactions executed throughout FY22 provided sustainable management fee revenue, which increased 13.1% to \$73.2million (HY22: \$64.7million). Higher property funds management fees from record FY22 transactions offset lower transaction fees in HY23. Performance fees of \$14.6million were in line with expectation.

Net assets (NAV) increased to \$1.79 per security⁶ from unrealised fair value gains on the Group’s co-investment stakes. Capital management initiatives resulted in period end available cash and undrawn debt of \$248million, an operating gearing ratio⁷ of 17.3% and operating interest cover ratio⁸ of 5.4x times. Credit approval was secured for a new \$50million debt facility on a five-year term to replace current debt at a more economic rate. Centuria’s balance sheet is positioned to capitalise on further growth opportunities and benefits from increased funding optionality, access to new debt instruments, along with ample headroom to debt covenants.

John McBain, Centuria Joint CEO, said, “Throughout the past six months we have maintained a healthy balance sheet, continued our platform expansion into alternative sectors and re-affirmed our forecast earning and distribution guidance, despite high inflation and increased interest rates normalising from pandemic emergency levels.

“Centuria has a proven track record for applying a disciplined approach during times of great volatility. We have recently entered the agriculture and credit markets, examples of alternative business areas which respond to investor demand. We also are in a good position to seize value-add market opportunities when they arise, delivering attractive returns to our securityholders.”

REAL ESTATE FUNDS MANAGEMENT

During HY23, Centuria grew its real estate funds management platform to \$20.4billion. Unlisted AUM increased 7% to \$13.9billion alongside \$6.5billion of listed AUM. Gross real estate activity of \$1.0billion was secured across \$616million of real estate acquisitions and \$349million of real estate lending during HY23.

Centuria's real estate development pipeline totals \$1.7billion following more than \$220million of completed projects during the half. Developments contributed \$5.7million (110% above HY22) of development management fees and development revenue across the Group and seeded Centuria's funds with new high-quality assets.

During the period, the Group managed c.425 assets^{9,10} leased to c.2,550 tenant customers^{9,10}. Leasing terms were agreed over 238,000sqm and 286 transactions. Rent collections⁹ across the Group's platform remained high at 97%.

Across Centuria's alternative real estate verticals, agricultural assets now exceed \$0.4billion, with expansion attributed to the unlisted Centuria Agriculture Fund (CAF). Centuria presently owns 25% of large scale Australian glasshouse infrastructure. Centuria Bass Credit, the Group's real estate finance division, significantly increased its AUM 37.5% to more than \$1.1billion while Centuria's healthcare platform maintained \$1.7billion in AUM.

Across our traditional real estate verticals, Centuria expanded its unlisted office assets with the \$223million Allendale Square joint venture with MA Financial. Several industrial assets were also acquired across Australia and New Zealand. Australia's largest listed pure-play office and industrial REITs, Centuria Office REIT (ASX: COF) and Centuria Industrial REIT (ASX: CIP), continued to perform well, driven by significant leasing activity as well as value-add development and repositioning opportunities. During the period, CIP formed an institutional partnership with Morgan Stanley Real Estate Investing, called Centuria Prime Logistics Partnership (CPLP), resulting in reduced gearing for CIP with the new venture acquiring a \$181million assets as a commencing portfolio.

Jason Huljich, Centuria Joint CEO, said, "Throughout HY23, Centuria has delivered on its commitment to expand across alternative real estate sectors, which has contributed to our strong organic growth within the unlisted platform. This expansion was strongly supported by Centuria's broad, direct investor network comprising individuals, advisers, private wealth managers and, most significantly, across institutional mandates and partnerships. During the period, institutional capital commitments increased 10.5% to \$2.1billion."

ESG

During HY23, Centuria continued to implement its sustainability framework with Environmental, Social and Governance initiatives include:

- Release of Centuria's 2022 Sustainability Report
- COF and CIP development projects targeting a minimum Five-star Green Star Rating
- Ongoing solar installation across office and industrial assets in partnership with tenants
- Increased workplace diversity with 45% of employees being female
- Release of Centuria's Supplier Code of Conduct

OUTLOOK

Mr McBain and Mr Huljich concluded, "The Group continues to benefit from a diversified platform across geographic markets, asset classes, fund types and capital sources. We have applied a disciplined approach to our capital management with reduced debt ratios and a strong balance sheet. Centuria remains focused on creating long-term value for our securityholders. We will continue to monitor economic conditions while reviewing opportunities we believe will come to the fore in the near-term."

A playback of the HY23 results webcast will be made available on CNI's [website](#).

-ENDS-

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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 \$21 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

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

2 AUM includes assets exchanged to be settled, cash and other assets

3 Includes \$616m of acquisitions exchanged and settled in HY23 and \$349m of real estate finance transactions

4 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 which are the results of Benefit Funds, Controlled Property Funds and share of equity accounted net profit in excess of distributions received

5 Attributable to securityholders

6 Number of securities on issue 31 December 2022: 796,397,981 (at 30 June 2022: 792,787,120)

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

8 Operating interest cover ratio is calculated based on operating finance costs divided by operating profit before tax excluding finance costs (excluding reverse mortgages borrowing costs and finance charges on puttable instruments)

9 Tenancy profile is shown aggregated across all funds managed by Centuria and is not representative of any single fund

10 Excludes land, Development assets, US syndicates, Centuria Bass Credit, assets exchanged yet to be settled