

HY24 Financial Results

- HY24 (OEPS)¹ operating earnings per security 6.1 cents, (DPS) distribution per security 5.0 cents
- FY24 guidance reaffirmed: OEPS 11.5-12.0cps
 DPS 10.0cps
- Group AUM \$21.1 billion²
- \$831 million³ HY24 total real estate activity
- Strong growth across alternative sectors
- \$2.3 billion development pipeline expanded by \$1 billion of new future projects
- Institutional AUM bolstered by new \$500 million 'LMLP'⁴ industrial mandate
- 13.9% Group operating gearing⁵

SYDNEY (Tuesday, 20 February 2024) – Centuria Capital Group (ASX: CNI or “Centuria”) has announced its HY24 results for the period ended 31 December 2023.

Group Operating Profit After Tax of \$49.4 million⁶ was recorded, resulting in OEPS of 6.1cps¹. An interim distribution of 5.0cps was declared. Centuria reaffirms FY24 OPES guidance of 11.5 -12.0cps and DPS guidance of 10.0cps.

FINANCIAL RESULTS

		HY24	HY23
Operating NPAT ⁶	\$m	49.4	58.5
Operating EPS ¹ “OEPS”	cents	6.1	7.4
Statutory NPAT ^{7,8}	\$m	45.2	74.3
Statutory EPS ^{7,8}	cents	5.6	9.3
Distribution per stapled security “DPS”	cents	5.0	5.8

Total operating revenues of \$149.6 million reflect restrained transaction volumes, lower performance fees and development profit. Strong AUM growth from Centuria Bass Credit delivered a segment operating profit uplift of 95% for the period.

Net asset value (NAV) increased to \$1.78 per security^{9,10} through unrealised fair value gains from the Group’s co-investment stakes. Net operating cash inflows of \$56 million covered operating NPAT of \$49.4 million⁶. Balance sheet flexibility strengthened through a \$50 million extension of the Group’s revolving loan note to FY27. Centuria retains a strong focus towards capital management, with over \$255 million of cash and undrawn debt available at HY24 end and the realisation of \$184 million in cash from the sale and recycling of balance sheet assets, which contributed to operating gearing of 13.9%⁵.

John McBain, Centuria Joint CEO, said, “Centuria is proud of the diversity which has been built into the group over the past years. The need for this diversity has been highlighted by recent pandemic and financial market disruptions. The entire management team has worked diligently to expand into the financing and agriculture sectors and this has been a major factor in our ability to forecast reliable earnings to our securityholders.”

REAL ESTATE FUNDS MANAGEMENT

At 31 December 2023, Group AUM of \$21.1 billion¹ included \$14.1 billion of unlisted real estate, \$6.2 billion of listed real estate and \$0.8 billion of investment bonds. During the period, Centuria executed \$399 million of gross real estate activity as well as \$432 million in divestments and real estate finance repayments. The Group’s unlisted platform generated \$0.3 billion of capital raising inflows. Additionally, \$0.3 billion of gross development projects were completed during HY24.

Across the unlisted platform, Centuria bolstered its \$2.1 billion Institutional AUM with a new \$500 million mandate (LMLP) from US private investment firm, Starwood Capital, of which \$147million has been deployed.

Alternative real estate funds continued to be supported by retail and wholesale investors across agriculture (\$0.55 billion AUM, +31% yoy) and real estate finance (\$1.58 billion AUM, +41% yoy).

Two newly launched wholesale funds in Australia and New Zealand – Centuria Select Opportunities Fund (CSOF) and Centuria NZ Value-Add Fund No. 2 – benefitted from solid investment appetite. During the period, the NZ business further broadened its investment suite with the launch of its first real estate finance fund, aimed at wholesale investors.

Centuria continues to actively manage Australia's largest listed pure-play industrial and office REITs. During the half, Centuria Industrial REIT's (ASX: CIP) accelerated its re-leasing spreads to 51%¹¹ (2H23: 37%) while maintaining a 97.2% portfolio occupancy¹² and a 7.5-year WALE¹². CIP identified a \$1 billion future urban infill industrial development pipeline, capitalising on sustained operator demand. Centuria Office REIT (ASX: COF) secured 28,659sqm¹³ in total leasing activity during the period, maintaining a 96.2% portfolio occupancy¹² and expanding its WALE to 4.4 years¹².

As at 31 December 2023, the Group managed c.417 properties^{14,15} and 2,450 tenant customers^{14,15}. The real estate platform provides solid fundamentals including 96.2% occupancy^{14,15}, 5.7-year WALE^{14,15} and an average capitalisation rate of 6.03%¹⁴. Leasing terms were agreed across 254,100 sqm, representing 224 lease transactions and 6% of platform lettable area. Rent collections across the Group's platform remained at 99%¹⁴.

Jason Huljich, Centuria Joint CEO, said, "Centuria continued to harness tailwinds from the outperforming industrial real estate sector by securing the Starwood mandate, in addition to CIP identifying a significant development pipeline, which aims to capitalise on historically low domestic vacancy rates and limited supply within urban infill industrial markets."

"Alternative real estate markets, namely real estate finance and agriculture, provided strong growth throughout the period, benefiting from unlisted wholesale and retail investor appetite for emerging market investment opportunities. We believe these sectors, in particular, will continue to expand in the near to mid-term driven by constrained lending criteria from traditional finance markets and Australia's expanding population increasing demand for fresh produce."

ESG

Centuria continued to implement its sustainability framework. Select initiatives include:

- Recently launched sustainability targets
 - Targeting Zero Scope 2 emissions¹⁶ by planned 100% electricity sourced from renewables by 2035
 - Focused on eliminating gas and diesel¹⁷ in operations where practical by 2035
- 589kW capacity of solar delivered and an additional 1.2MW expected to be delivered in FY24 across commercial, industrial and healthcare assets
- CNI Board Diversity: 43% female representation (FY23: 29%)
- More than 4,000 cybersecurity training courses completed, equating to c.660 hours of learning
- Centuria is ranked in the Top 10 AFR Best Places to Work in Australia and New Zealand 2023 within the property, construction and transport category
- Released 2023 Sustainability Report (including TCFD) and 2023 Modern Slavery Statement

OUTLOOK

Mr McBain and Mr Huljich concluded, "Australia's growing population, driven by surging migration, provides strong tailwinds across the real estate sectors Centuria is exposed to. This extends to traditional sectors including decentralised offices, large format retail and daily needs retail as well as industrial, agriculture, healthcare and real estate finance."

"Centuria maintains a conservative approach to capital management with substantial cash and undrawn debt, which enables us to support the continued growth of our business units. The Group remains focused on creating long-term value for our securityholders."

Centuria Capital Group (CNI) ASX Announcement

Centuria

Centuria reaffirms its FY24 operating EPS guidance of 11.5-12.0 cents per security and DPS guidance of 10.0 cents per security.

A playback of the HY24 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 \$21.1 billion of assets under management (as at 31 December 2023). 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 \$34m of acquisitions exchanged in FY23 since settled, \$143m of acquisitions exchanged and settled in HY24, \$222m of real estate finance transactions, \$310m of real estate divestments and \$122m of real estate finance repayments

4 LMLP – Last Mile Logistics Partnership

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

6 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

7 Attributable to CNI securityholders

8 Includes mark to market movements on property and derivative financial instruments

9 Number of securities on issue 31 December 2023: 805,072,729 (at 30 June 2023: 799,796,794)

10 Increase in net asset value per security is primarily attributable to continued profitability and the unrealised fair valuation gains on the Group's co-investment stakes, less borrowing, payable, option.

11 On a net rent basis compared to prior passing rents

12 By income as at 31 December 2023

13 Includes Heads of Agreement and executed leases

14 Aggregated across all funds managed by Centuria and is not representative of any single fund

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

Centuria Capital Group (CNI) ASX Announcement

Centuria

16 Centuria will account for zero Scope 2 emissions by being powered by the equivalent of 100% renewable electricity through a combination of onsite solar and large-scale generation certificate (LGC) deals which match our consumption

17 Centuria Capital Group will focus on eliminating gas and diesel where practicable, from equipment owned and operated by the Group. Gas and diesel equipment owned and operated by our tenants are excluded from Centuria's sustainability target