

FY23 Financial Results

- **FY23 operating earnings per security (OEPS)¹ 14.5 cents**
- **FY23 distribution per security (DPS) 11.6 cents (+5.5% pcp)**
- **Group AUM \$21 billion² (FY22: \$20.6bn)**
- **\$1.4 billion³ FY23 gross real estate activity**
- **10.6% Group operating gearing (HY23: 17.3%)**
- **91% Group recurring revenues**

SYDNEY (Friday, 18 August 2023) – Centuria Capital Group (ASX: CNI or “Centuria”) has announced its FY23 results for the period ended 30 June 2023.

FY23 group statutory net profit after tax increased to \$105.9 million⁵ (FY22: -\$37.9 million), while operating profit after tax (OPAT) of \$115.6 million⁴ was in line with prior period (FY22: \$114.5 million). CNI delivered FY23 OEPS of 14.5 cents and DPS of 11.6 cents, in line with guidance.

FINANCIAL RESULTS

		FY23	FY22
Operating NPAT ⁴	\$m	115.6	114.5
Operating EPS ¹ “OEPS”	cents	14.5	14.5
Statutory NPAT ⁵	\$m	105.9	(37.9)
Statutory EPS ⁵	cents	13.3	(4.8)
Distribution per stapled security “DPS”	cents	11.6	11.0

Total operating revenues grew to \$311.7 million reflecting increased platform scale. Recurring revenues of 91% (FY22: 89%) generated stable income for the Group. Operating EBIT increased 7.5%, mitigating the full impact of rising interest rates.

Centuria retains a strong focus on capital management with net asset value increasing to \$1.77 per security⁶ and net operating cash inflows of \$83.4 million. The balance sheet provides continued flexibility with over \$329 million of cash and undrawn debt available at FY23 end. The Group realised \$237 million of cash from the sale and recycling of balance sheet assets, which contributed to lower operating gearing⁷ of 10.6% (HY23: 17.3%).

John McBain, Centuria Joint CEO, said, “Delivering growth across our funds management business during FY23 was a function of strong recurring earnings coupled with the execution of our strategy to diversify our real estate platform. The Group maintains a healthy balance sheet, which has ample capacity to operate its normal business activities.”

REAL ESTATE FUNDS MANAGEMENT

The Group’s \$20.2 billion real estate platform² has a one-third weighting to listed funds and two-thirds unlisted funds; the latter increasing 6% to \$13.8 billion during the period. Gross real estate activity of \$1.4 billion³ comprised \$811 million of real estate acquisitions and \$542 million of real estate finance. Additionally, \$400 million of gross development projects were completed during FY23.

Centuria continued to service its deep distribution networks through more than \$1.3 billion of gross unlisted real estate initiatives. The Group demonstrated its ability to pivot its capital raising processes to navigate changing investment conditions through retail and wholesale funds with exposure to industrial, non-discretionary retail, value-add office and alternative sectors in agriculture and credit. Institutional AUM expanded 11% to \$2.1 billion through the establishment of new strategic partnerships leveraging the Group’s deep healthcare and logistics capabilities. These sectors have strong tailwinds.

As at 30 June 2023, the Group managed circa 420 assets^{8,9} and 2,500 tenant customers^{8,9}. The real estate platform provides solid fundamentals including 97% occupancy, 6.1-year WALE and an average capitalisation rate of 5.81%. Leasing terms were agreed for over 548,000sqm, representing 542 lease transactions and 13% of platform lettable area. Rent collections across the Group's platform remained at 99%.

Jason Huljich, Centuria Joint CEO, said, "Centuria continued to focus on differentiating its traditional office, industrial and retail platforms, while markedly expanding across the alternatives sectors of real estate finance and agriculture. The Group's on-going commitment to hands-on asset management has delivered high occupancy and healthy WALEs.

"As market conditions across Australia and New Zealand changed throughout FY23, Centuria's suite of new investment products broadened to match investor risk appetite. Significantly, the unlisted platform benefitted from \$0.6 billion of capital inflows across the traditional and alternative sectors. Our New Zealand business launched an equity-only agriculture fund, which was oversubscribed. Additionally, two Australian single-asset neighbourhood shopping centre funds and four single-asset credit funds were fully subscribed."

ESG

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

- New sustainability targets
 - Targeting Zero Scope 2 emissions¹⁰ by 100% electricity sourced from renewables by 2035
 - Focused on eliminating gas and diesel¹¹ in operations where practical by 2035
- Expansion of 5 Star Green Star rated buildings across new developments
- Released Centuria's ESG Policy
- Continued community support including over 10 years of support for St Lucy's School (students with disabilities)
- Increased Centuria workplace diversity with 45%¹² female representation (FY22: 41%)
- Employee engagement surveys revealed 88%¹³ of employees are proud to work at Centuria
- Centuria's 2023 annual sustainability report will be published in Q4 2023, providing details on wider ESG initiatives

OUTLOOK

Mr McBain and Mr Huljich concluded, "Market sentiment indicates that at some point during FY24 interest rates should stabilise allowing markets to begin the journey towards normalisation. Accordingly, Centuria will maintain a disciplined approach in navigating what we believe will be a challenging FY24 backdrop. We approach FY24 with a sharp focus on the industrial and alternative sectors as important revenue drivers."

"We provide guidance at levels that reflect our best estimate of earnings based on current market conditions. This guidance anticipates lower performance fees and development profits, restrained transaction volumes and increased finance costs."

Centuria provides FY24 operating EPS guidance between 11.5 and 12.0 cents per security and DPS guidance of 10.0 cents per security.

A playback of the FY23 results webcast will be made available on CNI's [website](#).

-ENDS-

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Authorised for release by Anna Kovarik, Company Secretary.

Centuria Capital Group (CNI) ASX Announcement

Centuria

About Centuria Capital Group

Centuria Capital Group (CNI) is an ASX-listed specialist investment manager with \$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 and the impact of revaluations during the period

3 Includes \$811m of acquisitions exchanged and settled in FY23 and \$542m 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 CNI securityholders

6 Number of securities on issue 30 June 2023: 799,796,794 (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 Aggregated across all funds managed by Centuria and is not representative of any single fund

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

10 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 largescale generation certificate deals which match our consumption

11 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

12 Diversity numbers as at 30 June, 2023 are representative of Centuria Capital Group

13 Centuria Capital Group undertake regular employee engagement surveys. The reported figure is from the May 2023 survey results

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