

## Q3 FY20 FUND UPDATE AND GUIDANCE

Friday, 3 April 2020

Centuria Property Funds No.2 Limited (CPF2L) as Responsible Entity of Centuria Industrial REIT (ASX: CIP) provide CIP's update for Q3 FY20.

- **FY20 forecast FFO revised to 19.1-19.5 cents per unit ("cpu") (previously 19.6 - 19.9 cpu)**
- **FY20 forecast distribution guidance reaffirmed at 18.7 cpu**
- **Portfolio occupancy remains high at 96.4%**

The COVID-19 pandemic has created global uncertainty with governments and businesses implementing strategies to slow the spread of the virus.

The primary and immediate priority is the safety and wellbeing of our tenant customers and their employees, and the community. To that extent, Centuria Property Services have established a COVID-19 Taskforce that is meeting daily to ensure business continuity across the CIP portfolio.

Whilst the duration and extent of impact from COVID-19 remains unclear, CIP enters this period well placed with a strong balance sheet and diverse income streams from customers in defensive sectors across a portfolio of 49 high quality industrial and logistics assets.

The current position of CIP is summarised below:

### Property Portfolio

- CIP's portfolio is 96.4% occupied with a WALE of 6.9 years as at 31 March 2020
- Over 66% of portfolio leases expire at or beyond FY24
- Resilient and defensive tenant customers with 54% of portfolio income derived from tenant customers directly linked to the production, packaging and distribution of consumer staples and pharmaceuticals
- Value add initiatives across portfolio progressing in line with forecast expectations, including expansion of Woolworths regional fresh food distribution centre at CIP's existing asset in Townsville, QLD
- Settlement for the acquisition of 24 West Link Place, Richlands QLD for \$8.0 million as announced on 18 December 2019

### Capital Position

- Current gearing of 35.5%, at the midpoint of the target range of 30%-40%
- Current loan to value ratio of 38.2%, against a covenant of 55.0%
- Current interest cover ratio of 4.8 times, against a covenant of 2.0x
- Weighted average debt maturity of 3.6 years as at 31 March 2020 from a diversified lender pool with no debt maturities until December 2021
- \$80m of undrawn debt headroom as at 31 March 2020

### FY20 GUIDANCE AND SUMMARY

Despite CIP's performance being consistent with expectations during Q3 FY20, due to the uncertainty arising from COVID-19 and the potential impact on business operating conditions, the CPF2L Board has made provisions against the FY20 forecast resulting in the revised forecast FY20 FFO guidance range of 19.1 to 19.5 cents per unit.

FY20 distribution guidance is reaffirmed at 18.7 cents per unit, subject to no further changes in circumstances.

Management remain focused on executing CIP's objectives through this challenging and evolving period and will provide further updates on CIP's operations when appropriate.

**– Ends –**

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

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*Authorised for release by the Board of Centuria Property Funds No.2 Limited*

### About Centuria Industrial REIT

CIP is Australia's largest domestic pure play industrial REIT and is included in the S&P/ASX 300 Index. CIP's portfolio of high-quality industrial assets is situated in key metropolitan locations throughout Australia and is underpinned by a quality and diverse tenant base. CIP is overseen by a hands on, active manager and provides investors with income and an opportunity for capital growth from a pure play portfolio of high quality Australian industrial assets.

Centuria Property Funds No. 2 Limited (CPF2L), is the Responsible Entity for the ASX-listed Centuria Industrial REIT (CIP). CPF2L, is a wholly owned subsidiary of Centuria Capital Group (CNI). CNI is an ASX-listed specialist investment manager with \$7.2 billion in total assets under management and strong offerings across listed real estate investment trusts, unlisted real estate funds and investment bonds.

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