

Centuria Industrial REIT (CIP)

ASX Announcement

Centuria

ASX CEO CONNECT PRESENTATION

Tuesday, 5 May 2020

Centuria Property Funds No.2 Limited (**CPF2L**) as Responsible Entity of Centuria Industrial REIT (**ASX: CIP**) today provides the attached presentation to be used as part of the ASX CEO Connect Conference.

– Ends –

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

Jesse Curtis

Fund Manager - CIP

Centuria Property Funds No.2 Limited

Phone: 02 8923 8923

Email: jesse.curtis@centuria.com.au

Tim Mitchell

Group Head of Investor Relations

Centuria Capital Limited

Phone: 02 8923 8923

Email: tim.mitchell@centuria.com.au

Alexandra Koolman

Senior Manager Corporate Communications

Centuria Capital Limited

Phone: 02 8923 8923

Email: alexandra.koolman@centuria.com.au

Authorised for release by Anna Kovarik, Company Secretary.

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.

www.centuria.com.au



ASX CEO Connect

● ASX:CIP

5 May 2020

Centuria Industrial REIT

Centuria

A leading ASX-listed funds manager

\$7.3bn

Group AUM¹ASX:CNI – Market capitalisation of \$0.7bn²

\$6.4bn

Real Estate AUM

Listed Real Estate AUM

\$3.7bn

Centuria
Office
REIT
ASX:COF

\$2.1bn

Centuria
Industrial
REIT
ASX:CIP

\$1.6bn

Unlisted Real Estate AUM

\$2.7bn

Centuria
Fixed Term
Funds

\$1.8bn

Centuria
Diversified
Property Fund
(CDPF)

\$0.2bn

Centuria
Heathley
Healthcare
Real Estate

\$0.7bn

\$0.9bn

Investment Bonds AUM

Centuria
Life

Centuria Investment Bonds
Guardian Friendly Society

\$0.5bn

CNI Co-Investments
on balance sheet

Centuria Office
REIT ASX:COF

\$195m³

19.9%

Centuria Industrial
REIT ASX:CIP

\$180m⁴

17.4%

Unlisted Property
and Debt Funds

\$95m

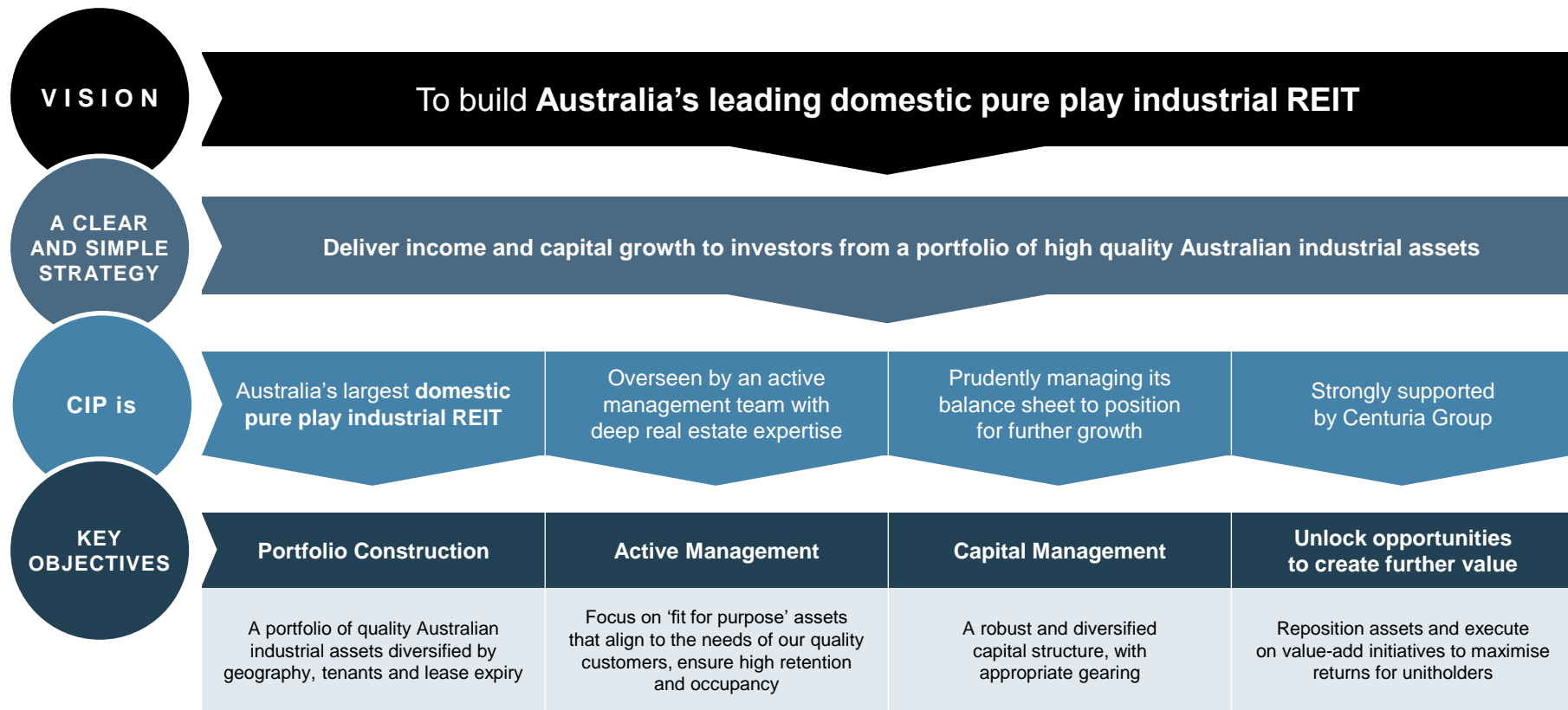
1. Group AUM as announced for HY20 results on 12 February 2020

2. Based on CNI's closing price of \$1.53 on 1 May 2020

3. Based on COF closing price of \$1.90 on 1 May 2020. Includes ownership by associates of Centuria Capital Group

4. Based on CIP closing price of \$2.60 on 1 May 2020. Includes ownership by associates of Centuria Capital Group

Strategic vision and objectives



Key metrics

PORTFOLIO



49

High quality assets



\$1.6bn

Portfolio value¹

96.4%

Portfolio occupancy²

6.9yrs

Portfolio WALE²

FINANCIAL



\$1.0bn

Market capitalisation³

27.7%

Pro Forma Gearing^{4,6}

\$2.78

Pro forma NTA^{5,6}

7.2%

FY20 distribution yield⁷

1. As at 31 December 2019

2. As at 31 March 2020

3. Based on CIP's closing price of \$2.60 on 1 May 2020

4. 31 December 2019 pro forma gearing post Placement, adjusted for post-balance date movements. Gearing is total borrowings less cash divided by total assets less cash and goodwill

5. 31 December 2019 pro forma NTA post Placement, adjusted for post-balance date movements. NTA per unit is calculated as net assets less goodwill divided by closing units on issue

6. Excludes potential proceeds from the non-underwritten UPP

7. Based on FY20 distribution guidance of 18.7 cents per unit and closing price of \$2.60 on 1 May 2020

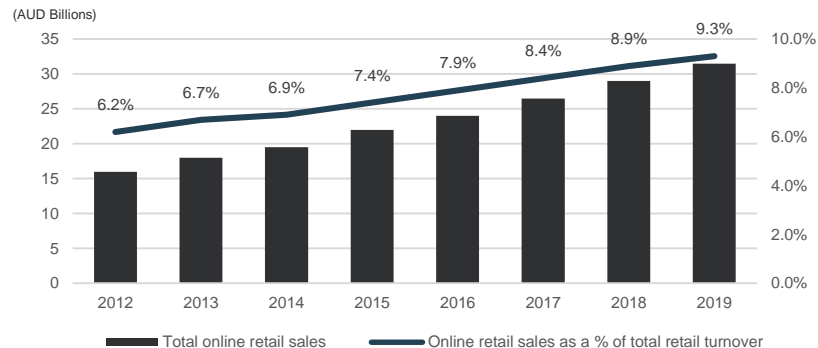
Factors transforming industrial markets

The transformation of
E-Commerce

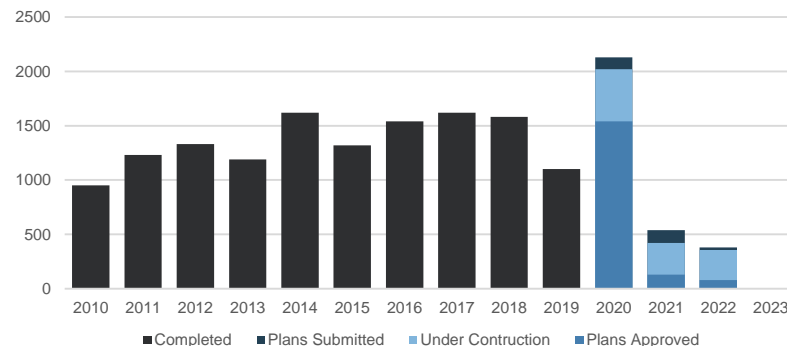
Food logistics

Pharmaceuticals

ONLINE RETAIL AND ECOMMERCE¹



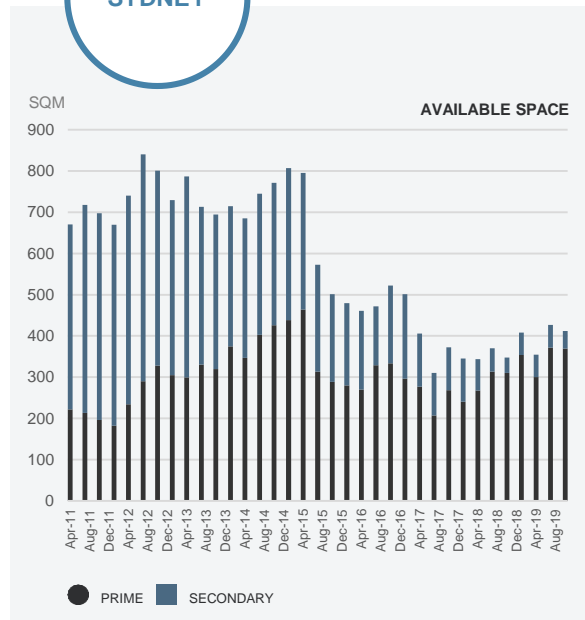
NATIONAL CONSTRUCTION ACTIVITY¹



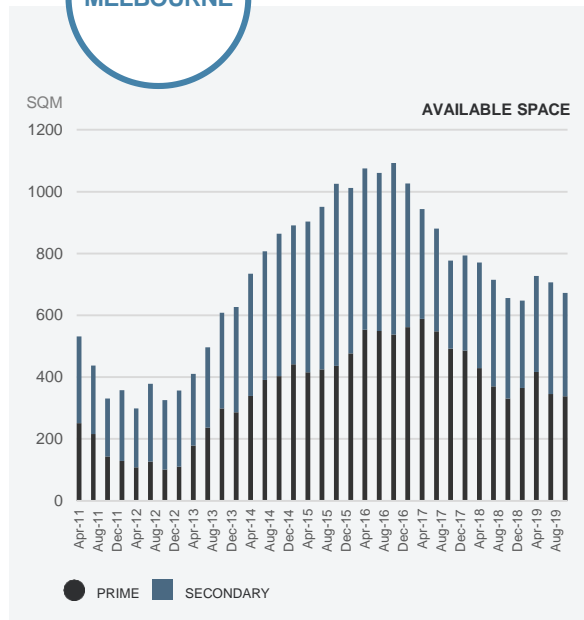
1. Source: Jones Lang LaSalle Research

Availability reducing across all key markets

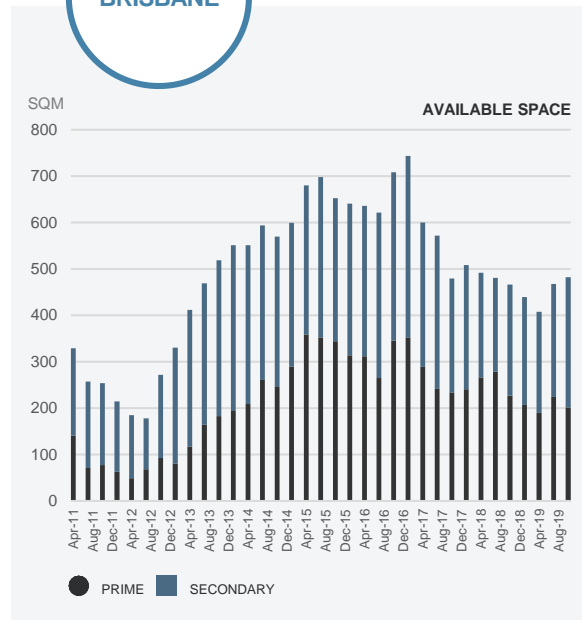
SYDNEY



MELBOURNE



BRISBANE

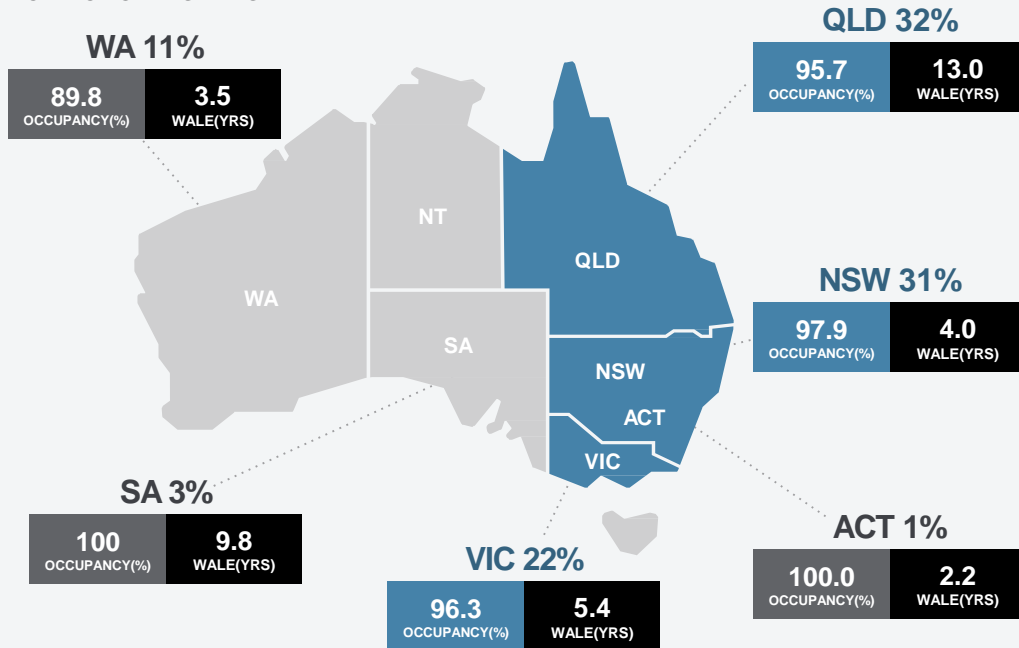


Australia's largest domestic pure play industrial REIT

PORTFOLIO SNAPSHOT		HY20 ¹	FY19 ²
Number of assets	#	49	43
Book value	\$m	1,560.3	1,221.3
WACR	%	6.19	6.46
GLA	sqm	941,553	821,823
Average asset size	sqm	19,215	19,112
Average tenancy size ³	sqm	9,156	8,837
Occupancy by income ⁴	%	96.4	95.9
WALE by income ⁴	yrs	6.9	4.3

- A **\$1.6 billion** portfolio of assets located in infill locations and close to key infrastructure
- **Average tenancy size of <10,000sqm**, aligned to strong national leasing velocity
- Increased occupancy driven by **leasing success**, strong WALE of 6.9 years
- **85% of portfolio weighted to eastern seaboard markets**, benefiting from positive economic outlook

PORTFOLIO WEIGHTING



1. Includes 24 West Link Place, Richlands which was exchanged, but not settled by 31 December 2019

2. Excludes 75-95 & 105 Corio Quay Road, North Geelong and 680 Boundary Road, Richlands which were exchanged, but not settled by 30 June 2019

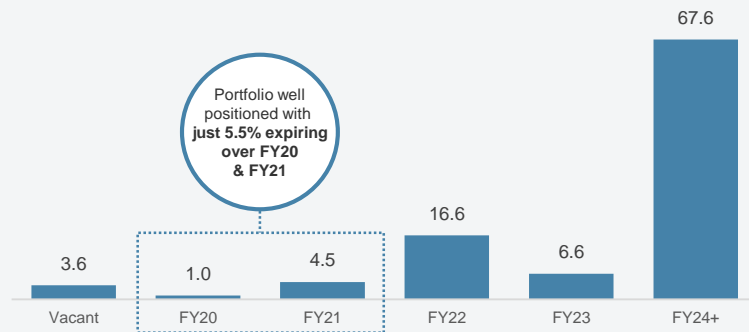
3. Excludes Cargo Park, 1 International Drive, Westmeadows VIC which has an average tenancy size of 438 sqm

4. As at 31 March 2020

Portfolio tenants weighted to defensive and resilient sectors

- **Diverse income streams from customers in defensive sectors** across a portfolio of 49 high quality industrial and logistics assets
- **54% of portfolio income** derived from tenant customers directly linked to the production, packaging and distribution of consumer staples and pharmaceuticals
- Major tenants include Arnott's (12%), Woolworths (6%), Visy (6%) and Green's General Foods (5%)
- **Strong portfolio WALE of 6.9 years**, with remaining FY20 expiry negligible at 1.0%¹. **Focus on managing FY21 & FY22 expiries**

WEIGHTED AVERAGE LEASE EXPIRY (% BY INCOME)



KEY TENANTS

Occupies **68,378sqm** over 2 properties and contributes to **12.1%** of trust income



Occupies **58,922sqm** over 2 properties and contributes to **6.2%** of trust income



Occupies **83,781sqm** over 2 properties and contributes to **6.1%** of trust income



Occupies **55,771sqm** over 3 properties and contributes to **5.5%** of trust income



Occupies **39,911sqm** over 2 properties and contributes to **5.1%** of trust income



FISHER & PAYKEL



1. By income, as at 31 March 2020

Australia's largest domestic pure play industrial REIT

1

Australia's largest domestic pure play industrial REIT

- Geographically diversified portfolio of 49 high quality industrial assets situated in key metropolitan markets throughout Australia
- \$1.6bn of AUM

2

Quality industrial portfolio with high occupancy and long WALE

- CIP's portfolio is 96.4% occupied¹ with portfolio WALE¹ of 6.9 years
- Over 67% of portfolio leases expire at or beyond FY24
 - Limited near term expiry with only 5.5% of the portfolio expiring over remainder of FY20 and FY21

3

Resilient and defensive tenant composition

- 54% of portfolio income derived from tenant customers directly linked to the production, packaging and distribution of consumer staples and pharmaceuticals
- Major tenants include Arnott's (12%), Woolworths (6%), Visy (6%) and Green's General Foods (5%)

4

FY20 guidance

- FFO⁴ guidance 18.9 – 19.3 cents per unit
- FY20 distribution guidance 18.7 cents per unit
- FY20 distribution per unit yield of 7.2%⁵

1. By income, as at 31 March 2020

2. Gearing is defined as total borrowings less cash divided by total assets less cash and goodwill

3. Excludes potential proceeds from the non-underwritten UPP

4. FFO is the Trust's underlying and recurring earnings from its operations. This is calculated as the statutory net profit adjusted for certain non-cash and other items

5. Based on CIP closing price of \$2.60 on 1 May 2020



1 INTERNATIONAL DRIVE, WEST MEADOWS, VIC

Questions

ASX:CIP

Centuria

Disclaimer

This presentation has been prepared by Centuria Property Funds No. 2 Limited (ABN 38 133 363 185, AFSL 340 304) ('CPF2L') as responsible entity of the Centuria Industrial REIT (ARSN 099 680 252 ('CIP' or the 'Trust')).

The presentation contains selected summary information and does not purport to be all-inclusive or to contain all of the information that may be relevant, or which a prospective investor may require in evaluations for a possible investment CIP. It should be read in conjunction with CIP's periodic and continuous disclosure announcements which are available at www.centuria.com.au. The recipient acknowledges that circumstances may change and that this presentation may become outdated as a result. This presentation and the information in it are subject to change without notice and CPF2L is not obliged to update this presentation.

This presentation is provided for general information purposes only. It is not a product disclosure statement, pathfinder document or any other disclosure document for the purposes of the Corporations Act and has not been, and is not required to be, lodged with the Australian Securities & Investments Commission. It should not be relied upon by the recipient in considering the merits of CIP or the acquisition of securities in CIP. Nothing in this presentation constitutes investment, legal, tax, accounting or other advice and it is not to be relied upon in substitution for the recipient's own exercise of independent judgment with regard to the operations, financial condition and prospects of CIP.

The information contained in this presentation does not constitute financial product advice. 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 presentation, including obtaining investment, legal, tax, accounting and such other advice as it considers necessary or appropriate. This presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. It is not an invitation or offer to buy or sell, or a solicitation to invest in or refrain from investing in, securities in CIP or any other investment product.

The information in this presentation has been obtained from and based on sources believed by CPF2L to be reliable.

To the maximum extent permitted by law, CPF2L and its related bodies corporate make no representation or warranty, express or implied, as to the accuracy, completeness, timeliness or reliability of the contents of this presentation. To the maximum extent permitted by law, CPF2L does not accept any liability (including, without limitation, any liability arising from fault or negligence) for any loss whatsoever arising from the use of this presentation or its contents or otherwise arising in connection with it.

This presentation may contain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters ('Forward Statements'). Forward Statements can generally be identified by the use of forward looking words such as "anticipate", "estimates", "will", "should", "could", "may", "expects", "plans", "forecast", "target" or similar expressions. Forward Statements including indications, guidance or outlook on future revenues, distributions or financial position and performance or return or growth in underlying investments are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No independent third party has reviewed the reasonableness of any such statements or assumptions. No member of CPF2L 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 presentation. Except as required by law or regulation, CPF2L assumes no obligation to release updates or revisions to Forward Statements to reflect any changes. The reader should note that this presentation may also contain pro forma financial information.

Funds From Operations ("FFO") is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific non-cash and significant items. The Directors consider that funds from operations reflect the core earnings of the Trust.

All dollar values are in Australian dollars (\$) or A\$) unless stated otherwise.



Centuria