

Centuria Industrial REIT (CIP)

ASX Announcement

Centuria

Citi Australia and NZ Investment Conference Presentation

SYDNEY (Thursday, 15 October 2020) - Centuria Property Funds No.2 Limited (**CPF2L**) as Responsible Entity of Centuria Industrial REIT (**ASX: CIP**) provides a presentation that will be used at the Citi 12th Annual Australian and New Zealand Investment Conference.

– Ends –

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

Jesse Curtis

Fund Manager - CIP

Centuria Industrial REIT

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 200 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 \$9.5 billion¹ 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

¹ Subject to the completion of asset acquisitions in Centuria Healthcare Property Fund (CHPF)

Centuria Industrial REIT

Centuria



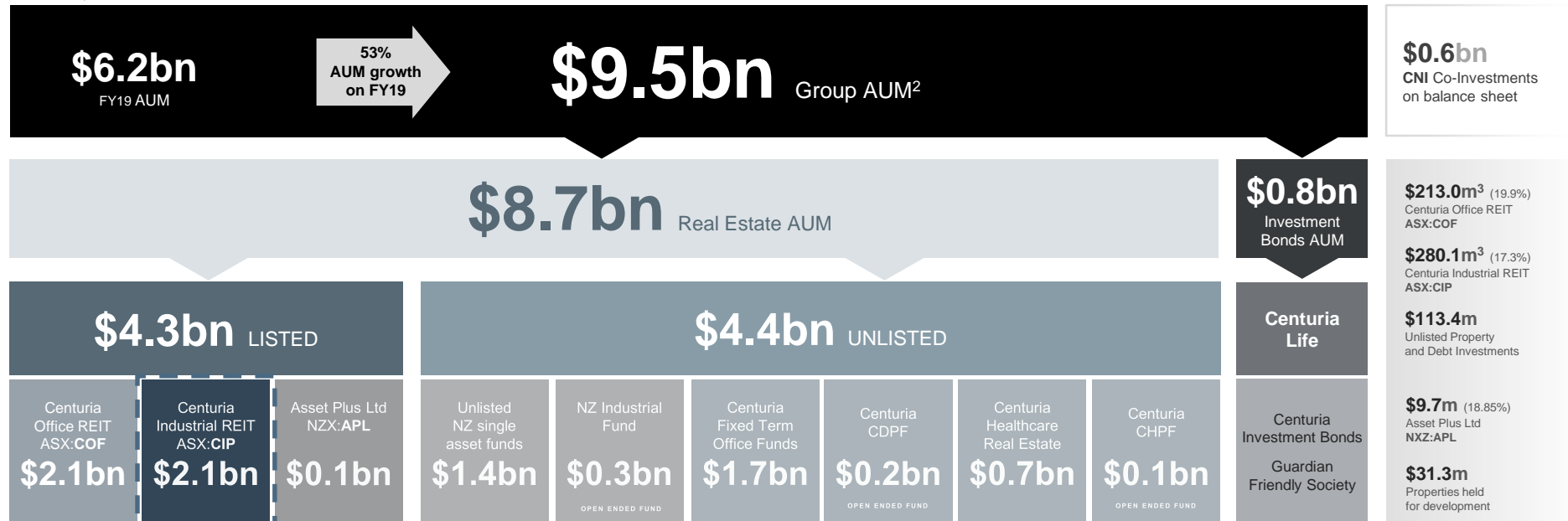
As the only pure play industrial REIT listed on the ASX, CIP is well-positioned to take advantage of the current increased demand for industrial space



CIP is aligned to a highly experienced real estate funds manager (ASX:CNI)

Centuria

Market capitalisation¹ of **\$1.2bn**, included in the S&P/ASX300 Index



Note: All figures above are in Australian dollars (currency exchange ratio of AU\$1.000:NZ\$1.0823). Numbers presented may not add up precisely to the totals provided due to rounding

1. Based on CNI closing price at 9 October 2020

2. Centuria AUM as at 30 June 2020, Augusta AUM as at 31 March 2020. Includes CIP acquisitions announced after 30 June 2020 and CHPF announced 28 August 2020

3. Based on the respective close prices for COF and CIP at 9 October 2020. Includes ownership by associates of Centuria Capital Group



VISION

To build **Australia's leading domestic pure play industrial REIT**

A CLEAR AND SIMPLE STRATEGY

Deliver income and capital growth to investors from a portfolio of high quality Australian industrial assets

CIP is

Australia's largest **domestic pure play industrial REIT**

Overseen by an active management team with deep real estate expertise

Prudently managing its balance sheet to position for further growth

Strongly supported by Centuria Group

KEY OBJECTIVES

Portfolio Construction

A portfolio of high quality Australian industrial assets diversified by geography, tenants and lease expiry

Active Management

Focus on 'fit for purpose' assets that align to the needs of our high quality customers ensure high retention and occupancy

Capital Management

A robust and diversified capital structure with appropriate gearing

Unlock opportunities to create further value

Reposition assets and execute value-add initiatives to maximise returns for unitholders

Key metrics – Australia's largest domestic pure play industrial REIT¹

Centuria

PORTFOLIO



56

High quality assets¹



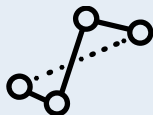
\$2.1bn

Portfolio value¹



96.5%

Portfolio occupancy²



10.0yrs

Portfolio WALE²

FINANCIAL



17.4c

FY21 FFO³
per unit guidance



17.0c

FY21 Distribution
per unit guidance



5.3%

Forecast FY21
DPU yield⁴



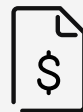
31.2%

Gearing⁵



32.3%

Loan to Valuation ratio⁵
Covenant of 55%



4.9x

Interest cover ratio⁵
Covenant of 2x

1. All figures are as at 13 October 2020, unless stated otherwise

2. Includes 144 Hartley Road Smeaton Grange NSW and 1 Lahrs Road, Ormeau QLD which have exchanged but not yet settled

3. Occupancy and Weighted Average Lease Expiry (WALE) By income

4. With the uncertainty surrounding COVID-19 a provision has been allowed for rent relief and tenant defaults however the full impact and duration of the pandemic is unknown and cannot be forecast

5. Based on CIP closing price of \$3.19 per unit on 13 October 2020

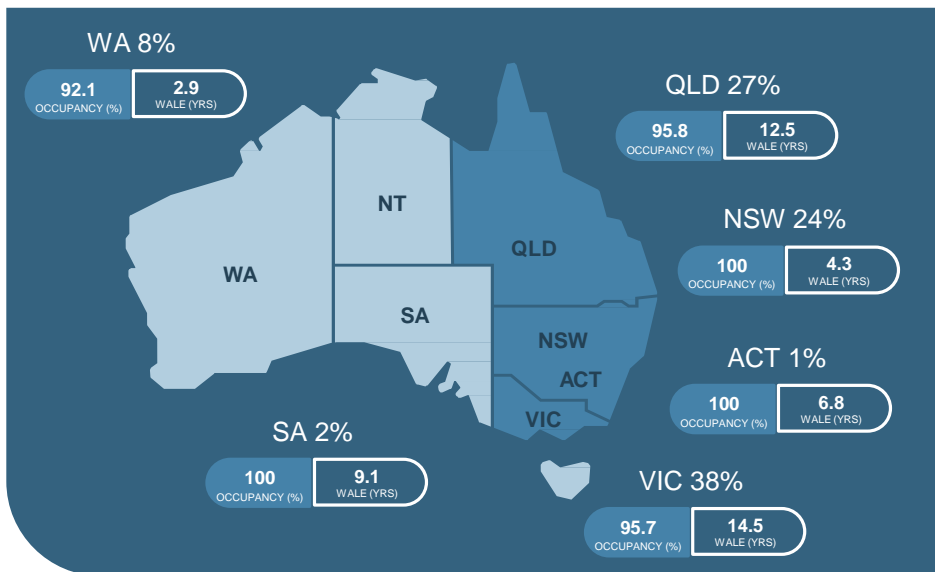
6. 30 June 2020 Pro forma adjusted for acquisitions and equity raising announced post balance date

Australia's largest domestic pure play industrial REIT

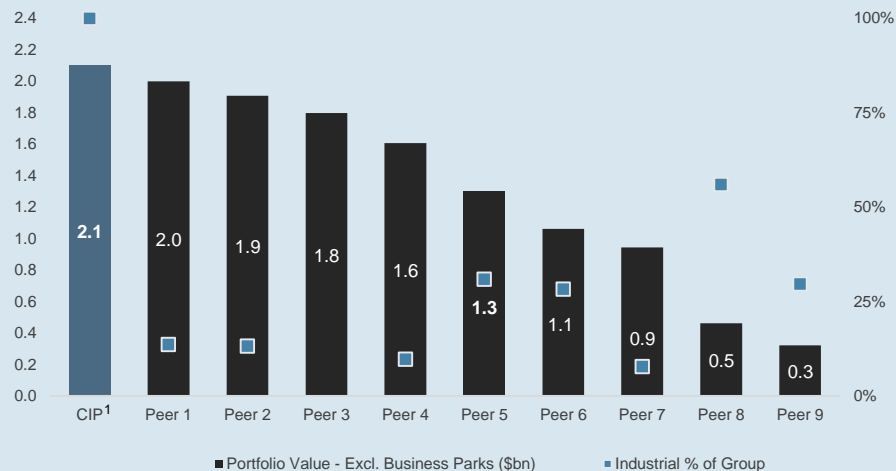
Centuria

PORTFOLIO SNAPSHOT

		FY21 YTD ¹
Number of assets	#	56
Book value	\$m	2,125
WACR	%	5.68
GLA	sqm	1,016,571
Average asset size	sqm	18,153



AUSTRALIAN LISTED PEERS²



- Included in the S&P/ASX 200 index
- Well positioned for potential future inclusion in the FTSE/EPRA NAREIT Index

1. As at 13 October 2020. Includes 144 Hartley Road Smeaton Grange NSW and 1 Lahrs Road, Ormeau QLD which have exchanged but not yet settled.

2. Peer metrics as at 30 June 2020, based on company filings

Portfolio resilience demonstrated through COVID-19

Centuria

1 ASHBURN ROAD, BUNDAMBA, QLD

97%

Average rent
collections from
April
to September¹

**STRONG RENT
COLLECTIONS
IN SIX MONTHS TO
SEPTEMBER 2020**

Majority of CIP
tenants continue
to operate through
COVID period

**RESILIENT AND
HIGH QUALITY
TENANTS**

Task force
established to
ensure workspace
preparedness and
rapid response

**ASSET
MANAGEMENT &
RISK MITIGATION**

In house
management
facilitate greater
tenant engagement
through period of
uncertainty

**PROPERTY &
FACILITIES
MANAGEMENT**

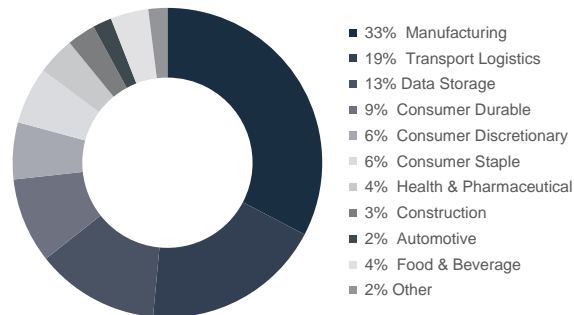
1. Based on billings over the period and collections to 13 October 2020. As COVID-19 impacts and the National Code of Conduct on Commercial Leases remain active, it is possible that further rent relief claims could be received for the April 2020 to September 2020 period

2. Revised up from 97% rent collections reported in FY20 results presentation, released on 5 August 2020

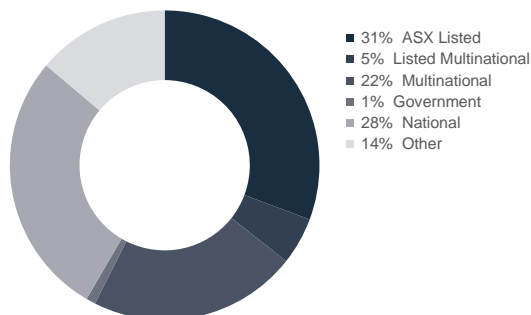
Resilient and defensive tenant composition

Centuria

TENANT INDUSTRY SECTOR DIVERSIFICATIONS¹



TENANT COMPOSITION¹



- Approximately 30% of income derived from non discretionary, **food distribution and cold storage facilities**
- **33% of tenant income linked to manufacturing** and expected to benefit by significant fiscal stimulus
- **Quality income streams** with 86% of income from listed, multinational or national customers

58% of portfolio income derived from tenant customers directly linked to the production, packaging and distribution of consumer staples, pharmaceuticals and telecommunications



Fit-for-purpose acquisitions that complement CIP's portfolio

Centuria

Ability to find relative value in a supply constrained market

Executed \$833m since FY20, significantly enhancing portfolio quality

Acquisitions executed with 100%¹ occupancy, average WALE of 23yrs^{1,2} and initial yield of 5.2%³

FY21 YEAR TO DATE ACQUISITIONS



\$416.7m

TELSTRA
DATA CENTRE COMPLEX, VIC



\$43.0m

1 LAHRS ROAD, ORMEAU, QLD



\$20.0m

140 FULTON DRIVE, DERRIMUT, VIC



\$16.4m

144 HARTLEY ROAD,
SMEATON GRANGE, NSW



\$14.0m

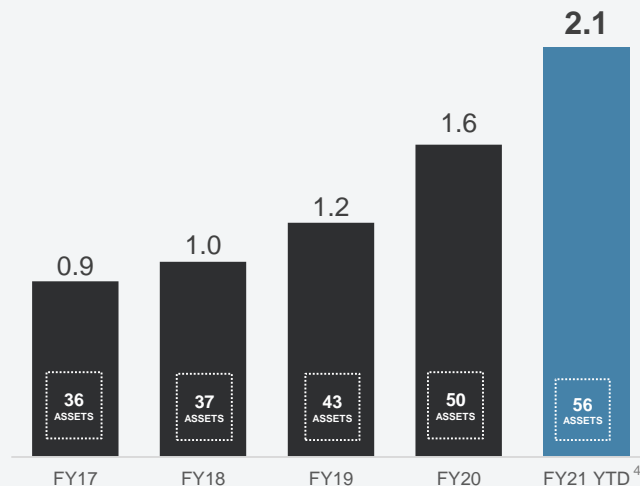
51-73 LAMBECK DRIVE,
TULLAMARINE, VIC



\$12.5m

35 CAMBRIDGE STREET,
COORPAROO, QLD

PORTFOLIO VALUE (\$BN)



1. Based on acquisitions from beginning of FY20 to October 2020

2. Includes the new 12year lease executed by CIP immediately following acquisition of 75-95 & 105 Corio Quay Road, North Geelong

3. Before transaction costs

4. As at 13 October 2020. Includes 144 Hartley Road Smeaton Grange NSW and 1 Lahrs Road, Ormeau QLD which have exchanged but not yet settled.

Structural tailwinds for the industrial sector

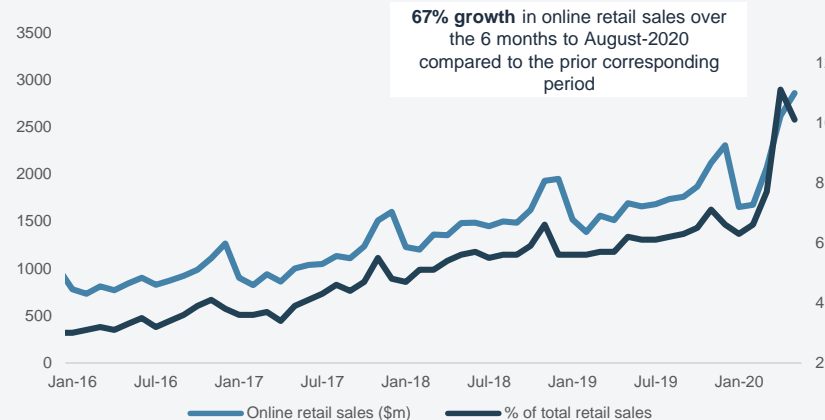
Centuria

SHARE OF FOOD RETAIL TO TOTAL RETAIL¹



- Demand for consumer staples including food is generally demand inelastic and therefore more resilient to economic cycles
- Food logistics tenants drive increased demand for well located, quality cold store facilities
- Overall supply shortage of cold storage facilities relative to supply in Australia

GROWTH IN ONLINE RETAIL TRADE²

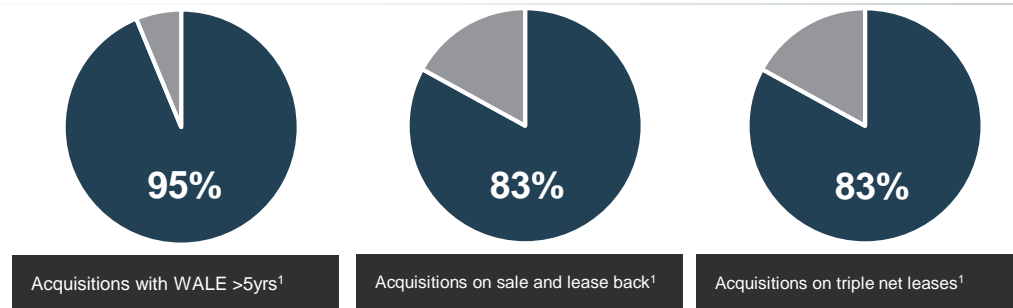


- Current environment accelerating the consumer shift to online retail
- Online penetration rate of total retail sales increased from 6.4% in August 2019 to 11% in August 2020
- Increased consumer demand for expedited delivery driving tenant need for infill warehousing in key metropolitan areas

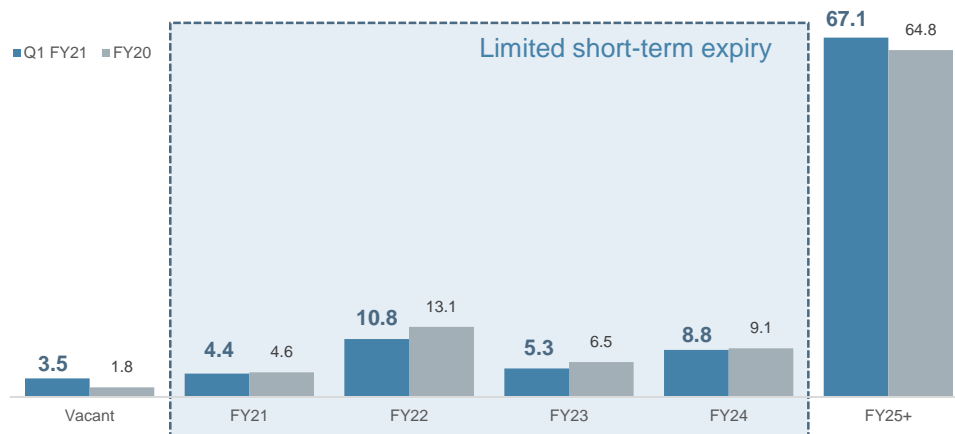
1. Source: JLL Research
2. Source: Australian Bureau of Statistics

Solidifying CIP's income streams

Centuria



WEIGHTED AVERAGE LEASE EXPIRY (% BY INCOME)



Acquisitions strengthen and complement CIP portfolio through increasing WALE and quality defensive income streams

Leasing success with 45,318sqm of terms agreed (4.5% of portfolio) over the first quarter of FY21

Only 4.4% of the portfolio expiring in FY21, of which 1.8% expires in Q4

Focus on forward leasing and active asset management with **no more than 11% of the portfolio expiring in a single year**, over the next 4 years

1. Based on acquisitions from beginning of FY20 to October 2020

Executing value-add initiatives

Centuria

DEVELOPMENT



21 JAY STREET, TOWNSVILLE, QLD

- **Development completed**, expanding the facility by **5,690 sqm**
- Generated **yield on cost of 7.75%**
- **Reset lease with Woolworths for a new 12 year term** from completion of the development

REFURBISHMENT



46 GOSPORT STREET, HEMMANT, QLD

- **Refurbishment work completed** in March 2020
- **Cap rate compression of 75bps** reflecting improved asset

DEVELOPMENT OPPORTUNITY



Artist's impression

42 HOEPNER ROAD, BUNDAMBA, QLD

- 2.4 ha site purchased in June 2020, **expanding CIP's holding** within the precinct
- **DA in place** to build ~10,200 sqm modern warehouse facility
- Anticipated **end value of \$17.5m**



Australia's largest domestic pure play industrial REIT with a portfolio of \$2.1bn

Defensive and resilient tenant base, as demonstrated through the COVID-19 period

Measured and selective acquisitions significantly improved portfolio quality

Identified and executed opportunities to further unlock unitholder value

Reaffirmed FY21 earnings guidance of 17.4cpu and FY21 distribution guidance of 17.0cpu

Disclaimer

This presentation has been prepared by Centuria Property Funds No.2 Limited (ABN 38 133 363 185, AFSL 340304) (CPF2L) as responsible entity of Centuria Industrial REIT (ARSN 099 680 252) ('CIP' or the 'Trust').

This 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.

Distributable earnings 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 distributable earnings reflect the core earnings of the Trust.

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



Centuria