



# Centuria Metropolitan REIT

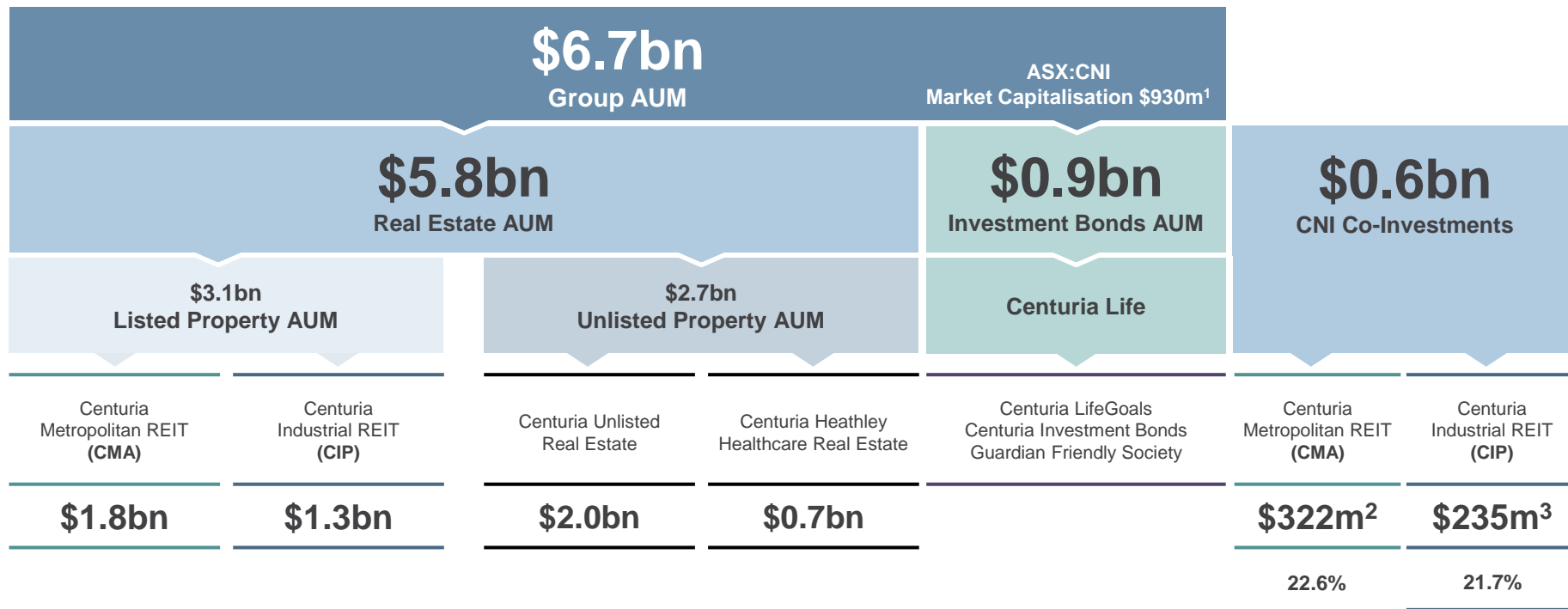
ASX CEO Connect

ASX:CMA 10 December 2019

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Centuria

# Centuria Capital funds management platform



1. Based on CNI closing price of \$2.12 on 29 November 2019

2. Based on CMA closing price of \$3.16 on 29 November 2019. Includes ownership by associates of Centuria Capital Group

3. Based on CIP closing price of \$3.60 on 29 November 2019. Includes ownership by associates of Centuria Capital Group

# Centuria Metropolitan REIT

ASX: CMA



# Strategic vision and objectives

## Vision

Continuing to build Australia's leading pure play office REIT

## A clear and simple strategy

Focused on generating sustainable and quality income streams and executing initiatives to create value across a portfolio of quality Australian office assets

## CMA is

Australia's largest domestic pure play office 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 quality Australian office assets diversified by geography, tenants and lease expiry

### Active Management

Primarily focused on maintaining occupancy and extending portfolio WALE

### Capital Management

A robust and diversified capital structure, with appropriate gearing

### Unlock opportunities to create further value

Continue to enhance the portfolio and upgrade asset quality

# Australia's largest pure play office REIT

Sept 19

## PORTFOLIO



**22**

High quality assets



**\$1.8bn**

Portfolio value



**99.1%**

Occupancy<sup>1</sup>



**4.8 years**

Portfolio WALE<sup>2</sup>

## FINANCIAL



**34.9%**

Pro forma gearing<sup>3</sup>



**\$2.51**

Pro forma NTA



**\$1.4bn**

Market capitalisation<sup>4</sup>



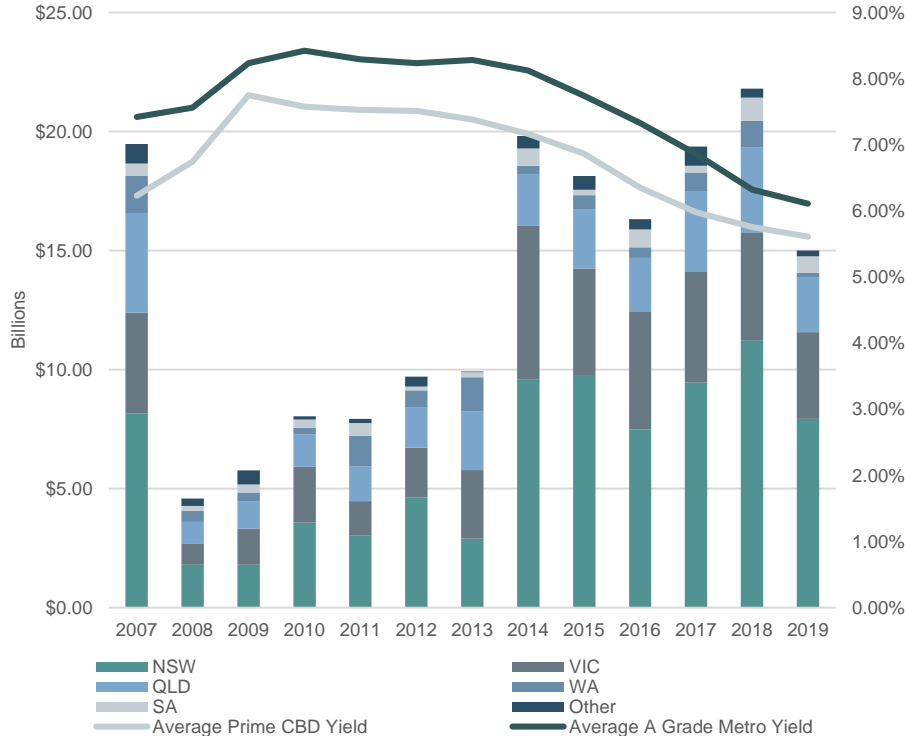
**5.6%**

Forecast FY20 DPS yield<sup>5</sup>

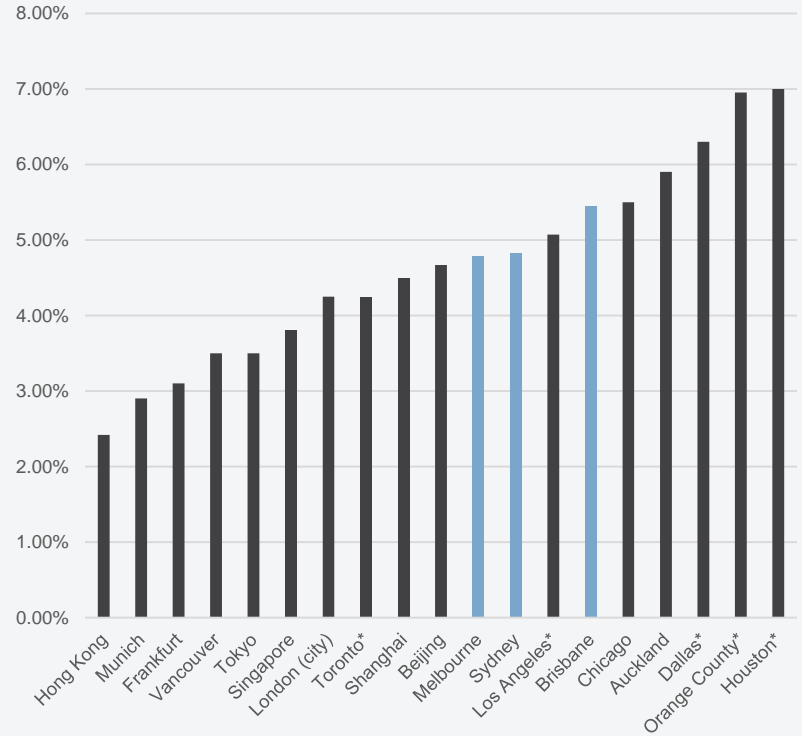
1. By area
2. By gross income
3. Gearing is defined as interest bearing liabilities less cash divided by total assets less cash and goodwill
4. Based on CMA closing price of \$3.16 on 29 November 2019
5. Based on FY20 DPS guidance of 17.8 cpu and based on the CMA closing price of \$3.16 on 29 November 2019

# Australian office remains compelling relative to global markets

National Office Transaction Volumes



Average Prime Office Yield by City June 2019



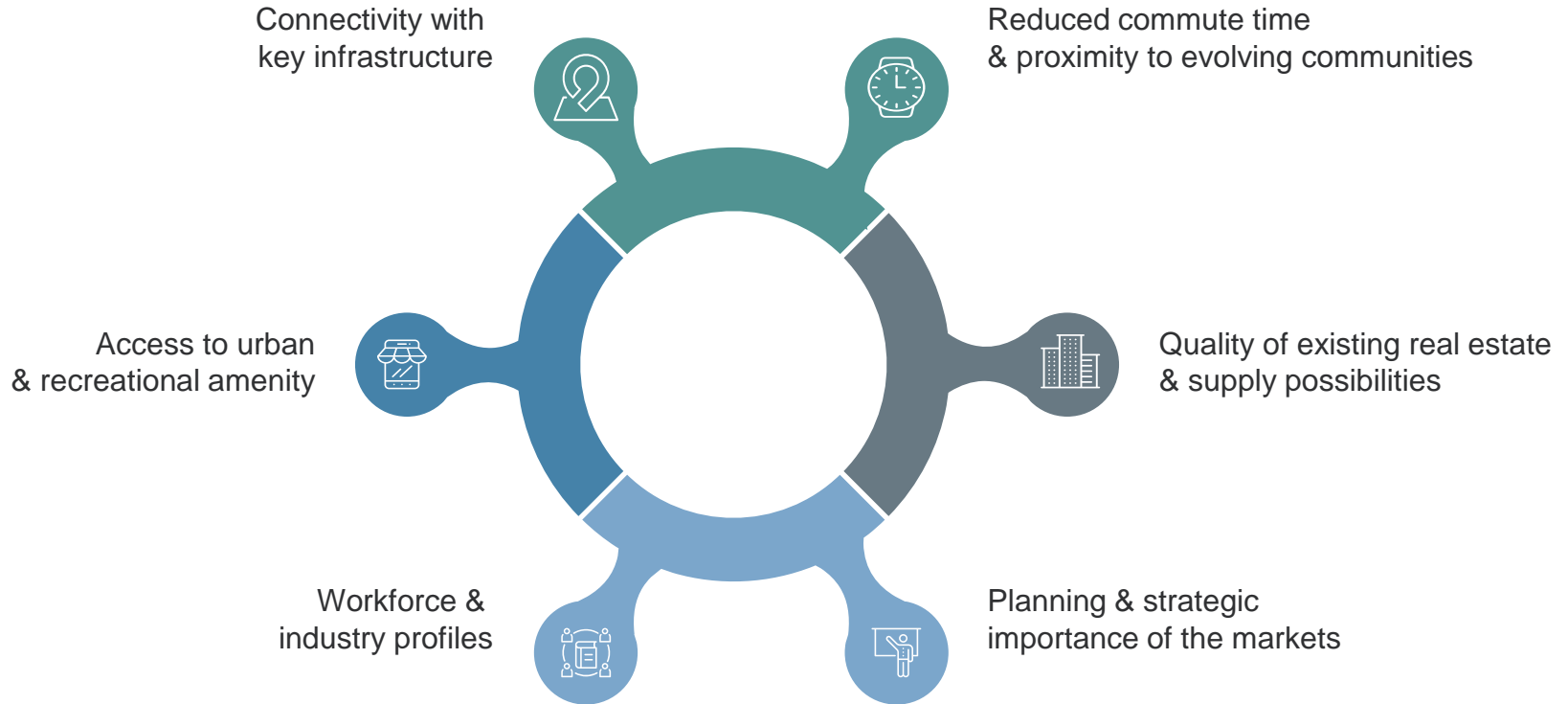
# Market indicators

Prime space continues to attract tenants & metropolitan rents remain compelling

VACANCY RATES 30 SEPT 19 <sup>1</sup>	TOTAL	30-Sep-18
Sydney CBD	4.6%	4.7%
Chatswood	6.1%	6.8%
St Leonards	7.7%	13.2%
Canberra	10.6%	11.6%
Brisbane CBD	10.9%	13.9%
Brisbane Fringe	13.6%	15.2%
Melbourne CBD	3.7%	4.0%
Melbourne Fringe	6.2%	6.0%
Perth CBD	19.4%	22.0%
West Perth	20.2%	19.1%
Adelaide CBD	13.5%	13.7%

PRIME RENTS 30 SEPT 19 <sup>1</sup>	NET EFFECTIVE	Change from 30 SEPT 18
Sydney CBD	\$826	1.4%
Chatswood	\$430	14.4%
St Leonards	\$466	20.4%
Canberra	\$255	1.2%
Brisbane CBD	\$278	4.9%
Brisbane Fringe	\$203	9.2%
Melbourne CBD	\$405	6.2%
Melbourne Fringe	\$337	0.0%
Perth CBD	\$272	0.5%
West Perth	\$199	0.4%
Adelaide CBD	\$178	6.7%

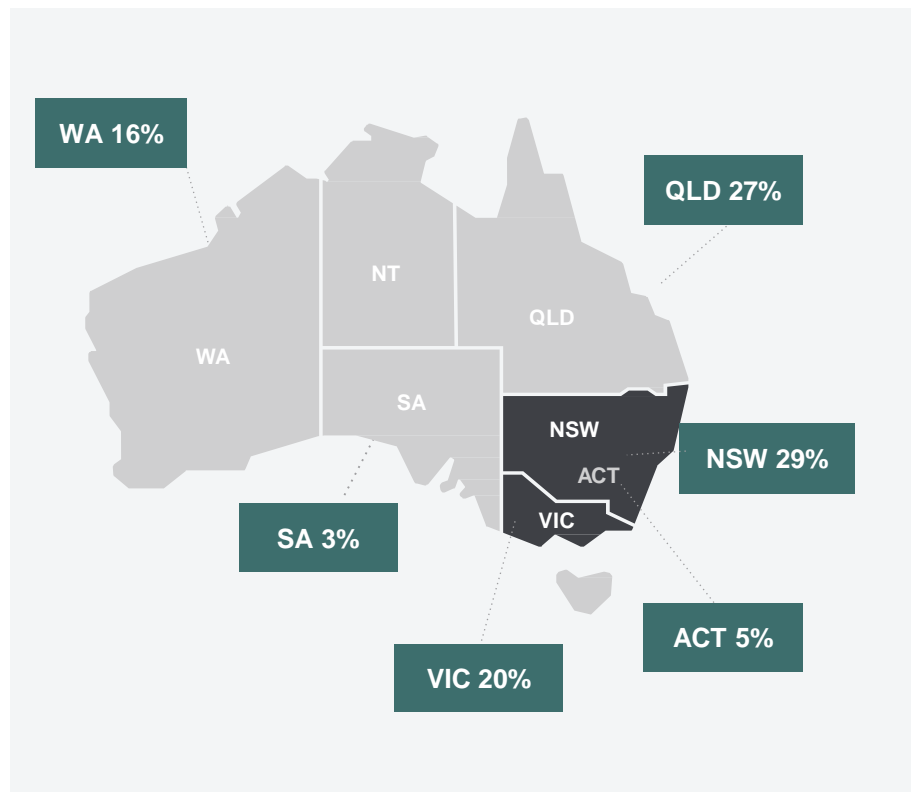
# Factors transforming commercial markets



## Enhanced portfolio scale and WALE

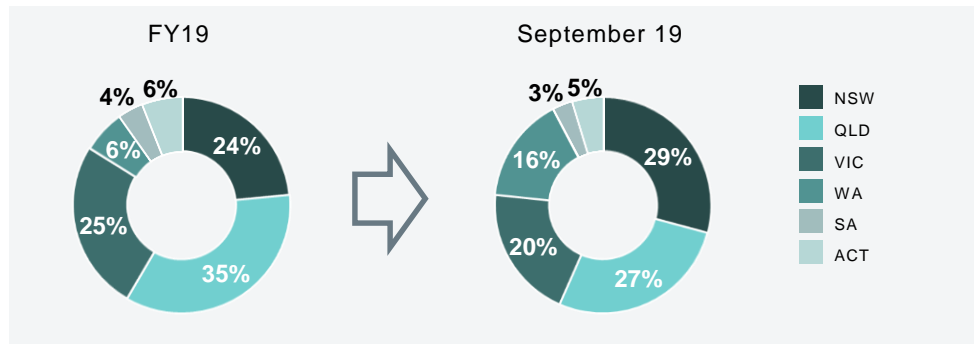
Portfolio snapshot	FY19	Sept-19
Number of assets	20	22
Portfolio value	\$1,400m	\$1,780m
Weighted average capitalisation rate	6.22%	6.15%
NLA <sup>1</sup>	218,080 sqm	276,415 sqm
Occupancy <sup>2</sup>	98.4%	98.7%
WALE <sup>3</sup>	3.9 years	4.8 years
Average NABERS Energy rating <sup>4</sup>	4.5 Stars	4.6 Stars
Average building age <sup>4</sup>	15.9 years	16.3 years

1. 100% of NLA
2. By area
3. By gross income
4. By portfolio value

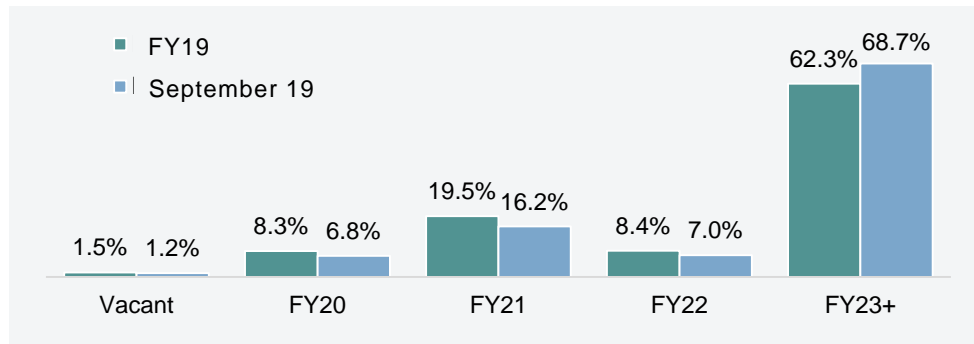


# Enhanced portfolio scale and WALE

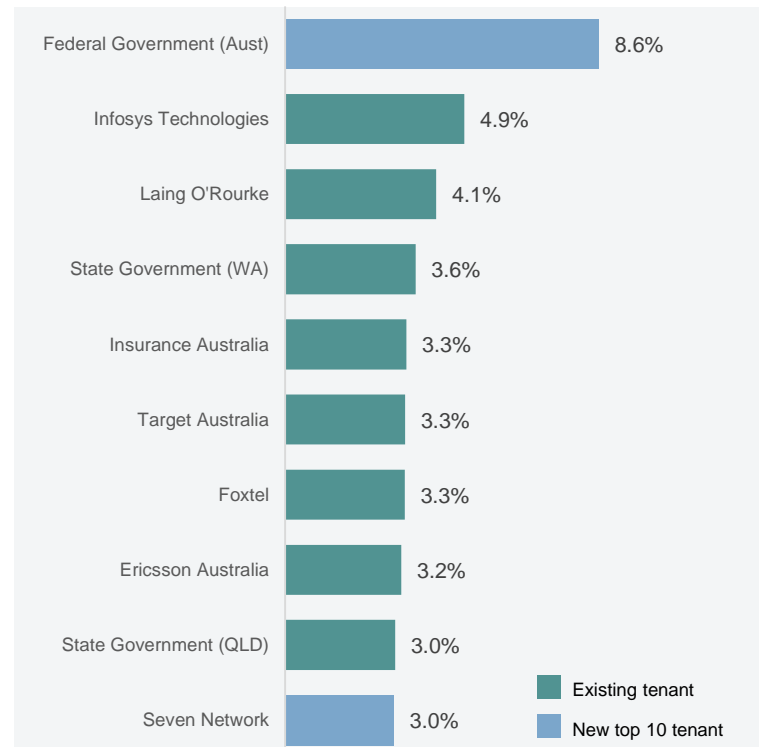
## Geographic diversification<sup>1</sup>



## Lease expiry profile<sup>2</sup>



## Top 10 tenants September 19



1. By portfolio value  
2. By gross income

# Australia's largest pure play office REIT

1

## Australia's largest pure play office REIT

- Australia's largest **pure play office REIT** listed on the ASX
- **Geographically diversified portfolio** of 22 high quality office assets situated in major Australian office markets

2

## Actively managing CMA's portfolio

- **Occupancy<sup>1</sup>** of 99.1%, **WALE<sup>2</sup>** of 4.8 years
- **Average building age<sup>3</sup>** of 16.3 years
- Diversified tenant profile – 75% of portfolio income derived from **multinational, ASX listed and government tenants**

3

## FY20 guidance

- FY20 **funds from operations<sup>4</sup>** guidance of **19.0 cents per unit (cpu)**
- FY20 **distribution** guidance of **17.8cpu**
  - FY20 distributions to be paid in equal quarterly installments
  - FY20 forecast **distribution yield** of **5.6%<sup>5</sup>**

1. By area

2. By gross income

3. By value

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 the CMA closing price of \$3.16 on 29 November 2019



CMA: William Square, 235 William Street, Northbridge WA

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