

Centurion Accommodation REIT

(SGX: 8C8U)

DPU above forecast with stronger rental rates and occupancy

- **Distribution per unit (DPU) above forecast.** Centurion Accommodation REIT reported distribution per unit at 1.739 cents for the financial period from 12 August 2025 to 31 December 2025 (FP 2025). This outperformed forecast by 6.7%, attributed to higher rental rates and higher occupancy rates across the portfolio assets.
- **Revenue and net property income beat forecast.** Centurion Accommodation REIT reported revenue at S\$50.7 million, for the financial period 12 August 2025 to 31 December 2025, 3.4% ahead of forecast. The better-than-expected financial performance was supported by stronger rental rates and better occupancy across the portfolio. Net property income reached S\$36.1 million, 4.1% above expectations.
- **Portfolio performance remains resilient with positive outlook.** With focused asset management, it has built a quality portfolio with resilient income. In FP 2025, the portfolio demonstrated steady operating performance, with financial occupancy at 97.6% for PBWA and 99.1% for PBSA. That level of utilisation speaks to sustained demand across both worker and student accommodation segments.
- **Updates on PBWA and acquisition of PBSA Epiisod.** Within PBWA, it completed Westlite Toh Guan and Westlite Mandai, adding about 1,764 and 3,696 beds, respectively. On the PBSA front, it has completed the acquisition of Epiisod Macquarie Park in Sydney on 13 January 2026. The newly developed 732 bed asset was acquired for A\$345.0 million and fully funded through committed debt facilities.
- **Prudent capital management.** Gross borrowings of S\$376.1 million are supported by a weighted average debt maturity of 4.3 years. Weighted average cost of debt at 3.46% is lower than the earlier forecast. With 55.8% of debt on fixed rates, interest rate exposure is moderated, while the interest coverage ratio of 6.6 times signals strong debt-servicing capacity. Aggregate leverage at 22.1% as at 31 December 2025 was also lower than forecast. It has ample financial flexibility to drive organic growth and inorganic expansion into other geographical regions.
- **Revise to Neutral and target price to S\$1.20.** As we roll forward the target price to FY2027E, we adjust our target price to S\$1.20. At the closing price on 23 February 2026 of S\$1.15, the target price represents a potential upside of 4.4%. Based on our estimate on FY2026E distribution per unit of 6.66 cents, it is trading at FY2026E distribution yield of 5.8%. In terms of PB ratio, it is trading at price-to-book ratio 1.32x versus the industry average is at PB 0.86x. We revise our recommendation to Neutral.
- **Key risks** include concentrated exposure to two key assets, exposure to leasehold assets, and regulatory requirements, amongst others.

Ticker	8C8U
Rating	Neutral
Price Target*	S\$1.20 (previous S\$1.09)
Price (23 Feb)	S\$1.15
Upside/Downside:	+4.4%
52-week range	S\$0.95 – S\$1.20
Market Cap	S\$1.98B

*Target price is for 12 months

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Achieved distribution per unit above forecast

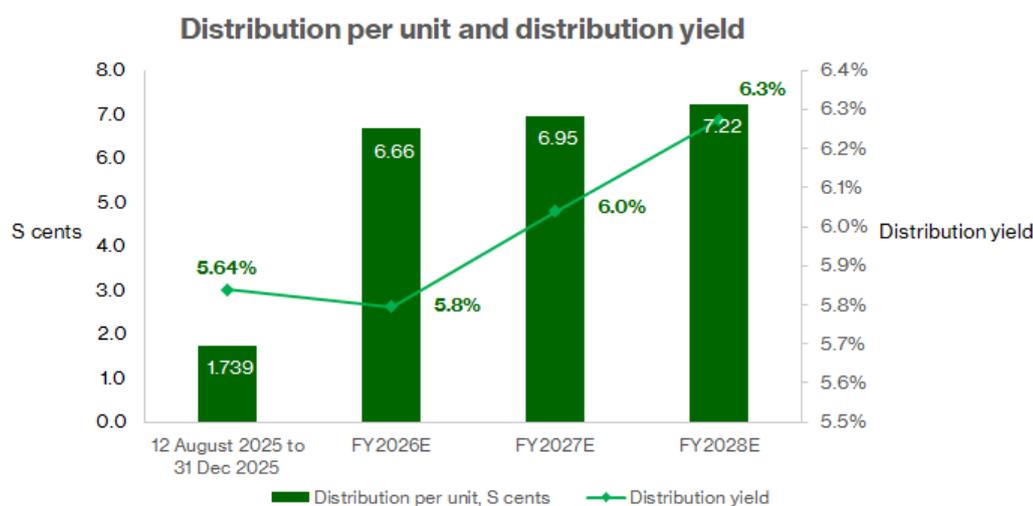
Centurion Accommodation REIT reported distribution per unit at 1.739 cents for the financial period from 12 August 2025 to 31 December 2025 (FP 2025). This represents an annualised distribution yield of 5.64%, based on the closing price of S\$1.15 per unit on 23 February 2026.

Centurion Accommodation REIT's financial period 2025 DPU of 1.739 cents outperformed forecast by 6.7%. This was attributed to higher rental rates and higher occupancy rates across the portfolio assets. It achieved rental growth of 5% year-over-year, higher than the forecast of 3% year-over-year.

Purpose-built worker accommodation (PBWA) achieved 97.6% occupancy rate, 1.8 percentage point above the forecast at 95.8%. Purpose-built student accommodation (PBSA) achieved 99.1% occupancy rate, 1.8 percentage point above the forecast of 97.3%.

Including the contribution from newly acquired 732-bed Epiisod Macquarie Park, we estimate the distribution per unit to grow steadily in FY2026 and FY2027 to 6.66 cents and 6.95 cents, respectively.

Figure 1: Distribution per unit



Source: Company data, Beansprout research

Achieved better than expected financial performance

Figure 2: Financial highlights

For financial period from 12 August 2025 (date of constitution) to 31 December 2025

S\$ million	Actual	Forecast	Actual vs Forecast
Revenue	50.7	49.0	3.4%
Property operating expenses	-14.6	-14.4	1.4%
Net property income	36.1	34.6	4.1%
Finance expenses	-3.9	-4.8	-17.6%
Amount available for distribution to Unitholders	29,995	28,079	6.8%
Amount to be distributed to Unitholders	29,953	28,079	6.7%
Distribution per Unit (SGD cents)	1.739	1.630	6.7%

Source: Company data

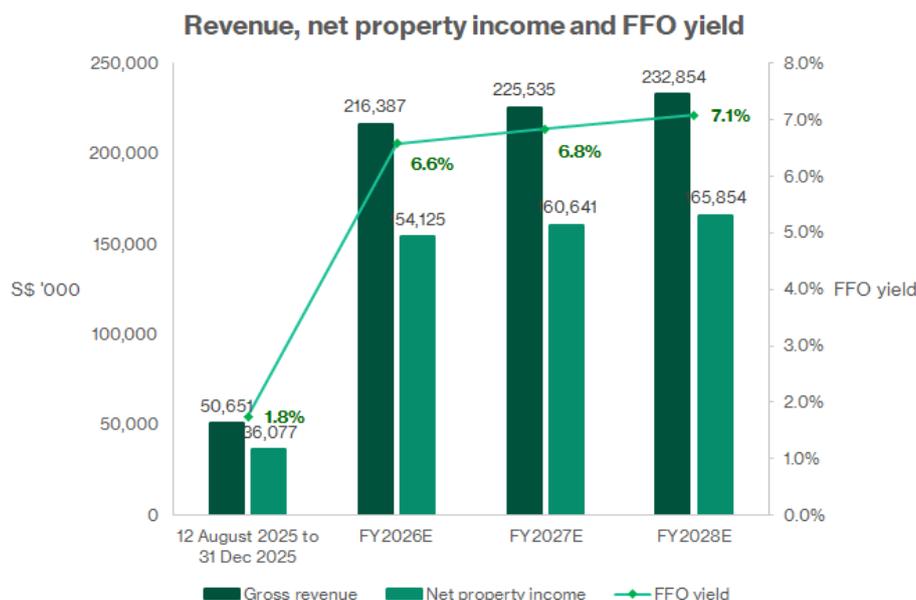
Centurion Accommodation REIT reported revenue at S\$50.7 million, for the financial period 12 August 2025 to 31 December 2025, 3.4% ahead of forecast. The better-than-expected financial performance was supported by stronger rental rates and better occupancy across the portfolio.

Property operating expenses were broadly in line, rising 1.4% versus forecast, which allowed net property income to reach S\$36.1 million, 4.1% above expectations. The outperformance at the operating level reflects steady leasing momentum and resilient demand across both PBWA and PBSA assets.

Finance costs were 17.6% below forecast at S\$3.9 million, due to lower loan drawdowns and more favourable benchmark rates. As a result, the trust recorded a profit of S\$9.7 million compared to the projected loss.

Amount available for distribution rose 6.8% above forecast to S\$30.0 million, translating into a distribution per unit of 1.739 cents, 6.7% higher than expected. Based on the closing price on 23 February 2026 at S\$1.15, this represents an annualised distribution yield of 5.64%.

Figure 3: Revenue, net property income, and FFO yield



Source: Company data, Beansprout research

Portfolio performance remains resilient with positive outlook

For the Financial period 2025, the portfolio demonstrated steady operating performance, maintaining high occupancy rates across both worker and student accommodation segments. It is operating in markets where structural drivers remain supportive. Asset under management was at S\$1.88 billion as at 31 December 2025, representing 2.3% ahead of forecast.

Figure 4: Portfolio metrics

Portfolio metrics as of 31 December 2025	Actual	Forecast	Actual vs Forecast
AUM, S\$ bn	1.88	1.84	2.3%
Net asset value per unit, S\$	0.87	0.89	-2.2%
Singapore PBWA portfolio occupancy	97.6%	95.8%	+1.8 ppt
Australia PBSA portfolio occupancy	99.1%	97.3%	+1.8 ppt

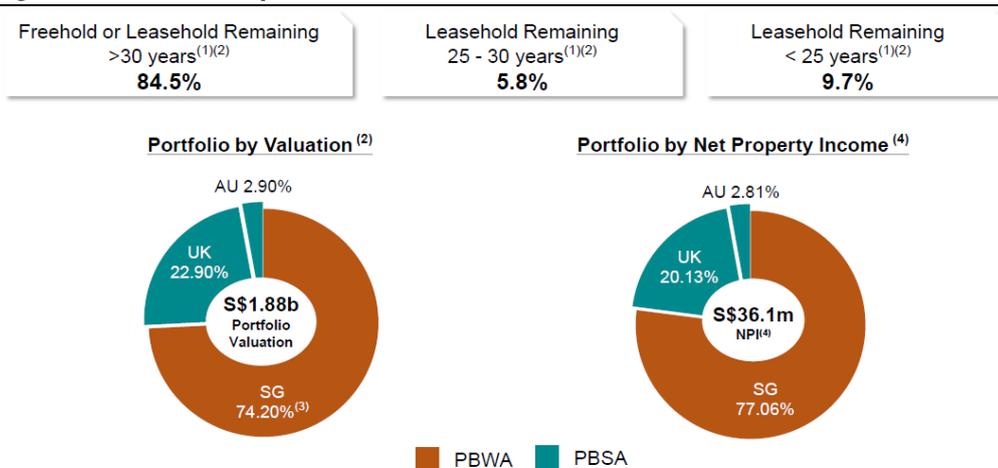
Source: Company data

Occupancy of its Singapore PBWA portfolio occupancy was at 97.6%, representing 1.8 percentage point ahead of forecast. In Singapore, sustained foreign labour demand and tight supply conditions continue to underpin the PBWA segment.

Australia PBSA portfolio occupancy was 99.1%, representing 1.8 percentage point ahead of forecast. In the United Kingdom and Australia, steady international student flows and the global appeal of established education hubs support durable demand for PBSA assets. Together, these trends provide a solid base for occupancy and rental stability across the portfolio.

In Singapore, it will continue asset enhancement initiatives within the PBWA portfolio, while keeping a close watch on regulatory developments such as the Dormitory Transition Scheme and New Dormitory Standards. Across the PBSA portfolio, selective AELs including bed reconfiguration and refurbishment works are being evaluated to optimise space utilisation and returns

Figure 5: Portfolio composition as at 31 December 2025



Source: Company data

Updates on PBWA portfolio and acquisition of PBSA Epiisod

Within PBWA, it has secured the Temporary Occupation Permits for the newly completed blocks at Westlite Toh Guan and Westlite Mandai, adding about 1,764 and 3,696 beds, respectively. Regulatory approvals were also obtained to retain approximately 664 beds at Westlite Toh Guan through end 2028 and about 1,980 beds at Westlite Mandai through end 2030.

Applications for licences under the Foreign Employee Dormitories Act are in progress. The approval will confirm the long-term operating status of these assets.

On the PBSA front, it has completed the acquisition of Epiisod Macquarie Park in Sydney on 13 January 2026. The newly developed 732 bed asset was acquired for A\$345.0 million and fully debt-funded, preserving liquidity flexibility.

A two-year master lease has been put in place with Centurion Properties Pte. Ltd. and the Sponsor through 31 December 2027. This allows time to stabilise and optimise the asset within the broader Australian student accommodation market.

Figure 6: Updates on PBWA portfolio

Key Highlights PBWA Portfolio Updates since IPO



Source: Company data

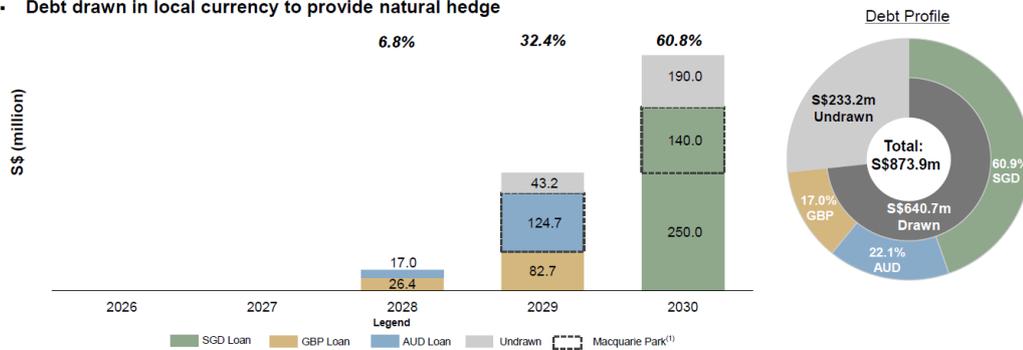
Prudent capital management

Figure 7: Debt maturity profile

Debt Maturity Profile

Post-acquisition of Epiisod Macquarie Park

- Aggregate Leverage at 30.7% with debt headroom of S\$348.0 million based on 40% gearing
- No debt maturing till FY2028
- Debt drawn in local currency to provide natural hedge



Source: Company data

Management adopts a proactive and disciplined capital management approach, to achieve a strong balance sheet. It is supported by a diversified funding sources and an undrawn committed credit facilities of S\$233.2 million. As at 31 December 2025, it does not have any debt maturing till FY2028.

Gross borrowings of S\$376.1 million are supported by a weighted average debt maturity of 4.3 years, which lowers refinancing risk.

Weighted average cost of debt at 3.46% is lower than the earlier forecast, reflecting disciplined treasury execution and favourable funding conditions.

Risk management is equally evident in the capital structure. With 55.8% of debt on fixed rates, interest rate exposure is moderated, while the interest coverage ratio of 6.6 times signals strong debt-servicing capacity.

Aggregate leverage at 22.1% as at 31 December 2025 was lower than forecast too. Including the completed acquisition of Epiisod Macquarie Park on 13 January 2026, the aggregate leverage increased to 30.7%. Based on a 40% leverage threshold, it will have a debt headroom of S\$348.0 million. This provides substantial flexibility to pursue acquisitions or asset enhancements without stretching the balance sheet.

We think having the debt headroom to fund organic growth and inorganic pipeline is significantly positive because the industry structural growth remains favourable. It is also considering expansion into other geographic regions.

Figure 8: Capital management

As of end of period, 31 Dec 2025	Actual	Forecast
Gross borrowings outstanding, S\$ million	376.1	-
Aggregate leverage	22.1%	31.0%
Weighted average cost of debt	3.46%	4.16%
Interest coverage ratio	6.6x	4.7x
Weighted average debt maturity	4.3 years	-
Proportion of debt hedged to fixed rates	55.8%	-

Source: Company data

Revise to Neutral and target price at S\$1.20

As we roll forward the target price to FY2027E, we adjust our target price to S\$1.20. At the closing price on 23 February 2026 of S\$1.15, the target price represents a potential upside of 4.4%. Considering the valuation, we revise our recommendation to Neutral.

Based on our estimate on FY2026E distribution per unit of 6.66 cents, it is trading at FY2026E distribution yield of 5.8%.

In terms of PB ratio, it is trading at price-to-book ratio 1.32x. In comparison, the industry average is at PB 0.86x.

Figure 9: Valuation comparison

Name	Symbol	Market cap S\$ mil	Last price S\$	Dividend yield FY2025	Dividend yield FY2026E	PB ratio	Aggregate leverage
Centurion Accommodation REIT	8C8U-SG	1,980.8	1.150	5.8%	5.8%	1.32	30.7%
CapitalLand Ascott Trust	HMN-SG	3,735.4	0.975	6.3%	6.2%	0.83	37.7%
CDL Hospitality Trusts	J85-SG	1,112.0	0.875	5.5%	5.8%	0.59	37.7%
Far East Hospitality Trust	Q5T-SG	1,251.2	0.610	5.9%	5.8%	0.70	33.0%
Average				5.9%	5.9%	0.86	

Source: Beansprout research, SGX, price as 23 February 2026

Financial summary

Listed on 25 September 2025, Centurion Accommodation REIT reported its inaugural financial results for the financial period from 12 August 2025 (Date of constitution) to 31 December 2025.

Y/E Dec (S\$ million)	Financial period from 12 August 2025 to 31 December 2025			Y/E Dec (S\$ million)	Financial period from 12 August 2025 to 31 December 2025		
	FY2026E	FY2027E		FY2026E	FY2027E		
Income Statement				Cash Flow			
Revenue	51	216	226	Operating cash flow			
Property expenses	-15	-62	-65	Profit for the year/period	11	132	138
Net property income	36	154	161	Adjustments	24	25	26
Other income	0	0	0	Working capital changes	-0	9	6
Manager's fees	-3	-15	-16	Others	-	-	-
Other expenses	-7	-2	-2	Cash flow from operations	35	167	170
Change in value of derivatives	0	0	0	Investing cash flow			
Change in value of investment proper	-11	22	22	CAPEX	-2	-3	-3
EBIT	15	159	165	Others	0	0	0
Net finance expenses	-4	-26	-26	Cash flow from investments	-2	-3	-3
Profit before tax	11	132	138	Financing cash flow			
Tax	-1	-5	-5	Dividends paid	-30	-128	-134
Minority interests	0	0	0	Proceeds from borrowings	280	310	0
Profit attributable to owners	10	106	111	Others	402	-26	-26
Balance sheet				Cash flow from financing	652	156	-161
Assets				Net change in cash	49	11	-23
Investment properties	1,884	2,186	2,208	Beginning cash	75	124	135
Others	19	27	51	Currency translation	0	0	0
Total non-current assets	1,903	2,213	2,259	Ending cash	124	135	112
Cash & cash equivalents	79	89	67	Per share data (S\$ cents)			
Trade & other receivables	16	17	18	Book value per unit	0.87	0.87	0.88
Others	2	2	2	Distribution per unit	1.74	6.66	6.94
Total current assets	97	109	87	Earnings per unit	0.56	6.11	6.39
Total assets	2,000	2,322	2,346	Valuation			
Liabilities				P/E, x	16.5	17.3	16.6
ST borrowings	0	0	0	P/B, x	1.32	1.32	1.31
Trade & other payables	120	129	134	Dividend yield (%)	5.64	5.79	6.03
Others	7	0	0	Ratios			
Total current liabilities	127	129	134	ROE (%)	2.6%	7.0%	7.3%
LT borrowings	372	682	682	ROA (%)	1.9%	18.2%	19.0%
Others	4	0	0	Net gearing (%)	20%	39%	40%
Total non-current liabilities	377	682	682	Margins (%)			
Total liabilities	503	811	816	EBIT margin	43%	51%	52%
EQUITY				Net margin	19%	49%	49%
Share capital	1,486	1,497	1,511				
Unitholders' funds	1,497	1,511	1,529				
Total equity	1,497	1,511	1,529				
Total equity and liabilities	2,000	2,322	2,346				

Disclosure Appendix

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