

# SCENTRE GROUP

## ASX Announcement

23 August 2022

### SCENTRE GROUP DELIVERS 18.3% GROWTH IN FFO IN STRONG HALF YEAR RESULTS

Scentre Group (ASX: SCG) today released its results for the six months to 30 June 2022 with Operating Profit of \$540.5 million (10.4 cents per security) up 17.5% compared to the prior corresponding period and Funds From Operations (FFO) of \$548.6 million (10.6 cents per security), up 18.3%.

Scentre Group CEO Peter Allen said: "I am very pleased with these results. Our team has continued to drive our business and deliver strong operational performance.

"We've grown customer visitation, portfolio occupancy, rental income and cash collection resulting in strong profit growth for the half.

"Our customer focused strategy is to create the places that more people choose to come, more often, for longer. We have welcomed more than 277 million customer visits in the year to date and expect to achieve approximately 500 million visits in 2022.

"Our 42 Westfield Living Centres provide the most efficient and productive platform for our business partners to engage and transact with customers.

"In the six-month period to 30 June 2022, our business partners achieved over \$12.0 billion of sales, \$800 million more than the first half of 2021 and \$500 million more than the first half of 2019, pre-pandemic.

"We have increased portfolio occupancy to 98.8%, up 30bps since 30 June 2021. During the first six months we completed 1,579 lease deals, with leasing spreads improving significantly to (3.9%). These lease deals included 585 new merchants of which 108 brands are new to the portfolio.

"Average rent across the entire portfolio has increased \$5 per square metre since 30 June last year, to \$827 per square metre. Average specialty rent escalations were 5.6% for the six months to 30 June 2022. This reflects the value of our standard lease structure with specialty leases having average annual rent escalations of CPI + 2%.

"Gross rent collection during the half was \$1,250 million, exceeding billings and reducing debtors. The Group has seen continued strong collections with a further \$220 million collected in July."

During the six-month period, net operating cash flow (after interest, overheads and tax) was \$570.2 million, up 16.9%. Statutory Profit for the six-month period was \$479.8 million, including property revaluation gains of \$286.1 million.

The distribution for the six-month period will be \$388.8 million (7.50 cents per security), up 7.1% and will be paid to securityholders on 31 August 2022.

The Group continues to make good progress on strategic initiatives and opportunities.

Westfield Plus, our membership program, has grown its membership to 2.75 million, an increase of 550,000 members since the start of this year. Westfield Direct, our aggregated 'Click and Collect' service, which was launched in October 2021 continues to grow, with the majority of customers choosing to 'Click and Collect' from their local Westfield Living Centre.

#### Scentre Group Limited

ABN 66 001 671 496

#### Scentre Management Limited

ABN 41 001 670 579

AFS Licence No: 230329 as responsible entity of Scentre Group Trust 1

ABN 55 191 750 378 ARSN 090 849 746

#### RE1 Limited

ABN 80 145 743 862

AFS Licence No: 380202 as responsible entity of Scentre Group Trust 2

ABN 66 744 282 872 ARSN 146 934 536

#### RE2 Limited

ABN 41 145 744 065

AFS Licence No: 380203 as responsible entity of Scentre Group Trust 3

ABN 11 517 229 138 ARSN 146 934 652

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During the half, the \$55 million rooftop entertainment, leisure and dining precinct at Westfield Mt Druitt opened resulting in a significant increase in customer visitation and dwell time.

The \$355 million investment in Westfield Knox, Melbourne is progressing well with strong pre-leasing and in line with budget. Stage 1, which will open in December 2022 is currently 96% leased.

The Group continues to make significant progress on its responsible business initiatives across community, people, environment, and economic performance.

During the half the Group released its 2021 Responsible Business Report, 2021 Modern Slavery Statement and third Reconciliation Action Plan (2022-2024). Earlier this month the Group announced an agreement with CleanCo to source 100% renewable electricity to power its Queensland portfolio from 2025, consistent with its pathway to achieve net zero by 2030. The Group's initiatives have seen it recognised as the only company in Australia and New Zealand on the CDP Climate 'A' list.

Scentre Group CFO and CEO-Elect Elliott Rusanow said: "Our approach to capital management during the period has seen the Group execute new and extended bank facilities of \$2.6 billion, including syndicated bank facilities of \$1.4 billion. As a result, the Group has available liquidity of \$4.8 billion, sufficient to cover all debt maturities until the fourth quarter of 2025.

"In addition, we have increased our interest rate hedging profile, with 80% hedging for the second half of 2022, 70% at January 2023 and 67% at December 2023."

Peter Allen said: "I am proud of our team and our business which has proven its resilience over many years and through various economic cycles."

Elliott Rusanow said: "Our business is in a strong position to deliver long-term growth by being essential to people, their communities and the businesses that interact with them."

Subject to no material change in conditions, the Group expects FFO to be above 19.0 cents per security for 2022, representing more than 14.2% growth for the year.

Distributions are expected to be at least 15.0 cents per security for 2022, representing at least 5.3% growth for the year.

Authorised by the Board.

Further information:

**Company Secretary**  
Maureen McGrath  
+61 2 9358 7439

**Investor Relations**  
Andrew Clarke  
+61 2 9358 7612

**Corporate Affairs/Media**  
Alexis Lindsay  
+61 2 9358 7739

# SCENTRE GROUP

## **About Scentre Group**

We acknowledge the Traditional Owners and communities of the lands on which our business operates.

We pay our respect to Aboriginal and Torres Strait Islander cultures and to their Elders past and present.

We pay our respect to Māori cultures and to their Elders past and present.

Scentre Group (ASX: SCG) owns and operates 42 Westfield Living Centres across Australia and New Zealand encompassing more than 12,000 outlets. Our Purpose is creating extraordinary places, connecting and enriching communities. Our Plan is to create the places more people choose to come, more often, for longer. Our Ambition is to grow the business by becoming essential to people, their communities and the businesses that interact with them.

The financial information included in this release is based on Scentre Group's IFRS financial statements. Non IFRS financial information has not been audited or reviewed.

This release contains forward-looking statements, including statements regarding future earnings and distributions that are based on information and assumptions available to us as of the date of this presentation. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release. You should not place undue reliance on these forward-looking statements. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.