

SCENTRE GROUP

ASX Announcement

24 August 2021

STRONG OPERATING PERFORMANCE DRIVES 28% GROWTH IN HALF YEAR OPERATING PROFIT

Scentre Group (ASX: SCG) today released its results for the six months to 30 June 2021 with Operating Profit of \$460.1 million (8.88 cents per security) and Funds From Operations (FFO) of \$463.4 million (8.94 cents per security).

The distribution for the six-month period will be \$362.9 million (7.00 cents per security) and will be paid to Securityholders on 31 August 2021.

During the six-month period, the Group achieved gross cash inflow of \$1,383.9 million and a net operating cash surplus (after interest, overheads and tax) of \$487.7 million. Statutory Profit for the six-month period was \$400.4 million.

Scentre Group CEO Peter Allen said: "Today's results are pleasing and demonstrate the resilience of our platform and ability to generate cashflow with Operating Profit up 28%.

"We have delivered strong operating performance even with a number of government restrictions in place. In those locations impacted less by lockdowns, we have seen trading conditions better than those experienced in the first half of 2019.

"We collected \$1.2 billion of gross rent during the first half of 2021, representing an increase of 37% or \$325 million compared to the first half of 2020.

"Visitation rapidly rebounded when restrictions were eased. Customers want to return to our Westfield Living Centres as what we offer is integral to their lives.

"Annual sales through our platform were \$23.4 billion. During the first half of 2021, total sales excluding cinemas and travel exceeded total sales in the first half of 2019, even though there were a number of government lockdowns during the period.

"We are focused on long term growth, leveraging the strength of our core business by becoming essential to people, communities and the businesses that interact with them. We want to be the first choice for where people spend their time outside of home and work.

"All Westfield Living Centres have remained open during the period, operating with COVID Safe protocols and in line with the latest health and government advice. We are facilitating community access to COVID-19 vaccinations across all of our Westfield centres.

"We are focused on our customer strategy and continue to make significant progress on our customer experience initiatives. This includes our membership program Westfield Plus which has more than 1.9 million members, increasing by 1.4 million since June last year.

"Last year we successfully piloted an aggregated 'click and collect' service to facilitate our business partners connecting with customers during periods of government restrictions. The learnings from this formed the basis of an aggregated 'click and collect' platform due for launch in the second half of this year. This will extend the Westfield in-centre experience and enable customers to have greater accessibility to our business partners, wherever they are, across multi-channels."

Demand for space in our Westfield Living Centres remains strong. We completed 1,515 lease deals during the half, including 619 new merchants. Occupancy remains strong with the portfolio 98.5% leased at 30 June 2021.

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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Deal activity has been strong with a number of first to market and first to portfolio brands. In New Zealand, first to market brands for Westfield Newmarket include Moncler, Saint Laurent, Balenciaga, Alexander McQueen, Burberry and Jimmy Choo. First to portfolio brands include the Miele Experience Centre at Westfield Doncaster and StyleRunner, Rebecca Vallance and Allkinds at Westfield Miranda.

During the period we continued to support SME retailers to mitigate the short term cashflow impact on their business during the pandemic through appropriate rent deferral.

Our leading platform, expertise and focus on curating an offering that our customers want has delivered long-term growth. Since 2010, our portfolio has seen rent per square metre (total area) grow by 23% to \$822 per square metre at 30 June 2021. Over the same period, the portfolio's total area has grown by 15% to 3.9 million square metres.

Work continues on behalf of Cbus for the construction of the residential and office tower at 101 Castlereagh St Sydney. Completion is expected in 2023.

The \$55 million entertainment, leisure and dining precinct development at Westfield Mt Druitt is progressing well and expected to open in Q1 2022.

The Group has available liquidity of \$5.7 billion, sufficient to cover all debt maturities to early 2024.

Interest cover for the period was 3.3 times and balance sheet gearing at 30 June 2021 was 27.9%.

Scentre Group maintains "A" grade credit ratings by S&P, Fitch and Moody's.

We continue to implement initiatives that support our strategy to operate as a responsible, sustainable business. During the half, we released our 2020 Responsible Business Report and outlined the progress we are making on the four pillars of our Sustainable Business Framework.

The Group has committed to achieving net zero Scope 1 and 2 emissions by 2030 across our wholly-owned portfolio. The Group has developed a pathway and transition plan to achieve at least 50% of this target by 2025. Our New Zealand portfolio will be powered by 100% renewable electricity from January 2022.

Mr Allen said: "The first six months has highlighted the fundamental strength of our business and its ability to rebound when restrictions ease. Whilst we are currently operating through a period of government restrictions in key markets, we are confident in the ability of our business to perform. We are well-positioned to come through this period strongly, supporting our customers and continuing to deliver long-term growth for our securityholders.

"The Group continues to target a distribution of 14 cents per security for the year to 31 December 2021. This is based on the assumption that the current government restrictions substantially ease by the end of October 2021."

Authorised by the Board.

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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.