

SCENTRE GROUP

ASX Announcement

22 February 2023

SCENTRE GROUP REPORTS FULL YEAR FUNDS FROM OPERATIONS GROWTH OF 20.6%

Scentre Group (ASX: SCG) today released its results for the 12 months to 31 December 2022 with Funds From Operations (FFO) of \$1,040 million (20.06 cents per security), up 20.6%, and Distribution of 15.75 cents per security, up 10.5%, both exceeding guidance.

Scentre Group CEO Elliott Rusanow said: “I am very pleased with these results, driven by the Group’s strong operating performance and proactive customer strategy to attract more people to our Westfield destinations.

“In 2022 we activated more than 15,400 events across our portfolio of 42 Westfield destinations and welcomed 480 million customer visits, up 67 million on 2021. So far in 2023 we have welcomed approximately 70 million customer visits, an increase of more than 10 million compared to the same period in 2022.

“Our focus on driving more customer visits was fundamental to our business partners achieving sales of \$26.7 billion, up 21.0% compared to 2021, which represents a record level of sales across our Westfield portfolio.

“Demand from businesses to partner with us by leasing space and accessing customers in our destinations is strong. The Group completed a record 3,409 lease deals during the year, an increase of 912 on the year prior. This included 2,232 renewals and 1,177 new merchants, of which 288 are new brands to our portfolio. This has resulted in portfolio occupancy increasing to 98.9% at 31 December 2022, up from 98.7% at the end of 2021.

“Net Operating Cashflows (after interest, overheads and tax) were \$1,181 million, an increase of 29.3% on 2021. We collected \$2,592 million in gross rent in 2022, \$334 million more than 2021. This is the highest level of rental cash collection since Scentre Group was established.”

The Statutory result for the full year was \$301 million (including unrealised property revaluation gains of \$79 million and \$(716) million of unrealised mark-to-market adjustments on financial derivatives).

Scentre Group continues to invest in its Westfield destinations to enhance the customer offer and experience. Stage 1 of the \$355 million investment in Westfield Knox (SCG share: \$178 million) including new Woolworths and ALDI supermarkets opened in December 2022 and is trading well. The remaining stages of the development will be opened throughout 2023, transforming the centre for our customers through new and innovative community uses.

The \$55 million investment (SCG Share: \$28 million) at Westfield Mt Druitt opened in March 2022, including a new rooftop dining, entertainment and leisure precinct, featuring 15 restaurants and indoor-outdoor spaces for the community. The upgrade has driven significant improvements to visitation and dwell time.

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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In November 2022 a \$33 million investment at Westfield Penrith was completed, including the introduction of new casual dining experiences, a Coles supermarket and an entertainment precinct.

The \$33 million investment in Westfield Parramatta opened in December 2022 including a new fresh food precinct featuring Coles, ALDI, and a Tong Li supermarket, among other specialty retailers.

Progress continues to be made on the Group's strategic customer initiatives including our Westfield membership program which now exceeds 3.2 million members, an increase of over 1 million during the year.

Scentre Group is delivering on its responsible business strategy across the pillars of community, talent, environmental impact and economic performance. Over the past four years we have invested \$21 million in our local communities through direct and in-kind contributions.

"We have made good progress on our environmental strategy and pathway to achieve net zero by 2030. Since 2014 we have reduced our emissions by 38%. Our New Zealand portfolio is now powered by 100% renewable electricity and our Queensland portfolio will move to 100% renewable electricity from 2025," Mr Rusanow said.

The Group has available liquidity of \$4.8 billion, sufficient to cover all debt maturities until Q4 2025. Interest cover for the year was 4.0 times and balance sheet gearing at 31 December 2022 was 27.3%. The Group has interest rate hedging of 85% at January 2023.

Leadership transition

During the year Scentre Group successfully transitioned its senior leadership with Elliott Rusanow commencing in the role of Chief Executive Officer and Andrew Clarke in the role of Chief Financial Officer. The CEO and CFO roles were internal appointments which demonstrates the strength of the Group's succession and talent pipeline.

Chairman Brian Schwartz said: "On behalf of the Board, I would like to extend our thanks to our inaugural CEO Peter Allen for his leadership from 2014 to 2022, establishing our culture and leading our dedicated and highly aligned team in Australia and New Zealand. I would also like to thank Peter, Elliott and Andrew for their focus throughout the smooth transition. We are well positioned for continued growth."

Changes to Key Management Personnel (KMP)

Effective 1 January 2023, three internal senior executives have been appointed KMP:

- Lillian Fadel, Group Director, Customer, Community and Destinations
- John Papagiannis, Group Director, Businesses
- Maria Stamoulis, Director Human Resources.

This takes the total number of KMP to five including the CEO Elliott Rusanow and CFO Andrew Clarke.

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Outlook

CEO Elliott Rusanow said: “We are confident that the strength of our business and platform, the quality of our team and our customer focused strategy will continue to generate long-term growth for our securityholders.”

Subject to no material change in conditions, the Group expects FFO to be in the range of 20.75 to 21.25 cents per security for 2023, representing 3.4% to 5.9% growth for the year. Distributions are expected to be at least 16.50 cents per security for 2023, representing at least 4.8% growth for the year.

Authorised by the Board.

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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 recognise the unique role of Māori as Tangata Whenua of Aotearoa/New Zealand.

Scentre Group (ASX: SCG) owns and operates 42 Westfield destinations 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.