

# SCENTRE GROUP

## ASX Announcement

21 February 2024

### SCENTRE GROUP REPORTS 5.2% GROWTH IN FULL YEAR FUNDS FROM OPERATIONS

Scentre Group (ASX: SCG) today released its results for the 12 months to 31 December 2023 with Funds From Operations (FFO) of \$1,094.2 million (21.11 cents per security), up 5.2% on the previous year. Distributions for the period are \$860.6 million (16.60 cents per security), up 5.4% and above guidance.

Statutory Profit for the period was \$174.9 million and includes an unrealised property valuation decrease of \$1,017.1 million. The Group's portfolio is valued at \$34.3 billion at 31 December 2023.

Scentre Group CEO Elliott Rusanow said: "Our focus on creating the places and experiences that more people choose to come to, more often and for longer, has delivered strong operating performance with Net Operating Income increasing by 8.8% to \$1,951 million.

"Customer visitation to our 42 Westfield destinations for the year was 512 million, up 32 million or 6.7% on 2022. This was underpinned by our activation program which included new strategic partnerships with leading brands Disney, Live Nation and Netball Australia.

"As a result, our business partners achieved \$28.4 billion in sales, an increase of \$1.7 billion or 6.4% compared to 2022 and representing a record across our Westfield platform."

Demand from business partners continues to be strong with occupancy increasing to 99.2% at 31 December 2023 compared to 98.9% at 31 December 2022. During the year the Group completed 3,273 leasing deals which included 307 new brands to the portfolio.

On average, specialty rent escalations increased by 7.5% and new lease spreads improved to +3.1%.

The Group collected \$2,723 million of gross rent during the year, an increase of \$131 million compared to 2022 and equivalent to 103% of gross rental billings for the period.

"During the year we continued our focus on strategic customer initiatives including our Westfield membership program. We now have over 3.8 million members, an increase of 640,000 for the year," Mr Rusanow said.

In November 2023 the Group successfully opened the final stage of the \$355 million (SCG share: \$178 million) investment in Westfield Knox in Melbourne with visitation 14% higher than the comparable period in 2019.

Works continue to progress as part of the Group's expansion of Westfield Sydney on the corner of Market and Castlereagh Streets in Sydney's CBD. The Group will introduce 6,000 square metres of luxury retail space over five levels, including the new Chanel boutique. Other brands to join the expanded Westfield Sydney include Moncler, Omega and Canada Goose.

During 2023 we commenced the \$50 million redevelopment at Westfield Mt Gravatt in Brisbane introducing Uniqlo, Harris Scarfe and a range of specialty stores to the previous department store space. These stores will continue to open throughout 2024.

#### 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

## SCENTRE GROUP

At Westfield Tea Tree Plaza in Adelaide, the Group commenced a \$27 million (SCG share: \$13.5 million) redevelopment which will introduce JB Hi-Fi, an expanded Timezone and additional dining.

We continue to progress works on our \$4.0 billion pipeline of future retail development opportunities.

The Group's destinations are located on more than 670 hectares of land holdings primarily located in the major population and growth regions across Australia and New Zealand. This provides the Group with potential long-term strategic growth opportunities.

Progress continues on our pathway to net zero by 2030 (Scope 1 and 2 emissions) with the recent completion of rooftop solar installations at Westfield Fountain Gate, Westfield Knox, Westfield Hornsby and Westfield Tuggerah. Together these installations more than double the Group's solar generation capacity from 5.9MW to 12.2MW.

We have entered into a long-term energy agreement in NSW and Victoria, which together with our existing agreements in Queensland and New Zealand, will assist us in achieving net zero by 2030.

The Group has available liquidity of \$3.5 billion, sufficient to cover all debt maturities until the end of 2025. The Group has increased its interest rate hedging to 92% at January 2024, at an average rate of 2.65% and 80% at December 2024, at an average rate of 2.84%.

### *Outlook*

CEO Elliott Rusanow said: "Our strategy to create extraordinary places and experiences where people choose to spend their time, enabling more businesses and brands to connect with more customers, is expected to continue to deliver growth in earnings and distributions.

"Our Westfield destinations, strategic land holdings and our unique brand provide significant long-term growth opportunities for the Group."

Subject to no material change in conditions, the Group expects FFO to be in the range of 21.75 to 22.25 cents per security for 2024, representing 3.0% to 5.4% growth for the year.

Distributions are expected to be at least 17.20 cents per security for 2024, representing at least 3.6% growth for the year.

Authorised by the Board.

Further information:

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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 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.