

# SCENTRE GROUP

## ASX Announcement

9 November 2023

### SCENTRE GROUP OPERATIONAL UPDATE

Scentre Group (ASX: SCG) today announced a 3<sup>rd</sup> quarter operational update for the period ended 30 September 2023.

Scentre Group Chief Executive Officer Elliott Rusanow said: “Our strategy to attract more people to our Westfield destinations has continued to drive strong operating performance for our business.

“So far this year we have welcomed 410 million customer visitations which is 28 million or 7.4% more than the same period in 2022. On a rolling 12-month basis customer visitations now exceed 500 million.

“Creating more reasons for customers to visit and spend their time in our Westfield destinations has generated continued business partner sales growth. Total business partner sales for the 9 months to 30 September 2023 were \$19.7 billion, \$1.3 billion or 7.3% higher than the previous corresponding period in 2022. Total business partner sales on a rolling 12-month basis are \$28.1 billion which is \$2.5 billion or 9.8% higher than the previous corresponding period in 2022.

“Demand for space in our Westfield destinations continues to be strong with portfolio occupancy increasing to 99.1% at 30 September 2023, up from 98.8% at 30 September 2022. Average leasing spreads were +2.9% and average specialty rent escalations were +7.6% in the 9 months to 30 September 2023.

“Cash collections during the ten months to 31 October 2023 were \$2,229 million, \$100 million more than the prior comparable period in 2022.

“Our Westfield membership program continues to grow and now totals 3.7 million members.

“The \$355 million transformation of Westfield Knox continues and the next stage is on schedule to open in late November.

“We have commenced the \$50 million (SCG share: \$50 million) repurposing of department store space at Westfield Mt Gravatt to introduce Uniqlo, Harris Scarfe and a range of specialty stores. This will open throughout 2024.

“During the quarter, the Group executed new and extended funding facilities totalling \$0.9 billion and repaid a €500 million bond that matured in September 2023.

“Progress continues on our pathway to net zero by 2030. Rooftop solar installations were completed at Westfield Hornsby and Westfield Tuggerah, following the installations at Westfield Fountain Gate and Westfield Knox earlier in the year. Together these installations will more than double the Group’s solar generation capacity from 5.9MW to 12.2MW.

“We were pleased to be awarded Global Sector Leader, Development in the 2023 GRESB Real Estate Assessment, ranking first amongst global retail peers for the third consecutive year.”

#### 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

## *Outlook*

Subject to no material change in conditions, the Group reconfirms that it expects Funds from Operations 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. This equates to growth in FFO for the second half of 2023 of between 5.6% to 10.9%.

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 Chief Executive Officer.

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 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.



# SCENTRE GROUP

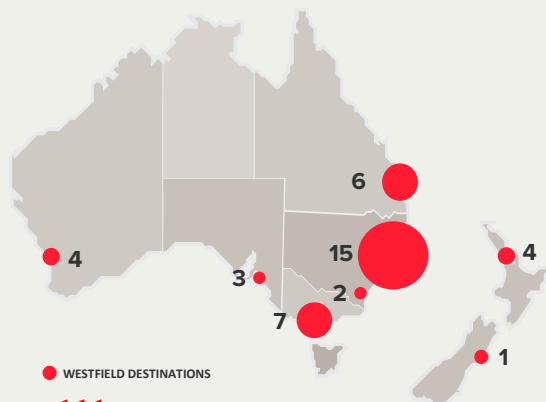
## Operational Update | Q3 2023

### Appendix





# SCENTRE GROUP



42 *Westfield* destinations in close proximity to 20 million people

- \$28.1bn of annual business partner sales in a Westfield destination
- 7 of the top 10 shopping centres in Australia
- 4 of the top 5 shopping centres in New Zealand

- OUR PURPOSE:** Creating extraordinary places, connecting and enriching communities
- OUR PLAN:** We create the places more people choose to come, more often, for longer
- OUR AMBITION:** To grow the business by becoming essential to people, their communities and the businesses that interact with them

## OPERATIONAL HIGHLIGHTS

9 MONTHS TO  
30 SEPTEMBER 2023

Customer Visits <sup>1</sup>	410m	+28m <sup>4</sup>	↑
Business Partner Sales <sup>2</sup>	\$19.7bn	+7.3% <sup>4</sup>	↑
Leasing Deals <sup>2</sup>	2,249	-215 <sup>4</sup>	↓
Number of New Brands <sup>2</sup>	211	+7 <sup>4</sup>	↑
Portfolio Occupancy <sup>3</sup>	99.1%	+0.3% <sup>4</sup>	↑
Gross Rent Collection <sup>1</sup>	\$2,229m	+\$100m <sup>4</sup>	↑
Westfield Membership Program <sup>3</sup>	3.7m	+0.8m <sup>4</sup>	↑

1. For the 10 months to 31 October 2023
2. For the 9 months to 30 September 2023
3. As at 30 September 2023
4. Compared to the previous corresponding period in 2022

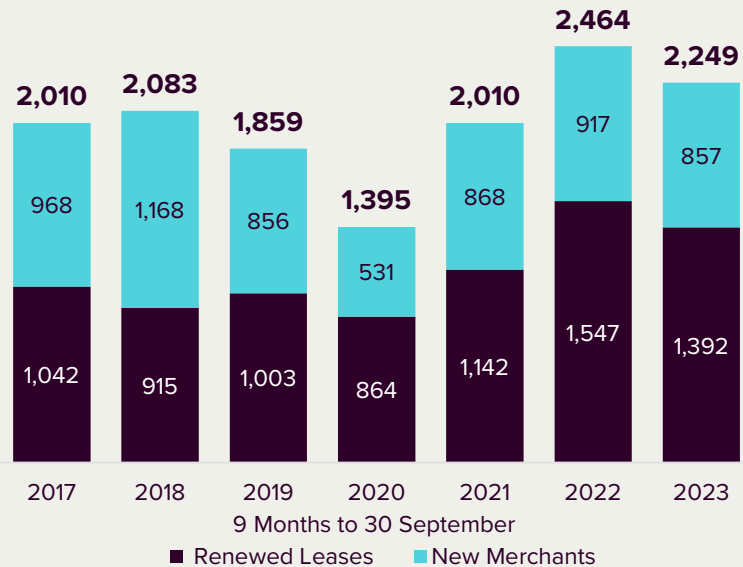
# Leasing Activity

The Group continues to achieve an elevated level of leasing activity in 2023

## LEASING DEALS

2,249

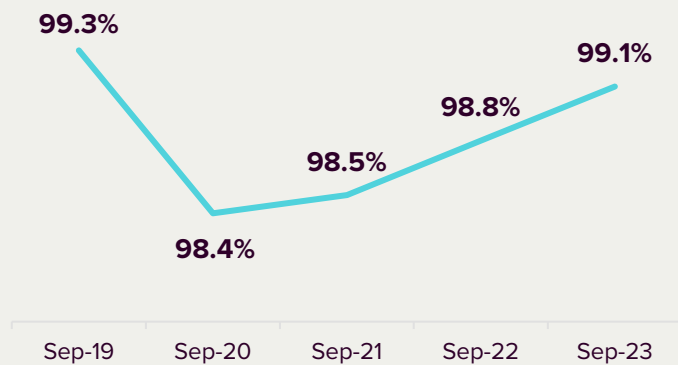
857 New Merchants, 211 New Brands



## PORTFOLIO OCCUPANCY

99.1%

↑ 30bps<sup>1</sup>



## AVERAGE SPECIALTY RENT ESCALATION

+7.6% YTD

CPI + 2% average specialty rent escalation

## AVERAGE SPECIALTY LEASING SPREAD

+2.9% YTD

+3.6% in Q3

1. Compared to the previous corresponding period in 2022

# Business Partner Sales

Growth Over 2019<sup>1</sup>

Total sales were 13.8% higher for the nine months to September  
Specialty sales were 18.1% higher for the nine months to September  
Majors sales were 14.4% higher for the nine months to September

Total Portfolio Sales by Region	3 Months to 30 Sep 2023	9 Months to 30 Sep 2023
NSW	5.6%	5.4%
QLD	19.9%	20.2%
VIC	5.3%	5.4%
WA	11.4%	12.8%
SA	10.8%	11.4%
ACT	12.6%	13.2%
NZ	38.4%	39.4%
<b>Total</b>	<b>13.7%</b>	<b>13.8%</b>

1. Compared to the previous corresponding period in 2019
2. Other includes Gifts and Souvenirs, and Discount Variety
3. Total Majors and Specialties excludes Cinemas and Travel in line with SCCA guidelines

Total Portfolio Sales by Category	3 Months to 30 Sep 2023	9 Months to 30 Sep 2023
Fashion	15.8%	16.3%
Technology & Appliances	11.6%	19.5%
Dining	23.1%	22.6%
Health & Beauty	19.8%	22.0%
Leisure & Sports	34.3%	33.9%
Food Retail	11.5%	8.6%
Footwear	10.4%	9.4%
Jewellery	11.8%	10.3%
Retail Services	22.6%	24.8%
Homewares	5.1%	5.9%
Other <sup>2</sup>	(11.9%)	(11.8%)
<b>Total Specialties</b>	<b>16.9%</b>	<b>18.1%</b>
Supermarkets	18.6%	16.9%
Discount Department Stores	29.0%	25.3%
Department Stores	5.3%	2.4%
<b>Total Majors</b>	<b>17.0%</b>	<b>14.4%</b>
<b>Total Majors + Specialties<sup>3</sup></b>	<b>16.9%</b>	<b>16.6%</b>
<b>Total</b>	<b>13.7%</b>	<b>13.8%</b>

# Business Partner Sales

Growth Over 2022<sup>1</sup>

Total sales were 7.3% higher for the nine months to September  
Specialty sales were 5.1% higher for the nine months to September  
Majors sales were 5.8% higher for the nine months to September

Total Portfolio Sales by Region	3 Months to 30 Sep 2023	9 Months to 30 Sep 2023
NSW	2.8%	6.7%
QLD	1.6%	5.7%
VIC	3.3%	5.9%
WA	5.3%	11.0%
SA	4.7%	10.3%
ACT	6.3%	9.2%
NZ	3.9%	9.2%
<b>Total</b>	<b>3.2%</b>	<b>7.3%</b>

1. Compared to the previous corresponding period in 2022
2. Other includes Gifts and Souvenirs, and Discount Variety
3. Total Majors and Specialties excludes Cinemas and Travel in line with SCCA guidelines

Total Portfolio Sales by Category	3 Months to 30 Sep 2023	9 Months to 30 Sep 2023
Fashion	(3.3%)	0.6%
Technology & Appliances	2.0%	4.8%
Dining	5.3%	12.3%
Health & Beauty	4.8%	10.0%
Leisure & Sports	5.5%	8.5%
Food Retail	10.4%	10.1%
Footwear	(2.0%)	3.5%
Jewellery	(7.4%)	(6.5%)
Retail Services	0.6%	3.2%
Homewares	(6.4%)	(2.2%)
Other <sup>2</sup>	(8.0%)	(5.1%)
<b>Total Specialties</b>	<b>1.2%</b>	<b>5.1%</b>
Supermarkets	7.9%	10.1%
Discount Department Stores	2.7%	5.3%
Department Stores	(5.1%)	(0.2%)
<b>Total Majors</b>	<b>3.2%</b>	<b>5.8%</b>
<b>Total Majors + Specialties<sup>3</sup></b>	<b>2.0%</b>	<b>5.4%</b>
<b>Total</b>	<b>3.2%</b>	<b>7.3%</b>

# Developments

## Project



## Westfield Knox, VIC

### Highlights

Stage 1: Completed in December 2022, introducing a diverse mix of premium fashion and lifestyle brands, a new fresh food emporium, alongside new supermarkets Woolworths and Aldi.

Stage 2: Completed in June 2023, introducing 20 additional fashion and lifestyle retailers, a full-sized FIBA grade basketball court, and outdoor recreational spaces.

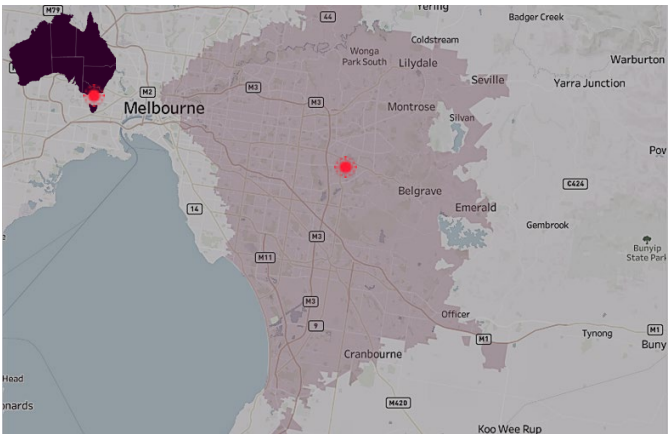
Stage 3: Completed in October 2023, introducing a relocated fast-food precinct in the former fresh-food precinct, including 10 food retailers.

Stage 4: New mini-majors linking to the Australian and International fashion precincts, ambience upgrades and a 2,000 sqm library.

### Overview

Project Cost	\$355m (SCG Share: \$177.5m)
Commencement	2022
Completion	November 2023
Incremental Project GLA	4,000 sqm
Completed Centre GLA	144,810 sqm

### Location





# Developments

## Sundry Project



## Westfield Mt Gravatt, QLD

### Highlights

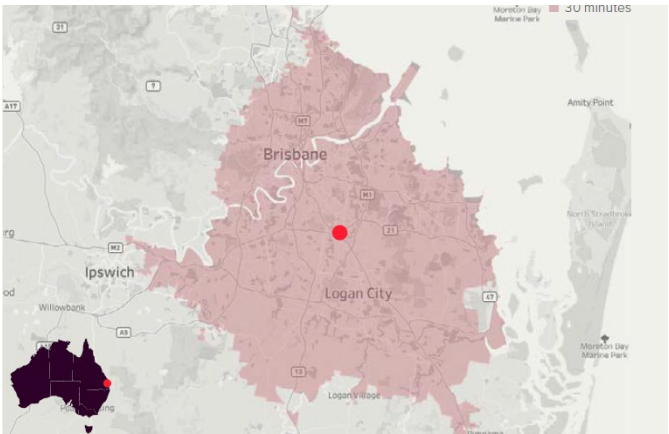
Introducing Uniqlo, Harris Scarfe, and six specialty stores into the former David Jones space, including highly sought after fashion brands, and a new entertainment precinct.

Harris Scarfe will open in December 2023, with the remaining stores opening throughout 2024.

### Overview

Project Cost	\$50m (SCG Share: \$50m)
Commencement	2023
Completion	Q4 2024

### Location



# Developments

## Sundry Project



## Westfield Tea Tree Plaza, SA

### Highlights

Introducing JB Hi-Fi and an expanded Timezone into the former Myer level 1 space, enabling the introduction of additional specialty dining operators.

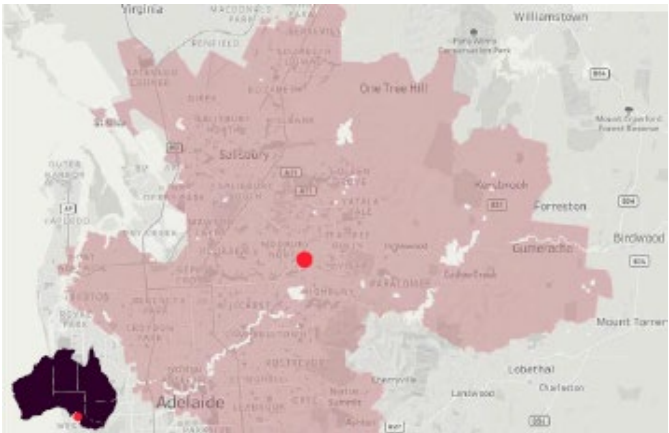
In addition, Myer will upgrade their store in the downsized space and the project will include upgrades to vertical transport and ambience.

Business partners will progressively open throughout the first half of 2024.

### Overview

Project Cost	\$27m (SCG Share: \$13.5m)
Commencement	2023
Completion	Q2 2024

### Location



# Important Notice

All amounts in Australian dollars unless otherwise specified.

The material in this release and presentation is for general information purposes only and is given in summary form. Information in this presentation is not intended to be relied on as advice as it does not take into account your investment objectives, financial position or needs.

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.

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