



16 November 2022

Market Announcements Office  
Australian Securities Exchange  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**2022 Annual General Meeting of Vicinity Centres (ASX:VCX) – Addresses and Presentation**

Please find attached copies of the addresses and presentation to be delivered by the Chairman, Mr Trevor Gerber, and the CEO and Managing Director, Mr Grant Kelley, at the 2022 Annual General Meeting of Vicinity Limited and meeting of the unitholders of Vicinity Centres Trust to be held concurrently today at 11.00am (AEDT) (together, **AGM**).

The AGM can be accessed at <https://meetings.linkgroup.com/vcx22>.

Authorised for lodgement by:

**Rohan Abeyewardene**  
Group Company Secretary

# ASX Announcement

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16 November 2022

## 2022 AGM Addresses

### Chairman's address – Trevor Gerber

#### **Slide 1 – Introduction**

Good morning securityholders, fellow directors and our four director nominees, employees and guests.

My name is Trevor Gerber, and I am the Chairman of Vicinity Centres (Vicinity, the Company, ASX:VCX).

On behalf of my fellow Directors, it is my pleasure to welcome you to the 2022 Annual General Meeting of Vicinity Limited and meeting of the unitholders of Vicinity Centres Trust, which I will refer to together as the 'meeting'.

It is just past 11.00am and, as there is a quorum, I declare the meeting open.

#### **Slide 2 – Acknowledgement of country**

In doing so, I would like to acknowledge the traditional custodians of the various lands on which we meet today and pay my respects to their Elders, past and present. I recognise and respect their cultural heritage, beliefs and relationship with the land, which continue to be important to the traditional custodians living today.

#### **Slide 3: Your Board**

Presenting with me today is your CEO and Managing Director Grant Kelley.

Also joining us today are four Director nominees.

Tiffany Fuller, Michael Hawker, Georgina Lynch and Dion Werbeloff are seeking your approval to join the Vicinity Board today.

And of course, you know Clive Appleton, Tim Hammon, Peter Kahan and Janette Kendall.

In addition to the Board, here with us today is:

- Rohan Abeyewardene, our Group Company Secretary,
- Alison Parker and Michael Collins, representing Vicinity's external auditor, Ernst & Young,
- Jane Kenny, our Acting Chief Corporate Affairs Officer, who will relay any online questions to me today, and

#### **Vicinity Centres**

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vicinity.com.au

Vicinity Limited ABN 90 114 757 783  
and Vicinity Centres RE Ltd  
ABN 88 149 781 322  
As responsible entity for:  
Vicinity Centres Trust ARSN 104 931 928

- Various other senior members of Vicinity's Management team

The returning officer for today's meeting is Jim Kompogiorgas from Link Market Services, our Security Registry.

#### **Slide 4 - Chairman's address**

Before we proceed, I have a couple of quick housekeeping points. As a courtesy, I would appreciate if all mobile phones in the room could be turned to silent mode. Recording devices and cameras must not be used during the Meeting and, in the event of an emergency, please follow the emergency exit signs and instructions of the venue staff.

Today's Meeting is being held in a hybrid format. We are pleased to have some of our securityholders here in person with us today in Sydney and to offer our Online Meeting Platform to those who can't be with us in person.

Instructions on how to participate in today's meeting are included in the Notice of Meeting and Online Meeting Guide which are both available on our website.

We will address any securityholder questions during the discussion on relevant items of business. Questions submitted online may be moderated to avoid repetition, and in the interest of time, lengthy questions may be summarised.

I encourage online participants to submit your votes, and any questions you may have, earlier in the meeting via the Online Platform to ensure they are received and questions can be addressed at the relevant part of the meeting. If you are a Vicinity Securityholder and would like to ask a question via the online meeting platform, please click on the 'Ask a Question' button on the meeting webpage and follow the instructions.

Alternatively, if you would like to ask a question via the dedicated phone line, please follow the instructions on page 5 of the Online Meeting Guide.

For those in the room, if you were issued a yellow or blue card, you are entitled to speak at the meeting.

If you need assistance, please see a Link Market Services team member at the registration desk.

Should securityholders attending online encounter any technical difficulties during the meeting, the webcast will subsequently be made available on our website.

If we experience any technical issues today, a short recess or an adjournment may be required. If this occurs, I shall advise you accordingly.

The Notice of Meeting outlines the items of business before the meeting today and has been made available to all securityholders. I will take the Notice as read.

Voting on all resolutions today will be decided on a poll. Yesterday, we announced that Peter Huddle, our Chief Operating Officer, will be appointed as Acting Chief Executive Officer from the conclusion of this meeting, which will bring forward our current CEO, Grant Kelley's retirement to occur concurrently. I will

comment more on this later, but as a result of this announcement, Resolution 5 as set out in the Notice of Meeting, relating to an equity grant to Grant Kelley as part of his FY23 remuneration package, is withdrawn.

I now formally open the poll on all remaining resolutions.

The poll will remain open for five minutes after the conclusion of the meeting, with the results of the meeting to be announced to the ASX as soon as possible following the meeting.

I would like to formally thank securityholders who are participating today and also those who submitted their votes ahead of the meeting.

Following the conclusion of today's meeting, I would like to invite the securityholders here today to join the Board and Executive team for some light refreshments just outside the room.

#### **Slide 5: Welcome and agenda**

Today I will share my reflections on the 2022 financial year at Vicinity.

I will then ask our CEO and Managing Director, Grant Kelley, to address you.

After Grant's address, I will take any questions you may have on Vicinity or today's presentation, before we move onto the formal part of the meeting.

#### **Slide 6: FY22 highlights**

FY22 was a year of recovery and substantial progress at Vicinity, despite our two largest markets – being New South Wales and Victoria – being in lockdown for much of the first half.

Nevertheless, our FY22 headline results highlighted strong operational and financial execution in a resilient retail landscape, where consumers continued to show confidence and capacity to spend, and retailer confidence remained robust.

Second half portfolio sales were 16% above their pre-COVID levels, reflecting an 5% compound annual growth rate.

Strong sales and robust retailer confidence supported an improvement in leasing spreads, occupancy rate and importantly, the collection of current and overdue rent.

During the first half, we acquired Harbour Town Premium Outlets on the Gold Coast and subsequently divested Runaway Bay, also on the Gold Coast.

Together, these transactions added to portfolio quality and highlighted our appetite to recycle assets and opportunistically acquire growth assets in prized locations, like the Gold Coast.

Also during FY22, we highlighted our significant retail and mixed-use development opportunities across our portfolio, and as Grant will outline shortly, the team have transitioned from planning to execution on a number of our flagship projects.

And importantly, despite the persistent uncertainty throughout the pandemic and now in a shifting macroeconomic environment, Vicinity has been steadfast in maintaining prudent financial stewardship.



Our low gearing and substantial fixed interest rate hedging enable Vicinity to partially mitigate the impact of rising debt costs while at the same time, continue to invest in our long term growth initiatives.

### **Slide 7: FY22 Financial Performance**

More specifically on our FY22 financial performance:

Statutory profit for the year was \$1.2 billion, an uplift of approximately \$1.5 billion compared to FY21, underpinned by a rebound in property valuations.

Funds from operations was up approximately \$39 million, or 7%, on the prior year driven by an 8% increase in Net Property Income (or NPI).

NPI growth largely reflected the sustained strength of retail sales and improved negotiation outcomes with retailers.

NPI also benefited from growth in base rent and a continued recovery in ancillary income.

The FY22 distribution per security of 10.4 cents, was up 4% on the prior year and reflects an AFFO payout ratio of approximately 95%.

Our gearing remained at the lower end of our target range of 25-35% at 25.1% and we delivered a 23 cent increase in net tangible assets to \$2.36 this year.

Importantly, our prudent approach to allocating capital and managing our balance sheet saw us maintain our A-grade credit ratings from S&P and Moody's.

### **Slide 8: Leadership in sustainability**

At Vicinity, we have a strong belief that sustainability is fundamental to the successful execution of our strategy and the long-term performance of our business.

During the year, we strengthened a number of our sustainability credentials, and our approach to sustainability continues to be anchored by our focus on driving shared value for all stakeholders.

We continue to be highly ranked on the Dow Jones Sustainability Index, being the 6<sup>th</sup> ranked real estate company globally.

Once again, Vicinity was ranked Oceania Sector Leader and #3 globally, in the Listed Retail Shopping Centre category, by Global Real Estate Sustainability Benchmark.

We published our second Modern Slavery statement as well as our second Innovate-Reconciliation Action Plan.

In recognition of our support for the community, we were listed in the Top 50 GivingLarge list and the Top 40 best workplaces to give back.

We became a supporter of the Task Force on Climate-Related Financial Disclosure, or TCFD, and you can expect to see more from us in this space over the year ahead.

And we continue to make good progress towards our net zero carbon target by 2030.

Finally, we leveraged our strong sustainability credentials and investment in sustainability to date, by completing our first Green Bond, raising \$300 million.

The issuance was oversubscribed which was a further recognition of our sustainability credentials and focus on responsible business practices.

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Before I hand over to Grant, I would like to say how enormously proud I am of the team at Vicinity.

FY22 was a challenging year, but clearly a year of strategic progress and delivery, which is testament to the resilience, commitment and drive of all who work at Vicinity.

I convey my particular thanks to Grant who retires as Vicinity's CEO and Managing Director at the close of this meeting.

On behalf of my fellow Directors, I would like to acknowledge and thank Grant for his achievements and contributions to Vicinity over the past five years and we wish him well in his future endeavours.

Testament to the depth of talent we have at Vicinity, is the Board's ability to appoint the Company's Chief Operating Officer – Mr Peter Huddle – to the role of Acting CEO, while we complete the search for our new CEO. Peter's appointment is also effective at the close of this meeting.

Prior to joining Vicinity, Peter had a long and distinguished career at Westfield in a variety of leadership roles in Australia, Brazil and the US.

Following the acquisition of Westfield by Unibail Rodamco, which formed the largest global retail REIT in June 2018, Peter was appointed COO of the extensive operations and development business in the United States and was the only ex-Westfield executive on the management board.

Since joining Vicinity in March 2019, Peter has been instrumental in bringing the Company's Property Management, Leasing, Operations, Development, and Marketing functions together and delivering a highly cohesive, integrated and customer-focused team.

Peter has the skills and experience to continue delivering value for you, our securityholders, and we are delighted to be able to broaden Peter's exposure whilst bringing forward Grant's retirement.

I'd also like to thank my fellow Board members for their dedication and hard work over the past 12 months.

In line with our focus on orderly renewal, I look forward to welcoming and working with our new Board members subject to their election here today, and would like to acknowledge and thank David Thurin and Karen Penrose, who have recently left the Board, for their tremendous contribution over many years.

And last but not least, I thank you, our securityholders, for your continued support of our business.

Thank you. I will now hand you to Vicinity's CEO and Managing Director, Grant Kelley.

## CEO and Managing Director's address

### **Slide 9: Introduction**

Thank you Chairman, for those particularly kind words, and good morning everyone.

It gives me great pleasure to address you – our valued securityholders – today.

As Trevor highlighted, FY22 was a year of continued recovery and progress at Vicinity. Against the backdrop of a resilient retail sector we delivered strong financial and operational results and pleasingly, the momentum of recovery and strategic execution has continued into the first quarter of FY23.

### **Slide 10: Macroeconomic environment**

While the macroeconomic outlook remains uncertain, retail sales growth and buoyant leasing activity highlight resilient consumer demand and robust retailer confidence.

Unemployment remains close to historic lows and household income growth and savings rates remain above long-term averages.

While we have seen a modest softening across the housing market, average house prices remain elevated relative to pre-COVID levels; underpinning a continued wealth-effect for home owners.

That said, we are yet to see the full impact of recent consecutive interest rate hikes on consumer spending, and so we are also mindful that the immediate outlook is uncertain and depends ultimately on where and when inflation peaks.

Nevertheless, we remain cautiously optimistic of a soft landing for the Australian retail sector over the next 12 to 18 months.

### **Slide 11: Sept 2022 portfolio performance**

Turning now to our recent quarterly update, which we released to the market in late October.

And pleasingly, our first quarter operating metrics reflected a continuation of the positive momentum delivered in FY22.

At -0.4%, we delivered our fifth consecutive quarter of leasing spread improvement. This was notably driven by positive leasing outcomes at Chadstone and across the Outlet portfolio.

Retail sales for the quarter were 21% higher than pre-COVID, representing a three year compound annual growth rate of 6.6%.

Pleasingly, this strong growth rate was experienced across all states in Vicinity's national portfolio. All retail segments performed strongly, with Majors up 15.5%, Mini Majors 33.2% and Specialties 23.7%.

Australia's retail industry of course continues to evolve, as it has always done. But while online retail continues to grow, the rate of growth has slowed.

Australia's lack of urban density, compared to say, the United Kingdom, means that last mile delivery is costly for pure-play, online retail.

Additionally, our customers come to our centres not only to purchase goods and services but for the experience, and most importantly to connect with people. But the choice for customers is not necessarily online versus in-store, it's actually both.

Our customers frequently search online and buy in-store, or alternatively try on in-store and buy online at a later date.

Traditional retail is evolving to meet these trends, and this evolution has given rise to retail stores operating as mini-distribution centres, sending stock to customers directly from the store.

Retailers are able to do this by housing higher stock levels in larger store formats.

And while it is early days in this evolution, we continue to progress Vicinity's role in facilitating easier and more seamless omni-channel retailing from our centres.

From a category format perspective, Vicinity is the market leader in Luxury retail as well as Outlet centres, both of which are weighted towards the strongest growing retail categories, namely women's and men's apparel and fashion accessories.

And importantly, spend per visit remains elevated, at 1.3 times 2019 levels, with strong growth in our Luxury category, and with to-date manageable inflation amplifying the positive impact of improving visitation and increasing dwell times in centres.

These strong results not only reflect a resilient consumer, but also the underlying quality of our assets, and management team, as well as our focus on building long-term, strategic partnerships with retailers.

Portfolio occupancy remains robust, and visitation across our centres improved to 86% of pre-COVID levels during the quarter.

More specifically, in the month of September, if you exclude CBDs, centre visitation is 95% of pre-COVID levels.

Cash collections remain a key focus for our team. During the quarter we collected 95% of gross rental billings, representing a continuation of the positive momentum of FY22, when we collected 91% of gross billings.

We continue to work with, and support retail partners who remain impacted by the pandemic, notably SME tenants in CBD locations.

### **Slide 12: New tenants**

With the recovery gaining momentum, retailers are positioning themselves for the future, and we opened a number of new stores across our portfolio during the year.

Vicinity is today the pre-eminent partner for Luxury brands. Breitling and Balenciaga, for example, are expanding their presence in Australia, taking advantage of the strong demand for luxury goods.

Our growth in luxury stores has also placed LVMH into the top 10 largest retail groups across our portfolio.

Despite the near term challenges associated with more people working-from-home, sophisticated retailers are seeking space in premium CBD malls for their flagship stores, and we are capturing that demand whilst bringing first-to-market offers that create a retail vibrancy that is second to none.

Recently, we were excited also to open Australia's first NBA Store at Emporium Melbourne.

Consumer demand for quality, fresh food offers which sit alongside traditional grocery stores also remains a key trend across a number of our centres.

Melbourne's Sacca's Fine Foods is a great example of an elevated fresh food offer, and we recently expanded Sacca's network, opening a new store at Broadmeadows.

Importantly, we also continued to broaden the retail offer across our market-leading premium Outlet business, with the expansion of Tommy Hilfiger and a new RM Williams at DFO South Wharf.

And notably, in the 12 months since we acquired a 50% interest in Harbour Town Gold Coast, our leasing team has enhanced the tenant mix, overseeing the expansion of Nike and Asics, and introducing a new medical centre which is scheduled to open in early 2023.

Together with our strategic partner, Lewis Land, we recently announced that Harbour Town had, for the first time, passed \$500 million in annual sales.

Our Outlet centres have played an important role through the pandemic and generally perform well 'through-the-cycle'.

### **Slide 13: Development Pipeline**

We have been investing in retail and mixed-use development for a number of years now, and it is encouraging to see our \$2.9 billion pipeline now transitioning from planning to execution, representing an exciting next phase of growth for Vicinity.

Approximately 85% of the pipeline is focused on six major developments at Chadstone, Box Hill Central, Victoria Gardens, Chatswood Chase, Bankstown Central and Buranda Village. These are expected to complete between FY23 and FY27.

Chadstone's entertainment and dining precinct, The Social Quarter will open this Summer, and construction of Vicinity's first fully integrated retail and mixed-use development has also commenced; namely, the new 20,000 sqm One Middle Road office tower, combined with a new food market hall and alfresco dining precinct.

Box Hill Central in Victoria and Bankstown Central in New South Wales have both recently welcomed brand-new Coles supermarkets, with the centres and their communities now enjoying enhanced retail and fresh food precincts.

Across all our developments, whether they be transformational, or smaller modernisations such as ambience upgrades, we are committed to meeting the evolving needs of our customers and their communities with the right retail offering and experience.

In summary, we have the right assets in the right locations, and with a number of projects now underway, we look forward to sharing more with you over the coming year.

#### **Slide 14: Summary and FY23 guidance**

In closing, our FY22 results highlighted strong operational and financial execution, in a recovering retail landscape, where consumers continued to show confidence and capacity to spend, and retailer confidence was, overall, robust.

As part of our recent quarterly update on 28 October, we reaffirmed our FY23 earnings guidance with FFO per security expected to be in the range of 13.0-13.6 cents and with AFFO per security expected to be in the range of 10.9-11.5 cents, and we continue to target a full-year distribution payout range of 95-100% of AFFO.

Our results also demonstrate that Vicinity remains the partner of choice for retailers who are looking for opportunities to grow. Indeed, we are seeing an increasing number of customers returning to our centres to connect with their favourite retailers or explore new ones.

Our strong and flexible balance sheet, and prudent approach to financial stewardship and sustainable growth, are the bedrock for the next phase of growth.

Finally, as you know, this will be my last AGM in my role as CEO and Managing Director of Vicinity.

Retirement from the Company was not an easy decision for me, but it is the right time for a new leader to take this fantastic business into the next phase of growth.

I want to thank my team, and indeed all of our many stakeholders. Over the past five years, we have achieved some great things together. I am proud of the change and strategic progress we have delivered, especially during the challenges of the pandemic.

I would also like to take this opportunity to wish Peter Huddle all the very best in his role as Acting CEO.

Finally and most importantly, I would now like to thank you – our securityholders – for your support over the past five years.

#### **Authorisation**

The Chairman of Vicinity Centres, Mr Trevor Gerber, authorised this document to be lodged with the ASX.

ENDS

**For further information please contact:**

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**About Vicinity Centres**

Vicinity Centres (Vicinity or the Group) is one of Australia's leading retail property groups with a fully integrated asset management platform, and \$24 billion in retail assets under management across 60 shopping centres, making it the second largest listed manager of Australian retail property. The Group has a Direct Portfolio with interests in 59 shopping centres (including the DFO Brisbane business) and manages 29 assets on behalf of Strategic Partners, 28 of which are co-owned by the Group. Vicinity is listed on the Australian Securities Exchange (ASX) under the code 'VCX' and has 26,000 securityholders. Vicinity also has European medium term notes listed on the ASX under the code 'VCD'. For more information visit [vicinity.com.au](http://vicinity.com.au) or use your smartphone to scan this QR code.



# 2022 ANNUAL GENERAL MEETING

16 NOVEMBER 2022



# ACKNOWLEDGEMENT OF COUNTRY



Vicinity Centres acknowledges the Traditional Custodians of Country throughout Australia and their connections to the land, sea and community. We pay our respects to their Elders past and present, and extend that respect to all Aboriginal and Torres Strait Islander people with us today.



# YOUR BOARD



**TREVOR GERBER**  
Chairman

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**GRANT KELLEY**  
CEO and Managing Director

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**CLIVE APPLETON**  
Director

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**TIFFANY FULLER**  
Nominated Director

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**TIM HAMMON**  
Director

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**MICHAEL HAWKER AM**  
Nominated Director

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**PETER KAHAN**  
Director

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**JANETTE KENDALL**  
Director

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**GEORGINA LYNCH**  
Nominated Director

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**DION WERBELOFF**  
Nominated Director

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# CHAIRMAN'S ADDRESS

TREVOR GERBER

# WELCOME AND AGENDA



## AGENDA

04

Chairman's address

09

CEO and Managing  
Director's address

16

Formal business of  
the AGM



**TREVOR GERBER**  
Chairman



**GRANT KELLEY**  
CEO and Managing Director



# FY22 HIGHLIGHTS

Results reflect strong execution and resilient retail sector, as focus shifts to future growth



## PORTFOLIO OUTCOMES STRENGTHENING

2H FY22 sales 15.5% above 2H FY19 (4.9% p.a.)

Leasing spreads and occupancy rate continued to improve

Cash collections improved to 91% for FY22

## STRATEGIC TRANSACTIONS

Expanded Outlet Centre portfolio acquiring 50% interest in Harbour Town Premium Outlets

Divested Runaway Bay Centre for 18% premium to book value

## DEVELOPMENT PIPELINE TRANSITIONED FROM PLANNING TO EXECUTION

Announced \$2.9b pipeline at Development Showcase in June 2022

- 85% of pipeline concentrated around six key assets
- 73% weighting to mixed-use development

## MAINTAINED STRONG AND FLEXIBLE BALANCE SHEET

Low gearing to enable investment in growth opportunities

Debt remained highly hedged to protect against rising interest rates

Diversified debt profile with inaugural Green Bond issuance



Box Hill Central South, VIC

# FY22 FINANCIAL PERFORMANCE



## Net profit after tax

**\$1,215m** +\$1,473m

- Supported by non-cash property valuation gains and FFO growth

## Distribution per security

**10.4c** +4.0%

- Reflects increase in AFFO payout ratio to 95.3% from 93.7% in FY21

## Net tangible assets per security

**\$2.36<sup>1</sup>** +23c

- Supported by 3.9% growth in valuations over FY22

## Funds from operations (FFO)

**\$598m** +7.1%

- Supported by higher net property income due to lower waivers and provisions, and growth in base rent and ancillary income

## Gearing

**\$25.1%** +130bps

- Remains at lower end of target range of 25% to 35%
- Supports future investment in growth

## Credit ratings

**A/stable and A2/stable**

- Institutional grade credit ratings maintained from S&P Global Ratings and Moody's Investors Service respectively

1. Adjusting NTA for the distribution of \$259.5m declared on 17 August 2022, which relates to the six months ended 30 June 2022, NTA would be \$2.30.



# LEADERSHIP IN SUSTAINABILITY

Creating sustainable destinations within our communities and providing long-term value for securityholders



Leveraged sustainability credentials and investment to date with successful issuance of Vicinity's inaugural Green Bond

Established Sustainable Finance Framework

Strong sustainability survey results

- 2022 Oceania Sector Leader and #3 globally in the Listed Retail Shopping Centre category by GRESB<sup>1</sup>
- Ranked #6 real estate company globally in DJSI<sup>2</sup> survey

Second Modern Slavery statement published

Listed on the GivingLarge Top 50 list

Ranked #21 in Top 40 Best Workplaces to Give Back 2022

Formal supporter of Task Force on Climate-related Financial Disclosures

Launched second Innovate Reconciliation Action Plan in July 2022

Progressing towards Net Zero Carbon by 2030 target<sup>3</sup>

Three additional solar installations completed; Vicinity's market leading program capacity increased to 47 GWh of renewable energy p.a.

1. Global Real Estate Sustainability Benchmark which includes listed and unlisted funds.

2. Dow Jones Sustainability Index.

3. Across common mall areas of Vicinity's wholly-owned retail assets.

4. NABERS Sustainable Portfolio Index 2022, based on Vicinity's ownership interest and 2021 rating as at December 2021 with 100% of rateable portfolio coverage.

**TCFD** | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

#6 GLOBALLY  
OF REAL ESTATE  
COMPANIES IN  
DJSI<sup>2</sup>

\$1.3M SPEND  
THROUGH SOCIAL AND  
INDIGENOUS ENTERPRISES  
IN FY22

**SECTOR  
LEADER**

OCEANIA LISTED RETAIL  
SHOPPING CENTRE BY  
GRESB<sup>1</sup>

**NET ZERO**

CARBON BY 2030 TARGET<sup>3</sup>

COMMUNITY PARTNER



**\$300M  
GREEN BOND**

LAUNCHED INAUGURAL  
GREEN BOND WITH  
\$300M ISSUANCE

**N\* NABERS  
4.6 STARS**

NABERS ENERGY  
RATING<sup>4</sup>

**N\* NABERS  
4.0 STARS**

NABERS WATER  
RATING<sup>4</sup>



# CEO AND MANAGING DIRECTOR'S ADDRESS

GRANT KELLEY

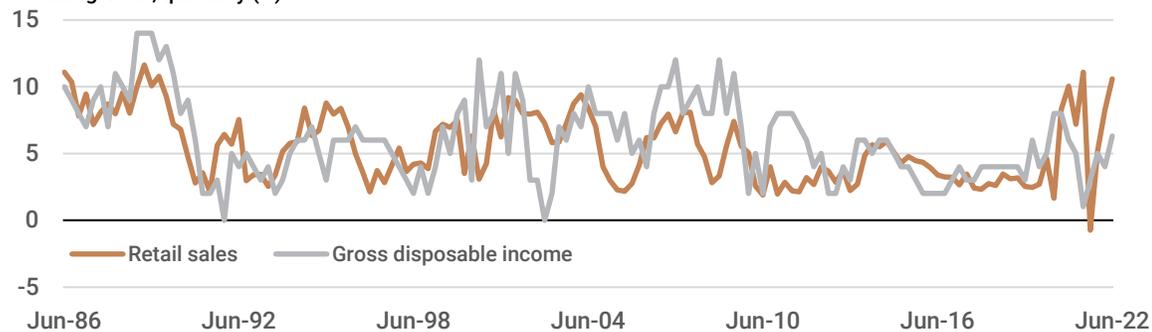
# MACROECONOMIC ENVIRONMENT

Macroeconomic fundamentals continue to support consumer spending despite near term uncertainty



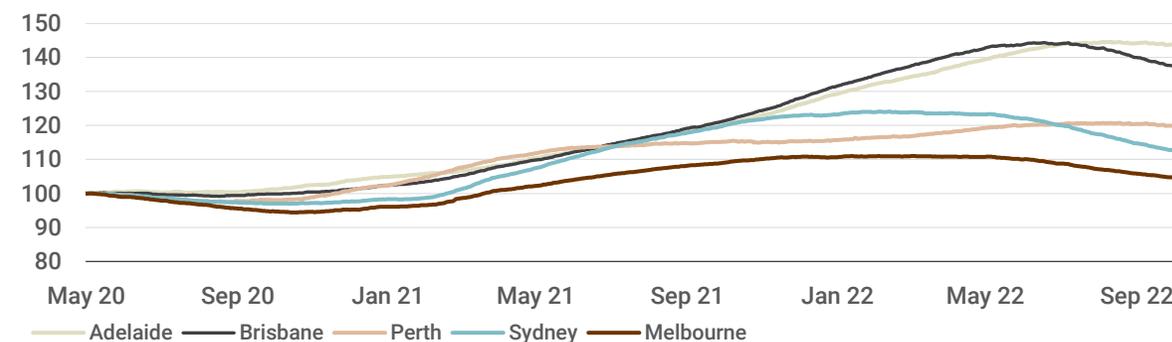
## GROSS DISPOSABLE INCOME AND AUSTRALIAN RETAIL TRADE<sup>1</sup>

Annual growth, quarterly (%)



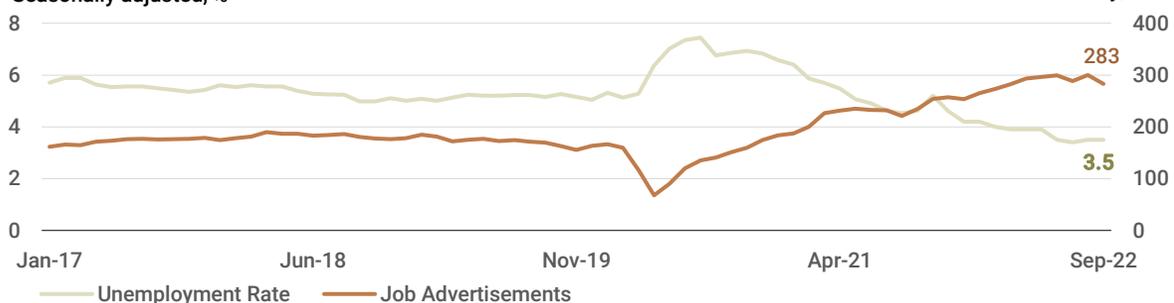
## RESIDENTIAL DWELLING VALUES<sup>2</sup>

Index: 2 May 2020 = 100



## UNEMPLOYMENT RATE<sup>1</sup>

Seasonally adjusted, %

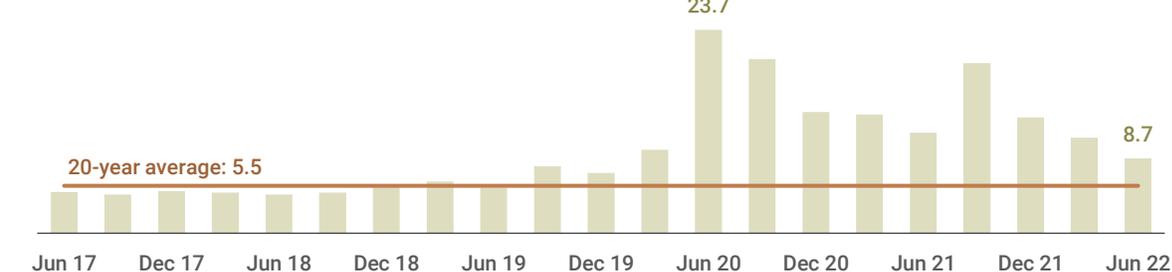


## JOB ADVERTISEMENTS<sup>3</sup>

Monthly, '000

## HOUSEHOLD SAVINGS RATIO<sup>1</sup>

%



1. Australian Bureau of Statistics.

2. CoreLogic.

3. Australian Government Labour Market Information Portal, Vacancy Report.

# SEPTEMBER 2022 PORTFOLIO PERFORMANCE



## Quarterly sales growth (vs 2019)

**+21.2%** Jun-22 qtr: +19.9%

- Majors +15.5%, Mini Majors +33.2% and Specialties +23.7%
- Reflects +6.6% annual growth

## Occupancy rate

**98.4%** Jun-22: 98.3%

- Marginal improvement across the portfolio, including CBD assets

## Centre visitation

**86%** Jun-22 qtr: 84%

- Ex-CBDs visitation at 92% and during the month of September, was 95%

## Cash collections

**95%** FY22: 91%

- Majors and Nationals retailers returned to pre-COVID levels, while SME collections have also improved

## Leasing spreads

**-0.4%** FY22: -4.8%

- Spreads show five quarters of continuous improvement
- Supported by strong outcomes at Chadstone and Outlet Centres



QueensPlaza, QLD



Breitling | Chadstone



Manon Brasserie | Queen Victoria Building



P.E Nation | The Galleries



NBA Store | Emporium Melbourne



Freskin Beauty | Chatswood Chase Sydney



Balenciaga | QueensPlaza



All Asia | Cranbourne Park



Sacca's Fine Foods | Broadmeadows Central



Tommy Hilfiger | DFO South Wharf



Decjuba | Bayside

# DEVELOPMENT PIPELINE



CHADSTONE, VIC – THE SOCIAL QUARTER  
(ARTIST'S IMPRESSION)



CHADSTONE, VIC – ONE MIDDLE ROAD OFFICE TOWER AND FRESH FOOD PRECINCT  
(ARTIST'S IMPRESSION)



BOX HILL CENTRAL SOUTH, VIC –  
COLES FRESH FOOD MALL



BANKSTOWN CENTRAL, NSW –  
COLES FRESH FOOD MALL

# SUMMARY AND FY23 GUIDANCE

FY22 driven by strong operational execution and financial stewardship in a supportive retail environment



## FY22; A YEAR OF RECOVERY, EXECUTION AND PROGRESS AT VICINITY

- Execution of long-term strategy whilst continuing to meet the demands of the pandemic
- Focus on delivering quality leasing outcomes that lock in current and future rental growth
- Enhanced core portfolio via strategic transactions
- Bolstered Vicinity's position as a partner of choice for growth-oriented retailers
- Transitioning from planning to execution of retail and mixed-use development pipeline
- Flexible balance sheet and prudent management of debt profile maintained

## RETAIL CONTINUES TO DEMONSTRATE RESILIENCE AMID SHIFTING MACRO-ENVIRONMENT

- Consumers continue to show confidence and capacity to spend
- Retailer confidence to lock in new deals on Vicinity's standard lease terms remains robust
- Potential for inflation and rising interest rates to adversely affect consumer spend
- Continued support of CBD and SME retailers expected in FY23

FY23 FFO PER SECURITY  
GUIDANCE<sup>1</sup>

13.0 TO 13.6 CENTS

REFLECTS 10% TO 15% GROWTH  
ADJUSTING FOR WAIVERS AND PROVISIONS  
WRITTEN BACK IN FY22

FY23 AFFO PER SECURITY  
GUIDANCE<sup>1</sup>

10.9 TO 11.5 CENTS

FY23 DISTRIBUTION EXPECTED TO BE WITHIN  
VICINITY'S TARGET PAYOUT RANGE

95–100% OF AFFO

1. Vicinity's guidance assumes no material deterioration in existing economic and COVID-related conditions. The midpoints of Vicinity's FY23 FFO and AFFO guidance ranges assume an average three-month bank bill swap (BBSW) rate of 3.25% p.a., noting that ~80% of forecast drawn debt is hedged over FY23.

# CONTACT DETAILS AND DISCLAIMER



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## AUTHORISATION

The Chairman of Vicinity Centres, Mr Trevor Gerber, has authorised that this document be given to ASX.

## DISCLAIMER

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This presentation contains forward-looking statements, including statements, indications and guidance regarding future performance. The forward-looking statements are based on information available to Vicinity Centres as at the date of this presentation (16 November 2022). These forward-looking statements are not guarantees or predictions of future results or performance expressed or implied by the forward-looking statements and involve known and unknown risks, uncertainties, assumptions and other factors, many of which are beyond the control of Vicinity Centres. The actual results of Vicinity Centres may differ materially from those expressed or implied by these forward-looking statements, and you should not place undue reliance on such forward-looking statements. Except as required by law or regulation (including the ASX Listing Rules), we do not undertake to update these forward-looking statements.