

# FY24 Interim Results

15 FEBRUARY 2024



WELCOME



AGENDA

04

Overview and portfolio performance

10

Financial results

14

Development update and summary

19

Appendices



PETER HUDDLE  
CEO and Managing Director



ADRIAN CHYE  
Chief Financial Officer



## ACKNOWLEDGEMENT OF COUNTRY

Vicinity Centres acknowledges the Traditional Custodians of the land and pays respect to Elders past and present. As a business that operates in many locations across the nation, we recognise and respect the cultural heritage, beliefs, and relationship with the land, which continue to be important to the Traditional Custodians living today.





# OVERVIEW AND PORTFOLIO PERFORMANCE

PETER HUDDLE  
CEO AND MANAGING DIRECTOR





# 1H FY24 FINANCIAL AND OPERATIONAL HIGHLIGHTS

Vicinity Centres delivers resilient operational and financial results and demonstrates execution of long-term growth strategy



**\$223.5M**

**STATUTORY NET PROFIT AFTER TAX**

1H FY23: \$176.3m

**\$345.6M**

**FUNDS FROM OPERATIONS (FFO)<sup>1</sup>**

Down 3.2% on 1H FY23  
Adjusted for one-offs<sup>2</sup>, FFO up 2.9%

**5.85C**

**DISTRIBUTION PER SECURITY**

1H FY23: 5.75c

**+4.0%**

**COMPARABLE NPI<sup>3</sup> GROWTH**

Driven by robust trading conditions

**+3.3%**

**LEASING SPREAD**

FY23: +0.3%

**99.1%**

**OCCUPANCY**

Jun 23: 98.8%

**+1.5%**

**PORTFOLIO 1H FY24 SALES GROWTH**

Specialty and mini majors: +1.2%

**13.7%**

**SPECIALTY OCCUPANCY COSTS**

Jun-23: 13.5%  
Pre-COVID<sup>4</sup>: 15.0%

**\$12,733/sqm**

**SPECIALTY MAT PRODUCTIVITY**

Jun-23: \$12,644  
Pre-COVID<sup>4</sup>: \$11,403



Chadstone, VIC

1. Refer to slide 27 for definition of FFO and reconciliation of FFO to statutory net loss/profit. FFO is a non IFRS measure.
2. One-off items include reversal of prior year waivers and provisions, and the impact of divestment of Broadmeadows Central.
3. Comparable NPI excludes reversals of prior year waivers and provisions, transactions and development impacts.
4. Pre-COVID metrics relate to 31 December 2019.

# EXECUTION OF REFRESHED STRATEGY

Significant momentum set, and progress made across Vicinity's strategic priorities in 1H FY24



## ENHANCE THE INVESTMENT PORTFOLIO

- Acquisition<sup>1</sup> of 49% of Chatswood Chase Sydney; iconic, premium mall with strong growth potential
- Divestment<sup>1</sup> of c.\$316m of assets at a blended 13.2% premium to June 2023 book values
- Redevelopment of Chatswood Chase Sydney's lower ground fresh food and dining nearing completion
- Chadstone's new fresh food precinct opening in stages, with new Coles and Aldi stores open pre-Christmas

## DELIVER PROPERTY EXCELLENCE

- Completed portfolio deal with Coles across 20 sites, locking income in for average 7-year extension
- New Media sales partnership with Cartology agreed (part of Woolworths Group Limited). New model is expected to deliver greater certainty of income and enhanced commercial value
- High quality leasing activity despite moderating sales environment; increased WALE, positive spreads, minimised income at risk and increased occupancy

## MAINTAIN STRONG FINANCIAL STEWARDSHIP

- Conservative gearing maintained at 26.3%; 87% of debt hedged
- Combination of new debt and asset sales to fund acquisitions, development pipeline and near-term debt expiries

## ENABLE GOOD BUSINESS

- New employee wellbeing platform launched, supporting our continued focus on holistic health, safety and wellbeing of our people
- On track to achieve Net Zero for Scope 1 and Scope 2 emissions for common mall areas across wholly-owned assets by 2030
- Achieved ISO 27001 certification for information security

1. Transactions settled and/or executed binding contracts for transactions due to settle in 2H FY24.

## ENHANCING THE INVESTMENT PORTFOLIO

Upweighting portfolio to premium retail malls that offer superior long-term growth potential while preserving Vicinity's strong balance sheet



### ACQUIRED 49% OF CHATSWOOD CHASE SYDNEY AT ATTRACTIVE DISCOUNT

49% interest in premium asset on Sydney's North Shore acquired for \$307m<sup>1</sup>; 6.5% discount to June 2023 book value

Settlement expected 15 March 2024

Unlocks major luxury-anchored development; presently the largest and most transformational project in Australian retail property sector

64% of income secured via heads of agreement

Construction of significantly revitalised lower ground fresh food and dining development nearing completion

### ACQUISITION PRICE FULLY FUNDED BY DIVESTMENTS

Divestments<sup>2</sup> of c.\$316m of assets secured, at a blended premium of 13.2% to June 2023 book values

Discussions underway for divestment of additional assets at acceptable pricing

DIVESTMENTS	Sale price	Premium to book value	Settlement
Kurralta Central, SA	74.3	31.0%	29 Feb 24
Roxburgh Village, VIC	123.6	9.4%	8 Mar 24
Dianella Plaza, WA	76.3	5.9%	8 Mar 24
Ancillary properties	41.5	11.8%	
<b>Total (weighted average)</b>	<b>315.6</b>	<b>13.2%</b>	

Note: Totals may not sum due to rounding.

1. Excludes purchase price adjustments for development of approximately \$30m.

2. Includes divestments that settled and/or executed binding contracts for divestments due to settle in 2H FY24.





## RETAIL SALES

Retail sales growth remains positive however, the rate of growth continued to moderate in 1H FY24



### OBSERVABLE RESILIENCE IN RETAIL SALES, WHILE NEAR-TERM UNCERTAINTY REMAINS

Moderating sales growth rates reflect confluence of earlier and longer discounting, softening consumer demand amid cost-of-living pressures, and cycling of strong trading in prior period

International tourism nearing pre-COVID levels, migration at historical highs and tight employment market underpinning current and longer-term resilience

### SHOPPERS SHOWING WILLINGNESS TO SPEND, BUT ARE MORE VALUE CONSCIOUS

Total portfolio retail sales<sup>1</sup> growth of 1.5% in 1H FY24 largely driven by food including fresh food, dining and supermarkets as well as sporting goods, cosmetics and retail services

Retail sales up 3.5% across Outlet portfolio in 2Q FY24, highlighting increased focus on value for shoppers and portfolio diversity benefits Outlet Centres provide

CBD recovery also driving sales growth in 1H FY24, up 5.6%

Small and Medium Enterprise (SME) retailers well positioned in moderating environment with sales up 6.1% in 1H FY24, and shoppers continuing to show preference for SME-oriented categories of services, food and other experiential retail

Same-store luxury sales growth up 0.7% for 1H FY24, cycling exceptional growth rates in the prior year

Lower Apparel and Footwear, Homewares and Jewellery sales reflects cycling of strong growth post pandemic

Following negative sales growth in October, combined November/December retail sales up 1.3% demonstrating shoppers view Black Friday as a key part of the broader Christmas trading period

### CAUTIOUS OUTLOOK FOR 2H FY24 MAINTAINED GIVEN MODERATION OF GROWTH IN DECEMBER 2023 QUARTER

1. Sales are reported for comparable centres, which excludes divestments and development-impacted centres in accordance with Shopping Centre Council of Australia (SCCA) guidelines. Also excludes travel sales.
2. Other retail includes cinemas, auto accessories, lotteries and other entertainment.

### TOTAL PORTFOLIO SALES<sup>1</sup> VS PRIOR YEAR (% growth)

	MAT	Six months		Quarters		
	Dec-23	Jun-23	Dec-23	Jun-23	Sep-23	Dec-23
Specialty stores	5.1	10.0	0.8	3.6	1.4	0.4
Mini majors	5.1	8.4	2.2	3.4	3.3	1.4
<b>Specialties and mini majors</b>	<b>5.1</b>	<b>9.5</b>	<b>1.2</b>	<b>3.6</b>	<b>1.9</b>	<b>0.7</b>
Supermarkets	4.8	5.7	3.9	5.3	4.5	3.4
Discount department stores	5.0	7.8	2.9	4.4	2.7	3.0
Other retail <sup>2</sup>	(1.1)	2.9	(3.3)	3.2	7.0	(13.1)
Department stores	(0.3)	5.5	(4.6)	(1.4)	(4.6)	(4.5)
<b>Total portfolio</b>	<b>4.5</b>	<b>8.0</b>	<b>1.5</b>	<b>3.8</b>	<b>2.7</b>	<b>0.6</b>

### SPECIALTY AND MINI MAJOR SALES<sup>1</sup> VS PRIOR YEAR

Food retail	9.8	14.7	4.6	11.8	2.2	6.9
Food catering	15.1	21.1	9.4	12.8	10.1	8.9
Apparel & footwear	2.6	7.8	(1.5)	(0.2)	(0.8)	(2.0)
Jewellery	7.3	14.6	1.4	7.8	5.2	(1.1)
Leisure	6.5	9.1	3.7	3.1	4.0	3.5
Homewares	(2.5)	0.8	(5.0)	(0.1)	(5.4)	(4.8)
General retail	6.1	7.6	4.3	5.5	4.9	3.9
Mobile phones	8.6	13.0	4.2	12.7	4.8	3.6
Retail services	7.6	9.6	4.4	4.7	5.4	3.5
<b>Total specialties and mini majors</b>	<b>5.1</b>	<b>9.5</b>	<b>1.2</b>	<b>3.6</b>	<b>1.9</b>	<b>0.7</b>



# LEASING

Acting at pace to embed earnings resilience in FY24 and beyond with high-quality, long-term leasing deals, despite moderating sales



## RETAILER CONFIDENCE TO COMMIT TO LONG-TERM LEASES REMAINS ROBUST

676 comparable deals at +3.3% leasing spread

Apparel & Footwear, Leisure and Jewellery delivered high single digit spreads, highlighting resilient retailer confidence, despite moderating retail sales growth rates

Demand for premium centres continued; collectively, Chadstone and Outlets delivered +12.6% leasing spread

Specialty occupancy cost ratio of 13.7% provides opportunity for continued rental income growth

## HIGH QUALITY DEALS SUPPORT CURRENT AND FUTURE INCOME GROWTH

Occupancy increased to 99.1%; highest level since pre-COVID

Average tenure of leases increased to 4.5 years, up from 4.1 years over FY23

83% of new leases had fixed annual escalators of 5% and in total, 97% of new leases have fixed annual escalators of at least 4%, equating to an average annual escalator of 4.8%

133 vacancies leased during 1H FY24 representing c.16,000 sqm

Portfolio holdovers reduced (by count) and remain low at 4% of income (Jun 23: 4% of income)

### LEASING SPREADS

**+3.3%**

FY23: +0.3%

### OCCUPANCY

**99.1%**

Jun 23: 98.8%

### TENANT RETENTION

**77%**

FY23: 74%

### 1H FY24 LEASE TENURE

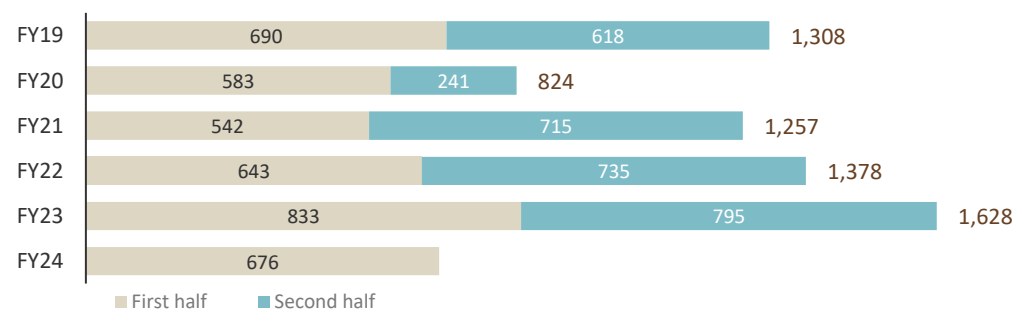
**4.5 years**

FY23: 4.1 years

## LEASING STATISTICS

	1H FY24	FY23	1H FY23
Total <sup>1</sup> deals completed	1,006	2,249	1,163
Comparable deals completed	676	1,628	833
Leasing spreads (%)	3.3	0.3	(0.1)
Specialty occupancy cost ratio <sup>3</sup> (%)	13.7	13.5	13.9
Specialty MAT productivity <sup>3</sup> (\$/sqm)	12,733	12,644	12,159
Tenant retention (%)	77	74	76
WALE <sup>2,3</sup> – total portfolio (years)	3.6	3.3	3.3
Holdovers <sup>3</sup> – total portfolio	364	375	488
Holdovers <sup>3</sup> – excluding strategic development held	233	253	409

## COMPARABLE LEASING DEALS COMPLETED<sup>1</sup>



1. Total leasing deals includes non-comparable deals – development-impacted, reconfigurations and third-party assets.
2. Weighted average lease expiry by income.
3. At period end.

# FINANCIAL RESULTS

ADRIAN CHYE  
CHIEF FINANCIAL OFFICER





# FINANCIAL RESULTS

## Income statement and FY24 earnings guidance



### EARNINGS PERFORMANCE

Statutory net profit of \$223.5m

FFO down 3.2%, adjusted for one-off items<sup>1</sup> FFO was up 2.9%

Headline NPI down 1.7%, comparable<sup>2</sup> NPI was up 4.0%

1H FY24 distribution of 5.85 cents per security; represents payout ratio of 84% of AFFO (1H FY23: 79%)

### DRIVERS OF EARNINGS PERFORMANCE

**Comparable<sup>2</sup> NPI** – up 4.0% benefiting from strong rental growth, higher occupancy rate and continued recovery in CBD assets

**Net corporate overheads** – \$2.9m reduction in expenditure versus 1H FY23 due to lower insurance costs, concerted focus on corporate efficiencies and capitalisation of development costs

**Net interest expense** – 8.4% increase in interest costs principally from higher interest rates

**Maintenance capital and lease incentives** – annual spend expected to remain around \$100m

### FY24 EARNINGS GUIDANCE<sup>3</sup>

FY24 FFO and AFFO per security expected to be around the top end of the ranges of 14.1 to 14.5 cents and 11.8 to 12.2 cents, respectively, largely reflecting stronger than expected trading conditions in 1H FY24

Distribution payout ratio for FY24 expected to be at the lower end of the guidance range of 95% to 100% of AFFO

Expected investment expenditure in FY24 now expected to be c.\$350m in FY24 (previously, \$400m) reflecting delayed redevelopment of Galleria in Western Australia, and increased development spend following settlement of the acquisition of the 49% interest in Chatswood Chase

	1H FY24	1H FY23	Variance	Variance
	(\$m)	(\$m)	(\$m)	(%)
Net property income (NPI)	451.6	459.6	(8.0)	(1.7)
External management fees	32.5	31.6	0.9	2.8
<b>Total income</b>	<b>484.1</b>	<b>491.2</b>	<b>(7.1)</b>	<b>(1.4)</b>
Net corporate overheads	(44.0)	(46.9)	2.9	(6.2)
Net interest expense	(94.5)	(87.2)	(7.3)	8.4
<b>Funds from operations (FFO)<sup>4</sup></b>	<b>345.6</b>	<b>357.1</b>	<b>(11.5)</b>	<b>(3.2)</b>
Maintenance capex and lease incentives	(27.4)	(24.3)	(3.1)	12.8
<b>Adjusted FFO (AFFO)<sup>5</sup></b>	<b>318.2</b>	<b>332.8</b>	<b>(14.6)</b>	<b>(4.4)</b>
<b>Statutory net profit after tax</b>	<b>223.5</b>	<b>176.3</b>		
FFO per security (cents) <sup>6</sup>	7.59	7.8	(0.3)	(3.2)
AFFO per security (cents) <sup>6</sup>	6.99	7.3	(0.3)	(4.4)
Distribution per security (cents)	5.85	5.75	0.10	1.7
Distribution payout ratio (%) <sup>7</sup>	84	79		

1. One-off items include reversal of prior year waivers and provisions, and the impact of divestment of Broadmeadows.
2. Comparable NPI excludes reversals of prior year waivers and provisions, transactions and development impacts.
3. Guidance assumes no material deterioration in economic conditions.
4. Refer to slide 27 for definition of FFO and reconciliation of FFO to statutory net loss after tax. FFO is a non IFRS measure.
5. Refer to footnote 1 on slide 27 for definition of AFFO which is a non IFRS measure.
6. The calculation of FFO and AFFO per security for each period uses the weighted average number of securities on issue.
7. Calculated as: Total distributions declared (\$m)/Total AFFO (\$m).

# 1H FY24 VALUATIONS

Long-term income growth supported by strong leasing activity, offset 90% of impact of modest capitalisation rate expansion



## 1H FY24 VALUATIONS DOWN 1.0% OR \$143M<sup>1</sup>

Weighted average capitalisation rate (WACR) softened 18 bps (2H FY23: 16 bps)

Valuation result driven by softening in valuation metrics and higher outgoings, partly offset by continued resilience in income growth

- Income growth offset approximately 90% of the adverse impact of capitalisation rate expansion, adding 3.0% to the portfolio valuations

Chadstone and Outlet portfolio valuations saw strong income growth which largely offset the cap rate softening

Valuations of Regional and CBD centres were impacted by a number of assets that experienced limited growth in market income while valuation metrics softened

- Chatswood Chase Sydney valuation reflected the discounted acquisition price for the remaining 49% interest, plus works completed on the fresh food and dining project in the half

Sub regional centres were impacted by softer valuation metrics, offset by steady income growth and strong gains on assets held for divestment post balance date

## NET TANGIBLE ASSETS PER SECURITY (NTA) OF \$2.29

NTA down one cent, or 0.6%<sup>2</sup>, compared to June 2023

1H VALUATIONS <sup>1</sup>	No. of Centres	Valuation (\$m)	Variance (%)	Capitalisation rate (%)	Movement (bps)
Super Regional	1	3,375	(0.2)	4.00	13
CBD Retail	7	1,933	(2.2)	5.34	20
Outlet Centres	8	2,341	(0.1)	5.95	24
Regional	16	3,805	(2.5)	6.52	24
Sub Regional	24	2,711	0.2	6.43	10
Neighbourhood	3	190	0.3	6.05	4
<b>Total portfolio (weighted avg)</b>	<b>59</b>	<b>14,356</b>	<b>(1.0)</b>	<b>5.65</b>	<b>18</b>

Note: Totals may not sum due to rounding.

1. Valuation movements are for the six months ended 31 December 2023. Reflects Vicinity's ownership interest and excludes statutory accounting adjustments.

2. Growth rate calculated based on NTA rounded to four decimal places.



# CAPITAL MANAGEMENT

Disciplined approach to capital management maintained; balance sheet well positioned to support growth priorities



## PROACTIVE CAPITAL MANAGEMENT

\$675m of new or extended bank debt facilities

87% of drawn debt currently hedged, with a modest step down in FY25

Total debt facilities of \$5.3b, with liquidity of \$1.4b

## STRONG BALANCE SHEET AND CAPITAL FLEXIBILITY MAINTAINED

Gearing<sup>1</sup> of 26.3% (Jun-23: 25.6%)

Adjusting for sale of Roxburgh Village, Kurralt Central and Dianella Plaza and the acquisition of Chatswood Chase, pro-forma gearing is 26.6%

Weighted average cost of debt<sup>2</sup> increased to 4.9% (FY23: 4.6%)

Weighted average debt duration<sup>3</sup> of 3.6 years (Jun-23: 4.0 years<sup>4</sup>)

## STRONG INVESTMENT-GRADE CREDIT RATINGS UNCHANGED

S&P – A/stable

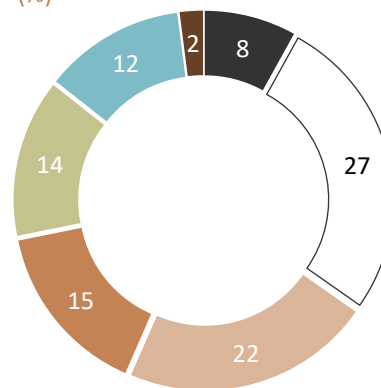
Moody's – A2/stable

NOTES: Refer to slide 29 for more debt metrics and hedging profile.

1. Calculated as drawn debt, net of cash and cash equivalents, divided by total tangible assets excluding cash and cash equivalents, right of use assets, net investment leases, investment property leaseholds and derivative financial assets.
2. The average over the six months (ended 31 Dec) and 12 months (ended 30 Jun). Inclusive of margin, line fees and establishment fees.
3. Weighted average debt duration based on drawn debt.
4. Includes capital management activities undertaken post period end.

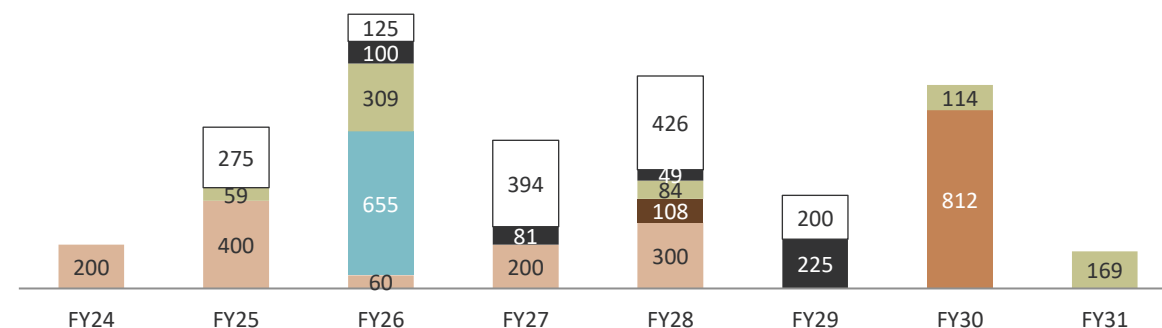
## DEBT SOURCES

(%)



## DEBT MATURITY PROFILE

(\$m)



# DEVELOPMENT UPDATE AND SUMMARY

PETER HUDDLE  
CEO AND MANAGING DIRECTOR





# CHADSTONE MIXED-USE PROJECT OPENS FIRST STAGE

Fully integrated mixed-use development; One Middle Road office tower with fresh food Market Pavilion and alfresco dining precinct



## MARKET PAVILION AND ALFRESCO DINING FIRST STAGE OPENED

Coles, Aldi and nine fresh food retailers and services opened December 2023

The Market Pavilion, including a range of market leading and iconic food offerings and a full line Asian grocer, will open in 1Q FY25

The alfresco Asian laneway-style dining precinct to open in mid 2024

Leasing progressing well with 67% of income secured

## ONE MIDDLE ROAD OFFICE TOWER LEASING WELL PROGRESSED

20,000 sqm nine-level office tower

Anchored by Adairs, pre-leasing of One Middle Road well progressed

## EXPECTING RETURNS IN LINE WITH TARGET RANGES

Total project cost of \$250m<sup>1</sup>

Estimated yield<sup>2</sup> of c.5.5% and IRR of 10% to 11%

1. Vicinity share and includes significant carpark expansion.
2. Stabilised yield.



Chadstone, VIC – One Middle Road artist's impression

# REDEVELOPMENT OF CHATSWOOD CHASE SYDNEY

The most exciting and transformational project to be undertaken in Australian retail property today, and into the foreseeable future



## FRESH FOOD AND DINING DEVELOPMENT; FIRST RETAILERS OPENED

Revitalised lower ground comprises 66 stores incorporating existing and new retailers

Coles to undertake a full store refurbishment in late 2024

Retailer openings commenced in November 2023, including Tong Li Supermarket, Cali Press, Astakos Fish Market, Scoop Wholefoods, Quattro Deli and Yangga Korean Deli

Construction to be completed in April 2024

## MAJOR REDEVELOPMENT; EARLY WORKS HAVE COMMENCED

Project incorporates luxury, Australian-designer, technology and new-to-market concepts

Pre-leasing well progressed with 64% of income now secured<sup>1</sup>

David Jones to undertake full refurbishment and downsize into 13,262 sqm (currently 19,275 sqm)

8,270 sqm to be dedicated to new luxury retailers (79% committed to date via heads of agreement)

18-month construction program from March 2024 to September 2025

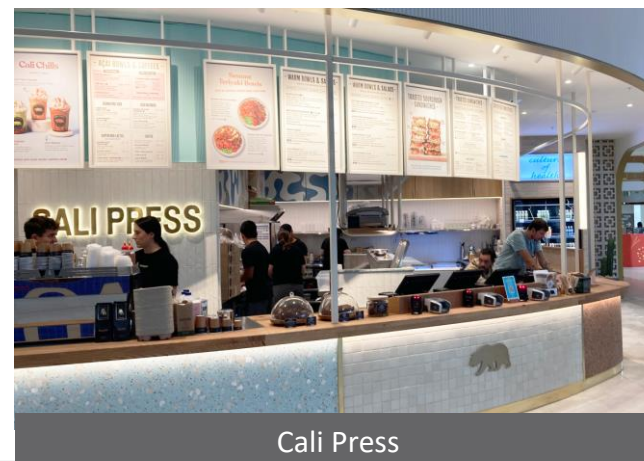
Staged opening expected from July 2025

## MAIN PROJECT RETURNS IN LINE WITH TARGET RANGES

Project cost of \$620m<sup>2</sup>

Estimated yield<sup>3</sup> of >6% and IRR of >10%

1. Via heads of agreement.
2. Assumes 100% ownership basis.
3. Stabilised yield.





# VICINITY’S SUSTAINABILITY JOURNEY

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



ON TRACK TO ACHIEVE NET ZERO FOR SCOPE 1 AND SCOPE 2 EMISSIONS FOR COMMON MALL AREAS ACROSS WHOLLY-OWNED ASSETS BY 2030 (NET ZERO TARGET)

2023 SUSTAINABILITY AND MODERN SLAVERY REPORTS RELEASED

SUSTAINABILITY PROGRAM RECOGNISED

#2 in Oceania in Listed Retail Shopping Centres category – GRESB<sup>1</sup>

Vicinity became a DJSI<sup>2</sup> Sustainability Yearbook Member, ranking in 95th percentile for overall score

ELEVATED FOCUS ON COMMUNITY PROGRAMS

Staff volunteering rate 2.6x FY23 rate

Employee giving rate 1.3x FY23 rate

Community grants program expanded



1. Global Real Estate Sustainability Benchmark which includes listed and unlisted funds.  
2. Dow Jones Sustainability Index.  
3. NABERS Sustainable Portfolio Index 2023.

# SUMMARY AND VICINITY'S INVESTMENT PROPOSITION

1H FY24 a period of execution of Vicinity's property-led strategy, intense prioritisation and focus on sustained value growth



## STRONG INTERIM RESULTS AND DEMONSTRATED EXECUTION OF LONG-TERM STRATEGY

Results highlight laser focus on embedding resilient earnings growth profile in FY24 and beyond, despite moderating retail sales environment

Curating a reputation for delivering short-term value whilst concurrently investing in future growth priorities

Disciplined approach to capital deployment maintained and steadfast focus on delivering targeted returns

Demonstrated appetite to recycle capital to create value growth and support balance sheet flexibility

Strong balance sheet maintained and remains a key enabler of investment strategy

## VICINITY'S INVESTMENT PROPOSITION

**Prized asset portfolio, long-term partnerships, strong balance sheet and proven track record of delivering value growth**

- Chadstone is Australia's #1 retail asset recognised globally with significant future growth potential
- Pre-eminent CBD portfolio; destination for domestic and international tourists, office workers and day trippers
- Australia's leading Outlet Centre portfolio with aspirations for expansion
- Diverse portfolio of retail assets, from Neighbourhood to Super Regional centres
- Value accretive retail and mixed-use development opportunities
- Strategic partnerships with retailers and co-owners in diversified, well capitalised asset portfolio a competitive advantage
- Prudently-managed balance sheet an enabler of investment in long-term growth priorities





**20**

Australian macroeconomic  
environment

**21**

Development pipeline

**22**

Direct portfolio

**26**

Assets under management

**27**

Financial results

**30**

Key dates

**31**

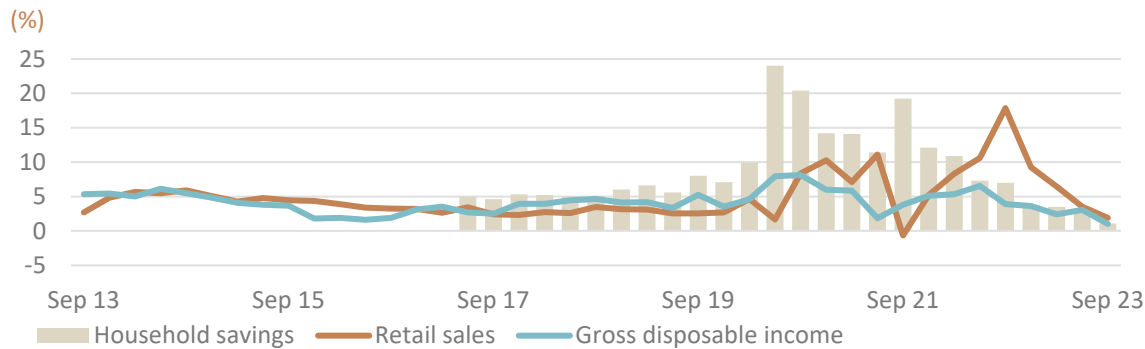
Contact details  
and disclaimer

# AUSTRALIAN MACROECONOMIC ENVIRONMENT

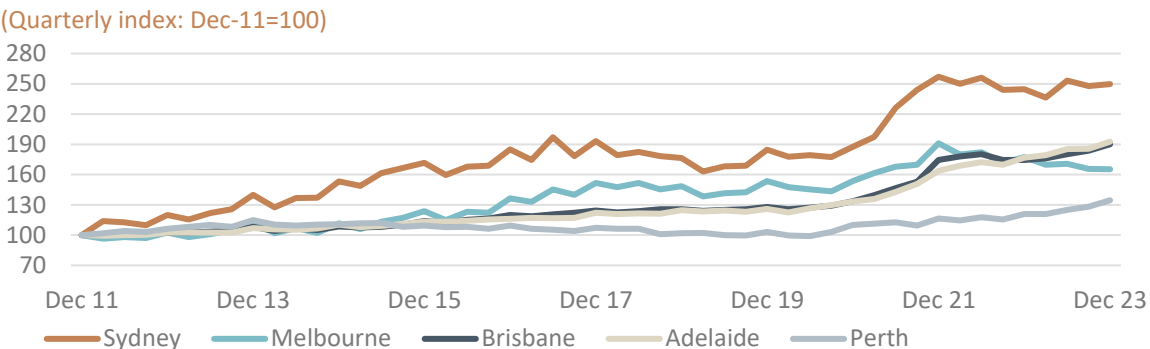
Ongoing resilience in consumer spending buoyed by tight employment market, while near-term uncertainty remains



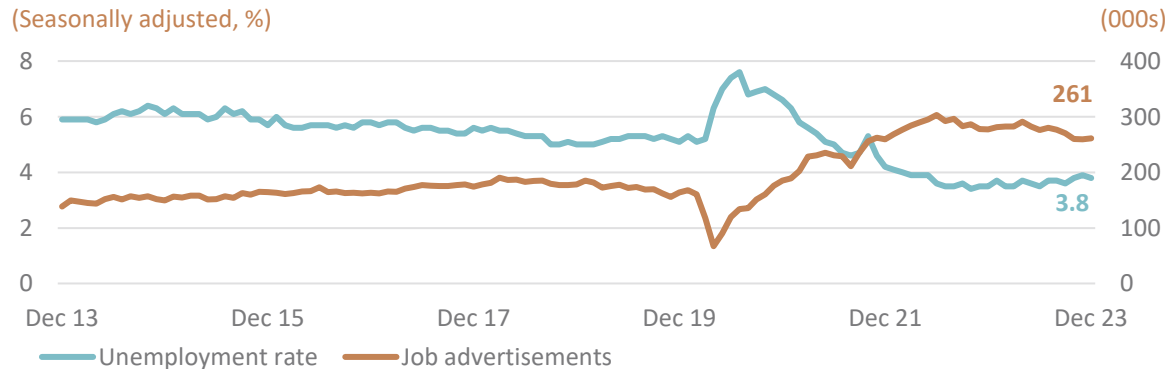
## INCOME, SALES AND SAVINGS<sup>1,2</sup>



## HOUSE PRICES<sup>2,3</sup>

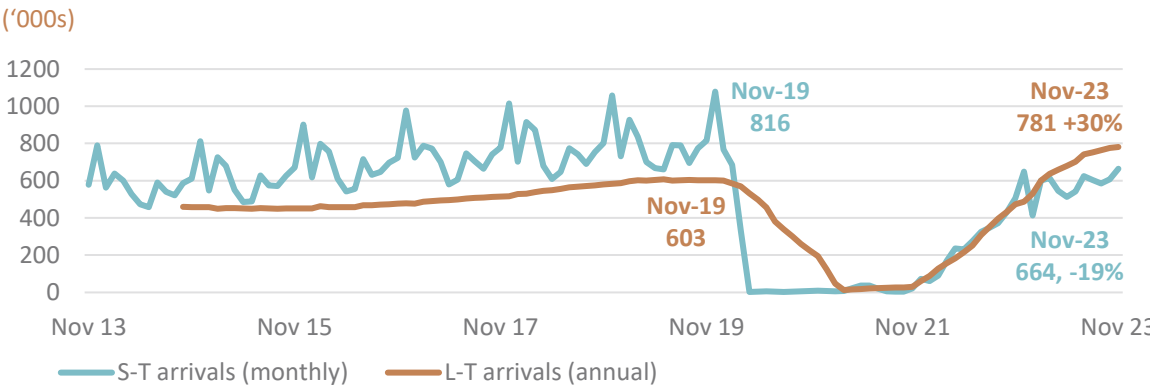


## UNEMPLOYMENT RATE<sup>2</sup>



## JOB ADVERTISEMENTS<sup>4</sup>

## INTERNATIONAL ARRIVALS – SHORT AND LONG-TERM<sup>2</sup>



1. Gross domestic income, Australian retail sales and household savings ratio.  
2. Australian Bureau of Statistics.  
3. CoreLogic.  
4. Australian Government Internet Vacancy Index.



## DEVELOPMENT PIPELINE

Near term development pipeline focused on premium retail investment while broader mixed-use development opportunities present potential upside over longer-term



Asset	Project	Est cost (\$m) <sup>1</sup>	FY24	FY25	FY26	FY27+
Chadstone	Mixed-use – One Middle Road office and retail	250				
	Retail – luxury brand expansion	75				
Chatswood Chase Sydney	Retail – lower ground dining and fresh food	60 <sup>2</sup>				
	Retail/Office – major retail development and office village	620 <sup>2</sup>				
Box Hill Central	Mixed-use – Residential and Office towers	750-800 <sup>3</sup>				
Bankstown Central	Office – Bankstown exchange and outdoor dining	150-160				
Uptown	Myer replacement	100-125				
Buranda Village	Office – Stage 1	300-350 <sup>3</sup>				
	Mixed-use – Retail and Residential	500-550 <sup>3</sup>				
Galleria	Retail – ELP, mall upgrade and supermarket precinct	90				
Victoria Gardens Shopping Centre	Mixed-use – Retail and Residential	180-200				
Other	Various <sup>4</sup>	100				

Note: Pipeline may not sum due to rounding of individual project costs. Timing, scope and cost of future projects subject to final feasibilities and approvals.

1. Based on Vicinity ownership.
2. Assumes 100% ownership basis.
3. 100% owned asset, capital partnering opportunities under review.
4. Includes but not limited to projects at Castle Plaza, Colonnades, DFO Perth, Emporium Melbourne and Grand Plaza.

● Completed
 ● Under construction
 ● DA received
 ● Planning

## DIRECT PORTFOLIO

Key statistics by centre type



	Total portfolio	Chadstone	Premium CBDs	Outlet Centres <sup>1</sup>	Core
Number of retail assets	59	1	7	8	43
Gross lettable area (000's) (sqm)	2,421	231	221	285	1,684
Total value <sup>2</sup> (\$m)	14,356	3,375	1,933	2,341	6,706
Portfolio weighting by value (%)	100	24	13	16	47
Capitalisation rate (weighted average) (%)	5.65	4.00	5.34	5.95	6.47
Occupancy rate (%)	99.1	99.7	99.6	99.2	99.0

NOTE: Totals may not sum due to rounding.

1. Includes DFO Brisbane business and Harbour Town Premium Outlets Gold Coast.

2. Reflects ownership share in investment properties and equity accounted investments.












## DIRECT PORTFOLIO

Key tenants













### TOP 10 BRANDS BY INCOME

Rank	Retailer	Retailer type	No. of stores	% of income
1		Supermarket	36	3.3
2		Supermarket	35	2.9
3		Discount department store	26	2.6
4	DAVID JONES	Department store	5	2.3
5		Department store	6	1.8
6		Discount department store	14	1.2
7		Discount department store	12	1.0
8		Cinema	6	0.8
9		Mini major	23	0.7
10		Specialty/Mini major	24	0.7
Top 10 total			187	17.3

NOTE: Totals may not sum due to rounding.

### TOP 10 TENANT GROUPS BY INCOME

Rank	Retailer	No. of leases	% of income	Brands
1		68	4.7	Kmart, Priceline, Priceline Pharmacy, Target, Clearskincare Clinics
2		47	3.9	Big W, Woolworths, Woolworths Liquor, Woolworths Petrol
3		49	3.6	Coles, Coles Express, First Choice Liquor, Liquorland, Vintage Cellars
4		5	2.3	David Jones
5		12	1.9	Myer, Marcs, sass & bide
6		137	1.5	Dotti, Jacqui E, Jay Jays, Just Jeans, Peter Alexander, Portmans, Smiggle
7		103	1.5	The Athlete's Foot, Dr Martens, Glue Store, Hype DC, Platypus Shoes, Skechers, Merrell, Timberland, Vans, 4Workers, Pivot, CAT, Saucony
8		23	1.4	Bvlgari, Celine, Chaumet, Dior, Fendi, Kenzo, Loewe, Louis Vuitton, Sephora, Tag Heuer, Tiffany & Co.
9		90	1.3	Connor, Johnny Bigg, Rockwear, Tarocash, YD
10		74	1.3	Cotton:On, Cotton:On Body, Cotton:On Kids, Cotton:On Mega, Factorie, Rubi Shoes, Supre, Typo
Top 10 total		608	23.2	

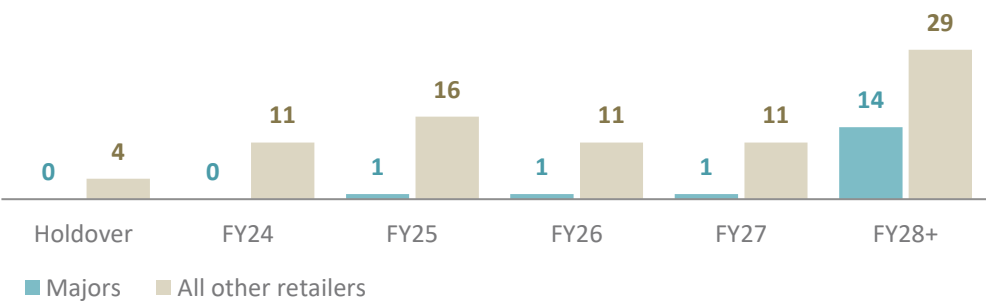
# DIRECT PORTFOLIO

Additional leasing disclosures



## LEASE EXPIRY PROFILE

(By income, %)



## WEIGHTED AVERAGE LEASE EXPIRY

(Years)

	Dec-23	Jun-23
By area	4.4	4.1
By income	3.6	3.3



Nepean Village, NSW



# DIRECT PORTFOLIO

Non-comparable centres for sales reporting



	Dec-23	Jun-23
Armidale Central, NSW	Major changeover	Major changeover
Bankstown Central, NSW	Development	Development
Box Hill Central, VIC	Major changeover and pre-development	Major changeover and pre-development
Chatswood Chase Sydney, NSW	Development	Development
Galleria, WA	Pre-development	Pre-development
Mornington Central, VIC	Major changeover	Major changeover
Northgate, TAS	Major changeover	Major changeover
Roxburgh Village, VIC	Major changeover	Major changeover
Uptown, QLD	Pre-development	Pre-development

# ASSETS UNDER MANAGEMENT

Approximately 6,700 tenants across 59 assets under management<sup>1</sup>



	DIRECT PORTFOLIO			ASSETS UNDER MANAGEMENT
	Wholly-owned	Jointly-owned	Total	Total <sup>1</sup>
Number of assets	30	29	59	59
Value <sup>2</sup> (\$m)	5,970	8,386	14,356	23,002
GLA (000, sqm)	887	1,535	2,421	
Number of tenants	2,552	4,100	6,652	
Total land area (000, sqm)	2,154	3,127	5,282	

NOTE: Totals may not sum due to rounding.  
1. Includes DFO Brisbane business and Harbour Town Premium Outlets Gold Coast.  
2. Reflects ownership share in investment properties and equity accounted investments.



## FINANCIAL RESULTS

### FFO reconciliation to statutory net profit after tax



	1H FY24	1H FY23
	(\$m)	(\$m)
<b>Statutory net profit after tax</b>	<b>223.5</b>	<b>176.3</b>
Property revaluation decrement for directly owned properties	76.0	56.7
Non-distributable loss relating to equity accounted investments	29.6	21.3
Amortisation of incentives and leasing costs	35.9	33.7
Straight-lining of rent adjustment	(1.8)	(3.5)
Net mark-to-market movement on derivatives	17.8	9.8
Net unrealised foreign exchange movement on interest bearing liabilities	(39.8)	42.1
Income tax expense	0.7	10.9
Preliminary development planning and marketing costs	1.0	1.0
Other non-distributable items	2.7	8.8
<b>Funds from operations<sup>1</sup></b>	<b>345.6</b>	<b>357.1</b>

1. FFO and AFFO are two key metrics Vicinity uses to measure its operating performance. FFO and AFFO are widely accepted measures of real estate operating performance. Statutory net profit is adjusted for fair value movements and certain unrealised and non-cash items to calculate FFO. FFO is further adjusted for maintenance capital expenditure and static tenant leasing costs incurred during the period to calculate AFFO. FFO and AFFO are determined with reference to the guidelines published by the Property Council of Australia and are non IFRS measures.

# FINANCIAL RESULTS

## Balance sheet

	Dec-23 (\$m)	Jun-23 (\$m)	Variance (\$m)
Cash and cash equivalents	95.6	192.9	(97.3)
Non-current assets held for sale	273.5	-	273.5
Investment properties <sup>1</sup>	14,012.0	14,288.4	(276.4)
Equity accounted investments <sup>1</sup>	415.6	437.5	(21.9)
Intangible assets	164.2	164.2	-
Other assets	469.3	501.6	(32.3)
<b>Total assets</b>	<b>15,430.2</b>	<b>15,584.6</b>	<b>(154.4)</b>
Borrowings	4,034.4	4,073.5	(39.1)
Other liabilities	816.0	873.0	(57.0)
<b>Total liabilities</b>	<b>4,850.4</b>	<b>4,946.5</b>	<b>(96.1)</b>
<b>Net assets</b>	<b>10,579.8</b>	<b>10,638.1</b>	<b>(58.3)</b>
Securities on issue (m)	4,552.3	4,552.3	-
Net tangible assets per security <sup>2</sup> (\$)	2.29	2.30	
Net asset value per security (\$)	2.32	2.34	

- Vicinity's ownership in Victoria Gardens Shopping Centre and Chatswood Chase Sydney are held within equity accounted investments.
- Calculated as balance sheet net assets less intangible assets, divided by the number of stapled securities on issue at period end. Includes right of use assets.



Queen Victoria Building, NSW



# FINANCIAL RESULTS

## Additional debt disclosures



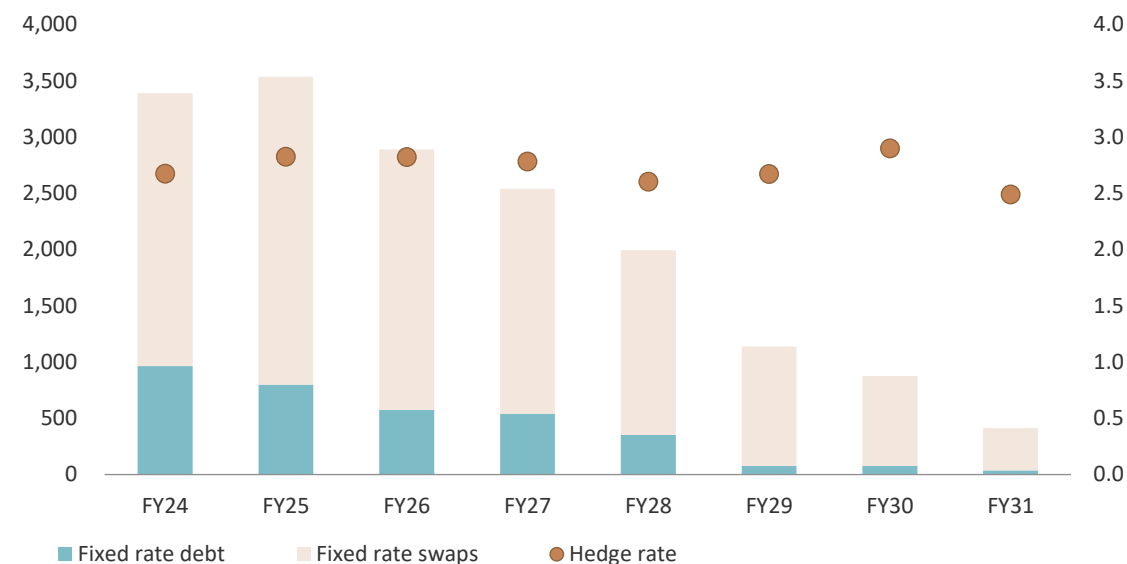
KEY DEBT STATISTICS	DEC-23	JUN-23
Total debt facilities	\$5.3b	\$5.0b
Drawn debt <sup>1</sup>	\$3.9b	\$3.8b
Gearing <sup>2</sup>	26.3%	25.6%
Weighted average cost of debt <sup>3</sup>	4.9%	4.6%
Weighted average debt duration based on limit	3.4 years	3.7 years <sup>4</sup>
Weighted average debt duration based on drawn debt	3.6 years	4.0 years <sup>4</sup>
Weighted average hedge rate <sup>5,6</sup>	2.7%	2.7%
Weighted average debt duration of hedged debt	3.8 years	4.4 years
Portion of debt hedged	87%	90% <sup>4</sup>
Interest cover ratio <sup>7</sup>	4.4x	4.6x
Credit ratings/outlook		
- Moody's Investors Service	A2/Stable	A2/Stable
- S&P Global Ratings	A/Stable	A/Stable

NOTES: Refer to slide 13 for more debt metrics.

1. Drawn debt is calculated using the hedged rate on foreign denominated borrowings and excludes fair value adjustments and deferred borrowing costs.
2. Calculated as drawn debt, net of cash and cash equivalents, divided by total tangible assets excluding cash and cash equivalents, right of use assets, net investment leases, investment property leaseholds and derivative financial assets.
3. The average over the six months (ended Dec-23) and 12 months (ended Jun-23). Inclusive of margin, line fees and establishment fees.
4. Inclusive of capital management activities undertaken post period end.
5. Hedge rate excludes margin and establishment fees on fixed rate debt and margin, line and establishment fees on floating debt that has been hedged with interest rate swaps.
6. Hedge rate is at period end.
7. Includes one-off or non-recurring items.
8. Hedge rate is the average of financial years.

## FIXED RATE INSTRUMENTS

(Weighted average, \$b)



## HEDGE RATE<sup>5,8</sup>

(Weighted average, %)

# KEY DATES<sup>1</sup>

Investor calendar



**15 February 2024**

FY24 interim results released and announcement of FY24 interim distribution

**20 February 2024**

Ex-distribution date for FY24 interim distribution

**21 February 2024**

Record date for FY24 interim distribution

**7 March 2024**

Payment date for FY24 interim distribution

**20 August 2024**

FY24 annual results released and announcement of FY24 final distribution

**29 October 2024**

2024 Annual General Meeting

1. These dates are indicative only and may be subject to change.



## CONTACT DETAILS AND DISCLAIMER



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### AUTHORISATION

The Board has authorised that this document be given to ASX.

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This document is a presentation of general background information about the activities of Vicinity Centres (ASX:VCX) current at the date of lodgement of the presentation. It is information in a summary form and does not purport to be complete. It is to be read in conjunction with the December 2023 Half Year Financial Report lodged with ASX on 15 February 2024.

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 (15 February 2024). 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.

Thank you

