

# SCENTRE GROUP

12 May 2022

## SCENTRE GROUP OPERATIONAL UPDATE

Scentre Group (ASX: SCG) today announced an operational update for the first three months to 31 March 2022.

Scentre Group CEO Peter Allen said: “I am very pleased with the Group’s operating performance for the first quarter. We have continued to drive more visitation and saw a significant increase in sales for our business partners, above pre-pandemic levels.

“Customer visitation is 12% higher than 2021 or 16% higher when excluding CBD centres. We are seeing week-on-week improvement across our suburban and CBD based centres.

“Demand from existing and new businesses who want to expand their physical store network continues.

“Our business partners are taking advantage of the benefits of well-located physical store networks in our destinations with sales exceeding pre-pandemic levels. Comparable majors and specialty sales were 11.2% higher in March 2022 compared to 2019 and for the quarter were 7.1% higher.

“Portfolio occupancy remains strong at 98.7% at the end of March 2022. Approximately 80% of our specialty leases are inflation linked with average annual rent escalations of CPI + 2%, the remaining 20% of specialty leases have fixed annual rent escalations with an average escalation of 4%. Specialty rent represents more than 90% of net operating income.

“Gross rent collection during the four-month period to 30 April 2022 was \$800 million.

“During the three months to 31 March 2022, the Group completed 536 lease deals, including 237 new merchants, welcoming 50 new brands to the portfolio.

“Westfield Direct, our aggregated ‘Click and Collect’ service, has experienced continued growth in customer and business engagement. Westfield Direct has over 200 sellers and more than 220,000 products. In the six months since launch, customers have placed over 40,000 orders, including more than 21,000 orders in the three months to 31 March 2022.

“Westfield Plus, our membership platform, has grown its membership to 2.5 million. The combination of these two initiatives provides us with first party data, creating opportunities to learn more about the customer and deliver what they want.

“During the quarter, we opened the \$55 million rooftop entertainment, leisure and dining precinct at Westfield Mt Druitt. During the first month of trading, customer visitation and dwell time has significantly increased, with an overall increase of 56% compared to the same period last year.”

The Group continues to make significant progress on its responsible business initiatives across community, people, environment, and economic performance. Our 2021 Responsible Business Report and 2021 Modern Slavery Statement were released on 17 March 2022.

**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

The \$355 million investment in Westfield Knox, Melbourne is progressing well with demolition complete, construction of the new structure underway, strong pre-leasing and in line with budget.

The design and construction on behalf of Cbus Property at 101 Castlereagh St in Sydney's CBD is well advanced with commencement of the construction of the new structure for the residential and commercial tower.

Scentre Group CFO and CEO-Elect Elliott Rusanow said “The Group has restructured its interest rate hedging profile to increase hedging in 2023 and 2024. Interest rate hedging at January 2023 has been increased from 50% to approximately 65%, with a weighted average rate of 1.87%. At January 2024 interest rate hedging has increased from 40% to approximately 50% with a weighted average rate of 1.79%.”

CEO Peter Allen said: “We are confident about the future of our business, the sustained economic recovery across Australia and New Zealand and people’s ongoing desire to gather in our destinations, socialising with each other and interacting with businesses and brands across our platform.

“The underlying structure of our revenue with inflation linked leases, provides long-term growth for our securityholders.

“In light of the improving conditions and strong performance of our business, earnings are expected to grow in excess of 5.3% in 2022.”

Subject to no material change in conditions, the Group expects to distribute at least 15.0 cents per security for 2022, representing at least 5.3% growth.

Authorised by the Chief Executive Officer.

Further information:

**Company Secretary**

Maureen McGrath  
+61 2 9358 7439

**Investor Relations**

Andrew Clarke  
+61 2 9358 7612

**Corporate Affairs/Media**

Alexis Lindsay  
+61 2 9358 7739

**About Scentre Group**

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

The financial information included in this release is based on Scentre Group’s IFRS financial statements. Non IFRS financial information has not been audited or reviewed. 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.



# SCENTRE GROUP

## Appendix

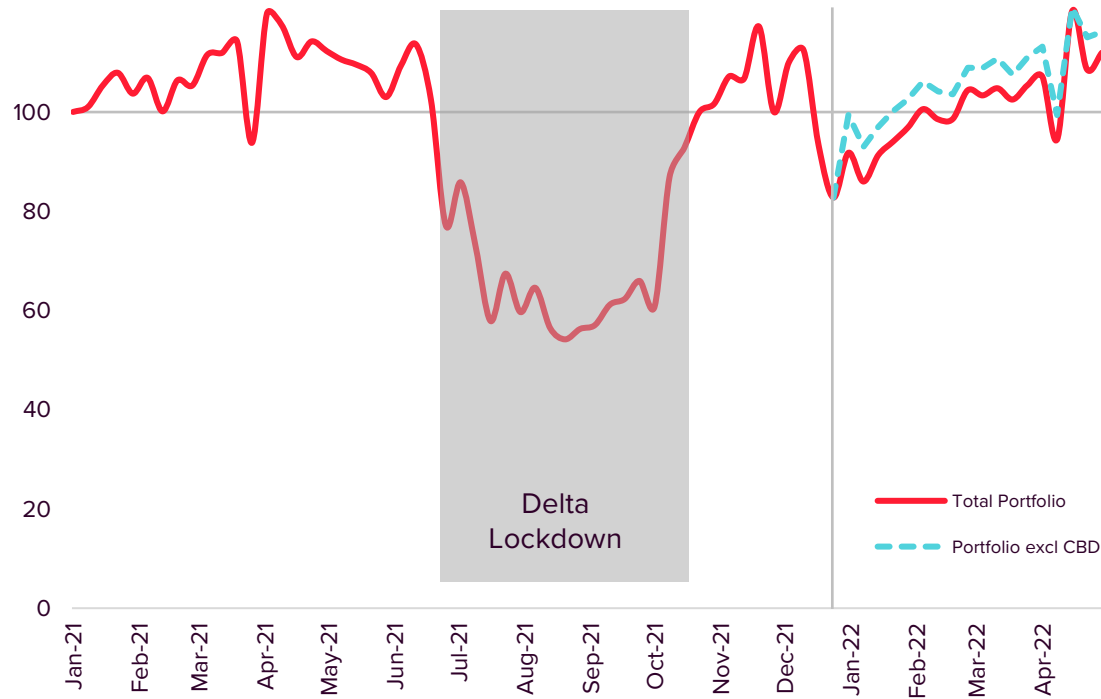
Q1 Operational Update | 2022



# Customer Visitation<sup>1</sup>

Average visitation across the portfolio continues to grow

## Weekly Customer Visitation since Jan 2021



Customer visitation is 112% of 2021 or 116% excluding CBD centres.

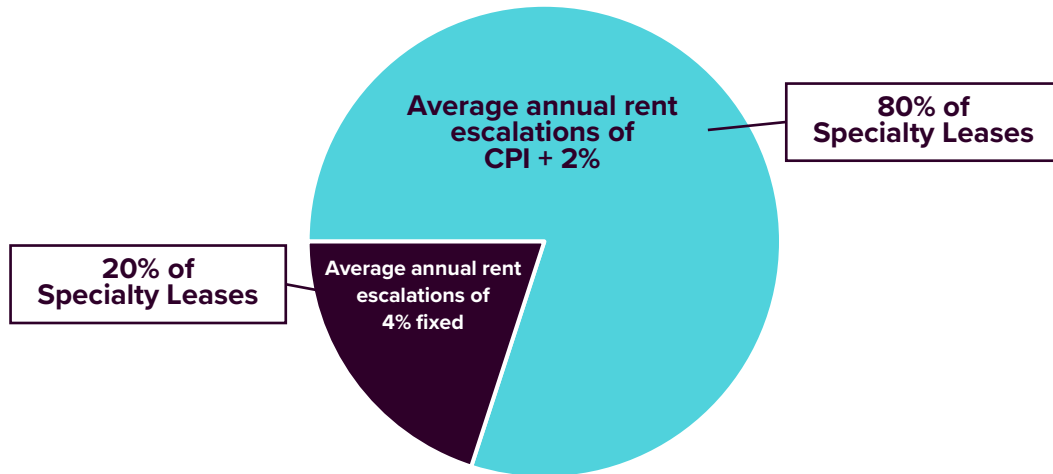
Customer visitation is 88% of 2019 or 92% excluding CBD centres.

■ Denotes lockdown period

1. Weekly customer visitation vs 2021, indexed to 100

# Specialty Rent

## Long-term leases with inflation linked annual rent escalations

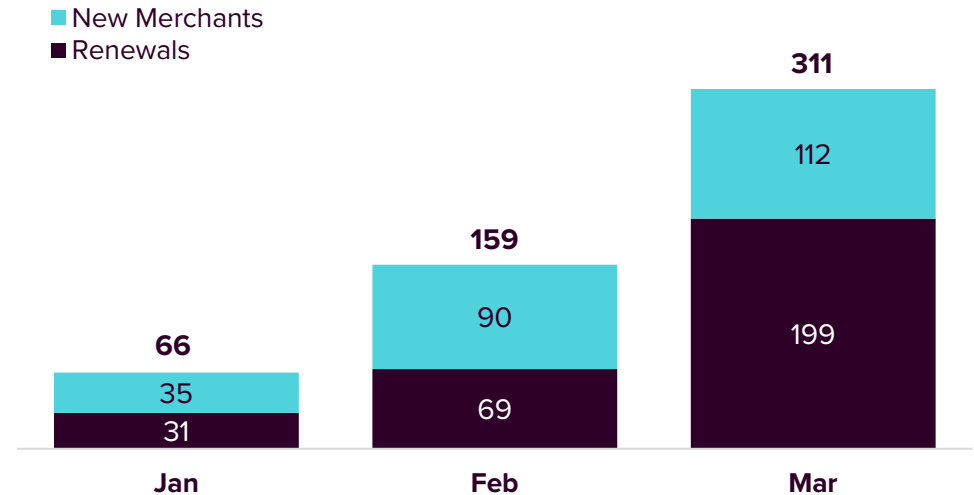


Portfolio occupancy has remained strong at 98.7% leased at the end of March 2022

Approximately 80% of our specialty leases are inflation linked with average annual rent escalations of CPI + 2%

Specialty rent represents more than 90% of net operating income.

## Leasing deal activity



We continue to drive demand for space in our Westfield Living Centres from existing and new businesses

During the quarter, we completed 536 leasing deals, including 237 new merchants, introducing 50 new brands to the portfolio

# Sales (Comparable)

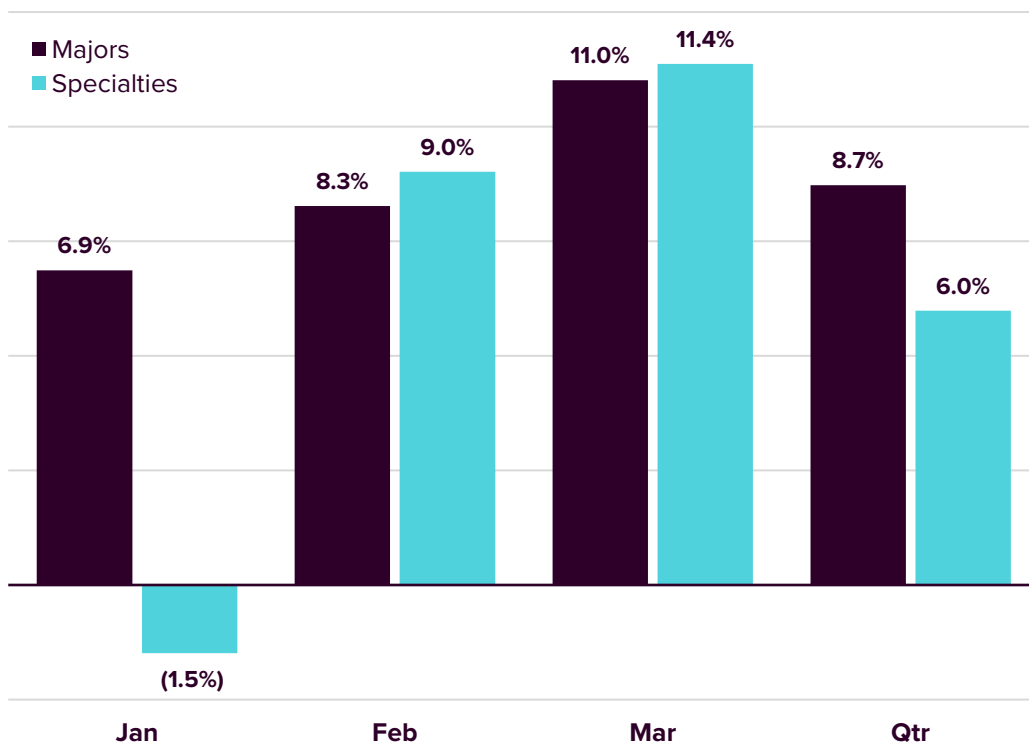
## Comparable Growth vs 2019<sup>1</sup>

Total Majors and Specialty sales were 11.2% higher for the month of March and 7.1% higher for the quarter.

Specialty sales were 11.4% higher for the month of March and 6.0% higher for the quarter.

Majors sales were 11.0% higher for the month of March and 8.7% higher for the quarter.

### Comparable Growth vs 2019



### Comparable Growth vs 2019

Sales by Category	Jan	Feb	Mar	Qtr
Fashion	(1.0%)	12.8%	14.9%	8.5%
Technology & Appliances	1.7%	12.7%	17.3%	10.2%
Dining	(9.5%)	1.1%	6.6%	(0.9%)
Health & Beauty	(0.4%)	(0.8%)	5.6%	1.5%
Leisure & Sports	5.4%	28.1%	20.3%	17.1%
Food Retail	(3.9%)	(0.3%)	(1.9%)	(2.1%)
Footwear	(3.8%)	7.3%	7.3%	2.3%
Jewellery	7.3%	18.5%	13.7%	13.2%
Retail Services	7.1%	23.3%	27.9%	18.4%
Homewares	(8.3%)	2.5%	2.4%	(1.5%)
Other <sup>2</sup>	(18.5%)	(12.4%)	(8.5%)	(13.3%)
<b>Total Specialties</b>	<b>(1.5%)</b>	<b>9.0%</b>	<b>11.4%</b>	<b>6.0%</b>
Supermarkets	16.5%	4.3%	5.7%	8.4%
Discount Department Stores	6.3%	15.8%	28.3%	16.6%
Department Stores	(20.3%)	3.7%	4.7%	(4.6%)
<b>Total Majors</b>	<b>6.9%</b>	<b>8.3%</b>	<b>11.0%</b>	<b>8.7%</b>
<b>Total Majors + Specialties<sup>3</sup></b>	<b>1.6%</b>	<b>8.7%</b>	<b>11.2%</b>	<b>7.1%</b>

1. Comparable sales excludes CBD centres, developments and special projects
2. Other includes Gifts and Souvenirs, and Discount Variety
3. Total Majors and Specialties excludes cinemas and travel in line with SCCA guidelines

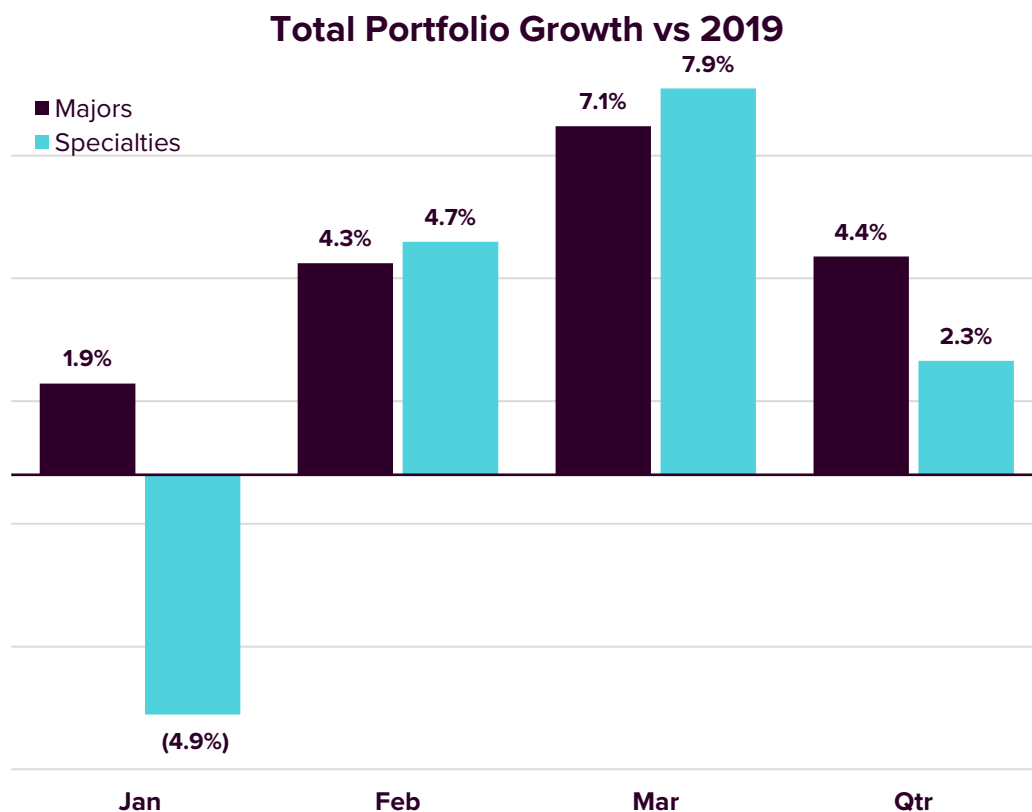
# Sales (Total Portfolio)

## Total Portfolio Growth vs 2019

Total Majors and Specialty sales were 7.6% higher for the month of March and 3.1% higher for the quarter.

Specialty sales were 7.9% higher for the month of March and 2.3% higher for the quarter.

Majors sales were 7.1% higher for the month of March and 4.4% higher for the quarter.



### Total Portfolio Growth vs 2019

Sales by Category	Jan	Feb	Mar	Qtr
Fashion	(4.8%)	5.3%	10.3%	3.4%
Technology & Appliances	0.8%	11.7%	15.5%	9.0%
Dining	(14.1%)	(4.0%)	2.0%	(5.6%)
Health & Beauty	(5.1%)	(4.2%)	1.5%	(2.5%)
Leisure & Sports	2.8%	24.6%	17.5%	14.2%
Food Retail	(9.7%)	(5.9%)	(6.8%)	(7.5%)
Footwear	(7.8%)	2.1%	3.2%	(1.9%)
Jewellery	2.1%	13.6%	11.5%	9.1%
Retail Services	7.0%	21.2%	25.8%	17.1%
Homewares	(8.7%)	1.8%	0.5%	(2.4%)
Other <sup>1</sup>	(20.3%)	(14.0%)	(10.2%)	(15.0%)
<b>Total Specialties</b>	<b>(4.9%)</b>	<b>4.7%</b>	<b>7.9%</b>	<b>2.3%</b>
Supermarkets	15.1%	3.0%	4.3%	7.0%
Discount Department Stores	4.5%	13.7%	25.7%	14.5%
Department Stores	(27.7%)	(5.9%)	(2.5%)	(12.5%)
<b>Total Majors</b>	<b>1.9%</b>	<b>4.3%</b>	<b>7.1%</b>	<b>4.4%</b>
<b>Total Majors + Specialties<sup>2</sup></b>	<b>(2.5%)</b>	<b>4.6%</b>	<b>7.6%</b>	<b>3.1%</b>

1. Other includes Gifts and Souvenirs, and Discount Variety

2. Total Majors and Specialties excludes cinemas and travel in line with SCCA guidelines

# Sales (Total Portfolio)

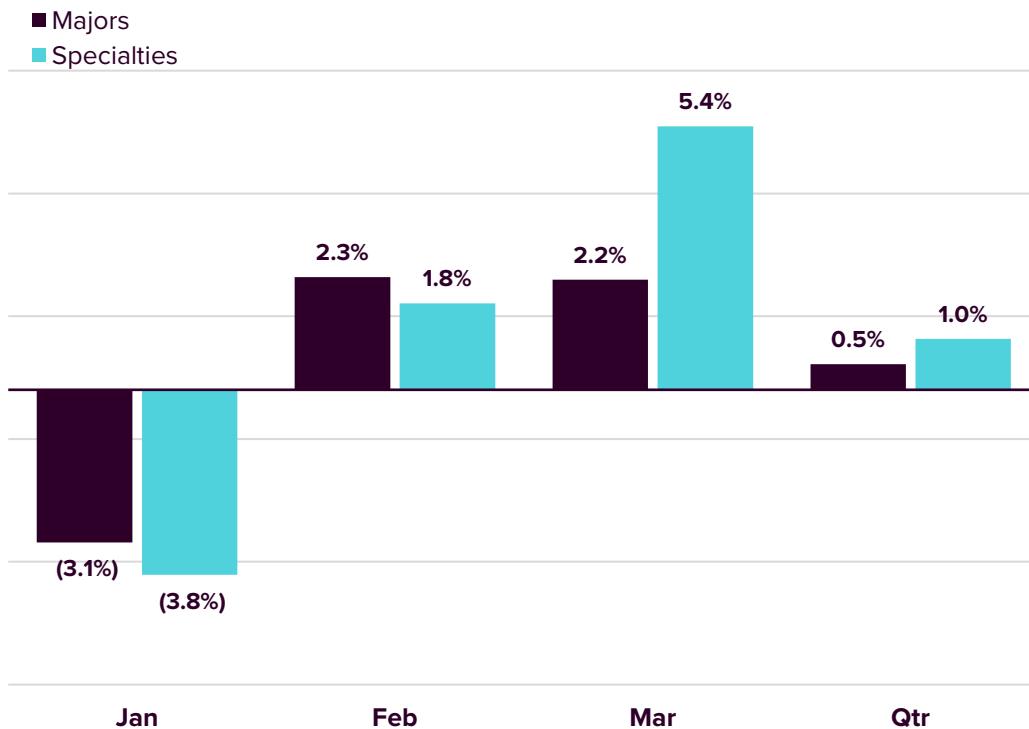
## Total Portfolio Growth vs 2021

Total Majors and Specialty sales were 4.2% higher for the month of March and 0.8% higher for the quarter.

Specialty sales were 5.4% higher for the month of March and 1.0% higher for the quarter.

Majors sales were 2.2% higher for the month of March and 0.5% higher for the quarter.

### Total Portfolio Growth vs 2021



### Total Portfolio Growth vs 2021

Sales by Category	Jan	Feb	Mar	Qtr
Fashion	2.6%	6.6%	5.6%	4.9%
Technology & Appliances	(5.0%)	(4.5%)	8.7%	(0.5%)
Dining	(5.1%)	3.1%	7.0%	1.6%
Health & Beauty	(5.6%)	(4.4%)	3.4%	(2.1%)
Leisure & Sports	(6.3%)	4.0%	6.3%	1.2%
Food Retail	(6.7%)	(5.1%)	(5.1%)	(5.6%)
Footwear	(6.3%)	11.4%	5.3%	1.6%
Jewellery	(1.0%)	7.0%	15.8%	7.2%
Retail Services	(6.7%)	8.4%	3.9%	1.1%
Homewares	(11.6%)	(1.2%)	(5.3%)	(6.3%)
Other <sup>1</sup>	(6.3%)	(1.2%)	(8.5%)	(5.5%)
<b>Total Specialties</b>	<b>(3.8%)</b>	<b>1.8%</b>	<b>5.4%</b>	<b>1.0%</b>
Supermarkets	3.1%	4.4%	3.1%	3.6%
Discount Department Stores	(5.3%)	4.7%	1.1%	0.2%
Department Stores	(15.1%)	(4.8%)	1.7%	(5.9%)
<b>Total Majors</b>	<b>(3.1%)</b>	<b>2.3%</b>	<b>2.2%</b>	<b>0.5%</b>
<b>Total Majors + Specialties<sup>2</sup></b>	<b>(3.5%)</b>	<b>2.0%</b>	<b>4.2%</b>	<b>0.8%</b>

1. Other includes Gifts and Souvenirs, and Discount Variety

2. Total Majors and Specialties excludes cinemas and travel in line with SCCA guidelines



# Developments

Active project

## Westfield Knox, VIC

### Overview

Project Cost	\$355m (SCG share: \$177.5m)
Commencement	Q1 2022
Completion	2022 / 2023

### Highlights

Incremental Project GLA	4,000sqm
Completed Centre GLA	144,810sqm
Offering	

Introducing a diverse mix of premium fashion and lifestyle brands, a new fresh food emporium, alongside new supermarkets Woolworths and ALDI.

Sport, athleisure and recreation precinct including a 2,000sqm public library, indoor and outdoor recreational spaces and coworking facilities.

New to market Rebel Sport concept with an expanded format and relocated JB Hi-Fi.



Westfield Knox, VIC



Westfield Knox, VIC

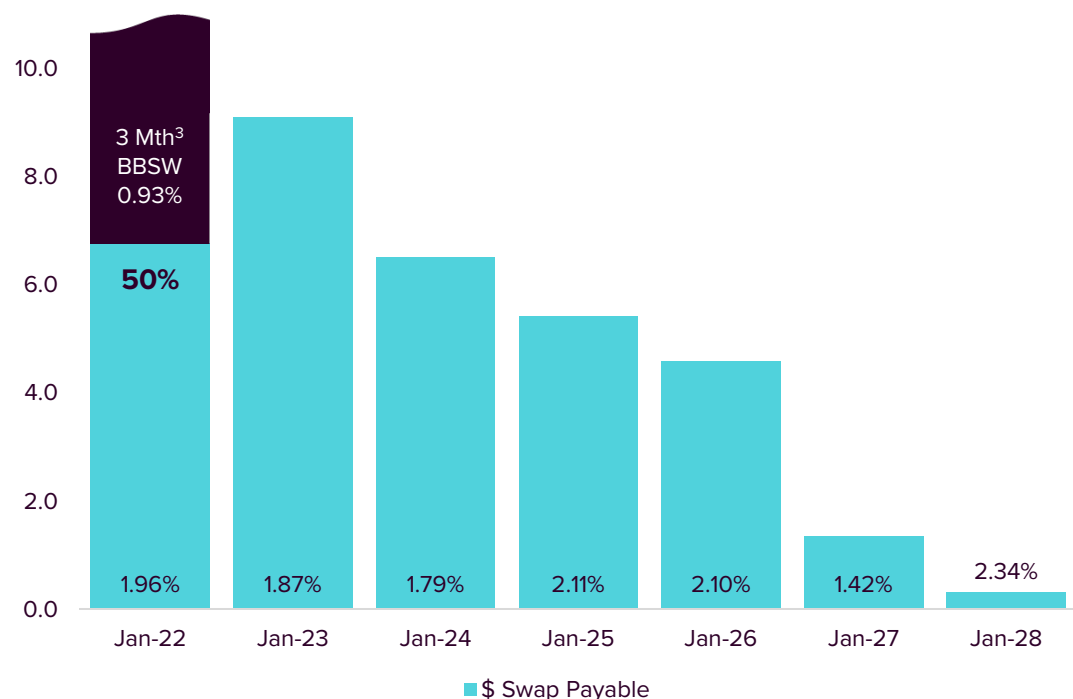


# Interest Rate Hedging

As at 11 May 2022

## Hedge Maturity Profile<sup>1,2</sup>

\$ billion



The Group has restructured its interest rate hedging profile to increase hedging in 2023 and 2024.

Interest rate hedging at January 2023 has increased from 50% to approximately 65%<sup>2</sup>, with a weighted average rate of 1.87%.

At January 2024 interest rate hedging has increased from 40% to approximately 50%<sup>2</sup> with the weighted average rate reducing to 1.79%.

1. Excludes borrowing margin

2. Interest rate hedged % is based on net debt as at 31 December 2021

3. 3 month BBSW as at 11 May 2022

# Important Notice

All amounts in Australian dollars unless otherwise specified. The financial information included in this document is based on the Scentre Group's IFRS financial statements. Non IFRS financial information included in this document has not been audited or reviewed. This document 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 document. 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 document. 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.

## **SCENTRE GROUP LIMITED**

ABN 66 001 671496

## **SCENTRE MANAGEMENT LIMITED**

ABN 41 001 670 579 AFS Licence No: 230329  
as responsible entity of Scentre Group Trust 1  
ARSN 090 849746

## **RE1 LIMITED**

ABN 80 145 743 862 AFS Licence No: 380202  
as responsible entity of Scentre Group Trust 2  
ARSN 146 934 536

## **RE2 LIMITED**

ABN 41 145 744 065 AFS Licence No: 380203  
as responsible entity of Scentre Group Trust 3  
ARSN 146 934 652