

# SCENTRE GROUP

## ASX Announcement

23 February 2022

### SCENTRE GROUP REPORTS 2021 FULL YEAR OPERATING PROFIT OF \$846 MILLION UP 10.9% PER SECURITY

Scentre Group (ASX: SCG) today released its results for the 12 months to 31 December 2021 with Operating Profit of \$845.8 million (16.32 cents per security, up 10.9%). Funds From Operations (FFO) for the year was \$862.5 million (16.64 cents per security, up 12.7%).

The Statutory result for the full year, inclusive of unrealised non-cash items was \$887.9 million, up from (\$3,731.8) million. The result includes property revaluation gains of \$81.2 million for the year.

Operating Profit, FFO and the Statutory result each include a non-cash Expected Credit Charge (ECC) of \$168.8 million relating to the financial impact of the COVID-19 pandemic during 2021, compared to \$304 million in 2020.

Net Operating Cashflows (after interest, overheads and tax) were \$913.6 million, an increase of 24.8% per security on 2020. The Group collected \$2,258 million in gross rent in 2021, approximately \$200 million more than 2020.

The distribution of \$738.7 million for the year equates to 14.25 cents per security, exceeding guidance and representing growth of 103.6% on 2020.

Scentre Group CEO Peter Allen said: "I am very pleased with the Group's performance. Our team delivered better results in 2021 than 2020, even with more COVID-19 restrictions. This demonstrates our proactive approach to generating long term value for our securityholders.

"We have positioned the Group for growth for many years to come.

"We are focused on the customer, leveraging the strengths of our leading platform and pursuing our ambition to grow by becoming essential to people, communities and the businesses that interact with them.

"We continue to drive strong demand for space in our Westfield Living Centres from existing and new businesses who are focused on growing their customer engagement and optimising their most productive stores with us.

"During the year, we completed 2,497 lease deals, including 1,090 new merchant deals. We welcomed 267 new brands to the portfolio. As a result, occupancy has increased to 98.7%.

"We have been agile in our strategy to drive visitation to our Living Centres. All Westfield Living Centres remained open during the period and operated with COVID Safe protocols.

"We had 413 million customer visits and annual sales through our platform were \$22.1 billion, despite the extended lockdowns in NSW, Victoria, ACT and Auckland during the year. On a portfolio-weighted basis, the number of government restricted trading days was 81 in 2021, compared to 31 in 2020. This highlights that our Westfield Living Centres are essential social infrastructure and provide destinations that deliver the products, services and experiences our customers want.

"We also launched Westfield Direct, our aggregated 'Click and Collect' service as an extension of our in-centre experience. Through Westfield Direct, our business partners can leverage their store networks to increase productivity and reduce the cost of fulfillment.

#### 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

“Westfield Plus, our membership platform, has grown its membership to 2.2 million, an increase of 1.6 million in 2021. The combination of these two initiatives provides us with opportunities to learn more about the customer and deliver what they want.”

Our focus on customers is integral to our development pipeline and creating destinations that meet the future needs of people and communities. The Group commenced the \$355 million (SCG Share: \$178 million) investment in Westfield Knox, in Melbourne, Victoria. The strategic investment will enhance the customer experience and offer a diverse mix of premium fashion and lifestyle brands. The former Myer store is being replaced with a range of new retailers, including Woolworths and Aldi, as well as a new fresh food market, and other community uses. It will open in stages between the end of 2022 and 2023 and will be the destination of choice for the Knox community.

The Group’s investment in Westfield Mt DrUITT in Western Sydney is progressing well with the \$55 million (SCG Share: \$28 million) rooftop entertainment, leisure and dining precinct fully leased and on track to open next month.

Work on behalf of Cbus Property to design and construct 101 Castlereagh Street on the corner of Market and Castlereagh streets in Sydney’s CBD, is progressing well, with completion expected in 2023.

We have commenced a \$33 million investment at Westfield Penrith. The project will see the repurposing of the former Target store to make way for a new Coles supermarket, a large-format entertainment offer and upgrades and additions to the centre’s vertical transport systems.

The Group has available liquidity of \$5.6 billion, sufficient to cover all debt maturities to early 2024.

Interest cover for the year was 4.0 times and balance sheet gearing at 31 December 2021 was 27.5%.

During the period S&P, Fitch and Moody’s upgraded the Group’s outlook to Stable.

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 will be released next month.

“Since the Group was established in 2014, we have reduced our emissions by 30%. We are on track to achieve at least 50% of our net zero target by 2025. We are accelerating energy efficiencies, onsite solar and the procurement of renewable electricity. We have commenced new onsite solar projects at Westfield Fountain Gate and Westfield Knox which together will generate an additional 6200 MWh. Our New Zealand portfolio has moved to 100% renewable electricity,” Mr Allen said.

“We are focused on driving customer visitation, engagement and occupancy in order to deliver earnings growth in 2022 and future years.

“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. Earnings are expected to grow at a higher rate in 2022.”

Authorised by the Board.

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

## SCENTRE GROUP

Scentre Group (ASX: SCG) owns and operates 42 Westfield Living Centres across Australia and New Zealand encompassing approximately 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.