

# SCENTRE GROUP

## ASX Announcement

7 November 2024

### SCENTRE GROUP OPERATING UPDATE

Scentre Group (ASX: SCG) today announced an operating update for the year-to-date.

Scentre Group Chief Executive Officer Elliott Rusanow said: “Our focus on attracting more people to our 42 Westfield destinations has seen us welcome 429 million customer visits so far this year. This is 8.7 million or 2.1% more than the same period in 2023.

“Total business partner sales for the nine months to 30 September 2024 were \$20.2 billion, \$0.4 billion or 2.3% higher than the previous corresponding period in 2023. A record \$28.8 billion of annual sales was achieved by business partners to 30 September 2024.

“Demand for space from a diverse range of business partners is strong. Portfolio occupancy was 99.4% at 30 September 2024, up 30bps compared to 30 September 2023. Average leasing spreads were +1.7% and average specialty rent escalations were +5.5% in the nine months to 30 September 2024.”

Gross rent collections during the nine months to 30 September 2024 were \$2,073 million, \$78 million more than the previous corresponding period in 2023.

The Group continues to progress its \$4 billion pipeline of future retail development opportunities. Works continue on the reconfiguration of department store space at Westfield Bondi and Westfield Burwood in Sydney and Westfield Southland in Melbourne.

The expansion of Westfield Sydney and construction of the adjoining commercial and residential tower on the corner of Market and Castlereagh Streets in Sydney’s CBD continues to progress. As part of the Westfield Sydney expansion, a further five levels of luxury and high-end retail will be introduced, including a new Chanel boutique. Other brands to join the expanded Westfield Sydney include Moncler, Omega and Canada Goose.

The Group has completed the \$50 million repurposing of former department store space at Westfield Mt Gravatt in Brisbane, introducing new diverse uses, including Uniqlo, Harris Scarfe, Powerhouse Gym and entertainment offerings, Area 51, Holey Moley and Hijinx Hotel.

In September, the Group issued A\$900 million of subordinated notes in the Australian domestic market with the proceeds used to complete the cash tender offer for US\$656 million of its outstanding Subordinated Non-Call 2026 Fixed Rate Reset Notes due 2080. The strong participation by investors in this capital management initiative has enabled the Group to continue to diversify its sources of capital and to lower its overall weighted average cost of debt.

In September, the Group established the \$175 million West Lakes Opportunity Trust which purchased a 50% share in Westfield West Lakes. The Group will co-manage the fund and remain as property manager and 50% co-owner of Westfield West Lakes.

#### 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

In October, the Group announced the recipients of the 2024 Westfield Local Heroes program, which is in its seventh year. Since 2018, the Group has contributed \$8.6 million in community grants to 865 community organisations.

## *Outlook*

Subject to no material change in conditions, the Group reconfirms that it expects Funds from Operations to be in the range of 21.75 to 22.25 cents per security for 2024, representing 3.0% to 5.4% growth for the year.

Distributions are expected to be at least 17.20 cents per security for 2024, representing at least 3.6% growth for the year.

Authorised by the Chief Executive Officer.

Further information:

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## **About Scentre Group**

We acknowledge the Traditional Owners and communities of the lands on which our business operates. We pay our respect to Aboriginal and Torres Strait Islander cultures and to their Elders past and present.

We recognise the unique role of Māori as Tangata Whenua of Aotearoa/New Zealand.

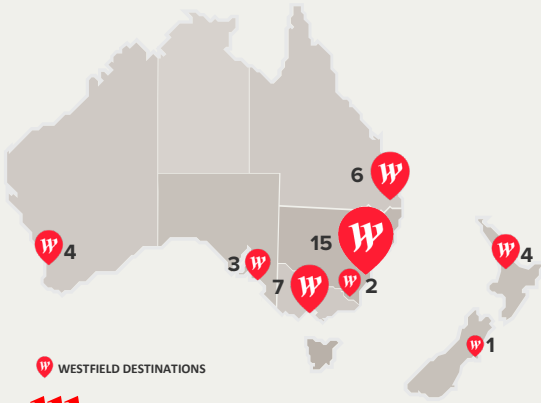
Scentre Group (ASX: SCG) owns and operates 42 Westfield destinations across Australia and New Zealand encompassing more than 12,000 outlets. Our Purpose is creating extraordinary places, connecting and enriching communities. Our Plan is to create the places more people choose to come, more often, for longer. Our Ambition is to grow the business by becoming essential to people, their communities and the businesses that interact with them.

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# SCENTRE GROUP

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42 **Westfield** destinations in close proximity to 20 million people and situated on more than 670 hectares of land

A record \$28.8bn of annual sales achieved by business partners to 30 September 2024 across the portfolio

7 of the top 10 shopping centres in Australia

4 of the top 5 shopping centres in New Zealand

1. For the 44 weeks to 3 November 2024
2. For the 9 months to 30 September 2024
3. As at 30 September 2024
4. Compared to the previous corresponding period in 2023

## OPERATING HIGHLIGHTS

		Growth <sup>4</sup>	
Customer Visits <sup>1</sup>	429m	+8.7m	↑
Business Partner Sales <sup>2</sup>	\$20.2bn	+2.3%	↑
Portfolio Occupancy <sup>3</sup>	99.4%	+0.3%	↑
Leasing Deals <sup>2</sup>	2,234	-15	↓
Gross Rent Collection <sup>2</sup>	\$2,073m	+\$78m	↑
Westfield Membership Program <sup>3</sup>	4.3m	+0.6m	↑

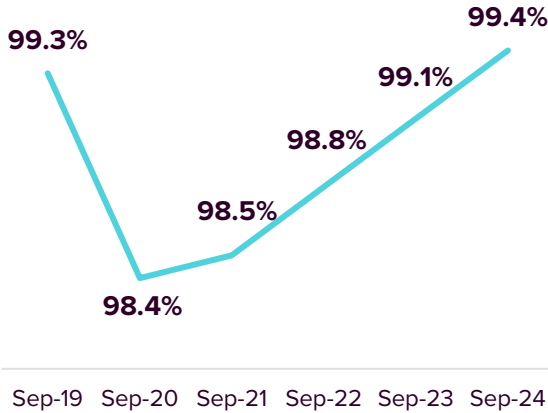
# Leasing Activity

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## PORTFOLIO OCCUPANCY

99.4%

↑ 30bps<sup>1</sup>



## AVERAGE SPECIALTY RENT ESCALATIONS

+5.5% YTD

CPI + 2% average specialty rent escalations

## AVERAGE SPECIALTY LEASING SPREAD

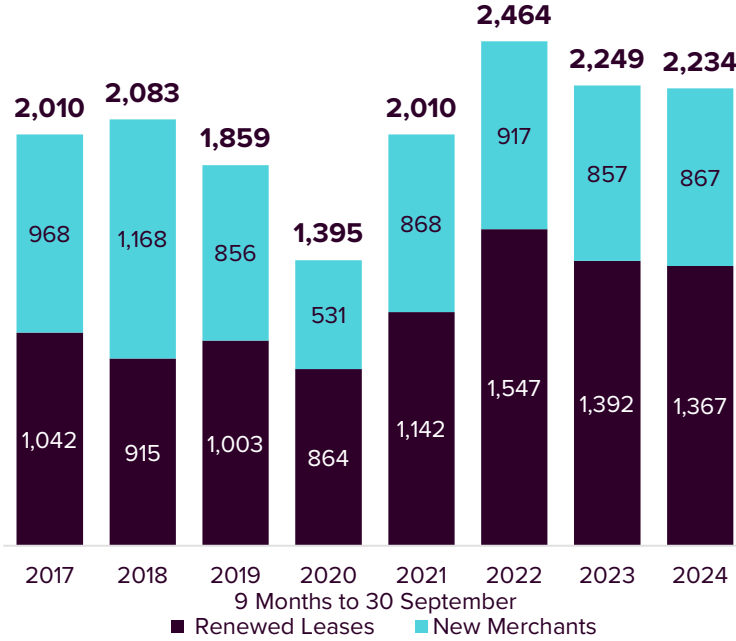
+1.7% YTD

+2.7% in Q3

## LEASING DEALS

2,234

867 New Merchants, 162 New Brands



1. Compared to the same period in 2023

# Business Partner Sales

Growth Over 2019<sup>1</sup>

Total sales were 16.7% higher for the 12 months to September  
 Specialty sales were 20.9% higher for the 12 months to September  
 Majors sales were 17.6% higher for the 12 months to September

Total Portfolio Sales Growth by Region	3 Months to 30 Sep 2024	9 Months to 30 Sep 2024	12 Months to 30 Sep 2024
NSW	5.3%	6.2%	6.9%
QLD	25.0%	25.1%	25.3%
VIC	8.5%	8.5%	8.5%
WA	16.4%	17.0%	17.5%
SA	17.7%	16.8%	15.7%
ACT	13.8%	15.0%	15.4%
NZ	36.0%	39.6%	39.7%
<b>Total</b>	<b>15.8%</b>	<b>16.4%</b>	<b>16.7%</b>

1. Compared to pcp

2. Other includes Gifts and Souvenirs, and Discount Variety

3. Total Majors and Specialties excludes Cinemas and Travel in line with SCCA guidelines

Total Portfolio Sales Growth by Category	3 Months to 30 Sep 2024	9 Months to 30 Sep 2024	12 Months to 30 Sep 2024
Fashion	13.6%	14.4%	15.8%
Technology & Appliances	16.2%	21.7%	22.1%
Dining	25.2%	25.5%	25.5%
Health & Beauty	24.0%	26.5%	28.0%
Leisure & Sports	39.9%	40.9%	40.1%
Food Retail	17.6%	16.5%	15.6%
Footwear	10.4%	8.4%	9.3%
Jewellery	19.4%	16.5%	13.7%
Retail Services	26.9%	28.9%	29.8%
Homewares	2.5%	4.1%	4.6%
Other <sup>2</sup>	(0.1%)	(4.5%)	(7.1%)
<b>Total Specialties</b>	<b>19.5%</b>	<b>20.6%</b>	<b>20.9%</b>
Supermarkets	22.6%	23.0%	23.4%
Discount Department Stores	29.2%	28.1%	27.1%
Department Stores	1.7%	(0.4%)	0.5%
<b>Total Majors</b>	<b>18.5%</b>	<b>17.7%</b>	<b>17.6%</b>
<b>Total Majors + Specialties<sup>3</sup></b>	<b>19.1%</b>	<b>19.4%</b>	<b>19.5%</b>
<b>Total</b>	<b>15.8%</b>	<b>16.4%</b>	<b>16.7%</b>

# Business Partner Sales

Growth Over 2023<sup>1</sup>

Total sales were 1.9% higher for the 3 months to September

\* Growth has been impacted by the department store downsizing projects at Westfield Bondi, Burwood and Southland. Excluding the impact of these projects total sales for the 3 months to September would be 2.2%

Total Portfolio Sales Growth by Region	3 Months to 30 Sep 2024	9 Months to 30 Sep 2024	12 Months to 30 Sep 2024
NSW*	(0.2%)	0.7%	1.4%
QLD	4.3%	4.0%	3.8%
VIC*	3.1%	2.9%	3.3%
WA	4.6%	4.5%	4.8%
SA	6.2%	4.9%	4.5%
ACT	1.1%	1.6%	2.9%
NZ	(1.7%)	0.1%	0.4%
<b>Total*</b>	<b>1.9%</b>	<b>2.3%</b>	<b>2.6%</b>

1. Compared to pcp

2. Other includes Gifts and Souvenirs, and Discount Variety

3. Total Majors and Specialties excludes Cinemas and Travel in line with SCCA guidelines

Total Portfolio Sales Growth by Category	3 Months to 30 Sep 2024	9 Months to 30 Sep 2024	12 Months to 30 Sep 2024
Fashion	(1.9%)	(1.6%)	(1.8%)
Technology & Appliances	4.1%	1.8%	3.5%
Dining	1.7%	2.4%	3.0%
Health & Beauty	3.5%	3.7%	4.9%
Leisure & Sports	4.2%	5.3%	5.5%
Food Retail	5.4%	7.2%	7.9%
Footwear	(0.1%)	(0.8%)	(1.7%)
Jewellery	6.8%	5.6%	3.0%
Retail Services	3.5%	3.4%	3.5%
Homewares	(2.5%)	(1.7%)	(1.8%)
Other <sup>2</sup>	13.5%	8.3%	3.7%
<b>Total Specialties</b>	<b>2.2%</b>	<b>2.1%</b>	<b>2.3%</b>
Supermarkets	3.4%	5.2%	5.8%
Discount Department Stores	0.2%	2.2%	2.3%
Department Stores*	(3.4%)	(2.7%)	(2.8%)
<b>Total Majors*</b>	<b>1.3%</b>	<b>2.9%</b>	<b>3.0%</b>
<b>Total Majors* + Specialties<sup>3</sup></b>	<b>1.9%</b>	<b>2.4%</b>	<b>2.6%</b>
<b>Total*</b>	<b>1.9%</b>	<b>2.3%</b>	<b>2.6%</b>

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All amounts in Australian dollars unless otherwise specified.

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

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