

29 October 2024

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

### **2024 Annual General Meeting Addresses and September Quarterly Update**

Please find attached the addresses and presentation to be delivered by the Chairman, Trevor Gerber, and the CEO and Managing Director, Peter Huddle, including the September quarterly update, at the 2024 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, the **AGM**).

As set out in the Notice of Meeting released to ASX on 24 September 2024, the AGM will be held in hybrid format and securityholders may:

- attend the AGM in person at:  
  
Hotel Chadstone  
Altus Events Room  
1341 Dandenong Road  
Chadstone VIC 3148, or
- access the AGM online at [meetings.linkgroup.com/vcx24](https://meetings.linkgroup.com/vcx24).

Yours faithfully



**Rohan Abeyewardene**  
Group Company Secretary

# ASX Announcement

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29 October 2024

## 2024 AGM Addresses

### Chairman's address – Trevor Gerber

#### **Slide 1 – Introduction**

Good morning securityholders, fellow Directors, employees, and guests.

My name is Trevor Gerber, and I am the Chairman of Vicinity Centres.

On behalf of my fellow Directors, it is my pleasure to welcome you to the 2024 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, and I extend that respect to Aboriginal and Torres Strait Islander peoples on the call today.

#### **Slide 3 – Welcome**

Today I will share my reflections on the 2024 financial year at Vicinity.

I will then ask our CEO and Managing Director, Peter Huddle, to address you.

After Peter'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 4 – Your Board**

Joining Peter and I today are your Directors, Tiffany Fuller, Tim Hammon, Michael Hawker, Peter Kahan, Janette Kendall, Georgina Lynch and Dion Werbeloff. Clive Appleton is unable to be with us today.

I would also like to welcome Angus McNaughton who is seeking election at today's AGM. Some of you might remember Angus as the CEO and Managing Director of Vicinity Centres between 2015 and 2017.

Angus' nomination as a Gandel Group representative follows the decision of Clive Appleton to retire from the Board effective from the conclusion of today's meeting.

Clive has played a key role in the stewardship of Vicinity for more than six years, and it has been a privilege to have Clive's depth of industry experience and sound judgement on our Board.

I would like to thank him for his invaluable contribution and commitment and, on behalf of my fellow Directors and the entire team at Vicinity, we wish Clive well in his next endeavours.

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

- Rohan Abeyewardene, our Group Company Secretary
- The signing audit partner for our FY24 financial report, Michael Collins of Ernst & Young, noting Michael has rotated off our audit engagement following the FY24 reporting period. Michael, I'd like to thank you for your contribution and constructive challenge over the last few years
- Our incoming audit partner, Kylie Bodenham of Ernst & Young. Kylie, we are looking forward to working with you to uphold the continued quality and integrity of our financial reporting
- Jane Kenny, our General Manager, Investor Relations, who will relay any online questions to me today, and
- 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 5 – Chairman's Address**

Before we proceed, I have a couple of quick housekeeping points. As a courtesy, I would appreciate it 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, at Hotel Chadstone in Melbourne, 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 those securityholders attending online encounter any technical difficulties during the meeting, please check the Online Meeting Guide which you can access through the 'Downloads' section at the bottom of your screen once you are in the platform or from Vicinity's website. 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 and I now formally open the poll on all 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 Leadership Team for some light refreshments just outside the room.

#### **Slide 6 – FY24 Year in Review**

FY24 was a successful year at Vicinity, characterised by, not only the delivery of our operating and financial objectives, but also the momentum of strategic execution, led by Peter and his team.

Despite the cumulative impact of monetary policy tightening and inflation-led, cost-of-living pressures for Australian households, the retail sector continued to show a level of resilience in FY24, particularly in the first half.

As expected however, over the second half, we observed a softening in consumer demand for more discretionary categories such as Apparel & Footwear, Jewellery and Homewares.

We also saw an increase in shoppers looking for value and lower price points, highlighted by the strong performance of our Outlet portfolio.

Despite the relatively flat retail sales growth environment over the year, retailer confidence to lock in leasing deals remained robust, with the team negotiating more than 2,000 deals during the year.



Leasing spreads for the year were positive. We finished the year with occupancy nearing pre-pandemic levels at 99.3% and the team maintained our disciplined approach to negotiating new leases, where the structure, tenure and value of rents written, strengthens our current and future income growth profile.

In terms of near-term outlook for the retail sector, consensus is that interest rates will start to ease in early 2025, which – together with a resilient employment market – should provide a meaningful impetus to the resumption in consumer spending.

Further to this, as we look longer term, the fundamentals of the Australian retail property sector continue to be favourable, supported by population growth, strong employment, the increasingly symbiotic relationship between physical retail stores and online, and with limited investment in new retail supply.

In this context, we are making meaningful investments in the quality and future resilience of our retail asset portfolio by investing in important developments at our existing flagship centres – here at Chadstone and at Chatswood Chase in Sydney – and concurrently, driving a portfolio shift via strategic acquisitions and divestments.

Preserving our strong balance sheet and credit metrics remains a guiding principle for us when deploying capital and is a discipline we know our shareholders value.

In this context, with a diverse asset portfolio, Vicinity has been investing in its future growth profile, by recycling capital out of smaller, non-strategic assets – where market liquidity and pricing is currently robust – and reinvesting into premium, fortress assets that present greater long-term growth potential.

These transactions, together with developments at Chadstone and Chatswood Chase, are driving a meaningful uplift in the overall quality of our asset portfolio, with a relatively limited impact on Vicinity's credit metrics.

I am particularly pleased to highlight that the strong results delivered by Peter and his team, together with increasing optimism that bond rates have peaked globally, have provided Vicinity shareholders, with a total shareholder return of 34%, since I addressed you at last year's AGM. There's no doubt that 2024 was a good year for Vicinity and its securityholders.

Touching on the results themselves, Vicinity delivered net profit after tax of \$547 million for the 12 months.

Funds From Operations (or FFO) was slightly below the prior year at \$665 million, but when adjusted for prior year one-offs and higher lost rent from our major developments, FFO was up 3.2%.

This equated to FFO per security of 14.6 cents, which was above our guidance range, thanks to our strong leasing outcomes and other positive portfolio metrics.

The Board was pleased to declare a final distribution of 5.90 cents per security, bringing the full year payout to 11.75 cents, representing 95.2% of Adjusted FFO.

At all levels of Vicinity, we share a strong belief that how we deliver our results is as important as the results themselves. Naturally, it was pleasing to see the improvement in our employee engagement score during FY24, from 66% to 70%.

Building on this positive momentum, Peter and his Executive team led an enterprise-wide initiative to redefine and co-create Vicinity's Purpose, Vision and Values.

Organisational culture is owned by everyone and I believe it's important to emphasise the importance we place on Vicinity's culture being one that is diverse, inclusive, safe and one that engenders excellence, high performance and importantly, opportunity.

You've heard me say before, that strong and sound judgement, passion, experience and diversity of thought are what I believe to be fundamental attributes of a healthy Board.

As a Board, we have continued to have lively and robust debates and I speak on behalf of all Directors, when I say that our partnership with Management remains as strong as it has ever been; anchored by our shared pursuit of creating value and driving increased returns for securityholders and indeed, for everyone connected with our company.

Another important component of how we execute our strategy and deliver results is sustainability. Our sustainability journey continues to evolve and progress.

Vicinity remains on track to achieve Net Zero for Scope 1 and Scope 2 emissions for common mall areas across wholly-owned assets by 2030. In fact, relative to 2016 – our baseline year for measuring our progress – we have reduced emissions by 38%.

There is always more work to be done, and I know Peter and the team are looking forward to sharing more on the next phase of our sustainability strategy and targets in the coming year.

Before I hand to Peter I would like to acknowledge and thank him, his Executive Leadership Team and everyone at Vicinity for an outstanding year of progress, strategic execution and delivery.

And I extend that gratitude and acknowledgement to my fellow Directors for their contribution and to you, our securityholders, for your continued support of Vicinity.

I'll now hand to Peter Huddle.

## CEO and Managing Director's address – Peter Huddle

### **Slide 7 – CEO and Managing Director's Address**

Thank you, Chairman and good morning.

Once again, it is my privilege to share with you our securityholders, the progress we have made against our strategic, operational and financial objectives and provide an update on our first quarter of FY25.

As I said at our FY24 results, delivering predictable and growing income for securityholders and at the same time, driving capital growth over time, remain at the core of all our business decisions and investments.

Since becoming CEO, I have been particularly focused on increasing the momentum of execution across the organisation and ensuring that we are simultaneously working on immediate, medium, and long-term strategic priorities, that support earnings resilience and sustained value accretion over time.

### **Slide 8 – Executing on Strategy**

With this in mind, FY24 was a productive and successful year at Vicinity.

As the Chairman has just outlined, we made substantial progress against our strategic initiatives in FY24, and while we presented this slide at our recent results announcement in August, let me briefly share with you what I consider to be the highlights.

With a strong balance sheet and disciplined approach to capital management, we are well positioned to invest in the quality and vibrance of our retail assets, both large and small.

We know that premium, fortress-style assets located in great trade areas, that are well managed by retail property experts, and given the limited supply outlook, have the potential to deliver superior income growth and value accretion over time.

To that end, over the past 12 months we have been able to make two premium acquisitions:

- We acquired the remaining 49% interest in Chatswood Chase, giving us full control to transform the asset into Sydney's fashion capital, with redevelopment now well underway, and
- We acquired 50% of Lakeside Joondalup in Perth, and also secured the property and retail development management rights, enabling us to further unlock the asset's future growth potential.

Also, in the context of curating a stronger, more resilient asset portfolio, we divested seven non-strategic assets, four of which were part of our strategy to right size and strengthen our portfolio in Western Australia.

Across the seven divestments, we delivered a blended 9% premium to book value which was an outstanding outcome.

Another highlight for me was the reinforcement of Chadstone as a destination for retailer headquarters, with the asset welcoming the corporate offices of top tier retailers – Kmart and Adairs – effectively filling our new office tower, named One Middle Road.

In a challenged office market, attracting such top tier retailers to our flagship retail asset, to enable their teams to engage typically with their best performing store nationwide, was especially pleasing.

In April, we took advantage of market dynamics and issued a 10-year, \$500 million Australian Dollar bond, which further diversified our funding mix and lengthened our weighted average maturity.

And lastly, I remain keenly focused on, and passionate about ensuring Vicinity continues to be a responsible, safe, and sustainable business, while being a great place to work.

### **Slide 9 – Acquisition: Lakeside Joondalup**

Turning now to the acquisition of a 50% interest in Lakeside Joondalup which we concurrently exchanged contracts and settled, on Monday 19 August. We also secured the property and retail development management rights for the asset.

Lakeside Joondalup is Vicinity's second largest asset after Chadstone. The acquisition represented a major step forward in our pursuit to reposition our retail asset portfolio towards fortress-style, premium assets and selectively reduce our exposure to non-strategic assets with lower growth profiles.

Combining the acquisition of Lakeside Joondalup, our divestments, and upon stabilisation of developments at Chadstone and Chatswood Chase, our weighting to premium assets will increase from around 50% of our portfolio to just under two thirds.

Further to this, the acquisition of Lakeside Joondalup, the forthcoming redevelopment of Galleria, and the divestment of four non-strategic assets in Western Australia, was a strategy to recycle and redeploy capital to right-size and strengthen our asset base in that region, with the right assets for long-term growth.

Our portfolio exposure to Western Australia by value, remains broadly unchanged at circa 10%; however, that capital is now invested in fewer, but better-quality assets.

Lakeside Joondalup is located in Perth's northern corridor, which is emerging as a major activity centre outside of Perth, that boasts strong population growth. The asset itself generates close to \$800 million in annual retail sales, is proximate to bus and rail transport and importantly, we have identified opportunities to enhance the retail mix and grow the asset over the short, medium and long-term.

In this context, at a purchase price of \$420 million and with an initial property yield of 6.5%, we believe we acquired well. Adding to this, including the management fees, our investment yield lifts to 6.9% and adds \$5m accretion to FY25 FFO.

The last major development was in 2014, ten years ago, which means a large number of specialty leases are coming up for their second renewal, and therefore while the leasing task is high, it is a big opportunity. Our immediate priority is to drive higher occupancy, improve the tenant mix and negotiate higher rents that better reflect the sales productivity of this asset.

The addition of Lakeside Joondalup into the Vicinity stable, when combined with Galleria and DFO Perth, significantly strengthens our portfolio offer to new tenants entering the market in Western Australia.

And being located on a 24-hectare site, with Perth's largest rail access outside of the CBD and on the major highway accessing Perth from the North, we anticipate there is further value to be unlocked from potential retail and mixed-use additions over time, but that is not the focus for now.

Before I turn to our first quarter update, I would add that the response we have had from our securityholders both locally and overseas on this acquisition has been overwhelmingly positive, and I would like to thank everyone at Vicinity who worked tirelessly to execute such a compelling and complex transaction.

#### **Slide 10 – 1Q FY25 Update**

Turning now to an update on our first quarter for FY25.

From a high-level perspective, our first quarter is very much a continuation of FY24 in terms our strategic focus areas, the retail sales environment and our portfolio metrics.

From a strategic perspective, we were delighted to welcome the Lakeside Joondalup team, as we commenced asset management on the first of October. To date, the integration has been seamless and our plans to drive increased asset performance and earnings accretion have been mobilised. I look forward to sharing more on our progress at our first half result in February.



The major redevelopments here at Chadstone and at Chatswood Chase in Sydney are progressing, with Chadstone's new One Middle Road Office tower and significantly revitalised fresh food precinct on track for grand opening in March 2025.

At Chatswood Chase, the major retail precinct is currently under heavy construction, and we continue to expect Sydney's new fashion capital, to commence opening in late 2025. Despite the closure of the upper levels, the redeveloped lower ground fresh food and dining precinct is open, and we've had very positive feedback from our customers on the elevated offer.

Both projects represent a major transformation and elevation of these strategically important assets and once again, support the premiumisation of our asset portfolio and the resilience of our earnings growth profile.

Representing both an important funding mechanism as well as another lever to increase the quality of our asset portfolio, we remain confident of achieving our target of \$250 million of additional divestments of non-strategic assets.

And while we are by no means on an acquisition spree, we will continue to assess acquisition opportunities that support portfolio premiumisation and importantly, where we can overlay our retail asset management platform, and add operational and financial value.

You've heard me say before, and as the Chairman reiterated in his address just now, our portfolio investment strategy is premised on the medium to long-term fundamentals of the Australian retail property sector being increasingly favourable from a supply and demand perspective.

Focusing now on the more immediate term.

As I said earlier, the first quarter has very much been a continuation of FY24, where retail sales growth continues to be broadly flat, as Australian households contend with major cost of living pressures, largely driven by elevated interest rates and the impact of the housing crisis on residential rents.

Also akin to FY24, our CBD and Outlet assets continue to outperform.

CBDs have returned to their former vibrancy, as tourist arrivals near pre-pandemic levels, international students return and now a greater expectation of workers to return to offices. Weekend visitation to our CBD assets now exceeds pre-pandemic levels and occupancy across the CBD assets leads the portfolio, at 99.4%.

Our Outlet portfolio has proven resilient through economic cycles. Outlets are discretionary retail assets, however their appeal to value-conscious shoppers makes conversion to sales much higher.

What's more, Outlet shoppers are mission-focused, they know the brands and they visit Outlets knowing what they want. Also supporting the strong performance of the Outlet portfolio was a clever marketing campaign we launched this year titled, *Those In The Know, DFO*.

On the retailer side, our retail partners consider Outlets to be a critical component of their distribution network. They are naturally attracted to the comparably lower-cost operating model as well as the opportunity to clear excess stock, thereby reducing waste.

For those of us in the room here at Hotel Chadstone, you will have observed the magnitude of construction underway at the centre. With a number of important tenant remixes in progress and with a substantial section of the centre being redeveloped, retail sales are naturally being impacted. But of course, we expect sales to rebound strongly from March 2025, post the opening of the development.

Leasing spreads in the quarter were positive, driven by continued demand for stores in our premium assets. Our expectation that leasing spreads for FY25 will be broadly in line with FY24, holds as we have a good view into the pipeline of leasing deals remaining for FY25.

At 99.2%, occupancy remains robust, with the 10 basis point movement since June, attributable to the acquisition of Lakeside Joondalup, which is trading at a lower occupancy than Vicinity's portfolio average, as well as one larger mini-major becoming vacant, for which we already have a current negotiation for re-lease underway.

And we are pleased to reaffirm our earnings guidance for FY25, with FFO and AFFO per security expected to be within the range of 14.5 to 14.8 cents and 12.3 to 12.6 cents, respectively.

Before I hand the meeting back to the Chairman, let me close by thanking the Vicinity Board for their partnership, counsel and support and to my executive leadership team and indeed all the team members at Vicinity for their hard work, passion and commitment.

And importantly, I extend my gratitude to you – our securityholders – for your support, your endorsement of our strategy and faith that the work we are doing will create value for the long-term.

\* \* \*

#### **Authorisation**

Vicinity's Disclosure Committee has authorised that this document be given to ASX.

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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 \$23 billion in retail assets under management across 54 shopping centres, making it the second largest listed manager of Australian retail property. The Group has a Direct Portfolio with interests in 53 shopping centres (including the DFO Brisbane business) and manages 27 assets on behalf of Strategic Partners. Vicinity is listed on the Australian Securities Exchange (ASX) under the code 'VCX' and has 22,000 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.



# 2024 Annual General Meeting

29 OCTOBER 2024



# 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.



## AGENDA

05

Chairman's address

07

CEO and Managing  
Director's address

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Formal business  
of the AGM

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Closing remarks



**TREVOR GERBER**  
Chairman



**PETER HUDDLE**  
CEO and Managing Director

# YOUR BOARD




**TREVOR GERBER**  
Chairman




**PETER HUDDLE**  
CEO and Managing Director



**CLIVE APPLETON**  
Director




**TIFFANY FULLER**  
Director



**TIM HAMMON**  
Director



**MICHAEL HAWKER AM**  
Director



**PETER KAHAN**  
Director



**JANETTE KENDALL**  
Director



**GEORGINA LYNCH**  
Director



**DION WERBELOFF**  
Director



**ANGUS McNAUGHTON**  
Nominated Director

# CHAIRMAN'S ADDRESS

TREVOR GERBER



# FY24 YEAR IN REVIEW

Strong operating and financial results delivered, and meaningful progress made on portfolio repositioning strategy



**\$547.1m**

**STATUTORY NET PROFIT**  
FY23: \$271.5m

**14.6 cps**

**ABOVE FY24 FFO GUIDANCE RANGE**  
FY23: 15.0 cents

**11.75 cps**

**FY24 DISTRIBUTION**  
FY23: 12.0 cents

## Acquisitions

**LAKESIDE JOONDALUP, WA  
+ CHATSWOOD CHASE, NSW**  
Upweighting to premium assets

**\$550m**

**STRATEGIC DIVESTMENTS**  
Seven assets sold<sup>1</sup> at 9%, or c.\$46m,  
premium to book value

**27.2%**

**GEARING**  
Jun-23: 25.6%

**+4.1%**

**COMPARABLE NPI GROWTH**  
Supported by positive leasing spreads  
and increased occupancy<sup>2</sup>

**99.3%**

**PORTFOLIO OCCUPANCY**  
Jun-23: 98.8%

**-38%**

**EMISSIONS INTENSITY REDUCTION**  
of Net Zero portfolio<sup>3</sup> vs FY16

**New**

**PURPOSE, VISION AND VALUES  
LAUNCHED**

Driven by enterprise-wide collaboration

**70%**

**EMPLOYEE ENGAGEMENT**  
FY23: 66%

**43.5 GWh**

**SOLAR ENERGY GENERATION**  
FY23: 42.9 GWh

Data as at 30 June 2024 or for FY24, unless otherwise stated.

1. Includes four announced divestments settled post period end.
2. Comparable net property income (NPI) growth excludes reversals of prior year waivers and provisions, the net impact of transactions and development impacts.
3. Net Zero portfolio comprises wholly-owned retail assets.



Lakeside Joondalup, WA



# CEO AND MANAGING DIRECTOR'S ADDRESS

PETER HUDDLE



# EXECUTING ON STRATEGY IN FY24

Actively delivered against each of our strategic pillars and redefined our organisational Purpose, Vision and Values



Purpose

We shape meaningful places where communities connect

Vision

To prosper with our people and communities by creating Australia's most compelling portfolio of retail-led destinations



Enhance the investment portfolio

- Acquired 49% of Chatswood Chase and 50% of Lakeside Joondalup
- Divested seven assets
- Secured Kmart HQ at One Middle Road office development
- Secured development masterplan approvals for c.3,500 apartments across Box Hill Central and Victoria Gardens in Victoria, and at Buranda Village in Queensland



Deliver property excellence

- Increased media income from new Cartology partnership
- Negotiated 2,000+ leasing deals
- Increased occupancy to 99.3%
- Increased WALE by 9% to 3.6 years
- Tenant Satisfaction Score +23 (Jun-23: +20)
- Centre Satisfaction Score +47 (Jun-23: +35)



Maintain strong financial stewardship

- Issued \$500m 10-year AMTNs at favourable pricing
- Extended weighted average drawn debt maturity to 4.1 years
- Maintained prudent gearing at 27.2% while investing in growth priorities



Enable good business

- New Purpose, Vision and Values
- Employee engagement up 4ppts
- Installed 2.4MW of solar (total of 35.9MW)
- Commenced and progressed leasing optimisation project
- Achieved ISO 27001 certification (information security)

Values

Respect

Integrity

Customer Focus

Collaboration

Excellence

Data as at 30 June 2024 or for FY24, unless otherwise stated.

# ACQUISITION – LAKESIDE JOONDALUP

Fortress-style premium asset with strong growth potential. Maintains and strengthens Vicinity’s exposure in Western Australia



**\$420m**

ACQUISITION PRICE<sup>1</sup>

**6.9%**

INVESTMENT YIELD<sup>2</sup>

**~\$5m**

ACCRETIVE TO FY25 FFO<sup>3</sup>

## Significant opportunities to enhance performance

- Immediate rent growth supported by current productivity and occupancy cost ratio
- Opportunity to increase occupancy, leveraging Vicinity’s broad network of retail partners
- Joondalup a ‘major activity centre’ with growing population; Perth’s ‘second CBD’
- Elevated near-term lease expiry profile provides re-mixing opportunity
- 24-hectare site on major transport node – opportunity for future mixed-use

### Centre statistics

Gross lettable area (sqm)	102,310
Land parcel size (hectares)	24
Number of tenants	~300
Centre occupancy rate	97.5%
Total MAT <sup>4</sup>	\$798m
Specialty productivity (MAT/sqm)	\$12,249
Specialty occupancy cost ratio	15.4%

### Valuation statistics

Acquisition price <sup>1</sup>	\$420m
Capitalisation rate	6.25%
Passing yield	~6.5%
Investment yield <sup>2</sup>	~6.9%
Discount rate	7.25%

1. Excludes purchase price adjustments, landholder duty, transaction costs and management rights.
2. Based on equity interest and including management fees.
3. Accretion to FY25 FFO based on a weighted average cost of debt of 5.1%.
4. Moving annual turnover.



Lakeside Joondalup, WA

# 1Q FY25 UPDATE

Continued strategic execution and first quarter portfolio metrics in line with expectations



## 1Q FY25 strategic execution

- Integrated Lakeside Joondalup into Vicinity’s retail property management team in Western Australia
- Major redevelopments at Vicinity’s flagship premium assets, Chadstone and Chatswood Chase, remain on track<sup>1</sup>
- Vicinity maintains its asset divestment target of \$250m in FY25 and will continue to assess acquisition opportunities that drive further portfolio repositioning towards premium assets and where Vicinity can add value
- Long-term fundamentals of the retail property sector remain positive, anchored by population growth, reduced investment in retail supply and resilient employment market

## 1Q FY25 operational execution

- Retail sales environment and portfolio metrics in 1Q FY25 align with Vicinity’s expectations
- Portfolio retail sales broadly flat in 1Q FY25, akin to retail sales trends in 4Q FY25; +1.1% MAT growth
- Continued strength across CBDs (+2.5%) and Outlets (+2.1%), partially offset by development and remixing impacts at Chadstone. Excluding Chadstone, portfolio sales up 2.0% in 1Q FY25
- Positive year-to-date leasing spreads driven by retailer demand for stores in premium centres<sup>2</sup>; FY25 leasing spread expected to be in line with FY24
- Occupancy remained robust at 99.2%

## FY25 earnings guidance reaffirmed

- Vicinity reaffirms its earnings guidance; FY25 FFO and AFFO per security expected to be within the range of 14.5-14.8 cents and 12.3-12.6 cents, respectively<sup>3</sup>. FY25 distribution payout to be within the target range of 95-100% of AFFO

**+1.1%**

**PORTFOLIO  
MAT GROWTH<sup>2</sup>**

**99.2%**

**PORTFOLIO  
OCCUPANCY**

**+3.0%**

**1Q FY25  
LEASING SPREAD**

**\$12,745/sqm**

**SPECIALTY  
PRODUCTIVITY**

## Portfolio sales<sup>4</sup>

(Sep-24 growth versus prior year)

	MAT	Quarter
Specialty stores	(0.6)	(1.4)
Mini majors	4.1	5.3
<b>Specialties and mini majors</b>	<b>0.9</b>	<b>0.7</b>
Supermarkets	3.7	2.0
Discount department stores	2.8	1.3
Other retail <sup>5</sup>	(3.2)	(8.6)
Department stores	(4.5)	(3.7)
<b>Total portfolio</b>	<b>1.1</b>	<b>0.1</b>
Food retail	5.8	6.9
Food catering	6.1	4.7
Apparel & footwear	(2.0)	(3.3)
Jewellery	(3.2)	(1.0)
Leisure	7.2	9.5
Homewares	(1.5)	0.9
General retail	1.6	(1.7)
Mobile phones	(0.6)	(0.3)
Retail services	3.1	2.9
<b>Total specialties and mini majors</b>	<b>0.9</b>	<b>0.7</b>

1. Per Vicinity’s FY24 annual results announcement, grand opening of Chadstone One Middle Road and Market Pavilion scheduled for March 2025 and major redevelopment of Chatswood Chase to begin opening in late 2025.

2. Premium retail centres include Chadstone, Outlet portfolio and CBDs. Lakeside Joondalup to be included in premium centre category from 1H FY25.

3. Earnings guidance assumes no material deterioration in economic conditions.

4. Sales are reported for comparable centres, which excludes divestments and development-impacted centres in accordance with Shopping Centre Council of Australia (SCCA) guidelines.

5. Other retail includes cinemas, travel agents, auto accessories, lotteries and other entertainment.

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## AUTHORISATION

The Disclosure Committee has authorised that this document be given to ASX.

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