ASX Announcement

20 August 2025

Strategic execution and positive portfolio metrics deliver FFO per security at the top end of Vicinity's guidance range

Vicinity Centres ('**Vicinity**', ASX:VCX) today released its results for the 12 months ended 30 June 2025 ('**FY25**').

FY25 financial and strategic highlights:

- Statutory net profit after tax ('**NPAT**') of $1,004.6m (FY24: $547.1m)
- Funds From Operations ('**FFO**') up 1.4% to $673.8m. Adjusted for one-off items[1] and higher loss of rent from developments, FFO was up 3.6%
- At 14.8 cents, Vicinity delivered FFO per security at the top end of its guidance range of 14.5 to 14.8 cents per security
- Final distribution of 6.05 cps, bringing FY25 distribution to 12.00 cps (FY24: 11.75 cps), representing a payout ratio of 95.4% of Adjusted-FFO ('**AFFO**')
- Ongoing execution of investment strategy; acquiring a premium asset, Lakeside Joondalup, with strong growth potential at attractive pricing and divesting non-strategic assets at 5%+ above book values
- Opened Chadstone's revitalised fresh food and dining precinct, The Market Pavilion, which is trading above expectations. Chadstone's total visitation in 4Q FY25 up 36% on 4Q FY24 and static centre[2] sales up +4.4% over the same period
- Transformational development of Chatswood Chase to northern Sydney's fashion capital remains on track to commence opening in 2Q FY26; leasing now largely complete
- Comparable Net Property Income[3] ('**NPI**') growth of +3.7%, reflecting strength of Vicinity's portfolio metrics and continued outperformance by the premium asset portfolio. Headline NPI up 3.3%
- Strengthening retail sales, up 2.8% in FY25 and resilient portfolio metrics supported by higher quality asset portfolio, robust retailer demand and tenant remixing, amid a tightening retail supply environment
- Occupancy at 99.5%, leasing spreads at +2.5%, average annual escalator on new leases of +4.8% and specialty and mini majors sales in 2H FY25 up 4.7% relative to 2H FY24 (1H FY25: +2.9%)
- Coupled with strong occupancy, Vicinity's specialty occupancy cost ratio ('**OCR**') of 14.1% highlights potential for continued positive leasing tension and future rent growth
- At 26.6%, gearing is at lower end of the 25-35% target range, enabling investment in growth priorities

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[1] Transactions and reversal of prior year provisions.
[2] Excludes retailers in The Market Pavilion.
[3] Comparable net property income growth excludes reversal of prior year provisions, transactions and development impacts.

Reflections on FY25 from CEO and Managing Director, Peter Huddle:

Strategic execution

FY25 has been another important year for Vicinity. The strategic decisions taken and investments made this year continue to be anchored by our strong conviction that premium, fortress-style assets located in strong trade areas that are well managed by retail property experts, have the potential to deliver superior and sustained income and value growth.

Our conviction continues to be reinforced by the emerging shortage of retail Gross Lettable Area ('**GLA**') per capita in Australia[4] arising from population growth, construction sector constraints and limited major tenant expansion.

In this context, we have continued to execute our investment strategy in FY25, acquiring 50% of Lakeside Joondalup in Western Australia, a premium asset with strong growth potential at attractive pricing ($420 million), divesting three non-strategic assets at a blended premium to June 2024 book value of >5%, and selectively investing in important, large scale retail developments.

Also during the year, we advanced important and transformational retail developments at Chadstone and Chatswood Chase, with Chadstone's reimagined fresh food and dining precinct, The Market Pavilion, and new, 20,000 sqm office tower, One Middle Road, successfully completed in 2H FY25.

We were delighted to complete final negotiations with the LVMH Group to open at Chatswood Chase in 4Q FY26. For any luxury retail precinct, the presence of LVMH's house of brands is critical. Formalising the extension of our close and successful partnership with the LVMH Group to include Chatswood Chase supports the successful reimagination of Chatswood Chase as northern Sydney's new fashion capital.

Maintaining our conservative and disciplined approach to managing gearing and retaining our credit ratings continues to be a guiding principle when managing and deploying capital. Importantly, we have been able to make meaningful enhancements to our asset portfolio, while at the same time ensuring gearing remains at the lower end of our 25%-35% target range, at 26.6%.

Also supporting our gearing was the 1.2%, or $175 million, uplift in total portfolio valuations in the second half. We are pleased to report that for the third consecutive six-month period, the portfolio delivered positive net property valuation growth in 2H FY25, underpinned by consistently strong income growth and stable valuation metrics. On a full year basis, the total value of our portfolio increased by $349 million (1H FY25: up $174 million, 2H FY25: up $175 million).

In January 2025, Vicinity established a Distribution Reinvestment Plan ('**DRP**') as a potential alternate source of funding and flexibility for securityholders. The DRP was in operation for the FY25 interim distribution, achieving a 9% uptake and providing Vicinity with $23 million of additional capital. The DRP remains in operation for the FY25 final distribution with a 1.0% discount to be applied. Further details were provided to the ASX today.

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[4] CBRE Research, Australia.

Operating environment and portfolio performance

FY25 has proven to be a resilient year in terms of retail sales growth, benefiting from the confluence of population growth, strong employment, the accumulated benefit of income tax reductions effective 1 July 2024, Federal Government initiatives to reduce the cost of living throughout FY25 (e.g., energy cost rebates), as well as two interest rate reductions and the likelihood of further interest rate reductions in 2025.

Following +2.0% retail sales[5] growth in 1H FY25, growth accelerated to +3.8% in 2H FY25, delivering a solid +2.8% MAT uplift for the full year.

Against this backdrop, our portfolio metrics remained positive and continue to support current and future year income growth. Occupancy lifted to 99.5% (Jun-24: 99.3%) and we are continuing to write high quality leases; leasing spreads remained favourable at +2.5% (FY24: +1.1%), average annual escalators on deals completed remain healthy at 4.8% (FY24: 4.8%) and the proportion of income on holdover is now at a historical low for Vicinity of 2.1%[6].

At 3.7% in FY25 (FY24: 4.1%), comparable NPI growth continued to be driven by superior portfolio metrics delivered by our premium assets. In FY25, our premium asset portfolio[7] delivered 4.9% comparable NPI growth, leasing spreads of +6.1%, occupancy at 99.6% and +4.3% growth in mini major and specialty retail sales in 2H FY25.

Notably, improving portfolio quality and strategic tenant remixing delivered by our property, leasing and development teams have supported 18% growth in specialty sales productivity since FY19. Together with growing sales productivity and high portfolio occupancy, Vicinity's specialty occupancy cost ratio of 14.1% highlights potential for continued positive leasing tension and future rent growth.

Developments and mixed-use update

Our willingness and our ability to invest in the vibrancy and quality of our asset portfolio remains a key differentiator and a source of competitive advantage, especially in the context of tightening supply of retail floorspace and ongoing capacity constraints in Australia's construction sector.

On 27 March 2025, we opened Chadstone's revitalised fresh food and dining precinct, The Market Pavilion, which continues to trade above expectations. After a prolonged period of interruption from development activities, the opening of The Market Pavilion ushers in a new era for food and dining at Chadstone, reinforcing the asset as Australia's premier destination for shopping, dining and entertainment.

Showcasing the positive impact on the asset more broadly, Chadstone's total visitation in 4Q FY25 was up by 36% on 4Q FY24 and similarly, static centre retail sales have positively rebounded, up 4.4% over the same period.

In June 2025, we at Vicinity, and the Chadstone centre more broadly, were delighted to officially welcome Adairs' head office team to the One Middle Road office tower. Kmart is now fitting out its office space and is expected to officially open in early 2026.

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5 Sales are reported for comparable centres, which excludes divestments and development-impacted centres in accordance with Shopping Centre Council of Australia guidelines. Unless otherwise stated, sales growth is reported against the same period a year earlier.

6 Excluding tenancies strategically held for development or reconfiguration.

7 Vicinity's premium asset portfolio comprises Chadstone, Outlet Centres, CBD Centres and Lakeside Joondalup.

With One Middle Road occupied, Chadstone will benefit from up to 2,000 more office workers during the week who will utilise the asset's unrivalled shopping, dining, leisure and entertainment amenities, all conveniently located and housed under the one roof.

The Chatswood Chase major redevelopment is substantially progressed with major structural works now complete and the new mall reconfigurations taking shape. Notably, the pre-leasing is now largely complete. Our plans for a staged opening remain unchanged, with the redeveloped Ground and Level 2 on track to open in 2Q FY26, in time for Christmas. Following extensive lease negotiations and a complex fit-out process, the Luxury precinct on Level 1 is expected to be open and trading by 4Q FY26.

The Board has approved the commencement of the entertainment and lifestyle redevelopment of Galleria in Western Australia, which will include a complete mall revitalisation and introduction of an enhanced dining and entertainment offer.

As we look ahead to FY27, retail development is likely to be less transformational in nature and more focused on targeted, small to medium scale developments that ensure our assets continue to provide a compelling proposition for our customers.

From a broader mixed-use development perspective, following the NSW Government's approval of the Bankstown Rezoning Proposal in November 2024 as part of the Transport Oriented Development program, Vicinity is well positioned to advance residential development adjacent to our Bankstown Central asset and the new Metro station, which is due to commence services in 2026.

Chatswood Chase also presents an exciting near-term mixed use development opportunity, with Vicinity owning two properties that are directly adjacent to the centre.

Sites at both centres proposed for high density residential have been endorsed for inclusion in the Housing Development Authority's accelerated assessment pathway, providing an expedited planning process. Both Bankstown Central and Chatswood Chase represent two of Vicinity's most strategically located and exciting assets with potential to deliver new housing in high-demand urban precincts. These opportunities align with government priorities, while presenting Vicinity with the opportunity to further densify the area surrounding key assets.

Vicinity continues to consider various operating and funding models appropriate for these mixed-use opportunities, while at the same time, maintaining optionality in terms of how and when we unlock the best risk adjusted return for Vicinity and its securityholders.

Conclusion
In the context of major developments and an active investment strategy, FY26 will be another year where we remain steadfastly focused on driving strong and superior asset performance while we simultaneously complete and deliver Chatswood Chase, advance the redevelopment of Galleria, and cycle the short-term earnings impact from our strategic divestments to date.

Importantly, our balance sheet remains a key enabler of our ability to invest in our growth priorities, both organic and inorganic, that will ultimately deliver sustained value accretion for all our stakeholders.

FY26 Earnings Guidance[8]

- FY26 FFO and Adjusted FFO per security expected to be within the ranges of 15.0 to 15.2 cents and 12.8 to 13.0 cents, respectively
- Vicinity expects its full year distribution payout to be within the target range of 95-100% of Adjusted FFO
- Adjusting for one-off items[9] and lower development-related loss of rent, FY26 FFO growth expected to be 2.0% - 3.5%
- Comparable NPI growth expected to be c.3% in FY26. Excluding the impact of new taxes and levies, comparable NPI in FY26 would be expected to be c.3.5%
- Development-related loss of rent[10] c.$25m in FY26 (FY27: c.$15m)
- Weighted average cost of debt in FY26 expected to be c.5.0% (FY25: 5.1%)
- Maintenance capital expenditure and leasing incentives of c.$100m
- Investment capital expenditure expected to be in the range of $400m to $450m (FY25: c.$350m)

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This document should be read in conjunction with Vicinity's FY25 annual results presentation and 2025 Annual Report released to the ASX today. A briefing by management elaborating on this announcement will be webcast from 10.15 am (AEST) today and can be accessed via vicinity.com.au/investors.

Authorisation
The Board has authorised that this document be given to the 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 $24 billion in retail assets under management across 52 shopping centres, making it the second largest listed manager of Australian retail property. The Group has a Direct Portfolio with interests in 51 shopping centres (including the DFO Brisbane business) and manages 26 assets on behalf of Strategic Partners. Vicinity is listed on the Australian Securities Exchange (ASX) under the code 'VCX' and has 21,000 securityholders. Vicinity also has European medium term notes listed on the ASX under the code 'VCD'. For more information visit vicinity.com.au or scan the QR code.

[8] Guidance assumes no material deterioration in economic conditions.
[9] Transactions and reversals of prior year provisions.
[10] Estimated lost rent is based on the development pipeline shown on slide 27 of Vicinity's FY25 annual results presentation.