

## Frasers Property Limited reports S\$1,246 million PBIT<sup>1</sup> in FY20

- ◆ Revenue and attributable profit amounted to S\$3,597 million and S\$188 million respectively
- ◆ Deleveraged the Group's balance sheet through active capital management initiatives, including recycling assets valued at around S\$2.4 billion<sup>2</sup> through its REITs and entering into a strategic capital partnership for Northpoint City (South Wing)
- ◆ Strengthened business platforms across multiple asset classes and geographic markets, positioning the Group for eventual recovery
- ◆ Proposed dividend of 1.5 Singapore cents per share reflects impact of the COVID-19 outbreak on earnings and the prudent conservation of financial resources in view of uncertainties ahead

### SINGAPORE, 11 NOVEMBER 2020

Frasers Property Limited ("Frasers Property", and together with its subsidiaries, the "Group") today announced its financial results for its full year ended 30 September 2020 ("FY20").

### FINANCIAL HIGHLIGHTS

	FY20 (S\$ 'mil)	FY19 (S\$ 'mil)	Inc/(Dec) (%)
<b>Revenue</b>	3,597.0	3,791.9	(5.1)
<b>PBIT<sup>1</sup></b>	1,245.6	1,292.6	(3.6)
<b>Attributable Profit</b>	188.1	560.3	(66.4)

Mr Panote Sirivadhanabhakdi, Group Chief Executive Officer of Frasers Property, commented, "We have done a lot of work around building the foundation of a business that aims to deliver value over the long-term and through market cycles. As a result of this groundwork, there were bright spots in certain segments, particularly industrial and logistics, Thailand and, to a certain extent, China. Positive contributions from these segments helped to partially offset the adverse impact of the COVID-19 pandemic on our earnings in FY20. Our hospitality business has unsurprisingly been hardest hit, registering significantly lower contributions and accounting for the bulk of the impairments and fair value losses we recorded. The extension of tenant support across the Group has also affected our bottom line. As part of our efforts to manage the COVID-19 pandemic's negative impact on business and earnings, we have been taking proactive actions to strengthen the Group's financial position, including optimising cash flows and liquidity, reducing operational costs, and deferring uncommitted capital expenditure."

In view of the COVID-19 pandemic's impact on earnings and in keeping with the Group's conservation of financial resources given the uncertainties ahead, Frasers Property's board of directors proposes to pay out a dividend of 1.5 Singapore cents per share for FY20 compared to 6.0 Singapore cents per share for FY19.

"While there are near-term challenges, the Group's fundamentals remain intact," added Mr Sirivadhanabhakdi. "Recognising that we must continue to respond with agility and demonstrate tenacity in order to sustain growth over the long term, we have put in place strong leadership, competent teams and robust processes across our business, and built up a resilient, well-diversified portfolio over the years. We will continue to build upon our foundation to enable Frasers Property to evolve in the post-COVID-19 world."

<sup>1</sup> Profit before interest, fair value change, taxation and exceptional items

<sup>2</sup> Includes the sale of 63.1% stake in AsiaRetail Fund Limited to FCT, which was completed on 27 October 2020

## KEY CORPORATE DEVELOPMENTS IN FY20

Fraser's Property announced several corporate developments across its various business units in FY20, in line with its strategy to build scalable platforms. In Singapore, it formed Fraser's Property Retail, a retail-focused platform with S\$9.1 billion<sup>3</sup> of assets under management ("AUM"), in October 2019, and acquired property manager AsiaMalls Management in February 2020. In addition, it formed Fraser's Property Industrial, a multi-national integrated industrial and logistics strategic business unit with S\$8.7 billion<sup>3</sup> of AUM, in October 2019. In January 2020, it expanded its business park portfolio in the UK via the acquisition of the Lakeshore Business Park in Heathrow for S\$238 million<sup>4</sup>. In September 2020, Fraser's Property Thailand<sup>5</sup> merged with Golden Land Property Development Public Company Limited after the latter's delisting, creating a leading fully integrated real estate platform in Thailand.

The Group's REITs have scaled up as well following a number of transformative transactions. Fraser's Logistics & Industrial Trust merged with Fraser's Commercial Trust in April 2020, and created Fraser's Logistics & Commercial Trust ("FLCT"), which has S\$6.2 billion<sup>6</sup> of AUM and is well-positioned to provide synergistic end-to-end enterprise solutions to a wider customer base. More recently, Fraser's Centrepont Trust ("FCT") entered into a sale and purchase agreement for the acquisition of Fraser's Property's 63.1% stake in AsiaRetail Fund Limited ("ARF") for around S\$1.1 billion<sup>7</sup>. Following the completion of the acquisition on 27 October 2020, FCT is now one of Singapore's largest suburban mall owners. As a result of both transactions, FLCT and FCT are now among the top 10 listed REITs in Singapore<sup>8</sup>.

Assets valued at around S\$2.4 billion<sup>2</sup> were recycled through the Group's REITs over the course of the financial year, supporting the growth of the REITs whilst bolstering FPL's balance sheet. These comprise the divestment of Fraser's Property's stake in ARF to FCT, whose 63.1% share of ARF's asset value was around S\$1.9 billion; its stake in three properties with a total asset value of around S\$301 million to FLCT; and Fraser's Property Thailand's<sup>5</sup> divestment of around S\$124 million worth of factories and warehouses to Fraser's Property Thailand Industrial Freehold & Leasehold REIT. This virtuous cycle of growth and value creation has featured prominently in the Group's capital management strategy since its listing in January 2014, with assets valued at a total of around S\$7.7 billion recycled through its REITs over the past seven financial years. In addition, continuing the Group's capital partnership initiatives, Fraser's Property entered into a strategic capital partnership with TCC<sup>9</sup> in July 2020 for Northpoint City South Wing in Singapore, yielding around S\$174 million of net proceeds which were used to further deleverage the Group's balance sheet.

## LOOKING AHEAD

Fraser's Property continues to maintain a high level of business and financial discipline even as the Group continues to manage the operational challenges posed by the COVID-19 pandemic. The overall business and financial position of the Group remains healthy, and the business platforms that have been built up over the years will position Fraser's Property in good stead to grow in a post-COVID-19 environment.

In Singapore, Seaside Residences is on schedule for completion in end 2020, and planning is progressing well for the Fernvale Lane executive condominium site, which is expected to yield 496 units. The suburban malls business continued to demonstrate its resilience and relevance, with recent tenant sales having recovered to near pre COVID-19 levels, outpacing the recovery of shopper traffic. Following the acquisition

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<sup>3</sup> Comprises property assets as at 30 September 2020 in which the Group has an interest, including assets held by its REITs, JVs and associates

<sup>4</sup> Based on an exchange rate of £1: S\$1.7625 as at 21 January 2020

<sup>5</sup> Fraser's Property (Thailand) Public Company Limited

<sup>6</sup> As at 30 September 2020

<sup>7</sup> As per Fraser's Property's announcement dated 3 September 2020

<sup>8</sup> In terms of market capitalisation based on Bloomberg data as at 30 September 2020 as well as FLCT's and FCT's internal data, and assuming the merger of CapitaLand Mall Trust and CapitaLand Commercial Trust has been completed and their respective market capitalisation and free float figures are aggregated

<sup>9</sup> TCC Prosperity Limited, through its wholly-owned subsidiary Bright Bloom Capital Limited

of ARF's property management company in February 2020, Frasers Property Retail, with its enlarged retail management platform, is even better positioned to meet the needs of the portfolio's catchment population of more than three million Singapore residents.

Frasers Property Australia has around 1,955 residential units due for settlement over the coming financial year, of which around 89% have already been sold. On the retail front, it completed three retail assets this year, of which one was sold to a third party. Burwood Brickworks and Eastern Creek Quarter Stage 1 will both be retained on the Group's balance sheet, pending stabilisation. Ed.Square Town Centre, which partially opened this year with major retailers like Coles and Liquorland already operational, is on track for full completion next year. These are all super neighbourhood centres that are weighted towards the non-discretionary sector and anchored by major supermarket tenants.

Frasers Property Industrial has eight new assets spanning more than 204,000 sqm across Australia and Germany that are planned for completion over the next two financial years. Over the course of the year, Frasers Property Industrial replenished its land bank, adding approximately 700,000 sqm in Australia and 40,000 sqm in Germany, bringing its total industrial land bank to 2.8 million sqm. Its industrial investment portfolio in Australia is fully occupied while its portfolio in Europe is 99% occupied, on the back of strong leasing activity with renewals and new leases for over 710,000 sqm of lettable area secured during the year.

Frasers Hospitality is actively capitalising on the uptick in domestic travel in various markets amid the gradual easing of some pandemic-related restrictions, while its base of long-stay corporate guests in China and Southeast Asia provide some stability. Frasers Hospitality added four new properties over the course of FY20 to capture opportunities from the resumption of domestic tourism. In the UK and Europe, Frasers Hospitality is cautiously calibrating the re-opening of its properties alongside possible cost containment strategies to account for prevailing COVID-19 related measures imposed by governments.

The COVID-19 pandemic has accelerated the pace of demand shifts as customer requirements and behaviours change to adapt to the new norm. As real estate segments converge amid trends such as the rise of e-commerce and working from home, the Group's capabilities in mixed-use property development and management, as well as placemaking are becoming more important. To add further value, Frasers Property has been accelerating its digitalisation initiatives to create an ecosystem that aggregates property technologies and value-added services. Frasers Property will continue to put resources into meeting these demand shifts to help the Group navigate through to recovery.

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#### **About Frasers Property Limited**

Frasers Property Limited ("Frasers Property" and together with its subsidiaries, the "Frasers Property Group" or the "Group"), is a multi-national developer-owner-operator of real estate products and services across the property value chain. Listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and headquartered in Singapore, the Group has total assets of approximately S\$38.7 billion as at 30 September 2020.

Frasers Property's multi-national businesses operate across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities and 20 countries across Asia, Australia, Europe, the Middle East and Africa.

Frasers Property is also the sponsor of two real estate investment trusts ("REITs") and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust and Frasers Logistics & Commercial Trust are focused on retail, and industrial & commercial properties, respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties. In addition, the Group has two REITs listed on the Stock Exchange of Thailand. Frasers Property (Thailand) Public Company Limited is the sponsor of



Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on industrial & logistics properties in Thailand, and Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial properties.

The Group is unified by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging its people, knowledge and capabilities from across markets to deliver value in its multiple asset classes.

For more information on Frasers Property, please visit [frasersproperty.com](http://frasersproperty.com)

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