

Fraser's Centrepoint Trust

Business Updates for the first quarter ended 31 December 2022

26 January 2023



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1Q23 highlights

Improved operational performance in 1Q23



Improved occupancy on firm leasing demand

- Retail portfolio committed occupancy improved 0.9%-pt q-o-q and 1.2%-pt y-o-y to **98.4%** on healthy leasing demand.



1Q23 Shopper traffic and retail portfolio tenants' sales growth remained robust

- Tenants' sales ▲ 13.4% y-o-y
- Shopper traffic ▲ 38.3% y-o-y



Prudent hedging strategies in place

- **73%** of total borrowings are on fixed interest rates (4Q22: 71%).
- Substantial portion of energy hedges expires progressively in 2H FY2023, with flexibility for renewals.



Progress in sustainability journey

- Hougang Mall achieved BCA Green Mark Platinum certification in November 2022. All 10 FCT properties are at least BCA Gold certified.

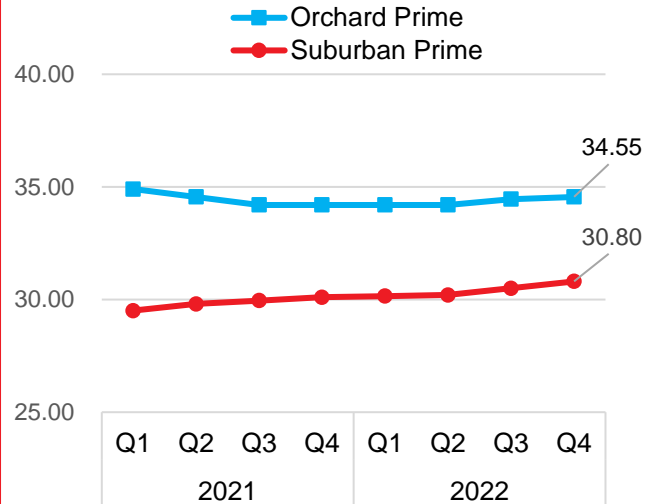
Recovering market environment

Overall retail rent expected to continue recovering in 2023 (CBRE)

- Singapore's economy grew by **3.8%** in 2022¹. Singapore's core inflation was **5.1%** on y-o-y basis in November 2022, unchanged from October 2022².
- Singapore retail sales index (excluding motor sales) for November 2022 was **▲8.7% y-o-y**, sales of F&B services was **▲24.7% y-o-y**³.
- **CBRE**⁴:
 - Islandwide retail rents increased for the second consecutive quarter: Suburban prime rents **▲1.0% q-o-q** and **▲2.3% y-o-y**, while Orchard Road prime rents **▲0.3% q-o-q** and **▲1.0% y-o-y**.
 - CBRE expects overall rent to continue recovering in 2023.

Prime retail rents by submarkets (CBRE)

S\$ psf per month



1. ["Singapore's GDP Grew by 2.2 Per Cent in the Fourth Quarter of 2022 and by 3.8 Per Cent in 2022"](#), MTI, 3 January 2023.
2. ["Consumer Price Developments in November 2022"](#), MTI, 23 December 2022.
3. ["Monthly Retail Sales Index and Food & Beverage Services Index"](#), Department of Statistics Singapore, November 2022.
4. ["Singapore Figures Q4 2022"](#), CBRE Research, 11 January 2023.



Financial position

Prudent capital management

73% of borrowings hedged to fixed interest rate

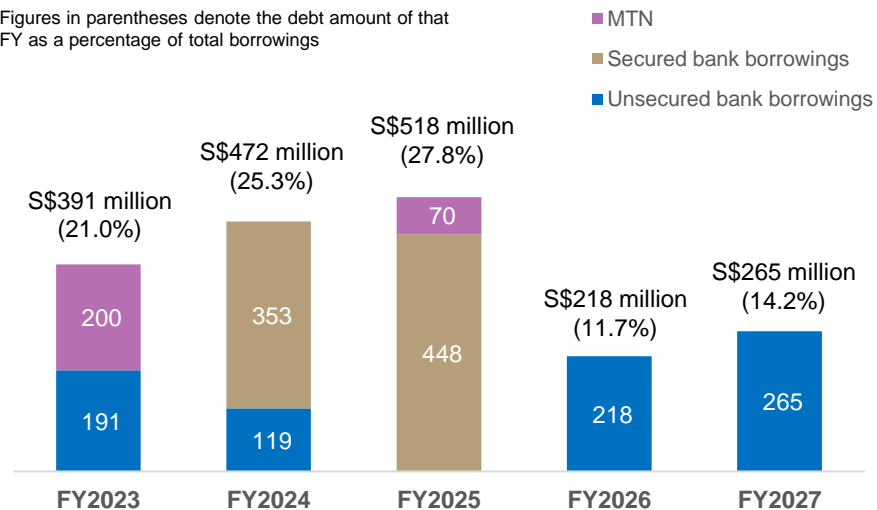
- Green loans account for approximately 31.4% of total borrowings¹.

	31 Dec 2022	30 Sep 2022
Aggregate leverage ²	33.9%	33.0%
Adjusted ICR /ICR (times) ³	4.73	5.19
Average cost of debt for the quarter (all-in)	3.5%	3.0%
Average debt maturity (years)	1.82	2.03
% of debt hedged to fixed rate interest	73%	71%
Undrawn RCFs as at 31 Dec 2022	S\$597.9 million	
Credit rating (S&P)	BBB/Stable	
Credit rating (Moody's)	Baa2/Stable	

Debt Maturity Profile as at 31 December 2022

Total borrowing: S\$1,864 million⁴

Figures in parentheses denote the debt amount of that FY as a percentage of total borrowings



1. The green loans and the total borrowings include FCT's 40.00% proportionate share of borrowing in SST.

2. In accordance with the Property Funds Appendix, aggregate leverage includes FCT's 40.00% proportionate share of deposited property value and borrowing in SST.

3. Ratio is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees as defined in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. As the Group has not issued any hybrid securities, Adjusted ICR is identical to the ICR of the Group.

4. Excludes proportionate share of borrowings of SST

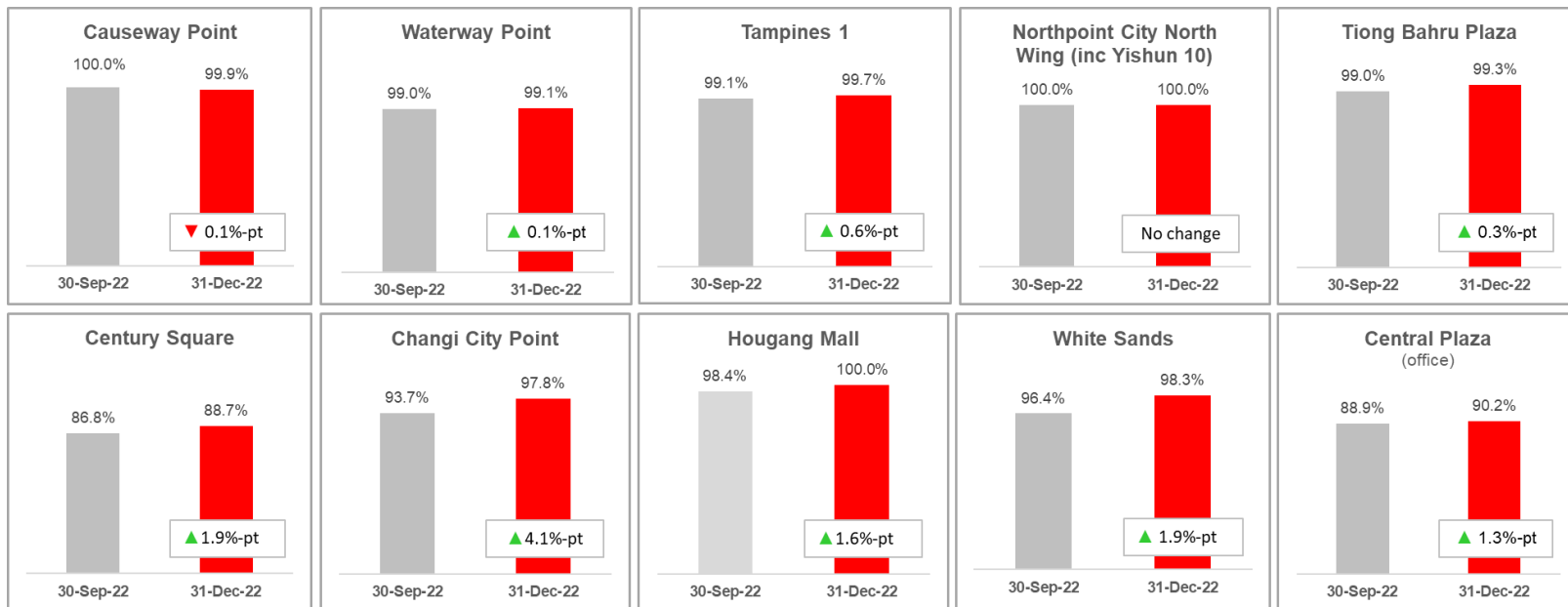


Portfolio performance

Retail portfolio committed occupancy improved to 98.4%

Focus remains on proactive asset and property management to drive performance

- Retail portfolio committed occupancy improved 0.9%-pt q-o-q and 1.2%-pt y-o-y as leasing demand remains firm.
- Occupancy at Changi City Point improved 4.1%-pt with reconfigured food court space now fully leased.
- Occupancy at Century Square improved 1.9%-pt; leasing negotiation for anchor space (~8% NLA) is ongoing.

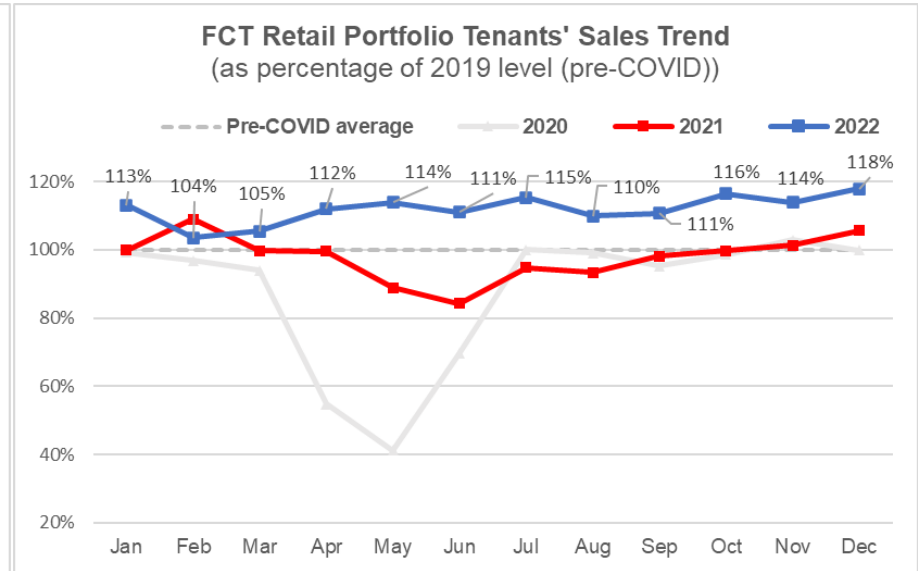
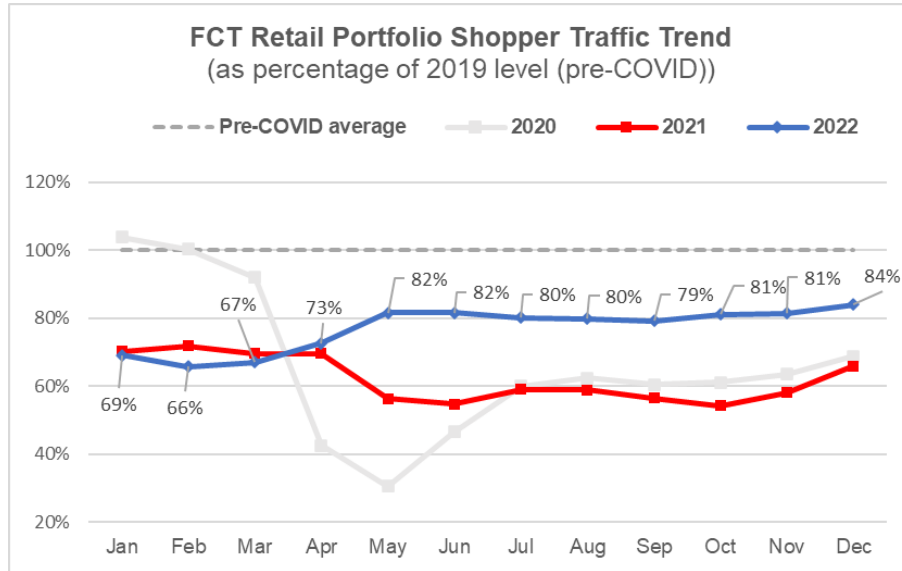


Any discrepancies between individual amount and the aggregate is due to rounding.

Retail portfolio tenants' sales and shopper traffic

Trend reflects more purposeful visitation to the malls

- Despite shopper traffic in 2022 averaging around 80% of pre-COVID level, tenants' sales in same period is **12%** above pre-COVID level. This shift to the future of work also reflects the trend of mall visitations becoming more purposeful.



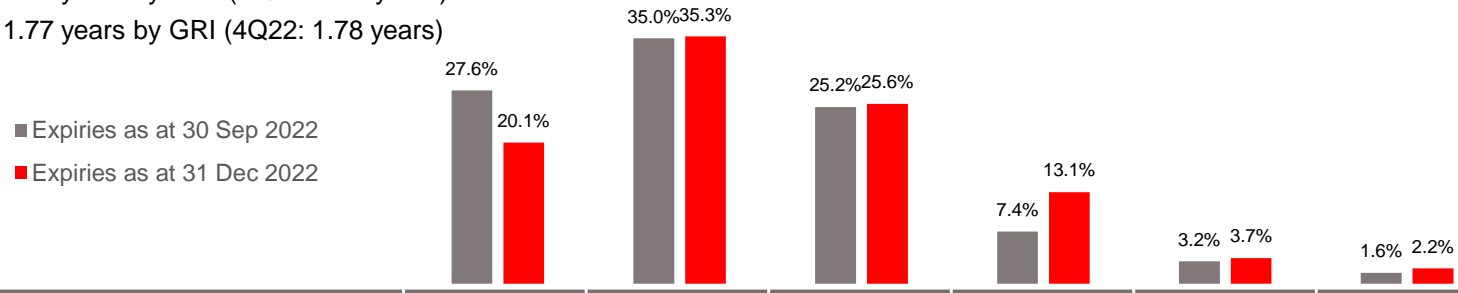
Well-spread lease maturity profile

No significant concentration risk

Lease expiry profile as % of Total GRI

WALE @ 31 Dec 2022

- 1.87 years by NLA (4Q22: 1.87 years)
- 1.77 years by GRI (4Q22: 1.78 years)



Lease expiry as at 31 Dec 2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028 & beyond	Total
Number of leases expiring	332	512	429	182	18	5	1,478
Leased area expiring (sq ft)	431,843	730,077	473,325	303,657	99,140	94,532	2,132,574
Expiries as % of total leased area	20.2%	34.2%	22.2%	14.3%	4.7%	4.4%	100.0%
Expiries as % of total GRI	20.1%	35.3%	25.6%	13.1%	3.7%	2.2%	100.0%

A string of new-to-portfolio offerings in 1Q23

Continuous leasing effort to curate and refresh retail offerings



Images Source: respective Facebook pages

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Bringing the experience closer to the community

Multiple initiatives and programs to reach out to the community

Merry Making with Miffy

Miffy-themed Christmas craft workshops and games at Waterway Point, Hougang Mall and Century Square. Participate with minimum spend of S\$50 to S\$80 depending on activities.



Fraser's Property staff in collaboration with Food Bank to distribute bundles of food to the community



Outdoor picnic and movie screening at Causeway Point



Halloween Scaretacular at Tampines 1

Signature Halloween horror maze event at Tampines 1 attracting over 6,000 participants. Tickets redeemable with S\$50 minimum spend.



Tampines 1 AEI to elevate retail experience and unlock asset value

\$S\$38 million in rejuvenation and enhancement capex

- Additional circa 8,000 sq ft NLA from various bonus GFA schemes¹.
- NLA transferred from M&E spaces and lower yielding floors to B1, L1 and L2.
- Refreshed retail experience with new-to-mall offering and rejuvenated key shopper touch-points.
- Over 70%² pre-commitment for AEI spaces prior to works commencement.
- Approximately 8% ROI³, with value generation from higher rents, asset valuation gains and sustainable asset performance.
- AEI to commence in phases from 2Q 2023 and complete in 3Q 2024; mall to continue to operate.

Notable pre-committed tenants include:

- Homegrown favourites: **Love, Bonito**, **Tiong Bahru Bakery**, **COLLIN'S**
- Exciting new-to-portfolio brands:
 - Sushi Plus**: contemporary sushi dining concept by Sushi Express
 - Smile Dessert**: themed dessert cafe
 - Piz'za Love**: new pizza concept by the owners behind Fluff Stack



To convert void area at L1 entrance to prime retail space with refreshing facade⁴



Revamped mix of F&B and retail shops⁴



Rejuvenation works to common areas⁴

1. Bonus GFA from Community/ Sports Facilities Scheme (CSFS) and Distributed District Cooling (DDC) initiative.

2. Based on NLA of leases signed and in advanced negotiations as a percentage of total AEI NLA.

We are Frasers Property

3. ROI based on enhancement cost component at \$S\$31 million.

4. All images are artist's impression only and may be subject to changes.



Summary

FCT is well-positioned to grow in the new normal post-COVID

- Riding on the momentum of recovering retail market environment.
- 1Q23 operational performance continued to improve on healthy leasing demand.
- Despite the challenges from rising costs, suburban retail sector remains an attractive asset class.
- Commencing AEI at Tampines 1 from 2Q 2023.
- FCT has the competitive advantages to execute its growth strategies.
 - ✓ Good location, connection and catchment.
 - ✓ Scale, platform and diversification.
 - ✓ Focus on essentials.
 - ✓ Omnichannel retail ready.
 - ✓ Proactive in sustainability.

Appendix

Definition of terms used in this presentation

- %-pt: percentage-point
- 1Q22: 1st quarter ended 31 December 2021
- 1Q23: 1st quarter ended 31 December 2022
- 4Q22: 4th quarter ended 30 September 2022
- Adjusted ICR: Adjusted Interest Coverage Ratio
- AEI: Asset Enhancement Initiative
- BCA: Building and Construction Authority
- COVID-19: Coronavirus disease
- CSFS: Community/Sports Facilities Scheme
- ESG: Environmental, Social and Governance
- F&B: Food and Beverage
- FCT: Frasers Centrepoint Trust
- GFA: Gross Floor Area
- GRI: Gross Rental Income
- Group: Refers to Frasers Centrepoint Trust and its subsidiaries
- GTO: Gross Turnover rent
- ICR: Interest Coverage Ratio
- Moody's: Moody's Investors Service (credit rating agency)
- MTN: Medium Term Notes under FCT's S\$1 billion multi-currency MTN programme or the S\$3 billion multi-currency EMTN programme, as the case may be
- MSCI: Morgan Stanley Capital International
- MTI: Ministry of Trade and Industry, Singapore
- NLA: Net Lettable Area
- NPI: Net Property Income
- NTA: Net Tangible Value
- p.a.: per annum
- q-o-q: quarter-on-quarter
- RCF: Revolving Credit Facility
- REIT: Real Estate Investment Trust
- Retail Portfolio: Includes all retail malls in FCT's investment portfolio, and includes Waterway Point (40%-owned by FCT), but excludes Central Plaza which is an office property
- ROI: Return on investment
- psf/mth: per square foot per month
- Sq ft: Square Feet
- SST: Sapphire Star Trust, which holds Waterway Point; it is a joint venture of FCT
- WALE: Weighted Average Lease Expiry
- y-o-y: year-on-year, refers to the comparison with the same period in the previous year

Top 10 tenants by gross rental as at 31 Dec 2022

FCT Retail Portfolio excluding CSFS

No.	Tenants	As % of total NLA	As % of total GRI
1	NTUC Fairprice ¹	5.7%	4.0%
2	Breadtalk Group ²	1.9%	2.3%
3	Kopitiam ³	2.0%	1.8%
4	Dairy Farm Group ⁴	1.4%	1.7%
5	Metro (Private) Limited ⁵	2.8%	1.7%
6	Hanbaobao Pte. Ltd. ⁶	1.0%	1.6%
7	Courts (Singapore) Pte. Ltd.	1.6%	1.4%
8	Oversea-Chinese Banking Corporation Limited	0.7%	1.3%
9	United Overseas Bank Limited	0.7%	1.2%
10	Koufu ⁷	1.1%	1.0%
Total		18.9%	18.0%

Notes:

- (1) Includes NTUC FairPrice, FairPrice Finest and Unity Pharmacy.
- (2) Includes Food Republic, Breadtalk, Toast Box, The Foodmarket and Din Tai Fung.
- (3) Operator of Kopitiam food courts, includes Kopitiam, Cantine and Food Tempo.
- (4) Includes Cold Storage supermarkets, Guardian Pharmacy and 7-Eleven.
- (5) Includes Metro Department Store and Clinique Service Centre.
- (6) Operator of McDonald's.
- (7) Operator of Cookhouse by Koufu.

Trade categories as at 31 Dec 2022

FCT Retail Portfolio

Trade Categories (by order of decreasing % of Total GRI)	As % of total NLA	As % of total GRI
Food & Beverage	30.5%	37.9%
Beauty & Healthcare	12.1%	15.2%
Fashion & Accessories	11.6%	11.5%
Sundry & Services	6.0%	8.4%
Supermarket & Grocers	10.0%	6.3%
Homeware & Furnishing	4.1%	3.0%
Information & Technology	2.6%	2.8%
Leisure & Entertainment	5.8%	2.4%
Electrical & Electronics	3.1%	2.4%
Jewellery & Watches	0.9%	2.4%
Sports Apparel & Equipment	3.0%	2.2%
Books, Music, Arts & Craft, Hobbies	3.3%	2.1%
Education	2.6%	1.8%
Department Store	2.8%	1.6%
Vacant	1.6%	0.0%
FCT Retail Portfolio	100.0%	100.0%

Lease expiry by property

20.1% of leases (by GRI) expiring in FY23

Lease Expiries ^{1,2} in FY2023 (As at 31 Dec 2022)	Number of expiring leases	Leased area of expiring leases (sq ft)	as % of leased area of property	as % of total GRI of property
Causeway Point	48	54,824	13.1%	20.4%
Waterway Point	41	44,735	12.1%	14.6%
Tampines 1	61	80,652	30.1%	26.9%
Northpoint City (North Wing) + Yishun 10	31	32,636	15.7%	18.0%
Tiong Bahru Plaza	29	61,764	29.0%	23.1%
Century Square	38	58,641	32.6%	26.0%
Changi City Point	35	42,187	21.1%	20.4%
Hougang Mall	21	22,537	15.0%	14.8%
White Sands	28	33,867	26.8%	22.1%
FCT Retail Total	332	431,843	20.2%	20.1%
Central Plaza	4	7,266	5.6%	7.2%

1. Calculations exclude vacant floor area.
2. Based on committed leases for expiries.

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creating places for good.

