

Frasers Centrepoint Trust

Business Updates for the Third Quarter ended 30 June 2022

26 July 2022



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- This Presentation contains certain information with respect to the trade sectors of FCT’s tenants. The Manager has determined the trade sectors in which FCT’s tenants are primarily involved based on the Manager’s general understanding of the business activities conducted by such tenants. The Manager’s knowledge of the business activities of FCT’s tenants is necessarily limited and such tenants may conduct business activities that are in addition to, or different from, those shown herein.
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- This advertisement has not been reviewed by the Monetary Authority of Singapore.

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3Q22 highlights

Riding on positive momentum



Stable occupancy, healthy leasing demand

- Retail portfolio committed occupancy eased slightly from last quarter largely due to pre-termination by an anchor tenant, but maintained at healthy **97.1%**.
- Continued focus on refreshing and strengthening of retail offering to drive retail performance and ensure relevance to shoppers.



3Q22 shopper traffic and tenants' sale up y-o-y

- Retail portfolio tenants' sales up 23% y-o-y, average ~10% above pre-COVID levels.
- Shopper traffic up 32% y-o-y at ~79% of pre-COVID levels.



Prudent hedging strategies in place

- **69%** of total borrowings are on fixed interest rates.
- Increase in portfolio electricity costs mitigated by in-place hedging which would only progressively expire over the next three quarters.



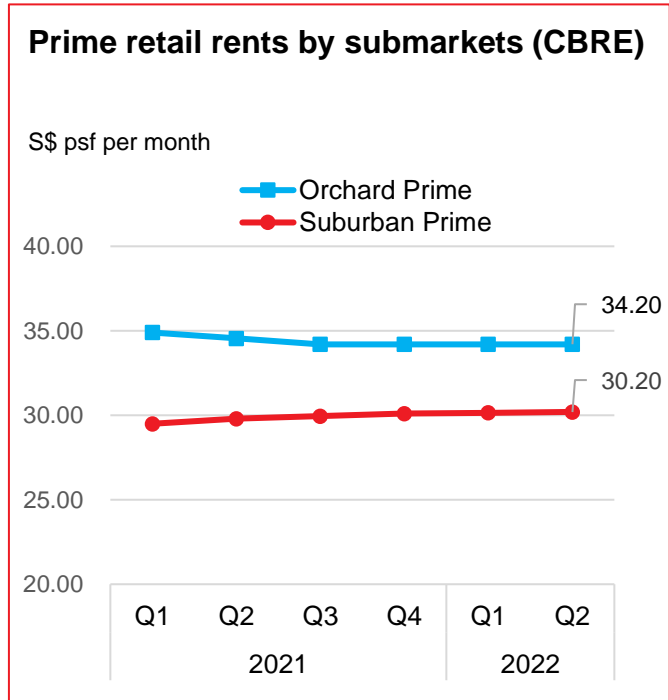
Improving ESG

- MSCI ESG upgraded FCT's ESG rating to "**A**" from "BBB" on 26 May 2022.

Market environment

Suburban retail rents remained firm during the pandemic and expected to strengthen

- The Ministry of Trade and Industry (MTI) maintains Singapore's 2022 GDP growth at **3% to 5%**¹. Singapore's core inflation rose to 4.4% in June 2022, highest since November 2008².
- Singapore retail sales index (excluding motor sales) for May 2022 was **▲ 22.6% y-o-y**, sales of F&B services was **▲ 40.1% y-o-y**³.
- **CBRE**⁴:
 - › **Islandwide retail rents stabilised for the third consecutive quarter:** Suburban prime rents **▲ 0.2% q-o-q** and **▲ 1.3% y-o-y**, while Orchard Road prime rents were flat q-o-q and **▼ 1.0% y-o-y**.
 - › Manpower shortage and rising costs temper retailers' optimism.
 - › Nonetheless, with below-historical average new retail supply in the next few years, CBRE Research expects a more meaningful retail rent recovery after 2nd half of 2022.



1. "MTI Maintains 2022 GDP Growth Forecast at "3.0 to 5.0 Per Cent", MTI, 25 May 2022. https://www.mti.gov.sg/Newsroom/Press-Releases/2022/05/MTI-Maintains-2022-GDP-Growth-Forecast-at-3_0-to-5_0-Per-Cent

2. "Singapore's core inflation rises to 4.4% in June, highest since November 2008", ChannelNewsAsia, 25 July 2022. <https://www.channelnewsasia.com/business/singapore-core-inflation-june-2022-44-cent-2833491>

3. "Monthly Retail Sales Index and Food & Beverage Services Index", Department of Statistics Singapore, May 2022. <https://www.singstat.gov.sg/-/media/files/news/mrsmay2022.ashx>

4. Singapore Figures Q2 2022, CBRE Research, 13 July 2022. <https://www.cbre.com.sg/insights/figures/singapore-figures-q2-2022>



Financial position

Healthy financial position and prudent hedging

69% of borrowings hedged to fixed interest rate to mitigate risks from interest rate volatilities

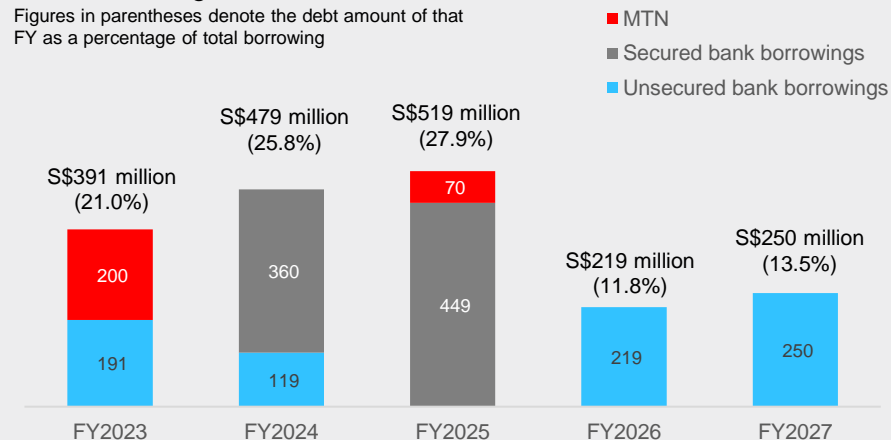
- Healthy aggregate leverage at 33.9% provides financial flexibility and ample debt headroom
- Green loans account for approximately 31.6% of total borrowings¹.
- Every 50 bps rise in SOR/SORA estimated to impact DPU by approximately 0.170 cent² p.a.

	30 Jun 22	31 Mar 22
Average debt maturity (years)	2.31	2.09
Aggregate leverage ³	33.9%	33.3%
Adjusted ICR /ICR (times) ⁴	5.17	5.72
% of debt hedged to fixed rate interest	69%	68%
Avg cost of debt (all-in)	2.4%	2.2%
Undrawn RCFs	S\$573.9 million as at 30 June 2022	
Credit rating (S&P)	BBB/Stable	
Credit rating (Moody's)	Baa2/Stable	

Debt Maturity Profile as at 30 June 2022

Total borrowing: S\$1,858 million

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



1. The green loans and the total borrowings include FCT's 40% proportionate share of borrowing in SST.

2. SOR/SORA refers to Swap Offer Rate/Singapore Overnight Rate Average. Based on the portion of borrowings which are unhedged as at 30 June 2022.

3. In accordance with the Property Funds Appendix, aggregate leverage includes FCT's 40% proportionate share of deposited property value and borrowing in SST.

4. 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.

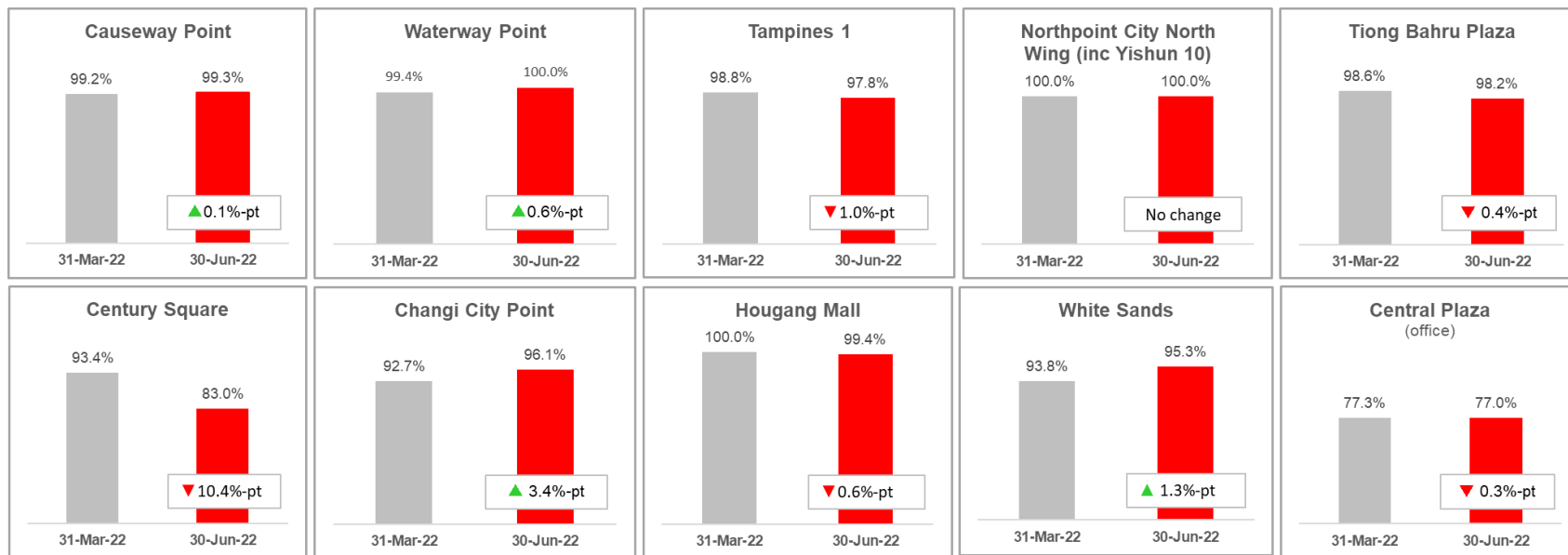


Portfolio performance

Retail portfolio committed occupancy remains healthy at 97.1%

Retail sentiment has improved with re-opening although retailers remain cautious

- Marginal drop in portfolio occupancy from last quarter due mainly to pre-termination by an anchor tenant; advanced negotiations ongoing with replacement tenants for this space.
- Post-pandemic re-opening has improved retailer sentiment and supported leasing demand.

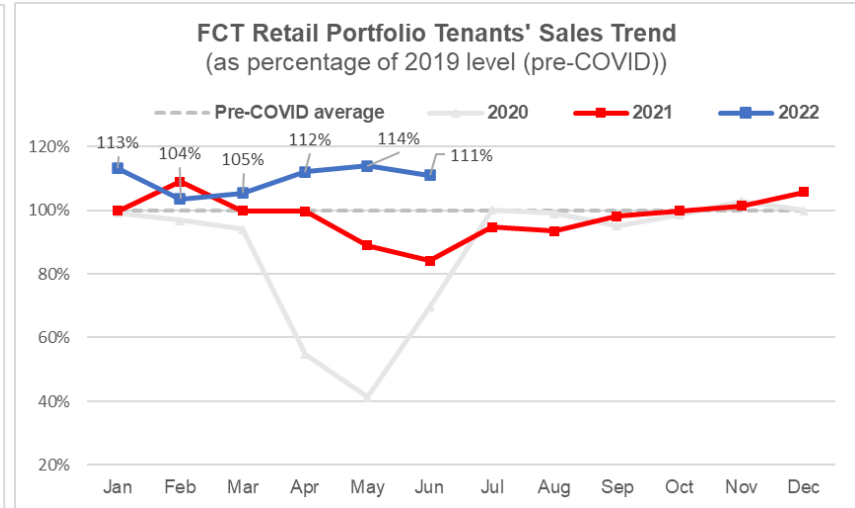
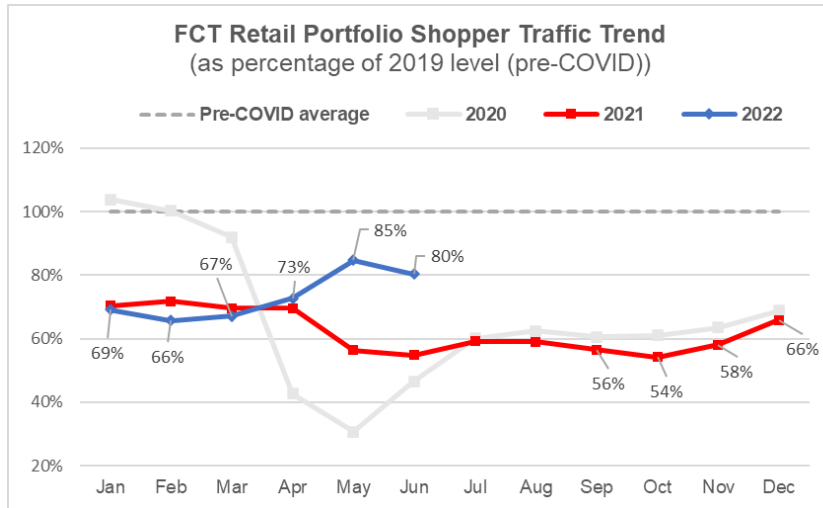


Any discrepancies between individual amount and the aggregate is due to rounding.

3Q22 Tenants' sales continue to outperform pre-COVID levels

Strong sales conversion despite lagging recovery in footfall

- 3Q22 portfolio tenants' sales up 23% y-o-y, led by Tampines 1 and Waterway Point.
- 3Q22 retail portfolio shopper traffic was up 32% y-o-y; all malls recorded double-digit y-o-y improvements.
- Sundry & Service, Supermarket & Grocers, Beauty & Healthcare, Leisure and Entertainment and F&B enjoyed stronger sales. F&B sales growth was led by Restaurants and Cafes.



Note: The Government lifted most of the COVID-related group size limit and safe distancing measures, effective 26 April 2022. Source: <https://www.moh.gov.sg/news-highlights/details/further-easing-of-community-and-border-measures>.

Bulk of expiring leases have been committed

Only 5.3% expiring leases (by GRI) remain in 4Q22

Lease Expiries ^{1,2} in FY2022 (As at 30 June 2022)	Number of leases expiring	Lease area expiring (sq ft)	as % of leased area of property	as % of total GRI of property
Causeway Point	12	20,041	4.8%	5.1%
Waterway Point	10	14,397	3.9%	3.5%
Tampines 1	9	13,393	5.1%	4.5%
Northpoint City North Wing ³	5	4,951	2.4%	2.9%
Tiong Bahru Plaza	13	19,662	9.3%	9.4%
Century Square	8	3,966	2.4%	3.0%
Changi City Point	7	9,265	5.3%	5.4%
Hougang Mall	7	17,857	12.0%	10.4%
White Sands	12	9,328	7.6%	8.0%
FCT Retail Portfolio	83	112,860	5.4%	5.3%
Central Plaza	nil	nil	0.0%	0.0%
FCT Portfolio	83	112,860	5.1%	5.2%

1. Calculations exclude vacant floor area.
2. Based on committed leases for expiries.
3. Includes Yishun 10 Retail Podium.

Well-spread lease maturity profile

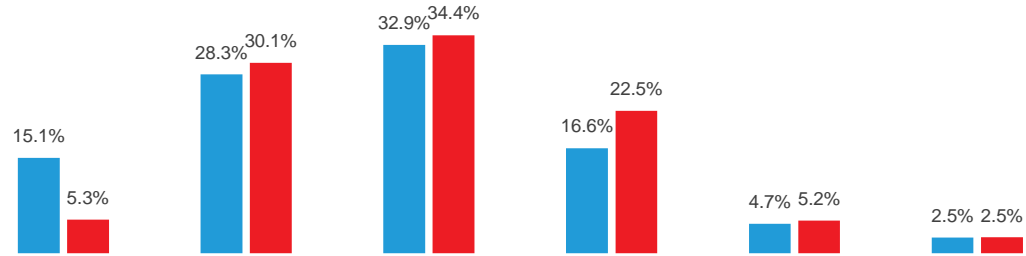
No significant concentration risk

Lease expiry profile of FCT retail portfolio as % of Total GRI

WALE @ 30 Jun 2022

- 1.85 years by NLA (2Q22: 1.87 years)
- 1.78 years by GRI (2Q22: 1.78 years)

- Expiries as at 31 Mar 2022
- Expiries as at 30 Jun 2022



Lease expiry as at 30 June 2022	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027 and beyond	Total
Number of leases expiring	83	484	499	370	31	11	1,478
Leased area expiring (sq ft)	112,860	623,049	688,015	411,805	151,944	95,670	2,083,343
Expiries as % of total leased area	5.4%	29.9%	33.0%	19.8%	7.3%	4.6%	100.0%
Expiries as % of total GRI	5.3%	30.1%	34.4%	22.5%	5.2%	2.5%	100.0%

Introduced a diverse slate of Supermarket and Grocery stores in FY22

Continuous leasing effort to curate and refresh retail offerings



Fairprice Finest– Causeway Point



Fairprice Finest - Extensive range of Halal-certified products, with authentic fresh spice blends and coconut grating machine on top of store exclusive snacks and premium meat cuts.

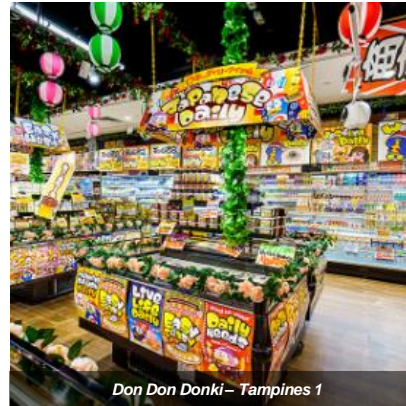
We also welcomed unpackaged organic goods store **Scoop Wholefoods**, Japanese discount store **Don Don Donki** at two of our malls, and Chinese specialty goods **Kun Hai Store @ Taobao**.



Scoop Wholefoods– Waterway Point



Don Don Donki– Waterway Point



Don Don Donki– Tampines 1



Kun Hai Store @ Taobao– Tampines 1

Images source: From respective Facebook.

We are Frasers Property

New-to-Frasers F&B offerings

Continuous leasing effort to curate and refresh retail offerings



Images source: From respective Facebook

We are Frasers Property

New-to-Frasers Beauty & Fashion offerings

Continuous leasing effort to curate and refresh retail offerings



High quality coloured contact lenses and false lashes at **byCaxs Doll Parlour**; skincare product **Kiehl's**. Highly raved about intimate wear **I'M IN** also opened their 3rd outlet at Tampines 1. Other new-to-Frasers brands include sporting goods store **Sports Factory** and quality leather products store **Sanchō**.



Images source: From respective Facebook.

We are Frasers Property

Revamped wet play area and movie blockbuster screening

Continuous effort to upgrade amenities and curate marketing program



A roarsome time awaits

Causeway Point's new dino-themed wet play area at L7 opened to the public in Jun 22, engaging children with high energy and imaginative play.



It's glamping – Jurassic Style!

Movie blockbuster tie-up at Waterway Point; engaging shoppers via a scavenger hunt and exclusive glamping experience with minimum spending.

Workout classes and beach day

Continuous effort to curate marketing programs for shoppers



Fitness classes

Heart-pumping fitness classes such as stretch band and Zumba held at Changi City Point for shoppers.



Indoor Sandy Beach Day

Sandy beach day at White Sands during the June holidays, creating memorable moment with families at our malls.



Summary

Riding on positive momentum

3Q22 performance



- Portfolio occupancy stable at 97.1%.
- Healthy financial position with ample financial flexibility and debt headroom.
- Well-positioned in an improving leasing environment.
- Low lease renewal risk with 5.3% expiring leases (by GRI) remaining in 4Q22.

Outlook



- Rising cost pressures and interest rates pose challenges; will continue mitigating measures through hedging strategies and active cost management.
- Revenue upside from recovery in atrium rental income / car park income / advertisement; better GTO income arising from improved tenants' sales; and improvement in operating factors.

Strategy



- Proactive property and asset management.
- Drive omnichannel to increase sales productivity.
- Focus on sustainability, green building initiatives.
- Leverage technology to drive efficiencies.
- Explore acquisition and AEI opportunities.

Market environment



- Strong recovery in retail sales (excluding motor sales) and sales of F&B services.
- Retail rents stable now, poised to grow with tight future retail supply.

Appendix

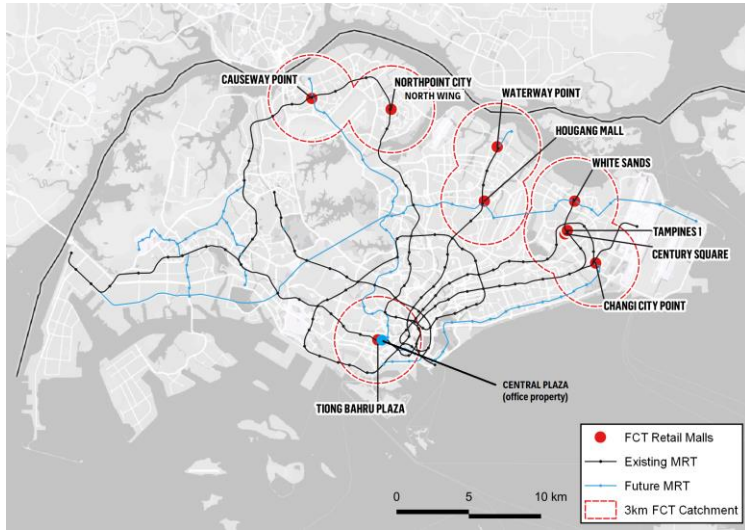
Definition of terms used in this presentation

- 3Q21: 3rd quarter ended 30 June 2021
- 3Q22: 3rd quarter ended 30 June 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
- FPL: Frasers Property Limited, the sponsor of FCT
- FPR: Frasers Property Retail
- 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
- NAV: Net asset value
- NLA: Net Lettable Area
- NPI: Net Property Income
- NTA: Net Tangible Value
- ppt: percentage-point
- 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
- SOR/SORA: Swap Offer Rate/Singapore Overnight Rate Average
- Square Feet: sq ft
- Square Meter: sqm
- 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

Frasers Centrepoint Trust

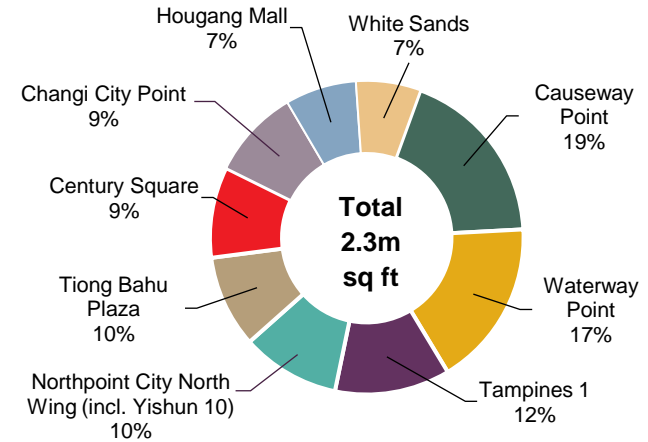
Leading pureplay Singapore suburban retail REIT

- ◆ Market capitalisation of approximately S\$3.9 billion¹, among the top-10 largest SREITs by market capitalisation.
- ◆ Retail portfolio comprises malls with large catchment and connectivity to public transport.
- ◆ All malls are well-located on/next to MRT stations; enjoy healthy occupancy and high recurring shopper traffic.
- ◆ Portfolio properties serve a combined 2.6 million² catchment population.



\$6.1 billion	Asset Under Management
9	Well-located suburban retail malls
2.3m Sq ft	Retail Portfolio Net Lettable Area
>1,400	Retail leases
97.1% As at 30 Jun 2022	Retail portfolio committed occupancy

Retail NLA by property

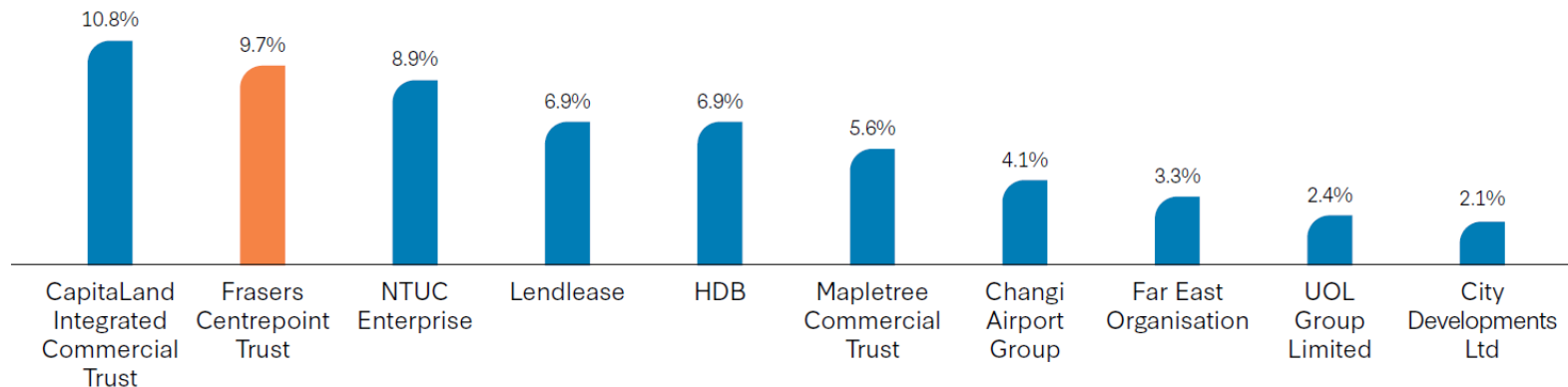


1. Based on FCT's closing price of \$2.29 on 30 June 2022.

2. Aggregate catchment population within 3km of each property in the portfolio. Population in overlapping areas are only counted once. Source: Cistri, 2021.

FCT – market share in the suburban retail space

FCT is the second-largest suburban retail space owner in Singapore



Source: Cistri

Note: As at mid-November 2021

Portfolio Overview

8 out of 9 retail properties rated Green Mark Gold and above, Office property rated Platinum



Causeway Point

- ◆ GFA: 629,160 sq ft
- ◆ NLA: 419,699 sq ft
- ◆ BCA Green Mark Platinum



Waterway Point¹

- ◆ GFA: 542,493 sq ft
- ◆ NLA: 389,452 sq ft
- ◆ BCA Green Mark Gold^{Plus}



Tampines 1

- ◆ GFA: 380,898 sq ft
- ◆ NLA: 268,514 sq ft
- ◆ BCA Green Mark Gold^{Plus}



Northpoint City North Wing²

- ◆ GFA: 374,940 sq ft
- ◆ NLA: 240,214 sq ft
- ◆ BCA Green Mark Gold (Northpoint City North Wing only)



Tiong Bahru Plaza

- ◆ GFA: 294,381 sq ft
- ◆ NLA: 214,707 sq ft
- ◆ BCA Green Mark Platinum



Century Square

- ◆ GFA: 318,614 sq ft
- ◆ NLA: 211,282 sq ft
- ◆ BCA Green Mark Platinum



Changi City Point

- ◆ GFA: 306,378 sq ft
- ◆ NLA: 208,377 sq ft
- ◆ BCA Green Mark Gold^{Plus}



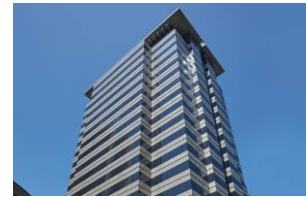
Hougang Mall

- ◆ GFA: 232,662 sq ft
- ◆ NLA: 165,676 sq ft



White Sands

- ◆ GFA: 227,244 sq ft
- ◆ NLA: 150,375 sq ft
- ◆ BCA Green Mark Platinum



Central Plaza

- ◆ GFA: 202,198 sq ft
- ◆ NLA: 172,121 sq ft
- ◆ BCA Green Mark Platinum

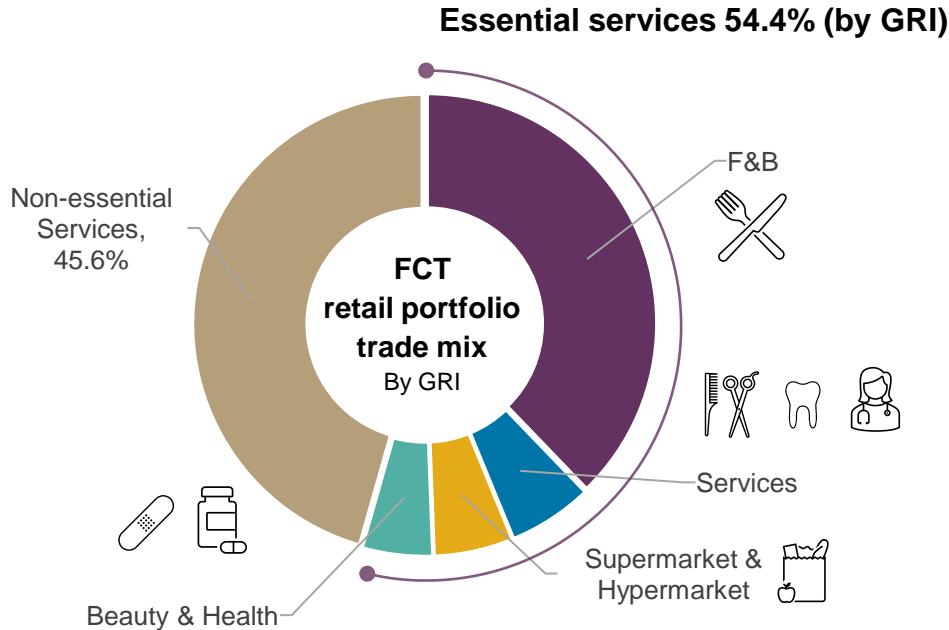
1. FCT has 40.0% interest in the ownership and voting rights in a joint venture, Sapphire Star Trust, a private trust that owns Waterway Point.

2. Includes Yishun 10 retail podium.

Note: NLA figures shown for the properties are as at 30 June 2022 and include areas for CSFS.

Retail Portfolio focused on Essential services¹

Underpins the resilience of the portfolio performance



- ◆ FCT's retail portfolio comprises 54.4% of Essential services (by GRI).
- ◆ Essential services comprise necessity trades like F&B, grocery and services patronised by shoppers regularly.
- ◆ Suburban malls generally have higher proportion of essential services at about 40%² of NLA, compared to central malls at 20-30%². FCT's essential services trade mix by NLA is about 45%.

1. The groupings of essential and non-essential services are based on Ministry of Trade and Industry's press release on 21 April 2020. Note that the individual product group may not align perfectly to the announced Essential Services.

2. Source: Cistri, 2020.

Top 10 tenants by gross rental as at 30 June 2022

No.	Tenants	As % of total NLA	As % of total GRI
1	NTUC Fairprice ¹	5.7%	4.0%
2	Kopitiam ²	3.3%	2.7%
3	Breadtalk Group ³	1.9%	2.3%
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 Ltd.	0.7%	1.3%
9	United Overseas Bank Limited	0.7%	1.2%
10	Koufu ⁷	1.1%	1.1%
	Total	20.2%	19.0%

Notes:

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

Trade categories as at 30 June 2022

FCT Retail Portfolio

Trade Classifications (by order of decreasing % of Total GRI)	As % of total NLA	As % of total GRI
Food & Beverage	30.3%	38.1%
Beauty & Healthcare	11.7%	15.0%
Fashion & Accessories	11.8%	11.8%
Sundry & Services	6.0%	8.5%
Supermarket & Grocers	9.9%	6.5%
Information & Technology	2.5%	2.7%
Homeware & Furnishing	3.8%	2.7%
Electrical & Electronics	3.1%	2.5%
Leisure & Entertainment	5.7%	2.4%
Books, Music, Arts & Craft, Hobbies	3.5%	2.3%
Jewellery & Watches	0.8%	2.1%
Sports Apparel & Equipment	2.6%	2.0%
Education	2.6%	1.8%
Department Store	2.8%	1.6%
Vacant	2.9%	0.0%
FCT Retail Portfolio	100.0%	100.0%

Note: Total may not add up to 100% due to rounding differences.

Inspiring experiences,
creating places for good.

