

Frasers Centrepoint Trust

Investor Presentation at DBS Vickers Pulse of Asia Conference 2023 (3rd Digital Edition)

10 January 2023



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FY2022 highlights

Riding on the momentum of re-opening of the economy

Higher gross revenue, NPI and DPU; healthy financial position

- ✓ Gross revenue +4.6% yoy to \$356.9 million
- ✓ NPI +4.9% yoy to \$258.6 million
- ✓ DPU +1.2% yoy to 12.227 cents
- ✓ Gearing steady at 33.0%
- ✓ Portfolio appraised value remained stable
- ✓ NAV steady at \$2.33 per unit

Broad-based operating performance improvement

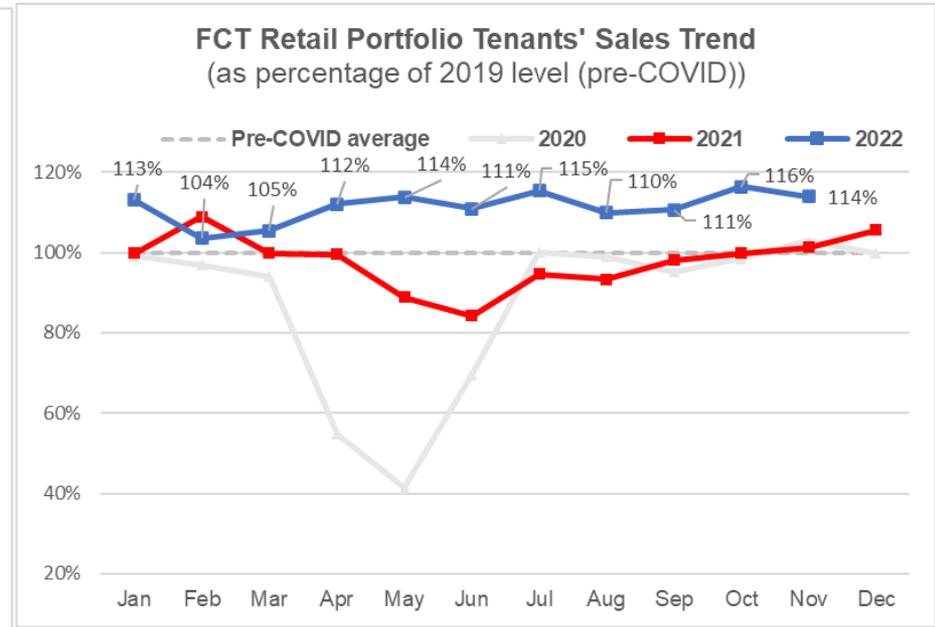
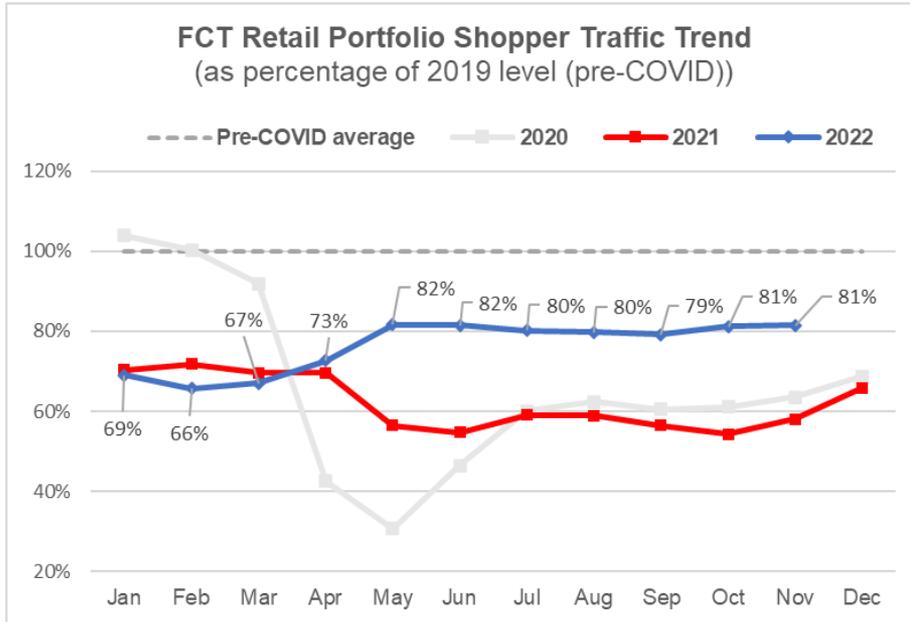
- ✓ Improved committed occupancy to 97.5%
- ✓ Positive rental reversion¹ of 1.5%, up from -0.6% in FY2021
- ✓ Shopper traffic +12.4% yoy
- ✓ Tenants' sales +11.3% yoy, averaged 10% above pre-COVID levels
- ✓ Portfolio occupancy cost improved to 16.2% from 17.5% in FY2021
- ✓ Introduced more than 70 new-to-FCT brands to the portfolio malls

1. On incoming versus outgoing basis

Updates to Tenants' sale and shopper traffic post FY2022

Tenants' sale remains healthy as shopper traffic adjusts to “new normal” post COVID

- Shopper traffic after May 2022 stabilizing at around 80% of pre-COVID levels
- Tenants' sale has been maintaining around 10% above pre-COVID levels from January to November 2022



Key growth drivers in FY2022

Improvement from re-opening of the economy

- Full year contributions from the ARF acquisition in FY2022
- Absence of rental rebates provided to tenants
- Increase in turnover rent from higher tenants' sales
- Higher income from atrium leasing with the lifting of restrictions
- Revenue growth was partially offset by loss of gross revenue from the divested properties

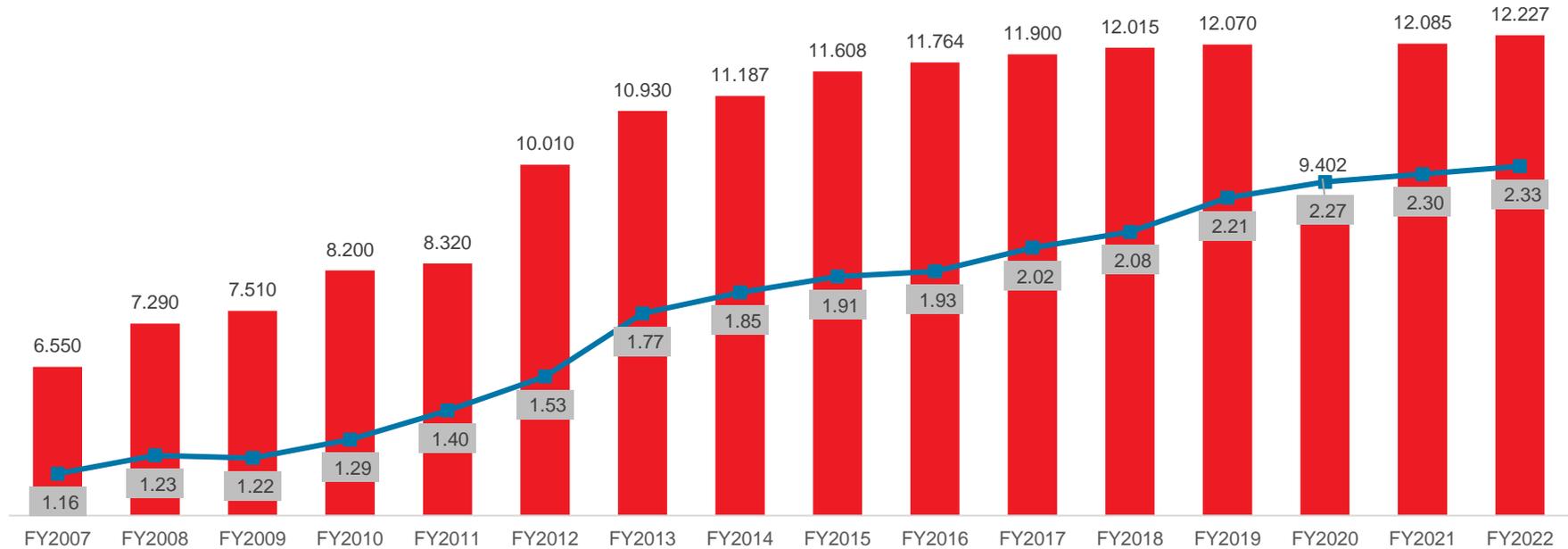


Tiong Bahru Plaza, Singapore

Track record of FCT

Consistent performance and quick rebound from COVID-19 impact

■ Distribution per Unit (S cents) — Net asset value per Unit (S\$) as at Financial Year (FY) ending 30 September



Impacted by COVID-19 pandemic

Key challenges ahead

Impact from rising costs



Causeway Point, Singapore

- **Challenges from the impact of inflation, increase in utilities cost and rising interest rates.**
- **Opportunities to mitigate impact to FCT's financial performance:**
 - ✓ Rental growth from positive rental reversions.
 - ✓ Proactive property and asset management, including AEI.
 - ✓ Acquisition of an additional 10% stake in Waterway Point.
 - ✓ Prudent capital management.
 - ✓ Room for higher ancillary income, including recovery in atrium income.

Suburban retail sector remains an attractive asset class

Highlights from independent market overview (CISTRI)¹



Northpoint City, Singapore

- Singapore population growth: +0.9% p.a. in 2023 – 2030
- Nominal retail sales growth: +4.5% in 2023 and +7.0% in 2024
- Retail space supply expected to remain low; +0.7% p.a. in 2023 and 2024
- Retail space per capita to moderate from the current 6.4 to 6.3 sq ft NLA in 2026 as population growth outpaces that of retail space supply.
- Average occupancy for suburban retail is around 94% and is expected to remain stable in 2023.
- Retail rental growth is expected to remain firm with median rent for suburban forecast to achieve 3% growth in 2023.

1. Source: FCT Annual Report 2022, page 42-55

Growth strategies

To deliver regular and stable distributions to unitholders and achieve long-term growth in NAV



ACQUISITION GROWTH

- Explore opportunities to acquire income-producing properties and properties that could be developed into income-producing properties.
- The opportunities should meet FCT's investment objectives to enhance yields and returns for Unitholders while improving portfolio diversification.
- The opportunities include Sponsor's pipeline assets (Northpoint City South Wing) and third-party assets.



ENHANCEMENT GROWTH

- AEI to improve the efficiency and income-producing capability of FCT's properties.
- The AEI could include change of configuration and layout of the properties to improve income performance and to achieve value creation.



ORGANIC GROWTH

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



FCT's competitive advantages

FCT's competitive advantages

Underpins its objective to deliver regular and stable distributions to unitholders

To deliver regular and stable distributions to unitholders

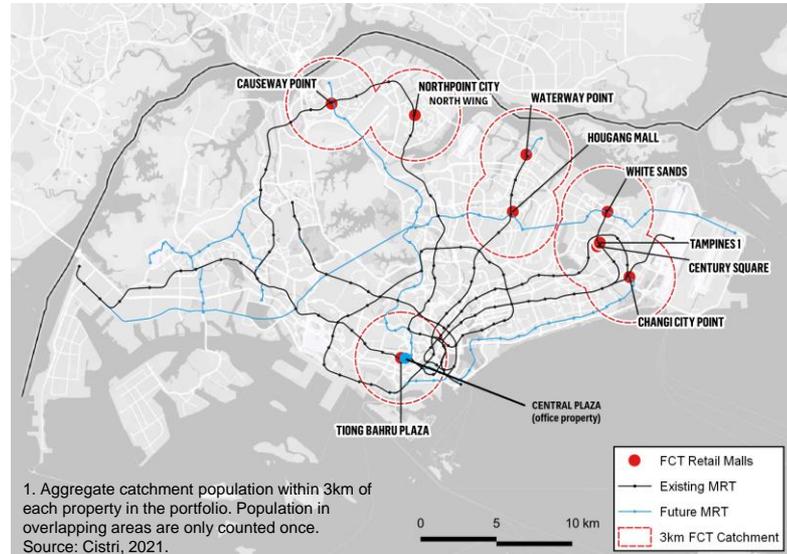
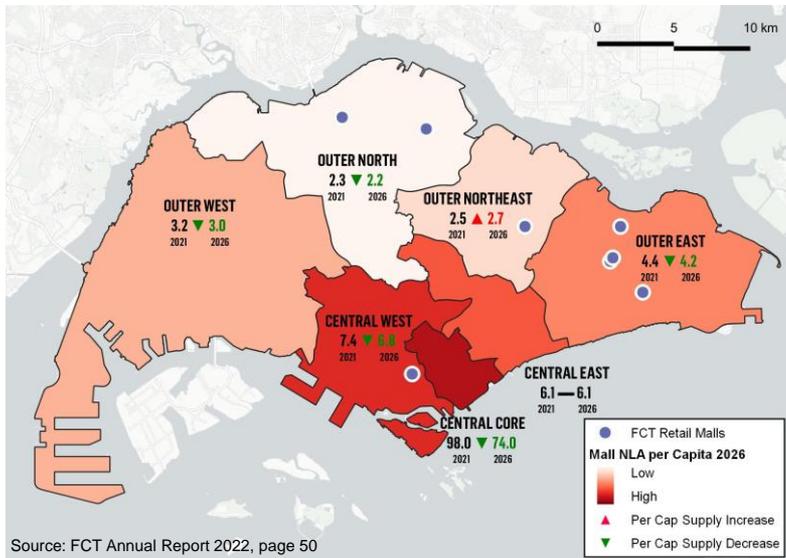


Competitive advantages – good location, connection and catchment

These advantages underpin healthy shopper traffic and leasing demand for FCT malls

- ✓ FCT's retail malls are well located in populous residential regions which have low retail space per capita relative to national average.
- ✓ Low retail space per capita in these regions helps to underpin the long-term sustainability of the shopper traffic to the malls and their performance.

- ✓ FCT's retail malls are well-connected to MRT stations and are easily accessible via the MRT network.
- ✓ FCT's retail portfolio properties serve a combined 2.6 million¹ catchment population, which is a substantial proportion of Singapore's population.



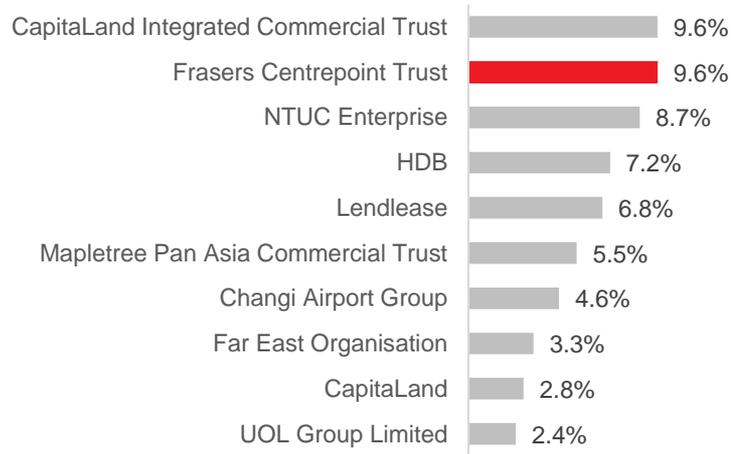
Competitive advantages – scale, platform and diversification

FCT is a leading suburban retail player with a sizeable and well-diversified portfolio

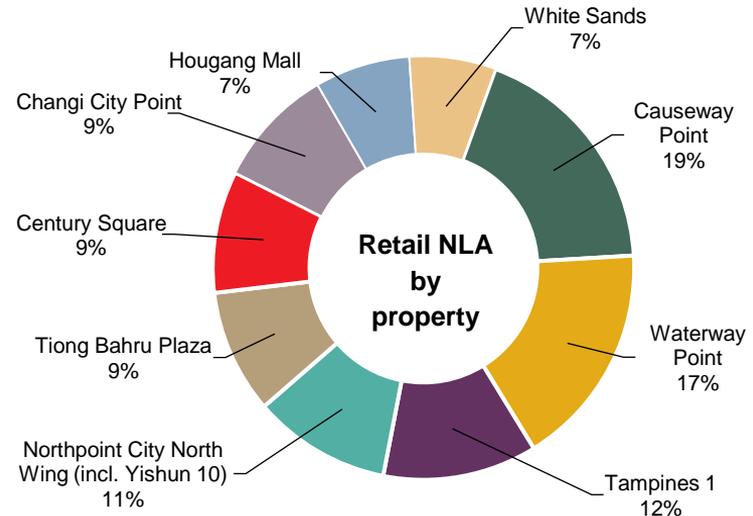
- ✓ FCT is a leading pureplay Singapore suburban retail REIT.
- ✓ FCT's portfolio comprises 9 malls totaling over 2.3 million square feet of NLA and more than 1,400 leases.

- ✓ Well-diversified portfolio with no single property accounting for more than 19% of total NLA.
- ✓ Largest malls by NLA are Causeway Point, Waterway Point (40%-owned by FCT) and Tampines 1.

Share of Suburban Retail Floor Space by Owner



Data as at October 2022, Source: FCT Annual Report 2022, page 51

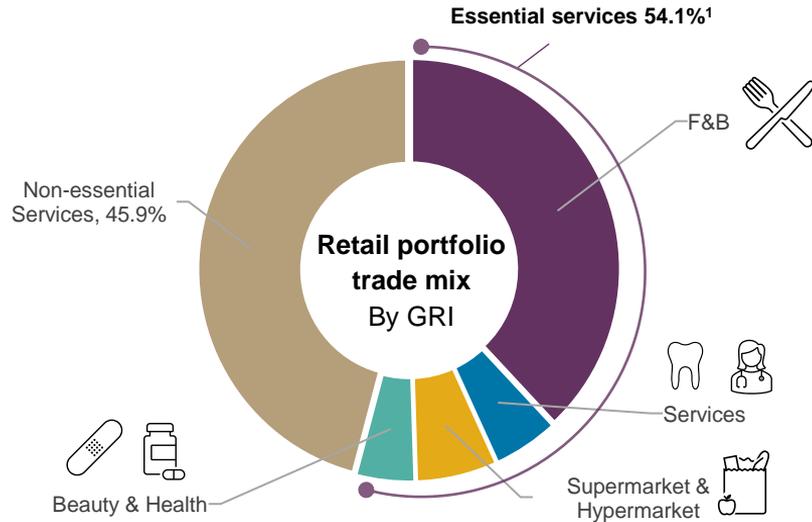


Competitive advantages – focus on essentials

Focus on essential trades and services underpin FCT's resilience and stability

- ✓ 54.1% of FCT's portfolio gross rental income is derived from essential trades and services

Trade mix focuses on essential services



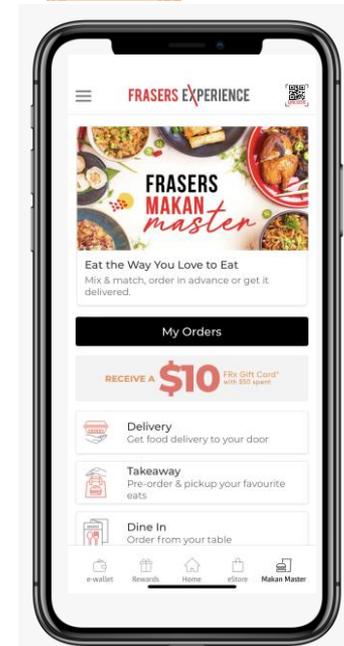
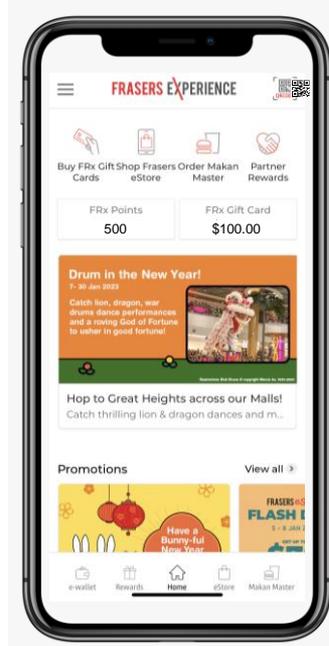
1. The groupings of essential and non-essential services are based on Ministry of Trade and Industry's press release on 21 April 2020. Note that the individual product group may not align perfectly to the announced Essential Services.

Competitive advantages – omnichannel retail ready

Fraser's eStore and Makan Master are part of Fraser's Experience that provides omnichannel retail experience

- ✓ **For our shoppers** - Omnichannel retail adapts to their shopping with convenience, accessibility and choices for order fulfilment.
- ✓ **For our retailers and F&B operators** - omnichannel retailing helps them to drive higher sales, business efficiency, brand loyalty and overall shopper satisfaction.
- ✓ Since the launch of Fraser's eStore in 2021 and Makan Master in 2019, sales on both platforms have seen multifold growth.
- ✓ The award-winning Fraser's eStore features over 8,000 product listings and Makan Master has over 130 F&B brands on board.

FRASERS eStore



Competitive advantages – Proactive in sustainability

Proactive in addressing challenges from climate change and sustainability



- ✓ Achieved 5-Star rating for second consecutive year at the GRESB Real Estate Assessment 2022.
- ✓ Attained “**A**” rating in **ESG** rating by MSCI ESG Ratings.
- ✓ Raised the proportion of green loans to **32%** as at 30 September 2022 from **18%** as at 30 September 2021.
- ✓ **99.6%** of portfolio by gross floor area certified BCA Green Mark Gold or higher, including **55%** certified Green Mark Platinum.
- ✓ Developed roadmap to achieve net-zero carbon emissions by 2050.
- ✓ Committed to Singapore’s first brownfield Distributed District Cooling network, on track to be operational by 2025.



Summary

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

- Track record of consistent performance of delivering stable unitholders' returns.
- Despite the challenges from rising costs, suburban retail sector remains an attractive asset class.
- 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

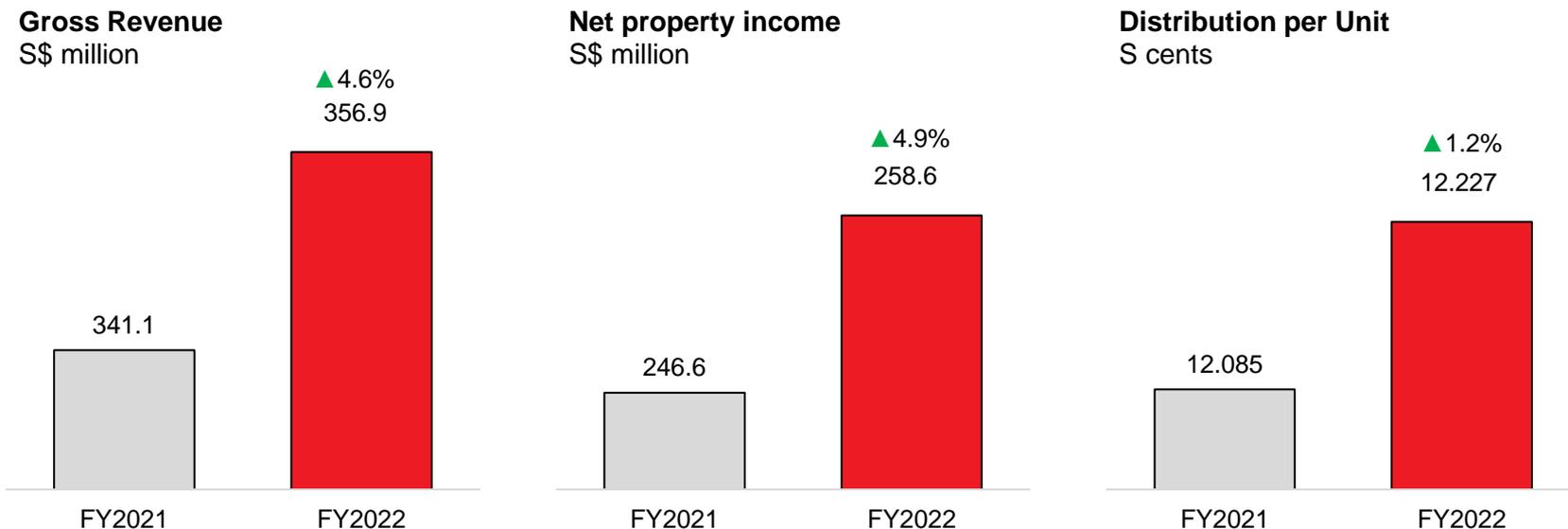
- FY2021: Financial year ended 30 September 2021
- FY2022: Financial year ended 30 September 2022
- AEI: Asset Enhancement Initiative
- ARF: AsiaRetail Fund Limited
- ARF Acquisition: The acquisition of the remaining approximately 63.11% interest in ARF, announced on 3 September 2020 and completed on 27 October 2020
- 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
- FY2021: financial year ended 30 September 2021
- FY2022: financial year ended 30 September 2022
- GFA: Gross floor area
- GRI: Gross Rental Income
- Group: Refers to Frasers Centrepoint Trust and its subsidiaries
- GTO: Gross turnover rental
- ICR: Interest Coverage Ratio
- Moody's: Moody's Investors Service (credit rating agency)
- MSC: Morgan Stanley Capital International
- MTI: Ministry of Trade and Industry, Singapore
- 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
- 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 (SREIT means Singapore REIT)
- 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
- 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
- YTD: year-to-date



Highlights from FY2022 results

Highlights from FY2022 results – financial performance

Full year revenue +4.6% y-o-y, NPI +4.9% y-o-y and DPU +1.2% y-o-y



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

FY2022 results highlights

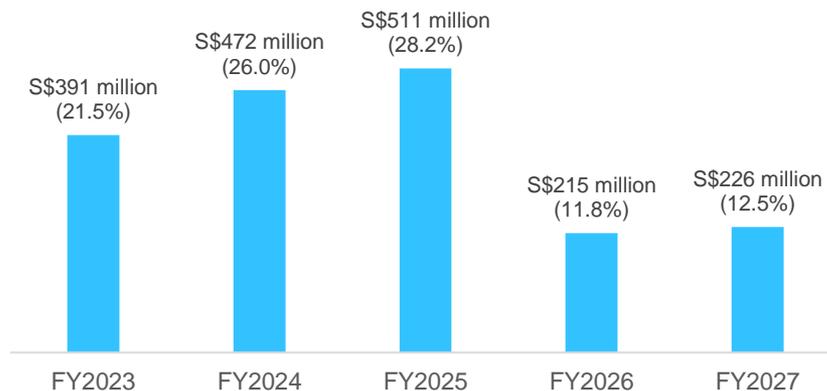
Financial flexibility and debt headroom to support growth

- Well spread debt maturity and approximately 71% of borrowings hedged to fixed rate.
- Green loans account for approximately 31.9% of total borrowings¹.

	30 Sep 22	30 Jun 22
Average debt maturity (years)	2.03	2.31
Aggregate leverage ²	33.0%	33.9%
Interest Cover (times) ³	5.19	5.17
% of debt hedged to fixed rate interest	71%	69%
Avg cost of debt (all-in)	2.5%	2.4%
Undrawn RCFs	S\$616.9 million as at 30 Sep 2022	
Credit rating (S&P)	BBB/Stable	
Credit rating (Moody's)	Baa2/Stable	

Debt maturity profile as at 30 September 2022

Total Borrowings: S\$1,815 million
(% represents as proportion of total borrowings)



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

2. In accordance with the Property Funds Appendix, aggregate leverage includes FCT's 40% 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.

Highlights from FY2022 results – operating performance

Improved operating performance with the re-opening of economy



Retail portfolio's committed occupancy **up 0.4%-pt** q-o-q to **97.5%**.



Portfolio shopper traffic is up **12.4%** y-o-y
Retail portfolio tenants' sales is up **11.3%** y-o-y



Retail portfolio registered average rental reversion of **1.5%** (incoming vs outgoing) and **4.2%** (average vs average) for FY2022.



Stable portfolio appraised value versus FY2021; no change in valuation cap rates.

FY2022 results highlights

No change in valuation capitalisation rates

Investment properties	30 September 2022			30 September 2021		
	Appraised value (S\$ million)	Appraised value (S\$ psf NLA ²)	Cap Rate	Appraised value (S\$ million)	Appraised value (S\$ psf NLA ²)	Cap Rate
Causeway Point	1,323.0	3,152	4.75%	1,312.0	3,127	4.75%
Northpoint City North Wing	778.0	3,927	4.75%	771.5	3,894 ³	4.75%
Changi City Point	325.0	1,585	5.00%	325.0	1,585	5.00%
Yishun 10 Retail Podium	34.0	3,287	3.75%	33.0	3,190	3.75%
Tampines 1	764.0	2,845	4.75%	762.0	2,838	4.75%
Tiong Bahru Plaza	655.0	3,051	4.75%	654.0	3,046	4.75%
Century Square	559.0	2,757	4.75%	574.0	2,831	4.75%
Hougang Mall	433.0	2,888	4.75%	432.0	2,883	4.75%
White Sands	429.0	3,335	4.75%	428.0	3,327	4.75%
Central Plaza	216.0	1,502	3.75%	215.0	1,490	3.75%
Total investment property portfolio	5,516.0			5,506.5		
Waterway Point ¹	1,312.5	3,533	4.50%	1,300.0	3,500	4.50%

1. As of 30 September 2022, FCT owns 40.0% of Sapphire Star Trust which holds Waterway Point. The value reflected in this table is the total value of the retail property and is based on the agreed property value in the proposed acquisition of an additional 10.0% interest in Waterway Point as announced on 12 September 2022. The agreed property value was arrived at after taking into account the independent valuation conducted by Savills (commissioned jointly by the Company, HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of FCT) and an unrelated third party purchaser of the other 10.0% interest in Waterway Point). Savills, in its report dated 31 July 2022, stated that the open market value of the Property as at 31 July 2022 was S\$1,300 million. FCT's 40.0% interest amounts to S\$525 million.

2. Excludes CSFS area.

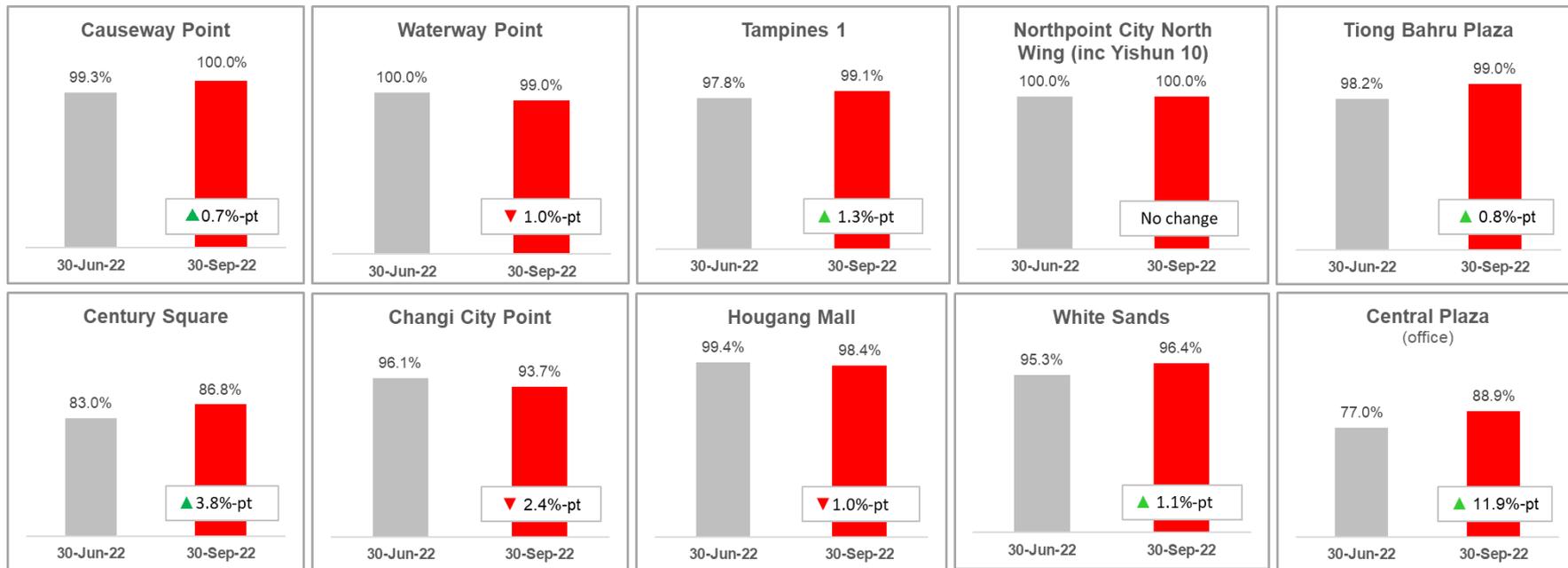
3. Adjusted appraised value based on new CSFS area of 31,753 sq ft instead of 10,505 sq ft due to reclassification of the entire National Library unit as CSFS area; Reported appraised value as at 30 September 2021 was \$3,517 and based on the previous CSFS area of 10,505 sq ft.

Note: Any discrepancies between the listed figures, the aggregate or the variance in percentage is due to rounding.

FY2022 results highlights

Quality portfolio with resilient performance

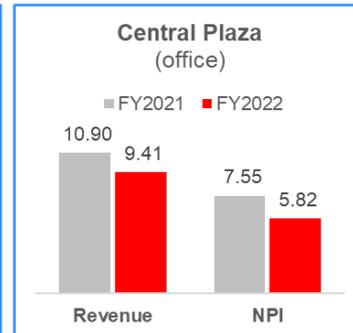
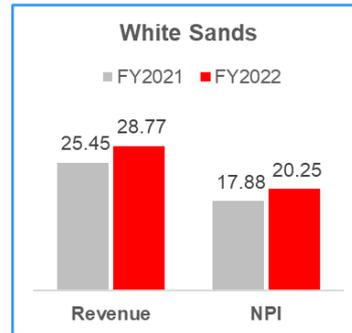
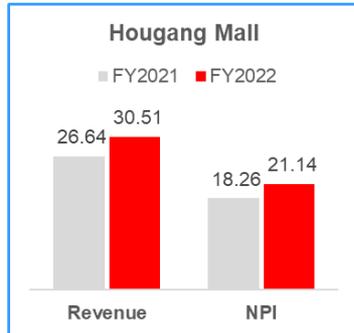
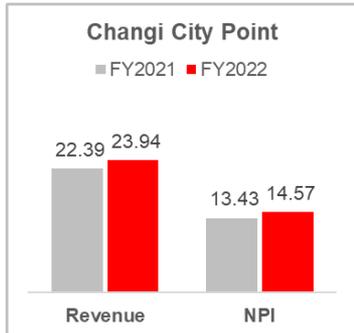
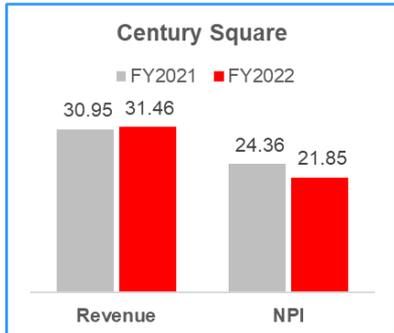
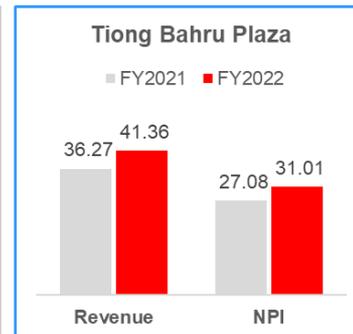
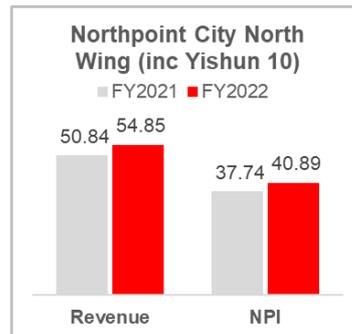
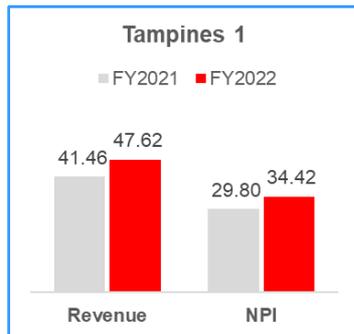
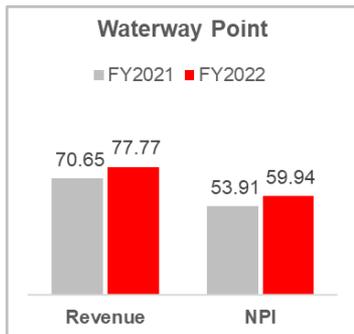
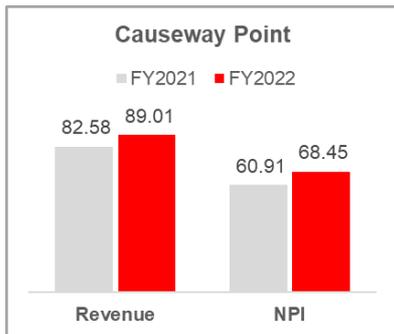
- Retail portfolio committed occupancy rose 0.4%-point q-o-q to 97.5%.



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

FY2022 results highlights

Proactive management to deliver healthy returns



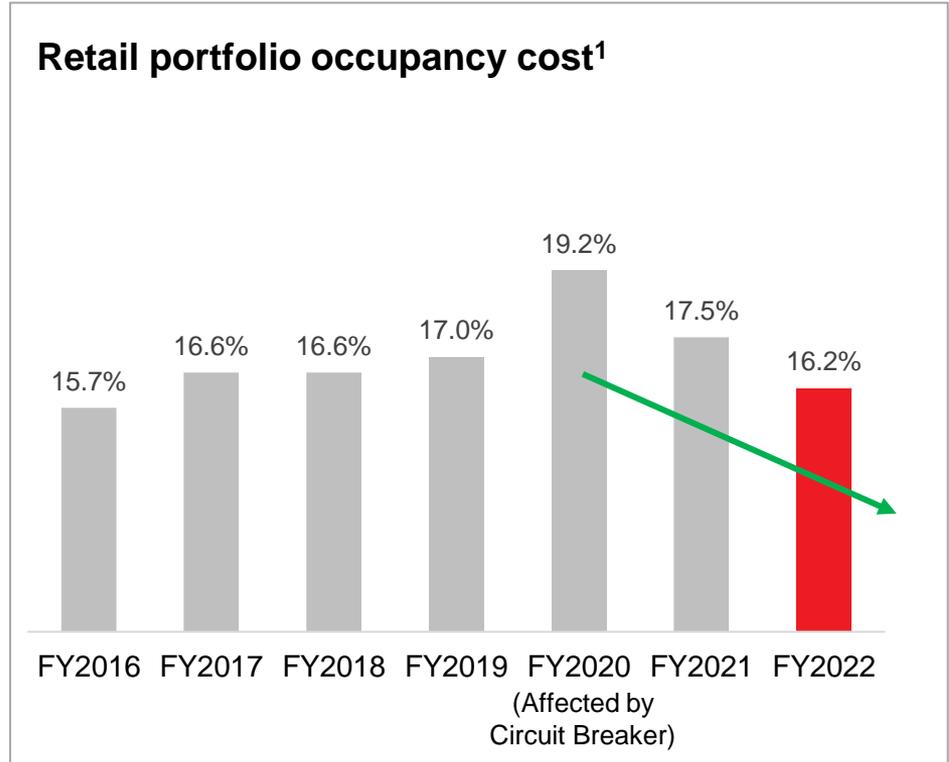
Note: The properties (outlined in blue) in the ARF acquisition include Tampines 1, Tiong Bahru Plaza, Century Square, Hougang Mall, White Sands and Central Plaza. The FY2021 financials for these properties were from 28 October 2020 to 30 September 2021, which is 27 days shorter than the full year period in FY2022.

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

FY2022 results highlights

Improving retail portfolio occupancy cost

- Healthy and sustainable portfolio occupancy cost of 16.2% with essential and mass positioning.
- Focus on replacing weak tenancies to ensure relevance and refreshed offerings.
- Leverage on targeted marketing and customer loyalty program to drive repeat visitations and sales conversion.



1. Occupancy cost refers to the ratio of gross rental (including turnover rent) paid by the tenants to the tenants' sales turnover (excluding Goods & Services Tax).

FY2022 results highlights

73 new-to-FCT brands in FY2022



First Don Don Donki in Yishun finally opened its first Safari themed store at Northpoint City in early-Oct.



Café BomBom, a popular dessert café chain from South Korea, opened its **1st Singapore outlet** at Tampines 1 offering thick Korean-style macarons, bingsu and flavoured beverages.



New to FCT, this is also **Tiong Bahru Bakery's first outlet in a suburban mall** at Waterway Point.



Inspiring experiences,
creating places for good.

