

Frasers Centrepoint Trust

Investor presentation

March 2023



Inspiring experiences,
creating places for good.

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Highlights of FCT Retail Portfolio

High quality suburban retail assets that are well-located with excellent accessibility

Serving

2.6 million catchment population¹



Well-connected



Near homes



Connected to public transport

Well-located, near homes, and connected to MRT network and public bus services



Focus on essentials



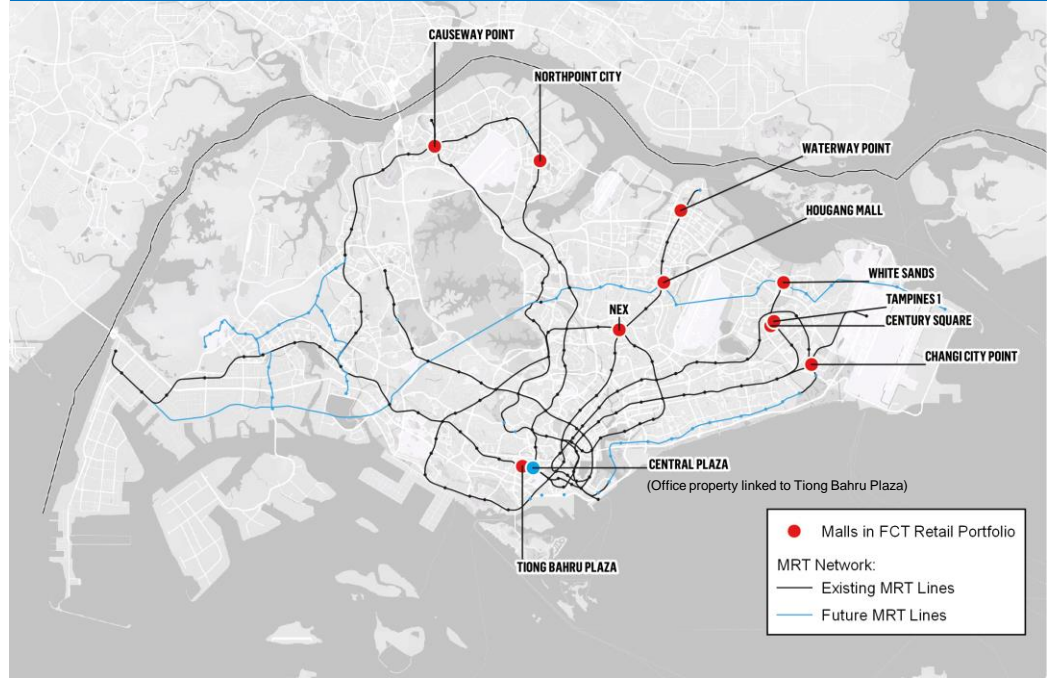
Click-&-Collect



Last-mile fulfillment hub

Focus on **essential trades and services**, acts as **last-mile fulfilment hubs**

FCT's retail malls are well-connected to the MRT network and are located in populous residential precincts in Singapore

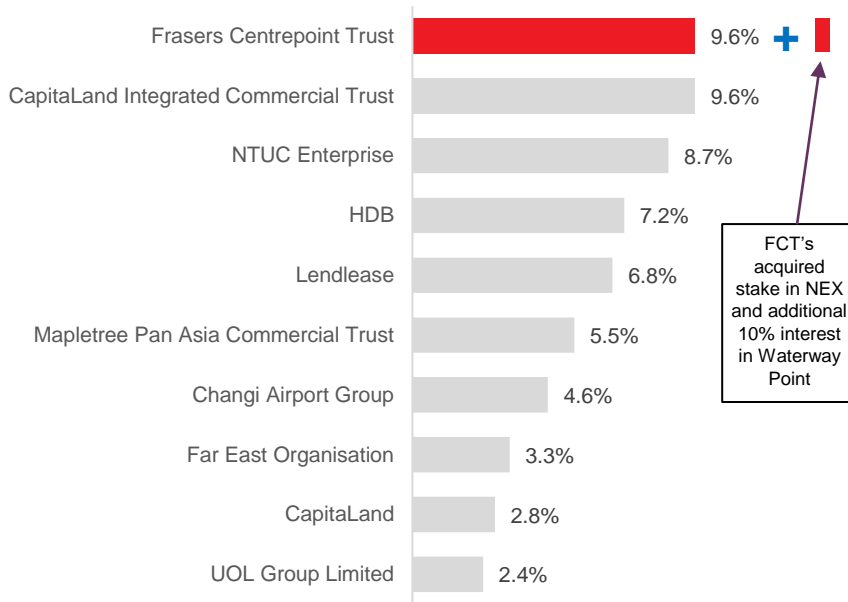


¹ Aggregate catchment population within 3km of each property in the portfolio. Population in overlapping areas are only counted once. Source: Cistri, 2023.

Leading pureplay Singapore suburban retail REIT

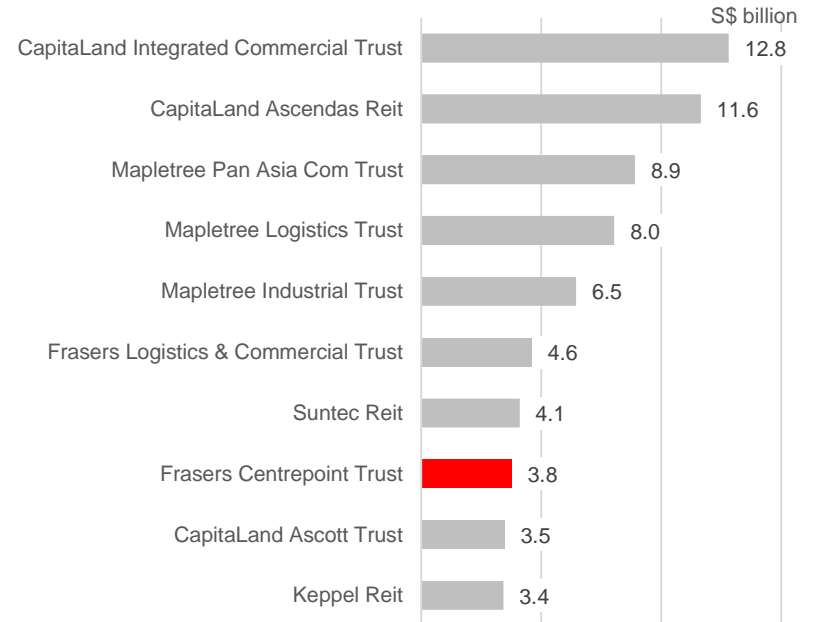
One of largest suburban retail space owner in Singapore and among the top 10 largest SREITs by market capitalisation

Share of Suburban Shopping Centre Floorspace by Owner



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

Top 10 SREITs by market cap



Source: Bloomberg, 28 February 2023

Highlights of recent acquisitions and AEI

Reinforcing FCT's leading position in the Singapore suburban retail sector



Acquisition of interest in NEX

- Frasers Property Group announced on 26 January 2023 the acquisition of 50.0% interest in suburban retail mall NEX for S\$652.5 million¹, transaction completed on 6 February 2023.
- NEX is the largest suburban mall in Northeast region of Singapore, well-integrated with two MRT lines and one bus interchange.

Acquisition of additional 10.0% interest in Waterway Point

- FCT announced² on 12 September 2022 the acquisition of an additional 10.0% interest in suburban retail mall Waterway Point to raise its total stake to 50.0%, transaction was completed on 8 February 2023.
- Waterway Point is well positioned as a retail and services hub to serve the needs of the vibrant and growing population of Punggol.

AEI at Tampines 1 (announced in FCT's first quarter business update on 26 January 2023)

- Approximately 8% ROI, with value generation from higher rents, asset valuation gains and sustainable asset performance.
- Additional ~8,000 sq ft NLA from various bonus GFA schemes³. Improves asset yield through decanting NLA from M&E spaces and lower yielding floors to higher yielding levels at B1, L1 and L2.
- Over 70%⁴ pre-commitment for AEI spaces prior to works commencement.

1. The sum of \$652.5 million was negotiated on a willing-buyer and willing-seller basis, taking into account, among others, the net asset value of 100.0% of Gold Ridge Pte. Ltd. (the entity that holds the property NEX) of S\$1,305.0 million (as at 30 September 2022), with reference to the agreed property value of the Property of S\$2,077.8 million. More details are in the announcement dated 26 January 2023 accessible at <https://fct.frasersproperty.com/news.html/id/2422469>.

2. Refer to FCT's announcement "Acquisition of an additional 10.0% interest in Waterway Point", dated 12 September 2022.

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

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

Portfolio performance highlights

Improving operational performance and retail market environment



Improved occupancy on firm leasing demand

- 1Q23 Retail Portfolio committed occupancy at 98.4%, ▲ 0.9%-pt q-o-q and ▲ 1.2%-pt y-o-y.
- FY2022 average rental reversion of +1.5% (incoming vs outgoing) and +4.2% (average vs average).



Shopper traffic and retail portfolio tenants' sales growth remained strong

- 1Q23 tenants' sales ▲ 13.4% y-o-y.
- 1Q23 shopper traffic ▲ 38.3% y-o-y.



Improving retail rents¹

- Suburban prime rents ▲ 1.0% q-o-q and ▲ 2.3% y-o-y.
- Orchard Road prime rents ▲ 0.3% q-o-q and ▲ 1.0% y-o-y.
- CBRE expects overall rent to continue recovering in 2023.

1. ["Singapore Figures Q4 2022"](#), CBRE Research, 11 January 2023.

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.
 - ✓ Contributions from acquisitions of stakes in NEX and Waterway Point.
 - ✓ Manage the renewal of energy contracts.
 - ✓ Prudent capital management and agility of the management of interest rate hedging.
 - ✓ 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.

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 retail to increase sales productivity.
- Focus on sustainability, green building initiatives.
- Leverage technology to drive efficiencies.



Financial highlights

Prudent capital management

73% of borrowings hedged to fixed interest rate

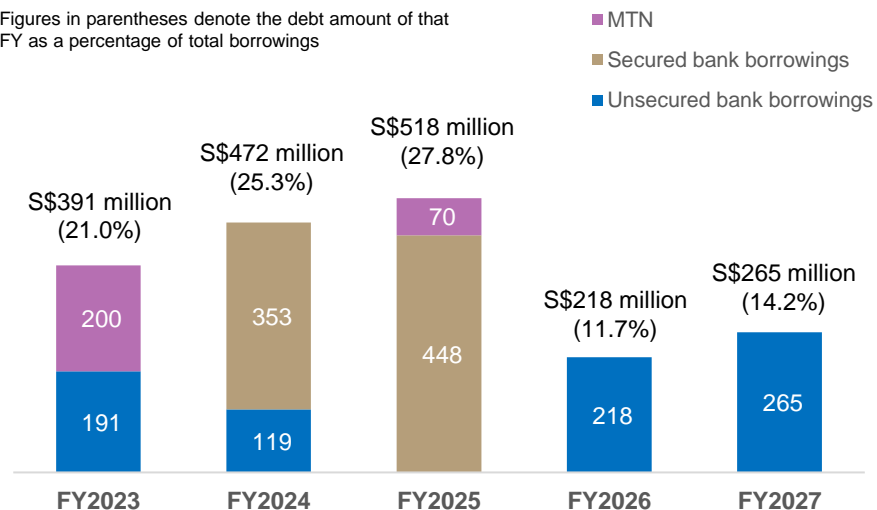
- Green loans account for approximately 31.4% of total borrowings¹.

	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 as at 31 December 2022.

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

FY2022 financial performance highlights

For financial year ended 30 September 2022

S\$'000	FY2022	FY2021	Increase / (Decrease)
Gross revenue	356,931	341,149	4.6%
Property expenses	(98,334)	(94,582)	4.0%
Net property income	258,597	246,567	4.9%
Distributable income	209,884	204,674	2.5%
Distribution to Unitholders*	208,190	204,674	1.7%
Distribution per Unit (S cents)	12.227	12.085	1.2%

*In 2H2022, FCT had retained \$1.7 million of its current period tax-exempt income available for distribution to Unitholders.

Stable appraised portfolio value versus FY2021

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.

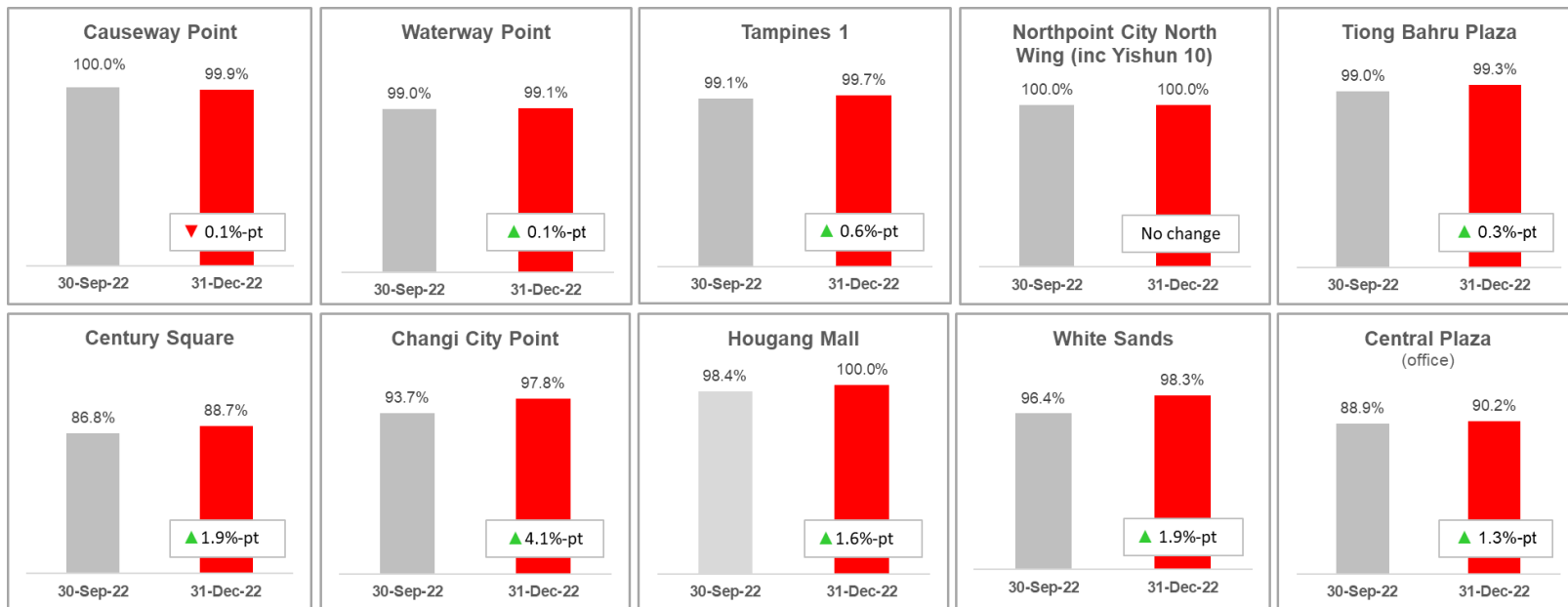


Portfolio highlights

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.

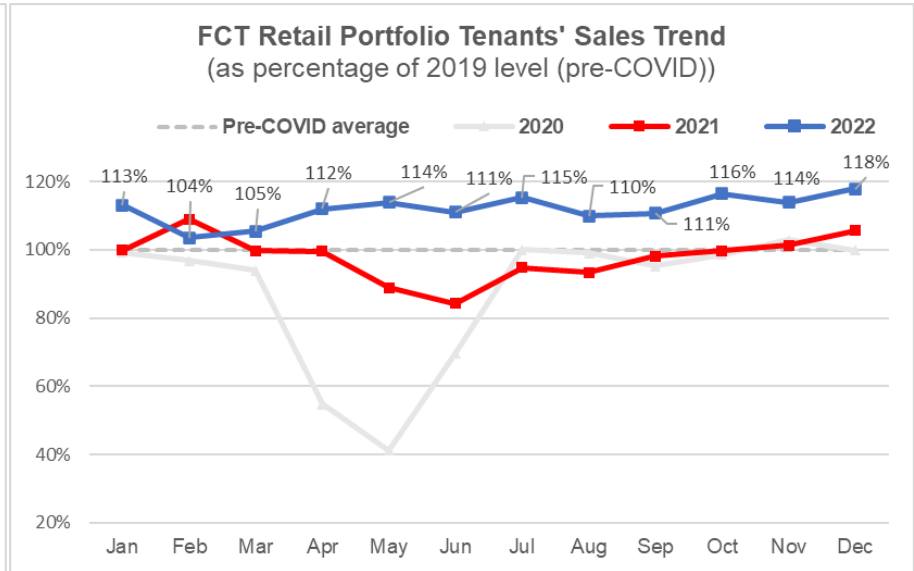
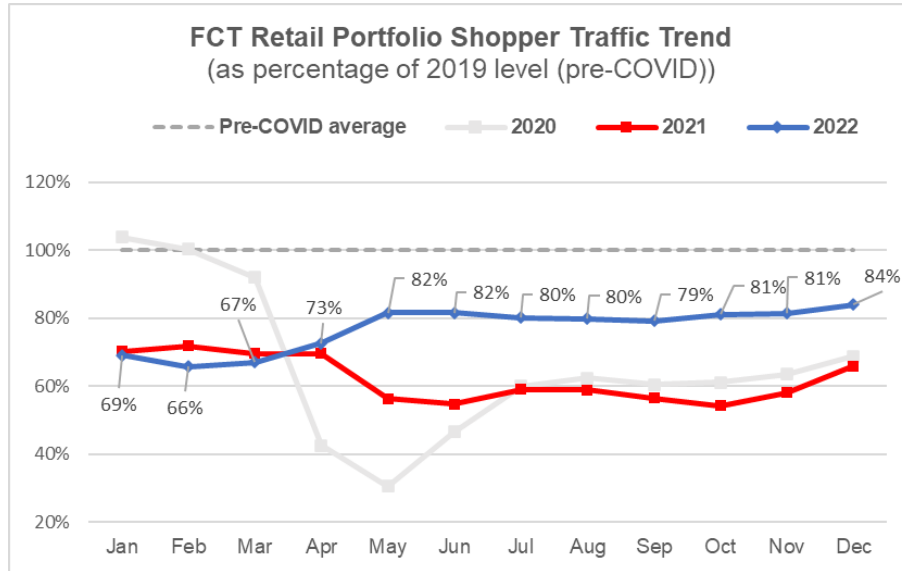


Any discrepancies between individual amount and the aggregate is due to rounding.

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.



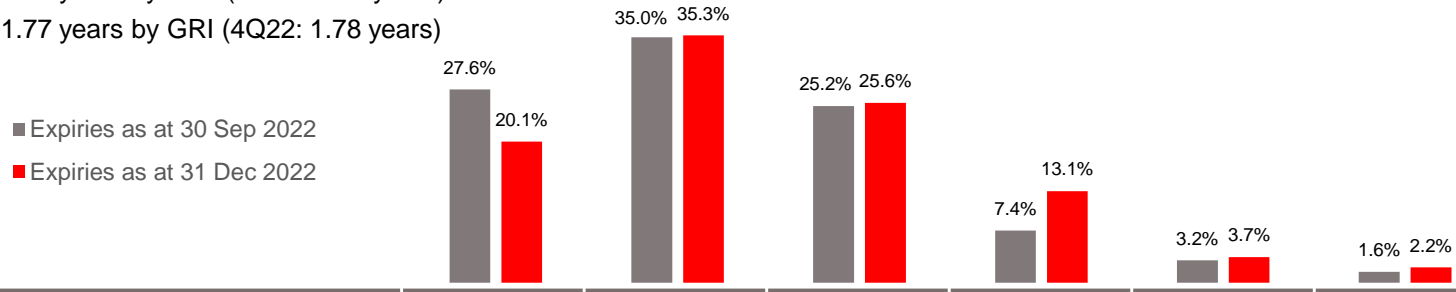
Well-spread lease maturity profile

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)



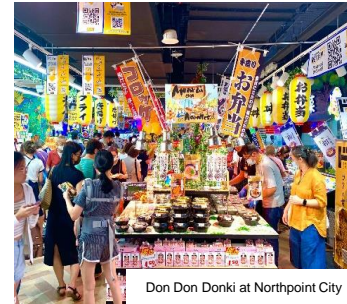
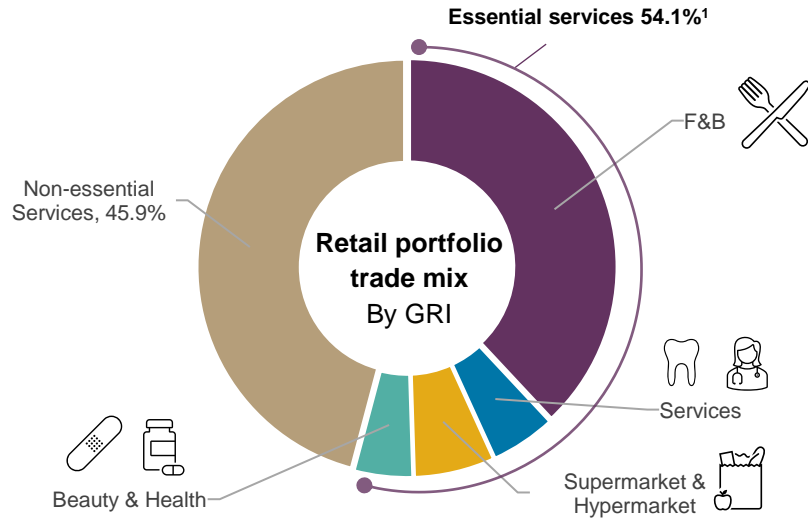
Lease expiry as at 31 Dec 2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028 & beyond	Total
Number of leases expiring	332	512	429	182	18	5	1,478
Leased area expiring (sq ft)	431,843	730,077	473,325	303,657	99,140	94,532	2,132,574
Expiries as % of total leased area	20.2%	34.2%	22.2%	14.3%	4.7%	4.4%	100.0%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

Trade mix continue to focus on essential services

Underpins FCT's portfolio 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.

Introducing new-to-portfolio retail brands and services

Continuous leasing effort to curate and refresh retail offerings



Images Source: respective Facebook pages

We are Frasers Property

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.
- ✓ Proportion of green loans at 31.4% as at 31 December 2022.
- ✓ **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

- Improving operational performance and retail market environment
- Suburban retail sector has proven to be resilient and 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.
- 3 growth engines to deliver regular and stable distributions to unitholders and achieve sustainable growth.



ACQUISITION
GROWTH



ENHANCEMENT
GROWTH



ORGANIC
GROWTH

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
- DPU: Distribution per unit
- ESG: Environmental, Social and Governance
- F&B: Food and Beverage
- FCT: Frasers Centrepoint Trust
- FPL: Frasers Property Limited, the sponsor of FCT
- 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 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
- 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

FCT's Asset Portfolio

10 Singapore suburban retail properties and one office property



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

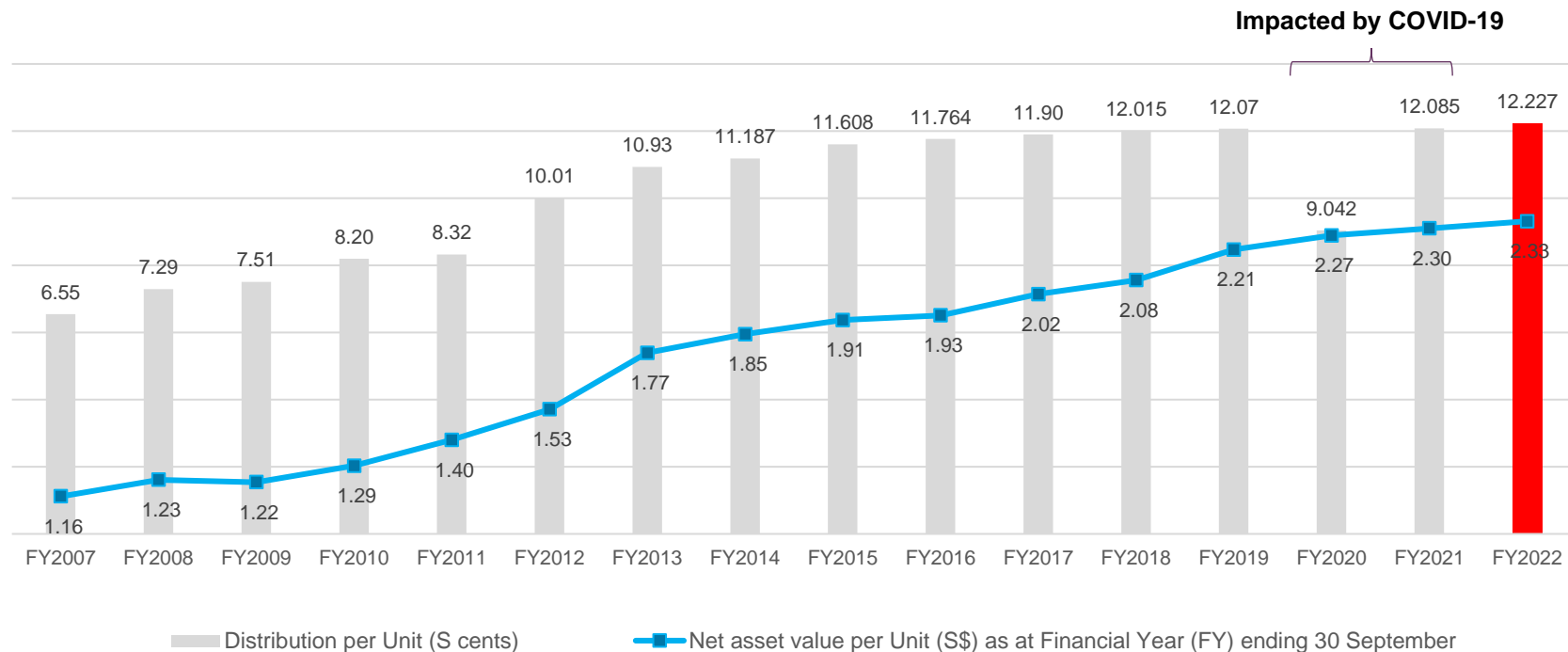
20.1% of leases (by GRI) expiring in FY23

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.

FCT's DPU and NAV Track record (FY2007 to FY2022)

DPU in FY2020-21 were affected by COVID-19



Inspiring experiences,
creating places for good.

