

# SCENTRE GROUP

## ASX ANNOUNCEMENT

9 April 2025

### Scentre Group (ASX: SCG)

#### Scentre Group Annual General Meeting – Address to Securityholders

Attached are copies of the addresses for today's Annual General Meeting of Scentre Group Limited by:

- Ms Ilana Atlas AO, Chair; and
- Mr Elliott Rusanow, Chief Executive Officer.

This announcement has been authorised for release by the Company Secretary.

Further information:

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ABN 55 191 750 378 ARSN 090 849 746

#### RE1 Limited

ABN 80 145 743 862

AFS Licence No: 380202 as responsible entity of Scentre Group Trust 2

ABN 66 744 282 872 ARSN 146 934 536

#### RE2 Limited

ABN 41 145 744 065

AFS Licence No: 380203 as responsible entity of Scentre Group Trust 3

ABN 11 517 229 138 ARSN 146 934 652



# SCENTRE GROUP

## **CHAIR'S ADDRESS SCENTRE GROUP LIMITED ANNUAL GENERAL MEETING**

**HELD ON WEDNESDAY, 9 APRIL 2025 AT 10:00AM**

Good morning everyone and welcome to the Annual General Meeting of Scentre Group Limited.

My name is Ilana Atlas and it is my honour to be the Chair of Scentre Group.

Our AGM is being held as a hybrid meeting. I am conducting the meeting from the Wesley Conference Centre in Sydney and securityholders can also participate online and ask questions on the telephone line.

The Company Secretary has informed me that a quorum is present, and I declare the meeting open.

I would like to acknowledge the Gadigal people of the Eora Nation as the traditional custodians of the land we are on. I recognise that people viewing the webcast of this AGM may be on different lands of different Traditional Custodians.

I would like to pay my respects to each of their Elders, past and present, and I extend that respect to Torres Strait and Aboriginal peoples here with us today or participating online.

Unfortunately, our Chief Executive Officer Elliott Rusanow is unable to attend the meeting today. He sends his apologies to all securityholders. Elliott had surgery over the weekend to repair a neck injury. I am pleased to report that he is at home and anticipates making a quick and full recovery.

Elliott pre-recorded his address to the meeting on Thursday last week. It will be played shortly.

I would like to welcome on stage with me my fellow non-executive Directors - Mike Ihlein, who is Chair of our Audit and Finance Committee; Catherine Brenner who is Chair of our Human Resources Committee; Craig Mitchell who joined the Board late last year; Margie Seale who is Chair of our Risk and Sustainability Committee; Guy Russo, Carolyn Kay and Mike Wilkins, as well as Maureen McGrath our Company Secretary.

I would also like to introduce you to members of the Scentre Executive Team who are in the front today – Andrew Clarke, Chief Financial Officer; Lillian Fadel – Group Director of Customer, Community and Destinations and John Papagiannis, Group Director of Businesses. I also welcome all the other members of the Executive Team and other Scentre team members who are with us today in person or online.

I look forward to members of the Executive Team assisting me and other non-executive directors in answering your questions today.

Mr Mike Wright, representing the Group's auditors EY, is here today.

*[Procedural matters addressed]*



## SCENTRE GROUP

The past year has been challenging for our team and our company.

I would like to acknowledge Elliott and all our team for the compassion, commitment and resilience they have demonstrated throughout this time.

As you know, on the 13th of April last year, Westfield Bondi was the location of a random and devastating attack where six innocent people lost their lives, including one of our security team members.

Another security team member was seriously injured.

On behalf of my Board colleagues and the broader Scentre Group team, we again extend our deepest and most heartfelt condolences to the families and loved ones of the victims, and all those impacted by this attack.

It is impossible to fathom their loss.

We are grateful for the support the community continues to show to each other, our business partners and our team.

This coming Sunday 13th of April 2025 we observe the one year anniversary.

Elliott speaks to this further in his address.

It is a time of immense grief and sorrow for many.

We have been working closely with our Employee Assistance Provider, Assure, on a trauma-informed approach to support our people, business partners, customers and community through this period.

At the end of this month, the NSW Coroner will commence an inquest to investigate the circumstances surrounding the attack at Bondi.

Our team has been assisting the Coroner for some months in preparation for the inquest.

The Board is very proud of the response of the Scentre team in the initial aftermath of the attack and since.

The impact on the organisation has been deep and remains ongoing in the ways I have mentioned and in many others.

The Board knows the stewardship of Scentre Group in dealing with this terrible event will continue for many years to come.

Despite the challenges confronted by the team in 2024, Scentre has continued to generate long-term growth for our securityholders in a responsible and sustainable way by focusing on attracting more people, more often, for longer to our 42 destinations.

In 2024, the Group delivered strong financial performance with 3.5 per cent growth in Funds From Operations and 3.8 per cent growth in distributions to securityholders.



## SCENTRE GROUP

Our total securityholder return for the year was 20.9 per cent.

This was the fourth consecutive year of growth.

Elliott's address will provide more details on our financial performance in 2024 and some preliminary remarks on performance in the year to date.

Sustaining an organisational culture where talent thrives is a priority for the Board.

We want to create a workplace where all people who work with Scentre feel safe, respected and engaged.

In 2024, we conducted a pulse check with our workforce which resulted in an overall engagement score of 89 per cent.

An engagement score above 70 per cent means we are considered a best practice organisation, which is something we have maintained since 2021.

We were also pleased with our advocacy score where 91 per cent of our people said they would recommend Scentre Group as a great place to work.

Regular engagement with our teams in our destinations is important to the Board and was a priority in 2024.

We visited many of our Westfield destinations across the portfolio. This included hosting Board and committee meetings on-site. Each time we visit a destination, we meet as many of our team members as possible, spending time in loading docks and waste areas as well as in our retail spaces.

We have also held informal events and roundtable discussions with our team including with the most recent cohort of our Female Leadership Program.

The Group's Responsible Business Report including our Climate disclosures, and our Modern Slavery Statement was released last month. This provided a comprehensive update on our performance.

We are preparing for the new sustainability reporting requirements – the Australian Sustainability Reporting Standards - which will come into effect this financial year.

Our approach to safety and security is an important topic which is included in our Annual Report and Responsible Business Report.

During the year, management established a Security Working Group as part of our commitment to destinations providing a safe and secure environment for our communities.

Several Board members joined the Working Group to assist the Board in its oversight responsibilities and to provide support and insights to management from other organisations and environments.

Elliott will say more about how we are addressing safety and security in his remarks.



## SCENTRE GROUP

We have engaged with major securityholders and proxy advisers throughout the year in response to the 2023 Remuneration Report vote.

We listened to concerns regarding how we remunerate our key management personnel and our disclosures. We addressed these concerns in our remuneration approach for 2024. Details on the changes that have been made are outlined in the Remuneration Report.

In essence, fixed remuneration and remuneration potential for key management personnel, including our CEO, has not changed year on year.

The targets set for short term and long-term variable remuneration were more stretching in 2024 than in previous years and that will continue in 2025.

We have provided additional disclosure in our Remuneration Report and in our Notice of Meeting as it relates to the proposed grant of long-term variable remuneration to Elliott.

The poll on the Remuneration Report for item 6 has not yet been taken.

However, based on proxy votes already received, we expect to exceed the required threshold of 75 per cent.

Catherine and I would like to thank all of those who engaged with us so willingly and constructively to discuss remuneration after last year's AGM.

Board renewal and succession planning continues.

Appointing directors with an appropriate mix of skills, knowledge, experience, and diversity is our objective.

The Board's Nomination Committee is focused on a rigorous analysis of the attributes of our current Board, which of these attributes are required to assist the organisation reach its strategic objectives and the attributes the Board will lose over the next few years as directors retire.

This analysis guides the appointment of new directors and resulted in the appointment of our most recent director Craig Mitchell in October 2024.

Craig brings property and finance skills and experience from his long career in the real estate sector. Craig will stand for election today.

Steve McCann retired from the Board in June 2024. On behalf of the directors, I extend my thanks to him for his contribution to the Group.

Mike Ihlein is standing for re-election today at the request of the Board.

Securityholders will be aware from the Notice of Meeting that as part of our succession planning, the Board's intention is that Craig Mitchell will succeed Mike as Chair of the Audit and Finance Committee.



## SCENTRE GROUP

Craig will be retiring from his executive role in the next few months. If re-elected today, Mike will work with Craig over the next 12 months or so to transition the Audit and Finance Committee Chair role.

Once an orderly transition has been completed, Mike will retire from the Board. We thank Mike for agreeing to stand for re-election on this basis.

I thank Elliott and all members of the Scentre Group team for their commitment and dedication to each other, their communities and our business throughout 2024.

Our purpose is to create extraordinary places that connect and enrich communities.

We lived that purpose in 2024.

I thank my Board colleagues for their support and wise counsel. Their workload was heavy and demanding, yet there was not a moment when they were not available to steward the organisation.

And finally, and most importantly, thank you to you, my fellow securityholders for your ongoing support of our company.

I would now like to share Elliott's address.

**-ENDS-**



# SCENTRE GROUP

## CHIEF EXECUTIVE OFFICER'S ADDRESS SCENTRE GROUP LIMITED ANNUAL GENERAL MEETING

**HELD ON WEDNESDAY, 9 APRIL 2025 AT 10:00AM**

Good morning everyone.

Unfortunately I am unable to attend today's Annual General Meeting as I have sustained a neck injury that requires immediate surgery to rectify.

I expect to make a full and swift recovery.

I apologise that I cannot be with you today and have pre-recorded this speech for you.

I echo the Chair's condolence statement on behalf of the entire Scentre Group team to everyone affected by the devastating attack at Westfield Bondi almost one year ago.

I commend and thank the New South Wales Police, emergency first responders, our team members, business partners and members of the public for their brave and courageous actions on that terrible day.

I also thank the community for their ongoing support in the days, weeks and months following this tragedy.

This coming weekend, we will observe the one year anniversary alongside the New South Wales Government, Waverley Council and the broader community including NSW Police and first responders.

From tomorrow until the 16<sup>th</sup> of April, Oxford Street Mall in Bondi Junction will be the primary place for community reflection.

Two large commemorative display boards will be installed so that people may visit and reflect in their own time.

Westfield Bondi will observe the anniversary on Sunday the 13<sup>th</sup> of April in a respectful and sensitive way.

Our digital screens will acknowledge the anniversary and the strength of the community found in their support of one another in the aftermath of the attack.

A large floral arrangement will be in place within the centre, situated on level 4 near Zara.

Our Concierge desks will all have black ribbons available to members of the community.

We will have additional team members working on the day to support our customers, business partners and community.

Lifeline representatives will be onsite and available to talk to anyone who wishes to be in the centre.

On behalf of the Scentre Group team, I would like to thank our community for their continued support of our Westfield Bondi team and for each other during this difficult period.

As the Chair also acknowledged, later this month, the NSW Coroner will begin the Bondi Junction Inquest in relation to the events of the 13<sup>th</sup> of April 2024.



## SCENTRE GROUP

We expect a thorough exploration of what occurred on that day.

This may include learnings to improve security arrangements in crowded places such as our destinations.

The safety of our customers, business partners, and community, as well as our team is our highest priority.

Our security approach is created in partnership with law enforcement and government agencies.

To continuously improve, we invest in all aspects of security - capability, processes and preparedness.

We heightened security across all Westfield destinations following the terrorist attacks on the 7<sup>th</sup> of October 2023. This was further enhanced post the Bondi attack.

Last year, we introduced additional personal protective equipment, including vests, for all security officers in every Westfield destination.

Body worn team safety cameras have been rolled out across every Westfield destination in Australia and New Zealand.

We will continue to invest in these security initiatives across our destinations.

2024 was a difficult year and one which highlighted the important role each of our 42 Westfield destinations play throughout Australia and New Zealand for their communities.

They each represent the heart of each community they serve.

Our results have been enabled by the efforts and dedication of our team who are creating extraordinary places and experiences that connect and enrich the community.

I would like to thank our team for the results that we achieved in 2024.

Our focus is to have more people spend more of their time at our 42 destinations.

The more people that come, the more often they come, and the longer they stay, provides our business partners more opportunities to interact with those customers.

It is because of this that we are able to continue to grow our income the business generates for our securityholders.

The Group's results for 2024 represent the fourth consecutive year that our Funds from Operations and Distributions per security have increased – and we are expecting that this will continue into 2025.

For 2024, the Group was able to deliver growth in Funds from Operations of 3.5% to \$1.132 billion or 21.82 cents per security.

In 2024, we welcomed 526 million customer visits, an increase of 14 million compared to 2023.

Our business welcomes on average 10 million visitors each and every week.

And we have continued to see customer visitations increase in the early part of 2025.



## SCENTRE GROUP

In the first 13 weeks of this year we have welcomed over 130 million visits – an increase of 3.0% or 4 million more visits than compared to the same 13 weeks in 2024.

We continue to grow our Westfield membership program, which now has more than 4.5 million members, an increase of nearly 700,000 over 2023.

Our membership program is one of the many ways in which we are able to provide more reasons for people to spend more of their time with us because it facilitates a better understanding of our members, their interests and their behaviours.

Another key driver of increased customer visitation has been our continued focus on activating our destinations.

This includes partnerships with leading brands including Disney and Live Nation as well as a program of local and community-based events.

During 2024 we commenced a new strategic partnership with the Australian and New Zealand Olympic and Paralympic Teams.

The Olympics partnership created the opportunity for customers to watch the competitions overseas, with fellow fans locally within our destinations that transformed into the “local games village”.

We will continue to focus on such initiatives to further drive customer visitations to us.

By doing so, we are able to create and curate the places where businesses, brands and people want to connect with each other.

As a result, our business partners achieved a record level of sales for 2024, increasing to \$29 billion. This is \$544 million more than in 2023.

Total business partner sales have continued to grow at a similar rate in the early part of 2025.

For January and February of 2025, total business partner sales are 2.5% higher compared to the same period in 2024.

We continue to see strong demand from businesses to partner with us in our destinations.

Occupancy increased to 99.6% at 31 December 2024, compared to 99.2% at the end of 2023.

Specialty rents increased by 5.2% and new lease spreads were positive 2.0% for the year.

We are focussed on increasing this level of occupancy even further in 2025, as well as reducing the time it takes from when a store closes to when a new one opens.

The productivity of our business partners, facilitated by our focus on driving customer visitations, and an increasing scarcity of available space underpins our earnings growth outlook.

We continue to progress our \$4.0 billion pipeline of future development opportunities to enhance our destinations.

During the year the Group completed works at Westfield Tea Tree Plaza in Adelaide and Westfield Mt Gravatt in Brisbane with visitation up 8.6% and 6.7% respectively since opening.



## SCENTRE GROUP

We also commenced projects at Westfield Southland in Melbourne and Westfield Burwood in Sydney.

Works began on the staged redevelopment of Westfield Bondi in Sydney where we will introduce a new Virgin Active lifestyle fitness offer on level 1 alongside a new rebel rCX concept store.

We look forward to both opening this year.

Planning is also well advanced for the lifestyle, dining and entertainment redevelopment on level 6 at Bondi.

The expansion of Westfield Sydney on the corner of Market and Castlereagh Streets in Sydney's CBD continues. New luxury brands will progressively open from the second quarter of 2025.

Importantly, we are able to undertake these investment works while growing earnings and distributions at the same time.

The Group's 42 Westfield destinations are located on more than 670 hectares of land holdings, close to where millions of people live and work, as well as existing and planned transport infrastructure.

We see this as a tremendous long term growth opportunity, additional to the growth we are focussed on generating from our operating business today.

Our sites and portfolio of strategic land holdings have the potential to make a significant contribution to residential housing supply across Australia and New Zealand.

We are focussed on how we can create substantial long term growth and are exploring densification opportunities at many of our destinations.

Last month the NSW Housing Delivery Authority recommended that Westfield Warringah be declared a state significant development with the potential to create up to 1,500 residential dwellings.

This is a significant opportunity for our business and gives us the option to use an accelerated planning process to deliver growth.

It is also recognition by government of the value in locating additional housing supply close to existing urban centres and transport infrastructure.

The HDA recommendation for Westfield Warringah follows rezoning approvals received at Westfield Hornsby in Sydney and Westfield Belconnen in Canberra.

We continue to collaboratively participate in state and local planning processes to secure similar opportunities across many of our destinations during 2025 and beyond.

We are focussed on growing shareholder wealth in a long term sustainable way.

In 2020, during the early part of the Pandemic, we made the decision to not issue new share equity and thereby not dilute our existing shareholders.

This was a unique decision amongst our peers, many of whom did issue significant amounts of new share equity.



## SCENTRE GROUP

Rather, we introduced a new form of capital into our business through the issuance of subordinated notes.

At that time, the notes were relatively expensive but they helped strengthen our balance sheet position as well as preserve the existing shareholder base.

Since the end of the Pandemic, we have undertaken a number of capital management initiatives that we will continue to do in order to refinance the subordinated notes that we issued in 2020.

The result is a net reduction in our interest expense as the refinancings are being completed at a significantly lower cost.

In September 2024, the Group completed a tender offer for approximately \$900 million of 2026 subordinated notes, which was funded through the issuance of new subordinated notes at a lower cost.

Last month, the Group effectively refinanced the remaining \$1.0 billion of the 2026 Subordinated Notes with a new issuance at a much lower cost.

In November of 2024, the Group also issued \$1.25 billion of senior notes, extending the weighted average maturity of our debt.

We will continue to work on many capital initiatives that are expected to further reduce our funding costs in the future.

At 31 December 2024, the Group had available liquidity of \$3.6 billion and we continue to maintain our 'single A' credit rating.

During 2024, the Group successfully established two external trusts to become joint venture owners at two of our destinations.

In June last year, the \$310 million Tea Tree Opportunity Trust purchased a 50% share in Westfield Tea Tree Plaza in Adelaide.

In September the \$175 million West Lakes Opportunity Trust acquired a 50% share in Westfield West Lakes also in Adelaide.

Both of these transactions facilitated the introduction of new third party capital to co-own these destinations alongside the Group.

Our strong operating performance and focus on operational excellence has set the Group up for continued growth in earnings and distributions.

Subject to no material change in conditions, the Group's target for Funds from Operations is 22.75 cents per security for 2025, representing 4.3% growth for the year.

Distributions are expected to grow by 2.5% for 2025 to 17.63 cents per security.

On behalf of the Scentre team, I thank you for your support.

**-ENDS-**