

Fraser's Property Limited reports S\$928 million attributable profit in FY22

- ◆ Revenue increased year-on-year by 3% to S\$3,877 million
- ◆ Maintains discipline and focus on value creation
- ◆ Proposed dividend of 3.0 Singapore cents per share

SINGAPORE, 11 NOVEMBER 2022

Fraser's Property Limited ("Fraser's Property", and together with its subsidiaries, the "Group") today announced its financial results for its financial year ended 30 September 2022 ("FY22").

FINANCIAL HIGHLIGHTS

	FY22 (S\$ 'mil)	FY21 (S\$ 'mil)	Inc/(Dec) (%)
Revenue	3,877.0	3,763.8	3.0
PBIT¹	1,249.2	1,424.7	(12.3)
PBIT (adjusted)²	1,249.2	1,069.0	16.9
Attributable Profit	928.3	833.1	11.4
Attributable Profit (adjusted)²	928.3	581.6	59.6

Mr Panote Sirivadhanabhakdi, Group Chief Executive Officer of Fraser's Property, commented, "As a result of our efforts over the years, we were able to deliver improved operating performance over the course of FY22. The Group's earnings were further boosted by higher fair value gains, primarily from industrial and logistics properties. This is a result of the Group's strategy over the years to increase its exposure to investment properties, particularly industrial and logistics assets, which have been benefitting from sectoral tailwinds in recent years."

Higher contributions from the Group's Singapore and Australia residential businesses supported earnings in FY22. The Group's hospitality business contributed to the improved earnings as well, as it benefitted from the gradual return of business travel and tourism following the reopening of borders.

In FY21, a portfolio of industrial and logistics properties in Australia and Europe was reclassified from properties held for sale to investment properties, and an unrealised valuation gain on the change in use was recognised as a result of the reclassification. Excluding the impact of the unrealised valuation gain on change in use, PBIT for FY22 would have increased 16.9% year-on-year from S\$1,069.0 million² to S\$1,249.2 million, while attributable profit would have increased 59.6% year-on-year from S\$581.6 million² to S\$928.3 million.

74.5% of the Group's debts were fixed rate or hedged as at 30 September 2022. Consequently, average cost of debt on a portfolio basis was 2.7% per annum as at 30 September 2022, slightly higher than the 2.3% per annum as at 30 September 2021. As the Group refinances debt moving forward, higher interest rates may have a larger impact on average cost of debt on a portfolio basis.

¹ Profit before interest, fair value change, taxation and exceptional items

² Excluding the one-off impact of the unrealised valuation gain on the change in use arising from the reclassification of a portfolio of industrial properties in Australia and Europe from properties held for sale to investment properties in FY21

To help mitigate the effects of foreign currency movements on Fraser's Property's balance sheet, where possible, the Group funds foreign currency assets with debt in the same currency for a natural hedge. The Group's foreign currency translation reserve, which reflects the effects of unrealised foreign currency movements on the Group's net assets in the form of its long-term equity position, was lower by S\$456.8 million on a net basis in FY22. It is not practicable to hedge long-term equity positions.

"As we navigate the challenging macro developments, the Group will maintain its disciplined approach towards its investments and asset and capital management, putting in place mitigation measures in both its business operations and funding structures," Mr Sirivadhanabhakdi added.

Taking into consideration the Group's financial performance, and in keeping with the Group's efforts to maintain financial flexibility amid macro developments, Fraser's Property's board of directors has decided to propose a first and final dividend of 3.0 Singapore cents per share for FY22, up from 2.0 Singapore cents per share declared for FY21.

KEY HIGHLIGHTS AND LOOKING AHEAD

Over the course of FY22, the Group's active management of assets and capital has enabled it to continually sharpen its competitive edge across its asset classes and geographies. As expectations of live, work, play spaces evolve and sustainability values become more entrenched in a corporate culture that is purpose-led, the Group has been taking active steps to create opportunities from these changes and convert these opportunities into sustainable earnings.

In November 2021, the Group launched the Premium Estates concept for industrial and logistics business, an initiative that is well-aligned with its commitment to achieving net-zero carbon across its entire value chain by 2050. This initiative has been garnering much interest as companies rethink their workspaces and prioritise sustainability. The introduction of core and flexible commercial space solutions has similarly been well-received by tenants. Beyond having co-working offerings in its commercial buildings and retail malls, in September 2022, the Group opened Silom Edge in Bangkok. Repurposed from a traditional office building, the interior was completely redesigned to offer core and flexible commercial space.

Meanwhile, its Singapore suburban retail portfolio has been benefitting from a boost in tenants' sales and shopper traffic with the resumption of atrium activities and the lifting of safe management restrictions following Singapore's transition to an endemic environment.

While the hospitality sector is seeing a slow recovery progress, strong headwinds remain and the eventual recovery trajectory may be bumpy. The Group takes a long-term view of the returns from its investments and is cautiously optimistic about the long-term growth potential of the hospitality sector. Cost containment measures continue to guide operations and there are signs of improvement in the performance of the Group's hospitality portfolio in many markets.

Over 80% of the Group's property assets are in recurring income-based asset classes. In FY22, the Group completed approximately 454,000 square metres of industrial and logistics, commercial and business parks, and retail development projects. The Group expects to deliver around 697,000 square metres from its non-residential development pipeline, primarily in Australia, Thailand and Vietnam, in FY23. The Group's ability to develop and create spaces that value-add within a range of asset classes will continue to support the organic growth of these asset classes.

The Group has been consistently deploying proceeds from the rights issue concluded in April 2021 to fund its development pipeline of industrial and logistics, as well as commercial business park assets. As at 20

October 2022, the Group has strategically utilised approximately S\$690 million out of the allocated S\$700 million to fund the capital and development expenditure of industrial and logistics assets.

On the residential front, the Group continues to adopt a prudent approach, with a strategic focus on markets with robust underlying demand. Across its markets, settlements and construction costs are key focus areas amid the increasing interest rates and inflationary environment. On the back of the Group's active management of developments, launches and settlements, the Group achieved sales of over 9,800 residential units and settlement of close to 4,000 residential units in FY22. The Group continued to selectively replenish its residential land bank in FY22, including a residential site in Queensland that can yield around 2,150 lots. Boosted by well-received sales launches such as Singapore's Sky Eden@Bedok, which achieved 75% sales on the first day of launch in September 2022, the Group's unrecognised residential revenue reached S\$2.6 billion as at 30 September 2022. In addition, the Group invested in three joint venture projects in prime residential locations in Shanghai with a combined total of around 3,700 units.

In addition to being able to introduce innovative concepts at its developments to meet customer needs, the Group's ability to develop in a range of asset classes allows Frasers Property to deliver complex, larger-scale or master-planned projects. Frasers Property will fully apply its mixed-use capabilities to the joint redevelopment of the upcoming Central Place Sydney, which received development approval in October 2022. Upon completion, the A\$3 billion innovative tech hub will form a significant part of the complete transformation of Sydney's southern central business district.

The Group's disciplined capital management enables it to support its businesses. In September 2022, building on the Group's track record of active capital management and green financing, Frasers Property launched Singapore's first corporate green retail notes. The 5-year green retail notes was 1.64 times subscribed and the offer size was increased from an initial offering size of S\$420 million to S\$500 million on the back of strong demand. The issuance of the green retail notes is in line with the Group's goal of financing the majority of its new sustainable property assets with green and sustainable financing by 2024. Since FY18, the Group has raised a total of over S\$9 billion from green and sustainable financing.

In addition, as part of efforts to optimise its capital structure and diversify funding sources, the Group set up Frasers Property Capital in FY22. Frasers Property Capital will work with like-minded capital partners to leverage the Group's strategic business platforms to jointly pursue opportunities. Frasers Property's most recent partnership is with Mitsui Fudosan Australia for the development of MAC Residences at Macquarie Park in New South Wales.

With assets under management of S\$43.6 billion as at 30 September 2022, Frasers Property will maintain its focused and disciplined drive towards value creation. Efforts will be concentrated on optimising the Group's portfolio to deliver performance over time, being astute and purpose-led in the way the Group's assets and capital are managed, and investing in Frasers Property's core capabilities and organisational resilience. In recognition of the Group's ESG³ efforts, Frasers Property was awarded Runner-Up for the Most Transparent Company Award 2022 in the real estate category at the SIAS Investors' Choice Awards 2022 and recognised as Equileap's top three most gender-equitable companies listed in Singapore and amongst the world's top 12%⁴. In addition, the Group posted stronger performance in the 2022 GRESB results⁵ with over half of its relevant entities in the respective categories recording improved scores in this year's assessment.

³ Environmental, social and governance

⁴ [Media release: Frasers Property emerged as one of top three most gender equitable companies](#)

⁵ [Media release: Frasers Property posts strong performance in 2022 GRESB](#)

Going forward, rising interest rates and inflation as well as volatility of foreign currency will continue to weigh on the Group's businesses. In addition, the looming spectre of global stagflation or recession coupled with prevailing geopolitical tensions will test organisational discipline, agility and resilience. Despite these challenges, opportunities from structural shifts exist, particularly from evolving expectations for integrated live, work and play spaces. The Group will carefully navigate the challenging macro developments and continue to take active steps to capture value creation opportunities.

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About Frasers Property Limited

Frasers Property Limited ("Frasers Property" and together with its subsidiaries, the "Frasers Property Group" or the "Group"), is a multinational investor-developer-manager of real estate products and services across the property value chain. Listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and headquartered in Singapore, the Group has total assets of approximately S\$40.2 billion as at 30 September 2022.

Frasers Property's multinational businesses operate across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 20 countries and more than 70 cities across Asia, Australia, Europe, the Middle East and Africa.

Frasers Property is also the sponsor of two real estate investment trusts ("REITs") and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust and Frasers Logistics & Commercial Trust are focused on retail, and industrial & commercial properties, respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties. In addition, the Group has two REITs listed on the Stock Exchange of Thailand. Frasers Property (Thailand) Public Company Limited is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on industrial & logistics properties in Thailand, and Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial properties.

The Group is committed to inspiring experiences and creating places for good for its stakeholders. By acting progressively, producing and consuming responsibly, and focusing on its people, Frasers Property aspires to raise sustainability ideals across its value chain, and build a more resilient business. It is committed to be a net-zero carbon corporation by 2050. Building on its heritage as well as leveraging its knowledge and capabilities, the Group aims to create lasting shared value for its people, the businesses and communities it serves. Frasers Property believes in the diversity of its people and are invested in promoting a progressive, collaborative and respectful culture.

For more information on Frasers Property, please visit frasersproperty.com or follow us on [LinkedIn](#).

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