

## Fraser's Property Limited reports S\$226 million attributable profit in 1H FY23

- ◆ 15.6% year-on-year increase in revenue to S\$1,946 million
- ◆ Improved earnings with higher contributions from residential developments in Singapore and China as well as the hospitality business
- ◆ Remain focused on managing the Group's risk exposures in relation to higher inflation, interest rate hikes, volatile foreign currency movements and potential asset repricing while being balanced in seeking opportunities that may arise

### SINGAPORE, 11 MAY 2023

Fraser's Property Limited ("Fraser's Property", and together with its subsidiaries, the "Group") today announced its financial results for its first half year ended 31 March 2023 ("1H FY23").

### FINANCIAL HIGHLIGHTS

	1H FY23 (S\$ 'mil)	1H FY22 (S\$ 'mil)	Inc/(Dec) (%)
<b>Revenue</b>	1,946.3	1,683.6	15.6
<b>PBIT<sup>1</sup></b>	684.9	526.1	30.2
<b>Attributable Profit</b>	225.8	158.2	42.8

Mr Panote Sirivadhanabhakdi, Group Chief Executive Officer of Fraser's Property, commented, "The Group's 1H FY23 financial performance reflects the improved business environment versus a year ago. The investments we have made in our core capabilities and our continued evolution, even during the pandemic period, have placed Fraser's Property in a good position as global COVID-19 restrictions were progressively eased."

Fraser's Property recorded improved earnings in 1H FY23 mainly due to higher contributions from its residential development businesses in Singapore and China. The Singapore residential development business, in particular, benefitted from increased sales of units and selling prices on the back of Singapore's buoyant residential market. In addition, the global easing of COVID-19 restrictions contributed to improved results for the Group's hospitality segment across various geographies.

Improved earnings from operations in 1H FY23 were partially offset by a net fair value loss compared to a net fair value gain in 1H FY22. The Group's portfolio of business park assets in the UK recorded fair value losses that were mostly offset by net fair value gains from a retail-cum-hospitality property in Singapore, the Group's newly-acquired retail asset in Singapore – NEX, as well as the divestment of an industrial and logistics property in Australia.

On the balance sheet front, the Group ended 1H FY23 with net debt to total equity of 72.7% and net debt to property assets of 39.3%. These are within the Group's comfort level in view of the Group's property assets mix. Fixed rate debt comprised 77.9% of the Group's total debt, which had an average weighted debt maturity of 2.9 years. The Group's high proportion of fixed rate debt mitigates the effects of higher interest rates, although there will be an impact on the average cost of debt on a portfolio basis as the Group

<sup>1</sup> Profit before interest, fair value change, taxation and exceptional items

refinances debt moving forward. As at 31 March 2023, average cost of debt on a portfolio basis was 3.2% per annum, up 0.5 percentage points from 2.7% per annum as at 30 September 2022.

Mr Sirivadhanabhakdi added, “Looking ahead, macro developments, especially in relation to higher inflation, interest rate hikes, volatile foreign currency movements and potential asset repricing, will continue to pose challenges for the real estate sector. We will maintain our astute and disciplined approach toward investment, asset and capital management and development execution as we navigate these macro headwinds.”

## **KEY HIGHLIGHTS AND LOOKING AHEAD**

In 1H FY23, Frasers Property strengthened its leadership bench with the appointment of two senior leaders. The Group appointed Eu Chin Fen as the new CEO of Frasers Hospitality to oversee the strategic direction, investment and operational strategies of the Group’s hospitality business globally. In line with Frasers Property’s commitment to elevating its sustainability bench strength, the Group also created a new role and appointed Paolo Bevilacqua as the Group Head of Sustainability. With experience in both sustainability and real estate operations, Paolo is working closely with Frasers Property’s senior leadership team and its business units to drive progress on the Group’s sustainability goals unveiled in 2021.

On the business front, the Group continued to optimise its strategic business platforms and enhance the resilience of its portfolio. Notably, the Group has been investing in the industrial and logistics as well as suburban retail asset classes, which have grown at a compounded annual growth rate of 16% over the past five years. In 1H FY23, the Group entered the North Vietnam industrial and logistics market through a joint venture with a local partner to acquire approximately 776,000 sqm of land to capture the growing international interest in industrial space in North Vietnam. In addition, to further enhance the Group’s focus in the Singapore suburban retail segment, Frasers Property jointly acquired a 50% stake in NEX with Frasers Centrepoint Trust.

To drive returns from its recurring income asset classes, the Group has always adopted a rigorous and disciplined approach of proactively engaging with its tenants ahead of renewals, actively seeking out new leases, as well as investing in asset enhancements and repositioning. In 1H FY23, the Group achieved over 926,000 sqm of renewals and new leases and maintained stable occupancy rates across its portfolio of industrial and logistics, commercial & business parks, and retail properties. Its hospitality business remains well-positioned to capture returning travel demand with pre-opening of properties in strategic gateway cities lined up.

Over the course of 1H FY23, Frasers Property continued to leverage its development capabilities to generate development value. The Group completed over 163,000 sqm of non-residential development projects and ended the period with over 1,415,000 sqm in its development pipeline of industrial and logistics, commercial & business parks, and retail properties. Frasers Property expects to deliver approximately 360,000 sqm from its non-residential development pipeline over the remainder of this financial year.

Residential remains a core asset class for Frasers Property and is an important component of the Group’s mixed-use developments. The Group continues to focus on markets with robust underlying demand and exercising discipline and caution in managing its residential pipeline in view of the rising cost and high interest rate environment. In Singapore, all units in the 455-unit residential development Rivière have been sold<sup>2</sup> as at 30 April 2023, and in Australia, the Group has over 2,600 contracts on hand<sup>2</sup> with completions and settlements scheduled for the second half of the financial year. In Thailand, the Group’s timely pivot

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<sup>2</sup> Including options signed

towards the single detached houses segment since early 2022 is generating higher margins. In China, the Group invested in two projects in Shanghai, which added over 1,700 residential units to its residential portfolio. As at 31 March 2023, the Group's pre-sold revenue for its residential business amounted to S\$2.9 billion.

With assets under management of S\$47.3 billion as at 31 March 2023, Frasers Property remains focused on driving value creation through astute asset and property management. Beyond delivering robust performance from its portfolio of investment properties, the Group recorded S\$3.4 billion of total gross fair value change over the past five financial years amid a challenging operating environment. Of this, a total of S\$0.8 billion was realised fair value change unlocked through divestments totalling S\$7.8 billion over the same period.

In addition to its capital recycling initiatives, the Group has been making significant progress in expanding its green or sustainable financing portfolio as part of its capital management strategy. In March 2023, Frasers Property received the 'Best Green Loan' award at The Asset Triple A Sustainable Capital Markets Awards 2022 for its US\$400 million syndicated green term loan that was signed in September 2022. Building on its strong track record, in February 2023, the Group secured its first sustainability-linked loan featuring a prescribed reduction in annual absolute greenhouse gas emissions. More significantly, this loan enabled the Group to achieve a milestone with the full sustainability-linked financing for its Australia business. To date, the Group has secured over S\$10 billion of green or sustainability-linked loans and bonds since its first green loan in September 2018.

On the corporate front, following a review to streamline Frasers Property's Board committees and their scopes of oversight, the Information Technology & Cybersecurity Committee was converted in 1H FY23 from a Board committee into a Management-led committee.

Looking ahead, the operating environment remains challenging as macroeconomic headwinds are likely to persist in the near future. Despite these challenges, opportunities from structural shifts exist, particularly from evolving expectations for integrated live, work and play spaces. The Group will leverage its established strategic business platforms and focus on managing risk exposures, while being balanced in seeking opportunities that may arise.

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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\$40.1 billion as at 31 March 2023.

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](https://frasersproperty.com) or follow us on [LinkedIn](#).

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