

ANNUAL GENERAL MEETING

Wednesday, 25 November 2020

SCA Property Group



Bakewell, NT

AGENDA

CHAIRMAN'S ADDRESS

CEO'S ADDRESS

FORMAL BUSINESS

GENERAL QUESTIONS

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CHAIRMAN'S ADDRESS

Philip Marcus Clark AO



1. FINANCIAL PERFORMANCE AND RETURNS TO UNITHOLDERS
2. RESPONSE TO THE COVID-19 PANDEMIC
3. GOVERNANCE MATTERS
4. LOOKING AHEAD

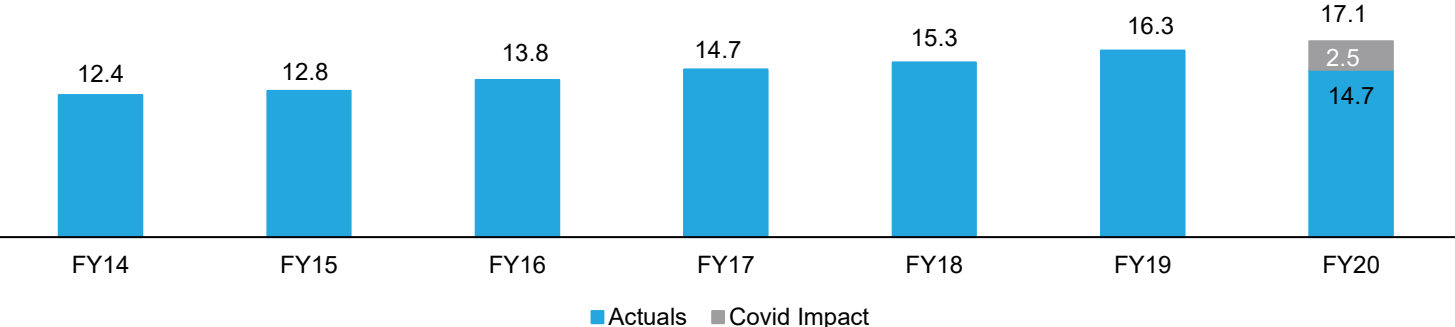
FINANCIAL PERFORMANCE AND RETURNS TO UNITHOLDERS

Chairman's Address

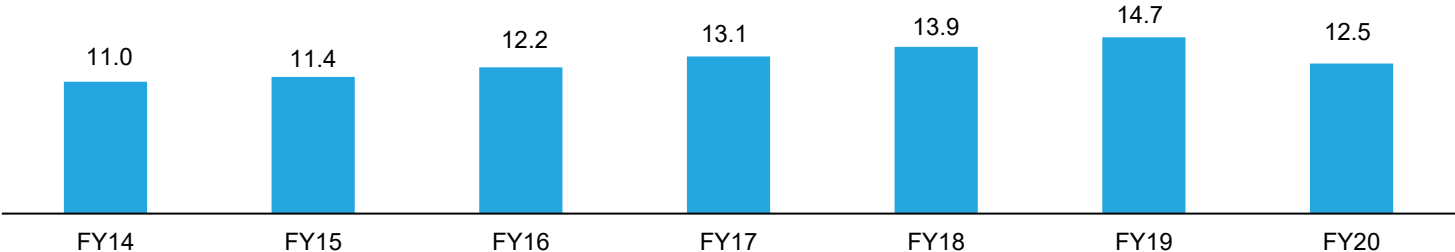
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FINANCIAL RESULTS – FFOPU AND DPU

Consistent FFOPU growth (cents per unit)



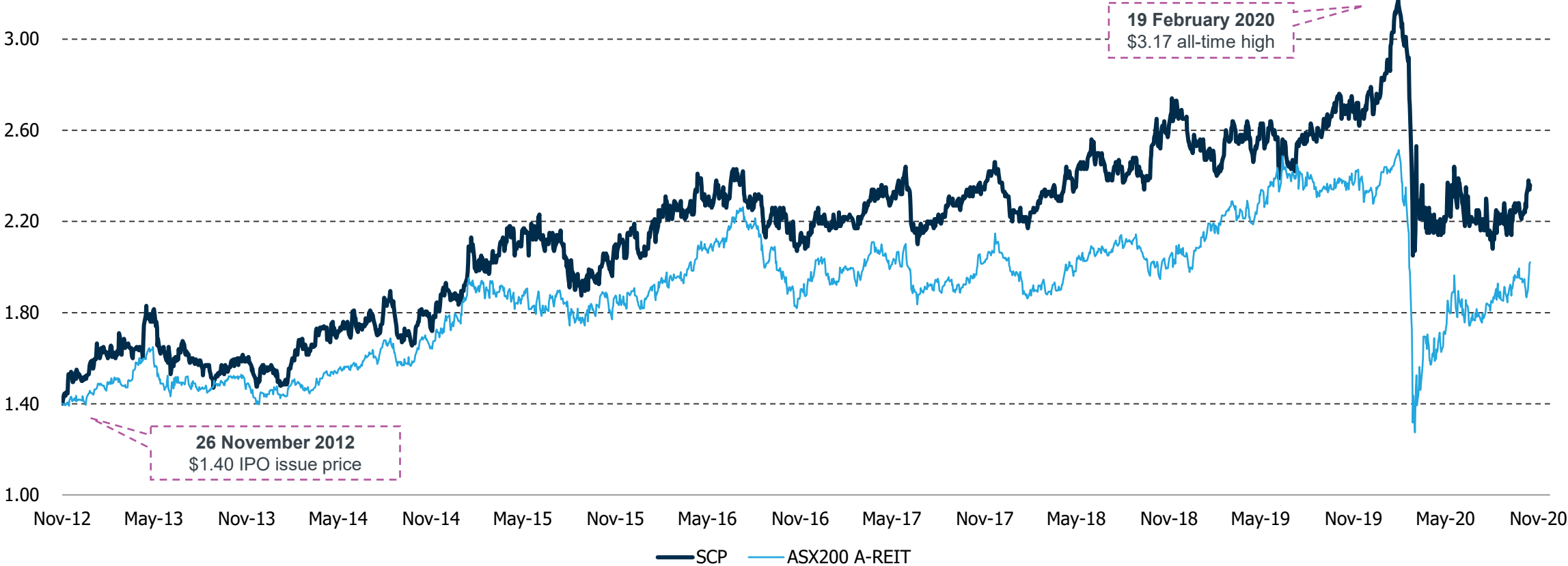
Consistent DPU growth (cents per unit)



SCP had delivered consistent and growing earnings and distributions, until the COVID-19 pandemic struck

UNIT PRICE PERFORMANCE

After peaking at \$3.17 per unit, SCP's unit price has since traded in the \$2.15 to \$2.50 range due to equity raisings and Covid-19 impact

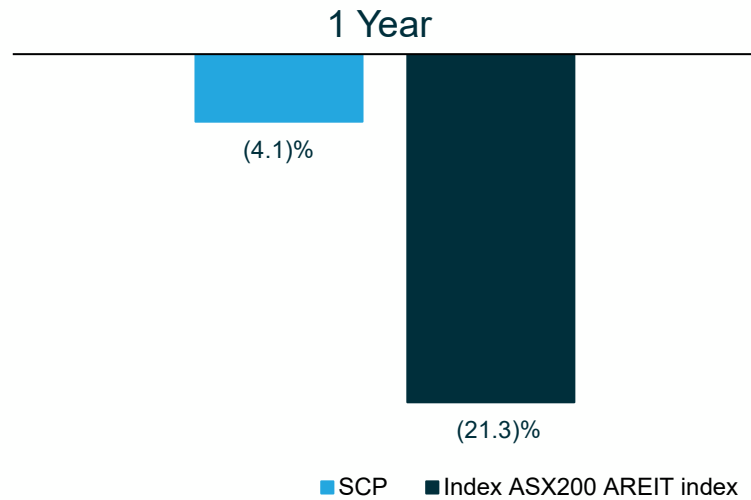


Source: IRESS, as at 6 November 2020

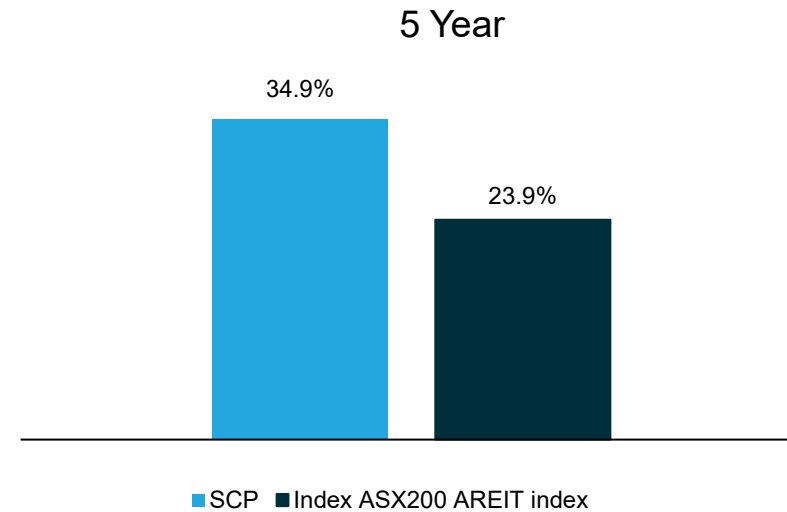
TOTAL UNITHOLDER RETURN ¹

Over the last year and the last five years SCP has delivered total unitholder return which has outperformed the ASX200 A-REIT Accumulation Index

Year to 30 June 2020

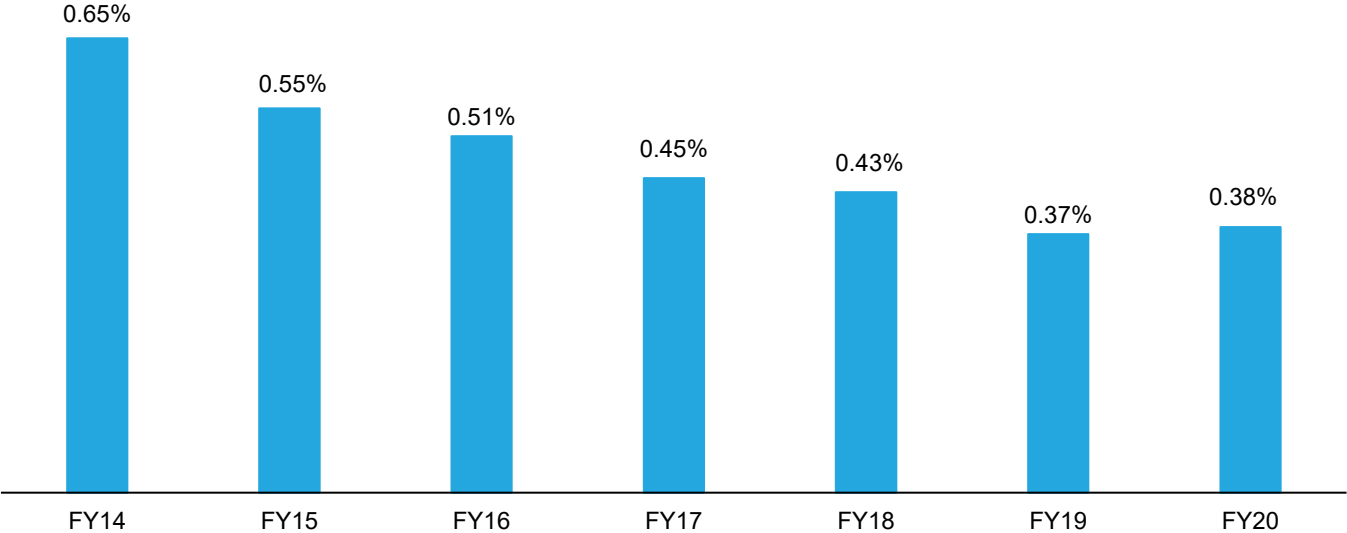


Since 1 July 2015 to 30 June 2020



1. Total unitholder return includes both distributions to unitholders and unit price appreciation.

MANAGEMENT EXPENSE RATIO

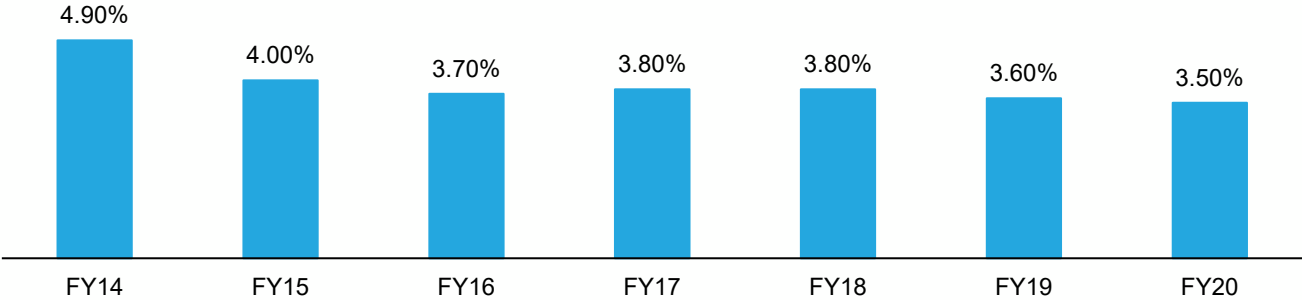


The Group's management expense ratio (MER), which measures corporate costs as a percentage of total assets, has reduced due to a significant increase in the value of the portfolio and tight control of corporate overheads

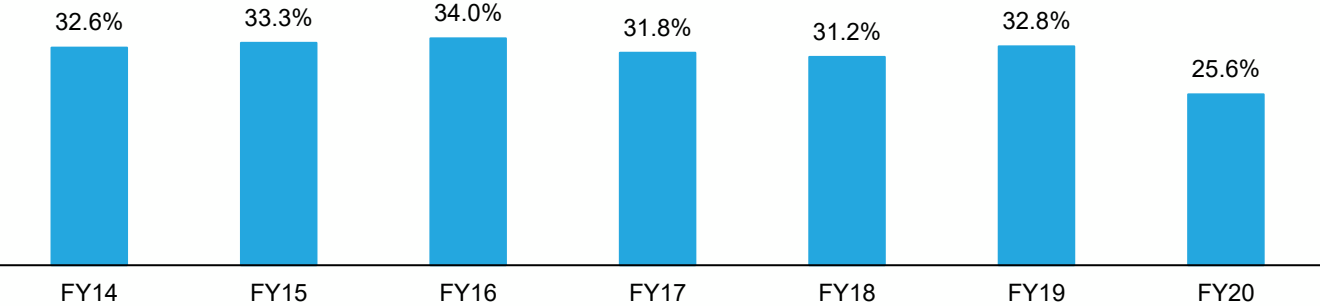
CAPITAL MANAGEMENT – DEBT

Debt structure has been actively managed

Weighted average cost of debt (%)



Gearing (%)



Conservative debt capital structure (as at 30 June 2020):

- Gearing below target range of 30% - 40%
- \$622.8m cash and undrawn facilities
- 91.1% of debt fixed or hedged
- 5.1 years weighted average debt maturity
- Diversified funding sources

RESPONSE TO THE COVID-19 PANDEMIC

Chairman's Address

1. WE STRENGTHENED OUR BALANCE SHEET
2. WE STUCK WITH OUR STRATEGY
3. WE DID NOT APPLY FOR JOBKEEPER
4. WE SHOWED RESTRAINT IN KMP REMUNERATION

GOVERNANCE MATTERS

Chairman's Address

1. OUR MANAGEMENT TEAM
2. THE BOARD
3. SUSTAINABILITY STRATEGY

LOOKING AHEAD

Chairman's Address

THANK YOU

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CEO'S ADDRESS

Anthony Mellows



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OUR PROPERTY PORTFOLIO

As at 30 June 2020:

- 89 Properties under management
- \$3,138m Investment Properties Total Value
- 7.4 yrs Weighted Average Lease Expiry
- 1,839 Specialty Tenants
- <10 yrs Average Age of Portfolio
- 98.2% Portfolio Occupancy
- 674,525m² Gross Lettable Area



FY20 HIGHLIGHTS

FINANCIAL PERFORMANCE	CAPITAL MANAGEMENT	ACTIVE PORTFOLIO MANAGEMENT	
FFO per unit ¹ 14.65 cpu, down by 10.3%	Gearing ³ 25.6%, down by 7.2%	Portfolio occupancy ⁶ 98.2%	Specialty vacancy ⁶ 5.1%
Distribution per unit ^{1,2} 12.50 cpu, down by 15.0%	NTA per unit ⁴ \$2.22, down by 2.2%	Portfolio weighted average cap rate ⁷ 6.51%	
Funds from operations (FFO) ¹ \$140.8m, down by 0.7%	Weighted cost of debt ⁵ 3.5% pa	Weighted average debt maturity ⁵ 5.1 yrs	Acquisitions ⁸ \$78.4m
			Divestments ⁸ \$21.5m

1. For the year ended 30 June 2020 vs year ended 30 June 2019

2. Final distribution of 5.00 cpu in respect of the year ended 30 June 2020 will be paid on 31 August 2020. First half distribution of 7.50 cpu was paid on 29 January 2020. "cpu" stands for Cents Per Unit

3. As at 30 June 2020, compared to 30 June 2019. Gearing is calculated as Finance debt, net of cash (with USD denominated debt recorded as the hedged AUD amount) divided by total tangible assets (net of cash and derivatives)

4. As at 30 June 2020, compared to 30 June 2019

5. As at 30 June 2020. The corresponding numbers as at 30 June 2019 were weighted cost of debt of 3.6% and weighted average debt maturity of 6.1 years

6. As at 30 June 2020. The corresponding numbers as at 30 June 2019 were portfolio occupancy of 98.2% and specialty vacancy of 5.3%

7. As at 30 June 2020. Weighted average capitalisation rate as at 30 June 2019 was 6.48%

8. During the year we acquired Warner Marketplace QLD for \$78.4 million (excluding transaction costs), and sold Cowes VIC for \$21.5 million

KEY ACHIEVEMENTS

Supermarket anchored convenience centres continue to be resilient

OPTIMISING THE CORE BUSINESS

- Throughout the COVID-19 pandemic, our convenience-based centres have been relatively resilient
 - Anchor tenants have experienced strong sales growth and turnover rent has increased
 - We have continued to complete leasing deals, with 75 renewals and 55 new lease deals completed during the COVID-19 period (March 2020 to June 2020). Specialty vacancy is stable at 5.1% and specialty occupancy costs are also stable at 10.0%. Approximately 92% of tenants are now open and trading including approximately 63% in Victoria
- COVID-19 has impacted many of our specialty tenants
 - Sales performance has been mixed, with many experiencing sales declines
 - We have provided rental assistance to over 600 tenants in accordance with the Mandatory Code of Conduct
 - Rental collection rate of 77% during the COVID-19 period. We will continue to pursue payment from tenants of all of the outstanding amounts not covered by agreed waivers or deferrals
- Our focus continues to be to
 - Improve tenancy mix with a bias toward non-discretionary categories
 - Maintain high retention rates on renewal
 - Maintain low specialty vacancy by working pro-actively with our tenants in these challenging times
- This will ensure that we have sustainable tenants paying sustainable rents, supporting our strategy of generating defensive, resilient cash flows to support secure and growing long term distributions to our unitholders

Love

Shop

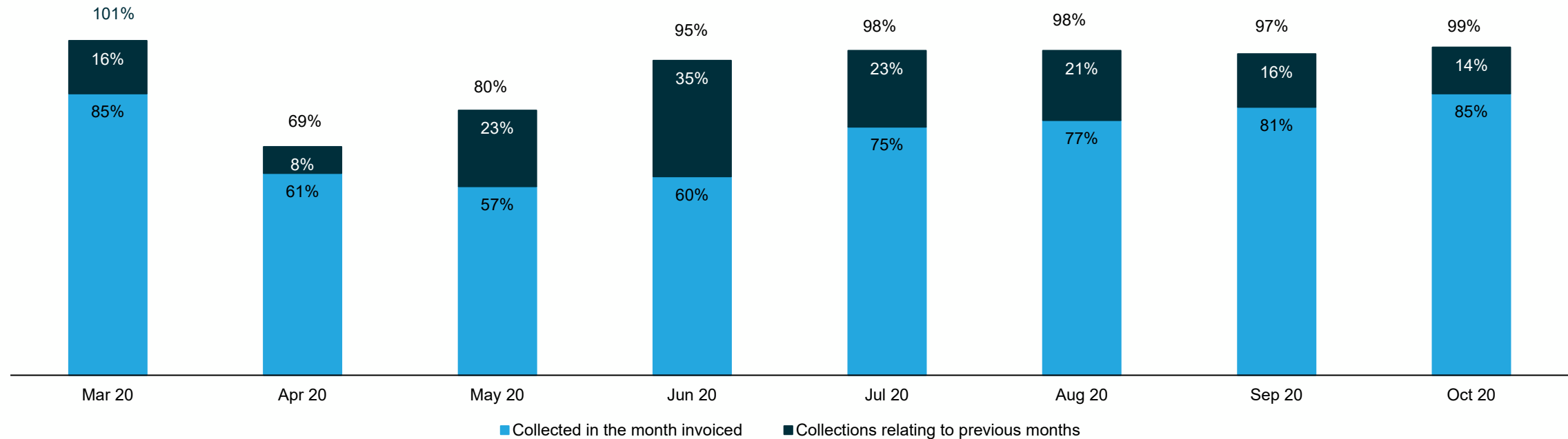
LOCCAL

Act local

CASH COLLECTION RATES

SCP's cash collection rates are gradually improving, but are still below the pre-Covid level

Cash collection as % of contracted gross rent



KEY ACHIEVEMENTS

Supermarket anchored convenience centres continue to be resilient

GROWTH OPPORTUNITIES

- Acquisition of Warner Marketplace, a Woolworths and Aldi-anchored convenience centre in Brisbane QLD, for \$78.4m (excluding transaction costs) in December 2019
- Completion of Shell Cove Stage 3 development (5 additional specialty shops of 396sqm in total) for \$4.8m in December 2019
- Sale of Cowes VIC for \$21.5m in February 2020 (9.7% above June 2019 book value)
- Completed the sale process for the SURF 1 investment properties for \$69.3m, achieved an 11.0% IRR for unitholders since fund commencement in 2015
- Bakewell NT acquired for \$33m on September 2020
- Bakewell NT adjoining Petrol station contracted in October 2020
- Auburn Central NSW contracted in November 2020

SUSTAINABILITY

CEO's Address

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3 PILLARS

The three pillars of our Sustainability Strategy guide the investments and initiatives we implement each year, and continue to deliver positive outcomes

OUR SUSTAINABILITY OBJECTIVES

1	STRONGER COMMUNITIES	Strengthen the relationships between our shopping centres and their local communities. Help to improve the wellbeing and prosperity of those communities
2	ENVIRONMENTALLY EFFICIENT CENTRES	Reduce the environmental footprint of our shopping centres, particularly greenhouse gas emissions through reducing energy consumption
3	RESPONSIBLE INVESTMENT	Manage Environmental, Social and Governance (ESG) risks that are material to investment value and communicate our performance on this

STRONGER COMMUNITIES

Our stronger communities' initiatives are designed to deliver measurable social and environmental benefits to the local communities of our shopping centres

Community Initiatives



Corporate Community Partner



ENVIRONMENTALLY EFFICIENT CENTRES

Utilising technology to enhanced centre sustainability performance

CAPITAL INVESTMENT

Deployment of a capital investment program targeting initiatives that achieve ESG outcomes and returns. Specific focus areas include:

Solar Generation

Operational across 6 centres. Market review of technologies and opportunities completed Dec 20

LED Lights

Reducing energy consumption through energy efficient lighting programs

Building Automation

Energy Management and Demand controlled through installation of AI enabled building automation controls for HVAC, Lighting and energy demand

Waste Management

Encouraging active participation by our retail partners in recycling programs. Encouraging Sustainable design and materials during new shop openings



2284.5MWh Renewable
Energy Generated

7% Total Energy
Sourced from renewables

1,264 Tonnes
GHG Emissions savings

RESPONSIBLE INVESTMENT

Our priority with Responsible Investment continues to be on data integrity and transparency for investors and stakeholders

OVER THE PAST YEAR WE HAVE:

Enhanced disclosure of ESG performance through the revised annual Sustainability Report, available under the Sustainability page of the SCA Property Group website

Participated in the Global Real Estate Sustainability Benchmark (GRESB), an international sustainability management review and standard for real estate investment managers run by leading investors. Australian REIT's ranked as world leading performance in ESG management practices

Recertified the portfolio under the Green Building Council's rating tool Green Star Performance

Maintained our 5.5 star NABERS Energy rating (out of six) for SCP's Head Office

Enhanced our corporate governance in areas such as Diversity, Modern Slavery and Supplier Codes of Conduct



CORE STRATEGY UNCHANGED

Defensive, resilient cashflows to support secure and growing long term distributions to our unitholders



KEY PRIORITIES AND OUTLOOK

Continue to deliver on strategy in FY21

OPTIMISING THE CORE BUSINESS

- Leasing focused on sustainable tenants at sustainable rents
- Sustainability project

GROWTH OPPORTUNITIES

- Continue to explore value–accretive acquisition opportunities
- Progress our identified development pipeline

CAPITAL MANAGEMENT

- Continue to actively manage our balance sheet
- Gearing to remain below 35% at this point in the cycle

EARNINGS GUIDANCE

- DPU for first half to Dec 20 between 5.5 cpu and 5.7 cpu
- DPU for second half to be greater than the first half

FORMAL BUSINESS

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NOTICE OF MEETING



OPEN POLL

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FINANCIAL STATEMENTS AND REPORTS



REMUNERATION REPORT



RESOLUTION 1

Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

'That the Remuneration Report for the year ended 30 June 2020 be adopted.'

Voting exclusions apply

RESOLUTION 1

Voting proxy statistics

	For	Open	Against
Adoption of the Remuneration Report	748,897,872 98.09%	4,060,874 0.53%	10,516,686 1.38%

ELECTION OF DIRECTOR

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RESOLUTION 2

Re-election of Independent Director – Philip Marcus Clark AO

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That Philip Marcus Clark, who retires and, being eligible, offers himself for re-election as a director of SCPRE, be re-elected as a director of SCPRE.'

RESOLUTION 2

Voting proxy statistics

	For	Open	Against
Re-election of Independent Director – Philip Marcus Clark AO	749,880,818 98.13%	4,175,704 0.54%	10,144,945 1.33%

EXECUTIVE INCENTIVE PLAN



RESOLUTION 3

Issue of Long Term Incentive Rights under the Executive Incentive Plan to the Chief Executive Officer, Anthony Mellowes

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That for all purposes, including the purposes of ASX Listing Rule 10.14, approval be given for:

- (a) the grant to the Chief Executive Officer of SCPRE, Anthony Mellowes, of 443,759 Rights as part of a long term incentive award under the Executive Incentive Plan; and*
- (b) the transfer or allocation of Stapled Units to Anthony Mellowes upon vesting of the Rights described in paragraph (a) of this resolution.'*

Voting exclusions apply

RESOLUTION 3

Voting proxy statistics

	For	Open	Against
Issue of Long Term Incentive Rights under the Executive Incentive Plan to the Chief Executive Officer, Anthony Mellowes	749,124,467 98.06%	3,902,796 0.51%	10,888,215 1.43%

RESOLUTION 4

Issue of Long Term Incentive Rights under the Executive Incentive Plan to the Chief Financial Officer, Mark Fleming

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That for all purposes, including the purposes of ASX Listing Rule 10.14, approval be given for:

- (a) the grant to the Chief Financial Officer of SCPRE, Mark Fleming, of 213,257 Rights as part of a long term incentive award under the Executive Incentive Plan; and*
- (b) the transfer or allocation of Stapled Units to Mark Fleming upon vesting of the Rights described in paragraph (a) of this resolution.'*

Voting exclusions apply

RESOLUTION 4

Voting proxy statistics

	For	Open	Against
Issue of Long Term Incentive Rights under the Executive Incentive Plan to the Chief Financial Officer, Mark Fleming	749,132,050 98.07%	3,875,103 0.51%	10,885,251 1.42%

PLACEMENT RATIFICATION



RESOLUTION 5

Ratification of prior issue of Stapled Units

To consider and, if thought fit, to pass the following as an ordinary resolution:

‘That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the allotment and issue of 115,740,741 fully paid ordinary Stapled Units at \$2.16 per Stapled Unit on 16 April 2020 pursuant to a placement to wholesale clients for the purposes and on the terms set out in the Explanatory Memorandum to the Notice of Meeting convening this Meeting, be approved and ratified.’

Voting exclusions apply

RESOLUTION 5

Voting proxy statistics

	For	Open	Against
Ratification of Prior Issue of Stapled Units	21,060,865 80.94%	3,276,482 12.59%	1,682,536 6.47%

AMENDING THE CONSTITUTIONS

RESOLUTION 6 – AMENDING THE CONSTITUTIONS

Amending each of the SCA Retail Trust Constitution and the SCA Management Trust Constitution to expressly provide for hybrid and virtual meetings and direct voting

To consider and, if thought fit, to pass the following as a special resolution:

‘That, for the purposes of section 601GC(1)(a) of the Corporations Act and for all other purposes, the SCA Retail Trust Constitution and the SCA Management Trust Constitution be amended in accordance with the proposed amendments outlined in the Explanatory Memorandum accompanying this Notice of Meeting and as contained in the amended constitutions for each of the SCA Retail Trust and SCA Management Trust tabled at this Meeting and signed by the Chair for the purposes of identification, with the amended constitutions to become effective from the date each amended constitution is lodged with ASIC in accordance with section 601GC(2) of the Corporations Act.’

RESOLUTION 6

Voting proxy statistics

	For	Open	Against
Amending the Constitutions	444,057,592 58.13%	4,523,541 0.60%	315,274,072 41.27%

CLOSE OF POLL

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GENERAL QUESTIONS

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MEETING CLOSE

Thank you

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