

# Dexus (ASX: DXS)

## ASX release



14 February 2024

### HY24 results presentation

Dexus provides its 2024 half year results presentation.

An investor conference call will be held at 9.30am (AEDT) today, which will be webcast via the Dexus website at [www.dexus.com/investor-centre](http://www.dexus.com/investor-centre) and available for download later today.

The property synopsis spreadsheet is also available at [www.dexus.com/financialresults](http://www.dexus.com/financialresults).

This presentation should be read in conjunction with the HY24 results release and the HY24 Appendix 4D and Financial Statements.

*Authorised by the Board of Dexus Funds Management Limited*

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### About Dexus

Dexus (ASX: DXS) is a leading Australasian fully integrated real asset group, managing a high-quality Australasian real estate and infrastructure portfolio valued at \$57.1 billion. We believe that the strength and quality of our relationships will always be central to our success and are deeply connected to our purpose: Unlock potential, create tomorrow. We directly and indirectly own \$15.8 billion of office, industrial, healthcare, retail and infrastructure assets and investments. We manage a further \$41.3 billion of investments in our funds management business which provides third party capital with exposure to quality sector specific and diversified real asset products. The funds within this business have a strong track record of delivering performance and benefit from Dexus's capabilities. The platform's \$16.9 billion real estate development pipeline provides the opportunity to grow both portfolios and enhance future returns. Our sustainability aspiration is to unlock the potential of real assets to create lasting positive impact and a more sustainable tomorrow, and is focused on the priorities of customer prosperity, climate action and enhancing communities. Dexus is supported by more than 35,000 investors from 22 countries. With four decades of expertise in real estate and infrastructure investment, funds management, asset management and development, we have a proven track record in capital and risk management and delivering returns for investors. [www.dexus.com](http://www.dexus.com)

Dexus Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for Dexus (ASX: DXS)  
Level 30, 50 Bridge Street, Sydney NSW 2000

dexus

2024

# Half year results

14 February 2024

Dexus Funds Management Limited | ABN 24 060 920 783  
AFSL 238163 as responsible entity for Dexus





# Acknowledgement of Country

Dexus acknowledges the Traditional Custodians of the lands on which our business and assets operate, and recognises their ongoing contribution to land, waters and community.

**We pay our respects to First Nations Elders past and present.**

**Artist:**

Amy Allerton, Indigico Creative, a Gumbaynggir and Bundjalung woman

**Artwork:**

The Places Where We Thrive

**Artwork description:**

The artwork tells the story of a vision for our communities, both large and small, where they are all thriving and strong as they build lives, homes and legacies for present and future generations. Every community is connected by spirit and by country, surrounded by flourishing waterways and vibrant land that is enriched and cared for by its people. Communities are empowered to unlock potential, find new ways to build and expand, as they dream and innovate to create tomorrow.





# Agenda

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## Overview

Darren Steinberg, CEO

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## Financial results

Keir Barnes, CFO

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## Funds management

Deborah Coakley, EGM Funds Management

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## Investments

### Office portfolio

Andy Collins, EGM Office

### Industrial portfolio

Stewart Hutcheon, EGM Industrial, Healthcare & Alternatives

### Transactions and Developments

Ross Du Vernet, CIO

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## Summary

Darren Steinberg, CEO

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## Appendices



# Our strategy

Our vision

To be globally recognised as Australasia's leading real asset manager

Our strategy

To deliver superior risk-adjusted returns for investors from high-quality real estate and infrastructure assets

Delivered through

## Strategic objectives

### Resilient income streams

Investing in assets that provide resilience through-the-cycle

### Investment manager of choice

Expanding and diversifying the funds management business

Enabled by

### Scalable, efficient platform



Transactions



Product creation



Capital sourcing



Asset management



Development

Underpinned by commitment to **ESG principles** and **prudent capital management**



# HY24 highlights

## Resilient income streams

**\$292.4m** AFFO  
**\$597.2m** Statutory net loss after tax  
**29.4%** Gearing (look-through)  
**95%** Hedged



## \$1.3 billion Dexu divestments

Settled in HY24, enhancing balance sheet strength and portfolio quality and provides capacity to fund committed developments



**94.5%** Office occupancy<sup>1</sup>, well above market average of 86.5%<sup>2</sup>  
**99.0%** Industrial occupancy<sup>1</sup>  
**99.4%** Rent collections



**+4.0%** Office LFL income growth  
**+5.5%** Industrial LFL income growth



## Investment manager of choice

Achieved final completion of **AMP Capital's** domestic infrastructure equity and real estate business

On target to achieve **full integration by 30 June 2024**



**\$1.3 billion** fund divestments  
**\$0.2 billion** fund acquisitions



Launched Dexu's second fund in the opportunity series

**Dexu Real Estate Partnership 2**



Since transitioning to Dexu's platform, **Dexu Wholesale Shopping Centre Fund (DWSF) outperformed** its benchmark during the six months to 31-Dec-23

**Dexu Wholesale Property Fund, (DWPf) outperformed** its benchmark across 3, 5, 7 and 10 years



1. Occupancy by income, excluding co-investments in pooled funds. | 2. Australian CBD average by Property Council of Australia January 2024.



# Sustainability leadership and strategy

## Global recognition

### Global leader

Top 10% S&P Global  
S&P Global Sustainability  
Yearbook 2024

### 2023 GRESB leadership

DHPF - Global non-listed sector leader -  
Healthcare, Development

Powerco - Infrastructure asset sector leader

### 4.9 Star



NABERS Energy rating  
Platform office portfolio

### 4.5 Star



NABERS Water rating  
Platform office portfolio

### 4.9 Star



NABERS Indoor Environment rating  
Platform office portfolio

## Delivering on sustainability strategic priorities

### Customer prosperity



- **Waste diversion** initiatives, engaging customers to reduce landfill
- **GreenPower Buyers Group** program expanded, avoiding >1,600 tonnes GHG emissions to date

### Climate action



- **Decarbonisation roadmaps** rolling out across 26 assets to support long-term resilience
- **Physical and financial resilience** expanding the climate resilience program to 55 assets

### Enhancing communities



- **Community investment campaigns** across 87 assets with our partners, Foodbank and the Cerebral Palsy Alliance
- **Festive activations** at shopping centres, enhancing visitation and strengthening our community partnerships



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# Financial results



# Key earnings drivers and valuations

## Diversified earnings composition

### Key earnings drivers

Earnings driver	HY24 composition <sup>1</sup>
 <p><b>Investments</b></p>	<p><b>83% of FFO</b></p> <p>60% Office Property FFO 16% Industrial Property FFO 7% Co-investment income</p>
 <p><b>Management Operations</b></p>	<p><b>15% of FFO</b></p> <p>FFO from funds management, property and development management income</p>
 <p><b>Trading</b></p>	<p><b>2% of FFO</b></p> <p>Trading profits post tax of \$9.0 million secured, reflecting majority of guidance</p>

### Property portfolio valuations

	December 2023 value <sup>2</sup>	Valuation six-months movement <sup>3</sup>	Capitalisation rate six-months movement
<b>Total portfolio</b>	<b>\$15.8bn</b>	<p><b>\$687.3m</b> <b>4.7%</b></p>	<b>5.45%</b> 34bps
<b>Property portfolio</b>	<b>\$15.5bn</b>		
<b>Office</b>	<b>\$10.9bn</b>	<p><b>\$613.6m</b> <b>5.4%</b></p>	<b>5.53%</b> 32bps
<b>Industrial</b>	<b>\$3.6bn</b>	<p><b>\$72.8m</b> <b>2.2%</b></p>	<b>5.18%</b> 42bps

1. FFO contribution is calculated before net finance costs, group corporate costs and non-trading related tax. | 2. Total portfolio value of \$15.8bn includes \$1.8bn look-through FUM for Dexus's co-investments in pooled funds and financial assets and excludes leased assets and is largely comprised of office portfolio \$10.9bn, industrial portfolio \$3.6bn, retail \$0.3bn, healthcare portfolio \$0.5bn, opportunity and other \$0.2bn and infrastructure \$0.3bn.

| 3. Valuation movement excludes co-investments in pooled funds. Includes other property revaluation loss of \$0.9m.



# HY24 financial results

Delivered Underlying FFO growth, with lower AFFO driven by lower trading profits

	HY24 \$m	HY23 \$m	Change %
<b>Investments</b>			
Office property FFO	283.9	294.9	↓ 3.7%
Industrial property FFO	74.4	83.9	↓ 11.3%
Co-investments in pooled funds <sup>1</sup>	32.1	14.4	↑ 122.9%
<b>Total Investments FFO</b>	<b>390.4</b>	<b>393.1</b>	<b>↓ 0.7%</b>
Management operations <sup>2</sup>	72.5	52.0	↑ 39.4%
Group corporate costs	(35.9)	(23.0)	↑ 56.1%
Net finance costs	(62.2)	(65.2)	↓ 4.6%
Other <sup>3</sup>	(9.0)	(16.6)	↓ 45.8%
<b>Underlying FFO</b>	<b>355.8</b>	<b>340.4</b>	<b>↑ 4.5%</b>
Trading profits (post tax)	9.0	48.7	↓ 81.5%
<b>FFO</b>	<b>364.8</b>	<b>389.1</b>	<b>↓ 6.2%</b>
Maintenance and leasing capex	(72.4)	(78.3)	↓ 7.5%
<b>Adjusted Funds from Operations (AFFO)</b>	<b>292.4</b>	<b>310.8</b>	<b>↓ 5.9%</b>
<b>AFFO excluding trading profits</b>	<b>283.4</b>	<b>262.1</b>	<b>↑ 8.1%</b>
Distribution payout (% AFFO)	98.2%	96.9%	
<b>Distribution</b>	<b>287.2</b>	<b>301.2</b>	<b>↓ 4.6%</b>

**Office property FFO** decreased primarily due to the impact of divestments, partly offset by fixed rent increases

**Industrial property FFO** decreased due to the impact of divestments, partially offset by higher one-off income, recently completed developments, rent increases and leasing success

Income from **co-investments in pooled funds** grew, driven by new investments in AMP Capital platform funds

**Management operations FFO** increased significantly, reflecting the AMP Capital platform acquisition, recognition of a portion of the DALT performance fee, partially offset by a lower contribution from development milestones vs HY23

Increase in **Group corporate costs** primarily due to the AMP Capital platform acquisition, as well as general cost inflation

**Net finance costs** reduced, as higher floating rates were more than offset by the impact of divestments on the average debt balance

**Trading profits** lower due to decision not to restock late in the cycle

Key per security metrics	HY24	HY23	Change
Underlying FFO per security	33.1 cents	31.6 cents	4.7%
FFO per security	33.9 cents	36.2 cents	(6.4)%
AFFO per security	27.2 cents	28.9 cents	(5.9)%
Distribution per security	26.7 cents	28.0 cents	(4.6)%
	<b>HY24</b>	<b>FY23</b>	
Net Tangible Assets (NTA) per security	\$10.04	\$10.88	(7.7)%

1. Includes distribution income from Dexus's co-investment stakes in pooled funds and excludes joint venture and partnership income which is proportionately consolidated in Note 1 Operating Segments within Dexus's Financial Statements. See slide 36 in Appendices for further detail. | 2. Management operations FFO includes development management fees. | 3. Other FFO includes non-trading related tax expense and other miscellaneous items.

# Strong financial position

Managing gearing and hedging to maintain balance sheet strength and fund future commitments



**Look-through gearing** below 30-40% target range, provides capacity to fund committed developments.



**Substantial headroom** with manageable near-term debt maturities.

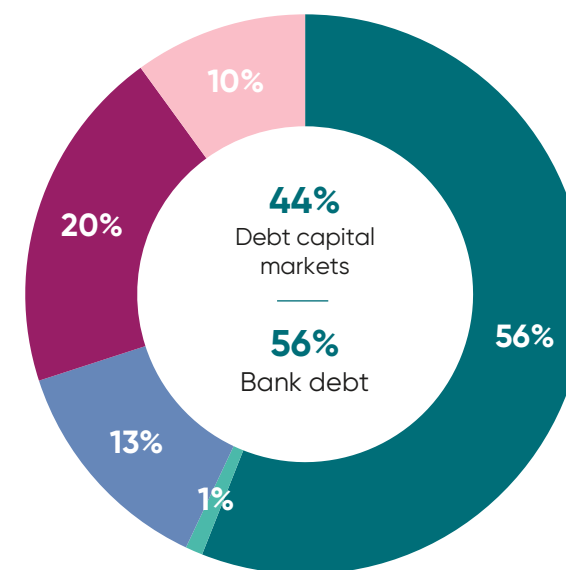


**High hedging** provides material protection against interest rate movements over the medium term.

Key metrics	31 Dec 2023	30 Jun 2023
Gearing (look-through) <sup>1</sup>	29.4%	27.9% <sup>2</sup>
Headroom <sup>3</sup>	\$3.1bn	\$2.5bn
Cost of debt <sup>4</sup>	3.9%	3.7%
Average maturity of debt	4.6 years	5.1 years
Hedged debt (incl caps) <sup>5</sup>	95%	86%
Weighted average maturity of hedges	4.2 years	4.8 years
S&P/Moody's credit rating	A-/A3	A-/A3

1. Adjusted for cash and debt in equity accounted investments, excluding Dexus's share of co-investments in pooled funds. Look-through gearing including Dexus's share of equity accounted co-investments in pooled funds was 30.7% as at 31 December 2023. | 2. Pro forma gearing. Look-through gearing at 30 June 2023 was 30.3%. | 3. Undrawn facilities plus cash. | 4. Weighted average for the period, inclusive of fees and margins on a drawn basis. | 5. Average for the period. Hedged debt (excluding caps) was 77% for the 6 months to 31 December 2023 and 69% for the 12 months to 30 June 2023.

## Diversified sources of debt



- Bank facilities
- MTN
- Exchangeable Notes
- Commercial paper
- USPP



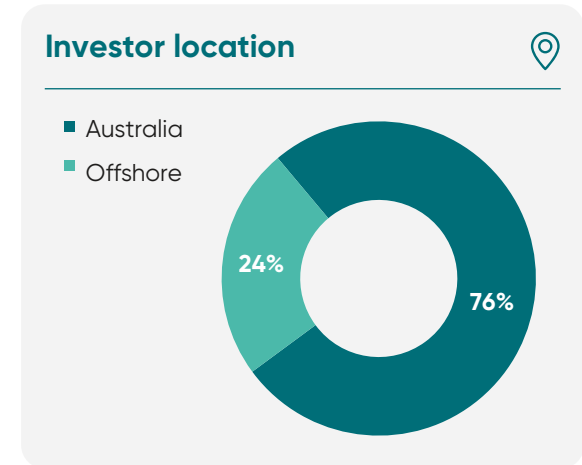
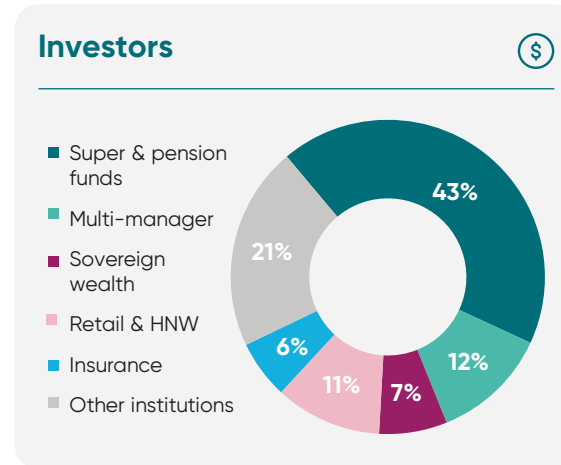
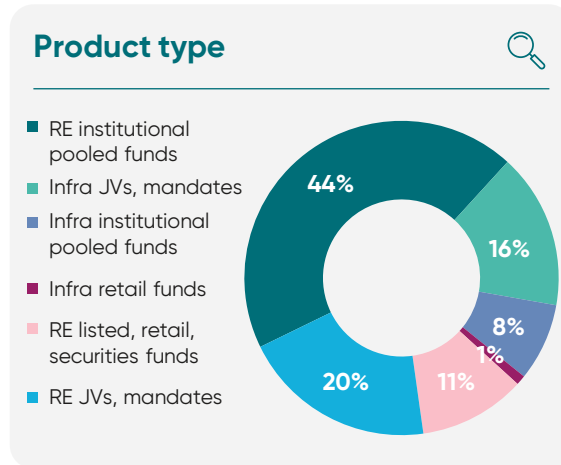
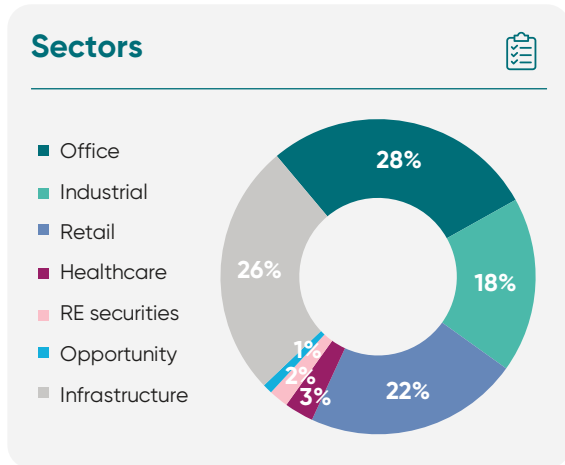
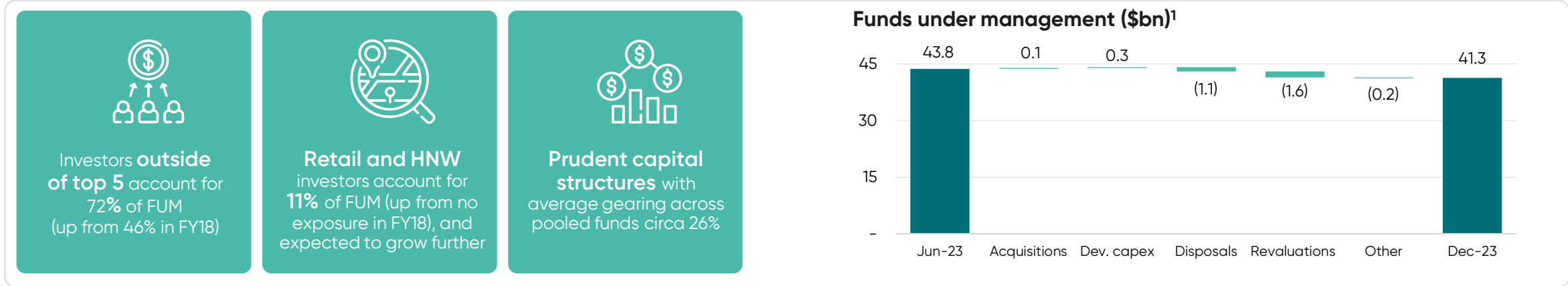
03

# Funds management



# Dexus funds platform

A real asset platform of scale, diversity and organic growth opportunities



**\$41.3 billion FUM<sup>2</sup>**

1. Acquisitions and divestments reflect settlements during the six months to 31 December 2023. | 2. Composition charts are by FUM.



# Funds management

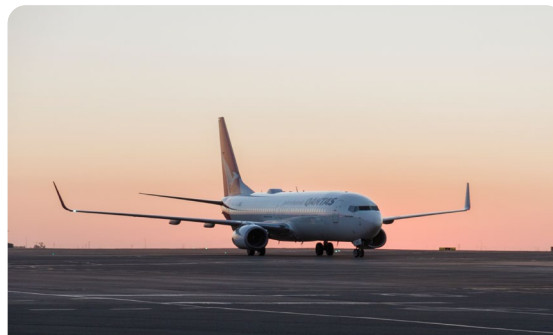
## HY24 key achievements



### Achieved Final Completion of the AMP platform<sup>1</sup> acquisition

Real estate and infrastructure equity fund operations and investor relationship management have been transitioned to the Dexus platform

On target to achieve **full integration by 30 June 2024**



### Delivering for investors

- Satisfied circa **\$720 million** of redemptions, providing liquidity for investors through **\$1.3 billion** of divestments<sup>2</sup>
- Since transitioning to Dexus's platform, **Dexus Wholesale Shopping Centre Fund (DWSF) outperformed** its benchmark during the six months to 31-Dec-23, supported by leasing success
- **Dexus Wholesale Property Fund (DWPf) outperformed its benchmark across 3, 5, 7 and 10 years**



### Harnessing pockets of investor interest

- **Launched Dexus Real Estate Partnership 2 (DREP2)**, which is expected to be materially larger than DREP1 raising of \$475 million
- Undertaking equity raising for **Dexus Healthcare Property Fund**
- Raised equity in **Wholesale Airport Fund**



### ESG recognition

Multiple funds and investments recognised as ESG leaders by GRESB, including:

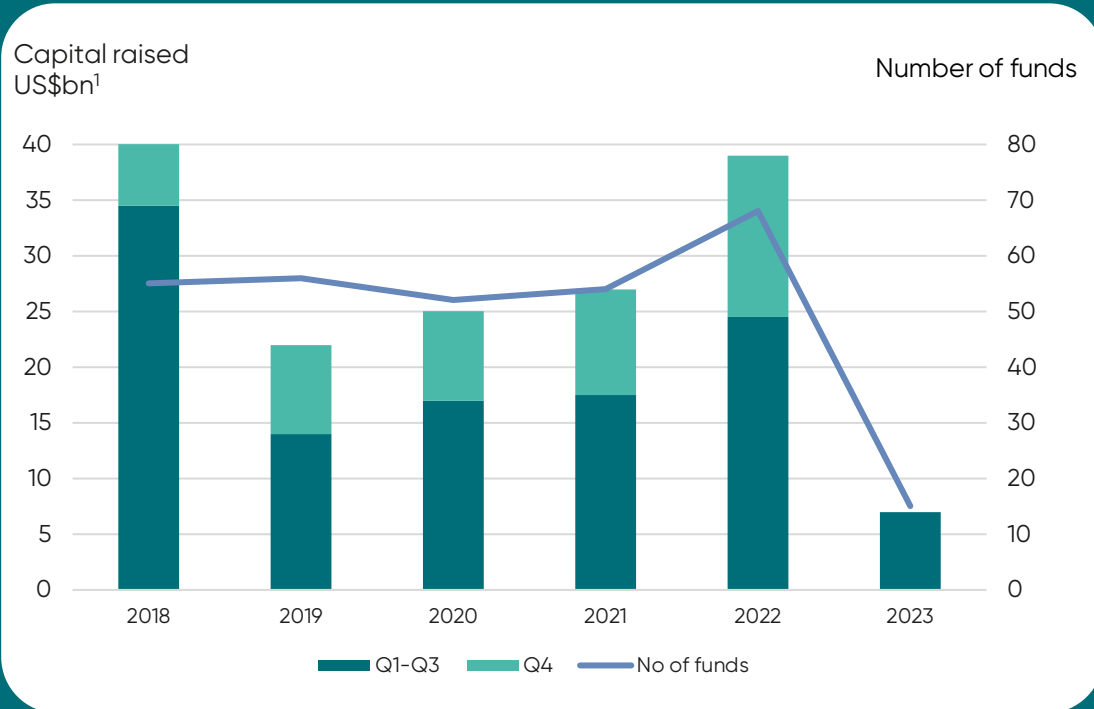
- DOTA and DWPf - **Top 5% globally** out of 1,923 GRESB entities
- **DHPf** - sector leader Global Non-Listed Healthcare Developments
- **Powerco** - Infrastructure asset sector leader
- **Royal Adelaide Hospital** - 1st out of 638 infra. assets globally for performance
- **Melbourne Airport** - awarded a 2023 Airports Going Green Award

1. Platform refers to AMP Capital's real estate and domestic infrastructure equity business. | 2. Includes post balance date divestments that have settled or are due to settle post 31 December 2023.

# Market capital flows and investor sentiment

Soft capital raising backdrop with pockets of opportunity

## Market capital raising for Asia-Pac real estate funds reduced in CY23



## Investor sentiment

- **AUM growth<sup>2</sup> for the top 150** real estate investment managers turned **negative for the first time** in 10 years. Total AUM fell by €22.3bn or circa 0.4%
- **Australia continues to screen well** supported by favourable fundamentals - Australia was ranked #4 in JLL's Global Real Estate Transparency Index 2022
- Markets that are large (such as US or UK) or those that have re-priced faster are being **prioritised ahead of deployment in Australia**
- **Dexus is regarded a leading real asset manager** and investors appreciate the potential for alpha generation for infrastructure assets via driving the performance of the real estate components
- **Limited interest in core assets** until valuation outlook more certain
- Investors remain cautious towards deployment with most focusing on **higher return strategies** including credit
- Opportunities that align with investor's **ESG objectives** and provide strong returns remain of interest, including **healthcare, living, renewable energy and sustainable infrastructure**
- For retail investors, **limited liquidity within existing exposures** can limit further deployment

1. Source: PERE | 2. IPE Real Asset 2024 Real Estate Investment Managers Reference Guide.



04

# Investments







# Office portfolio



# Office portfolio performance

High quality portfolio with 94.5% occupancy

**\$22.4 billion**

Platform office portfolio

**1,560**

Customers

**57 properties**

Across key CBDs

**2.1 million**

Square metres

**3.5-4.0%**

Average fixed annual rental increases

**\$10.9 billion**

Dexus office portfolio

Leased by area<sup>1,3</sup>

**66,600sqm**

across 135 transactions  
HY23: 106,800sqm

Average incentives<sup>1,3</sup>

**29.4%**

FY23: 30.0%

Occupancy<sup>3</sup>

**94.5%**

FY23: 95.9%

WALE<sup>3</sup>

**4.6 years**

FY23: 4.8 years

Effective LFL income<sup>2,3</sup>

**+4.0%**

Face: +5.0%

Portfolio one-year total return<sup>3</sup>

**(8.1%)**

At 31 December 2023

➔ **Occupancy of 94.5%** remains well above market average of 86.5%<sup>4</sup>. Sydney CBD premium occupancy remains strong at 97.7%

➔ **Effective LFL income growth<sup>2,3</sup>** of 4.0%, supported by fixed rent reviews and is expected to soften in FY24

➔ **Average incentives were 29.4%**, outperforming the market

➔ **Weighted average lease term of 5.6 years** on leasing deals across the stabilised portfolio

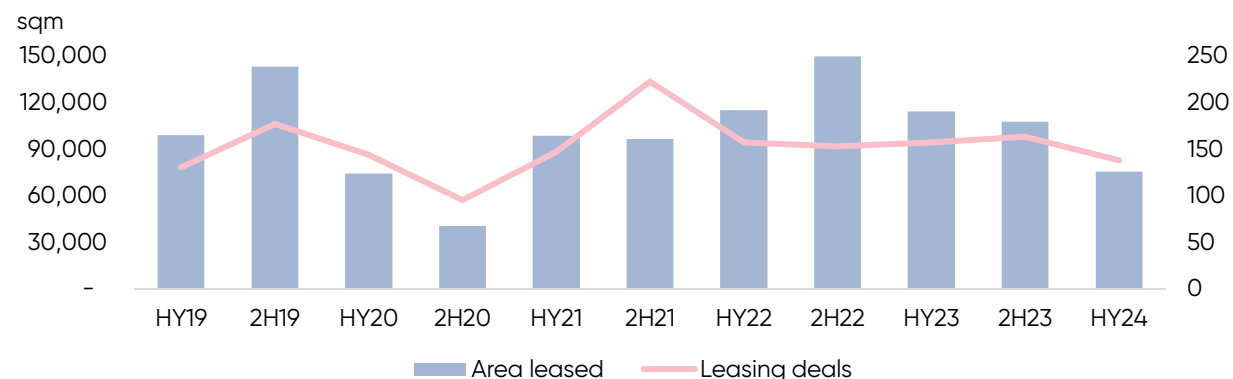
➔ Of the space renewed in HY24, **74%** retained the **same space**, **24%** were **contractions** and **2%** were **expansions**

### Australian CBD market vacancy<sup>5</sup>:

- **43%** of CBD buildings have **no vacancy**

- **66%** of the market vacancy in CBD buildings is **in 10% of the buildings**

### Historical leasing (including development leasing)



1. Excludes development leasing of 8,700sqm across 4 transactions. | 2. Excludes rent relief and provision for expected credit losses. Including these impacts: Effective +1.5% and Face +2.9%.

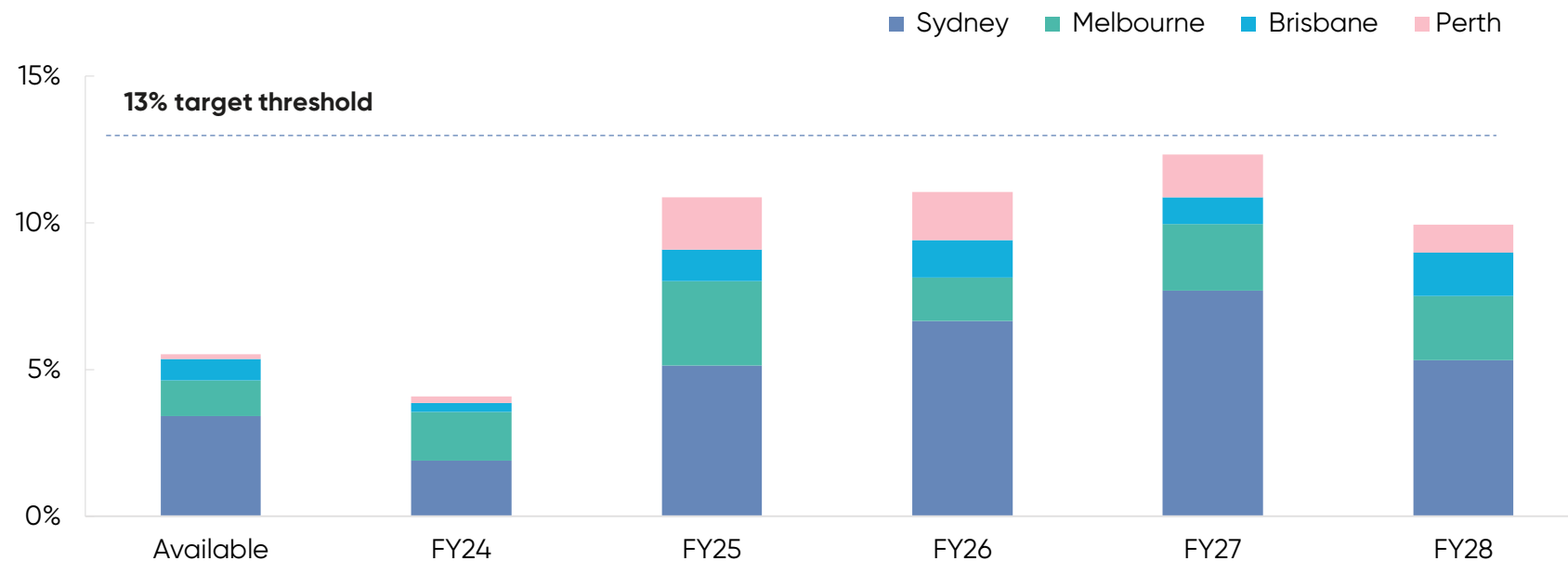
3. Dexus portfolio performance statistics exclude co-investments in pooled funds. | 4. Australian CBD average by Property Council of Australia January 2023. | 5. JLL.



# Staggered expiry profile and diversified tenant base

Supporting resilient income streams

## Dexus office portfolio lease expiry profile (by income)<sup>1</sup>



### Key vacancies

- Australia Square (0.9%)
- 80 Collins St (0.7%)
- 130 George St (0.5%)

### FY24 key expiries

- 80 Collins St (0.8%)
- 100 Harris St (0.7%)
- 25 Martin Pl (0.5%)

### FY25 key expiries

- 1 Farrer Pl (1.5%)
- Kings Square (2) (1.3%)
- Waterfront Place (0.9%)

### FY26 key expiries

- 1 Farrer Pl (1.3%)
- 130 George St (1.2%)
- 240 St Georges Tce (1.2%)

### FY27 key expiries

- 100 Mount St (1.8%)
- Australia Square (1.4%)
- 240 St Georges Tce (1.4%)

### FY28 key expiries

- 1 Farrer Pl (1.3%)
- 80 Collins St (1.0%)
- Waterfront Place (0.8%)

## Diversified tenant base with limited concentration risk

### Top customer

Woodside Energy Limited represents **3.5%** of property portfolio income

### Top 10 customers

represent **19%** of property portfolio income

### Top office customer industry groups

- Financial services – **17%**
- Legal services – **14%**
- Rental, hiring & real estate – **13%** (of Office portfolio income)

1. Dexus balance sheet portfolio performance statistics exclude co-investments in pooled funds.



# Industrial portfolio



# Industrial portfolio performance

Retained high occupancy, with under-renting supporting future rent growth

**\$11.0 billion**  
Platform industrial portfolio

**591**  
Customers

**213**  
properties

**4.2 million**  
Square metres

**3.0-3.5%**  
Average fixed annual rental increases

**\$3.6 billion**  
Dexus industrial portfolio

Leased by area<sup>1,3</sup> **102,500sqm**  
across 17 transactions  
HY23: 154,000sqm

Average incentives<sup>1,3</sup> **18.6%**  
FY23: 10.7%

Occupancy<sup>3</sup> **99.0%**  
FY23: 99.4%

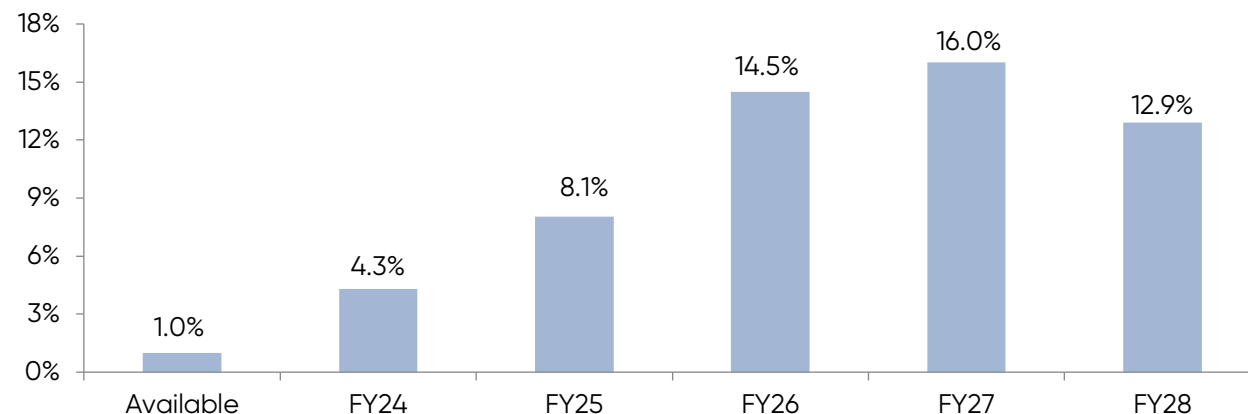
WALE<sup>3</sup> **4.6 years**  
FY23: 4.8 years

Effective LFL income<sup>2,3</sup> **+5.5%**  
Face: +5.2%

Portfolio one-year total return<sup>3</sup> **0.4%**  
At 31 December 2023

- **Portfolio occupancy remained high at 99.0%**
- **Effective LFL growth** was 5.5%, benefiting from the positive reversions achieved in FY23 leasing
- **Incentives increased to 18.6%**, more than offset by face rent growth, with double-digit net effective releasing spreads
- **Portfolio 14.9% under-rented**, benefiting from continued market rent growth across key markets
- **Circa 28%** of portfolio set to access **rental reversion** upon expiry by FY26

Dexus industrial lease expiry profile (by income)<sup>3</sup>



1. Excludes development leasing of 31,000sqm across 3 transactions. | 2. Excludes rent relief and provision for expected credit losses. Including these impacts: Effective +3.7% and Face +3.6%.

3. Dexus portfolio performance statistics exclude co-investments in pooled funds.



# Industrial take-up moderating, supply also reduced

Growth in population will increase space requirements, well in excess of current supply

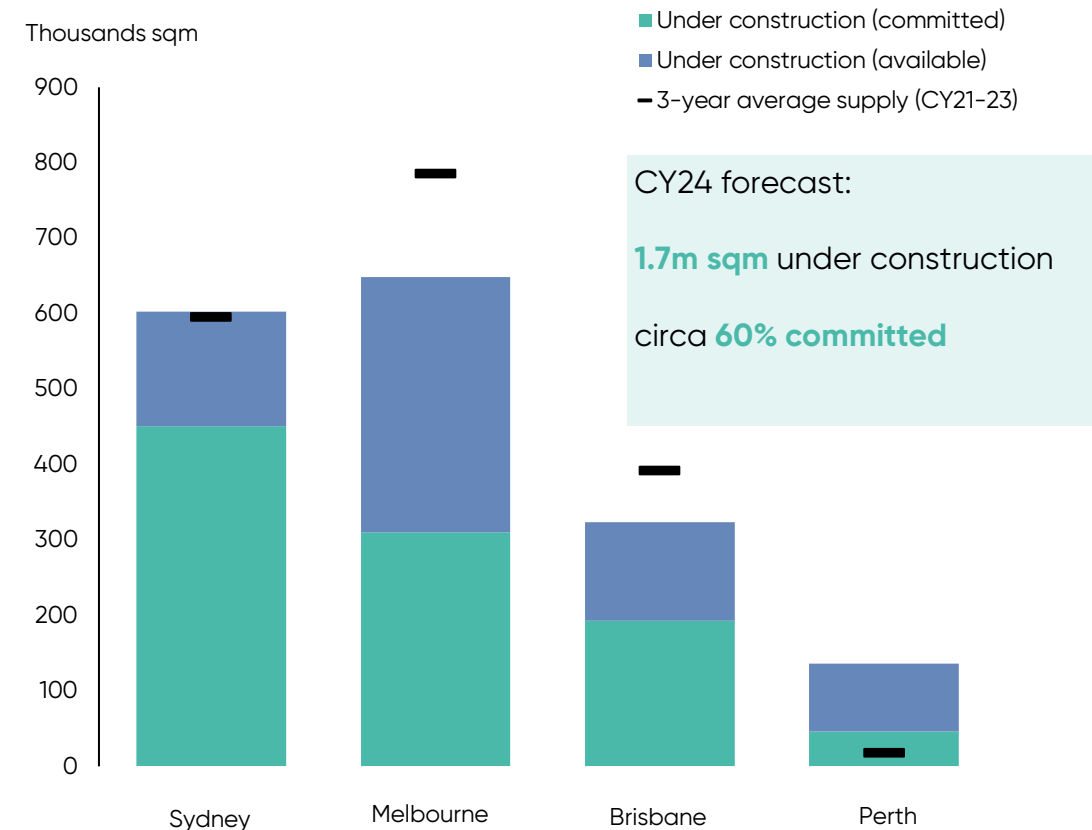
## Dexus leasing observations

- ➔ **Vacancy remains low**, driven by e-commerce last mile fulfillment, population growth and development constraints. Low market vacancy continues to support **rental growth and occupancy**

## Population growth will lead to structurally higher demand



## Lower levels of market supply forecast over the 2024 calendar year



Source: JLL Research, Dexus Research, CBRE Research, SA1 Property, ABS, NAB, Oxford Economics. Figures include gross leasing across capital cities (Sydney, Melbourne, Brisbane, Perth, Adelaide), CBRE Research.



# Transactions & Developments



# Continued focus on capital recycling

Continued divestments despite lower market transaction volumes

**\$2.8 billion**

Total platform real asset transactions

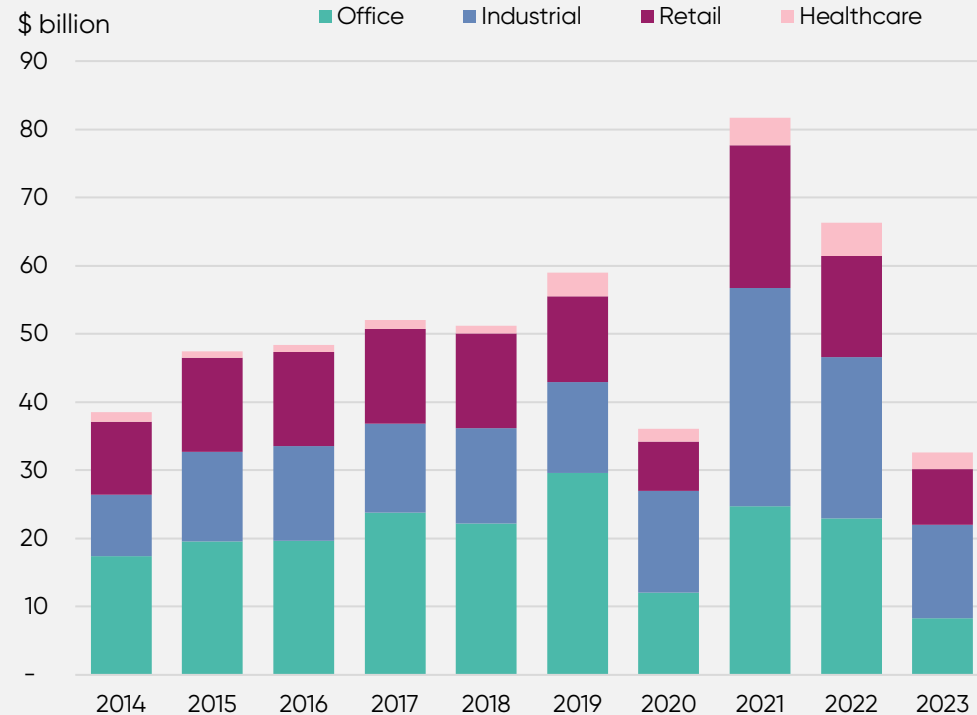
**\$0.2 billion**

Platform real asset acquisitions

**\$2.6 billion**

Platform real asset divestments

**CY23 market transaction volumes<sup>1</sup> slowed significantly across all major real-estate sub-sectors**



**CY23 transaction volumes were:**

- ➔ Down 60% vs CY21
- ➔ 43% below five-year average

1. Real Capital Analytics.



# Developments and Trading

Developments enhance portfolio quality and provide organic FUM growth

- **City-shaping developments** will create **next generation assets in prime locations** not available on-market and enhance **portfolio quality**
- **Industrial developments** create **scale in attractive sectors**, contributing to circa 43% of current balance sheet industrial FUM

## Trading:

- Secured **\$9.0 million** post tax trading profits from industrial developments and a sundry office investment in HY24, reflecting the **majority of FY24 guidance** (circa \$10 million post tax)

Key committed projects	Sector	Project cost est. <sup>1</sup>	Yield on cost <sup>2</sup>	Leased %	Completion	Est. cost to completion	HY24	FY25	FY26	FY27	FY28
123 Albert Street, Brisbane QLD	Office	\$0.6bn	c. 5%	100%	Mid 2024	\$0.1bn					
Atlassian Central, Sydney NSW <sup>3</sup>	Office	\$1.5bn	4-5%	100%	Late 2026	\$1.2bn <sup>3</sup>					
Stage 1 Waterfront Brisbane QLD <sup>4</sup>	Office	\$0.8bn	5-6%	52%	Early 2028	\$0.7bn					
Jandakot Airport, Perth WA (committed stage)	Industrial	\$0.05bn	5-6%	39%	Late 2024	\$0.02bn					
Palm Springs Road, Ravenhall VIC (committed stage)	Industrial	\$0.05bn	6-7%	47%	Late 2024	\$0.03bn					
<b>Est. total \$bn capex spend (total committed developments)</b>		<b>\$3.1bn</b>				<b>\$2.1bn</b>	<b>\$257m</b>	<b>\$528m</b>	<b>\$621m</b>	<b>\$403m</b>	<b>\$284m</b>

**circa 82%** leased across committed pipeline

Only circa \$800m of committed development capex is expected to be spent over the next 18 months

1. Dexus share in development cost (including land, funding cost and excludes downtime and income earned through development). | 2. Target yield on cost calculation includes cost of land, funding cost, downtime and income earned through development in the denominator. | 3. Represents funding obligation for 100% of the project cost (excluding land). A partial return of capital is expected following refinancing on practical completion. | 4. Estimated project cost and estimated cost to completion include the pad site costs associated with Waterfront Stage 2. Yield on cost excludes pad site costs associated with Waterfront Stage 2.

# 05 Summary





# The Dexus investment proposition

High-quality portfolio with embedded potential from funds management and development

Fully integrated real asset platform of scale and deep capability



## Investment



**\$15.8bn**  
capital invested

- High-quality investments
- Balance sheet scale provides capacity to capitalise on opportunities
- Capital increasingly allocated across funds



## Funds management



**\$41.3bn**  
third party real estate and infrastructure FUM

- Diverse platform across sectors and capital sources
- Relationships with major domestic and global real asset investors
- Grown FUM by an average of 18.4% p.a. since FY12



## Development



**\$16.9bn<sup>1</sup>**  
platform real estate development pipeline

- Portfolio of city-shaping development projects
- Improves quality of platform portfolio and provides growth in funds
- Embedded pipeline with flexibility on timing

Business model positioned to benefit from long-term megatrends



Urbanisation



Growth in pension capital



Social and demographic change



Sustainability revolution

<sup>1</sup>. Excludes infrastructure where there are select development opportunities across the portfolio.



# Summary

## Leading real asset manager with balance sheet of scale and strength

- Dexus has **demonstrated strategic execution:**
  - Maintained a strong balance sheet through asset recycling
  - Property portfolio continues to benefit from flight to quality
  - Integration of AMP Capital platform to complete by 30 June 2024 and funds platform set up to grow
- Markets remain challenging as capital flows and market sentiment continue to be impacted by inflation, interest rates and geopolitical risks
- Barring unforeseen circumstances, for the 12 months ended 30 June 2024<sup>1</sup>, Dexus reiterates its expectation for:
  - **Distributions of circa 48.0 cents per security**
  - **AFFO excluding trading profits is expected to be broadly in line** with that delivered in FY23
- As the world reverts to a normalised rates regime, we are **well positioned** as a leading Australasian real asset manager

1. Subject to no material deterioration in conditions and assumes circa \$10 million of trading profits (post tax).



06

# Appendices

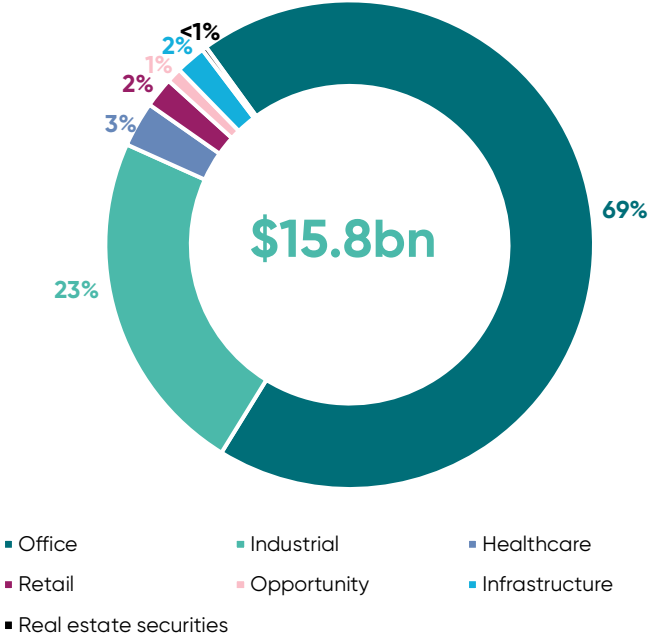




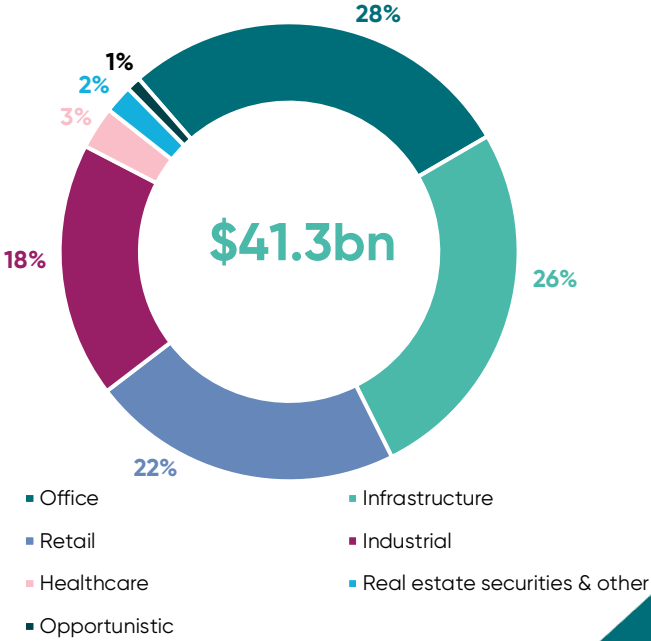
# Dexus today

\$57.1 billion – total platform funds under management

Dexus portfolio



Funds management portfolio





# Financial results

## Reconciliation to statutory (loss)/profit

		31 Dec 2023 \$m	31 Dec 2022 \$m
Statutory AIFRS net (loss)/profit after tax		(597.2)	23.1
Investment property and inventory	(Gain)/loss from sales of investment property	(0.1)	0.5
	Fair value (gain)/loss on investment properties	687.3	236.7
	Fair value (gain)/loss on leased assets	(1.9)	(0.5)
	Fair value (gain)/loss of investments at fair value	16.4	(1.9)
Financial instruments	Fair value (gain)/loss on mark-to-market of derivatives	28.8	42.7
Incentives and rent straight-lining	Amortisation of cash and fit out incentives	27.5	27.9
	Amortisation of lease fees	6.3	6.7
	Amortisation of rent-free incentives	44.4	44.0
	Rent straight-lining	(1.7)	(2.9)
Tax	Non-FFO tax expense	(11.8)	(12.0)
Co-investments	Share of net (profit)/loss of investments accounted for using the equity method	51.7	(11.3)
	Distributions from financial assets at fair value through profit or loss	(4.2)	(3.8)
	Distributions from co-investments	32.1	14.4
Amortisation and impairment	Amortisation and impairment of intangible assets	1.6	60.8
Other unrealised or one-off items <sup>1</sup>	Other unrealised or one-off items	85.6	(35.3)
<b>Funds From Operations (FFO)</b>		<b>364.8</b>	<b>389.1</b>
Maintenance and leasing capex	Maintenance capital expenditure	(13.4)	(13.5)
	Cash incentives and leasing costs paid	(19.4)	(23.3)
	Rent free incentives	(39.6)	(41.5)
<b>Adjusted Funds From Operations (AFFO)</b>		<b>292.4</b>	<b>310.8</b>
<b>Distribution</b>		<b>287.2</b>	<b>301.2</b>
<b>AFFO Payout ratio</b>		<b>98.2%</b>	<b>96.9%</b>

1. HY24 other unrealised or one-off items includes \$43.0m of transaction costs (including costs associated with the AMP Capital platform acquisition and integration and other successful transactions) and one-off significant items, \$9.0m of other amortisation mainly relating to exchangeable notes and debt modifications and \$34.5m of unrealised fair value losses on interest bearing liabilities. The remaining net \$0.9m relates to various other immaterial items.



# Financial results

## Management operations profit

HY24 (\$m)	Funds management	Property management	Development management	Management operations
Revenue	123.2	45.9	13.0	182.1
Operating expenses	(54.8)	(39.7)	(15.1)	(109.6)
<b>HY24 net profit</b>	<b>68.4</b>	<b>6.2</b>	<b>(2.1)</b>	<b>72.5</b>
<b>HY24 margin</b>	<b>56%</b>	<b>14%</b>	<b>(16)%</b>	<b>40%</b>
HY23 margin	62%	10%	37%	42%

# Financial results

## Cash flow reconciliation

	31 Dec 2023 \$m	31 Dec 2022 \$m
Cash flow from operating activities	108.2	294.1
add back: payment for inventory acquisition and capex	37.8	10.0
less: cost of sale of inventory	(30.8)	(62.1)
less: tax on trading profits not yet paid	(3.9)	(20.9)
add back: capitalised interest	22.9	17.3
add back: adjustments for equity accounted distributions	21.4	48.1
less: other working capital movements	135.9	43.8
add back: transaction costs and other significant items <sup>1</sup>	43.0	25.0
<b>Adjusted cash flow from operating activities</b>	<b>334.5</b>	<b>355.3</b>
Add back: rent free income	39.6	41.5
Less: depreciation and amortisation (including deferred borrowing costs)	(9.3)	(7.7)
<b>FFO</b>	<b>364.8</b>	<b>389.1</b>
Less: payments from maintenance capex and incentives <sup>2</sup>	(72.4)	(78.3)
<b>AFFO</b>	<b>292.4</b>	<b>310.8</b>
Less: gross distribution	(287.2)	(301.2)
<b>Cash surplus</b>	<b>5.2</b>	<b>9.6</b>

1. Includes costs associated with the AMP Capital platform acquisition and integration and other successful transactions and one-off significant items.

2. Includes cash and fitout incentives, lease fees and rent-free incentives.



# Financial results

## Interest reconciliation

	31 Dec 2023 \$m	31 Dec 2022 \$m
Total statutory finance costs	87.5	75.7
Less: Debt modification and movements related to exchangeable notes	(8.7)	(5.0)
Add: Finance costs attributable to investments accounted for using the equity method <sup>1</sup>	(0.6)	3.9
Less: AASB 16 interest expense	(1.2)	(0.4)
Finance costs for FFO <sup>2</sup>	77.0	74.2
Add: Interest capitalised	22.9	17.3
Finance costs for cost of debt purpose	99.9	91.5

1. Includes net finance costs associated with properties held in investments accounted for using the equity method.

2. Excludes interest income of \$14.8m (HY23: \$9.0m) primarily due to interest income from Atlassian funding fee, Capital Square and general bank interest.

# Financial results

## Change in net tangible assets and revaluations

	\$m	\$ps		Investment portfolio	Valuation change \$m	Weighted average cap rate	% of portfolio FUM
Opening net tangible assets <sup>1</sup> (1 July 23)	11,706.1	10.88	→	Dexus office portfolio	(613.6)	5.53%	69%
Revaluation of real estate	(687.3)	(0.64)		Dexus industrial portfolio	(72.8)	5.18%	23%
Retained earnings <sup>2</sup>	77.6	0.07		<b>Total Dexus portfolio<sup>5</sup></b>	<b>(687.3)</b>	<b>5.45%</b>	
Amortisation of tenant incentives <sup>3</sup>	(76.5)	(0.07)					
Revaluation of investments at fair value	(16.4)	(0.02)					
Fair value and other movements <sup>4</sup>	(201.1)	(0.19)					
<b>Closing net tangible assets<sup>1</sup> (31 Dec 23)</b>	<b>10,802.4</b>	<b>10.04</b>					

1. Net tangible assets exclude \$168.0m (FY23: \$168.4m) deferred tax liability relating to management rights.

2. Represents HY24 FFO less distributions.

3. Includes rent straight-lining.

4. Includes fair value movements of derivatives and interest-bearing liabilities, deferred tax and movement in reserves and other items.

5. Valuation movement excludes co-investments in pooled funds and financial assets. Includes other property revaluation loss of \$0.9m and excludes leased assets and right of use assets revaluation gain of \$1.9m.

# Financial results

## Property portfolio book value movements

	Office <sup>1</sup> \$m	Industrial <sup>1</sup> \$m	Other <sup>1</sup> \$m	Dexus total <sup>1</sup> \$m	Trading assets <sup>2</sup> (inventory) \$m
Opening property portfolio	11,945.0	3,686.4	22.5	15,653.9	30.6
Lease incentives <sup>3</sup>	53.6	5.6	-	59.2	-
Maintenance capex	12.2	0.7	-	12.9	-
Acquisitions/transfers	-	0.9	-	0.9	60.0
Developments <sup>4</sup>	82.7	36.6	0.4	119.7	2.2
Disposals <sup>5</sup>	(922.4)	(444.5)	-	(1,366.9)	(32.5)
Revaluations	(556.9)	(72.8)	0.9	(630.6)	-
Amortisation	(69.9)	(8.1)	-	(78.0)	-
Rent straight lining	0.8	0.8	-	1.6	-
<b>Closing balance at the end of the period</b>	<b>10,545.1</b>	<b>3,205.6</b>	<b>22.0</b>	<b>13,772.7</b>	<b>60.3</b>

1. Includes Dexus's share of equity accounted investments except those classified as co-investments and financial assets at fair value through profit or loss and excludes leased assets.

2. Trading assets are included in Industrial and Dexus total amounts.

3. Includes rent free incentives.

4. Includes capitalised interest.

5. At book value and includes internal transfers to and from investment property.



# Financial results

## Co-investments in pooled funds

	Ownership stake (%)	Dexus co-investment value (\$m) <sup>1</sup>	Dexus HY24 co-investment income (\$m)	Passing distribution yield (%) <sup>2</sup>	Occupancy (%)	WALE (years)	WACR (%)
<b>Real estate</b>							
DHPF	16.2%	\$230.3	\$4.4	3.5%	99.7%	18.3	4.9%
AUHPT <sup>3</sup>	7.0%	\$177.1	\$4.2	3.8% <sup>4</sup>	97.9%	16.1	4.8%
DXI	17.5%	\$186.7	\$4.6	4.9% <sup>5</sup>	99.0%	6.1	5.8%
DXC	9.0%	\$45.2	\$1.3	5.7% <sup>5</sup>	99.6%	9.3	6.3%
DWAPF	18.9%	\$266.3	\$7.7	5.7%	95.5%	4.5	6.2%
DWSF	5.3%	\$123.0	\$3.0	4.5%	97.2%	6.4	5.6%
<b>Real estate – total</b>		<b>\$1,028.5</b>	<b>\$25.2</b>				
<b>Infrastructure</b>							
DDIT	5.1%	\$100.1	\$1.3	2.7%	n/a	n/a	n/a
CommIF	9.3%	\$132.7	\$4.0	7.7%	n/a	n/a	n/a
DCIF	9.9%	\$72.5	\$0.9	3.1%	n/a	n/a	n/a
<b>Infrastructure – total</b>		<b>\$305.3</b>	<b>\$6.2</b>				
<b>Other</b>							
Opportunity – DREP1	21.3%	\$69.1	\$0.0	n/a	n/a	n/a	n/a
Securities and other <sup>6</sup>	n/a	\$103.2	\$0.7	n/a	n/a	n/a	n/a
<b>Other – total</b>		<b>\$172.3</b>	<b>\$0.7</b>				
<b>Total</b>		<b>\$1,506.1</b>	<b>\$32.1</b>				

1. Represents the equity accounted investment value or financial asset at fair value through profit or loss recognised on Dexus balance sheet. | 2. HY24: With reference to the last announced distribution annualised (except for DHPF which refers to CY23 distributions over the weighted average unit price), and the closing unit price at 31 December 2023.

2. As reported by Australian Unity Healthcare Property Trust as at 31 December 2023.

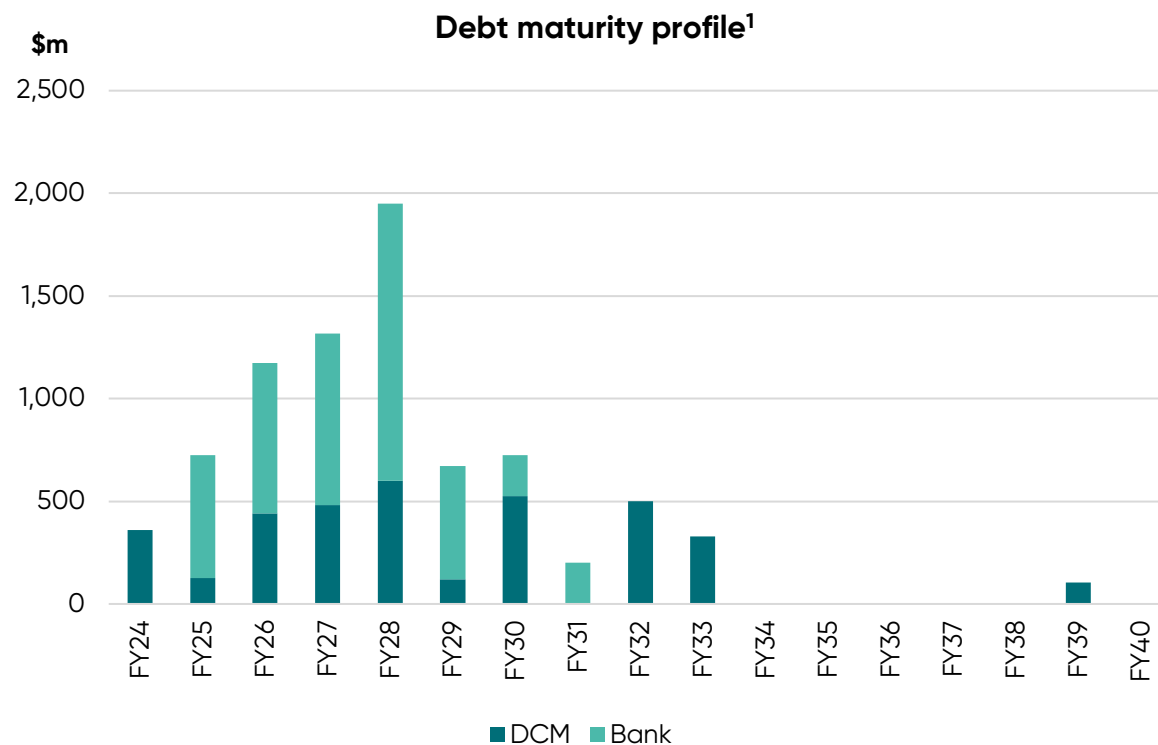
3. Returns stated are for the 12-month period to 31 December 2023 for AUHPT's Wholesale Units.

4. Passing yield based on the equity accounted book value of Dexus's co-investment as at 31 December 2023. Passing yield based on market value was 5.9% for DXI and 8.0% for DXC based on closing security prices as at 31 December 2023.

5. Includes investments in Dexus Development Fund No. 2, Dexus Regional Property Fund, Dexus Core Property Fund, QE 1 Margaret Street Holding No 2 Trust, APN Asian REIT Fund, APN Global REIT Income Fund, RealTech Ventures and Divvy Parking Pty Limited.

# Capital management

## HY24 position

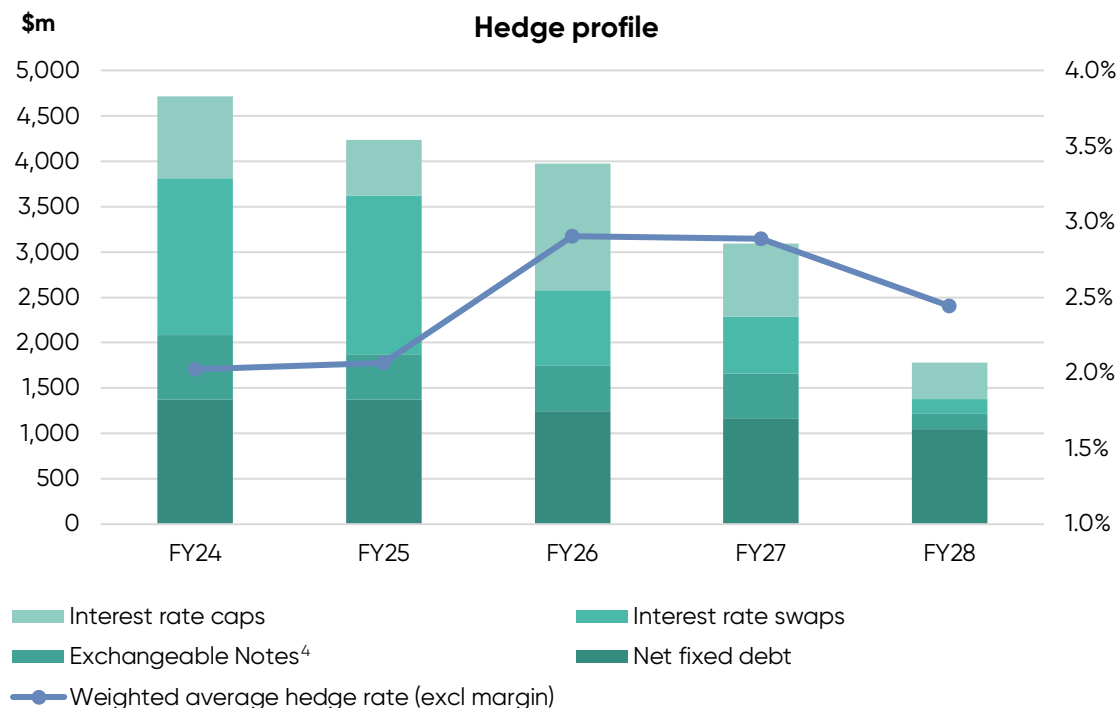


Key metrics	31 Dec 2023	30 Jun 2023
Total debt <sup>2</sup>	\$4,694m	\$5,310m
Headroom <sup>3</sup>	\$3.1bn	\$2.5bn
Gearing (look-through) <sup>4</sup>	29.4%	27.9% <sup>6</sup>
Covenant gearing (covenant <sup>5</sup> <55%)	28.1%	29.4%
Interest cover (covenant <sup>5</sup> >2.0x)	4.0x	4.4x
Priority debt (covenant <sup>5</sup> <30%)	0.0%	0.0%

- Includes \$325m series 1 exchangeable notes based on investor put date in FY24.
- Total debt does not include debt in equity accounted investments or Dexu's share of co-investments in pooled funds.
- Undrawn available facilities plus cash.
- Adjusted for cash and debt in equity accounted investments and excluding Dexu's share of co-investments in pooled funds. Look-through gearing including Dexu's share of equity accounted co-investments in pooled funds was 30.7% as at 31 December 2023.
- As per public bond covenants.
- Pro forma gearing. Look-through gearing as at 30 June 2023 was 30.3%.

# Capital management

## Interest rate hedging profile



Hedging profile	31 Dec 2023	30 June 2023
Hedged debt (incl caps) <sup>1</sup>	95%	86%
Weighted average interest rate on hedged debt <sup>2</sup>	2.0%	1.9%
Cost of debt <sup>3</sup>	3.9%	3.7%
Weighted average maturity of hedges	4.2 years	4.8 years

1. Average amount hedged for the period (including caps). Hedged debt (excluding caps) was 77% for the 6 months to 31 December 2023 and 69% for the 12 months to 30 June 2023.

2. Including fixed rate debt (without credit margin).

3. Weighted average for the period, inclusive of fees and margins on a drawn basis.

4. Based on investor put date in FY24.



# Capital management

## Debt facilities<sup>1</sup>

	Facility limit A\$m	Drawn A\$m	Maturity	Currency
<b>Bilateral bank debt</b>	600	250	FY25	A\$
	450	200	FY26	A\$
	750	79	FY27	A\$
	1,350	-	FY28	A\$
	550	100	FY29	A\$
	200	105	FY30	A\$
	200	200	FY31	A\$
<b>Commercial paper<sup>2</sup></b>	100	94	FY26	A\$
<b>Medium term notes</b>	185	185	FY26	A\$
	130	130	FY27	A\$
	200	200	FY30	A\$
	500	500	FY32	A\$
	30	30	FY39	A\$
<b>US senior notes (USPP)<sup>3</sup></b>				
Series 1	276	276	Jul-25 - Jul-28	US\$
Series 2	225	225	Feb-24 - Feb-27	US\$
Series 3	286	286	Dec-24 - Dec-26	US\$
Series 4 (A\$)	100	100	Jun-28	A\$
Series 5	503	503	Nov-29 - Nov-32	US\$
Series 5 (A\$)	150	150	Nov-29 - Nov-32	A\$
Series 6 (A\$)	75	75	Oct-38	A\$
<b>Exchangeable notes</b>				
Series 1	325	325	Mar-24 <sup>4</sup>	A\$
Series 2	500	500	Nov-27	A\$

	Facility limit A\$m	Drawn A\$m
<b>Sub total</b>	<b>7,685</b>	<b>4,513</b>
Currency translation and fair value adjustments	255	255
Deferred borrowing costs and debt modifications	(20)	(20)
Exchangeable notes adjustments	(54)	(54)
<b>Total interest-bearing liabilities</b>	<b>7,866</b>	<b>4,694</b>
Bank guarantee facilities (including utilised)		(175)
Cash		78
<b>Headroom including cash</b>		<b>3,075</b>

1. Does not include debt facilities in equity accounted investments or Dexus's share of co-investments in pooled funds.
2. Based on maturity date of commercial paper standby facility.
3. USPP US\$ amount shown at the cross-currency swap contract rate.
4. Based on investor put date in FY24.

# Funds management – real estate product offering



## Institutional pooled funds



## Retail / HNW pooled funds



## Listed securities



## Listed funds



## JVs and mandates



### DWPF

Dexus Wholesale Property Fund

**\$13.6bn**

- Established 1995
- Diversified portfolio of 49 assets, predominantly in the office, retail and industrial sectors
- Demonstrated track record of outperformance through the cycle



### DWSF

Dexus Wholesale Shopping Centre Fund

**\$2.9bn**

- Established 2003
- High-quality portfolio of retail assets
- Potential to unlock value through mixed use development pipeline



### DHPF

Dexus Healthcare Property Fund

**\$1.4bn**

- Established 2017
- 12 high-quality, core healthcare properties<sup>1</sup>
- 2 developments reached practical completion in HY24 and 1 development underway and expected to be completed in FY24

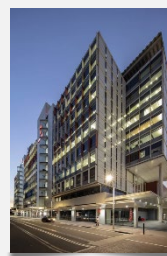


### DREP1

Dexus Real Estate Partnership 1

**\$0.4bn**

- Established 2021
- First in a planned series of closed-end opportunity funds
- Property repositioning, development, special situation opportunities and alternative credit

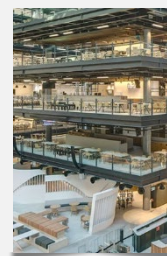


### DWAPF

Dexus Wholesale Aust. Property Fund

**\$1.6bn**

- Established 1985
- Diversified portfolio of 28 properties across office, industrial and retail
- Value-add and mixed-use potential within portfolio

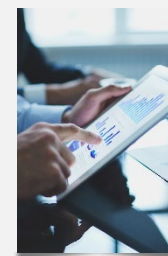


### DCPF

Dexus Core Property Fund

**\$0.2bn**

- Established 2005
- Diversified portfolio of listed and unlisted real estate, mainly in Australasia

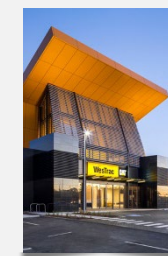


### RES

Dexus real estate securities

**\$0.7bn**

- Active management of portfolios of listed property securities



### ASX:DXI

Dexus Industrial REIT

**\$1.2bn**

- Listed on the ASX in 2013
- Portfolio of 91 industrial and business park properties located across Australia

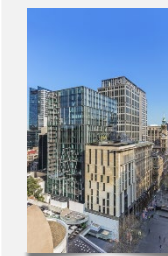


### ASX:DXC

Dexus Convenience Retail REIT

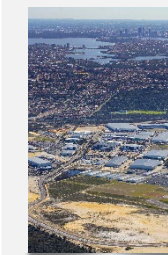
**\$0.7bn**

- Listed on the ASX in 2017
- Portfolio of 101 service station and convenience retail assets located across Australia



### Office

**\$4.4bn**



### Industrial and Retail

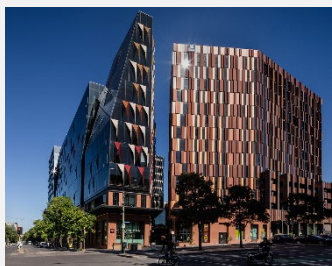
**\$3.6bn**

1. Includes one asset under construction.

# Funds management – infrastructure product offering



## Institutional pooled funds



### DDIT

Dexus Diversified Infrastructure Trust

**\$1.9bn**

- Established 1995
- 7 investments across transport, energy and student accommodation

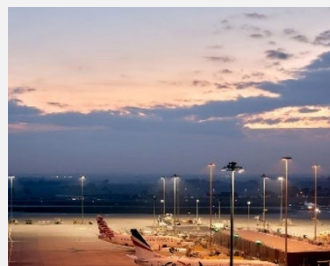


### CommIF

Dexus Community Infrastructure Fund

**\$1.4bn**

- Established 2006
- 18 assets covering health, water, education, justice, energy and community



### WAF

Wholesale Airport Fund

**\$0.2bn**

- Established 2023
- Owns stake in Australian Pacific Airports Corporation
- Capacity and mandate to increase holding



## Retail / HNW pooled funds



### DCIF

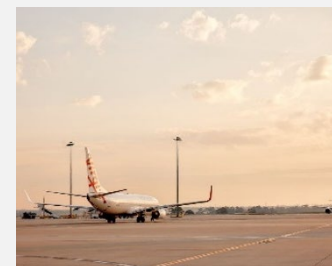
Dexus Core Infrastructure Fund

**\$0.6bn**

- Established 2007
- Diversified portfolio of listed and unlisted infrastructure with global mandate



## JVs and mandates



### APAFs

Series of Melbourne Airport funds (4 in total)

**\$1.5bn**

- Established as early as 1997
- Small club style products investing into APAC



### 5 other

Separately Managed Accounts

**\$4.9bn**

- Long standing relationships averaging over 15 years



# Funds management

Development pipeline

**\$8.5 billion**

**Funds management development pipeline<sup>1</sup>**

**\$2.3 billion**

**Committed projects**

**\$5.2 billion**

**Uncommitted projects**

## FY25-FY27+ uncommitted project costs in funds management business



Office  
5 properties  
\$3.6bn



Industrial  
11 properties  
\$1.2bn



Retail  
4 properties  
\$0.3bn



Other  
1 property  
\$0.1bn

1. Includes \$1.0 billion concept projects.



# Property portfolio

## Office and Industrial key metrics

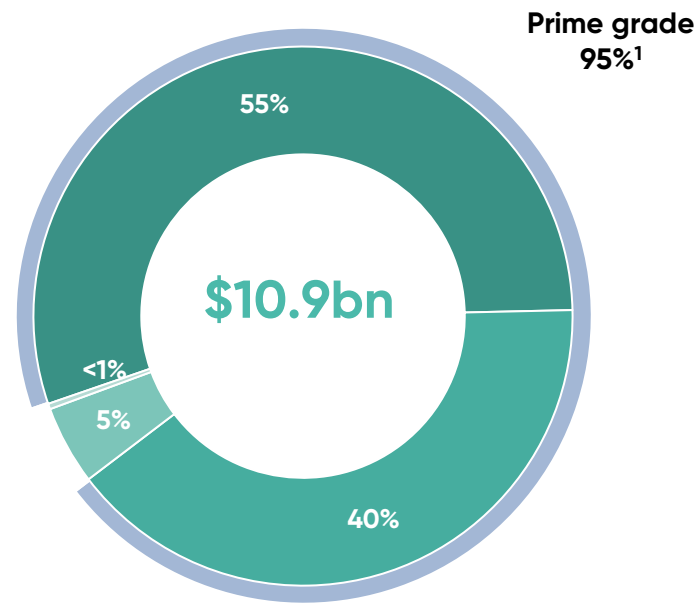
Key metrics	Office	Industrial
Amount of space leased <sup>1</sup>	66,600sqm <sup>2</sup>	102,500sqm <sup>3</sup>
No. of leasing transactions	135 <sup>2</sup>	17 <sup>3</sup>
Occupancy by income	94.5%	99.0%
Occupancy by area	94.0%	99.5%
Average incentives	29.4% <sup>4</sup>	18.6% <sup>4</sup>
No. of effective deals	43	2
Weighted average lease expiry <sup>5</sup> (WALE)	4.6 years	4.6 years
Like-for-like income growth (excluding rent relief and provision for expected credit losses)	Face +5.0% <sup>6</sup>	Face +5.2% <sup>7</sup>
	Effective +4.0% <sup>6</sup>	Effective +5.5% <sup>7</sup>

1. Including Heads of Agreement. | 2. Excluding development leasing of 8,700sqm across 4 transactions. | 3. Excluding development leasing of 31,000sqm across 3 transactions. | 4. Gross basis excluding development leasing. | 5. Dexus balance sheet portfolio performance statistics exclude co-investments in pooled funds. | 6. Excludes rent relief and provision for expected credit losses, including these impacts: Effective +1.5% and Face +2.9% | 7. Excludes rent relief and provision for expected credit losses, including these impacts: Effective +3.7% and Face +3.6%.

# Property portfolio

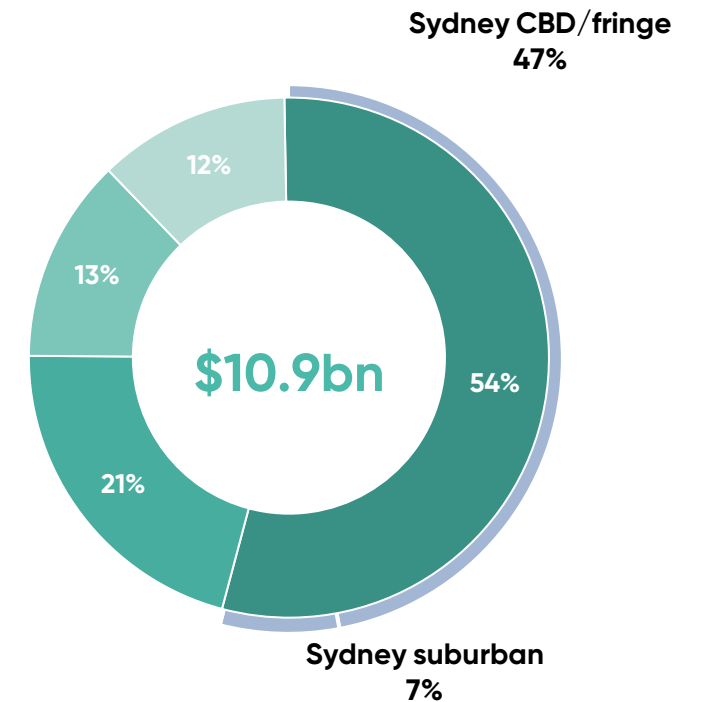
## Office portfolio diversification

### Office by asset type



■ Premium ■ A Grade ■ B Grade ■ Other

### Office by location



■ NSW ■ VIC ■ QLD ■ WA

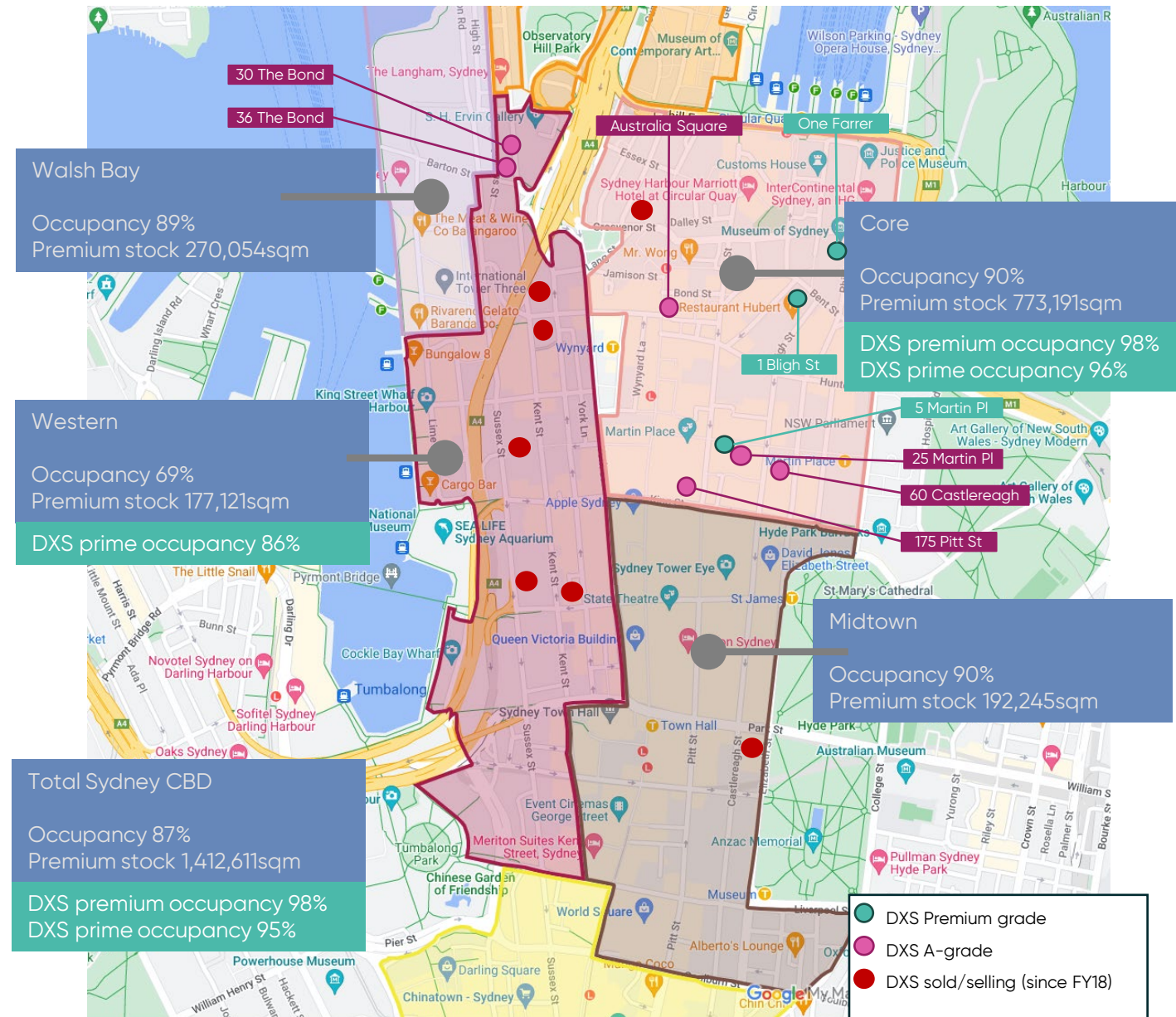
1. Prime grade buildings represent 95% of the office portfolio including stabilised assets only and excluding development affected assets and land.



# Sydney CBD occupancy

Premium occupancy higher in the core

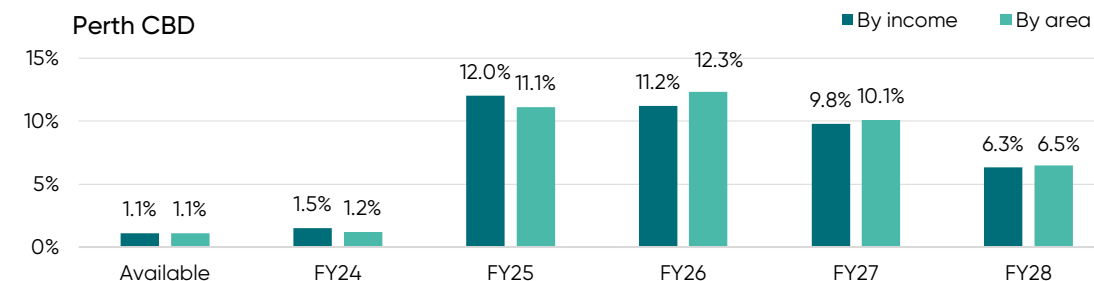
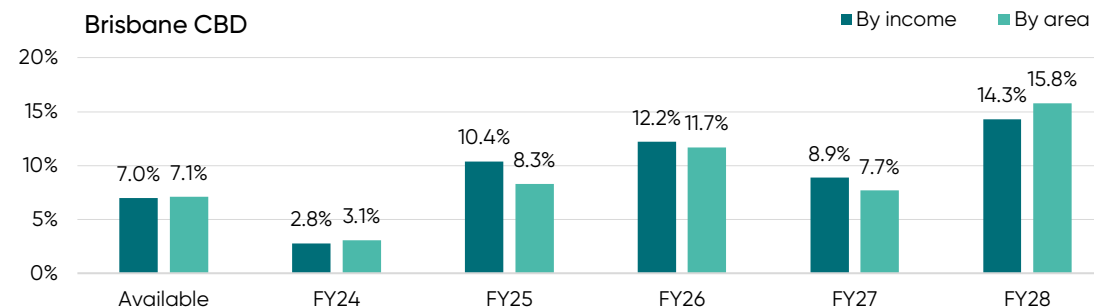
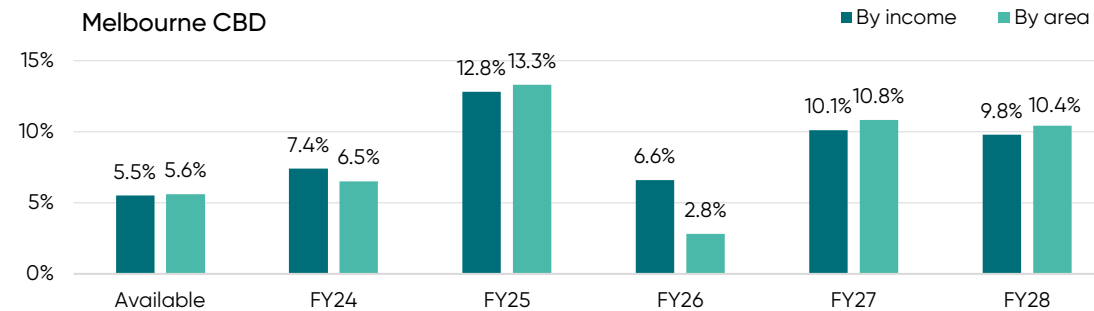
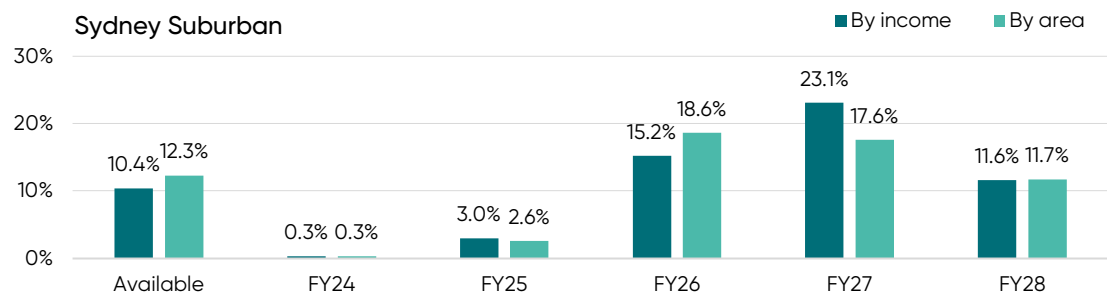
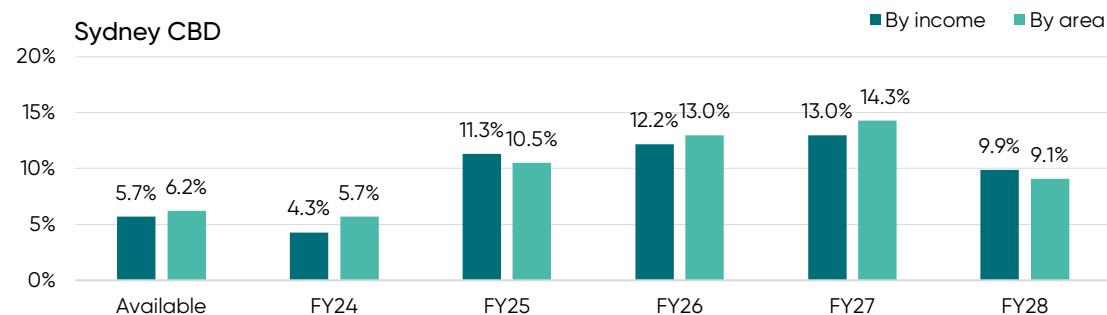
- ➔ The **market occupancy rate** of Premium space in the core of the Sydney CBD is well above the average for the whole Sydney CBD
- ➔ **All Dexus Premium buildings are located in the core**, with average **occupancy of 98%**, higher than the market (core at 90%, Sydney CBD overall at 87%)



Source: Dexus Research, CBRE Research from Property Council Australia base data.  
Dexus properties excludes development sites.

# Property portfolio

## Office portfolio lease expiry profiles by region<sup>1</sup>



Dexus Office <sup>2</sup>	Value (\$m)	Cap rate (%)	Yield <sup>3</sup> (%)
Sydney CBD	4,784	5.29%	5.12%
Sydney suburban	750	6.04%	6.04%
Melbourne CBD	2,107	5.47%	5.05%
Brisbane CBD	847	5.85%	5.91%
Perth CBD	1,276	5.99%	6.44%

1. % relates to each of the regions total income only.

2. Includes stabilised properties only.

3. Past 12 months rolling FFO yield based on annualised income excluding the effects of COVID-19 rent waivers and one-off income.



# Property portfolio

Top 10 customers represent 19% of total portfolio income

## Office top 10 customers

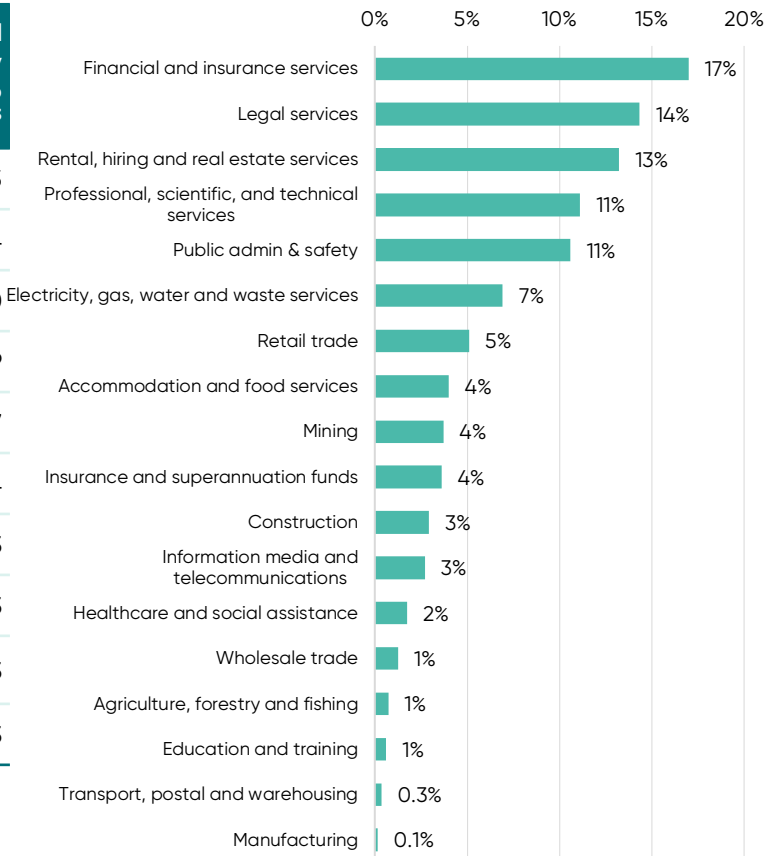
Office customers <sup>1</sup>	Credit rating <sup>2</sup>	% of total property portfolio income <sup>3</sup>
Woodside Energy Limited	BBB+	3.5
Commonwealth of Australia	AAA	3.4
State of Victoria	AA	2.0
Wilson Parking	Not rated	1.9
King & Wood Mallesons Pty Ltd	Not rated	1.7
Worley Services Pty Limited	BBB	1.4
Boeing	BBB-	1.3
BHP	A-	1.3
Macquarie Group	BBB+	1.3
HWL Ebsworth	Not rated	1.3

1. Includes executed heads of agreement at 31 December 2023.

2. S&P rating.

3. Annualised income is based on the sum of the passing gross rental and secured gross rental (for signed leases and for signed Heads of Agreement).

## Diversity of office customers (by income)

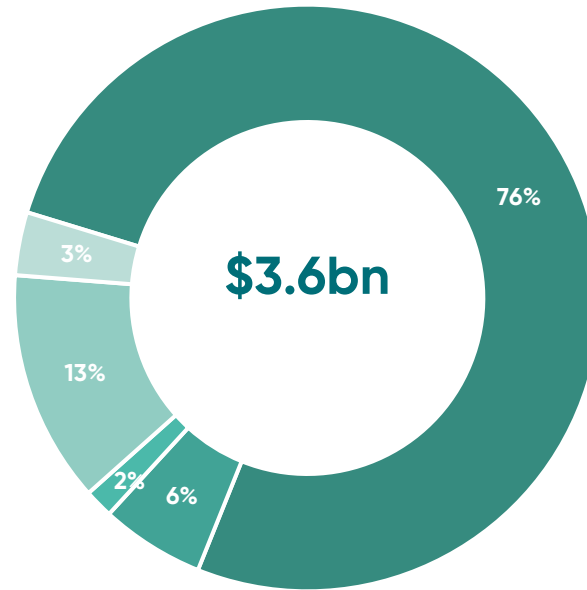




# Property portfolio

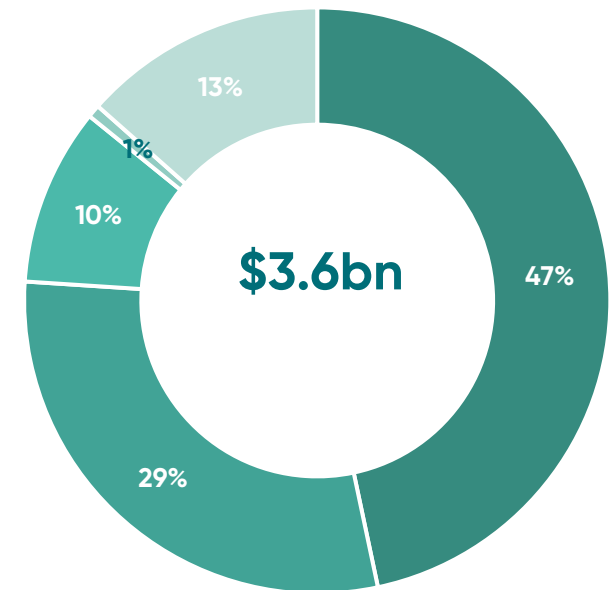
## Industrial portfolio diversification

### Industrial by asset type



- Industrial estate
- Business park
- Data centre
- Distribution centre
- Land

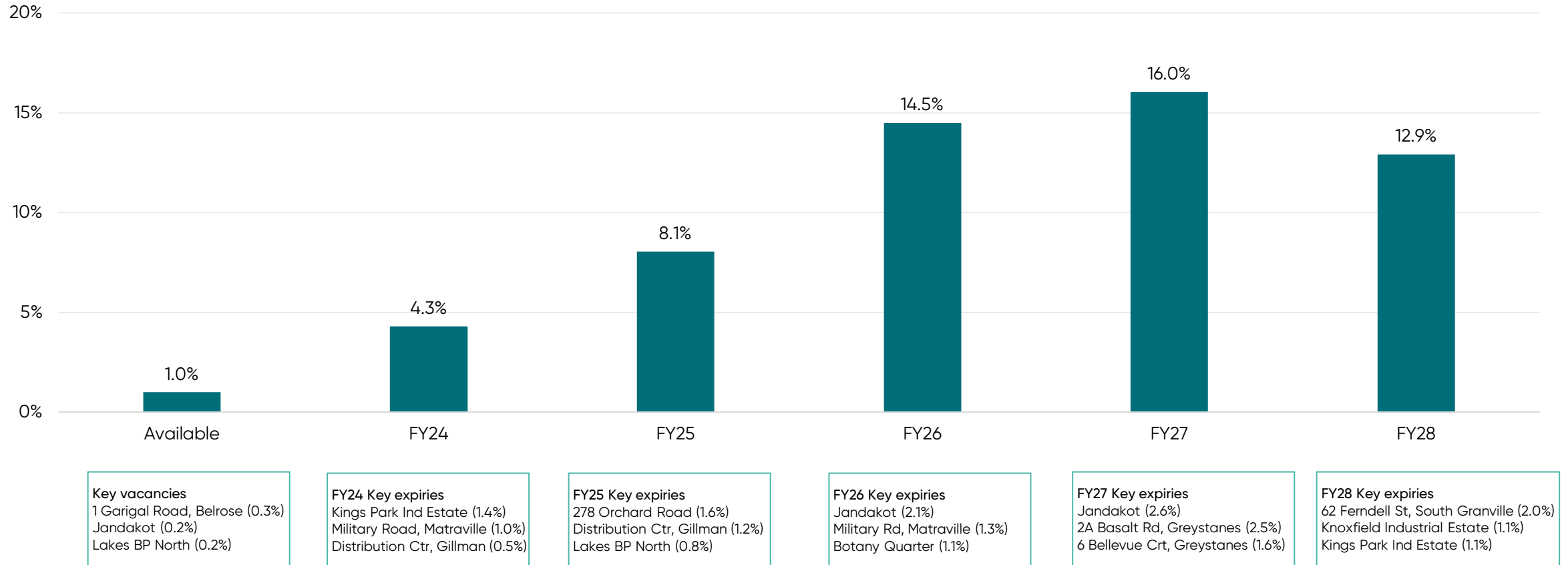
### Industrial by location



- NSW
- VIC
- QLD
- SA
- WA

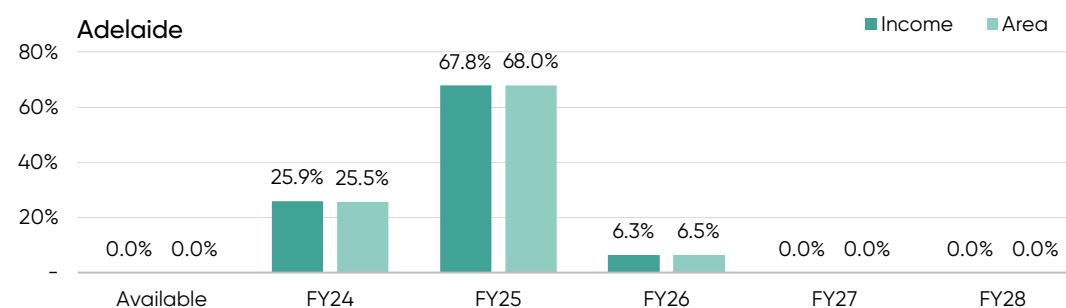
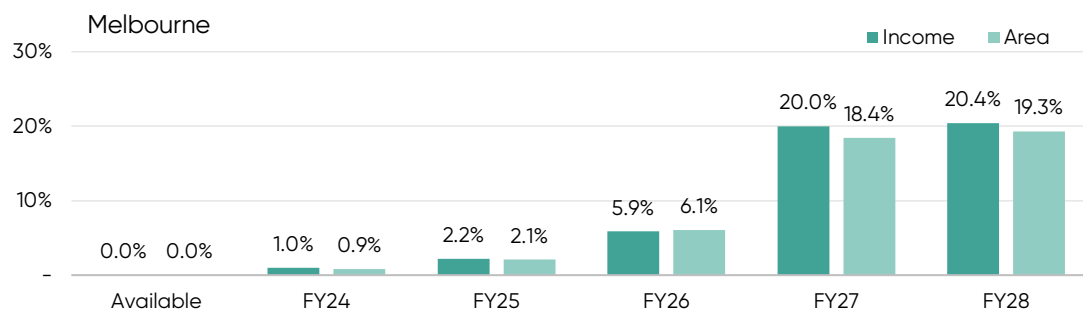
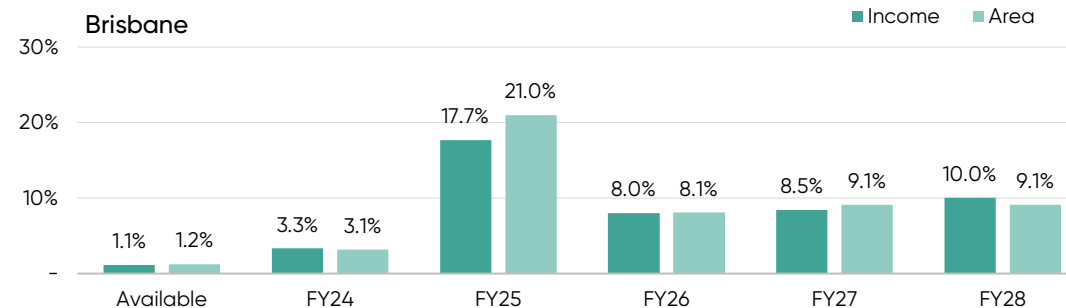
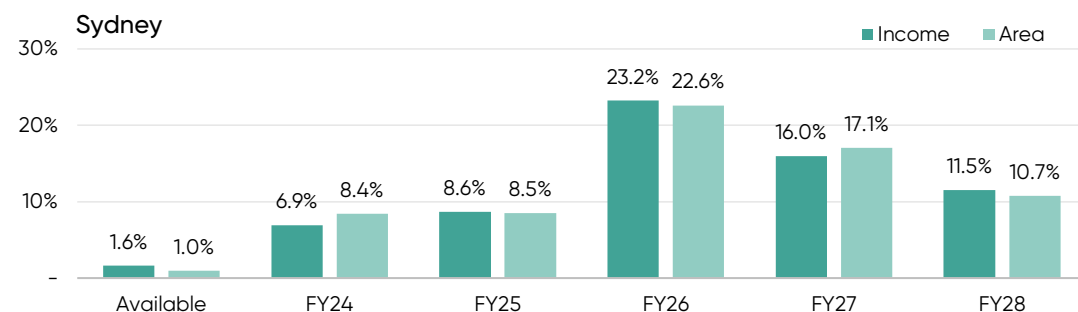
# Property portfolio

## Industrial portfolio lease expiry profile by income



# Property portfolio

## Industrial portfolio lease expiry profiles by region<sup>1</sup>

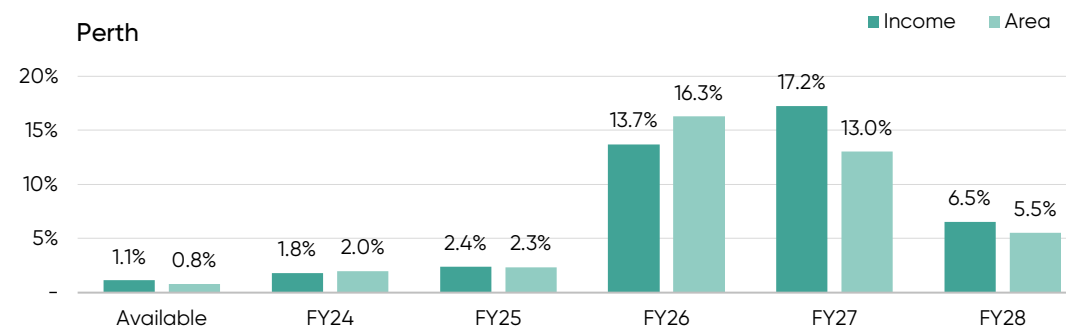


Dexus Industrial <sup>2</sup>	Value (\$m)	Cap rate (%)	Yield <sup>3</sup> (%)
Sydney	1,312	4.90%	3.93%
Melbourne	867	5.22%	4.64%
Brisbane	308	5.69%	5.11%
Adelaide	22	9.75%	10.06%
Perth	343	5.38%	5.16%

1. % relates to each regions total income only.

2. Includes stabilised properties only.

3. Past 12 months rolling FFO yield based on annualised income excluding the effects of COVID-19 rent waivers and one-off income.







# Property portfolio

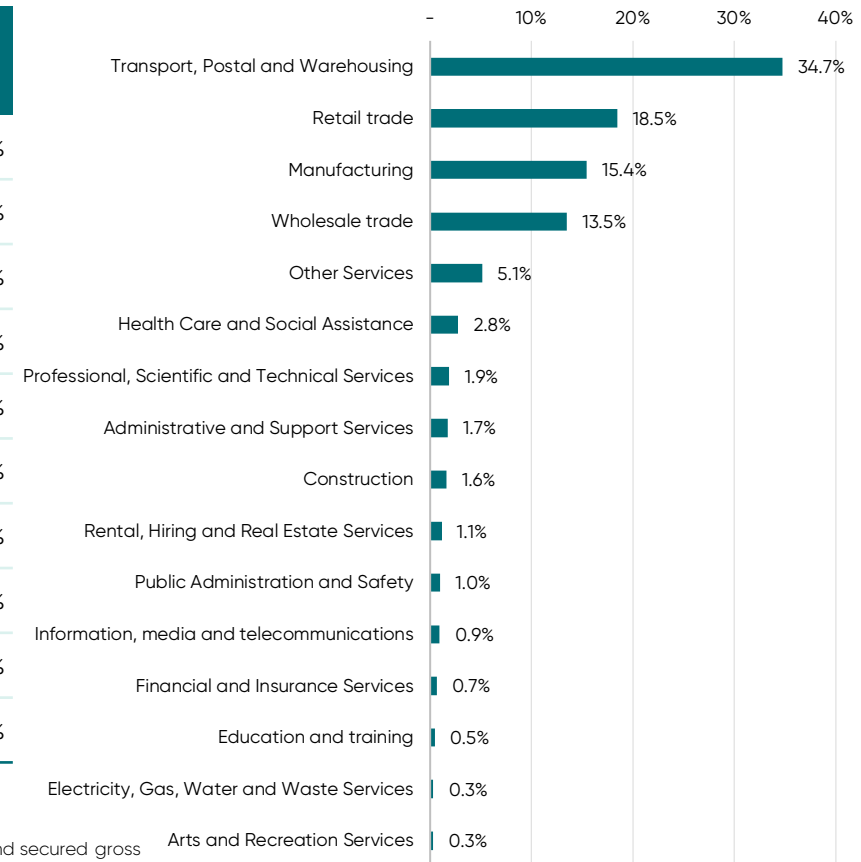
Top 10 customers represent 4.3% of total portfolio income

## Industrial top 10 customers

Industrial customers <sup>1,3</sup>	% of total property portfolio income <sup>2</sup>
Reece Australia Pty Ltd	0.7%
Symbion Pty Ltd	0.5%
Winit AU Trade Pty Ltd	0.5%
AWH Pty Ltd	0.5%
Grocery Delivery e-Services Australia Pty Limited	0.4%
Coles Group Limited	0.4%
Linfox Australia Pty Ltd	0.4%
McPhee Distribution Services Pty Ltd	0.4%
Fujitsu Australia Limited	0.3%
Real Dairy Australia Pty Ltd	0.3%

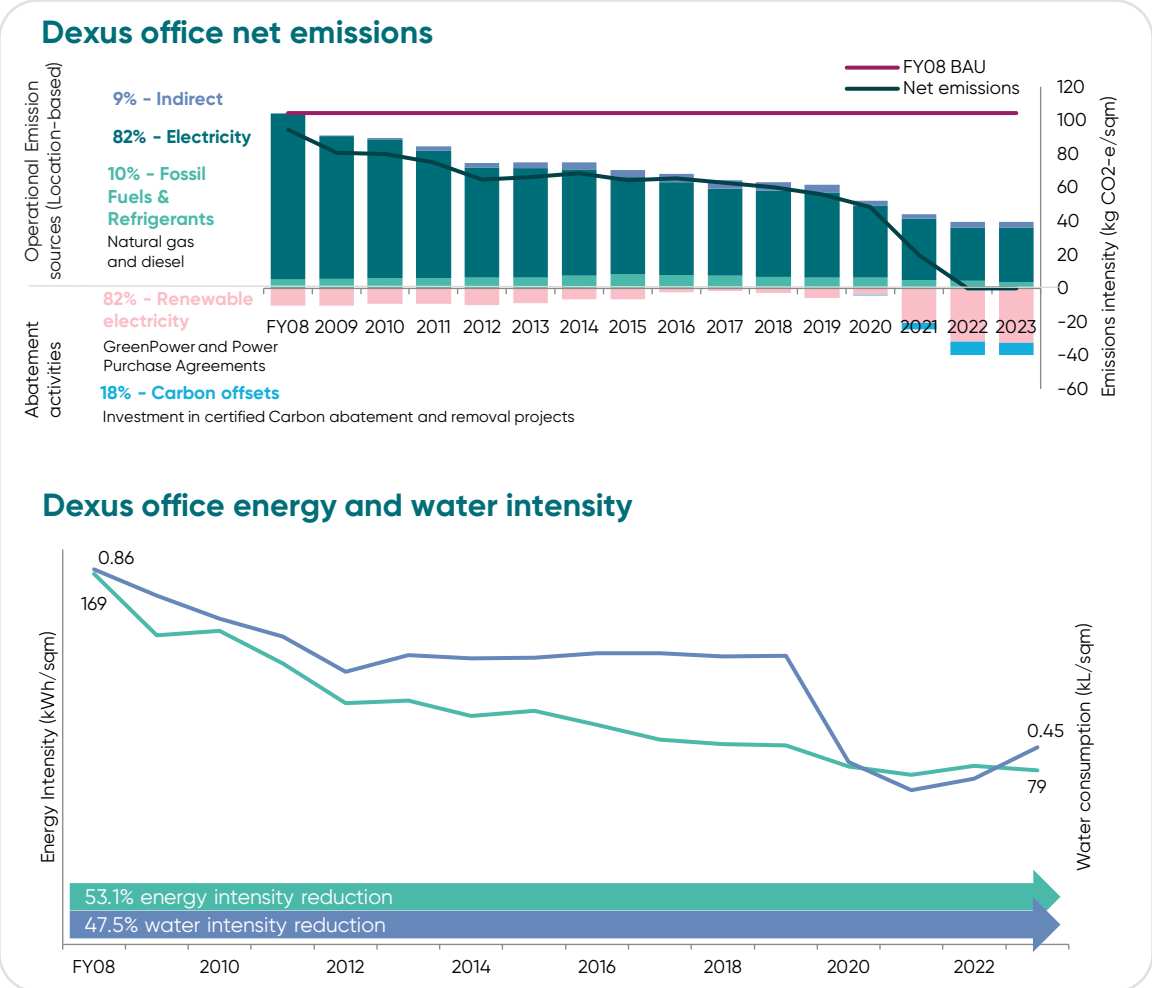
1. Includes executed Heads of Agreement at 31 December 2023.
2. Annualised income is based on the sum of the passing gross rental and secured gross rental (for signed leases and for signed Heads of Agreement).
3. Excludes properties and tenants that have exchanged for divestment.

## Diversity of industrial customers<sup>3</sup> (by income)

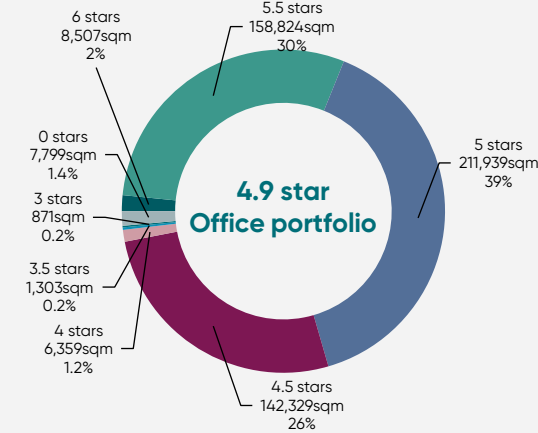


# Environmental metrics

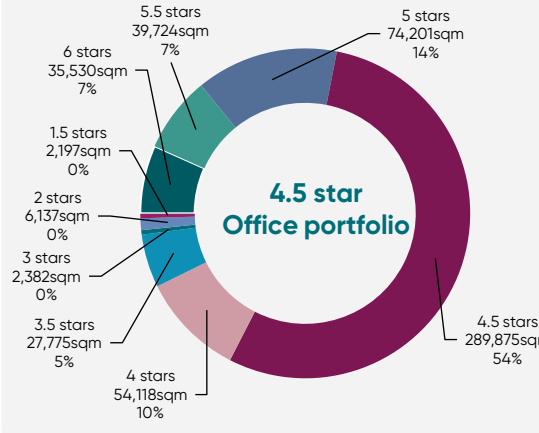
## Office portfolio sustainability metrics



### Office NABERS energy ratings



### Office NABERS water ratings



	Energy with GreenPower	Energy	Water	Waste	Indoor Environment
Jun 19	5.0	4.8	3.6	-	-
Jun 20	5.0	4.8	3.7	2.6	4.1
Jun 21	5.1	5.0	4.5	2.6	4.8
Jun 22	5.3	5.0	4.7	2.9	4.9
Jun 23	4.9	4.9	4.6	3.3	4.7
<b>Dec 23</b>	<b>4.9</b>	<b>4.9</b>	<b>4.5</b>	<b>3.3</b>	<b>5.0</b>
				70% coverage	73% coverage
				88% coverage	94% coverage
				87% coverage	97% coverage

# Development

## Dexus completed developments

Pipeline		Building area <sup>1</sup> sqm	Project costs <sup>2</sup> \$m	Yield on cost %	Leased %	Completion date	Third party partner interest %
Industrial	Jandakot Airport, Perth WA	18,000	16	5.3%	100%	Jul-23	67%
	Palm Springs Road, Ravenhall VIC	58,900	22	6.0%	100%	Jul-23	75%
Total industrial		76,900	38				
Retail	25 Martin Place, Sydney NSW	11,000	220	4.8%	97%	Oct-23	50%
Total retail		11,000	220				
<b>Total developments completed</b>		<b>87,900</b>	<b>258</b>				

1. At 100% ownership.

2. Dexus share in development cost (including land, funding cost and excludes downtime and income earned through development).



# Development

## Dexus committed developments and fund-throughs

Pipeline		Building area <sup>1</sup> sqm	Project costs <sup>2</sup> \$m	Est cost to completion <sup>2</sup> \$m	Yield on cost <sup>3</sup> %	Leased %	Completion due	Third party partner interest %
Office	123 Albert Street, Brisbane QLD	39,100	597	120	c. 5%	100%	Mid 2024	0%
	Atlassian Central, Sydney NSW <sup>4</sup>	58,000	1,450	1,161	4-5%	100%	Late 2026	0%
	Stage 1, Waterfront, Brisbane QLD	76,100	825	705	5-6%	52%	Early 2028	50%
<b>Total office</b>		<b>173,200</b>	<b>2,872</b>	<b>1,986</b>				
Industrial	Palm Springs Road, Ravenhall VIC	106,400	52	33	6-7%	47%	Late 2024	75%
	Jandakot Airport, Perth WA	58,900	48	20	c. 6%	39%	Late 2024	67%
	12 Church Road, Moorebank NSW	17,900	46	22	6-6.5%	0%	Late 2024	50%
	149 Orchard Road, Chester Hill NSW	24,100	55	31	c. 5-6%	0%	Late 2024	50%
<b>Total industrial</b>		<b>207,300</b>	<b>201</b>	<b>106</b>				
<b>Total committed developments</b>		<b>380,500</b>	<b>3,073</b>	<b>2,092</b>				

1. At 100% ownership.

2. Dexus share in development cost (including land, funding cost and excludes downtime and income earned through development).

3. Target yield on cost calculation includes cost of land, funding cost, downtime and income earned through development in the denominator.

4. Represents funding obligation for 100% of the project cost (excluding land). A partial return of capital is expected following refinancing on practical completion.

# Development

## Dexus uncommitted developments

Pipeline <sup>5</sup>		Building area <sup>1,2</sup> sqm	Project costs <sup>3</sup> \$m	Yield on cost <sup>4</sup> %	Third party partner interest %
Office	Stage 2, Waterfront, Brisbane QLD	57,500	c. 450	c. 5-6%	50%
	60 Collins Street, Melbourne VIC	43,200	c. 1,100	c. 5-6%	-
	Central Place, Sydney NSW <sup>4</sup>	137,800	c. 815	c. 5-6%	25%
	Pitt and Bridge Precinct, Sydney NSW	74,900	c. 1,750	c. 5-6%	50%
<b>Total office</b>		<b>313,400</b>	<b>c. 4,115</b>		
Industrial	Jandakot Airport, Perth WA	254,600	c. 175	c. 6%	67%
	Palm Springs Road, Ravenhall VIC	111,400	c. 73	c. 6-7%	75%
	113-153 Aldington Road, Kemps Creek NSW	164,700	c. 250	c. 5-6%	49%
	311 South Street, Marsden Park NSW	47,200	c. 85	c. 6-7%	49%
	220 and Part 106 Riding Boundary Road, Ravenhall VIC	234,400	c. 300	c. 4-5%	50%
<b>Total industrial</b>		<b>812,300</b>	<b>c. 883</b>		
<b>Total uncommitted developments</b>		<b>1,125,700</b>	<b>c. 4,998</b>		

- Figures are indicative and subject to relevant planning approvals and leasing commitment outcomes. Building area and project costs are presented on a rounded basis.
- At 100% ownership.
- Dexus share in development cost (including land, funding cost and excludes downtime and income earned through development).
- Target yield on cost calculation includes cost of land, funding cost, downtime and income earned through development in the denominator.

# Transactions

## Dexus transactions

Dexus divestments <sup>1</sup>	Sale price <sup>2</sup> \$m	Interest %	Settlement
84 Lahrs Road, Ormeau QLD	33.0	100.0%	07-Jul-23
44 Market Street, Sydney NSW	393.1	100.0%	01-Aug-23
Axxess Corporate Park, Mount Waverley VIC	306.2	100.0%	07-Aug-23
20 Distribution Drive, Truganina VIC - Lot CC	43.1	100.0%	11-Aug-23
1 Margaret Street, Sydney NSW <sup>3</sup>	293.1	100.0%	22-Sep-23
8 Nicholson Street, East Melbourne VIC	213.7	100.0%	20-Oct-23
153 Aldington Road, Kempas Creek NSW <sup>4</sup>	67.2	49.0%	19-Dec-23
All other divestments	60.4	100.0%	Aug-23 – May-24

1. Excludes Dexus's share in its co-investments in pooled funds.

2. Excludes transaction costs.

3. Reflects price inclusive of \$50m equity investment in purchaser trust holding the asset.

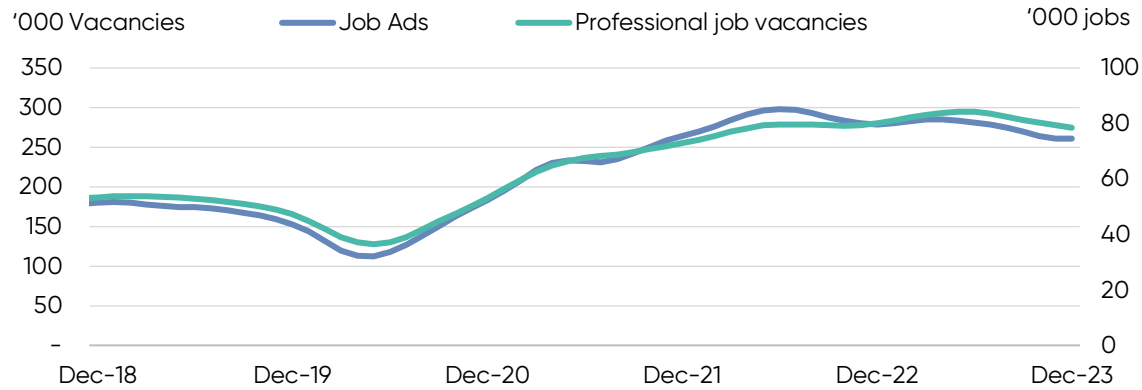
4. Represents dilution of investment in trust holding the underlying asset from 100% to 51%.



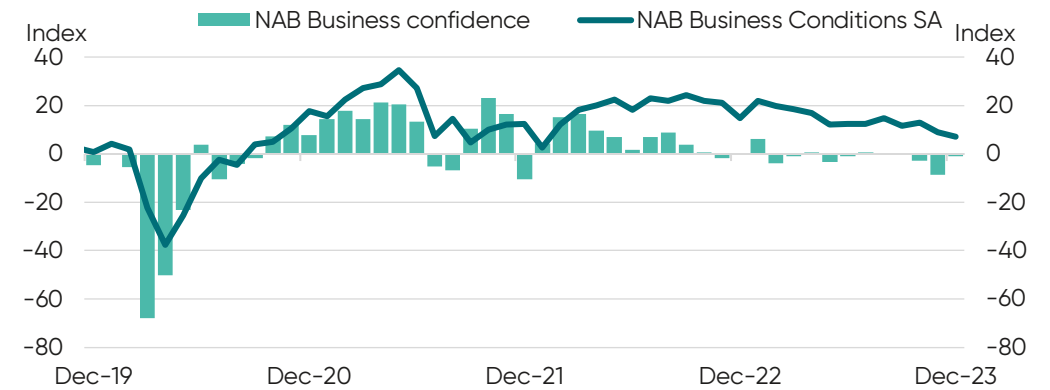
# Office demand indicators

Professional services industry showing resilience amid moderating business conditions

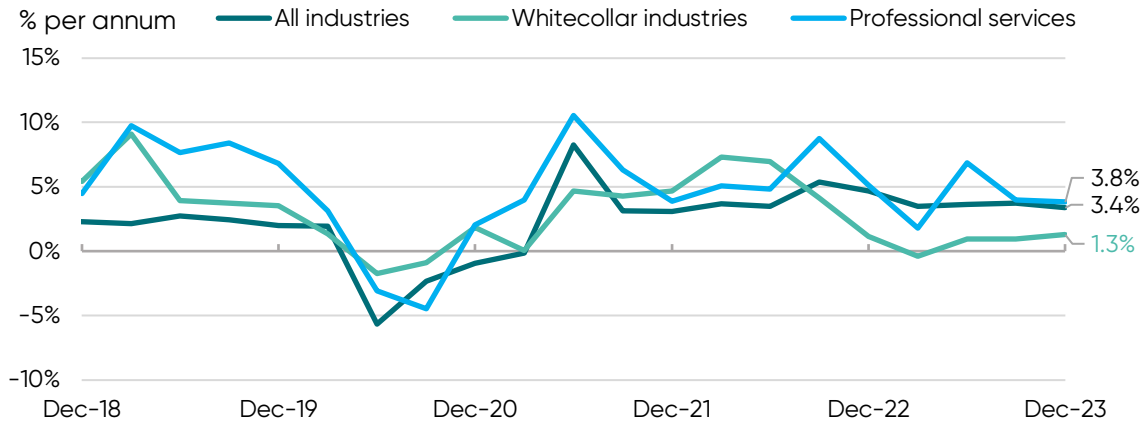
## Professional services firms hiring intentions



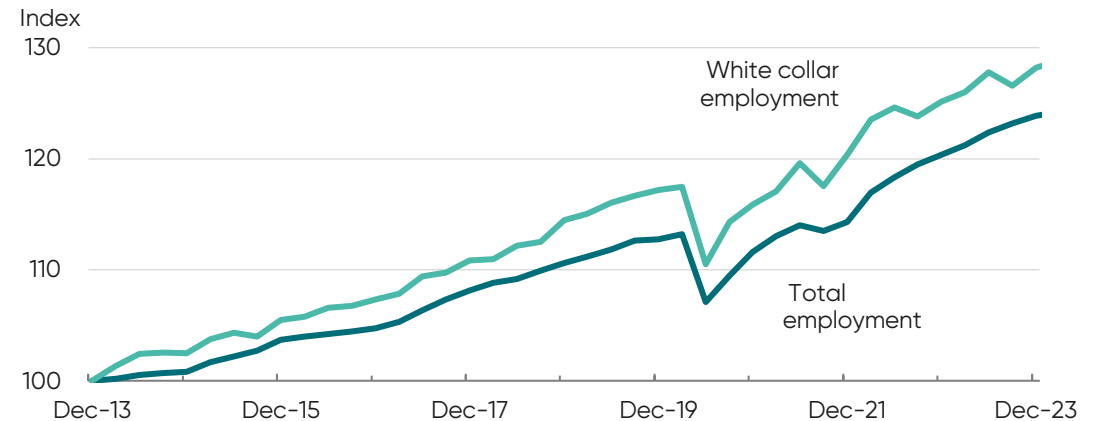
## Business conditions remain positive



## White collar employment growth by industry



## Long term growth in white collar employment to drive office demand



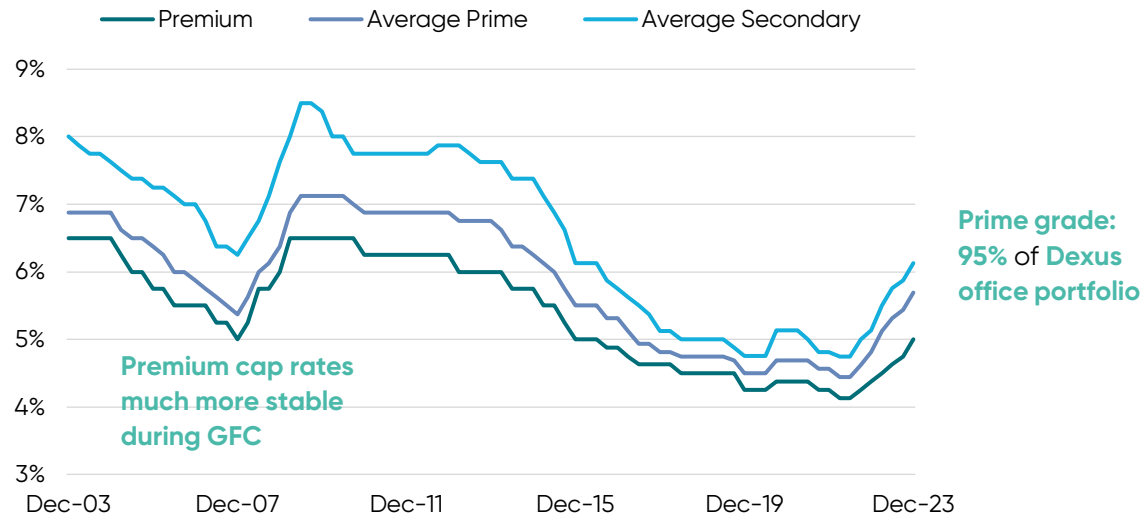
Source: NAB, ABS, PCA, JLL Research (\*Sydney CBD, Melbourne CBD, Brisbane CBD, Perth CBD).

# High quality properties likely to outperform

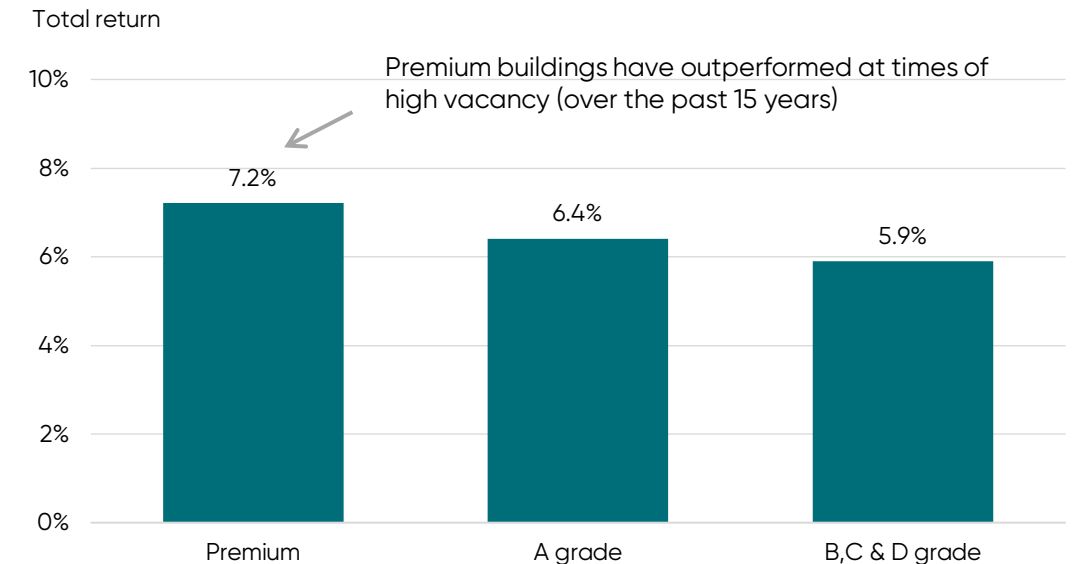
Premium assets expected to outperform lower grades in the current investment climate

- › Capitalisation rates for premium office properties have been more stable than secondary over time
- › The spread between premium and secondary properties is starting to widen
- › In the past premium buildings have outperformed at times of high vacancy

Sydney CBD office capitalisation rates by grade



Sydney CBD office returns during periods of high vacancy



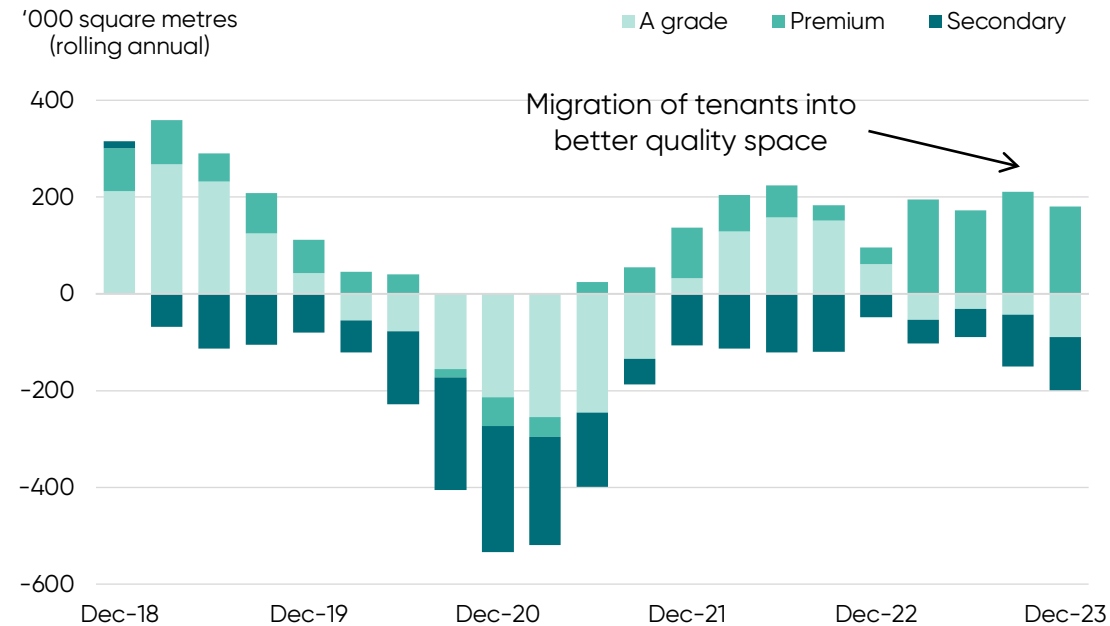
Source: JLL Research, DexUS Research using MSCI data.

# Office market outlook – flight to quality and core

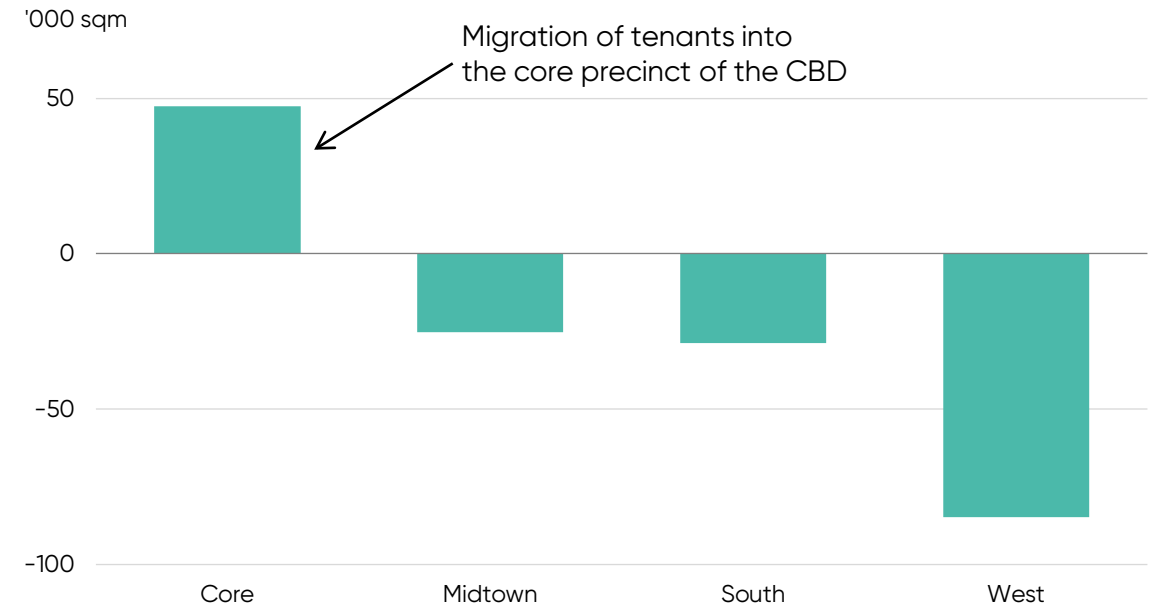
We are observing a flight to both high-quality property and core locations

- › Flight-to-quality is a major theme for office markets as **occupiers seek high quality centrally located offices** with amenities that appeal to staff
- › **Net absorption of premium office space has been positive** at the expense of lower grades
- › In the Sydney CBD, **there has been a 'flight to core'** with net absorption in the core of the CBD exceeding the other precincts

## Net absorption by grade (4 CBDs)



## Sydney CBD net absorption by precinct FY22 – FY23

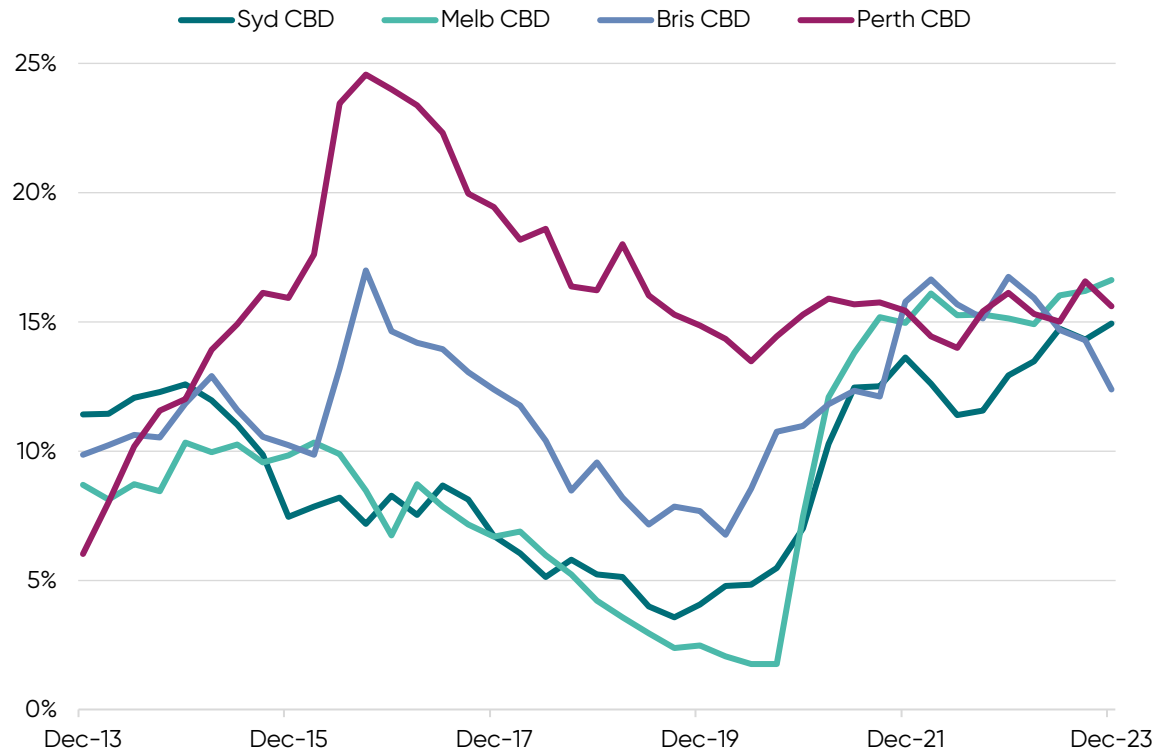


Source: JLL Research. 4 CBD's includes Sydney, Melbourne, Brisbane and Perth.

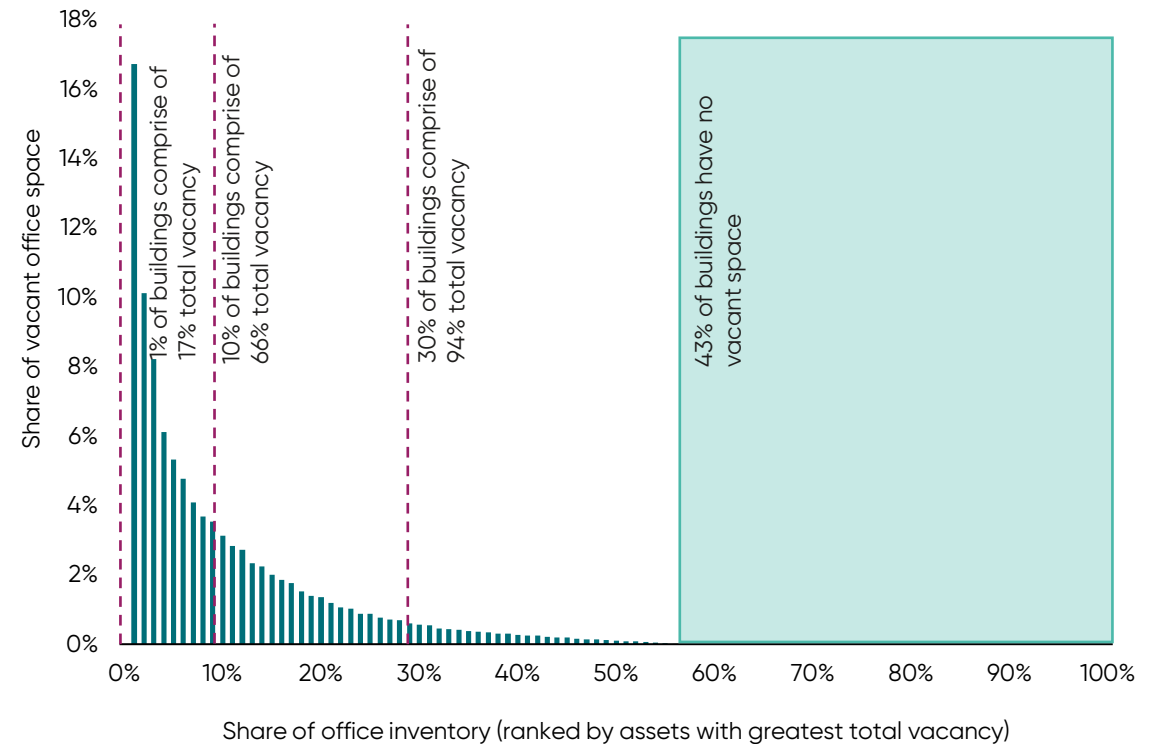
# Office market outlook

Office leasing inquiry driven by smaller occupiers

Vacancy rates in CBD office markets



Office vacancy concentration in CBD office markets



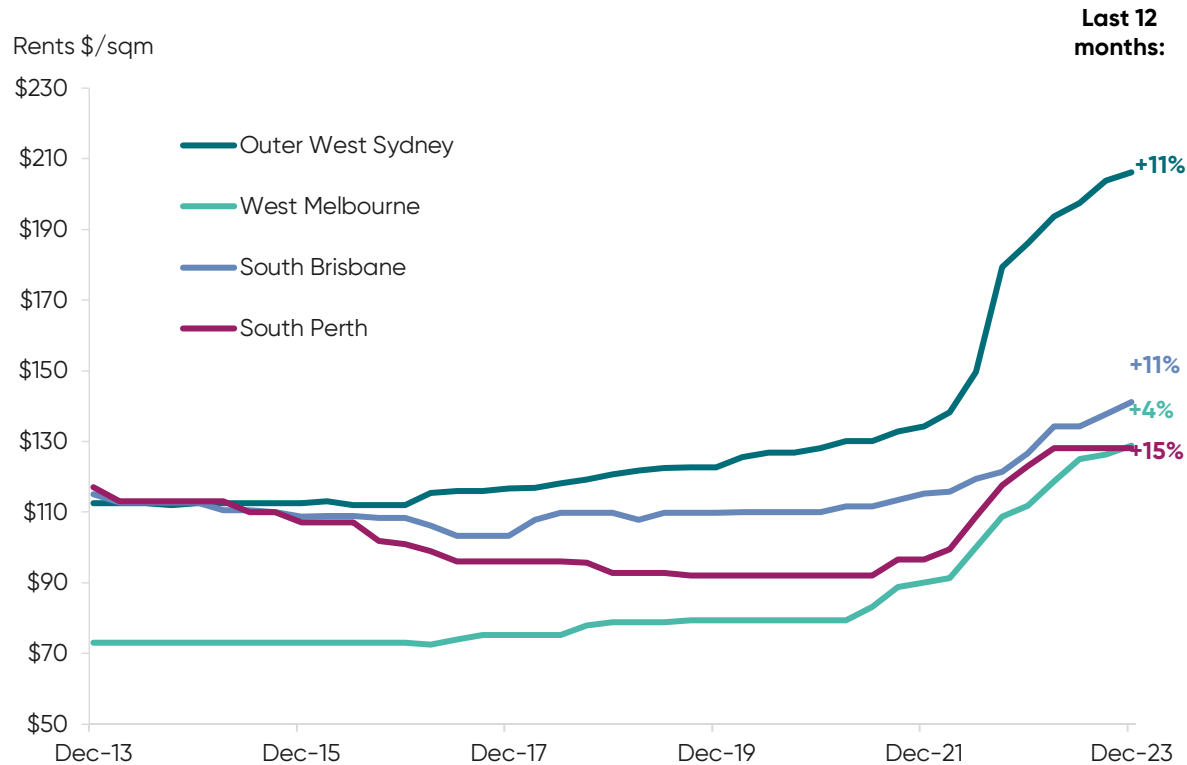
Source: JLL Research.



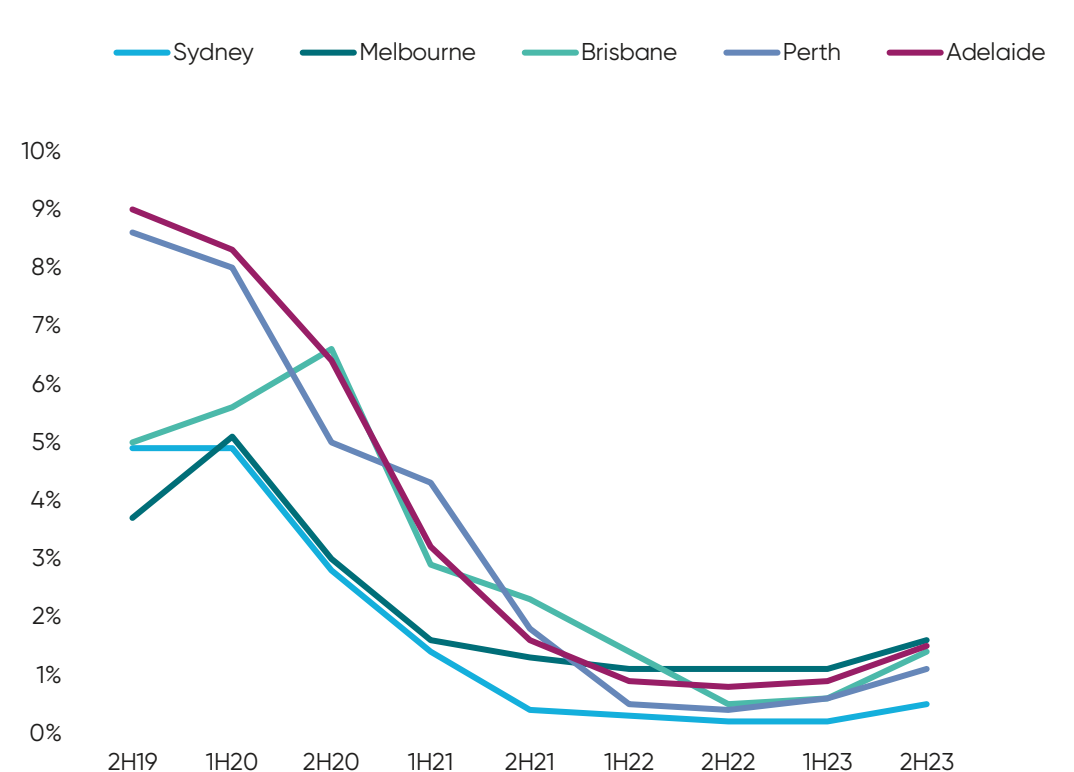
# Industrial market outlook

Rent growth beginning to taper as vacancy normalises

Lack of available space has led to a rapid growth in rents



Vacancy rates low across all markets

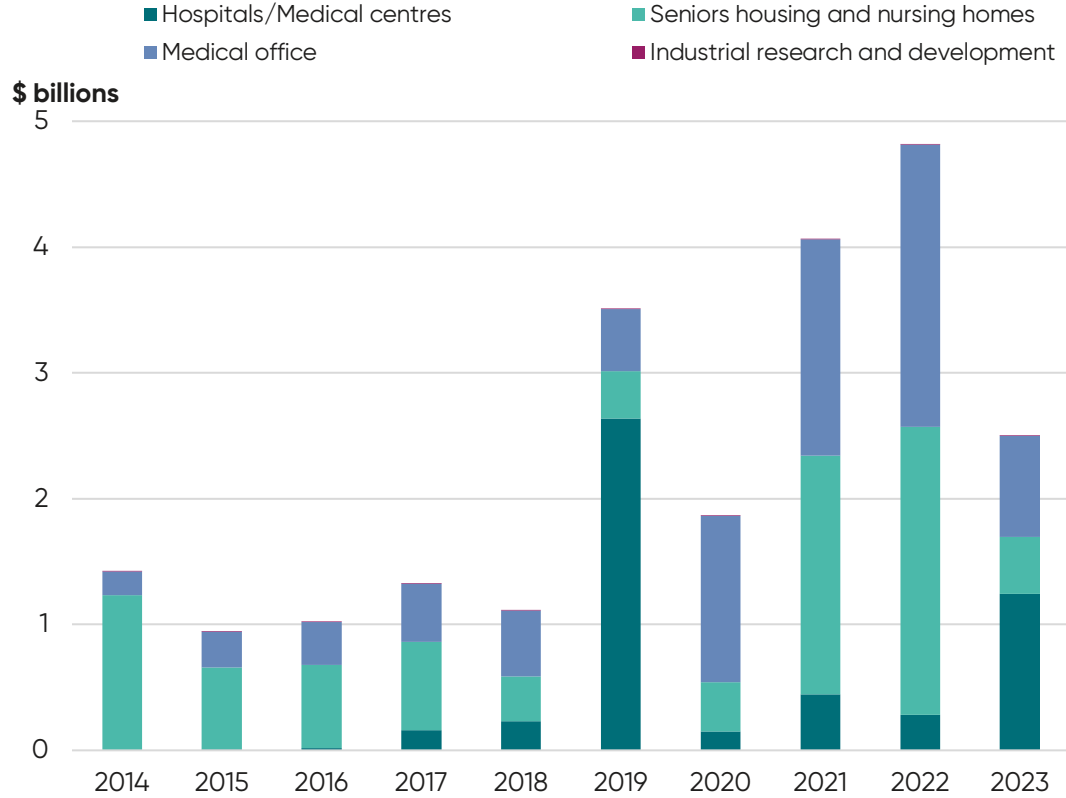


Source: JLL Research, CBRE Research, Dexus Research.

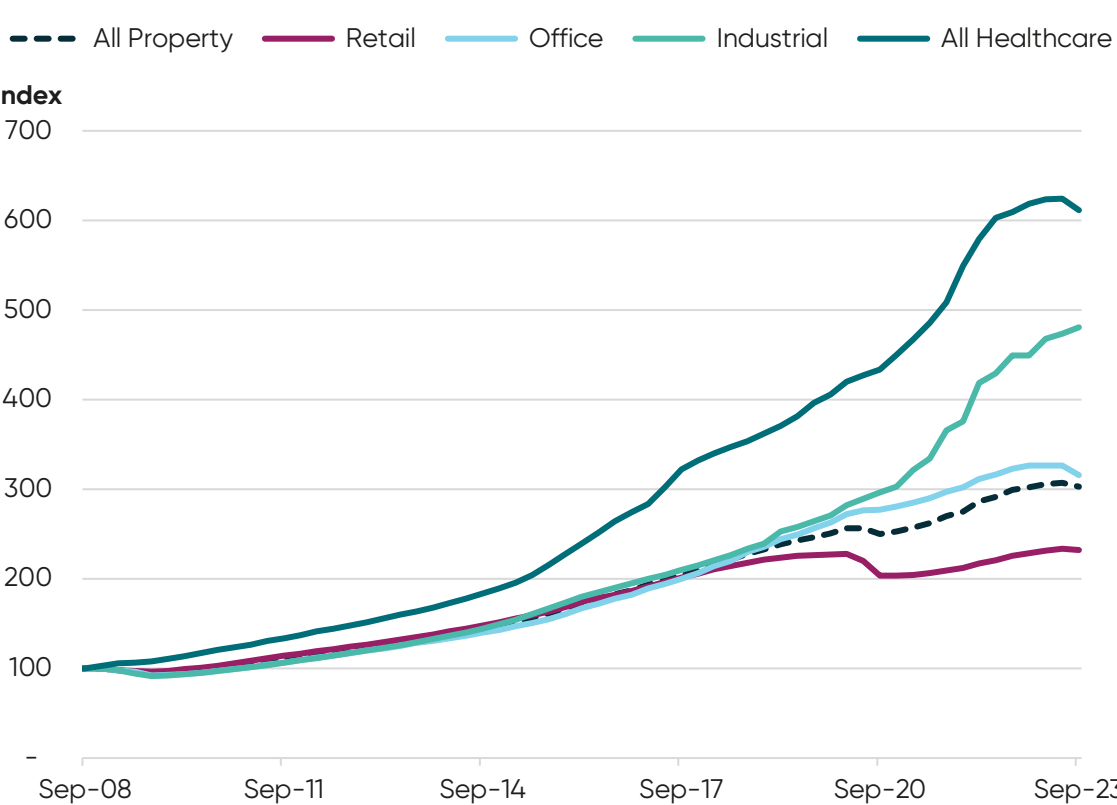
# Healthcare sector

Healthcare has outperformed other sectors over the past decade

## Growing institutional demand drives healthcare transactions higher



## Indexed returns by sector over 15 years<sup>1</sup> (September 2008=100)



1. MSCI/ Dexus Research. MSCI total return index on a quarterly basis over 15 years to September 2023 (latest available). This information is provided for reference purposes only and is not a guarantee of future performance. Source: Real Capital Analytics, MSCI, Dexus Research.

# Market outlook

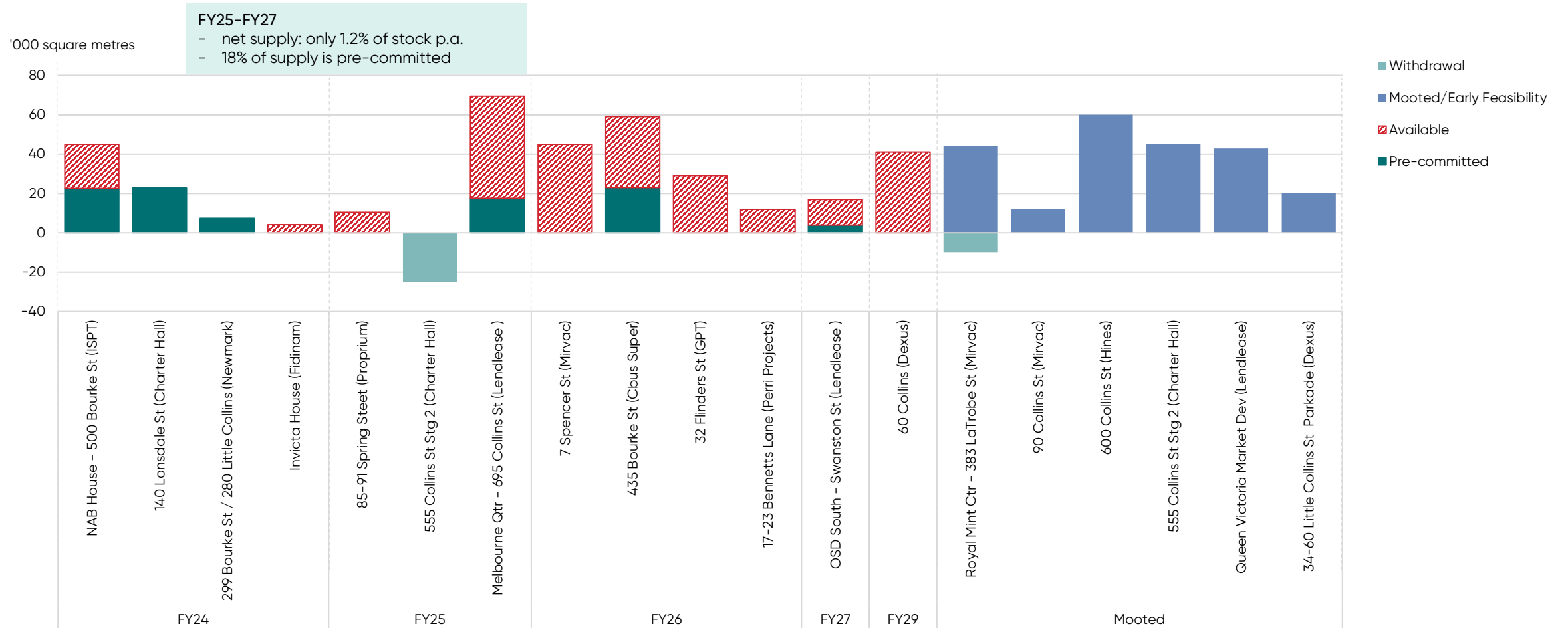
Sydney CBD – supply FY25–FY27 largely pre-committed



Source: JLL Research, Dexis Research.

# Market outlook

Melbourne CBD – net supply in FY25–FY27 is below average



Source: JLL Research, Dexus Research.



# Office markets

## Dexus's position in CBD office

CBD office market	Sydney	Melbourne	Brisbane	Perth
Total NLA	5,182,708	5,302,081	2,305,938	1,885,341
Prime vacancy average	14.9%	16.6%	12.4%	15.6%
<b>Dexus CBD exposure</b>				
Total NLA	485,566	396,814	261,038	183,645
Number of properties	13	7	5	4
Occupancy (by area)	93.8%	94.4%	92.9%	98.9%
Occupancy (by income)	94.3%	94.5%	93.0%	98.9%
WALE	4.4	4.6	4.7	5.5



# Other information

## Exchange and securities used in statutory accounts

		31 Dec 2023	30 Jun 2023	31 Dec 2022
Closing rates for Statement of Financial Position	USD	0.6840	0.6630	0.6775
Average rates for Statement of Comprehensive Income	USD	0.6526	0.6734	0.6752
Post consolidation equivalent amounts		6 mths to 31 Dec 2023	12 mths to 30 Jun 2023	6 mths to 31 Dec 2022
Average weighted number of securities <sup>1</sup>		1,075,565,246	1,075,565,246	1,075,565,246
Closing number of securities		1,075,565,246	1,075,565,246	1,075,565,246

1. Used to calculate FFO, Underlying FFO and AFFO per security.

# Glossary

Distribution payout policy:

Policy is to distribute in line with free cash flow for which AFFO is a proxy

Funds From Operations (FFO):

FFO is in line with Property Council of Australia definition and comprises net profit/loss after tax attributable to stapled security holders, calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments and reversal of impairments, derivative and foreign exchange mark-to-market impacts, fair value movements on investments accounted for at fair value, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, non-FFO tax expenses, certain transaction costs, one-off significant items, amortisation of intangible assets, movements in right-of-use assets and lease liabilities, rental guarantees and coupon income.

Adjusted FFO (AFFO):

AFFO in accordance with guidelines provided by the Property Council of Australia (PCA): comprises net profit/loss after tax attributable to stapled security holders, calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments and reversal of impairments, derivative and foreign exchange mark-to-market impacts, fair value movements on investments accounted for at fair value, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, non-FFO tax expenses, certain transaction costs, one-off significant items, amortisation of intangible assets, movements in right-of-use assets and lease liabilities, rental guarantees and coupon income, less maintenance capital expenditure and lease incentives.

Gearing:

Gearing is represented by Interest Bearing Liabilities (excluding deferred borrowing costs and including the currency gains and losses of cross currency swaps) less cash divided by Total Tangible Assets (excluding derivatives and deferred tax assets) less cash. Interest Bearing Liabilities and Total Tangible Assets are both adjusted for debt in equity accounted investments (other than Dexu's share of co-investments in pooled funds).

Covenant gearing:

Represents Gearing defined above but not adjusted for cash or debt in equity accounted investments (including co-investments in pooled funds).

Portfolio value:

Unless otherwise stated, portfolio value is represented by investment properties, inventories, financial assets at fair value through profit and loss and investments accounted for using the equity method and excludes cash and other assets.

Weighted Average Lease Expiry (WALE):

A measure in years of the average term to expiry of in-place rent. Includes vacancies.





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