

# 2023 Annual Results

16 August 2023

# 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

**Overview**

Darren Steinberg, CEO

**Financial results**

Keir Barnes, CFO

**Funds management**

Deborah Coakley, EGM Funds Management

**Investments**

Office portfolio

Andy Collins, EGM Office

Industrial portfolio

Stewart Hutcheon, EGM Industrial, Healthcare & Alternatives

Transactions and Developments

Ross Du Vernet, CIO

**Summary**

Darren Steinberg, CEO

**Appendices**



25 Martin Place, Sydney NSW

# 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:

#### Scaleable, efficient platform

Transactions

Product creation

Capital sourcing

Asset management

Development

### Underpinned by:

Commitment to Environmental, Social & Governance (ESG)

Prudent Capital Management

# A real asset manager with deep sector expertise

Supported by strong governance, a robust balance sheet and leading ESG credentials

## Real estate

### Office

c. \$24bn FUM

### Industrial

c. \$12bn FUM

### Retail

c. \$10bn FUM

### Healthcare

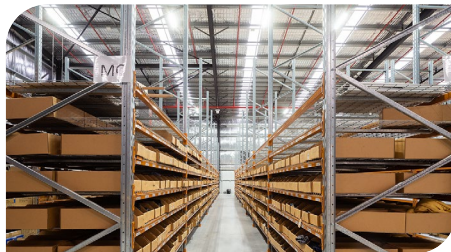
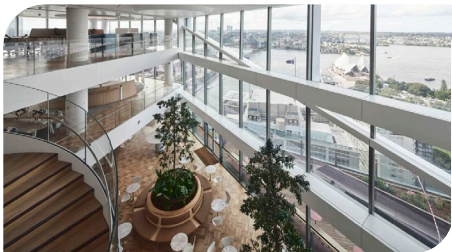
c. \$2bn FUM

## Infrastructure

### Infrastructure

c. \$11bn FUM

## Top 5 across each real estate sector



Data at 30 June 2023, excludes \$2.0 billion FUM relating to Real Estate Securities and Dexus Real Estate Partnership 1.

# FY23 highlights

## Strategic objectives

### Resilient income streams



**95.9%** Office occupancy<sup>1</sup>, well above market average of 87.2%<sup>2</sup>  
**99.4%** Industrial occupancy<sup>1</sup>  
**99.6%** rent collections

**\$555.0m** AFFO  
**\$(752.7)m** Statutory net loss after tax  
**27.9%** gearing  
**86%** hedged

### \$1.8bn bal. sheet divestments

announced, enhancing balance sheet strength and portfolio quality and recycling into value creating opportunities



**+40 Customer Net Promoter Score** across the office and industrial portfolios

### Commenced city-shaping developments

Atlasian Central, Sydney and Waterfront Brisbane

**+5.6%** Office LFL income growth  
**+3.6%** Industrial LFL income growth<sup>5</sup>

### Investment manager of choice



Added circa \$18bn FUM through the **AMP transaction** (including \$10.8bn<sup>3</sup> of infrastructure)

**Diversified** funds offering and **increased distribution capability**



Raised **~\$1.6bn<sup>4</sup>** of third party equity through new and existing vehicles



Launched Dexus's first infrastructure fund  
**Wholesale Airport Fund**



### GRESB recognition

- › DHPF global sector leader
- › DOT, DOTA and DWPF ranked in the global Top 40



Royal Adelaide Hospital acquisition by three funds demonstrates **platform growth synergies**

1. Occupancy by income, excluding co-investments in pooled funds.  
 2. Australian CBD average by Property Council of Australia July 2023.  
 3. Based on FUM as at 30 June 2023 and pro forma post final completion of the AMP Capital transaction.  
 4. Represents new equity raised (excluding DRP and transfers).  
 5. Excluding divestments.

# Sustainability leadership and strategy

Continued ESG leadership and strategy refreshed for the future

## ESG initiatives, benchmarks and ratings

### Global leader

Top 5% S&P Global ESG Score  
Real estate

S&P Global Sustainability Yearbook 2023

### Global sector leader

Listed office  
GRESB 2022 Real Estate Assessment

Ranked within the **top 20 global** organisations in the **Equileap** 2023 Global Report on gender equality

### WELL Health & Safety rating

achieved across 45 nominated office properties

**4.9 Star** ★★★★★

**NABERS Energy rating**  
Dexus group office portfolio

**4.5 Star** ★★★★★

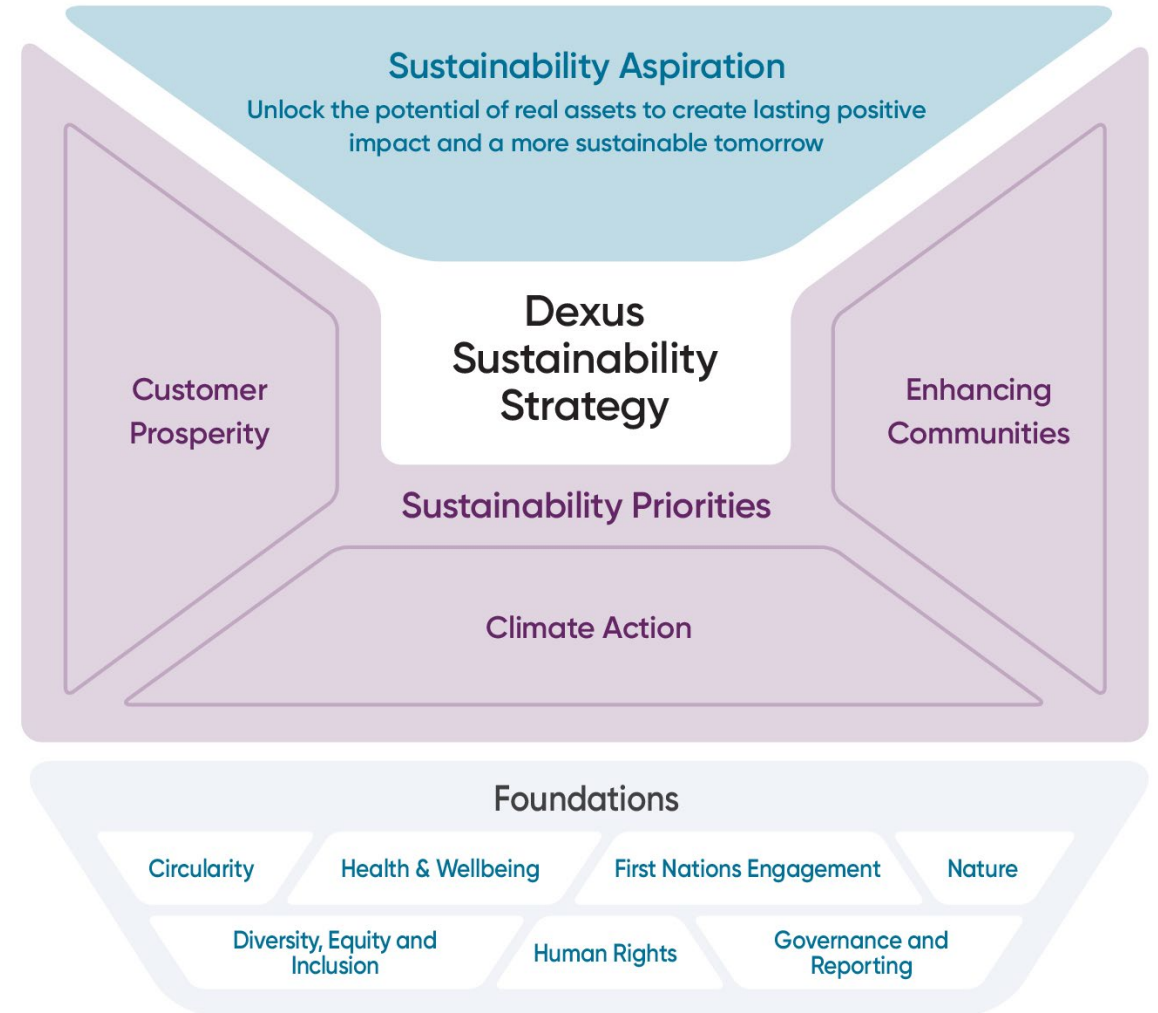
**NABERS Water rating**  
Dexus group office portfolio

**4.8 Star** ★★★★★

**NABERS Indoor Environment rating**  
Dexus group office portfolio

### Ecovadis supplier verification

Implemented across preferred group suppliers with coverage of 72% of preferred supplier spend engaged on the group platform by FY24



A low-angle, upward-looking photograph of several modern skyscrapers with glass and concrete facades. Two tall palm trees are positioned in the foreground, their trunks extending from the bottom towards the middle of the frame. The sky is a clear, vibrant blue with some light, wispy clouds. The overall composition is dynamic and emphasizes the height and scale of the urban environment.

# Financial results



# Key earnings drivers and valuations

Earnings composition increasingly diversified

Key earnings drivers		Investment portfolio valuations		
Earnings driver	FY23 composition <sup>1</sup>	30 June 2023 value <sup>2</sup>	Valuation 12-months movement <sup>3</sup>	Capitalisation rate 12-months movement
<b>Investments</b>	<b>83% of FFO (89% FY22)</b> 62% Office Property FFO (70% FY22) 17% Industrial Property FFO (16% FY22) 4% Co-investment income (3% FY22)	<b>Total portfolio</b> \$17.4bn	↓ \$1,183.9m 6.9% 	↑ <b>5.11%</b> 47bps
<b>Management operations</b>	<b>12% of FFO (9% FY22)</b> Earnings from funds management, property and development management	<b>Office portfolio</b> \$12.3bn	↓ \$1,177.8m 8.8% 	↑ <b>5.21%</b> 46bps
<b>Trading</b>	<b>5% of FFO (2% FY22)</b> Elevated trading profits (post tax) in FY23	<b>Industrial portfolio</b> \$4.1bn	↓ \$6.6m 0.2% 	↑ <b>4.76%</b> 47bps

1. FFO contribution is calculated before net finance costs, group corporate costs and non-trading related tax.  
 2. Total portfolio value of \$17.4bn includes \$1.5bn look-through FUM for Dexus's co-investments in pooled funds and financial assets and is largely comprised of office portfolio \$12.3bn, industrial portfolio \$4.1bn, healthcare portfolio \$0.4bn, retail \$0.2bn, opportunity \$0.1bn and infrastructure \$0.1bn.  
 3. Valuation movement excludes co-investments in pooled funds. Includes other property revaluation gain of \$0.5m and excludes leased assets and right of use assets revaluation loss of \$0.1m.

# FY23 financial results

Delivered on upper end of guidance in a challenging operating environment

	FY23 \$m	FY22 \$m	Change %
<b>Investments</b>			
Office property FFO	597.6	655.6	↓ 8.8%
Industrial property FFO	163.5	152.4	↑ 7.3%
Co-investments in pooled funds <sup>1</sup>	35.9	29.1	↑ 23.4%
<b>Total Investments FFO</b>	<b>797.0</b>	<b>837.1</b>	<b>↓ 4.8%</b>
Management operations <sup>2</sup>	112.6	81.7	↑ 37.8%
Group corporate	(48.8)	(44.7)	↑ 9.2%
Net finance costs	(137.2)	(118.4)	↑ 15.9%
Other <sup>3</sup>	(35.3)	(21.5)	↑ 64.2%
<b>Underlying FFO</b>	<b>688.3</b>	<b>734.2</b>	<b>↓ 6.3%</b>
Trading profits (post tax)	50.2	23.4	↑ 114.5%
<b>FFO</b>	<b>738.5</b>	<b>757.6</b>	<b>↓ 2.5%</b>
Maintenance and leasing capex	(183.5)	(185.4)	↓ 1.0%
<b>Adjusted Funds from Operations (AFFO)</b>	<b>555.0</b>	<b>572.2</b>	<b>↓ 3.0%</b>
Distribution payout (% AFFO)	100.0%	100.0%	
<b>Distribution</b>	<b>555.0</b>	<b>572.2</b>	<b>↓ 3.0%</b>

- › Office property FFO decreased primarily due to the impact of divestments and non-recurring income from development impacted properties in FY22, partly offset by rent increases
- › Industrial property FFO increased due to recently completed developments, rent increases, leasing success and a full-year contribution from Jandakot industrial precinct, partly offset by divestments
- › Income from co-investments in pooled funds grew, driven by new investments in AMP platform funds
- › Management operations FFO increased significantly, driven by the contribution from development milestones being achieved during the period alongside growth in the funds platform, including the AMP platform acquisition
- › Group corporate costs increased, predominantly driven by an increase in costs post the AMP acquisition. AMP-related transaction costs are excluded from FFO in accordance with Property Council Australia (PCA) guidelines
- › Net finance costs increased, primarily due to higher floating rates in FY23
- › Increase driven by non-trading related FFO tax expense
- › A strong year for trading profits, which are expected to be lower in FY24

Key per security metrics	FY23	FY22	Change
Underlying FFO per security	64.0 cents	68.3 cents	↓ 6.3%
FFO per security	68.7 cents	70.4 cents	↓ 2.5%
AFFO per security	51.6 cents	53.2 cents	↓ 3.0%
Distribution per security	51.6 cents	53.2 cents	↓ 3.0%

	FY23	FY22	Change
Net Tangible Assets (NTA) per security	\$10.88	\$12.28	↓ 11.4%

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 41 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

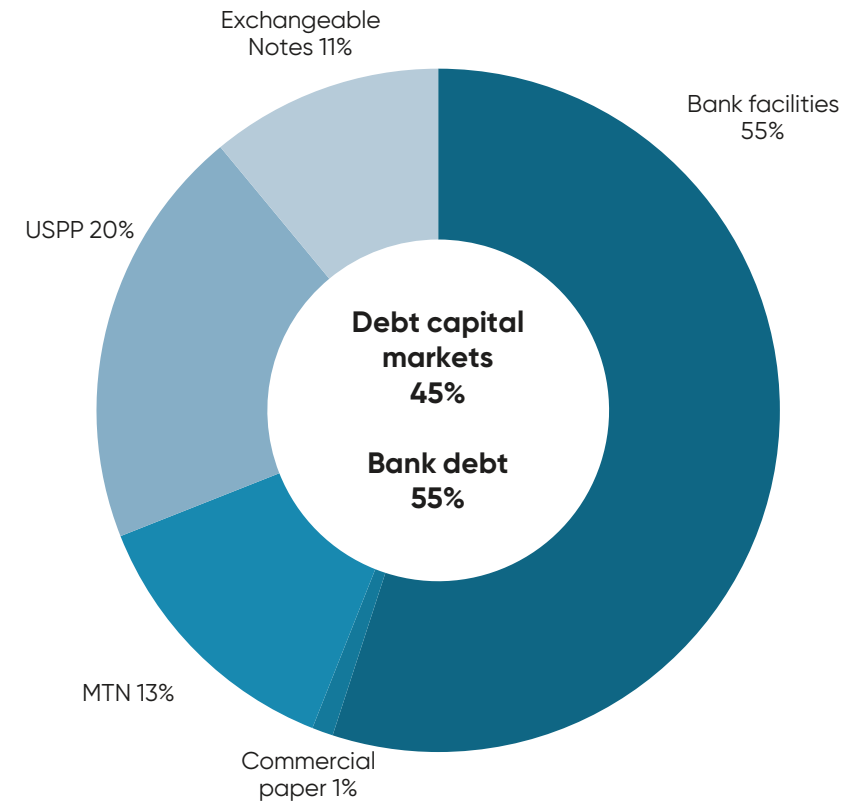
Managing gearing and hedging to maintain balance sheet strength and fund future commitments

- › **Active debt management** securing **\$2.6 billion of new and refinanced facilities** with an average **tenor of 4.5 years**, including a \$500 million exchangeable note issue to diversify funding sources in a volatile environment and secure five-year fixed rate debt
- › **Pro forma gearing of 27.9%<sup>1,2</sup>** below the 30–40% target range, combined with strategic asset recycling, provides capacity to fund committed developments and support growth in the funds platform
- › **86% of debt hedged across FY23**, and an **average hedge maturity of 4.8 years** providing material protection against interest rate movements over the medium term

Key metrics	30 June 2023	30 June 2022
Gearing (look-through) <sup>1</sup>	27.9% <sup>2</sup>	26.9%
Headroom <sup>3</sup>	\$2.5bn	\$1.9bn
Cost of debt <sup>4</sup>	3.7%	2.7%
Average maturity of debt	5.1 years	5.5 years
Hedged debt (incl caps) <sup>5</sup>	86%	65%
Weighted average maturity of hedges	4.8 years	5.9 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.  
 2. Pro forma including proceeds and payments for transactions post 30 June 2023 that have settled before 16 August 2023. Excluding these impacts, look-through gearing is 30.3% at 30 June 2023. Look-through gearing including Dexus's share of co-investments in pooled funds is 31.7% at 30 June 2023.  
 3. Undrawn facilities plus cash.  
 4. Weighted average for the year, inclusive of fees and margins on a drawn basis.  
 5. Average for the year. Hedged debt (excluding caps) was 58% for the 12 months to 30 June 2022 and 69% for the 12 months to 30 June 2023.

Diversified sources of debt



# Gearing capacity to fund commitments

Gearing expected to remain within 30-40% target range

- › **\$2.3bn committed spend**, comprising \$2.2 billion committed development spend over the next five years and \$0.1 billion committed co-investments
- › **Headroom expected to grow to \$3.3bn** including proceeds of contracted divestments settling post 30 June
- › In the absence of any further divestments, capital partnering or change in property valuations, fully funding committed developments and fund co-investments would see gearing increase to around the midpoint of the **30-40% target range**
- › Will continue **recycling capital** to provide capacity to reinvest in value creating and portfolio enhancing opportunities while maintaining a strong balance sheet
  - › **Strong track record in creating liquidity**, having divested **\$7.4 billion** of assets over the **past five years**
  - › **\$1 billion** of additional divestments would reduce gearing by circa **4.0ppt**



Waterfront Brisbane QLD

# Funds management

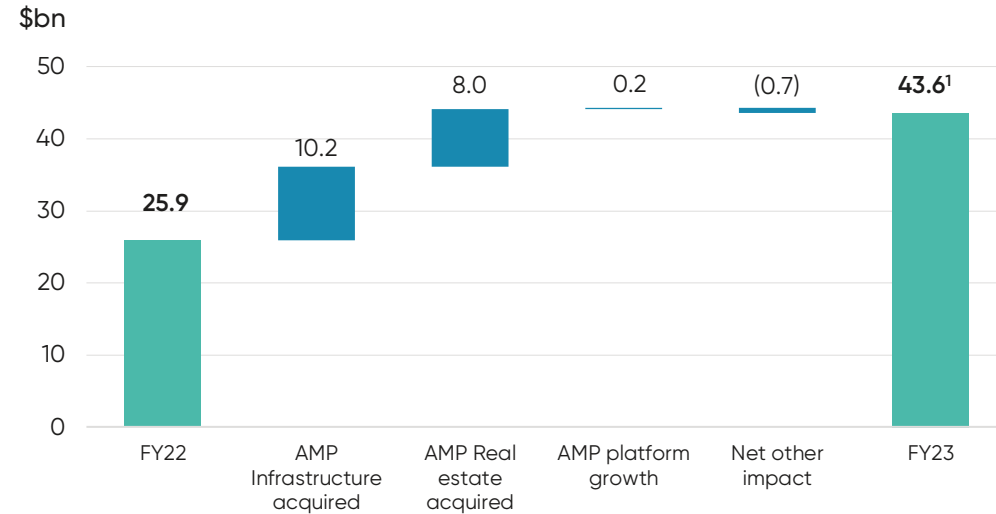


# Dexus funds platform

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

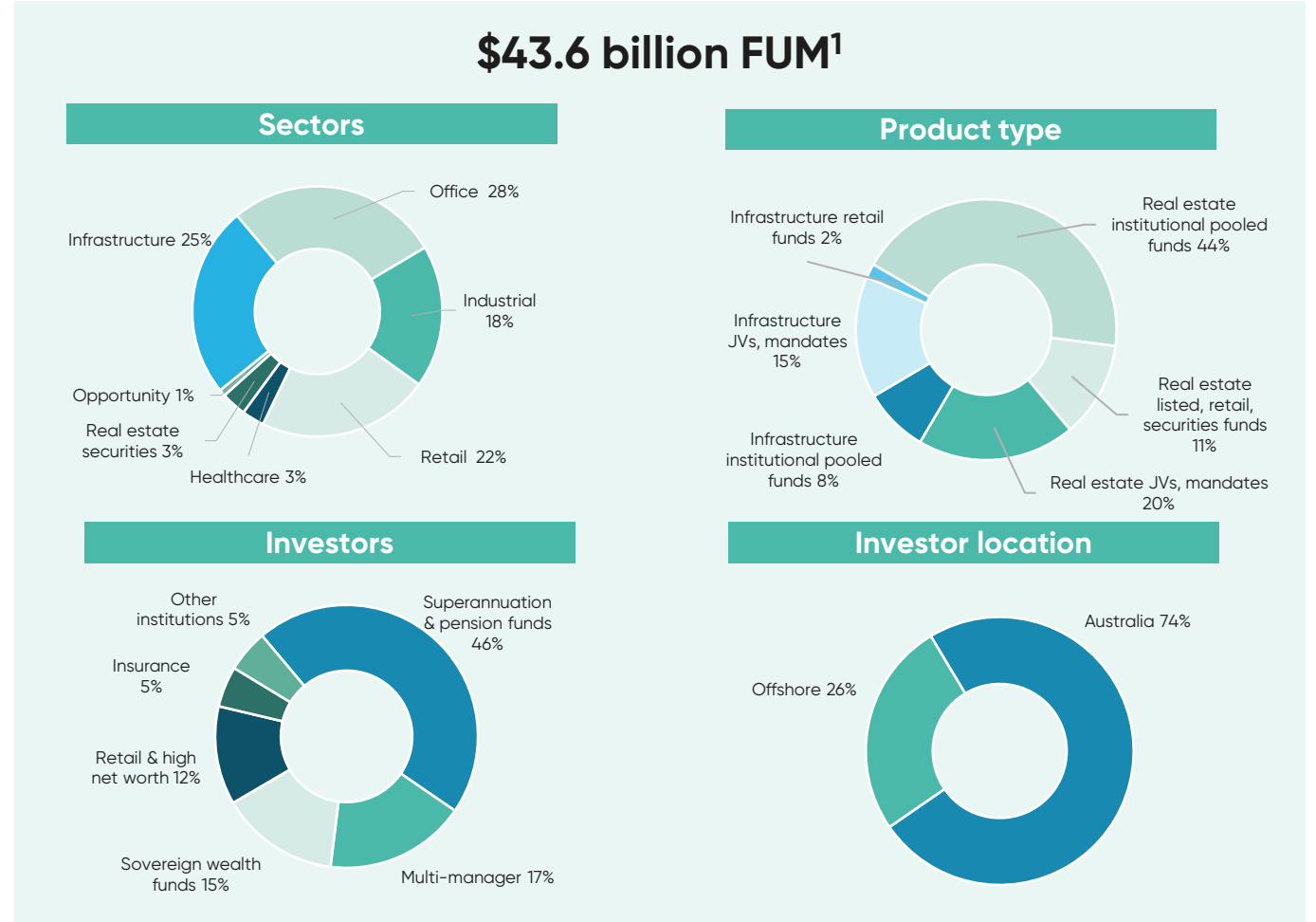
Third party FUM grew by 68% in FY23, with infrastructure accounting for 61% of FUM growth

## Funds management platform growth



Prudent capital structures with average gearing across pooled funds at circa 25%.

1. Composition charts are by FUM and pro forma post final completion of the AMP Capital transaction.



# Dexus funds platform

Well regarded by an increasingly diversified investor base

## Why investors choose Dexus



Long standing Australian owner and manager



Origination and product creation capability



Active asset management approach



Alignment of interest through co-investments



Best practice corporate governance

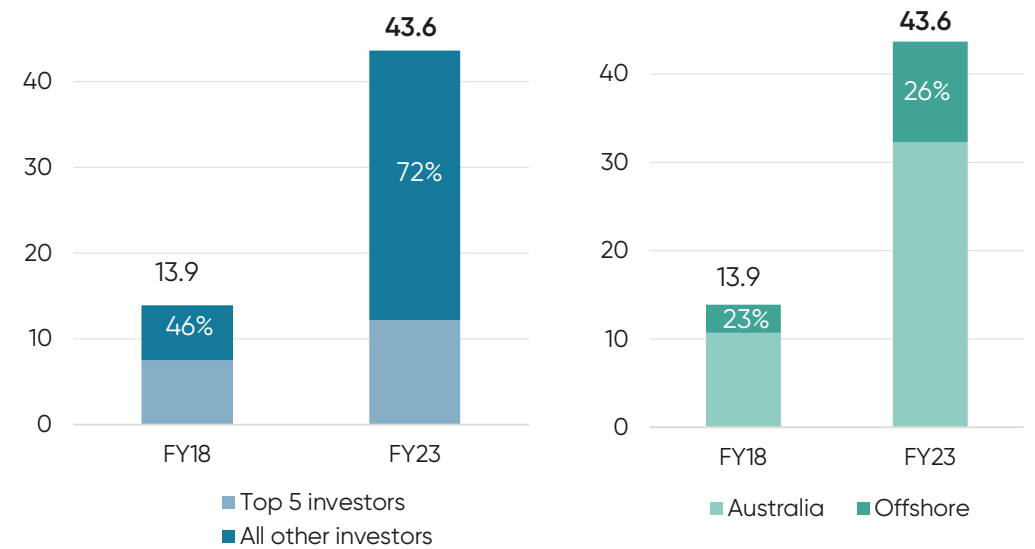


Long track record of performance

- › **Investors outside of top 5** account for **72%** of FUM (up from 46% in FY18)
- › **Offshore investors** account for **26%** of FUM (up from 23% in FY18), and **expected to grow further**

### Investor base increasingly diversified

\$bn



# Funds management

## FY23 key achievements

### Raised \$1.6 billion<sup>1</sup> across 14 vehicles

- › Dexus Healthcare Property Fund: **\$440m**
- › Dexus Real Estate Partnership 1: circa **\$200m**
- › Wholesale Airport Fund: **\$185m**



### Onboarded 23 new institutional investors and private wealth groups<sup>2</sup>

### Further enhanced distribution capability

- › Opened **Singapore office**
- › **Expanded distribution channels** and capability with the AMP integration



### Delivering for investors

- › **Royal Adelaide Hospital** acquisition by three funds demonstrates platform growth synergies
- › Completed **\$275 million of fund developments**




















### ESG recognition

- › **DHPF global sector leader** – GRESB
- › DOTA and DWPF achieved Top 2% out of 1,820 GRESB entities

1. Represents new equity raised (excluding DRP and transfers).  
 2. Includes new investors onboarded to Dexus and AMP Capital products in FY23.

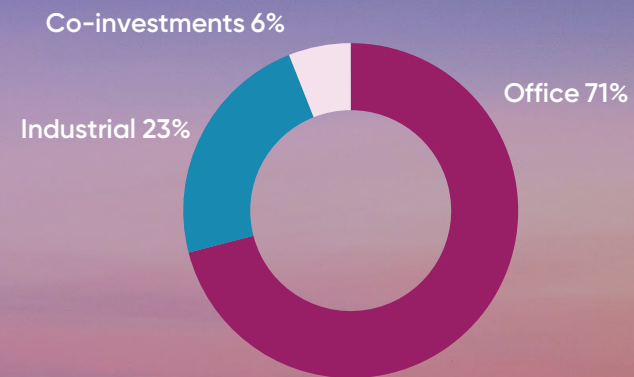


# Key investment verticals take advantage of megatrends

Workplace	Health	Transport	Social	Energy
"Enabling productivity"	"Improving quality of life"	"Connecting people and our economy"	"Bringing communities together"	"Powering our cities"
				
 Office	 Hospitals	 Airports	 Living	 Renewables
 Retail	 Aged care	 Rail	 Stadiums	 Utilities
 Industrial		 Ports		

# Investments

## Balance sheet FUM



# Office portfolio



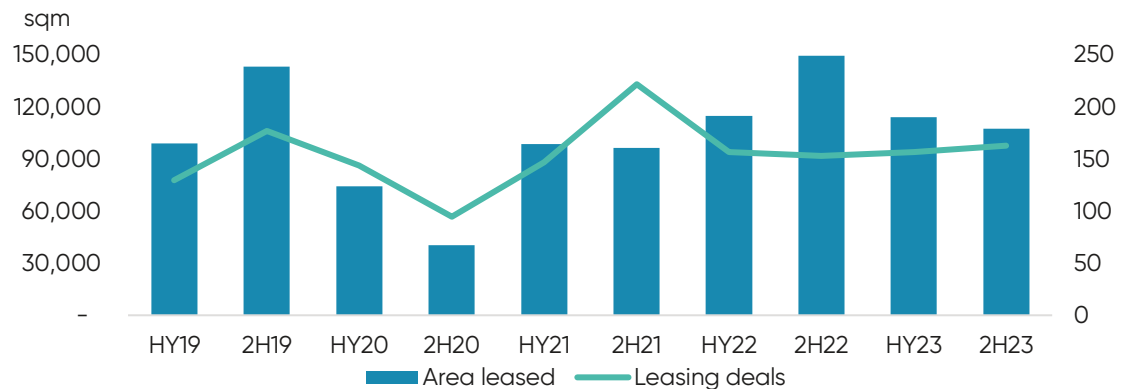
# Office portfolio performance

High quality portfolio with 95.9% occupancy and stable lease terms

<p><b>\$24.3 billion</b> Dexus group office portfolio</p> <p><b>1,578</b> Customers</p> <p><b>62 properties</b> Across key CBDs</p> <p><b>2.1 million</b> Square metres</p> <p><b>3.5-4.0%</b> Average fixed annual rental increases</p>	<p><b>\$12.3 billion</b> Dexus balance sheet office portfolio</p>	
	<p><b>Leased by area<sup>1,3</sup></b> <b>196,998sqm</b> FY22: 152,877sqm</p>	<p><b>Average incentives<sup>1,3</sup></b> <b>30.0%</b> FY22: 29.4%</p>
	<p><b>Occupancy<sup>3</sup></b> <b>95.9%</b> FY22: 95.6%</p>	<p><b>WALE<sup>3</sup></b> <b>4.8 years</b> FY22: 4.7 years</p>
	<p><b>Effective LFL income<sup>2,3</sup></b> <b>+5.6%</b> Face: +6.6%</p>	<p><b>Portfolio one-year total return<sup>3</sup></b> <b>(5.2)%</b> at 30 June 2023</p>

- › **Occupancy remains high at 95.9%** despite the challenging operating environment, above the market average of 87.2%<sup>4</sup>
- › **Effective LFL income growth<sup>2,3</sup> improved to +5.6%**, predominantly driven by improved income producing occupancy in Melbourne
- › **Incentives up marginally** and expected to stay elevated in the near term
- › **Weighted average lease term of 6.2 years** on leasing deals across the stabilised portfolio
- › Of the space renewed across the office portfolio in FY23, **33%** were **expansions**, **9%** were **contractions** and **58%** retained the **same space**
- › **57%** of new deals represented customers **upgrading** their space

Historical leasing (including development leasing)

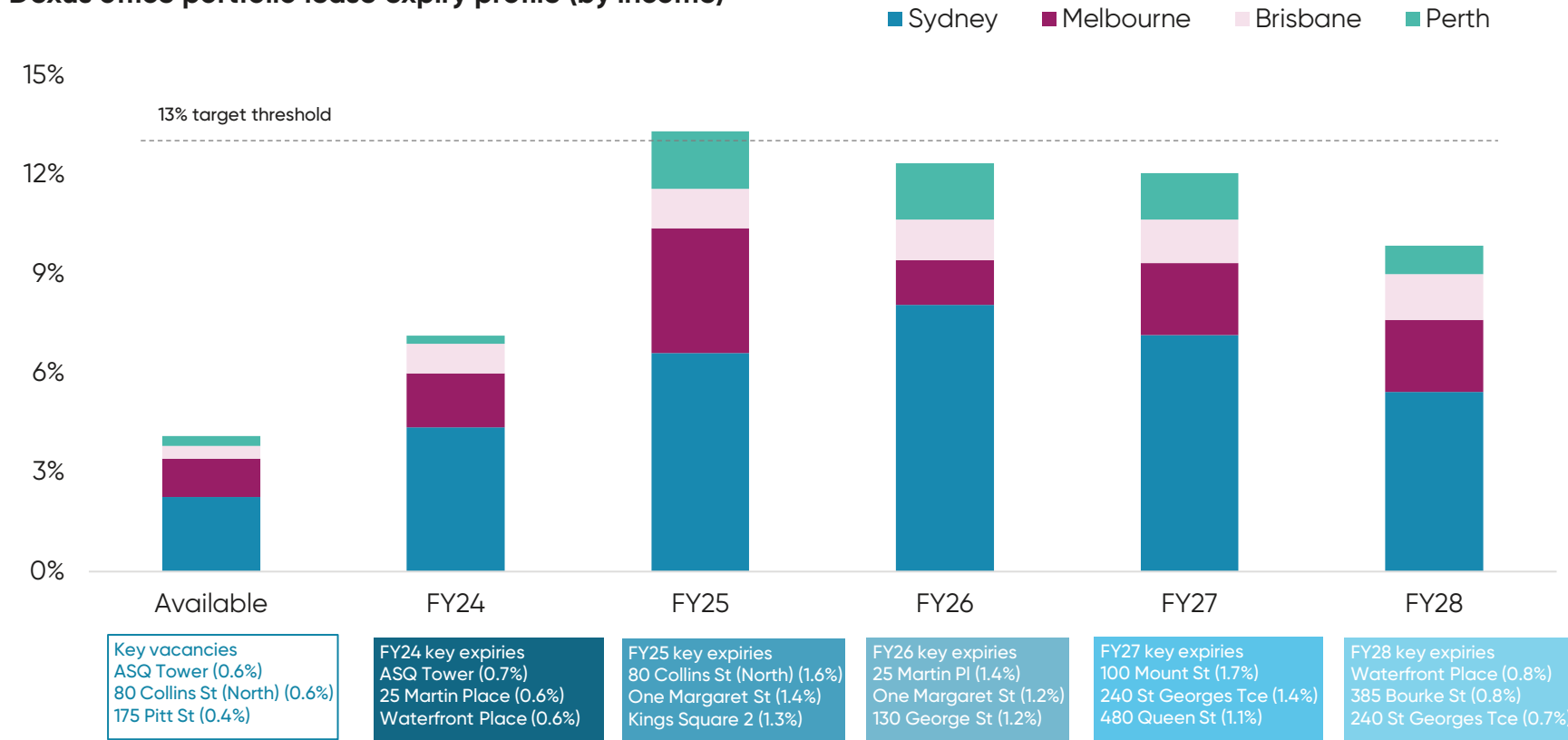


1. Excludes development leasing of 24,703sqm across 14 transactions.  
 2. Excludes rent relief and provision for expected credit losses. Including these impacts: Effective +8.3% and Face +8.9%.  
 3. Dexus balance sheet portfolio performance statistics exclude co-investments in pooled funds.  
 4. Australian CBD average by Property Council of Australia July 2023.

# Staggered expiry profile and diversified tenant base

Supporting resilient income streams

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



**Diversified tenant base with limited concentration risk**

Top customer – Commonwealth Government of Australia represents **3.2%** of property portfolio income

Top 10 customers represent **17.5%** of property portfolio income

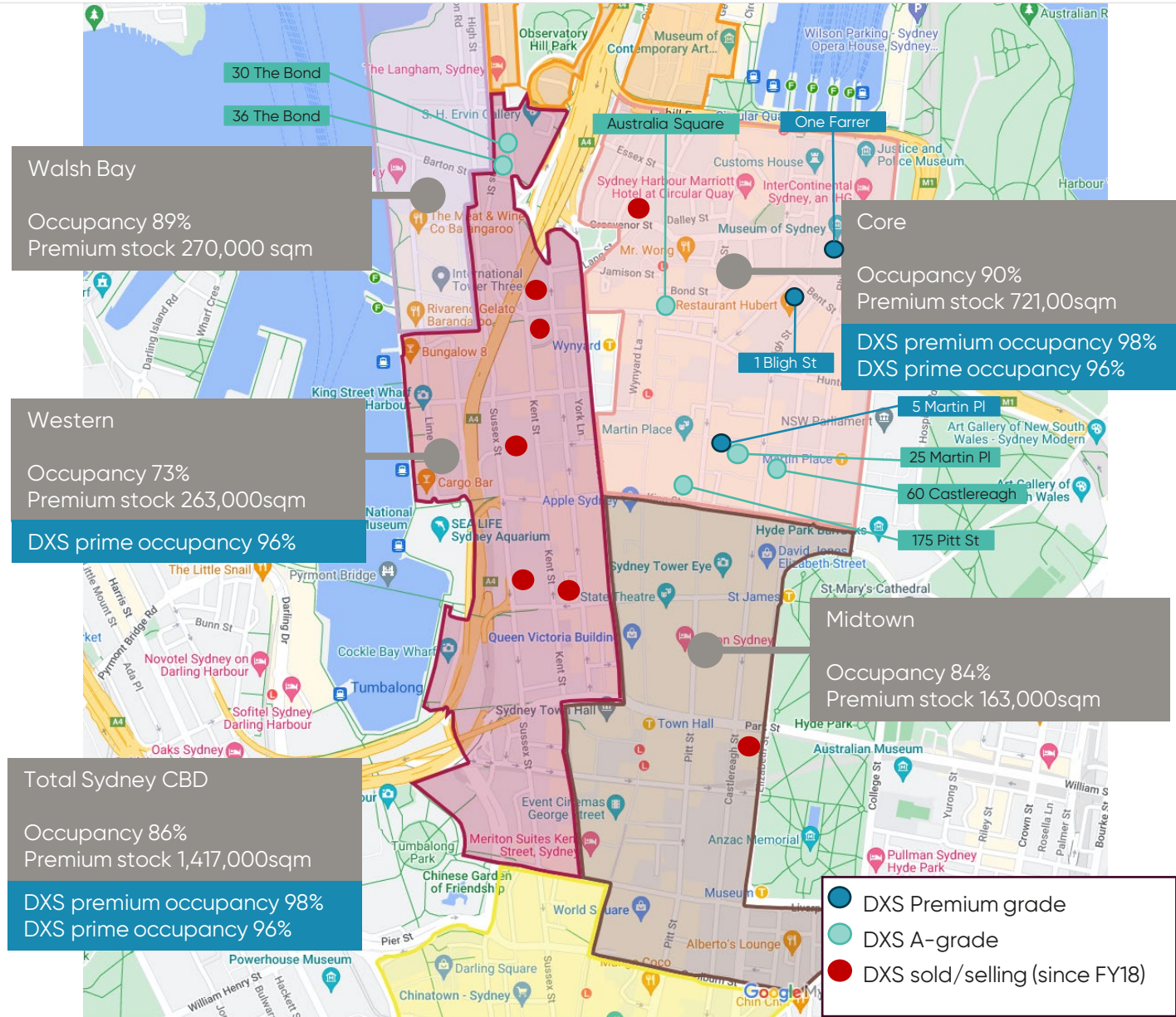
Top office customer industry groups  
 Financial services – **17.9%**  
 Legal services – **14.3%**  
 Rental, hiring & real estate – **11.7%** (of Office portfolio income)

<sup>1</sup> Dexus balance sheet portfolio performance statistics exclude co-investments in pooled funds.

# Sydney CBD occupancy

Premium occupancy higher in the core

- › The **market occupancy rate** of Premium space in the core of the Sydney CBD is **90%**, which is the highest of the four precincts
  - 58% of the Premium vacancy is concentrated in three complexes, all west of George Street
- › **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 86%)



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

# Industrial portfolio



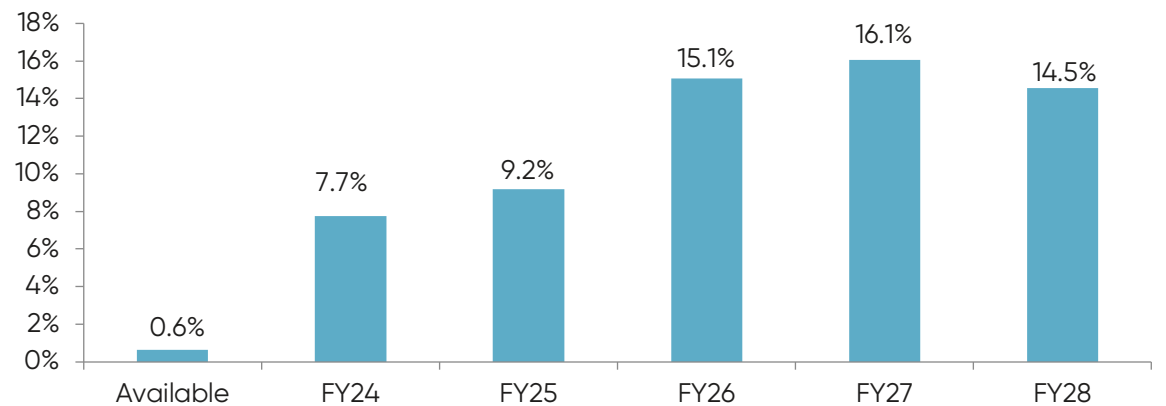
# Industrial portfolio performance

Strong fundamentals continue to underpin future rent growth

<p><b>\$12.1 billion</b> Dexus group industrial portfolio</p> <p><b>578</b> Customers</p> <p><b>220</b> Properties</p> <p><b>4.3 million</b> Square metres</p> <p><b>3.0-3.5%</b> Average fixed annual rental increases</p>	<p><b>\$4.1 billion</b> Dexus balance sheet industrial portfolio</p>	
	<p>Leased by area<sup>1,3</sup> <b>272,059sqm</b> across 71 transactions FY22: 373,301sqm</p>	<p>Occupancy<sup>3</sup> <b>99.4%</b> FY22: 98.1%</p>
	<p>Average incentives<sup>1,3</sup> <b>10.7%</b> FY22: 13.5%</p>	<p>WALE<sup>3</sup> <b>4.8 years</b> FY22: 4.7 years</p>
	<p>Effective LFL income<sup>2,3</sup> <b>+2.4%</b> Face: +2.9%</p>	<p>Portfolio one-year total return<sup>3</sup> <b>5.2%</b> at 30 June 2023</p>

- › **Portfolio occupancy increased to 99.4%** reflecting the continued leasing success and recent sale of Axxess Corporate Park
- › LFL growth was impacted by reversions and downtime at two of our larger facilities. **Effective LFL growth was +3.6%** excluding divestments such as Axxess Corporate Park
- › **Portfolio 13.6% under-rented**, benefiting from continued strong market rent growth which remains supported by ongoing structural tailwinds
- › Continued examples of releasing spreads above 50%
- › ~17% of portfolio set to access **rental reversion** upon expiry in FY24-FY25

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



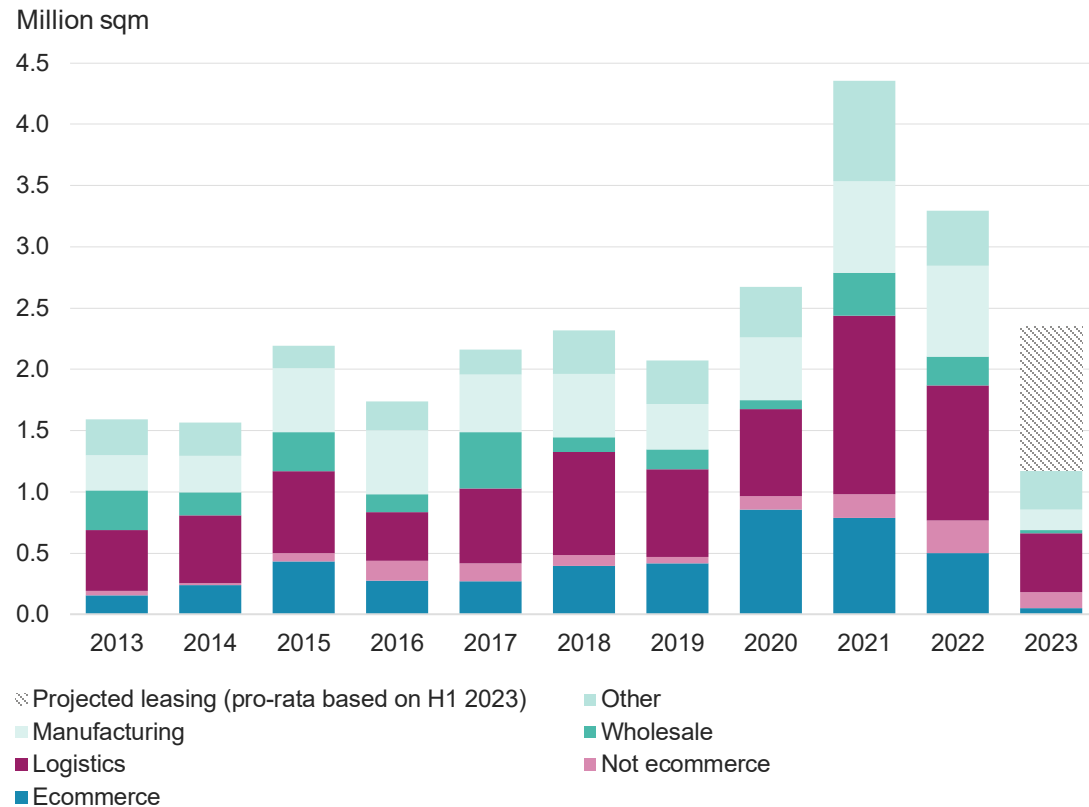
1. Excludes development leasing of 68,609sqm across 8 transactions.  
 2. Excludes rent relief and provision for expected credit losses. Including these impacts: Effective +4.0% and Face +4.3%.  
 3. Dexus balance sheet portfolio performance statistics exclude co-investments in pooled funds.



# Industrial take-up moderating, low vacancy to provide support

Demand driven by investment in last mile fulfilment, population growth and inventory build up

## National industrial take-up returns to pre-COVID levels

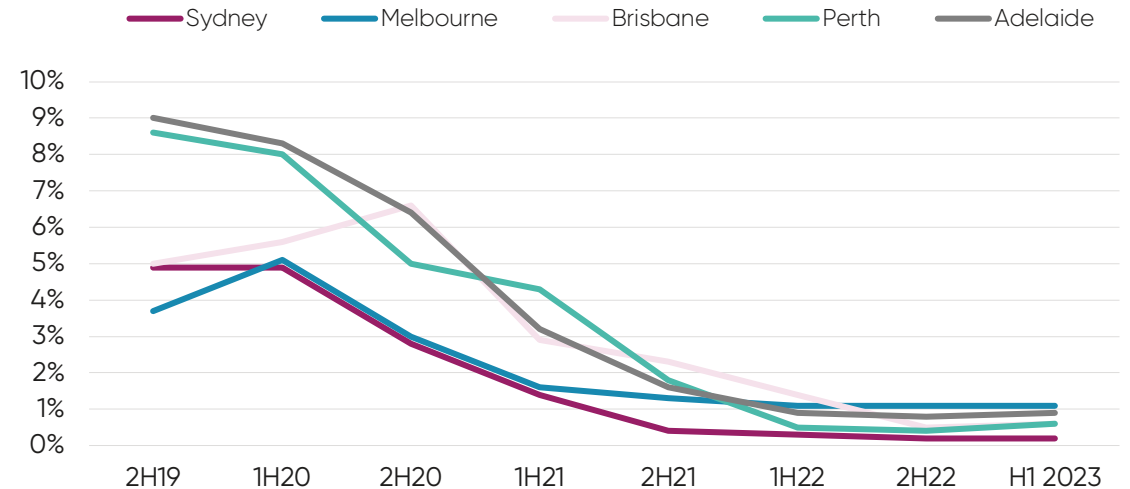


Source: ABS, JLL Research.

## Dexus leasing observations

- › Net face **rents in major markets increased** by between 12% and 32% in FY23
- › **Low market vacancy is providing support for rents** with vacancy less than 1% in major markets in the first half of C2023
- › Rent growth is expected to taper to more normal levels in the year ahead

## Vacancy rates hit record lows across all markets



# Transactions and Developments



# Active capital allocation approach

Continued focus on capital recycling into value creating opportunities

**\$5.4 billion**

Total group real asset transactions

**\$4.1 billion**

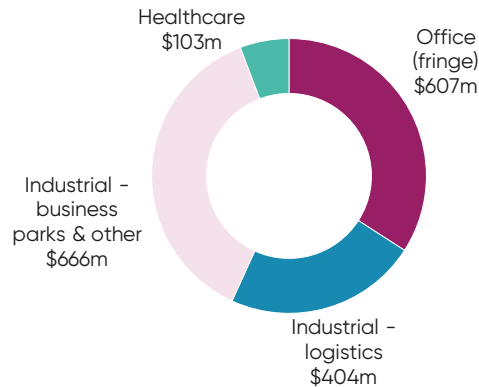
Group real asset divestments

**\$1.3 billion**

Group real asset acquisitions

## Balance sheet capital recycling

**\$1.8 billion**  
balance sheet divestments  
announced since FY22



**\$1.1 billion FY23 balance sheet spend** on development pipeline and co-investments

**\$0.6 billion spent**

### Development pipeline



- ✓ Deliver high-quality irreplaceable assets across Australian gateway cities
- ✓ Profitable long-term returns
- ✓ Provide organic growth for balance sheet and funds

### High-conviction sectors



- ✓ Increase exposure to high conviction sectors with tail winds
- ✓ Increase diversification across the platform through alternate sectors

**\$0.5 billion invested<sup>1</sup>**

### Co-investments



- ✓ Support and accelerate funds growth
- ✓ Provide diversification and stable returns
- ✓ \$0.5 billion co-investments in AMP platform funds at an average yield of circa 5%

1. Additional \$0.2 billion of co-investments undertaken in July 2023.

# Developments – creating next generation assets

Further enhances portfolio quality and provides organic FUM growth

- › Development **aligns with strategic objectives** of **resilient portfolio income streams** and **investment manager of choice**, supporting product creation for our funds and tenants
- › Importance of city-shaping developments
  - Creating **next generation assets in first class locations** not available on-market
  - **Enhancing portfolio quality** (Premium weighting to increase to 60%<sup>1</sup>) and balance sheet returns
  - **Attractive to capital partners**, generating high-quality organic growth opportunity for the funds business
- › Committed balance sheet pipeline is **significantly de-risked**
  - Circa 80% of space pre-committed
  - Fixed price contracts across Atlassian and Waterfront Brisbane stage 1
- › Industrial development pre-leasing slowed to **capture more market upside** (circa 68,000 pre-leased in FY23)
- › **Creating scale in attractive sectors** – industrial developments contributed to circa 40% of current balance sheet industrial FUM

Key committed projects	Sector	Project cost est. <sup>2</sup>	Yield on cost <sup>3</sup>	Est. cost to completion	% Leased	Completion
123 Albert Street, Brisbane QLD	Office	\$0.60bn	c. 5%	\$0.15bn	78%	Early 2024
Atlassian Central, Sydney NSW <sup>4</sup>	Office	\$1.45bn	4-5%	\$1.23bn	100%	Late 2026
Stage 1 Waterfront Brisbane QLD	Office	\$0.83bn	5-6%	\$0.74bn	52%	Early 2028
Jandakot Airport, Perth WA (committed stage)	Industrial	\$0.07bn	5-6%	\$0.03bn	41%	Late 2024
Palm Springs Road, Ravenhall VIC (committed stage)	Industrial	\$0.04bn	6-7%	\$0.02bn	68%	Early 2024
884-928 Mamre Road, Kemps Creek NSW	Industrial	\$0.07bn	n/a	\$0.07bn	-	Late 2024



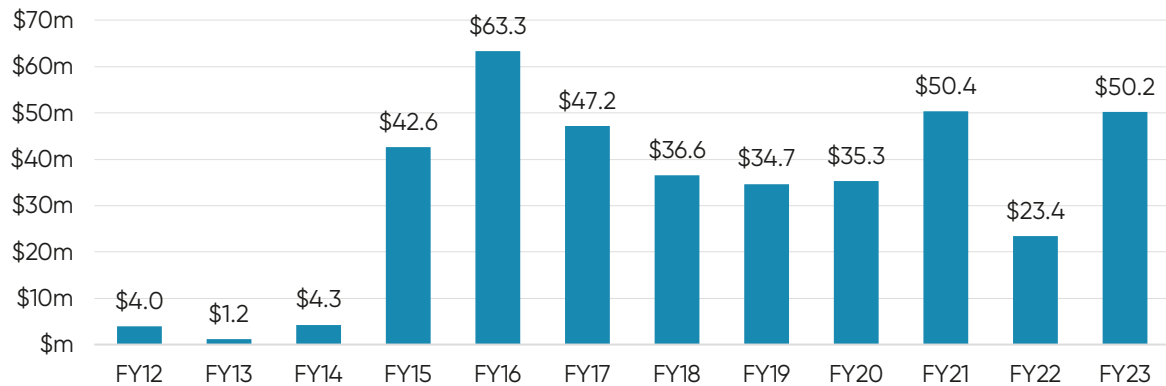
1. Pro forma post the completion of Atlassian and Waterfront stage 1.  
 2. Dexus share in development cost (including land, funding cost and excludes downtime and income earned through development).  
 3. Target yield on cost calculation includes cost of land, funding cost, downtime and income earned through development in the denominator. "n/a" applies to developments acquired via a fund-through arrangement.  
 4. Represents funding obligation for 100% of the project cost (excluding land).

# Trading profits

Strong year in FY23, with lower contribution expected in FY24

- › **FY23 was a strong year for trading profits (post tax)**, with \$50.2 million<sup>1</sup> realised across two trading projects
- › Trading profits expected to be **lower in FY24** (circa \$10 million post tax), as we chose not to re-stock the trading pipeline while the market was nearing its peak
  - Circa \$14 million of pre-tax trading profits already secured across two projects
- › **Trading profit realisation is variable.** Since FY12, the business has generated annual trading profits (post tax) averaging circa \$33 million per annum

Historic trading profits (post tax)



1. Post tax trading profits including contribution from 12 Frederick Street, St Leonard and the Australian Bragg Centre.  
 2. Pre tax.

**Trading profit track record since FY12<sup>2</sup>**

**Demonstrating our capability in timing investments and extracting value through the cycle**

**\$546 million**  
total trading profits

**30%**  
average IRR

# 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

**\$17.4bn**  
capital invested directly

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

### Funds management

**\$43.6bn**  
third party real estate and infrastructure FUM

Diverse platform across sectors and capital sources  
Relationships with major global real asset investors  
Grown FUM by an average of 22% p.a. over the past 10 years

### Development

**\$17.4bn<sup>1</sup>**  
group real estate development pipeline

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

## Business model positioned to benefit from long-term megatrends

1. Excludes infrastructure.

# Summary

Leading real asset manager with a robust balance sheet

- › Dexus has **demonstrated strategic execution:**
  - Maintained a strong balance sheet through asset recycling
  - Property portfolio which continues to benefit from flight to quality
  - Continued to grow and expand the Funds platform
- › We are **half-way through a challenging two-year period** as capital flows and market sentiment continue to be impacted by inflation, rising interest rates and geopolitical risks
- › Barring unforeseen circumstances, for the 12 months ended 30 June 2024<sup>1</sup>:
  - Dexus expects **distributions of circa 48.0 cents per security**, below the 51.6 cents per security delivered in FY23 predominantly driven by lower trading profits
  - **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).



Artist impression: Atlassian Central and Central Place Sydney NSW



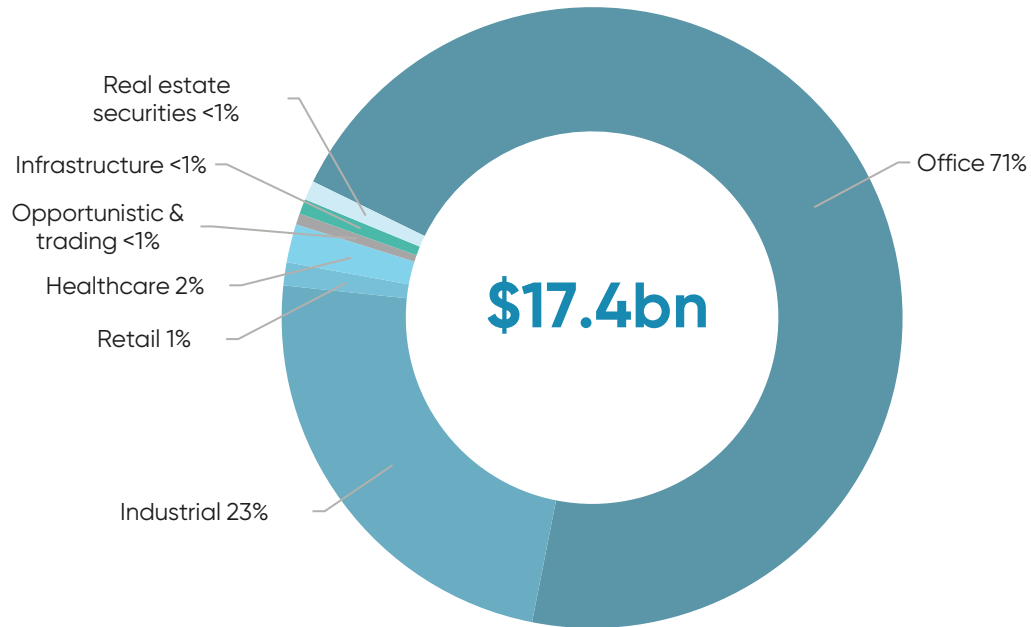
# Appendices



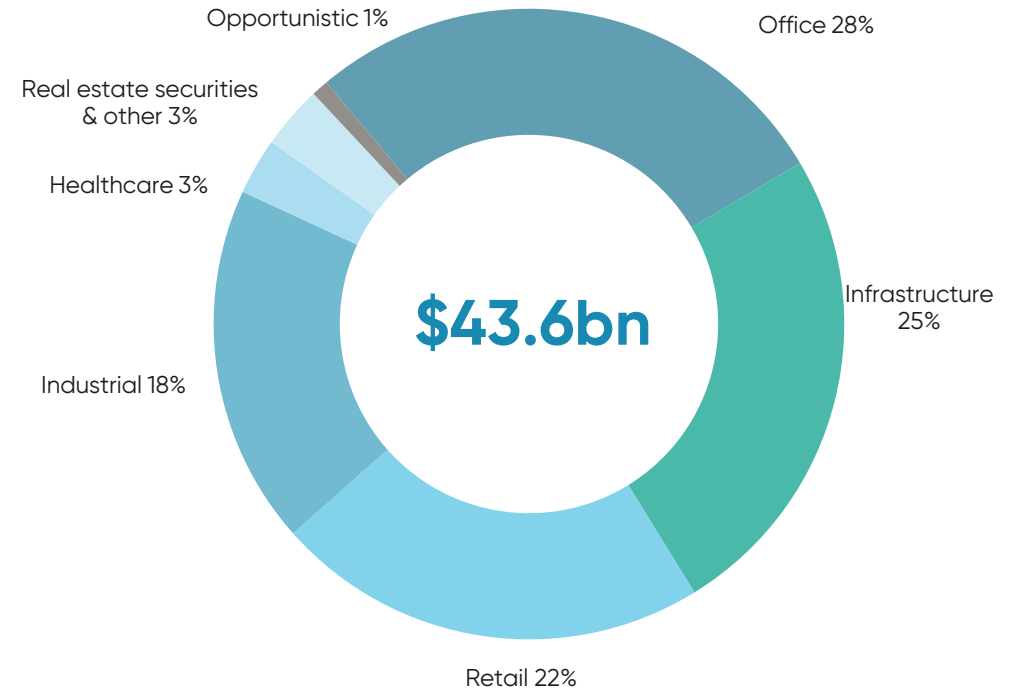
# Dexus today

\$61.0 billion – total funds under management<sup>1</sup>

Dexus portfolio



Funds management portfolio



1. Includes co-investments in pooled funds.

# Financial results

## Reconciliation to statutory profit

Reference	Item	30 June 2023 \$m	30 June 2022 \$m
Statutory AIFRS net profit / (loss) after tax		(752.7)	1,615.9
Investment property and inventory	(Gains)/losses from sales of investment property	0.6	2.0
	Fair value (gain)/loss on investment properties	1,175.1	(926.0)
Financial instruments	Fair value (gain)/loss on the mark-to-market of derivatives	67.6	37.8
Incentive amortisation and rent straight-lining	Incentive amortisation and rent straight-lining	(153.6)	(152.6)
Tax	Non-FFO tax expense	(42.7)	(20.3)
Co-investments	Share of net (profit)/loss of investments accounted for using the equity method	2.0	(60.7)
	Distributions from financial assets at fair value through profit or loss	(8.1)	(7.6)
	Distributions from co-investments	35.9	29.1
Amortisation and impairment	Amortisation and impairment of intangible assets	62.2	4.3
Other unrealised or one-off items <sup>1</sup>	Other unrealised or one-off items	45.0	(69.5)
<b>Funds From Operations (FFO)</b>		<b>738.5</b>	<b>757.6</b>
Maintenance and leasing capex	Maintenance capital expenditure	(48.5)	(72.4)
	Cash incentives and leasing costs paid	(52.9)	(37.0)
	Rent free incentives	(82.1)	(76.0)
<b>Adjusted Funds From Operations (AFFO)</b>		<b>555.0</b>	<b>572.2</b>
Distribution		555.0	572.2
AFFO Payout ratio		100.0%	100.0%

1. FY23 other unrealised or one-off items includes \$96.2m transaction costs and one-off significant items (including costs associated with the AMP Capital platform acquisition and integration and other successful transaction and one-off significant items), \$22.0m of other amortisation mainly relating to debt modifications, partially offset by \$75.6m of unrealised fair value gains on interest bearing liabilities. The remaining net \$2.4m expense relates to exchangeable notes and other items.

# Financial results

## Management operations profit

FY23 (\$m)	Funds Management	Property Management	Development Management	Management Operations
Revenue	150.9	90.8	35.0	276.7
Operating expenses	(57.3)	(80.7)	(26.1)	(164.1)
FY23 net profit	93.6	10.1	8.9	112.6
FY23 margin	62%	11%	25%	41%
FY22 margin	63%	11%	(11)%	38%



175 Pitt Street, Sydney NSW

# Financial results

## Cash flow reconciliation

	30 June 2023 \$m	30 June 2022 \$m
Cash flow from operating activities	770.9	560.1
add back: payment for inventory acquisition and capex	10.9	14.8
less: cost of sale of inventory	(61.0)	(138.6)
less: tax on trading profits not yet paid	(21.5)	(10.0)
add back: capitalised interest	23.7	8.3
less/add back: adjustments for equity accounted distributions	(55.1)	80.5
less/add back: other working capital movements	(80.5)	126.0
add back: transaction costs <sup>1</sup>	89.2	63.8
<b>Adjusted cash flow from operating activities</b>	<b>676.6</b>	<b>704.9</b>
Add back: Rent free income	82.1	76.0
Less: Depreciation and amortisation (including deferred borrowing costs)	(20.2)	(23.3)
<b>FFO</b>	<b>738.5</b>	<b>757.6</b>
Less: payments from maintenance capex and incentives <sup>2</sup>	(183.5)	(185.4)
<b>AFFO</b>	<b>555.0</b>	<b>572.2</b>
Less: gross distribution	(555.0)	(572.2)
<b>Cash surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

1. Includes costs associated with the acquisition and integration of the AMP Capital platform and other successful transactions.

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

# Financial results

## Interest reconciliation

	30 June 2023 \$m	30 June 2022 \$m
Total statutory finance costs	174.1	141.8
Less: Debt modification and amortisation of exchangeable notes	(23.1)	(5.7)
Add: Finance costs attributable to investments accounted for using the equity method <sup>1</sup>	8.0	1.5
Less: AASB 16 interest expense	(0.8)	(0.9)
<b>Gross finance costs for FFO<sup>2</sup></b>	<b>158.2</b>	<b>136.8</b>
Add: Interest capitalised	35.1	20.0
<b>Gross finance costs for cost of debt purpose</b>	<b>193.3</b>	<b>156.8</b>

1. Includes finance costs associated with properties held in investments accounted for using the equity method.
2. Excludes interest income of \$20.9m (FY22: \$18.4m) primarily comprised of interest income from Capital Square, Atlassian and general interest income.



100 Mount Street, North Sydney NSW

# Financial results

## Change in net tangible assets and revaluations

	\$m	\$ps		Investment portfolio	Valuation change \$m	Weighted average cap rate
<b>Opening net tangible assets<sup>1</sup> (1 July 22)</b>	<b>13,206.6</b>	<b>12.28</b>	➔	Dexus office portfolio	(1,177.8)	5.21%
Revaluation of real estate	(1,183.9)	(1.10)		Dexus industrial portfolio	(6.6)	4.76%
Retained earnings <sup>2</sup>	183.5	0.17		<b>Total Dexus portfolio</b>	<b>(1,183.9)<sup>6</sup></b>	<b>5.11%</b>
Amortisation of tenant incentives <sup>3</sup>	(153.6)	(0.14)				
Transaction costs and intangibles <sup>4</sup>	(278.2)	(0.26)				
Fair value and other movements <sup>5</sup>	(68.3)	(0.07)				
<b>Closing net tangible assets<sup>1</sup> (30 June 23)</b>	<b>11,706.1</b>	<b>10.88</b>				

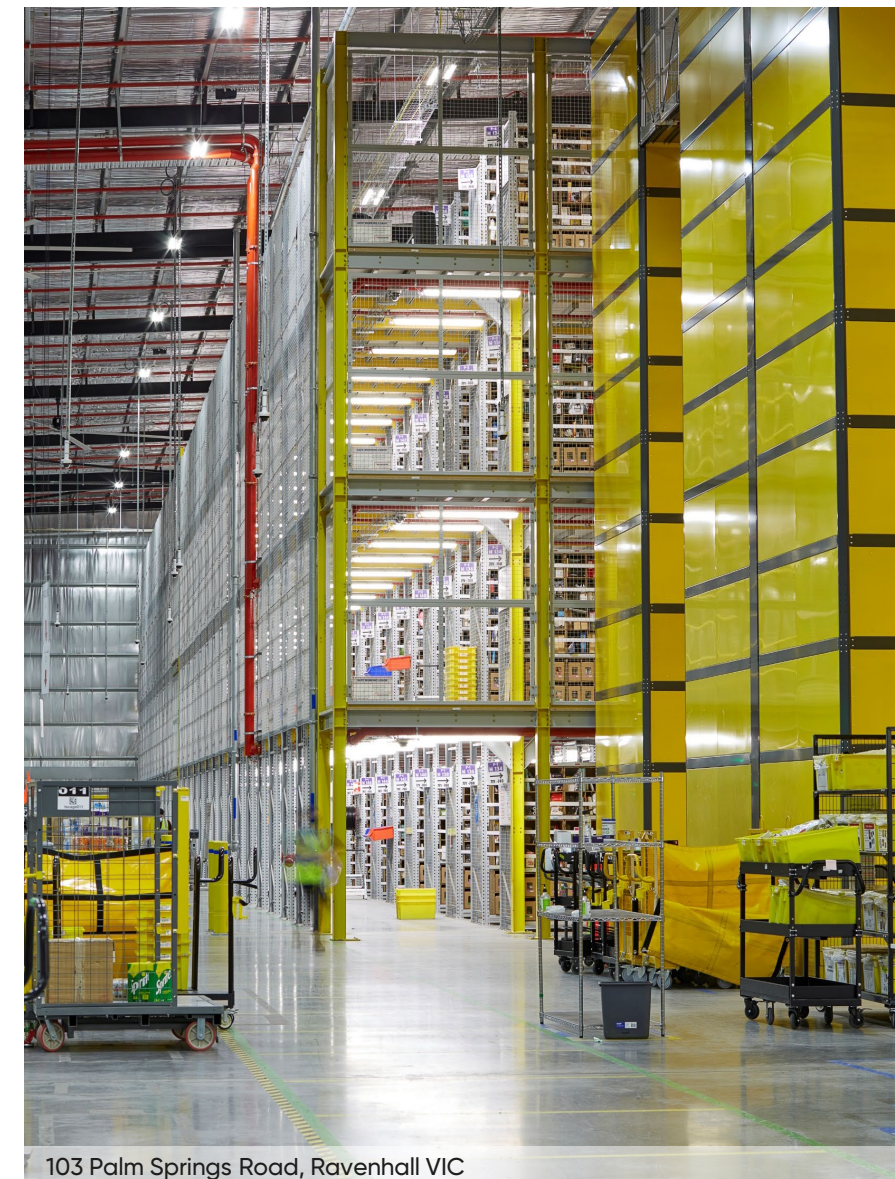
1. Net tangible assets exclude \$168.4m (FY22: \$117.4m) deferred tax liability relating to management rights.
2. Represents FY23 FFO less distributions.
3. Includes rent straight-lining.
4. Relates to the acquired intangible assets and transactions costs associated with the AMP Capital acquisition.
5. Includes fair value movements of derivatives and interest-bearing liabilities, deferred tax and movement in reserves and other.
6. Valuation movement excludes co-investments in pooled funds. Includes other property revaluation gain of \$0.5m and excludes leased assets and right of use assets revaluation loss of \$0.1m.

# Financial results

## Direct property portfolio book value movements

	Office <sup>1</sup> \$m	Industrial <sup>1</sup> \$m	Healthcare and other <sup>1</sup> \$m	Dexus total <sup>1</sup> \$m	Trading assets <sup>2</sup> (inventory) \$m
<b>Opening direct property</b>	<b>13,294.7</b>	<b>3,955.8</b>	<b>136.5</b>	<b>17,387.0</b>	<b>54.4</b>
Lease incentives <sup>3</sup>	121.6	15.0	0.1	136.7	0.3
Maintenance capex	45.4	2.4	-	47.8	-
Acquisitions/transfers	44.5	184.2	-	228.7	25.7
Developments <sup>4</sup>	187.6	195.3	21.0	403.9	10.8
Disposals <sup>5</sup>	(460.4)	(643.3)	(136.2)	(1,239.9)	(60.4)
Revaluations	(1,150.6)	(6.6)	0.5	(1,156.7)	-
Amortisation	(144.9)	(18.6)	-	(163.5)	(0.3)
Rent straight lining	7.1	2.2	0.6	9.9	0.1
<b>Closing balance at the end of the period</b>	<b>11,945.0</b>	<b>3,686.4</b>	<b>22.5</b>	<b>15,653.9</b>	<b>30.6</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 Dexus total and sub-sector amounts.
3. Includes rent free incentives.
4. Includes capitalised interest.
5. At book value and includes internal transfers to and from investment property.



103 Palm Springs Road, Ravenhall VIC



# Financial results

## Co-investments in pooled funds

	Ownership stake (%)	Dexus co-investment value (\$m) <sup>1</sup>	Dexus FY23 co-investment income (\$m)	Passing distribution yield (%) <sup>2</sup>	Number of properties	Total assets (\$m)	Occupancy (%)	WALE (years)	WACR (%)	Fund look-through gearing (%)
<b>Healthcare</b>										
DHPF	16.4%	\$241.3	\$8.1	3.5%	11	\$1,594	99.4%	18.2	4.6%	20.5%
AUHPT <sup>3</sup>	7.0%	\$189.5	\$7.3	3.9% <sup>4</sup>	104	\$3,975	98.1%	16.3	4.7%	26.0%
<b>Industrial</b>										
DXI	17.5%	\$193.0	\$9.1	4.7% <sup>5</sup>	94	\$1,562	97.5%	6.3	5.4%	27.3% <sup>6</sup>
<b>Other real asset classes</b>										
DREP1	21.3%	\$35.3	\$0.5	n/a	7	\$231	n/a	n/a	n/a	45-55% <sup>7</sup>
DXC	9.0%	\$46.5	\$2.7	5.9% <sup>5</sup>	105	\$803	99.4%	9.7	6.1%	31.8% <sup>6</sup>
<b>Diversified real estate</b>										
DWAPF	18.9%	\$319.8	\$5.2	5.6%	28	\$2,425	95.3%	4.2	5.6%	28.5%
<b>Infrastructure</b>										
CommIF	5.1%	\$73.1	\$1.0	8.0%	18	\$1,553	n/a	n/a	n/a	77.5%
<b>Securities and other<sup>8</sup></b>										
	n/a	\$131.0	\$2.1	n/a	n/a	n/a	n/a	n/a	n/a	
<b>Total</b>		<b>\$1,229.5</b>	<b>\$35.9</b>							

1. Represents the equity accounted investment value or financial asset at fair value through profit or loss recognised on Dexus balance sheet.

2. With reference to the last announced distribution annualised (except for DHPF which refers to FY23 distributions over the weighted average unit price), and the closing unit price at 30 June 2023.

3. As reported by Australian Unity Healthcare Property Trust at 30 June 2023.

4. Returns stated are for the 12-month period to 30 June 2023 for AUHPT's Wholesale Units.

5. Passing yield based on the equity accounted book value of Dexus's co-investment as at 30 June 2023. Passing yield based on market value was 6.4% for DXI and 8.7% for DXC based on closing security prices as at 30 June 2023.

6. Pro forma gearing as reported by DXI and DXC.

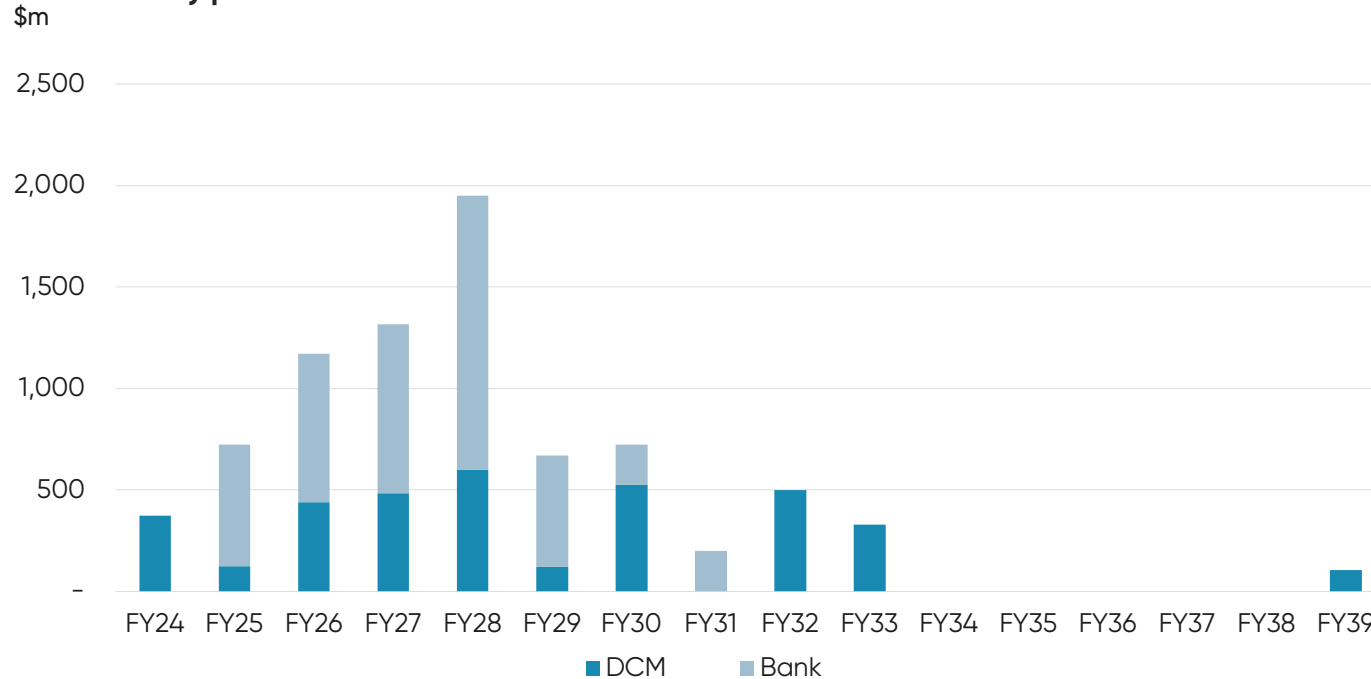
7. Target gearing range for Fund.

8. Includes investments in APN Asian REIT Fund, APN Global REIT Income Fund, Dexus Development Fund No. 2, Dexus Regional Property Fund, Dexus Core Property Fund, Dexus Core Infrastructure Fund, RealTech Ventures and Divvy Parking Pty Limited.

# Capital management

## FY23 position

### Debt maturity profile<sup>1</sup>



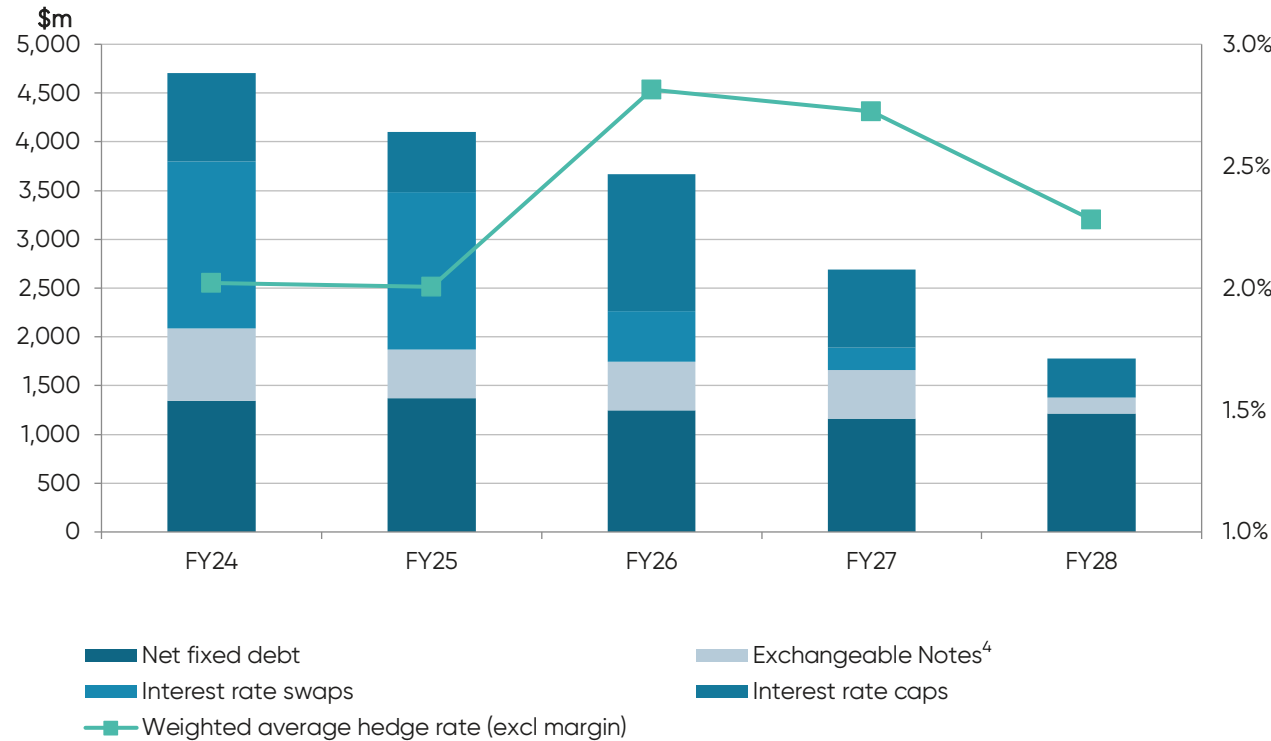
Key metrics	30 June 2023	30 June 2022
Total debt <sup>2</sup>	\$5,310m	\$4,882m
Headroom (approximately) <sup>3</sup>	\$2.5bn	\$1.9bn
Pro forma gearing (look-through) <sup>4</sup>	27.9% <sup>5</sup>	26.9%
Covenant gearing (covenant <sup>6</sup> <55%)	29.4%	25.5%
Interest cover (covenant <sup>6</sup> >2.0x)	4.4x	6.0x
Priority debt (covenant <sup>6</sup> <30%)	0.0%	0.2%

1. Includes \$325m Exchangeable Notes based on investor put date in FY24.  
 2. Total debt does not include debt in equity accounted investments or Dexus's share of co-investments in pooled funds.  
 3. Undrawn facilities plus cash.  
 4. Adjusted for cash and debt in equity accounted investments, excluding Dexus's share of co-investments in pooled funds.  
 5. Includes proceeds and payments for transactions post 30 June 2023 that have settled before 16 August 2023. Excluding these impacts, look-through gearing is 30.3% at 30 June 2023. Look-through gearing including Dexus's share of co-investments in pooled funds is 31.7% at 30 June 2023.  
 6. As per public bond covenants.

# Capital management

## Interest rate hedging profile

### Hedge profile



1. Average amount hedged for the year (including caps).
2. Including fixed rate debt (without credit margin).
3. Weighted average for the year, inclusive of fees and margins on a drawn basis.
4. Based on investor put date in FY24.

Hedging profile	30 June 2023	30 June 2022
Average amount of debt hedged <sup>1</sup>	86%	65%
Average amount of debt hedged excluding caps	69%	58%
Weighted average interest rate on hedged debt <sup>2</sup>	1.9%	1.5%
Cost of debt <sup>3</sup>	3.7%	2.7%
Weighted average maturity of hedges	4.8 years	5.9 years

# Capital management

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

	Facility limit A\$m	Drawn A\$m	Maturity	Currency
<b>Bilateral bank debt</b>	600	150	FY25	A\$
	450	13	FY26	A\$
	750	-	FY27	A\$
	1,350	425	FY28	A\$
	550	550	FY29	A\$
	200	200	FY30	A\$
	200	200	FY31	A\$
<b>Commercial paper<sup>2</sup></b>	100	78	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	291	291	Jul-23 - 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 <sup>4</sup>	325	325	Mar-24	A\$
Series 2	500	500	Nov-27	A\$

	Facility limit A\$m	Drawn A\$m
<b>Sub total</b>	<b>7,700</b>	<b>5,116</b>
Currency translation and fair value adjustments	288	280
Deferred borrowing costs and debt modifications	(23)	(23)
Exchangeable notes adjustments	(63)	(63)
<b>Total interest bearing liabilities</b>	<b>7,894</b>	<b>5,310</b>
Bank guarantee utilised		(175)
Cash		124
<b>Headroom including cash</b>		<b>2,533</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 development pipeline

**\$8.8 billion**  
**Funds management real estate development pipeline**

**\$3.0 billion**  
 Committed projects

**\$5.2 billion**  
 Uncommitted projects

**\$0.6 billion**  
 Concept projects

**Project cost on uncommitted projects in funds management business**

Uncommitted projects	FY24	FY25	FY26+
Office - 5 properties		\$3.5bn	
Industrial - 7 properties		\$1.2bn	
Retail - 4 properties		\$0.4bn	
Healthcare - 1 property		\$0.1bn	

**Project cost on uncommitted funds management projects**

# Property portfolio

## Office and industrial key metrics



Key metrics	Office	Industrial
Amount of space leased <sup>1</sup>	196,998sqm <sup>2</sup>	272,059qm <sup>3</sup>
No. of leasing transactions	306 <sup>2</sup>	71 <sup>3</sup>
Occupancy by income	95.9%	99.4%
Occupancy by area	95.3%	99.7%
Average incentives	30.0% <sup>4</sup>	10.7% <sup>5</sup>
No. of effective deals	80	21
Weighted average lease expiry <sup>6</sup> (WALE)	4.8 years	4.8 years
Like-for-like income growth	Face +6.6% <sup>7</sup>	Face +2.9% <sup>8</sup>
	Effective +5.6% <sup>7</sup>	Effective +2.4% <sup>8</sup>

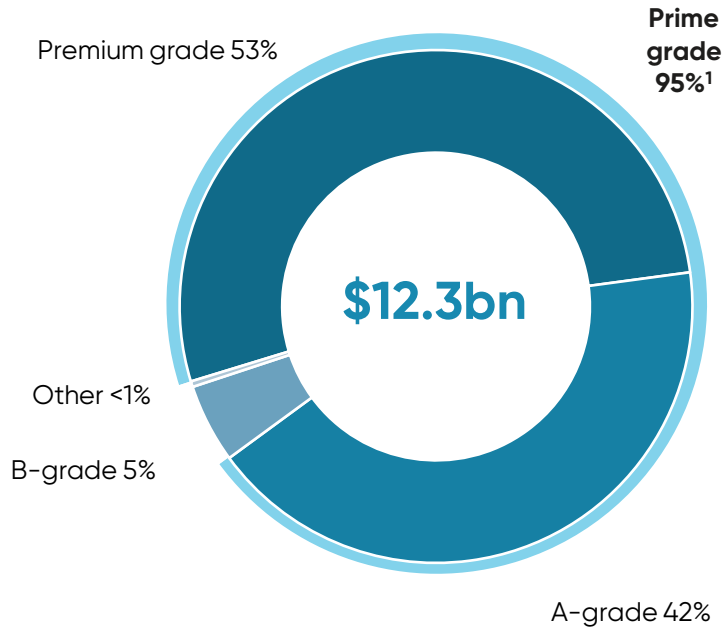
1. Including Heads of Agreement.  
 2. Excluding development leasing of 24,703sqm across 14 transactions.  
 3. Excluding development leasing of 68,609sqm across 8 transactions.  
 4. Gross basis excluding development leasing.  
 5. Net basis excluding development leasing.  
 6. By income.

7. Excluding rent relief and provision for expected credit losses. Including these impacts: Effective +8.3% and Face +8.9%.  
 8. Excluding rent relief and provision for expected credit losses. Including these impacts: Effective +4.0% and Face +4.3%.

# Property portfolio

## Office portfolio diversification

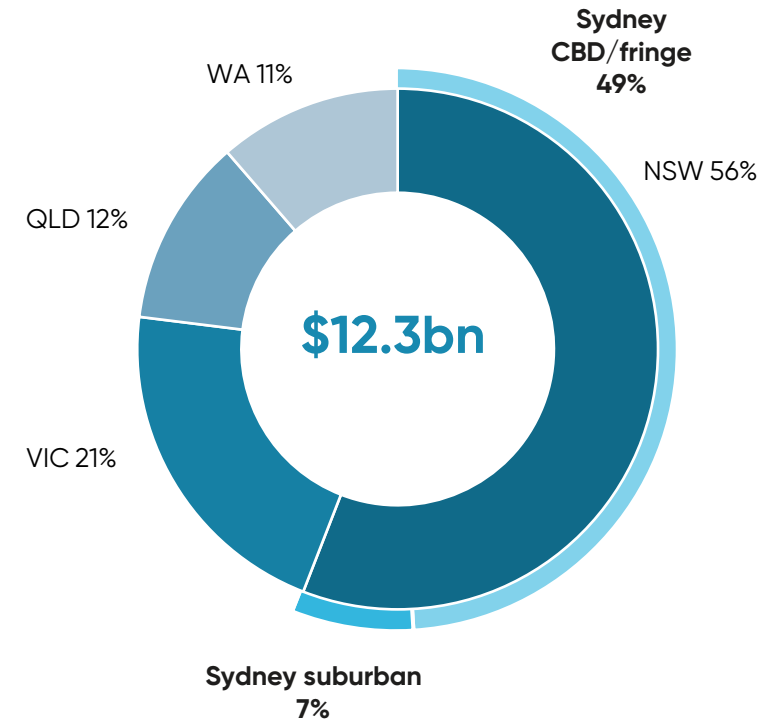
### Office by asset type



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

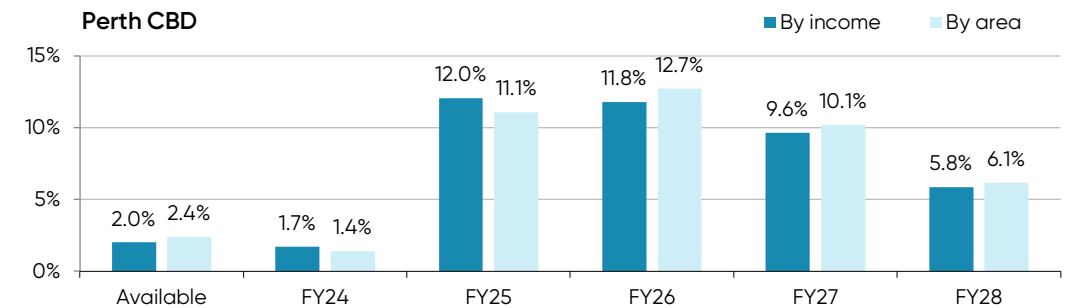
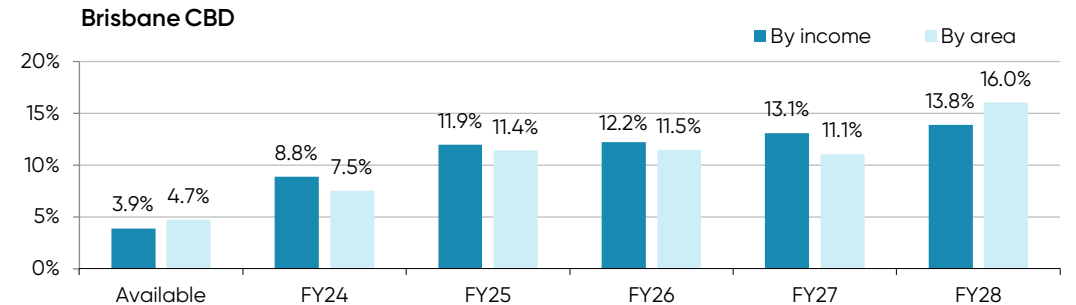
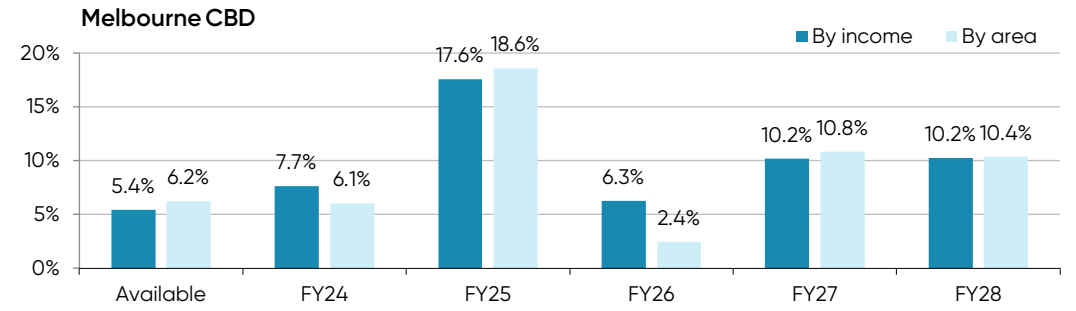
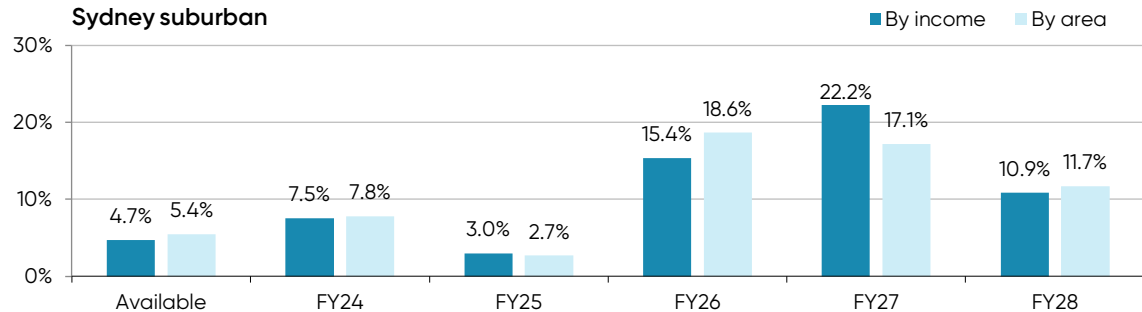
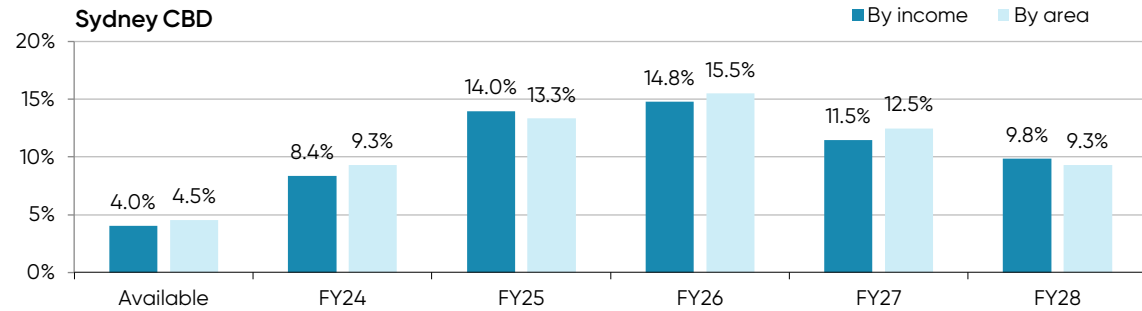


### Office by location



# 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	5,406	5.06%	4.79%
Sydney suburban	819	5.53%	5.66%
Melbourne CBD	2,423	5.17%	4.08%
Brisbane CBD	885	5.56%	6.23%
Perth CBD	1,307	5.83%	6.10%

1. % relates to each region's 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

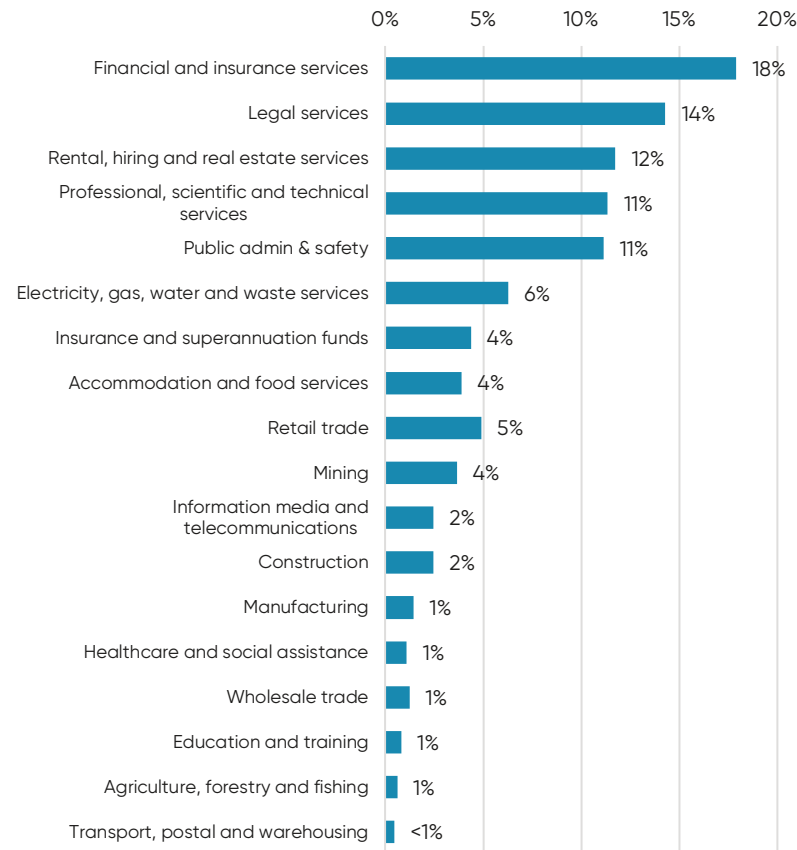
Office top 10 customers represent 17.5% of total property portfolio income

## Office top 10 customers

Office customers <sup>1</sup>	Credit rating <sup>2</sup>	% of total property portfolio income <sup>3</sup>
Commonwealth of Australia	AAA	3.2%
Woodside Energy Limited	BBB+	3.1%
State of Victoria	AA	1.8%
Wilson Parking	Not rated	1.6%
King & Wood Mallesons	Not rated	1.6%
Minter Ellison Services Pty Ltd	Not rated	1.4%
Worley Services Pty Limited	BBB	1.2%
BHP	A-	1.2%
Boeing Defence Australia Limited	BBB-	1.1%
Macquarie Group Services Australia Pty Ltd	BBB+	1.1%

1. Includes executed heads of agreement at 30 June 2023.  
 2. Highest equivalent 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)

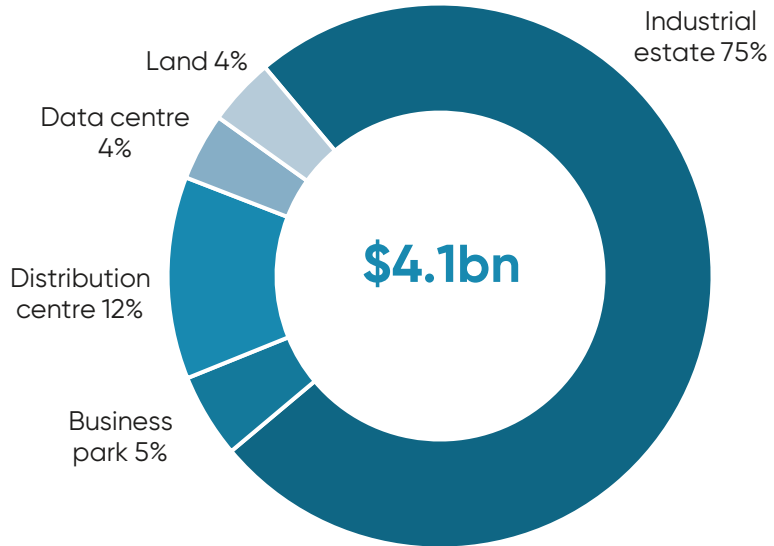


1 Farrer Place, Sydney NSW

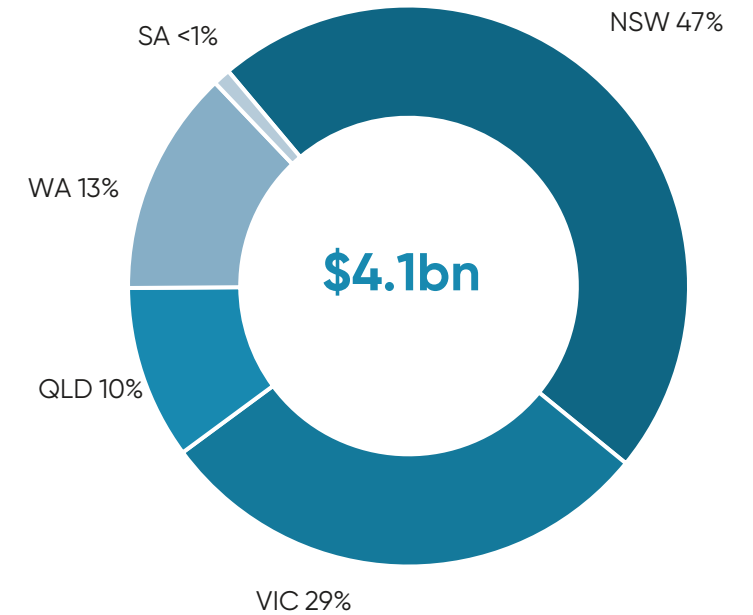
# Property portfolio

Industrial portfolio diversification

### Industrial by asset type

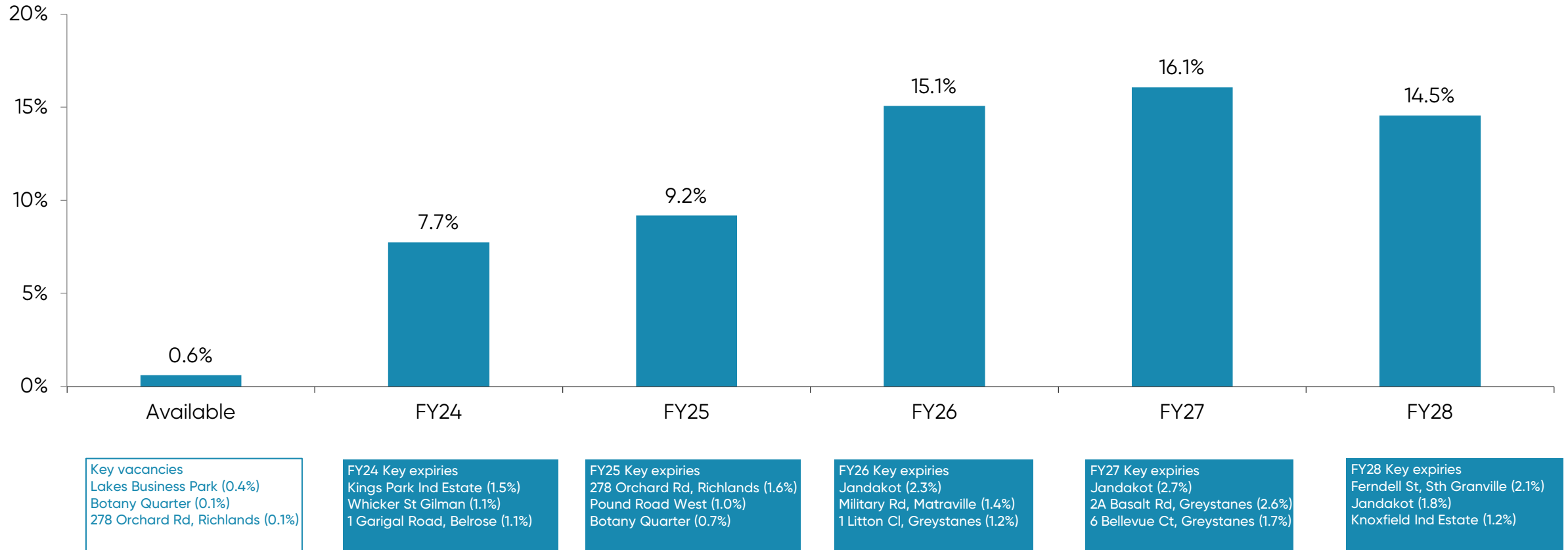


### Industrial by location



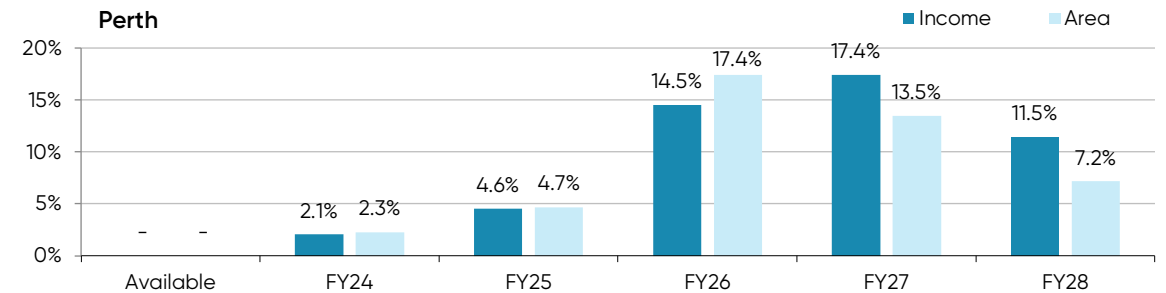
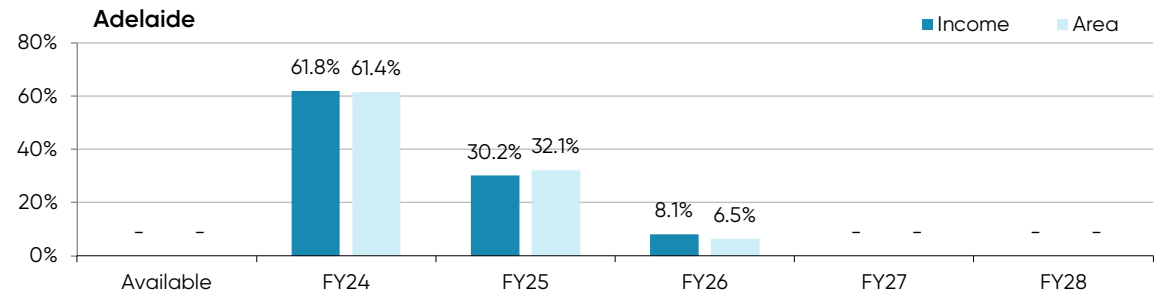
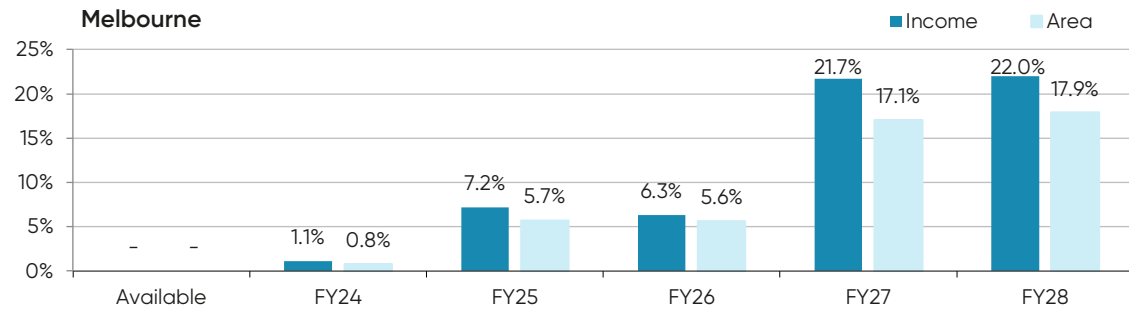
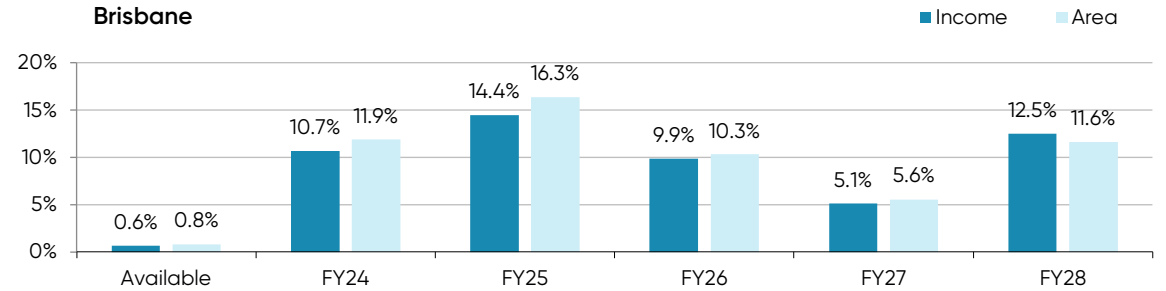
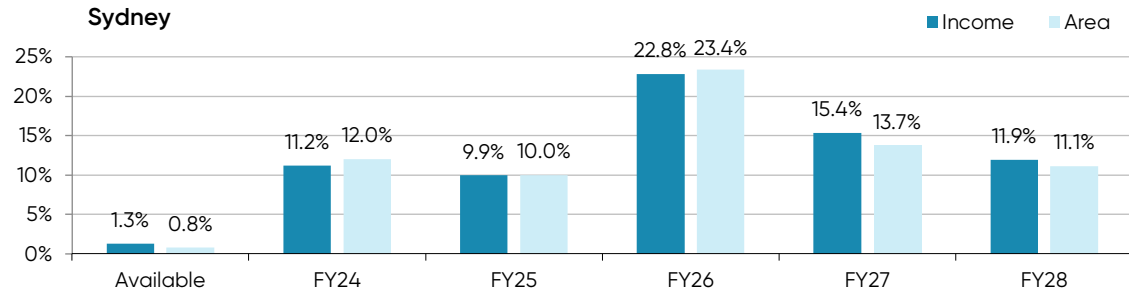
# Property portfolio

## 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	1,598	4.49%	3.80%
Melbourne	957	4.73%	4.48%
Brisbane	324	5.08%	4.98%
Adelaide	17	10.00%	11.01%
Perth	432	5.00%	5.16%

1. % relates to each region's 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

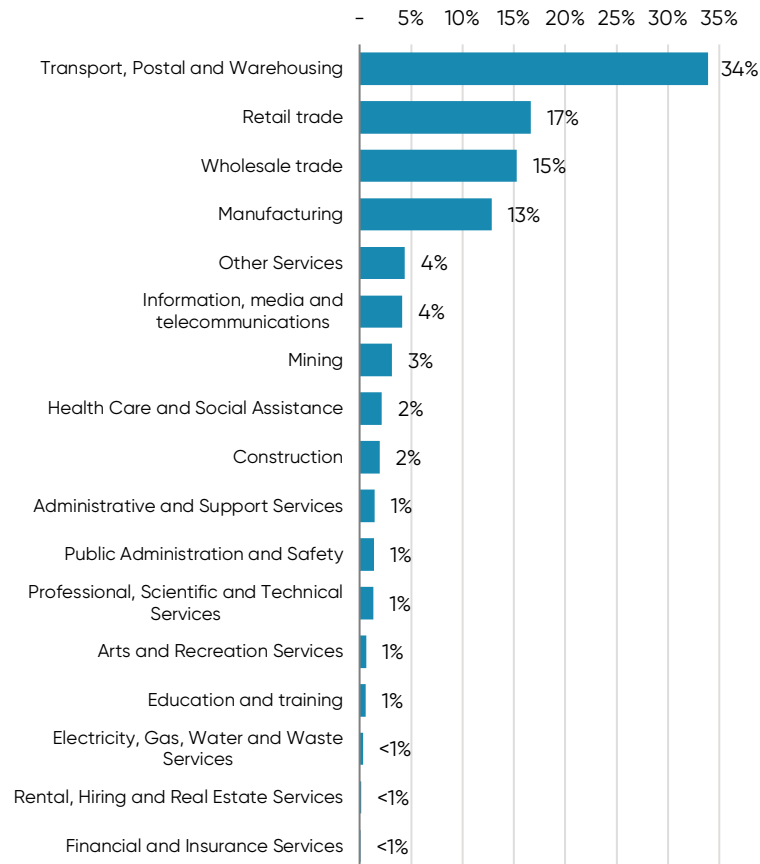
Industrial top 10 customers represent 4.1% of total property portfolio income

## Industrial top 10 customers

Industrial customers <sup>1</sup>	% of total property portfolio income <sup>2</sup>
IBM Australia	0.6%
Reece Australia Pty Limited	0.5%
Symbion Pty Limited	0.4%
Winit AU Trade Pty Limited	0.4%
AWH Pty Limited	0.4%
Coles Group Limited	0.4%
Grocery Delivery e-Services Australia Pty Limited	0.4%
Linfox Australia Pty Limited	0.3%
Fujitsu Australia Limited	0.3%
McPhee Distribution Services Pty Limited	0.3%

1. Includes executed Heads of Agreement at 30 June 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).

## Diversity of industrial customers (by income)

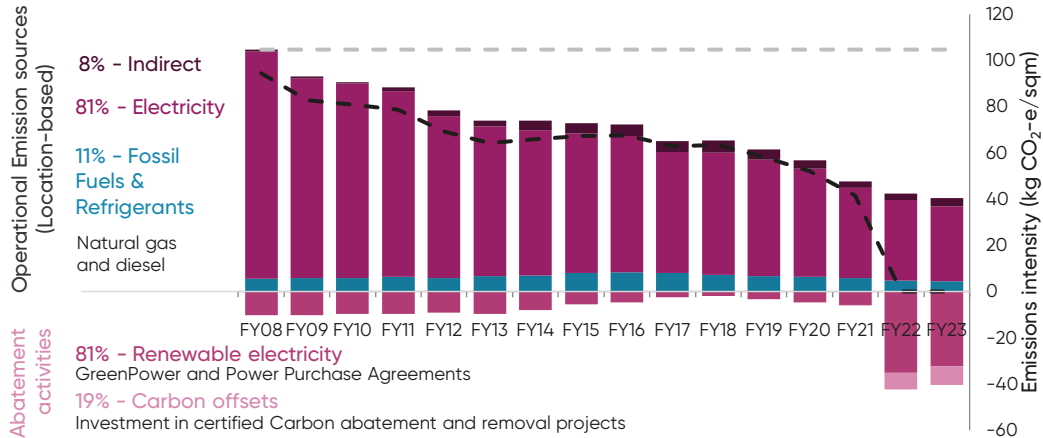


2-6 Dolerite Way, Greystanes NSW

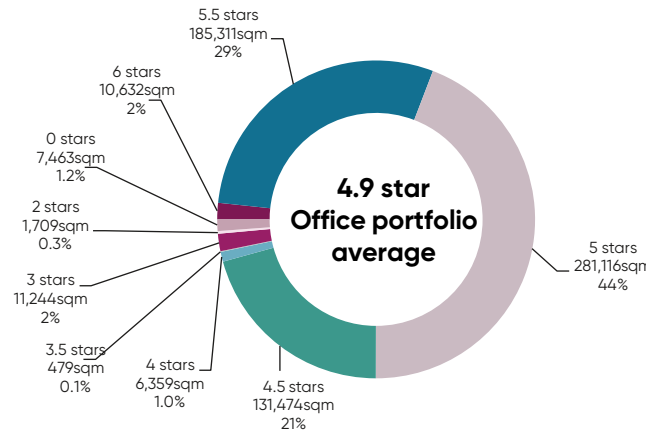
# Environmental metrics

## Office portfolio sustainability metrics

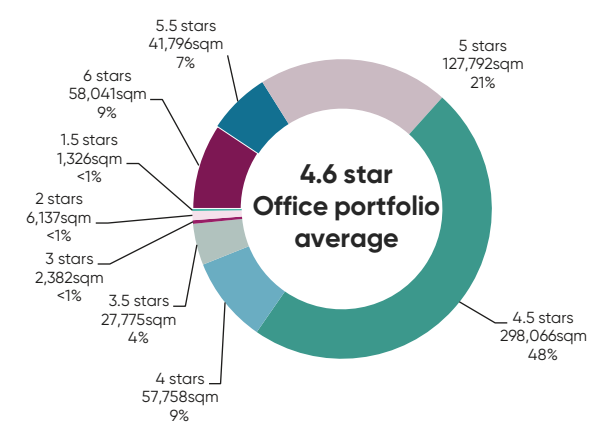
Dexus office portfolio net greenhouse emissions intensity



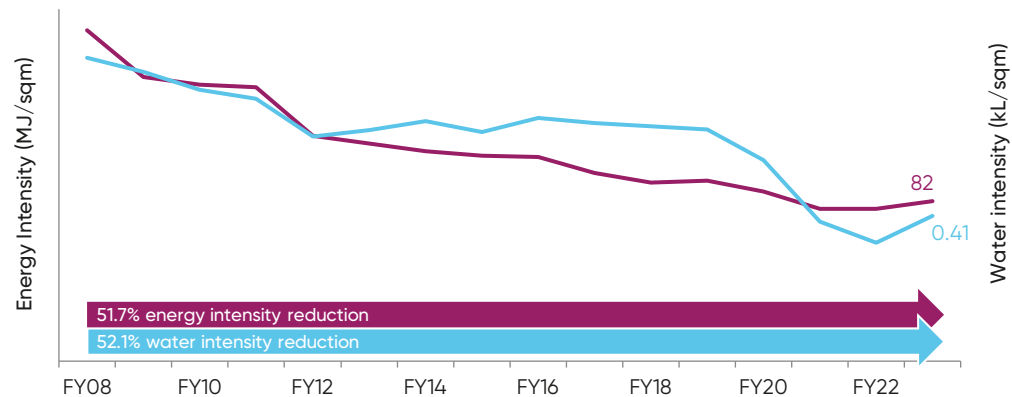
Dexus Office NABERS Energy ratings



Dexus Office NABERS Water ratings



Dexus Office Energy and Water intensity



Dexus Office NABERS portfolio average ratings (stars)

	Energy with GreenPower	Energy	Water	Waste	Indoor Environment
Jun 17	4.8	4.5	3.6	-	-
Jun 18	4.9	4.7	3.6	-	-
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	4.8	<b>2.9</b>	<b>4.9</b>
				70% coverage	73% coverage
<b>Jun 23</b>	<b>4.9</b>	<b>4.9</b>	<b>4.6</b>	<b>3.3</b>	<b>4.7</b>
				88% coverage	94% coverage

# Development

## Dexus completed developments

Pipeline	Building area <sup>1</sup> sqm	Project cost <sup>2</sup> \$m	Yield on cost %	Leased %	Final completion	Third party partner interest %
<b>Industrial</b>						
12 Frederick Street, St Leonards NSW	17,500	67	n/a	73%	Nov-22	0%
Stage 2 1-21 McPhee Drive, Berrinba QLD	13,800	42	4.15%	100%	Feb-23	0%
Jandakot Airport, Perth WA	50,400	39	5.20%	100%	May-23	67%
Palm Springs Road, Ravenhall VIC	148,900	53	5.91%	100%	Jun-23	75%
<b>Total developments completed</b>	<b>230,600</b>	<b>201</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 cost est. <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	148	c. 5%	78%	Early 2024	-
	Atlassian Central, Sydney NSW <sup>4</sup>	58,000	1,450	1,229	4-5%	100%	Late 2026	-
	Stage 1, Waterfront Brisbane QLD <sup>5</sup>	76,100	825	742	5-6%	52%	Early 2028	50%
<b>Total office</b>		<b>173,200</b>	<b>2,872</b>	<b>2,119</b>				
Industrial	Palm Springs Road, Ravenhall VIC	78,700	36	19	6-7%	68%	Early 2024	75%
	Jandakot Airport, Perth WA <sup>6</sup>	83,200	68	34	5-6%	41%	Late 2024	67% <sup>6</sup>
	884 Mamre Road, Kempers Creek NSW	42,300	67	67	n/a	-	Late 2024	50%
<b>Total industrial</b>		<b>204,200</b>	<b>171</b>	<b>120</b>				
City retail/healthcare	25 Martin Place, Sydney NSW	11,000	222	9	4-5%	97%	Late 2023	50%
<b>Total city retail/healthcare</b>		<b>11,000</b>	<b>222</b>	<b>9</b>				
<b>Total committed developments</b>		<b>388,400</b>	<b>3,265</b>	<b>2,248</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. "n/a" applies to developments acquired via a fund-through arrangement.

4. Represents funding obligation for 100% of the project cost (excluding land).

5. 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.

6. Reflects DXI 33.3% stake and Cbus Super 33.3% stake.



# Development

## Dexus uncommitted developments

Pipeline <sup>5</sup>		Building area <sup>1,5</sup> sqm	Project cost est. <sup>2</sup> \$m	Est. yield on est. project cost <sup>3</sup> %	Third party partner interest %
Office	Stage 2 Waterfront Brisbane QLD	57,500	c. 450	5-6%	50%
	60 Collins Street, Melbourne VIC	43,200	c. 1,000	5-6%	-
	Central Place Sydney NSW <sup>4</sup>	137,800	c. 800	5-6%	25%
	Pitt and Bridge Precinct, Sydney NSW	76,800	c. 1,800	c. 5%	50%
<b>Total office</b>		<b>315,300</b>	<b>c. 4,050</b>		
Industrial	Jandakot Airport, Perth WA	254,900	c. 150	c. 6%	67%
	Palm Springs Road, Ravenhall VIC	138,800	c. 50	6-7%	75%
	113-153 Aldington Road, Kemps Creek NSW	164,700	c. 250	5-6%	50%
	311 South Street, Marsden Park NSW	43,800	c. 100	c. 6%	49%
	12 Church Road, Moorebank NSW	17,800	c. 50	c. 6%	50%
	149 Orchard Road, Chester Hill NSW	24,100	c. 50	5-6%	50%
	220 and Part 106 Riding Boundary Road, Ravenhall VIC	234,400	c. 300	4-5%	50%
<b>Total industrial</b>		<b>878,500</b>	<b>c.950</b>		
<b>Total uncommitted developments</b>		<b>1,193,800</b>	<b>c. 5,000</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. Excluding external party share of project. External JV partner owns 50% of this project.

5. Figures are indicative and subject to relevant planning approvals and leasing commitment outcomes. Building area and project costs are presented on a rounded basis.

# Transactions

Dexus<sup>1</sup>

Dexus acquisitions	Purchase price <sup>2</sup> \$m	Interest	Settlement	Dexus divestments	Sale price <sup>2</sup> \$m	Interest	Settlement
3 Spring, 58 Pitt and 60 Pitt Streets, Sydney NSW <sup>3</sup>	\$46.2	50%	Aug 18–Aug 22	383–395 Kent Street, Sydney NSW	\$385.0	100%	29–Jul–22
113–153 Aldington Road, Kemps Creek NSW	\$125.5	100%	May 23–Jun 23	140 & 150 George Street, Parramatta NSW	\$77.3	50%	29–Jul–22
Lot 2 884–928 Mamre Road, Kemps Creek NSW <sup>4</sup>	\$62.7	50%	Oct 23	Australian Bragg Centre, Adelaide SA <sup>6</sup>	\$102.5	50%	16–Dec–22
220 and Part 106 Riding Boundary Road, Ravenhall VIC <sup>5</sup>	\$33.2	50.1%	May 25	19 Stoddart Road, Prospect NSW <sup>7</sup>	\$76.2	100%	16–Dec–22
All other acquisitions under \$30m	\$46.2	n/a	Jul 22–Jun 23	12 Frederick Street, St Leonards NSW	\$118.5	100%	22–Dec–22
				112 Cullen Avenue, Eagle Farm QLD <sup>7</sup>	\$31.9	100%	24–Jan–23
				145–151 Arthur Street, Flemington NSW	\$73.3	100%	01–Feb–23
				586 Wickham Street & 10 Light Street, Fortitude Valley QLD	\$98.0	100%	15–Jun–23
				The Mill, 41–43 Bourke Road, Alexandria NSW	\$186.0	100%	30–Jun–23
				141 Anton Road, Hemmant QLD	\$88.5	100%	30–Jun–23
				84 Lahrs Road, Ormeau QLD	\$33.0	100%	7–Jul–23
				44 Market Street, Sydney NSW <sup>7</sup>	\$393.1	100%	1–Aug–23
				Axxess Corporate Park, Mount Waverley VIC <sup>7</sup>	\$306.2	100%	7–Aug–23
				20 Distribution Drive, Truganina VIC <sup>7,8</sup>	\$43.1	100%	11–Aug–23
				8 Nicholson Street, East Melbourne VIC <sup>7</sup>	\$213.7	100%	Oct–23
				All other divestments under \$30m	\$32.7	100%	Nov 22 – Sep 23

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

2. Excludes transaction costs.

3. Reflects only the portion of the transaction that settled in FY23 which was made up of Lots in 58 Pitt Street, Sydney NSW.

4. Exchanged in September 2021. The purchase price reflects the development completion price and excludes acquisition costs. The property will be acquired via a fund-through arrangement with development payments expected to commence in 2023.

5. Exchanged in June 2022. Settlement subject to successful rezoning of land.

6. Price reflects the base purchase consideration for the 50% units in the trust inclusive of the Subordinated Convertible Loan Agreement debt and trust level adjustments.

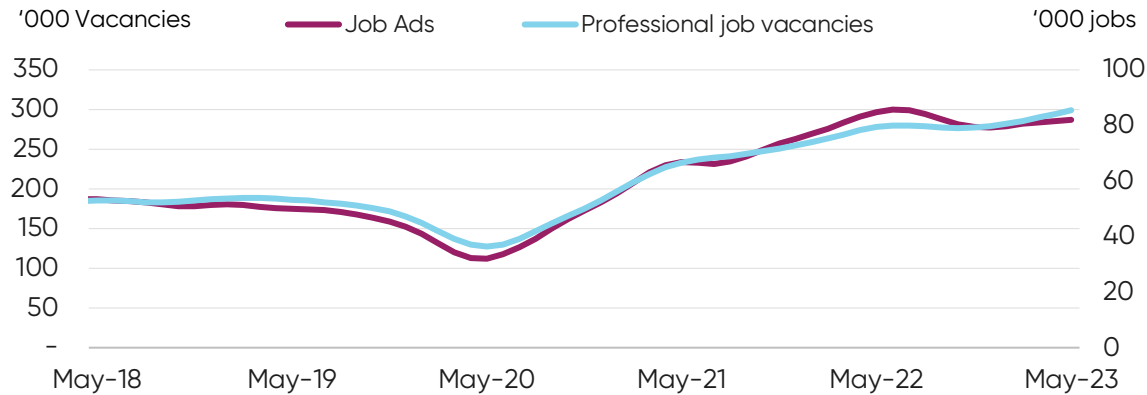
7. Reflects net sale price.

8. The sale price reflects the development completion price.

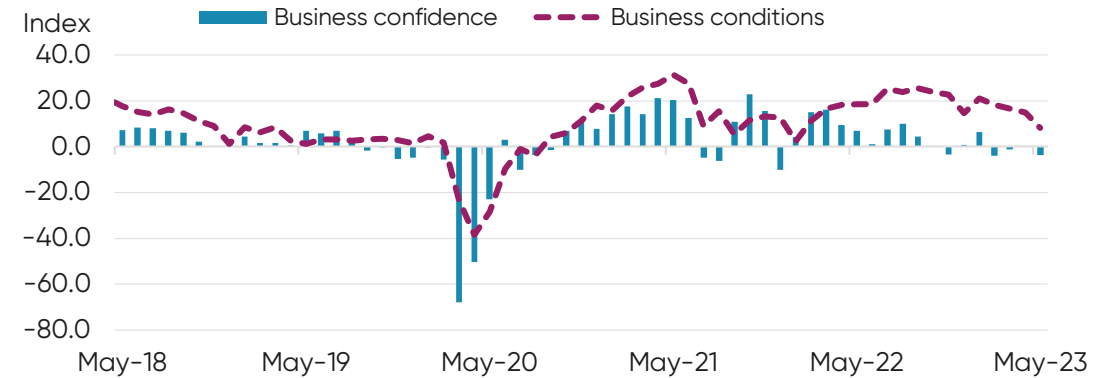
# Office demand indicators

Professional services industry showing resilience amid moderating business conditions

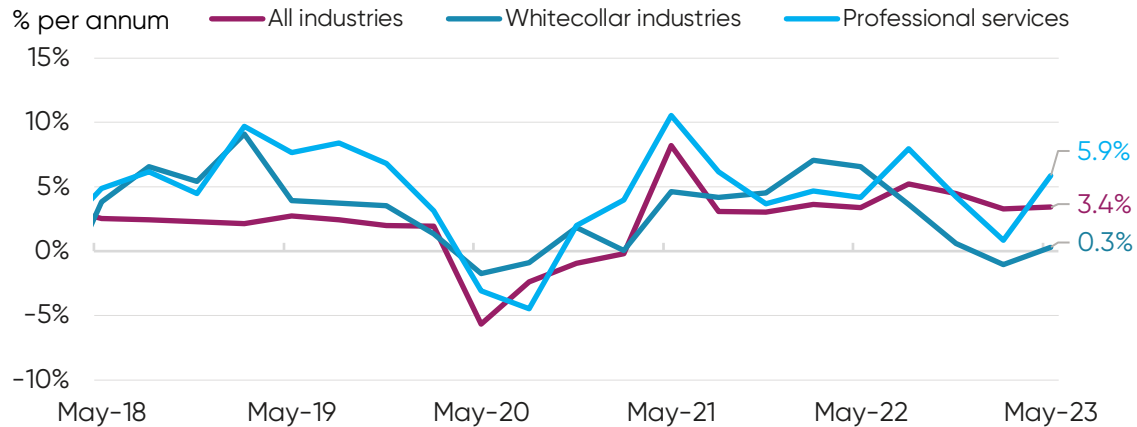
## Professional services firms hiring intentions



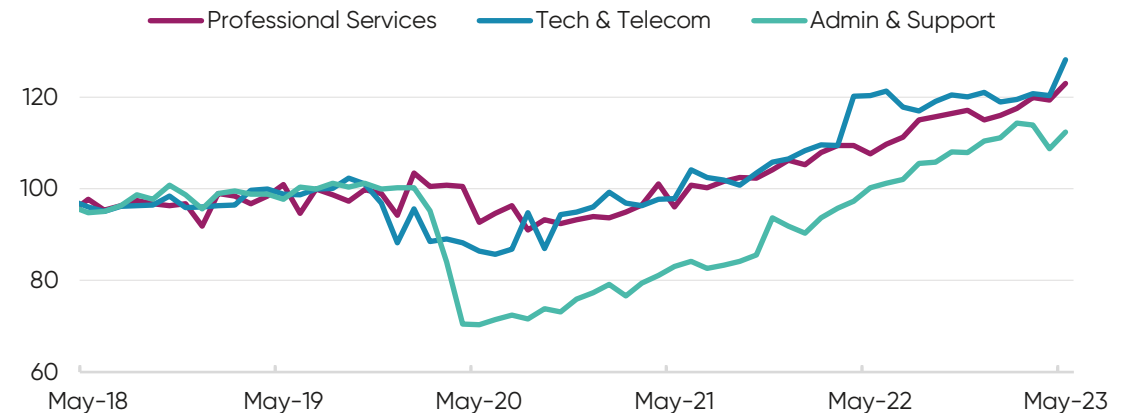
## Business conditions remain positive



## White collar employment growth



## Professional company revenues



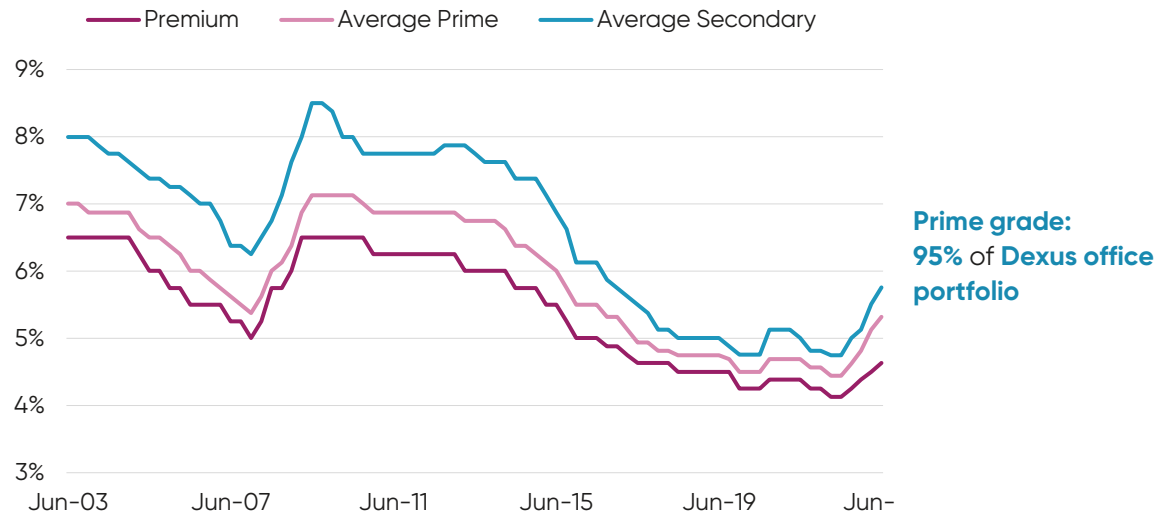
Source: NAB, ABS, PCA, JLL Research (\*Sydney CBD, Melbourne CBD, Brisbane CBD, Perth CBD).

# High quality properties likely to outperform

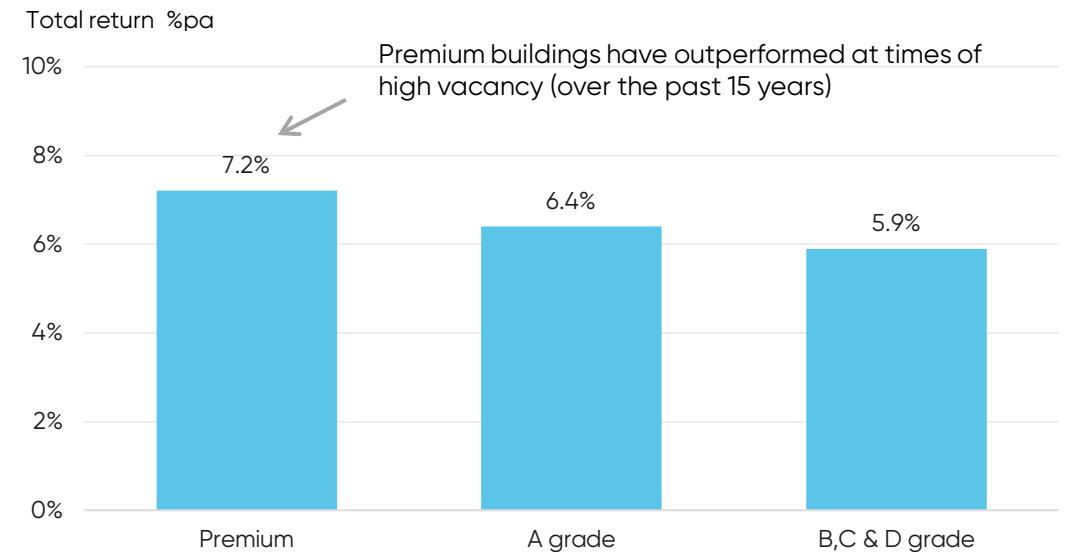
We expect premium assets to outperform lower grades in the current investment climate

- › 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



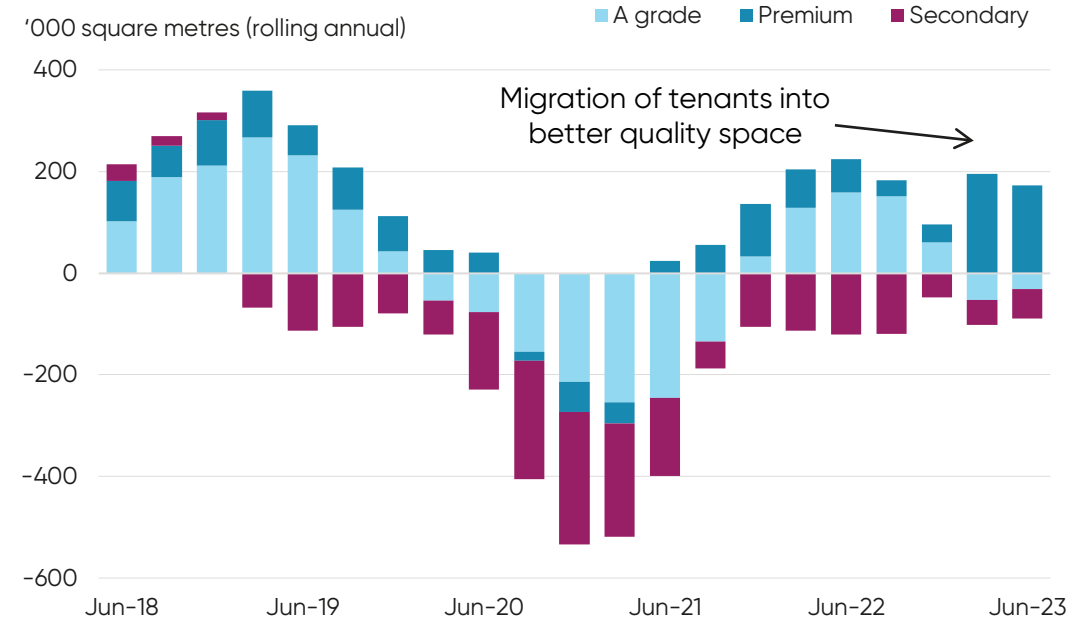
Source: JLL Research, Dexus Research using MSCI data

# Office market outlook – flight to quality and core

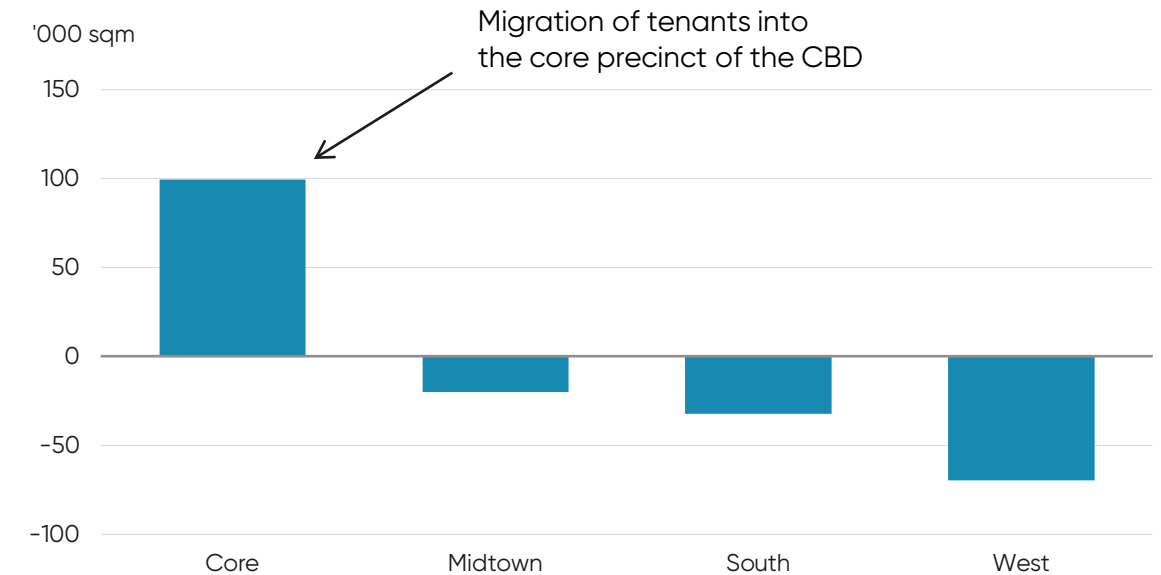
We are observing a flight to both high quality property and core locations

- › 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

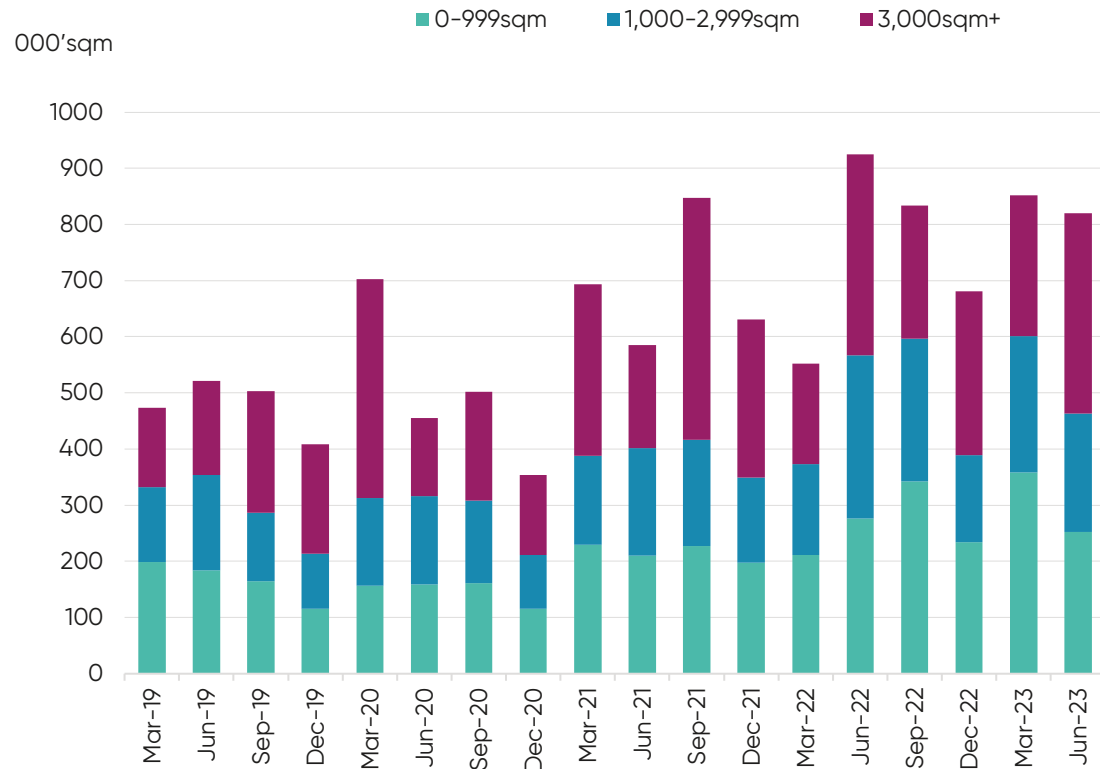


Source: JLL Research, 4 CBD's includes Sydney, Melbourne, Brisbane and Perth.

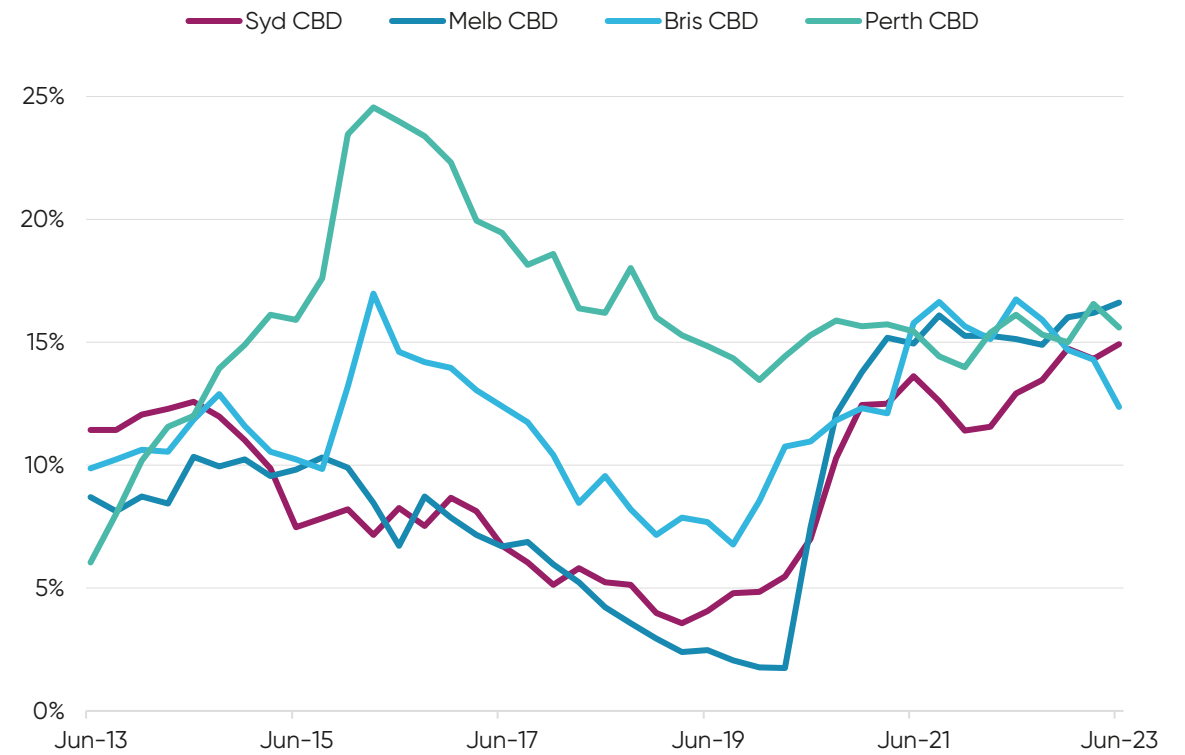
# Office market outlook

Office leasing inquiry driven by smaller occupiers

Leasing inquiry steady through FY23, driven by smaller users



Vacancy rates in CBD office markets

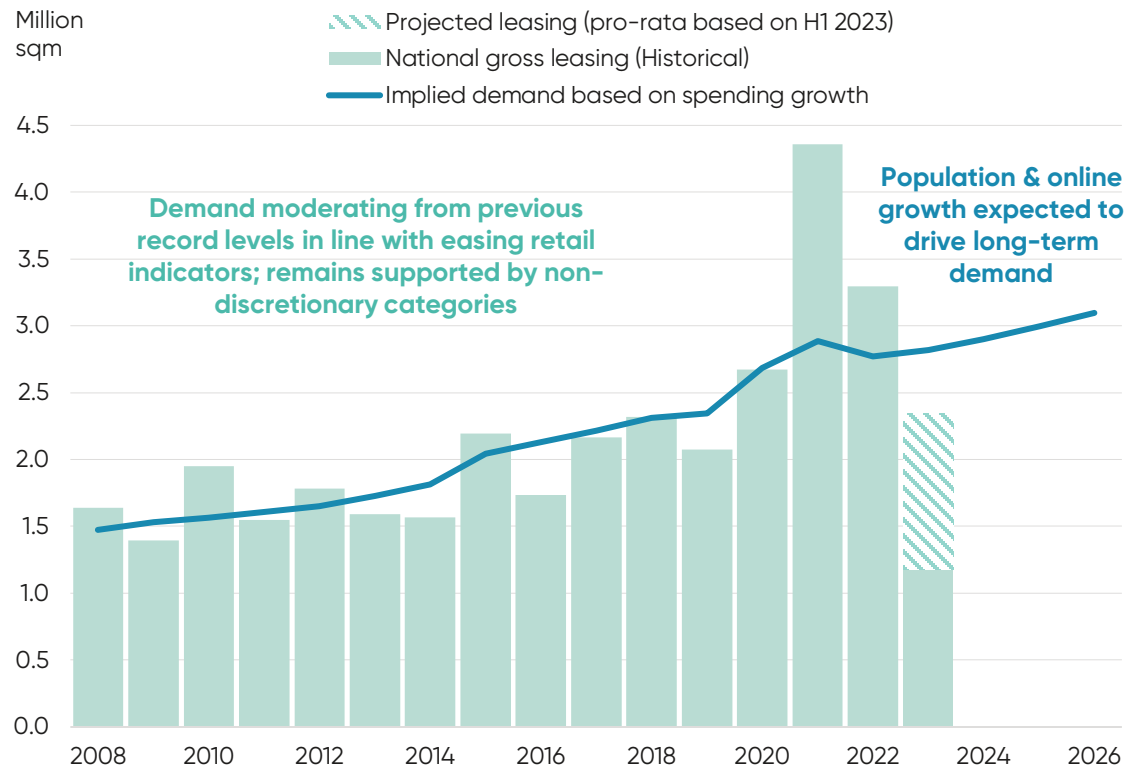


Source: Colliers International, inquiry data for Sydney, Melbourne, Brisbane and Perth. JLL Research.

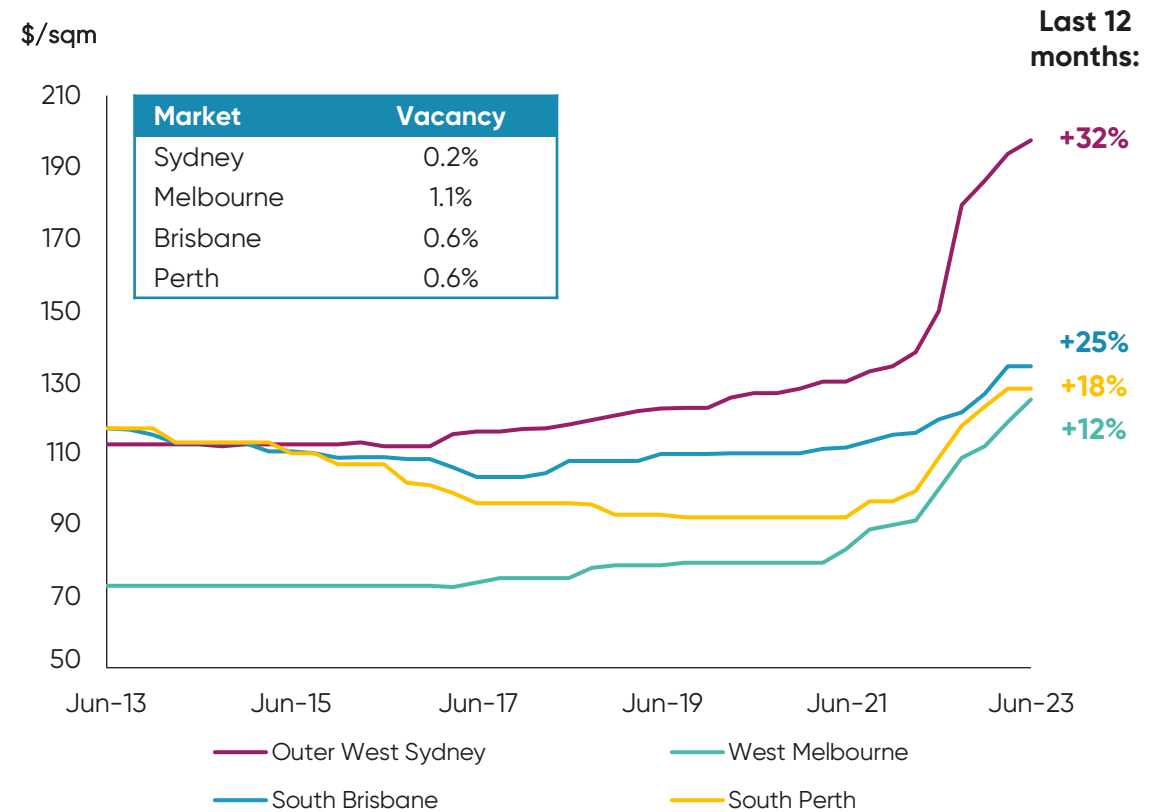
# Industrial sector

Demand moderating though long-term tailwinds remain; low vacancy leading to significant rent growth

## Structural level of demand vs. actual gross leasing



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

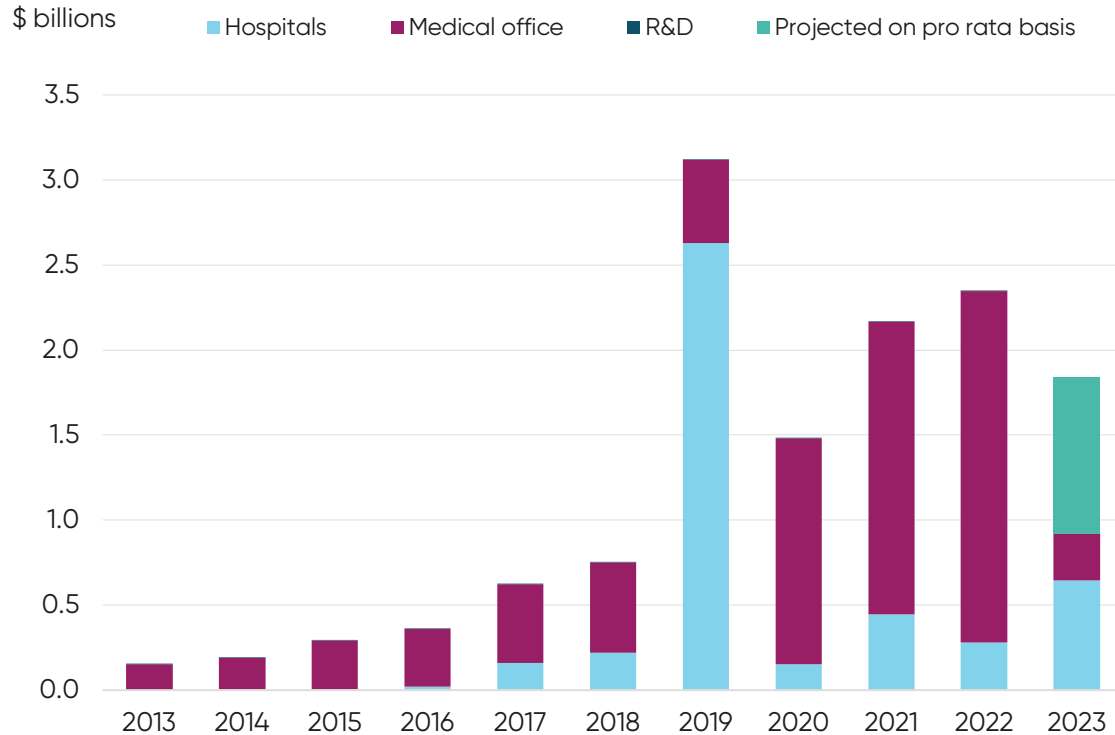


Source: JLL Research, Dexus Research, CBRE Research, SA1 Property, ABS, NAB, Oxford Economics. Figures include gross leasing across capital cities (Sydney, Melbourne, Brisbane, Perth, Adelaide).

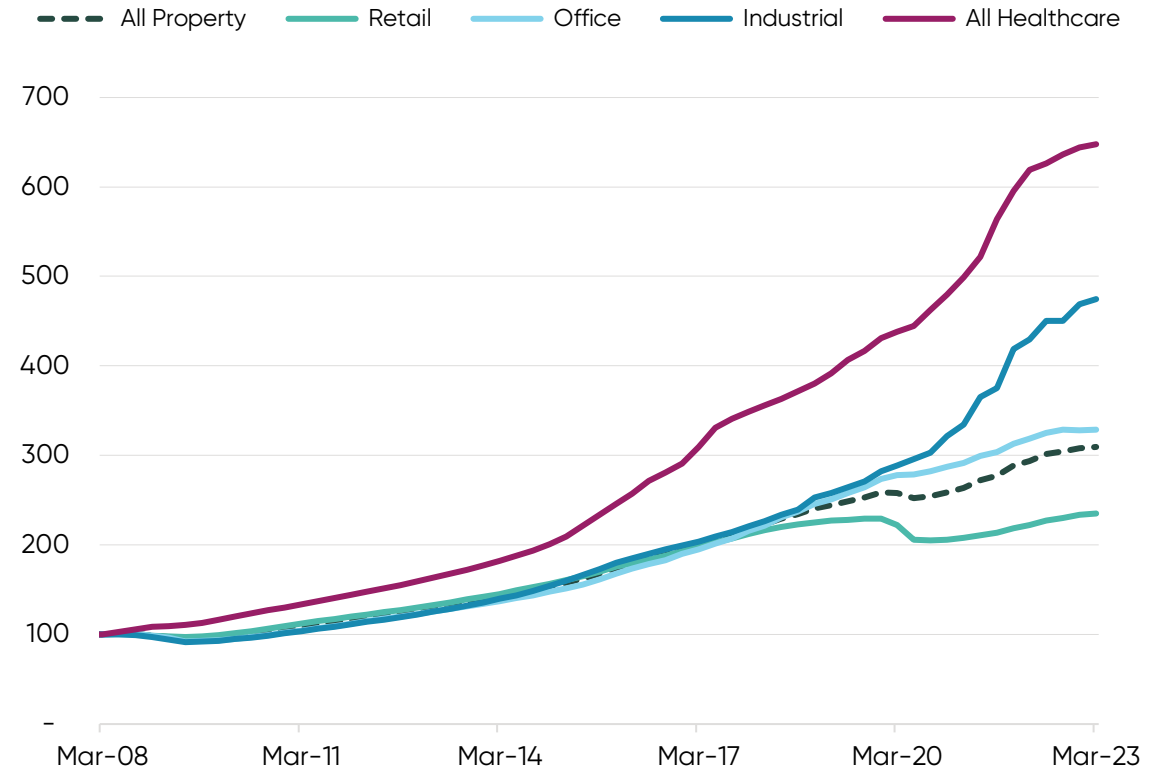
# Healthcare sector

Healthcare has outperformed other sectors over the past decade

## Growing institutional demand drives healthcare transactions higher



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



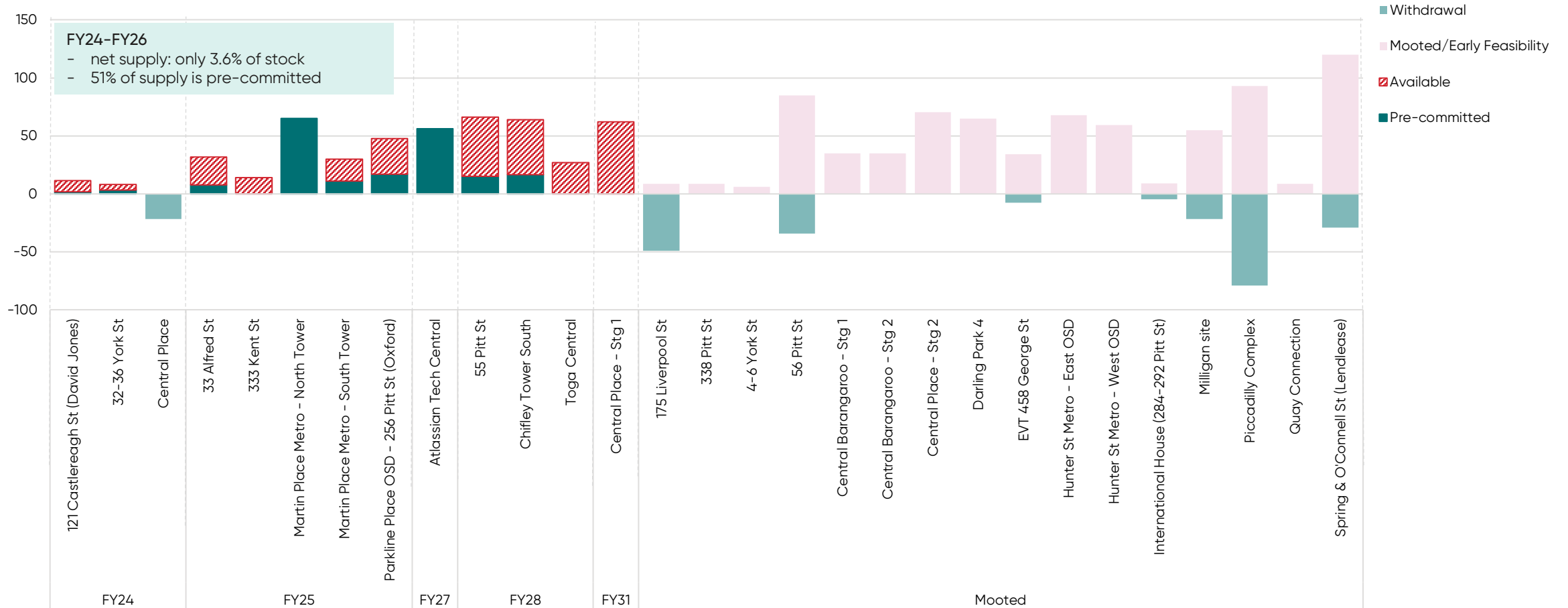
1. MSCI/Dexus Research. MSCI total return index on a quarterly basis over 15 years to March 2023.  
 Source: Real Capital Analytics, MSCI, Dexus Research.  
 This information is provided for reference purposes only and is not a guarantee of future performance.



# Market outlook

## Sydney CBD – Supply subdued through FY24

'000 square metres



Source: JLL Research, Dexus Research.

# Market outlook

Melbourne CBD – supply in FY24 is below average

'000 square metres



Source: JLL Research, Dexus Research.

# Office markets

Dexus's position in CBD office

CBD office market	Sydney	Melbourne	Brisbane	Perth
Total NLA	5,218,892	5,269,994	2,333,552	1,876,333
Prime vacancy average	14.9%	16.6%	12.4%	15.6%
<b>Dexus CBD exposure</b>				
Total NLA	516,310	398,157	261,263	183,645
Number of properties	14	7	5	4
Occupancy (by area)	95.6%	93.7%	95.3%	97.6%
Occupancy (by income)	96.0%	94.6%	96.1%	98.0%
WALE	4.5	4.7	4.6	5.9



# Other information

## Exchange and securities used in statutory accounts

		30 June 2023	31 Dec 2022	30 Jun 2022
Closing rates for Statement of Financial Position	USD	0.6630	0.6775	0.6889
Average rates for Statement of Comprehensive Income	USD	0.6734	0.6752	0.7030

<b>Post consolidation equivalent amounts</b>	<b>12 mths to 30 Jun 2023</b>	<b>6 mths to 31 Dec 2022</b>	<b>12 mths to 30 Jun 2022</b>
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 financial assets held at fair value through profit or loss, 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 (including write off of IFRIC SaaS customisation expenses), 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 financial assets held at fair value through profit or loss, 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 (including write off of IFRIC SaaS customisation expenses), 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 Dexus'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 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.
Data scope:	All data presented are look through and excluding co-investments, with any exceptions being indicated in the footnotes. Third party FUM and group development pipeline are Pro forma post final completion of the AMP Capital acquisition.

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