

Dexus (ASX: DXS)

ASX release



15 December 2023

Portfolio valuation update

Dexus today announced that 173 of its 176¹ assets, comprising 33 office properties and 140 industrial properties have been externally valued as at 31 December 2023.

The draft external independent valuations have resulted in a total estimated decrease of circa \$762.4 million² or 5.2% on prior book values for the six months to 31 December 2023.

Darren Steinberg, Dexus CEO said: "The value of the office portfolio decreased circa 6.0% on prior book values driven by higher capitalisation rates and discount rates, partially offset by market rental growth. The industrial portfolio decreased circa 2.1% on prior book values, with strong rental growth again largely offsetting the impact of higher capitalisation rates and discount rates.

"We expect well-located quality assets to continue to outperform non-core locations and secondary assets."

The weighted average capitalisation rate across the total portfolio expanded by circa 34 basis points over the past six months from 5.11% at 30 June 2023 to 5.45% at 31 December 2023. The weighted average capitalisation rate of the office portfolio expanded by circa 32 basis points from 5.21% at 30 June 2023 to 5.53% at 31 December 2023 and the industrial portfolio weighted average capitalisation rate expanded by circa 42 basis points from 4.76% at 30 June 2023 to 5.18% at 31 December 2023.

Details relating to individual property valuations will be available in Dexus's HY24 results which will be released to the Australian Securities Exchange on Wednesday, 14 February 2024.

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 \$61.0 billion (pro forma post final completion of the AMP Capital acquisition). 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 \$17.4 billion of office, industrial, healthcare, retail and infrastructure assets and investments. We manage a further \$43.6 billion of investments in our funds management business (pro forma post final completion of the AMP Capital acquisition) 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 group's \$17.4 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 34,000 investors from 25 countries. With four decades of expertise in property 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

Dexus Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for Dexus (ASX: DXS)
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1 Including Jandakot Airport, Perth which comprises 55 assets.
2 Includes assets held for sale at sale price.