

Dexus (ASX: DXS)

ASX release



30 August 2022

30 June 2022 distribution payment

Dexus advises that the distribution for the six months ended 30 June 2022 will be paid to Security holders today.

The distribution statements and Attribution Managed Investment Trust Member Annual Statements (previously known as the Annual Taxation Statement) will be sent to Security holders (electronically or by mail) along with the enclosed letter.

Dexus's 2022 Annual reporting suite is now available at www.dexus.com/investor-centre

Authorised by Brett Cameron, General Counsel and Company Secretary of Dexus Funds Management Limited

For further information please contact:

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About Dexus

Dexus (ASX: DXS) is one of Australia's leading fully integrated real estate groups, managing a high-quality Australian property portfolio valued at \$44.3 billion. We believe that the strength and quality of our relationships will always be central to our success and are deeply committed to working with our customers to provide spaces that engage and inspire. We invest only in Australia, and directly own \$18.4 billion of office, industrial and healthcare properties, and investments. We manage a further \$25.9 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$17.7 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. Sustainability is integrated across our business, and our sustainability approach is the lens we use to manage emerging ESG risks and opportunities for all our stakeholders. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange and is supported by more than 29,000 investors from 24 countries. With over 35 years of expertise in property investment, funds management, asset management and development, we have a proven track record in capital and risk management and delivering superior risk-adjusted returns for investors.

www.dexus.com

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30 August 2022

Dear Security holder

Dexus released its annual results on 17 August 2022, achieving a distribution of 53.2 cents per security for the year to 30 June 2022.

We remain focused on executing on our strategic objectives of generating resilient income streams and being identified as the real estate investment partner of choice. We have selectively recycled assets and made investments to support long term growth which involved over \$10 billion of industrial, office, retail and healthcare transactions across the group.

Further details relating to our achievements can be found in our 2022 Annual Report and other documents available www.dexus.com/financialresults

Please also find enclosed:

- Your distribution statement for the six months ended 30 June 2022
- Your Attribution Managed Investment Trust Member Annual Statement for the year ended 30 June 2022

Distribution payment

Distribution per security was 53.2 cents for the year to 30 June 2022, up 2.7% on the prior year and in line with the revised guidance provided on 3 May 2022, with the distribution payout remaining in line with free cash flow for which AFFO is a proxy. This resulted in a distribution of 25.2 cents per security for the six months ended 30 June 2022.

If you believe you have unclaimed distribution income or unrepresented cheques from a prior distribution, please contact the Dexus Infoline on +61 1800 819 675.

Annual Report

The 2022 Annual report will be mailed to Security holders who have requested a printed copy in September 2022 along with the 2022 Notice of Annual General Meeting. In the interim, the Annual Report is available to download at www.dexus.com/financialresults

Reminder regarding direct credit arrangements

Dexus only makes distribution payments to Australian and New Zealand resident Security holders by direct credit. If you are an Australian or New Zealand resident Security holder, please ensure that your bank account details have been provided to ensure that you receive payment of future distributions.

Attribution Managed Investment Trust Member Annual Statement

Please retain your Attribution Managed Investment Trust Member Annual Statement for your records. It contains important information to assist you in the completion of your taxation return.

Determining the value of your Dexus holding

The value of your security holding on 30 June 2022 is provided on your distribution statement. Current price information is available on our website at www.dexus.com/investor-centre and is published daily in major Australian metropolitan newspapers.



Changing your details

You can access your Security holding information online to update your personal details via the Investor login link available at www.dexus.com/investor-centre. You can also nominate your preference in this section on the way we communicate with you. Email address notifications and Tax File Number and Australian Business Number notifications can also be updated in this facility. You will require your Holder Identification Number (HIN) or Security Holder Reference Number (SRN) to access your security holding.

Forms are available for details that cannot be updated directly in this facility. Download them by clicking on the Forms menu item when you are logged into your Security holding or from the Link Market Services website at linkmarketservices.com.au. Alternatively, you can contact the Dexus Infoline on +61 1800 819 675 or email dexus@linkmarketservices.com.au

Receive your communications electronically

We are committed to ensuring all investors have equal access to information about our business activities. You can elect to receive communications electronically by registering your email address using the enclosed email collection and online notification form.

In line with our commitment to the long-term integration of sustainable business practices, investor communications are also distributed via various electronic methods including:

- **Dexus website**

www.dexus.com – Our website provides a wide range of information for investors including easy access to information relating to your security holding, reports, ASX announcements, key dates, and security price information. Security holders can subscribe to alerts to receive communications immediately after release.

- **Social media**

Dexus engages with its followers on LinkedIn. If you wish to be kept up to date on our social media activities, it is as simple as logging into LinkedIn account and elect to follow Dexus.

If you have any questions concerning your security holding, please contact us on the Dexus Infoline on +61 1800 819 675.

Thank you for your continued investment in Dexus.

Yours faithfully

Rowena Causley
Head of Listed Investor Relations

FY22 results highlights

Accelerating our strategy

Financial performance: Dexus's Adjusted Funds From Operations (AFFO) and distribution per security of 53.2 cents for FY22 reflects 2.7% growth on the prior year and exceeded revised guidance provided on 3 May 2022. Dexus's net profit after tax was \$1,615.9 million, up 41.9% on the prior year. This movement was primarily driven by fair value gains on investment properties, share of net profit of equity accounted investments and a favourable net fair value movement of interest rate derivatives.

Strategy: Throughout the year, Dexus remained focused on executing on our strategic objectives of generating resilient income streams and being identified as the real estate investment partner of choice and progressing. During the year, Dexus entered into an agreement with AMP to acquire its real estate and domestic infrastructure equity business. In July, AMP Capital Wholesale Office Fund (AWOF) unitholders voted in favour of a change of the trustee of the Fund. As a result of the vote outcome, the maximum potential price has reduced. We remain focused on completing the transaction which, regardless of this outcome, will transform our product offering to investors, with new capabilities and significant scale across retail and infrastructure real assets and up to \$21.1 billion of additional funds under management.

Capital management: Dexus maintained a strong and conservative balance sheet with gearing (look-through) of 26.9%, remaining below the target range of 30-40%, and \$1.9 billion of cash and undrawn debt facilities. Dexus has a weighted average debt maturity of 5.5 years, minimal debt expiries over the next 12 months and remains within all of its debt covenant limits, retaining its credit ratings of A-/A3 from S&P and Moody's respectively.

Portfolio results: Dexus's office and industrial portfolios maintained high occupancy levels of 95.6% and 98.1% respectively. Office portfolio like-for-like income growth was +2.7% and the industrial portfolio's like-for-like income growth was +3.1% excluding the impact of rent relief measures, provisions for expected credit losses and excluding business parks in the industrial portfolio.

Development: Dexus's group development pipeline now stands at \$17.7 billion, of which \$10.3 billion sits within the Dexus portfolio and \$7.4 billion within third party funds. We expanded our group industrial development pipeline during FY22 with quality acquisitions including Jandakot in Perth. We now have over \$500 million of committed projects across the group industrial pipeline after completing 322,100 square metres in FY22. We are well progressed in being able to activate our city-shaping office projects, Atlassian Central in Sydney, with construction due to commence shortly, and Waterfront Brisbane, which we anticipate commencing later this calendar year. While higher interest rates and construction costs increase the commencement hurdles for our uncommitted projects, many of the projects in our city shaping pipeline provide optionality around timing.

Funds management: Dexus manages \$25.9 billion of funds across its diversified funds management business. All funds and partnerships continue to perform well, with DWPF continuing to outperform its benchmark over one, three, five, seven and ten-year time periods. We implemented major strategic initiatives which grew the funds management business and positioned it for further growth including integrating APN Property Group onto the platform and acquiring Jandakot Airport industrial precinct. We also secured \$1.6 billion of new investment onto the funds platform, which resulted in a number of new investors being welcomed onto the platform.

Trading: Dexus had another active year of transactions, undertaking \$10.7 billion of property transactions, comprising \$5.0 billion of acquisitions and \$5.7 billion of divestments across the group. We continue to actively optimise our portfolio and recycle capital into higher returning opportunities many of which are being undertaken alongside our third party capital partners and enhance our group development pipeline. We delivered \$23.4 million (post tax) in trading profits across four projects in line with expectations and we have identified six opportunities within our existing portfolio to replenish the trading pipeline, with the potential to contribute to trading profits in future years.

Environmental, Social and Governance update: Dexus delivered on its commitment to achieve net zero emissions for its building operations by 30 June 2022 across the group managed portfolio. We continue to be acknowledged as a global ESG leader, retaining our position on several ESG benchmarks, including being recognised in the S&P Global Sustainability Yearbook 2022, retaining our leadership on the Dow Jones Sustainability Index, achieving an A- score on the CDP Climate Change survey and being recognised as a global leader in sustainability by Global Real Estate Sustainability Benchmark (GRESB). Dexus's Reconciliation Action Plan was endorsed by Reconciliation Australia. This is an important step on our reconciliation journey with Australia's First Nations peoples. Dexus was named as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency for the fifth consecutive year.

Outlook: Based on current expectations regarding interest rates, continued asset sales and barring unforeseen circumstances, Dexus expects distributions of 50.0–51.5 cents per security for the 12 months ended 30 June 2023¹, below the 53.2 cents per security distribution delivered in FY22.

1. Assumes average floating interest rates of 2.75 – 3.75% (90-day BBSW), the transition of circa \$21 billion of FUM from the acquisition of the AMP Capital real estate and domestic infrastructure equity platform and circa \$50-\$55 million of trading profits (post-tax).



Update your details online

To provide/update your Bank Account, Tax File Number/ABN details and your communication preference, please visit www.dexus.com/update to login to your Security holding. You will need your **SRN/HIN** and **postcode** to login. Once logged in, select Payments & Tax and/or the Communications main menu items to update your details. If you require any assistance, please contact our Infoline on +61 1800 819 675.