

# Dexus Industria REIT (ASX:DXI)

## ASX release

8 February 2023

### 2023 Half Year Results presentation and property synopsis

Dexus Industria REIT (DXI) releases its 2023 Half Year Results presentation.

An investor conference call will be webcast at today at 10.00am on [www.dexus.com/investor-centre](http://www.dexus.com/investor-centre)

The property synopsis excel workbook is also available at [www.dexus.com/industria](http://www.dexus.com/industria)

*Authorised by the Boards of Dexus Asset Management Limited and Industria Company No. 1 Limited*

### For further information please contact:

#### Investors

Alex Abell  
Fund Manager  
+61 466 775 112  
[alex.abell@dexus.com](mailto:alex.abell@dexus.com)

#### Media

Luke O'Donnell  
Senior Manager, Media and Communications  
+61 412 023 111  
[luke.odonnell@dexus.com](mailto:luke.odonnell@dexus.com)

### About Dexus Industria REIT

Dexus Industria REIT (ASX code: DXI) is a listed Australian real estate investment trust which is primarily invested in high-quality industrial warehouses. At 31 December 2022, the fund's portfolio is valued at \$1.6 billion and is located across the major Australian cities, providing sustainable income and capital growth prospects for security holders over the long term. The fund has a target gearing range of 30 – 40%. Dexus Industria REIT is governed by a majority Independent Board and managed by Dexus (ASX code: DXS), one of Australia's leading fully integrated real estate groups, with over 35 years of expertise in property investment, funds management, asset management and development. [www.dexus.com](http://www.dexus.com)

Dexus Asset Management Limited (ACN 080 674 479, AFSL No. 237500) (the "Responsible Entity") is the responsible entity and issuer of the financial products in respect of Industria Trust No. 1 (ARSN 125 862 875), Industria Trust No. 2 (ARSN 125 862 491), Industria Trust No. 3 (ARSN 166 150 938) and Industria Trust No. 4 (ARSN 166 163 186), and Industria Company No 1 Limited (ACN 010 794 957), collectively the Dexus Industria REIT (ASX code: DXI) stapled group. The Responsible Entity is a wholly owned subsidiary of Dexus (ASX code: DXS).

Level 5, 80 Collins Street (South Tower), Melbourne VIC 3000 Australia. PO Box 18011 Melbourne Collins Street East VIC 8003 Australia

# 2023 Half Year Results

8 February 2023

Dexus Asset Management Limited  
ACN 080 674 479, AFSL 237500  
as responsible entity for Industria Trust No. 1, Industria Trust No. 2, Industria Trust No. 3 and Industria Trust No. 4  
Industria Company No. 11 Limited  
ACN 010 794 957

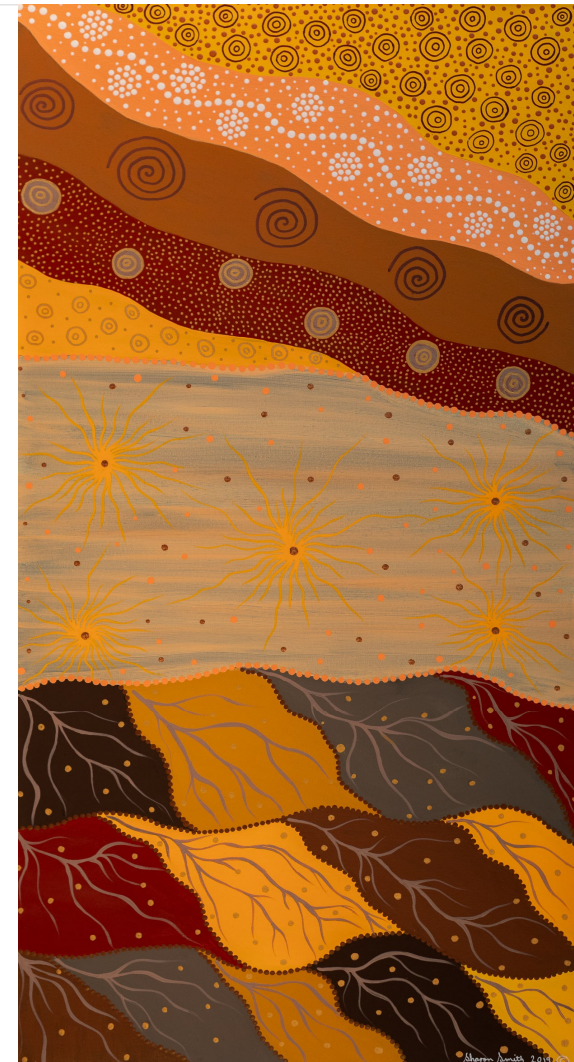


# Acknowledgement of country

Dexus Industria REIT 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, present and emerging.

**Artwork:** The Land and the Rivers by Sharon Smith.





# Agenda

- 1** Strategy and highlights page 4
  
- 2** Financial overview page 8
  
- 3** Portfolio performance and market dynamics page 12
  
- 4** Summary page 17
  
- Appendices page 19



An aerial photograph of an industrial park. The park features numerous large, light-colored warehouse buildings with blue roofs, arranged in rows. There are extensive parking lots with many cars. The park is surrounded by a mix of greenery and residential areas. In the background, a city skyline is visible across a body of water. The text "Strategy and highlights" is overlaid in white on the lower half of the image.

# Strategy and highlights



# Vision and strategy

Generating outperformance through active management and development

## Vision >

To be the first choice for investors seeking listed industrial real estate exposure in Australia by generating superior risk-adjusted returns

## Strategy >

Leveraging the leading asset management, transactional, development and ESG capabilities of the Dexus platform to deliver spaces that inspire and engage our customers

## Value drivers >

Active asset management and development to drive returns

Truly national portfolio accessible to 80% of the population in each capital city within 60 minutes

Disciplined approach to capital allocation and balance sheet management

**Outperformed ASX300 Property Index on a 1, 3 and 5 year basis, and since IPO<sup>1</sup>**

1. To 31 December 2022.



# HY23 highlights

Executing strategy in a challenging environment

## Financial & property performance



### On-track to deliver FY23 guidance

HY23 FFO per security of 8.5 cents  
HY23 distributions per security of 8.2 cents



### Resilient property income

2.7% like-for-like NOI growth



### Record 67,700sqm leasing

+11.1% industrial re-leasing spreads capturing strong market rent growth

## Capital management



### Strong balance sheet

gearing of 23.3% (29.5% look-through)  
below target range of 30 – 40%



### Capital recycling

\$160.5 million of divestments, further enhancing portfolio quality



### No refinancing event until FY25



1 West Park Drive, Derrimut VIC




34 Australis Drive, Derrimut VIC

# High-quality portfolio

Generating strong organic growth


## Key portfolio metrics

 **93**  
properties

 **\$1.6bn**  
portfolio value


 **5.13%**  
WACR

 **6.3 year**  
WALE  
(by income)

 **97.4%**  
occupancy  
(by income)

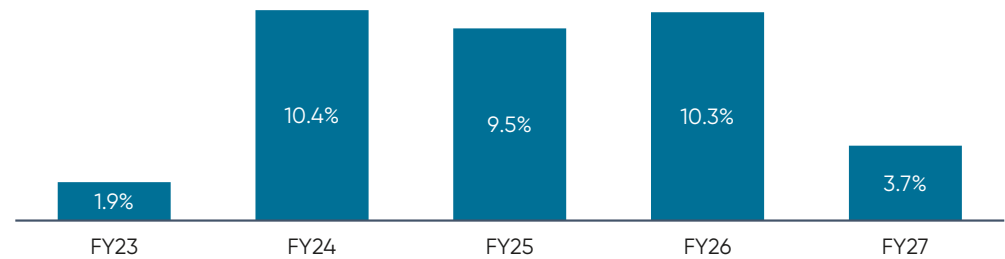
 **67,700sqm**  
leased

 **Carbon neutral**  
Progressing certification<sup>1</sup>

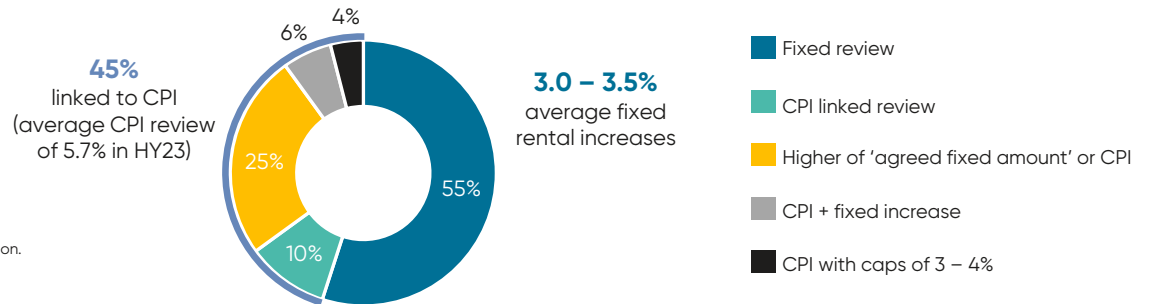
 **4.9 star**  
NABERS Energy and Water rating<sup>2</sup>

1. DXI's portfolio was certified carbon neutral in August 2021. FY22 period subject to final Climate Active certification.  
2. Applies to eligible assets.

## Lease expiry profile (% by income)



## Annual rent review structure (% by income)







# Financial overview



# HY23 financial result

## Solid industrial operating conditions

Profit & loss	HY23	HY22	Change	
Property FFO (\$m)	42.5	33.3	▲	27.6%
Management fees (\$m)	(4.4)	(3.4)	▲	29.2%
Net finance costs (\$m)	(9.5)	(4.8)	▲	99.5%
Other net expenses <sup>1</sup> (\$m)	(1.5)	(0.3)	▲	363.9%
FFO (\$m)	27.1	24.8	▲	9.2%
FFO (cents per security)	8.5	9.5	▼	(9.7)%
Distributions (cents per security)	8.2	8.7	▼	(5.2)%
FFO payout ratio (%)	96.0%	91.4%	▲	4.6ppt
Balance sheet	31 Dec 2022	30 Jun 2022	Change	
NTA per security <sup>2</sup> (\$)	\$3.52	\$3.60	▼	(2.2)%

› Full-period contribution from Jandakot, partially offset by divested assets

› Portfolio like-for-like NOI growth of 2.7% supported by contracted rental uplifts

› Increased portfolio value

› Average cost of debt 110bps above HY22, primarily driven by higher floating interest rates

› Higher average look-through debt due to a full-period contribution from HY22 acquisitions

› Full-period Jandakot corporate costs and higher income tax as tax loss carryforwards in IC1<sup>3</sup> now fully utilised

› Higher securities on issue following \$350 million equity raising completed in October 2021

› Like-for-like valuation gains of \$4.5 million offset by \$31.2 million fair value loss associated with divestment of Rhodes

1. Includes other income offset by fund and income tax expenses.

2. Calculated as total net assets less goodwill on a look-through basis, divided by total securities on issue.

3. Industria Company No. 1 Limited.

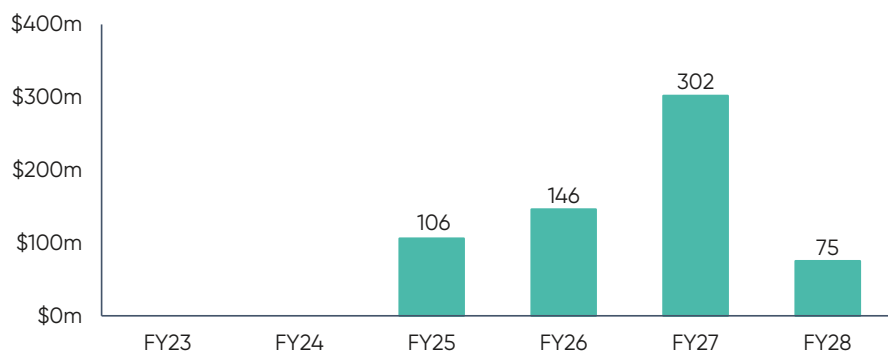


# Balance sheet and capital management

Strong balance sheet with 23.3% gearing, \$139 million liquidity and no refinancing until FY25

- › **Gearing of 23.3%**, or 29.5% on a look-through basis, **below the 30–40% target range**
- › **No debt maturities until FY25** following cancellation of \$125 million of surplus facilities and introduction of \$75 million of new 5-year facilities
- › **Significantly increased liquidity**; capital recycling initiatives to continue
- › **Hedging levels higher** following Rhodes divestment in November 2022; 31 December 2022 spot hedging circa 75%

## Look-through debt maturity profile (total facility limit)



Key metrics <sup>1</sup>	31 Dec 2022	30 Jun 2022
Balance sheet gearing	23.3%	28.9%
Gearing <sup>2</sup>	29.5%	34.2%
Cost of debt <sup>3</sup>	3.4%	2.4%
Average maturity of debt <sup>4</sup>	3.8 years	3.6 years
Hedged debt <sup>5</sup>	61%	71%
Average maturity of hedges	2.6 years	2.4 years
Balance sheet headroom <sup>6</sup>	\$139m	\$61m
Balance sheet interest cover (covenant)	4.2x	6.1x

1. All metrics are look-through unless stated otherwise.

2. Adjusted for cash and debt in equity accounted investments.

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

4. Weighted average maturity of drawn debt. 30 Jun 2022 has been restated and was previously reported as 3.5 years based on a weighted average maturity of total facility limits.

5. Average for the period.

6. Undrawn facilities plus cash.

# Portfolio valuation movements

- › **Like-for-like increase of \$4.5m (0.3%)** on prior book values
- › **Favourable rental growth outcomes** offsetting 20 basis points of cap rate expansion

## Property portfolio valuation summary – 31 Dec 2022<sup>1</sup>

Portfolio	Properties	31 Dec 2022 book value (\$m)	Reval change (\$m)	Reval change (%)	Cap rate (%)	Cap rate 6 month mvmt (bps)
Industrial	81	\$1,388	\$9.0	0.7%	4.93%	23 bps
Business parks	12	\$177	\$(4.5)	(2.5)%	6.66%	5 bps
<b>Total excl. transactions</b>	<b>93</b>	<b>\$1,564</b>	<b>\$4.5</b>	<b>0.3%</b>	<b>5.13%</b>	<b>20 bps</b>
Divestments <sup>2</sup>	n.a.	n.a.	\$(31.2)	n.a.	n.a.	n.a.
<b>Total portfolio</b>	<b>93</b>	<b>\$1,564</b>	<b>\$(26.7)</b>	<b>(1.7)%</b>	<b>5.13%</b>	<b>9 bps</b>

1. Represents look-through portfolio.

2. Represents Rhodes Corporate Park assets which comprised 2 properties.





# Portfolio performance and market dynamics



# Industrial performance

Strong leasing outcomes supporting income growth

## HY23 key statistics



**\$1.4bn**  
book value



**4.93%**  
WACR



**100%**  
occupancy  
(by income)



**6.9 year**  
WALE  
(by income)



**2.4%**  
like-for-like  
NOI growth



**61,700sqm**  
leased

### Solid financial result

- › 2.4% like-for-like NOI growth supported by contracted rental growth, or 3.4% like-for-like growth on a face basis

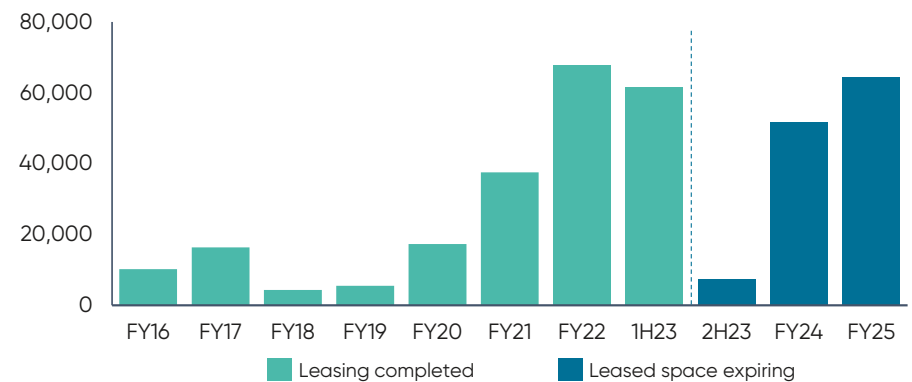
### Well-located portfolio supporting leasing success

- › +11.1% average re-leasing spreads
- › Re-leased 34 Australis Drive (+21% spread) with no downtime
- › +19% re-leasing spreads at Jandakot across 9,000sqm

### Further upside potential

- › Low average site coverage of 32% providing scope for future development

## Leasing completed and forthcoming expiry (by area, sqm)<sup>1</sup>



1. Including development leasing at DXI ownership.



# Developments

Embedded growth opportunities through development pipeline

- › **\$369 million total pipeline** (\$119 million committed, of which \$94 million remaining spend) across 411,100sqm with projects to be delivered to 2027
- › Expected to be funded by **targeted divestments and existing headroom**
- › Focused on activating projects that **improve portfolio quality** and have regard to **return hurdles**
- › **Slight delays** experienced across several committed projects associated with planning approvals and weather events

## Completed

- › 21,700sqm facility completed in October 2022 fully leased to Amazon; supports clustering effect among retail and logistics operators
- › High-quality asset with on-site solar



## Active (committed)

- › **Jandakot** – 65,900sqm committed pipeline with majority pre-leased
- › **Kemps Creek** – fund-through structure mitigates certain development risks



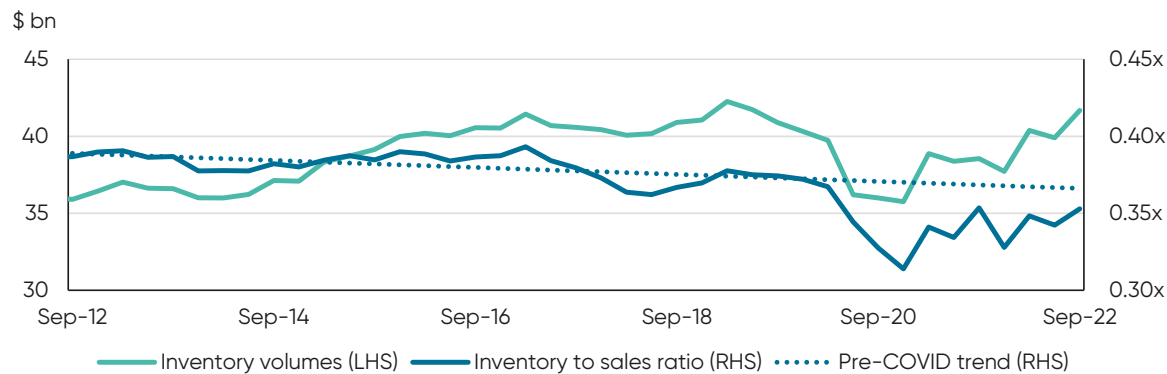
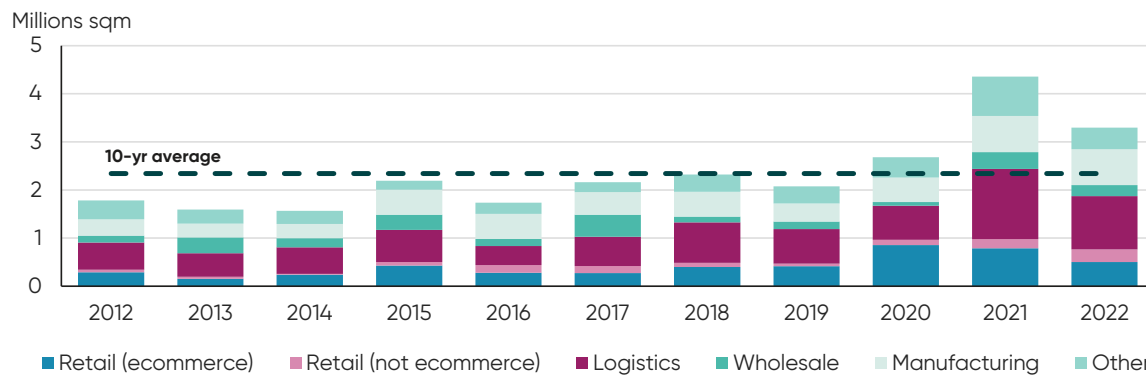
## Pipeline (uncommitted)

- › **Jandakot** – 285,100sqm to be developed over next 5 years
- › **Moorebank** – last mile development opportunity in planning



# Industrial market outlook

Take-up continues to outpace supply



Source: Dexus Research, JLL Research, ABS.

## Industrial demand remains resilient

- › Demand is broad-based including medical supplies, supermarkets, materials supporting transport infrastructure, general ecommerce and retailers investing in last mile fulfilment
- › Onshoring of manufacturing to continue following global supply chain uncertainty

## Higher inventories a long term thematic

- › Warehousing demand is being supported by growing inventory levels as firms adopt a 'just in case' business model



# Brisbane Technology Park performance

Underpinned by smaller suite leasing strategy

## HY23 key statistics



**\$177m**  
book value



**6.66%**  
WACR



**84.3%**  
occupancy  
(by income)



**3.3 year**  
WALE  
(by income)



**4.0%**  
like-for-like  
NOI growth



**6,000sqm**  
leased

### High-quality tenant base

- › Technology and life sciences tenants account for 32% of BTP income
- › 920sqm of leasing to technology and life sciences tenants in HY23

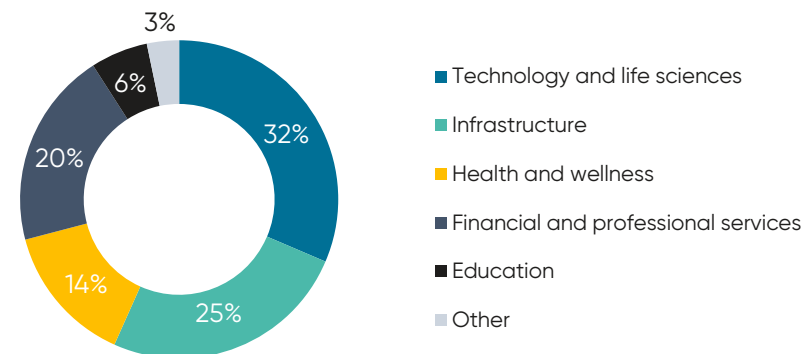
### Solid cash flow generation

- › Healthy cash yield of 6%

### Continued success with smaller suite offering

- › Continued strength from small users with 81% of space retained or backfilled within 3 months

Tenant type (% by BTP income)



# Summary





# Summary

Focused on delivering long-term value to Security holders



**Well placed in an uncertain environment** marked by inflationary pressures, rising interest rates and softening transaction volumes



**High-quality portfolio with embedded rental growth** driven by fixed increases of 3.0 – 3.5% per annum and CPI linkages, and income visibility from a 6.3 year WALE<sup>1</sup>



**Track record of disciplined growth** and delivering outperformance; future growth supported by low-leverage balance sheet and substantial liquidity



**On-track to deliver FY23 guidance:** FFO of 16.7 – 17.5 cps and distributions of 16.4 cps, based on current interest rate expectations and barring unforeseen circumstances<sup>2</sup>

1. By income.
2. Assumes average floating interest rates of circa 3.25% (90-day BBSW) and no further transactional activity.



81-83 Rushdale Street, Knoxfield VIC



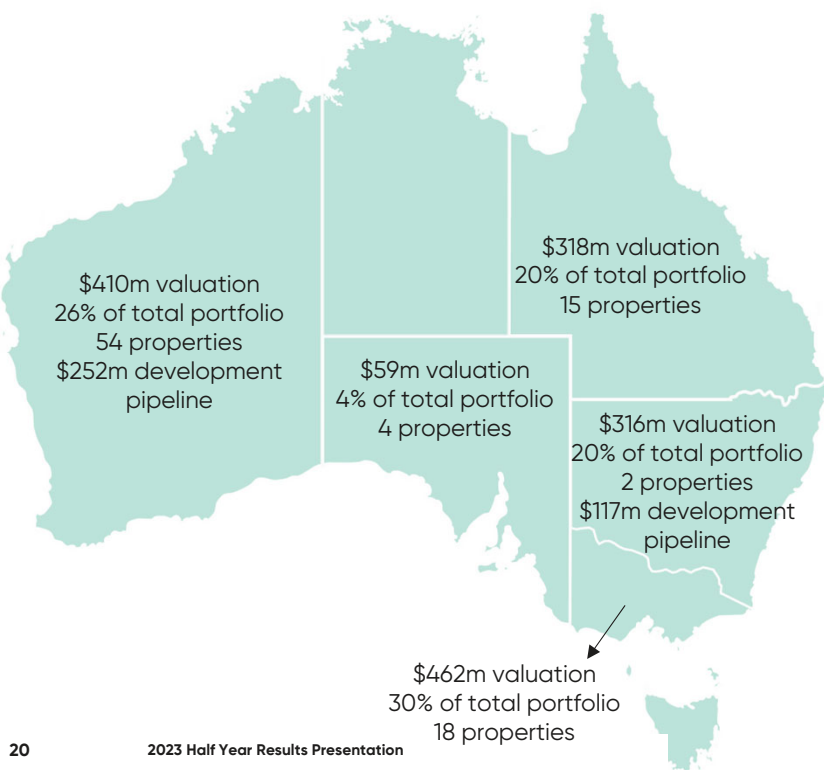


# Appendices



# Geographical presence

## Exposure to all key markets in Australia



## Competitive advantage

### New South Wales

- › Ability to capture strong rental growth as industrial vacancy levels at all-time low
- › Enhanced development exposure
- › Pent-up demand supporting industrial pre-commitment levels

### Western Australia

- › Enables national customer offering
- › Jandakot a gateway location to suit growing e-commerce customers
- › Market-leading development product in growing market

### Victoria

- › Ability to capture strong rental growth given low vacancy
- › Lack of immediately developable land to meet current levels of demand
- › Opportunistically acquired assets over time

### Queensland

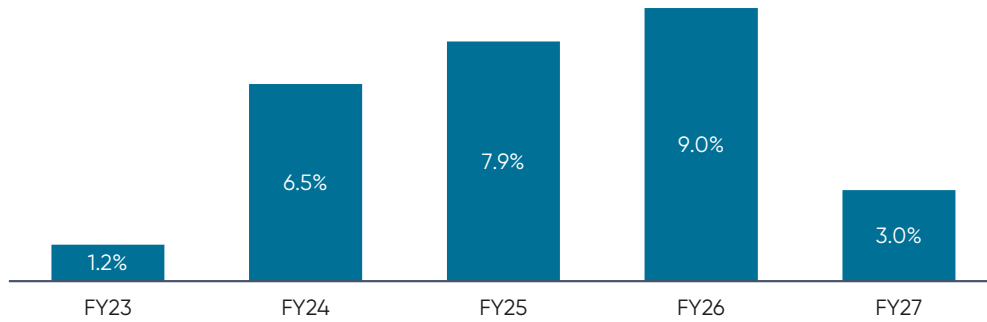
- › BTP continues to attract world-leading technology and life sciences tenants

### South Australia

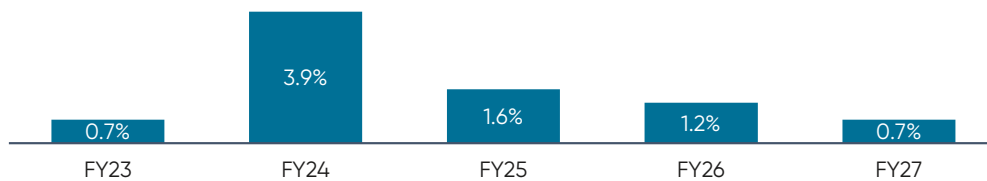
- › Airport assets well placed from oversupply risk in surrounding areas

# Lease expiry profile

**Industrial – 89% of portfolio value  
(% by total DXI income)**



**Brisbane Technology Park – 11% of portfolio value  
(% by total DXI income)**



Amazon, Jandakot Airport industrial precinct, Perth WA

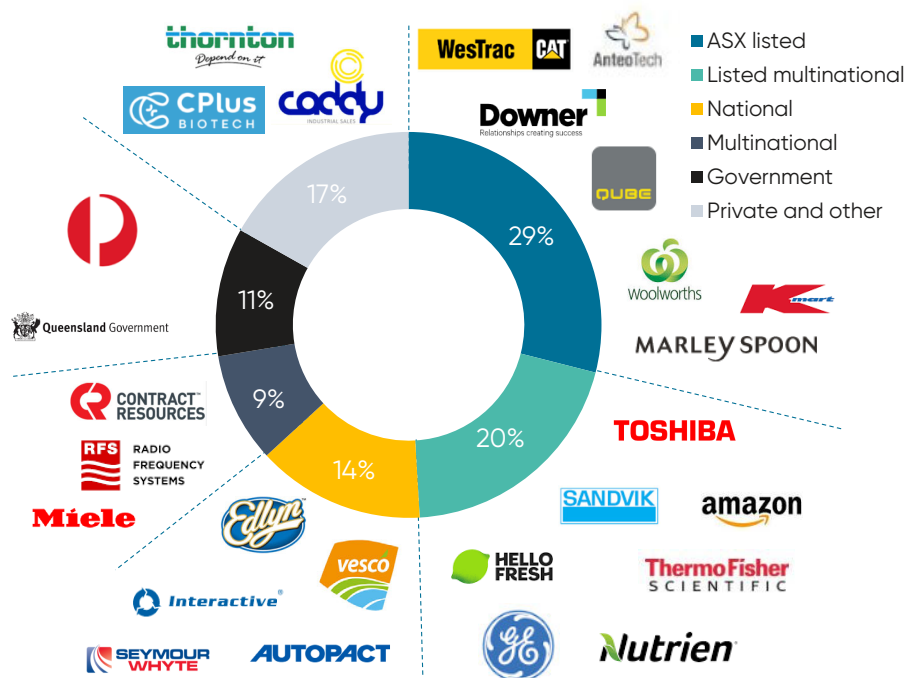


16-28 Quarry Road, Stapylton QLD



# Portfolio tenancy mix

Tenant type (% by income)



Tenant concentration (%)

Tenant	% portfolio income
Westrac	16%
Australian Postal Corporation	6%
Qube	3%
Sandvik	3%
Woolworths Group	3%
Thornton Engineering Australia	3%
Autopact Victoria	2%
Interactive	2%
Radio Frequency Systems	2%
Kmart Australia Ltd	2%
<b>Top 10</b>	<b>42%</b>
Other	58%
<b>Total</b>	<b>100%</b>

# Developments

Project	Building area (sqm)	Development status	Project cost est. <sup>1</sup>	Remaining spend <sup>1</sup>	Est. yield on cost <sup>2</sup>	Est. final completion
<b>Committed</b>						
Jandakot, WA	65,900	Construction	\$52m	\$27m	5-6%	Mid FY24
Kemps Creek, NSW	42,300	Active leasing and planning	\$67m	\$67m	n.a.	Late FY24
<b>Uncommitted<sup>3</sup></b>						
Jandakot, WA	285,100	Active leasing and planning	c.\$200m	n.a.	5-6%	Early FY28
Moorebank, NSW	17,800	Planning phase	c.\$50m	n.a.	5-6%	Early FY25

1. Reflects costs at DXI ownership.

2. Yield on cost calculation includes cost of land, downtime and income earned through development in the denominator.

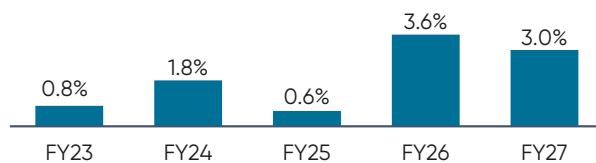
3. Figures are indicative and subject to relevant planning approvals and leasing commitment outcomes. Project cost estimates are presented on a rounded basis.



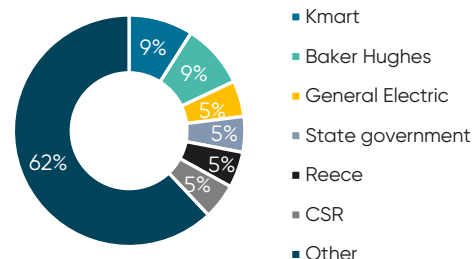
# Jandakot Airport industrial precinct

Stabilised portfolio	General aviation airport and infrastructure operations	Development
<ul style="list-style-type: none"> <li>› \$330 million book value (DXI 33.3% share)</li> <li>› 100% occupancy (by income)</li> <li>› 6.5 year WALE (by income)</li> <li>› 9,000sqm of space leased</li> <li>› 36% of income generating fixed rental growth of 3.0 – 3.5% per annum and 64% linked to CPI escalations</li> </ul>	<ul style="list-style-type: none"> <li>› \$74 million book value (DXI 33.3% share)<sup>1</sup></li> <li>› 19.3 year WALE (by income)</li> <li>› Recurring revenue through economic cycles, including ground rent, infrastructure services, apron licenses and airside parking from more than 100 tenants</li> <li>› Less than 10% of net income from landing fees</li> <li>› Opportunity for large-scale solar installation</li> </ul>	<ul style="list-style-type: none"> <li>› \$80 million book value (DXI 33.3% share)</li> <li>› \$252 million pipeline (total development cost at DXI 33% share) of which \$52 million committed</li> <li>› 351,000sqm to be delivered from FY23 – FY28                             <ul style="list-style-type: none"> <li>› 53,600sqm pre-leased</li> </ul> </li> <li>› 5 – 6% estimated yield on cost</li> </ul>
<b>5.3% blended passing yield</b>		

Lease expiry profile (% by total DXI income)



Diverse tenancy mix (% by Jandakot income)



Jandakot balance sheet

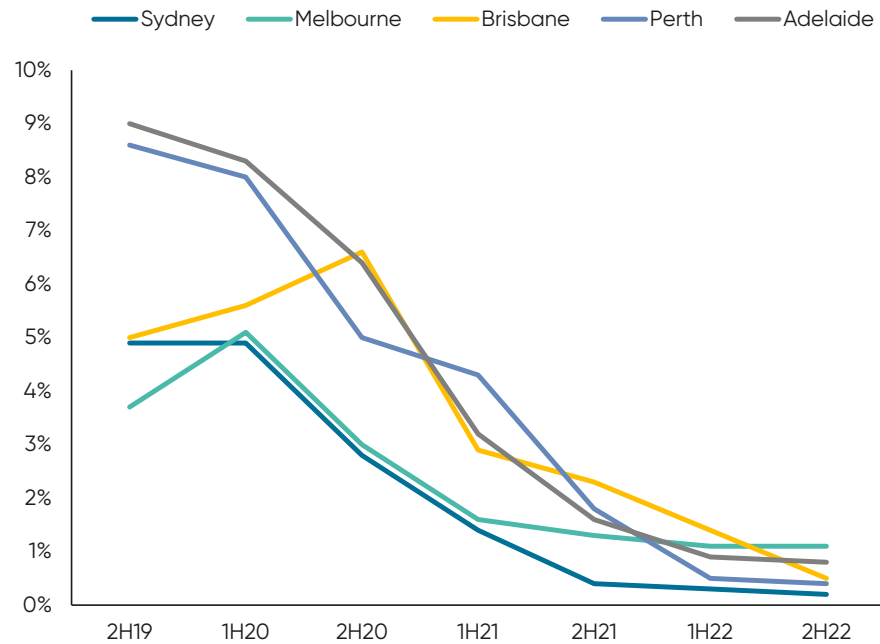
- › 28.4% gearing (joint-venture level)
- › \$420m drawn debt (100% basis)
- › \$250m hedging (100% basis)

1. Includes PP&E and finance lease receivables (leased asset).

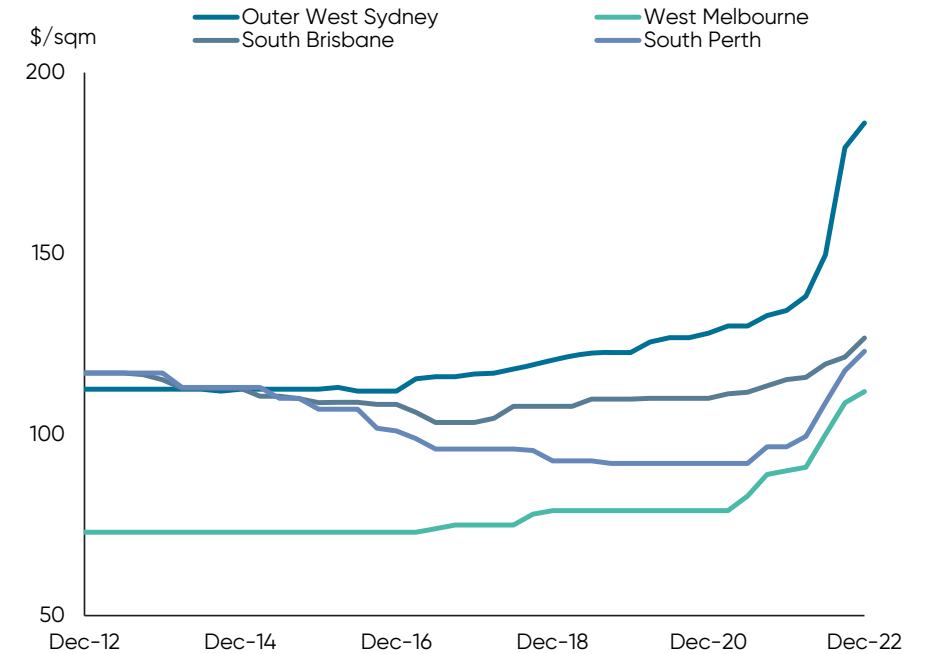
# Industrial market conditions

Positive demand and low vacancy leading to significant rent growth

**Vacancy rates hit record lows across all markets**



**Lack of space leading to rapid growth in rents**



Source: CBRE, Dexus Research, JLL Research.



# Independent valuations

Property	Occupancy by income (%)	Occupancy by area (%)	Book value (\$m)	Reval gain (\$m)	Cap rate (%)	Cap rate mvmt (bps)
34 Australis Drive, Derrimut VIC	100%	100%	\$50.4	\$8.0	4.50%	-
80-96 South Park Drive, Dandenong South VIC	100%	100%	\$37.5	\$(1.1)	5.00%	25 bps
1 West Park Drive, Derrimut VIC	100%	100%	\$19.8	\$0.9	4.75%	25 bps
89 West Park Drive, Derrimut VIC	100%	100%	\$31.9	\$(0.6)	4.75%	50 bps
32-40 Garden Street, Kilsyth VIC	100%	100%	\$31.5	\$(0.1)	4.25%	12 bps
140 Sharps Road, Tullamarine VIC	100%	100%	\$17.3	\$0.1	6.82%	8 bps
13 Ricky Way & 10 Jersey Drive, Epping VIC	100%	100%	\$26.1	\$0.4	4.50%	12 bps
81-83 Rushdale Street, Knoxfield VIC	100%	100%	\$12.9	\$(0.3)	4.75%	25 bps
3 & 4 Forbes Close, Knoxfield VIC	100%	100%	\$25.0	\$0.8	4.50%	25 bps
45-55 O'Briens Road, Corio VIC	100%	100%	\$39.4	\$(2.1)	5.25%	25 bps
57-67 Mark Anthony Drive, Dandenong VIC	100%	100%	\$14.5	\$(0.4)	4.75%	25 bps
137-147 Fitzgerald Road, Laverton North VIC	100%	100%	\$30.1	\$(0.1)	4.50%	25 bps
78 Henderson Road, Rowville VIC	100%	100%	\$23.3	-	4.75%	50 bps
350 & 356 Cooper Street, Epping VIC	100%	100%	\$31.4	\$(1.6)	5.25%	25 bps
1-3 Westrac Drive, Tomago NSW	100%	100%	\$294.0	\$(0.7)	5.00%	25 bps
16-28 Quarry Road, Stapylton QLD	100%	100%	\$66.9	-	5.50%	25 bps
60 Grindle Road, Wacol QLD	100%	100%	\$27.4	\$(0.1)	6.00%	25 bps

## Independent valuations (cont'd)

Property	Occupancy by income (%)	Occupancy by area (%)	Book value (\$m)	Reval gain (\$m)	Cap rate (%)	Cap rate mvmt (bps)
5 Butler Boulevard, Adelaide Airport SA	100%	100%	\$19.2	\$(1.3)	6.10%	26 bps
5b Butler Boulevard, Adelaide Airport SA	100%	100%	\$14.0	\$(0.5)	5.85%	26 bps
18-20 Butler Boulevard, Adelaide Airport SA	100%	100%	\$9.5	-	6.10%	26 bps
20-22 Butler Boulevard, Adelaide Airport SA	100%	100%	\$16.6	\$(1.6)	5.85%	1 bps
9 Boron Street, Naranga QLD	100%	100%	\$46.7	\$1.7	4.75%	12 bps
2 Maker Place, Truganina VIC	100%	100%	\$70.5	\$0.1	4.25%	25 bps
Jandakot – stabilised portfolio	100%	100%	\$329.6	\$7.3	4.75%	25 bps
Jandakot – development	n.a.	n.a.	\$80.5	\$(0.1)	n.a.	n.a.
12 Church Road, Moorebank NSW	n.a.	n.a.	\$21.7	\$0.1	n.a.	n.a.
<b>Total Industrial</b>	<b>100%</b>	<b>100%</b>	<b>\$1,387.6</b>	<b>\$9.0</b>	<b>4.93%</b>	<b>23 bps</b>
7 Clunies Ross Court & 17-19 McKechnie Drive, BTP QLD	93.9%	96.9%	\$59.0	\$(1.4)	6.50%	25 bps
BTP Central, BTP QLD	94.3%	87.7%	\$42.3	\$(2.7)	6.61%	9 bps
8 Clunies Ross Court & 9 McKechnie Drive, BTP QLD	66.3%	64.2%	\$29.7	\$1.2	6.75%	(12) bps
37 Brandl Street, BTP QLD	82.1%	80.2%	\$15.0	\$(0.8)	7.00%	-
18 Brandl Street, BTP QLD	57.9%	51.6%	\$13.3	\$(0.5)	7.25%	25 bps
88 Brandl Street, BTP QLD	93.4%	93.5%	\$17.3	\$(0.3)	7.00%	-
<b>Total Brisbane Technology Park</b>	<b>84.3%</b>	<b>81.2%</b>	<b>\$176.6</b>	<b>\$(4.5)</b>	<b>6.66%</b>	<b>5 bps</b>
<b>Total portfolio excluding transactions<sup>1</sup></b>	<b>97.4%</b>	<b>98.8%</b>	<b>\$1,564.2</b>	<b>\$4.5</b>	<b>5.13%</b>	<b>20 bps</b>
Divestments <sup>2</sup>	n.a.	n.a.	n.a.	\$(31.2)	n.a.	n.a.
<b>Total portfolio<sup>1</sup></b>	<b>97.4%</b>	<b>98.8%</b>	<b>\$1,564.2</b>	<b>\$(26.7)</b>	<b>5.13%</b>	<b>9 bps</b>

1. Represents look-through portfolio.

2. Represents Rhode Corporate Park assets which comprised 2 properties.

2023 Half Year Results Presentation

# Summary balance sheet and gearing

## Summary balance sheet

\$'000	31 Dec 2022	30 Jun 2022
Cash and cash equivalents	5,696	5,583
Investment properties	1,132,425	1,319,450
Equity accounted investments	358,043	317,486
Other assets	73,357	73,235
<b>Total assets</b>	<b>1,569,521</b>	<b>1,715,754</b>
Borrowings	(349,106)	(475,929)
Distributions payable	(13,008)	(13,722)
Other liabilities	(78,453)	(72,572)
<b>Total liabilities</b>	<b>(440,567)</b>	<b>(562,223)</b>
<b>Net assets</b>	<b>1,128,954</b>	<b>1,153,531</b>
Stapled securities on issue (thousands)	317,270	317,270
<b>NTA per security<sup>1</sup> (\$)</b>	<b>\$3.52</b>	<b>\$3.60</b>

1. Calculated as total net assets less goodwill on a look-through basis, divided by total securities on issue.
2. Adjusted for debt in equity accounted investments.

## Gearing

\$'000	31 Dec 2022	30 Jun 2022
<b>Gearing</b>		
Drawn debt	353,250	480,500
Total tangible assets	1,518,302	1,664,628
<b>Gearing (%)</b>	<b>23.3%</b>	<b>28.9%</b>
<b>Look-through</b>		
Drawn debt less cash <sup>2</sup>	487,513	614,773
Total tangible assets less cash <sup>2</sup>	1,652,473	1,798,905
<b>Look-through gearing (%)</b>	<b>29.5%</b>	<b>34.2%</b>



# Consolidated profit & loss statement

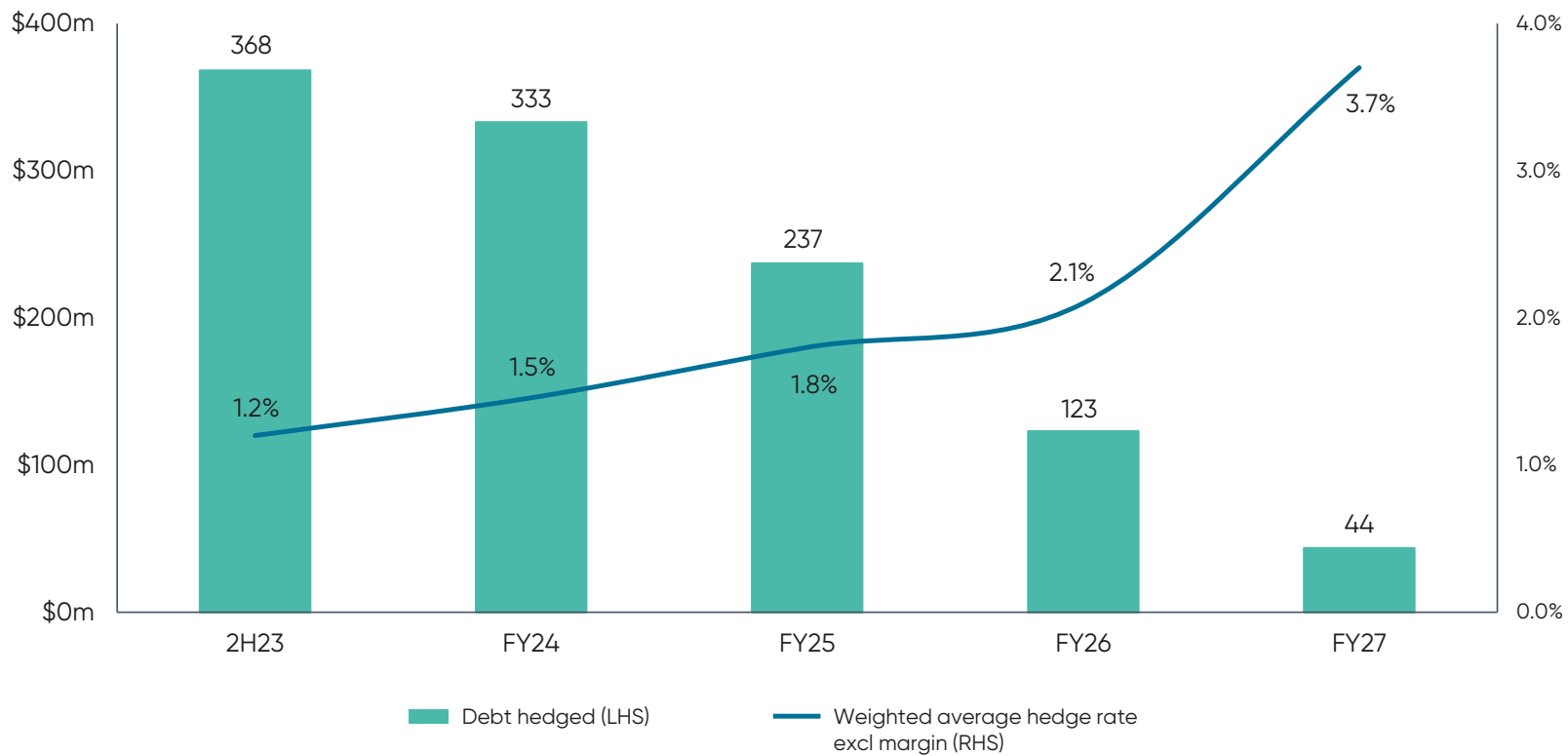
\$'000	HY23	HY22
Total revenue	38,622	36,355
Property expenses	(7,491)	(6,372)
Management fee expense	(3,476)	(3,159)
Other expenses	(644)	(583)
Total expenses	(11,611)	(10,114)
Net operating income (EBIT)	27,011	26,241
Net fair value gain / (loss) on investment properties	(34,047)	86,673
Net fair value gain / (loss) on investment properties – ROU	(178)	(146)
Net fair value gain / (loss) on derivatives	(186)	3,718
Share of net profit / (loss) of investments accounted for using the equity method	18,795	1,883
Impairment of investments accounted for using the equity method	(1,208)	-
Net interest expense	(8,770)	(2,177)
Net income before tax	1,417	116,192
Income tax (expense) / benefit	22	(2,495)
Statutory net profit after tax	1,439	113,697

# FFO reconciliation<sup>1</sup>

\$'000	HY23	HY22
Statutory net profit after tax	1,439	113,697
Adjusted for:		
Net fair value (gain) / loss on investment properties	26,719	(86,673)
Fair value (gain) / loss on investment properties - ROU assets	(5,681)	146
Fair value (gain) / loss on derivatives	(197)	(3,718)
Incentive amortisation and rent straight line	1,448	1,885
Non-FFO tax expense	1,463	2,495
Debt modification (gain) / expense	339	(2,869)
Transaction costs and one-off significant items	1,208	-
Rental guarantees, coupon income and other	369	(134)
FFO	27,107	24,829
Distribution declared	26,016	23,196
Weighted securities on issue (thousands)	317,270	262,423
FFO (cents per security)	8.5	9.5
Distribution per security (cents per Security)	8.2	8.7
Payout ratio	96.0%	91.4%

1. Includes the financial results of the equity accounted investments acquired during the year on a look-through basis.

# Look-through interest rate hedging profile





# Important information

This presentation ("Material") has been prepared by Dexus Asset Management Limited (ACN 080 674 479, AFSL No. 237500) ("DXAM") as the responsible entity of Industria Trust No. 1 (ARSN 125 862 875), Industria Trust No. 2 (ARSN 125 862 491), Industria Trust No. 3 (ARSN 166 150 938) and Industria Trust No. 4 (ARSN 166 163 186), and Industria Company No. 1 Limited (ACN 010 794 957) ("Industria Company") collectively the Dexus Industria REIT (ASX: DXI) stapled group. DXAM is a wholly owned subsidiary of Dexus (ASX: DXS).

Information in this Material is current as at 8 February 2023 (unless otherwise indicated), is for general information purposes only, (subject to applicable law) does not constitute financial product advice, has been prepared without taking account of the recipient's objectives, financial situation and needs, and does not purport to contain all information necessary for making an investment decision. Accordingly, and before you receive any financial service from us (including deciding to acquire or to continue to hold a product in Dexus Industria REIT) or act on this Material, investors should obtain and consider the product disclosure statement and prospectus and all relevant continuous disclosure materials (together "Disclosure Materials"), and the DXAM financial services guide ("FSG") in full, consider the appropriateness of this Material having regard to your own objectives, financial situation and needs, and seek independent legal, tax and financial advice. The Disclosure Materials and FSG (hard copy or electronic copy) are available from DXAM, Level 5, 80 Collins Street (South Tower), Melbourne VIC 3000, by visiting <https://www.dexus.com/investor-centre>, by emailing [investorservices@dexus.com](mailto:investorservices@dexus.com) or by phoning 1800 996 456. The Disclosure Materials contain important information about risks, costs and fees (including fees payable for managing Dexus Industria REIT). Any investment is subject to investment risk, including possible delays in repayment and loss of income and principal invested, and there is no guarantee on the performance of the fund or the return of any capital. This Material does not constitute an offer, invitation, solicitation or recommendation to subscribe for, purchase or sell any financial product, and does not form the basis of any contract or commitment. This Material must not be reproduced or used by any person without DXAM's prior written consent. This Material is not intended for distribution or use in any jurisdiction where it would be contrary to applicable laws, regulations or directives.

Any forward-looking statements, opinions and estimates (including statements of intent) in this Material are based on estimates and assumptions related to future business, economic, market, political, social and other conditions that are inherently subject to significant uncertainties, risks and contingencies, and the assumptions may change at any time without notice. Actual results may differ materially from those predicted or implied by any forward looking statements for a range of reasons. Past performance is not an indication of future performance. The forward-looking statements only speak as at the date of this Material, and except as required by law, DXAM and Industria Company disclaim any duty to update them to reflect new developments.

Except as required by law, no representation, assurance, guarantee or warranty, express or implied, is made as to the fairness, authenticity, validity, suitability, reliability, accuracy, completeness or correctness of any information, statement, estimate or opinion, or as to the reasonableness of any assumption, in this Material. By reading or viewing this Material and to the fullest extent permitted by law, the recipient releases Dexus, DXAM, Industria Company and their affiliates, and all of their directors, officers, employees, representatives and advisers from any and all direct, indirect and consequential losses, damages, costs, expenses and liabilities of any kind ("Losses") arising in connection with any recipient or person acting on or relying on anything contained in or omitted from this Material or any other written or oral information, statement, estimate or opinion, whether or not the Losses arise in connection with any negligence or default of Dexus, DXAM, Industria Company, or otherwise.

Dexus, DXAM, Industria Company and/or their affiliates may have an interest in the financial products, and may earn fees as a result of transactions, mentioned in this Material.

dexus