

Dexus (ASX: DXS)

ASX release



20 June 2024

Portfolio valuation update

Dexus today announced that 170 of its 176¹ assets, comprising 30 office properties and 140 industrial properties have been externally valued as at 30 June 2024.

The draft external independent valuations have resulted in a total estimated decrease of circa \$1.3 billion² or 9.0% on book values across the stabilised portfolio and development assets for the six months to 30 June 2024.

The value of the office portfolio decreased circa 11.3% driven by higher capitalisation rates and discount rates, partially offset by market rental growth. The industrial portfolio decreased by circa 1.2%, with strong rental growth largely offsetting the impact of higher capitalisation rates and discount rates.

Ross Du Vernet, Dexus Group CEO and Managing Director said: "The investment metrics displayed by recent sale activity support a softening in office market valuations. However, as a long term investor, we have confidence in the value of our high quality portfolio through the cycle. There is continued occupier demand for well-located, high quality buildings as seen in our portfolio occupancy."

The weighted average capitalisation rate across the total stabilised portfolio expanded by circa 42 basis points over the past six months from 5.45% at 31 December 2023 to 5.87% at 30 June 2024. The weighted average capitalisation rate of the office portfolio expanded by circa 48 basis points from 5.53% at 31 December 2023 to 6.01% at 30 June 2024 and the industrial portfolio weighted average capitalisation rate expanded by circa 27 basis points from 5.18% at 31 December 2023 to 5.45% at 30 June 2024.

Valuations will be finalised and details relating to specific individual property valuations will be available in Dexus's FY24 results which will be released to the Australian Securities Exchange on Tuesday, 20 August 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 \$57.1 billion. We believe that the strength and quality of our relationships will always be central to our success and are deeply connected to our purpose: Unlock potential, create tomorrow. We directly and indirectly own \$15.8 billion of office, industrial, healthcare, retail and infrastructure assets and investments. We manage a further \$41.3 billion of investments in our funds management business which provides third party capital with exposure to quality sector specific and diversified real asset products. The funds within this business have a strong track record of delivering performance and benefit from Dexus's capabilities. The platform's \$16.9 billion real estate development pipeline provides the opportunity to grow both portfolios and enhance future returns. Our sustainability aspiration is to unlock the potential of real assets to create lasting positive impact and a more sustainable tomorrow, and is focused on the priorities of customer prosperity, climate action and enhancing communities. Dexus is supported by more than 35,000 investors from 22 countries. With four decades of expertise in real estate and infrastructure investment, funds management, asset management and development, we have a proven track record in capital and risk management and delivering returns for investors. www.dexus.com

Dexus Funds Management Limited ABN 24 060 920 783, AFSL 238163, as Responsible Entity for Dexus (ASX: DXS) (Dexus Property Trust ARSN 648 526 470 and Dexus Operations Trust ARSN 110 521 223)
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1 Including Jandakot Airport, Perth which comprises 55 assets.
2 Includes assets held for sale at sale price.