

# Dexus Industria REIT (ASX:DXI)

## ASX release

14 August 2024

### 2024 Annual Results presentation and property synopsis

Dexus Industria REIT (DXI) releases its 2024 Annual 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 Board of Dexus Asset Management Limited and Industria Company No. 1 Limited*

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### 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 30 June 2024, the fund's portfolio is valued at \$1.4 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 asset 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

DXI | dexus

Dexus Industria REIT

2024

# Full year results

14 August 2024

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. 1 Limited ACN 010 794 957



Amazon, ASCEND Industrial Estate at  
Jandakot Airport, Perth WA

# 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 and present.**

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

# Agenda

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# 01

## Introduction and highlights

1 West Park Drive, Derrimut VIC

# DXI investment proposition

To generate strong risk-adjusted returns for investors seeking listed industrial real estate exposure in Australia



## Delivering organic income growth

- Well-located and national portfolio
- High occupancy with minimal near-term expiries
- Embedded rental growth with attractive rent review mechanisms
- Diversified tenant base underpinning income yield



## Conservatively managing the balance sheet

- 27.3% look-through gearing<sup>1</sup>; below the target range of 30 – 40%
- Significant headroom to covenants
- Tactically utilising balance sheet capacity to drive strong risk-adjusted returns over the long term



## Active portfolio management

- Executing on asset plans
- Investing in higher returning opportunities
- Delivering development pipeline to further enhance portfolio quality



## Aligned manager with deep real asset capability

- Dexus principal ownership of 17.5%
- Dexus brings deep capability with ~\$11 billion of industrial funds under management<sup>2</sup>
- Dexus is committed to delivering performance for investors across its funds management platform

## Key metrics



**\$1.4bn**  
portfolio



**80%**  
of population reached by DXI assets within 60 minutes<sup>3</sup>



**99.3%**  
occupancy (by income)



**5.9 year**  
WALE (by income)



**53%**  
income linked to CPI



**c. \$163m**  
development pipeline spend remaining



**5.7%**  
distribution yield<sup>4</sup>

1. Adjusted for cash and debt in equity accounted investments. See page 38 for detailed breakdown. | 2. As at 31 December 2023. | 3. Based on population reached each capital city in Australia on average. Source: Australian census data and SA1 Property data. | 4. Based on closing security price as at 12 August 2024.

# FY24 highlights

Delivered upgraded guidance, strong rental growth and retained balance sheet flexibility



## Delivered upgraded guidance

- FFO of 17.4 cents per security, up 1.7% on the prior year and in line with guidance which was upgraded during the year (17.1 cents initial guidance)
- Distributions of 16.4 cents per security, in line with recent guidance



## Generating organic income growth

- Portfolio like-for-like growth of 7.8%<sup>1</sup>
- 4.4% average rent review, driven by CPI-linked reviews
- Achieved industrial re-leasing spreads of 28.3% in the second half (15.7% for FY24)
- Significantly increased BTP occupancy from 85.7% at FY23 to 98.1%



## Active management approach

- Completed 43,700sqm<sup>2</sup> of new, high-quality developments at ASCEND Industrial Estate at Jandakot Airport
- Secured initial heads of agreement at multi-unit, last mile project in Moorebank
- Minimal near-term lease expiries amidst a moderating leasing environment as a result of 218,800sqm<sup>3</sup> of leasing over the past 24 months at double digit re-leasing spreads



## Enhanced balance sheet strength

- Look-through gearing 27.3%, below the 30 - 40% target range, supported by \$135 million of strategic divestments; well placed to consider value-creating deployment opportunities
- Average hedged debt of 84% for the year providing material protection from higher interest rates
- Cancelled \$71 million of facilities to optimise headroom and debt costs
- Extended \$208 million of facilities at lower margins, with no near-term debt expiries

ASCEND Industrial Estate at Jandakot Airport, Perth WA

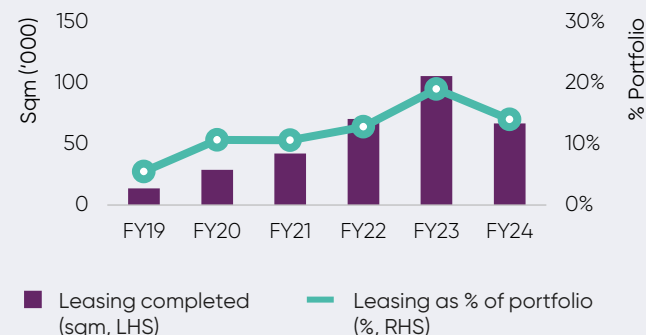


1. On a face basis, or 5.4% on an effective basis. | 2. At 100%, or 14,600sqm at DXI ownership. 3 | Excludes developments. At 100%, or 172,300sqm at DXI ownership.

# Delivering resilient income growth with development upside

## Property

Track record of leasing success (sqm)<sup>1</sup>



**89**  
properties



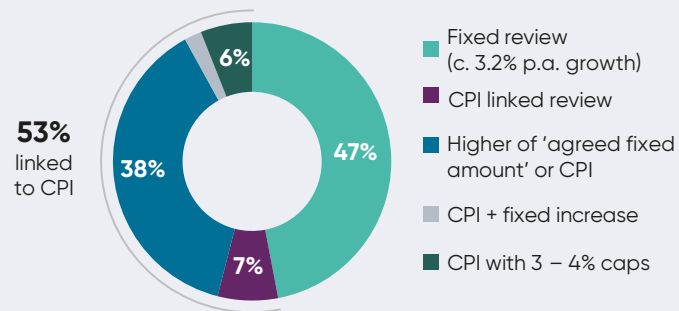
**\$1.4bn**  
portfolio value



**83,100sqm**  
total leasing<sup>2</sup>

## Embedded growth

Fixed reviews with strong inflation protection (% by income)



**53%**  
linked to CPI



**99.3%**  
occupancy (by income)



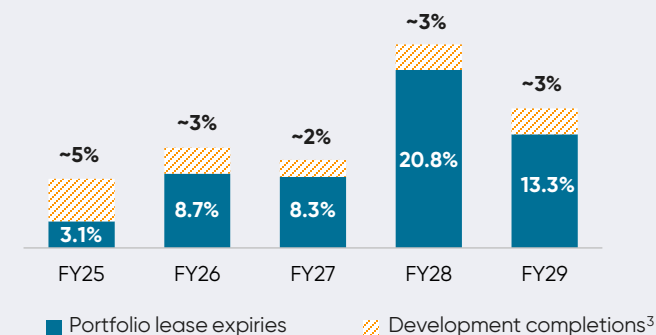
**53%**  
income linked to CPI



**+4.4%**  
average FY24 rent review

## Income resilience

Stable earnings with potential development upside (% by income)



**170**  
diversified tenants



**5.9 year**  
WALE (by income)



**6.25%+**  
target development yield on cost<sup>4</sup>

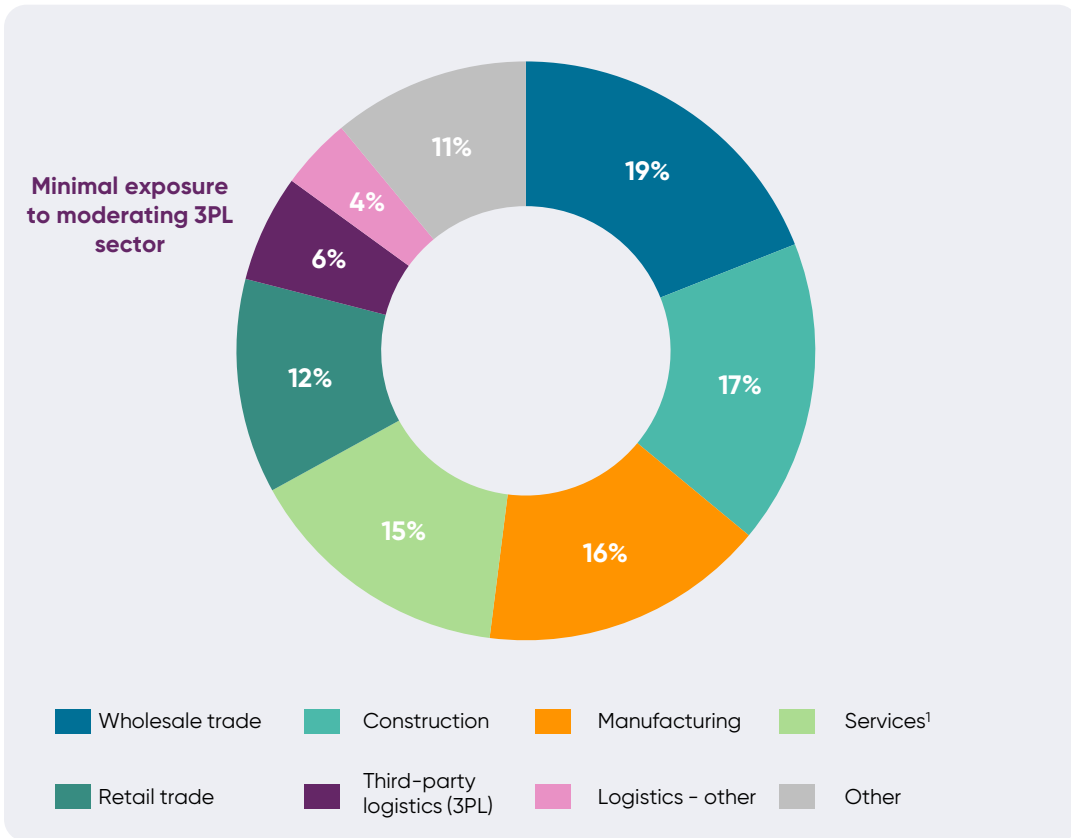
1. Excludes developments. At DXI ownership. | 2. Excludes developments. At 100%, or 66,800sqm at DXI ownership. | 3. Based on annualised expected income of both committed and uncommitted development completions. | 4. Development cost includes land and capitalised interest.



# Diverse and high-quality tenant base

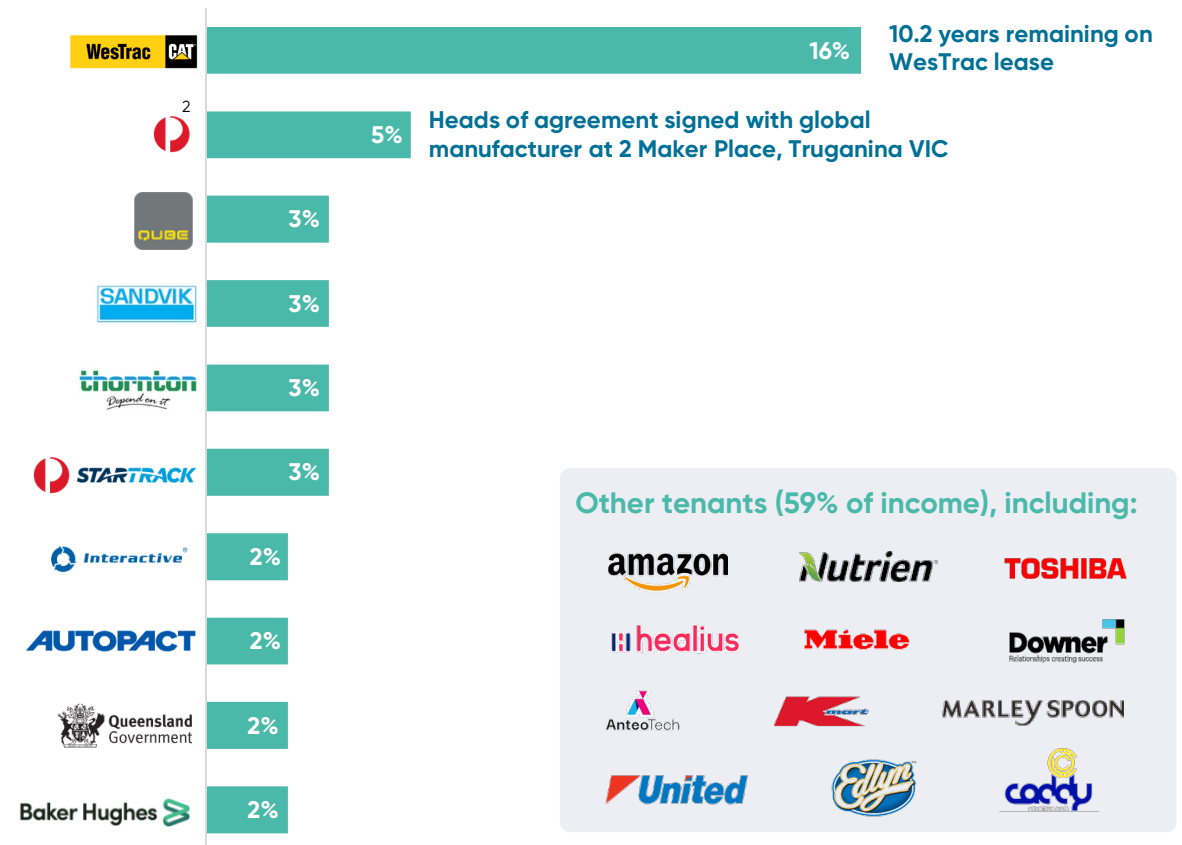
## Diversified tenant base across range of sectors

(% of DXI income)



## Top 10 tenants account for 41% of portfolio income

(% of DXI income)



1. Includes professional, scientific, technical and other services. | 2. Current tenant at 2 Maker Place, Truganina VIC as at 30 June 2024.

# Sustainability progress

Carbon neutral status maintained for controlled building portfolio

## DXI initiatives



**Maintained carbon neutral** position across DXI controlled and managed operations for FY23 as part of the Dexus group submission<sup>1</sup>



**100% renewable electricity** sourced for controlled assets



**Embedded initiatives**  
Moorebank development project including solar and rainwater harvesting



**140 kW** of solar arrays installed in FY24 with approval for a further **2.1 MW** progressed



**26%** improvement<sup>2</sup> in recycling rates at BTP representing a **100 tonne** GHG emission reduction



**4.8 Star** average NABERS Energy and Water rating  
**3.0 Star** average Green Star Performance rating

## Aligned to Dexus Sustainability Strategy

### Priority Area

### DXI future focus



**Customer Prosperity**

Enable tenants to accelerate the energy transition through solar and battery deployment



**Climate Action**

Integrate climate action-related initiatives within new developments, with a focus on embodied carbon, renewable energy, water and resource conservation and enhanced resilience



**Enhancing Communities**

Amplify social impact through utilising DXI assets to host activations with Dexus's community partners

1. Covers scope 1, 2 and some scope 3 emissions. Refer to FY23 Sustainability Data Pack available on Dexus website for scope 3 inclusions. | 2. Based on 12-month prior year comparison of site-specific waste densities.

# 02

## Financial overview



# FY24 financial result

Delivered FFO in line with upgraded guidance

Profit & loss	FY24	FY23	Change	
Property FFO (\$m)	81.1	83.4	↓	(2.7)%
Management fees (\$m)	(8.3)	(8.7)	↓	(4.6)%
Net finance costs (\$m)	(15.0)	(18.0)	↓	(16.6)%
Tax expense (\$m)	(2.1)	(1.7)	↑	19.7%
Other <sup>1</sup> (\$m)	(0.5)	(0.6)	↓	(22.2)%
<b>FFO (\$m)</b>	<b>55.3</b>	<b>54.4</b>	↑	<b>1.7%</b>
FFO (cents per security)	17.4	17.1	↑	1.7%
Distributions (cents per security)	16.4	16.4	-	-
FFO payout ratio (%)	94.1%	95.7%	↓	(1.6)ppt
Balance sheet	30 Jun 2024	30 Jun 2023	Change	
NTA per security <sup>2</sup> (\$)	\$3.24	\$3.44	↓	(5.8)%

- Impacted by divestments, partly offset by portfolio like-for-like growth of 7.8%<sup>3</sup> supported by 4.4% average rent reviews and higher occupancy
- Lower average portfolio value due to asset divestments and property devaluations, partly offset by development spend
- Average debt balance \$114 million lower due to asset divestments, partly offset by the average cost of debt increasing 30bps due to rising floating interest and hedge rates
- Tax expense increased due to higher embedded network energy income at Jandakot Airport and strong leasing outcomes at BTP assets held within IC<sup>14</sup>

- Predominantly driven by property portfolio devaluations

1. Includes share of Jandakot airport operating business and operating costs. | 2. Calculated as total net assets less goodwill on a look-through basis, divided by total securities on issue. | 3. On a face basis, or 5.4% on an effective basis. | 4. Industria Company No. 1 Limited.

# Balance sheet and capital management

Active approach to enhance flexibility and optimise overall debt costs

Key metrics <sup>1</sup>	30 Jun 2024	30 Jun 2023
Balance sheet gearing	20.0%	20.4% <sup>2</sup>
Gearing (look-through) <sup>3</sup>	27.3%	27.3% <sup>2</sup>
Cost of debt <sup>4</sup>	3.8%	3.5%
Average maturity of debt	3.5 years	3.1 years
Average hedged debt	84%	68%
Balance sheet headroom <sup>5</sup>	\$104m	\$63m
Balance sheet interest cover (covenant)	6.9x	5.4x <sup>6</sup>

## Proactively strengthening the balance sheet



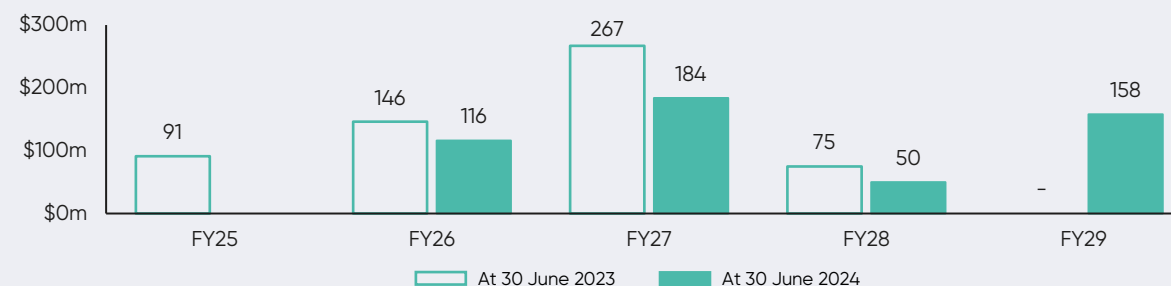
- Proceeds from strategic divestments enabled gearing levels to be maintained despite valuation declines; hedging levels enhanced
- Retained balance sheet flexibility to pursue development pipeline and other opportunities
- Look-through gearing expected to increase to circa 29% post committed pipeline spend<sup>7</sup>

## Active capital management approach



- Look-through gearing of 27.3%, below 30-40% target range
- Executed \$71 million of facility cancellations to optimise headroom and overall debt costs
- Extended \$208 million of facilities at lower margins with nearest debt maturity in November 2025
- Anticipate FY25 average debt hedged to be above 65%<sup>8</sup>

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



1. All metrics are look-through unless stated otherwise. | 2. Gearing metrics presented on a pro forma basis. At 30 June 2023, balance sheet gearing was 25.1%, or 31.2% look-through. | 3. Adjusted for cash and debt in equity accounted investments. | 4. Weighted average for the period, inclusive of fees and margins on a drawn basis. | 5. Undrawn facilities plus cash. | 6. Restated (from 4.5x) to include distributions received from equity accounted investments. | 7. Assuming no further transactions or revaluation movements. | 8. Based on existing hedges in place as at 30 June 2024 and assuming no further transactional activity.

# Active capital recycling

Preserving balance sheet strength and enhancing underlying portfolio quality

## Divestments since FY22

**\$295m** total divestments across five assets

**4.4%** average yield of divestments

**c.10%** increase in portfolio weighting to industrial post Rhodes divestment

## Capital redeployment

**27.3%** look-through gearing, below 30-40% target range

**5.3%** average yield on cost for FY24 developments completed and fully leased (both completed July 2023)

**\$31m** total development spend on FY24 completions

## Future pipeline

**c.\$163m** remaining development pipeline spend (\$23 million committed)

**6.25%+** target yields on cost<sup>1</sup>

**\$15m+** potential annual net rental uplift from total development pipeline<sup>2</sup>



1. Development cost includes land and capitalised interest. | 2. Calculated as estimated yield on cost multiplied by total estimated development spend.

# Portfolio valuation movements

Asset valuations supported by continued rental growth

Property portfolio valuation summary – 30 Jun 2024 <sup>1</sup>					
Portfolio	30 Jun 2024 book value (\$m)	Revaluation change (\$m)	Revaluation change (%)	Cap rate (%)	Cap rate 12 month mvmt (bps)
Industrial	\$1,226	\$(53.5)	(4.2)%	5.80%	63 bps
BTP	\$159	\$(12.9)	(7.5)%	7.37%	43 bps
<b>Total excl. transactions</b>	<b>\$1,385</b>	<b>\$(66.3)</b>	<b>(4.6)%</b>	<b>5.98%</b>	<b>58 bps</b>
Settled divestments <sup>2</sup>	n.a.	\$(1.0)	n.a.	n.a.	n.a.
<b>Total portfolio</b>	<b>\$1,385</b>	<b>\$(67.3)</b>	<b>(4.6)%</b>	<b>5.98%</b>	<b>60 bps</b>

→ **100% of portfolio** independently valued as at 30 June 2024

→ **On a like-for-like basis:**

- \$66.3 million of property devaluations
- WACR expanded 58 basis points to 5.98%

→ **Rental growth** continued to partly offset the impact of capitalisation rate expansion, supported by relatively restricted supply and low vacancy

1. Represents look-through portfolio and excludes leased assets. | 2. Includes \$5.0 million surrender payment received in relation to the divestment of 32-40 Garden Street, Kilsyth VIC.

# 03

## Property performance and market dynamics





# Industrial performance

High-quality portfolio generating strong organic growth

## Embedded rental growth

- Average 4.5% rent reviews
- 6.3%<sup>1</sup> like-for-like income growth
- 28.3% 2H re-leasing spreads (FY24: 15.7%)
- Maintained high occupancy
- Minimal downtime on re-leasing

## Active asset management

- Negotiated early tenant departure at 2 Maker Place with Heads agreed to capture strong rental reversion
- Renewed leases at all four Adelaide Airport assets with no downtime
- Minimal near-term lease expiries enhancing income resilience

## Future income uplift

- \$15m+ potential total annual net rental uplift from committed and uncommitted development completions<sup>2</sup>



**\$1.2bn**  
book value



**5.80%**  
WACR



**99.5%**  
occupancy  
(by income)



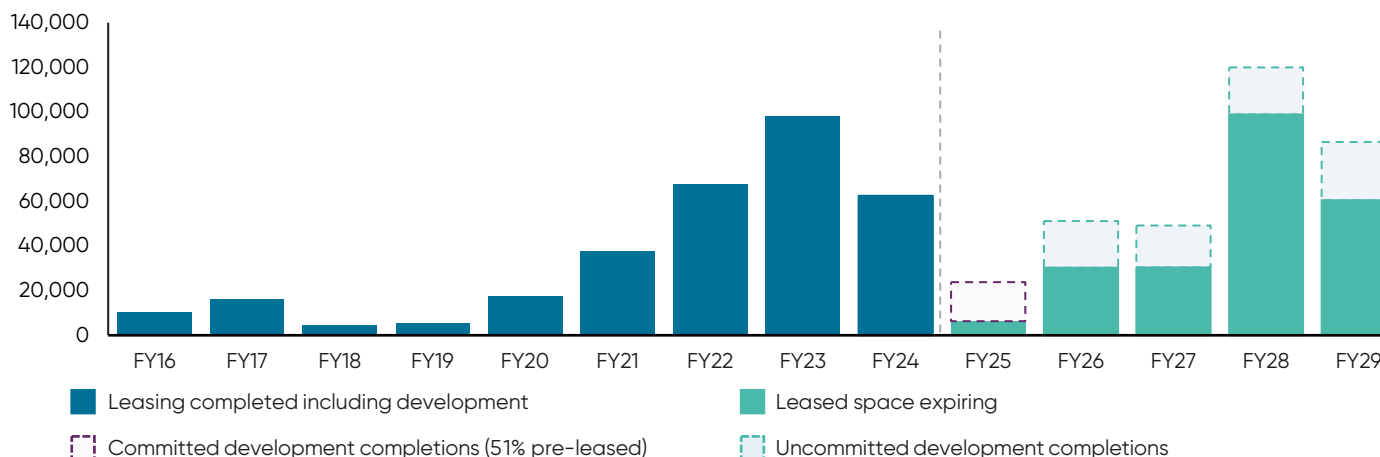
**6.4 year**  
WALE  
(by income)



**72,100sqm<sup>3</sup>**  
leased across  
17 deals

## Leasing completed and forthcoming expiry

(by area, sqm)<sup>4</sup>



1. On a face basis, or 4.9% on an effective basis. | 2. Calculated as estimated yield on cost multiplied by total estimated development spend. | 3. Represents stabilised leasing at 100%, or 55,800sqm at DXI ownership. Development leasing for the period was 18,900sqm at 100%, or 6,600sqm at DXI ownership. | 4. Including stabilised leasing, expiries, development leasing, and development completions at DXI ownership.

# ASCEND Industrial Estate at Jandakot Airport performance

Continued solid operating performance

## Stabilised portfolio

- 4.0%<sup>1</sup> like-for-like income growth supported by 59% of income linked to CPI escalations
- 24,500sqm leased<sup>2</sup>
- 98.5% occupancy (by income)

## Developments

- Targeting 6.25%+ yield on cost for new developments<sup>3</sup>
- 289,000sqm total pipeline<sup>4</sup>, of which DXI has:
  - \$24 million committed with \$9 million remaining spend
  - \$180 million uncommitted

## General aviation airport and infrastructure operations

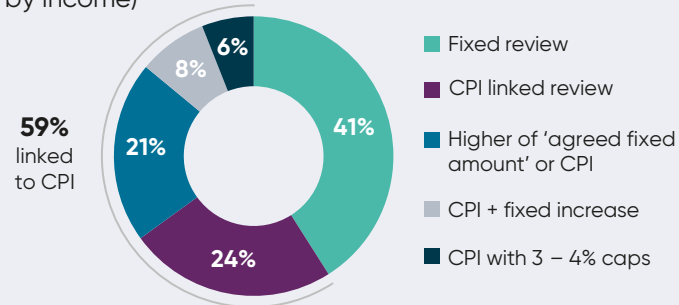
- Long WALE (18.3 years by income)
- Less than 10% of income from landing fees (1% of total ASCEND at Jandakot income)

Amazon, ASCEND Industrial Estate at Jandakot Airport, Perth WA



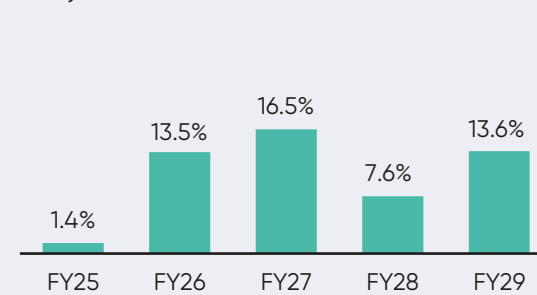
## Rent review

(% by income)



## Lease expiry profile

(% by total ASCEND at Jandakot income)



Baker Hughes, ASCEND Industrial Estate at Jandakot Airport, Perth WA

1. On a face basis, or 3.5% on an effective basis. | 2. Excludes development. At 100%, or 8,200sqm at DXI ownership. | 3. Development cost includes land and capitalised interest. | 4. At 100%, or 96,300sqm at DXI ownership.

# Active asset management

Driving long-term value creation

## 2 Maker Place, Truganina VIC

- Negotiated early tenant departure with asset significantly under-rented
- Heads agreed with global manufacturer at 42% re-leasing spread for entire 30,100sqm

## Adelaide Airport assets, Butler Boulevard SA

- Renewed leases at all four assets with no downtime and 11% ahead of valuer assumptions
- 2% re-leasing spread embeds strong passing yield from acquisition price
- High-quality tenant mix

## 10 Orion Road, Jandakot WA

- Achieved 43% re-leasing spread with no downtime
- Leased 15% ahead of valuation rents to national logistics operator

## 631 Karel Avenue, Jandakot WA

- Negotiated early tenant departure to receive gross rental lease tail in full at the surrender date
- Heads agreed for 65% (by area) of remaining vacancy (up from 40% at 31 Dec 2023)



# Developments

## Disciplined approach to activating development pipeline

- **Total pipeline of \$250 million** across 306,900sqm expected to be completed over the next five years<sup>1,2</sup>
- Remaining spend of **\$23 million** on committed projects; and **circa \$140 million** on uncommitted projects<sup>2</sup>
- **Delivered an average 5.3% yield on cost** at ASCEND Industrial Estate at Jandakot Airport across two fully leased warehouses, with positive enquiry on a recently completed speculative development
- **Committed pipeline 51% pre-leased**
- **Strong leasing enquiry** at multi-unit estate in Moorebank with first heads of agreement secured at a **record rent for the South West Sydney market**; expected to complete in December 2024
- **Balance sheet capacity** to fund projects
- Projects will **improve portfolio quality** and are expected to be earnings accretive

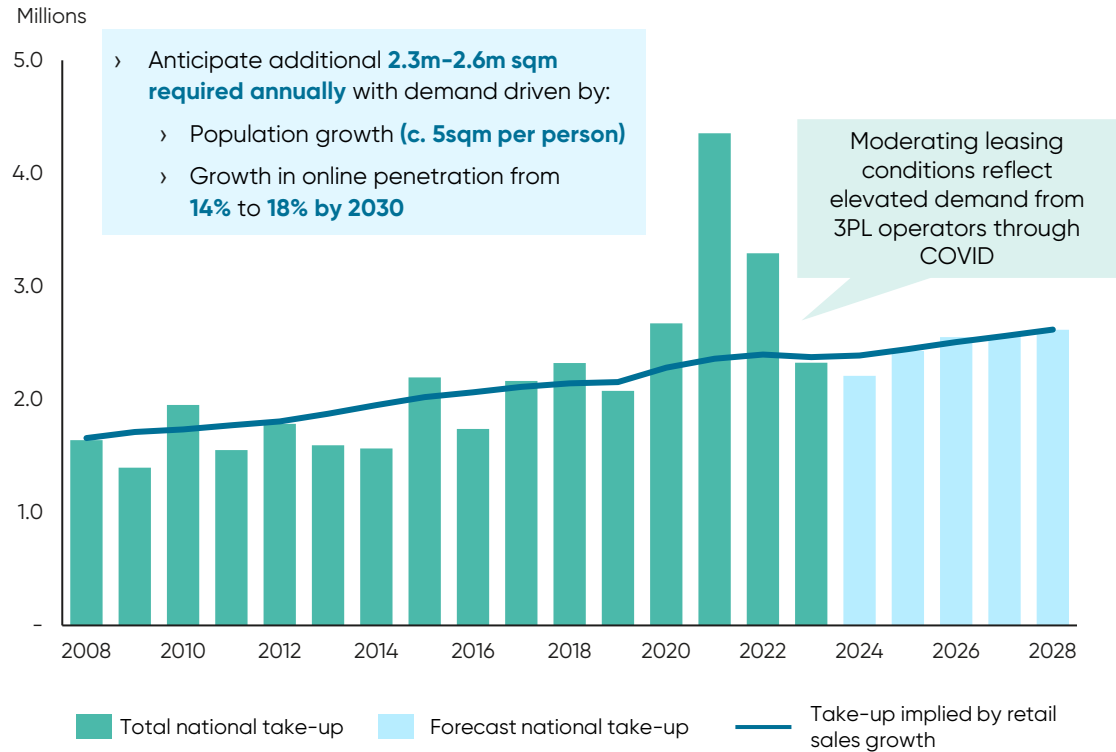


1. Including projects in uncommitted pipeline. | 2. At DXI's 33.3% ownership.

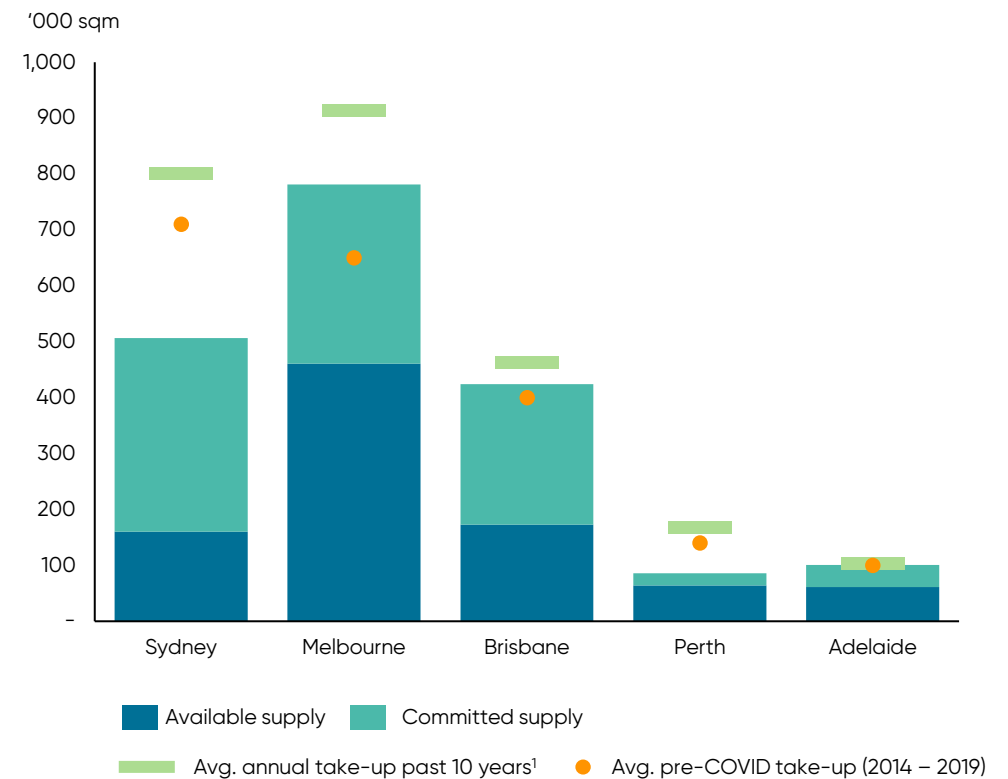
# Industrial market outlook

High land and construction costs limiting supply while demand continues to grow

## Population growth expected to lead to structurally higher demand



## 2024 uncommitted supply remains below historical take-up



Source: JLL Research, SA1 Property, Oxford Economics, Dexus Research.  
1. Take-up includes leases of existing stock.

# Brisbane Technology Park performance

## Record occupancy achieved

### Strong leasing outcomes

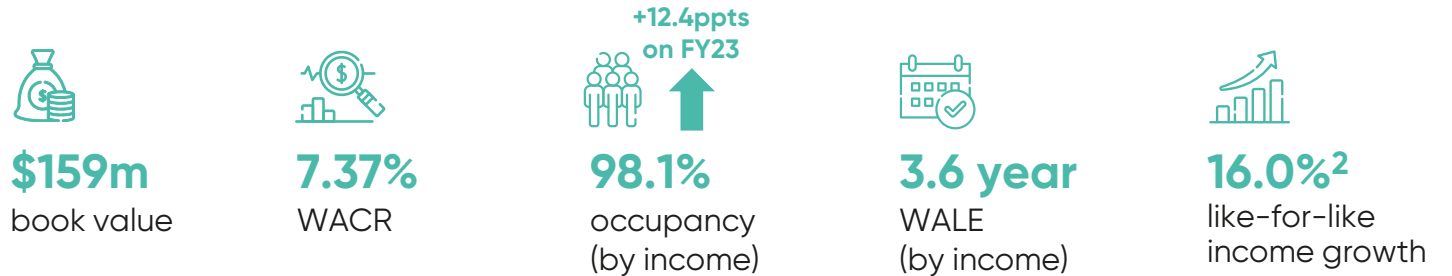
- 11,000sqm leased equivalent to 36% of total area:
  - 1,900sqm of leasing to technology and life sciences tenants
  - Average term of 3.6 years on new leases
  - Average incentives circa 20ppts lower than broader Brisbane CBD market<sup>1</sup>
- Increased occupancy by 12.4ppts to 98.1%
- Attractive value proposition compared to broader Brisbane CBD market with average net rents circa 50% lower<sup>1</sup>

### Solid retention supported by demand from small users

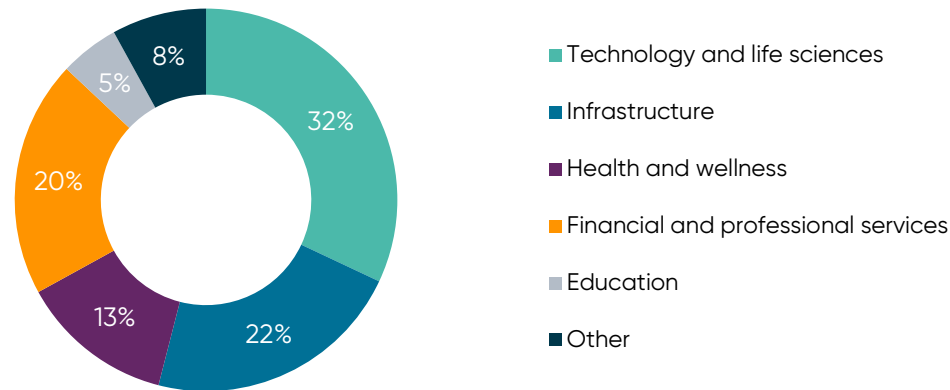
- 73% of space retained or backfilled within 3 months
- 50 tenants occupying <250sqm each

### Increased cash flow generation

- Income yield of 7.7%



### Tenant type (% by BTP income)



**81**  
diverse customers  
across 12 assets

1. Compared to Brisbane CBD prime stock at June 2024. Sourced from JLL.  
2. On a face basis, or 9.2% on an effective basis.

# 04 Summary

140 Sharps Road, Tullamarine VIC



# Attractive investment proposition



**Well placed to generate organic income growth** from attractive mix of fixed and CPI-linked rental escalators, with minimal near-term expiries providing high income visibility



**Continue to retain balance sheet flexibility** with gearing below the target range, and prudent interest rate hedging and liquidity



**Disciplined approach to capital deployment**, including \$250 million development pipeline with target yields on cost of 6.25%+<sup>1</sup>



**FY25 guidance:** Barring unforeseen circumstances, DXI expects to deliver FFO of 17.8 cps, reflecting growth of 2.3%, and distributions of 16.4 cps

1. Development cost includes land and capitalised interest.





# 05

## Appendices

1-3 Westrac Drive, Tomago NSW



# Geographical presence

## National portfolio at scale

### New South Wales

- Delivering new developments in core industrial markets with low vacancy
- Leading investment at Westrac Newcastle

### Victoria

- Diverse portfolio across the core west, north, and south eastern markets
- Captured material rental growth in recent years

### South Australia

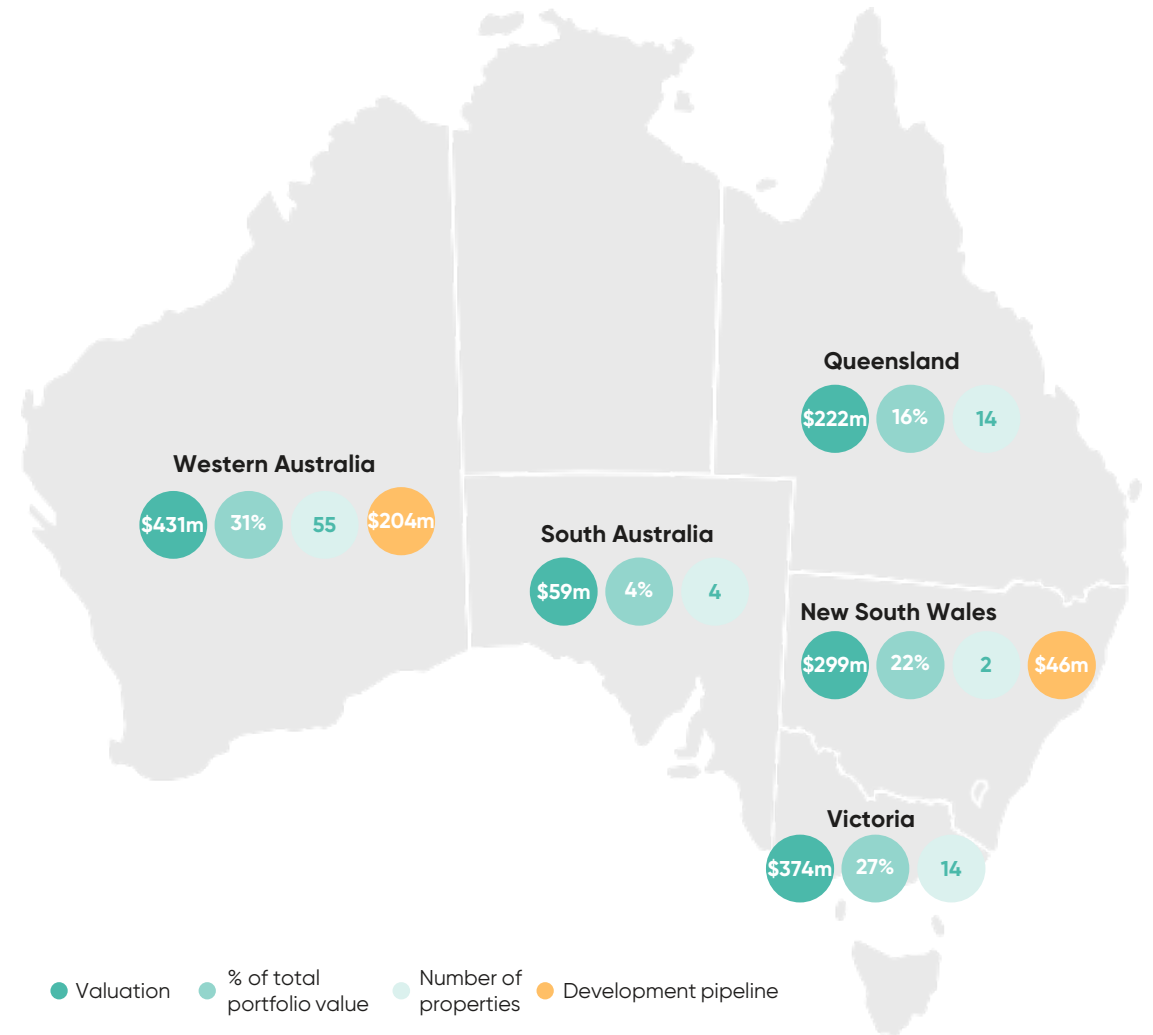
- High-quality warehouses located within the Adelaide Airport precinct close to Adelaide CBD

### Western Australia

- Perth's leading master-planned estate with occupiers including Amazon and Marley Spoon
- Gateway location in close proximity to residential growth areas
- Unlocking value through development – with 289,000sqm to be built out

### Queensland

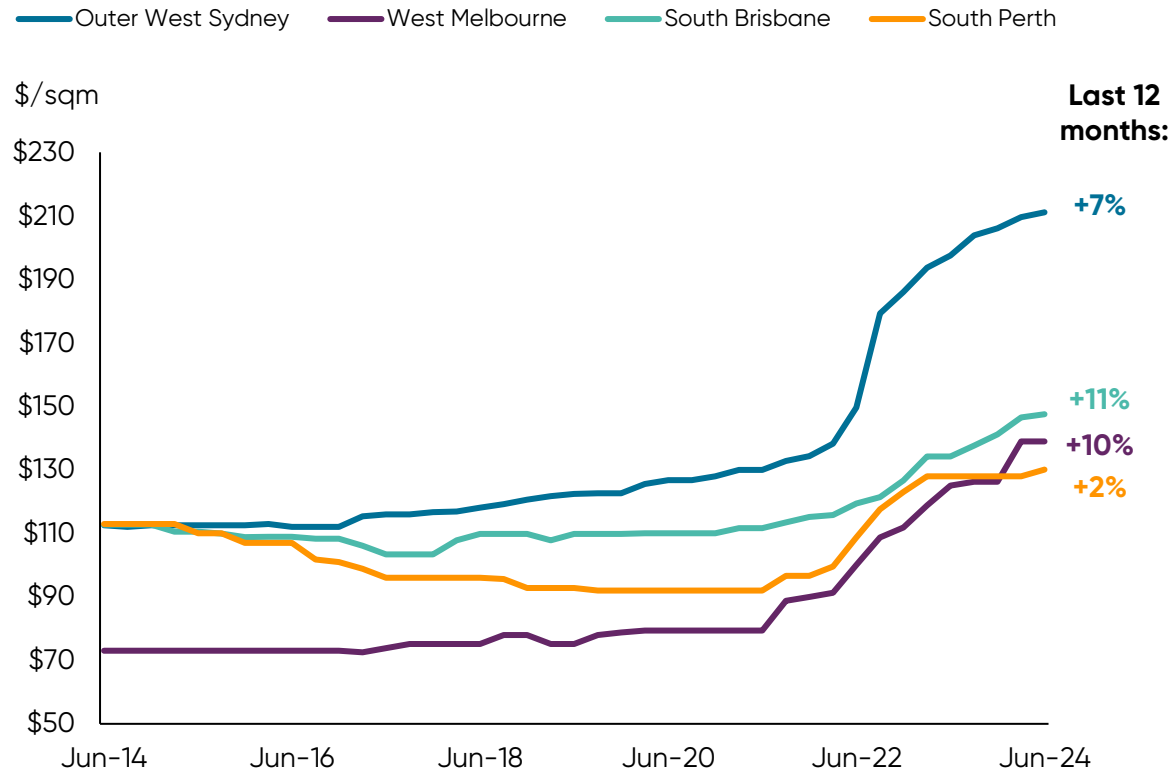
- Industrial presence in key precincts including Wacol and Narangba
- Diversified portfolio of 12 business park properties leased to 81 tenants



# Market dynamics

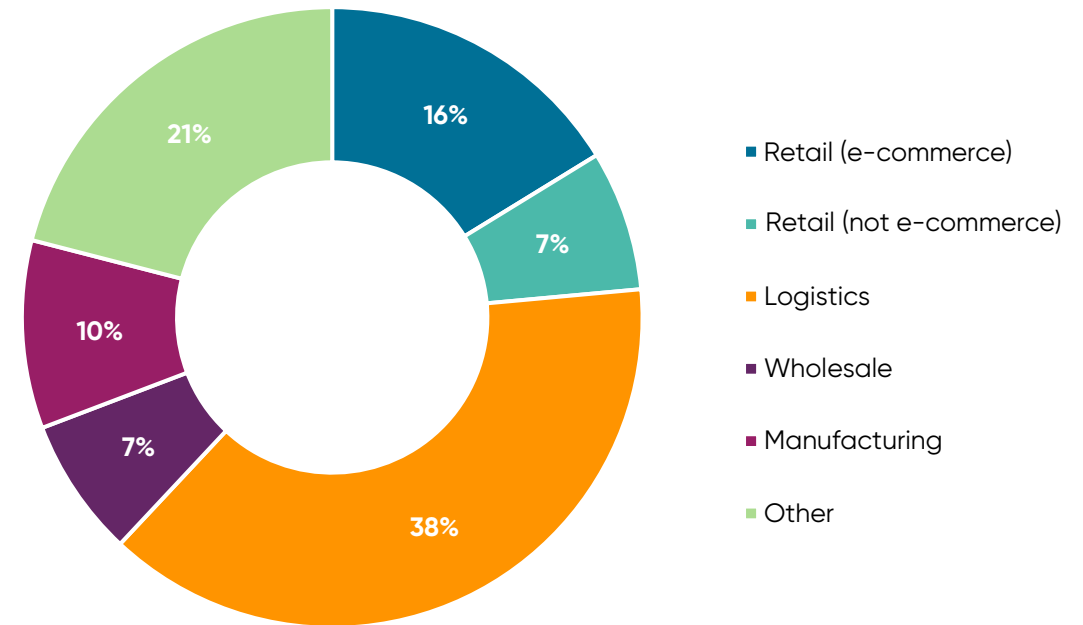
Rent growth beginning to taper as vacancy normalises, demand remains broad-based

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



## Industrial demand remains relatively broad-based

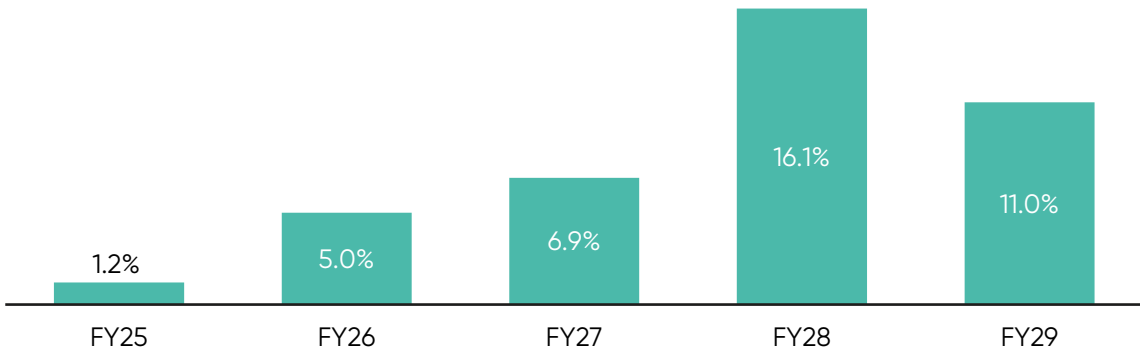
National take-up by tenant type from 2021-2023



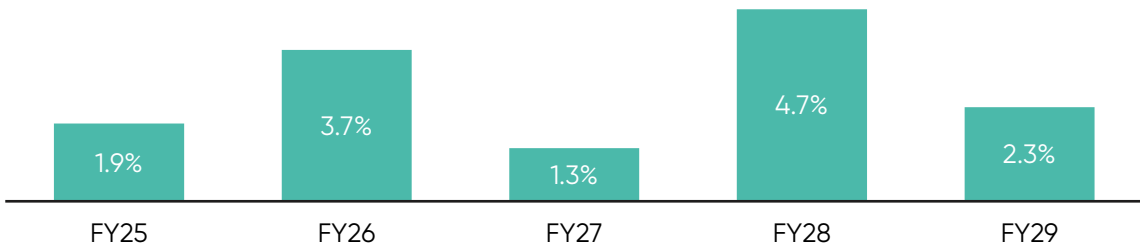
Source: JLL Research, Dexus Research.

# Lease expiry profile

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



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



# Portfolio tenancy mix

Tenant type (% by income)



# ASCEND Industrial Estate at Jandakot Airport

## Stabilised portfolio

- 98.5% occupancy (by income)
- 5.6 year WALE (by income)
- 41% of income generating fixed rental growth of 3.0–3.5% per annum
- 59% of income linked to CPI escalations

## Developments

- \$149 million estimated spend remaining (at DXI share) of which \$9 million committed
- 289,000sqm to be delivered to FY28
- 77% of committed product pre-leased
- Targeting yield on cost 6.25%+<sup>1</sup>

## General aviation airport and infrastructure operations

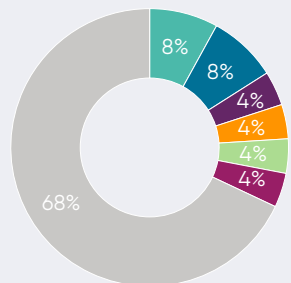
- 18.3 year WALE (by income)
- Recurring revenue through economic cycles including infrastructure services and apron licences
- Less than 10% of income from landing fees (1% of total ASCEND at Jandakot income)
- Opportunity for large-scale solar installation

Kmart, ASCEND Industrial Estate at Jandakot Airport, Perth WA



## Diverse tenancy mix

(% by ASCEND at Jandakot income)



- Baker Hughes
- Kmart
- Amart Furniture
- CSR
- Hello Fresh
- Reece
- Other

## Balance sheet

- 26.8% gearing (joint venture level)
- \$420m drawn debt (100% basis)
- \$250m hedging (100% basis)



Marley Spoon, ASCEND Industrial Estate at Jandakot Airport, Perth WA

1. Development cost includes land and capitalised interest.

# ASCEND at Jandakot

## Key metrics<sup>1</sup>

**55** assets

**\$431m** external valuation on investment property

- **\$361m** stabilised
- **\$70m** development

**\$82m** general aviation airport & infrastructure operations value<sup>2</sup>

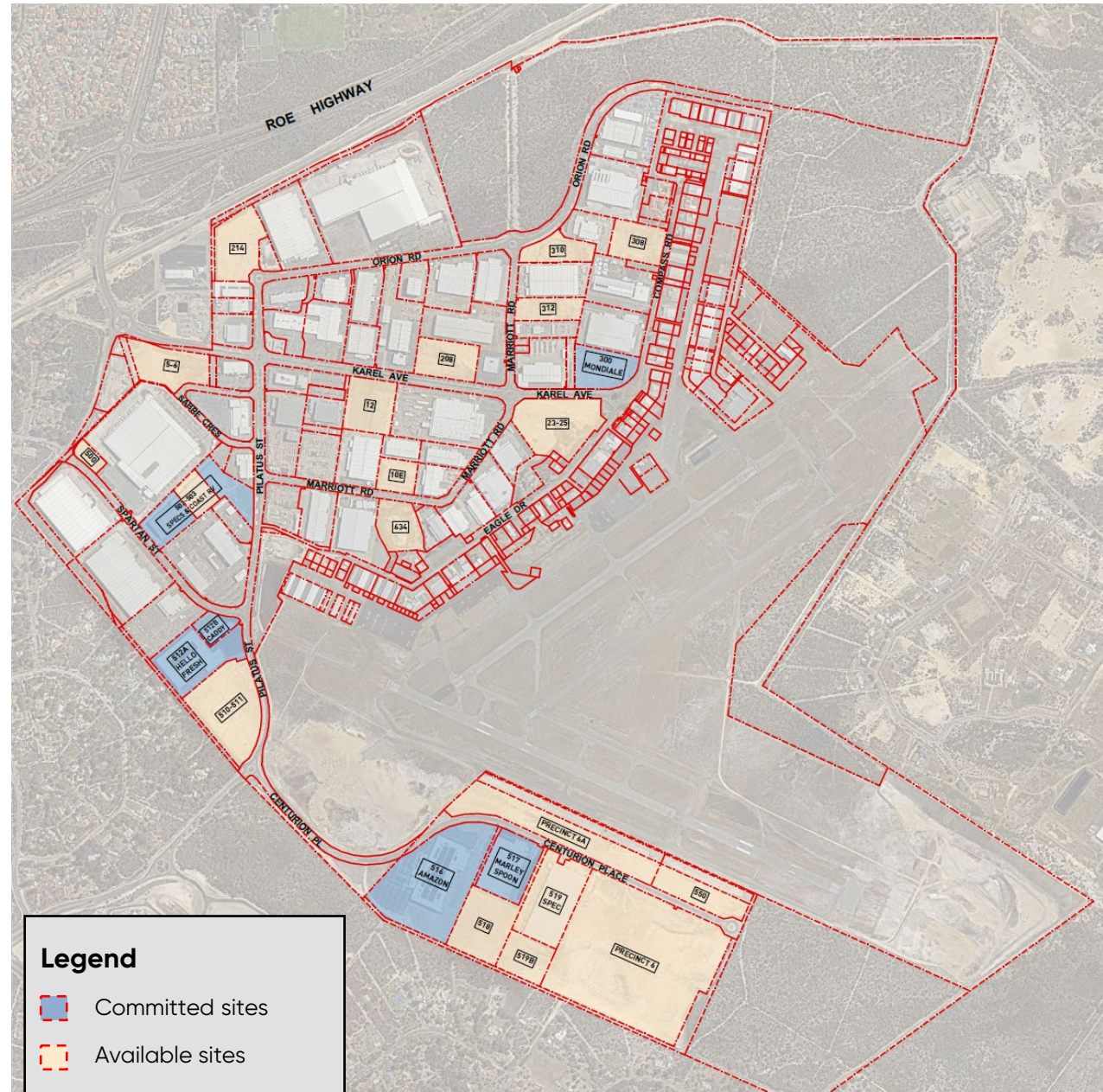
**289,000sqm** development pipeline

**c. \$204m** development pipeline value

**c. \$149m** development spend remaining

**6.25%+** target yield on cost<sup>3</sup>

1. Monetary figures represent DXI's ownership share of the total amounts.
2. Based on finance lease receivable of the ground leases on completed developments and airport plant & equipment.
3. Development cost includes land and capitalised interest.



# ASCEND Industrial Estate at Jandakot Airport proposition

Strategically located with convenient access to key regional infrastructure

## → Located adjacent to arterial roads with good access to public transport

- › Access to Roe Highway and Kwinana Freeway, as well as public transport for the workforce – with the new Southern Rail Link train station of Murdoch and Cockburn Central
- › Onsite amenity improves tenant satisfaction and attraction

## → Appeals to a broad variety of users providing diversified demand sources

- › Convenient location in Perth for multiple supermarket networks with large number of stores in close proximity
- › Benefits from clustering effects, where tenants within related supply chain networks are located nearby
- › Accessibility to a high number of Perth households within 60 mins – reducing risks for operators targeting same-day delivery
- › Existing base of synergistic ecosystems in the precinct for manufacturing and resources users

## → Development land to take advantage of strategic location and latent tenant demand





# Developments

Project	Building area (sqm at 100%)	Building area (sqm at DXI ownership)	Development status	Est. project costs <sup>1</sup>	Remaining spend <sup>1</sup>	Est. yield on cost <sup>2</sup>	Est. final completion
<b>Completed<sup>3</sup></b>							
ASCEND at Jandakot, WA	43,700	14,600	Completed	\$31m	-	5.3% <sup>4</sup>	Marley Spoon – Jul 23 Caddy – Jul 23 8 Centurion – Feb 24
<b>Committed</b>							
ASCEND at Jandakot, WA	25,800	8,600	Construction	\$24m	\$9m	c. 6.5%	Mid FY25
12 Church Road, Moorebank NSW	17,900	9,000	Construction	\$46m	\$14m	6.0 – 6.5%	Mid FY25
<b>Uncommitted<sup>5</sup></b>							
ASCEND at Jandakot, WA	263,200	87,700	Planning phase	c. \$180m	c. \$140m	6.25%+	FY29

1. Reflects costs at DXI ownership. | 2. Yield on cost calculation includes cost of land, downtime, capitalised interest and income earned through development in the denominator. | 3. Represents development completions for the year ended 30 June 2024.

4. Excludes 8 Centurion which is yet to be leased. | 5. Figures are indicative and subject to relevant planning approvals and leasing commitment outcomes. Project cost and remaining spend estimates are presented on a rounded basis.

# Divestments

Asset	# assets	Price (\$m)	Settlement
3 & 4 Forbes Close, Knoxfield VIC	2	\$22.9	Aug-23
16-28 Quarry Road, Stapylton QLD	1	\$66.9	Oct-23
57-67 Mark Anthony Drive, South Dandenong VIC	1	\$13.5	Jan-24
32-40 Garden Street, Kilsyth VIC	1	\$31.5 <sup>1</sup>	Jan-24



1. Includes a \$5.0 million surrender payment that was received August 2023.

# Independent valuations

Property	Occupancy by income (%)	Occupancy by area (%)	Book value (\$m)	Reval gain/(loss) (\$m)	Cap rate (%)	Cap rate mvmt (bps)
34 Australis Drive, Derrimut VIC	100%	100%	\$47.5	\$(1.0)	6.00%	113 bps
80-96 South Park Drive, Dandenong South VIC	100%	100%	\$44.6	\$6.7	5.50%	-
1 West Park Drive, Derrimut VIC	100%	100%	\$18.7	\$(0.6)	5.88%	87 bps
89 West Park Drive, Derrimut VIC	100%	100%	\$29.7	\$(0.4)	6.00%	100 bps
140 Sharps Road, Tullamarine VIC	100%	100%	\$15.8	\$(1.1)	7.95%	70 bps
13 Ricky Way & 10 Jersey Drive, Epping VIC	100%	100%	\$24.8	\$(0.3)	5.50%	62 bps
81-83 Rushdale Street, Knoxfield VIC	100%	100%	\$13.5	\$0.4	5.25%	25 bps
45-55 O'Briens Road, Corio VIC	100%	100%	\$35.1	\$(3.3)	6.25%	63 bps
137-147 Fitzgerald Road, Laverton North VIC	100%	100%	\$25.3	\$(3.4)	6.00%	125 bps
78 Henderson Road, Rowville VIC	100%	100%	\$24.3	\$(2.6)	5.50%	75 bps
350 & 356 Cooper Street, Epping VIC	100%	100%	\$27.4	\$(2.6)	6.00%	50 bps
1-3 Westrac Drive, Tomago NSW	100%	100%	\$270.0	\$(18.0)	5.75%	63 bps
60 Grindle Road, Wacol QLD	100%	100%	\$22.5	\$(2.5)	7.25%	75 bps
5 Butler Boulevard, Adelaide Airport SA	100%	100%	\$19.3	\$(0.1)	7.00%	77 bps
5b Butler Boulevard, Adelaide Airport SA	100%	100%	\$13.0	\$(1.2)	6.75%	77 bps
18-20 Butler Boulevard, Adelaide Airport SA	100%	100%	\$9.8	\$0.3	7.00%	77 bps
20-22 Butler Boulevard, Adelaide Airport SA	100%	100%	\$16.5	\$(1.5)	6.75%	102 bps
9 Boron Street, Narangba QLD	100%	100%	\$40.4	\$(5.3)	6.25%	75 bps
2 Maker Place, Truganina VIC	100%	100%	\$67.5	\$(3.1)	5.25%	75 bps

# Independent valuations (cont'd)

Property	Occupancy by income (%)	Occupancy by area (%)	Book value (\$m)	Reval gain/(loss) (\$m)	Cap rate (%)	Cap rate mvmt (bps)
ASCEND at Jandakot – stabilised portfolio	98.5%	99.2%	\$361.4	\$(13.8)	5.50%	50 bps
ASCEND at Jandakot – development	n.a.	n.a.	\$69.6	\$0.6	n.a.	n.a.
12 Church Road, Moorebank NSW	n.a.	n.a.	\$29.3	\$(0.6)	n.a.	n.a.
<b>Total Industrial</b>	<b>99.5%</b>	<b>99.8%</b>	<b>\$1,225.7</b>	<b>\$(53.5)</b>	<b>5.80%</b>	<b>63 bps</b>
7 Clunies Ross Court & 17-19 McKechnie Drive, BTP QLD	99.6%	99.7%	\$50.6	\$(2.6)	7.25%	50 bps
BTP Central, BTP QLD	100%	100%	\$38.5	\$(1.9)	7.11%	24 bps
8 Clunies Ross Court & 9 McKechnie Drive, BTP QLD	100%	100%	\$30.2	\$(3.4)	7.22%	32 bps
37 Brandl Street, BTP QLD	100%	100%	\$13.5	\$(1.1)	8.00%	71 bps
18 Brandl Street, BTP QLD	94.9%	95.5%	\$12.3	\$(0.9)	7.75%	50 bps
88 Brandl Street, BTP QLD	87.8%	86.9%	\$14.0	\$(3.0)	7.75%	50 bps
<b>Total Brisbane Technology Park</b>	<b>98.1%</b>	<b>98.0%</b>	<b>\$159.1</b>	<b>\$(12.9)</b>	<b>7.37%</b>	<b>43 bps</b>
<b>Total portfolio excluding transactions<sup>1</sup></b>	<b>99.3%</b>	<b>99.6%</b>	<b>\$1,384.8</b>	<b>\$(66.3)</b>	<b>5.98%</b>	<b>58 bps</b>
Settled divestments <sup>2</sup>	n.a.	n.a.	n.a.	\$(1.0)	n.a.	n.a.
<b>Total portfolio<sup>1</sup></b>	<b>99.3%</b>	<b>99.6%</b>	<b>\$1,384.8</b>	<b>\$(67.3)</b>	<b>5.98%</b>	<b>60 bps</b>

1. Represents look-through portfolio and excludes leased assets. | 2. Includes \$5.0 million surrender payment received in relation to the divestment of 32-40 Garden Street, Kilsyth VIC.

# Profit & loss and FFO reconciliation

\$'000	Direct investments (100% owned)		Joint ventures <sup>1</sup>		Total portfolio	
	FY24	FY23	FY24	FY23	FY24	FY23
Property revenue	71,718	77,623	30,341	27,157	102,059	104,780
Property expenses	(13,641)	(14,993)	(7,282)	(6,363)	(20,923)	(21,356)
<b>Property FFO</b>	<b>58,077</b>	<b>62,630</b>	<b>23,059</b>	<b>20,794</b>	<b>81,136</b>	<b>83,424</b>
Management fees	(6,204)	(6,759)	(2,125)	(1,971)	(8,329)	(8,730)
Net finance costs	(10,824)	(14,334)	(4,167)	(3,646)	(14,991)	(17,980)
Tax expense	(737)	(696)	(1,313)	(1,016)	(2,050)	(1,712)
Other net (expense)/income	(1,563)	(1,302)	1,078	679	(485)	(623)
<b>FFO</b>	<b>38,749</b>	<b>39,539</b>	<b>16,532</b>	<b>14,840</b>	<b>55,281</b>	<b>54,379</b>
Net fair value gain/(loss) on investment properties	(58,519)	(64,370)	(13,809)	8,088	(72,328)	(56,282)
Net fair value gain/(loss) on right-of-use assets	(356)	(1,217)	4,117	9,651	3,761	8,434
Net fair value gain/(loss) on derivatives	(6,570)	(760)	(2,227)	(14)	(8,797)	(774)
Impairment of investments accounted for using the equity method	-	(1,296)	-	-	-	(1,296)
Incentive amortisation	(5,575)	(5,201)	(426)	(114)	(6,001)	(5,315)
Rent straight-line	3,100	2,528	455	432	3,555	2,960
Non-FFO tax benefit/(expense)	2,183	2,838	(231)	(2,730)	1,952	108
Debt modification (expense) / income	(12)	(696)	968	-	956	(696)
Rental guarantees, coupon income and other <sup>2</sup>	4,988	(37)	4,875	(1,213)	9,863	(1,250)
<b>(Loss)/profit for the period</b>	<b>(22,012)</b>	<b>(28,672)</b>	<b>(10,254)</b>	<b>28,940</b>	<b>(11,758)</b>	<b>268</b>

1. Includes investment in Jandakot City Holdings Trust, Jandakot Airport Holdings Trust, Dexus Moorebank Trust and Dexus Mamre Road Trust. | 2. FY24 includes \$11.5 million of surrender income received in relation to the divestment of 32-40 Garden Street, Kilsyth, Victoria and tenant departure at ASCEND Industrial Estate at Jandakot Airport, Perth.

# Interest reconciliation

\$'000	FY24	FY23
<b>Total statutory finance costs</b>	<b>12,483</b>	<b>16,469</b>
Less: Debt modification	(12)	(696)
Add: Finance costs attributable to investments accounted for using the equity method	4,584	3,897
Less: Interest expense on lease liability	(1,394)	(1,343)
<b>Finance costs for FFO<sup>1</sup></b>	<b>15,661</b>	<b>18,327</b>
Add: Capitalised interest	1,221	1,179
<b>Finance costs for cost of debt purpose</b>	<b>16,882</b>	<b>19,506</b>

1. Excludes look-through interest revenue of \$0.7m (FY23: \$0.3m)

# Balance sheet and gearing

## Look-through balance sheet

\$'000	30 Jun 2024	30 Jun 2023
Cash and cash equivalents	12,919	17,143
Investment properties <sup>1</sup>	1,384,779	1,557,819
Finance lease receivable <sup>2</sup>	64,213	60,098
Goodwill	11,557	11,557
Plant & equipment <sup>3</sup>	18,009	17,837
Derivatives	10,998	19,941
Other assets	48,182	48,821
<b>Total assets</b>	<b>1,550,657</b>	<b>1,733,216</b>
Borrowings <sup>4</sup>	(401,690)	(515,913)
Distributions payable	(13,008)	(13,008)
Derivatives	(159)	(251)
Other liabilities	(97,823)	(102,277)
<b>Total liabilities</b>	<b>(512,680)</b>	<b>(631,449)</b>
<b>Net assets</b>	<b>1,037,977</b>	<b>1,101,767</b>
Stapled securities on issue (thousands)	317,270	317,270
NTA per security <sup>5</sup> (\$)	\$3.24	\$3.44

## Gearing

\$'000	30 Jun 2024	30 Jun 2023
<b>Balance sheet gearing</b>		
Drawn debt	266,000	379,250
Total tangible assets	1,333,193	1,511,989
<b>Balance sheet gearing (%)</b>	<b>20.0%</b>	<b>25.1%</b>
<b>Pro forma balance sheet gearing (%)</b>	<b>n.a.</b>	<b>20.4%<sup>7</sup></b>
<b>Look-through gearing<sup>6</sup></b>		
Drawn debt less cash	401,450	513,596
Total tangible assets less cash	1,468,643	1,646,335
<b>Look-through gearing (%)</b>	<b>27.3%</b>	<b>31.2%</b>
<b>Pro forma look-through gearing (%)</b>	<b>n.a.</b>	<b>27.3%<sup>7</sup></b>

1. Excludes leased assets. Includes assets held for sale. | 2. Represents DXI's ownership interest in assets within JAHT that derive ground rent property revenue. | 3. Jandakot airport plant and equipment, net of depreciation. | 4. Net of debt modification and borrowing cost. | 5. Calculated as total net assets less goodwill on a look-through basis, divided by total securities on issue. | 6. Adjusted for debt in equity accounted investments. | 7. Pro forma for the sale of 3 & 4 Forbes Close, Knoxfield VIC and 16-28 Quarry Road, Stapylton QLD which settled post 30 June 2023.

# Book value reconciliation

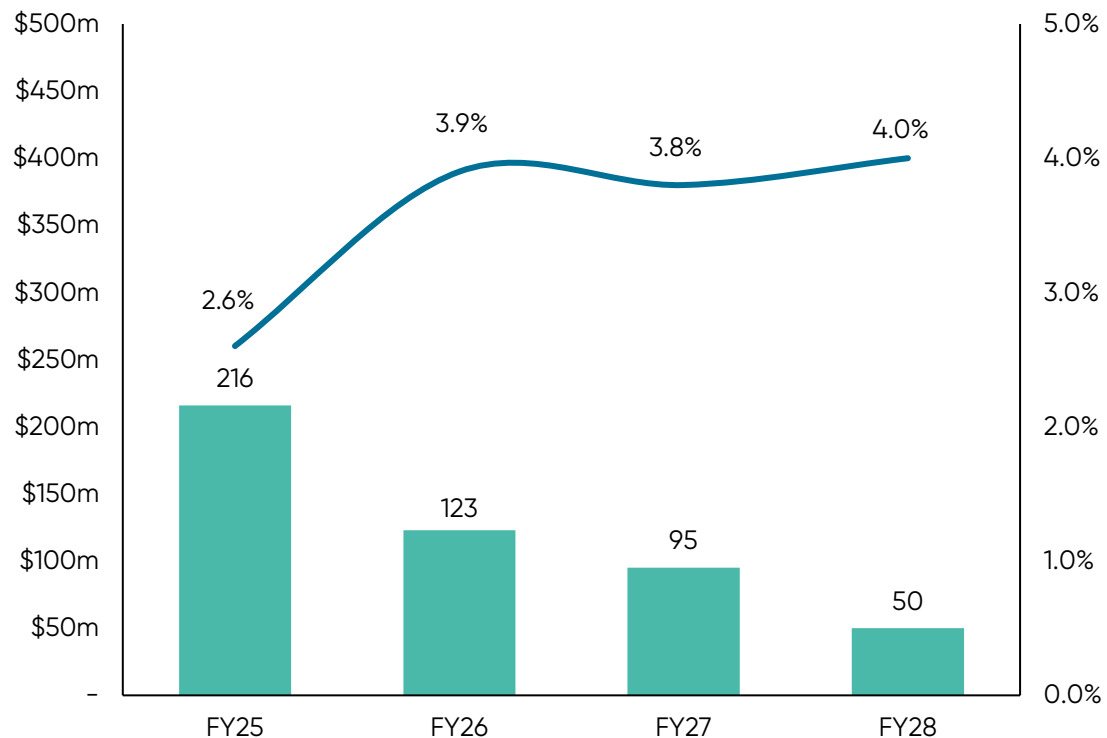
\$'000	Direct investments (100% owned)		Joint ventures <sup>1</sup>		Total portfolio	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
Investment properties	924,501	1,016,000	-	-	924,501	1,016,000
Investments accounted for using the equity method	-	-	460,278	452,044	460,278	452,044
Non-current assets classified as held for sale	-	89,775	-	-	-	89,775
<b>Property portfolio<sup>2</sup></b>	<b>924,501</b>	<b>1,105,775</b>	<b>460,278</b>	<b>452,044</b>	<b>1,384,779</b>	<b>1,557,819</b>
Finance lease receivable <sup>3</sup>	-	-	64,213	60,098	64,213	60,098
<b>Investment portfolio</b>	<b>924,501</b>	<b>1,105,775</b>	<b>524,491</b>	<b>512,142</b>	<b>1,448,992</b>	<b>1,617,917</b>

1. Includes investment in Jandakot City Holdings Trust, Jandakot Airport Holdings Trust, Dexu Moorebank Trust and Dexu Mamre Road Trust. | 2. Excludes all leased assets. | 3. Represents DXI's ownership interest in assets within JAHT that derive ground rent property revenue.

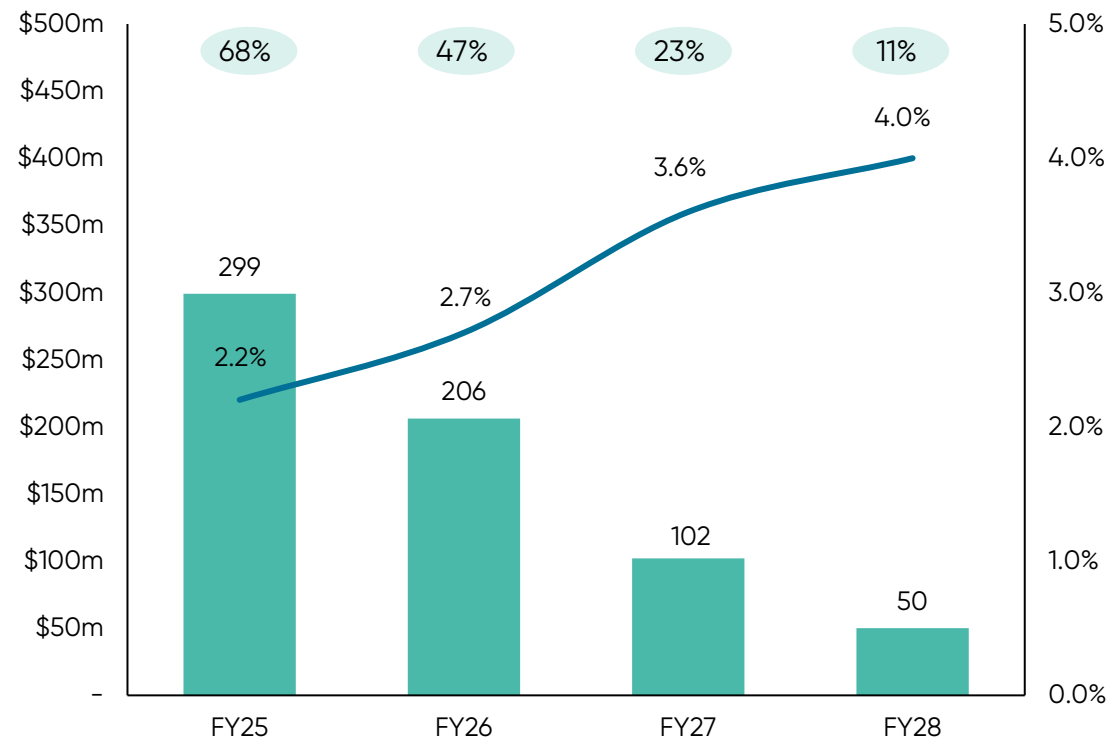


# Interest rate hedging profile

## Balance sheet



## Look-through



■ Average debt hedged (LHS)

— Weighted average hedge rate excluding margin (RHS)

○ Average debt hedged as % of 30 June 2024 total debt<sup>1</sup>

1. Excludes future funding requirements including development expenditure, capex and leasing capital.

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