

Dexus (ASX: DXS)

ASX release



29 August 2024

30 June 2024 distribution payment

Dexus advises that the distribution for the six months ended 30 June 2024 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 2024 Annual reporting suite is now available at www.dexus.com/financialresults

Authorised by Brett Cameron, General Counsel and Company Secretary 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 \$54.5 billion. The Dexus platform includes the Dexus investment portfolio and the funds management business. We directly and indirectly own \$14.8 billion of office, industrial, retail, healthcare, infrastructure and alternatives. We manage a further \$39.7 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 \$16.1 billion real estate development pipeline provides the opportunity to grow both portfolios and enhance future returns. 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. Our sustainability approach is focused on the priority areas where we believe we can make significant impact: Customer Prosperity, Climate Action and Enhancing Communities. Dexus is supported by more than 37,000 investors from 23 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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29 August 2024

Dear Security holder

Dexus released its annual results on 20 August 2024, achieving a distribution of 48.0 cents per security for the year to 30 June 2024.

In a challenging environment we have maintained high occupancy across both our office and industrial portfolios, ensuring strong cashflows with AFFO of \$516 million. \$1.7 billion of balance sheet divestments enabled us to maintain a strong balance sheet with gearing toward the low end of our target band despite the impact of valuation declines.

We have refreshed our capital allocation framework and shifted to a sector aligned operating model to drive performance in the next phase of the investment cycle. We have also refined our strategy and identified a set of clear action items to support our medium-term priorities of transitioning the balance sheet, maximising the contribution from the funds business and unlocking our deep sector expertise.

Further details relating to our achievements can be found in our 2024 Annual Report and other documents available www.dexus.com/financialresults.

Please also find enclosed:

- Your distribution statement for the six months ended 30 June 2024
- Your Attribution Managed Investment Trust Member Annual Statement for the year ended 30 June 2024

Distribution payment

Distributions per security of 48.0 cents were paid for the year to 30 June 2024, in line with guidance, reflecting a 7.0% decline on FY23 predominantly as a result of lower trading profits. AFFO excluding trading profits was up 0.2%, largely as a result of portfolio like-for-like income growth, an increased management operations contribution driven by the AMP Capital platform acquisition and performance fees, offset by near-term headwinds to funds under management, together with a higher average cost of debt.

The distribution payout for FY24 was in line with free cash flow for which AFFO is a proxy. This resulted in a distribution of 21.3 cents per security for the six months ended 30 June 2024.

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.

Distribution policy update

Consistent with Dexus's strategy, from FY25 the distribution policy has been updated to pay out 80-100% of AFFO, providing a sustainable source of capital to invest through the cycle into return-enhancing investment opportunities. With a preference to co-invest alongside capital partners, we see attractive opportunities in the industrial, infrastructure and alternative investment sectors.

Annual Report

The 2024 Annual report will be mailed to Security holders who have requested a printed copy in September 2024 along with the 2024 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 2024 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 online to update your personal details using the Investor login link available at www.dexus.com/investor-centre. You can also nominate how we communicate with you. Tax File Number and Australian Business Number notifications may also be updated online. 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 online. Download the forms by clicking on the Forms menu item when in 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.

Link Market Services Limited

Our security registrar Link Market Services Limited (part of the Link Group) was acquired by Mitsubishi UFJ Trust & Banking Corporation (the Trust Bank), a consolidated subsidiary of Mitsubishi UFJ Financial Group, Inc. (MUFG) on 16 May 2024. In the coming months, Link Market Services' name will change to MUFG Pension & Market Services. The registry services they provide Security holders will continue as normal.

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

FY24 results highlights

A leading real asset manager with a resilient platform

Financial performance: Dexus delivered Adjusted Funds From Operations (AFFO) and distributions of \$516.3 million or 48.0 cents per security, in line with guidance and 7.0% below the previous corresponding period driven predominantly by lower trading profits. AFFO excluding trading profits was up 0.2%, largely as a result of portfolio like-for-like income growth, an increased management operations contribution driven by the AMP Capital platform acquisition and performance fees, offset by near-term headwinds to funds under management, together with a higher average cost of debt. Dexus's statutory net loss after tax of \$1,583.8 million, compared to a statutory net loss after tax of \$752.7 million in FY23, was primarily driven by \$1,901.6 million of fair valuation losses on investment property as a result of capitalisation rates softening across the portfolio, compared to \$1,183.9 million of fair valuation losses recognised in FY23.

Strategy and updated distribution policy from FY25: Dexus has refreshed its capital allocation framework and shifted to a sector aligned operating model to drive performance in the next phase of the investment cycle. Dexus has also refined its strategy and identified a set of clear action items to support its medium-term priorities of transitioning the balance sheet, maximising the contribution from the funds business and unlocking its deep sector expertise. Consistent with Dexus's strategy, from FY25 the distribution policy has been updated to pay out 80-100% of AFFO, providing a sustainable source of capital to invest through the cycle into return-enhancing investment opportunities. With a preference to co-invest alongside capital partners, Dexus sees attractive opportunities in the industrial, infrastructure and alternative investment sectors.

Capital management: Dexus maintained a strong balance sheet with pro forma gearing (look-through)¹ of 32.0%, toward the lower end of the 30-40% target range, and \$2.5 billion of cash and undrawn debt facilities. Dexus has a weighted average debt maturity of 4.8 years, manageable near-term debt expiries and remains within all of its debt covenant limits, retaining its credit ratings of A-/A3 from S&P and Moody's respectively. On average, 92% of Dexus's debt was hedged throughout FY24, providing material interest rate protection.

Portfolio results: Dexus continues to demonstrate resilience, maintaining high occupancy across the Dexus office portfolio of 94.8% and Dexus industrial portfolio of 96.8%, with rent collections remaining strong at 99.5%. Office portfolio like-for-like income growth slowed to +0.5% and the industrial portfolio's like-for-like income growth was +3.9%.

Funds management: Dexus manages \$39.7 billion of funds across its diversified funds management business. During the year, Dexus achieved Final Completion and the integration of the AMP Capital real estate and infrastructure platform and people. The acquisition has further expanded and diversified its funds management business. Dexus launched its second opportunity fund, Dexus Real Estate Partnership 2, in October 2023 raising more than \$300 million in equity commitments in its first close, with further equity commitments expected in FY25. The funds platform continues to deliver performance for investors. Of the funds with a benchmark, 84% by funds under management outperformed their respective benchmarks in FY24.

Development: Dexus's platform real estate development pipeline now stands at a cost of \$16.1 billion, of which \$7.9 billion sits within the Dexus portfolio and \$8.2 billion within third party funds. Dexus completed the office development at 123 Albert Street in Brisbane and the retail redevelopment at 25 Martin Place in Sydney. At the flagship industrial development precincts of Horizon 3023, Ravenhall and ASCEND at Jandakot Airport, Dexus completed 158,300 square metres of development and progressed construction across a further 85,300 square metres. Dexus has circa \$625 million committed spend on its pipeline until the end of FY25, including Atlassian Central in Sydney and Waterfront Brisbane Stage 1 for which the construction program is on track.

Transactions: Despite a challenging transactions market, Dexus undertook circa \$4.9 billion of transactions across the platform, comprising \$4.6 billion of divestments and \$0.3 billion of acquisitions.

Trading: Dexus delivered \$10.3 million of trading profits (net of tax) and is restocking the trading pipeline with potential contributions from FY25.

Sustainability: Dexus further progressed the priority areas of its sustainability strategy through enhancing occupier wellbeing by lifting NABERS Indoor Environment rating to 5.2 stars, facilitating mental health training on behalf of Dexus's customers, expanding the GreenPower Buyers Group program and avoiding over 2,200 tonnes of greenhouse gas emissions since inception. Dexus's focus on its customers has seen it achieve a Net Promoter Score (NPS) of +44, at the high end of the NPS range of -100 to +100. Dexus further progressed detailed decarbonisation roadmaps with commercially viable solutions across assets to support long-term performance and expanded the climate resilience program to an additional 52 assets. Dexus partnered with Foodbank and the Cerebral Palsy Alliance in community campaigns and delivered meaningful connections through community activations across 120 assets in Australia and New Zealand.

Outlook: Markets move in cycles and while conditions are presently challenging, Dexus invests for the long term. The assets it owns, manages and develops, the capabilities it builds, and the relationships it forges with clients and customers continue to position Dexus well to deliver superior risk-adjusted returns for Dexus Security holders and its capital partners over the long term. Barring unforeseen circumstances, for the 12 months ending 30 June 2025 Dexus expects AFFO of circa 44.5-45.5 cents per security and distributions of circa 37.0 cents per security².

1. Adjusted for cash and debt in equity accounted investments, excludes Dexus's share of co-investments in pooled funds. Pro forma gearing includes committed transactions post 30 June 2024. Look-through gearing at 30 June 2024 was 32.6%. Pro forma look-through gearing including Dexus's share of equity accounted co-investments in pooled funds was 33.2% at 30 June 2024.
2. Based on current expectations relating to asset sales, performance fees and trading profits, and subject to no material deterioration in conditions.



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.