

Corporate Profile 2021



About Dexus

Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (trading code: DXS) and is supported by more than 29,000 investors from 24 countries.

161
Properties

4.4m
Square metres
across the group

\$10.2bn
Market capitalisation

Top 50
Entity on ASX

545
Employees

With over 35 years of expertise in property, investment, development and asset management, we have a proven track record in managing capital and risk to deliver superior risk-adjusted returns for our investors. We believe the strength and quality of our relationships will always be central to our success and we are deeply committed to working with our customers to provide spaces that engage and inspire. We invest only in Australia, and directly own \$16.5 billion of properties located in Australia's major cities.

We manage a further \$15.6 billion of office, retail, industrial and healthcare properties for our third party capital partners.

The group's \$11.4 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns.

We consider sustainability to be an integral part of our business with the objectives of Leading Cities, Future Enabled Customers and Strong Communities, Thriving People and an Enriched Environment supporting our overarching goal of Sustained Value.



- Dexus **\$16.5bn**
- Dexus Wholesale Property Fund **\$10.1bn**
- Dexus Industrial Partner **\$0.2bn**
- Dexus Australian Commercial Trust **\$0.6bn**
- Dexus Office Partner **\$2.7bn**
- Australian Industrial Property **\$0.4bn**
- Healthcare Wholesale Property Fund **\$0.5bn**
- Dexus Australian Logistics Partner **\$1.1bn**
- Taranga Venture Partnership

Our purpose

Who we are

We are a passionate and agile team who want to make a difference

Why we come to work

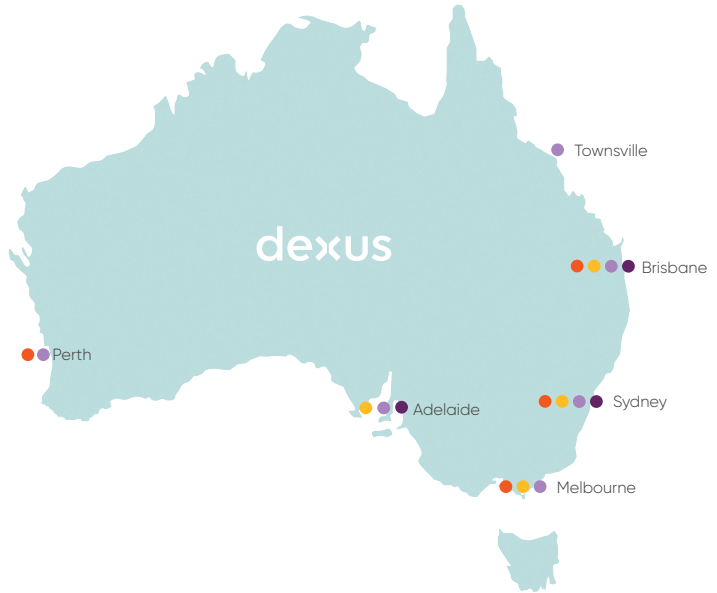
To create spaces where people thrive

We create value for

Our customers, investors, people, and communities

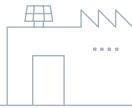
Our values

Openness, trust, empowerment, and integrity



Office

\$22.5bn



Industrial

\$5.5bn



Retail

\$3.3bn

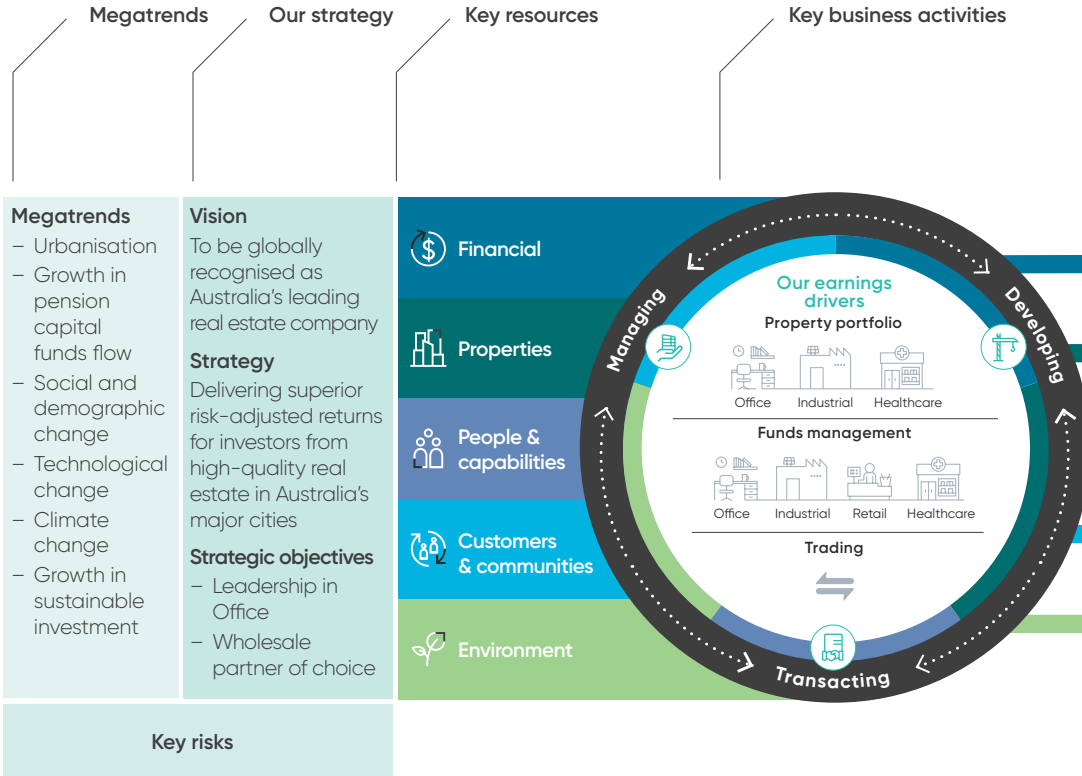


Healthcare

\$0.8bn

How we create value

Our value creation roadmap outlines the process through which we create value for our stakeholders.



Our sustainability approach

Our sustainability approach is the lens that we use to effectively manage emerging environmental, social and governance (ESG) risks and opportunities, creating sustained value for our stakeholders



Value creation outcomes

Sustained Value

Superior long-term performance for our investors and third party capital partners, underpinned by integrating ESG issues into our business model

Value drivers

- Financial performance
- Capital management
- Corporate governance



Leading Cities

A high-quality portfolio that contributes to economic prosperity and supports sustainable urban development across Australia's key cities

Value drivers

- Portfolio scale and occupancy
- Economic contribution
- Development pipeline



Thriving People

An engaged, capable and high-performing workforce that delivers on our strategy and supports the creation of sustained value

Value drivers

- Employee engagement
- Inclusion and diversity
- Health and safety



Future Enabled Customers and Strong Communities

A strong network of value chain partners (customers, communities and suppliers) who support Dexus and are positively impacted by Dexus

Value drivers

- Customer experience
- Community contribution
- Supply chain focus



Enriched Environment

An efficient and resilient portfolio that minimises our environmental footprint and is positioned to thrive in a climate-affected future

Value drivers

- Resource efficiency
- Climate resilience
- Green buildings



Strategy

Our strategy remains focused on our core strengths of owning and managing high quality real estate in Australia's major cities to deliver superior risk-adjusted returns for investors

Delivering superior risk-adjusted returns means outperforming the relevant three and five-year benchmarks in each market in which Dexus owns or manages properties while providing Dexus investors with sustainable and growing distributions. We have two strategic objectives that underpin this strategy.

- **Leadership in office:** being the leading owner and manager of Australian office property
- **Wholesale partner of choice:** being the partner of choice for funds management in Australian property

Our objectives of leadership in office and wholesale partner of choice complement each other and are supported by three key strategic initiatives of:

- Increasing the resilience of portfolio income streams
- Expanding and diversifying our funds management business
- Progressing the group development pipeline

Our success has enabled Dexus to attract investment partners in the office, industrial and healthcare property sectors, in turn providing the opportunity to drive investment performance while obtaining scale in our core markets.

We believe that scale supports the generation of investment outperformance for both Dexus Security holders and our third-party capital partners through broader customer insights, provision of a greater range of workspace solutions and increased capacity to invest in people, systems and technologies that enhance our customers' experience.

Our sustainability approach is used as a lens to integrate ESG risks and opportunities into our strategy and property and funds management activities, creating sustained value for Dexus investors (including our third party capital partners), employees, customers, suppliers and communities.

Our strategy



Our sustainability approach



Why invest in Dexus?

We create value for our Security holders through utilising our asset management, development and transaction capabilities.

The majority of our earnings are derived from the rental income from a high quality \$16.5 billion Australian property portfolio predominantly weighted to CBD markets, benefiting from long-term growth forecasts.

Our unlisted funds management business provides Dexus with a steady income stream driven by management fees from the \$15.6 billion of assets under management on behalf of third party capital partners.

We actively seek to optimise returns

As active asset managers, we are constantly evaluating opportunities to optimise the performance of the properties we own and manage. This approach has assisted us in maintaining high office portfolio occupancy rates over time. Enhancing the predictability of our returns, our lease terms generally contain fixed annual increases of between 3.0%-4.0%.

Long-term value creation

Our investment strategy is focused on the long term. Across the group, we manage a development pipeline valued at \$11.4 billion which delivers future potential revenue streams while adding further depth and flexibility to the spaces we can offer our customers. We add value through:

- **Dexus's development pipeline** enhances portfolio quality generally at more favourable return metrics than what can be achieved through direct acquisition
- **Dexus's trading business** has a strong track record in promoting financial value creation through developing, acquiring and repositioning assets to sell for a profit
- **Funds management development pipeline** provides organic growth while enhancing portfolio quality and returns, as well as enhancing Dexus's future revenue potential
- **Portfolio Performance** has driven the delivery of a compound annual growth rate in distribution per security of 5.8% from FY12 to FY20.

Dexus targets Adjusted Funds From Operations per security growth of 3-5% and Return on Contributed Equity of 7-10% p.a. through the cycle

- **Strong Balance Sheet** is maintained through conservative financial and operational risk management

Financial Risk Management

- Strong investment grade credit ratings
- Gearing (look-through) of 24.9%
- Diversified mix of debt facilities with weighted average duration of 6.4 years
- Distribution payout policy aligned with free cash flow

Operational Risk Management

- Strict investment criteria for acquisitions, divestments and development
- Up to 15% of funds under management limit on capital deployed into development/trading opportunities
- Lean Management Expense Ratio (MER) of 31bps

What sets Dexus apart?



Quality real estate portfolio located across key Australian cities



High performing funds management business with diverse sources of capital



Globally recognised leader in sustainability



City-shaping development pipeline



Superior transaction and trading capabilities



Talented engaged, inclusive and diverse workforce

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