

Dexus (ASX: DXS)

ASX release



21 November 2017

ASX CEO Connect

Dexus provides an overview presentation that is being presented today at the ASX CEO Connect Series.

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About Dexus

Dexus is one of Australia's leading real estate groups, proudly managing a high quality Australian property portfolio valued at \$24.9 billion. We believe that the strength and quality of our relationships will always be central to our success, and are deeply committed to working with our customers to provide spaces that engage and inspire. We invest only in Australia, and directly own \$12.2 billion of office and industrial properties. We manage a further \$12.7 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$4.3 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. With 1.8 million square metres of office workspace across 54 properties, we are Australia's preferred office partner. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (trading code: DXS) and is supported by 28,000 investors from 20 countries. With more than 30 years of expertise in property investment, development and asset management, we have a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for investors. www.dexus.com

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Dexus Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for Dexus (ASX: DXS)

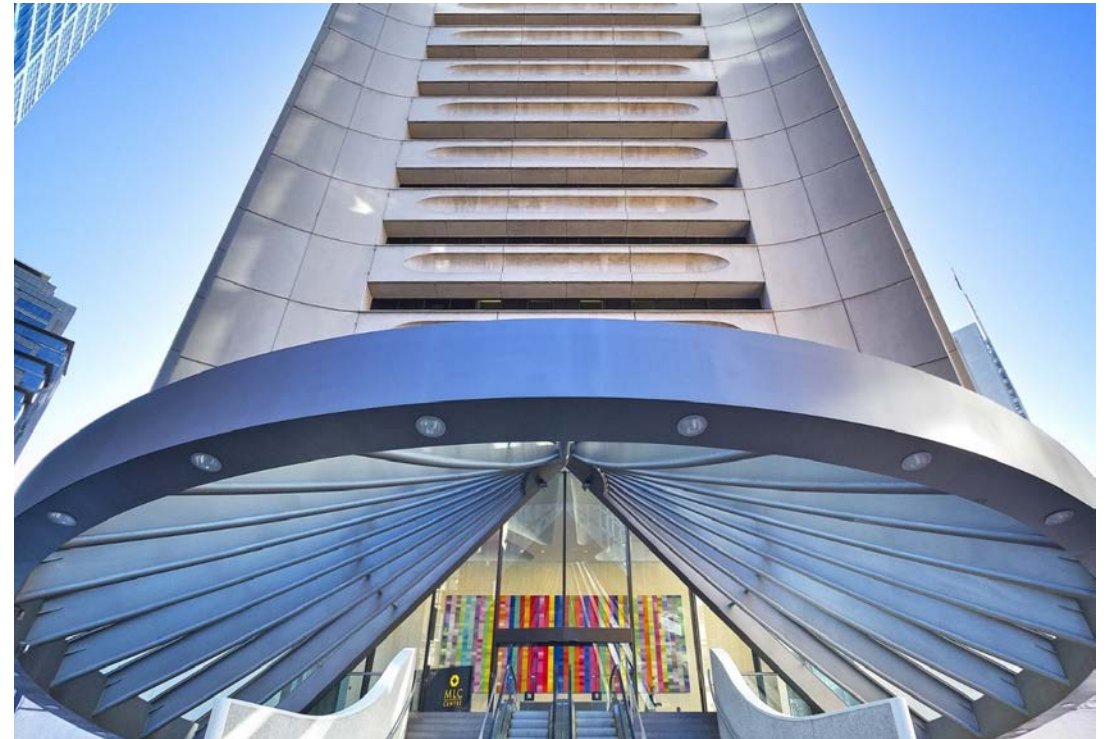
CEO Connect

Alison Harrop, CFO

21 November 2017

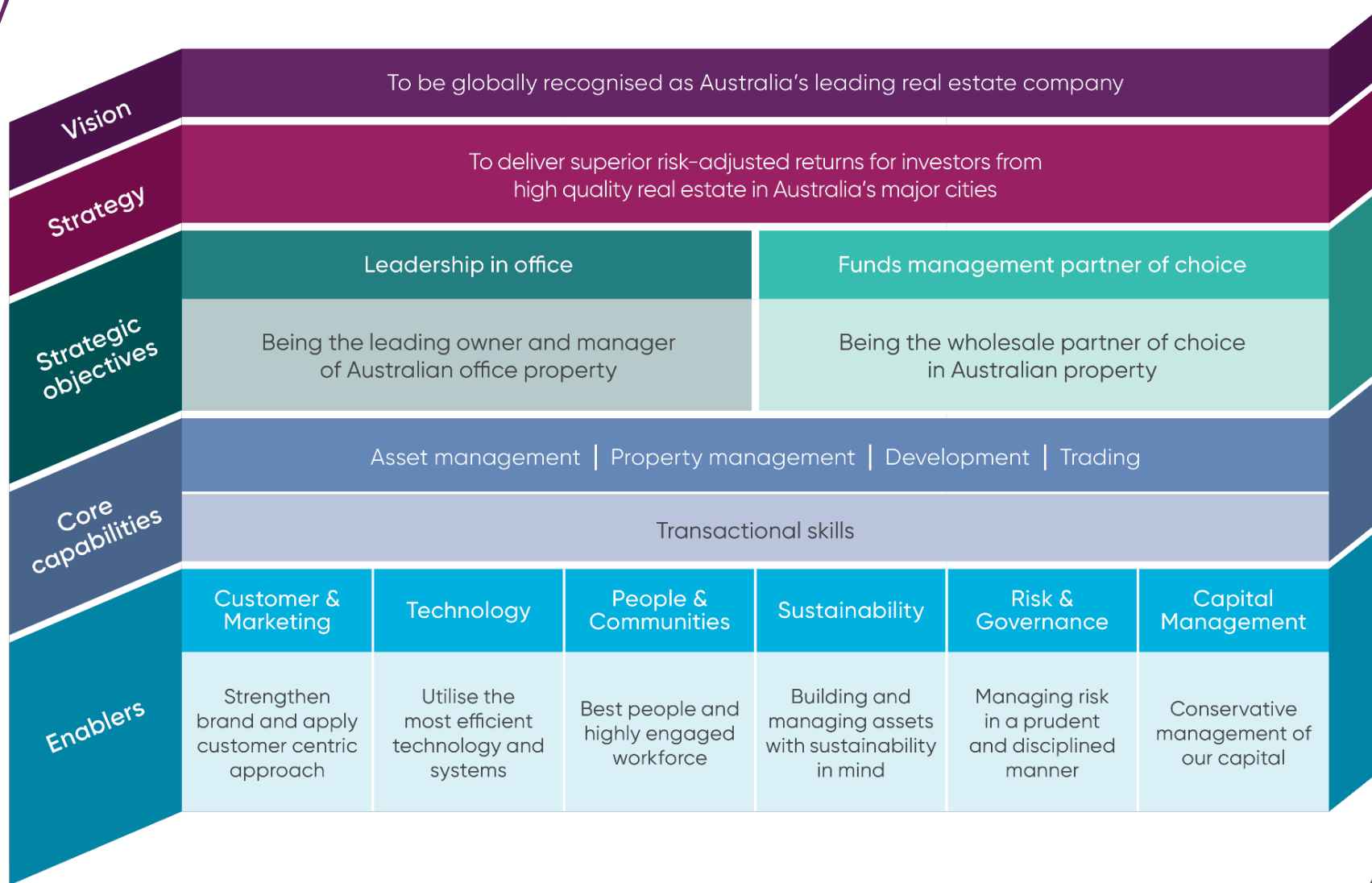
Dexus Overview

- Dexus is a top 50 entity on the ASX with a market capitalisation of approximately \$10 billion
- Australia's largest owner of prime office properties, with the majority of the portfolio located in Sydney
- Outperforming and growing funds management business with \$12.7 billion of third party equity from over 60 investors
- Circa 400 employees with specialist teams across all key markets and sectors
- Maintain a strong balance sheet



MLC Centre, Sydney

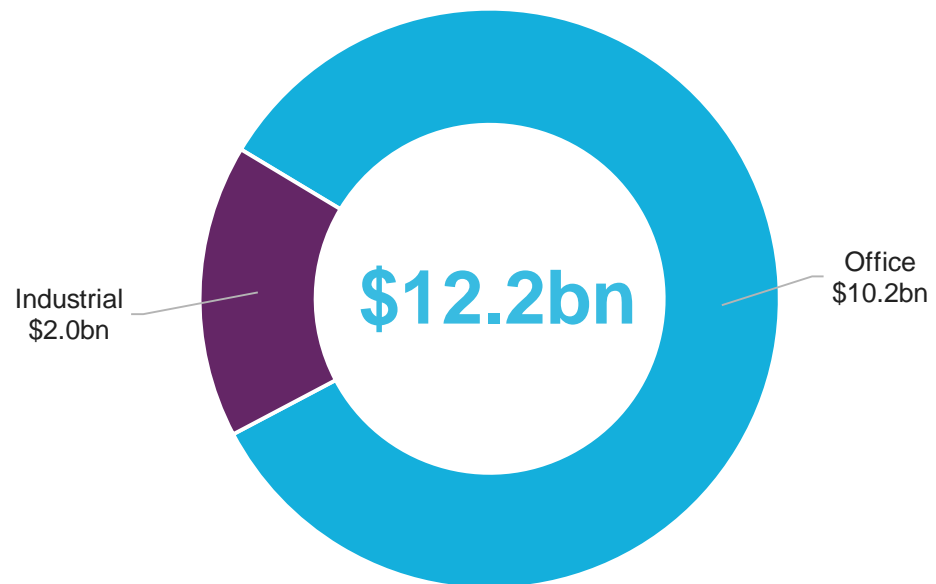
Dexus Strategy



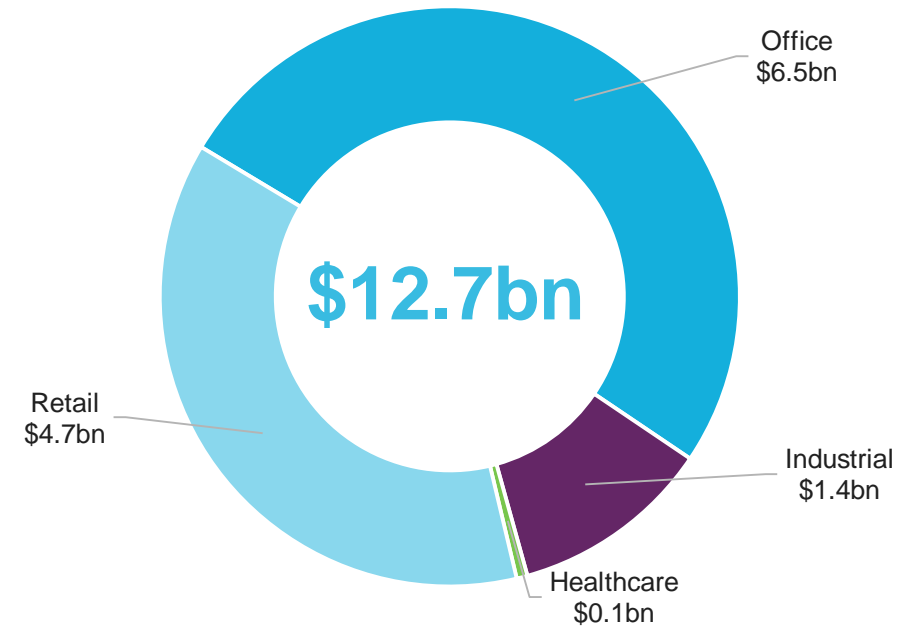
Dexus today

Group portfolio totalling \$24.9 billion

Dexus portfolio



Funds Management portfolio



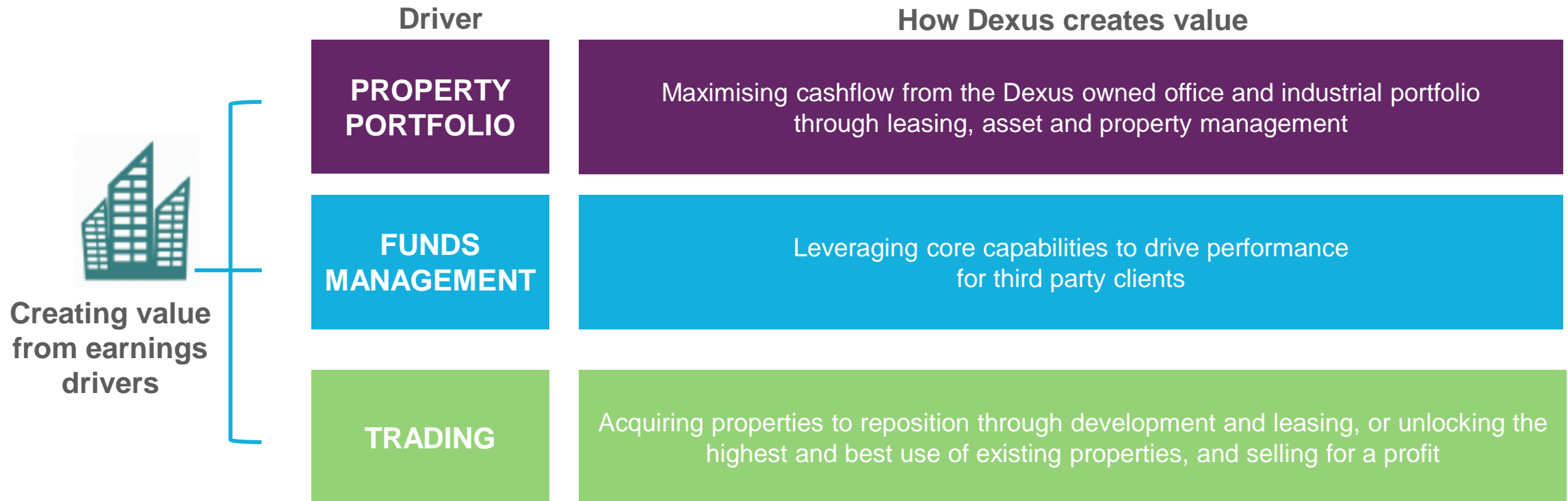
Dexus has ownership or management of 21 Sydney CBD and CBD Fringe assets valued at \$8.7 billion¹

- 100 Mount Street, North Sydney
50% DXS owned 100% managed
50% DWPF owned
- 225 George Street
37.5% DXS owned, externally managed
12.5% Dexus Office Partner owned
- Gateway
100% DWPF owned, 100% managed
- 30 The Bond & 36 Hickson Road
100% DXS owned, 100% managed
- Australia Square Complex
50% DXS owned, jointly managed
- 45 Clarence Street
100% DXS owned, 100% managed
- One Margaret Street
100% DXS owned 100% managed
- 309-321 Kent Street
50% DXS owned, 100% managed
- 175 Pitt Street
50% DXS owned, 100% managed
50% Dexus Office partner owned
- 44 Market Street
100% DXS owned, 100% managed
- 100 Harris Street
100% DXS owned 100% managed
- 383-395 Kent Street
100% DXS owned, 100% managed
- 83 Clarence Street
Mandate owned 100% managed

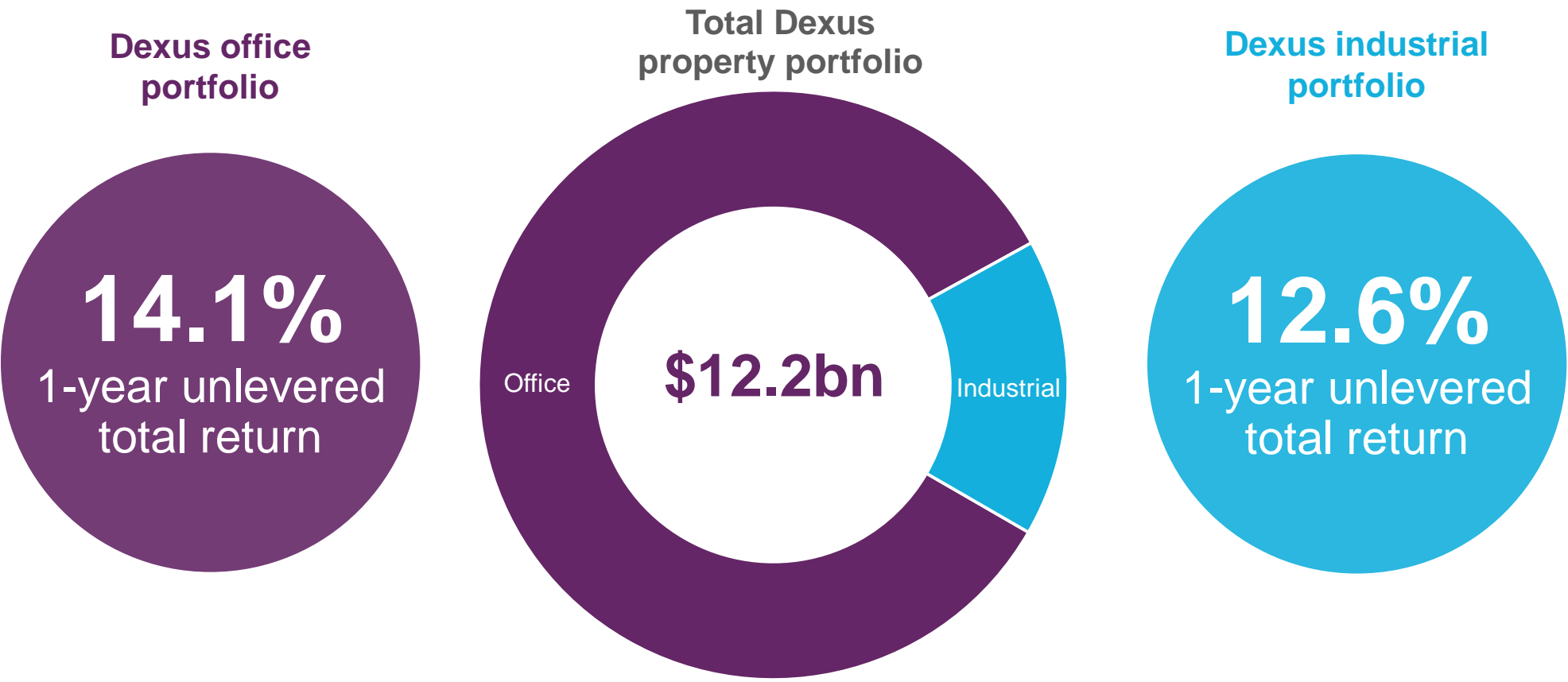
- 60 Miller Street, North Sydney
100% DXS owned, 100% managed
- 201 Miller Street, North Sydney
50% DXS owned, 100% managed
50% Dexus Office Partner owned
- GMT/GPT, 1 Farrer Place
50% DXS owned, 100% managed
- 1 Bligh Street
33% DXS owned, 100% managed
33% DWPF owned
- 56 Pitt Street
50% DXS owned, 100% managed
50% Dexus Office Partner owned
- MLC Centre
25% DXS owned
25% DWPF owned, externally managed
- 60 Castlereagh Street
50% DXS owned, 100% managed
50% Dexus Office Partner owned
- 5 Martin Place
25% DXS owned, 100% managed
25% Dexus Office Partner owned
- 14 Lee Street (not visible)
50% DXS owned, 100% managed
50% Dexus Office Partner owned
- 201 Elizabeth Street
50% DXS owned, externally managed

¹ Based on Dexus and Dexus managed fund ownership share.

Creating value from key earnings drivers

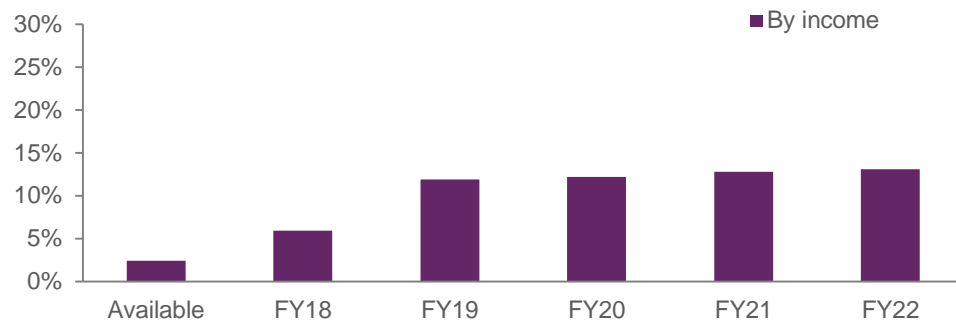
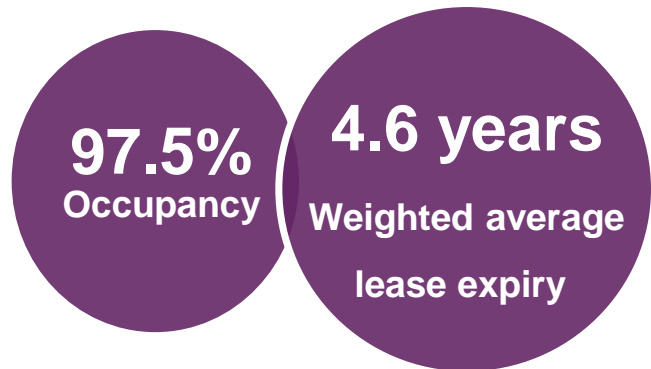


Performing property portfolio

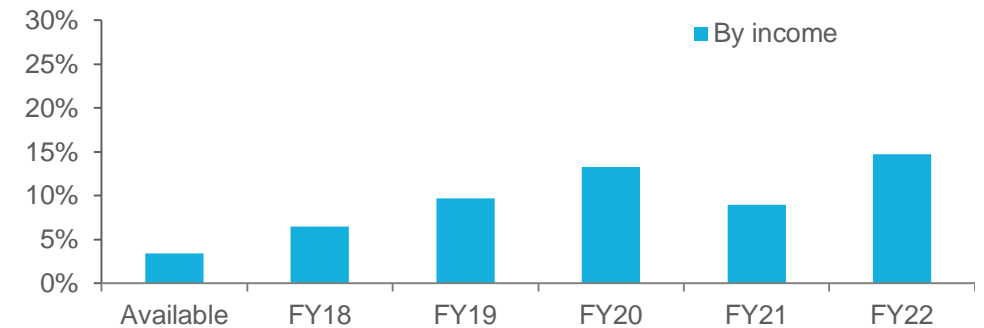
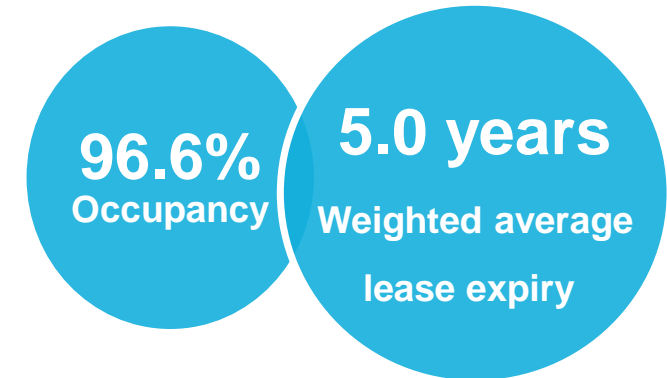


Performing property portfolio

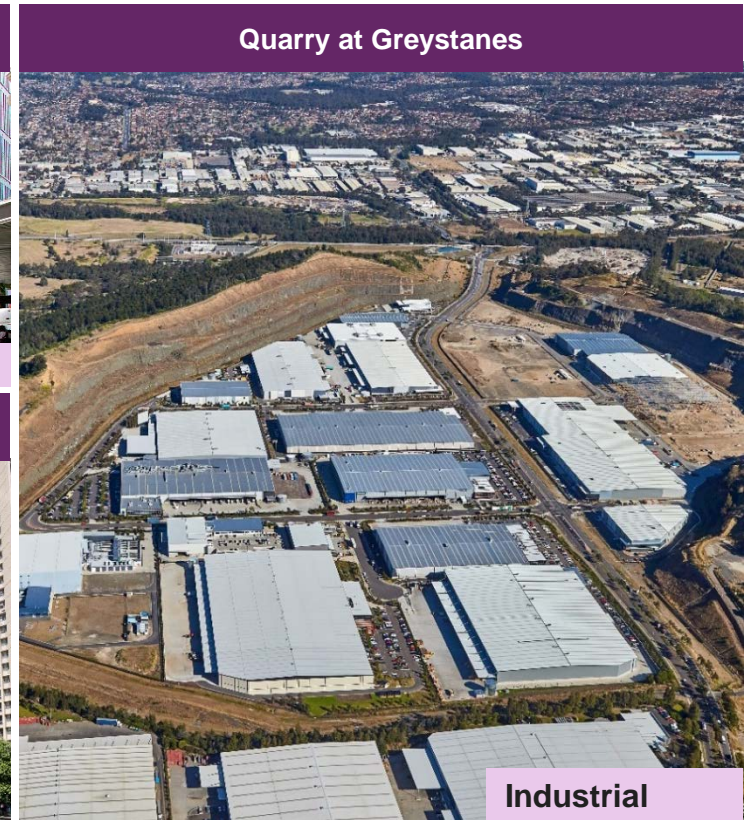
Dexus office portfolio



Dexus industrial portfolio

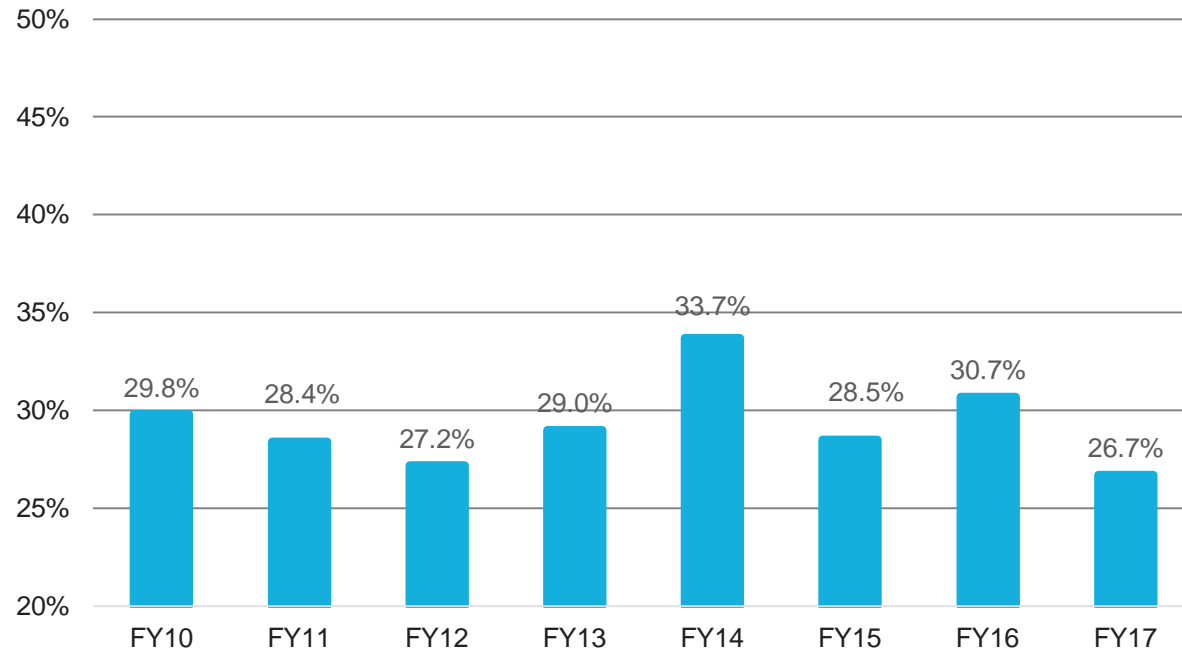


Progressing development pipeline

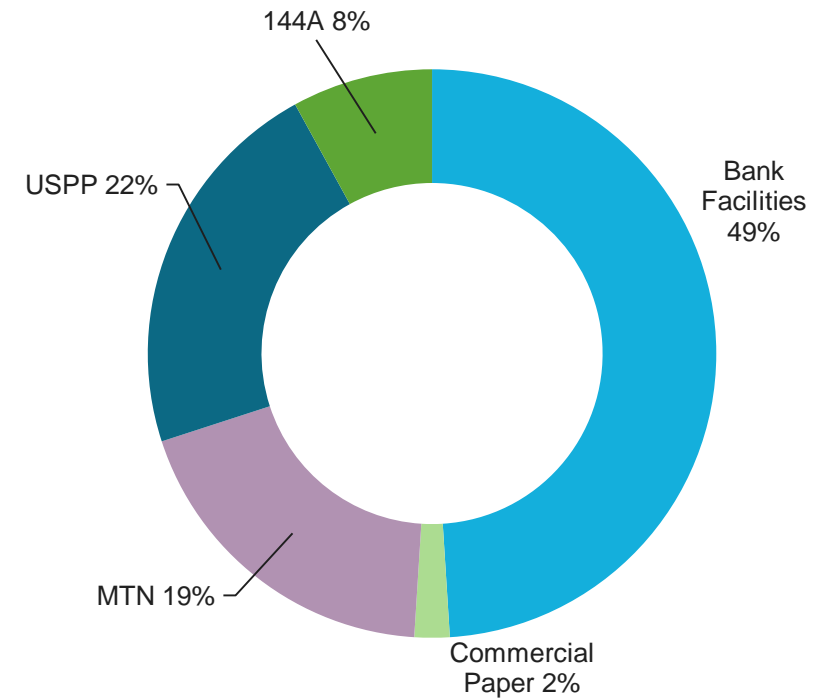


Maintaining balance sheet strength

History of Dexus gearing ratio¹ (%)



Diversified sources of debt²






1. FY17 pro forma gearing is adjusted for the acquisitions of MLC Centre Sydney, 100 Harris Street Pyrmont, 90 Mills Road Braeside and the sales of 30-68 Taras Avenue, Altona North and 46 Colin Street, West Perth, including the impact of transactions costs. Actual gearing (look-through) is 22.1% at 30 June 2017.

2. Includes \$60 million of Medium Term Notes issued in July 2017 and three bank facilities for \$325 million that commenced in July 2017.

Outlook

We are constantly assessing our operating environment

	Macro environment	Customer demands	Urbanisation
Market forces	 <ul style="list-style-type: none">- Optimistic about Australian economic outlook- Risk of global “black swan” style event remains	 <ul style="list-style-type: none">- Demographic shifts and technological advancements are changing how customers use and consume workspace	 <ul style="list-style-type: none">- Population and economic growth concentrated in cities around key economic and transport hubs, will drive increased density and integration of uses within assets
Dexus’s response	<ul style="list-style-type: none">- Committed to maintaining a conservative and diverse capital structure to protect Security holder value and enable growth opportunities through the cycle	<ul style="list-style-type: none">- Evaluate customer needs and invest in workspace offerings that enhance our ability to attract and retain an increasingly diverse set of customers	<ul style="list-style-type: none">- Focus remains on the ownership and development of high quality real estate in major Australian cities- Gradual evolution of capabilities to maximise value for Security holders

Summary

- Well positioned for FY18 due to:
 - Expected strong performance in office markets in Sydney and Melbourne and improving dynamics in Brisbane and Perth
 - Progress opportunities in the development pipeline
 - Further growth in Funds Management business
- Market guidance¹ for the 12 months ending 30 June 2018
 - Distribution per security growth of 4.0-4.5%



Australia Square, Sydney

1. Barring unforeseen circumstances guidance is supported by the following assumptions: Impacts of announced divestments and acquisitions; underlying FFO per security growth of 2.0-2.5% underpinned by Dexus office portfolio like for like growth of 4-5%, Dexus industrial portfolio like for like income growth of 3-4%, management operations FFO of c.\$50 million and cost of debt in line with FY17; trading profits of \$35-40 million net of tax; maintenance capex, cash incentives, leasing costs and rent free incentives of \$165-170 million; and excluding any further transactions.

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