

# Dexus (ASX: DXS)

## ASX release



26 March 2020

### COVID-19 and FY20 guidance update

Dexus provides the following update due to the increasing uncertainty in relation to COVID-19.

Darren Steinberg, Dexus CEO said: "We are in unprecedented and challenging times. As custodians of many buildings across Australia's major cities, it is incumbent on us to protect our tenant base, particularly the SMEs and retailers who support our office towers and shopping precincts and are bearing the brunt of this evolving global situation.

"SMEs are the lifeblood of the country and we need to ensure we look after them, so that when we inevitably emerge from this event, they can return to normal operations as soon as possible.

"As a priority we remain focused on the health, safety and wellbeing of our employees and the people in our buildings. We have adopted internal business continuity measures to minimise the disruption to our business and have implemented government guidelines to reduce the spread of COVID-19 at our properties."

### Financial position

From a balance sheet perspective, Dexus is well positioned with gearing (look-through) of 25.5%. Debt is well diversified and comprises 35% from bank debt and 65% from debt capital markets, with a debt duration of 7.4 years at 31 December 2019.

Over the past 12 months Dexus has accessed both equity and debt capital markets to provide additional funding capacity and flexibility. Dexus has \$1.3 billion<sup>1</sup> of cash and committed undrawn bank facilities available and has limited debt refinancing requirements, with circa \$400 million of debt maturing in late FY21.

All debt is senior and unsecured and no individual asset is encumbered by debt. Dexus's principal debt covenants relate to gearing and interest cover levels. Dexus remains within all of its debt covenant limits and is below its target gearing range of 30-40%.

Dexus continues to retain its strong credit ratings of A-/A3 from S&P and Moody's respectively.

### FY20 guidance

Dexus announced its FY20 half year results on 6 February 2020. In this announcement Dexus provided FY20 full year guidance for distribution per security growth and the detailed assumptions associated with this guidance.

In the early part of the second half of FY20, Dexus's operations have performed consistent with expectations. However, in consideration of the evolving COVID-19 situation and the uncertainty that lies ahead, the Board of Directors of Dexus Funds Management Limited have withdrawn FY20 guidance and its associated assumptions. At this time, Dexus is assessing the impact of COVID-19 on its operating environment including the assistance that it may need to provide to its tenant base to ensure the portfolio is well placed to perform when this event passes.

Dexus is supported by its strong financial position, a high quality property portfolio across prime CBD locations, a diversified tenant base, and an experienced management team.

A further update on business conditions will be provided when appropriate.

*Authorised by the Board of Dexus Funds Management Limited.*

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<sup>1</sup> Including settlement proceeds from the sale of the second tranche rights for GIC to acquire a further 24% interest in the Dexus Australian Logistics Trust (DALT) portfolio which are expected to be received on 1 April 2020.

## About Dexus

Dexus is one of Australia's leading real estate groups, proudly managing a high quality Australian property portfolio valued at \$33.8 billion. We believe that the strength and quality of our relationships is 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 \$16.8 billion of properties, with a further \$17.0 billion of properties managed on behalf of third party clients. The group's \$11.2 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. With 1.8 million square metres of office workspace across 55 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 27,000 investors from 20 countries. With 35 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](http://www.dexus.com)

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