

Dexus (ASX: DXS)

ASX release



15 February 2022

2022 Half year results presentation

Dexus provides its 2022 half year results presentation.

An investor conference call will be held at 9.30am (AEDT) today, which will be webcast via the Dexus website at www.dexus.com/investor-centre and available for download later today.

The property synopsis spreadsheet is also available at www.dexus.com/financialresults

This presentation should be read in conjunction with the HY22 results release and the HY22 Appendix 4D and Financial Statements.

Authorised by the Board of Dexus Funds Management Limited

For further information please contact:

Investors

Rowena Causley
Senior Manager, Investor Relations
+61 2 9017 1390
+61 416 122 383
rowena.causley@dexus.com

Media

Louise Murray
Senior Manager, Corporate Communications
+61 2 9017 1446
+61 403 260 754
louise.murray@dexus.com

About Dexus

Dexus (ASX: DXS) is one of Australia's leading fully integrated real estate groups, managing a high-quality Australian property portfolio valued at \$45.3 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 \$18.3 billion of office, industrial and healthcare properties, and investments. We manage a further \$27.0 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$17.8 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. Sustainability is integrated across our business, and our sustainability approach is the lens we use to manage emerging ESG risks and opportunities for all our stakeholders. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange and is supported by more than 30,000 investors from 23 countries. With over 35 years of expertise in property investment, funds management, asset management and development, we have a proven track record in capital and risk management and delivering superior risk-adjusted returns for investors.

www.dexus.com

Dexus Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for Dexus (ASX: DXS)
Level 25, 264 George Street, Sydney NSW 2000

2022 Half Year Results

15 February 2022

 Dexus Funds Management Limited | ABN 24 060 920 783 | AFSL 238163 as responsible entity for Dexus

Acknowledgement of country

Dexus 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, present and emerging.

Artist: Amy Allerton, Indigico Creative, a Gumbaynggir and Bundjalung woman

Artwork: The Places Where We Thrive

Artwork description: The artwork tells the story of a vision for our communities, both large and small, where they are all thriving and strong as they build lives, homes and legacies for present and future generations. Every community is connected by spirit and by country, surrounded by flourishing waterways and vibrant land that is enriched and cared for by its people. Communities are empowered to find new ways to build and expand, as they dream and innovate to create the places where we thrive.



Agenda

Overview

Darren Steinberg, CEO

Financial results

Keir Barnes, CFO

Funds management

Deborah Coakley, EGM Funds Management

Office portfolio

Kevin George, EGM Office

Industrial portfolio

Stewart Hutcheon, EGM Industrial, Retail & Healthcare

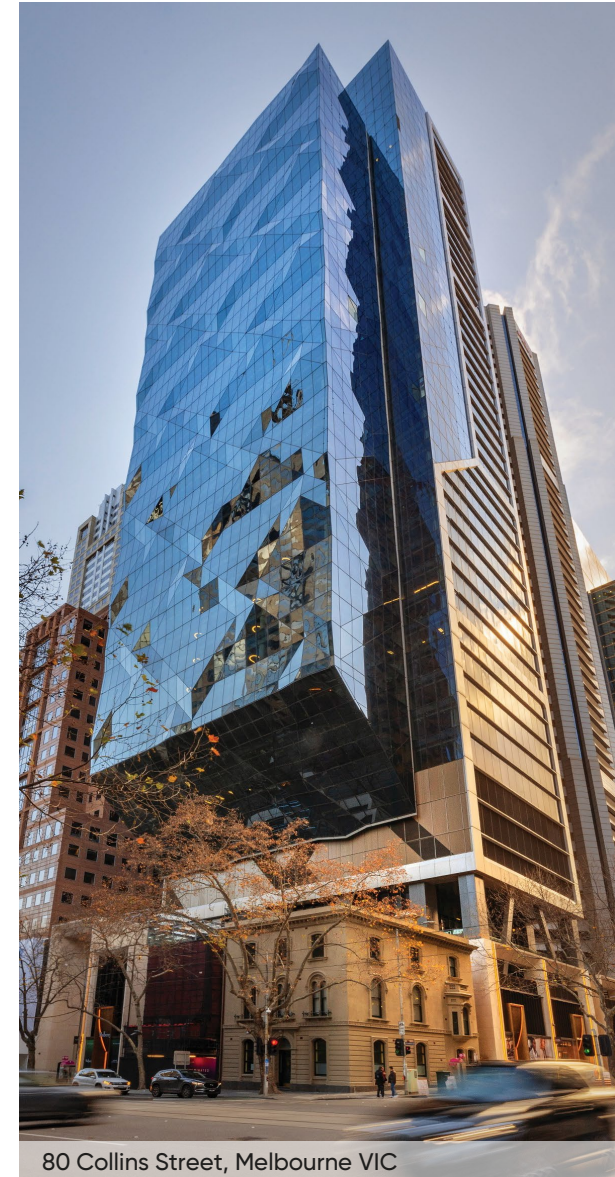
Investments and Developments

Ross Du Vernet, CIO

Summary

Darren Steinberg, CEO

Appendices



80 Collins Street, Melbourne VIC

Active six months embeds future growth

- › Continued growth and strong performance across the **funds management business**
 - Raised circa **\$1.3 billion** across funds¹ in HY22
- › Secured **heads of agreement at city-shaping Waterfront Brisbane** development and 154,534sqm industrial development leasing
- › Maintained **high occupancy levels** through leasing activity, reinforcing the resilience of the portfolio
- › Undertook **\$9.3 billion of property transactions** across the group, recycling capital into higher returning opportunities
- › Dexus outperformed real estate companies globally to achieve an **S&P Global Gold Class distinction** in the S&P Global Sustainability Yearbook 2022

1. Including expected settlement of Jandakot Airport, Perth and including the introduction of Cbus Super into the joint venture.



Our strategy

Well positioned to leverage key megatrends

Purpose >	To create spaces where people thrive	
Vision >	To be globally recognised as Australia’s leading real estate company	
Strategy >	To deliver superior risk-adjusted returns for investors from high-quality real estate in Australia’s major cities	
Strategic objectives >	Sustainable income streams	Real estate investment partner of choice

Strategy underpinned by key megatrends:

1

Urbanisation

Owning, managing and developing a portfolio of the right assets in the right locations

2

Technology advances

Unlocking operational efficiencies and enhancing the customer experience

3

Growth in pension capital flows

Expanding pool of partners to unlock superior risk-adjusted returns alongside

Fully integrated real estate platform

Across multiple sectors

\$45.3 billion¹ real estate platform

Office
\$24.9bn

Industrial
\$11.0bn¹

Retail
\$6.6bn

Healthcare
\$1.4bn

Dexus
\$13.7bn
(HY21 \$13.8bn)

Funds
\$11.2bn
(HY21 \$8.7bn)

Dexus
\$4.0bn¹
(HY21 \$2.4bn)

Funds
\$7.0bn¹
(HY21 \$3.1bn)

Dexus
\$0.1bn
(HY21 \$0bn)

Funds
\$6.5bn
(HY21 \$3.3bn)

Dexus
\$0.5bn
(HY21 \$0.3bn)

Funds
\$0.9bn
(HY21 \$0.5bn)



1. Funds under management as at 31 December 2021 is pro forma for final settlement of Jandakot Airport, Perth and introduction of Cbus Super into the Jandakot joint venture. Dexus group funds under management includes \$1.4 billion funds under management in real estate securities funds.

Environmental, Social and Governance update

2021 Global ESG benchmark performance

Sustainability Award
Gold Class 2022
S&P Global

Global real estate leader
S&P Global Sustainability
Yearbook



#4 Global
Listed Office for Dexus
Office Trust



A-
CDP Climate Change

ESG update

Targeting Net Zero by 30 June 2022

- › Reducing emissions and undertaking property upgrades
- › Transitioning to renewables and carbon offsets for managed assets

Reflect Reconciliation Action Plan (RAP)

- › Supporting the implementation of Dexus's Reflect RAP to engage and drive opportunities for First Nations people within the property industry

Enhancing awareness

- › Conducting workshops and education sessions across our employee and customer base with community partners, Black Dog Institute and Planet Ark



Financial results



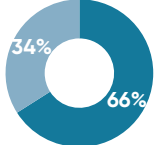
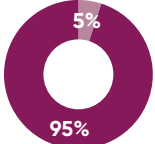
Key earnings drivers and valuations

Property portfolio valuations remain robust

Key earnings drivers

Earnings driver	HY22 result
Property portfolio	Property AFFO ¹ of \$313.4 million +4.4% office LFL income ² -2.3% industrial LFL income ³
Funds management	Management operations FFO of \$37.2 million – comprising earnings from funds management, property and development management
Trading	Trading profits of \$21.6 million⁴ secured from settlement of Gladesville, Truganina, Ravenhall and Botany trading properties

Property portfolio valuations

	31 Dec 2021 value ⁵	Valuation six-month movement ⁶	Capitalisation rate six-month movement
Total portfolio	\$18.3bn	<div> <div>↑</div> <div>\$486.6m 2.8%</div> </div>	<div> <div>↓</div> <div>4.76% 15bps</div> </div>
Office portfolio	\$13.7bn	<div> <div>↑</div> <div>\$147.0m 1.1%</div> <div>  <div> <div>■ Rental growth</div> <div>■ Cap rate compression</div> </div> </div> </div>	<div> <div>↓</div> <div>4.85% 6bps</div> </div>
Industrial portfolio	\$4.0bn	<div> <div>↑</div> <div>\$330.1m 8.9%</div> <div>  <div> <div>■ Rental growth</div> <div>■ Cap rate compression</div> </div> </div> </div>	<div> <div>↓</div> <div>4.42% 50bps</div> </div>

- AFFO contribution is calculated before net finance costs, group corporate costs and tax. Property AFFO is equal to Property FFO of \$407.9m less total portfolio AFFO capex of \$94.5m.
- Office LFL income was +8.4% including the impact of rent relief and provision for expected credit losses.
- Industrial LFL income was -1.8% including the impact of rent relief and provision for expected credit losses.

- Post tax.
- Total portfolio value of \$18.3bn includes \$0.8bn co-investments in pooled funds and financial assets, and is comprised of office portfolio \$13.7bn, industrial portfolio \$4.0bn, healthcare portfolio \$0.5bn and retail \$0.1bn.
- Valuation movement excludes co-investments in pooled funds and financial assets. Includes healthcare and other property revaluation gain of \$9.5m and excludes leased assets revaluation loss of \$0.4m.

HY22 financial results

Strong underlying growth in a complex operating environment

	HY22 \$m	HY21 ⁴ \$m	Change %
Office property FFO	338.7	330.5	↑ 2.5%
Industrial property FFO	69.2	57.5	↑ 20.3%
Total property FFO	407.9	388.0	↑ 5.1%
Management operations ¹	37.2	27.3	↑ 36.3%
Group corporate	(22.4)	(16.6)	↑ 34.9%
Net finance costs	(54.7)	(64.4)	↓ 15.1%
Co-investments in pooled funds ²	13.8	3.1	↑ 345.2%
Other ³	(6.7)	(8.9)	↓ 24.7%
Underlying FFO	375.1	328.5	↑ 14.2%
Trading profits (post tax)	21.6	47.1	↓ 54.1%
FFO	396.7	375.6	↑ 5.6%
Adjusted Funds from Operations (AFFO)	302.2	313.8	↓ 3.6%
Distribution payout (% AFFO)	99.7%	99.9%	
Distribution	301.2	313.6	↓ 4.0%

1. Management operations FFO includes development management fees.

2. Includes distribution income from Dexus's co-investment stake in pooled funds and excludes joint venture and partnership income which is proportionately consolidated in Note 1 Operating Segments within Dexus's Financial Statements. See page 46 in Appendices for further detail.

3. Other FFO includes non-trading related tax expense, directly owned healthcare property and other miscellaneous items.

4. HY21 amounts have been restated to align with HY22 categorisations including the new 'Co-investments in pooled funds' category and includes restatement for IFRIC SaaS customisation expenses.

5. Underlying FFO excludes trading profits post tax.

› **Office property FFO** increased primarily due to fixed rent increases and the acquisition of Capital Square, Perth partly offset by the impact of divestments

› **Industrial property FFO** increased primarily due to acquisitions including Jandakot Airport, Perth and recently completed developments

› **Management operations FFO** increased significantly, driven by the merger of ADPF with DWPF, the acquisition of the APN funds platform and other successful funds management initiatives

› **Net finance costs** reduced primarily due to interest reimbursement for the delayed settlement of Grosvenor Place and interest income from Capital Square

› **Co-investments in pooled funds** new disclosure enhancement which includes Dexus's co-investments in pooled funds and excludes joint venture and partnership income which remain proportionately consolidated in Note 1 Operating Segments within Dexus's Financial Statements. HY21 composition has been restated for consistency

Key per security metrics	HY22	HY21	Change
Underlying FFO per security ⁵	34.9 cents	30.1 cents	↑ 15.9%
FFO per security	36.9 cents	34.4 cents	↑ 7.3%
AFFO per security	28.1 cents	28.8 cents	↓ 2.4%
Distribution per security	28.0 cents	28.8 cents	↓ 2.8%
	HY22	FY21	Change
Net Tangible Assets (NTA) per security	\$11.77	\$11.42	↑ 3.1%

COVID-19 impacts

Rent collections of 97.9% for HY22

HY22 rent collections

- › **Strong cash collection** while ensuring the viability of small business customer base
- › **Continuing to work with customers** on rent relief requests, but receiving fewer requests
- › Most rent relief **requests from inner city retail customers** due to impact of COVID lockdowns

Rent collections ¹	Office	Industrial	Total
Total HY22	97.8%	98.3%	97.9%
Total January-22	96.3%	93.9%	95.8%

HY22 direct COVID-19 AFFO impacts²

Direct COVID-19 AFFO impacts ²	HY22 total	HY21 total	HY22 Est. rent waivers	HY21 Est. rent waivers	HY22 provisions	HY21 provisions
Office	-\$11.4m	-\$16.1m	-\$13.2m ³	-\$11.8m	+\$1.8m	-\$4.3m
Industrial	-\$2.9m	+\$0.6m	-\$2.1m ⁴	+\$0.5m	-\$0.8m	+\$0.1m
Total ⁵	-\$14.3m	-\$15.5m	-\$15.3m	-\$11.3m	+\$1.0m	-\$4.2m

1. Dexus share.

2. Estimated rent waivers and provisions for the 6 months to 31 December 2021. In addition, rent deferrals of \$2.6m, which do not directly impact FFO or AFFO, have been agreed or estimated during the 6 months to 31 December 2021.

3. Cumulative rent waivers within AFFO as at 31 December 2021 is \$32.8m, of which \$13.2m was recognised in HY22.

4. Cumulative rent waivers within AFFO as at 31 December 2021 is \$4.2m, of which \$2.1m was recognised in HY22.

5. The HY22 statutory impact is \$9.3m. The difference between the statutory impact and AFFO impact of \$5.0m relates to a HY22 adjustment for actual and estimated rent waivers for tenants that were not in arrears.

Strong financial position

Contracted asset sale proceeds to maintain robust balance sheet

- › **Gearing of 31.1%¹**, at the lower end of the 30–40% target range
- › Implemented a **simplified corporate structure** from 6 July 2021
- › **Staggered settlement dates on contracted divestments** to support development pipeline and growth opportunities

Key metrics	31 December 2021	30 June 2021
Gearing ¹	31.1% ²	26.7%
Headroom ³	\$1.6bn	\$1.1bn
Cost of debt ⁴	2.7%	3.2%
Duration of debt	5.4 years	6.2 years
Hedged debt (incl caps) ⁵	64%	81%
S&P/Moody's credit rating	A-/A3	A-/A3

1. Adjusted for cash and debt in equity accounted investments.

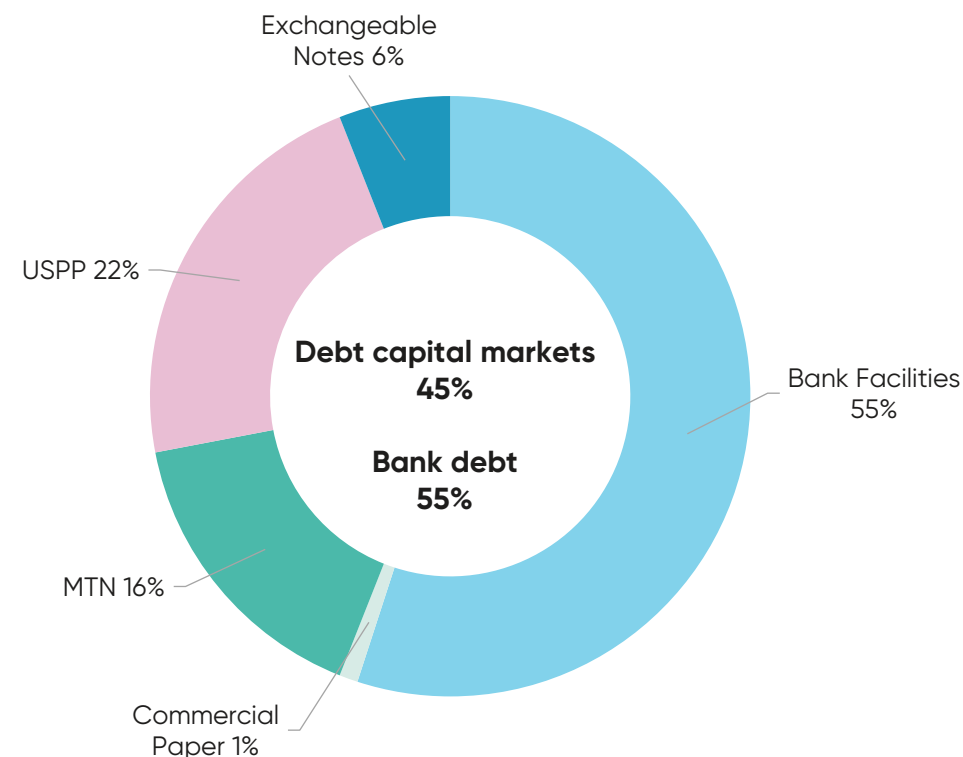
2. Excluding Dexus's share of co-investments in pooled funds. Look-through gearing including Dexus's share of co-investments in pooled funds was 31.5% as at 31 December 2021.

3. Undrawn facilities plus cash.

4. Weighted average for the period, inclusive of fees and margins on a drawn basis.

5. Average for the period. Hedged debt (excluding caps) was 56% for the six months to 31 December 2021 and 68% for the 12 months to 30 June 2021.

Diversified sources of debt



Funds management

Dexus funds platform

Key characteristics



Broad capital base

- › Established capital partners in Australia and offshore
- › Access to all pools of capital including wholesale, retail, unlisted and listed investors



Access to Dexus's capabilities

- › Supported by fully-integrated platform across the real estate sector with leading capability set
- › Ability to drive growth through established vehicles at speed



Strong governance

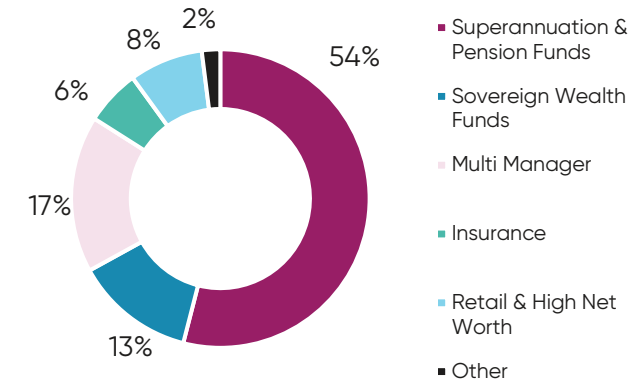
- › Strong, established governance frameworks across vehicles
- › Underpins our responsibility to deliver outcomes in the best interest of investors



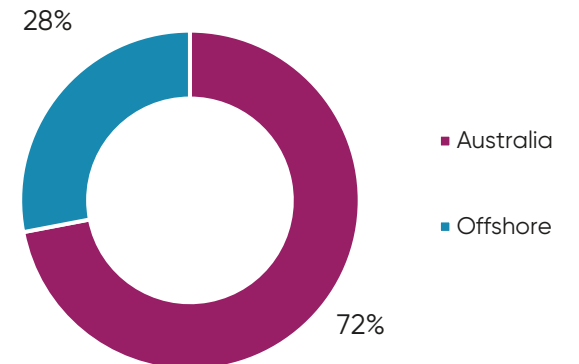
Sustainability leader

- › Focused on long-term creation of sustained value for investors
- › 2021 GRESB Sector Leader for diversified office/retail entities in Oceania (DWPF)

Large diversified investor base



From Australia and Offshore



Wide offering across the platform

Diversified management business across a number of vehicles

Institutional Joint Ventures

External FUM
\$6.4bn



DOTA



DACT



MDAP



DALT



AIP



DITA

Newly established
Jandakot joint venture

Dexus FUM in JVs \$5.1bn

Direct Unlisted

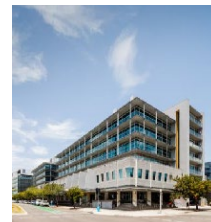
External FUM
\$0.1bn



DNPF



DDF2



DRPF

Unlisted Institutional Pooled Funds

External FUM
\$16.9bn



DWPF



DHPF



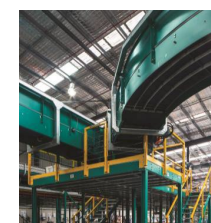
DREP1

Broadly classified as 'pooled funds'

Dexus FUM in pooled funds \$0.8bn¹

Listed Funds

External FUM
\$2.2bn



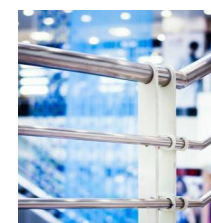
DXI



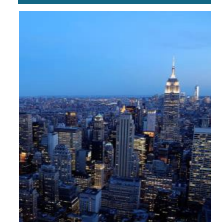
DXC

Real Estate Securities

External FUM
\$1.4bn



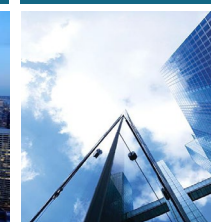
AREIT Fund



Global REIT
Income Fund



Asian REIT Fund



Property for
Income Funds 1 & 2

Venture Capital

TARONGA VENTURES

Taronga Ventures
Partnership

1. Reflects Dexus's share of FUM within pooled funds, except for Real Estate Securities funds and AUHPT, which are reflected at Dexus's equity stake in each fund.

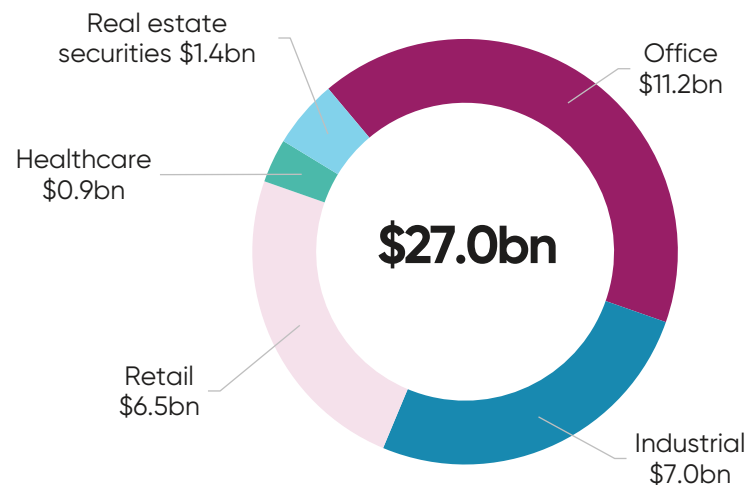
Funds management

HY22 highlights

Strong track record of performance

- › Dexus Wholesale Property Fund (DWPF) outperforming over 3, 5, 7 and 10 years¹
- › Dexus Healthcare Property Fund (DHPF) delivering a 18.0% one-year return
- › Dexus Australian Logistics Trust (DALT) delivering a 39.2% one-year return and 21.3% return since inception

Diversified Funds Management business



Raised \$1.3 billion equity³ with major raisings for:

DXI \$350m	DXC \$56m	DHPF ² \$250m
DALT \$142m	DREP1 \$100m	AREIT Fund \$70m

Executing on capital partners' investment strategies

- › Secured a transformational portfolio for Dexus Industria REIT (DXI), value-adding acquisitions for Dexus Convenience Retail REIT (DXC) and DHPF, as well as first three investments for DREP1
- › Introduced Blackstone as new DALT capital partner
- › Secured Cbus Super as a new capital partner³ for the Jandakot Airport joint venture (33.3% interest)
- › Continued to progress the \$8.3 billion funds management development pipeline
- › Completed over \$1.7 billion⁴ of asset sales to fulfil ADPF redemption requests
 - On track to fulfil all requests before October 2022 deadline

Grown FUM by an average of 21% per annum over the past five years

1. Benchmark: MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index (Net returns, Net Asset weighted).
2. Includes participation by Dexus in fund equity raisings.
3. Including expected settlement of Jandakot Airport, Perth and the introduction of Cbus Super into the joint venture.
4. Representative of all sales to date, including Macquarie Centre, Pacific Fair and Milton Green, exchanged in December 2021.

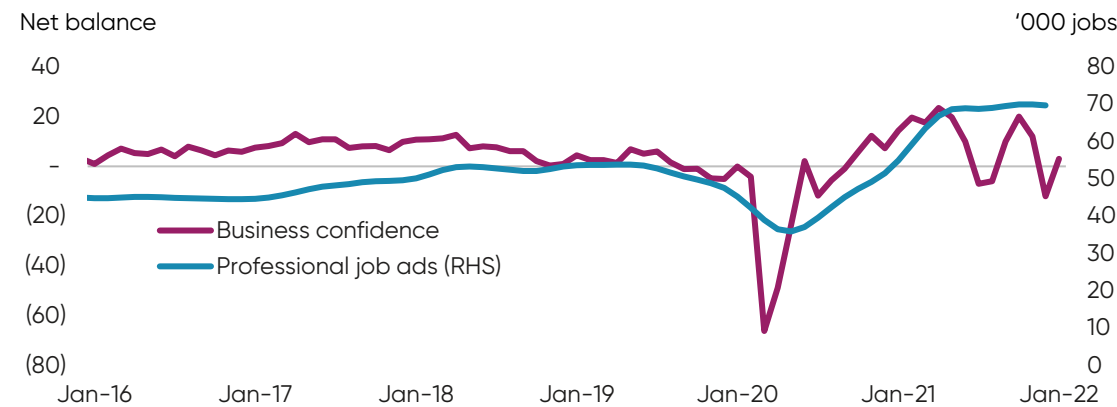
Office portfolio



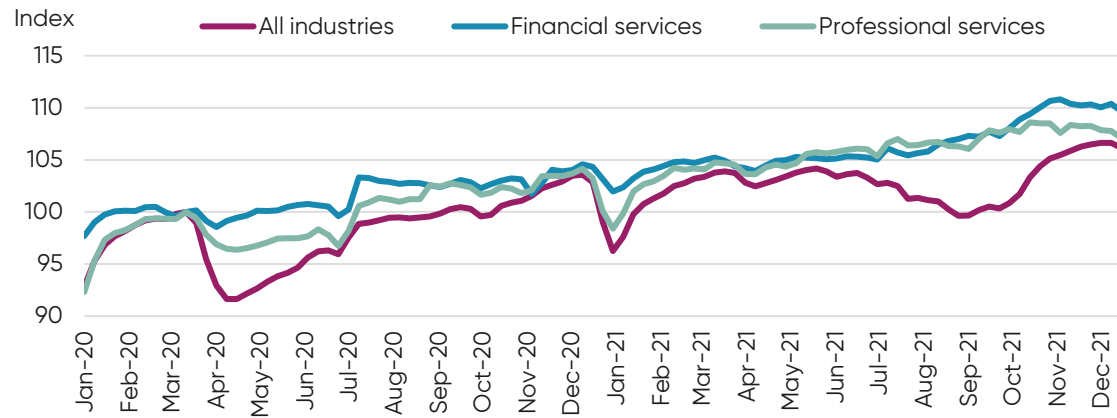
Office demand indicators are positive

Office to benefit from buoyant conditions in white collar industries

Hiring intentions are positive amid current wave

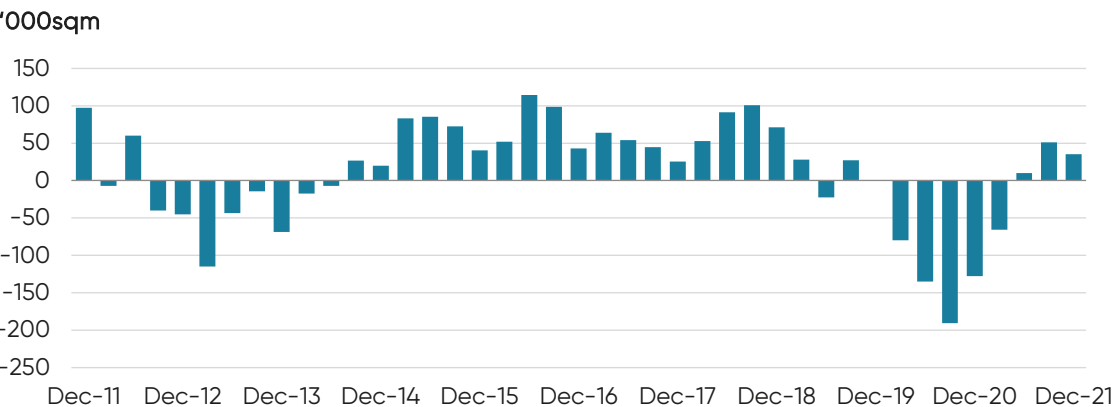


White collar payroll jobs most resilient of all industries

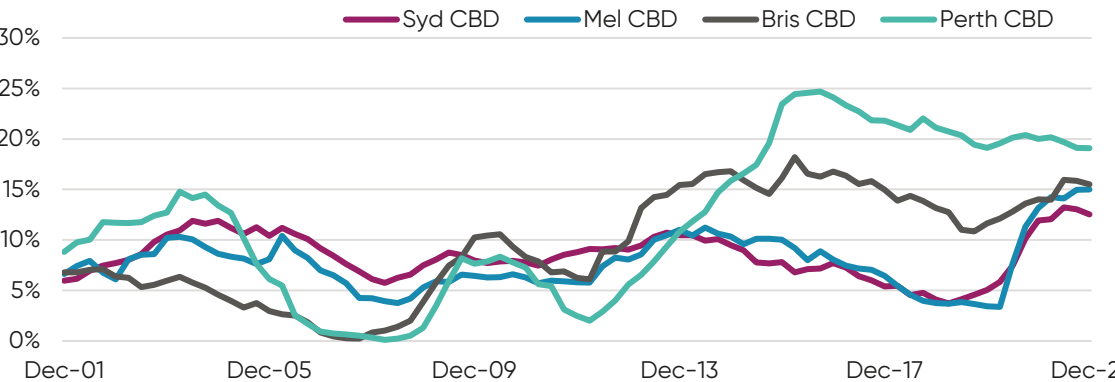


Source: Westpac, ABS Index Nov-10=100, JLL Research (*Sydney CBD, Melbourne CBD, Brisbane CBD, Perth CBD).

Net absorption positive in the 4 major CBDs*



Vacancy rates in CBD office markets plateauing, falling in Sydney



Office portfolio performance

High occupancy maintained despite difficult operating environment

\$24.9 billion

Dexus group
office portfolio

>1,350

Customers

52 properties

Across key CBDs

1.7 million

Square metres

3.5-4.0%

Average fixed rental
increases

\$13.7 billion

Dexus balance sheet office portfolio

Leased by area^{1,3}

112,601sqm

HY21: 93,691sqm

Average incentives^{1,3}

29.7%

FY21: 24.9%

Occupancy³

95.1%

FY21: 95.2%

WALE³

5.0 years

FY21: 4.6 years

Effective LFL income^{2,3}

+4.4%

Face: +1.5%

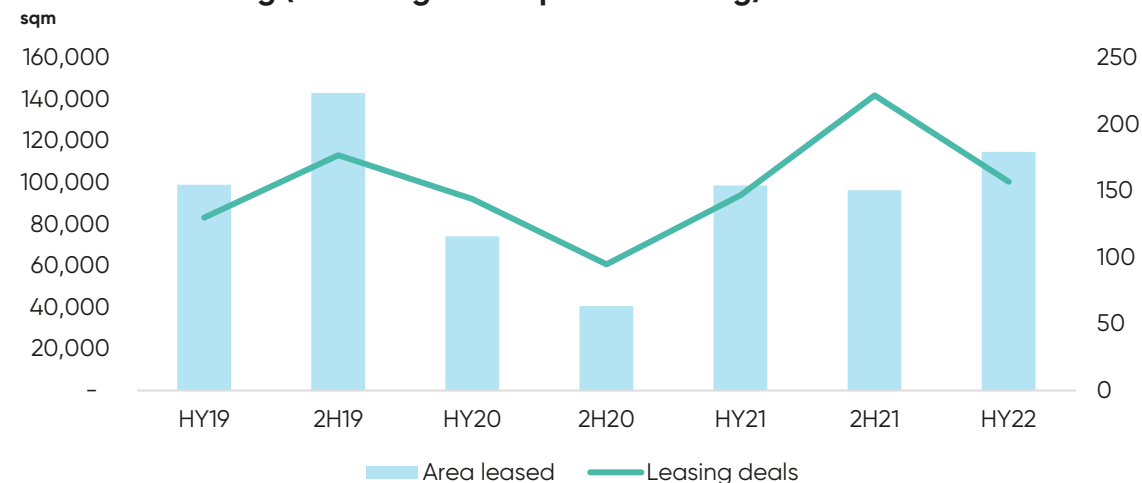
**Portfolio one-year
total return³**

6.3%

at 31 December 2021

- › **Strong leasing activity** despite conditions, maintaining occupancy and increasing WALE along with the Capital Square acquisition
- › **Incentives in line** with levels experienced since 2Q21 (1Q21 incentives weighing down the FY21 average incentive figure)
 - **Expect incentives in Sydney to moderate** as return to office takes hold during CY22
- › Dexus well placed with its **94% prime grade⁴ portfolio**

Historical leasing (including development leasing)



1. Excludes development leasing of 2,273sqm across 6 transactions.

2. Excludes rent relief and provision for expected credit losses. Including these impacts: Effective +8.4% and Face +4.9%.

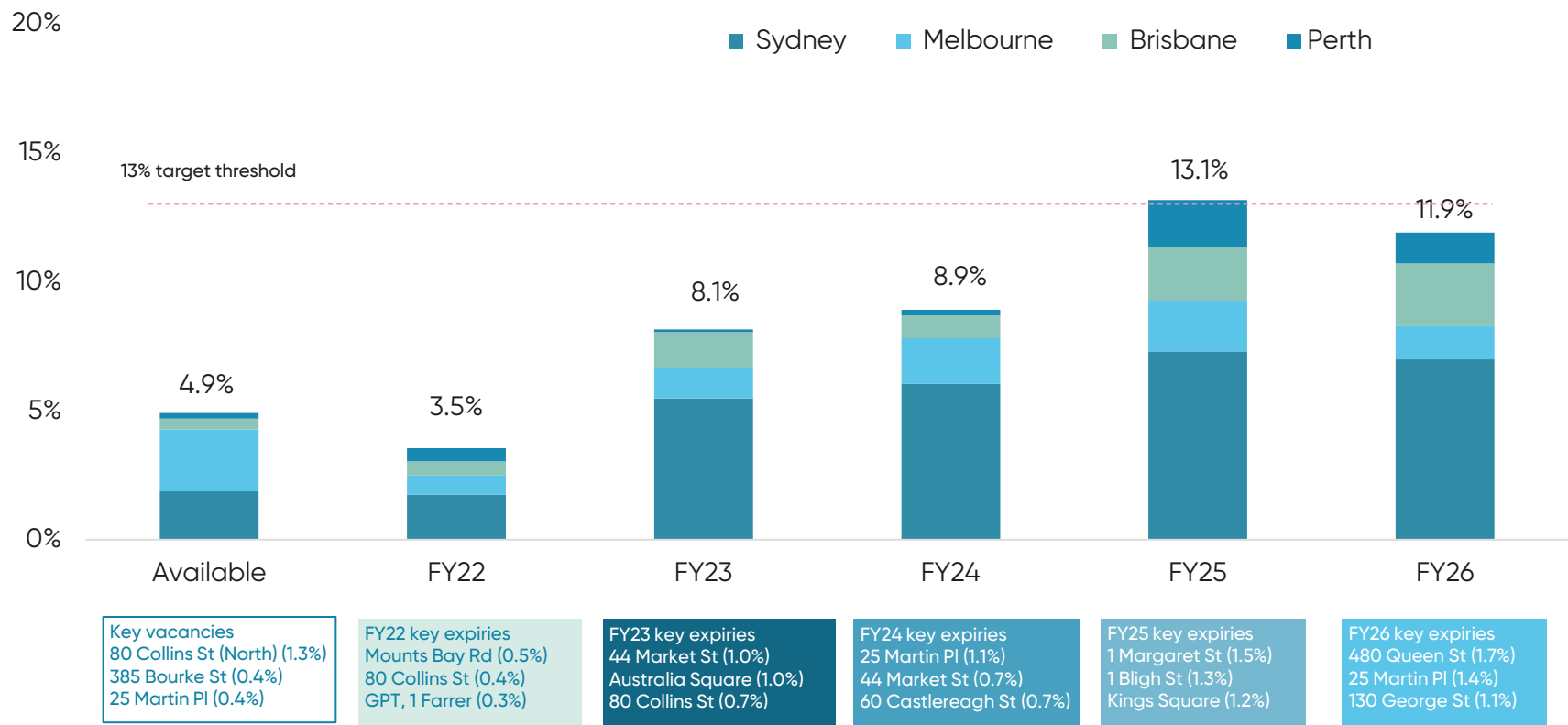
3. Dexus balance sheet portfolio performance statistics exclude co-investments in pooled funds.

4. Prime grade buildings represent 94% of the office portfolio excluding assets held for sale and including development-affected assets.

Staggered expiry profile and diversified tenant base

Dexus office portfolio well placed

Dexus office portfolio lease expiry profile (by income)¹



Diversified tenant base with limited concentration risk

Top customer – Victoria State Government represents **3.3%** of property portfolio income

Top 10 tenants represent **17%** of property portfolio income

Top office customer industry groups
 Financial/Insurance – **15%**
 Legal services – **14%**
 Public Admin/Safety – **13%**

1. Dexus balance sheet portfolio performance statistics exclude co-investments in pooled funds.

Leasing observations

Positive indicators for leasing and large tenants active

Dexus leasing observations

- › Sydney premium office **occupancy costs¹ are one-third of top global cities** (Hong Kong Central and New York midtown), ranking Sydney the 34th most expensive city in the world
- › **Strong demand from small to medium customers** (sub 1,000sqm) and government sectors
- › **Seeing resilience** in finance (particularly fintech), technology and professional services sectors
- › **Increased requirement for flexibility** to increase or decrease the size of tenancies during the term
- › **More companies are growing and taking more space** than those that are decreasing in size
- › **Companies are still looking through the current environment** to the future
 - Secured a number of large customers on lease extensions mid-term
 - Strong interest in our development pipeline, with two large tenants conditionally secured across 19,300 square metres at Waterfront Brisbane



Artist impression: Waterfront, Brisbane QLD

1. Source: JLL Global Premium Office Rent Tracker December 2021.

Industrial portfolio

Industrial portfolio performance

Strong leasing across core and development properties

\$11.0 billion

Dexus group industrial portfolio

>500

Customers

212

properties

3.5 million

Square metres

3.0-3.5%

Average fixed rental increases

\$4.0 billion

Dexus balance sheet industrial portfolio

Leased by area^{1,3}

115,664sqm

across 40 transactions

HY21: 168,749sqm

Occupancy³

98.6%

FY21: 97.7%

Average incentives^{1,3}

10.6%

FY21: 17.8%

WALE³

5.1 years

FY21: 4.4 years

Effective LFL income^{2,3}

-2.3%

Face: +0.1%

Portfolio one-year total return³

26.3%

at 31 December 2021

› Significant **leasing volumes drove occupancy improvement** and development commitments

› **Portfolio over-renting has reduced** from 6% at FY21 to 0.3%, as a result of strong market rent growth

› **Strong one-year total return** driven by cap rate compression and associated valuation uplifts

Dexus industrial lease expiry profile (by income)³

Period	Lease Expiry Profile (%)
Available	1.4%
FY22	5.8%
FY23	9.6%
FY24	10.8%
FY25	6.0%
FY26	14.7%

1. Excludes development leasing of 154,534sqm across 9 transactions.

2. Excludes rent relief and provision for expected credit losses. Including these impacts: Effective -1.8% and Face +0.5%.

3. Dexus balance sheet portfolio performance statistics exclude co-investments in pooled funds.

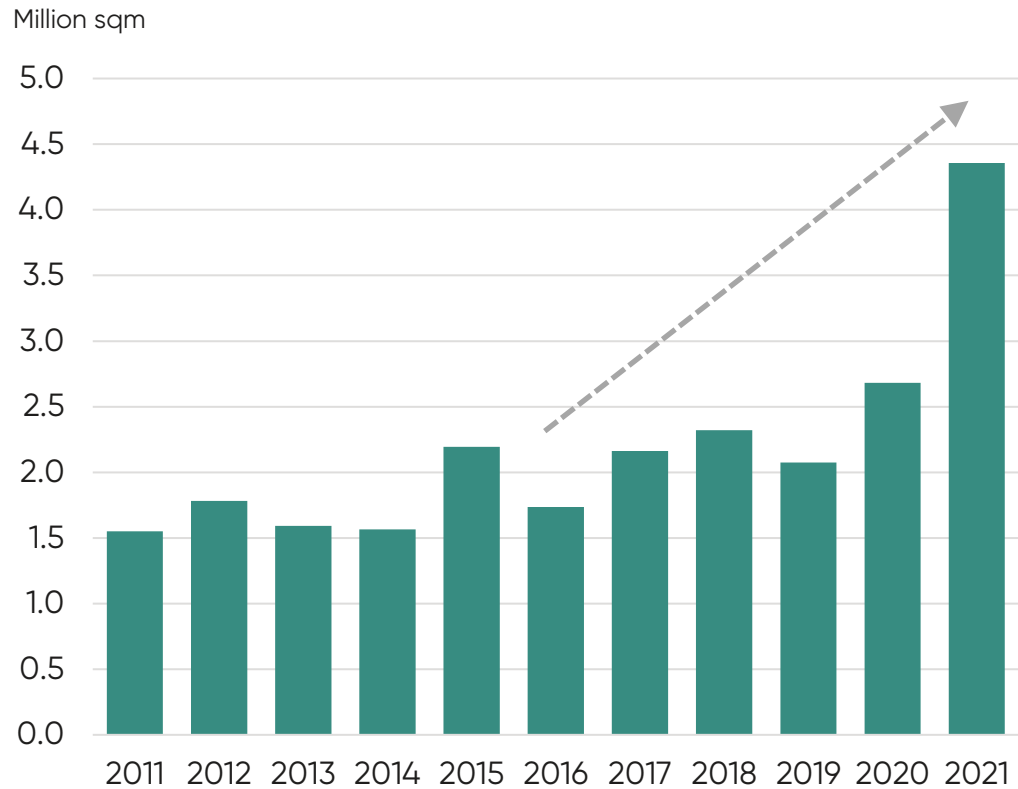
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15 February 2022

Industrial take-up boosted by multiple sectors

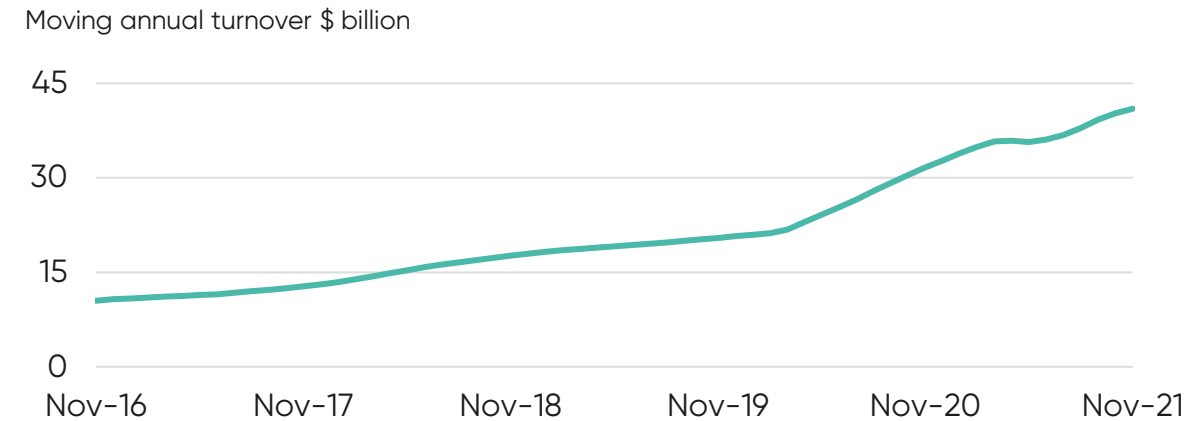
Dexus's customer strategy nods to integration between sectors

National industrial take-up running strongly



Source: ABS, JLL Research.

Rapid growth across multiple sectors driving demand



Dexus leasing observations

- › Logistics firms and retailers **investing in extra distribution space** to cater for last mile fulfilment and need to house extra inventory
- › **Continued ecommerce tailwinds**, with pure play ecommerce operators requiring three times the space of a regular retailer
- › **Dexus's development capability supports customers' growth requirements**, with new leasing already secured at Jandakot Airport

Investments and Developments



Significant transactional activity

Recycling into high-returning opportunities

\$9.3 billion

Total group transactions across office, industrial, healthcare and convenience retail sectors

\$4.4 billion

Group property acquisitions sourced predominantly off-market



Capital Square, Perth WA



Jandakot Airport, Perth WA



Artist impression: Mamre Rd, Kemps Creek NSW



Bethesda Clinic, Claremont WA

\$4.9 billion

Group property divestments



Grosvenor Place, Sydney NSW



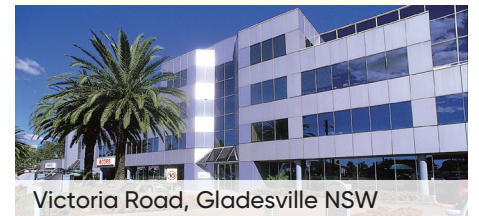
383 Kent Street, Sydney NSW



150 George Street, Parramatta NSW



60 Miller Street, North Sydney NSW



Victoria Road, Gladesville NSW

Progressing the \$17.8 billion development pipeline

Progressed planning and leasing at a number of city-shaping projects (\$9.3 billion)



Brisbane

Waterfront Brisbane | Target project timing: Stage 1 - 2022 to 2027



Sydney

Central Place Sydney
Target project timing: Stage 1 – 2023 to 2026



Sydney

Pitt and Bridge precinct
Target project timing: 2024 to 2029



Sydney

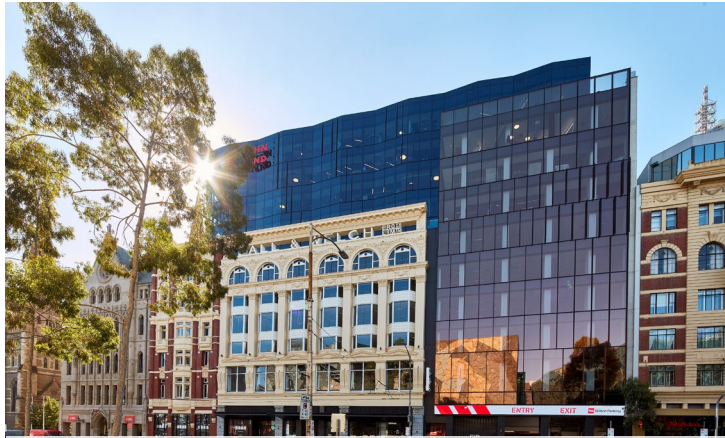
Atlassian tower
Target project timing: 2022 to 2026



Melbourne

60 Collins Street
Target project timing: 2023 to 2026

Development track record across multiple sectors



180-189 Flinders Street, Melbourne VIC



175 Pitt Street, Sydney NSW



18 Momentum Way, Ravenhall VIC



Australia Bragg Centre, Adelaide SA



80 Collins Street, Melbourne VIC



25 Martin Place, Sydney NSW



62 Ferndell Street, South Granville NSW



North Shore Health Hub, St Leonards NSW

Key development pipeline projects

Diversified across
eastern seaboard cities

**Focus on ultra-prime
assets and locations**

**Optionality on timing
on uncommitted projects**



Development	Sector	Development status	Project cost est. ¹	Est. yield on cost	Commencement	FY22	FY23	FY24	FY25
Committed									
123 Albert Street, Brisbane QLD	Office	Construction	\$0.6bn	5-6%	FY22				
Ravenhall VIC	Industrial	Construction	\$0.3bn	6-7%	FY21				
Jandakot Airport, Perth WA	Industrial	Construction	\$0.2bn	5-6%	FY22				
Australian Bragg Centre, Adelaide SA	Healthcare	Construction	\$0.5bn	n/a	FY21				
Uncommitted									
Waterfront, Brisbane QLD	Office	Active leasing	\$2.3bn	5-6%	FY23				
Central Place Sydney NSW ³	Office	Active leasing and planning	\$1.4bn	5-6%	FY23				
Atlassian, Sydney NSW ²	Office	DA approved	\$1.4bn	4-5%	FY22				
60 Collins Street, Melbourne VIC	Office	Active leasing and planning	\$0.9bn	5-6%	FY23				
Pitt and Bridge Precinct, Sydney NSW	Office	Planning phase	\$3.3bn	5-6%	FY25				
Ravenhall VIC	Industrial	Active leasing and planning	\$0.3bn	6-7%	FY23				
Jandakot Airport, Perth WA	Industrial	Active leasing and planning	\$0.6bn	5-6%	FY23				

Development phase

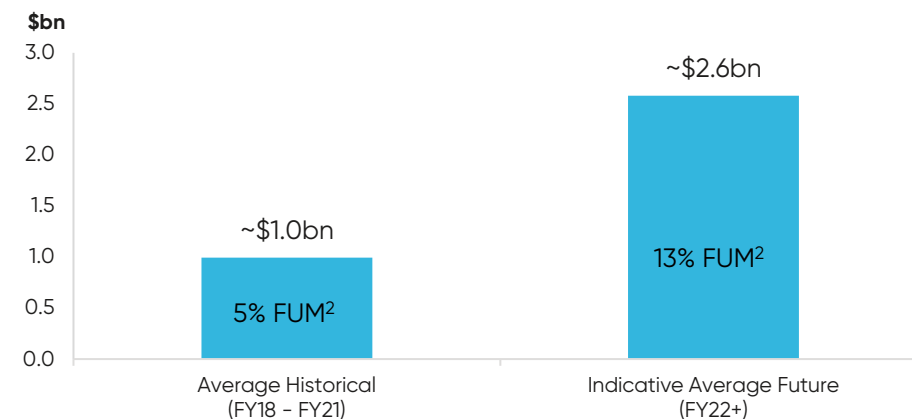
1. Dexus group share in development cost (including land and excludes downtime and income earned through development).
2. Represents funding obligation for 100% of the project cost (ex land).
3. Excluding external party share of project. External JV partner owns 50% of this project.

Developments

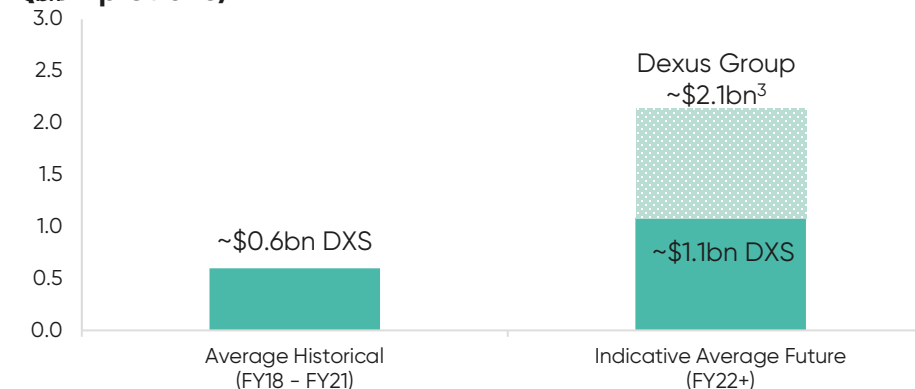
Increasing relevance as a driver of returns

- › **Dexus development WIP is expected to more than double** going forward
 - Incremental development spend forecast \$0.7 billion p.a. on average (excluding existing land)
- › **Average development margins expected to remain strong above 25%^{1,3}**
(avg historical margin c. 28%)
- › **Average target yield on cost 5-6%**
- › **Minimal upfront capital with a range of funding options:**
 - \$1.6bn existing headroom (undrawn debt facilities plus cash)
 - Stabilised asset sales
 - Selective sell down of de-risked projects

Dexus annual development WIP (incl. land cost)¹



Dexus group average p.a. development production (completions)¹



1. Excludes fund-through and concept developments and assumes restocking of existing industrial landbank beyond FY25 with minimum 200,000sqm of completions p.a.

2. Project cost as a proportion of balance sheet FUM plus estimated committed cost to completion at 31 December 2021.

3. The forecast completion value assumes fully leased at market rents with cap rates at circa 4% for office and industrial.

Consistent delivery of trading profits over time

Replenishment of pipeline underway

- › **\$21.6 million¹ of trading profits (post tax)** realised during HY22 across 4 trading projects
- › **Working on securing FY23 trading profits**, with potential contributions from 12 Frederick Street, St Leonards and 149 Orchard Road, Chester Hill, recently acquired in partnership with DREP1
- › **Additional three opportunities within existing portfolio** identified to replenish the pipeline



Trading profit track record since 2012

\$472 million
total trading profits

30%
average IRR



1. Post tax trading profits including contribution from Truganina properties and Lakes Business Park South, Botany, 436-484 Victoria Road, Gladesville and 22 Business Park Drive, Ravenhall.

Summary



Dexus investment case

High-quality portfolio with embedded upside from funds management and development

Fully integrated platform will support generation of superior risk adjusted returns

Investment

\$18.3bn

of capital invested
directly

**High-quality property portfolio
across major cities**

**Active balance sheet to
capitalise on new initiatives**

Track record of strong performance

Funds Management

\$27.0bn

of managed
third-party funds

**Diverse platform across multiple
sectors and capital sources**

**Relationships with
major global real estate investors**

**Grown FUM by an average of 21% per
annum over the past five years**

Development

\$17.8bn

development pipeline with
embedded upside

**Portfolio of city-shaping
development projects**

**Improves quality of Dexus portfolio
and embeds growth in funds**

**Ability to develop industry leading
product to build sustainable cities**

Note: Funds under management as at 31 December 2021 is pro forma for final settlement of Jandakot Airport, Perth and introduction of Cbus Super into the Jandakot joint venture.

Summary

Positioned for the recovery

- › The pandemic continues to impact on business and consumer confidence, and we are **well placed in this environment**
- › **Demonstrated ability to capitalise on opportunities** while also being able to address challenges
- › Ability to **deliver long-term performance beyond the recovery** is a function of:
 - our scale and capability across key real estate sectors
 - our funds management business which provides a capital efficient way to increase our exposure to growth sectors
 - our substantial city-shaping development pipeline
- › Based on current market conditions and barring unforeseen circumstances, Dexus retains its guidance to **deliver distribution per security growth of not less than 2%** for the 12 months ended 30 June 2022



Artist impression: Atlassian Central, Sydney NSW

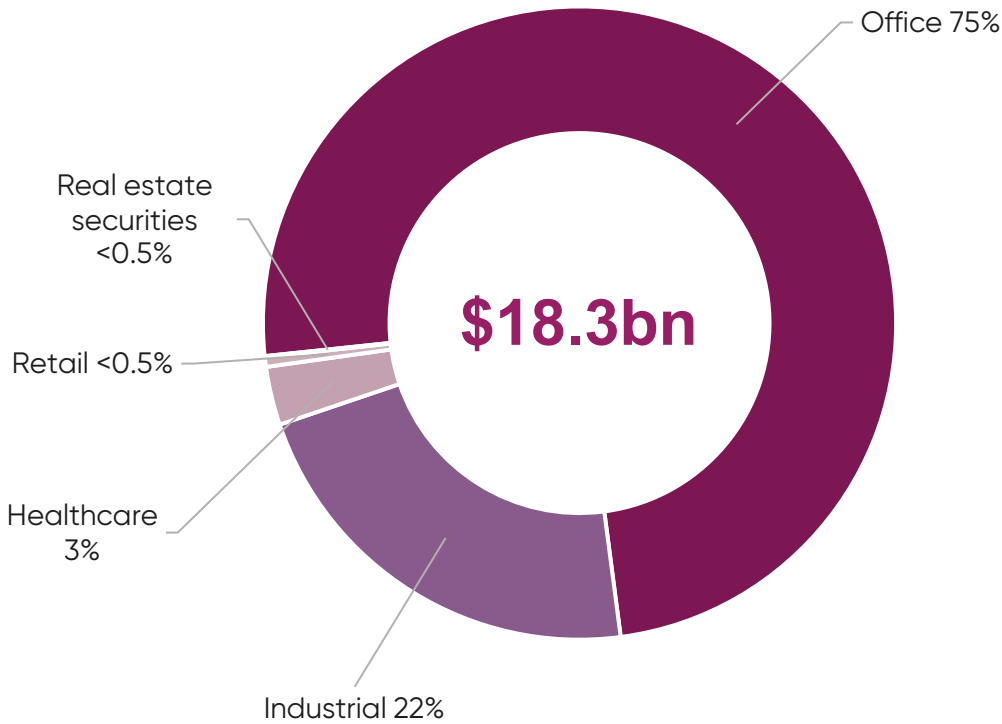
Appendices



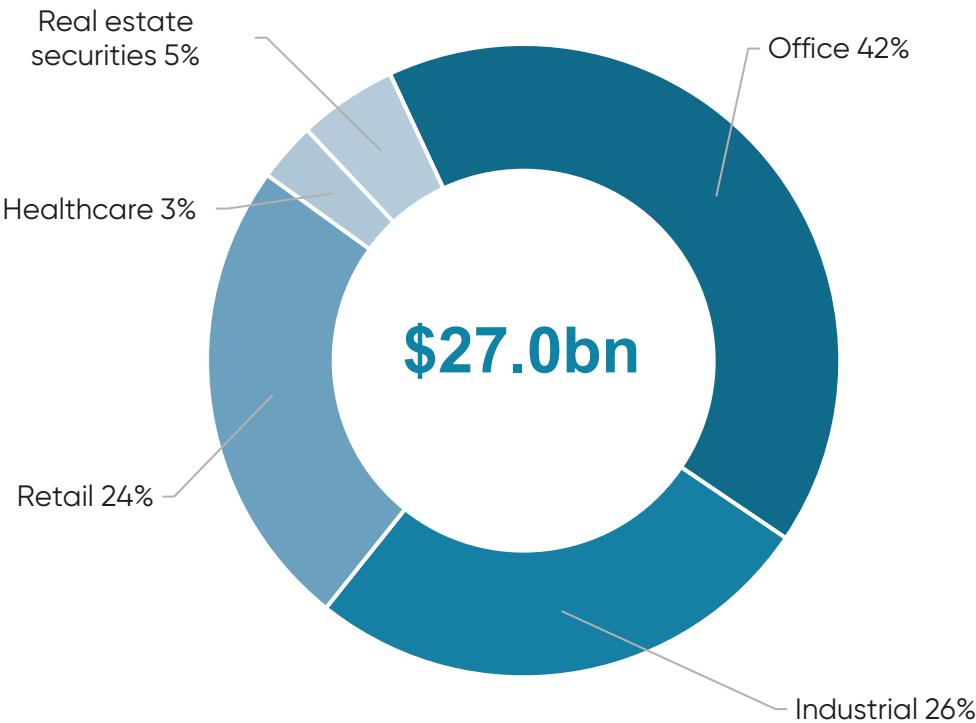
Dexus today

\$45.3 billion – total funds under management¹

Dexus portfolio



Funds Management portfolio



1. Funds under management as at 31 December 2021 is pro forma for final settlement of Jandakot Airport, Perth and introduction of Cbus Super into the Jandakot joint venture.

Alignment with megatrends

to support long-term growth

1

Urbanisation

Population growth and infrastructure investment will support the ongoing urbanisation of major Australian cities and the development of vibrant communities around major transport nodes

2

Technological advances

Technological advancements in artificial intelligence, automation, big data and analytics will drive the continual evolution in how individuals and groups work, live and play

3

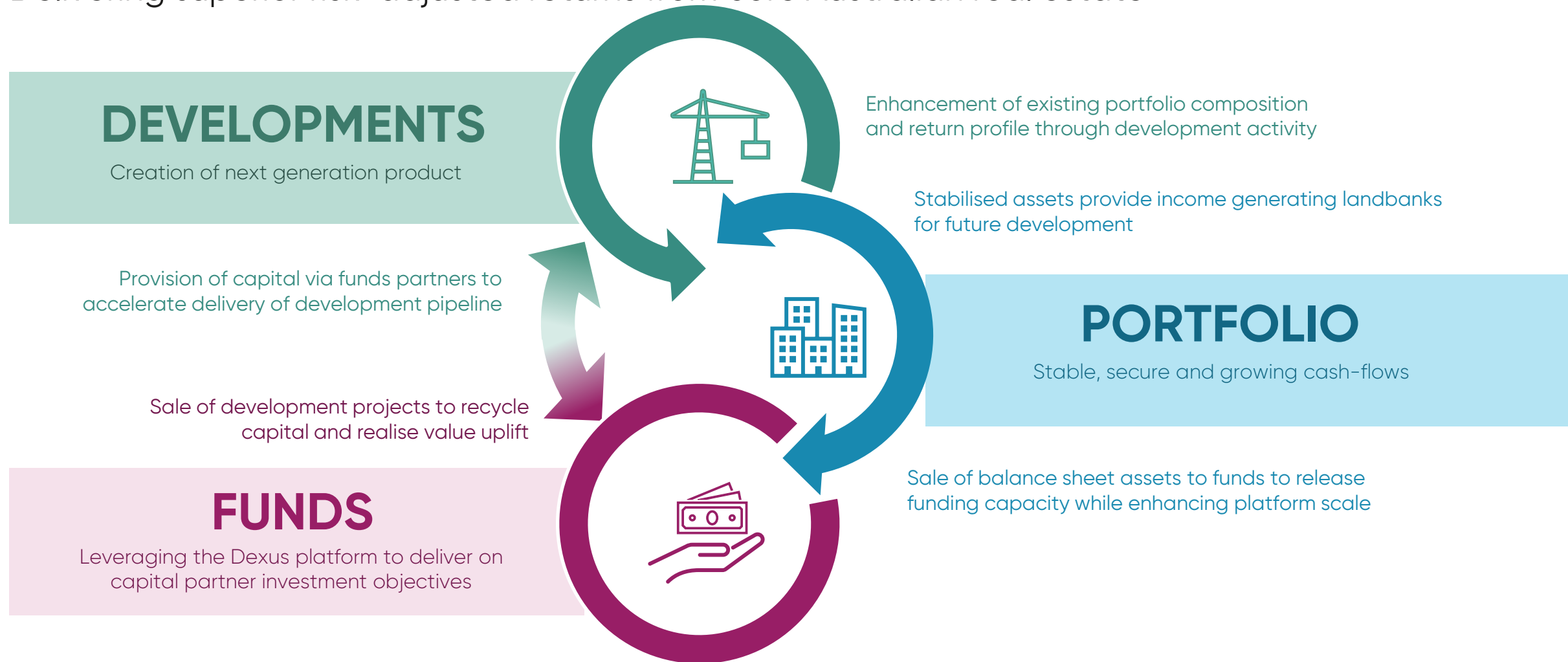
Growth in pension fund flows

Assets under management from pension funds are expected to increase significantly as populations in developed nations continue to age and allocations to alternatives continue to increase

Megatrends will drive the integration of real estate asset classes and customer uses

Investment strategy and business model

Delivering superior risk-adjusted returns from core Australian real estate



Case study on growth in funds management

Delivering high quality healthcare product for DHPF's investors

- › **Launched in 2017** to capitalise on trends and unprecedented growth of the Australian healthcare sector, underpinned by strong demand drivers and market fundamentals
- › **Leverages Dexus's scale and platform** to attract capital and build a \$1.4 billion³ high-quality healthcare real estate portfolio
- › **Raised \$250 million equity** further diversifying the investor base and strengthening the DHPF's ability to continue to acquire and develop product
- › **Growing demand from institutional investors** in Australia, Asia, Europe and North America
- › **Expect further strong growth** in the healthcare sector

1. All figures as at 31 December 2021, unless otherwise stated.
2. Includes co-investment by Dexus.
3. Based on an as-if-complete basis.
4. Total equity raised for DHPF includes equity transactions, secondary transfers and co-investment by Dexus.

HY22 highlights

18.0%

Portfolio one-year return (post fees)

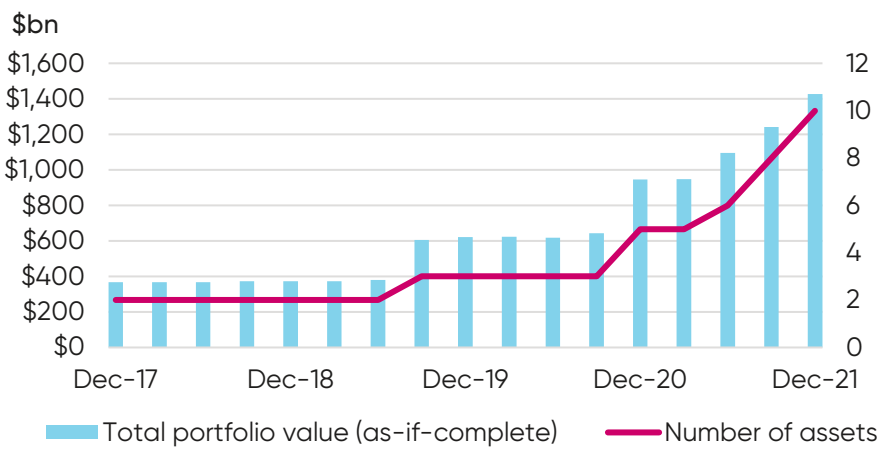
\$250m

Equity raised² from existing investor and six new investor groups (\$850m total equity raised since 2017)⁴

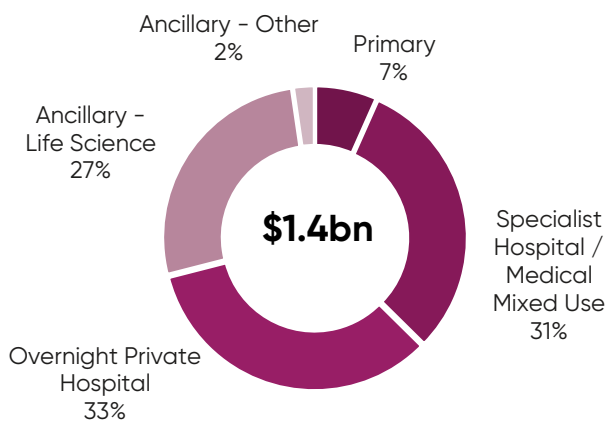
\$231m

Acquisitions completed in a competitive market (Following \$405m in FY21)

Significant growth while maintaining high-quality portfolio^{1,3}



DHPF composition^{1,3}



Financial results

Reconciliation to statutory profit

Reference	Item	31 Dec 2021 \$m	31 Dec 2020 ¹ \$m
Statutory AIFRS net profit after tax		803.2	441.3
Investment property and inventory	(Gains)/losses from sales of investment property	-	(0.7)
	Fair value gain on investment properties	(486.2)	(144.7)
Financial instruments	Fair value (gain)/loss on the mark-to-market of derivatives	(1.0)	65.7
Incentives and rent straight-lining	Amortisation of cash and fit out incentives	31.8	28.9
	Amortisation of lease fees	7.0	7.0
	Amortisation of rent-free incentives	42.2	40.9
	Rent straight-lining	(3.9)	(0.6)
Tax	Non-FFO tax expense	(12.1)	(3.1)
Co-investments	Share of net profit of investments accounted for using the equity method	(45.4)	(18.2)
	Distributions from financial assets at fair value through profit or loss	(3.8)	-
	Distributions from co-investments	13.8	3.1
Other unrealised or one-off items ²	Other unrealised or one-off items	51.1	(44.0)
Funds From Operations (FFO)		396.7	375.6
Maintenance and leasing capex	Maintenance capital expenditure	(24.4)	(18.9)
	Cash incentives and leasing costs paid	(25.6)	(12.6)
	Rent free incentives ³	(44.5)	(30.3)
Adjusted Funds From Operations (AFFO)		302.2	313.8
Distribution		301.2	313.6
AFFO Payout ratio		99.7%	99.9%

1. Restatement of prior year comparatives required to comply with guidance issued by the International Financial Reporting Interpretations Committee (IFRIC) regarding the treatment of "Configuration or Customisation Costs in a Cloud Computing Arrangement". Comparatives have also been restated to reflect the impacts resulting from presentational changes made during the half year to 31 December 2021, to separately disclose segment information relating to Co-investments.
2. HY22 other unrealised or one-off items includes \$30.8m of unrealised fair value gains on interest bearing liabilities, offset by \$68.6m transaction costs and one-off significant items (including costs associated with the implementation of the Simplification, APN acquisition, other successful transactions and one off significant items (\$63.3m) and IFRIC SaaS customisation expenses (\$5.3m)), \$2.4m net fair value loss of investments at fair value, \$1.1m amortisation of intangible assets, \$9.8m rental guarantees, coupon income and other items.
3. As at 31 December 2021, cumulative actual and estimated rent waivers within rent free incentives is \$7.7m for tenants not in arrears, of which \$5.0m was recognised during the period.

Financial results

Management operations profit

HY22 (\$m)	Funds Management	Property Management	Development Management	Management Operations
Revenue	56.9	34.7	7.7	99.3
Operating expenses	(21.3)	(29.6)	(11.2)	(62.1)
HY22 net profit	35.6	5.1	(3.5)	37.2
HY22 margin	63%	15%	(45%)	37%
HY21 margin	62%	19%	(3%)	38%



Financial results

Cash flow reconciliation

		31 Dec 2021 \$m	31 Dec 2020 ¹ \$m
Cash flow from operating activities		344.2	493.6
add back:	payment for inventory acquisition and capex	2.3	57.5
less:	cost of sale of inventory	(139.3)	(220.9)
less:	tax on trading profits not yet paid	(9.2)	(20.2)
add back:	capitalised interest	3.3	1.3
add back:	adjustments for equity accounted distributions	80.2	56.7
less:	other working capital movements	26.8	(16.5)
add back:	transaction costs ²	52.1	2.4
Adjusted cash flow from operating activities		360.4	353.9
Add back: Rent free income		44.5	30.3
Less: Depreciation and amortisation (including deferred borrowing costs)		(8.2)	(8.6)
FFO		396.7	375.6
Less: payments from maintenance capex and incentives ³		(94.5)	(61.8)
AFFO		302.2	313.8
Less: gross distribution		(301.2)	(313.6)
Cash surplus/(deficit)		1.0	0.2

1. Restatement of prior year comparatives required to comply with guidance issued by the International Financial Reporting Interpretations Committee (IFRIC) regarding the treatment of "Configuration or Customisation Costs in a Cloud Computing Arrangement".

Comparatives have also been restated to reflect the impacts resulting from presentational changes made during the half year to 31 December 2021, to separately disclose segment information relating to Co-investments.

2. Includes costs associated with the implementation of the Simplification, APN acquisition and other successful transactions.

3. Includes cash and fitout incentives, lease fees and rent-free incentives. As at 31 December 2021, cumulative actual and estimated rent waivers within rent free incentives is \$7.7m for tenants not in arrears, of which \$5.0m was recognised during the period.

Financial results

Interest reconciliation

	31 Dec 2021 \$m	31 Dec 2020 ¹ \$m
Total statutory finance costs	71.5	71.5
Less: Debt modification and amortisation of exchangeable notes	(2.1)	(1.8)
Less: Finance costs attributable to investments accounted for using the equity method ²	(0.3)	(4.4)
Less: AASB 16 interest expense	(0.4)	(0.4)
Gross finance costs for FFO ³	68.7	64.9
Add: Interest capitalised	9.7	7.2
Gross finance costs for cost of debt purpose	78.4	72.1

1. Comparatives have also been restated to reflect the impacts resulting from presentational changes made during the half year to 31 December 2021, to separately disclose segment information relating to co-investments.
2. Includes finance costs associated with properties held in investments accounted for using the equity method.
3. Excludes interest income of \$14.0m (HY21: \$0.4m) primarily due to interest reimbursement for the delayed settlement of Grosvenor Place and interest income from Capital Square.



Financial results

Change in net tangible assets and revaluations

	\$m	\$ps		Investment portfolio	Valuation change \$m	Weighted average cap rate	% of portfolio FUM
Opening net tangible assets¹ (1 Jul 21)	12,280.2	\$11.42		Dexus office portfolio	147	4.85%	75%
Revaluation of real estate	486.2	0.45		Dexus industrial portfolio	330	4.42%	22%
Retained earnings ²	95.5	0.09		Total Dexus portfolio⁵	487	4.76%	100%
Amortisation of tenant incentives ³	(77.1)	(0.07)					
Fair value and other movements ⁴	(128.3)	(0.12)					
Closing net tangible assets¹ (31 Dec 21)	12,656.5	\$11.77					

1. Net tangible assets exclude \$118.0m (FY21: \$76.6m) deferred tax liability relating to management rights.
2. Represents HY22 FFO less distributions.
3. Includes rent straight-lining.
4. Includes fair value movements of derivatives and interest-bearing liabilities, deferred tax and movement in reserves and other.
5. Includes healthcare and other property revaluation gain of \$9.5m and excludes leased assets revaluation loss of \$0.4m.

Financial results

Direct property portfolio book value movements

	Office ¹ \$m	Industrial ¹ \$m	Healthcare and other ¹ \$m	Dexus total ¹ \$m	Trading assets ² (inventory) \$m
Opening direct property	13,895.3	2,903.6	66.5	16,865.4	178.2
Lease incentives ³	58.4	7.9	-	66.3	0.6
Maintenance capex	22.0	2.4	-	24.4	-
Acquisitions	516.5	884.8	17.9	1,419.2	-
Developments ⁴	73.1	47.8	12.5	133.4	2.4
Disposals ⁵	(961.4)	(138.6)	-	(1,100.0)	(138.6)
Revaluations	147.0	330.1	9.5	486.6	-
Amortisation	(73.3)	(7.7)	-	(81.0)	(0.4)
Rent straight lining	2.7	1.0	0.2	3.9	0.2
Closing balance at the end of the period	13,680.3	4,031.3	106.6	17,818.2	42.4

1. Includes Dexus's share of equity accounted investments except those classified as co-investments and excludes leased assets.
2. Trading assets are included in Industrial and Dexus total amounts.
3. Includes rent free incentives.
4. Includes capitalised interest.
5. At book value and includes internal transfers to and from investment property.



5 Martin Place, Sydney NSW

Financial results

Co-investments in pooled funds

	Ownership stake (%)	Dexus co-investment value (\$m) ¹	Dexus HY22 co-investment income (\$m)	Passing distribution yield (%) ²	Number of properties	Total assets (\$m)	Occupancy (%)	WALE (years)	WACR (%)	Fund look-through gearing (%)
Healthcare										
DHPF	23.1%	\$235.8	\$4.3	4.2%	10	\$1,134	100%	18.4	4.5%	9.3%
AUHPT ³	~7%	\$177.6	\$3.8	5.6% ⁴	75	\$3,090	98.5%	16.3	4.7%	17.2%
Industrial										
DXI	17.4%	\$199.1	\$4.0	4.9%	93	\$1,776	96.7% ⁵	5.9	5.1%	33.9%
Other real estate classes										
DREP1	38.1%	\$2.5	\$0.2	n/a	3	\$8.2	n/a	n/a	n/a	45-55% ⁷
DXC	8.9%	\$47.6	\$1.4	6.4%	112	\$803	99.7%	11.5	5.8%	32.0%
Securities and other ¹	n/a	\$20.1	\$0.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total		\$682.7	\$13.8							

1. Represents the equity accounted investment value recognised on Dexus balance sheet.

2. With reference to the last announced distribution annualised (except for DHPF which refers to CY21 distributions), and the closing unit price at 31 December 2021.

3. As reported by Australian Unity Healthcare Property Trust at 31 December 2021.

4. Returns stated are for the 12-month period to 31 December 2021 for AUHPT's Wholesale Units.

5. DXI occupancy by area.

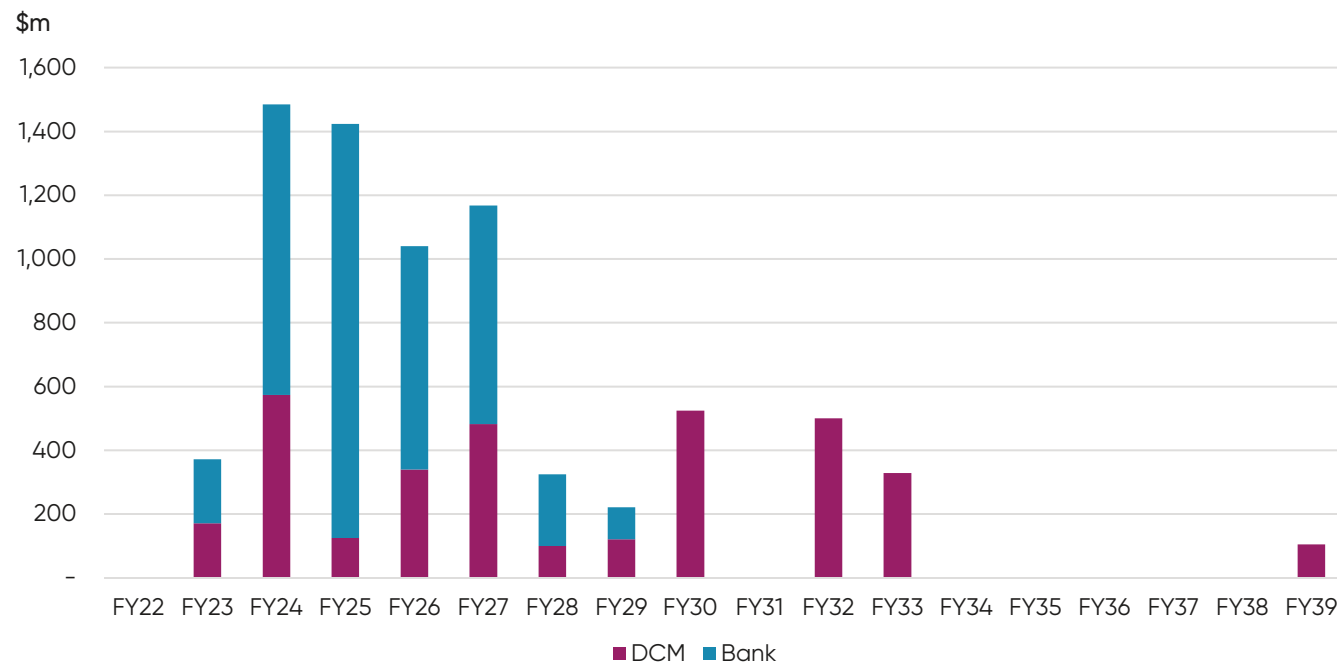
6. Includes investments in APN Asian REIT Fund, APN Global REIT Income Fund, Dexus Development Fund No. 2, Dexus Regional Property Fund, RealTech Ventures and Divvy Parking Pty Limited.

7. Target gearing range for Fund.

Capital management

HY22 position

Debt maturity profile¹



Key metrics	31 Dec 2021	30 June 2021
Total debt ²	\$5,591m	\$4,925m
Headroom (approximately) ³	\$1.6bn	\$1.1bn
Gearing ⁴	31.1% ⁵	26.7%
Covenant gearing (covenant ⁶ <55%)	30.3%	26.5%
Interest cover (covenant ⁶ >2.0x)	5.2x	5.1x
Priority debt (covenant ⁶ <30%)	0%	0%

1. Includes \$425m Exchangeable Notes based on investor put date in FY24. Includes \$100m bank debt facility extension executed post 31 December 2021.

2. Total debt does not include debt in equity accounted investments or Dexus's share of co-investments in pooled funds.

3. Undrawn facilities plus cash.

4. Adjusted for cash and debt in equity accounted investments.

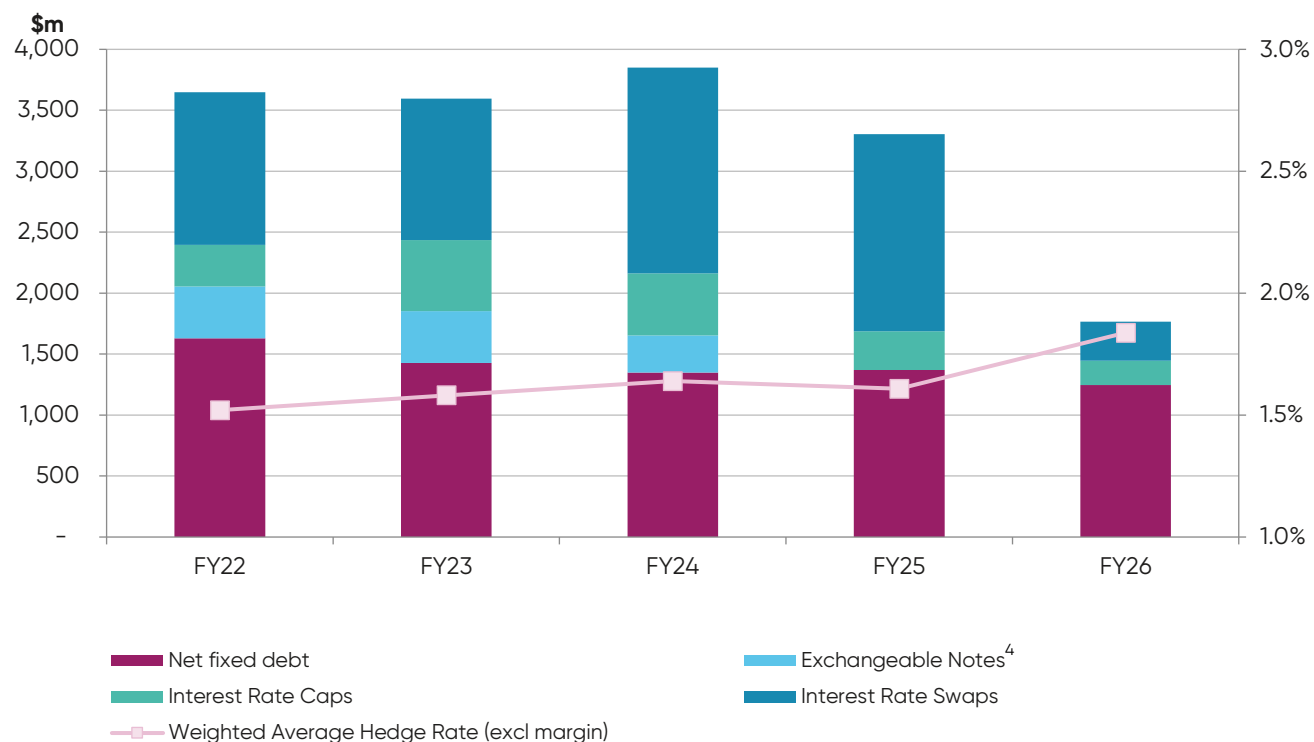
5. Excluding Dexus's share of co-investments in pooled funds. Look-through gearing including Dexus's share of co-investments in pooled funds was 31.5% as at 31 December 2021.

6. As per public bond covenants.

Capital management

Interest rate hedging profile

Hedge profile



1. Average amount hedged for the period (including caps).
2. Including fixed rate debt (without credit margin).
3. Weighted average for the period, inclusive of fees and margins on a drawn basis.
4. Based on investor put date in FY24.

Hedging profile	31 Dec 2021	30 June 2021
Average amount of debt hedged ¹	64%	81%
Average amount of debt hedged excluding caps	56%	68%
Weighted average interest rate on hedged debt ²	1.5%	1.7%
Cost of debt ³	2.7%	3.2%
Weighted average maturity of hedges	5.6 years	5.1 years

Capital management

Debt facilities¹

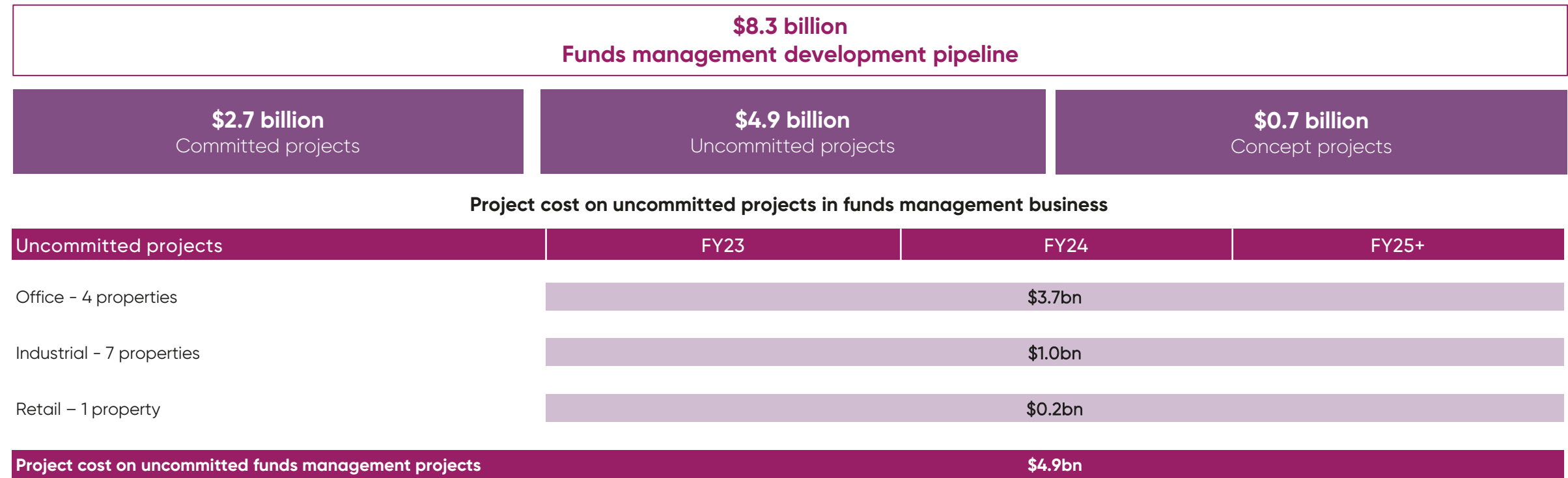
	Facility limit A\$m	Drawn A\$m	Maturity	Currency
Bilateral bank debt	200	200	FY23	A\$
	600	600	FY24	A\$
	1,150	600	FY25	A\$
	700	308	FY26	A\$
	550	125	FY27	A\$
	225	-	FY28	A\$
	100	100	FY29	A\$
Commercial paper²	100	100	FY24	A\$
Medium term notes	160	160	FY23	A\$
	185	185	FY26	A\$
	130	130	FY27	A\$
	200	200	FY30	A\$
	500	500	FY32	A\$
	30	30	FY39	A\$
US senior notes (USPP)³				
Series 1	291	291	Jul-23-Jul-28	US\$
Series 2	225	225	Feb-24-Feb-27	US\$
Series 3	286	286	Dec-24-Dec-26	US\$
Series 4 (A\$)	100	100	Jun-28	A\$
Series 5	503	503	Nov-29-Nov-32	US\$
Series 5 (A\$)	150	150	Nov-29-Nov-32	A\$
Series 6 (A\$)	75	75	Oct-38	A\$
Exchangeable notes⁴	425	425	Mar-24	A\$

	Facility limit A\$m	Drawn A\$m
Sub total	6,885	5,292
Currency translation and fair value adjustments	352	352
Deferred borrowing costs and debt modifications	(33)	(33)
Exchangeable notes adjustments	(20)	(20)
Total interest bearing liabilities	7,184	5,591
Bank guarantee utilised		(74)
Cash		62
Headroom including cash		1,580

1. Does not include debt facilities in equity accounted investments or Dexus's share of co-investments in pooled funds. Includes \$100m bank debt facility extension executed post 31 December 2021.
2. Based on maturity date of commercial paper standby facility.
3. USPP US\$ amount shown at the cross-currency swap contract rate.
4. Based on investor put date in FY24.

Funds management

Development pipeline



Property portfolio

Office and industrial key metrics



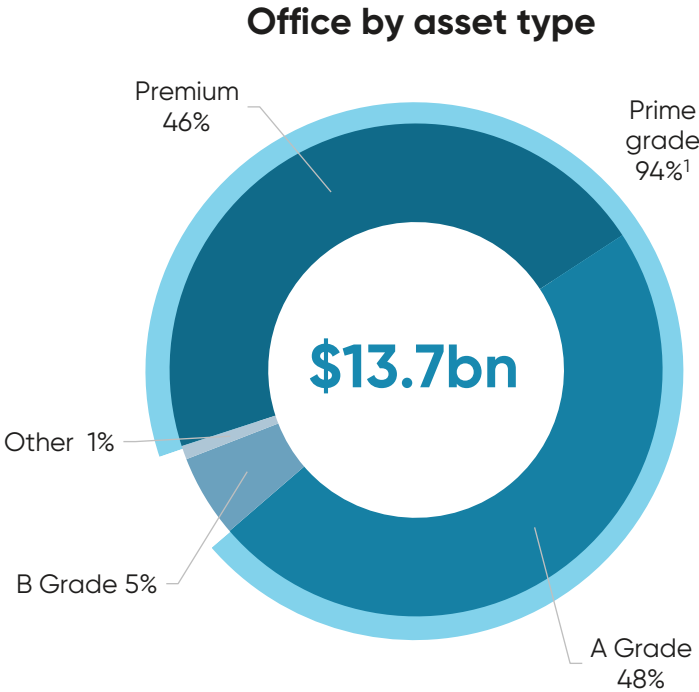
Key metrics	Office	Industrial
Amount of space leased ¹	112,601sqm ²	115,664sqm ³
No. of leasing transactions	151 ²	40 ³
Occupancy by income	95.1%	98.6%
Occupancy by area	94.5%	99.2%
Average incentives	29.7% ⁴	10.6% ⁵
No. of effective deals	19	15
Weighted average lease expiry ⁶ (WALE)	5.0 years	5.1 years
Like-for-like income growth (excluding rent relief and provision for expected credit losses)	Face +1.5% ⁷	Face +0.1% ⁸
	Effective +4.4% ⁷	Effective -2.3% ⁸

1. Including Heads of Agreement.
2. Excluding development leasing of 2,273sqm across 6 transactions.
3. Excluding development leasing of 154,534sqm across 9 transactions.
4. Gross basis excluding development leasing.
5. Net basis excluding development leasing.

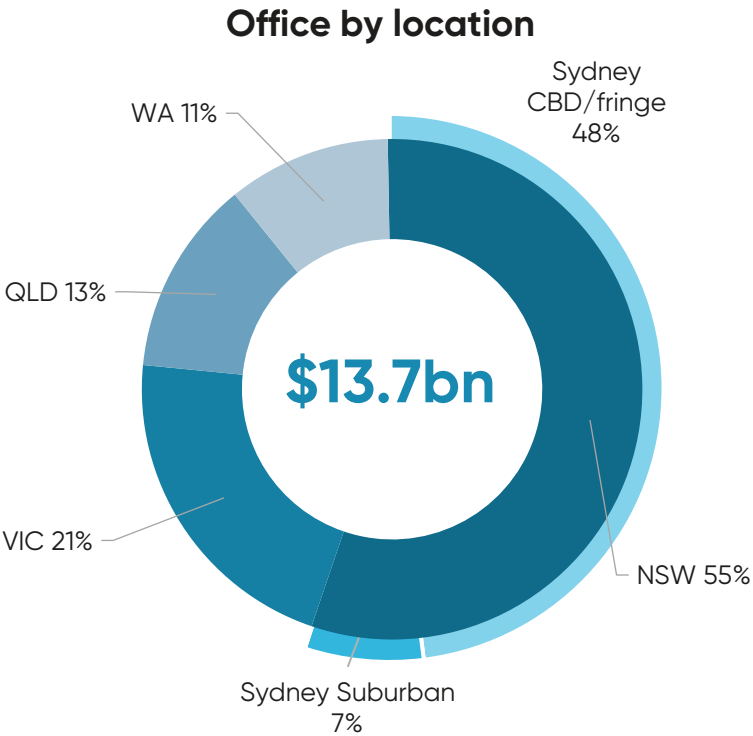
6. By income.
7. Including rent relief and provision for expected credit losses office LFL growth was Effective +8.4% and Face was +4.9%.
8. Including rent relief and provision for expected credit losses industrial LFL growth was Effective -1.8% and Face was +0.5%.

Property portfolio

Office portfolio diversification

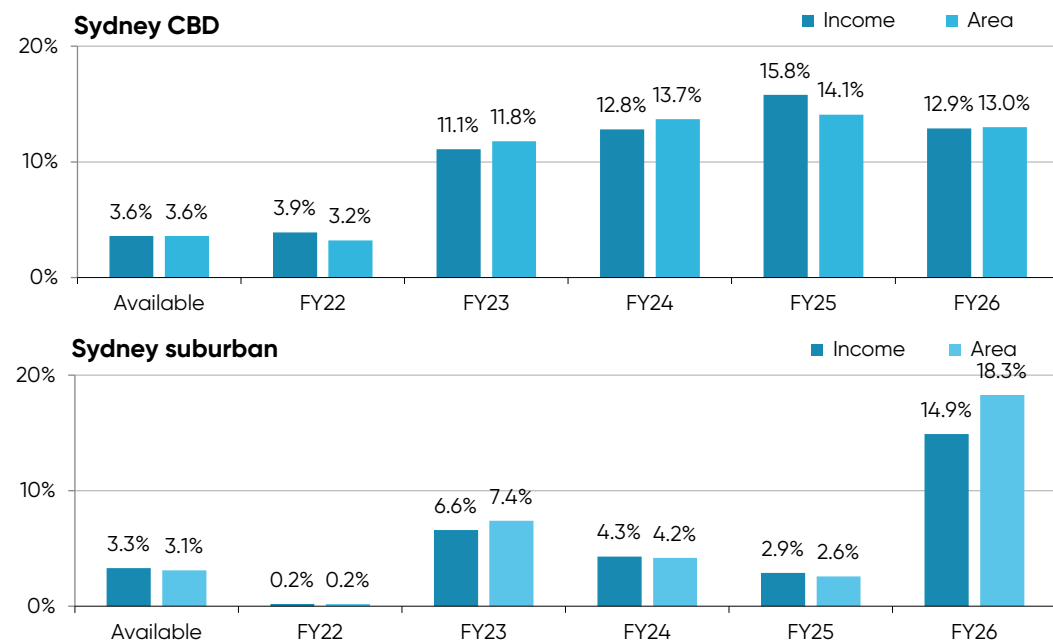


1. Prime grade buildings represent 94% of the office portfolio including stabilised assets only and excluding development affected assets and land.



Property portfolio

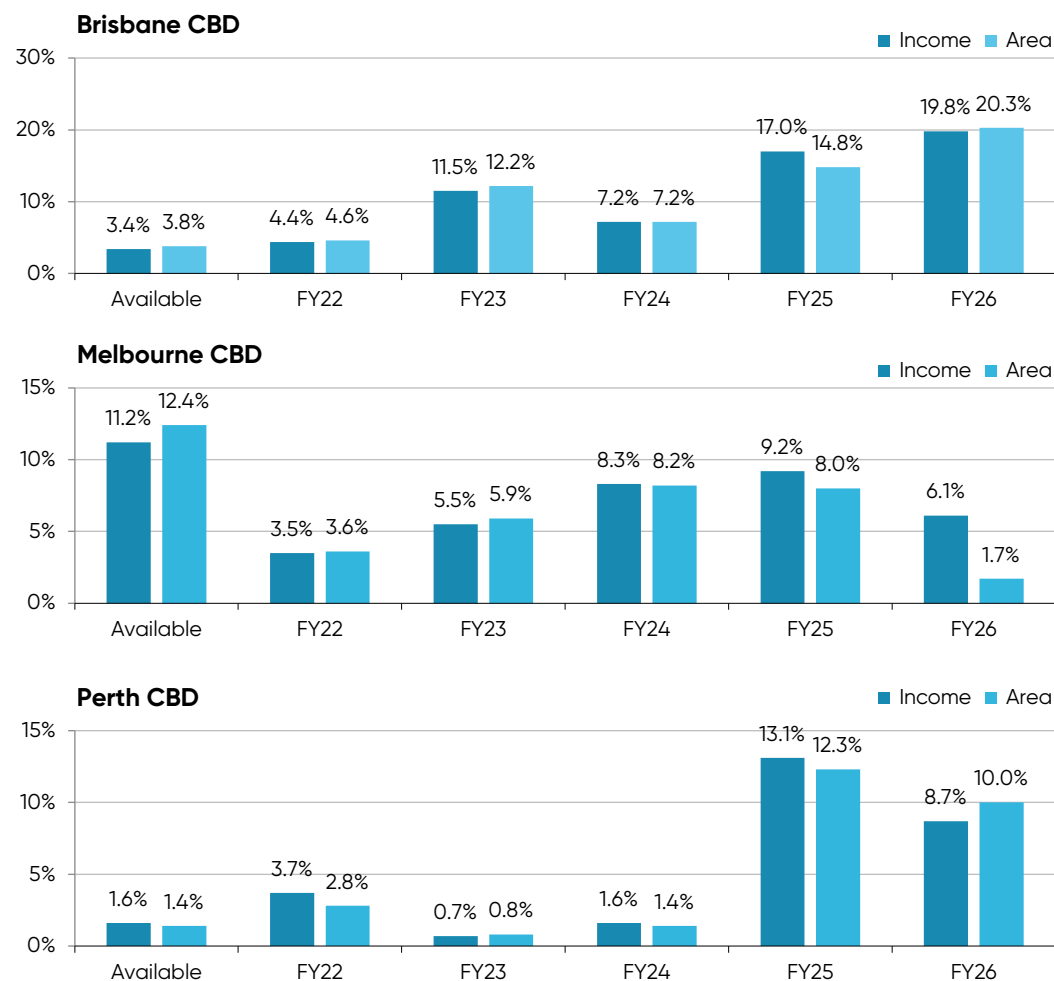
Office portfolio lease expiry profiles by region



Dexus Office ¹	Value (\$m)	Cap rate (%)	Yield ² (%)
Sydney CBD	6,026	4.65%	4.55%
Sydney suburban	939	4.84%	4.87%
Melbourne CBD	2,690	4.75%	3.87%
Brisbane CBD	1,234	5.13%	5.38%
Perth CBD	1,337	5.50%	5.91%

1. Includes stabilised properties only.

2. Passing FFO yield based on annualised income excluding the effects of COVID-19 rent waivers and one-off income.



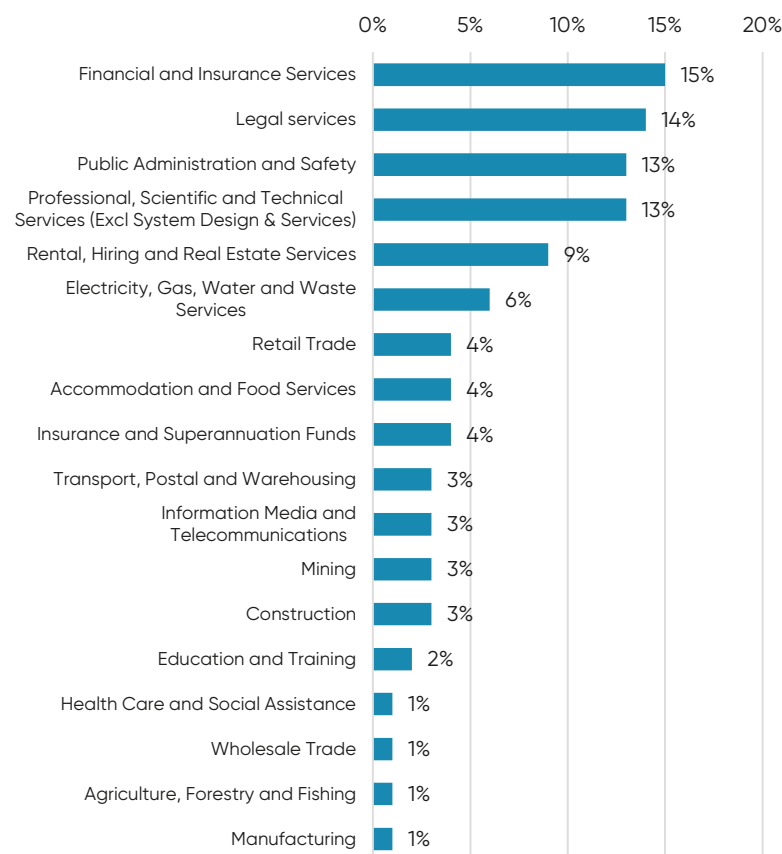
Property portfolio

Office top 10 customers represents 17% of property portfolio income

Office top 10 customers

Office customers ¹	Credit rating ²	% of income ³
State Of Victoria	AA	3.3%
Woodside	BBB+	2.9%
Commonwealth of Australia	AAA	2.8%
Wilson Parking	Not rated	1.8%
BDO Services	Not rated	1.1%
Herbert Smith Freehills	Not rated	1.1%
NBN	A+	1.1%
HWL Ebsworth	Not rated	1.0%
John Holland	Not rated	1.0%
King & Wood Mallesons	Not rated	0.9%

Diversity of office customers (by income)



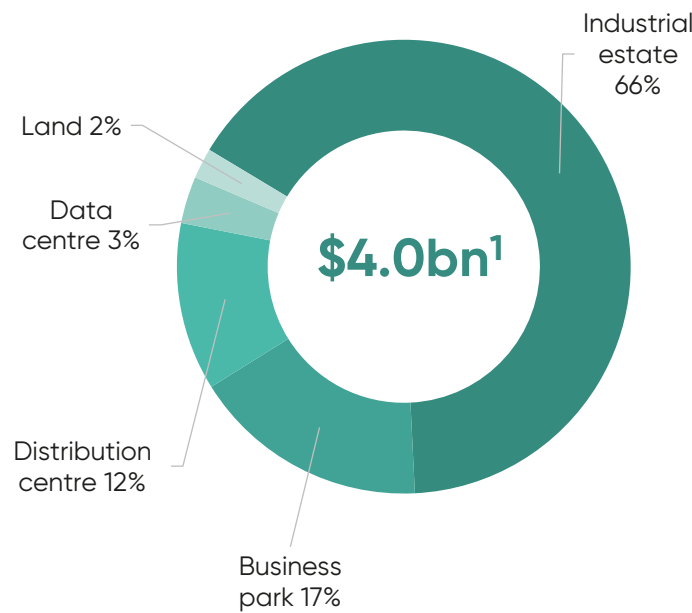
1 Bligh Street, Sydney NSW

1. Total Dexus portfolio includes executed heads of agreement at 31 December 2021.
2. Highest equivalent S&P rating.
3. Annualised income is based on the sum of the passing gross rental and secured gross rental (for signed leases and for signed Heads of Agreement).

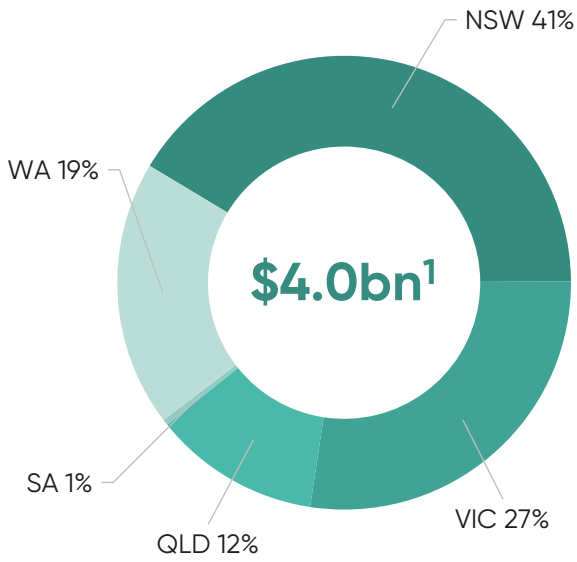
Property portfolio

Industrial portfolio diversification

Industrial by asset type



Industrial by location



1. Asset type and location composition are as at 31 December 2021 and is pro forma for final settlement of Jandakot Airport, Perth and introduction of Cbus Super into the Jandakot joint venture.

Property portfolio

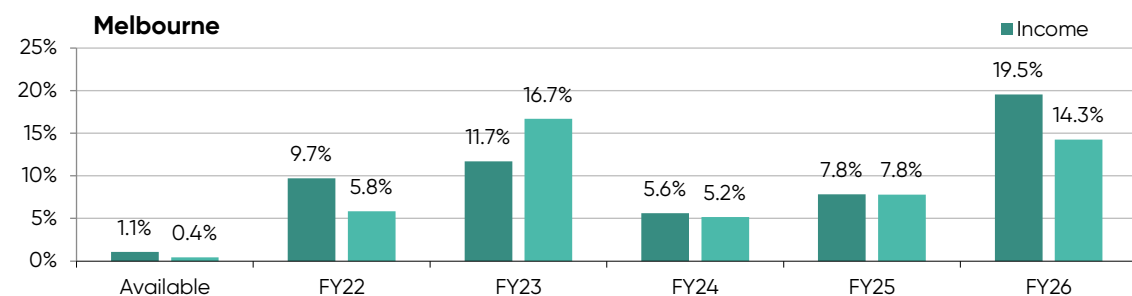
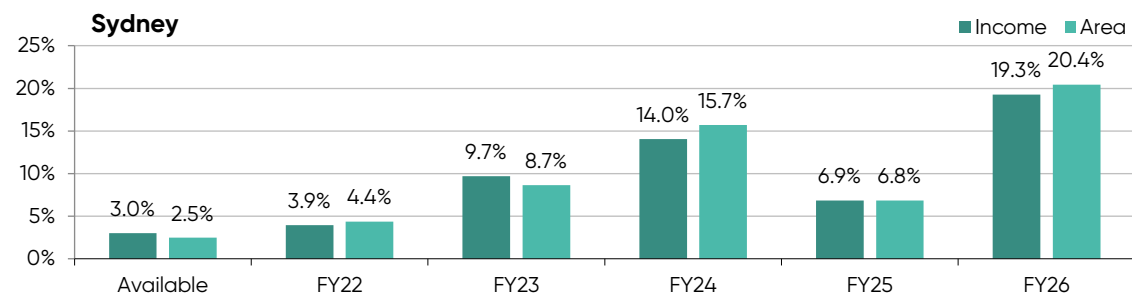
Industrial portfolio lease expiry profile¹



1. By industrial income.

Property portfolio

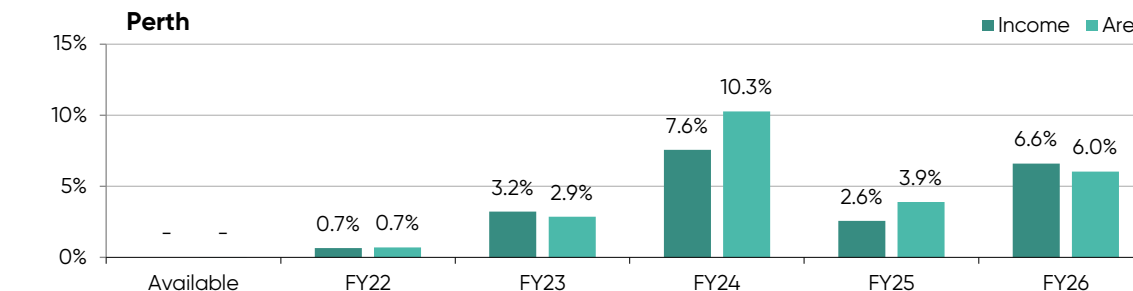
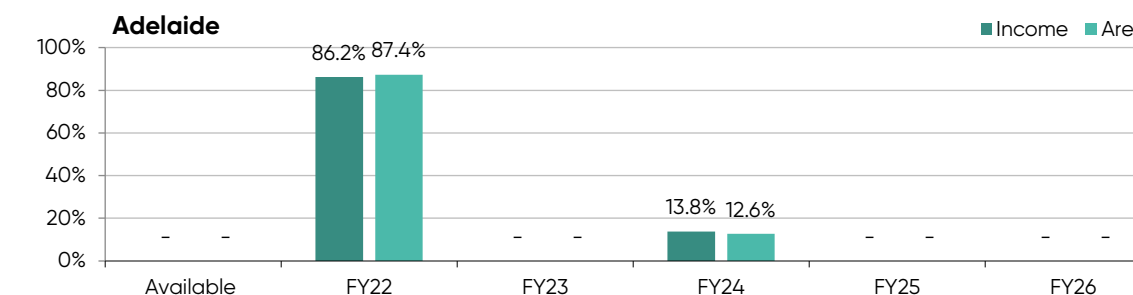
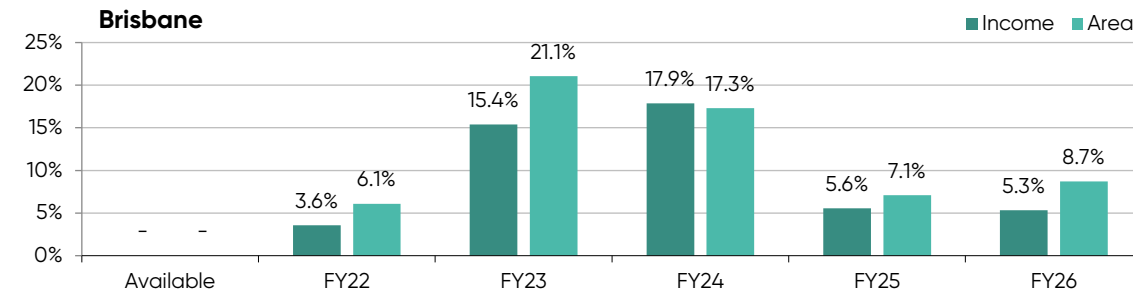
Industrial portfolio lease expiry profiles by region



Dexus Industrial ¹	Value (\$m)	Cap rate (%)	Yield ² (%)
Sydney	1,641	3.99%	3.93%
Melbourne	1,092	4.58%	4.91%
Brisbane	470	5.09%	4.96%
Adelaide	16	9.75%	9.83%
Perth	783	4.50%	5.20%

1. Includes stabilised properties only.

2. Passing FFO yield based on annualised income excluding the effects of COVID-19 rent waivers and one-off income.



Property portfolio

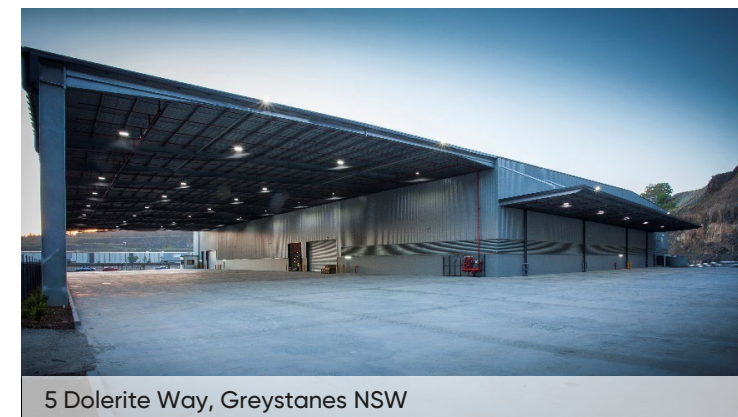
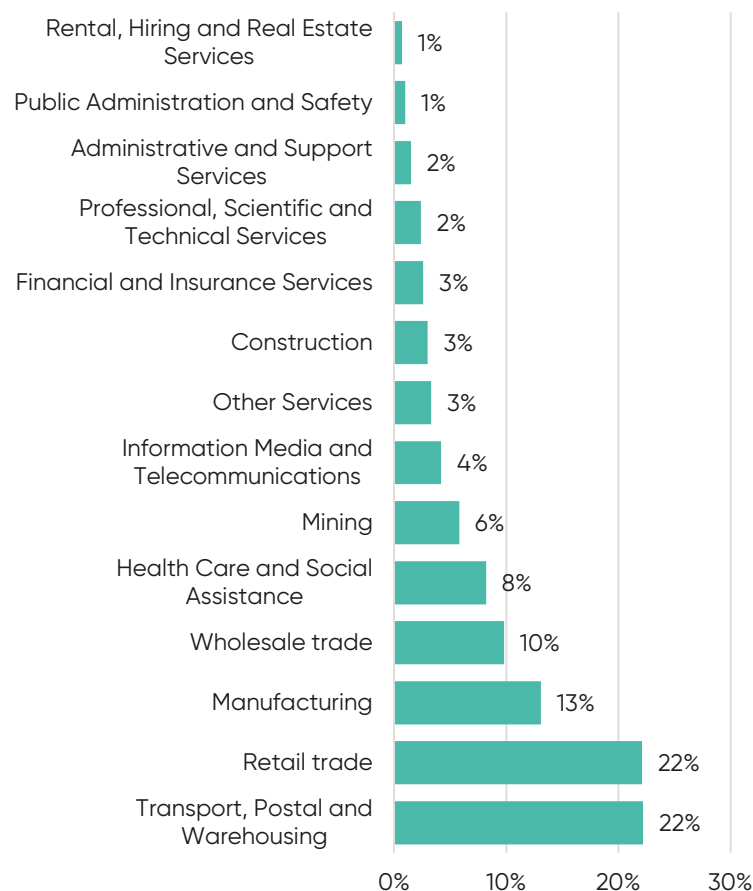
Industrial top 10 customers represent 3.9% of property portfolio income

Industrial top 10 customers

Industrial customers ¹	% of income ²
Autosports Group	0.7%
IBM Australia	0.5%
Kmart Australia Ltd	0.4%
Reece	0.4%
Coles	0.3%
AWH	0.3%
Symbion Health	0.3%
Linfox	0.3%
McPhee Distribution Services	0.3%
Bapcor	0.3%

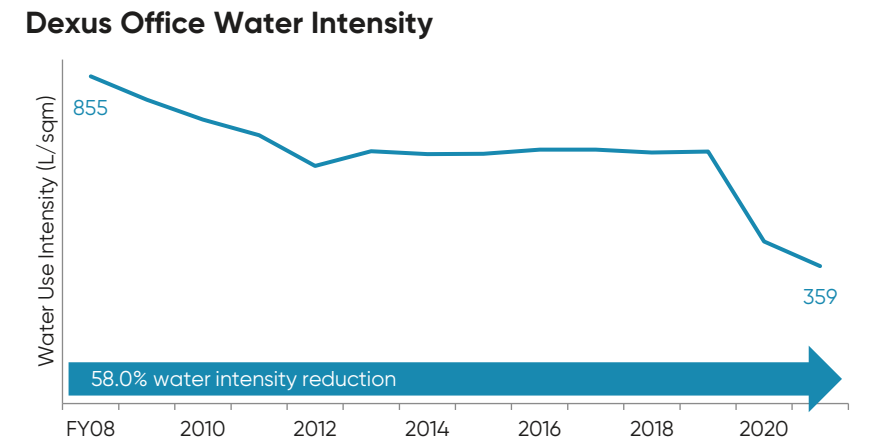
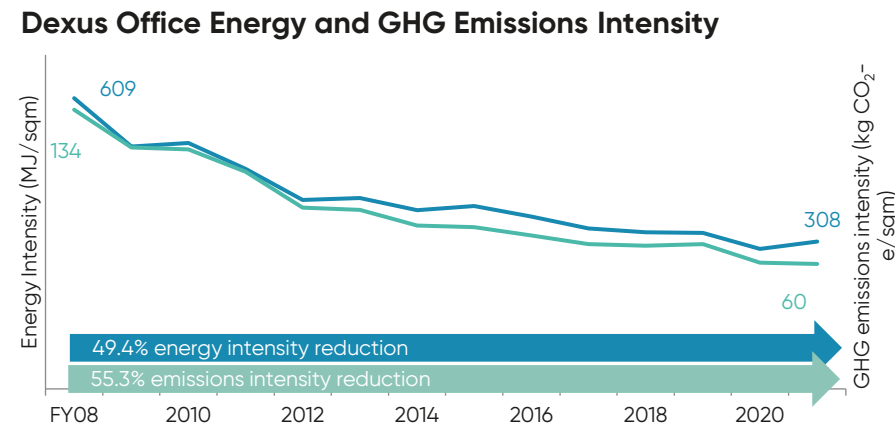
1. Total Dexus portfolio includes executed Heads of Agreement at 31 December 2021.
2. Annualised income is based on the sum of the passing gross rental and secured gross rental (for signed leases and for signed Heads of Agreement).

Diversity of industrial customers (by income)

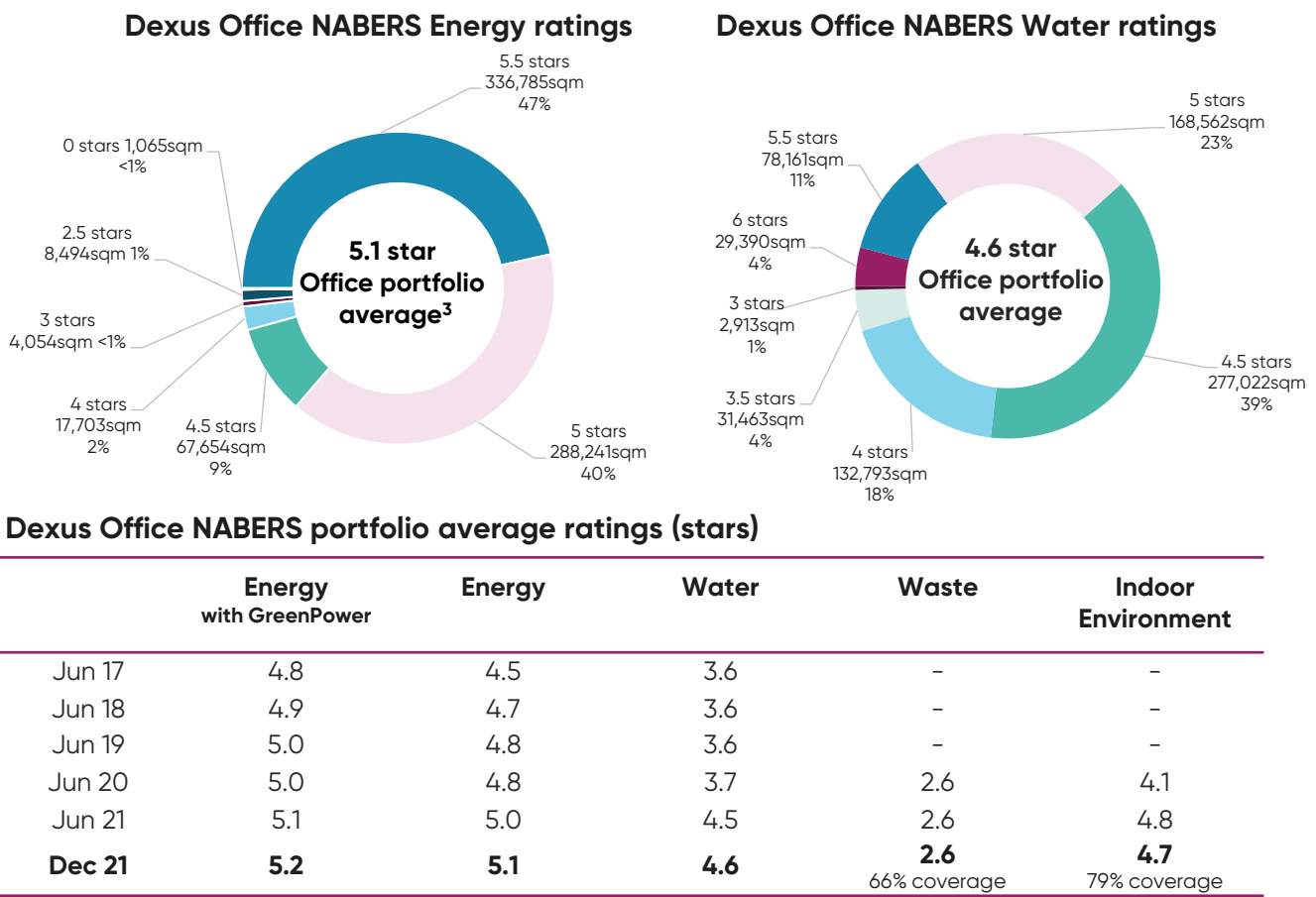


Environmental metrics

Office portfolio sustainability metrics



1. GHG = greenhouse gas.
2. Location-based GHG emissions are calculated using published emissions coefficients and do not consider voluntary renewable electricity purchases made by Dexus.
3. Excluding GreenPower.



Development

Dexus completed developments

Pipeline		Building area ¹ sqm	Project cost ² \$m	Yield on cost %	Leased %	Final completion	Third party partner interest %
Industrial	31 Innovation Drive, Merrifield VIC	51,600	37	n/a	100%	Aug-21	49%
Total developments completed		51,600	37				

1. At 100% ownership.
2. Dexus share in development cost (including land and excludes downtime and income earned through development).

Development

Dexus committed developments and fund-throughs

Pipeline		Building area ¹ sqm	Project cost est. ² \$m	Est. cost to completion ² \$m	Yield on cost ³ %	Leased %	Completion due	Third party partner interest %
Office	123 Albert Street, Brisbane QLD	39,300	560	173	5-6%	17%	Mid 2023	-
Total office		39,300	560	173				
Industrial	Palm Springs Road, Ravenhall VIC	208,300	72	41	6-7%	100%	Late 2022	75%
	Lot 501 Innovation Drive, Merrifield VIC	21,400	14	5	n/a	-	Early 2022	49%
	12 Frederick Street, St Leonards NSW - Stage 2	17,600	66	23	6-7%	46%	Mid 2022	-
	Jandakot Airport, Perth WA	75,700	59	45	5-6%	100%	Late 2022	67% ⁴
	Stage 2 1-21 McPhee Drive, Berrinba QLD	13,800	42	33	n/a	100%	Mid 2023	-
	884 Mamre Road, Kemps Creek NSW	42,500	69	52	n/a	-	Early 2023	50%
Total industrial		379,300	322	199				
City retail/ healthcare	25 Martin Place, Sydney NSW	10,800	191	20	5-6%	96%	Mid 2022	50%
	Australian Bragg Centre, North Terrace, Adelaide SA	24,500	231	152	n/a	77%	Mid 2023	50%
Total city retail/healthcare		35,300	422	172				
Total committed developments		453,900	1,304	544				

1. At 100% ownership.

2. Dexus share in development cost (including land and excludes downtime and income earned through development).

3. Target yield on cost calculation includes cost of land, downtime and income earned through development in the denominator.

4. Reflects DXI 33.3% stake as well as Cbus Super new 33.3% stake secured on 27 January 2022.

Development

Dexus uncommitted developments and fund-throughs

Pipeline		Building area ^{1,5} sqm	Project cost est. ^{2,5} \$m	Est. yield on est. project cost ³ %	Third party partner interest %
Office	Waterfront, Brisbane QLD	128,900	c.1,150	5-6%	50%
	60 Collins Street, Melbourne VIC	42,800	c.950	5-6%	-
	Central Place Sydney NSW ⁴	138,200	c.700	5-6%	25%
	Pitt and Bridge Precinct, Sydney NSW	93,400	c.1,650	5-6%	50%
	Atlassian, Sydney NSW ⁶	58,000	c. 1,400	4-5%	n/a
Total office		461,300	c.5,850		
Industrial	11-167 Palm Springs, Ravenhall VIC	166,100	c.50	6-7%	75%
	20 Distribution Drive, Truganina VIC	21,000	c.50	5-6%	-
	141 Anton Road, Hemmant NSW	66,000	c.100	5-6%	-
	113-153 Aldington Road, Kemps Creek NSW	155,000	c.200	4-5%	50%
	311 South Street, Marsden Park NSW	41,800	c.50	4-5%	49%
	12 Church Road, Moorebank NSW	34,000	c.50	c.5%	50%
	Jandakot Airport, Perth WA	304,100	c.200	5-6%	67% ⁷
	149 Orchard Road, Chester Hill NSW	21,100	c.50	c.5%	50%
Total industrial		809,100	c.750		
Total uncommitted developments		1,270,400	c.6,600		

1. At 100% ownership.

2. Dexus share in development cost (including land and excludes downtime and income earned through development).

3. Target yield on cost calculation includes cost of land, downtime and income earned through development in the denominator.

4. Excluding external party share of project. External JV partner owns 50% of this project.

5. Amounts have been rounded.

6. Represents funding obligation for 100% of the project cost (ex land).

7. Reflects DXI 33.3% stake as well as Cbus Super new 33.3% stake secured on 27 January 2022.

Consistent delivery of trading profits over time

Replenishment of pipeline underway

Trading projects	Trading strategy	FY22	FY23	FY24+
Truganina (Laverton) properties ^{1,2}	Development	✓		
Botany Quarter (Lakes Business Park South), Botany ²	Development	✓		
436-484 Victoria Road, Gladesville ³	Rezoning	✓		
22 Business Park Drive, Ravenhall ⁴	Repositioning	✓		
12 Frederick Street, St Leonards – Stage 2	Industrial development			
149 Orchard Road, Chester Hill	Industrial development			
Other identified opportunities (Four projects)	Mixed use, office			

Key

✓ Secured

Unsecured

Track record	FY15	FY16	FY17	FY18	FY19	FY20	FY21	HY22
Post tax profit	\$42.6m	\$63.3m	\$47.2m	\$36.6m	\$34.7m	\$35.3m	\$50.4m	\$21.6m
Post tax guidance	\$40m	\$60m	\$45-50m	\$35-40m	\$35-40m	\$35-40m	N/A	N/A

1. Share of Truganina (Laverton) lots which sit in inventory.

2. During FY21, Dexus contracted to sell six trading assets to DALT, which realised tranche 1 trading profits (pre-tax) of \$19.8m in FY21 and tranche 2 trading profits (pre-tax) of \$16.4m in FY22. Tranche 2 trading profits may be subject to change (increase) depending on the final outcome of a retention adjustment and rental guarantee which form part of the tranche 2 transaction terms.

3. Dexus settled on the sale of 436-484 Victoria Road, Gladesville on 9 August 2021.

4. On 13 August 2021, Dexus entered into a put and call option arrangement to sell 22 Business Park Drive, Ravenhall. Dexus subsequently exercised its put option and on 17 November 2021 settlement occurred.

Transactions

Dexus⁸

Dexus acquisitions	Purchase price ⁹ \$m	Interest	Settlement	Dexus divestments	Sale price ⁹ \$m	Interest	Settlement
1 Bligh Street, Sydney NSW ¹	\$37.5	33%	8-Jul-21	60 Miller Street, North Sydney NSW	\$275.0	100%	3-Aug-21
Capital Square Tower 1, Perth WA ²	\$475.3	49%	22-Jul-21	436-484 Victoria Road, Gladesville NSW	\$55.0	100%	9-Aug-21
733 Nudgee Road, Nundah QLD	\$20.4	51%	3-Aug-21	22 Business Park Drive, Ravenhall VIC	\$13.5	100%	17-Nov-21
53 Old Pacific Highway, North Pimpama QLD	\$6.8	100%	5-Oct-21	Grosvenor Place, 225 George Street, Sydney NSW	\$693.8	37.5%	2-Dec-21
18 Andrews Street, Cannon Hill QLD	\$8.4	100%	5-Oct-21	Truganina VIC & Lakes Business Park South, Botany NSW ⁷	\$269.4	100%	4-Nov-21 & 2-Dec-21
12 Church Road, Moorebank NSW	\$20.7	50%	25-Oct-21	201 Miller Street, North Sydney NSW	\$76.2	50%	Feb-22
Jandakot Airport, Perth WA ³	\$1,300	100%	1-Nov-21 & Mar-22	Jandakot Airport, Peth WA ³	\$432.9	33.3%	22-Nov-21
1-21 McPhee Drive, Berrinba QLD ⁴	\$69.3	100%	7-Dec-21	Jandakot Airport, Peth WA ³	\$432.9	33.3%	Mar-22
116-130 Gilmore Road, Berrinba QLD	\$37.5	100%	Feb-22	309-321 Kent Street, Sydney NSW	\$401.3	50%	Apr-22
Lot 2, 884-928 Mamre Road, Kemps Creek NSW ⁵	\$62.7	50%	Jul-22	383-395 Kent Street, Sydney NSW	\$385.0	100%	Jul-22
149 Orchard Road, Chester Hill NSW ⁶	\$22.5	50%	Jul-22	140 & 150 George Street, Parramatta NSW	\$77.3	50%	Aug-22
3 Spring, 58 Pitt and 60 Pitt Street, Sydney NSW	\$177.0	50%	Aug-18-Jul-22				
311 South Street, Marsden Park NSW	\$23.0	51%	Jul-22				
113-153 Aldington Road, Kemps Creek NSW ⁶	\$125.5	100%	Apr-23				

- Reflecting the DXS share of the acquisition price for the 33.33% interest in 1 Bligh Street (of which Mercatus will hold a 90% share and Dexus a 10% share).
- Dexus paid \$339m for its 49% equity stake in the trust owning the property valued at \$970m, a \$157m loan receivable and \$450 million of senior secured debt.
- On 1 November 2021, Dexus acquired 100% of Jandakot City Holdings Pty Ltd (JCH) and 49% of Jandakot Airport Holdings (JAH). On 19 November 2021, Dexus Industria REIT (DXI) acquired a 33.3% interest in each of JCH and JAH. On 27 January 2022, Dexus secured Australian superannuation fund Cbus Super as a new joint venture investor on its funds management platform, with Cbus Super agreeing to purchase a 33.3% interest in the Jandakot joint venture which will own 100% of JCH and JAH. Cbus Super's investment in the Jandakot joint venture and the final settlement of the remaining Jandakot interest are expected to occur in March 2022 following the receipt of required regulatory approvals. Following final settlement, the Jandakot joint venture will be held in the following proportions: Dexus 33.4%; DXI 33.3% and Cbus Super 33.3%. The combined acquisition price was \$1.3 billion excluding acquisition costs. The existing structure includes senior asset-level debt of \$405 million which has remained in place at acquisition, reflecting a combined equity commitment of \$895 million excluding acquisition costs.

- The purchase price reflects both the stabilised Stage 1 warehouse and the development completion price of the Stage 2 land acquired via a fund-through arrangement with practical completion expected March 2023.
- The purchase price reflects the development completion price. The property will be acquired via a fund-through arrangement with development payments commencing from July 2022 and practical completion expected in May 2023.
- Settlement subject to exercise of put and call option.
- Dexus settled the first tranche of the industrial assets in October 2020 and December 2020. The put and call options were exercised for tranche 2 in September 2021, with the Laverton assets settling in November 2021 and Botany settling in December 2021.
- Excludes Dexus's share of transactions in its co-investments in pooled funds.
- Excludes transaction costs.

Transactions

Funds management

Funds Management acquisitions	Purchase price ⁸ \$m	Interest	Settlement
Bethesda Mental Health Clinic, Cockburn Central WA ¹	\$58.3	100%	07-Jul-21
57-67 Mark Anthony Drive, Dandenong South VIC	\$13.5	100%	28-Jul-21
137-143 Fitzgerald Road, Laverton North VIC	\$24.1	100%	29-Jul-21
733 Nudgee Road, Nundah QLD	\$19.6	49%	03-Aug-21
193-195 Jubilee Highway East, Mount Gambier SA	\$6.6	100%	13-Oct-21
1-3 Juers Street, Kingston QLD	\$10.2	100%	09-Aug-21
105-115 Cairns Road, Gordonvale QLD	\$18.4	100%	19-Aug-21
591 Grand Junction Road, Gepps Cross SA	\$7.5	100%	17-Aug-21
1 Pub Lane, Greenbank QLD	\$6.6	100%	31-Aug-21
1 Tesch Road, Griffin QLD	\$16.6	100%	31-Aug-21
1 Cawdor Road, Highfields QLD	\$6.2	100%	31-Aug-21
324-326 Logan River Road, Holmview QLD	\$12.0	100%	31-Aug-21
43 Stapylton Street, North Lakes QLD	\$10.8	100%	31-Aug-21
5/1 Brygon Creek Drive, Upper Coomera QLD	\$6.9	100%	31-Aug-21
Arcadia Pittwater Private Hospital, Sydney NSW	\$50.5	100%	24-Aug-21
Warrego Travel Centre, 219 Westphalen Drive, Riverview QLD	\$16.0	100%	28-Sep-21
Dubbo Service Centre, 235 Cobra Close, Dubbo NSW	\$4.0	100%	15-Oct-21
2 Maker Place, Truganina VIC	\$69.0	100%	07-Oct-21
233-247 Glen Huntley Road, Elsternwick VIC ²	\$31.4	50%	21-Oct-21
12 Church Road, Moorebank NSW	\$20.7	50%	25-Oct-21
3201 Old Cleveland Road, Chandler QLD	\$11.7	100%	05-Nov-21
Jandakot Airport, Perth WA ³	\$865.8	66.6%	22-Nov-21 & Mar-22
525 Boundary Street, Spring Hill QLD ⁴	\$97.4	100%	17-Nov-21

1. The purchase price reflects the development completion price. This property will be acquired via a fund-through arrangement.

2. The purchase price reflects DREP's 50% share of the syndicated loan facility investment. The other 50% is provided by an external party, Solido Capital Partners Pty Ltd.

3. On 1 November 2021, Dexus acquired 100% of Jandakot City Holdings Pty Ltd (JCH) and 49% of Jandakot Airport Holdings (JAH). On 19 November 2021, Dexus Industria REIT (DXI) acquired a 33.3% interest in each of JCH and JAH. On 27 January 2022, Dexus secured Australian superannuation fund Cbus Super as a new joint venture investor on its funds management platform, with Cbus Super agreeing to purchase a 33.3% interest in the Jandakot joint venture which will own 100% of JCH and JAH. Cbus Super's investment in the Jandakot joint venture and the final settlement of the remaining Jandakot interest are expected to occur in March 2022 following the receipt of required regulatory approvals. Following final settlement, the Jandakot joint venture will be held in the following proportions: Dexus 33.4%; DXI 33.3% and Cbus Super 33.3%. The combined acquisition price was \$1.3 billion excluding acquisition costs. The existing structure includes senior asset-level debt of \$405 million which has remained in place at acquisition, reflecting a combined equity commitment of \$895 million excluding acquisition costs.

Funds Management acquisitions (cont'd)	Purchase price ⁸ \$m	Interest	Settlement
43 Butterfield Street, Herston QLD ⁴	\$33.3	100%	17-Nov-21
Warringah Mall Shopping Centre, 180 Old Pittwater Road, Brookvale NSW	\$410.0	25%	02-Dec-21
Truganina VIC and Lakes Business Park South, Botany NSW ⁵	\$269.4	100%	04-Nov-21 & 02-Dec-21
9 Boron Street, Narangba QLD	\$44.5	100%	16-Dec-21
187 South Pine Road, Brendale QLD	\$9.1	100%	4-Feb-22
3 Spring, 58 Pitt and 60 Pitt Streets, Sydney NSW	\$177.0	50%	Aug-18 – Jul-22
311 South Street, Marsden Park NSW	\$22.1	49%	Jul-22
Lot 2 884-928 Mamre Road, Kemps Creek NSW ⁶	\$62.7	50%	Jul-22
149 Orchard Road, Chester Hill NSW	\$22.5	50%	Jul-22
9-15 Brighton Street, Richmond VIC	\$35.0	100%	Nov-22
2 Rose Street, Hurstville NSW	\$5.5	50%	19-Jan-22

Funds Management divestments	Sale price ⁸ \$m	Interest	Settlement
10 Brandl Street, Eight Mile Plains QLD	\$12.6	100%	01-Sep-21
140 St George Terrace, Perth WA	\$254.9	100%	22-Sep-21
56-88 Lisbon Street, Fairfield East NSW	\$200.2	100%	12-Oct-21
Grosvenor Place, 225 George Street, Sydney NSW	\$231.3	12.5%	02-Dec-21
Macquarie Centre, Cnr Herring & Waterloo Roads, North Ryde NSW	\$422.5	25%	31-Jan-22
Pacific Fair, Hooker Boulevard, Broadbeach Waters QLD	\$336.4	20%	31-Jan-22
201 Miller Street, North Sydney NSW	\$76.2	50%	Feb-22
Milton Green Business Park, Milton QLD ⁷	\$213.1	50%	Feb-22

4. The purchase price reflects the development completion price. The property has been acquired via a fund-through arrangement with development expected to complete at the end of 2022.

5. Dexus settled the first tranche of the industrial assets in October 2020 and December 2020. The put and call options were exercised for tranche 2 in September 2021, with the Truganina assets settling in November 2021 and Botany settling in December 2021.

6. The purchase price reflects the development completion price and excludes acquisition costs. The property will be acquired via a fund-through arrangement with development payments commencing from July 2022 and practical completion expected in May 2023.

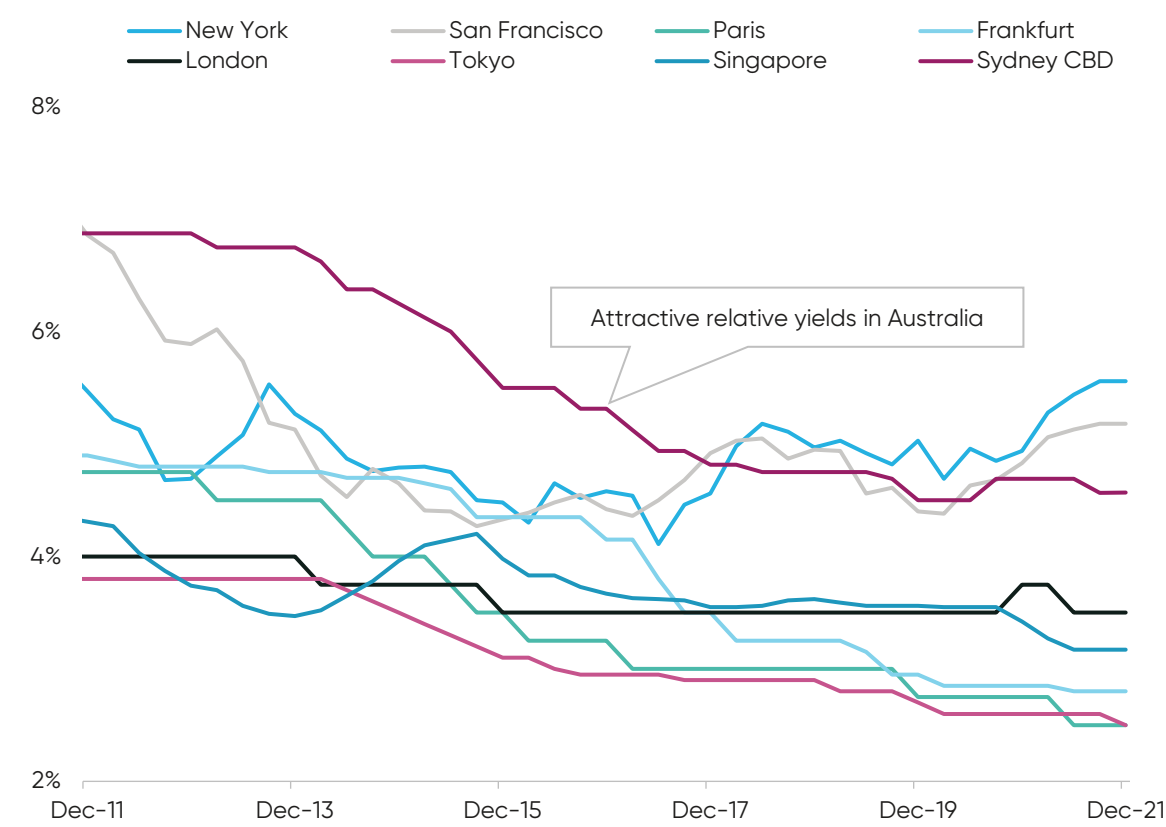
7. Milton Green Business Park comprises the following properties: 135-147 Coronation Drive, Milton and 6, 7, 18, 19-23, 30 and 45 Little Cribb Street, Milton.

8. Excludes transaction costs.

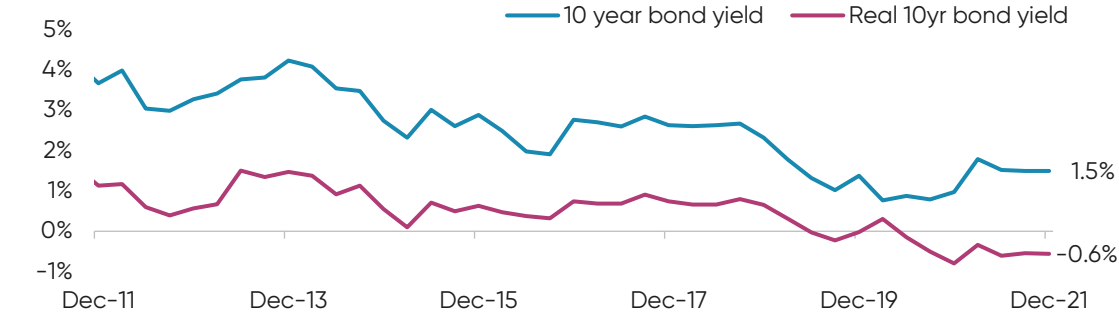
Yield is a positive thematic driving investor demand for real estate

Low interest rate environment supportive of investment demand

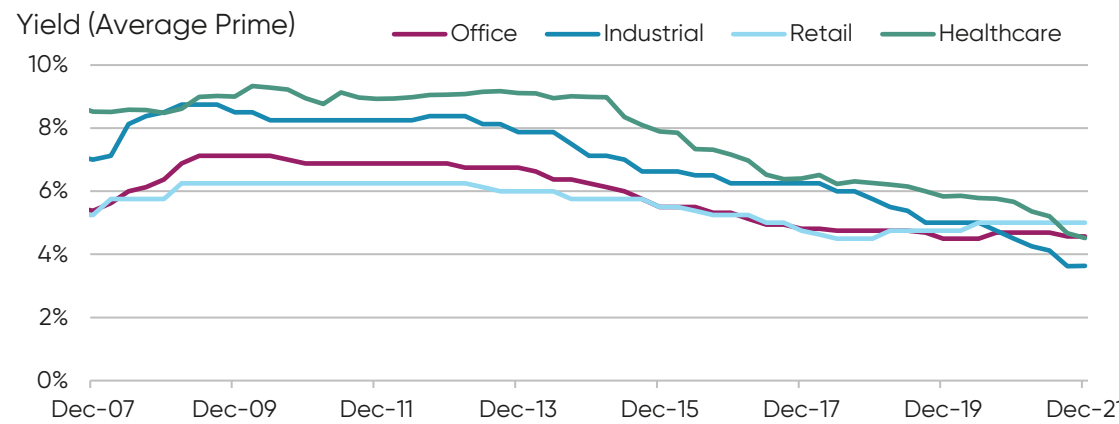
Australia has attractive office yields on relative global basis¹



Negative real interest rates support demand for real assets

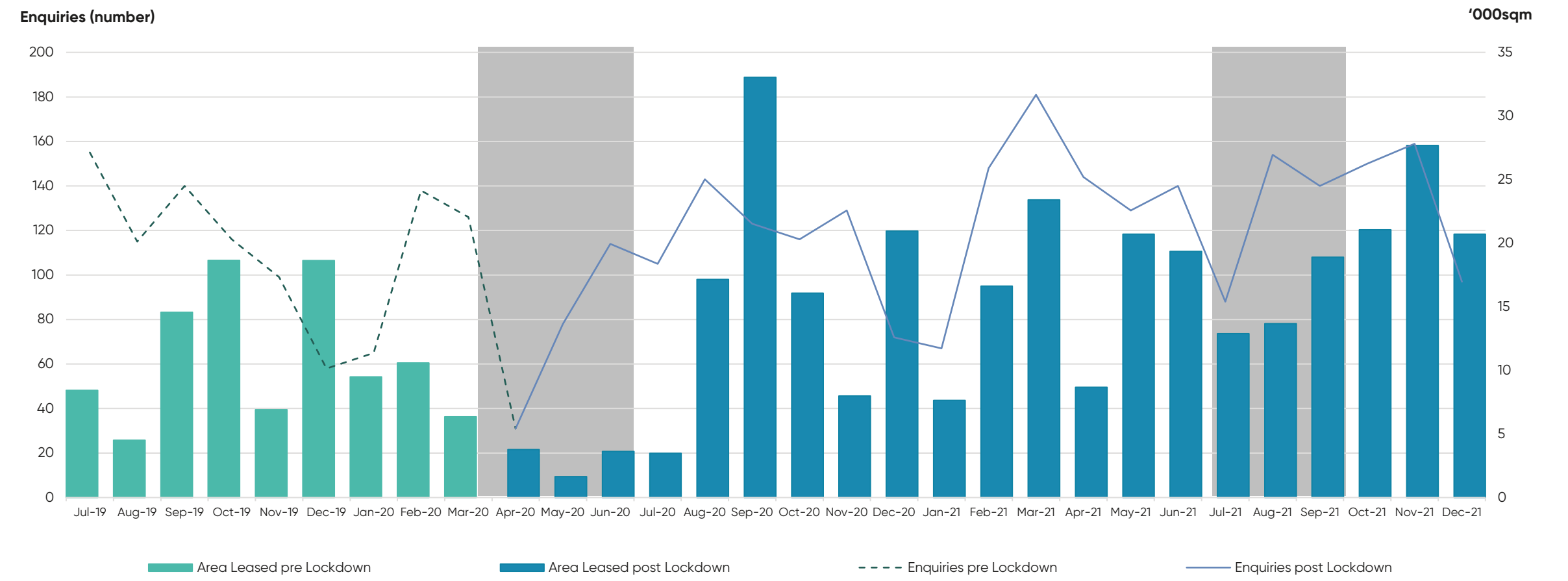


Search for defensive yield driving cap rate compression²



Source: MSCI, Dexus Research, RBA, JLL Research.
1. Office cap rates.
2. Cap rates series are for Sydney markets (office, retail and healthcare) and the Melbourne market (industrial). The Healthcare series is the hospital income return from MSCI.

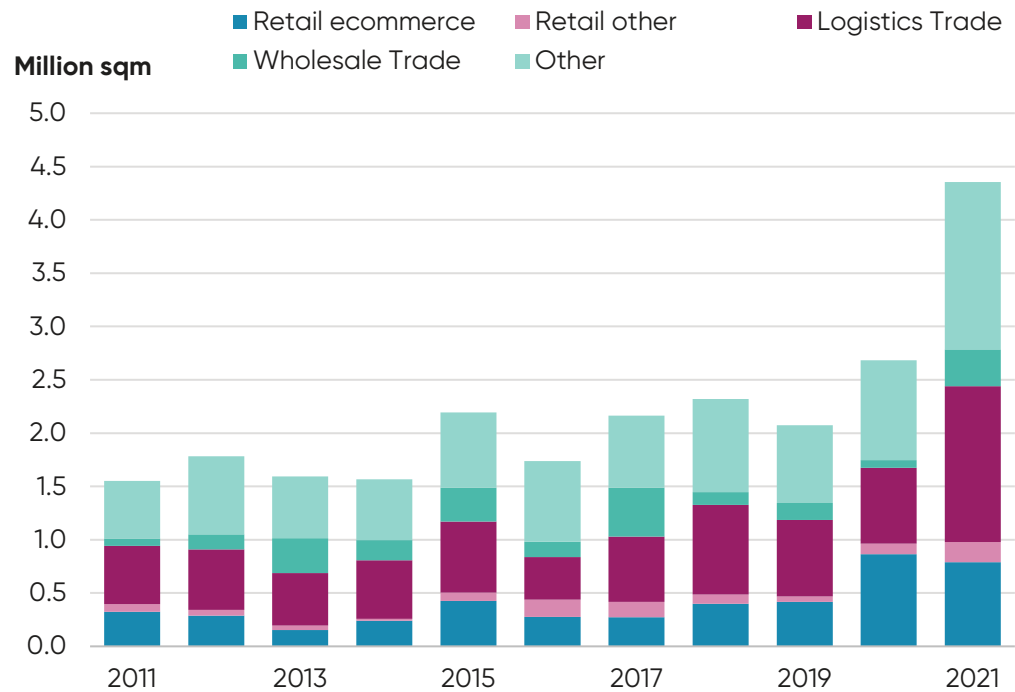
Sydney portfolio leasing recovery after past lockdowns



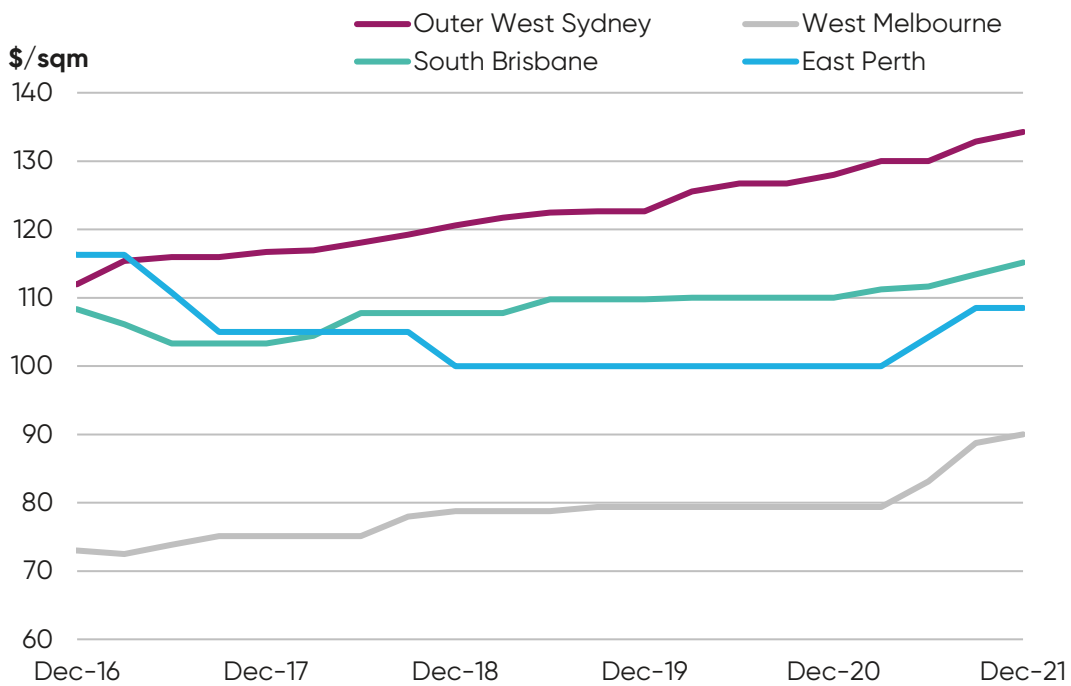
Industrial sector

Very strong demand leading to significant rent growth

Ecommerce, logistics and wholesale trade driving total take-up



Industrial rents increasing nationally

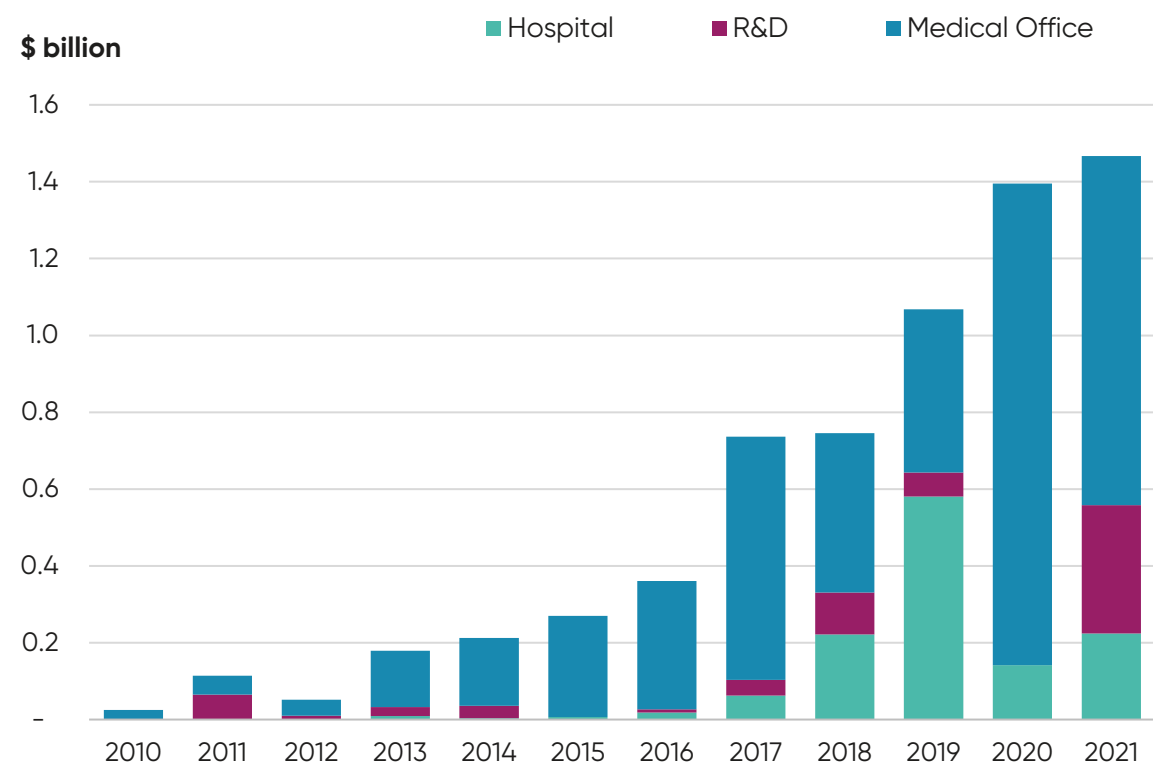


Source: Dexus Research JLL Research.

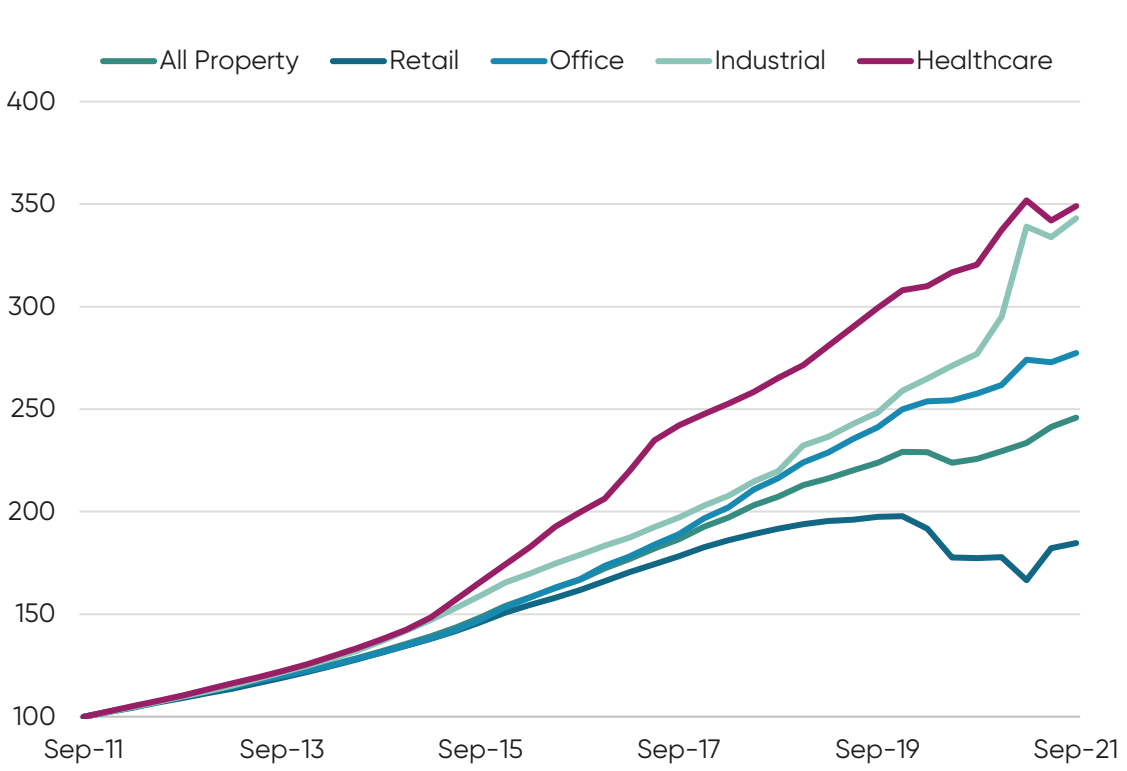
Healthcare sector

Healthcare has outperformed other sectors over the past decade

Institutional demand drives healthcare transactions to record high levels



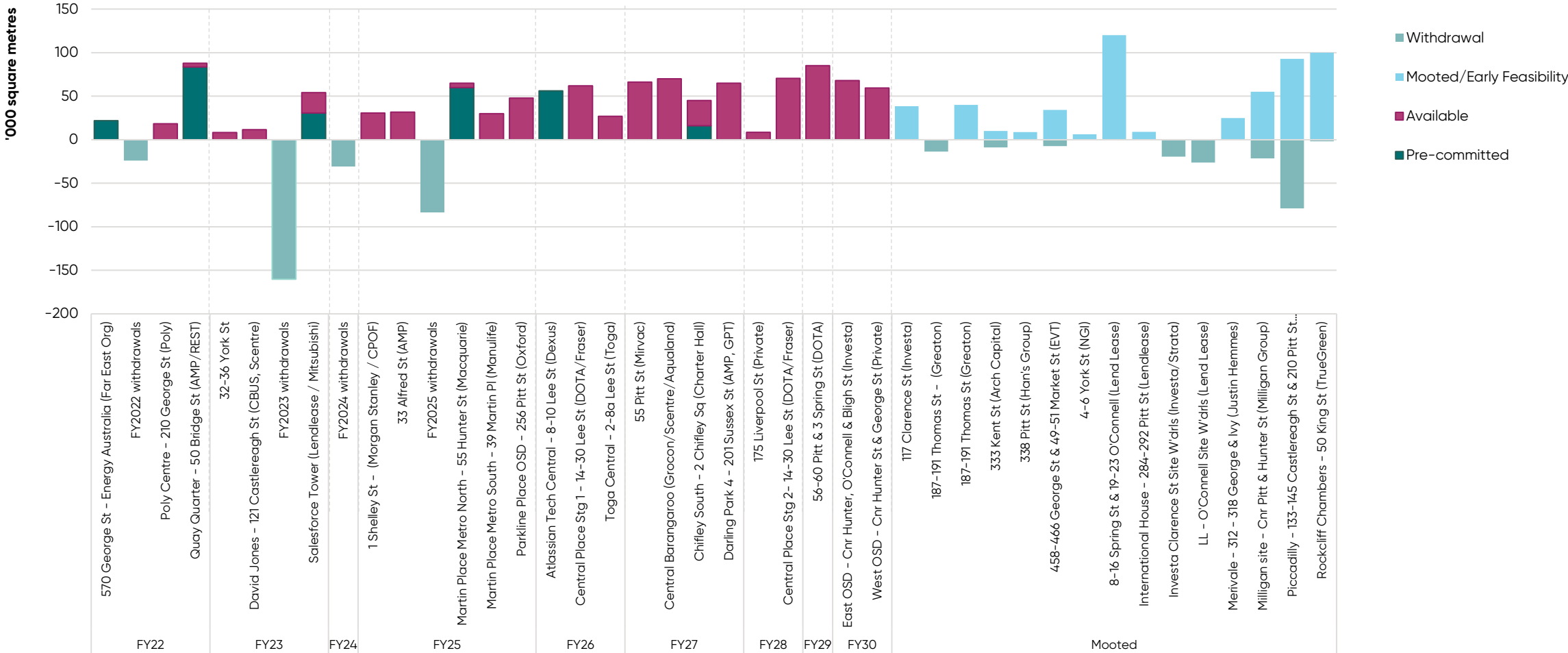
Indexed returns by sector (10yrs) (September 2011=100)



Source: Real Capital Analytics, MSCI , Dexus Research.

Market outlook

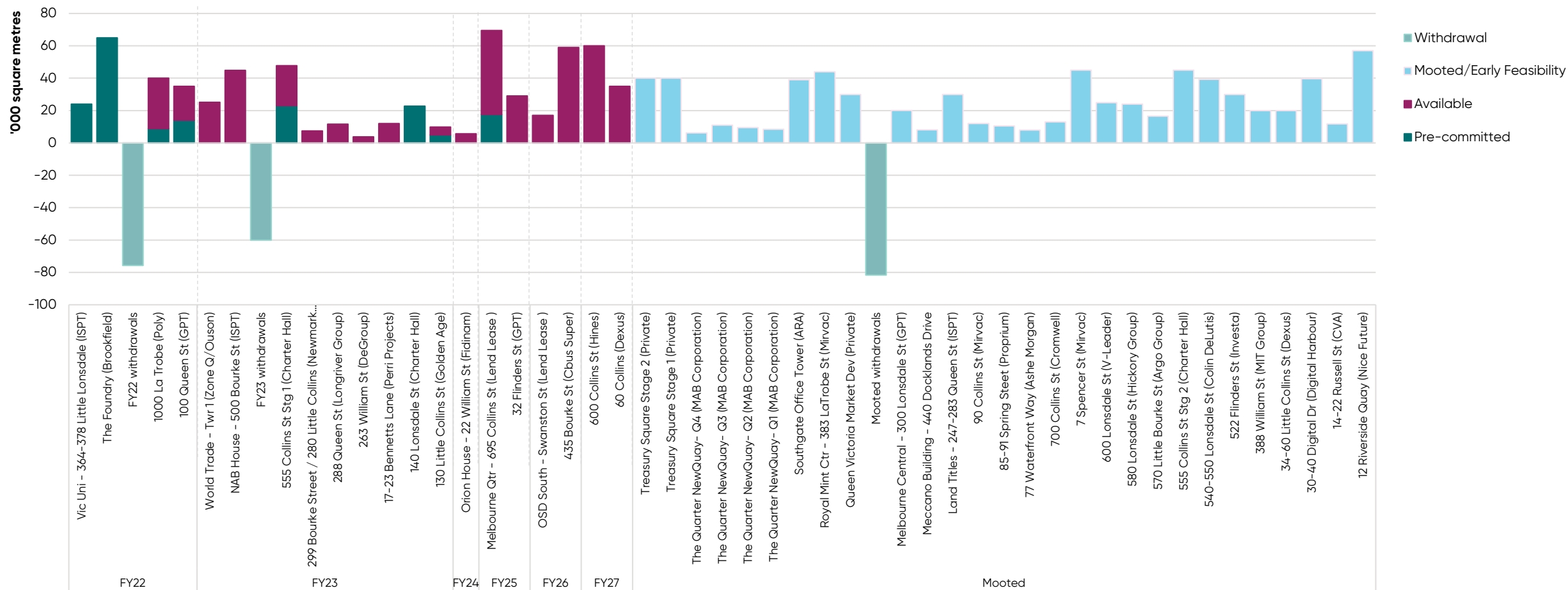
Sydney CBD – short-term supply substantially offset by withdrawals



Source: JLL Research, Dexus Research.

Market outlook

Melbourne CBD – many projects will require pre-commitment in order to proceed



Source: JLL Research, Dexus Research.

Office markets

Dexus's position in CBD office

CBD office market	Sydney	Melbourne	Brisbane	Perth
Total NLA	5,175,793sqm	5,202,656sqm	2,310,516sqm	1,794,088sqm
Prime vacancy average	11.4%	15.3%	15.7%	14.0%
Dexus CBD exposure				
Total NLA	530,137sqm	422,429sqm	191,753sqm	189,339sqm
Number of properties	17	9	5	4
Occupancy (by area)	96.1%	87.6%	96.2%	98.6%
Occupancy (by income)	96.2%	88.7%	96.6%	98.4%
WALE	4.5 years	5.2 years	4.0 years	7.1 years



Other information

Exchange and securities used in statutory accounts

		31 Dec 2021	30 Jun 2021	31 Dec 2020
Closing rates for Statement of Financial Position	USD	0.7256	0.7518	0.7702
Average rates for Statement of Comprehensive Income	USD	0.7319	0.7468	0.7302

Post consolidation equivalent amounts	6 mths to 31 Dec 2021	12 mths to 30 Jun 2021	6 mths to 31 Dec 2020
Average weighted number of securities ¹	1,075,565,246	1,084,536,777	1,090,472,045
Closing number of securities	1,075,565,246	1,075,565,246	1,089,055,137

1. Used to calculate FFO, Underlying FFO and AFFO per security.

Glossary

Distribution payout policy:	Policy is to distribute in line with free cash flow.
Funds From Operations (FFO):	FFO is in line with Property Council of Australia definition and comprises net profit/loss after tax attributable to stapled security holders calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments and reversal of impairments, derivative and foreign exchange mark-to-market impacts, fair value movements on financial assets held at fair value through profit or loss, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, non-FFO tax expenses, certain transaction costs, one-off significant items (including write off of IFRIC SaaS customisation expenses), amortisation of intangible assets, movements in right-of-use assets and lease liabilities, rental guarantees and coupon income.
Adjusted FFO (AFFO):	AFFO in accordance with guidelines provided by the Property Council of Australia (PCA): comprises net profit/loss after tax attributable to stapled security holders calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments and reversal of impairments, derivative and foreign exchange mark-to-market impacts, fair value movements on financial assets held at fair value through profit or loss, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, non-FFO tax expenses, certain transaction costs, one-off significant items (including write off of IFRIC SaaS customisation expenses), amortisation of intangible assets, movements in right-of-use assets and lease liabilities, rental guarantees and coupon income, less maintenance capital expenditure and lease incentives.
Gearing:	Gearing is represented by Interest Bearing Liabilities (excluding deferred borrowing costs and including the currency gains and losses of cross currency swaps) less cash divided by Total Tangible Assets (excluding derivatives and deferred tax assets) less cash. Interest Bearing Liabilities and Total Tangible Assets are both adjusted for debt in equity accounted investments (other than Dexus's share of co-investments in pooled funds).
Covenant gearing:	Represents Gearing defined above but not adjusted for cash or debt in equity accounted investments (including co-investments in pooled funds).
Portfolio Value:	Unless otherwise stated, portfolio value is represented by investment properties, inventories and investments accounted for using the equity method, and excludes cash and other assets.
Weighted Average Lease Expiry (WALE):	A measure in years of the average term to expiry of in-place rent. Includes vacancies.

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