

# Dexus (ASX: DXS)

## ASX release



29 February 2024

### December 2023 distribution payment

Dexus advises that the distribution for the six months ended 31 December 2023 will be paid to Security holders today.

Distribution statements will be provided to Security holders (electronically or by mail) along with the enclosed letter and HY24 results highlights.

*Authorised by Scott Mahony, Company Secretary of Dexus Funds Management Limited*

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### About Dexus

Dexus (ASX: DXS) is a leading Australasian fully integrated real asset group, managing a high-quality Australasian real estate and infrastructure portfolio valued at \$57.1 billion. We believe that the strength and quality of our relationships will always be central to our success and are deeply connected to our purpose: Unlock potential, create tomorrow. We directly and indirectly own \$15.8 billion of office, industrial, healthcare, retail and infrastructure assets and investments. We manage a further \$41.3 billion of investments in our funds management business which provides third party capital with exposure to quality sector specific and diversified real asset products. The funds within this business have a strong track record of delivering performance and benefit from Dexus's capabilities. The platform's \$16.9 billion real estate development pipeline provides the opportunity to grow both portfolios and enhance future returns. Our sustainability aspiration is to unlock the potential of real assets to create lasting positive impact and a more sustainable tomorrow, and is focused on the priorities of customer prosperity, climate action and enhancing communities. Dexus is supported by more than 35,000 investors from 22 countries. With four decades of expertise in real estate and infrastructure investment, funds management, asset management and development, we have a proven track record in capital and risk management and delivering returns for investors. [www.dexus.com](http://www.dexus.com)

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29 February 2024

Dear Security holder

Dexus released its HY24 results on 14 February 2024, confirming a distribution of 26.7 cents per security for the six months to 31 December 2023.

Despite the challenging economic environment, Dexus generated \$292.4 million of AFFO and settled \$1.3 billion of balance sheet divestments over the past six months, enabling us to maintain a strong balance sheet and recycle capital into other opportunities such as our committed development pipeline. Dexus's property portfolio continues to benefit from the flight to quality and our disciplined approach to capital management has enabled us to maintain a strong balance sheet.

In November 2023, Dexus achieved Final Completion of the AMP Capital platform acquisition, and will be fully integrated by 30 June 2024. Dexus has now created a \$57.1 billion scalable real asset platform.

Further details relating to Dexus's achievements can be found in our HY24 results release and presentation available at [www.dexus.com/financialresults](http://www.dexus.com/financialresults)

#### **Distribution payment**

Distributions per security of 26.7 cents will be paid for the six months to 31 December 2023, down 4.6% on the previous corresponding period, driven predominantly by lower trading profits.

If you believe you have unclaimed distribution income or unrepresented cheques from a prior distribution, please contact the Dexus Infoline on +61 1800 819 675.

#### **Reminder regarding direct credit arrangements**

Dexus only makes distribution payments to Australian and New Zealand resident Security holders by direct credit. If you are an Australian or New Zealand resident Security holder, please ensure that your bank account details have been provided to ensure that you receive payment of future distributions.

#### **Determining the value of your Dexus holding**

The value of your security holding on 31 December 2023 is provided on your distribution statement. Current price information is available on our website at [www.dexus.com/investor-centre](http://www.dexus.com/investor-centre) and is published daily in major Australian metropolitan newspapers.

#### **Changing your details**

You can access your Security holding online to update your personal details using the Investor login link available at [www.dexus.com/investor-centre](http://www.dexus.com/investor-centre). You can also nominate how we communicate with you. Tax File Number and Australian Business Number notifications may also be updated online. You will require your Holder Identification Number (HIN) or Security Holder Reference Number (SRN) to access your security holding.

Forms are available for details that cannot be updated online. Download the forms by clicking on the Forms menu item when in your Security holding or from the Link Market Services website at [linkmarketservices.com.au](http://linkmarketservices.com.au). Alternatively, you can contact the Dexus Infoline on +61 1800 819 675 or email [dexus@linkmarketservices.com.au](mailto:dexus@linkmarketservices.com.au)

### **Receive your communications electronically**

We are committed to ensuring all investors have equal access to information about our business activities and encourage all investors to receive electronic communications by registering your email address online. In line with our commitment to the long-term integration of sustainable business practices, investor communications are also distributed via various electronic methods including:

- **Dexus website**

www.dexus.com – Our website provides a wide range of information for investors including easy access to information relating to your security holding, reports, ASX announcements, key dates, and security price information. Security holders can subscribe to alerts to receive communications immediately after release.

- **Social media**

Dexus engages with its followers on LinkedIn. If you wish to be kept up to date on our social media activities, it is as simple as logging into LinkedIn account and elect to follow Dexus.

If you have any questions concerning your security holding, please contact us on the Dexus Infoline on +61 1800 819 675.

Thank you for your continued investment in Dexus.

Yours faithfully



Rowena Causley  
Head of Listed Investor Relations

## HY24 results highlights

### A strong balance sheet and resilient Underlying FFO

**Financial performance:** Dexus's Adjusted Funds From Operations (AFFO) of \$292.4 million was 5.9% lower than the previous corresponding period, driven predominantly by lower trading profits. Distributions of 26.7 cents per security decreased 4.6% on the previous corresponding period. Operationally, Underlying Funds From Operations (excluding trading profits) of \$355.8 million was 4.5% higher than the previous corresponding period driven by growth in management operations FFO and fixed rent increases, partially offset by higher cost of debt and group corporate costs. Dexus's statutory net loss after tax was \$597.2 million, compared to a statutory net profit after tax of \$23.1 million in HY23. This movement was primarily driven by greater fair valuation losses on investment property compared to HY23, due to capitalisation rate softening in HY24.

**Strategy:** Dexus remains focused on its strategic objectives of generating resilient income streams and being identified as the real asset investment manager of choice. In November 2023, Dexus achieved Final Completion of the AMP Capital platform acquisition and it will be fully integrated by 30 June 2024, creating a \$57.1 billion scalable real asset platform that is positioned for growth.

**Capital management:** Dexus maintained a strong and conservative balance sheet with pro forma gearing (look-through) of 29.4%, remaining below the target range of 30-40%, and \$3.1 billion of cash and undrawn debt facilities. Dexus has a weighted average debt maturity of 4.6 years, manageable near-term debt expiries and remains within all of its debt covenant limits, retaining its credit ratings of A-/A3 from S&P and Moody's respectively.

**Portfolio results:** Dexus's office and industrial portfolios maintained high occupancy levels of 94.5% and 99.0% respectively. Office portfolio like-for-like income growth was +4.0% and the industrial portfolio's like-for-like income growth was +5.5%.

**Development:** The platform's real estate development pipeline now stands at \$16.9 billion, of which \$8.4 billion sits within the Dexus portfolio and \$8.5 billion within third party funds. Dexus's city-shaping developments have been materially de-risked via 82% of weighted average pre-commitments and fixed price contracts. Over the half, Dexus committed to two attractive industrial developments in Sydney alongside Dexus Industria REIT and DREP1 respectively, while continuing to build out the Ravenhall and Jandakot precincts. The decision to activate uncommitted projects will be assessed on project commerce and capital availability.

**Funds management:** Dexus manages \$41.3 billion of funds across its diversified funds management business. During the half, Dexus completed \$1.3 billion of fund divestments and \$0.2 billion of fund acquisitions. Opportunity fund DREP1 completed its final close in 2023 at \$475 million of equity commitments and circa \$1 billion of investment capacity including gearing. Dexus launched the second fund in its opportunity series, Dexus Real Estate Partnership 2 (DREP2). Dexus Healthcare Property Fund (DHPF) continues to attract interest from investors and is currently undertaking an equity raising. Wholesale Airport Fund (WAF), a single asset fund that invests in Australia Pacific Airports Corporation (APAC), raised an additional \$31 million in equity from private investors, bringing its funds under management to \$216 million.

**Transactions:** Transaction volumes slowed significantly across all major Australian real estate sub-sectors in CY23, down 60% compared to CY21. Despite this, Dexus undertook \$2.8 billion of transactions, comprising \$2.6 billion of divestments and \$0.2 billion of acquisitions across the platform.

**Trading:** Dexus delivered \$9.0 million in (post tax) trading profits, reflecting the majority of FY24 guidance.

**Environmental, Social and Governance update:** Dexus's commitment to delivering strong sustainability outcomes underpins long-term performance. During the half Dexus progressed the priority areas of its sustainability strategy of Customer Prosperity, Climate Action and Enhancing Communities. Dexus was again recognised as a global leader in sustainability, achieving a Top 10% S&P Global Corporate Sustainability Assessment Score in the S&P Global Sustainability Yearbook 2024. The platform has continued its strong sustainability performance in Global Real Estate Sustainability Benchmark (GRESB), with six funds achieving 5 star GRESB ratings for 2023.

**Outlook:** Markets remain challenging as capital flows and sentiment continue to be impacted by inflation, interest rates and geopolitical risks. Despite these challenges, the property portfolio continues to benefit from the flight to quality and our disciplined approach to capital management has enabled us to maintain a strong balance sheet. With the integration of the AMP Capital platform to complete during FY24, our funds platform is set up to grow as we revert to a normalised rates regime. Barring unforeseen circumstances, for the 12 months ended 30 June 2024<sup>1</sup>, Dexus expects distributions of circa 48.0 cents per security. AFFO excluding trading profits is expected to be broadly in line with that delivered in FY23.

1. Subject to no material deterioration in conditions and assumes circa \$10 million of trading profits (post-tax).



### Update your details online

To provide/update your Bank Account, Tax File Number/ABN details and your communication preference, please visit [www.dexus.com/update](http://www.dexus.com/update) to login to your Security holding. You will need your **SRN/HIN** and **postcode** to login. Once logged in, select Payments & Tax and/or the Communications main menu items to update your details. If you require any assistance, please contact our Infoline on +61 1800 819 675.