

Dexus (ASX: DXS)

ASX release



9 February 2021

2021 Half year results presentation

Dexus provides its 2021 half year results presentation.

An investor conference call will be held at 9.30am (AEDT) today, Tuesday 9 February 2021, which will be webcast via the Dexus website (www.dexus.com) 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 HY21 results release and HY21 Appendix 4D and Financial Statements released to the Australian Securities Exchange today and available at www.dexus.com

Authorised by the Board of Dexus Funds Management Limited

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About Dexus

Dexus is one of Australia's leading real estate groups, proudly managing a high-quality Australian property portfolio valued at \$32.1 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 \$16.5 billion of office and industrial properties. We manage a further \$15.6 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$11.4 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. With 1.6 million square metres of office workspace across 51 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 more than 29,000 investors from 24 countries. With 36 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

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

2021 Half Year Results

9 February 2021

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

Agenda

› Overview

Darren Steinberg, CEO

› Financial results

Alison Harrop, CFO

› Funds management

Deborah Coakley, EGM Funds Management

› Office portfolio

Kevin George, EGM Office

› Industrial portfolio

Stewart Hutcheon, EGM Industrial, Retail & Healthcare

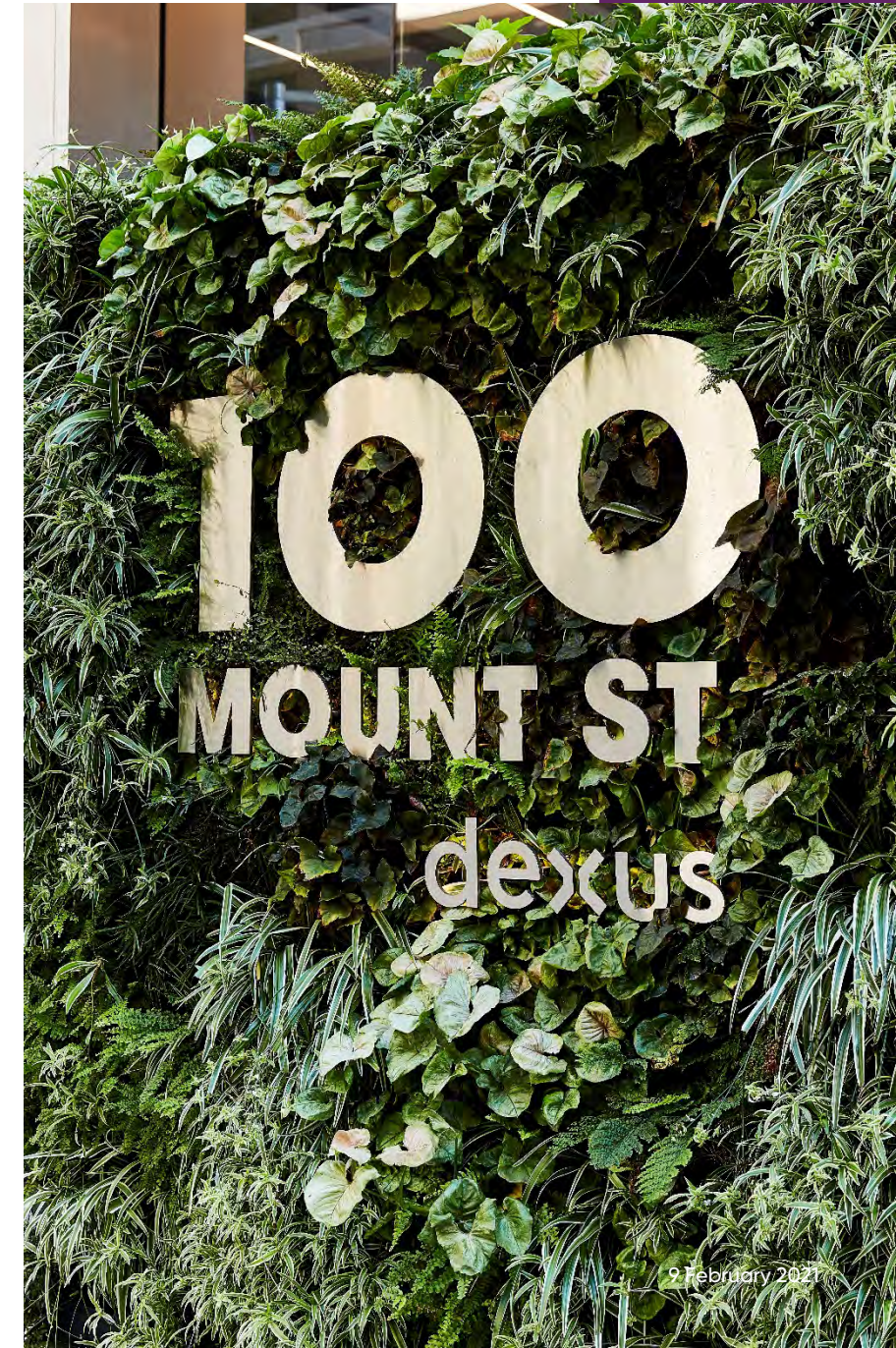
› Development and investments

Ross Du Vernet, CIO

› Summary

Darren Steinberg, CEO

› Appendices



Strategy

Focus on strategic initiatives

- › The COVID-19 pandemic has reinforced the importance of having a diversified business model and strategy that can deliver through the cycle
 - Demonstrated by strong cashflow and resilient asset prices
- › Dexus will take advantage of the changed market conditions by seeking to capitalise on counter-cyclical opportunities
- › A focus on strategic initiatives will help unlock the relative value of the business and strengthen the platform for future cycles
- › In the year ahead, Dexus will continue to implement active leasing strategies to maximise office portfolio cashflow generation, increase weightings toward sectors with strong tailwinds and expand Dexus’s flexible workspace offering
- › Dexus also intends to make changes to simplify the corporate structure of the group¹

1. Subject to Dexus Security holder approval.

Dexus strategy

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	Leadership in office	Wholesale partner of choice
Strategic initiatives	Increasing the resilience of investment portfolio income streams	
	Expanding and diversifying the funds management business	
	Progressing the group development pipeline	

HY21 highlights

Progress in challenging COVID-19 environment

Financial highlights

› Relatively strong rent collections and distribution for investors › Achieved robust independent asset values	96.0% Dexus portfolio rent collections	28.8 cents Distribution per security for HY21
	\$160.8 million value uplift across Dexus portfolio	

Progress on immediate priorities from 19 August 2020

HY21 Status

1. Assisting in returning businesses safely to their workplace	✓	100% of the portfolio has an active COVID-Safe Plan in operation ¹	
2. Progressing optimisation of portfolio composition via asset recycling	✓	60 Miller Street, North Sydney ²	Grosvenor Place, Sydney ²
3. Accelerating opportunities to expand funds management business	➤	Australian Bragg Centre 50% Dexus 50% HWPF	Launched opportunity fund series
4. Continuing to work with customers on the future of workspace	➤	Six Ideas by Dexus ³ working with 12 major customers impacting circa 20,000 employees	
5. Progressing city-shaping development pipeline	✓	Central Place Sydney progressing to Stage 3 of USP ⁴ process	Waterfront Brisbane DA received for \$2.2bn precinct transformation

1. Excluding assets with no common areas under Dexus’s operational control.
2. Conditional exchange of sale documents, subject to FIRB approval.
3. Workspace consulting business.
4. Unsolicited Proposal.

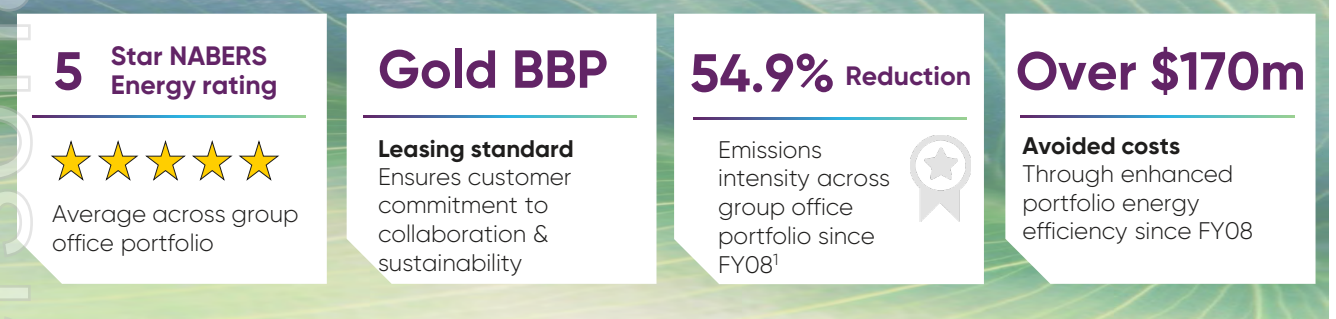
Environmental, Social and Governance update

Global ESG leadership

Global ESG benchmark recognition



Environmental performance



1. Calculated using a location based method.

ESG update

- › Continue to manage properties for emissions reductions and invest in upgrades that align with Dexus's commitment to achieve net zero emissions across the group-managed portfolio by 2030 (aligned with 1.5°C trajectory)
- › Progressed Healthy Buildings initiative which includes indoor air purification and monitoring systems, technology supporting touchless entries and biometrics and occupancy management systems
- › Dexus became a founding member of the Australian Climate Leaders Coalition, which brings together CEOs to collectively drive emissions reductions
- › Leveraging Taronga Ventures innovation ecosystem (in which Dexus is a founding real estate investor partner) to understand new technologies that can reduce carbon emissions
- › Raised the equivalent of 2,928 meals for Foodbank to support those impacted by poverty over the festive period





Financial Results

Key earnings drivers and valuations

Strength in industrial values, resilience in office values

Key earnings drivers

Earnings driver	HY21 result
Property portfolio	Property AFFO ¹ of \$326.2 million +1.5% office LFL income growth ² +1.0% industrial LFL income growth ³
Funds Management	FFO of \$27.3 million – comprising earnings from funds management, property and development management
Trading	Trading profits of \$47.1 million ⁴ secured from North Shore Health Hub, the sale of tranche 2 25% interest in 201 Elizabeth Street, Sydney and tranche 1 Truganina assets and Lakes Business Park South

1. AFFO contribution is calculated before finance costs, group corporate costs and tax. Property AFFO is equal to Property FFO of \$388.0 million less total portfolio AFFO capex of \$61.8 million.
2. Office LFL income was -4.6% including the impact of rent relief and provision for expected credit losses.
3. Industrial LFL income was -1.0% including the impact of rent relief and provision for expected credit losses.

Property portfolio valuations

Outlook: Expect quality asset values to remain resilient due to investment demand

	31 Dec 2020 value ⁵	Valuation movement ⁶	Capitalisation rate six-month movement
Total portfolio	\$16.5bn	↑ \$160.8m 1.0%	↓ 5.01% 4bps
Office portfolio	\$13.8bn	↑ \$32.8m 0.2%	↓ 4.95% 2bps
Industrial portfolio	\$2.4bn	↑ \$112.0m 4.8%	↓ 5.36% 30bps

4. Post tax.
5. Total portfolio FUM of \$16.5 billion made up of office portfolio \$13.8 billion, industrial portfolio \$2.4 billion and healthcare portfolio \$0.3 billion.
6. Total portfolio includes healthcare and leased assets revaluation gain of \$16.0 million.

HY21 financial results

Enduring property FFO despite COVID-19 impacts, supported by trading profits

	HY21 \$m	HY20 \$m	Change %
Office property FFO	330.5	340.4	↓ 2.9%
Industrial property FFO	57.5	64.8	↓ 11.3%
Total property FFO	388.0	405.2	↓ 4.2%
Management operations ¹	27.3	33.4	↓ 18.3%
Group corporate	(17.1)	(17.0)	↑ 0.6%
Net finance costs	(64.9)	(66.5)	↓ 2.4%
Other ²	(4.8)	(4.7)	↑ 2.1%
Underlying FFO³	328.5	350.4	↓ 6.3%
Trading profits (post tax)	47.1	27.8	↑ 69.4%
FFO	375.6	378.2	↓ 0.7%
Adjusted Funds from Operations (AFFO)	313.8	295.3	↑ 6.3%
Distribution payout (% AFFO)	99.9%	100.2%	
Distribution	313.6	296.0	↑ 6.0%

1. Management operations FFO includes development management fees.
2. Other FFO includes non-trading related tax expense and other miscellaneous items.
3. Underlying FFO excludes trading profits post tax.

- › Office property FFO reduced due to impact of divestments and rent relief, partly offset by fixed rent increases and income from recently completed developments
- › Industrial property FFO reduced due to divestment of second tranche to DALT, partly offset by fixed rent increases and income from acquisitions
- › Management operations reduced due to lower leasing fees due to COVID-19 and a skew of development revenue to the second half of FY21
- › Finance costs decreased primarily due to lower floating interest rates and hedge rates, partly offset by lower capitalised interest

Key per security metrics	HY21	HY20	Change
Underlying FFO per security ³	30.1 cents	31.9 cents	↓ 5.6%
FFO per security	34.4 cents	34.5 cents	↓ 0.3%
AFFO per security	28.8 cents	26.9 cents	↑ 7.1%
Distribution per security	28.8 cents	27.0 cents	↑ 6.7%
	HY21	FY20	Change
Net Tangible Assets (NTA) per security	\$10.96	\$10.86	↑ 0.9%

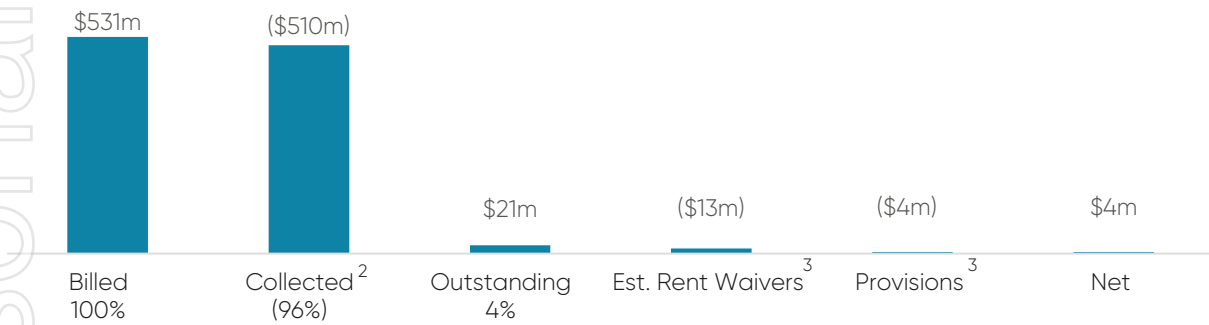
COVID-19 impacts

Rent collections of 96.0% for HY21

HY21 Rent collections

- › Strong focus on cash collection while ensuring the sustainability of SME customer base
- › Continue to work with our customers on rent relief requests and have reached in principle agreement circa 80% of rent relief requests received¹

HY21 rent collections ²	Office	Industrial	Total
Q1 FY21	96.2%	96.9%	96.3%
Q2 FY21	95.7%	96.4%	95.8%
Total HY21	95.9%	96.6%	96.0%



1. Reflects agreements for the initial Phase 1 Code of Conduct period to September 2020. Dexus is separately working through tenant requests for the Code of Conduct extension periods in each state. HY21 rent relief impacts are estimates as at 31 December 2020. Refer slide 42.

2. Dexus share at 31 December 2020.

3. Estimated rent waivers and provisions at 31 December 2020. Refer slide 42.

4. The cumulative estimate for industrial rent waivers as at 31 December 2020 is \$3.7 million. As \$4.2 million was recorded as at 30 June 2020, an adjustment of \$0.5 million has been recognised in half year to 31 December 2020. The cumulative estimate for provision for expected credit losses as at 31 December 2020 is \$1.6 million. As \$1.7 million was recorded as at 30 June 2020, an adjustment of \$0.1 million has been recognised in half year to 31 December 2020.

HY21 direct COVID-19 AFFO impacts³

Direct COVID-19 AFFO impacts ³	HY21 Est. Rent Waivers	FY20 Est. Rent Waivers	HY21 Provisions	FY20 Provisions	HY21 Total	FY20 Total
Office	-\$11.8m	-\$15.0m	-\$4.3m	-\$5.1m	-\$16.1m	-\$20.1m
Industrial ⁴	+\$0.5m	-\$4.2m	+\$0.1m	-\$1.7m	+\$0.6m	-\$5.9m
Total	-\$11.3m	-\$19.2m	-\$4.2m	-\$6.8m	-\$15.5m	-\$26.0m

Strong financial position

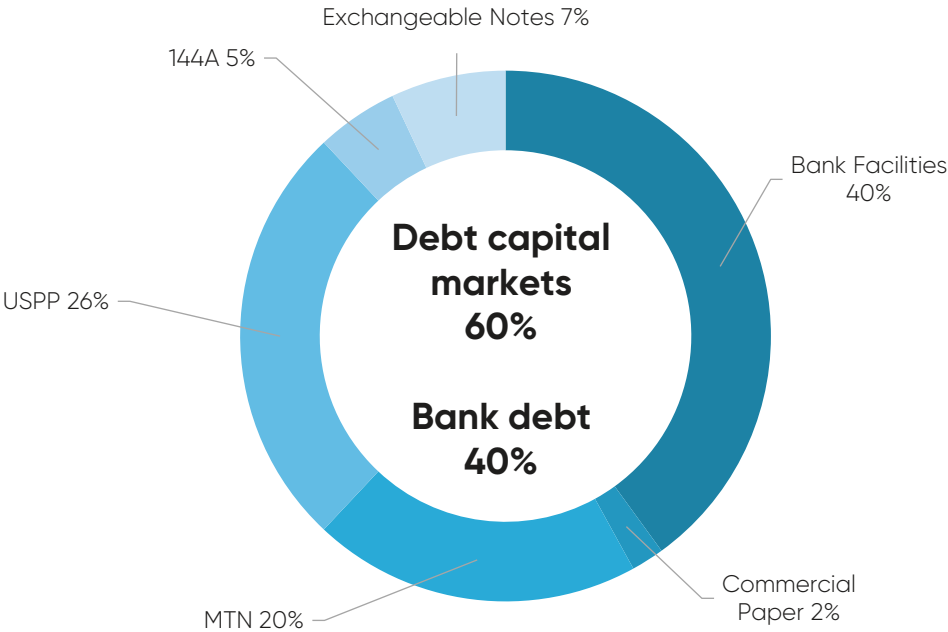
Contracted asset sale proceeds to further strengthen balance sheet

- › Maintained low gearing of 24.9%¹ and low cost of debt
- › Received \$530 million² of sale proceeds from the sale of 45 Clarence Street, Sydney with contracted asset sale proceeds to further enhance liquidity and funding flexibility
- › Purchased circa 5 million securities via the on-market securities buy-back program in FY21 to date

Key metrics	31 Dec 2020	30 June 2020
Gearing (look-through)	24.9% ¹	24.3% ³
Headroom ⁴	\$1.7bn	\$1.6bn
Cost of debt ⁵	3.1%	3.4%
Duration of debt	6.4 years	6.9 years
Hedged debt (incl caps) ⁶	81%	78%
S&P/Moody's credit rating	A-/A3	A-/A3

1. Adjusted for cash and debt in equity accounted investments, excluding the impact of the contracted divestments of 60 Miller Street, North Sydney and Grosvenor Place, Sydney.
2. Excluding transaction costs and settlement adjustments.
3. Proforma gearing, adjusted for cash and debt in equity accounted investments. Look-through gearing at 30 June 2020 was 26.3%.
4. Undrawn facilities plus cash.
5. Weighted average for the period, inclusive of fees and margins on a drawn basis.
6. Average for the period. Hedged debt (excluding caps) was 68% for the 6 months to 31 December 2020 and 62% for the 12 months to 30 June 2020.

Diversified sources of debt





personal use only

Funds Management

Funds Management

Provides Dexus with an annuity-style, secure income

- › Long-term and stable partners of choice, enhancing ability to execute on opportunities through the cycle
- › Strong transaction track record and capability unlocks asset recycling opportunities for capital partners
- › Diversified development pipeline providing future embedded value and growth

Diversified portfolio

\$8.7bn

Office



\$3.1bn

Industrial



\$3.3bn

Retail



\$0.9bn¹

Healthcare

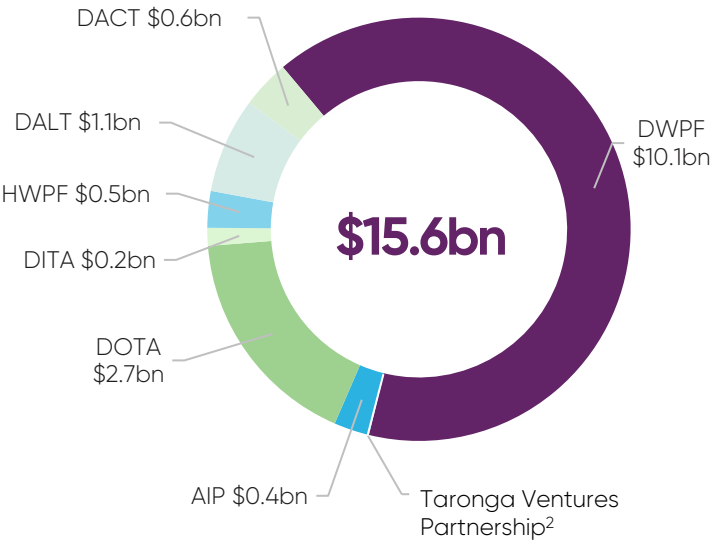


1. On completion value.
2. Platform and fund investment.



Gateway, Sydney

Diversified Funds Management business across 8 vehicles



Attracted over \$10.7 billion of third party equity since FY12

Funds management

Scalable and expanding suite of products

Widely held funds



DWPF | dexus

Dexus Wholesale Property Fund

\$10.1bn

- › Established 1995
- › 43 properties
- › Outperformed benchmark over 1, 3, 5, 7 & 10 years

HWPF | dexus

Healthcare Wholesale Property Fund

\$0.9bn¹

- › Established 2017
- › \$946 million¹ portfolio across 5 properties

DREP1 | dexus

Dexus Real Estate Partnership

New fund

- › Marketing launched in 2020
- › First in a planned series of closed-end opportunity funds

Joint Ventures



DOTA | dexus

Dexus Office Partnership

\$5.4bn²

- › Established 2013
- › 19 properties
- › Acquired & de-listed CPA portfolio April 2014

DACT | dexus

Dexus Australian Commercial Trust

\$0.6bn²

- › Established in 2020
- › 50% interest in iconic prime-grade Rialto Towers, located in Melbourne CBD

DITA | dexus

Dexus Industrial Partnership

\$0.4bn²

- › Established 2014, recapitalised in 2018
- › Core strategy with growth mandate

AIP | dexus

Australian Industrial Partnership

\$0.4bn

- › Established 2012
- › 20 properties
- › Strong performance since inception

DALT | dexus

Dexus Australian Logistics Trust

\$2.6bn¹

- › Established 2018
- › Growth strategy through develop to core and acquisitions

Venture Capital



Taronga Ventures Partnership³

Established 2020

- › Platform and fund investment
- › Partnership with large, reputable real estate companies
- › Driving real estate innovation by identifying and investing into next generation solutions

All figures as at 31 December 2020 unless otherwise stated.

1. Includes Dexus ownership interest and on completion value.

2. Includes Dexus ownership interest.

3. Dexus investment in the platform and fund.

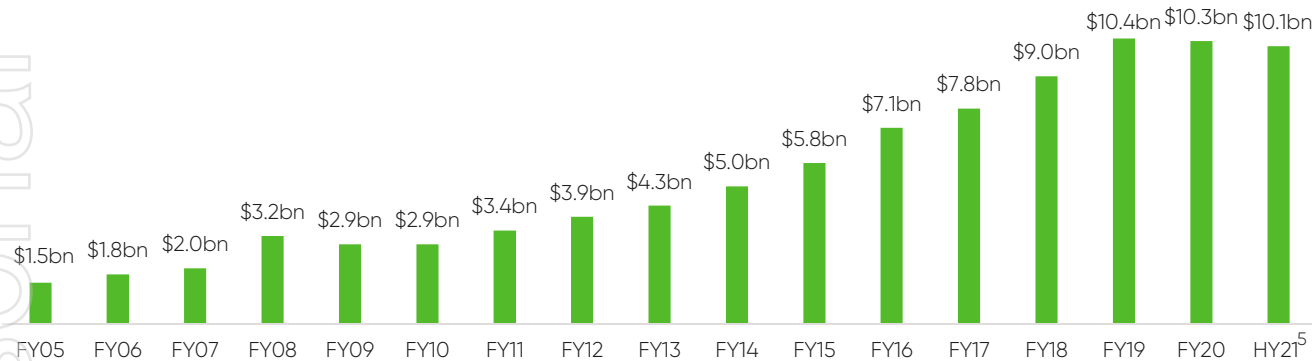
Dexus Wholesale Property Fund (DWPF)

Sustained growth and consistent outperformance

Key features

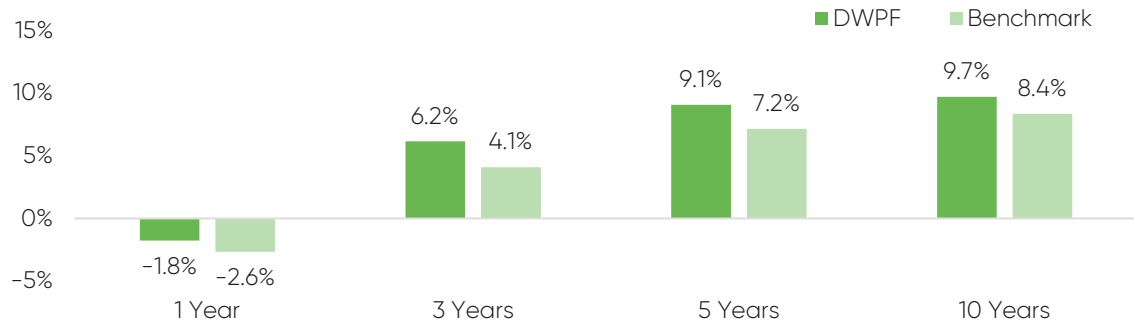
- › Prime quality diversified Australian portfolio established in 1995 with a track record of outperformance¹
- › Conservative gearing of 12.7%² with access to diverse funding sources
- › \$7.1 billion of equity raised since FY11
- › Strong track record of providing liquidity to investors
- › GRESB³ Global Sector Leader for diversified office/retail entities (listed and unlisted)

Total FUM⁴ – strong & consistent growth of 13% p.a. since FY05

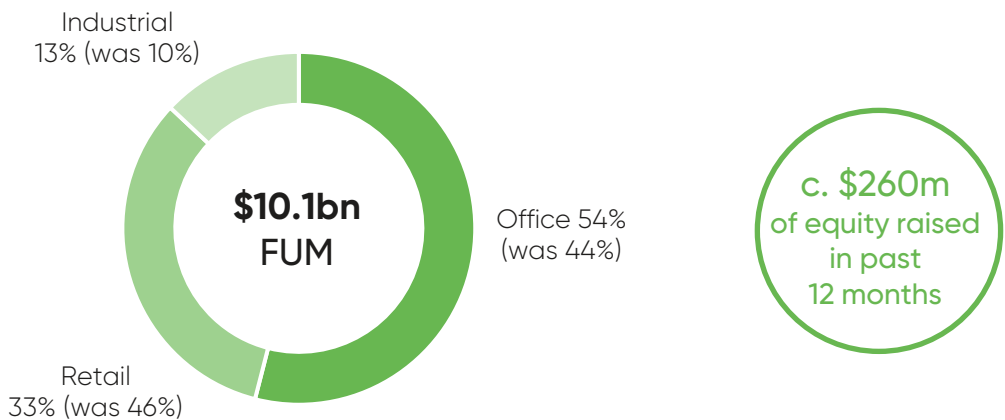


1. MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index (net returns, net asset weighted).
2. Proforma gearing allowing for \$250 million of redemptions settled post period. Gearing at 31 December 2020 was 11.1%.
3. Global Real Estate Sustainability Benchmark.
4. Funds under management.
5. HY21 FUM impacted by December 2020 settlement of the sale of 452 Flinders Street, Melbourne at 11% premium to June 2020 book value.

Consistent outperformance against Benchmark¹



DWPF portfolio sector diversification – HY21 vs FY17



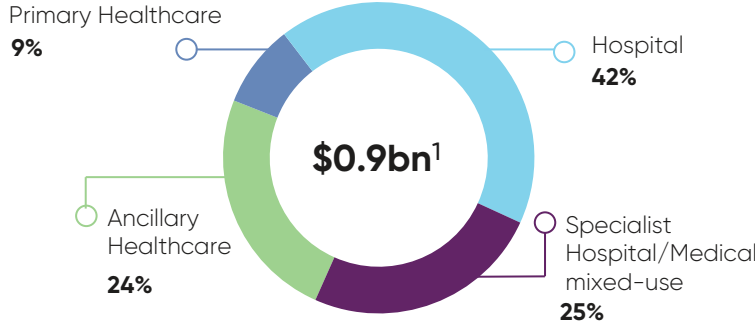
Healthcare Wholesale Property Fund (HWPF)

Pre-eminent Australian healthcare fund

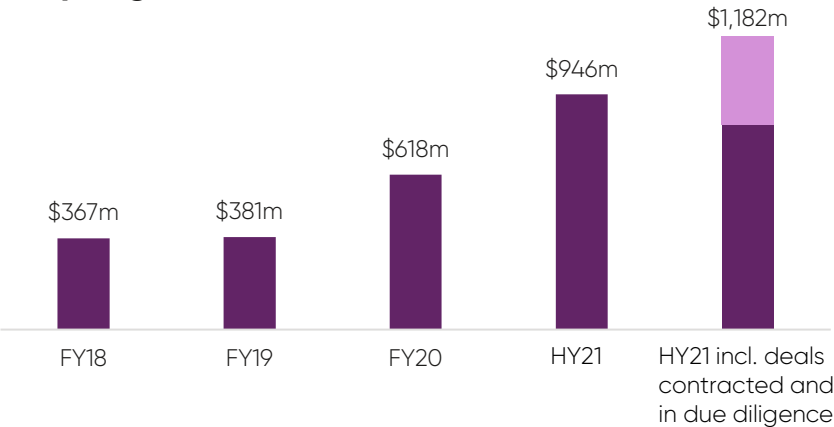
Key features

- › Australia's largest open ended Healthcare Fund established for institutional investors¹
- › Acquired Australian Bragg Centre one of the largest single-asset healthcare acquisitions in Australia
- › Portfolio WALE of 25.1 years and weighted average capitalisation rate of 4.92%
- › Delivered a one-year return of 15.3%
- › GRESB global development sector leader for healthcare entities

HWPF portfolio composition



Rapid growth in FUM¹



¹ Value on completion.



Strong and resilient customer covenants

North Shore Health Hub
Ramsay Health Care - the largest private provider of hospitals in Australia
GenesisCare - the largest provider of cancer care in Australia
Douglas Hanly Moir - one of the largest pathology providers in Australia

Australian Bragg Centre
Proton Therapy Unit - State Government (AA+ rating) and SAHMRI

Calvary
one of the largest not-for-profit hospital operators in Australia

GP Plus Health Care
SA Government (AA+ rating)

College Junction
Qscan - a leading diagnostic imaging provider with 70+ clinics in operation



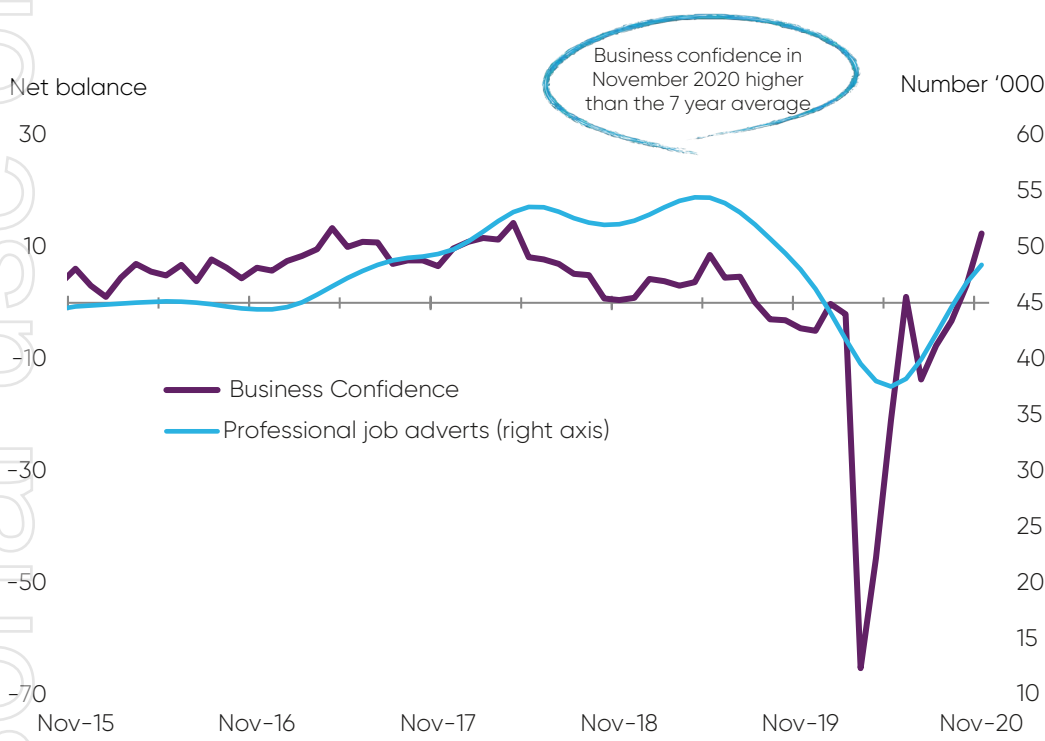
Images of activity in Sydney CBD, week commencing 1 February 2021

Office leading indicators point to improving conditions

Leasing markets to benefit in 2021

Confidence and hiring intentions have improved sharply

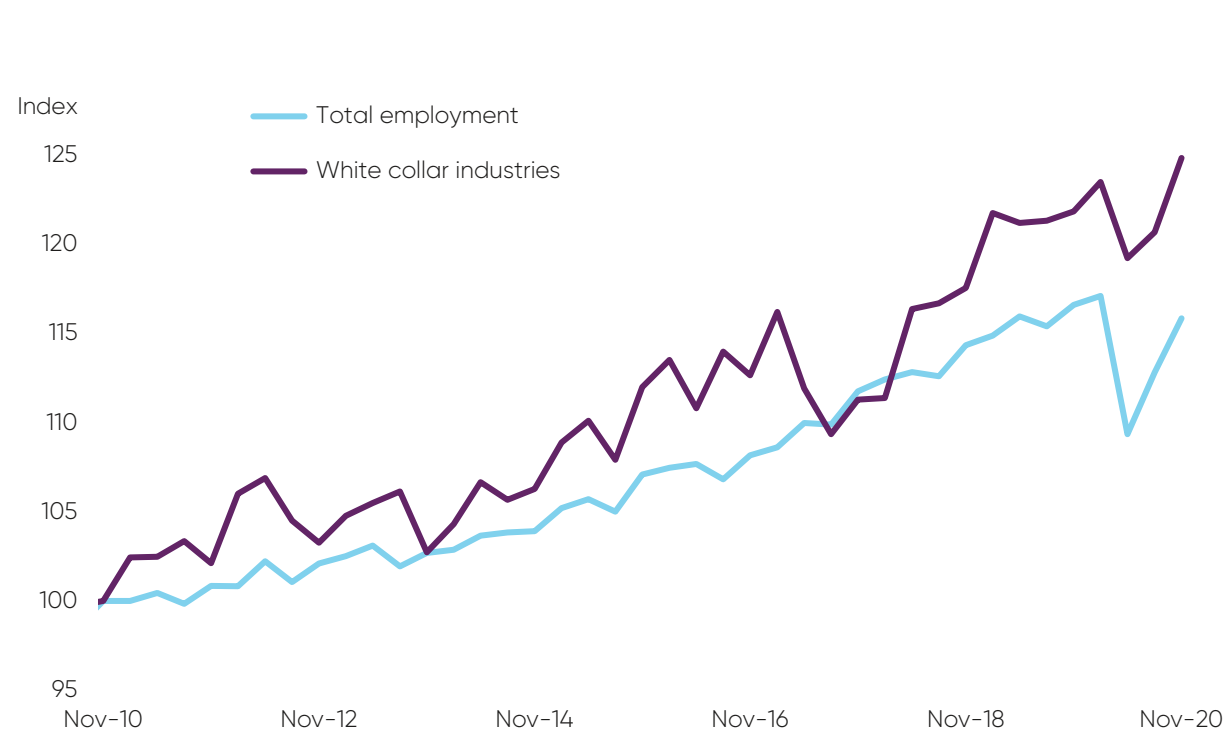
Key indicators driving leasing activity



Source: Westpac, ABS Index Nov-10=100.

White collar employment back above pre-COVID-19 levels

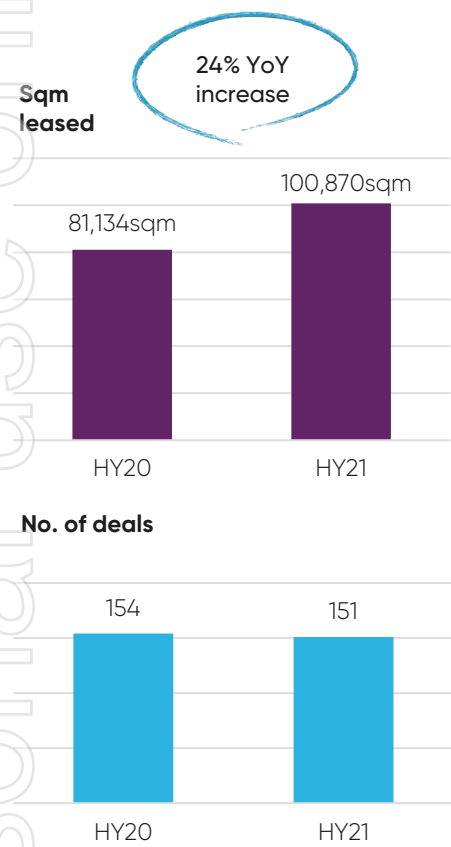
Key indicator driving increased office demand



Office portfolio activity

Strong six months of leasing, supported by leading indicators

Leasing activity HY21 vs HY20¹



¹ Including development leasing.



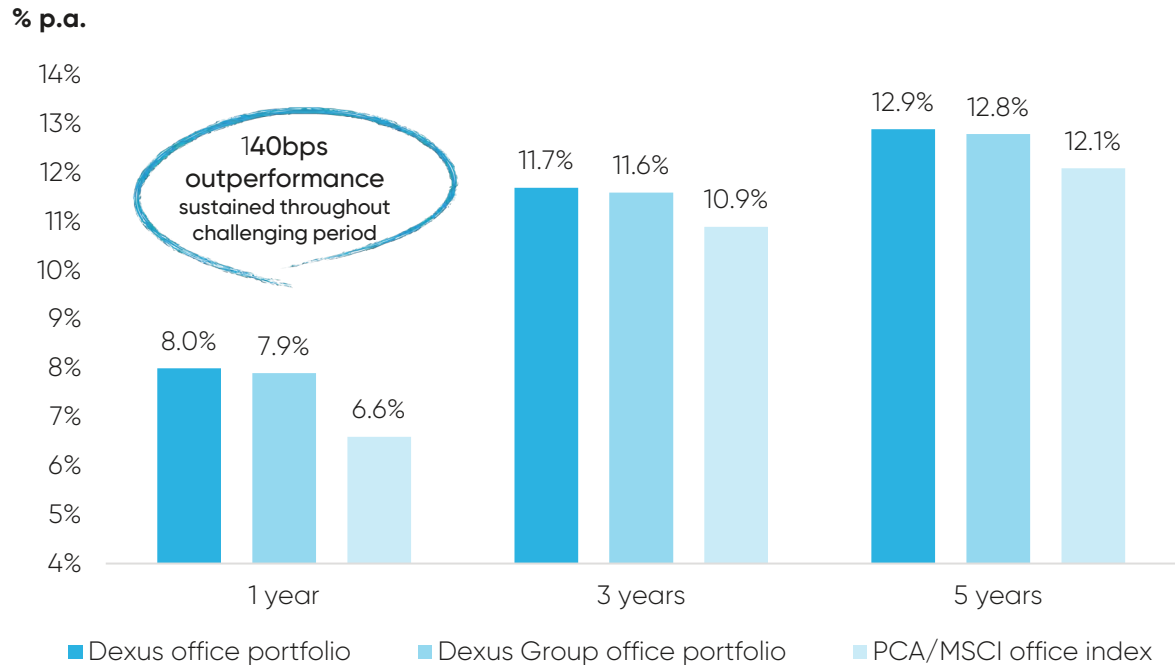
Office portfolio performance

Maintaining high occupancy at 96.0%

\$13.8 billion		
Dexus office portfolio value		
47 properties	1.5 million	
Across key CBDs	Square metres	
Leased by area ¹	Occupancy	WALE
93,691sqm	96.0%	4.2 years
across 135 transactions	FY20: 96.5%	FY20: 4.2 years
Effective LFL income ²	Average incentives ¹	Average fixed rental increases
+1.5%	22.0%	3.5-4.0%
Face: 2.6%	FY20: 17.1%	
Portfolio one-year total return	Sydney CBD leasing spread	
3.6%	-5.7%	
at 31 December 2020		

1. Excludes development leasing of 7,179 square metres across 16 transactions.
2. Excludes rent relief and provision for expected credit losses. Including these impacts: Effective -4.6% and Face -2.3%.
3. Period to 30 September 2020 which reflects the latest available PCA/MSCI Australia Annual Property Index.

Dexus office portfolio vs PCA/MSCI office index at 30 September 2020³

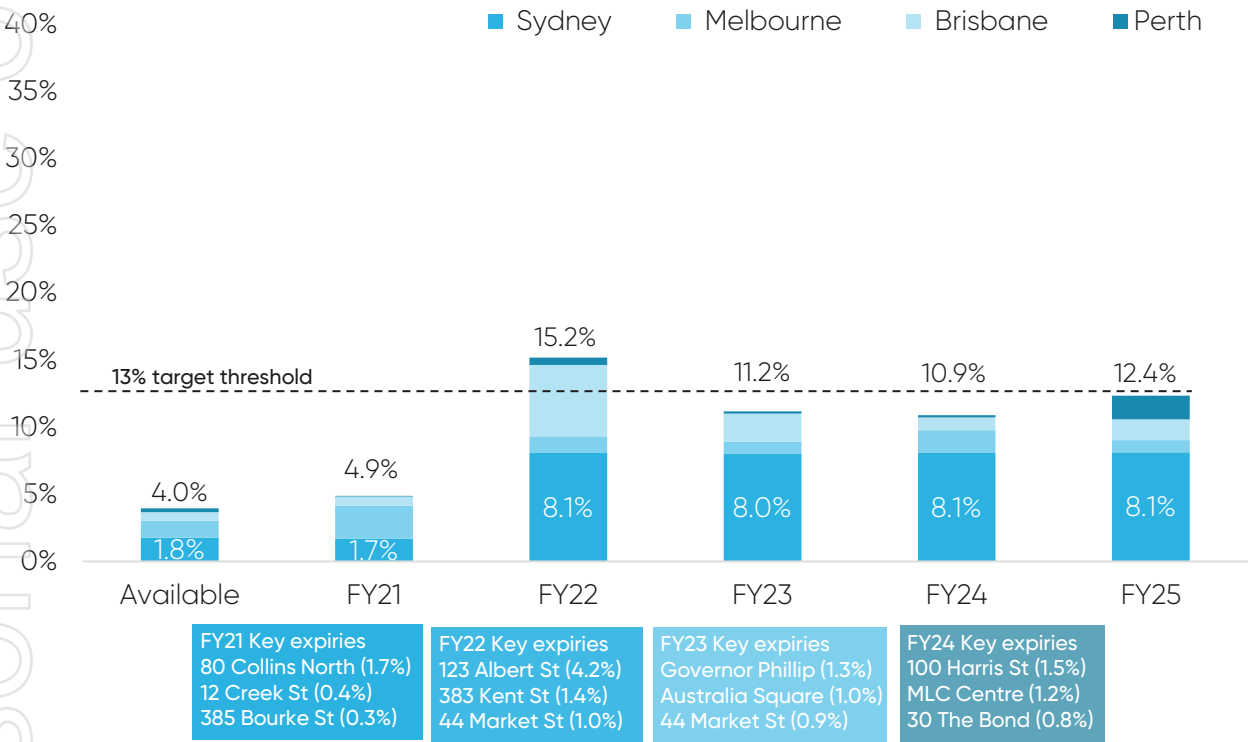


Dexus office portfolio outperforming over 1, 3 and 5 years reflecting quality portfolio and customer base

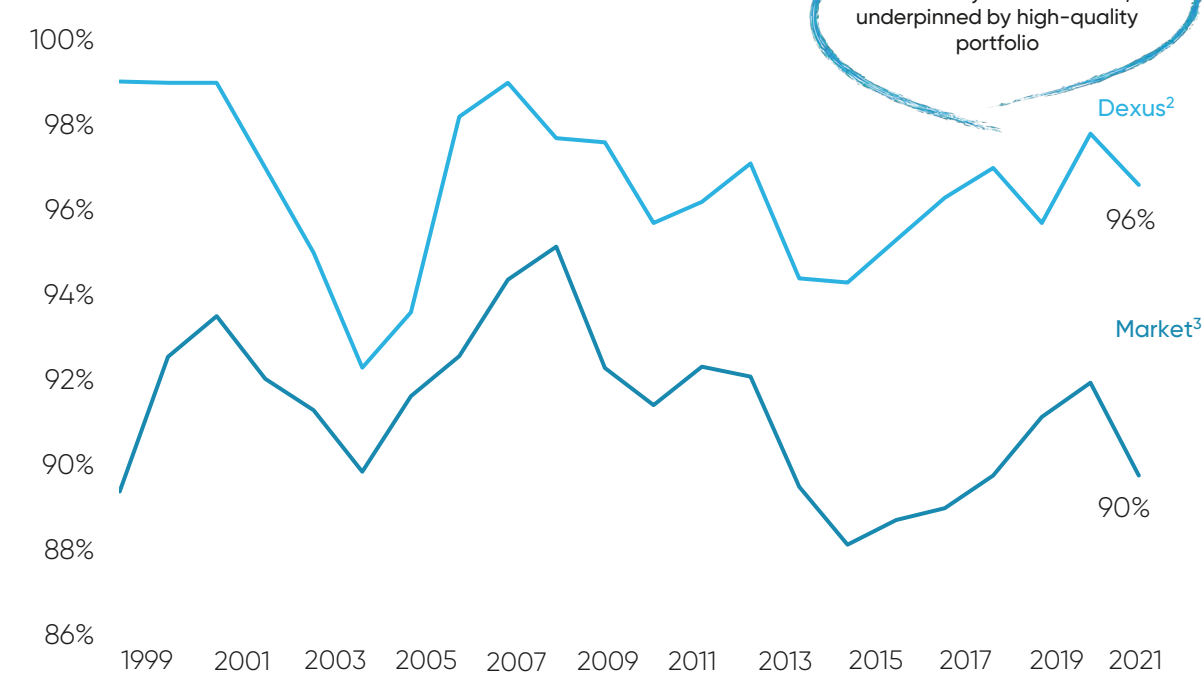
Staggered expiry profile and high occupancy

Dexus portfolio occupancy consistently above market

Dexus office portfolio lease expiry profile¹



Historic Dexus occupancy vs market



Source: JLL, Dexus information.

1. By income.
2. Represents Dexus Office Trust until 2003 and includes acquisition of CPA from 2014 onwards.
3. Australian Markets including capital cities and metro office markets

Our purpose: creating spaces where people thrive

Dexus offering from 1 hour to 10 years

Workspace features



Traditional Offering (Core)

- › Vacant spaces (7 years+)
- › Remains the dominant offering but requirements are evolving



Flexible Offering (Flex)

- › Fitted spaces (6+ months)
 - Fully fitted suites with shorter lease terms to cater for smaller tenants
- › Serviced spaces (1+ hours)
 - Meeting / training rooms with full technology offering
- › Co-working spaces
 - Share spaces with common infrastructure and property services



Amenities

- › Experiential services (retail, health & wellness, events, EOT, concierge, real time insights)

Transport Solutions

- › Flexible car parking, bike storage



Core

Flex

Amenities
&
Transport
Solutions



Technology & Innovation features



Smart building technology

- Energy efficiency
- Reporting / tracking of indicators



Systems and processes

- Workspace booking systems
- Carparking inventory management



Transport solutions

- Car pooling, flexible car parking
- Storage facilities



Experiential services

- Building / portfolio level service apps
- Integrated / contactless building services

Industrial portfolio



Industrial portfolio performance

Strong leasing and continued investment demand

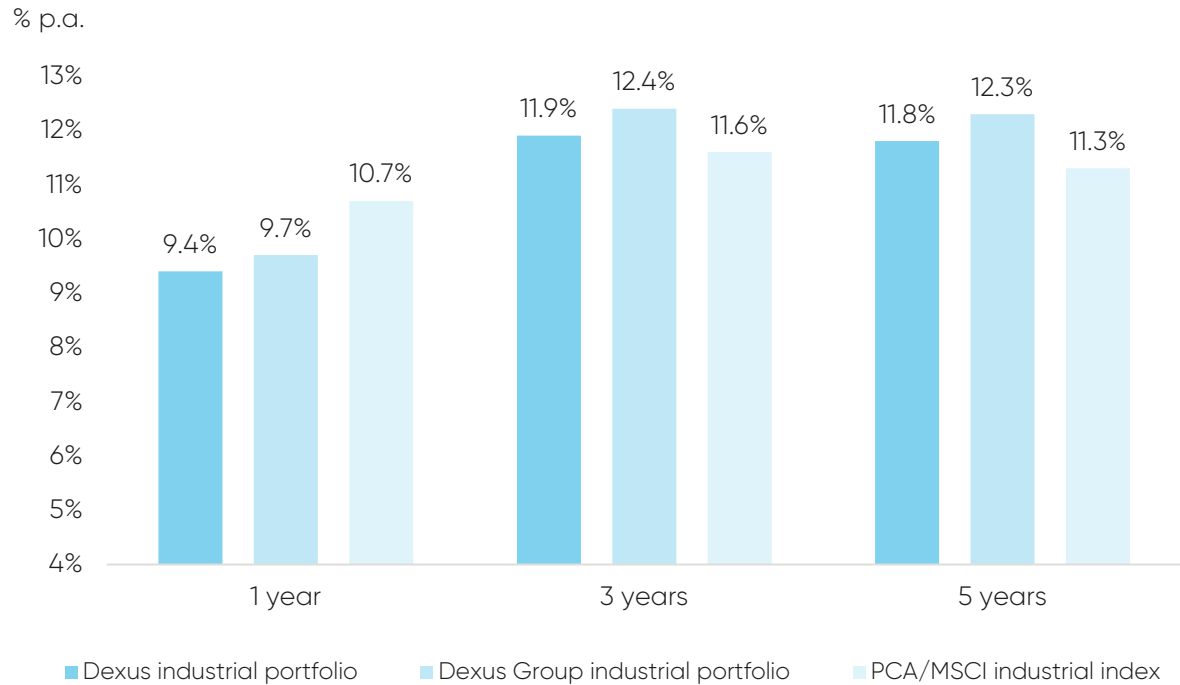
\$5.5 billion

Dexus group industrial portfolio value

\$2.4 billion Dexus industrial portfolio value		
74 properties Across core markets	1.5 million Square metres	
Leased by area¹ 168,749sqm across 46 transactions	Occupancy 95.5% FY20: 95.6%	WALE 4.3 years FY20: 4.1 years
Effective LFL income² +1.0% Face: +2.1%	Average incentives 19.7% FY20: 13.4%	
Portfolio one-year total return 12.8% at 31 December 2020	Average fixed rental increases 3.0%-3.5%	

1. Includes development leasing of 91,087 square metres.
2. Excludes rent relief and provision for expected credit losses. Including these impacts: Effective -1.0% and Face +0.3%.
3. Period to 30 September 2020 which reflects the latest available PCA/MSCI Australia Annual Property Index.

Dexus industrial portfolio vs PCA/MSCI industrial index at 30 September 2020³



Dexus industrial portfolio outperforming over 3 & 5 years

Industrial growth

Supported by strong, national customer relationships

Diverse mix of existing and repeat customers

Recent demand driven by e-commerce, food and beverage and logistics customers



Customer partnerships driving growth in development including success at Horizon 3023, Ravenhall with commitments from:

- › Amazon 36,700sqm
- › Scalzo Foods 35,500sqm
- › Hello Fresh 25,600sqm



Ravenhall will contribute circa 400,000sqm of space built out to 2025

Investments and Developments

Transactions

Progressing optimisation of portfolio composition via selective asset recycling

Contracted \$2.8 billion of transactions for the Dexus group in HY21 in line with our focus

- › \$0.8bn HY21 acquisitions contracted
- › \$2.0bn HY21 divestments contracted
- › Recent sales of office assets with short term income risk **sold in line with book values** demonstrating investor confidence in quality real estate
- › Asset recycling proceeds will be used to:
 - Organically fund key projects in the development pipeline
 - Continue to diversify portfolio
 - Support growth initiatives in the Funds Management business e.g. Australian Bragg Centre
 - Invest in higher returning opportunities e.g. DREP 1
 - Buy back Dexus securities via on-market buy-back

Transactions since FY11: \$28.4bn | \$16.6bn acquisitions | \$11.8bn divestments

Divestment of Grosvenor Place, Sydney



Divestment of 45 Clarence Street, Sydney



Acquisition of Australian Bragg Centre, Adelaide



50% transacted off market demonstrating depth of industry relationships

\$11.4 billion group development pipeline

Minimal current commitments

Committed pipeline \$1.3bn (Dexus share \$0.5bn)

circa 3.2% of balance sheet FUM¹ (of 15% limit)


Key projects



Australian Bragg Centre



North Shore Health Hub

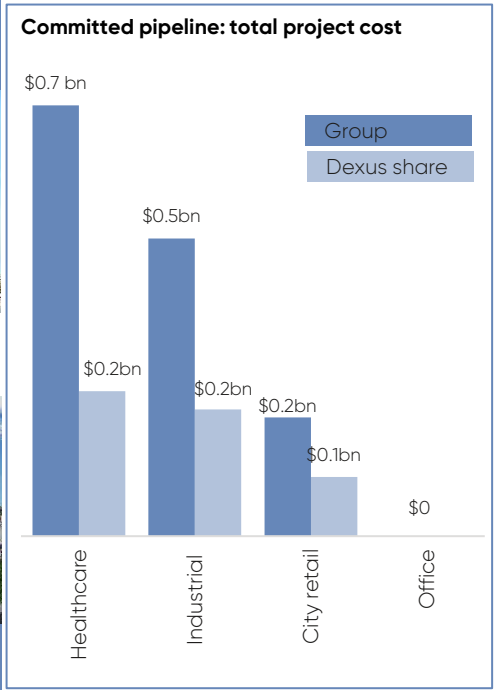


MLC Retail & Theatre, Sydney



Ravenhall

Committed pipeline: total project cost



Sector	Group (\$bn)	Dexus share (\$bn)
Healthcare	\$0.7	\$0.2
Industrial	\$0.5	\$0.2
City retail	\$0.2	\$0.1
Office	\$0	\$0

Uncommitted and concept \$10.1bn (Dexus share \$5.3bn)

City-shaping projects \$6.7bn² (Dexus share \$3.1bn)



Waterfront Brisbane



Central Place Sydney



Pitt & Bridge Precinct, Sydney



60 Collins Street, Melbourne

Other key projects



140 George Street, Parramatta



Axxess Corporate Park, Mount Waverley

Circa \$200m remaining spend for Dexus until end FY22

Minimal upfront capital to retain optionality, longer-dated and income producing

1. Project cost for committed developments and trading projects as a proportion of balance sheet FUM at 31 December 2020.
2. Group share in project cost (including cost of land where purchased for development and excludes downtime and income earned through development).

Office group development pipeline

Uncommitted, income producing and flexible commencement timeline

\$6.7 billion¹

Uncommitted city shaping office pipeline, with flexible timing

Diversified across eastern seaboard cities

Majority of sites are **income producing**, providing cash flow throughout planning phase



Project	Project Status				Target development commencement date					
	Est. current initial yield	Development status	Est. total project cost (\$bn)	Est. yield on cost	FY21	FY22	FY23	FY24	FY25	FY26+
City-shaping office developments										
Waterfront Brisbane QLD	n/a	DA approved	\$2.2	5-6%						
Central Place Sydney NSW ^{2,3}	4%	Stage 3 USP	\$1.1	5-6%						
60 Collins Street, Melbourne VIC	2%	DA approved	\$0.6	5-6%						
Pitt & Bridge Precinct, Sydney NSW	4%	Planning phase	\$2.8	5-6%						
Other uncommitted projects										
140 George Street, Parramatta NSW ⁴	n/a	DA Approved	\$0.4	6-7%						
150 George Street, Parramatta NSW	8%	Planning phase	\$0.1	6-7%						
123 Albert Street, Brisbane QLD	8%	Planning phase	\$0.2	5-6%						

1. Dexus Group share in project cost (including cost of land where purchased for development and excludes downtime and income earned through development).
2. Excluding external party share of project cost, cost of land already owned, downtime and income earned through development.
3. Includes 14 Lee Street, Sydney only.
4. Is an existing car park.

Income producing	Short term leasing strategy	Development phase
------------------	-----------------------------	-------------------

Core industrial development

Progressing \$1.2 billion of key projects

Freeman Central, 425-479 Freeman Road, Richlands, QLD



\$84m expected project cost.

65% leased¹

FY21 expected completion

Ownership
DALT 100%

Loop, 54 Ferndell Street, South Granville, NSW



\$163m expected project cost

66% leased

FY21 expected completion

Ownership
DALT 100%

Horizon 3023, 11-167 Palm Springs Road, Ravenhall, VIC



~\$500m expected project cost

85% leased²

FY25 expected completion

Ownership
DALT 50% DWPF 50%

\$1.2bn
Industrial
pipeline
39%
committed³

To contribute
c.\$650m
to third
party FUM by
2025

~800,000sqm
of prime industrial
facilities delivered
since 2010

Modern, functional, high quality facilities that deliver superior long-term property solutions for our customers

1. Stage 1 of the development only.
2. Combined % leased for 18 Momentum Way and 47 Momentum Way, Ravenhall VIC.
3. Including 18 and 47 Momentum Way Ravenhall VIC, 54 Ferndell Street, South Granville NSW, 425-479 Freeman Road, Richlands QLD and Lot 401 Innovation Drive, Merrifield NSW.

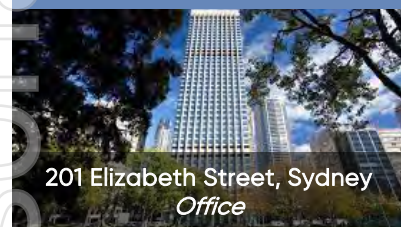
Consistent delivery of trading profits over time

Delivered \$436 million¹ in trading profits since FY12

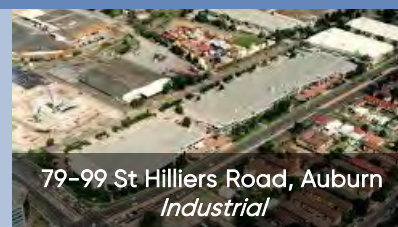
- › Trading projects since FY12, have delivered \$436 million¹ in trading profits achieving an average unlevered property IRR of circa 28% per annum
- › These investments comprise a combination of reposition to sell, develop to sell and higher and better use strategies
- › Success achieved across diverse asset classes including office, industrial, mixed use and healthcare

	FY15	FY16	FY17	FY18	FY19	FY20	HY21
Post tax profit	\$42.6m ✓	\$63.3m ✓	\$47.2m ✓	\$36.6m ✓	\$34.7m ✓	\$35.3m ✓	\$47.1m HY21 secured
Post tax guidance	\$40m	\$60m	\$45-50m	\$35-40m	\$35-40m	\$35-40m	

Case studies



19%²
unlevered IRR³
Rezoning and DA
Sold in 2 tranches in 2019-2020
\$69m trading profits¹



56%
unlevered IRR³
Rezone, lease and develop
Sold in 2017
\$26m trading profits¹



32%
unlevered IRR³
Rezoning and DA
Sold in 2018
\$49m trading profits¹

1. Trading profits pre tax.

2. The unlevered IRR represents the total return realised from the disposal of Dexus's interest in 201 Elizabeth Street and has been measured from the date of being classified as a trading asset.

3. IRRs are calculated using pre tax figures.

Trading profits

FY21-FY22 de-risked for investors

- › Delivered \$47.1 million of HY21 trading profits (post tax)
- › Increased secured trading profits across FY21 and FY22 to circa \$95 million (pre tax)¹

Trading projects	Trading strategy	FY21	FY22	FY23+
201 Elizabeth Street, Sydney	Rezoning and DA	✓		
North Shore Health Hub, 12 Frederick Street, St Leonards – Stage 1 ²	Healthcare development	✓		
Truganina (Laverton) properties ^{3,4}	Development	✓		
Botany Quarter (Lakes Business Park South), Botany ⁴	Development	✓		
436-484 Victoria Road, Gladesville ⁵	Rezoning			
12 Frederick Street, St Leonards – Stage 2	Data Centre development			

Focus on activating 12 Frederick Street, St Leonards Stage 2 development and replenishing the pipeline

Key	✓ Secured	Contracted	HOA
-----	-----------	------------	-----

1. Including contribution from 201 Elizabeth Street, Sydney, North Shore Health Hub, 12 Frederick Street, St Leonards – Stage 1, Truganina properties, Lakes Business Park South, Botany and Victoria Road, Gladesville.
2. During FY20, Dexus sold the North Shore Health Hub on a fund-through basis to HWPf and continues to manage the development, with trading profits realised across FY20 and FY21, with the amount for each financial year dependent on the progress of the development and leasing.
3. Share of Truganina (Laverton) lots which sit in inventory.
4. During HY21, Dexus contracted to sell six trading assets to DALT, which are expected to realise circa \$35 million of trading profits (pre-tax) in FY21 and FY22 (in the event the options are exercised). Dexus settled on tranche 1 of Truganina and Lakes Business Park South in October and December 2020, respectively. Tranche 2 is expected to settle mid-2021.
5. During HY21, Dexus entered into put and call option agreements which can be exercised in FY21 or FY22.



Summary

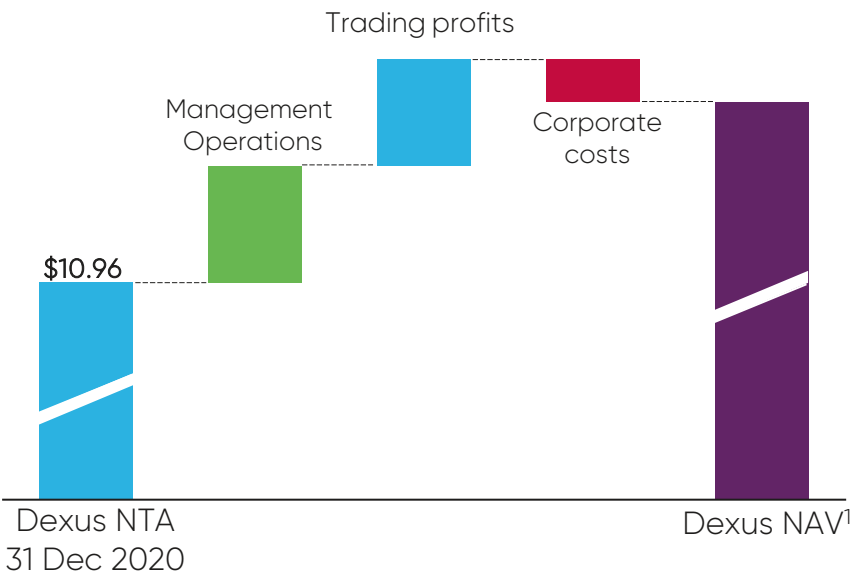
Investment highlights

Dexus provides exposure to a high-quality, diversified real estate platform

- ✓ Fully integrated real estate ownership, management and development platform
- ✓ Direct exposure to high quality assets in diverse and key performing markets
- ✓ Funds Management enables capital efficient investment across multiple sectors
- ✓ Embedded long term value upside via high quality development pipeline
- ✓ Globally recognised leadership in ESG principles for sustained value creation

1. Net Asset Value.

Underlying value of overall Dexus business compares favourably to current security price



Note: Illustrative build up of underlying value across Dexus business.

Summary

Focus on growth in capital efficient funds management business

- › Expect the impacts of the COVID-led recession to continue to flow through the Australian economy in 2021
- › Strong leasing activity and enquiry across our property portfolio
- › Robust asset valuations supported by strong investment demand
- › Uncertainty on the impacts of working from home on the office sector
 - Confident that office will remain a core requirement for our customers and will continue to deliver solid long-term investor returns
 - Dexus has been preparing for increased flexibility for many years pre-COVID
- › Expect an FY21 full year distribution per security amount consistent with FY20¹

1. Subject to there being no reinstatement of any major lockdowns or unforeseen circumstances. The FY20 full year distribution per security amount was 50.3 cents.



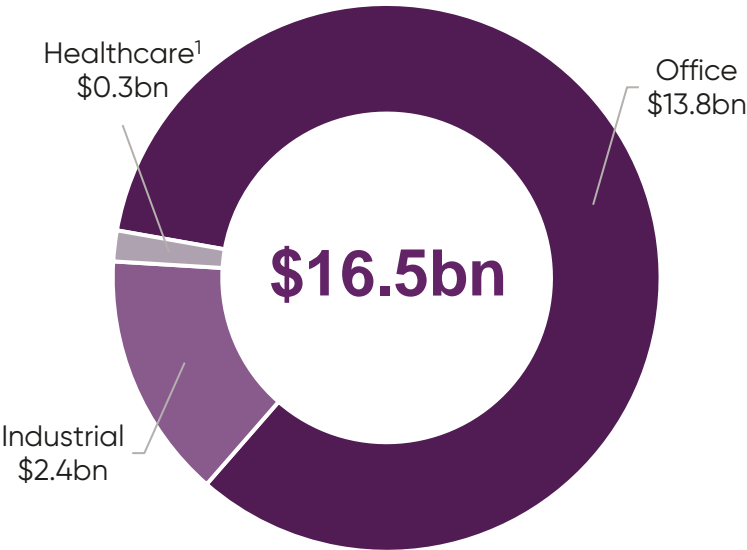
Appendices



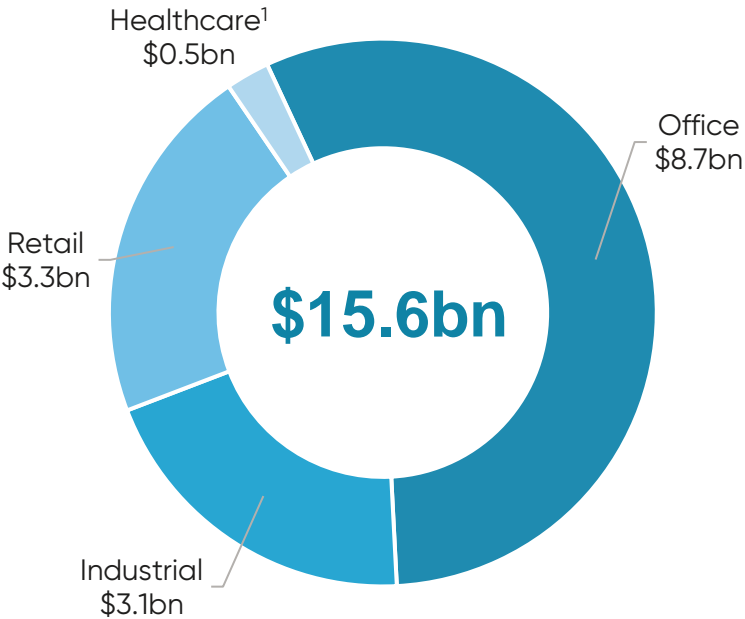
Dexus today

\$32.1 billion total funds under management

Dexus portfolio



Funds Management portfolio



1. Current 'as is' value as at 31 December 2020.



80 Collins Street, Melbourne VIC.

9 February 2021

Megatrends support long-term value creation for Dexus strategy

COVID-19 pandemic has accelerated key megatrends

Urbanisation / cities

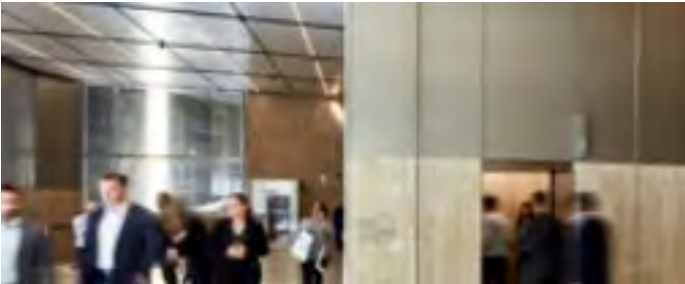


Urbanisation in some major cities both in Australia and around the world is increasing

Dexus implications:

- › An investment in Dexus is an investment in Australia's cities, which we believe are locations where customers want and need to be
- › Dexus does not believe COVID-19 will shift the ongoing megatrend of urbanisation
- › Dexus continues to invest in key CBD locations and is enhancing precinct developments to maximise value from the existing portfolio

Growth in pension capital fund flows



Funds under management within pension funds are predicted to increase significantly with real estate expected to receive a higher share of capital allocation

Dexus implications:

- › Dexus is a leading Australian real estate fund manager, providing wholesale investors with exposure to quality sector specific and diversified real estate investment products
- › These funds have a strong track record of performance and benefit from the leasing, asset and property management capabilities provided by Dexus
- › Dexus often invests alongside third-party capital partners further supporting its strategy to generate superior risk-adjusted returns

Technological change



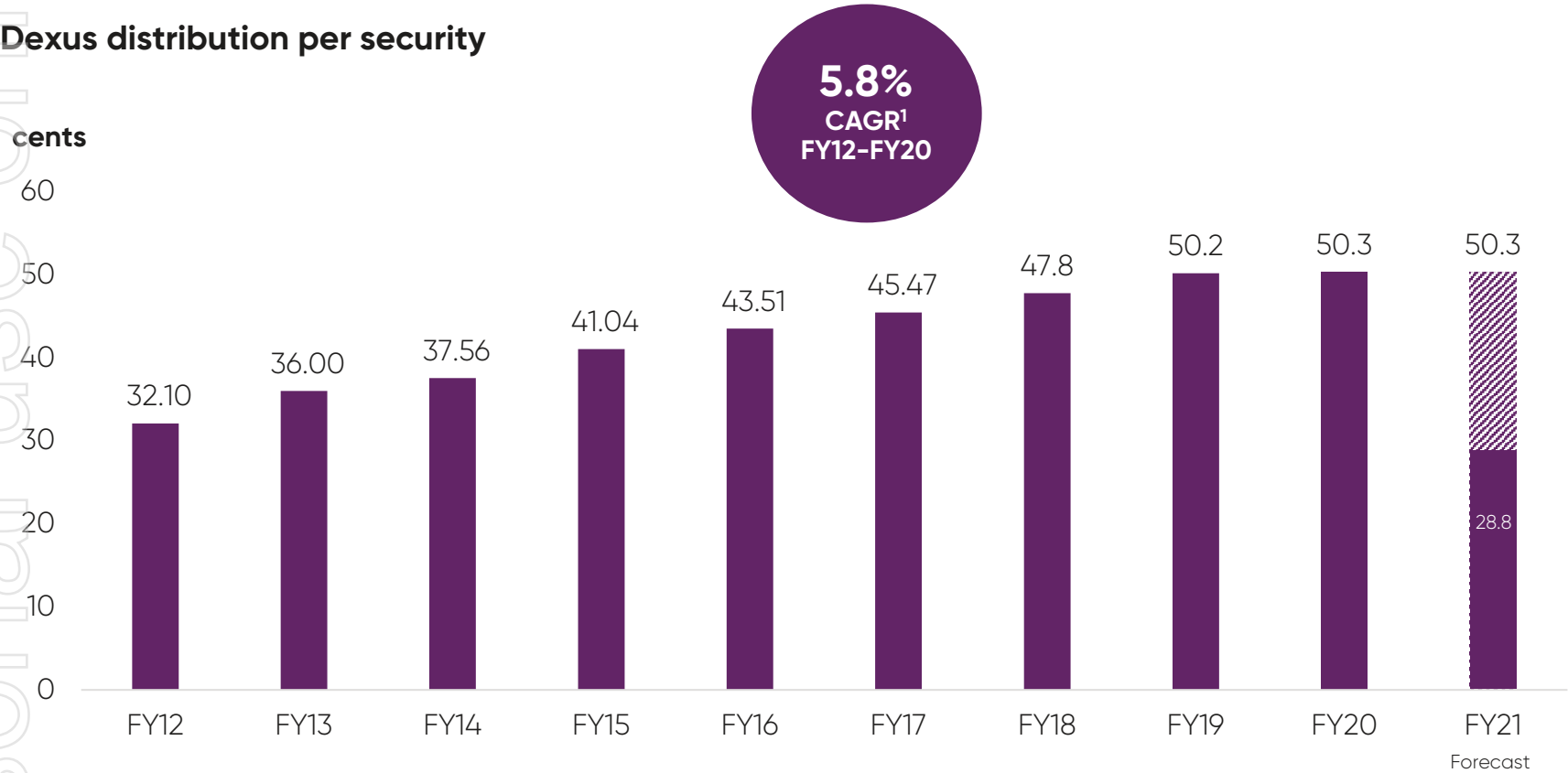
Technological advancements in AI, automation, big data and analytics are creating new jobs and driving mobility and collaboration in workplaces

Dexus implications:

- › Dexus continues to invest in innovative technologies to deliver a better customer experience and optimise workforce productivity
- › Dexus's smart buildings strategy enables connectivity and flexibility across workplace locations
- › Dexus's commitment to technology is demonstrated in its investment into the Taronga platform and fund, enabling it to secure first-mover advantage on next generation technology solutions for all stakeholders

Delivering sustained value

Dexus distribution per security



1. Compound Annual Growth Rate (CAGR) is calculated over eight years. Adjusted for the one-for-six security consolidation in FY15.



Waterfront Place, Brisbane QLD.

9 February 2021

Financial results

Reconciliation to statutory profit

Reference	Item	31 Dec 2020 \$m	31 Dec 2019 \$m
Statutory AIFRS net profit after tax		442.9	994.2
Investment property and inventory	(Gains)/losses from sales of investment property	(0.7)	(0.7)
	Fair value gain on investment properties	(160.8)	(724.4)
Financial instruments	Fair value (gain)/loss on the mark-to-market of derivatives	65.7	18.7
Incentives and rent straight-lining	Amortisation of cash and fit out incentives	28.9	29.3
	Amortisation of lease fees	7.0	7.2
	Amortisation of rent-free incentives	40.9	37.2
	Rent straight-lining	(0.6)	(13.1)
Tax	Non-FFO tax expense	(3.1)	2.9
Other unrealised or one-off items ¹	Other unrealised or one-off items	(44.6)	26.9
Funds From Operations (FFO)		375.6	378.2
Maintenance and leasing capex	Maintenance capital expenditure	(18.9)	(23.4)
	Cash incentives and leasing costs paid	(12.6)	(26.0)
	Rent free incentives ²	(30.3)	(33.5)
Adjusted Funds From Operations (AFFO)		313.8	295.3
Distribution		313.6	296.0
Distribution Payout (% AFFO)		99.9%	100.2%

1. HY21 other unrealised or one-off items includes \$61.2 million of unrealised fair value gains on interest bearing liabilities, \$5.1 million amortisation of intangible assets, \$4.7 million reversal of impairments on inventory, \$14.3 million of coupon income rental guarantees and other and \$1.9 million of transactions costs.

2. Includes rent waiver adjustment of \$1.3 million for tenants not in arrears.

Financial results

Management operations profit

HY21 (\$m)	Property Management	Funds Management	Development Management	Management Operations
Revenue	31.9	34.6	6.2	72.8
Operating expenses	(25.9)	(13.1)	(6.4)	(45.5)
HY21 net profit	6.0	21.5	(0.2)	27.3
HY21 margin	19%	62%	(3%)	38%
HY20 margin	27%	62%	8%	40%



100 Mount Street, North Sydney NSW

9 February 2021

Financial results

Cash flow reconciliation

	31 Dec 2020 \$m	31 Dec 2019 \$m
Cash flow from operating activities	499.7	439.7
payment for inventory acquisition and capex	55.7	35.2
cost of sale of inventory	(220.9)	(188.6)
tax on trading profits not yet paid	(20.2)	(11.9)
capitalised interest	1.3	4.6
adjustments for equity accounted distributions	56.7	37.0
other working capital movements	(20.8)	36.1
transaction costs	2.4	0.7
Adjusted cash flow from operating activities	353.9	352.8
Rent free income	30.3	33.5
Depreciation and amortisation (including deferred borrowing costs)	(8.6)	(8.1)
FFO	375.6	378.2
Less: payments from maintenance capex and incentives ¹	(61.8)	(82.9)
AFFO	313.8	295.3
Less: gross distribution	(313.6)	(296.0)
Cash surplus/(deficit)	0.2	(0.7)

1. Includes cash and fitout incentives, lease fees, rent-free incentives and rent relief benefit of \$1.3 million for tenants not in arrears.

Rent relief treatment

HY21 rent relief \$15.5 million impact on AFFO

- › Rent relief is provided in the form of rent waivers or rent deferrals
- › HY21 rent relief amounts are estimates¹
- › Estimated rent waivers impact AFFO in the period they relate to
- › Estimated rent waivers impact statutory profit once rent relief amounts are finalised, or prior to execution if a provision for expected credit losses is raised against debtors for tenants in arrears. If a tenant is not in arrears, a provision cannot be raised for estimated rent waivers
- › Once the final rent relief amount is agreed with the tenant, the rent relief will be straight-lined over the remaining term of the lease from that date, except to the extent there is a pre-existing provision for expected credit losses

Rent waivers					Rent deferrals ²			Provision for expected credit losses			
	Where tenant is in arrears	HY21 \$m	Where tenant not in arrears	HY21 \$m	HY21 \$m		Total \$m	HY21 \$m		Total \$m	
FFO	Reduced FFO in the period it relates to ³	(\$12.6m)	No impact	Nil	No impact	Nil		(\$12.6m)	Reduced FFO		(\$4.2m)
AFFO	Reduced AFFO in the period it relates to	(\$12.6m)	Impacts AFFO in the period it relates to ⁴	\$1.3m	No impact	Nil		(\$11.3m)	Reduced AFFO		(\$4.2m)
Statutory Profit ⁵	Increased property expenses in the period it relates to	(\$12.6m)	No impact	Nil	No impact	Nil		(\$12.6m)	Increased Property Expenses		(\$4.2m)
Estimate assumptions and rationale	<div>› HY21 rent relief estimates are for the period July to December 2020</div> <div>› Small and medium business customers<ul style="list-style-type: none">- Assumed a level of rental assistance that is at least in line with the Code of Conduct- The proportion of wavier versus deferral was assessed based on level of impact from COVID-19</div> <div>› Large companies<ul style="list-style-type: none">- Assessed relief based on tenant industry and level of impact from COVID-19- Rent relief generally provided in form of deferrals</div>						<div>› Estimated credit losses on debtors including deferrals and excluding estimated rent waivers for tenants in arrears</div> <div>› Risk of credit loss is based on a probability weighted assessment of risk of default by industry, size of tenant and specific knowledge of any recoverability risk</div>				

1. On the basis that final rent relief amounts have not been agreed with tenants as at 31 December 2020.

2. Estimated deferrals of \$7.5 million are earned revenue with an associated receivable. A separate assessment of the recoverability of the rent receivable is performed and any associated provision is included in the Provision for expected credit losses.

3. Estimated rent waivers where a tenant is in arrears is classified within Provision for expected credit losses.

4. Estimated rent waivers where a tenant is not in arrears are classified within AFFO Capex. The cumulative estimated waivers as at 31 December 2020 to be provided to tenants not in arrears is \$10.5 million. Given an AFFO capex adjustment of \$11.8 million was recognised in FY20, a one-off addition to AFFO of \$1.3 million has been recognised in HY21.

5. On a look-through basis.

Financial results

Interest reconciliation

	31 Dec 2020 \$m	31 Dec 2019 \$m
Total statutory finance costs	70.6	73.7
Less: unrealised interest rate derivative and exchangeable note MTM gain/(loss) ¹	(0.9)	(6.0)
Less: finance costs attributable to investments accounted for using the equity method ²	(3.9)	(0.3)
Less: AASB 16 interest expense and debt modification	(0.4)	(0.6)
Net finance costs for FFO³	65.4	66.8
Add: interest capitalised	7.2	8.8
Gross finance costs for cost of debt purpose	72.6	75.6

1. Unrealised interest rate derivatives MTM gain of \$4.9 million (HY19 loss of \$2.9 million), exchangeable note MTM loss of \$4.0 million (HY19 loss of \$2.5 million) and amortisation of exchangeable notes and debt modifications of \$1.8 million (HY19 \$0.6 million).

2. Includes finance costs associated with properties held in investments accounted for using the equity method.

3. Excludes interest income of \$0.5 million (HY19: \$0.3 million).

Financial results

Changes in net tangible assets and valuations

	\$m	\$ps		Investment portfolio	Valuation change \$m	Weighted average cap rate	% of portfolio
Opening net tangible assets ¹ (1 Jul 20)	11,850.8	10.86		Dexus Office portfolio	32.8	4.95%	84%
Revaluation of real estate	160.8	0.15		Dexus Industrial portfolio	112.0	5.36%	15%
Retained earnings ²	62.0	0.06		Total Dexus portfolio⁵	160.8	5.01%	100%
Amortisation of tenant incentives ³	(76.2)	(0.07)					
Fair value and other movements ⁴	(66.2)	(0.04)					
Closing net tangible assets¹ (31 Dec 20)	11,931.2	10.96					

1. Net tangible assets exclude \$73.2 million deferred tax liability relating to management rights.
2. Represents HY21 FFO less distributions.
3. Includes rent straight-lining.
4. Primarily includes fair value movements of derivatives and interest-bearing liabilities, deferred tax, gain from sale of investment properties, movement in reserves and other.
5. Includes healthcare portfolio and leased assets revaluation gain of \$16.0 million.

Financial results

Direct property portfolio book value movements

	Office ¹ \$m	Industrial ¹ \$m	Dexus total ¹ \$m	Trading assets ² (inventory) \$m
Opening direct property	14,171.2	2,233.2	16,404.4	335.8
Lease incentives ³	30.9	1.1	32.0	0.1
Maintenance capex	17.0	1.9	18.9	0.1
Acquisitions	92.6	104.8	197.4	-
Developments ⁴	161.0	70.1	231.1	10.6
Disposals ⁵	(672.1)	(73.5)	(745.6)	(176.2)
Revaluations ⁶	35.5	114.1	149.6	4.7
Amortisation	(69.3)	(6.9)	(76.2)	(0.6)
Rent straight lining	1.6	(0.9)	0.7	0.3
Transfer from inventories				(11.5)
Closing balance at the end of the period	13,768.4	2,443.9	16,212.3	163.3

1. Includes Dexus's share of equity accounted investments and excludes healthcare and leased assets.
2. Trading assets are included in Office, Industrial and Dexus total amounts.
3. Includes rent free incentives.
4. Includes capitalised interest.
5. At book value and includes internal transfers from investment property.
6. Excludes healthcare portfolio and leased assets.



123 Albert Street, Brisbane QLD.

9 February 2021

Capital management

HY21 position

Debt maturity profile¹



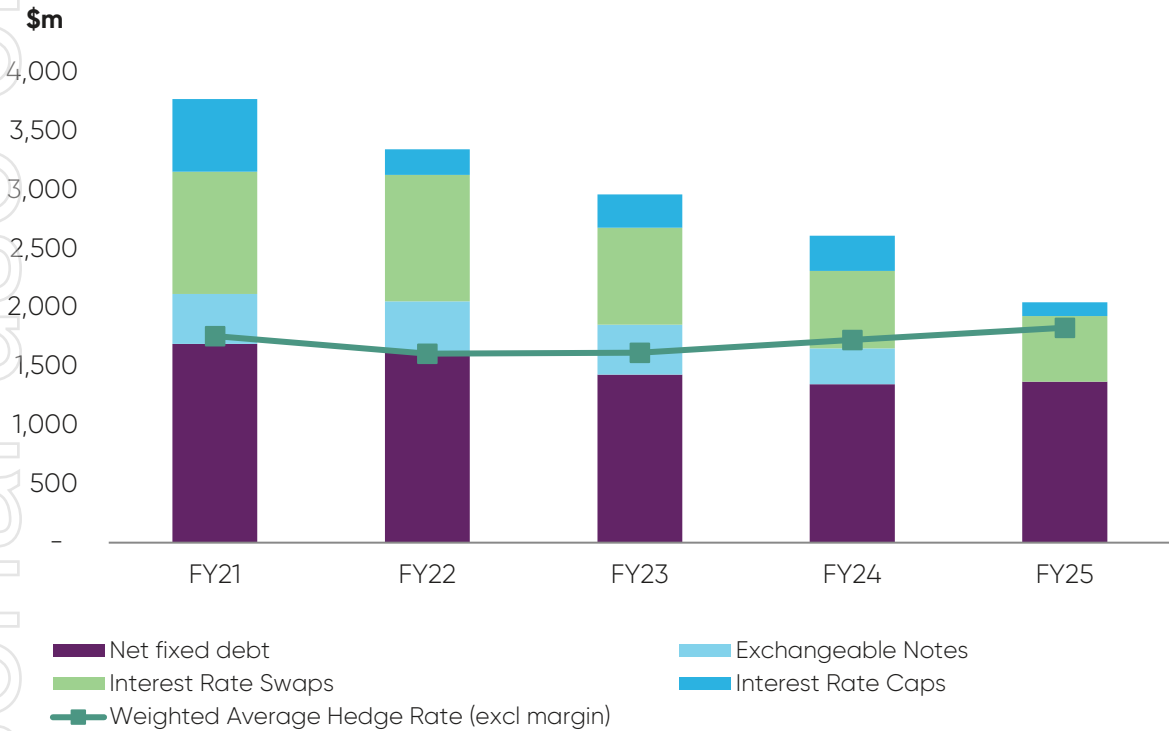
1. Includes \$425 million Exchangeable Notes based on investor put date in FY24.
2. Total debt does not include debt in equity accounted investments.
3. Undrawn facilities plus cash.
4. Adjusted for cash and debt in equity accounted investments, excluding the impact of the contracted divestments of 60 Miller Street, North Sydney and Grosvenor Place, Sydney.
5. Proforma gearing adjusted for cash and debt in equity accounted investments. Look-through gearing at 30 June 2020 was 26.3%.
6. As per public bond covenants.
7. Look-through interest cover is 5.5x.

Key metrics	31 Dec 2020	30 June 2020
Total debt ²	\$4,500m	\$4,838m
Headroom (approximately) ³	\$1.7bn	\$1.6bn
Gearing (look-through)	24.9% ⁴	24.3% ⁵
Covenant gearing (covenant ⁶ <55%)	24.9%	25.4%
Interest cover (covenant ⁶ >2.0x)	5.7x ⁷	5.7x
Priority debt (covenant ⁶ <30%)	0%	0%

Capital management

Interest rate hedging profile

Hedge maturity 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.

Hedging profile	31 Dec 2020	30 June 2020
Average amount of debt hedged ¹	81%	78%
Average amount of debt hedged excluding caps	68%	62%
Weighted average interest rate on hedged debt ²	1.8%	2.1%
Cost of debt ³	3.1%	3.4%
Weighted average maturity of hedges	5.4 years	6.4 years

Capital management

Debt facilities¹

	Facility limit A\$m	Drawn A\$m	Maturity	Currency
Bilateral bank debt	300	69	FY22	A\$
	400	236	FY23	A\$
	350	100	FY24	A\$
	550	100	FY25	A\$
	375	0	FY26	A\$
	225	6	FY27	A\$
Commercial paper²	100	100	FY23	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 (144A)³	305	305	FY21	US\$
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 notes	425	425	FY24 ⁴	A\$
Sub total	5,865	4,176		

	Facility limit A\$m	Drawn A\$m
Sub total	5,865	4,176
Currency translation and fair value adjustments	366	366
Deferred borrowing costs	(18)	(18)
Exchangeable Notes adjustments	(24)	(24)
Total interest bearing liabilities	6,189	4,500
Bank guarantee utilised		(59)
Cash		47
Headroom including cash		1,677

- Does not include debt facilities in equity accounted investments: \$24.4 million (November 2022), \$11.5 million (December 2022), \$41.2 million (February 2023) and \$189.4 million (June 2025).
- Based on maturity date of commercial paper standby facility.
- 144A and USPP US\$ amount shown at the cross-currency swap contract rate.
- Based on investor put date in FY24.

Accelerating growth in funds management

Creating leading investment vehicles via unparalleled access to deal flow

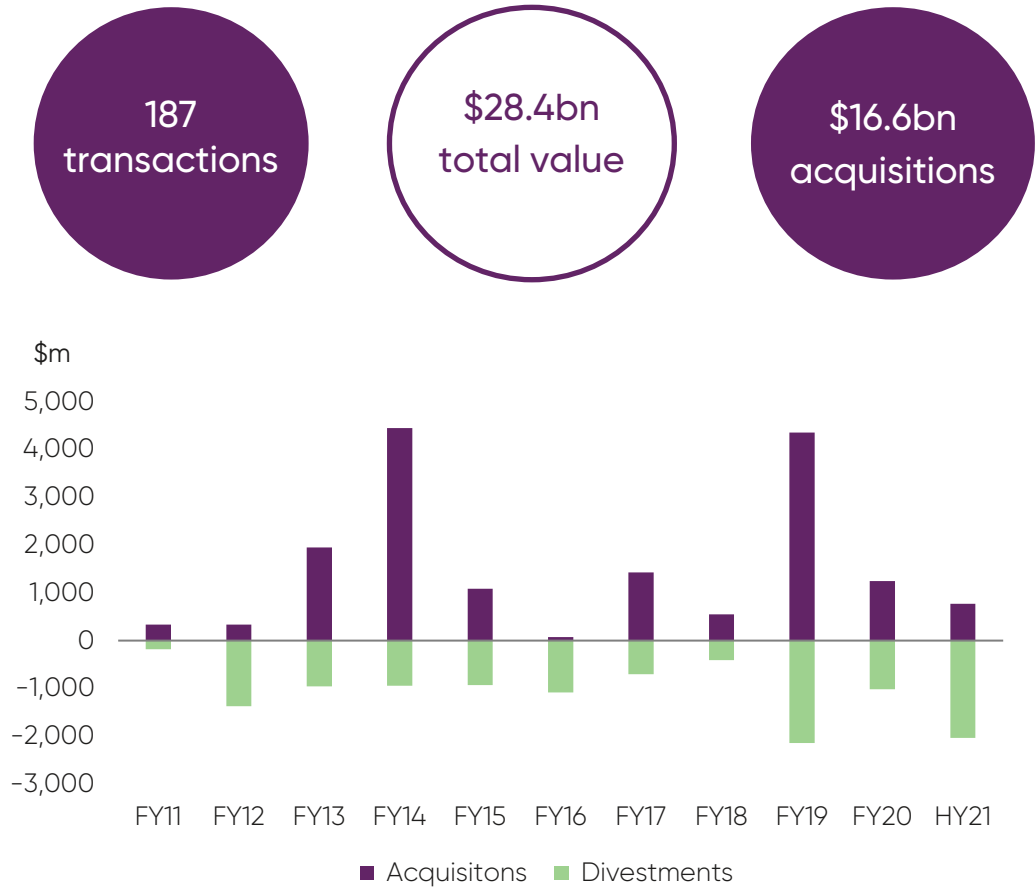
Track record of unlocking complex property and corporate transactions for capital partners

- › Co-investment with Dexus provides manager alignment
- › 50% of transactions completed off market, demonstrating depth of industry relationships
- › \$3.4bn CPA REIT Takeover in FY14 enabled creation of Dexus Office Partnership and City Shaping development sites

\$5.6bn development pipeline

- › Accelerating growth of funds via high quality funds management development pipeline

Group Transactions FY11-HY21



Rialto Towers, Melbourne VIC.

Funds management development pipeline

Accelerating growth of funds via high quality pipeline



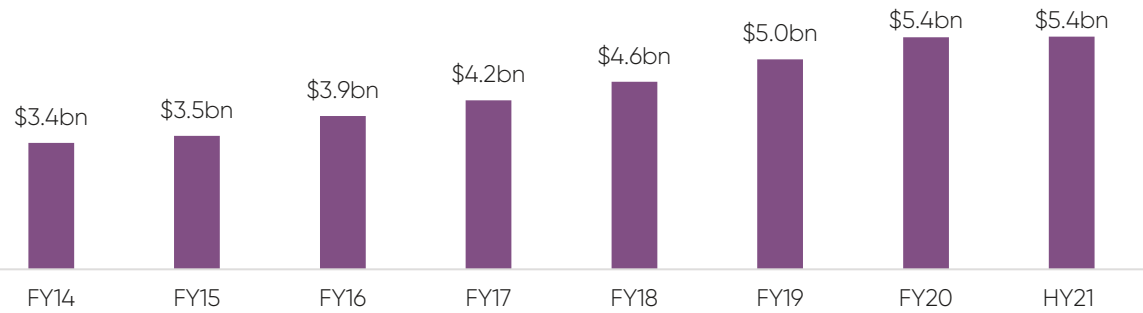
Project cost on uncommitted projects in Funds Management business

Uncommitted projects	FY21	FY22	FY23+
Office – 7 properties	\$3.7bn		
Industrial – 2 properties	\$0.4bn		
Project cost on uncommitted Funds Management projects	\$4.1bn		

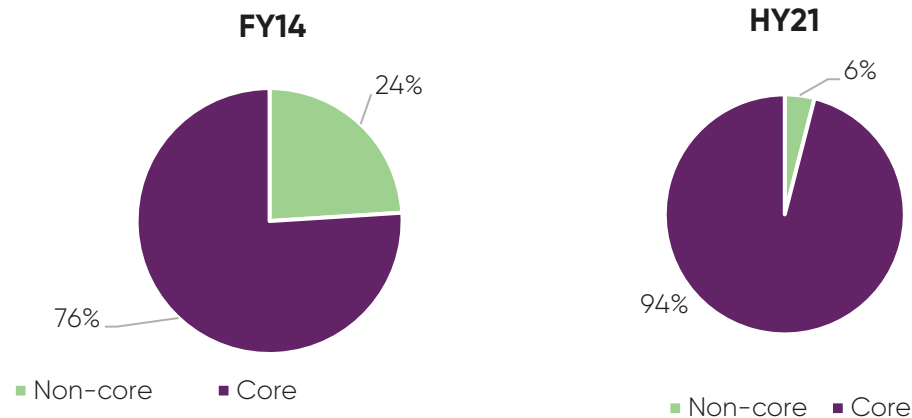
Case study: Dexus Office Partnership

Portfolio optimisation via active management

Dexus Office Partnership FUM grew by 58% since FY14

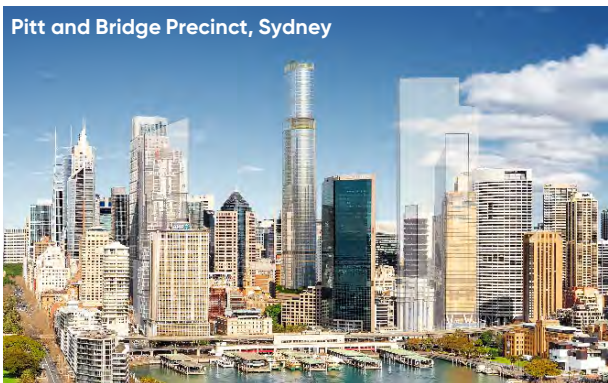


Portfolio optimisation (76% to 94% core), enhancing portfolio quality and resilience



Portfolio optimisation via:

- › **Divestment** of non-core assets including:
 - 108 North Terrace, Adelaide
 - 136 George Street, Burwood
 - 46 Colin Street, West Perth
 - 11 Waymouth Street, Adelaide
 - Finlay Crisp Centre, Canberra
- › **Acquisitions** leading to site amalgamation and progression of master planning to secure city shaping development sites:
 - Pitt & Bridge Precinct, Sydney
 - Central Place, Sydney



Property portfolio

Key metrics

Key metrics	Office	Industrial
Amount of space leased ¹	93,691sqm ²	168,749sqm
No. of leasing transactions	135 ²	46
Occupancy by income	96.0%	95.5%
Occupancy by area	96.0%	97.3%
Average incentives	22.0% ³	19.7% ⁴
No. of effective deals	31	18
Weighted Average Lease Expiry ⁵ (WALE)	4.2 years	4.3 years
Like-for-like income growth (excluding rent relief and provision for expected credit losses)	Face +2.6% ⁶ Effective +1.5% ⁶	Face +2.1% ⁷ Effective +1.0% ⁷

1. Including Heads of Agreement.
2. Excluding development leasing of 7,179sqm across 16 leasing transactions.
3. Gross basis excluding development leasing.
4. Net basis.
5. By income.
6. Including rent relief and provision for expected credit losses effective LFL growth was Face -2.3% and Effective -4.6%.
7. Including rent relief and provision for expected credit losses effective LFL growth was Face +0.3% and Effective -1.0%.



80 Collins Street, Melbourne VIC.



5 Martin Place, Sydney NSW.



9 Custom Place, Truganina VIC.



58 Foundation Road, Truganina VIC.

Office portfolio

Premium quality, prime locations

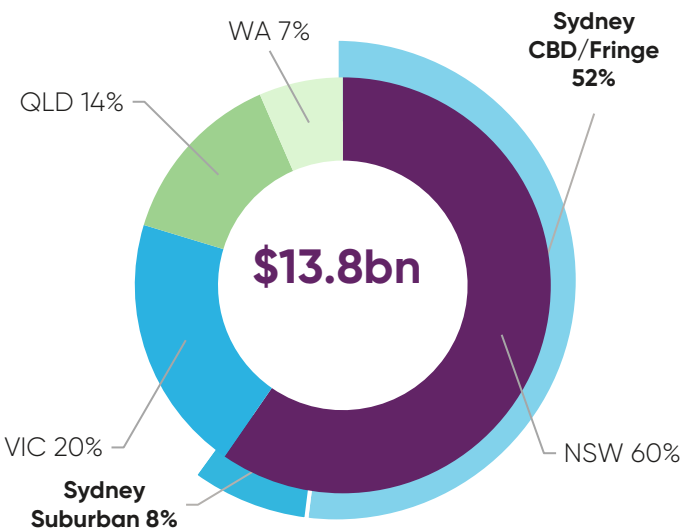
Well located portfolio in proximity to amenity and transport

52% located in Sydney CBD

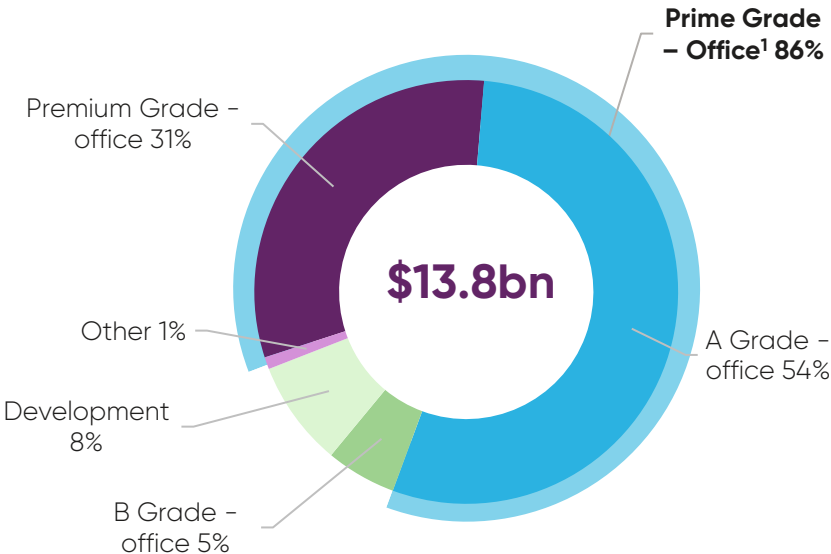
Challenging markets see flight to quality

86% Prime portfolio¹

Office by location



Office by asset type



¹ Prime grade buildings represent 93% of the office portfolio including stabilised assets only and excluding development-affected assets and land.

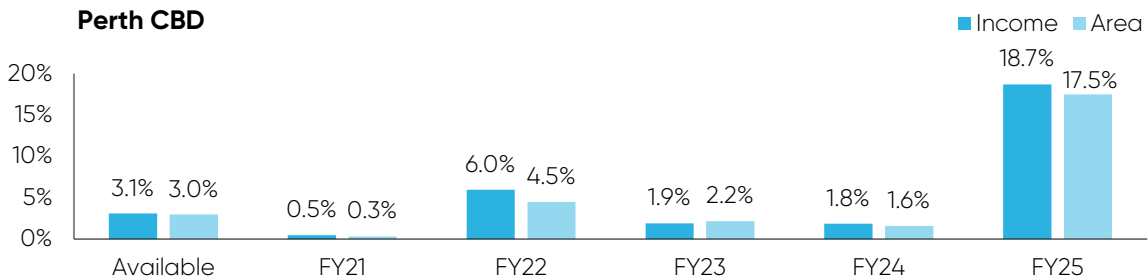
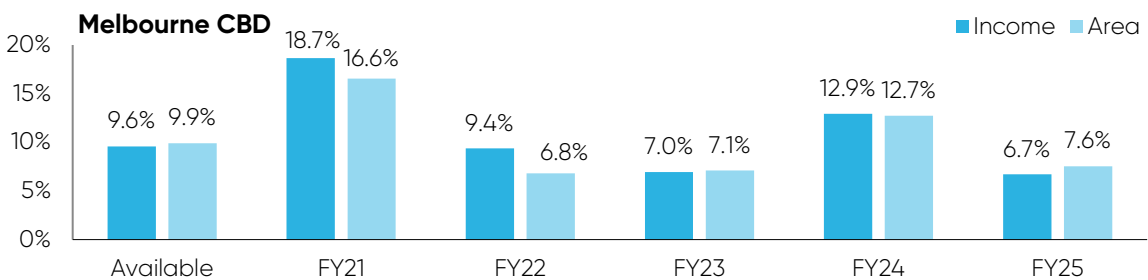
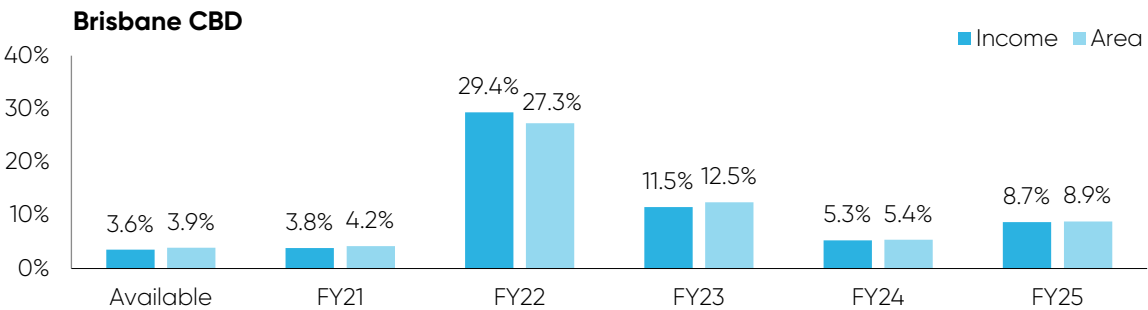
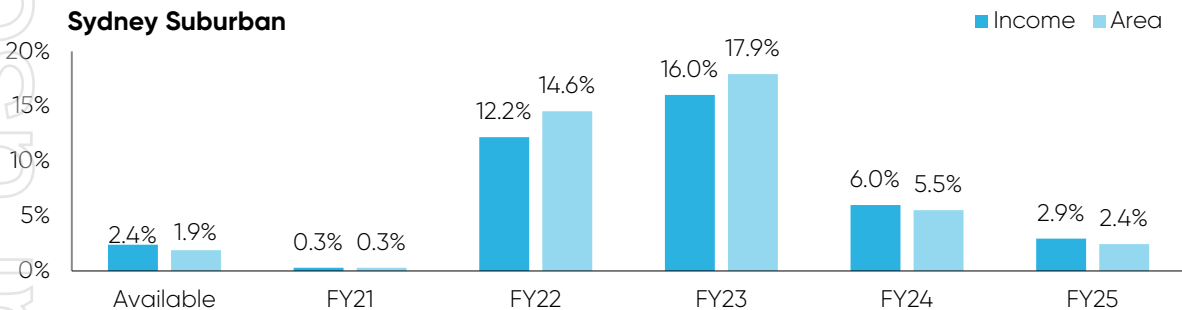
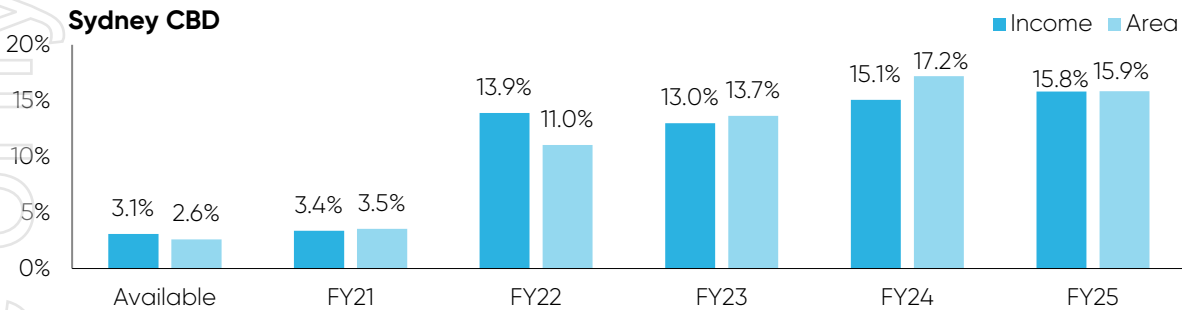


Sydney CBD NSW.

9 February 2021

Office portfolio

Office lease expiry profiles by region



Dexus Office ¹	Value (\$m)	Cap rate (%)	Yield ² (%)
Sydney CBD	6,559	4.7%	4.6%
Sydney Suburban	1,033	5.1%	5.2%
Melbourne CBD	2,227	5.2%	4.2%
Brisbane CBD	1,744	5.2%	5.9%
Perth CBD	829	5.8%	6.5%

1. Includes stabilised properties only.
2. Passing FFO yield based on annualised Property Funds From Operations for the month of January 2021.

Office portfolio

Strong customer covenants

Office top 10 customers

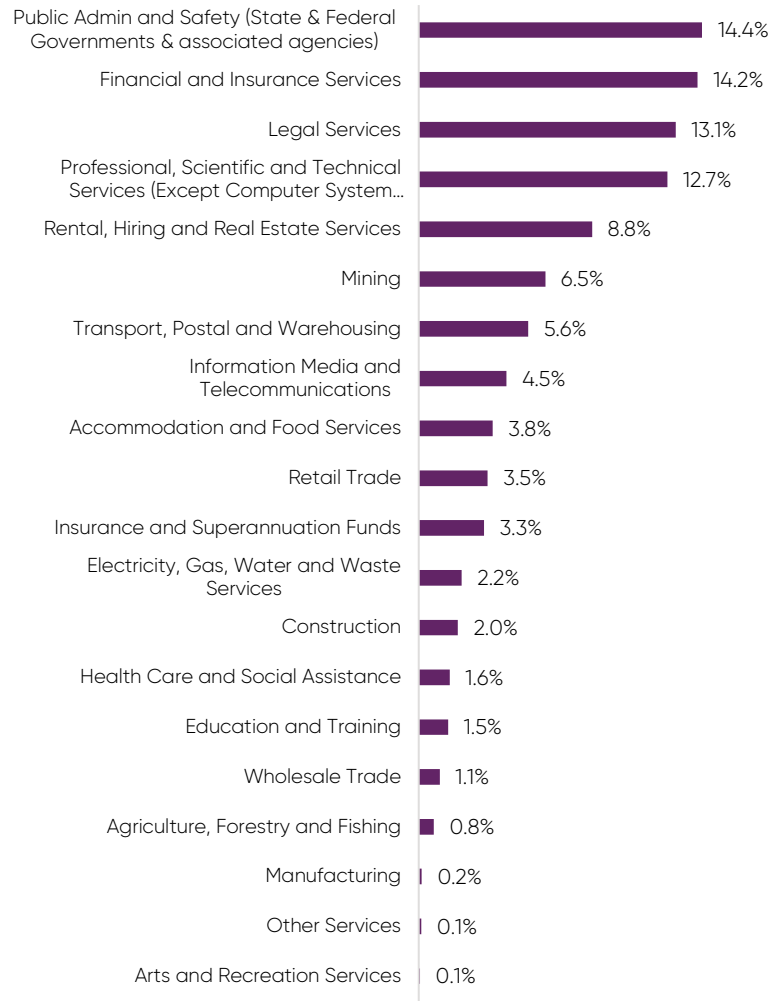
Office customers ¹	Credit rating ²	% of income ³
State of Victoria	AAA	3.3%
Wilson Parking	Not rated	3.1%
Rio Tinto	A	3.1%
Commonwealth of Australia	AAA	3.0%
Worley	Not rated	1.1%
BDO Services	Not rated	1.1%
John Holland	Not rated	1.1%
Commonwealth Bank of Australia	AA-	1.1%
Herbert Smith Freehills	Not rated	1.1%
NBN	A+	1.0%

1. Total Dexus portfolio includes executed Heads of Agreement at 31 December 2020.
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).



100 Mount Street, North Sydney NSW.

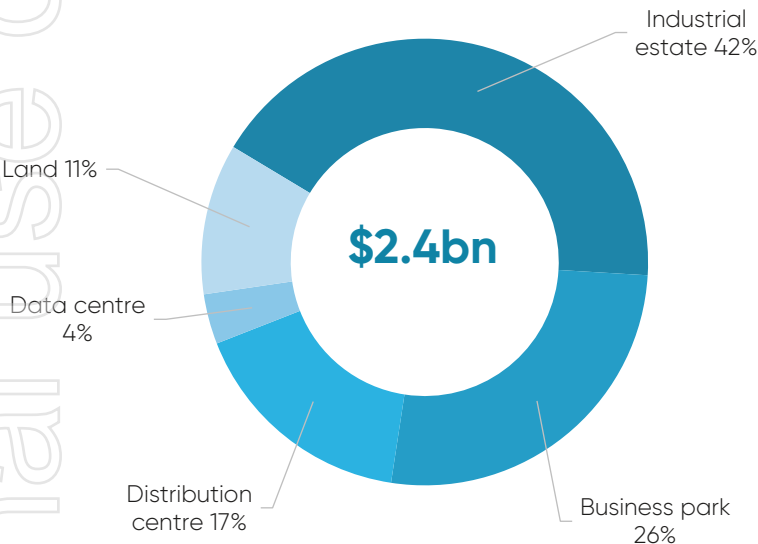
Diversity of office customers (by income), showing limited concentration risk



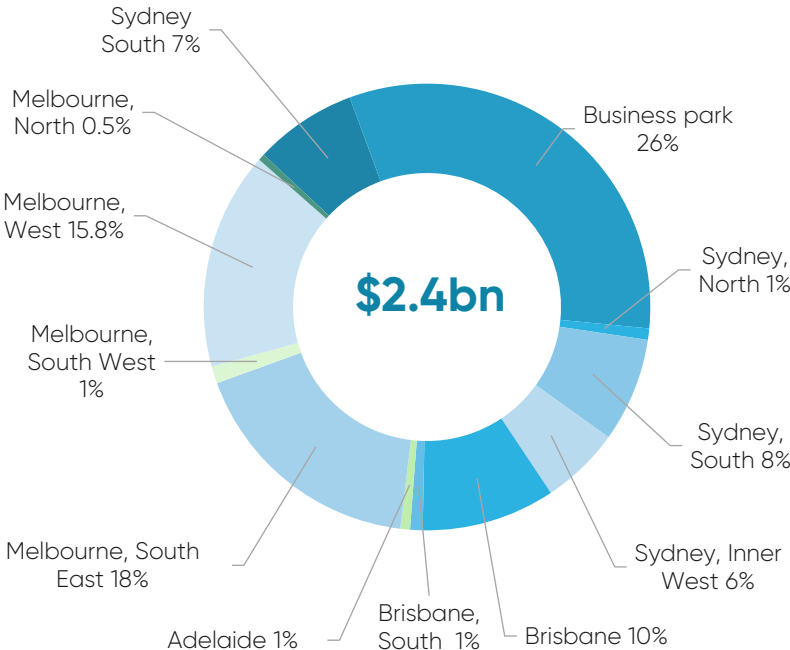
Industrial portfolio

Prime quality, high conviction locations

Industrial by asset type



Industrial by location



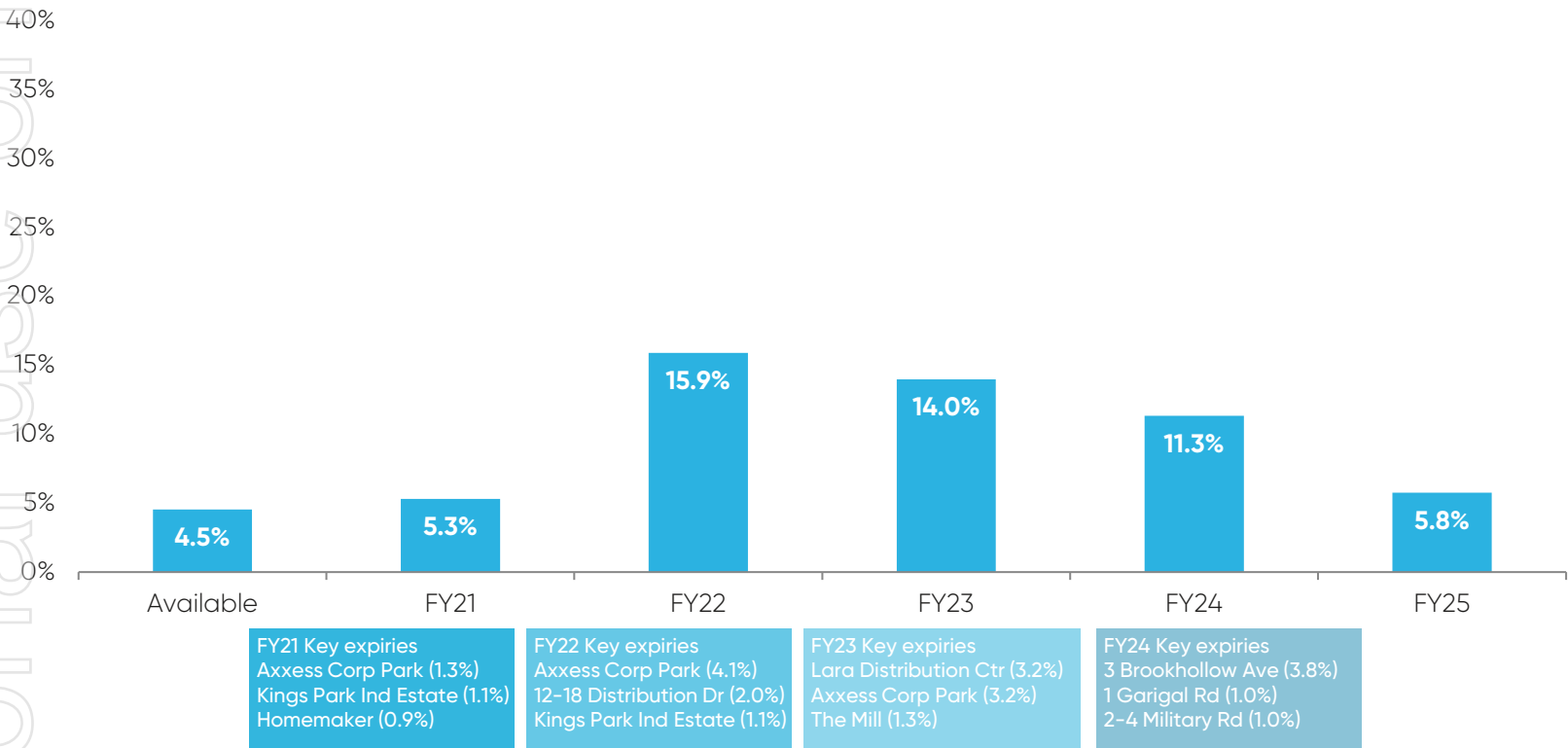
425 Freeman Drive, Richlands QLD.



Dunlop, 380 Dohertys Road, Truganina VIC.

Industrial portfolio lease expiry profile¹

Staggered and long dated expiries



¹ By income.

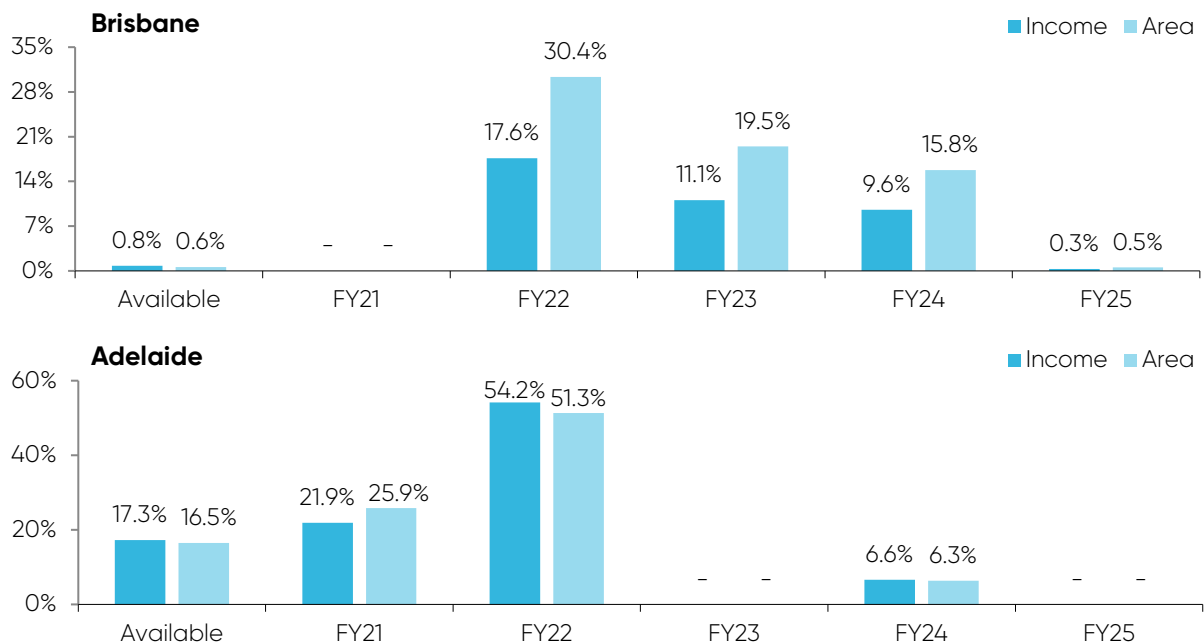
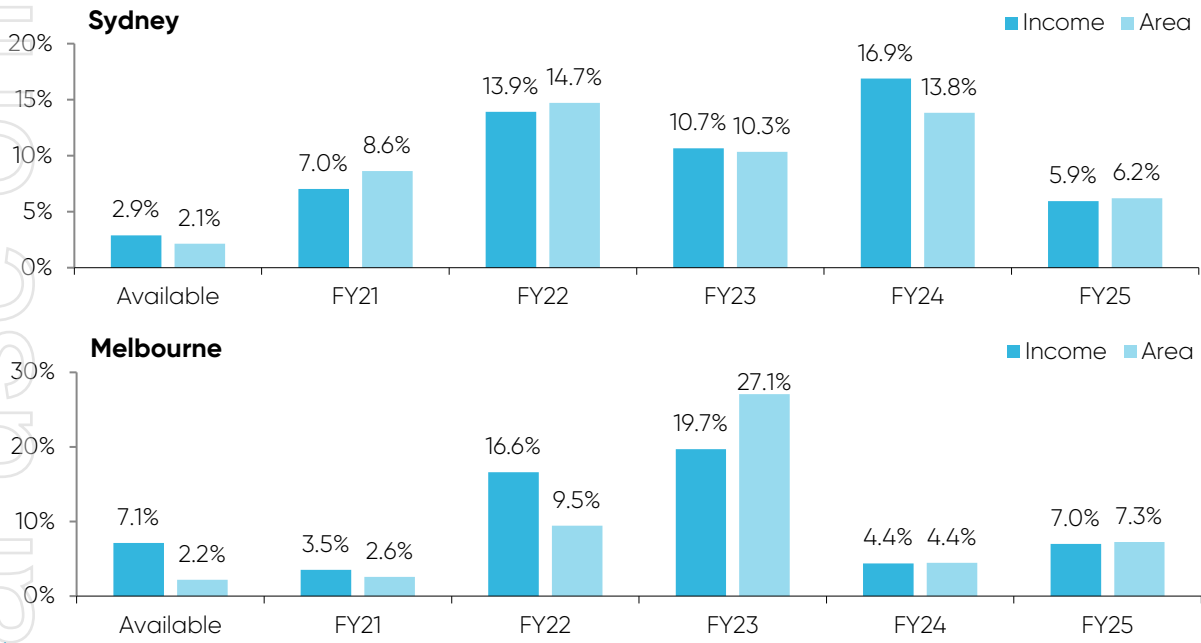


Foundation at Truganina VIC

9 February 2021

Industrial portfolio

Industrial lease expiry profiles by region



Dexus Industrial ¹	Value (\$m)	Cap rate (%)	Yield ² (%)
Sydney	1,214	4.9%	4.9%
Melbourne	792	5.1%	4.9%
Brisbane	239	5.9%	5.9%
Adelaide	16	10.0%	9.0%

1. Includes stabilised properties only.
2. Passing FFO yield based on annualised property Funds From Operations for the month of January 2021.

Industrial portfolio

Strong and diverse customer covenants

Industrial top 10 customers

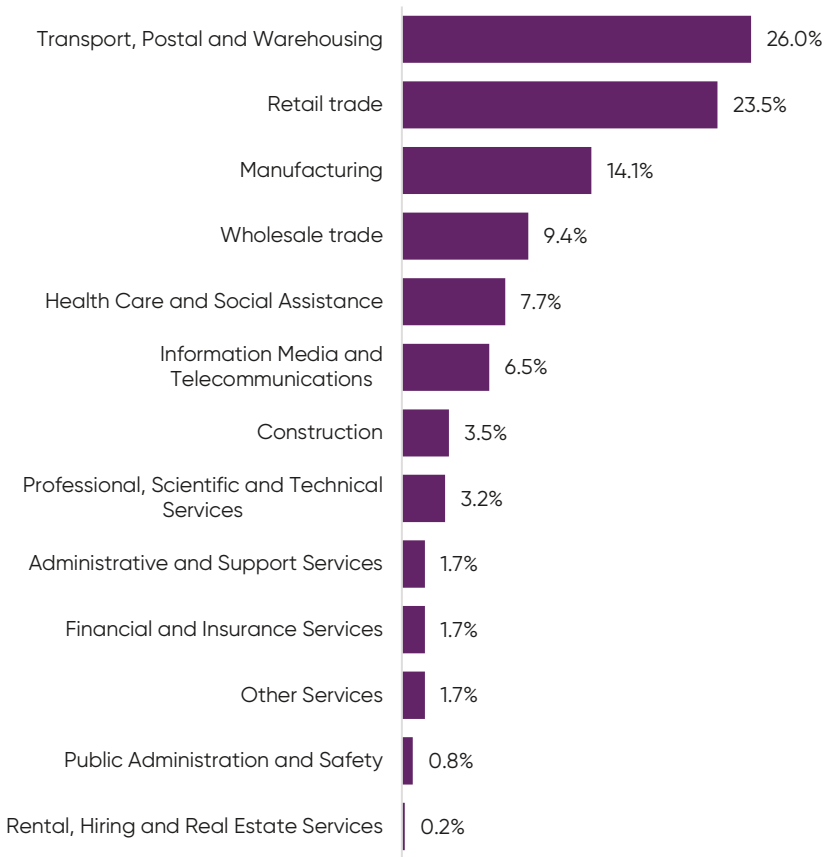
Limited individual customer exposure

Industrial customers ¹	% of income ²
Autosports Group	0.6%
IBM Australia	0.5%
Coles	0.5%
AWH Pty Ltd	0.4%
Reece	0.4%
Symbion Health	0.3%
Fujitsu	0.2%
ESTORE	0.2%
Channel Biologics	0.2%
Hello Fresh	0.2%

1. Total Dexus portfolio includes executed Heads of Agreement at 31 December 2020.
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).



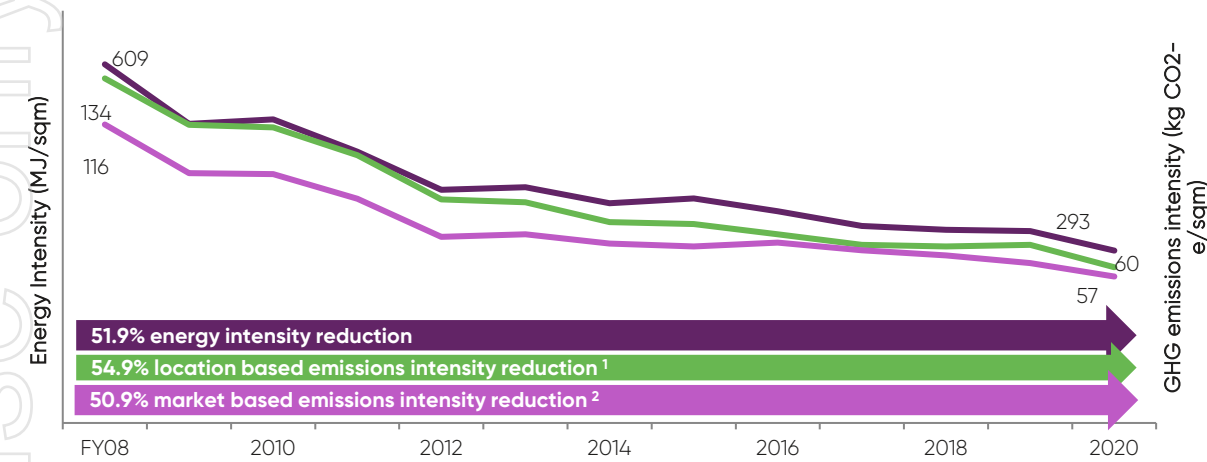
Diversity of industrial customers (by income), showing limited concentration risk



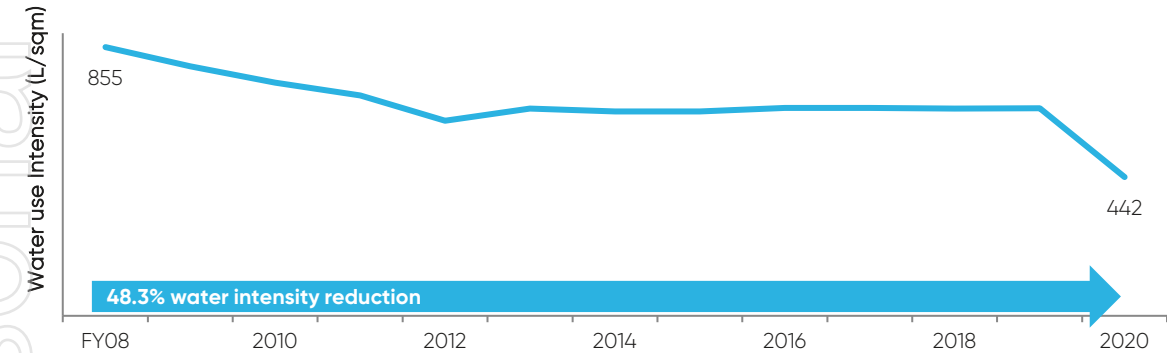
Environmental metrics

Office sustainability metrics

Dexus Office Energy & Green House Gas (GHG) emissions intensity

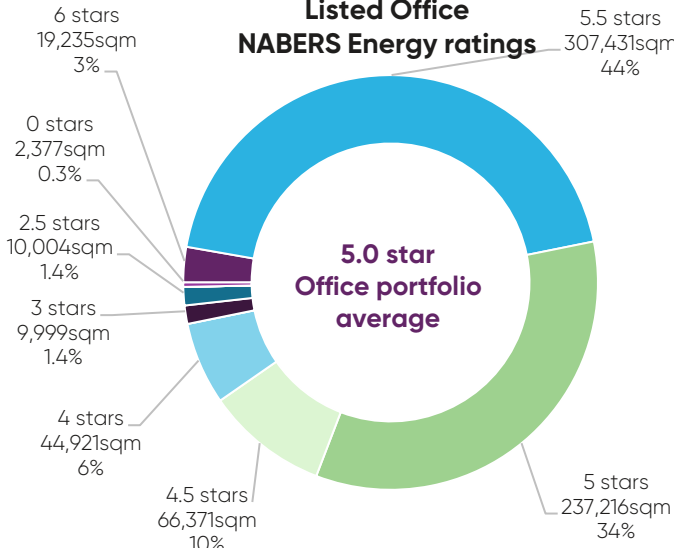


Dexus Office Water use intensity



1. Location-based GHG emissions are calculated using published emissions coefficients and do not take into account voluntary renewable electricity purchases made by Dexus.
2. Market-based GHG emissions are derived from the location-based method, taking into account renewable electricity supplied via Australia's Renewable Energy Target and voluntary renewable energy purchases made by Dexus.

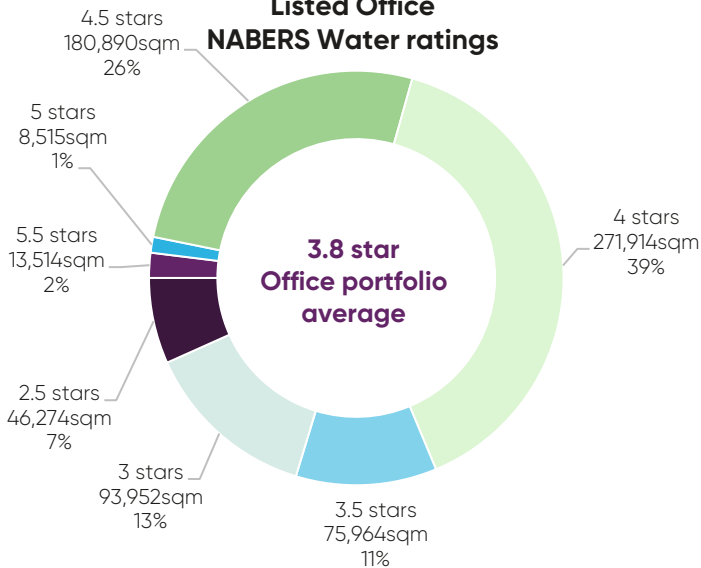
Listed Office NABERS Energy ratings



Dexus office portfolio NABERS Energy average rating (star)

Dec 15	4.7
Dec 16	4.8
Dec 17	4.8
Dec 18	5.0
Dec 19	5.0
Dec 20	5.0

Listed Office NABERS Water ratings



Dexus office portfolio NABERS Water average rating (star)

Dec 15	3.8
Dec 16	3.6
Dec 17	3.6
Dec 18	3.6
Dec 19	3.7
Dec 20	3.8

Case Study: Innovation

2020 was a year of innovation for Dexus

Dexus is continuously investing in innovation to secure first-mover advantage on next generation technology solutions for our customers, investors and business

History suggests that companies that invest in innovation through a crisis outperform peers during the recovery¹

Organisations that maintained their innovation focus through the GFC outperformed the market average by more than 30% and continued to deliver accelerated growth over the subsequent three to five years¹

Prioritising innovation today is the key to unlocking post-crisis growth

In February 2020, Dexus partnered with SparkBeyond to unleash AI-powered insights across our portfolio, accelerating Dexus's digital transformation. Leveraging an artificial intelligence (AI)-powered platform, Dexus will have the capacity to understand drivers governing business and real estate performance in a fraction of the time taken using existing methods.



In May 2020, Dexus announced its investment in Asia's leading real estate technology investment manager – Taronga Ventures – and its RealTech Ventures Fund, giving Dexus early exposure to emerging technology and innovation trends. The pace of technological advancement presents a distinct opportunity for institutional owners of real estate who adopt early, enabling them to deliver value to their customers, communities and capital.

In June 2020, Dexus was among the first in Australia to create a fully integrated touchless experience in an office building. Gateway Sydney, now uses a 3D fingerprint technology to scan occupants' handprints to create a unique algorithm, eliminating the need for office passes swiping across surfaces and touching of lift buttons.



¹ Source: McKinsey & Company, "Innovation in a crisis: Why it is more critical than ever", as at 17th June 2020.

Developments

Completed – core hold

Pipeline		Building area ¹ sqm	Project cost ² \$m	Yield on cost ³ %	Leased %	Final completion	Third party partner interest %
Office							
	180 Flinders Street, Melbourne, VIC	20,300	168	6-7%	85%	Aug 2020	-
Total office			168				
Industrial							
	9 Custom Place, Truganina, VIC	45,400	53	6-7%	100%	Sep 2020	-
Total industrial			53				
City retail							
	80 Collins Street, Melbourne, VIC (hotel) ⁴	7,700	28		100%	Aug 2020	25%
Total city retail			28				
Total developments completed			249				

1. At 100%.
2. Dexus share in development cost (including cost of land were purchased for development and excluding downtime and income earned through development).
3. Yield on cost calculation includes cost of land, downtime and income earned through development in the denominator.
4. The vendor managed the development of the Hotel. Development costs, including certain third-party claims associated with the development, were funded by the vendor with Dexus's contribution effectively limited to the agreed purchase price, subject to certain limitations on claims.

Development

Committed developments and fund-throughs – core hold

Pipeline	Building area ¹ sqm	Project cost est. ² \$m	Est. cost to completion \$m	Yield on cost ³ %	Leased %	Completion due	Third party partner interest %
Industrial							
18 Momentum Way, Ravenhall, VIC	72,000	24	8	6-7%	100%	Mid 2021	75%
47 Momentum Way, Ravenhall, VIC	43,100	15	8	6-7%	60%	Mid 2021	75%
54 Ferndell Street, South Granville, NSW	57,100	83	15	6-7%	66%	Early 2021	49%
425-479 Freeman Road, Richlands, QLD	54,800	43	13	6-7%	65% ⁴	Mid 2021	49%
Lot 401 Innovation Drive, Merrifield, VIC	51,600	37	26		100%	Mid 2021	49%
Total industrial	278,500	202	70				
City retail/other							
MLC Centre, Sydney, NSW	11,000	94	16	5-6%	79%	Late 2021	50%
Australian Bragg Centre, North Terrace, Adelaide, SA	24,500	231	180	5-6%	77%	Mid 2023	50%
Total city retail/other	35,500	325	196				
Total developments committed	314,000	528	266				

1. At 100%.

2. Dexus share in development cost (including cost of land where purchased for development 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. Stage 1 of the development only.

Developments

Uncommitted developments – core hold

Pipeline		Building area ^{1,5} sqm	Project cost est. ^{2,5} \$m	Est. yield on est. project cost ³ %	Third party partner interest %
Office	140 George Street, Parramatta, NSW	43,600	c. 200	6–7%	50%
	Waterfront Brisbane, QLD	130,700	c. 1,100	5–6%	50%
	Central Place Sydney, NSW ⁴	141,000	c. 550	5–6%	25%
	Pitt & Bridge Precinct, Sydney, NSW	105,400	c. 1,400	5–6%	50%
	60 Collins Street, Melbourne, VIC	27,100	c. 600	5–6%	–
	10 Eagle Street, Brisbane, QLD	4,900	c. 25	6–7%	50%
	150 George Street, Parramatta, NSW	21,600	c. 45	6–7%	50%
	123 Albert Street, Brisbane, QLD	39,900	c. 150	5–6%	–
Total office		514,200	c. 4,070		
Industrial	141 Anton Road, Hemmant, QLD	66,000	c. 100	5–6%	–
	20 Distribution Drive, Truganina, VIC	21,000	c. 30	6–7%	–
	11–167 Palm Springs, Ravenhall, VIC	286,400	c. 100	6–7%	75%
Total industrial		373,400	c. 230		
Total uncommitted		887,600	c. 4,300		

1. At 100%.

2. Dexus share in development costs (including cost of land where purchased for development and excludes downtime and income earned through development. Pitt & Bridge Precinct only excludes land for 56 Pitt Street and Central Place Sydney only excludes land for 14 Lee Street, Sydney.

3. Target yield on cast 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.

Transactions

Dexus and funds management

Dexus acquisitions	Purchase price \$m	Interest	Settlement
155, 159, 171 Edward Street, Brisbane, QLD	\$87.0	100%	3 Aug 20
141 Anton Road, Hemmant, QLD	\$31.8	100%	11 Sept 20
Australian Bragg Centre, Adelaide, SA ¹	\$223.1	50%	30 Oct 20
37-39 Wentworth Street, Greenacre, NSW ²	\$51.0	51%	17 Jul 20-Feb 21
Ford Facility, Merrifield Business Park, Mickleham, VIC ³	\$37.5	51%	Aug 20-Aug 21
3 Spring, 58 Pitt and 60 Pitt Streets, Sydney, NSW	\$177.0	50%	Aug 18-Jul 22

Dexus divestments	Sale price \$m	Interest	Settlement
Finlay Crisp Centre, Canberra, ACT	\$31.0	50%	1 Jul 20
201 Elizabeth Street, Sydney, NSW ⁴	\$315.0	50%	12 Nov 19/20 Aug 20
45 Clarence Street, Sydney, NSW	\$530.0	100%	18 Dec 20
Truganina, VIC and Lakes Business Park South, Botany, NSW ⁵	\$269.4	100%	1 Oct 20/20 Dec 20 /Mid 21
60 Miller Street, North Sydney, NSW ^{6,7}	\$273.0	100%	Mid 21
Grosvenor Place, Sydney, NSW ⁶	\$694.0	37.5%	Early 21
436-484 Victoria Road, Gladesville, NSW ⁷	\$55.0	100%	Jan-July 21
250 Forest Road South, Lara, VIC	\$13.2	24%	Mar 21

Funds Management acquisitions	Purchase price \$m	Interest	Settlement
37-39 Wentworth Street, Greenacre, NSW ²	\$49.0	49%	17 Jul 20-Feb 21
Ford Facility, Merrifield Business Park, Mickleham, VIC ³	\$36.0	49%	12 Aug 20-Aug 21
Truganina, VIC and Lakes Business Park South, Botany, NSW ⁵	\$269.4	100%	1 Oct 20/21 Dec 20/Mid 21
Australian Bragg Centre, Adelaide, SA ¹	\$223.1	50%	30 Oct 20-Mid 23
College Junction, 695 Sandgate Road, Clayfield, QLD	\$36.5	100%	30 Nov 20
201-203 Power Street, Glendenning, NSW	\$27.1	100%	11 Dec 20
3 Spring, 58 Pitt and 60 Pitt Streets, Sydney, NSW	\$177.0	50%	Aug 18-Jul 22
525 Boundary Street, Spring Hill, QLD ⁸	\$85.0	100%	Mar 21

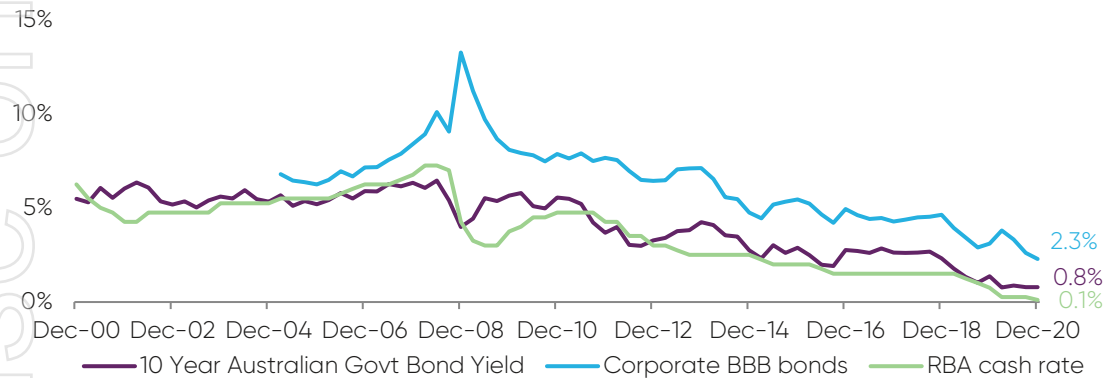
Funds Management divestments	Sale price \$m	Interest	Settlement
Finlay Crisp Centre, Canberra, ACT	\$31.0	50%	1 Jul 20
141 Anton Road, Hemmant, QLD	\$31.8	100%	11 Sep 20
452 Flinders Street, Melbourne, VIC	\$454.3	100%	10 Dec 20
Grosvenor Place, Sydney, NSW ⁶	\$231.0	12.5%	Mar 21

1. The purchase price reflects the development completion price. The property will be acquired via a fund-through arrangement and expected completion is August 2023. The settlement of the initial payment of \$111.8 million occurred on 30 October 2020.
2. 75% of the purchase price was paid in July 2020 with the remaining 25% payable at a later stage.
3. The purchase price reflects the initial purchase of the land and the estimated development costs.
4. Dexus settled on the sale of the initial 25% interest in November 2019 for \$157.5 million. Settlement of the remaining 25% interest occurred in August 2020 for \$157.5 million.
5. Dexus settled the first tranche of the industrial assets in October 2020 and December 2020 and has entered into put and call option arrangements to sell the second tranche in mid-2021.
6. Subject to FIRB.
7. Subject to the exercise of put and call options.
8. The purchase price is determined by a final WALE, with a range of between \$81-\$99.3 million.

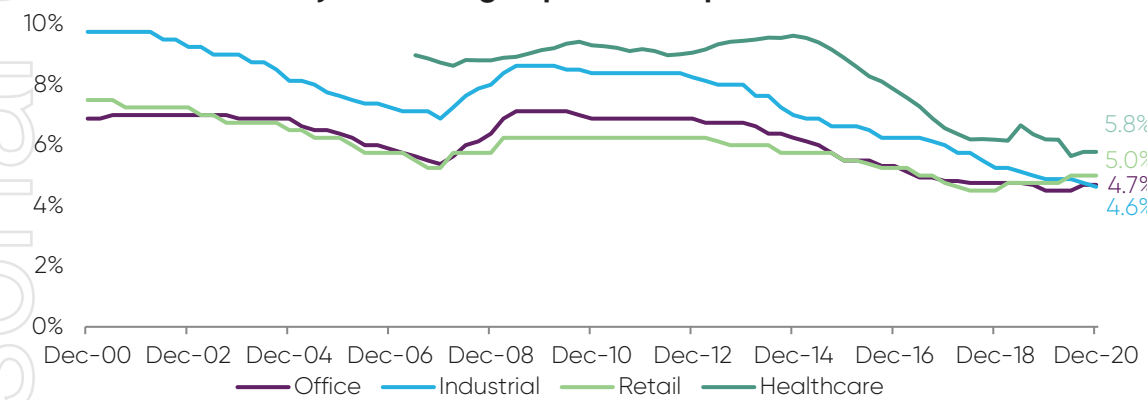
Yield is a positive thematic driving investor demand

Australian real estate yields are high compared to interest rates

Historical low interest rates

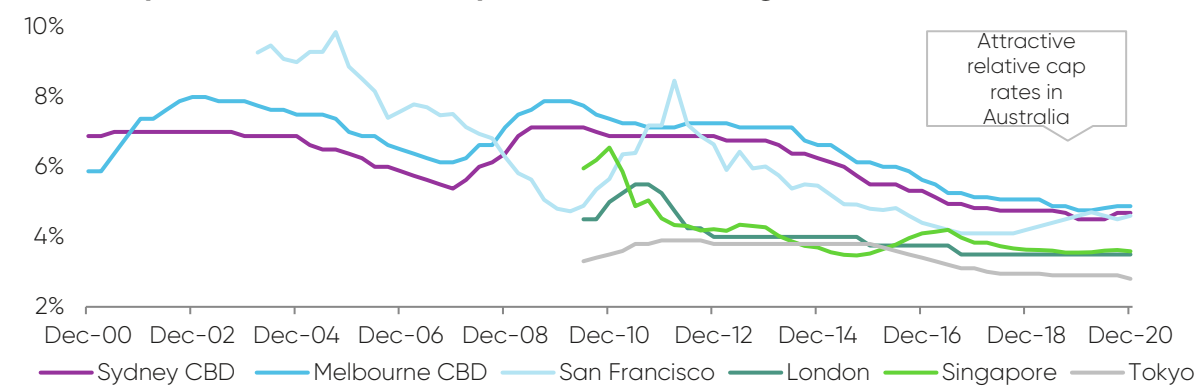


Search for defensive yield driving cap rate compression²

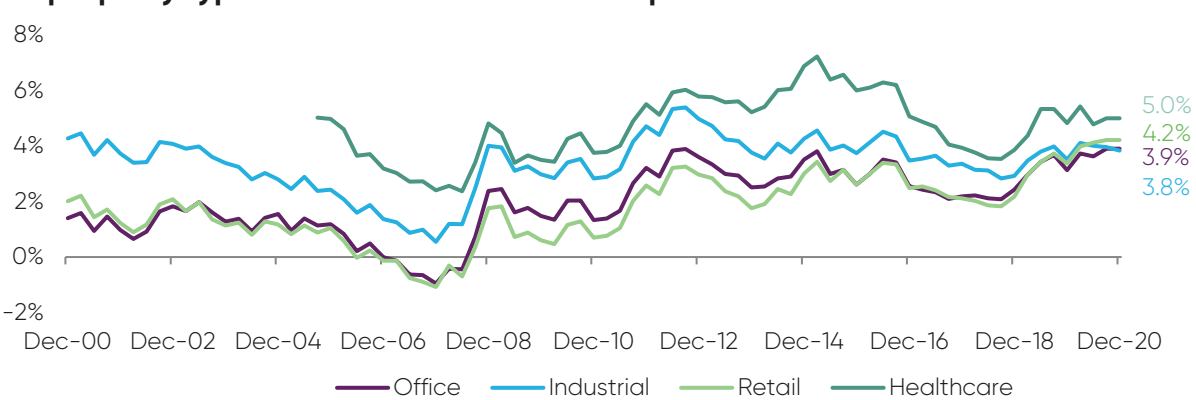


Source: MSCI, Dexus Research, RBA, JLL Research.
1. Office cap rates.
2. Cap rates series are for Sydney markets. The Healthcare series is the hospital income return from MSCI.

Australia provides attractive cap rates on relative global basis¹



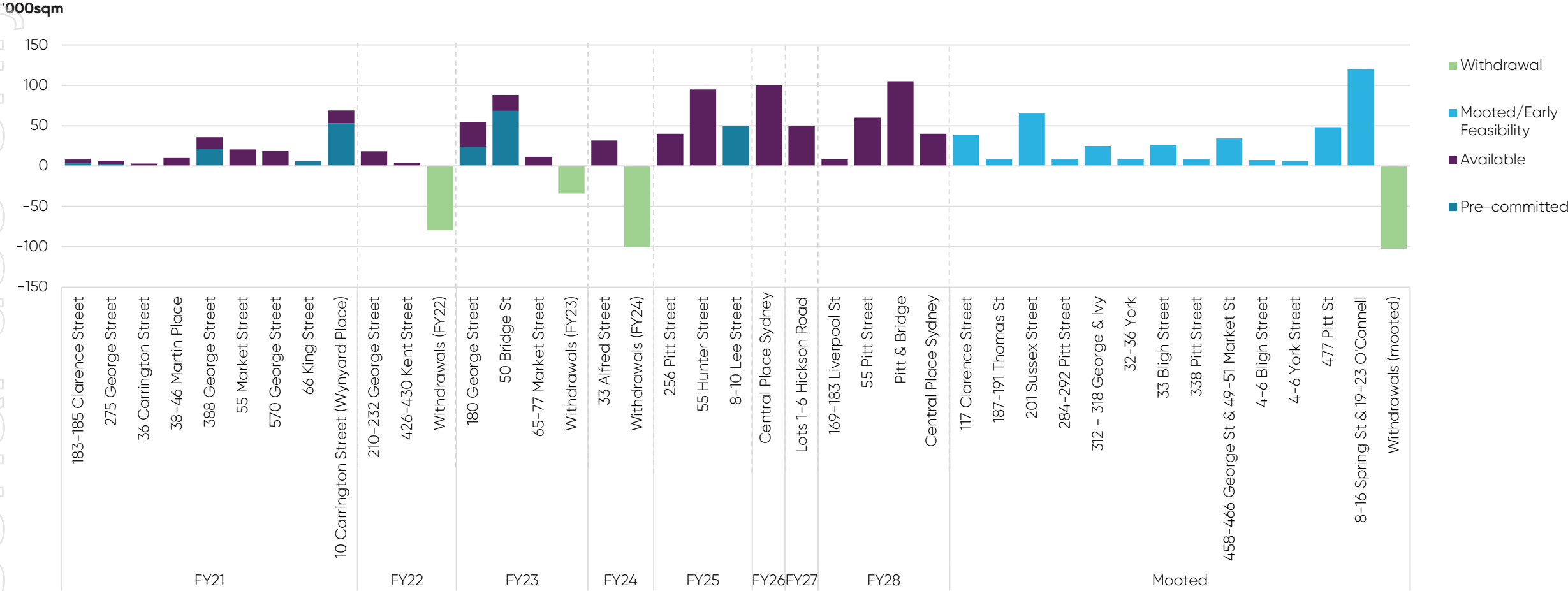
All property types demonstrate attractive spreads to bonds²



Market outlook

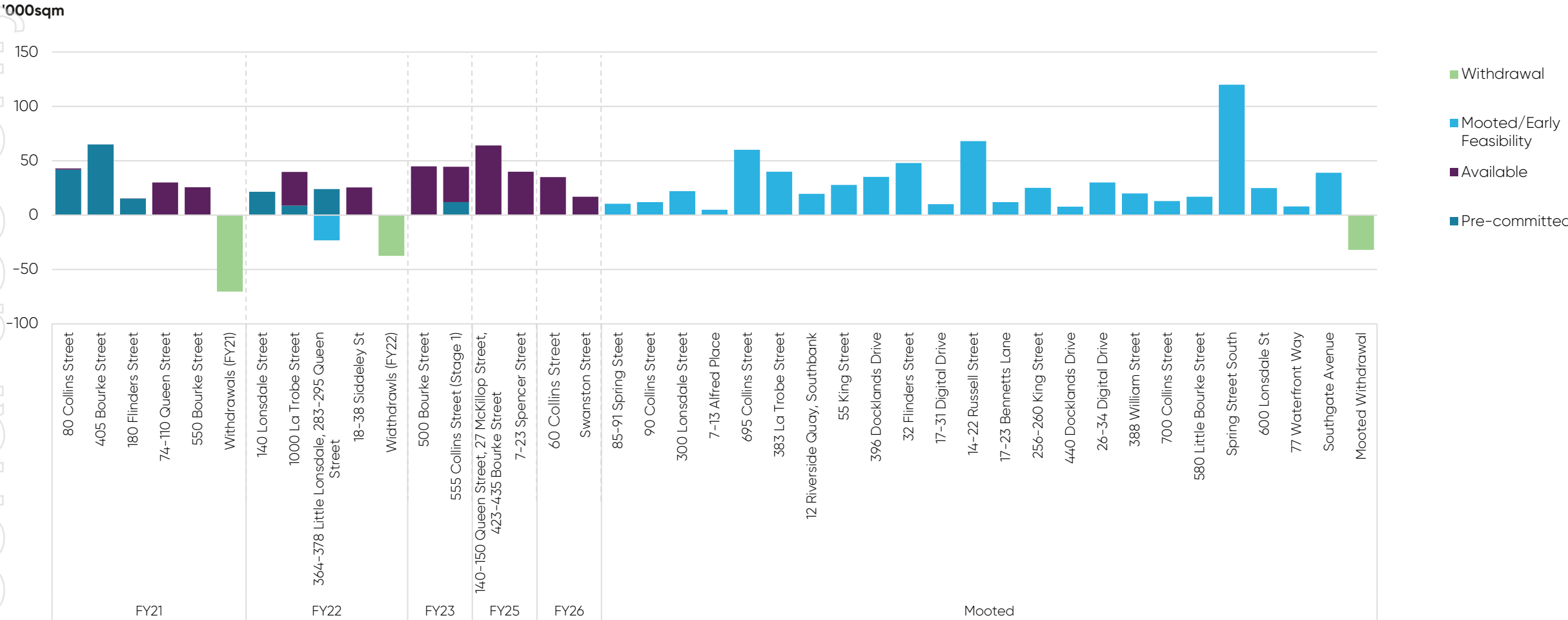
Sydney CBD supply landscape for major office projects

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Market outlook

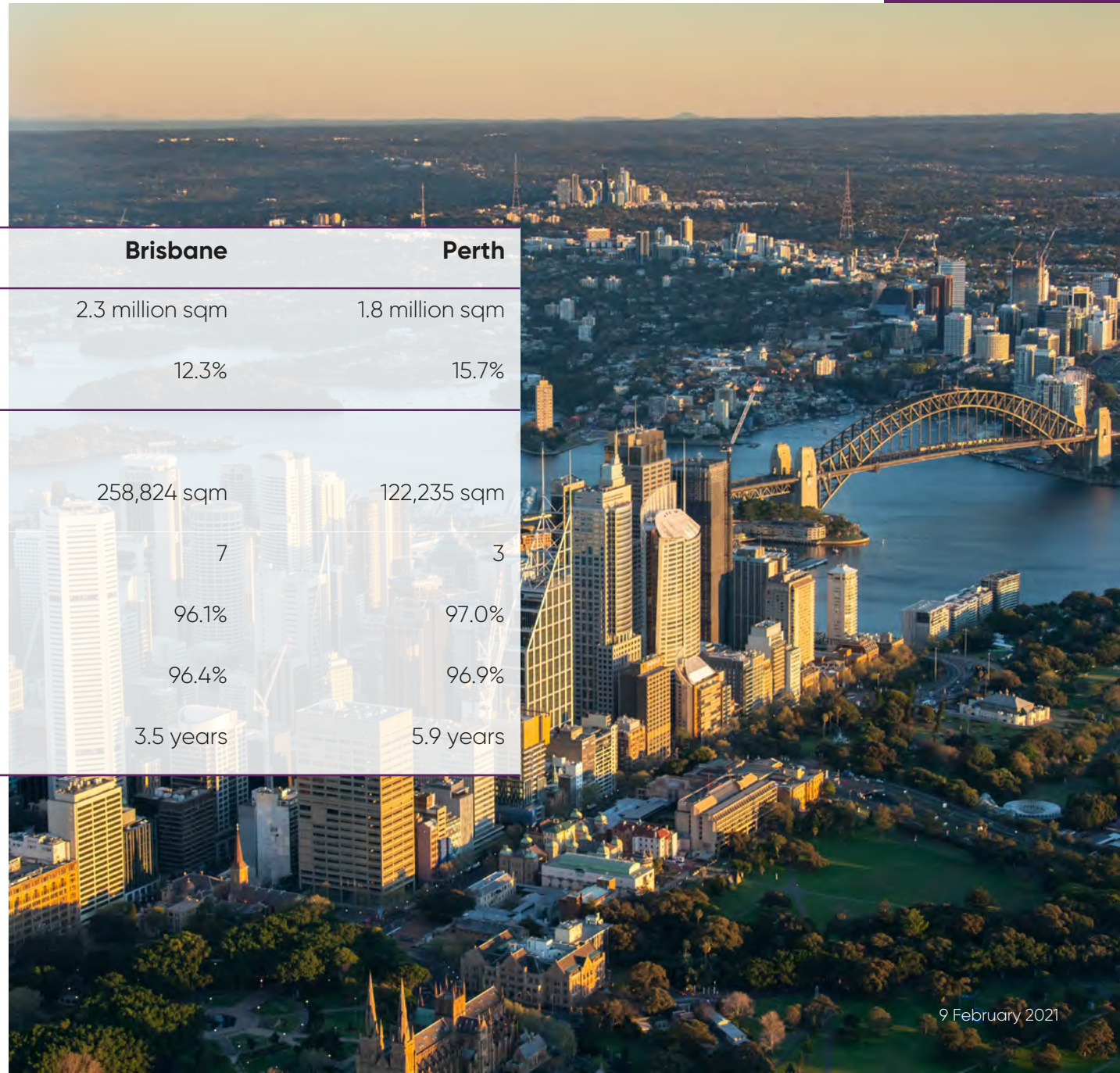
Melbourne CBD supply landscape for major office projects



Office markets

Dexus position in CBD office

CBD Office Market	Sydney	Melbourne	Brisbane	Perth
Total NLA	5.1 million sqm	5.1 million sqm	2.3 million sqm	1.8 million sqm
Prime vacancy average	12.5%	13.8%	12.3%	15.7%
Dexus CBD Exposure				
Total NLA	553,530 sqm	345,999 sqm	258,824 sqm	122,235 sqm
Number of properties	18	8	7	3
Occupancy (by area)	97.3%	90.1%	96.1%	97.0%
Occupancy (by income)	96.9%	90.4%	96.4%	96.9%
WALE	4.0 years	3.6 years	3.5 years	5.9 years



Other information

Exchange rate and securities used in statutory accounts

		31 Dec 2020	30 Jun 2020	31 Dec 2019
Closing rates for Statement of Financial Position	USD	0.7702	0.6863	0.7006
Average rates for Statement of Comprehensive Income	USD	0.7302	0.6714	0.6846
Post consolidation equivalent amounts		6 mths to 31 Dec 2020	12 mths to 30 Jun 2020	6 mths to 31 Dec 2019
Average weighted number of securities ¹		1,090,472,045	1,095,096,969	1,096,815,516
Closing number of securities		1,089,055,137	1,091,202,163	1,096,401,459

¹ Used to calculate underlying FFO, 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 FX mark to market impacts, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, deferred tax expense/benefit, certain transaction costs, one-off significant items, amortisation of intangible assets, movements in right of use assets and lease liabilities, rental guarantees and coupon income.
Adjusted FFO (AFFO):	AFFO 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 FX mark-to-market impacts, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, deferred tax expense/benefit, certain transaction costs, one-off significant items, 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. Covenant gearing is the same definition but not adjusted for cash.
Gearing (look through):	Represents Gearing defined above adjusted to include debt in equity accounted investments.
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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