

Dexus Industria REIT (ASX:DXI)

ASX release

7 February 2024

2024 half year results presentation and property synopsis

Dexus Industria REIT (DXI) releases its 2024 half year results presentation.

An investor conference call will be webcast today at 10.00am on www.dexus.com/investor-centre

The property synopsis excel workbook is also available at www.dexus.com/industria

Authorised by the Boards of Dexus Asset Management Limited and Industria Company No. 1 Limited

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About Dexus Industria REIT

Dexus Industria REIT (ASX code: DXI) is a listed Australian real estate investment trust which is primarily invested in high-quality industrial warehouses. At 31 December 2023, the fund's investment property portfolio is valued at \$1.4 billion and is located across the major Australian cities, providing sustainable income and capital growth prospects for security holders over the long term. The fund has a target gearing range of 30 – 40%. Dexus Industria REIT is governed by a majority Independent Board and managed by Dexus (ASX code: DXS), one of Australia's leading fully integrated real asset groups, with over 35 years of expertise in property investment, funds management, asset management and development. www.dexus.com

Dexus Asset Management Limited (ACN 080 674 479, AFSL No. 237500) (the "Responsible Entity") is the responsible entity and issuer of the financial products in respect of Industria Trust No. 1 (ARSN 125 862 875), Industria Trust No. 2 (ARSN 125 862 491), Industria Trust No. 3 (ARSN 166 150 938) and Industria Trust No. 4 (ARSN 166 163 186), and Industria Company No. 1 Limited (ACN 010 794 957), collectively the Dexus Industria REIT (ASX code: DXI) stapled group. The Responsible Entity is a wholly owned subsidiary of Dexus (ASX code: DXS).

The registered office for the Responsible Entity and Industria Company No. 1 Limited is Level 30, 50 Bridge Street, Sydney NSW 2000 and their principal place of business is Level 5, 80 Collins Street (South Tower), Melbourne VIC 3000.

DXI | dexus

Dexus Industria REIT

2024

Half year results

7 February 2024

Dexus Asset Management Limited ACN 080 674 479, AFSL 237500
as responsible entity for Industria Trust No. 1, Industria Trust No. 2, Industria Trust No. 3
and Industria Trust No. 4
Industria Company No. 1 Limited ACN 010 794 957



Amazon, Jandakot Airport industrial precinct, Perth WA

Acknowledgement of Country

Dexus Industria REIT 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 and present.**

Artwork:
The Land and the Rivers by Sharon Smith.

Agenda

01

Introduction
and highlights

Page 4

02

Financial
overview

Page 9

03

Portfolio performance
and market dynamics

Page 13

04

Summary

Page 19

05

Appendices

Page 21

01

Introduction and highlights

2 Maker Place, Truganina VIC

Dexus Industria REIT

dexus



DXI investment proposition

Generating superior risk-adjusted returns for investors seeking listed industrial real estate exposure in Australia



Delivering organic income growth from high-quality assets

- Diversified tenant base providing secure income yield
- Assets can reach 80% of the population in each capital city within 60 minutes on average
- Capturing rental reversion upon lease expiry



Conservatively managing the balance sheet

- 26.2% pro forma look-through gearing¹; below the target range of 30 – 40%
- Significant headroom to covenants
- Tactically utilising balance sheet capacity to drive superior risk-adjusted returns over the long term



Creating value through active management

- Executing on asset plans
- Investing in higher risk-adjusted returning opportunities
- Delivering development pipeline to further enhance portfolio quality
- Average site cover of 34% provides future upside potential



Aligned manager with deep real asset capability

- Dexus principal ownership 17.5%
- Dexus brings deep capability with ~\$12 billion of industrial funds under management²

Key metrics



\$1.4bn
portfolio



c. \$167m
development
pipeline spend
remaining



6.1 year
WALE
(by income)



99.0%
occupancy
(by income)



5.77%
WACR



54%
income
linked to CPI



6.0%
distribution
yield³



17%
trading discount
to NTA³

1. Pro forma for the sale of 32-40 Garden Street, Kilsyth, VIC and 57-67 Mark Anthony Drive, South Dandenong, VIC which settled in January 2024. At 31 December 2023, look-through gearing was 28.1%. | 2. As at 30 June 2023. Pro forma post final completion of the AMP Capital acquisition. | 3. Based on closing security price as at 5 February 2024.

HY24 highlights

Further strengthened balance sheet, guidance on track and leasing success at BTP



On track to deliver FY24 guidance

- HY24 FFO of 8.6 cents per security
- HY24 distributions of 8.2 cents per security



Delivering organic income growth

- Portfolio like-for-like growth of 7.3%¹, expected to maintain strong levels for FY24
- 4.8% average rent review during HY24, driven by CPI-linked reviews
- Significantly increased BTP occupancy from 85.7% at FY23 to 95.7%



Active management approach

- Development approval received for last mile project in Moorebank
- 163,700sqm of leasing over past 18 months has reduced upcoming expiries amidst an uncertain economic environment



Strong balance sheet

- Executed \$135 million of divestments to repay debt³
- Pro forma look-through gearing 26.2%⁴, below the 30 - 40% target range, well placed to consider portfolio enhancing opportunities
- Anticipate FY24 average hedged debt to be above 80%⁵



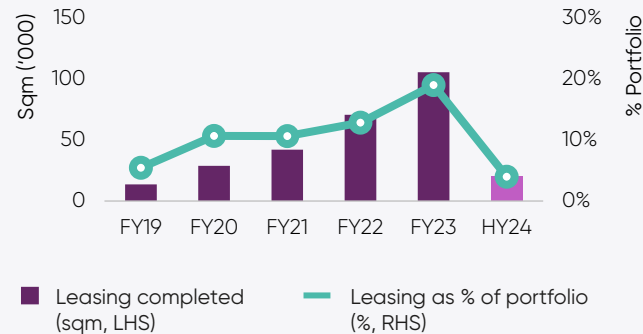
1. On a face basis, or 4.9% on an effective basis. | 2. Excludes developments. At 100%, or 125,800sqm at DXI ownership. | 3. Includes the sale of 32-40 Garden Street, Kilsyth, VIC and 57-67 Mark Anthony Drive, South Dandenong, VIC which settled in January 2024. | 4. Pro forma for the sale of 32-40 Garden Street, Kilsyth, VIC and 57-67 Mark Anthony Drive, South Dandenong, VIC which settled in January 2024. At 31 December 2023, look-through gearing was 28.1%. | 5. Based on existing hedges in place as at 31 December 2023 and assuming no further transactional activity.

High-quality portfolio generating strong growth

High occupancy with annual reviews, reversion and development upside

Property

Track record of leasing success (sqm)¹



91
properties



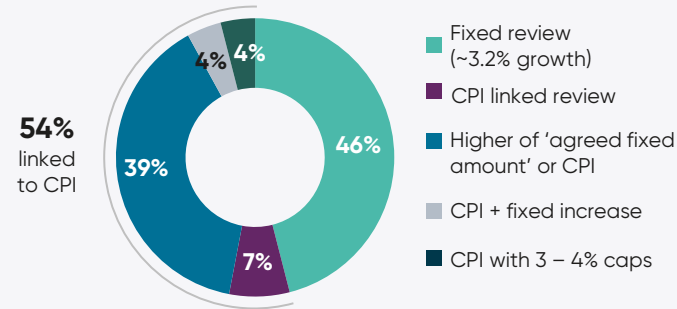
\$1.4bn
portfolio value



28,000sqm
total leasing²

Embedded growth

Fixed reviews with strong inflation protection (% by income)



54%
linked to CPI



99.0%
occupancy (by income)



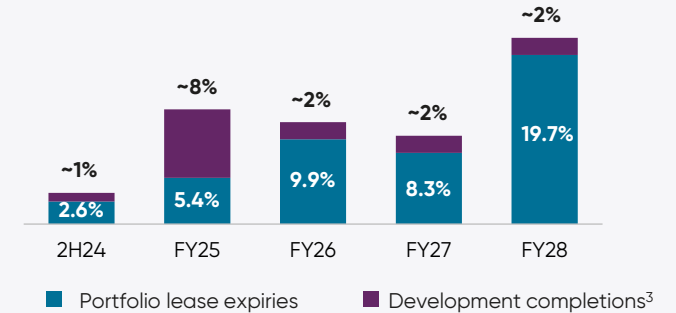
54%
income linked to CPI



+4.8%
average HY24 rent review

Income resilience

Stable earnings with development upside (% by income)



168
diversified tenants



6.1 year
WALE (by income)









6%+
target development yield on cost

1. Excludes developments. At DXI ownership. | 2. Excludes developments. At 100%, or 20,300sqm at DXI ownership. | 3. Based on annualised income of both committed and uncommitted development completions.

Sustainability progress

Carbon neutral status maintained for controlled building portfolio

DXI initiatives

 <p>Carbon neutral maintained across business operations and controlled building portfolio for FY23 under Climate Active Standard¹; continue to explore asset-level initiatives to reduce emissions</p>	 <p>140KW of solar arrays installed in HY24 with approval for a further 2.0MW progressed</p>	 <p>20%+ improvement in recycling rates at BTP following customer awareness campaign and site waste interventions²</p>
 <p>4.9 star average NABERS Energy rating</p>	 <p>4.8 star average NABERS Water rating</p>	 <p>3 star average Green Star Performance rating</p>

Aligned to Dexu group sustainability strategy

Sustainability Strategy



Unlock the potential of real assets to create lasting positive impact and a more sustainable tomorrow

Foundations

-  Circularity
-  First Nations Engagement
-  Health & Wellbeing
-  Nature
-  Diversity, Equality & Inclusion
-  Human Rights
-  Governance & Reporting

1. Final certification expected to be achieved post-reporting period. Covers scope 1, 2 and some scope 3 emissions. Refer to Sustainability Data Pack available on Dexu website for scope 3 inclusions. | 2. Based on 3-month prior year comparison of estimated waste densities.

02

Financial overview



HY24 financial result

Benefiting from active management initiatives, partly offset by higher interest rates

Profit & loss	HY24	HY23	Change	
Property FFO (\$m)	41.1	42.2 ¹	↓	(2.6)%
Management fees (\$m)	(4.3)	(4.4)	↓	(1.7)%
Net finance costs (\$m)	(8.7)	(9.5)	↓	(8.2)%
Tax expense (\$m)	(0.6)	(0.8)	↓	(22.8)%
Other ² (\$m)	(0.1)	(0.4) ¹	↓	(65.0)%
FFO (\$m)	27.3	27.1	↑	0.5%
FFO (cents per security)	8.6	8.5	↑	0.5%
Distributions (cents per security)	8.2	8.2	-	-
FFO payout ratio (%)	95.5%	96.0%	↓	(0.5)ppt
Balance sheet	31 Dec 2023	30 Jun 2023	Change	
NTA per security ³ (\$)	\$3.32	\$3.44	↓	(3.5)%

› Portfolio like-for-like growth of 7.3%⁴ supported by 4.8% average rent reviews and increased occupancy, offset by the impact of divestments

› Lower average portfolio value due to asset divestments and property devaluations, partly offset by development spending

› Average debt balance \$119 million lower due to asset divestments, offset by the average cost of debt increasing 50bps half-on-half due to rising floating and hedge rates

› Higher profit from Jandakot airport operating business

› Predominantly driven by property portfolio devaluations and net fair value losses on derivatives

1. HY23 Property FFO and Other restated due to reclassification of Jandakot Airport fee income. | 2. Includes share of Jandakot airport operating business and operational costs. | 3. Calculated as total net assets less goodwill on a look-through basis, divided by total securities on issue. | 4. On a face basis, or 4.9% on an effective basis.

Balance sheet and capital management

Low gearing, high interest rate hedging and capacity to fund future opportunities

Key metrics ¹	31 Dec 2023	30 Jun 2023
Balance sheet gearing	18.9% ²	20.4% ³
Gearing (look-through) ⁴	26.2% ²	27.3% ³
Cost of debt ⁵	3.9%	3.5%
Average maturity of debt	2.8 years	3.1 years
Average hedged debt	77%	68%
Average maturity of hedges	2.2 years	2.6 years
Balance sheet headroom ⁶	\$146m	\$63m
Balance sheet interest cover (covenant)	5.2x	4.5x

Proactively positioning the balance sheet



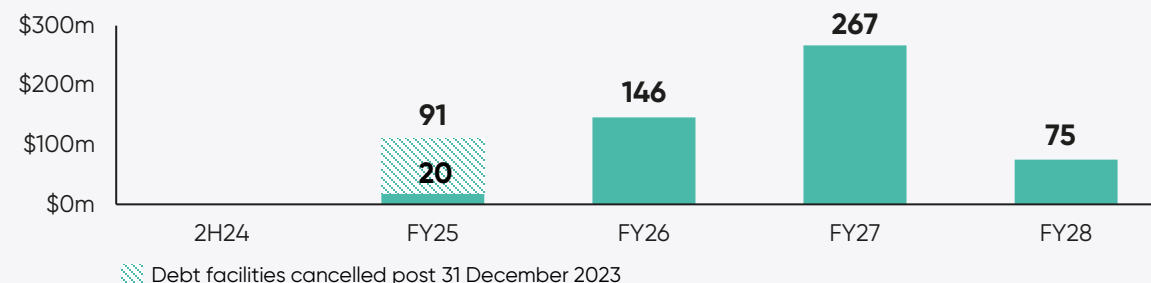
- Asset sale proceeds used to reduce gearing and enhance hedging
- Retained balance sheet flexibility to pursue development pipeline and other opportunities
- Gearing expected to increase to c. 28% post committed pipeline spend⁷

Active debt management



- Pro forma gearing of 26.2% below 30-40% target range²
- Anticipate FY24 average debt hedged to be above 80%⁸
- \$71 million of FY25 facility cancellations executed post 31 December 2023

Look-through debt maturity profile (total facility limit)



1. All metrics are look-through unless stated otherwise. | 2. Pro forma for the sale of 32-40 Garden Street, Kilsyth, VIC and 57-67 Mark Anthony Drive, South Dandenong, VIC which settled in January 2024. At 31 December 2023, balance sheet gearing was 21.2%, or 28.1% look-through. | 3. Gearing metrics presented on a pro forma basis. At 30 June 2023, balance sheet gearing was 25.1%, or 31.2% look-through. | 4. Adjusted for cash and debt in equity accounted investments. | 5. Weighted average for the period, inclusive of fees and margins on a drawn basis. | 6. Undrawn facilities plus cash. | 7. Assuming no further transactions or revaluation movements. | 8. Based on existing hedges in place as at 31 December 2023 and assuming no further transactional activity.

Portfolio valuation movements

Rental growth partly offsetting the impact of cap rate expansion

Property portfolio valuation summary – 31 Dec 2023 ¹					
Portfolio	31 Dec 2023 book value (\$m)	Reval change (\$m)	Reval change (%)	Cap rate (%)	Cap rate 6 month mvmt (bps)
Industrial	\$1,236	\$(31.8)	(2.5)%	5.57%	40 bps
BTP	\$165	\$(4.3)	(2.5)%	7.17%	23 bps
Total excl. transactions	\$1,401	\$(36.1)	(2.5)%	5.77%	37 bps
Held for sale assets ²	\$40	\$(0.2)	(0.6)%	n.a.	n.a.
Settled divestments	n.a.	\$(0.7)	n.a.	n.a.	n.a.
Total portfolio	\$1,441	\$(37.0)	(2.5)%	5.77%	39 bps

→ **100% of portfolio** independently revalued as at 31 December 2023³

→ **On a like-for-like basis:**

- \$36.1 million of property devaluations
- WACR expanded 37 basis points to 5.77%

→ **Rental growth** continues to partly offset the impact of cap rate expansion

→ Jandakot stabilised valuation declined \$18.9 million predominantly due to 38 basis points of cap rate expansion to 5.38%

1. Represents look-through portfolio and excludes directly held leased assets. | 2. Includes net proceeds associated with the sale of 32-40 Garden Street, Kilsyth VIC (\$26.5 million sale price and \$5.0 million surrender payment) and 57-67 Mark Anthony Drive, Dandenong South VIC (\$13.5 million). | 3. Excluding held for sale assets.

03

Property performance and market dynamics



Industrial performance

Delivering strong property income growth

Embedded rental growth

- Average 4.9% rent reviews
- 6.0%¹ like-for-like income growth; expected to maintain strong growth for FY24
- Maintained high occupancy

Active asset management

- Dealt with expiries at Adelaide Airport with no downtime
- Following record leasing volumes achieved in FY23, leasing volumes have decreased in HY24

Future income uplift

- \$16m+ potential total annual net rental uplift from total committed and uncommitted development completions²



\$1.3bn
book value



5.57%
WACR



99.6%
occupancy
(by income)



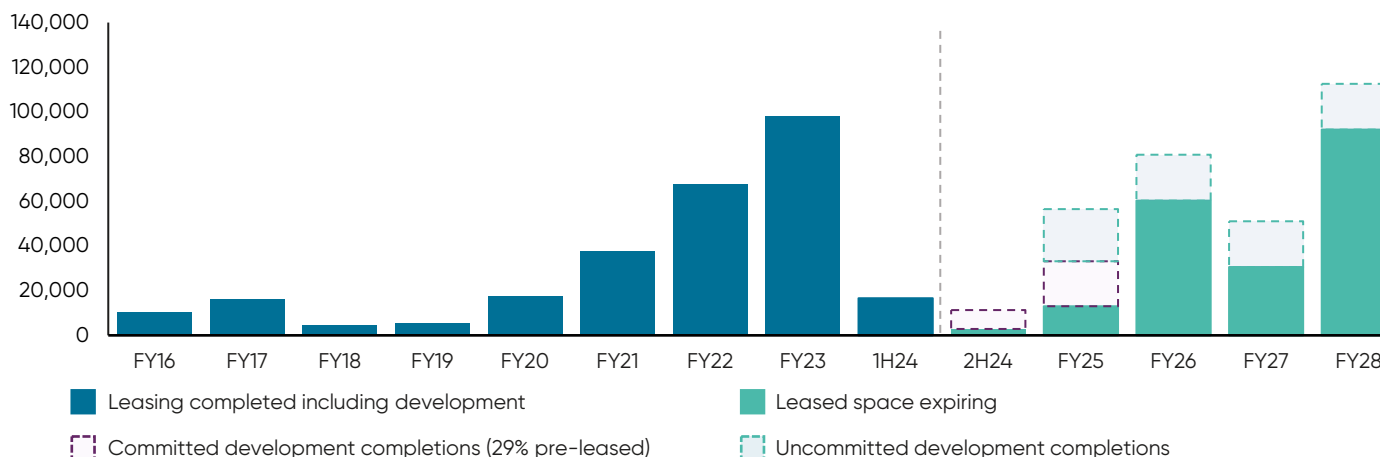
6.7 year
WALE
(by income)



23,600sqm³
leased across 7 deals

Leasing completed and forthcoming expiry

(by area, sqm)⁴



1. On a face basis, or 4.4% on an effective basis. | 2. Calculated as estimated yield on cost multiplied by total development spend. | 3. Represents stabilised leasing at 100%, or 15,800sqm at DXI ownership. Development leasing for the period was 2,200sqm at 100%, or 700sqm at DXI ownership. | 4. Including stabilised leasing, expiries, development leasing, and development completions at DXI ownership.

Jandakot performance

Continued solid performance

Stabilised portfolio

- 5.2%¹ like-for-like income growth supported by 59% of income linked to CPI escalations
- 11,600sqm leased²
- Negotiated early tenant departure with Heads agreed for 40% (by area) of remaining vacancy

Developments

- Targeting 6%+ yield on cost on new developments
- 313,500sqm total pipeline³, with DXI having:
 - \$48 million committed with \$20 million remaining spend
 - \$175 million uncommitted

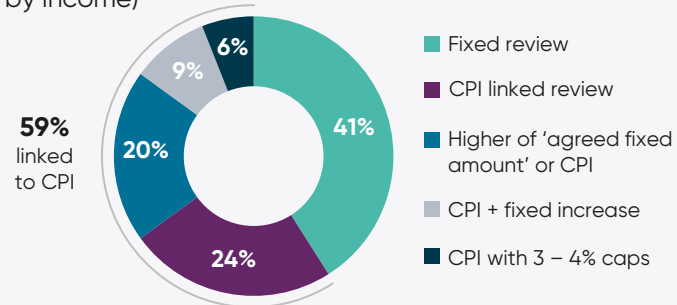
General aviation airport and infrastructure operations

- Long WALE (18.8 years by income)
- Less than 10% of net income from landing fees



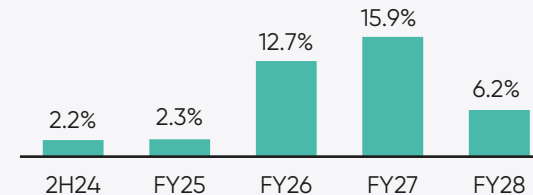
Rent review

(% by income)



Lease expiry profile

(% by total Jandakot income)

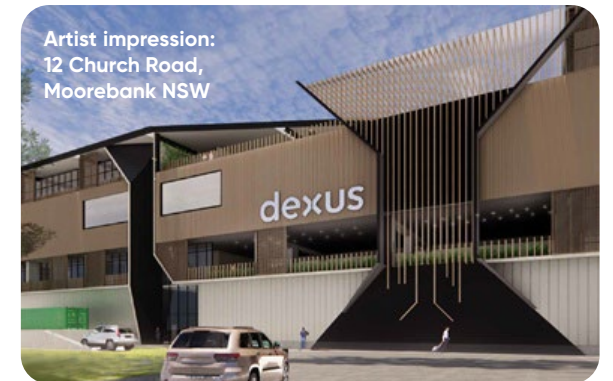


1. On a face basis, or 5.0% on an effective basis. | 2. Excludes development. At 100%, or 3,900 square metres at DXI ownership. | 3. At 100%, or 104,500 square metres at DXI ownership.

Developments

Disciplined approach to activating value-enhancing developments

- **Total pipeline of \$269 million** across 331,400sqm – anticipate completion around 2027¹
- Remaining spend of **\$42 million** on committed projects; and circa **\$125 million** on uncommitted projects
- **Development Approval received** for 12 Church Road, Moorebank; multi-unit estate of ~17,900sqm anticipated to be delivered at a yield on cost of 6 – 6.5%
- Kemps Creek fund-through will no longer be pursued due to uncertainty associated with planning approvals²; released \$67 million of **additional balance sheet capacity**
- Ample balance sheet capacity to fund projects
- Projects will **improve portfolio quality** and expected to enhance overall returns

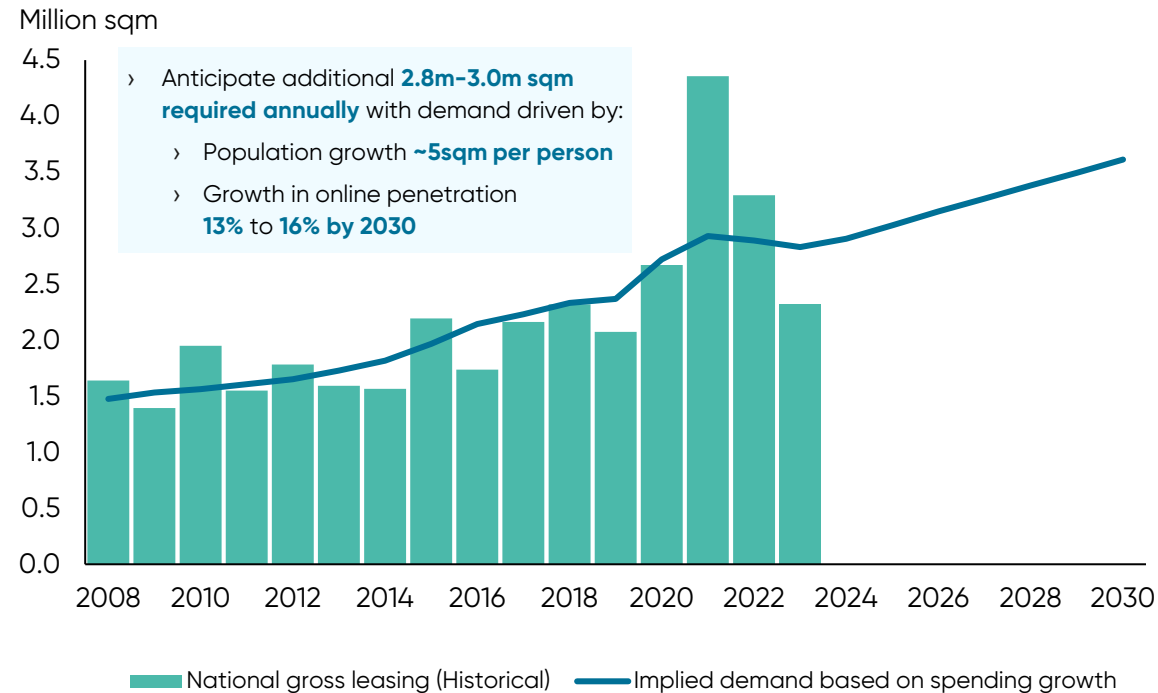


1. Including projects in uncommitted pipeline. | 2. Exited project by mutual consent through lapsing of a put and call option and development management agreement with a third-party developer.

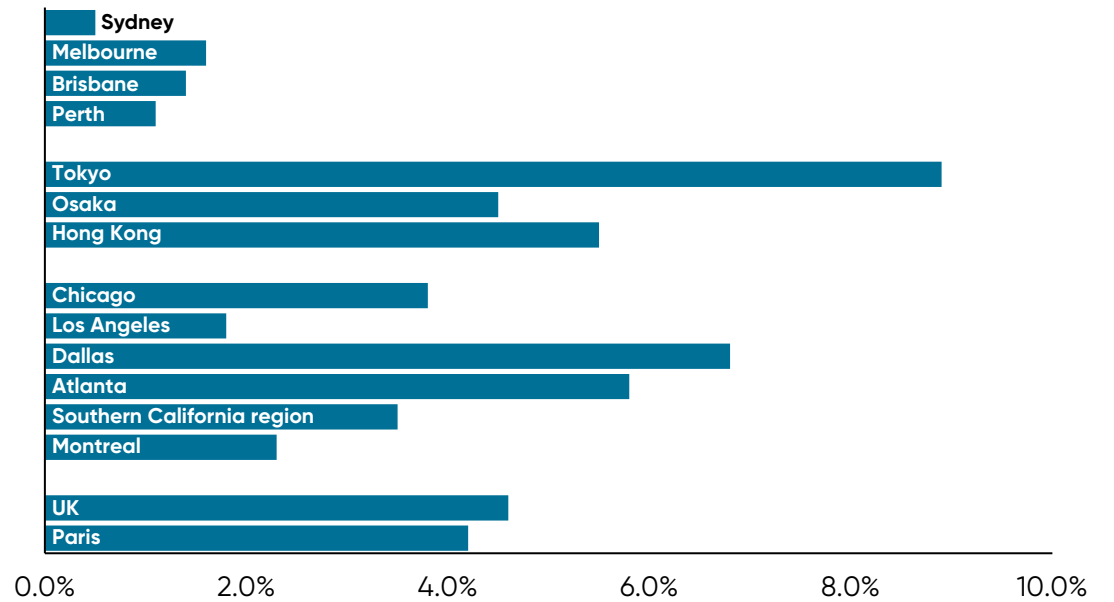
Industrial market outlook

Growth in population will increase supply requirements, vacancy remains low globally

Population growth will lead to structurally higher demand



Australian industrial vacancy low compared to global markets



Source: JLL Research, Dexus Research, CBRE Research, SAI Property, ABS, NAB, Oxford Economics. Figures include gross leasing across capital cities (Sydney, Melbourne, Brisbane, Perth, Adelaide), CBRE Research.

Brisbane Technology Park performance

Material increase in occupancy driven by strong leasing outcomes

Strong leasing outcomes

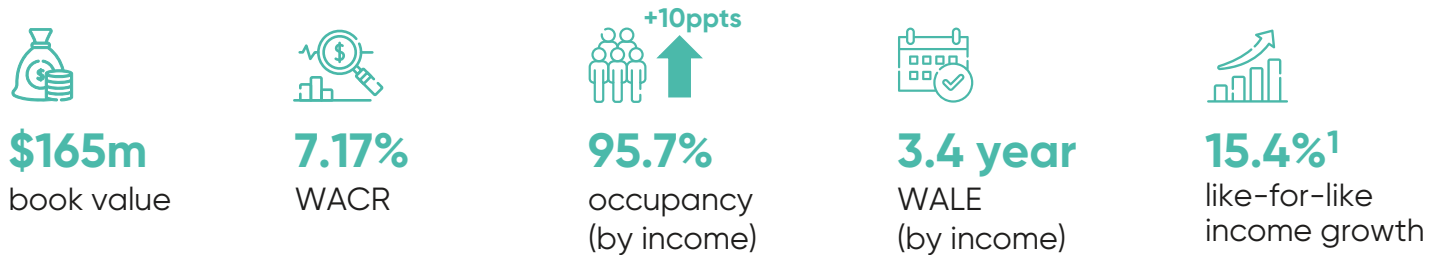
- 4,400sqm leased equivalent to 14% of total area:
 - 400sqm of leasing to technology and life sciences tenants
 - Average WALE of 4.3 years on new leases
- Increased occupancy by 10ppts to 95.7%
 - 9 McKechnie Drive now fully leased, up from 29% at 30 June 2023
- Incentives circa 15ppts below broader Brisbane CBD office market

Solid retention supported by demand from small users

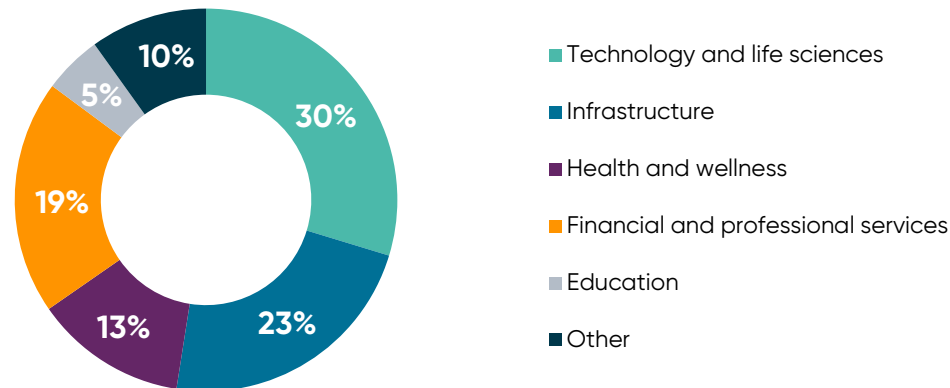
- 84% of space retained or backfilled within 3 months
- 53 tenants occupying <250sqm

Increased cash flow generation

- Income yield of 7.5%



Tenant type (% by BTP income)



78
diverse customers
across 12 assets

1. On a face basis, or 9.3% on an effective basis.

04

Summary



Well positioned to deliver resilient income with embedded growth



High income visibility and embedded rental growth

with only 18% of income expiring to FY26 and 54% of the portfolio linked to CPI rental escalations



Strong balance sheet position

with gearing below the target band, high interest rate hedging and substantial liquidity



Continue to maintain gearing toward the lower end of the target range

to take advantage of opportunities and fund development pipeline



FY24 guidance:

Barring unforeseen circumstances, DXI expects FFO of 17.1 cps and distributions of 16.4 cps



05

Appendices



Geographical presence

National portfolio at scale

Competitive advantage

New South Wales

- Delivering new developments in core industrial markets with sub-1% vacancy
- Leading investment at Westrac Newcastle

Victoria

- Diverse portfolio across the core west, north, and south eastern markets
- Captured material rental growth in FY23, underpinning FY24 growth

South Australia

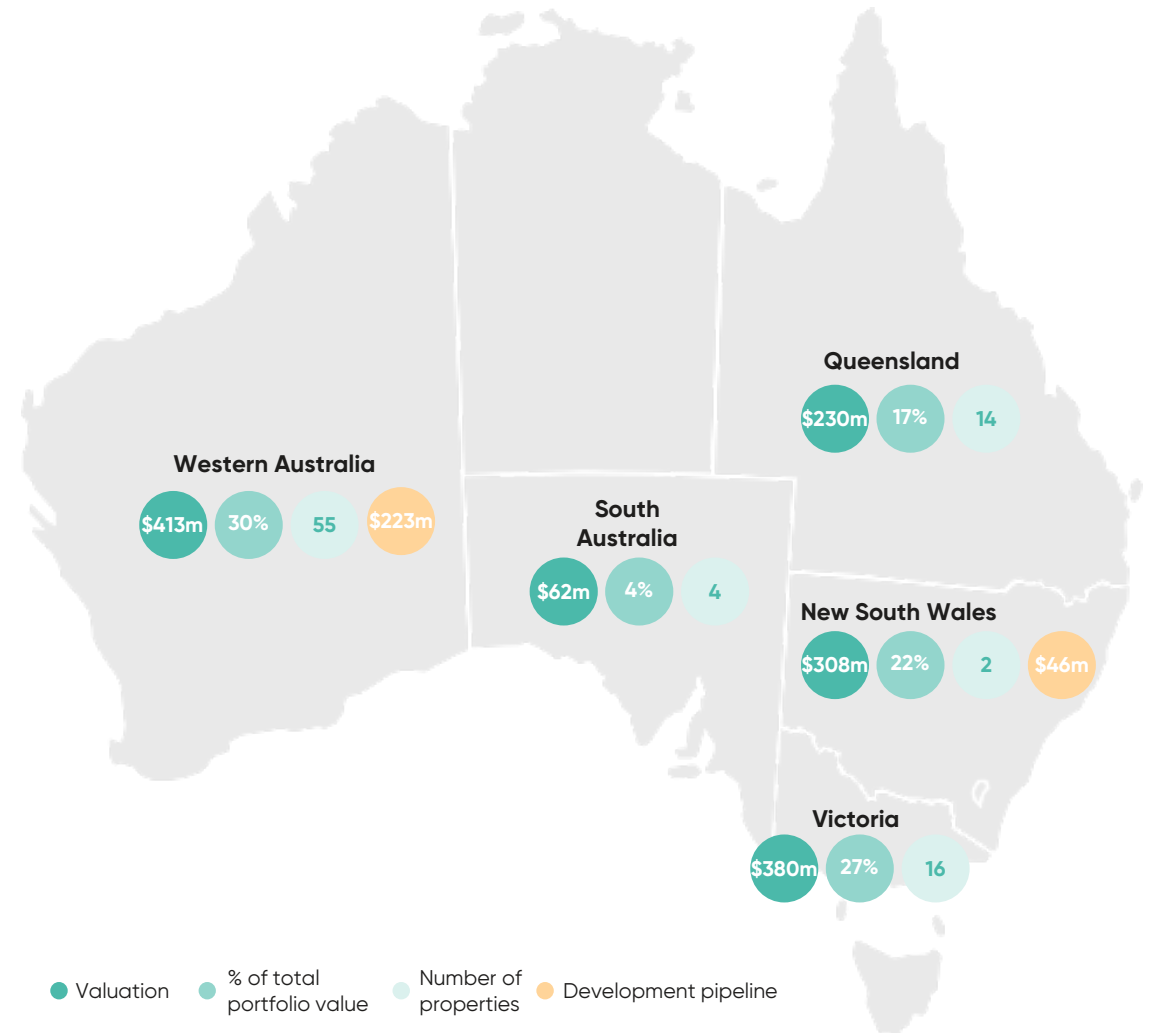
- High-quality warehouses located within the Adelaide Airport precinct close to Adelaide CBD

Western Australia

- Perth's leading master-planned estate with occupiers including Amazon, Hello Fresh and Marley Spoon
- Gateway location in close proximity to residential growth areas
- Unlocking value through development – with 313,500 square metres to be built out

Queensland

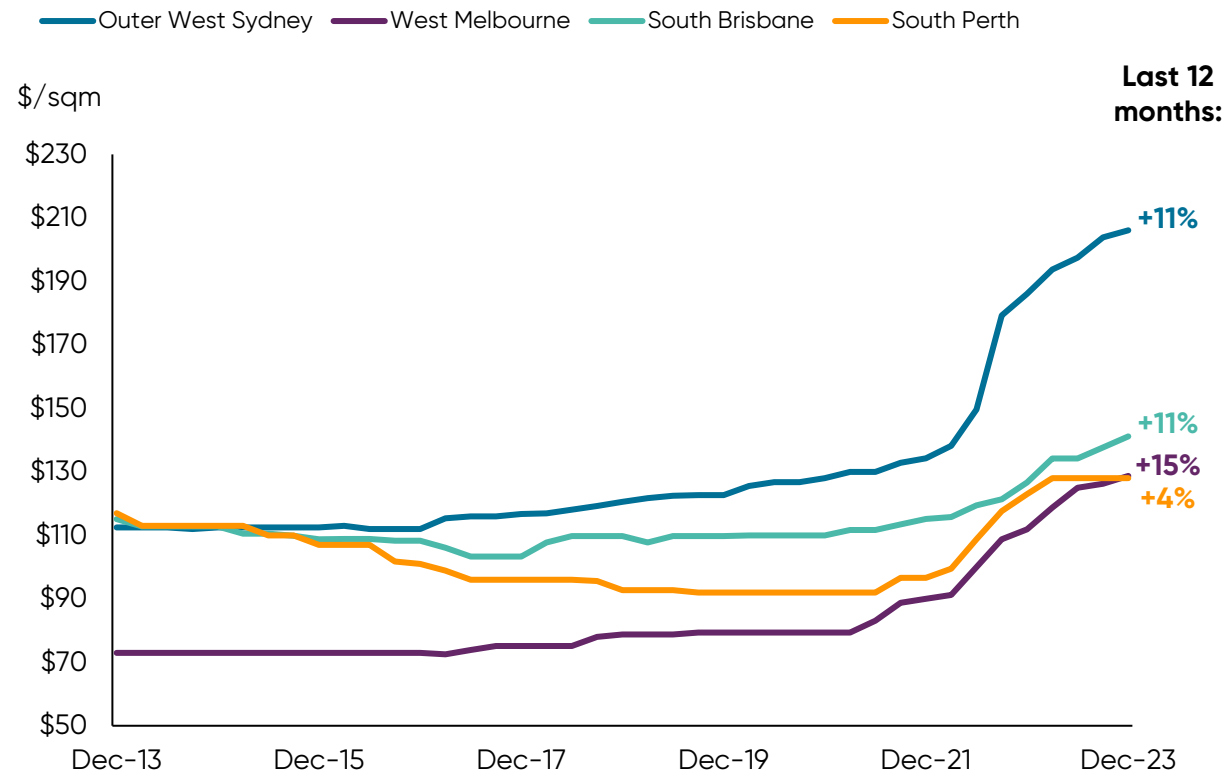
- Industrial presence in key precincts including Wacol and Narangba
- Diversified portfolio of 12 business park properties leased to 78 tenants



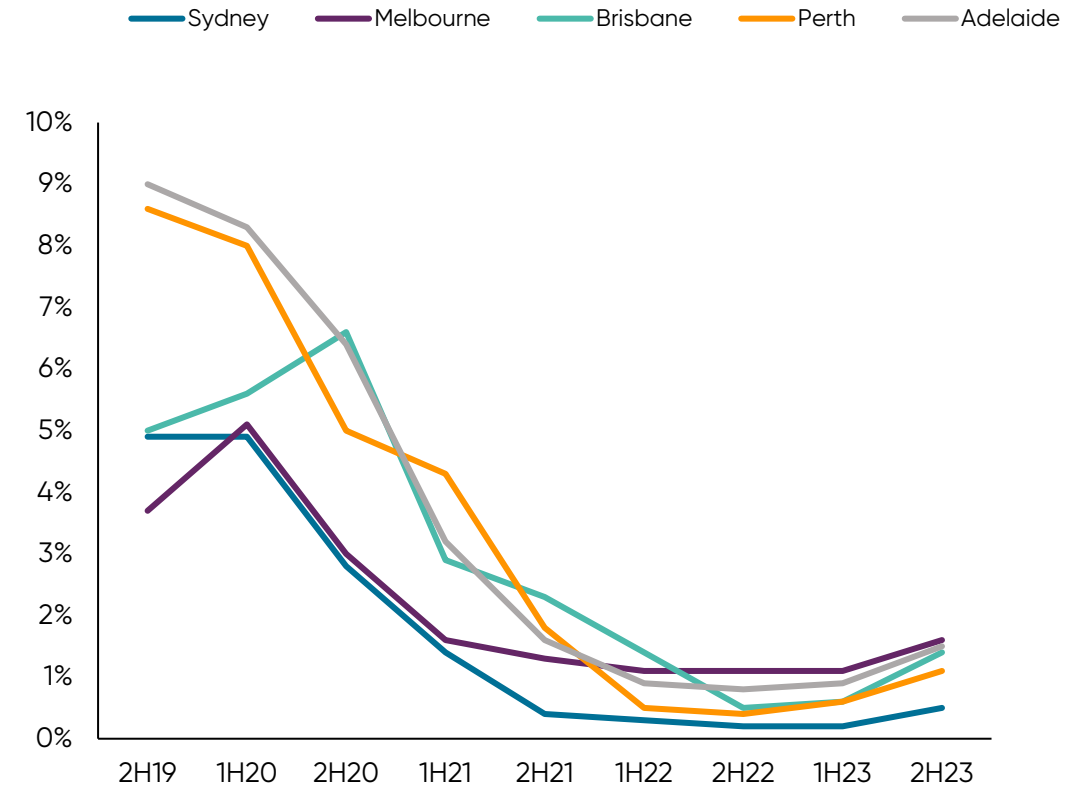
Market dynamics

Rent growth beginning to taper as vacancy normalises

Lack of available space has led to a rapid growth in rents



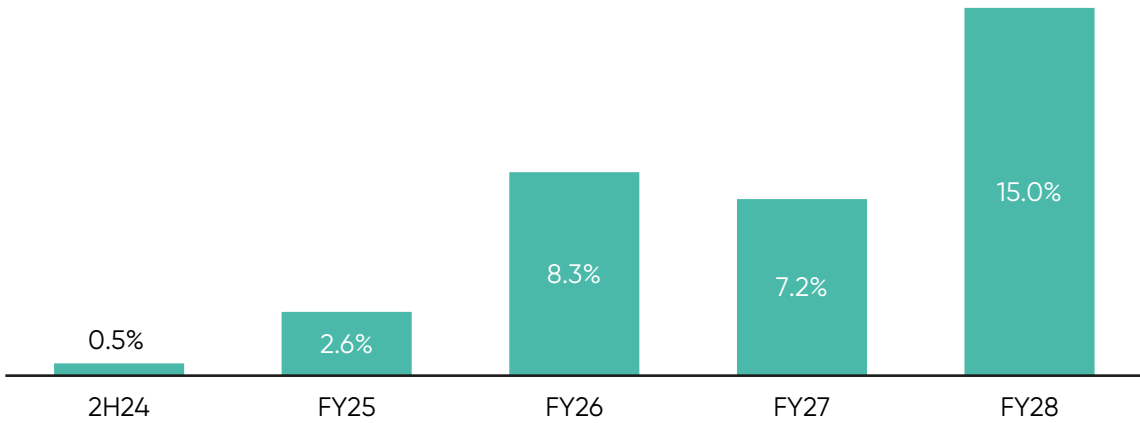
Vacancy rates low across all markets



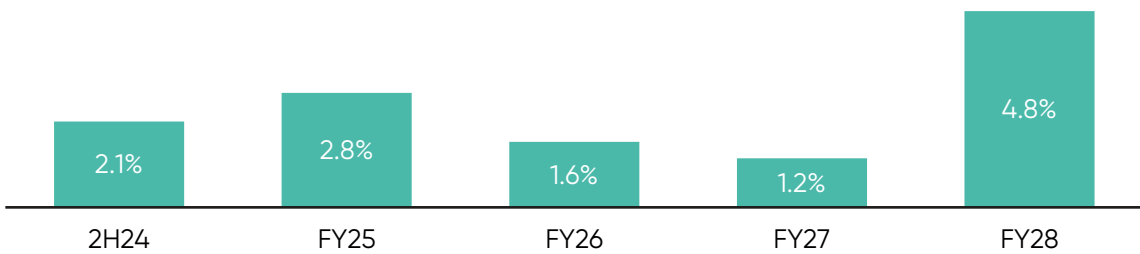
Source: JLL Research, CBRE Research, Dexus Research.

Lease expiry profile

**Industrial – 89% of portfolio value
(% by total DXI income)**

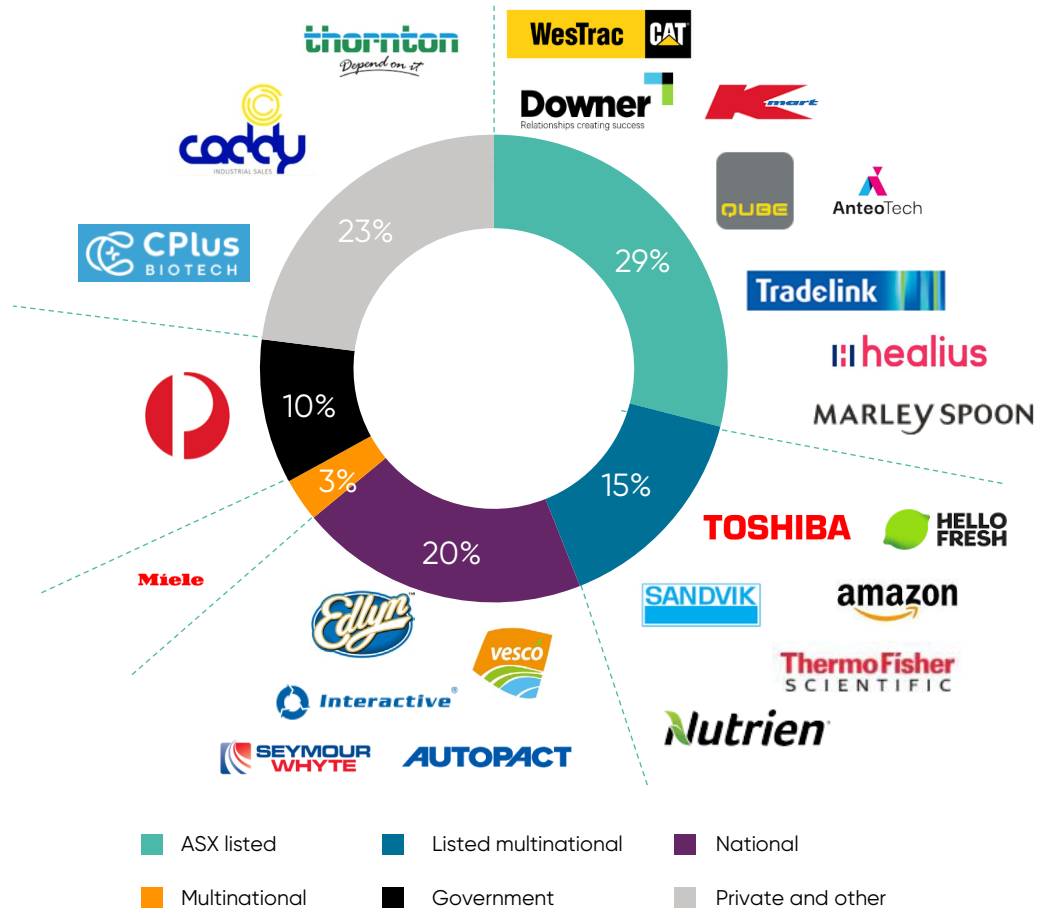


**Brisbane Technology Park – 11% of portfolio value
(% by total DXI income)**



Portfolio tenancy mix

Tenant type (% by income)



Tenant	% portfolio income
WesTrac	16%
Australian Postal Corporation	4%
Qube	3%
Sandvik	3%
AAE Retail	3%
Thornton Engineering	3%
Interactive	2%
Autopact	2%
Baker Hughes	2%
Kmart	2%
Top 10	40%
Other	60%
Total	100%

Jandakot Airport industrial precinct

Stabilised portfolio

- 98.9% occupancy (by income)
- 6.0 year WALE (by income)
- 41% of income generating fixed rental growth of 3.0–3.5% per annum
- 59% of income linked to CPI escalations



Developments

- \$145 million spend remaining (at DXI share) of which \$20 million committed
- 313,500sqm to be delivered to FY28
- 39% of committed product pre-leased
- Targeting yield on cost 6%



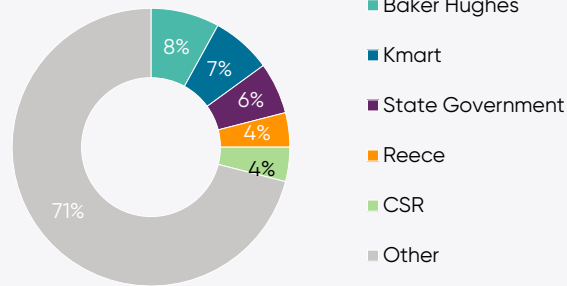
General aviation airport and infrastructure operations

- 18.8 year WALE (by income)
- Recurring revenue through economic cycles including infrastructure services and apron licences
- Less than 10% of net income from landing fees
- Opportunity for large-scale solar installation



Diverse tenancy mix

(% by Jandakot income)



Jandakot JV balance sheet

- 27.4% gearing (joint venture level)
- \$420m drawn debt (100% basis)
- \$250m hedging (100% basis)



Jandakot

Key metrics¹

55 assets

\$421m external valuation on investment property

- **\$342m** stabilised
- **\$79m** development

\$80m general aviation airport & infrastructure operations value²

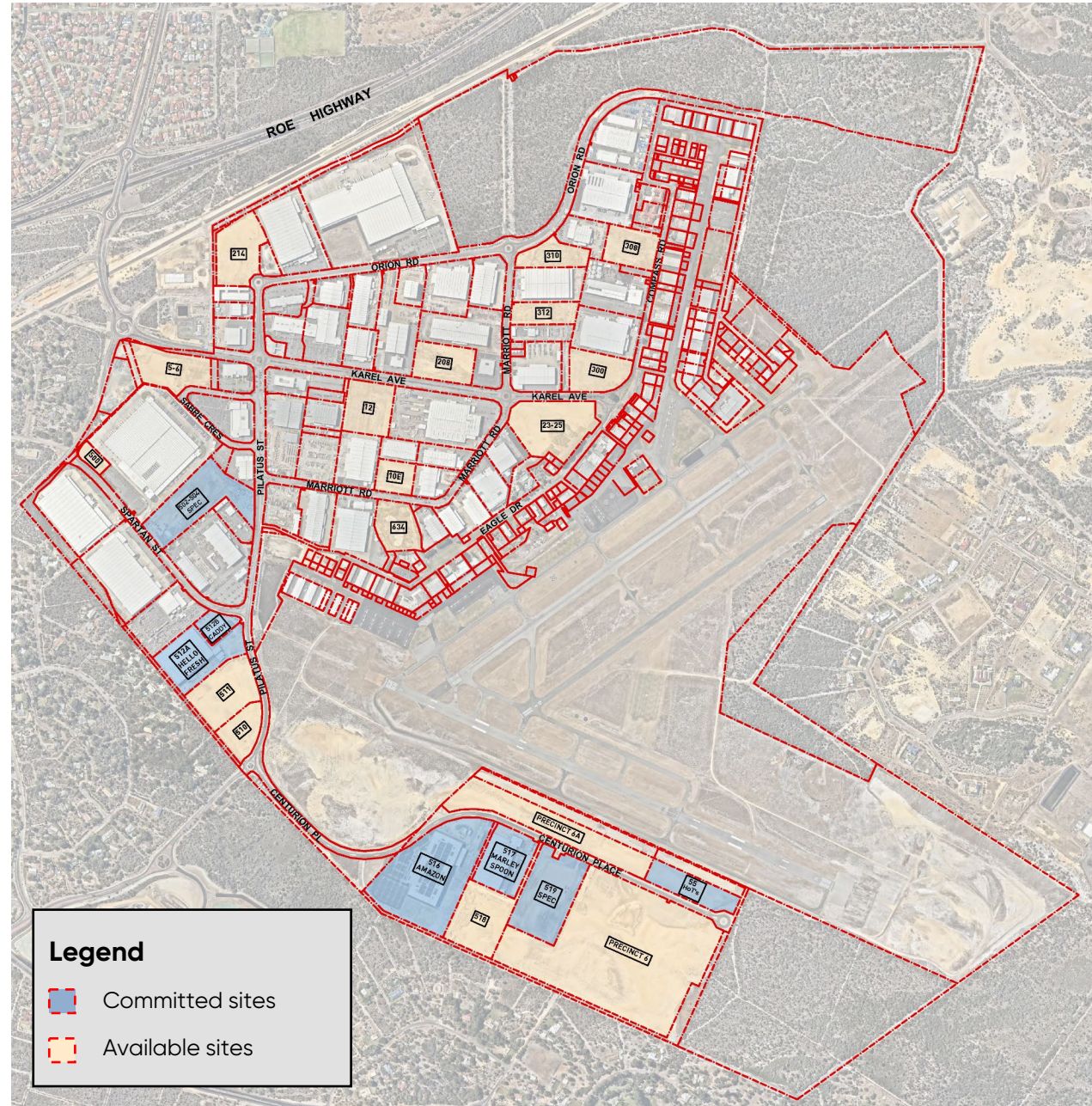
313,500sqm development pipeline

c. \$223m development pipeline value

c. \$145m development spend remaining

6% target yield on cost

1. Monetary figures represent DXI's ownership share of the total amounts.
2. Based on right-of-use asset value of the ground leases on completed developments and airport plant & equipment.



Developments

Project	Building area (sqm at 100%)	Building area (sqm at DXI ownership)	Development status	Est. project costs ¹	Remaining spend ¹	Est. yield on cost ²	Est. final completion
Completed³							
Jandakot, WA	18,000	6,000	Completed	\$16m	-	c. 5.3%	Marley Spoon – Jul 23 Caddy – Jul 23
Committed							
Jandakot, WA	58,900	19,600	Construction	\$48m	\$20m	c. 6%	Mid FY25
12 Church Road, Moorebank NSW	17,900	9,000	Pre-construction	\$46m	\$22m	6 – 6.5%	Early FY25
Uncommitted⁴							
Jandakot, WA	254,600	84,900	Planning phase	c. \$175m	c. \$125m	c. 6%	Early FY28

1. Reflects costs at DXI ownership. | 2. Yield on cost calculation includes cost of land, downtime and income earned through development in the denominator. | 3. Represents development completions for the half year ended 31 December 2023. | 4. Figures are indicative and subject to relevant planning approvals and leasing commitment outcomes. Project cost and remaining spend estimates are presented on a rounded basis.

Divestments

Settled pre 31 December 2023	# assets	Price (\$m)	Settlement
3 & 4 Forbes Close, Knoxfield VIC	2	\$22.9	Aug-23
16-28 Quarry Road, Stapylton QLD	1	\$66.9	Oct-23
Settled post 31 December 2023	# assets	Price (\$m)	Settlement
57-67 Mark Anthony Drive, South Dandenong VIC	1	\$13.5	Jan-24
32-40 Garden Street, Kilsyth VIC	1	\$31.5 ¹	Jan-24

1. Includes a \$5.0 million surrender payment that was received August 2023.



Independent valuations

Property	Occupancy by income (%)	Occupancy by area (%)	Book value (\$m)	Reval gain/(loss) (\$m)	Cap rate (%)	Cap rate mvmt (bps)
34 Australis Drive, Derrimut VIC	100%	100%	\$48.4	-	5.75%	88 bps
80-96 South Park Drive, Dandenong South VIC	100%	100%	\$43.3	\$5.2	5.50%	-
1 West Park Drive, Derrimut VIC	100%	100%	\$19.3	-	5.75%	75 bps
89 West Park Drive, Derrimut VIC	100%	100%	\$30.1	-	5.75%	75 bps
140 Sharps Road, Tullamarine VIC	100%	100%	\$16.1	\$(0.7)	7.86%	61 bps
13 Ricky Way & 10 Jersey Drive, Epping VIC	100%	100%	\$25.0	\$(0.1)	5.38%	50 bps
81-83 Rushdale Street, Knoxfield VIC	100%	100%	\$13.0	\$(0.1)	5.25%	25 bps
45-55 O'Briens Road, Corio VIC	100%	100%	\$35.1	\$(3.0)	6.00%	37 bps
137-147 Fitzgerald Road, Laverton North VIC	100%	100%	\$27.3	\$(1.3)	5.50%	75 bps
78 Henderson Road, Rowville VIC	100%	100%	\$25.1	\$(1.7)	5.25%	50 bps
350 & 356 Cooper Street, Epping VIC	100%	100%	\$27.6	\$(2.4)	5.75%	25 bps
1-3 Westrac Drive, Tomago NSW	100%	100%	\$286.0	\$(1.5)	5.38%	25 bps
60 Grindle Road, Wacol QLD	100%	100%	\$23.0	\$(2.0)	7.00%	50 bps
5 Butler Boulevard, Adelaide Airport SA	100%	100%	\$19.9	\$0.5	6.75%	52 bps
5b Butler Boulevard, Adelaide Airport SA	100%	100%	\$14.1	\$(0.1)	6.25%	27 bps
18-20 Butler Boulevard, Adelaide Airport SA	100%	100%	\$10.3	\$1.0	6.75%	52 bps
20-22 Butler Boulevard, Adelaide Airport SA	100%	100%	\$17.5	\$(0.5)	6.25%	52 bps
9 Boron Street, Narangba QLD	100%	100%	\$42.0	\$(3.5)	6.00%	50 bps
2 Maker Place, Truganina VIC	100%	100%	\$70.0	\$(0.8)	5.00%	50 bps

Independent valuations (cont'd)

Property	Occupancy by income (%)	Occupancy by area (%)	Book value (\$m)	Reval gain/(loss) (\$m)	Cap rate (%)	Cap rate mvmt (bps)
Jandakot – stabilised portfolio	98.9%	99.2%	\$342.3	\$(18.9)	5.38%	38 bps
Jandakot – development	n.a.	n.a.	\$78.9	\$(1.5)	n.a.	n.a.
12 Church Road, Moorebank NSW	n.a.	n.a.	\$21.7	\$(0.2)	n.a.	n.a.
Total Industrial	99.6%	99.7%	\$1,236.0	\$(31.8)	5.57%	41 bps
7 Clunies Ross Court & 17-19 McKechnie Drive, BTP QLD	98.7%	98.6%	\$52.6	\$(0.8)	7.00%	25 bps
BTP Central, BTP QLD	100%	100%	\$39.7	\$(0.3)	7.05%	18 bps
8 Clunies Ross Court & 9 McKechnie Drive, BTP QLD	100%	100%	\$31.0	\$(2.0)	6.96%	5 bps
37 Brandl Street, BTP QLD	81.8%	80.1%	\$13.5	\$(0.5)	7.75%	45 bps
18 Brandl Street, BTP QLD	85.7%	86.5%	\$12.0	\$(0.2)	7.75%	50 bps
88 Brandl Street, BTP QLD	94.2%	92.9%	\$16.3	\$(0.6)	7.50%	25 bps
Total Brisbane Technology Park	95.7%	95.1%	\$165.0	\$(4.3)	7.17%	23 bps
Total portfolio excluding transactions¹	99.0%	99.5%	\$1,401.0	\$(36.1)	5.77%	37 bps
Held for sale assets ²	n.a.	n.a.	\$40.0	\$(0.2)	n.a.	n.a.
Settled divestments	n.a.	n.a.	n.a.	\$(0.7)	n.a.	n.a.
Total portfolio¹	99.0%	99.5%	\$1,441.0	\$(37.0)	5.77%	39 bps

1. Represents look-through portfolio and excludes directly held leased assets. | 2. Includes net proceeds associated with the sale of 32-40 Garden Street, Kilsyth VIC (\$26.5 million sale price and \$5.0 million surrender payment) and 57-67 Mark Anthony Drive, Dandenong South VIC (\$13.5 million).

Profit & loss and FFO reconciliation

\$'000	Direct investments (100% owned)		Joint ventures ¹		Total portfolio	
	HY24	HY23	HY24	HY23	HY24	HY23
Property revenue	36,049	40,122	15,097	13,116	51,146	53,238
Property expenses	(6,500)	(8,016)	(3,574)	(3,035)	(10,074)	(11,051)
Property FFO	29,549	32,106	11,523	10,081	41,072	42,187
Management fees	(3,263)	(3,476)	(1,075)	(935)	(4,338)	(4,411)
Net finance costs	(6,490)	(7,768)	(2,241)	(1,740)	(8,731)	(9,508)
Tax expense	(50)	(316)	(577)	(496)	(627)	(812)
Other net (expense)/income	(577)	(644)	455	295	(122)	(349)
FFO	19,169	19,902	8,085	7,205	27,254	27,107
Net fair value gain/(loss) of investment properties	(21,428)	(34,047)	(20,597)	7,328	(42,025)	(26,719)
Net fair value gain/(loss) of right-of-use assets	(167)	(178)	2,334	5,859	2,167	5,681
Net fair value gain/(loss) of derivatives	(5,748)	(186)	(2,052)	383	(7,800)	197
Impairment of investments accounted for using the equity method	-	(1,208)	-	-	-	(1,208)
Incentive amortisation and rent straight-line	(863)	(1,586)	68	138	(795)	(1,448)
Non-FFO tax benefit/(expense)	544	338	135	(1,801)	697	(1,463)
Debt modification expense	(357)	(339)	-	-	(357)	(339)
Rental guarantees, coupon income and other	4,944	(52)	5,684	(317)	10,628 ²	(369)
(Loss)/profit for the period	(3,906)	(17,356)	(6,343)	18,795	(10,249)	1,439

1. Includes investment in Jandakot City Holdings Trust, Jandakot Airport Holdings Trust, Dexus Moorebank Trust and Dexus Mamre Road Trust. | 2. Includes \$11.5 million of surrender income received in relation to tenant departures at Jandakot Airport and industrial precinct, Perth and the divestment of 32-40 Garden Street, Kilsyth, Victoria.

Summary balance sheet and gearing

Summary balance sheet

\$'000	31 Dec 2023	30 Jun 2023
Cash and cash equivalents	5,080	5,514
Investment properties ¹	998,050	1,105,775
Equity accounted investments	379,182	391,733
Other assets	58,323	59,411
Total assets	1,440,635	1,562,433
Borrowings	(292,615)	(376,034)
Distributions payable	(13,008)	(13,008)
Other liabilities	(69,510)	(71,624)
Total liabilities	(375,133)	(460,666)
Net assets	1,065,502	1,101,767
Stapled securities on issue (thousands)	317,270	317,270
NTA per security ² (\$)	\$3.32	\$3.44

Gearing

\$'000	31 Dec 2023	30 Jun 2023
Balance sheet gearing		
Drawn debt	295,250	379,250
Total tangible assets	1,393,917	1,511,989
Balance sheet gearing (%)	21.2%	25.1%
Pro forma balance sheet gearing (%)	18.9%⁴	20.4%⁵
Look-through³		
Drawn debt less cash	430,030	513,596
Total tangible assets less cash	1,528,697	1,646,335
Look-through gearing (%)	28.1%	31.2%
Pro forma look-through gearing (%)	26.2%⁴	27.3%⁵

1. Excludes directly held leased assets. Includes assets held for sale. | 2. Calculated as total net assets less goodwill on a look-through basis, divided by total securities on issue. | 3. Adjusted for debt in equity accounted investments. | 4. Pro forma for the sale of 32-40 Garden Street, Kilsyth, VIC and 57-67 Mark Anthony Drive, South Dandenong, VIC which settled in January 2024. | 5. Pro forma for the sale of 3 & 4 Forbes Close, Knoxfield VIC and 16-28 Quarry Road, Stapylton QLD which settled post 30 June 2023.

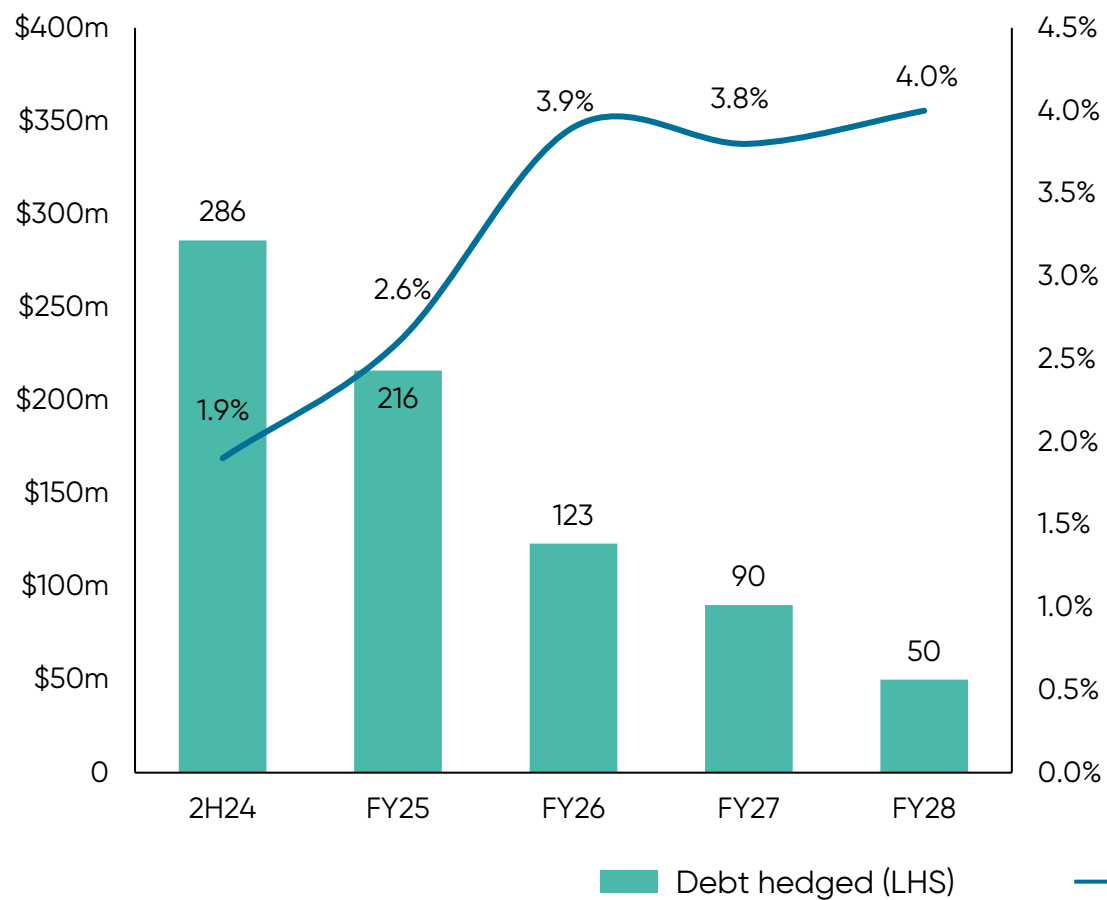
Book value reconciliation

\$'000	Direct investments (100% owned)		Joint ventures ¹		Total portfolio	
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
Investment properties	958,050	1,016,000	-	-	958,050	1,016,000
Investments accounted for using the equity method	-	-	442,947	452,044	442,947	452,044
Non-current assets classified as held for sale	40,000	89,775	-	-	40,000	89,775
Property portfolio²	998,050	1,105,775	442,947	452,044	1,440,997	1,557,819
Finance lease receivable	-	-	62,431	60,098	62,431	60,098
Investment portfolio²	998,050	1,105,775	505,378	512,142	1,503,428	1,617,917

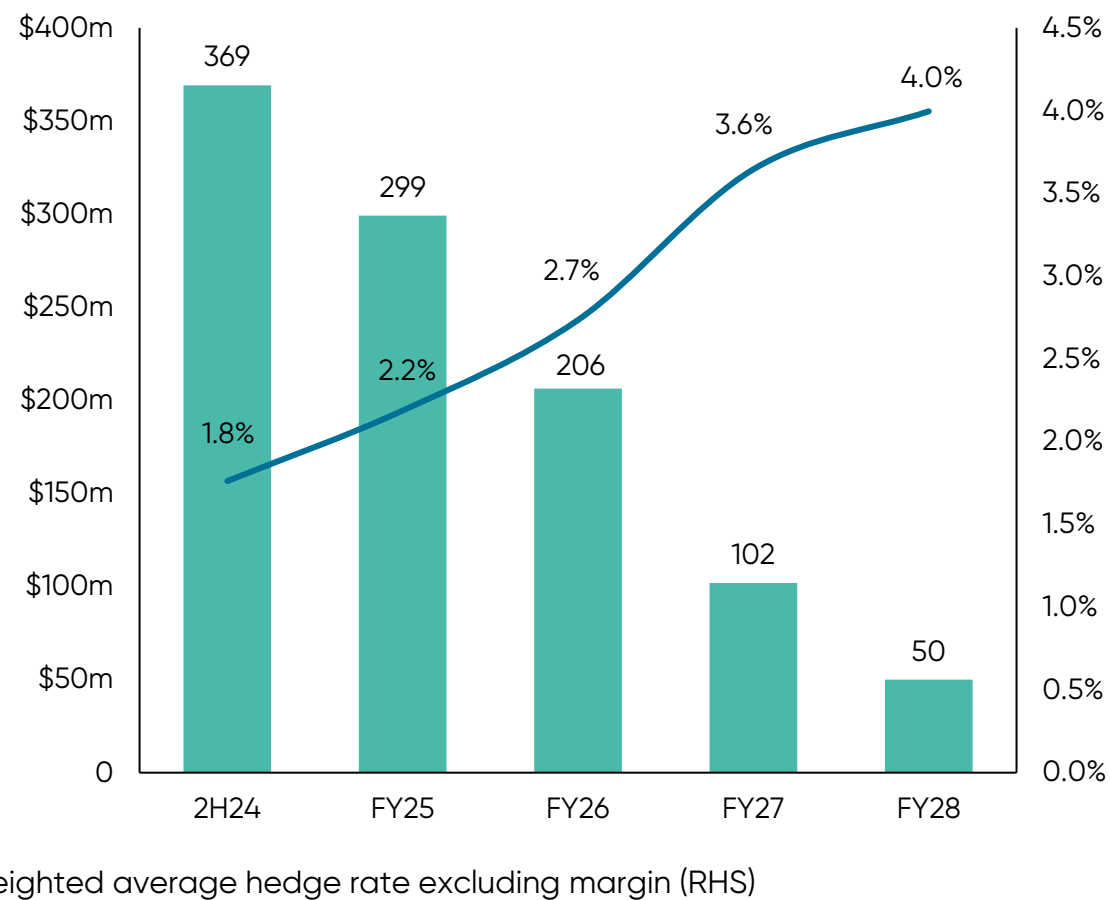
1. Includes investment in Jandakot City Holdings Trust, Jandakot Airport Holdings Trust, Dexu Moorebank Trust and Dexu Mamre Road Trust. | 2. Excludes directly held leased assets.

Interest rate hedging profile

Balance sheet



Look-through



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