



AXIS REAL ESTATE INVESTMENT TRUST

Results Presentation 1Q2021

21 April 2021

HIGHLIGHTS

PORTFOLIO
OVERVIEW

FINANCIAL
OVERVIEW

STOCK
INFORMATION



HIGHLIGHTS



2021 HIGHLIGHTS



57 properties on portfolio
45 properties with 100% occupancy



Portfolio Occupancy of 91% (as at 31/03/2021)
Weighted Average Lease Expiry of 5.5 years



Total Assets Under Management
RM3.52 billion



Reclassified as Islamic REIT in 2008



Space Under Management
10.9 million sq ft



Distribution Per Unit for 1Q021
2.23 sen



Financing Ratio
36%



Market Capitalization (as at 31/03/2021)
RM2.82 billion



Solid industrial space portfolio
92% of properties on industrial titles



Nationwide presence across Malaysia

1Q2021 HIGHLIGHTS

- ▶ Declared 1st interim 2021 DPU of 2.23 sen.
- ▶ Portfolio size increased by 4 to a total of 57 properties.
- ▶ Investment properties currently stands at RM3.4 billion.
- ▶ Traded at a premium of 32% to NAV as of 31 March 2021.
- ▶ Completed the Income Distribution Reinvestment Plan (“IDRP”) in conjunction with the payment of 2020 final income distribution.
- ▶ Completed the acquisition of Indahpura Facility 2, Johor for RM8.54 million on 12 January 2021.
- ▶ Completed the acquisition of Indahpura Facility 3, Johor for RM6.68 million on 26 February 2021.
- ▶ Completed the acquisition of Beyonics i-Park Campus – Block F, Johor for RM12.98 million on 3 March 2021.
- ▶ Completed the acquisition of Bukit Raja Distribution Centre 2, Shah Alam for RM120.0 million on 31 March 2021.
- ▶ Signed the Sale and Purchase Agreement to acquire a warehouse located in Pasir Gudang, Johor Bahru for RM75.0 million, on 15 March 2021.

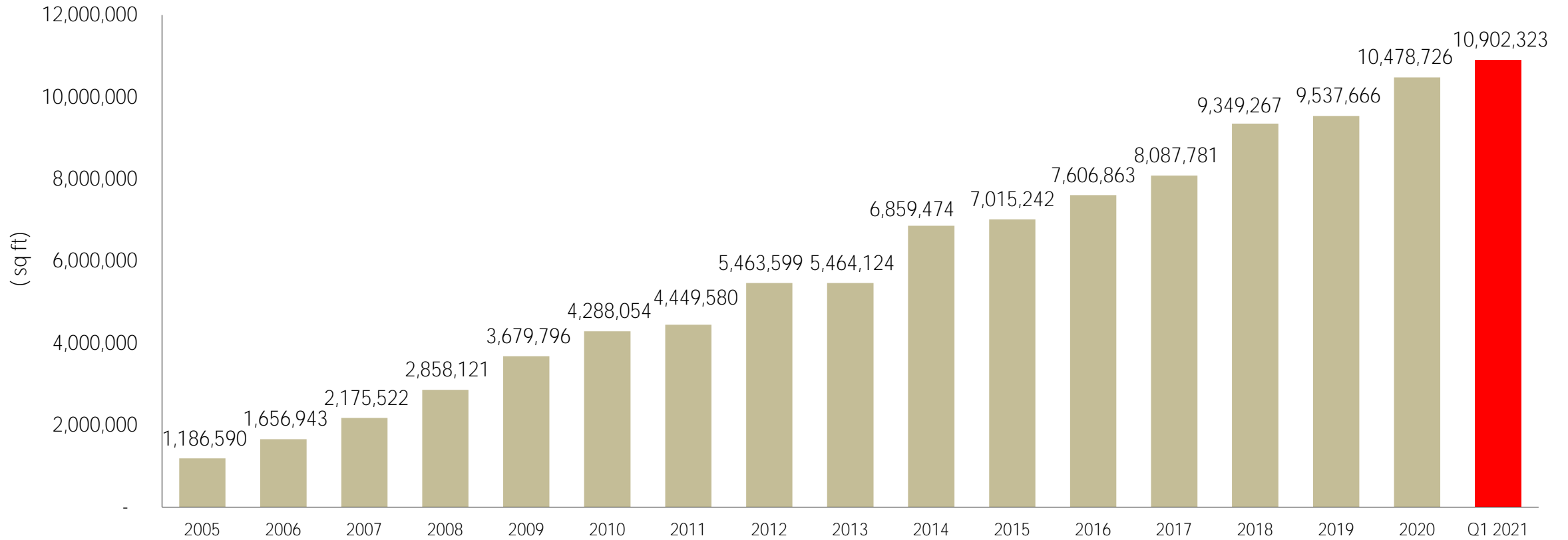


PORTFOLIO OVERVIEW



PORTFOLIO OVERVIEW

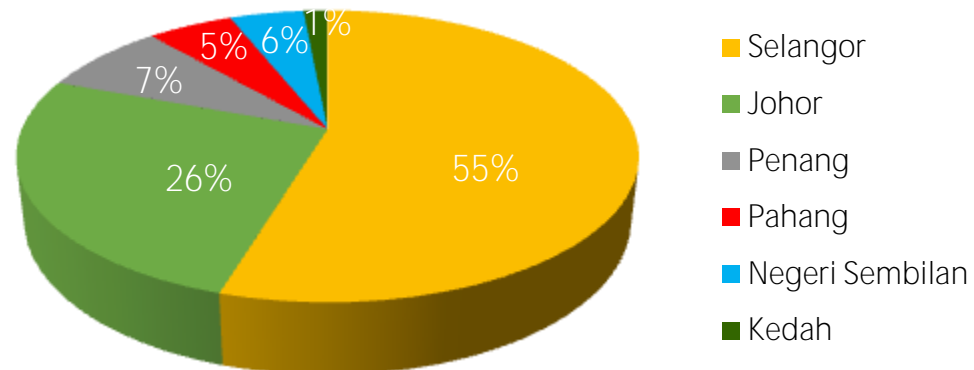
Space Under Management (sq ft)



PORTFOLIO OVERVIEW

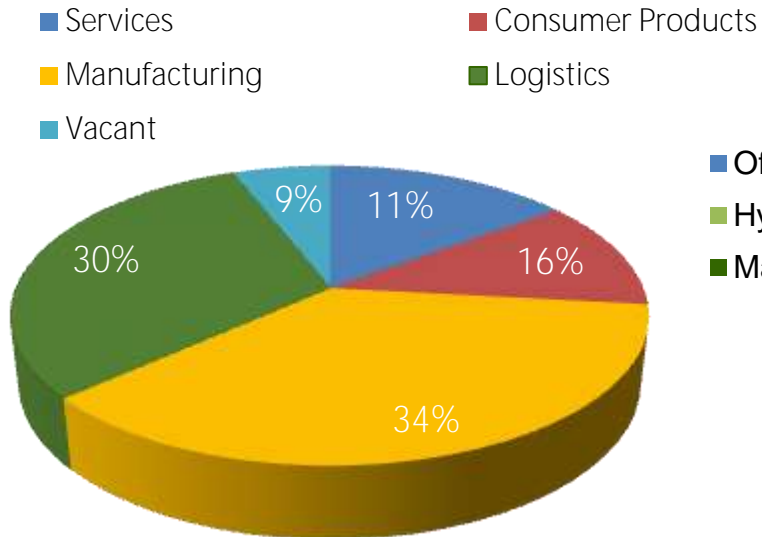
- ✓ Our 57 properties are strategically located in prime industrial areas such as Klang Valley, Johor, Penang, Pahang, Negeri Sembilan and Kedah.
- ✓ Pipeline acquisitions include additions in key industrial hubs of:
 - Penang
 - Selangor
 - Johor
- ✓ This geographical diversification is aimed at capturing the rapid growth of current and future regional industrial hubs.

Portfolio Diversification by Location (on NLA)

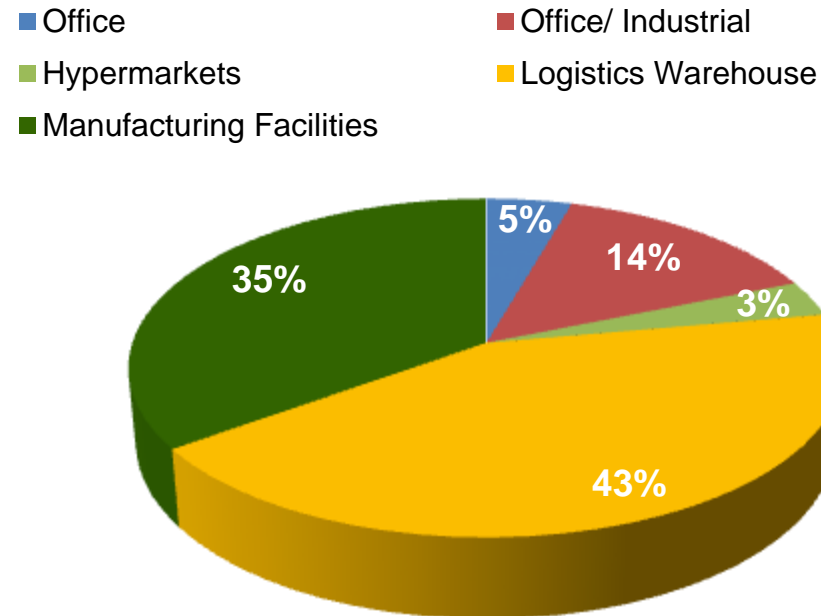


PORTFOLIO OVERVIEW

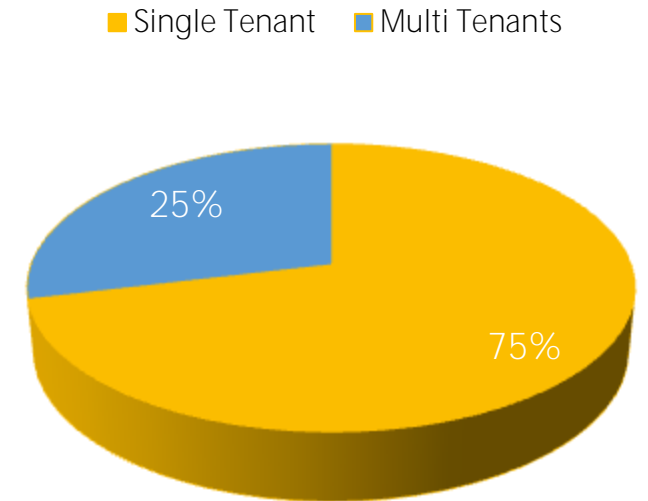
Portfolio Diversification by Industry Sector (on NLA)



Portfolio Diversification by Asset Type (on NLA)



Portfolio Diversification by Occupancy Type (on NLA)



PORTFOLIO OVERVIEW

As at 31 March 2021, the portfolio has 57 assets comprising 10,902,323 sq. ft. and 152 tenants.

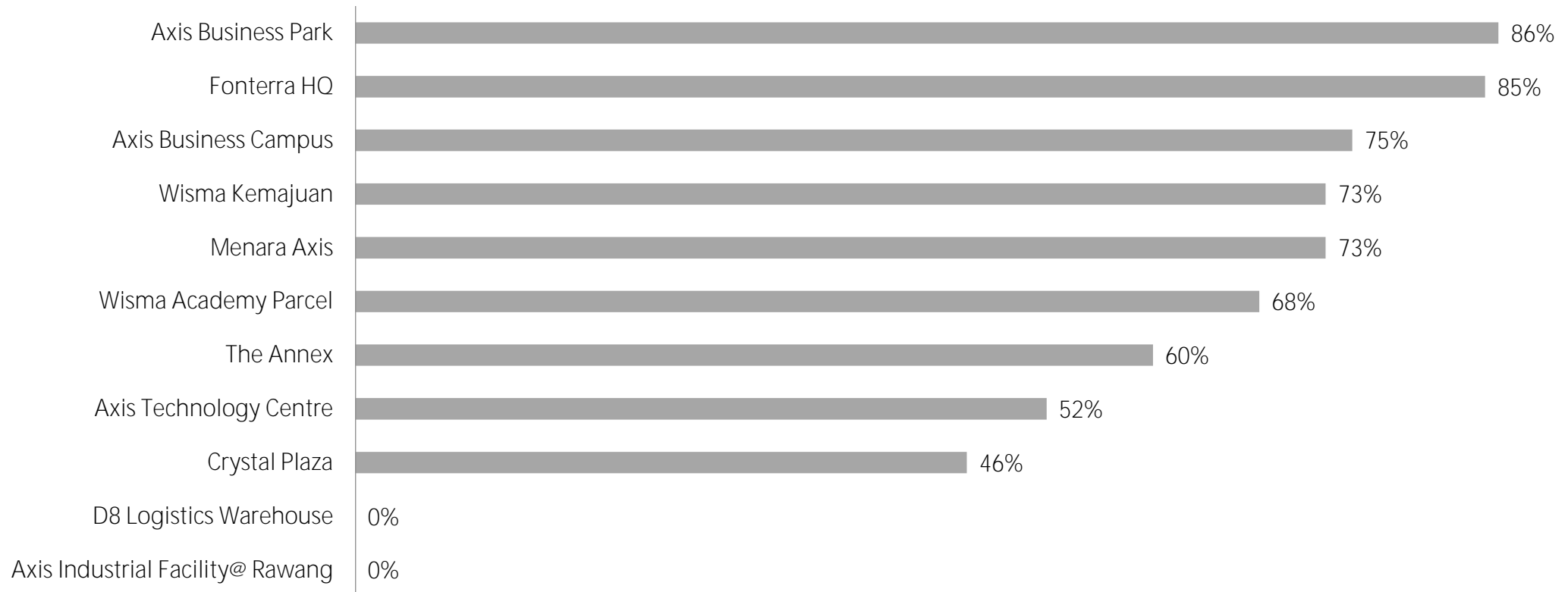
	1Q2021
No. of Properties	57
Property Income (RM'000)	57,378
Property Expenses (RM'000)	8,583
Net Property Income (RM'000)	48,795
Occupancy	91%

Portfolio Efficiency Ratio = YTD Property Expenses / YTD Property Income

1Q2021	2020	2019	2018	2017
14.96%	15.05%	14.31%	13.66%	15.80%

PORTFOLIO OVERVIEW

PROPERTIES WITH OCCUPANCY BELOW 90% AS AT 31 MARCH 2021



Notes:

1. Vacant space in Fonterra HQ is built for their future expansion
2. D8 Logistics Warehouse will achieve 100% occupancy by 2Q2021
3. Axis Industrial Facility @ Rawang will achieve 48% occupancy by 2Q2021 and 100% occupancy by 4Q2021

PORTFOLIO OVERVIEW

Lease Expiry By Location									
Property	Year 2021	% of Total NLA	% of Rental Income/month	Year 2022	% of Total NLA	% of Rental Income/month	Year 2023	% of Total NLA	% of Rental Income/month
Petaling Jaya	575,563	5.28	10.14	533,069	4.88	8.84	370,976	3.45	5.63
Shah Alam	612,547	5.62	5.96	520,881	4.78	4.33	649,225	5.96	6.29
Klang	-	-	-	149,605	1.37	1.23	-	-	-
Johor	772,475	7.08	5.22	384,181	3.52	2.86	-	-	-
Nilai	-	-	-	291,642	2.68	1.46	-	-	-
Penang	-	-	-	395,225	3.63	3.03	205,151	1.88	2.64
TOTAL	1,960,585	17.98	21.32	2,274,603	20.86	21.75	1,225,352	11.29	14.56

Lease Expiry By Type									
Property	Year 2021	% of Total NLA	% of Rental Income/month	Year 2022	% of Total NLA	% of Rental Income/month	Year 2023	% of Total NLA	% of Rental Income/month
Office	134,059	1.23	3.56	113,742	1.04	2.49	33,269	0.31	0.72
Office Industrial	441,504	4.05	6.58	449,577	4.12	6.97	337,707	3.15	4.91
Logistics Warehouse	1,087,123	9.97	8.42	901,738	8.27	6.82	813,315	7.45	8.55
Manufacturing Facilities	297,899	2.73	2.76	809,546	7.43	5.47	41,061	0.38	0.38
Hypermarket	-	-	-	-	-	-	-	-	-
TOTAL	1,960,585	17.98	21.32	2,274,603	20.86	21.75	1,225,352	11.29	14.56

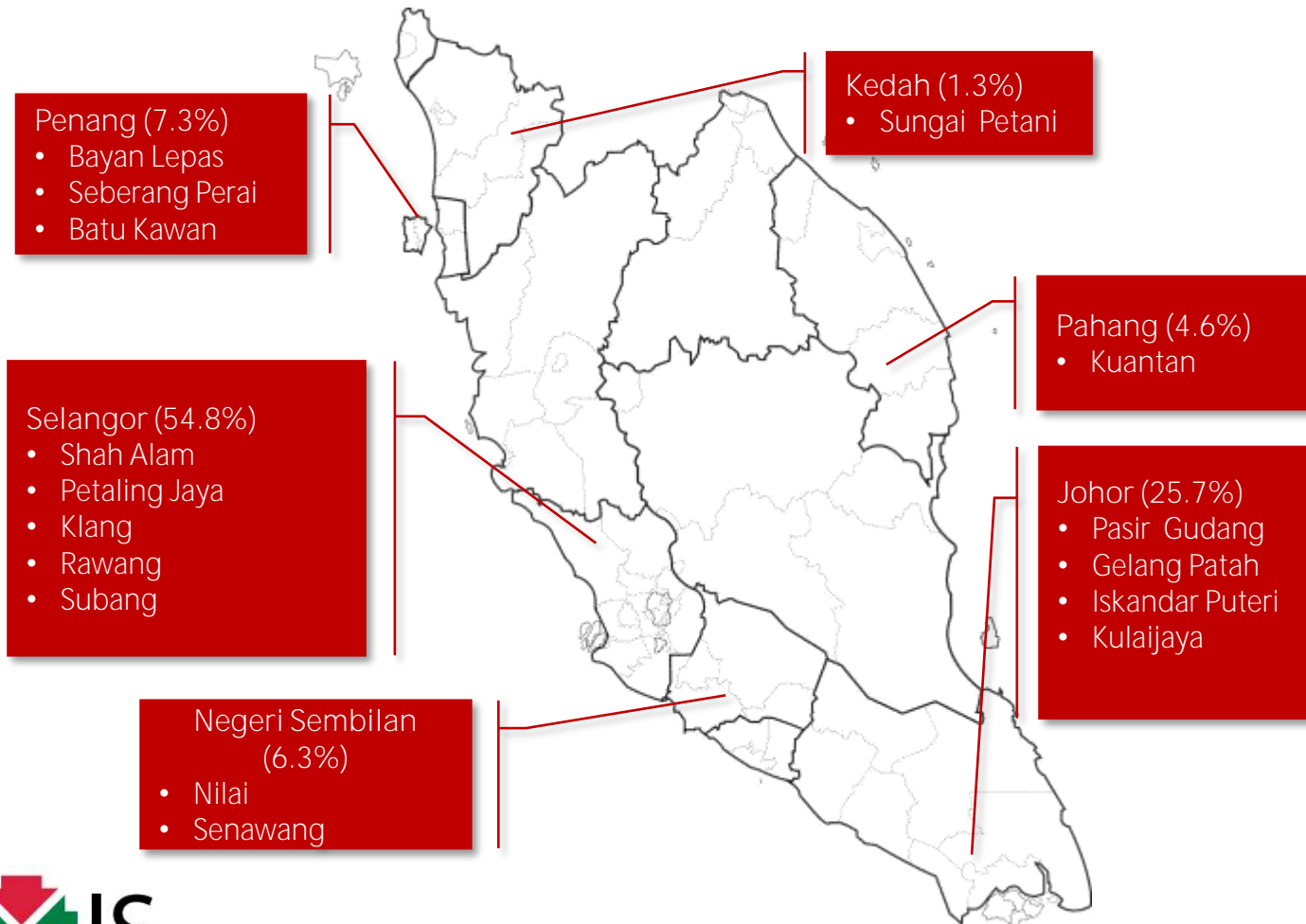
Out of 1.96 million square feet of space expiring in 2021, 76 % have been renewed to-date.

PORTFOLIO OVERVIEW

ESTABLISHED NATIONWIDE FOOTPRINT

Top 10 Tenants

YTD top ten tenants account for 45.24% of the total revenue



1. Nestle Products Sdn Bhd
2. Yongnam Engineering Sdn Bhd
3. Wasco Coatings Malaysia Sdn Bhd
4. Schenker Logistics (Malaysia) Sdn Bhd
5. LF Logistics Services (M) Sdn Bhd
6. Upeca Aerotech Sdn Bhd
7. POS Logistics Berhad
8. Lotuss Stores (Malaysia) Sdn Bhd (fka Tesco Stores (Malaysia) Sdn Bhd)
9. Beyonics Precision (Malaysia) Sdn Bhd
10. Teraju Sinar Sdn Bhd



LF LOGISTICS



POS Logistics

Beyonics



TERAJU SINAR SDN BHD

PORTFOLIO OVERVIEW

COMPLETED ACQUISITIONS

1. Indahpura Facility 2, Johor



Completion Date	:	12 January 2021
Net Lettable Area	:	35,339 sq. ft.
Land Area	:	Approx. 1.2 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM8.54 million
WALE at Completion Date:		3.0 years

2. Indahpura Facility 3, Johor



Completion Date	:	26 February 2021
Net Lettable Area	:	24,949 sq. ft.
Land Area	:	Approx. 1.25 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM6.68 million
WALE at Completion Date:		3.7 years

PORTFOLIO OVERVIEW

COMPLETED ACQUISITIONS

3. Beyonics i-Park Campus – Block F, Johor



Completion Date	:	3 March 2021
Net Lettable Area	:	57,545 sq. ft.
Land Area	:	Approx. 2.1 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM12.98 million
WALE at Completion Date:		6.3 years

4. Bukit Raja Distribution Centre 2, Shah Alam



Completion Date	:	31 March 2021
Gross Floor Area	:	326,231 sq. ft.
Land Area	:	Approx. 20.75 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM120.0 million
WALE at Completion Date:		1.0 year

PORTFOLIO OVERVIEW

ONGOING ACQUISITIONS

1. Warehouse @ Pasir Gudang, Johor



Target Completion Date :	1H2021
Net Lettable Area :	398,060 sf
Land Area :	Approx. 16.23 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM75 million
WALE :	Approx. 10 years

PORTFOLIO OVERVIEW

ACQUISITIONS STRATEGY

The Manager continues to aggressively source and evaluate potential acquisition targets that are deemed investable by Axis-REIT. The selection of properties will continue to focus on:

- ✓ Grade A logistics facilities and manufacturing facilities with long leases from tenants with strong covenants;
- ✓ Well-located retail warehousing in locations ideal for last-mile distribution; and
- ✓ Office, business parks and industrial properties with potential for future enhancement.

**Total Estimated Value of Acquisition Targets
RM135 million**



FINANCIAL OVERVIEW



FINANCIAL OVERVIEW

SNAPSHOT AS AT 31 MARCH 2021



RM3.52 billion
Total Assets



RM1.27 billion
Total Financings



RM2.13 billion
Total Unitholder's Funds



RM1.47
Net Asset Value Per Unit



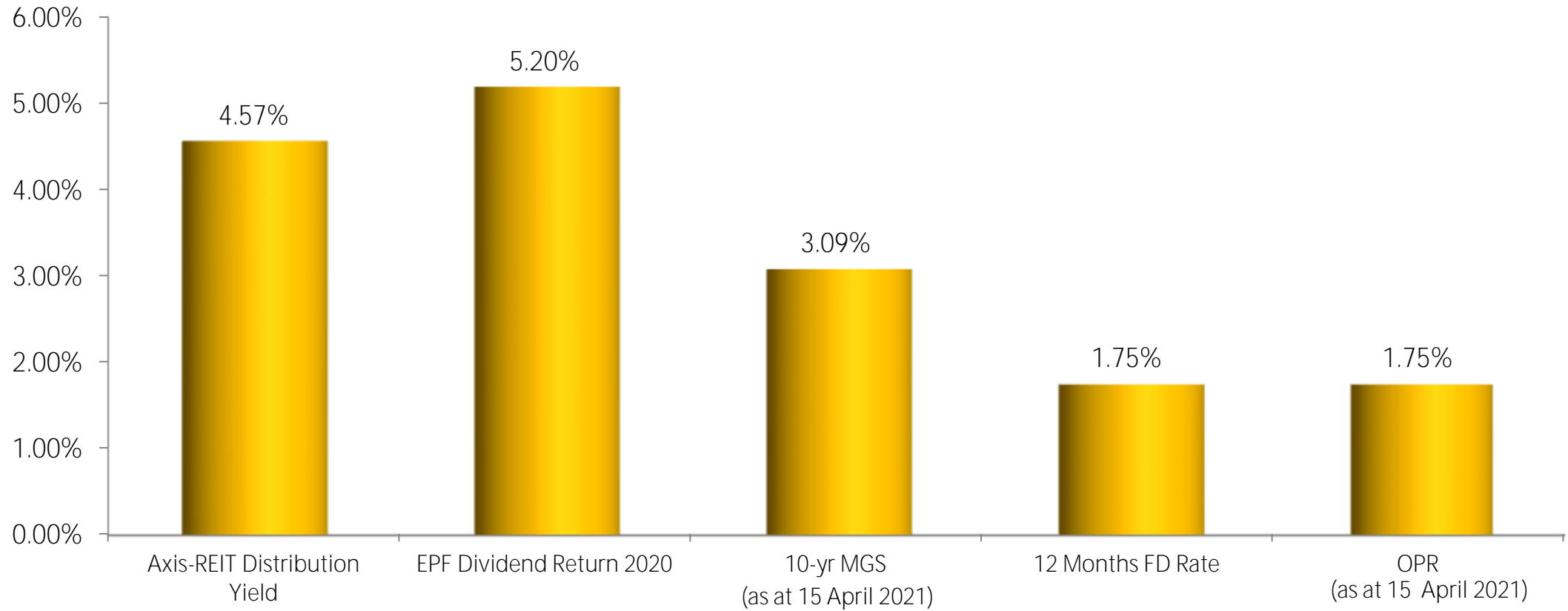
36%
Financing Ratio



2.23 sen (1Q2021)
Distribution Per Unit

FINANCIAL OVERVIEW

RETURN COMPARATIVES



FINANCIAL OVERVIEW

INCOME STATEMENT 1Q2021 vs 1Q2020

	1Q2021 (RM'000)	1Q2020 (RM'000)	Changes / Movement
No. of Properties	57	50	+7
Property Income – Note 1	57,378	54,540	
Property Income - Property income before lease incentive adjustment	57,690	54,875	+5.1%
- Lease incentive adjustment (non-distributable)	(312)	(335)	
Property Expenses – Note 2	(8,583)	(8,163)	+5.1%
Net Property Income	48,795	46,377	
- Property income before lease incentive adjustment	49,107	46,712	+5.1%
- Lease incentive adjustment (non-distributable)	(312)	(335)	
Profit Income / Other Income	104	231	
Non-Property Expenses	(6,662)	(6,987)	-4.7%
Islamic Financing Cost – Note 3	(10,360)	(9,744)	+6.3%
Net Income	31,877	29,877	
Property income before lease incentive adjustment	32,189	30,212	+6.5%
- Lease incentive adjustment (non-distributable)	(312)	(335)	
DPU (sen)	2.23	2.10	+6.2%
No. of Units in Issuance	1,446,481,518	1,442,331,296	+0.3%

* Note: The above financials exclude unbilled lease income receivable

FINANCIAL OVERVIEW

INCOME STATEMENT 1Q2021 vs 1Q2020 - NOTES

Note 1 – Property Income

Increase in property income as compared to preceding year corresponding period was mainly due to rental from newly acquired properties. This has offset the rental loss from the expiry of tenancy of D8 Logistics Warehouse since end October 2020. During the Movement Control Order 2.0, Axis-REIT has also registered lower seasonal and visitor carpark income during the period.

Note 2 – Property Expenses

The increase in property expenses was due to the increased number of properties in the portfolio.

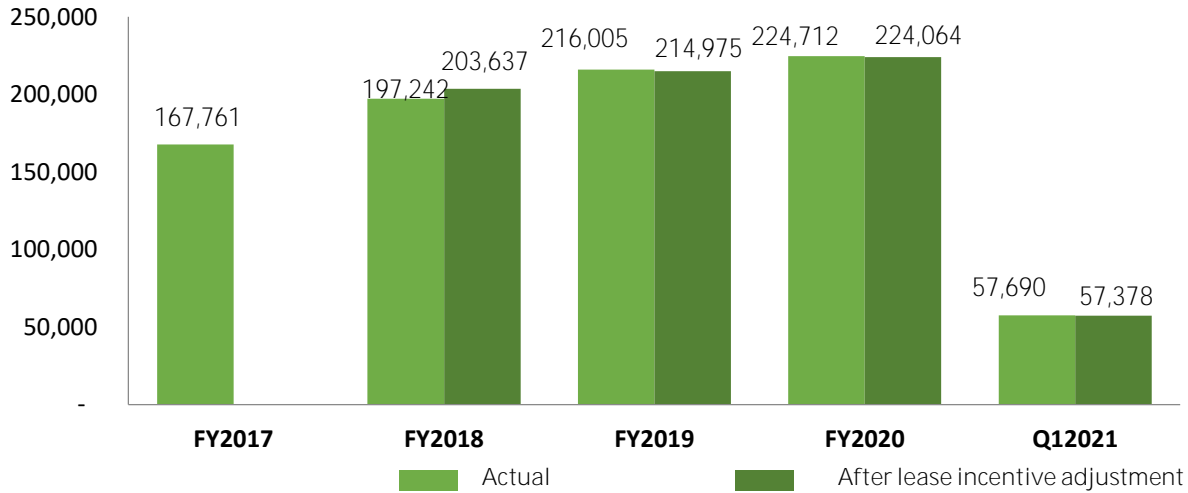
Note 3 – Islamic Financing Cost

Increase in financing cost was mainly due to additional financing facilities to fund the new acquisitions.

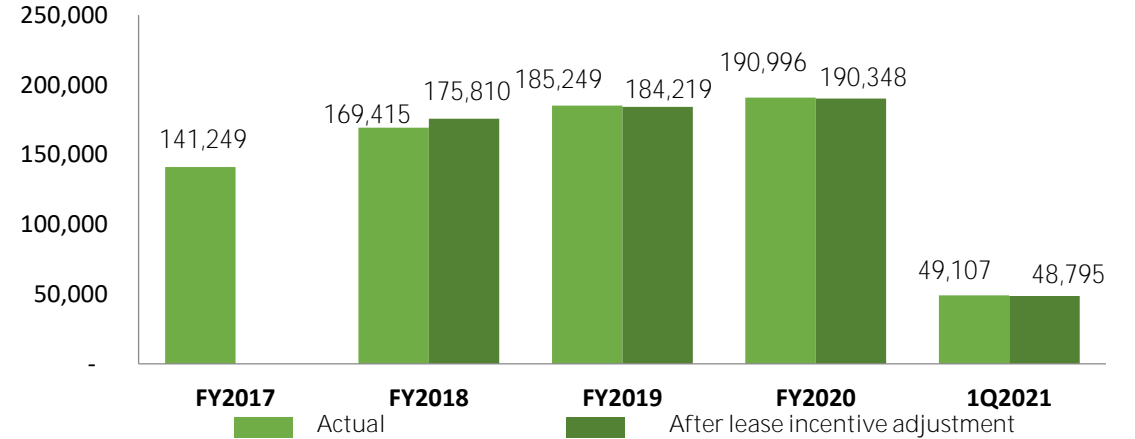
FINANCIAL OVERVIEW

5-YEAR PERFORMANCE

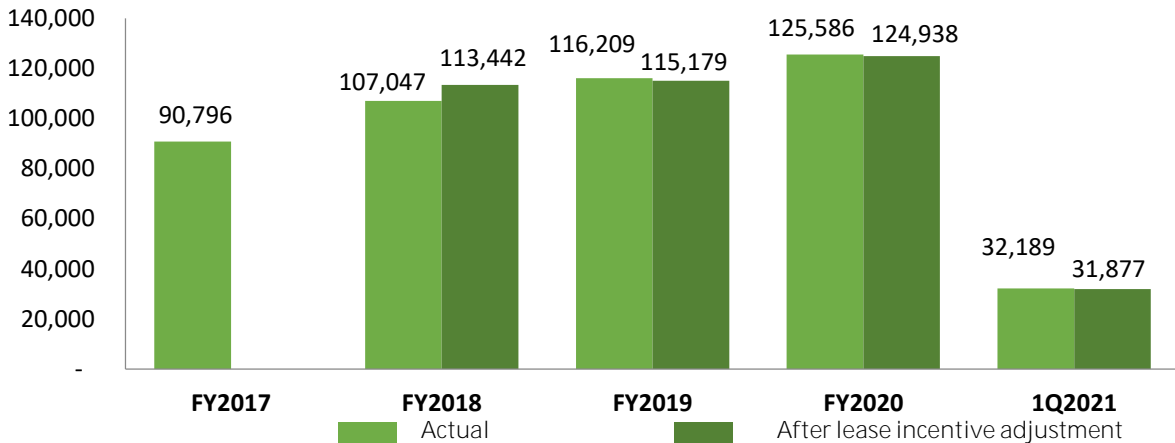
Revenue (RM'000)*



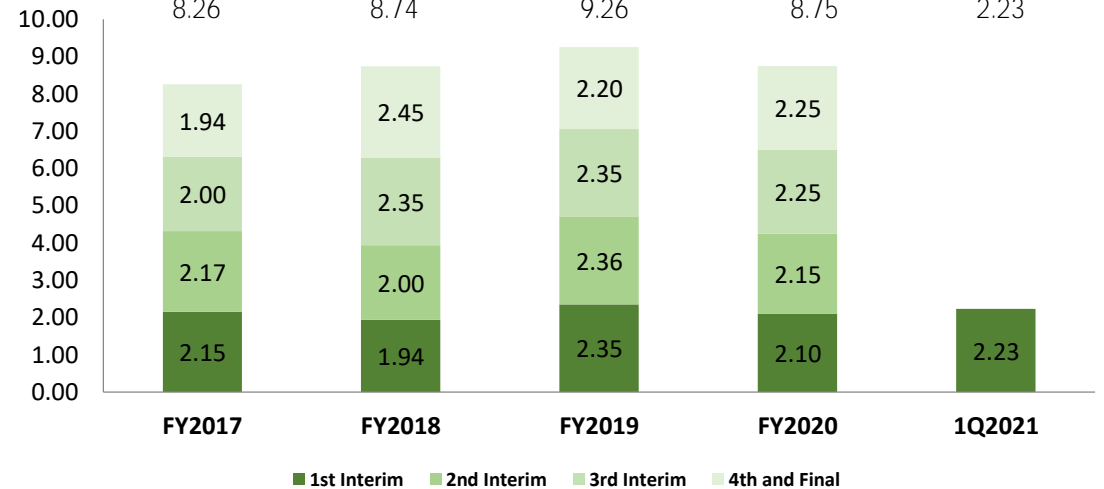
Net Property Income (RM'000)*



Net Income (RM'000)*



Distribution Per Unit (Sen)



* Note: The above financials exclude unbilled lease income receivable

FINANCIAL OVERVIEW

PORTFOLIO YIELD BY ASSET TYPES

Asset Type	Net Yield (%)	Gross Yield (%)
Office	5.9	8.4
Office Industrial	6.8	8.9
Logistics Warehouse	7.8	8.5
Manufacturing Facilities	7.3	8.1
Hypermarket	8.2	8.8
Average	7.3	8.5

FINANCIAL OVERVIEW

FINANCIAL POSITION

	31/3/21 (RM'000)	31/12/20 (RM'000)	Changes (RM'000)
Investment Properties – Note 1	3,441,067	3,280,240	+160,827
Fixed Assets	2,776	2,870	-94
Other Assets – Note 2	80,797	80,973	-176
TOTAL ASSETS	3,524,640	3,364,083	+160,557
Financing – Note 4	1,269,276	1,112,183	+157,093
Other Payables	116,015	119,774	-3,759
Deferred Tax Liability	9,122	9,122	-
TOTAL LIABILITIES	1,394,413	1,241,079	+153,334
NET ASSET VALUE (NAV)	2,130,227	2,123,004	+7,223
Unitholders' Capital – Note 3	1,603,219	1,595,506	+7,713
Undistributed Distributable Income	30,918	31,493	-575
Non-Distributable Reserve	496,090	496,005	+85
TOTAL UNITHOLDERS' FUND	2,130,227	2,123,004	+7,223
FINANCING RATIO	36.01%	33.06%	
NAV/UNIT (RM)	1.4727	1.4719	
No. of units in issuance	1,446,481,518	1,442,331,296	

FINANCIAL OVERVIEW

NOTES - FINANCIAL POSITION

Note 1 – Investment Properties

During the year, a total of RM10.3 million was spent on enhancement works on the portfolio. Out of this amount, RM5.9 million was paid as part payment for the extension of lease of D21 Logistics Warehouse for another 30 years.

Acquisitions completed during the quarter under review is as follows :

Property	Purchase Consideration (RM mil)	Completion Date
Indahpura Facility 2	8.54	12-Jan-21
Indahpura Facility 3	6.68	26-Feb-21
Beyonics i-Park Campus – Block F	12.98	3-Mar-21
Bukit Raja Distribution Centre 2	120.0	31-Mar-21
Total	148.2	

FINANCIAL OVERVIEW

NOTES - FINANCIAL POSITION

Note 2 – Other Assets

The average collection of trade receivables as at 31 March 2021 was 15 days.

Note 3 – Unitholders' Capital

A total of net proceeds of RM7.7 million raised from 4,150,222 new issued units pursuant to the IDRPs applicable to the 2020 final income distribution was completed on 12 March 2021.

The fund size has increased from 1,442,331,296 units to 1,446,481,518 units post IDRPs.

FINANCIAL OVERVIEW

NOTE 4: 5-YEAR FINANCING PROFILE

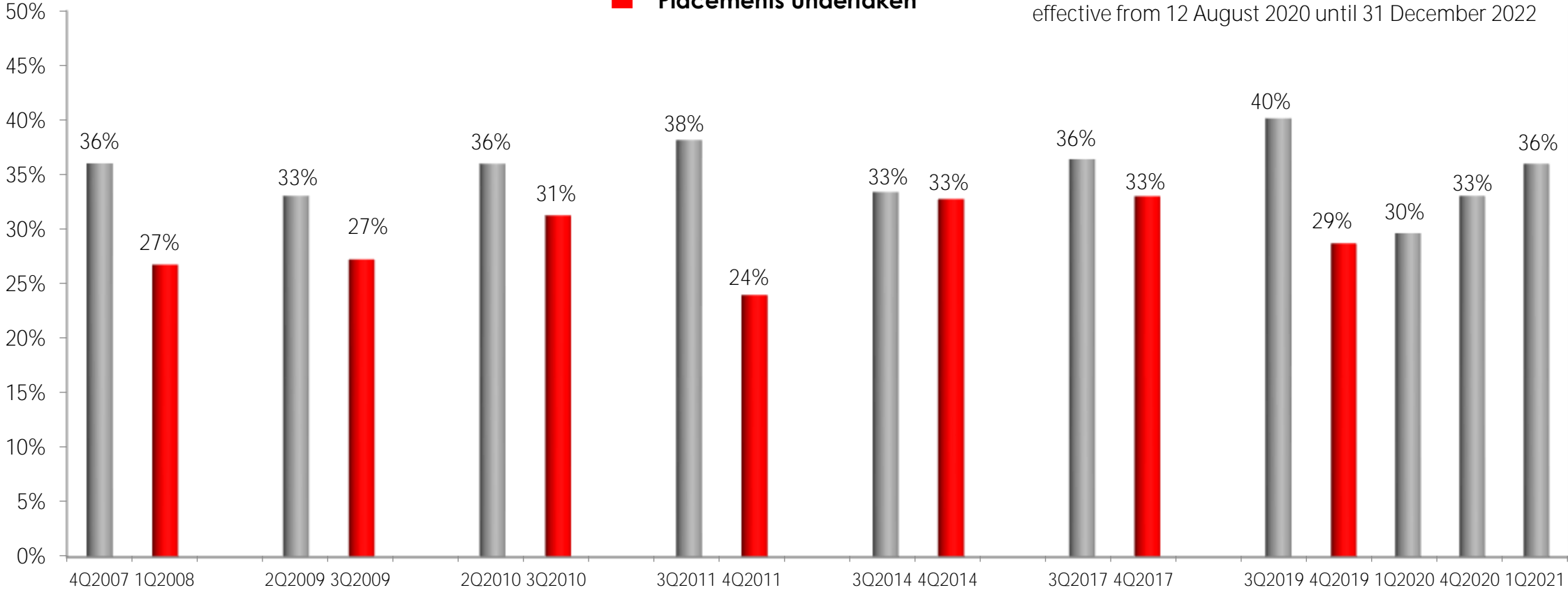
	2017	2018	2019	2020	1Q2021
Total Financing (RM'000)	842,594	1,059,367	885,859	1,112,183	1,269,276
Total Assets (RM'000)	2,549,609	2,840,463	3,085,681	3,364,083	3,524,640
Financing Ratio	33.05%	37.30%	28.71%	33.06%	36.01%
Effective Profit Rate	4.21%	4.32%	4.37%	3.89%	3.71%
Percentage of short term financing-Maturity < 1 Year	71%	77%	43%	55%	57%
Percentage of medium/ long term financing (maturity more than 1 year)	29%	23%	57%	45%	43%
Percentage of floating rate financing	63%	69%	21%	47%	54%
Percentage of fixed rate financing	37%	31%	79%	53%	46%
Total unencumbered assets	15	19	16	25	26
Percentage of unencumbered assets/total assets (value)	27%	28%	27%	44%	39%

FINANCIAL OVERVIEW

FINANCING RATIO

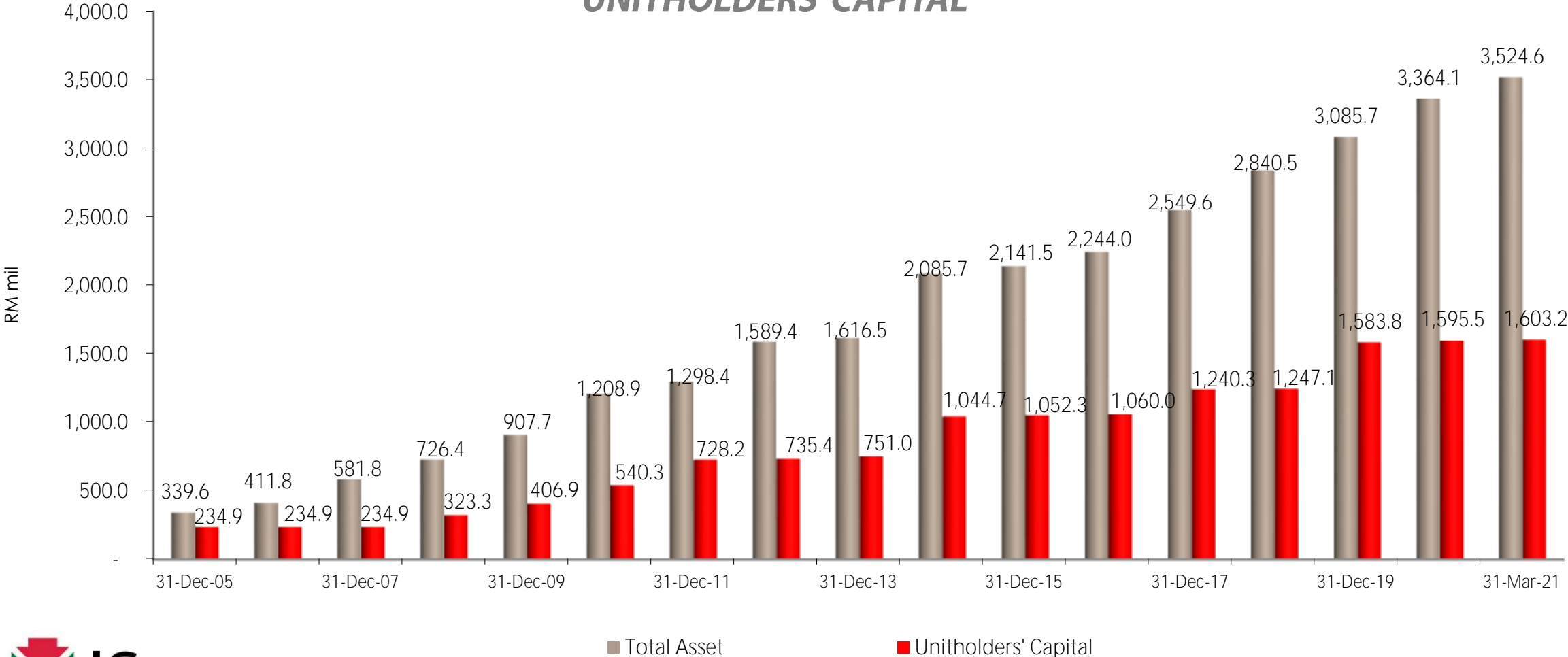
Allowable threshold of 50% has been increased to 60% effective from 12 August 2020 until 31 December 2022

■ **Placements Undertaken**



FINANCIAL OVERVIEW

UNITHOLDERS' CAPITAL





STOCK INFORMATION



STOCK INFORMATION

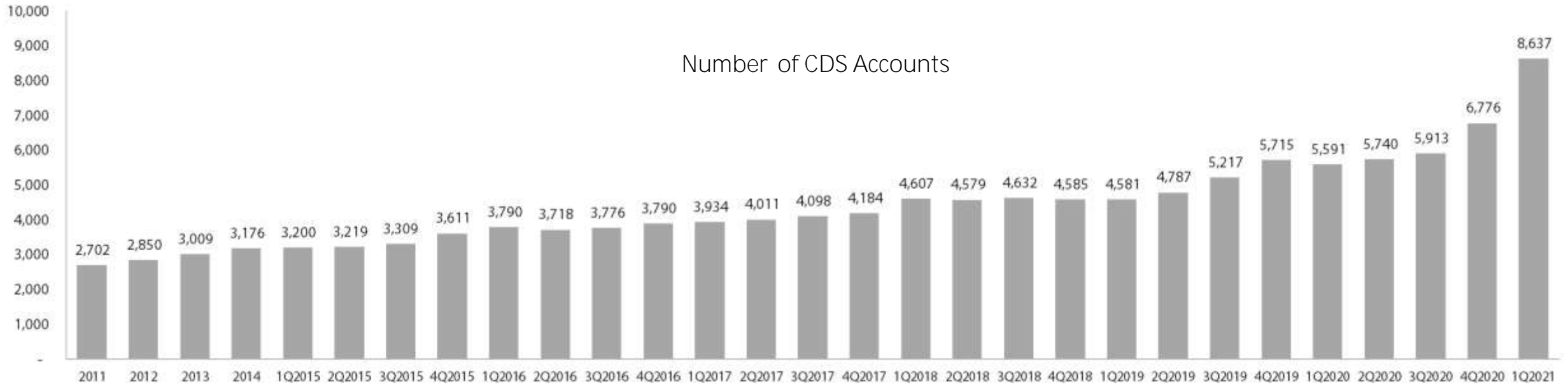
TOP 10 UNITHOLDERS*

	Name of Unitholder	%
1	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	9.89%
2	EMPLOYEES PROVIDENT FUND BOARD	8.33%
3	LEMBAGA TABUNG HAJI	4.82%
4	TEW PENG HWEE @ TEOH PENG HWEE	3.95%
5	ALEX LEE LAO	3.73%
6	EXEMPT AN FOR AIA BHD.	3.28%
7	AMANAH SAHAM BUMIPUTERA	2.94%
8	PUBLIC ITTIKAL SEQUEL FUND	2.12%
9	EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	2.02%
10	PUBLIC SMALLCAP FUND	1.90%

Holdings Breakdown	Units Held 1Q2021	Units Held 4Q2020	Movement
Top 5 Unitholders	30.72%	30.73%	-0.01%
Top 10 Unitholders	42.98%	43.03%	-0.05%
Unitholders with >2 million unitholdings	84.62%	84.40%	0.22%

*Based on CDS accounts on non-consolidated basis

STOCK INFORMATION



	Units Held 1Q2021	Units Held 4Q2020	Movement
Total no. of unitholders	8,637	6,776	1,861
Total foreign holdings	14.87%	14.40%	0.47%
Foreign holdings – related party	6.41%	6.31%	0.10%
Foreign holdings – non-related party	8.46%	8.09%	0.37%
Related party holdings	11.10%	10.95%	0.15%



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