



AXIS REAL ESTATE INVESTMENT TRUST
Results Presentation 1Q2022
20 April 2022



HIGHLIGHTS

PORTFOLIO
OVERVIEW

FINANCIAL
OVERVIEW

STOCK
INFORMATION

HIGHLIGHTS



HIGHLIGHTS



60 properties on portfolio
49 properties with 100% occupancy
1 property under development



Total Assets Under Management
RM3.76 billion



Space Under Management
11.4 million sq ft



Financing Ratio
29%



Solid industrial space portfolio
92% of properties on industrial titles



Portfolio Occupancy of 96% (as at 31/3/2022)
Weighted Average Lease Expiry of 5.2 years



Reclassified as Islamic REIT in 2008



Distribution Per Unit 1Q2022
2.42 sen



Market Capitalization (as at 31/3/2022)
RM3.04 billion



Nationwide presence across Malaysia

1Q2022 HIGHLIGHTS

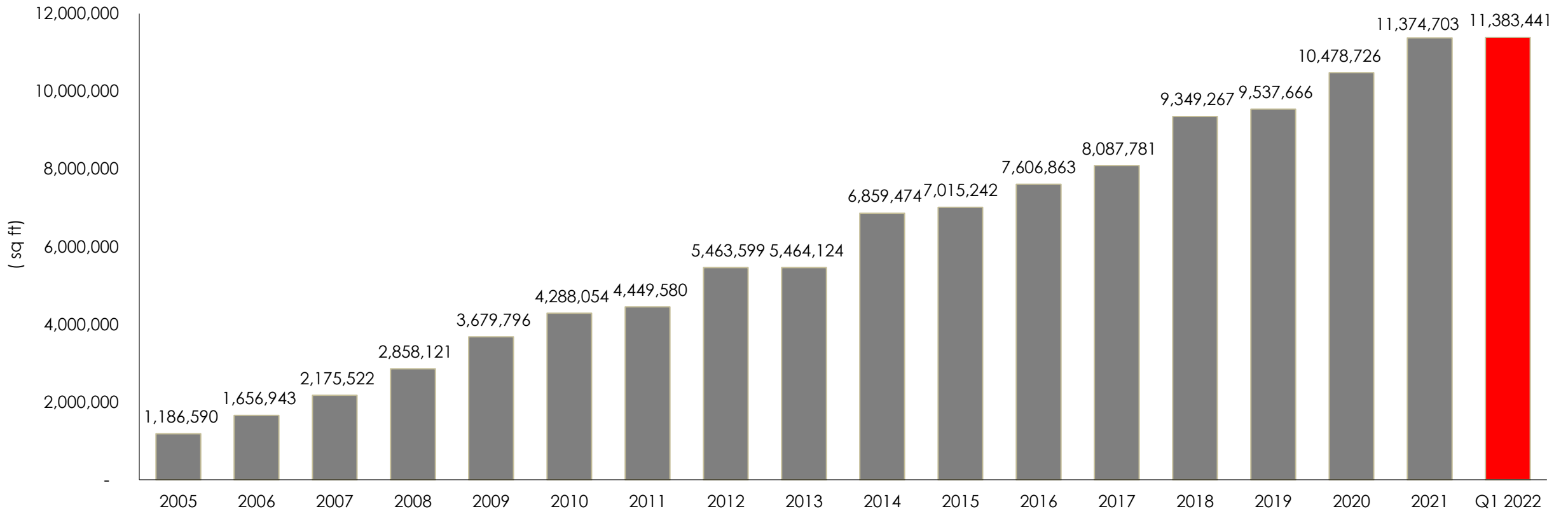
- ▶ Declared 1st interim 2022 DPU of 2.42 sen.
- ▶ Portfolio size increased by 2 to a total of 60 properties.
- ▶ Investment properties currently stands at RM3.7 billion.
- ▶ Announced the implementation of the Income Distribution Reinvestment Plan in conjunction with the payment of 2022 first interim income distribution.
- ▶ Traded at a premium of 20% to NAV as at 31 March 2022.
- ▶ Completed the acquisition of Pasir Gudang Logistics Warehouse 2, Johor for RM32.0 million on 7 March 2022.
- ▶ Completed the acquisition of Indahpura Facility 4, Johor for RM16.3 million on 8 March 2022.
- ▶ Signed the Sale and Purchase Agreement to acquire a logistics warehouse located within Pelabuhan Tanjung Pelepas, Johor for RM390.0 million on 11 April 2022.

PORTFOLIO OVERVIEW



PORTFOLIO OVERVIEW

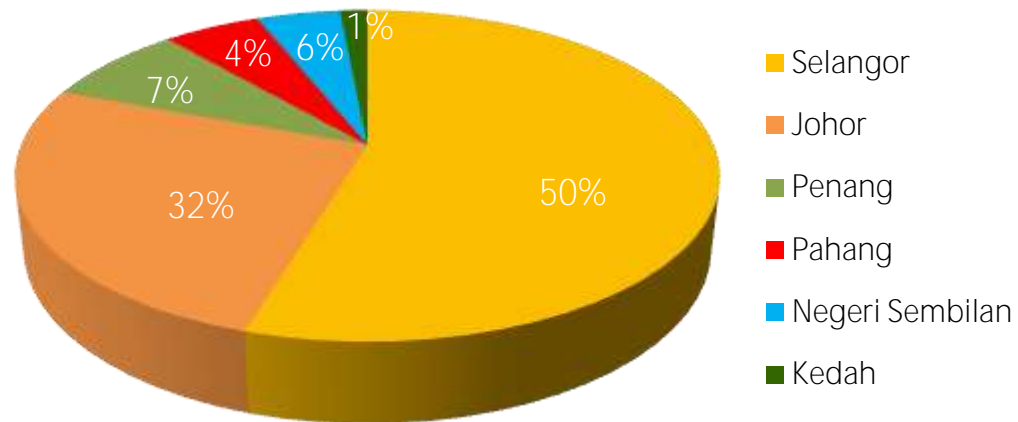
Space Under Management (sq ft)



PORTFOLIO OVERVIEW

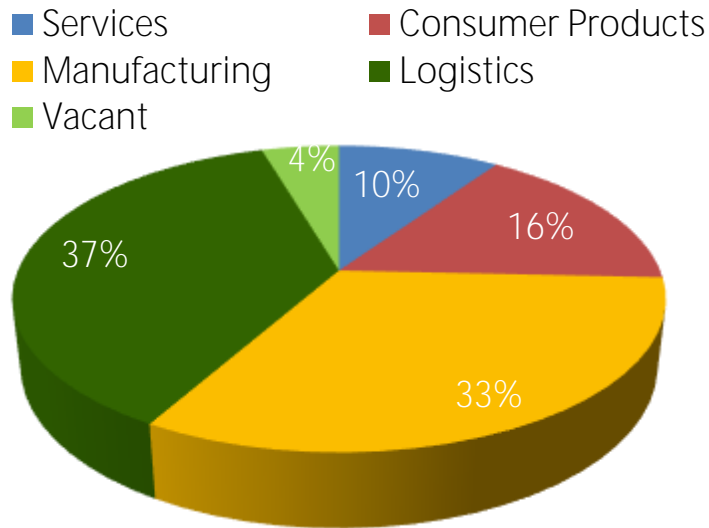
- ✓ Our 60 properties are strategically located in prime industrial areas such as Klang Valley, Johor, Penang, Pahang, Negeri Sembilan and Kedah.
- ✓ Pipeline acquisitions include additions in key industrial hubs of:
 - Penang
 - Selangor
 - Johor
- ✓ This geographical diversification is aimed at capturing the rapid growth of current and future regional industrial hubs.

Portfolio Diversification by Location (on NLA)

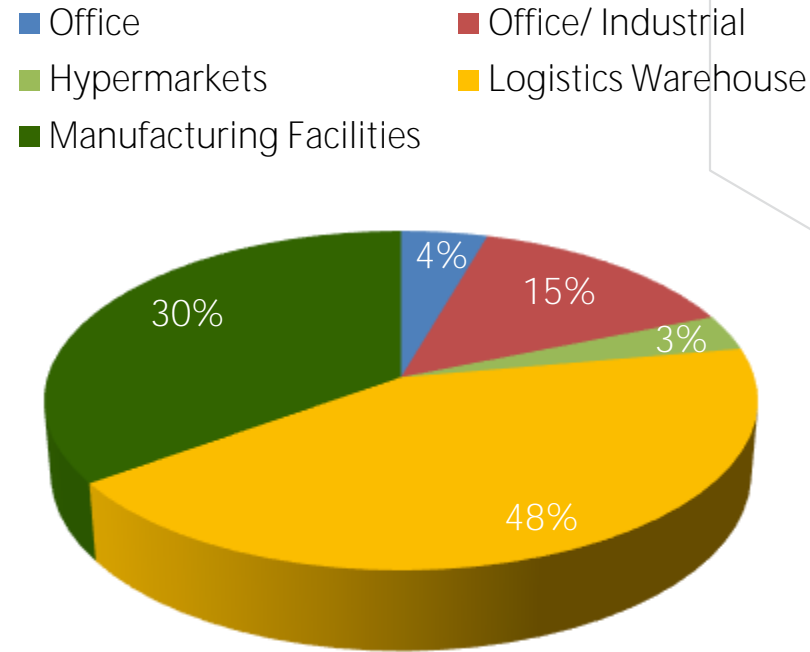


PORTFOLIO OVERVIEW

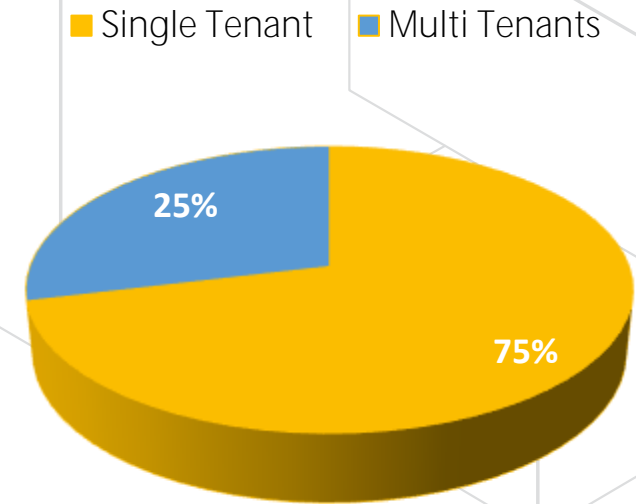
Portfolio Diversification by Industry Sector (on NLA)



Portfolio Diversification by Asset Type (on NLA)



Portfolio Diversification by Occupancy Type (on NLA)



PORTFOLIO OVERVIEW

As at 31 March 2022, the portfolio has 60 assets comprising 11,383,441 sq. ft. and 154 tenants.

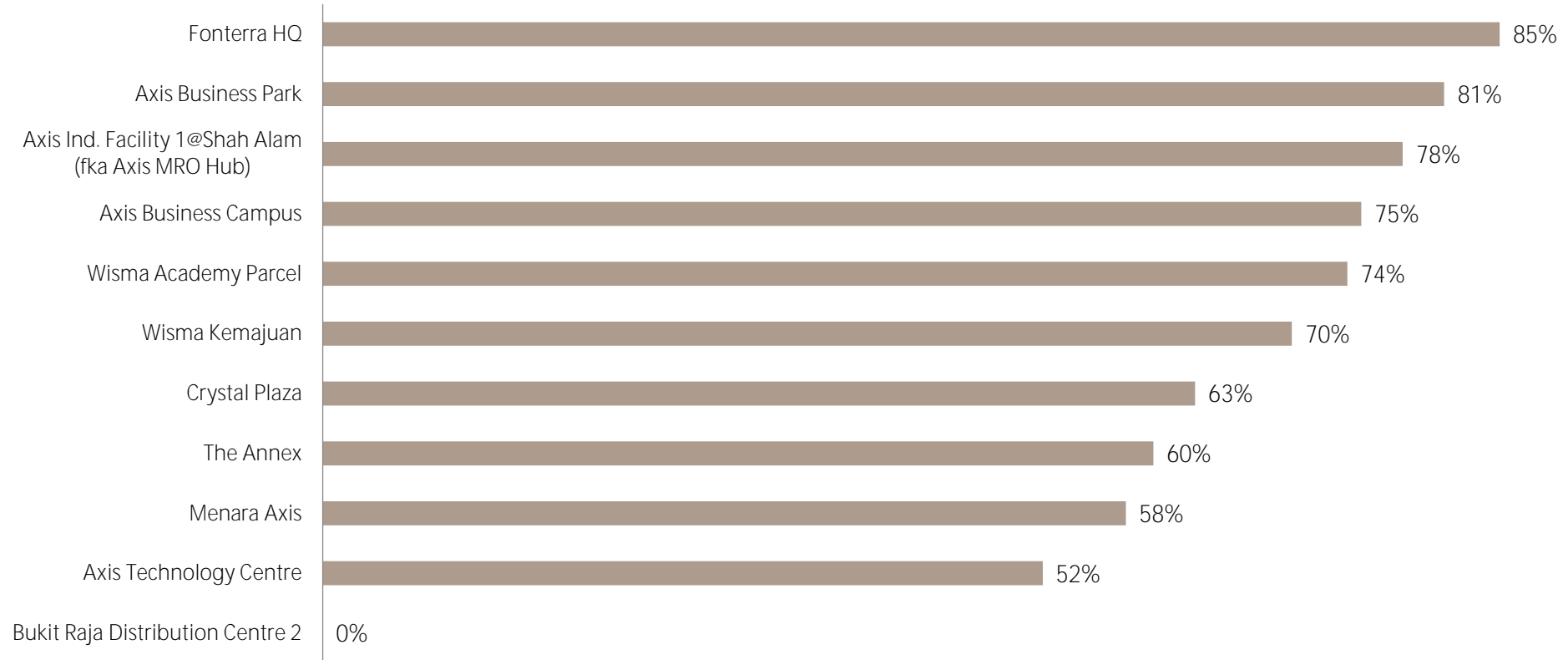
	1Q2022
No. of Properties	60
Property Income (RM'000)	66,480
Property Expenses (RM'000)	8,760
Net Property Income (RM'000)	57,720
Occupancy	96%

Portfolio Efficiency Ratio = YTD Property Expenses / YTD Property Income

1Q2022	2021	2020	2019	2018
13.18%	13.79%	15.05%	14.31%	13.66%

PORTFOLIO OVERVIEW

PROPERTIES WITH OCCUPANCY BELOW 90% AS AT 31 MARCH 2022



Notes:

- 1. Vacant space in Fonterra HQ is built for their future expansion*
- 2. 28% of space in Crystal Plaza had been contracted to commence tenancy in 2Q2022*
- 3. Bukit Raja Distribution Centre 2 is under development for Shopee Express*

PORTFOLIO OVERVIEW

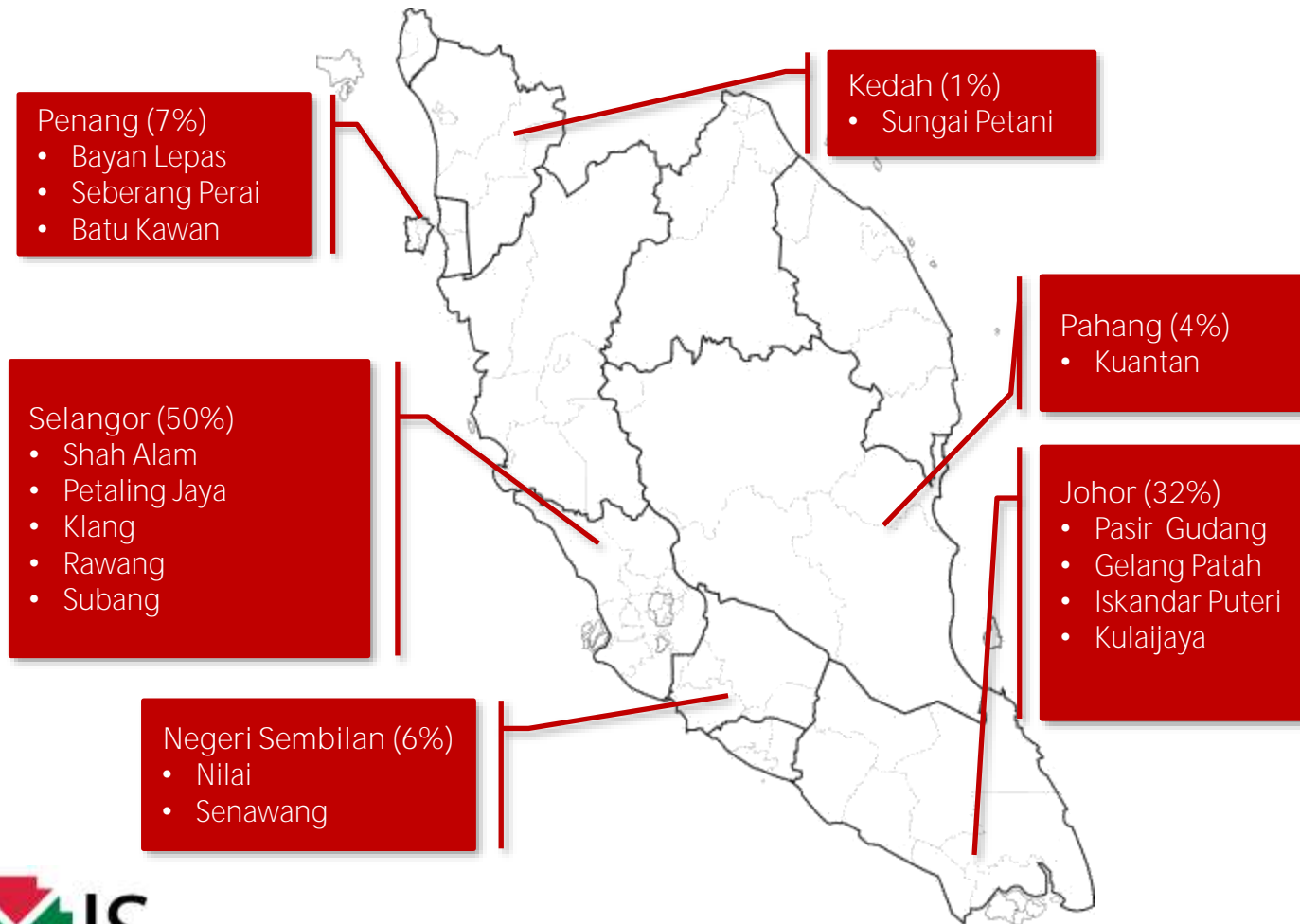
Lease Expiry By Location									
Property	Year 2022	% of Total NLA	% of Rental Income/month	Year 2023	% of Total NLA	% of Rental Income/month	Year 2024	% of Total NLA	% of Rental Income/month
Petaling Jaya	572,265	5.03	2.82	469,068	4.12	2.08	433,338	3.81	2.23
Shah Alam	566,072	4.97	1.67	649,225	5.70	1.90	922,334	8.10	2.40
Klang	149,605	1.31	0.37	-	-	-	-	-	-
Johor	514,924	4.52	1.08	-	-	-	843,970	7.41	2.30
Nilai	291,642	2.56	0.44	-	-	-	-	-	-
Penang	395,225	3.48	0.92	205,151	1.80	0.80	-	-	-
TOTAL	2,489,733	21.87	7.30	1,323,444	11.62	4.78	2,199,643	19.32	6.93

Lease Expiry By Type									
Property	Year 2022	% of Total NLA	% of Rental Income/month	Year 2023	% of Total NLA	% of Rental Income/month	Year 2024	% of Total NLA	% of Rental Income/month
Office	119,195	1.05	0.76	38,464	0.34	0.25	199,545	1.75	1.34
Office Industrial	492,575	4.33	2.29	430,604	3.78	1.83	373,542	3.28	1.33
Warehouse Logistics	1,394,648	12.25	3.28	813,315	7.14	2.58	1,316,455	11.56	3.34
Manufacturing Facilities	483,315	4.24	0.97	41,061	0.36	0.12	310,101	2.73	0.92
Hypermarket	-	-	-	-	-	-	-	-	-
TOTAL	2,489,733	21.87	7.30	1,323,444	11.62	4.78	2,199,643	19.32	6.93

Out of 2.489 million sq. ft. of space expiring in 2022, 54% has been renewed to date.

PORTFOLIO OVERVIEW

ESTABLISHED NATIONWIDE FOOTPRINT



Top 10 Tenants

YTD top ten tenants accounted for 43.79% of the total revenue

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



LF LOGISTICS

DB SCHENKER



POS Logistics



Beyonics



PORTFOLIO OVERVIEW

ONGOING DEVELOPMENT
Bukit Raja Distribution Centre 2



Gross Built-up Area	: 620,096 sq. ft.
Land Area	: Approx. 20.75 acres
Land Tenure	: Freehold
Lessee	: Shopee Express Malaysia Sdn. Bhd.
WALE	: 15 years
Lease Commencement	: No later than 31 August 2023
Development Value	: Approx. RM250.0 million (incl. land)

PORTFOLIO OVERVIEW

COMPLETED ACQUISITIONS

1. Pasir Gudang Logistics Warehouse 2, Johor



Completion Date	:	7 March 2022
Net Lettable Area	:	276,000 sq. ft.
Land Area	:	Approx. 12.80 acres
Land Tenure	:	Approx. 30 years Sublease
Occupancy	:	100%
Purchase Price	:	RM32.0 million
WALE at Acquisition	:	Approx. 3 years

2. Indahpura Facility 4, Johor



Completion Date	:	8 March 2022
Net Lettable Area	:	59,956 sq. ft.
Land Area	:	Approx. 2.26 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM16.3 million
WALE at Acquisition	:	Approx. 10 years

PORTFOLIO OVERVIEW

ONGOING ACQUISITIONS
DW1 Logistics Warehouse, Johor



Target Completion Date :	1H2022
Net Lettable Area :	1,150,391 sq. ft.
Land Area :	Approx. 18.4 acres
Land Tenure :	Approx. 33 years Sublease
Occupancy :	100%
Purchase Price :	RM390.0 million
WALE at Acquisition :	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 continue to focus on below:

- ✓ Grade A logistics facilities and manufacturing facilities with long leases from tenants with strong covenants;
- ✓ Well-located logistics 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
RM120 million**

FINANCIAL OVERVIEW



FINANCIAL OVERVIEW

SNAPSHOT AS AT 31 MARCH 2022



RM3.76 billion
Total Assets



RM1.11 billion
Total Financing



RM2.53 billion
Total Unitholder's Funds



RM1.55
Net Asset Value Per Unit



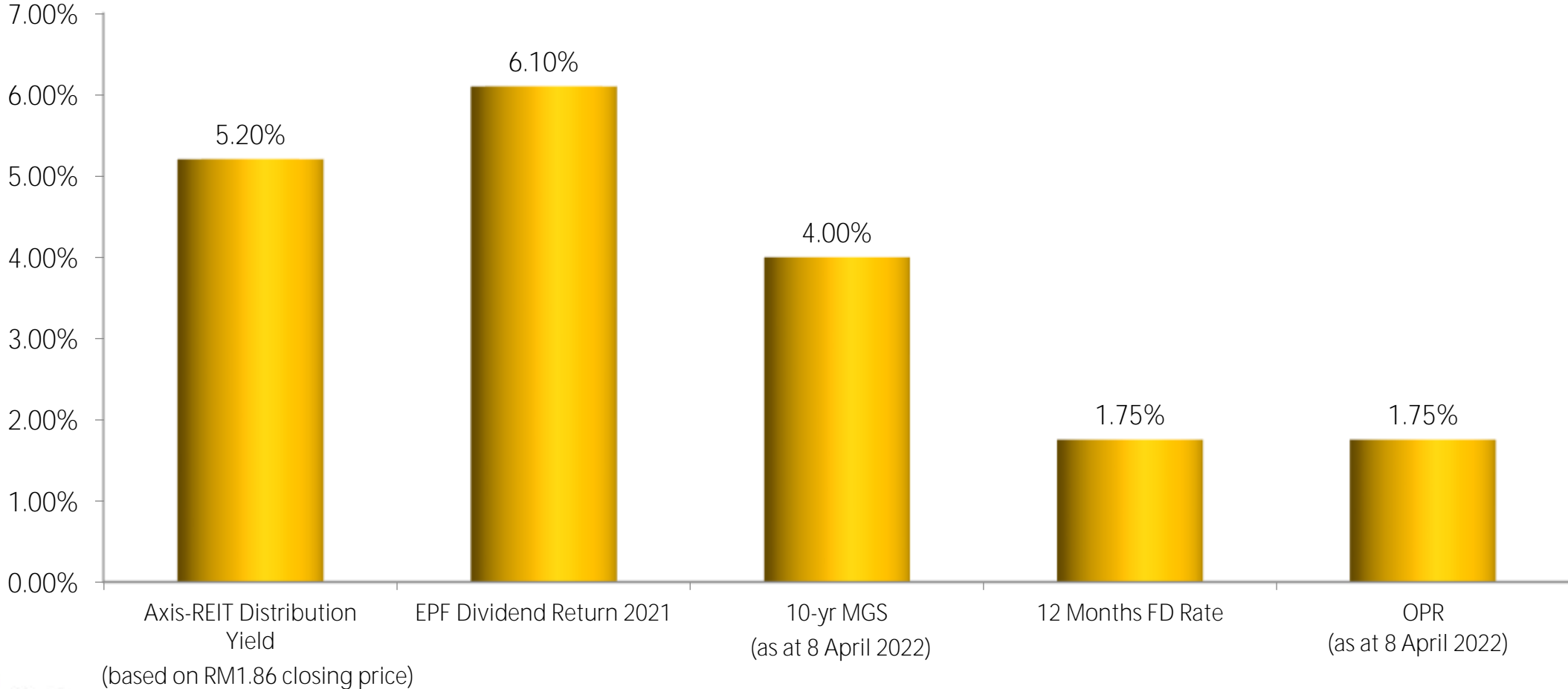
29%
Financing Ratio



1Q2022: 2.42 sen
Distribution Per Unit

FINANCIAL OVERVIEW

RETURN COMPARATIVES



FINANCIAL OVERVIEW

INCOME STATEMENT 1Q2022 vs 1Q2021

	1Q2022 (RM'000)	1Q2021 (RM'000)	Changes / Movement
No. of Properties	60	57	+3
Property Income – Note 1	66,480	57,378	
Property Income - Property income before lease incentive adjustment	66,159	57,690	+14.7
- Lease incentive adjustment (non-distributable)	321	(312)	
Property Expenses – Note 2	(8,760)	(8,583)	+2.1%
Net Property Income	57,720	48,795	+18.3%
- Property income before lease incentive adjustment	57,399	49,107	+16.9%
- Lease incentive adjustment (non-distributable)	321	(312)	
Profit Income / Other Income	210	104	
Non-Property Expenses – Note 3	(8,271)	(6,662)	+24.2%
Islamic Financing Cost – Note 4	(10,559)	(10,360)	+1.9%
Net Income	39,100	31,877	+22.7%
Property income before lease incentive adjustment	38,779	32,189	+20.5%
- Lease incentive adjustment (non-distributable)	321	(312)	
DPU (sen)	2.42	2.23	+8.5%
No. of Units in Issuance	1,634,524,115	1,446,481,518	+13%

* Note: The above financials exclude unbilled lease income receivable

FINANCIAL OVERVIEW

INCOME STATEMENT 1Q2022 vs 1Q2021 - 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
- commencement of new tenancies at Axis Industrial Facility @ Rawang and D8 Logistics Warehouse
- positive rental reversion recorded for the period; and
- sale of recycled materials arising from the demolition work at Bukit Raja Distribution Centre 2.

Note 2 – Property Expenses

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

Note 3 – Non-Property Expenses

Increase in non-property expenses was due to higher manager and **trustee's** fees in line with the increased NAV of the fund after the latest placement exercise and revaluation gains in 2021.

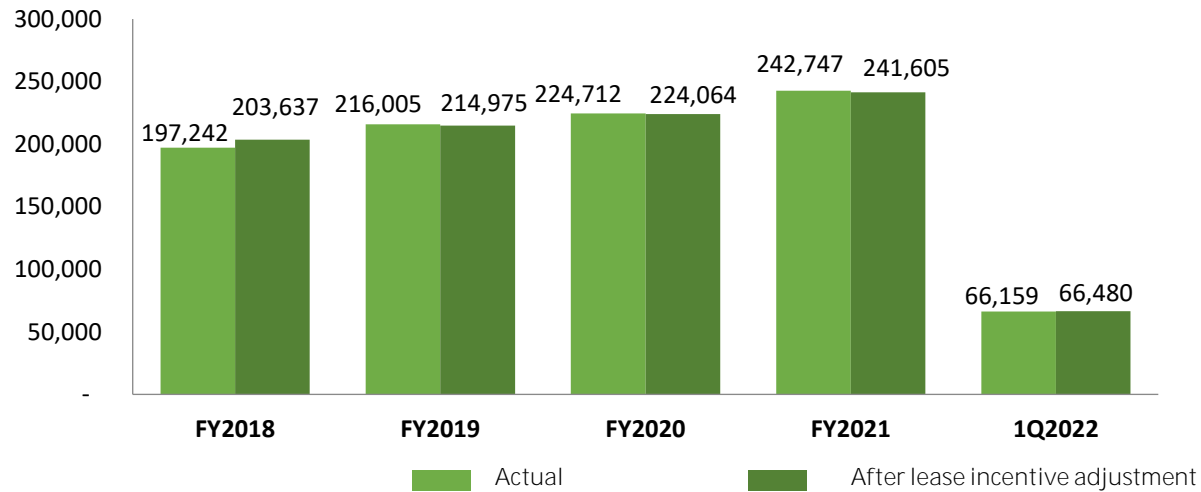
Note 4 – Islamic Financing Cost

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

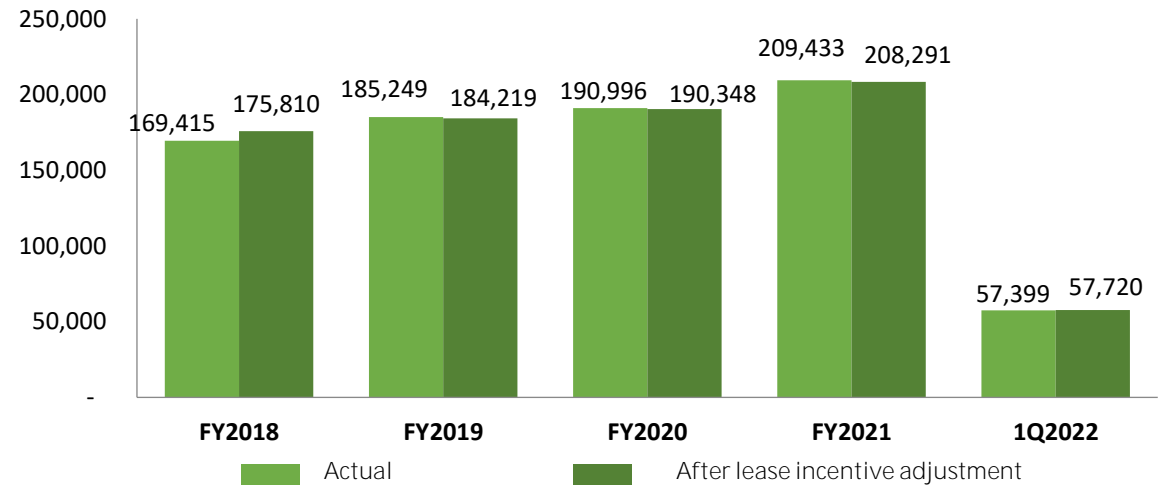
FINANCIAL OVERVIEW

5-YEAR PERFORMANCE

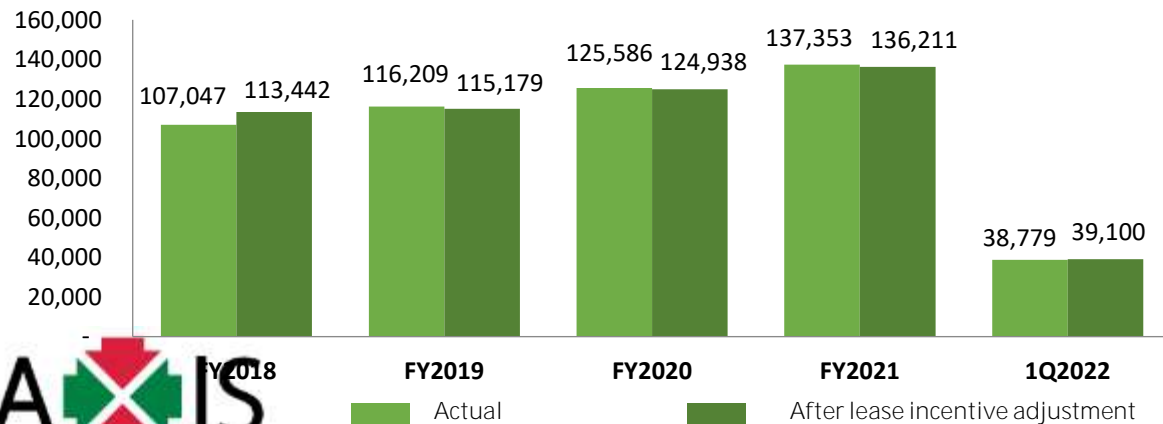
Revenue (RM'000)*



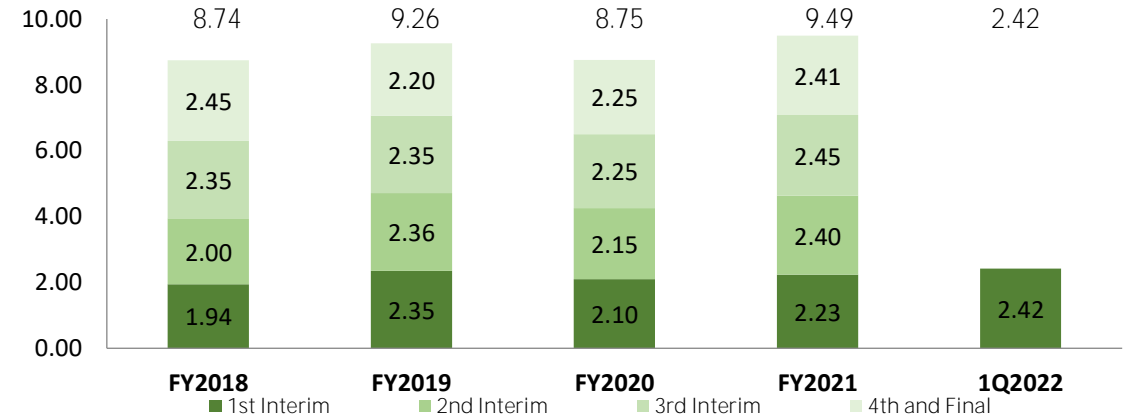
Net Property Income (RM'000)*



Net Income (RM'000)*



Distribution Per Unit (Sen)



FINANCIAL OVERVIEW

PORTFOLIO YIELD BY ASSET TYPES

Asset Type	Net Yield (%)	Gross Yield (%)
Office	6.1	8.6
Office Industrial	6.8	8.7
Logistics Warehouse	8.0	8.8
Manufacturing Facilities	8.1	8.9
Hypermarket	8.3	8.9
Average	7.7	8.8

FINANCIAL OVERVIEW

FINANCIAL POSITION

	31/3/22 (RM'000)	31/12/21 (RM'000)	Changes (RM'000)
Investment Properties – Note 1	3,668,947	3,614,230	+54,717
Fixed Assets	2,263	2,410	-147
Other Assets – Note 2	91,039	222,120	-131,081
TOTAL ASSETS	3,762,249	3,838,760	-76,511
Financing – Note 3	1,107,731	1,184,593	-76,862
Other Payables	110,137	114,049	-3,912
Deferred Tax Liability	12,797	12,797	-
TOTAL LIABILITIES	1,230,665	1,311,439	-80,774
NET ASSET VALUE (NAV)	2,531,584	2,527,321	+4,263
Unitholders' Capital	1,934,322	1,934,322	-
Undistributed Distributable Income	36,367	32,841	+3,526
Non-Distributable Reserve	560,895	560,158	+737
TOTAL UNITHOLDERS' FUND	2,531,584	2,527,321	+4,263
FINANCING RATIO	29.44%	30.86%	
NAV/UNIT (RM)	1.5488	1.5462	
No. of units in issuance	1,634,524,115	1,634,524,115	

FINANCIAL OVERVIEW

NOTES - FINANCIAL POSITION

Note 1 – Investment Properties

During the period, a total of RM5.4 million was spent on capital expenditure on existing properties, of which RM2.7 million was incurred for the ongoing development project of Bukit Raja Distribution Centre 2.

Total acquisitions of RM48.3 million for Pasir Gudang Logistics Warehouse 2 and Indahpura Facility 4 were completed on 7 March 2022 and 8 March 2022, respectively.

Note 2 – Other Assets

The RM137 million balance proceeds from equity placement had been utilised for redemption of short-term financing in January 2022.

The average collection of trade receivables as at 31 March 2022 was 14 days.

FINANCIAL OVERVIEW

NOTE 3: 5-YEAR FINANCING PROFILE

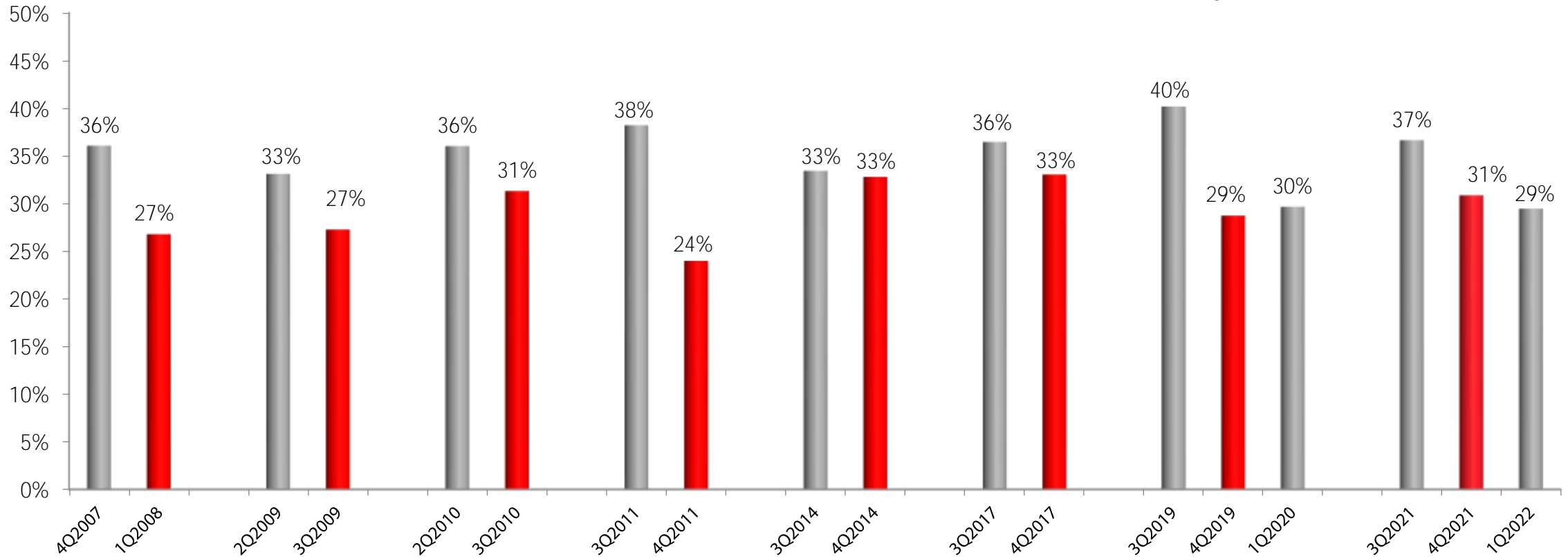
	2018	2019	2020	2021	1Q2022
Total Financing (RM'000)	1,059,367	885,859	1,112,183	1,184,593	1,107,731
Total Assets (RM'000)	2,840,463	3,085,681	3,364,083	3,838,760	3,762,249
Financing Ratio	37.30%	28.71%	33.06%	30.86%	29.44%
Effective Profit Rate	4.32%	4.37%	3.89%	3.63%	3.90%
Percentage of short term financing-Maturity < 1 Year	77%	43%	55%	47%	44%
Percentage of medium/ long term financing (maturity more than 1 year)	23%	57%	45%	53%	56%
Percentage of floating rate financing	69%	21%	47%	36%	32%
Percentage of fixed rate financing	31%	79%	53%	64%	68%
Total unencumbered assets	19	16	25	19	21
Percentage of unencumbered assets/total assets (value)	28%	27%	44%	29%	31%

FINANCIAL OVERVIEW

FINANCING RATIO

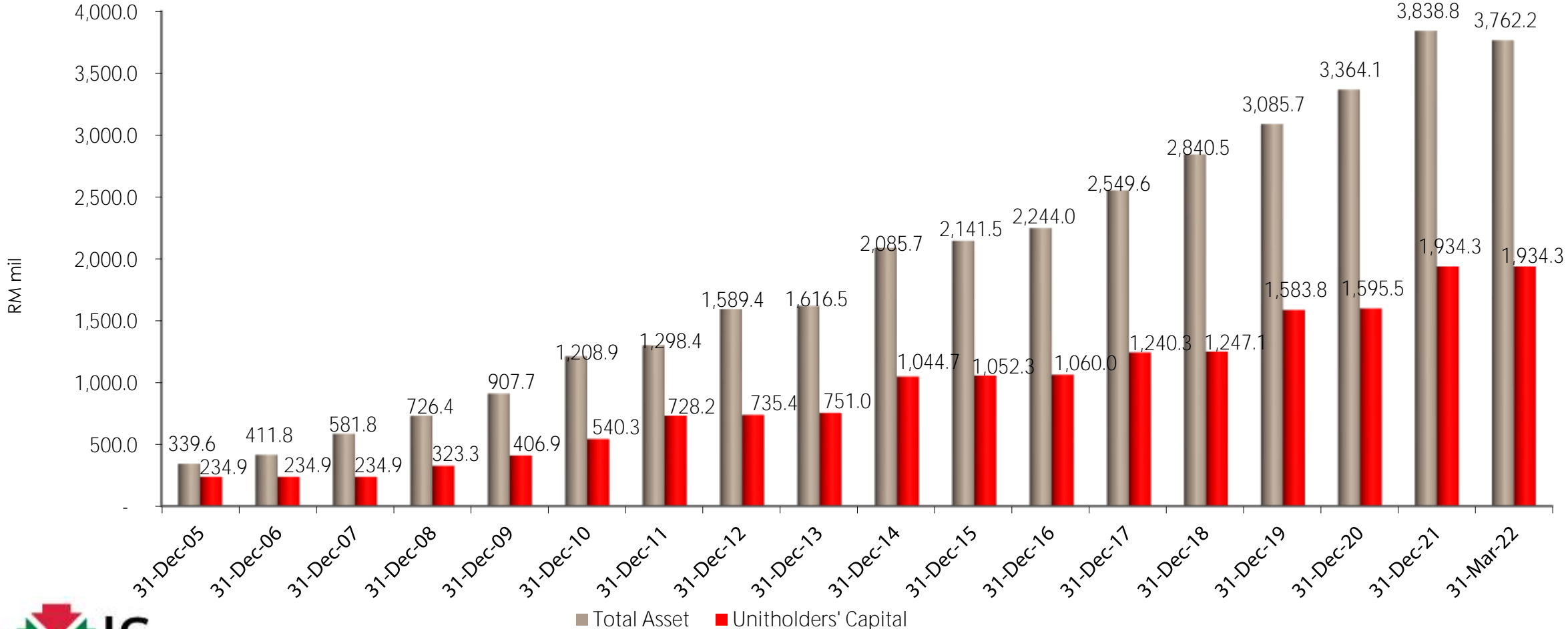
Placements Undertaken ■

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



FINANCIAL OVERVIEW

UNITHOLDERS' CAPITAL



STOCK INFORMATION



STOCK INFORMATION

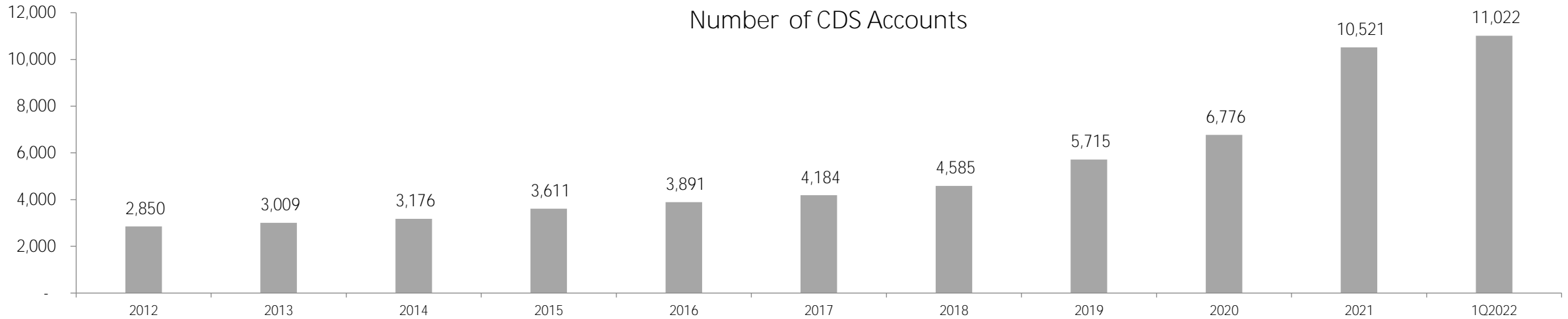
TOP 10 UNITHOLDERS*

	Name of Unitholder	%
1	EMPLOYEES PROVIDENT FUND BOARD	9.45%
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	8.85%
3	LEMBAGA TABUNG HAJI	4.66%
4	AMANAH SAHAM BUMIPUTERA	3.87%
5	TEW PENG HWEE @ TEOH PENG HWEE	3.50%
6	ALEX LEE LAO	3.30%
7	EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	2.21%
8	EXEMPT AN FOR AIA BHD.	2.09%
9	PUBLIC ITTIKAL SEQUEL FUND	1.92%
10	PUBLIC SMALLCAP FUND	1.68%

Holdings Breakdown	Units Held 1Q2022	Units Held 4Q2021	Movement
Top 5 Unitholders	30.34%	30.47%	-0.13%
Top 10 Unitholders	41.55%	41.84%	-0.29%
Unitholders with >2 million unitholdings	85.31%	85.35%	-0.04%

*Based on CDS accounts on non-consolidated basis

STOCK INFORMATION



	Units Held 1Q2022	Units Held 4Q2021	Movement
Total no. of unitholders	11,022	10,521	501
Total foreign holdings	14.15%	13.58%	0.57%
Foreign holdings – related-party	5.68%	5.68%	0%
Foreign holdings – non-related-party	8.47%	7.90%	0.57%
Related-party holdings	9.82%	9.82%	0%



THANK YOU

