



# AXIS REAL ESTATE INVESTMENT TRUST

## Results Presentation 2Q2021

21 July 2021

HIGHLIGHTS

PORTFOLIO  
OVERVIEW

FINANCIAL  
OVERVIEW

STOCK  
INFORMATION



# HIGHLIGHTS



# HIGHLIGHTS



57 properties on portfolio  
47 properties with 100% occupancy



Portfolio Occupancy of 94% (as at 30/06/2021)  
Weighted Average Lease Expiry of 5.2 years



Total Assets Under Management  
RM3.52 billion



Reclassified as Islamic REIT in 2008



Space Under Management  
10.9 million sq ft



Total Distribution Per Unit for 1H2021  
4.63 sen



Financing Ratio  
36%



Market Capitalization (as at 30/06/2021)  
RM2.76 billion



Solid industrial space portfolio  
92% of properties on industrial titles



Nationwide presence across Malaysia

# 1H2021 HIGHLIGHTS

- ▶ Total of 4.63 sen DPU declared for 1H2021.
- ▶ Portfolio size increased by 4 to a total of 57 properties.
- ▶ Investment properties currently stands at RM3.44 billion.
- ▶ Net property income increased by 6% for 1H2021 as compared to 1H2020.
- ▶ Realised net income increased by 3% for 1H2021 as compared to 1H2020.
- ▶ 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.

# 1H2021 HIGHLIGHTS

- ▶ Signed the Sale and Purchase Agreement to acquire a warehouse located in Pasir Gudang, Johor Bahru for RM75.0 million, on 15 March 2021.
- ▶ Acceptance of Letter of Offer to acquire a warehouse located in Pasir Gudang, Johor Bahru for RM32.0 million.
- ▶ Traded at a premium of 30% to NAV on 30 June 2021.
- ▶ Number of unitholders increased 8% to 9,353 in 2Q2021 as compared to 8,637 in 1Q2021.

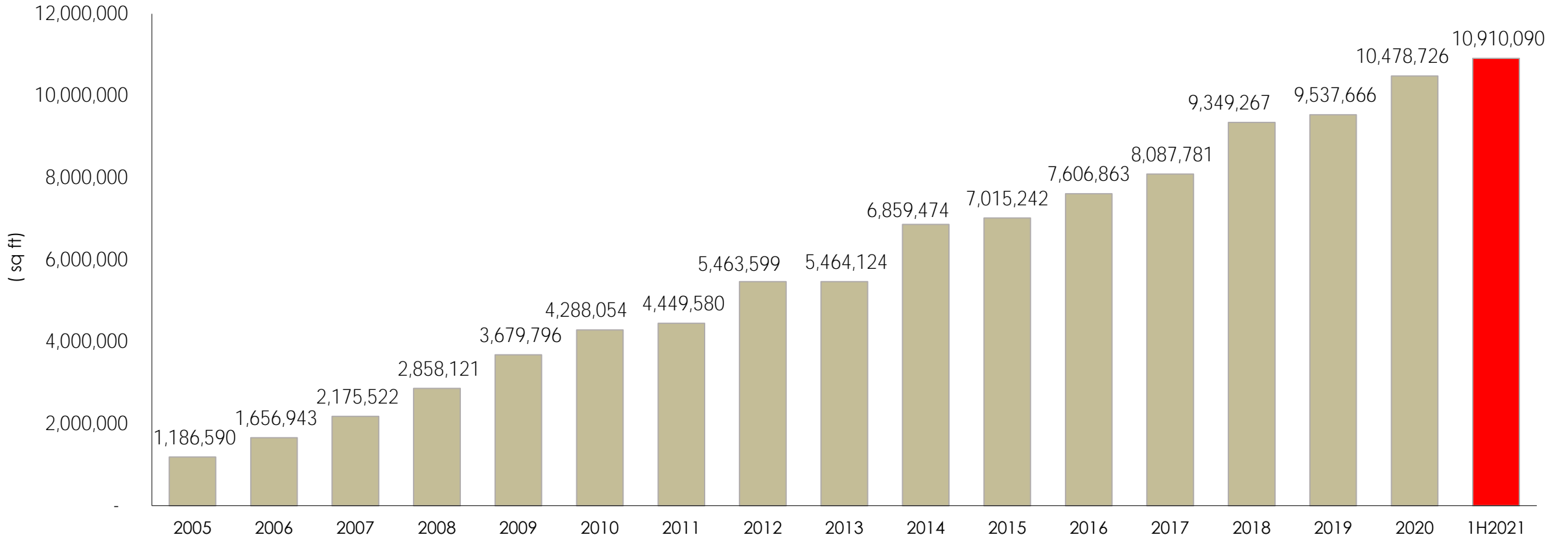


# PORTFOLIO OVERVIEW



# PORTFOLIO OVERVIEW

Space Under Management (sq ft)

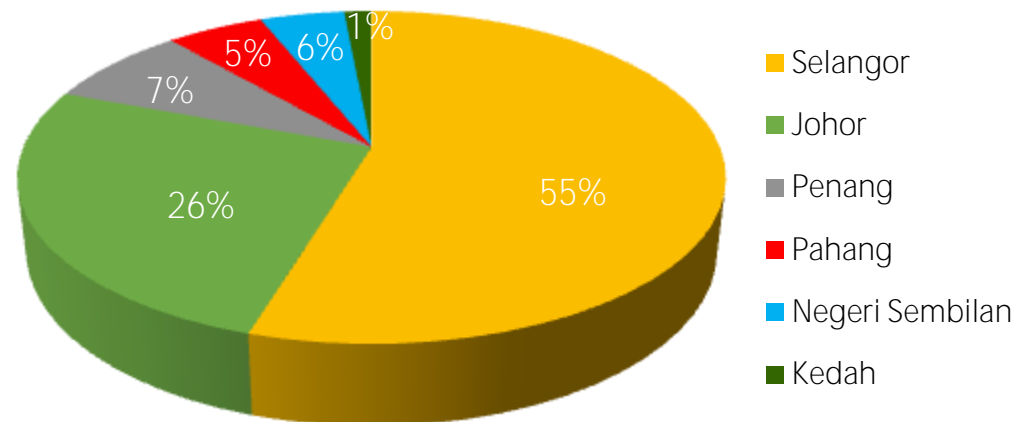




# PORTFOLIO OVERVIEW

- ✓ 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.

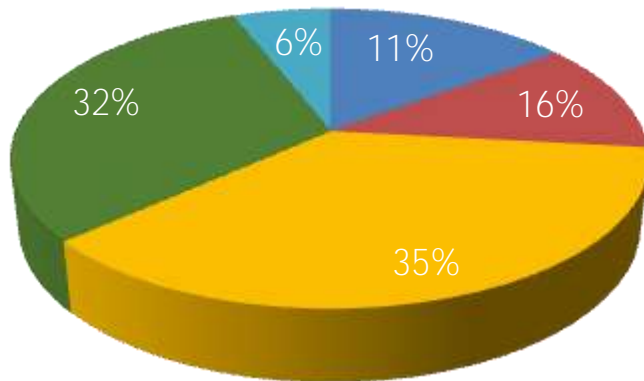
Portfolio Diversification by Location (on NLA)



# PORTFOLIO OVERVIEW

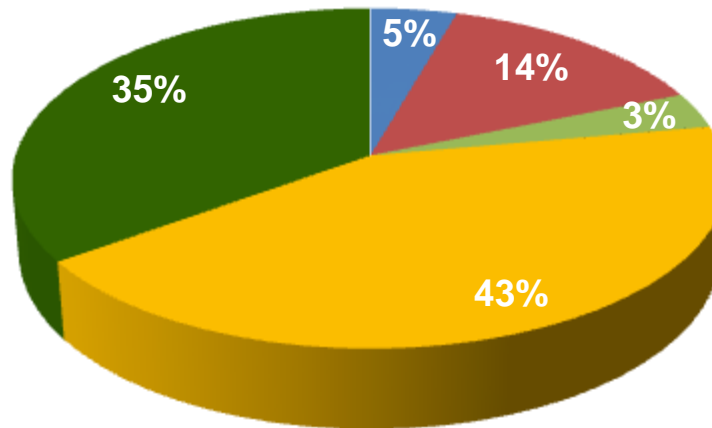
Portfolio Diversification by Industry Sector (on NLA)

- Services
- Manufacturing
- Vacant
- Consumer Products
- Logistics



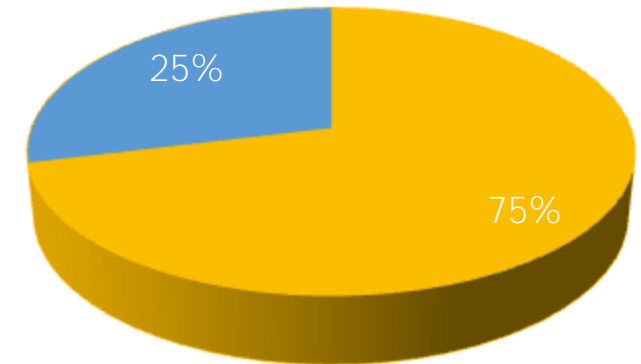
Portfolio Diversification by Asset Type (on NLA)

- Office
- Hypermarkets
- Manufacturing Facilities
- Office/ Industrial
- Logistics Warehouse



Portfolio Diversification by Occupancy Type (on NLA)

- Single Tenant
- Multi Tenants



# PORTFOLIO OVERVIEW

As at 30 June 2021, the portfolio has 57 assets comprising 10,910,090 sq. ft. and 153 tenants.

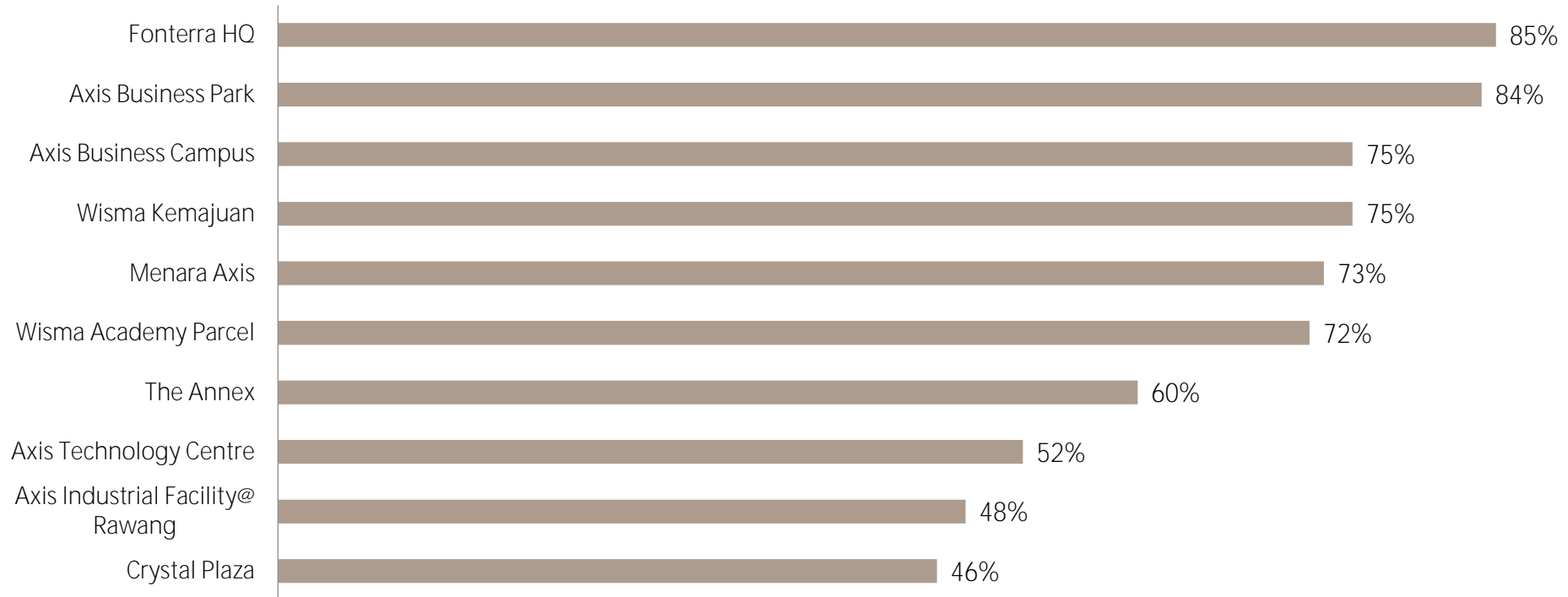
	1H2021
No. of Properties	57
Property Income (RM'000)	117,630
Property Expenses (RM'000)	16,629
Net Property Income (RM'000)	101,001
Occupancy	94%

Portfolio Efficiency Ratio = YTD Property Expenses / YTD Property Income

1H2021	2020	2019	2018	2017
14.14%	15.05%	14.31%	13.66%	15.80%

# PORTFOLIO OVERVIEW

*PROPERTIES WITH OCCUPANCY BELOW 90% AS AT 30 JUNE 2021*



*Notes:*

- 1. Vacant space in Fonterra HQ is built for their future expansion*
- 2. Axis Industrial Facility @ Rawang will achieve 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	581,938	5.33	9.52	548,477	5.04	8.43	382,026	3.50	5.39
Shah Alam	612,547	5.61	5.56	883,048	8.09	7.20	649,225	5.95	5.87
Klang	-	-	-	149,605	1.37	1.15	-	-	-
Johor	772,475	7.09	4.87	514,924	4.72	3.33	-	-	-
Nilai	-	-	-	291,642	2.67	1.36	-	-	-
Penang	-	-	-	395,225	3.62	2.83	205,151	1.88	2.46
<b>TOTAL</b>	<b>1,966,960</b>	<b>18.03</b>	<b>19.95</b>	<b>2,782,921</b>	<b>25.51</b>	<b>24.30</b>	<b>1,236,402</b>	<b>11.33</b>	<b>13.72</b>

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	3.32	113,742	1.05	2.33	33,269	0.30	0.67
Office Industrial	447,879	4.11	6.20	464,985	4.26	6.74	348,757	3.20	4.72
Warehouse Logistics	1,087,123	9.96	7.85	1,394,648	12.78	10.13	813,315	7.45	7.97
Manufacturing Facilities	297,899	2.73	2.58	809,546	7.42	5.10	41,061	0.38	0.36
Hypermarket	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,966,960</b>	<b>18.03</b>	<b>19.95</b>	<b>2,782,921</b>	<b>25.51</b>	<b>24.30</b>	<b>1,236,402</b>	<b>11.33</b>	<b>13.72</b>

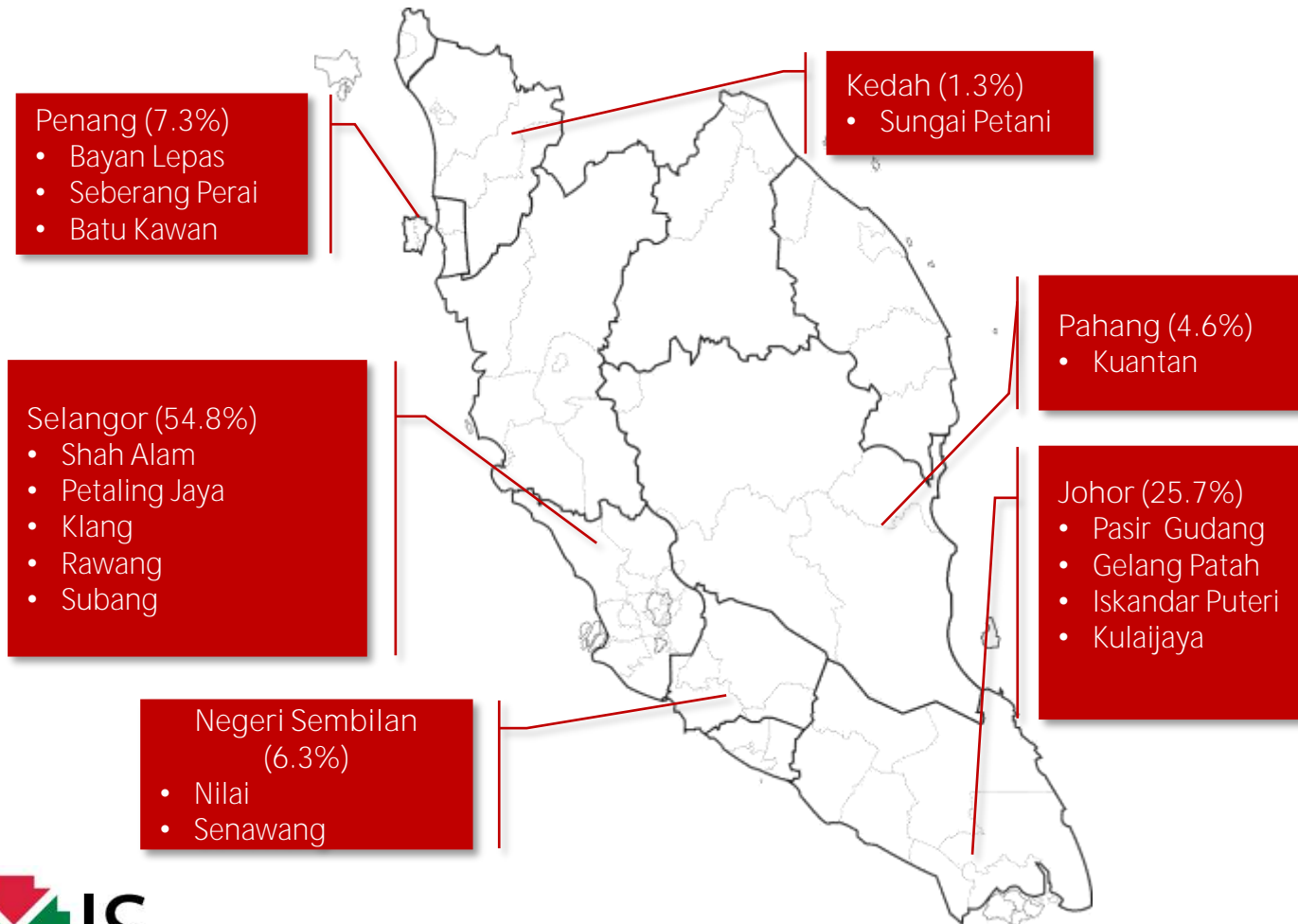
Out of 1.96 million sq. ft. of space expiring in 2021, 83% have been renewed to date.

# PORTFOLIO OVERVIEW

ESTABLISHED NATIONWIDE FOOTPRINT

Top 10 Tenants

*YTD top ten tenants account for 47% 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. POS Logistics Berhad
9. Lotuss Stores (Malaysia) Sdn Bhd
10. Northport (Malaysia) Berhad



# 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	:	Approx. 3 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	:	Approx. 4 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	:	Approx. 6 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	:	Approx. 1 year



# PORTFOLIO OVERVIEW

## ONGOING ACQUISITIONS

### 1. Xin Hwa Warehouse @ Pasir Gudang, Johor



Target Completion Date :	2H2021
Net Lettable Area :	464,613 sq. ft.
Land Area :	Approx. 16.2 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM75.0 million
WALE :	Approx. 10 years

### 2. Logistics Warehouse @ Pasir Gudang, Johor



Target Completion Date :	2H2021
Net Lettable Area :	240,000 sq. ft.
Land Area :	Approx. 12.8 acres
Land Tenure :	Sublease
Occupancy :	100%
Purchase Price :	RM32.0 million
WALE :	Approx. 3 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 30 JUNE 2021*



RM3.52 billion  
Total Assets



RM1.28 billion  
Total Financings



RM2.13 billion  
**Total Unitholder's Funds**



RM1.47  
Net Asset Value Per Unit



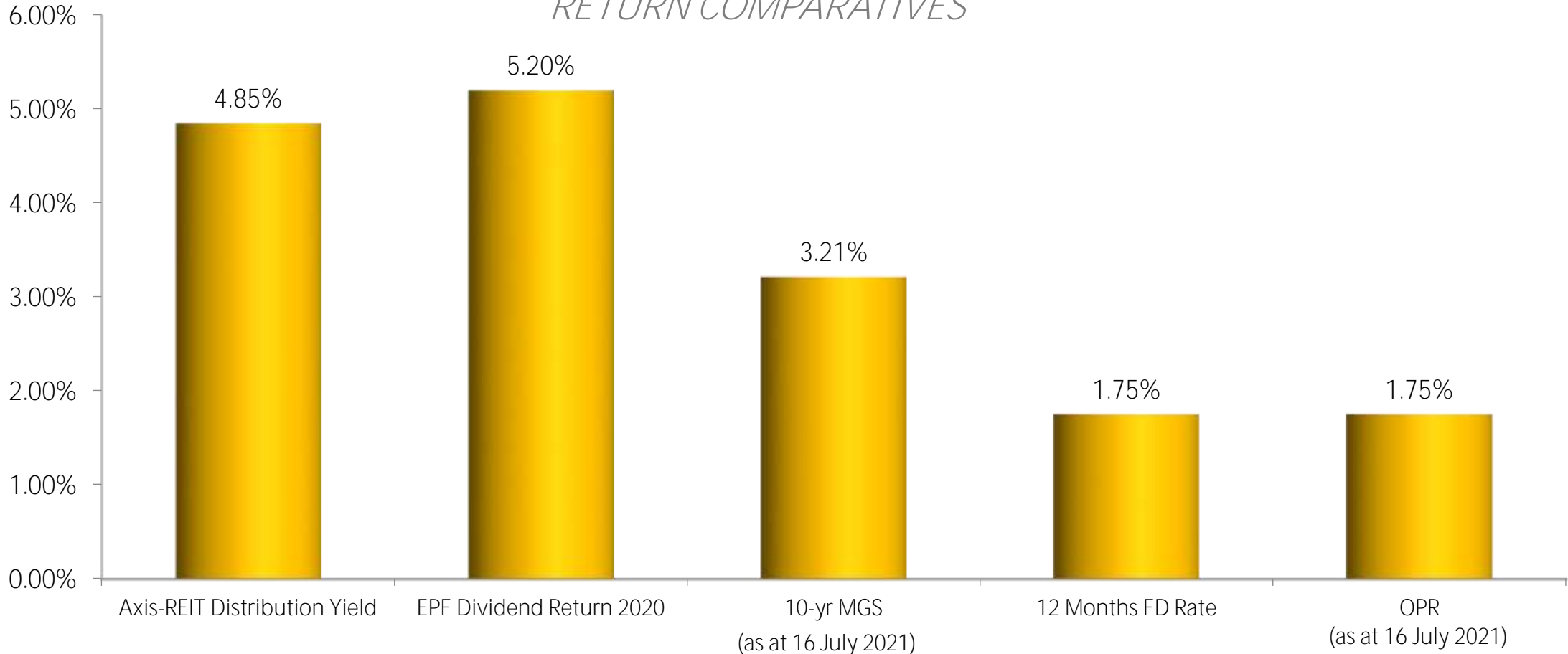
36%  
Financing Ratio



2Q 2021 : 2.40 sen  
1Q 2021 : 2.23 sen  
Distribution Per Unit

# FINANCIAL OVERVIEW

## RETURN COMPARATIVES



(based on RM1.91 closing price)

# FINANCIAL OVERVIEW

## INCOME STATEMENT 2Q2021 vs 2Q2020

	2Q2021 (RM'000)	2Q2020 (RM'000)	Changes / Movement
No. of Properties	57	51	+6
Property Income	60,252	55,141	
Property Income - Property income before lease incentive adjustment	60,201	55,023	+9.4%
- Lease incentive adjustment (non-distributable)	51	118	
Property Expenses	(8,046)	(8,165)	-1.5%
Net Property Income	52,206	46,976	
- Property income before lease incentive adjustment	52,155	46,858	+11.3%
- Lease incentive adjustment (non-distributable)	51	118	
Profit Income / Other Income	124	347	
Non-Property Expenses	(10,184)	(6,532)	+55.9%
Islamic Financing Cost	(11,231)	(9,707)	+15.7%
Net Income	30,915	31,084	
Property income before lease incentive adjustment	30,864	30,966	-0.3%
- Lease incentive adjustment (non-distributable)	51	118	
DPU (sen)	2.40	2.15	+11.6%
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 1H2021 vs 1H2020

	1H2021 (RM'000)	1H2020 (RM'000)	Changes / Movement
No. of Properties	57	51	+6
Property Income – Note 1	117,630	109,681	
Property Income - Property income before lease incentive adjustment	117,891	109,898	+7.3%
- Lease incentive adjustment (non-distributable)	(261)	(217)	
Property Expenses – Note 2	(16,629)	(16,328)	+1.8%
Net Property Income	101,001	93,353	
- Property income before lease incentive adjustment	101,262	93,570	+8.2%
- Lease incentive adjustment (non-distributable)	(261)	(217)	
Profit Income / Other Income	228	578	
Non-Property Expenses – Note 3	(16,846)	(13,519)	+24.6%
Islamic Financing Cost – Note 4	(21,591)	(19,451)	+11.0%
Net Income	62,792	60,961	
Property income before lease incentive adjustment	63,053	61,178	+3.1%
- Lease incentive adjustment (non-distributable)	(261)	(217)	
DPU (sen)	4.63	4.25	+8.9%
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 1H2021 vs 1H2020 - 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 and commencement of new tenancies at Axis Industrial Facility @ Rawang and D8 Logistics Warehouse, respectively. During 1H2021, the amount of seasonal and visitor carpark income registered a drop.

### Note 2 – Property Expenses

The 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 mainly due to provision of doubtful debts of approximately RM3.6 million made during the quarter under review.

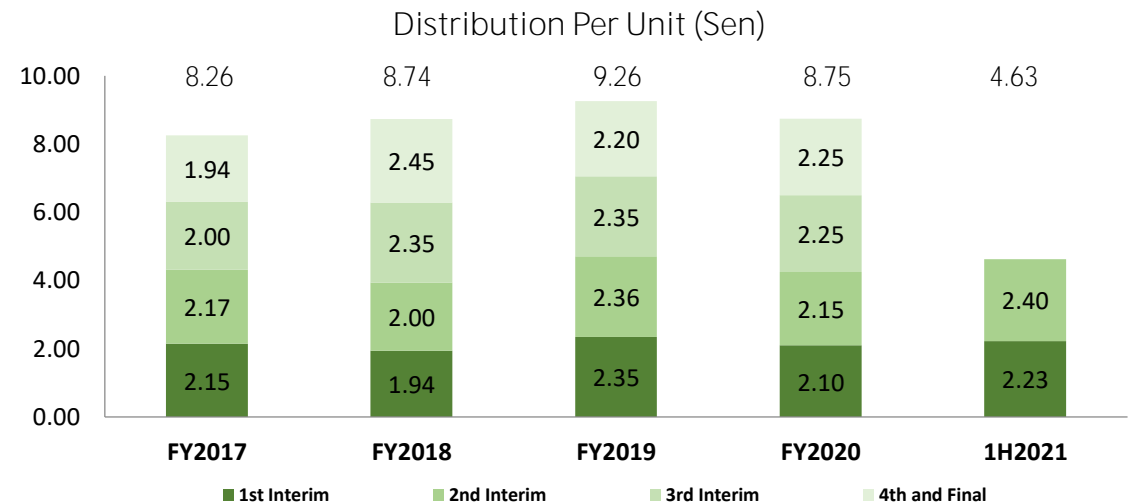
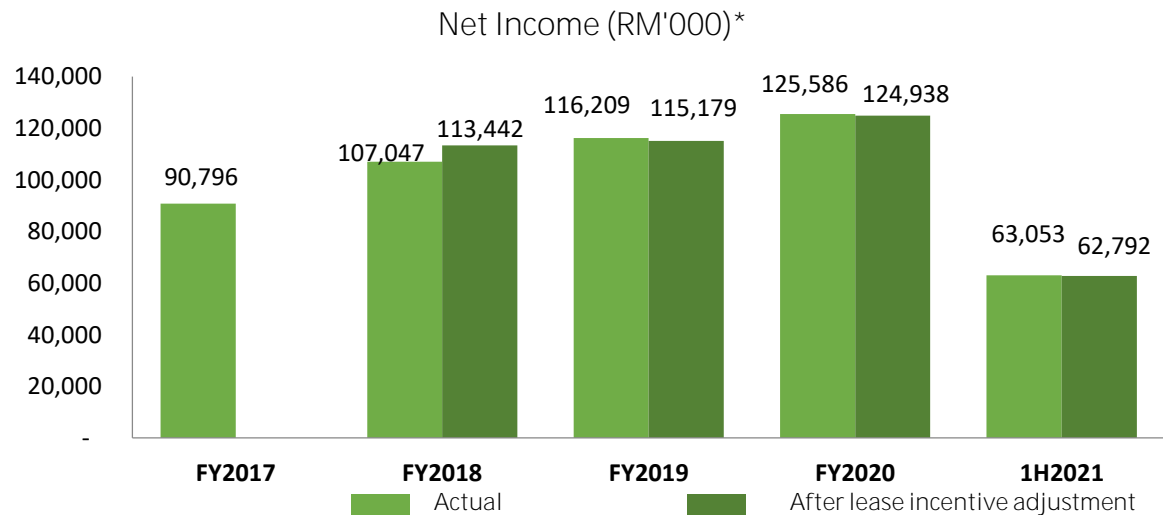
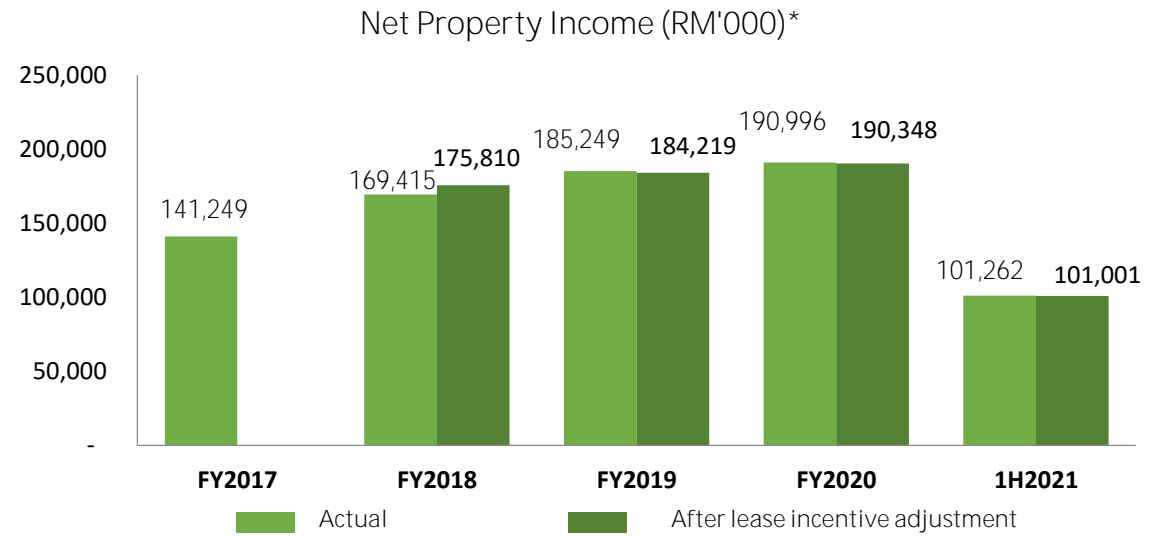
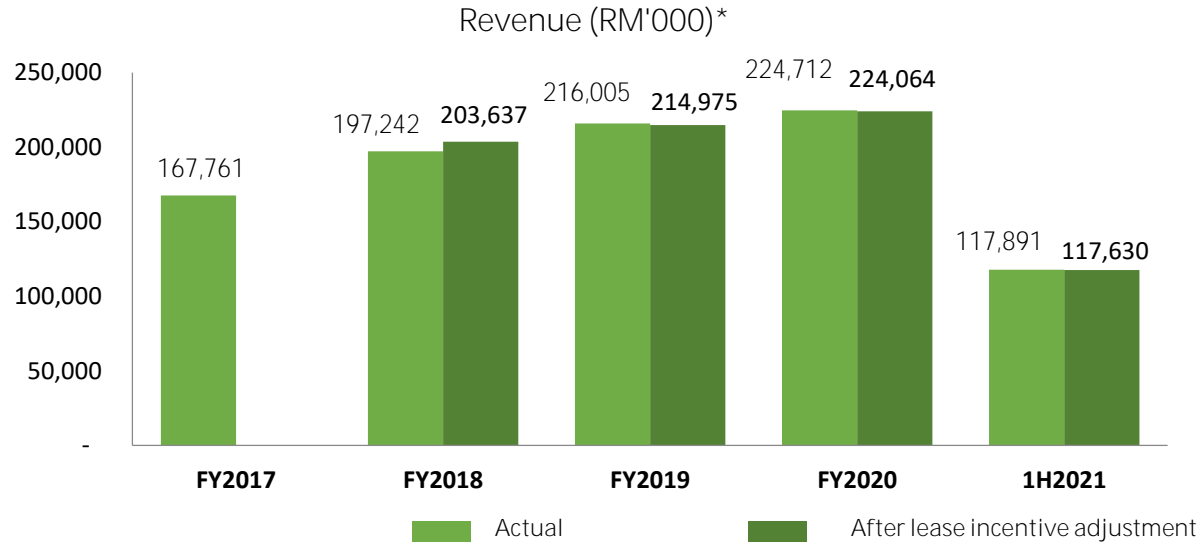
### Note 4 – Islamic Financing Cost

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



# FINANCIAL OVERVIEW

## 5-YEAR PERFORMANCE



\* Note: The above financials exclude unbilled lease income receivable

# FINANCIAL OVERVIEW

## *PORTFOLIO YIELD BY ASSET TYPES*

Asset Type	Net Yield (%)	Gross Yield (%)
Office	6.0	8.4
Office Industrial	6.7	8.9
Logistics Warehouse	8.2	9.0
Manufacturing Facilities	7.6	8.3
Hypermarket	8.2	8.8
Average	7.6	8.7

# FINANCIAL OVERVIEW

## FINANCIAL POSITION

	30/6/21 (RM'000)	31/12/20 (RM'000)	Changes (RM'000)
Investment Properties – Note 1	3,444,564	3,280,240	+164,324
Fixed Assets	2,671	2,870	-199
Other Assets – Note 2	77,121	80,973	-3,852
<b>TOTAL ASSETS</b>	<b>3,524,356</b>	<b>3,364,083</b>	<b>+160,273</b>
Financing – Note 4	1,280,237	1,112,183	+168,054
Other Payables	105,657	119,774	-14,117
Deferred Tax Liability	9,122	9,122	-
<b>TOTAL LIABILITIES</b>	<b>1,395,016</b>	<b>1,241,079</b>	<b>+153,937</b>
<b>NET ASSET VALUE (NAV)</b>	<b>2,129,340</b>	<b>2,123,004</b>	<b>+6,336</b>
Unitholders' Capital – Note 3	1,603,219	1,595,506	+7,713
Undistributed Distributable Income	29,576	31,493	-1,917
Non-Distributable Reserve	496,545	496,005	+540
<b>TOTAL UNITHOLDERS' FUND</b>	<b>2,129,340</b>	<b>2,123,004</b>	<b>+6,336</b>
<b>FINANCING RATIO</b>	<b>36.33%</b>	<b>33.06%</b>	
<b>NAV/UNIT (RM)</b>	<b>1.4721</b>	<b>1.4719</b>	
<b>No. of units in issuance</b>	<b>1,446,481,518</b>	<b>1,442,331,296</b>	

# FINANCIAL OVERVIEW

## NOTES - FINANCIAL POSITION

### Note 1 – Investment Properties

During the year, a total of RM13.8 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 in 1H 2021 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 30 June 2021 was 12 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

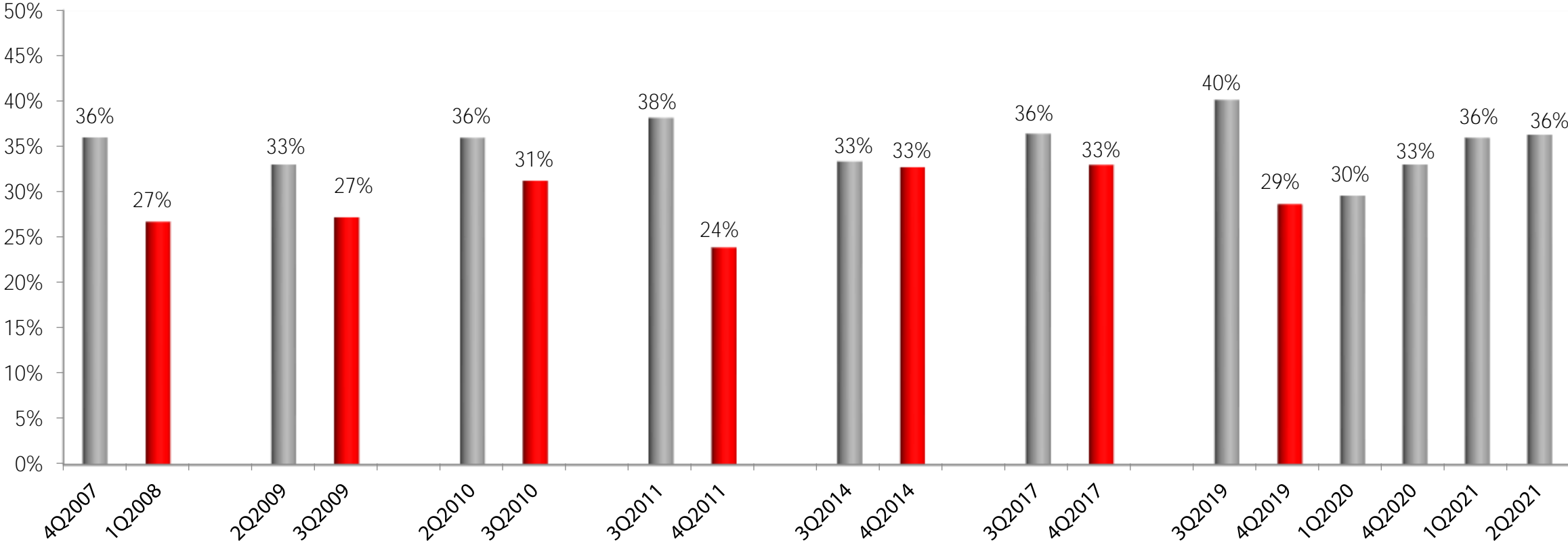
	2017	2018	2019	2020	1H2021
<b>Total Financing (RM'000)</b>	842,594	1,059,367	885,859	1,112,183	1,280,237
<b>Total Assets (RM'000)</b>	2,549,609	2,840,463	3,085,681	3,364,083	3,524,356
Financing Ratio	33.05%	37.30%	28.71%	33.06%	36.33%
Effective Profit Rate	4.21%	4.32%	4.37%	3.89%	3.62%
Percentage of short term financing-Maturity < 1 Year	71%	77%	43%	55%	59%
Percentage of medium/ long term financing (maturity more than 1 year)	29%	23%	57%	45%	41%
Percentage of floating rate financing	63%	69%	21%	47%	58%
Percentage of fixed rate financing	37%	31%	79%	53%	42%
Total unencumbered assets	15	19	16	25	26
Percentage of unencumbered assets/total assets (value)	27%	28%	27%	44%	39%

# FINANCIAL OVERVIEW

## FINANCING RATIO

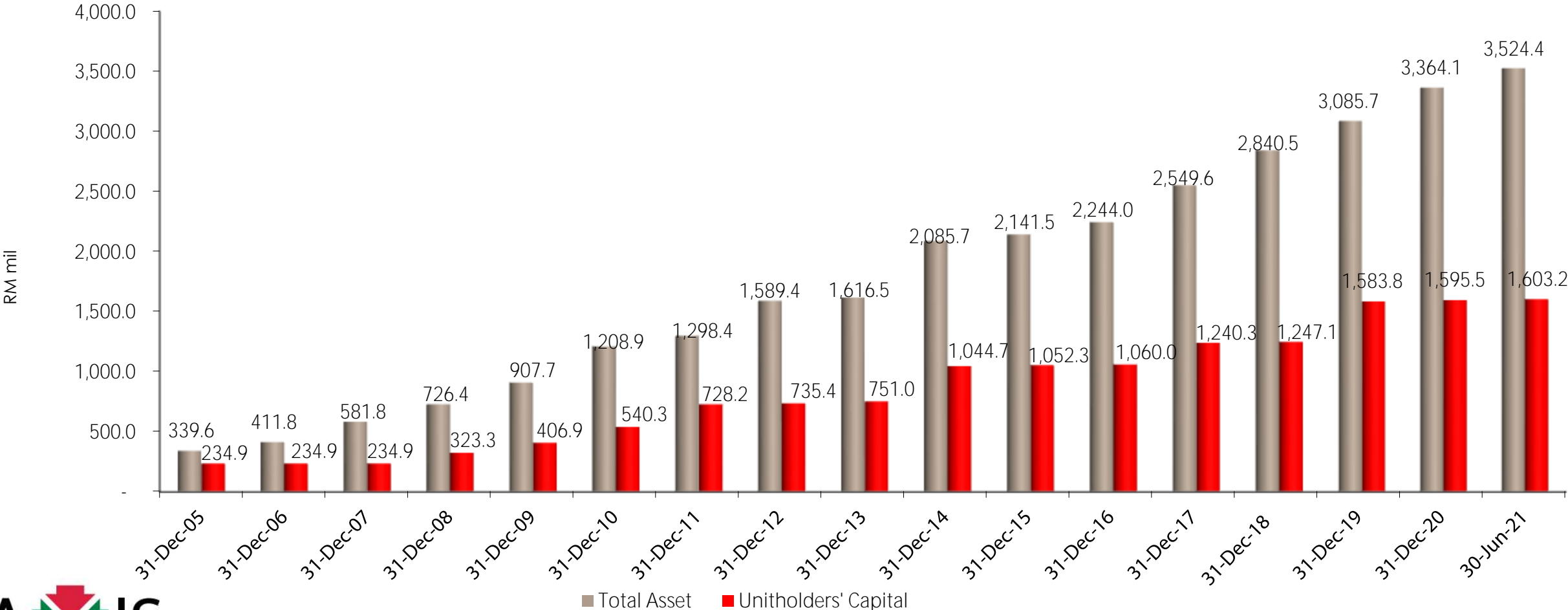
### Placements Undertaken

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

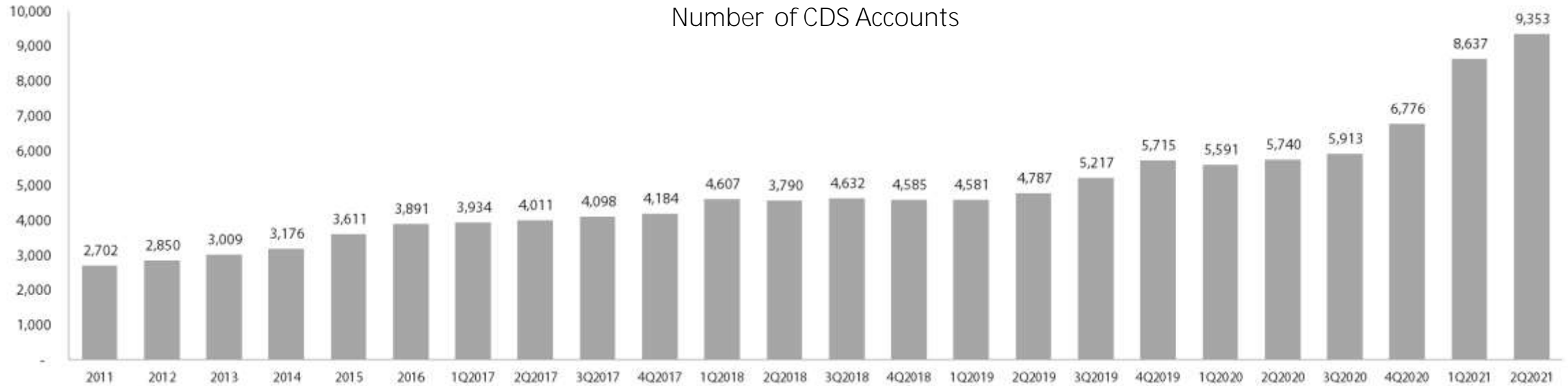
## TOP 10 UNITHOLDERS\*

	Name of Unitholder	%
1	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	10.00%
2	EMPLOYEES PROVIDENT FUND BOARD	8.40%
3	LEMBAGA TABUNG HAJI	4.82%
4	TEW PENG HWEE @ TEOH PENG HWEE	3.95%
5	ALEX LEE LAO	3.73%
6	AMANAH SAHAM BUMIPUTERA	2.94%
7	EXEMPT AN FOR AIA BHD.	2.86%
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 2Q2021	Units Held 1Q2021	Movement
Top 5 Unitholders	30.91%	30.72%	0.19%
Top 10 Unitholders	42.74%	42.97%	-0.23%
Unitholders with >2 million unitholdings	84.53%	84.62%	-0.09%

\*Based on CDS accounts on non-consolidated basis

# STOCK INFORMATION



	Units Held 2Q2021	Units Held 1Q2021	Movement
Total no. of unitholders	9,353	8,637	716
Total foreign holdings	15.08%	14.87%	0.21%
Foreign holdings – related-party	6.41%	6.41%	0%
Foreign holdings – non-related-party	8.67%	8.46%	0.21%
Related-party holdings	11.10%	11.10%	0%



REAL ESTATE INVESTMENT TRUST

[axis-reit.com.my](http://axis-reit.com.my)