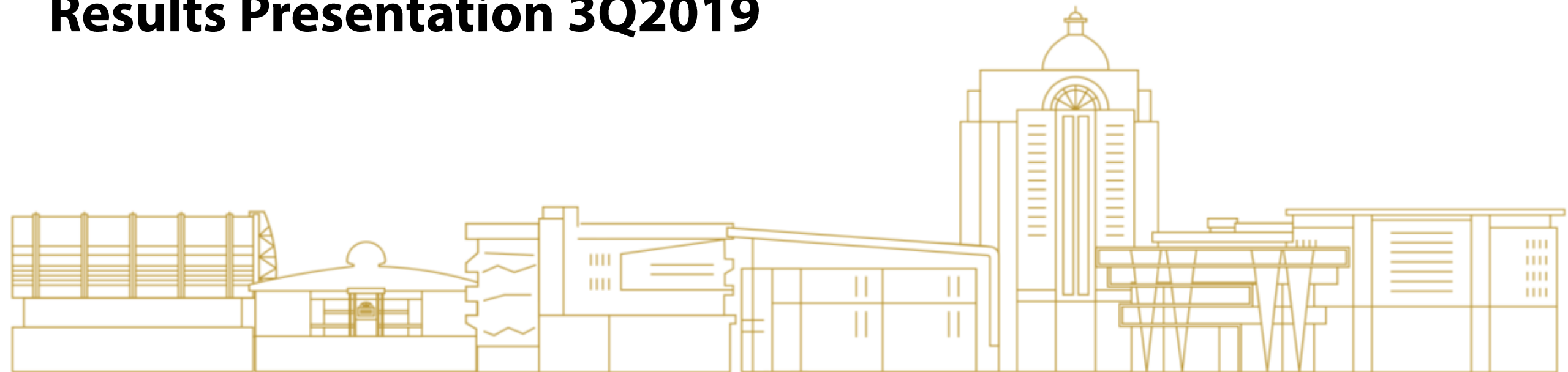




AXIS REAL ESTATE INVESTMENT TRUST

Results Presentation 3Q2019



21 October 2019

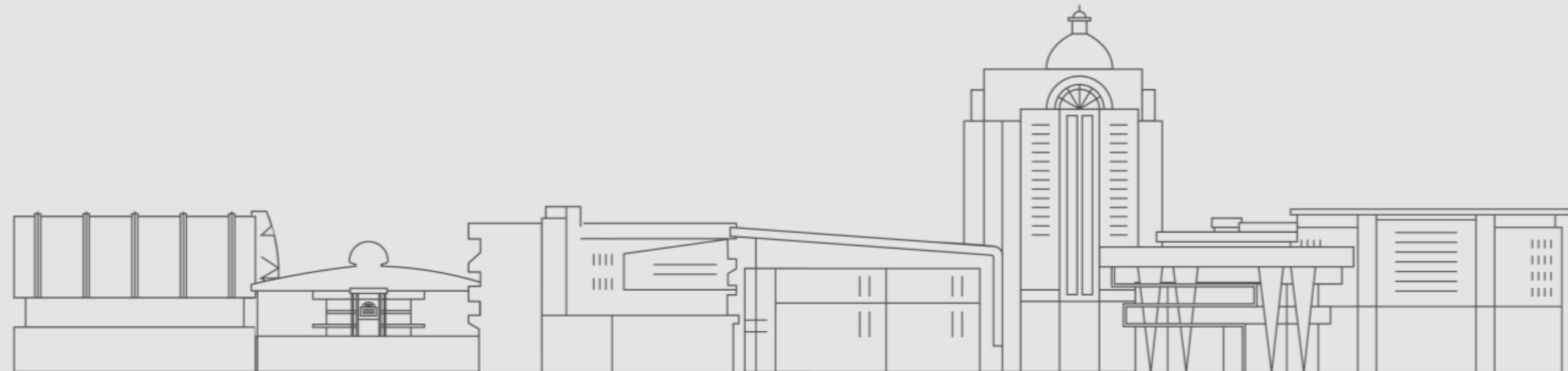
AGENDA

**2019
HIGHLIGHTS**

**PORTFOLIO
OVERVIEW**

**FINANCIAL
OVERVIEW**

**STOCK
INFORMATION**





3Q2019 HIGHLIGHTS



2019 HIGHLIGHTS

PORTFOLIO SUMMARY



47 properties on portfolio
35 properties with 100% occupancy



Portfolio Occupancy of 92% (as at 30/9/2019)
Weighted Average Lease Expiry of 6.0 years



Total Assets Under Management
RM3.0 billion



Reclassified as Islamic REIT in 2008



Space Under Management
9.5 million sq ft



Total Distribution Per Unit for YTD 3Q2019
7.06 sen



Gearing
40%



Market Capitalization (as at 30/9/2019)
RM2.29 billion



Solid industrial space portfolio
91% of properties on industrial titles



Nationwide presence across Malaysia

YTD 3Q2019 HIGHLIGHTS

PORTFOLIO PERFORMANCE

- Portfolio size increased by 2 to a total of 47 properties.
- Investment properties currently stands at RM2.9 billion.
- Net property income increased by 13.2% for YTD 3Q2019 as compared to YTD 3Q2018.
- Total of 7.06 sen DPU declared for YTD 3Q2019.
- Traded at a premium of 38% to NAV as of 30 September 2019.
- Completed the acquisition of two manufacturing facilities located at Nusajaya, Johor for a total purchase price of RM55.8 million on 30 September 2019.
- Successfully signed a Sale & Purchase Agreement to acquire a manufacturing facility for RM20.5 million located at Bayan Lepas, Penang on 17 July 2019.
- Successfully signed a Sale & Purchase Agreement to acquire a manufacturing facility for RM50.0 million located at Nilai, Negeri Sembilan on 8 October 2019.

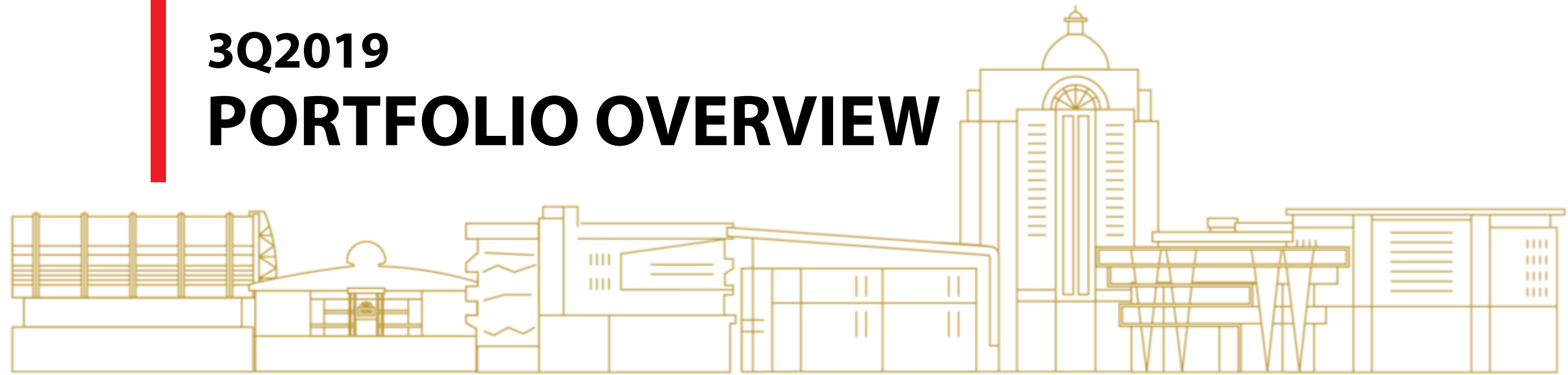
YTD 3Q2019 HIGHLIGHTS

PORTFOLIO PERFORMANCE

- Successfully signed a Sale & Purchase Agreement to acquire a warehouse facility for RM65.0 million located at Port of Tanjung Pelepas, Johor on 14 October 2019.
- Acceptance of a Letter of Offer to acquire a manufacturing facility for RM37.0 million located at Bukit Raja, Klang, Selangor.
- Entered into a built-to-lease agreement to construct a warehouse facility for Federal Express Services (M) Sdn Bhd for a period of 10 years with option to renew for further 5 years on a 2.5 acres greenfield land at Batu Kawan Industrial Park, Penang.
- Acceptance of Letters of Offer to acquire two manufacturing facilities for RM55.8 million located at Shah Alam, Selangor.
- Acceptance of Letter of Offer to acquire a manufacturing facility for RM60.0 million located at Kota Kinabalu, Sabah.



3Q2019 PORTFOLIO OVERVIEW



PORTFOLIO OVERVIEW

1  Diversified and expanding portfolio

2  High occupancy rate with income visibility

3  Sustainable distributions

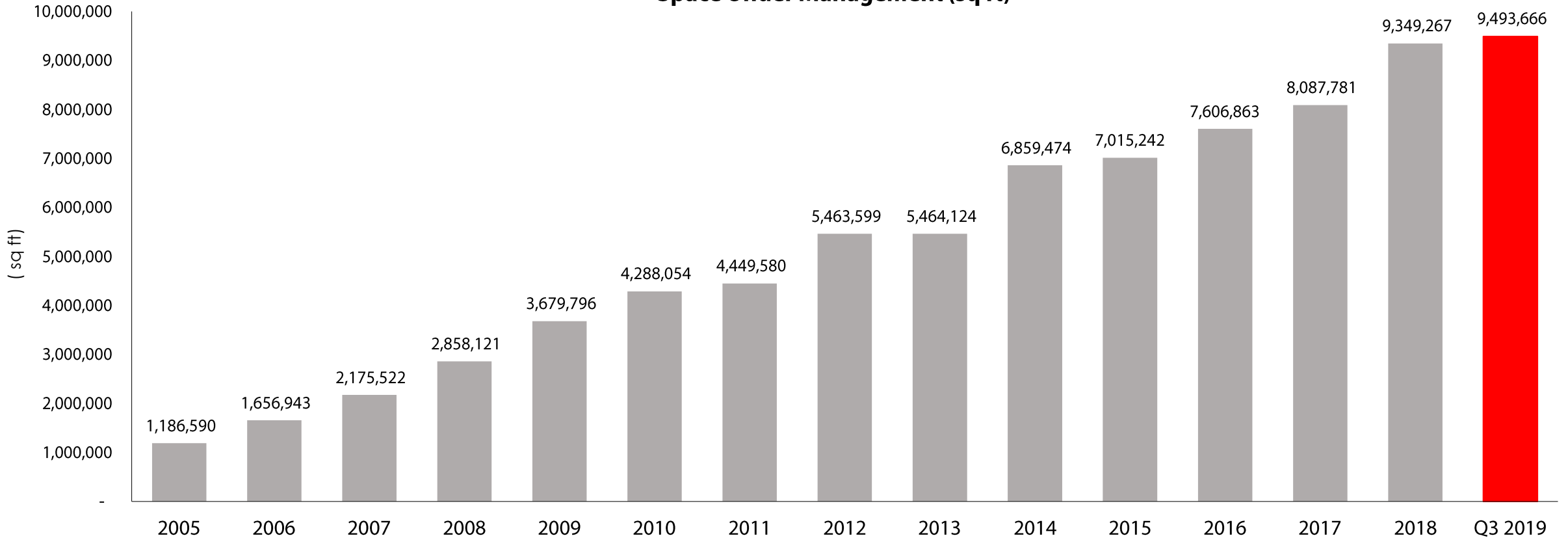
4  Established nationwide footprint

5  Aggressive pipeline targets

PORTFOLIO OVERVIEW

DIVERSIFIED AND EXPANDING PORTFOLIO

Space Under Management (sq ft)

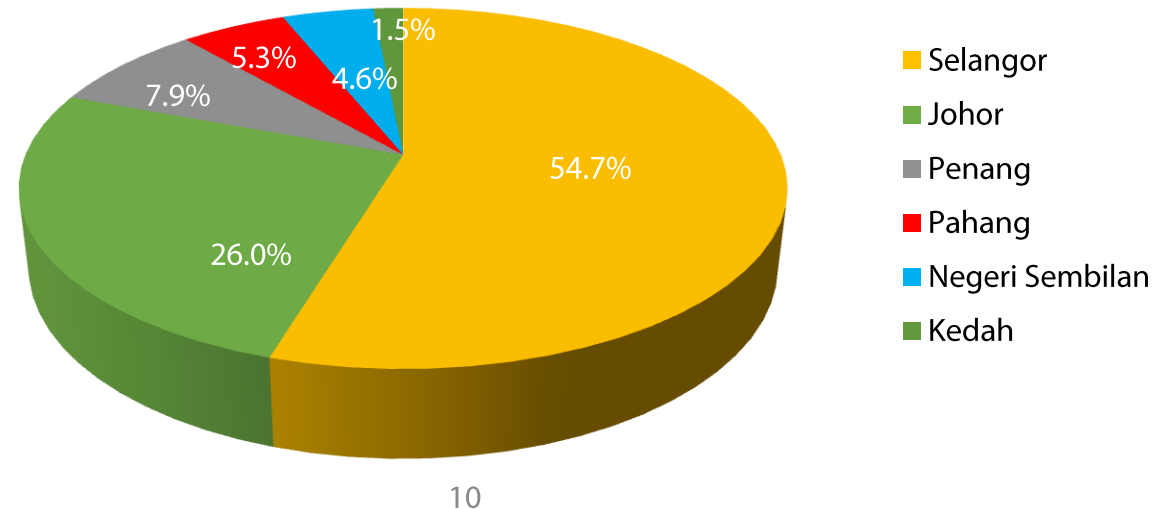


PORTFOLIO OVERVIEW

DIVERSIFIED AND EXPANDING PORTFOLIO

- ✓ Our 47 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:
 - Bayan Lepas, Penang
 - Shah Alam, Selangor
 - Port of Tanjung Pelepas, Johor
 - Kota Kinabalu, Sabah
- ✓ This geographical diversification is aimed at capturing the rapid growth of current and future regional industrial hubs.

Portfolio Diversification by Location (on NLA)

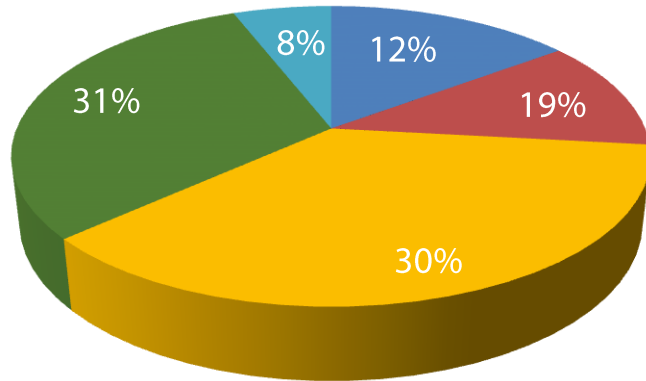


PORTFOLIO OVERVIEW

DIVERSIFIED AND EXPANDING PORTFOLIO

Portfolio Diversification by Industry Sector (on NLA)

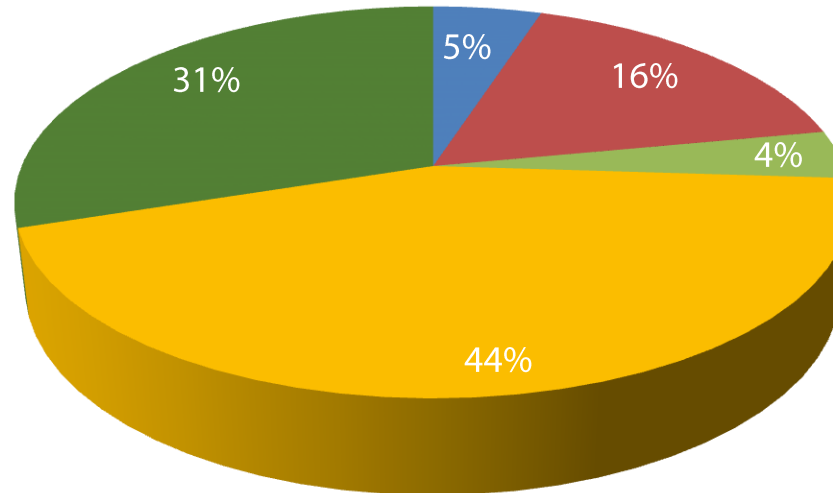
■ Services ■ Consumer Products ■ Manufacturing ■ Logistics ■ Vacant



Portfolio Diversification by Asset Type (on NLA)

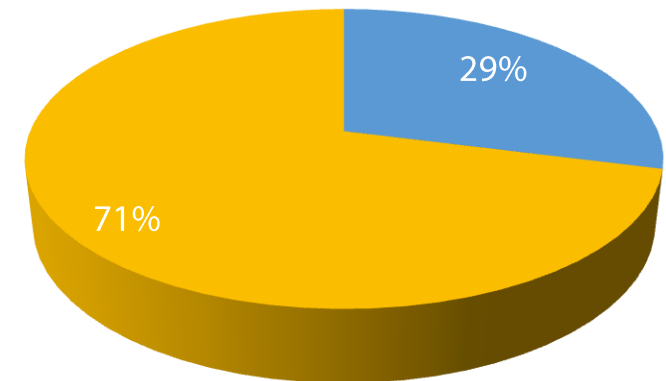
**Industrial title properties*

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



Portfolio Diversification by Occupancy Type (on NLA)

■ Multi-tenants ■ Single Tenants



PORTFOLIO OVERVIEW

HIGH OCCUPANCY RATE WITH INCOME VISIBILITY

As at 30 September 2019, the portfolio has 47 assets comprising 9,493,666 sq. ft. and 155 tenants.

	YTD 3Q2019*
No. of Properties	47
Property Income (RM'000)	160,952
Property Expenses (RM'000)	22,573
Net Property Income (RM'000)	138,379
Occupancy	92%

**excludes unbilled lease income receivable*

Portfolio Efficiency Ratio = YTD Property Expenses / YTD Property Income

YTD 3Q2019	2018	2017	2016	2015
14.02%	13.66%	15.80%	16.23%	14.56%



PORTFOLIO OVERVIEW

HIGH OCCUPANCY RATE WITH INCOME VISIBILITY

Lease Expiry by Location

Property	Year	% of	% of Rental	Year	% of	% of Rental	Year	% of	% of Rental
	2019	Total NLA	Income/month	2020	Total NLA	Income/month	2021	Total NLA	Income/month
Petaling Jaya	602,715	6.35	12.51	555,293	5.85	0.93	439,369	4.63	9.20
Shah Alam	526,567	5.55	5.20	412,015	4.34	4.34	161,280	1.70	2.03
Johor	171,000	1.80	1.84	468,936	4.94	3.34	474,539	5.00	4.06
Nilai	291,642	3.07	1.44	-	-	-	-	-	-
Penang	395,225	4.16	3.31	205,151	2.16	2.67	-	-	-
Kedah	138,000	1.45	1.92	-	-	-	-	-	-
TOTAL	2,125,149	22.38	26.22	1,641,395	17.29	20.28	1,075,188	11.33	15.29

Lease Expiry by Type

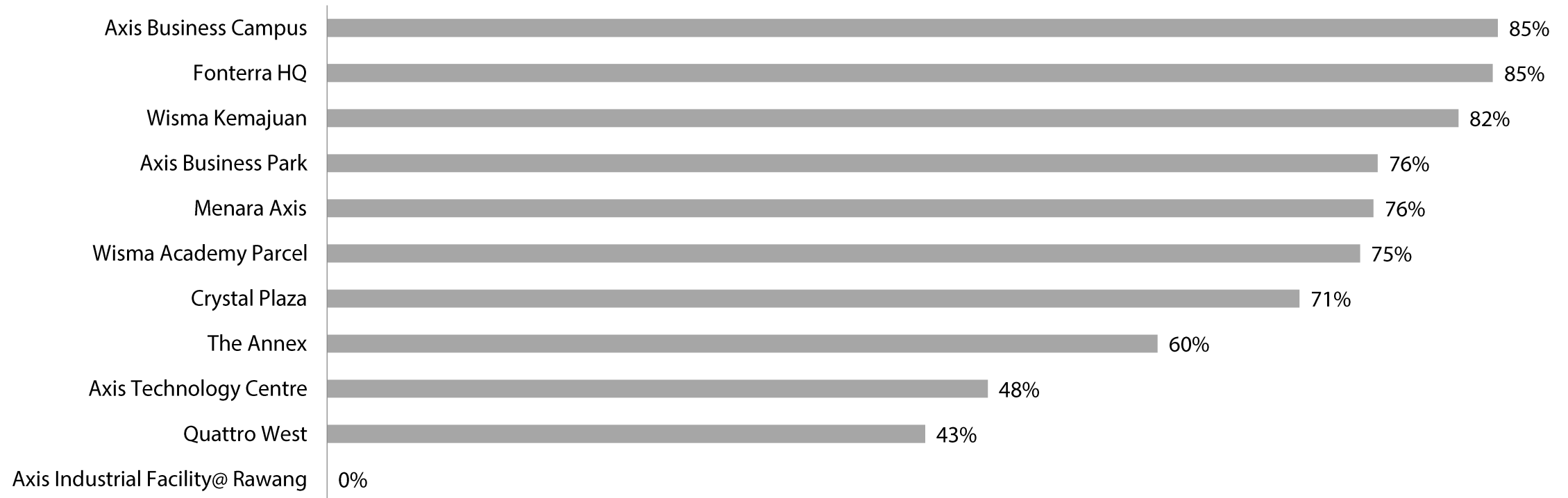
Property	Year	% of	% of Rental	Year	% of	% of Rental	Year	% of	% of Rental
	2019	Total NLA	Income/month	2020	Total NLA	Income/month	2021	Total NLA	Income/month
Office	199,499	2.10	6.22	125,134	1.32	3.15	116,091	1.22	3.36
Office Industrial	403,216	4.25	6.29	430,159	4.53	6.78	323,278	3.41	5.85
Warehouse Logistics	1,092,792	11.51	10.34	1,086,102	11.44	10.35	337,920	3.56	3.03
Manufacturing Facilities	291,642	3.07	1.44	-	-	-	297,899	3.14	3.05
Hypermarket	138,000	1.45	1.93	-	-	-	-	-	-
TOTAL	2,125,149	22.38	26.22	1,641,395	17.29	20.28	1,075,188	11.33	15.29

As at 30 September 2019, out of 2.13 million square feet of space expiring in 2019, 61% of leases have been renewed to date.

PORTFOLIO OVERVIEW

HIGH OCCUPANCY RATE WITH INCOME VISIBILITY

Properties with Occupancy Below 90% as at 30 September 2019

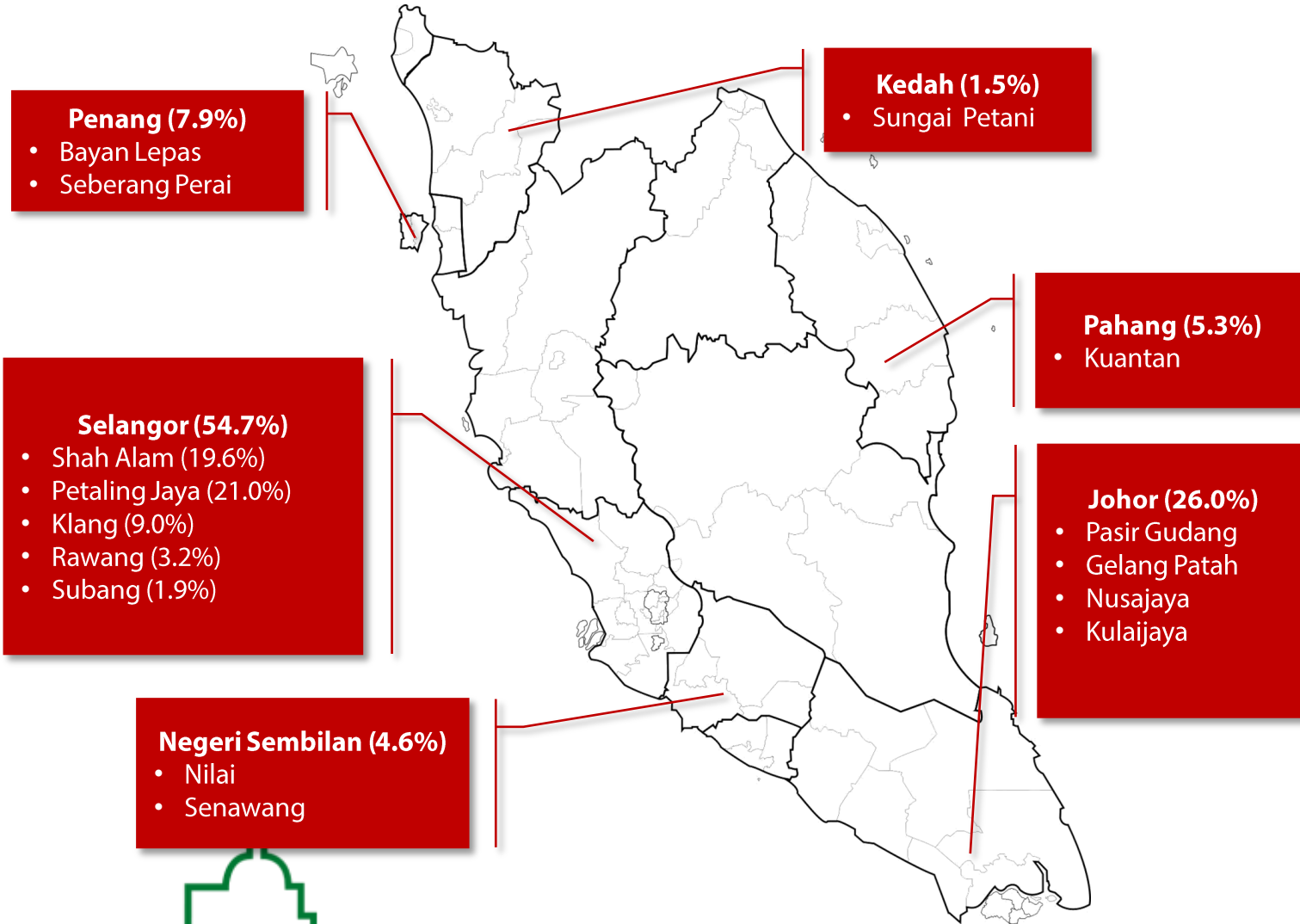


Note:

1. Vacant space in Fonterra HQ is built for their future expansion.
2. Tenant has delivered vacant possession for Axis Industrial Facility@ Rawang in July 2019.

PORTFOLIO OVERVIEW

ESTABLISHED NATIONWIDE FOOTPRINT



Top 10 Tenants

YTD top ten tenants account for 47.13% of the total revenue

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



LF LOGISTICS



SCHENKER



TENAGA NASIONAL



PORTFOLIO OVERVIEW

ASSET ENHANCEMENT INITIATIVES

Shah Alam Distribution Centre 2

Fire Fighting System upgraded



Pasir Gudang Warehouse 1

Enhancement of warehouse with LED lighting



PORTFOLIO OVERVIEW

AGGRESSIVE PIPELINE TARGETS: COMPLETED PROJECT



Official Launch of Axis Aerotech Centre @ Subang, 12 June 2019

Axis Aerotech Centre @ Subang

Net Lettable Area:	179,978 sq ft
Handover Date:	13 February 2019
Construction Time:	8 months
Lease Commencement:	16 December 2018
Market Value (as at 31 Dec 2018):	RM64.7million (based on partial completion)

PORTFOLIO OVERVIEW

AGGRESSIVE PIPELINE TARGETS: DEVELOPMENT PROJECT



Photo taken as at 9 October 2019

FedEx Batu Kawan Distribution Centre

a) Details of purchase of sub-lease of land from Penang Development Corporation (PDC)

Size:	2.5 acres
Purchase Price:	RM3.92 million (based on RM36 psf)
Tenure:	30 years

b) Details of lease agreement with FedEx

Net Lettable Area:	44,000 sq ft
Target Handover Date:	29 February 2020
Construction Time:	5 months
Lease Commencement:	1 March 2020
Gross Development Value (est.):	RM15.77 million
Estimated Starting Net Yield:	9.0%

PORTFOLIO OVERVIEW

AGGRESSIVE PIPELINE TARGETS: COMPLETED ACQUISITIONS

Nusajaya Tech Park Facility 1 and Nusajaya Tech Park Facility 2, Johor



Completion Date	:	30 September 2019
Net Lettable Area	:	146,762 sq. ft.
Land Area	:	Approx. 5.2 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM55.8 million
WALE	:	Approx. 4 years

PORTFOLIO OVERVIEW

AGGRESSIVE PIPELINE TARGETS: ONGOING ACQUISITIONS

1. Bayan Lepas Industrial Facility 1, Pulau Pinang



Target Completion Date :	2H2019
Net Lettable Area :	78,024 sq. ft.
Land Area :	Approx. 2.1 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM20.5 million
WALE :	Approx. 2 years

2. K-Plastics Facility, Nilai, Negeri Sembilan



Target Completion Date :	2H2019
Net Lettable Area :	246,500 sq. ft.
Land Area :	Approx. 8.8 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM50.0 million
WALE :	10 years

PORTFOLIO OVERVIEW

AGGRESSIVE PIPELINE TARGETS: ONGOING ACQUISITIONS

3. D37c Warehouse, PTP Johor



Target Completion Date :	1H2020
Net Lettable Area :	222,723 sq. ft.
Land Area :	Approx. 8.2 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM65.0 million
WALE :	Approx. 8 years

4. Manufacturing Facility, Kota Kinabalu, Sabah



Target Completion Date :	1H2020
Gross Floor Area :	444,180 sq. ft.
Land Area :	Approx. 21.6 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM60.0 million
WALE :	15 years

PORTFOLIO OVERVIEW

AGGRESSIVE PIPELINE TARGETS: ONGOING ACQUISITIONS

5. Manufacturing Facility, Bukit Raja, Klang



Target Completion Date :	2H2019
Gross Floor Area :	199,890 sq. ft.
Land Area :	Approx. 5.6 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM37.0 million
WALE :	Approx. 2.5 years

6. Manufacturing Facilities, Shah Alam, Selangor



Target Completion Date :	1H2020
Gross Floor Area :	251,068 sq. ft.
Land Area :	Approx. 9.4 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM55.8 million
WALE :	Approx. 7 years

PORTFOLIO OVERVIEW

AGGRESSIVE PIPELINE TARGETS: ACQUISITIONS STRATEGY

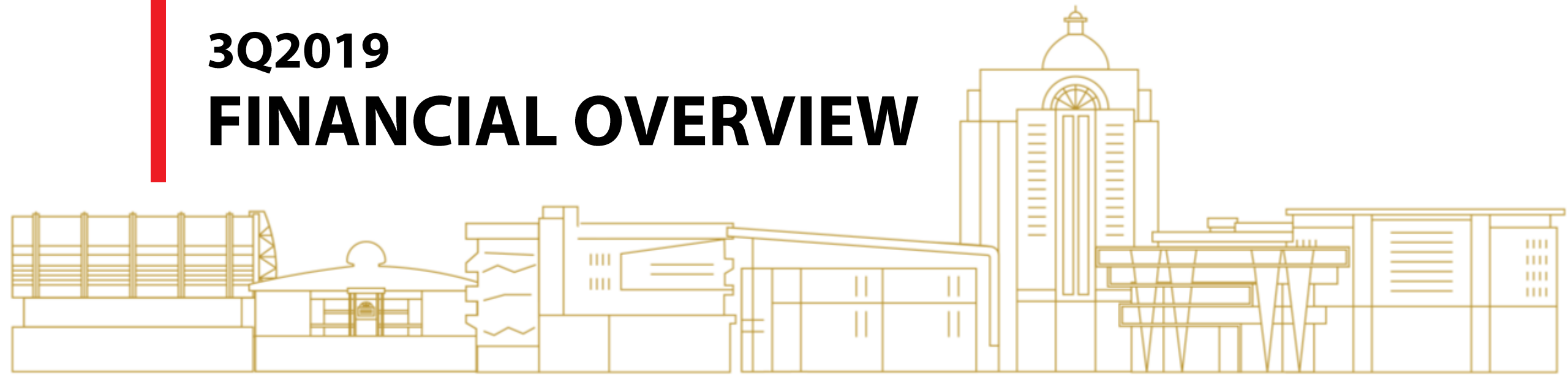
The Manager continues to aggressively source and evaluate potential acquisition targets that are deemed investable by Axis-REIT. The selection of properties will continue to focus on:

- ✓ 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**



3Q2019 FINANCIAL OVERVIEW



FINANCIAL OVERVIEW

SNAPSHOT AS AT 30 SEPTEMBER 2019



RM2.95bn
Total Assets



RM1.19bn
Total Financings



RM1.66bn
Total Unitholder's Funds



RM1.34
Net Asset Value Per Unit



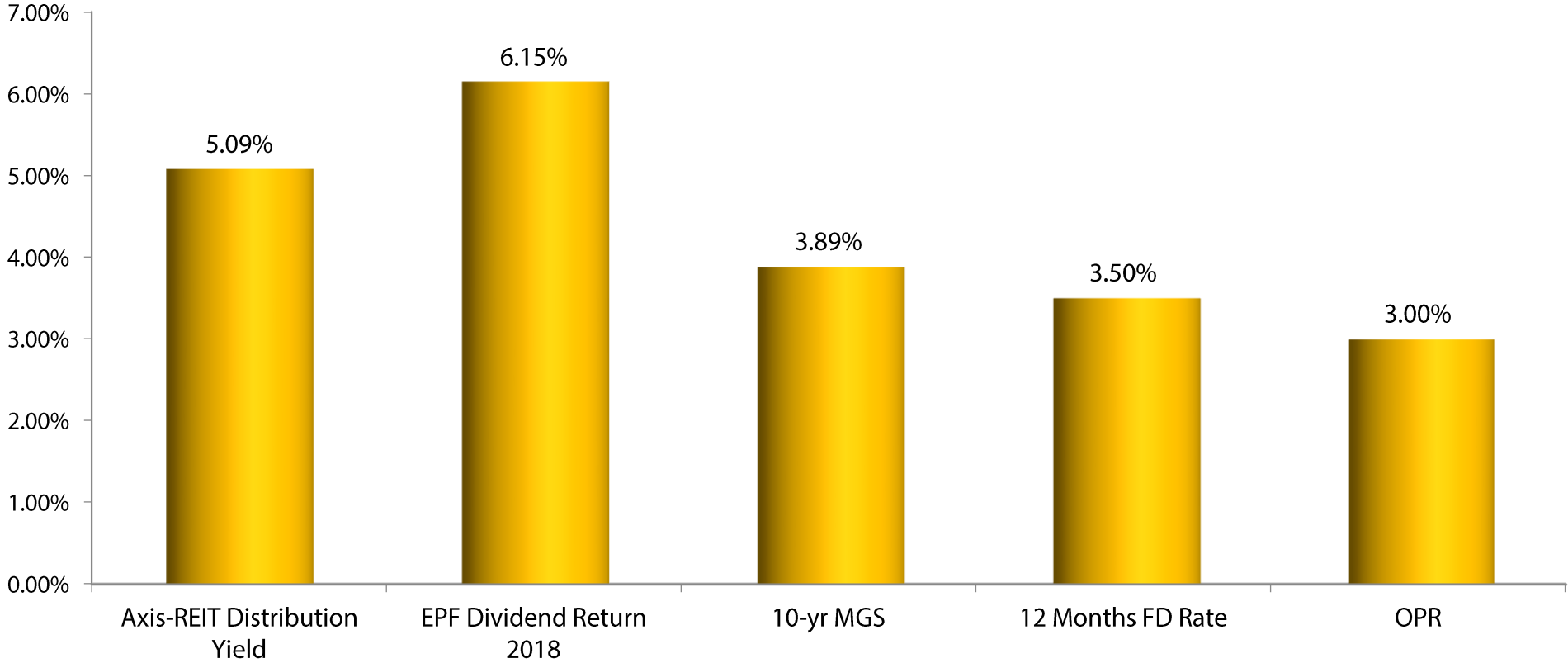
40%
Net Gearing



3Q2019: 2.35 sen
2Q2019: 2.36 sen
1Q2019: 2.35 sen
Distribution Per Unit

FINANCIAL OVERVIEW

RETURN COMPARATIVES



FINANCIAL OVERVIEW

INCOME STATEMENT 3Q2019 vs 3Q2018

	3Q2019 (RM'000)	3Q2018 (RM'000)	Changes / Movement
No. of Properties	47	44	+3
Property Income #	53,635	52,129	+2.9%
Property Expenses	(7,809)	(6,794)	+14.9%
Net Property Income	45,826	45,335	+1.1%
Profit Income / Other Income	229	219	
Non-Property Expenses	(5,901)	(4,922)	+19.9%
Islamic Financing Cost	(12,150)	(11,359)	+7.0%
Net Income	28,004	29,273	-4.3%
DPU (sen)	2.35	2.35	-
No. of Units in Issuance	1,237,285,288	1,232,326,803	+0.4%

Includes the rent-free receivable pursuant to MFRS 117 to recognise income on straight line basis

* Note: The above financials exclude unbilled lease income receivable

FINANCIAL OVERVIEW

INCOME STATEMENT YTD 3Q2019 vs YTD 3Q2018

	YTD 3Q2019 (RM'000)	YTD 3Q2018 (RM'000)	Changes / Movement
No. of Properties	47	44	+3
Property Income # – Note 1	160,952	144,342	+11.5%
Property Expenses – Note 2	(22,573)	(20,877)	+8.1%
Net Property Income	138,379	123,465	+12.1%
Profit Income / Other Income	875	543	
Non-Property Expenses	(16,849)	(16,020)	+5.2%
Islamic Financing Cost – Note 3	(36,610)	(30,541)	+19.9%
Tax Expense	-	(67)	
Net Income after tax	85,795	77,380	+10.9%
DPU (sen)	7.06	6.29	+12.2%
No. of Units in Issuance	1,237,285,288	1,232,326,803	+0.4%

Includes the rent-free receivable pursuant to MFRS 117 to recognise income on straight line basis

* Note: The above financials exclude unbilled lease income receivable

FINANCIAL OVERVIEW

INCOME STATEMENT YTD 3Q2019 vs YTD 3Q2018 - NOTES

Note 1 – Property Income

Increase in property income as compared to preceding year corresponding period was mainly due to the commencement of lease on Axis Mega DC on 1 June 2018, Axis Aerotech Centre @ Subang on 16 December 2018 and rental from 3 newly acquired properties since the end of third quarter 2018. 3% positive rental reversion has been recognised year to date. This has offset the rental loss from Axis Industrial Facility @ Rawang (formerly known as Scomi Facility @ Rawang) as the tenant has redelivered vacant possession in July 2019.

Note 2 – Property Expenses

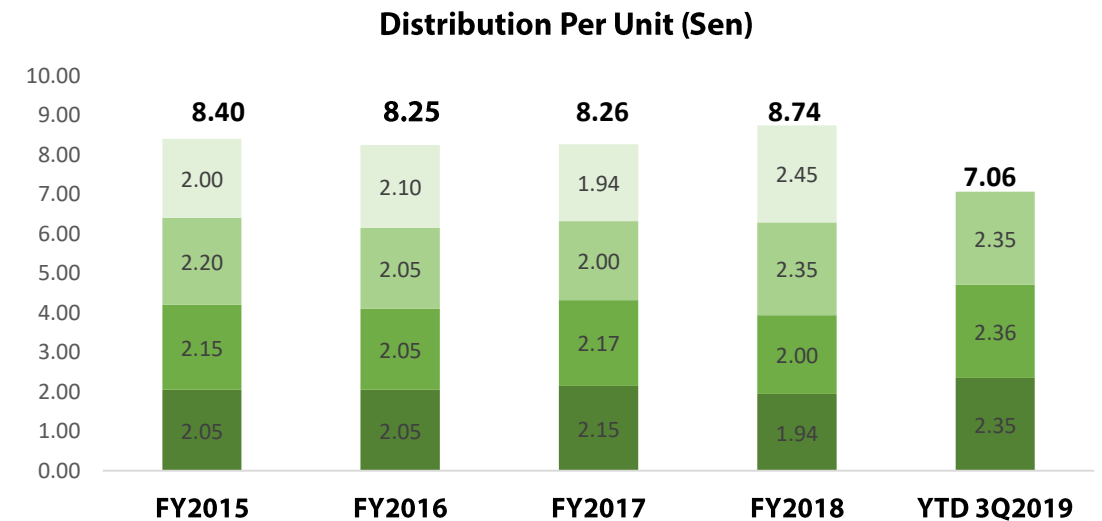
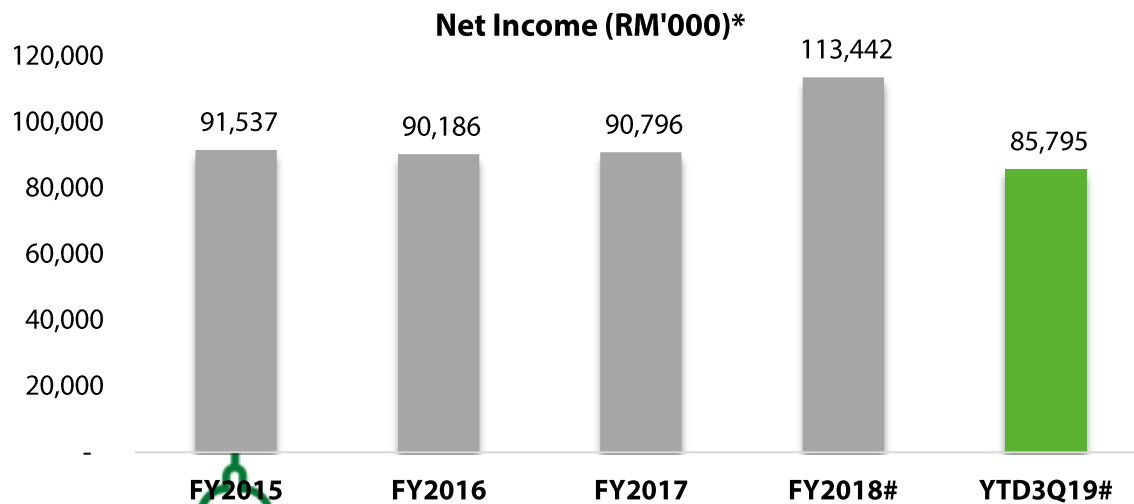
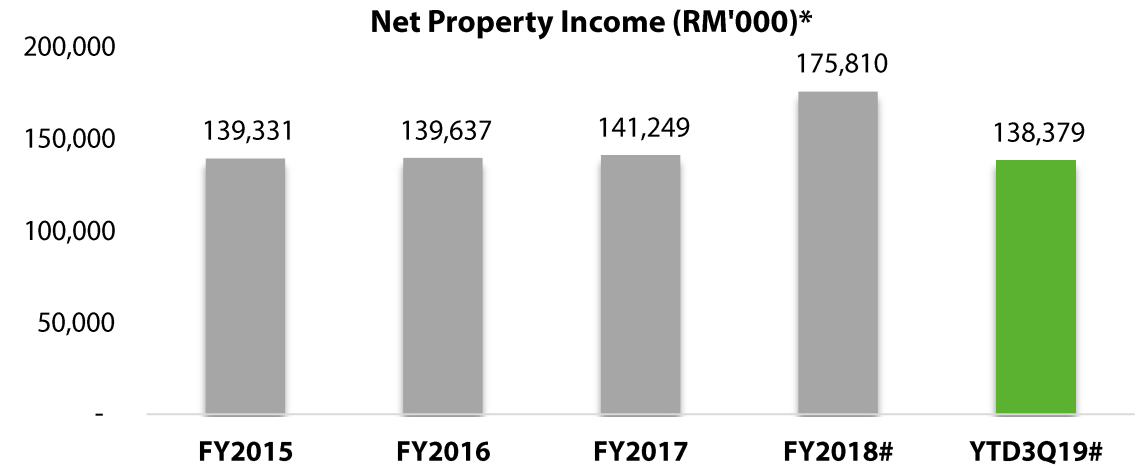
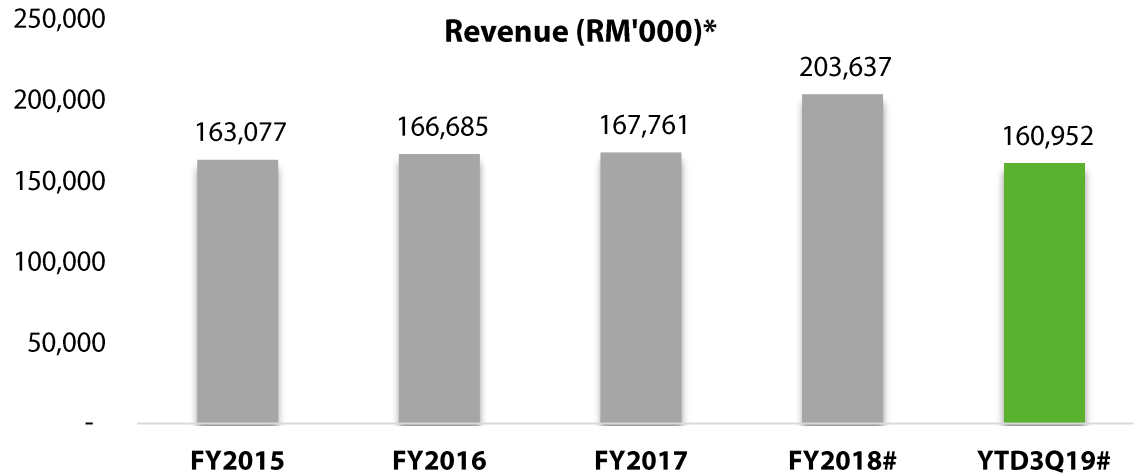
Increase in property expenses is mainly due to the increase in building maintenance expenses and also the new properties added into the portfolio during the period.

Note 3 – Islamic Financing Cost

Increase in financing cost was mainly due to additional financing facilities to fund the new acquisitions and the Manager took the opportunity of the recent OPR rate cut in May 2019 to diversify into more long term fixed rate financing.

FINANCIAL OVERVIEW

5-YEAR PERFORMANCE



■ 1st Interim ■ 2nd Interim ■ 3rd Interim ■ Final

Includes the rent-free receivable pursuant to MFRS 117 to recognise income on straight line basis

* Note: The above financials exclude unbilled lease income receivable₃₀

FINANCIAL OVERVIEW

PORTFOLIO YIELD BY ASSET TYPES

Asset Type	Net Yield (%)	Gross Yield (%)
Office	7.1	9.5
Office Industrial	7.3	9.5
Warehouse Logistics	8.4	9.4
Manufacturing Facilities	7.9	8.7
Hypermarket	8.4	9.0
Average	7.9	9.2



FINANCIAL OVERVIEW

FINANCIAL POSITION

	30/09/19 (RM'000)	31/12/18 (RM'000)	Changes (RM'000)
Investment Properties – Note 1	2,871,803	2,798,500	+73,303
Fixed Assets	3,351	3,021	+330
Other Assets – Note 2	79,259	38,942	+40,317
TOTAL ASSETS	2,954,413	2,840,463	113,950
Borrowings – Note 3	1,186,787	1,059,367	+127,420
Other Payables	105,943	112,613	-6,670
Deferred tax liability	4,402	4,402	-
TOTAL LIABILITIES	1,297,132	1,176,382	120,750
NET ASSET VALUE (NAV)	1,657,281	1,664,081	-6,800
Unitholders' Capital	1,247,069	1,247,069	-
Undistributed Distributable Income	29,397	32,192	-2,795
Non-Distributable Reserve	380,815	384,820	-4,005
TOTAL UNITHOLDERS' FUND	1,657,281	1,664,081	-6,800
GEARING	40.17%	37.30%	
NAV/UNIT (RM)	1.3394	1.3449	
No. of units in issuance	1,237,285,288	1,237,285,288	

FINANCIAL OVERVIEW

NOTES - FINANCIAL POSITION

Note 1 – Investment Properties

The acquisition of Nusajaya Tech Park Facility 1 and 2 was completed on 30 September 2019 at RM55.8 million.

During the period ended 30 September 2019, a total of RM7.8 million was spent on enhancement works of the properties in the portfolio, RM15.1 million was incurred for the completed development project ie. Axis Aerotech Centre project and the on-going FedEx development project.

Note 2 – Other Assets

The average collection of trade receivables as at 30 September 2019 was 7 days.

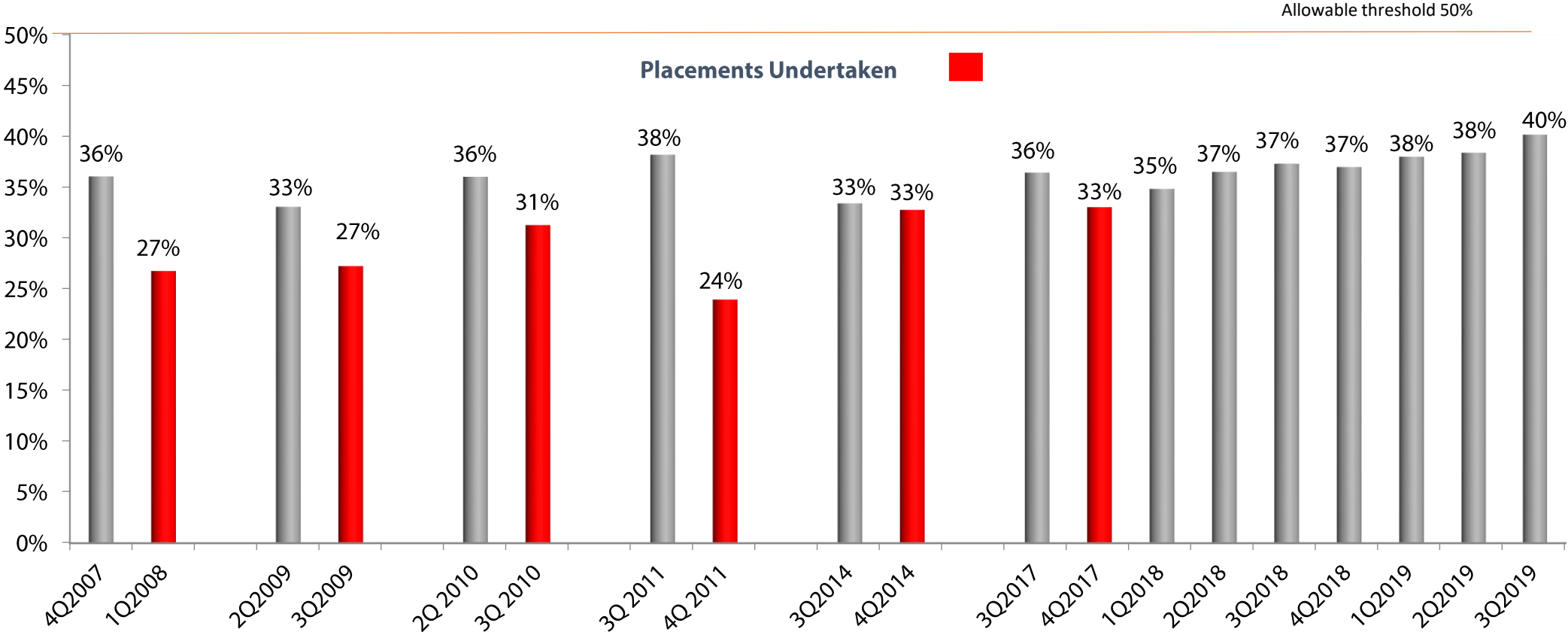
FINANCIAL OVERVIEW

NOTE 3 - 5-YEAR DEBT PROFILE

	2015	2016	2017	2018	2019
Total Financing (RM'000)	731,814	780,665	842,594	1,059,367	1,186,787
Total Assets (RM'000)	2,141,493	2,244,274	2,549,609	2,840,463	2,954,413
Gearing	34.17%	34.78%	33.05%	37.30%	40.17%
Effective Profit Rate	4.28%	4.25%	4.21%	4.32%	4.36%
Percentage of short term financing-Maturity < 1 Year	55%	58%	71%	77%	52%
Percentage of medium/ long term financing (maturity more than 1 year)	45%	42%	29%	23%	48%
Percentage of floating rate financing	50%	53%	63%	69%	41%
Percentage of fixed rate financing	50%	47%	37%	31%	59%
Total unencumbered assets	10	15	15	19	15
Percentage of unencumbered assets/total assets (value)	26%	30%	27%	28%	26%

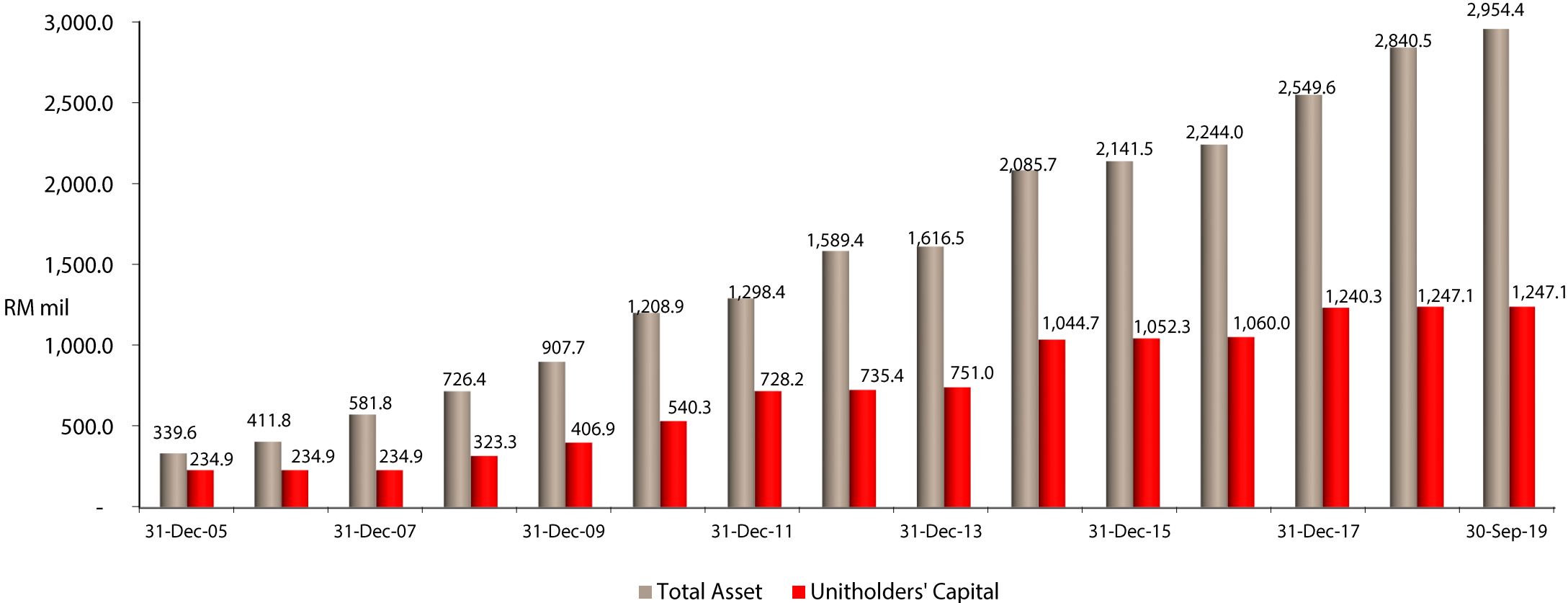
FINANCIAL OVERVIEW

GEARING LEVELS

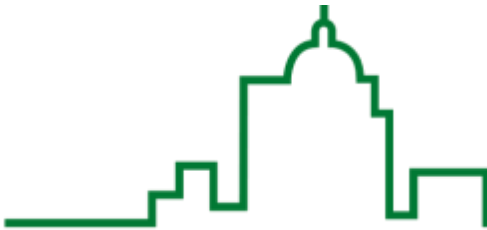


FINANCIAL OVERVIEW

UNITHOLDERS' CAPITAL

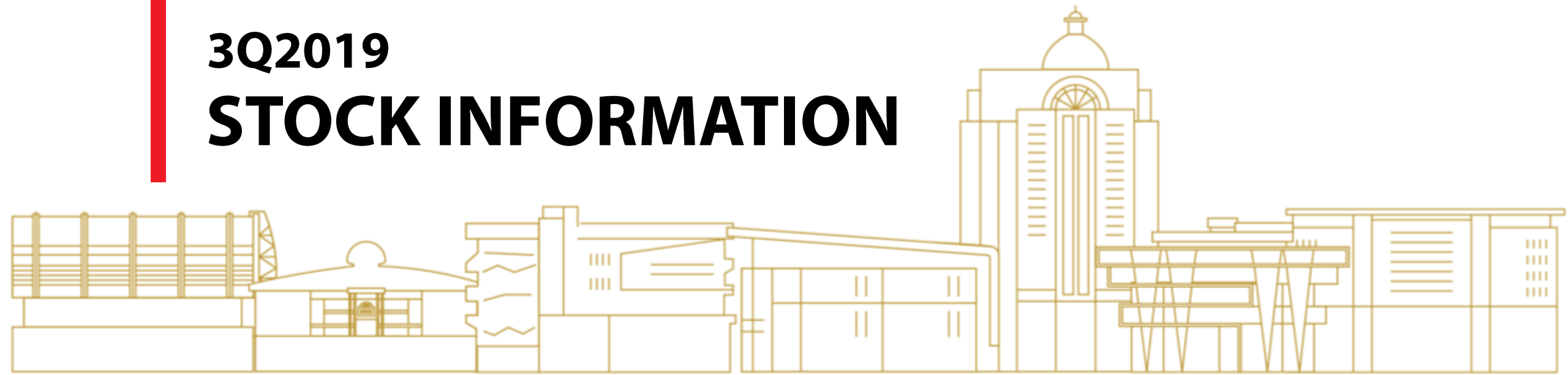


■ Total Asset ■ Unitholders' Capital





3Q2019 STOCK INFORMATION



STOCK INFORMATION

TOP 10 UNITHOLDERS

	Name of Unitholder	%
1	EMPLOYEES PROVIDENT FUND BOARD	9.97%
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	9.03%
3	LEMBAGA TABUNG HAJI	5.11%
4	TEW PENG HWEE @ TEOH PENG HWEE	4.57%
5	ALEX LEE LAO	4.28%
6	EXEMPT AN FOR AIA BHD.	3.52%
7	AMANAH SAHAM BUMIPUTERA	3.07%
8	PUBLIC SMALLCAP FUND	2.21%
9	MTRUSTEE BERHAD FOR CIMB ISLAMIC DALI EQUITY GROWTH FUND	2.06%
10	EMPLOYEES PROVIDENT FUND BOARD (AMUNDI)	2.04%

Holdings Breakdown	Units Held 3Q2019	Units Held 2Q2019	Movement
Top 5 Unitholders	32.96%	35.33%	-2.37%
Top 10 Unitholders	45.86%	48.98%	-3.12%
Unitholders with >2 million unitholdings	84.61%	86.79%	-2.18%

STOCK INFORMATION

ANALYSIS OF UNITHOLDERS WITH >2 MILLION UNITS

Top 5 Increases in Unitholdings

Changes vs Last Quarter

KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	1.1%
MTRUSTEE BERHAD FOR CIMB ISLAMIC DALI EQUITY GROWTH FUND	1.1%
EMPLOYEES PROVIDENT FUND BOARD (AMUNDI)	0.9%
EXEMPT AN FOR AIA BHD.	0.8%
PBTB FOR TAKAFULINK DANA EKUITI	0.6%

Top 5 Decreases in Unitholdings

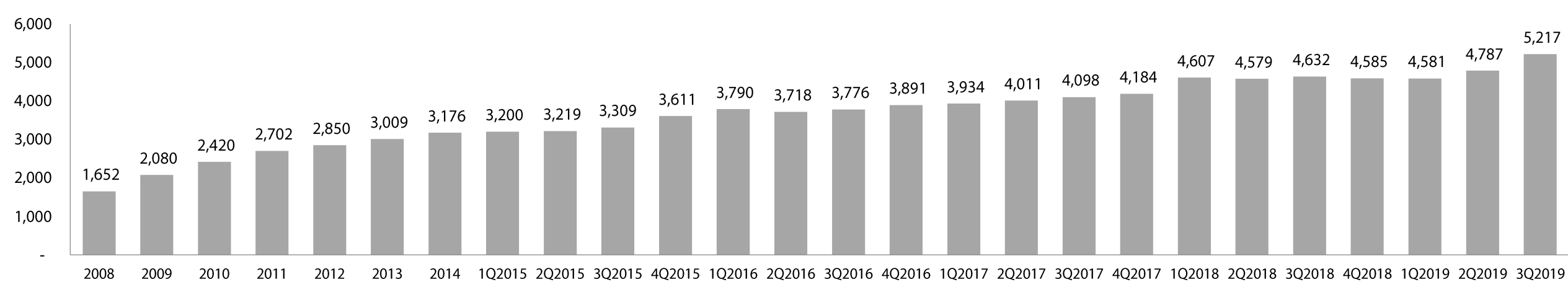
Changes vs Last Quarter

AMANAH SAHAM BUMIPUTERA	-4.1%
PERMODALAN NASIONAL BERHAD	-2.3%
AMANAH SAHAM BUMIPUTERA 2	-1.8%
EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	-1.0%
EMPLOYEES PROVIDENT FUND	-0.6%

STOCK INFORMATION

INVESTOR VISIBILITY & LIQUIDITY

Number of CDS Accounts



	Units Held 3Q2019	Units Held 2Q2019	Movement
Total no. of unitholders	5,217	4,787	430
Total foreign holdings	12.06%	10.76%	1.30%
Foreign holdings – related-party	7.23%	7.25%	-0.02%
Foreign holdings – non-related-party	4.83%	3.51%	1.32%
Promoters	12.63%	12.65%	-0.02%

THANK YOU

For more information, please visit:
www.axis-reit.com.my



YOUR
Business Space
PARTNER