



Results Presentation 3Q2020

21 October 2020

AGENDA

**3Q2020
HIGHLIGHTS**

**PORTFOLIO
OVERVIEW**

**FINANCIAL
OVERVIEW**

**STOCK
INFORMATION**

3Q2020 HIGHLIGHTS



HIGHLIGHTS

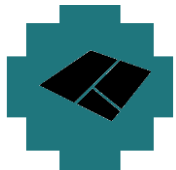
PORTFOLIO SUMMARY



51 properties on portfolio
39 properties with 100% occupancy



Total Assets Under Management
RM3.3 billion



Space Under Management
10.2 million sq ft



Financing Ratio
32%



Solid industrial space portfolio
92% of properties on industrial titles



Portfolio Occupancy of 92.7% (as at 30/09/2020)
Weighted Average Lease Expiry of 5.7 years



Reclassified as Islamic REIT in 2008



Total Distribution Per Unit YTD2020 (9 months)
6.50 sen



Market Capitalization (as at 30/09/2020)
RM3.12 billion



Nationwide presence across Malaysia

YTD 3Q2020 HIGHLIGHTS

PORTFOLIO PERFORMANCE

- Total of 6.50 sen DPU declared for YTD 3Q2020.
- Investment properties currently stands at RM3.15 billion.
- Realised net income increased by 8.2% for YTD 3Q2020 as compared to YTD 3Q2019.
- The Axis Facility @ Batu Kawan development project has been successfully handed over to Federal Express Services (M) Sdn Bhd and rental had commenced on 1 March 2020.
- Implemented the Income Distribution Reinvestment Plan (“IDRP”) in conjunction with the payment of 2019 final income distribution with success rate of 75%.
- Completed the acquisition of Axis Facility 2 @ Nilai for RM50.0 million on 28 February 2020.
- Completed the acquisition of Axis Facility 2 @ Bukit Raja for RM37.0 million on 17 March 2020.
- Completed the acquisition of D37c Logistics Warehouse for RM65.0 million on 9 June 2020.

YTD 3Q2020 HIGHLIGHTS

PORTFOLIO PERFORMANCE

- Successfully signed the Sale & Purchase Agreement to acquire a warehouse facility for RM95.0 million, located in Section 15, Shah Alam, Selangor.
- Successfully signed the Sale & Purchase Agreement to acquire a warehouse facility for RM11.87 million, located in Shah Alam, Selangor.
- Acceptance of Letters of Offer to acquire three units of 1 ½ storey detached factories for RM28.2 million, located in Kawasan Perindustrian i-Park in Mukim Kulai, Johor.

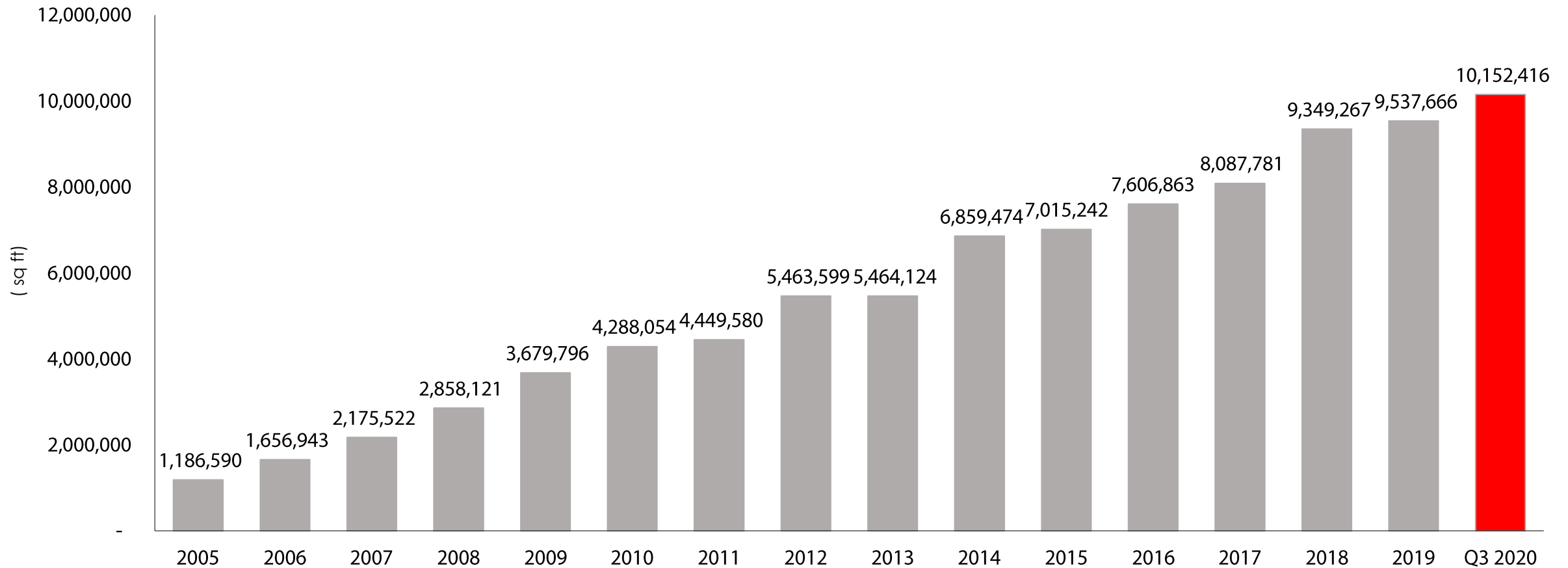
PORTFOLIO OVERVIEW



PORTFOLIO OVERVIEW

DIVERSIFIED AND EXPANDING PORTFOLIO

Space Under Management (sq ft)

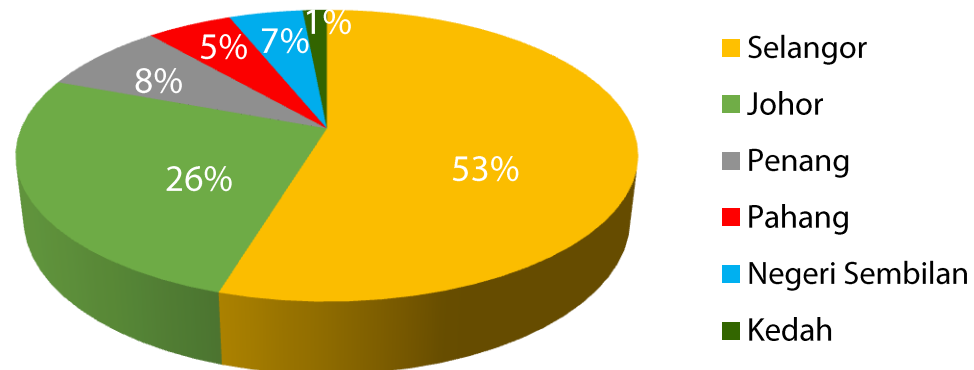


PORTFOLIO OVERVIEW

DIVERSIFIED AND EXPANDING PORTFOLIO

- ✓ Our 51 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 in:
 - Penang
 - Selangor
 - Johor
- ✓ This geographical diversification is aimed at capturing the rapid growth of current and future regional industrial hubs.

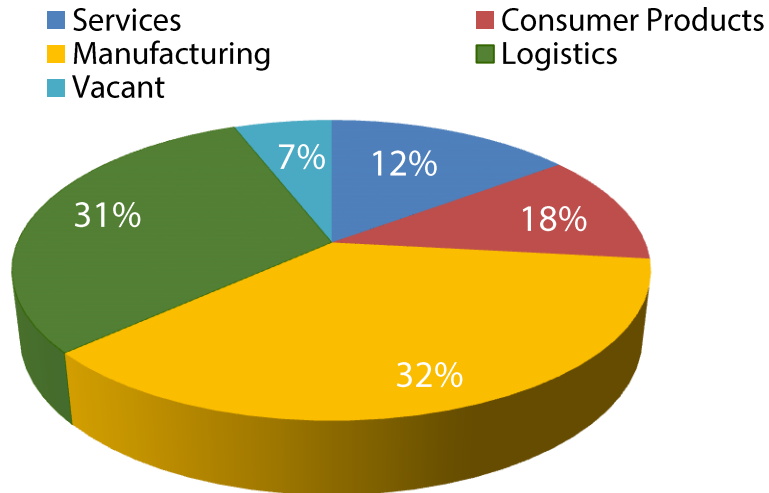
Portfolio Diversification by Location (on NLA)



PORTFOLIO OVERVIEW

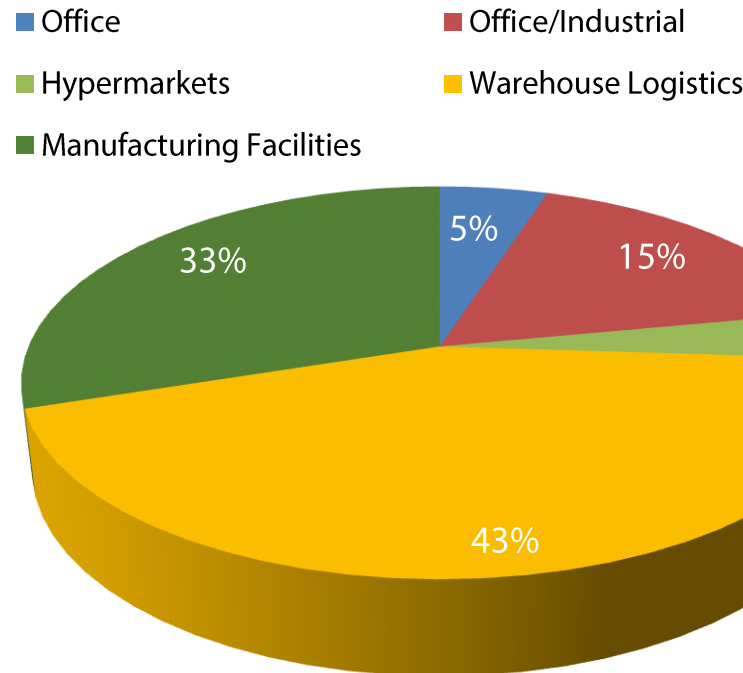
DIVERSIFIED AND EXPANDING PORTFOLIO

Portfolio Diversification by Tenant's Industry (on NLA)



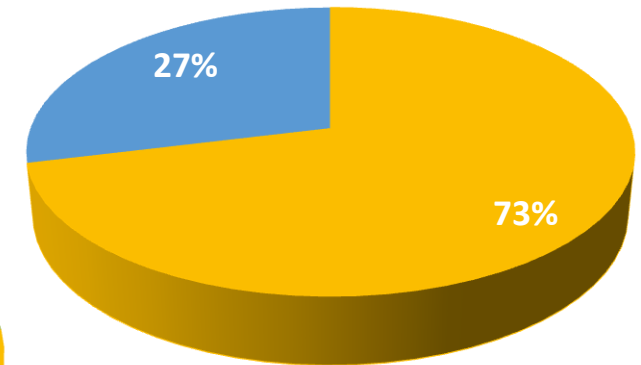
Portfolio Diversification by Asset Type (on NLA)

**Industrial title properties*



Portfolio Diversification by Occupancy Type (on NLA)

Single Tenant Multi Tenants



PORTFOLIO OVERVIEW

HIGH OCCUPANCY RATE WITH INCOME VISIBILITY

As at 30 September 2020, the portfolio has 51 assets comprising 10,152,416 sq. ft. and 148 tenants.

	3Q2020
No. of Properties	51
Property Income (RM'000)	166,691
Property Expenses (RM'000)	25,071
Net Property Income (RM'000)	141,620
Occupancy	92.7%

Portfolio Efficiency Ratio = YTD Property Expenses / YTD Property Income

3Q2020	2019	2018	2017	2016
15.04%	14.31%	13.66%	15.80%	16.23%

PORTFOLIO OVERVIEW

HIGH OCCUPANCY RATE WITH INCOME VISIBILITY

Lease Expiry By Location

Property	Year 2020	% of Total NLA	% of Rental Income/month	Year 2021	% of Total NLA	% of Rental Income/month	Year 2022	% of Total NLA	% of Rental Income/month
Petaling Jaya	614,795	6.06	10.03	554,458	5.46	9.72	484,821	4.78	8.23
Shah Alam	412,015	4.06	3.94	612,547	6.03	5.92	105,550	1.04	1.26
Klang	-	-	-	-	-	-	149,605	1.47	1.22
Johor	468,936	4.62	3.04	772,475	7.61	5.21	42,068	0.41	0.50
Nilai	-	-	-	-	-	-	291,642	2.87	1.45
Penang	205,151	2.02	2.43	-	-	-	395,225	3.89	3.01
TOTAL	1,700,897	16.76	19.44	1,939,480	19.10	20.85	1,468,911	14.46	15.67

Lease Expiry By Type

Property	Year 2020	% of Total NLA	% of Rental Income/month	Year 2021	% of Total NLA	% of Rental Income/month	Year 2022	% of Total NLA	% of Rental Income/month
Office	137,864	1.36	3.18	132,834	1.31	3.50	113,742	1.12	2.48
Office Industrial	476,931	4.70	6.85	421,624	4.15	6.23	401,329	3.95	6.36
Warehouse Logistics	1,086,102	10.70	9.41	1,087,123	10.71	8.35	470,525	4.63	3.66
Manufacturing Facilities	-	-	-	297,899	2.93	2.77	483,315	4.76	3.17
Hypermarket	-	-	-	-	-	-	-	-	-
TOTAL	1,700,897	16.76	19.44	1,939,480	19.10	20.85	1,468,911	14.46	15.67

Out of 1.7 million square feet of space expiring in 2020, **76%** have been renewed and **3%** space secured by new tenants to date.

PORTFOLIO OVERVIEW

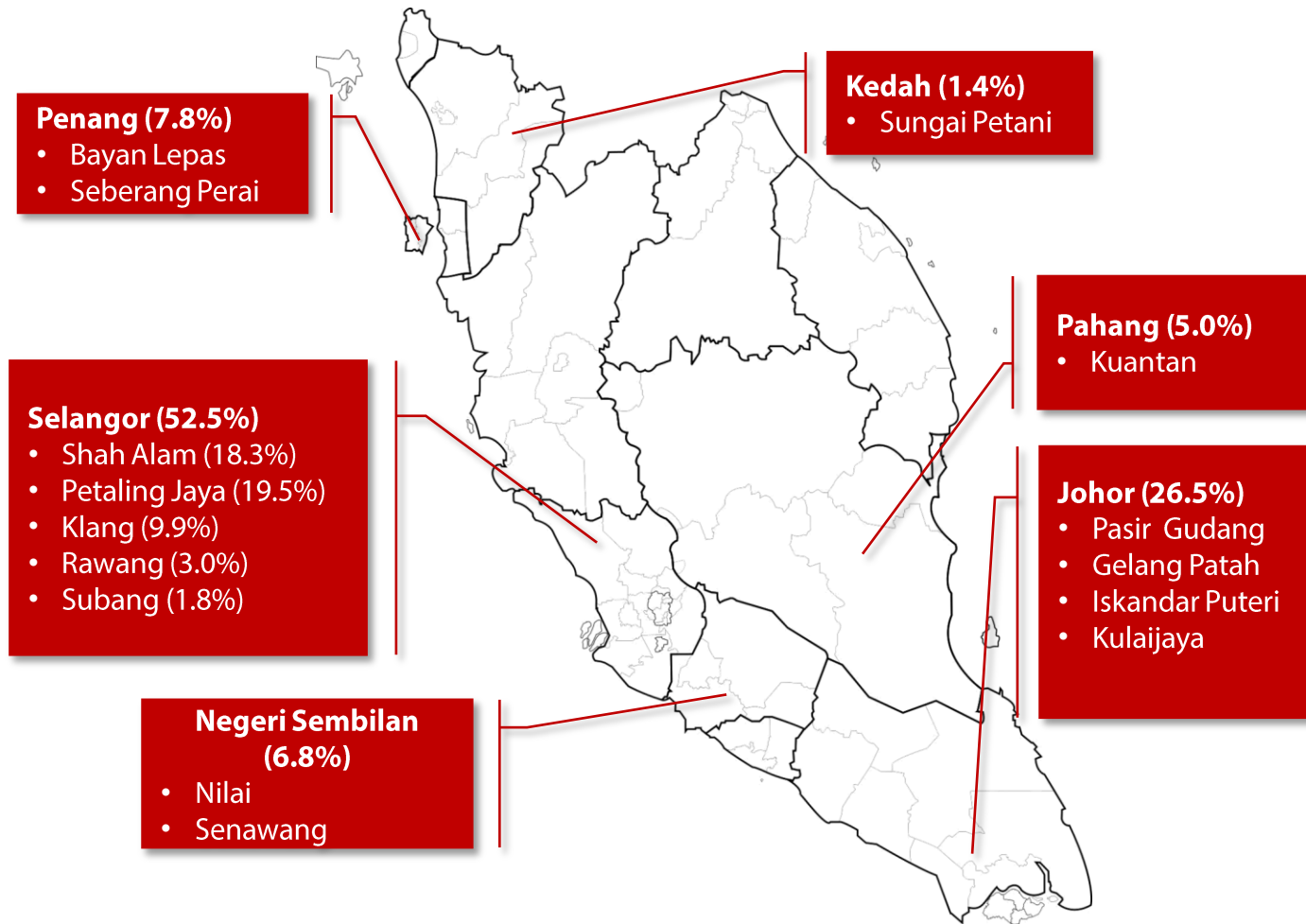
PROPERTIES WITH OCCUPANCY BELOW 90% AS AT 30 SEPTEMBER 2020



Note: Vacant space in Fonterra HQ is built for their future expansion

PORTFOLIO OVERVIEW

ESTABLISHED NATIONWIDE FOOTPRINT



Top 10 Tenants

YTD top ten tenants account for 46.22% 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. Schenker Logistics (Malaysia) Sdn Bhd
6. Upeca Aerotech Sdn Bhd
7. POS Logistics Berhad
8. Tesco Stores (Malaysia) Sdn Bhd
9. Teraju Sinar Sdn Bhd
10. Northport (Malaysia) Berhad



PORTFOLIO OVERVIEW

COMPLETED DEVELOPMENT

Axis Facility @ Batu Kawan



Net Lettable Area	:	44,000 sq. ft.
Land Area	:	Approx. 2.5 acres
Land Tenure	:	Leasehold
Tenant	:	Federal Express Services (M) Sdn Bhd
Occupancy	:	100%
WALE	:	10 years
Construction Time	:	5 months
Lease Commencement	:	1 March 2020
Development Value	:	RM14.6million
Market Value	:	RM16.0million
(as at 31 Dec 2019)		

PORTFOLIO OVERVIEW

COMPLETED ACQUISITIONS

1. Axis Facility 2 @ Nilai, Negeri Sembilan



Completion Date	:	28 February 2020
Net Lettable Area	:	246,500 sq. ft.
Land Area	:	Approx. 8.75 acres
Land Tenure	:	Leasehold
Occupancy	:	100%
Purchase Price	:	RM50.0 million
WALE	:	10 years

2. Axis Facility 2 @ Bukit Raja, Klang



Completion Date	:	17 March 2020
Net Lettable Area	:	199,890 sq. ft.
Land Area	:	Approx. 5.57 acres
Land Tenure	:	Leasehold
Occupancy	:	100%
Purchase Price	:	RM37.0 million
WALE	:	Approx. 2.5 years

PORTFOLIO OVERVIEW

COMPLETED ACQUISITIONS

3. D37c Logistics Warehouse, PTP Johor



Completion Date	:	9 June 2020
Net Lettable Area	:	222,723 sq. ft.
Land Area	:	Approx. 8.2 acres
Land Tenure	:	Sublease
Occupancy	:	100%
Purchase Price	:	RM65.0 million
WALE	:	Approx. 8 years

PORTFOLIO OVERVIEW

ONGOING ACQUISITIONS

1. One Total Logistics Warehouse, Seksyen 15, Shah Alam



Target Completion Date :	2H2020
Net Lettable Area :	285,249 sq. ft.
Land Area :	Approx. 16.6 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM 95.0 million
WALE :	Approx. 3 years

2. Manufacturing Facility, Seksyen 15, Shah Alam



Target Completion Date :	2H2020
Net Lettable Area :	41,061 sq. ft.
Land Area :	Approx. 2.2 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM11.87 million
WALE :	Approx. 3 years

PORTFOLIO OVERVIEW

ONGOING ACQUISITIONS

3. Bayan Lepas Industrial Facility 1, Penang



Target Completion Date :	2H2020
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. 1 year

4. Manufacturing Facility 1, iPark @ Indahpura



Target Completion Date :	2H2020
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. 5 years

PORTFOLIO OVERVIEW

ONGOING ACQUISITIONS

5. Manufacturing Facility 2, iPark @ Indahpura



Target Completion Date :	2H2020
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. 4 years

6. Manufacturing Facility 3, iPark @ Indahpura



Target Completion Date :	2H2020
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. 7 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
RM195 million

FINANCIAL OVERVIEW



FINANCIAL OVERVIEW

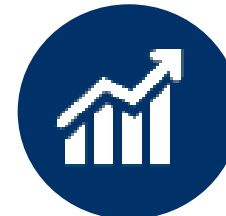
SNAPSHOT AS AT 30 SEPTEMBER 2020



RM3.32 bn
Total Assets



RM1.06 bn
Total Financings



RM2.14 bn
Total Unitholder's Funds



RM1.48
Net Asset Value Per Unit



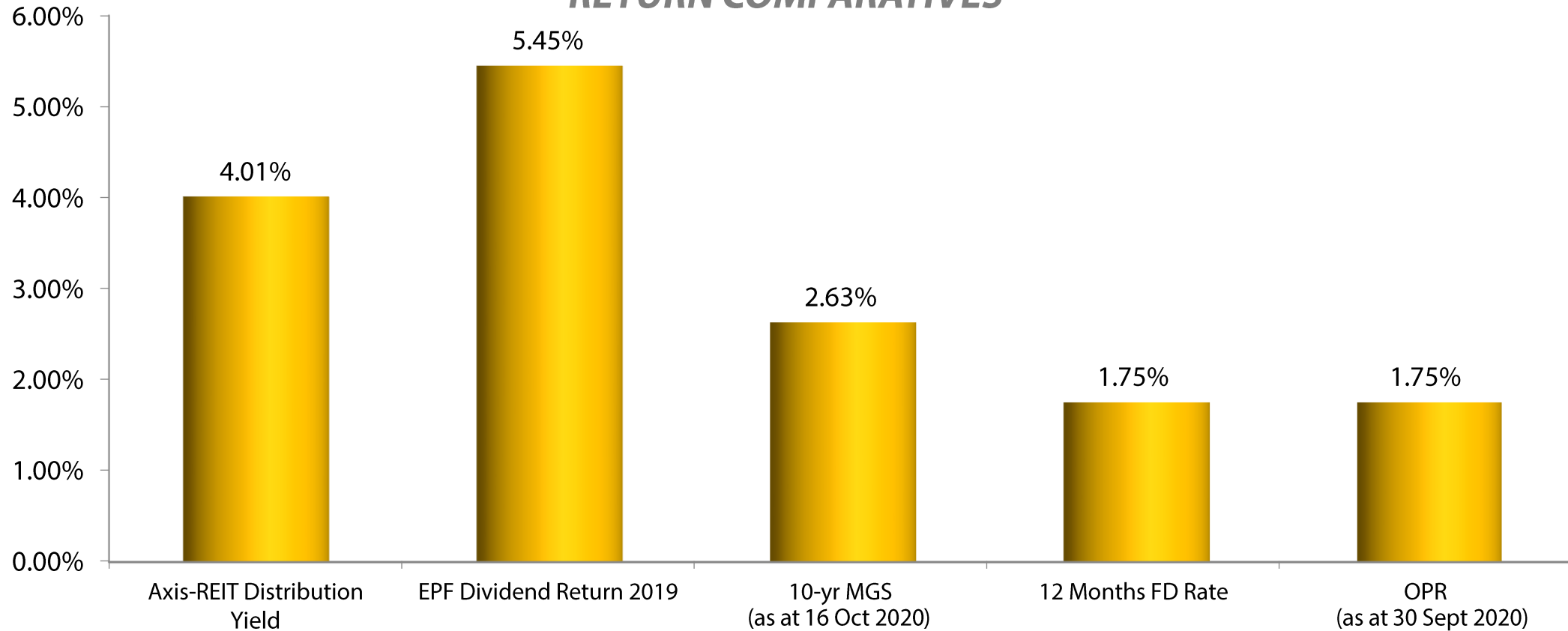
32%
Financing Ratio



3Q2020: 2.25 sen
2Q2020: 2.15 sen
1Q2020: 2.10 sen
Distribution Per Unit

FINANCIAL OVERVIEW

RETURN COMPARATIVES



FINANCIAL OVERVIEW

INCOME STATEMENT 3Q2020 vs 3Q2019

	3Q2020 (RM'000)	3Q2019 (RM'000)	Changes / Movement
No. of Properties	51	47	+4
Property Income	57,010	53,635	
- Property income before lease incentive adjustment	57,248	54,047	+5.9%
- Lease incentive adjustment (non-distributable)	(238)	(412)	
Property Expenses	(8,743)	(7,809)	+12.0%
Net Property Income	48,267	45,826	
- Property income before lease incentive adjustment	48,505	46,238	+4.9%
- Lease incentive adjustment (non-distributable)	(238)	(412)	
Profit Income / Other Income	156	229	
Non-Property Expenses	(6,787)	(5,901)	+15.0%
Islamic Financing Cost	(9,805)	(12,150)	-19.3%
Net Income	31,831	28,004	
Property income before lease incentive adjustment	32,069	28,416	+12.9%
- Lease incentive adjustment (non-distributable)	(238)	(412)	
DPU (sen)	2.25	2.35	-4.3%
No. of Units in Issuance	1,442,331,296	1,237,285,288	+16.6%

* Note: The above financials exclude unbilled lease income receivable

FINANCIAL OVERVIEW

INCOME STATEMENT YTD 3Q2020 vs YTD 3Q2019

	YTD 3Q2020 (RM'000)	YTD 3Q2019 (RM'000)	Changes / Movement
No. of Properties	51	47	+4
Property Income – NOTE 1	166,691	160,952	
- Property income before lease incentive adjustment	167,146	161,598	+3.4%
- Lease incentive adjustment (non-distributable)	(455)	(646)	
Property Expenses – NOTE 2	(25,071)	(22,573)	+11.1%
Net Property Income	141,620	138,379	
- Property income before lease incentive adjustment	142,075	139,025	+2.2%
- Lease incentive adjustment (non-distributable)	(455)	(646)	
Profit Income / Other Income	734	875	
Non-Property Expenses	(20,306)	(16,849)	+20.5%
Islamic Financing Cost – NOTE 3	(29,256)	(36,610)	-20.1%
Net Income	92,792	85,795	
Property income before lease incentive adjustment	93,247	86,441	+7.9%
- Lease incentive adjustment (non-distributable)	(455)	(646)	
DPU (sen) – NOTE 4	6.50	7.06	-7.9%
No. of Units in Issuance	1,442,331,296	1,237,285,288	+16.6%

* Note: The above financials exclude unbilled lease income receivable

FINANCIAL OVERVIEW

INCOME STATEMENT YTD 3Q2020 vs YTD 3Q2019 - 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 Facility @ Batu Kawan on 1 March 2020 and rental from newly acquired properties completed since end of 3Q2019. This has offset the rental loss from Axis Industrial Facility @ Rawang as the tenant has redelivered vacant possession in July 2019. During the Movement Control Order (“MCO”), Axis-REIT has given waivers on seasonal carpark rental for all its multi-tenanted buildings. In addition, the amount of visitor parking income has registered a drop in 2Q2020 due to MCO.

Note 2 – Property Expenses

The increase in property expenses is due to the enlarged size of the portfolio and also building maintenance expenses which was caused by the collapse of a retaining wall along Sungai Penchala that damaged the driveway at Axis Vista and Axis Technology Centre. A total of RM840,000 has been incurred to repair the collapsed retaining wall.

Note 3 – Islamic Financing Cost

Decrease in financing cost was mainly due to reduced gearing from the equity placement exercise in 4Q2019 and four times of OPR cuts so far for this year, with a cumulative reduction of 125 basis points.

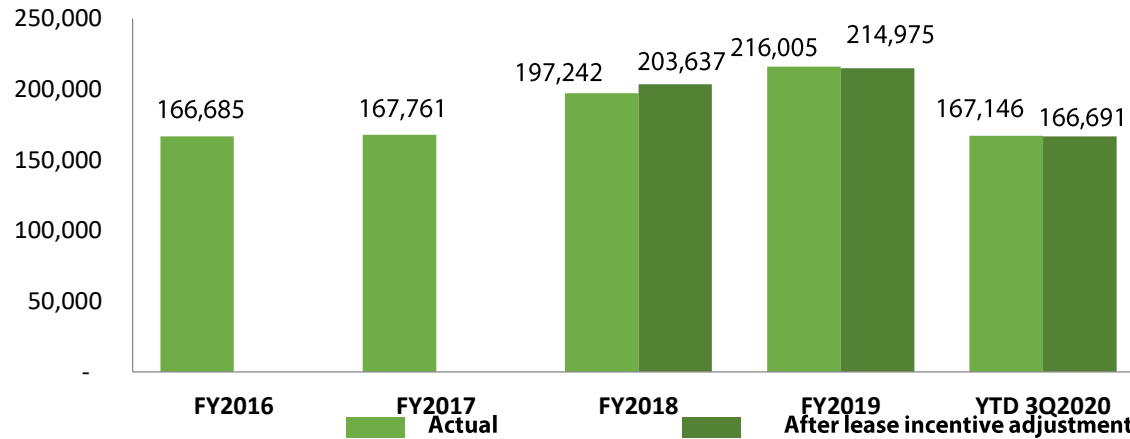
Note 4 – DPU

The DPU of 6.50 sen is lower than YTD 3Q2019 of 7.06 sen due to issuance of new units from the equity placement exercise completed in December 2019.

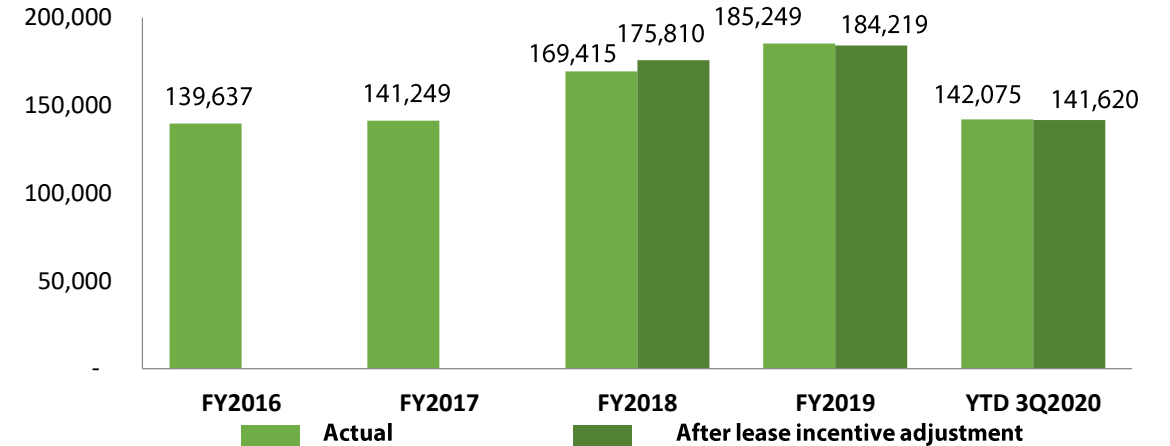
FINANCIAL OVERVIEW

5-YEAR PERFORMANCE

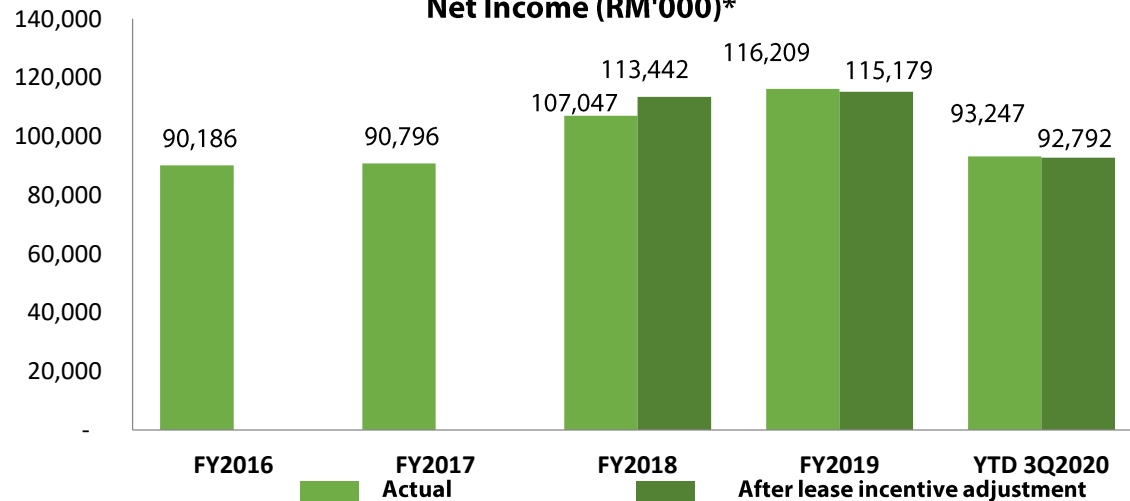
Revenue (RM'000)*



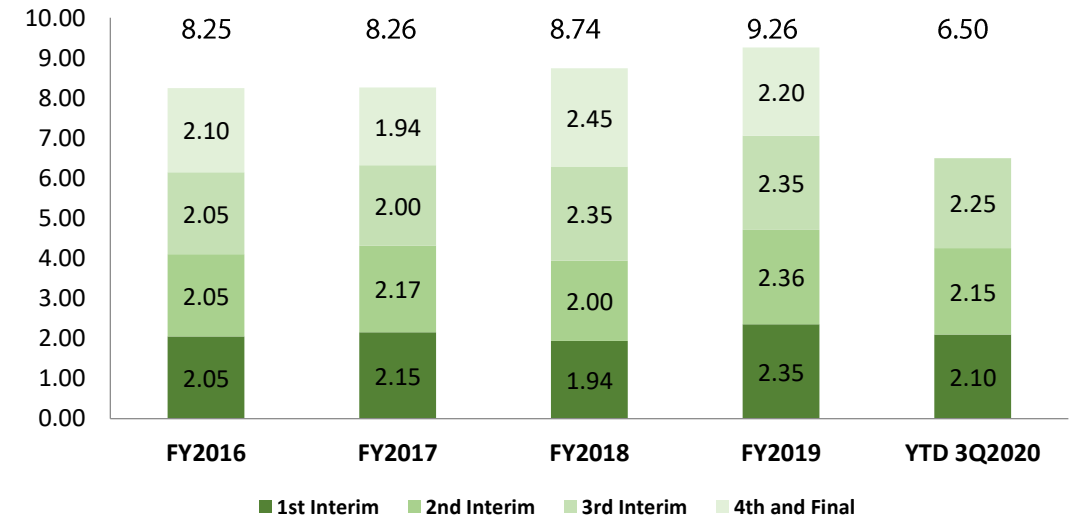
Net Property Income (RM'000)*



Net Income (RM'000)*



Distribution Per Unit (Sen)



FINANCIAL OVERVIEW

PORTFOLIO YIELD BY ASSET TYPES

Asset Type	Net Yield (%)	Gross Yield (%)
Office	6.6	9.1
Office Industrial	6.3	8.9
Warehouse Logistics	8.5	9.4
Manufacturing Facilities	7.5	8.4
Hypermarket	8.2	8.8
Average	7.6	8.9

FINANCIAL OVERVIEW

FINANCIAL POSITION

	30/9/20 (RM'000)	31/12/19 (RM'000)	Changes (RM'000)
Investment Properties – Note 1	3,148,999	2,990,610	+158,389
Fixed Assets	2,910	3,201	-291
Other Assets – Note 2	169,933	91,870	+78,063
TOTAL ASSETS	3,321,842	3,085,681	+236,161
Borrowings	1,061,094	885,859	+175,235
Other Payables	114,938	112,443	+2,495
Deferred Tax Liability	8,615	8,615	-
TOTAL LIABILITIES	1,184,647	1,006,917	+177,730
NET ASSET VALUE (NAV)	2,137,195	2,078,764	+58,431
Unitholders' Capital – Note 3	1,595,506	1,583,791	+11,715
Undistributed Distributable Income	62,809	16,094	+46,715
Non-Distributable Reserve	478,880	478,879	+1
TOTAL UNITHOLDERS' FUND	2,137,195	2,078,764	+58,431
GEARING	31.94%	28.71%	
NAV/UNIT (RM)	1.4818	1.4484	
No. of units in issuance	1,442,331,296	1,435,250,288	

FINANCIAL OVERVIEW

NOTES - FINANCIAL POSITION

Note 1 – Investment Properties

Total acquisitions of RM154.7 million including Axis Facility 2 @ Nilai, Axis Facility 2 @ Bukit Raja and D37c Logistics Warehouse were completed on 28 February 2020, 17 March 2020 and 9 June 2020 respectively.

During the period ended 30 September 2020, a total of RM3.7 million was spent on enhancement works of the properties in the portfolio.

Note 2 – Other Assets

The average collection of trade receivables as at 30 September 2020 was 20 days. The fund has collected almost 100% of rental for 3Q2020.

Note 3 – Unitholders' Capital

A total of net proceeds of RM11.7 million raised from 7,081,008 new issued units pursuant to the IDRP applicable to the 2019 final income distribution completed on 10 March 2020.

The fund size has increased from 1,435,250,288 units to 1,442,331,296 units post IDRP.

FINANCIAL OVERVIEW

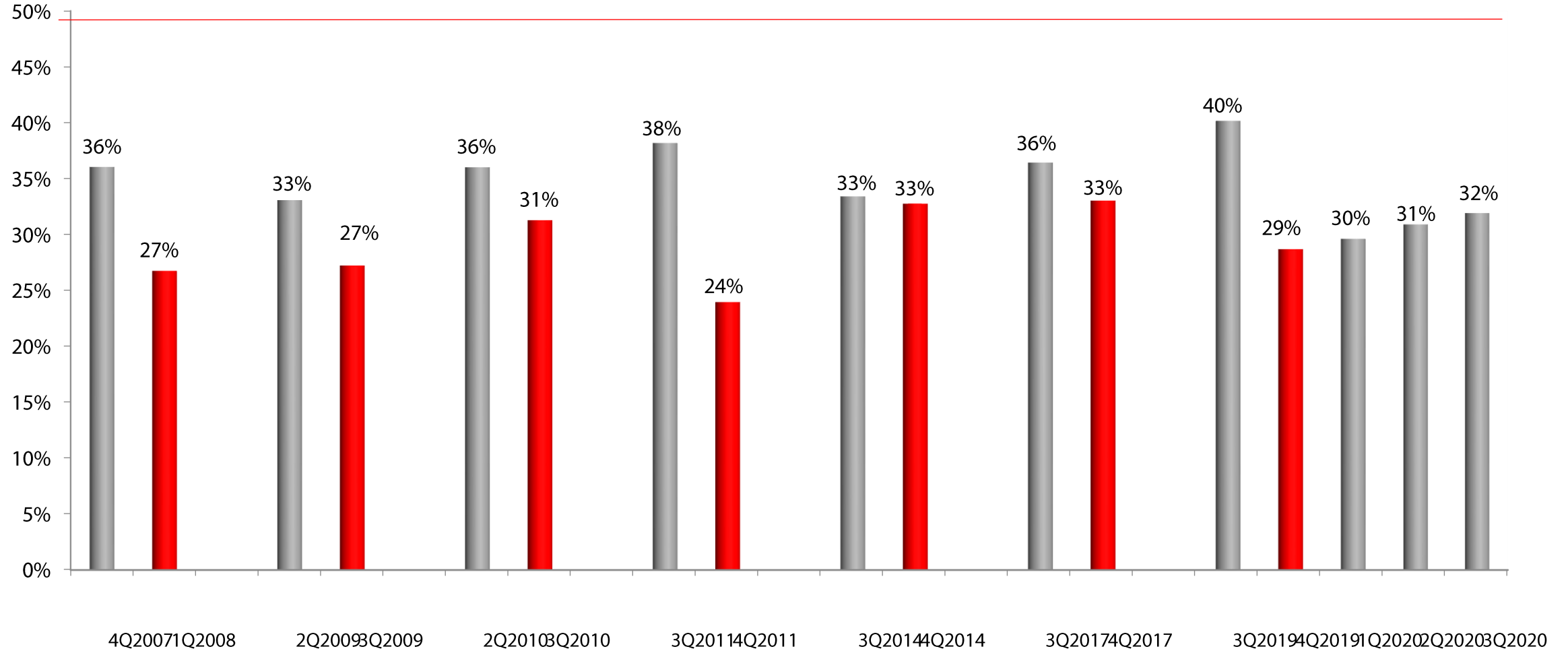
NOTE 3 - 5-YEAR DEBT PROFILE

	2016	2017	2018	2019	YTD 3Q2020
Total Financing (RM'000)	780,665	842,594	1,059,367	885,859	1,061,094
Total Assets (RM'000)	2,244,274	2,549,609	2,840,463	3,085,681	3,321,842
Gearing	34.78%	33.05%	37.30%	28.71%	31.94%
Effective Profit Rate	4.25%	4.21%	4.32%	4.37%	3.86%
Percentage of short term financing- Maturity < 1 Year	58%	71%	77%	43%	53%
Percentage of medium/ long term financing (maturity more than 1 year)	42%	29%	23%	57%	47%
Percentage of floating rate financing	53%	63%	69%	21%	45%
Percentage of fixed rate financing	47%	37%	31%	79%	55%
Total unencumbered assets	15	15	19	16	23
Percentage of unencumbered assets/total assets (value)	30%	32%	27%	28%	27%

FINANCIAL OVERVIEW

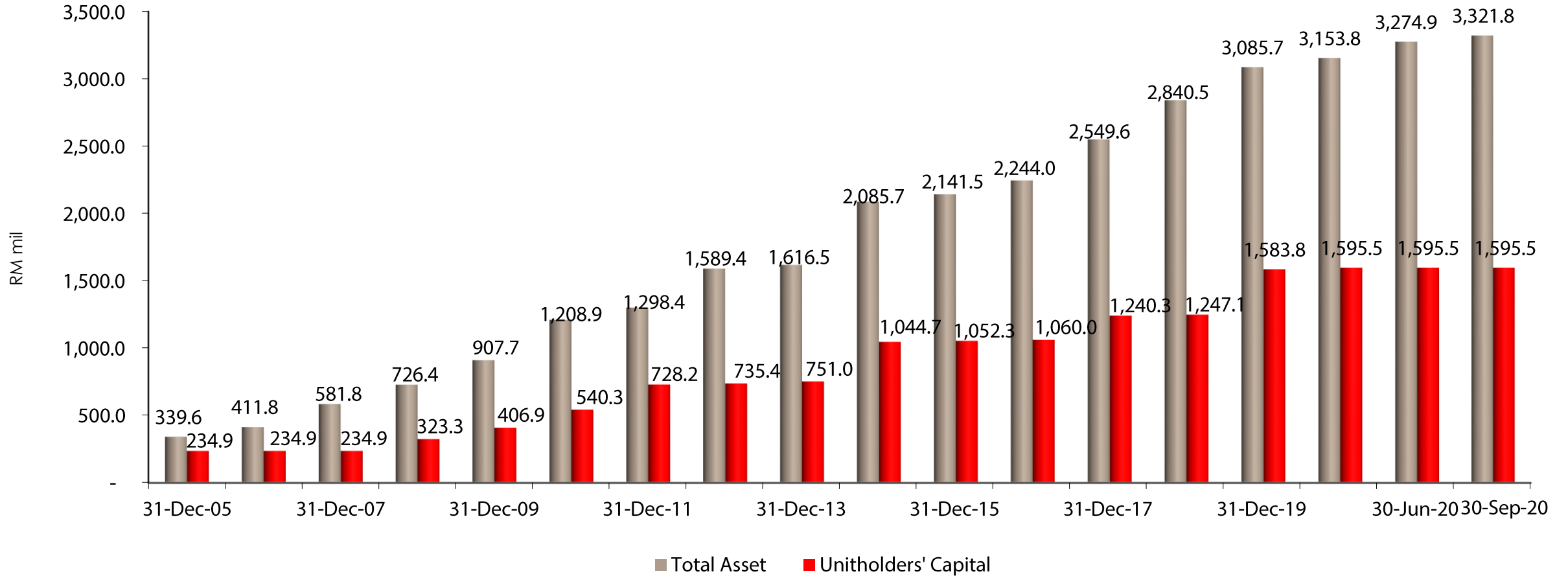
Placements Undertaken

Allowable threshold of 50% will be 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)	9.52%
2	EMPLOYEES PROVIDENT FUND BOARD	8.69%
3	LEMBAGA TABUNG HAJI	4.83%
4	TEW PENG HWEE @ TEOH PENG HWEE	3.91%
5	AMANAH SAHAM BUMIPUTERA	3.74%
6	ALEX LEE LAO	3.72%
7	EXEMPT AN FOR AIA BHD.	3.66%
8	PUBLIC SMALLCAP FUND	1.91%
9	PUBLIC ITTIKAL SEQUEL FUND	1.80%
10	EMPLOYEES PROVIDENT FUND BOARD (AMUNDI)	1.78%

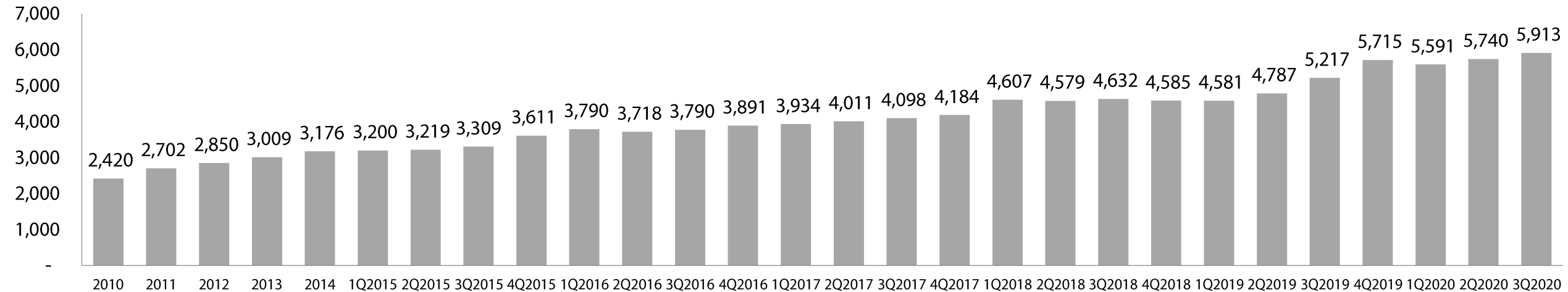
Holdings Breakdown	Units Held 3Q2020	Units Held 2Q2020	Movement
Top 5 Unitholders	30.70%	31.04%	-0.34%
Top 10 Unitholders	43.55%	43.39%	0.16%
Unitholders with >2 million unitholdings	84.31%	84.52%	-0.22%

*Based on CDS accounts on non-consolidated basis

STOCK INFORMATION

INVESTOR VISIBILITY & LIQUIDITY

Number of CDS Accounts



	Units Held 3Q2020	Units Held 2Q2020	Movement
Total no. of unitholders	5,913	5,740	173
Total foreign holdings	14.15%	14.38%	-0.23%
Foreign holdings – related-party	6.31%	6.31%	0.00%
Foreign holdings – non-related-party	7.84%	8.07%	-0.23%
Promoters	10.95%	10.95%	0.00%

THANK YOU



www.axis-reit.com.my