



AXIS REAL ESTATE INVESTMENT TRUST

Results Presentation 3Q2021

21 October 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 30/09/2021)
Weighted Average Lease Expiry of 5.1 years



Total Assets Under Management
RM3.55 billion



Reclassified as Islamic REIT in 2008



Space Under Management
10.9 million sq ft



Total Distribution Per Unit YTD 3Q2021
7.08 sen



Financing Ratio
37%



Market Capitalization (as at 30/09/2021)
RM2.75 billion



Solid industrial space portfolio
92% of properties on industrial titles



Nationwide presence across Malaysia

YTD 3Q2021 HIGHLIGHTS

- ▶ Total of 7.08 sen DPU declared for YTD 3Q2021.
- ▶ Portfolio size increased by 4 to a total of 57 properties.
- ▶ Investment properties currently stands at RM3.46 billion.
- ▶ Net property income increased by 7.1% for YTD 3Q2021 as compared to YTD 3Q2020.
- ▶ Net income increased by 8.2% for YTD 3Q2021 as compared to YTD 3Q2020.
- ▶ Completed the Income Distribution Reinvestment Plan (“IDRP”) in conjunction with the payment of 2020 final income distribution.
- ▶ Successfully launched our 4th Sukuk of RM210.0 million in September 2021.
- ▶ Traded at a premium of 29% to NAV on 30 September 2021.

YTD 3Q2021 HIGHLIGHTS

- ▶ 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.
- ▶ Completed the acquisition of Xin Hwa Warehouse @ Pasir Gudang, Johor for RM75.0 million on 21 October 2021.
- ▶ Acceptance of Letter of Offer to acquire a warehouse located in Pasir Gudang, Johor for RM32.0 million.
- ▶ Number of unitholders increased 45% to 9,812 in 3Q2021 as compared to 6,776 in December 2020.

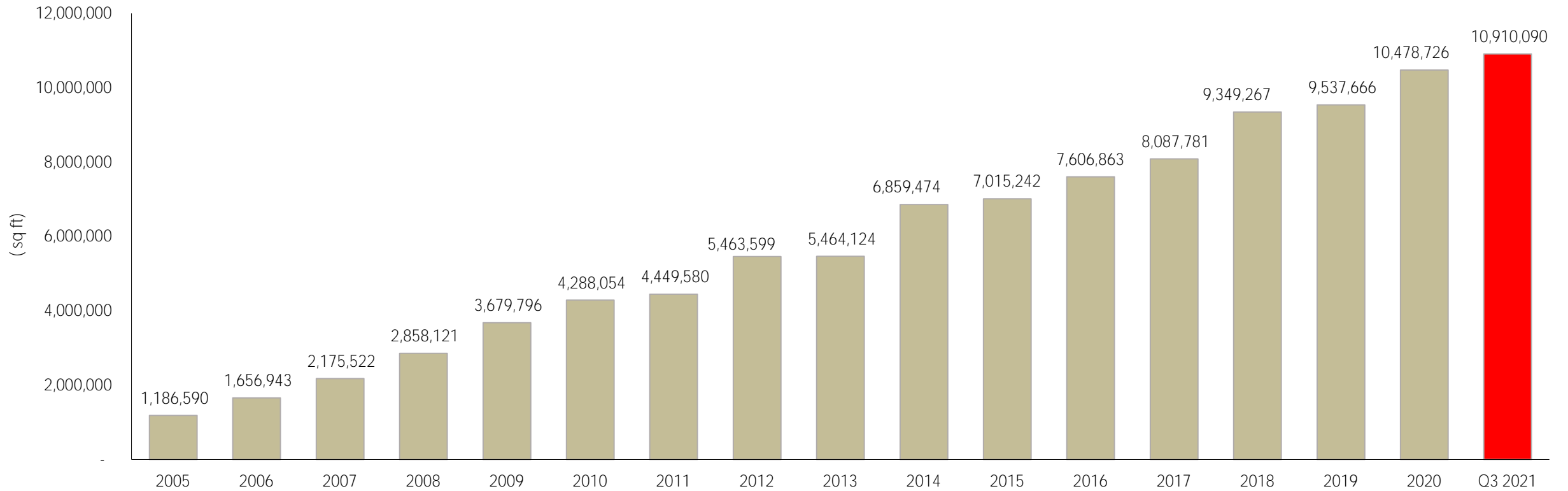


PORTFOLIO OVERVIEW



PORTFOLIO OVERVIEW

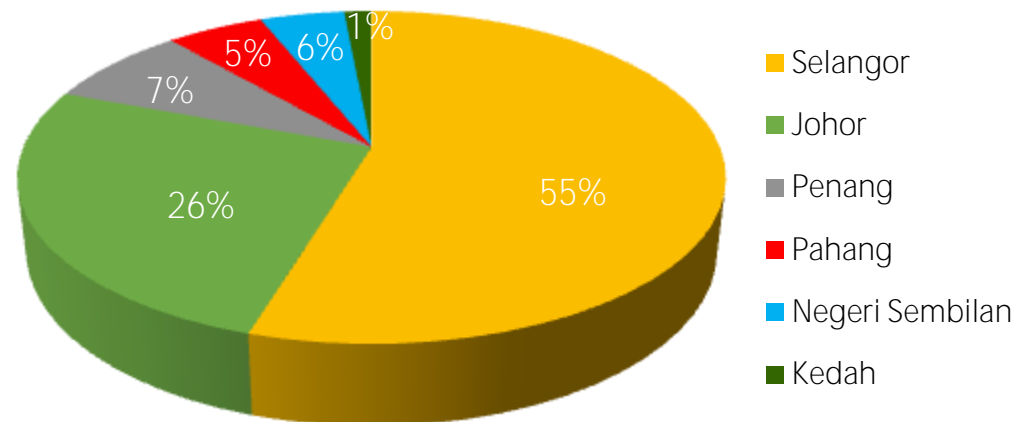
Space Under Management (sq ft)



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.

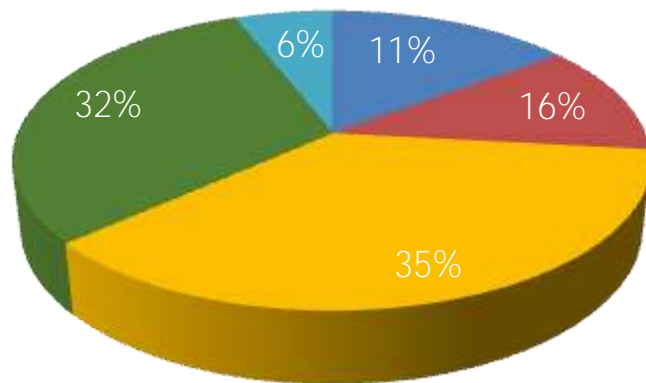
Portfolio Diversification by Location (on NLA)



PORTFOLIO OVERVIEW

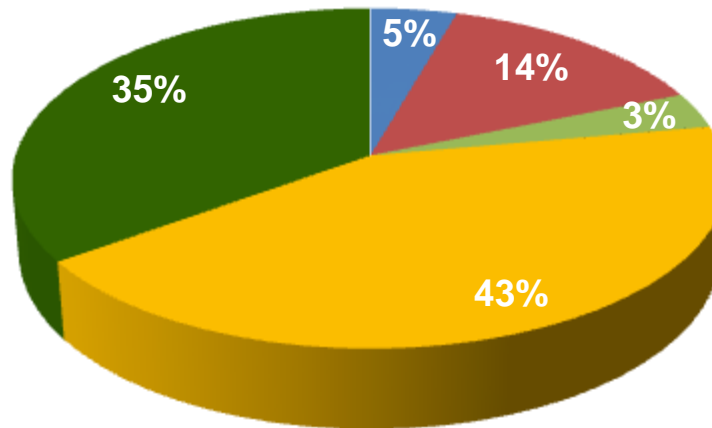
Portfolio Diversification by Industry Sector (on NLA)

- Services
- Manufacturing
- Vacant
- Consumer Products
- Logistics



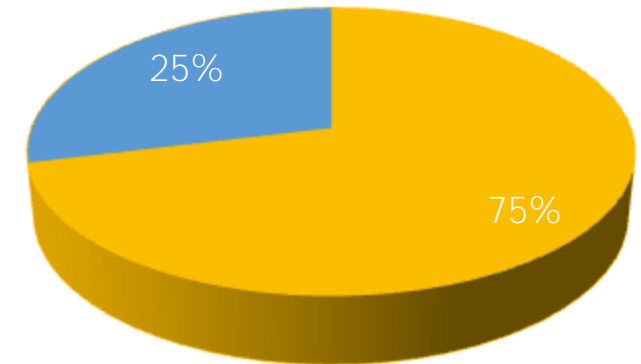
Portfolio Diversification by Asset Type (on NLA)

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



Portfolio Diversification by Occupancy Type (on NLA)

- Single Tenant
- Multi Tenants



PORTFOLIO OVERVIEW

As at 30 September 2021, the portfolio has 57 assets comprising 10,910,090 sq. ft. and 151 tenants.

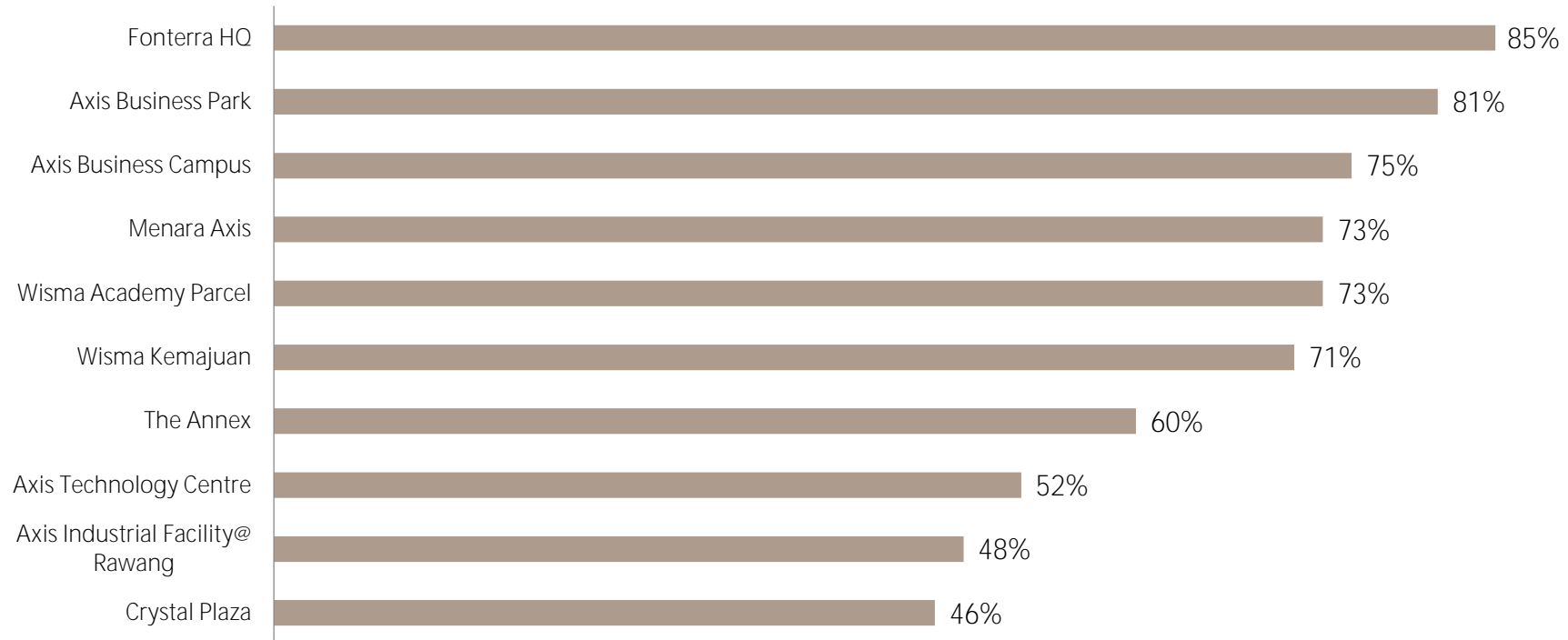
	3Q2021
No. of Properties	57
Property Income (RM'000)	179,047
Property Expenses (RM'000)	24,533
Net Property Income (RM'000)	154,514
Occupancy	94%

Portfolio Efficiency Ratio = YTD Property Expenses / YTD Property Income

3Q2021	2020	2019	2018	2017
13.70%	15.05%	14.31%	13.66%	15.80%

PORTFOLIO OVERVIEW

PROPERTIES WITH OCCUPANCY BELOW 90% AS AT 30 SEPTEMBER 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*
- 3. 45% of space in Crystal Plaza has been contracted to commence tenancy in 1H2022*

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	582,948	5.34	9.47	561,997	5.15	8.54	401,448	3.68	5.60
Shah Alam	612,547	5.61	5.53	883,048	8.09	7.16	649,225	5.95	5.84
Klang	-	-	-	149,605	1.37	1.14	-	-	-
Johor	772,475	7.08	4.84	514,924	4.72	3.32	-	-	-
Nilai	-	-	-	291,642	2.68	1.35	-	-	-
Penang	-	-	-	395,225	3.62	2.81	205,151	1.88	2.44
TOTAL	1,967,970	18.03	19.84	2,796,441	25.63	24.32	1,255,824	11.51	13.88

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	3.30	113,742	1.04	2.31	38,464	0.35	0.78
Office Industrial	448,889	4.11	6.18	478,505	4.39	6.87	362,984	3.33	4.83
Warehouse Logistics	1,087,123	9.96	7.81	1,394,648	12.78	10.07	813,315	7.45	7.92
Manufacturing Facilities	297,899	2.73	2.55	809,546	7.42	5.07	41,061	0.38	0.35
Hypermarket	-	-	-	-	-	-	-	-	-
TOTAL	1,967,970	18.03	19.84	2,796,441	25.63	24.32	1,255,824	11.51	13.88

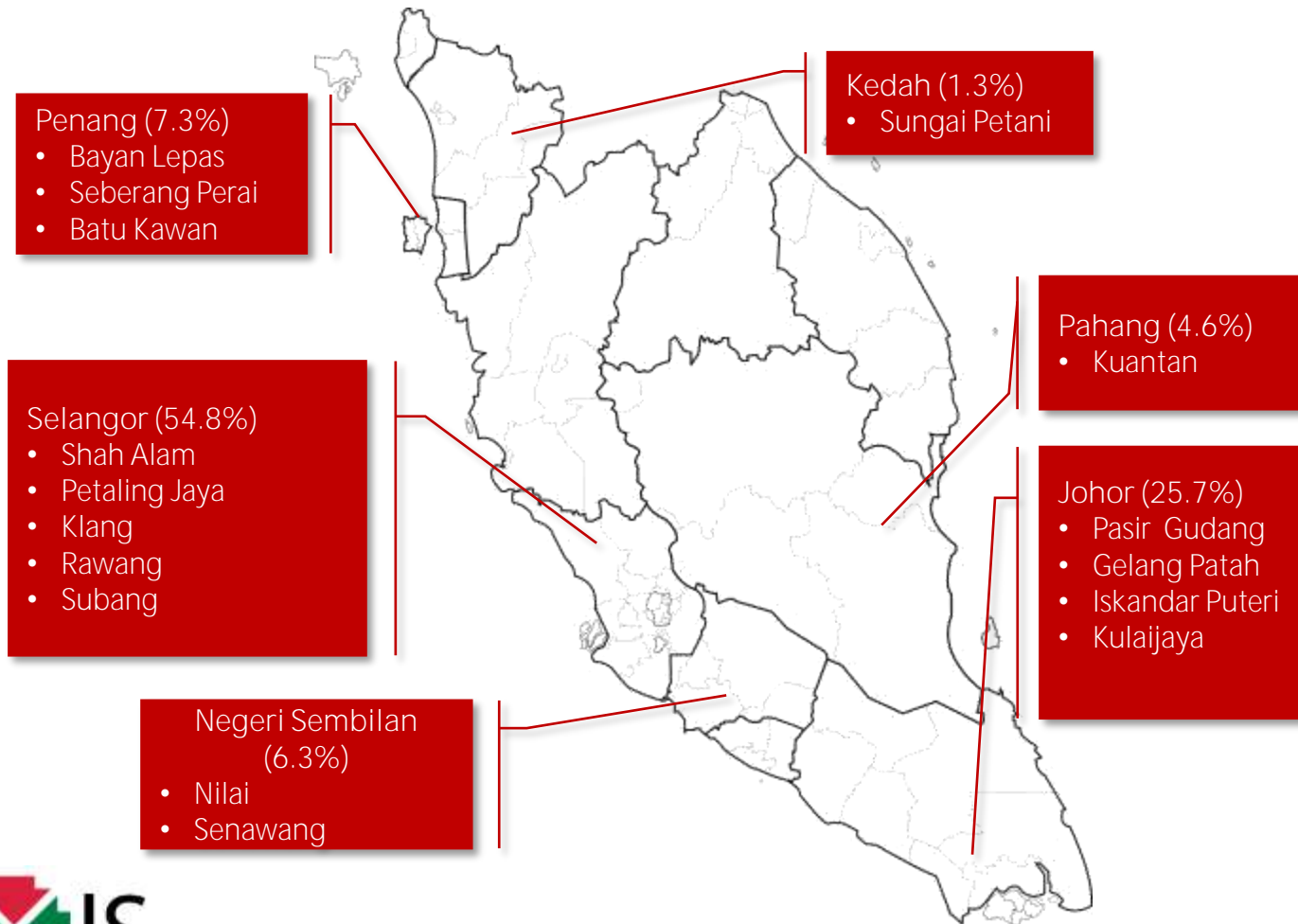
Out of 1.96 million sq. ft. of space expiring in 2020, 87% have been renewed.

PORTFOLIO OVERVIEW

ESTABLISHED NATIONWIDE FOOTPRINT

Top 10 Tenants

YTD top ten tenants account for 48% 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 at Acquisition	:	Approx. 4 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 Acquisition	:	Approx. 5 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 Acquisition	:	Approx. 7 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 Acquisition	:	Approx. 1 year

PORTFOLIO OVERVIEW

COMPLETED ACQUISITIONS

5. Xin Hwa Warehouse @ Pasir Gudang, Johor



Completion Date	:	21 October 2021
Net Lettable Area	:	464,613 sq. ft.
Land Area	:	Approx. 16.2 acres
Land Tenure	:	Leasehold
Occupancy	:	100%
Purchase Price	:	RM75.0 million
WALE at Acquisition	:	Approx. 10 years

PORTFOLIO OVERVIEW

ONGOING ACQUISITIONS

1. Logistics Warehouse @ Pasir Gudang, Johor



Target Completion Date :	1H2022
Net Lettable Area :	240,000 sq. ft.
Land Area :	Approx. 12.8 acres
Land Tenure :	Sublease
Occupancy :	100%
Purchase Price :	RM32.0 million
WALE at Acquisition :	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
RM187 million**



FINANCIAL OVERVIEW



FINANCIAL OVERVIEW

SNAPSHOT AS AT 30 SEPTEMBER 2021



RM3.55 billion
Total Assets



RM1.30 billion
Total Financing



RM2.13 billion
Total Unitholder's Funds



RM1.47
Net Asset Value Per Unit



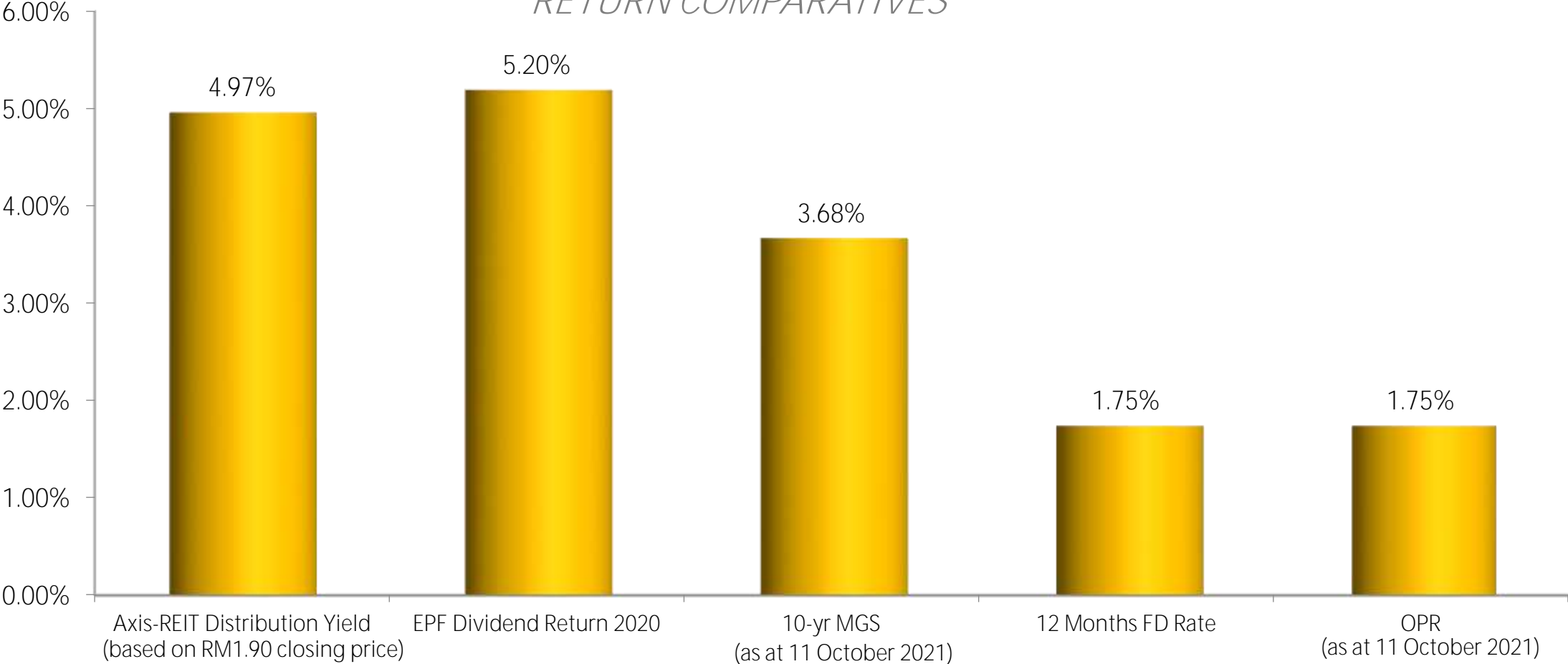
37%
Financing Ratio



3Q 2021 : 2.45 sen
2Q 2021 : 2.40 sen
1Q 2021 : 2.23 sen
Distribution Per Unit

FINANCIAL OVERVIEW

RETURN COMPARATIVES



FINANCIAL OVERVIEW

INCOME STATEMENT 3Q2021 vs 3Q2020

	3Q2021 (RM'000)	3Q2020 (RM'000)	Changes / Movement
No. of Properties	57	51	+6
Property Income	61,417	57,010	
Property Income - Property income before lease incentive adjustment	61,795	57,248	+7.9%
- Lease incentive adjustment (non-distributable)	(378)	(238)	
Property Expenses	(7,904)	(8,743)	-9.6%
Net Property Income	53,513	48,267	
- Property income before lease incentive adjustment	53,891	48,505	+11.1%
- Lease incentive adjustment (non-distributable)	(378)	(238)	
Profit Income / Other Income	192	156	
Non-Property Expenses	(4,952)	(6,787)	-27%
Islamic Financing Cost	(11,752)	(9,805)	+19.9%
Net Income	37,001	31,831	
Property income before lease incentive adjustment	37,379	32,069	+16.6%
- Lease incentive adjustment (non-distributable)	(378)	(238)	
DPU (sen)	2.45	2.25	+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 YTD 3Q2021 vs YTD 3Q2020

	YTD 3Q2021 (RM'000)	YTD 3Q2020 (RM'000)	Changes / Movement
No. of Properties	57	51	+6
Property Income – Note 1	179,047	166,691	
Property Income - Property income before lease incentive adjustment	179,686	167,146	+7.5%
- Lease incentive adjustment (non-distributable)	(639)	(455)	
Property Expenses – Note 2	(24,533)	(25,071)	-2.1%
Net Property Income	154,514	141,620	
- Property income before lease incentive adjustment	155,153	142,075	+9.2%
- Lease incentive adjustment (non-distributable)	(639)	(455)	
Profit Income / Other Income	420	734	
Non-Property Expenses – Note 3	(21,798)	(20,306)	+7.3%
Islamic Financing Cost – Note 4	(33,343)	(29,256)	+14.0%
Net Income	99,793	92,792	
Property income before lease incentive adjustment	100,432	93,247	+7.7%
- Lease incentive adjustment (non-distributable)	(639)	(455)	
DPU (sen)	7.08	6.50	+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 YTD 3Q2021 vs YTD 3Q2020 - 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 tenancy at Axis Industrial Facility @ Rawang and also the positive rental reversion recorded for the period. During YTD 3Q2021, the amount of seasonal and visitor carpark income has registered a drop due to MCOs.

Note 2 – Property Expenses

The lower property expenses was due to lower maintenance cost.

Note 3 – Non-property Expenses

Higher non-property expenses was mainly due to provision for doubtful debts out of which RM3.6 million was recognised in 2Q2021 and reversal of doubtful debt of RM1.9 million was made in 3Q2021.

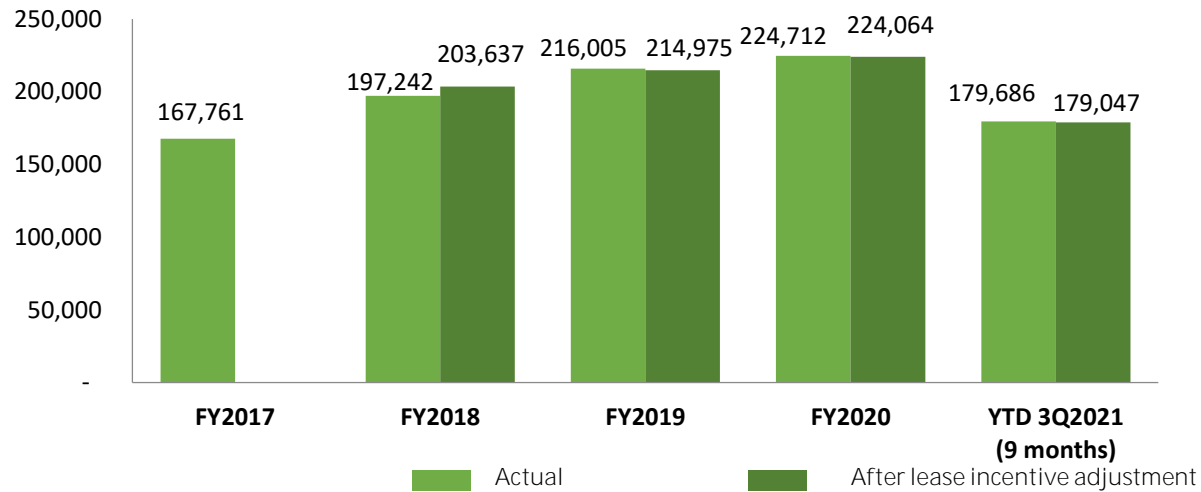
Note 4 – Islamic Financing Cost

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

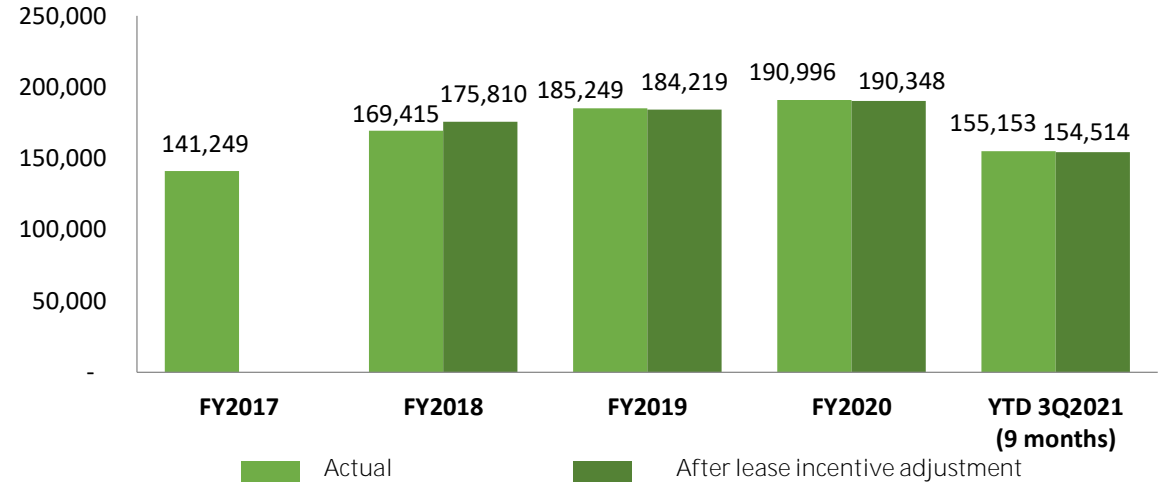
FINANCIAL OVERVIEW

5-YEAR PERFORMANCE

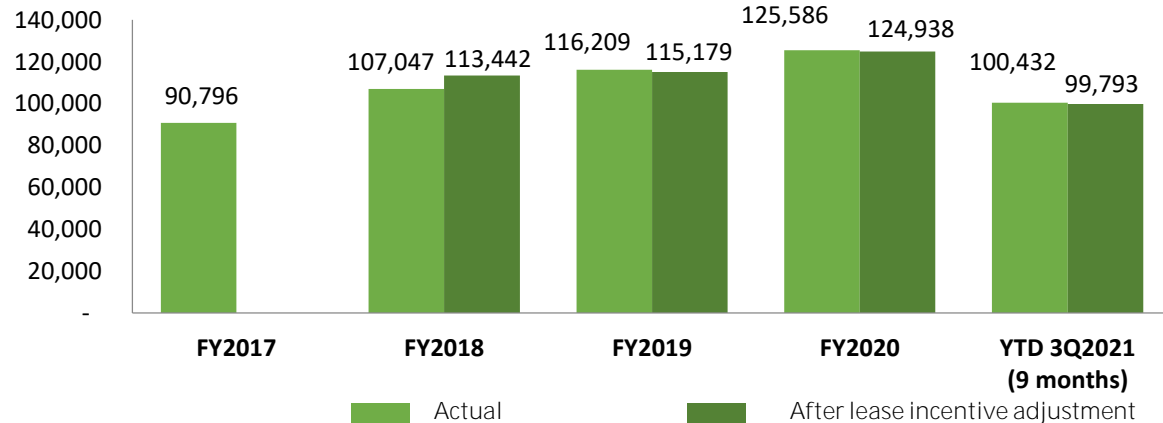
Revenue (RM'000)*



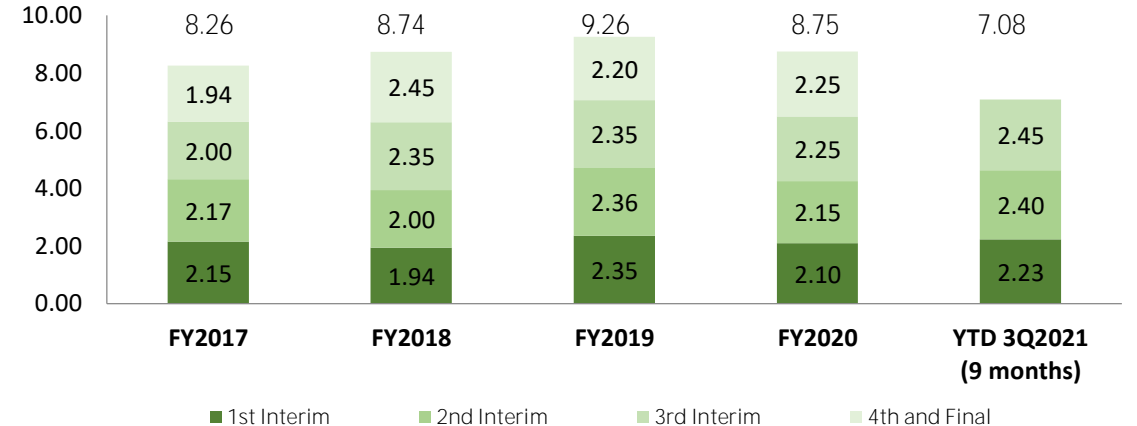
Net Property Income (RM'000)*



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	8.1	8.9
Manufacturing Facilities	7.6	8.4
Hypermarket	8.2	8.8
Average	7.6	8.7

FINANCIAL OVERVIEW

FINANCIAL POSITION

	30/09/21 (RM'000)	31/12/20 (RM'000)	Changes (RM'000)
Investment Properties – Note 1	3,460,433	3,280,240	+180,193
Fixed Assets	2,571	2,870	-299
Other Assets – Note 2	91,814	80,973	+10,841
TOTAL ASSETS	3,554,818	3,364,083	+190,735
Financing – Note 4	1,302,449	1,112,183	+190,266
Other Payables	111,572	119,774	-8,202
Deferred Tax Liability	9,122	9,122	-
TOTAL LIABILITIES	1,423,143	1,241,079	+182,064
NET ASSET VALUE (NAV)	2,131,675	2,123,004	+8,671
Unitholders' Capital – Note 3	1,603,219	1,595,506	+7,713
Undistributed Distributable Income	31,862	31,493	+369
Non-Distributable Reserve	496,594	496,005	+589
TOTAL UNITHOLDERS' FUND	2,131,675	2,123,004	+8,671
FINANCING RATIO	36.64%	33.06%	
NAV/UNIT (RM)	1.4737	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 RM9.9 million was spent on capital expenditure on existing properties and RM19.7 million was incurred for the extension of lease of D21 Logistics Warehouse for another 30 years.

Acquisitions completed in YTD 3Q2021 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 September 2021 was 14 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

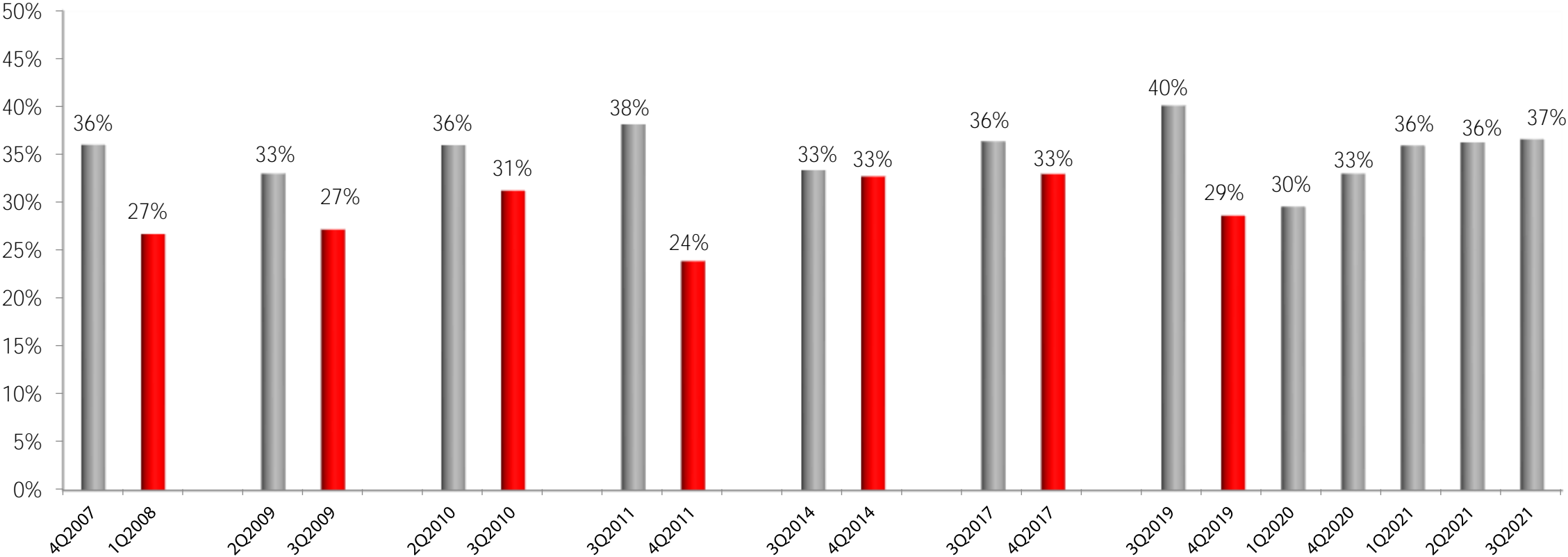
	2017	2018	2019	2020	YTD 3Q2021
Total Financing (RM'000)	842,594	1,059,367	885,859	1,112,183	1,302,449
Total Assets (RM'000)	2,549,609	2,840,463	3,085,681	3,364,083	3,554,818
Financing Ratio	33.05%	37.30%	28.71%	33.06%	36.64%
Effective Profit Rate	4.21%	4.32%	4.37%	3.89%	3.61%
Percentage of short term financing-Maturity < 1 Year	71%	77%	43%	55%	52%
Percentage of medium/ long term financing (maturity more than 1 year)	29%	23%	57%	45%	48%
Percentage of floating rate financing	63%	69%	21%	47%	42%
Percentage of fixed rate financing	37%	31%	79%	53%	58%
Total unencumbered assets	15	19	16	25	21
Percentage of unencumbered assets/total assets (value)	27%	28%	27%	44%	31%

FINANCIAL OVERVIEW

FINANCING RATIO

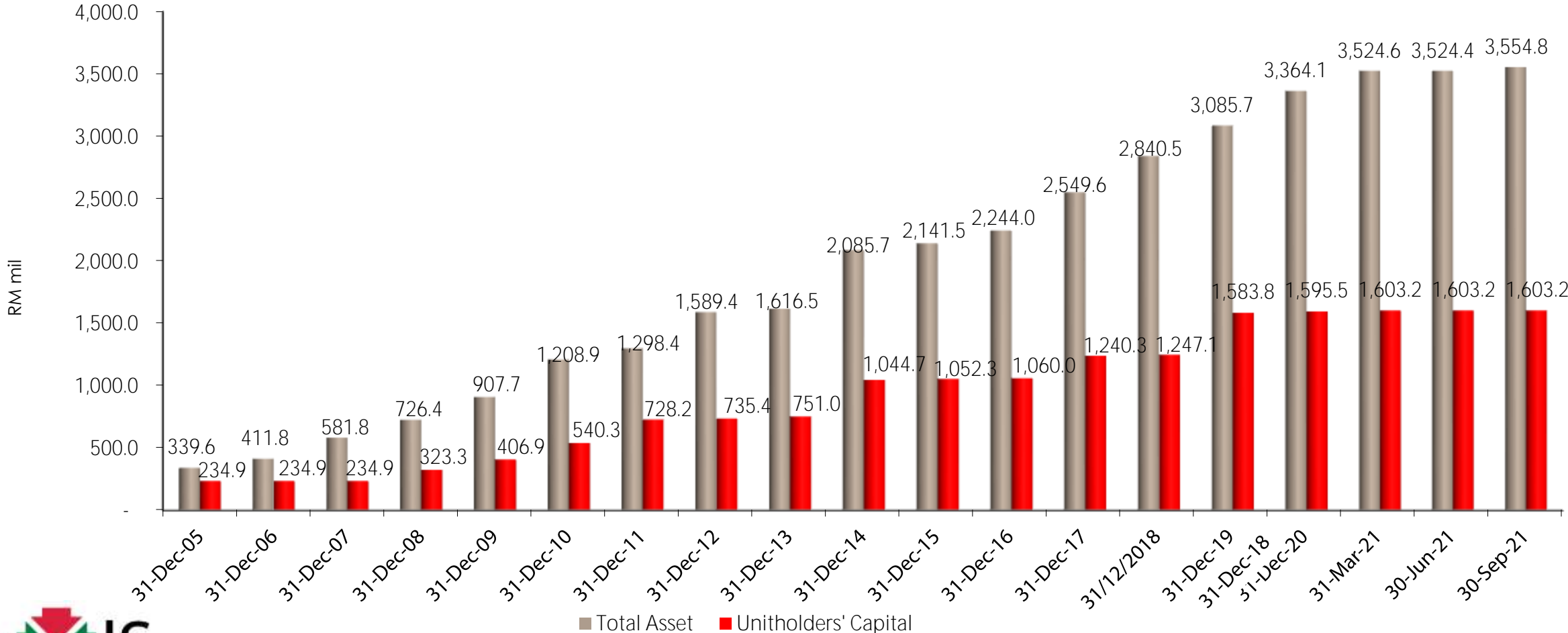
Placements Undertaken ■

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

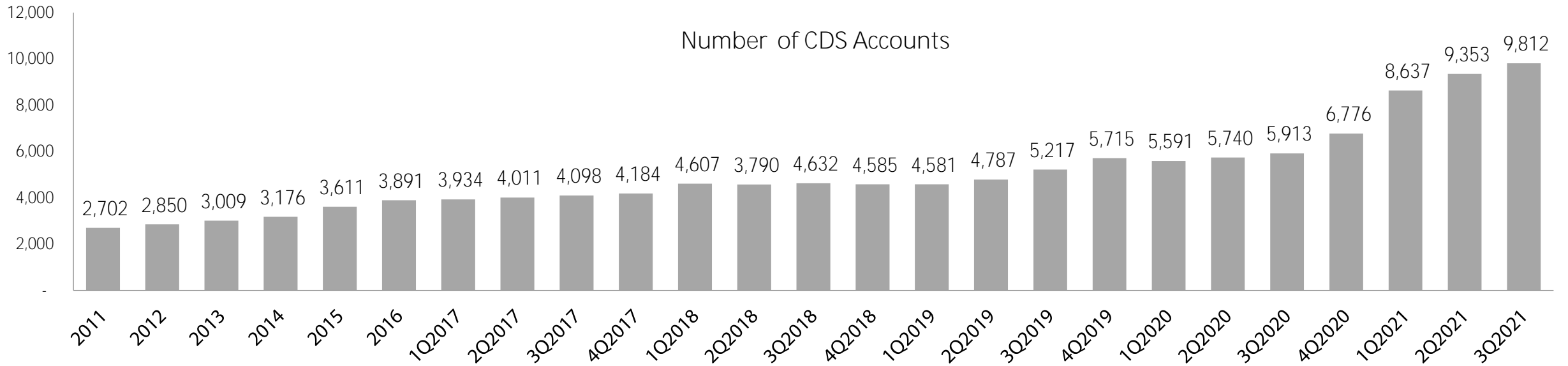
TOP 10 UNITHOLDERS*

	Name of Unitholder	%
1	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	10.00%
2	EMPLOYEES PROVIDENT FUND BOARD	8.58%
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.	2.82%
8	EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	2.32%
9	PUBLIC ITTIKAL SEQUEL FUND	2.17%
10	PUBLIC SMALLCAP FUND	1.90%

Holdings Breakdown	Units Held 3Q2021	Units Held 2Q2021	Movement
Top 5 Unitholders	31.08%	30.91%	0.17%
Top 10 Unitholders	43.23%	42.74%	0.49%
Unitholders with >2 million unitholdings	84.74%	84.53%	0.21%

*Based on CDS accounts on non-consolidated basis

STOCK INFORMATION



	Units Held 3Q2021	Units Held 2Q2021	Movement
Total no. of unitholders	9,812	9,353	459
Total foreign holdings	14.94%	15.08%	-0.14%
Foreign holdings – related-party	6.41%	6.41%	-
Foreign holdings – non-related-party	8.53%	8.67%	-0.14%
Related-party holdings	11.10%	11.10%	-



REAL ESTATE INVESTMENT TRUST

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