



AXIS REAL ESTATE INVESTMENT TRUST  
Results Presentation 3Q2022  
19 October 2022



HIGHLIGHTS

PORTFOLIO  
OVERVIEW

FINANCIAL  
OVERVIEW

STOCK  
INFORMATION

# HIGHLIGHTS



# HIGHLIGHTS



61 properties on portfolio  
48 properties with 100% occupancy  
1 property under development  
1 property under major enhancement



Total Assets Under Management  
RM4.16 billion



Space Under Management  
12.5 million sq ft



Financing Ratio  
36%



Solid industrial space portfolio  
93% of properties on industrial titles



Portfolio Occupancy of 95% (as at 30/9/2022)  
Weighted Average Lease Expiry of 5.4 years



Reclassified as Islamic REIT in 2008



Distribution Per Unit YTD 3Q2022  
7.42 sen



Market Capitalization (as at 30/9/2022)  
RM3.10 billion



Nationwide presence across Malaysia

# YTD 3Q2022 HIGHLIGHTS

- ▶ Total of 7.42 sen DPU declared for YTD 3Q2022.
- ▶ Portfolio size increased by 3 to a total of 61 properties.
- ▶ Investment properties currently stands at RM4.08 billion.
- ▶ Net property income increased by 16% for YTD 3Q2022 as compared to YTD 3Q2021.
- ▶ Realised net income increased by 21% for YTD 3Q2022 as compared to YTD 3Q2021.
- ▶ Completed the Income Distribution Reinvestment Plan in conjunction with the payment of 2022 first interim income distribution.
- ▶ Traded at a premium of 22% to NAV as at 30 September 2022.

# YTD 3Q2022 HIGHLIGHTS

- ▶ Embarked on the development of Bukit Raja Distribution Centre 2 into a 620,096 sq. ft. logistics warehouse, with a 15-year lease signed with Shopee Express Malaysia Sdn. Bhd.
- ▶ Completed the acquisition of Pasir Gudang Logistics Warehouse 2 for RM32.0 million on 7 March 2022.
- ▶ Completed the acquisition of Indahpura Facility 4 for RM16.3 million on 8 March 2022.
- ▶ Completed the acquisition of DW1 Logistics Warehouse for RM390.0 million on 25 April 2022.
- ▶ Signed the Sale and Purchase Agreement to acquire a manufacturing facility located in Klang, Selangor for RM41.0 million on 23 September 2022.

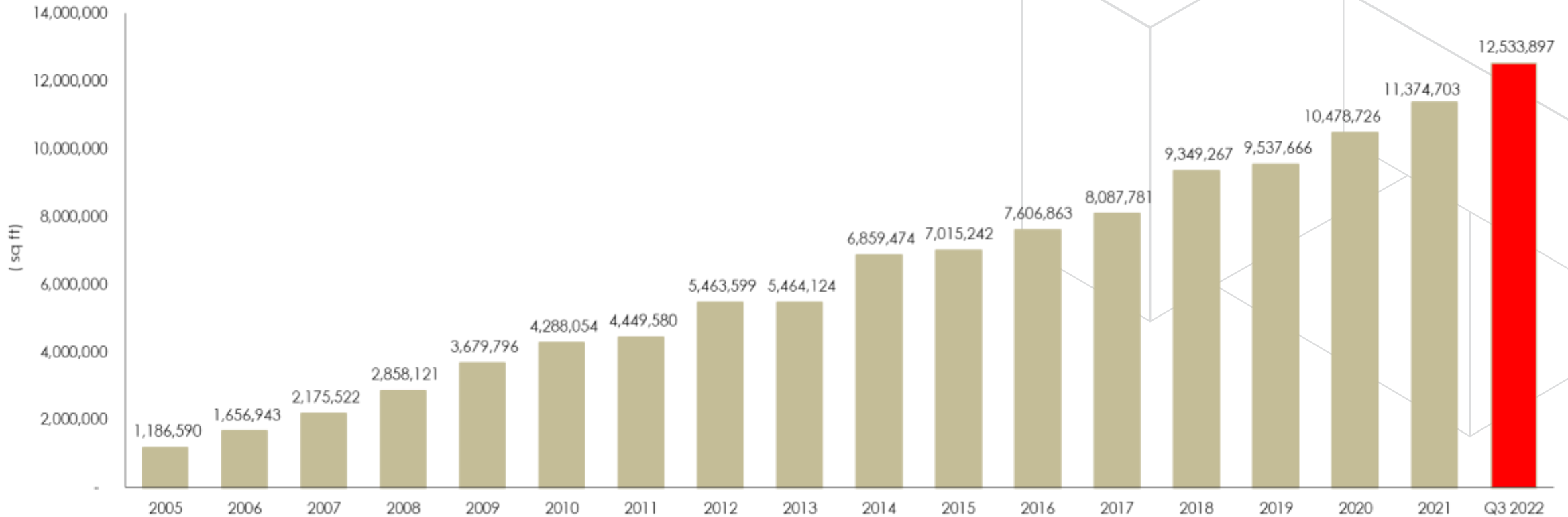


# PORTFOLIO OVERVIEW



# PORTFOLIO OVERVIEW

Space Under Management (sq ft)

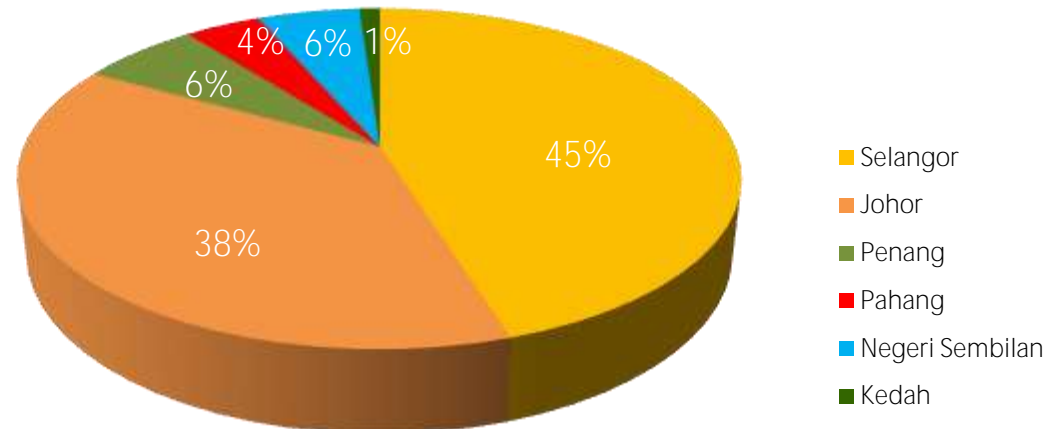




# PORTFOLIO OVERVIEW

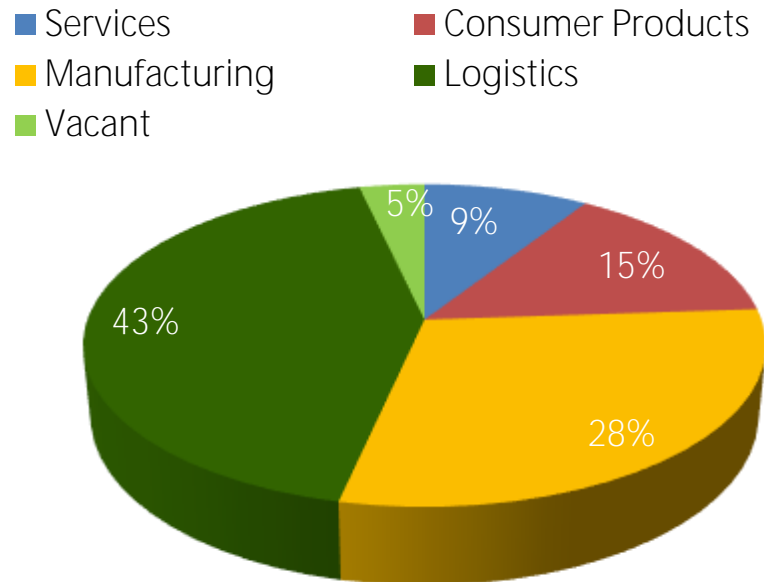
- ✓ Our 61 properties are strategically located in prime industrial areas such as Klang Valley, Johor, Penang, Pahang, Negeri Sembilan and Kedah.
- ✓ Focus areas for pipeline acquisitions include key industrial hubs of:
  - Penang
  - Selangor
  - Johor
- ✓ This geographical diversification is aimed at capturing the rapid growth of current and future regional industrial hubs.

Portfolio Diversification by Location (on NLA)

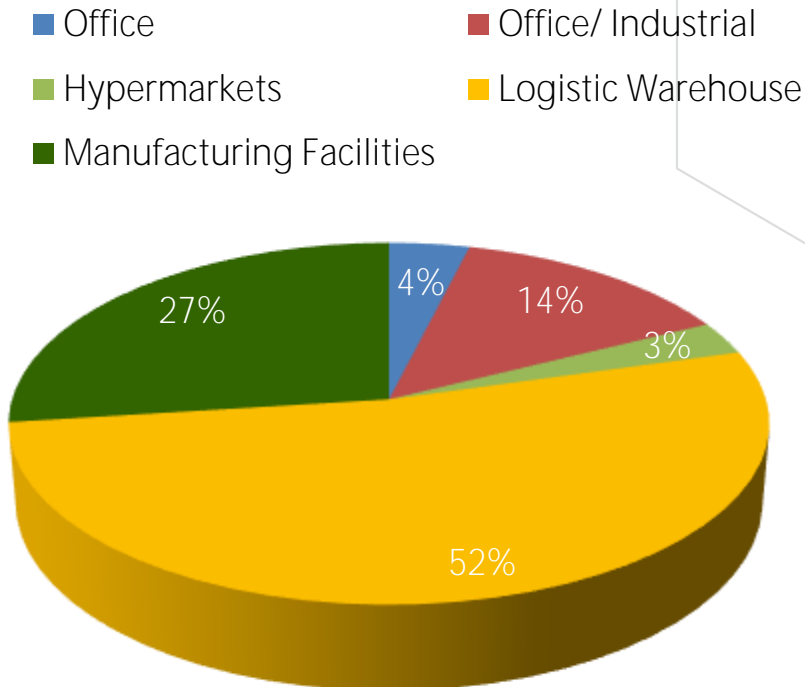


# PORTFOLIO OVERVIEW

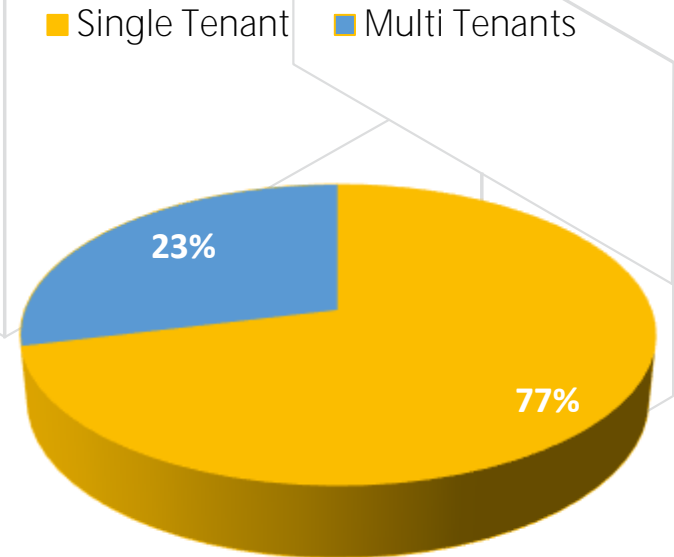
Portfolio Diversification by Industry Sector (on NLA)



Portfolio Diversification by Asset Type (on NLA)



Portfolio Diversification by Occupancy Type (on NLA)



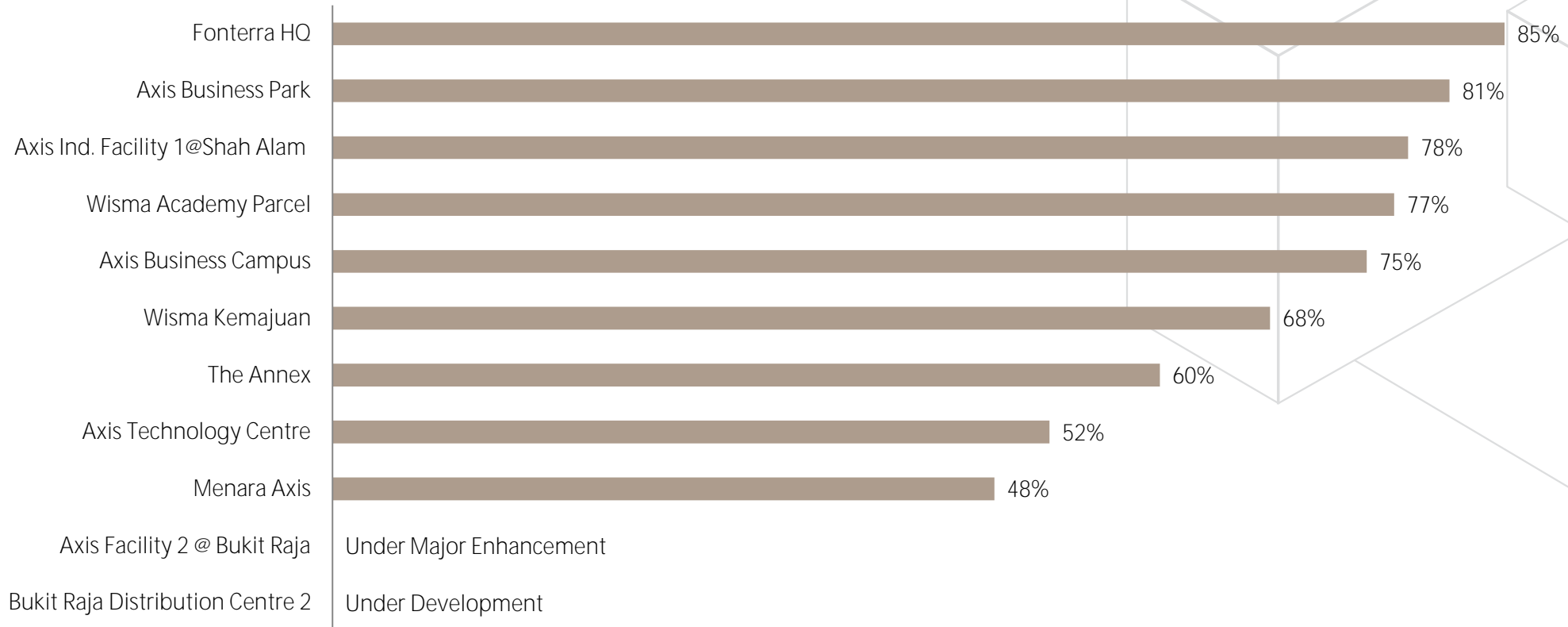
# PORTFOLIO OVERVIEW

As at 30 September 2022, the portfolio has 61 assets comprising 12,533,897 sq. ft. and 156 tenants.

	YTD 3Q2022				
No. of Properties	61				
Property Income (RM'000)	210,294				
Property Expenses (RM'000)	29,161				
Net Property Income (RM'000)	181,133				
Occupancy	95%				
Portfolio Efficiency Ratio = YTD Property Expenses / YTD Property Income					
	3Q2022	2021	2020	2019	2018
	13.87%	13.79%	15.05%	14.31%	13.66%

# PORTFOLIO OVERVIEW

*PROPERTIES WITH OCCUPANCY BELOW 90% AS AT 30 SEPTEMBER 2022*



*Notes:*

- 1. Vacant space in Fonterra HQ is built for their future expansion*
- 2. Occupancy of Axis Technology Centre will improve to 73% in 4Q2022*
- 3. Axis Facility 2 @ Bukit Raja is under major enhancement*
- 4. 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	4.57	0.88	544,355	4.34	0.76	480,260	3.83	0.76
Shah Alam	566,072	4.52	0.52	658,480	5.25	0.60	922,334	7.36	0.75
Klang	149,605	1.19	0.12	-	-	-	-	-	-
Johor	514,924	4.11	0.34	-	-	-	843,971	6.73	0.71
Nilai	291,642	2.33	0.14	-	-	-	-	-	-
Penang	395,225	3.15	0.27	205,151	1.64	0.25	-	-	-
TOTAL	2,489,733	19.87	2.27	1,407,986	11.23	1.61	2,246,565	17.92	2.22

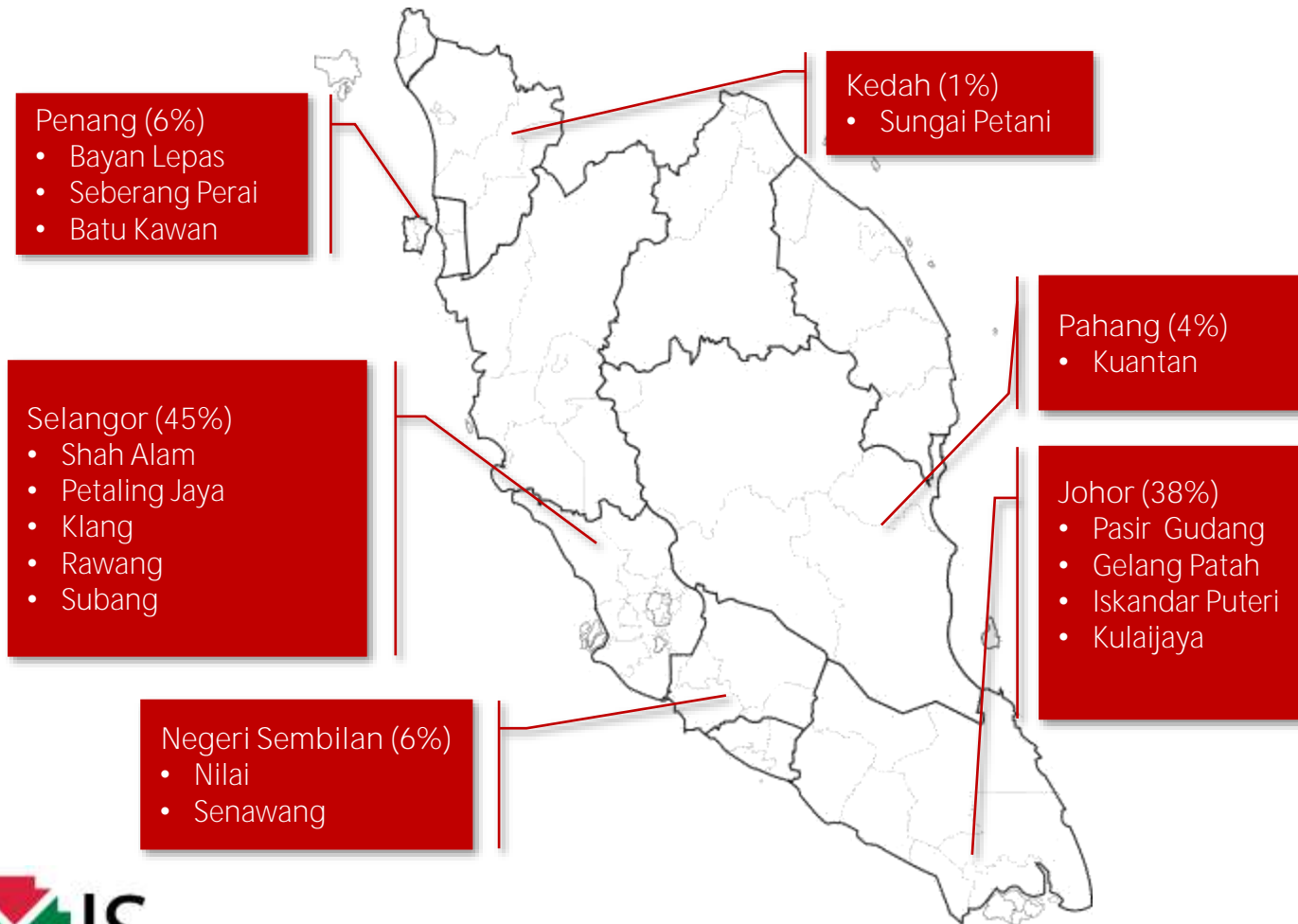
  

Lease Expiry By Type									
Property	Year 2022	% of Total NLA	% of Rental Income/month	Year 2023	% of Total NLA	% of Rental Income/month	Year 2024	% of Total NLA	% of Rental Income/month
Office	119,195	0.95	0.24	50,771	0.41	0.10	199,545	1.59	0.42
Office Industrial	492,575	3.93	0.71	502,839	4.01	0.67	420,464	3.35	0.47
Logistics Warehouse	1,394,648	11.13	1.02	813,315	6.49	0.81	1,316,455	10.50	1.04
Manufacturing Facilities	483,315	3.86	0.30	41,061	0.32	0.03	310,101	2.48	0.29
Hypermarket	-	-	-	-	-	-	-	-	-
TOTAL	2,489,733	19.87	2.27	1,407,986	11.23	1.61	2,246,565	17.92	2.22

Out of 2.489 million sq. ft. of space expiring in 2022, 67% has been renewed to date.

# PORTFOLIO OVERVIEW

ESTABLISHED NATIONWIDE FOOTPRINT



## Top 10 Tenants

YTD top ten tenants accounted for 51.6% of the total revenue

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





# PORTFOLIO OVERVIEW

## ONGOING ASSET ENHANCEMENT INITIATIVE

Axis Facility 2 @ Bukit Raja

Before Enhancement



Major enhancements:

- Roof replacement
- Mechanical dock levellers
- Replacement of building envelope
- New firefighting system
- New reinforced concrete flooring
- To be certified as green building by GreenRE

Post-**Enhancement Artist's Impression**



Green features include:

- LED lighting
- Water-efficient fittings
- Rainwater harvesting
- Skylights for natural lighting

Target  
completion  
end January  
2023

# 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

## *COMPLETED ACQUISITIONS*

### 3. DW1 Logistics Warehouse, Johor



Completion Date	:	25 April 2022
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

## *ONGOING ACQUISITIONS*

Manufacturing Facility, Klang



Targeted Completion Date:	2H2022
Net Lettable Area :	192,004 sq. ft.
Land Area :	Approx. 6.2 acres
Land Tenure :	Freehold
Occupancy :	100%
Purchase Price :	RM41.0 million
WALE at Acquisition :	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 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 30 SEPTEMBER 2022*



RM4.16 billion  
Total Assets



RM1.49 billion  
Total Financing



RM2.55 billion  
**Total Unitholder's Funds**



RM1.56  
Net Asset Value Per Unit



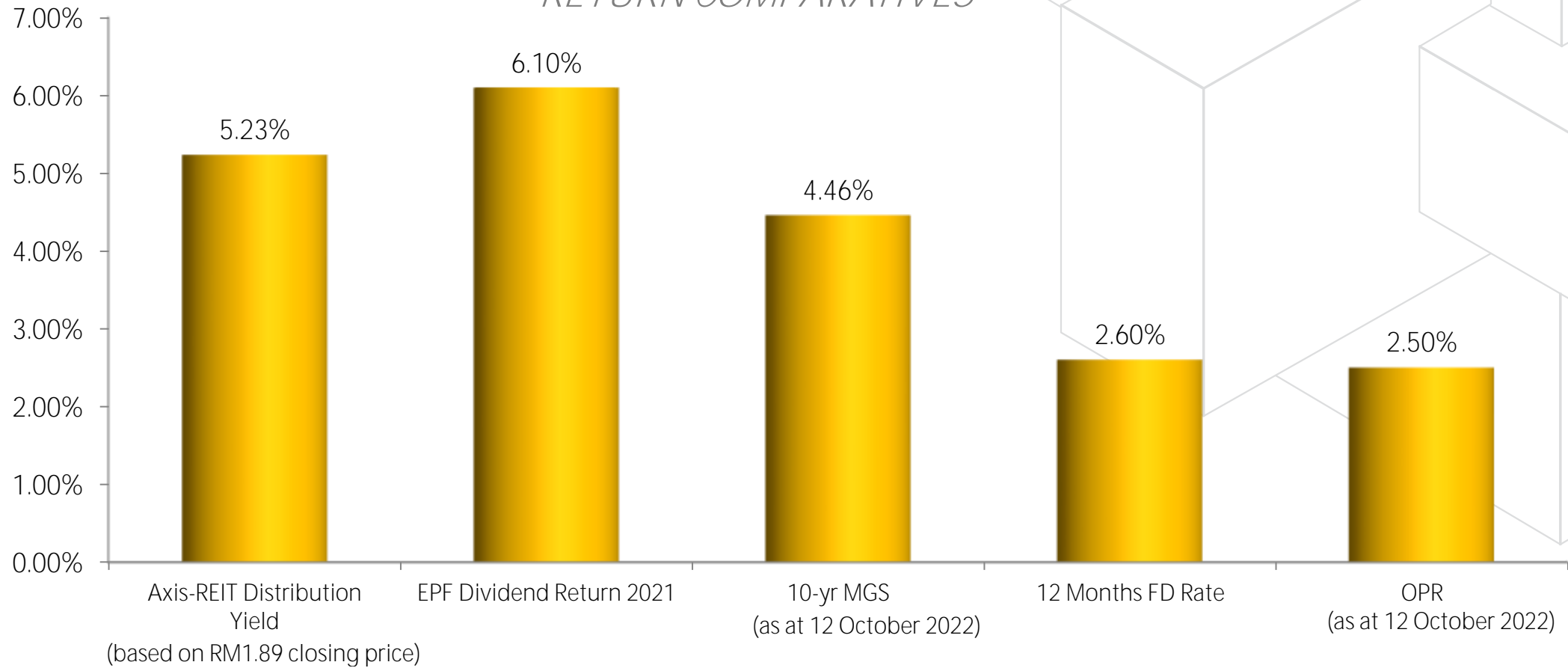
36%  
Financing Ratio



**1Q2022: 2.42 sen**  
**2Q2022: 2.55 sen**  
**3Q2022: 2.45 sen**  
**Distribution Per Unit**

# FINANCIAL OVERVIEW

## RETURN COMPARATIVES



# FINANCIAL OVERVIEW

## INCOME STATEMENT 3Q2022 vs 3Q2021

	3Q2022 (RM'000)	3Q2021 (RM'000)	Changes / Movement
No. of Properties	61	57	+4
Property Income	71,515	61,417	
Property Income - Property income before lease incentive adjustment	72,006	61,795	+16.5
- Lease incentive adjustment (non-distributable)	(491)	(378)	
Property Expenses	(10,516)	(7,904)	+33.0%
Net Property Income	60,999	53,513	+14.0%
- Property income before lease incentive adjustment	61,490	53,891	+14.1%
- Lease incentive adjustment (non-distributable)	(491)	(378)	
Profit Income / Other Income	192	192	
Non-Property Expenses	(7,662)	(4,952)	+54.7%
Islamic Financing Cost	(14,415)	(11,752)	+22.7%
Net Income	39,114	37,001	+5.7%
Property income before lease incentive adjustment	39,605	37,379	+6.0%
- Lease incentive adjustment (non-distributable)	(491)	(378)	
DPU (sen)	2.45	2.45	-
No. of Units in Issuance	1,641,054,038	1,446,481,518	+13.5%

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

# FINANCIAL OVERVIEW

## INCOME STATEMENT YTD 3Q2022 vs YTD 3Q2021

	YTD 3Q2022 (RM'000)	YTD 3Q2021 (RM'000)	Changes / Movement
No. of Properties	61	57	+4
Property Income – Note 1	210,294	179,047	
Property Income - Property income before lease incentive adjustment	210,274	179,686	+17.0
- Lease incentive adjustment (non-distributable)	20	(639)	
Property Expenses – Note 2	(29,161)	(24,533)	+18.9%
Net Property Income	181,133	154,514	+17.2%
- Property income before lease incentive adjustment	181,113	155,153	+16.7%
- Lease incentive adjustment (non-distributable)	20	(639)	
Profit Income / Other Income	618	420	
Non-Property Expenses – Note 3	(23,052)	(21,798)	+5.8%
Islamic Financing Cost – Note 4	(37,575)	(33,343)	+12.7%
Net Income	121,124	99,793	+21.4%
Property income before lease incentive adjustment	121,104	100,432	+20.6%
- Lease incentive adjustment (non-distributable)	20	(639)	
DPU (sen)	7.42	7.08	+4.8%
No. of Units in Issuance	1,641,054,038	1,446,481,518	+13.5%

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

# FINANCIAL OVERVIEW

## *INCOME STATEMENT YTD 3Q2022 vs YTD 3Q2021 - 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

Axis Facility 2 @ Bukit Raja is undergoing major enhancement since August 2022 and will be ready for tenancy in 1Q2023.

### 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 as compared to preceding year corresponding period was mainly due to increase in management cost resulted from the increase in the net asset value of the Fund.

### Note 4 – Islamic Financing Cost

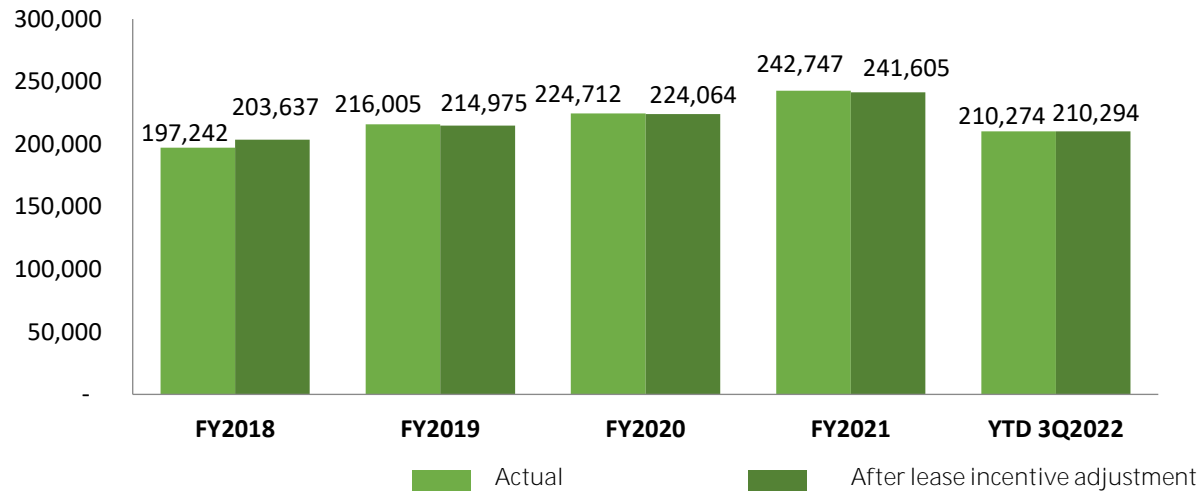
Increase was due to additional financing facilities utilised to finance the new acquisitions and three times of OPR increase so far in 2022 with cumulative increase of 75 bps.



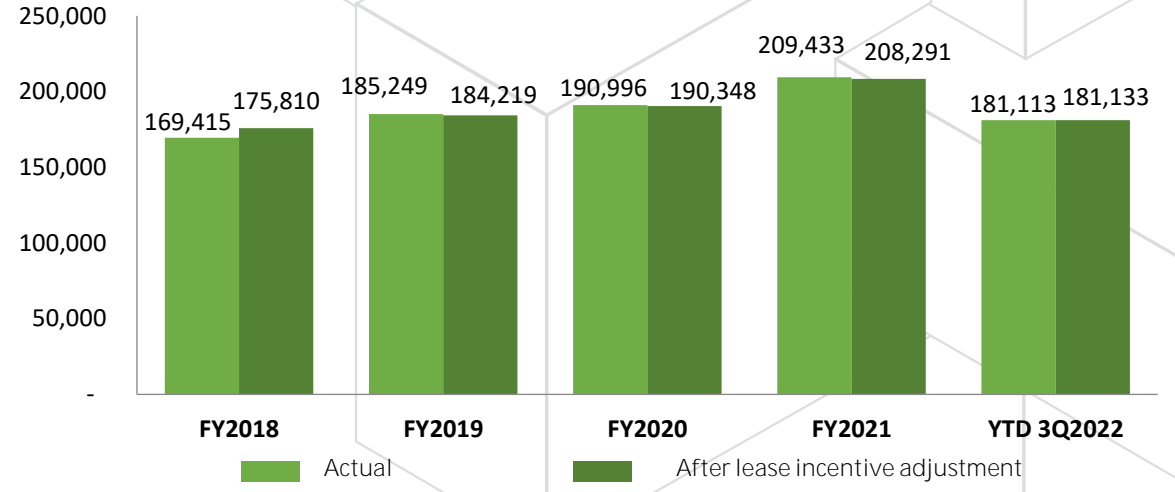
# FINANCIAL OVERVIEW

## 5-YEAR PERFORMANCE

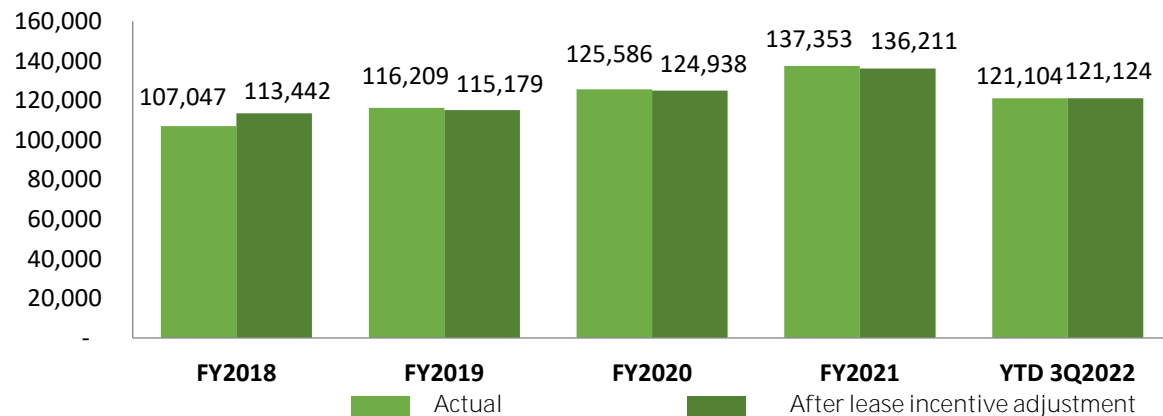
Revenue (RM'000)\*



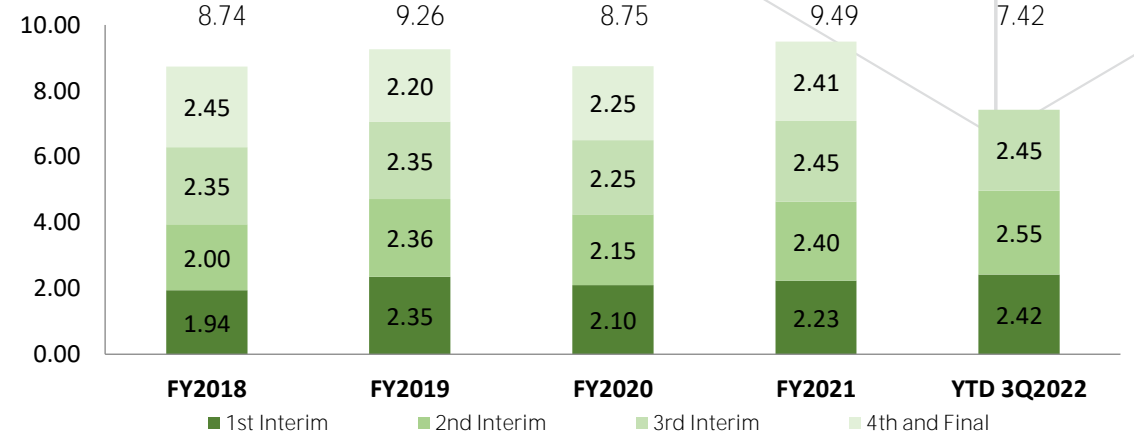
Net Property Income (RM'000)\*



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	6.6	9.3
Office Industrial	6.6	8.8
Logistics Warehouse	7.9	8.7
Manufacturing Facilities	8.1	8.9
Hypermarket	8.7	9.3
Average	7.7	8.9

# FINANCIAL OVERVIEW

## FINANCIAL POSITION

	30/9/22 (RM'000)	31/12/21 (RM'000)	Changes (RM'000)
Investment Properties – Note 1	4,079,702	3,614,230	+465,472
Fixed Assets	2,006	2,410	-404
Other Assets – Note 2	80,903	222,120	-141,217
<b>TOTAL ASSETS</b>	<b>4,162,611</b>	<b>3,838,760</b>	+323,851
Financing – Note 4	1,488,925	1,184,593	+304,332
Other Payables	108,774	114,049	-5,275
Deferred Tax Liability	12,797	12,797	-
<b>TOTAL LIABILITIES</b>	<b>1,610,496</b>	<b>1,311,439</b>	+299,057
<b>NET ASSET VALUE (NAV)</b>	<b>2,552,115</b>	<b>2,527,321</b>	+24,794
Unitholders' Capital – Note 3	1,945,655	1,934,322	+11,333
Undistributed Distributable Income	36,989	32,841	+4,148
Non-Distributable Reserve	569,471	560,158	+9,313
<b>TOTAL UNITHOLDERS' FUND</b>	<b>2,552,115</b>	<b>2,527,321</b>	+24,794
<b>FINANCING RATIO</b>	35.77%	30.86%	
<b>NAV/UNIT (RM)</b>	1.5552	1.5462	
<b>No. of units in issuance</b>	1,641,054,038	1,634,524,115	

# FINANCIAL OVERVIEW

## *NOTES - FINANCIAL POSITION*

### Note 1 – Investment Properties

During the period, a total of RM20.0 million was spent on capital expenditure on existing properties, of which RM11.0 million was incurred for the ongoing development of Bukit Raja Distribution Centre 2.

Total acquisitions of RM445.0 million for Pasir Gudang Logistics Warehouse 2, Indahpura Facility 4 and DW1 Logistics Warehouse were completed on 7 March 2022, 8 March 2022 and 25 April 2022, respectively.

### Note 2 – Other Assets

The RM137.0 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 30 September 2022 was 11 days.

### Note 3 – Unitholders Capital

A total of net proceeds of RM11.3 million raised from 6,529,923 new units issued pursuant to the IDRP applicable to the 2022 first interim income distribution was completed on 16 June 2022.

The fund size has increased from 1,634,524,115 units to 1,641,054,038 units post IDRP.

# FINANCIAL OVERVIEW

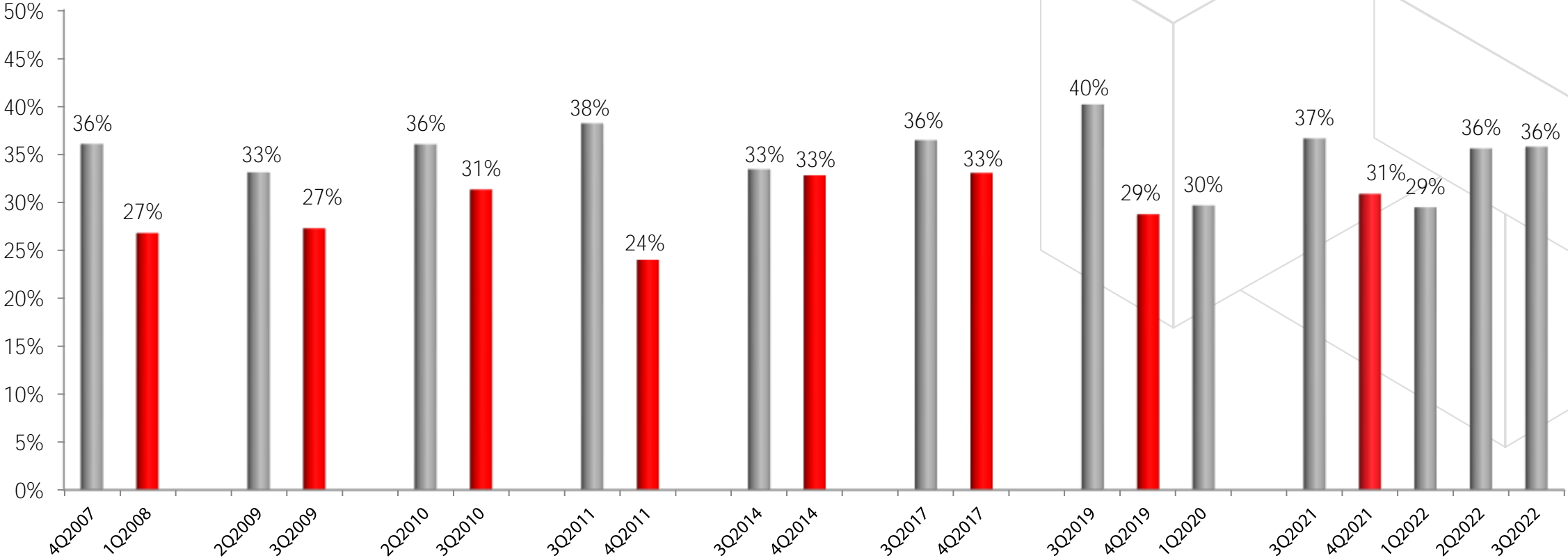
## NOTE 4: 5-YEAR FINANCING PROFILE

	2018	2019	2020	2021	YTD 3Q2022
<b>Total Financing (RM'000)</b>	1,059,367	885,859	1,112,183	1,184,593	1,488,925
<b>Total Assets (RM'000)</b>	2,840,463	3,085,681	3,364,083	3,838,760	4,162,611
Financing Ratio	37.30%	28.71%	33.06%	30.86%	35.77%
Effective Profit Rate	4.32%	4.37%	3.89%	3.63%	3.86%
Percentage of short term financing-Maturity < 1 Year	77%	43%	55%	47%	51%
Percentage of medium/ long term financing (maturity more than 1 year)	23%	57%	45%	53%	49%
Percentage of floating rate financing	69%	21%	47%	36%	51%
Percentage of fixed rate financing	31%	79%	53%	64%	49%
Total unencumbered assets	19	16	25	19	24
Percentage of unencumbered assets/total assets (value)	28%	27%	44%	29%	42%

# FINANCIAL OVERVIEW

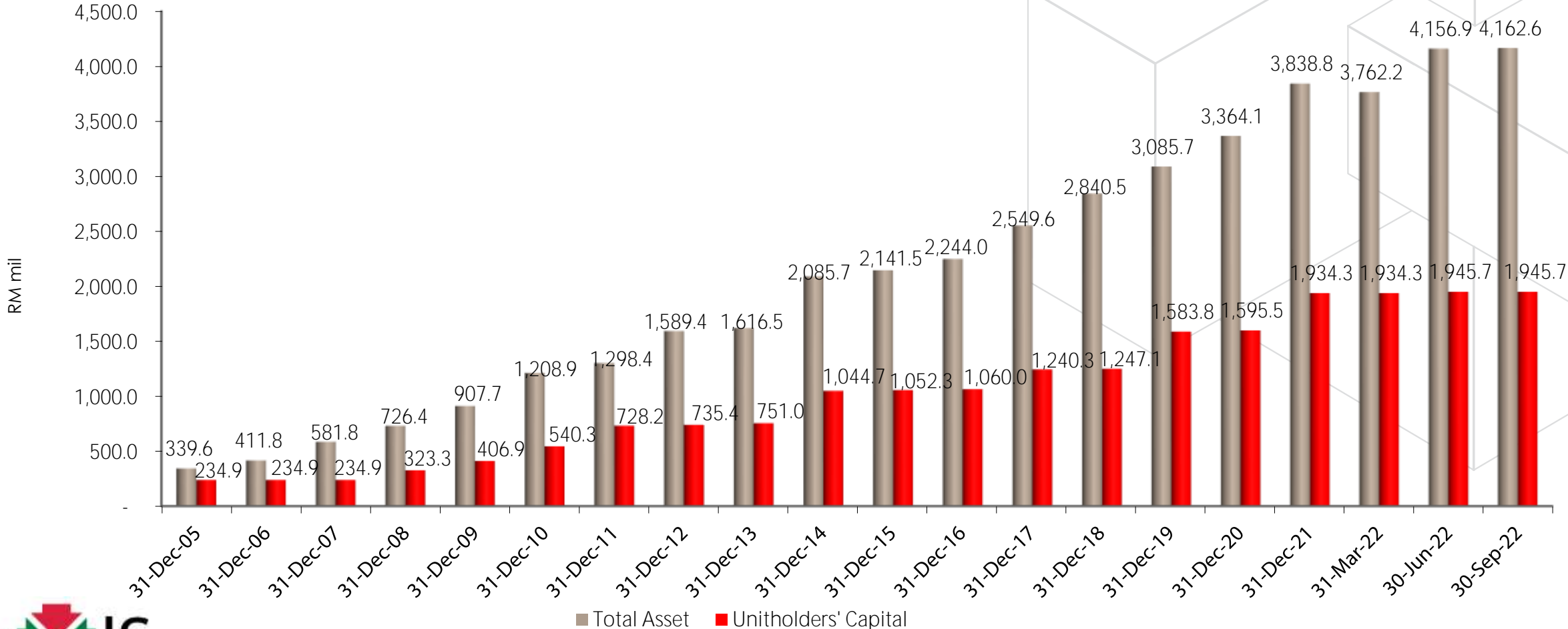
## FINANCING RATIO

Placements Undertaken ■



# FINANCIAL OVERVIEW

## UNITHOLDERS' CAPITAL





# STOCK INFORMATION



# STOCK INFORMATION

## TOP 10 UNITHOLDERS\*

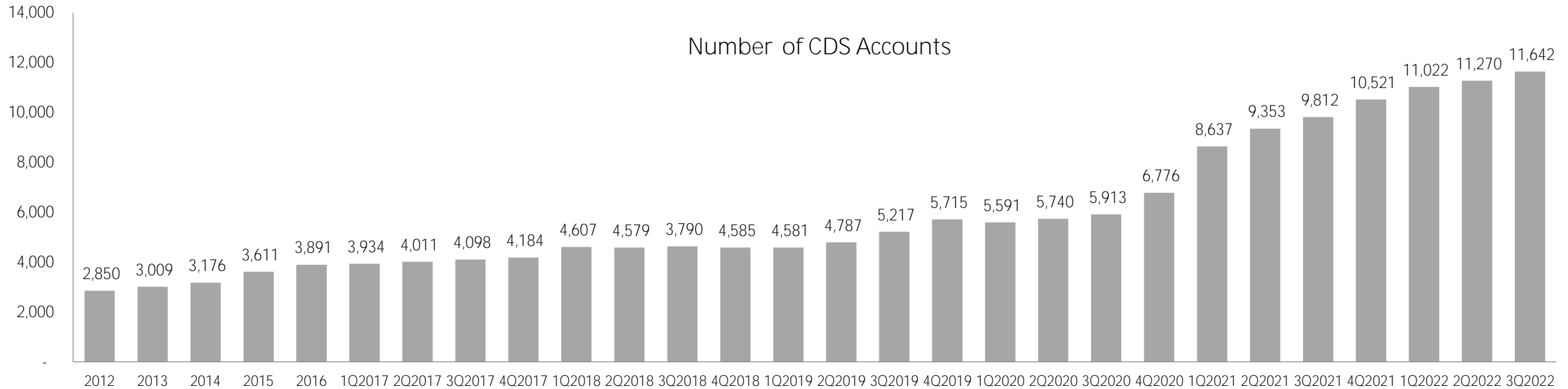
	Name of Unitholder	%
1	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	8.97%
2	EMPLOYEES PROVIDENT FUND BOARD	8.61%
3	LEMBAGA TABUNG HAJI	4.68%
4	AMANAH SAHAM BUMIPUTERA	4.02%
5	TEW PENG HWEE @ TEOH PENG HWEE	3.49%
6	ALEX LEE LAO	3.31%
7	EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	2.38%
8	PUBLIC ITTIKAL SEQUEL FUND	1.93%
9	EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	1.75%
10	PUBLIC SMALLCAP FUND	1.69%

Holdings Breakdown	Units Held 3Q2022	Units Held 2Q2022	Movement
Top 5 Unitholders	29.76%	30.22%	-0.46%
Top 10 Unitholders	40.81%	41.14%	-0.33%
Unitholders with >2 million unitholdings	85.31%	85.91%	-0.60%

\*Based on CDS accounts on non-consolidated basis

# STOCK INFORMATION

Number of CDS Accounts



	Units Held 3Q2022	Units Held 2Q2022	Movement
Total no. of unitholders	11,642	11,270	372
Total foreign holdings	14.98%	15.37%	-0.39%
Foreign holdings – related-party	5.69%	5.69%	0.00%
Foreign holdings – non-related-party	9.29%	9.68%	-0.39%
Related-party holdings	9.84%	9.84%	0.00%



THANK YOU

