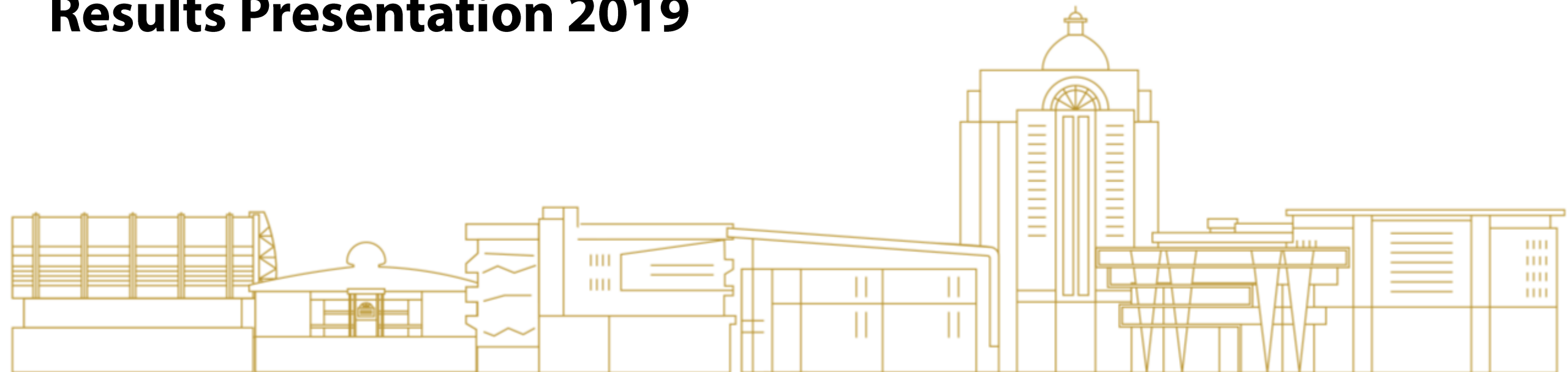




AXIS REAL ESTATE INVESTMENT TRUST

Results Presentation 2019



21 January 2020

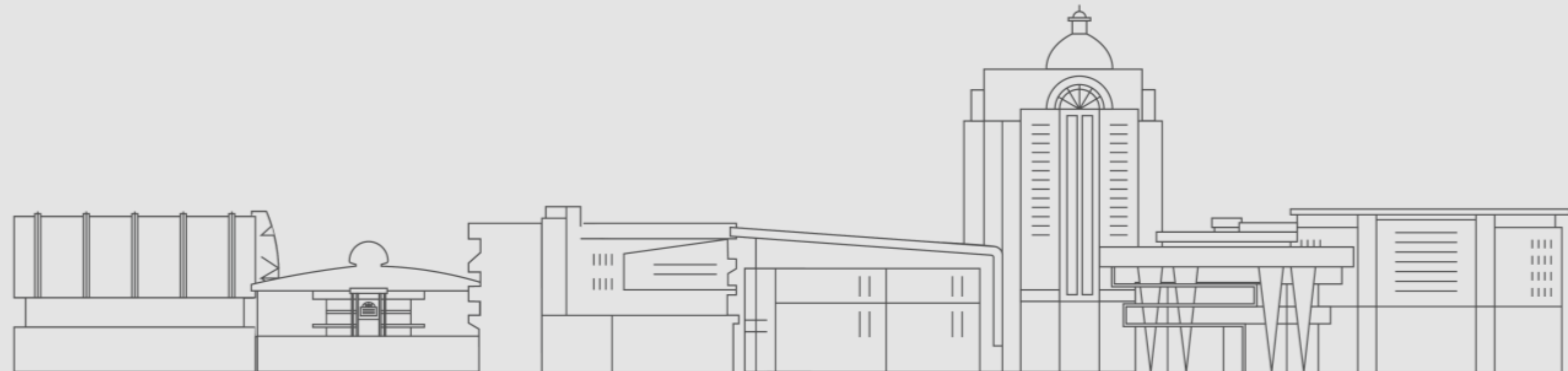
AGENDA

**2019
HIGHLIGHTS**

**PORTFOLIO
OVERVIEW**

**FINANCIAL
OVERVIEW**

**STOCK
INFORMATION**





2019 HIGHLIGHTS



2019 HIGHLIGHTS

PORTFOLIO SUMMARY



48 properties on portfolio
36 properties with 100% occupancy



Portfolio Occupancy of 92% (as at 31/12/2019)
Weighted Average Lease Expiry of 6 years



Total Assets Under Management
RM3.1 billion



Reclassified as Islamic REIT in 2008



Space Under Management
9.5 million sq ft



Total Distribution Per Unit for 2019
9.26 sen



Gearing
29%



Market Capitalization (as at 31/12/2019)
RM2.5billion



Solid industrial space portfolio
91% of properties on industrial titles



Nationwide presence across Malaysia

2019 HIGHLIGHTS

- DPU increased by 6% to 9.26 sen for YTD 2019 (DPU for YTD 2018 was 8.74 sen).
- NAV per unit increased by 8% to RM1.4484.
- Traded at a premium of 22% to NAV on 31 December 2019.
- Investment properties currently stand at RM3.0billion.
- Net property income increased by 5% for FYE 2019 as compared to FYE 2018.
- Total revaluation gain of RM101.6million recognised for FYE 2019 is highest recorded.
- Announced the implementation of the Income Distribution Reinvestment Plan (“IDRP”) in conjunction with the payment of final income distribution.
- Successfully concluded 7th placement exercise with the listing of 197,965,000 new units on 15 November 2019 and 12 December 2019 respectively.
- Number of unitholders increased from 4,585 at FYE 2018 as compared to 5,715 at FYE 2019.

2019 HIGHLIGHTS

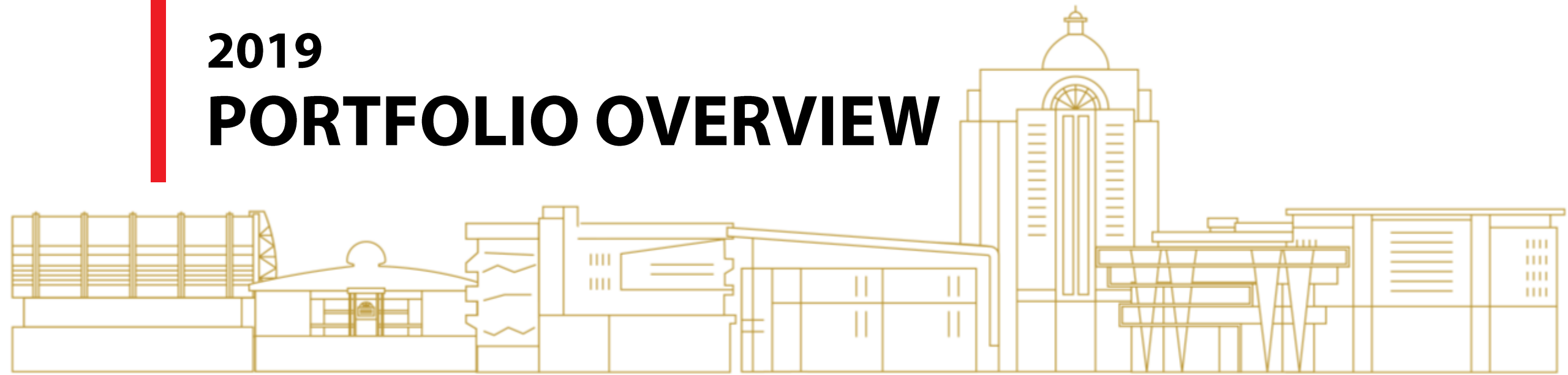
- Portfolio size increased by 3 to a total of 48 properties.
- Registered take-up rate of 96% on spaces expiring for 2019 with positive rental reversion of 2%.
- Entered into a build-to-lease agreement to construct a warehouse facility for Federal Express Services (M) Sdn Bhd (“FedEx”) in Batu Kawan Industrial Park, Penang. The development project obtained its Certificate of Practical Completion on 30 December 2019.

2019 HIGHLIGHTS

- Successfully completed the acquisitions of Nusajaya Tech Park facility 1 and Nusajaya Tech Park Facility 2 on 30 September 2019.
- Signed the Sale & Purchase Agreement to acquire a manufacturing facility for RM20.5million, located in Bayan Lepas, Penang.
- Signed the Sale & Purchase Agreement to acquire a manufacturing facility for RM50.0million located in Nilai, Negeri Sembilan.
- Signed the Sale & Purchase Agreement to acquire a warehouse facility for RM65.0million located in Pelabuhan Tanjung Pelepas, Johor.
- Signed the Sale & Purchase Agreement to acquire a manufacturing facility for RM37.0million located in Bukit Raja, Selangor.
- Acceptance of Letter of Offer to acquire a manufacturing facility for RM60.0million located in Kota Kinabalu, Sabah.
- Acceptance of Letters of Offer to acquire two manufacturing facilities for RM55.8million located in Shah Alam, Selangor.



2019 PORTFOLIO OVERVIEW



PORTFOLIO OVERVIEW

1  Diversified and expanding portfolio

2  High occupancy rate with income visibility

3  Sustainable distributions

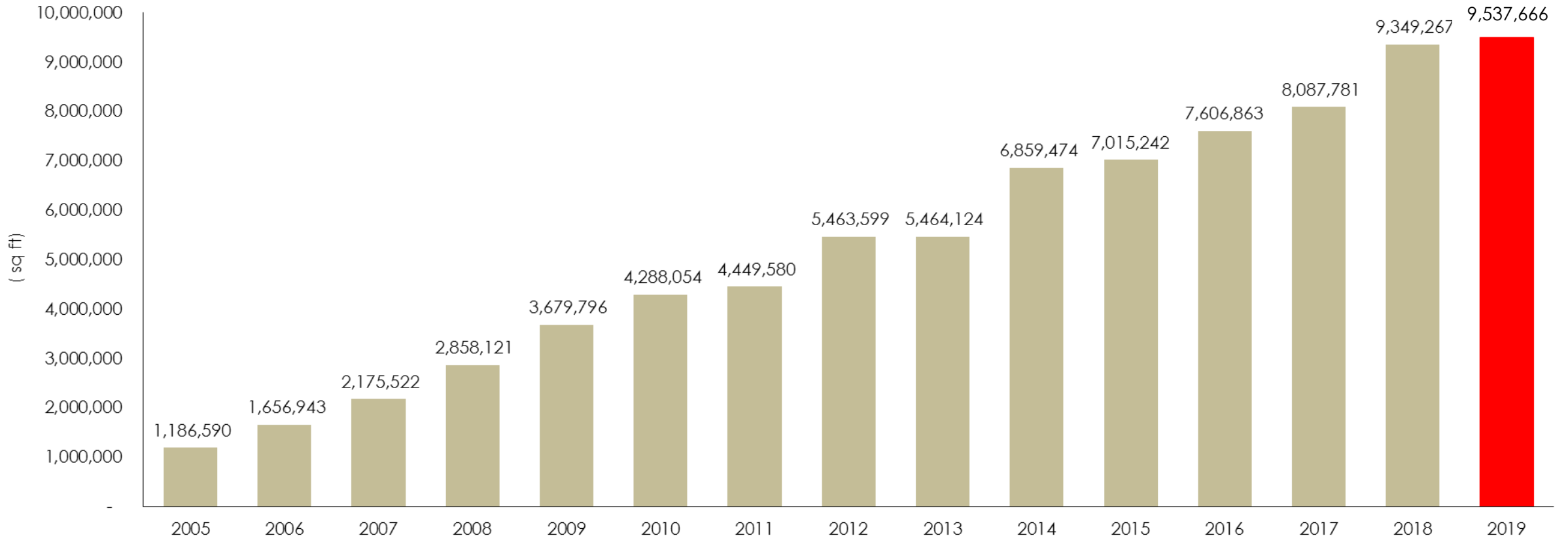
4  Established nationwide footprint

5  Aggressive pipeline targets

PORTFOLIO OVERVIEW

DIVERSIFIED AND EXPANDING PORTFOLIO

Space Under Management (sq ft)

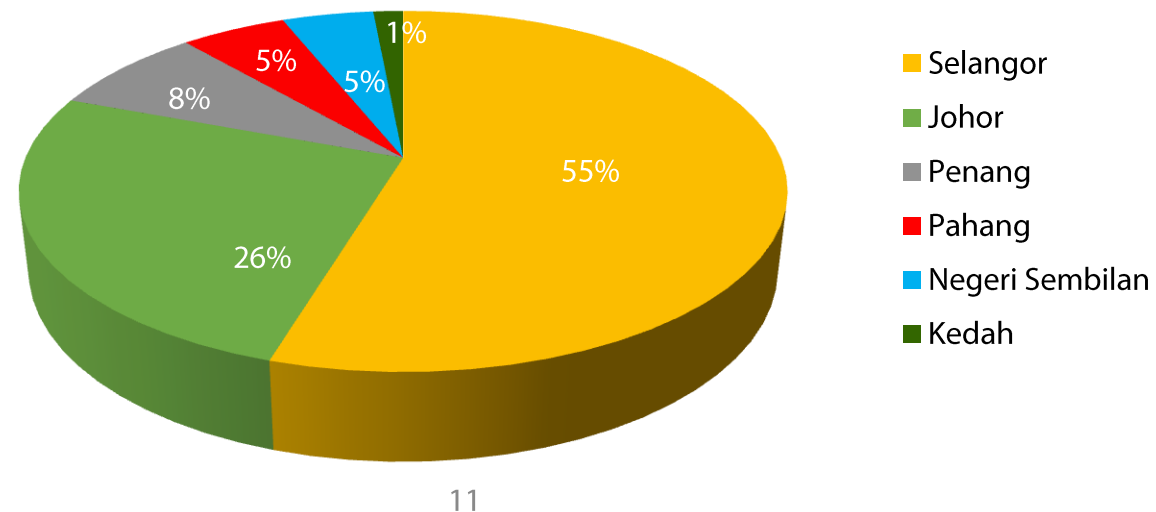


PORTFOLIO OVERVIEW

DIVERSIFIED AND EXPANDING PORTFOLIO

- ✓ Our 48 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)

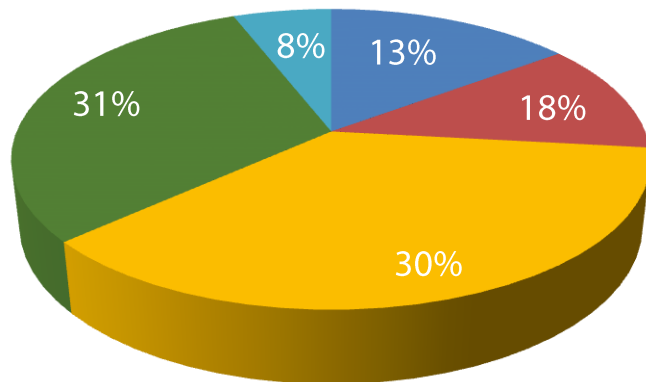


PORTFOLIO OVERVIEW

DIVERSIFIED AND EXPANDING PORTFOLIO

Portfolio Diversification by Industry Sector (on NLA)

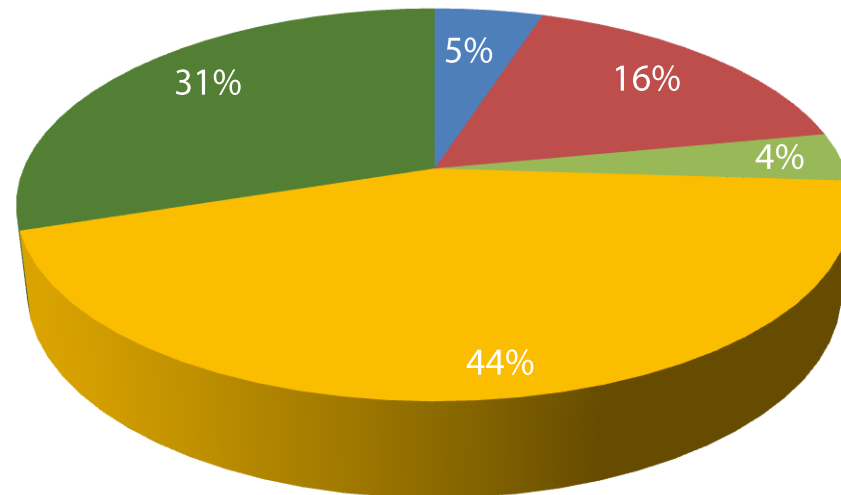
■ Services ■ Consumer Products ■ Manufacturing ■ Logistics ■ Vacant



Portfolio Diversification by Asset Type (on NLA)

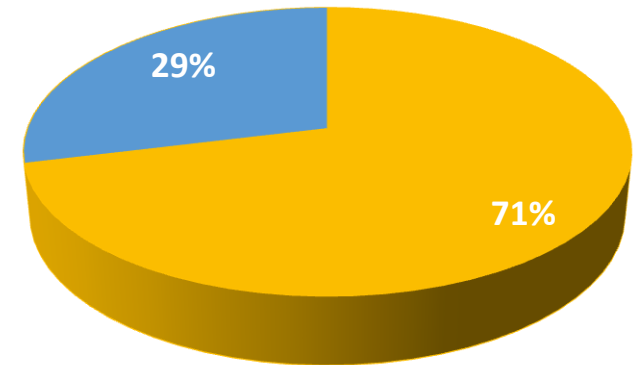
**Industrial title properties*

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



Portfolio Diversification by Occupancy Type (on NLA)

■ Single Tenant ■ Multi Tenants



PORTFOLIO OVERVIEW

HIGH OCCUPANCY RATE WITH INCOME VISIBILITY

As at 31 December 2019, the portfolio has 48 assets comprising 9,537,666 sq. ft. and 152 tenants.

	2019
No. of Properties	48
Property Income (RM'000)	214,975
Property Expenses (RM'000)	30,756
Net Property Income (RM'000)	184,219
Occupancy	92%

Portfolio Efficiency Ratio = YTD Property Expenses / YTD Property Income

2019	2018	2017	2016	2015
14.31%	13.66%	15.80%	16.23%	14.56%

PORTFOLIO OVERVIEW

HIGH OCCUPANCY RATE WITH INCOME VISIBILITY

Lease Expiry By Location

Property	Year 2019	% of Total NLA	% of Rental Income/month	Year 2020	% of Total NLA	% of Rental Income/month	Year 2021	% of Total NLA	% of Rental Income/month
Petaling Jaya	602,715	6.35	12.18	595,064	6.27	10.33	476,711	5.02	9.03
Shah Alam	526,567	5.55	5.06	412,015	4.34	4.22	523,447	5.51	5.50
Johor	171,000	1.80	1.79	468,936	4.94	3.25	474,539	5.00	3.96
Nilai	291,642	3.07	1.41						
Penang	395,225	4.16	3.22	205,151	2.16	2.60			
Kedah	138,000	1.45	1.87						
TOTAL	2,125,149	22.38	25.51	1,681,166	17.71	20.40	1,474,697	15.53	18.49

Lease Expiry By Type

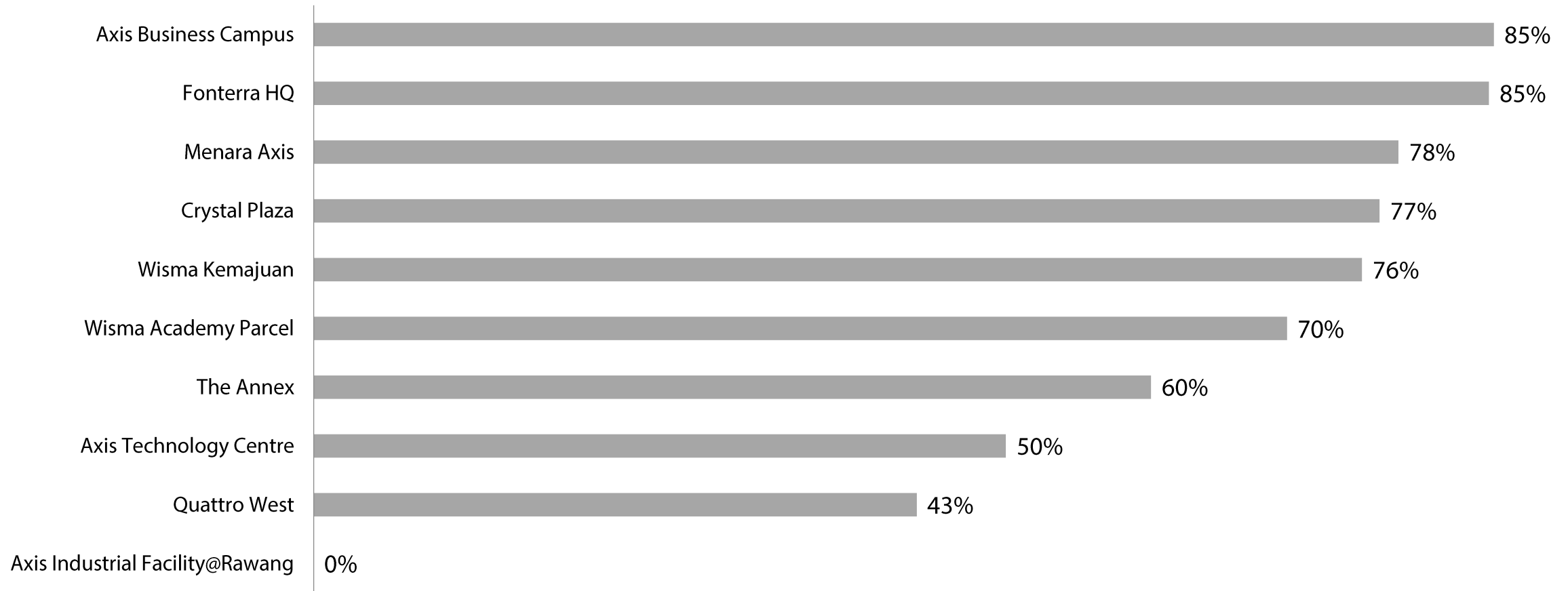
Property	Year 2019	% of Total NLA	% of Rental Income/month	Year 2020	% of Total NLA	% of Rental Income/month	Year 2021	% of Total NLA	% of Rental Income/month
Office	199,499	2.10	6.05	126,359	1.33	3.11	116,091	1.22	3.27
Office Industrial	403,216	4.25	6.12	468,705	4.94	7.23	360,620	3.80	5.77
Warehouse Logistics	1,092,792	11.51	10.06	1,086,102	11.44	10.06	700,087	7.37	6.48
Manufacturing Facilities	291,642	3.07	1.41				297,899	3.14	2.96
Hypermarket	138,000	1.45	1.87						
TOTAL	2,125,149	22.38	25.51	1,681,166	17.71	20.40	1,474,697	15.53	18.49

Out of 2.13 million square feet of space expiring in 2019, **96%** of leases has been taken up of which 84% are renewals.

PORTFOLIO OVERVIEW

HIGH OCCUPANCY RATE WITH INCOME VISIBILITY

Properties with Occupancy Below 90% as at 31 December 2019

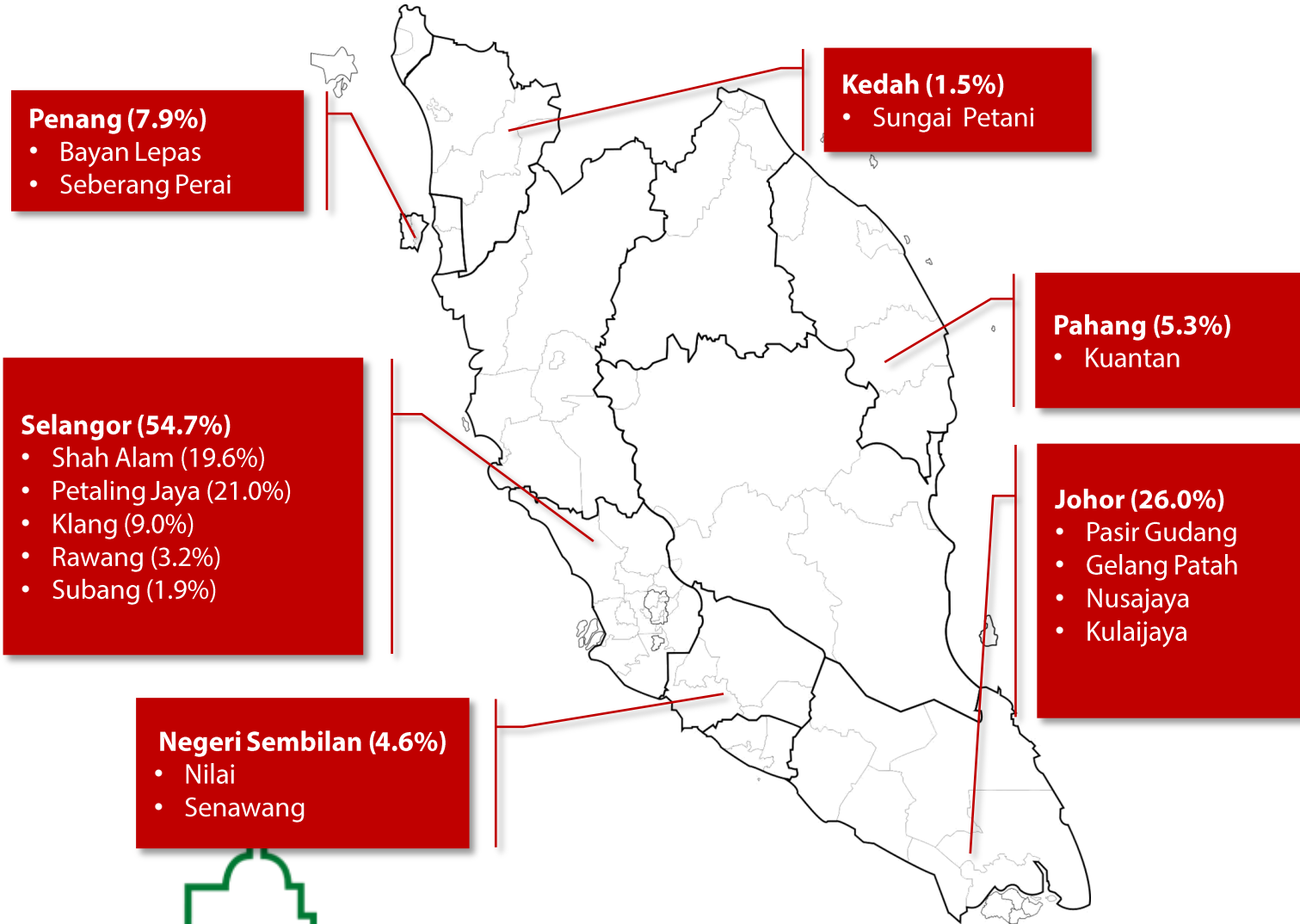


Note:

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

PORTFOLIO OVERVIEW

ESTABLISHED NATIONWIDE FOOTPRINT



Top 10 Tenants

YTD top ten tenants account for 46.36% 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. Northport (Malaysia) Berhad



PORTFOLIO OVERVIEW

ASSET ENHANCEMENT INITIATIVES

Menara Axis

Building Façade Improvement Works: RC slab waterproofing and epoxy treatment



PORTFOLIO OVERVIEW

ASSET ENHANCEMENT INITIATIVES

Seberang Prai Logistics Warehouse 3

Enhancement of sewer, electrical and mechanical system



PORTFOLIO OVERVIEW

AGGRESSIVE PIPELINE TARGETS: COMPLETED PROJECT



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 Fixed term of 20 years and option of 12 years
Market Value (as at 31 Dec 2019):	RM89.5million (RM15.0million fair value gain recognised in 2019)

PORTFOLIO OVERVIEW

AGGRESSIVE PIPELINE TARGETS: DEVELOPMENT PROJECT



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:	RM3,916,479.60 (based on RM36 psf)
Tenure:	30 years

b) Details of lease agreement with FedEx

Net Lettable Area:	44,000 sq ft
Certificate of Practical Completion	30 December 2019
Target Handover Date:	29 February 2020
Construction Time:	5 months
Lease Commencement:	1 March 2020
Gross Development Value (est.):	RM15.77million
Market Value (as at 31 Dec 2019):	RM16.0million

PORTFOLIO OVERVIEW

AGGRESSIVE PIPELINE TARGETS: COMPLETED ACQUISITIONS

Nusajaya Techpark Facility 1, Johor



Nusajaya Techpark 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 :	1H2020
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 :	1H2020
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. Lion Steelworks Facility, Bukit Raja, Klang



Target Completion Date :	1H2020
Gross Floor Area :	149,605 sq. ft.
Land Area :	Approx. 5.6 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM37.0 million
WALE :	Approx. 2.5 years

PORTFOLIO OVERVIEW

AGGRESSIVE PIPELINE TARGETS: ONGOING ACQUISITIONS

5. Manufacturing Facility, Kota Kinabalu, Sabah



Target Completion Date :	2H2020
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

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

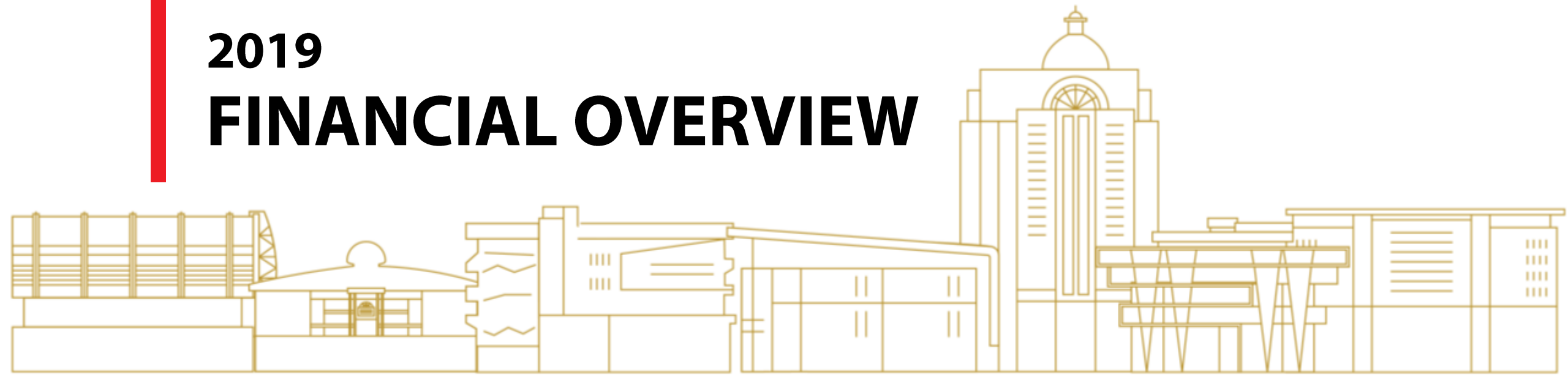
The Manager continues to aggressively source and evaluate potential acquisition targets that are deemed investable by Axis-REIT. The selection of properties will continue to focus on:

- ✓ 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**



2019 FINANCIAL OVERVIEW



FINANCIAL OVERVIEW

SNAPSHOT AS AT 31 DECEMBER 2019



RM3.09bn
Total Assets



RM886 mil
Total Financings



RM2.08bn
Total Unitholder's Funds



RM1.45
Net Asset Value Per Unit



29%
Net Gearing

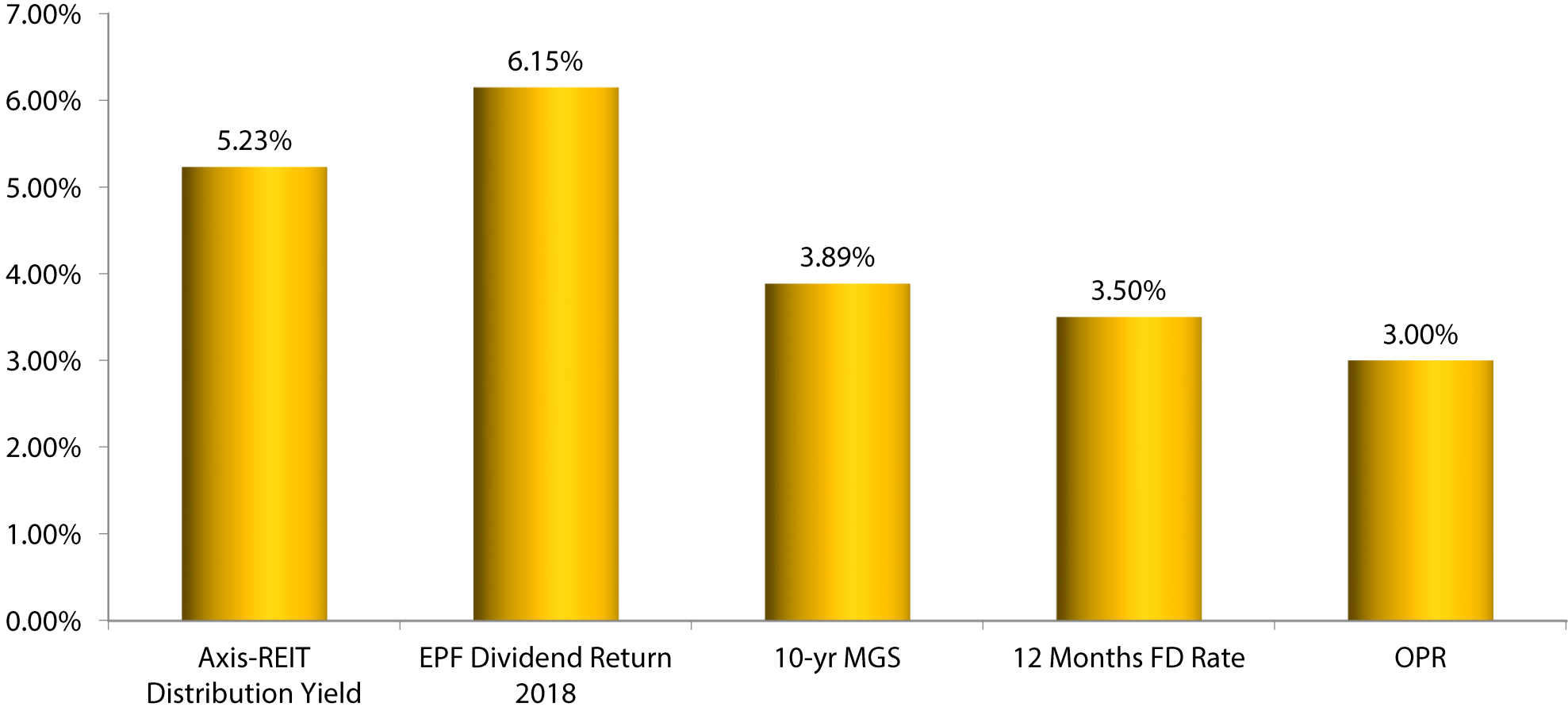


FY2019: 9.26 sen
Distribution Per Unit

1Q2019: 2.35 sen
2Q2019: 2.36 sen
3Q2019: 2.35 sen
4Q2019: 2.20 sen

FINANCIAL OVERVIEW

RETURN COMPARATIVES



FINANCIAL OVERVIEW

INCOME STATEMENT 4Q2019 vs 4Q2018

	4Q2019 (RM'000)	4Q2018 (RM'000)	Changes / Movement
No. of Properties	48	45	+3
Property Income	54,023	59,295	
- Property income before lease incentive adjustment	54,407	52,900	+2.8%
- Lease incentive adjustment (non-distributable)	(384)	6,395	
Property Expenses	(8,183)	(6,950)	+17.7%
Net Property Income	45,840	52,345	
- Property income before lease incentive adjustment	46,224	45,950	+0.6%
- Lease incentive adjustment (non-distributable)	(384)	6,395	
Profit Income / Other Income	559	182	
Non-Property Expenses	(5,265)	(5,252)	+0.2%
Islamic Financing Cost	(11,750)	(11,213)	+4.8%
Net Income	29,384	36,062	
Property income before lease incentive adjustment	29,768	29,667	+0.3%
- Lease incentive adjustment (non-distributable)	(384)	6,395	
DPU (sen)	2.20	2.45	-10.2%
No. of Units in Issuance	1,435,250,288	1,237,285,288	+16.0%

* Note: The above financials exclude unbilled lease income receivable

FINANCIAL OVERVIEW

INCOME STATEMENT YTD2019 vs YTD2018

	YTD2019 (RM'000)	YTD2018 (RM'000)	Changes / Movement
No. of Properties	48	45	+3
Property Income – Note 1	214,975	203,637	
- Property income before lease incentive adjustment	216,005	197,242	+9.51%
- Lease incentive adjustment (non-distributable)	(1,030)	6,395	
Property Expenses – Note 2	(30,756)	(27,827)	+10.53%
Net Property Income	184,219	175,810	
- Property income before lease incentive adjustment	185,249	169,415	+9.35%
- Lease incentive adjustment (non-distributable)	(1,030)	6,395	
Profit Income / Other Income	1434	725	
Non-Property Expenses	(22,114)	(21,272)	+3.96%
Islamic Financing Cost – Note 3	(48,360)	(41,754)	+15.82%
Income Tax Expense	-	(67)	
Net Income	115,179	113,442	
- Property income before lease incentive adjustment	116,209	107,047	+8.56%
- Lease incentive adjustment (non-distributable)	(1,030)	6,395	
DPU (sen)	9.26	8.74	+5.95%
No. of Units in Issuance	1,435,250,288	1,237,285,288	+16.00%

* Note: The above financials exclude unbilled lease income receivable

FINANCIAL OVERVIEW

INCOME STATEMENT YTD2019 vs YTD2018 - 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 2 newly acquired properties completed on 30 September 2019.

Note 2 – Property Expenses

Increase in property expenses was due to additional properties added to the portfolio.

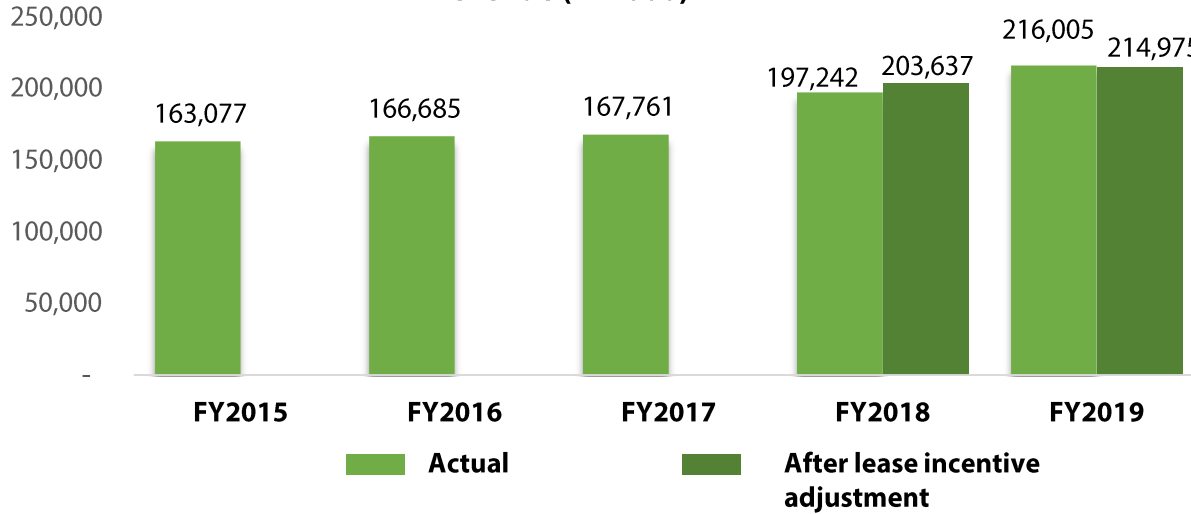
Note 3 – Islamic Financing Cost

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.

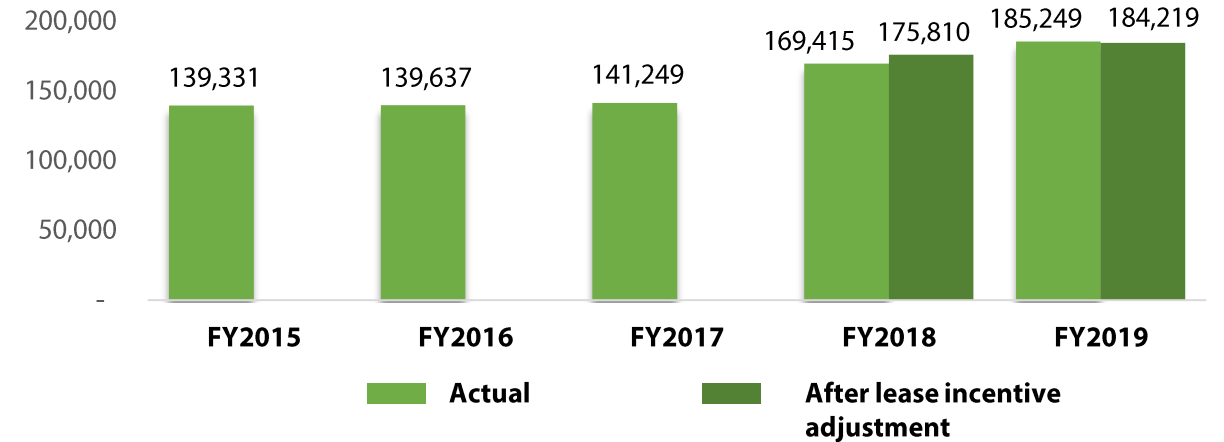
FINANCIAL OVERVIEW

5-YEAR PERFORMANCE

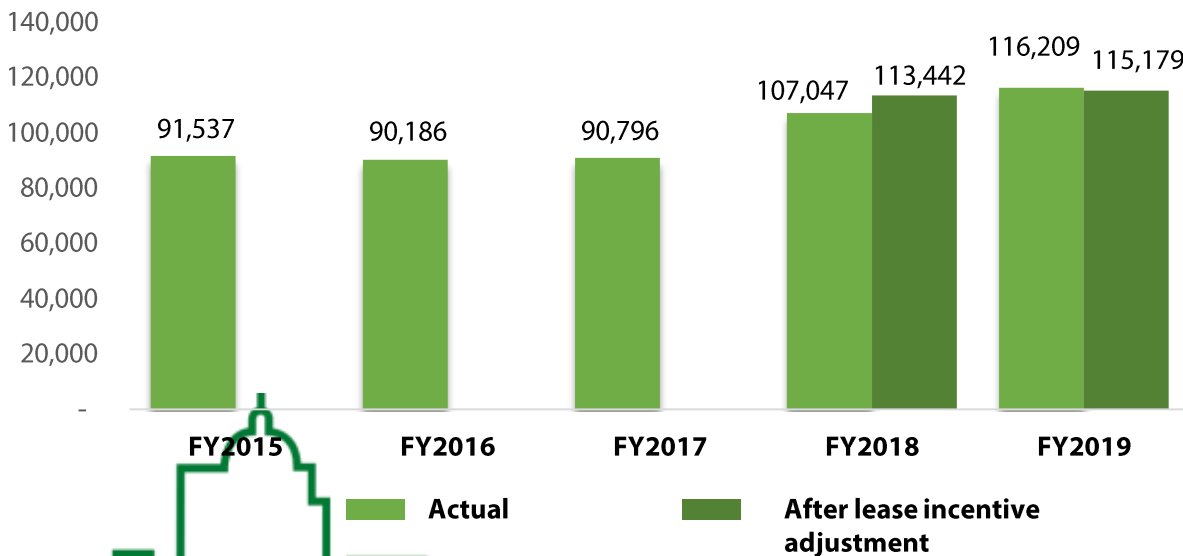
Revenue (RM'000)*



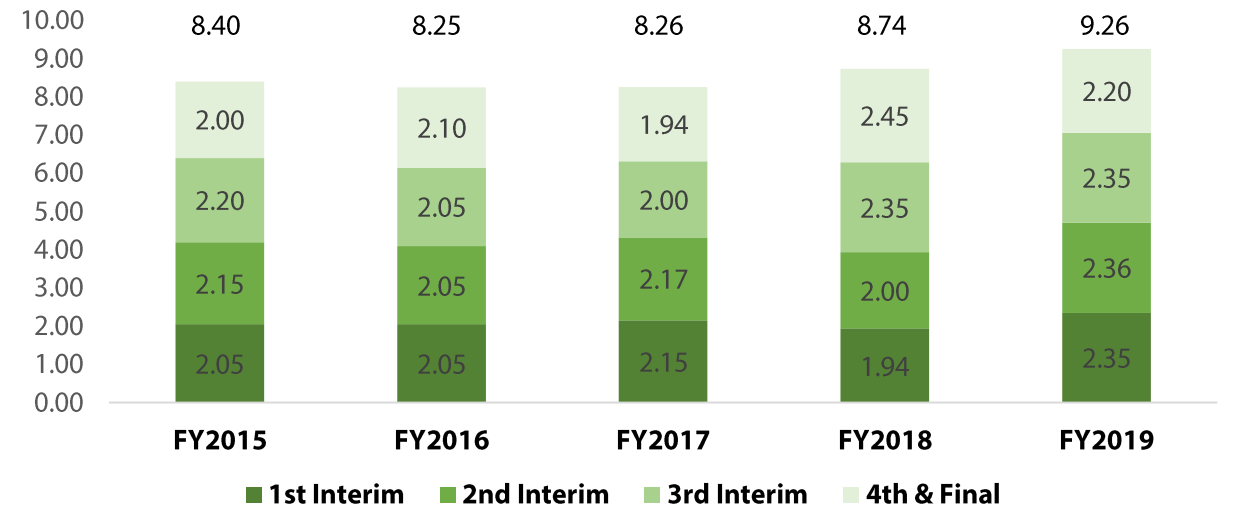
Net Property Income (RM'000)*



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	7.0	9.8
Office Industrial	7.3	9.5
Warehouse Logistics	8.4	9.5
Manufacturing Facilities	7.9	8.7
Hypermarket	8.3	8.9
Average	7.9	9.2



FINANCIAL OVERVIEW

FINANCIAL POSITION

	31/12/19 (RM'000)	31/12/18 (RM'000)	Changes (RM'000)
Investment Properties – Note 1	2,990,610	2,798,500	+192,110
Fixed Assets	3,201	3,021	+180
Other Assets – Note 2	91,870	38,942	+52,928
TOTAL ASSETS	3,085,681	2,840,463	+245,218
Borrowings	885,859	1,059,367	-173,508
Other Payables	112,443	112,613	-171
Deferred Tax Liability	8,615	4,402	+ 4,213
TOTAL LIABILITIES	1,006,917	1,176,382	-169,465
NET ASSET VALUE (NAV)	2,078,764	1,664,081	+414,683
Unitholders' Capital – Note 3	1,583,791	1,247,069	+336,722
Undistributed Distributable Income	16,094	32,192	-16,098
Non-Distributable Reserve	478,879	384,820	+94,059
TOTAL UNITHOLDERS' FUND	2,078,764	1,664,081	+414,683
GEARING	28.71%	37.30%	
NAV/UNIT (RM)	1.4484	1.3449	
No. of units in issuance	1,435,250,288	1,237,285,288	

FINANCIAL OVERVIEW

NOTES - FINANCIAL POSITION

Note 1 – Investment Properties

The acquisition of Nusajaya Tech Park Facility 1 and Nusajaya Tech Park Facility 2 completed on 30 September 2019 at RM55.8 million and the development project for Axis Facility @ Batu Kawan has been substantially completed on 30 December 2019.

During the period ended 31 December 2019, a total of RM9.1 million was spent on enhancement works of the properties in the portfolio and RM20.4 million was incurred for both the development project i.e. Axis Aerotech Centre Project and Axis Facility @ Batu Kawan.

Portfolio recognised RM101.6 million revaluation gain for 2019.

Note 2 – Other Assets

The average collection of trade receivables as at 31 December 2019 was 7 days.

Note 3 – Unitholders' Capital

A total of net proceeds of RM336.7 million raised from the issuance of 197,965,000 new placement units at issue price of RM1.72 pursuant to the placement exercises implemented in November 2019 and December 2019, respectively.

The fund size has increased from 1,237,285,288 units to 1,435,250,288 units post the placement exercises.

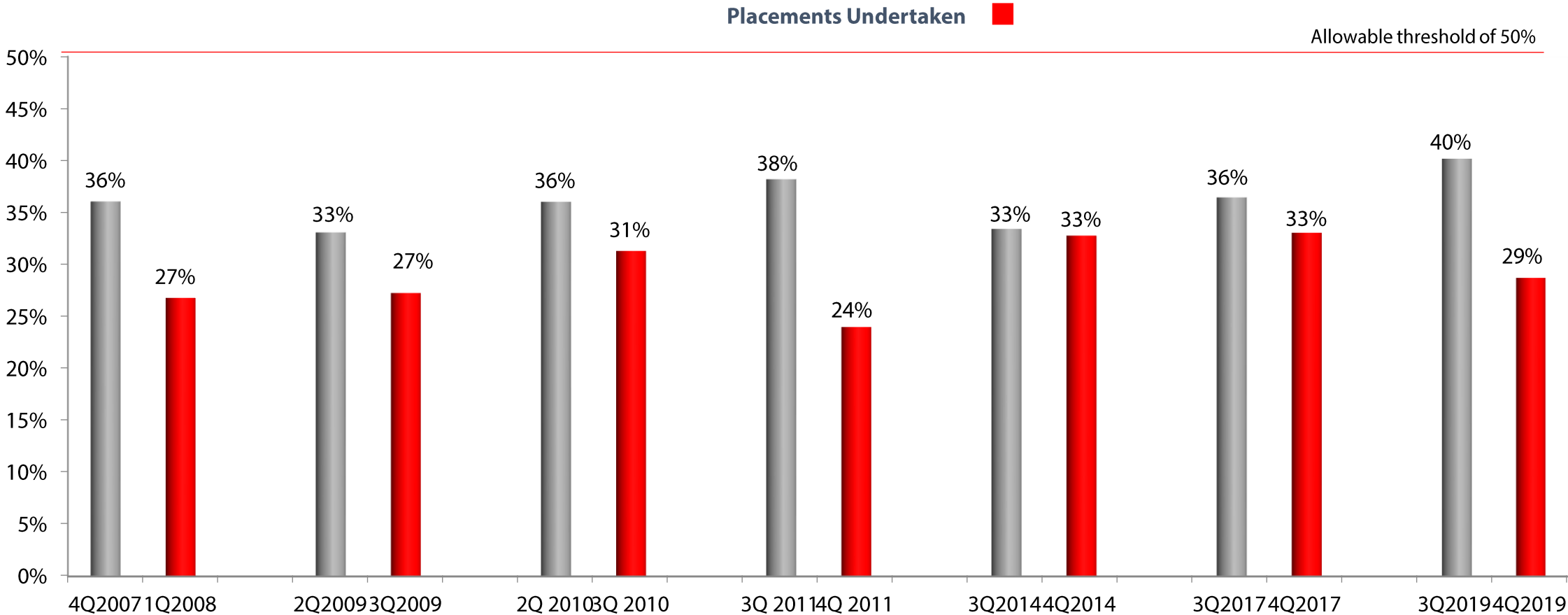
FINANCIAL OVERVIEW

NOTE 3 - 5-YEAR DEBT PROFILE

	2015	2016	2017	2018	2019
Total Financing (RM'000)	731,814	780,665	842,594	1,059,367	885,859
Total Assets (RM'000)	2,141,493	2,244,274	2,549,609	2,840,463	3,085,681
Gearing	34.17%	34.78%	33.05%	37.30%	28.71%
Effective Profit Rate	4.28%	4.25%	4.21%	4.32%	4.37%
Percentage of short term financing-Maturity < 1 Year	55%	58%	71%	77%	43%
Percentage of medium/ long term financing (maturity more than 1 year)	45%	42%	29%	23%	57%
Percentage of floating rate financing	50%	53%	63%	69%	21%
Percentage of fixed rate financing	50%	47%	37%	31%	79%
Total unencumbered assets	10	15	15	19	16
Percentage of unencumbered assets/total assets (value)	26%	30%	27%	28%	27%

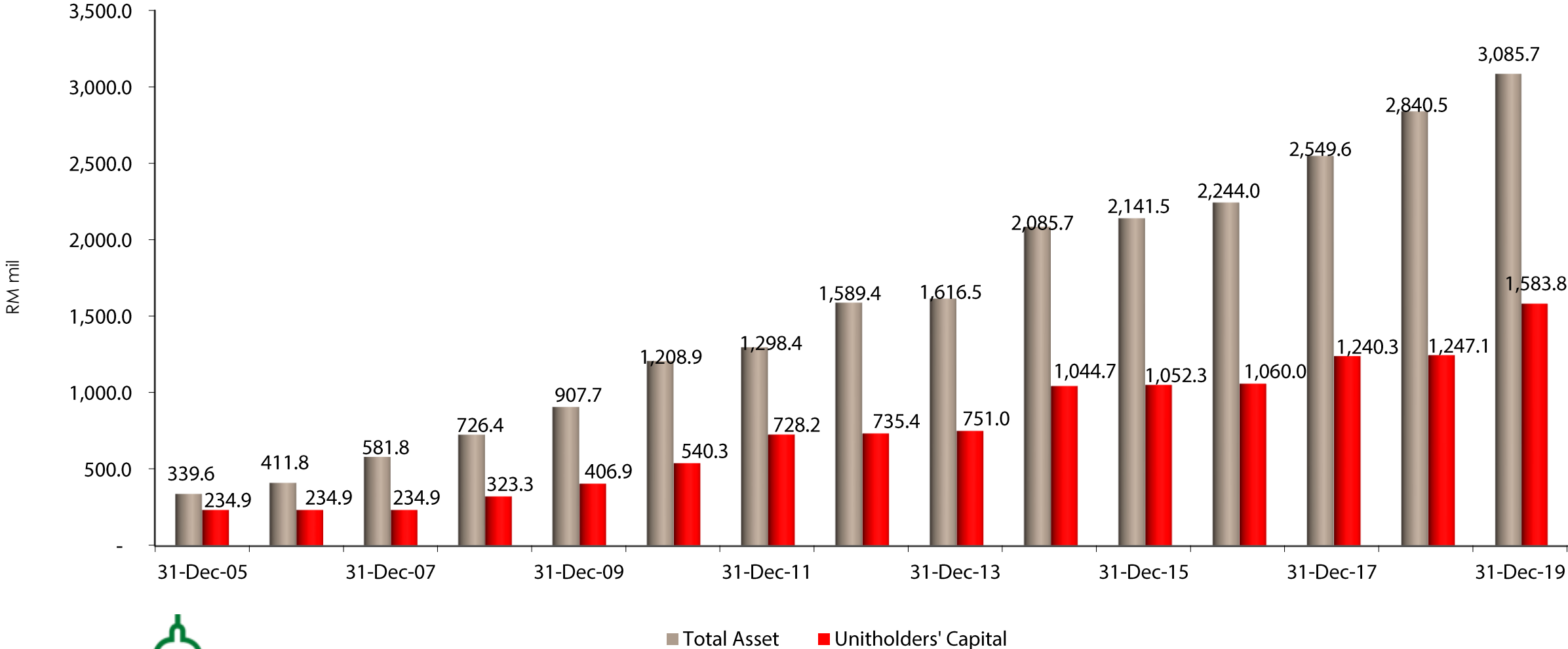
FINANCIAL OVERVIEW

GEARING LEVELS



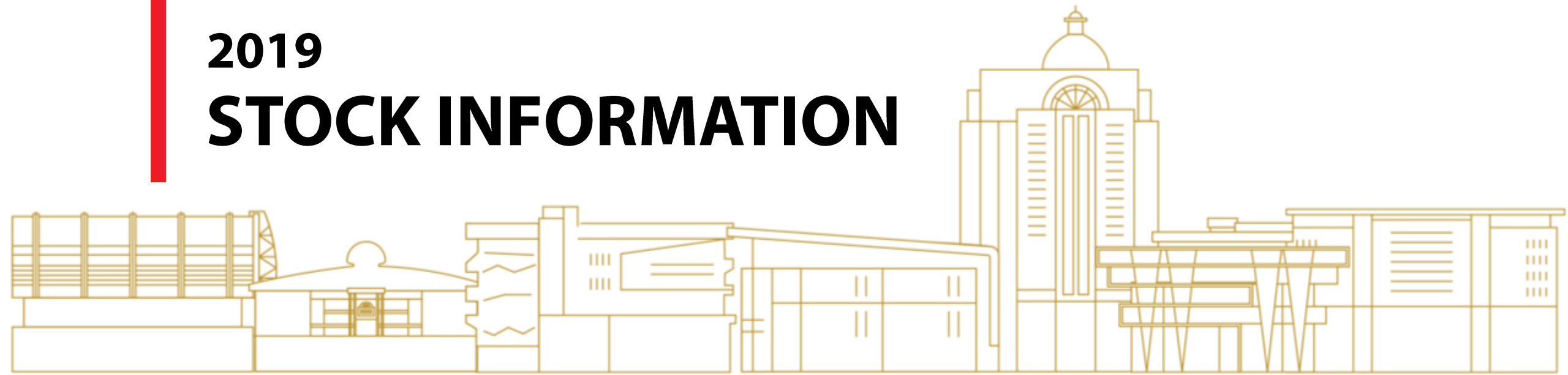
FINANCIAL OVERVIEW

UNITHOLDERS' CAPITAL





2019 STOCK INFORMATION



STOCK INFORMATION

TOP 10 UNITHOLDERS*

	Name of Unitholder	%
1	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	9.36%
2	EMPLOYEES PROVIDENT FUND BOARD	8.49%
3	LEMBAGA TABUNG HAJI	4.74%
4	TEW PENG HWEE @ TEOH PENG HWEE	3.94%
5	ALEX LEE LAO	3.69%
6	EXEMPT AN FOR AIA BHD.	3.63%
7	AMANAH SAHAM BUMIPUTERA	2.75%
8	EMPLOYEES PROVIDENT FUND BOARD (AMUNDI)	2.09%
9	PUBLIC SMALLCAP FUND	1.90%
10	MTRUSTEE BERHAD FOR CIMB ISLAMIC DALI EQUITY GROWTH FUND	1.79%

Holdings Breakdown	Units Held 4Q2019	Units Held 3Q2019	Movement
Top 5 Unitholders	30.22%	32.96%	-2.75%
Top 10 Unitholders	42.38%	45.86%	-3.48%
Unitholders with >2 million unitholdings	80.28%	84.61%	-4.33%

*Based on CDS accounts on non-consolidated basis

STOCK INFORMATION

ANALYSIS OF UNITHOLDERS WITH >2 MILLION UNITS

Top 5 Increases in Unitholdings	Changes vs Last Quarter
PERMODALAN NASIONAL BERHAD	1.3%
HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (LIFE PAR)	0.5%
CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	0.5%
PAMB FOR PRULINK DANA UNGGUL	0.5%
KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	0.3%

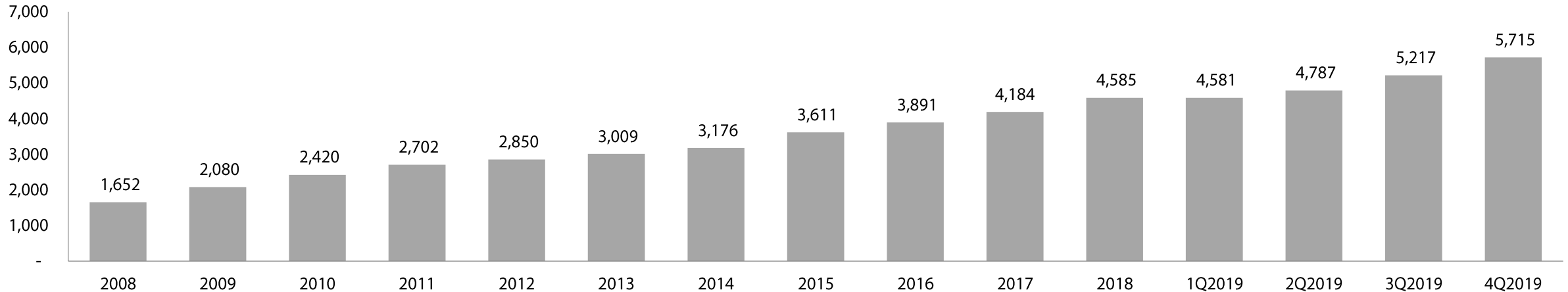
Top 5 Decreases in Unitholdings	Changes vs Last Quarter
EMPLOYEES PROVIDENT FUND	-1.5%
ALEX LEE LAO	-0.6%
TEW PENG HWEE @ TEOH PENG HWEE	-0.6%
FOR BANK KERJASAMA RAKYAT MALAYSIA BERHAD	-0.6%
LEMBAGA TABUNG HAJI	-0.4%



STOCK INFORMATION

INVESTOR VISIBILITY & LIQUIDITY

Number of CDS Accounts



	Units Held 4Q2019	Units Held 3Q2019	Movement
Total no. of unitholders	5,715	5,217	498
Total foreign holdings	10.67%	12.06%	-1.39%
Foreign holdings – related-party	6.31%	7.23%	-0.92%
Foreign holdings – non-related-party	4.36%	4.83%	-0.47%
Promoters	10.97%	12.63%	-1.67%

THANK YOU

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



YOUR
Business Space
PARTNER