



AXIS REAL ESTATE INVESTMENT TRUST

Results Presentation 4Q2021

20 January 2022

HIGHLIGHTS

PORTFOLIO
OVERVIEW

FINANCIAL
OVERVIEW

STOCK
INFORMATION



HIGHLIGHTS



HIGHLIGHTS



58 properties on portfolio
48 properties with 100% occupancy



Portfolio Occupancy of 96% (as at 31/12/2021)
Weighted Average Lease Expiry of 5 years



Total Assets Under Management
RM3.84 billion



Reclassified as Islamic REIT in 2008



Space Under Management
11.4 million sq ft



Total Distribution Per Unit YTD 2021
9.49 sen



Financing Ratio
31%



Market Capitalization (as at 31/12/2021)
RM3.17 billion



Solid industrial space portfolio
92% of properties on industrial titles



Nationwide presence across Malaysia

PORTFOLIO HIGHLIGHTS

1Q2021

- ▶ 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.

4Q2021

- ▶ Completed the acquisition of Xin Hwa Warehouse @ Pasir Gudang, Johor for RM75.0 million on 21 October 2021.
- ▶ Signed the Sale and Purchase Agreement to acquire a warehouse located in Pasir Gudang, Johor for RM32.0 million on 25 October 2021.
- ▶ Acceptance of Letter of Offer to acquire a manufacturing facility located in Kulai, Johor for RM16.3 million.

PORTFOLIO HIGHLIGHTS

4Q2021

- ▶ Approximately 1.8 million sq. ft. of space locked in through tenancy renewals and new tenants secured.
- ▶ Achieved 5.6% positive rental reversion for the year from tenancy renewals and contracted step-ups.
- ▶ Portfolio size increased by 5 to a total of 58 properties.

FINANCIAL HIGHLIGHTS

- ▶ DPU increased by 8.5% to 9.49 sen for YTD2021(DPU for YTD2020 was 8.75 sen).
- ▶ NAV per unit increased by 5% to RM1.5462.
- ▶ Traded at a premium of 26% to NAV on 31 December 2021.
- ▶ Investment properties currently stands at RM3.61 billion.
- ▶ Net property income increased by 7.2% for FYE2021 as compared to FYE2020.
- ▶ Realised net income increased by 9% for FYE2021 as compared to FYE2020.
- ▶ Total of RM67.8 million revaluation gain recorded for FYE2021.

FINANCIAL HIGHLIGHTS

- ▶ Completed the Income Distribution Reinvestment Plan (“IDRP”) in conjunction with the payment of 2020 final income distribution on 12 March 2021.
- ▶ Successfully launched our 4th Sukuk of RM210.0 million in September 2021.
- ▶ Successfully concluded 8th placement exercise with the listing of 188,042,597 new units on 20 December 2021.
- ▶ Number of unitholders increased 55% from 6,776 at FYE2020 to 10,521 at FYE2021.

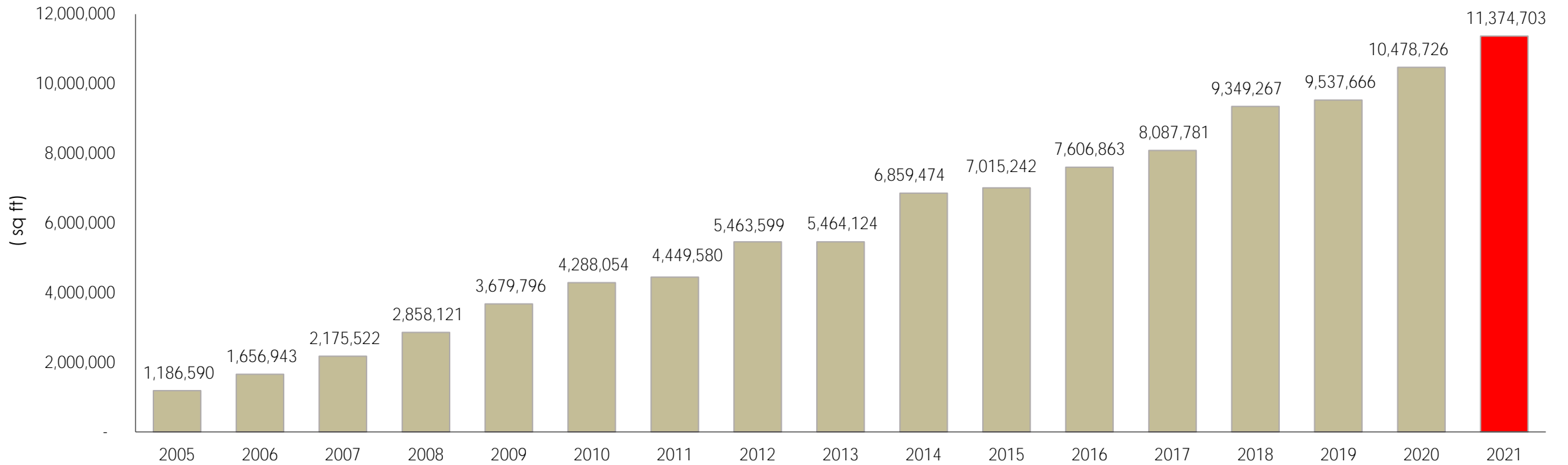


PORTFOLIO OVERVIEW



PORTFOLIO OVERVIEW

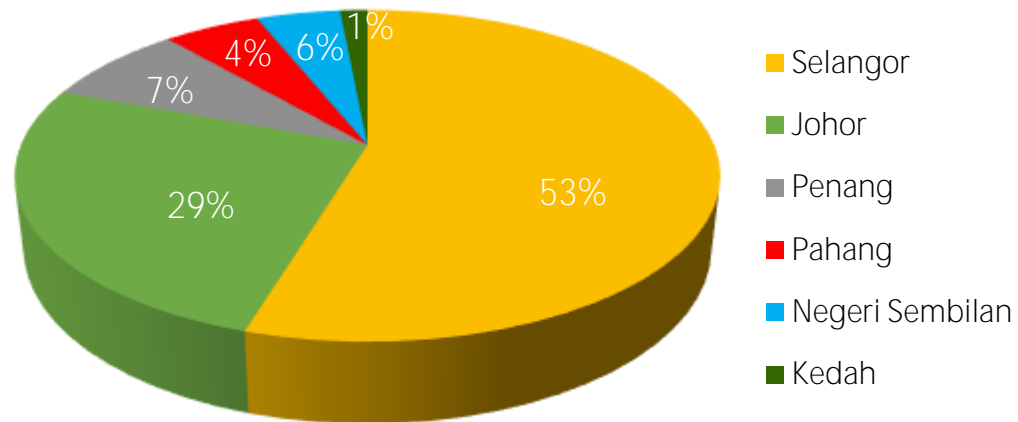
Space Under Management (sq ft)



PORTFOLIO OVERVIEW

- ✓ Our 58 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.

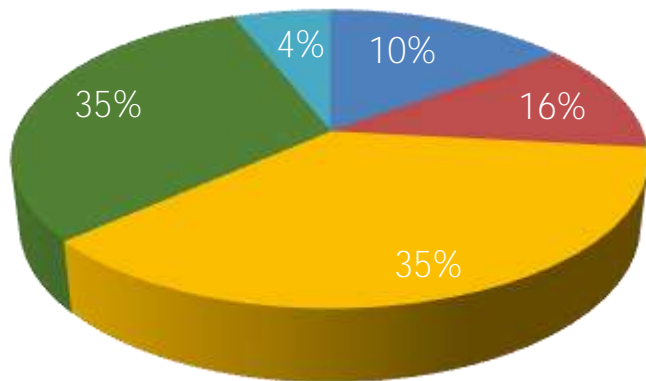
Portfolio Diversification by Location (on NLA)



PORTFOLIO OVERVIEW

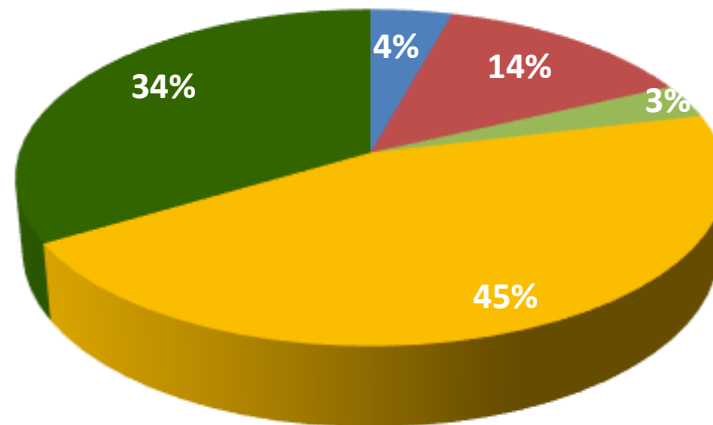
Portfolio Diversification by Industry Sector (on NLA)

- Services
- Manufacturing
- Vacant
- Consumer Products
- Logistics



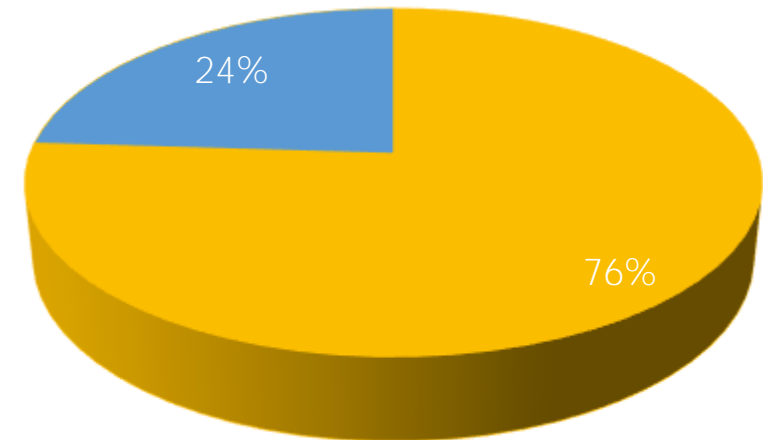
Portfolio Diversification by Asset Type (on NLA)

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



Portfolio Diversification by Occupancy Type (on NLA)

- Single Tenant
- Multi Tenants



PORTFOLIO OVERVIEW

As at 31 December 2021, the portfolio has 58 assets comprising 11,374,703 sq. ft. and 152 tenants.

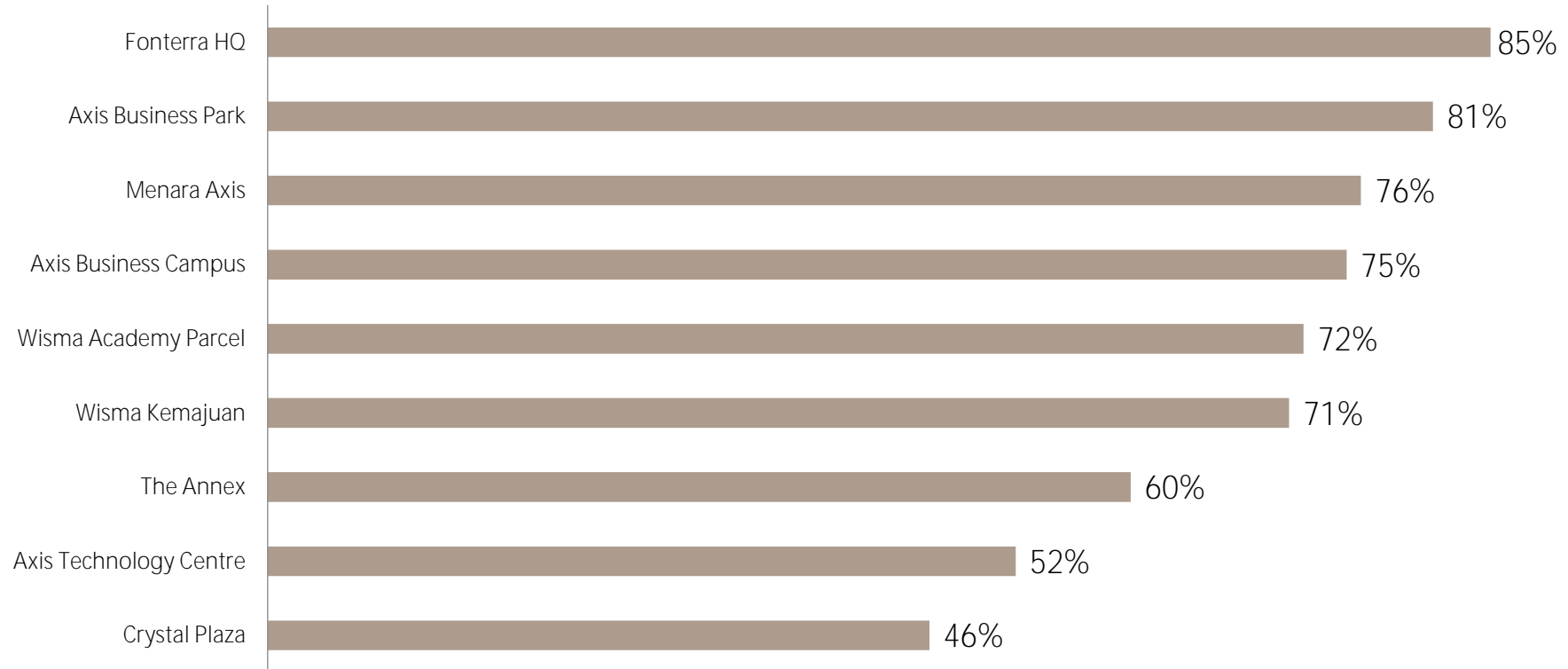
	2021
No. of Properties	58
Property Income (RM'000)	241,605
Property Expenses (RM'000)	33,314
Net Property Income (RM'000)	208,291
Occupancy	96%

Portfolio Efficiency Ratio = YTD Property Expenses / YTD Property Income

2021	2020	2019	2018	2017
13.79%	15.05%	14.31%	13.66%	15.80%

PORTFOLIO OVERVIEW

PROPERTIES WITH OCCUPANCY BELOW 90% AS AT 31 DECEMBER 2021



Notes:

- 1. Vacant space in Fonterra HQ is built for their future expansion*
- 2. 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	5.12	0.80	571,347	5.03	0.73	441,171	3.88	0.52
Shah Alam	612,547	5.39	0.47	892,303	7.84	0.61	649,225	5.71	0.49
Klang	-	-	-	149,605	1.32	0.10	-	-	-
Johor	772,475	6.79	0.41	514,924	4.53	0.28	-	-	-
Nilai	-	-	-	291,642	2.56	0.11	-	-	-
Penang	-	-	-	395,225	3.47	0.24	205,151	1.80	0.21
TOTAL	1,967,970	17.30	1.68	2,815,046	24.75	2.07	1,295,547	11.39	1.22

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	1.17	0.28	119,195	1.05	0.19	38,464	0.34	0.07
Office Industrial	448,889	3.95	0.52	482,402	4.24	0.59	402,707	3.54	0.45
Warehouse Logistics	1,087,123	9.56	0.66	1,394,648	12.26	0.85	813,315	7.15	0.67
Manufacturing Facilities	297,899	2.62	0.22	818,801	7.20	0.44	41,061	0.36	0.03
Hypermarket	-	-	-	-	-	-	-	-	-
TOTAL	1,967,970	17.30	1.68	2,815,046	24.75	2.07	1,295,547	11.39	1.22

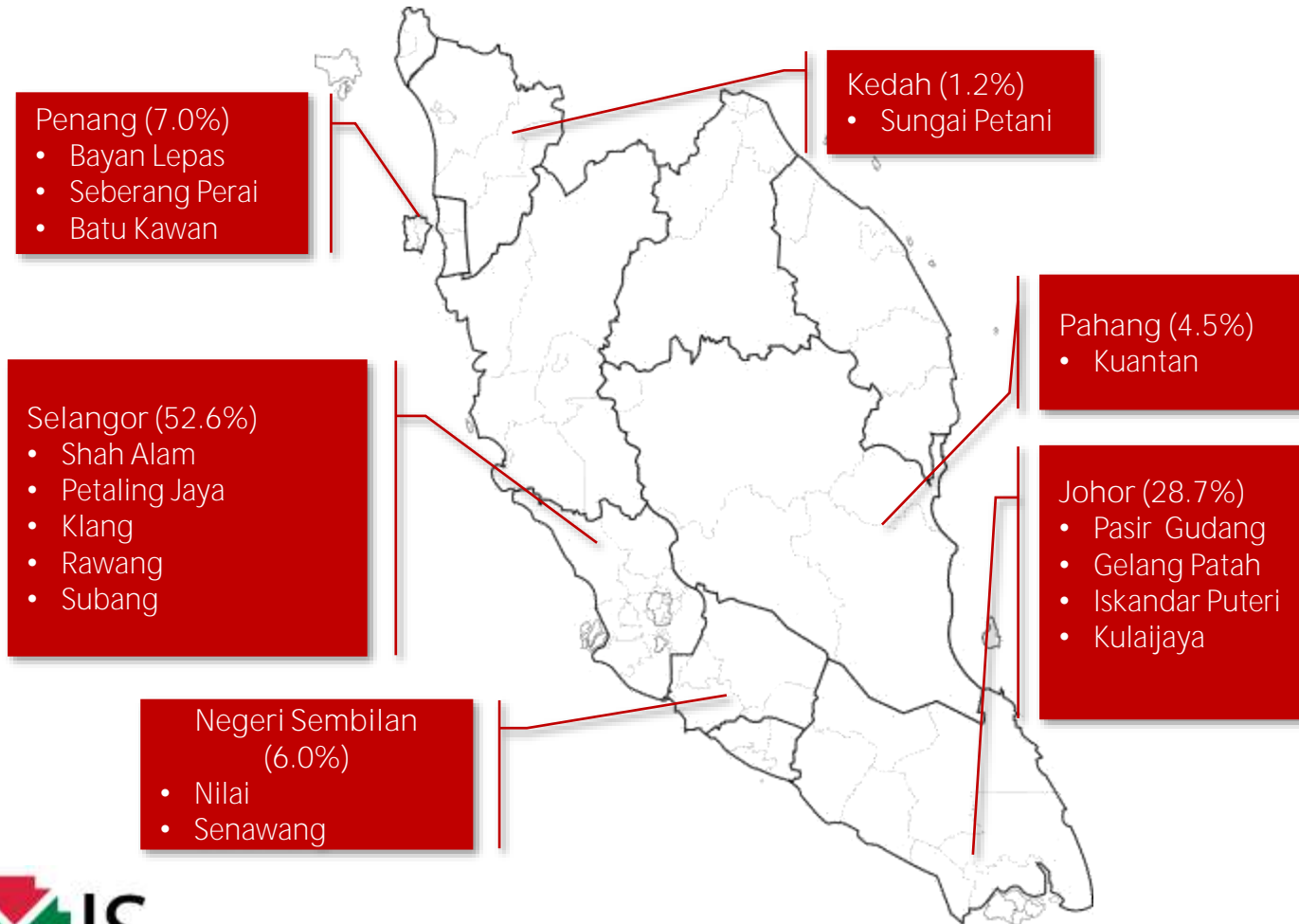
Out of 1.96 million sq. ft. of space expiring in 2021, 89% have been renewed and secured replacement tenants for 2% space.

PORTFOLIO OVERVIEW

ESTABLISHED NATIONWIDE FOOTPRINT

Top 10 Tenants

YTD top ten tenants account for 47% 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



ASSET ENHANCEMENT INITIATIVES

WATER PROOFING WORKS AT ROOFTOP RC SLAB



Quattro West



Strateq Data Centre



Bukit Raja Distribution Centre

ASSET ENHANCEMENT INITIATIVES

FAÇADE PAINTING



Bayan Lepas Distribution Centre



Strateq Data Centre

ASSET ENHANCEMENT INITIATIVES

ENHANCEMENT OF RETAINING WALL ALONG SG. PENCHALA AND DRIVEWAY



Axis Technology Centre

ASSET ENHANCEMENT INITIATIVES

ENHANCEMENT OF FIRE PREVENTION SYSTEM AND CIVIL WORKS



D8 Warehouse, PTP



ASSET ENHANCEMENT INITIATIVES

NEW AIR CONDITIONING SYSTEM



Crystal Plaza



ASSET ENHANCEMENT INITIATIVES

ENHANCEMENT WORKS



Axis Industrial Facility @ Rawang

PORTFOLIO OVERVIEW

UPCOMING 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	: RM130.0 million (excluding land value)

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. 12.80 acres
Land Tenure :	Sublease
Occupancy :	100%
Purchase Price :	RM32.0 million
WALE at Acquisition :	Approx. 3 years

2. Manufacturing Facility, Johor



Target Completion Date :	1H2022
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

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
RM400 million**



FINANCIAL OVERVIEW



FINANCIAL OVERVIEW

SNAPSHOT AS AT 31 DECEMBER 2021



RM3.84 billion
Total Assets



RM1.18 billion
Total Financing



RM2.53 billion
Total Unitholder's Funds



RM1.55
Net Asset Value Per Unit



31%
Financing Ratio

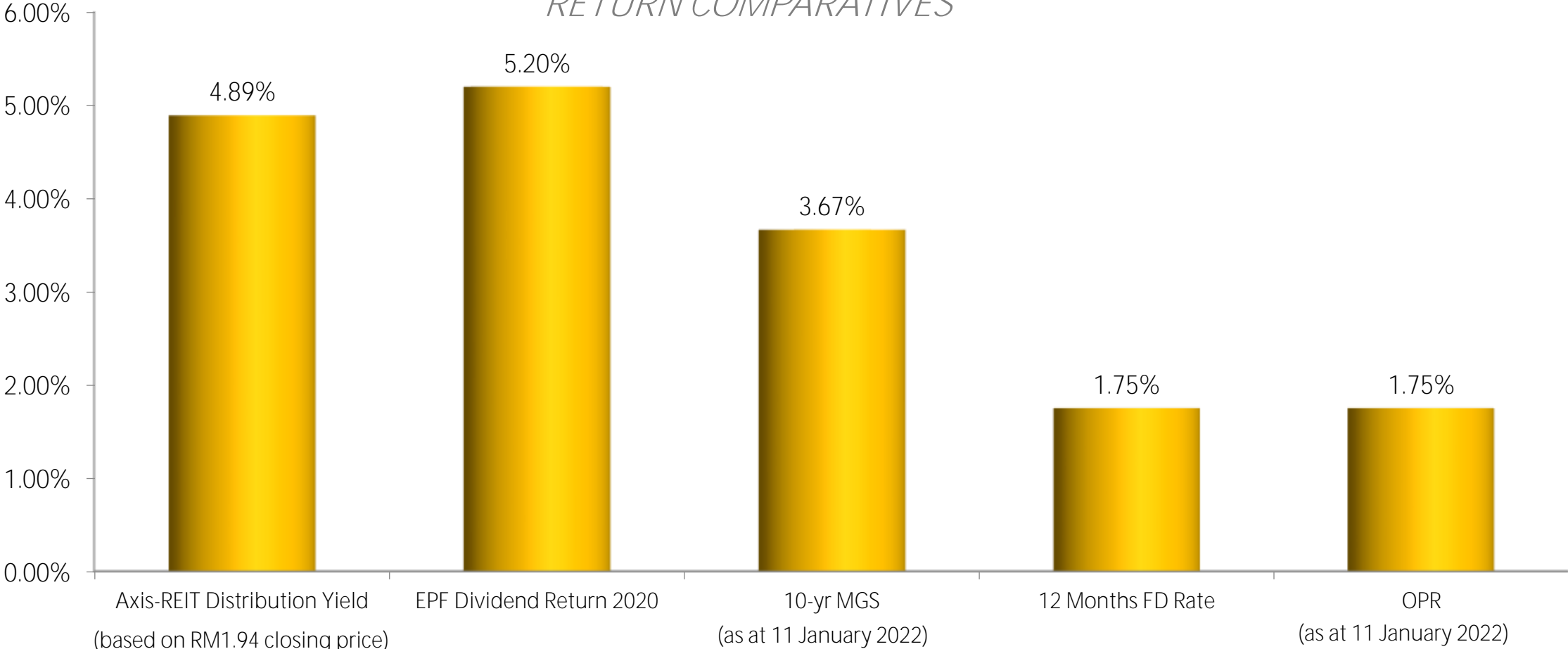


FY2021: 9.49 sen
Distribution Per Unit

1Q2021: 2.23 sen
2Q2021: 2.40 sen
3Q2021: 2.45 sen
4Q2021: 2.41 sen
Distribution Per Unit

FINANCIAL OVERVIEW

RETURN COMPARATIVES



FINANCIAL OVERVIEW

INCOME STATEMENT 4Q2021 vs 4Q2020

	4Q2021 (RM'000)	4Q2020 (RM'000)	Changes / Movement
No. of Properties	58	53	+5
Property Income	62,558	57,373	
Property Income - Property income before lease incentive adjustment	63,061	57,566	+9.5%
- Lease incentive adjustment (non-distributable)	(503)	(193)	
Property Expenses	(8,781)	(8,645)	+1.6%
Net Property Income	53,777	48,728	+10.4%
- Property income before lease incentive adjustment	54,280	48,921	+11.0%
- Lease incentive adjustment (non-distributable)	(503)	(193)	
Profit Income / Other Income	384	141	
Non-Property Expenses	(5,385)	(6,466)	-16.7%
Islamic Financing Cost	(12,358)	(10,257)	+20.5%
Net Income	36,418	32,146	+13.3%
- Property income before lease incentive adjustment	36,921	32,339	+14.2%
- Lease incentive adjustment (non-distributable)	(503)	(193)	
DPU (sen)	2.41	2.25	+7.1%
No. of Units in Issuance	1,634,524,115	1,442,331,296	+13.3%

* Note: The above financials exclude unbilled lease income receivable

FINANCIAL OVERVIEW

INCOME STATEMENT YTD 2021 vs YTD 2020

	YTD 2021 (RM'000)	YTD 2020 (RM'000)	Changes / Movement
No. of Properties	58	53	+5
Property Income – Note 1	241,605	224,064	
Property Income - Property income before lease incentive adjustment	242,747	224,712	+8.0%
- Lease incentive adjustment (non-distributable)	(1,142)	(648)	
Property Expenses – Note 2	(33,314)	(33,716)	-1.2%
Net Property Income	208,291	190,348	+9.4%
- Property income before lease incentive adjustment	209,433	190,996	+9.7%
- Lease incentive adjustment (non-distributable)	(1,142)	(648)	
Profit Income / Other Income	804	875	
Non-Property Expenses	(27,183)	(26,772)	+1.5%
Islamic Financing Cost – Note 3	(45,701)	(39,513)	+15.7%
Net Income	136,211	124,938	+9.0%
Property income before lease incentive adjustment	137,353	125,586	+9.4%
- Lease incentive adjustment (non-distributable)	(1,142)	(648)	
DPU (sen)	9.49	8.75	+8.5%
No. of Units in Issuance	1,634,524,115	1,442,331,296	+13.3%

* Note: The above financials exclude unbilled lease income receivable

FINANCIAL OVERVIEW

INCOME STATEMENT YTD 2021 vs YTD 2020 - 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 the positive rental reversion recorded for the period. During YTD 2021, the amount of seasonal and visitor carpark income registered a drop due to MCOs.

Note 2 – Property Expenses

The lower property expenses was due to lower maintenance cost.

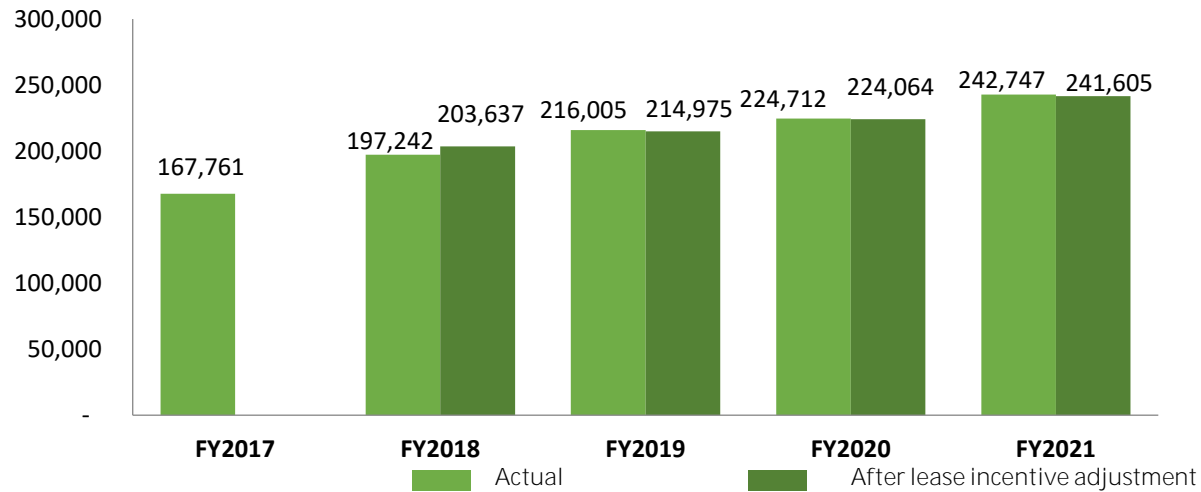
Note 3 – Islamic Financing Cost

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

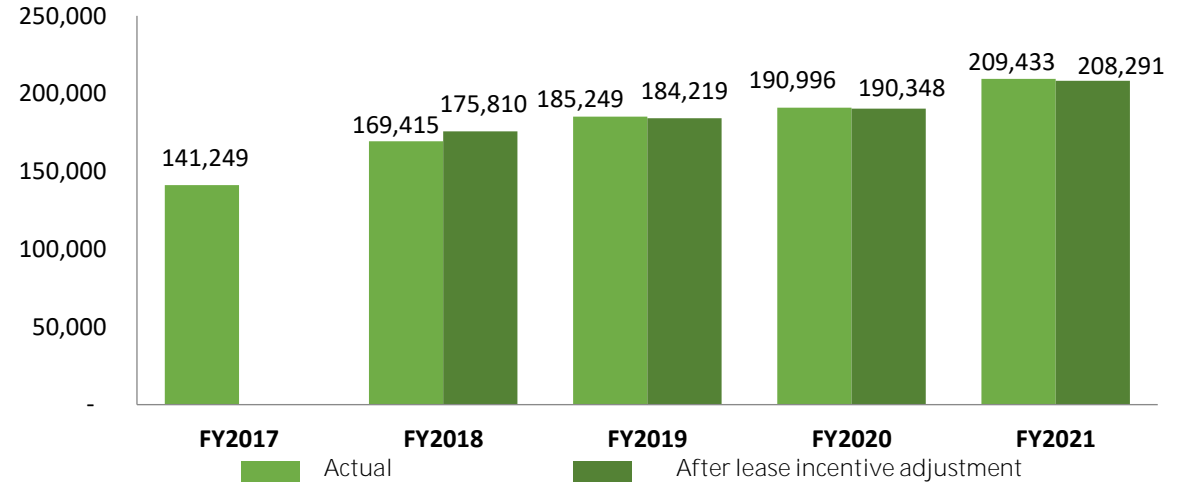
FINANCIAL OVERVIEW

5-YEAR PERFORMANCE

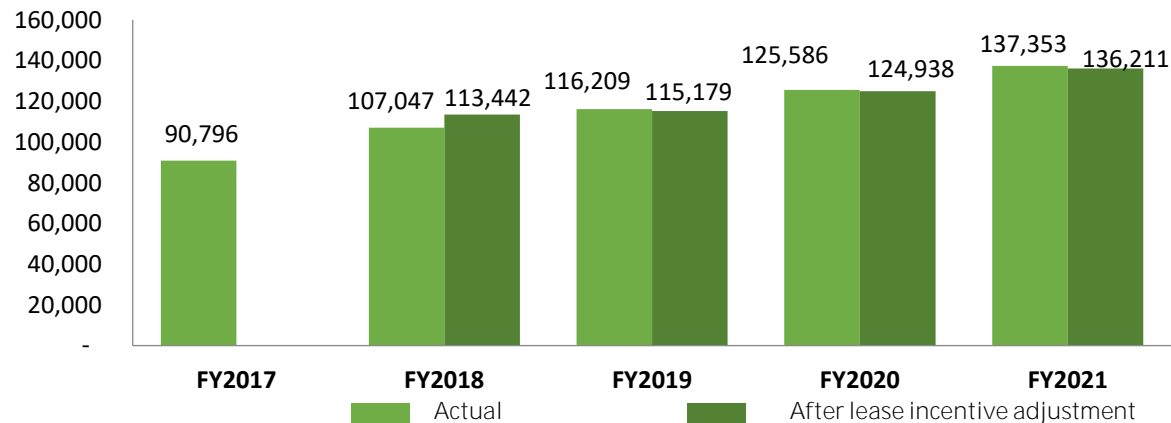
Revenue (RM'000)*



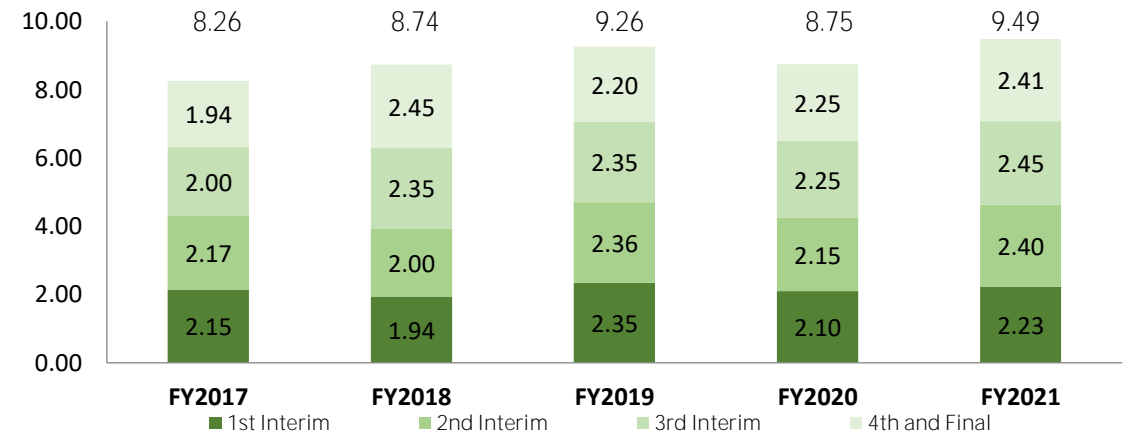
Net Property Income (RM'000)*



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	9.0
Manufacturing Facilities	7.6	8.4
Hypermarket	8.2	8.8
Average	7.5	8.7

FINANCIAL OVERVIEW

FINANCIAL POSITION

	31/12/21 (RM'000)	31/12/20 (RM'000)	Changes (RM'000)
Investment Properties – Note 1	3,614,230	3,280,240	+333,990
Fixed Assets	2,410	2,870	-460
Other Assets – Note 2	222,120	80,973	+141,147
TOTAL ASSETS	3,838,760	3,364,083	+474,677
Financing – Note 4	1,184,593	1,112,183	+72,410
Other Payables	114,049	119,774	-5,725
Deferred Tax Liability	12,797	9,122	+3,675
TOTAL LIABILITIES	1,311,439	1,241,079	+70,360
NET ASSET VALUE (NAV)	2,527,321	2,123,004	+404,317
Unitholders' Capital – Note 3	1,934,322	1,595,506	+ 338,816
Undistributed Distributable Income	32,841	31,493	+1,348
Non-Distributable Reserve	560,158	496,005	+64,153
TOTAL UNITHOLDERS' FUND	2,527,321	2,123,004	+404,317
FINANCING RATIO	30.86%	33.06%	
NAV/UNIT (RM)	1.5462	1.4719	
No. of units in issuance	1,634,524,115	1,442,331,296	

FINANCIAL OVERVIEW

NOTES - FINANCIAL POSITION

Note 1 – Investment Properties

During the year, a total of RM39.3 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.

Portfolio recognised RM67.8 million revaluation gain for FYE2021.

Acquisitions completed in YTD 2021 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
Xin Hwa Warehouse @ Pasir Gudang	75.0	21-Oct-21
Total	223.2	

FINANCIAL OVERVIEW

NOTES - FINANCIAL POSITION

Note 2 – Other Assets

The balance proceeds from placement of RM137 million will be placed into Islamic deposits in licensed banks pending redemption in January 2022.

The average collection of trade receivables as at 31 December 2021 was 12 days.

Note 3 – Unitholders' Capital

The Fund size increased from 1,442,331,296 units to 1,634,524,115 through the Placement of new units and the implementation of the IDRPs.

- (i) 4,150,222 new units issued pursuant to the IDRPs applicable to the 2020 final income distribution was completed on 12 March 2021; and
- (ii) 188,042,597 new units issued at issue price of RM1.78 pursuant to the placement exercise on 20 December 2021.

FINANCIAL OVERVIEW

NOTE 4: 5-YEAR FINANCING PROFILE

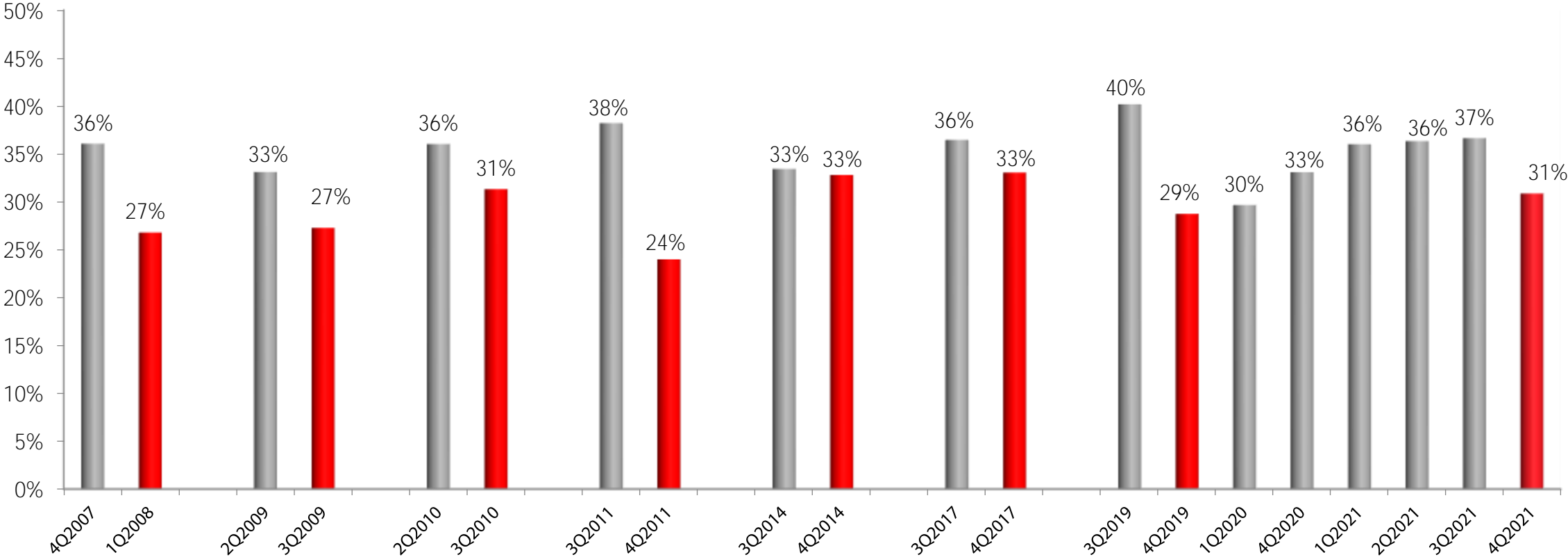
	2017	2018	2019	2020	2021
Total Financing (RM'000)	842,594	1,059,367	885,859	1,112,183	1,184,593
Total Assets (RM'000)	2,549,609	2,840,463	3,085,681	3,364,083	3,838,760
Financing Ratio	33.05%	37.30%	28.71%	33.06%	30.86%
Effective Profit Rate	4.21%	4.32%	4.37%	3.89%	3.63%
Percentage of short term financing-Maturity < 1 Year	71%	77%	43%	55%	47%
Percentage of medium/ long term financing (maturity more than 1 year)	29%	23%	57%	45%	53%
Percentage of floating rate financing	63%	69%	21%	47%	36%
Percentage of fixed rate financing	37%	31%	79%	53%	64%
Total unencumbered assets	15	19	16	25	19
Percentage of unencumbered assets/total assets (value)	27%	28%	27%	44%	29%

FINANCIAL OVERVIEW

FINANCING RATIO

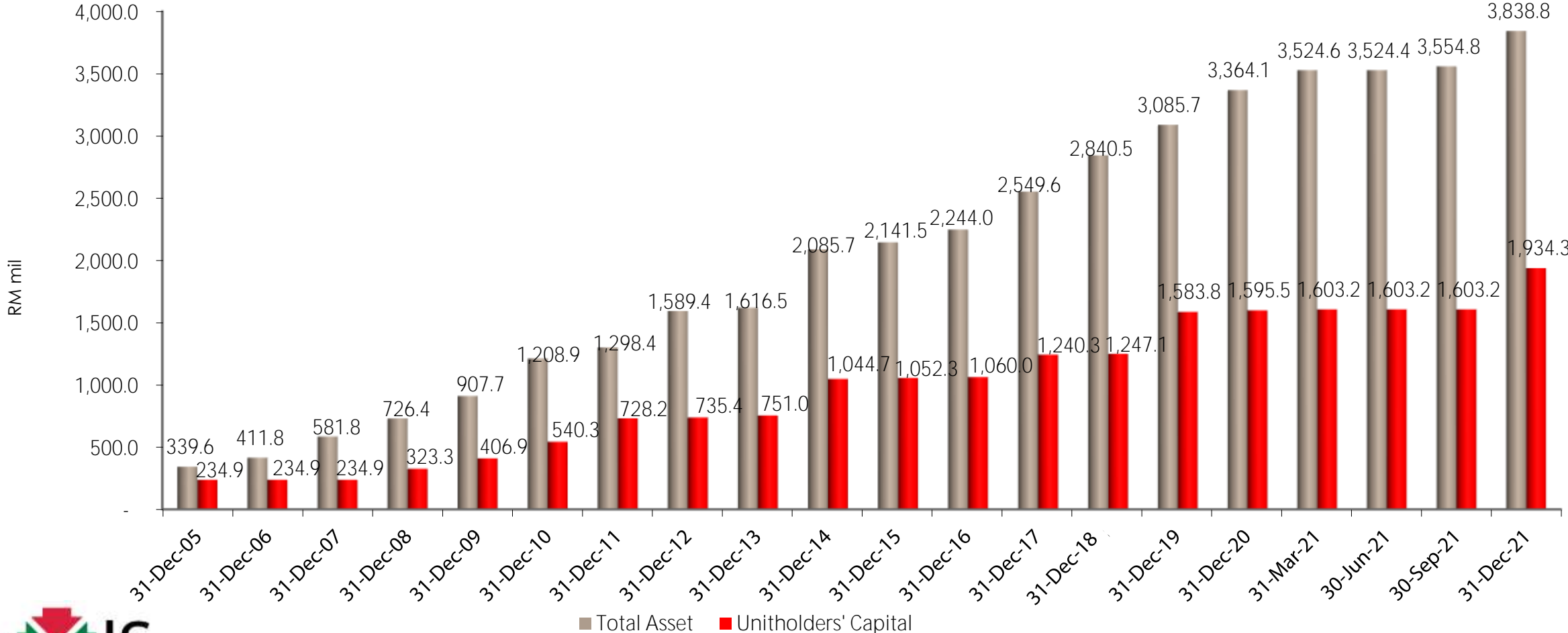
Placements Undertaken ■

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*

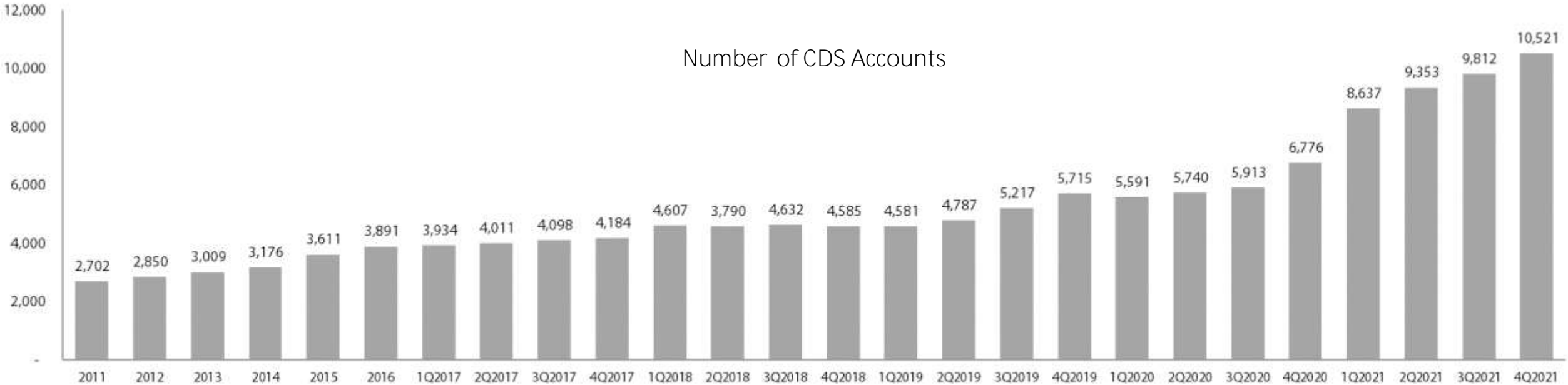
	Name of Unitholder	%
1	EMPLOYEES PROVIDENT FUND BOARD	9.58%
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	8.85%
3	LEMBAGA TABUNG HAJI	4.66%
4	AMANAH SAHAM BUMIPUTERA	3.87%
5	TEW PENG HWEE @ TEOH PENG HWEE	3.50%
6	ALEX LEE LAO	3.30%
7	EXEMPT AN FOR AIA BHD.	2.25%
8	EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	2.21%
9	PUBLIC ITTIKAL SEQUEL FUND	1.92%
10	PUBLIC SMALLCAP FUND	1.68%

Holdings Breakdown	Units Held 4Q2021	Units Held 3Q2021	Movement
Top 5 Unitholders	30.47%	31.08%	-0.61%
Top 10 Unitholders	41.84%	43.23%	-1.39%
Unitholders with >2 million unitholdings	85.35%	84.74%	0.61%

*Based on CDS accounts on non-consolidated basis

STOCK INFORMATION

Number of CDS Accounts



	Units Held 4Q2021	Units Held 3Q2021	Movement
Total no. of unitholders	10,521	9,812	709
Total foreign holdings	13.58%	14.94%	-1.36%
Foreign holdings – related-party	5.68%	6.41%	-0.73%
Foreign holdings – non-related-party	7.90%	8.53%	-0.63%
Related-party holdings	9.82%	11.10%	-1.28%



REAL ESTATE INVESTMENT TRUST

axis-reit.com.my