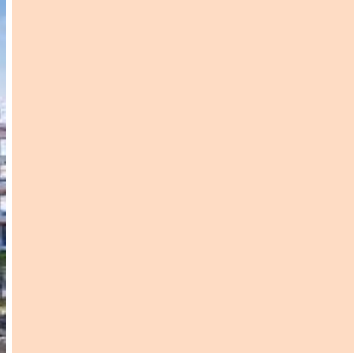




AXIS REAL ESTATE INVESTMENT TRUST  
Results Presentation 1Q2023  
18 April 2023



HIGHLIGHTS

PORTFOLIO  
OVERVIEW

FINANCIAL  
OVERVIEW

STOCK  
INFORMATION



# HIGHLIGHTS



# HIGHLIGHTS



62 properties on portfolio  
48 properties with 100% occupancy  
2 ongoing development projects



Portfolio Occupancy of 92.7% (as at 31/3/2023)  
Weighted Average Lease Expiry of 5.26 years



Total Assets Under Management  
RM4.32 billion



Reclassified as Islamic REIT in 2008



Space Under Management  
12.7 million sq ft



Distribution Per Unit 1Q2023  
2.05 sen



Financing Ratio  
33%



Market Capitalization (as at 31/3/2023)  
RM3.27 billion



Solid industrial space portfolio  
93% of properties on industrial titles



Nationwide presence across Malaysia

# 1Q2023 HIGHLIGHTS

- ▶ Declared 1st interim 2023 DPU of 2.05 sen
- ▶ Investment properties currently stands at RM4.24 billion.
- ▶ Traded at a premium of 20% to NAV as at 31 March 2023.
- ▶ Successfully completed the listing of 100 million new units on 4 January 2023 pursuant to a placement exercise.
- ▶ Acceptance of Letter of Offer to acquire a logistics warehouse for RM92 million, located in Kawasan Perusahaan Kulim, Kedah.
- ▶ Exposure to fixed rate financing improved from 47% to 64% as at 31 March 2023.

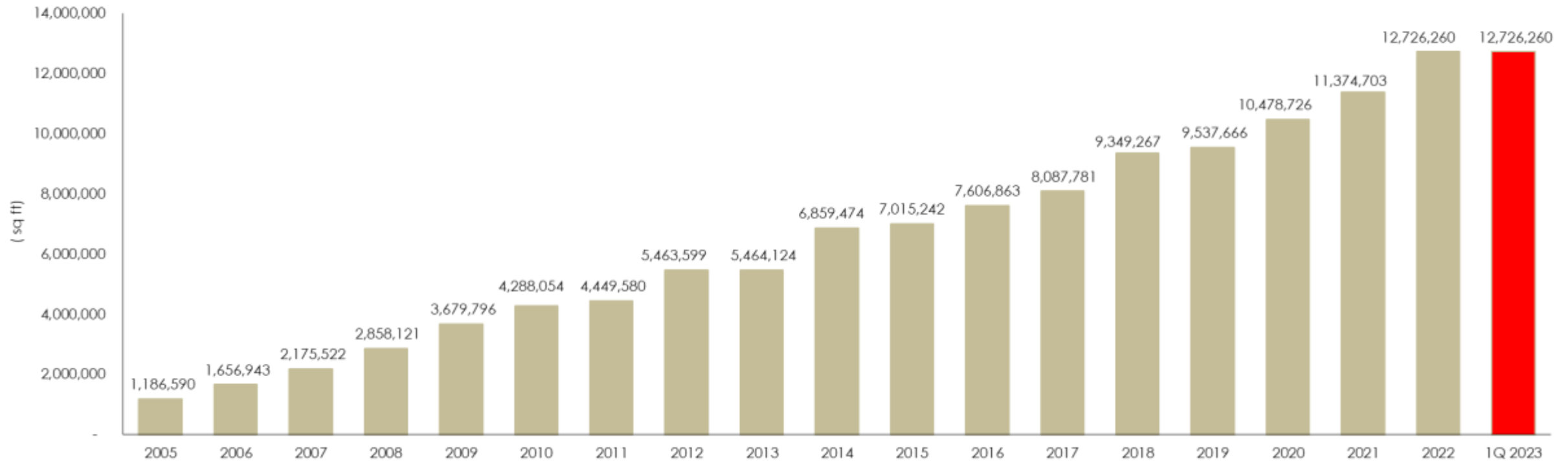


# PORTFOLIO OVERVIEW



# PORTFOLIO OVERVIEW

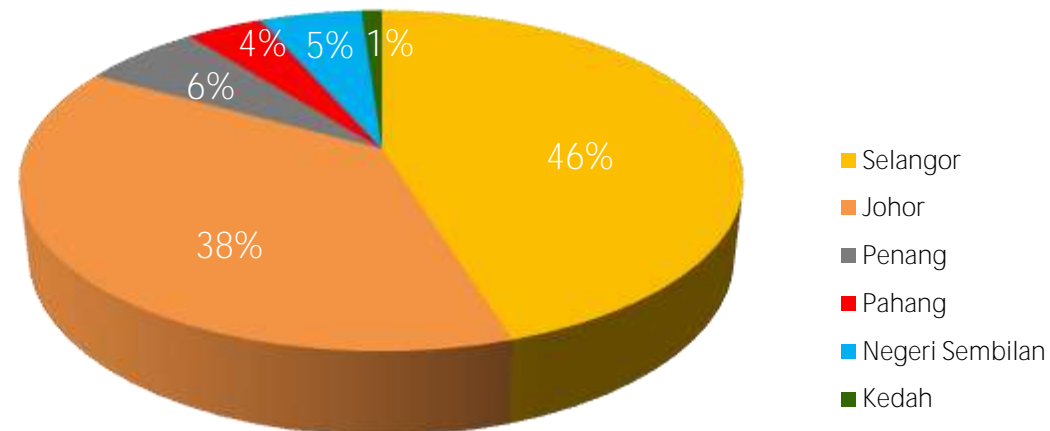
Space Under Management (sq ft)



# PORTFOLIO OVERVIEW

- ✓ Our 62 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
  - Kedah
- ✓ This geographical diversification is aimed at capturing the rapid growth of current and future regional industrial hubs.

Portfolio Diversification by Location (on NLA)

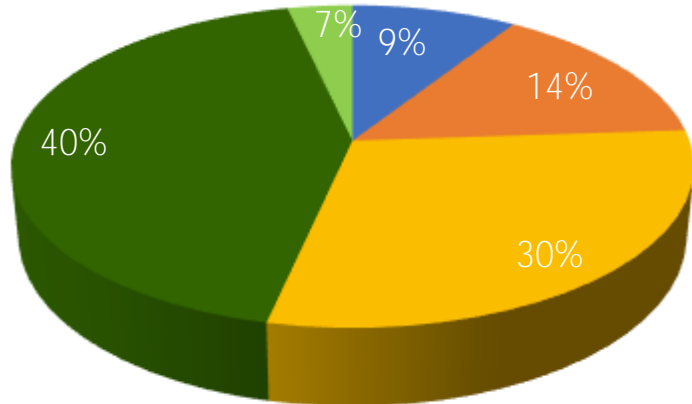




# PORTFOLIO OVERVIEW

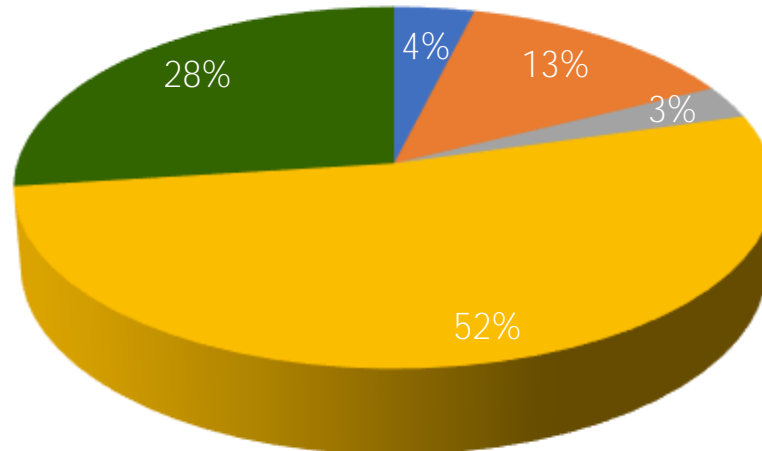
Portfolio Diversification by Industry Sector (on NLA)

- Services
- Manufacturing
- Vacant
- Consumer Products
- Logistics



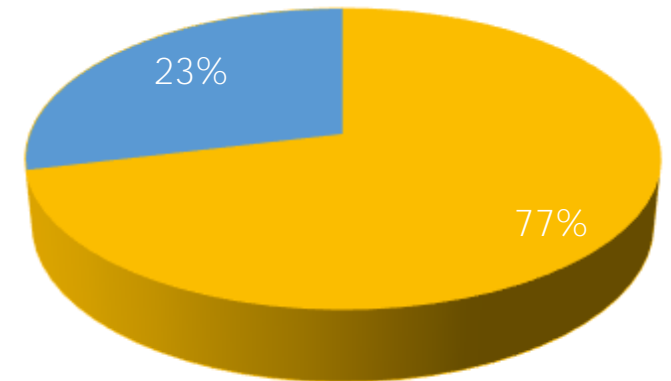
Portfolio Diversification by Asset Type (on NLA)

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



Portfolio Diversification by Occupancy Type (on NLA)

- Single Tenant
- Multi Tenants



# PORTFOLIO OVERVIEW

As at 31 March 2023, the portfolio has 62 assets comprising 12,726,260 sq. ft. and 162 tenants.

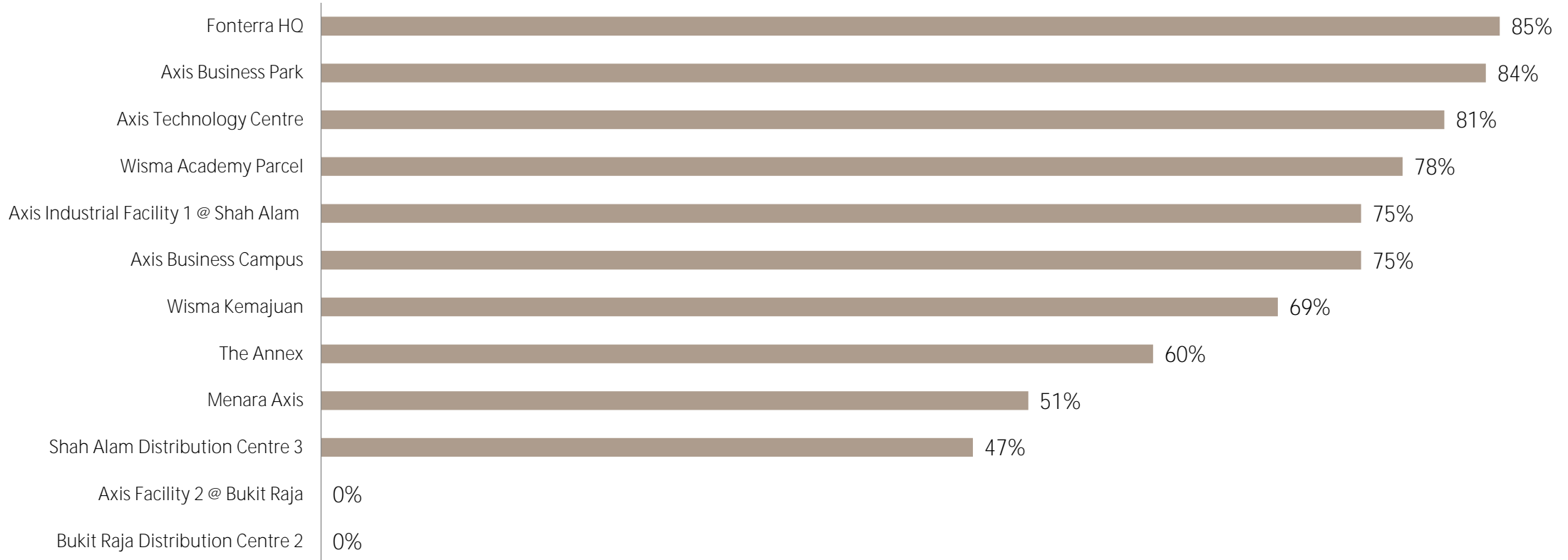
	1Q2023
No. of Properties	62
Realised <b>Property Income</b> (RM'000)	69,751
<b>Property Expenses</b> (RM'000)	11,538
Realised <b>Net Property Income</b> (RM'000)	58,213
Occupancy	92.7%

Portfolio Efficiency Ratio = YTD Property Expenses / YTD Property Income

1Q2023	2022	2021	2020	2019
16.54%	13.92%	13.79%	15.05%	14.31%

# PORTFOLIO OVERVIEW

*PROPERTIES WITH OCCUPANCY BELOW 90% AS AT 31 MARCH 2023*



*Notes:*

- 1. Vacant space in Fonterra HQ is built for their future expansion*
- 2. Axis Facility 2 @ Bukit Raja major enhancement completed in 1Q2023. The property will be 100% occupied by mid-May 2023*
- 3. Bukit Raja Distribution Centre 2 is under development for Shopee Express*

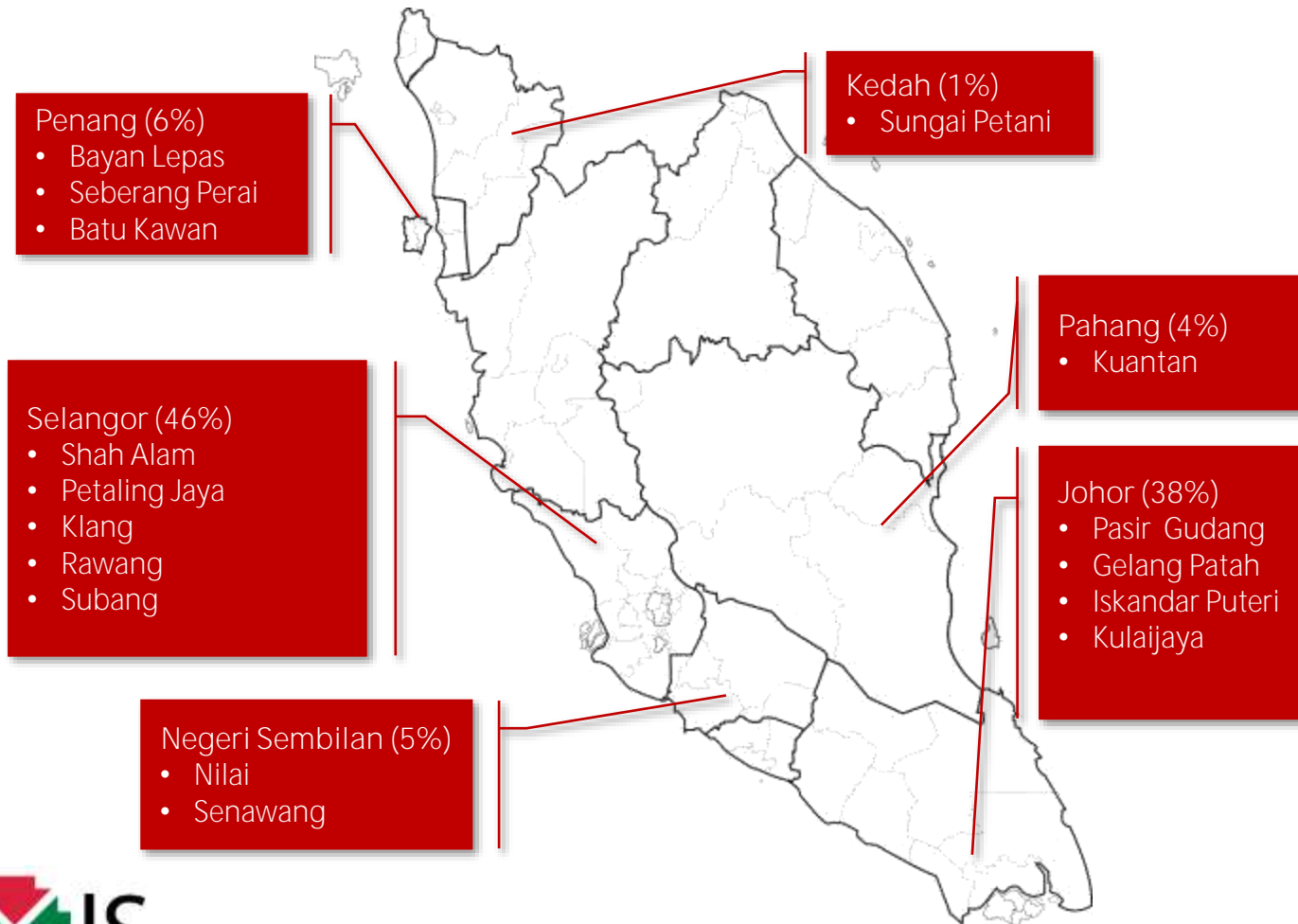
# PORTFOLIO OVERVIEW

Lease Expiry By Location									
Property	Year 2023	% of Total NLA	% of Rental Income/month	Year 2024	% of Total NLA	% of Rental Income/month	Year 2025	% of Total NLA	% of Rental Income/month
Petaling Jaya	582,765	4.58	8.18	502,795	3.95	8.21	554,597	4.36	9.47
Shah Alam	658,480	5.17	6.24	922,334	7.25	7.95	516,926	4.06	5.43
Klang	-	-	-	-	-	-	193,015	1.52	1.18
Johor	130,743	1.03	0.73	843,971	6.63	7.44	443,193	3.48	2.23
Nilai	-	-	-	-	-	-	291,642	2.29	1.52
Penang	205,151	1.61	2.58	-	-	-	147,985	1.16	1.09
kedah	-	-	-	-	-	-	138,000	1.08	1.59
<b>TOTAL</b>	<b>1,577,139</b>	<b>12.39</b>	<b>17.73</b>	<b>2,269,100</b>	<b>17.83</b>	<b>23.60</b>	<b>2,285,358</b>	<b>17.95</b>	<b>22.51</b>
Lease Expiry By Type									
Property	Year 2023	% of Total NLA	% of Rental Income/month	Year 2024	% of Total NLA	% of Rental Income/month	Year 2025	% of Total NLA	% of Rental Income/month
Office	51,978	0.41	1.11	199,545	1.57	4.35	120,450	0.95	2.57
Office Industrial	540,042	4.24	7.15	442,999	3.48	5.47	552,858	4.34	8.60
Logistics Warehouse	944,058	7.42	9.10	1,316,455	10.34	10.80	989,393	7.77	7.04
Manufacturing Facilities	41,061	0.32	0.37	310,101	2.44	2.98	484,657	3.81	2.71
Hypermarket	-	-	-	-	-	-	138,000	1.08	1.59
<b>TOTAL</b>	<b>1,577,139</b>	<b>12.39</b>	<b>17.73</b>	<b>2,269,100</b>	<b>17.83</b>	<b>23.60</b>	<b>2,285,358</b>	<b>17.95</b>	<b>22.51</b>

Out of 1.57 million sq. ft. of space expiring in 2023, 64% has been renewed to-date.

# PORTFOLIO OVERVIEW

ESTABLISHED NATIONWIDE FOOTPRINT



## Top 10 Tenants

Top ten tenants accounted for 51.5% of the monthly 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. Northport (Malaysia) Berhad

# PORTFOLIO OVERVIEW

## ASSET ENHANCEMENT INITIATIVE

Axis Industrial Facility 2 @ Bukit Raja



Major enhancements:

- Roof replacement
- Mechanical dock levellers
- Replacement of building envelope
- New firefighting system
- New reinforced concrete flooring
- Obtained green building certification by GreenRE (Silver)

Green features include:

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



Completed  
1Q2023

# PORTFOLIO OVERVIEW

*ONGOING DEVELOPMENT*

Bukit Raja Distribution Centre 2



Target  
completion  
3Q2023

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)

**Green  
certified  
building**

# PORTFOLIO OVERVIEW

*ONGOING DEVELOPMENT*

Axis Mega Distribution Centre (Phase 2)



Gross Built-up Area : 584,112 sq. ft.  
Land Area : Approx. 20.0 acres  
Land Tenure : Freehold  
Construction Cost : Approx. RM130.0 million



Target completion 1Q2024



# PORTFOLIO OVERVIEW

## *ONGOING ACQUISITION*

Warehouse in Kulim, Kedah



Target Completion Date :	1H2023
Net Lettable Area :	311,218 sq. ft.
Land Area :	Approx. 14.5 acres
Land Tenure :	Approx. 56 years Registered Lease
Occupancy :	100%
Purchase Price :	RM92.0 million
WALE at Acquisition :	Approx. 5 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**  
**RM140 million**



# FINANCIAL OVERVIEW



# FINANCIAL OVERVIEW

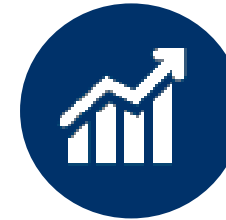
*SNAPSHOT AS AT 31 MARCH 2023*



RM4.32 billion  
Total Assets



RM1.44 billion  
Total Financing



RM2.74 billion  
**Total Unitholder's Funds**



RM1.57  
Net Asset Value Per Unit



33%  
Financing Ratio



1Q2023: 2.05 sen  
Distribution per unit

# FINANCIAL OVERVIEW

## INCOME STATEMENT 1Q2023 vs 1Q2022

	1Q2023 (RM'000)	1Q2022 (RM'000)	Changes / Movement
No. of Properties	62	60	+2
Property Income – Note 1	69,751	66,480	+4.9%
Property Income - Property income before lease incentive adjustment	69,654	66,159	+5.3
- Lease incentive adjustment (non-distributable)	97	321	
Property Expenses – Note 2	(11,538)	(8,760)	+31.7%
Net Property Income	58,213	57,720	+0.9%
- Property income before lease incentive adjustment	58,116	57,399	+1.2%
- Lease incentive adjustment (non-distributable)	97	321	
Profit Income / Other Income	422	210	
Non-Property Expenses – Note 3	(11,702)	(8,271)	+41.5%
Islamic Financing Cost – Note 4	(14,387)	(10,559)	+36.3%
Net Income	32,546	39,100	-16.8%
Property income before lease incentive adjustment	32,449	38,779	-16.3%
- Lease incentive adjustment (non-distributable)	97	321	
DPU (sen)	2.05	2.42	-15.3%
No. of Units in Issuance – Note 5	1,741,054,038	1,634,524,115	+6.5%

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

# FINANCIAL OVERVIEW

## *INCOME STATEMENT 1Q2023 vs 1Q2022 - NOTES*

### Note 1 – Property Income

Property income marginally increased as compared to preceding year corresponding period mainly due to:

- Rental from newly acquired properties in 2022
- Positive rental reversion recorded in 2022

This was partly offset by:

- Lower occupancy rate as 2 properties are undergoing development and major enhancement. In addition, one of the tenancies for Axis Shah Alam Distribution Centre 3 expired in December 2022 and is currently in the process of securing a new tenant.
- Income from the disposal of recycled materials from the development of Bukit Raja Distribution Centre 2 in 1Q2022.

### Note 2 – Property Expenses

Increase in property expenses was due to the increased number of properties in the portfolio and higher one-off building expenses for the portfolio during the quarter under review.

# FINANCIAL OVERVIEW

## *INCOME STATEMENT 1Q2023 vs 1Q2022 - NOTES*

### Note 3 – Non-Property Expenses

Increase was mainly due to a provision for doubtful debts of approximately RM3.5 million for Yongnam Engineering Sdn Bhd, the lessee of Axis Steel Centre @ SiLC in Johor in 1Q2023.

### Note 4 – Islamic Financing Cost

Increase was due to additional financing facilities utilized to finance the acquisitions that completed in 2022 and cumulative 100 basis points increase in the Overnight Policy Rate (OPR) in 2022 affecting floating rate financings.

### Note 5 – No. of Units in Issuance

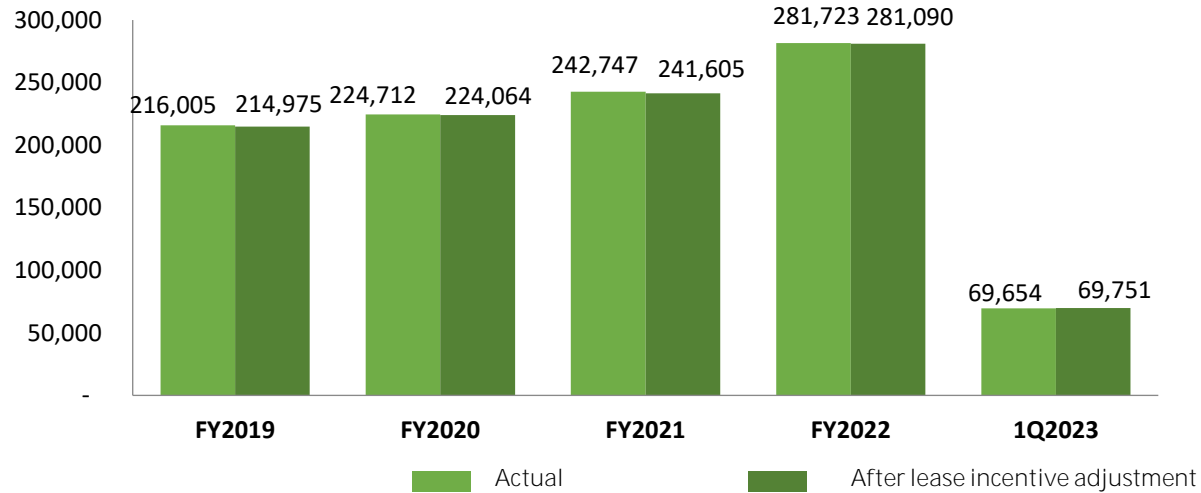
The Fund size increased from 1,634,524,115 units to 1,741,054,038 through the Placement of new units and the implementation of the Income Distribution Reinvestment Plan ("**IDRP**").

- i. 6,529,923 new units issued pursuant to the IDRPs applicable to the 2022 1<sup>st</sup> interim income distribution completed on 16 June 2022; and
- ii. The Placement of 100 million new units issued pursuant to the placement exercise of the Fund was successfully completed on 4 January 2023.

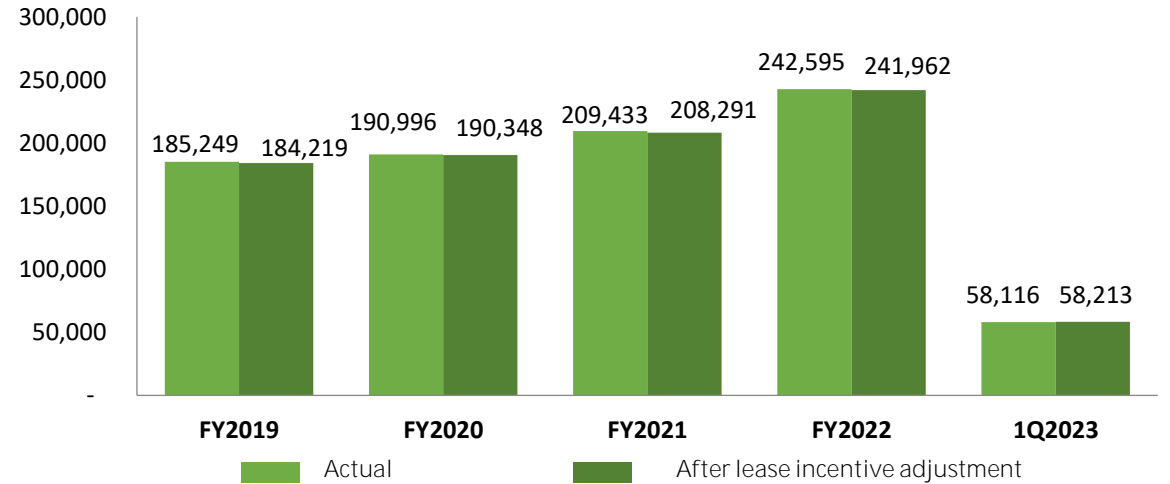
# FINANCIAL OVERVIEW

## 5-YEAR PERFORMANCE

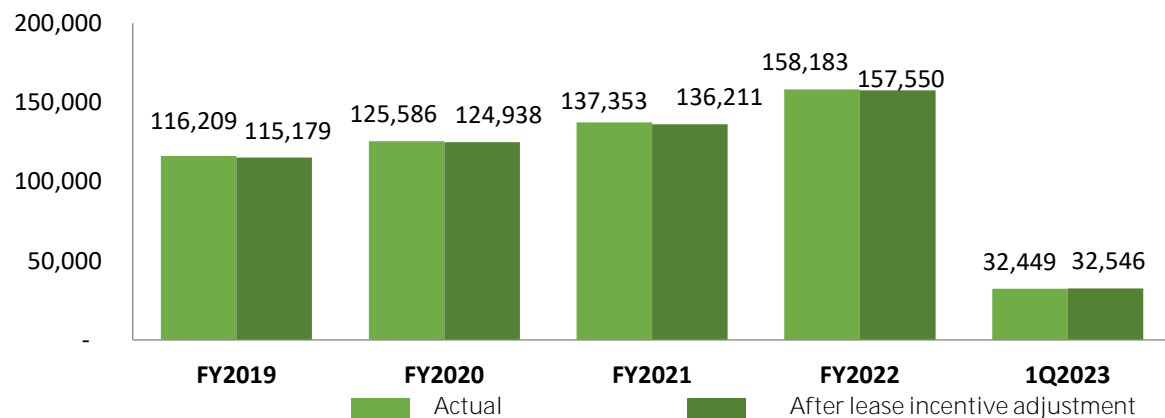
Revenue (RM'000)\*



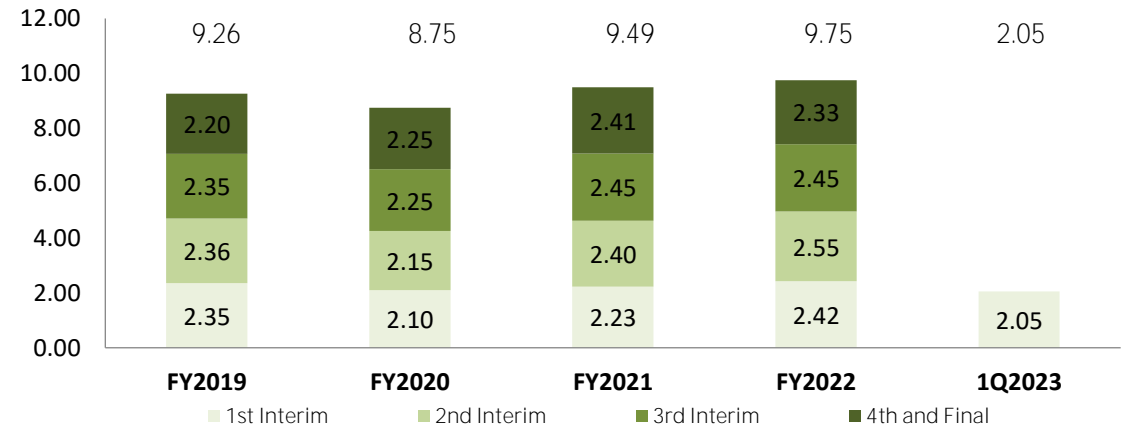
Net Property Income (RM'000)\*



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	6.7	9.6
Office Industrial	6.7	9.2
Logistics Warehouse	7.4	8.3
Manufacturing Facilities	7.8	8.6
Hypermarket	8.8	9.5
Average	7.4	8.7

# FINANCIAL OVERVIEW

## FINANCIAL POSITION

	31/3/23 (RM'000)	31/12/22 (RM'000)	Changes (RM'000)
Investment Properties – Note 1	4,237,788	4,186,020	+51,768
Fixed Assets	1,714	1,859	-145
Other Assets – Note 2	76,507	67,794	+8,713
<b>TOTAL ASSETS</b>	<b>4,316,009</b>	<b>4,255,673</b>	<b>+60,336</b>
Financing – Note 4	1,444,116	1,546,020	-101,904
Other Payables	120,800	123,334	-2,534
Deferred Tax Liability	14,480	14,480	-
<b>TOTAL LIABILITIES</b>	<b>1,579,396</b>	<b>1,683,834</b>	<b>-104,438</b>
<b>NET ASSET VALUE (NAV)</b>	<b>2,736,613</b>	<b>2,571,839</b>	<b>+164,774</b>
Unitholders' Capital – Note 3	2,118,603	1,945,655	+172,948
Undistributed Distributable Income	27,278	33,209	-5,931
Non-Distributable Reserve	590,732	592,975	-2,243
<b>TOTAL UNITHOLDERS' FUND</b>	<b>2,736,613</b>	<b>2,571,839</b>	<b>+164,774</b>
FINANCING RATIO	33.46%	36.33%	
NAV/UNIT (RM)	1.5718	1.5672	
No. of units in issuance	1,741,054,038	1,641,054,038	

# FINANCIAL OVERVIEW

## *NOTES - FINANCIAL POSITION*

### Note 1 – Investment Properties

During the period, a total of RM47.7 million was spent on capital expenditure as below:

- RM3.6 million for enhancement of existing properties,
- RM32.3 million for the ongoing development project Bukit Raja Distribution Centre 2,
- RM11.8 million for the ongoing development project Axis Mega Distribution Centre (Phase 2).

### Note 2 – Other Assets

The average collection of trade receivables as at 31 March 2023 was 3 days.

### Note 3 – Unitholders Capital

In comparison with 4Q2022, a total of net proceeds of RM172.9 million raised from 100,000,000 new units issued pursuant to the placement exercise completed on 4 January 2023.

The fund size increased from 1,641,054,038 units to 1,741,054,038 units post-placement exercise.

# FINANCIAL OVERVIEW

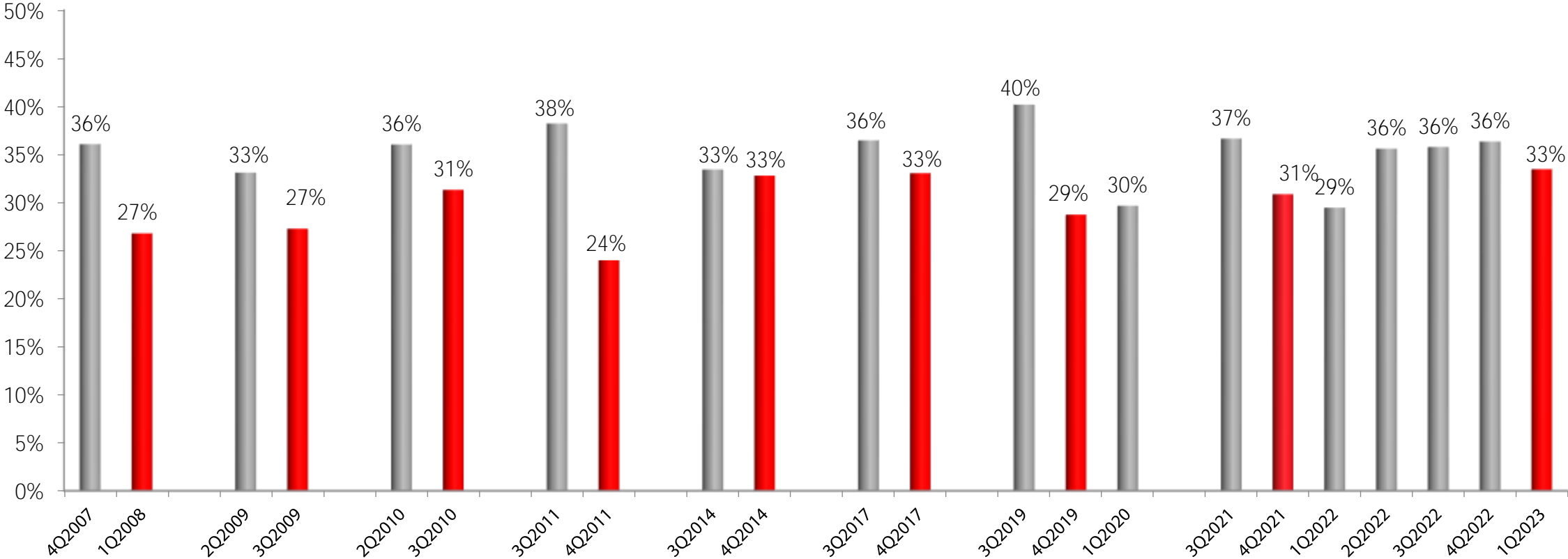
## NOTE 4: 5-YEAR FINANCING PROFILE

	2019	2020	2021	2022	1Q2023
<b>Total Financing (RM'000)</b>	885,859	1,112,183	1,184,593	1,546,020	1,444,116
<b>Total Assets (RM'000)</b>	3,085,681	3,364,083	3,838,760	4,255,673	4,316,009
Financing Ratio	28.71%	33.06%	30.86%	36.33%	33.46%
Effective Profit Rate	4.37%	3.89%	3.63%	3.87%	4.04%
Percentage of short term financing-Maturity < 1 Year	43%	55%	47%	53%	49%
Percentage of medium/ long term financing (maturity more than 1 year)	57%	45%	53%	47%	51%
Percentage of floating rate financing	21%	47%	36%	53%	36%
Percentage of fixed rate financing	79%	53%	64%	47%	64%
Total unencumbered assets	16	25	19	23	23
Percentage of unencumbered assets/total assets (value)	27%	44%	29%	42%	42%

# FINANCIAL OVERVIEW

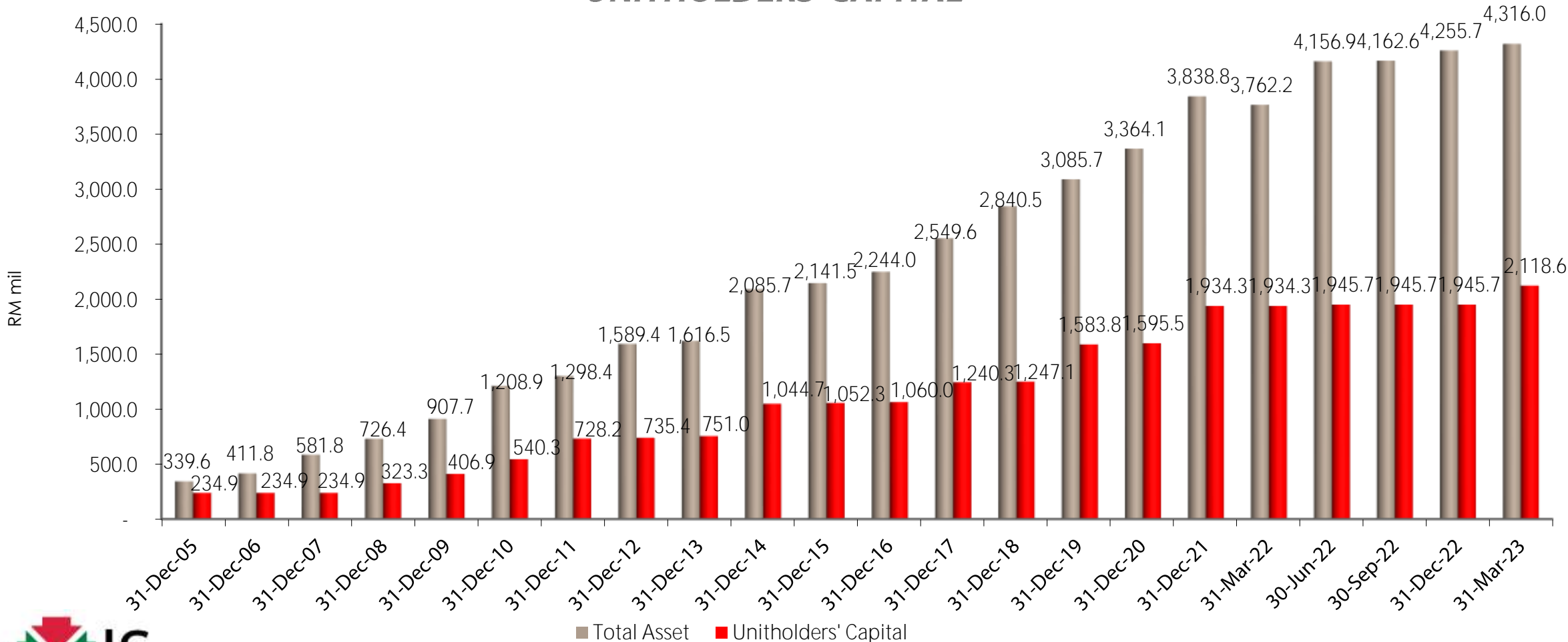
## FINANCING RATIO

Placements Undertaken ■



# FINANCIAL OVERVIEW

## UNITHOLDERS' CAPITAL





# STOCK INFORMATION



# STOCK INFORMATION

## TOP 10 UNITHOLDERS\*

	Name of Unitholder	%
1	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	8.45%
2	EMPLOYEES PROVIDENT FUND BOARD	8.42%
3	AMANAH SAHAM BUMIPUTERA	4.59%
4	LEMBAGA TABUNG HAJI	4.41%
5	TEW PENG HWEE @ TEOH PENG HWEE	3.29%
6	ALEX LEE LAO	3.12%
7	EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	2.24%
8	PUBLIC ITTIKAL SEQUEL FUND	1.82%
9	EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	1.81%
10	PUBLIC SMALLCAP FUND	1.59%

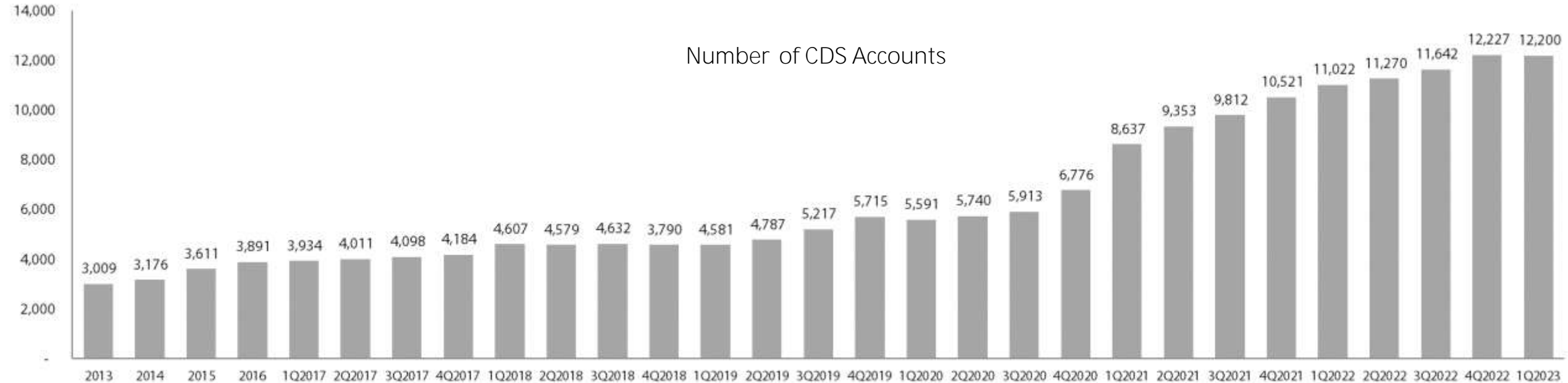
Holdings Breakdown	Units Held 1Q2023	Units Held 4Q2022	Movement
Top 5 Unitholders	29.16%	29.39%	-0.23%
Top 10 Unitholders	39.74%	40.36%	-0.62%
Unitholders with >2 million unitholdings	84.94%	84.98%	-0.04%

\*Based on CDS accounts on non-consolidated basis



# STOCK INFORMATION

Number of CDS Accounts



	Units Held 1Q2023	Units Held 4Q2022	Movement
Total no. of unitholders	12,200	12,227	-27
Total foreign holdings	18.33%	19.04%	-0.71%
Foreign holdings – related party	5.36%	5.69%	-0.33%
Foreign holdings – non-related party	12.97%	13.35%	-0.38%
Promoters	9.27%	9.84%	-0.57%



THANK YOU