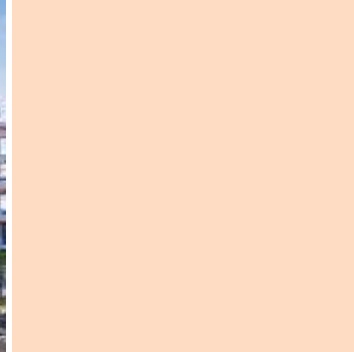




AXIS REAL ESTATE INVESTMENT TRUST
Results Presentation 2Q2023
26 July 2023



HIGHLIGHTS

PORTFOLIO
OVERVIEW

FINANCIAL
OVERVIEW

STOCK
INFORMATION



HIGHLIGHTS



HIGHLIGHTS



62 properties on portfolio
48 properties with 100% occupancy
1 ongoing development project



Portfolio Occupancy of 89% (as at 30/6/2023)
Weighted Average Lease Expiry of 4.96 years



Total Assets Under Management
RM4.4 billion



Reclassified as Islamic REIT in 2008



Space Under Management
12.7 million sq ft



Distribution Per Unit 1H2023
4.10 sen



Financing Ratio
34%



Market Capitalization (as at 30/6/2023)
RM3.19 billion



Solid industrial space portfolio
93% of properties on industrial titles



Nationwide presence across Malaysia

1H2023 HIGHLIGHTS

- ▶ Total of 4.10 sen DPU declared for 1H2023
- ▶ Investment properties currently stands at RM4.32 billion.
- ▶ Traded at a premium of 16% to NAV as at 30 June 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.
- ▶ The Bukit Raja Distribution Centre 2 development project obtained Certificate of Practical Completion (CPC) on 26 June 2023 and anticipate to obtain the Certificate of Compliance and Completion (CCC) in August 2023 to be handed over to SPX Xpress (Malaysia) Sdn Bhd (fka Shopee Express Malaysia Sdn Bhd).



SUSTAINABILITY HIGHLIGHTS



Environment

- ✓ Efficient energy management:
 - Replacing conventional lighting with energy efficient lighting
 - Leasing roof space to install solar panels
 - Upgrading air-conditioning systems to environmentally-friendly systems
- ✓ Green building certification:
 - DW1 Logistics Warehouse: GBI Certified
 - Axis Facility 2 @ Bukit Raja: GreenRE Silver
 - Bukit Raja Distribution Centre 2: GreenRE Gold



Social

- ✓ Donated an ambulance to SJAM for emergency ambulance services in Kota Kinabalu, Sabah
- ✓ Funding physiotherapy and speech therapy for children with disabilities



Governance

- ✓ Best practices:
 - Complied with 30% female representation on Board with effect from 1 June 2022 in accordance with the SC's requirements.
 - Complied with the independent director tenure limit of 12 years with effect from 30 May 2023 in accordance with the Listed REIT Guidelines.
- ✓ External validation:
 - Constituent of FTSE4Good Bursa Malaysia Index
 - Participant member of GRESB



PORTFOLIO OVERVIEW



PORTFOLIO OVERVIEW

As at 30 June 2023, the portfolio has 62 assets comprising 12,727,347 sq. ft. and 166 tenants.

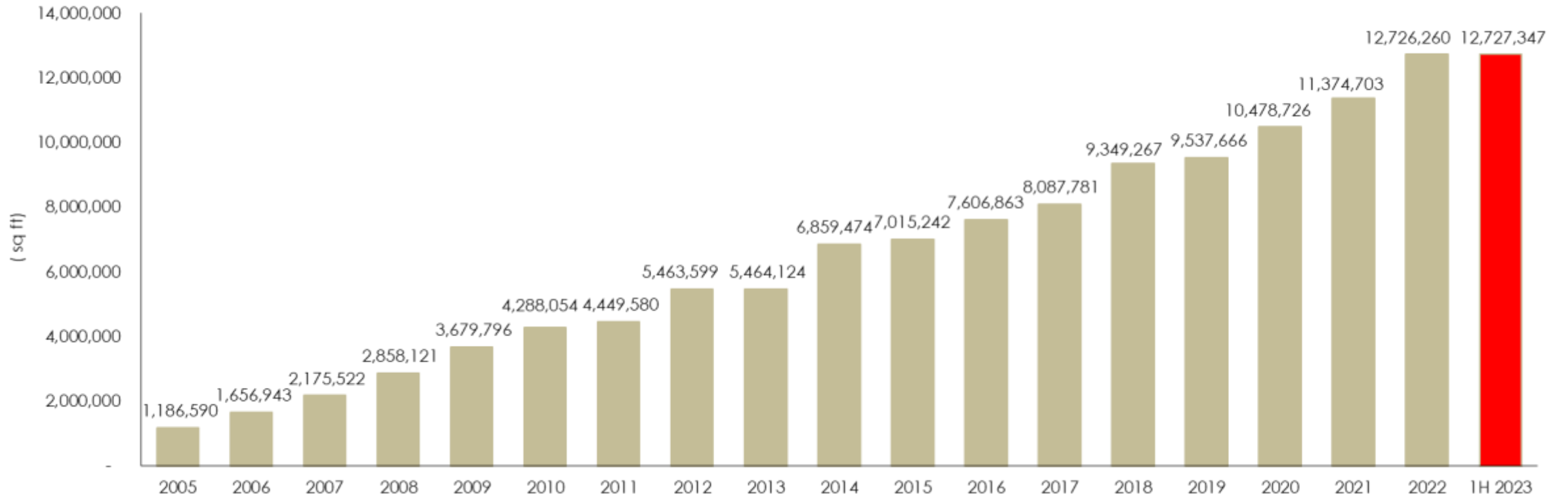
	1H2023
No. of Properties	62
Realised Property Income (RM'000)	137,816
Property Expenses (RM'000)	21,820
Realised Net Property Income (RM'000)	115,996
Occupancy	89%

Portfolio Efficiency Ratio = YTD Property Expenses / YTD Property Income

1H2023	2022	2021	2020	2019
15.83%	13.92%	13.79%	15.05%	14.31%

PORTFOLIO OVERVIEW

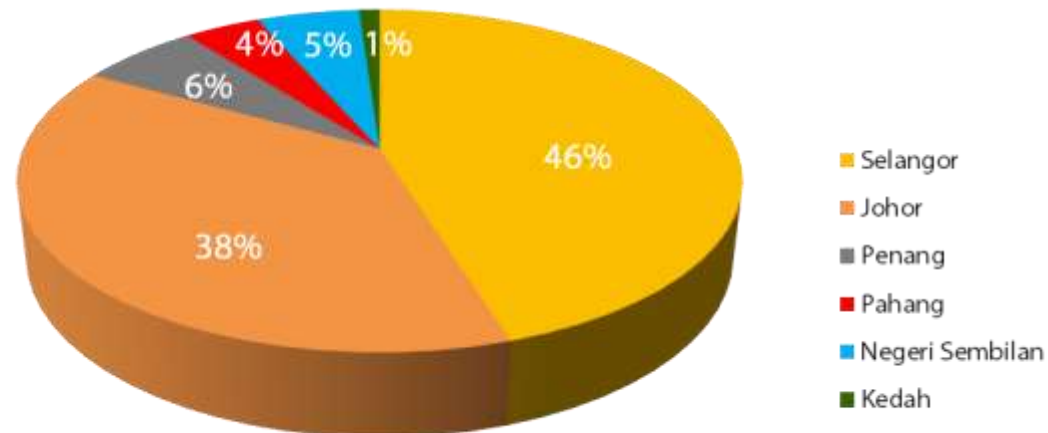
Space Under Management (sq ft)



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

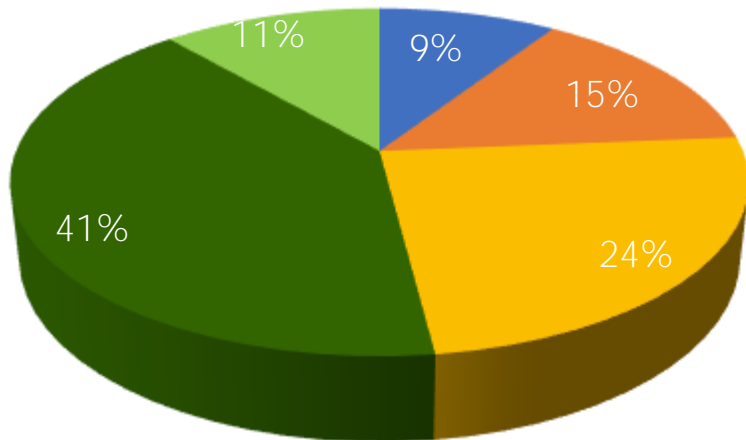
Portfolio Diversification by Location (on NLA)



PORTFOLIO OVERVIEW

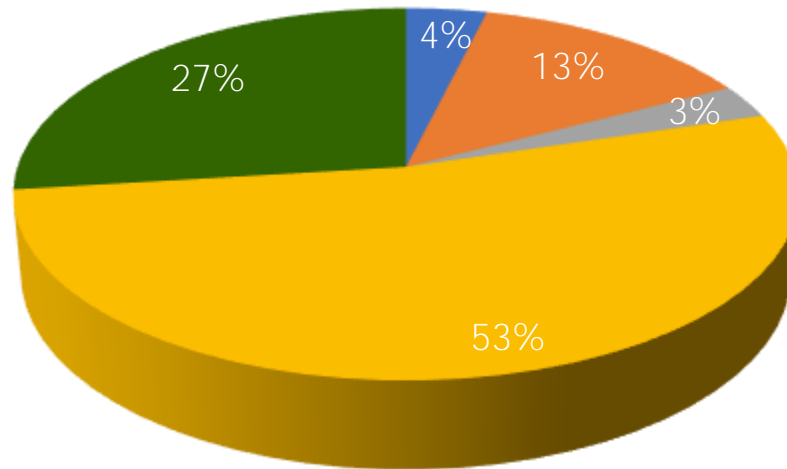
Portfolio Diversification by Industry Sector (on NLA)

- Services
- Manufacturing
- Vacant
- Consumer Products
- Logistics



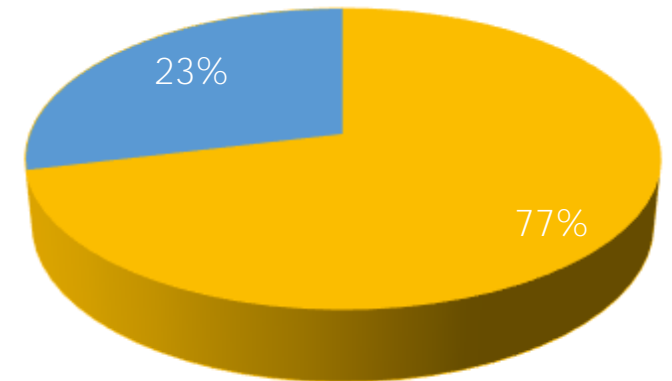
Portfolio Diversification by Asset Type (on NLA)

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



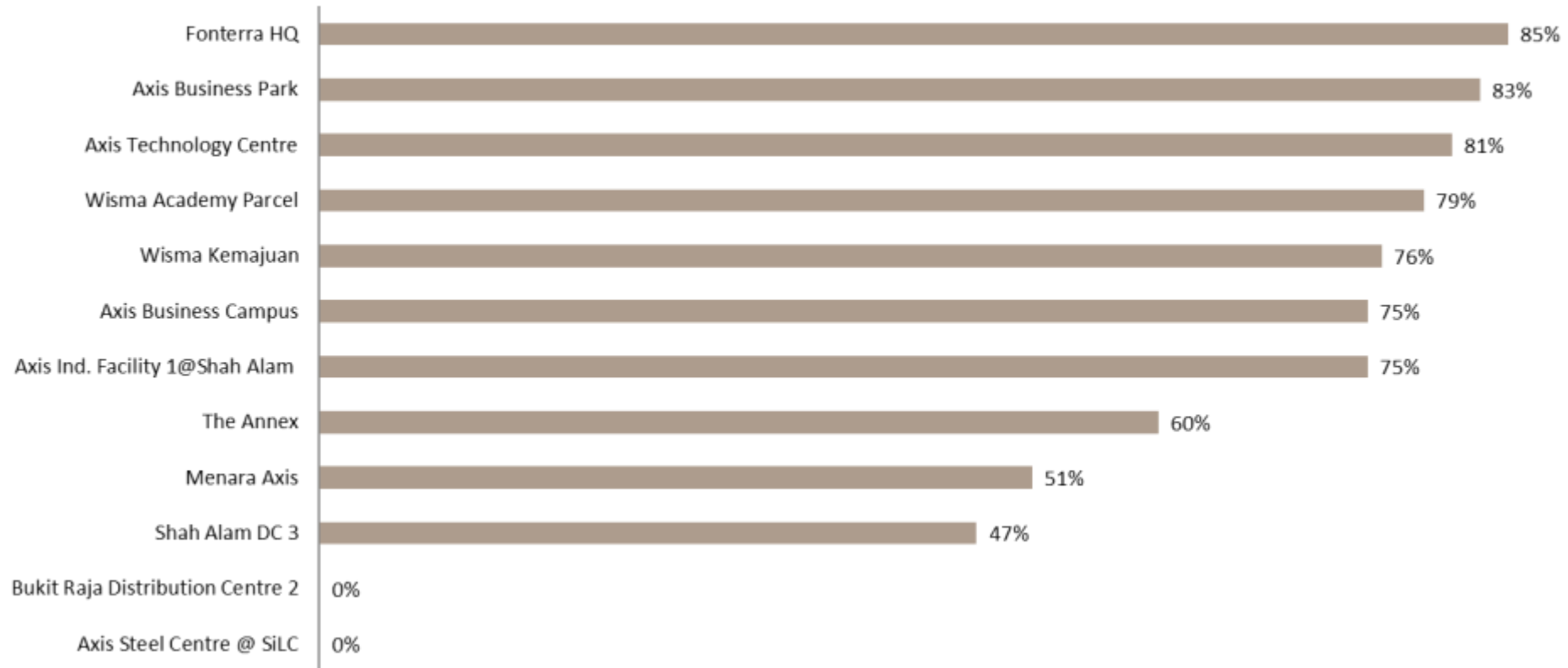
Portfolio Diversification by Occupancy Type (on NLA)

- Single Tenant
- Multi Tenants



PORTFOLIO OVERVIEW

PROPERTIES WITH OCCUPANCY BELOW 90% AS AT 30 JUNE 2023



Notes:

- 1. Vacant space in Fonterra HQ is built for their future expansion*
- 2. Bukit Raja Distribution Centre 2 development obtained CPC on 26 June 2023 and anticipate to be handed over to lessee in August 2023.*
- 3. Axis Steel Centre @ SiLC – site possession taken from Yongnam Engineering in June 2023 due to rental default.*
- 4. Axis Shah Alam DC 3 will achieve full occupancy by 1 August 2023.*

PORTFOLIO OVERVIEW

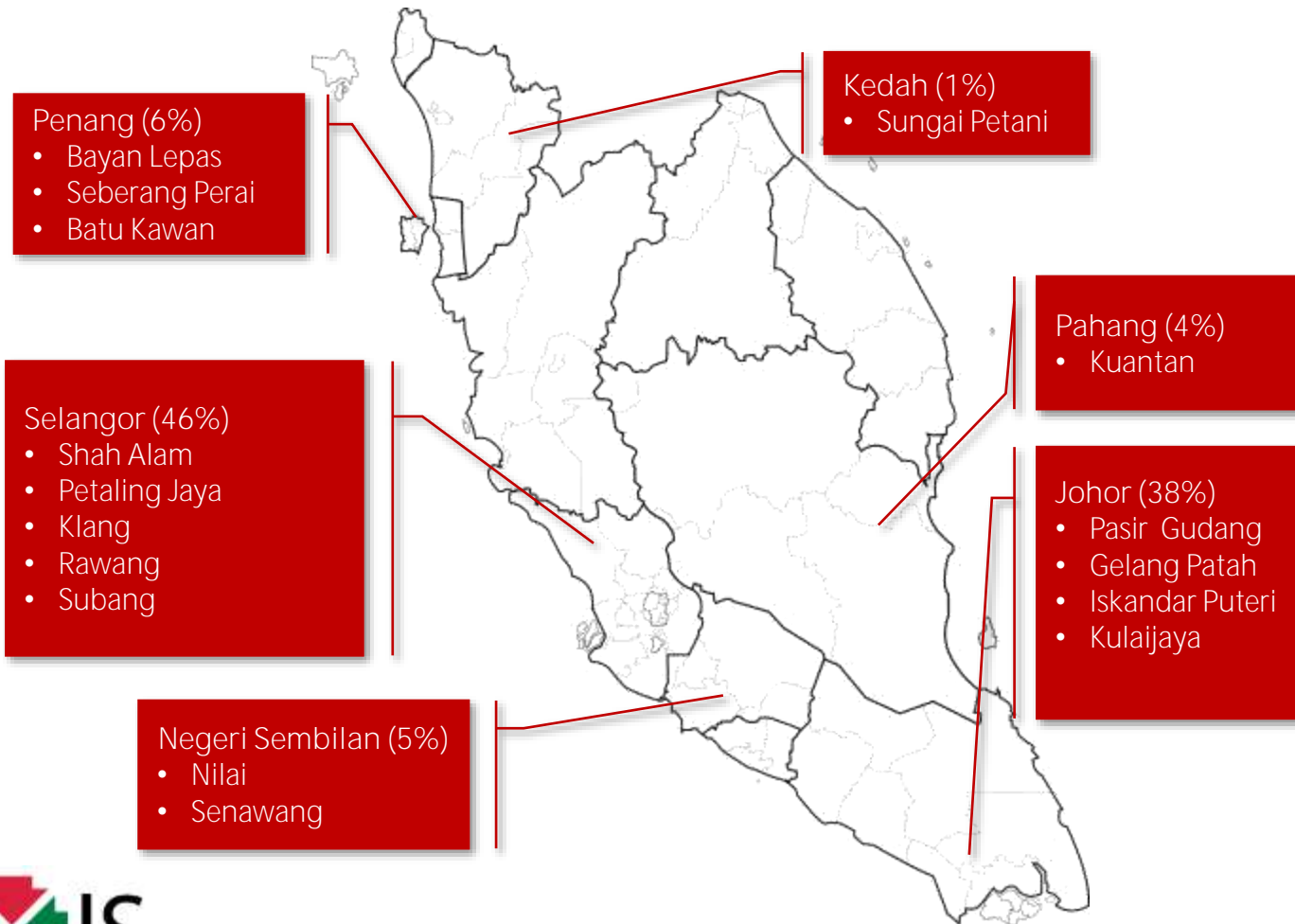
Lease Expiry By Location									
Property	Year 2023	% of Total NLA	% of Rental Income/month	Year 2024	% of Total NLA	% of Rental Income/month	Year 2025	% of Total NLA	% of Rental Income/month
Petaling Jaya	582,765	4.58	7.12	515,066	4.05	7.30	574,349	4.52	8.29
Subang	-	-	-	-	-	-	30,250	0.24	0.58
Shah Alam	658,480	5.17	5.45	922,334	7.25	6.94	486,676	3.83	4.16
Klang	-	-	-	-	-	-	343,707	2.70	2.31
Johor	130,743	1.03	0.64	843,971	6.62	6.49	443,193	3.48	1.94
Nilai	-	-	-	-	-	-	291,642	2.29	1.33
Penang	205,151	1.61	2.25	-	-	-	147,985	1.16	0.95
Kedah	-	-	-	-	-	-	138,000	1.08	1.39
TOTAL	1,577,139	12.39	15.46	2,281,371	17.92	20.73	2,455,802	19.30	20.95

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	0.97	199,545	1.57	3.80	121,526	0.96	2.24
Office Industrial	540,042	4.24	6.23	455,270	3.58	4.91	571,534	4.49	7.54
Logistics Warehouse	944,058	7.42	7.93	1,316,455	10.34	9.41	1,140,085	8.96	7.42
Manufacturing Facilities	41,061	0.32	0.33	310,101	2.43	2.61	484,657	3.81	2.36
Hypermarket	-	-	-	-	-	-	138,000	1.08	1.39
TOTAL	1,577,139	12.39	15.46	2,281,371	17.92	20.73	2,455,802	19.30	20.95

Out of 1.57 million sq. ft. of space expiring in 2023, 78% has been renewed to date.

PORTFOLIO OVERVIEW

ESTABLISHED NATIONWIDE FOOTPRINT



Top 10 Tenants

YTD top ten tenants accounted for 50.3% 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. Wasco Coatings Malaysia Sdn Bhd
6. Beyonics Precision (Malaysia) Sdn Bhd
7. Upeca Aerotech Sdn Bhd
8. Lotuss Stores (Malaysia) Sdn Bhd
9. Northport (Malaysia) Berhad
10. One Total Logistics (M) Sdn bhd

PORTFOLIO OVERVIEW

COMPLETED DEVELOPMENT

Bukit Raja Distribution Centre 2



Gross Built-up Area	: 620,096 sq. ft.
Land Area	: Approx. 20.75 acres
Land Tenure	: Freehold
Lessee	: SPX Xpress (Malaysia) Sdn Bhd (fka Shopee Express Malaysia Sdn Bhd)
WALE	: 15 years
Lease Commencement	: Before 31 August 2023
Development Cost	: Approx. RM250.0 million (incl. land)

**Green
certified
building**

Completed
with CPC
June 2023

PORTFOLIO OVERVIEW

ONGOING DEVELOPMENT

Axis Mega Distribution Centre (Phase 2)



Target
completion
1Q2024

**Green
certified
building**

Gross Built-up Area	: 584,112 sq. ft.
Land Area	: Approx. 20.0 acres
Land Tenure	: Freehold
Development Cost	: Approx. RM180.0 million (incl. land)

PORTFOLIO OVERVIEW

ONGOING ACQUISITION

Warehouse in Kulim, Kedah



Target Completion Date :	2H2023
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
RM170 million**



FINANCIAL OVERVIEW



FINANCIAL OVERVIEW

SNAPSHOT AS AT 30 JUNE 2023



RM4.4 billion
Total Assets



RM1.49 billion
Total Financing



RM2.74 billion
Total Unitholder's Funds



RM1.57
Net Asset Value Per Unit



34%
Financing Ratio



1Q2023: 2.05 sen
2Q2023: 2.05 sen
Distribution per unit

FINANCIAL OVERVIEW

INCOME STATEMENT 2Q2023 vs 2Q2022

	2Q2023 (RM'000)	2Q2022 (RM'000)	Changes / Movement
No. of Properties	62	61	+1
Property Income	68,065	72,299	-5.9%
Property Income - Property income before lease incentive adjustment	67,943	72,109	-5.8%
- Lease incentive adjustment (non-distributable)	122	190	
Property Expenses	(10,282)	(9,885)	+4.0%
Net Property Income	57,783	62,414	-7.4%
- Property income before lease incentive adjustment	57,661	62,224	-7.3%
- Lease incentive adjustment (non-distributable)	122	190	
Profit Income / Other Income	389	216	
Non-Property Expenses	(9,824)	(7,119)	+38.0%
Islamic Financing Cost	(14,608)	(12,601)	+15.9%
Net Income	33,740	42,910	-21.4%
Property income before lease incentive adjustment	33,618	42,720	-21.3%
- Lease incentive adjustment (non-distributable)	122	190	
DPU (sen)	2.05	2.55	-19.6%
No. of Units in Issuance	1,741,054,038	1,641,054,038	+6.1%

* Note: The above financials exclude unbilled lease income receivable

FINANCIAL OVERVIEW

INCOME STATEMENT 1H2023 vs 1H2022

	1H2023 (RM'000)	1H2022 (RM'000)	Changes / Movement
No. of Properties	62	61	+1
Property Income – Note 1	137,816	138,779	
Property Income - Property income before lease incentive adjustment	137,597	138,268	-0.5%
- Lease incentive adjustment (non-distributable)	219	511	
Property Expenses – Note 2	(21,820)	(18,645)	+17.0%
Net Property Income	115,996	120,134	-3.4%
- Property income before lease incentive adjustment	115,777	119,623	-3.2%
- Lease incentive adjustment (non-distributable)	219	511	
Profit Income / Other Income	811	426	
Non-Property Expenses – Note 3	(21,526)	(15,390)	+39.9%
Islamic Financing Cost – Note 4	(28,995)	(23,160)	+25.2%
Net Income	66,286	82,010	-19.2%
Property income before lease incentive adjustment	66,067	81,499	-18.9%
- Lease incentive adjustment (non-distributable)	219	511	
DPU (sen)	4.10	4.97	-17.5%
No. of Units in Issuance – Note 5	1,741,054,038	1,641,054,038	+6.1%

* Note: The above financials exclude unbilled lease income receivable

FINANCIAL OVERVIEW

INCOME STATEMENT 1H2023 vs 1H2022 - NOTES

Note 1 – Property Income

Property income was lower as compared to preceding year corresponding period mainly due to:

- Lower occupancy for Axis Shah Alam Distribution Centre 3 from one of the tenancies that expired in December 2022.
- Termination of lease agreement with Yongnam Engineering Sdn Bhd, the lessee of Axis Steel Centre @ SiLC. Vacant possession of the property was taken back on 7 June 2023.
- 2 properties are undergoing development and major enhancement during the period under review.
- One-off income of RM6.7 million from the disposal of recycled materials from Bukit Raja Distribution Centre 2 development in 1H2022.

This was partly offset by:

- Rental from newly acquired properties in 2022.
- Positive rental reversion recorded since 2022.
- New tenancy commencement for Axis Facility 2 @ Bukit Raja on 16 May 2023, which was previously under major enhancement.

FINANCIAL OVERVIEW

INCOME STATEMENT 1H2023 vs 1H2022 - NOTES

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 in 1Q2023.

Note 3 – Non-Property Expenses

Increase was mainly due to a provision for doubtful debts of approximately RM5.2 million for Yongnam Engineering Sdn Bhd in 1H2023.

Note 4 – Islamic Financing Cost

Increase was due to additional financing facilities utilised for acquisitions and cumulative 125 basis points increase in the Overnight Policy Rate (OPR) since 11 May 2022 affecting floating rate financings.

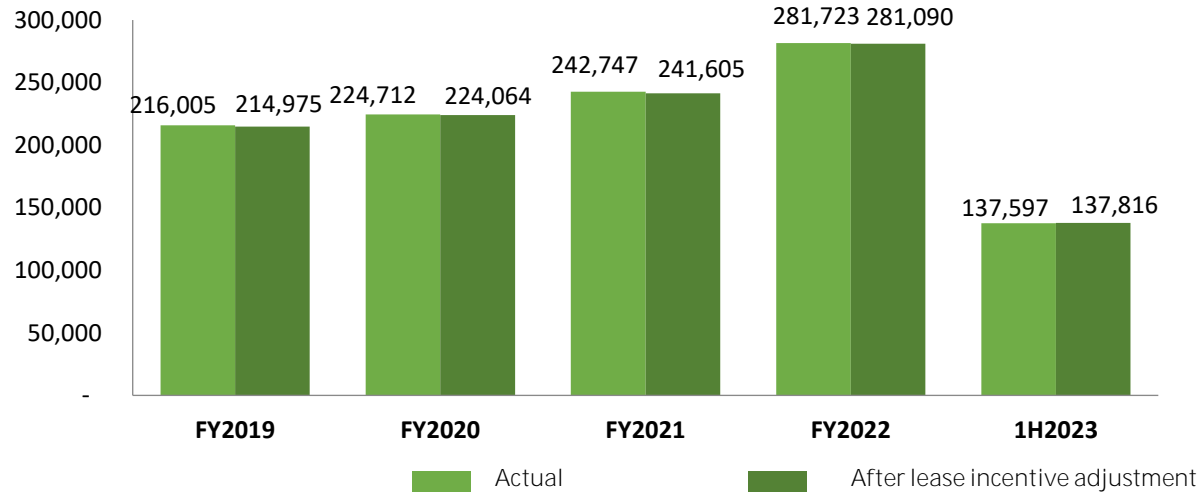
Note 5 – No. of Units in Issuance

The Fund size increased from 1,641,054,038 units to 1,741,054,038 through the Placement of 100 million new units issued pursuant to the placement exercise of the Fund that was successfully completed on 4 January 2023.

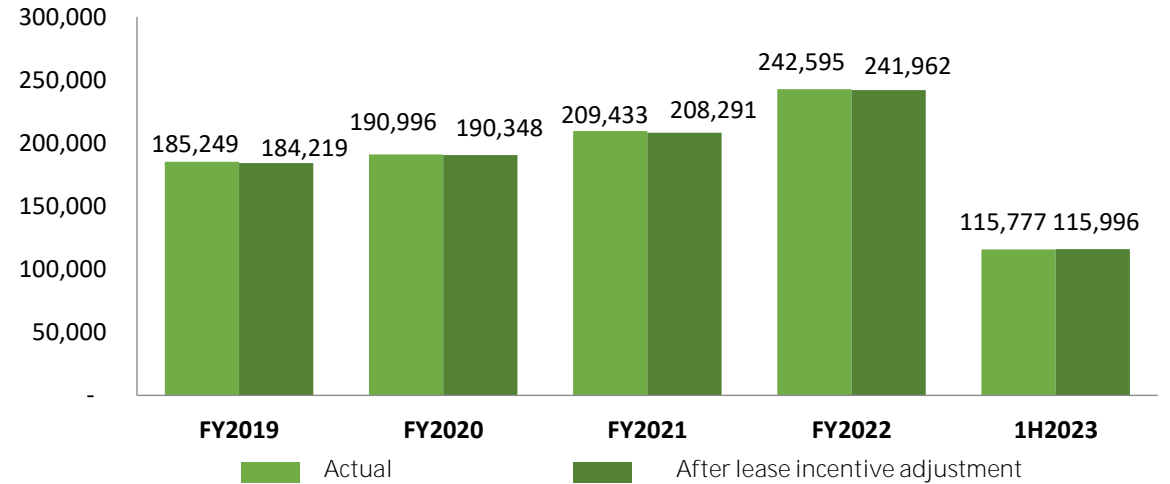
FINANCIAL OVERVIEW

5-YEAR PERFORMANCE

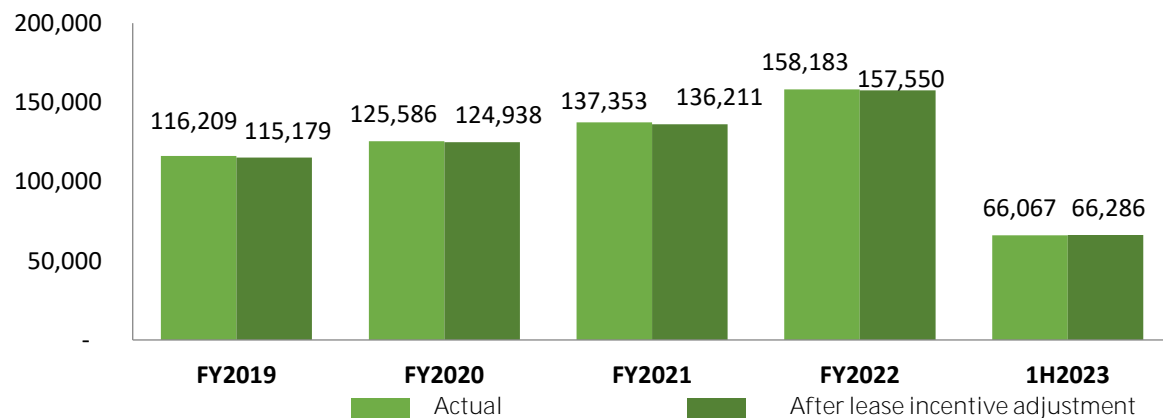
Revenue (RM'000)*



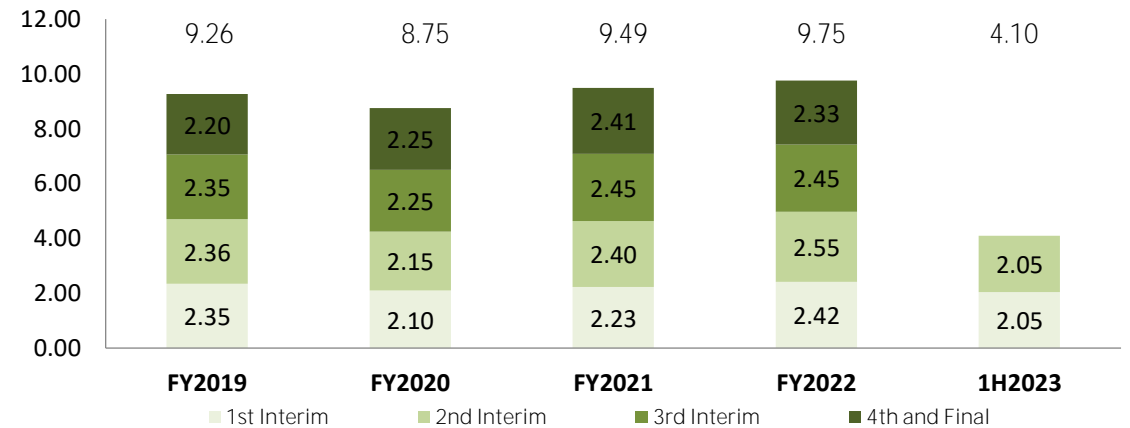
Net Property Income (RM'000)*



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	9.3
Logistics Warehouse	7.3	8.1
Manufacturing Facilities	7.9	8.7
Hypermarket	8.8	9.4
Average	7.4	8.7

FINANCIAL OVERVIEW

FINANCIAL POSITION

	30/6/23 (RM'000)	31/12/22 (RM'000)	Changes (RM'000)
Investment Properties – Note 1	4,319,188	4,186,020	+133,168
Fixed Assets	1,582	1,859	-277
Other Assets – Note 2	74,373	67,794	+6,579
TOTAL ASSETS	4,395,143	4,255,673	+139,470
Financing – Note 4	1,492,722	1,546,020	-53,298
Other Payables	152,297	123,334	+28,963
Deferred Tax Liability	14,480	14,480	-
TOTAL LIABILITIES	1,659,499	1,683,834	-24,335
NET ASSET VALUE (NAV)	2,735,644	2,571,839	+163,805
Unitholders' Capital – Note 3	2,118,603	1,945,655	+172,948
Undistributed Distributable Income	25,326	33,209	-7,883
Non-Distributable Reserve	591,715	592,975	-1,260
TOTAL UNITHOLDERS' FUND	2,735,644	2,571,839	+163,805
FINANCING RATIO	33.96%	36.33%	
NAV/UNIT (RM)	1.5713	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 RM129.1 million was spent on capital expenditure as below:

- RM5.2 million for enhancement of existing properties;
- RM83.5 million for the ongoing development project Bukit Raja Distribution Centre 2;
- RM40.4 million for the ongoing development project Axis Mega Distribution Centre (Phase 2).

Note 2 – Other Assets

The average collection of trade receivables as at 30 June 2023 was 5 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

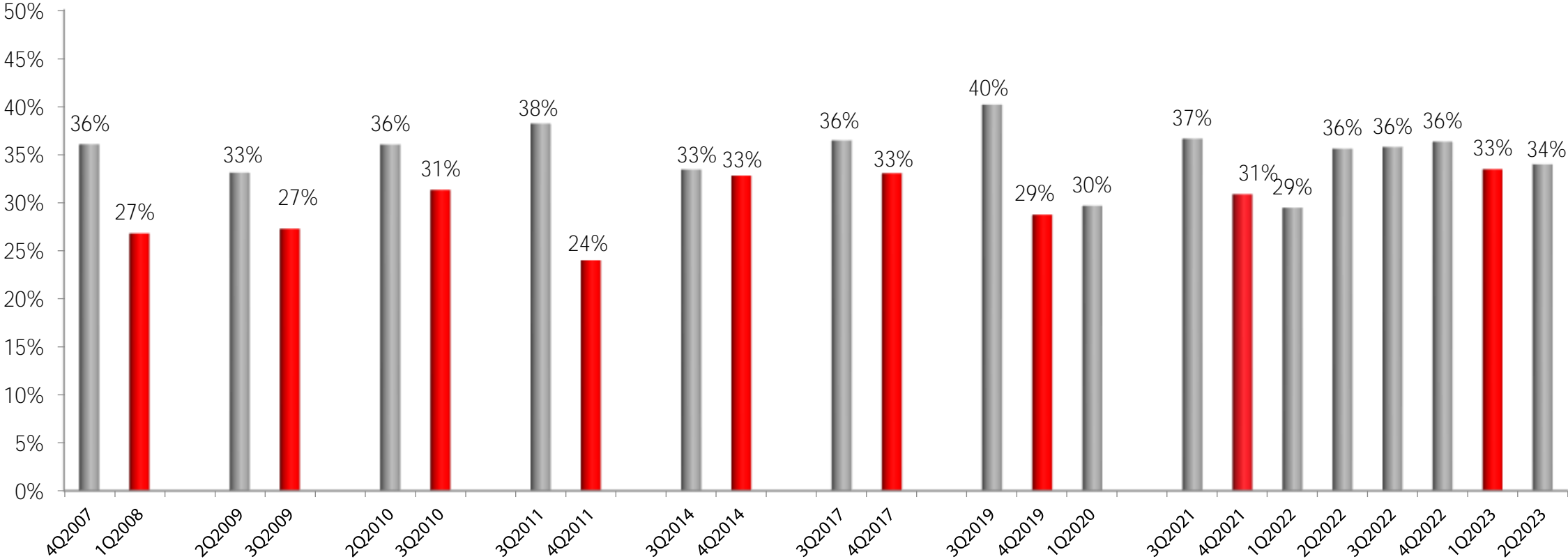
NOTE 4: 5-YEAR FINANCING PROFILE

	2019	2020	2021	2022	1H2023
Total Financing (RM'000)	885,859	1,112,183	1,184,593	1,546,020	1,492,722
Total Assets (RM'000)	3,085,681	3,364,083	3,838,760	4,255,673	4,395,143
Financing Ratio	28.71%	33.06%	30.86%	36.33%	33.96%
Effective Profit Rate	4.37%	3.89%	3.63%	3.87%	4.15%
Percentage of short term financing-Maturity < 1 Year	43%	55%	47%	53%	50%
Percentage of medium/ long term financing (maturity more than 1 year)	57%	45%	53%	47%	50%
Percentage of floating rate financing	21%	47%	36%	53%	38%
Percentage of fixed rate financing	79%	53%	64%	47%	62%
Total unencumbered assets	16	25	19	23	22
Percentage of unencumbered assets/total assets (value)	27%	44%	29%	42%	37%

FINANCIAL OVERVIEW

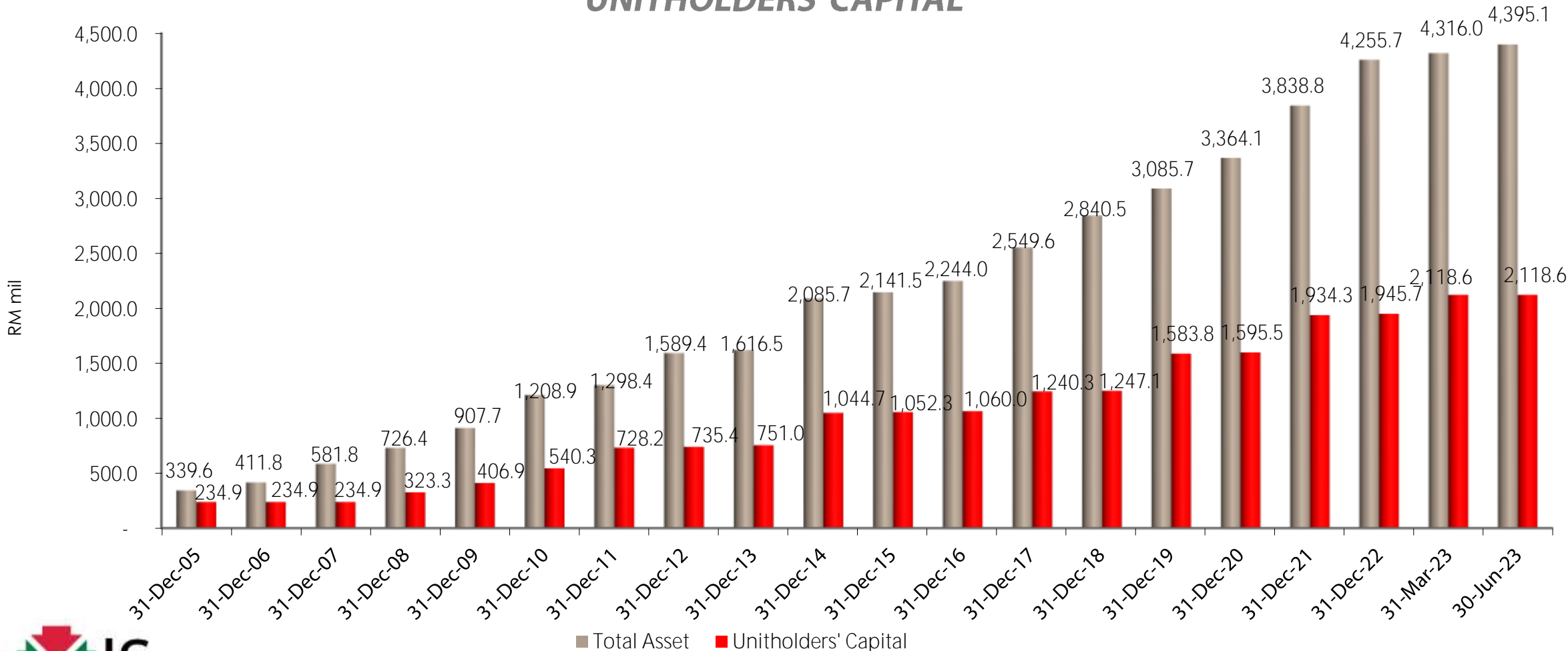
FINANCING RATIO

Placements Undertaken ■



FINANCIAL OVERVIEW

UNITHOLDERS' CAPITAL





STOCK INFORMATION



STOCK INFORMATION

TOP 10 UNITHOLDERS*

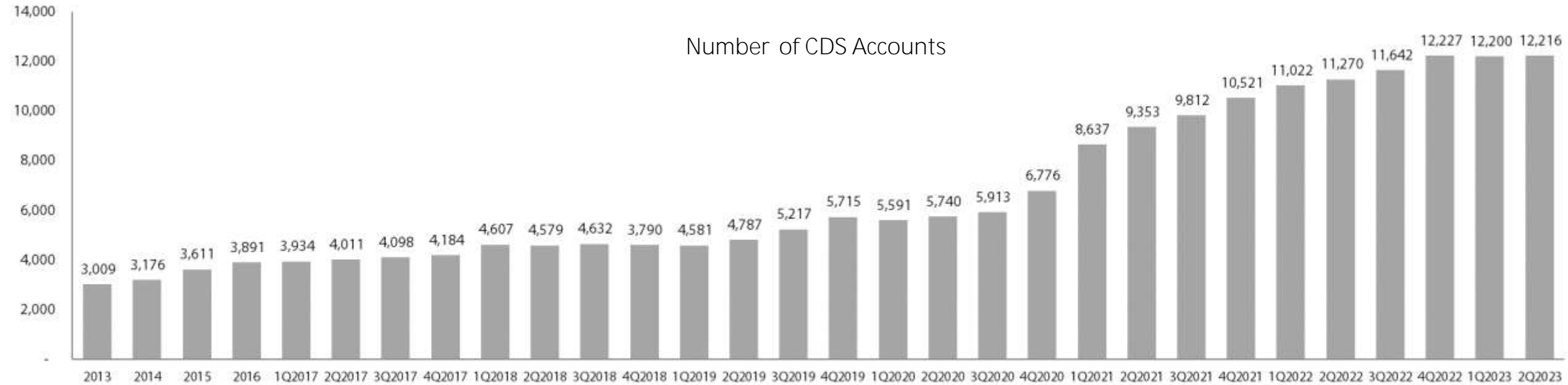
	Name of Unitholder	%
1	EMPLOYEES PROVIDENT FUND BOARD	8.56%
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	8.41%
3	AMANAH SAHAM BUMIPUTERA	4.59%
4	LEMBAGA TABUNG HAJI	4.41%
5	TEW PENG HWEE @ TEOH PENG HWEE	3.27%
6	ALEX LEE LAO	3.12%
7	EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	2.24%
8	EXEMPT AN FOR AIA BHD.	2.00%
9	PUBLIC ITTIKAL SEQUEL FUND	1.82%
10	EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	1.81%

Holdings Breakdown	Units Held 2Q2023	Units Held 1Q2023	Movement
Top 5 Unitholders	29.24%	29.16%	0.08%
Top 10 Unitholders	40.22%	39.74%	0.48%
Unitholders with >2 million unitholdings	85.59%	84.94%	0.65%

*Based on CDS accounts on non-consolidated basis

STOCK INFORMATION

Number of CDS Accounts



	Units Held 2Q2023	Units Held 1Q2023	Movement
Total no. of unitholders	12,216	12,200	16
Total foreign holdings	17.30%	18.33%	-1.03%
Foreign holdings – related party	5.35%	5.36%	-0.01%
Foreign holdings – non-related party	11.95%	12.97%	-1.02%
Promoters	9.23%	9.24%	-0.01%



THANK YOU