



AXIS REAL ESTATE INVESTMENT TRUST

Results Presentation 2Q2024
23 July 2024



HIGHLIGHTS

**PORTFOLIO
OVERVIEW**

**FINANCIAL
OVERVIEW**

**STOCK
INFORMATION**

HIGHLIGHTS

HIGHLIGHTS



64 properties on portfolio
51 properties with 100% occupancy



Portfolio Occupancy of **89%** (as at 30/6/2024)
Weighted Average Lease Expiry of **4.9 years**



Total Assets Under Management
RM4.69 billion



Reclassified as Islamic REIT in 2008



Space Under Management
14.15 million sq ft



Distribution Per Unit 1H2024
4.55 sen



Financing Ratio
36.1%



Market Capitalization (as at 30/6/2024)
RM3.2 billion



Solid industrial space portfolio



Nationwide presence across Malaysia

1H2024 HIGHLIGHTS

- Investment properties currently stands at RM4.56 billion.
- Traded at a premium of 13.2% to NAV as at 30 June 2024.
- Total of 4.55 sen DPU declared for 1H2024
- Portfolio size increased by 2 to a total of 64 properties as at 30 June 2024 and further increased to 67 properties as at 23 July 2024.
- Space under management increased by 802,394 sq. ft. as at 30 June 2024.
- Axis Mega Distribution Centre (Phase 2) development project was successfully completed and obtained Certificate of Compliance and Completion on 27 March 2024.
- Completed the acquisition of Axis Hypermarket @ Temerloh, Pahang for RM25,750,000 on 16 January 2024.
- Completed the acquisition of Axis Facility 1 @ Bukit Raja, Selangor for RM49,000,000 on 31 May 2024.

1H2024 HIGHLIGHTS

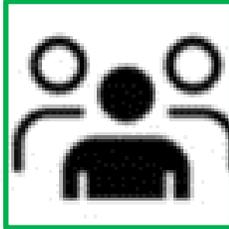
- Signed the Sale and Purchase Agreement to acquire an industrial facility in Petaling Jaya, Selangor for the proposed purchase consideration of RM69,000,000 on 23 May 2024. The acquisition completed on 15 July 2024 and the property is now known as Axis Vista 2.
- Signed the Sale and Purchase Agreement to acquire an industrial facility in Batu Caves, Selangor for the proposed purchase consideration of RM56,000,000 on 23 May 2024. The acquisition completed on 15 July 2024 and the property is now known as Axis Industrial Facility @ Batu Caves.
- Signed the Sale and Purchase Agreement to acquire a manufacturing facility in Sendayan, Negeri Sembilan for a proposed purchase consideration of RM48,000,000 on 25 October 2023. The acquisition completed on 23 July 2024 and the property is now known as Axis Industrial Facility @ Sendayan.
- Signed the Sale and Purchase Agreement to acquire a manufacturing facility in Kawasan Perindustrian Bukit Raja, Selangor for the proposed purchase consideration of RM313,000,000 on 22 April 2024.
- Signed the Sale and Purchase Agreement to acquire a storage yard in Kawasan Perindustrian Bukit Raja, Selangor for the proposed purchase consideration of RM38,800,000 on 22 April 2024.
- Signed the Sale and Purchase Agreement to dispose Axis Steel Centre @ SiLC, Johor for the proposed disposal consideration of RM162,000,000 on 24 April 2024.

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
 - Axis Mega Distribution Centre: Provisional GreenRE Silver (Phase 1), Gold (Phase 2)



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

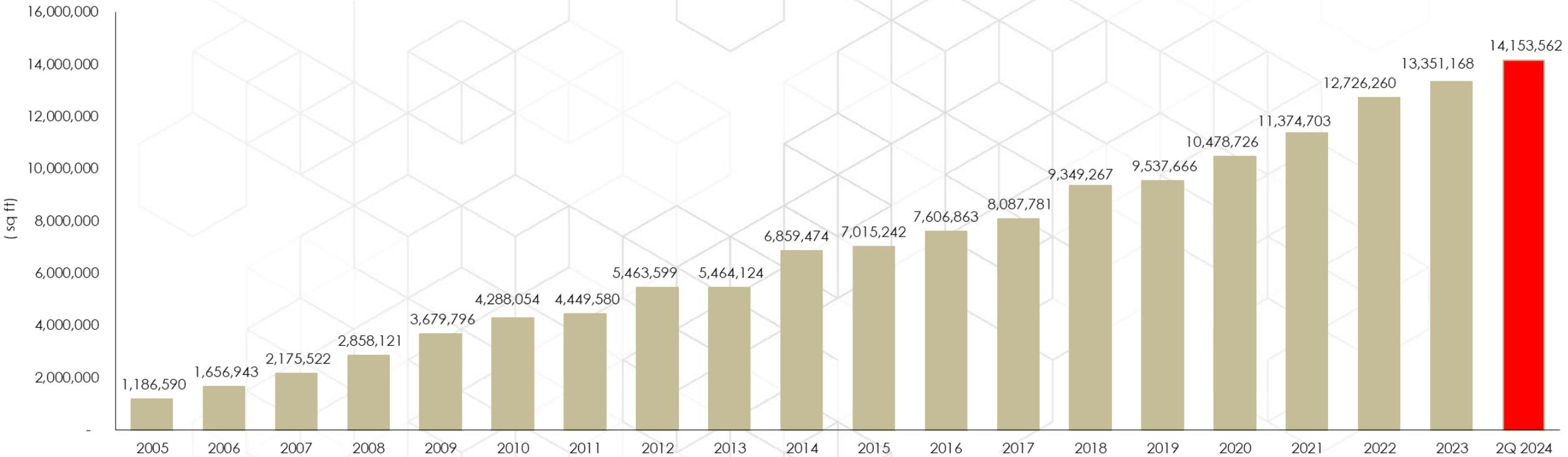
PORTFOLIO OVERVIEW

As at 30 June 2024, the portfolio has 64 assets comprising 14,153,562 sq. ft. and 177 tenants.

	1H2024				
No. of Properties	64				
Realised Property Income (RM'000)	151,538				
Property Expenses (RM'000)	22,378				
Realised Net Property Income (RM'000)	129,160				
Occupancy	89%				
Portfolio Efficiency Ratio = YTD Property Expenses / YTD Property Income					
	1H2024	2023	2022	2021	2020
	14.77%	15.11%	13.92%	13.79%	15.05%

PORTFOLIO OVERVIEW

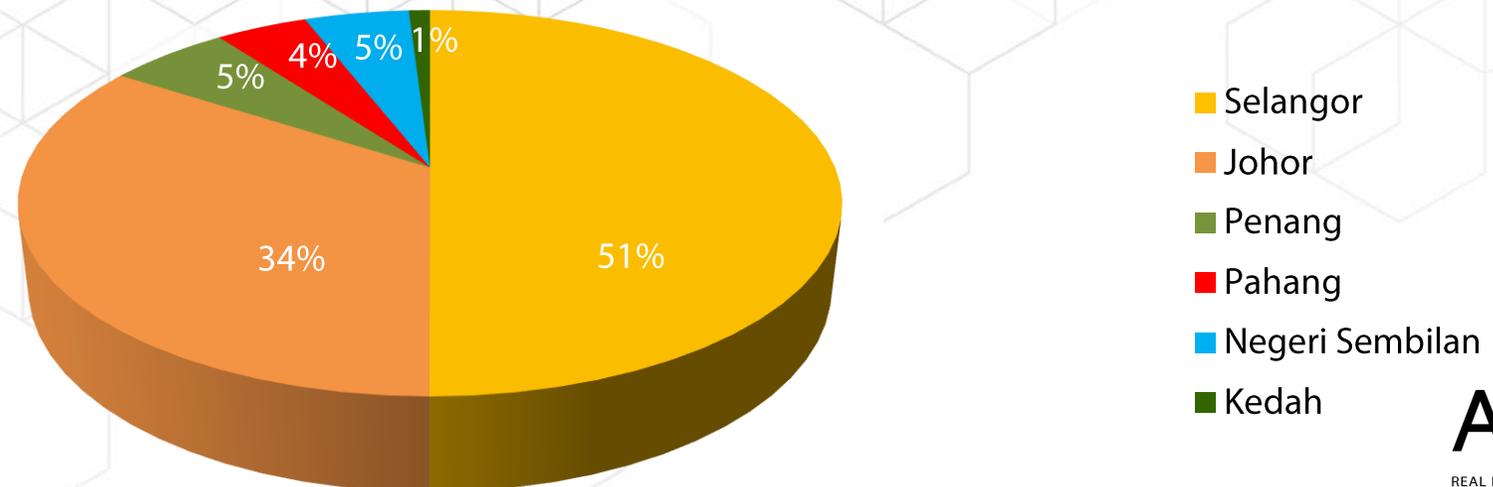
Space Under Management (sq ft)



PORTFOLIO OVERVIEW

- ✓ Our 64 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:
 - Selangor
 - Johor
 - Penang
- ✓ 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

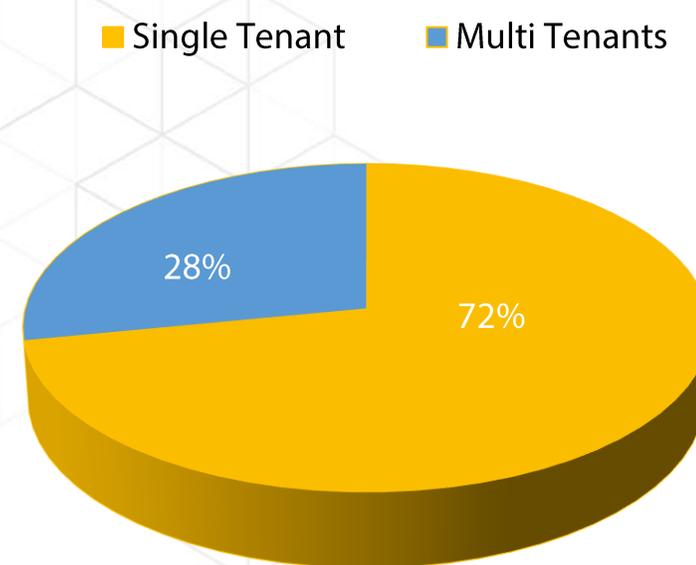
Portfolio Diversification by Industry Sector (on NLA)



Portfolio Diversification by Asset Type (on NLA)



Portfolio Diversification by Occupancy Type (on NLA)



PORTFOLIO OVERVIEW

PROPERTIES WITH OCCUPANCY BELOW 90% AS AT 30 JUNE 2024



Notes:

1. Vacant space in Fonterra HQ is built for their future expansion.
2. Axis Mega Distribution Centre achieved 62.7% occupancy in July 2024.
3. SPA signed for disposal of Axis Steel Centre @ SiLC on 24 April 2024.

PORTFOLIO OVERVIEW

Lease Expiry By Location

Property	Year 2024	% of Total NLA	% of Rental Income/month	Year 2025	% of Total NLA	% of Rental Income/month	Year 2026	% of Total NLA	% of Rental Income/month
Petaling Jaya	588,693	4.16	7.12	740,859	5.23	9.28	393,114	2.78	4.62
Subang	-	-	-	30,250	0.21	0.52	-	-	-
Shah Alam	1,056,195	7.46	7.08	694,813	4.91	4.86	588,310	4.16	4.40
Klang	-	-	-	407,337	2.88	2.54	-	-	-
Johor	843,971	5.96	5.73	736,936	5.21	3.41	171,000	1.21	0.98
Nilai	-	-	-	291,642	2.06	1.17	148,011	1.05	0.62
Penang	-	-	-	147,985	1.05	0.84	205,151	1.44	2.05
Kedah	-	-	-	138,000	0.98	1.23	-	-	-
TOTAL	2,488,859	17.58	19.93	3,187,822	22.53	23.85	1,505,586	10.64	12.67

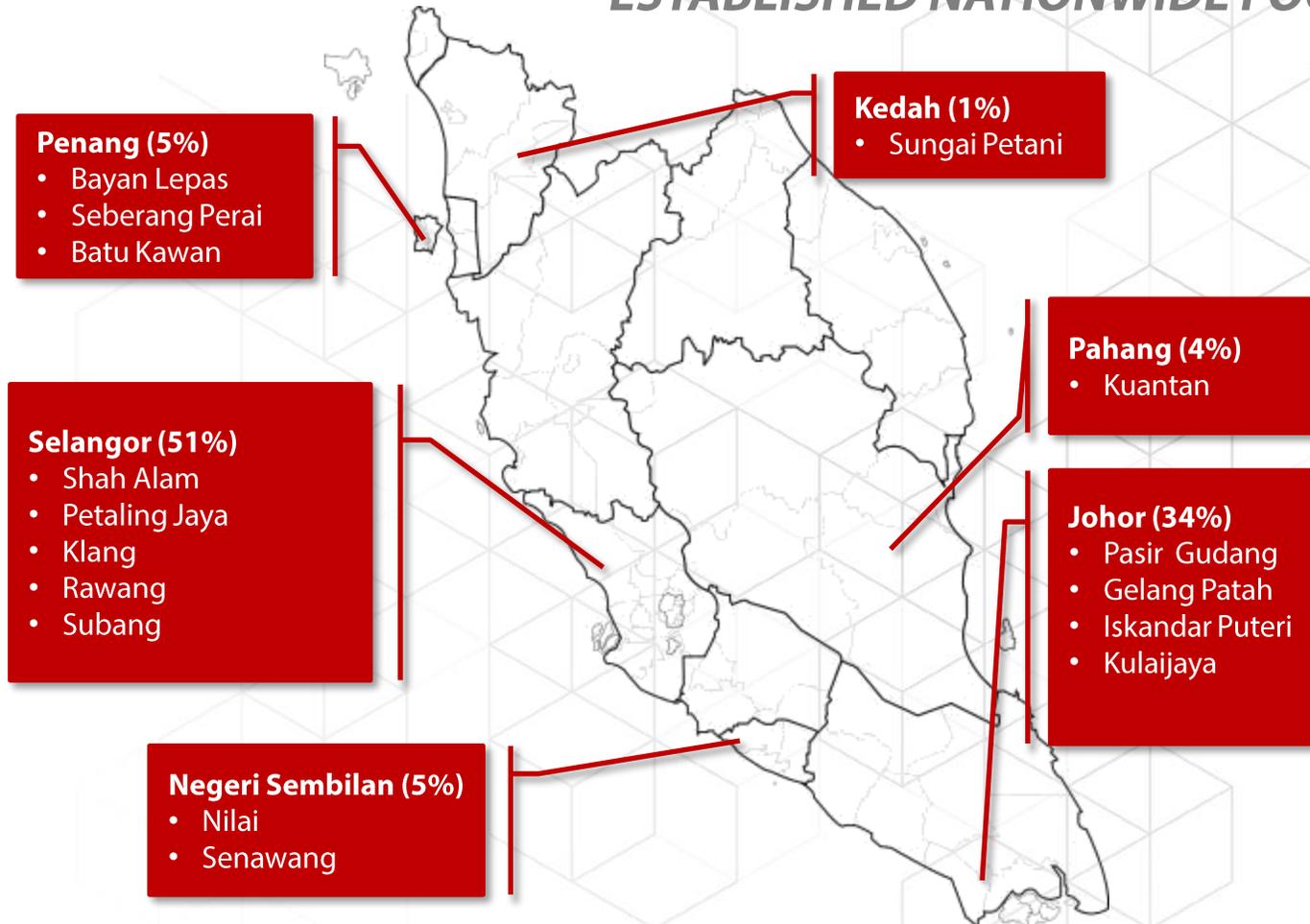
Lease Expiry By Type

Property	Year 2024	% of Total NLA	% of Rental Income/month	Year 2025	% of Total NLA	% of Rental Income/month	Year 2026	% of Total NLA	% of Rental Income/month
Office	213,059	1.51	3.58	132,517	0.94	2.15	43,347	0.31	0.77
Office Industrial	517,244	3.65	4.79	727,053	5.14	8.44	349,767	2.47	3.85
Logistics Warehouse	1,448,455	10.23	9.26	1,705,595	12.05	9.95	1,071,411	7.57	7.75
Manufacturing Facilities	310,101	2.19	2.30	484,657	3.42	2.08	41,061	0.29	0.30
Hypermarket	-	-	-	138,000	0.98	1.23	-	-	-
TOTAL	2,488,859	17.58	19.93	3,187,822	22.53	23.85	1,505,586	10.64	12.67

Out of 2.49 million sq. ft. space due for renewal in 2024, 52% tenancies had been renewed and additional 8.6% was re-tenanted.

PORTFOLIO OVERVIEW

ESTABLISHED NATIONWIDE FOOTPRINT



Top 10 Tenants

YTD top ten tenants accounted for 49.5% of the monthly revenue

1. Equalbase PTP Sdn Bhd
2. Nestle Products Sdn Bhd
3. LF Logistics Services (M) Sdn Bhd
4. SPX Xpress (Malaysia) Sdn Bhd
5. Schenker Logistics (Malaysia) Sdn Bhd
6. Wasco Costings Malaysia Sdn Bhd
7. Beyonics Precision (Malaysia) Sdn Bhd
8. Upeca Aerotech Sdn Bhd
9. Lotuss Stores (Malaysia) Sdn Bhd
10. Northport (Malaysia) Bhd



LF LOGISTICS



DB SCHENKER



Beyonics



Lotus's



PORTFOLIO OVERVIEW

COMPLETED DEVELOPMENT

Axis Mega Distribution Centre (Phase 2)



Green
certified
building

CCC
Obtained
27 March 2024

Lettable Area	: 509,040 sq. ft.
Occupancy	: 25% as at 23 July 2024
Land Area	: Approx. 20.0 acres
Land Tenure	: Freehold
Est. Development Cost	: Approx. RM180.0 million (incl. land)
Tenant	: Multi-tenanted

PORTFOLIO OVERVIEW

COMPLETED ACQUISITION

Axis Hypermarket @ Temerloh, Pahang



Completion Date	:	16 January 2024
Net Lettable Area	:	Approx. 93,854 sq. ft.
Land Area	:	Approx. 1.85 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM25.75 million
WALE at Acquisition	:	20 years
Tenant	:	TF Value-Mart Sdn Bhd

PORTFOLIO OVERVIEW

COMPLETED ACQUISITION

Axis Facility 1 @ Bukit Raja



(Front view of Property)



(Rear view of Property)

Completion Date	:	31 May 2024
Net Lettable Area	:	199,500 sq. ft.
Land Area	:	Approx. 7.98 acres
Land Tenure	:	Leasehold
Occupancy	:	100%
Purchase Price	:	RM49.0 million
WALE at Acquisition	:	6 years
Tenant	:	Amsteel Mills Sdn Bhd

PORTFOLIO OVERVIEW

COMPLETED ACQUISITION

Axis Vista 2



Completion Date	:	15 July 2024
Net Lettable Area	:	156,000 sf.
Land Area	:	Approx. 2.36 acres
Land Tenure	:	Leasehold
Occupancy	:	100%
Purchase Price	:	RM69.0 million
WALE at Acquisition	:	10 years
Tenant	:	Cycle & Carriage Bintang Berhad

PORTFOLIO OVERVIEW

COMPLETED ACQUISITION

Axis Industrial Facility @ Batu Caves



Completion Date	:	15 July 2024
Net Lettable Area	:	71,000 sf.
Land Area	:	Approx. 4.09 acres
Land Tenure	:	Leasehold
Occupancy	:	100%
Purchase Price	:	RM56.0 million
WALE at Acquisition	:	10 years
Tenant	:	Cycle & Carriage Bintang Berhad

PORTFOLIO OVERVIEW

COMPLETED ACQUISITION

Axis Industrial Facility @ Sendayan



Completion Date	:	23 July 2024
Net Lettable Area	:	105,310 sq. ft.
Land Area	:	Approx. 14.63 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM48.0 million
WALE at Acquisition	:	Approx. 6 years
Tenant	:	Sandvik Equipment Sdn Bhd

PORTFOLIO OVERVIEW

ONGOING ACQUISITION

Manufacturing Facility and Storage Yard in Bukit Raja, Klang



Property 1

Target Completion Date :	2H2024
Net Lettable Area :	924,000 sq. ft.
Land Area :	Approx. 59.96 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM313.0 million
WALE at Acquisition :	Approx. 6 years



Property 2

Target Completion Date :	VP Delivery Date – end 2025, Completion – end 2026
Net Lettable Area :	Not applicable (property utilized as storage yard)
Land Area :	Approx. 7.13 acres
Land Tenure :	Leasehold
Occupancy :	Unoccupied
Purchase Price :	RM38.8 million (deferred payment over 2 years)
WALE at Acquisition :	-

PORTFOLIO OVERVIEW

ONGOING ACQUISITION

Manufacturing Facility and Storage Yard in Bukit Raja, Klang (Cont'd)



(Aerial view of Properties and its vicinity, Source: Google Maps)

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
RM220 million**

FINANCIAL OVERVIEW

FINANCIAL OVERVIEW

SNAPSHOT AS AT 30 JUNE 2024



RM4.69 billion
Total Assets



RM1.69 billion
Total Financing



RM2.83 billion
Total Unitholder's Funds



RM1.62
Net Asset Value Per Unit



36.1%
Financing Ratio



1Q2024: 2.30 sen
2Q2024: 2.25 sen
Distribution per unit

FINANCIAL OVERVIEW

INCOME STATEMENT 2Q2024 vs 2Q2023

	2Q2024 (RM'000)	2Q2023 (RM'000)	Changes / Movement
No. of Properties	64	62	+2
Property Income	76,261	68,065	+12%
- Property income before lease incentive adjustment	76,064	67,943	+12%
- Lease incentive adjustment (non-distributable)	197	122	
Property Expenses	(11,288)	(10,282)	+9.8%
Net Property Income	64,973	57,783	+12.4%
- Net property income before lease incentive adjustment	64,776	57,661	+12.3%
- Lease incentive adjustment (non-distributable)	197	122	
Profit Income / Other Income	269	389	
Non-Property Expenses	(8,239)	(9,824)	-16.1%
Islamic Financing Cost	(17,447)	(14,608)	+19.4%
Net Income	39,556	33,740	+17.2%
- Net income before lease incentive adjustment	39,359	33,618	+17.1%
- Lease incentive adjustment (non-distributable)	197	122	
DPU (sen)	2.25	2.05	+9.8%
No. of Units in Issuance	1,747,492,159	1,741,054,038	+0.4%

* Note: The above financials exclude unbilled lease income receivable

FINANCIAL OVERVIEW

INCOME STATEMENT 1H2024 vs 1H2023

	1H2024 (RM'000)	1H2023 (RM'000)	Changes / Movement
No. of Properties	64	62	+2
Property Income – Note 1	151,538	137,816	+10%
- Property income before lease incentive adjustment	151,242	137,597	+9.9%
- Lease incentive adjustment (non-distributable)	296	219	
Property Expenses – Note 2	(22,378)	(21,820)	+2.6%
Net Property Income	129,160	115,996	+11.3%
- Net property income before lease incentive adjustment	128,864	115,777	+11.3%
- Lease incentive adjustment (non-distributable)	296	219	
Profit Income / Other Income	532	811	
Non-Property Expenses – Note 3	(16,725)	(21,526)	-22.3%
Islamic Financing Cost – Note 4	(33,416)	(28,995)	+15.2%
Net Income	79,551	66,286	+20%
- Net income before lease incentive adjustment	79,255	66,067	+20%
- Lease incentive adjustment (non-distributable)	296	219	
DPU (sen)	4.55	4.10	+11%
No. of Units in Issuance – Note 5	1,747,492,159	1,741,054,038	+0.4%

* Note: The above financials exclude unbilled lease income receivable

FINANCIAL OVERVIEW

INCOME STATEMENT 1H2024 vs 1H2023 - NOTES

Note 1 – Property Income

Property income is higher as compared to preceding year corresponding period mainly due to:

- Commencement of lease for Bukit Raja Distribution Centre 2 in August 2023 with a monthly rental of RM1.35 million
- Positive rental reversion
- Completed acquisitions of Axis Hypermarket @ Temerloh and Axis Facility 1 @ Bukit Raja completed on 16 January 2024 and 31 May 2024, respectively.

This was partly offset by the loss of rental income from termination of lease agreement at Axis Steel Centre @ SiLC, with vacant possession of the property taken back on 7 June 2023. Signed SPA for disposal of Axis Steel Centre @ SiLC on 24 April 2024.

Note 2 – Property Expenses

Slightly higher property expenses mainly due to increase in assessment and increased number of properties in the portfolio.

Note 3 – Non-Property Expenses

Lower non-property expenses compared to 1H2023 due to no provision for doubtful debts in 1H2024.

Note 4 – Islamic Financing Cost

Increase mainly due to the 25 basis points increased in the Overnight Policy Rate (OPR) in May 2023 affecting floating rate financings and cessation of financing cost for Bukit Raja Distribution Centre 2 and Axis Mega Distribution Centre (Phase 2) upon completion of the projects in August 2023 and March 2024, respectively.

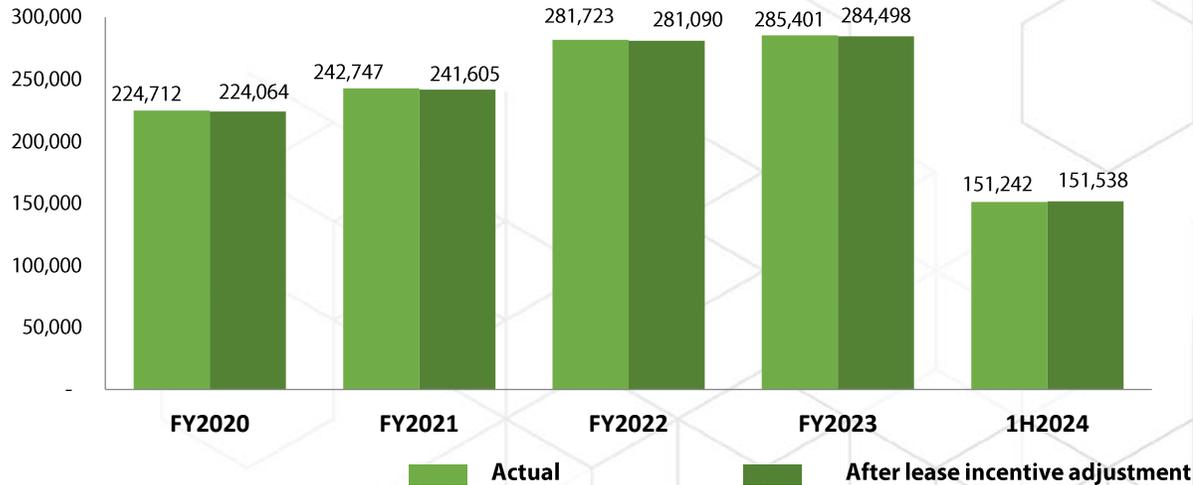
Note 5 – No. of Units in Issuance

The Fund size increased from 1,741,054,038 units to 1,747,492,159 units through completion of IDRPs applicable to the 2023 third interim income distribution on 18 December 2023.

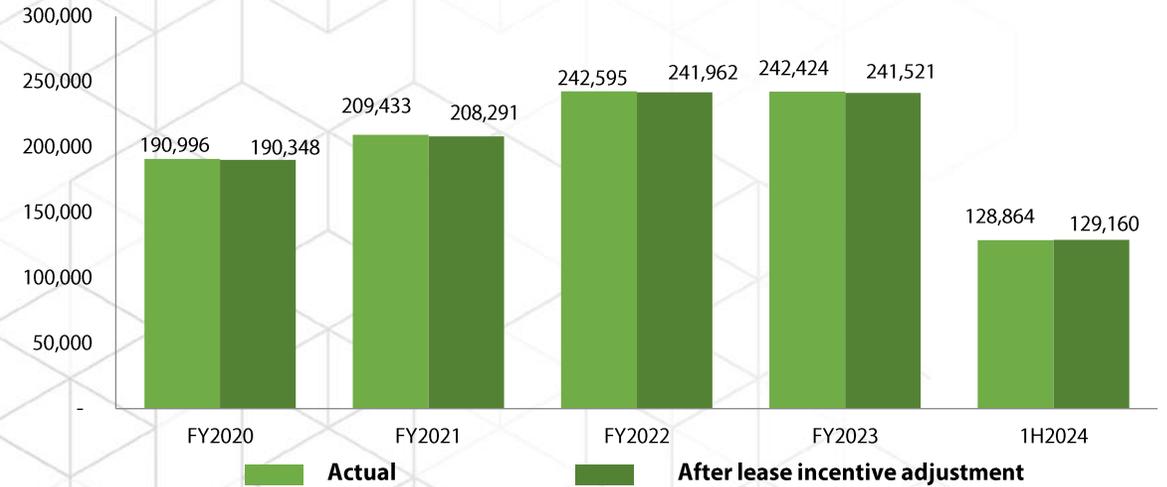
FINANCIAL OVERVIEW

5-YEAR PERFORMANCE

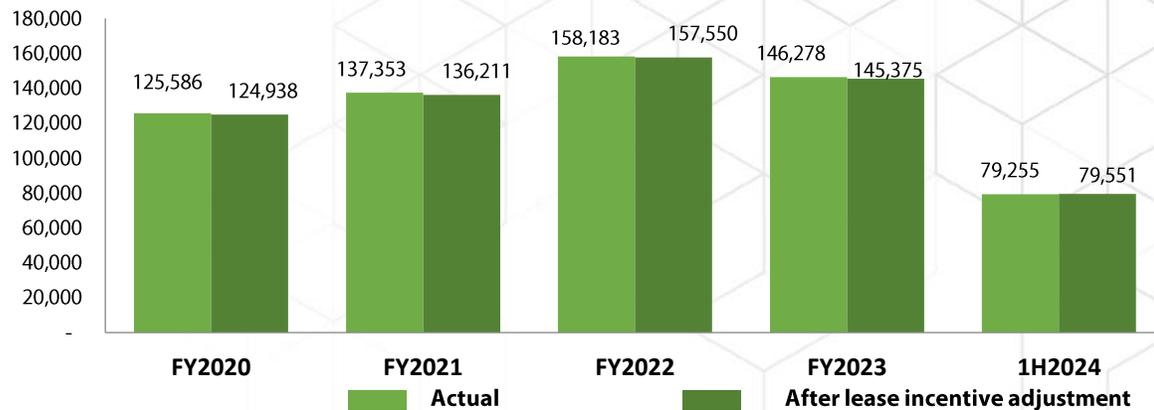
Revenue (RM'000)*



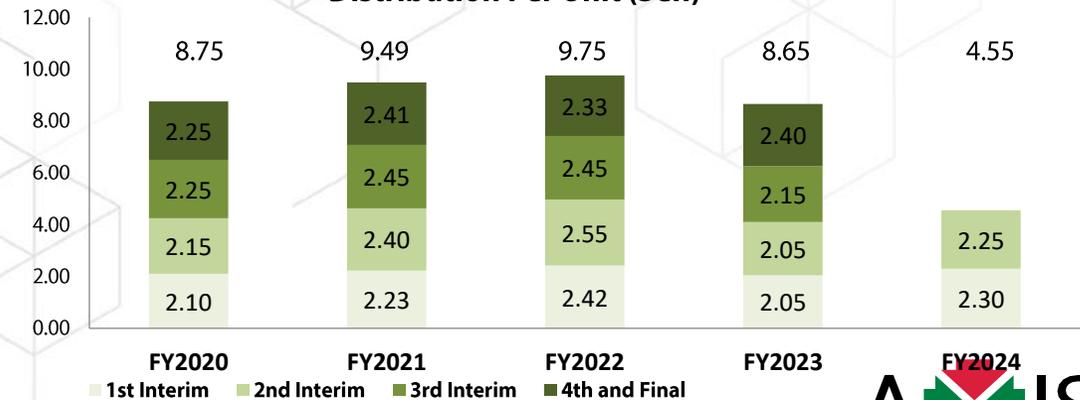
Net Property Income (RM'000)*



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	6.9	9.6
Office Industrial	7.1	9.7
Logistics Warehouse	7.9	8.8
Manufacturing Facilities	7.8	8.7
Hypermarket	8.2	8.9
Average	7.7	9.0

FINANCIAL OVERVIEW

FINANCIAL POSITION

	30/6/24 (RM'000)	31/12/23 (RM'000)	Changes (RM'000)
Investment Properties – Note 1	4,405,355	4,444,120	-38,765
Fixed Assets	1,283	1,391	-108
Asset Classified as Held for Sale – Note 1	159,000	-	+159,000
Other Assets – Note 2	122,256	77,382	+44,874
TOTAL ASSETS	4,687,894	4,522,893	+165,001
Financing – Note 3	1,690,210	1,554,974	+135,236
Other Payables	154,286	123,613	+30,673
Deferred Tax Liability	18,304	18,304	-
TOTAL LIABILITIES	1,862,800	1,696,891	+165,909
NET ASSET VALUE (NAV)	2,825,094	2,826,002	-908
Unitholders' Capital	2,129,340	2,129,340	-
Undistributed Distributable Income	28,710	31,290	-2,580
Non-Distributable Reserve	667,044	665,372	+1,672
TOTAL UNITHOLDERS' FUND	2,825,094	2,826,002	-908
FINANCING RATIO	36.05%	34.38%	
NAV/UNIT (RM)	1.6167	1.6172	
No. of units in issuance	1,747,492,159	1,747,492,159	

FINANCIAL OVERVIEW

NOTES - FINANCIAL POSITION

Note 1 – Investment Properties

During the period, a total of RM44.1 million was spent on capital expenditure as below:

- RM8.5 million for enhancement of existing properties,
- RM35.6 million for the development project Axis Mega Distribution Centre (Phase 2).

Acquisitions completed in 1H2024 is as follows :

Property	Purchase Consideration (RM mil)	Completion Date
Axis Hypermarket @ Temerloh	25.75	16-Jan-24
Axis Facility 1 @ Bukit Raja	49.0	31-May-24
Total	74.75	

Axis Steel Centre @ SiLC was reclassified to current assets pursuant to the requirements of Accounting Standards following the execution of SPA on 24 April 2024.

Note 2 – Other Assets

The average collection of trade receivables as at 30 June 2024 is 2 days.

Increase in Other Assets includes the 10% deposits paid upon signing of the SPAs for the proposed acquisitions.

FINANCIAL OVERVIEW

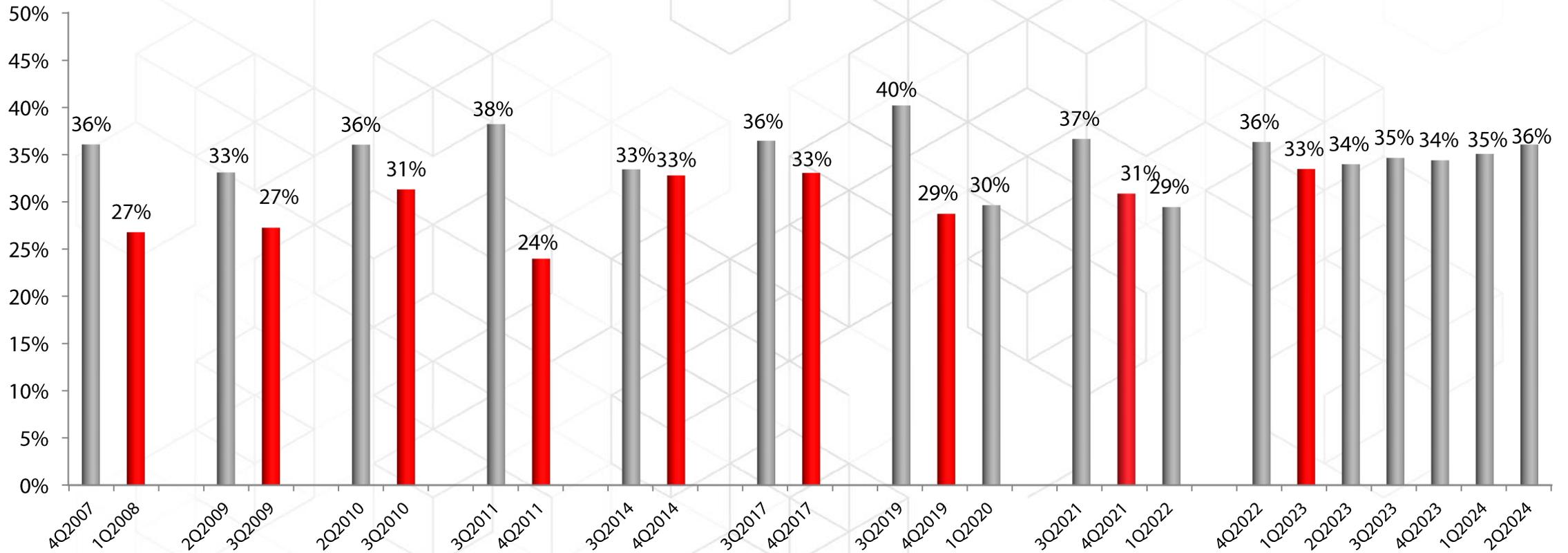
NOTE 3: 5-YEAR FINANCING PROFILE

	2020	2021	2022	2023	1H2024
Total Financing (RM'000)	1,112,183	1,184,593	1,546,020	1,554,974	1,690,210
Total Assets (RM'000)	3,364,083	3,838,760	4,255,673	4,522,893	4,687,894
Financing Ratio	33.06%	30.86%	36.33%	34.38%	36.05%
Effective Profit Rate	3.89%	3.63%	3.87%	4.19%	4.13%
Percentage of short term financing-Maturity < 1 Year	55%	47%	53%	52%	54%
Percentage of medium/ long term financing (maturity more than 1 year)	45%	53%	47%	48%	46%
Percentage of floating rate financing	47%	36%	53%	40%	45%
Percentage of fixed rate financing	53%	64%	47%	60%	55%
Total unencumbered assets	25	19	23	22	23
Percentage of unencumbered assets/total assets (value)	44%	29%	42%	36%	34%

FINANCIAL OVERVIEW

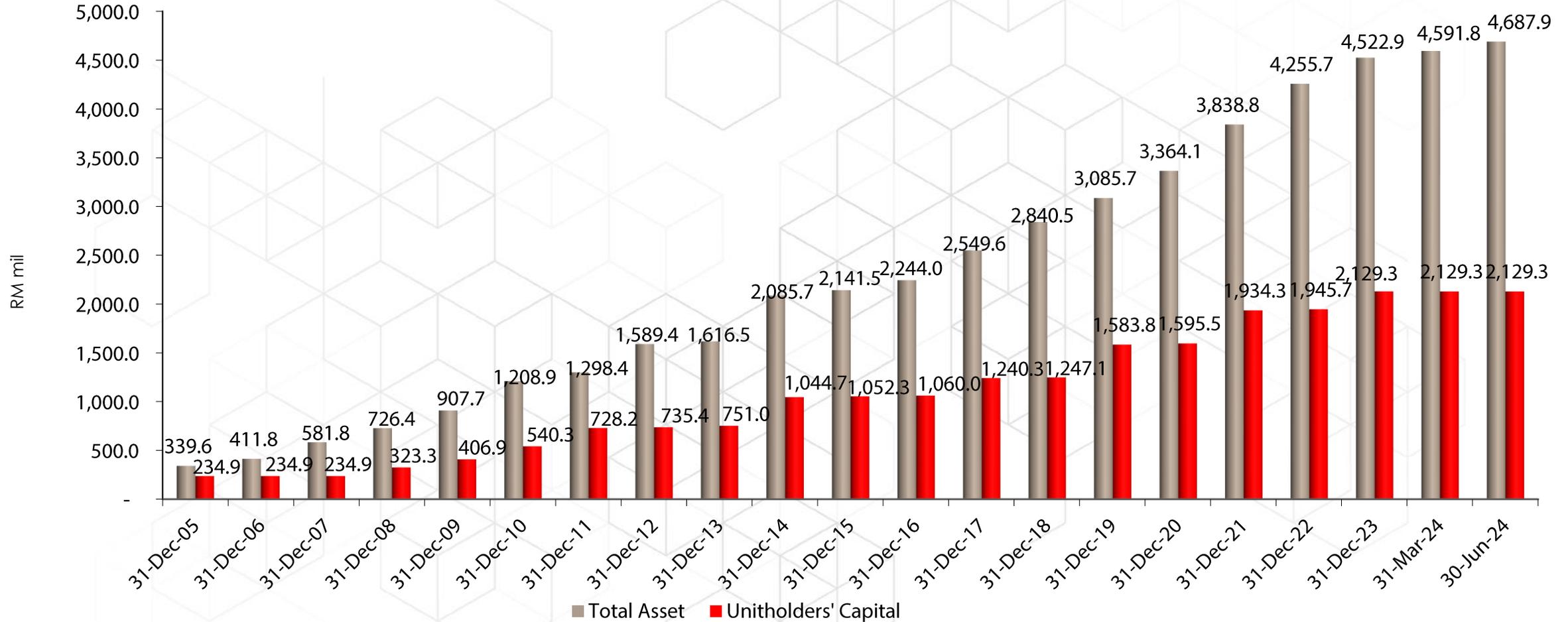
FINANCING RATIO

Placements Undertaken ■



FINANCIAL OVERVIEW

UNITHOLDERS' CAPITAL



STOCK INFORMATION

STOCK INFORMATION

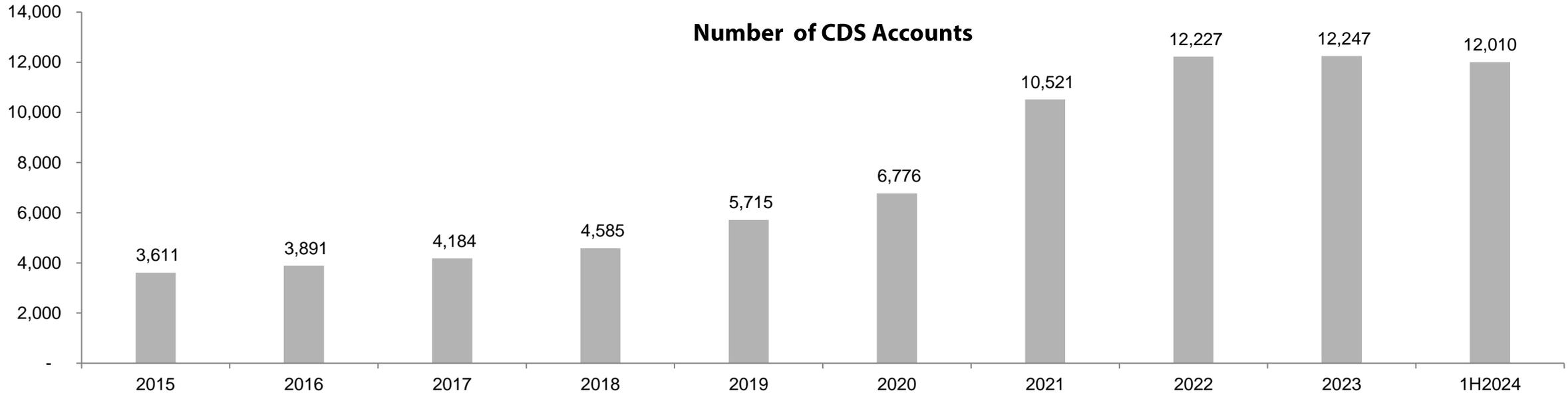
TOP 10 UNITHOLDERS*

	Name of Unitholder	%
1	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	8.42%
2	EMPLOYEES PROVIDENT FUND BOARD	5.62%
3	LEMBAGA TABUNG HAJI	5.28%
4	AMANAH SAHAM BUMIPUTERA	4.58%
5	PUBLIC ITTIKAL SEQUEL FUND	3.97%
6	EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	3.37%
7	TEW PENG HWEE @ TEOH PENG HWEE	3.26%
8	ALEX LEE LAO	3.12%
9	EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	2.25%
10	EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	1.81%

Holdings Breakdown	Units Held 2Q2024	Units Held 1Q2024	Movement
Top 5 Unitholders	27.87%	27.18%	0.69%
Top 10 Unitholders	41.69%	40.48%	1.21%
Unitholders with >2 million unitholdings	85.56%	85.55%	0.01%

*Based on CDS accounts on non-consolidated basis

STOCK INFORMATION



	Units Held 2Q2024	Units Held 1Q2024	Movement
Total no. of unitholders	12,010	12,305	-295
Total foreign holdings	18.28%	17.54%	+0.74%
Foreign holdings – related party	5.10%	5.10%	-
Foreign holdings – non-related party	13.18%	12.44%	+0.74%
Promoters	9.24%	8.98%	+0.26%

THANK YOU