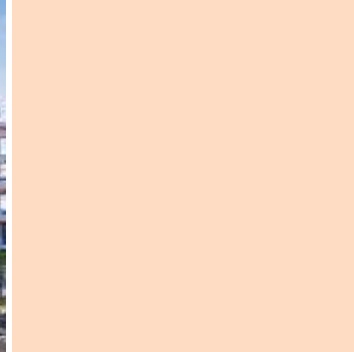




AXIS REAL ESTATE INVESTMENT TRUST  
Results Presentation 3Q2023  
27 October 2023



HIGHLIGHTS

PORTFOLIO  
OVERVIEW

FINANCIAL  
OVERVIEW

STOCK  
INFORMATION



# HIGHLIGHTS



# HIGHLIGHTS



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



Portfolio Occupancy of 92% (as at 30/9/2023)  
Weighted Average Lease Expiry of 5.22 years



Total Assets Under Management  
RM4.43 billion



Reclassified as Islamic REIT in 2008



Space Under Management  
13.3 million sq ft



Distribution Per Unit YTD 3Q2023  
6.25 sen



Financing Ratio  
34.6%



Market Capitalization (as at 30/9/2023)  
RM3.2 billion



Solid industrial space portfolio



Nationwide presence across Malaysia

# YTD 3Q2023 HIGHLIGHTS

- ▶ Total of 6.25 sen DPU declared for YTD 3Q2023
- ▶ Investment properties currently stands at RM4.36 billion.
- ▶ Traded at a premium of 16.8% to NAV as at 30 September 2023.
- ▶ Successfully completed the listing of 100 million new units on 4 January 2023 pursuant to a placement exercise.
- ▶ The Bukit Raja Distribution Centre 2 development project was successfully handed over to SPX Xpress (Malaysia) Sdn Bhd (fka Shopee Express Malaysia Sdn Bhd) and rental commenced on 1 August 2023.
- ▶ 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.
- ▶ Acceptance of Letter of Offer to acquire a hypermarket for RM25,750,000 located in Temerloh, Pahang.
- ▶ Announced the implementation of the Income Distribution Reinvestment Plan in conjunction with the payment of 2023 third interim income distribution.



# 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 September 2023, the portfolio has 62 assets comprising 13,347,443 sq. ft. and 169 tenants.

	YTD 3Q2023
No. of Properties	62
Realised <b>Property Income</b> (RM'000)	209,301
<b>Property Expenses</b> (RM'000)	32,556
Realised <b>Net Property Income</b> (RM'000)	176,745
Occupancy	92%

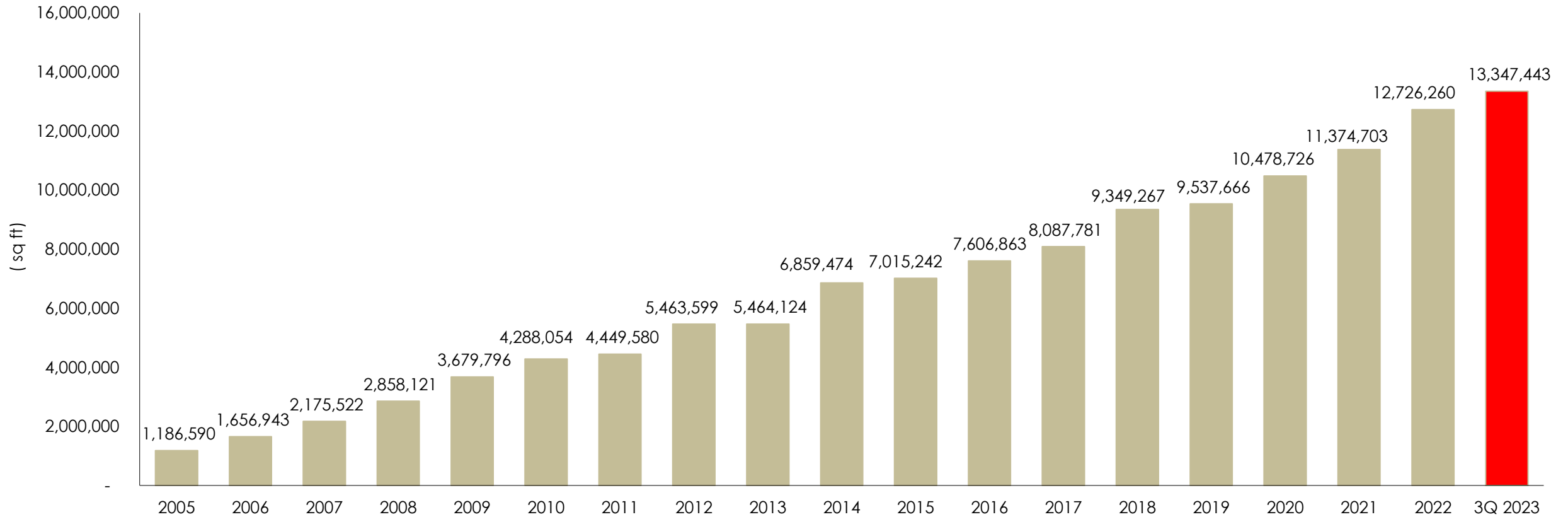
Portfolio Efficiency Ratio = YTD Property Expenses / YTD Property Income

YTD 3Q2023	2022	2021	2020	2019
15.55%	13.92%	13.79%	15.05%	14.31%



# PORTFOLIO OVERVIEW

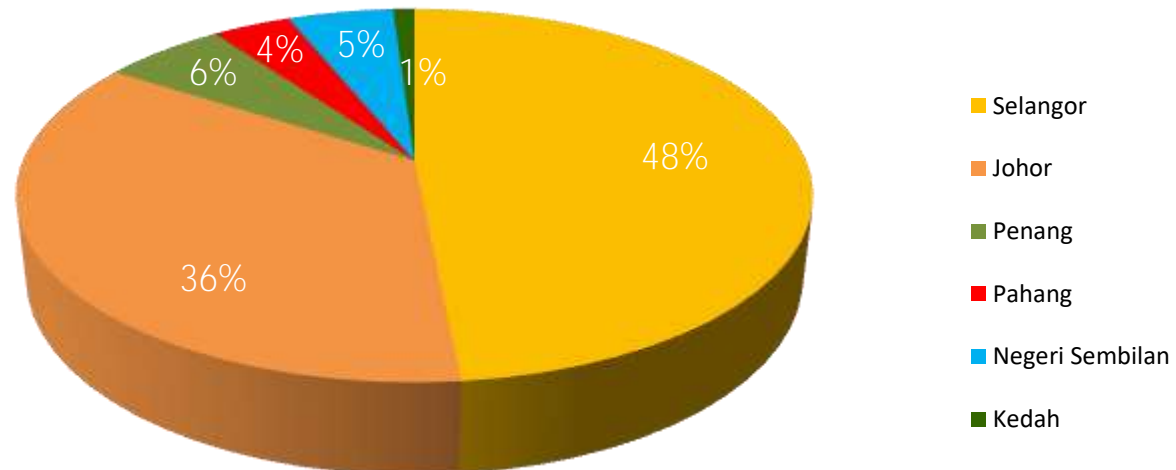
Space Under Management (sq ft)



# PORTFOLIO OVERVIEW

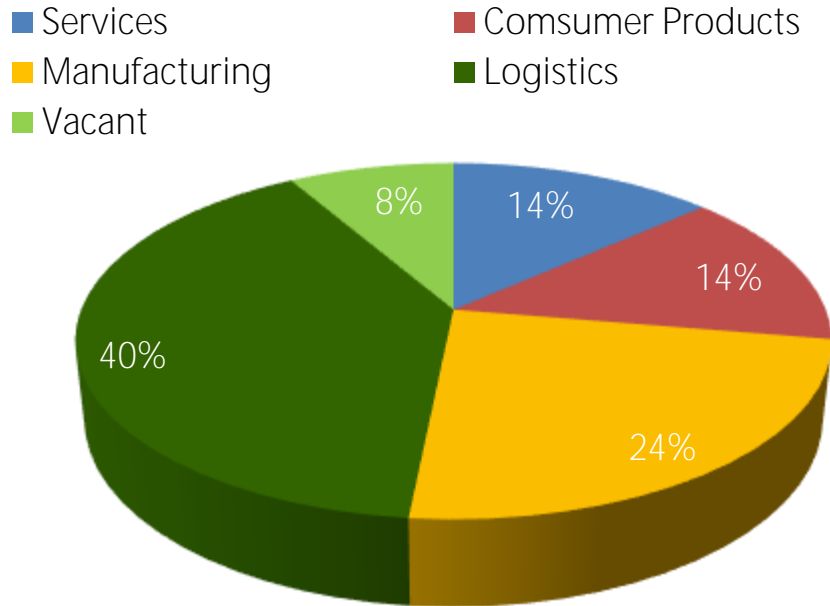
- ✓ Our 62 properties are strategically located in prime industrial areas such as Klang Valley, Johor, Penang, Pahang, Negeri Sembilan and Kedah.
- ✓ Focus areas for pipeline acquisitions include key industrial hubs of:
  - Penang
  - Selangor
  - Johor
- ✓ This geographical diversification is aimed at capturing the rapid growth of current and future regional industrial hubs.

Portfolio Diversification by Location (on NLA)

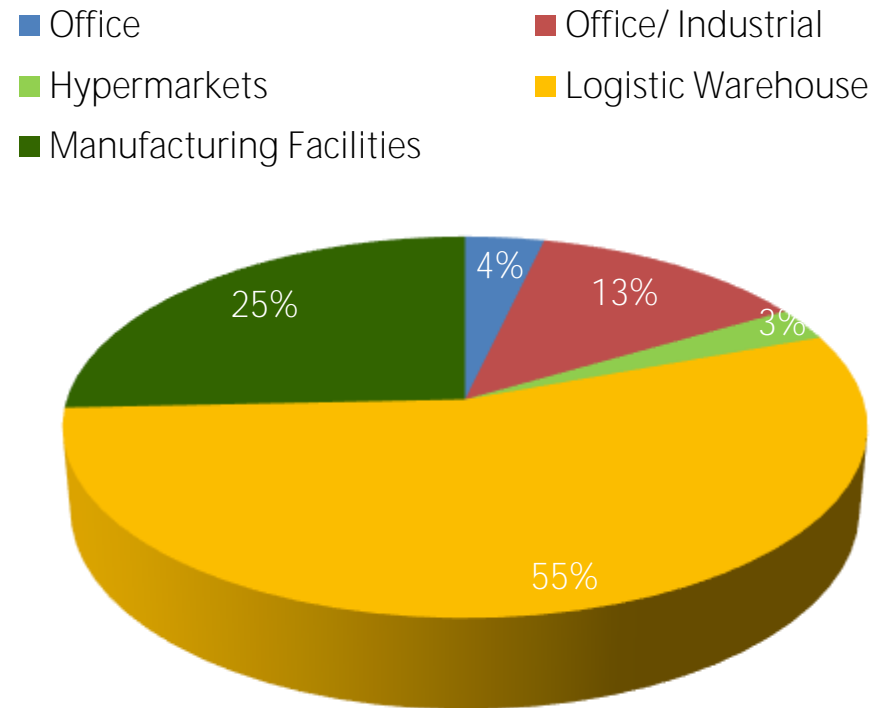


# PORTFOLIO OVERVIEW

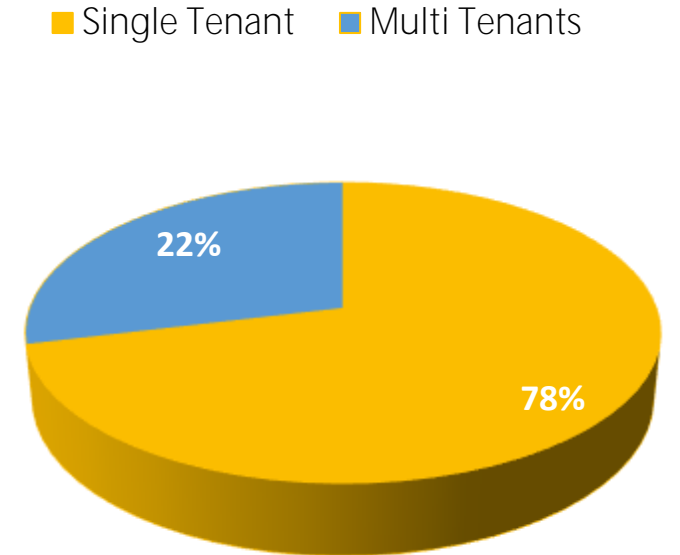
Portfolio Diversification by Industry Sector (on NLA)



Portfolio Diversification by Asset Type (on NLA)

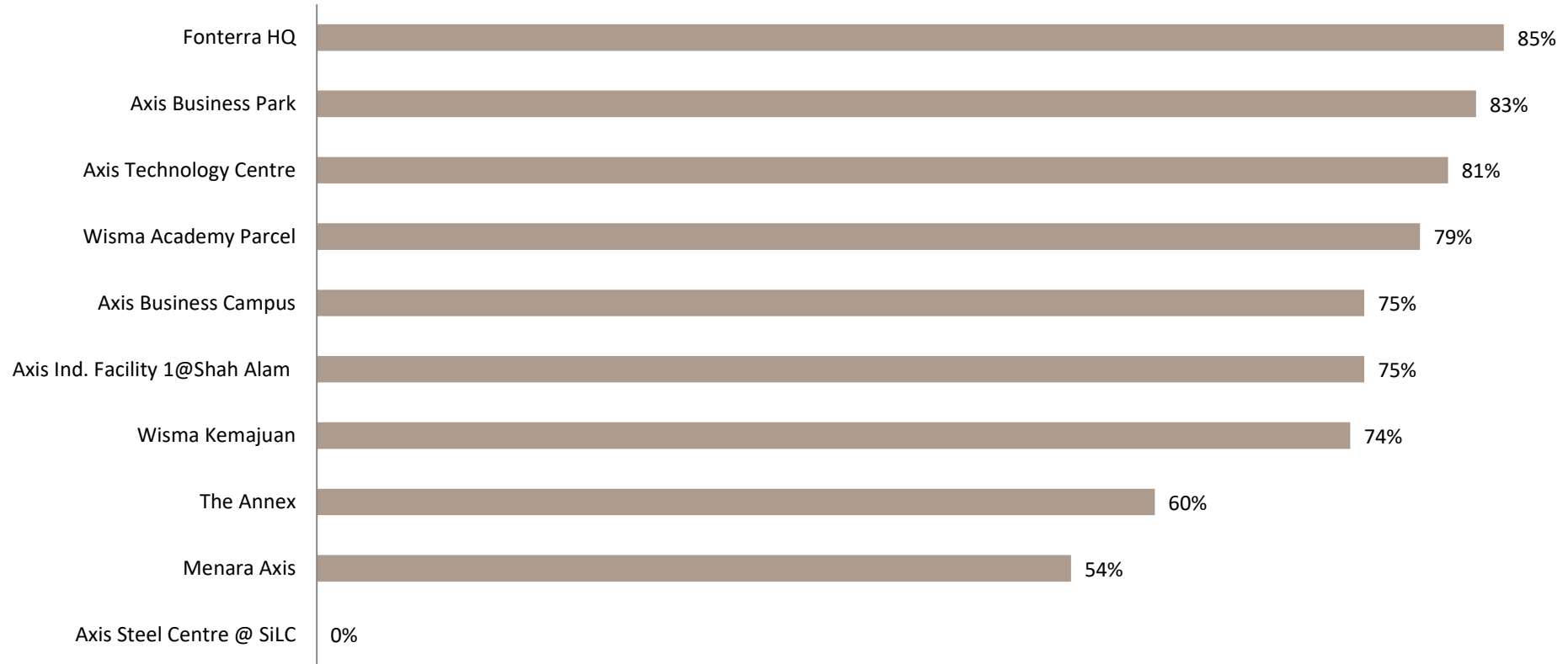


Portfolio Diversification by Occupancy Type (on NLA)



# PORTFOLIO OVERVIEW

*PROPERTIES WITH OCCUPANCY BELOW 90% AS AT 30 SEPTEMBER 2023*



*Notes:*

- 1. Vacant space in Fonterra HQ is built for their future expansion.*
- 2. Axis Technology Centre occupancy rate will improve to 92% in October 2023.*
- 3. Axis Steel Centre @ SiLC site possession taken from Yongnam Engineering in June 2023 due to rental default.*

# 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	4.37	6.50	545,586	4.09	7.03	606,651	4.55	8.14
Subang	-	-	-	-	-	-	30,250	0.23	0.53
Shah Alam	658,480	4.93	4.97	922,334	6.91	6.33	486,676	3.65	3.79
Klang	-	-	-	-	-	-	343,707	2.58	2.11
Johor	130,743	0.98	0.58	843,971	6.32	5.92	573,936	4.30	2.36
Nilai	-	-	-	-	-	-	291,642	1.17	1.21
Penang	205,151	1.54	2.06	-	-	-	147,985	1.11	0.87
Kedah	-	-	-	-	-	-	138,000	1.03	1.27
<b>TOTAL</b>	<b>1,577,139</b>	<b>11.82</b>	<b>14.11</b>	<b>2,311,891</b>	<b>17.32</b>	<b>19.28</b>	<b>2,618,847</b>	<b>18.62</b>	<b>20.28</b>

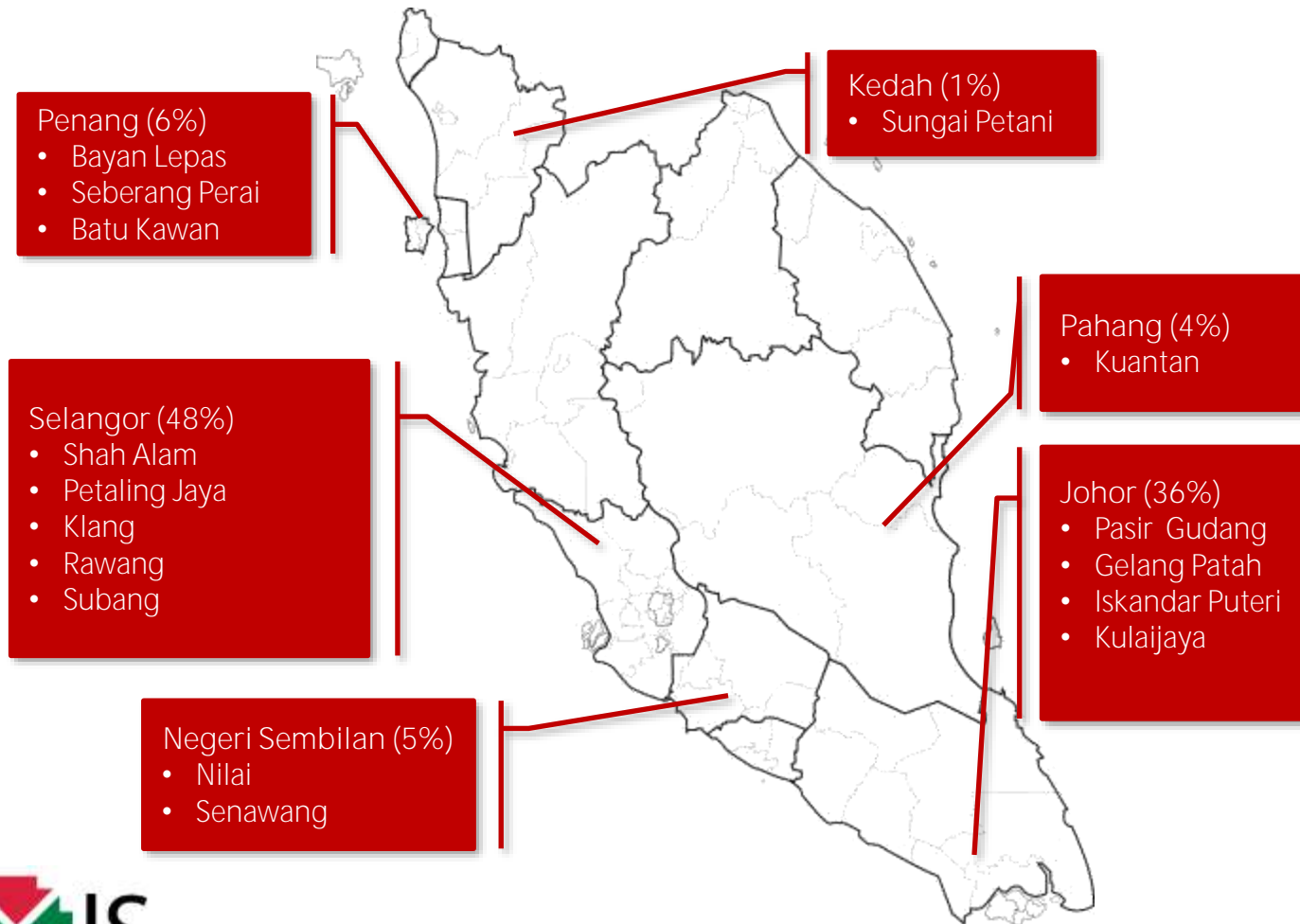
Lease Expiry By Type									
Property	Year 2023	% of Total NLA	% of Rental Income/month	Year 2024	% of Total NLA	% of Rental Income/month	Year 2025	% of Total NLA	% of Rental Income/month
Office	51,978	0.39	0.88	211,852	1.59	3.67	121,526	0.91	2.05
Office Industrial	540,042	4.05	5.69	473,483	3.55	4.64	603,836	4.52	7.45
Logistics Warehouse	944,058	7.07	7.24	1,316,455	9.86	8.59	1,270,828	9.52	7.36
Manufacturing Facilities	41,061	0.31	0.30	310,101	2.32	2.38	484,657	3.63	2.15
Hypermarket	-	-	-	-	-	-	138,000	1.04	1.27
<b>TOTAL</b>	<b>1,577,139</b>	<b>11.82</b>	<b>14.11</b>	<b>2,311,891</b>	<b>17.32</b>	<b>19.28</b>	<b>2,618,847</b>	<b>19.62</b>	<b>20.28</b>

Out of 1.57 million sq. ft. of space expiring in 2023, 93% has been renewed to date.



# PORTFOLIO OVERVIEW

ESTABLISHED NATIONWIDE FOOTPRINT



## Top 10 Tenants

YTD top ten tenants accounted for 50% 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 Coatings Malaysia Sdn Bhd
7. Beyonics Precision (Malaysia) Sdn Bhd
8. Upeca Aerotech Sdn Bhd
9. Lotus Stores (Malaysia) Sdn Bhd
10. Northport (Malaysia) 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	: 1 August 2023
Development Cost	: Approx. RM250.0 million (incl. land)



Completed  
with CCC  
August 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*

Manufacturing Facility in Sendayan, Negeri Sembilan



Target Completion Date :	1H2024
Net Lettable Area :	105,311 sq. ft.
Land Area :	Approx. 14.63 acres
Land Tenure :	Freehold
Occupancy :	100%
Purchase Price :	RM48.0 million
WALE at Acquisition :	Approx. 6 years

# PORTFOLIO OVERVIEW

*ONGOING ACQUISITION*

Hypermarket in Temerloh, Pahang



Target Completion Date :	1Q2024
Net Lettable Area :	Approx. 106,711 sq. ft.
Land Area :	Approx. 1.85 acres
Land Tenure :	Freehold
Occupancy :	100%
Purchase Price :	RM25.75 million



# 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 SEPTEMBER 2023*



RM4.43 billion  
Total Assets



RM1.54 billion  
Total Financing



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



RM1.58  
Net Asset Value Per Unit



34.6%  
Financing Ratio

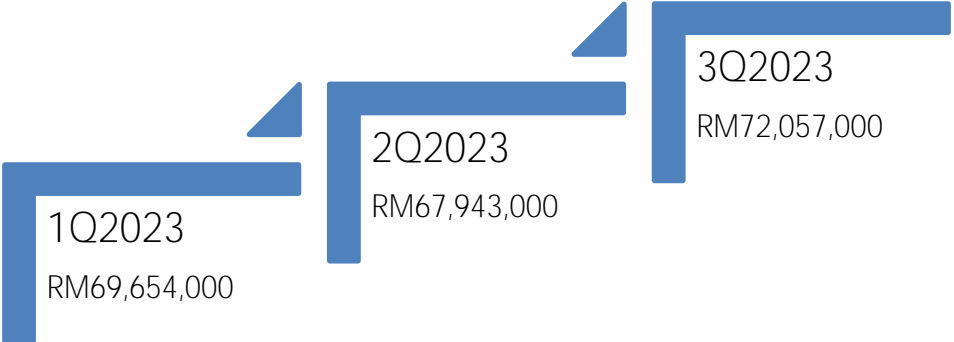


1Q2023: 2.05 sen  
2Q2023: 2.05 sen  
3Q2023: 2.15 sen  
Distribution Per Unit

# FINANCIAL OVERVIEW

Results highlights for current quarter compared to preceding quarter:

- Property Income increased by 6%



- Property income has shown improvement as compared to the previous 2 preceding quarters due to:
  - Completion of the development of Bukit Raja Distribution Centre 2 with lease commencement on 1 August 2023 with starting rental of RM1.35 million per month.
  - New tenancy for Axis Shah Alam Distribution Centre 3 in August 2023.
  - Other new tenancies.

- Net Income before Tax (Realised) improved by 10.5%



# FINANCIAL OVERVIEW

## INCOME STATEMENT 3Q2023 vs 3Q2022

	3Q2023 (RM'000)	3Q2022 (RM'000)	Changes / Movement
No. of Properties	62	61	+1
Property Income	71,485	71,515	
Property Income - Property income before lease incentive adjustment	72,057	72,006	+0.1%
- Lease incentive adjustment (non-distributable)	(572)	(491)	
Property Expenses	(10,736)	(10,516)	+2.1%
Net Property Income	60,749	60,999	-0.4%
- Property income before lease incentive adjustment	61,321	61,490	-0.3%
- Lease incentive adjustment (non-distributable)	(572)	(491)	
Profit Income / Other Income	325	192	
Non-Property Expenses	(8,152)	(7,662)	+6.4%
Islamic Financing Cost	(15,623)	(14,415)	+8.4%
Net Income	37,299	39,114	-4.6%
Property income before lease incentive adjustment	37,871	39,605	-4.4%
- Lease incentive adjustment (non-distributable)	(572)	(491)	
DPU (sen)	2.15	2.45	-12.2%
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 YTD 3Q2023 vs YTD 3Q2022

	YTD 3Q2023 (RM'000)	YTD 3Q2022 (RM'000)	Changes / Movement
No. of Properties	62	61	+1
Property Income – Note 1	209,301	210,294	-0.5%
Property Income - Property income before lease incentive adjustment	209,654	210,274	-0.3%
- Lease incentive adjustment (non-distributable)	(353)	20	
Property Expenses – Note 2	(32,556)	(29,161)	+11.6%
Net Property Income	176,745	181,133	-2.4%
- Property income before lease incentive adjustment	177,098	181,113	-2.2%
- Lease incentive adjustment (non-distributable)	(353)	20	
Profit Income / Other Income	1,136	618	
Non-Property Expenses – Note 3	(29,678)	(23,052)	+28.7%
Islamic Financing Cost – Note 4	(44,618)	(37,575)	+18.7%
Net Income	103,585	121,124	-14.5%
Property income before lease incentive adjustment	103,938	121,104	-14.2%
- Lease incentive adjustment (non-distributable)	(353)	20	
DPU (sen)	6.25	7.42	-15.8%
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 YTD 3Q2023 vs YTD 3Q2022 - NOTES*

### Note 1 – Property Income

Property income was marginally lower as compared to preceding year mainly due to lower property income in 1H2023. However, this has improved in 3Q2023 due to higher occupancy rate since August 2023.

In 2022, a one-off income of RM6.7 million was recognised from the disposal of recycled materials from Bukit Raja Distribution Centre 2 development in 1H2022.

### 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 1H2023.

### Note 3 – Non-Property Expenses

Increase mainly due to a provision for doubtful debts of approximately RM5.3 million for Yongnam Engineering Sdn Bhd in 2023.

### Note 4 – Islamic Financing Cost

Increase 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. Additionally, the capitalization of financing cost for Bukit Raja Distribution Centre 2 has ceased upon completion of the project in August 2023.

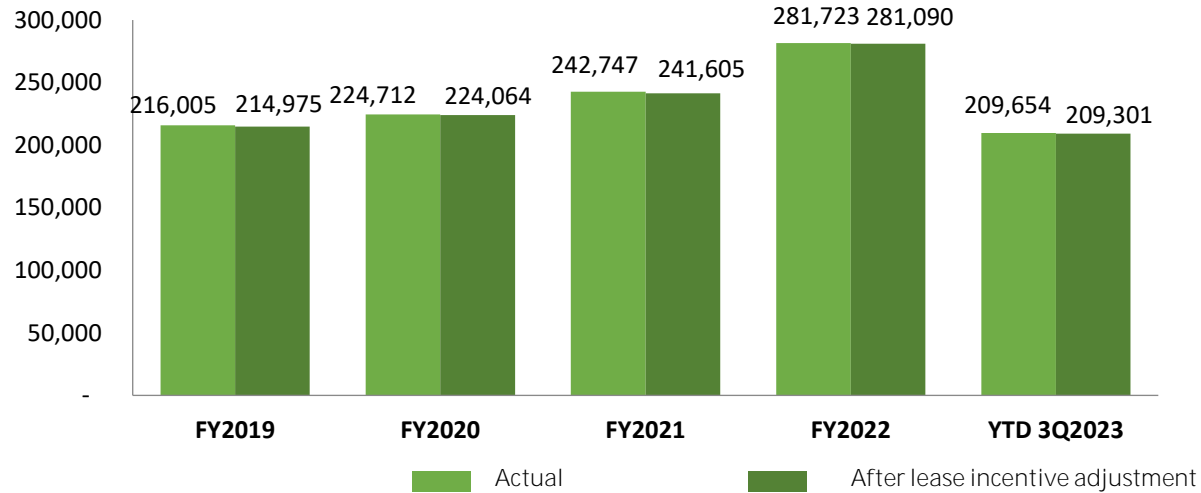
### Note 5 – No. of Units in Issuance

The Fund size increased from 1,641,054,038 units to 1,741,054,038 units 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.

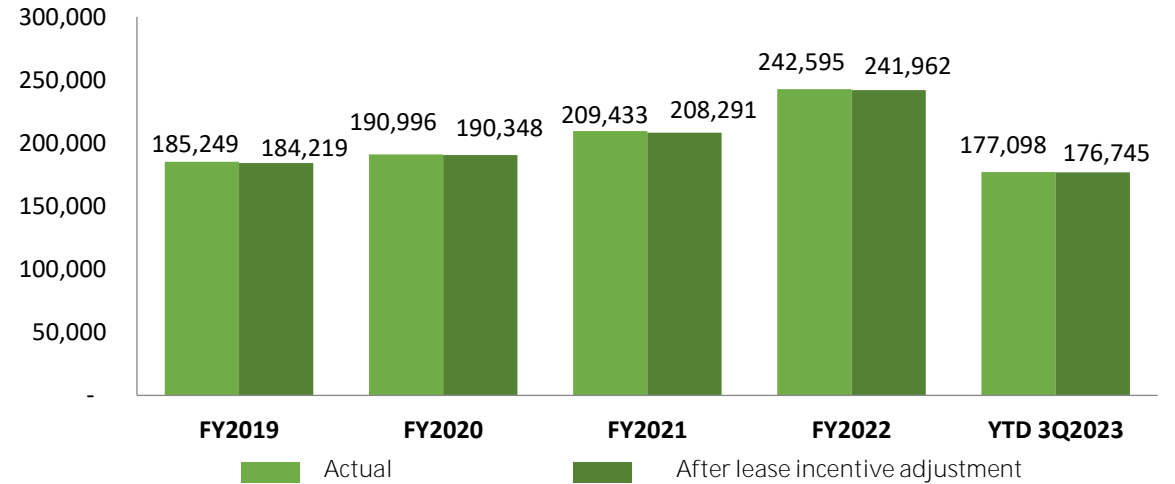
# FINANCIAL OVERVIEW

## 5-YEAR PERFORMANCE

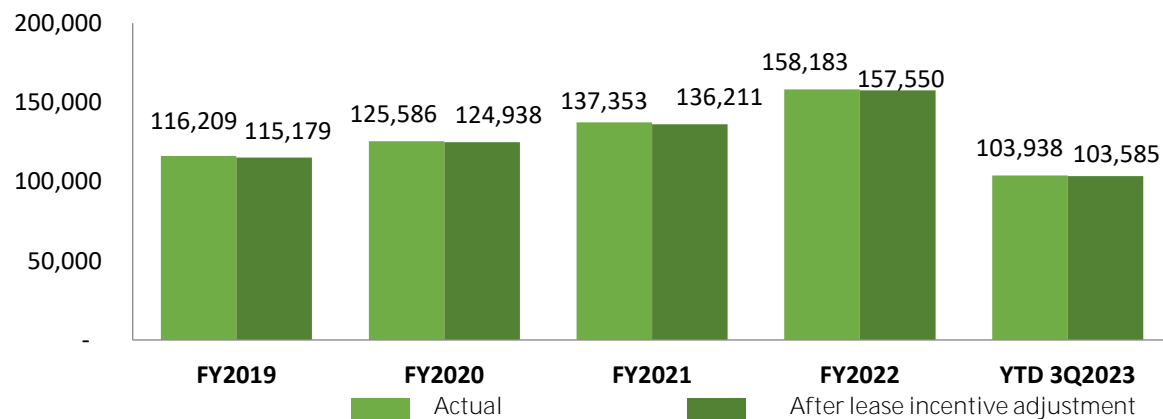
Revenue (RM'000)\*



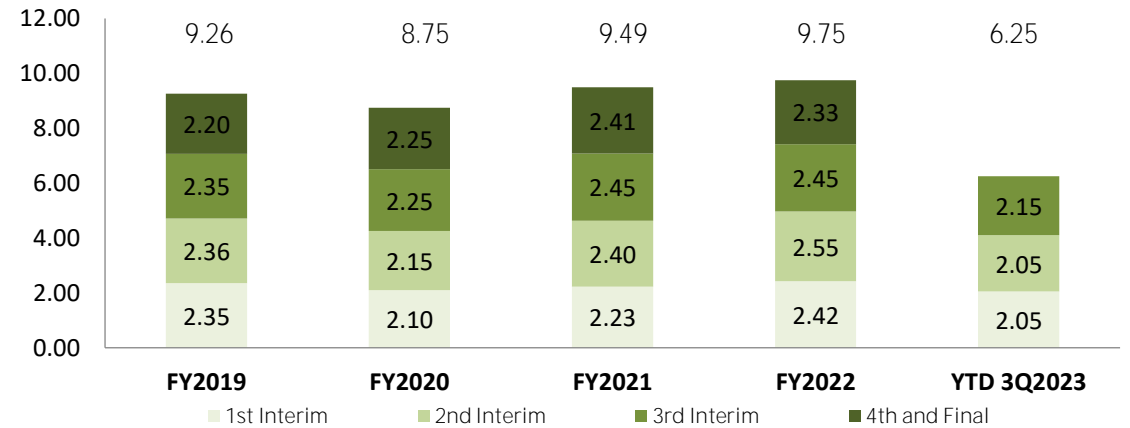
Net Property Income (RM'000)\*



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	6.8	9.3
Logistics Warehouse	7.6	8.6
Manufacturing Facilities	7.9	8.7
Hypermarket	8.8	9.4
Average	7.6	8.8

# FINANCIAL OVERVIEW

## FINANCIAL POSITION

	30/9/23 (RM'000)	31/12/22 (RM'000)	Changes (RM'000)
Investment Properties – Note 1	4,359,601	4,186,020	+173,581
Fixed Assets	1,489	1,859	-370
Other Assets – Note 2	73,523	67,794	+5,729
<b>TOTAL ASSETS</b>	<b>4,434,613</b>	<b>4,255,673</b>	+178,940
Financing – Note 4	1,535,847	1,546,020	-10,173
Other Payables	141,835	123,334	+18,501
Deferred Tax Liability	14,480	14,480	-
<b>TOTAL LIABILITIES</b>	<b>1,692,162</b>	<b>1,683,834</b>	+8,328
<b>NET ASSET VALUE (NAV)</b>	<b>2,742,451</b>	<b>2,571,839</b>	+170,612
Unitholders' Capital – Note 3	2,118,603	1,945,655	+172,948
Undistributed Distributable Income	26,933	33,209	-6,276
Non-Distributable Reserve	596,915	592,975	+3,940
<b>TOTAL UNITHOLDERS' FUND</b>	<b>2,742,451</b>	<b>2,571,839</b>	+170,612
FINANCING RATIO	34.63%	36.33%	
NAV/UNIT (RM)	1.5752	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 RM169.5 million was spent on capital expenditure as below:

- RM7.8 million for enhancement of existing properties,
- RM83.9 million for the completed development project Bukit Raja Distribution Centre 2,
- RM77.8 million for the ongoing development project Axis Mega Distribution Centre (Phase 2).

### Note 2 – Other Assets

The average collection of trade receivables as at 30 September 2023 was 4 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

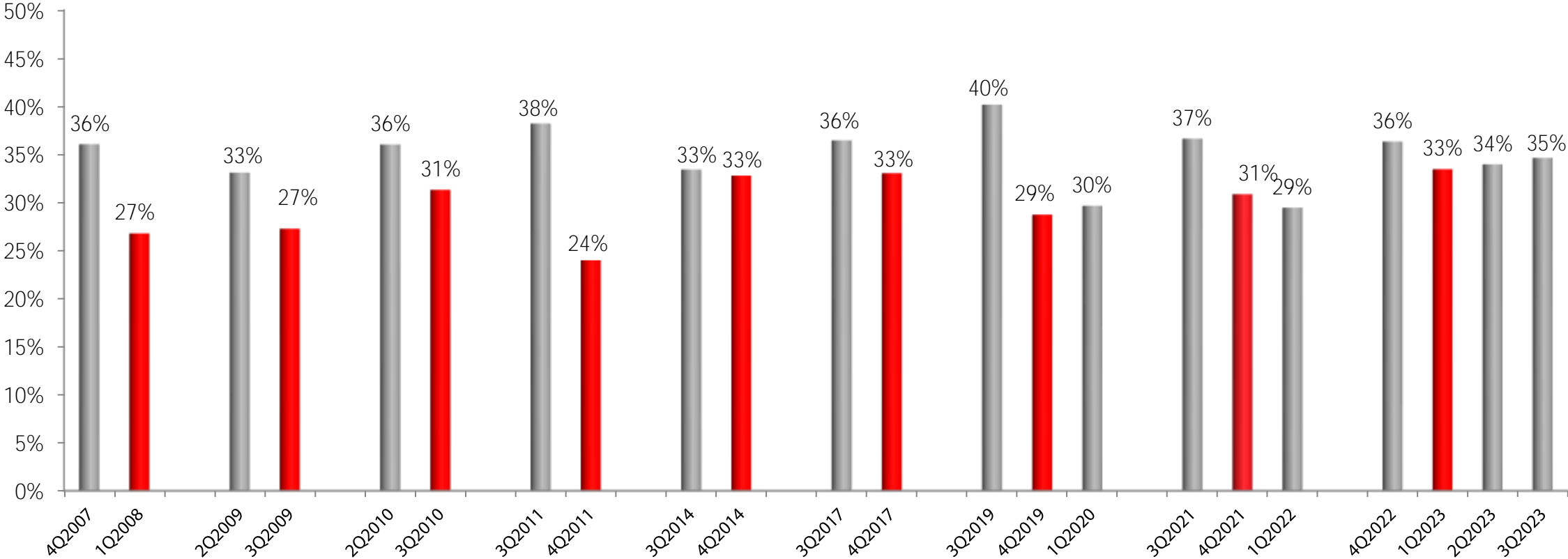
## NOTE 4: 5-YEAR FINANCING PROFILE

	2019	2020	2021	2022	YTD 3Q2023
<b>Total Financing (RM'000)</b>	885,859	1,112,183	1,184,593	1,546,020	1,535,847
<b>Total Assets (RM'000)</b>	3,085,681	3,364,083	3,838,760	4,255,673	4,434,613
Financing Ratio	28.71%	33.06%	30.86%	36.33%	34.63%
Effective Profit Rate	4.37%	3.89%	3.63%	3.87%	4.18%
Percentage of short term financing-Maturity < 1 Year	43%	55%	47%	53%	52%
Percentage of medium/ long term financing (maturity more than 1 year)	57%	45%	53%	47%	48%
Percentage of floating rate financing	21%	47%	36%	53%	40%
Percentage of fixed rate financing	79%	53%	64%	47%	60%
Total unencumbered assets	16	25	19	23	22
Percentage of unencumbered assets/total assets (value)	27%	44%	29%	42%	36%

# FINANCIAL OVERVIEW

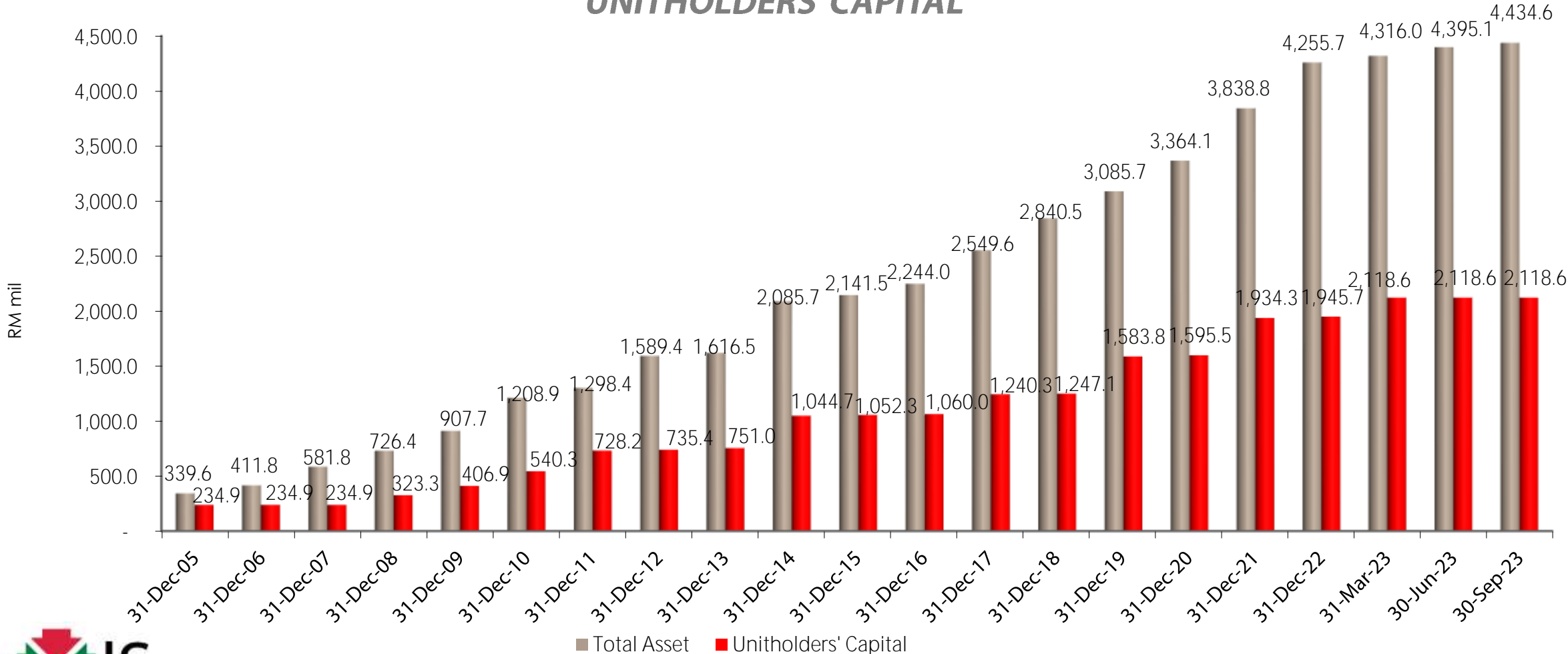
## FINANCING RATIO

Placements Undertaken ■



# FINANCIAL OVERVIEW

## UNITHOLDERS' CAPITAL





# STOCK INFORMATION



# STOCK INFORMATION

## TOP 10 UNITHOLDERS\*

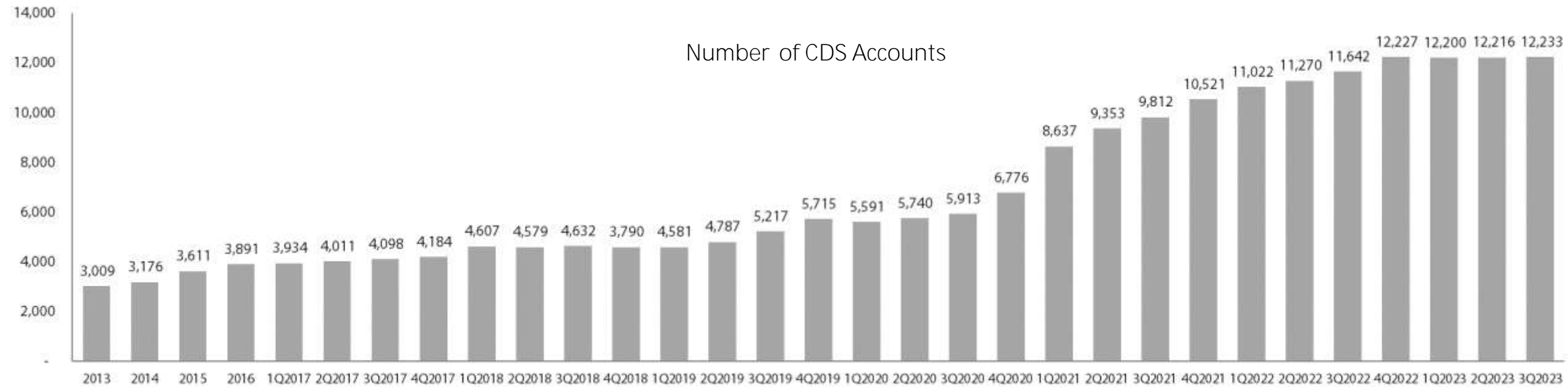
	Name of Unitholder	%
1	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	8.41%
2	EMPLOYEES PROVIDENT FUND BOARD	8.41%
3	AMANAH SAHAM BUMIPUTERA	4.59%
4	LEMBAGA TABUNG HAJI	4.41%
5	TEW PENG HWEE @ TEOH PENG HWEE	3.27%
6	ALEX LEE LAO	3.12%
7	EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	2.24%
8	PUBLIC ITTIKAL SEQUEL FUND	2.04%
9	EXEMPT AN FOR AIA BHD.	1.96%
10	EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	1.81%

Holdings Breakdown	Units Held 3Q2023	Units Held 2Q2023	Movement
Top 5 Unitholders	29.09%	29.24%	-0.15%
Top 10 Unitholders	40.26%	40.22%	0.04%
Unitholders with >2 million unitholdings	85.35%	85.59%	-0.24%

\*Based on CDS accounts on non-consolidated basis

# STOCK INFORMATION

Number of CDS Accounts



	Units Held 3Q2023	Units Held 2Q2023	Movement
Total no. of unitholders	12,233	12,216	17
Total foreign holdings	17.30%	17.30%	0%
Foreign holdings – related party	5.28%	5.35%	-0.07%
Foreign holdings – non-related party	12.03%	11.95%	0.08%
Promoters	9.16%	9.23%	-0.07%





THANK YOU