



AXIS REAL ESTATE INVESTMENT TRUST  
Results Presentation 4Q2022  
19 January 2023



HIGHLIGHTS

PORTFOLIO  
OVERVIEW

FINANCIAL  
OVERVIEW

STOCK  
INFORMATION

# HIGHLIGHTS



# HIGHLIGHTS



62 properties on portfolio  
49 properties with 100% occupancy  
2 properties under development  
1 property under major enhancement



Total Assets Under Management  
RM4.26 billion



Space Under Management  
12.7 million sq ft



Financing Ratio  
36%



Solid industrial space portfolio  
93% of properties on industrial titles



Portfolio Occupancy of 95% (as at 31/12/2022)  
Weighted Average Lease Expiry of 5.3 years



Reclassified as Islamic REIT in 2008



Distribution Per Unit YTD 2022  
9.75 sen



Market Capitalization (as at 31/12/2022)  
RM2.94 billion



Nationwide presence across Malaysia

# YTD 2022 HIGHLIGHTS

## 1Q 2022

- ▶ Completed the acquisition of Pasir Gudang Logistics Warehouse 2 for RM32.0 million on 7 March 2022.
- ▶ Completed the acquisition of Indahpura Facility 4 for RM16.3 million on 8 March 2022.

## 2Q 2022

- ▶ Completed the acquisition of DW1 Logistics Warehouse for RM390.0 million on 25 April 2022.
- ▶ Completed the Income Distribution Reinvestment Plan in conjunction with the payment of 2022 first interim income distribution.

# YTD 2022 HIGHLIGHTS

## 4Q 2022

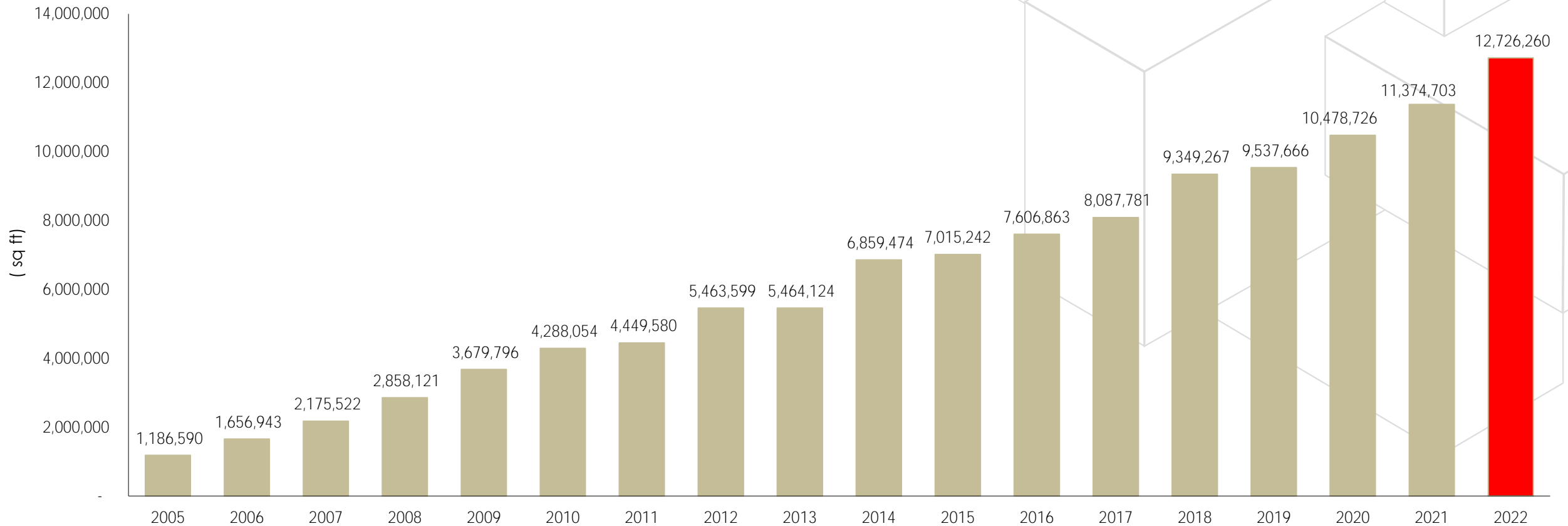
- ▶ Completed the acquisition of Axis Industrial Facility 1 @ Meru for RM41.0 million on 2 December 2022.
- ▶ Embarked on the development of Axis Mega Distribution Centre (Phase 2), a logistics warehouse of approximately 584,112 sq. ft. to be constructed on the remaining vacant land.
- ▶ Realised net income increased by 15% for YTD 2022 as compared to YTD 2021.
- ▶ Total of 9.75 sen DPU declared for YTD 2022.
- ▶ Portfolio size increased by 4 to a total of 62 properties.
- ▶ Investment properties currently stands at RM4.19 billion.
- ▶ Traded at a premium of 14% to NAV as at 31 December 2022.
- ▶ Successfully completed the bookbuilding of 100 million new units private placement on 15 December 2022. New units were listed on 4 January 2023.

# PORTFOLIO OVERVIEW



# PORTFOLIO OVERVIEW

Space Under Management (sq ft)

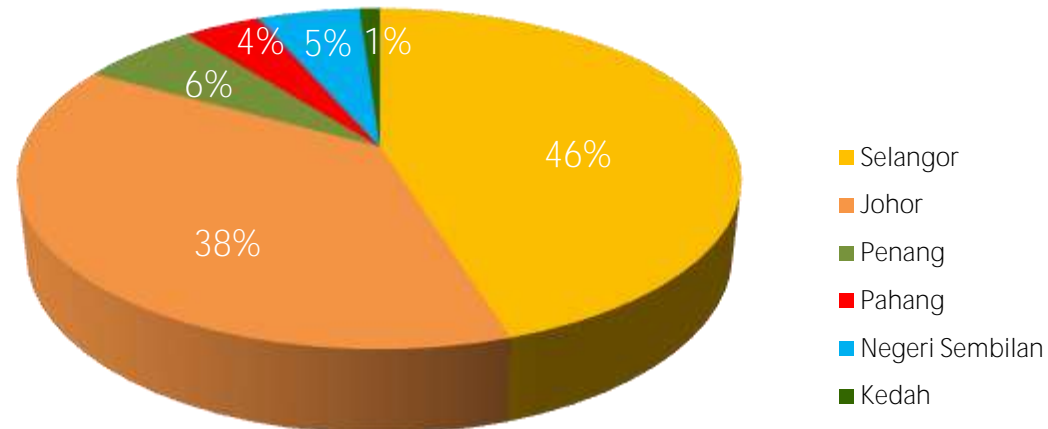




# PORTFOLIO OVERVIEW

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

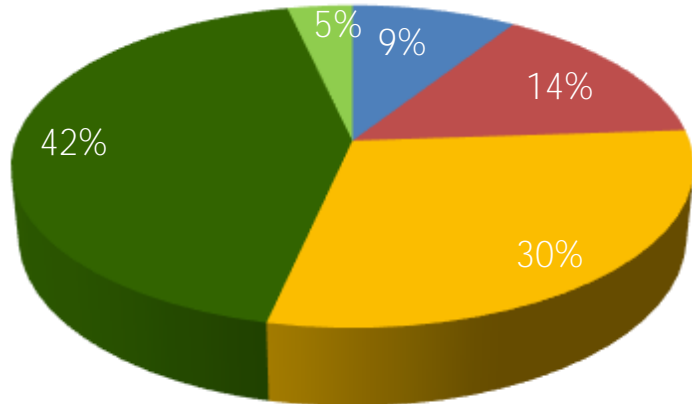
Portfolio Diversification by Location (on NLA)



# PORTFOLIO OVERVIEW

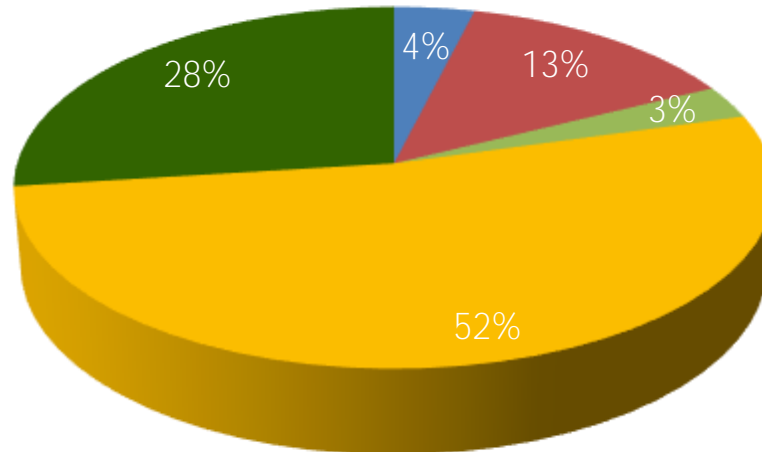
Portfolio Diversification by Industry Sector (on NLA)

- Services
- Manufacturing
- Vacant
- Consumer Products
- Logistics



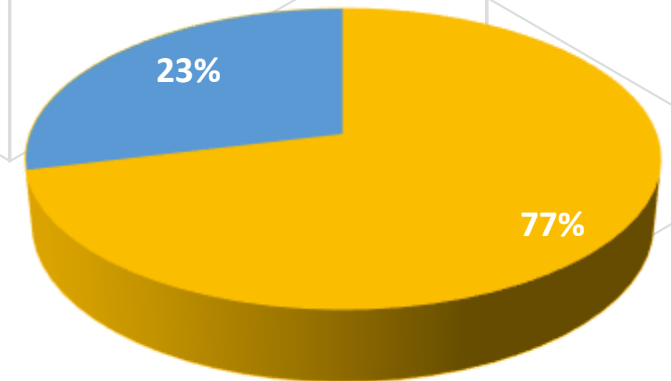
Portfolio Diversification by Asset Type (on NLA)

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



Portfolio Diversification by Occupancy Type (on NLA)

- Single Tenant
- Multi Tenants



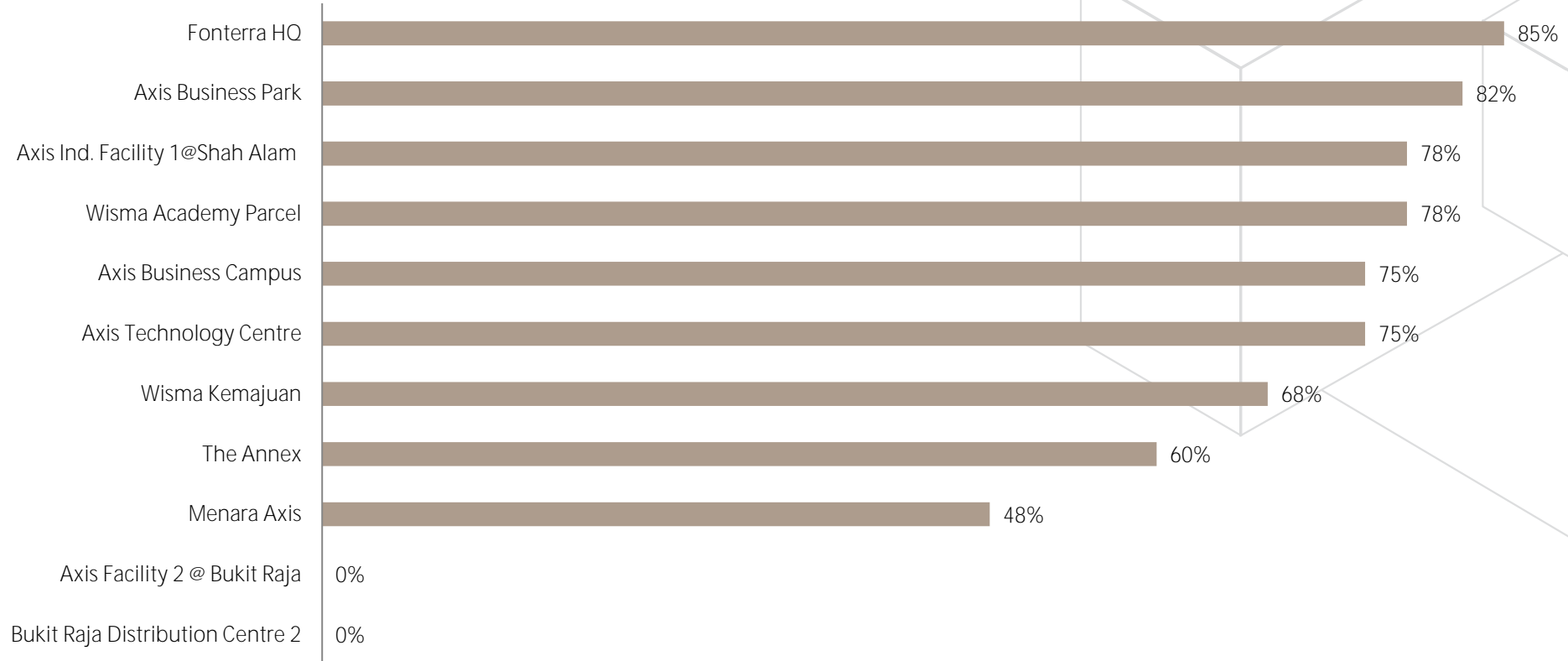
# PORTFOLIO OVERVIEW

As at 31 December 2022, the portfolio has 62 assets comprising 12,726,260 sq. ft. and 161 tenants.

	YTD 2022				
No. of Properties	62				
Property Income (RM'000)	280,830				
Property Expenses (RM'000)	39,128				
Net Property Income (RM'000)	241,702				
Occupancy	95%				
Portfolio Efficiency Ratio = YTD Property Expenses / YTD Property Income					
	2022	2021	2020	2019	2018
	13.93%	13.79%	15.05%	14.31%	13.66%

# PORTFOLIO OVERVIEW

*PROPERTIES WITH OCCUPANCY BELOW 90% AS AT 31 DECEMBER 2022*



*Notes:*

- 1. Vacant space in Fonterra HQ is built for their future expansion*
- 2. Occupancy of Axis Technology Centre will improve to 81% in 1Q2023*
- 3. Axis Facility 2 @ Bukit Raja is under major enhancement, scheduled to complete by 1Q2023*
- 4. Bukit Raja Distribution Centre 2 is under development for Shopee Express*

# PORTFOLIO OVERVIEW

Lease Expiry By Location									
Property	Year 2022	% of Total NLA	% of Rental Income/month	Year 2023	% of Total NLA	% of Rental Income/month	Year 2024	% of Total NLA	% of Rental Income/month
Petaling Jaya	572,265	4.50	0.65	576,820	4.53	0.58	506,048	3.98	0.59
Shah Alam	566,072	4.45	0.39	658,480	5.17	0.45	922,334	7.25	0.57
Klang	149,605	1.18	0.09	-	-	-	-	-	-
Johor	514,924	4.05	0.25	130,743	1.03	0.05	843,971	6.63	0.53
Nilai	291,642	2.29	0.10	-	-	-	-	-	-
Penang	395,225	3.10	0.21	205,151	1.62	0.19	-	-	-
<b>TOTAL</b>	<b>2,489,733</b>	<b>19.57</b>	<b>1.69</b>	<b>1,571,194</b>	<b>12.35</b>	<b>1.27</b>	<b>2,272,353</b>	<b>17.86</b>	<b>1.69</b>

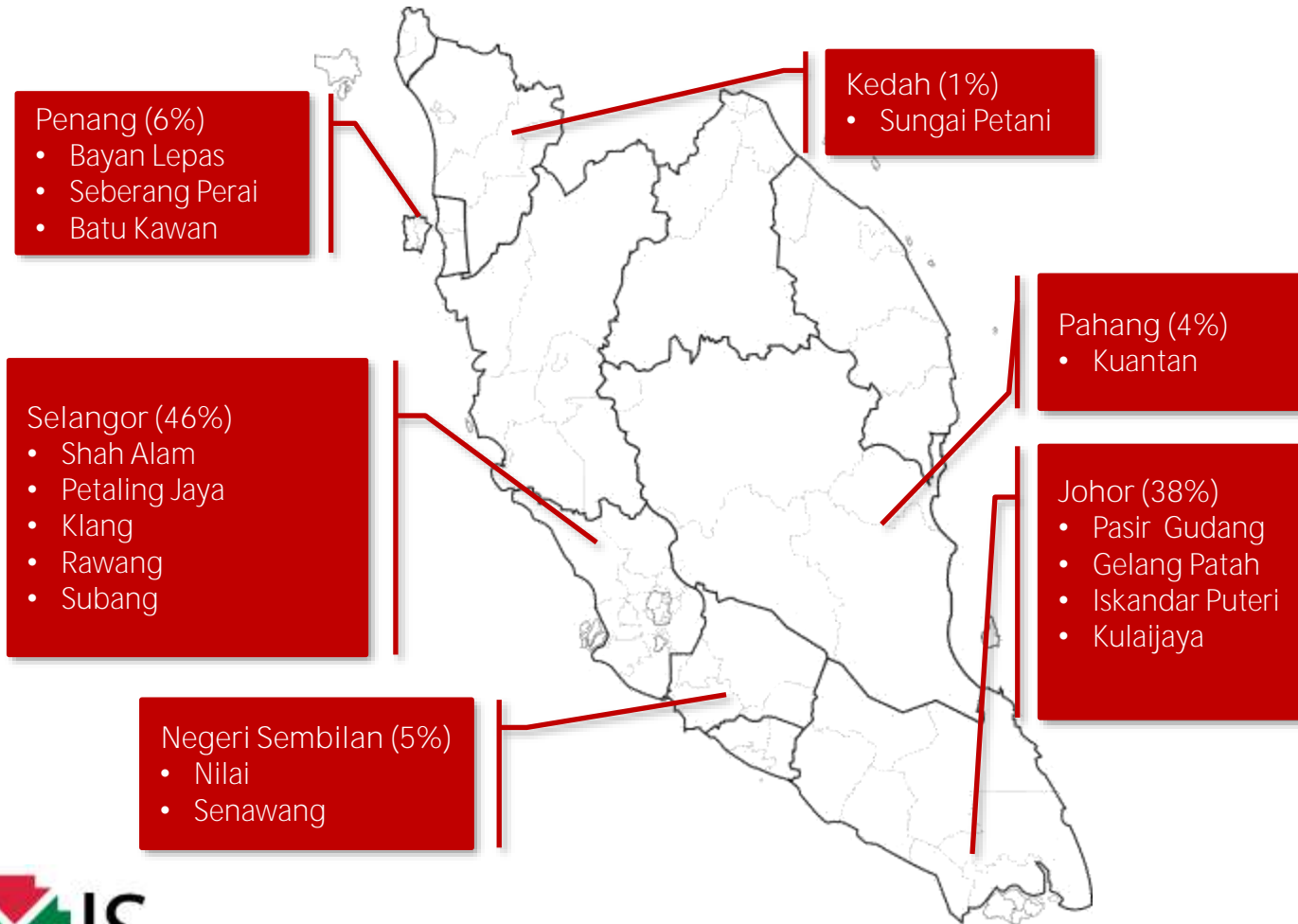
  

Lease Expiry By Type									
Property	Year 2022	% of Total NLA	% of Rental Income/month	Year 2023	% of Total NLA	% of Rental Income/month	Year 2024	% of Total NLA	% of Rental Income/month
Office	119,195	0.94	0.18	51,978	0.41	0.08	199,545	1.57	0.31
Office Industrial	492,575	3.87	0.53	534,097	4.20	0.51	446,252	3.51	0.39
Logistics Warehouse	1,394,648	10.96	0.76	944,058	7.42	0.65	1,316,455	10.34	0.77
Manufacturing Facilities	483,315	3.80	0.22	41,061	0.32	0.03	310,101	2.44	0.22
Hypermarket	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>2,489,733</b>	<b>19.57</b>	<b>1.69</b>	<b>1,571,194</b>	<b>12.35</b>	<b>1.27</b>	<b>2,272,353</b>	<b>17.86</b>	<b>1.69</b>

Out of 2.49 million sq. ft. of space expiring in 2022, 77.3% has been renewed for the year. Achieved positive rental reversion of 3.3%.

# PORTFOLIO OVERVIEW

ESTABLISHED NATIONWIDE FOOTPRINT



## Top 10 Tenants

YTD top ten tenants accounted for 51.0% of the total 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. POS Logistics Berhad



# PORTFOLIO OVERVIEW

*ASSET ENHANCEMENT INITIATIVE*

Menara Axis



Conversion of void area to additional lettable space

# PORTFOLIO OVERVIEW

*ASSET ENHANCEMENT INITIATIVE*

FCI Senai



Façade treatment and painting



# PORTFOLIO OVERVIEW

## ASSET ENHANCEMENT INITIATIVE

Axis Hypermarket @ Sungai Petani

Seberang Prai Logistics Warehouse 3



Waterproofing works



Washroom upgrading works



# PORTFOLIO OVERVIEW

## *ASSET ENHANCEMENT INITIATIVE*

Shah Alam Distribution Centre 2



Upgrading of firefighting system

Bukit Raja Distribution Centre



Axis Technology Centre



# PORTFOLIO OVERVIEW

## ONGOING ASSET ENHANCEMENT INITIATIVE

Axis Facility 2 @ Bukit Raja

Before Enhancement



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)

Post-**Enhancement Artist's Impression**



Green features include:

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



Target completion  
1Q2023

# PORTFOLIO OVERVIEW

*ONGOING 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	: Approx. RM250.0 million (incl. land)



# PORTFOLIO OVERVIEW

*NEW DEVELOPMENT*

Axis Mega Distribution Centre (Phase 2)



Target  
completion  
1Q2024

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

**Green  
certified  
building**

# PORTFOLIO OVERVIEW

## COMPLETED ACQUISITIONS

### 1. Pasir Gudang Logistics Warehouse 2, Johor



Completion Date	:	7 March 2022
Net Lettable Area	:	276,000 sq. ft.
Land Area	:	Approx. 12.80 acres
Land Tenure	:	Approx. 30 years Sublease
Occupancy	:	100%
Purchase Price	:	RM32.0 million
WALE at Acquisition	:	Approx. 3 years

### 2. Indahpura Facility 4, Johor



Completion Date	:	8 March 2022
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

## COMPLETED ACQUISITIONS

### 3. DW1 Logistics Warehouse, Johor



Completion Date	:	25 April 2022
Net Lettable Area	:	1,150,391 sq. ft.
Land Area	:	Approx. 18.4 acres
Land Tenure	:	Approx. 33 years Sublease
Occupancy	:	100%
Purchase Price	:	RM390.0 million
WALE at Acquisition	:	10 years

### 4. Axis Industrial Facility 1 @ Meru



Completion Date	:	2 December 2022
Net Lettable Area	:	193,015 sq. ft.
Land Area	:	Approx. 6.2 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM41.0 million
WALE at Acquisition	:	3 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  
RM120 million**



# FINANCIAL OVERVIEW



# FINANCIAL OVERVIEW

*SNAPSHOT AS AT 31 DECEMBER 2022*



RM4.26 billion  
Total Assets



RM1.55 billion  
Total Financing



RM2.57 billion  
**Total Unitholder's Funds**



RM1.57  
Net Asset Value Per Unit



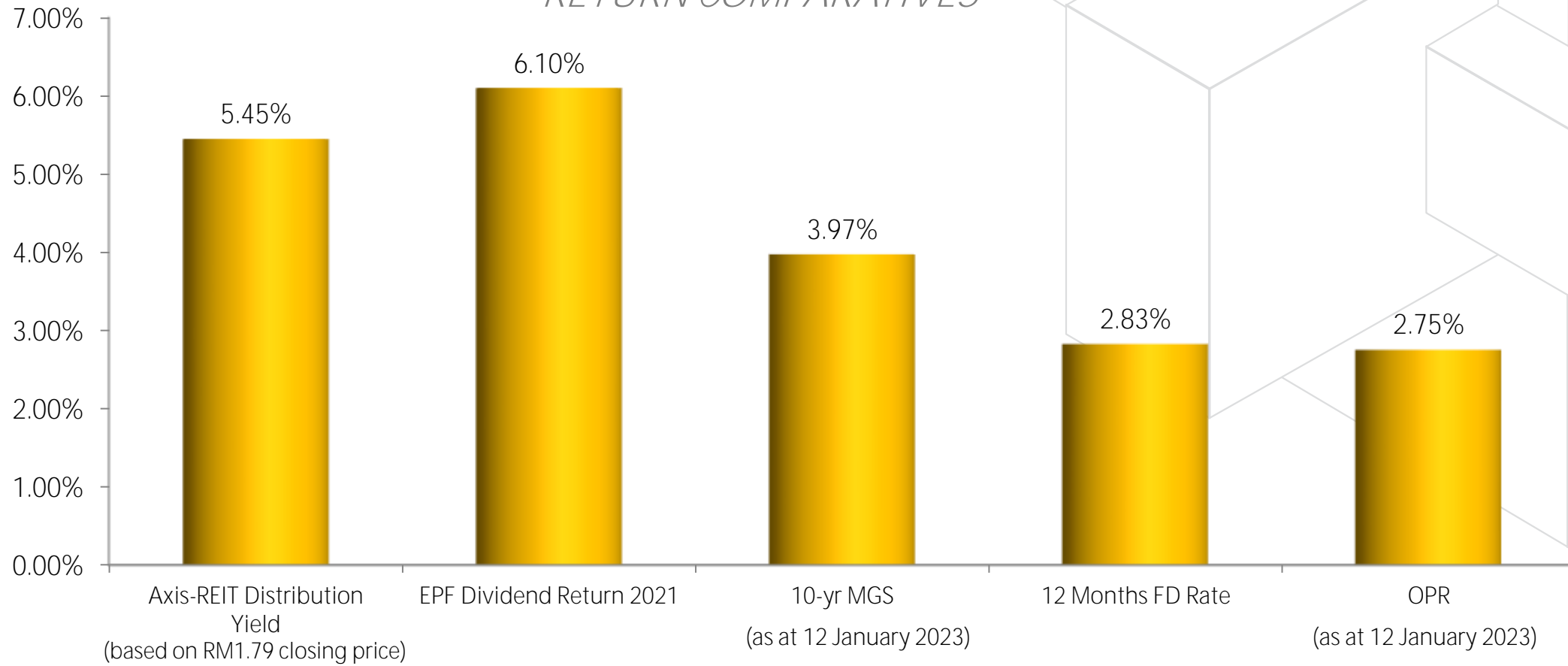
36%  
Financing Ratio



FY2022: 9.75 sen  
Distribution per unit

# FINANCIAL OVERVIEW

## RETURN COMPARATIVES



# FINANCIAL OVERVIEW

## INCOME STATEMENT 4Q2022 vs 4Q2021

	4Q2022 (RM'000)	4Q2021 (RM'000)	Changes / Movement
No. of Properties	62	58	+4
Property Income	70,536	62,558	
Property Income - Property income before lease incentive adjustment	71,189	63,061	+12.9%
- Lease incentive adjustment (non-distributable)	(653)	(503)	
Property Expenses	(9,967)	(8,781)	+13.5%
Net Property Income	60,569	53,777	+12.6%
- Property income before lease incentive adjustment	61,222	54,280	+12.8%
- Lease incentive adjustment (non-distributable)	(653)	(503)	
Profit Income / Other Income	179	384	
Non-Property Expenses	(9,184)	(5,385)	+70.6%
Islamic Financing Cost	(15,398)	(12,358)	+24.6%
Net Income	36,166	36,418	-0.7%
Property income before lease incentive adjustment	36,819	36,921	-0.3%
- Lease incentive adjustment (non-distributable)	(653)	(503)	
DPU (sen)	2.33	2.41	-3.3%
No. of Units in Issuance	1,641,054,038	1,634,524,115	+0.4%

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

# FINANCIAL OVERVIEW

## INCOME STATEMENT YTD 2022 vs YTD 2021

	YTD 2022 (RM'000)	YTD 2021 (RM'000)	Changes / Movement
No. of Properties	62	58	+4
Property Income – Note 1	280,830	241,605	
Property Income - Property income before lease incentive adjustment	281,463	242,747	+15.9%
- Lease incentive adjustment (non-distributable)	(633)	(1,142)	
Property Expenses – Note 2	(39,128)	(33,314)	+17.5%
Net Property Income	241,702	208,291	+16.0%
- Property income before lease incentive adjustment	242,335	209,433	+15.7%
- Lease incentive adjustment (non-distributable)	(633)	(1,142)	
Profit Income / Other Income	797	804	
Non-Property Expenses – Note 3	(32,236)	(27,183)	+18.6%
Islamic Financing Cost – Note 4	(52,973)	(45,701)	+15.9%
Net Income	157,290	136,211	+15.5%
Property income before lease incentive adjustment	157,923	137,353	+15.0%
- Lease incentive adjustment (non-distributable)	(633)	(1,142)	
DPU (sen)	9.75	9.49	+2.7%
No. of Units in Issuance	1,641,054,038	1,634,524,115	+0.4%

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

# FINANCIAL OVERVIEW

## *INCOME STATEMENT YTD 2022 vs YTD 2021 - NOTES*

### Note 1 – Property Income

Increase in property income as compared to preceding year was mainly due to:

- rental from newly acquired properties
- commencement of new tenancies at Axis Industrial Facility @ Rawang and D8 Logistics Warehouse
- positive rental reversion recorded for the year; and
- sale of recycled materials arising from the demolition work at Bukit Raja Distribution Centre 2

Axis Facility 2 @ Bukit Raja is undergoing major enhancement since August 2022 and will be ready for tenancy in 1Q2023.

### Note 2 – Property Expenses

Increase in property expenses was due to the increased number of properties in the portfolio.

### Note 3 – Non-Property Expenses

Increase in non-property expenses as compared to preceding year was mainly due to increase in management cost due to the increase in the net asset value of the Fund.

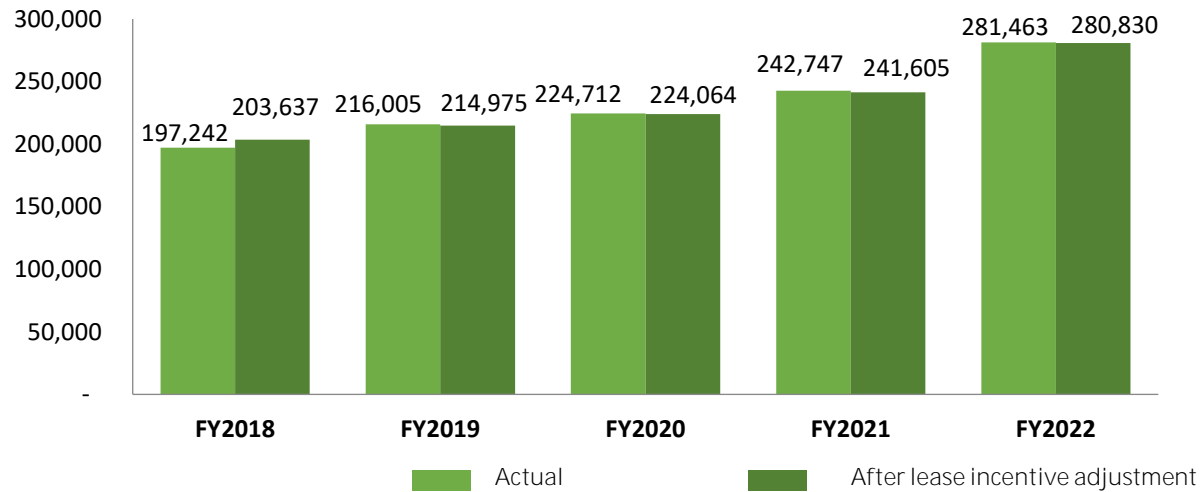
### Note 4 – Islamic Financing Cost

Increase was due to additional financing facilities utilised to finance the new acquisitions and four times of OPR increase in 2022 with cumulative increase of 100 basis points.

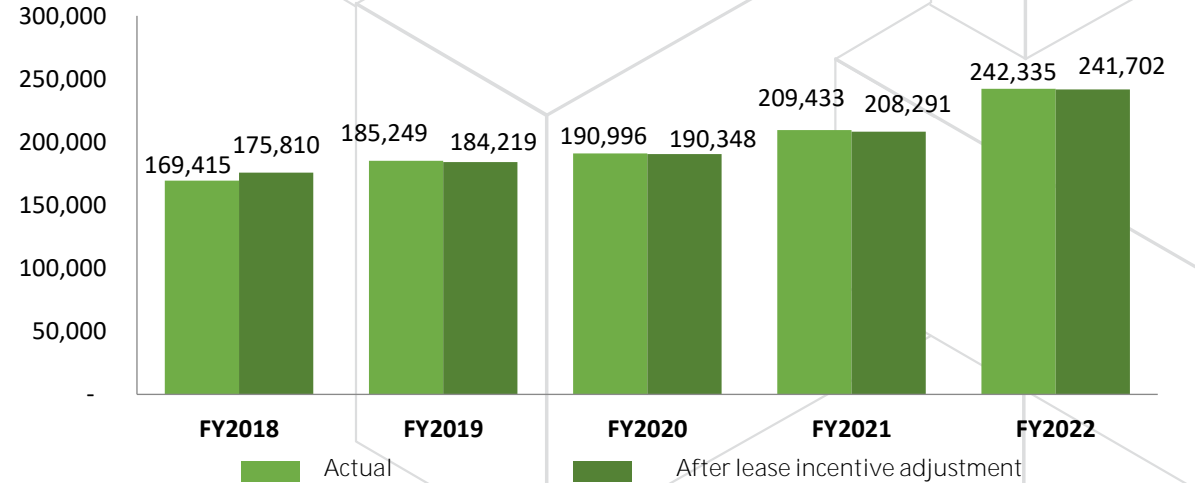
# FINANCIAL OVERVIEW

## 5-YEAR PERFORMANCE

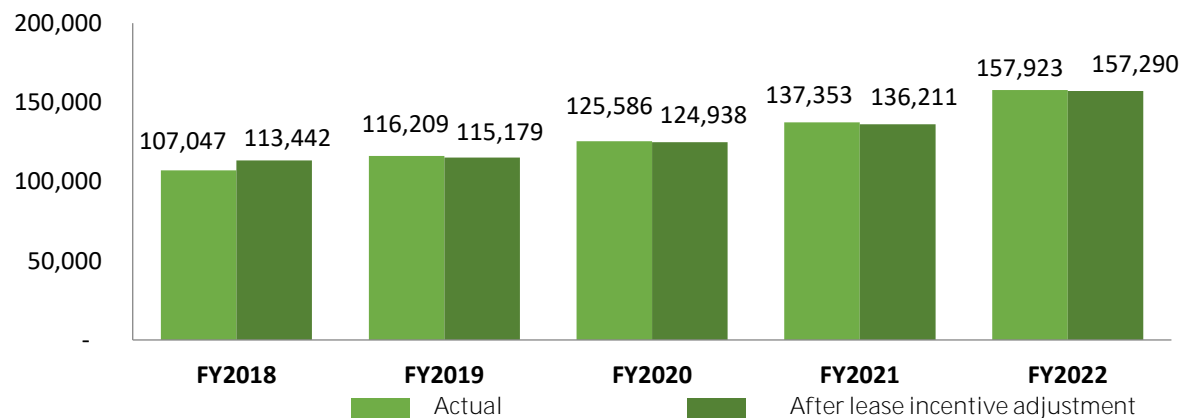
Revenue (RM'000)\*



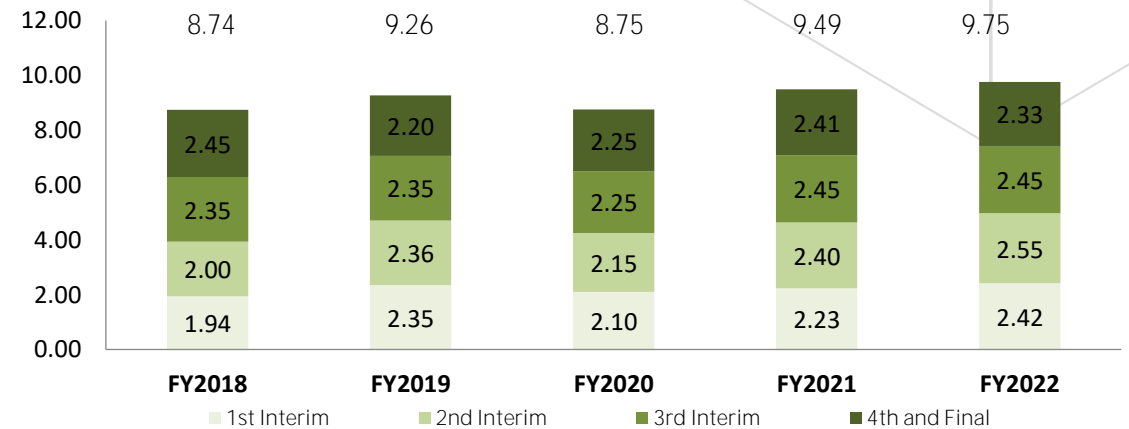
Net Property Income (RM'000)\*



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	6.8	9.4
Office Industrial	6.5	8.8
Logistics Warehouse	7.9	8.7
Manufacturing Facilities	7.9	8.8
Hypermarket	8.7	9.3
Average	7.6	8.8



# FINANCIAL OVERVIEW

## FINANCIAL POSITION

	31/12/22 (RM'000)	31/12/21 (RM'000)	Changes (RM'000)
Investment Properties – Note 1	4,186,020	3,614,230	+571,790
Fixed Assets	1,859	2,410	-551
Other Assets – Note 2	67,534	222,120	-154,586
<b>TOTAL ASSETS</b>	<b>4,255,413</b>	<b>3,838,760</b>	+416,653
Financing – Note 4	1,546,020	1,184,593	+361,427
Other Payables	123,334	114,049	+9,285
Deferred Tax Liability	14,480	12,797	+1,683
<b>TOTAL LIABILITIES</b>	<b>1,683,834</b>	<b>1,311,439</b>	+372,395
<b>NET ASSET VALUE (NAV)</b>	<b>2,571,579</b>	<b>2,527,321</b>	+44,258
Unitholders' Capital – Note 3	1,945,655	1,934,322	+11,333
Undistributed Distributable Income	32,949	32,841	+108
Non-Distributable Reserve	592,975	560,158	+32,817
<b>TOTAL UNITHOLDERS' FUND</b>	<b>2,571,579</b>	<b>2,527,321</b>	+44,258
<b>FINANCING RATIO</b>	<b>36.33%</b>	<b>30.86%</b>	
<b>NAV/UNIT (RM)</b>	<b>1.5670</b>	<b>1.5462</b>	
<b>No. of units in issuance</b>	<b>1,641,054,038</b>	<b>1,634,524,115</b>	

# FINANCIAL OVERVIEW

## NOTES - FINANCIAL POSITION

### Note 1 – Investment Properties

In 2022, a total of RM57.3 million was spent on capital expenditure on existing properties of which:

- RM42.2 million for the ongoing development of Bukit Raja Distribution Centre 2
- RM0.6 million for the ongoing development of Axis Mega Distribution Centre (Phase 2)
- RM14.5 million for property enhancements on existing portfolio

The portfolio recognised RM27.8 million revaluation gain for FYE2022.

Acquisitions completed in YTD 2022 is as follows :

Property	Purchase Consideration (RM mil)	Completion Date
Pasir Gudang Logistics Warehouse 2	32.0	7-Mar-22
Indahpura Facility 4	16.3	8-Mar-22
DW1 Logistics Warehouse	390.0	25-Apr-22
Axis Industrial Facility 1 @ Meru	41.0	2-Dec-22
Total	479.3	

# FINANCIAL OVERVIEW

## *NOTES - FINANCIAL POSITION*

### Note 2 – Other Assets

The RM137.0 million balance proceeds from 2021 equity placement had been utilised for redemption of short-term financing in January 2022.

The average collection of trade receivables as at 31 December 2022 was 11 days.

### Note 3 – Unitholders Capital

A total of net proceeds of RM11.3 million raised from 6,529,923 new units issued pursuant to the IDRP applicable to the 2022 first interim income distribution was completed on 16 June 2022.

The fund size increased from 1,634,524,115 units to 1,641,054,038 units post-IDRP.

# FINANCIAL OVERVIEW

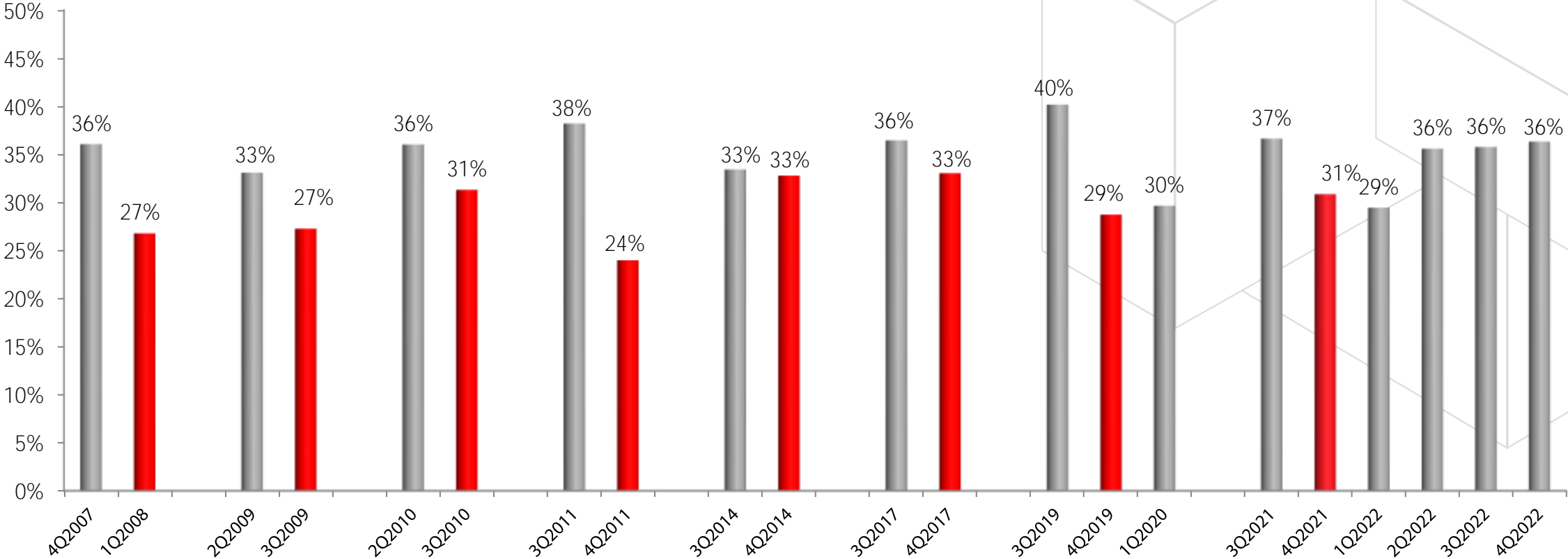
## NOTE 4: 5-YEAR FINANCING PROFILE

	2018	2019	2020	2021	2022
<b>Total Financing (RM'000)</b>	1,059,367	885,859	1,112,183	1,184,593	1,546,020
<b>Total Assets (RM'000)</b>	2,840,463	3,085,681	3,364,083	3,838,760	4,255,413
Financing Ratio	37.30%	28.71%	33.06%	30.86%	36.33%
Effective Profit Rate	4.32%	4.37%	3.89%	3.63%	3.87%
Percentage of short term financing-Maturity < 1 Year	77%	43%	55%	47%	53%
Percentage of medium/ long term financing (maturity more than 1 year)	23%	57%	45%	53%	47%
Percentage of floating rate financing	69%	21%	47%	36%	53%
Percentage of fixed rate financing	31%	79%	53%	64%	47%
Total unencumbered assets	19	16	25	19	23
Percentage of unencumbered assets/total assets (value)	28%	27%	44%	29%	42%

# FINANCIAL OVERVIEW

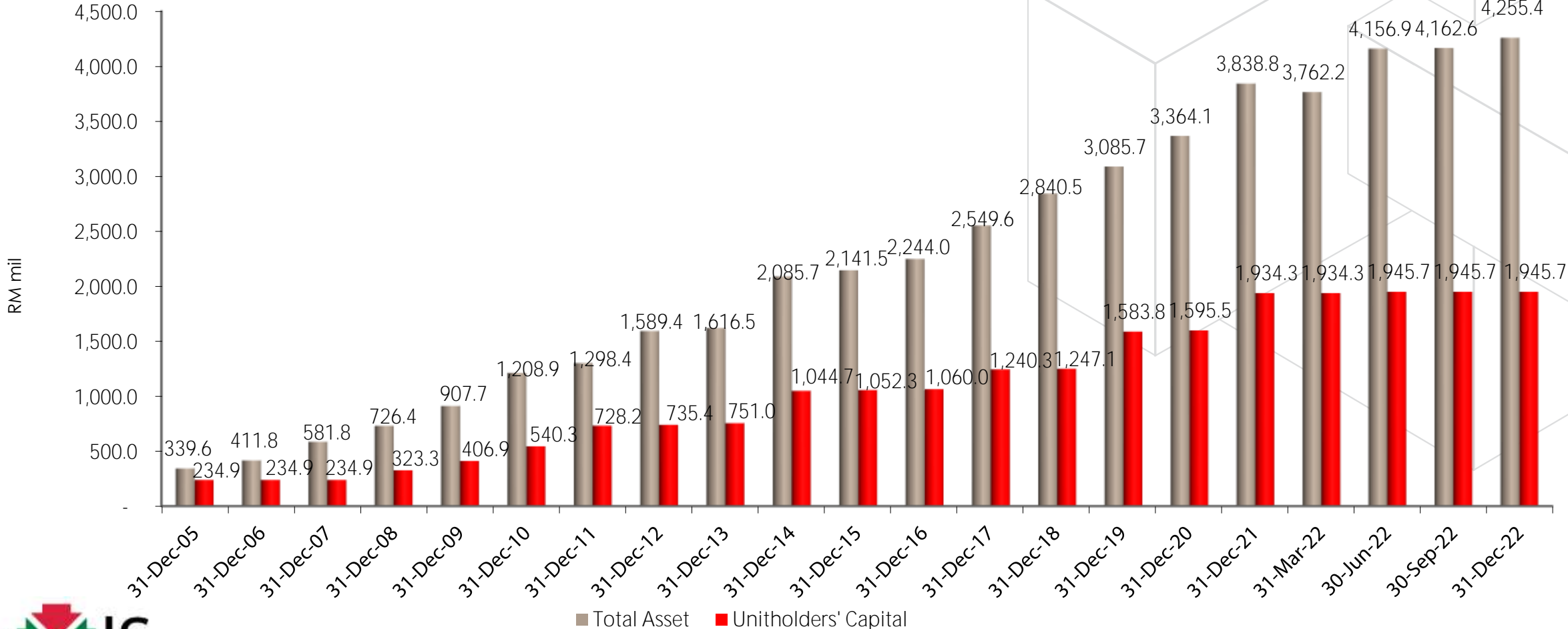
## FINANCING RATIO

Placements Undertaken ■



# FINANCIAL OVERVIEW

## UNITHOLDERS' CAPITAL



# STOCK INFORMATION



# STOCK INFORMATION

## TOP 10 UNITHOLDERS\*

	Name of Unitholder	%
1	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	8.97%
2	EMPLOYEES PROVIDENT FUND BOARD	7.94%
3	LEMBAGA TABUNG HAJI	4.68%
4	AMANAH SAHAM BUMIPUTERA	4.32%
5	TEW PENG HWEE @ TEOH PENG HWEE	3.49%
6	ALEX LEE LAO	3.31%
7	EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	2.38%
8	PUBLIC ITTIKAL SEQUEL FUND	1.93%
9	PUBLIC SMALLCAP FUND	1.69%
10	EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	1.68%

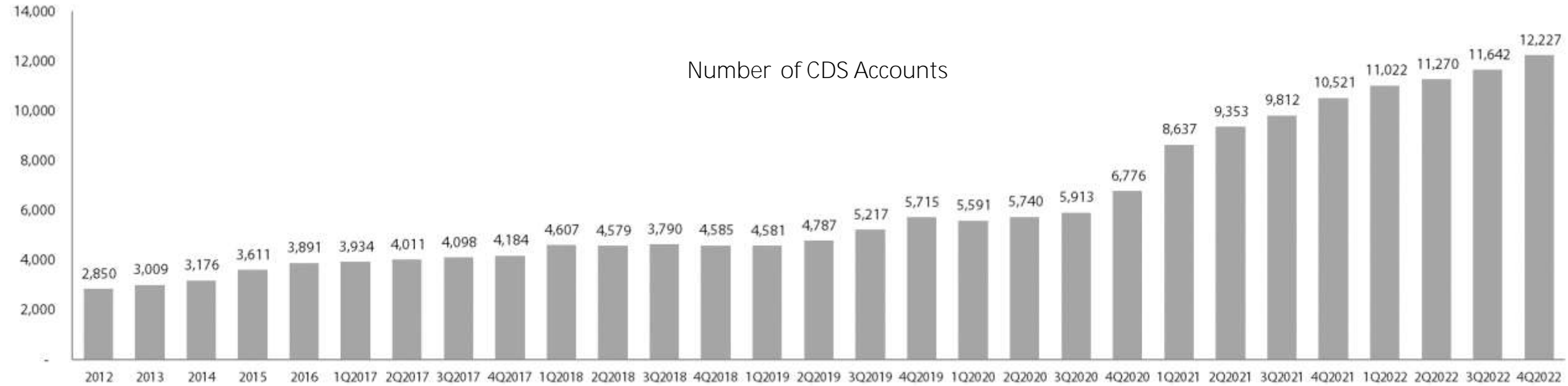
Holdings Breakdown	Units Held 4Q2022	Units Held 3Q2022	Movement
Top 5 Unitholders	29.39%	29.76%	-0.37%
Top 10 Unitholders	40.36%	40.81%	-0.45%
Unitholders with >2 million unitholdings	84.98%	85.31%	-0.33%

\*Based on CDS accounts on non-consolidated basis



# STOCK INFORMATION

Number of CDS Accounts



	Units Held 4Q2022	Units Held 3Q2022	Movement
Total no. of unitholders	12,227	11,642	585
Total foreign holdings	19.04%	14.98%	4.06%
Foreign holdings – related party	5.69%	5.69%	0.00%
Foreign holdings – non-related party	13.35%	9.29%	4.06%
Promoters	9.84%	9.84%	0.00%



THANK YOU

