



Results Presentation 1Q2020

20 May 2020

AGENDA

1Q2020
HIGHLIGHTS

PORTFOLIO
OVERVIEW

FINANCIAL
OVERVIEW

STOCK
INFORMATION

1Q2020 HIGHLIGHTS



HIGHLIGHTS

PORTFOLIO SUMMARY



50 properties on portfolio
38 properties with 100% occupancy



Total Assets Under Management
RM3.2 billion



Space Under Management
9.9 million sq ft



Financing Ratio
30%



Solid industrial space portfolio
91% of properties on industrial titles



Portfolio Occupancy of 92.5% (as at 31/03/2020)
Weighted Average Lease Expiry of 5.8 years



Reclassified as Islamic REIT in 2008



Total Distribution Per Unit for 1Q2020
2.10 sen



Market Capitalization (as at 31/03/2020)
RM2.6 billion



Nationwide presence across Malaysia

HIGHLIGHTS

- Declared 1st interim 2020 DPU of 2.10 sen.
- Portfolio size increased by 2 to a total of 50 properties.
- Investment properties currently stands at RM3.1 billion.
- Traded at a premium of 26% to NAV as of 31 March 2020.
- Implemented the Income Distribution Reinvestment Plan (“IDRP”) in conjunction with the payment of final income distribution with success rate of 75%.
- The Axis Facility @ Batu Kawan development project has been successfully handed over to Federal Express Services (M) Sdn Bhd and rental has commenced on 1 March 2020.
- Completed the acquisition of Axis Facility 2 @ Nilai for RM50.0 million on 28 February 2020.
- Completed the acquisition of Axis Facility 2 @ Bukit Raja for RM37.0 million on 17 March 2020.
- Acceptance of Letter of Offer to acquire a manufacturing facility for RM25.5 million located in Johor Bahru.

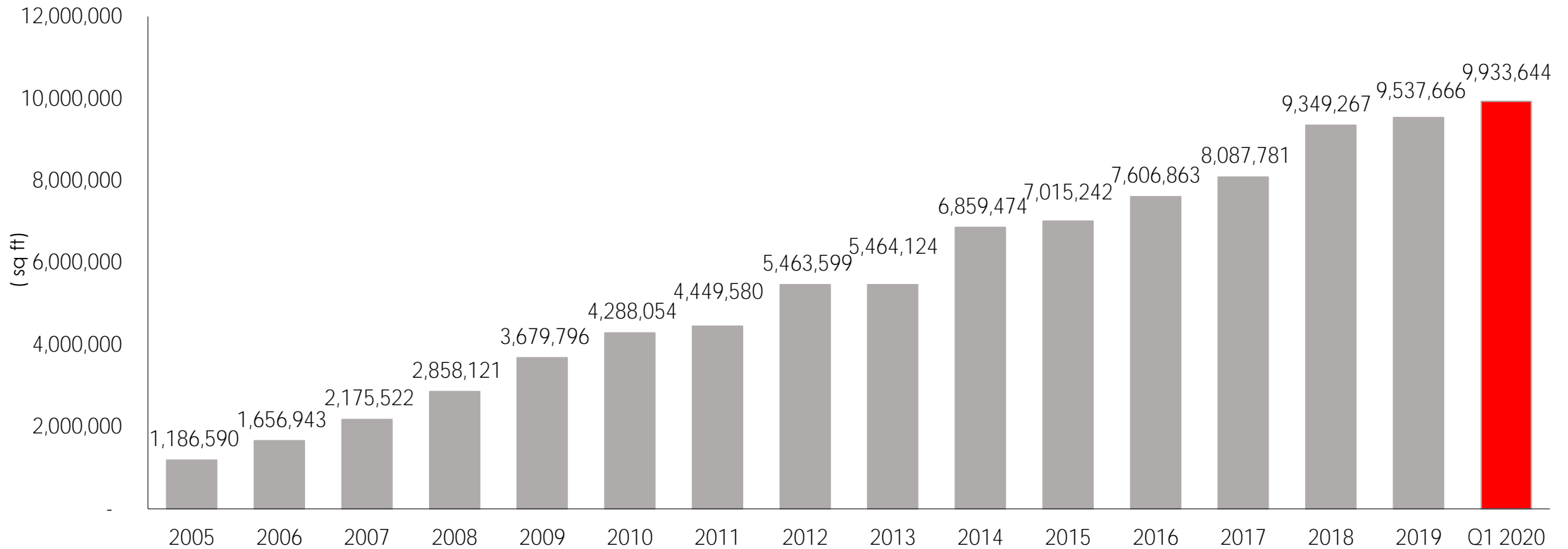
PORTFOLIO OVERVIEW



PORTFOLIO OVERVIEW

DIVERSIFIED AND EXPANDING PORTFOLIO

Space Under Management (sq ft)

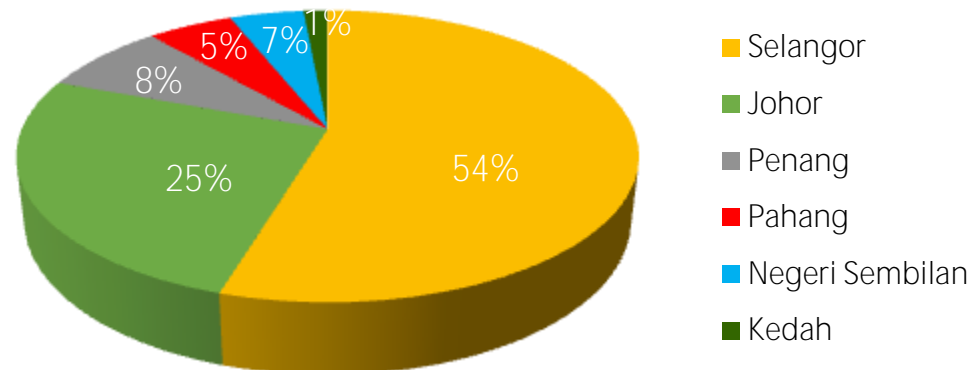


PORTFOLIO OVERVIEW

DIVERSIFIED AND EXPANDING PORTFOLIO

- ✓ Our 50 properties are strategically located in prime industrial areas such as Klang Valley, Johor, Penang, Pahang, Negeri Sembilan and Kedah.
- ✓ Pipeline acquisitions include additions in key industrial hubs of:
 - Bayan Lepas, Penang
 - Shah Alam, Selangor
 - Port of Tanjung Pelepas, Johor
 - Kota Kinabalu, Sabah
- ✓ This geographical diversification is aimed at capturing the rapid growth of current and future regional industrial hubs.

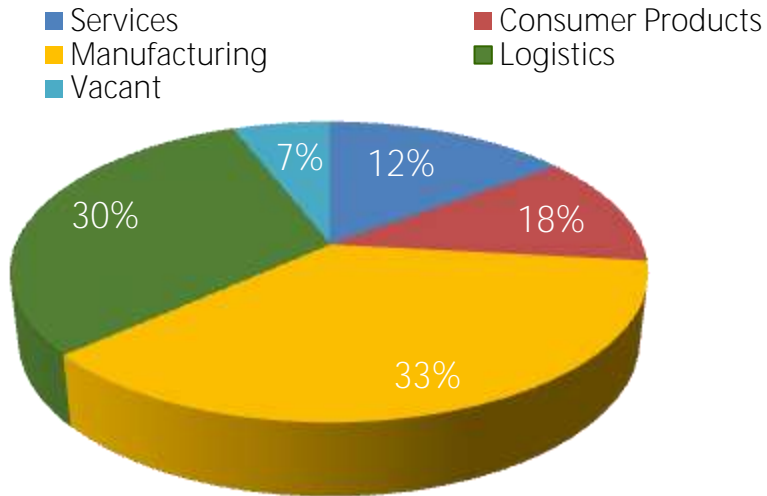
Portfolio Diversification by Location (on NLA)



PORTFOLIO OVERVIEW

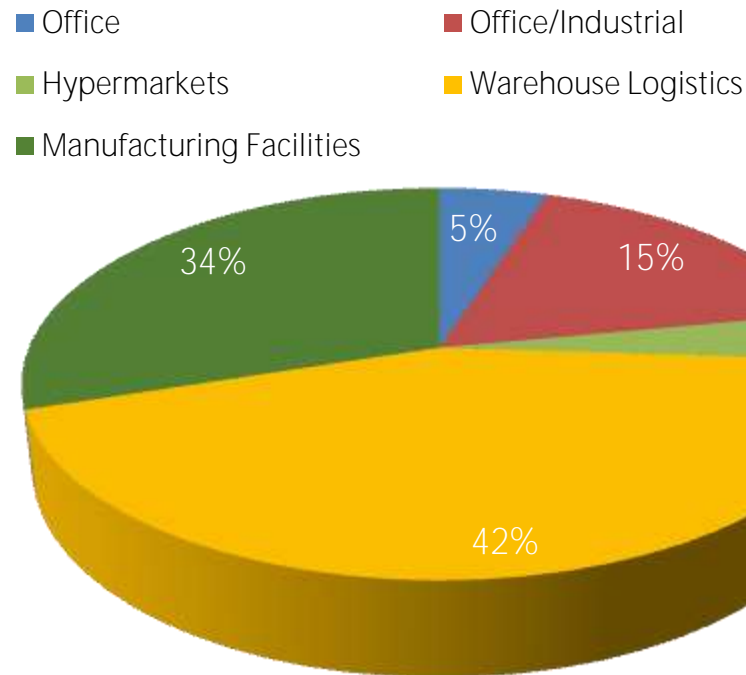
DIVERSIFIED AND EXPANDING PORTFOLIO

Portfolio Diversification by Industry Sector (on NLA)



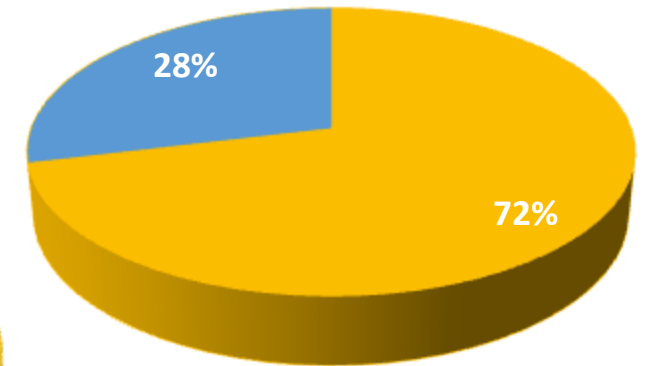
Portfolio Diversification by Asset Type (on NLA)

**Industrial title properties*



Portfolio Diversification by Occupancy Type (on NLA)

Single Tenant Multi Tenants



PORTFOLIO OVERVIEW

HIGH OCCUPANCY RATE WITH INCOME VISIBILITY

As at 31 March 2020, the portfolio has 50 assets comprising 9,933,644 sq. ft. and 152 tenants.

	1Q2020
No. of Properties	50
Property Income (RM'000)	54,540
Property Expenses (RM'000)	8,163
Net Property Income (RM'000)	46,377
Occupancy	92.5%

Portfolio Efficiency Ratio = YTD Property Expenses / YTD Property Income

1Q2020	2019	2018	2017	2016
14.97%	14.31%	13.66%	15.80%	16.23%

PORTFOLIO OVERVIEW

HIGH OCCUPANCY RATE WITH INCOME VISIBILITY

Lease Expiry By Location

Property	Year 2020	% of Total NLA	% of Rental Income/month	Year 2021	% of Total NLA	% of Rental Income/month	Year 2022	% of Total NLA	% of Rental Income/month
Petaling Jaya	597,987	6.02	10.09	542,398	5.45	9.96	436,612	4.40	7.78
Shah Alam	412,015	4.15	4.10	612,547	6.17	6.15	105,550	1.06	1.31
Klang	-	-	-	-	-	-	149,605	1.51	1.27
Johor	468,936	4.72	3.16	474,539	4.78	3.83	42,068	0.42	0.52
Nilai	-	-	-	-	-	-	291,642	2.94	1.50
Penang	205,151	2.06	2.52	-	-	-	395,225	3.98	3.14
TOTAL	1,684,089	16.95	19.87	1,629,484	16.40	19.94	1,420,702	14.31	15.52

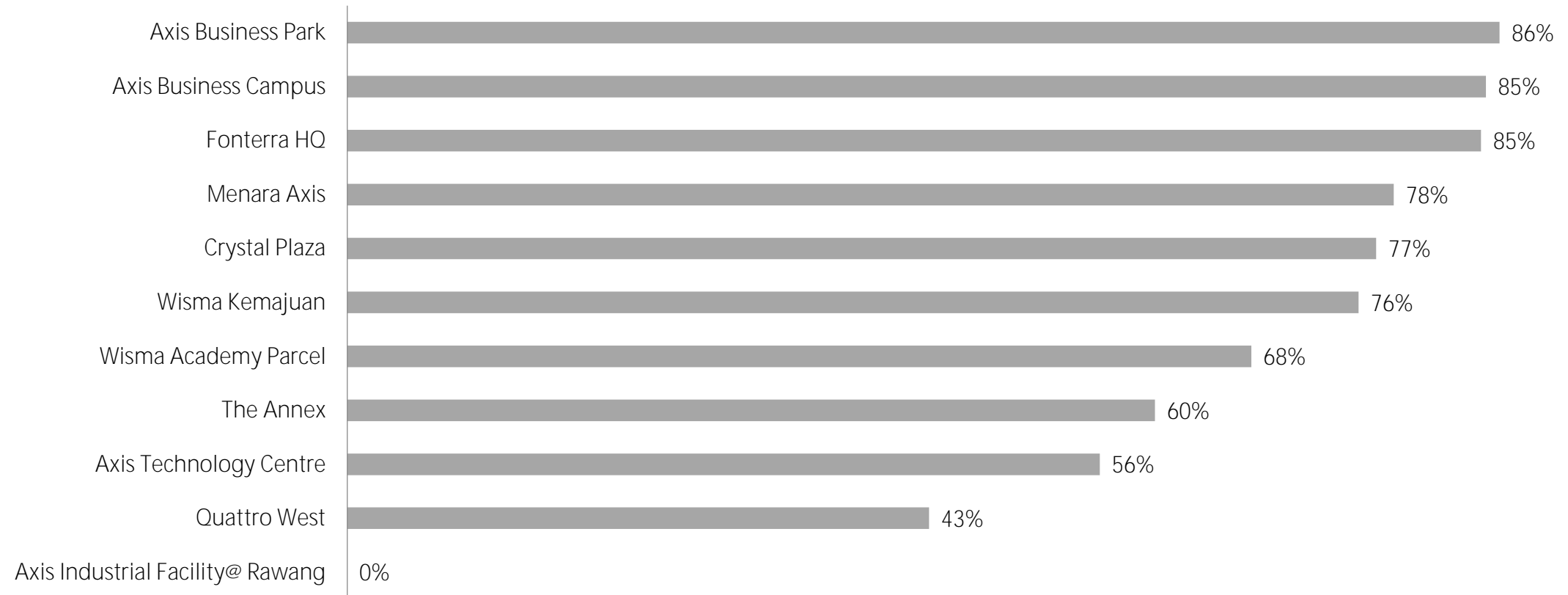
Lease Expiry By Type

Property	Year 2020	% of Total NLA	% of Rental Income/month	Year 2021	% of Total NLA	% of Rental Income/month	Year 2022	% of Total NLA	% of Rental Income/month
Office	126,359	1.27	3.02	143,942	1.45	3.91	78,767	0.79	2.03
Office Industrial	471,628	4.75	7.07	398,456	4.00	6.05	388,095	3.91	6.38
Warehouse Logistics	1,086,102	10.93	9.78	789,187	7.94	7.10	470,525	4.74	3.82
Manufacturing Facilities	-	-	-	297,899	3.01	2.88	483,315	4.87	3.29
Hypermarket	-	-	-	-	-	-	-	-	-
TOTAL	1,684,089	16.95	19.87	1,629,484	16.40	19.94	1,420,702	14.31	15.52

Out of 1.68 million square feet of space expiring in 2020, 48% have been renewed up till 31 March 2020.

PORTFOLIO OVERVIEW

PROPERTIES WITH OCCUPANCY BELOW 90% AS AT 31 MARCH 2020



Note:

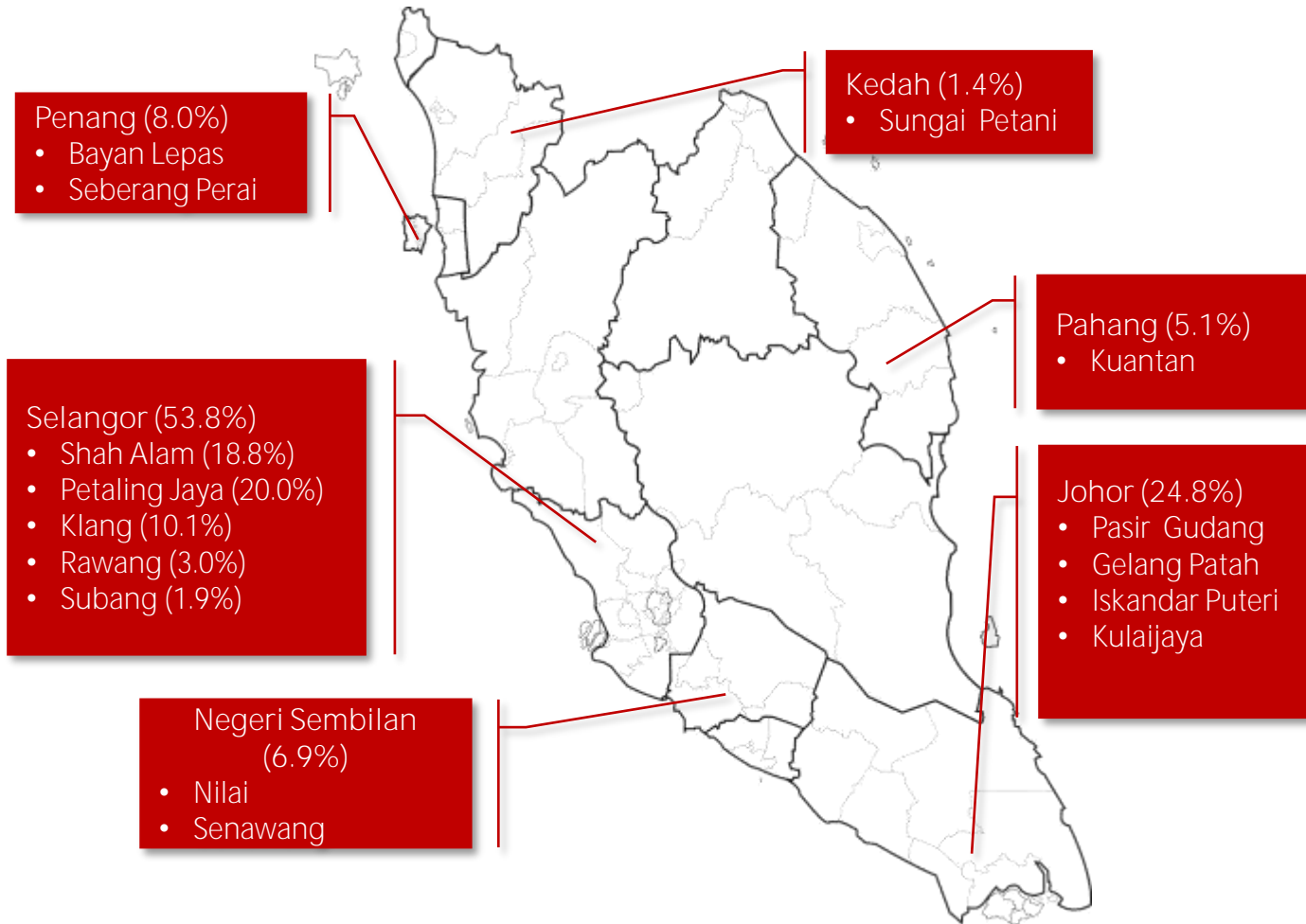
1. Vacant space in Fonterra HQ is built for their future expansion

PORTFOLIO OVERVIEW

ESTABLISHED NATIONWIDE FOOTPRINT

Top 10 Tenants

YTD top ten tenants account for 46.33% of the total revenue



1. Nestle Products Sdn Bhd
2. LF Logistics Services (M) Sdn Bhd
3. Yongnam Engineering Sdn Bhd
4. Wasco Coatings Malaysia Sdn Bhd
5. Upeca Aerotech Sdn Bhd
6. POS Logistics Berhad
7. Tesco Stores (Malaysia) Sdn Bhd
8. Schenker Logistics (Malaysia) Sdn Bhd
9. Teraju Sinar Sdn Bhd
10. Northport (Malaysia) Berhad



PORTFOLIO OVERVIEW

COMPLETED DEVELOPMENT

Axis Facility @ Batu Kawan



Nett Lettable Area	:	44,000 sq. ft.
Land Area	:	Approx. 2.5 acres
Land Tenure	:	Leasehold
Tenant	:	Federal Express Services (M) Sdn Bhd
Occupancy	:	100%
WALE	:	10 years
Construction Time	:	5 months
Lease Commencement	:	1 March 2020
Development Value	:	RM14.6million
Market Value (as at 31 Dec 2019):		RM16.0million

PORTFOLIO OVERVIEW

COMPLETED ACQUISITIONS

1. Axis Facility 2 @ Nilai, Negeri Sembilan



Completion Date	:	28 February 2020
Net Lettable Area	:	246,500 sq. ft.
Land Area	:	Approx. 8.75 acres
Land Tenure	:	Leasehold
Occupancy	:	100%
Purchase Price	:	RM50.0 million
WALE	:	10 years

2. Axis Facility 2 @ Bukit Raja, Klang



Completion Date	:	17 March 2020
Net Lettable Area	:	199,890 sq. ft.
Land Area	:	Approx. 5.57 acres
Land Tenure	:	Leasehold
Occupancy	:	100%
Purchase Price	:	RM37.0 million
WALE	:	Approx. 2.5 years

PORTFOLIO OVERVIEW

ONGOING ACQUISITIONS

1. Bayan Lepas Industrial Facility 1, Penang



2. D37c Warehouse, PTP Johor



Target Completion Date :	2H2020
Net Lettable Area :	78,024 sq. ft.
Land Area :	Approx. 2.1 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM20.5 million
WALE :	Approx. 1 year

Target Completion Date :	1H2020
Net Lettable Area :	222,723 sq. ft.
Land Area :	Approx. 8.2 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM65.0 million
WALE :	Approx. 8 years

PORTFOLIO OVERVIEW

ONGOING ACQUISITIONS

3. Manufacturing Facility, Shah Alam, Selangor



Target Completion Date :	2H2020
Nett Lettable Area :	41,133 sq. ft.
Land Area :	Approx. 2.2 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM11.8 million
WALE :	Approx. 1 year

4. Manufacturing Facility, Tebrau, Johor



Target Completion Date :	2H2020
Nett Lettable Area :	152,348 sq. ft.
Land Area :	Approx. 6.5 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM25.5 million
WALE :	Approx. 2 years

PORTFOLIO OVERVIEW

ONGOING ACQUISITIONS

5. Manufacturing Facility, Kota Kinabalu, Sabah



Target Completion Date :	2H2020
Gross Floor Area :	444,180 sq. ft.
Land Area :	Approx. 21.6 acres
Land Tenure :	Leasehold
Occupancy :	100%
Purchase Price :	RM60.0 million
WALE :	15 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 will continue to focus on:

- ✓ Grade A logistics facilities and manufacturing facilities with long leases from tenants with strong covenants;
- ✓ Well-located retail 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
RM135 million

FINANCIAL OVERVIEW



FINANCIAL OVERVIEW

SNAPSHOT AS AT 31 MARCH 2020



RM3.15 bil
Total Assets



RM935 mil
Total Financings



RM2.10 bil
Total Unitholder's Funds



RM1.46
Net Asset Value Per Unit



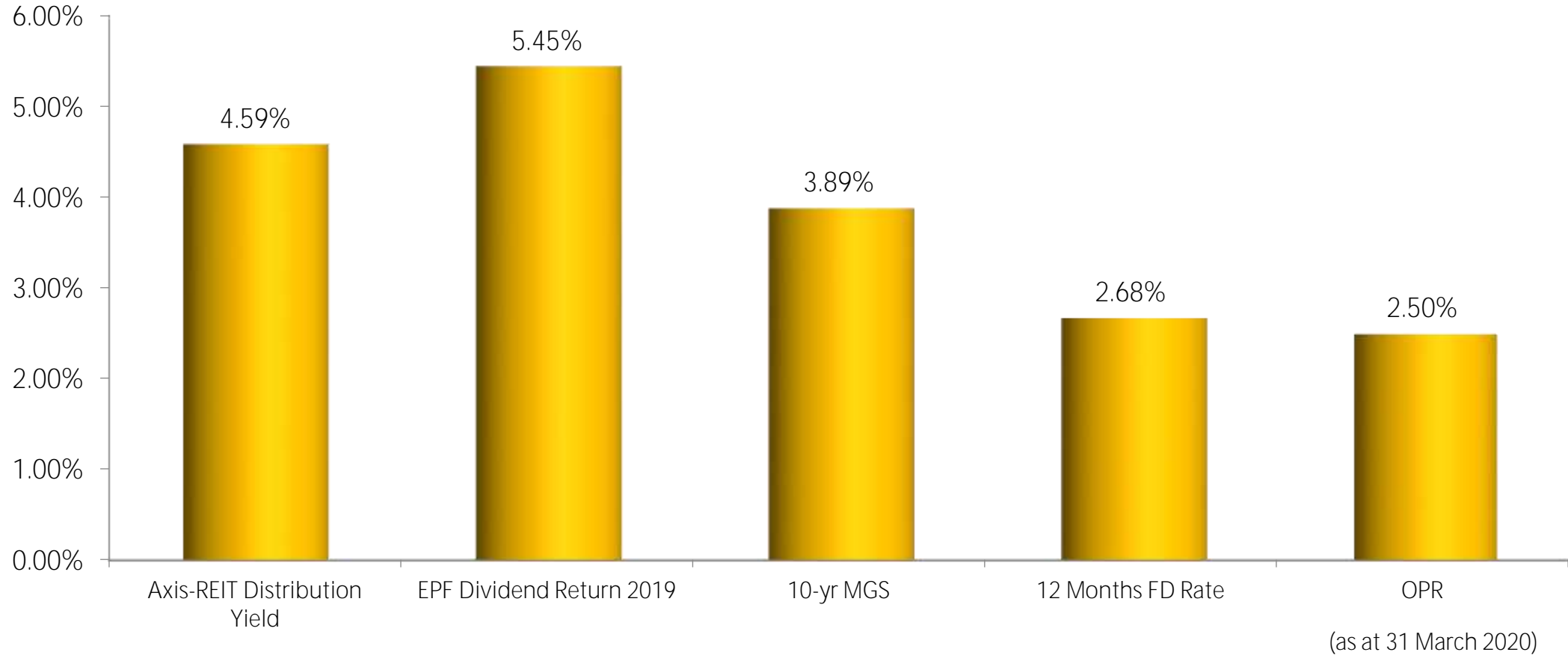
30%
Financing Ratio



1Q2020: 2.10 sen
Distribution Per Unit

FINANCIAL OVERVIEW

RETURN COMPARATIVES



FINANCIAL OVERVIEW

INCOME STATEMENT 1Q2020 vs 1Q2019

	1Q2020 (RM'000)	1Q2019 (RM'000)	Changes / Movement
No. of Properties	50	45	+5
Property Income – NOTE 1	54,540	53,557	
- Property income before lease incentive adjustment	54,875	53,875	+1.9%
- Lease incentive adjustment (non-distributable)	(335)	(318)	
Property Expenses – NOTE 2	(8,163)	(7,462)	+9.4%
Net Property Income	46,377	46,095	
- Property income before lease incentive adjustment	46,712	46,413	+0.6%
- Lease incentive adjustment (non-distributable)	(335)	(318)	
Profit Income / Other Income	231	212	
Non-Property Expenses	(6,987)	(5,351)	+30.6%
Islamic Financing Cost – NOTE 3	(9,744)	(12,100)	-19.5%
Net Income	29,877	28,856	
Property income before lease incentive adjustment	30,212	29,174	+3.6%
- Lease incentive adjustment (non-distributable)	(335)	(318)	
DPU (sen) – NOTE 4	2.10	2.35	-10.6%
No. of Units in Issuance	1,442,331,296	1,237,285,288	+16.6%

* Note: The above financials exclude unbilled lease income receivable

FINANCIAL OVERVIEW

INCOME STATEMENT 1Q2020 vs 1Q2019 - NOTES

Note 1 – Property Income

Increase in property income as compared to preceding year corresponding period was mainly due to the commencement of lease on Axis Facility @ Batu Kawan on 1 March 2020 and rental from 4 newly acquired properties completed since end of 3Q2019. This has offset the rental loss from Axis Industrial Facility @ Rawang as the tenant has redelivered vacant possession in July 2019.

Note 2 – Property Expenses

Increase in property expenses was due to the increase in building maintenance expenses and also the new properties added to the portfolio.

Note 3 – Islamic Financing Cost

Decrease in financing cost was mainly due to reduced gearing from the equity placement exercise in 4Q2019 and the recent OPR cuts in January and March 2020.

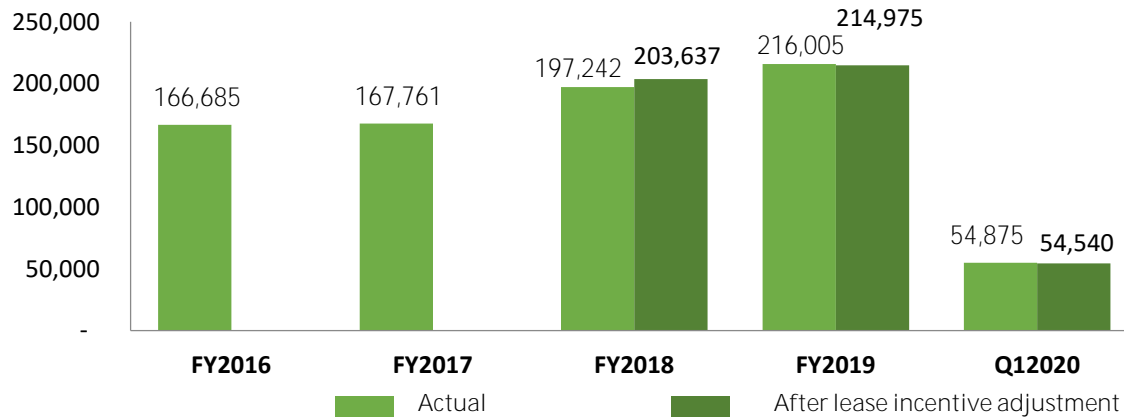
Note 4 – DPU

The DPU of 2.10 sen is lower than 1Q2019 of 2.35 sen due to issuance of new units from the equity placement exercise completed in December 2019.

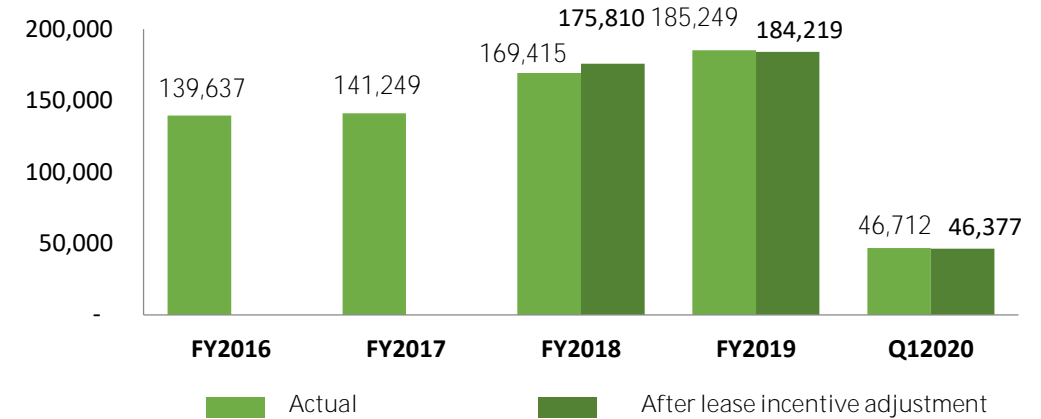
FINANCIAL OVERVIEW

5-YEAR PERFORMANCE

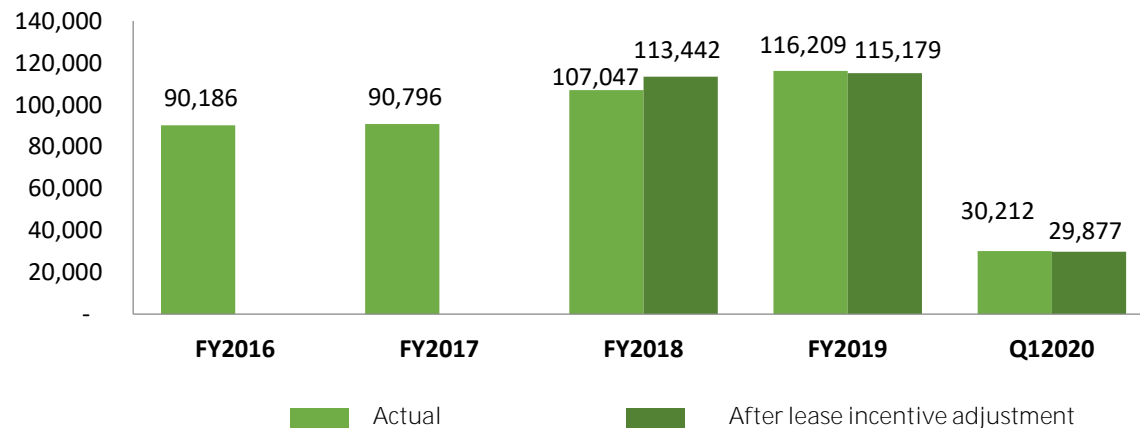
Revenue (RM'000)*



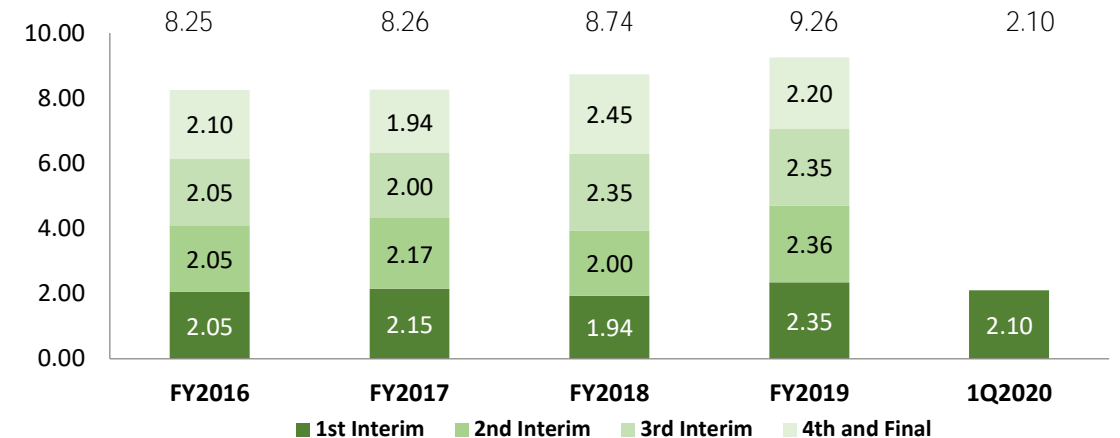
Net Property Income (RM'000)*



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	9.1
Office Industrial	7.0	9.3
Warehouse Logistics	8.7	9.5
Manufacturing Facilities	7.4	8.3
Hypermarket	8.2	8.8
Average	7.8	9.0

FINANCIAL OVERVIEW

FINANCIAL POSITION

	31/3/20 (RM'000)	31/12/19 (RM'000)	Changes (RM'000)
Investment Properties – Note 1	3,080,168	2,990,610	+89,558
Fixed Assets	3,125	3,201	-76
Other Assets – Note 2	70,535	91,870	-21,335
TOTAL ASSETS	3,153,828	3,085,681	+68,147
Borrowings	934,939	885,859	+49,080
Other Payables	106,302	112,443	-6,141
Deferred Tax Liability	8,615	8,615	-
TOTAL LIABILITIES	1,049,856	1,006,917	+42,939
NET ASSET VALUE (NAV)	2,103,972	2,078,764	+25,208
Unitholders' Capital – Note 3	1,595,506	1,583,791	+11,715
Undistributed Distributable Income	30,183	16,094	+14,089
Non-Distributable Reserve	478,283	478,879	-596
TOTAL UNITHOLDERS' FUND	2,103,972	2,078,764	+25,208
GEARING	29.64%	28.71%	
NAV/UNIT (RM)	1.4587	1.4484	
No. of units in issuance	1,442,331,296	1,435,250,288	

FINANCIAL OVERVIEW

NOTES - FINANCIAL POSITION

Note 1 – Investment Properties

Total acquisitions of RM87.0 million including Axis Facility 2 @ Nilai and Axis Facility 2 @ Bukit Raja were completed on 28 February 2020 and 17 March 2020 respectively.

During the quarter ended 31 March 2020, a total of RM0.9 million was spent on enhancement works of the properties in the portfolio.

Note 2 – Other Assets

The average collection of trade receivables as at 31 March 2020 was 12 days.

Note 3 – Unitholders' Capital

A total of net proceeds of RM11.7 million raised from 7,081,008 new issued units pursuant to the IDRP applicable to the 2019 final income distribution completed on 10 March 2020.

The fund size has increased from 1,435,250,288 units to 1,442,331,296 units post IDRP.

FINANCIAL OVERVIEW

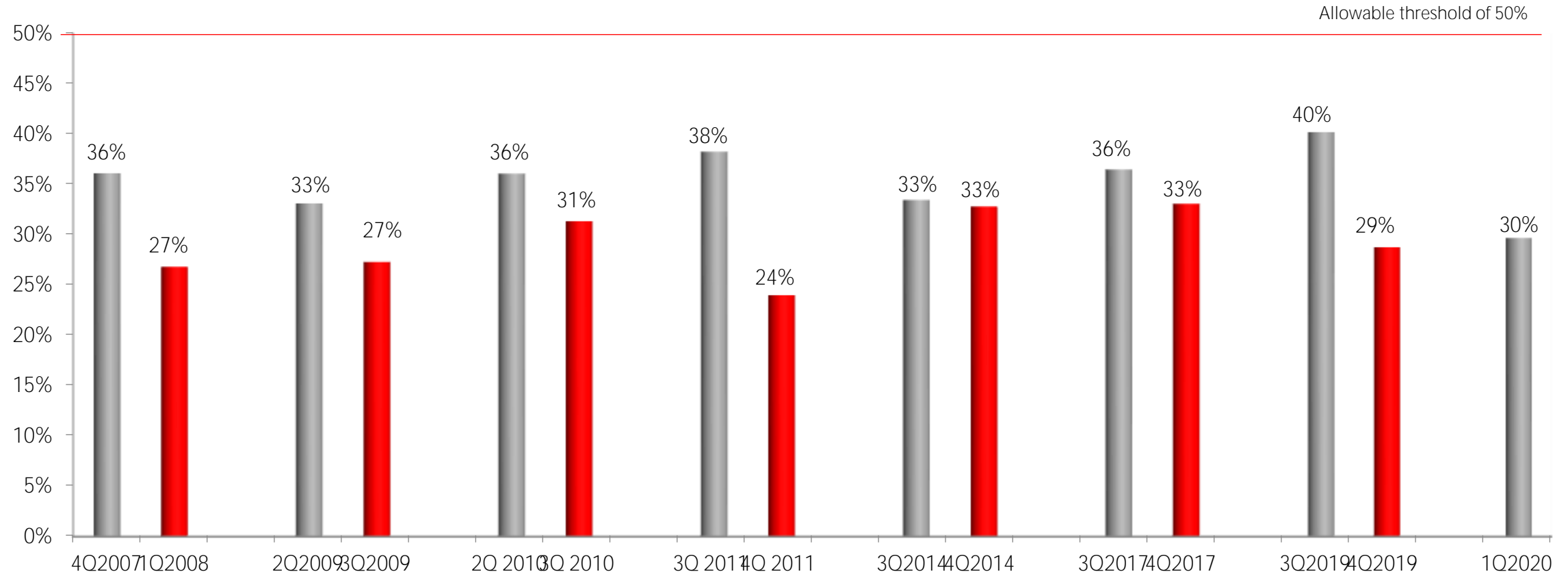
NOTE 3 - 5-YEAR DEBT PROFILE

	2016	2017	2018	2019	1Q2020
Total Financing (RM'000)	780,665	842,594	1,059,367	885,859	934,939
Total Assets (RM'000)	2,244,274	2,549,609	2,840,463	3,085,681	3,153,828
Gearing	34.78%	33.05%	37.30%	28.71%	29.64%
Effective Profit Rate	4.25%	4.21%	4.32%	4.37%	4.13%
Percentage of short term financing- Maturity < 1 Year	58%	71%	77%	43%	46%
Percentage of medium/ long term financing (maturity more than 1 year)	42%	29%	23%	57%	54%
Percentage of floating rate financing	53%	63%	69%	21%	25%
Percentage of fixed rate financing	47%	37%	31%	79%	75%
Total unencumbered assets	15	15	19	16	18
Percentage of unencumbered assets/total assets (value)	30%	27%	28%	27%	29%

FINANCIAL OVERVIEW

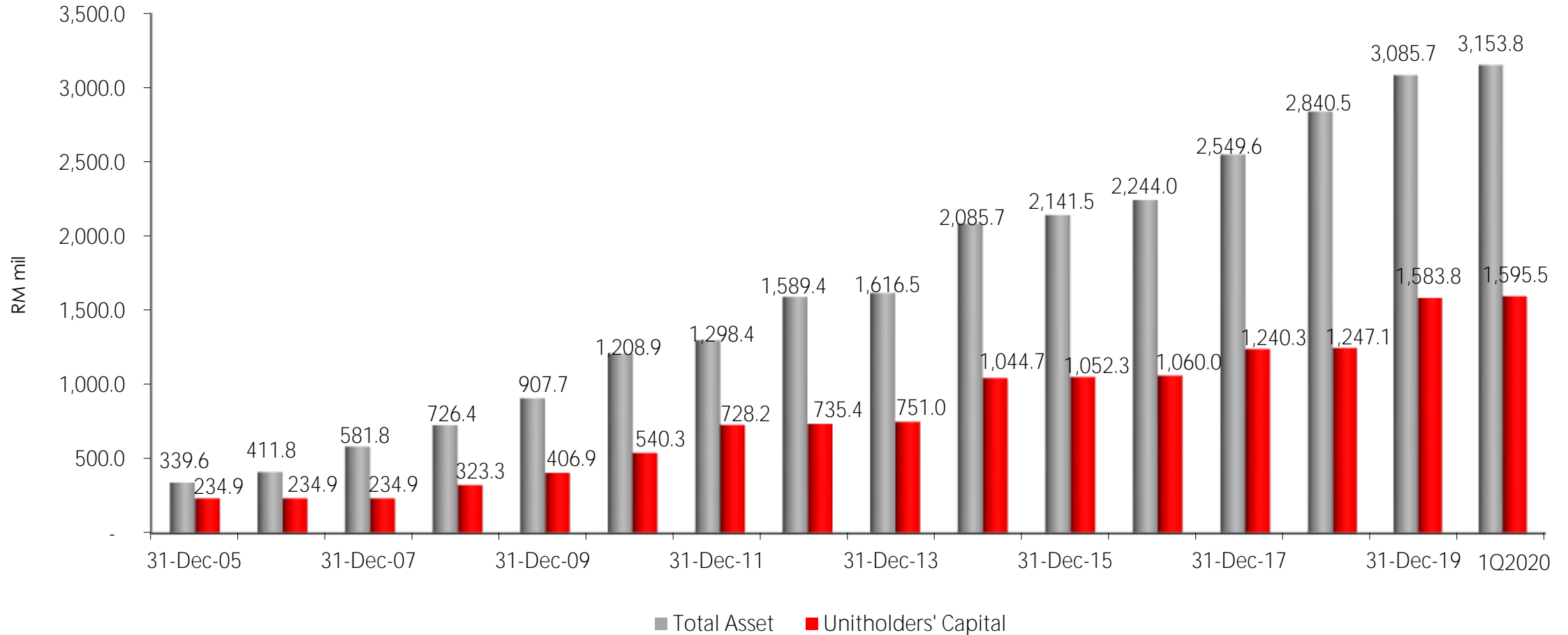
GEARING LEVELS

Placements Undertaken ■



FINANCIAL OVERVIEW

UNITHOLDERS' CAPITAL



STOCK INFORMATION



STOCK INFORMATION

TOP 10 UNITHOLDERS*

	Name of Unitholder	%
1	EMPLOYEES PROVIDENT FUND BOARD	10.37%
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	9.59%
3	LEMBAGA TABUNG HAJI	4.83%
4	TEW PENG HWEE @ TEOH PENG HWEE	3.92%
5	AMANAH SAHAM BUMIPUTERA	3.79%
6	ALEX LEE LAO	3.72%
7	EXEMPT AN FOR AIA BHD.	3.47%
8	PUBLIC SMALLCAP FUND	1.91%
9	MTRUSTEE BERHAD FOR PRINCIPAL DALI EQUITY GROWTH FUND (UT-CIMB-DALI) (419455)	1.79%
10	AMANAH SAHAM MALAYSIA 3	1.74%

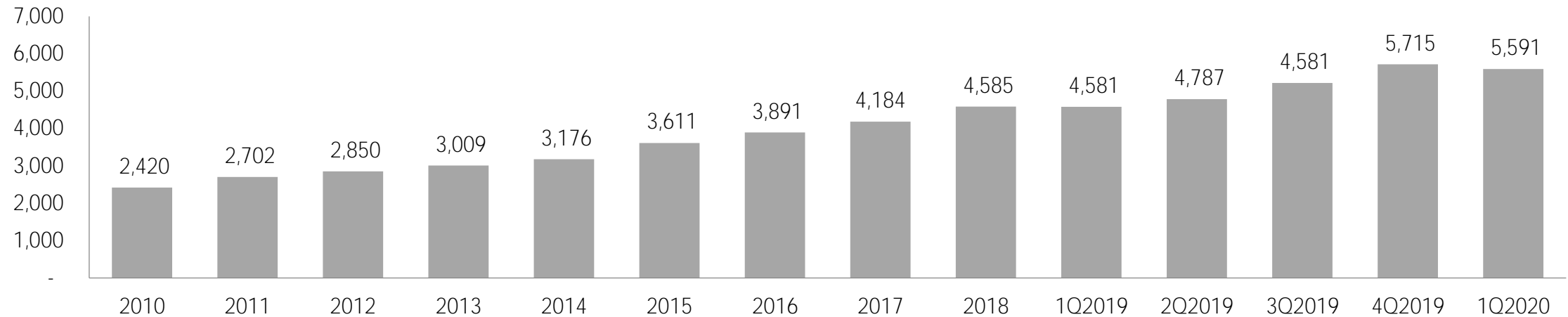
Holdings Breakdown	Units Held 1Q2020	Units Held 4Q2019	Movement
Top 5 Unitholders	32.51%	30.22%	2.29%
Top 10 Unitholders	45.13%	42.38%	2.75%
Unitholders with >2 million unitholdings	83.86%	80.28%	3.58%

*Based on CDS accounts on non-consolidated basis

STOCK INFORMATION

INVESTOR VISIBILITY & LIQUIDITY

Number of CDS Accounts



	Units Held 1Q2020	Units Held 4Q2019	Movement
Total no. of unitholders	5,591	5,715	-124
Total foreign holdings	13.33%	10.67%	2.66%
Foreign holdings – related-party	6.32%	6.31%	0.01%
Foreign holdings – non-related-party	7.01%	4.36%	2.65%
Promoters	10.96%	10.97%	-0.01%

THANK YOU



www.axis-reit.com.my