



# Results Presentation 1Q2020

20 May 2020

# AGENDA

**1Q2020  
HIGHLIGHTS**

**PORTFOLIO  
OVERVIEW**

**FINANCIAL  
OVERVIEW**

**STOCK  
INFORMATION**

# 1Q2020 HIGHLIGHTS



# HIGHLIGHTS

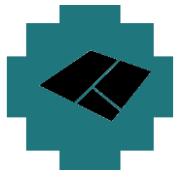
## PORTFOLIO SUMMARY



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 1<sup>st</sup> 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.

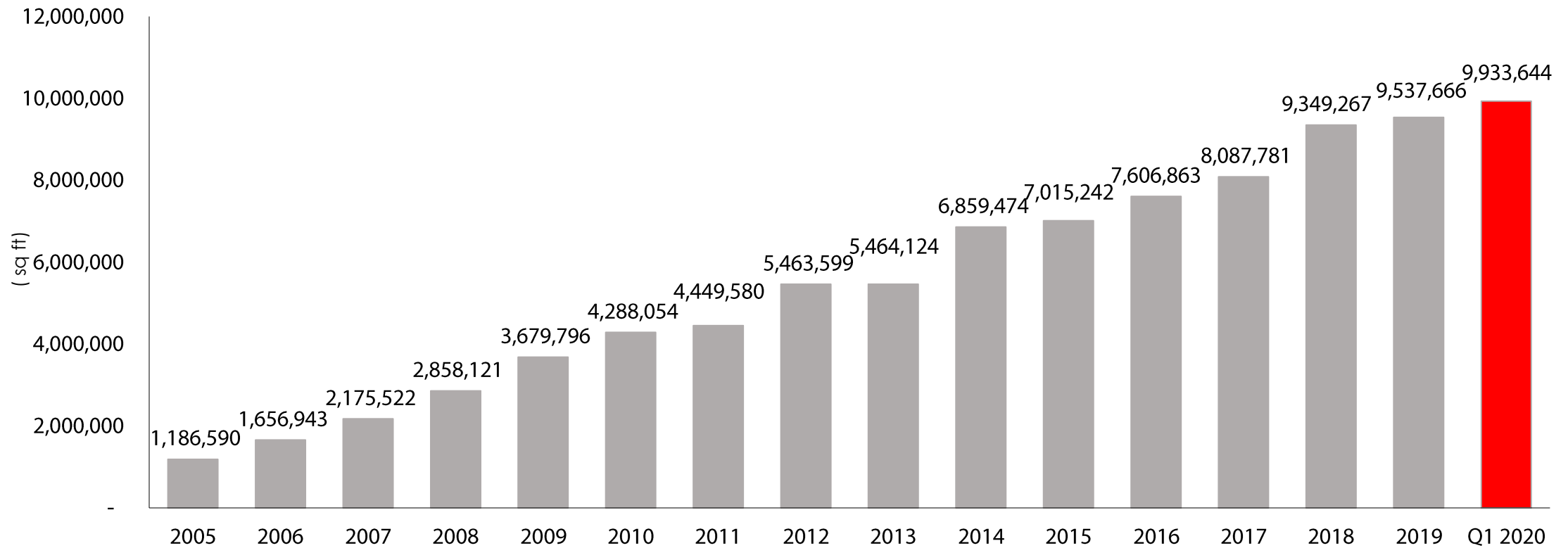
# PORTFOLIO OVERVIEW



# PORTFOLIO OVERVIEW

## DIVERSIFIED AND EXPANDING PORTFOLIO

### Space Under Management (sq ft)

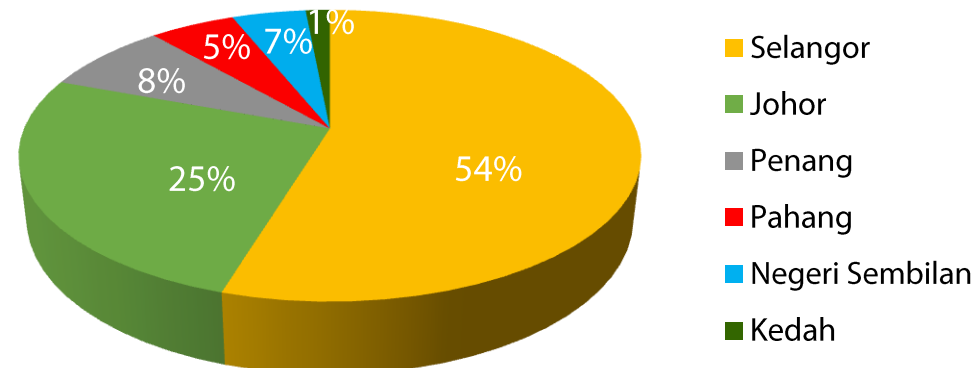


# PORTFOLIO OVERVIEW

## *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)**



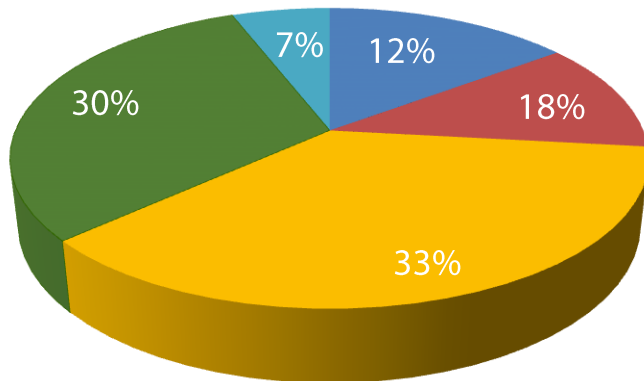


# PORTFOLIO OVERVIEW

## DIVERSIFIED AND EXPANDING PORTFOLIO

**Portfolio Diversification  
by Industry Sector (on NLA)**

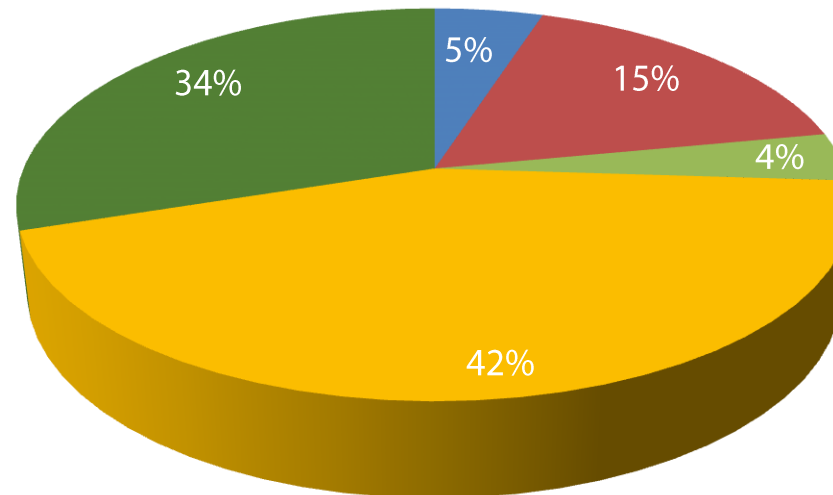
■ Services  
■ Manufacturing  
■ Vacant  
■ Consumer Products  
■ Logistics



**Portfolio Diversification  
by Asset Type (on NLA)**

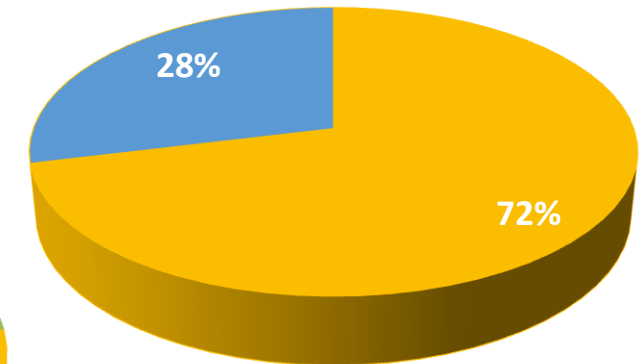
*\*Industrial title properties*

■ Office  
■ Hypermarkets  
■ Manufacturing Facilities  
■ Office/Industrial  
■ Warehouse Logistics



**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
<b>TOTAL</b>	<b>1,684,089</b>	<b>16.95</b>	<b>19.87</b>	<b>1,629,484</b>	<b>16.40</b>	<b>19.94</b>	<b>1,420,702</b>	<b>14.31</b>	<b>15.52</b>

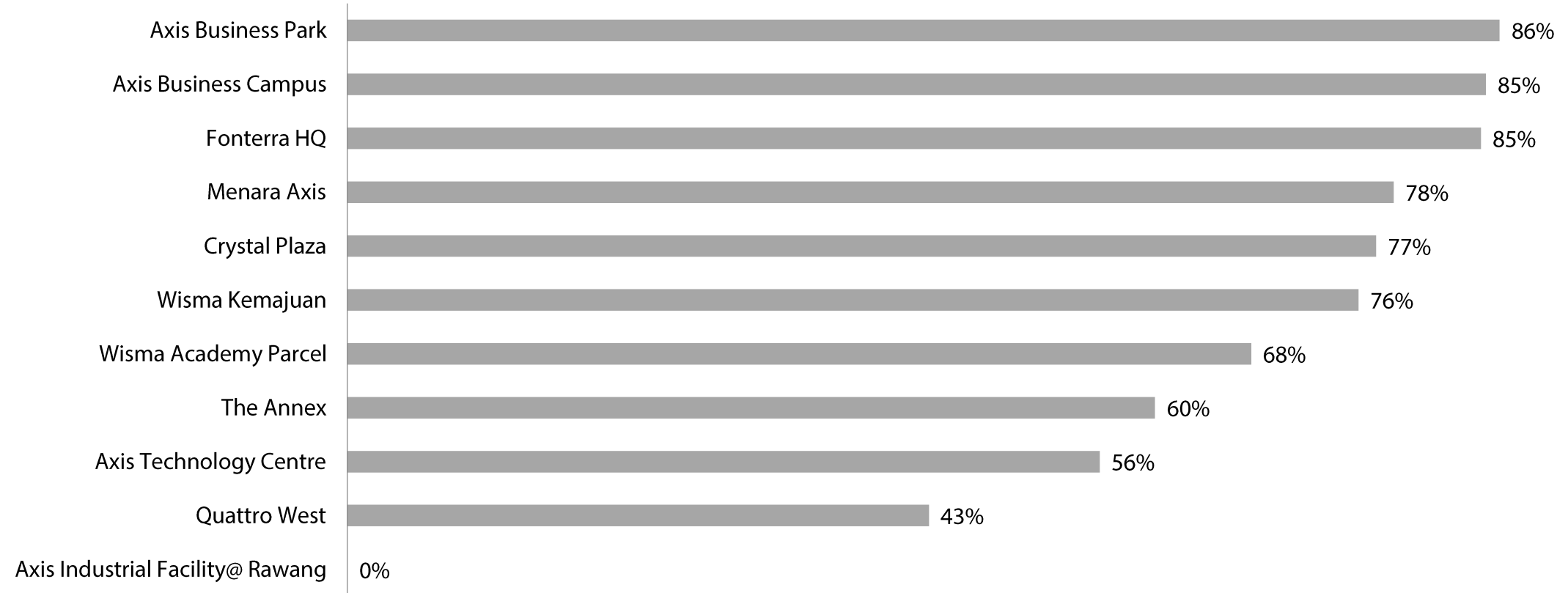
### Lease Expiry By Type

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	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,684,089</b>	<b>16.95</b>	<b>19.87</b>	<b>1,629,484</b>	<b>16.40</b>	<b>19.94</b>	<b>1,420,702</b>	<b>14.31</b>	<b>15.52</b>

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

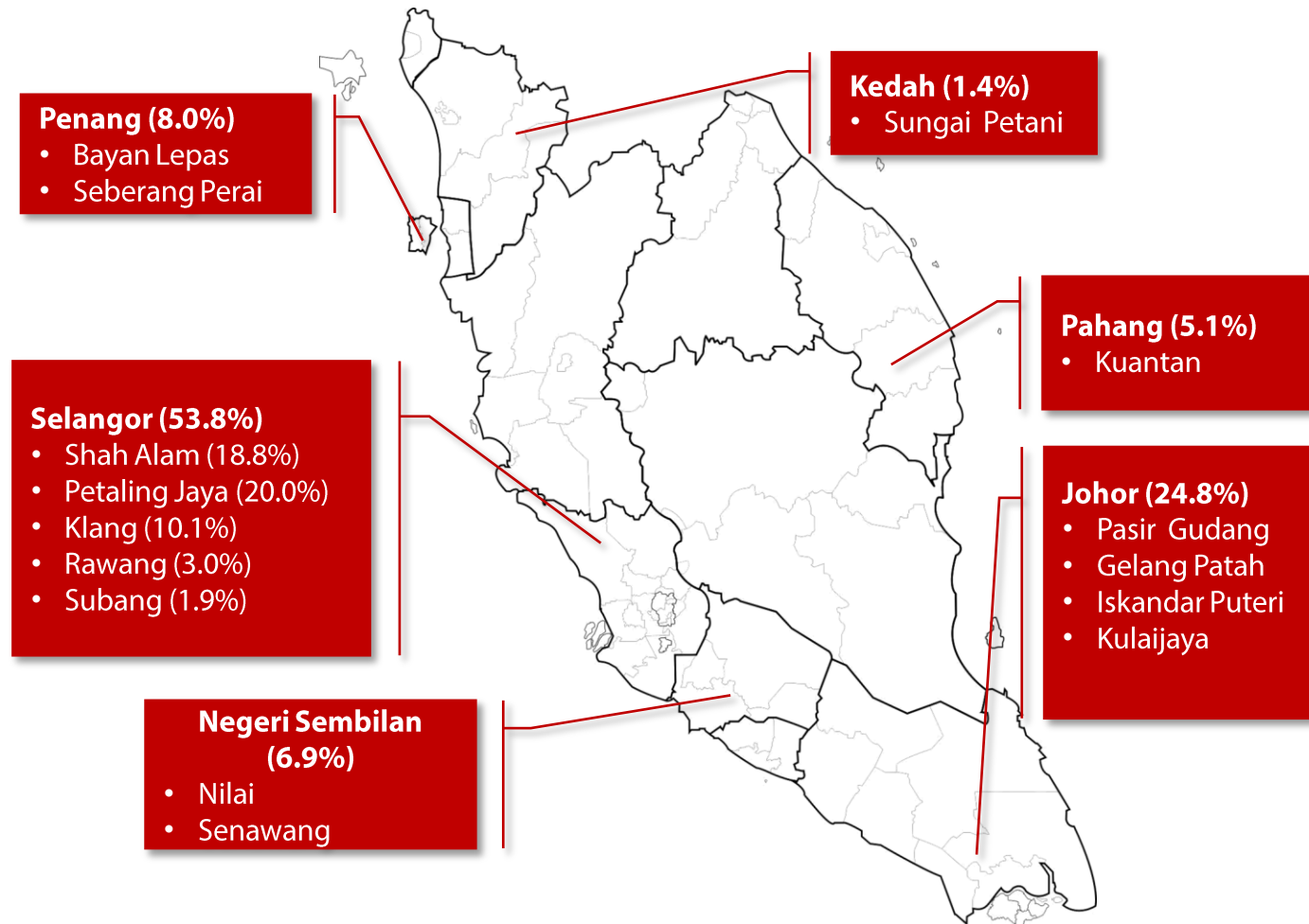


*Note:*

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



LF LOGISTICS



SCHENKER



POS Logistics

TERAJU SINAR SDN BHD

# 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



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

### 2. D37c Warehouse, PTP Johor



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**



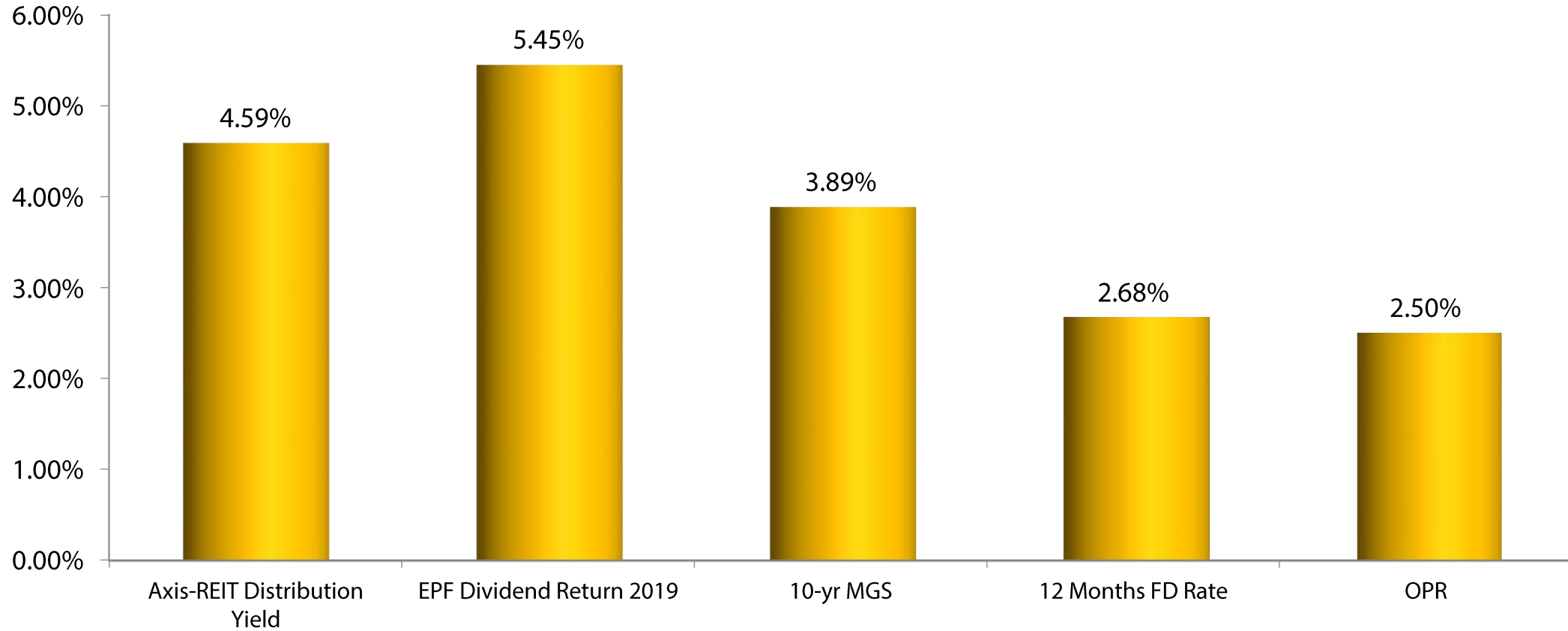
**30%**  
**Financing Ratio**



**1Q2020: 2.10 sen**  
**Distribution Per Unit**

# FINANCIAL OVERVIEW

## RETURN COMPARATIVES



(as at 31 March 2020)

# FINANCIAL OVERVIEW

## INCOME STATEMENT 1Q2020 vs 1Q2019

	1Q2020 (RM'000)	1Q2019 (RM'000)	Changes / Movement
No. of Properties	50	45	+5
Property Income – <b>NOTE 1</b>	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 – <b>NOTE 2</b>	(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 – <b>NOTE 3</b>	(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) – <b>NOTE 4</b>	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**

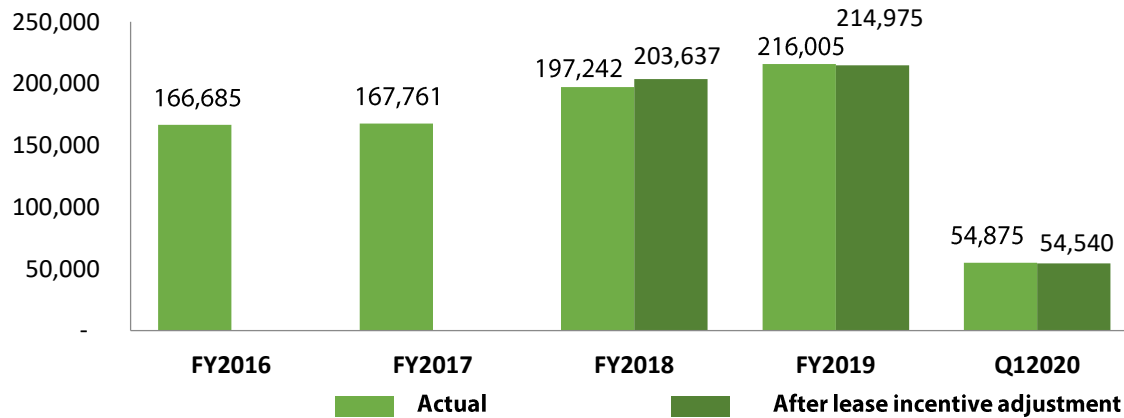
The DPU of 2.10 sen is lower than 1Q2019 of 2.35 sen due to issuance of new units from the equity placement exercise completed in December 2019.



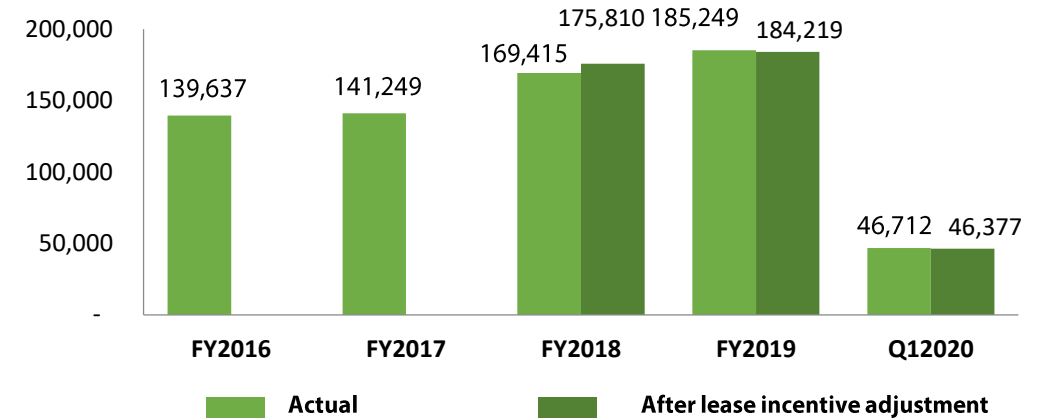
# FINANCIAL OVERVIEW

## 5-YEAR PERFORMANCE

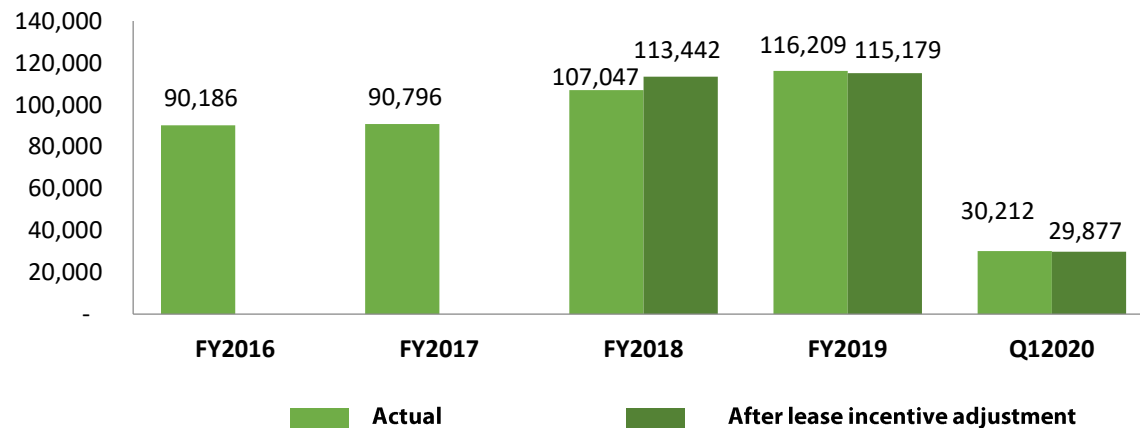
Revenue (RM'000)\*



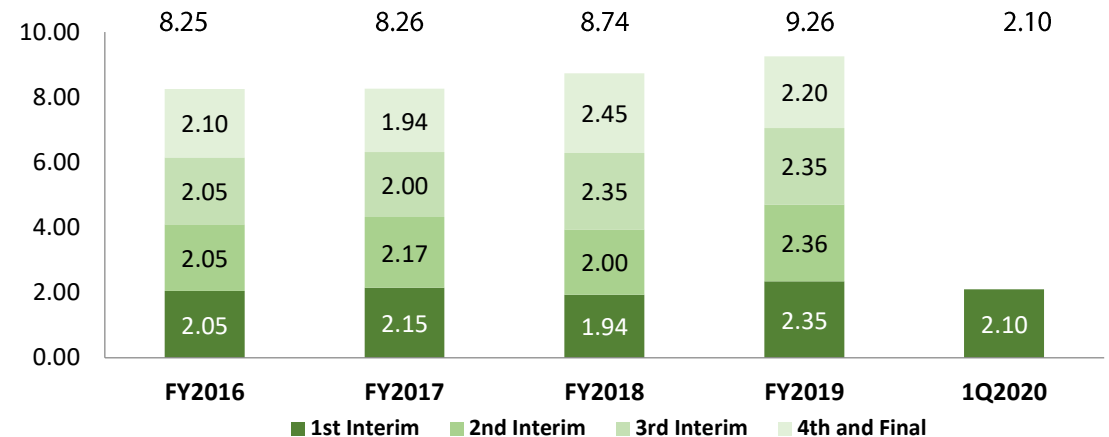
Net Property Income (RM'000)\*



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
<b>Average</b>	<b>7.8</b>	<b>9.0</b>

# FINANCIAL OVERVIEW

## FINANCIAL POSITION

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

# 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

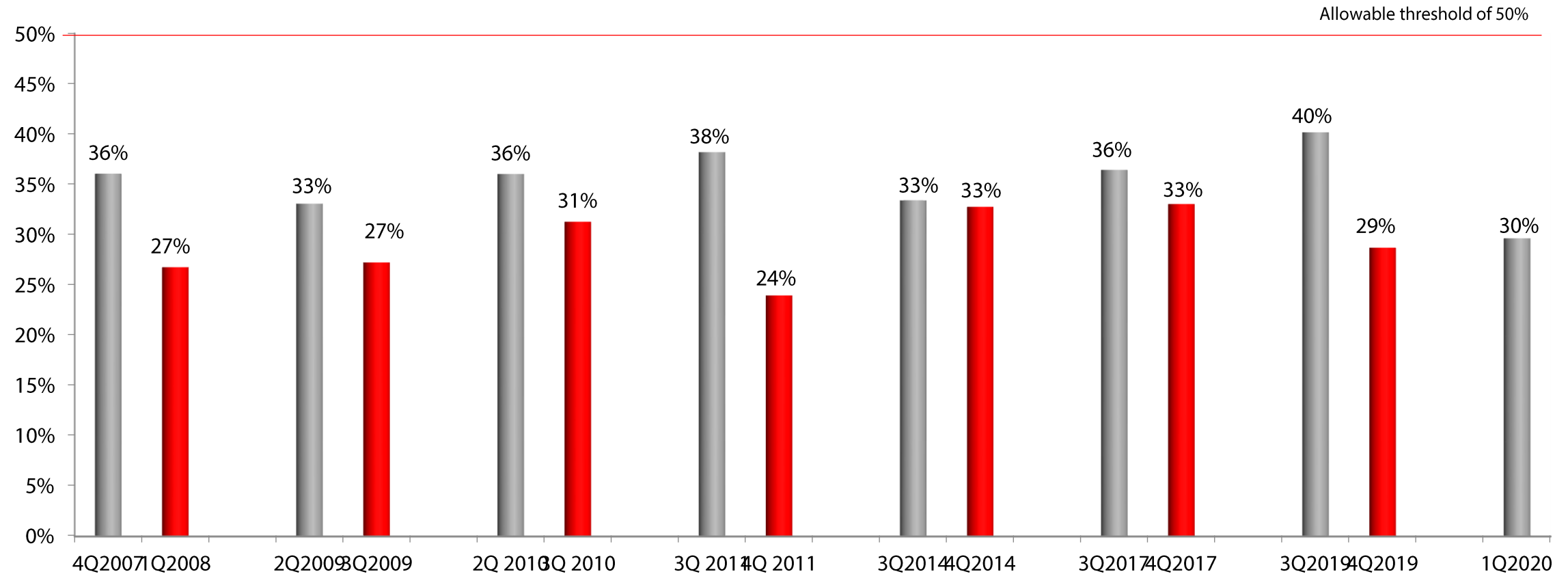
## NOTE 3 - 5-YEAR DEBT PROFILE

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

# FINANCIAL OVERVIEW

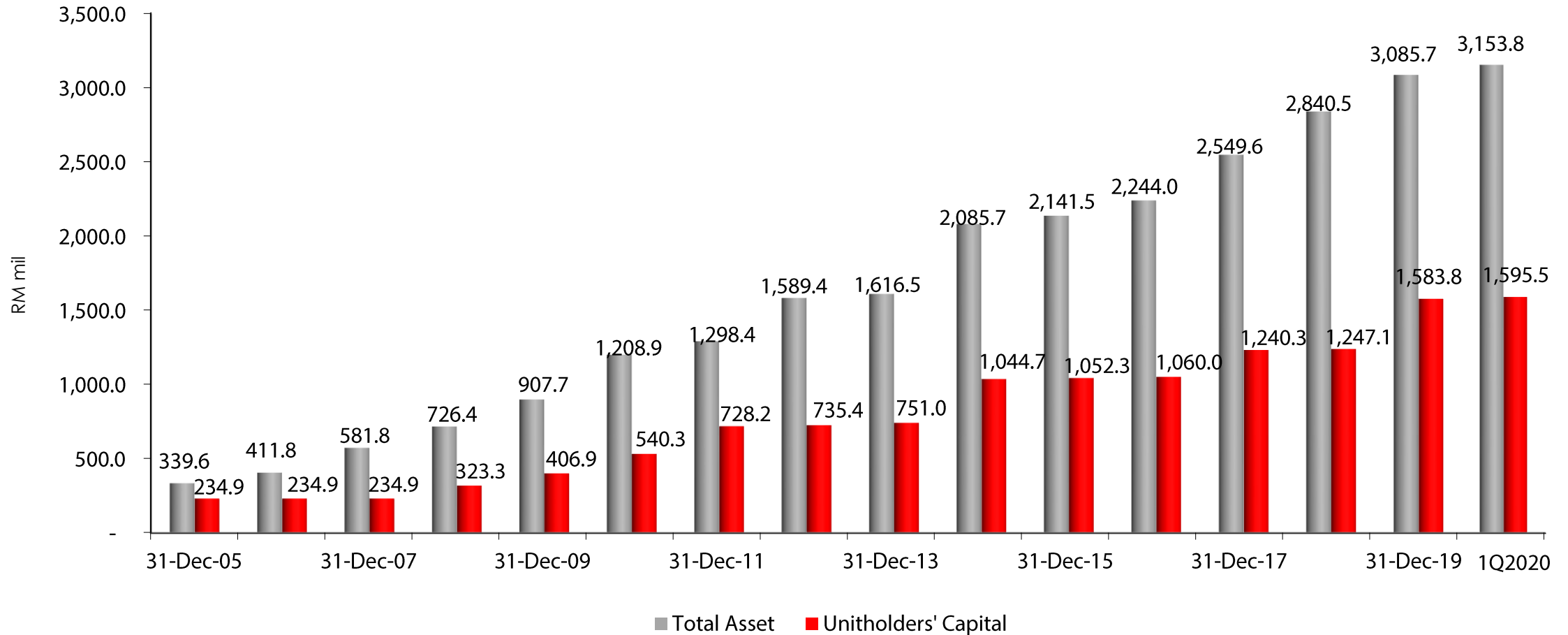
## GEARING LEVELS

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%

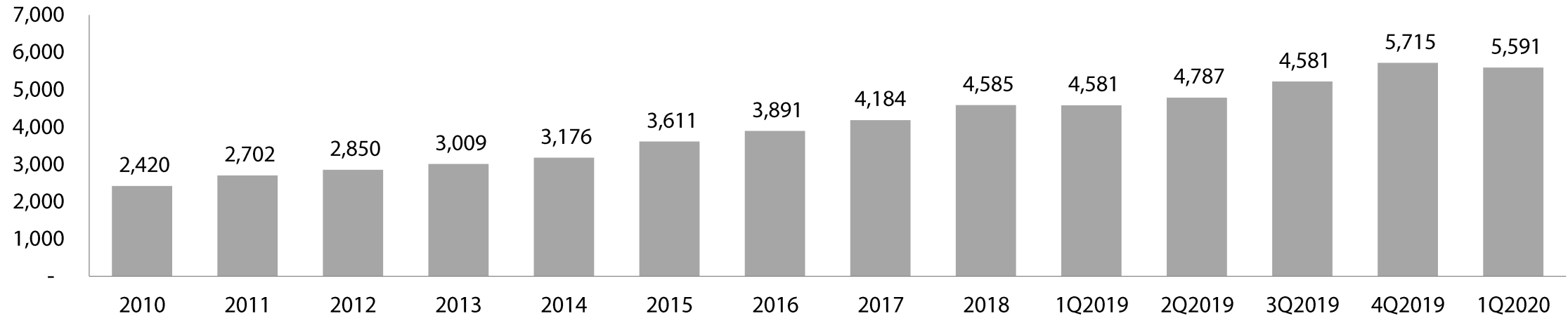
Holdings Breakdown	Units Held 1Q2020	Units Held 4Q2019	Movement
Top 5 Unitholders	32.51%	30.22%	2.29%
Top 10 Unitholders	45.13%	42.38%	2.75%
Unitholders with >2 million unitholdings	83.86%	80.28%	3.58%

\*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



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