



Press Release

AREIT net income up 29% to P1.31 billion in 1H21

06 Aug 2021 | Ayala Land's pioneering Real Estate Investment Trust (REIT) in the Philippines, AREIT Inc. (AREIT), posted revenues of P1.36 billion and earnings before interest, taxes, depreciation and amortization (EBITDA) of P1.05 billion for the first half of 2021, a 49% and 39% growth, respectively, versus last year. This is a result of the positive contribution of new properties, The 30th in Pasig, and land parcels in Laguna Technopark it acquired last January 2021, Teleperformance Cebu in October 2020, and rental escalations of existing leases. It sustained a high occupancy rate of 99%.

To reflect the market value of its properties and align financial reporting practices with that of global REITs, AREIT secured the approval of the Bureau of Internal Revenue to change the accounting method it uses in valuing investment properties, from cost method to fair value method. The company received the approval last June which takes effect retroactively from January 1, 2021. Under the fair value method, it reported net income of P1.31 billion for the first half of 2021, 29% higher than last year. Factoring out unrealized gains in the fair value recognition of its properties, AREIT's net income reached P1.01 billion, 55% higher than last year, reflecting the company's growth in earnings from its new properties and the stability of its existing buildings.

"As we complete our first full year of operations as a REIT since August 13, 2020, we have delivered consistently on our targets and positioned the company for growth with the addition of new assets. We instituted measures to assure our locators and customers of the safety of our properties and personnel amidst the pandemic. The company continues to ensure high standards of Environmental, Social and Governance practices for all stakeholders," said Carol T. Mills, President and CEO.

AREIT secured Safety Seal certifications for its Metro Manila properties: Ayala North Exchange, Solaris One, McKinley Exchange Corporate Center, and The 30th Corporate Center, from the Department of Interior and Local Government through the respective local government units. The certification recognizes and verifies the safety initiatives implemented in response to the global health crisis, and in compliance with recent public health standards set by the government.

Last June, AREIT and Ayala Land, Inc. (ALI) and its subsidiaries, Westview Commercial Ventures Corp. (WCVC) and Glensworth Development, Inc. (GDI), executed the Deed of Exchange on the property-for-share swap transaction. The share swap transaction is expected to be completed within the second half of the year. AREIT currently has six properties with a total gross leasable area (GLA) of 344 thousand sqm and assets under management (AUM) valued at P37 billion. Its GLA is slated to grow to 549 thousand sqm and AUM to P52 billion with the said transaction of P15.5 billion worth of commercial assets from its Sponsor, ALI.

AREIT ended the semester with a net gearing of 0.12:1, maintaining a strong balance sheet to support its future growth plans.



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