



Analyst Briefing

FY 2021

28 Feb 2022



Key Messages

1. With solid investment fundamentals, AREIT, the pioneering REIT in the Philippines, exceeded its commitment to grow and provided increasing returns for its shareholders since its IPO.
2. AREIT recorded revenues of P3.32B (+63%) and EBITDA of P2.40B (+55%) in FY2021, driven by new asset acquisitions and stable operations. Factoring out the fair value adjustment, net income registered at P2.3B, 56% higher than P1.45B in 2020.
3. Full year 2021 dividends totaled P1.77/share, up 34% year-on-year, and 12% higher than the REIT plan projection.
4. AREIT issued a P3B 2-year maiden bond offer last Dec 2021. Rated PRS Aaa by PhilRatings last October, it was 5.6 times subscribed.
5. Following the SEC's approval of the property-for-share swap last Oct 2021, AREIT's total GLA stands at 549k sqm with an AUM of P53B. The new assets contributed to operations starting 4Q21.

Key Messages

6. AREIT became the first Philippine REIT included in the FTSE EPRA Nareit Asia ex-Japan Index and is now a constituent of key indices:
 - FTSE EPRA NAREIT ex-Japan Index
 - FTSE Small Cap Index
 - FTSE Micro Cap Index
 - MSCI Small Cap Index
 - PSE Property Index

7. AREIT is a recipient of six international awards including:
 - Asiamoney 2021 Most Outstanding IPO in the Philippines
 - The Asset 2020 Best IPO in the Philippines
 - FinanceAsia 2020 Southeast Asia Deal of the Year

FY2021 Highlights

TOTAL REVENUES

FY **P3.3B** +63%

4Q **P1.2B** +73%

NET INCOME¹

FY **P2.3B** +56%

4Q **P755M** +56%

EBITDA

FY **P2.4B** +55%

4Q **P831M** +63%

AUM

P53.4B

AVERAGE OCCUPANCY

98%

DPU / DPU Growth

FY **1.77/share** +34%

4Q **0.47/share** +7%

NET DEBT

P3.85B

2.11% Borrowing Cost

11.6% of Deposited Property Value

0.08:1 Net Gearing

RENTAL COLLECTION

98%

TSR²

93% from IPO

Note: FY EBITDA and net income growth is lower than revenue growth due to higher management fees effected post-REIT; 4Q EBITDA and net income growth vs 3Q is lower than revenue growth due to provisions for CWT and doubtful accounts and higher interest expense on right of use assets from TFE based on PFRS 16

1. NIAT excludes the unrealized gain from changes in fair value of investment properties and one-time gain from the derecognition of an investment property under finance lease.

2. TSR is based on last traded price as of Feb 24 2022 of P49.00

FY 2021 Financials (Fair Value Model)

Revenues of P3.3B and NIAT of P2.3B *, 63% and 56% higher

- Higher revenues due to rental escalations and addition of new properties (The 30th, Teleperformance Cebu, LTI land parcels, Vertis, Evotech, Makati and Alabang FGU, Bacolod Capitol, Ayala Northpoint).
- Expenses increased in line with the additional properties and management fees effected post-REIT.
- EBITDA of P2.4B, 55% higher
- Other income of P50M is mainly a one-time gain from the derecognition of investment properties under finance lease.

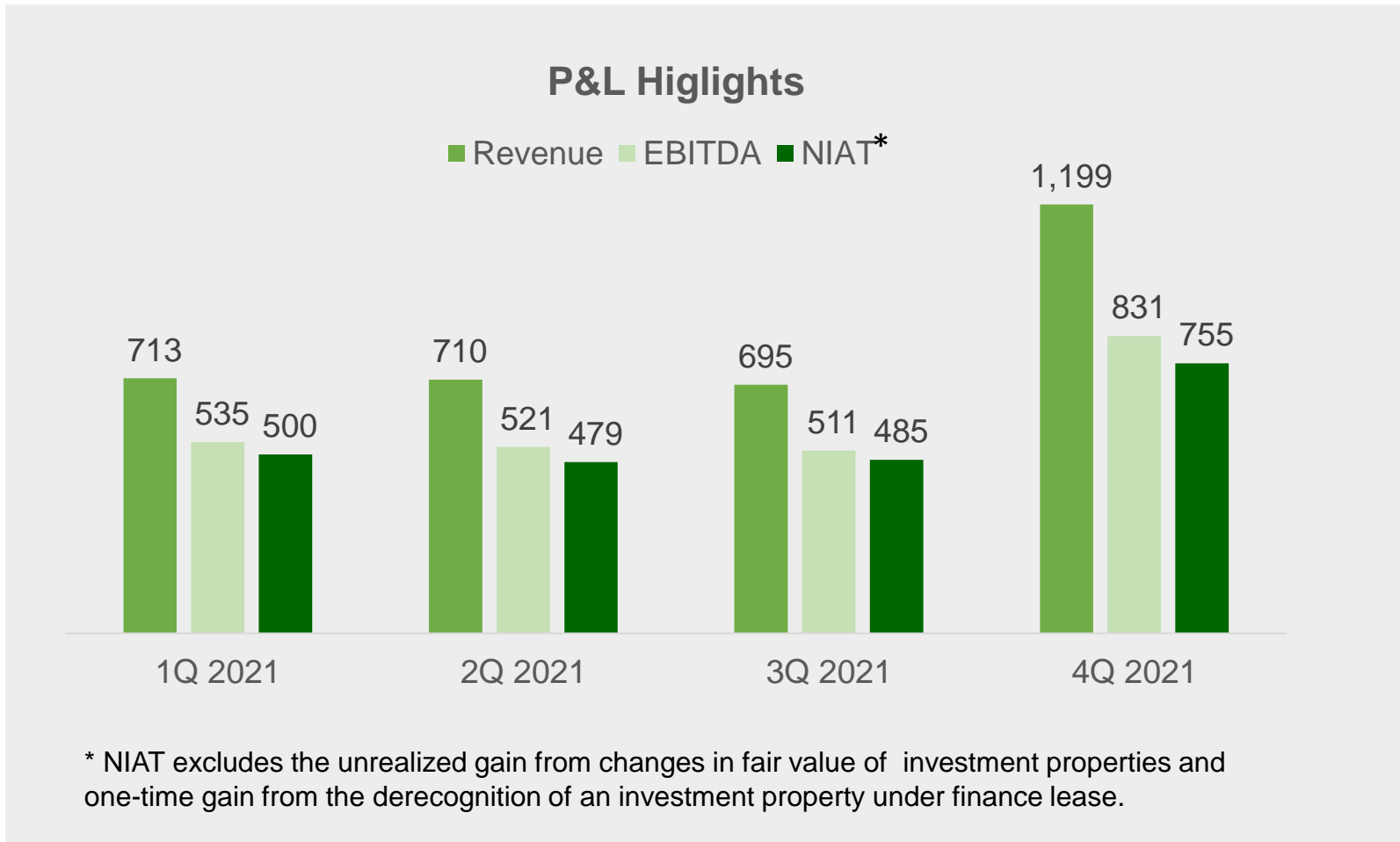
Income Statement (In Php millions)	FY 2021	FY 2020 (As Restated)	Change	%
Total Revenues	3,316	2,036	1,281	63%
DOE and GAE	(919)	(494)	(425)	86%
EBITDA	2,397	1,542	855	55%
Depreciation	(0)	(0)	(0)	423%
Interest expense- net	(178)	13	(192)	-1447%
Other income (expense)	50	4	46	1262%
Net fair value change in investment properties	165	1,425	(1,260)	-88%
Provision for Income Tax	(0)	3,281	(3,281)	-100%
Net Income after Tax	2,433	6,265	(3,832)	-61%
NIAT before change in fair value and reversal of deferred tax	2,269	1,453	816	56%
EBITDA Margin	72%	76%	-3%pts	
NIAT Margin **	68%	71%	-3%pts	

*NIAT of P2.3B is before net FV change and one time reversal of deferred income tax

**NIAT margin is computed without the impact of Net FV Change and reversal of Deferred Income Tax

Quarterly P&L Highlights

- Acquisition of properties in 4Q21 increased Revenues, EBITDA and NIAT.
- 1Q to 3Q showed stable performance with slight decline in 2Q and 3Q due to ECQ impact on retail.

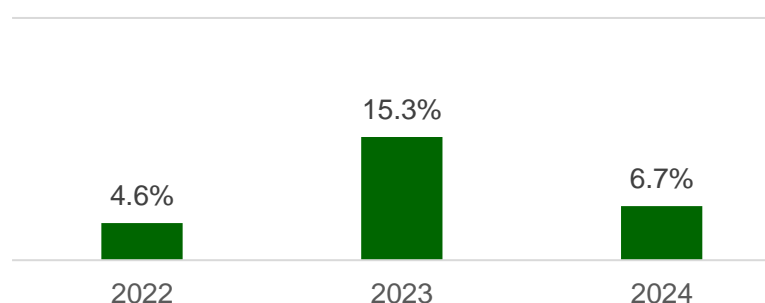


98% occupancy; 98% rental collection

- 1. Business Continuity and Resilience:** All properties continue to operate without interruption.
- 2. Sustained Income Collection:** No waivers in office rents and fixed lease from Seda Residences; some rental discounts granted to retail tenants but impact is minimal.
- 3. Safe, Uninterrupted Operations:** All buildings are compliant with IATF guidelines and operated with zero downtime.
- 4. AREIT buildings are Safety Seal compliant:** All Metro Manila-located buildings secured Safety Seal Certifications from the DILG

	GLA (in sqm)	Lease Occupancy	No. of Tenants Operating	Rental Discounts
Offices	348,908 (63%)	98%	51/57	-
Hotel	26,034 (5%)	100%	1/1	-
Retail	76,556 (14%)	98%	57/74	P48.1m
Industrial lots	98,179 (18%)	100%	1/1	-

Lease Expiry



	WALE (years)
Offices	3.8
Overall	9.6

Note: Two notices of pre-termination (2% of Total Portfolio): Approx 4,000 sqm in ANE effective Mar 2022, with penalty coverage until Sep 2022; Approx 2,000 sqm in The 30th effective Sep 2021 with penalty coverage until Mar 2022.

Total debt of P3.85B; net gearing of 0.08:1

- Total borrowings and deferred payments is **11.6%** of Deposited Property, well within the 35% aggregate leverage limit.

Balance Sheet (in Php Millions)	(FV) December 2021	(FV) December 2020	(Cost) December 2020
Cash & Receivables	1,200	2,385	2,443
Total Assets	56,514	35,100	14,630
Total Borrowings *	3,847	0	-
Stockholders' Equity	48,898	32,808	12,338
Current Ratio	0.68	3.71	3.72
Debt-to-Equity Ratio	0.08	-	-
Net Debt-to-Equity Ratio	0.08	-	-
Average Cost of Debt	2.11%		
Interest Coverage Ratio	12.97		
Net Debt to EBITDA Ratio	1.56	-	-

* Total Borrowings include Php 3 Billion Fixed Rate Bonds due 2023. The bond carries a coupon rate of 3.0445% payable quarterly.

AREIT has a GLA of 549k; AUM of P53B

AREIT Today

- Increase in AUM from P30B to P53B
- 98% occupancy from quality assets and tenancy
- FY 2021 dividend of P1.77/share is 34% higher than 2020 and 12% higher than the REIT plan

2020 (in Php M)	1Q	2Q	3Q	4Q	FY20
Dividends	287	318	349	400	1,354
Per Share	0.28	0.31	0.34	0.39	1.32
Distribution	Sep15	Sep15	Dec17	Mar25	

2021 (in Php M)	1Q	2Q	3Q	4Q	FY21
Dividends	431	451	451	709	2,043
Per Share	0.42	0.44	0.44	0.47	1.77
Distribution	Jun25	Sep10	Oct22	Mar25	



Solaris One
Makati, 47kGLA



ANE
Makati, 95k GLA



McKinley Exchange
Makati, 11k GLA



TP Cebu
Cebu Business Park
18k GLA



The 30th
Pasig, 75k GLA



TLI Lots
Laguna, 98k GLA



Vertis
Quezon City, 162k GLA



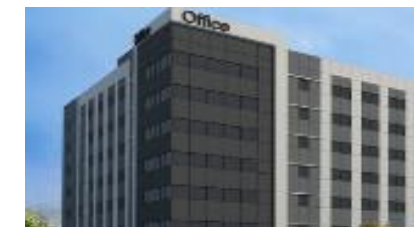
One Evotech
Laguna, 12kGLA



Two Evotech
Laguna, 12kGLA



Ayala Life FGU Condo Units
Makati and Alabang, 1.5k GLA



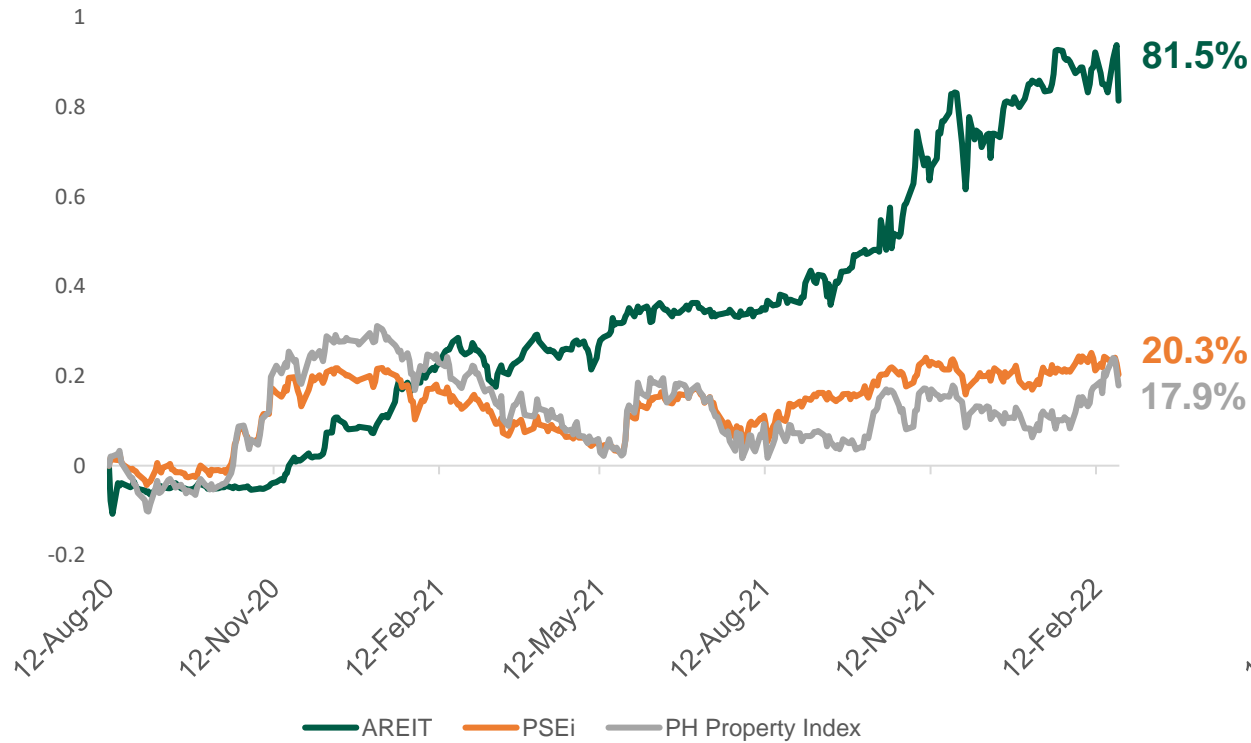
Bacolod Capitol
Negros Occidental 11kGLA



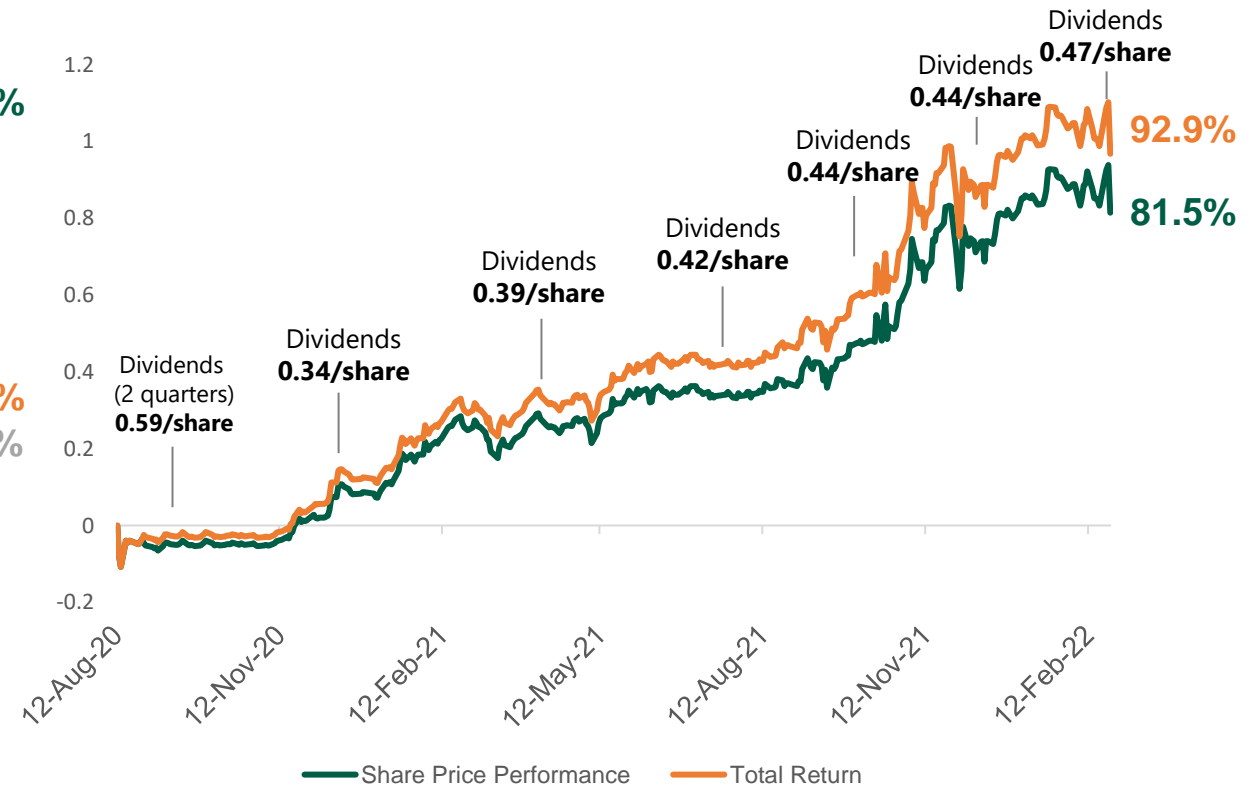
Ayala Northpoint
Negros Occidental, 5kGLA

AREIT was received positively by investors and exceeded original shareholder return targets

AREIT has outperformed both the PSEi and PH Property Index...



...and has delivered shareholder value in both share price appreciation and dividend returns



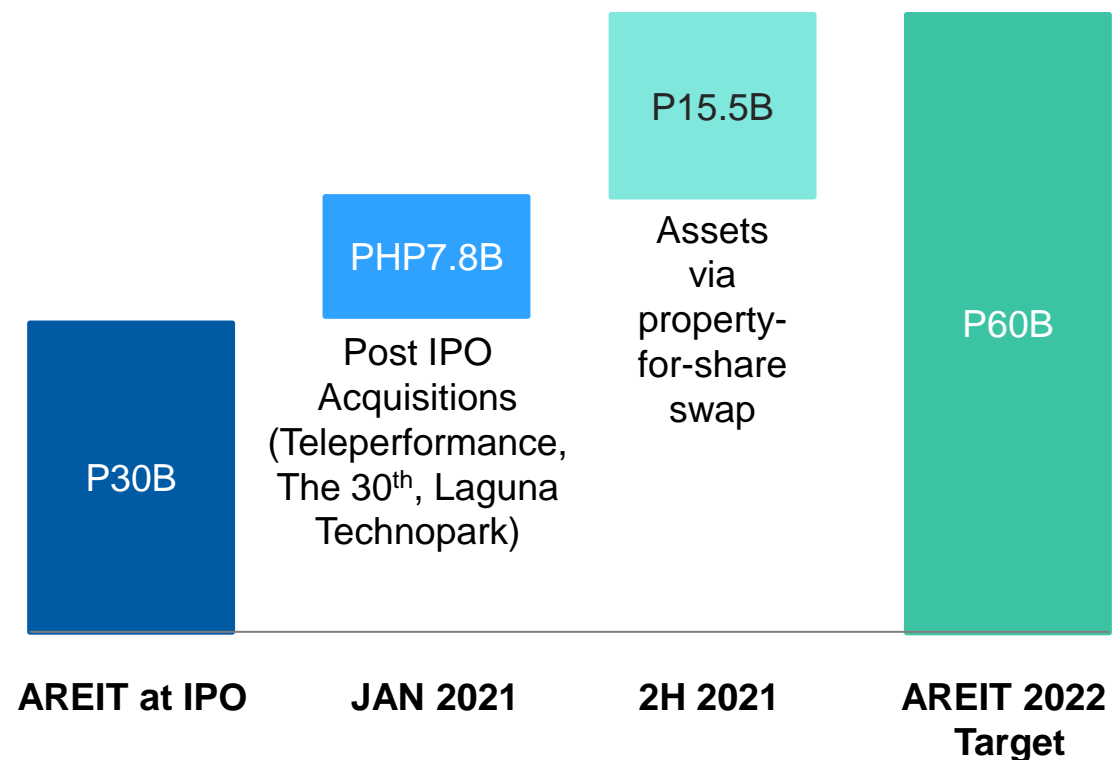
Note: Total Return = Share Price appreciation + Dividend Return

AREIT remains focused to provide stable returns for its shareholders through a clear investment and growth strategy.

Growth since IPO



On track to double AUM in 2022



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