



FY 2022
Analyst Briefing

28 February 2023

Key Messages

- 1. Committed growth and stable returns.** AREIT delivered consistent growth and stable returns on the back of a growing portfolio, sustained high occupancy and rental collection.
- 2. Higher revenues.** AREIT recorded revenues of P5.1B (+53%) and EBITDA of P3.6B (+52%) in FY2022, driven by new asset acquisitions and stable operations. Factoring out the fair value adjustment, net income registered at P3.4B, 55% higher than P2.2B in 2021.
- 3. Uninterrupted dividend growth since the IPO.** Dividends have grown steadily by 85.7% since IPO. Dividends from fourth quarter 2022 income of P0.52 per share is 6% higher than previous quarter of P0.49 per share. FY 2022 dividend at P1.98/share is 11.9% higher than FY 2021 at P1.77/share.
- 4. Strong balance sheet.** Net debt is lower at P3.2B equivalent to a healthy net gearing of 0.05:1 and leverage ratio of 9.7%, allowing ample debt headroom.
- 5. Successful 2022 property-for-share swap .** Six Cebu-based office buildings expanded AREIT's GLA to 673K sqm and AUM to P64B, a 113% increase since IPO. The acquisition resulted to a higher dividend per share in the fourth quarter of 2022.

FY 2022 Highlights

TOTAL REVENUES¹

P5.1B +53%

EBITDA¹

P3.6B +52%

NET INCOME²

P3.4B +55%

AVERAGE OCCUPANCY

98%

NET DEBT³

P3.2B

Borrowing Cost of 2.95%
9.71% of Deposited Property Value

AUM

(Assets under
Management)

P64.1B

NET GEARING

0.05:1

1. Higher Revenues and EBITDA from the contribution of newly acquired properties in 4Q 2021
2. Excludes net fair value change in investment properties and the one-time gain from the derecognition of an investment property under finance lease in 2021
3. Includes P3.0B fixed rate bonds due in December 2023

Total revenues of P5.1B (+53%); net income of P3.4B (+55%)

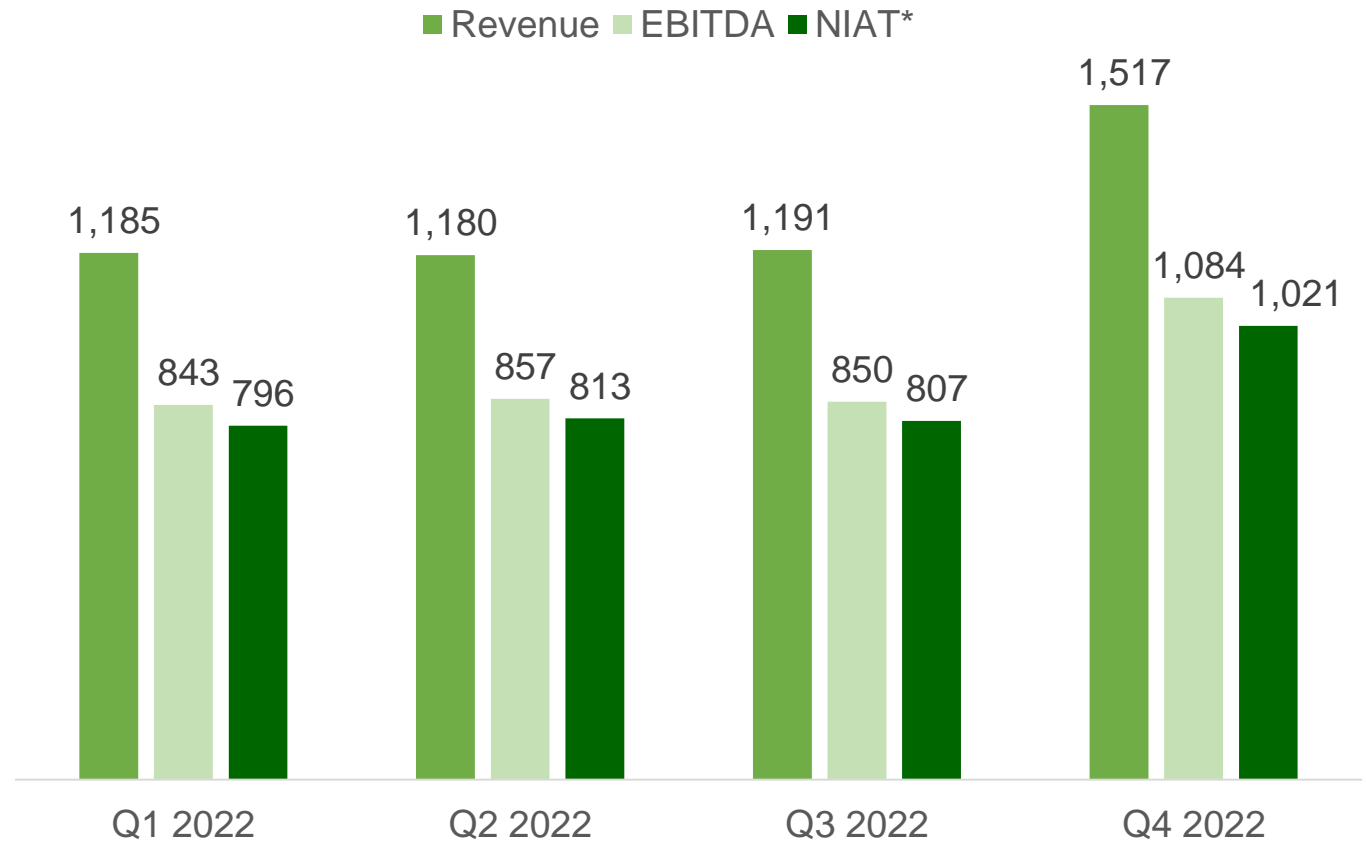
- Total revenues and EBITDA increased due to the full year contribution of the properties acquired in 4Q21 and the initial contribution of the properties acquired in 4Q 2022
- Higher DOE and GAE from the contribution of the acquired properties, increased building utilization due to more tenant employees in offices, and higher taxes.
- NIAT (before FV change) is in line with EBITDA

Income Statement (In Php millions)	FY 2022	FY 2021	Change	%
Total Revenues	5,073	3,316	1,756	53%
DOE and GAE	(1,439)	(919)	(520)	57%
EBITDA	3,634	2,397	1,236	52%
Depreciation	(0.09)	(0.04)	(0.05)	116%
Interest expense- net	(197)	(178)	(18)	10%
Other income (expense)	-	50	(50)	(100%)
Net FV change	(549)	165	(713)	(434%)
Provision for Income Tax	(0.12)	(0.05)	(0.08)	157%
Net Income after Tax	2,888	2,433	454	19%
NIAT before change in fair value of investment properties and one time gain on finance lease	3,437	2,219	1,218	55%
EBITDA Margin	72%	72%		
NIAT Margin*	68%	67%		

*Excludes the impact of net FV change and one time gain on finance lease

Steady quarterly growth

- The acquisition of properties in 4Q22 increased Revenues, EBITDA and NIAT.
- EBITDA and NIAT growth in line with revenues



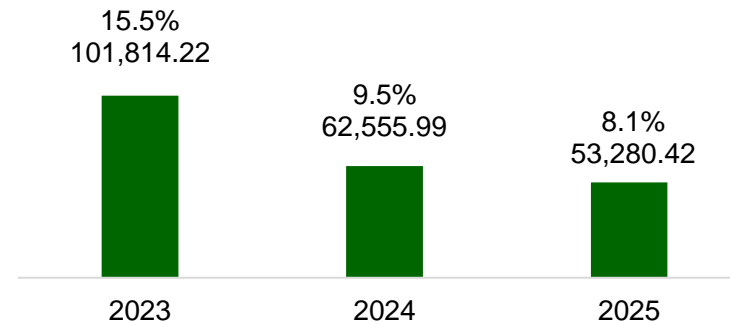
* NIAT excludes the net fair value change in investment properties

Stable operations; manageable lease expiry in 2023

- **Occupancy Rate: 98%**
- **Higher Building Utilization:**
 - NCR: 40%-50%,
 - Provincial: 50%-80%
- Hybrid work expected to continue as FIRB recently allowed BPOs to transfer from PEZA to BOI and avail tax incentives under WFH
- No additional retail concessions granted in 4Q22

	GLA (in sqm)	Lease Occupancy	No. of Tenants Operating	Rental Discounts
Offices	466,405 (69%)	97%	79/83	-
Hotel	26,034 (4%)	100%	1/1	-
Retail	82,535 (12%)	99%	88/92	P20.37m
Industrial lots	98,179 (15%)	100%	1/1	-

Lease Expiry



WALE	GLA
Offices	3.0
Overall	7.7

Note:

2021 pre-terminations were already replaced: ANE (3,988 sqm); The 30th (2,515.60 sqm)
 2022 pre-terminations were already replaced: Two Evotech (4,542.40 sqm); The 30th (2,553.48 sqm)

Net debt of P3.2B; net gearing of 0.05:1

- Total Borrowings and Deferred Payments are 9.71% of the Deposited Property Value, well within the 35% aggregate leverage limit
- Total Borrowings include the Php3 Billion Fixed Rate Bonds due by end 2023 with a coupon rate of 3.0445% payable quarterly.

Balance Sheet (in Php Millions)	December 2022	December 2021
Cash & Receivables	1,754	1,190
Total Assets	67,693	56,504
Total Borrowings	3,278	3,847
Stockholders' Equity	60,073	48,888
Current Ratio	0.43:1	0.67:1
Debt-to-Equity Ratio	0.05:1	0.08:1
Net Debt-to-Equity Ratio	0.05:1	0.08:1
Average Cost of Debt	2.95%	2.11%
Interest Coverage Ratio	15.71	12.97
Net Debt to EBITDA Ratio	0.88	1.56

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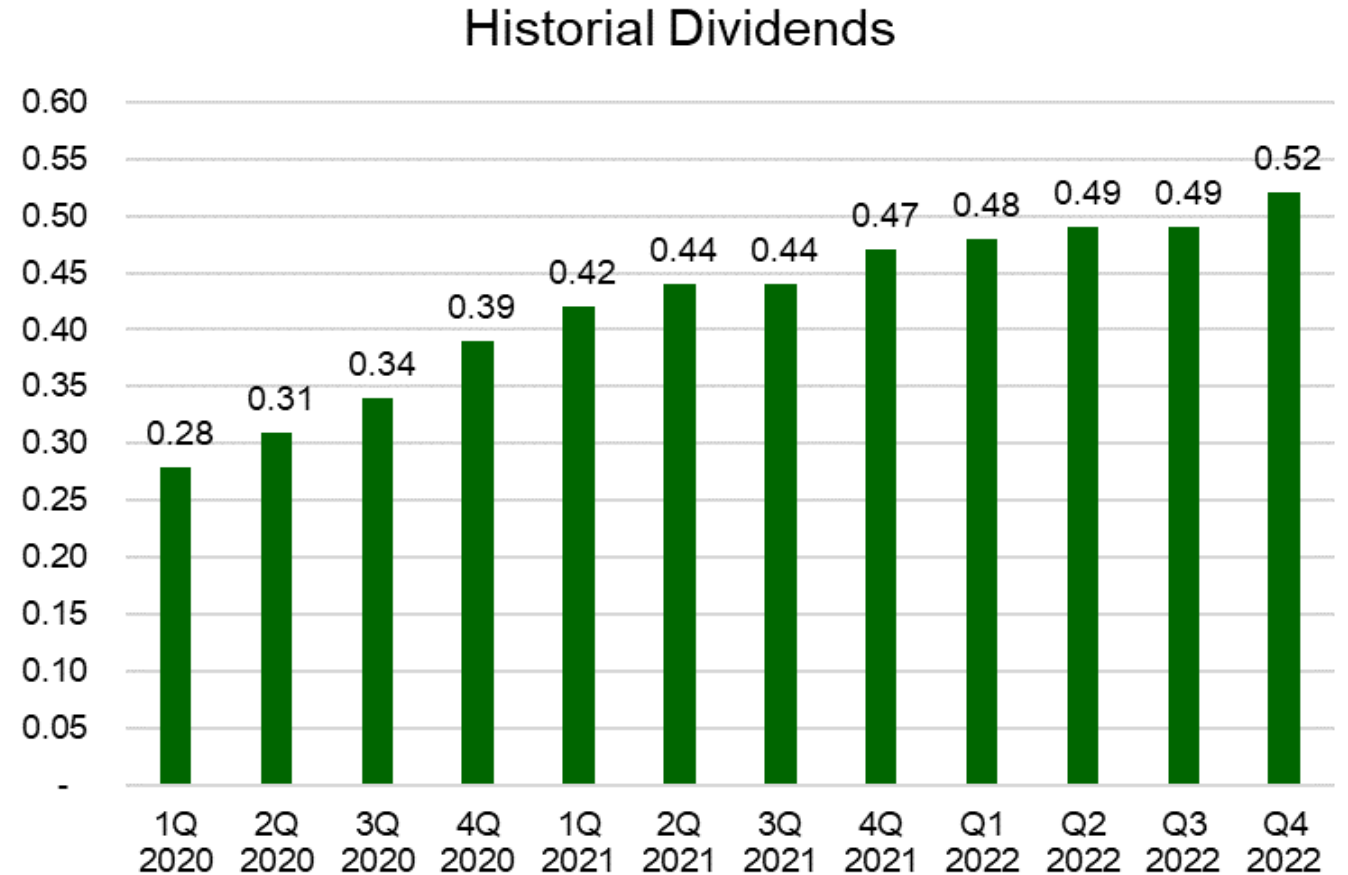
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Uninterrupted Growth in DPS Since IPO

DPS has grown since IPO by 85.7%, average QoQ growth 5.3%, 51% TSR

Period	Dividend Amount	Dividend per Share
1Q 2020	287	0.28
2Q 2020	318	0.31
3Q 2020	349	0.34
4Q 2020	400	0.39
FY 2020	1,354	1.32
1Q 2021	431	0.42
2Q 2021	451	0.44
3Q 2021	451	0.44
4Q 2021	709	0.47
FY 2021	2,043	1.77
1Q 2022	724	0.48
2Q 2022	739	0.49
3Q 2022	739	0.49
4Q 2022	919	0.52
FY 2022	3,122	1.98



- 4Q 2022 DPS at P0.52, 6% higher than 3Q 2022
- FY 2022 DPS at P1.98, 12% increase vs 2021 at P1.77
- Dividends will be payable on 24 March 2023 to stockholders on record as of 10 March 2023

The acquisition of prime Cebu offices in 2022 boosted AREIT's GLA to 673k, AUM to P64B



eBloc 1
20,842 sqm **97.5%**
JP Morgan,
NCR Cebu Dev't



eBloc 2
27,727 sqm **99.8%**
Accenture, Teletech



eBloc 3
15,233 sqm **99.0%**
Accenture, VCustomer



eBloc 4
16,167 sqm **100.0%**
Google, JPMorgan



Ayala Center Cebu Tower
27,517 sqm **100.0%**
Synchrony, Realpage



Tech Tower 1
16,270 sqm **97.7%**
Wipro, WorldRemit,
Kuehne & Nagel,

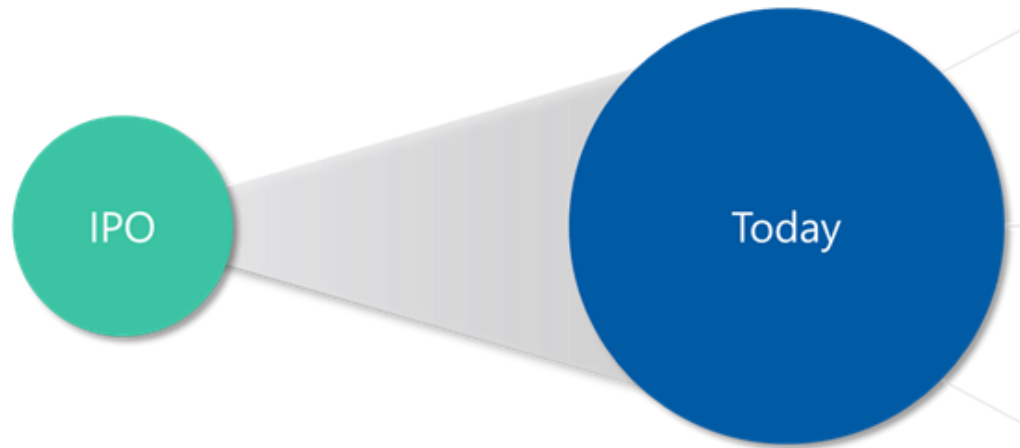
ALI-AREIT
Property-for-Share Swap

124K sqm GLA
P11.3 billion

- SEC approved property-for-share infusion in December 2022; executed a Deed of Exchange with ALI to recognize income by 4Q22
- For application of BIR CAR and listing of new shares in favor of ALI in 1Q23

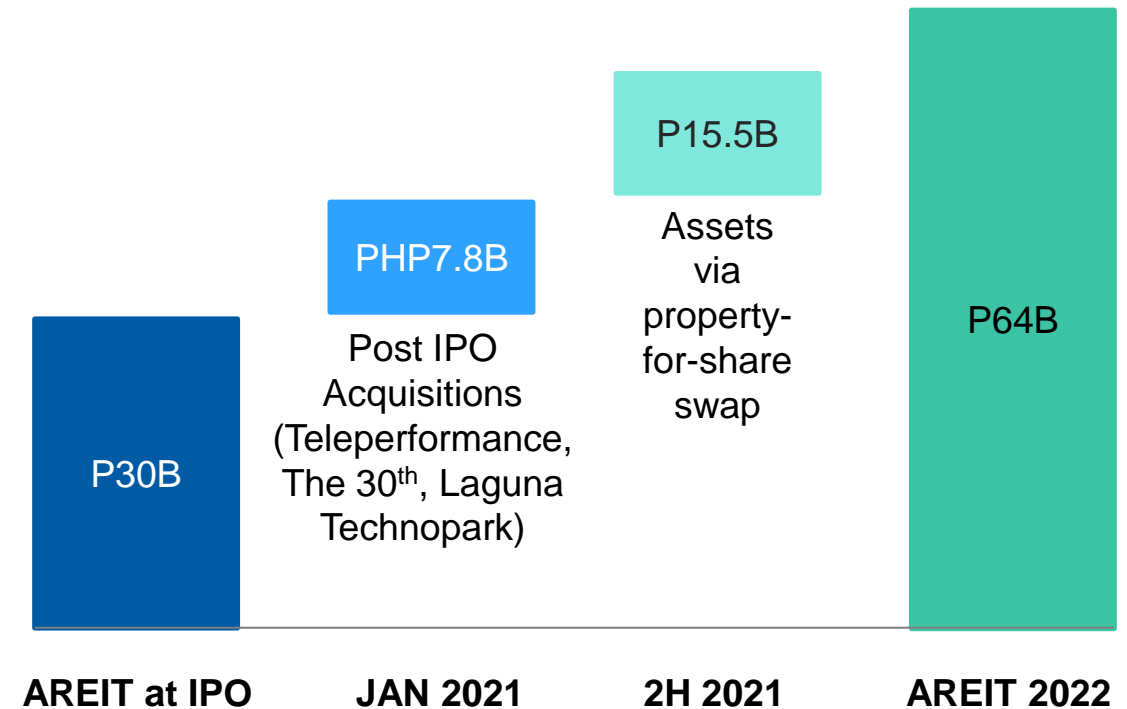
We outperformed our 2022 growth target

Growth since IPO



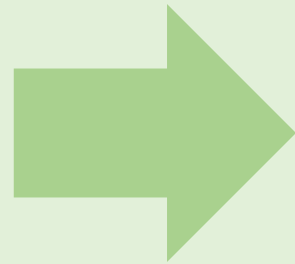
3 Properties	> 6x increase >	19 Properties
153k sqm GLA	> 4x growth >	673k sqm GLA
99% Occupancy	> High occupancy with high quality tenants >	97% Occupancy

AUM doubled to P64B in 2022 from the IPO



Prospects for 2023-2025

**Acquire an
average of 100k
sqm of
GLA/year**



**Increase
AUM by
P10-15B/year**

Deliver a 10-12% Total Shareholder Return

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