



9M 2022 **Financial and Operating Results**

27 Oct 2022

9M 2022 Highlights

TOTAL REVENUES¹

P3.55B +68%

EBITDA¹

P2.55B +63%

NET INCOME²

P2.42B +65%

AVERAGE OCCUPANCY

97%

NET DEBT³

P3.41B

Borrowing Cost of 2.91%
12.0% of Deposited Property Value

AUM

(Assets under
Management)

P53.5B

RENTAL COLLECTION

98%

NET GEARING

0.06:1

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

9M 2022 Financials (Fair Value Model)

Revenues of P3.6B (+68%) and Net Income of P2.4B* (+65%)

- Higher revenues and EBITDA from the property-for-share swap with ALI which accrued in contribution in 4Q21
- Higher expenses. building utilization, and taxes due to the additional properties acquired
- Slightly lower EBITDA margin of 72% due to increased building utilization and higher taxes, but inline with FY21.
- NIAT growth in line with EBITDA

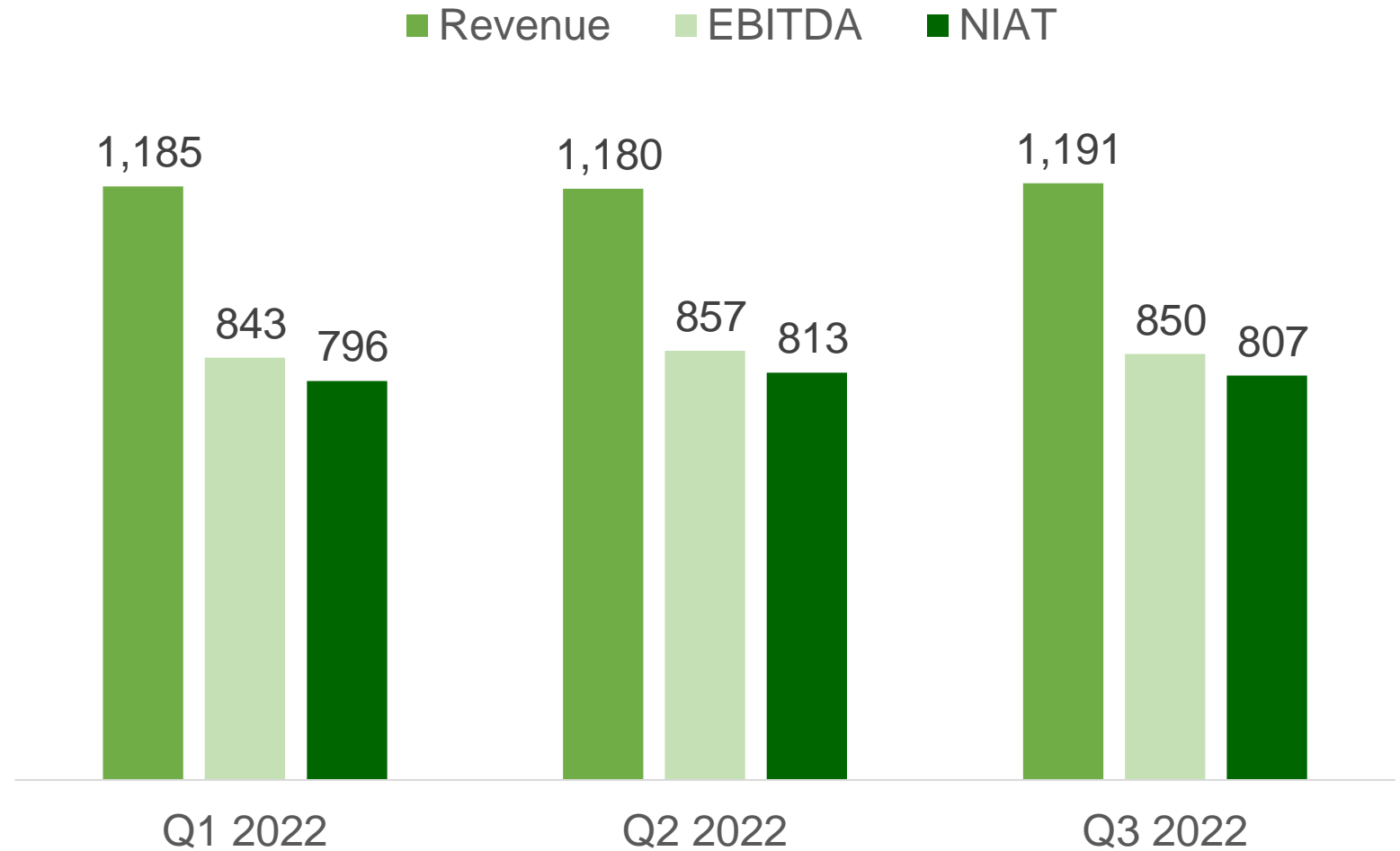
Income Statement (In Php millions)	9M 2022	9M 2021	Change	%
Total Revenues	3,555	2,117	1,438	68%
DOE and GAE	(1,006)	(551)	(455)	83%
EBITDA	2,550	1,566	983	63%
Depreciation	(0)	(0)	(0)	159%
Interest expense- net	(138)	(103)	(35)	34%
Other income (expense)	4	28	(24)	-86%
Net fair value change in investment properties	24	304	(281)	-92%
Provision for Income Tax	(0.06)	(0.03)	(0.03)	96%
Net Income after Tax	2,440	1,796	643	36%
NIAT before change in fair value of investment properties and one time gain on finance lease*	2,416	1,463	952	65%
EBITDA Margin	72%	74%	-2%pts	
NIAT Margin**	68%	69%	-1%pts	

*NIAT of P1.61B and P979M are before the net fair value change in investment properties and one time gain from the derecognition of an investment property under finance lease

**NIAT margin is computed without the impact of net FV change and one time gain on finance lease

P&L Highlights

- 3Q22 revenues improved from 2Q22, due to the rent commencement of new leases in Ayala North Exchange and Evotech in Nuvali
- Slight decrease in EBITDA from 2Q22 due to higher building utilization



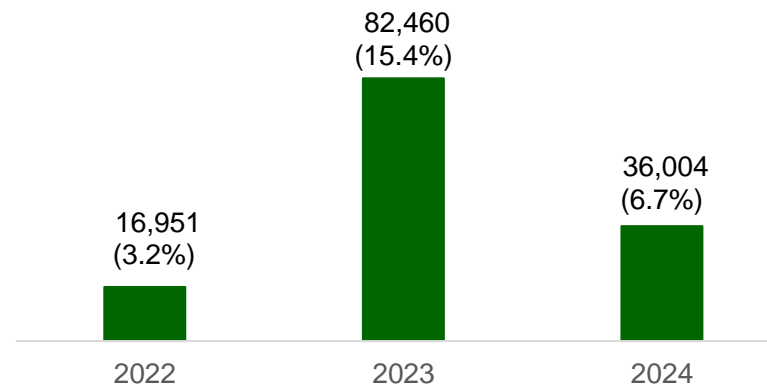
* NIAT excludes the net fair value change in investment properties

Stable operations; minimal lease expiry in 2022

- **Occupancy Rate: 97%**
- **Collection Rate: 98%**
- **Higher Building Utilization:**
 - NCR: 25%-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
- 3Q22 retail concessions of P2.91M, lower than 2Q22 of P6.17M
- 90% of 2022 leases expiring are for renewal

	GLA (in sqm)	Lease Occupancy	No. of Tenants Operating	Rental Discounts
Offices	348,908 (63%)	96%	54/54	-
Hotel	26,034 (5%)	100%	1/1	-
Retail	76,556 (14%)	99%	61/66	P20.37m
Industrial lots	98,179 (18%)	100%	1/1	-

Lease Expiry



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)

	<u>WALE</u> (years)
Offices	3.2
Overall	8.9

Net debt of P3.19B; net gearing of 0.06:1

- Total Borrowings and Deferred Payments are 12% of the Deposited Property Value, well within the 35% aggregate leverage limit
- Total Borrowings include the Php3 Billion Fixed Rate Bonds due 2023 with a coupon rate of 3.0445% payable quarterly.

Balance Sheet (in Php Millions)	(FV)	(FV)
	September 2022	December 2021
Cash & Receivables	1,275	1,190
Total Assets	56,769	56,504
Total Borrowings	3,413	3,847
Stockholders' Equity	49,154	48,888
Current Ratio	0.72:1	0.67:1
Debt-to-Equity Ratio	0.07:1	0.08:1
Net Debt-to-Equity Ratio	0.06:1	0.08:1
Average Cost of Debt	2.91%	2.11%
Interest Coverage Ratio	16.08	12.97
Net Debt to EBITDA Ratio	0.94	1.56

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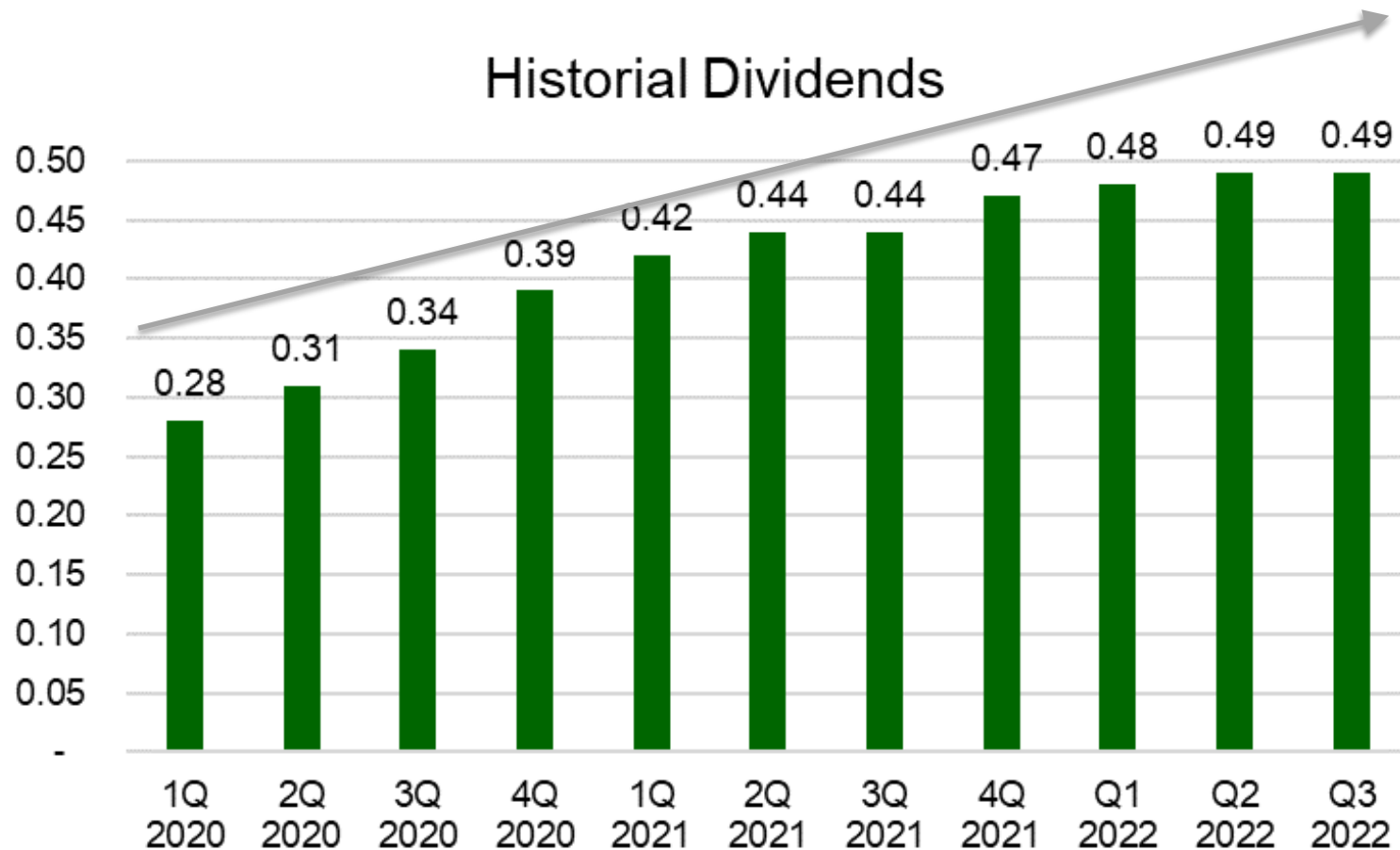
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Uninterrupted Growth in DPU Since IPO

DPU has grown since IPO by 75%, average QoQ growth 6%

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
Q1 2022	724	0.48
Q2 2022	739	0.49
Q3 2022	739	0.49
TOTAL	5,599	4.55



2022 Acquisitions

Prime Office Buildings in Cebu



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

Indicative Timetable

SEC Approval	4Q 2022
BIR Issuance of Certificates Authorizing Registration	1H 2023
PSE listing of new shares	1H 2023

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

