

Embassy REIT Announces FY2022 Results, Delivers on Enhanced Leasing and Distribution Guidance

- Leases 2.2 msf at 18% positive spreads, achieves 14% rent escalations on 7.7 msf deals across 89 deals
- Grows Net Operating Income by 23% YoY, distributes ₹2,063 crores to Unitholders with 82% tax-free
- Delivers 1.1 msf JP Morgan campus at Embassy TechVillage, ramps-up new growth cycle with 4.6 msf office development

Bangalore, India, April 28, 2022

Embassy Office Parks REIT (NSE: EMBASSY / BSE: 542602) ('Embassy REIT'), India's first listed REIT and the largest office REIT in Asia by area, reported results today for the fourth quarter and full year ended March 31, 2022.

Michael Holland, Chief Executive Officer of Embassy REIT, said,

"We are delighted to report on another successful year, the third year since our listing. We delivered on our business and our enhanced financial guidance and are set on a clear growth path for the future. The office leasing momentum continues to grow backed by very encouraging return to workplace trajectory, coupled with robust hiring by technology and global captive players and record tech investments. We remain focused on delivering growth to our Unitholders and scaling up our industry-leading portfolio."

Business Highlights

- Leased 2.2 msf at 18% spreads across 47 deals, achieved 14% rent escalations on 7.7 msf across 89 deals
- Added 18 new high growth occupiers, increased customer base to over 200 marquee occupiers
- Integrated ₹9,782 crores Embassy TechVillage acquisition, delivered better than underwriting on a number of metrics
- Announced 2040 net zero carbon operations target and launched 20 MW solar rooftop project, one of Asia's largest

Financial Highlights

- Grew Net Operating Income by 23% to ₹2,491 crores, 5% higher than initial guidance, with operating margin of 84%
- Raised ₹4,600 crores at 6.5% to refinance legacy zero-coupon bond, c.300 bps or ₹130 crores proforma annual savings
- Locked-in two-thirds of debt at attractive fixed interest rates, secured ₹2,170 crores green loans
- Maintained strong balance sheet with low leverage of 24% and over ₹12,000 crores debt headroom to finance growth

Growth Highlights

- Delivered 1.1 msf state-of-the-art JP Morgan campus, ramped-up new growth cycle with 4.6 msf office development
- Launched one of India's largest mixed-use hotel complex with 619 keys dual-branded Hilton hotels and 60k sf convention center at Embassy Manyata, already signed over 110 corporate contracts
- Completed ₹932 crores add-on acquisition at Embassy GolfLinks ('EGL') through REIT's 50%-owned investment entity, comprising additional 0.4 msf area and property management business of the entire EGL campus
- Received Right of First Offer ('ROFO') invitation for 5 msf Embassy Splendid TechZone, Chennai from Embassy Sponsor, currently under evaluation

The Board of Directors of Embassy Office Parks Management Services Private Limited ('EOPMSPL'), Manager to Embassy REIT, at its Board Meeting held earlier today, declared a distribution of ₹499 crores or ₹5.26 per unit for Q4 FY2022. With this, the cumulative distribution for FY2022 totals ₹2,063 crores or ₹21.76 per unit, 1% higher than the initial guidance, of which 82% is tax-free for Unitholders. The record date for the Q4 FY2022 distribution is May 09, 2022 and the distribution will be paid on or before May 13, 2022.

Investor Materials and Quarterly Investor Call Details

Embassy REIT has released a package of information on the quarterly and full year results and performance, that includes (i) audited standalone and audited consolidated financial statements for the year ended March 31, 2022, (ii) audited condensed standalone and audited condensed consolidated financial statements for the quarter and year ended March 31, 2022, (iii) an earnings presentation covering 4Q FY2022 and FY2022 results, and (iv) supplemental operating and financial data book that is in line with leading reporting practices across global REITs. All these materials are available in the Investors section of our website at www.embassyofficeparks.com.

Embassy REIT will host a conference call on April 28, 2022 at 17:00 hours Indian Standard Time to discuss the Q4 FY2022 and full year FY2022 results. A replay of the call will be available in the Investors section of our website at www.embassyofficeparks.com.

Disclaimer

This press release is prepared for general information purposes only. The information contained herein is based on management information and estimates. It is only current as of its date, has not been independently verified and may be subject to change without notice. Embassy Office Parks Management Services Private Limited (“the Manager”) in its capacity as the Manager of Embassy REIT, and Embassy REIT make no representation or warranty, express or implied, as to, and do not accept any responsibility or liability with respect to, the fairness and completeness of the content hereof. Each recipient will be solely responsible for its own investigation, assessment and analysis of the market and the market position of Embassy REIT. Embassy REIT does not provide any guarantee or assurance with respect to any distribution or the trading price of its units.

This press release contains forward-looking statements based on the currently held beliefs, opinions and assumptions of the Manager. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of Embassy REIT or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, including the impact of COVID-19 on us, our occupiers and the Indian and global economies, recipients of this press release are cautioned not to place undue reliance on these forward-looking statements. The Manager disclaims any obligation to update these forward-looking statements to reflect future events or developments or the impact of events which cannot currently be ascertained, such as COVID-19. In addition to statements which are forward looking by reason of context, the words ‘may’, ‘will’, ‘should’, ‘expects’, ‘plans’, ‘intends’, ‘anticipates’, ‘believes’, ‘estimates’, ‘predicts’, ‘potential’ or ‘continue’ and similar expressions identify forward-looking statements.

This press release also contains certain financial measures which are not measures determined based on GAAP, Ind-AS or any other internationally accepted accounting principles, and the recipient should not consider such items as an alternative to the historical financial results or other indicators of Embassy REIT’s cash flow based on Ind-AS or IFRS. These non-GAAP financial measures, as defined by the Manager, may not be comparable to similarly titled measures as presented by other REITs due to differences in the way non-GAAP financial measures are calculated. Even though the non-GAAP financial measures are used by management to assess Embassy REIT’s financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools, and the recipient should not consider them in isolation or as substitutes for analysis of Embassy REIT’s financial position or results of operations as reported under Ind-AS or IFRS. Certain figures in this press release have been subject to rounding off adjustments.

About Embassy REIT

Embassy REIT is India’s first publicly listed Real Estate Investment Trust. Embassy REIT owns and operates a 42.8 million square feet (‘msf’) portfolio of eight infrastructure-like office parks and four city-centre office buildings in India’s best-performing office markets of Bangalore, Mumbai, Pune, and the National Capital Region (‘NCR’). Embassy REIT’s portfolio comprises 33.8 msf completed operating area and is home to over 200 of the world’s leading companies. The portfolio also comprises strategic amenities, including four operational business hotels, two under-construction hotels, and a 100 MW solar park supplying renewable energy to tenants. For more information, please visit www.embassyofficeparks.com.

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