Automotive Properties Real Estate Investment Trust
SAMPLE ANALYTICS REPORT

By Oosman Sadiq (CPA, FRM and FCA)

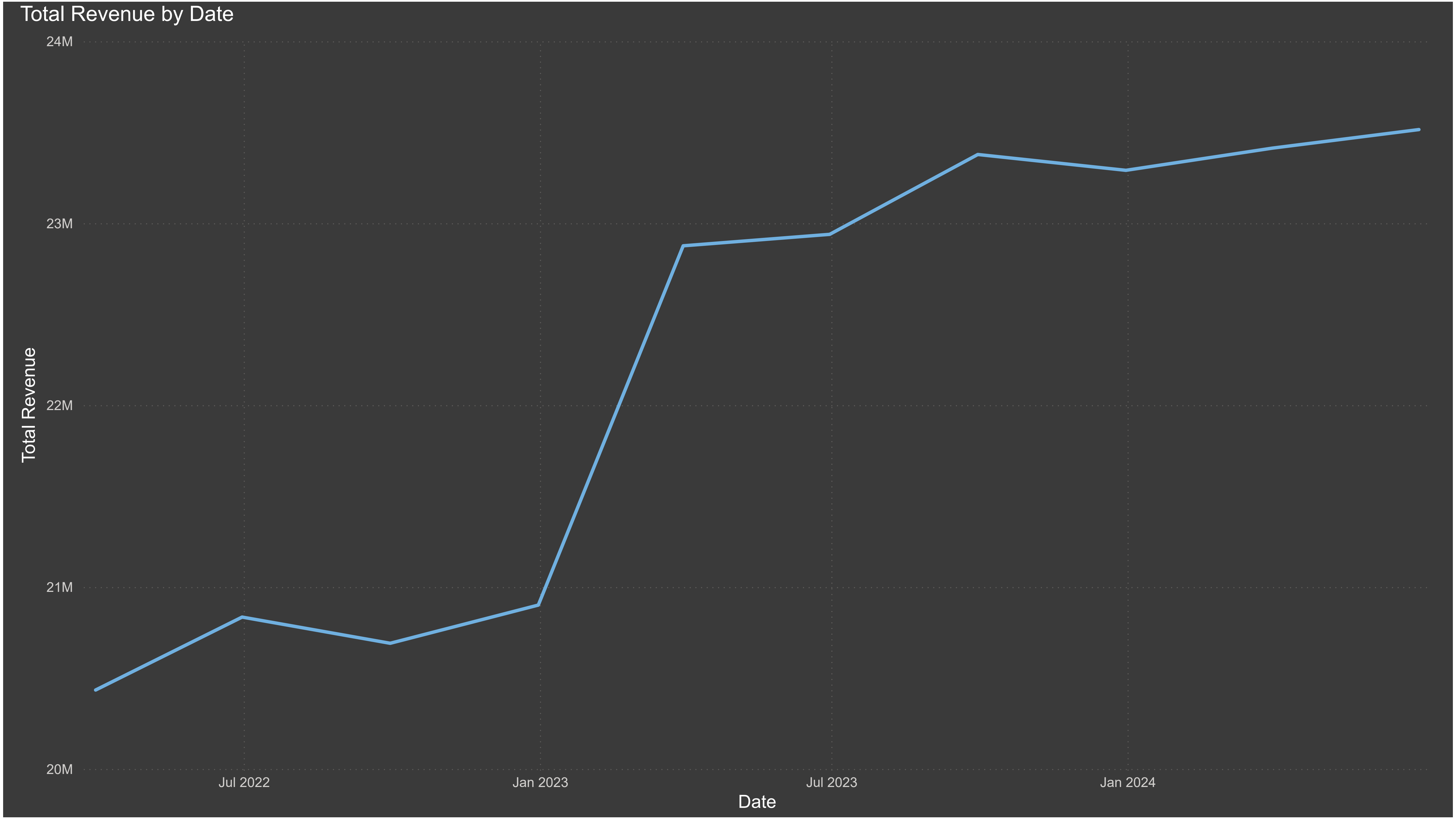
INTRODUCTION

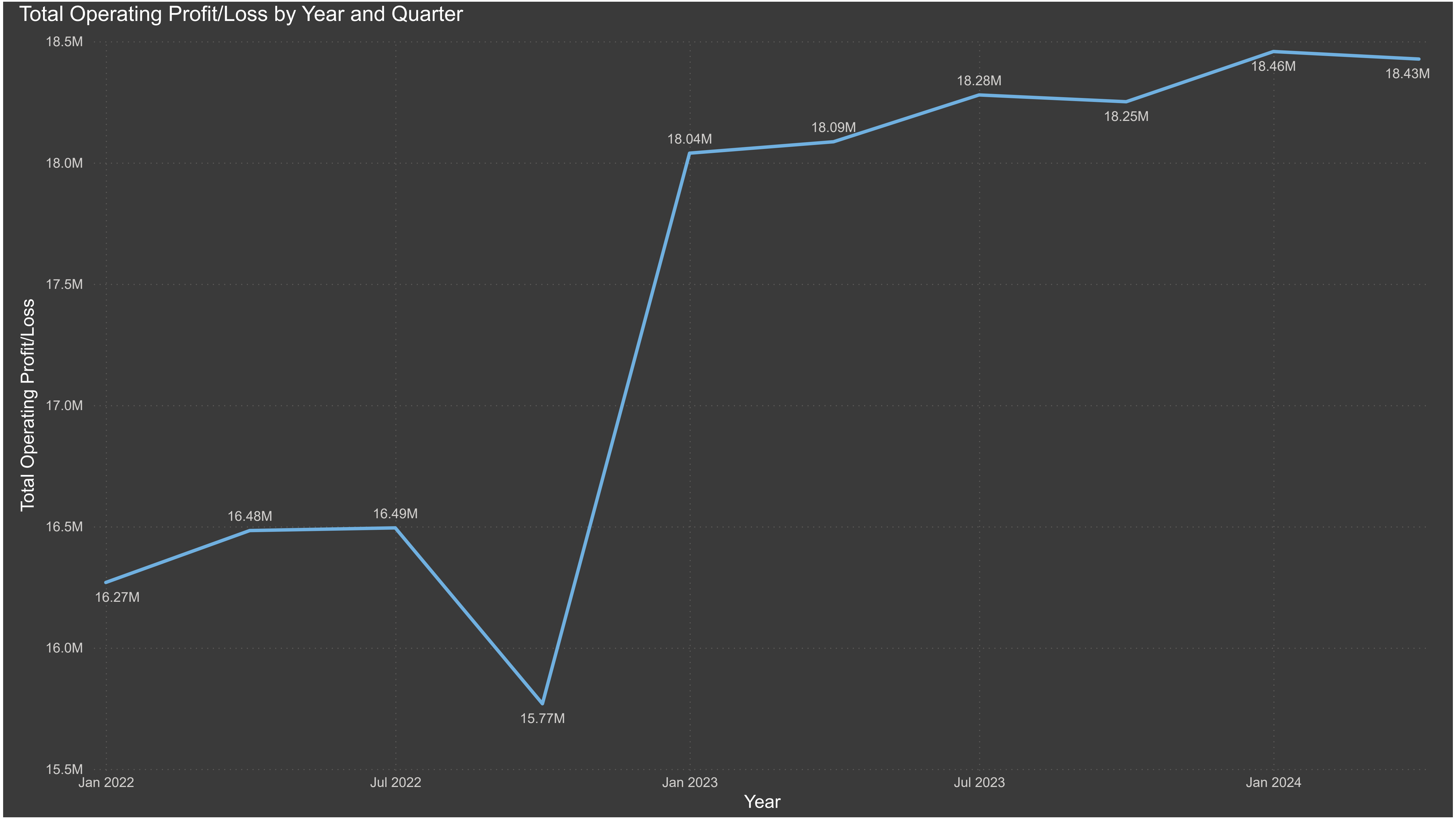
- **Automotive Properties REIT (TSX: APR.UN)** is an open-ended real estate investment trust focused on investing in high-quality automotive dealership properties in key Canadian urban markets. The primary goals are to provide stable, sustainable, and growing cash distributions to Unitholders while expanding its portfolio to maximize value.
- The REIT currently owns 77 income-producing properties spanning 249 acres, with 2.9 million square feet of gross leasable area across six Canadian provinces. Tenants include major automotive brands, with a focus on European and Asian markets.
- The REIT's leases are structured as triple-net leases, where tenants cover all operational costs, ensuring long-term stability. With an average lease term of 9.3 years and fixed rent increases, the REIT supports predictable and growing distributions, currently offering $0.80 per unit annually.
- Automotive Properties REIT’s strategy aims to generate tax-efficient cash flow and capital appreciation through acquisitions and rent growth, leveraging partnerships with key tenants like the Dilawri Group, Canada’s largest dealership owner. Since its 2015 IPO, the REIT has acquired 53 properties worth over $700 million.

OVERVIEW OF THE REPORT

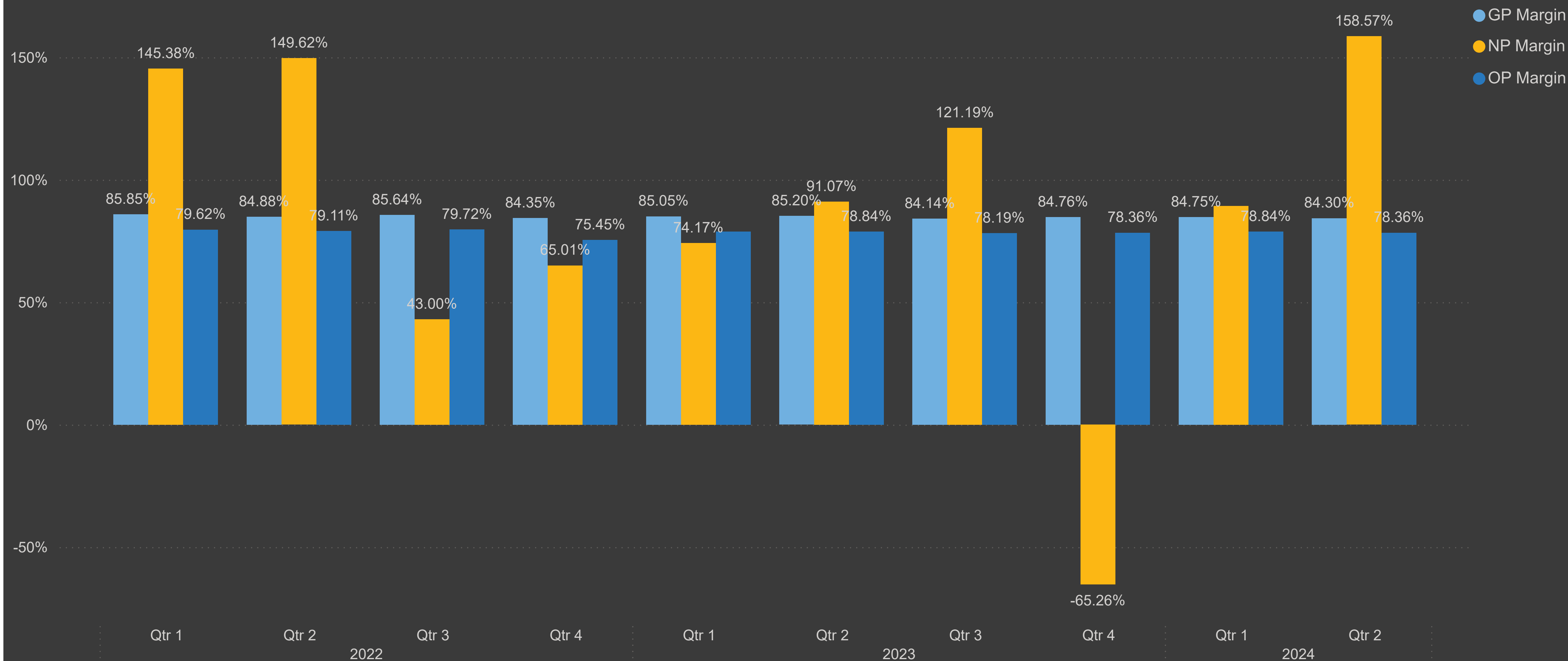
The purpose of this report is to present a visual analysis of Artis's performance based on:

- Profitability ratios
- Liquidity Ratios
- Return measures
- Cash Flow measures
- Market Ratios


Total Revenue by Date
24M
23M
22M
21M
20M
Total Revenue
Jul 2022
Jan 2023
Jul 2023
Jan 2024
Date


Total Operating Profit/Loss by Year and Quarter
18.5M
18.0M
17.5M
17.0M
16.5M
16.0M
15.5M
Total Operating Profit/Loss
16.27M
16.48M
16.49M
15.77M
18.04M
18.09M
18.28M
18.25M
18.46M
18.43M
Jan 2022
Jul 2022
Jan 2023
Jul 2023
Jan 2024
Year

GP Margin, NP Margin and OP Margin by Year and Quarter



Gross Margin

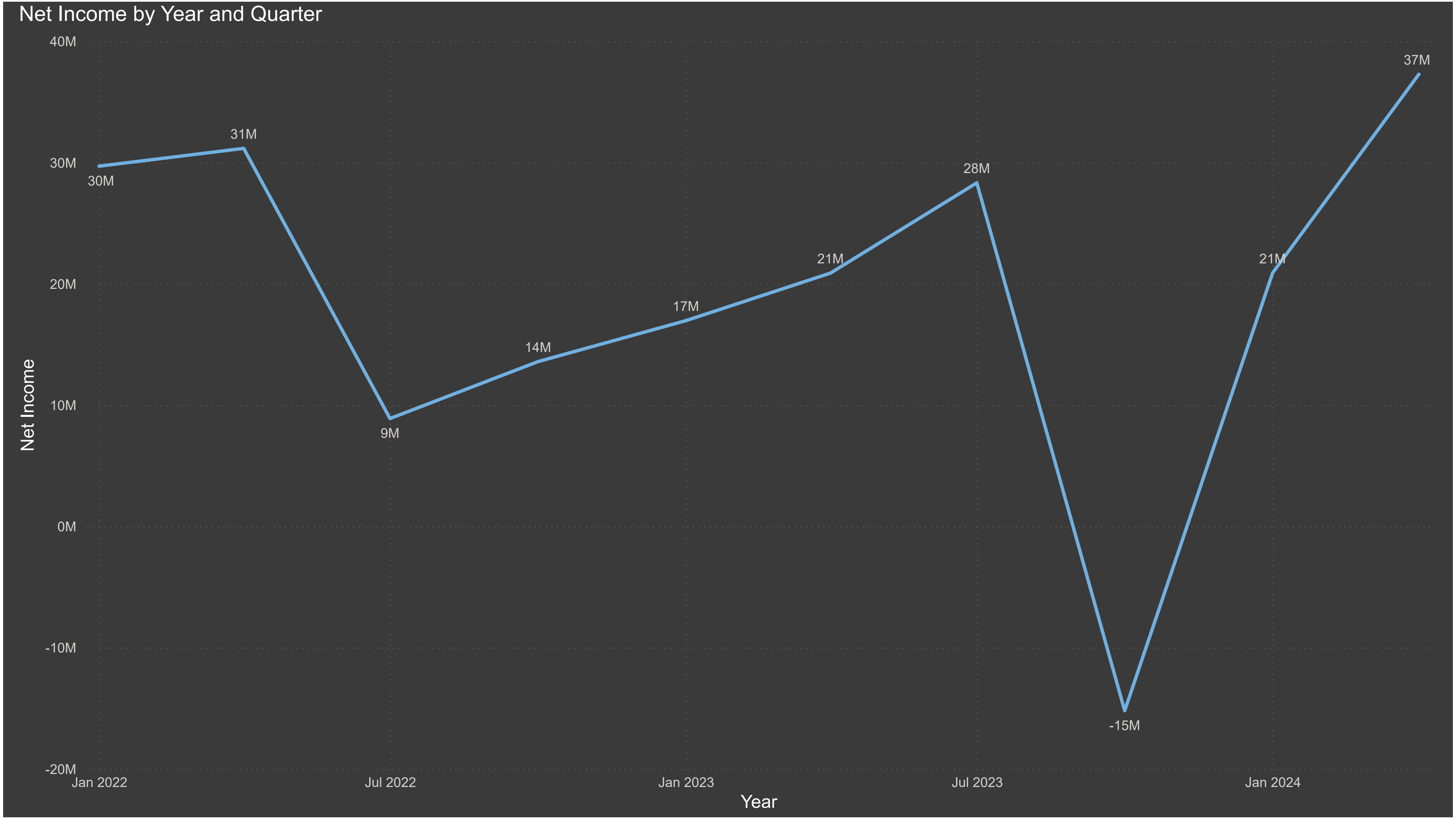
The gross margin has remained steady and is a great trend.

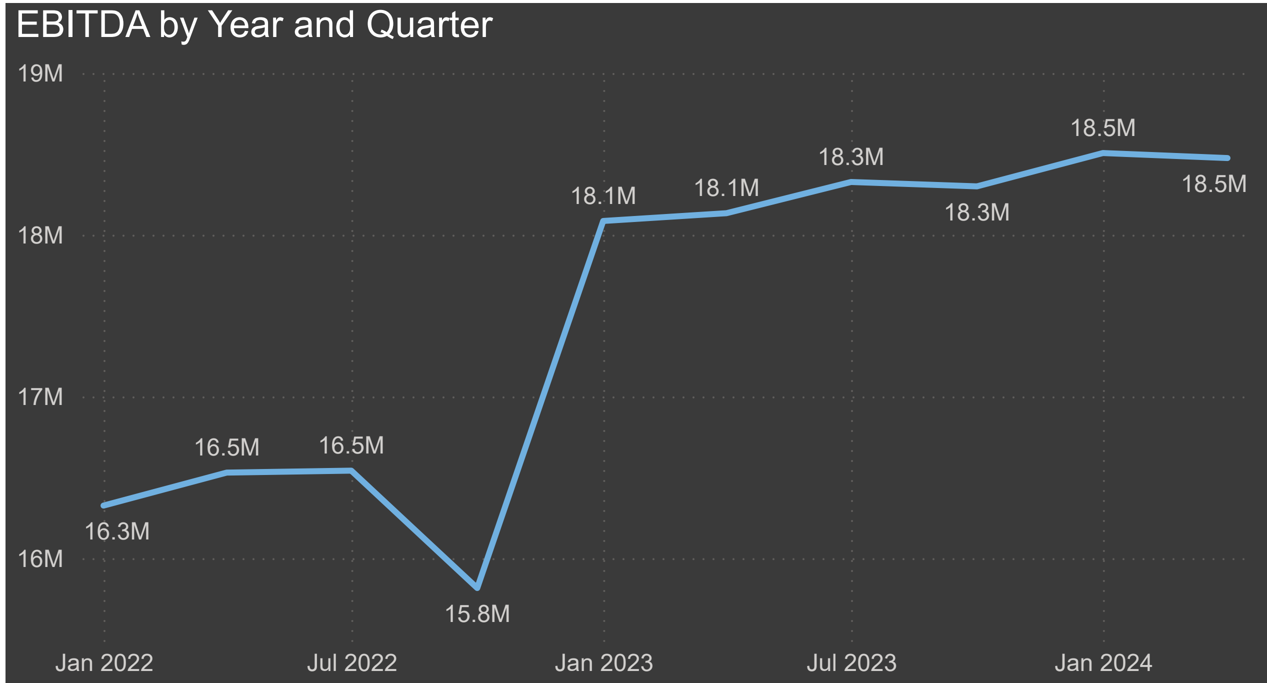
Net Margin

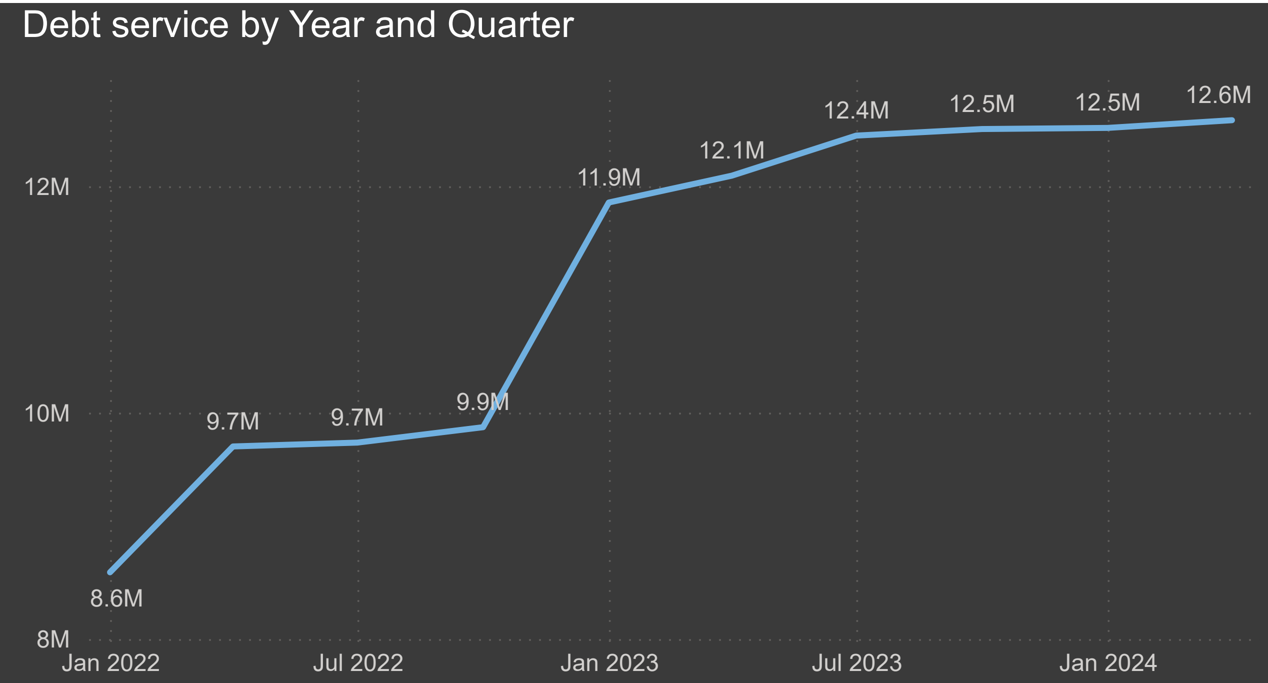
The net margin has increased compared to the previous year and is a positive trend of the company.

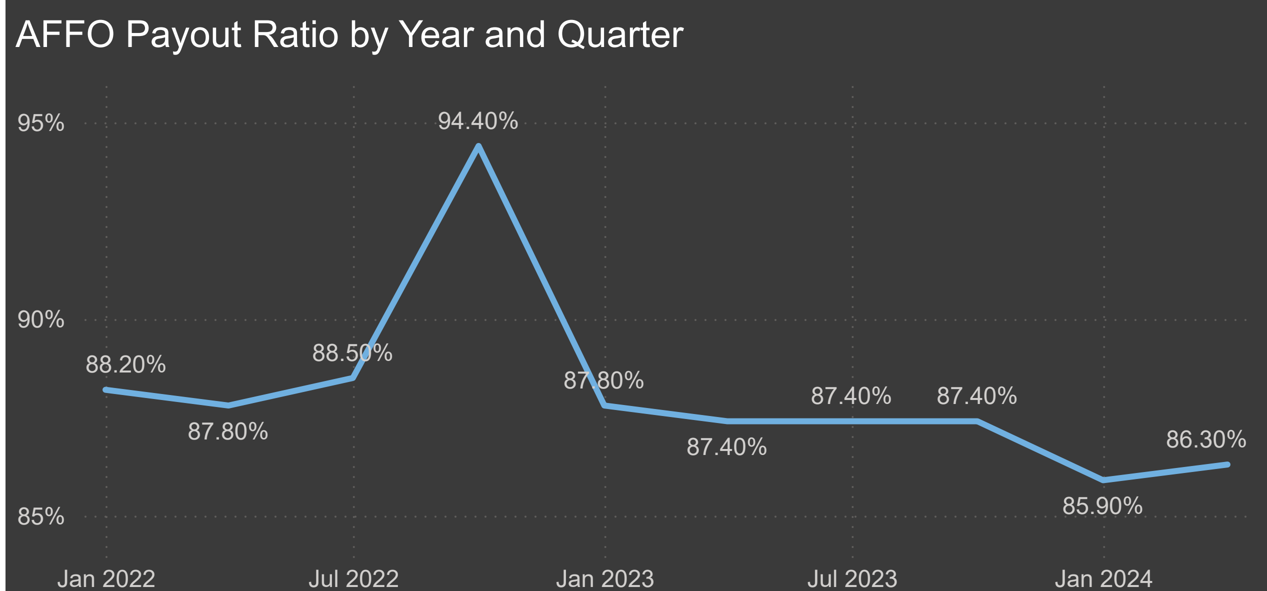
Operating Margin

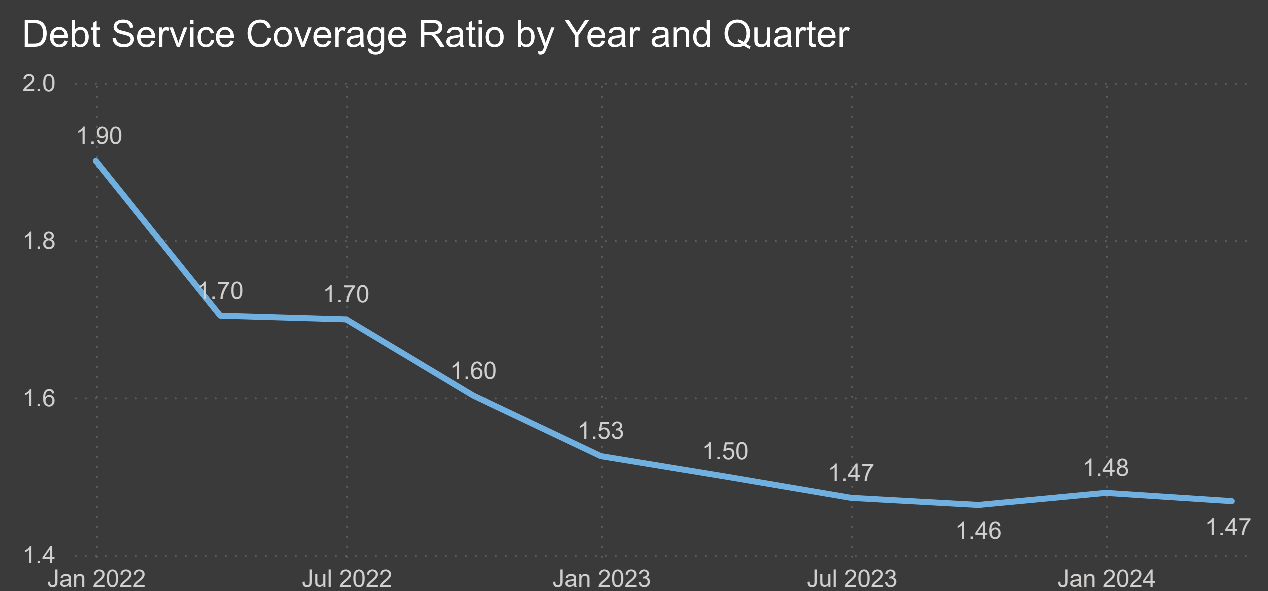
The operating margin is steady which is a positive indicator.


Net Income by Year and Quarter
40M
30M
20M
10M
0M
-10M
-20M
Net Income
30M
31M
9M
14M
17M
21M
28M
-15M
21M
37M
Jan 2022
Jul 2022
Jan 2023
Jul 2023
Jan 2024
Year



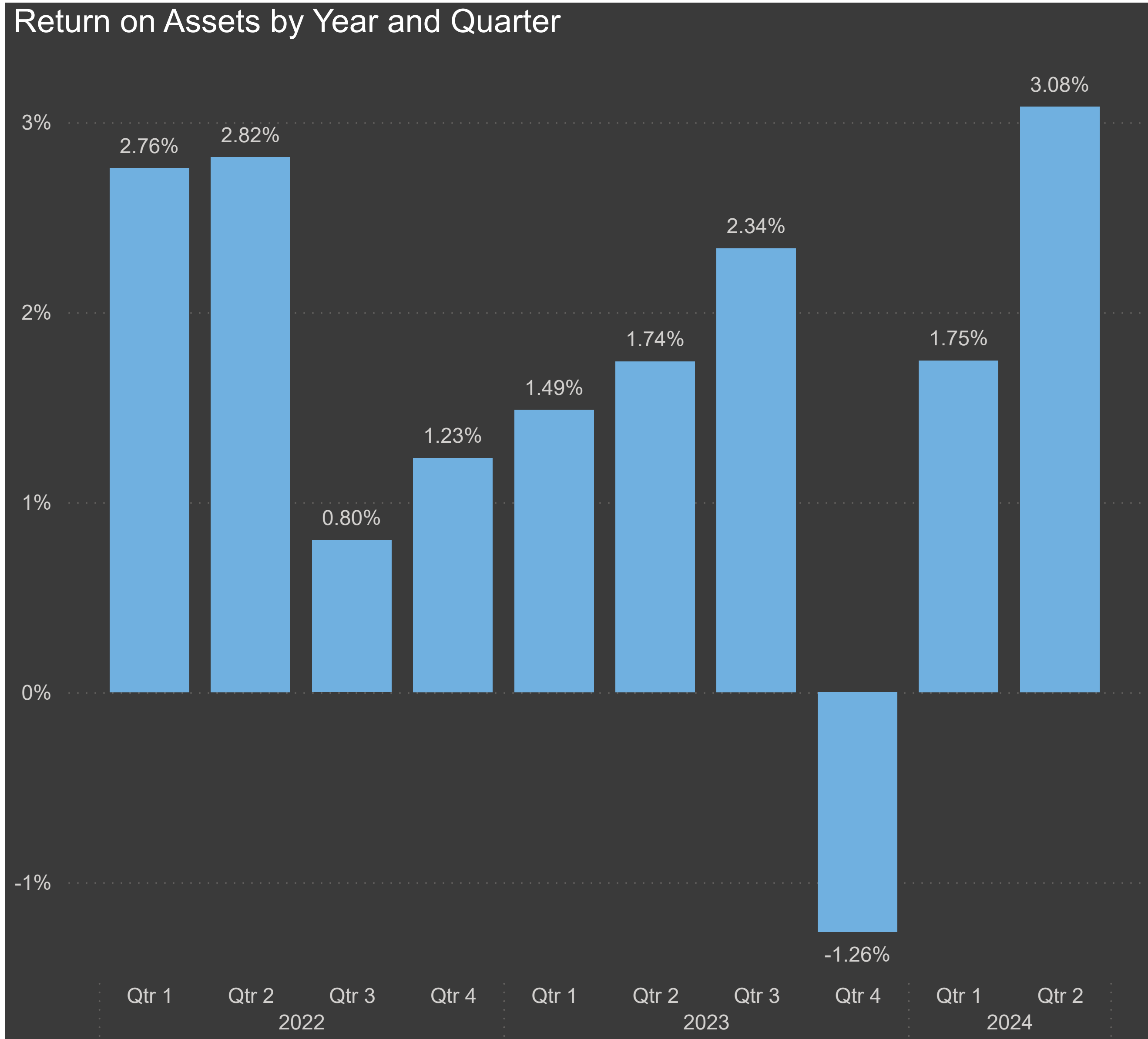


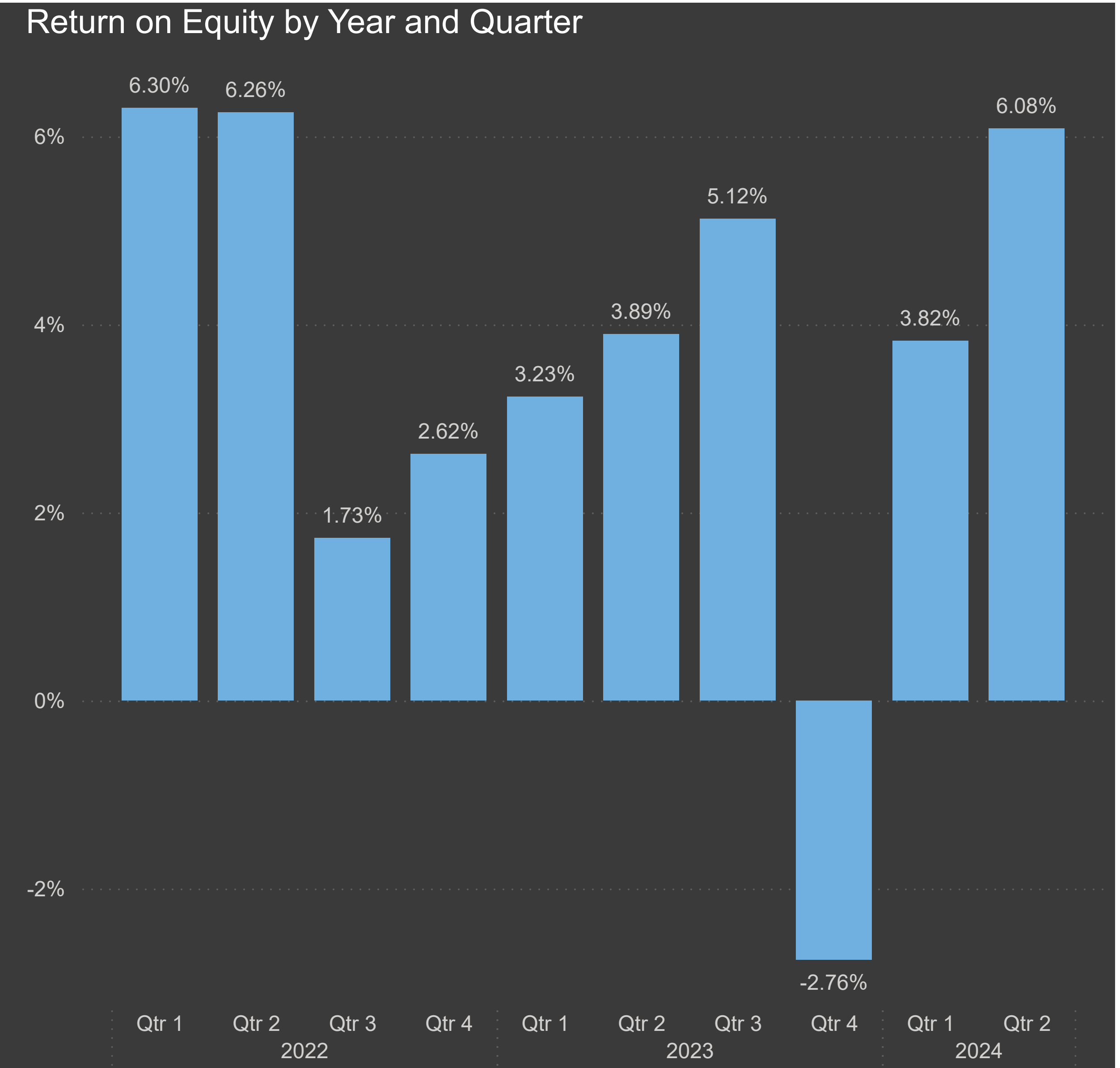




EBITDA and Debt Service

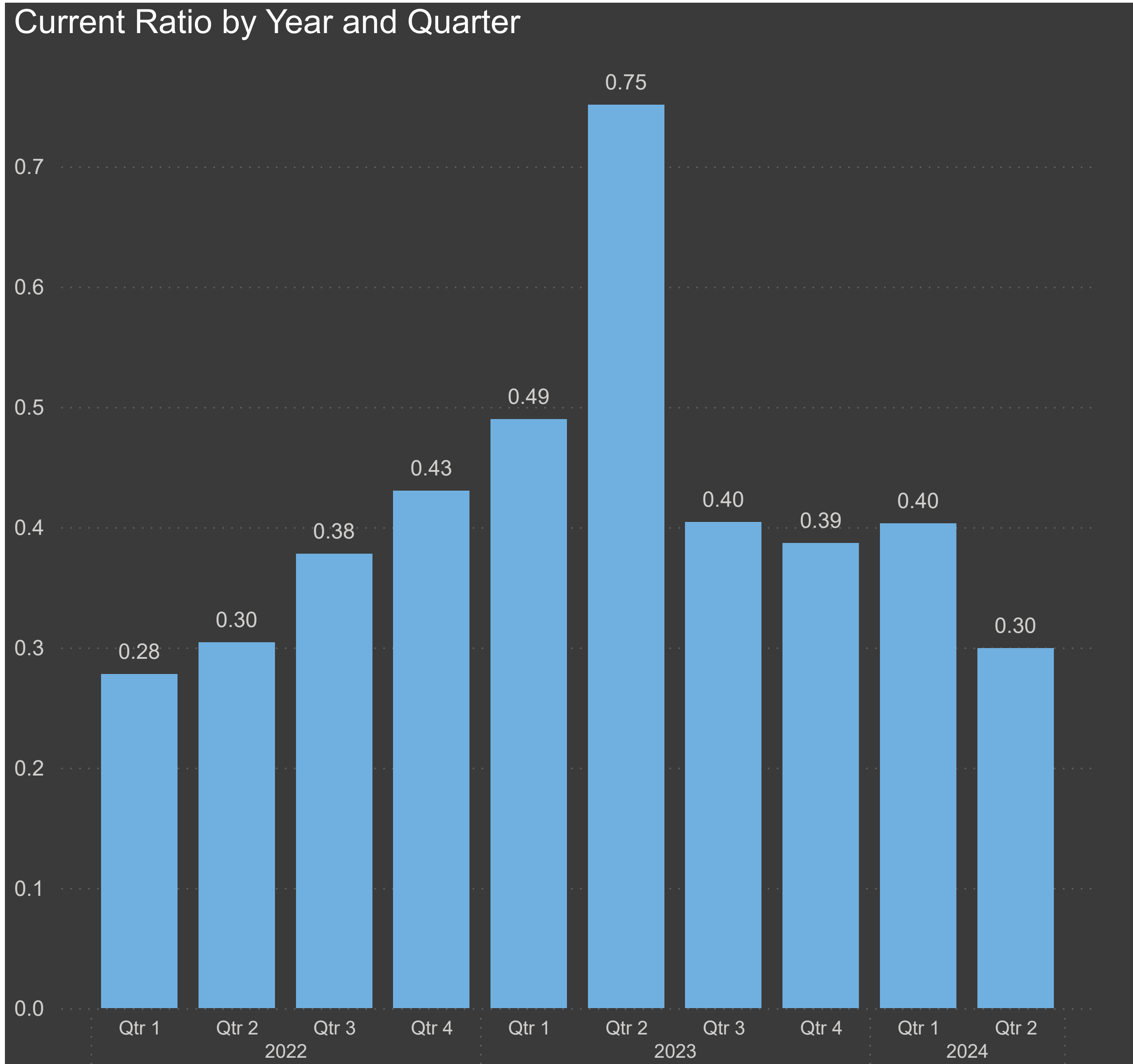
- EBITDA has risen and is at a stable level last two quarters similar to debt service. These are positive signs for the REIT.
- AFFO Payout ratio has been stable, but was highest in Q4 of 2022. This is a stable sign for the company.
- Debt Service Coverage ratio is declining. Further analysis is needed for improvement.

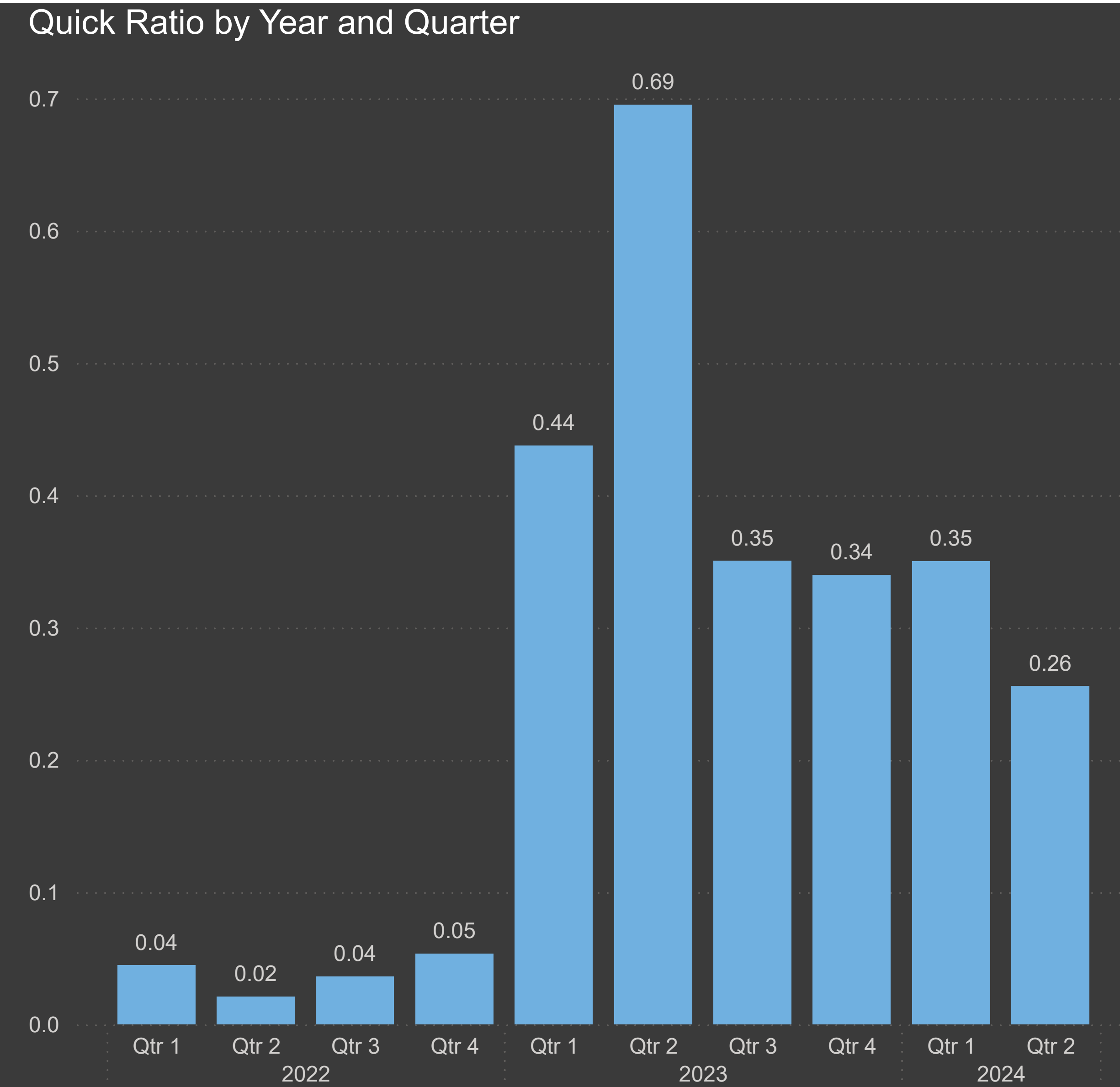




Return on Equity, and Return on Assets

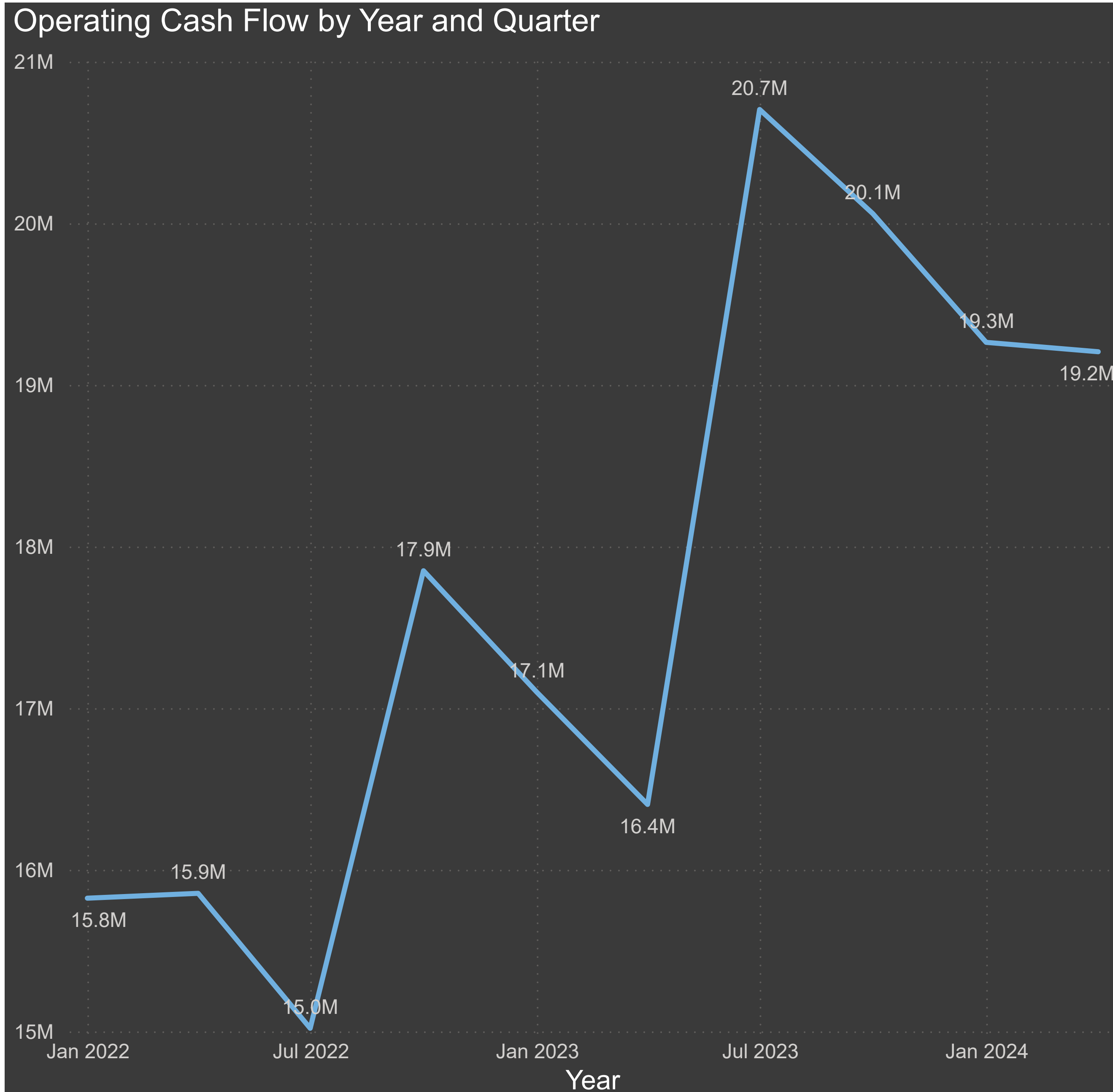
As evidenced by the above graphs, returns on the assets and equity improved substantially over the period, which is a healthy sign.

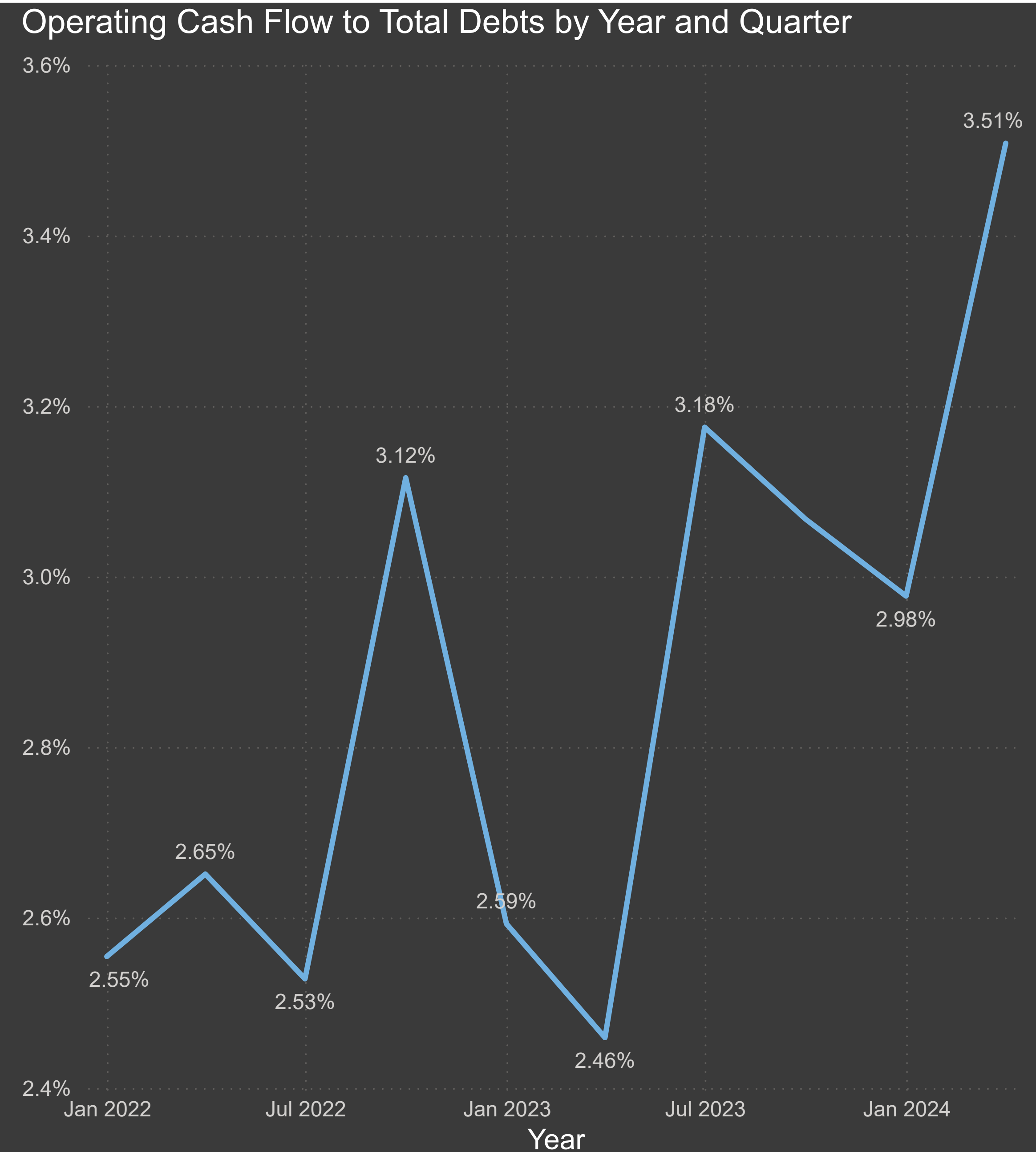




Current Ratio and Quick Ratio

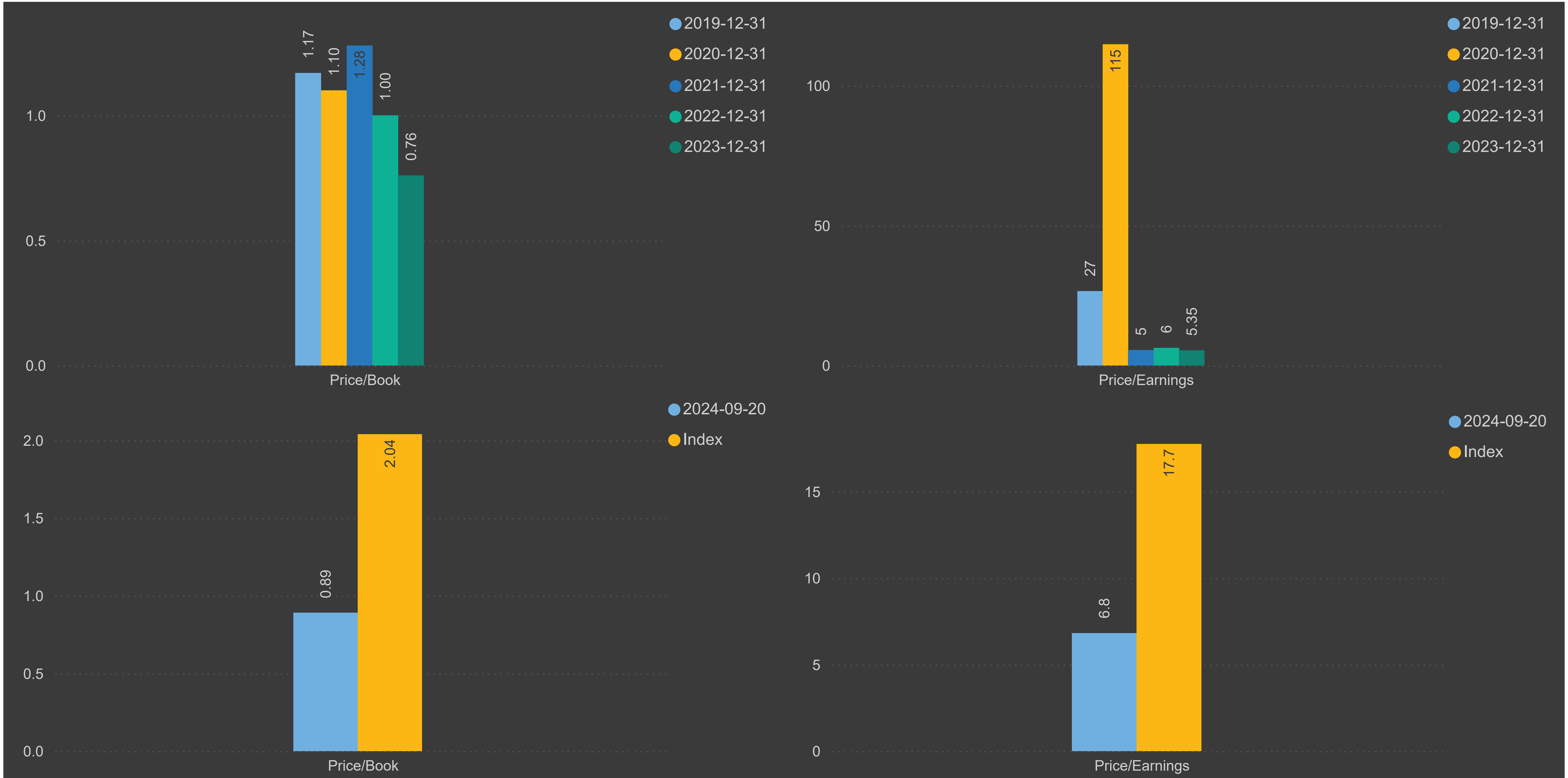
Current ratio and quick ratios have declined which can be indicative of a liquidity issue for the company. Further analysis is needed in this regard.





Operating Cash Flow and Ratio of Operating Cash Flow Ratio to Total Debts

- The operating cash flow ratio shown a rise over the period, which is a healthy sign.
- The operating cash flow has also declined, which should be investigated to ensure that there are no liquidity problems.



Market Ratios

- Price to book ratio and Price to earnings ratio has decreased versus last year, this indicates a lower proportion of valuation and shows room for improvement. Moreover, price to book and P/E ratio is also lower compared with the index, indicating lower valuations.
- Further, drill-down analysis can be done to aid in further unitholder growth.