

FILINVEST
LAND, INCORPORATED

1H20 Analysts Briefing

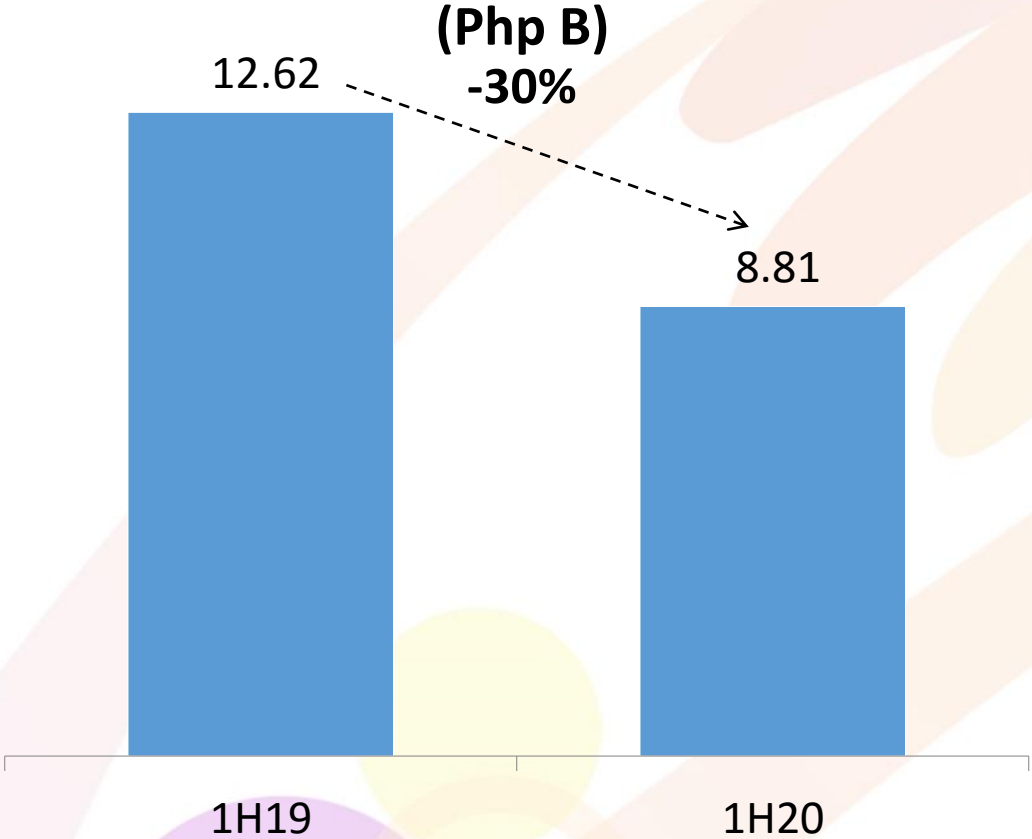
August 10, 2020



1H20 Key Messages

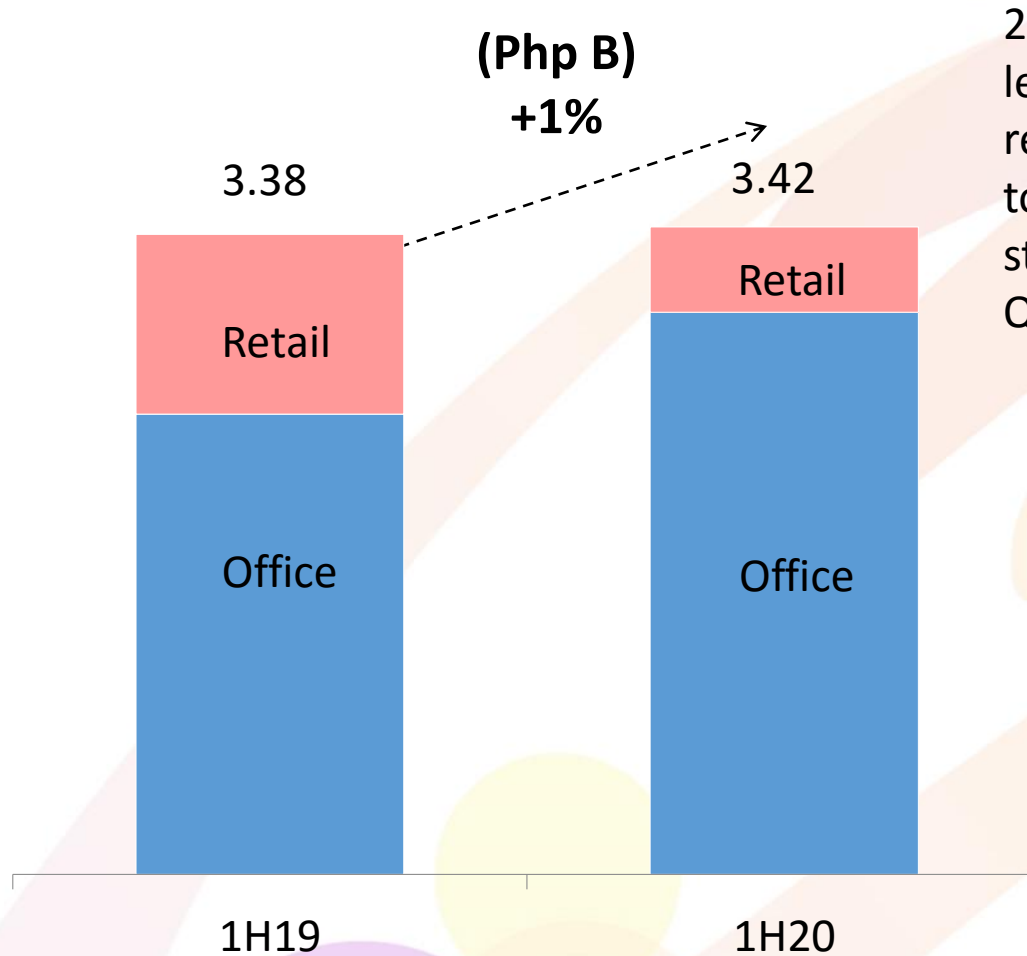
- FLI recorded total revenues of P8.8B and net income of P2.3 B, declining by 30% and 24%, respectively.
- Real estate revenues decreased by 46% to P4.6B due to delayed completions and the grace period given to buyers during the ECQ period.
- Rental services (Leasing) revenues grew by 1% to P3.4B. The growth in office leasing was offset by the decline in mall revenues due to the closure of non-essential stores.
- Capital expenditures amounted to P5B.
- Balance sheet remains healthy as the debt level remains moderate, with a net debt-to-equity ratio of 0.84:1.

1H20 Total Revenues



Quarantine Period
ECQ : March 16 to May 17
MECQ : May 18 to May 31
GCQ : June 1-30

1H20 Rental Services Revenues

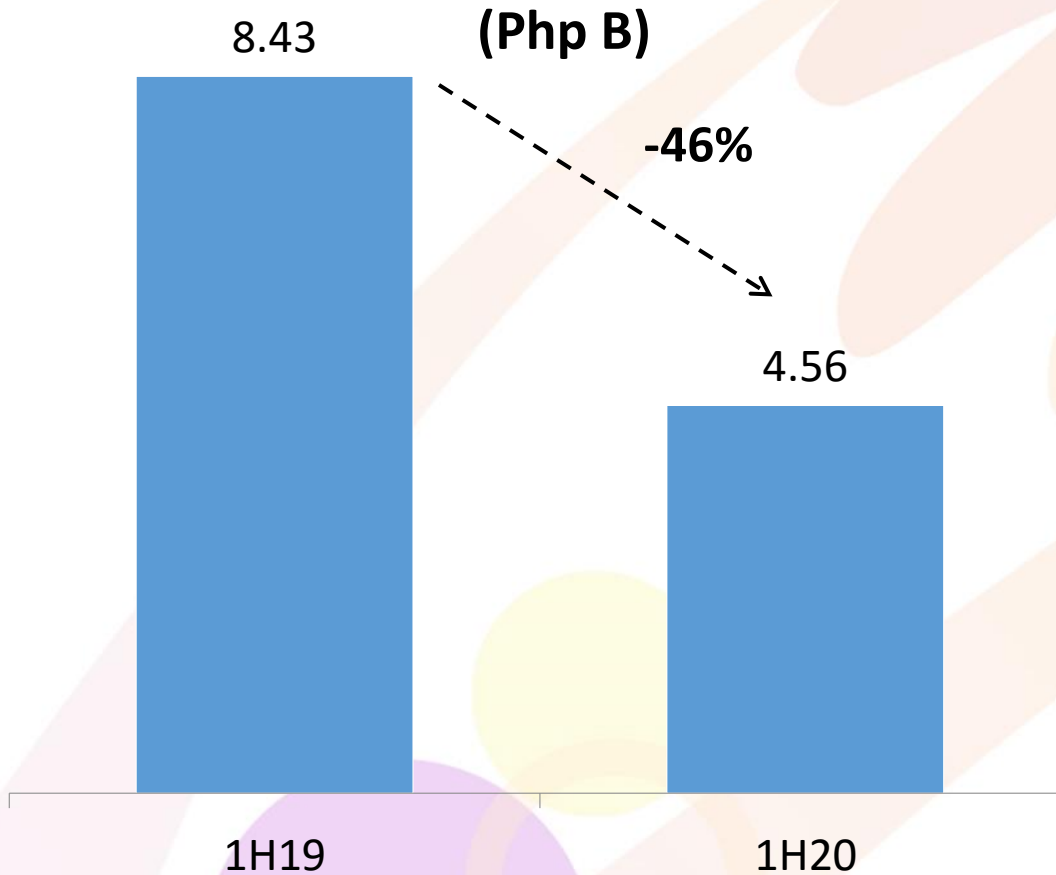


22% growth in office leasing tipped by lower retail mall revenues due to rent waiver for closed stores during the Quarantine period.

(in Php M)	1H19	1H20
Offices	2.43	2.97
Retail	0.95	0.45

Quarantine Period
 ECQ : March 16 to May 17
 MECQ : May 18 to May 31
 GCQ : June 1-30

1H20 Real Estate Revenues



- Delayed completion of projects due to Quarantine period.
- Effect of grace period granted on collections from buyers resulting in delayed recognition of sales

1H20 Net income declined 24%

Php M	1H19	1H20
Revenues	12,624	8,813
Real estate	8,426	4,556
Rental services	3,388	3,422
Interest and other income	546	302
Equity in net earnings	264	533
Costs	5,747	3,368
Cost of real estate sales	4,965	2,684
Cost of rental services	782	684
Operating Expenses	2,949	2,765
General and administrative	1,043	864
Selling and marketing	662	485
Interest expense and financing charges	1,244	1,416
Income before income tax	3,928	2,680
Provision for income tax	784	263
Net Income	3,144	2,417
Net income att. to equity holders of pare	3,036	2,301
EBITDA	5,911	4,690

- 30% drop in total revenues partially offset by **41%** decline in direct costs and **6%** decline in operating expenses, trimming decline in net income to **24%**

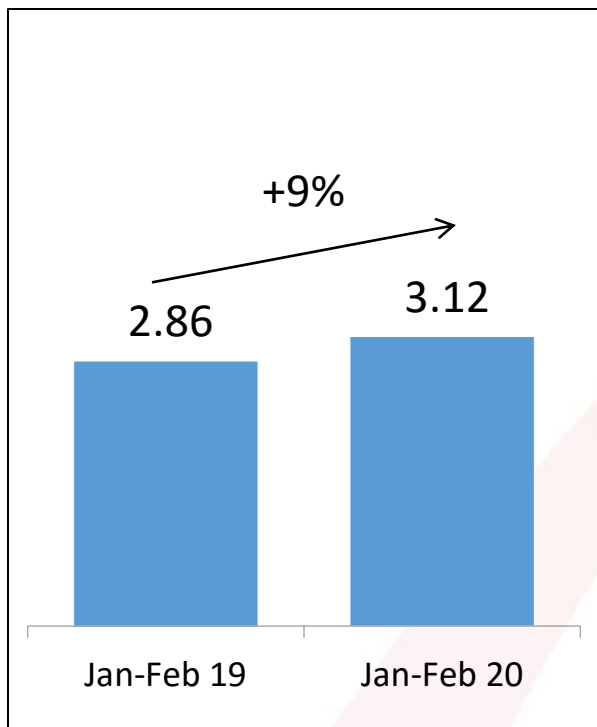
Stable Margins

	1H19	1H20
GPM of real estate sales	41%	41%
GPM of rental services	77%	80%
% of G&A to Revenues	8.3%	9.8%
% of S&M to Revenues	5.2%	5.5%
Tax rate	20%	10%
Net income margin	25%	27%

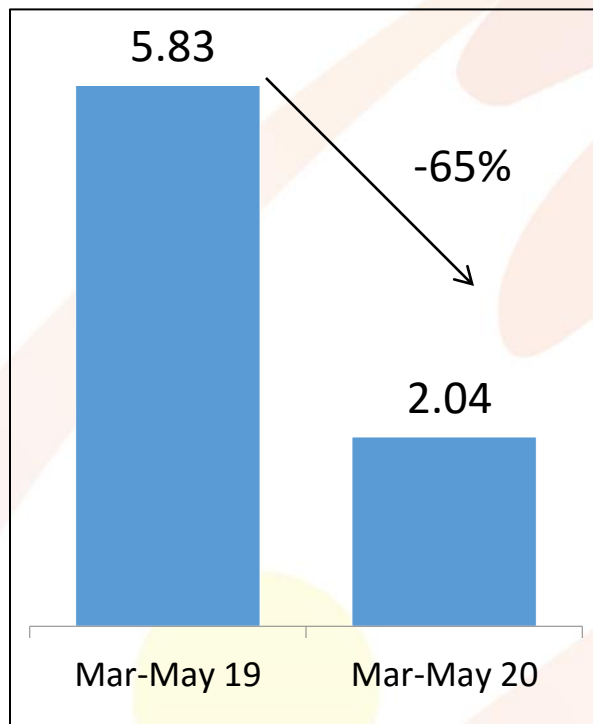
- Improved GPM of rental services due to higher office leasing revenue as a result of high occupancy and decline in variable direct costs
- Higher % of G&A and S&M to revenues due to fixed costs without corresponding revenues generated.

1H20 Sales Take-up

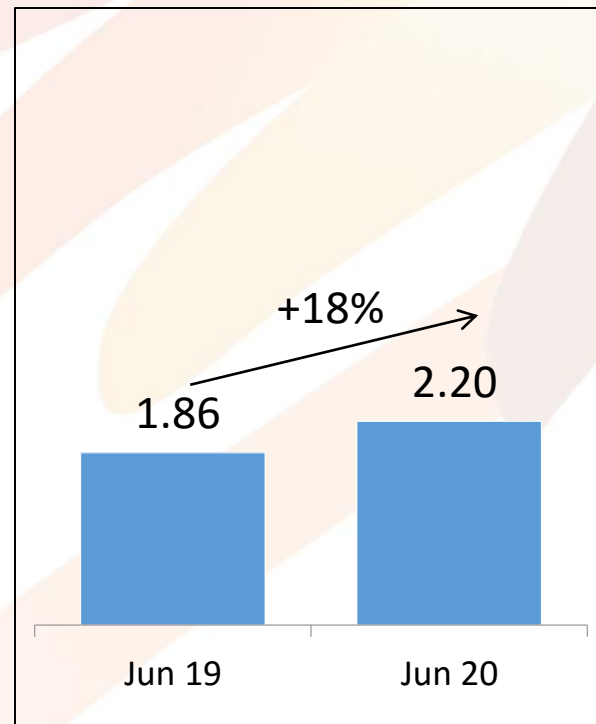
(in billion pesos)



Pre-ECQ



ECQ/MECQ



GCQ

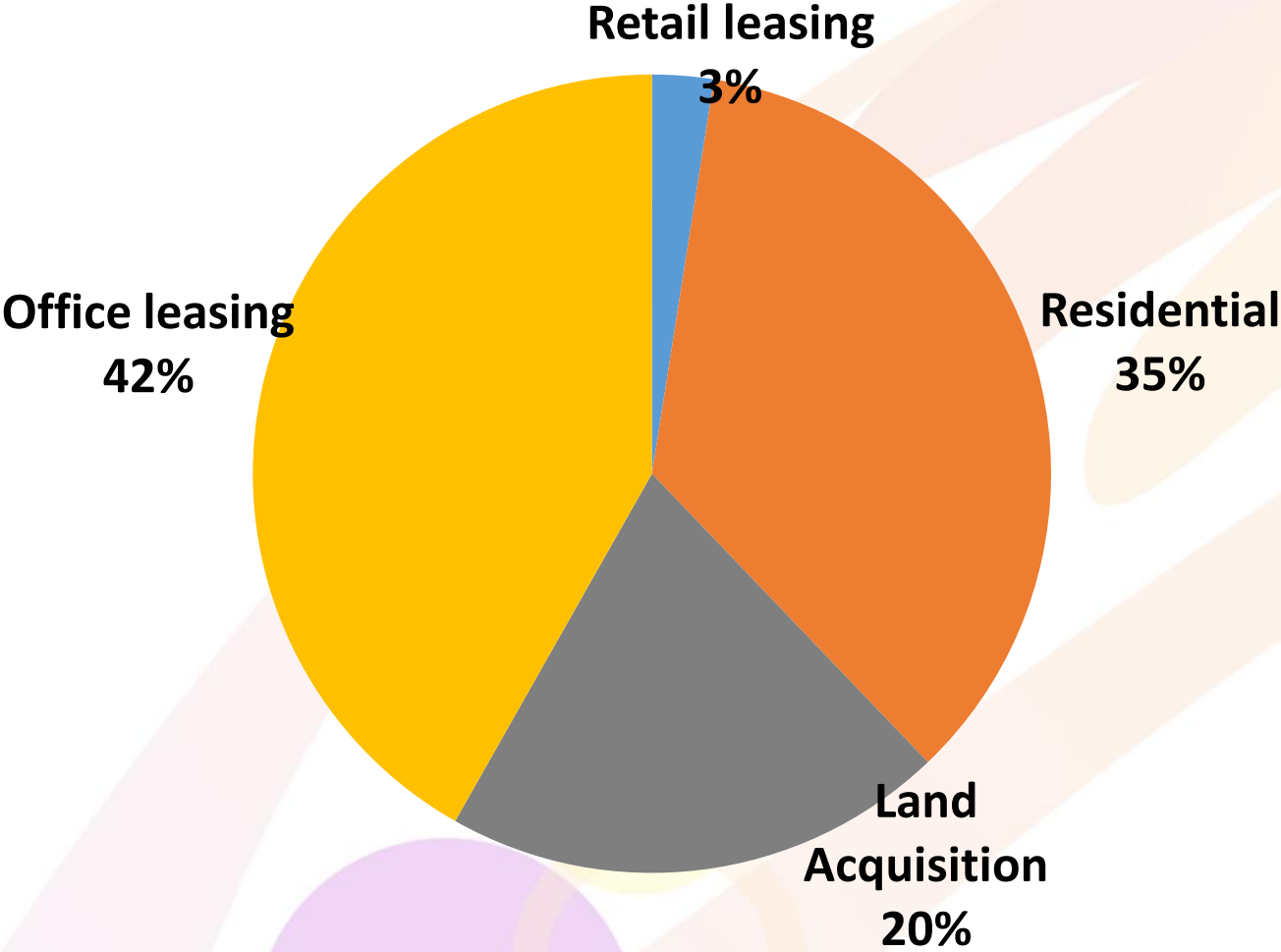
	2019	1H20
OFW Share of Sales Take Up	31%	20%

Strong and Stable Financial Position

	June 30, 2020 (Php M)	Dec. 31, 2019 (Php M)	Change (%)
Total Assets	177,661	173,696	+2%
Total Borrowings	65,117	63,413	+3%
Net Debt	61,263	58,639	+4%
Stockholders' Equity	72,898	72,164	+1%
D/E Ratio	0.89x	0.88x	
Net D/E Ratio	0.84x	0.81x	

- 99% fixed rate and 1% floating
- 100% peso debt
- Overall cost of debt is 5.28%
- Retail bonds is 46.6% of total FLI debt.

CAPEX spent for 1H20: Php5B



The background features several thick, curved brushstrokes in shades of purple, orange, and yellow. In the lower-left quadrant, there are three overlapping circles: a large purple one, a smaller yellow one, and a medium-sized orange one.

Enabling Consistent Growth

Two Pronged Strategy

- Continue to expand the Investment Property portfolio with a heavier logistics share

Leader in South MM Office Space

- Pioneer PEZA Accredited Business Park
- 10 hectares
- 19 operating buildings
- 327,000 sq. m. of GLA
- 2 buildings under construction with 78,680 sqm. of GLA



**Northgate Cyberzone,
Filinvest City, Alabang**

Metro Manila Office GLA Under Construction



36,541 sq. m.
Studio 7
Quezon City
Target completion in 2020



10,010 sq. m.
387
Makati City
Target completion in 2021



47,828 sq. m.
One Filinvest
Ortigas CBD
Target completion in 2021

Strong Presence in Cebu



Cyberzone Cebu

2 operational buildings	48,000 sqm
2 buildings under construction	40,000 sqm



Filinvest IT Park



City di Mare, South Road Properties, Cebu

60 hectares

- Il Corso Retail Mall
- Planned Office Developments

Filinvest Mimosa Plus

Clark, Pampanga

- **2020 Developments include:**
 - **Lodgeplus Dormitel**
 - **Office Buildings**
 - **Retail Strip Mall**
 - **33,000- sqm regional Lifemall**
 - **Residential condominiums**



Retail Strip Mall



Lodgeplus Residential Buildings



Golf Ridge Prime Estate



Clark Mimosa Lifestyle Mall(Retail)

WorkPlus Office Park

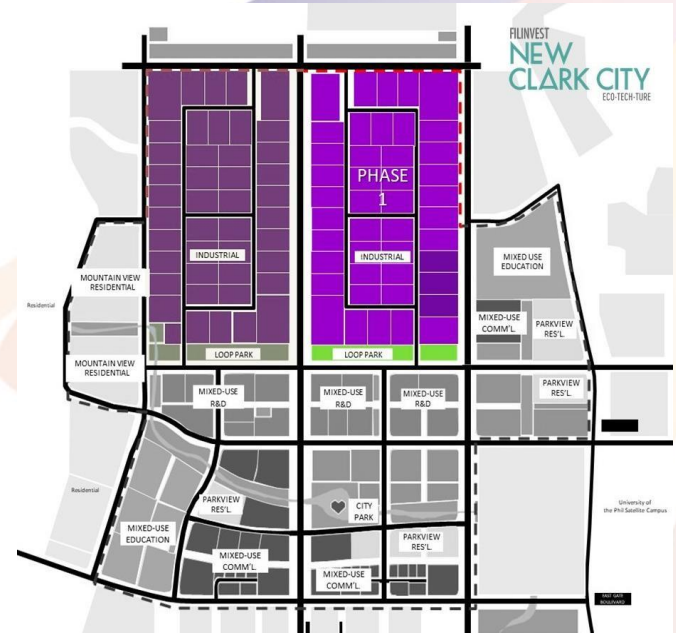
Mimosa Plus, Clark

- 110,000 sqm Projected GLA for a total of 8 buildings
- 2 buildings completed with 19,000 sqm of GLA
- 2 buildings under construction with 22,000 sqm of GLA
- 1 building for completion in 2020



Filinvest Innovation Park New Clark City

- Ready to accommodate construction of locators by 2nd Half 2020 in the 64-hectare Phase 1 of the Innovation Park
- Heightened interest from light manufacturing and logistics companies



Filinvest Innovation Park

New Clark City

The company is seeing a demand for big land parcels and ready built factories to address the needs of the growing logistics and e-commerce industry. Apart from lot leases, FLI is looking at constructing high specification structures for lease to customers.



Dormitels and Versaflats



Lodgeplus Residential Buildings

- Located within the Clark Mimosas+ to serve the housing needs of office workers within the township.
- Four buildings under construction.
- Four buildings to be completed in 2020 with 800 beds per building.

Market Valuation of Existing Investment Properties

- FLI Existing Investment Properties are valued at **P128 Billion** and those under construction at **P62 Billion** by third party appraisals based on income approach for buildings and market value for land.



Two Pronged Strategy

- Continue to expand the Investment Property portfolio with a heavier logistics share
- Prudent residential expansion in new territories
 - End User Oriented
 - Affordable and Mid Market Oriented
 - Low to Mid Rise to Manage Construction and Market Risk

MRB Leader

- A total of 27 MRB communities across the country
- Preferred product by young families for convenience, accessibility and open spaces.
- New offerings in secondary cities/towns in Greater Metro Manila and other provinces such as Zamboanga.



Futura East, Cainta



Belize Oasis, Muntinlupa



Futura Vinta, Zamboanga

Housing Subdivisions

Value-for-money housing that provide the comforts of home in safe and accessible locations.

Preferred by those who are looking for less dense and more open spaces.



Claremont, Pampanga

FILINVEST
LAND, INCORPORATED



New Leaf, Cavite



Futura Homes, Zamboanga

Key Takeaways

- Focus on the underserved core affordable, middle-income and end-user markets projected to have a faster recovery after the COVID-19 crisis
- Geographically diverse projects likely to benefit from BBB of transportation and road infrastructure projects
- Positioned to benefit from the shift to e-commerce through its Logistics/Innovation Park in New Clark City
- More emphasis on office development provided a cushion to the adverse effects of the COVID19 pandemic.