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Full Year 2019 and 1st Quarter 2020 Analysts' Briefing

May 21, 2020

Presentation Outline

- Full Year 2019 Results
- COVID-19 Response
- First Quarter 2020 Results
- Outlook for 2020

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FY 2019 Key Messages

- FLI recorded total revenues of P25.7B and net income of P6.3B, growing by 16% and 7%, respectively.
- Real estate revenues increased by 18% to P17.0B due to high sales take-up in 2018 coupled with higher completion rates in 2019.
- Rental services (Leasing) revenues grew by 25% to P7.0B driven by completion and high occupancy rates of office buildings.
- Capital expenditures amounted to P20B.
- Balance sheet remains healthy as the debt level remains moderate, with a net debt-to-equity ratio of 0.81:1.

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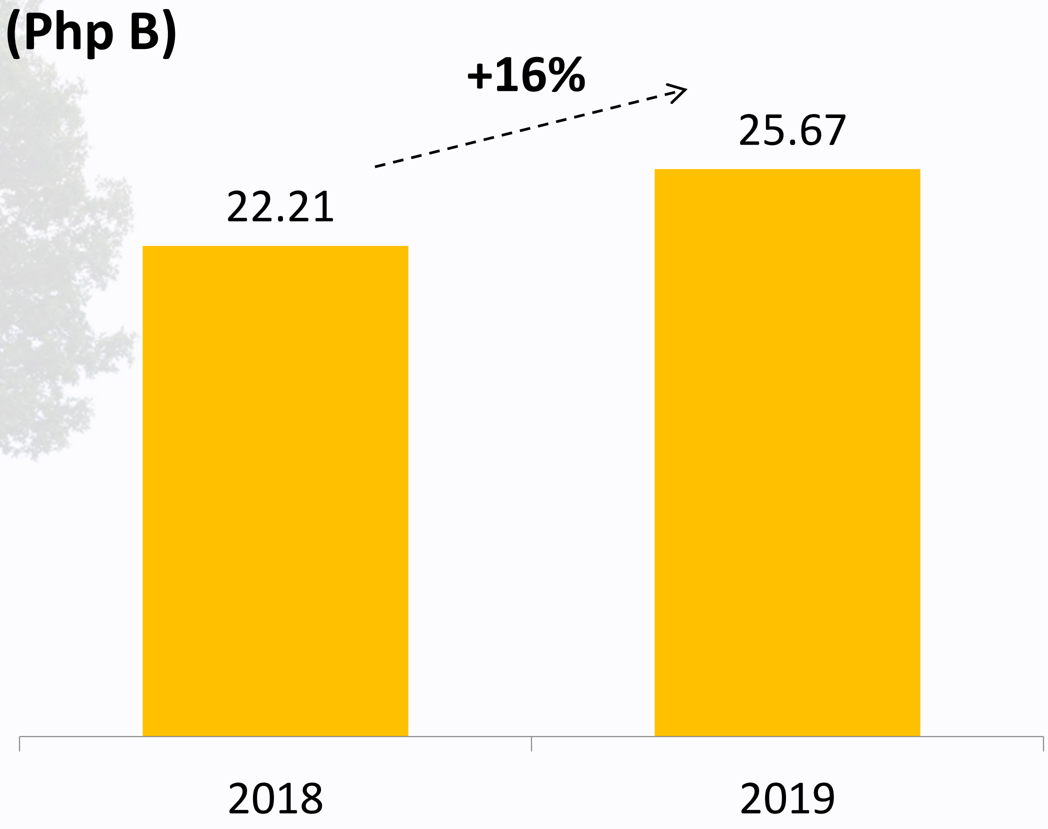
2019 Total Revenues



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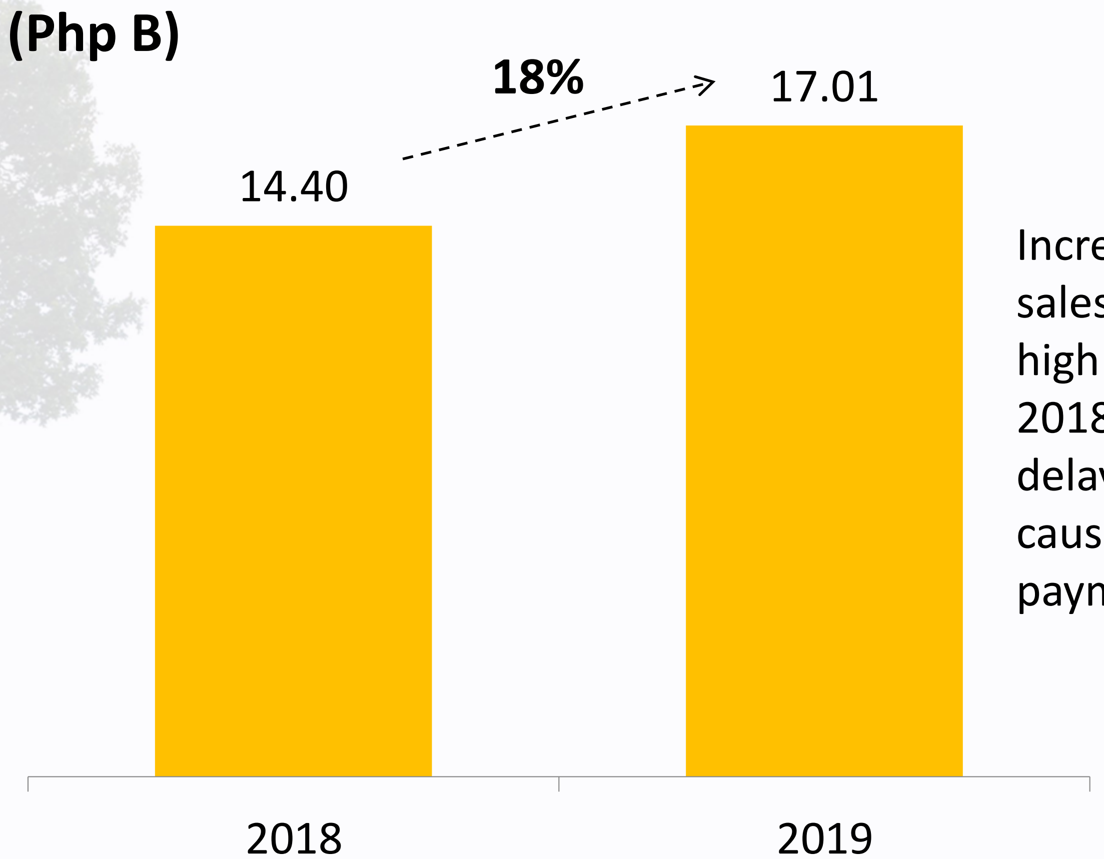
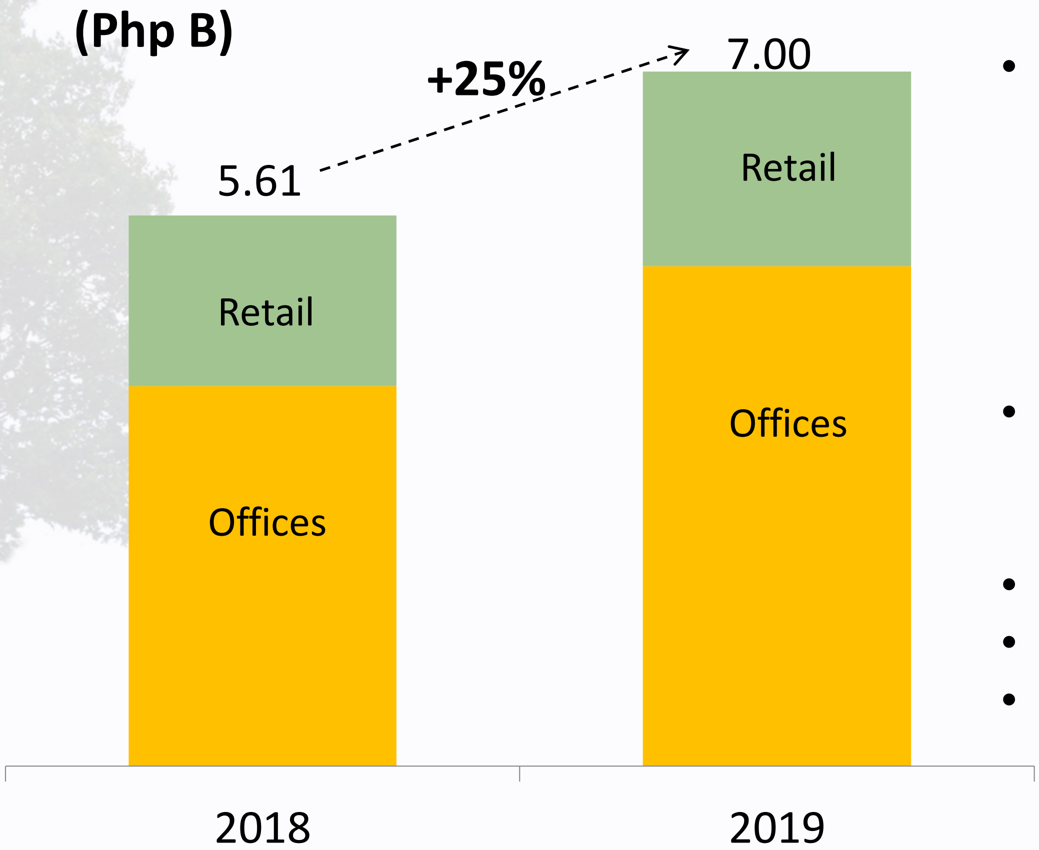
2019 Real Estate Revenues



Increase in real estate sales revenues due to high sales take-up in 2018 and catch-up of delayed revenues caused by extended payment terms

2019 Rental Services Revenues



- Growth driven by completion and high occupancy rates of office buildings completed in 2018 and 2019
- 2 office buildings completed in 2019
- Office occupancy: 91%
- Retail occupancy: 73%
- Overall occupancy: 85%

(in Php B)	2018	2019
Offices	3.89	5.04
Retail	1.72	1.96

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2019 Net income growth of 7%

Php M	2019	2018
Revenues	**25,673**	**22,205**
Real estate	17,013	14,404
Rental services	7,009	5,608
Interest and other income	1,249	1,656
Equity in net earnings	402	537
Costs	**10,982**	**9,470**
Cost of real estate sales	9,854	8,339
Cost of rental services	1,128	1,131
Operating Expenses	**6,416**	**4,957**
General and administrative	2,475	2,322
Selling and marketing	1,448	1,443
Interest expense and financing charges	2,493	1,192
Income before income tax	**8,275**	**7,778**
Provision for income tax	1,755	1,702
Net Income	**6,520**	**6,076**
Net income att. to equity holders of parent	**6,284**	**5,894**
EBITDA	**11,981**	**9,781**

Increase in interest expense due to:

- Adoption of PFRS 16 moved some lease/rental cost to interest expense
- Less capitalized interest during the year

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Stable margins

	2019	2018
GPM of real estate sales	42%	42%
GPM of rental services	84%	80%
% of G&A to Revenues	9.6%	10.5%
% of S&M to Revenues	5.6%	6.5%
Tax rate	21%	22%
Net income margin	25%	27%

- Better GPM of rental services due to higher occupancy rates of rental properties
- Improved G&A to revenues and S&M to revenues ratios brought about by faster revenue growth vs. costs

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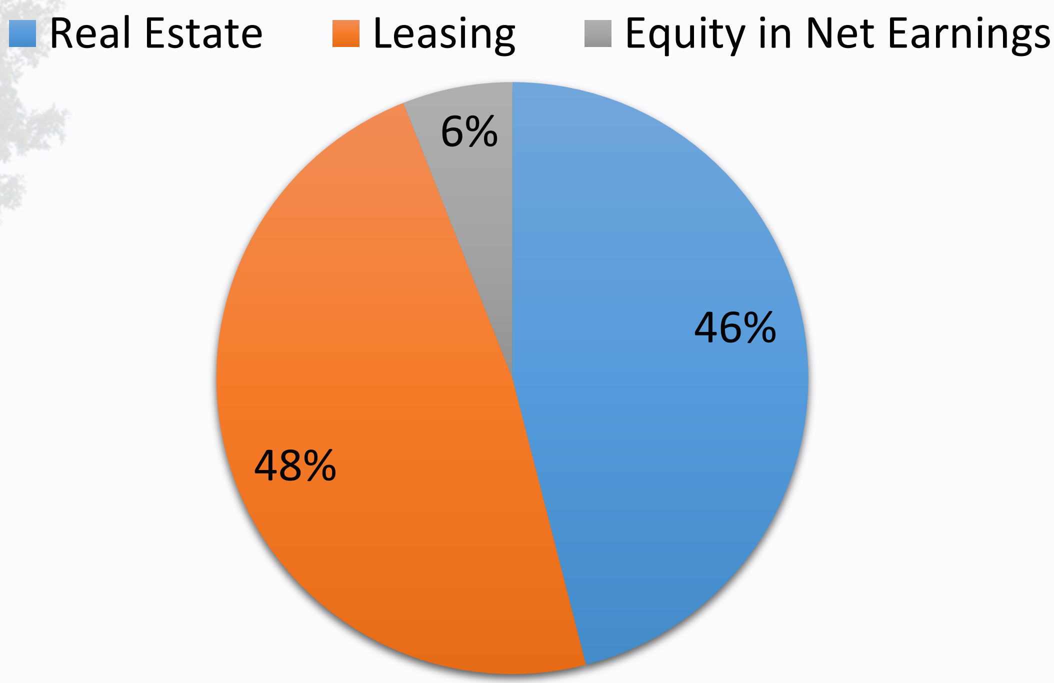
Balanced income mix from real estate sales and office/retail leasing

Php6.5B net income breakdown



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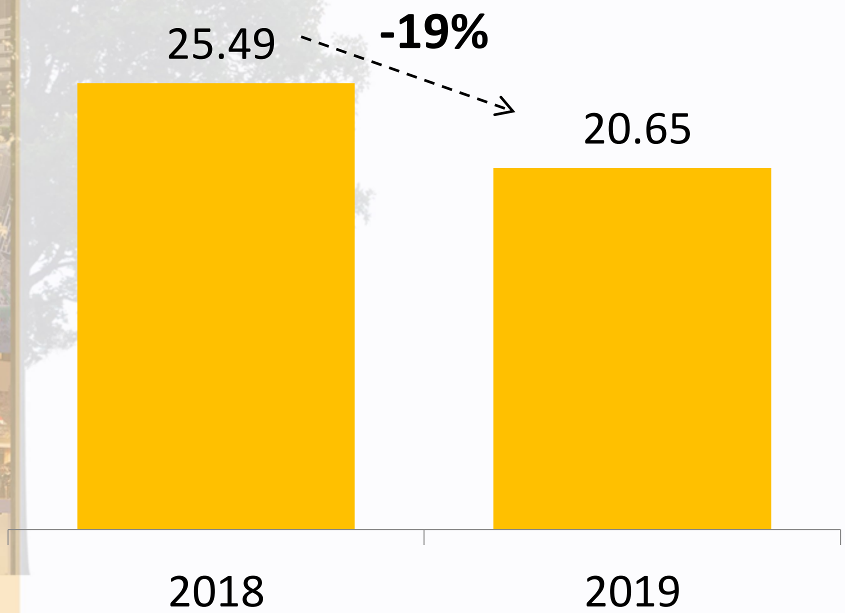
2019 launches amount to Php13.1B

Project	Type	Location	Est. Sales Value (Php M)
New Leaf	Horizontal	Cavite	1,471
Mira Valley	Horizontal	Rizal	921
Montebello Ph3	Horizontal	Calamba	557
Hampton Orchards	Horizontal	Pampanga	881
Futura Mira	Horizontal	Calamba	776
Futura Plains	Horizontal	Rizal	810
Centro Spatial - B	MRB	Davao	672
Maldives Oasis B	MRB	Davao	876
Alta Spatial	MRB	Valenzuela City	721
Futura East	MRB	Cainta	658
Panglao Oasis-D	MRB	Taguig	872
Futura Centro	MRB	Manila	845
San Remo - 8	MRB	Cebu	501
8 Spatial -7	MRB	Davao	500
Belize -A	MRB	Muntinlupa	1,100
One Oasis Cebu-8	MRB	Cebu	863
Veranda-10	MRB	Davao	81
TOTAL			13,105

Sales take-up

Php Billion



Breakdown of Sales Take Up	2018	2019
Socialized	3%	1%
Affordable/Middle Income	90%	94%
High-End / Others	7%	5%

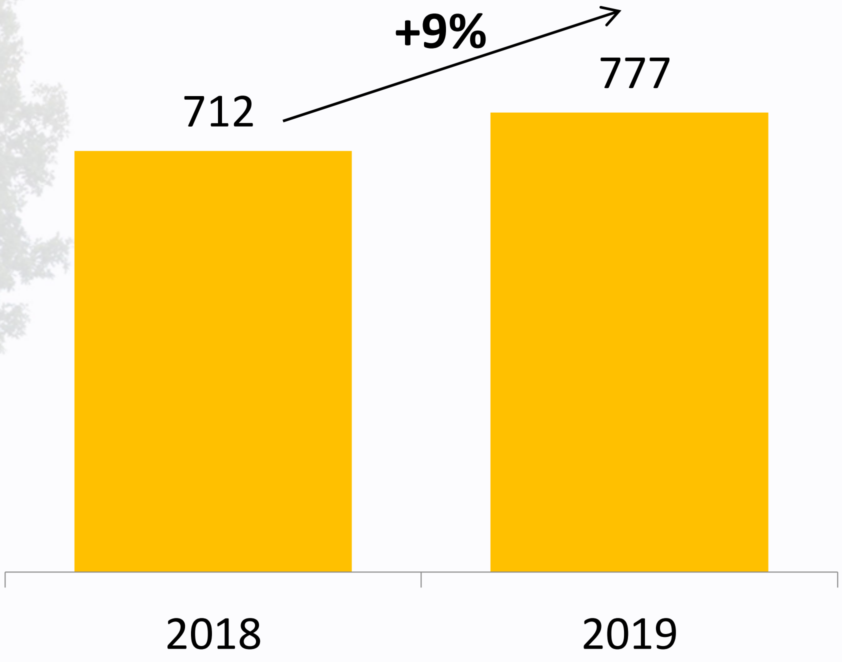
	2018	2019
OFW Share of Sales Take Up	32%	31%

Decline in sales take-up due to:

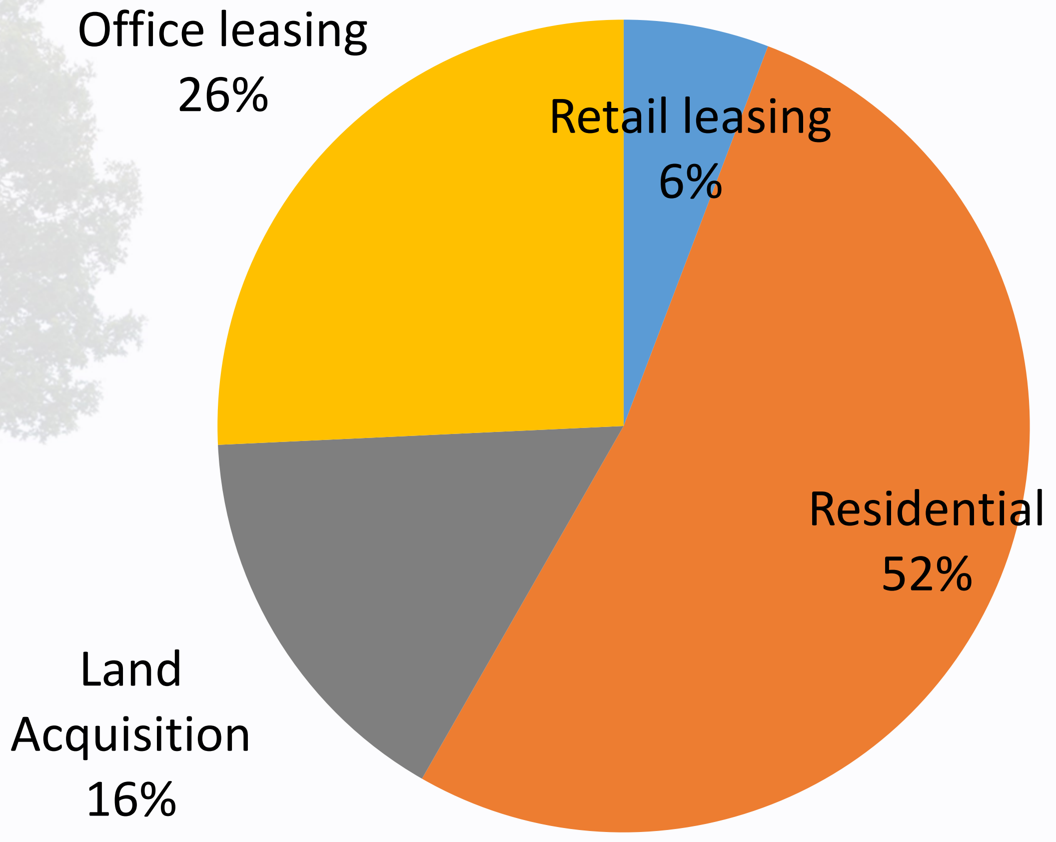
- Less launches compared to 2018
- Reduced HRB inventory

Rental Portfolio

(in ‘000 square meters)



CAPEX for 2019: Php20B



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Debt level remains moderate

	Dec. 31, 2019 (Php M)	Dec. 31, 2018 (Php M)	Change (%)
Total Assets	173,696	158,860	+9%
Total Borrowings	63,413	59,784	+6%
Net Debt	58,639	53,364	+10%
Stockholders' Equity	72,164	67,272	+7%
D/E Ratio	0.88x	0.89x	
Net D/E Ratio	0.81x	0.79x	

Low cost funding with low interest rate and forex risk

- 98% fixed rate vs. 2% floating rate debt
- 100% Peso debt
- Overall average cost of debt at 5.28%
- Retail Bonds account for 44% of total outstanding debt

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FLI Response to the COVID-19 Health Crisis

Customer Support

CUSTOMER SEGMENT	FLI SUPPORT
Residential Buyers (Low and Mid-income projects only)	• Grace period during the ECQ period (2 months) • Payments may be made over 6 months or payment period may be extended equal to the ECQ period (2 months) • Waiver of penalties and interests
Mall Tenants	• Rent holiday for the ECQ period for closed establishments • Grace period during the ECQ period (2 months) • Waiver of penalties and interests
Small Office Tenants	• Grace period during the ECQ period (2 months) • Waiver of penalties and interests

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Support to Government (through Filinvest City Foundation)

- P100MM total pledged donation for fight against COVID-19
- Healthcare support covering PPEs, PCR testing machines and ventilators donated to hospitals and LGUs
- Palms Country Club as temporary accommodation area and food for RITM front liners with foundation providing operating and meal expenses
- Filinvest Tent as a quarantine space
- Sponsorship of data warehouse and data analytics for timely and accurate data on COVID-19
- Food packages to Muntinlupa residents coursed through the LGU

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1st Quarter 2020

1Q20 Key Messages

- FLI recorded total revenues of P5.1B and net income of P1.3 B, declining by 29% and 25%, respectively.
- Real estate revenues decreased by 39% to P3.1B due to delayed completions and the grace period given to buyers during the ECQ period.
- Rental services (Leasing) revenues grew by 4% to P1.8B. 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 P3.4B
- Balance sheet remains healthy as the debt level remains moderate, with a net debt-to-equity ratio of 0.81:1.

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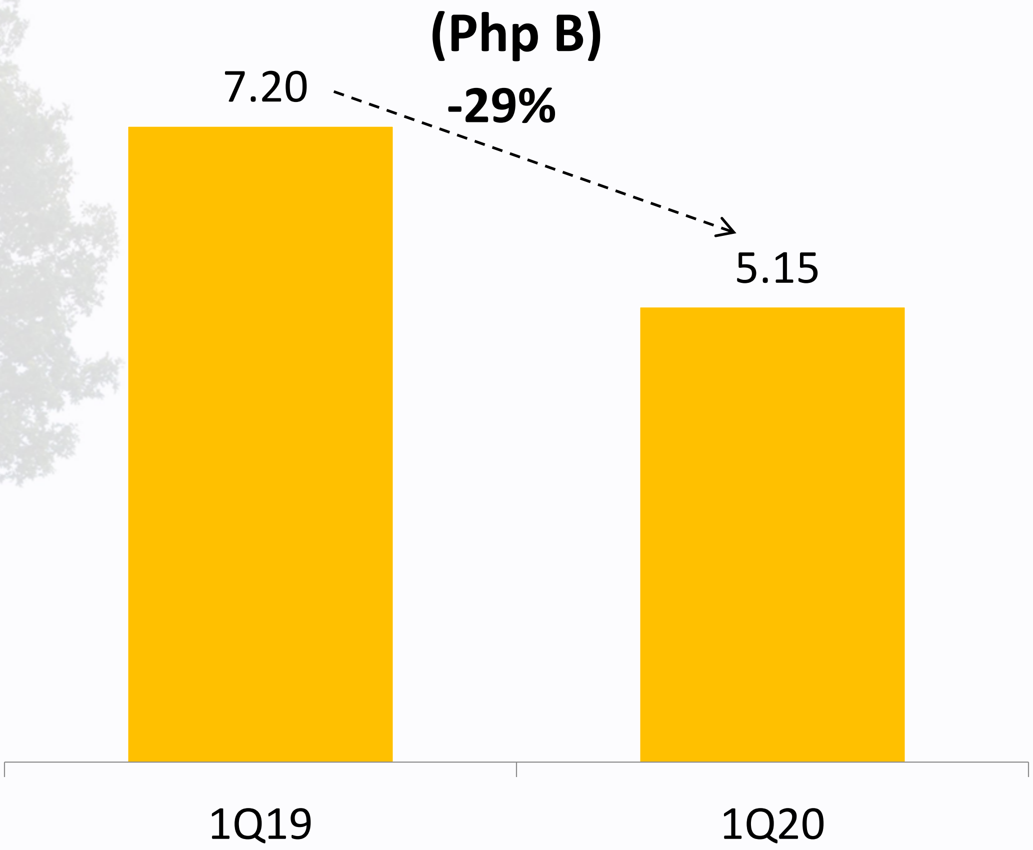
1Q20 Total Revenues



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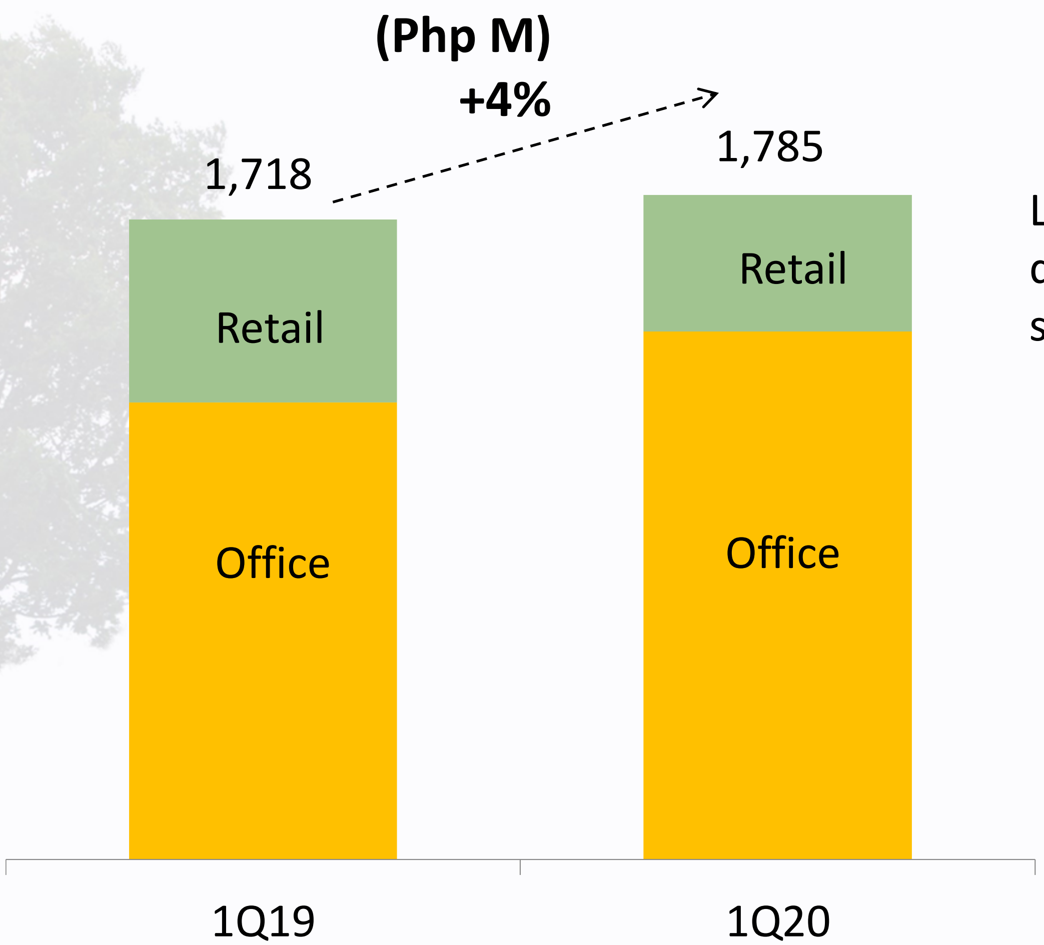
1Q20 Rental Services Revenues



Lower retail mall revenues due to rent waiver for closed stores during the ECQ

(in Php M)	1Q19	1Q20
Offices	1,228	1,453
Retail	490	332

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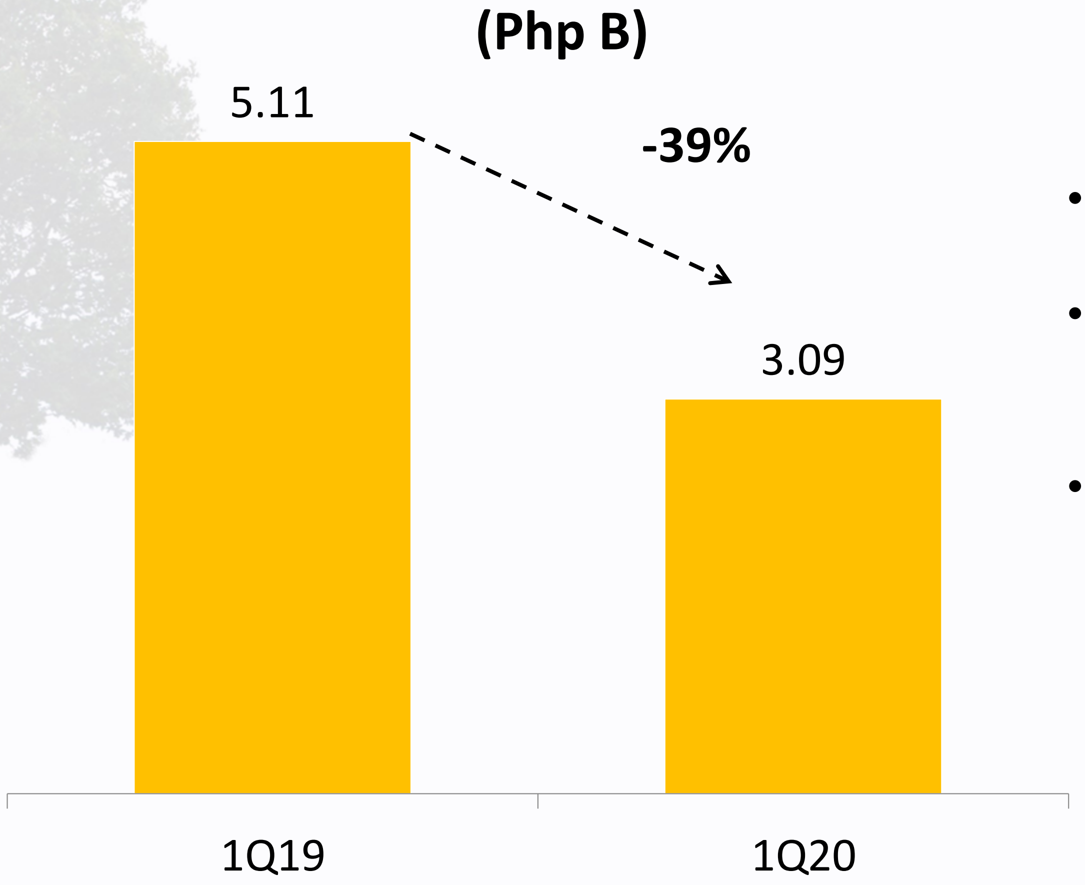
1Q20 Real Estate Revenues



- Effect of lower sales take-up in 2019
- Delayed completion of projects due to ECQ
- Effect of grace period granted on recognition of sales

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1Q20 Net income declined 25%

Php M	1Q20	1Q19
Revenues	**5,149**	**7,203**
Real estate	3,094	5,111
Rental services	1,785	1,718
Interest and other income	249	318
Equity in net earnings	21	56
Costs	**2,198**	**3,342**
Cost of real estate sales	1,827	2,964
Cost of rental services	371	378
Operating Expenses	**1,188**	**1,429**
General and administrative	437	465
Selling and marketing	254	360
Interest expense and financing charges	497	604
Income before income tax	**1,763**	**2,432**
Provision for income tax	352	579
Net Income	**1,411**	**1,853**
Net income att. to equity holders of parent	**1,349**	**1,794**
EBITDA	**3,473**	**3,847**

- 29% decline in total revenues
- 34% decline in direct costs
- 17% decline in operating expenses

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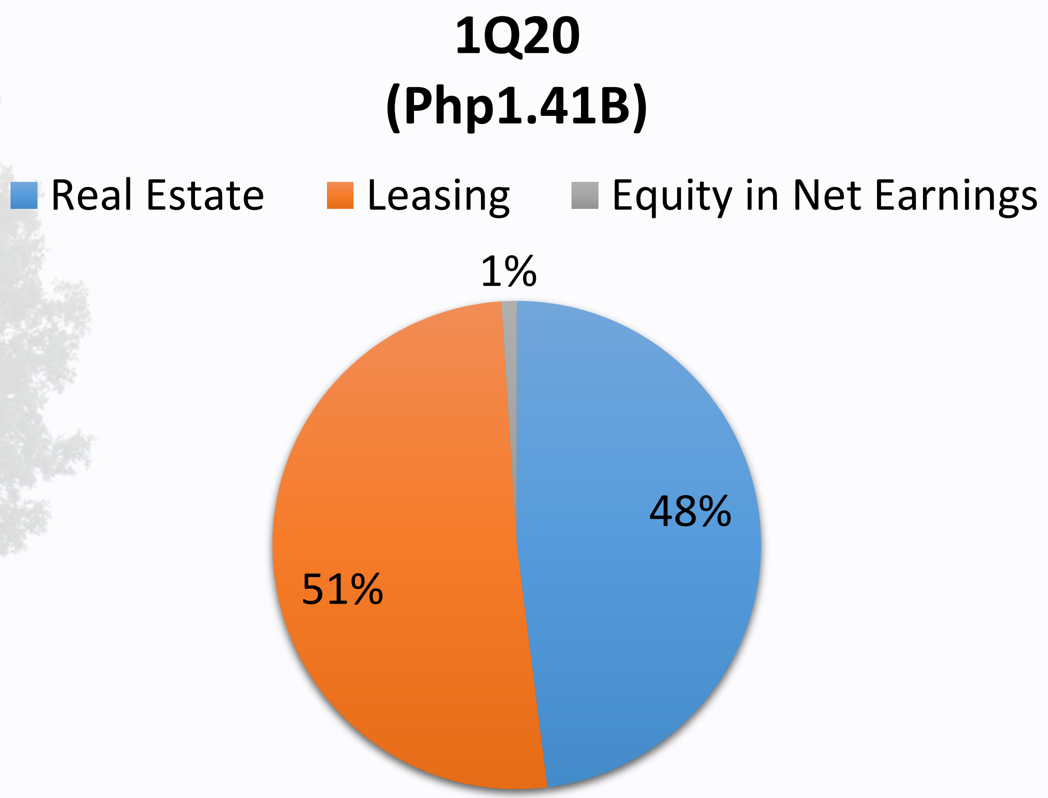
Stable Margins

	1Q20	1Q19
GPM of real estate sales	41%	42%
GPM of rental services	79%	78%
% of G&A to Revenues	8.5%	6.5%
% of S&M to Revenues	4.9%	5.0%
Tax rate	20%	24%
Net income margin	27%	26%

- Improved GPM of rental services due to higher office leasing revenue as a result of high occupancy
- % of G&A to revenues increased due to fixed costs that were not backed up by revenues

Balanced income mix from residential development and office/retail leasing



Php 2.1B worth of new projects in 1Q20

Project	Type	Location	Est. Sales Value (Php M)
Tropics 4 Phase 1	Horizontal	Rizal	260
Futura Vinta	MRB	Zamboanga	785
Studio N (Block 50)	HRB	Alabang	1,031
TOTAL			**2,076**

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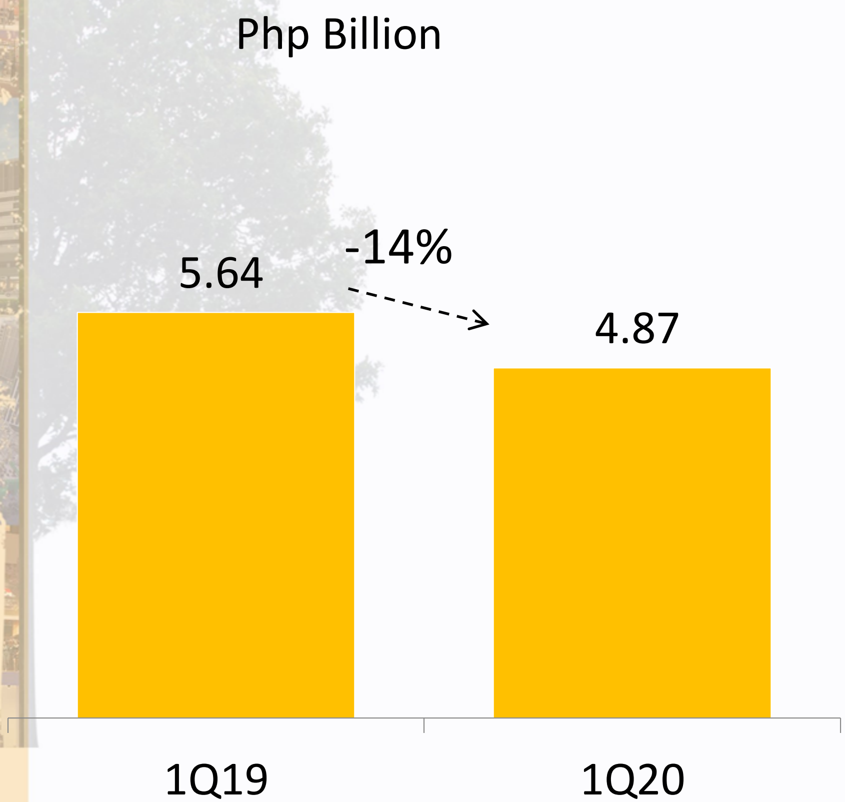
1Q20 Sales take-up declined 14%



Share of Sales Take Up	2019	1Q20
Socialized	1%	1%
Affordable/Middle Income	94%	93%
High-End / Other	5%	6%

	2019	1Q20
OFW Share of Sales Take Up	31%	25%

- Effect of Taal Volcano eruption and COVID-19

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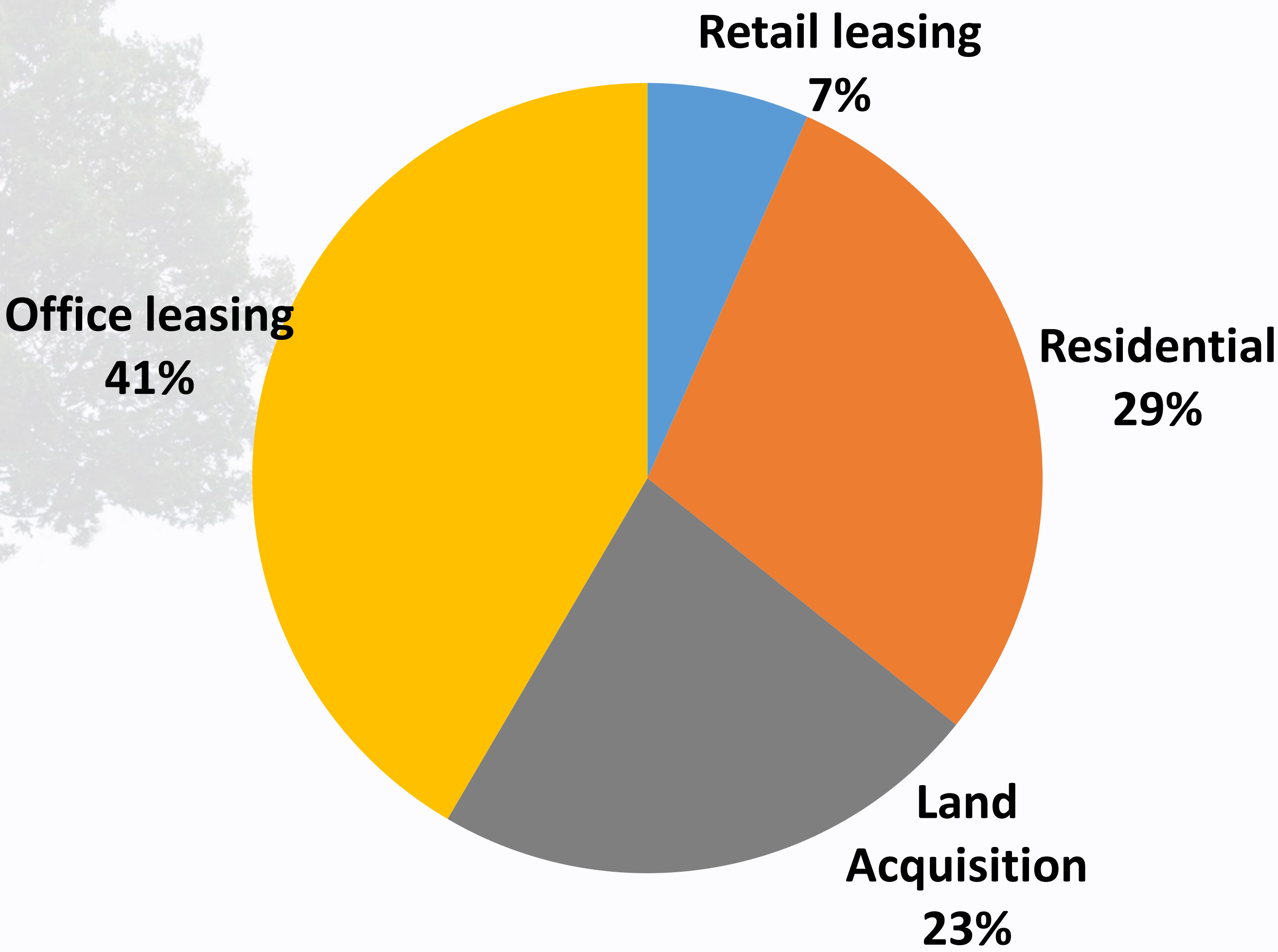
CAPEX spent for 1Q20: Php3.4B



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Debt level remains moderate

	March 31, 2020 (Php M)	Dec. 31, 2019 (Php M)	Change (%)
Total Assets	177,115	173,696	+2%
Total Borrowings	64,956	63,413	+2%
Net Debt	59,618	58,639	+2%
Stockholders' Equity	73,575	72,164	+2%
D/E Ratio	0.88x	0.88x	
Net D/E Ratio	0.81x	0.81x	

- 98% fixed rate vs. 2% floating rate debt
- 100% Peso debt
- Overall average cost of debt at 5.09%
- Retail Bonds account for 43% of total outstanding debt

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Outlook for 2020

Residential Market

- Reduced launches from Php30 Billion to Php 13.4 Billion worth of new residential projects
- MRB product segment in urban areas or key regional centers to take lion's share of developments
- Continued focus on core end-user market
- Selective expansion in new territories for both MRB and housing products
- Sales take-up expected to decline significantly
- Extended payment terms to continue to keep affordability levels for families

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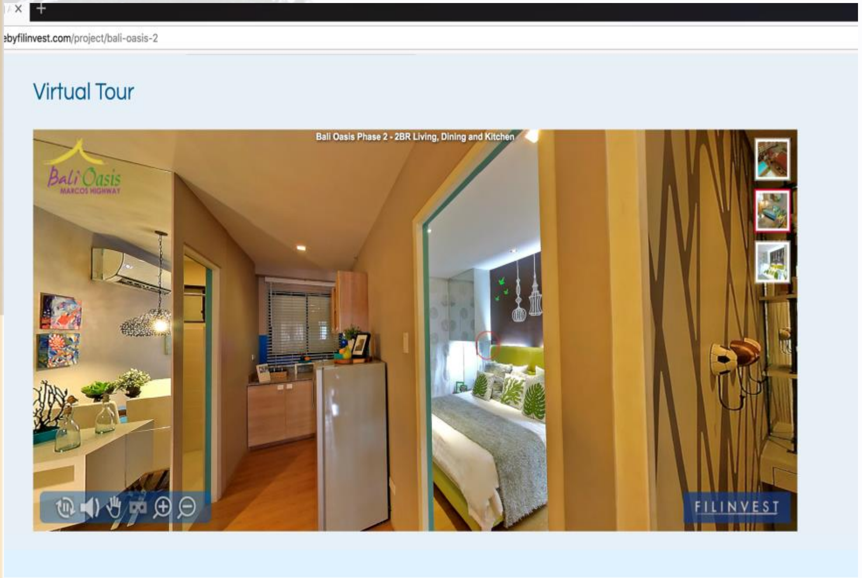
Optimization of Digital Marketing

Use of technology for:

- virtual site tours
- online reservation system
- online payment systems
- online sales training



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Investment Properties

- Construction delays due to ECQ to impact 72,000 sq m of the 210,000 square meters under construction and due for completion in 2020; 72,000 sq m to slide to 2021
- Under the adjusted plans, the following are scheduled for completion in 2020:
  - Office : 75,000 sq m of GLA (14% increase from 2019)
    - Axis Four
    - Studio 7
  - Retail: 5,000 sq m of GLA
    - Studio 7
    - Clark Retail Strip Phase 2
  - Dormitel: Clark Mimosa Lodgeplus

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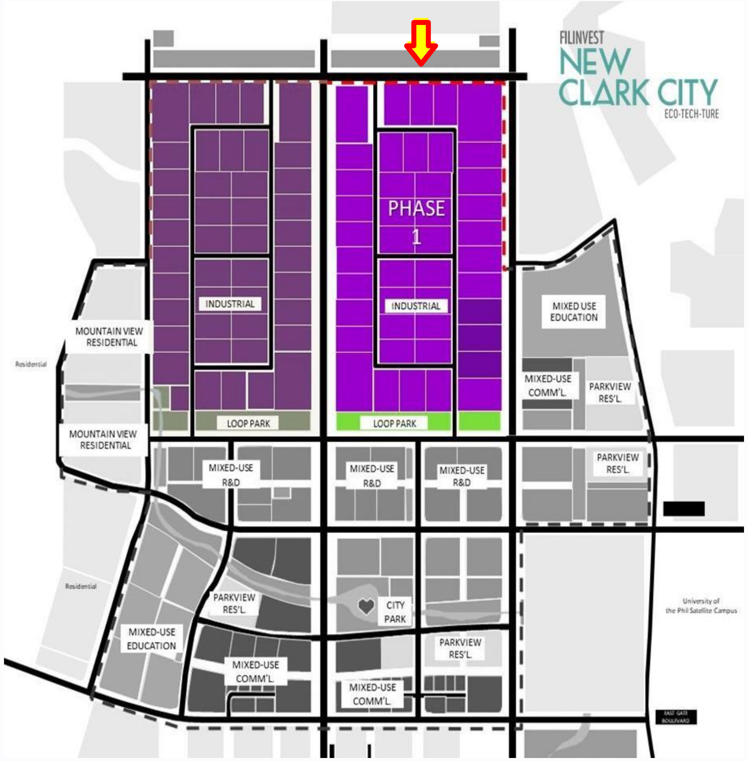
Filinvest Innovation Park at New Clark City

- Heightened interest from light manufacturing and logistics companies
- Ready to accommodate construction of locators by 3Q20



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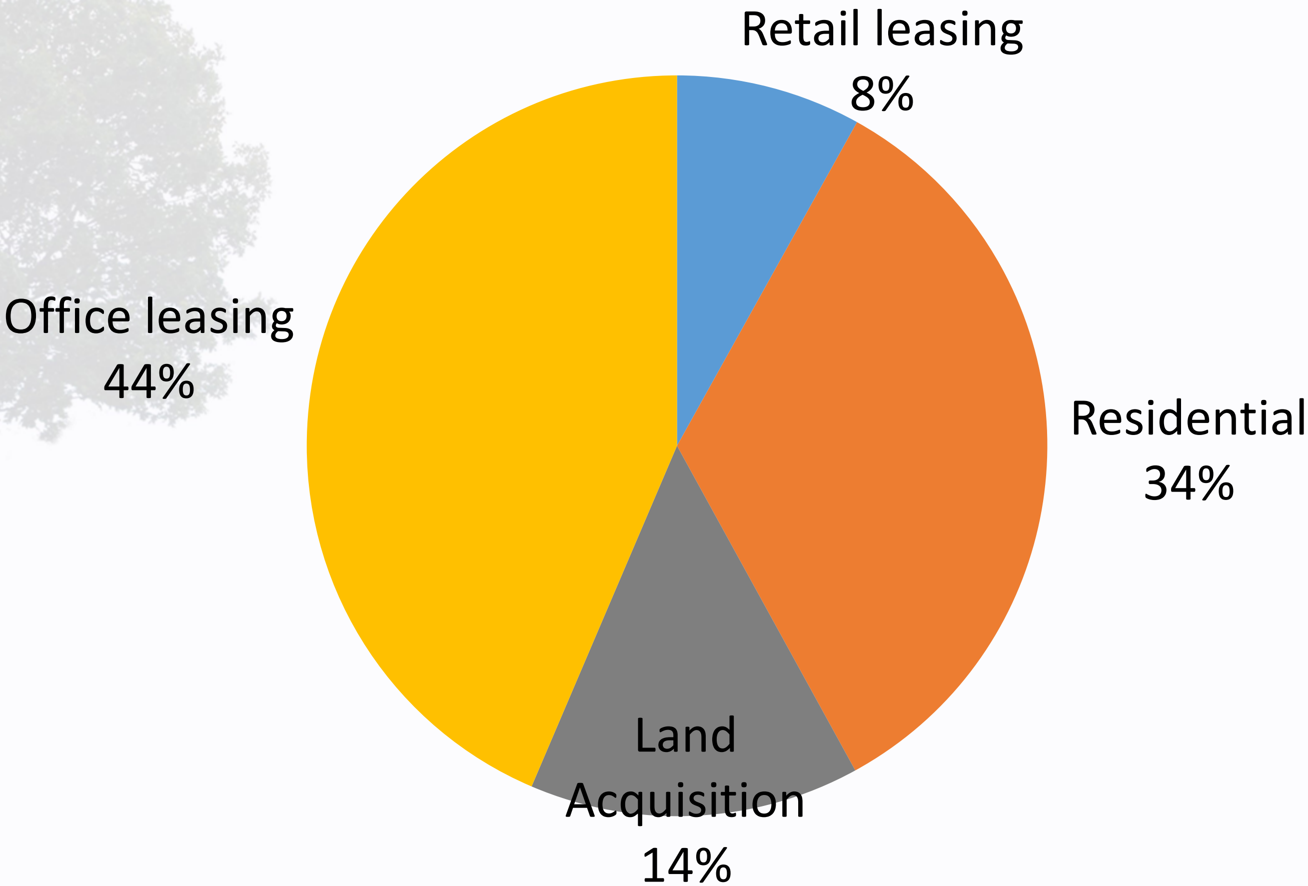
2020 Planned Capital Expenditures of P16 Billion, 20% lower than 2019



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Key Takeaways

- Close to reaching a balanced portfolio of 50% Investment Properties and 50% Residential Development in line with thrust to grow recurring income base of stable cashflows
- 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 and minimal exposure to retail bode well in the light of the ECQ during the COVID-19 pandemic

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