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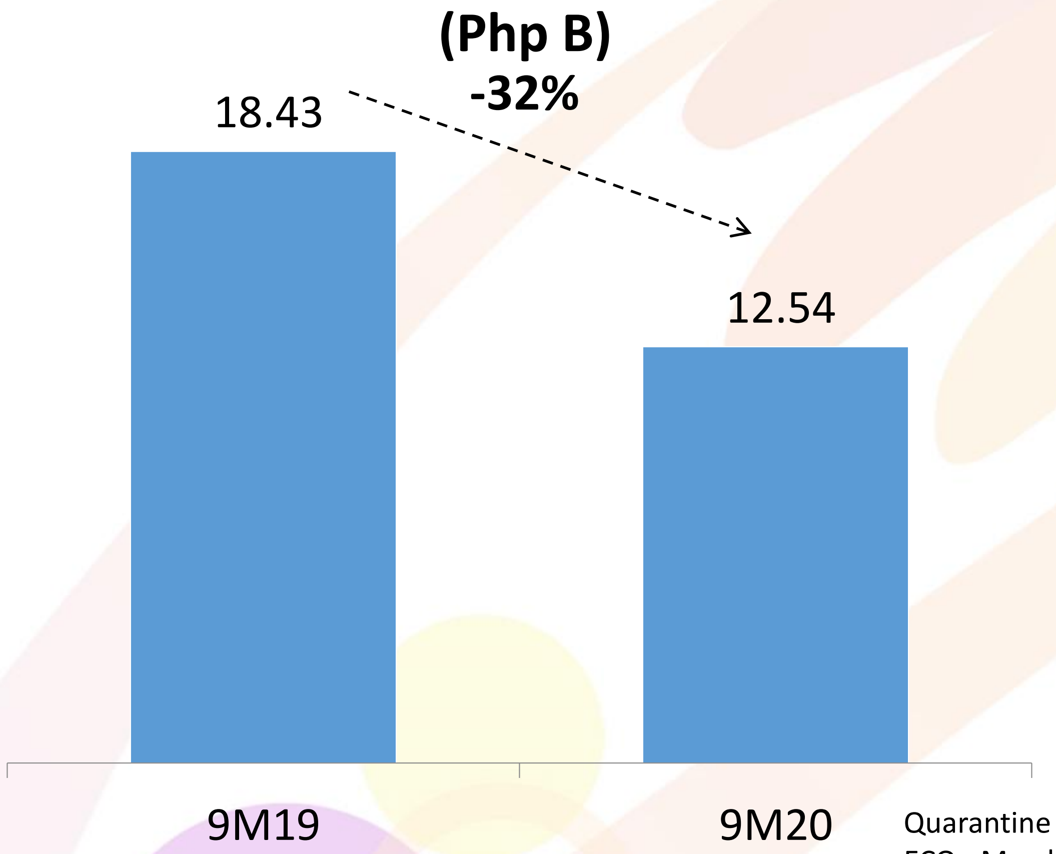
9M2020 Analysts Briefing

November 17, 2020

9M20 Key Messages

- FLI Total Revenues are down for 9M20 resulting from delayed completion, rental waivers and deferred customer collections resulting from the quarantine period and Bayanihan1
- Office Rentals continued to show 17% growth for 9M20
- 3Q20 Real estate revenues increased 45% vs 2Q20
- CAPEX is reduced as new launches are pushed back to 2021 with more emphasis on selling existing inventory and RFOs and leasing out on-going projects under construction

9M20 Total Revenues



Quarantine Period
ECQ : March 16 to May 17
MECQ : May 18 to May 31
GCQ : June – July
MECQ: August
GCQ: September

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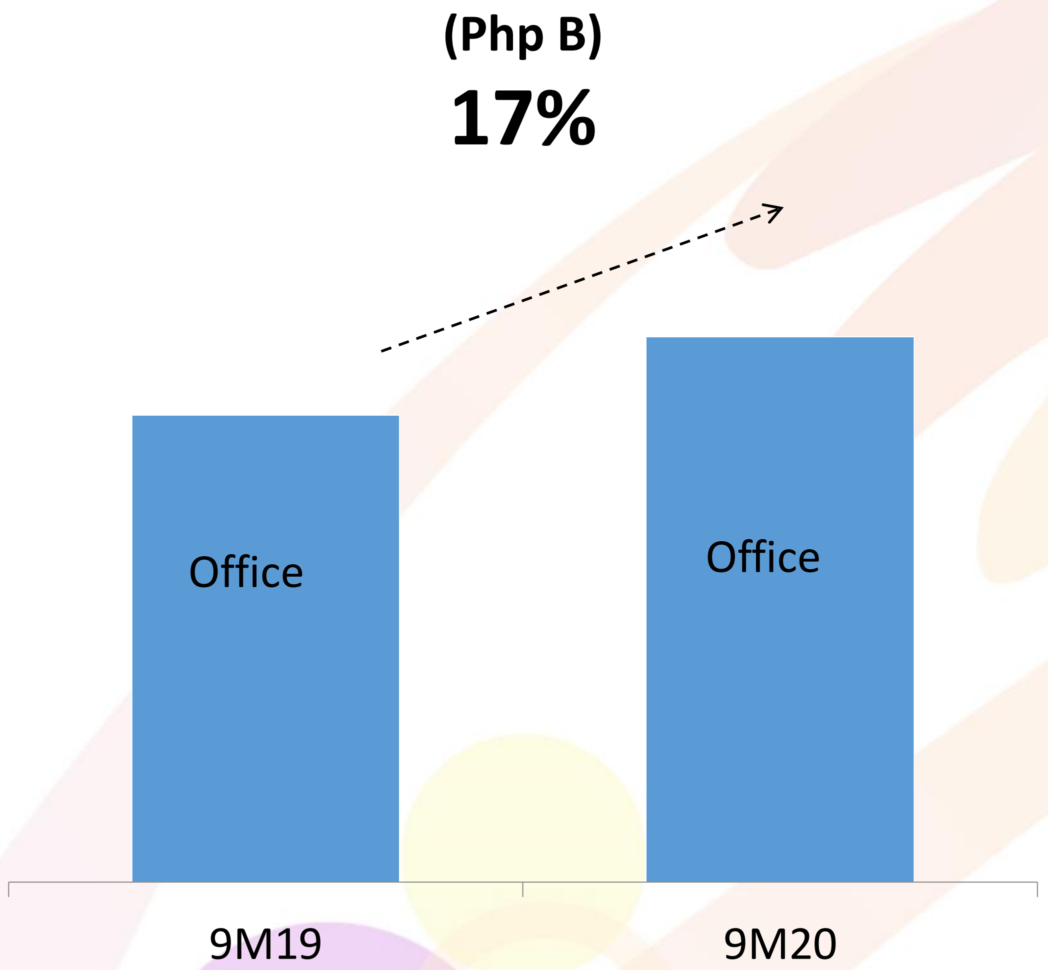
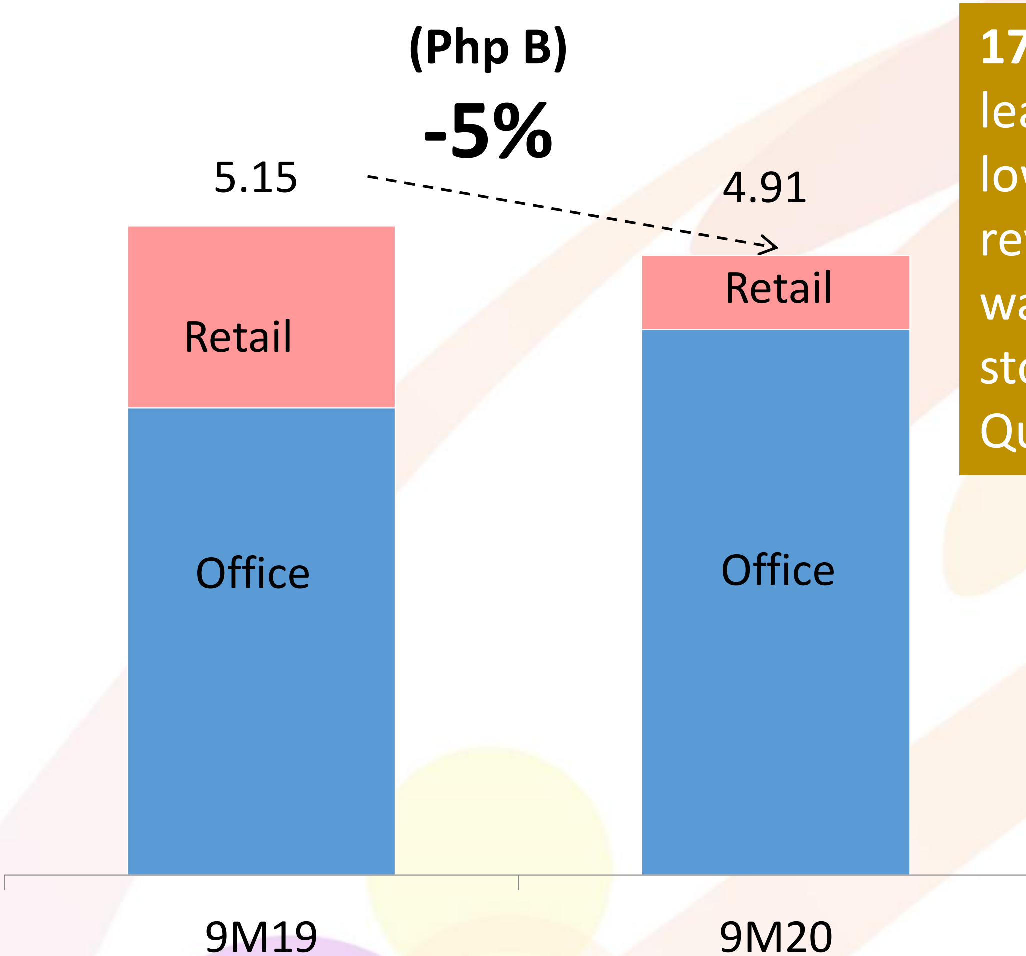
9M20 Office Rental Revenues



9M20 Rental Services Revenues



17% growth in office leasing tipped by lower retail mall revenues due to rent waiver for closed stores during the Quarantine period.

(in Php M)	9M19	9M20
Offices	3.70	4.32
Retail	1.44	0.59

Quarantine Period
ECQ : March 16 to May 17
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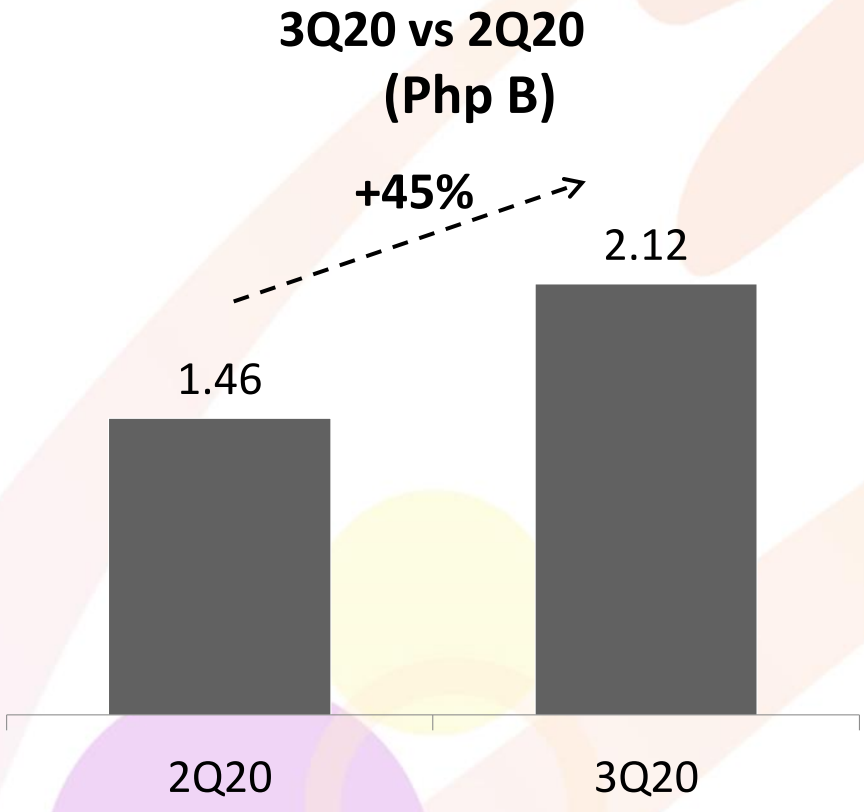
Real Estate Revenues

- Significant recovery in 3Q20 compared to 2Q20



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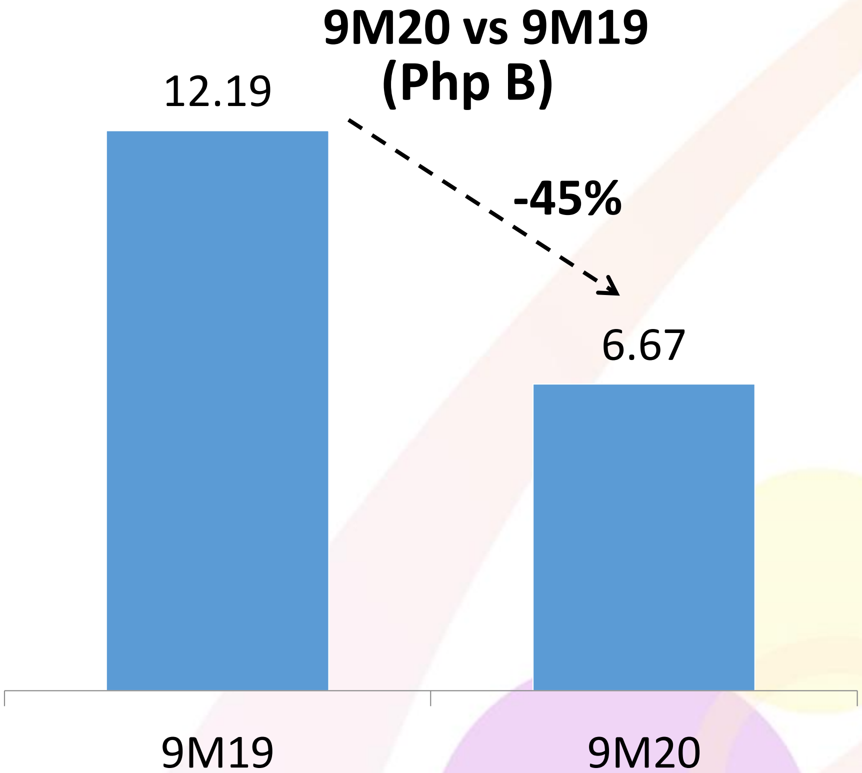
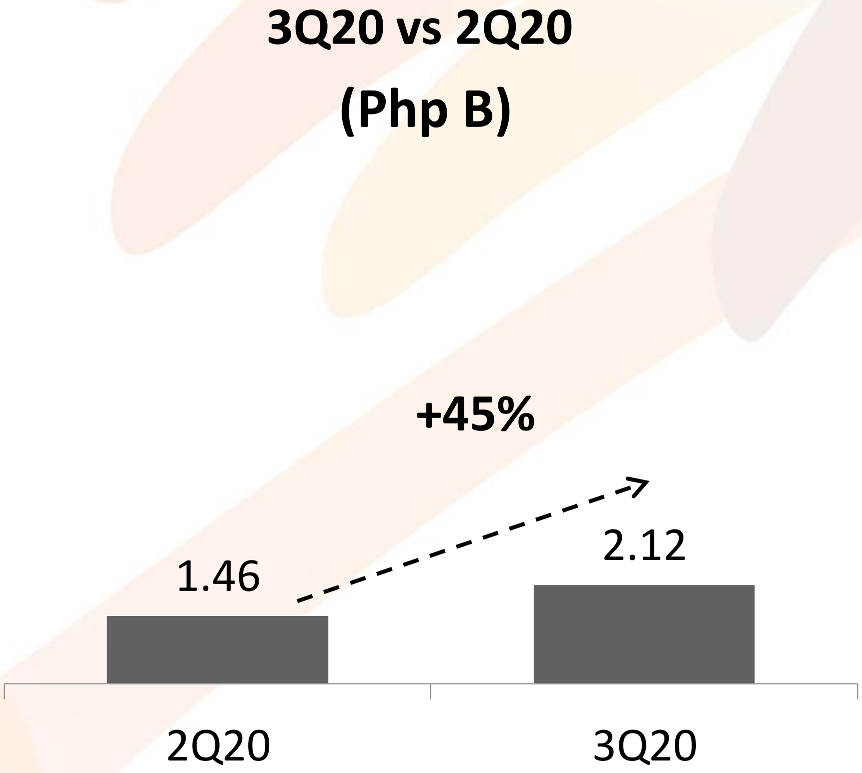
Real Estate Revenues

- 9M20 real estate revenues reduced by the Bayanihan1 deferment of customer payments and construction restrictions during the quarantine period.





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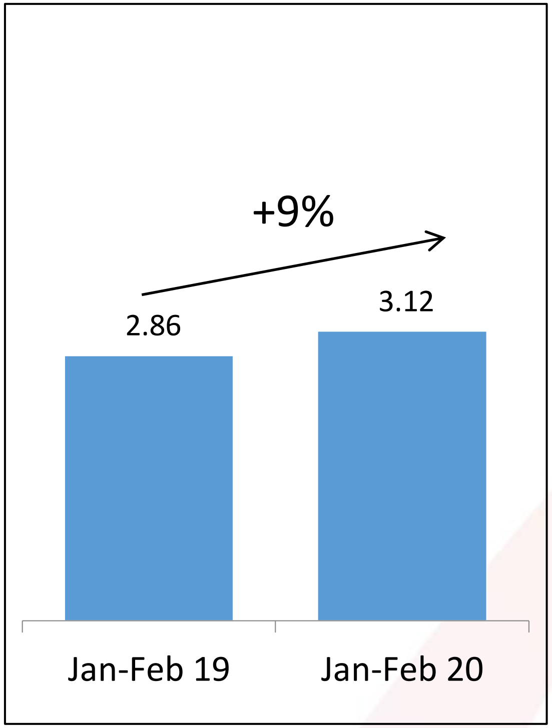
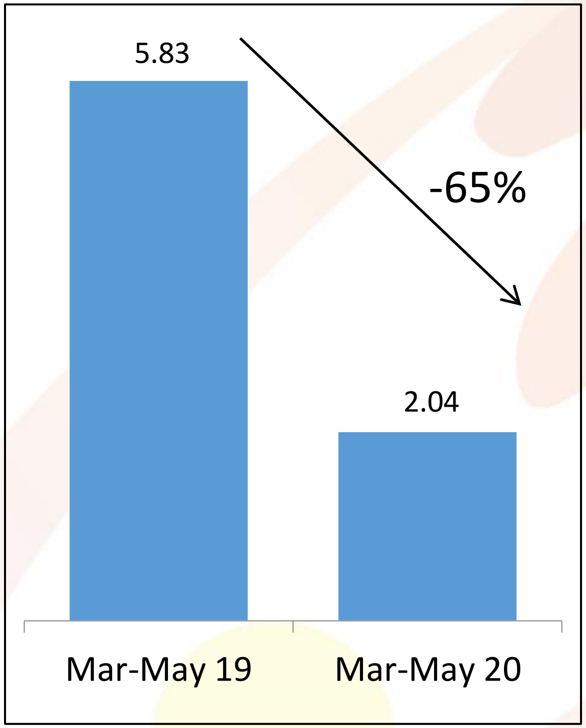
9M20 Sales Take-up
(in billion pesos)

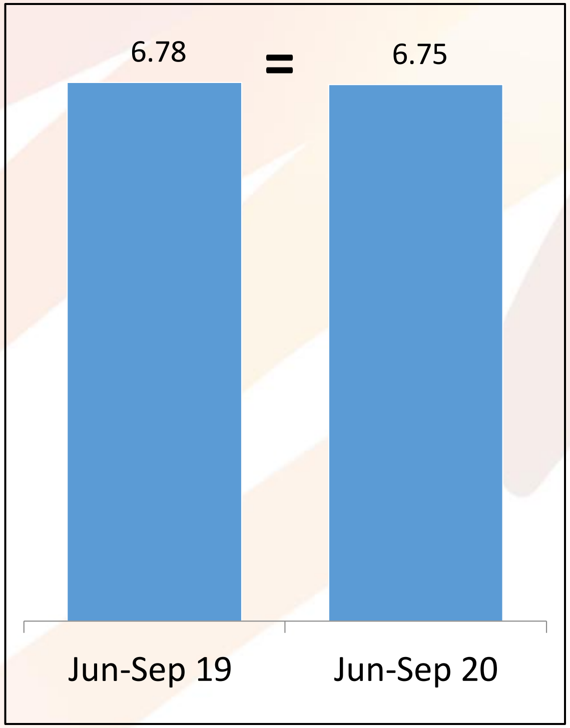
V-shaped recovery in the GCQ period



Pre-ECQ



ECQ/MECQ



Jun-Jul GCQ
Aug MECQ
Sep GCQ

	2019	9M20
OFW Share of Sales Take Up	31%	20%

9M20 Net income declined 40%

Php M	9M19	9M20
Revenues	**18,428**	**12,536**
Real estate	12,187	6,673
Rental Revenues	5,147	4,914
Interest and other income	759	403
Equity in net earnings	335	546
Costs	**8,422**	**4,866**
Cost of real estate sales	7,249	3,869
Cost of rental services	1,173	997
Operating Expenses	**4,484**	**4,533**
General and administrative	1,421	1,340
Selling and marketing	1,044	674
Interest expense and financing char	2,019	2,519
Income before income tax	**5,522**	**3,137**
Provision for income tax	996	327
Net Income	**4,526**	**2,810**
Net income att. to equity holders of	**4,365**	**2,634**

- 32% drop in total revenues partially offset by **42%** decline in direct costs resulting to increased gross margins.

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Stable Margins

	9M19	9M20
GPM of real estate sales	41%	42%
GPM of rental services	77%	80%
% of G&A to Revenues	7.7%	10.7%
% of S&M to Revenues	5.7%	5.4%
Tax rate	18%	10%
Net income margin	25%	22%

- 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 to revenues due to fixed costs without corresponding revenues generated.

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Php 3.7B worth of New Launches in 9M20

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
Sorrento Bldg. P	MRB	Pasig	1,579
TOTAL			3,655

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Strong and Stable Financial Position

	Sept. 30, 2020 (Php M)	Dec. 31, 2019 (Php M)	Change (%)
Total Assets	179,214	173,696	+3%
Total Borrowings	66,302	63,413	+5%
Net Debt	61,433	58,639	+5%
Stockholders' Equity	73,238	72,164	+1%
D/E Ratio	0.91x	0.88x	
Net D/E Ratio	0.84x	0.81x	

- 97% fixed rate and 3% floating
- 100% peso debt
- Overall cost of debt is 5.15%
- Retail bonds is 42% of total FLI debt.

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Bond Payment and New Bond Issuance

- On Nov. 9, 2020, FLI paid off its P4.3 billion bond maturity.
- On Nov. 18,2020, FLI will issue a new Bond of up to P6.75 billion with oversubscription option.
- 3-year bonds due 2023 at **3.3353%** and 5.5-year bonds due 2026 at **4.1838%** per annum
- PRS Aaa rating by PhilRatings :
  - the company has an established brand name and track record, with geographically diverse real estate products and substantial land bank for future expansion.
  - it has sound growth strategies, focused on building a balanced mix of real estate sales and recurring income.
  - it has positive cash flows and steady recurring revenue generation amid the current pandemic crisis.

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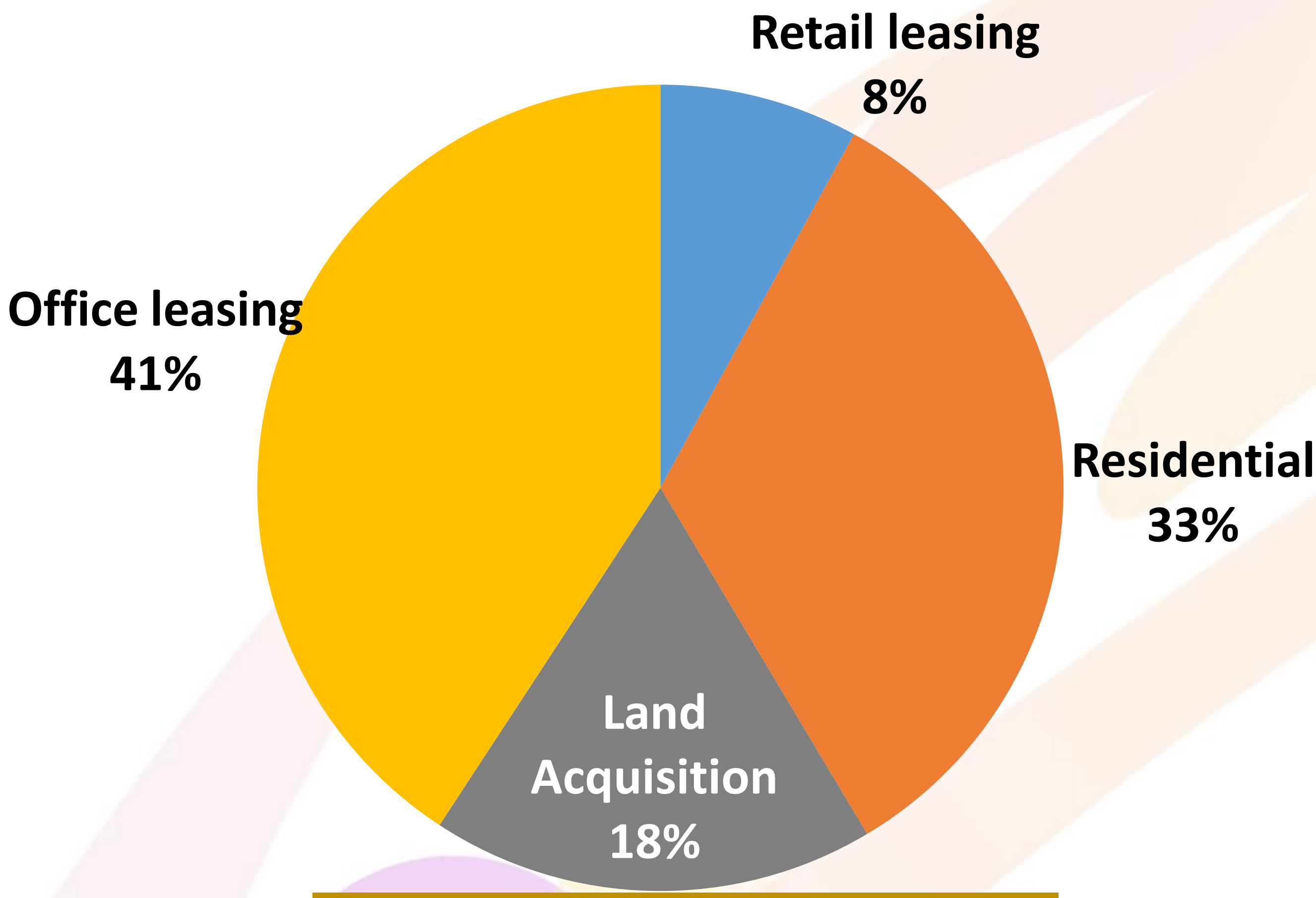
CAPEX spent for 9M20: Php8.2 B



Land Acquisition: mostly remaining payables of past acquisitions

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Key Takeaways

- Significant recovery in the residential business in 3Q20 vs 2Q20 as the country transitioned to GCQ.
- 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.

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