



D.M. Wenceslao and Associates, Inc.’s net income reaches ₱2.13 billion in 2020

Paranaque City, Philippines, March 15, 2021 – D.M. Wenceslao and Associates, Incorporated (PSE: DMW) (“DMWAI” or “the Company”) reported today its financial and operating results for full-year 2020. The Company recorded consolidated revenues of ₱2.73 billion, a 22% decrease from ₱3.51 billion reported last year. Net income attributable to equity holders reached ₱2.13 billion in 2020, a 10% decline from the ₱2.37 billion disclosed in 2019.

DMWAI’s residential segment finished strong in 2020, registering a substantial 37% increase totaling ₱749.3 million compared to the ₱547.65 million reported in the same period last year. As of December 2020, the Company has successfully turned over 91% of its inventory and recognized revenues amounting to ₱1.25 billion for its first residential project, Pixel Residences.

Recurring income consisting of rentals from land, building, and other revenues such as common use service area fees continued to provide a robust source of revenue for the Company, accounting for 72% or ₱1.96 billion of the total revenues for 2020. Notwithstanding the threats posed by the COVID-19 pandemic, the Company’s building leasing portfolio maintained a healthy occupancy rate of 93%.

“While 2020 proved to be a uniquely challenging year that caused unparalleled economic disruption globally, the risks that the pandemic posed in our business operations have been minimal,” said Mr. Delfin Angelo ‘Buds’ Wenceslao, Chief Executive Officer.

“Despite the uncertainty brought upon by this pandemic, our leasing business proved to be a solid source of recurring income as our lease portfolio is spread across various industries with diverse area requirements and commercial considerations. Our residential segment continued to deliver favorable results for the year. Our performance in 2020 is reflective of not only the resiliency and scalability of our diversified business streams but also the execution capabilities of the DMWAI team,” Mr. Wenceslao added.



In 2020, DMWAI has successfully deployed ₱5.04 billion or 66% of its net proceeds from its initial public offering for the development of its pipeline projects. By the succeeding year, the Company will see the completion of two (2) projects in its pipeline – 8912 Asean Ave., DMWAI’s largest office project to date in 2Q2021, and Parqal, an integrated mixed-use development slated for completion in 4Q2021. Upon its completion, these projects will boost DMWAI’s available gross leasable area by 140,000 sqm., and further strengthen its recurring income streams.

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ABOUT D.M. WENCESLAO & ASSOCIATES, INCORPORATED

DMW is an integrated property developer with expertise in land reclamation, construction, and real estate development. It is the master developer and primary owner of Aseana City, a development project with a total land area of 107.5 hectares located along the coastal waters of Manila Bay. Since 1965, DMW has reclaimed more than 2.4 million square meters of land, leased or developed 250,000 square meters of land and buildings, and completed over 140 construction and infrastructure projects including large, complex government developments throughout the Philippines. For further information, visit dmwai.com or contact iro@dmwai.com

D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES
(A Subsidiary of Wendel Holdings Co., Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019
(Amounts in Philippine Pesos)

	Notes	2020	2019
<u>A S S E T S</u>			
CURRENT ASSETS			
Cash and cash equivalents	7	P 4,429,489,615	P 5,211,402,211
Receivables - net	8	2,275,082,617	2,176,743,945
Contract asset		92,002,207	54,191,980
Land and land development costs	10	2,112,536,724	2,012,493,650
Property development costs	9	1,068,576,685	1,168,060,707
Other current assets	11	1,873,156,317	2,886,384,807
Total Current Assets		11,850,844,165	13,509,277,300
NON-CURRENT ASSETS			
Receivables	8	3,573,191,833	3,209,017,185
Contract asset		-	194,820,970
Investments in associates and joint ventures	12	87,884,681	61,871,150
Property and equipment - net	13	383,176,746	442,141,052
Investment properties - net	14	15,539,479,767	12,572,688,197
Deferred tax assets		192,274,139	170,935,989
Other non-current assets	16	1,243,180,114	1,106,046,366
Total Non-current Assets		21,019,187,280	17,757,520,909
TOTAL ASSETS		P 32,870,031,445	P 31,266,798,209

	Notes	2020	2019
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Loans and borrowings	17	P 1,114,670,000	P 114,670,000
Trade and other payables	18	1,802,321,718	1,695,401,377
Contract liability		486,576,915	130,492,147
Advances from a co-joint venturer		-	1,040,026,017
Advances from related parties	23	4,033,118,154	4,311,708,305
Deposits and advances	19	921,641,564	1,097,274,022
Lease Liability		11,282,400	11,282,400
Total Current Liabilities		<u>8,369,610,751</u>	<u>8,400,854,268</u>
NON-CURRENT LIABILITIES			
Loans and borrowings	17	282,350,000	397,050,000
Contract Liability		204,234,787	424,242,984
Deposits and advances	19	473,332,036	452,607,619
Deferred tax liabilities		1,056,709,662	902,261,528
Lease Liability	15	154,244,514	153,101,312
Retirement benefit obligation		45,264,808	3,497,504
Total Non-current Liabilities		<u>2,216,135,807</u>	<u>2,332,760,947</u>
Total Liabilities		<u>10,585,746,558</u>	<u>10,733,615,215</u>
EQUITY			
Equity attributable to holders of the parent company			
Capital stock	26	3,395,864,100	3,395,864,100
Additional paid-in capital		6,964,649,807	6,964,649,807
Revaluation reserves - net		(61,251,333)	(8,143,620)
Other reserves		(275,974,845)	(275,974,845)
Retained earnings		11,681,066,379	9,910,340,671
Total equity attributable to holders of the parent company		21,704,354,108	19,986,736,113
Noncontrolling interest		579,930,779	546,446,881
Total Equity		<u>22,284,284,887</u>	<u>20,533,182,994</u>
TOTAL LIABILITIES AND EQUITY		<u>P 32,870,031,445</u>	<u>P 31,266,798,209</u>

See Notes to Consolidated Financial Statements.

D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES
(A Subsidiary of Wendel Holdings Co., Inc.)
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
(Amounts in Philippine Pesos)

	Notes	2020	2019	2018
REVENUES				
Rentals:				
Land	4, 15, 26, 29	P 978,480,504	P 979,051,345	P 965,248,664
Building	4, 15, 26, 29	809,094,738	793,491,115	762,108,933
Other revenues	2	172,690,275	186,239,052	173,841,016
		<u>1,960,265,517</u>	<u>1,958,781,512</u>	<u>1,901,198,613</u>
Construction contracts	2, 4	24,802,115	71,107,851	130,524,057
Land sales	2, 4	-	935,850,000	1,252,800
Sale of condominium units	2, 4	749,297,294	547,652,588	119,351,066
		<u>2,734,364,926</u>	<u>3,513,391,951</u>	<u>2,152,326,536</u>
COSTS OF SERVICES AND SALES				
Rentals	23			
Rentals	21	237,283,824	267,201,442	212,361,243
Construction contracts	21	16,372,838	45,901,447	61,508,781
Land sales	11	-	66,743,881	40,078
Sale of condominium units	2, 10, 21	409,473,489	314,461,056	72,875,718
		<u>663,130,151</u>	<u>694,307,826</u>	<u>346,785,820</u>
GROSS PROFIT		<u>2,071,234,775</u>	<u>2,819,084,125</u>	<u>1,805,540,716</u>
OTHER OPERATING INCOME (EXPENSES)				
General and administrative	23	(462,477,833)	(473,632,491)	(477,827,022)
Selling	23	(36,385,809)	(128,823,478)	(64,902,124)
Other Operating Income	22	147,977,154	54,255,794	109,524,290
		<u>(350,886,488)</u>	<u>(548,200,175)</u>	<u>(433,204,856)</u>
OPERATING PROFIT		<u>1,720,348,287</u>	<u>2,270,883,950</u>	<u>1,372,335,860</u>
OTHER INCOME (CHARGES)				
Finance costs	18, 22, 24	(41,061,721)	(98,524,967)	(69,851,542)
Finance income	8, 22	91,468,484	297,338,273	69,523,005
Share in net losses of associates and joint ventures	13	26,013,531	6,036,685	6,307,878
Dividend income		2,940,008	1,470,004	-
Other income	4, 13, 22	1,000,000,000	850,000,000	1,200,000,000
		<u>1,079,360,302</u>	<u>1,056,319,995</u>	<u>1,205,979,341</u>
PROFIT BEFORE TAX		<u>2,799,708,589</u>	<u>3,327,203,945</u>	<u>2,578,315,201</u>
TAX EXPENSE	25	<u>635,499,450</u>	<u>1,075,233,429</u>	<u>657,518,863</u>
NET PROFIT		<u>P 2,164,209,139</u>	<u>P 2,251,970,516</u>	<u>P 1,920,796,338</u>
Net profit attributable to:				
Equity holders of the parent company		P 2,130,725,241	P 2,374,037,110	P 1,911,245,490
Noncontrolling interest		<u>33,483,898</u>	<u>(122,066,594)</u>	<u>9,550,848</u>
		<u>P 2,164,209,139</u>	<u>P 2,251,970,516</u>	<u>P 1,920,796,338</u>
Earnings Per Share - Basic and Diluted	23	<u>P 0.627</u>	<u>P 0.699</u>	<u>P 0.625</u>

See Notes to Consolidated Financial Statements.

D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES
(A Subsidiary of Wendel Holdings Co., Inc.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
(Amounts in Philippine Pesos)

	Notes	2020	2019	2018
NET PROFIT		<u>P 2,164,209,139</u>	<u>P 2,251,970,516</u>	<u>P 1,920,796,338</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss				
Remeasurements of post-employment defined benefit plan	24	(38,431,996)	27,514,967	(25,441,148)
Tax income (expense)	25	<u>11,529,599</u>	(<u>8,254,490</u>)	<u>7,632,344</u>
		(26,902,397)	19,260,477	(17,808,804)
Fair valuation of financial assets at fair value through other comprehensive income	17, 28	(<u>26,205,316</u>)	<u>1,120,238</u>	<u>219,645</u>
Other Comprehensive Income (Loss) – net of tax	28	(53,107,713)	<u>20,380,715</u>	(17,589,159)
TOTAL COMPREHENSIVE INCOME		<u><u>P 2,111,101,426</u></u>	<u><u>P 2,272,351,231</u></u>	<u><u>P 1,903,207,179</u></u>
Total comprehensive income attributable to:				
Equity holders of the parent company		<u>P 2,077,617,528</u>	<u>P 2,394,417,825</u>	<u>P 1,893,656,331</u>
Noncontrolling interest		<u>33,483,898</u>	(<u>122,066,594</u>)	<u>9,550,848</u>
		<u><u>P 2,111,101,426</u></u>	<u><u>P 2,272,351,231</u></u>	<u><u>P 1,903,207,179</u></u>

See Notes to Consolidated Financial Statements.

D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES
(A Subsidiary of Wendel Holdings Co., Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
(Amounts in Philippine Pesos)

Note	Atributable to Shareholders of the Parent Company							Noncontrolling Interest	Total Equity
	Capital Stock	Additional Paid-in Capital	Revaluation Reserves	Other Reserves	Retained Earnings		Total		
					Unappropriated	Appropriated			
Balance at January 1, 2020	P 3,395,864,100	P 6,964,649,807	(P 8,143,620)	(P 275,974,845)	P 8,710,340,671	P 1,200,000,000	P 19,986,736,113	P 546,446,881	P 20,533,182,994
Cash dividend declared	-	-	-	-	(359,999,533)	-	(359,999,533)	-	(359,999,533)
Net profit for the year	-	-	-	-	2,130,725,241	-	2,130,725,241	33,483,898	2,164,209,139
Other comprehensive income for the year	-	-	(53,107,713)	-	-	-	(53,107,713)	-	(53,107,713)
Balance at December 31, 2020	P 3,395,864,100	P 6,964,649,807	(P 61,251,333)	(P 275,974,845)	P 10,481,066,379	P 1,200,000,000	P 21,704,354,108	P 579,930,779	P 22,284,284,887
Balance at January 1, 2019	P 3,395,864,100	P 6,964,649,807	(P 28,524,335)	(P 275,974,845)	P 6,941,450,177	P 1,200,000,000	P 18,197,464,904	P 668,513,475	P 18,865,978,379
Effect of consolidation of a subsidiary	-	-	-	-	(80,634,966)	-	(80,634,966)	-	(80,634,966)
Cash dividend declared	-	-	-	-	(524,511,650)	-	(524,511,650)	-	(524,511,650)
Net profit for the year	-	-	-	-	2,374,037,110	-	2,374,037,110	(122,066,594)	2,251,970,516
Other comprehensive income for the year	-	-	20,380,715	-	-	-	20,380,715	-	20,380,715
Balance at December 31, 2019	P 3,395,864,100	P 6,964,649,807	(P 8,143,620)	(P 275,974,845)	P 8,710,340,671	P 1,200,000,000	P 19,986,736,113	P 546,446,881	P 20,533,182,994
Balance at January 1, 2018	P 2,716,691,200	-	(P 10,935,176)	(P 275,974,845)	P 5,030,204,687	P 1,200,000,000	P 8,659,985,866	P 658,962,627	P 9,318,948,493
Issuances during the year	679,172,900	6,964,649,807	-	-	-	-	7,643,822,707	-	7,643,822,707
Net profit for the year	-	-	-	-	1,911,245,490	-	1,911,245,490	9,550,848	1,920,796,338
Other comprehensive loss for the year	-	-	(17,589,159)	-	-	-	(17,589,159)	-	(17,589,159)
Balance at December 31, 2018	P 3,395,864,100	P 6,964,649,807	(P 28,524,335)	(P 275,974,845)	P 6,941,450,177	P 1,200,000,000	P 18,197,464,904	P 668,513,475	P 18,865,978,379

See Notes to Condensed Consolidated Interim Financial Statements.

D.M. WENCESLAO & ASSOCIATES, INCORPORATED AND SUBSIDIARIES
(A Subsidiary of Wendel Holdings Co., Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
(Amounts in Philippine Pesos)

	Notes	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 2,799,708,589	P 3,327,203,945	P 2,578,315,201
Adjustments for:				
Other income		(1,000,000,000)	-	-
Depreciation and amortization	14, 15, 16	180,090,808	149,241,253	134,627,187
Interest income	22	(91,468,484)	(296,920,773)	(66,668,597)
Finance costs	22	39,767,185	98,347,073	69,851,542
Share in net earnings of associates and joint ventures	13	(26,013,531)	(6,036,685)	(6,307,878)
Unrealized foreign currency losses (gains) - net		1,294,536	177,894	(2,854,408)
Dividend income		-	(1,470,004)	-
Fair value gain in financial assets at FVTPL	22	-	(417,500)	-
Operating profit before working capital changes		<u>1,903,379,103</u>	<u>3,270,125,203</u>	<u>2,706,963,047</u>
Increase in receivables		(455,873,794)	(639,659,242)	(724,886,883)
Decrease (increase) in contract asset		157,010,743	(82,360,613)	(119,351,065)
Increase in land and land development costs		(100,043,074)	(45,711,473)	(193,183,087)
Decrease (increase) in property development costs		99,484,022	(58,818,239)	(116,302,673)
Decrease (increase) in other assets		(625,110,574)	644,606,851	(767,876,733)
Increase in trade and other payables		50,513,163	70,199,818	11,292,727
Increase in contract liability		136,076,571	344,275,310	86,131,768
Increase (decrease) in deposits and advances		(158,465,664)	249,880,833	174,168,373
Increase (decrease) in retirement benefit obligation		3,153,787	1,298,028	(65,371,122)
Cash generated from operations		<u>1,010,124,283</u>	<u>3,753,836,476</u>	<u>991,584,352</u>
Cash paid for income taxes	25	(434,452,689)	(522,750,448)	(13,251,558)
Interest received		<u>91,468,484</u>	<u>266,287,639</u>	<u>66,668,597</u>
Net Cash From Operating Activities		<u>667,140,078</u>	<u>3,497,373,667</u>	<u>1,045,001,391</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Construction in progress and development costs of investment properties	15	(3,076,360,542)	(1,306,139,986)	(417,451,274)
Maturities (investments) in short-term placements	12	1,475,000,000	(2,060,000,000)	(1,400,000,000)
Additional advances to related parties	26	(31,185,660)	(376,675,636)	(126,377,851)
Collection of advances to related parties	26	24,546,134	420,346,968	65,137,964
Acquisitions of property and equipment	14	(11,557,530)	(154,152,354)	(29,848,923)
Dividend received		<u>-</u>	<u>1,470,004</u>	<u>-</u>
Net Cash Used in Investing Activities		<u>(1,619,557,598)</u>	<u>(3,475,151,004)</u>	<u>(1,908,540,084)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of interest-bearing loans and borrowings	18	885,300,000	(1,417,200,000)	(1,552,982,945)
Cash dividends declared and paid by subsidiaries to its other shareholders	28	(359,999,533)	(404,512,000)	-
Repayments of advances from related parties	26	(318,616,168)	(323,999,539)	(44,882,438)
Finance costs paid		(23,602,439)	(83,386,399)	(85,592,203)
Repayments of lease liabilities	16	(11,282,400)	(10,764,618)	-
Cash dividends declared and paid to stockholders of parent company	28	-	(119,999,650)	-
Additional interest-bearing loans and borrowings	18	-	-	1,005,000,000
Proceeds from issuance of shares of stock	27	-	-	7,643,822,707
Advances received from related parties	26	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash From (Used in) Financing Activities		<u>171,799,460</u>	<u>(2,359,862,206)</u>	<u>6,965,365,121</u>
Effect of Changes in Foreign Exchange Rate on Cash and Cash Equivalents		<u>(1,294,536)</u>	<u>(177,894)</u>	<u>2,854,408</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		(781,912,596)	(2,337,817,437)	6,104,680,836
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>5,211,402,211</u>	<u>7,549,219,648</u>	<u>1,444,538,812</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 4,429,489,615	P 5,211,402,211	P 7,549,219,648

See Notes to Consolidated Financial Statements.