



FY 2020  
Analysts' Briefing

March 15, 2021

**MDW** **D.M. WENCESLAO**  
AND ASSOCIATES, INCORPORATED

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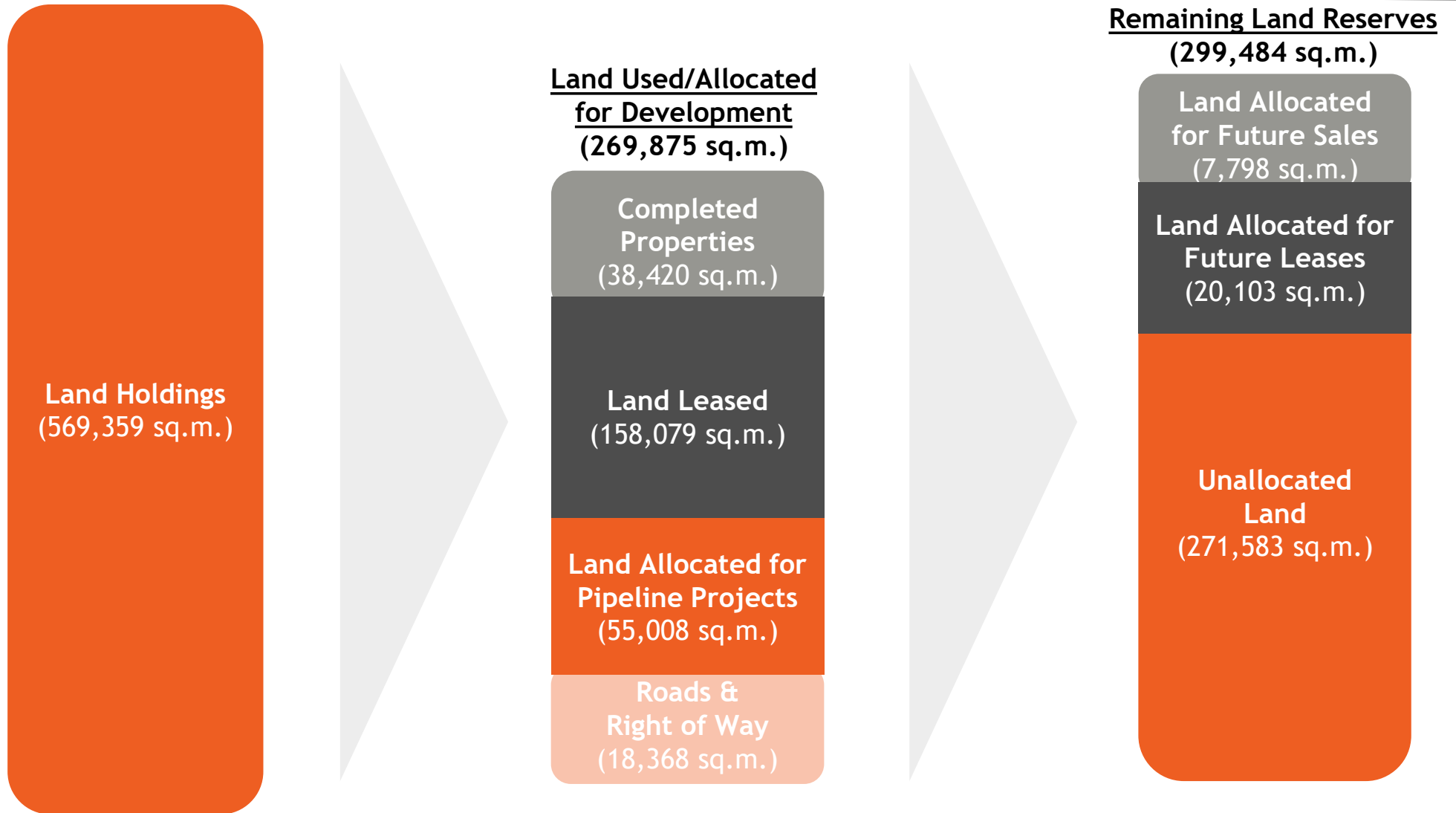
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- 2** Points of Focus
- 8** Development Pipeline
- 16** Operating and Financial Highlights
- 24** FY 2020 Summary
- 26** COVID-19 Response

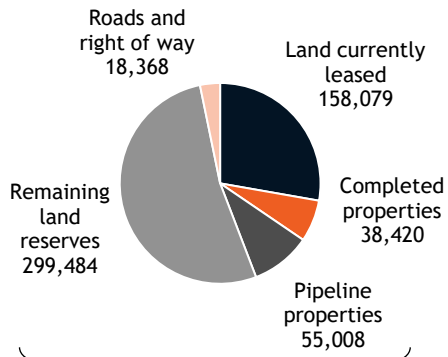
# Updated summary of land holdings in Aseana City



# Value of properties inside of Aseana City

## Owned Land Holdings

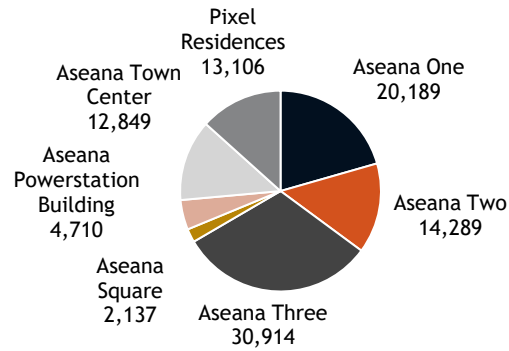
### Land area (sq.m.)



Total: 569,359 sq.m.

## Completed Properties<sup>(1)</sup>

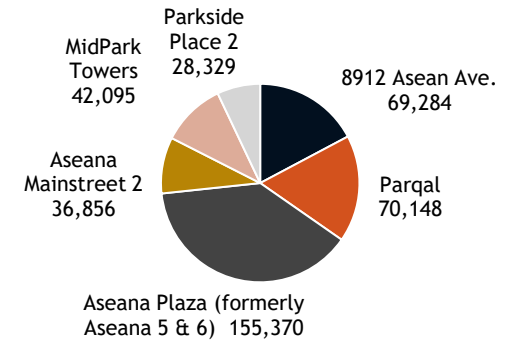
### Total leasable/saleable floor area (sq.m.)



Total: 98,193 sq.m.

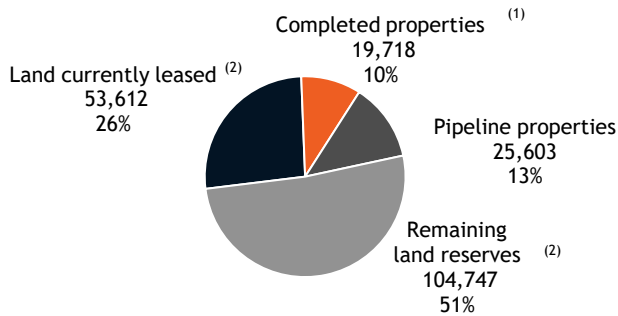
## Pipeline Properties

### Leasable/saleable floor area (sq.m.)



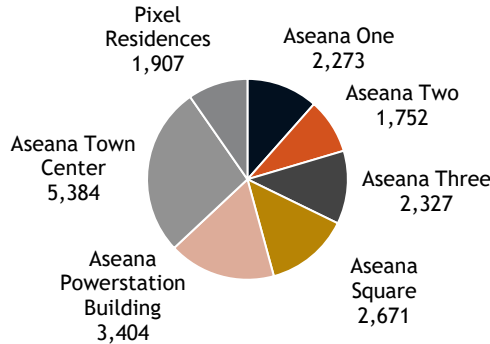
Total: 402,082 sq.m.

### Valuation (PHP mm)



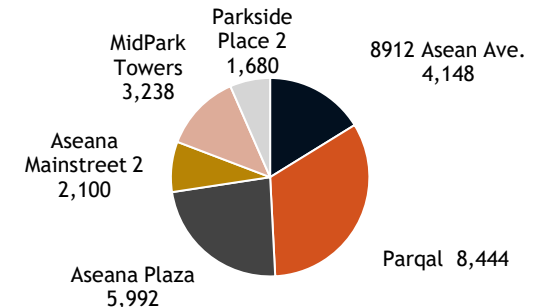
Total: PHP203,680 mm

### Valuation (PHP mm)



Total: PHP19,718 mm

### Valuation (PHP mm)<sup>(3)</sup>



Total: PHP25,603 mm

#### Notes

Colliers' valuation date is at October 30, 2020

1. Excluding S&R Building

2. DMW holds a 60% shareholding interest in Bay Area Holdings, Inc. or BAH through Fabricom, Inc.

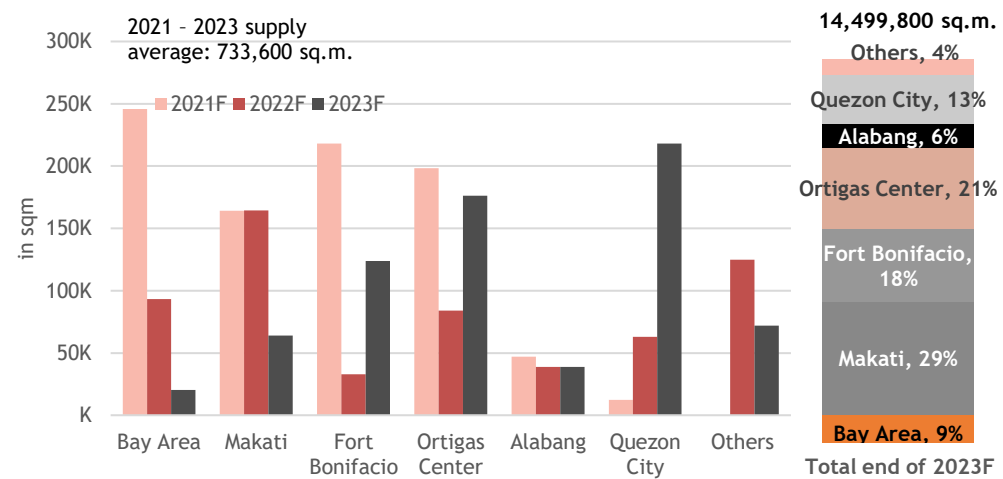
3. As is, where is basis

# Well positioned to weather the impact of the COVID-19 pandemic (1/2)

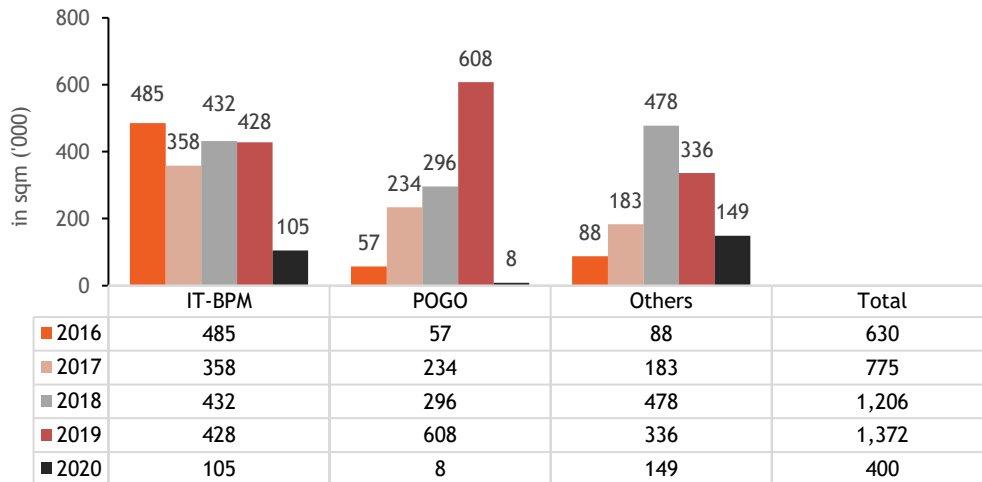
Metro Manila Office Supply Forecast, end 2020 and 2023 <sup>(1)</sup>

Location	end of 2020	end of 2023	change in sq.m.	% change	% of total new supply
Makati CBD	3,355,400	3,549,700	194,300	6%	9%
Makati Fringe	439,200	637,600	198,400	45%	9%
Fort Bonifacio	2,307,100	2,682,000	374,900	16%	17%
Ortigas Center	1,995,600	2,492,400	396,800	20%	18%
Ortigas Fringe	565,000	626,600	61,600	11%	3%
Bay Area	975,900	1,335,500	359,600	37%	16%
Alabang	746,300	871,300	125,000	17%	6%
Quezon City	1,519,100	1,812,500	293,400	19%	13%
Others	395,400	592,200	196,800	50%	9%
<b>Total</b>	<b>12,299,000</b>	<b>14,499,800</b>	<b>2,200,800</b>	<b>18%</b>	<b>100%</b>

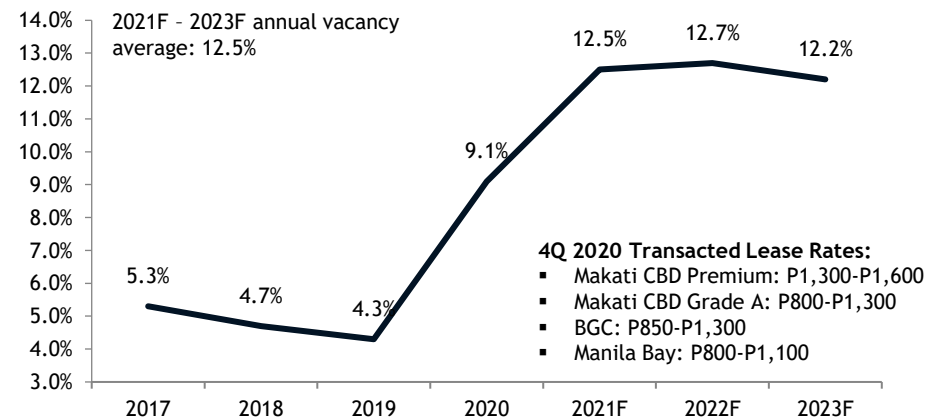
Manila Bay Future Office Supply Among Highest from 2021-2023 <sup>(1)</sup>



Slower demand from all sectors due to the effects of the pandemic <sup>(2)</sup> ...



...leading to a more competitive office market in the short term <sup>(1)</sup>



Source: (1) Colliers International as of 4Q 2020, (2) Leechiu Property Consultants as of 4Q 2020

Source: (1) Jones Lang LaSalle, (2) Commission on Higher Education, (3) IT-BPM, (4) Colliers

# Well positioned to weather the impact of the COVID-19 pandemic (2/2)

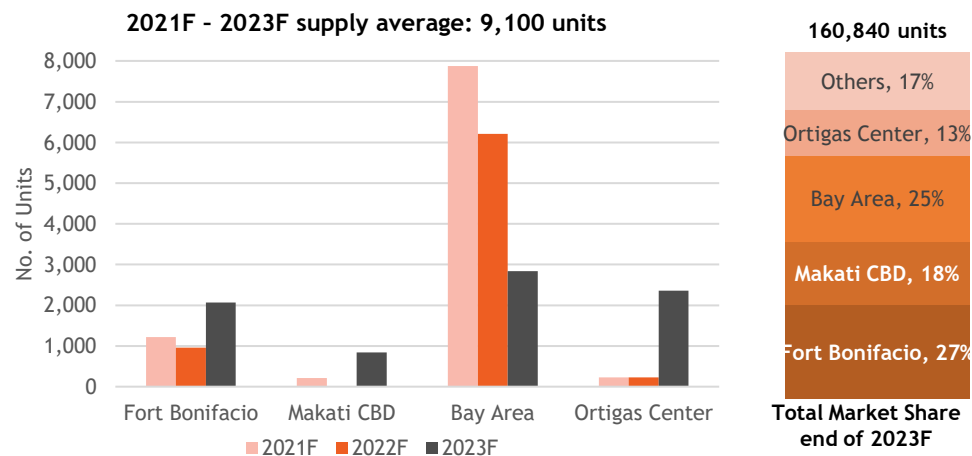
## Metro Manila Residential Supply Forecast, end 2020 and 2023 <sup>(1)</sup>

Location	end of 2020	end of 2023	change in units	% change	% of total new supply
Alabang	4,880	6,050	1,170	24%	4%
Araneta Center	4,550	5,150	600	13%	2%
Eastwood City	9,630	9,630	0	0%	0%
Fort Bonifacio	39,100	43,350	4,250	11%	16%
Makati CBD	28,550	29,600	1,050	4%	4%
<b>Bay Area</b>	<b>22,750</b>	<b>39,680</b>	<b>16,930</b>	<b>74%</b>	<b>62%</b>
Ortigas Center	18,730	21,550	2,820	15%	10%
Rockwell Center	5,270	5,830	560	11%	2%
<b>Total</b>	<b>133,460</b>	<b>160,840</b>	<b>27,380</b>	<b>21%</b>	<b>100%</b>

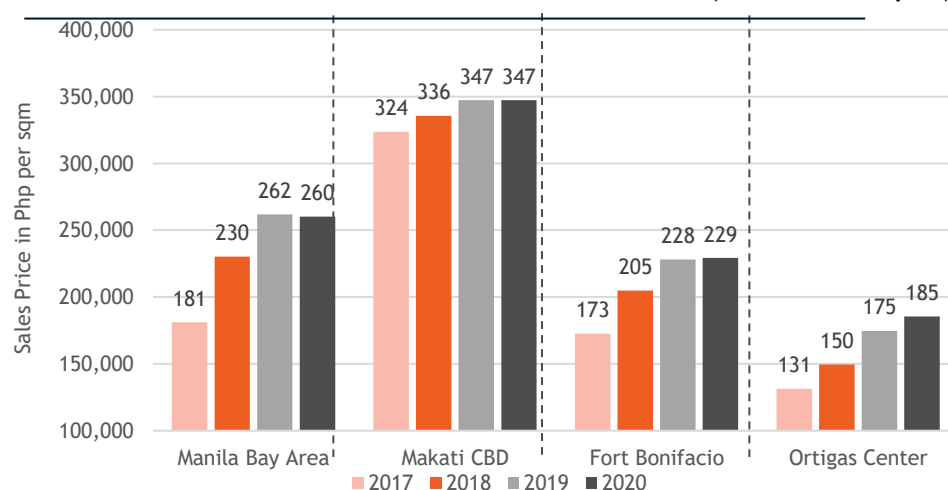
## Average Monthly Unit Take-up Remains Strong in Manila Bay <sup>(2)</sup>

	Bay Area	Makati	Fort Bonifacio	Ortigas	Alabang CBD
2017	423	114	176	137	225
2018	286	24	140	148	267
2019	346	28	89	131	216
2020	174	12	40	54	167

## Bay Area to Account for 62% of New Supply from 2021-2023 <sup>(1)</sup>



## Ave. Residential Condominium Prices have stabilized (in PHP '000/sq.m.)<sup>(2)</sup>





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# Pipeline of premier assets in construction inside Aseana City...

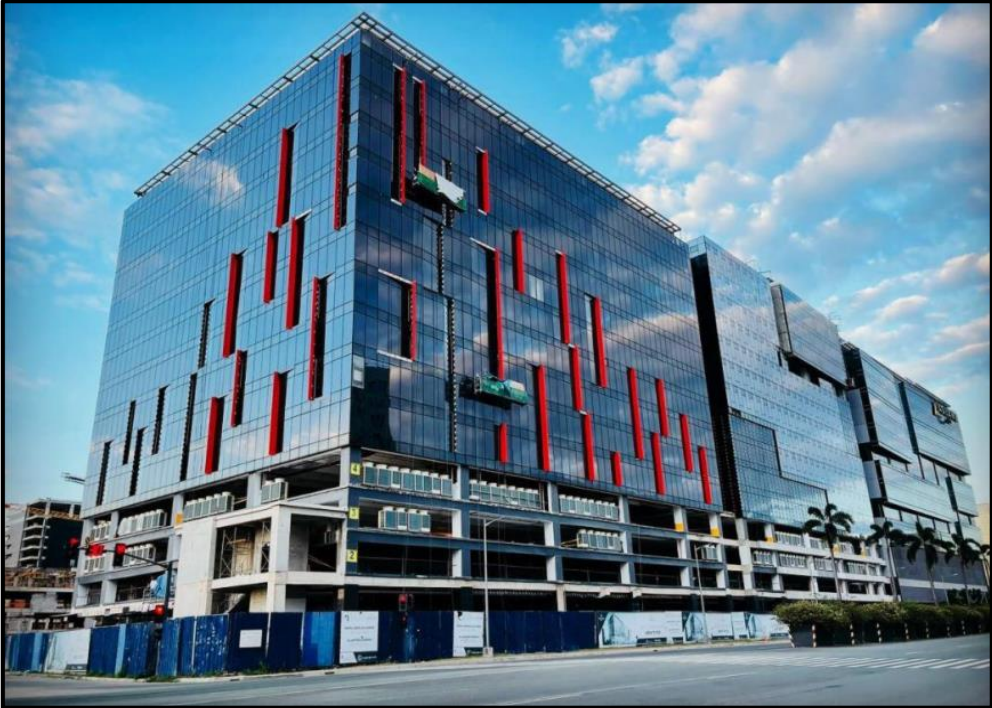


## ...and outside Aseana City

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# Pipeline Milestones: Commercial Projects



**8912**  
**ASEAN AVE.**



**Construction Progress**  
**82%**

# Pipeline Milestones: Commercial Projects

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## PARQAL



**Construction Progress**  
**32%**

# Pipeline Milestones: Commercial Projects

## PARQAL



Featured Projects in Asia	
<b>MYANMAR</b>	
Mudon Bus Terminal & Commercial Center	46
Suvarnabhummi Housing Complex	48
<b>PHILIPPINES</b>	
Aseana Parqal	52
Aseana Plaza	54
<b>SINGAPORE</b>	
OLÁ Executive Condominium	58
Parc Clematis	60

# Pipeline Milestones: Commercial Projects



**Construction Progress**  
**71%**

# Pipeline Milestones: Residential Projects



**Turnover 91%**

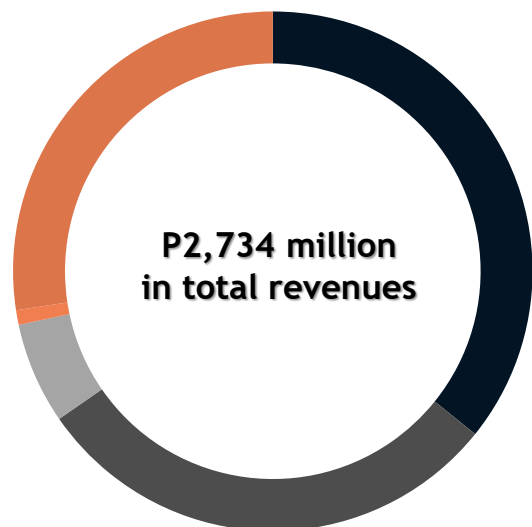


**Construction Progress 12%**



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## Growing residential segment and stable recurring income



Total revenues, P2,734 million  
Recurring income from rentals, 72%

■ Land, 36%  
■ Building, 30%  
■ Other revenues, 6%

■ Sale of condominium units, 27%  
■ Construction contracts, 1%

PHP	2020	2019	Change (%)
Rentals			
Land	P 978,480,504	P 979,051,345	0%
Building	809,094,738	793,491,115	2%
Other revenues	172,690,275	186,239,052	-7%
	1,960,265,517	1,958,781,512	0%
Construction contracts	24,802,115	71,107,851	-65%
Land sales	-	935,850,000	
Sale of condominium units	749,297,294	547,652,588	37%
<b>Total Revenues</b>	<b>2,734,364,926</b>	<b>3,513,391,951</b>	<b>-22%</b>
<b>Gross profit</b>	<b>2,071,234,775</b>	<b>2,819,084,125</b>	<b>-27%</b>
<b>Operating expenses - net</b>	<b>350,886,488</b>	<b>548,200,175</b>	<b>-36%</b>
<b>Operating profit</b>	<b>1,720,348,287</b>	<b>2,270,883,950</b>	<b>-24%</b>
<b>Other income</b>	<b>1,079,360,303</b>	<b>1,056,319,995</b>	<b>2%</b>
<b>Profit before tax</b>	<b>P 2,799,708,590</b>	<b>P 3,327,203,945</b>	<b>-16%</b>
<b>Net profit attributable to equity holders of the parent</b>	<b>P 2,130,725,242</b>	<b>P 2,374,037,110</b>	<b>-10%</b>

**Notes:**

Sum of the parts may not equal 100% due to rounding.

1. With reference to the settlement agreement with Alphaland Development, Inc., DMW is entitled to P2.05 billion over two years starting Jan 2018. A total of non-refundable portion amounting to P850 million was received in 2019, and was reported as part of Other Income.

# In focus: Leasing

**P1,960.3M**

We pay particular attention to recurring income sources to provide us with higher earnings visibility. We primarily target traditional companies, including logistics, BPOs, and gaming and tourism-related businesses.

**P978.5M**

Land

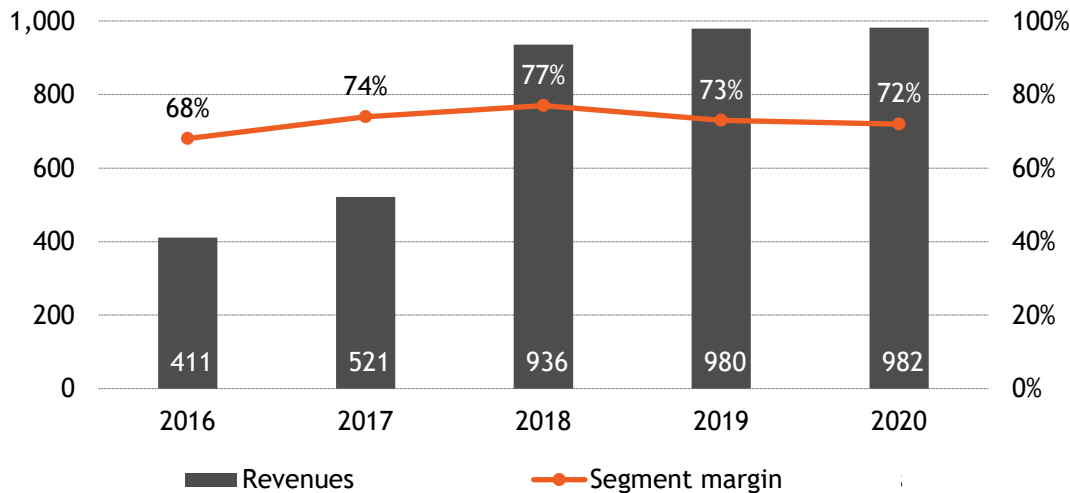
**P809.1M**

Building

**P172.7M**

Other revenues

Building leasing and other revenues related to leasing



## Land

our lease with Ayala Land provides for a minimum guaranteed rent or, if higher, an agreed percentage of the income derived from the site

## Buildings

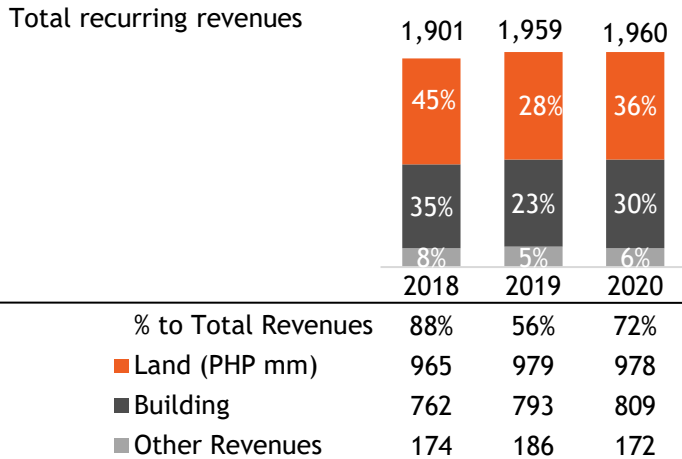
our lease agreements generally stipulate fixed annual escalation rates ranging from 3% to 10% for commercial space

## Buildings

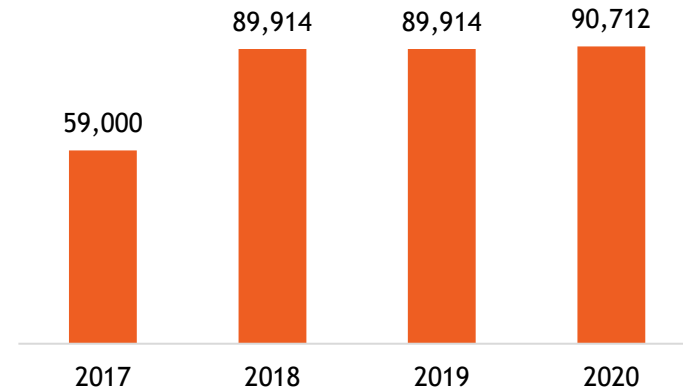
occupancy rate of 93% and weighted average lease expiry of 5.8 years as of December 2020

# Robust leasing activity reflects high level of sustainability

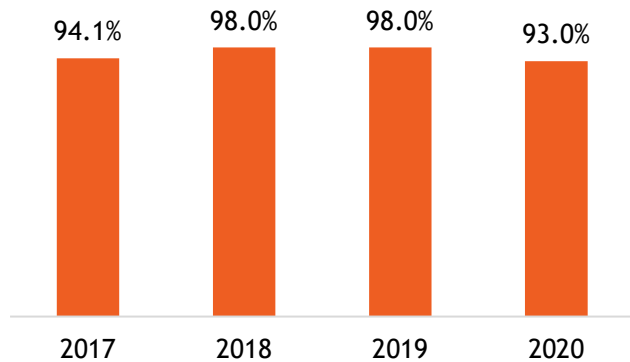
## Recurring Income Contribution<sup>(1)</sup> (%)



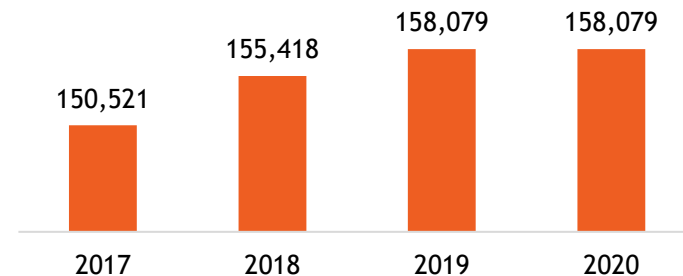
## Total Leasable Floor Area<sup>(2)</sup> (sq.m.)



## Period Ending Occupancy (%)



## Total Leased Land Area (sq.m.)



Notes:

All data as at December 31 of each year

1. Recurring income is derived by dividing revenue from rentals by total revenue. Rentals comprise land, building and other revenues. Sum of the parts may not equal 100% due to rounding.
2. Calculated based on the ratio of total leased floor area to total leasable floor area made available

# In focus: Residential

**P749.3M**

We are complementing the speed of development in the area with residential offerings in the mid-income and upscale categories, ranging in size from 36 sq.m. to 108 sq.m.

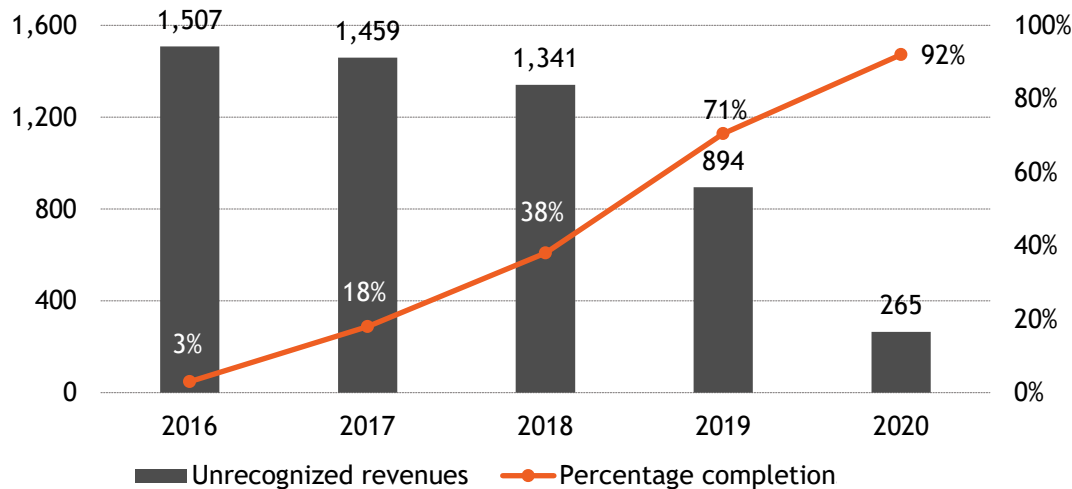
**P629.2M**

Pixel Residences

**P120.1M**

MidPark Towers

Pixel Residences



Unrecognized revenues exclude value-added tax (VAT)

Residential sales % to total revenues

2017	2%
2018	6%
2019	16%
2020	27%

Revenue contribution

27% from 16% in 2019 on increased accounts that met 20% threshold for revenue recognition, increased percentage of completion, and ongoing pre-selling activities

Sales take-up (170 units)

3Q 2016	11%
4Q 2016	32%
1Q 2017	64%
2Q 2017	100%

Pixel Residences

fully pre-sold as of June 2017 with unrecognized revenues of P265.1 million and total collection of P1.48 billion as of Dec 2020

Payment terms: 20%-80%



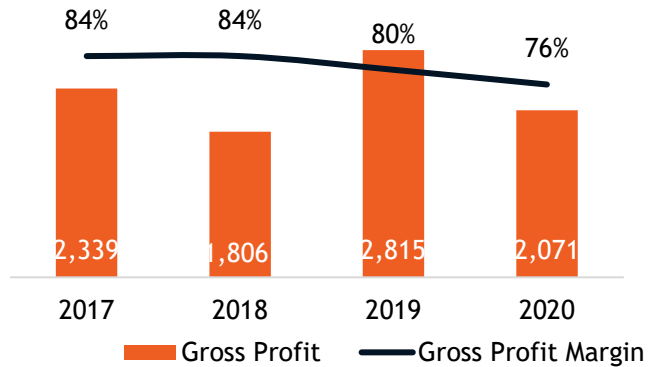
MidPark Towers

ongoing pre-selling with total pre-sales of P6.2 billion and total collection of P1.52 billion as of Dec 2020.

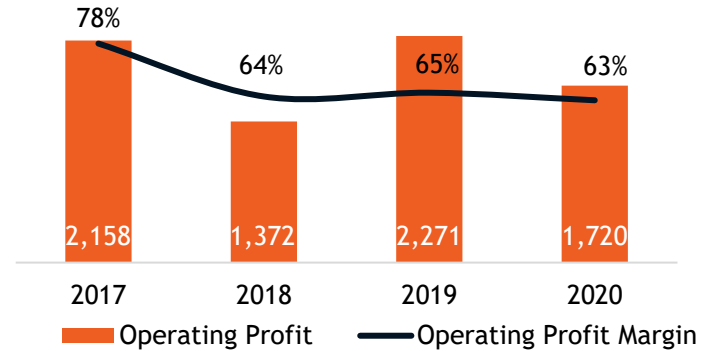
Ave. collection - 26%

# Superior profitability scorecard consistent with resilient portfolio

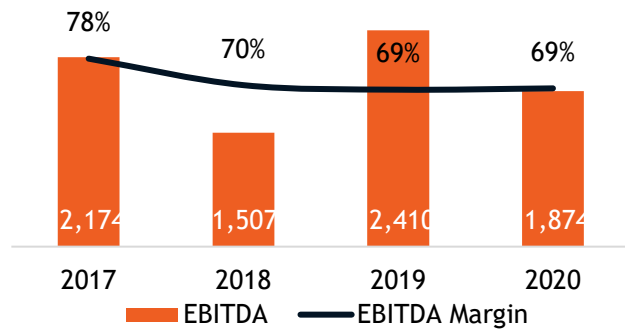
Gross Profit (PHP mm)



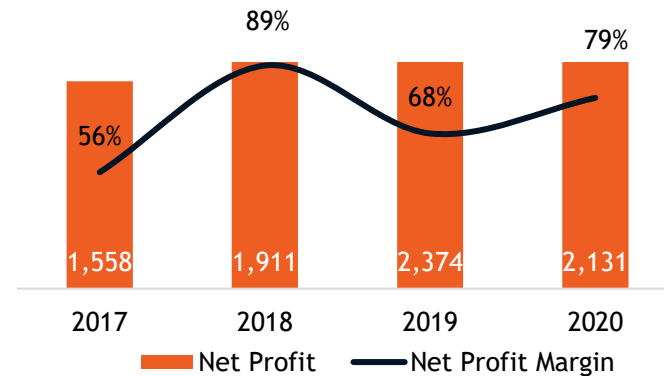
Operating Profit (PHP mm)



EBITDA<sup>(1)</sup> (PHP mm)



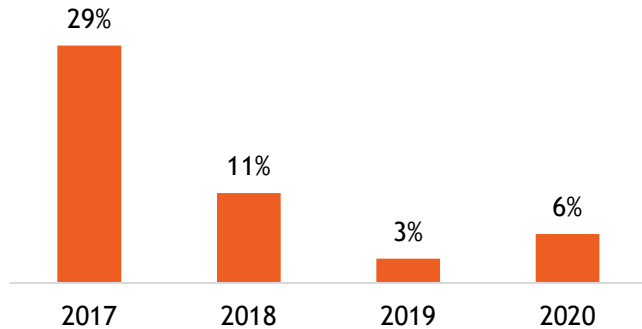
Net Profit Attributable to Equity Holders of the Parent <sup>(2)</sup> (PHP mm)



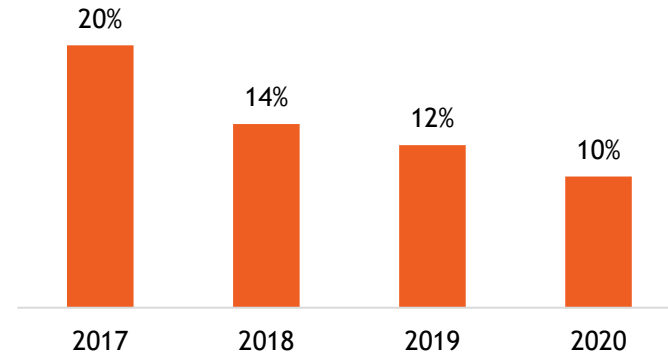
Note:  
 1. EBITDA = operating profit + depreciation and amortization  
 2. Net income / revenues

# Financial strength supports growth aspirations

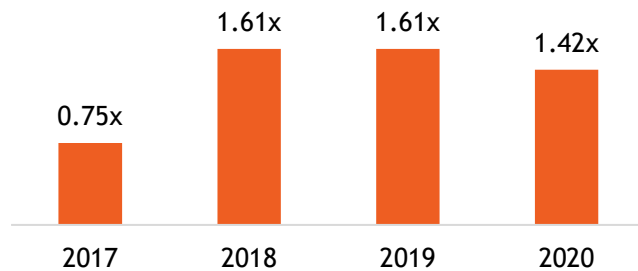
Debt To Equity<sup>(1)</sup> (%)



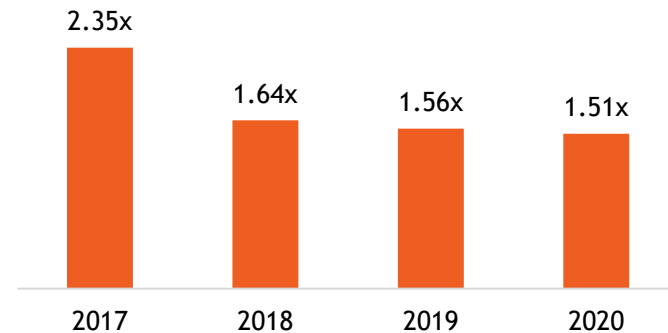
Return on Equity<sup>(2)</sup> (%)



Current Ratio<sup>(3)</sup> (x)



Asset to Equity<sup>(4)</sup> (x)



Notes:

All data as at December 31 of each year

1. Our debt to equity ratio is derived by dividing our total loans and borrowings by total equity. It measures the degree of our financial leverage.
2. Our annualized return on equity is derived by dividing net profit by average shareholders' equity. It measures how profitable we are at generating profit from each unit of shareholder equity.
3. Our current ratio is derived by dividing current assets by current liabilities at the end of a given period. It measures our ability to pay short-term obligations.
4. Our asset to equity ratio is derived by dividing total assets by shareholders' equity. It measures our financial leverage and long-term solvency.

# Progress Report on Use of proceeds

	<u>Revised Allocation of Offering Proceeds</u>	<u>Application of Offering Proceeds as of December 31, 2019</u>	<u>Application of Offering Proceeds for the Year ended December 31, 2020</u>	<u>Balance of Offering Proceeds as of December 31, 2020</u>
Pipeline project development	P 4,731,213,878	P 1,996,403,702	P 1,970,640,754	P 764,169,422
Land assets	1,880,101,954	-	566,061,976	1,314,039,978
Infrastructure development within Aseana City	524,345,738	214,965,584	69,708,249	239,671,905
General corporate purposes	<u>463,552,030</u>	<u>202,345,109</u>	<u>15,159,332</u>	<u>246,047,589</u>
	<u>P 7,599,213,600</u>	<u>P 2,413,714,395</u>	<u>P 2,621,570,311</u>	<u>P 2,563,928,894</u>



Pixel Residences P310M



8912 Asean Ave. P2.0B



Parqal P1.5B



MidPark Towers P380M



Aseana Plaza P327M



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# Summary: FY 2020 highlights

## 2020 Summary

- **Consolidated revenues** amounted to ₱2,734 million, and **net income attributable to equity holders** stood at ₱2,131 million in 2020.
- **Recurring income** from rentals of land, building and other revenues amounted to ₱1,960 or 72% of our total consolidated revenues for the year.
- The **residential segment** registered a **37% increase** in 2020, up to ₱749.3 million from ₱547.7 million year-on-year.
  - **Minimal cancellations** in 2020 demonstrate the quality of the buyers of our residential projects.
- **Successful deployment** of ₱5,035 million or 66% of total net proceeds from the IPO to the development of pipeline projects.

## 2021 Outlook

- **Completion of 8912 Asean Ave. and Parqal** in 2Q2021 and 4Q2021 respectively, which will **add 140,000 sqm** to our total GLA and significantly **boost our company's recurring income streams**.
- **Residential segment** to remain as a **notable contributor** to the company's top-line revenues:
  - **Pixel Residences:** Successfully turned over 93% of total units to buyers with unrecognized revenues of ₱265.1 million
  - **MidPark Towers:** Ongoing pre-selling with average collection of 26% as of 2020. Initiated physical marketing activities such as private events and activations in high-traffic areas while still complying with strict health protocols



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- 26 **COVID-19 Response**

# DMWAI's Response to the COVID-19 Pandemic

## Supporting our Business Partners through these Trying Times

- ✓ More **market-friendly terms** such as no escalation and lower rates were introduced to our smaller tenants\*
- ✓ **Rent discounts and other concessions** like rent deferment and waiving of penalties were provided to our retail lessees\*

## Expanding Reach to Clients: Adopting to the New Normal

- ✓ **Monthly virtual presentations and webinars** via Zoom/MS Teams to tap clients wherever they are, in lieu of open houses and usual marketing events
- ✓ Bringing our residential projects closer to our market through **hosted tours** that warmly showcase MidPark Towers and Aseana City over in social media platforms

## The Health and Safety of our Employees and Stakeholders Remain as our Top Priority

- ✓ **Preventive measures** were taken as early as January when the news of the virus first came out
- ✓ Allotted a **Php100 million emergency contingency fund** for its employees and tenants
- ✓ **Flexible work arrangements** were introduced to employees
- ✓ **Regular disinfection and sanitation** of office buildings, **physical distancing** in common areas, **rapid testing**, **foot baths**, and **temperature checks** at entry points

## COVID-19 Aid: Extending a Helping Hand to the Community

- ✓ Donated **100 sacks of rice** and **rapid test kits** to the city of Paranaque through the Office of Mayor Edwin Olivarez



## Q&A

[www.dmwai.com](http://www.dmwai.com)  
[www.aseanacity.com](http://www.aseanacity.com)  
[iro@dmwai.com](mailto:iro@dmwai.com)

## Appendix: Consolidated Statements of Profit or Loss

PHP		2020		2019	Change (%)
Rentals					
Land	P	978,480,504	P	979,051,345	0%
Building		809,094,738		793,491,115	2%
Other revenues		172,690,275		186,239,052	-7%
		1,960,265,517		1,958,781,512	0%
Construction contracts		24,802,115		71,107,851	-65%
Land Sales		-		935,850,000	0%
Sale of condominium units		749,297,294		547,652,588	37%
Total Revenues		2,734,364,926		3,513,391,951	-22%
Gross profit		2,071,234,777		2,819,084,125	-27%
Operating expenses - net		350,886,489		548,200,175	36%
Operating profit		1,720,348,288		2,270,883,950	-24%
Other income		1,079,360,302		1,056,319,995	2%
Profit before tax		2,799,708,590		3,327,203,945	-16%
Net profit attributable to equity holders of the parent	P	2,130,725,241	P	2,374,037,110	-10%

## Appendix: Consolidated Statements of Financial Position

PHP		31 Dec 2020		31 Dec 2019
Current Assets		11,850,844,166		13,509,277,300
Non-current Assets		21,019,187,281		17,757,520,909
Total Assets	P	32,870,031,447	P	31,266,798,209
Current Liabilities		8,369,610,753		8,400,854,268
Non-current Liabilities		2,216,135,807		2,332,760,947
Total Liabilities		10,585,746,560		10,733,615,215
Total Equity		22,284,284,887		20,533,182,994
Total Liabilities and Equity	P	32,870,031,447	P	31,266,798,209
<b>Capital Structure</b>				
Short-term debt	P	1,114,670,000	P	114,670,000
Long-term debt		282,350,000		397,050,000
Total bank debts	P	1,397,020,000	P	511,720,000
Cash and cash equivalents and short-term placements		5,014,489,615		7,271,402,211
Net debt/ (net cash)	P	3,617,469,615	P	6,759,682,211