



3M 2021
Analysts' Briefing

May 26, 2021

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

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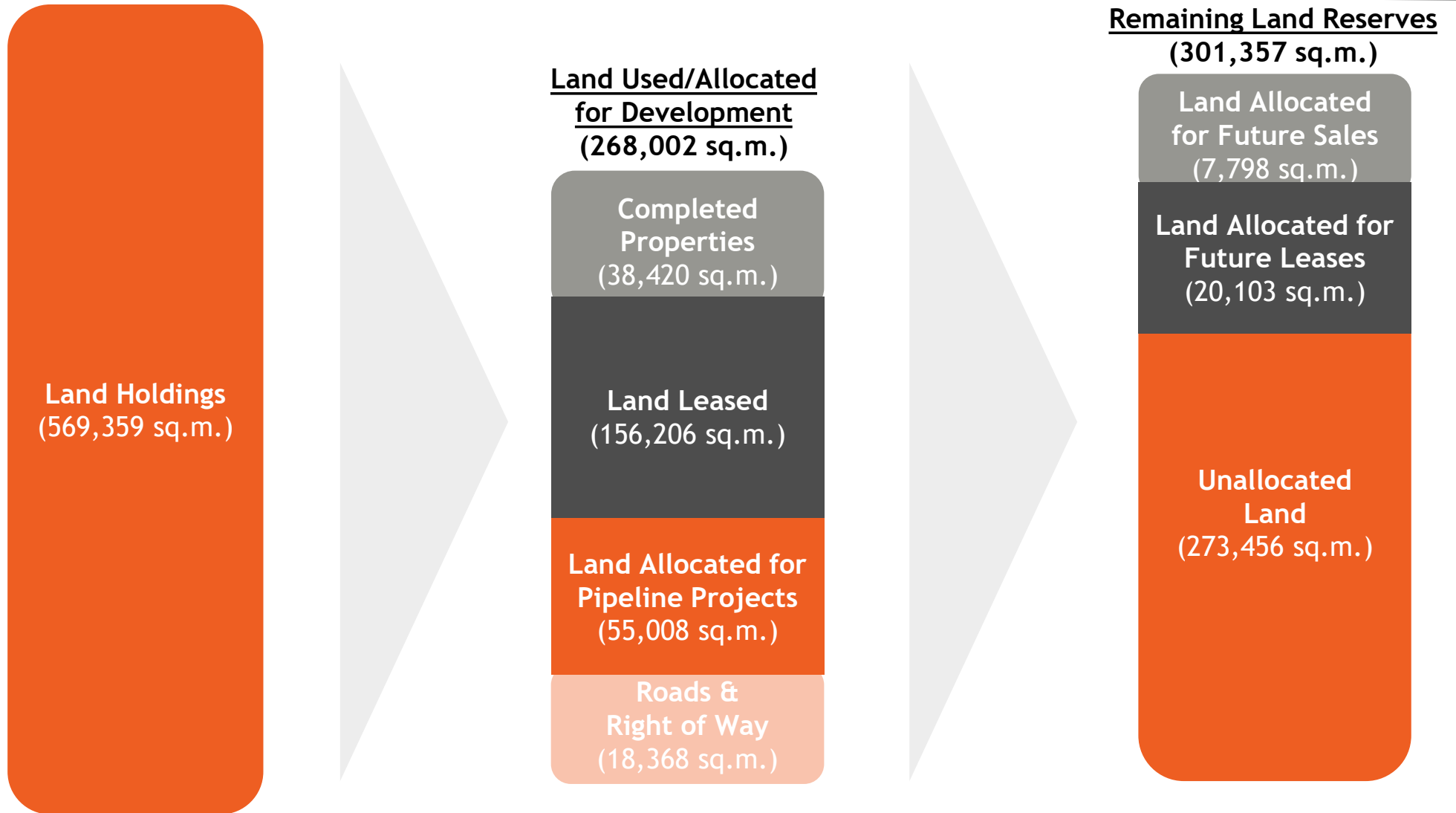
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- 2** Points of Focus
- 8** Development Pipeline
- 16** Operating and Financial Highlights
- 24** 3M 2021 Summary
- 26** COVID-19 Response

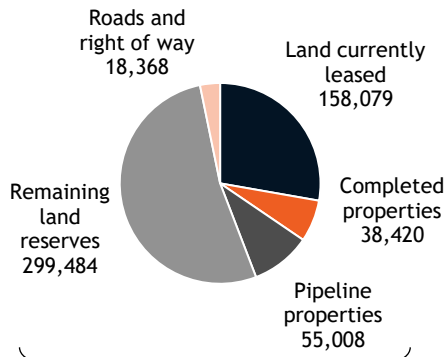
Updated summary of land holdings in Aseana City



Value of properties inside of Aseana City

Owned Land Holdings

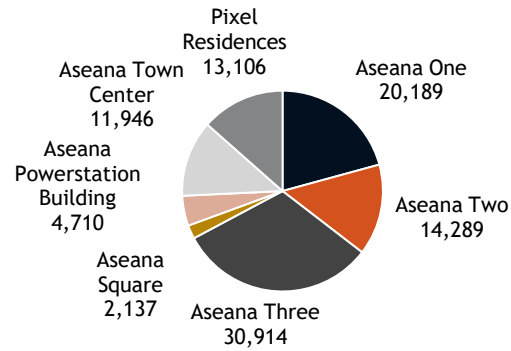
Land area (sq.m.)



Total: 569,359 sq.m.

Completed Properties⁽¹⁾

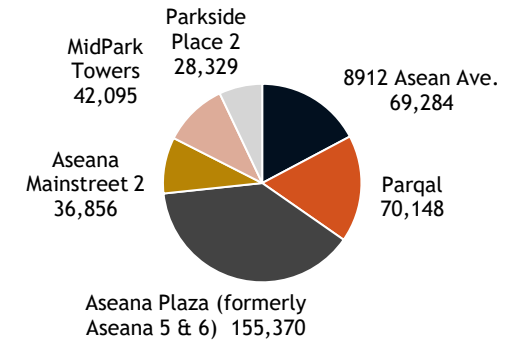
Total leasable/saleable floor area (sq.m.)



Total: 97,290 sq.m.

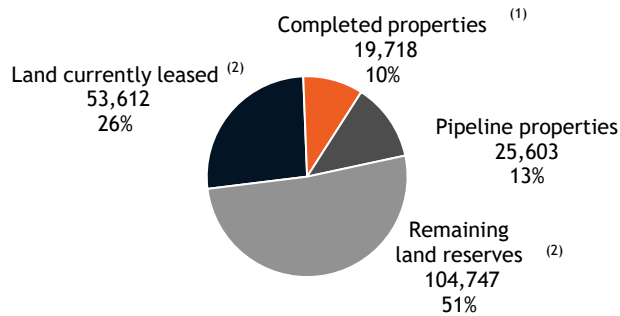
Pipeline Properties

Leasable/saleable floor area (sq.m.)



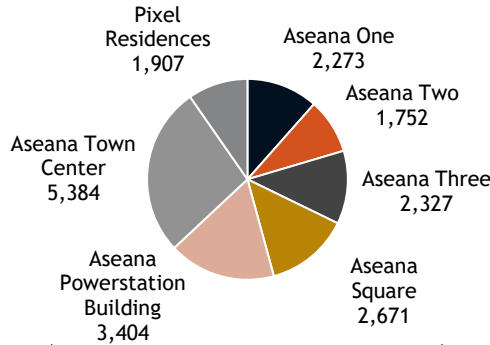
Total: 402,082 sq.m.

Valuation (PHP mm)



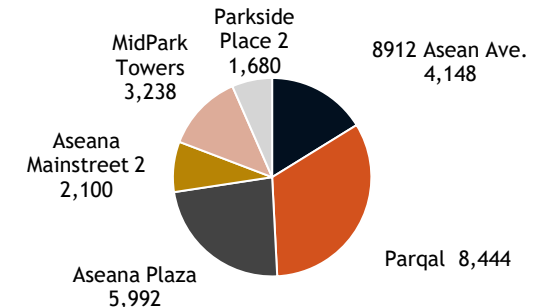
Total: PHP203,680 mm

Valuation (PHP mm)



Total: PHP19,718 mm

Valuation (PHP mm)⁽³⁾



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.

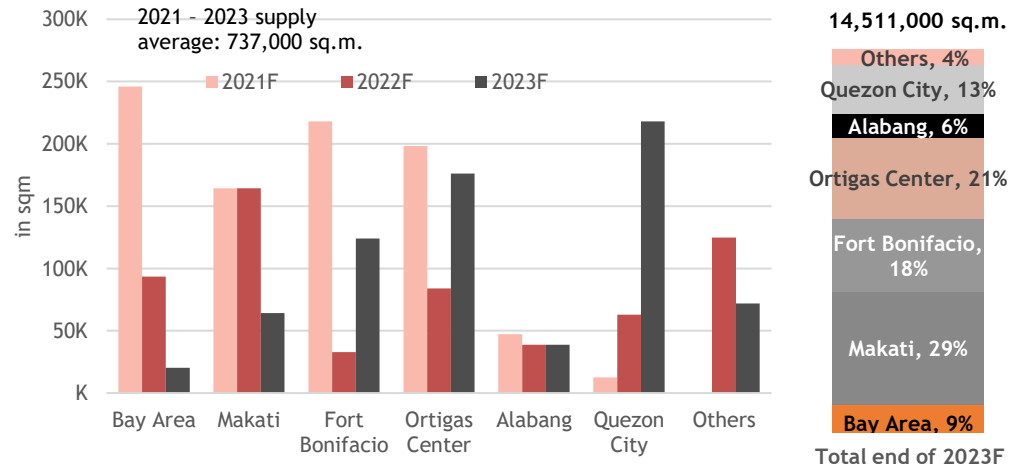
3. As is, where is basis

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

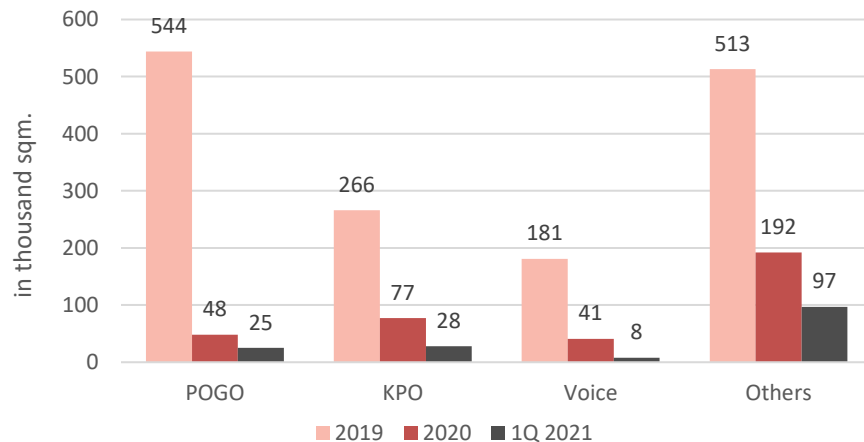
Metro Manila Office Supply Forecast, end 2020 and 2025

Location	end of 2020	end of 2025	change in sq.m.	% change	% of total new supply
Makati CBD	3,355,400	3,582,500	194,300	6%	9%
Makati Fringe	439,200	701,900	198,400	45%	9%
Fort Bonifacio	2,307,100	2,752,500	374,900	16%	17%
Ortigas Center	1,995,600	2,447,100	396,800	20%	18%
Ortigas Fringe	565,300	721,600	61,600	11%	3%
Bay Area	975,900	1,476,600	359,600	37%	16%
Alabang	746,300	926,900	125,000	17%	6%
Quezon City	1,520,000	2,087,900	293,400	19%	13%
Others	395,400	816,900	196,800	50%	9%
Total	12,300,200	15,513,900	2,200,800	18%	100%

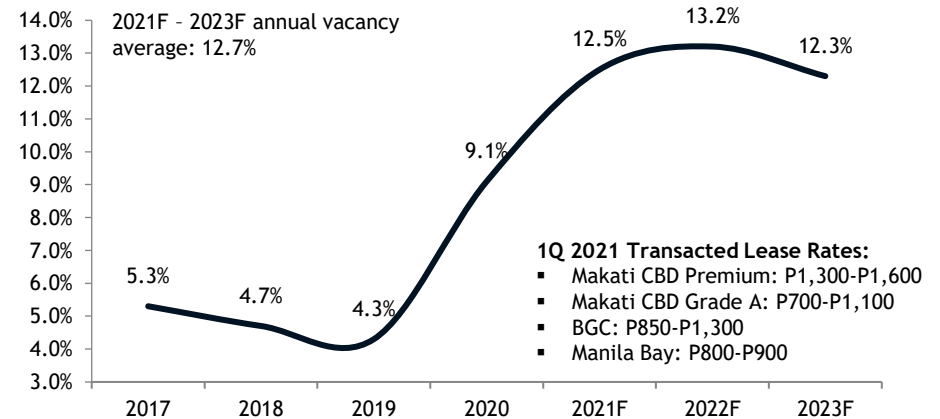
Manila Bay Future Office Supply Among Highest from 2021-2023



Slower demand from all sectors due to the effects of the pandemic...



...leading to a more competitive office market in the short term

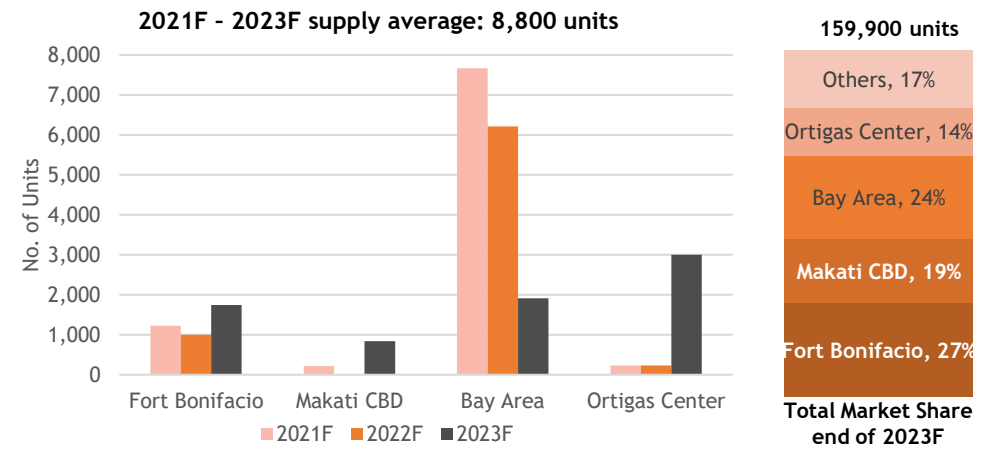


Well positioned to weather the impact of the COVID-19 pandemic (2/2)

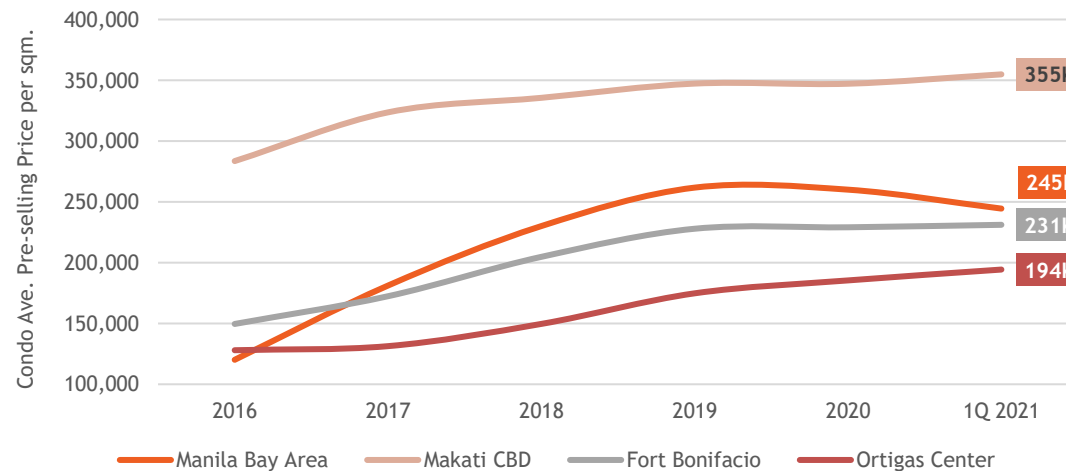
Metro Manila Residential Supply Forecast, end 2020 and 2023

Location	end of 2020	end of 2023	change in units	% change	% of total new supply
Alabang	4,880	5,900	1,020	21%	4%
Araneta Center	4,550	5,150	600	13%	2%
Eastwood City	9,630	9,630	0	0%	0%
Fort Bonifacio	39,100	43,060	3,960	10%	15%
Makati CBD	28,550	29,600	1,050	4%	4%
Bay Area	22,750	38,540	15,790	69%	60%
Ortigas Center	18,730	22,190	3,460	18%	13%
Rockwell Center	5,270	5,830	560	11%	2%
Total	133,460	159,900	26,440	20%	100%

Bay Area to Account for 60% of New Supply from 2021-2023



Pricing growth flattened due to the pandemic





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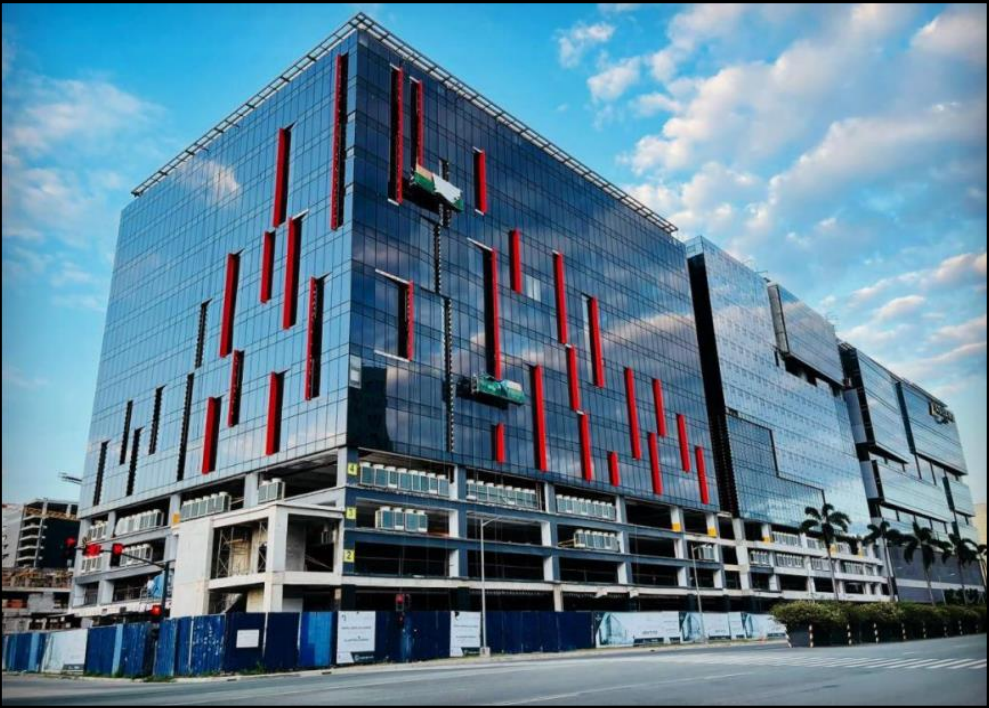
Pipeline of premier assets in construction inside Aseana City...



...and outside Aseana City



Pipeline Milestones: Commercial Projects



8912
—
ASEAN AVE.



Construction Progress
90%

Pipeline Milestones: Commercial Projects

PARQAL



Construction Progress
40%

Pipeline Milestones: Commercial Projects



Construction Progress
83%

Pipeline Milestones: Residential Projects



Turnover 94%

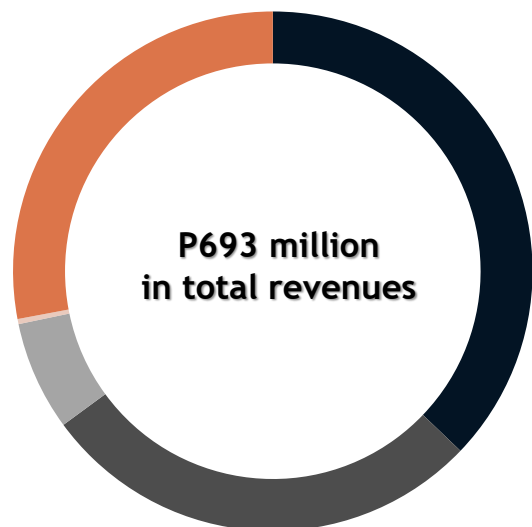


Construction Progress 13%



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Stable recurring income



Total revenues, P693 million
 Recurring income from rentals, 72%

- Land, 37%
- Building, 28%
- Other revenues, 7%

- Sale of condominium units, 28%
- Construction contracts, 0%

PHP	3M 2021	3M 2020	Change (%)
Rentals			
Land	P 257,292,441	P 256,409,458	0%
Building	192,336,160	208,759,236	-8%
Other revenues	47,142,162	47,512,606	-1%
	496,770,763	512,681,300	-3%
Construction contracts	2,203,181	15,643,101	-86%
Sale of condominium units	193,561,044	498,057,069	-61%
Total Revenues	692,534,988	1,026,381,470	-33%
Gross profit	529,130,747	655,635,455	-19%
Operating expenses - net	64,918,247	67,668,473	-4%
Operating profit	464,212,500	587,966,982	-21%
Other income (charges)	(2,426,995)	23,624,418	-110%
Profit before tax	P 461,785,505	P 611,591,400	-24%
Tax expense (credit)	(91,770,997)	146,845,115	-162%
Net profit attributable to equity holders of the parent	P 552,025,550	P 445,376,619	24%

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

In focus: Leasing

P496.8M

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.

P257.3M

Land

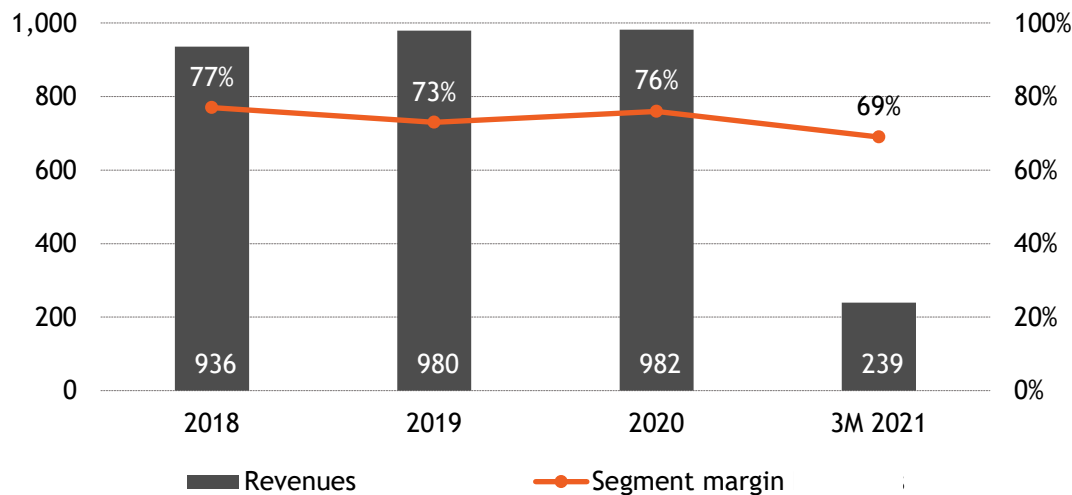
P192.3M

Building

P47.1M

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

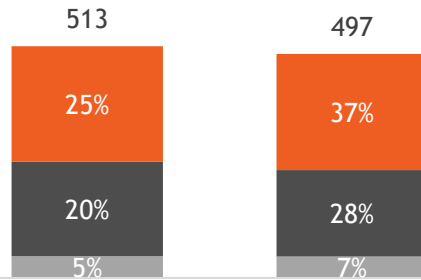
Buildings

occupancy rate of 90%

Robust leasing activity reflects high level of sustainability

Recurring Income Contribution⁽¹⁾ (%)

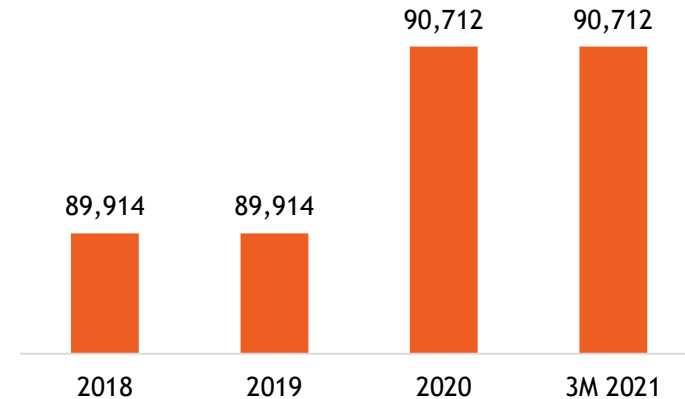
Total recurring revenues



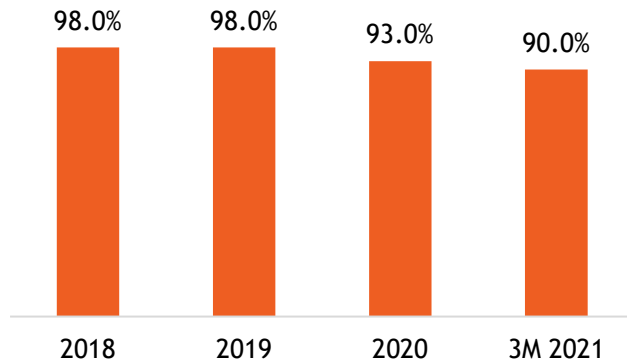
3M 2020 3M 2021

% to Total Revenues	3M 2020	3M 2021
Land (PHP mm)	256	257
Building	209	192
Other Revenues	48	47

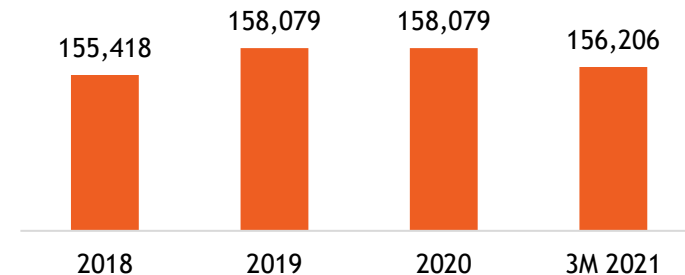
Total Leasable Floor Area⁽²⁾ (sq.m.)



Period Ending Occupancy (%)



Total Leased Land Area (sq.m.)



Notes:

Data as of December 31 of each year and March 31, 2021

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

P193.6M

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.

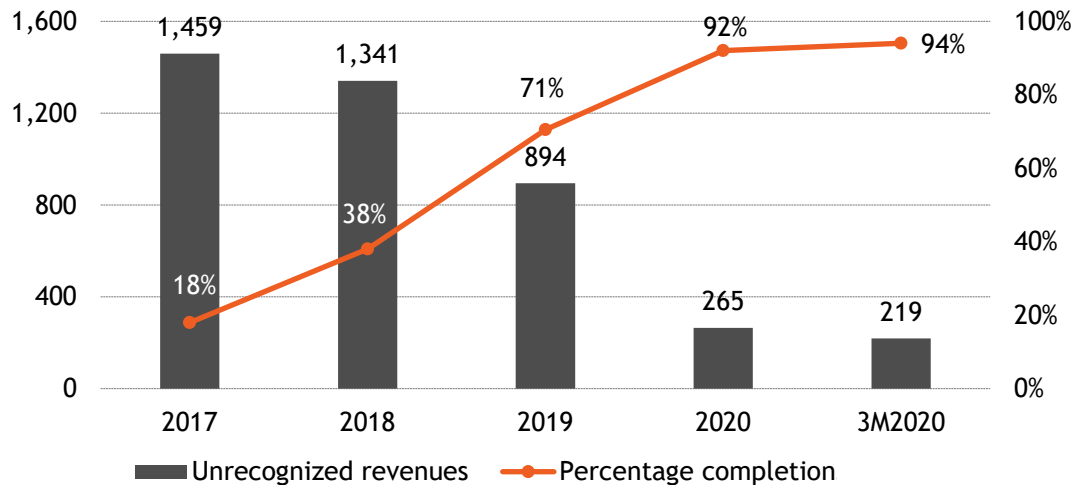
P44.1M

Pixel Residences

P149.5M

MidPark Towers

Pixel Residences



Unrecognized revenues exclude value-added tax (VAT)

Residential sales % to total revenues

2018	6%
2019	16%
2020	27%
3M 2021	28%

Revenue contribution

Accounted for 28% of total revenues on the back of accounts that met 20% threshold for revenue recognition, 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 P219 million and total collection of P1.58 billion as of Mar 2021

Payment terms: 20%-80%



MidPark Towers

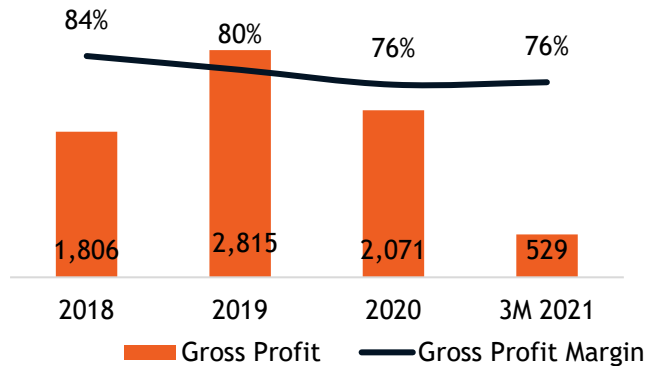
total collection of P1.58 billion as of Mar 2020.

75% of launched units sold

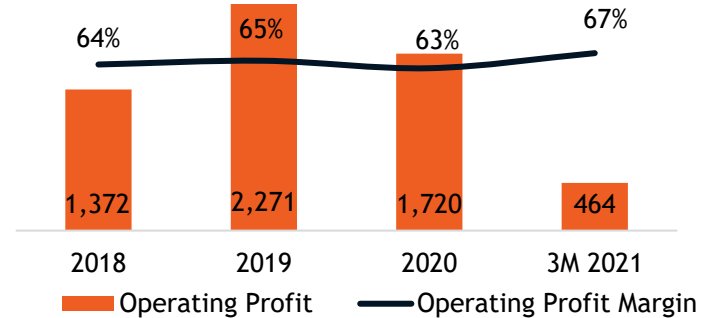
Ave. collection - 28%

Superior profitability scorecard consistent with resilient portfolio

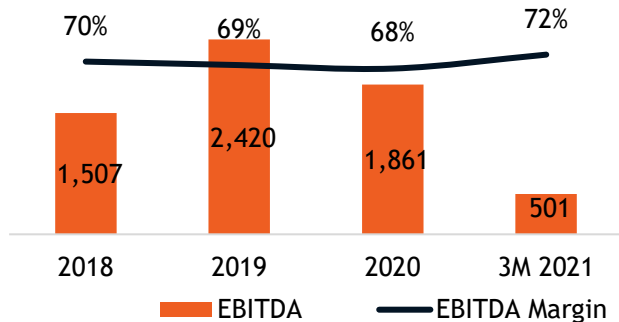
Gross Profit (PHP mm)



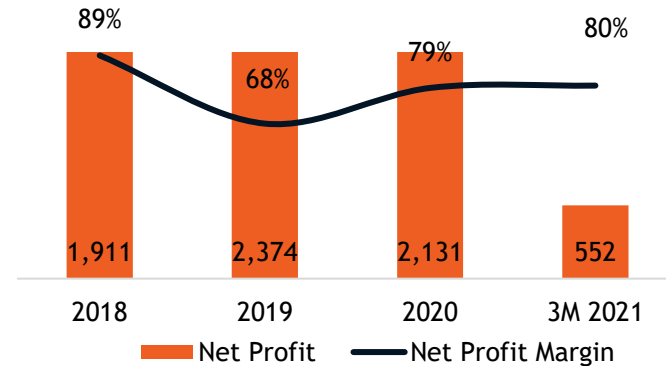
Operating Profit (PHP mm)



EBITDA⁽¹⁾ (PHP mm)



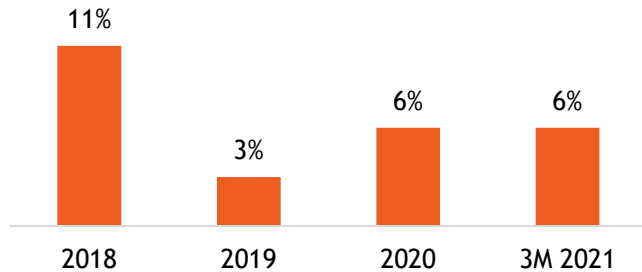
Net Profit Attributable to Equity Holders of the Parent ⁽²⁾ (PHP mm)



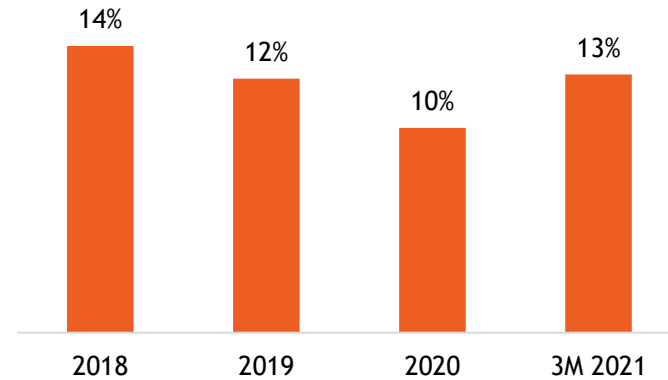
Note:
 1. EBITDA = operating profit + depreciation and amortization
 2. Net income / revenues

Financial strength supports growth aspirations

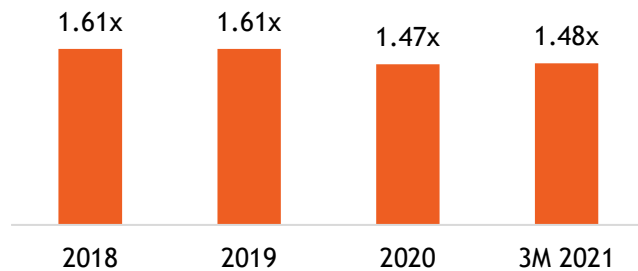
Debt To Equity⁽¹⁾ (%)



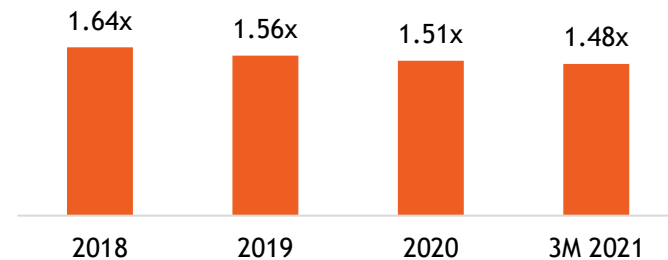
Return on Equity⁽²⁾ (%)



Current Ratio⁽³⁾ (x)



Asset to Equity⁽⁴⁾ (x)



Notes:

Data as of December 31 of each year and March 31, 2021

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, 2020</u>	<u>Application of Offering Proceeds for the Quarter ended March 31, 2021</u>	<u>Balance of Offering Proceeds as of March 31, 2021</u>
Pipeline project development	P 4,731,213,878	P 3,967,044,456	P 290,150,187	P 474,019,235
Land assets	1,880,101,954	566,061,976	-	1,314,039,978
Infrastructure development within Aseana City	524,345,738	284,673,833	6,337,812	233,334,093
General corporate purposes	<u>463,552,030</u>	<u>217,504,441</u>	<u>12,085,170</u>	<u>233,962,419</u>
	<u>P 7,599,213,600</u>	<u>P 5,035,284,706</u>	<u>P 308,573,169</u>	<u>P 2,255,355,725</u>



Pixel Residences P310M



8912 Asean Ave. P2.0B



Parqal P1.6B



MidPark Towers P380M



Aseana Plaza P282M



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Summary: 3M 2021 highlights

3M 2021 Summary

- **Consolidated revenues** amounted to ₱692.5 million, and **net income attributable to equity holders** stood at ₱553.6 million in 3M 2021.
- **Recurring income** from rentals of land, building and other revenues amounted to ₱497 million or 72% of our total consolidated revenues for the year.
- Revenues from the **residential segment** stood at ₱194 million, accounting for 28% of total revenues.
 - **Cancellations remained minimal** in 3M2021, demonstrating the quality of the buyers of our residential projects.
- **Successful deployment** of ₱5,344 million or 70% of total net proceeds from the IPO to the development of pipeline projects.

2021 Outlook

- **Completion of 8912 Asean Ave.** in 2Q2021 which will **add over 69,000 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 94% of total units to buyers with unrecognized revenues of ₱219 million
 - **MidPark Towers:** Ongoing pre-selling, 75% sold as of March 2021. Ongoing physical marketing activities such as private events and activations in high-traffic areas while still complying with strict health protocols



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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 2020 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
- ✓ Launched our company vaccination program which aims to have our employees vaccinated starting in 2Q 2021.

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
- ✓ donated **2,000 sets of Personal Protective Equipment (PPEs)** to the Provincial Government of Cagayan Valley thru the Office of Gov. Manuel N. Mamba



Q&A

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Appendix: Consolidated Statements of Profit or Loss

PHP		3M 2021	3M 2020	Change (%)
Rentals				
Land	P	257,292,441	P 256,409,458	0%
Building		192,336,160	208,759,236	-8%
Other revenues		47,142,162	47,512,606	-1%
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Tax expense (credit)		(91,770,997)	146,845,115	-162%
Net profit attributable to equity holders of the parent	P	552,025,550	P 445,376,619	24%

Appendix: Consolidated Statements of Financial Position

PHP		31 Mar 2021		31 Dec 2020
Current Assets		12,010,407,725		12,249,418,082
Non-current Assets		20,754,210,087		20,607,603,420
Total Assets	P	32,764,617,812	P	32,857,021,502
Current Liabilities		8,101,901,663		8,356,600,808
Non-current Liabilities		1,984,874,293		2,216,135,807
Total Liabilities		10,086,775,956		10,572,736,615
Total Equity		22,677,841,856		22,284,284,887
Total Liabilities and Equity	P	32,764,617,812	P	32,857,021,502
Capital Structure				
Short-term debt	P	1,104,745,000	P	1,114,670,000
Long-term debt		263,630,000		282,350,000
Total bank debts	P	1,368,375,000	P	1,397,020,000
Cash and cash equivalents and short-term placements		4,616,933,519		5,014,489,615
Net debt/ (net cash)	P	(3,248,558,519)	P	(3,617,469,615)