



9M 2021
Analysts' Briefing

November 16, 2021

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

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- 2 Property Market Overview**
- 6 Valuation of Assets in Aseana
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- 17 Operating and Financial Highlights
- 26 COVID-19 Response

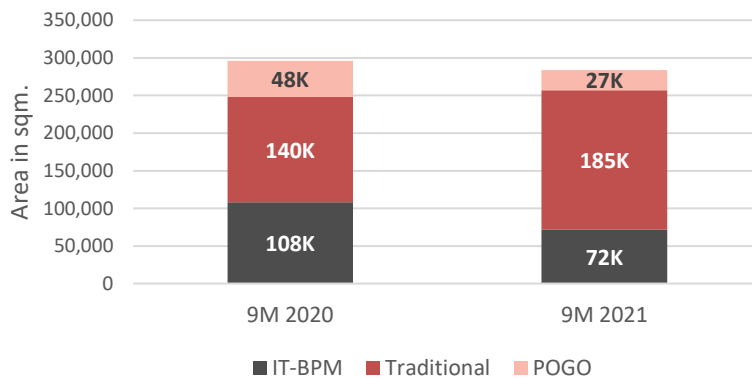
Metro Manila Office Market Update

Metro Manila Office Supply Forecast, end 2020 and 2023

Location	end of 2020	end of 2023	change in sq.m.	% change	% of total new supply
Makati CBD	3,355,400	3,553,000	197,600	6%	10%
Makati Fringe	439,200	643,700	204,500	47%	10%
Fort Bonifacio	2,307,100	2,609,400	302,300	13%	15%
Ortigas Center	1,998,200	2,388,800	390,600	20%	19%
Ortigas Fringe	565,300	628,000	62,700	11%	3%
Bay Area	979,500	1,335,600	356,100	36%	18%
Alabang	746,300	866,400	120,100	16%	6%
Quezon City	1,520,000	1,814,100	294,100	19%	14%
Others	395,400	496,000	100,600	25%	5%
Total	12,306,400	14,335,000	2,028,600	16%	100%

Office take-up recovering from the effects of the pandemic

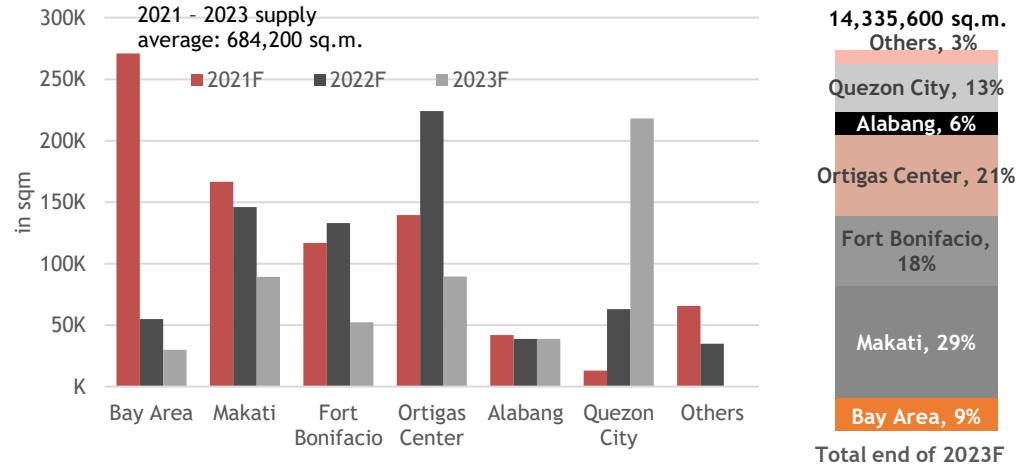
Office Take-up per Tenant Type



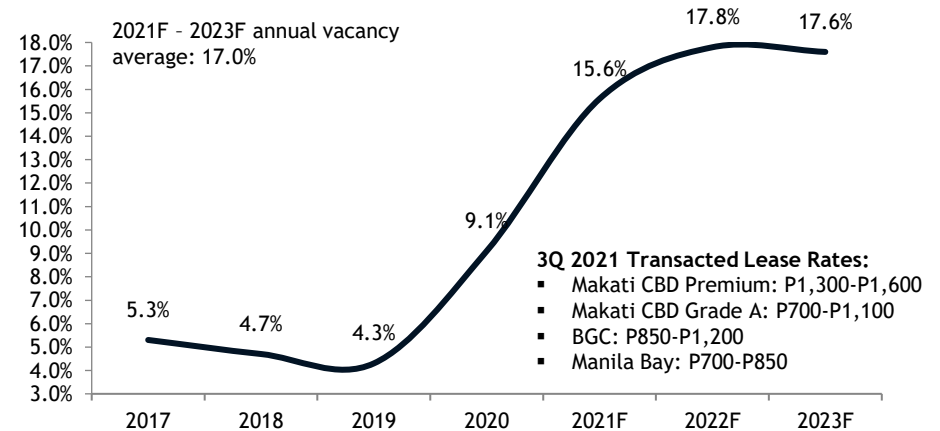
Source: Colliers International as of 3Q 2021

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

Manila Bay Future Office Supply Among Highest from 2021-2023



Vacancies to remain elevated until 2023

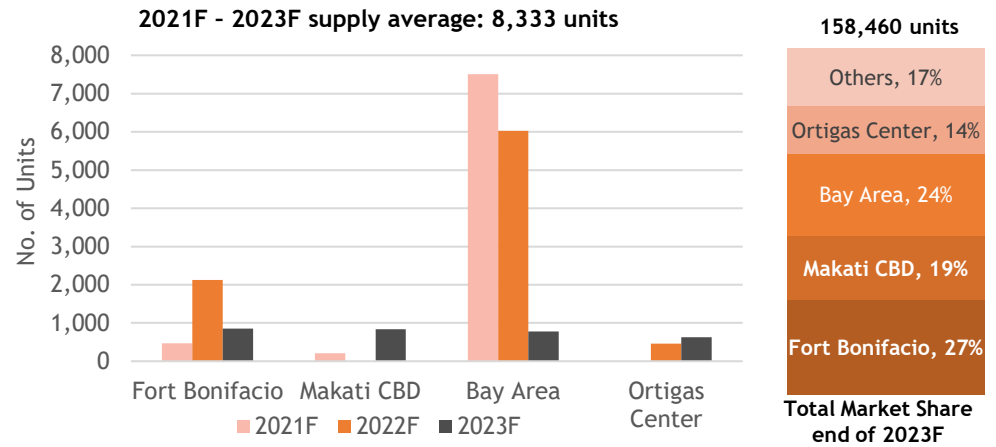


Metro Manila Residential Market Update

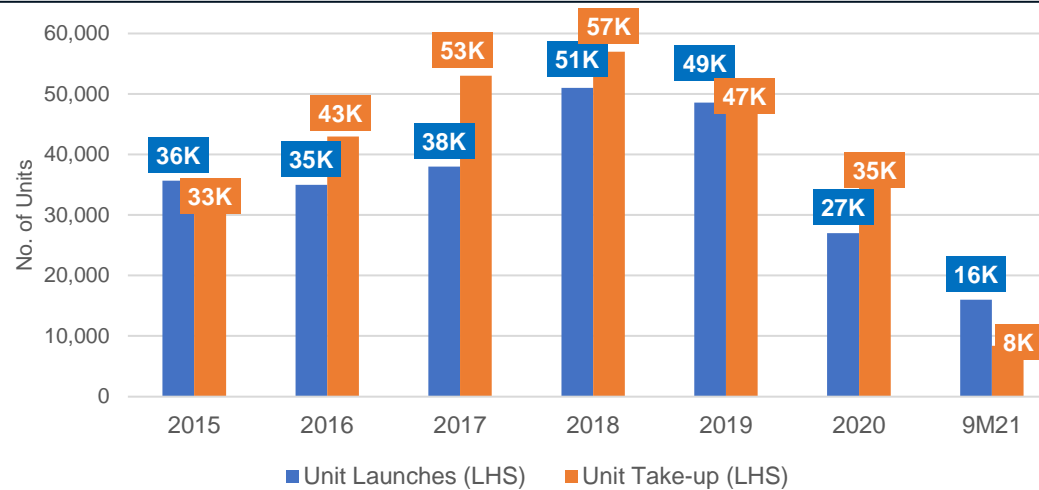
Metro Manila Residential Supply Forecast, end 2020 and 2023

Location	end of 2020	end of 2023	change in units	% change	% of total new supply
Alabang	4,880	5,380	500	10%	2%
Araneta Center	4,550	5,150	600	13%	3%
Eastwood City	9,630	9,630	0	0%	0%
Fort Bonifacio	39,100	42,550	3,450	9%	16%
Makati CBD	28,550	29,600	1,050	4%	5%
Bay Area	22,750	37,070	14,320	63%	66%
Ortigas Center	18,730	19,820	1,090	6%	5%
Rockwell Center	5,270	5,830	560	11%	3%
Total	133,460	155,030	21,570	16%	100%

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



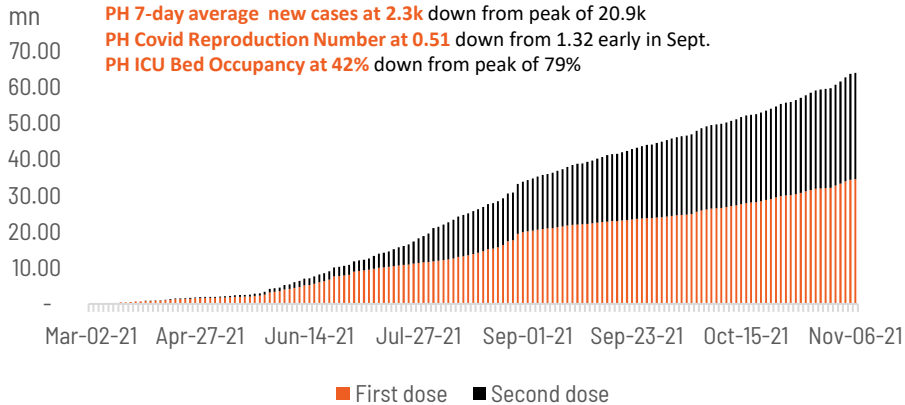
Pandemic effects continue to suppress M.M. Condo Launches and Take-up



Improvement in Vaccination Rate will Allow for Recovery

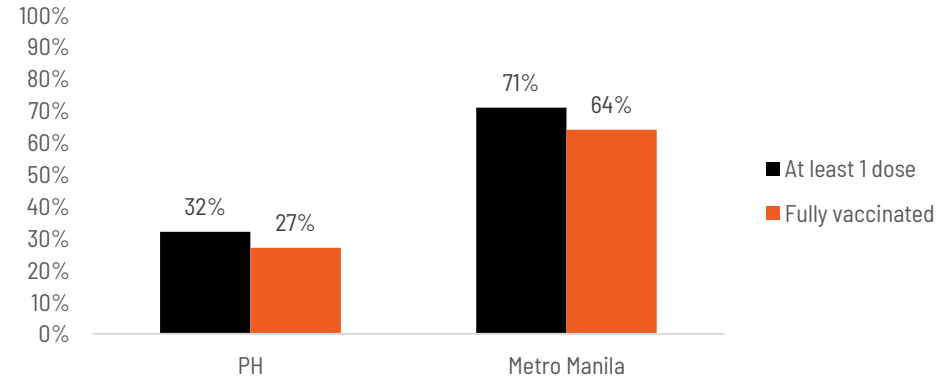
Vaccines Administered

PH 7-day average new cases at 2.3k down from peak of 20.9k
 PH Covid Reproduction Number at 0.51 down from 1.32 early in Sept.
 PH ICU Bed Occupancy at 42% down from peak of 79%



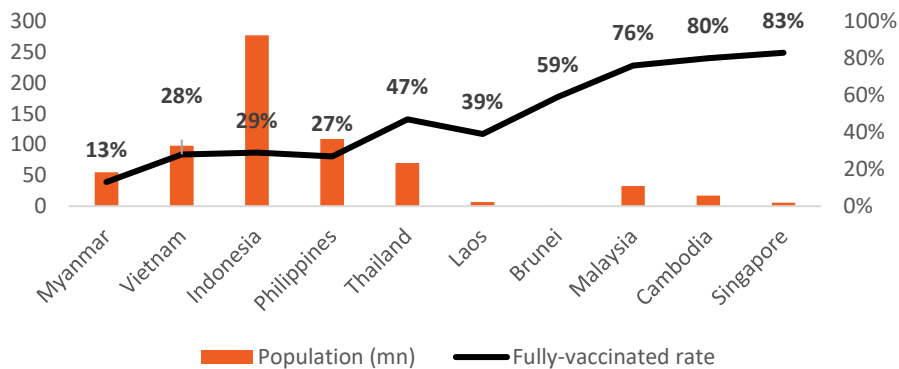
63.7mn doses administered. 34.4mn first dose and 29.3mn second dose

Vaccination Rate



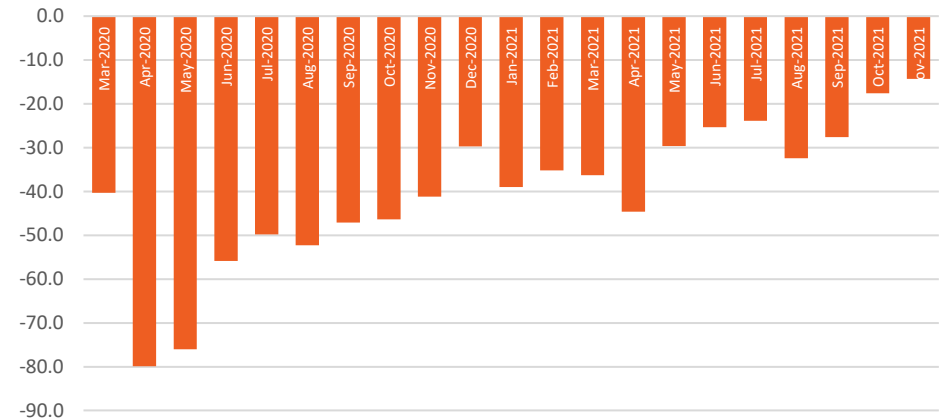
64% of Metro Manila fully vaccinated well-ahead of PH's 27%. Metro Manila accounts for 31.9% of the country's GDP

ASEAN Fully-Vaccinated Rate



PH Fully-Vaccinated Rate **at par with ASEAN peers with population of at least 50mn**

Google Mobility Index - Philippines Retail and Recreation

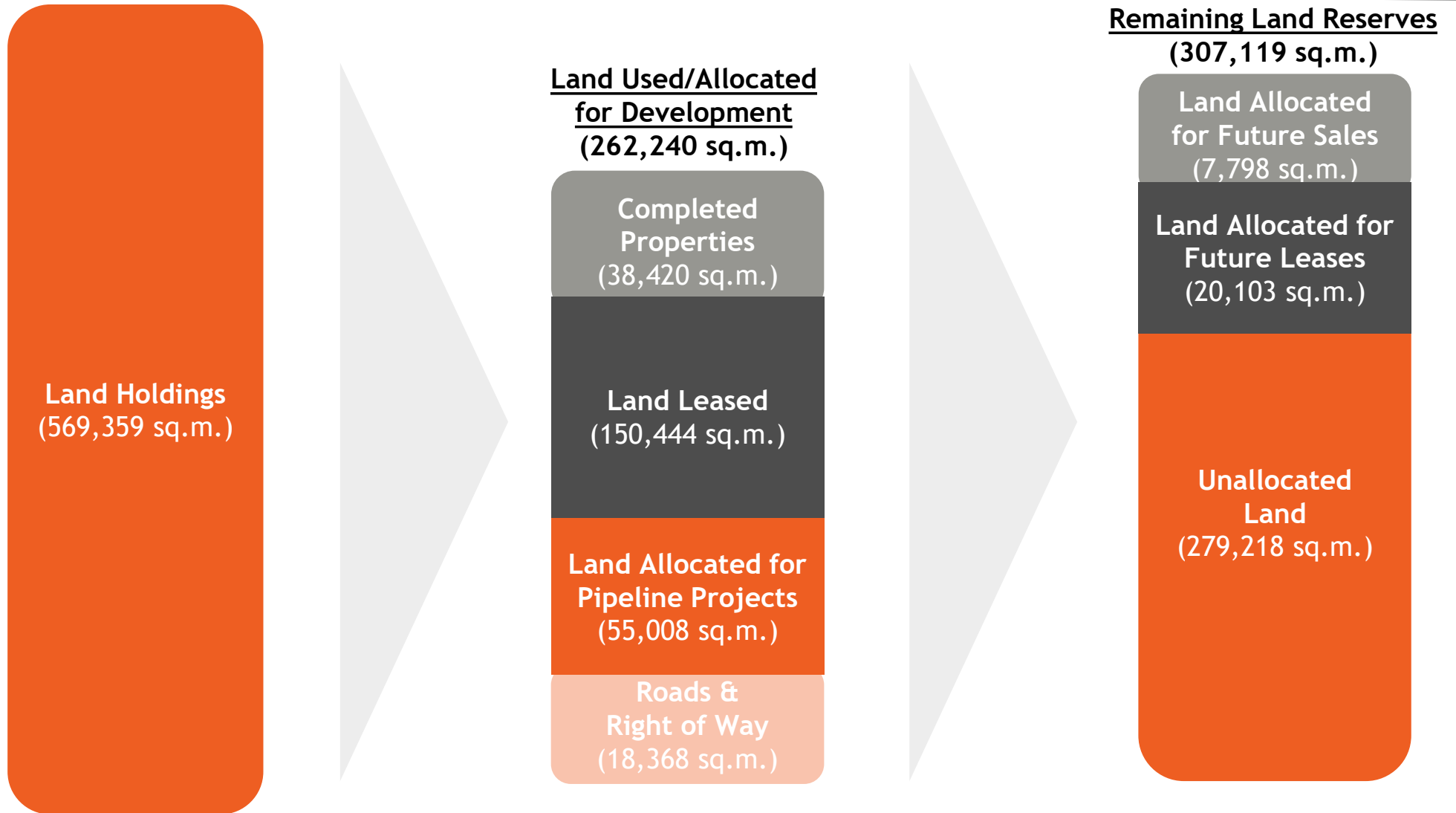


Sources: Department of Health, OCTA Research, Google Mobility
 DOH Data as of November 6, 2021. Google Mobility data as of November 4, 2021.



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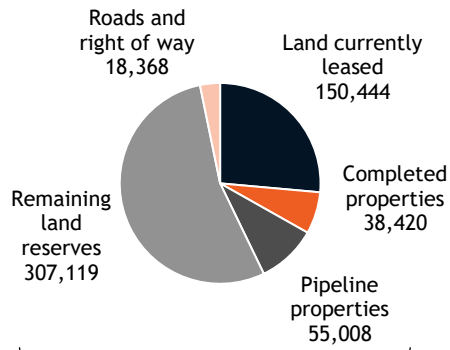
Updated summary of land holdings in Aseana City



Value of properties inside of Aseana City

Owned Land Holdings

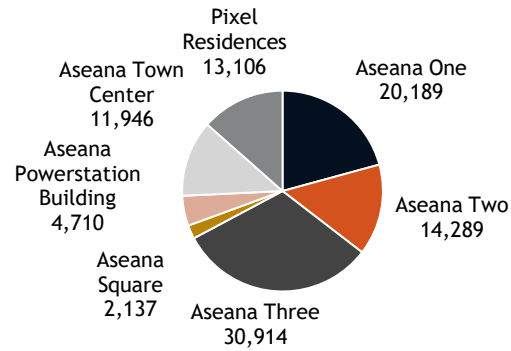
Land area (sq.m.)



Total: 569,359 sq.m.

Completed Properties⁽¹⁾

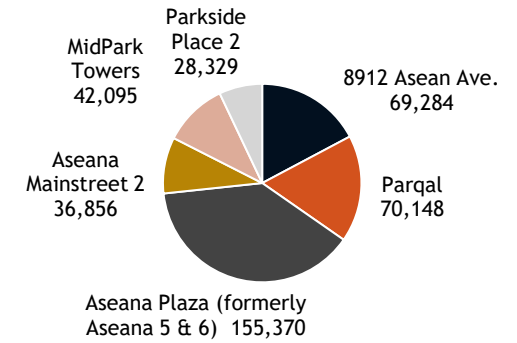
Total leasable/saleable floor area (sq.m.)



Total: 97,290 sq.m.

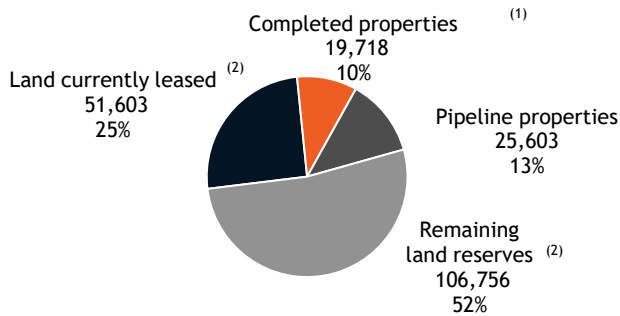
Pipeline Properties

Leasable/saleable floor area (sq.m.)



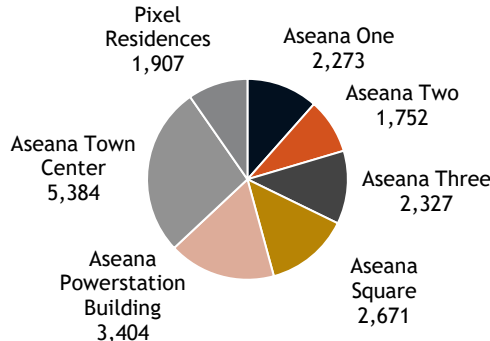
Total: 402,082 sq.m.

Valuation (PHP mm)



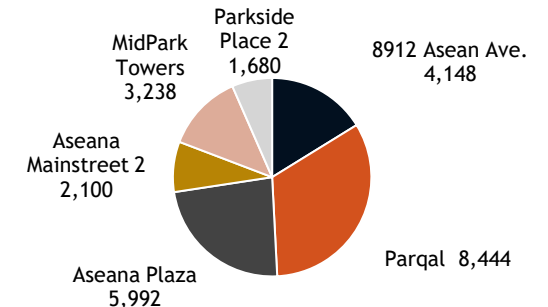
Total: PHP203,680 mm

Valuation (PHP mm)



Total: PHP19,718 mm

Valuation (PHP mm)⁽³⁾



Total: PHP25,603 mm

Notes

Colliers' valuation date is at October 30, 2020

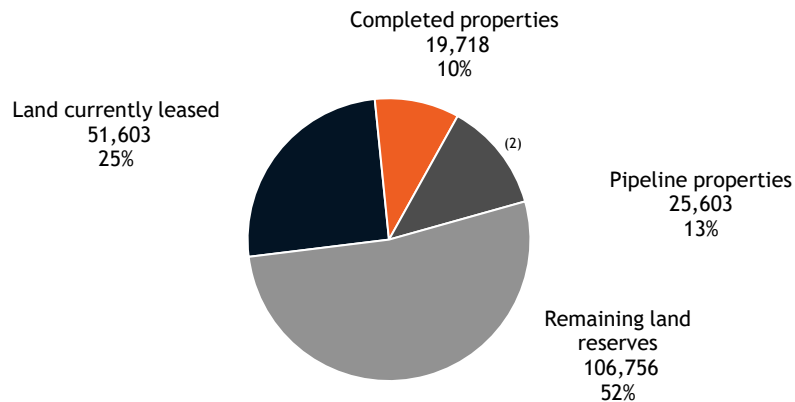
1. Excluding S&R Building

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

3. As is, where is basis

Steep Discount to Asset Value

Valuation* (PHP mm)



PHP203,680 mn
Colliers' Valuation*

PHP23,400 mn
Current Market Capitalization**

89%
Discount to Colliers' Valuation

Php2,418 mn
Net Cash Position (9M2021)

Notes

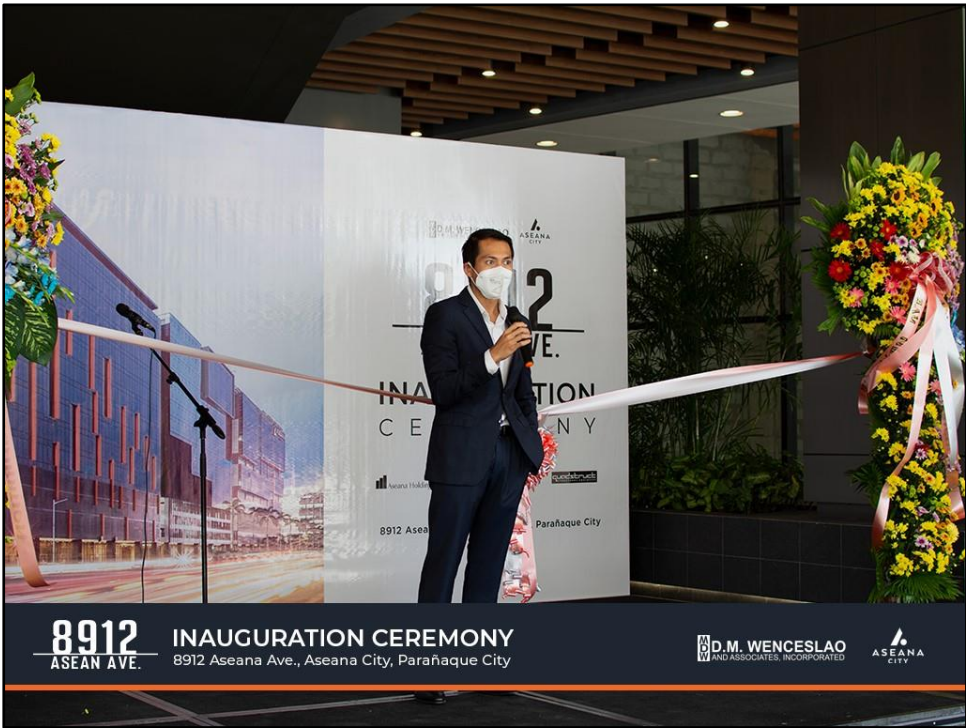
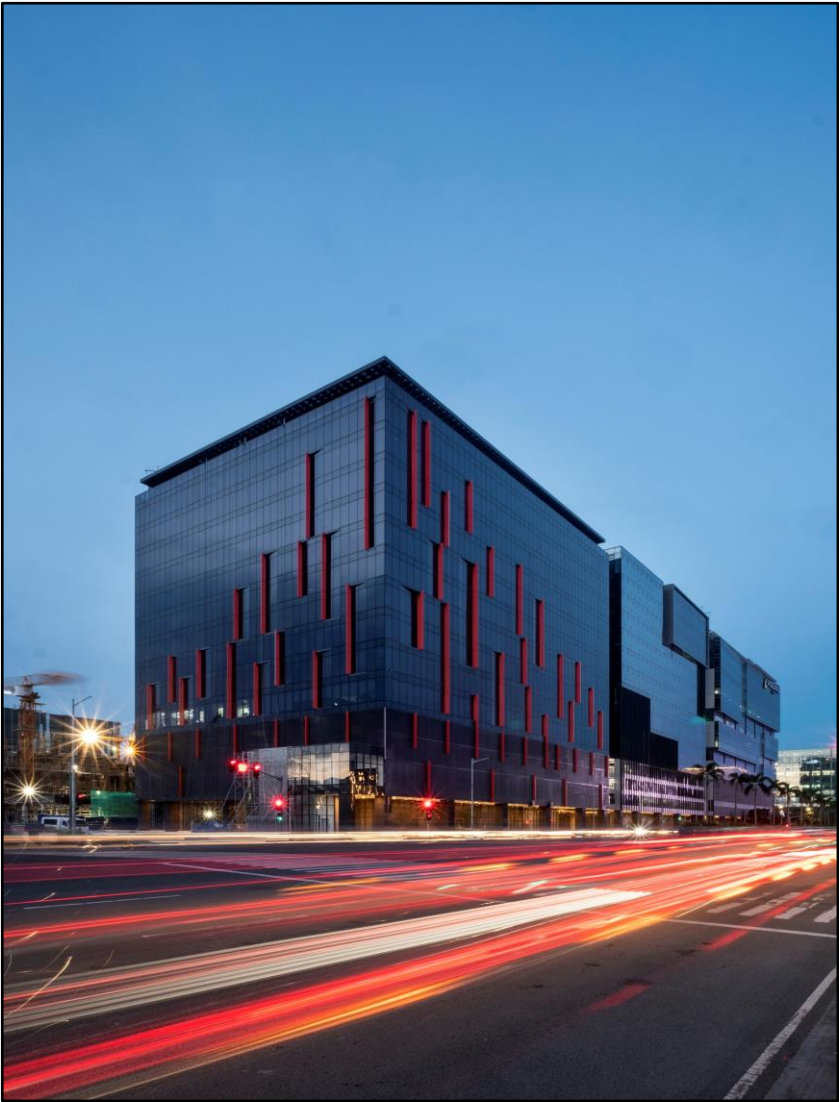
*Colliers' valuation date is October 30, 2020

**As of November 2021



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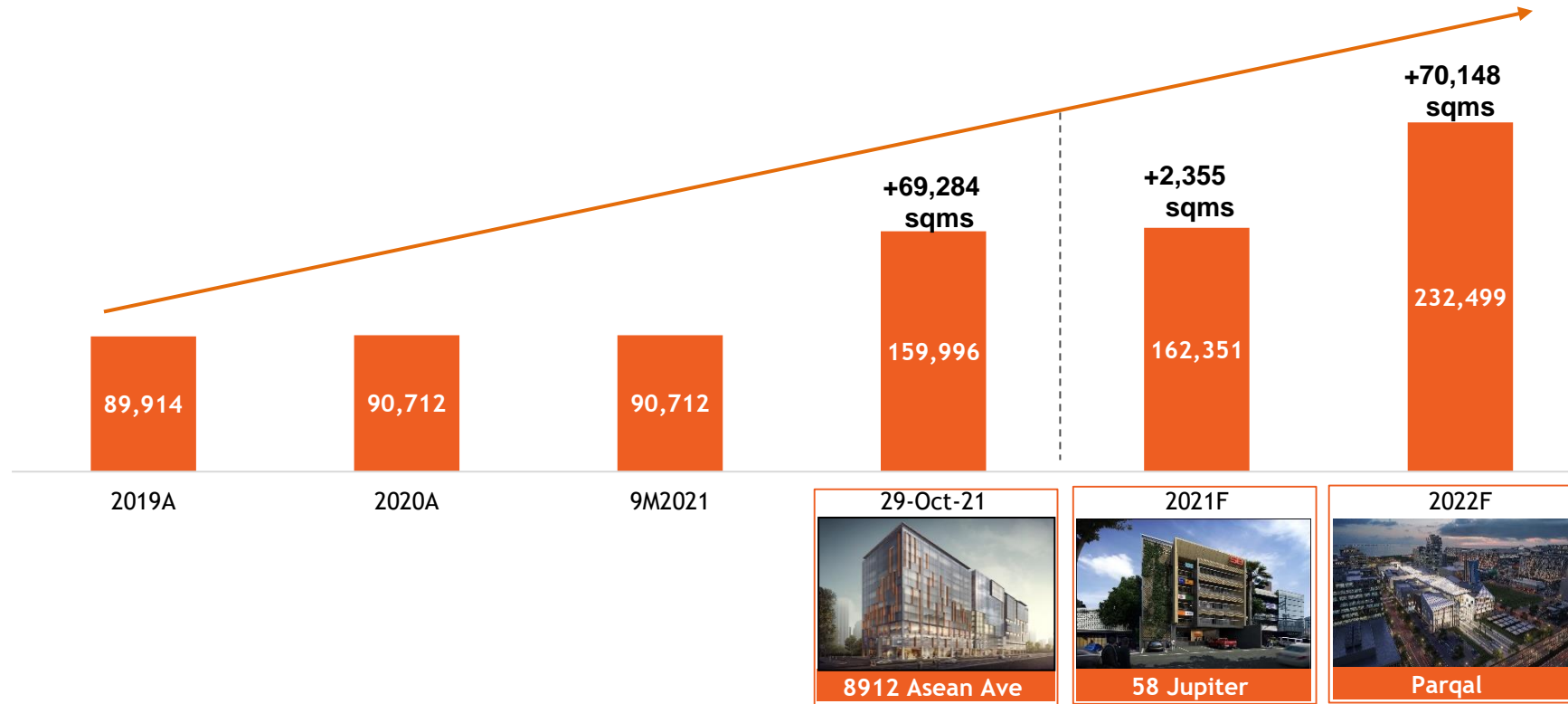
Commercial Pipeline Milestones: 8912 ASEAN AVE.



Inauguration Date: October 29, 2021

Completions to Increase Building Leasing Space Almost Three-Fold

Total Building Leasable Floor Area (sq.m.)



Commercial Pipeline Milestones: 58 JUPITER



Construction Progress

97%

Commercial Pipeline Milestones: PARQAL



Construction Progress

56%

Residential Pipeline Milestones: MIDPARK TOWERS



Construction Progress

19%

Pipeline of Premier Assets



Commercial Leasing

- After Parqal, **close to ~200,000sqms of Gross Leasable Area** will be added to our portfolio in the medium term with the planned completions of 1) Aseana Plaza and 2) Aseana Mainstreet 2.



Residential

- One Parq Suites, our third residential development, will add ~30,000sqms of saleable floor area to our inventory upon launch.
- Planned Residential Project in Legazpi Makati which will rise in the property bought by DMW last year



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Stable recurring income



Total revenues, P2.0 billion
Recurring income from rentals, 73%

- Land, 36%
- Building, 30%
- Other revenues, 7%

- Sale of condominium units, 25%
- Construction contracts, 3%

Sum may not equal 100% due to rounding

PHP	9M 2021	9M 2020	Change (%)
Rentals			
Land	P731,508,943	P733,236,103	0%
Building	592,933,562	610,960,611	-3%
Other revenues	134,187,263	124,056,344	8%
	1,458,629,768	1,468,253,058	-1%
Construction contracts	51,515,956	24,802,115	108%
Sale of condominium units	494,345,619	707,303,752	-30%
Total Revenues	2,004,491,343	2,200,358,925	-9%
Gross profit	1,577,438,691	1,594,819,740	-1%
Operating expenses - net	274,120,897	287,056,935	-5%
Operating profit	1,303,317,794	1,307,762,805	0%
Other income (charges)	(8,762,113)	1,077,300,165	-101%
Profit before tax	1,294,555,681	2,385,062,970	-46%
Tax expense (credit)	48,754,820	527,553,127	-91%
Net profit to parent	P1,231,815,897	P1,826,356,234	-33%
Core Net Profit to Parent	P1,044,428,395	P1,006,356,234	4%

Core net income excludes the after-tax impact of a one-off gain in 9M2020 amounting to ₱1.00 billion and the adjustment of tax expense in 9M2021 as a result of the effectivity of CREATE Law

In focus: Leasing

P1.46B

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.

P731.5M

Land

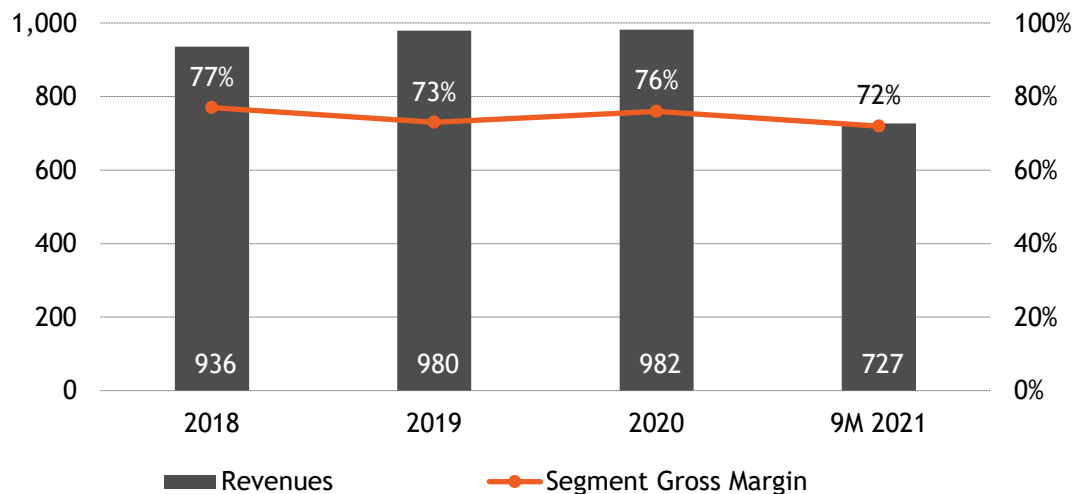
P592.9M

Building

P134.2M

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

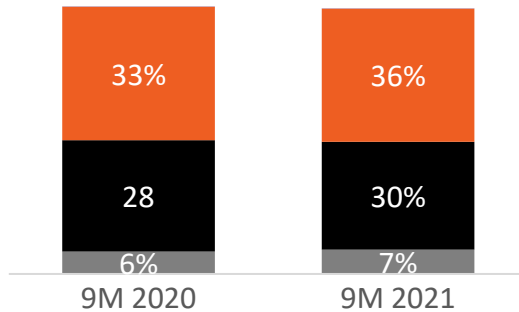
Buildings

occupancy rate of **89%** and weighted average lease expiry of **5.4 years** as of September 30, 2021

Robust leasing activity reflects high level of sustainability

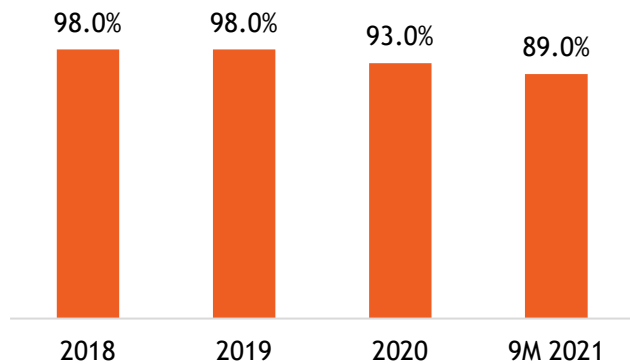
Recurring Income Contribution⁽¹⁾ (%)

Total recurring revenues

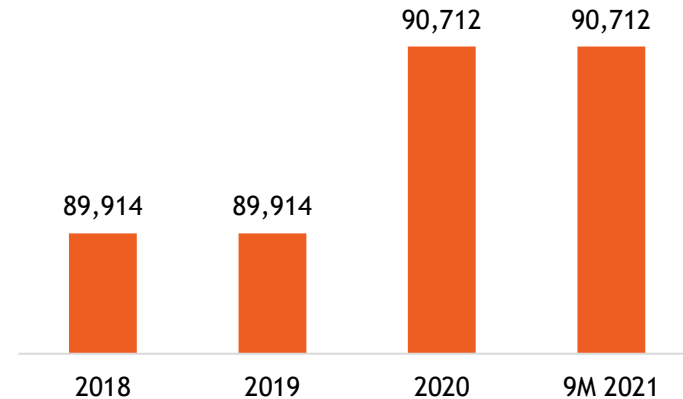


	9M 2020	9M 2021
■ % to Total Revenues	67%	73%
■ Land (PHP mm)	733	732
■ Building	611	593
■ Other Revenues	124	134

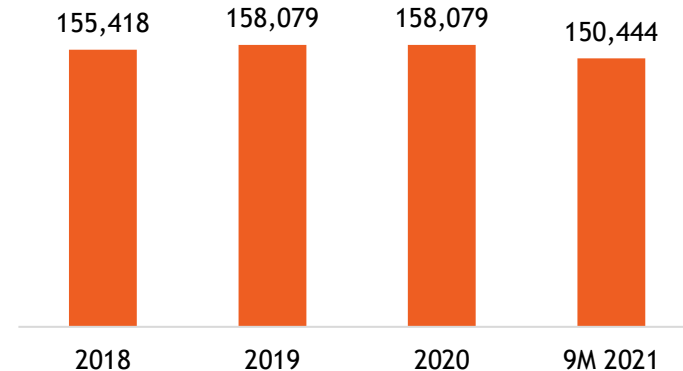
Period Ending Occupancy (%)



Total Leasable Floor Area⁽²⁾ (sq.m.)



Total Leased Land Area (sq.m.)



Notes:

Data as of December 31 of each year and September 30, 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

P494.3M

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.

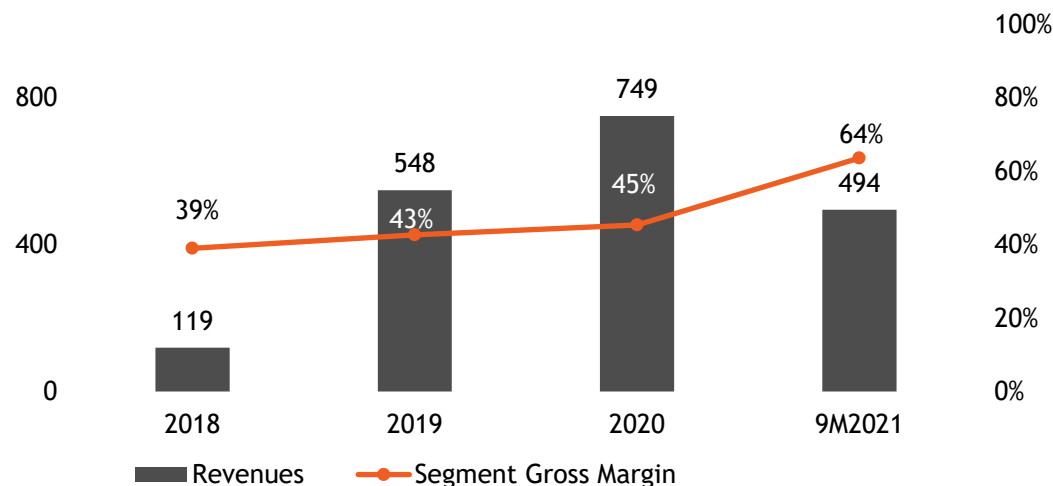
P100.3M

Pixel Residences

P394.0M

MidPark Towers

Residential Gross Margin



Residential sales % to total revenues

2018	6%
2019	16%
2020	27%
9M 2021	25%

Revenue contribution

Accounted for 25% 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 total collection of P1.6 billion as of September 2021

Payment terms: 20%-80%



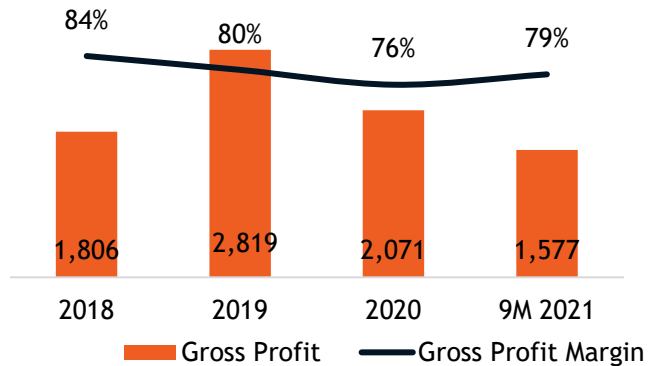
MidPark Towers

3/4 of launched units sold with total collection of P1.6 billion as of September 2021.

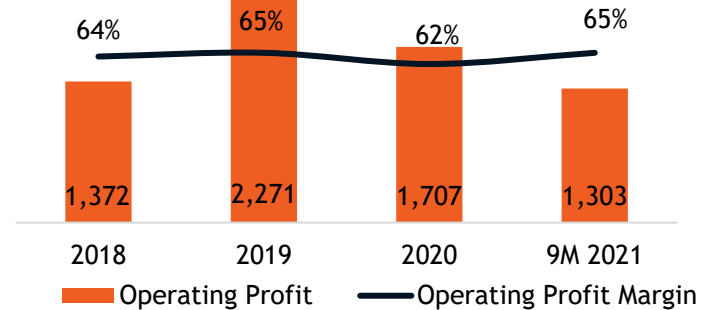
Ave. collection - 30%

Superior profitability scorecard consistent with resilient portfolio

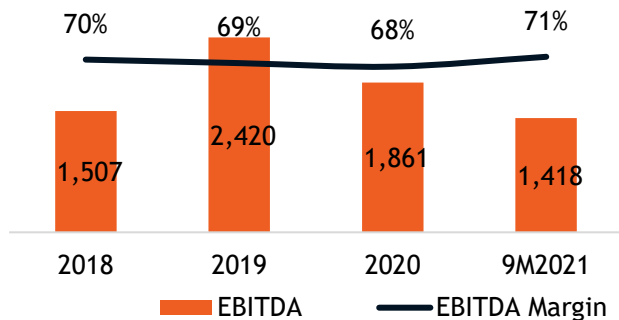
Gross Profit (PHP mm)



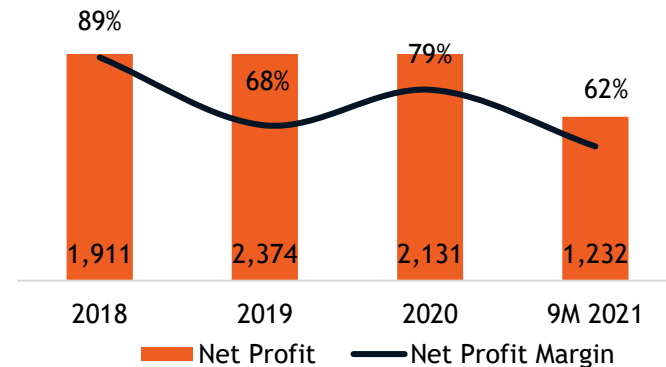
Operating Profit (PHP mm)



EBITDA⁽¹⁾ (PHP mm)



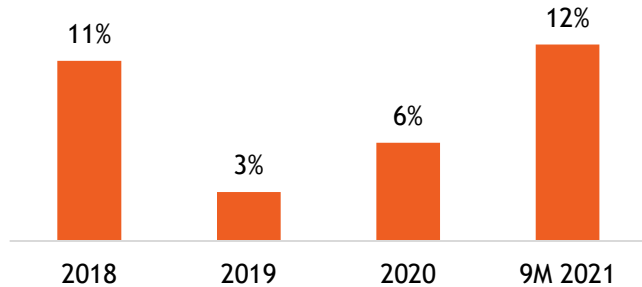
Net Profit Attributable to Equity Holders of the Parent ⁽²⁾ (PHP mm)



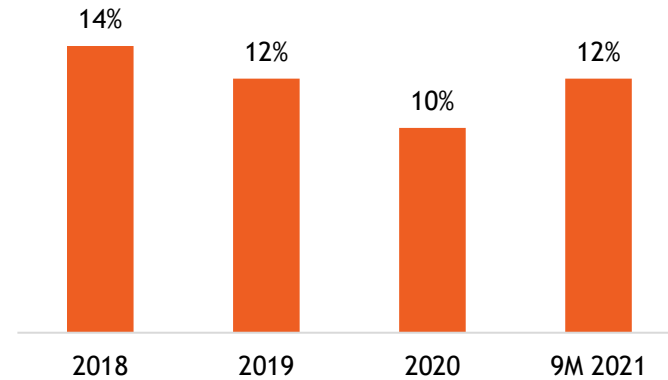
Note:
 1. EBITDA = operating profit + depreciation and amortization
 2. Net income / revenues

Financial strength supports growth aspirations

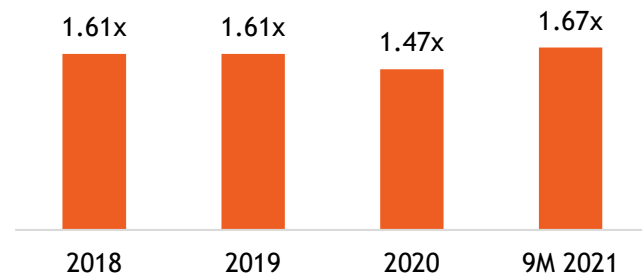
Debt To Equity⁽¹⁾ (%)



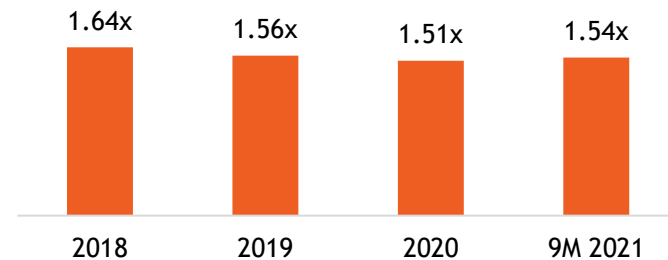
Return on Equity⁽²⁾ (%)



Current Ratio⁽³⁾ (x)



Asset to Equity⁽⁴⁾ (x)



Notes:

Data as of December 31 of each year and September 30, 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 June 30, 2021</u>	<u>Application of Offering Proceeds for the Quarter ended September 30, 2021</u>	<u>Balance of Offering Proceeds as of September 30, 2021</u>
Pipeline project development	P	4,731,213,878	P 4,717,574,413	P 10,106,390	P 3,533,075
Land assets		1,880,101,954	566,061,976	-	1,314,039,978
Infrastructure development within Aseana City		524,345,738	294,366,233	9,622,567	220,356,938
General corporate purposes		463,552,030	229,589,611	25,050,050	208,912,369
	P	<u>7,599,213,600</u>	P <u>5,807,592,233</u>	P <u>44,779,007</u>	P <u>1,746,842,360</u>



Pixel Residences P283M



8912 Asean Ave. P2.2B



Parqal P1.8B



MidPark Towers P252M



Aseana Plaza P109M

Summary: 9M 2021 highlights

9M 2021 Summary

- **Consolidated revenues** amounted to ₱2.0 billion, and **net income to parent** stood at ₱1.2 billion in 9M 2021. **Core net income rose 4% to ₱1.04 billion**. *Core net income excludes the after-tax impact of a one-off gain in 9M2020 amounting to ₱1.00 billion and the adjustment of tax expense in 9M2021 as a result of the effectivity of CREATE Law.*
- **Recurring income** from rentals of land, building and other revenues amounted to ₱1.5 billion or 73% of our total consolidated revenues for the period.
- Revenues from the **residential segment** stood at ₱494 million, accounting for 25% of total revenues.
 - **Cancellations remained minimal** in 9M2021, demonstrating the quality of the buyers of our residential projects.
- **Successful deployment** of ₱5.9 billion or 77% of total net proceeds from the IPO to the development of pipeline projects.

2021 Outlook

- **Completion of 8912 Asean Ave** in October 2021 which added over **69,000 sqms** to our total GLA will **boost our recurring income streams**.
- **Residential segment** will be driven by revenue bookings from MidPark Towers as Pixel Residences is practically fully-turned over:
 - **Pixel Residences:** Fully-turned over, with little unrecognized revenues remaining.
 - **MidPark Towers:** Ongoing pre-selling, $\frac{3}{4}$ of launched units sold as of September 2021. Currently at 19% POC, revenue booking from MidPark Towers is expected to account for bulk of residential revenues in the remainder of the year.



100%
VACCINATED

ALL ASEANA CITY ESTATE PERSONNEL



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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*
- ✓ **Safety-Seal Certified Buildings & fully-vaccinated estate personnel**, ensuring safety of tenants

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
- ✓ **Ongoing COVID-19 vaccination program "2 Shots Forward"**, supporting efforts towards recovery.

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

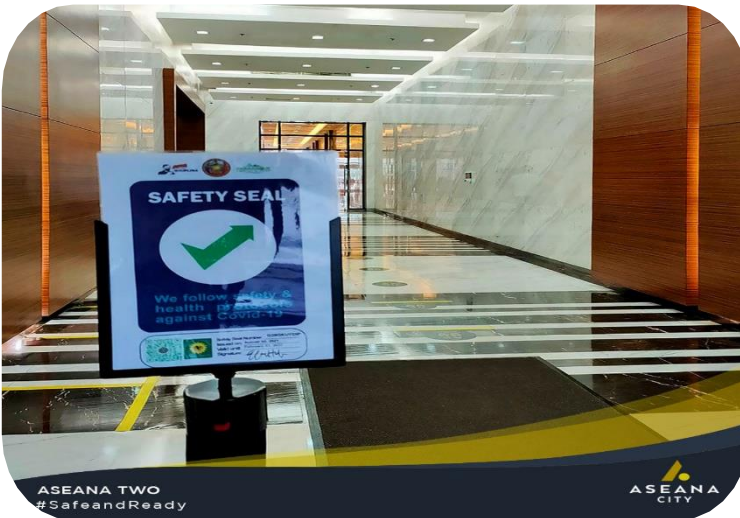
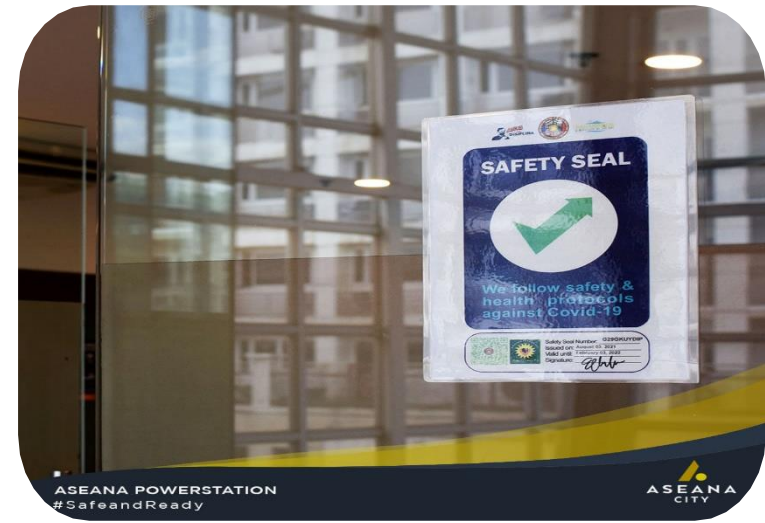
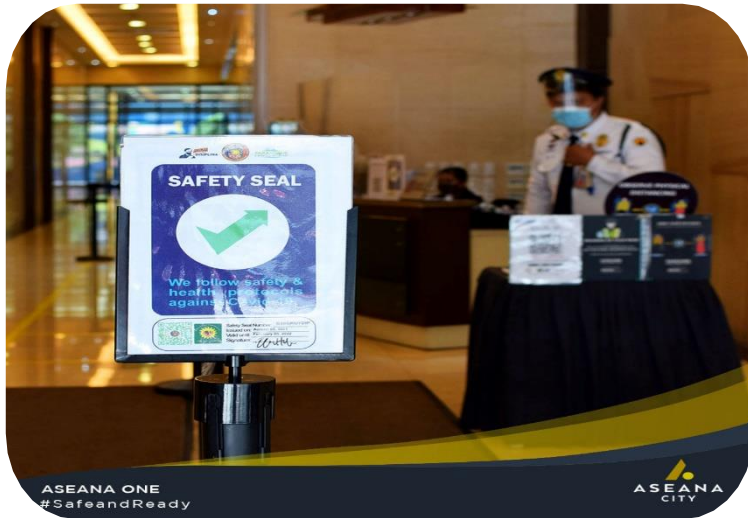
COVID-19 Aid: Extending a Helping Hand to the Community

- ✓ 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
- ✓ Set to donate vaccines to specific LGUs/communities within the vicinity of our projects

Employee Vaccination Program “2 Shots Forward”



Safety Seal - Certified Mixed Use and Office Buildings





Q&A

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Appendix: Consolidated Statements of Profit or Loss

PHP	9M 2021	9M 2020	Change (%)
Rentals			
Land	P731,508,943	P733,236,103	0%
Building	592,933,562	610,960,611	-3%
Other revenues	134,187,263	124,056,344	8%
	1,458,629,768	1,468,253,058	-1%
Construction contracts	51,515,956	24,802,115	108%
Sale of condominium units	494,345,619	707,303,752	-30%
Total Revenues	2,004,491,343	2,200,358,925	-9%
Gross profit	1,577,438,691	1,594,819,740	-1%
Operating expenses - net	274,120,897	287,056,935	-5%
Operating profit	1,303,317,794	1,307,762,805	0%
Other income	(8,762,113)	1,077,300,165	-101%
Profit before tax	1,294,555,681	2,385,062,970	-46%
Tax expense (credit)	48,754,820	527,553,127	-91%
Net profit to parent	P1,231,815,897	P1,826,356,234	-33%
Core net profit to parent	P1,044,428,395	P1,006,356,234	4%

Appendix: Consolidated Statements of Financial Position

PHP		30 Sep 2021		31 Dec 2020
Current Assets		12,988,855,371		12,249,418,082
Non-current Assets		22,115,336,373		20,607,603,420
Total Assets	P	35,104,191,744	P	32,857,021,502
Current Liabilities		7,789,012,702		8,356,600,808
Non-current Liabilities		3,944,956,309		2,216,135,807
Total Liabilities		11,733,969,011		10,572,736,615
Total Equity		23,370,222,733		22,284,284,887
Total Liabilities and Equity	P	35,104,191,744	P	32,857,021,502
Capital Structure				
Short-term debt	P	1,084,895,000	P	1,114,670,000
Long-term debt		1,726,130,000		282,350,000
Total bank debts	P	2,811,025,000	P	1,397,020,000
Less: Cash and cash equivalents and short-term placements		5,229,407,638		5,014,489,615
Net debt/ (net cash)	P	(2,418,382,638)	P	(3,617,469,615)