



1Q 2024
Analysts' Briefing

May 14, 2024

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

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- 2 Property Market Overview**
- 5 Valuation of Assets in Aseana
- 8 Development Milestones
- 15 Operating and Financial Highlights
- 24 Sustainability

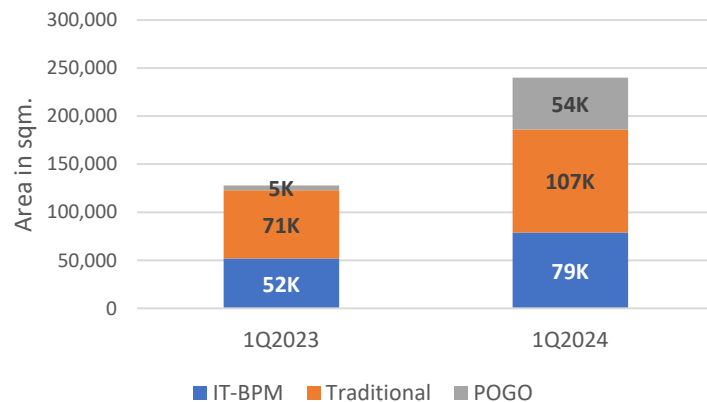
Metro Manila Office Market Update

Metro Manila Office Supply Forecast, end 2023 and 2027

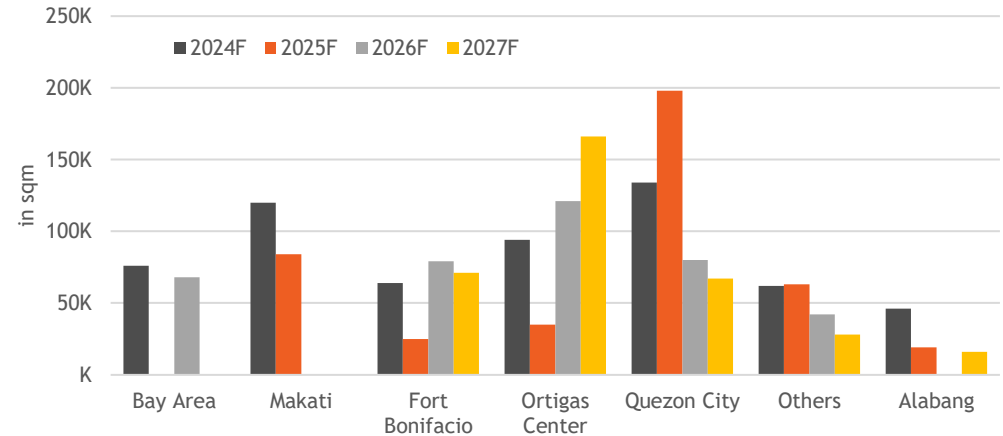
Location	end of 2023	end of 2027	change in sq.m.	% change	% to new supply
Makati CBD	3,367,000	3,420,000	53,000	2%	3%
Makati Fringe	720,000	886,000	166,000	23%	9%
Fort Bonifacio	2,647,000	2,856,000	209,000	8%	12%
Ortigas Center	2,323,000	2,415,000	92,000	4%	5%
Ortigas Fringe	632,000	974,000	342,000	54%	19%
Bay Area	1,437,000	1,633,000	196,000	14%	11%
Alabang	868,000	921,000	53,000	6%	3%
Quezon City	1,656,000	2,135,000	479,000	29%	27%
Others	640,000	836,000	196,000	31%	11%
Total	14,290,000	16,076,000	1,786,000	12%	100%

Brisk Office Take Up Driven by Growth in All Sectors

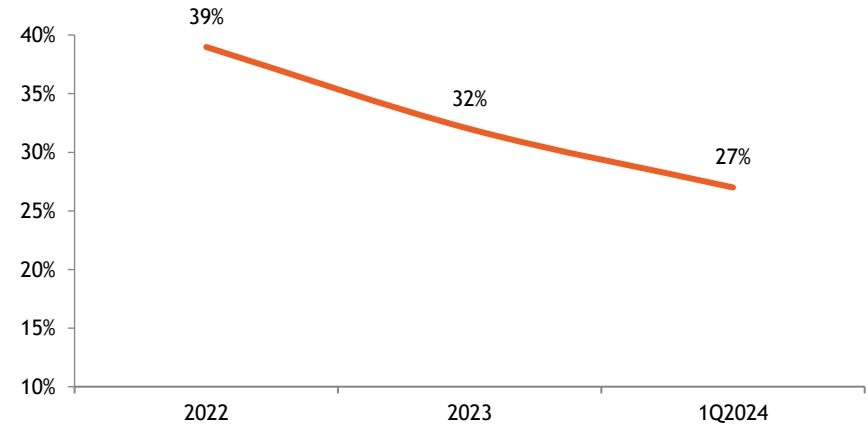
Office Take-up per Tenant Type



Bay Area will account for 11% of 1.78mn sqms new supply in 2024-2027



Bay Area Vacancy already declined significantly and is expected to decline further

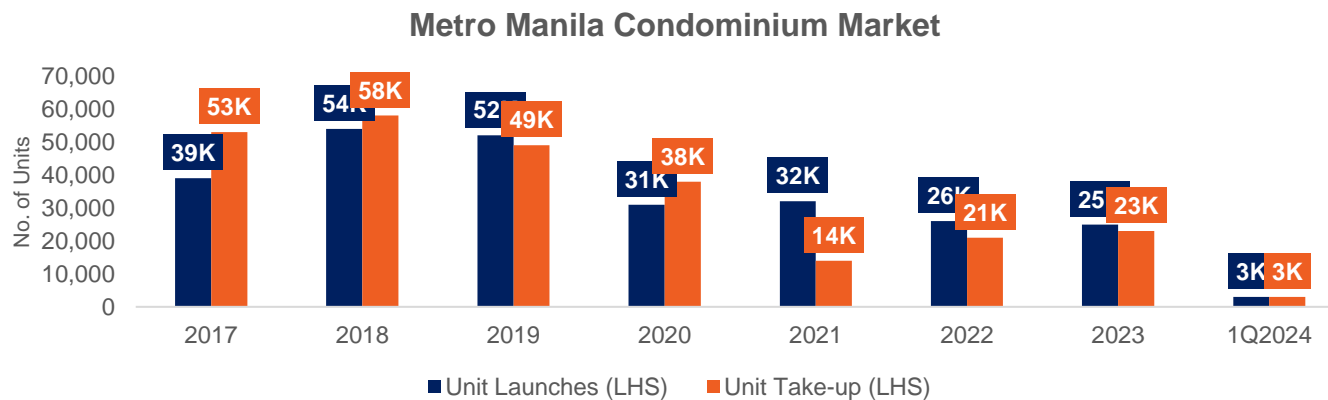


Metro Manila Residential Market Update

Metro Manila Residential Supply Forecast, end-2023 and 2026

Location	end of 2023	end of 2026	change in units	% change	% of new supply
Alabang	5,660	8,440	2,780	49%	11%
Araneta Center	5,140	5,140	0	0%	0%
Eastwood City	9,630	9,630	0	0%	0%
Fort Bonifacio	42,550	46,140	3,590	8%	15%
Makati CBD	29,210	31,790	2,580	9%	11%
Bay Area	36,860	46,590	9,730	26%	40%
Ortigas Center	19,830	25,330	5,500	28%	23%
Rockwell Center	5,830	5,830	0	0%	0%
Total	154,700	178,880	24,180	16%	100%

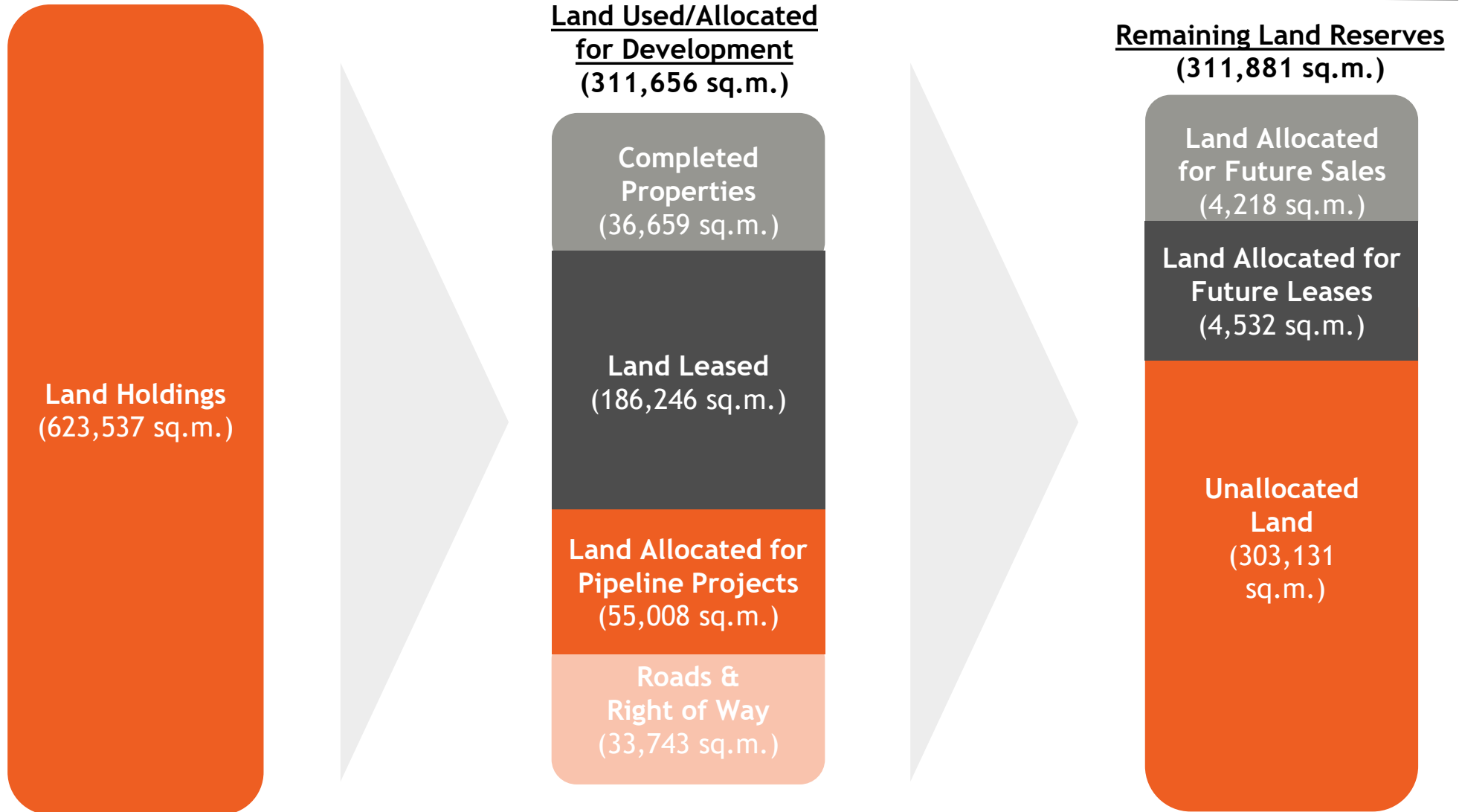
Residential Condo Sales Continued to Grow





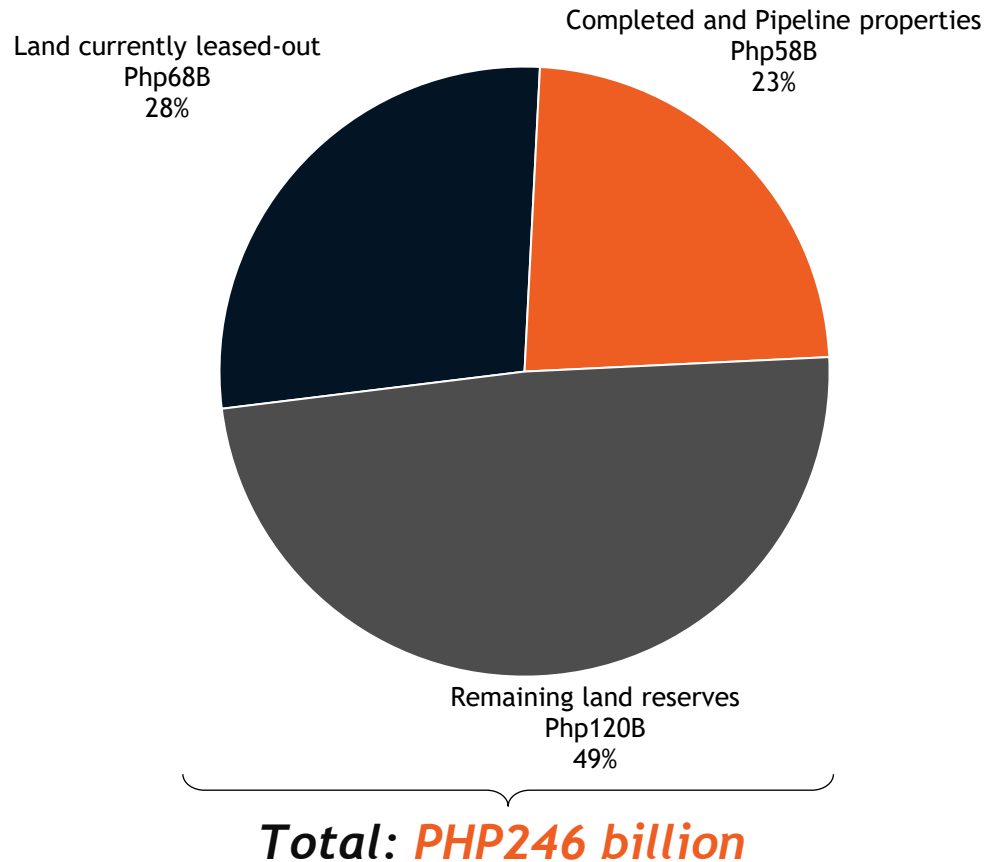
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Updated summary of land holdings in Aseana City as of March 2024



Value of DMW's Aseana City Assets as of December 31, 2023

Colliers / Third Party Valuation of DMW's Aseana City Assets



PHP246 Billion
Valuation of DMW's Assets in Aseana

Php1.8 Billion
Net Cash Position

~Php250 Billion
DMW's Net Asset Value*

~PHP20 Billion
DMW's Current Market Capitalization

>90%
DMW's Discount to Net Asset Value

**Net Asset Value = Value of Assets inside Aseana + Value of Assets outside Aseana + net cash*

Colliers and third party appraiser's valuation date is December 31, 2023

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
4. DMW holds 51% stake in BRDC



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Commercial Development Milestones: PARQAL

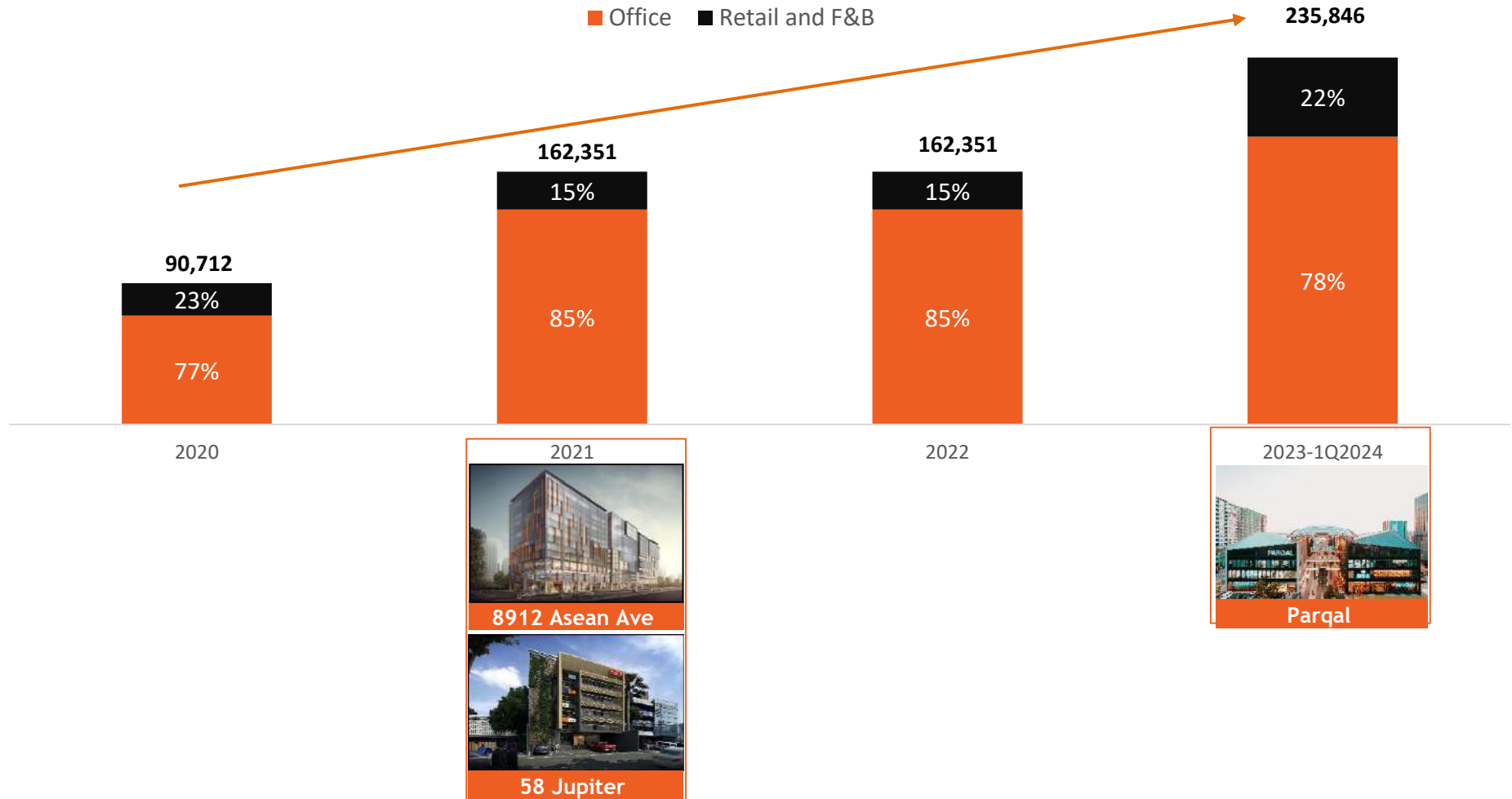


Commenced Operations
Sep 30, 2023



Hypergrowth Stage: Massive Recent Completions

Total Building Leasable Floor Area (sq.m.)



Residential Pipeline: MIDPARK TOWERS



Construction Progress

82%

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 in 2020

LRT1 Cavite Extension Operational by 2024



Aseana City Loop



NORTHBOUND ROUTE

- PITx
- Ayala Malls Manila Bay
- 8912 Asean Ave.
- Parqal (Imao Drive)
- St. John Paul II Chapel
- Nissan (Bradco Ave.)
- Centrium Building (F. De Leon Drive)
- SNR Aseana
- Aseana Powerstation
- Monarch Parksuites
- SM Mall of Asia



SOUTHBOUND ROUTE

- SM Mall of Asia
- St. John Paul II Chapel
- Parqal (Abueva Drive)
Parqal (Imao Drive)
- Nissan (Bradco Ave.)
- Ri Rance Corporate Center (Celerio Drive)
- Aseana 3 and 8912 Asean Ave.
- Ayala Malls Manila Bay
- PITx

SCHEDULE:

Monday to Friday | 7:00 AM to 7:00 PM





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1Q2024 Net Income Grows to ₱551 million



Total revenues, ₱940 million
 Recurring income from rentals, 84%
 ■ Land, 37%
 ■ Building, 34%
 ■ Other rental revenues, 13%
 ■ Land sale, 0%
 ■ Sale of condominium units, 16%
 ■ Construction contracts, 0%

Sum may not equal 100% due to rounding

PHP	1Q2024	1Q2023	Change
Rentals			
Land	P 343,922,521	P 312,725,698	+10%
Building	320,009,337	207,222,429	+54%
Other revenues	126,037,054	80,931,640	+56%
	789,968,912	600,879,767	+31%
Land Sales	-	-	N/A
Sale of condominium units	147,565,295	427,239,894	-65%
Construction contracts	3,007,136	68,630,763	-96%
Total Revenues	940,541,343	1,096,750,424	-14%
Gross profit	713,974,098	763,942,193	-7%
Operating expenses - net	99,256,333	122,686,757	-19%
Operating profit	614,717,765	641,255,436	-4%
Other income (charges)	21,934,011	17,004,254	+29%
Profit before tax	636,651,776	658,259,690	-3%
Tax expense (credit)	70,771,023	127,023,256	-44%
Net profit to parent	P 550,712,427	P 525,655,769	+5%

Consumption Driven Profitability Through Land Leases and Mixed-Use Assets

Revenue Breakdown	1Q2024	% to revenues
Rentals		
Land	P 343,922,521	37%
Building & other rental	446,046,391	47%
Sale of condominium units	147,565,295	16%
Construction contracts	3,007,136	0%
Total Revenues	940,541,343	

Gross Profit Breakdown	1Q2024	% to Gross Profit
Rentals		
Land	P 335,123,930	47%
Building & other rental	294,124,798	41%
Sale of condominium units	84,479,600	12%
Construction contracts	245,770	0%
Total Gross Profit	713,974,098	



In Focus: Leasing

P790 Million

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

P344M

Land

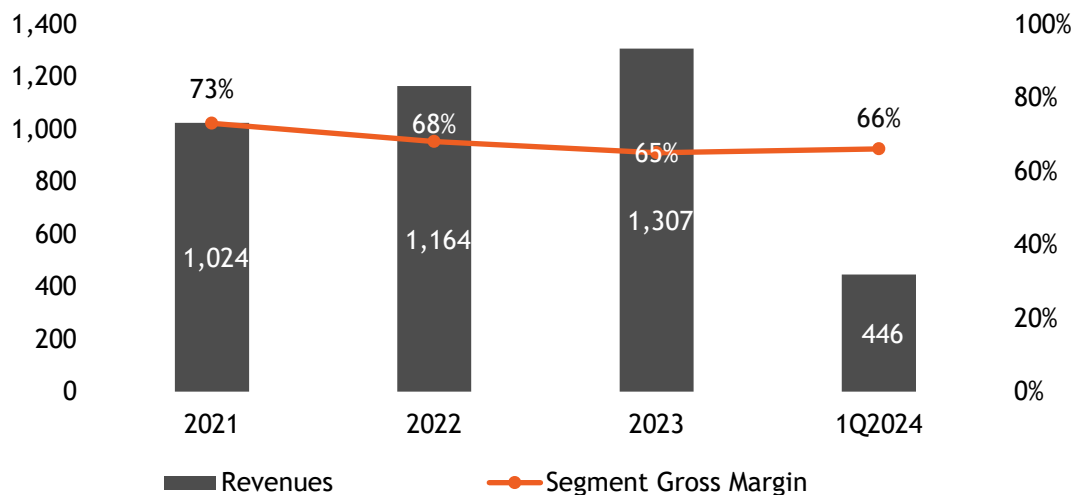
320M

Building

P126M

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

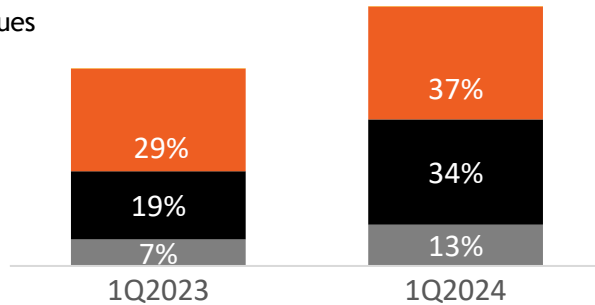
our lease agreements generally stipulate fixed annual escalation rates ranging from 3% to 10% for commercial space

Weighted average lease expiry at **5 years** as of March 31, 2024

Robust Leasing Activities

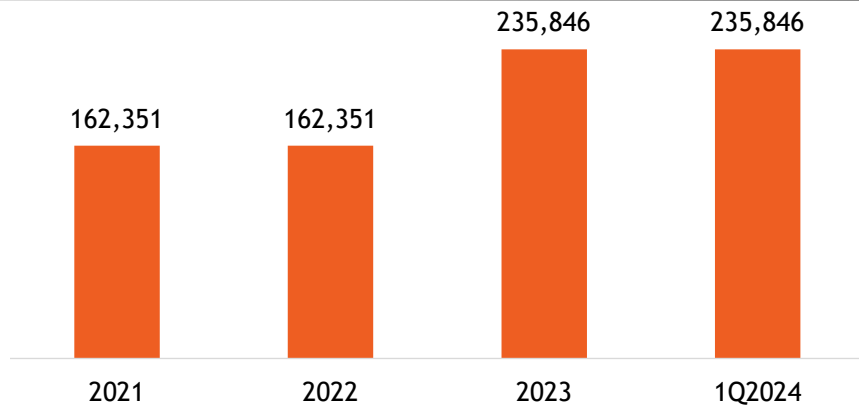
Recurring Income Contribution⁽¹⁾ (%)

Total recurring revenues

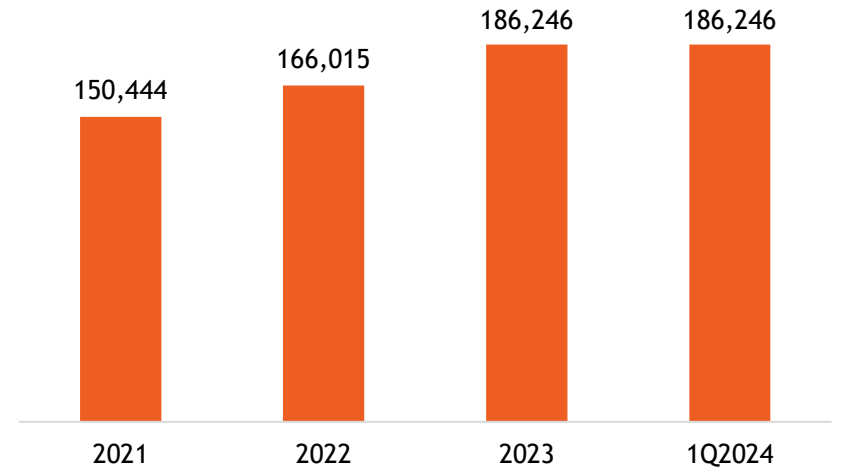


	2023	2024
% to Total Revenues	55%	84%
Land (PHP mm)	313	344
Building	207	320
Other Revenues	81	126

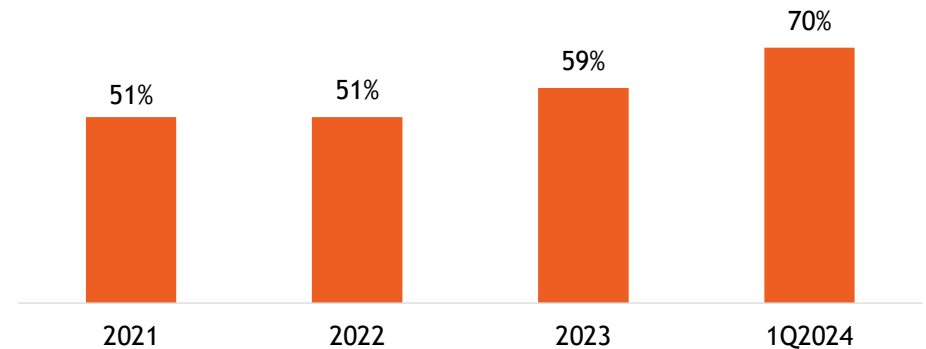
Total Leasable Floor Area (sq.m.)



Total Leased Land Area (sq.m.)



Period Ending Occupancy (%)



Notes:

Data as of December 31 of each year and March 31, 2024

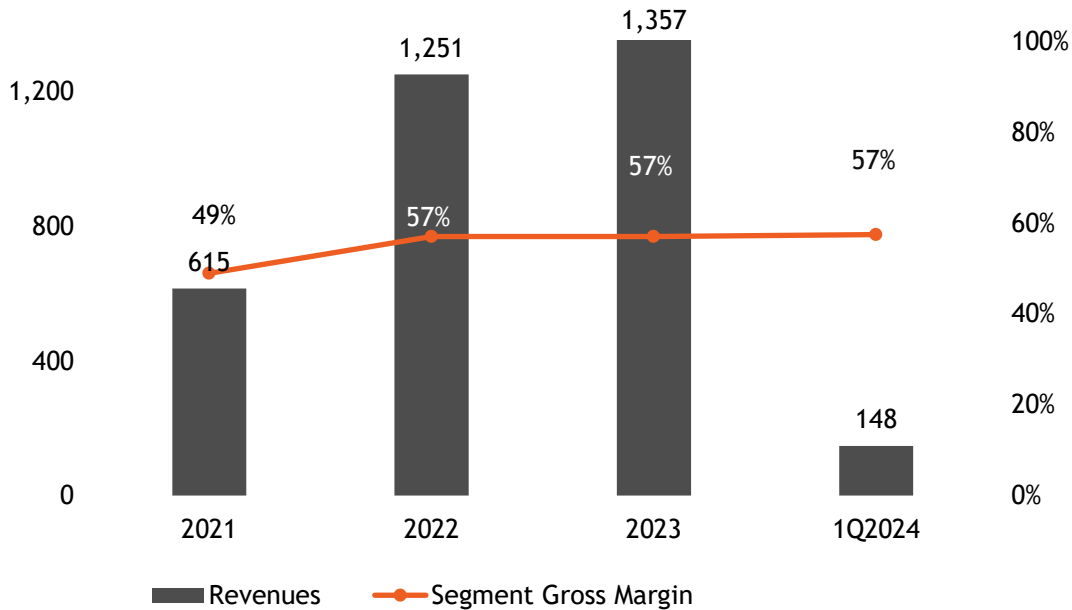
1. Recurring income is derived by dividing revenue from rentals by total revenue. Rentals comprise land, building and other revenues. Sum of the parts may not equal 100% due to rounding.

In Focus: Residential

P148 Million

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.

Residential Gross Margin



Residential sales % to total revenues

2021	18%
2022	30%
2023	33%
1Q2024	16%

Revenue contribution

Accounted for 16% of total revenues on the back of accounts that met 20% threshold for revenue recognition, percentage of completion, and ongoing pre-selling activities



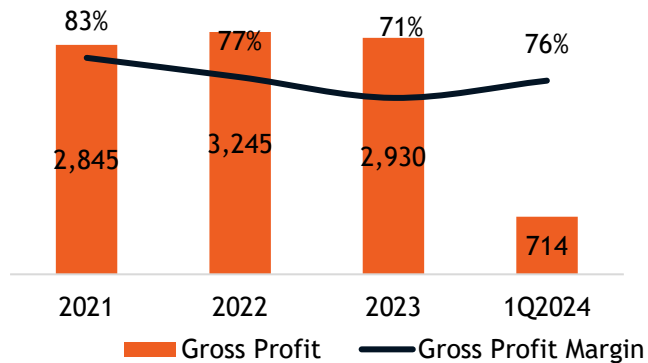
MidPark Towers

~85% of launched units sold as of Mar 2024.

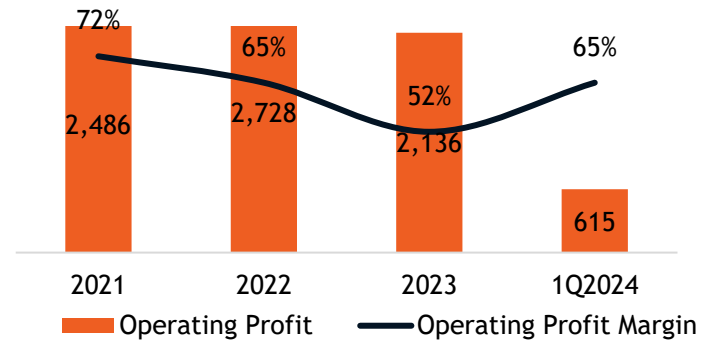
38% collection rate

Superior Margins

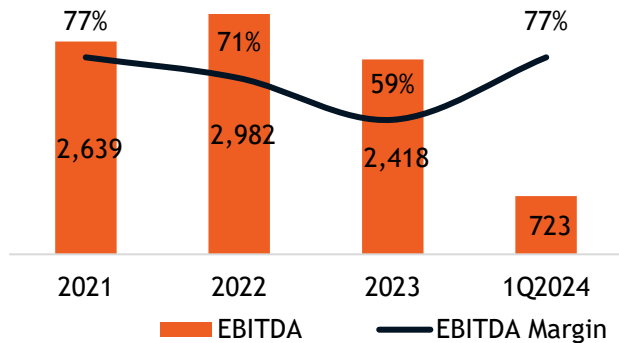
Gross Profit (PHP mm)



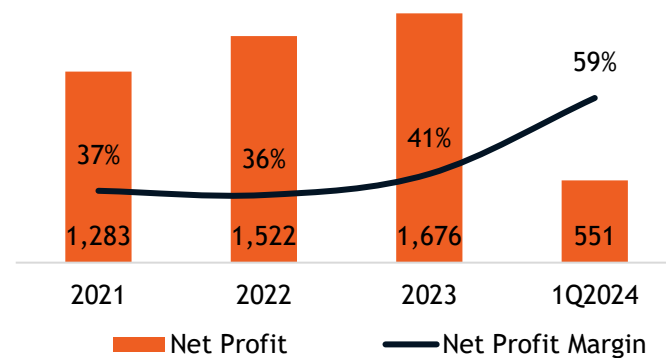
Operating Profit (PHP mm)



EBITDA⁽¹⁾ (PHP mm)



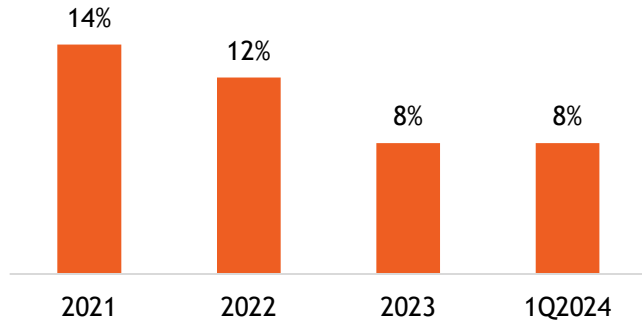
Net Profit (PHP mm)



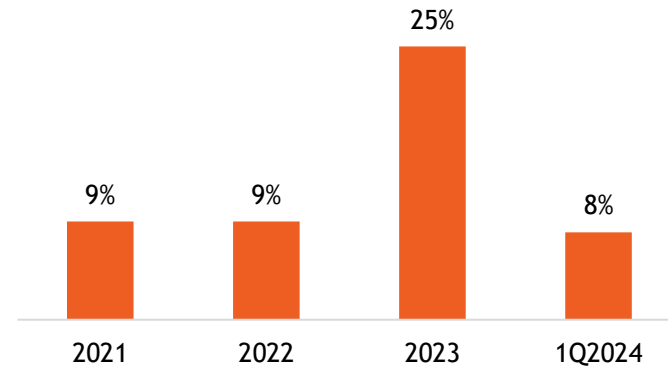
Note:
1. EBITDA = operating profit + depreciation and amortization

Financial Strength Supports Growth Aspirations

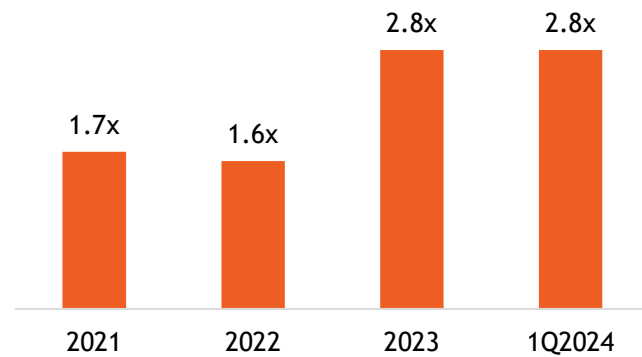
Debt To Equity⁽¹⁾ (%)



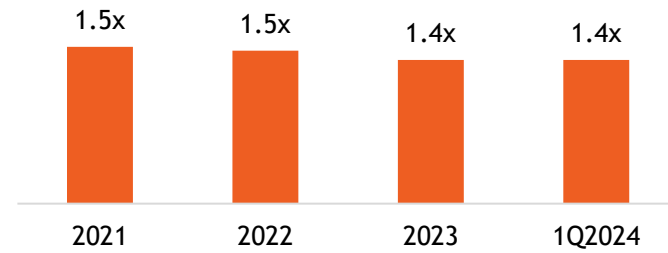
Return on Equity⁽²⁾ (%)



Current Ratio⁽³⁾ (x)



Asset to Equity⁽⁴⁾ (x)



Notes:

Data as of December 31 of each year ; March 31, 2024

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.

Summary and Outlook

1Q2024 Summary

- **Consolidated revenues** amounted to ₱940 million and **net income** increased to ₱551 million.
- **Leasing revenues** soared 31% to ₱790 million, representing 84% of total revenues. Notably, commercial building revenues jumped 54% to ₱320 million propelled by strong leasing activities across the whole portfolio and boosted by the 73,000sqm addition in commercial GLA from the opening of Parqal.
- **Commercial Building Occupancy Rate** improved significantly to 70%.
- **Residential revenues** stood at ₱148 million in 1Q2024, impacted by the timing of revenue recognition.

2024 Outlook

- Sustained **strong tenant take-up** across the portfolio will continue to improve occupancy rates and boost rental revenues and margins.
- **Parqal**, which opened in September 2023, will provide a full-year boost to rental earnings in 2024.
- Residential revenues will be driven by the continued construction progress of **MidPark Towers** towards completion and progressive turnover in 2024.
- Residential revenue booking is expected to catch up in the remainder of the year.



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D.M. Wenceslao's Five Pillars of Sustainability

Quality of Life	Environmental Stewardship	Good Governance and Ethical Business Practice	People-Centric Labor Practices	Economic Development
<ul style="list-style-type: none"> Customer Health and Safety Customer Satisfaction Pedestrian Mobility and Transportation Access to Needed Facilities & Infrastructure Disaster Resilience Risk Innovation 	<ul style="list-style-type: none"> Environmental Compliance Energy Efficiency Water Conservation GHG Emissions Waste Management and Recycling 	<ul style="list-style-type: none"> Business Conduct and Ethics (Corruption, Bribery, Data Privacy, Fair-Dealing) Risk Management 	<ul style="list-style-type: none"> Human Rights (Child labor, forced labor, discrimination, harassment) Employee well-being Employee Retention Human Capital Development Occupational Health and Safety 	<ul style="list-style-type: none"> Economic value generated Employment generated Local purchases
				

Corporate Sustainability Assessment Scorecard

D.M. Wenceslao & Associates, Incorporated

REA Real Estate

89th Percentile Rank or Top 11%

Among a global universe of S&P-assessed real estate companies as of Jan 2024



Q&A

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Appendix: Consolidated Statements of Profit or Loss

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Tax expense (credit)	70,771,023	127,023,256	-44%
Net profit to parent	P 550,712,427	P 525,655,769	+5%

Appendix: Consolidated Statements of Financial Position

PHP	1Q2024	2023
Current Assets	25,464,151,907	25,236,609,946
Non-current Assets	27,900,396,529	27,114,537,736
Total Assets	53,364,548,436	52,351,147,682
Current Liabilities	9,094,339,967	8,295,640,614
Non-current Liabilities	5,534,803,380	5,365,311,224
Total Liabilities	14,629,143,347	13,660,951,838
Total Equity	38,735,405,089	38,690,195,844
Total Liabilities and Equity	53,364,548,436	52,351,147,682
Capital Structure		
Short-term debt	325,000,000	325,000,000
Long-term debt	2,721,083,333	2,739,833,333
Total bank debts	3,046,083,333	3,064,833,333
Less: Cash and cash equivalents and short-term placements	4,824,118,654	4,855,269,205
Net debt/ (net cash)	(1,778,035,321)	(1,790,435,872)