



# Annual Stockholders' Meeting

June 28, 2019





# KEY MILESTONES AND DEVELOPMENTS

CPMI<sup>(1)</sup>, the country's first independent real estate property management company, was established

Began development of upscale condominiums

**Completion of Essenza East Forbes**

Launched its first large-scale house and lot development

1986



1989 - 2004

Began operations

2006 - 2011



2012 - 2013

Expanded into large-scale mixed-use developments with Century City

Entered affordable to middle-income segment

Completed "backdoor listing" with EAPRC<sup>(2)</sup>

Issued PHP 1.6 B convertible bond to Dutch pension fund APG

PHP 2.3 B re-IPO selling 1.33 billion shares, increasing free float to 27%

Raised PHP 1.6 B from 800 million shares issued, increasing free float to 33.2%

**Completion of Gramercy, Knightsbridge, Rio and Santorini in Azure**

2014



**Opened Century City Mall**

Completed maiden offering of PHP 2.7 B Unsecured Fixed Rate Retail Bond

Completed issuance of stock dividend with stock dividend rate of 20.66%

**Completion of St. Tropez in Azure**

Signed JVA with Mitsubishi Corp. to build Century Diamond Tower

Launched Novotel Suites Manila at Acqua

**Completion of Centuria, Niagara and Sutherland in Acqua, and Miami, Positano in Azure and Osmeña West in Commonwealth**

2015



2016



CPGI signed JVA with Mitsubishi Corp. to foray into affordable housing

**Completion of Milano, Dettifoss and Livingstone in Acqua, and Maui in Azure**

2017



**Completion of Trump Tower, Roxas East and Quezon North in Commonwealth, and Maldives in Azure**

Launched Batulao Artscape

2018



CPGI and Mitsubishi Corp launch Phirst Park Homes

**Completion of Asian Century Center in BGC, Boracay in Azure, Osmeña East in Commonwealth, and Iguazu in Acqua**

**As of 2018, CPG has completed:**

- ✓ **26 out of 37 projects**
- ✓ **14,208 out of 23,186 total units**
- ✓ **1,303,398 sqm out of 1,788,799 sqm of total GFA**

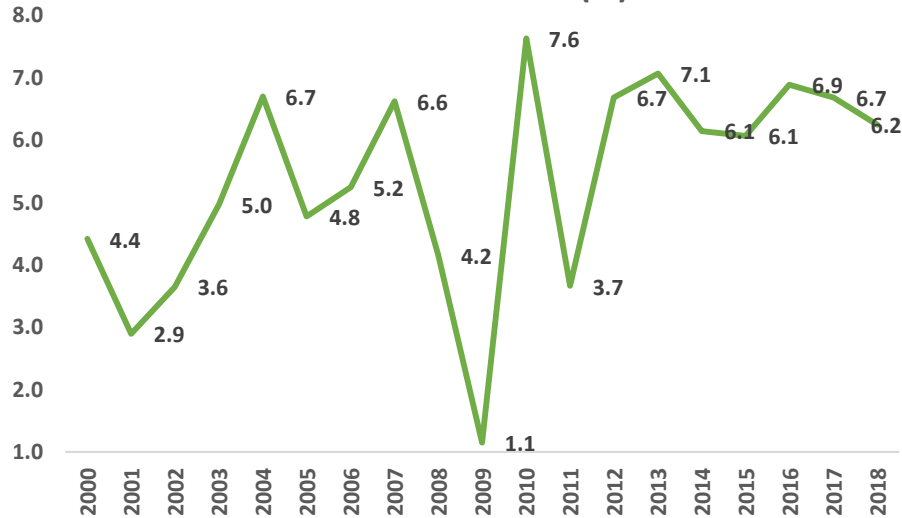
Note:

(1) Century Properties Management Inc.

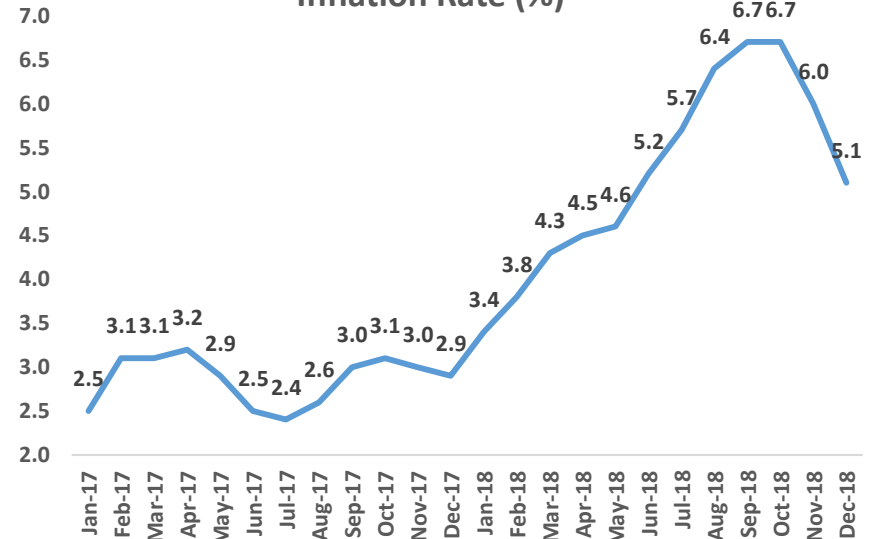
(2) East Asia Power Resources Corporation

# PHILIPPINE MACROECONOMY

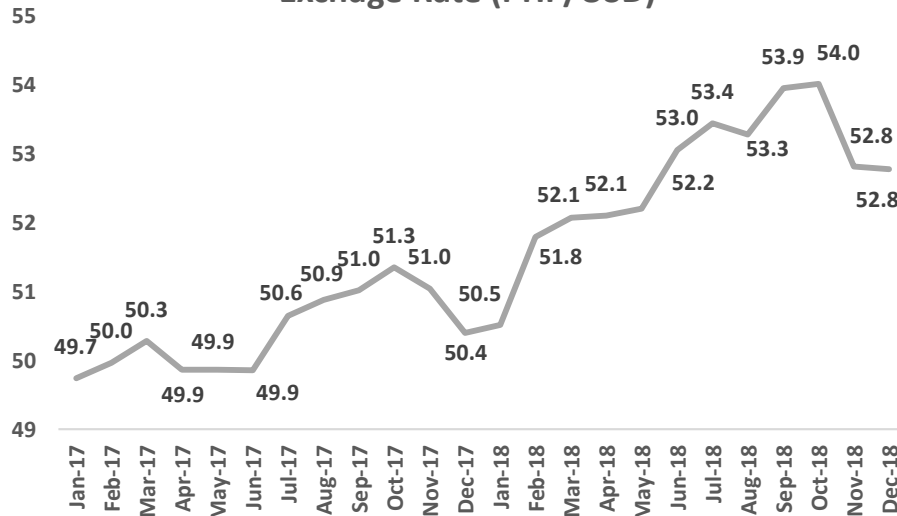
## GDP Growth Rate (%)



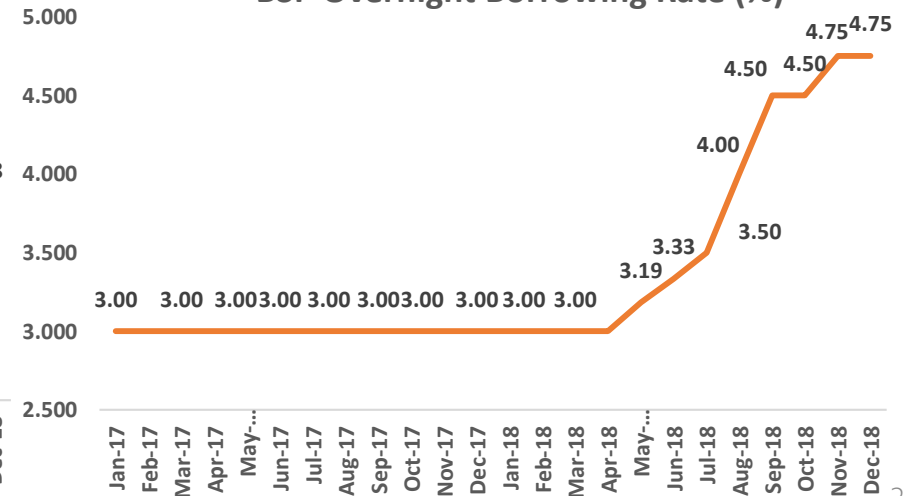
## Inflation Rate (%)



## Exchange Rate (PHP/USD)



## BSP Overnight Borrowing Rate (%)



# GROWTH STRATEGY SUPPORTED BY FAVOURABLE MACROECONOMIC ENV'T

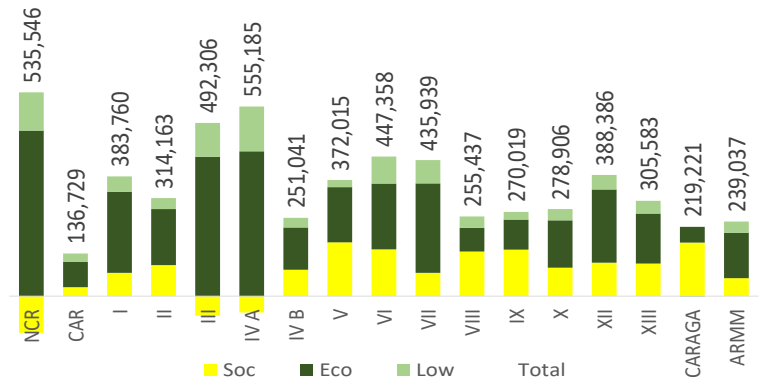
CPG's entry into the affordable housing segment capitalizes on the country's demand for affordable housing, which has an **estimated backlog of roughly 6.6 million units**.

## UNMET HOUSING NEED AND DEMAND

Segment	Unmet Housing Need, 2001-2015	Estimated Housing Demand, 2016-2030	Estimated Housing Need by 2030
Can't Afford	786,984	1,134,986	1,921,970
Socialized	1,275,921	1,369,181	2,645,102
Economic	3,686,429	2,509,718	6,196,147
Low Cost	918,820	611,815	1,530,095
Mid Cost		78,705	78,705
High End		11,767	11,767
<b>Need</b>	<b>6,667,614</b>	<b>5,716,172</b>	<b>12,383,786</b>

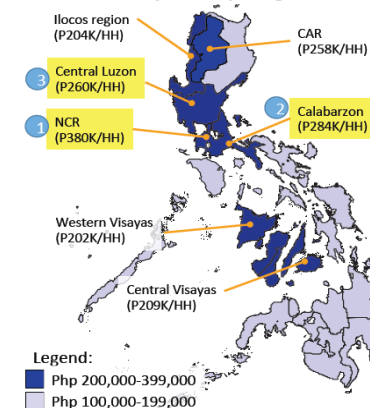
Sources: SHDA, HUDCC

## HOUSING BACKLOG BY REGION

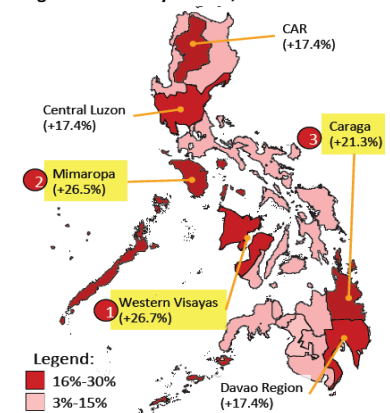


## TARGETING HIGH INCOME & HIGH GROWTH AREAS

Ave. annual family income per region



% growth of family income, '09-'12



# PRODUCT OFFERINGS

CPG's portfolio of product offerings has expanded to other market segments allowing the Company to diversify its revenue base. This strategic move is now yielding very positive results and we expect to sustain this growth momentum in the coming years



Century Properties Group, Inc. ("CPG")

## Platforms

In-City Vertical  
Developments

Horizontal  
Affordable  
Housing

Leisure and  
Tourism

Investment  
Properties

Property  
Management

## Products

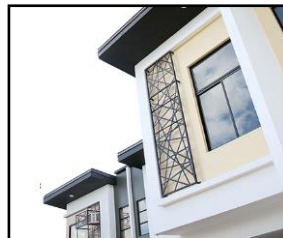
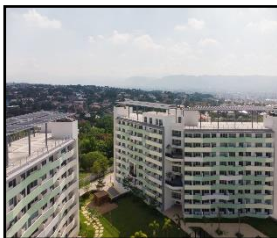
- Mixed-use development consisting of condominium and residential projects

- Affordable high quality horizontal projects

- Art park with designer homes and vacation amenities

- Retail mall, office buildings, medical facilities

- Property management
- Exclusive, specialty management and leasing service





# VERTICAL DEVELOPMENTS

Completed 3 projects with 77,740 sqm of GFA and 1,185 units in 2018

## BUSINESS HIGHLIGHTS

### VERTICAL DEVELOPMENTS PORTFOLIO



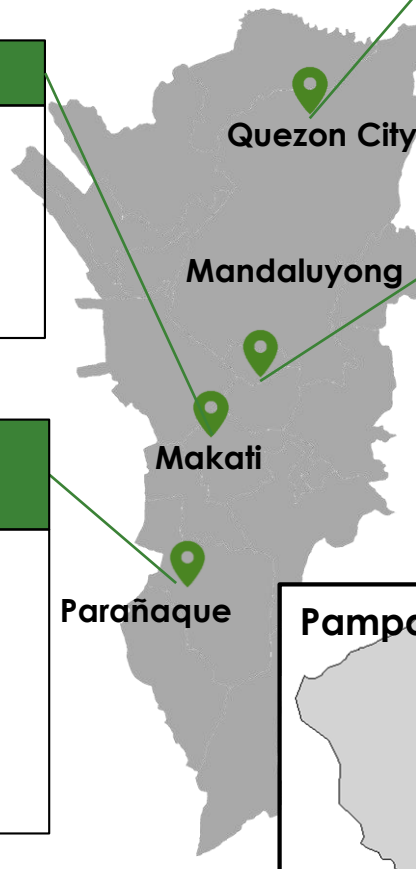
#### Century City

- Gramercy Residences
- Milano Tower
- Trump Tower
- Knightsbridge Residences



#### Azure Urban Residences

- Santorini
- St. Tropez
- Rio
- Positano
- Miami
- Maui
- Maldives
- **Boracay**



#### Commonwealth

- Osmeña West
- Quezon North
- Roxas East
- **Osmeña East**



#### Acqua Private Residences

- Niagara
- Sutherland
- Dettifoss
- Livingstone
- **Iguazu**



#### Pampanga

San Fernando

#### Azure North



# HORIZONTAL AFFORDABLE HOUSING

## BUSINESS HIGHLIGHTS

- JV with **Mitsubishi Corporation**
- Current Projects:
  - Tanza, Cavite
    - Townhouse Units and Single Attach
    - Total Planned GLA: 256,514 sq.m
  - Lipa, Batangas
    - 20 hectare development
    - 1,867 units valued at ₱2.8 billion



*Tanza*



*Lipa*



- ✓ CPG plans **to acquire 3-5 sites per year**
- ✓ Affordable segment **to contribute at least 30% of Net Income in the next 3 years**



\* As of December 2018

# NEW PROJECTS UNDER AFFORDABLE

Capitalizing on the country's demand for affordable housing, which has an estimated backlog of roughly 6.6 million units, the new joint venture company will pursue the development of projects of scale in key locations outside of Metro Manila under a new brand called PHirst Park Homes.

## PHirst Park Homes, Inc.\* – CPG's 3rd joint venture project with Mitsubishi Corp

- On May 16, 2018, CPG signed a joint venture agreement with Mitsubishi Corporation to establish a new company for affordable housing called PHirst Park Homes, Inc.\*
- Under the terms of the agreement, CPG will subscribe to 60% and Mitsubishi to 40% of the authorized capital stock equivalent to P5 billion over the same 5-year horizon.
- PHirst Park Homes, Inc. aims to launch about 15 projects within the next 5 years with a total of roughly 33,000 units. Each site will be 15 to 20 hectares and it is currently in various stages of land banking. This is equivalent to around Php 57 B in Project Sales Value, with capital expenditures estimated at around Php10 B over the first 5 years.



\*The Joint Venture Agreement for PHirst Park Homes, Inc. has secured clearance from the Philippine Competition Commission.



# LEISURE AND TOURISM

## BUSINESS HIGHLIGHTS

### PORTFOLIO



CPG launched the **first major leisure and tourism project, Batulao Artscapes**. The project will feature a variety of benefits from water and land based sports, dining and fine cuisine, beach front entertainment, dedicated spa areas and extensive children's entertainment facilities.

### DESIGNED BY ACCLAIMED LOCAL DESIGNERS

Eduardo Calma



Kenneth Cobonpue



Budji Layug



Budji Layug



- **Location:** the project is at the southwest portion of Metro Manila and 17km from Tagaytay City's rotunda on the west edge. It is also near the continuous development along the ridge of Taal Volcano lake.
- **Access:** The development's site is lying between two important roads of the region, namely: Tagaytay-Nasugbu road and Amuyong Highway.
- **Elevation:** Approximately 550m above sea level.
- **Climate:** Cool mountain weather that drops to 16° C during the cooler months and 24° C during the warmer months.
- **Terrain:** Highly undulating hills.

# INVESTMENT PROPERTIES

## BUSINESS HIGHLIGHTS

### PORTFOLIO

2013



Century City Mall

2018



Asian Century Center

2015



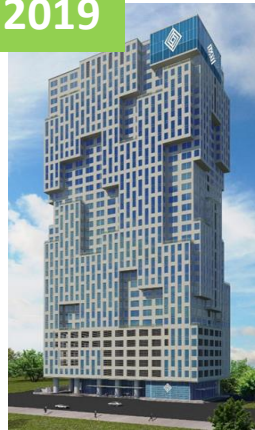
Centuria Medical  
Makati

2019



Novotel  
Suites Manila

2019

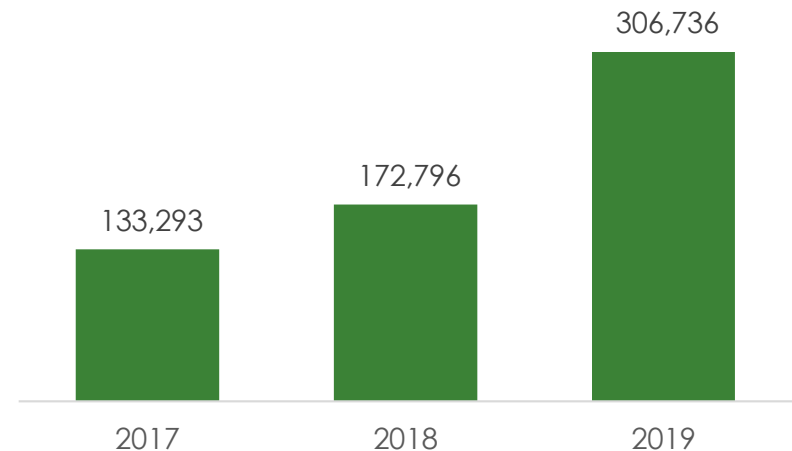


Century Diamond  
Tower

### CONTINUOUS ROLLOUT OF LEASING ASSETS

- **32% CAGR** on Cumulative Gross Floor Area (sqm) between 2017 and 2019
- Revenues expected to hit ₱2.0 Billion by 2020

#### Leasing Assets Total GFA



# PROPERTY MANAGEMENT

## BUSINESS HIGHLIGHTS

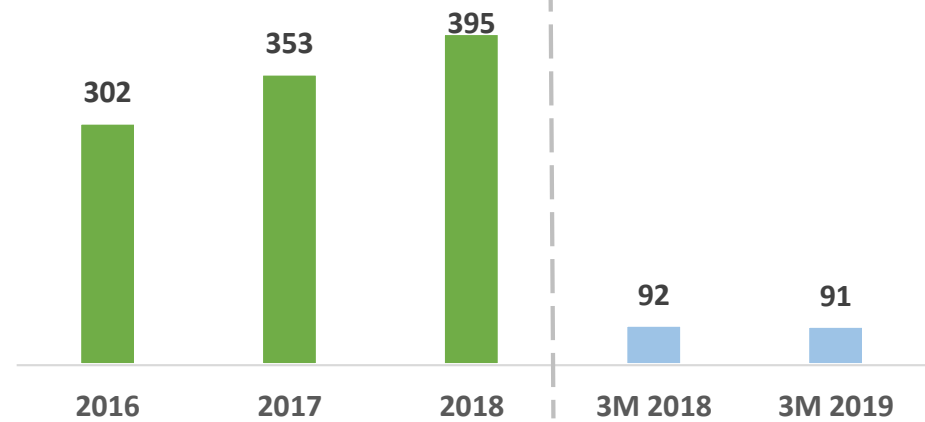
### NOTABLE PROPERTIES UNDER MANAGEMENT

- Pacific Star Building
- Essensa East Forbes
- Trump Tower Manila
- Gramercy Residences



### REVENUES FROM PROPERTY MANAGEMENT

₱ Million



### CPMI Manages 2.6 Million sqm; 46 Projects

	No. of Projects	GFA (M sqm)
Residential	21	1,371
Commercial/ Office	25	1,211
<b>TOTAL</b>	<b>46</b>	<b>2,582</b>



# FINANCIAL HIGHLIGHTS



	FY 2018	FY 2017	Change	%	3M 2019	3M 2018	Change	%
<b>TOTAL REVENUES</b>	<b>10,702</b>	<b>6,706</b>	<b>3,996</b>	<b>60%</b>	<b>2,773</b>	<b>2,709</b>	<b>64</b>	<b>2.4%</b>
<b>GROSS PROFIT</b>	<b>4,542</b>	<b>3,391</b>	<b>1,151</b>	<b>34%</b>	1,147	1,150	-4	-0.3%
<i>Gross Margin</i>	42.4%	50.6%	-8.1%	-	41.4%	42.5%	-1.1%	-
Operating Expense	3,255	2,964	291	10%	694	846	-152	-18.0%
<b>EBITDA</b>	<b>2,074</b>	<b>1,341</b>	<b>733</b>	<b>55%</b>	<b>620</b>	<b>460</b>	<b>160</b>	<b>34.7%</b>
<i>EBITDA Margin</i>	19.4%	20.0%	-0.6%	-	22.4%	17.0%	5.4%	-
Interest & Financing Charges	594	403	191	47%	107	130	-22	-17.3%
<b>Net Income</b>	<b>1,118</b>	<b>650</b>	<b>468</b>	<b>72%</b>	<b>384</b>	<b>300</b>	<b>84</b>	<b>28.0%</b>
<i>Net Income Margin</i>	10.4%	9.7%	0.8%	-	13.9%	11.1%	2.8%	-

- Full year net income of Php1.1 B, a remarkable 72% growth from Php650 M in 2017
- Mainly driven by the completion of 3 residential buildings, an office tower and 259 affordable housing units
- NIAT margin improved to 10.4% from 9.7% due to reduction in operating expenses

**EPS in 2018 improved to P0.085 from P0.054 in 2017**

# FINANCIAL CONDITION

## BALANCE SHEET

In ₱ Million	As of March 2019	FY 2018	FY 2017
Total Assets	49,327	49,367	42,556
Total Liabilities	31,089	31,903	26,300
Equity	18,238	17,463	16,256

- Total assets increased by Php6.8 B to Php49.4 B in 2018
- Mainly due to higher cash balance and increase in construction of investment properties

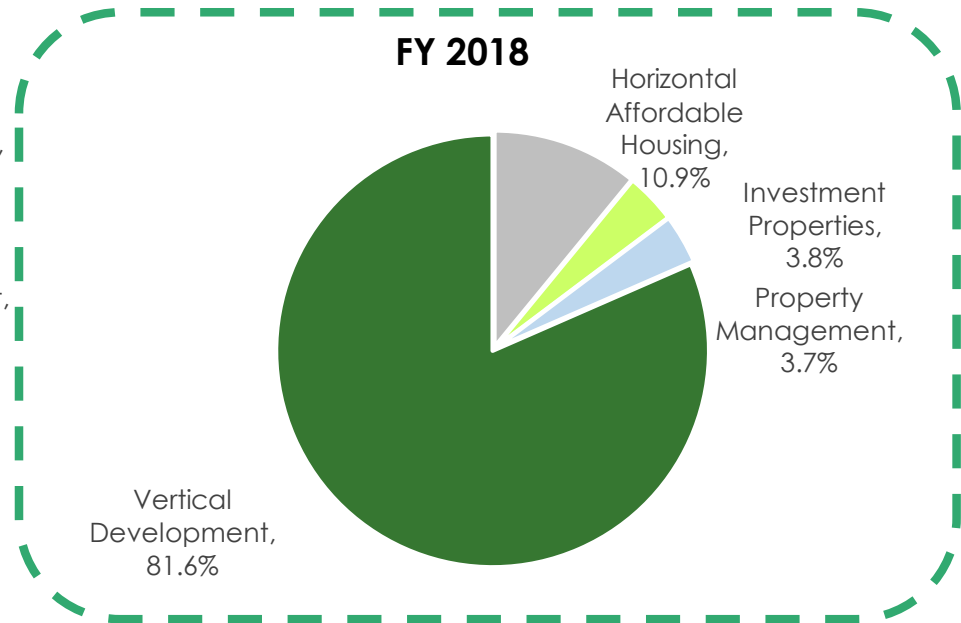
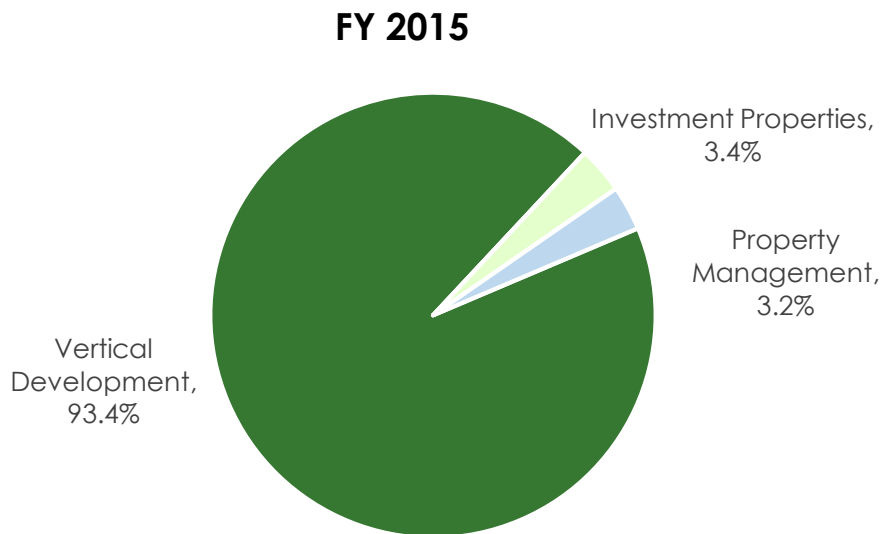
## FINANCIAL RATIOS

	3M 2019	FY 2018	FY2017
Debt to EBITDA	8.3x	10.0x	12.0x
Return on Equity	8.6%	6.6%	4.1%

# SEGMENT REVENUE CONTRIBUTION



The goal is to grow CPG's new allied real estate businesses to have a diversified revenue mix with more sustainable cash flow and recurring income



**We are targeting a revenue mix of 1/3 each from Vertical Development, Horizontal Affordable Housing and Leasing Assets**



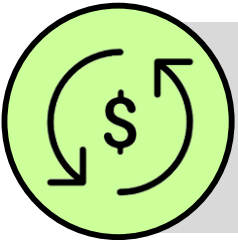
# BUSINESS STRATEGY



**Leverage the Company's industry leading reputation and experience in the high rise condominium market to develop mid-rise condominium projects**



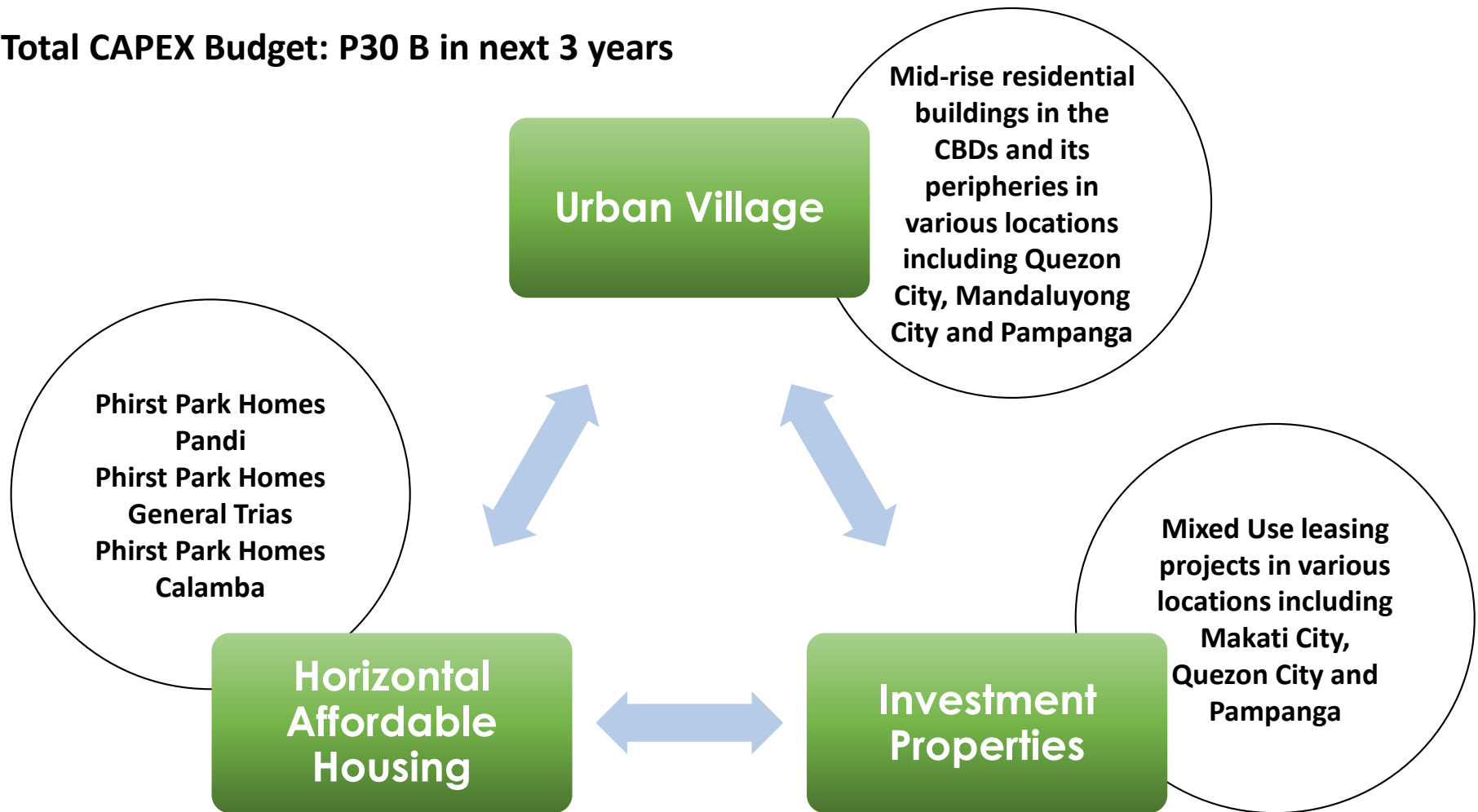
**Implement expansion outside Metro Manila for affordable housing projects**



**Prudent expansion of commercial leasing portfolio to diversify earnings and generate recurring income**

# NEW PRODUCT LINES FOR GROWTH

Total CAPEX Budget: P30 B in next 3 years



# LAND BANK

**Total Land Bank: 250.6 HA\***



\*This excludes the 2.6 hectares that will be developed in Clark Global City.





**Thank You!**

