



Housing the Filipino People

2014

**OPERATIONS PERFORMANCE BRIEFING
OFFICIAL GUIDANCE FOR 2015**

8990 HOLDINGS INCOME JUMPS 52% in 2014

	Unaudited 2014	Audited 2013	Growth Rate
Gross Sales	P 7,901	P 5,356	48%
Gross Profit	4,756	3,389	40%
Operating Expense	1,408	1,177	20%
Net Income Before Tax	3,639	2,442	49%
Net Income After Tax	3,329	2,184	52%
Gross Margin	60%	63%	
Net Margin	43%	41%	

2014 gross sales meets guidance for 2014, and is 48% higher than the 2013 figures.

P3.3 billion in net income increases by 52% from 2013, and surpasses 2014 guidance of P3.0 billion

NET margin of 43% in 2014 is better than the 40% bench mark.

Core Business Performance Reaches 8.6 Billion in 2014

In units / Million pesos	Annual Unaudited 2014	Annual 2013	Growth Rate
Sales Reservations	8,165	6,020	36%
Housing Production	6,351	4,794	32%
Housing Delivered	7,324	6,002	22%
Housing Value	P 7,704	P 5,356	44%
CTS Income	P 908	P 532	71%
Total Revenues from Housing Operations	P 8,612	P 5,888	46%

Housing revenues plus CTS income reaches 8.6 Billion in 2014.

Takeouts of housing units remain to be 88% of the core business. We note a higher sales surplus of more than 800 reservations in 2014, with zero ready-for-occupancy units similar to last year.

Revenues from CTS are contributing more than 10% to the operating performance of 8990. In 2014, CTS revenue is now 12% of core business performance, from 10% in 2013..

52% net income growth is a result of:

External Factors

Last quarter, we noted that:

- continuous GNP growth,
- increase in OFW remittances,
- the growing BPO/CC/IT sector,
- the 4 million housing backlog

These were the main external drivers for our growth. These factors are still in play.

Internal Developments

- Increased average prices by 18%
- Negotiated lower prices for materials
- Double-casting to produce more panels
- Added land development contractors
- Provided more sales bonuses to sellers
- CTS Income grows by 71% to P 908M.

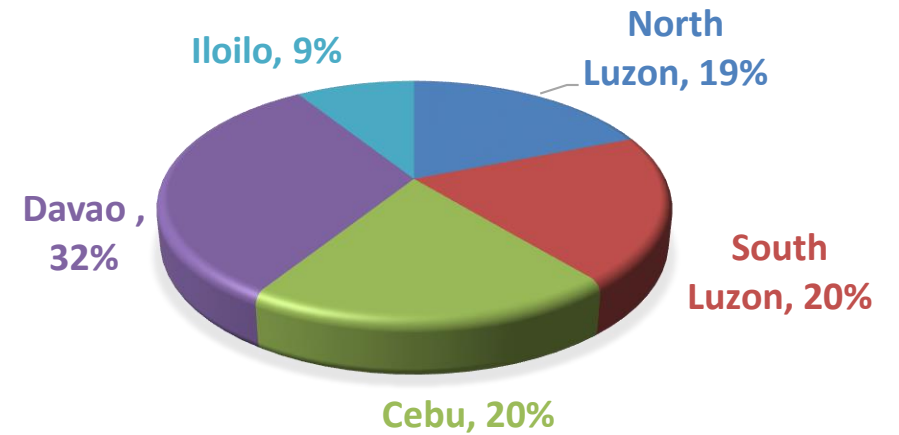
2014 made us realize that, more than sales velocity, our capacity to build more and more units is the main determining factor to our long-term sustainability.

8990 Builds More Houses in Davao and Cebu

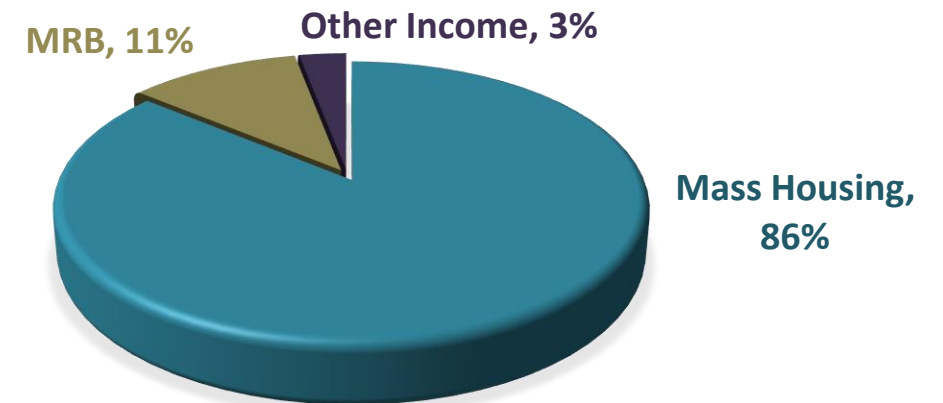
Out of the 7,324 housing units delivered to homeowners this year, Cebu and Davao account for 52% or 3,808 units. Luzon projects in Angeles and Cavite account for 39% with 2,856 units, while Iloilo contributed 660 units or 9% of total delivery.

86% of top-line revenue in 2014 was derived from housing subdivision projects, while 11% came from the medium-rise building (MRB) project in Mandaue City, Cebu.

DELIVERED HOUSING UNITS



TOP LINE REVENUE BREAKDOWN



New Projects Contribute 53% of Total Sales in 2014

A total of 9 new projects, comprising 96.9 hectares and 10,855 housing units were launched in 2014. By end of 2014, 49 percent have already been sold, contributing 53% of total sales in 2014.

We expect to launch 9 new projects in 2015.

Project	Type	Target/Actual Launch Date	Location	Area (ha.)	Units	Percent Sold
DH Baywalk Talisay 2	Horizontal	February	Cebu	9.9	881	100%
DH Marseilles	Horizontal	April	Cavite	4.0	466	96%
DCRR – 5	Horizontal	April	Angeles	5.9	709	99%
DCRR – 6	Horizontal	April	Angeles	7.1	328	65%
DH Pavia 2	Horizontal	April	Iloilo	6.8	884	100%
DH Indangan 2	Horizontal	June	Davao	14.6	1,553	85%
Urban DH Tisa	MRB	July	Cebu	8.5	2,800	15%
UDTower – EDSA	High Rise	August	NCR	0.1	1,148	17%
DH Pavia RR	Horizontal	August	Iloilo	40.0	2,126	12%
Total				96.9	10,855	49%

Based on unaudited figures



8990 Targets Young, Working Class Filipinos

Age	HOUSE AND LOT	MRB
25 and Below	7%	9%
26 – 35 yrs. Old	50%	40%
36 – 45 yrs. Old	31%	32%
46– 55 yrs. Old	10%	15%
Above 55 yrs. Old	2%	4%

Status	HOUSE AND LOT	MRB
Single	44%	56%
Married	54%	43%
Others	2%	2%

HOUSE AND LOT	HOUSE AND LOT	MRB
College Level	16%	17%
College Graduate	78%	75%
Licensed Professional	6%	8%

Sex	HOUSE AND LOT	MRB
Female	53%	58%
Male	47%	42%

8990 Targets Young, Working Class Filipinos

Gross Income (per month)	HOUSE AND LOT	MRB
8K – 15K	10%	5%
16K – 25K	24%	16%
26K – 35K	17%	17%
36K – 45K	9%	9%
46K – 55K	11%	12%
56K and Above	30%	41%

Reason for Buying	SALES	
	HOUSE AND LOT	MRB
For Residential	87%	65%
For Investment	12%	34%
For Vacation	1%	1%

Employment Category	HOUSE AND LOT	MRB
Retail & Services	35%	47%
Rank and File	53%	42%
Supervisory Level	6%	7%
Managerial Level	25%	30%
Licensed Professional	16%	21%
OFW/Land Based	24%	18%
BPO/IT	13%	15%
Seaman	13%	6%
Remittance	5%	3%
Government Employees	4%	4%
Self-Employed	3%	3%
Manufacturing	2%	2%
Bankers	2%	1%



8990 CTS Income Grows 71%

8990's total CTS portfolio now stands at P13.7 billion, representing 15,597 accounts, earning an average annual yield of 9.5% and a collection efficiency of 96%.

Interest income from CTS receivables grew at a faster rate than its growth in terms of accounts and their equivalent value.

	2014	2013	Growth Rate
Units	15,597	11,494	36%
Value	P13,684	P 8,165	58%
Interest Income from CTS	P 908	P 532	71%
Collection Efficiency	96%	93%	

Based on unaudited figures

8990 Creates Pag-IBIG Hub for Better Cash Flow

8990's migration of CTS accounts to Pag-IBIG Fund amounted to 564 million in quarter 4, and 2.1 billion as of end of 2014.

In 2015, we are targeting 50% of our revenues to come from DIRECT TAKEOUTS from Pag-IBIG Fund, which will allow our cash flows from operations to become positive.

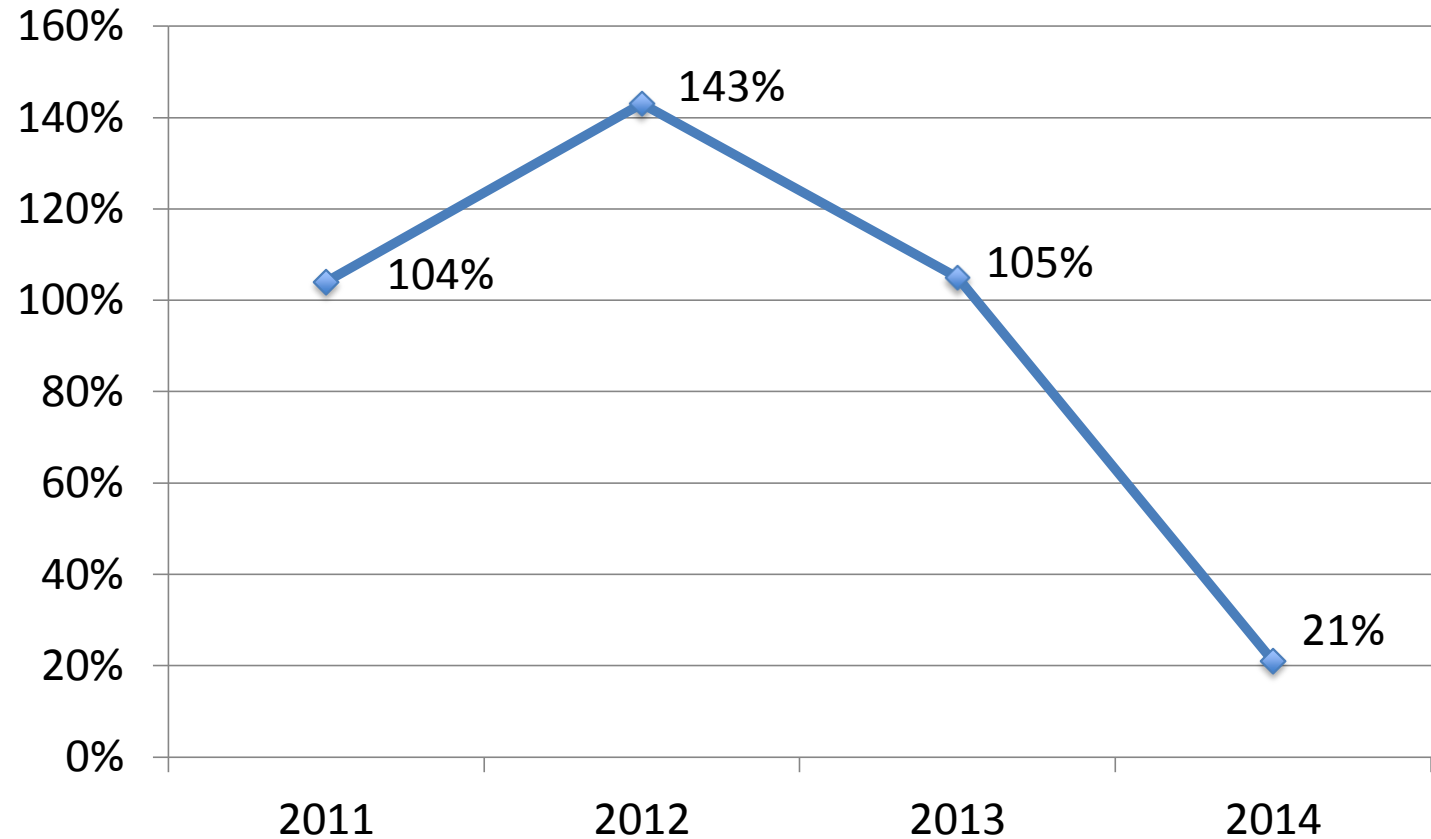
Year to Date	As of 1H 2014	Q4 2014	Total
Volume (in units)	1,827	564	2,391
Value (in million pesos)	P 1,573	509	P 2,082

Based on unaudited figures

8990 Borrowings Slows to 21% Growth

Net Borrowings during the past four years show a marked slowdown in growth, specially in 2014 due to the follow-on offering and the increase in the migration of CTS receivables to Pag-IBIG Fund.

NET BORROWINGS GROWTH RATE



137% Increase in Equity Strengthens 8990 Balance Sheet

8990's assets have grown by 61%, through the increase in equity at 137%, and not through debt or liabilities which only grew by 15%.

Thus in 2014, 8990's Balance Sheet has become stronger, allowing us to increase our performance this year and in the years to come.

Balance Sheet Highlights (in PhP M)	Unaudited 2014	2013	Growth Rate
Current Assets	P 5,949	P 3,889	53%
Noncurrent Assets	22,430	13,727	63%
Total Assets	28,379	17,616	61%
Current Liabilities	8,840	6,522	36%
Noncurrent Liabilities	3,797	4,498	-16%
Total Liabilities	12,637	11,020	15%
Equity	15,742	6,596	137%

8990 EPS Posts 36% Gain in 2014

8990's Financial Ratios remain healthy as indicated by a slight increase in its current ratio, a lower debt-to-equity ratio, and a steady interest coverage ratio at more than 10 times compared to last year's figures.

Notable is the company's book value per share which grew by 101% to P2.86 this year compared to P1.42 in 2013. Likewise the company's EPS which stands at 0.64 is 36% higher than last year's 0.47.

Key Performance Indicators	2014	2013
Current Ratio	0.67	0.60
Book Value per Share	2.86	1.42
Debt to Equity Ratio	0.80	1.67
Asset to Equity Ratio	1.80	2.67
Asset to Debt Ratio	2.25	1.60
Interest Coverage Ratio	10.37	7.83
EPS	0.64	0.47

Guidance – 2015

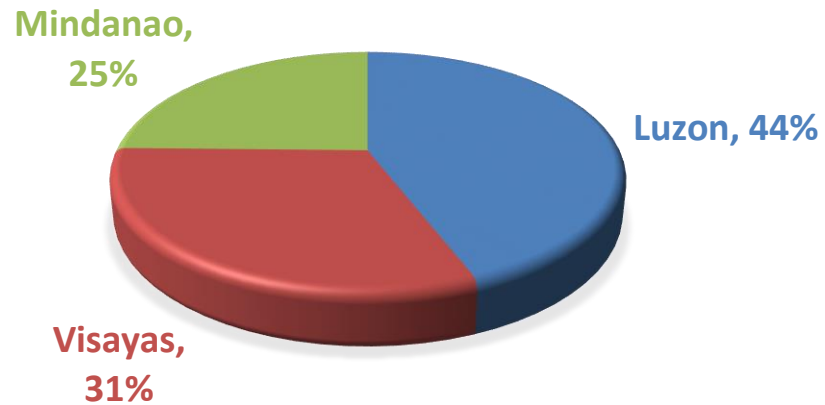
Revenue : **₱9.6bn - ₱10.0bn** (min. 60% gross margin)
Net Income : **₱3.8bn - ₱ 4.0bn** (min. 40% net margin)

2015 vs 2014 Growth Targets:

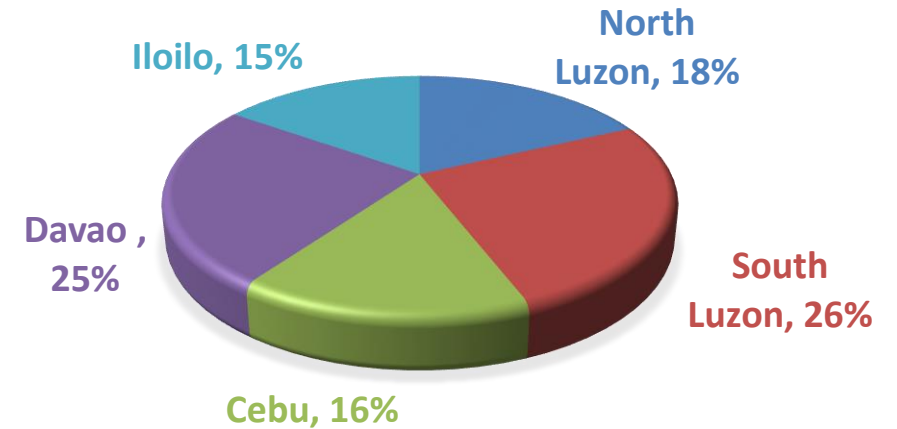
Revenue : **22% to 27%**
Net Income : **15% to 21%** (based on 40% net margin)

8990 To Build 11,000 Houses in 2015

PERCENTAGE BY REGION (UNITS)



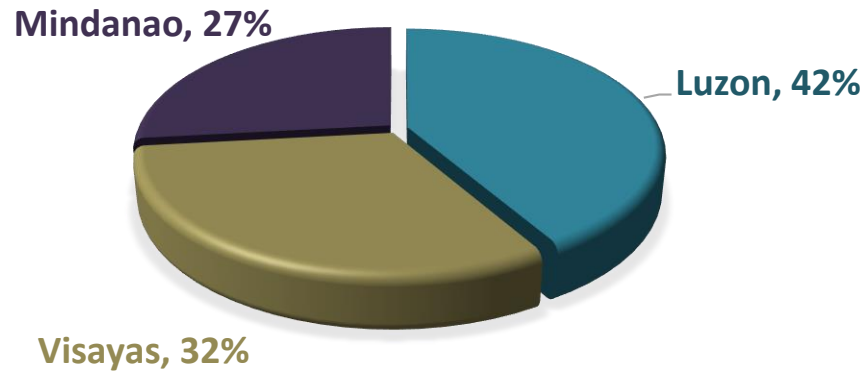
PERCENTAGE BY BRANCH (UNITS)



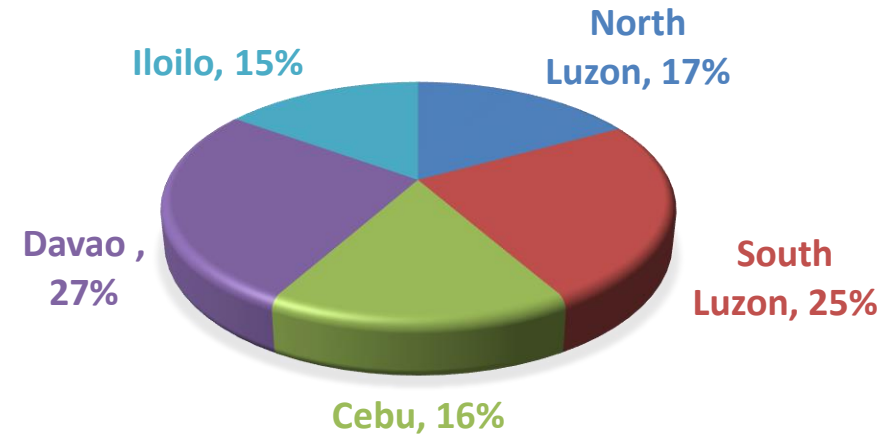
11,083 housing units will be built in 2015, where 44% would come from Luzon, 31% from the Visayas and 25% from Mindanao.

8990 Targets 10 Billion Revenues in 2015

REVENUE PERCENTAGE



PERCENTAGE BY BRANCH (VALUE)



2015 projected revenues shall be comprised of: 42% from Luzon, 32% from Visayas, and 27% from Mindanao projects. The prices of the housing units will range from P450,000 to P1,250,000 per unit.

8990 to Launch Nine New Projects for 2015

This year, 8990 will start nine new projects, which will provide an additional 4,486 housing units to the inventory, with a value totaling almost P 4 Billion.

Project	Type	Total Units	Location	Units to be Delivered for 2015	Value (in M Php)
Urban DH Campville	MRB	1,068	Muntinlupa	488	414
DH Tanza	Horizontal	632	Cavite	594	267
DH Guadalupe (Economic)	Horizontal	323	Cebu	323	404
DH Guadalupe (Socialized)	Horizontal	84	Cebu	85	38
DH Talisay 3	Horizontal	643	Cebu	410	390
DH Pavia 3	Horizontal	2,125	Iloilo	1,680	1,512
DHRR Prime	Horizontal	217	Davao	217	217
DHRR Com. Phase 11	Horizontal	109	Davao	109	158
DH Catalunan Grande	Horizontal	720	Davao	580	580
Total		5,921		4,486	3,979

On-Going Projects Contribute 62% to Revenue in 2015

In addition to new projects, 8990's ten ongoing projects will provide an additional 6,598 units nationwide, with a value of P 6.1 Billion.

In sum, both new and ongoing projects would provide a total of 11,083 housing units and a gross value of P10.0 Billion for 2015.

Project	Type	Total Units	Location	Units to be Delivered for 2015	Value (in M Php)
DHRR (Socialized)	Horizontal	1,359	Angeles	100	55
DHRR (Economic)	Horizontal	3,145	Angeles	1,720	1,496
DHRR (SA)	Horizontal	328	Angeles	155	152
Bella Vista (TH)	Horizontal	3,594	Cavite	1,391	1,321
Bella Vista (SA)	Horizontal	287	Cavite	140	175
Marseilles	Horizontal	466	Cavite	365	456
UDH Tipolo	MRB	1,540	Cebu	72	70
UDH Tisa	MRB	936	Cebu	856	749
DHRR 9C	Horizontal	241	Davao	129	105
DH Indangan	Horizontal	3,428	Davao	1,670	1,619
Total		15,324		6,598	6,198

Thank You.

Guidance – 2015

Revenue : **₱9.6bn - ₱10.0bn** (min. 60% gross margin)
Net Income : **₱3.8bn - ₱ 4.0bn** (min. 40% net margin)

2015 vs 2014 Growth Targets:

Revenue : **22% to 27%**
Net Income : **15% to 21%** (based on 40% net margin)