



Housing the Filipino People

2014

**OPERATIONS PERFORMANCE BRIEFING
OFFICIAL GUIDANCE FOR 2015**

8990 HOLDINGS INCOME JUMPS 51% in 2014

	2014	2013	Growth Rate
Gross Sales	P 7,793	P 5,433	43%
Gross Profit	4,658	3,445	35%
Operating Expense	1,581	1,155	37%
Net Income Before Tax	3,614	2,442	48%
Net Income After Tax	3,306	2,182	51%
Gross Margin	60%	63%	
Net Margin	42%	40%	

- Net Income jumps 51% at P3.3 billion from 2013's P2.2 billion.
- Revenue increased by 43% while operating expense only increased by 36%.
- Net margin of 42% exceeds committed net margin of 40%.

Creation of PAG-IBIG Hub for better liquidity

Over P2 billion worth of receivables were liquidated from PAG-IBIG Fund in 2014. These receivables came from the P4 billion worth of receivables submitted to PAG-IBIG Fund in mid-2013 for evaluation and possible take out.

Creation of PAG-IBIG Hub expedites PAG-IBIG take out, which grew by almost 500% year-on-year.

Year to Date	Total	2014	2013	Growth Rate
Volume (in units)	2,391	2,037	354	475%
Value (in million pesos)	P 2,082	P1,777	P 305	483%

8990 EPS Posts 23% 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 about 10 times in 2014.

Notable is the company's book value per share which grew by 90% to P2.70 this year compared to P1.42 in 2013. Likewise the company's EPS which stands at 0.64 is 23% higher than last year's 0.52

Key Performance Indicators	2014	2013
Current Ratio	1.20	0.60
Book Value per Share	2.70	1.42
Debt to Equity Ratio	0.82	1.67
Asset to Equity Ratio	1.82	2.67
Asset to Debt Ratio	2.21	1.60
Interest Coverage Ratio	10.14	7.04
EPS	0.64	0.52

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Core Business Performance Reaches 8.5 Billion in 2014

In units / Million pesos	Annual 2014	Annual 2013	Growth Rate
Sales Reservations	8,165	6,020	36%
Housing Production	6,351	4,794	32%
Housing Delivered	7,191	6,002	20%
Real Estate operation Revenue	P 7,608	P 5,303	43%
CTS Income	P 901	P 532	69%
Total Revenues from Housing Operations	P 8,509	P 5,835	46%

Income from CTS receivables grew faster than real estate operations revenue.

Sales reservation grew slightly higher than production, thus, the Company's move to increase production resources.

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 69% to P 901M.

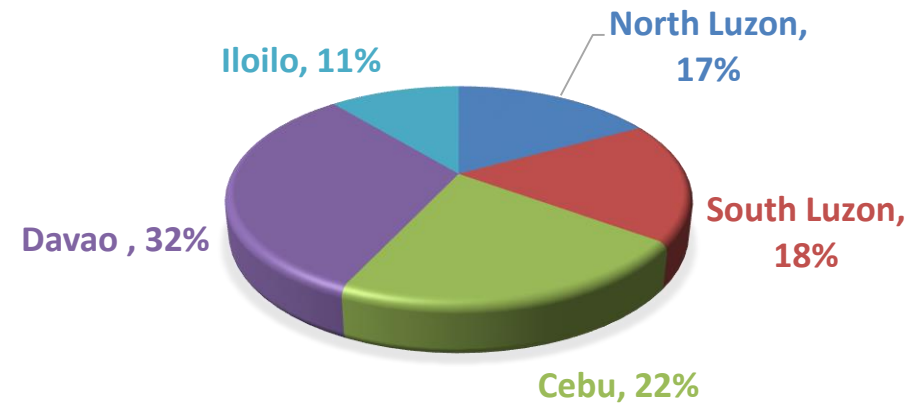
2014 made us realize that, more than sales velocity, our capacity to build more and more units is the main determining factor to our long-term sustainability.

8990 Builds More Houses in Davao and Cebu

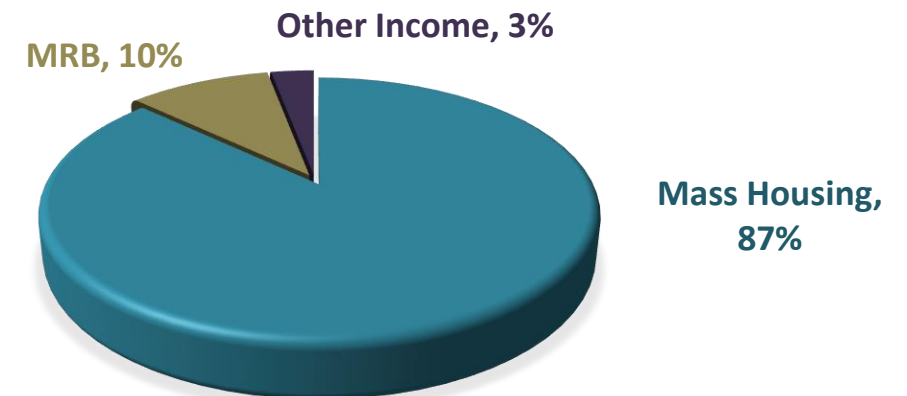
Out of the 7,191 housing units delivered to homeowners this year, Cebu and Davao account for 54% or 3,883 units. Luzon projects in Angeles and Cavite account for 35% with 2,516 units, while Iloilo contributed 791 units or 11% of total delivery.

87% of revenue in 2014 was derived from housing subdivision projects, while 10% came from the medium-rise building (MRB) project in Mandaue City, Cebu.

DELIVERED HOUSING UNITS



TOP LINE REVENUE BREAKDOWN



New Projects Contribute 65% of Total Sales in 2014

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%

- A total of 9 new projects, comprising 96.9 hectares and 10,855 housing units were launched in 2014. By end of 2014, 49% have already been sold, contributing 65% of total sales-reservation in 2014.
- In 2015, another 9 projects are in the pipeline for launching.

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 Jumps 69%

While CTS receivables portfolio grew by only 44%, interest income from the said portfolio rose by 69%.

Despite double digit increase in receivables portfolio, collection efficiency remains stable at 93%.

	2014	2013	Growth Rate
Units	15,597	11,494	36%
Value	P14,098	P 8,165	44%
Interest Income from CTS	P 901	P 532	69%
Collection Efficiency	93%	93%	

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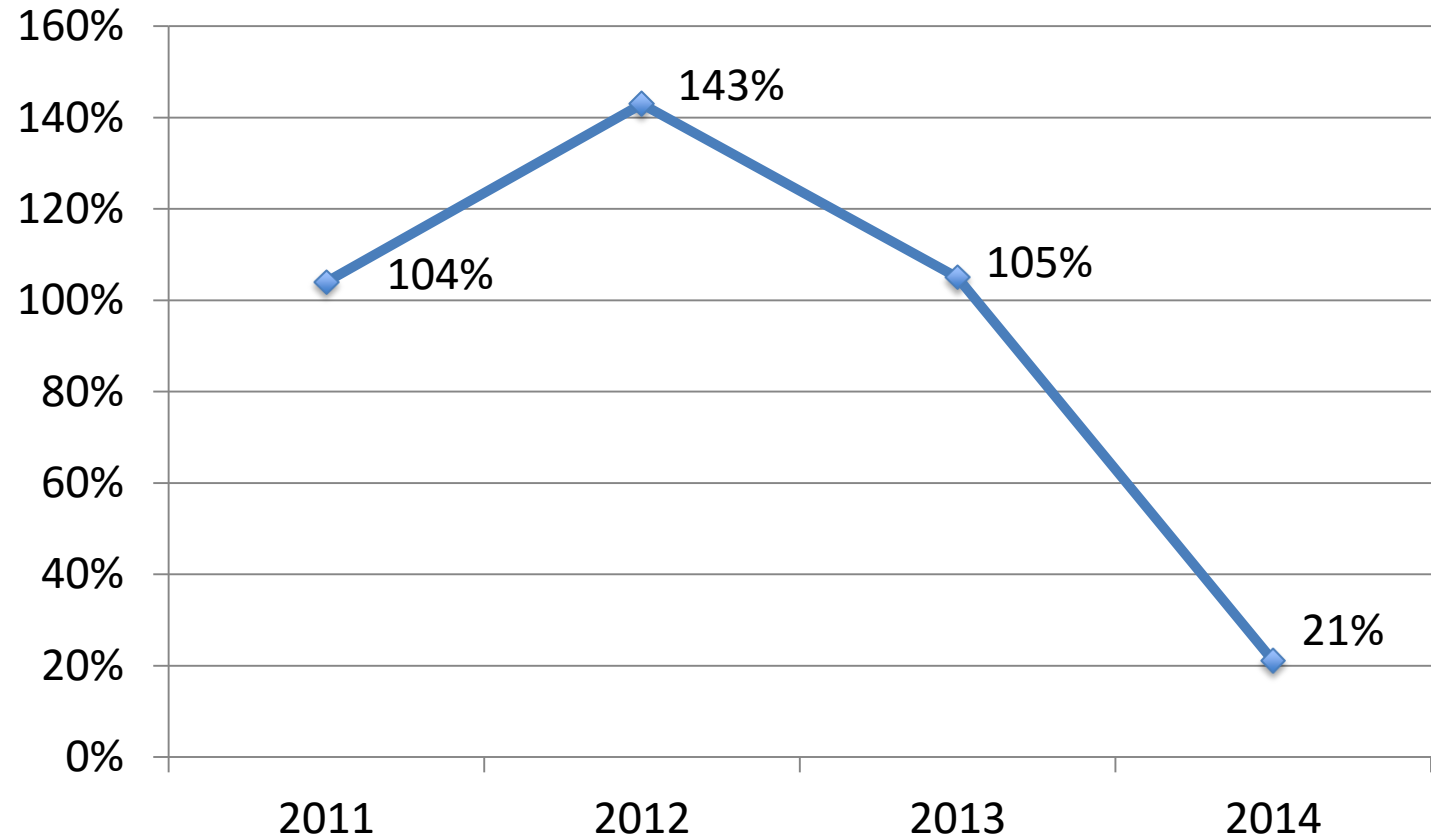
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8990 Borrowings Slows to 21% Growth

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



126% Increase in Equity Strengthens 8990 Balance Sheet

8990's assets have grown by 54%, through the increase in equity at 126%, and not through debt or liabilities which only grew by 11%.

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)	2014	2013	Growth Rate
Current Assets	P 6,492	P 3,889	67%
Noncurrent Assets	20,654	13,727	50%
Total Assets	27,147	17,616	54%
Current Liabilities	5,387	6,522	(17%)
Noncurrent Liabilities	6,870	4,498	53%
Total Liabilities	12,257	11,020	11%
Equity	14,889	6,596	126%

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Guidance – 2015

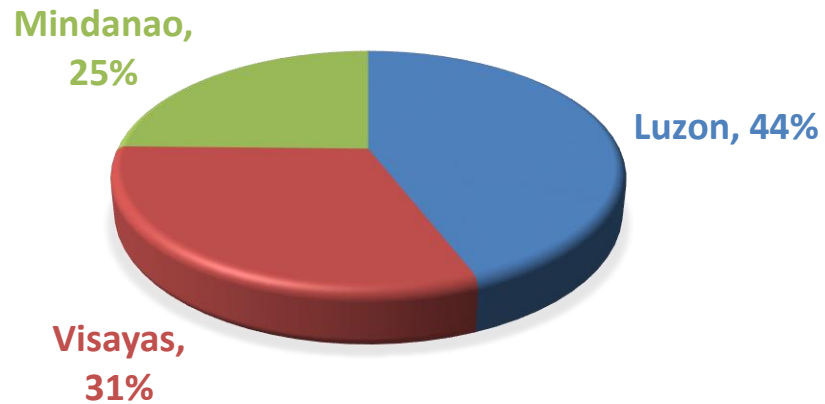
Revenue : **₱9.6bn - ₱10.0bn** (min. 60% gross margin)
Net Income : **₱3.8bn - ₱ 4.0bn** (min. 40% net margin)

2015 vs 2014 Growth Targets:

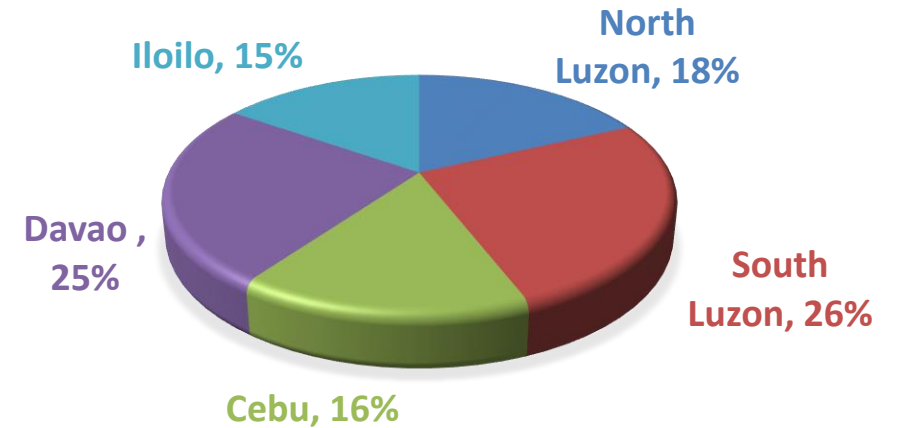
Revenue : **23% to 28%**
Net Income : **15% to 21%** (based on 40% net margin)

8990 To Build 11,000 Houses in 2015

PERCENTAGE BY REGION (UNITS)



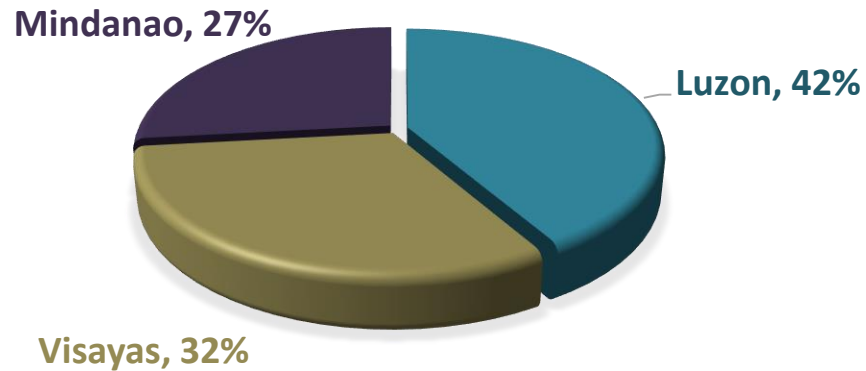
PERCENTAGE BY BRANCH (UNITS)



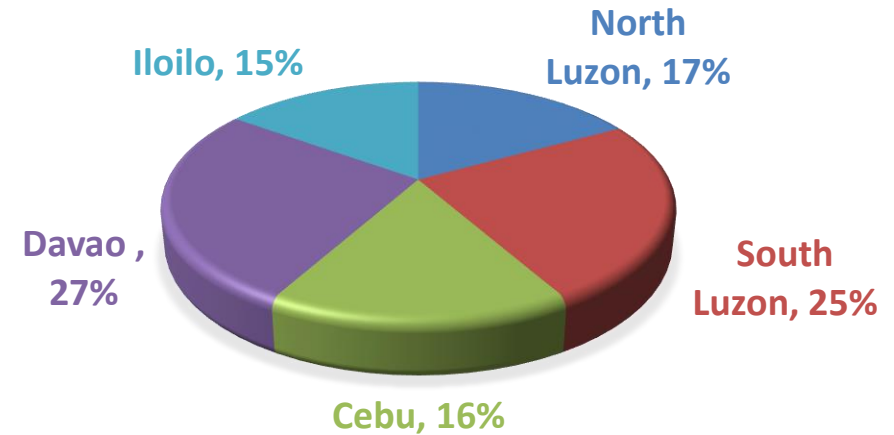
11,083 housing units will be built in 2015, where 44% would come from Luzon, 31% from the Visayas and 25% from Mindanao.

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.