



PHINMA Corporation

Analyst Briefing

14 December 2023

Speakers



Mr. EJ A. Qua Hiansen
Deputy Group CFO

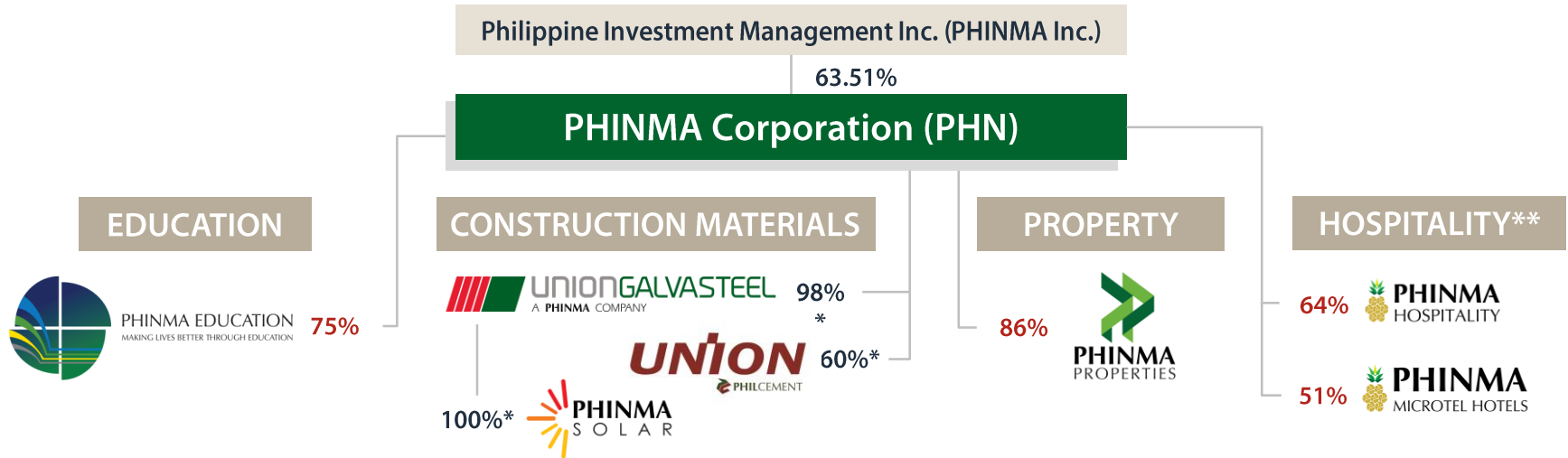


Mr. Christopher A. Tan
Country Chief - Philippines,
PHINMA Education

PHINMA CORPORATION



PHINMA Corporation is better poised for growth with its increased stake in Education, Property and Hospitality



* Ownership as of 31 March 2023

** PHN will also continue to own 24% of CWCHC as well as 36.23% of PHINMA Hospitality Inc. through its subsidiary, Asian Plaza, Inc.

Key drivers were Education's strong enrollment and the higher ownership in Properties and Hospitality

Subsidiaries

PHINMA Education Holdings Inc.	9M 2023		9M 2022
SBU Revenues	3,962	↑	2,857
SBU Net Income	968	↑	568
Net Income Attributable to Parent	560	↑	298
PHINMA Construction Materials	9M 2023		9M 2022
SBU Revenues	10,125		10,293
SBU Net Income	361		467
Net Income Attributable to Parent	236		303
PHINMA Properties and Hospitality	9M 2023		9M 2022
SBU Revenues	1,928	↑	1,656
SBU Net Income	16	↑	(28)
Net Income Attributable to Parent	55	↑	(7)

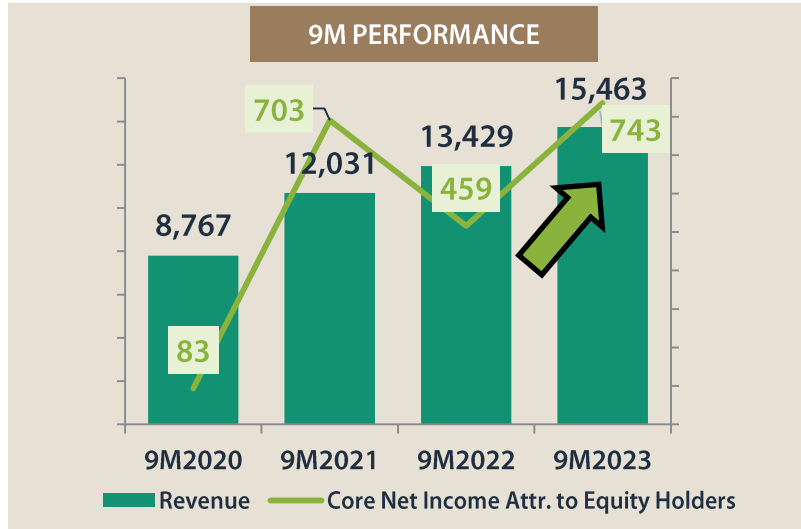
*Amounts in PHP million

HIGHLIGHTS

Jul – Sep 2023

- **PHINMA Education** actual 1st semester enrollment SY2324 is 146,546, 18% higher compared to SY2223
- **PHINMA Construction Materials** continued to record a positive net income as the government ramped up infrastructure spending to P858 bio in the first 9 months of the year
- **PHINMA Properties** YTD real estate revenues of PHP 1.39 bio as of September 2023 is 34.9% higher than the PHP 1.03 bio recorded in the same period in 2022.
- **PHINMA Hospitality's** occupancy and average daily rates have increased across all locations nationwide. Year-to-date, the average daily rate is up by 18.7% compared to the same period last year.

Revenue and core net income has surpassed the previous peak



REVENUE

15%
YoY increase

21%
3Y CAGR

CORE ATTR.
NET INCOME

62%
YoY growth

108%
3Y CAGR

*Amounts in the chart are in PHP Mn unless otherwise stated
CAGR: compounded annual growth rate*

PHINMA Corporation

HIGHLIGHTS
YTD Sep 2023

- Core net income is at a record level for the nine-month period
- On a consolidated level, revenues increased by 15% to P15.46 bio and core consolidated income increased by 40% to P1.22 bio

Focus on cash generation and debt management has resulted in a healthy balance sheet which positions PHINMA Corporation for growth

PHINMA Corporation – Consolidated Financial Position

	CY2019	CY2020	CY2021	CY2022	9M2023
Total Assets	22.3	24.5	30.1	32.0	42.3
Total Liabilities	14.0	15.9	20.2	20.9	31.6
Total Equity	8.3	8.6	9.9	11.1	10.6
<i>Amounts above are in PHP Bn</i>					
Current Ratio	1.93	1.53	1.71	1.71	1.19
Debt-to-Equity Ratio*	1.15	1.22	1.34	1.23	2.0
Return on Equity	3.5%	2.6%	16.0%	11.9%	9.87%

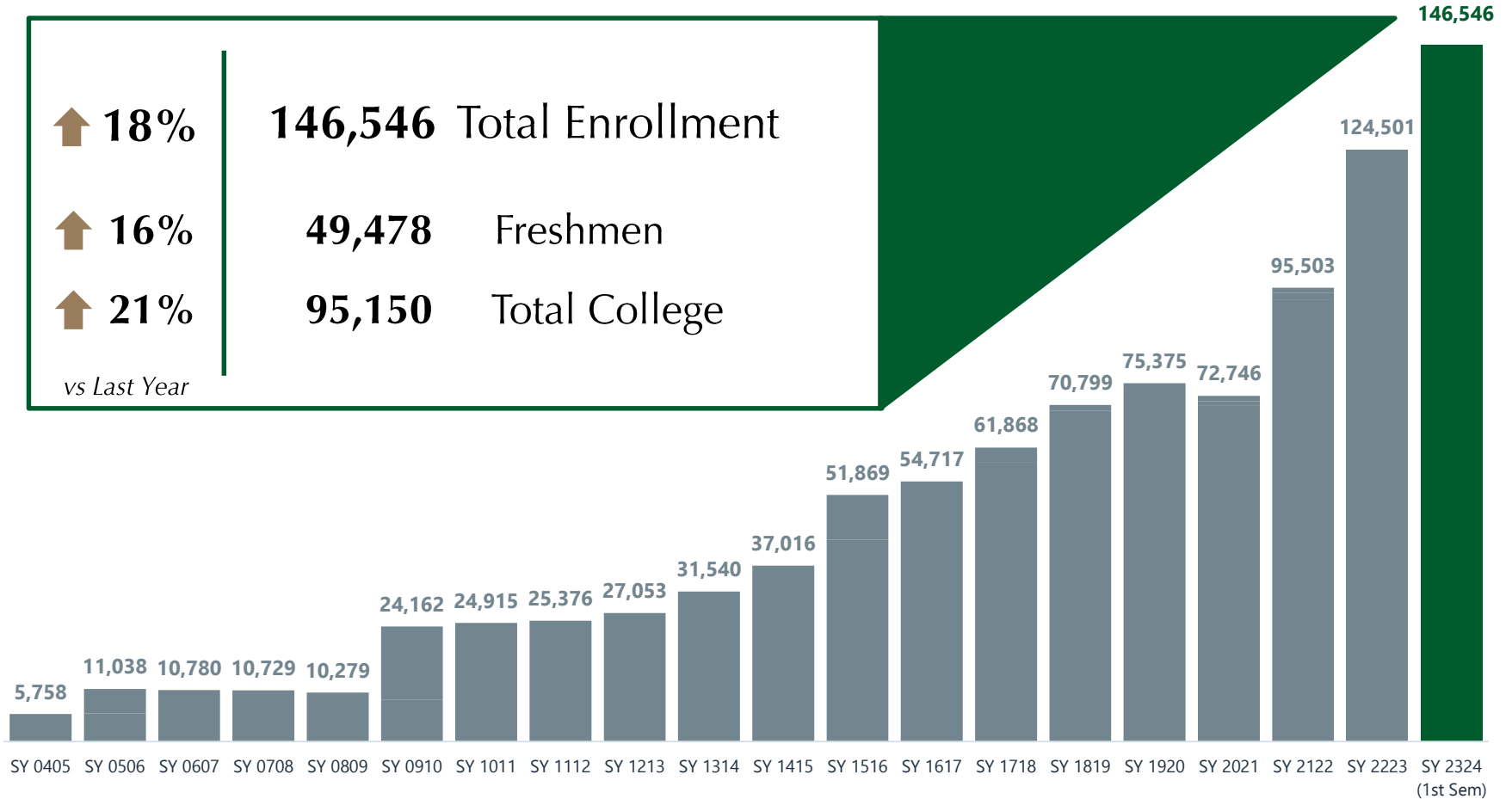
**Debt-to-Equity ratio computed as Consolidated Total Interest-Bearing Debt/Consolidated Total Equity*

STRATEGIC BUSINESS UNIT
SPOTLIGHT

PHINMA Education



PHINMA Education has consistently grown, making us the largest education network in the country



Our students have excelled in board exams in their respective fields

Criminology

77%

#3 Best Performing School – PHINMA COC
2 Topnotchers (6th & 7th) – PHINMA COC

Medical Technology

92%

SWU PHINMA : 95% passing rate

Accountancy

77%

1 Topnotcher (3rd) – PHINMA Upang
100% Passing Rate – PHINMA AU and PHINMA COC

Nursing

97%

3 Topnotchers (5th & tied for 8th) – PHINMA SJC and PHINMA SWU
100% Passing Rate – PHINMA COC

Optometry

96%

#1 Best Performing School – SWU PHINMA
5 Topnotchers (2nd, 3rd, 4th, 7th, 9th) – SWU PHINMA

Psychometry

81%

SWU PHINMA : 82% passing rate
PHINMA SJC : 80% passing rate

Elementary Education

95%

3 Topnotchers (7th, 9th, 10th) – PHINMA COC

Secondary Education

89%

1 Topnotcher (9th) – PHINMA UPANG

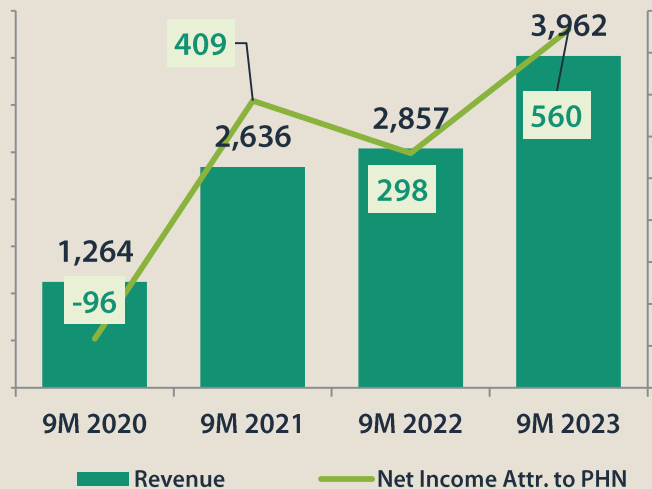
Our graduates are better off compared to other graduates in a similar cohort

PHINMA Education : Graduate Tracer Study

**based on selected PHINMA education network institutions who graduated in SY 2014 to 2016*

	PHINMA Education Network (PEN)	Profile from Same Birth Cohort <i>(data from national surveys)</i>	
Basic Wages	PhP 1,259	PhP 741	PEN graduates have higher basic wages compared with other college graduates in the same birth cohort
Ave. Waiting Time from Graduation to First Employment	7.9 months	9 months	PEN graduates have a shorter median waiting time to first employment
Average Poverty Risk	2.4%	5.9%	PEN graduates have a lower poverty risk compared to non-PEN college graduates of the same cohort

PHINMA EDUCATION



PHINMA Education's strong enrollment growth boosted revenues and net income as of September year-to-date

REVENUE

39%

YoY growth

46%

3Y CAGR

NET INCOME
ATTR. TO PHN

88%

YoY growth

99%

3Y CAGR

Amounts in the chart are in PHP Mn unless otherwise stated | CAGR: compounded annual growth rate

KEY STRATEGIC BUSINESS UNIT

CONSTRUCTION MATERIALS



The government's infrastructure flagship program will likely bolster the demand for construction materials in the long term

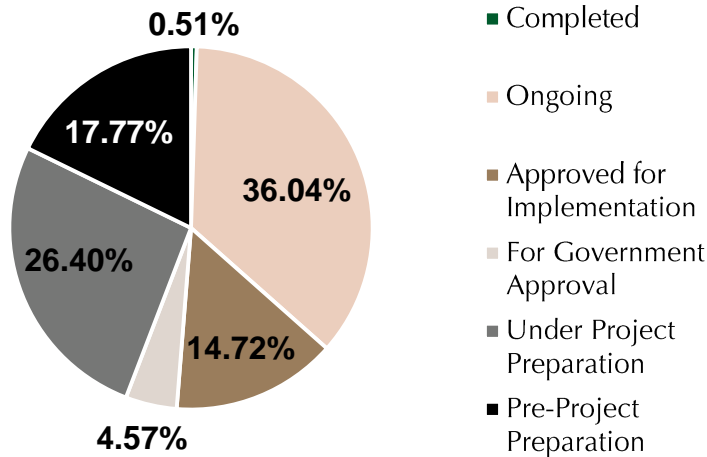
197

No. of Infrastructure Flagship Projects

8,697.49

Indicative Total Project Cost in PHP Billion

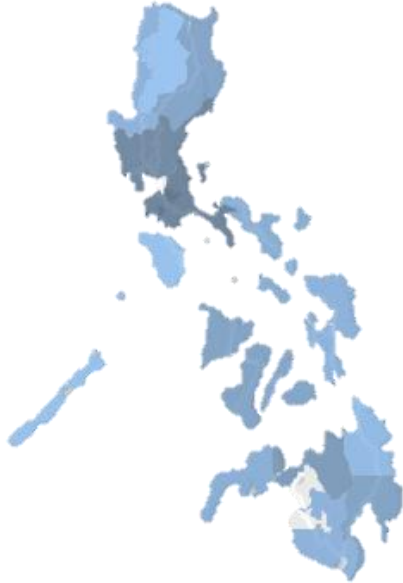
Distribution of Projects by Status



Target Year of Completion	No. of Projects
2023	6
2024	21
2025	12
2026	13
2027	18
2028	27
Beyond 2028	77
TBD	23

PHINMA Construction Materials Group has the capability to distribute to remote locations at affordable prices due to our efficient shipping system

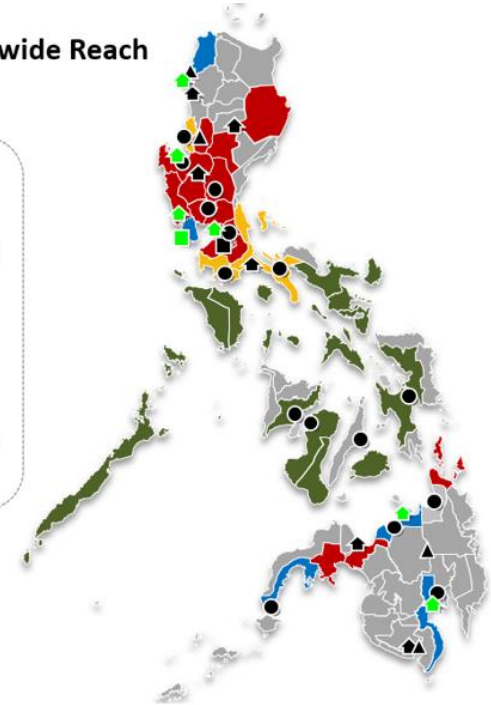
Heat Map of Infrastructure Flagship Projects by Region



MIN

MAX

PHINMA CMG's Nationwide Reach



Union Cement has a compressive strength that can go up to 50 MPa.



Union Galvasteel launched its Luxeline Protex and StoneKoat Roofing



Major infrastructure projects will also require quality materials

Infrastructure Projects using PHINMA Construction Materials products:



North South Commuter Rail (through Megawide)

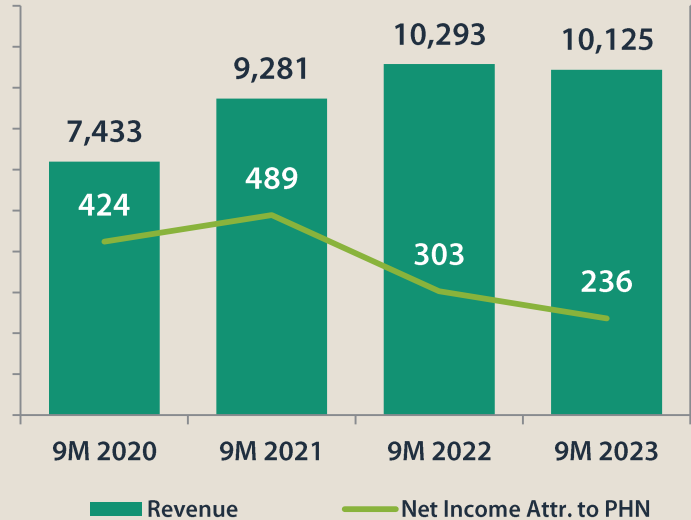
a 147km railway system connecting the National Capital Region (NCR) to the regional centers of Pampanga and Laguna

Station render image from:
<https://nscr.com.ph/about>

Other Projects :

- CDO Gusa to Puerto Coastal Road by Equi Parco
- CDO Bayabas to Puntod 5th Bridge by Equiparco
- CDO Macasandig Bridge by Jejors
- CDO Balulang Carmen Flood Control by Quingdao
- CDO Flood Control and Bypass road by Toyo Const thru AV Pamatong
- Jejors Const Opol / Bulua Road Concreting and Widening

PHINMA CONSTRUCTION MATERIALS



Construction Materials has sustained positive revenue and net income despite the tight competition and gradual recovery in construction demand

REVENUE

2%

YoY decline

11%

3Y CAGR

NET INCOME
ATTR. TO PHN

22%

YoY decline

-18%

3Y CAGR

Amounts in the chart are in PHP Mn unless otherwise stated | CAGR: compounded annual growth rate

EMERGING
STRATEGIC BUSINESS UNIT

PHINMA Properties



The Philippines has a significant housing backlog

In 2022, the Department of Human Settlements and Urban Development (DHSUD) said that housing backlog stood at **6.5 million units**, which could balloon to **10.9 million units** at the end of Marcos' term if the current production level is maintained.

Marcos launched his housing project called ***Pambansang Pabahay Para sa Pilipino Program (4PH)*** in September 2022, which aims to produce 1 million housing units a year.





LEADING THE WAY TOWARDS EXCELLENTLY BUILT FILIPINO HOMES



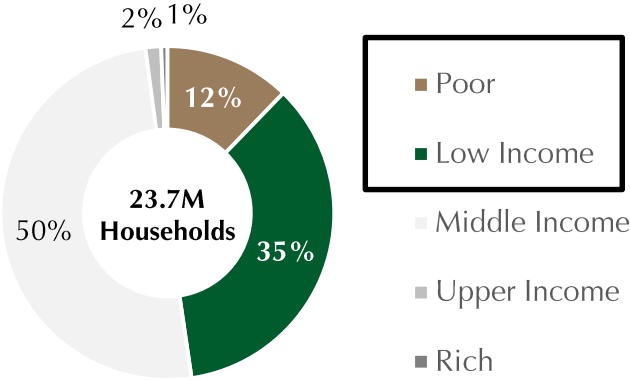
2022 AWARDS

2023 AWARDS



Expanding the portfolio to create a more inclusive business

The poor and low-income segments make a significant portion of the Philippine housing demand



Select low-cost housing projects from PHINMA Properties



Aspire, Cebu City



Grand Strikeville IV, Bacoor City

3,064

Affordable housing units produced by PHINMA Properties between 2017 to 2020

Source: Philippine Institute for Development Studies via CNN

Outlook

9M 2023

Long Term



SY2324 enrollment boosted by a strong marketing effort and a wider reach outside the city

- Continue to grow presence in the large and underserved affordable education market



Outlook for construction industry remains positive with the government's commitment to catch up with project spending

- Expansion through the new Davao Terminal
- Construction of a state-of-the-art insulated panels factory



- Recovering residential demand to contribute to record-high reservations outlook.
- Chain wide average daily rates and occupancy increased versus last year

- Return to affordable housing, and beefing up project bank outside Metro Manila
- Capitalize on the resurgence of domestic and foreign tourism



PHINMA
Making Lives Better

Consolidation Impact to PHINMA Corporation :

- Strong operational performance of the strategic business units acquired by PHINMA Corporation boosted the top line growth and core consolidated income as of YTD September
- PHINMA Corporation is better positioned to both support and capitalize on the growth of the strategic business units

For further information:



Investor Relations

investorrelations@phinma.com.ph



www.phinma.com.ph



[PSE: PHN](#)

PHINMA
Making Lives Better

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of PHINMA Corporation (“PHINMA” or “PHN”). Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of PHINMA to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward looking statements were based on numerous assumptions regarding PHINMA’s present and future business strategies and the political and economic environment in which PHINMA will operate in the future.

THIS PRESENTATION IS HIGHLY CONFIDENTIAL AND CONTAINS PROPRIETARY AND CONFIDENTIAL INFORMATION ABOUT PHINMA. THIS PRESENTATION MATERIAL IS BEING PRESENTED SOLELY FOR YOUR INFORMATION AND MAY NOT BE COPIED, REPRODUCED OR REDISTRIBUTED TO ANY OTHER PERSON IN ANY MANNER.

PHINMA
Making Lives Better