

Cebu Landmasters 1H net income surges 164% to P634M

Newly listed CLI on track to surpass 1.2-billion net income by year-end

Fast project turnaround and strong sales take up have boosted first-half revenues of newly listed Cebu Landmasters Inc. (CLI) to P1.807 billion, and increased net income by 164 percent to P634M year-on-year (YOY). This shows a positive outlook for the company to surpass its P1.2-billion net income target by year-end.

The property developer described its financial growth in 1H 2017 as “outstanding” with its six-month revenues up by 107% YOY to P1.807 billion and net income after tax (NIAT) of P634 million higher by 164%.

CLI chief executive officer Jose Soberano said: “We’re proud to be a homegrown VisMin brand that has captured the needs and preferences of our target market as reflected in the sales velocity of our developments. We have also leveraged on our deep relations with our business partners and suppliers to ensure that our constructions progress as scheduled. We’re highly aware that meeting our commitments to our buyers on time has a great impact on our bottom-line and the strength of our brand.”

Soberano attributed this growth to the robust sales and strong construction progress of various projects such as economic residential condominium Casa Mira Towers, mid-end residential condominium developments Mivesa Garden Residences, Mesaverte Residences (Cagayan de Oro), and mixed-use development Baseline Center including the Citadines Cebu City to be completed in 2018. Aside from Mesaverte Residences, all aforementioned projects are in Cebu. Fast turnaround time has been observed in most CLI projects, from acquisition to pre-selling and construction. This can also be attributed to the Cebu-based CLI’s ability to cultivate strong partnerships with local contractors and other local stakeholders.

Margin from the six-month Gross Profit of P918 million increased from 46% to 51% due to moderate price escalations and cost control procedures enhancing the company's work efficiency and output. Operating Expense Margin also improved, as ratio to sales decreased from 18% to 13%. As a result, NIAT Margin increased from 27% to 35%.

The sales velocity of its projects and timely delivery of units in Cebu and key VisMin cities have also made CLI the preferred developer in the region. In the first six months of the year, reservation sales of P2.87 billion went up by 155% YOY, almost breaching the entire figure for 2016 of P2.94 billion. This is particularly attributed to the company's newly launched projects in the first half of the year such as the premium residential development 38 Park Avenue at the Cebu IT Park (60% fully sold), MesaTierra Garden Residences in Davao (85% fully sold), and Casa Mira South straddling in the City of Naga and Municipality of San Fernando, Cebu (80% fully sold).

CLI said its balance sheet is largely geared to support this expansion. Total assets recorded in the first six months of the year reached P8.9 billion, a big boost from only P5.4 billion a year ago. Proceeds from the recent IPO and growth in receivables due to the robust sales performance of its properties helped bulk up CLI's asset profile.