

Cebu Landmasters H1 profit soars 66%, backed by buoyant VisMin housing market

With 2021 H1 net income to parent surging by 66% year-on-year, leading developer in VisMin Cebu Landmasters Inc. announced it is set to surpass its growth targets for the year. Net income to parent rose from Php 792 million to Php 1.32 billion in the first six months as the company continues its robust uptrend in financial performance.

The significant increase in profit was driven by exceptional revenue growth from Php 3.5 billion to Php 5.1 billion derived from real estate sales. The figure covers a range of housing developments catering to buyers from various segments with 47% attributed to CLI's economic brand Casa Mira which also posted the highest growth of 206% year-on-year propelled by solid sales and increases in construction progress.

The listed firm further confirmed that construction activity in its ongoing project sites is now on average 97%. It is in full swing in major sites like Cebu, Dumaguete and Bohol while others post activity at 90% and higher, hampered only by quarantine restrictions.

Strong and stable demand for safe and quality homes due to the pandemic, from buyers across the spectrum pushed reservation sales up 12% to a record Php 8.3 billion from Php 7.4 billion year-on-year. Six residential projects worth Php 11 billion bearing CLI's economic, mid- and high-end brands were launched in H1 2021 in Cebu, Iloilo and Ormoc.

Real estate sales will be complemented by recurring income from CLI's leasing and hotel business currently hampered by the pandemic but has been timed to roll out as the local and global economy fully recover from the aftermath of COVID 19. CLI is growing its hotel portfolio to 1,433 rooms by 2025 when the tourism industry is anticipated to already bounce back. Earlier this year, the listed company launched Sofitel Cebu City, Mercure Cebu City and Abaca Resort Mactan which will account for a total of 487 rooms. Latitude Corporate Center was also completed, which added 13,000 sq.m of gross leasable area. This enabled the company to report 29,051 sq.m in GLA for the first half of 2021, double of year-end 2020. In four to five years, the recurring business is projected to contribute 10% to CLI's top line.

In the meantime, the completion of five projects in H1 2021 has also strengthened operating cashflows generating Php 5 billion in collections upon take-out and turnover. To date, CLI has 40 completed projects while 36 are under construction and 14, in the pipeline.

To further sustain its long-term growth, the VisMin company acquired four hectares in Panglao, Bohol and expansion sites for existing Casa Mira projects. Over 200 hectares of high valued sites are under negotiation and agreements expected to be reached in H2 2021.

CLI is proactively launching new projects to ensure adequate inventory to serve strong market segments, said Jose Soberano III, CLI CEO. "Housing has proven to be resilient and sustainable since it is now, more than ever, considered a basic need especially with the extended pandemic."

The company showed strong resiliency in 2020 and into 2021, being able to thrive in the midst of lockdowns and economic impact of the pandemic. Quickly adapting to the new normal, Soberano further emphasized: "We spot opportunities in the middle of all these challenges. The low-interest rate

environment and tax measures that favor mid- and economic home buyers inspire us to persist in executing our project plans with agility and excellence. We are anticipating to exceed our year-end guidance by the end of the year.”

“We intend to continue benefiting from our core business – housing – while preparing for new opportunities that global recovery and tourism will bring. We are confident VisMin will be at the forefront of this revival.” ###



Cebu Landmasters’ Php 5.1 billion H1 revenue is driven by the company’s real estate sales, 47% of this figure is attributable to its economic brand Casa Mira that posted the highest growth of 206% year-on-year propelled by solid sales and increases in construction progress. Over 10,000 Casa Mira units are in five VisMin locations: Cebu, Bacolod, Cagayan de Oro, Iloilo and Sibulan, Negros Oriental. The photo above is the latest construction update of Casa Mira South in Naga, Cebu.



Velmiro Heights CDO is one of the six projects launched by Cebu Landmasters in H1. The P983 million development in Cagayan de Oro City is now 100% sold. CLI has thus far launched 1,800 Velmiro units priced from P2.3M to P7M.



Launched in Q1 2021, Cebu Landmasters' mid-market Mandra Residences is now 80% sold.