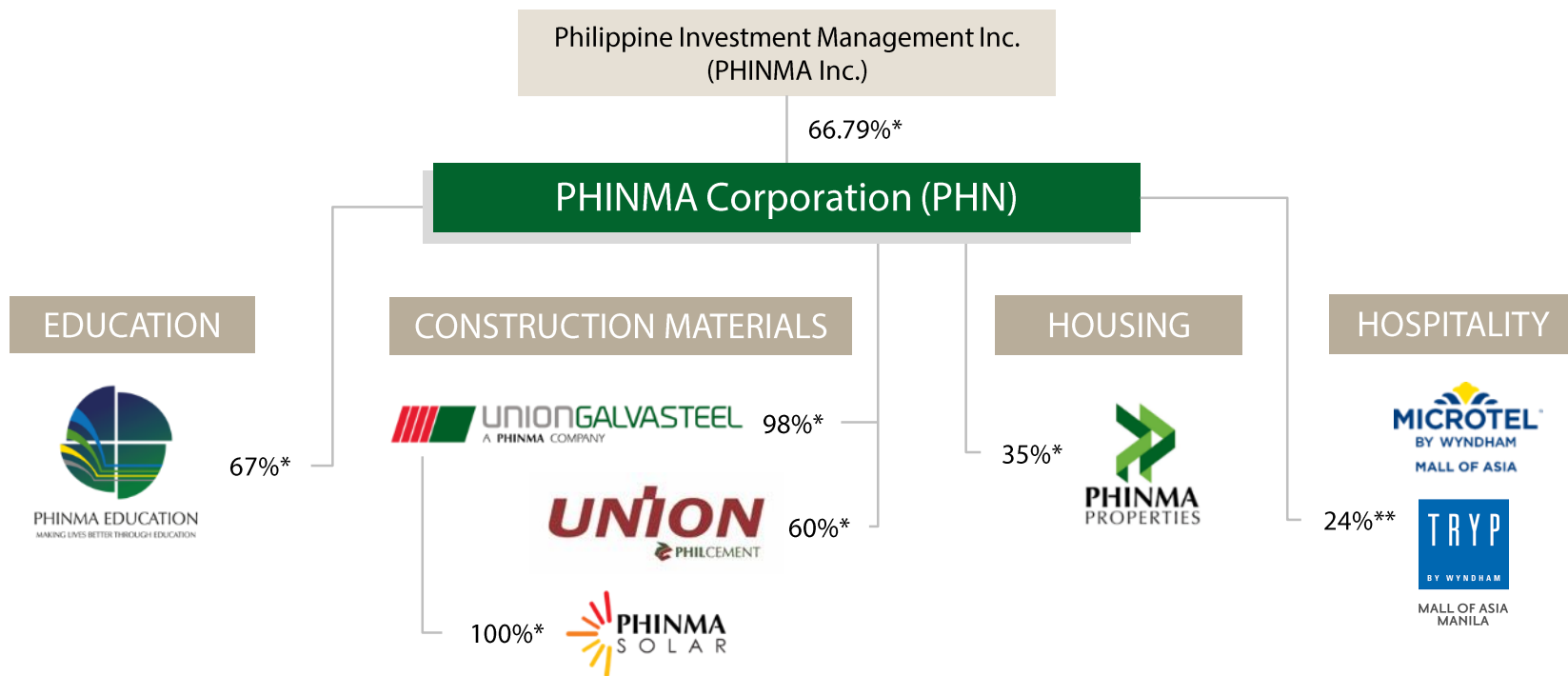




# PHINMA Corporation

## 1Q 2022 Earnings Call

17 June 2022



\* Ownership as of 30 April 2022

\*\* PHN owns 24% of Coral Way City Hotel Corporation (CWCHC). CWCHC owns Microtel Mall of Asia and Krypton Esplanade Hotel Corporation, owner of TRYP Mall of Asia. PHN also owns 36.23% of PHINMA Hospitality Inc., the PHINMA Group's hospitality arm, through Asian Plaza, Inc.

# Consolidated Revenue

**16%**

YoY growth

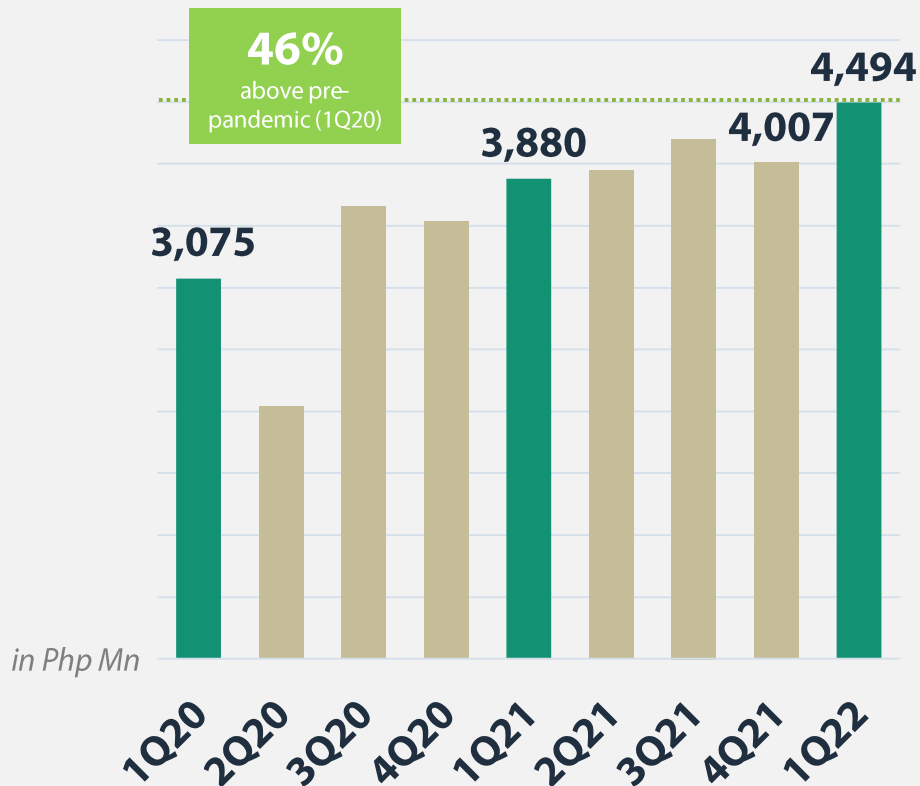
**12%**

increase vs. 4Q21

**14%**

3-year\* CAGR

\*1Q 2020 – 1Q 2022



# Consolidated Revenue

## EDUCATION

**12%**

YoY growth

**7%**

3-year\* CAGR

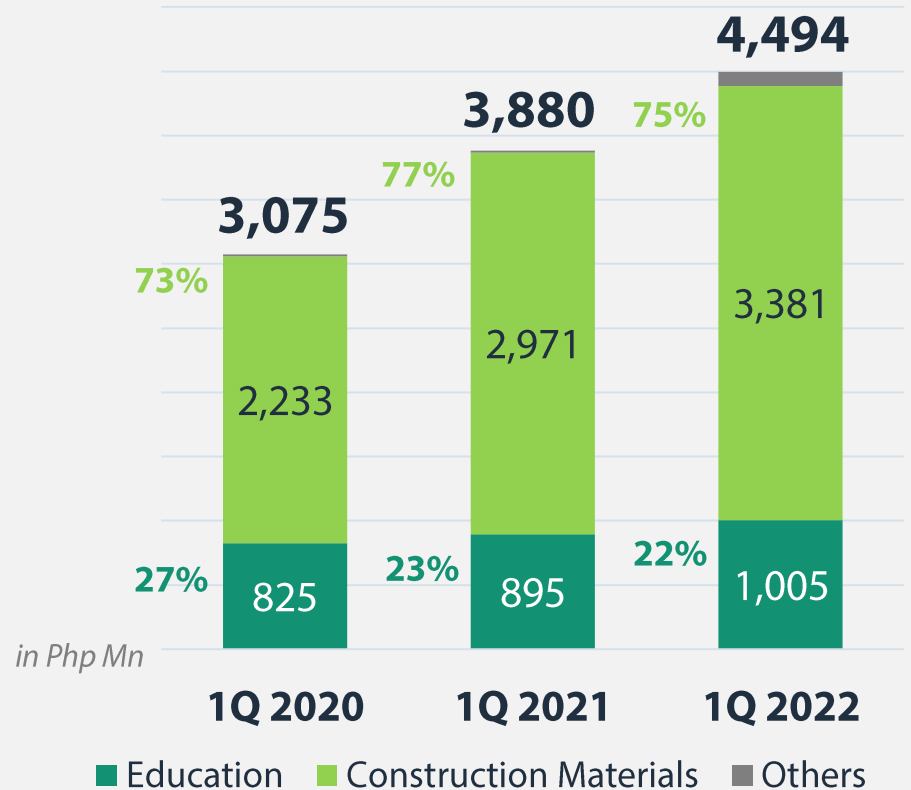
## CONSTRUCTION MATERIALS

**14%**

YoY growth

**15%**

3-year\* CAGR



\*1Q 2020–1Q 2022

# Consolidated Net Income

NI Attributable  
to Shareholders

**19%**

3-year\* CAGR

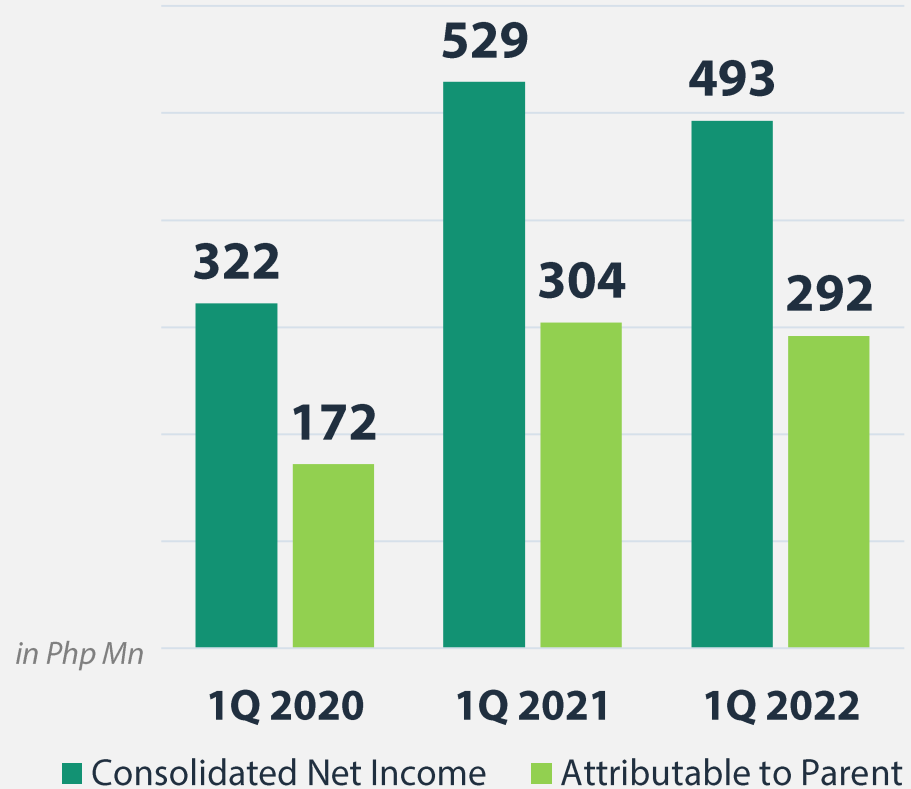
**-4%**

YoY decline

**25%**

increase  
vs. 4Q 2021

\*1Q 2020 – 1Q 2022



# Consolidated Net Income

## EDUCATION

**-20%**

YoY decline

**-4%**

3-year\* CAGR

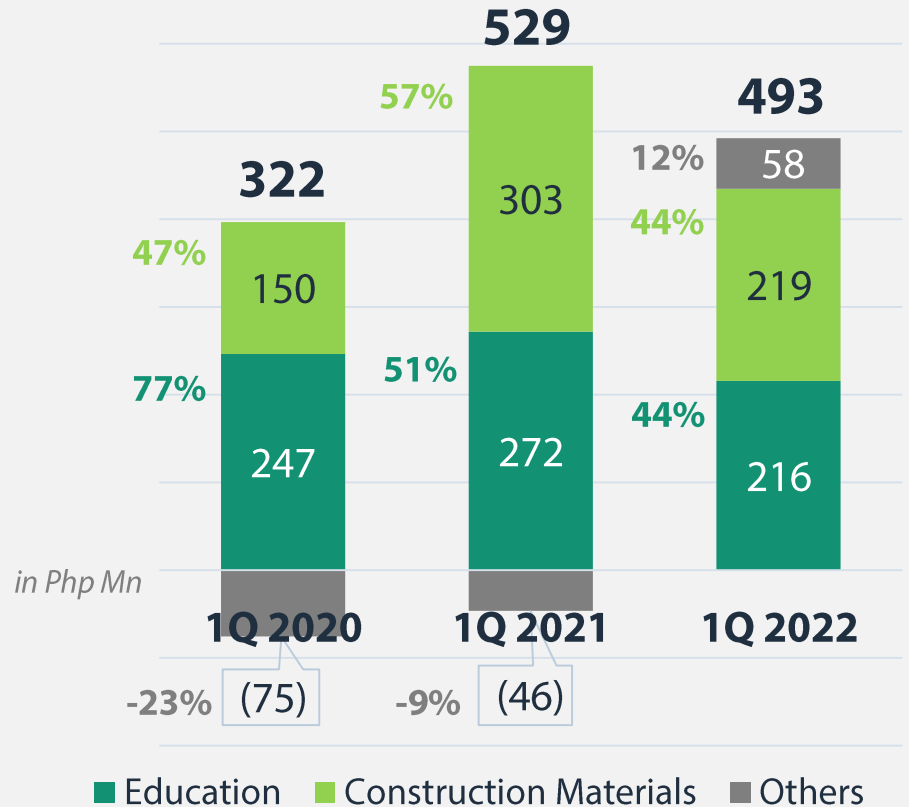
## CONSTRUCTION MATERIALS

**-28%**

YoY decline

**13%**

3-year\* CAGR



\*1Q 2020 – 1Q 2022

# Education

## REVENUE

**12%**

YoY growth

**7%**

3Y\* CAGR

## NET INCOME

**-20%**

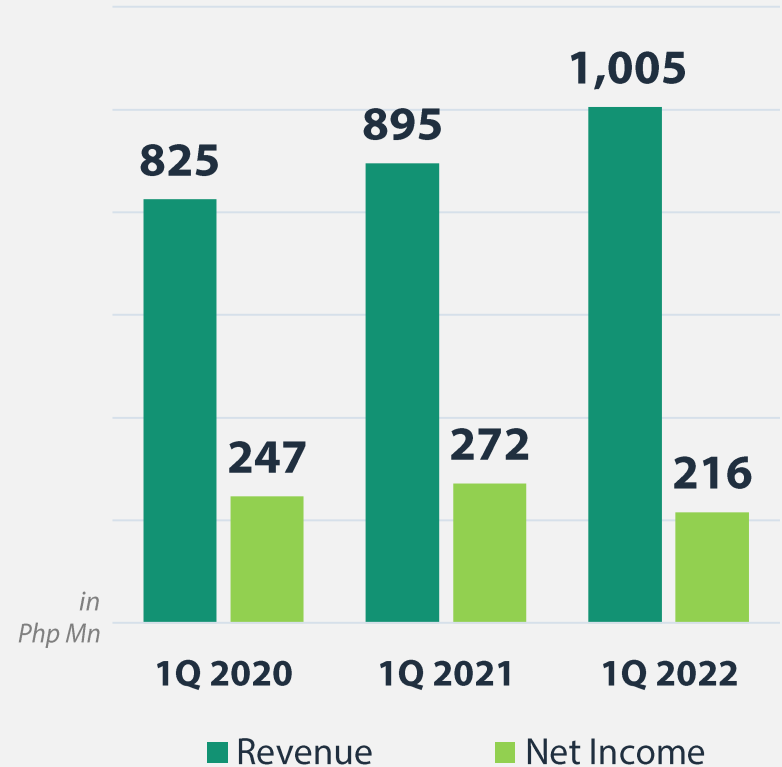
YoY decline

**-4%**

3Y\* CAGR

## KEY HIGHLIGHTS

- Revenue growth was driven by a **31% increase in enrollment** from the previous school year
- Decline in net income owing to:
  - **Higher faculty and other direct costs** due to higher enrollment and booked variable compensation pay of ₱67Mn
  - Postponement of classes resulting in a **spillover of revenue** to April of ₱94 Mn



\*1Q 2020 – 1Q 2022

# Education

## OPERATIONAL HIGHLIGHTS

### 2022 FIRST-TIME BOARD PASSING RATES

**86%\***

**Elementary & Secondary Education**  
*vs. national rate of 50%\**

**85%**

**Electrical Engineering**  
*vs. national rate of 54%*

**100%**

**Electronics Engineering**  
*vs. national rate of 46%*

**97%**

**Nursing**  
*vs. national rate of 68%*  
with **6 topnotchers**

and **University of Pangasinan** as **Top 2** Performing School

*\*Avg. of elementary & secondary education passing rates*

PHINMA EDUCATION  
MAKING LIVES BETTER THROUGH EDUCATION

UNIVERSITY OF PANGASINAN  
PHINMA EDUCATION

PHINMA UPANG COLLEGE  
URUAGATA

**TOP 3**  
Dhen Loren O. Delos Santos, RN

**TOP 5**  
Joshua Aaron D. Decena, RN

**TOP 6**  
Kimberly S. Mangulad, RN

**TOP 7**  
Hannah Roseann R. Loresco, RN

**TOP 10**  
Miranela S. Estrada, RN

**May 2022**  
Nurse  
Licensure  
Examination  
**Topnotchers!**

#KasamaMoAngPHINMAEd

#MakingLivesBetterThroughEducation



# Construction Materials

## REVENUE

**14%**  
YoY growth

**15%**  
3Y\* CAGR

## NET INCOME

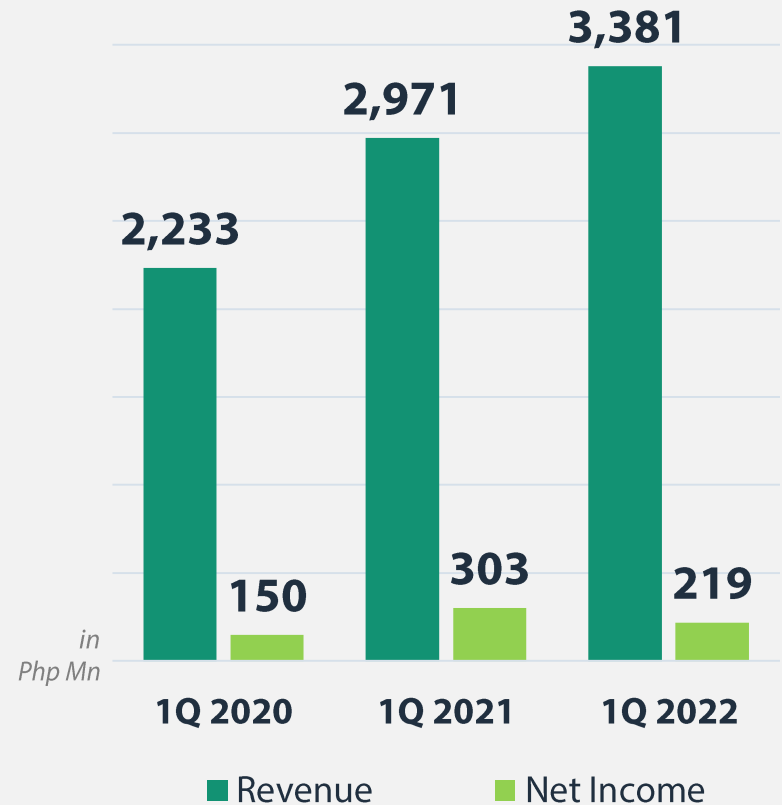
**-28%**  
YoY decline

**13%**  
3Y\* CAGR

## KEY HIGHLIGHTS

- Sales growth driven by **higher volume sold**
- Sales only **started to pick up in March** due to the reopening of the economy
- Continued to face a **temporary rise in costs** of materials, oil and freight owing to volatile supply chain conditions
- Implemented **cost management strategies** to reduce the impact of higher costs on the bottom line:
  - Commercial framework to operationalize inherent synergies
  - Operational excellence for optimal production efficiencies
  - Strong management of fixed costs and operating expenses

\*1Q 2020 – 1Q 2022



# Housing

## REVENUE

**-7.2%**

YoY decline

**7%**

3Y\* CAGR

## GROSS MARGIN\*\*

**39%**

1Q 2020

**32%**

1Q 2021

**44%**

1Q 2022

## KEY HIGHLIGHTS

- Decline in revenue due to lower revenue from construction services and parking
- Achieved an **improvement in gross margin** through higher selling prices and advanced construction completion
- Resulted in net income attr. to PHINMA Corp. of ₱2.7 Mn, which already **exceeds pre-pandemic levels**

### Top #9 in NCR

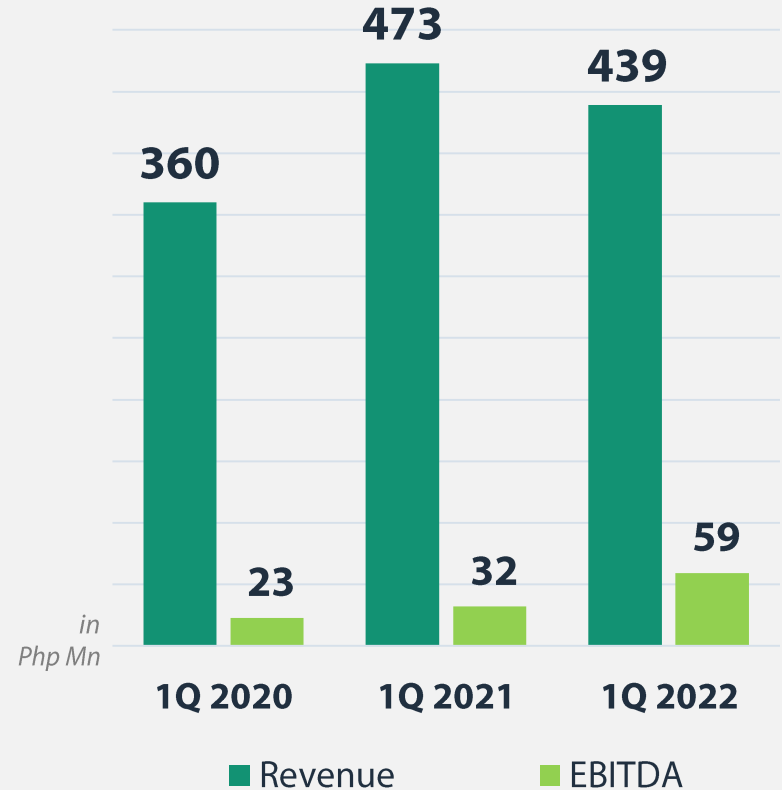
Awarded by **Pag-IBIG** as a **top performing developer** out of 110 developers in NCR

### Top #6 in Mindanao

Awarded by **Pag-IBIG** as a **top performing developer** out of 78 developers in Mindanao

\*1Q 2020 – 1Q 2022

\*\* After cancellations



# Hospitality

## REVENUE PER AVAILABLE ROOM

₱2,778

1Q 2020

₱2,088

1Q 2021

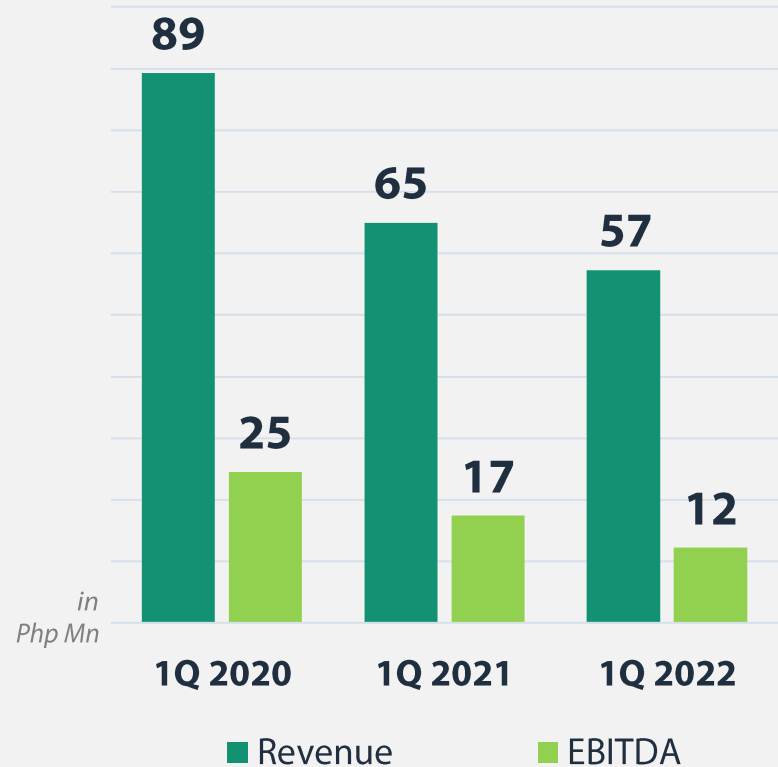
₱1,830

1Q 2022

## KEY HIGHLIGHTS

- Year-on-year decline in performance is mainly attributable to the **removal of facility-based quarantine requirements** for incoming travelers starting mid-Feb
- Steady bookings from **corporate clients** remain
- As both hotels gradually transition from quarantine to business & leisure markets, they currently operate as **multi-use hotels**

\*1Q 2020 – 1Q 2022



# Consolidated Financial Position

## GROWTH

**15%**

YoY growth in Assets

**15%**

YoY growth in Equity

## DEBT

**3.7 yrs.**

Wtd. avg.  
debt maturity

**4.51%**

Wtd. avg.  
cost of debt

## PER SHARE

**₱27.85**

1Q 2022 BVPS

**₱19.44**

1Q 2022-end  
share price

	CY2021	1Q 2022
<b>Total Assets</b>	<b>30.1</b>	<b>29.8</b>
Cash and cash equivalents	3.7	3.7
Investments held for trading	1.3	1.0
<b>Total Liabilities</b>	<b>20.1</b>	<b>19.5</b>
<b>Total Equity</b>	<b>9.9</b>	<b>10.2</b>
Total Equity attr. to Parent	7.5	7.6
<b>Current Ratio</b>	<b>1.71</b>	<b>1.92</b>
<b>Debt Equity Ratio</b>	<b>2.03</b>	<b>1.91</b>

*in Php Bn*

# Operational Highlights

## NEW APPOINTMENTS



**Ramon R. del Rosario, Jr.**  
Chairman & CEO



**Chito B. Salazar, Jr.**  
President & COO  
Head of Education

## TALENT DEVELOPMENT



### *Transforming PHINMA Talents into PHINMA Leaders*

A strategic leadership development program to **accelerate the growth** of the Group's talented employees and prepare them to take on **increasing leadership roles**



# 2022 Outlook & Guidance



- **Strong enrollment growth** driven by **same-school enrollment growth**:
  - **New schools\***: up to 219% (avg. of **122%**) vs. year of acquisition
  - **Older schools**: up to 75% (avg. of **30%**) vs. pre-pandemic (S.Y. 2019-20)
- **Shift to face-to-face** (2 days in school and 4 days remote learning)
  - Increase in operations and maintenance of property expenses
  - Increase in revenue from bookstore operations (i.e., uniforms)

- **Encouraging outlook for public infrastructure** with 77 ongoing projects that we expect the incoming administration to continue
- **Input costs will remain elevated** throughout the year
- Continued efforts towards **optimizing efficiencies** particularly on network & distribution and plant operations, and **management of operating & fixed costs**
- **Digitalization efforts** to improve customer experience and enhance internal efficiency

\* Acquired w/in 2019 to 2020 (i.e., KRW, RC, and RCL)

# 2022 Outlook & Guidance



- Focus on **next-wave cities** expected to benefit from strong infrastructure expansion across the country
- Development of **idle properties** within the PHINMA group
- Potential **joint ventures** with third parties



- Additional investment of up to ₱50 Mn for **expansion of Microtel MOA**
- **Airlines** are now at 60-70% of pre-pandemic levels for domestic flights
- **Leisure travel** is expected to **grow further** in addition to the **resumption of MICE activities** towards end-2022

## For further information:



**Investor Relations**

[investorrelations@phinma.com.ph](mailto:investorrelations@phinma.com.ph)



[www.phinma.com.ph](http://www.phinma.com.ph)



[PSE: PHN](#)

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## Annex

# Making lives better by educating underserved youth



PHINMA EDUCATION  
MAKING LIVES BETTER THROUGH EDUCATION

## LARGE TARGET MARKET

Socioeconomic classes  
C (lower C), D, and E  
90% of PH population

## UNIQUE ACADEMIC MODEL

### Accessible

Non-selective and affordable

### Focus on Employability

Takes into account the  
challenges of low-income families

### Short Payback Period

Avg. of 7-12 months  
(better than the gold standard in  
Southeast Asia of 18-36 mos.)

## HIGH QUALITY

**73%**

Avg. 2021 board passing rate  
(80% in prior years)

**112**

Board topnotchers  
from 2004 to 2021

**71%**

Avg. 2021 employability rate  
(5-year avg. as of 2019: 82%)

## STRONG TRACK RECORD





# Historical Enrollment Growth

