

D.M. Wenceslao & Associates Reports 72% Increase in Revenue and Operating Income in 1Q 2020, Approves P1 Billion Share Buyback Program

Paranaque City, Philippines, May 14, 2020 — D.M. Wenceslao & Associates, Incorporated (PSE: DMW) reported first quarter revenues of P1.02 billion, up 72% from P595.6 million a year ago fueled by record-high performance of its leasing and residential segments. The Company also posted a 72% increase in operating income to P588.0 million.

Recurring income from leasing comprised 50% of total revenues while non-recurring sources such as residential and construction accounted for a combined share of 50%.

The leasing segment saw its best quarter in history with P512.7 million in revenues, up 4% from P493.9 million, benefiting from sustained occupancy and higher rates on new leases. In particular, revenues from leasing of land, building and other revenues related to rentals amounted to P256.4 million, P208.8 million and P47.5 million, respectively.

The residential segment also delivered its highest quarterly revenues since the Company entered into the new business line in 2016. Sales of residential condominium units accelerated to P498.1 million, up 398% from P100 million, reflecting higher percentage of project completion and additional accounts that qualified for revenue recognition.

Net income attributable to equity holders was P445.4 million, down 12% from P507.1 million last year which included other income of P300 million from the sale of rights to a third party. Excluding such gain, net income grew 71% this year.

“We continue to show good progress against our strategic priorities of enhancing our earnings base and profitability by developing a portfolio of high-quality real estate projects, resulting in our highest quarterly revenues without land sale,” said Delfin Angelo “Buds” C. Wenceslao, chief executive officer. “While we expect the risk of delays to our project construction schedule and potential weaker near-term demand due to COVID-19, we believe that the overriding strategy we laid out at the time of our IPO remains relevant and will enable us to weather and respond to market uncertainty as well as to pursue new opportunities that will emerge as a result of the crisis.”

The Company also announced that its Board of Directors authorized a repurchase program of up to P1 billion worth of its common stock through open market purchases on the Philippine Stock Exchange. “This share buyback program reinforces our commitment to shareholder return and reflects our confidence in the fundamentals and long-term prospects of the Company without impacting our growth strategy.”

On April 24, the Company’s Board of Directors declared a cash dividend of P160 million or P0.047116 per share to shareholders of record as of May 11, 2020 payable on June 4, 2020. The dividend represents an increase of 33% versus 2018 and translates to a payout of 7% of the Company’s net income for the financial year 2019. This is the second consecutive year DMW has declared a dividend since the Company went public in 2018.



“The Board fully recognizes the importance of dividends to the Company’s shareholders. Even with higher dividend payment, our balance sheet is strong with low leverage and high level of liquidity that allows us to extend our support for our customers, business partners, and host communities in light of COVID-19, while at the same time investing to position the business for the long term.”

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ABOUT D.M. WENCESLAO & ASSOCIATES, INCORPORATED

DMW is an integrated property developer with expertise in land reclamation, construction and real estate development. It is the master developer and primary owner of Aseana City, a development project with a total land area of 107.5 hectares located along the coastal waters of Manila Bay. Since 1965, DMW has reclaimed more than 2.4 million square meters of land, leased or developed 260,000 square meters of land and buildings, and completed over 140 construction and infrastructure projects including large, complex government developments throughout the Philippines. For further information, visit dmwai.com or contact iro@dmwai.com