

CLI posts 13% Q1 2020 revenue growth yoy

Leading residential developer in VisMin Cebu Landmasters reported solid Q1 2020 growth of 13 percent year-on-year in consolidated revenues from Php 1.87 billion to Php 2.1 billion.

The increase in revenue was driven by robust sales from various segments and sustained construction of new developments alongside growing contributions from its expanding recurring business. Net income to CLI shareholders came in at Php 572 Million. CLI's gross profit margin of 50% and net income margin of 31% for the year is within the company's target ratios and above industry average.

During the first five months of the year, the company registered Ph 4.8 billion in reservation sales take-up or close to its 1H 2019 level of Php 5.26 billion. Sales of Php 2 billion driven by its economic housing brand Casa Mira were recorded in the months of April and May, a period widely forecast to have little economic activity. Over-all, CLI's unsold inventory is down to only 10% of total inventory.

Cebu Landmasters continues to address the still underserved demand for residential projects in Visayas and Mindanao through its wide network of partner brokers and sales agents. The listed firm has digitalized buyer transactions from end-to-end and made payment terms more affordable and attractive to customers.

"We expect demand for quality housing and residential units to rise prompted by the greater desire for safer and better planned living environments in the aftermath of COVID 19. Over the years, CLI has built a reputation for offering great value to its buyers and is ideally positioned to serve this rising demand," Soberano said.

To fund these expansions, Cebu Landmasters has secured Php 8 billion worth of corporate notes and several bilateral facilities with major banks, tailored per project. CLI's incremental cost of borrowing is between 3.8% to 4.2% for 5-, 7- and 10-year money, making it well positioned to manage its balance sheet, lower its financing costs and having sufficient resources to allocating funding for judicious capital expenditures.

"CLI is moving forward with both prudence and conviction. We will still be launching over 13 projects total this year, especially in key segments with sustained demand including economic vertical and horizontal housing. VisMin will recover faster, as restrictions have eased sooner with strong measures in place. There is sustained demand amidst a low supply environment in key Vismin cities, as evidenced by our 2 Billion sales take-up over April to May.

"As we are quick to adapt to this new normal and catch-up to 100% site operations, we are aiming to achieve a full-year guidance that will closely match 2019 levels."

CLI has also played an active role in supporting various frontliners at the height of the pandemic. It has released supplemental income to over 5,000 3rd party construction workers who have continued to work on CLI projects. It has provided relief goods to over 20 barangays where CLI is present, and has provided support to various LGU efforts.

Accounting for a total market share of 12 percent, CLI was dubbed as the leading residential developer in the Visayas and Mindanao regions in a 2019 study by Santos Knight Frank. ###



Cebu Landmasters' economic housing brand Casa Mira drives its 2 billion sales in April and May, a period forecast to have little economic activity. The photo above is an architect's perspective of Casa Mira Towers CDO, which sold over 400 units in the month of May.