

SLI

Sta. Lucia Land, Inc. (SLI) Unfazed

Company Statistics

Company	Sta. Lucia Land, Inc.
Target Price	2.88
Current Price	2.46
% upside	+17
Shares Outstanding	8,196
Market Cap (Php M)	20,163
Free Float (%)	17
52-Week High (Php)	2.68
52-Week Low (Php)	1.70
YTD Performance (%)	+21

Company Background

SLI through its subsidiaries, develops real estate. The Company's projects include residential condominium units and office buildings development within Metro Manila.

Top Shareholders

Name	%
Sta. Lucia Realty & Dev.	83.3
Robles, Exequiel	Nil
Santos, Vicente	Nil

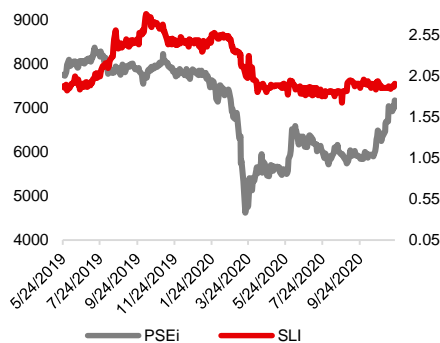
Research Analyst

Lexter L. Azurin

(+632) 898 7543

llfazurin@abcapital.com.ph

12-Month Performance vs. PSEi



Net income at PhP1.7B in 2020; Maintain – Buy

Net income was relatively flat (-2%) at PhP1.7B in 2020, equivalent to 92% of our FY-estimate of PhP1.9B. Despite this, SLI remains resilient vis-à-vis to its peers in the sector. We are maintaining our 'Buy' rating on SLI with a 17% upside to our fair value of PhP2.88/sh. We expect a recovery on the sector as a whole, and this bodes well for SLI, which caters to a niche housing market.

Impact from COVID felt

Revenues fell 12% to PhP6.9B for 2020. Government imposed restrictions in response to the pandemic has resulted to slowing down of operations thus decreasing the reservation sales and resulting to an 8% decline in RE sales. Retail operations were also affected as majority of establishments were closed. Rental payments were also waived during the Enhanced Community Quarantine (ECQ).

Among fastest growing companies

SLI received recognition from Financial Times among the top Filipino High-Growth Companies. Compiled in partnership with Nikkei Asia, SLI was ranked 288th among 500 companies. The survey includes companies that has an annual revenue of \$100,000 in 2016 and \$1M in 2019.

Recovery in property prices

Property prices specifically for business districts outside the capital could help drive post-pandemic growth of the Philippine market, and SLI stands to benefit from this alongside the increase in property prices in general. Likewise, completion of new infrastructure projects outside of the capital should boost property prices especially in key cities such as Pampanga, Laguna, Cebu, and even Davao.

Rising from the ashes

As vaccinations start to accelerate, this would benefit mobility in the country, and that includes mall foot traffic. Currently, the government now allows dine-in for restaurants with a 10% capacity. As soon as we reach herd immunity, this should be good for the general economy, including the property sector (both residential and malls).

Financial Highlights

Company	Market Cap (PhP M)	2019	2020	% Change
SMPH	951,570	38,085	18,006	-53
ALI	466,363	33,188	8,727	-74
MEG	92,099	17,931	9,886	-45
RLC	81,958	8,686	5,263	-39
VLL	44,570	11,266	6,056	-46
FLI	26,674	6,283	3,733	-41
SLI	19,671	1,736	1,707	-2
CLI	9,376	2,012	1,846	-8

Source: Various sources

Financial and Valuation Summary

FY Ending 12/31	2018A	2019A	2020A	2021E	2022E
Revenue (Php M)	2,428	5,871	5,383	6,190	7,120
Net Income (Php M)	1,065	1,736	1,707	1,980	2,278
EPS (Php)	0.12	0.21	0.21	0.24	0.28
P/E ratio (x)	20.5	11.7	11.7	10.3	8.8
Profit Margin (%)	43.8	29.5	31.7	32.0	32.0
Book value (Php)	1.70	2.14	2.16	2.37	2.61
P/B ratio (x)	1.4	1.1	1.1	1.0	0.9
Return on Equity (%)	7.0	9.8	9.7	10.1	10.7

Source: ABCSI Estimates, Bloomberg, Company Data