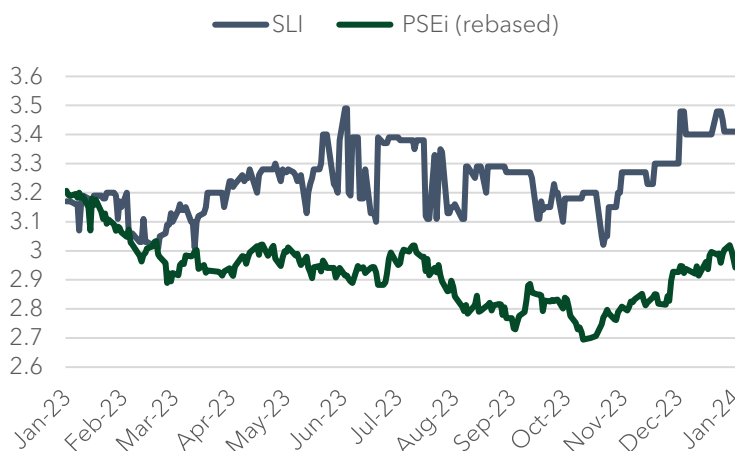


## STA. LUCIA LAND, INC. (SLI) Company Update

Ticker Symbol:	Rating:	Last Traded Price:	Estimated FV/share:	Potential Upside/(Downside):
SLI	BUY	3.41	5.36	57.19%

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### Price Performance



Return (in %)	YTD	1M	3M	12M
SLI	0.29%	3.33%	7.23%	7.57%
PSEi	0.94%	0.55%	3.87%	-8.23%

### Stock Data

Sector	Property
Market cap	P28.87-Bn
Shares O/S	8.296-Bn
52-week range	2.71-3.49
52-week avg daily volume	761,889

### Financial Highlights

	FY22A	FY23E	FY24E	FY25E
<b>Financials (in P-Mn)</b>				
Revenues	9,883	11,166	13,238	15,893
% growth	18.06%	12.99%	18.55%	20.05%
Net income	3,433	3,908	4,766	6,039
% growth	18.06%	12.99%	18.55%	20.05%
<b>Per share data</b>				
EPS	0.42	0.47	0.57	0.73
EPS growth (%)	20.91%	13.83%	21.94%	26.72%

### Summary

- We remain bullish on Sta. Lucia's growth prospects, not only because of their land acquisitions geared towards housing developments in fringe areas, but also due to their prowess in obtaining land to be used as golf courses.
- Golf courses as investment properties have been booming lately, given their desirability alongside their strong rental rates and high potential ROI in terms of resale value.
- Sta. Lucia currently has over 13 golf courses, majority of which have experienced significant capital appreciation. The capital appreciation of golf shares acquired by Sta. Lucia ranges from 100% to 611% over the past 5 years.
- The company has proven its capability in selecting golf courses that tend to appreciate in value over the years. The biggest of which are their Orchards A and B wherein they have 5 units at an average of 422.89 sqm with shares which were collectively valued at 450K per share in 2019, before further increasing to 3.2M per share in 2023. This marks a whopping 611% total appreciation in value over 5 years or a CAGR of 48% per year.
- The values of their Eagle Ridge Golf Club A and Eagle Ridge Golf Club B shares, wherein they possess 73 units, also experienced significant capital appreciation at 194% and 367%, respectively.
- Moving forward, we maintain a positive outlook on Sta. Lucia's growth given their expertise in acquiring land that appreciates in value.
- We used the 5-year historical median P/E of 9.32x and FY24 EPS of 0.57 to come up with a FY24E P/E based target price of 5.36.

## Appendix

*Exhibit 1: Orchard Golf and Country Club*



*Exhibit 2: Eagle Ridge Golf and Country Club*



*Exhibit 3: Sta. Lucia Golf Shares appreciation*

Location	2019	2023	% change
Orchard A	450,000	3,200,000	611%
Orchard B	650,000	3,000,000	362%
Eagle Ridge Golf Club A	170,000	500,000	194%
Eagle Ridge Golf Club B	150,000	1,000,000	567%
Splendido A	100,000	250,000	150%
Splendido B	120,000	250,000	108%
Summit point	150,000	300,000	100%
Royale Tagaytay	50,000	130,000	160%
Rancho Palos Verdes	850,000	850,000	0%
South pacific	480,000	620,000	29%
Beverly place	380,000	500,000	32%
Alta Vista	2,700,000	400,000	-85%
Caliraya Springs	500,000	500,000	0%
Lakewood City	-	75,000	
Pinewoods	800,000	800,000	0%

## Rating Definition

- BUY** The stock has a potential upside of at least 5% in the next 12 months based on APS Research fair value estimates, and/or a potential total return of at least 5% in the same period including dividend payments, and/or the potential to outperform the broader market or similar stocks within the same industry sector or segment.
- HOLD** The stock has a potential upside/downside of not more than +/-5% in the next 12 months based on APS Research fair value estimates, and/or a potential total return/loss of not more than +/-5% in the same period including dividend payments, and/or the potential to only slightly outperform/underperform the broader market or similar stocks within the same industry sector or segment.
- SELL** The stock has a potential downside of at least 5% in the next 12 months based on APS Research fair value estimates, and/or a potential total loss of at least 5% in the same period including dividend payments, and/or the potential to underperform the broader market or similar stocks within the same industry sector or segment.

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