

SLI

Recommendation: BUY

Company Statistics

Company	Sta. Lucia Land, Inc.
Target Price	1.60
Current Price	1.16
Upside/Downside (%)	+38
Shares Outstanding	8,946
Market Cap (Php M)	10,288
Free Float (%)	17
52-Week High (Php)	1.22
52-Week Low (Php)	0.98
YTD Performance (%)	+15

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

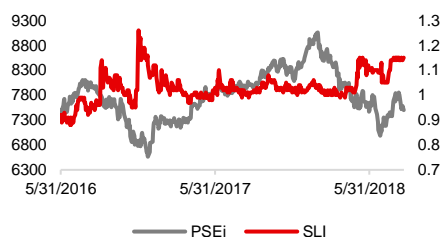
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12-Month Performance vs. PSEi



SLI site visit Strong take-up across its estates Iloilo-Davao-Cebu

We visited around 18 projects of Sta. Lucia Land (SLI) across three provinces (Iloilo, Davao, and Cebu) last week (September 5-8), which are located along prime locations. SLI has seen strong demand from its projects across its estates. Moving forward, the Company plans to expand its presence across the country.

Early in the year, SLI disclosed that it plans to raise as much as Php6B from a follow-on offering next year, partly to finance its Php20B capital spending in the next three to four years. Below are photos of the sites we visited.

Iloilo projects



Most of SLI's projects are horizontal, and are at least 80% taken-up already, which signals still a robust take up from the market. According to SLI, about 70% of their sales are from the OFW market.

Iloilo projects

Project	Land/Floor Area	Unit / Lot Size	Price / Sqm	% sold	No. of storeys
Acropolis	8.6 Ha	150-300 sqm	6,000		
Metropolis Phase 2	20 Ha	150-450 sqm	6,700		
Nottingham Villas	3 Ha	67 sqm FA	27,000	86%	
Hacienda Verde	72 Ha	140-500 sqm			
Greenmeadows	172 Ha				
Phase 1	100 Ha	120-350 sqm	7,500	92%	
Phase 2	72 Ha	120-350 sqm			
Soto Grande (Condotel)		24.5-40 sqm	89,500	83%	6
Centro Verde	103 Ha	150- 400 sqm			

Source: SLI

Davao projects



SLI continues to benefit from the countries decentralization from Metro Manila, as well as the infrastructure push of the government. The current administration plans to spend as much as PhP8T to boost its ailing infrastructure needs of the country.

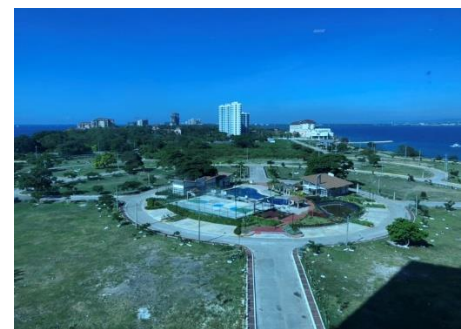
Davao projects

Project	Land/Floor Area	Unit / Lot Size	Price / Sqm	% sold	No. of storeys
Ponte Verde	28 Ha	150-500 sqm	13,500	80%	-
Valle Verde	13 Ha	100-300 sqm	10,900	98%	-
Las Colinas	52 Ha	500-900 sqm	7,560	40%	-
Soto Grande		24.5-40 sqm	94,250	95%	20
Ranchos Palos Verdes	164 Ha (77 Ha Golf)	300-500 sqm	8,400	-	-
Altea Ciudades	32.4 Ha	150-450 sqm	7,500	70%	-

Source: SLI

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Cebu projects



Source: SLI

One of SLI's projects in Cebu (Arterra Condotel) is located in the island of Mactan, along with other prime resorts such as Shangri-La Mactan, Movenpick, Megaworld, and Rockwell Land - Mactan. Arterra is located in the coastline, which boasts a breathless view of the island. Arterra's condotel opened this year, which is 75% sold, and has an occupancy rate of about 20%.

Cebu projects

Project	Land/Floor Area	Unit / Lot Size	Price / Sqm	% sold	No. of storeys
Alta Vista	70 Ha (18-hole golf)	300-500 sqm	9,000	90%	
Sotogrande Hotel		24.5-40 sqm		-	9
La Mirada	8,727 / 16,321 sqm	37-90 sqm	99,100	90%	15
Vista Mar Residential		200-500 sqm	10,500	-	-
Arterra (Condotel)		31-95 sqm	114,250	75%	20

Financial and Valuation Summary

FY Ending 12/31	2016A	2017A	2018E	2019E	2020E
Revenue (Php M)	3,293	3,316	5,000	6,200	7,604
Net Income (Php M)	730	800	1,000	1,450	1,860
EPS (Php)	0.08	0.09	0.11	0.16	0.21
P/E ratio (x)	14.4	12.8	10.5	7.2	5.5
Profit Margin (%)	22.1	25.2	20.6	23.3	24.5
Book value (Php)	1.51	1.60	1.70	1.78	1.90
P/B ratio (x)	0.8	0.7	0.7	0.6	0.6
Div/share (PhP)	-	-	-	-	-
Div. yield (%)	-	-	-	-	-
Return on Equity (%)	5.2	5.4	5.8	6.7	7.4

Source: ABCSI Estimates, Bloomberg, Company Data

Industry Comparison

FY Ending 12/31	Mkt Cap PhP mn	P/B ratio (x) 2018E	PE ratio (x) 2018E	Div Yield (%) 2018E	ROE (%) 2018E
SMPH	1,054,000	3.7	33.2	1.0	11.8
ALI	617,391	3.2	21.3	1.2	16.6
MEG	140,563	1.0	9.7	1.3	9.8
RLC	107,252	1.2	15.6	1.8	8.5
VLL	80,296	0.7	8.1	2.2	11.4
FLI	35,889	0.5	5.7	1.1	9.3
SLI	10,020	0.7	10.5	-	5.8
Mean			25.2	1.1	12.8

Source: Bloomberg