

Highest Credit Rating Maintained for Robinsons Land's Outstanding Bonds

Philippine Ratings Services Corporation (PhilRatings) has maintained its Issue Rating Credit Rating of **PRS Aaa**, with a **Stable Outlook**, for Robinsons Land Corporation's (RLC) outstanding bonds amounting to ₱30.4 billion.

Obligations rated **PRS Aaa** are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. **PRS Aaa** is the highest rating assigned by PhilRatings. A **Stable Outlook**, on the other hand, indicates that the rating is likely to be maintained or to remain unchanged in the next 12 months.

The rating and Outlook were assigned given the following key considerations: (1) RLC's diversified portfolio alongside an established brand name; (2) Steady growth in the Company's margins and returns; (3) RLC's ambitious expansion plans are seen to continue, overseen by its experienced management; (4) the Company's healthy liquidity, supported by steady cash flows from operations; and (5) its conservative capital structure.

PhilRatings based its assessment on available information at the time that the rating review was performed. PhilRatings shall continuously monitor developments relating to RLC and may change the rating and Outlook at any time, should circumstances warrant a change.

RLC is one of the country's leading and reputable real estate developers. The Company has a wide property portfolio spanning various business divisions, namely: Robinsons Malls, RLC Residences, Robinsons Offices, Robinsons Hotels and Resorts (RHR), Robinsons Logistics and Industrial Facilities (RLX) and Robinsons Destination Estates (RDE). RLC boasts of a nationwide presence, with 30 provinces (16 in Luzon and 7 each for Visayas and Mindanao) having at least one development from the Company.

Robinsons Malls is the second largest mall operator in the country. It had a total of 55 lifestyle commercial centers with 1.68 million square meters (sqm) of gross leasable area (GLA) and a system-wide occupancy rate of 93%, as of end-September 2024.

RLC Residences and Robinsons Homes were merged under the brand of RLC Residences. The division had a total of 134 developments as of end-September 2024. In 2023, the net pre-sale figure of RLC Residences was the highest in the Company's history.

Robinsons Offices develops office buildings within and outside Metro Manila, with a significant presence in the Ortigas Central Business District. As of end-September 2024, its 32 office developments had a combined GLA of 793,000 sqm and a system-wide lease rate of 86%.

RHR operates a chain of hotels under four brands which cater to different market segments. It manages a total of 5,047 hotel rooms across 30 hotels (including franchises), as of end-September 2024.

RLX develops and leases industrial and logistic warehouse facilities across Luzon. The segment had 10 industrial facilities as of end-September 2024, combining for a total GLA of 244,000 sqm.

RDE continues to improve the premier destination estates in RLC's portfolio, namely, Bridgetowne, Sierra Valley, and Montclair. Through RDE, the Company builds strategic partnerships for its mixed-use developments. RDE also harnesses opportunities to synergize with RLC's other business segments.

In addition, RLC is the Sponsor of RL Commercial REIT, Inc. (RCR), which has the widest geographical reach among Real Estate Investment Trusts (REIT) in the country. The Company is also a subsidiary of JG Summit Holdings, Inc. (JGS), one of the largest and most diversified conglomerates in the Philippines.

Maria Socorro Isabelle V. Aragon-GoBio was appointed as RLC's President and Chief Executive Officer (CEO), effective February 1, 2025, replacing Lance Y. Gokongwei. Having spent over 30 years in the real estate business with RLC, Ms. Aragon-GoBio previously held significant leadership roles in the Company's main operating segments. Mr. Gokongwei, who has been part of the Company's huge growth in both the domestic and international spaces, will remain as RLC's Chairman. Throughout the years, the Gokongwei family, along with capable senior management members outside of the Gokongweis, have successfully steered RLC's growth and expansion.

Going forward, RLC plans to capitalize on the continued growth of the domestic economy through sustained expansion of its portfolio. RLC remains optimistic about its overall growth prospects, banking on the strength and resiliency of its different business segments.

In 2023, RLC registered an increase in its bottom line for the third straight year, with its net income amounting to ₱13.4 billion (up by 20.1% from 2022). Margins also continued to improve, supported by higher revenues from all but one business segment and proper cost control. Additionally, the Company posted record-high EBITDA and EBIT margins. RLC carried over its growth momentum to the first nine months of 2024 (9M2024), during which it recorded higher revenues (+4.0% YoY), operating income (+7.2%), and net income (+17.6%). These were driven by the continued solid performance of its investment portfolio (malls, offices, hotels, and warehouse segments). Margins and returns for 9M2024 similarly improved.

Higher earnings translated to a larger net cash flow from operating activities of ₱16.0 billion in 2023, up by 35.3% from 2022. In 9M2024, operating cash flows amounted to ₱13.6 billion, still supported by solid profitability. Current ratio also improved to a more than adequate level of 1.6x as of end-September 2024. In terms of its leverage levels, RLC's debt-to-equity ratio stood at 0.3x as of the same period. With its conservative capital structure (which is seen to persist) and backed by the steady stream of cash from its profitable operations, RLC is expected to remain in a good position to service its obligations as these become due.