

 PHILIPPINE RATING SERVICES CORPORATION	RATING REPORT
	FILINVEST LAND, INC.

Date: March 13, 2026
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NEW ISSUE CREDIT RATING

Proposed Issuance (3rd Tranche of the ₱35.0 Billion 2023 Shelf Registration)		
Amount	Tenor	Assigned Rating and Outlook
₱9.0 billion, with an Oversubscription Option of up to ₱2.57 billion	3.5 and 5 years	PRS Aaa, Stable

Use of Proceeds: ₱9.0 billion will be allotted for refinancing, while the remaining ₱2.57 billion will be used for capital expenditures (CAPEX)

OUTSTANDING PRS-RATED ISSUANCE OF THE COMPANY

Amount (In Billions)	Interest Rate	Issue Date	Maturity Date	Outstanding Rating and Outlook
₱1.7646	4.1838%	November 18, 2020	May 18, 2026	PRS Aaa, Stable
₱5.000	5.2579%	December 21, 2021	December 21, 2027	
₱2.975	6.4146%	June 23, 2022	June 23, 2027	
₱11.4308	6.9829%	December 1, 2023	June 1, 2027	
₱6.78554	6.2916%	March 12, 2025	March 12, 2030	
₱2.66126	6.6550%	March 12, 2025	March 12, 2032	
₱2.5532	6.8312%	March 12, 2025	March 12, 2035	
Total: ₱33.1704 billion				

OUTSTANDING PRS-RATED ISSUANCE AND ISSUER CREDIT RATING OF RELATED COMPANIES

Filinvest Development Corporation (FDC; the Group) – Parent Company of Filinvest Land, Inc. (FLI; the Company) (owned 71.0% of the Company as of December 31, 2025).

Amount (in Billions)	Interest Rate	Issue Date	Maturity Date	Outstanding Rating and Outlook
₱10.000	6.3206%	February 7, 2024	August 7, 2026	PRS Aaa, Stable

PhilRatings has also assigned an Issuer Credit Rating of PRS Aaa (corp.), with a Stable Outlook, to FDC's maiden ₱8.0 billion preferred shares offering in July 2025.

RATIONALE

1. Established brand name and track record

FLI is a real estate developer, offering a wide range of real estate properties to residential and commercial customers. On November 24, 1989, FLI was incorporated under its previous name Citation Homes, Inc., and was renamed to its current corporate name on July 12, 1993. The Company has over five decades of experience in the real estate industry to date.

FLI is present in 56 cities and towns, located in 22 provinces in the Philippines. The Company is one of the largest mid-rise building (MRB) developers in the country and has a strong market presence in the affordable and middle-income residential segments. FLI's operations are diversified across different segments, from real estate sales to office, retail, and industrial space leasing.

2. Well-diversified real estate developments and ample landbank

FLI's real estate developments cater to a broad range of income segments, from socialized and affordable housing offerings to middle-income and high-end housing options. While recent launches remain focused on the affordable and middle-income segments, FLI continues to diversify its sources of income by venturing into the co-working and co-living spaces.

FLI has invested in high-growth prime sites across the country for real estate development. The Company also enters into joint venture (JV) agreements with landowners for the development of raw land, allowing for lower CAPEX and financial holding costs.

As of December 31, 2025, FLI's landbank spanned 1,774.78 hectares (ha), including about 196.51 ha under JV agreements. A significant portion of the Company's landbank is situated in the high-growth areas of Rizal, Bulacan, Cavite, and Laguna. FLI's management believes this landbank is sufficient to sustain at least ten years of development.

According to Colliers, the Metro Manila condominium market posted substantial improvements in 2025. Remaining inventory life (RIL) settled at roughly eight years, notably down from the record high of 13 years in the second quarter of 2025 (2Q2025). Net take-up also sustained its footing from the previous quarter, supported by attractive RFO promos curated by developers.

Notwithstanding this, management shared that the Company continues to employ a prudent approach in managing its inventory within Metro Manila. FLI concurrently explores strategic growing locations outside of the National Capital Region, particularly in Central Luzon, Cebu, and Mindanao.

3. Sustained profitability

FLI recorded profitability growth in 2024, with consolidated revenues and other income rising by 8.4% to ₱24.4 billion, supported by steady contributions from its residential and leasing businesses. Real estate revenues increased by 6.3% to ₱15.4 billion, owing to higher construction percentage of completion during the year. Leasing revenues grew by 9.0% to ₱7.8 billion despite headwinds from flexible work arrangements and Philippine Offshore Gaming Operators (POGO)

lease pre-terminations. Net income increased by 7.9% to ₱4.6 billion, translating to a slightly higher net profit margin of 19.9%.

In 2025, consolidated revenues and other income grew 5.9% to ₱25.9 billion, supported by contributions from residential, retail, office, and industrial segments. Real estate revenues increased by 5.7% to ₱16.3 billion, owing to sustained demand in medium-income and affordable segments, particularly for ready-for-occupancy (RFO) units in regional growth areas. Leasing revenues rose by 5.1% to ₱8.2 billion, on the back of higher retail occupancy, stronger tenant sales, new experiential attractions across malls, and steady office leasing driven by Business Process Outsourcing (BPO) tenants, new Cebu awards, Alabang renewals, and an expanded government tenant base. Gross profit margin remained at 52.7%, while net income after tax rose by 3.7% to ₱4.8 billion. Net profit margin was at 19.6%, on par with historical levels.

4. Positive operating cash flows and ample liquidity

In 2025, FLI continued to generate positive operating cash flows, with net cash from operating activities increasing by 12.4% to ₱7.9 billion on the back of earnings for the year, partially offset by increases in real estate inventories and contract assets. Net cash used in investing activities declined by 32.2% to ₱3.2 billion, owing to lower expenditures on investment properties and property and equipment. Net cash used in financing activities decreased by 13.5% to ₱3.4 billion, with lower repayments and coupled with new borrowings. As of end-December 2025, FLI maintained sufficient liquidity to meet short-term obligations, with a current ratio of 3.30x, up from 2.78x as of end-2024.

BUSINESS RISK

Company Profile

Filinvest Land, Inc. is a real estate developer, offering a wide range of real estate properties to residential and commercial customers. FLI is mainly engaged in the development of residential subdivisions, construction of housing units, and leasing activities. The Company has over five decades of experience in the real estate industry since incorporation on November 24, 1989, under its previous name Citation Homes, Inc. It was renamed to its current corporate name on July 12, 1993.

FLI is present in 56 cities and towns, located in 22 provinces in the Philippines. In terms of geographic distribution, most of FLI's projects are in Luzon particularly in Metro Manila. The Company is one of the largest MRB developers in the country and has a strong market presence in the affordable and middle-income residential segments.

As of December 31, 2025, FLI had 32 subsidiaries, majority of which were wholly owned. These subsidiaries are primarily engaged in real estate development, property management, leasing, and sales, among others.

FLI operates as the real estate arm of conglomerate FDC. As of March 2, 2026, FDC and FLI are publicly listed companies with market capitalizations of ₱39.8 billion and ₱18.1 billion, respectively.

Operating Segments

The Company has two business segments – real estate and leasing.

- Real estate operations – This involves the development and sale of real estate products from socialized and affordable housing to middle-income and high-end housing.
- Leasing operations – This involves the rental of office, commercial, and industrial space in various locations across the Philippines.

Table 1 Breakdown of Revenues

In Millions PhP	2024	% of Total	2025	% of Total
Real Estate Sales	15,393	66.2%	16,274	66.4%
Leasing	7,848	33.8%	8,247	33.6%
Total	23,241	100.0%	24,521	100.0%

Source: FLI 2025 Annual Report

As shown in Table 1, FLI derived the bulk of its revenues from real estate sales, with an average share of 66.3% of total revenues since 2024.

Real Estate Operations

The Company engages in the acquisition of land, as well as the planning and development of residential communities. FLI is also involved in the development and sale of residential lots, housing units, MRBs, farm estates, industrial parks, residential resort projects, a private membership club, and condominium buildings.

Residential Projects

FLI's residential projects include houses, lots, MRBs and high-rise Buildings (HRBs), catering to different income segments, from socialized to high-end housing.

Table 2 Breakdown of Market Segments

Market Segment (In Millions Php)	2024	% of Total	2025	% of Total
Middle income	11,336	73.6%	11,345	69.7%
Low affordable and affordable	1,863	12.1%	2,764	17.0%
High-end and others	1525	9.9%	1499	9.2%
Socialized	669	4.4%	666	4.1%
Total Real Estate Sales	15,393	100.00%	16,274	100.00%

Source: FLI 2025 Annual Report

The middle-income market segment historically accounted for the bulk of FLI's real estate sales, followed by the low affordable and affordable segment, then the high-end and others, and socialized segment. In 2024, the share of the middle-income market segment to real estate sales increased to 73.6%, before slightly dipping to 69.7% in 2025, brought about by the growth in the low affordable and affordable market segment.

Of the total real estate revenues in 2025, 62.9% or ₱10.2 billion were from Filipinos residing in the Philippines, while 34.2% or ₱5.6 billion were from overseas Filipinos (OFs). In total, FLI’s real estate revenues from Filipino buyers was 97.1% of total revenues, slightly up from its 96.0% share in 2024.

In 2025, reservation sales decreased by 13% from ₱19.4 billion in 2024 to ₱16.97 billion, with local buyers accounting for 81% of total reservation sales. The balance was made up by overseas Filipino workers (OFWs), predominantly in the Middle East (52%) and Europe (32%).¹

In relation to the ongoing US-Israel and Iran geopolitical conflict and hostile conditions in the Middle East, management shared that the possible impact on the Company will depend on whether the conflict will progress, and when and how it will be resolved. Nonetheless, management highlighted that similar conflicts had occurred in the past and FLI was able to overcome such conditions. Continuing its strategy to support its buyers, the Company is offering flexible payment terms, refinancing and restructuring options, among others, to supplement their capacity to settle obligations.

Most of FLI’s buyers pay through bank financing (81.6% of total real estate revenues), deferred cash payments accounted for the second largest share (10.4%), followed by spot cash (3.0%), cash sales (2.5%), HDMF (2.3%), and in-house financing (0.1%), among others.

Horizontal Developments

FLI has four core residential brands, each targeting a distinct segment of the market.

Table 3 Residential Brands

Brand	Price Range (In Thousands PhP)		Locations
	Housing Unit	Lot	
Pabahay (Socialized housing)	≤580	≤160	Metro Manila, Laguna, Cavite, Bulacan, Batangas, Cebu, and Negros Occidental
Futura (Affordable)	850 – 2,500	160 - 750	Bulacan, Laguna, Batangas, Cavite, Tarlac, Cebu, Davao, Palawan, Bacolod, and Koronadal
Aspire (Middle-income)	2,500 – 4,000	750 – 1,200	Metro Manila, Rizal, Cavite, Pampanga, Laguna, Cebu, Davao, and Zamboanga
Prestige and Filigree (High-end)	> 4,000	> 1,200	Metro Manila, Rizal, Batangas, Cavite, Cebu, Davao, and Laguna

Source: FLI’s 2024 Annual Report

Table 4 Recently Launched Projects

Brand	No. of Projects Launched (2024-2025)	Location (% to Total)		
		Luzon	Visayas	Mindanao
Pabahay	0	-	-	-
Futura	7	57.1%	28.6%	14.3%
Aspire	6	83.3%	16.7%	-
Prestige	1	100.0%	-	-
Filigree	1	100.0%	-	-

Source: FLI

¹ https://filinvestland.com/sites/default/files/pdf_files/FY%202025%202.22%2011PM.pdf

With the middle-income segment accounting for most of the Company’s revenues, projects launched in 2024 and 2025 were mostly under the Futura and Aspire brands. Recent launches were predominantly still within Luzon.

PhilRatings notes that FLI had no recent project launches for Pabahay or its socialized market segment. Management shared that FLI is reassessing project launches for its socialized segment, amid the ongoing housing backlog in the Philippines. Nonetheless, the Company assured its compliance with the government mandate through its developments under the low affordable and affordable segments.²

Vertical Developments

FLI develops and sells vertical residential projects such as MRBs, HRBs, and mixed-use vertical communities. MRB projects are typically five-story to ten-story buildings clustered around a central amenity area. These developments occupy only 30% to 35% of the total land area, providing ample open spaces for tenants. The Company’s policy is to commence construction of an MRB building when at least 50% of the units in the building have been pre-sold.

Townships

Townships are master-planned communities that feature anchor facilities and amenities. These developments strategically integrate or are in close proximity to commercial centers, schools, hospitals, churches, health centers, among others. PhilRatings notes that no new townships were launched since 2024.

Table 5 Township Developments

Project Name	Lot Size (in ha)	Location
City di Mare	50.6	Cebu City, Cebu
Ciudad de Calamba	350	Calamba, Laguna
Filinvest at New Clark City (NCC)	288	Capas, Tarlac
Filinvest Mimosa+ Leisure City	201	Angeles, Pampanga
Fora	5.2	Cavite
Havila	306	Traverses the municipalities of Taytay, Antipolo, and Angono in Rizal
Mana East	60	Teresa, Rizal
Palm Estates	51	Talisay, Negros Occidental
Timberland Heights	677	San Mateo, Rizal
Wood Estates	94	Trece Martires, Cavite
Iloilo Centrale	11.4	Leganes, Iloilo City

Source: FLI

Leisure Projects

FLI’s leisure products comprise of condotels, residential farm estate developments, and residential resort development.

² Republic Act (RA) 10884, amending the Urban Development and Housing Act (UDHA), mandates residential developers to allocate at least 15% of subdivision projects or 5% of condominium projects for socialized housing.

Condotels

- **Quest Hotel Tagaytay**
In September 2024, FLI ventured into the condotel business through the 100% acquisition of Fora Services, Inc. (FOSI). Incorporated in 2018, FOSI is a domestic corporation owned by Filinvest Hospitality Corp. (FHC), a subsidiary of FDC. FOSI is engaged in operating and managing real estate projects as well as rendering hospitality-related services. Quest Hotel Tagaytay, a condotel in Fora Rotunda Tagaytay, is its main hospitality project.
- **Grand Cenia Hotel and Residences (Grand Cenia)**
This development is located across the Cebu Business Park. Grand Cenia is a JV project with FLI, as the developer, and Gotianun-owned GCK Realty Corporation, as the landowner. The building features 11 floors operating as a condotel (Quest Hotel Cebu), and the top seven floors, situated above the condotel, are residential condominium units. Quest Hotel Cebu started its operations in 2012.

Residential Farm Estates

The Company’s residential farm estate projects are sold on a lot-only basis, with buyers being responsible for the construction of residential units on their lots. Lot area may be utilized for small-scale farm development, such as fish farming or vegetable farming, while residential developments are designed to fit particular themes or concepts within the estate.

Table 6 Residential Farm Estates

Project Name	Location	Description
Nusa Dua Farm Estate	Cavite	It includes a two-story clubhouse and a 370 square meter (sqm) swimming pool.
Mandala Residential Farm Estate	Rizal	Forming part of the Company’s Timberland Heights township project, it offers hobby farmers liberal lot cuts and Asian-inspired homes that complement the mountain lifestyle.
Forest Farms Residential Farm Estate	Rizal	Forming part of the 300-ha Havila township project, it is an exclusive mountain retreat and nature park, nestled between the hills of Antipolo and forested area of Angono, Rizal.

Source: FLI

Residential Resort Development

- **Kembali Coast**
A 50-ha Asian-Balinese inspired beachfront residential resort development located on Samal Island, Davao. The resort comes with a 1.8-km beach line that offers an unobstructed view of the sea.
- **Laguna de Taal**
Located in Talisay, Batangas, it is an Asian Tropical-inspired community, spanning 60 ha. Laguna de Taal offers three residential districts - Artista, Bahia, and Orilla and likewise features Lake Club, a lakeside amenity designed for wellness, recreation, and celebration.

Recent Developments

*Maldives Oasis*³

Launched in February 2025, Maldives Oasis is a resort-inspired community nestled along Quimpo Boulevard in Davao City. The development consists of MRBs, with units ranging from 22.11 to 36.35 sqm. Set amid natural landscapes, the project under Aspire brand allocated 65% of the total space to open spaces and amenities.

*Mission Hills Sta. Sofia 1A and Mission Hills Sta. Helena*⁴

Both located within the Habila residential township, these developments launched in February and March 2025, respectively, are Spanish-Mission architecture inspired. The former is an expansion phase of 17 lots, spread across nearly one ha, while the latter offers both lot-only and H&L options. Lot-only options range from 120 sqm to over 2,000 sqm, while H&L packages offer houses ranging from approximately 82 sqm to over 480 sqm of floor area.

*New Amenities in Alta Spatial*⁵

In November 2025, FLI unveiled new resort-style amenities in its affordable MRB, Alta Spatial. These amenities include a swimming pool, clubhouse, basketball court, and landscaped open spaces. The project reportedly aligns with FLI's commitment to sustainable development, with new developments featuring energy-efficient systems, green building practices, and eco-friendly landscaping.

*Futura Rise in Iloilo Centrale*⁶

Launched in 2024, Futura Rise is FLI's first walk-up project⁷ in its township in Iloilo. According to management, through walk-ups, they can reach even more customers who prefer low-density developments with complete amenities.

Leasing Operations

FLI operates commercial spaces in Festival Supermall, Fora Tagaytay, Main Square, and Il Corso, and is likewise involved in the management and theater operations of these developments. Other leasing sites include commercial and office spaces in Makati City, Muntinlupa City, Pasay City, Bacoor City, Tagaytay City, Cebu City, and Clark. To further diversify leasing products, the Company recently ventured into co-living spaces and industrial parks.

FLI is also engaged in the hotel operations of Timberland Sports and Nature Club (TSNC) and Nature Specialists, Inc. (NSI).

³ <https://aspirebyfilinvest.com/project/maldives-oasis>

⁴ <https://stasofia.com.ph/>

<https://onepropertee.com/sta-helena-mission-hills-at-habila-angono-rizal-filinvest-land-inc>

⁵ <https://tribune.net.ph/2026/01/23/filinvest-land-unveils-resort-style-amenities-at-alta-spatial-in-valenzuela>

⁶ <https://futarise.filinvestland.com/>

⁷ A low-rise residential building that does not have an elevator, requiring residents to use stairs to access their units.

Futura Rise features 21 low-rise, 3-storey buildings in a Modern Spanish-themed community.

Philippine DCS Development Corporation (PDDC), a JV between FLI and France-based multinational firm ENGIE, developed an energy-efficient district cooling system (DCS) used in existing and future buildings at Northgate Cyberzone Area, Filinvest City, Alabang, and Muntinlupa City. In February 2026, PDDC was recognized by the Department of Trade and Industry and Board of Investments as the Philippines' first registered Third-Party Project Developer (TPPD) for a Complex Energy Efficiency Project under the CREATE MORE Act.⁸

Table 7 Breakdown of Leasing Revenues

Revenue Source (In Millions PHP)	2024	% of Total	2025	% of Total
Office leasing	4,809	63.5%	3,501	61.3%
Mall operations	2,272	29.5%	2,508	28.9%
Theater and snack bar sales	263	3.0%	273	3.3%
Others*	503	4.0%	622	6.5%
Total	7,847	100.0%	6,904	100.0%

*Others include rent from co-living units, industrial park, co-working spaces, and hospitality business operations.

Source: FLI 2025 Annual Report

The Company mostly derived its leasing revenues from office leasing operations. With FLI's foray into co-living spaces and industrial parks, the share of office leasing revenues to total leasing revenues marginally decreased from 63.5% in 2024 to 61.3% in 2025. Consequently, office mall operations' contributions slightly went down to 28.9%.

Office Leasing

Most of FLI's offices are located at the Northgate Cyberzone in Filinvest City, Alabang, an 18.7-ha Philippine Economic Zone Authority (PEZA) zone that enjoys developer incentives. PCom Tower, a Grade A PEZA-registered IT or office building in Makati Central Business District (CBD) also forms part of the Company's portfolio. Some of the other completed office developments are in the Bay City, Pasay, Mandaluyong, Clark Mimoso, and Cebu IT Park.

As of end-2025, office leasing occupancy rate inched down from 61% as of end-2024 to 60%, mainly attributable to the recently completed spaces that were added to the total GLA. Newly awarded leases (93,900 sqm) were mostly in Cebu (57%), followed by Makati and Alabang (14% each), Quezon City (13%), as well as in Pasay and Clark (1%). Alabang, on the other hand, took up 55% of the 60,000 sqm of renewed leases in 2025.⁹

The office developments of the Company are primarily in business parks or in mixed-use complexes and have access to public transportation options. With business parks as the preferred site for major BPO tenants, FLI believes that building in these locations gives the Company a strong competitive advantage. As of December 31, 2025, BPO companies accounted for 63% of the office tenant mix.

⁸<https://businessmirror.com.ph/2026/02/26/filinvest-subsiary-pddc-named-first-boi-registered-developer-for-complex-energy-efficiency-project/>

⁹ https://filinvestland.com/sites/default/files/pdf_files/FY%202025%202.22%2011PM.pdf

PhilRatings notes that FLI acknowledges that Artificial Intelligence (AI) may be a threat to some operations in the BPO industry. At this time, however, it believes that BPO companies may effectively transition their operations to the opportunities that are unfolding as AI further develops.

On August 12, 2021, Filinvest REIT Corporation (FILRT) officially listed as a REIT (Real Estate Investment Trust) with the Securities and Exchange Commission (SEC). FILRT is the commercial REIT platform of the Filinvest Group, owning 17 Grade A office buildings in central locations. The 16 buildings are in Northgate Cyberzone, Alabang, while one is in Cebu Cyberzone, which serves as the gateway of Cebu IT Park in Lahug, Cebu.

REIT office GLA stood at 299,158 sqm as of end-2025. As of December 31, 2025, 84% of offices under the REIT were occupied by multinational BPO companies, while the balance was made up of Traditional and Co-working tenants.¹⁰

As of end-2025, FILRT signed new leases for approximately 15,722 sqm of space, including 5,405.29 sqm of Traditional tenants, composed of both new entrants and existing tenants expanding within Northgate Cyberzone. Additionally, all expiring leases covering 34,787 sqm were renewed for the year. Weighted average lease expiry (WALE) also notably improved, supported by renewals and new leases, further bolstered by the infusion and performance of Festival Main Mall in 2025. As a result, WALE jumped from 7.3 years in 2024 to 12.81 years in 2025.¹¹

According to FLI, even though office tenants recalibrated their workspace requirements given hybrid work arrangements, the Company's proactive tenant diversification, portfolio optimization, and sustainability-oriented building upgrades supported stable office leasing performance. Office locations such as Northgate Cyberzone, Filinvest Cebu Cyberzone 3 & 4, and Studio 7 likewise remained attractive to multinational BPO firms and expanding enterprises, as well as government agencies.¹²

Management previously set the 2024 and 2025 target occupancy rates for FILRT retail properties at 85% and 95%, respectively. The recorded average occupancy, however, was lower at 81% in 2024 and 87% in 2025.¹³ According to management, this was a result of operational risks, including the delays in the occupancy of incoming tenant.

For non-REIT office buildings, the average occupancy of most developments in 2025 remained relatively unchanged or improved from 2024, except for some developments previously occupied by POGO tenants. Occupancy rates for these properties, therefore, dropped to 0%-15% beginning in 2021 due to the pre-termination of POGO leases. To curb the vacancy brought about by the exit of POGOs, FLI sought replacement tenants in a diverse range of sectors. These ranged from Traditional corporates, IT-BPO firms, government agencies, even educational and religious institutions.

¹⁰[https://www.filinvestreit.com/sites/default/files/2026-](https://www.filinvestreit.com/sites/default/files/2026-02/filrt_press_release_filinvest_reit_corp._filrt_declares_first_quarterly_dividends_in_2026_to_shareholders_2.20.26.pdf)

[02/filrt_press_release_filinvest_reit_corp._filrt_declares_first_quarterly_dividends_in_2026_to_shareholders_2.20.26.pdf](https://www.filinvestreit.com/sites/default/files/2026-02/filrt_press_release_filinvest_reit_corp._filrt_declares_first_quarterly_dividends_in_2026_to_shareholders_2.20.26.pdf)

¹¹ <https://mb.com.ph/2026/02/23/filrt-earnings-fall-215-in-2025-despite-stronger-rental-revenues>

¹² Filinvest Land Posts 6% Revenue Growth to ₱25.9 Billion; Net Income Up 4% to ₱4.81 Billion in 2025

¹³https://www.filinvestreit.com/sites/default/files/202602/filrt_press_release_filinvest_reit_corp._filrt_declares_first_quarterly_dividends_in_2026_to_shareholders_2.20.26.pdf

Recent Developments

- EDGE (Excellence in Design for Greater Efficiencies) Certification for PBCOM Tower¹⁴
In December 2025, PBCOM Tower gained EDGE Certification, attributable to improvements adopted to increase performance and reduce environmental footprint.

As a PEZA-accredited office development, the tower has invested in upgrades that support both efficiency and tenant competitiveness, including an upgraded chiller plant, developed with PDDC, which operates at 0.782 ton of refrigeration per kilowatt-hour (TR/kWh) efficiency level, as well as newly modernized high-rise and service elevators that consume 36% less energy than previous counterparts.

- Ateneo de Manila University's Graduate School of Business (AGSB) at 2WorkPlus in Filinvest Mimosas¹⁵
In December 2025, AGSB expanded its reach in Central Luzon after it located its new campus at 2WorkPlus. According to FLI, AGSB's presence in such development strengthens Mimosas+ as a center for education and collaboration, reinforcing its position as a key destination in the region.
- Conexus Medstaff LLC in One Filinvest¹⁶
Beginning December 2025, Conexus Medstaff LLC started its operations in One Filinvest, a LEED Gold-certified premium office building in the center of the Ortigas CBD. U.S.-based healthcare recruitment firm Conexus Medstaff has leased nearly 500 sqm, with the goal to capitalize on the country's skilled workforce and business-friendly environment

Retail Leasing

FLI has five major retail malls, located in Filinvest City (Festival Supermall Alabang), Bacoors (Main Square), Tagaytay (Fora Mall), Dumaguete (Filinvest Mall Dumaguete), and Cebu (Il Corso). Retail developments in Festival Mall and Northgate Cyberzone accounted for bulk of the Company's total retail leasing revenues.

Recent Developments

Infusion of Festival Mall to FILRT¹⁷

On January 24, 2025, FLI's and FILRT's Board of Directors approved the sale of FLI's real property to FILRT under a tax-free property-for-share swap transaction. Under the transaction, FLI will transfer its ownership over Festival Mall – Main Mall, located at Filinvest City, in Alabang Muntinlupa City to FILRT, in exchange for 1,626,003,316 primary common shares of FILRT or a total consideration of ₱6.26 billion. This consequently increased FLI's ownership in FILRT from 51.06% to 63.27%.

Other Leasing Formats

Co-Working and Co-Living Spaces

- The Crib

¹⁴ <https://filinvestland.com/news/pbcom-tower-achieves-edge-certification-advancing-sustainable-office-makati-cbd>

¹⁵ <https://filinvestland.com/news/filinvest-2workplus-offices-strengthens-mimosas-educational-hub-ateneo-graduate-school>

¹⁶ <https://filinvestland.com/news/us-based-conexus-medstaff-opens-office-one-filinvest>

¹⁷ <https://mb.com.ph/2025/05/30/sec-approves-626-billion-fli-filrt-property-for-share-swap>

The Crib located in the Clark Mimosa Leisure estate serves as temporary living accommodation for employees within the Clark Economic Zone.

- Our Space Solutions Inc. (OSSI),
In May 2023, a JV between FLI and KMC Community, Inc., a global co-working space provider, was formed to establish, manage, operate flexible workspace facilities. These co-working spaces will be in commercial buildings, particularly in Filinvest Office buildings. The first OSSI locations are situated in Axis Tower One, a prime office building within Filinvest City's Northgate Cyberzone.

Industrial Parks

The Company also ventured into the industrial parks market through Filinvest Innovation Parks (FIP) in New Clark City (NCC) and Ciudad de Calamba. These facilities target industrial locators who will lease land or ready-built factory (RBF) buildings.

- Filinvest Innovation Park-Ciudad de Calamba (FIP-CDC).
FIP-CDC is a 25-ha expansion of the Company's Filinvest Technology Park, which is also a PEZA-registered ecozone. As such, FIP-CDC would enjoy certain tax perks, simplified trade processes, and special visa privileges for foreign employees.

As of end-2025, FLI's industrial lots in FIP-CDC are 22% sold, and all four RBF leasing buildings are 100% leased out. There are six RBF units undergoing construction, which will add 15,000 sqm once finished. About 50% of these units are already pre-leased and all units are targeted to be completed by 2026.

- FIP-NCC's Phase 1 and RBF Zone
In September 2024, FIP-NCC's pioneer RBF locator, StB Giga Factory, inaugurated its manufacturing facility. StB Giga Factory is the Philippines' first manufacturer of Lithium-Iron-Phosphate (LFP) batteries designed to power electric vehicles and many other use applications.

StB Giga is the local entity of Australia-based StB Capital Partners, a company that invests in innovative and sustainable energy solutions. StB Giga Factory is housed in two units of Grade-A RBF units with a total floor area of 5,000 sqm.

Out of 52.2 ha for land leasehold sale, 8% are already leased out. Additionally, there are five RBF units within FIP-NCC, spanning over 12,500 sqm, and about 80% are leased units, as of December 31, 2025.

Land Bank

FLI has invested in high-growth prime locations across the country for real estate development. The Company also enters into JV agreements with landowners for the development of raw land, allowing lower CAPEX and financial holding costs.

As of December 31, 2025, FLI's landbank spanned 1,774.78 ha, including about 196.51 ha under JV agreements. FLI's management believes this landbank is sufficient to sustain at least ten years of development. Significant portion of the Company's landbank is situated in the high-growth areas of Rizal, Bulacan, Cavite, and Laguna.

Ownership

As of December 31, 2025, FDC owned 71.3% of FLI. FDC is considered one of the country's leading conglomerates, with interests in property, banking services, power, sugar, and infrastructure. Established by the late spouses, Andrew Gotianun, Sr. and Mercedes T. Gotianun in 1955, FDC is being overseen by three out of four of their children, namely Jonathan, Josephine, and Michael, holding key positions within the Parent Company.

In the first nine months of 2025 (9M2025), FDC's consolidated revenues inched up by 4.5% to ₱81.2 billion, attributable to the strong performance of its banking, real estate, and sugar segments, marginally offset by the power and utility segment. Cost and expenses were relatively flat at ₱72.0 billion, with banking operating expenses accounting for the bulk. As a result, net income expanded by 19.5%, from ₱12.0 billion in 9M2024 to ₱14.3 billion in 9M2025. Net profit margin increased to 17.6%, while return on equity and return on assets improved to 9.0% and 2.2%, respectively.

FDC's total assets increased by 4.4% to ₱849.7 billion as of end-September 2025. Total equity stood at ₱208.3 billion while interest-bearing debt amounted to ₱134.3 billion. With the faster increase in equity, the debt-to-equity ratio improved to 0.6x as of end-September 2025. Current ratio was at 0.9x as of the same period.

Management

There was no change in the Company's top executive management since the last credit rating review.

Jonathan Gotianun, the second eldest son of the late Mr. Gotianun serves as the Chairman of FLI's Board of Directors. Prior to this position, he was elected as Director of the Company in June 1994. He concurrently serves as the Chairman of the Board of Directors of FDC, East West Banking Corporation (EWBC), Davao Sugar Central Co., Inc., Cotabato Sugar Central Co., Inc., and FDC Utilities, Inc. (FDCUI) and its subsidiary power companies. Mr. Gotianun obtained his Master's Degree in Business Administration from Northwestern University in 1976.

Tristaneil D. Las Marias is the President and Chief Executive Officer (CEO) of FLI. Before his appointment as President and CEO in April 2023, he was the Company's Chief Strategy Officer. He is also the President of subsidiary, Property Specialist Resources, Inc. and has held various senior positions in the company. Prior to joining the Filinvest Group, he was Assistant Vice President and Head of Marketing and Business Development of Landtrade Properties and Marketing Corporation and a Project Officer of Landco Pacific Corporation. Mr. Las Marias earned his Bachelor of Arts degree in Management Economics from Ateneo de Manila University and completed an Advanced Management Program at Harvard Business School.

Ana Venus Mejia was appointed as FLI's Executive Vice President, Treasurer and CFO in 2022. She has been serving the Filinvest Group for over 25 years in various capacities. Ms. Mejia was appointed as Senior Vice President and Deputy CFO in 2012. She is a Certified Public Accountant (CPA) and a magna cum laude graduate of Pamantasan ng Lungsod ng Maynila (PLM). She obtained her Executive Master's Degree in Business Administration from the Kellogg School of Management at Northwestern University and the School of Business and Management at The Hongkong University of Science and Technology.

Strategy¹⁸

FLI is expected to continue developing residential projects that address regional and national demand for housing, particularly affordable and middle-income housing projects. In Metro Manila, the Company looks to employ a prudent approach in managing its inventory, prioritizing its RFO units. To achieve this, FLI plans to boost sales by expanding its channels to high-potential markets outside the country, where demand from OFs is strong. It will also incentivize its sales workforce and offer competitive pricing strategies through its partnerships with banks. For areas outside of NCR, FLI is gearing up to launch several residential developments, principally mid-market and horizontal community projects in growing areas. Its land bank in the CALABARZON Region¹⁹, Pampanga, Cebu, Zamboanga, and Davao are seen to be vital in supporting the Company's expansion plans in provincial areas moving forward. FLI also plans to extend its reach to areas outside the country, particularly in Southeast Asia and East Asia. According to management, the Company may offer several flexible deals to customers affected by the conflict in the Middle East to aid with any potential issues with collections.

FLI will also be strengthening its recurring income base in 2026. For its office segment, the Company will be focusing on the flexibility, cost efficiency, and quality of its workspaces. It will also aim to further diversify its tenant mix. The Company has also partnered with KMC²⁰ to convert some of the floors of its office buildings into coworking spaces, backed by the increased demand for flexible and smaller workspaces. FLI will also continue to collaborate with brokerage firms to actively market its offerings to prospective local and international locators. Management also highlighted the Company's ability to secure tenants from the public sector, banking on the formed business relationship with several government agencies due to their continuous collaboration.

As for its retail developments, FLI aims to capitalize on the lifestyle features of its retail assets to elevate customer experience, increase foot traffic, and draw in more tenants. The Company plans to enhance and expand its malls, especially the ones located in regional areas. Such will further position the Company's mall portfolio as community lifestyle hubs. Some retail spaces were already developed to complement the Company's residential projects and existing township developments, strengthening its "live-work-play" ecosystem. FLI will continue establishing its experimental retail formats, focusing on food and amusement offerings, which is seen to boost foot traffic and tenant engagement. An example of the foregoing is the opening of the I Belong Museum exhibits in Festival Mall in 2025. Since its opening, the mall has recorded a total of 195 bus arrivals, which brought approximately 8,775 visitors. FLI targets to achieve a 95% year-end occupancy for its retail developments in the medium term.

FLI anticipates significant growth in its industrial segment, following the strong demand for its ready-built facilities (RBF) and the robust sales of its industrial lots and leasehold lots in Laguna and Pampanga. As demand for industrial spaces is expected to remain strong, FLI will focus on developing additional RBFs. The Company also offers flexible spaces to businesses that expect to scale its respective operations. Paired with the PEZA registration of its industrial parks, the Company poses as an attractive option to prospective clients. Its innovation parks in Laguna and Tarlac reportedly have already drawn in local and international

¹⁸ <https://mb.com.ph/2026/02/23/filinvest-land-eyes-1157-billion-bond-raise-to-fund-expansion-refinance-debt>
FLI's 2024 Annual Report

¹⁹ The CALABARZON Region, also known as Region IV-A, is comprised of the provinces of Cavite, Laguna, Batangas, Rizal, and Quezon.

²⁰ KMC Solutions (KMC) is an Employer of Record and a provider of flexible workspace for international companies. KMC operates in the Philippines and Colombia.

businesses. To enhance the reach of its offerings, FLI proactively markets its industrial segments through roadshows.

Economic, Environmental, Social, and Governance (EESG) Initiatives²¹

FLI, through its corporate responsibility program *Pusong Filinvest*, has supported Filipino communities with relief operations in the aftermath of natural calamities, with over 1,500 beneficiaries nationwide in 2024. Aside from this, FLI has donated medicine for various conditions to health-related drives and school supplies to public school students. The Company also hosted cleanup drives in Davao, which included the planting of mangrove trees.

As for its office portfolio, 20 of FLI's office buildings are fully powered by renewable energy (RE), 16 of which are part of the portfolio of FILRT. Furthermore, PDDC's DCS used in FLI's Northgate Cyberzone reduces greenhouse gas emissions of up to 11,500 tons of carbon dioxide annually. Northgate Cyberzone's DCS is also reportedly the largest of its kind in the country and the second largest in Asia. Festival mall is set to be installed with the DCS, achieving an estimated ₱56.9 million in annual electricity savings. FLI, along with FILRT, actively pursues green certifications for its office buildings. The latter notably already has green certifications for 13 of its 17 office buildings as of December 2025.²² This is equivalent to 82.9% (or 249,722 sqm) of FILRT's total office GLA. Filinvest One is EDGE Advanced certified, which is the highest EDGE certification.²³

Economy

Gross Domestic Product (GDP)²⁴

The Philippine GDP expanded by 3.0% in the fourth quarter of 2025 (4Q2025). This was the slowest quarterly growth recorded since 3Q2011, excluding the contractions during the height of the COVID-19 pandemic. The foregoing brought the country's GDP growth rate for full-year 2025 to 4.4%, which was below the government's target of 5.5%–6.5%. This marked the third straight year that GDP growth fell short of the target.

On the supply side, drivers of growth in 2025 were the following industries: Wholesale and retail trade; repair of motor vehicles and motorcycles, 4.6%; Financial and insurance activities, 5.6%; and Public administration and defense; compulsory social security, 7.9%. At the aggregate sector level, Agriculture, forestry and fishing (AFF), Industry, and Services grew by 3.1%, 1.5%, and 5.9%, respectively.

Department of Economy, Planning, and Development (DEPDev) Secretary Arsenio Balisacan cited as reasons for the missed growth target the impact of weather-related disturbances for the year and the

²¹ <https://tribune.net.ph/2025/10/22/filinvest-unveils-energy-efficient-operations-across-properties>

²² Source: FILRT'S 3Y Investment Strategy

²³ The Excellence in Design for Greater Efficiencies (EDGE) assesses properties for its cost-effective design, material reduction, and water and energy consumption. EDGE certifications are given by the Green Business Certification, Inc. The three EDGE certification levels are as follows:

Level 1 (EDGE Certified) – 20% or more savings in energy, water, and embodied energy in materials

Level 2 (EDGE Advanced) – EDGE certified with 40% or more on-site energy savings

Level 3 (EDGE Zero Carbon) – EDGE Advanced with 100% renewables or purchased carbon offsets

²⁴ Philippine Statistics Authority

<https://business.inquirer.net/571342/philippine-gdp-growth-down-to-3-in-q4-2025>

corruption scandal surrounding flood control projects. The latter reportedly dampened investments and consumer confidence.

On the demand side, HFCE grew by 4.6% in 2025, slower than the 4.9% recorded in 2024. Government Final Consumption Expenditure (GFCE) likewise increased by 9.1%, quicker than the 7.3% posted in 2024. Gross capital formation (GCF), on the other hand, declined by 2.1% in 2025, from a 7.7% growth in 2024, driven by the contraction in the government's spending for infrastructure during the last quarter of the year.

Inflation and Interest Rates²⁵

According to the Philippine Statistics Authority (PSA), inflation quickened to 2.0% in January 2026, slightly higher than the 1.8% recorded in December 2025. The higher inflation print in January 2026 was mainly driven by the following: Housing, water, electricity, gas and fuels, 3.3%; and Restaurants and accommodation services, 4.0%. Rice prices continued to decelerate for the month, recording an 8.5% drop for the period. Core inflation, which does not include volatile commodities such as food and energy, was higher at 2.8% in January 2026, from 2.4% in the previous month. The January figure marked the second consecutive month that inflation recorded growth. It was also the first time since February 2025 that the inflation print reached the lower limit of the Bangko Sentral ng Pilipinas' (BSP) inflation target of 2.0%-4.0%.

Since the beginning of 2025, the BSP has reduced policy rates by a total of 150 basis points to support economic growth amid low inflation and softer domestic demand. This includes the Monetary Board's most recent 25-basis points rate cut on February 19, 2026, bringing the benchmark target reverse repurchase rate down to a three-year low of 4.25% and marking the sixth consecutive policy rate reduction. BSP Governor Eli M. Remolona Jr. said that further monetary easing would depend on the pace of economic growth and the speed at which confidence recovers. While the Monetary Board previously stated that the easing cycle was nearing its end, recent developments suggest that it remains open to further loosening. It also emphasized that it will remain vigilant, closely monitoring inflation and other economic indicators.

Outlook²⁶

Owing to the effects of the corruption scandal surrounding public infrastructure and the global trade uncertainties, the Development Budget Coordination Committee (DBCC) revised downwards the country's GDP growth target for 2026 from 6.0%–7.0% to 5.0%–6.0%. The growth outlook for the two succeeding years was also trimmed down, as illustrated in Table 8.

To achieve the revised forecast for 2026, Secretary Balisacan mentioned that economic growth must reach 5.0%–6.0% in 2Q2026. He further stated that the government aims to restore public trust through

²⁵ <https://insiderph.com/quick-look-ph-inflation-rose-for-2nd-straight-month-in-january>
<https://www.bloomberg.com/news/articles/2026-02-19/philippines-cuts-rate-as-graft-fallout-continues-to-drag-growth>

²⁶<https://www.philstar.com/business/2026/01/30/2504386/gdp-growth-slows-44-2025>
<https://business.inquirer.net/569528/imf-sees-sub-6-growth-for-ph-through-2027>
<https://www.bworldonline.com/top-stories/2025/12/09/717310/world-bank-cuts-philippine-growth-forecasts-until-2027>
<https://www.philstar.com/business/2026/02/03/2505285/bsp-chief-rate-cut-remains-option>

improvements in governance and public services, in an effort to support growth. To do so, DEPDev will be releasing an executive report outlining strategies to address governance challenges by mid-February 2026.

Table 8 Revised Economic Growth Outlooks

	Initial Forecasts	Revised Forecasts
DBCC	2026: 6.0% to 7.0% 2027: 6.0% to 8.0% 2028: 6.0% to 8.0%	2026: 5.0% to 6.0% 2027: 5.5% to 6.5% 2028: 6.0% to 7.0%
International Monetary Fund (IMF)	2026: 5.8% 2027: 6.1%	2026: 5.6% 2027: 5.8%
World Bank	2026: 5.4% 2027: 5.5%	2026: 5.3% 2027: 5.4%
ASEAN+3 Macroeconomic Research Office (AMRO)	2026: 5.5%	2026: 5.3%
Asian Development Bank (ADB)	2026: 5.7%	2026: 5.3%

In its respective World Economic Outlook reports released in January 2026, the IMF and World Bank similarly downgraded its growth forecasts for 2026 and 2027, citing the corruption scandal, the anticipated effects of weather disturbances, and the shifts in global trade policies. World Bank, whose forecasts are lower than the IMF’s, mentioned that the 19% tariff imposed by the US on Philippine goods could particularly dampen growth. World Bank said that the country’s growth can be boosted if policies on investments and labor are strengthened.

Nonetheless, the latest GDP growth forecasts from the IMF, World Bank, AMRO and the ADB for 2026 still fall within the government’s revised target for the year. Both the ADB and AMRO also stated that the country continued to be among the fastest-growing economies in Southeast Asia. Moreover, the IMF mentioned that the Philippines could potentially achieve a 6.0% growth in 2028.

Unemployment Rate²⁷

The country’s total labor force stood at 51.7 million in December 2025, slightly lower than the 51.8 million in the same month of the previous year. The unemployment rate in December 2025 stood at 4.4%, unchanged from November 2025. The public construction sector recorded the most job losses for the month, attributable to the corruption scandal surrounding flood control projects. Average unemployment rate for 2025 stood at 4.2%, the highest recorded figure since the 4.4% in 2023. This was equivalent to 2.1 million unemployed Filipinos in 2025.

The Services sector continued to represent the majority of the country’s workforce, accounting for 64.2% in December 2025. This was followed by the Agriculture sector at 20.7%, and then the Industry sector at 16.9%.

²⁷ <https://www.bworldonline.com/top-stories/2026/02/06/728937/jobless-rate-rises-to-2-year-high-in-2025>

Overseas Filipinos Remittances²⁸

Cumulative cash and personal remittances as of end-2025 were both higher compared to the previous year, reaching new record highs amid increased holiday transfers. Personal remittances, which comprise cash coursed through the banking system and other informal channels as well as remittances in kind, amounted to \$39.62 billion in 2025, up by 3.3% from the \$38.34 billion recorded in 2024. In December alone, personal remittances rose to \$3.89 billion.

Cash remittances, on the other hand, reached an all-time high of \$35.63 billion in 2025, 3.3% higher than the \$34.49 billion posted in 2024 and exceeding the BSP's \$35.5-billion projection for the year. In December alone, cash remittances coursed through banks hit a record \$3.52 billion, rising by 4.2% year-on-year (YoY).

Cash remittances in 2025 accounted for 7.3% and 6.4% of GDP and gross national income (GNI), respectively.

In terms of source, the United States remained the leading contributor of remittances to the Philippines in 2025, followed by Singapore and Saudi Arabia.

Remittances are projected to sustain growth of around 3% in 2026, with the BSP expecting inflows to reach \$36.6 billion.

Impact of the ongoing conflicts in the Middle East²⁹

In light of the recent geopolitical tensions in the Middle East, Finance Secretary Frederick Go stated that the ongoing conflict will have a modest, albeit temporary, effect on the Philippine economy. The closure of the Strait of Hormuz³⁰ is seen to be among the key headwinds affecting the country's inflation, as such will drive the projected spike in oil prices globally. ING Think claimed that a 0.4 percentage point increase to the Philippines' inflation print may be triggered for every 10% increase in oil prices.

Recent reports indicate that diesel prices in the Philippines will surge significantly from March 9 to 13, 2026. Shell Pilipinas will implement the largest increase, reaching ₱24.25 per liter in staggered tranches, while other gas companies such as Petron, Total, Chevron, Jetty Petroleum, and Seaoil are also raising diesel prices by ₱17.50 to ₱23 per liter. Gasoline prices are expected to increase by ₱7 to ₱13 per liter. The Department of Energy (DOE) emphasized that it can only monitor prices, not regulate them, under the 1998 Downstream Oil Industry Deregulation Act.

²⁸ <https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=7821&MType=MediaReleases>

<https://business.inquirer.net/574650/holiday-transfers-pushed-2025-remittances-to-new-record-high>

²⁹ <https://qa.philstar.com/business/2026/03/02/2511332/philippine-can-weather-impact-middle-east-conflict>

<https://www.pna.gov.ph/articles/1270327>

<https://www.bworldonline.com/top-stories/2026/03/04/734007/philippines-seen-to-be-more-affected-by-oil-shock-than-asia-pacific-peers/>

<https://globalnation.inquirer.net/313041/iran-says-can-fight-for-months-as-israel-strikes-beirut-hotel>

<https://globalnation.inquirer.net/312787/dfa-projection-middle-east-conflict-may-last-4-to-8-weeks>

<https://www.philstar.com/business/2026/03/07/2512506/oil-100-may-force-bsp-hike-interest-rates>

<https://business.inquirer.net/578317/diesel-prices-to-soar-by-up-to-p24-liter-this-week>

³⁰ The Strait of Hormuz is the passageway between the Persian Gulf and the Gulf of Oman. About one-fifth of global oil and gas supply and 30% of globally traded crude are transported through here.

The BSP stated that it might be forced to hike its interest rates if inflation moves past the government's target range. An increase in interest rates would, in turn, push mortgage rates upwards. The IMF, on the other hand, also mentioned that the conflict will carry significant risks to the global economy, especially on growth and inflation. The magnitude of the impact will depend on how long the conflict lasts. The Department of Foreign Affairs projected four to eight weeks for the duration of the conflict. Iran's Revolutionary Guards declared, however, that the country's defenses are prepared to last six months as negotiations between nations continue.

Remittances from OFs in the Middle East are also likely to be affected by the ongoing situation. Philippine Institute for Development Studies (PIDS) mentioned, however, that remittances remained resilient even amid tensions. Short-term precautionary remittances also recorded increases even amid past uncertainties. The Philippine peso, on the other hand, may also expect some downward pressure against the US dollar. China Banking Corporation's (Chinabank) chief economist Domin Velasquez mentioned that during conflicts in the Middle East, global markets historically responded with risk aversion, which supports the US dollar.

PhilRatings notes that the recent spike in fuel prices could have mixed implications for the property sector. On one hand, higher gasoline and diesel prices may encourage people to live closer to their workplaces to save on transportation costs, supporting demand for properties in CBDs and highly accessible locations. On the other hand, rising fuel costs contribute to inflation, which increases commodity prices and the cost of borrowing. This may prompt middle-income buyers—who form the core market for many developers, including FLI—to delay or cancel big ticket purchases such as houses or condos, adversely impacting mid-market and affordable segments. Luxury and high-end properties may remain relatively resilient, as the market for this segment are expected to be less affected by price increases relative to other market segments. Overall, while oil prices do not directly drive real estate investments, their domino effects on inflation, consumer behavior, and financing costs could influence market activity, particularly amid ongoing geopolitical uncertainty.

INDUSTRY

Real Estate³¹

Residential

In 2025, Metro Manila's condominium market posted substantial improvements. Remaining inventory life (RIL) settled at roughly eight years, notably down from the record high of 13 years in the second quarter of 2025 (2Q2025). Net take-up also sustained its footing from the previous quarter, supported by attractive RFO promos curated by developers.

³¹ Colliers Philippines Property Market Reports

<https://news.outsourceaccelerator.com/philippine-bpos-office-growth/>

<https://cebudailynews.inquirer.net/665651/bpo-jobs-in-ph-proposed-us-laws-could-threaten-them>

<https://business.inquirer.net/559250/sec-lists-reforms-to-boost-reit-regulation>

<https://www.bworldonline.com/economy/2025/09/03/695672/international-visitor-arrivals-approaching-4m/>

<https://mb.com.ph/2025/06/26/dot-logs-29-m-tourist-arrivals-in-first-half-of-2025>

<https://dailyguardian.com.ph/philippines-makes-debut-at-future-hospitality-summit-2025/>

<https://www.colliers.com/en-ph/news/bpo-situationer-floorplates-footprints-where-bpo-should-expand-next>

<https://mb.com.ph/2025/11/04/shifting-the-bpo-industry-to-value-based-services>

<https://www.bworldonline.com/special-reports/2025/09/08/696381/it-bpm-industry-counting-on-ai-to-defend-global-market-share/>

Colliers recorded the launch of 12,700 condominium units in Metro Manila, up by 12% YoY. Net take-up, nonetheless, inched up by 8% to 10,100 units in 2025. Of the 10,100 units sold, about 40% were RFO units in locations such as Pasig City, Manila, Cubao – New Manila, and Paranaque. RFO promos included hefty discounts for spot cash payments, rent-to-own schemes, extended downpayment terms, and even free parking.

About 7,400 units were completed in 2025, with Fort Bonifacio, Bay Area, and C5 Corridor accounting for about two-thirds of the new supply. In 2026, Colliers expects the delivery of 13,000 new condominium units in Metro Manila, notably higher by 74% YoY.

Premium residential condominiums under the luxury (₱20 million to ₱100 million) and ultra luxury (₱100 million and above) segments are foreseen to be delivered in the coming years, with developers expanding their projects to target higher-priced horizontal developments. Beyond 2026, however, the property research firm forecasts overall slower completion and new supply delivery given tempered launches in the past three to four years. From 2026 to 2028, projected annual delivery is seen to amount to 7,000 units, still way below the pre-pandemic average of 14,000 units.

Additionally, Colliers pointed out the strengthening interest in buying lot-only developments in Metro Manila. In key regions such as Southern and Central Luzon, Central Visayas, Western Visayas and Davao regions, lot-only developments recorded price appreciation of between 5% and 13% annually from 2016 to 2025.

Housing Backlog

The Philippines' housing crisis reportedly persists as a central economic and social issue as of early 2026. According to the Department of Human Settlements and Urban Development (DHSUD) and independent researchers, the housing backlog was estimated at 8.25 million units as of March 2025.³²

During the 2025 budget deliberation of the Department of Human Settlements and Urban Development (DHSUD), Senator Jinggoy Ejercito Estrada expressed his concern regarding the growing housing backlog in the country. He raised a question about the actual completion of housing units under the Pambansang Pabahay Para sa Pilipino Program (4PH), given target revisions, from six million housing units to 3.2 million housing units. Senator Win Gatchalian answered that total housing accomplishments amounted to 428,000 units, and target was revised to 1.1 million housing units by 2028, given budget constraints.

Senator Estrada shared an independent study claiming that estimated housing needs stood at 6.9 million units for 2022 to 2028, with 819,000 units in the National Capital Region (NCR), 2.7 million in Luzon, 1.38 in Visayas, and 1.96 in Mindanao. He added, that if left unaddressed, demand for housing could balloon to 22 million by 2040, according to United Nations Habitat.³³

Real Property Valuation and Assessment Reform Act (RPVARA)

RPVARA standardizes the valuation nationwide. This involves periodic valuation or update of the Schedule of Market Values (SMV). The SMV will become the basis for the assessment of properties and used in the

³² <https://businessmirror.com.ph/2026/02/24/megawide-raises-the-bar-in-pbbms-socialized-housing-program/>

³³ <https://senate.gov.ph/media/photo-release/housing-backlog-at-alarming-level>

computation of internal revenue taxes. After the update, FLI anticipates possible higher internal revenue taxes as most of the valuations of the local government units (LGUs) are currently outdated.

Amendment to the IRR of REIT Law

- Inclusion of infrastructure projects among the REIT-able assets
- REITs can now directly or indirectly own income generating real estate. Indirect ownership can be through SPVs which can be wholly or partially owned by REIT. REIT must own at least 2/3 of the outstanding or voting stock of the SPV.
- Extends the reinvestment period of sponsors to up to 2 years from proceeds receipt date.

Office

The Metro Manila office market closed in 2025 with a stronger performance, with net take-up reaching 309,000 sqm. Net take-up recorded as of end-2025 exceeded the higher revised target of 285,000 sqm for 2025 and was the highest level since 2020.

Office transactions also showed robust signs of recovery, as recorded deals as of end-2025 went up by 11% and reached 847,000 sqm, the highest level since 2021. Fort Bonifacio, Bay Area, and Quezon City covered nearly half of total transactions. For deals outside of Metro Manila, Cebu dominated with more than half its share, followed by Pampanga and Iloilo. About 65% of deals recorded in 2025 were from Traditional firms and government agencies followed by third party outsourcing (24%), and shared services (11%).

Colliers noted that of the 603,000 sqm of office space transactions in 1H2025, about 293,000 sqm (or 49%) were from the BPO sector, underscoring its robust performance.

In 2025, approximately 369,600 sqm of office area was delivered, lower than the initial forecast of 395,000 sqm. For 2026, Colliers expects the delivery of 474,300 sqm of new office space, with supply coming from the Bay Area, Makati Fringe, and Quezon City. Annual delivery for the next three years will be at 378,700 sqm, up from the previous forecast of 359,600 sqm as of end-September 2025. The revised forecast will be higher than the level of supply recorded from 2011 to 2013.

Vacated office space eased to 485,000 sqm, the lowest annual level since 2021. The decline is mainly attributable to the absence of major POGO-related surrenders.

The improvement in vacancies and the sustained transaction activity will likely support net take-up in the next two to three years. If such conditions continue to improve, Colliers believes the office market could return to a “normalized” net take-up level of 500,000 sqm. The BPO sector is seen to be among the drivers of demand for office spaces, as also noted by the market reports of Jones Lang La Salle (JLL). New office spaces particularly constructed for BPOs in areas outside of Metro Manila commenced groundbreaking in 2025.

There are two pending measures in the US Congress that pose a threat to the Philippines’ BPO sector, however, namely the Keep Call Centers in America Act of 2025 and the Halting International Relocation of Employment (HIRE) Act of 2025. These bills make outsourcing less attractive for American firms that offshore at least 30% of its call center operations, as they will lose access to federal grants and guaranteed loans for five years.

Moreover, based on the survey of the Information Technology and Business Process Association of the Philippines (IBPAP), around two-thirds of the IT-Business Process Management (IT-BPM) industry have already begun integrating AI into its operations. Although this automates and speeds operations of BPOs, the usage of AI is seen to cause job displacement and decrease the need for large office spaces.

The country's BPO sector is nevertheless seen to remain strong amid the looming threats. IBPAP has been working with the Philippine government to calibrate the country's BPO industry toward higher-value services, including data analytics, cybersecurity, and healthcare information management. The industry is also reportedly undergoing a massive reskilling phase, with the BPO workforce being equipped with the requisite skills to shift toward roles that require critical thinking, emotional intelligence, and specialization. These higher-value specialized services are seen to be augmented instead of being replaced by AI, as well as drive growth in the industry's revenues.

The local BPO industry is projected to record revenues of \$42 billion in 2026 and employ almost two million Filipinos. In terms of take-up moving forward, new office spaces in Bohol and Cavite to be occupied by BPO tenants are under construction.

Retail

Supported by the continuous expansion of foreign retail brands and the integration of omnichannel (online and offline) shopping experience for consumers, the Philippine retail sector is showing signs of full recovery to pre-COVID performance levels. As consumer traffic strengthens—supported by easing inflation rate and rising disposable income, coupled with refreshed and immersive mall spaces—Colliers retains its forecast that mall vacancy will return to pre-pandemic levels by the end of 2026.

From 2Q2025 to 3Q2025, an additional 15,000 sqm of retail space went online. In 2025, a total of 265,000 sqm will be delivered, almost triple of the 86,900 sqm completed in 2024. In the coming years, Colliers conservatively looks forward to an average annual completion of 111,000 sqm, notably below the 322,000 sqm delivered in 2017-2019.

Retail vacancy rate further improved from 13.1% in 1Q2025 to 11.4% in 3Q2025, the lowest since the 9.7% recorded in 1Q2020. This was driven by continued space take-up from local and foreign brands, particularly under home furnishing and personal accessory segments. By end-2025, vacancy is forecasted to inch down to 11.0% due to limited upcoming supply for the remainder of the year.

Rental rates observed a marginal rise of 0.8%. These are expected to stabilize in the coming years as retailers continue to take up physical mall space and developers continue to refresh retail spaces.

Hospitality³⁴

Based on the data from the Department of Tourism (DOT), foreign arrivals in 2025 reached 5.87 million, lower than the government's target of 8.4 million and 2024's record of 5.95 million. Tourist arrivals from South Korea and China both declined, dropping by 21% and 15%, respectively. In 2026, the tourism department expects international arrivals to reach 6.7 million, a 13% annual increase.

³⁴ <https://www.bworldonline.com/economy/2025/09/03/695672/international-visitor-arrivals-approaching-4m/>
<https://mb.com.ph/2025/06/26/dot-logs-29-m-tourist-arrivals-in-first-half-of-2025>
<https://dailyguardian.com.ph/philippines-makes-debut-at-future-hospitality-summit-2025/>

In the second half of 2025, average Metro Manila hotel occupancy inched up from 64% to 65%. In 2025, Colliers recorded the delivery of 739 new hotel rooms, significantly below the 2,865 rooms completed in 2024.

In 2026, the property research firm projects hotel occupancy to hover at 60%, despite substantial supply coming online and subdued foreign arrivals. Colliers expects the delivery of 2,890 hotel keys in Metro Manila, the highest in eight years, as deferred projects in Makati CBD, Bay Area, and Quezon City reach completion.

In-person events will continue to drive the demand for meetings, incentives, conferences and exhibitions (MICE) facilities, positively affecting occupancies and daily rates. Hotel occupancy is projected to pre-pandemic level occupancy level of 74% by 2028.

In 2025, average daily rates (ADRs) in the capital region grew by 4.7%, faster than the 2.7% in 2024. The faster growth in ADRs was attributed to the growth in leisure spending and rebound in corporate travel. Looking ahead, from 2026 to 2029, annual delivery of rooms is foreseen at 1,800 rooms, much lower compared to the 2,200 rooms completed annually from 2017 to 2019. Foreign brands are likely to cover 52% of the new supply in the capital region from 2026 to 2029.

From October 27, 2025 to October 29, 2025, the Philippines participated in the Future Hospitality Summit (FHS) World³⁵ 2025 in Dubai. Aiming to enhance the country's tourism investment strategy, the marketing and promotions arm of DOT, Tourism Promotions Board (TPB), highlighted the country's key destinations and possible future development sites, as well as discussed emerging opportunities (rise of integrated leisure destination and renovation efforts), among others.

Industrial

According to data and analytics provider IHS Markit, the Philippine Manufacturing Purchasing Managers' Index (PMI) improved from 47.4 in November 2025 to 50.2 in December 2025. The previous PMI drop in November was attributable to low volume of orders and typhoon disruptions. In 2025, the country's average PMI stood at 50.5, the lowest recorded since 2020. Additionally, approved foreign pledges committed to fund manufacturing projects amounted to ₱81.4 billion (US\$1.4 billion), down by 35% YoY.

Manufacturers of food and beverages (F&B), home appliances, and semiconductors took up industrial space in the second half of 2025 (2H2025), and aggregate space demand increased to 46,000 sqm. The Cavite-Laguna-Batangas (CALABA) corridor remains to be the country's primary industrial hub, however, expansion efforts are seen in Central and South Luzon.

In Central and South Luzon, about 340 ha of new industrial space was delivered in 2H2025. Looking ahead, nearly 1,200 ha of new industrial space in Central and Southern Luzon is projected to come online from 2026 to 2028, with Central Luzon accounting for nearly 80% of the new supply. Colliers believes that Central Luzon remains a viable industrial location outside of CALABA given its skilled manpower and improving infrastructure.

³⁵ FHS World is one of the most anticipated gatherings in the hospitality industry, bringing together hotel owners, operators, developers, and investors for three days of forward-looking discussions and investment opportunities.

Average warehouse vacancy in the CALABA corridor improved from 16.9% to 11.4% in H22025. Meanwhile, vacancy rate in Central Luzon declined to 23%, due to the substantial delivery of new industrial supply and lack of PEZA-accredited warehouses in the region.

FINANCIAL RISK

Table 9 Financial Highlights

Balance Sheet (in million Php, except ratios)	2024	2025
Total Assets	₱206,880	₱214,180
Total Liabilities	₱113,544	₱117,832
Total Debt	₱77,889	₱82,755
Total Equity	₱93,336	₱96,349
<i>Debt to Equity Ratio (x)</i>	0.83	0.86
<i>Total Debt to Capitalization (%)</i>	45.5%	46.2%

Income Statement (in million Php, except ratios)	2024	2025
Total Revenues*	₱23,241	₱24,521
Total Costs	₱10,938	₱11,594
<i>Gross Profit Margin (%)</i>	52.9%	52.7%
Total Operating Expenses	₱4,182	₱4,540
<i>Operating Profit Margin (%)</i>	34.9%	34.2%
EBITDA	₱10,264	₱10,469
<i>EBITDA Margin (%)</i>	44.2%	42.7%
Interest and other Finance Charges	₱3,686	₱4,078
<i>EBITDA Interest Coverage (x)</i>	2.8	2.6
Net Income	₱4,636	₱4,808
<i>Net Profit Margin (%)</i>	19.9%	19.6%

*Excludes equity earnings of associate and other income

Cashflow Statement (in million Php, except ratios)	2024	2025
Net cash provided by operating activities	₱7,015	₱7,882
Net cash used in investing activities	-₱4,788	-₱3,249
Net cash provided by (used in) financing activities	-₱3,974	-₱3,436
Cash and Cash Equivalents	₱3,984	₱5,181

Profitability

2025

Table 11 Revenue Breakdown (2024 vs. 2025)

Revenue breakdown (in million Php)	2024	2025	% change
Residential	₱15,393	₱16,274	5.7%
Leasing	₱7,848	₱8,247	5.1%
Office	₱4,810	₱4,845	0.7%
Retail / Commercial	₱2,535	₱2,781	9.7%
Others	₱503	₱622	23.6%
Total Revenues	₱23,241	₱24,521	5.5%
Equity in Net Earnings of Associates	₱359	₱529	47.4%
Other Income	₱846	₱848	0.3%
Consolidated Revenues and Other Income	₱24,446	₱25,898	5.9%

FLI reported higher earnings in 2025, driven by steady contributions from its residential, retail, office, and industrial segments despite dampened market conditions. Consolidated revenues and other income increased by 5.9% to ₱25.9 billion, supported by resilient residential sales and solid leasing performance.

Real estate revenues grew by 5.7% to ₱16.3 billion, with the medium-income segment continuing to lead contributions. Demand remained steady in the affordable and mid-income segments, particularly for RFO units in regional growth areas.

Leasing revenues across the portfolio increased by 5.1% to ₱8.2 billion. Retail leasing posted strong growth, rising 9.7% to ₱2.8 billion, on the back of higher occupancy, stronger tenant sales, and new experiential attractions across the mall portfolio. Office leasing remained steady at ₱4.8 billion, driven by BPO tenants, new Cebu awards, key Alabang renewals, and an expanded government tenant base following the exit of POGOs. Industrial and other revenues reached ₱622.0 million, on the back of industrial lot sales and ready-built factory rentals in innovation parks in Calamba, Laguna, and New Clark City, Tarlac.

General and administrative expenses increased by 21.9% to ₱3.2 billion in line with revenue growth and expansion initiatives, while selling and marketing expenses decreased by 13.9% to ₱1.3 billion due to lower incentives from reduced option sales.

Profitability remained solid. Gross profit margin was 52.7%, operating profit margin stood at 34.2%, and Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) margin reached 42.7%.

Interest and other finance charges rose by 10.6% to ₱4.1 billion, reflecting new loans with higher interest rates and the non-capitalization of interest from recently completed projects.

Net income after tax increased by 3.7% to ₱4.8 billion, while net profit margin was 19.6%.

Projected Period

FLI's revenues are expected to grow steadily over the forecast period, supported by the completion of ongoing projects and the development of new projects in the pipeline. Costs are projected to remain broadly stable relative to revenues, while net income and profitability are expected to improve gradually, reflecting contributions from both the real estate and leasing segments.

Cash Flow, Liquidity, and Financial Flexibility

2025

In 2025, net cash provided by operating activities increased by 12.4% to ₱7.9 billion, driven by earnings for the year, partially offset by increases in real estate inventories and contract assets. Net cash used in investing activities declined by 32.2% to ₱3.2 billion, reflecting lower expenditures on investment properties and property and equipment. Meanwhile, net cash used in financing activities decreased by 13.5% to ₱3.4 billion, as lower repayments were partly offset by new borrowings during the year.

As a result, cash and cash equivalents stood at ₱5.2 billion as of end-2025, 30.0% higher than the previous year. Cash flow coverage improved to 0.37x, while the DSCR likewise increased to 0.49x.

Total current assets amounted to ₱97.6 billion at year-end, representing a 4.2% increase from a year earlier. In contrast, total current liabilities declined by 12.1% to ₱29.6 billion. This decrease was primarily driven by the reduction in the current portion of bonds payable, following a ₱14.9 billion repayment of bonds. Consequently, the current ratio improved to 3.30x as of end-2025.

As of February 2026, FLI had access to short-term and long-term credit lines with various banks, which may be utilized as needed. The Company, being publicly listed, had a market capitalization of ₱18.4 billion as of February 27, 2026.

Projected Period

FLI is projected to generate positive cash flows from operating activities throughout the forecast period, supported by revenues from anticipated project completions. Overall, the Company's cash position is forecast to strengthen, while interest coverage and debt service metrics are projected to remain well above required levels, reflecting adequate liquidity and manageable leverage throughout the forecast horizon.

Capital Structure

2025

As of end-2025, FLI's total consolidated assets increased by 3.5% to ₱214.2 billion, primarily driven by a 5.8% rise in real estate inventories and a 3.7% increase in investment properties.

Total liabilities grew by 3.8% to ₱117.8 billion, attributable to newly availed loans in 2025 amounting to ₱16.7 billion. As a result, total debt increased by 6.2% to ₱82.8 billion, with 21.0% classified as current.

Total equity likewise increased by 3.2% to ₱96.3 billion, mainly backed by a 64.1% rise in non-controlling interests. The increase was primarily due to a tax-free property-for-share swap with FILRT, under which FLI transferred ownership of Festival Supermall Main Mall in exchange for 1,626,003,316 FILRT common shares valued at ₱6.3 billion. This transaction, completed during the year, increased FLI's non-controlling interest in FILRT.

As a result, FLI's DE ratio rose to 0.86x as of end-2025.

Projected Period

The Company's leverage position is projected to remain sound over the forecast horizon. This will be supported by the retention of earnings, as it continues to fund its growth with a mix of debt and internally generated cashflows.