

GERI keen on 20% annual growth with P30 Bn in inventory

Global-Estate Resorts, Inc (GERI), the tourism estate developer of tycoon Dr. Andrew L. Tan, showcased its continued rise atop its third consecutive year of revenue and income growth. GERI President Atty Ferdinand Santos presented the results during the company's annual stockholders meeting on 26 June 2014 held at Eastwood Richmond Hotel.

For the first quarter of 2014, GERI generated approximately PhP 640 Million in gross revenues, 46% better than the same period in 2013. Interim net income for the first quarter of 2014 stood at approximately PhP 103 Million, 27% more than the same period last year.

GERI currently has available PhP30 billion worth of inventory for sale.

As of May 2014, current reservation sales amounted to PhP 7.4 Billion vis-à-vis a full year target of PhP 10 Billion.

Against the backdrop of continued favorable economic conditions, GERI said it expects to grow its annual revenues and income by at least 20%. To achieve this growth rate target, the company said it would implement several key strategies moving forward.

First, the company will launch additional components in existing key integrated tourism estate projects, Boracay Newcoast and Twin Lakes. For Boracay Newcoast, for launch this year are Phase 2 of the Belmont Luxury Hotel and Phase 3 of Boracay Portico. In Twin Lakes, Shiraz, the third condominium at the Vineyard Residences, is expected to make its debut.

Next, the company will develop Southwoods City in Laguna into a township project. It is envisioned to be a 561-hectare fully integrated township project positioned to be the next central business district, residential, business, commercial and leisure hub that is closest and most accessible to Metro Manila

Within this township development shall rise Southwoods Mall, a vast lifestyle shopping centre with close to 7 hectares of leasable space replete with department stores, supermarket, restaurants, cinemas and office and retail establishments.

"Once operational, the Southwoods Mall will provide the company a bigger base of recurring income," Santos said.

Southwoods Mall is expected to commence operation by fourth quarter of 2016.

A short distance from Southwoods Mall shall be the first residential condominium, one of many, in Southwoods City. As part of the township project, GERI also intends to launch the Pahara at Southwoods, a 26-hectare residential subdivision.

CAPEX for the year is PhP 5 billion earmarked for continuous development of the components launched in the integrated tourism estates, completion and expansion of existing subdivisions, launch of new residential projects, and start of the Southwoods Mall.

In 2013, GERI's revenues rose 26% from the previous year to PhP1.759 Billion. Its net income likewise grew 29% year-on-year to PhP341 million, surpassing its initial growth target of 20%. This marked the third consecutive year of growth in sales and profitability.

Santos also revealed the company's total asset base grew by 26% to PhP31 Billion since 2012, while its liquidity position exceeded current liabilities almost twice underscoring GERI's robust financial position going forward.

Santos attributed GERI's continued rise to several key initiatives including capital infusion and consolidation, aggressive selling of major projects, a sizable and strategically located land bank, and efforts to improve recurring income while managing costs. GERI took advantage of the favorable economic environment driven by rising GDP, low interest rates, substantial OFW remittances, and the steady growth in Philippine tourism to generate the growth and profitability experienced since 2011.

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