 PhilRatings PHILIPPINE RATING SERVICES CORPORATION	RATING REPORT
	HAUS TALK, INC.

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NEW ISSUE CREDIT RATING

Amount	Tenor, if available	Assigned Rating and Outlook
₱1.0 billion, with an Oversubscription Option of up to ₱1.0 billion	3 years: 7.7368% 5 years: 8.0963%	PRS A Stable Outlook

Use of proceeds:

1. Partially fund the Company's land banking activities
2. Partially support the Company's projects
3. Support the general corporate purposes requirement of the company

Rating Definition

Obligations rated **PRS A** have favorable investment attributes and are considered as upper-medium grade obligations. Although these obligations are somewhat more susceptible to the adverse effects of changes in economic conditions, the obligor's capacity to meet its financial commitments on the obligation is still **strong**.

Outlook Definition:

An Outlook is an indication as to the possible direction of any rating change within a one-year period and serves as a further refinement to the assigned credit rating for the guidance of investors, regulators and the general public. A **Stable Outlook** is assigned when a rating is likely to be maintained or to remain unchanged in the next 12 months.

RATIONALE

1. Strong growth opportunity given its focus on underserved housing market segments in key growth areas within and around Metro Manila

According to the Department of Human Settlements and Urban Development (DHSUD), the housing backlog in the Philippines is expected to reach 10-million mark by the end of 2028. As of end-March 2025, the national housing backlog reached 8.25 million units. Such is expected to reach 22 million by 2040, according to a report by the United Nations Human Settlements Programme (UN-Habitat). This shortage is particularly evident among low- and middle-class families, and Filipinos living in rural areas – the underserved market.¹

¹ <https://www.pids.gov.ph/details/news/in-the-news/phl-s-worsening-housing-backlog>

Based on the latest available data, Luzon has the highest housing demand, with 3.37 million units, or 50.6% of the country's housing backlog. Of the total housing demand in Luzon, CALABARZON leads with approximately 1.4 million units, followed by the National Capital Region (NCR) with 700,000 units. The combined housing needs of CALABARZON and NCR accounted for 61.6% of Luzon's total backlog.

Haus Talk, Inc. (Haus Talk; the Company) is a real estate property company focused on the development of affordable housing to the socialized, economic or low cost, and the middle-income segments. Its residential developments are a mix of horizontal and vertical projects located in Rizal, Laguna, and select cities in Metro Manila.

Considering the Company's business and the persistent housing backlog in the country, Haus Talk is positioned to maintain sustained demand for its residential projects. The anticipated increase in the pool of potential home buyers in the aforementioned segments could provide the Company a steady customer base, which could support its long-term growth. Moreover, Haus Talk could also leverage the government incentives available for mass housing projects. Such incentives include: income tax holidays (ITH), exemptions from local business tax, and duty exemptions on the importation of capital equipment, among others. The Granary, an ongoing development in Laguna and Haus Talk's biggest project to date, was granted with these benefits. The Company intends to apply for these incentives across its pipeline of upcoming projects.

2. Able to sell-out its properties, although its size, scale and geographic presence are currently limited compared to much larger competitors

To date, Haus Talk has completed 14 developments. Of these projects, 11 were finished pre-pandemic, and notably, all but one were fully-sold. Its ongoing developments likewise continue to enjoy strong market reception, indicating that the Company's offerings are well-aligned with the demand of its target segments. The strong take-up could also be driven by the limited supply amid substantial unmet housing demand. As of report writing date, the majority of its ongoing projects scheduled for completion in 2026 to 2027 have already been sold.

Haus Talk's developments are primarily located in Antipolo City, where it first established a strong presence. Laguna has also been a key focus area, considering the success of its previous developments in the province, particularly in San Pedro and Sta. Rosa. The cities where Haus Talk has an active presence are fast growing areas located relatively close to other cities and/or other major business districts. Such makes it attractive to customers who want a balance in terms of affordability and proximity to urban centers.

The Company's land bank for future development is likewise concentrated in Rizal and Laguna. As of June 30, 2025, Haus Talk had a total land bank of 67.0 hectares (ha) valued at ₱2.2 billion. The majority or 64.1% of the Company's land bank are already earmarked for its future developments, which are expected to be completed within the next seven years. The remaining 35.9% of the land bank is located in Mariveles, Bataan. Its development, however, is deferred as the Company awaits the completion of a key infrastructure in the area.

In comparison to PRS-rated peers with the closest total assets and net income level, Haus Talk was the smallest company in both asset size and earnings. Its business was solely on the sale of real estate and did not generate any recurring income. Moreover, Haus Talk focuses on the affordable housing segment,

which positions most of its developments at a lower average price range compared with its peers. Nonetheless, Haus Talk's net income margins are healthy and at par with the other companies.

3. **Target market may be more vulnerable to economic downturns, albeit the Company recorded a strong collection performance and revenue growth during the pandemic**

While the Company is positioned for a steady long-term demand, its target market – lower income and middle-income families – may be more vulnerable to economic shocks such as rising interest, inflation, and increased unemployment rate. These could affect potential homebuyers' spending capacity, and access to financing, among others. Furthermore, Haus Talk's revenues are derived solely from the sale of residential developments, with no other income stream. This could further heighten the Company's exposure during economic or industry fluctuations.

Notwithstanding this, the Company performed well during the pandemic, with demand and collection efficiency reported to remain robust. PhilRatings notes, however, that the Company had relatively few active developments at the onset of the pandemic.

In December 2025, the Bangko Sentral ng Pilipinas (BSP) further cut its key policy rate by 25 bps (basis points) to 4.5%, citing manageable inflation. The BSP reduced policy rates by a total of 125 bps since the beginning of 2025. The BSP is expected to further cut the policy rate by another 50 bps to 4% by end-2026. The declining interest rate coupled with the low inflation rate, could boost the demand for residential developments in key growing areas, moving forward.

4. **Sustained earnings growth**

The positive momentum of Haus Talk's revenues and bottom line continued amid the COVID-19 pandemic in 2020. Haus Talk's real estate sales continued a sharp uptrend, posting a compounded annual growth rate (CAGR) of 52.6%, from ₱284.7 million in 2020 to ₱1.0 billion in 2023. The rapid growth was attributed to the Group's expanding project launches and construction progress. Other operating income grew significantly at a CAGR of 90.5%, from ₱5.6 million in 2020 to ₱38.6 million, primarily due to interest income from in-house financing schemes. Total revenues surged from ₱290.3 million in 2020 to ₱1.0 billion in 2023.

Net income expanded by a CAGR of 68.8%, going up from ₱50.4 million in 2020 to ₱242.6 million in 2023. Backed by the combination of healthy growth in revenues and controlled increase in costs and expenses, net profit margins improved from 17.4% in 2020 to 23.1% in 2023. Return on average assets (ROAA) gradually rose from 1.6% in 2020 to 5.2% in 2023.

In 2024, top line continued to expand, with total revenues increasing by 34.7% to ₱1.4 billion. Real estate sales rose by 38.6%, partly offset by the 67.7% decline in other operating income. The drop in other operating income was primarily due to a decrease in interest income from in-house financing, as a result of the strategic reduction in the Company's in-house financing activities to encourage takeouts through the Pag-IBIG Fund and bank financing. Net income peaked at ₱366.8 million in 2024, recording a significant growth of 51.2% from the previous year. Moreover, net profit margin improved to 26.0% and ROAA increased to 6.7%.

In the first nine months of 2025 (9M2025), total revenues were relatively flat, recording an uptick of 0.9%, from ₱1.19 billion in 9M2024 to ₱1.2 billion in 9M2025. Operating expenses, on the other hand, were 2.7% lower than in the previous year, attributed to the substantial decline in selling expenses due to lower marketing and promotional activities compared to the same period last year.

Haus Talk ended the period with a nominal 1.0% growth in net income amounting to ₱302.6 million in 9M2025. Net profit margin was maintained at 25.0% from the recorded margin in 9M2024. ROAA, on the other hand, dropped to 6.1% from 7.2% in the same period last year, due to the faster increase in average assets compared with net income growth for the period.

The Company sees earnings and net income to accelerate over the projected period. The expansion will be backed by the projected revenue growth from real estate sales from its project pipeline. Net profit margin will stay at the higher band of its historical numbers.

5. Ample liquidity with a relatively conservative capital structure, albeit with rising debt levels to support growth in recent years

A significant amount of Haus Talk's operating funds came from loans and borrowings in the last five years. Net operating cash was negative from 2020 to 2024, except in 2021 when payments from advances to related parties raised operating cash flows. Cash was mainly allocated to growing the Company's real estate inventory. In addition, trade receivables increased in line with the recognition of real estate sales. These movements were only partly counterbalanced by higher pre-tax income. Hence, net cash outflow from operating activities ranged from ₱57.6 million to ₱596.5 million from 2020 to 2024. In 2021, however, Haus Talk received payment from advances to related parties amounting to ₱756.8 million. Such increased cash proceeds from operating activities to ₱914.2 million.

In January 2022, Haus Talk went public by listing up to 2.5 million common shares as the Company's Initial Public Offering (IPO) under the Small, Medium and Emerging Board (SME Board) of the Philippine Stock Exchange (PSE). The net proceeds from the issuance of shares amounted to ₱718.8 million. Such diversified financing cash flows for the year, which settled at ₱787.5 million in 2022.

Year-ending cash and cash equivalents stood at ₱13.6 million as of end-2020, growing sharply by a CAGR of 106.0% to ₱244.4 million as of end-2024. Current ratio was more than adequate, peaking at 9.3x as of end-2020, and settled at 4.7x as of end-2024.

In 9M2025, net cash from financing activities totaled ₱716.1 million, mainly from additional loans and borrowings. Net cash from operations was still negative and fell further to ₱849.0 million in 9M2025.

As of end-September 2025, cash and cash equivalents stood at ₱104.0 million, 57.4% lower than as of end-2024. Current assets, on the other hand, went up by 19.3% as of end-September 2025, supported by receivables and real estate inventories growth. Meanwhile, current liabilities grew at a faster rate of 22.4%. This translated into a slightly lower current ratio of 4.6x as of the same period, but nonetheless remained more than adequate. Moreover, accounts receivable was highly liquid with bulk of the total amount classified as current. As of end-September 2025, 99.8% of total installment contracts were classified as current or neither past due nor impaired, with past due accounts accounting for the balance of less than 1% of the total amount.

Leverage position remained conservative, with the Company's debt-to-equity ratio remaining below 1.0x since 2020. PhilRatings notes, however, that the debt level is on an uptrend, growing from ₱456.7 million as of end-2020 to ₱2.5 billion as of end-September 2025. In the projected period, Haus Talk expects its liquidity and leverage position to remain manageable.

BUSINESS REVIEW

Company Background and History

Haus Talk is a residential real estate company primarily engaged in the development of horizontal and vertical residential projects in Rizal, Laguna, Cavite, as well as select cities in Metro Manila. Haus Talk is a family business owned and run by the Madlambayan family of Pampanga.

Haus Talk was a result of the family’s pivot from a different industry – agriculture. The Company had its beginning in 1994, when the family leveraged on its land in Pampanga, and began selling lots to other families in the province. Haus Talk was formally established and registered with the Securities and Exchange Commission (SEC) in 2004. The Company was also listed in the Philippine Stock Exchange, Inc. (PSE) under the Small, Medium and Emerging Board (SME Board) in January 2022.

Haus Talk’s primary purpose is to invest in real estate, more specifically to acquire land, engage in general construction of housing development, and participate in the government’s mass housing program. It is also engaged in the construction of roads, bridges and all kinds of edifices.

Subsidiaries

Haus Talk has two subsidiaries, namely: Tradition Homes, Inc. (THI; formerly known as Tradition Homes Project Managers, Inc.) and Lifestyle Development Corporation (LDC). THI and LDC’s primary purpose is to invest in real estate, engage in land and housing development, and participate in the government’s mass housing program.

Figure 1. Subsidiaries



While THI was incorporated in January 2007, Haus Talk gained 100% ownership and control in January 2018. Similarly, LDC was incorporated in November 1999, and was acquired by the Company in May 2021.

List of Projects / Properties

Haus Talk’s existing developments include: Celestis, Eastview Homes and Townhomes, Southview Homes, South Hills, Tradition Square, and Winn Residences. These residential projects consist of single-detached, single-attached houses, townhouses, and other cluster homes, that primarily cater to the low- and middle-income segments. The aforementioned projects are largely located in Rizal and Laguna provinces.

To date, Haus Talk has completed 14 developments across these brands. Of these projects, 11 were finished pre-pandemic, and notably, all but one were fully-sold.

Please refer to Table 1 for the complete list of the Company’s existing developments. *(Analysts' Note: Prior to its formal establishment in 2004, the Company developed a 3.6-ha project in Cavite. The list only includes projects completed since 2004.)*

Completed Projects

Table 1. Details of Completed Projects

Project	Location	Type	Classification	Area(Sqm.)	Year Completed
Tradition Square	Sampaloc, Manila	Vertical	Middle-Market	150	2006
Southview Homes 1 Extension	San Pedro, Laguna	Horizontal	Middle-Market	10,190	2008
Eastview Homes 1	Antipolo City, Rizal	Horizontal	Economic	10,000	2009
Southview Homes 2	San Pedro, Laguna	Horizontal	Economic	17,065	2010
Eastview Homes Marikina	Marikina City	Horizontal	Middle-Market	3,500	2012
Eastview Townhomes Marikina	Marikina City	Horizontal	Economic	5,386	2012
South Hills	San Pedro, Laguna	Horizontal	Economic	13,848	2012
Eastview Homes 2	Antipolo City, Rizal	Horizontal	Economic	12,915	2013
Tradition Square-Cubao	Cubao, Quezon City	Horizontal	High-End	425	2016
Eastview Homes 3	Antipolo City, Rizal	Horizontal	Middle-Market	54,821	2018
Southview Homes Sta. Rosa	Santa Rosa, Laguna	Horizontal	Economic	25,000	2019
Winn Residences	Quezon City	Vertical	Socialized	9,833	2020
Eastview Residences Premiere	Antipolo City, Rizal	Horizontal	Middle-Market	5,340	2024
Celestis 1	Antipolo City, Rizal	Horizontal	Middle-Market	5.258	2025

Tradition Square

Haus Talk has two Tradition Square developments, one in Maceda, Manila and one in Cubao, Quezon City. Tradition Square – Manila, the Company’s pioneer project since its formal establishment, is a vertical development. It is a multi-storey building built on a 150-square meter (sqm) lot and comprises 20 units. Each unit is priced at approximately ₱1.2 million. Tradition Square – Cubao, on the other hand, is Haus Talk’s first project that catered to the high-end market. It is a gated townhouse development with only eight residential units, with each unit priced at ₱6.5 million.

Eastview Homes and Townhomes (Eastview)

Eastview is a horizontal development in Antipolo City. This gated residential community is the Company’s first project in Antipolo. Haus Talk later launched this brand in Marikina City, completing Eastview Home and Eastview Townhomes.

Haus Talk’s existing portfolio is predominantly comprised of Eastview developments, in terms of land area. Eastview units have at least two bedrooms with unit sizes ranging from 42 to 75 sqm. Eastview's economic housing projects ranges from ₱843,370 to ₱2.9 million, while middle market developments ranges from ₱1.1 million to ₱4.9 million. With the exception of Eastview Homes 3 – Haus Talk’s largest completed project in terms of land area, number of units offered, and price, all of its Eastview developments are fully-sold.



Figure 2. Eastview Homes 3

Celestis

Celestis is another horizontal development in Antipolo City. It is situated close to Assumption Antipolo and three kilometers away from the city's town proper, church, and retail hub (Robinson's Antipolo). Celestis is a pocket development and is generally a denser development compared to Eastview. Its 36 housing units sit on the 1.3-hectare terrain in Barangay Bayugo. Haus Talk launched Celestis 1 and 2, with the former already complete in 2025.

Celestis 2, on the other hand, remains under construction and is 81% complete as of report writing date, with expected completion by 2026. Of the total 58 units of Celestis, 54 have been sold (93%).

Celestis caters to the middle-market segment. Units at the completed Celestis 1 was sold at ₱3.7 million. The average unit price for Celestis 2, however, is at ₱6.6 million.



Figure 3. Celestis 1

South View Homes (Southview)

Similar to the Eastview brand, Southview is a horizontal development that caters to both economic and middle-market segments. Southview projects, however, are in the Laguna province. Haus Talk first developed Southview Homes in San Pedro before venturing out to Sta. Rosa, Laguna. Southview units have at least two bedrooms with unit sizes ranging from 48 to 72 sqm. Southview's economic housing projects, Southview Homes 2 and Southview Homes Sta. Rosa were priced at ₱1.2 million to ₱2.2 million, respectively, while middle market units at Southview Homes 1 were sold at ₱1.8 million.²

Southview Homes Sta. Rosa, which was developed by subsidiary THI, was granted ITH by the Board of Investments (BOI) from 2019 to 2023.

Additionally, Haus Talk has an ongoing Southview development in San Pedro – Southview Homes Calendola. This is a few kilometers away from Southview San Pedro, which Haus Talk also plans to expand in the future. Southview Homes Calendola is 71% complete, with 251 of the 292 units (86%) already sold.



Figure 4. Southview Homes Sta. Rosa

² Southview Homes 1 was launched in 2006, hence, the lower selling price compared with the economic housing was launched in 2017.

Winn Residences

Winn Residences is a socialized housing project located at Sitio Veterans, Barangay Bagong Silangan, Quezon City. Completed in 2020, this development was granted exemptions from income tax, capital gains tax and value-added tax.

50 Jocson Residences

In 2022, the Company launched 50 Jocson Residences in Loyola Heights, Quezon City. This was supposedly a high-end horizontal development with only seven residential units and an average lot area of 217 sqm. This project, however, was deferred as the market demand for this segment was weaker compared to the low-cost housing. Nonetheless, Haus Talk owned the land for this 2,020 sqm property.

Ongoing Projects

Haus Talk has four ongoing projects in various stages of development.

Aside from Celestis 2 and Southview Homes Calendola, Haus Talk has two other ongoing horizontal developments called The Granary and The Hammond, in Biñan and Antipolo City, respectively.

Table 2. Ongoing Projects

Project	Location	Classification	Lot Area (Sqm.)	Year Started	Target Completion	Construction Completion	% of units sold
Southview Homes Calendola	San Pedro, Laguna	Economic/Middle	34,384	2018	2026	71%	86%
Celestis 2	Antipolo City	Middle-Market	7,963	2022	2026	81%	93%
The Granary with Annex	Binan, Laguna	Economic	130,691	2022	2027	59%	79%
The Hammond	Antipolo City	Middle-Market	16,041	2025	2027	0%	0%

The Granary

The Granary is a 13-ha master-planned community in Biñan, Laguna. The Company boasts about its location which is at the center of Biñan, close to the central business districts and about 10 minutes away from the Mamlasan exit of the South Luzon Expressway (SLEX). The Granary offers amenities such as a clubhouse, a chapel, and sports facilities. A huge chunk of its land area will also be utilized for common and open spaces. Units at The Granary typically have a lot area of around 45 sqm.



The Granary is Haus Talk's largest ongoing development. It is funded through a mix of internally generated funds, bank loans, and proceeds from the IPO.

Figure 5. The Granary

The Granary has received strong demand/sales. The first phase, launched in 2022, with unit prices starting at ₱2.5 million, was fully sold. As such, Haus Talk launched the second phase and third phase in the succeeding years. Of the 1,474 total housing units across three phases, 1,168 (79%) have already been sold. The construction for the whole project is at 59% as of report-writing date. Nonetheless, the Company held the handover ceremony for the first batch of homeowners in early 2024.

In 3Q2023, Haus Talk was approved by the BOI as a New Developer of Economic Housing Project for Phase I of The Granary. In 1Q2024 and 2Q2024, the BOI likewise approved the Company's application as an Expanding Developer of Economic Housing Project for Phase 2 and 3 of The Granary. As such, the project was granted an ITH for three years or until 3Q2026, 1Q2027, and 4Q2027 for Phases I, II, and III, respectively. The project was also granted a 12-year duty exemption on the importation of capital equipment as well as exemption from local business tax payments for a period of four years.

Electricity and water services for the Granary are provided by Meralco and Laguna Water – a subsidiary of Manila Water. According to management, the supply of these utilities has been reliable. Management also highlighted that Haus Talk has good relationships with the local government units (LGUs), and Meralco.

The Hammond

The Hammond is a 1.6-hectare economic housing development that features single-attached townhomes located in Barangay Hinapao, Antipolo. The project comprises 143 units, with an average unit price of ₱3.0 million.

This project was launched and had its groundbreaking ceremony in 1H2024, with completion expected by 2027. Construction for The Hammond started in November 2025, with around 50% of the units sold.

The Hammond is said to have the same design and community planning of The Granary – but a bit bigger and taller. The lot area for units at the Hammond is around 51 sqm. Buyers of The Hammond have the option to have either three bedrooms or a two-bedroom layout with a larger master bedroom. The Company also plans to develop few commercial units in this project.

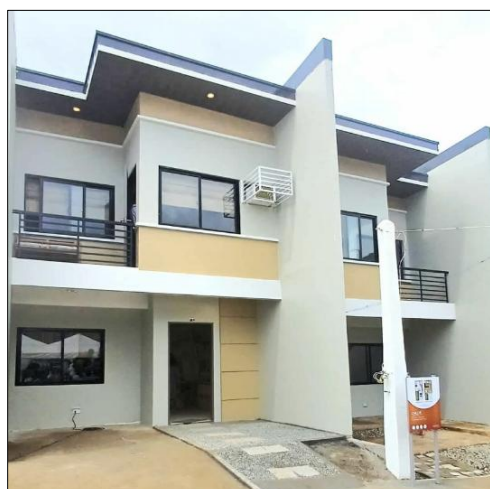


Figure 6. The Hammond Model Unit

Projects in the Pipeline

Table 3. Projects in the Pipeline

Project	Location	Type	Classification	Lot Area (Sq.m.)	Estimated Start Date	Target Finish Date	Total No. of Units
Ellery Homes	Antipolo City, Rizal	Vertical	Socialized	2,060	1Q2026	2029	110
Cornerstone	Biñan, Laguna	Vertical	Economic	35,440	1Q2026	2031	2100
Amberwood	Biñan, Laguna	Horizontal	Middle	16,486	4Q2025	2029	178
The Canvass	Angono, Rizal	Mixed-Use	Economic/Middle	372,201	3Q2026	2032	1891
SouthView Homes 2	San Pedro, Laguna	Horizontal	Economic	12,712	TBD	TBD	83
TBD	Antipolo City, Rizal	Horizontal	Economic/Middle	140,000	TBD	TBD	TBD

Ellery Homes (Ellery)

Marking its debut in the condominium market, Haus Talk launched Ellery in the first half of 2024 (1H2024). This project, located across The Hammond, will be developed into two low-rise condominiums, with each having four floors. Ellery will have a total of 110 units. Units in this project will be offered at a base price of ₱1.8 million.

Haus Talk is ready to progress further with the project given the updated ceiling prices for socialized housing. Management also mentioned that they have been getting inquiries about this project already.

Construction is slated to begin in 1Q2026 and reach completion by 2029.

The Cornerstone and The Amberwood

Due to the success of The Granary, Haus Talk intends to further expand its presence in Biñan. The Company initially plans to launch two new projects in 2025: The Cornerstone and The Amberwood. Such, however, was rescheduled to 1Q2026, as the Company is waiting for the road widening to reach the nearby area in order to facilitate the delivery of materials and equipment for construction. Nonetheless, management highlighted that road widening is currently underway, accompanied by the relocation of several electric posts, and that the demand in the area is strong even without the road widening.

The Cornerstone is a project that will sit on 3.5 ha of land in Brgy. Soro-Soro, Biñan. The project will comprise 12 buildings and will mark Haus Talk's foray into mid-rise developments. The Cornerstone is expected to be a major source of revenue in the coming years. The average unit price in The Cornerstone is ₱2.5 million.

The Amberwood, on the other hand, is a horizontal development in a smaller land in Biñan. Approximately 178 units, with an average price of ₱2.5 million, are expected to be developed on this 1.6-hectare of property. Haus Talk intends to break ground in 4Q2025. The Amberwood will be similar to The Granary but bigger.

The Canvass

This development will rise on the newly acquired contiguous property in Angono and Teresa, Rizal. In September 2024, the ₱1.0 billion land acquisition was finalized. The Canvass is envisioned as a mixed-use development and will be Haus Talk's first venture in this segment. According to management, the mixed-use development is primarily intended to build a community and to support the needs of the residential area, rather than to establish big corporate offices and commercial buildings. To strengthen its presence in the area, The Canvass' first phase of development will be to establish commercial spaces along the property's wide frontage. Such may include banks, convenience stores, cafes, grocery stores and supermarkets, among others.

The development is expected to commence in 3Q2026. The Canvass is set to be Haus Talk's largest project in terms of land area (37 ha). Proceeds from the proposed bond issuance is intended to be partially used for this project. The land preparation for the property is expected to begin by 4Q2025.

A bypass road encompassing Angono and Teresa, Rizal is also expected to be built as part of this project.

Additional projects in Antipolo

In June 2025, the Company finalized the acquisition of the National Steel Corp.'s parcels of land totaling to 13.6 ha in Antipolo, Rizal. Haus Talks intends to develop this land into a residential subdivision and commercial development project that will cater to both the economic and middle-market segments. The land development is expected to start in 4Q2025.

Operating Highlights

Operating Segments

Haus Talk’s portfolio consists entirely of residential properties. As such, the Company derives substantially all its revenue from the sale of residential real estate properties, which accounted for an average of 98% in the past five years. The rest of its revenues were from the interest earned from the Company’s in-house financing scheme. Haus Talk does not generate any lease income.

In 2023, THI contributed minimally (5%) to the Company’s total revenues, a huge drop from its contribution in the previous years which averaged 82%. LDC, on the other hand, has not contributed to topline in the past five years. LDC owns the 24-ha property in Bataan, where development is currently deferred. THI, on the other hand, owned the three completed Southview developments in Laguna, for which most of the revenues were already recognized in 2022.

Customers

Haus Talk provides affordable housing solutions to the socialized, economic or low cost, and the middle-income families. According to management, Haus Talk’s customers/buyers are primarily first-time homeowners, starting families, and are typically the end-users of the properties. Historically, overseas Filipino workers (OFWs) contributed minimally (less than 5%) to Haus Talk's total revenues.

In terms of financing, the majority or about 72%, on average from 2020 to 2022, of the Company’s total revenues were financed by buyers through bank loans. Such trend, however, shifted beginning 2023 as Home Development Mutual Fund (HDMF) Financing (Pag-IBIG Fund) jumped by more than five-fold. Such overtook bank financing and accounted for 54% of total sales in 2023. This continued in 2024 and 1H2025 with HDMF share jumping to more than 90%. In 2024, more than 95% of the Company revenues were generated from projects in Laguna, where buyers prefer PAG-IBIG loans rather than bank financing. The lower interest rate on Pag-IBIG Fund may have also contributed to this shift. *(Analysts' note: Please refer to the Industry section of the report for detailed discussion.)*

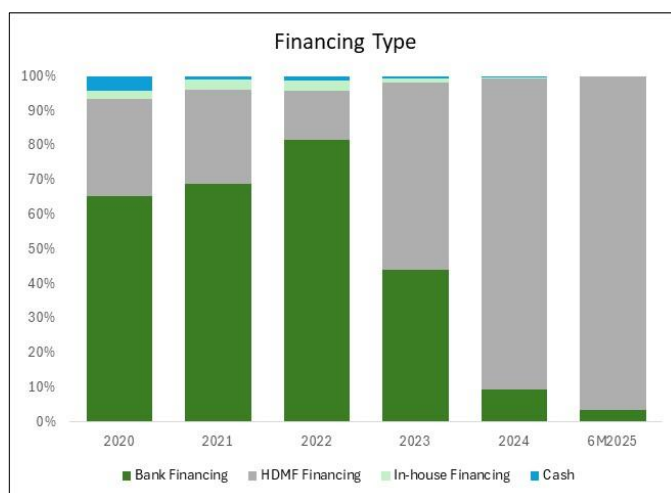
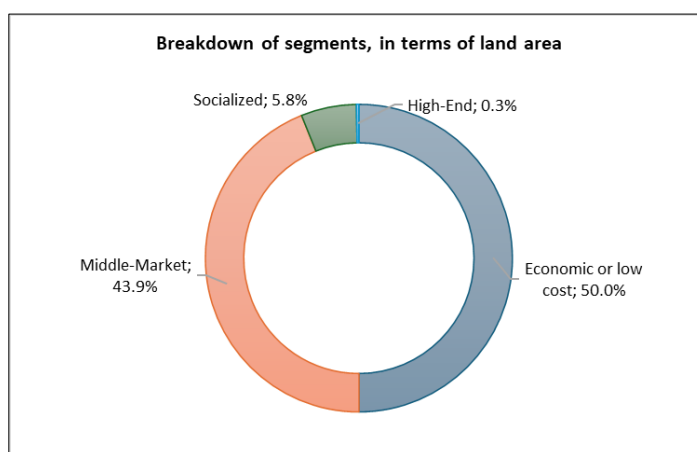


Figure 8. Buyer Financing Type

The Company charges its customers an annual fixed interest rate of 18% on their in-house financing starting August 2022, while financing with other banks ranged from 6.5% or 7.5%.

Geographic breakdown

The Company has presence in Rizal, Laguna, Cavite and some cities in the Metro. Haus Talk's developments, however, are concentrated in Rizal, particularly in Antipolo and multiple cities in Laguna. Of the Company's completed projects almost half or 49.3% of the Company's portfolio (in terms of land area) are in Antipolo, while a big chunk or 39.2% is in the Laguna province. Its ongoing and pipeline of projects are likewise located in the aforementioned provinces.

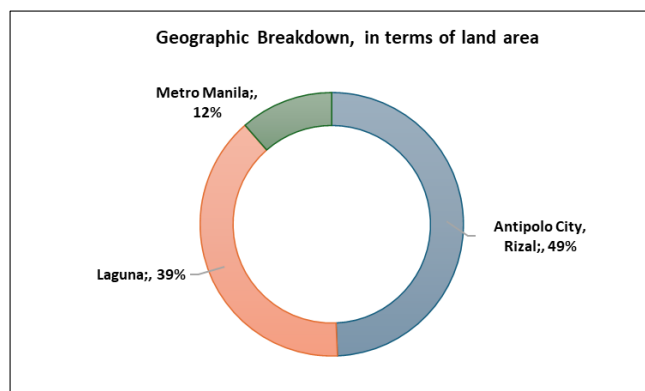


Figure 9. Geographic Breakdown

Land Bank

As of June 30, 2025, Haus Talk had a total land bank of 67.0 hectares (ha) valued at ₱2.2 billion. According to management, the Company's land-banking strategy is to prioritize acquiring land which is already ripe for development. As such, of the total land bank, the majority or 43 ha are already earmarked for the development of the following projects in the pipeline: Amberwood, Ellery Homes, The Cornerstone, and The Canvass. The remaining 35.9% of the land bank is located in Mariveles, Bataan. Its development, however, is deferred as the Company awaits the completion of a key infrastructure in the area. This land bank can support three to five years of development, depending on the type of project.

Additionally, the Company also finalized the acquisition of the parcels of land from the National Steel Corp. in Antipolo, Rizal, totaling 13.6 ha.

Ownership and Management

Haus Talk is a family-owned and run business. Its Board of Directors and senior officers are mostly members of the Madlambayan family. As of end-2024, 54% of the Company's total outstanding shares were likewise held by the Madlambayan family, each owning approximately 7%, while the rest were owned by the general public through various stockbrokers.

Table 4. Board of Directors and Principal Officers as of end-2024

Name	Age	Position	Shares owned
Terence Restituto D. Madlambayan	60	Chairman of the Board	6.8%
Maria Rachel D. Madlambayan	58	Director / President and Chief Executive Officer	6.8%
Luis Pio D. Madlambayan	56	Director	6.7%
Ma. Leah D. Madlambayan	57	Director / Vice President for Sales and Marketing	6.7%
Joselito D. Madlambayan	59	Director	6.7%
Atty. Angelico T. Salud	62	Independent Director	0%
Atty. Jose Ferdinand M. Rojas II	58	Independent Director	0%
Noemi D. Madlambayan	48	Vice President for Procurement and Warehouse Assistant Corporate Secretary	6.7%
Maria Agnes Madlambayan-Siapno	55	Chief Finance Officer and Controller	6.7%
Gloria Judith D. Madlambayan	50	Treasurer	6.7%
Francis Miguel R. Madlambayan	32	Head for Corporate Planning and Investor Relations	0%
Lyra Gracia Y. Lipae-Fabella	48	Corporate Secretary	
Noemi V. Aniban	42	Compliance Officer	

Terence Restituto D. Madlambayan, the eldest of the Madlambayan siblings, sits at the helm of Haus Talk as the Chairman of the Board. He has held the position since 2021. He is also elected as the Chairman of the Company's subsidiaries, THI and LDC, as well as private companies MHoldings, Inc. (MHoldings), a holding company engaged in the acquisition and management of real estate properties, and Allied Community Builders & Development, Inc. (ACBDI), a real estate company.

Maria Rachel D. Madlambayan is the Company's President and Chief Executive Officer (CEO) since 2018. She is also the President and CEO of THI, LDC, ACBDI, MHoldings and Tradition Solar Energy Generation, Inc. (TSEGI), a company engaged in the business of developing solar energy generation. She obtained her degree in Bachelor of Science in Mathematics in St. Scholastica's College.

Maria Agnes Madlambayan-Siapno is Haus Talk's Chief Finance Officer (CFO) since 2021. She also holds the CFO position at THI and ACBDI and serves as Corporate Secretary to MHoldings, ACBDI, and TSEGI. She obtained her degree in Bachelor of Science in Commerce Major in Entrepreneurship at Assumption College.

Gloria Judith D. Madlambayan has been the Company's Treasurer since 2006. She concurrently holds the same position in THI, MHoldings, Allied Community and TSEGI. She obtained her degree in Bachelor of Science in Commerce Major in Entrepreneurship at Assumption College.

Other Madlambayan siblings also hold key roles/positions within the Company, leading departments such as Procurement and Warehouse, Marketing, and Investor Relations, while some serve as members of the Board of Directors.

As of end-2024, Haus Talk had a total of 118 employees, none of whom are covered by a Collective Bargaining Agreement. There was also no incident of strike in the past three years. While Haus Talk has several legal cases pending, none has material impact to the Company or any of its subsidiaries.

Strategies

Haus Talk strategically focuses on the affordable housing segment, particularly the economic and middle market segments. According to management, the Company's focus on this segment is driven by the quick turnaround of projects, as well as the tax incentives that are available for these projects. By concentrating in this space, the Company was able to recognize quick sales due to affordability, quick construction due to scalable project and construction technologies, and healthy profitability due to margins and tax incentives that can be generated from the market.

The Company also benefits from certain tax incentives and exemptions pursuant to the Investment Priority Plan of the Philippines. Some of the Company's projects are also exempt from payment of local business tax for a period of four years from the date of registration. Tax incentives and exemptions are key components of the Company's strategic planning.

The Company's strategic priorities in 2025 include enhancing its presence in key regions such as Rizal and Laguna, where the Company is working on large-scale projects that still cater to the economic and mid-cost segments. Moreover, Haus Talk also intends to develop more mixed-use developments as part of its strategy.

While the Company intended to enter the high-end segment in 2022, the plan was put on hold due to stronger demand in the socialized and low-cost housing segments.

The Company has also invested in cast-in-place (CIP) technology which improved construction efficiency. According to management, with this technology, structural construction can be completed within one to two weeks, compared to over a month using conventional construction. Additionally, CIP technology requires less manpower. After few years of investment in this technology, the Company has started to realize modest improvements in margins.

Competitive Advantage

Management emphasized that, while Haus Talk develops mass/affordable housing, its projects incorporate additional features that differentiate them from competitors. These include amenities such as a clubhouse, basketball court, and bigger open spaces, among others. To avoid noise pollution, the Company intends to service one of its projects, The Granary, with electric bikes. To ensure quality control, Haus Talk will maintain oversight through its participation in the Homeowners Association (HOA) and implementing a Deed of Restrictions for its properties.

The management also highlighted that the strategic location of its properties is also one of its competitive advantages. Haus Talk's ongoing and upcoming projects are situated in urbanized and/or areas where commercialization is increasing. The projects are also close to key establishments, including hospitals, schools, churches, transportation hubs, and commercial centers. Infrastructure improvements, such as road widening for certain projects, are also already underway, which is expected to further improve accessibility.

Environment, Social, and Governmental (ESG)

Considering Haus Talk's business, it contributes to the United Nations' Sustainable Development Goals (SDGs), particularly Sustainable Cities and Communities (SDG 11) and Decent Work and Economic Growth (SDG 8) by generating employment and building livable communities.

The Company supports one of the government's priorities – providing homes for every Filipino, by building quality, affordable, and competitively priced housing. This also contributes to the sustainable economic growth of the real estate industry in the country.

Currently, Haus Talk has no formal program aimed at reducing greenhouse gas emissions. Moreover, its energy consumption comes from conventional resources such as gas, diesel, and LPG. The Company also uses non-renewable materials in its construction. Nonetheless, Haus Talk has been compliant with environmental laws and regulations as of end-2024. Additionally, some of the materials used by the Company are recycled and are incorporated into the manufacturing of its primary products/services.

FINANCIAL REVIEW

Table 5. Financial Highlights, 2020-9M2025

	Amounts in Php Millions							% Year-on-Year (YoY) Change				
	2020	2021	2022	2023	2024	9M2024	9M2025	2021	2022	2023	2024	9M2025
Balance Sheet												
Cash	14	28	52	212	244	75	104	106.0	84.8	309.7	15.4	(57.4)
Total assets	3,089	3,239	4,296	5,020	5,997	5,851	6,955	4.8	32.6	16.9	19.5	16.0
Total debt	457	376	426	1,110	1,757	1,553	2,481	(17.7)	13.3	160.6	58.2	41.2
Total Equity	2,340	2,442	3,299	3,504	3,818	3,803	4,120	4.3	35.1	6.2	9.0	7.9
Income Statement												
Revenues	290	441	636	1,050	1,414	1,199	1,210	52.0	44.0	65.2	34.7	0.9
Real estate sales	285	428	620	1,011	1,401	1,191	1,201	50.3	44.7	63.2	38.6	0.9
Other operating income	6	13	16	39	12	8	9	138.0	20.5	141.3	(67.7)	4.5
Cost of real estate sales	185	259	336	582	773	646	660	40.3	29.5	73.4	32.7	2.2
Gross profit	106	182	300	467	641	553	549	72.4	64.6	56.0	37.1	(0.6)
Operating expenses	41	57	104	184	246	240	234	39.4	81.2	77.2	33.7	(2.7)
Operating profit	64	125	196	283	395	312	316	93.5	57.0	44.7	39.3	1.0
Financing charges, net	13	13	16	19	31	9	2	1.6	25.3	15.6	66.2	(78.9)
Net income	50	97	138	243	367	300	303	93.3	41.8	75.6	51.2	1.0
Cash Flow Statement												
Operating activities	(58)	914	(597)	(360)	(493)	(542)	(849)	(1,686.9)	(165.3)	(39.7)	33.7	56.7
Investing activities	(2)	(859)	(167)	(80)	(90)	(25)	(7)	52,716.3	(80.5)	(52.3)	12.7	(70.7)
Financing activities	54	(41)	787	600	615	430	716	(177.0)	(2,006.4)	(23.9)	1.1	66.5

Table 6. Select Financial Ratios

	2020	2021	2022	2023	2024	9M2024	9M2025
Financial Ratios							
Current Ratio (x)	9.3	6.0	6.2	6.3	4.7	11.2	4.6
Debt to Equity Ratio (x)	0.2	0.2	0.1	0.3	0.5	0.4	0.6
EBITDA Interest Coverage Ratio (x)	5.7	10.3	20.8	32.4	14.7	34.2	162.4
Operating Profit Margin (%)	22.2	28.3	30.8	27.0	27.9	26.1	26.1
Net profit Margin (%)	17.4	22.1	21.7	23.1	26.0	25.0	25.0

Profitability

Audited 2019-2020

Bottom line grew more than 37 times from ₱1.4 million in 2019 to ₱50.4 million in 2020, driven by the combination of higher revenues and lower operating expenses. Net profit margin improved from 0.6% to 17.4%.

Haus Talk recorded a 20.8% increase in revenues to ₱290.3 million, attributed to the 20.5% growth in the sales of residential house & lot (H&L). Other income likewise increased by 37.8% to ₱5.6 million due to interest income from in-house financing and miscellaneous income from penalty charges and other fees billed to buyers.

Gross profit amounted to ₱105.6 million, up by 47.1% from the previous year, bolstered by the slower 9.6% rise in cost of sales. Gross profit margin improved from 29.9% in 2019 to 36.4% in 2020.

Selling expenses significantly fell by 65.4% since there were no new project launches within the year. Moreover, general and administrative expenses dropped by 8.3%, mainly due to lower operational costs such as salaries, wages and allowances, repairs and maintenance, and office supplies, brought about by the COVID-19 pandemic.

Audited 2020-2023

Real estate sales recorded a sharp uptrend with a CAGR of 52.6%, rising from ₱284.7 million in 2020 to ₱1.0 billion in 2023. The Company's sales included subdivision H&L and residential units from the Group's expanding project launches. Other operating income grew significantly at a CAGR of 90.5%, from ₱5.6 million in 2020 to ₱38.6 million, primarily due to interest income from in-house financing schemes. Total revenues surged from ₱290.3 million in 2020 to ₱1.0 billion in 2023.

The uptrend in sales likewise drove the increase in cost of sales by a CAGR of 46.6%. This mainly comprised of land development and construction costs. Nonetheless, due to the faster rise in total revenues, gross profit expanded by a CAGR of 64.2%. Gross profit margins improved from 36.4% in 2020 to 47.2% in 2022, but declined to 44.5% in 2023, due to the faster increase in the cost of sales for that year.

Operating expenses rose by a CAGR of 64.9%, due to the Company's growing revenue base and the continuous reinforcement of operations to facilitate ongoing expansion. General and administrative expenses accounted for an average of 73% of operating expenses, primarily from employee salaries, wages, and allowances, as well as taxes and licenses, and processing and registration fees. Selling expenses covered the remaining average 27% of operating expenses, which mainly came from commission, advertising, and promotion fees.

Net interest and other financing charges posted a CAGR of 13.6%, the bulk of which came from interest expense from loans driven by a higher debt balance. Albeit, earnings before interest, taxes, depreciation, and amortization (EBITDA) interest coverage ratio remained robust, improving from 5.7x in 2020 to 16.4x in 2023.

In line with earnings growth, income tax expense expanded from ₱1.2 million in 2020 to ₱41.3 million in 2022. In 2023, however, income tax expense decreased to ₱21.7 million, attributed to the ITH for the year.³

Net income recorded significant growth at a CAGR of 68.8%, going up from ₱50.4 million in 2020 to ₱242.6 million in 2023. Backed by the combination of the healthy increase in revenues and controlled costs and expenses, net profit margins improved from 17.3% in 2020 to 23.1% in 2023. ROAA gradually rose from 1.6% in 2020 to 5.2% in 2023.

Audited 2024

Top line continued to expand, with total revenues increasing by 34.7% to ₱1.4 billion in 2024. Real estate sales rose by 38.6%, mostly driven by sales from The Granary project in Laguna. This was partly offset by the 67.7% decline in other operating income, primarily due to a decrease in interest income from in-house financing. This was a result of the strategic reduction in the Company's in-house financing activities to encourage takeouts through Pag-IBIG Fund and bank financing.

Gross profit amounted to ₱640.9 million, higher by 37.1% than in the previous year, and the operating profit margin improved to 45.3%.

³ In July 2023, Haus Talk was approved as developers of economic and low-cost housing by the Board of Investments (BOI). The BOI's Strategic Investment Priority Plan (SIPP) identifies housing as a priority activity, and registered projects can avail themselves of fiscal incentives like ITH from four to seven years under the CREATE Act. The ITH granted to Haus Talk is valid from August 2023 and four years thereafter.

Sources: 2024 Annual Report; In Focus: Navigating tax exemptions and incentives in the real estate industry

General and administrative expenses drove the 33.7% increase in operating expenses. The former grew by 44.1%, driven by higher manpower requirements and increased project-related activities.

Loans and borrowings rose for the year, which fueled the 66.2% jump in interest and other financing charges. EBITDA interest coverage ratio consequently dropped to 14.7x in 2024.

Due to the availed ITH, Haus Talk registered an income tax benefit of ₱3.7 million in 2024. The incentive was applied to the revenues from The Granary project, which was a major contributor to revenues since 2023.

As a result of the aforementioned, net income peaked at ₱366.8 million in 2024, recording a significant growth of 51.2% from the previous year. Moreover, net profit margin improved to 26.0% and ROAA increased to 6.7%.

Interim 9M2025

Total revenues were flat, recording a marginal increase of 0.9%, from ₱1.19 billion in 9M2024 to ₱1.2 billion in 9M2025. Real estate sales were relatively unchanged, inching up by 0.9% to ₱1.2 billion. Other operating income grew by 4.5% to ₱8.8 million, primarily attributable to miscellaneous receivables from buyers related to non-trade accounts.

Cost of sales went up faster than revenues at 2.2%, driven by land development costs and construction progress. As a result, gross profit went down by 0.6% to ₱549.4 million, while gross profit margin slipped from 46.1% in 9M2024 to 45.4% in 9M2025.

Operating expenses, on the other hand, were reduced by 2.7% than in the previous year, due to the decline in selling expenses. The latter went down by a significant 36.4%, primarily due to lower marketing and commission expenses recognized during the period. The decline was partly offset by the 21.2% growth in general and administrative expenses, mainly from employee salaries, wages, and allowances.

In addition, interest expense and other financing charges dropped by 78.9%, attributable to the partial repayments of bank loans and bridge financing facilities. Moreover, interest in relation to borrowings used for land acquisition was capitalized, further reducing interest charges for the period. This decline in interest expense bolstered the Company's EBITDA interest coverage ratio, which surged to 162.4x in 9M2025.

Haus Talk ended the period with a nominal growth of 1.0% in net income and amounted to ₱302.6 million. Net profit margin was maintained at 25.0% from the recorded margin in 9M2024. ROAA dropped to 6.1% from 7.2% in the same period last year, due to the faster increase in average assets compared with net income growth for the period.

Projected Period

Haus Talk sees revenues accelerating over the projected period. The expansion will be backed by real estate sales from the continued launches and project pipeline. The Company intends to avail of the incentives for qualified affordable housing projects under the BOI for all its projects in the pipeline.

Gross profit will follow the same trend as revenues, maintaining a gross profit margin at par with historical levels.

Financing charges will climb, driven by higher debt levels, including the addition of the proposed bonds.

Propelled by real estate sales, the bottom line is likewise expected to record a similar pattern with projected revenues. Net income will expand over the projected period, translating to a healthy net profit margin which will settle along the higher band of the Company's historical numbers.

Cashflow and Liquidity

Audited 2020-2023

Haus Talk recorded negative net cash from operations from 2020 to 2023, except in 2021. Cash from operations was mainly allocated to growing the Company's real estate inventory. Moreover, receivables simultaneously increased with the increasing recognition of real estate sales. Hence, net cash outflow ranged from ₱57.6 million to ₱596.5 million. In 2021, however, the Company collected advances to related parties amounting to ₱756.8 million. Moreover, real estate inventories decreased, recording a positive cash flow of ₱121.1 million, which was in contrast to the movement in the other years. These counterbalanced operating cash outflows for the year and amounted to a net positive cash of ₱914.2 million in 2021.

Investing activities consisted of the acquisition of property and equipment. Net cash used in investing activities ranged from ₱1.6 million to ₱858.5 million from 2020 to 2022. In 2023, in addition to new property and equipment, Haus Talk declared cash dividends amounting to ₱48.2 million. This brought net cash used in investing activities to ₱79.7 million in 2023.

The majority of the Company's operating funds came from loans and borrowings, as well as advances from related parties. Net cash from financing activities amounted to ₱53.7 million in 2020. In 2021, however, Haus Talk recorded a net repayment of ₱80.8 million to loans and borrowings. Such was partly offset by additional advances from related parties amounting to ₱52.0 million. Hence, net cash used in financing activities was ₱41.3 million in 2021.

In January 2022, Haus Talk went public by listing up to 2.5 million common shares as the Company's IPO under the SME Board of the PSE. The net proceeds from the issuance of shares amounted to ₱718.8 million. Such diversified financing cash flows for the year, which settled at ₱787.5 million.

Net cash from financing activities jumped to ₱599.6 million in 2023, the bulk of which came from loans and borrowings netting at ₱684.4 million.

Year-ending cash and cash equivalents stood at ₱13.6 million as of end-2020, growing sharply by a CAGR of 149.8% to ₱211.9 million as of end-2023.

Current ratio remained at least 6.0x since 2020, peaking at 9.3x as of end-2020, and settled at 6.3x as of end-2023.

In case of a buyer's default in relation to the collection of receivables, Haus Talk may cancel the contract with the customer and find another buyer of the property. Following this process, the Company has not recognized allowances for expected credit losses since 2020.

Audited 2024

Haus Talk continued to use cash from financing activities as the main source of funding for the year. Net cash from operating activities was negative ₱492.6 million in 2024. This was due to bigger increases in receivables and real estate inventories despite higher pre-tax income.

The Company continued its acquisition of property and equipment and also declared dividends to shareholders amounting to ₱50.0 million. As a result, net cash used in investing activities totaled ₱89.9 million in 2024.

Loans and borrowings increased by ₱646.4 million for the year, which was partly offset by the payments of advances to related parties and corresponding interest expense. Hence, net cash provided by financing activities amounted to ₱615.1 million.

The resulting cash and cash equivalents stood at ₱244.4 million as of end-2024, higher by 15.4% than as of end-2023. Together with the increase in receivables and real estate inventories, the foregoing drove the 24.2% expansion in current assets. On the other hand, the current portion of loans and borrowings nearly doubled to ₱782.7 million as of end-2024. This fueled the 65.0% jump in current liabilities. As a result, current ratio fell but remained above satisfactory at 4.7x as of end-2024.

Interim 9M2025

Net cash from financing activities totaled ₱716.1 million in 9M2025, mainly from additional loans and borrowings. Such was primarily used as working capital, the bulk of which was to increase real estate inventories. Receivables likewise continued to grow in line with the recognition of sales. Net cash from operations was still negative and fell further to ₱849.0 million in 9M2025. Investing cash outflows were on the acquisition of property and equipment and amounted to ₱7.5 million.

As of end-September 2025, cash and cash equivalents stood at ₱104.0 million, 57.4% lower than as of end-2024. The decline in cash was counterbalanced by the increases in receivables (+24.3%) and real estate inventories (+23.1%). As such, current assets went up by 19.3% as of end-September 2025. On the other hand, current liabilities grew at a faster rate of 22.4%. This translated into a marginally lower current ratio of 4.6x as of the same period.

Accounts receivables were highly liquid, supported by the relatively short collection period of the balance of the sales price after equity amortization. About 10%-20% of the full contract price of the property will be paid over a maximum of 24 months at a fixed payment (equity amortization) with the remaining balance payable in various financing schemes.⁴ The balance of 80%-90% of the full contract price after equity amortization will be collected in full after the loan takeout has been finalized (for Pag-IBIG Fund and/or bank financing schemes). In this case, since balance payments through Pag-IBIG financing constituted bulk of the receivables, majority of such had a fast collection turnover from the start of sales recognition to full payment. As of end-September 2025, 96.9% of the total receivables were from installment contracts. The bulk of the latter was classified as current or neither past due nor impaired, and only a negligible amount was past due as of the same period.

⁴ The remaining balance may be payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to 15 years with fixed monthly payment.

Source: Notes to Financial Statements in 2024 Annual Report

Table 7. Aging of Installment Contracts Receivables, as of end-September 2025

Neither past due nor impaired	Past Due				TOTAL
	1-30 days	31-60 days	61-90 days	over 90 days	
1,937,347,180	1,515,540	390,024	275,318	972,075	1,940,500,137
99.8%	0.1%	0.02%	0.01%	0.1%	100.0%

Projected Period

Operating cash will mainly come from projected earnings and efficient collection of receivables, coupled with the net decrease in inventories.

The proceeds from additional loans and borrowings will diversify cash sources and support new projects. Haus Talk expects cash from operations to mainly fund the repayments on borrowings.

Capital Structure

Leverage position remained conservative, with the Company's debt-to-equity ratio remaining below 1.0x since 2020. PhilRatings notes, however, that the debt level is on an uptrend, growing by a CAGR of 40.3%, from ₱456.7 million as of end-2020 to ₱2.5 billion as of end-September 2025.

According to Haus Talk, financing arrangements with commercial banks and other financial institutions are mainly on a fixed interest basis, with interest rates ranging from 7.5% to 18.0% per year. The bulk of loans and borrowings were for land acquisition activities and construction and development costs. Of the total debt as of end-September 2025, 43.3% or ₱1.1 billion was classified as current and the balance of 56.7% or ₱1.4 billion was non-current.

From end-2020 to end-2021, shareholders' equity averaged ₱2.4 billion. Such hiked by 35.1% in 2022 after the Company's IPO in January. Total shares grew by 500,000 shares, raising total share capital to ₱2.5 billion from ₱2.0 billion as of end-2021. Since then, total equity has recorded softer increases of 6.2% in 2023 and 9.0% in 2024, due to higher retained earnings. As of end-September 2025, stockholders' equity stood at ₱4.1 billion, 7.9% higher than as of end-2024, driven by the plowback of earnings.

Under the Company's amended dividend policy, the annual dividend payout ratio will be maintained at a minimum of 20% of the Company's net income for the period to be determined by the Board of Directors. Since 2020, Haus Talk declared cash dividends in 2023 and 2024 at a dividend payout rate of 34.9% and 20.6%, respectively, based on prior year's net income. In October 2025, the Board approved the declaration of cash dividends of ₱0.03 per common share, amounting to ₱75.0 million.

Projected Period

Budgeted capex will come from a mix of internally generated cash and proceeds from the proposed bond issuance. Capex will consist mainly of land banking activities.

Stockholders' equity will record sustained increases throughout the projected period, fueled by the plowback of earnings. The Company's debt-to-equity ratio will stay within comfortable levels and remain conservative over the projected period.

Financial Flexibility

Haus Talk is publicly listed in the Philippine Stock Exchange and as of December 1, 2025, the Company had a market capitalization of ₱2.7 billion.

As of June 30, 2025, Haus Talk had significant unavailed credit facilities from various local and foreign banks.

ECONOMY

Gross Domestic Product (GDP)

2024

The Philippine economy grew by 5.2% in the 4Q 2024, lower than the 5.5% growth recorded in the same quarter of the previous year. This brought the full-year GDP expansion to 5.6% in 2024, unchanged the previous year. Growth in 2024 was driven by the following industries: Wholesale and retail trade; repair of motor vehicles and motorcycles, 5.6%; Financial and insurance activities, 9.0%; and Construction, 10.3%. Among major economic sectors, Industry and Services grew by 5.6% and 6.7% in 2024, respectively. Agriculture, forestry and fishing (AFF) recorded a full-year decline of 1.6% in the same period.

With full-year GDP growth settling at 5.6% in 2024, the Philippines missed its government's revised target of 6.0-6.5% for 2024. National Economic and Development Authority (NEDA) Undersecretary for Policy and Planning Group Rosemarie Edillon attributed such to the extreme weather conditions for the year, geopolitical tensions, and subdued global demand. Among Asian countries, however, the Philippines was among the fastest growing economies in 4Q 2024, behind only Vietnam (7.5%) and China (5.4%), and ahead of Malaysia (4.8%).

Household Final Consumption Expenditure (HFCE) recorded a 4.7% YoY growth in 4Q 2024, supported by the increase in the following: Miscellaneous goods and services, 7.7%; Transport, 10.9%; Health, 11.5%; Food and non-alcoholic beverages, 1.3%; and Restaurant and hotels, 5.3%. For full-year 2024, HFCE grew by 4.8%, slower than the growth rate recorded in 2023 of 5.6%. Government Final Consumption Expenditure (GFCE) was likewise up by 9.7% in 4Q 2024. Full-year GFCE growth in 2024 settled at 7.2%, considerably higher than 0.6% in 2023.

3Q 2025⁵

The Philippine economy grew by 4.0% in 3Q 2025, slower than the 5.5% in the previous quarter and the 5.2% in 3Q 2024. The latest recorded growth was also the slowest growth recorded since the 3.8% contraction in 1Q 2021. This brought the country's year-to-date economic growth to 5.0%, below the lower band of the 5.5% to 6.5% target. Growth was driven by the following industries: Wholesale and retail trade; repair of motor vehicles and motorcycles, 5.0%; Financial and insurance activities, 5.5%; and Professional and business services, 6.2%. Among major economic sectors, Industry, Services, and AFF grew by 0.7%, 5.5%, and 2.8%, respectively.

HFCE growth was 4.1% in 3Q 2025, also slower than the 5.3% in 2Q 2025 and the 5.2% in 3Q 2024. The growth for the period was supported by the increase in the following: Food and non-alcoholic beverages, 4.2%; Health, 11.3%; Miscellaneous goods and services, 3.7%; Restaurants and hotels, 5.9%; and Transport, 4.4%. Gross capital formation (GCF), or Investments, reduced by 2.8% in 3Q 2025, from 12.8% in the same period last year. This was driven by the 0.5% decline in Construction for the period. This is amid the reported corruption surrounding public infrastructure projects.

⁵ <https://psa.gov.ph/statistics/national-accounts>

Inflation and Interest Rates⁶

Inflation was recorded at 1.7% in October 2025, unmoved from September 2025. This was slower, however, than 2.3% in the same month last year. Such also marked the eighth straight month that the headline inflation rate fell below the government's target. The PSA reported faster growth in electricity prices from 1.2% in September to 4.1% in October. This was offset by the slower price growth of food and non-alcoholic beverages for the month. Rice prices, in particular, remained negative for the tenth straight month at -17.0% in October. Core inflation, which does not include volatile commodities such as food and energy, slightly slowed down from 2.6% in September to 2.5% in October. The figure was marginally faster, however, than the 2.4% in October 2024. Considering the latest figure, year-to-date inflation is 1.7%. Year-to-date core inflation in the ten months was 2.4%, slower than the 3.1% in the same period last year.

In December 2025, the BSP further cut its key policy rate by 25 bps to 4.5%, citing manageable inflation. The BSP reduced policy rates by a total of 125 bps since the beginning of 2025. The BSP is expected to further cut the policy rate by another 50 bps to 4% by end-2026.

Outlook⁷

The Philippines' slower-than-expected third quarter economic growth has prompted downward revisions in relation to the country's GDP outlook, with economists currently projecting average annual growth less than 5%, as the ongoing corruption scandal impacts other key drivers of the economy.

Miguel Chanco of Pantheon Macroeconomics (Pantheon) said that the Philippines' weak performance in 3Q 2025 has prompted Pantheon to further cut its 2025 GDP growth forecast for the country to 4.9%, from 5.3% previously. Mr. Chanco believes that the economy has yet to feel the full impact of the government's widening probe into anomalous infrastructure projects, which has not only hurt government spending but also eroded business confidence. The latter has put a halt on investment plans. BMI Research (BMI), which also lowered its 2025 growth forecast to 4.9% from 5.2%, noted the same concerns. BMI said the risks to its forecasts are tilted to the downside, with the slowdown in government spending from the corruption probe expected to go beyond 1Q 2026, particularly if other sectors (other than public infrastructure) are implicated. Euben Paracuelles and Yiru Chen of Nomura projected a more pessimistic forecast of 4.7%, citing spillovers from the graft scandal on other components of domestic demand (from household consumption to private investment spending), as well as external headwinds. These updated forecasts are short of the low end of the government's growth target of 5.5% to 6.5% for 2025.

Economic Planning Secretary Arsenio Balisacan conceded that reaching even the low end of the target will be challenging. Government spending grew by 5.8% in 3Q 2025, the slowest pace since the same period in 2024, after the graft investigation delayed public works as authorities grew more cautious in awarding contracts. A marked weakness was also observed in consumer spending, which historically accounted for 70% of total output. Despite mild inflation and declining interest rates (factors which bolster households' purchasing power), consumer spending grew just 4.1% following the series of powerful storms that disrupted the local job market. The 4.1% growth was notably a four-year low.

Pantheon is projecting that the BSP may respond with a significant 50 basis point rate cut in December, to support the economy and revive investor confidence. The BSP previously indicated that it has room to

⁶ <https://www.bworldonline.com/top-stories/2025/11/06/710335/inflation-holds-steady-at-1-7-in-oct/>

⁷ <https://business.inquirer.net/557613/underwhelming-q3-growth-souring-2025-ph-outlook>

<https://www.bworldonline.com/top-stories/2025/11/05/710067/inflation-to-pick-up-until-early-2026/>

make one more rate cut for the year. The central bank expects inflation to grow until 1H 2025, with latest forecasts place the average inflation rate at 1.7% for 2025, 3.1% for 2026, and 2.8% for 2027.

Economic Updates for CALABARZON⁸

CALABARZON, formally known as Southern Tagalog Mainland and designated as Region IV-A, is an administrative region in the Philippines. The region is situated south of Metro Manila in Southwestern Luzon and is made up of five provinces, whose names form the acronym CALABARZON: Cavite, Laguna, Batangas, Rizal and Quezon. Based on the population projection as of 2024, the CALABARZON region remained the most populous region, with approximately 17 million inhabitants, accounting for 15% of the country's total population.

In 2024, the CALABARZON region's economy grew by 5.6%, faster than the 5.2% growth in the previous year. Such, however, was marginally lower than the country's full-year GDP growth of 5.7%. The CALABARZON region is a significant driver of the country's economic growth, having the second-highest share to the national GDP at 14.7%, next to National Capital Region's (NCR) 31.2% share.

Among the three major economic sectors, the Industry sector contributed the largest share to CALABARZON's economy at 49.0%, closely followed by the Services sector with 46.8% share. AFF, on the other hand, accounted for a minimal 4.2%. Manufacturing continued to be the leading subsector, contributing 41% to the regional economy. Wholesale and Retail Trade, Motor Vehicles and Motorcycles Repair was far second with its 14% contribution.

In terms of growth, Financial and Insurance, Human Health and Social Work, and Public Administration and Defense subsectors recorded the highest in 2024, with 13.0%, 12.8% and 11.7% growth, respectively. AFF, on the other hand, posted a 0.7% contraction in 2024.

CALABARZON is the most populous region in the country, with about 17.0 million inhabitants, representing approximately 14.3% of the national population. Within this region, Cavite is the most populous province with 4.3 million inhabitants, followed by Rizal and Laguna with populations of about 3.4 million and 3.7 million, respectively, in 2024. The majority of the population in Laguna and Rizal fall within the 20–59 age group. The proximity of these provinces to the NCR makes it an attractive residential area. Such also fuels the urbanization of their cities and municipalities.

Given the aforementioned, the demand for the Company's projects is expected to remain strong moving forward. The Company is positioned to benefit from ongoing industry developments, considering that its target market segment and project locations are likewise projected to record steady growth.

Unemployment Rate⁹

The country's total labor force in September 2025 was 51.56 million. Of the total, 96.2% or 49.6 million were employed, while the rest or 1.96 million were unemployed. As such, the unemployment rate in September 2025 was 3.8%. This was a marginal improvement from 3.9% recorded in the previous month. Such, however, was slightly higher compared with the 3.7% recorded in September 2024.

⁸ <https://rso04a.psa.gov.ph/content/calabarzons-economy-accelerates-56-percent-2024>

⁹ <https://www.bworldonline.com/top-stories/2025/11/07/710628/september-jobless-rate-inches-up-amid-natural-disasters/>

In terms of sector distribution, the Services sector had the most number of employed people, accounting for 61.3% of the total employed people in September 2025. The Agriculture and Industry sectors had 20.9% and 17.8% share, respectively.

INDUSTRY

Housing Backlog¹⁰

Housing availability has long been a problem in the Philippines over the past decades as housing production failed to catch up with the demand. According to an official from the DHSUD, the housing backlog is expected to reach the 10-million mark by the end of President Marcos' term (2028), from 6.5 million as of 2022. As of end-March 2025, the national housing backlog reached 8.25 million units. Such is expected to reach 22 million by 2040, according to an UN-Habitat report.¹¹

Based on DHSUD's data, the country, Luzon has the highest housing demand, with 3.37 million units, or 50.6% of the total. Of the total housing demand in Luzon, CALABARZON leads with approximately 1.4 million units, followed by the NCR with 700,000 units. The combined housing needs of CALABARZON and NCR accounted for 61.6% of Luzon's total backlog. Meanwhile, Mindanao's housing demand stood at 1.75 million units (26.2%), while the Visayas requires 1.54 million units (23.1%).¹²

The housing backlog in the country is most evident in the middle-income, economic or low-cost, and socialized segments. Of the total backlog, the majority or 55% were from the economic segment while 19% were from the socialized segment. Some factors driving the backlog include: the persistent mismatch between developer inventory and buyer demand, as well as the surge in housing prices which outpaced wage growth. Moreover, the high upfront costs or affordability, in general, and stringent bank requirements also contribute to the backlog.¹³

The current administration intends to address this problem through its Pambansang Pabahay Para sa Pilipino Housing (4PH) Project. Officially launched in September 2022, 4PH aims to build one million housing units annually until 2028, focusing on providing homes for low-income and marginalized communities. The program, however, was substantially behind its ambitious target. Of the one million units expected to be produced annually, less than 100,000 units were constructed/launched each year. The 4PH Program continues to face challenges, including design, budget, land availability, construction delay, and delay in bidding process, among others.¹⁴

In a Plenary Session on November 26, 2025, Senator Sherwin T. Gatchalian, the Head of Finance Committee, mentioned that the DHSUD revised its target from one million unit each year or a total of six million units by end-2028 to 200,000 housing projects each year of a total of 1.1 million by end-2028. He added that the initial target was a big challenge, stating that the DHSUD completed only 438,000 units in

¹⁰ Housing backlog refers to the gap between the demand for housing and the supply of units available.

¹¹ <https://www.ianfulgar.com/condominium-redevelopment-philippines-for-urban-renewal/>

<https://www.pids.gov.ph/details/news/in-the-news/phl-s-worsening-housing-backlog>

¹² <https://cpbrd.congress.gov.ph/wp-content/uploads/2024/10/FF2024-45-The-Phil-Housing-and-Household-Stat.pdf>

<https://business.inquirer.net/483545/calabarzon-remains-top-choice-of-value-seeking-homebuyers>

¹³ <https://www.philstar.com/the-freeman/cebu-business/2024/08/15/2378054/new-guarantee-ceilings-low-medium-cost-housing-approved>

<https://www.habitat.org/sites/default/files/documents/Clearing-the-Housing-Backlog-Study.pdf>

¹⁴ <https://tribune.net.ph/2024/10/25/developments-on-the-4ph-program>

<https://www.gmanetwork.com/news/topstories/nation/912628/dhsud-chief-admits-challenge-in-completing-6m-housing-units-until-2028/story/>

the last three years. With the revised target under the program, there is still a balance of about 705,000 units.¹⁵

On December 1, 2025, a new price ceiling for socialized housing under the 4PH program was signed. For socialized house-and-lot units, the maximum selling price is at ₱844,440 for units measuring 24–26 sqm, and ₱950,000 for units with a minimum size of 27 sqm. For socialized condominium units, the new ceiling ranges from ₱1.28 million to ₱1.8 million, depending on unit size and building height. Such revised ceiling is expected to encourage developers to build more projects catering to the socialized segment.¹⁶

A total of 42 developers belonging in four major developer groups committed to deliver 251,846 socialized housing units under the program. According to the developers, DHSUD's recent reforms, including the streamlined permitting processes, updated technical standards for socialized housing, adjustments to price ceilings, and the establishment of Housing One-Stop Processing Centers, were the key factors to their decision to support the program.¹⁷

The program's housing projects are located across the country but are primarily located in high density areas like Region III, Region IV-A, and NCR.

Home Development Mutual Fund or Pag-IBIG Fund¹⁸

The Pag-IBIG Fund is under the administrative supervision of the DHSUD, acting as the primary national government entity responsible for the management of housing, human settlement and urban development.

Pag-IBIG Fund also pledged its full support to the administration's 4PH Program through the expansion of its Direct Developmental Loan Program (DDLDP). DDLDP serves as a financing program extended by Pag-IBIG Fund to support and align with the objectives of the national government in the 4PH that is currently being implemented by the DHSUD. The 4PH-DDLP provides financial assistance to developers, LGUs, and contractors undertaking housing projects that will address the needs of the program's target beneficiaries. Members of the 4PH Program, on the other hand, may benefit from favorable loan terms, lower interest rates, and amortization subsidies.

In 2023, Pag-IBIG Fund achieved record-high home loan releases, providing ₱126.0 billion in financing to 96,848 members, a 7% increase from 2022. The agency noted that it further reduced home loan interest rates starting July 2022 to make homeownership more affordable for members.¹⁹

In 2024, Pag-IBIG Fund's home loan releases increased to ₱130 billion, a 3% growth from 2023. The number of housing units financed, however, declined to 90,616. The 2024 home loans included ₱20.2 billion development loans to support the construction of nearly 18,000 4PH housing units. Total home loan releases for the year were also below the ₱143 billion target.

For 2025, Pag-IBIG Fund aims to release ₱156.9 billion in home loans, with an estimated 111,648 housing units.

¹⁵ <https://www.bworldonline.com/the-nation/2025/11/26/714886/dhsud-to-build-705000-houses-by-2028/>

¹⁶ <https://www.pna.gov.ph/articles/1264339>

¹⁷ <https://mb.com.ph/2025/07/09/dhsud-home-developers-commit-251k-housing-units-to-4ph-program>

¹⁸ <https://www.philstar.com/business/2025/04/15/2435996/pag-ibig-falls-10-short-2024-home-loans-target>

¹⁹ <https://globalnation.inquirer.net/226031/pag-ibig-home-loans-reach-record-high-p126b-in-2023-nearly-100000-members-with-new-homes>

Strategic Investment Priority Plan (SIPP)²⁰

The BOI announced that the latest amendments to the 2022 SIPP may be released by the end of 2025. Rooted on the 2020 Investment Priorities Plan (IPP) in November 2020, the SIPP seeks to attract high-impact and quality investments in the country by providing a blueprint in identifying economic activities eligible for fiscal incentives.

Initially approved in 2022, the SIPP is subject to review and amendment every three years. The 2025-2028 SIPP will include new sectors that will be qualified for incentives under the extended Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Law.

The SIPP categorizes investment priorities into three tiers:

- Tier I: Covers activities such as health care and disaster risk reduction, environment or climate-change related projects, agriculture, innovation drivers, mass housing, renewable energy, and infrastructure.
- Tier II: Focuses on green ecosystems, health-related activities, defense-related activities, industrial value-chain gaps, and food-security related activities.
- Tier III: Highlights research and development, advanced manufacturing, and establishment of innovation support facilities.

The Philippine government is embarking on roadshows to promote CREATE MORE and attract both domestic and foreign investors. According to the BOI, investment pledges increased by 28% in 2024 to a record high USD1.62 trillion.²¹

Haus Talk has been granted tax incentives in relation to the compliance of Tier I investments, particularly in providing mass housing. The ITH was granted to Haus Talk from August 2023 and four years thereafter.

²⁰ <https://www.pna.gov.ph/articles/1259704>
<https://www.divinalaw.com/dose-of-law/strategic-investment-priority-plan/>

²¹ <https://www.pna.gov.ph/articles/1242458>