



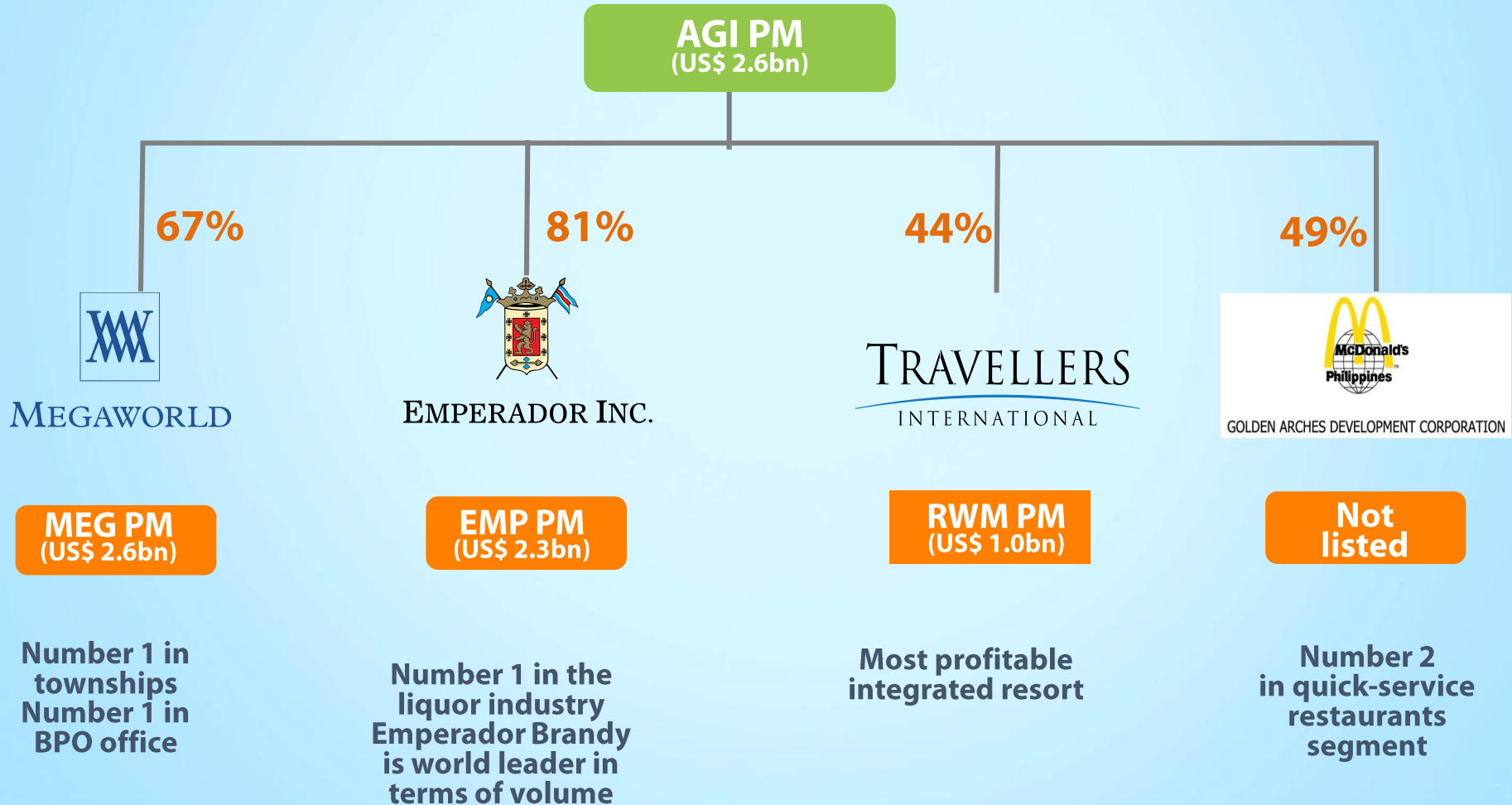
# ALLIANCE GLOBAL GROUP INC

Morgan Stanley Asia Pacific Summit

17-18 November 2016

- Maintaining key positions in respective sectors:
  - ✓ MEG – leader in township development, BPO-driven office segment.
  - ✓ EMP – dominates liquor market.
  - ✓ RWM – most profitable integrated resort.
  - ✓ GADC – strong position in the QSR segment.
  - ✓ AGI – leading player in the hotel industry.
- Strong 9M16 performance underscores improved operating efficiencies; some growth initiatives have already begun to bear fruit.
- Increasing global presence.
- Unrelenting expansion to secure future growth.
- Financial gearing comfortable; healthy balance sheet.

# AGI Group Structure

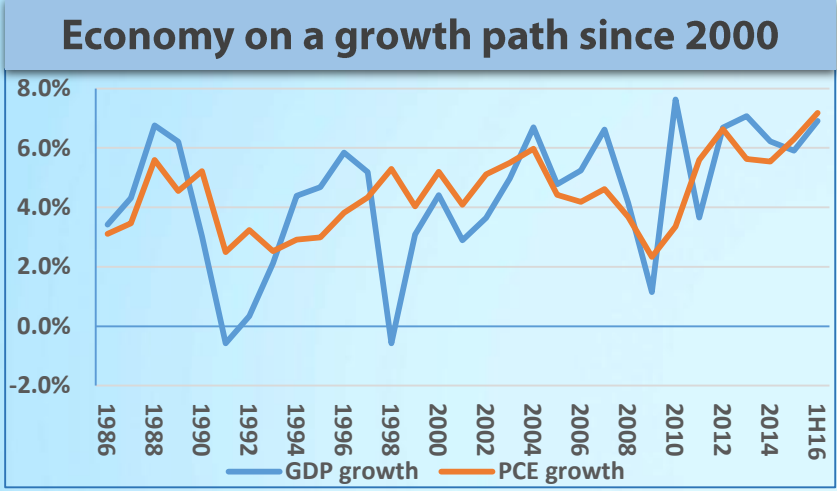
 ALLIANCE GLOBAL


Market cap as of 15 November 2016.

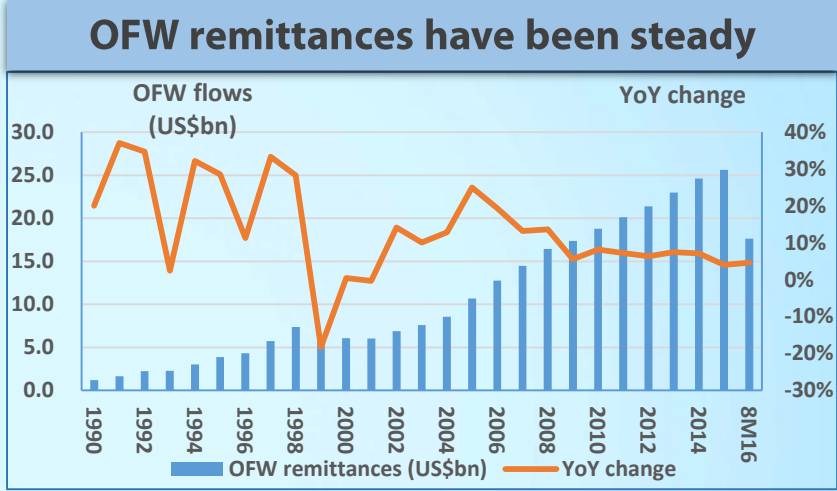
**Alliance Global Group Inc.**

**Macro drivers**

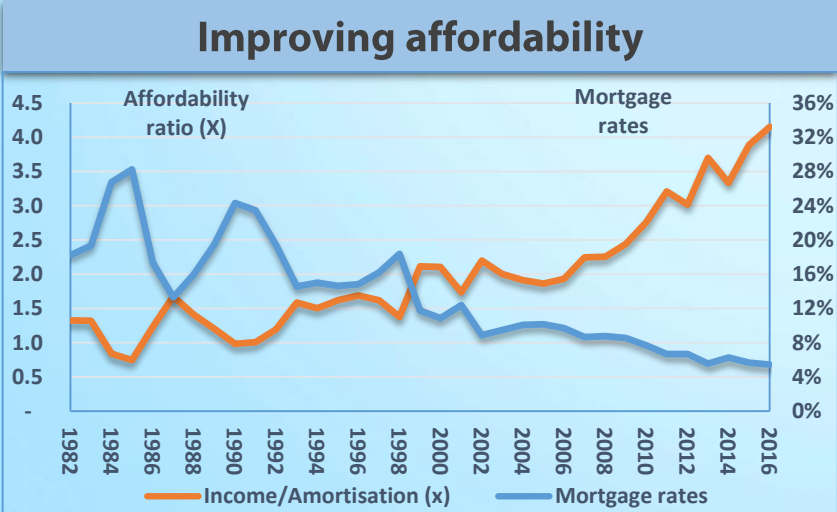
# Key economic drivers



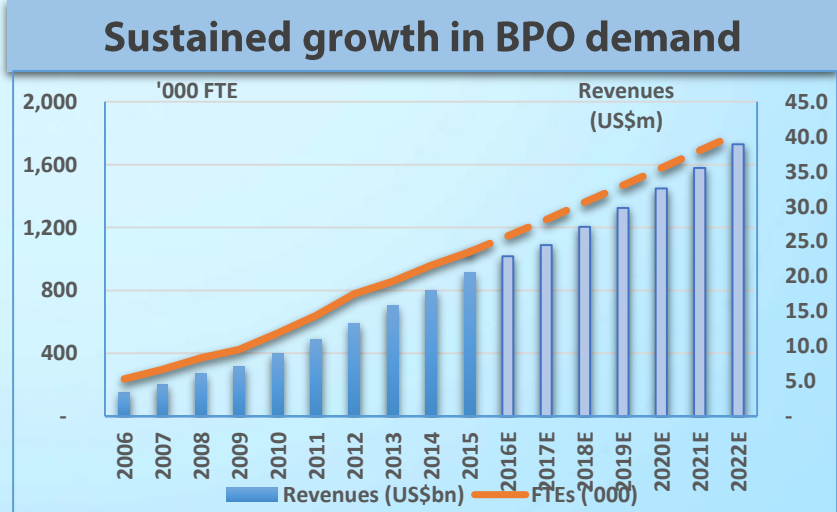
Source: Philippine Statistics Authority (PSA).



Source: Bangko Sentral ng Pilipinas (BSP).



Source: BSP, National Statistics Coordinating Board.



Source: Frost & Sullivan, IBPAP.

**Alliance Global Group Inc.**  
**Performance review**

# AGI By the Numbers



P139bn  
in consolidated  
revenues (2015)

P467bn  
in total  
resources  
(Sep2016)

P136bn  
in fixed assets  
(Sep2016)

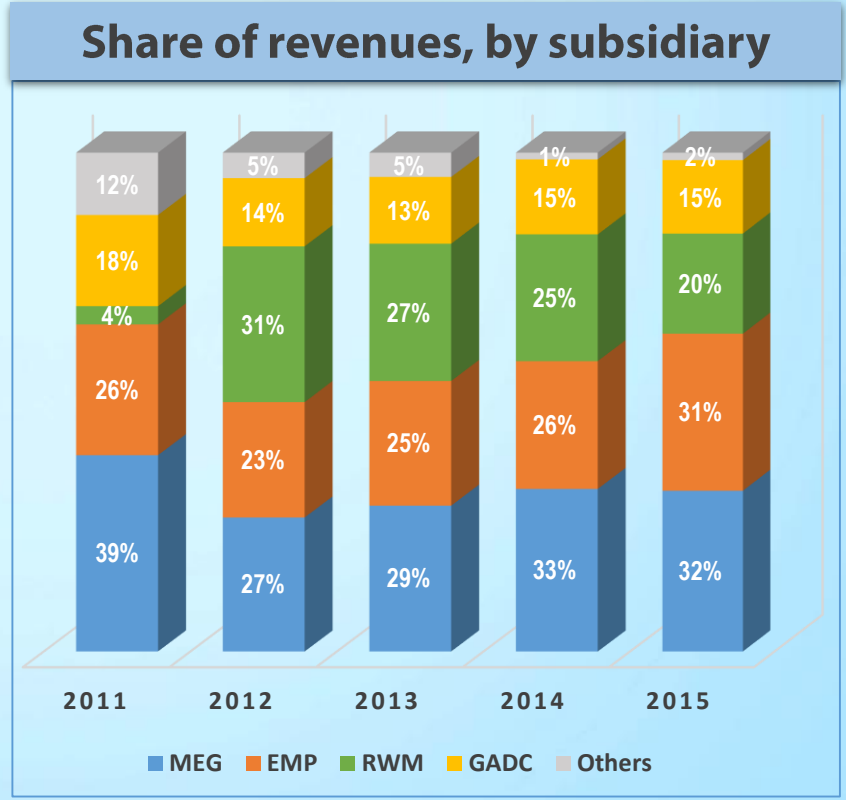
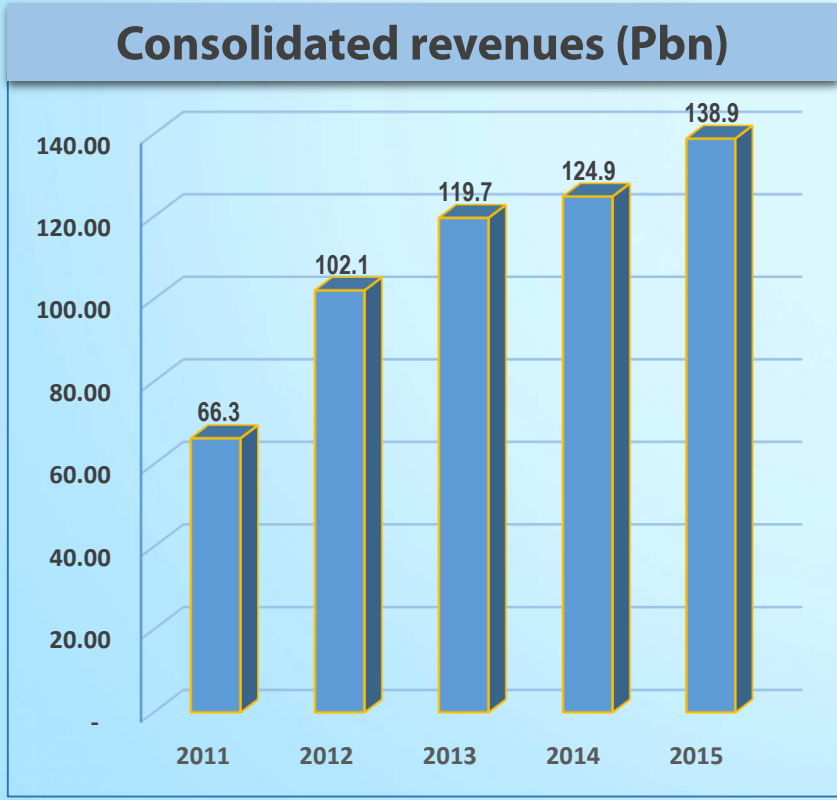
0.04x  
Parent net  
debt/equity  
(Sep2016)

2,570  
Hotel room keys  
(2015)

# EMP, MEG drove growth in revenues



- Group revenues driven by the strong performance of EMP (helped by acquisition) and MEG (supported by the development upcycle).
- In 2015, MEG+EMP contribution stood at >60%.

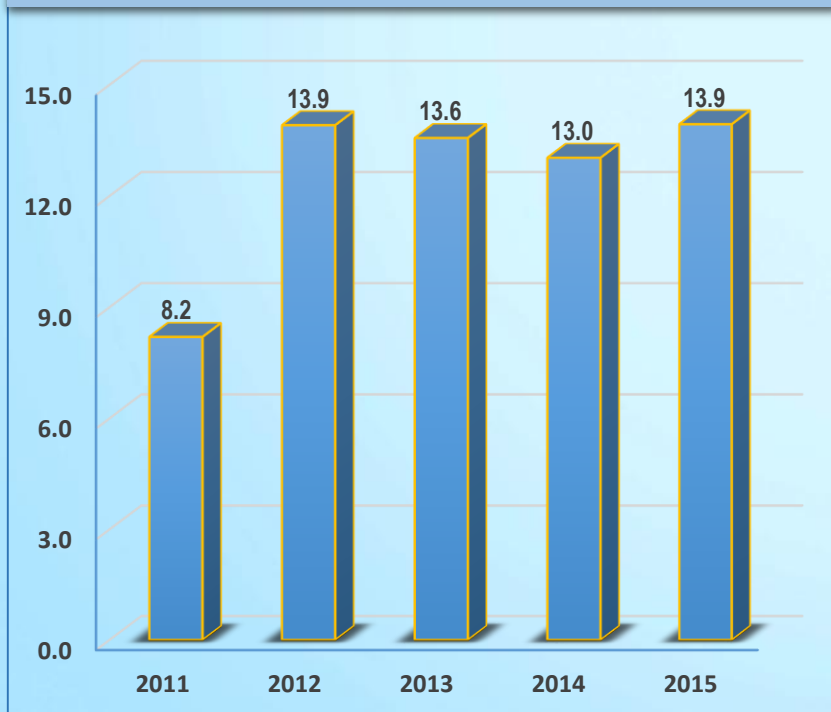




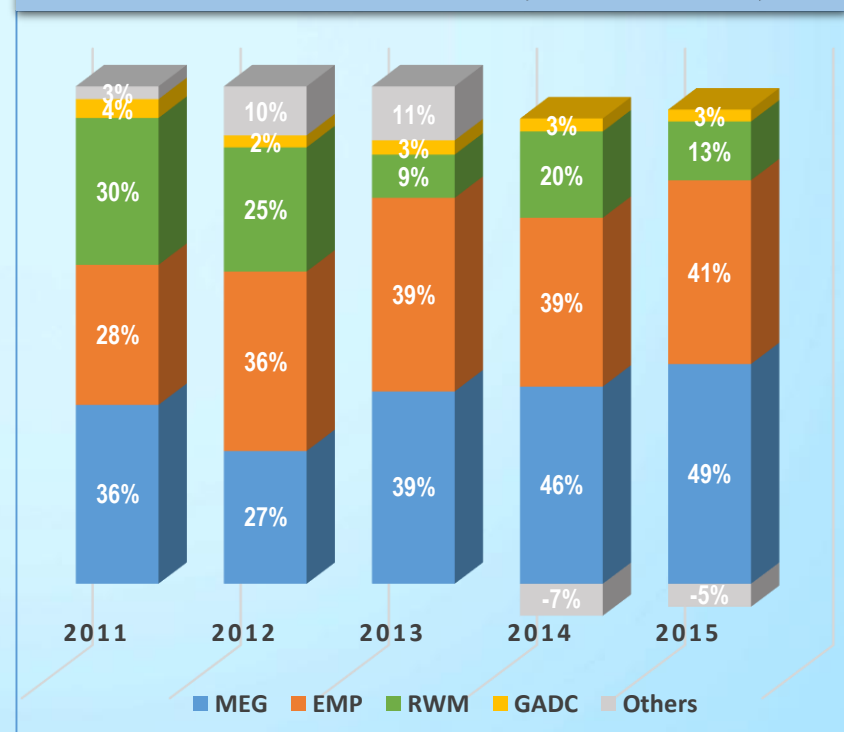
# Profit steady after sharp rise in 2012 ALLIANCEGLOBAL

- In 2015, MEG+EMP contributed 90% of Group profit.
- MEG enjoyed strong topline growth and higher margins.
- EMP growth helped by WMG; domestic business stable.
- RWM weighed by volatile gaming performance; GADC steady.

## Core net income (Pbn)

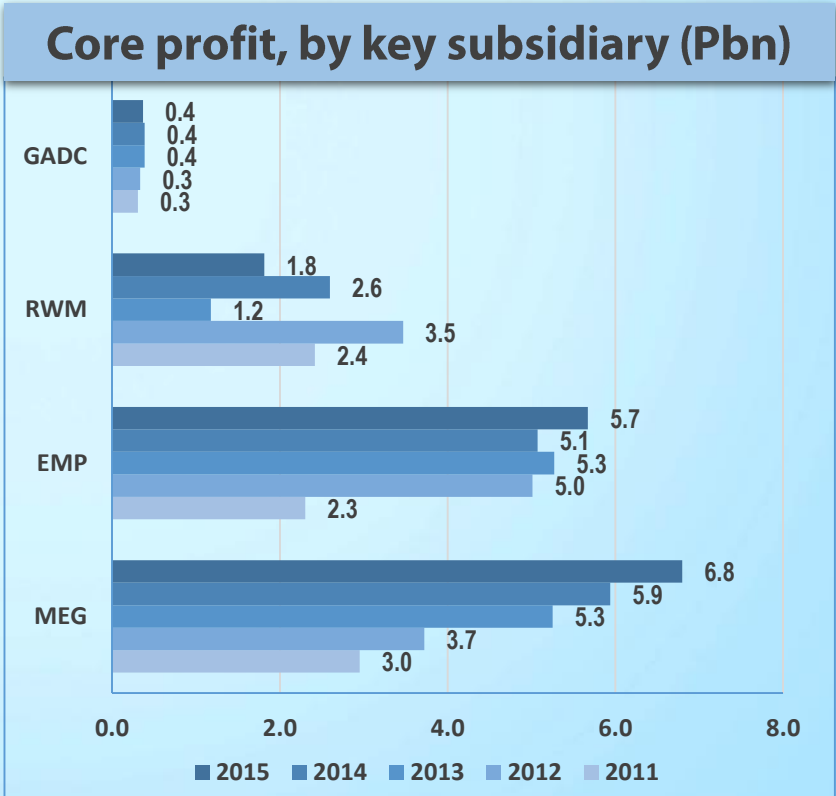
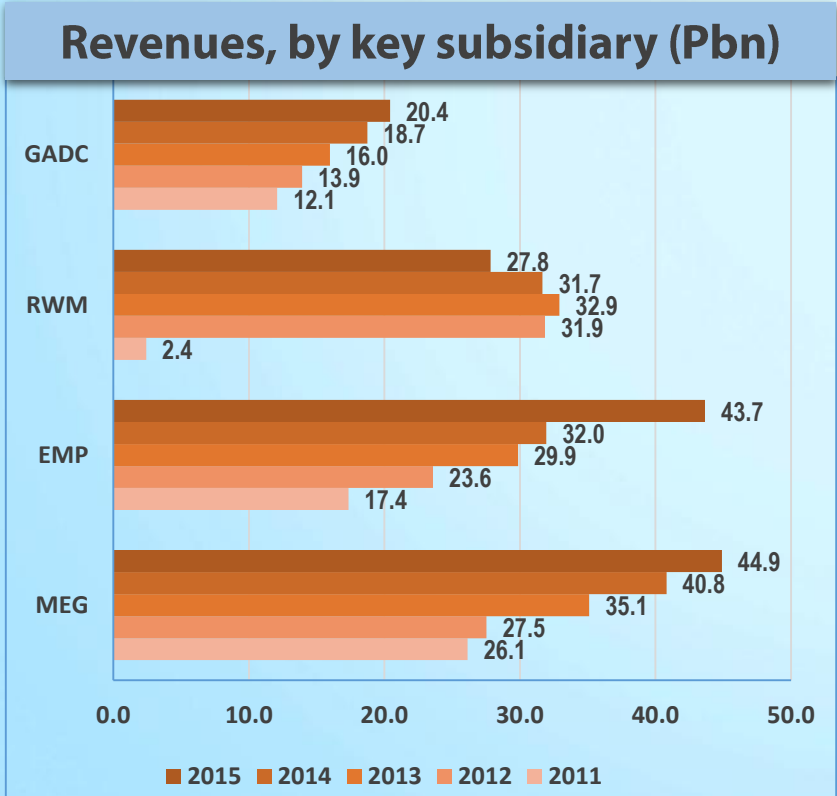


## Share of net profit, by subsidiary



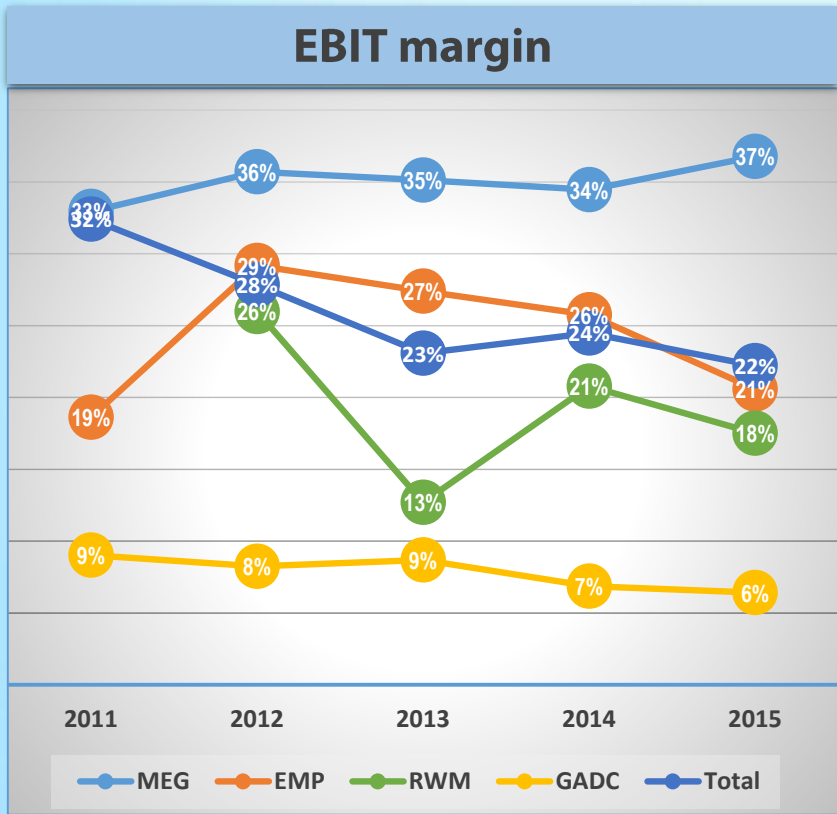
# Performance by major subsidiaries

- MEG: rising share of rentals helped lift profit margins.
- EMP: WMG augmented sales but weighed down on margins.
- RWM: maintaining profitability despite competitive challenges.
- GADC: steady sales and margins.



# Mixed trend in margins

- ↑ MEG: rising share of rentals, better residential GP margins.
- ↓ EMP: pulled down by WMG; RWM competitive pressures.
- ↔ GADC: generally steady helped by continued store expansion.



# AGI's 3Q2016 performance at a glance ALLIANCE GLOBAL

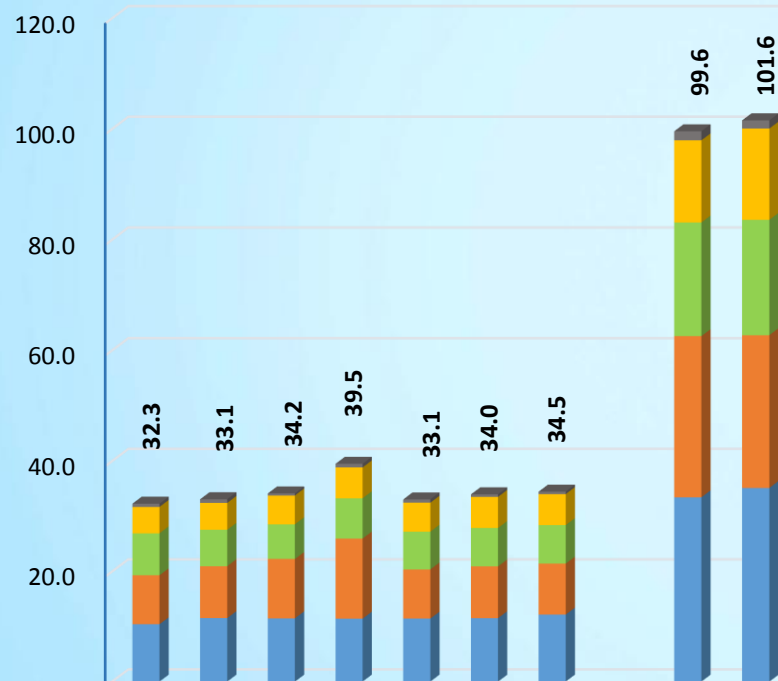
P&L highlights (Pbn)	3Q2016	3Q2015	% chg	Comments
<b>Group revenues</b>	<b>34.49</b>	<b>34.17</b>	<b>1%</b>	
Megaworld	12.18	11.49	6%	Sustained rise in rentals; modest growth in residential sales
Emperador	9.26	10.80	-14%	Lower WMG sales due to RSV exit; incremental sales from Fundador cushioned weaker EMP sales.
Travellers	7.00	6.30	11%	Healthy volume growth; improved VIP hold rate, rising share of non-gaming revenues
GADC	5.61	5.20	8%	Hit 500 store milestone; +3.5% systemwide SSSG
Others	0.44	0.39	15%	
<b>Group costs/expenses</b>	<b>27.12</b>	<b>28.03</b>	<b>-3%</b>	
Megaworld	8.06	7.60	6%	Increases in opex capped at 4%
Emperador	7.36	9.04	-19%	Sharp drop in raw material costs
Travellers	5.91	5.83	1%	Cost efficiencies, lower interest charges
GADC	5.16	4.90	5%	Ongoing cost containment efforts
Others	0.64	0.66	-4%	
<b>Net income to owners</b>	<b>3.76</b>	<b>3.10</b>	<b>21%</b>	
Megaworld	2.07	1.91	9%	
Emperador	1.21	1.18	2%	
Travellers	0.53	0.21	154%	
GADC	0.16	0.10	64%	
Others	-0.20	-0.29	-31%	
<b>Net profit margin</b>	<b>10.9%</b>	<b>9.1%</b>	<b>+182bps</b>	

# AGI's 9M16 performance at a glance

P&L highlights (Pbn)	9M2016	9M2015	% chg	Comments
<b>Group revenues</b>	<b>101.56</b>	<b>99.59</b>	<b>2%</b>	
Megaworld	35.15	33.46	5%	Sustained growth in rentals; steady contribution from residential segment
Emperador	27.60	29.12	-5%	Incremental contribution from Fundador offsets lower WMG sales due to RSV exit
Travellers	20.84	20.53	2%	Overall volume growth but blended hold rate lower at 4.9% (from 5.1%); rising non-gaming revenues
GADC	16.49	14.85	11%	Helped by store expansion; +8% systemwide SSSG
Others	1.48	1.63	-9%	
<b>Group costs/expenses</b>	<b>80.00</b>	<b>79.20</b>	<b>1%</b>	
Megaworld	23.24	22.50	3%	Efficient cost management
Emperador	21.68	23.18	-6%	Higher raw material and distribution costs; incremental costs related to Fundador
Travellers	17.72	17.65	0%	Cost efficiencies
GADC	15.35	14.10	9%	Better cost management
Others	2.01	1.77	14%	Higher interest charges, increased borrowings
<b>Net income to owners</b>	<b>11.05</b>	<b>10.61</b>	<b>4%</b>	
Megaworld	5.98	5.44	10%	
Emperador	3.99	3.83	4%	
Travellers	1.32	1.26	5%	
GADC	0.40	0.25	58%	
Others	-0.64	-0.17	276%	
<b>Net profit margin</b>	<b>10.9%</b>	<b>10.7%</b>	<b>+22bps</b>	

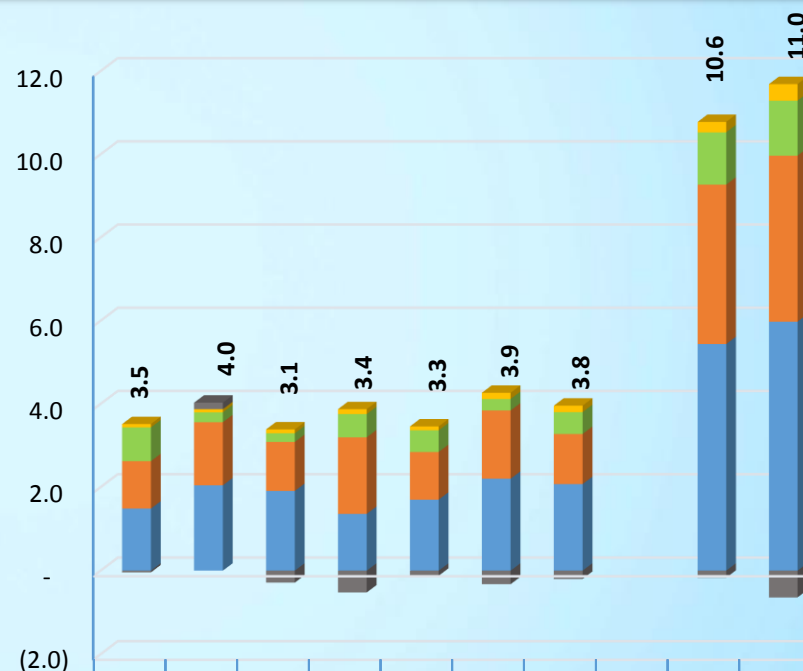
# AGI's financial highlights

## Consolidated revenues (Pbn)



	Q115	Q215	Q315	Q415	Q116	Q216	Q316	9M15	9M16
Others	0.6	0.7	0.4	0.6	0.6	0.4	0.4	1.6	1.5
GADC	4.8	4.9	5.2	5.6	5.2	5.6	5.6	14.8	16.5
RWM	7.6	6.6	6.3	7.3	6.9	7.0	7.0	20.5	20.8
EMP	8.9	9.4	10.8	14.5	8.9	9.4	9.3	29.1	27.6
MEG	10.4	11.5	11.5	11.4	11.5	11.5	12.2	33.5	35.2

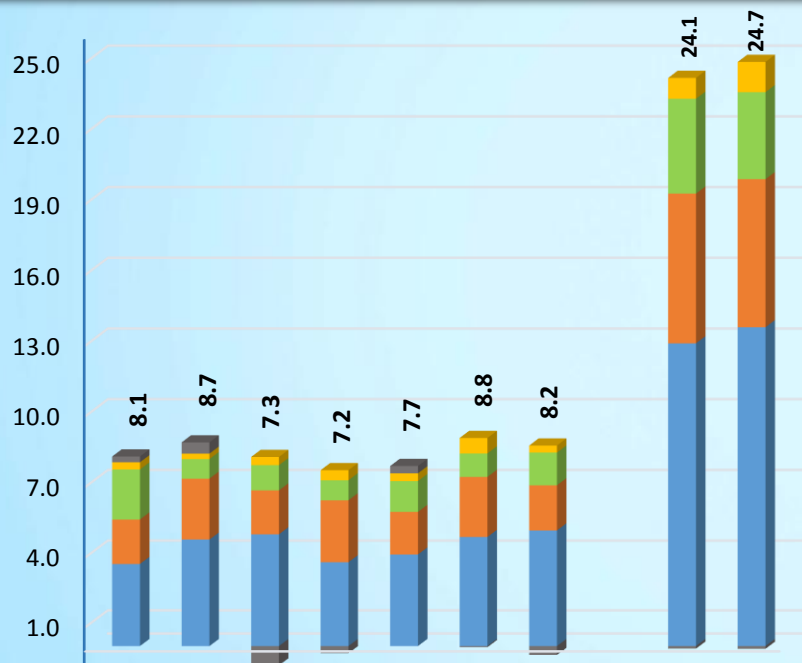
## Net profit (Pbn)



	Q115	Q215	Q315	Q415	Q116	Q216	Q316	9M15	9M16
Others	(0.0)	0.2	(0.3)	(0.5)	(0.1)	(0.3)	(0.2)	(-0.2)	(-0.6)
GADC	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.4
RWM	0.8	0.2	0.2	0.6	0.5	0.3	0.5	1.3	1.3
EMP	1.1	1.5	1.2	1.8	1.1	1.6	1.2	3.8	4.0
MEG	1.5	2.0	1.9	1.4	1.7	2.2	2.1	5.4	6.0

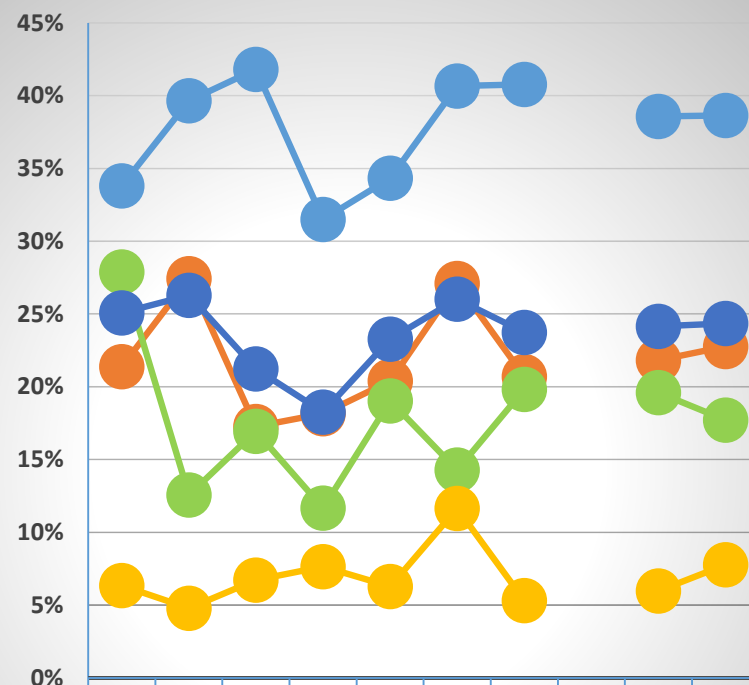
# AGI's financial highlights – cont'd

## Consolidated EBIT (Pbn)



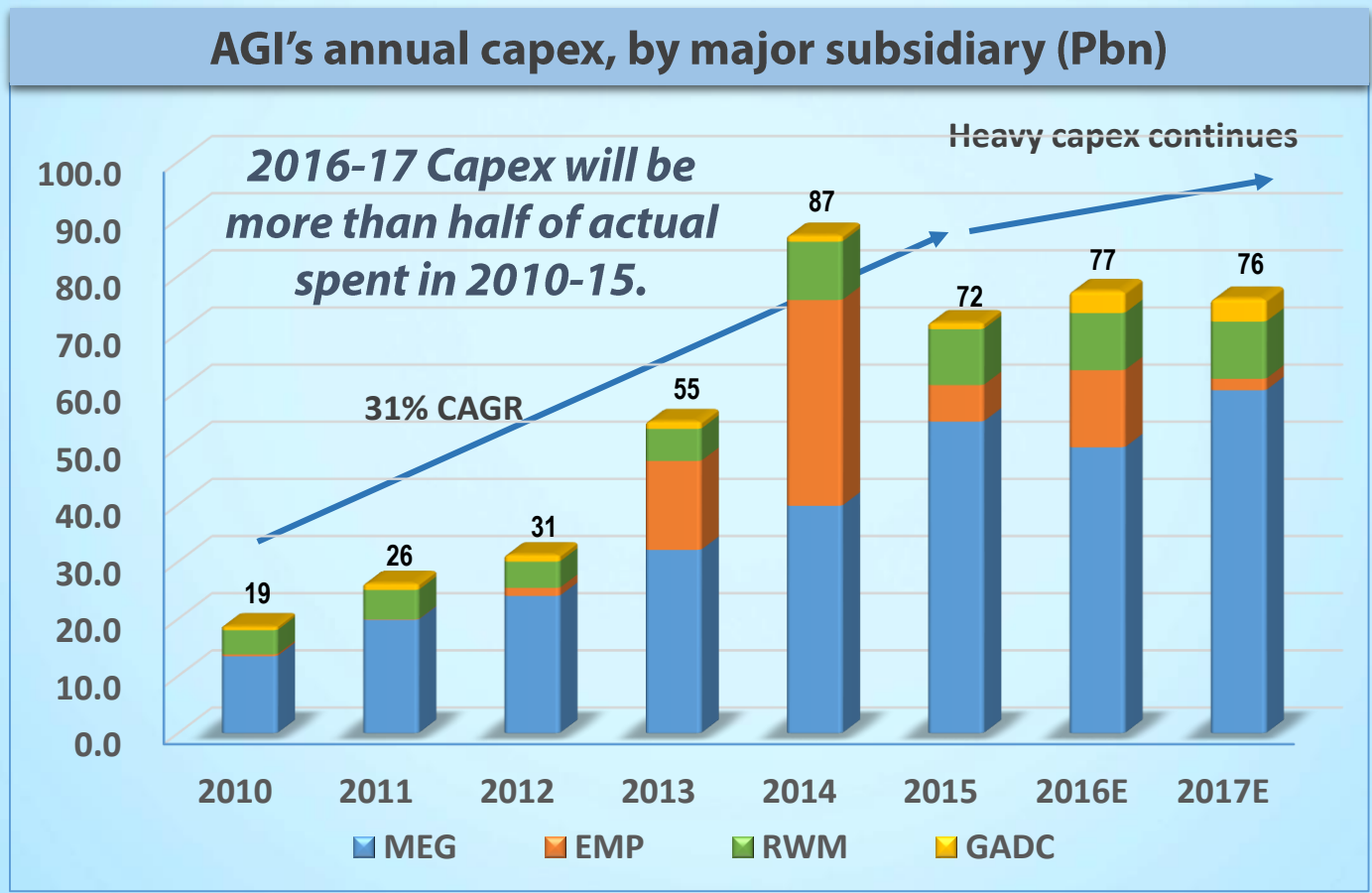
	Q115	Q215	Q315	Q415	Q116	Q216	Q316		9M15	9M16
Others	0.2	0.5	-0.8	-0.3	0.3	0.0	(0.4)		-0.1	-0.1
GADC	0.3	0.2	0.4	0.4	0.3	0.7	0.3		0.9	1.3
RWM	2.1	0.8	1.1	0.9	1.3	1.0	1.4		4.0	3.7
EMP	1.9	2.6	1.9	2.6	1.8	2.5	1.9		6.4	6.3
MEG	3.5	4.6	4.8	3.6	3.9	4.7	5.0		12.9	13.6

## EBIT margin



	Q115	Q215	Q315	Q415	Q116	Q216	Q316		9M15	9M16
MEG	33.8%	39.6%	41.8%	31.5%	34.3%	40.7%	40.8%		38.6%	38.6%
EMP	21.4%	27.4%	17.3%	18.2%	20.4%	27.1%	20.7%		21.8%	22.8%
RWM	27.9%	12.6%	16.9%	11.7%	19.0%	14.3%	19.8%		19.6%	17.7%
GADC	6.3%	4.8%	6.7%	7.6%	6.3%	11.6%	5.3%		6.0%	7.8%
AGI	25.1%	26.3%	21.2%	18.3%	23.3%	26.0%	23.7%		24.2%	24.3%

# Maintaining aggressive capex...

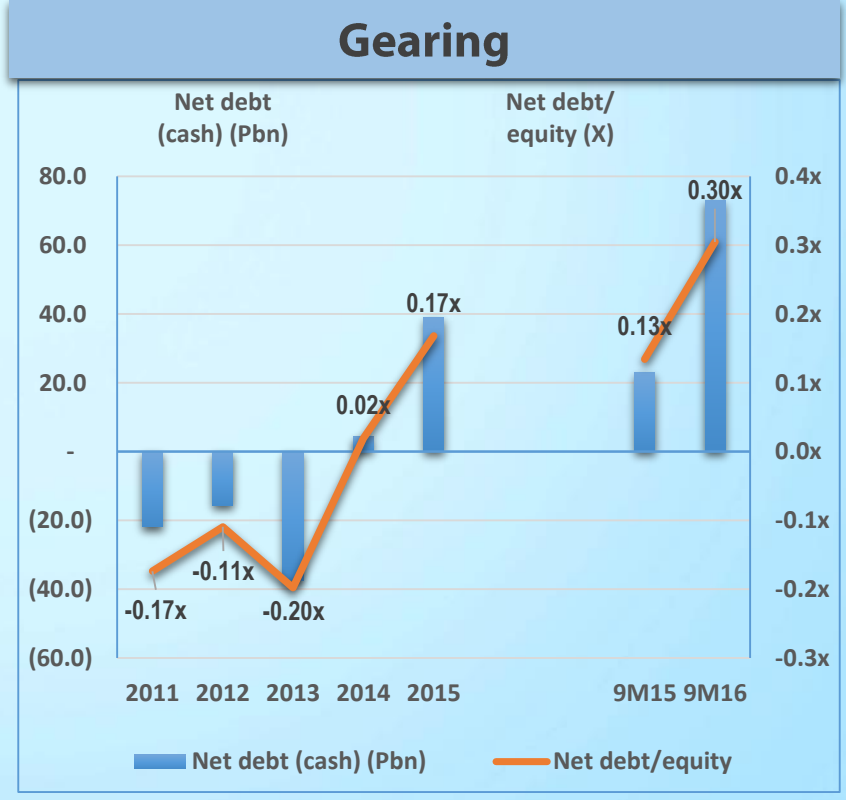
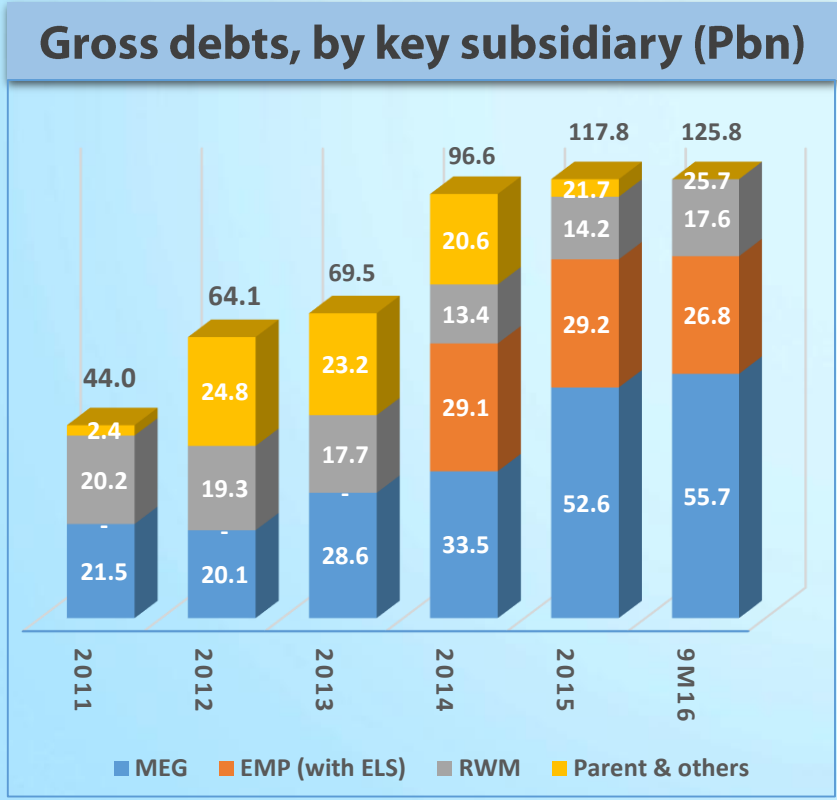


E - Estimated.



# ...funded thru internal cash + debts

- Heavy capex funded through internal cash flows and debts.
- Debts grew 2.8x from 2011 level but still comfortable.
- Group net debt/equity stood at 0.30x; parent net debt/equity at 0.04x at end-Sep 2016.



- **Megaworld**
  - ✓ On-track to hit office GLA capacity of 851k sqm by end-2016.
  - ✓ Ongoing capacity expansions: 2x office GLA, 3x commercial GLA by 2020 from 2015.
  - ✓ Intensified township development throughout the country.
- **Emperador**
  - ✓ Increase presence in the domestic and global market.
- **Travellers**
  - ✓ Marriott West Wing completed this month, adding 228 rooms.
  - ✓ Phase 3 expansion (Maxims, Hilton, Sheraton) ongoing.
- **GADC**
  - ✓ Pursuing more aggressive store expansion plans.
- **Alliance Global**
  - ✓ Expanding presence in the hotel industry.

**Alliance Global Group Inc.**  
**Growth Initiatives**



# Undertaking more township projects all over the country



21 townships on 3,064 hectares

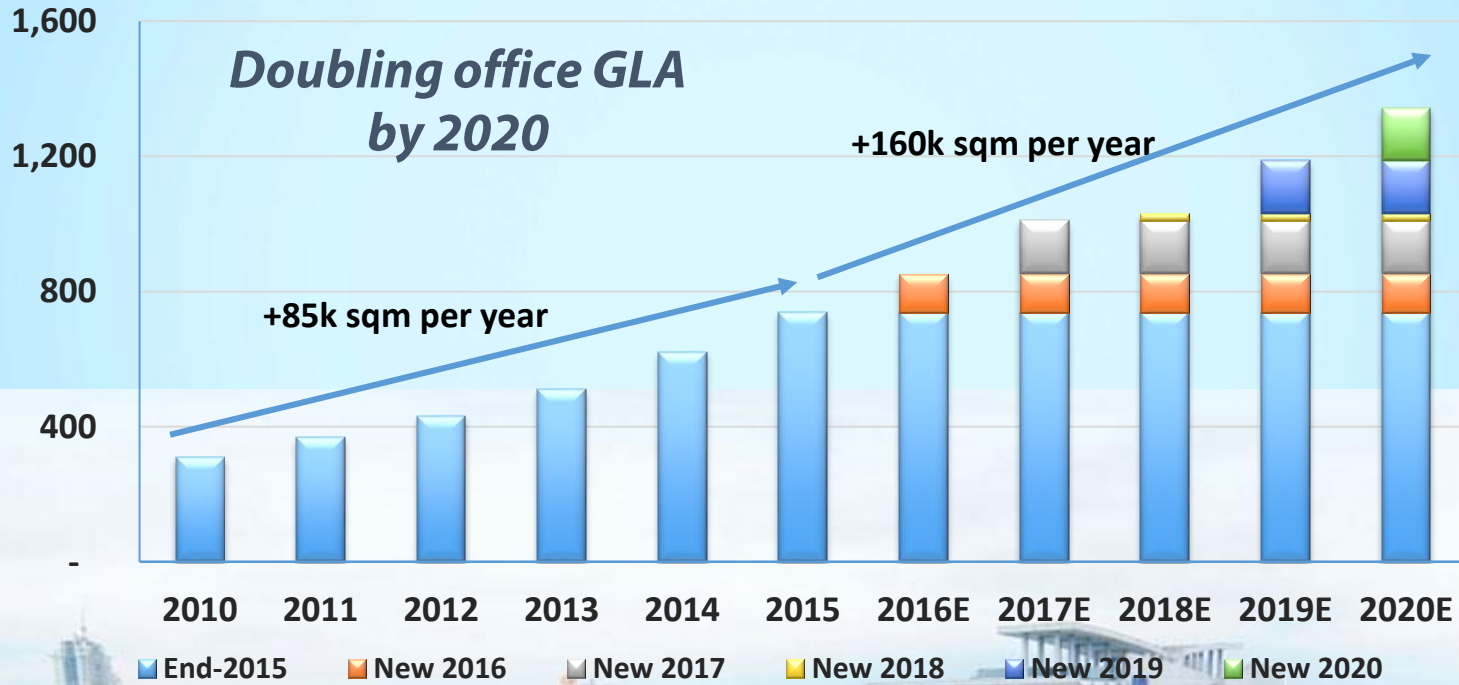
\*Launched in 2016



# Maintaining lead in the BPO office segment



Office gross leasable area (in '000 sqm)





# Further growing lifestyle malls to support township projects

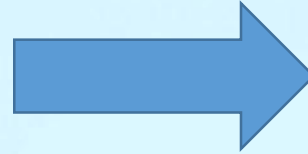


Mall gross leasable area (in '000 sqm)



# Continuing pursuit of AGI's tourism-related development projects

*From 4,000  
room keys  
in 2016*



*To 12,000  
room keys  
By 2020*

TRAVELLERS  
INTERNATIONAL

*AGI aims to reinforce its  
lead position in the hotel industry.*



MEGAWORLD



Marriott Hotel Manila  
Newport City

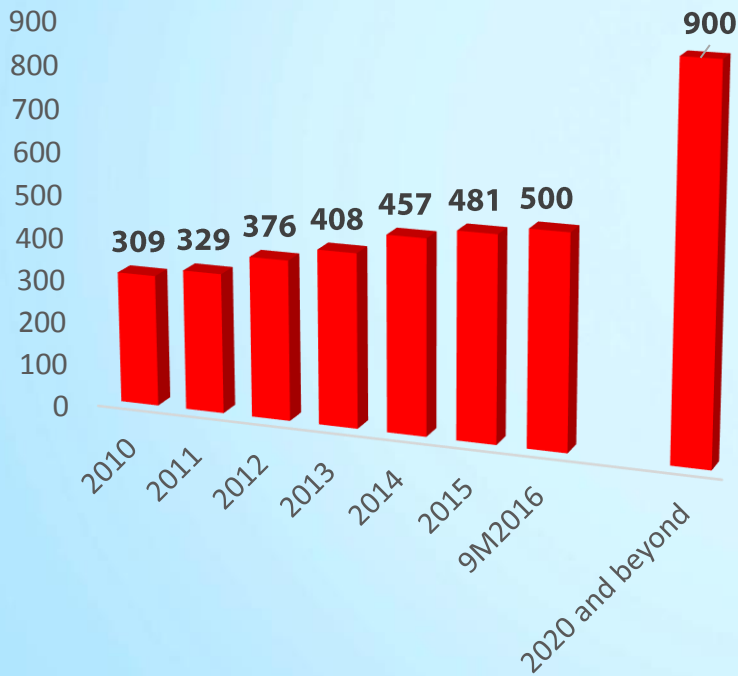
Richmond Hotel  
Iloilo Business Park

Belmont Hotel  
Newport

Savoy Hotel  
Mactan Newtown

# Adding more McDo stores throughout the country

## Number of McDonald's stores



*GADC aims to bring its McDonald's network to at least 900 branches by 2020 and beyond.*







# Implementing premiumization strategy for Emperador

ALLIANCE GLOBAL

Luxury



Super Premium

FUNDADOR



JURA



Premium

EMPERADOR  
*Deluxe*



FUNDADOR



ANDY  
PLAYER  
BLACK  
BLENDED WHISKY



WHYTE & MACKAY



Standard

EMPERADOR  
LIGHT



EMPERADOR  
BRANDY



SMIRNOFF  
MULE



THE  
BaR



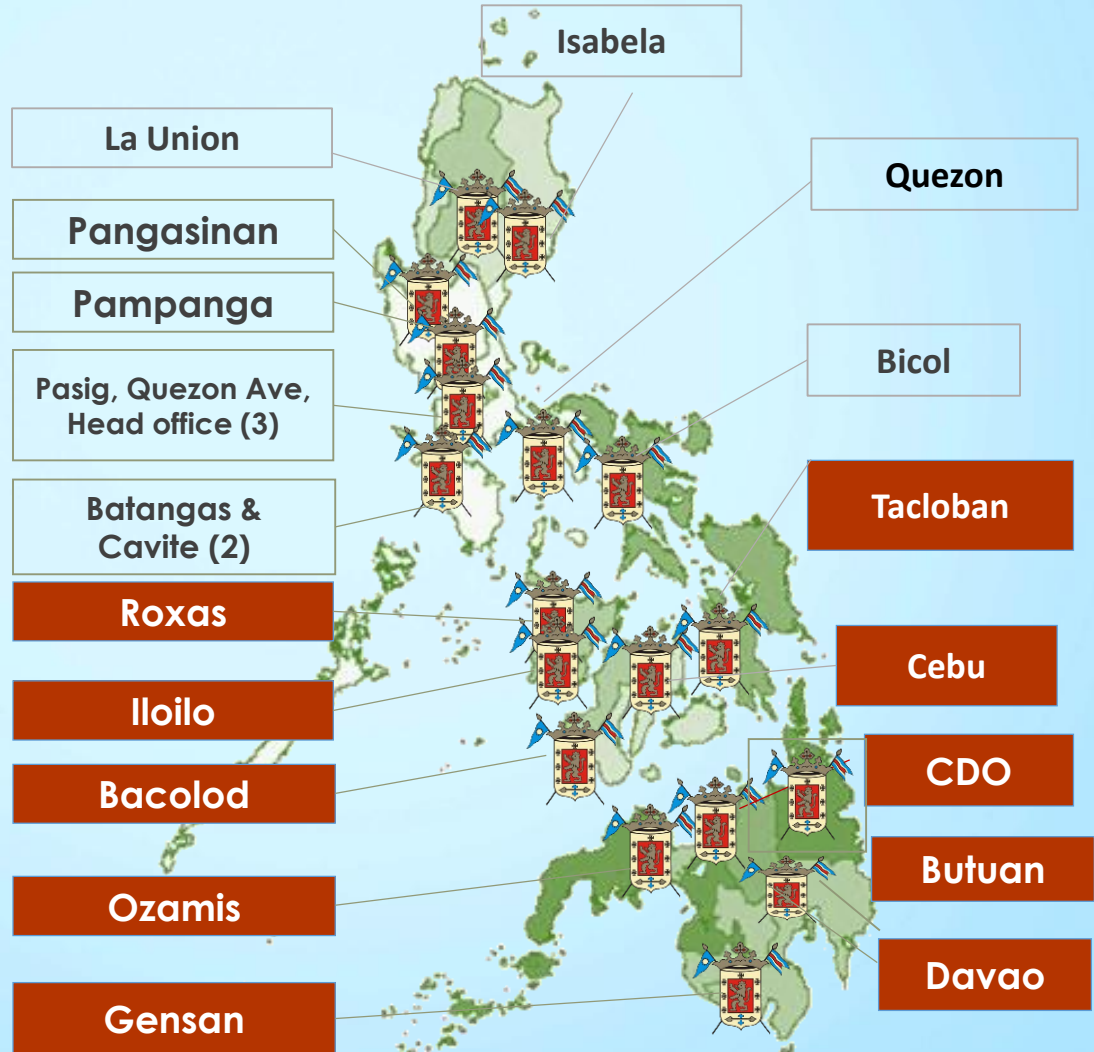


## 21 Sales Offices Nationwide

Competitive edge: distribution strength across the archipelago

Robust sales & distribution coverage of ~111,000 accounts nationwide

~100,000 sari-sari stores all over the country





# Increasing export market for Emperador Brandy



***Emperador Brandy is now exported to 40 countries across Asia, North America, Europe, Africa and the Middle East.***



# Further expanding Emperador's global footprint



**Megaworld Corporation**  
**Performance review**



MEGAWORLD

**TOWNSHIPS:**

**LIVE IT! LOVE IT!**



# Megaworld by the Numbers

21

*townships*



236K

*commercial  
GLA*

737K

*office GLA*

3,357

*hectares in  
landbank*

~130

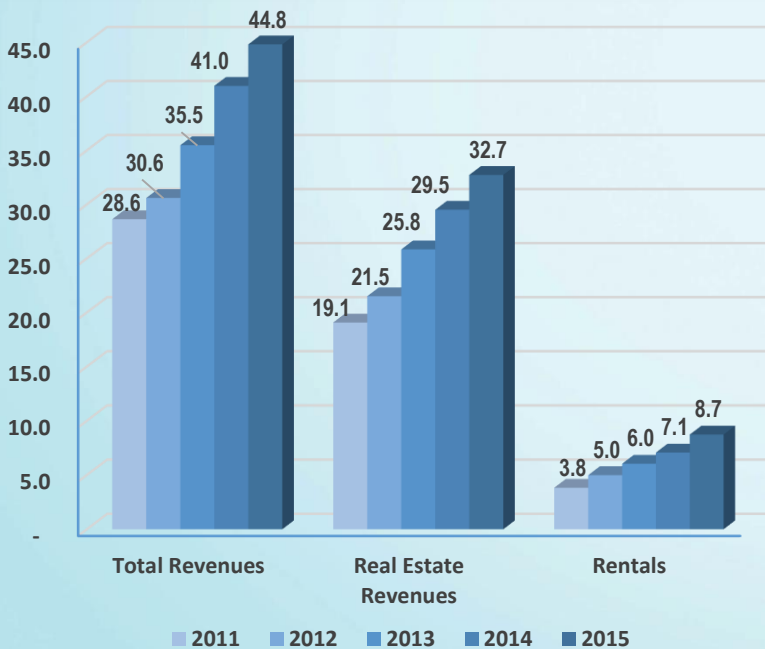
*BPO Clients*



# Steady growth momentum

- Faster growth in rentals, driven by capacity increases in office and commercial properties.
- Development segment healthy on back of steady housing demand.

**Total revenues, Real estate revenues and Rentals (Pbn)**

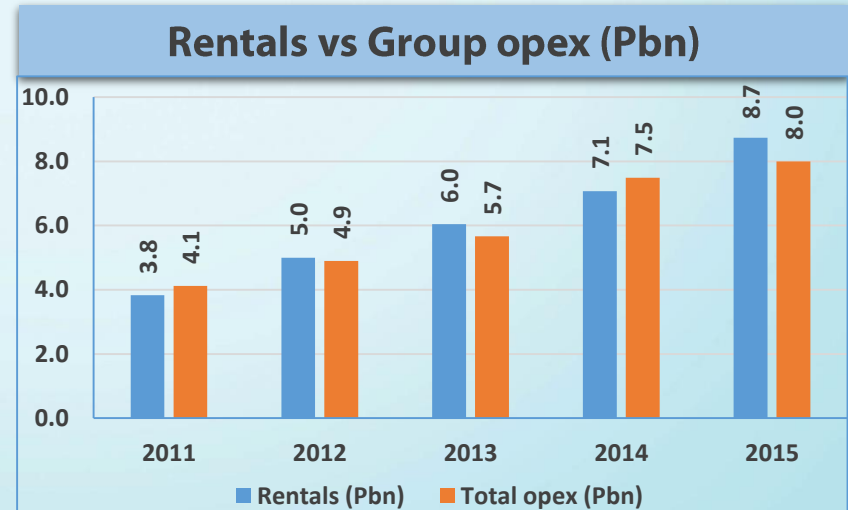
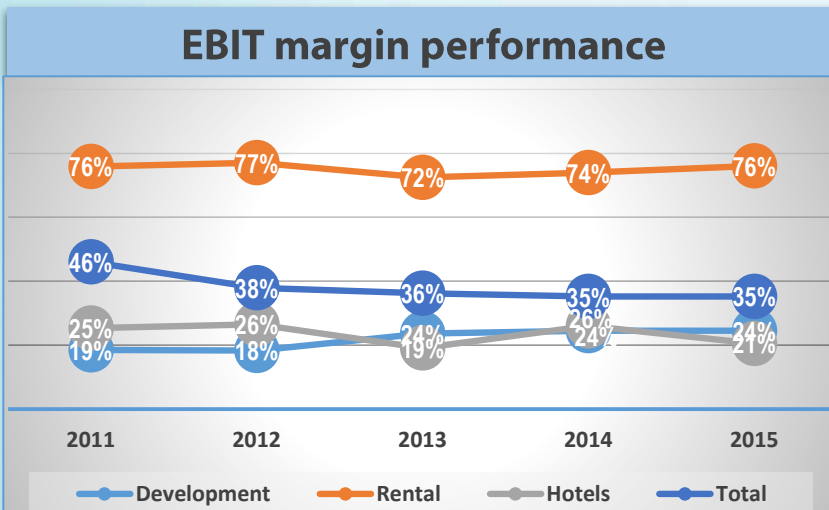
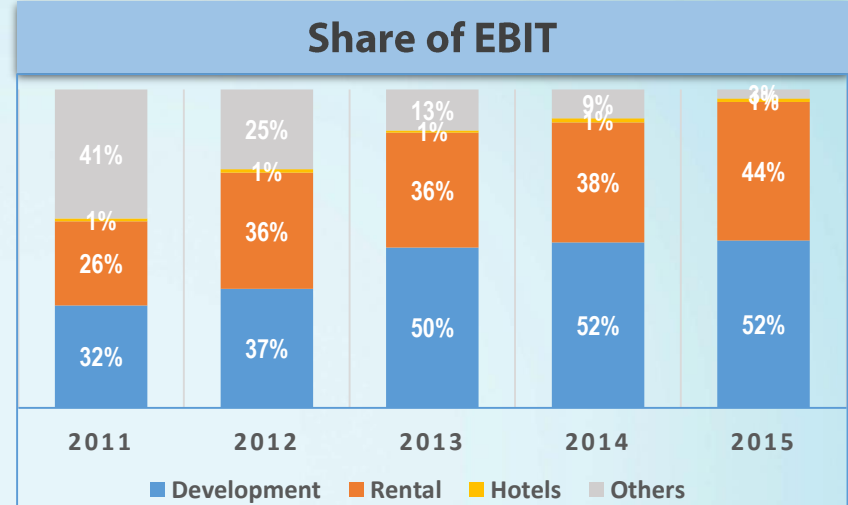
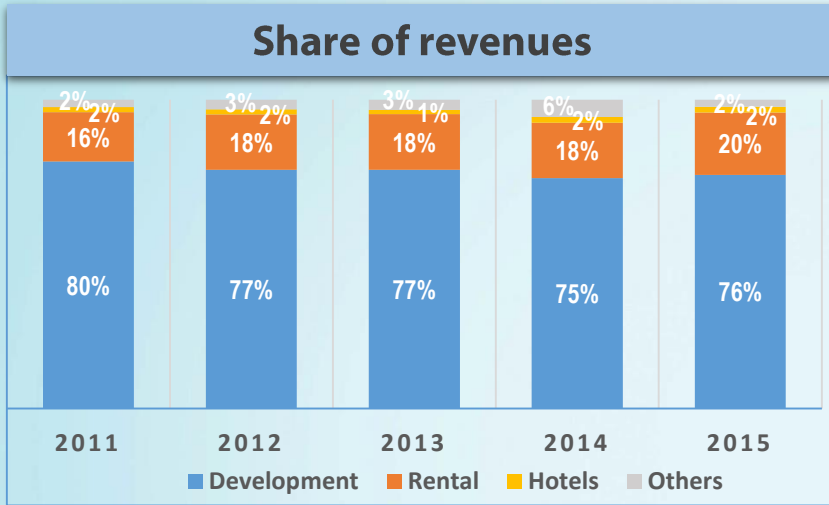


**Total EBITDA, EBIT and Net profit (Pbn)**







# Increasing contribution from rentals



# MEG's 9M2016 results at a glance

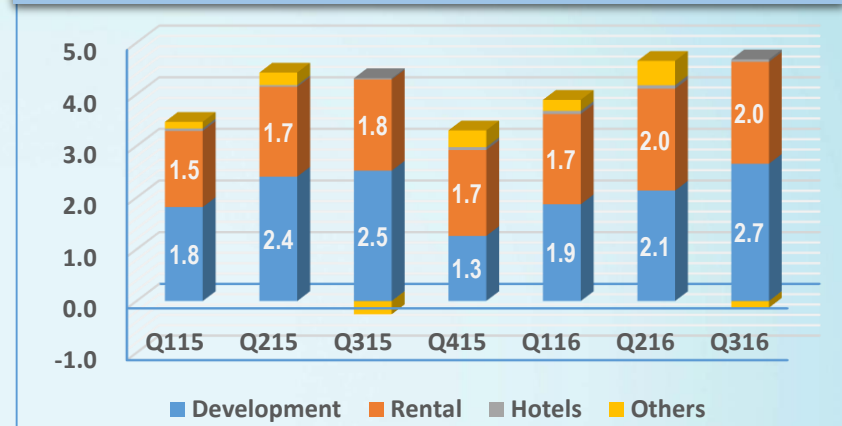
- Total revenues up 5% YoY to P35.3bn.
  - Rentals (office and commercial) delivered the growth, +15% to P7.4bn.
    - Rentals contributed 21% of total revenues (from 19% a year ago).
    - High occupancy rates of 98-99%.
  - Real estate sales +1% to P20.7bn.
    - 58% MEG-standalone, >16% each from GERI and ELI, 9% from Suntrust.
  - Finance & other income stood flat.
- Cost efficiencies allowed for higher operating margins.
  - Residential gross profit margin  46% due to GERI.
  - Rental EBIT margin  at 75%.
- Net income up 11% to P9bn.
- Net debt/equity went up to 0.30x (vs 0.22x in end-2015), but still comfortable.

# 9M2016 financial highlights

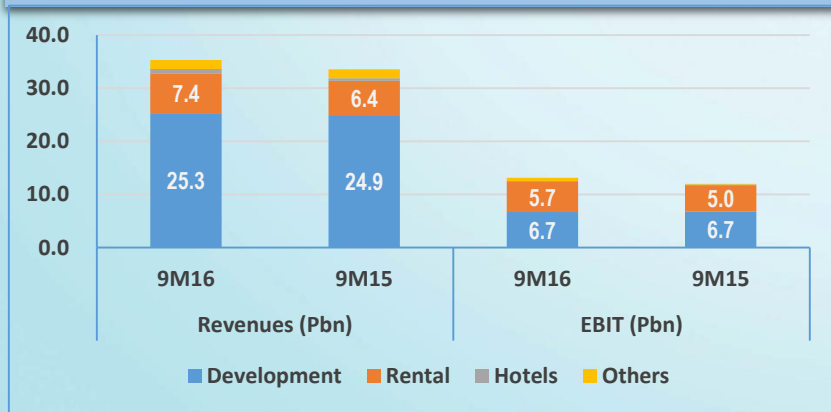
### Revenues (Pbn)



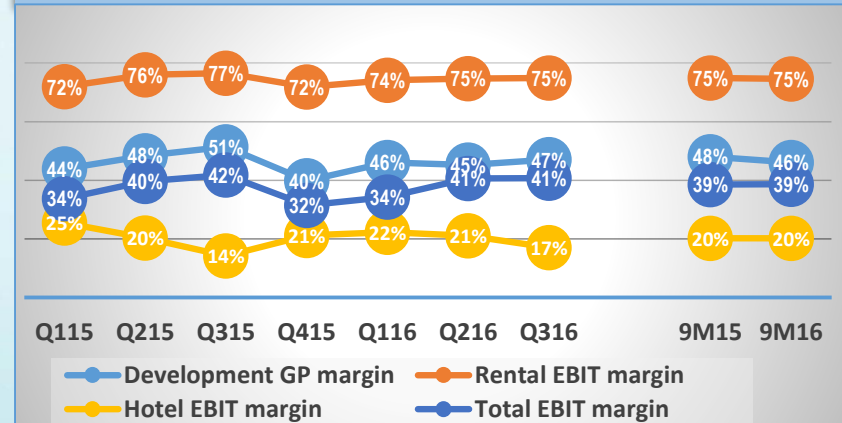
### EBIT (Pbn)



### 9M Revenues and EBIT (Pbn)

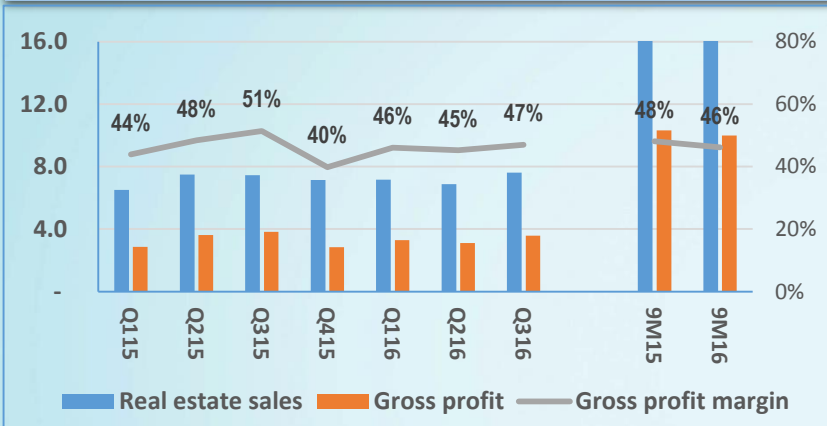


### Margin performance

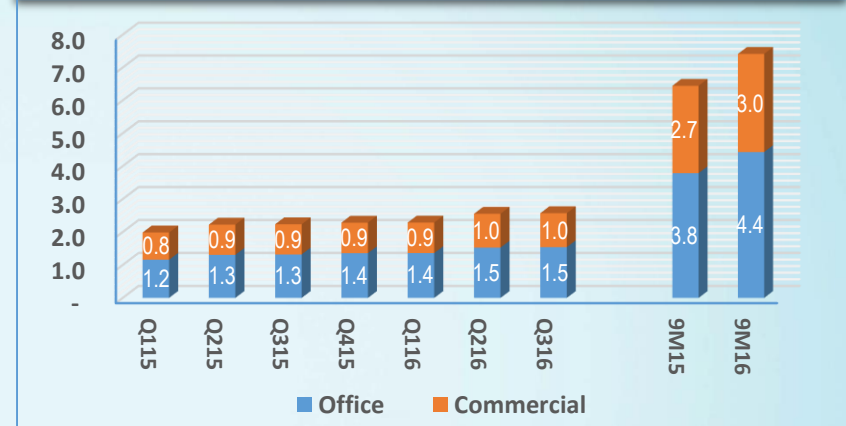


# 9M2016 financial highlights - cont'd

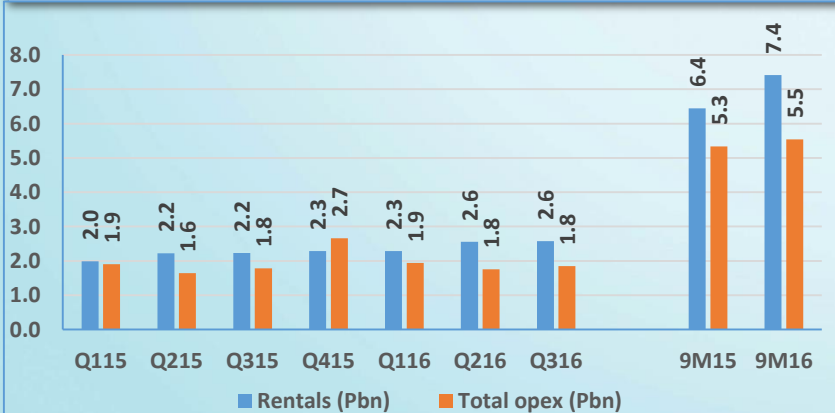
### Real estate sales vs Gross profit (Pbn)



### Rentals: office vs commercial (Pbn)



### Rental vs Group opex (Pbn)



### Gearing



**Emperador Inc.**  
**Performance review**



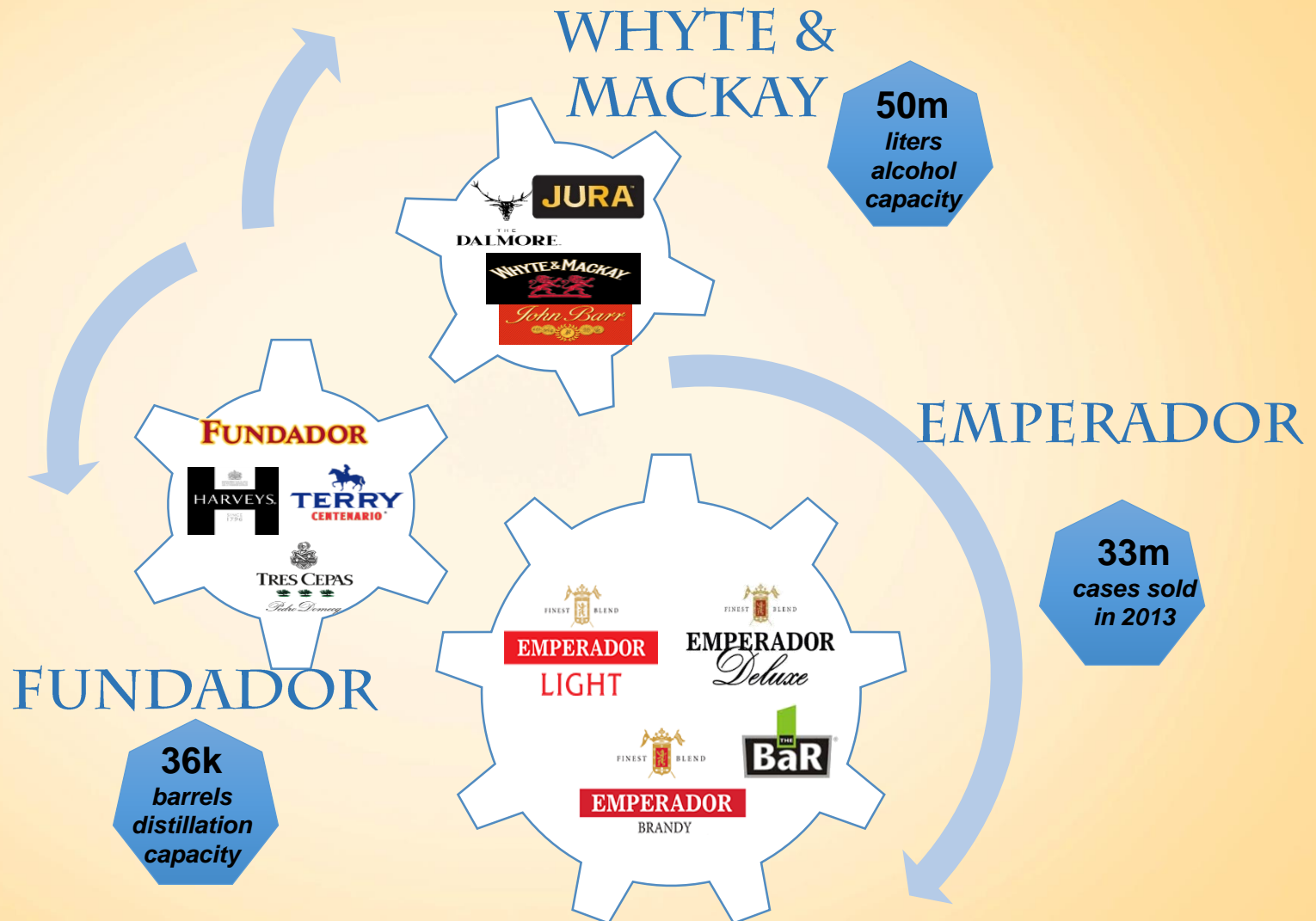
EMPERADOR INC.



A NEW ERA

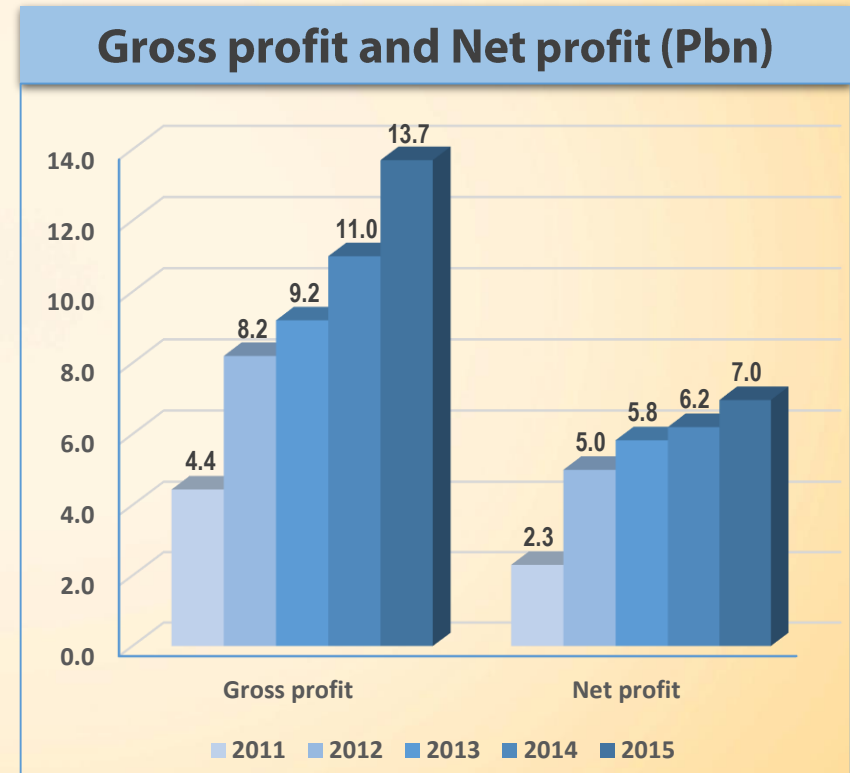
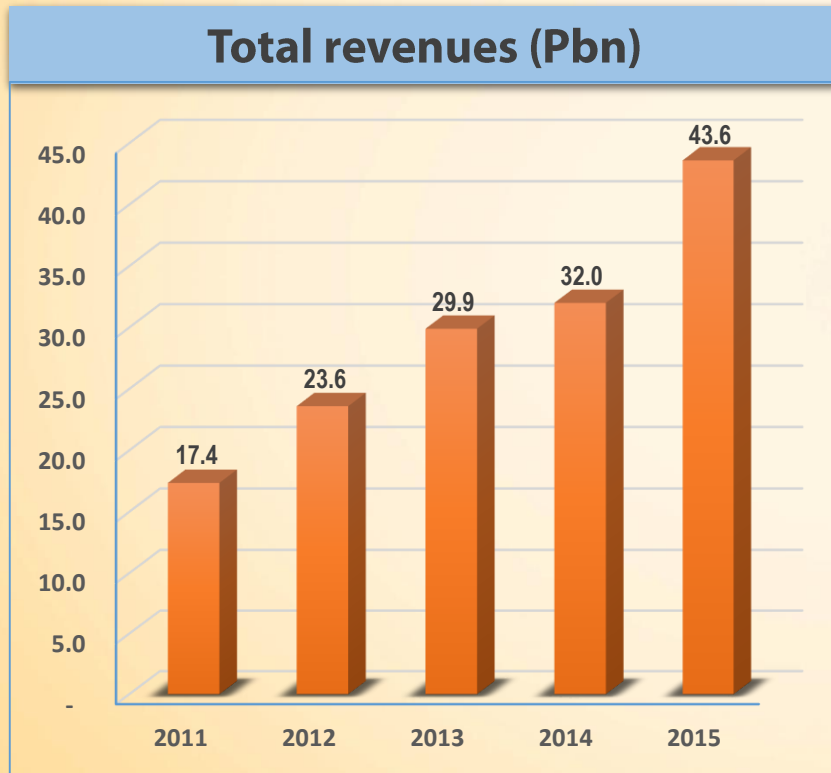
BEGINS

# Emperador by the Numbers



# Boosted by acquisition

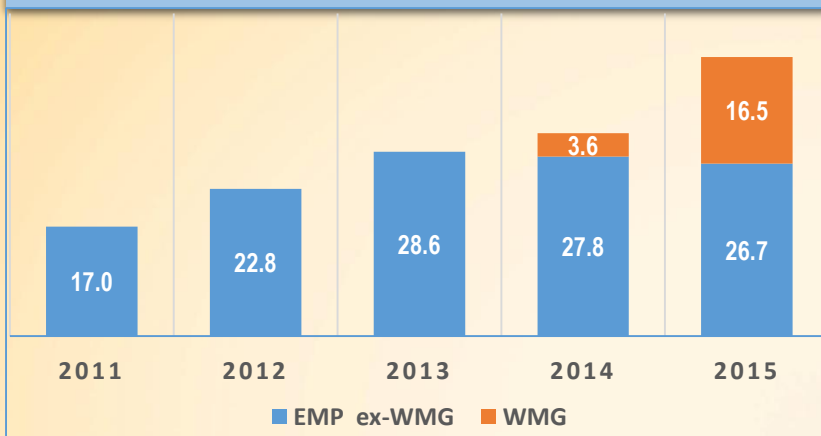
- Strong topline growth supported by Whyte and Mackay (WMG) contribution as domestic liquor business remained stable.
- But lower blended margins capped the growth in earnings.



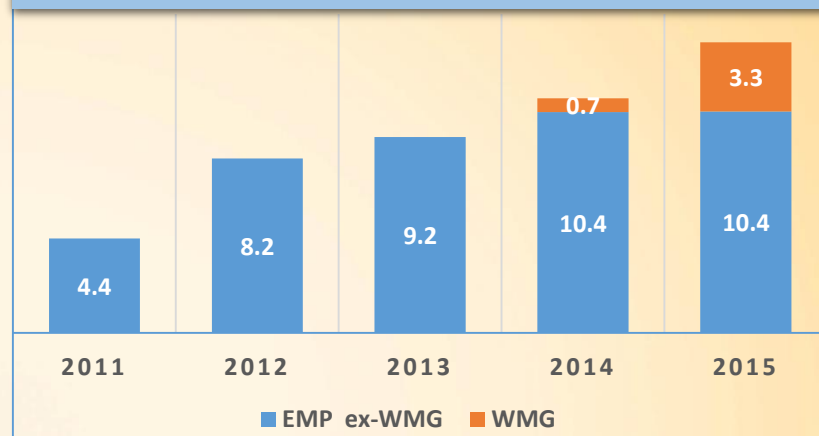


# Rising share of overseas revenues

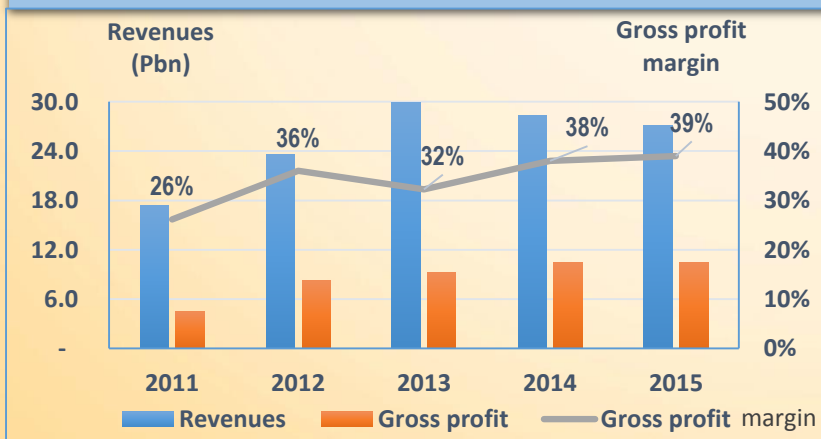
Liquor sales: brandy vs whisky (Pbn)



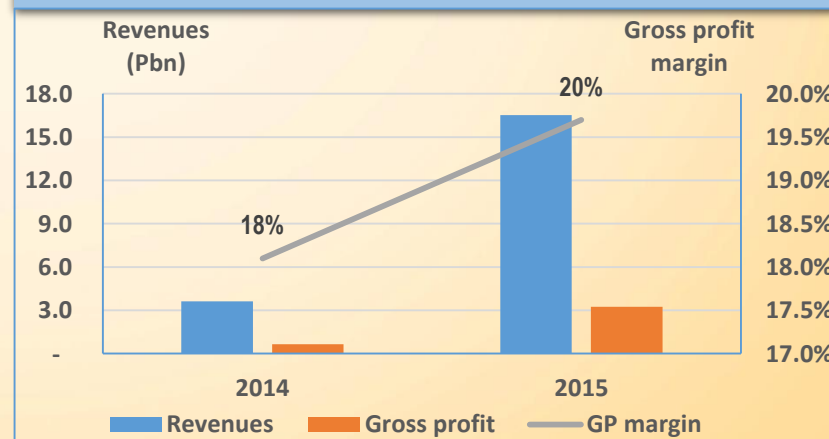
Gross profit: brandy vs whisky (Pbn)






EMP domestic: revenues vs GP margin



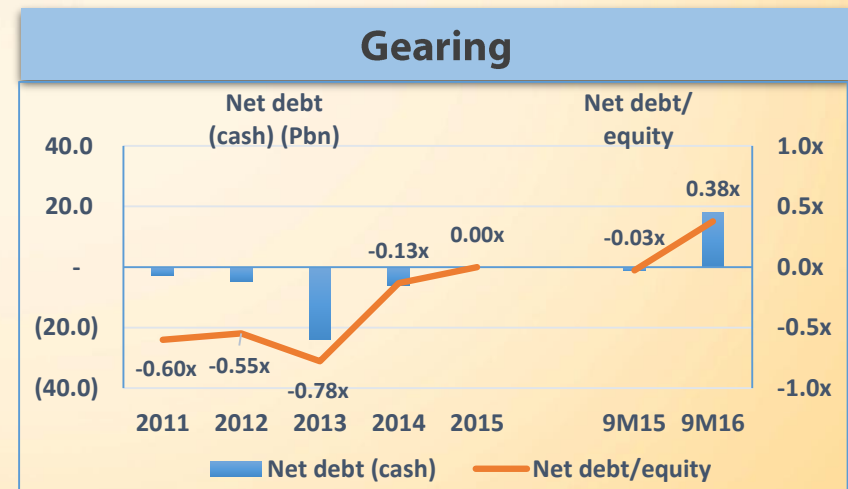
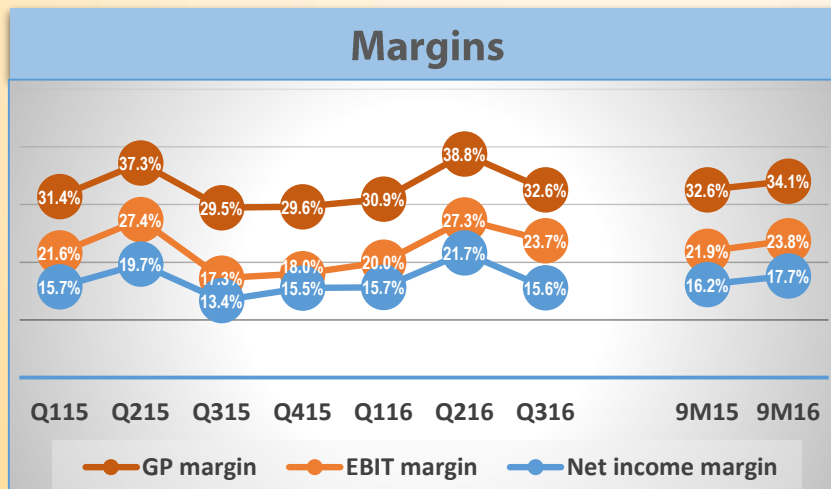
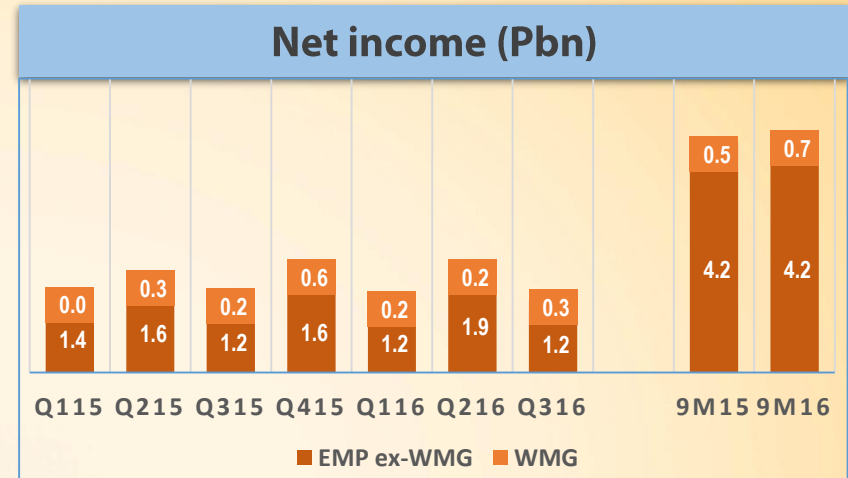
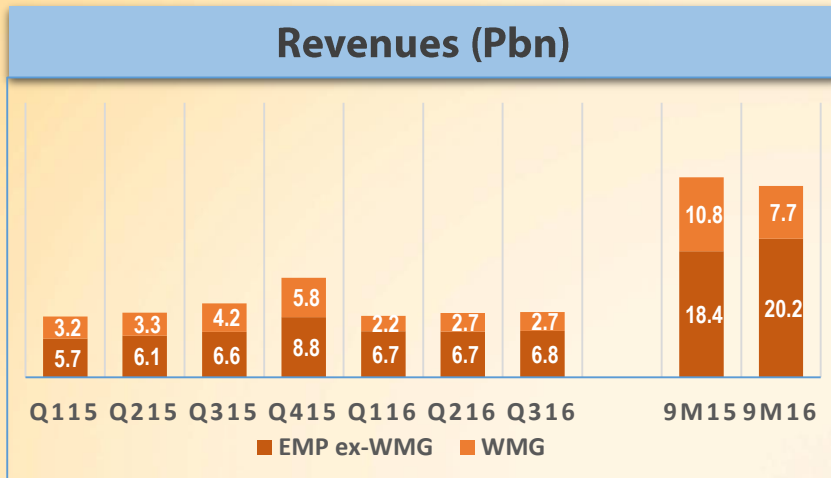
WMG: revenues vs GP margin



# EMP's 9M2016 performance at a glance

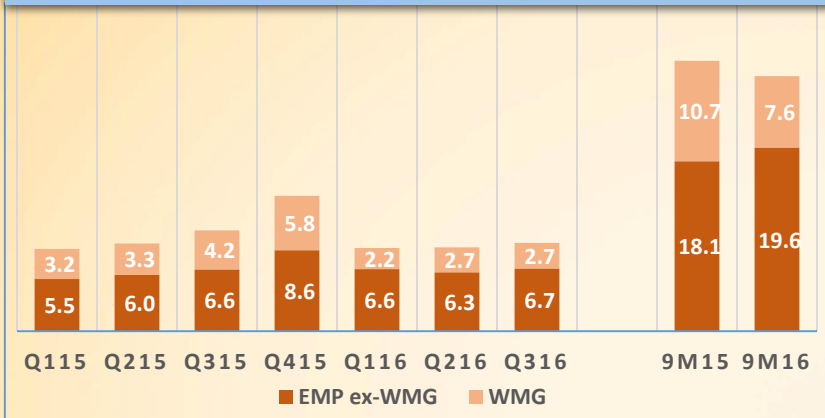
- Revenues down 4% to P27.9bn.
  - EMP ex-WMG sales grew 10% to P20.2bn (72% of total).
    - Incremental contribution from Fundador starting in March.
    - EMP-domestic continues to experience some headwinds amid a highly competitive domestic landscape.
  - Sales of WMG fell 28% to P7.7bn (28% of total).
    - Termination of Russian Standard Vodka distributorship weighed on sales.
- Improvement in overall margins.
  - GP margins up to 34%: EMP-domestic  to 37%; WMG  to 28%.
  - EBITDA margins  to ~26%.
- Net income up 5% to P4.9bn.
- Net debt/equity (with ELS) stood at 0.38x (from net cash position).

# 9M2016 financial highlights

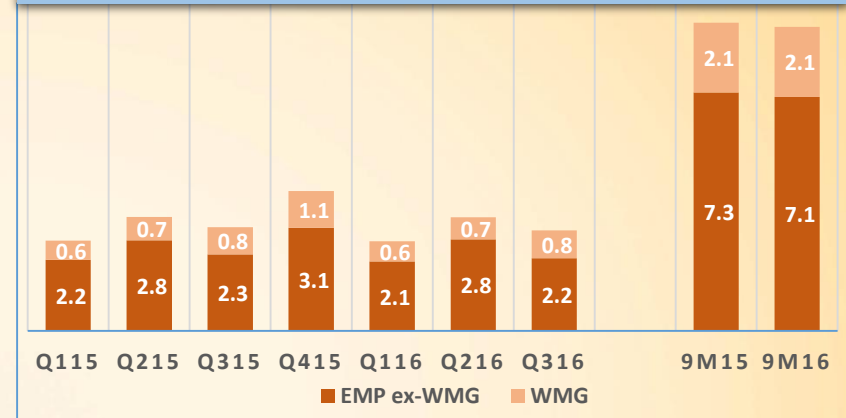


# 9M2016 financial highlights – cont'd

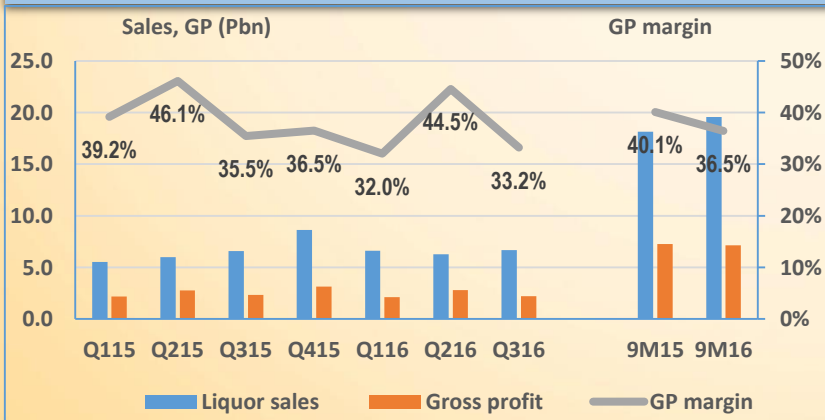
### Liquor sales: Brandy vs Whisky (Pbn)



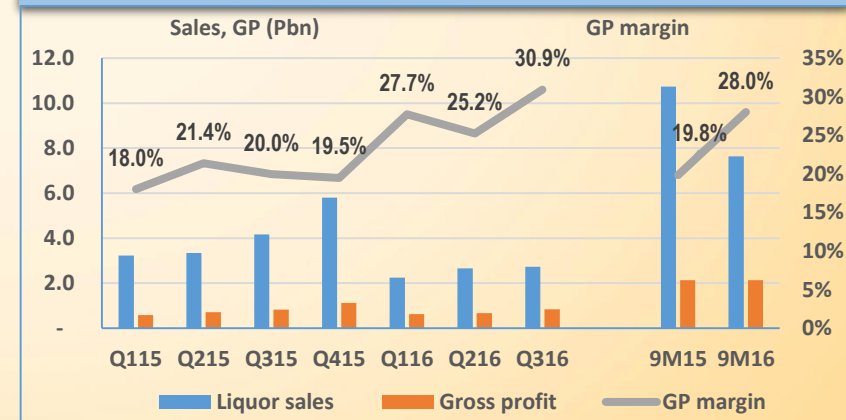
### Gross profit: Brandy vs Whisky (Pbn)



### Brandy: Liquor sales vs GP margin



### Whisky: Liquor sales vs GP margin



**Travellers International Hotel Group Inc.**  
**Performance review**

TRAVELLERS  
INTERNATIONAL



CHAMPIONING

THE FILIPINO

# Travellers By The Numbers

TRAVELLERS  
INTERNATIONAL



P28bn

in gross  
revenues  
(2015)

P6bn

in 2015  
EBITDA

P77bn

in total  
assets  
(Sep 2016)



4,000

Marriott  
Grand  
Ballroom  
capacity

85%

in overall  
hotel  
occupancy  
rate (9M16)

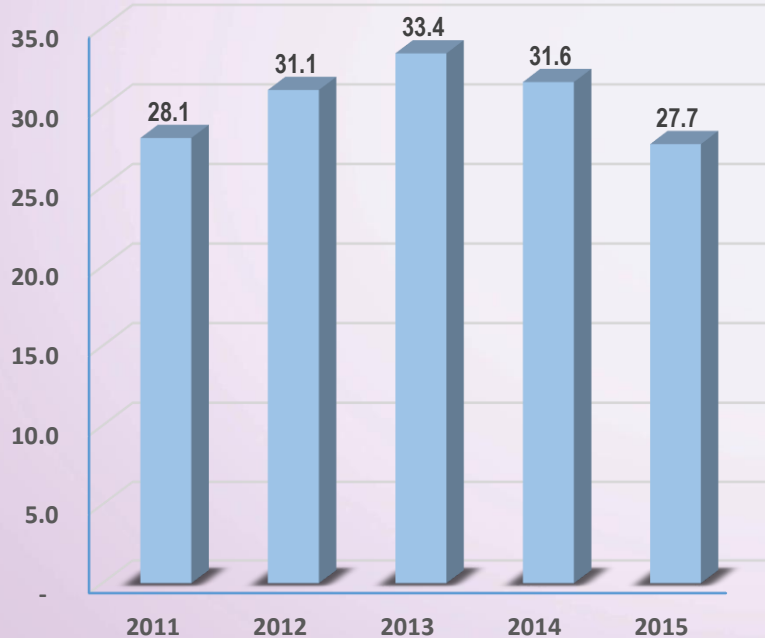
1,226

In hotel room  
keys  
(2015)

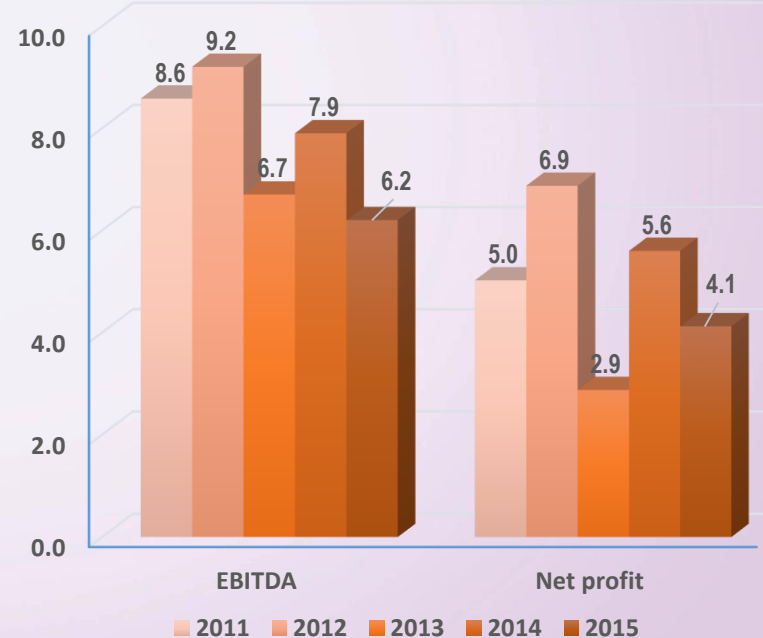
# Achieving profitability amid challenging environment

- Increased competition capped growth in gaming revenues, but non-gaming segment provided support.
- Maintaining profitability on back of cost-containment measures.

Gross revenues (Pbn)



EBITDA and Net profit (Pbn)



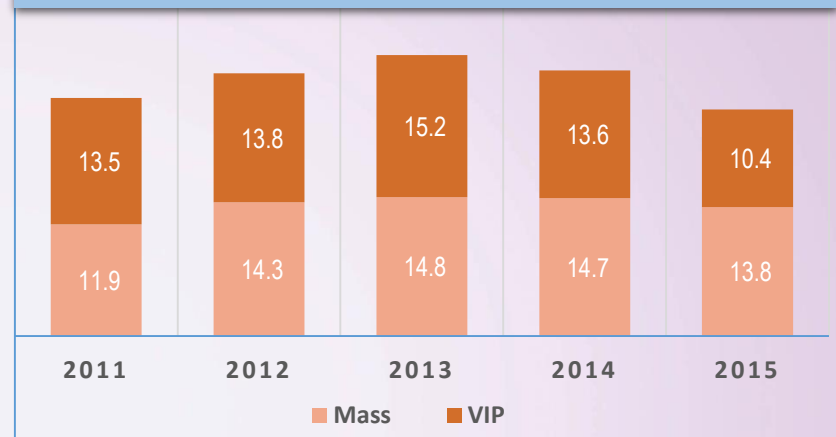


# Ensuring operating leverage

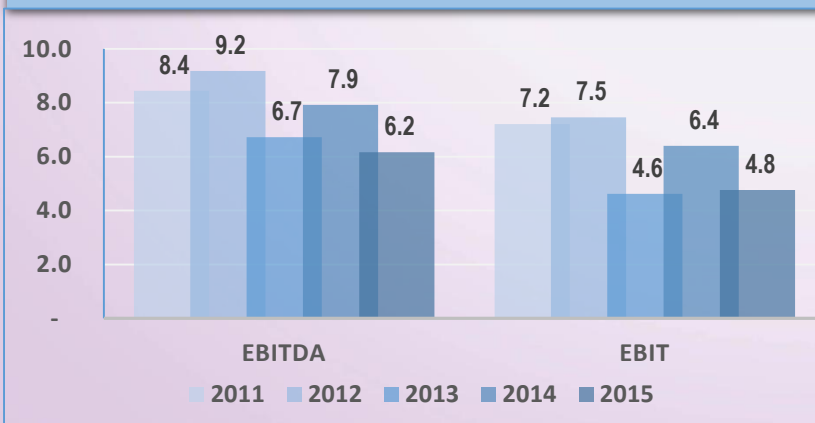
Net gaming vs non-gaming revenues (Pbn)



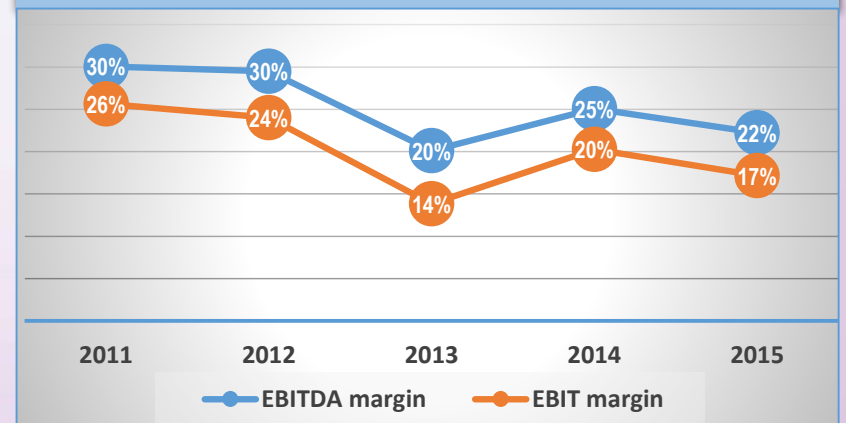
Gaming revenues: mass vs VIP (Pbn)



EBITDA vs EBIT (Pbn)



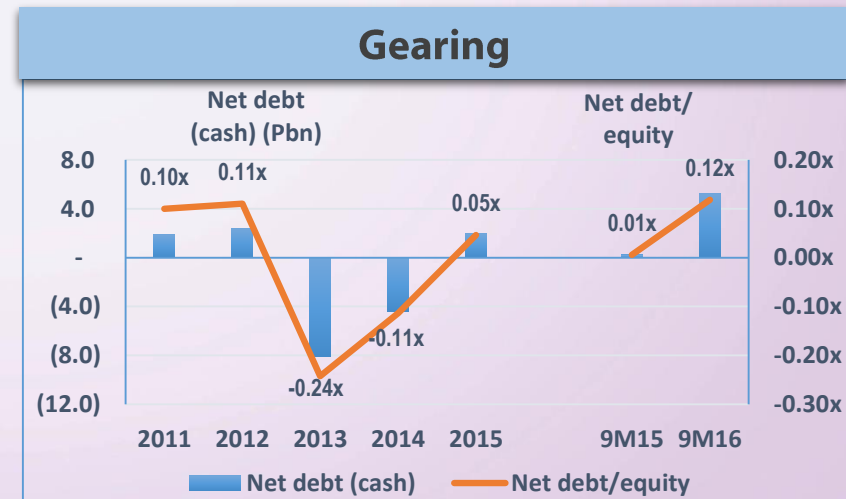
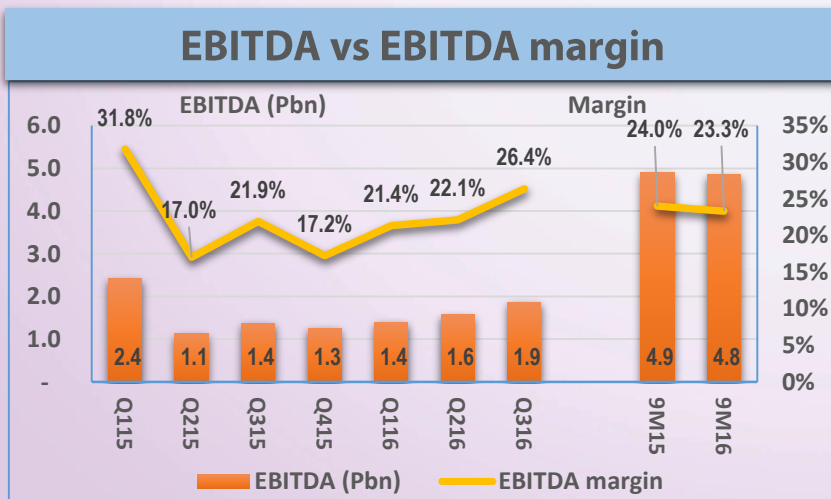
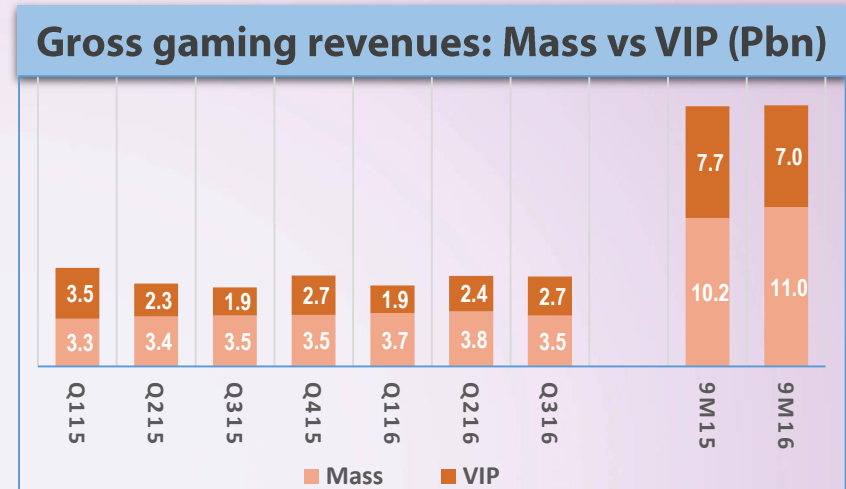
Margins



# RWM's 9M2016 performance at a glance

- Net revenues rose 5% to P18.9bn.
  - GGR continued to recover in Q316, bringing 9M16 level flat to P18.0bn.
    - Overall improvement in volumes (+8%), driven by grind.
    - Sharp growth in VIP revenues in Q316, due to improved VIP win rate.
    - Mass/VIP GGR mix now at 61%/39% (from 57%/43% a year ago).
  - Non-gaming revenues grew 11% to P2.8bn.
    - 85% occupancy rate for RWM hotels.
    - Incremental contribution from Marriott Grand Ballroom.
- Sequential improvement in margins since the start of the year even with higher marketing expenses.
  - EBITDA margins at 23% of gross revenues (from 22% in 1H16, 21% in 3Q16).
  - EBIT margins at 17% of gross revenues (from 16% in 1H16, 15% in 3Q16).
- Net income up 5% to P3.0bn.
- Net debt/equity at 0.12x (from 0.05x in end-2015).

# 9M2016 financial highlights

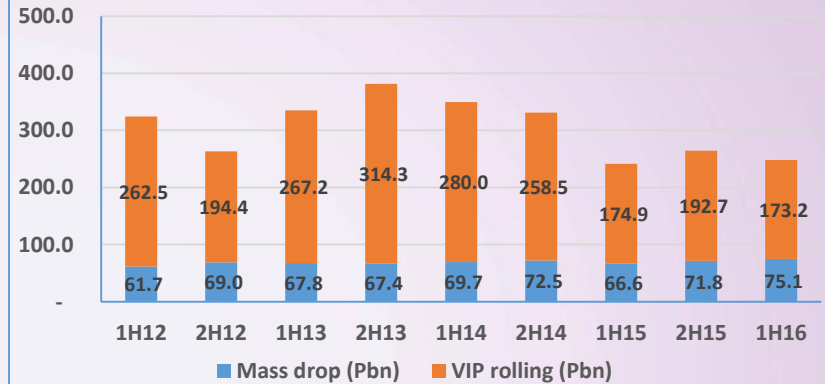


# 9M2016 financial highlights – cont'd

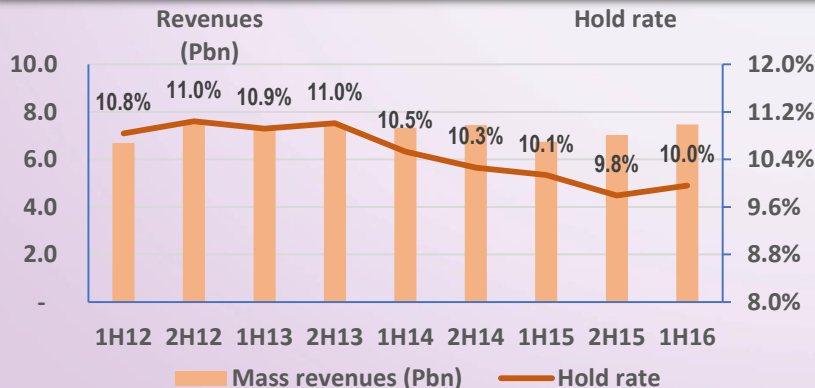
### Number of visitors



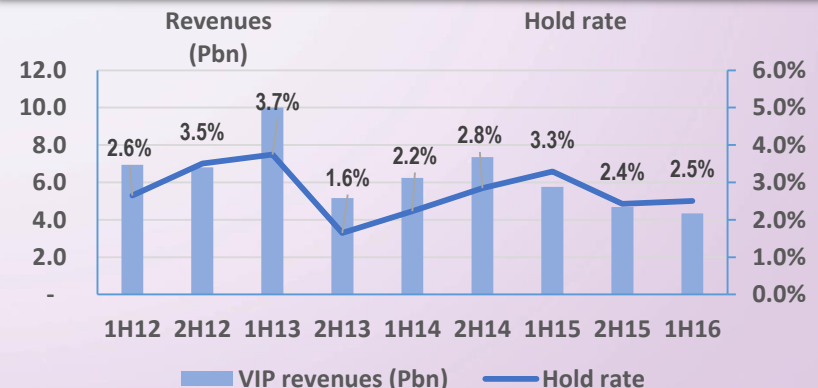
### Mass drop vs VIP rolling volume (Pbn)



### Mass revenues vs Mass hold rate



### VIP revenues vs VIP win rate



**Golden Arches Development Corporation**  
**Performance review**



GOLDEN ARCHES DEVELOPMENT CORPORATION



FIRST FOR THE

FILIPINO FAMILY

# GADC By The Numbers

500

Total number of stores in operation (end-Sep2016)

285

McDelivery Hubs

P20bn  
in sales  
revenues (2015)

188

Stores with Drive Thru

8%

Systemwide same-store sales growth (9M16)



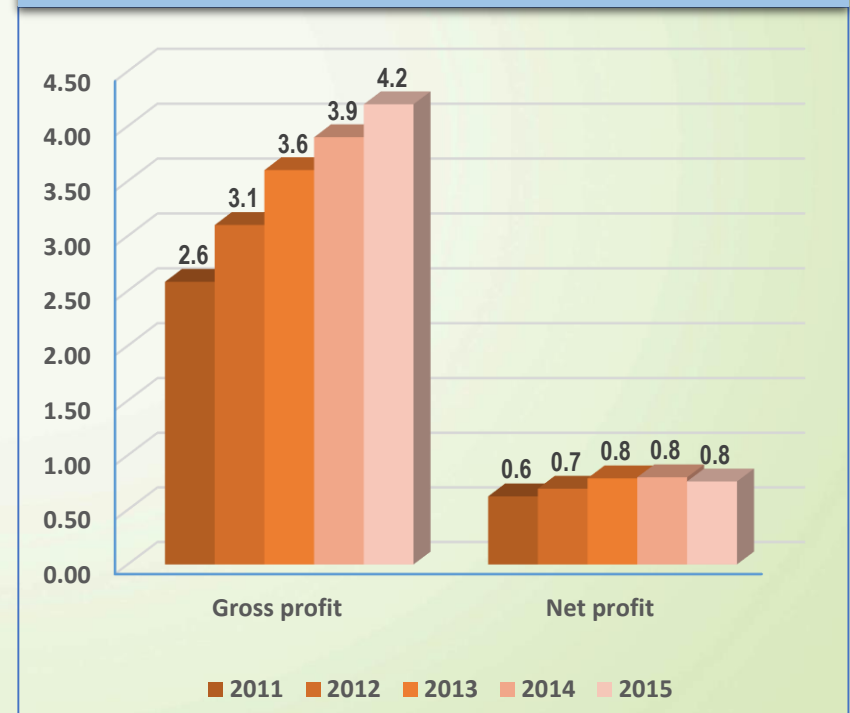
# Store expansion underpins growth

- Sustained topline growth driven mainly by continued store expansion program.
- Achieving operating leverage to support growth in earnings.

**Systemwide sales vs Revenues (Pbn)**

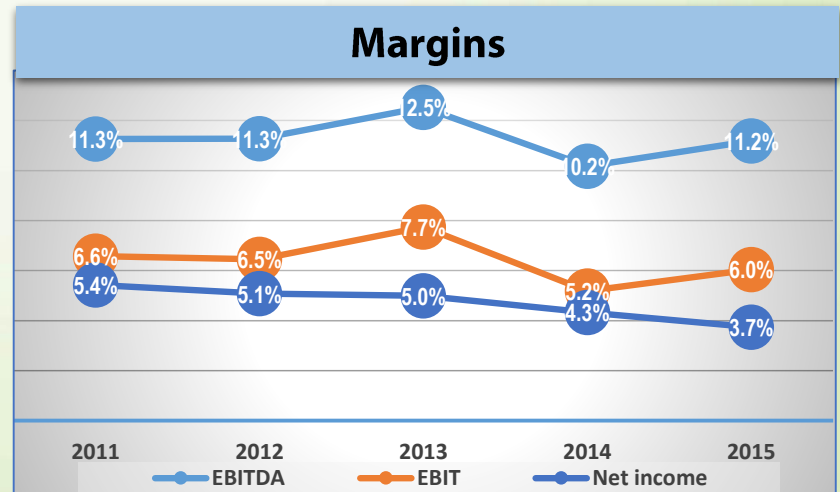
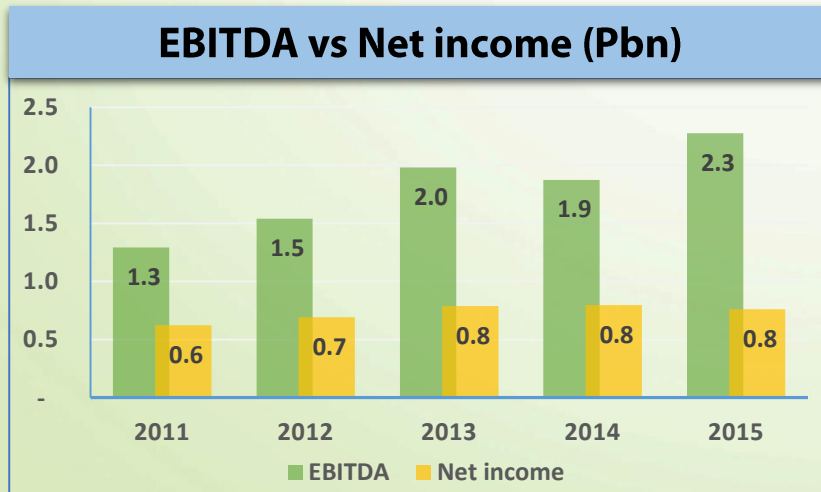
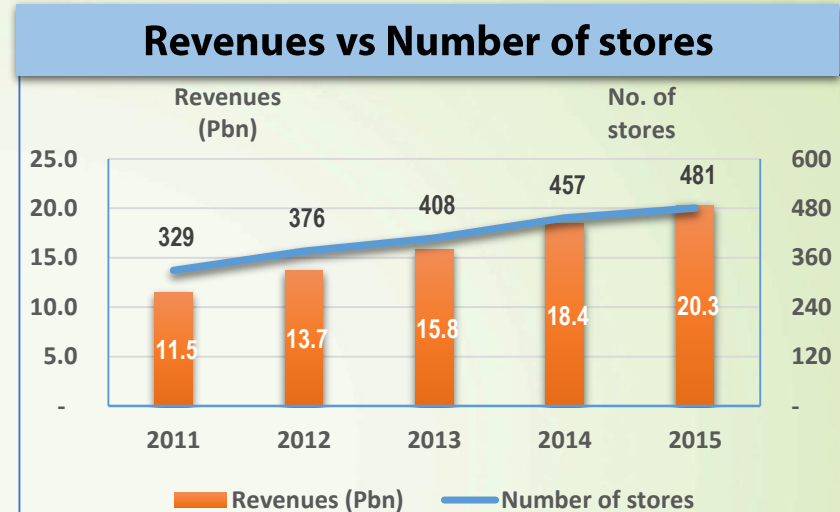
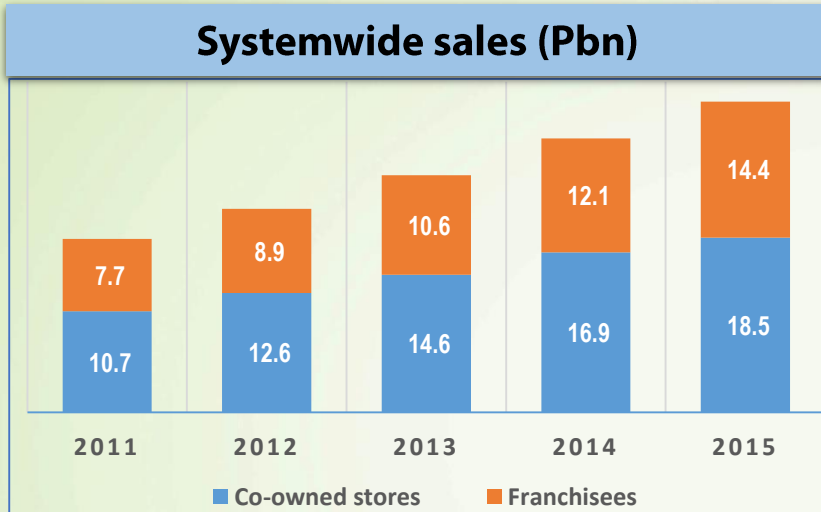


**Gross profit and Net profit (Pbn)**





# Sustaining healthy growth in systemwide sales

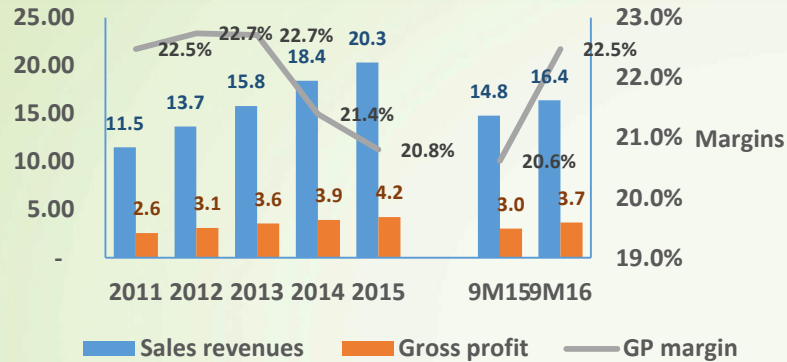


# GADC's 9M2016 performance at a glance

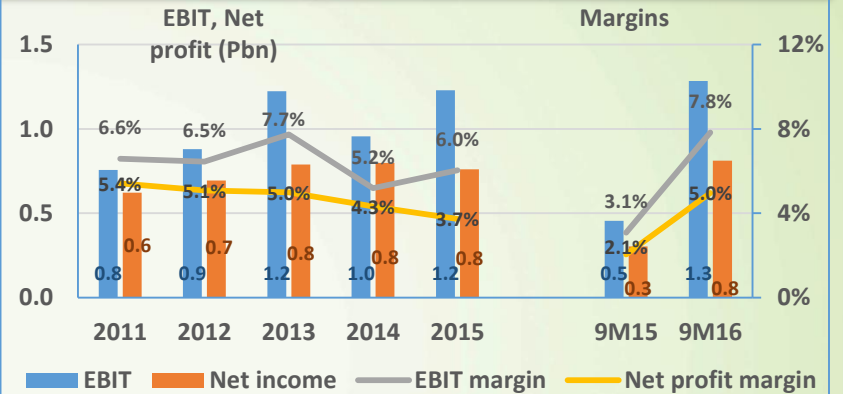
- Sales revenues remained robust, up 11% to P16.4bn.
  - 90% from sales by co-owned stores; 10% from rent, royalty & others.
  - Systemwide same-store sales growth at 8% YoY.
  - Number of stores hit the 500 milestone (vs 468 a year ago).
  - Despite aggressive capacity expansion, revenue per store has been stable.
- Overall margin improvement indicates operating leverage.
- Net income grew by 58% to P812m.
- Still enjoys net cash position even with ongoing store expansion program.

# 9M2016 financial highlights

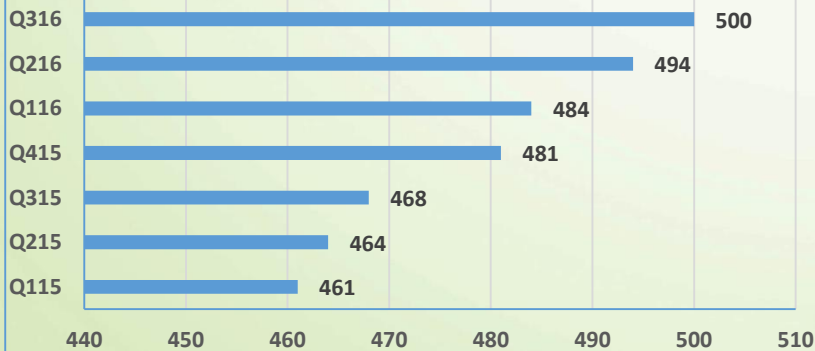
## Revenues, Gross profit vs GP margin



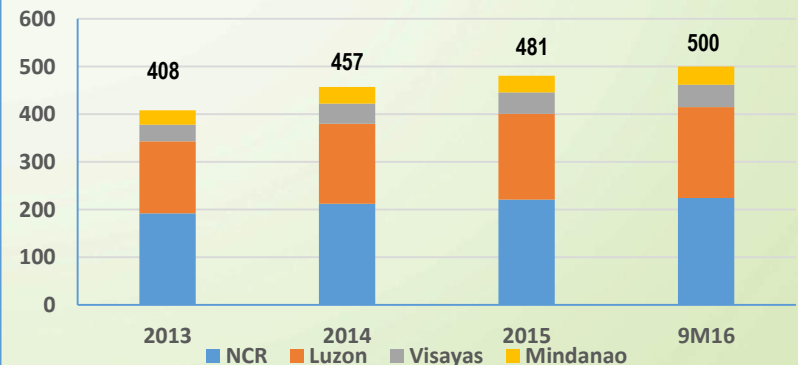
## EBIT, Net profit vs Margins



## Number of stores

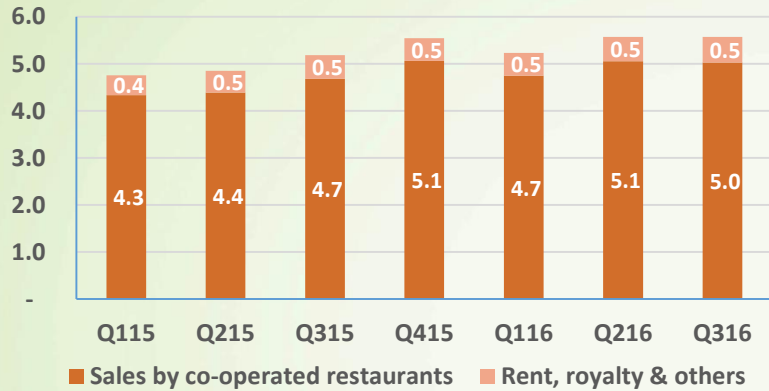


## Store geographic distribution

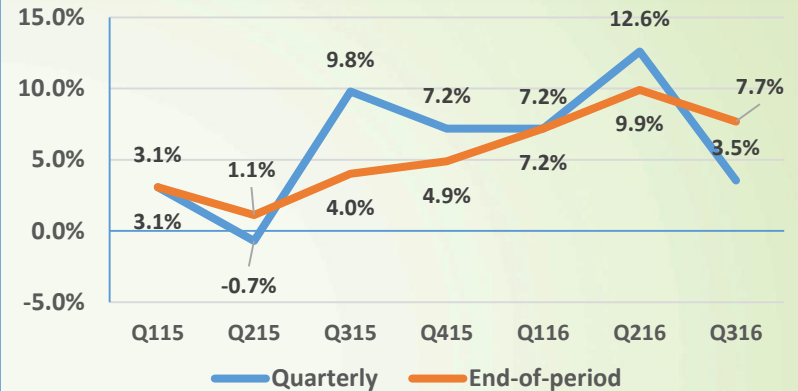


# 9M2016 financial highlights – cont'd

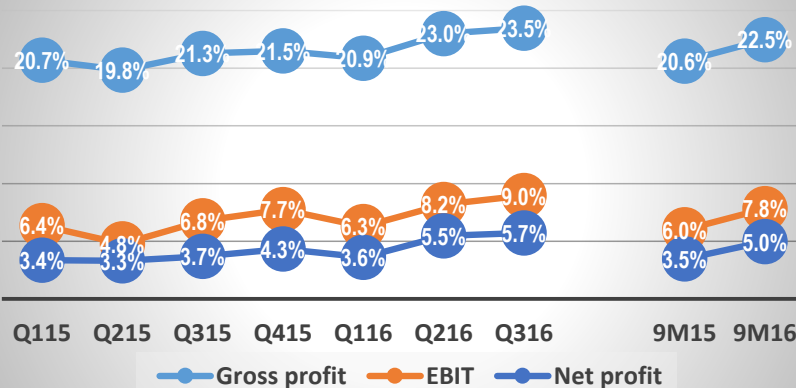
## Total revenues (Pbn)



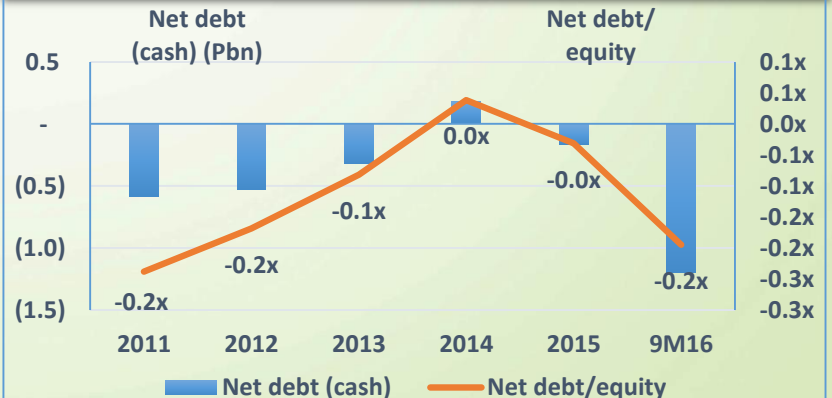
## Systemwide same-store sales growth



## Margins



## Gearing



*"We have already laid out the foundation and made significant investments across all our business segments, both here and abroad, in order to future-proof our growth."*

*-AGI Chairman Andrew L. Tan*



MEGAWORLD



EMPERADOR INC.



Resorts World  
MANILA



**Thank you.**