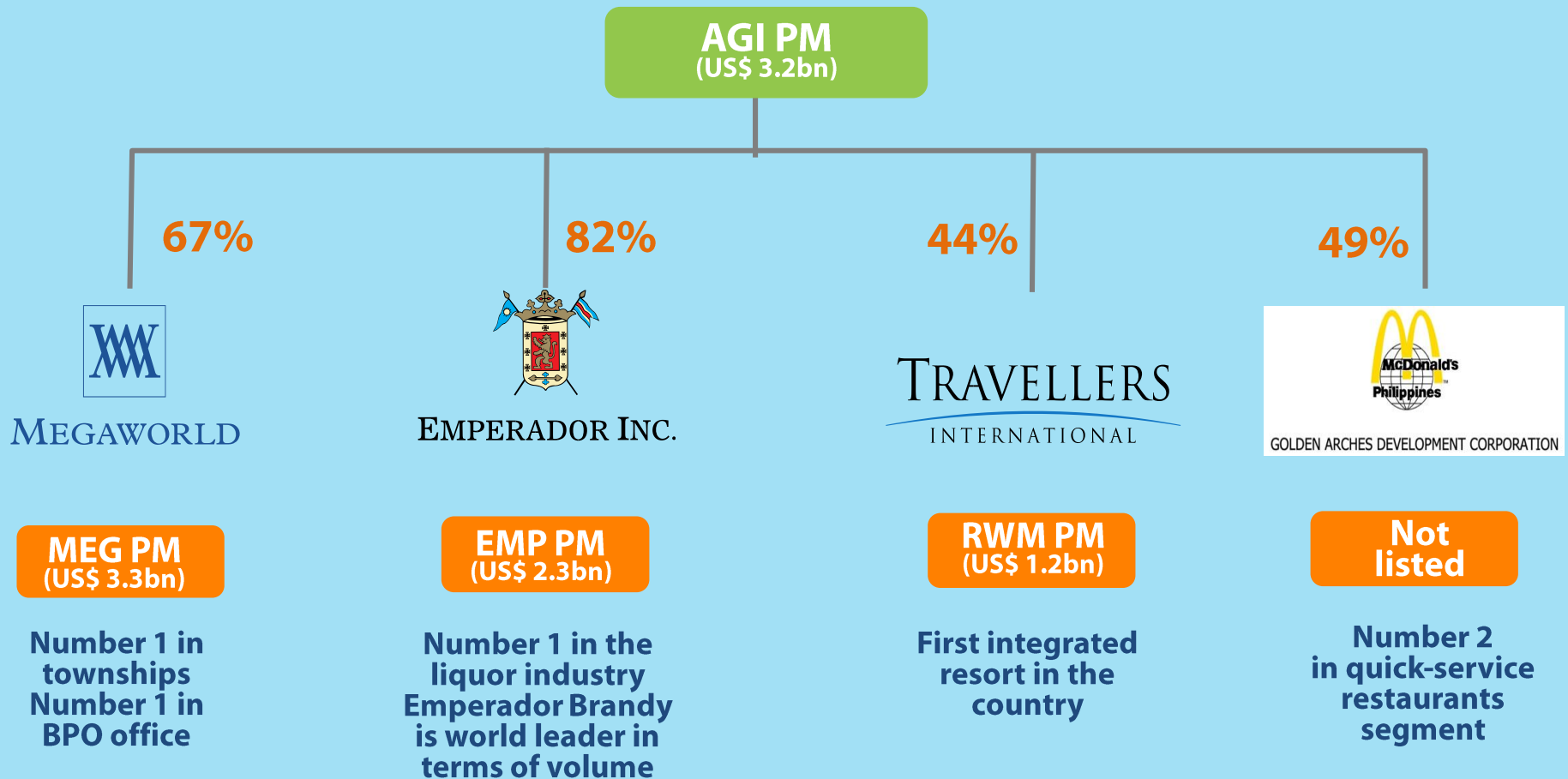




ALLIANCE GLOBAL  
dbAccess Philippine Conference  
4-5 October 2017



# AGI Group structure

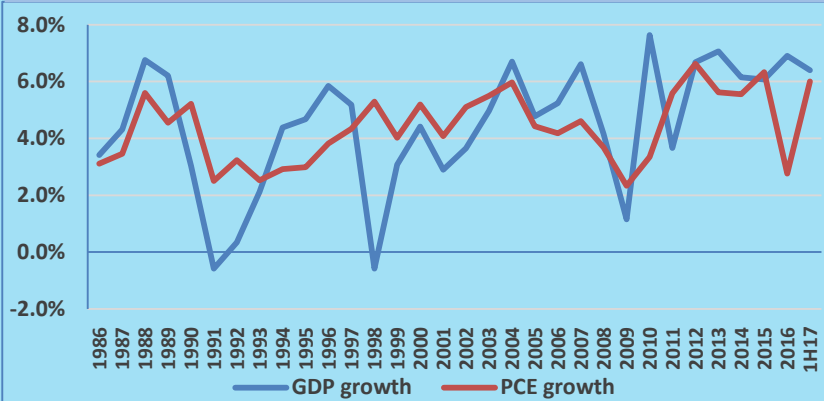
 ALLIANCE GLOBAL



# Macro Drivers

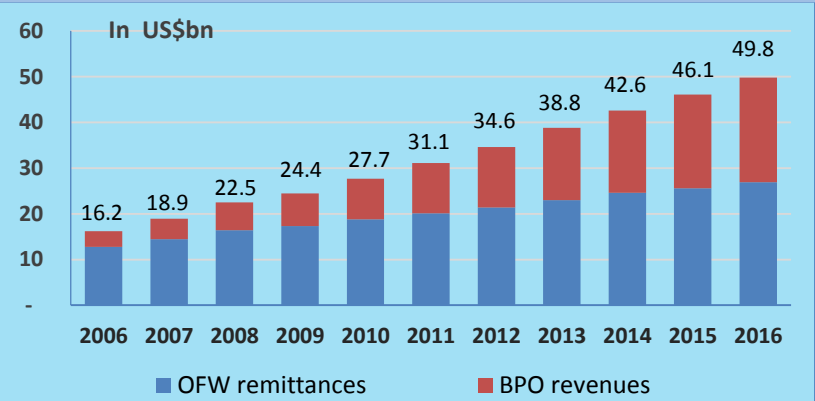
# Key economic drivers

## Economy on a growth path since 2000



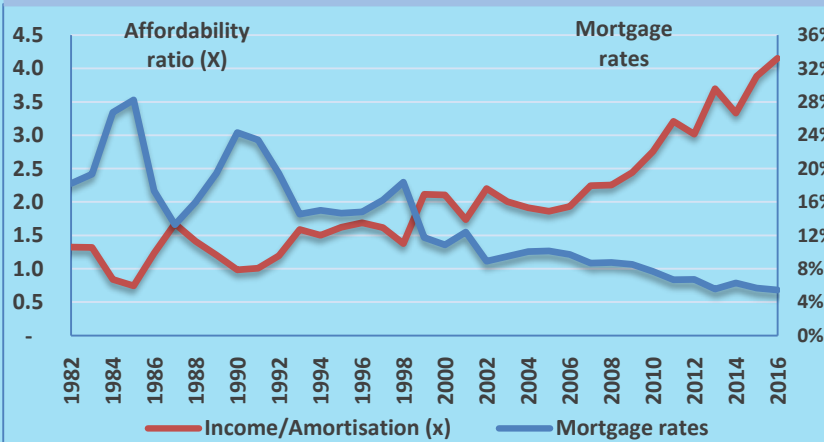
Source: Philippine Statistics Authority (PSA).

## Rising BPO revenues & OFW remittances



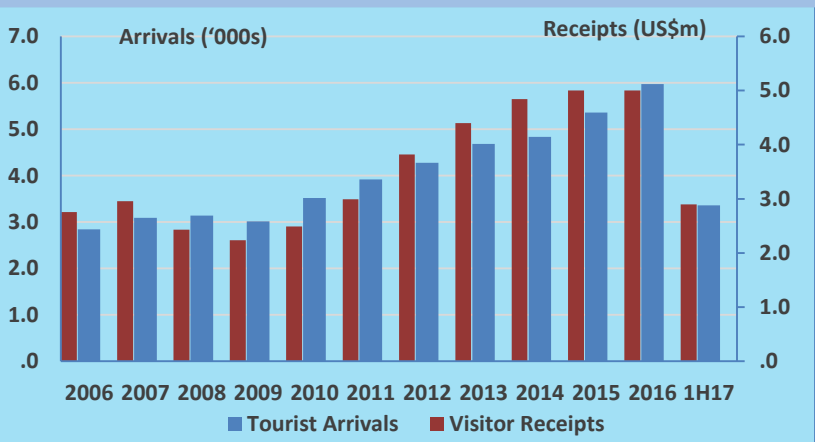
Source: Bangko Sentral ng Pilipinas (BSP).

## Improving affordability



Source: BSP, National Statistics Coordinating Board.

## Sustained growth in tourism sector



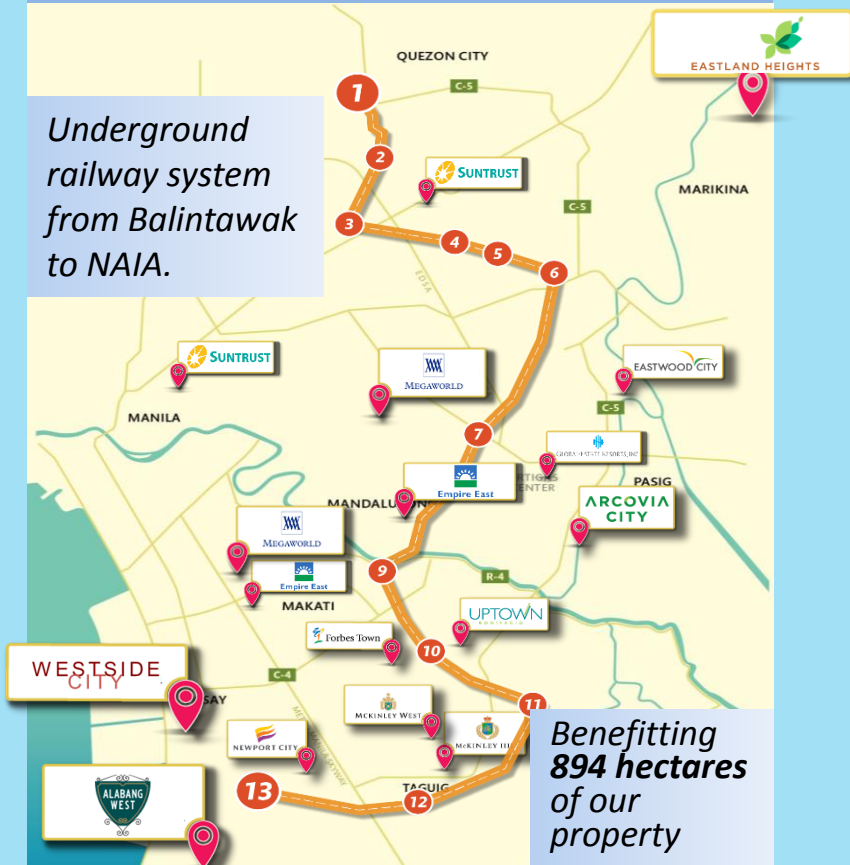
Source: Philippine Statistics Authority

# Infrastructure build-up

- Infra projects to increase property values, benefitting MEG townships

## P355.6B Mega Manila Subway

Underground railway system from Balintawak to NAIA.



Benefitting 894 hectares of our property

Target completion: 2024

Source: NEDA, DPWH

## P1.6B BGC-Ortigas Link Bridge

961.4 meters bridge from Lawton Avenue to Pasig.



Benefitting 136 hectares of our property

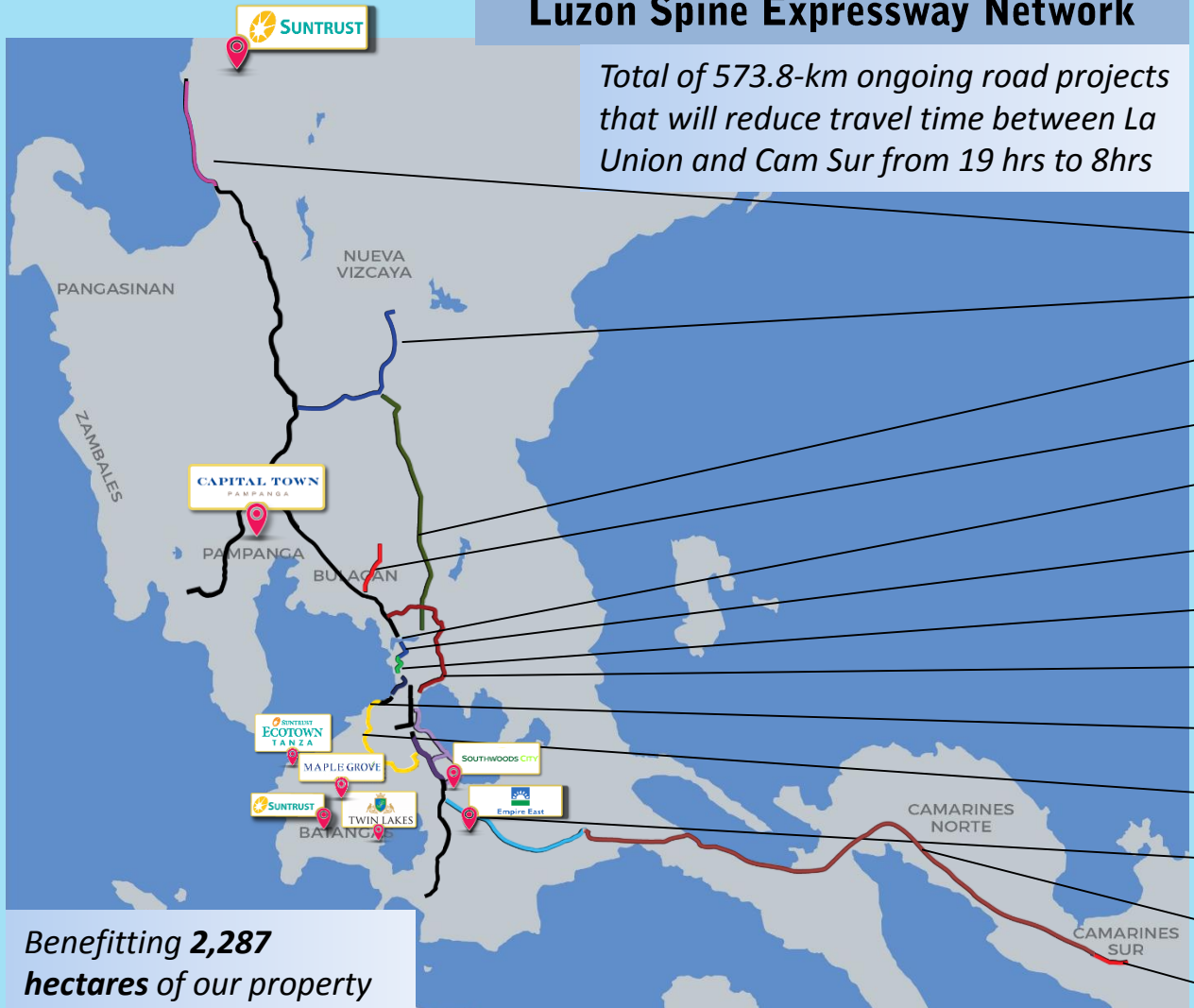
Target completion: 2020

Source: NEDA, DPWH

# Infrastructure build-up

## Luzon Spine Expressway Network

Total of 573.8-km ongoing road projects that will reduce travel time between La Union and Cam Sur from 19 hrs to 8hrs



### Completed Projects

- TPLEX
- SCTEX
- NLEX
- NAIAX
- Skyway (Stage 1 & 2)
- CAVITEX
- SLEX
- Star Tollway

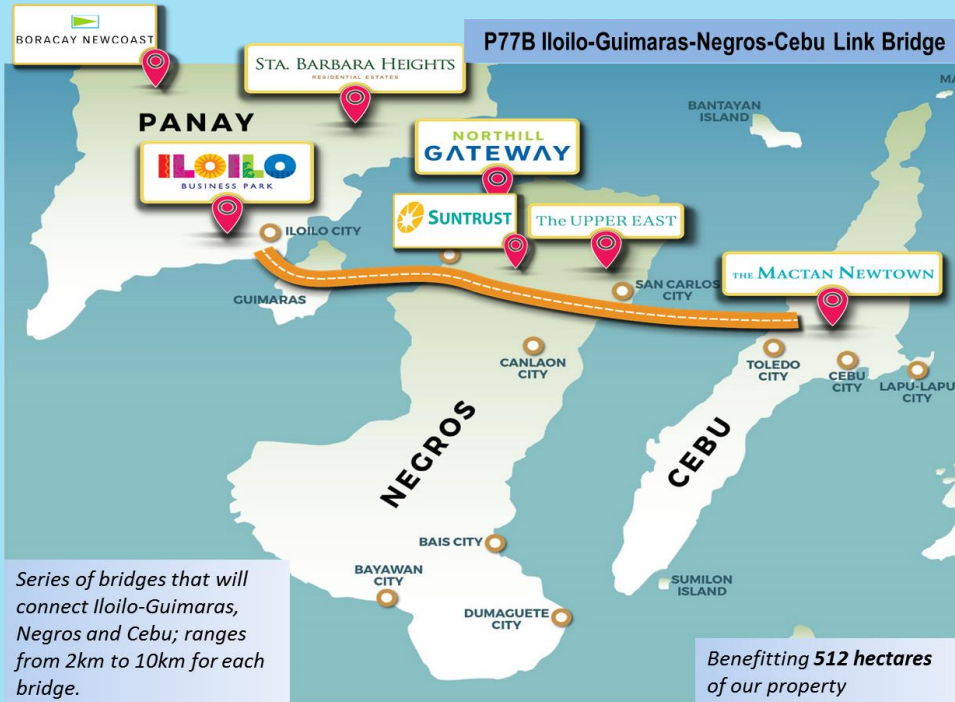
### Ongoing Projects

- TPLEX Extension
- CLLEX
- NLEE
- Plaridel By-pass
- Harbor Link
- Skyway (Stage 3)
- NLEX-SLEX Connector
- SMME, C6
- MCX
- CALA-X
- SLEX-TR4
- QUEBEX
- Cam Sur Express

Benefitting **2,287 hectares** of our property

Source: NEDA, DPWH

# Infrastructure build-up



Source: NEDA, DPWH

## P35.2B Mindanao Railway System Phase 1

Railway to reduce travel time between Tagum and Davao City from 4 hours to 1.5 hours.



Source: NEDA, DOTr



# Alliance Global Group Inc.

## 1H2017 performance highlights



# AGI By the Numbers



P492bn  
in total resources  
(2016)



P140bn  
in total  
revenues (2016)



2%  
Parent net  
debt/equity  
(end-Jun17)



3,643  
Hotel room keys  
(2016)



# 2Q2017 performance at a glance

P&L highlights (Pbn)	2Q17	2Q16	% chg	Comments
<b>Group revenues</b>	<b>33.14</b>	<b>33.99</b>	<b>-3%</b>	
Megaworld	12.14	11.52	5%	Sustained strong growth in rentals; higher completion of residential projects.
Emperador	9.04	9.41	-4%	Improvement in whisky sales cushions impact of softer brandy sales; lower interest & other income
Travellers	4.97	6.98	-29%	Closure of casino operations for 27 days.
GADC	6.32	5.64	12%	5.2% systemwide SSSG; store expansion.
Others	0.67	0.44	51%	
<b>Group costs/expenses</b>	<b>(26.67)</b>	<b>(26.30)</b>	<b>1%</b>	
Megaworld	(7.25)	(7.21)	1%	Overall costs steady
Emperador	(7.56)	(7.05)	7%	Increased COGS and marketing/promo spend related to aggressive push for new products.
Travellers	(5.08)	(6.12)	-17%	Decline in casino-related expenses due to closure.
GADC	(5.83)	(5.23)	12%	Higher raw material costs but slower growth in G&A.
Others	(0.95)	(0.69)	38%	
<b>Net income to owners</b>	<b>3.15</b>	<b>3.95</b>	<b>-20%</b>	
Megaworld	2.42	2.20	10%	
Emperador	0.98	1.64	-40%	
Travellers	(0.12)	0.28	-144%	
GADC	0.16	0.15	6%	
Others	(0.28)	(0.32)	-12%	
<b>Net profit margin</b>	<b>9.5%</b>	<b>11.6%</b>	<b>-210bps</b>	

# 1H2017 performance at a glance

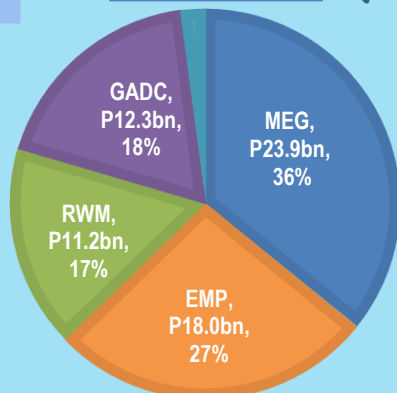
P&L highlights (Pbn)	1H2017	1H2016	% chg	Comments
<b>Group revenues</b>	<b>66.84</b>	<b>67.07</b>	<b>-0%</b>	
Megaworld	23.94	22.97	4%	Robust performance of rental segment; higher completion of residential projects
Emperador	18.01	18.34	-2%	Stronger whisky sales capped impact of softer brandy sales; lower interest & other income.
Travellers	11.24	13.84	-19%	Closure of casino operations for 27 days mitigated by improving hotel operations
GADC	12.29	10.88	13%	5.2% systemwide SSSG; opening of new stores
Others	1.36	1.04	30%	
<b>Group costs/expenses</b>	<b>(53.63)</b>	<b>(52.88)</b>	<b>1%</b>	
Megaworld	(15.22)	(15.18)	0%	Cost of sales steady; modest growth in opex.
Emperador	(14.75)	(14.32)	3%	Higher COGS & marketing spend for new products; increases in salaries and depreciation expenses.
Travellers	(10.64)	(11.81)	-10%	Drop in casino-related expenses; higher interest.
GADC	(11.39)	(10.19)	12%	Higher raw material costs but slower growth in G&A
Others	(1.63)	(1.38)	18%	
<b>Net income to owners</b>	<b>6.72</b>	<b>7.28</b>	<b>-8%</b>	
Megaworld	4.31	3.90	10%	
Emperador	2.21	2.79	-21%	
Travellers	0.20	0.80	-75%	
GADC	0.29	0.24	19%	
Others	(0.29)	(0.45)	-36%	
<b>Net profit margin</b>	<b>10.1%</b>	<b>10.9%</b>	<b>-80bps</b>	

# Financial highlights

## Consolidated Revenues

1H2017

P66.8bn ↔

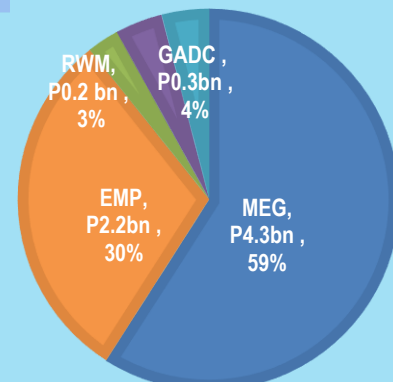


■ MEG ■ EMP ■ RWM ■ GADC ■ Others

## Net Income

1H2017

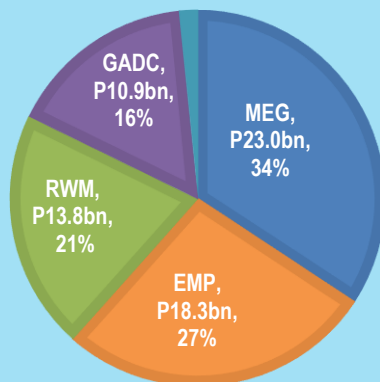
P6.7bn ↓ -8%



■ MEG ■ EMP ■ RWM ■ GADC ■ Others

1H2016

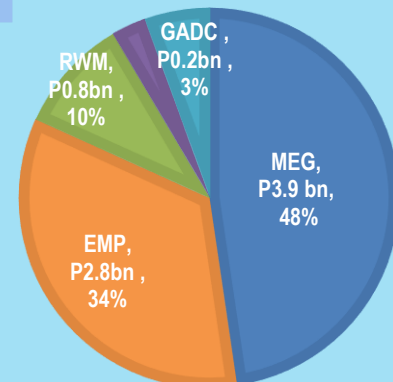
P67.1bn



■ MEG ■ EMP ■ RWM ■ GADC ■ Others

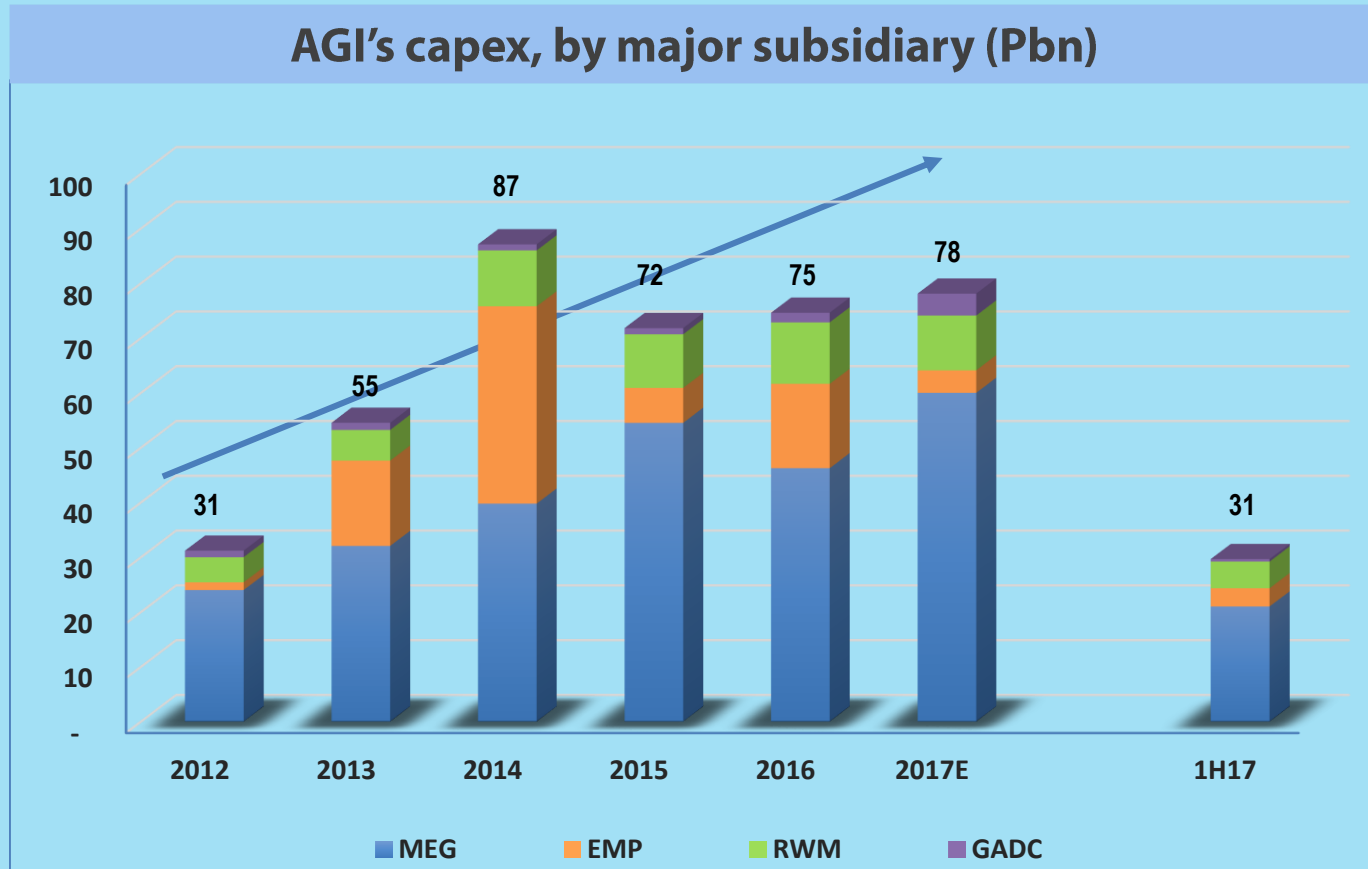
1H2016

P7.3bn



■ MEG ■ EMP ■ RWM ■ GADC ■ Others

# Heavy investment commitments

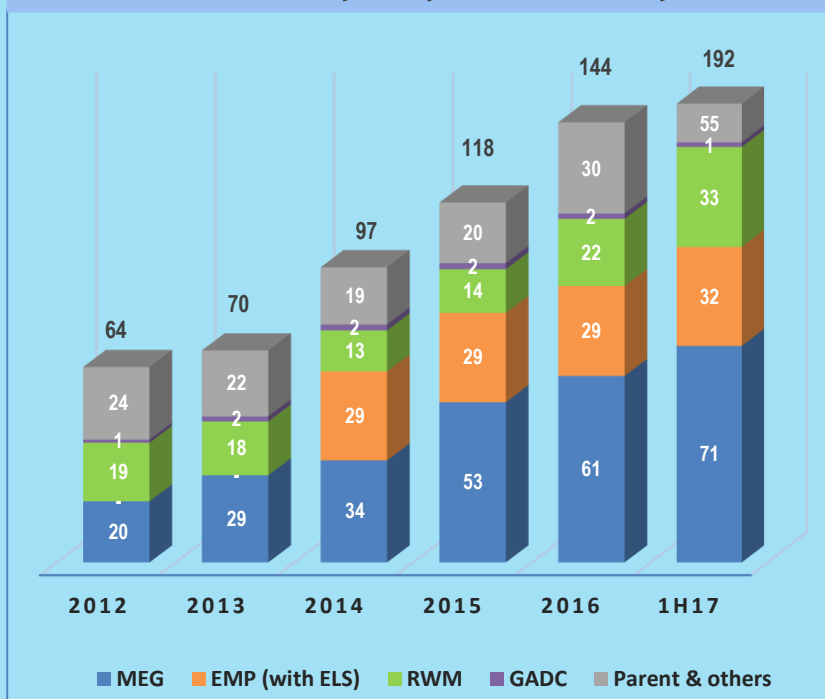


E - Estimated.

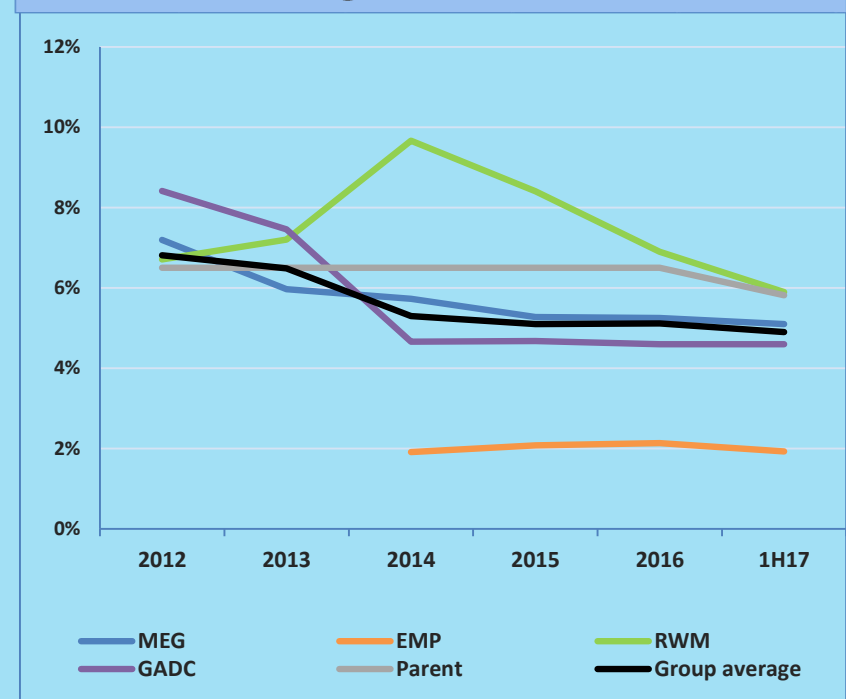
# Increased group borrowings

- Increased borrowings to fund capex.
- Average cost of debt stable.

## Gross debts, by key subsidiary (Pbn)

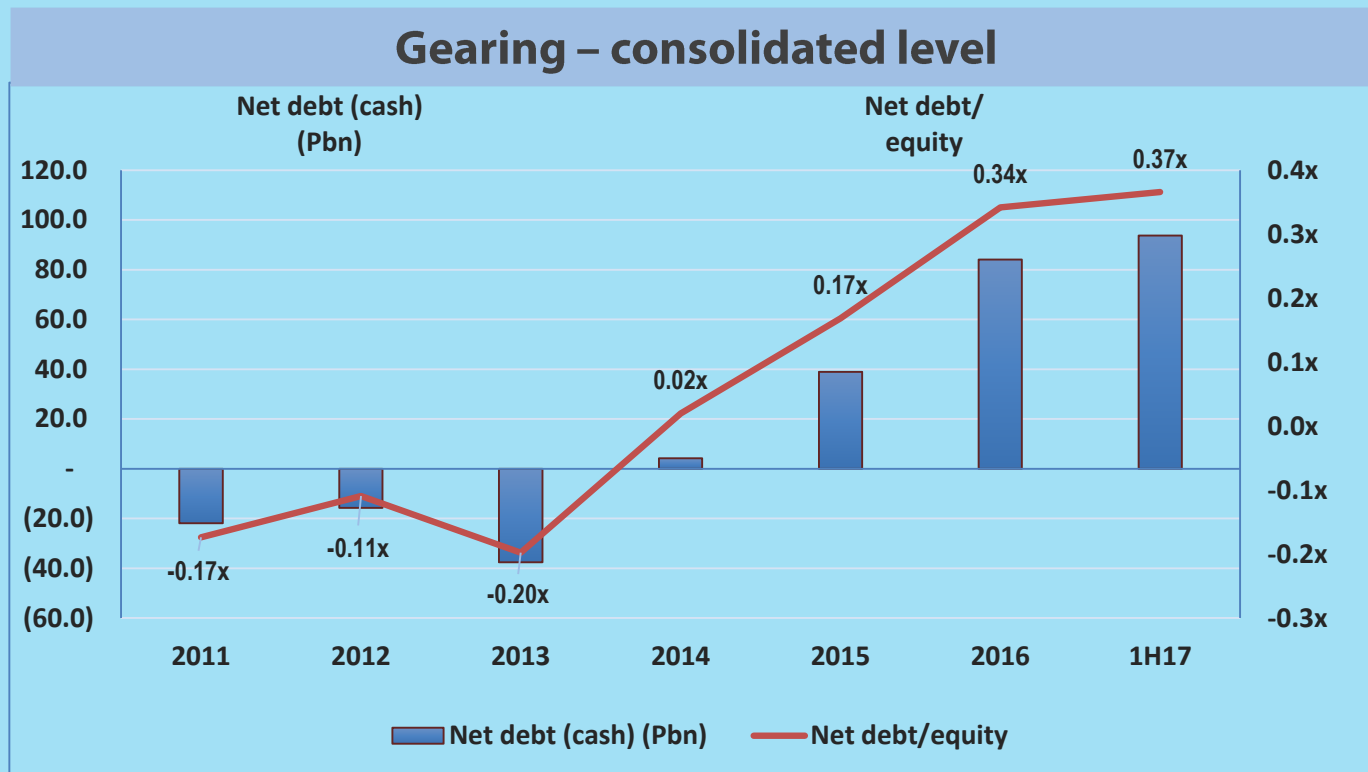


## Average cost of debt



# Gearing still comfortable

- In end-June 2017, group net debt/equity stood at 0.37x.
- Parent net debt/equity remained low at 0.02x.



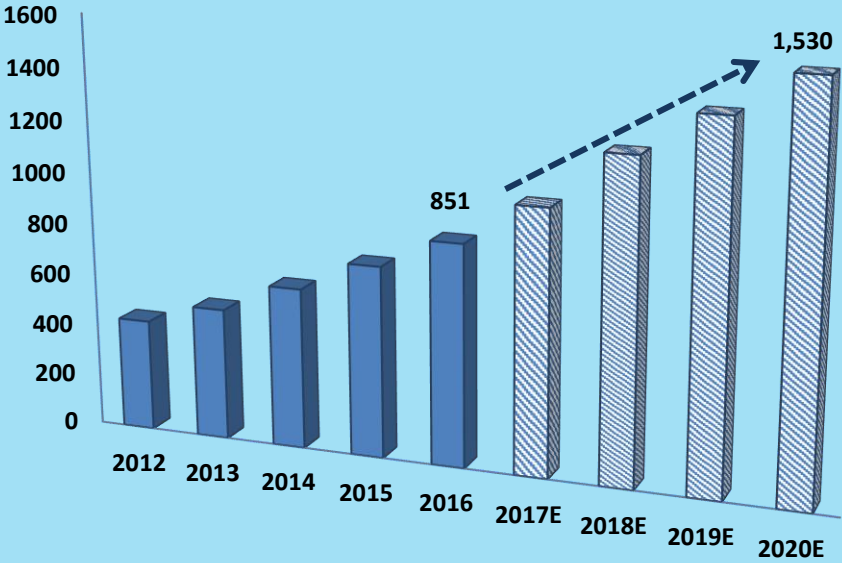


# Growth Initiatives

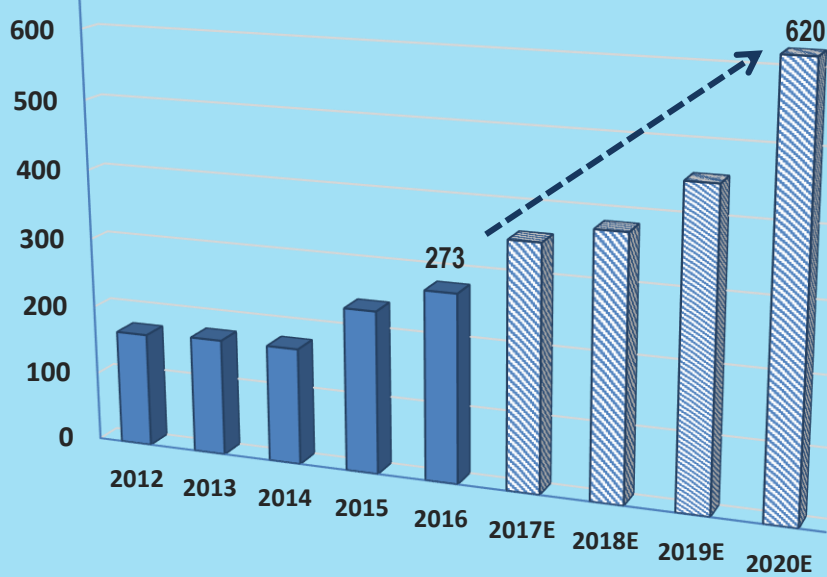


# Growing the rental segment

**Office GLA expansion ('0000 sqm)**



**Commercial GLA expansion ('000 sqm)**

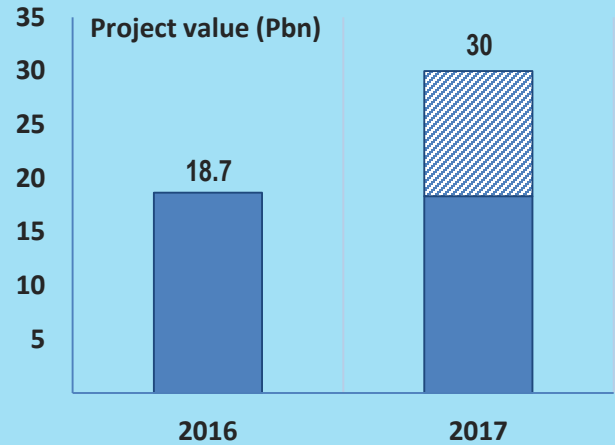


# Diversifying geographically

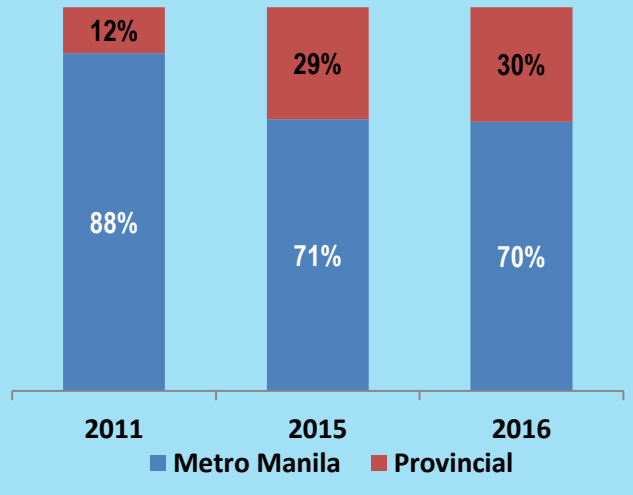
*The Ellis*



## Residential project launches...



## Real estate sales, by location

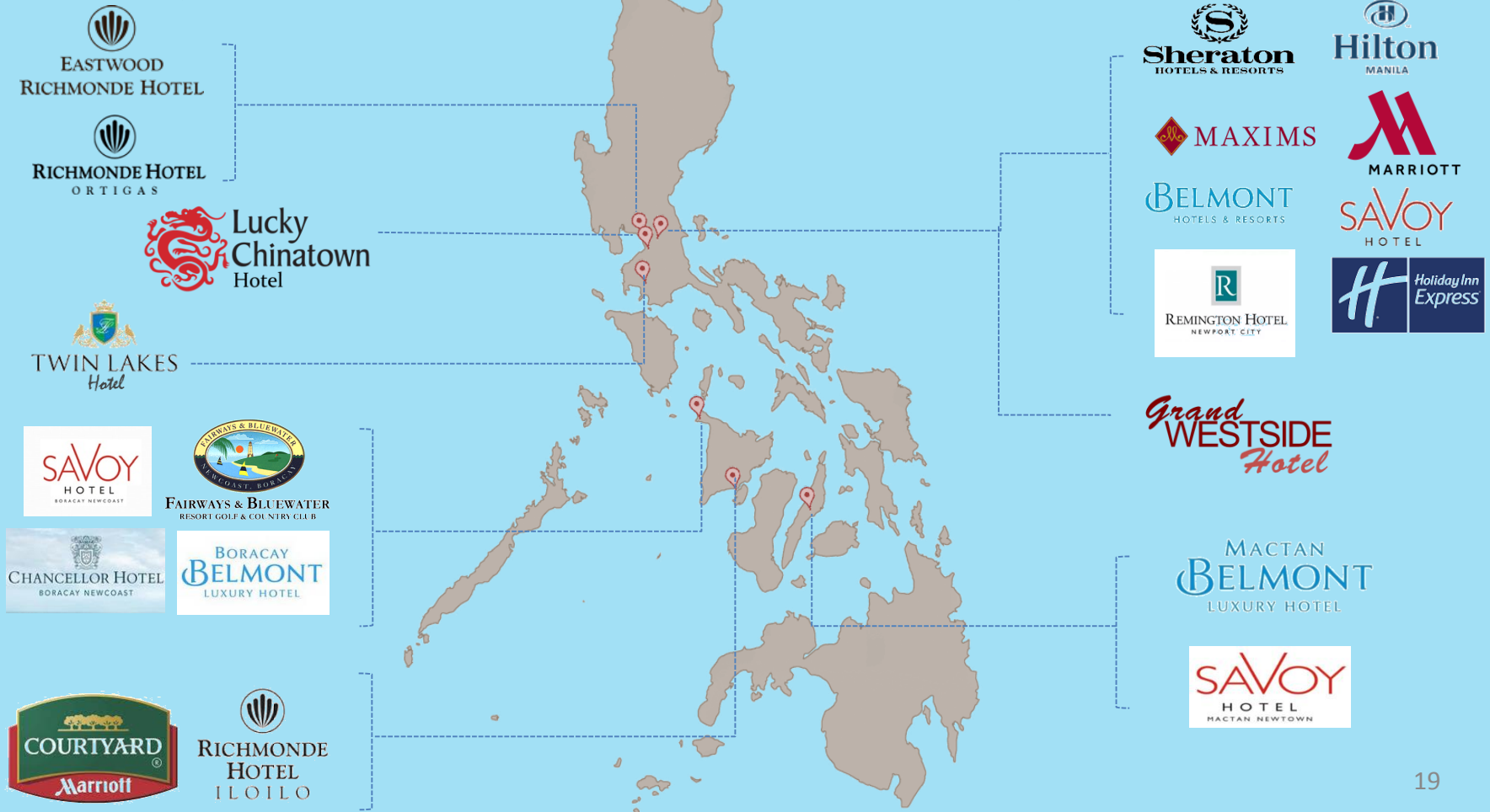


## ...throughout the country



# Expanding the hotel portfolio

- **AGI is the country's largest hotel developer**
  - Existing capacity : 2,639 rooms
  - On-going construction: 5,694 rooms
  - Target : 12,000 total hotel room count in the next five years



# Launching Phase 3 expansion in 2018



*Sheraton Hotels & Resort*

**391**  
rooms



*Hilton Manila*

**357**  
rooms



*Maxims Hotel*

**191**  
rooms

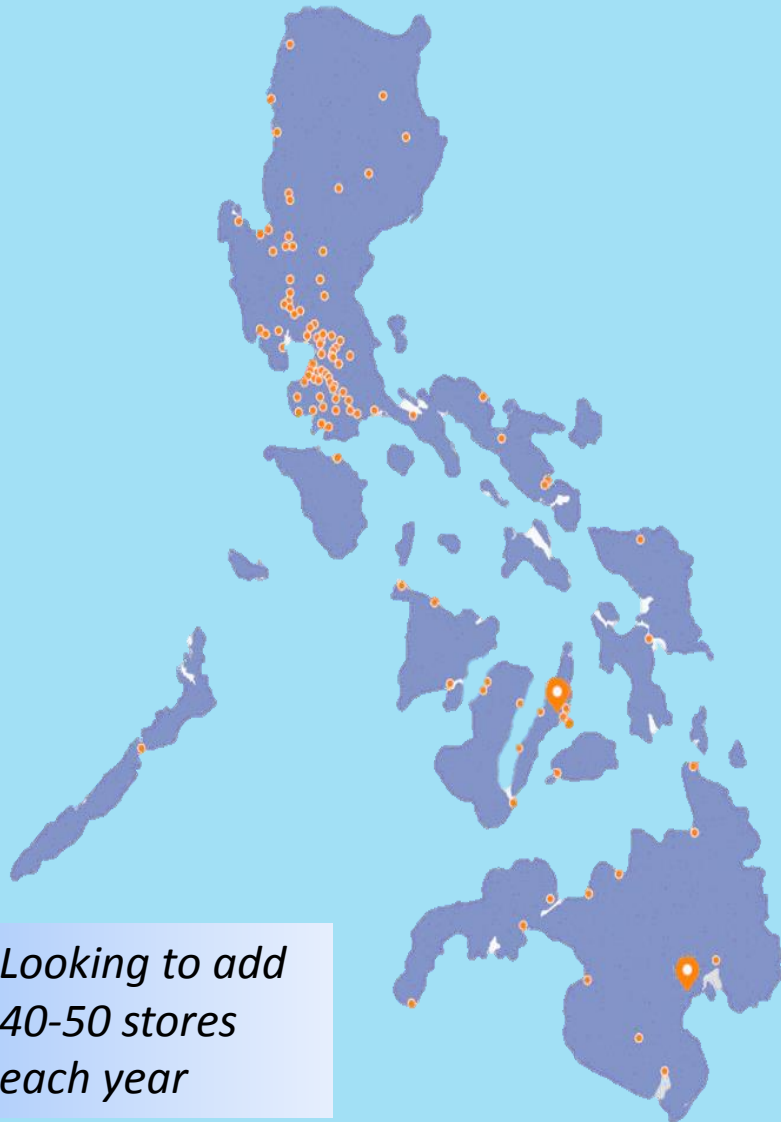


**14,000 sqm**  
new gaming GFA

**3,200 sqm**  
new retail GFA

# Improving market penetration

## McDo penetration throughout the country



# Continuing premiumization

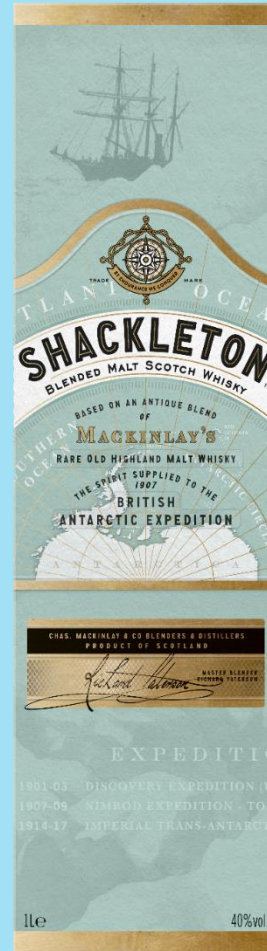
## 2017 Emperor product launches



PHP 120-140



PHP 1,500 – 1,800



€ 10.95



MEGAWORLD



# Megaworld Corporation

## 1H2017 performance highlights

# Megaworld by the Numbers







MEGAWORLD





# Megaworld's 1H2017 performance at a glance

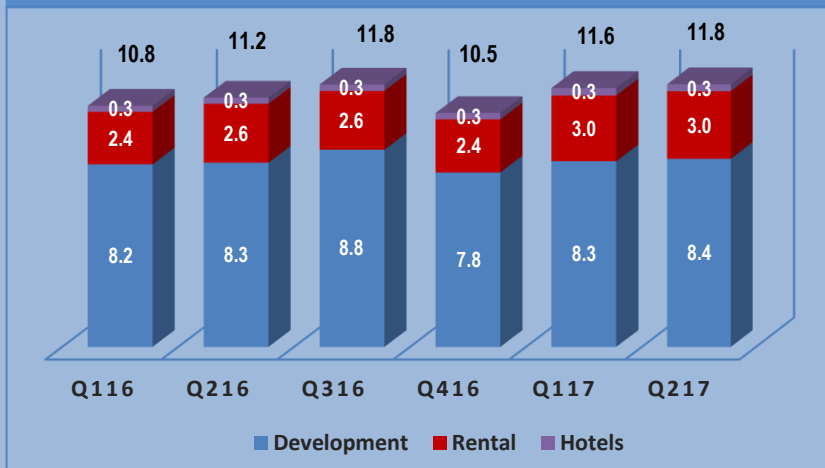
- Total revenues +5% YoY to P24.3bn.
  - Real estate revenues +2% to P16.8bn; total realized gross profit +12% amid increasing project completion.
    - Real estate sales stood at P13.6bn: 67% MEG+SPI, 16% GERI, 17% ELI.
    - Metro Manila/provincial projects split: 73% / 27%
  - Rentals (office and commercial) +20% to P5.8bn.
    - Increasing share of rentals to 24% of total revenues (from 21% a year before).
  - Hotel income +10% to P648m.
- Margin direction  helped by improving business mix.
  - Residential gross profit margin  46%.
  - Rental EBIT margin  75% from 74.5%.
  - Overall EBIT margin  39% from 37%.
- Attributable net income +11% to P6.4bn.
- Net debt/equity at 0.37x (vs 0.31x in end-2016).

# Megaworld's interim financial highlights

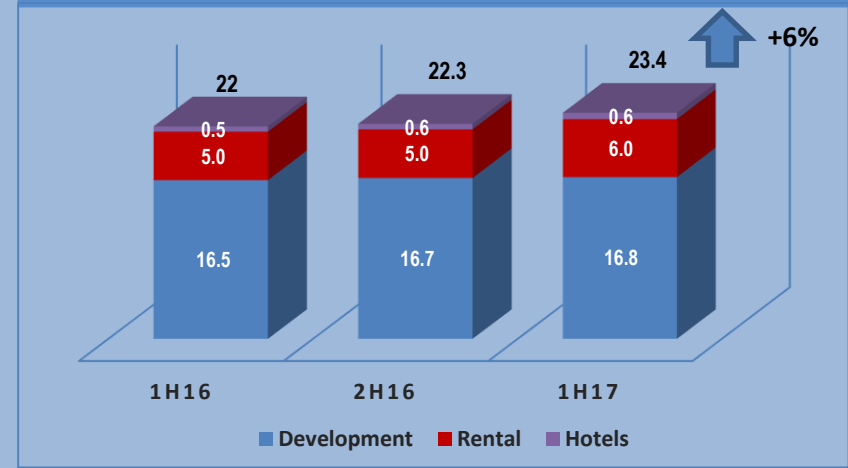


MEGAWORLD

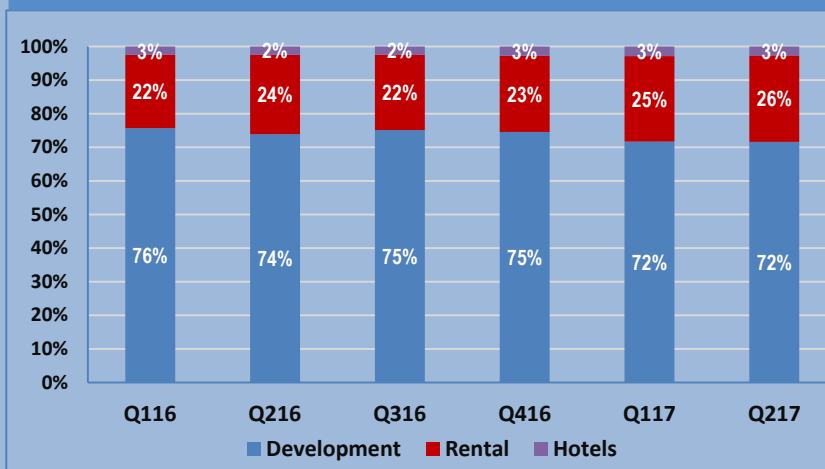
## Revenues\*, quarterly (Pbn)



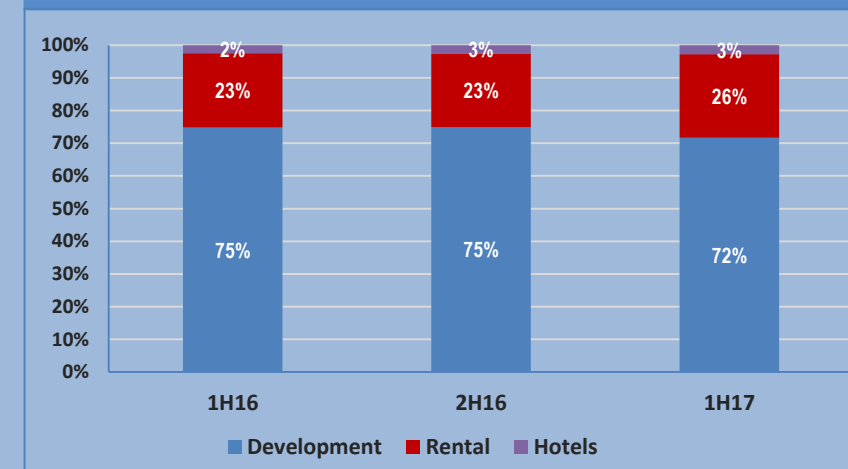
## Revenues\*, semestral (Pbn)



## Share of revenues\*, quarterly



## Share of revenues\*, semestral



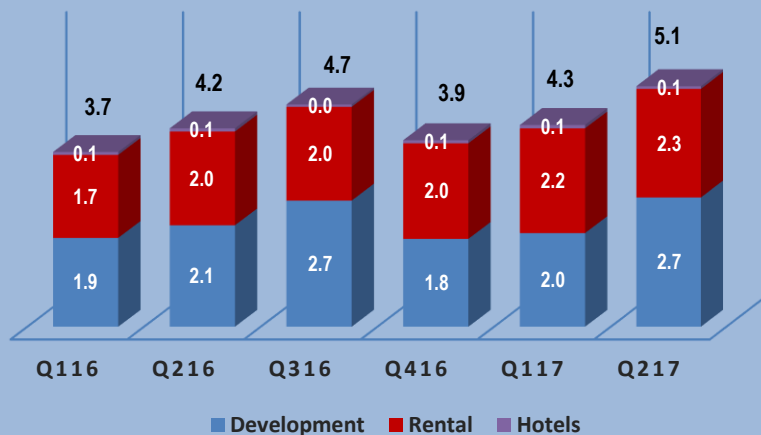
\*Covers residential, rental and hotel operations only. Excludes financial and other income.

# Megaworld's interim financial highlights

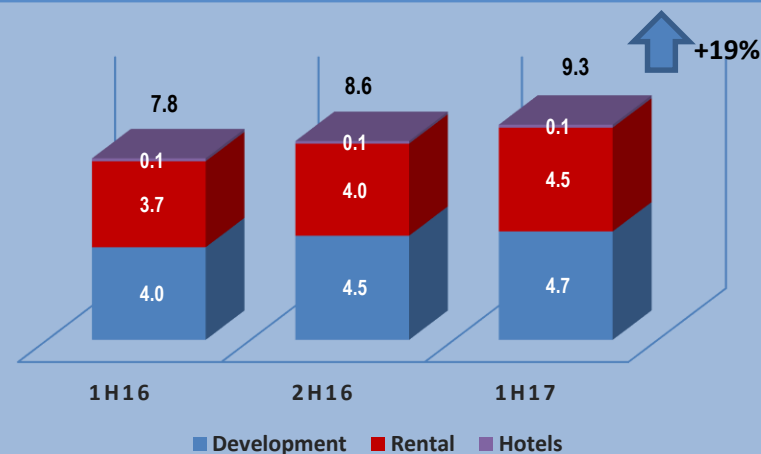


MEGAWORLD

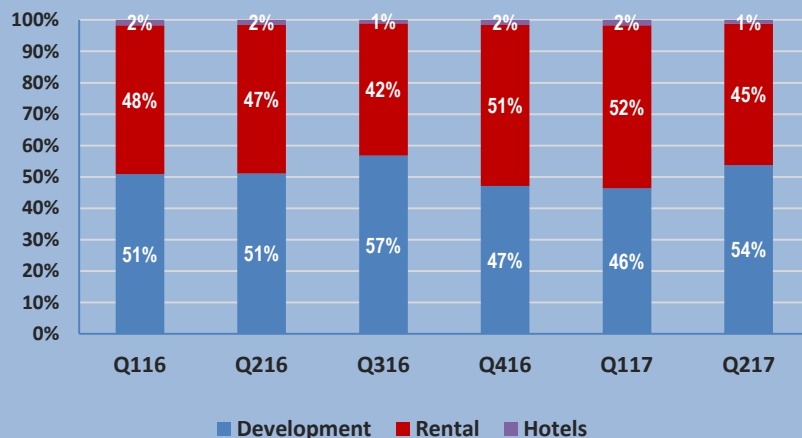
## EBIT\*, quarterly (Pbn)



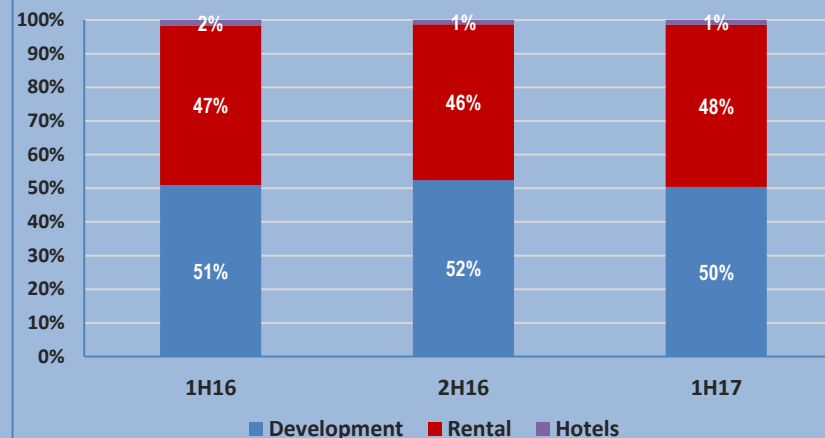
## EBIT\*, semestral (Pbn)



## Share of EBIT\*, quarterly



## Share of EBIT\*, semestral



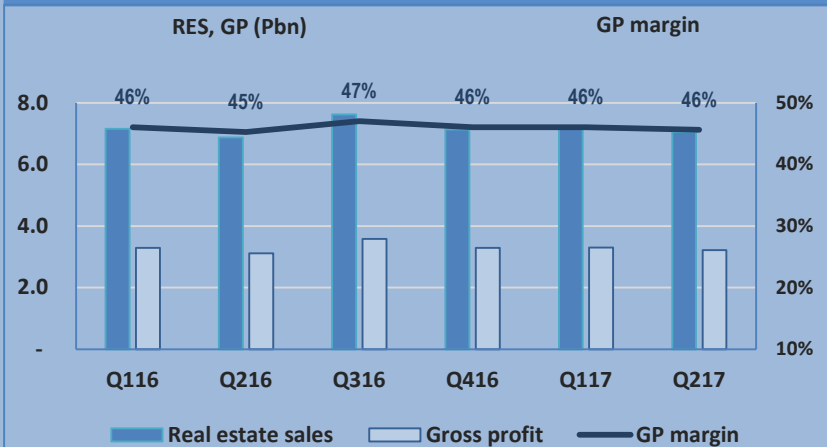
\*Covers residential, rental and hotel operations only. Excludes financial and other income.

# Megaworld's interim financial highlights

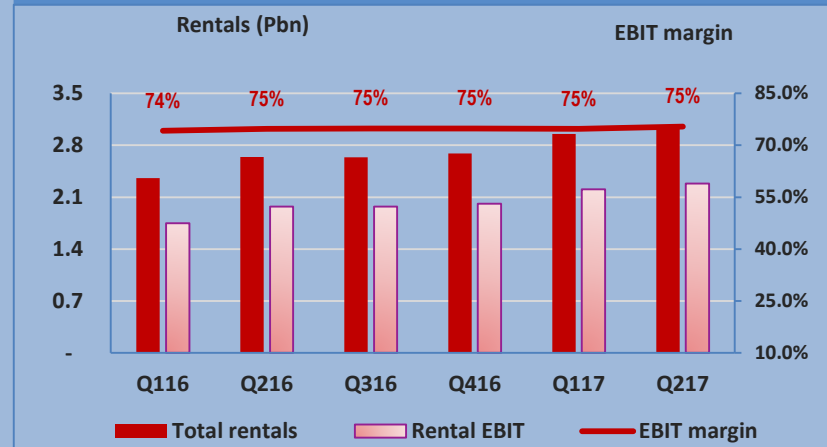


MEGAWORLD

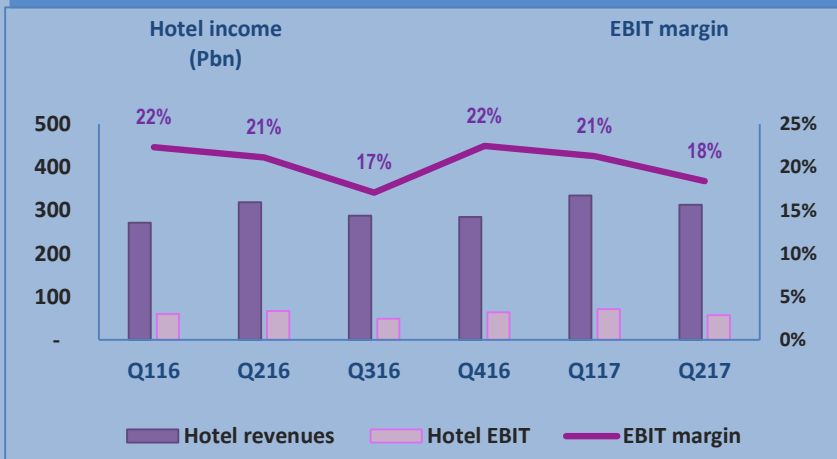
## Real estate sales vs Gross profit (Pbn)



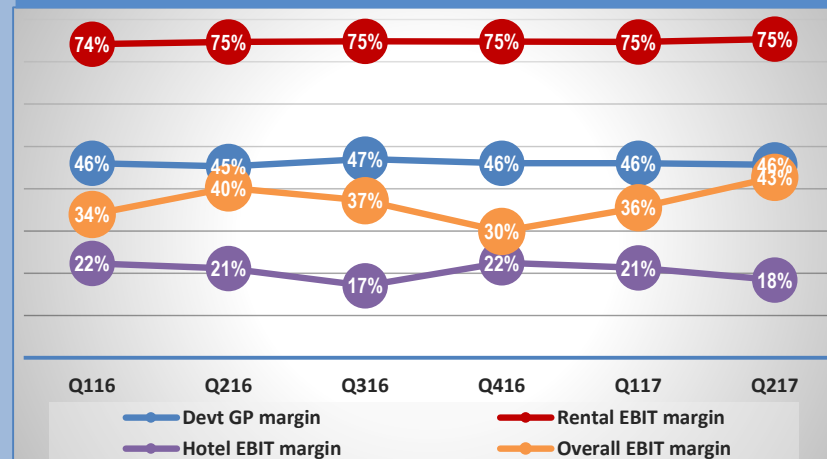
## Rentals vs EBIT (Pbn)



## Hotel income vs EBIT (Pbn)



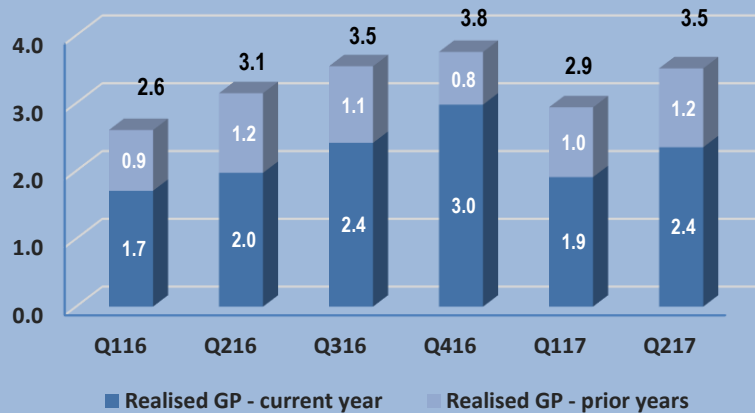
## Margin performance\*



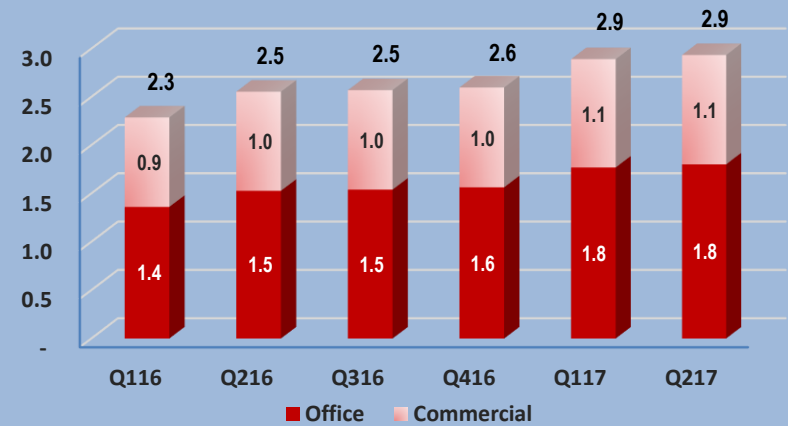
\*Rental margins were computed inclusive of intersegment sales.

# Megaworld's interim financial highlights

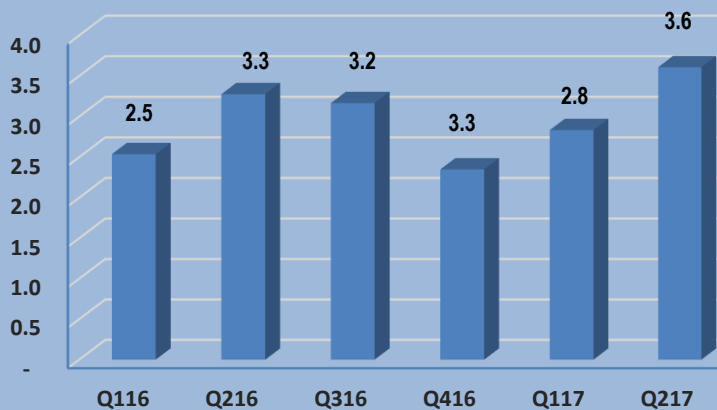
## Realised gross profit (Pbn)



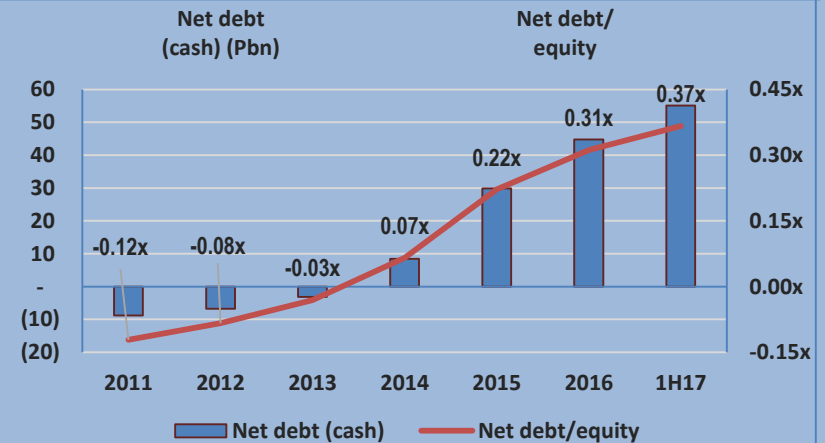
## Rentals: office vs commercial (Pbn)



## Net income (Pbn)

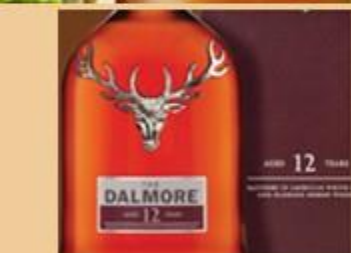


## Gearing





EMPERADOR INC.



# Emperador Inc. 1H2017 performance highlights



# Emperador by the Numbers



EMPERADOR INC.

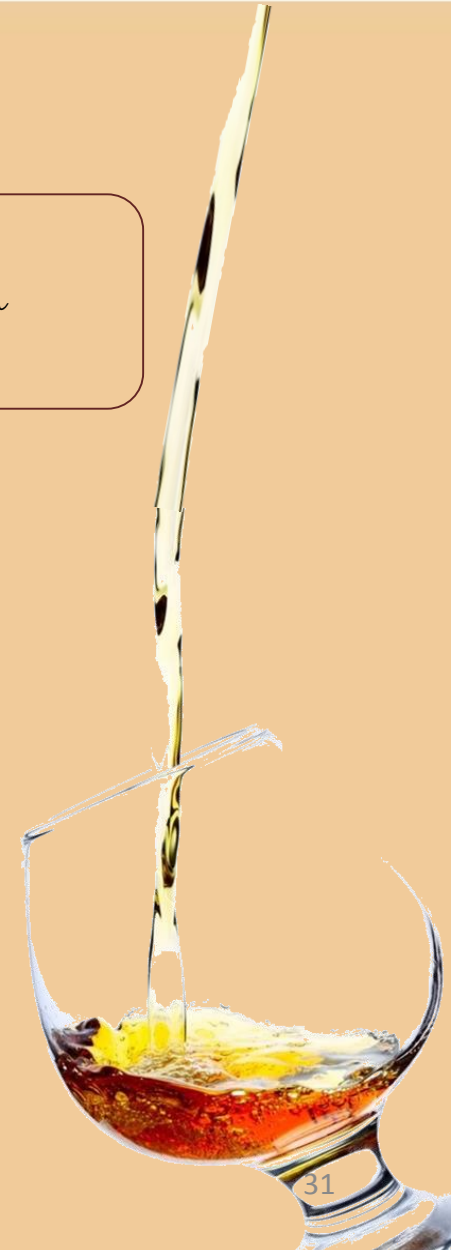
22  
Sales offices  
nationwide

1<sup>st</sup> Dalmore flagship  
store in the  
Philippines

121,000  
Distribution  
network

P41bn  
Consolidated  
Revenues (2016)






P96bn  
Total resources  
(end-Jun 2017)



# Emperador's 1H2017 performance at a glance



EMPERADOR INC.

- Consolidated revenues down slightly to P18.1bn.
  - Brandy revenues stood at P12.9bn (71% of total).
    - Brandy sales -2%, but EMP's aggressive push for its small brandy SKU *Bunso* and new products Andy Cola, Smirnoff Mule and Raffa Sparkling is gaining market traction.
    - Includes incremental sales contribution from Fundador.
  - Whisky revenues reached P5.2bn (29% of total).
    - Whisky sales +7% driven by increased sales of Dalmore and Jura in UK, Travel Retail, Asia and Greater Europe.
  - Other income (mainly interest) fell 48%.
- Margin direction  amid heavy strategic marketing spend on new products (eg, Hotshots, Shackleton, Terry White).
  - GP margin  to 33% from 34%
    - Brandy GP margin  to 35% from 37%; Whisky GP margin  to 28% from 26%.
  - EBITDA margin  to 22% from 26%.
- Net income -22% to P2.7bn due to higher interest charges.
- Net debt/equity (with ELS) stood at 0.45x (from 0.37x in end-2016).

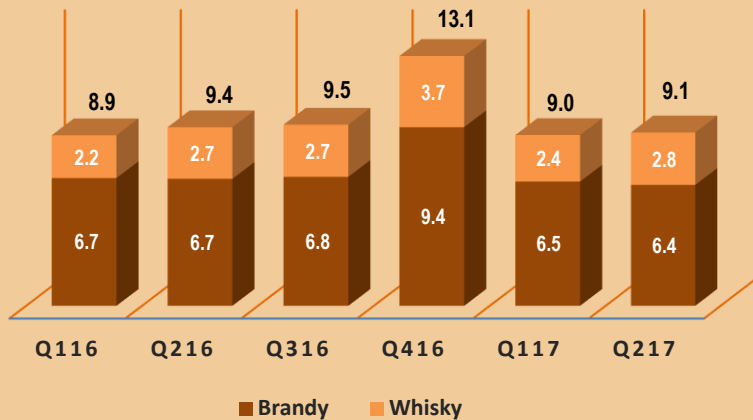


# Emperador's interim financial highlights

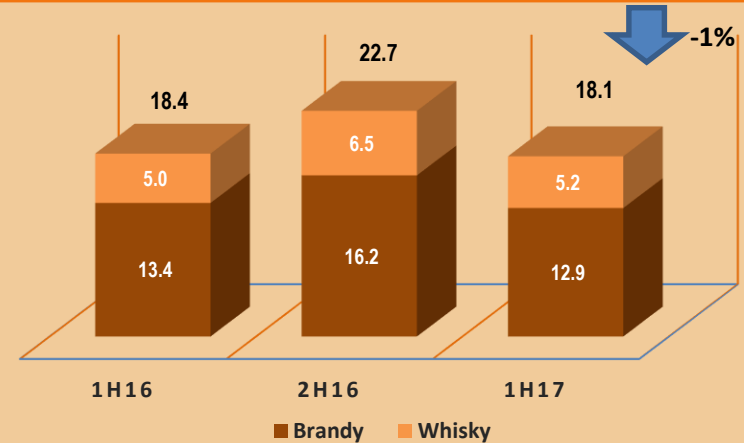


EMPERADOR INC.

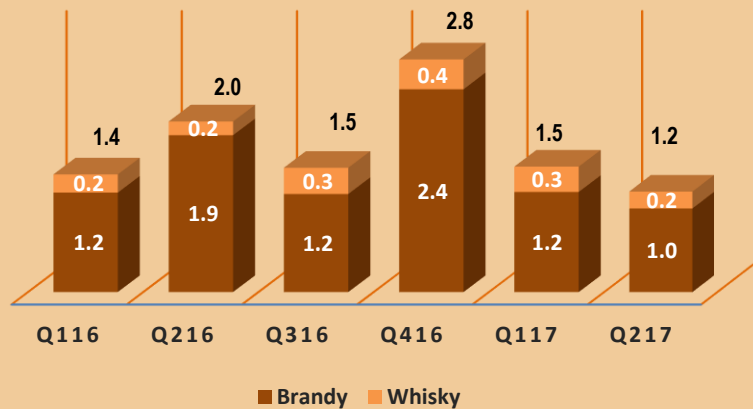
## Revenues, quarterly (Pbn)



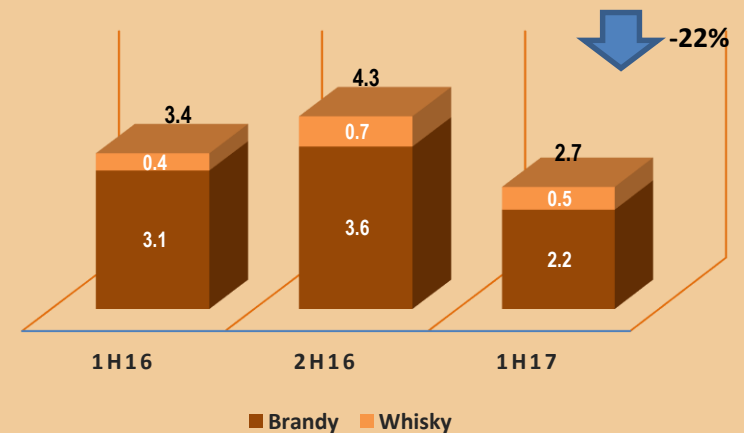
## Revenues, semestral (Pbn)



## Net income, quarterly (Pbn)



## Net income, semestral (Pbn)

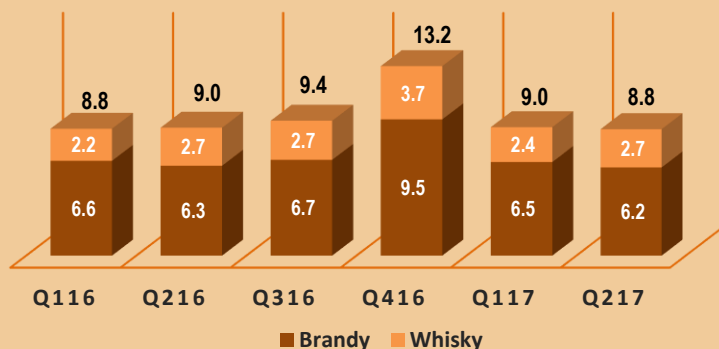


# Emperador's interim financial highlights

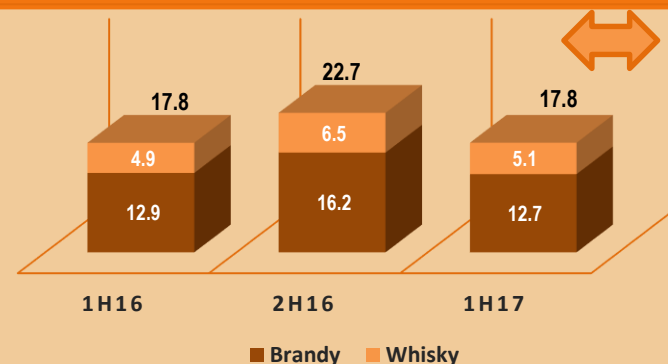


EMPERADOR INC.

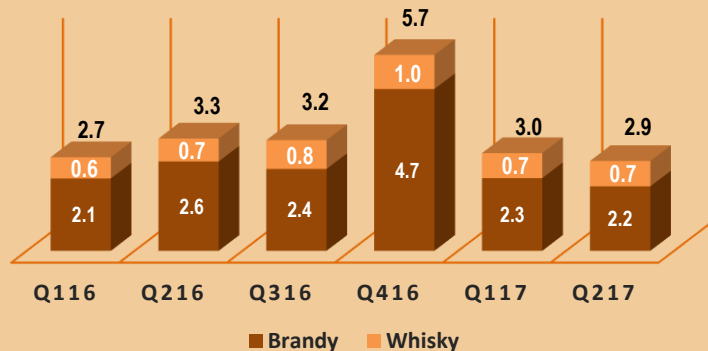
## Sale of goods: Brandy vs Whisky (quarterly, Pbn)



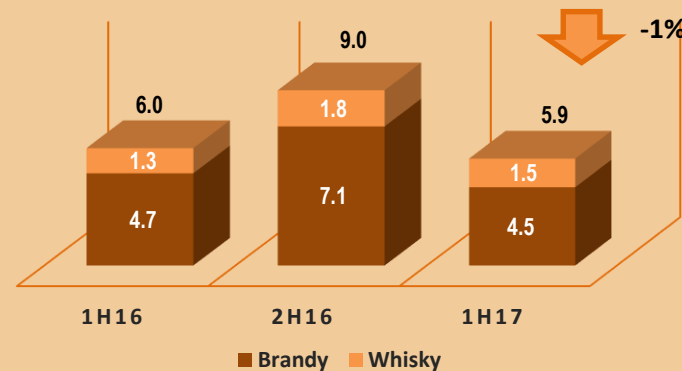
## Sale of goods: Brandy vs Whisky (semestral, Pbn)



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



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

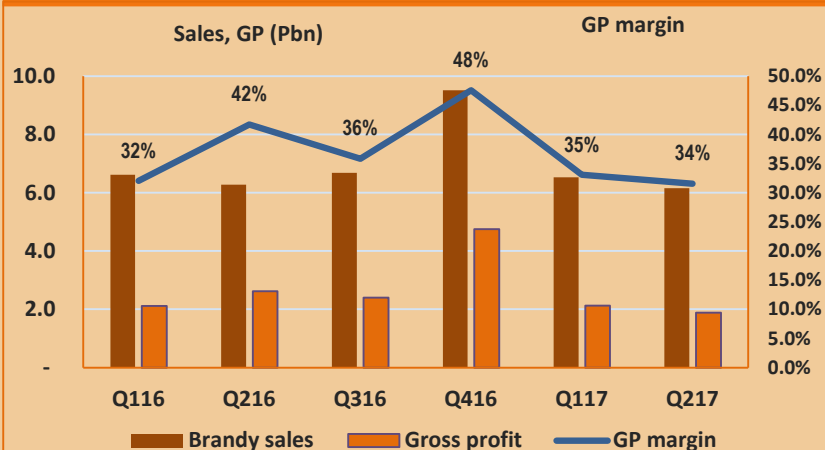


# Emperador's interim financial highlights

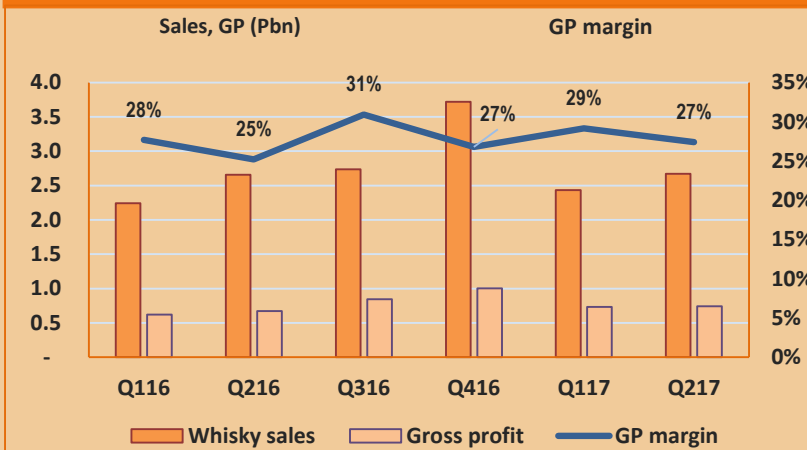


EMPERADOR INC.

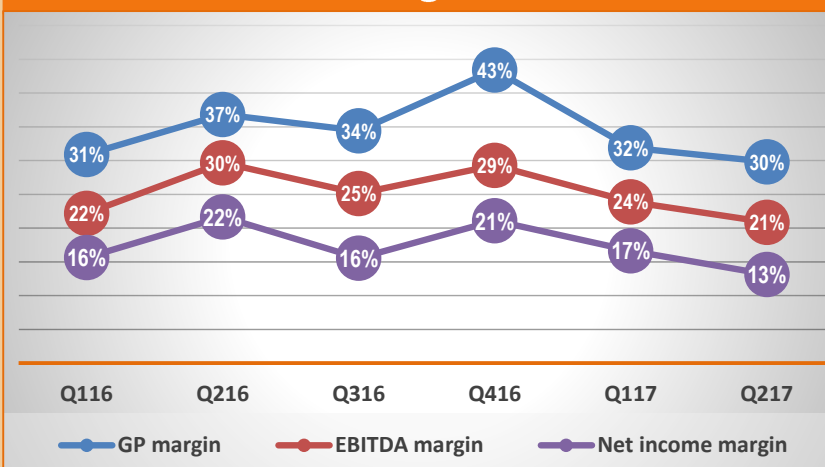
## Brandy: Sale of goods vs GP margin



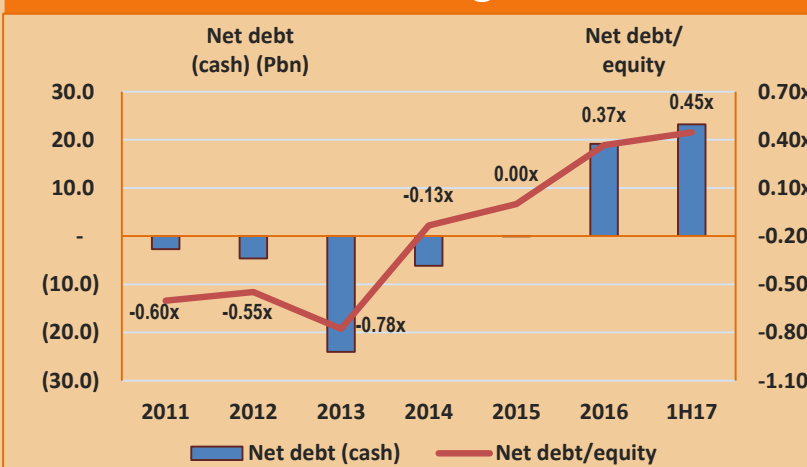
## Whisky: Sale of goods vs GP margin



## Margins



## Gearing





# Travellers International Hotel Group Inc.

1H2017 performance highlights



# Travellers By The Numbers

**11,534**

sqm  
retail  
space

**1,454**

hotel  
rooms

**80%**

hotel  
occupancy  
rate (1H17)

**218**

gaming  
tables  
(end-  
Jun17)

**1,407**

Slots  
(end-  
Jun17)

**4,000**

Seating  
Capacity  
MGB

**88**

retail  
outlets

**P27.5bn**

Gross Revenues  
(2016)

**P86.8bn**





Total Resources (end-  
Jun2017)

**P6.4bn**

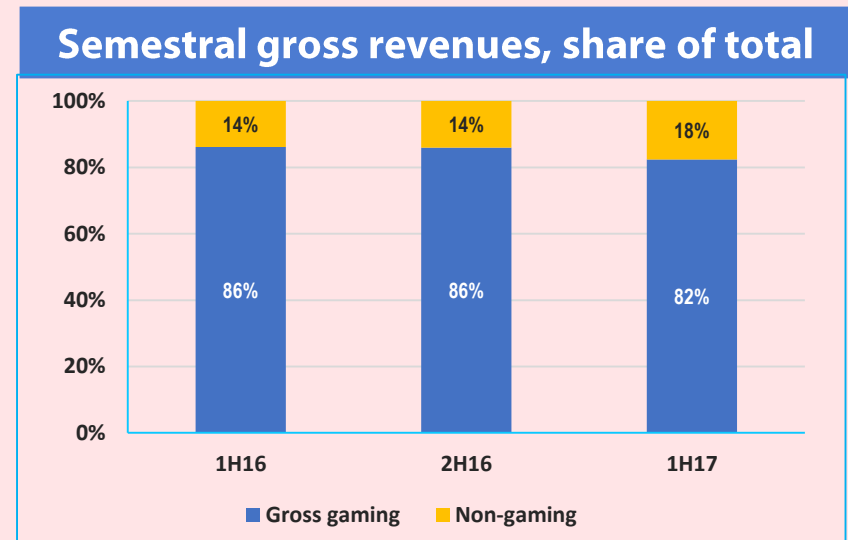
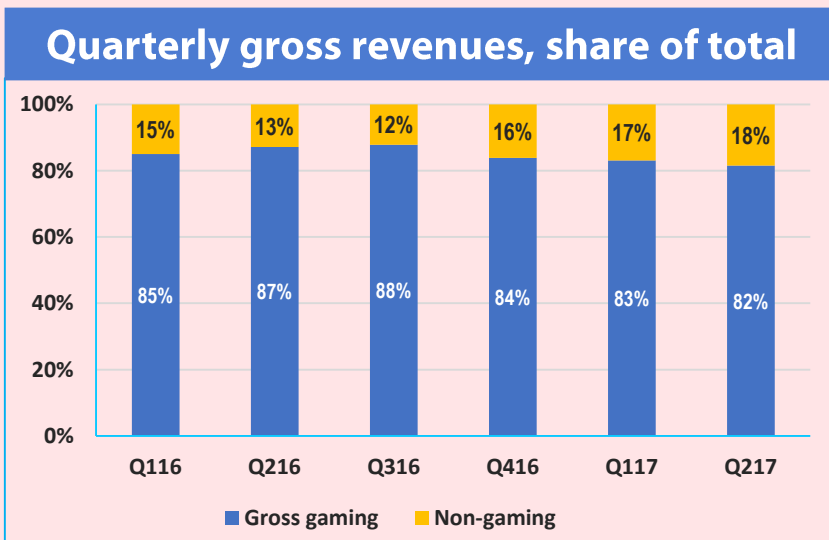
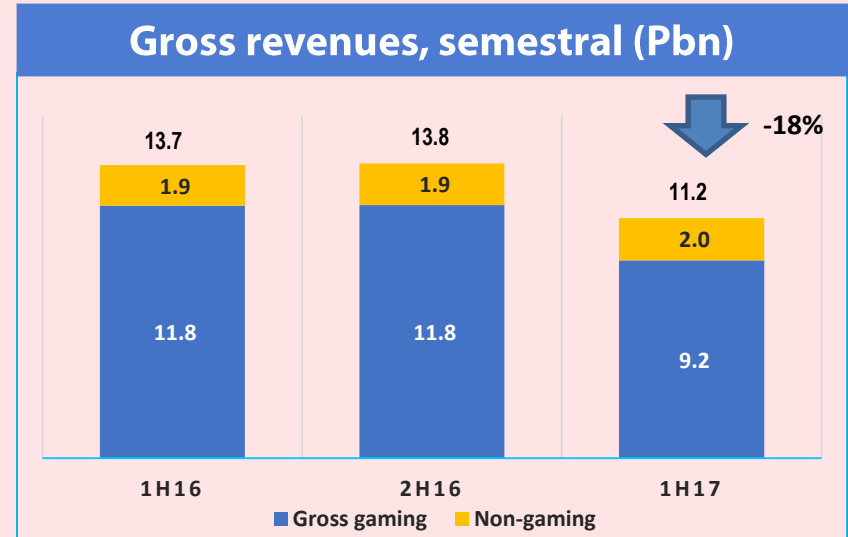
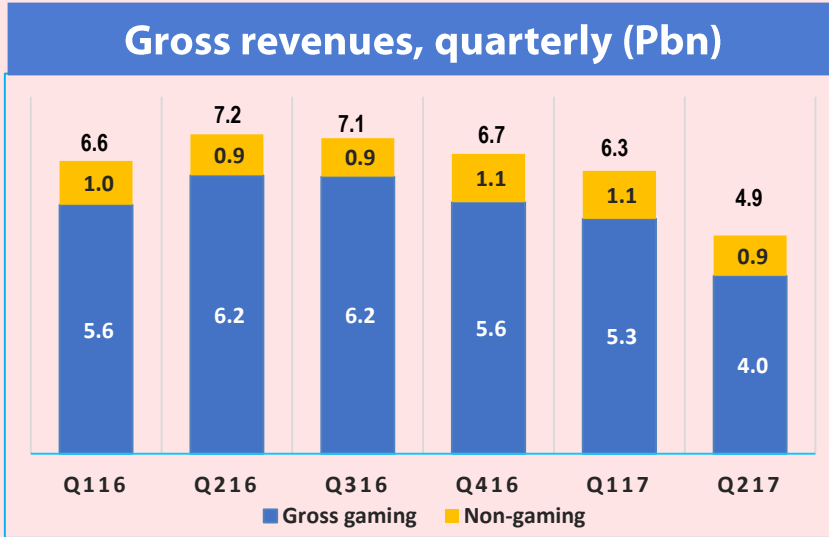
EBITDA  
(2016)



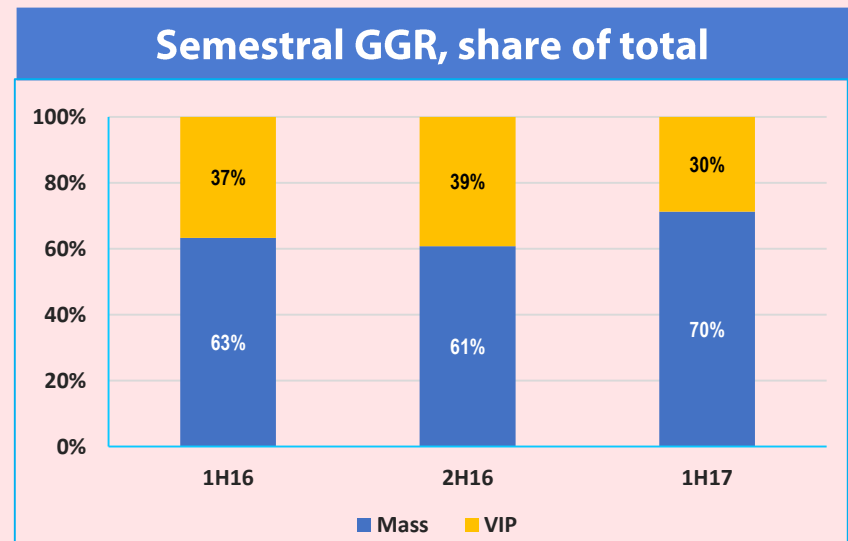
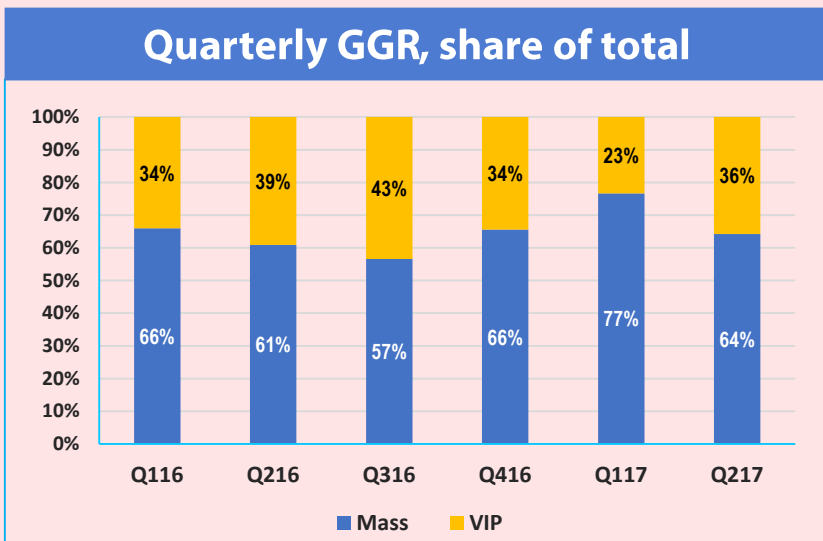
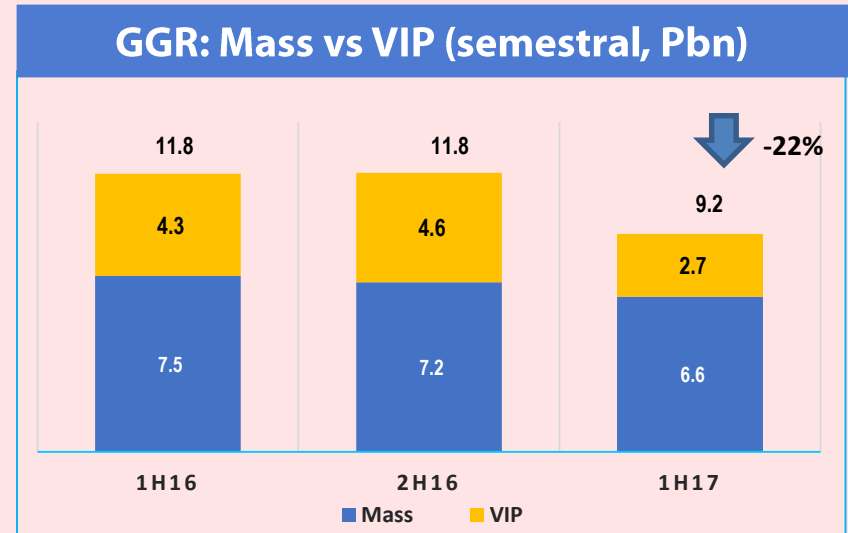
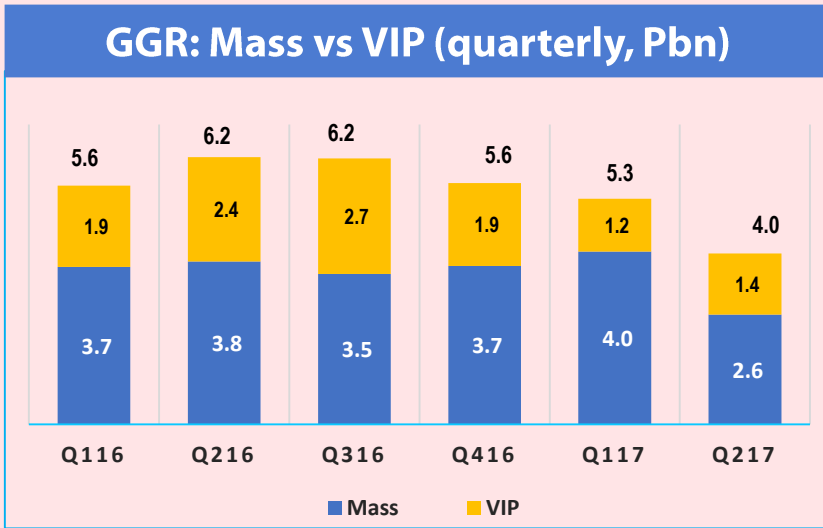
# Travellers' 1H2017 performance at a glance

- Net revenues -17% to P10.4bn.
  - GGR -22% to P9.2bn.
    - 27 days of non-casino operations weighed heavily on GGR.
    - Mass GGR (mass tables and slots/ETGs) -12% although hold rate was steady at 10%.
    - Blended hold rate improved to 5.4% (from 4.8% a year before).
    - Mass/VIP GGR mix now at 71%/29% (from 61%/39% a year before).
  - Non-gaming revenues +4% to P2.0bn, buoyed by hotel contribution.
- EBITDA stood at P2.2bn.
- Margin direction  due mainly to lost sales resulting from the 2 June incident.
  - GP margins  50% from 53%
  - EBIT margins  11% from 17.5%
  - EBITDA margins  19.5% from 23%
- Core profit -70% to P533m net of P159m losses from casualty.
- Net debt/equity at 0.29x (vs 0.19x in end-2016).

# Travellers' interim financial highlights



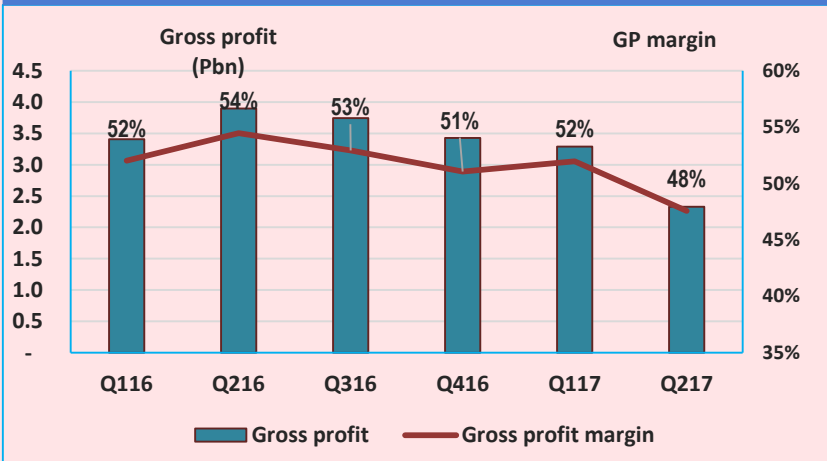
# Travellers' interim financial highlights



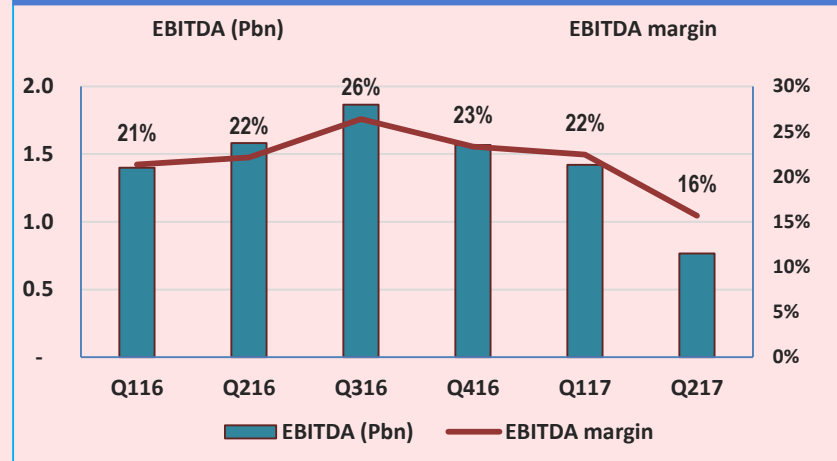


# Travellers' interim financial highlights

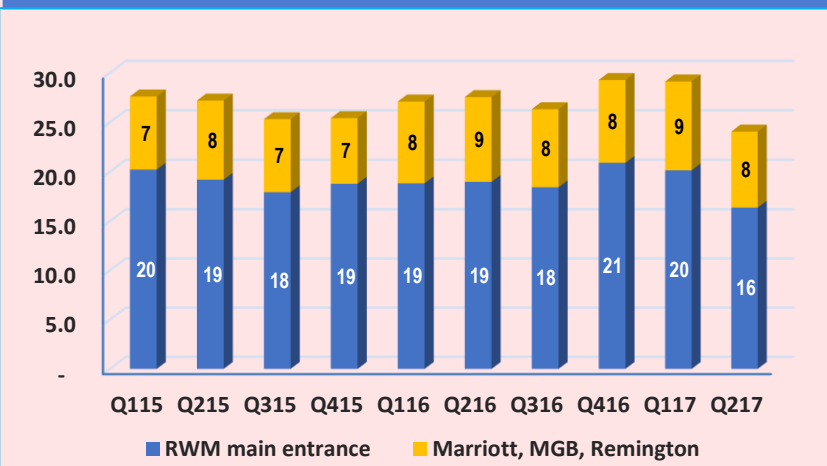
## Gross profit vs GP margin



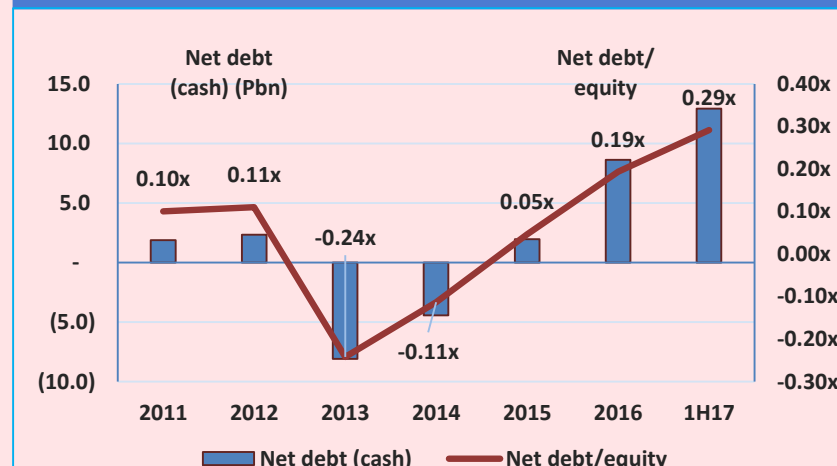
## EBITDA vs EBITDA margin



## Number of visitors ('000)



## Gearing





GOLDEN ARCHES DEVELOPMENT CORPORATION



# Golden Arches Development Corporation 1H2017 performance highlights



# GADC By The Numbers



GOLDEN ARCHES DEVELOPMENT CORPORATION



**533**  
Stores nationwide  
(end-Jun2017)



**P23bn**  
*In sales revenues (2016)*



**5.2%**  
*Systemwide same-store sales growth (1H 2017)*



**310**  
*dessert centers (2016)*






**292**  
*McDelivery hubs (2016)*

# GADC's 1H2017 performance at a glance



GOLDEN ARCHES DEVELOPMENT CORPORATION

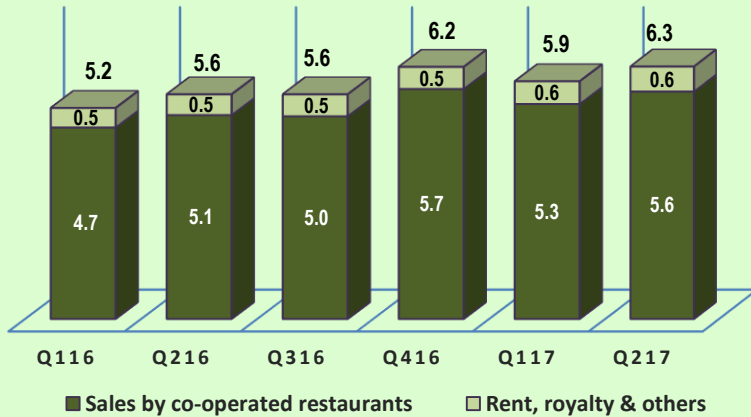
- Sustained +12% growth in sales revenues to P12.2bn.
  - Sales by co-owned stores (90% of total): +12% to P11bn
  - Rent, royalty & others (10%): +18% to P1.2bn
  - Systemwide same-store sales growth +5.2% YoY.
  - Number of stores by end-June 2017: 533 vs 494 a year before.
  - Average sales per store +5% YoY.
- Margin direction   helped by economies of scale with ongoing store expansion.
  - GP margin  22%
  - EBITDA margin  13% vs 11%
  - EBIT margin  8% vs 7%
- Net income +19% to P589m.
- Higher net cash position.

# GADC's interim financial highlights

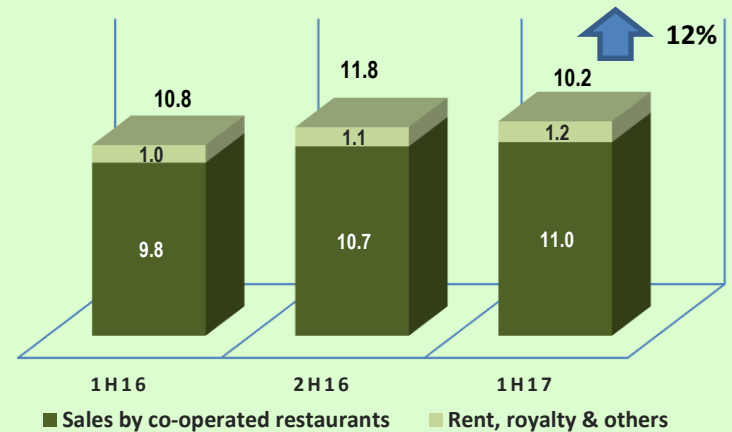


GOLDEN ARCHES DEVELOPMENT CORPORATION

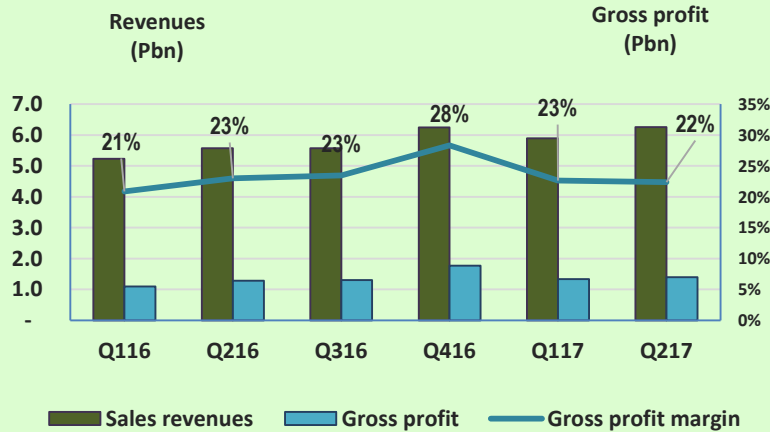
## Total revenues, quarterly (Pbn)



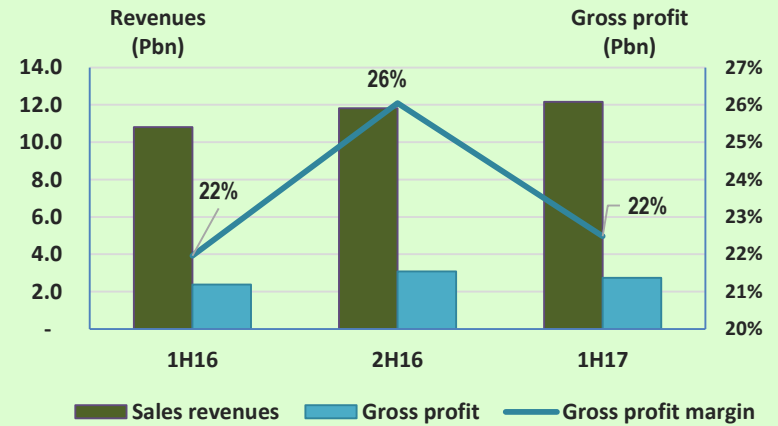
## Total revenues, semestral (Pbn)



## Revenues, GP & margin, quarterly



## Revenues, GP & margin, semestral

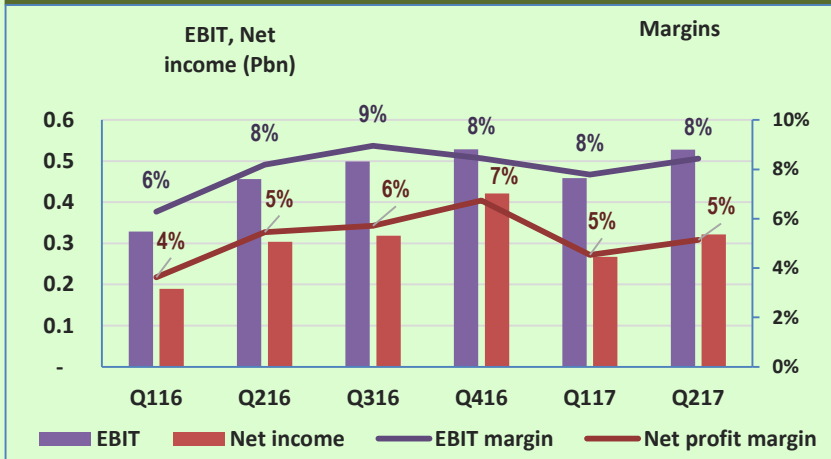


# GADC's interim financial highlights

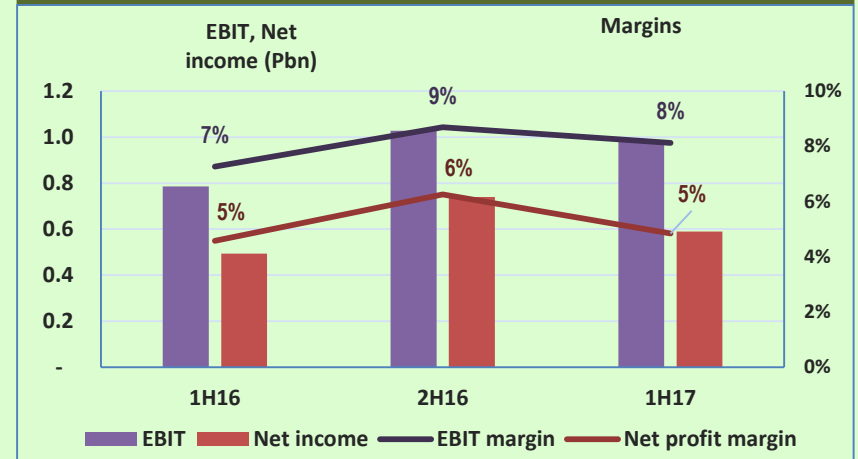


GOLDEN ARCHES DEVELOPMENT CORPORATION

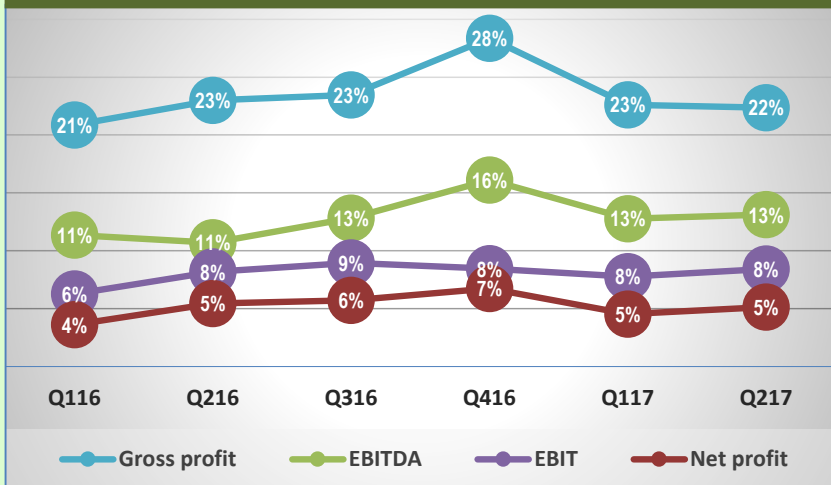
## EBIT, net income & margin, quarterly



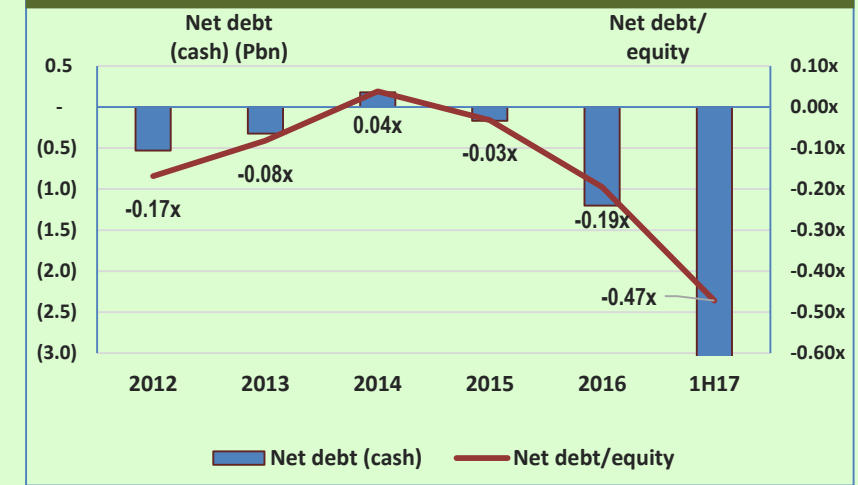
## EBIT, net income & margin, semestral



## Margins



## Gearing

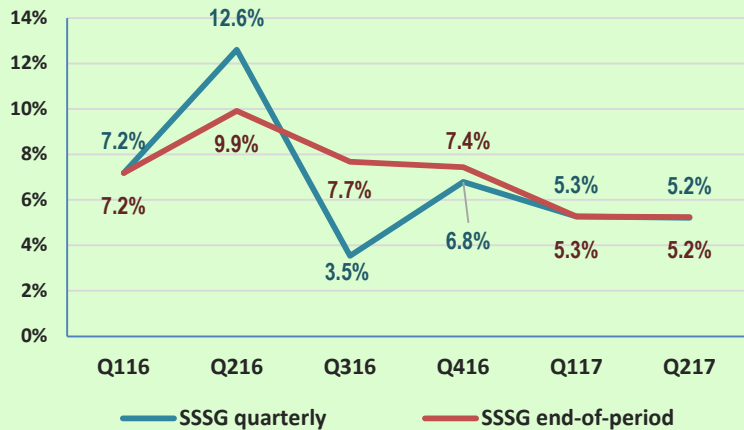


# GADC's interim financial highlights

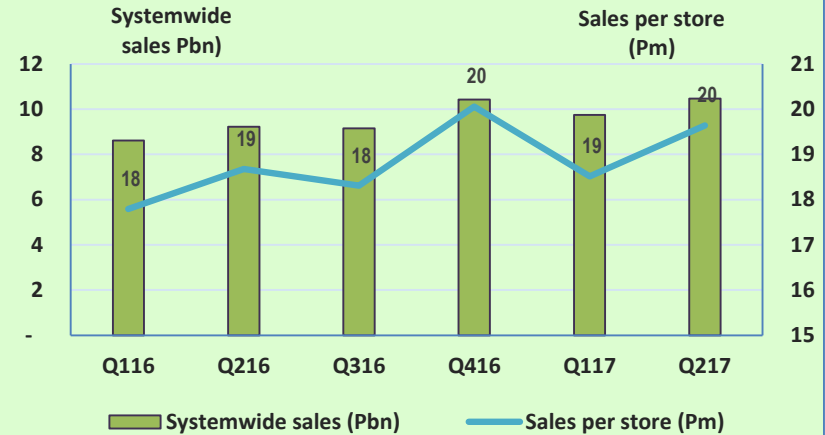


GOLDEN ARCHES DEVELOPMENT CORPORATION

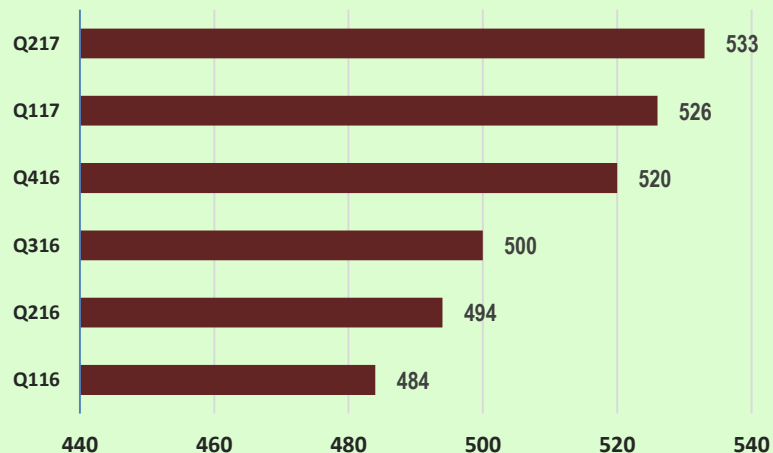
## Systemwide same-store sales growth



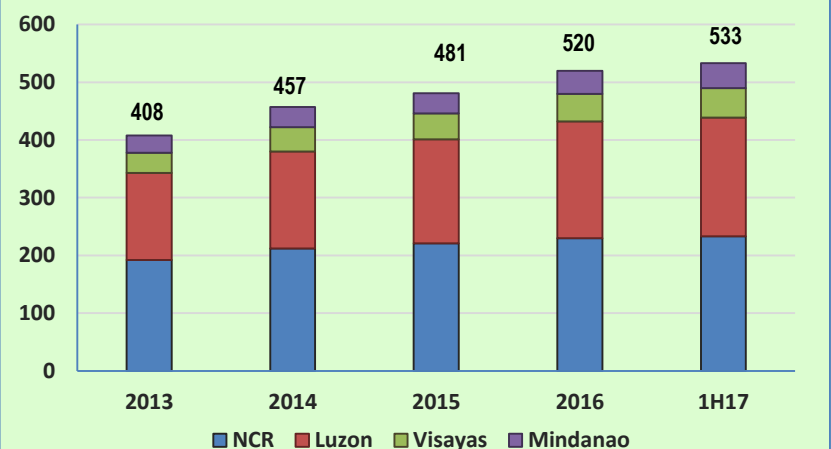
## Average sales per store (Pm)



## Number of stores



## Store geographic distribution



# Key takeaways

- **Philippine macro economy remains healthy, supported by infra build-up.**
- **AGI growth initiatives:**
  - Expand rental GLA
    - ✓ Office + commercial GLA to hit 2 million sqm by 2020.
    - ✓ Rental revenues to reach P20B by 2020.
  - Launch new residential projects in growth areas in the country.
  - Maintain aggressive tourism thrust
    - ✓ Targeting 12,000 hotel room keys in the next five years.
  - Growth in gaming and non-gaming capacity, for completion in 2018.
  - Continue McDo store expansion to increase market penetration.
  - Broaden liquor product portfolio towards premiumization.
- **Aggressive capex to continue but maintain healthy balance sheet.**



**Thank you.**