



 ALLIANCE GLOBAL

# 1H2019 ANALYSTS' BRIEFING

14 AUGUST 2019

# AGI by the numbers



5,175

Hotel room keys



593

Total resources (Pbn)



82.8

Consolidated revenue (Pbn)



8.1

Attributable net income (Pbn)



7

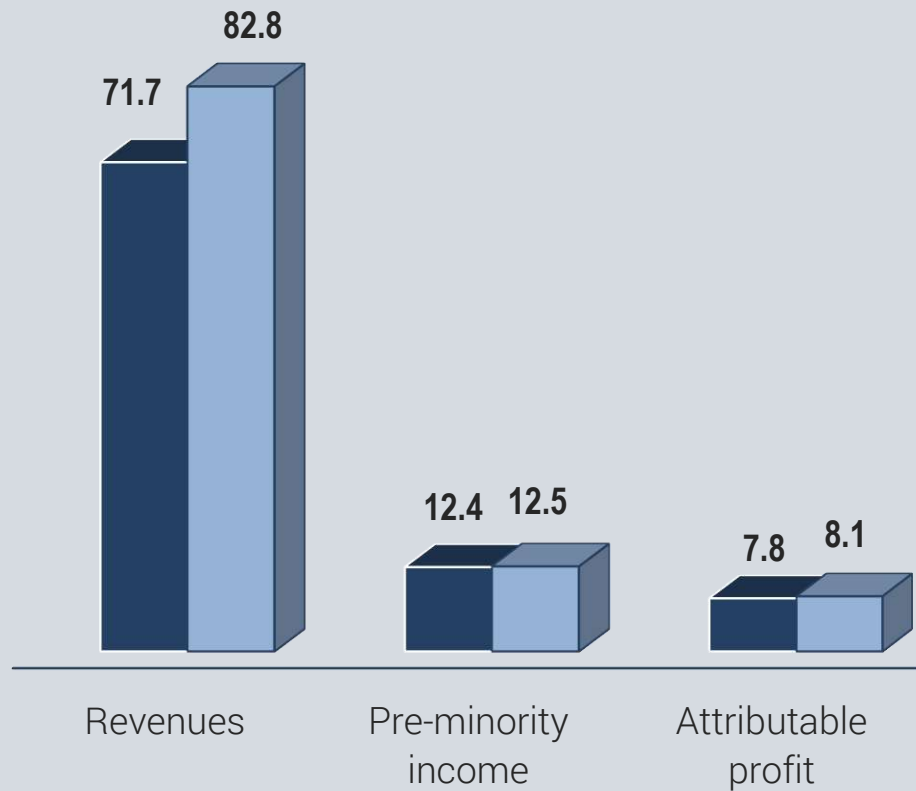
Parent net debt/equity (%)

# AGI P&L highlights

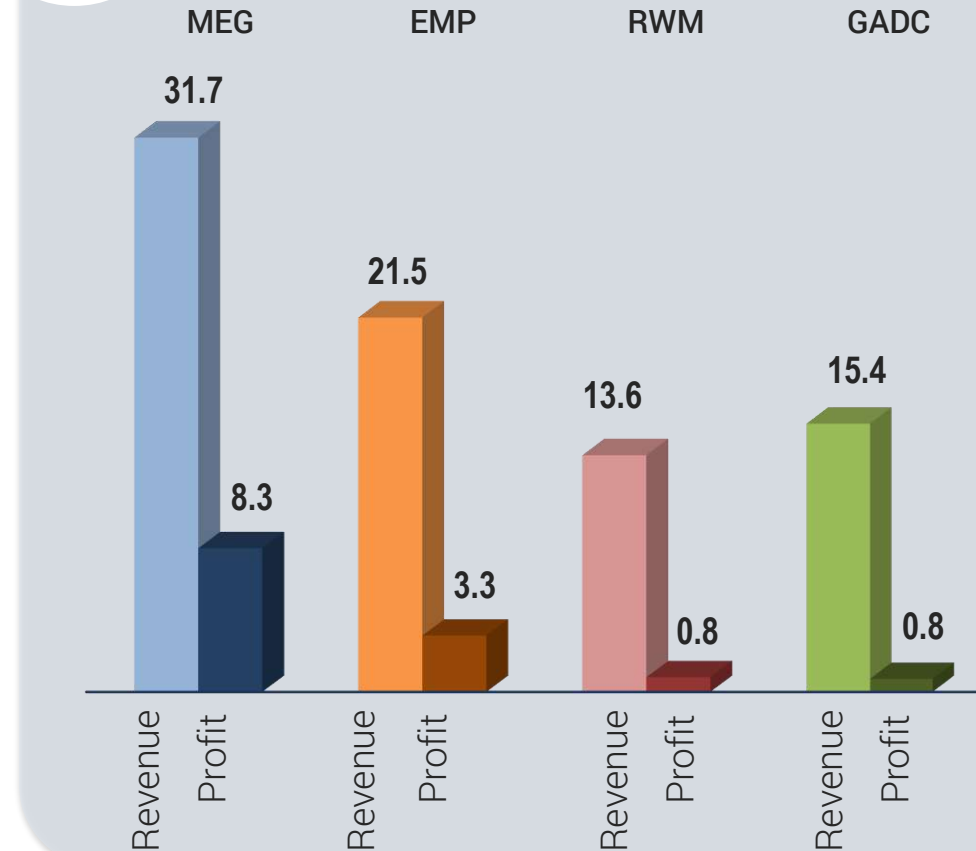


AGI P&L highlights (Pbn)

■ 1H18 ■ 1H19



P&L highlights of subsidiaries 1H2019 (Pbn)



# AGI Q219 P&L highlights



P&L highlights (Pbn)	Q219	Q218	% chg	Comments
<b>Group revenues</b>	<b>41.8</b>	<b>37.3</b>	<b>12%</b>	
Megaworld	16.8	14.0	20%	Rentals +23%; residential +12%.
Emperador	10.4	9.7	7%	Higher foreign brandy sales; whisky sales weighed by FX.
Travellers	6.7	6.2	8%	Sustained volume growth; better hold rates.
GADC	8.0	7.0	15%	SSSG of 6.2%; ongoing store expansion.
Others	(0.2)	0.4	-142%	
<b>Group costs/expenses</b>	<b>(33.6)</b>	<b>(28.3)</b>	<b>19%</b>	
Megaworld	(10.4)	(8.8)	18%	Higher construction costs, opex.
Emperador	(8.7)	(7.8)	11%	Increased raw material costs.
Travellers	(6.5)	(4.4)	46%	Increased depreciation expenses.
GADC	(7.4)	(6.4)	16%	Rising food costs and selling expenses.
Others	(0.6)	(0.9)	-30%	
<b>Net income to owners</b>	<b>3.7</b>	<b>4.2</b>	<b>-11%</b>	
Megaworld	3.0	2.6	16%	Improved business mix.
Emperador	1.2	1.3	-7%	Weighed by currency weakness.
Travellers	0.1	0.5	-73%	Sharp rise in interest charges.
GADC	0.2	0.2	-7%	Higher income tax provision.
Others	(0.8)	(0.4)	--	
<b>Net profit margin</b>	<b>9.0%</b>	<b>11.3%</b>	<b>-206bps</b>	

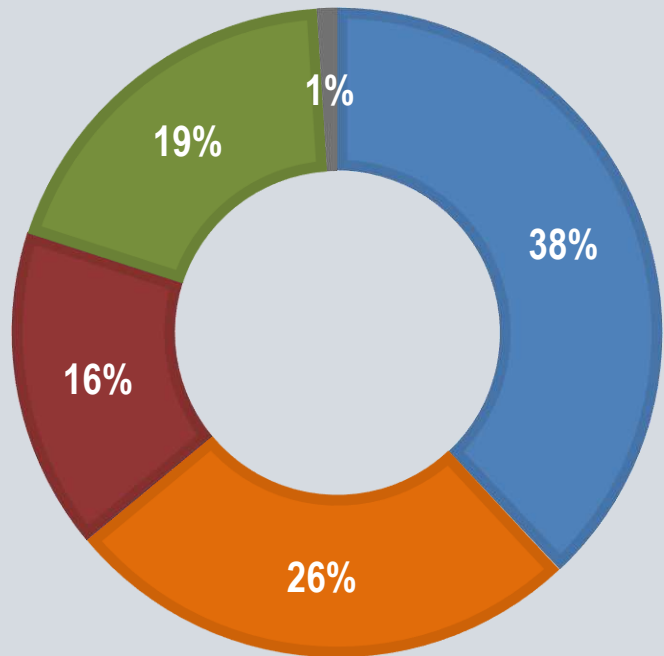
# AGI 1H2019 P&L highlights



P&L highlights (Pbn)	1H19	1H18	% chg	Comments
<b>Group revenues</b>	<b>82.8</b>	<b>71.7</b>	<b>15%</b>	
Megaworld	31.6	26.9	18%	Rentals +20%; residential +11%.
Emperador	21.4	19.5	10%	Driven by brandy sales +15%; FX impacts on whisky sales.
Travellers	13.7	10.9	25%	>50% volume growth; better table hold rates.
GADC	15.5	13.6	14%	SSSG of 5.5%; ongoing store expansion.
Others	0.6	0.8	-32%	
<b>Group costs/expenses</b>	<b>(66.3)</b>	<b>(55.6)</b>	<b>19%</b>	
Megaworld	(19.8)	(17.2)	15%	Increases in construction costs, opex.
Emperador	(17.7)	(15.7)	13%	High COGS, A&P expenses.
Travellers	(13.1)	(8.7)	51%	Increased depreciation and opex from new facilities.
GADC	(14.4)	(12.5)	15%	Higher raw materials and selling expenses..
Others	(1.3)	(1.5)	-14%	
<b>Net income to owners</b>	<b>8.1</b>	<b>7.8</b>	<b>4%</b>	
Megaworld	5.5	4.7	16%	Improving business mix.
Emperador	2.7	2.6	2%	Weighed by currency weakness.
Travellers	0.3	0.7	-65%	Sharp rise in interest charges.
GADC	0.4	0.4	4%	Higher income tax provision.
Others	(0.8)	(0.7)	7%	
<b>Net profit margin</b>	<b>9.8</b>	<b>10.7%</b>	<b>-111bps</b>	

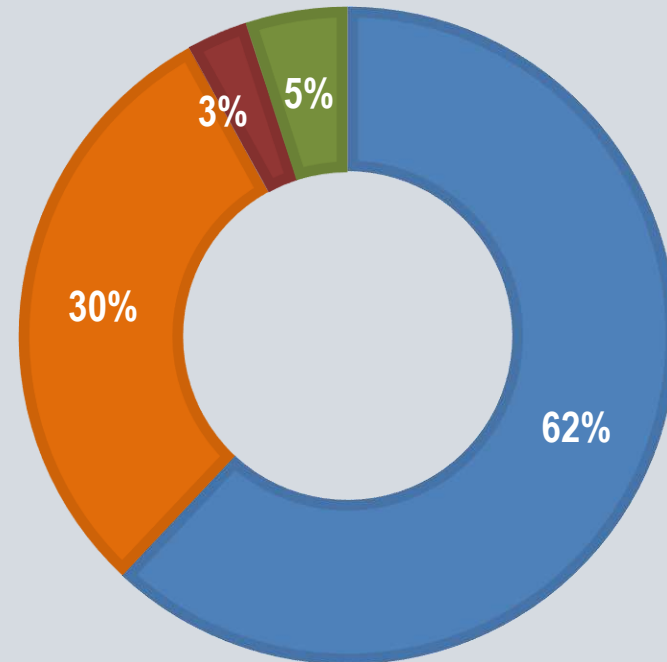
# AGI P&L highlights

**P82.8<sub>bn</sub>** 1H2019 Consolidated Revenues



■ MEG ■ EMP ■ RWM ■ GADC ■ OTHERS

**P8.1<sub>bn</sub>** 1H2019 Attributable Net Income (Pbn)

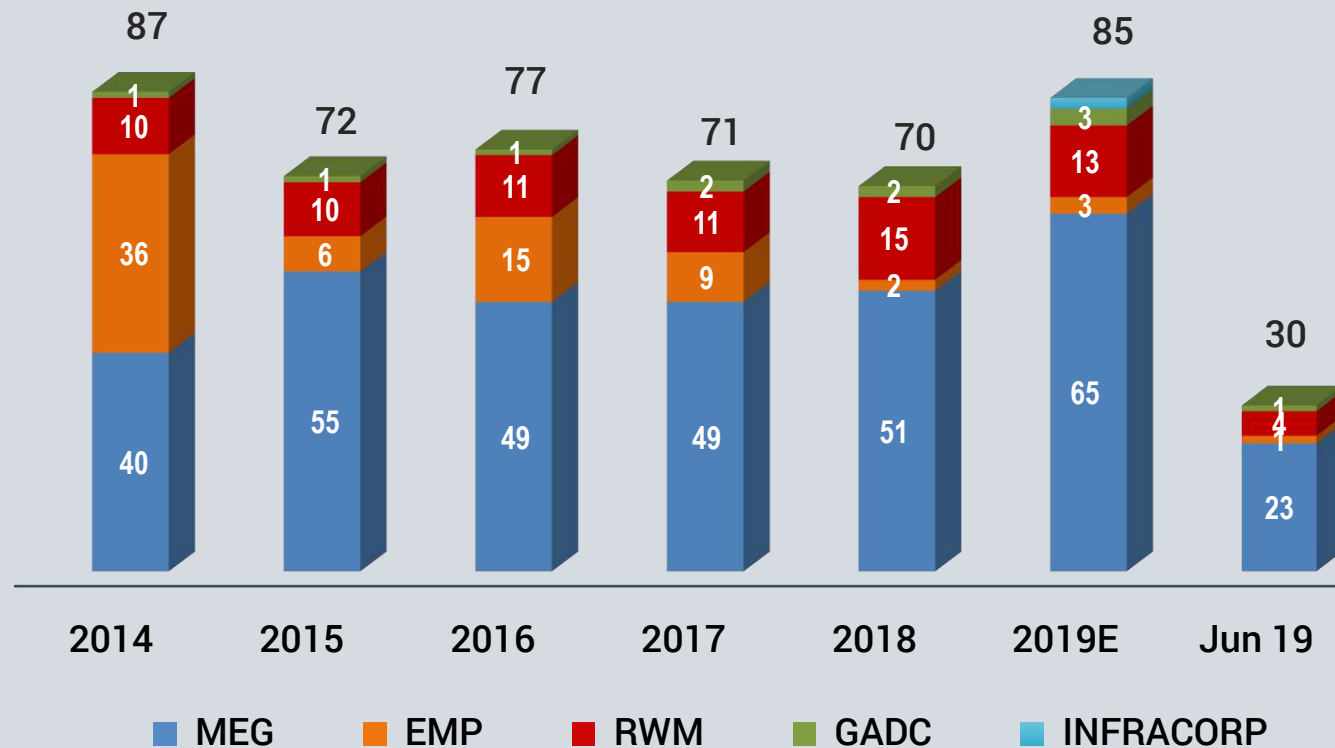


■ MEG ■ EMP ■ RWM ■ GADC

# Group investment commitments

P30<sub>bn</sub>

AGI's capex by major subsidiary (Pbn)

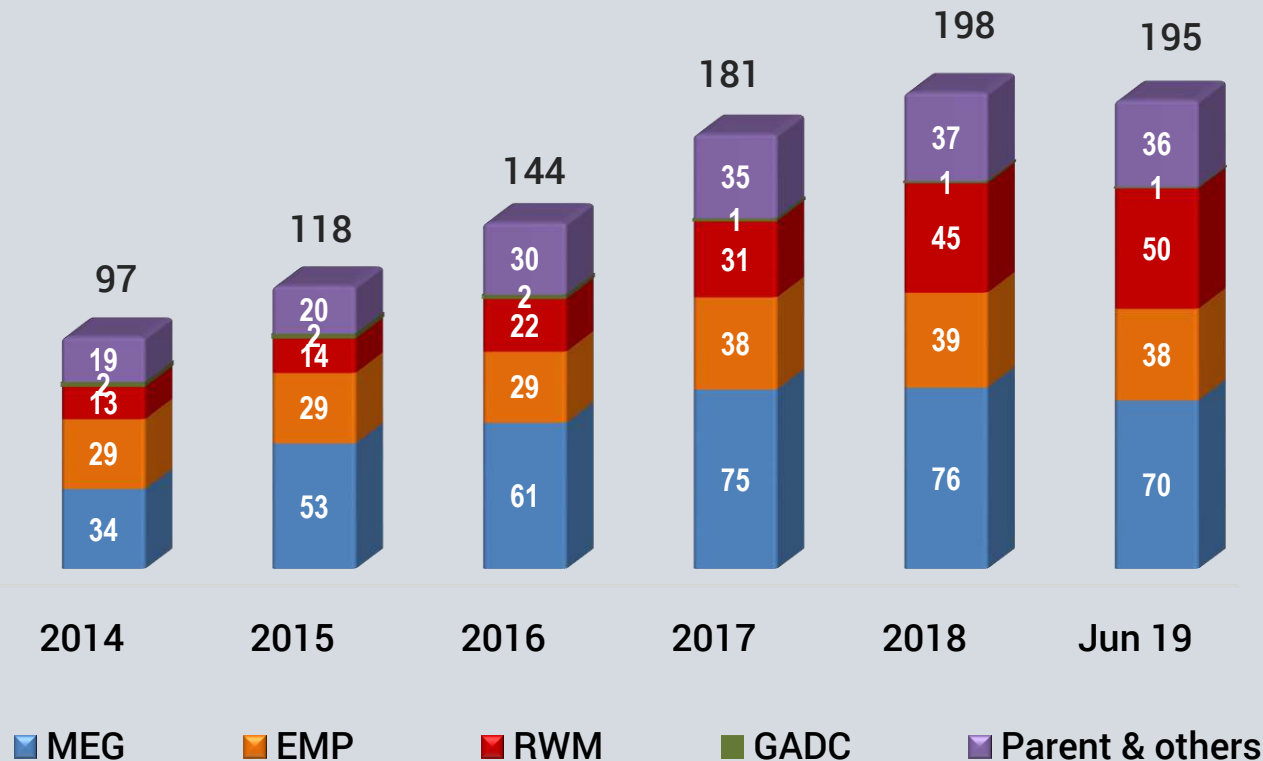


- Total capex budget for 2019: P85bn.
- Capex spent in 1H2019: P30bn.
- Target 2020-24 capex: P410bn.

# Group borrowings

**P195<sub>bn</sub>**

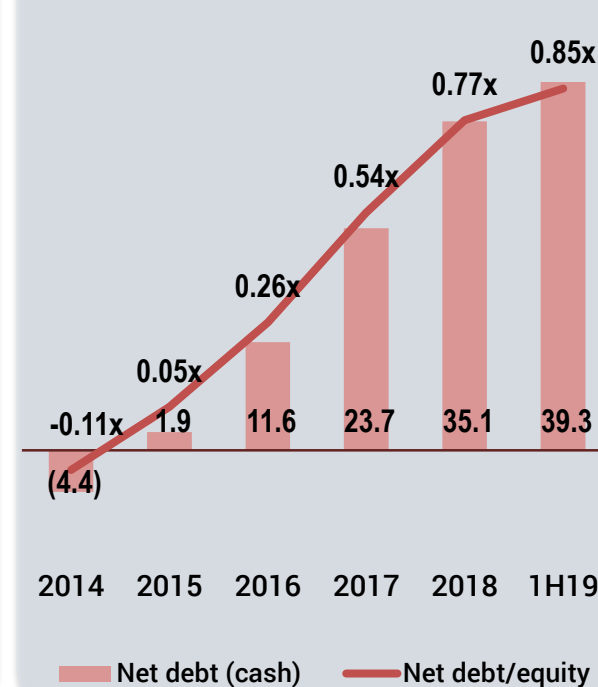
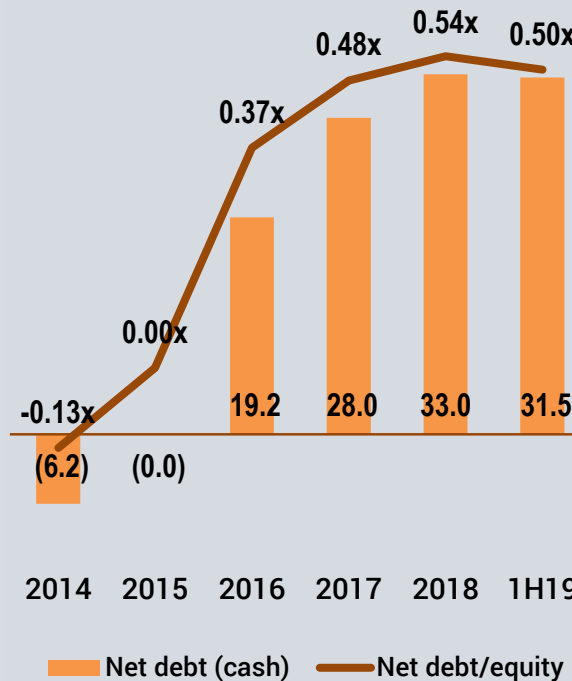
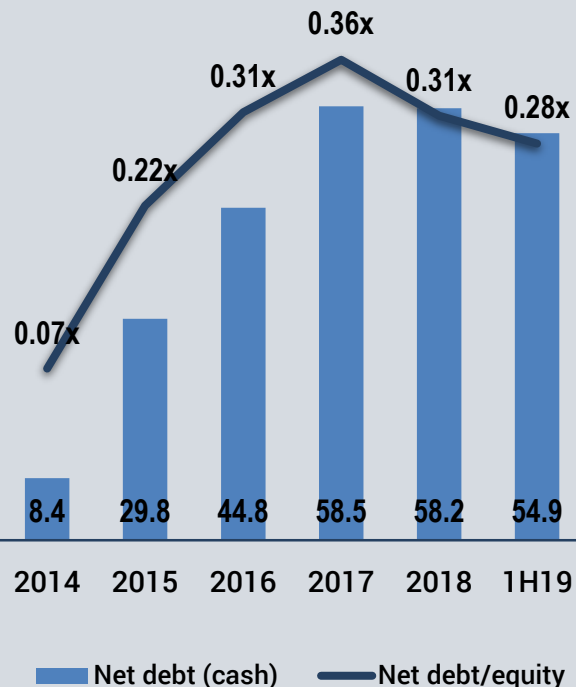
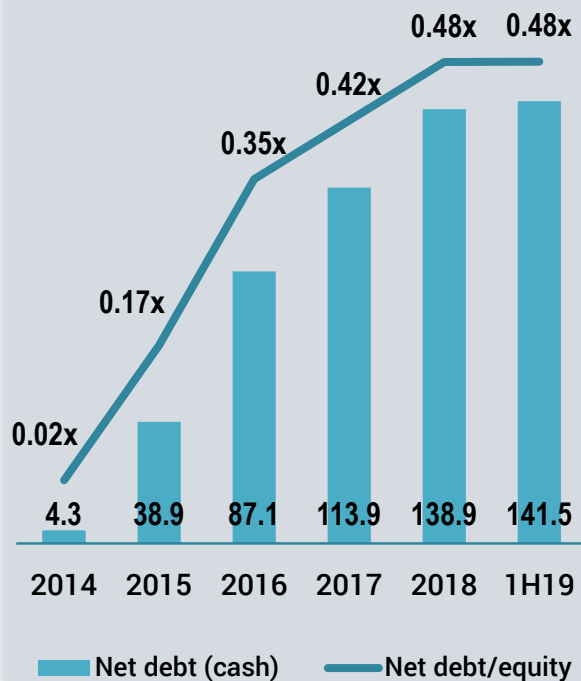
Gross debts, by key subsidiary (Pbn)



- At end-June 2019, Group borrowings stood at P195bn, while net debt/equity steady at 0.48x (vs 0.48x in 2018).
- Parent net debt/equity stood at 0.07x.



# Group gearing



\*All items are in billion pesos except net debt/equity(x)



MEGAWORLD

## MEGAWORLD CORPORATION 1H2019 PERFORMANCE HIGHLIGHTS

# MEG by the numbers



MEGAWORLD



24

Townships & integrated lifestyle communities



4,688

Landbank (hectares)



1,119

Office GLA ('000 sqm)



700

Lifestyle Mall GFA ('000 sqm)



2,648

Hotel Room Keys

# MEG: 1H2019 financial performance



MEGAWORLD

P&L (in Pbn)	1H2019	1H2018	%	
Revenue	31.7	27.0	18%	• Increasing share of recurring income.
Residential	20.2	18.1	11%	• Higher project completion; reservation sales +5%.
Office	5.1	4.2	21%	• Capacity expansions, higher rents and increased occupancy rates
Retail	3.1	2.6	18%	
Hotel	1.3	0.7	80%	• Additional hotel capacities
EBITDA	14.0	11.6	21%	• Improved business mix, buoyed by rising share of rentals.
EBIT	12.7	10.5	21%	
Net profit	8.9	7.5	18%	• Higher income tax provision.
Attributable profit	8.3	7.2	16%	
Gearing	Jun 2019	Dec 2018	Jun 2018	
Net debt (cash)	54.9	58.2	49.2	
Net debt/equity	0.28x	0.31x	0.28x	

Gross profit margin

45% | 46%  
1H2019 | 1H2018

EBITDA margin

44% | 43%  
1H2019 | 1H2018

Net income margin

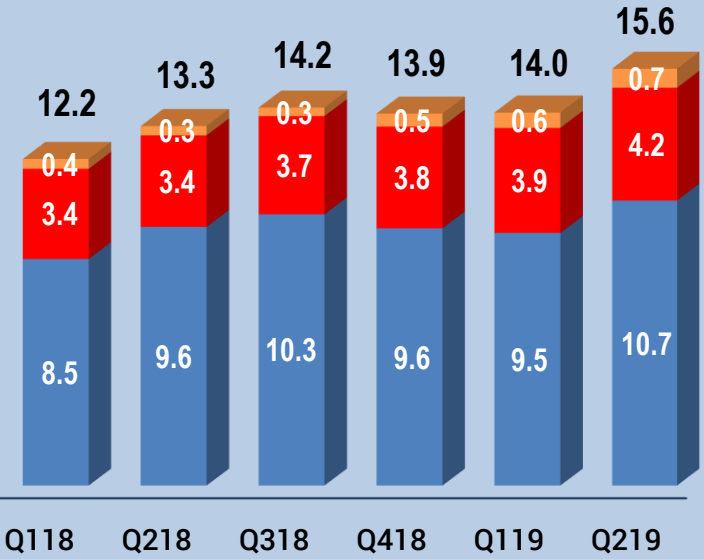
40% | 39%  
1H2019 | 1H2018

\*Net profit excluding gain

# MEG: Quarterly operational performance



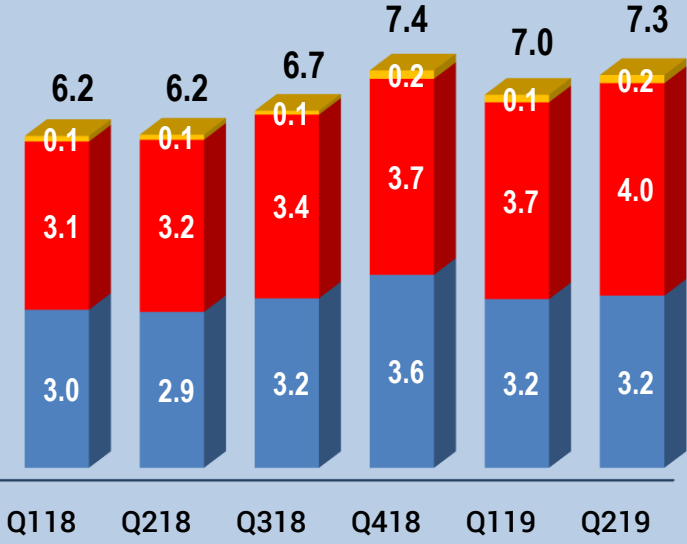
REVENUE



Development Rental Hotels



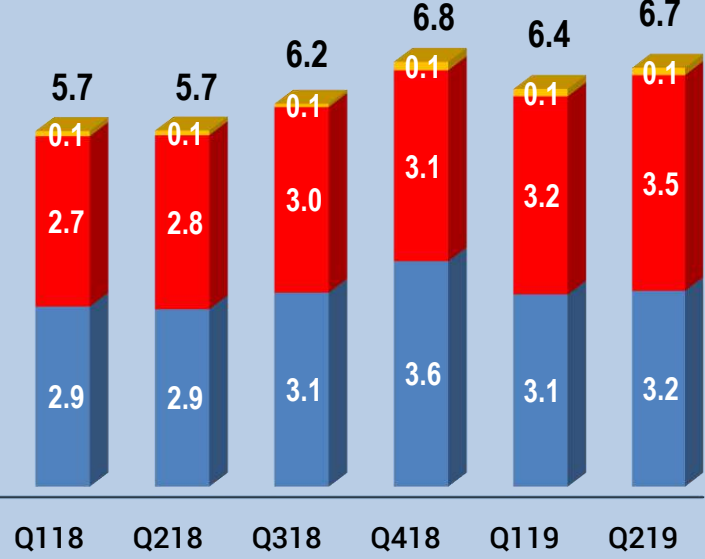
EBITDA



Development Rental Hotels



EBIT



Development Rental Hotels

All items are in billion pesos.  
Covers residential, rental and hotel operations only. Excludes financial and other income.

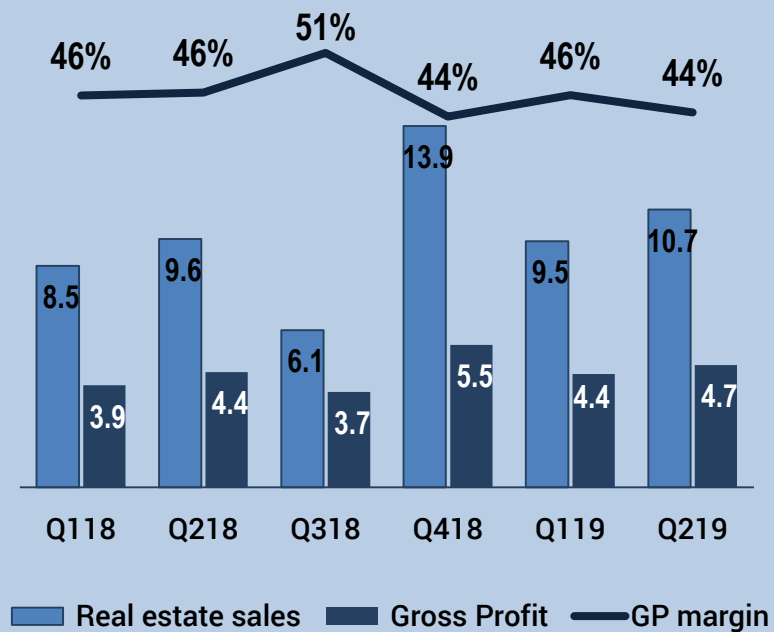
# MEG: Quarterly segment margins



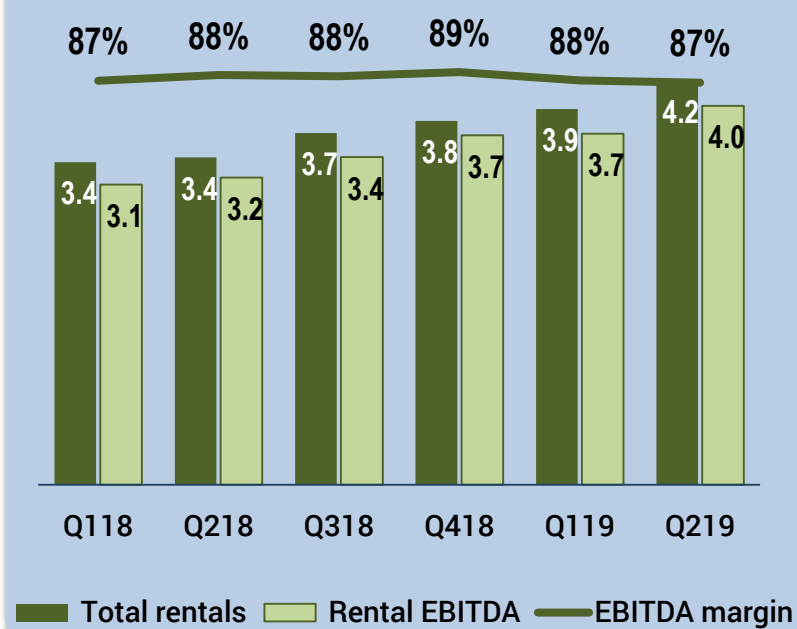
MEGAWORLD



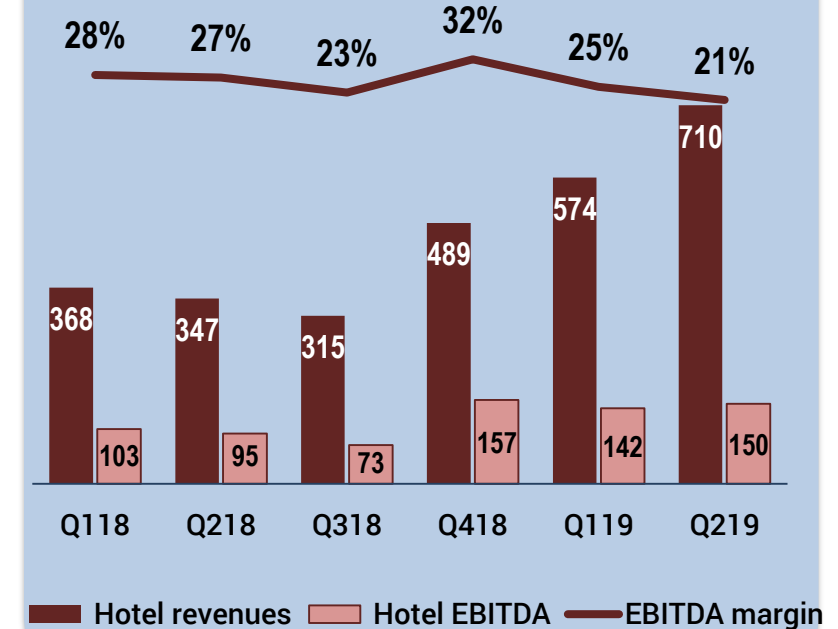
### REAL ESTATE SALES vs GROSS PROFIT



### RENTAL vs EBITDA



### HOTEL vs EBITDA



All items are in billion pesos.

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

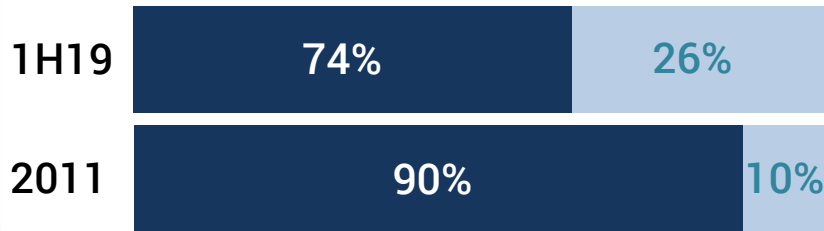
# Initiative: Geographic diversification



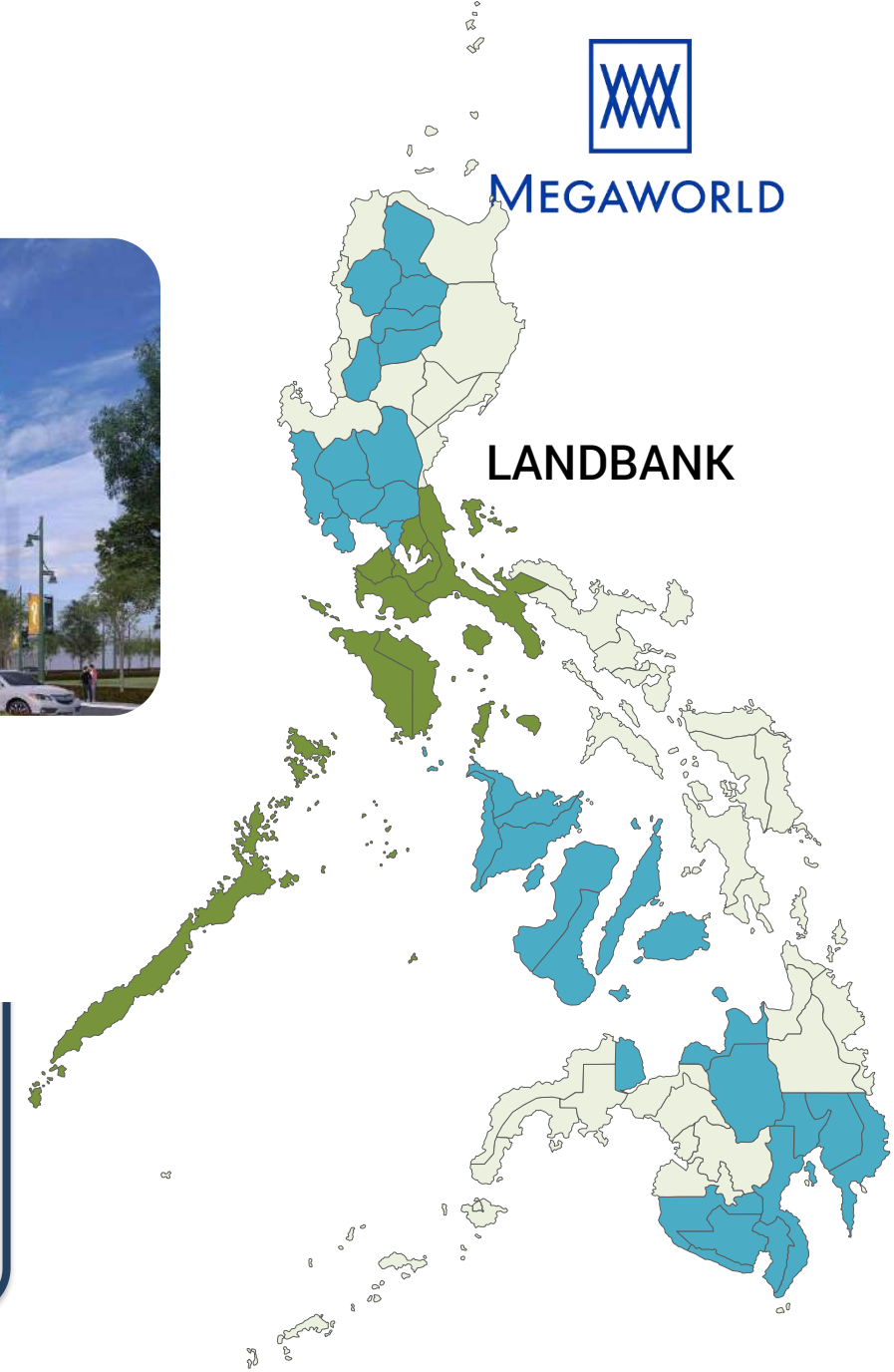
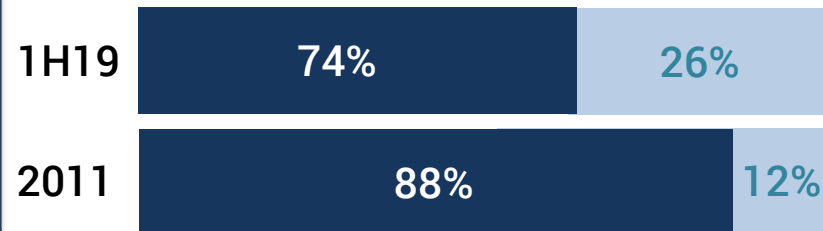
MEGAWORLD



## RESIDENTIAL PROJECT LAUNCHES BY LOCATION



## REAL ESTATE SALES BY LOCATION



Metro Manila  Provincial

# Initiative: Expansion of rental segment

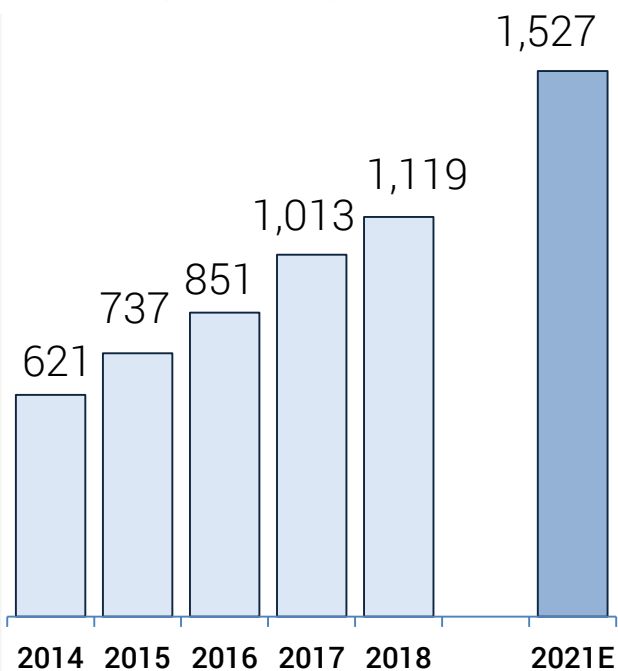


MEGAWORLD

## MEGAWORLD PREMIER OFFICES

1.1m  
sqm

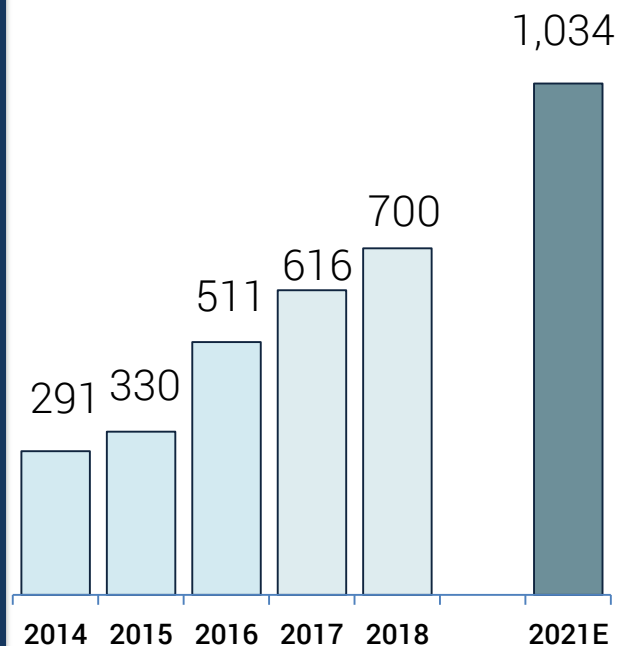
Gross leasing area  
( '000 sqm)



700k  
sqm

## MEGAWORLD Lifestyle Malls

Gross floor area  
( '000 sqm)





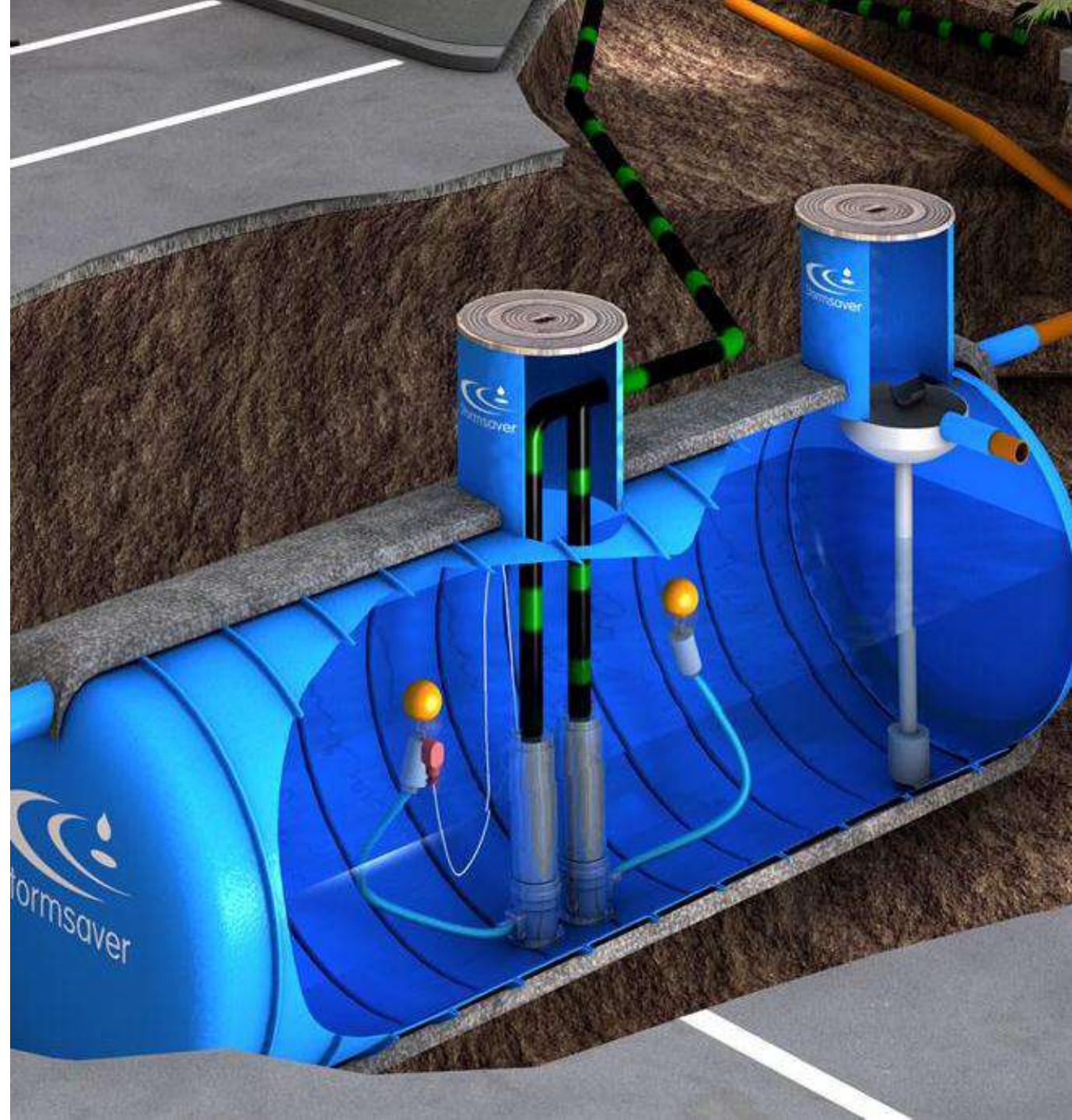
**Did you know?**

## **Flood-free townships**

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Our townships have  
**WATER CATCHMENT FACILITIES.**  
They ensure proper flow and collection of  
rainwater and other waste water.

These are recycled for flushing and  
landscape irrigation.





TRAVELLERS INTERNATIONAL  
HOTEL GROUP, INC.  
1H2019 PERFORMANCE HIGHLIGHTS

# RWM by the numbers



2,527

Hotel rooms



78

Hotel occupancy (%)



301

Gaming tables



1,802

Slots



4,000

Marriott Grand Ballroom capacity

# RWM 1H2019 financial highlights

P&L (in Pbn)	1H2019	1H2018	%	
Gross revenues	16.6	11.1	50%	
Gaming	13.5	9.0	50%	<ul style="list-style-type: none"> <li>• Improvement in volume; 5.1% blended hold rate.</li> </ul>
Mass	7.3	5.7	29%	<ul style="list-style-type: none"> <li>• Mass drop +31% but lower slots hold rate</li> </ul>
VIP	6.2	3.3	86%	<ul style="list-style-type: none"> <li>• Rolling volume +67%; higher VIP hold rate</li> </ul>
Non-gaming	3.0	2.0	48%	<ul style="list-style-type: none"> <li>• Increased hotel capacities</li> </ul>
EBITDA	2.9	3.0	-5%	<ul style="list-style-type: none"> <li>• Higher gaming fees; increased costs and opex related new facilities; prior year's one-time gains</li> </ul>
EBIT	1.4	2.0	-32%	
Net profit	0.8	1.7	-50%	<ul style="list-style-type: none"> <li>• Weighed by higher depreciation and interest charges</li> </ul>
Gearing	Jun 2019	Dec 2018	Jun 2018	
Net debt (cash)	39.3	35.1	25.1	
Net debt/equity	0.85x	0.77x	0.55x	

## Gross profit margin

39% | 38%  
1H2019 | 1H2018

## EBITDA margin

17% | 28%  
1H2019 | 1H2018

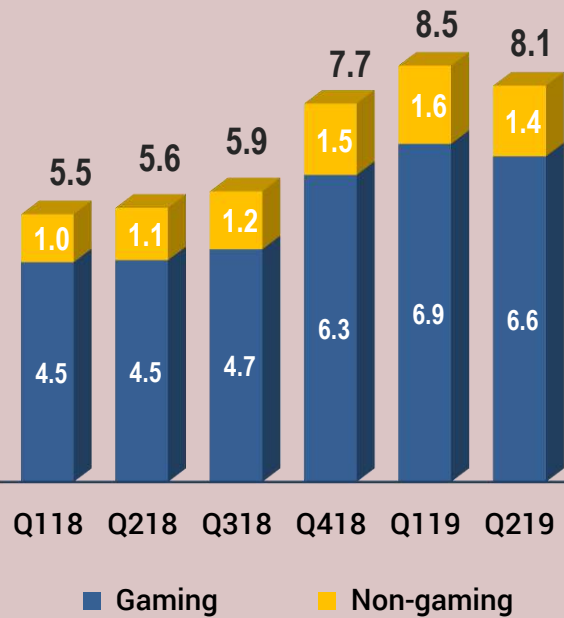
## Net income margin

5% | 15%  
1H2019 | 1H2018

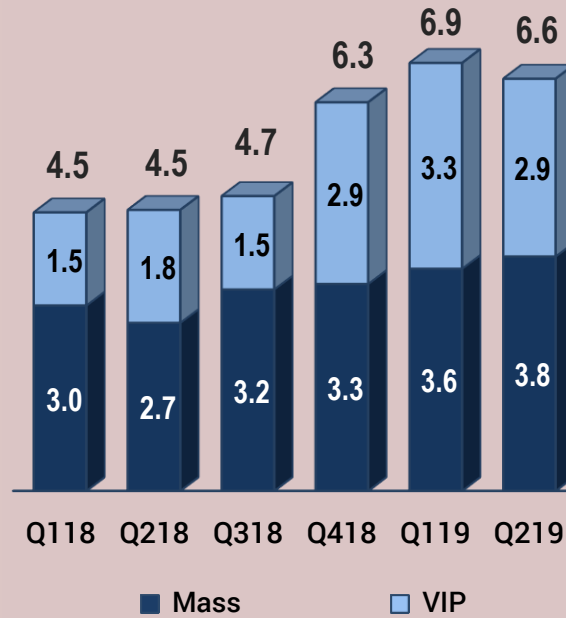
# RWM: Quarterly operational performance



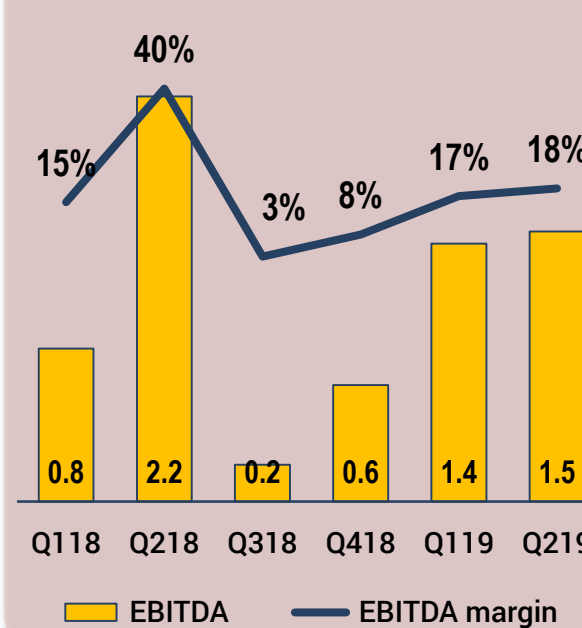
GROSS REVENUES



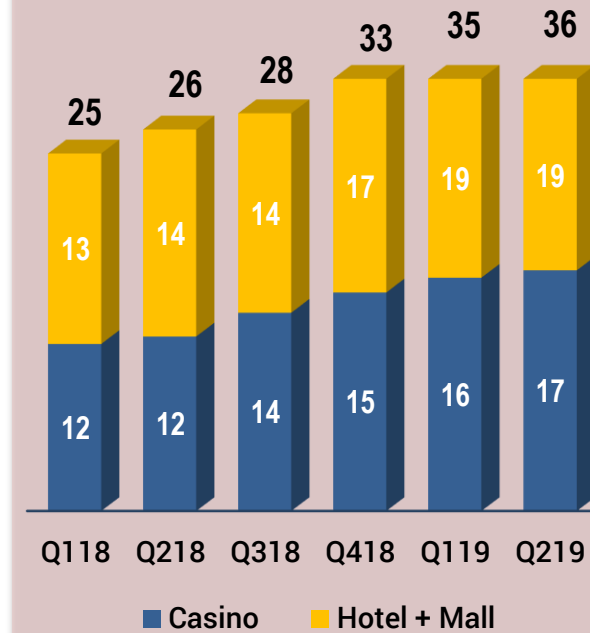
GGR: MASS VS VIP



EBITDA VS MARGIN



AVERAGE DAILY VISITORS



# Initiative: Growing the businesses

## Expanding casino operation



- Grand Wing
  - Ground floor (completed)
    - 63 tables / 588 slots machines
  - Second floor to be operational soon
    - New junket operations, additional table capacity

## Building world-class facilities



- Garden Wing
  - Rebranding of the Maxims hotel into Ritz-Carlton
  - Upgrade of Newport Mall
    - Additional retail space of ~7,000 sqm



**Did you know?**

## **Shop n Play**

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Resorts World Manila is bringing you a different level of convenience!

**Shop n Play Center** offers a variety of grocery items you can choose from - place your order thru our virtual store and pick up your grocery items the same day. Thus, allowing you to have thrilling playtime activity without worrying about your grocery errands.





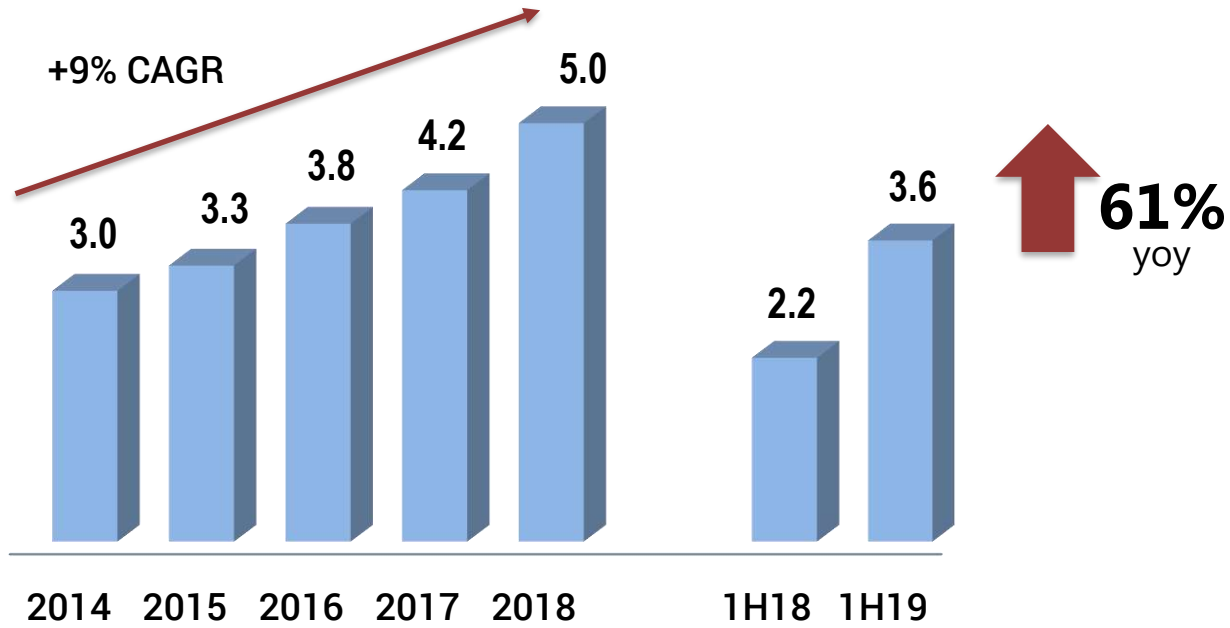
MEGAWORLD

TRAVELLERS  
INTERNATIONAL

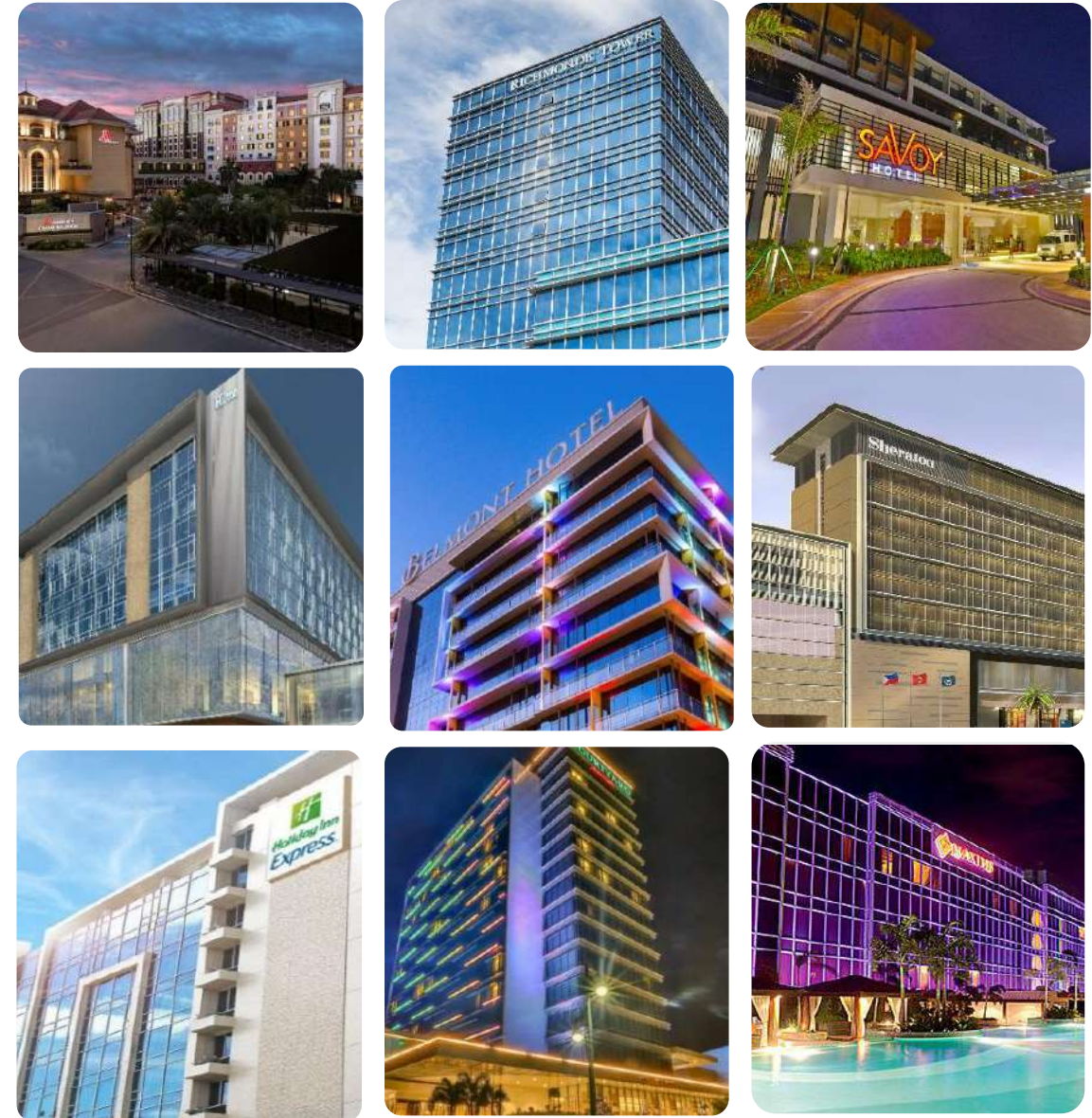
## HOTEL SEGMENT 1H2019 PERFORMANCE HIGHLIGHTS



# AGI: combined hospitality business



At present <b>5,175</b> room keys	Near-term target: <b>12,000</b> room keys
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2,527 room keys

Well-known **International Hotel Brands**  
under Travellers

- ❖ Marriott Hotel Manila
- ❖ Maxims Hotel
- ❖ Courtyard by Marriott
- ❖ Hilton Hotel Manila
- ❖ Holiday Inn Express
- ❖ Sheraton Manila Hotel
- ❖ **Coming soon!**
- ❖ Hotel Okura
- ❖ Ritz Carlton Hotel

2,648 room keys

**Home-Grown Hotel Brands**  
under Megaworld

- ❖ Eastwood Richmond Hotel
- ❖ Richmond Hotel Ortigas
- ❖ Richmond Hotel Iloilo
- ❖ Fairways & Bluewater
- ❖ Belmont Hotel Manila
- ❖ Savoy Hotel Boracay
- ❖ Twin Lakes Hotel
- ❖ Lucky Chinatown Hotel
- ❖ **Coming soon!**
- ❖ Belmont Hotel Boracay
- ❖ Savoy Mactan Newtown




# Initiative: Developing destinations that promote tourism



- ❑ In the township that we build - arts, culture, history, and heritage will be part of the development's overall character;
- ❑ This way, we don't only build communities. We build destinations that promote Philippine tourism

 ILOMOCA, Iloilo Business Park

 Chinatown Museum, Lucky Chinatown Mall

**SOON TO OPEN!**  
 PASUDECO Sugar Mill Museum, Capital Town Pampanga





EMPERADOR INC.



## EMPERADOR INC. 1H2019 PERFORMANCE HIGHLIGHTS

# EMP by the numbers



EMPERADOR INC.



102

Countries under the  
global distribution  
system



22

Domestic sales  
offices



1,513

Vineyards  
(hectares)



700

Whyte and Mackay  
trademarks  
worldwide



900

Bodegas Fundador  
trademarks  
worldwide



EMPERADOR INC.

# EMP: 1H2019 financial performance

P&L (in Pbn)	1H2019	1H2018	%	
Revenue*	21.5	19.5	10%	
Whisky	6.1	6.1	0%	• Negative impact of GBP weakness.
Brandy	15.3	13.4	15%	• Driven by imported brands <i>Fundador, Tres Cepas</i> .
Gross Profit	7.3	7.1	4%	
Whisky	2.5	2.4	8%	• Positive impact of GBP weakness.
Brandy	4.8	4.7	2%	• Affected by higher cost of raw materials.
EBITDA	4.7	4.6	2%	• Change in product mix.
Net profit	3.3	3.3	0%	• Weighed by higher opex and whisky taxes.
Attributable profit	3.3	3.2	2%	
Gearing	Jun 2019	Dec 2018	Jun 2018	
Net debt (cash)	31.5	31.8	31.7	
Net debt/equity	0.50x	0.52x	0.52x	

## Gross Profit Margin

35% | 37%  
1H2019 | 1H2018

## EBITDA Margin

22% | 24%  
1H2019 | 1H2018

## Net Income Margin

15% | 16%  
1H2019 | 1H2018

\*NET OF INTERSEGMENT

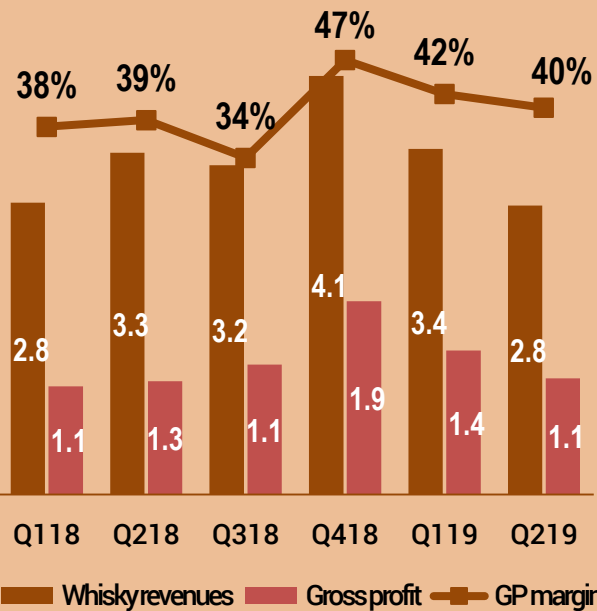
# EMP: Quarterly operational performance



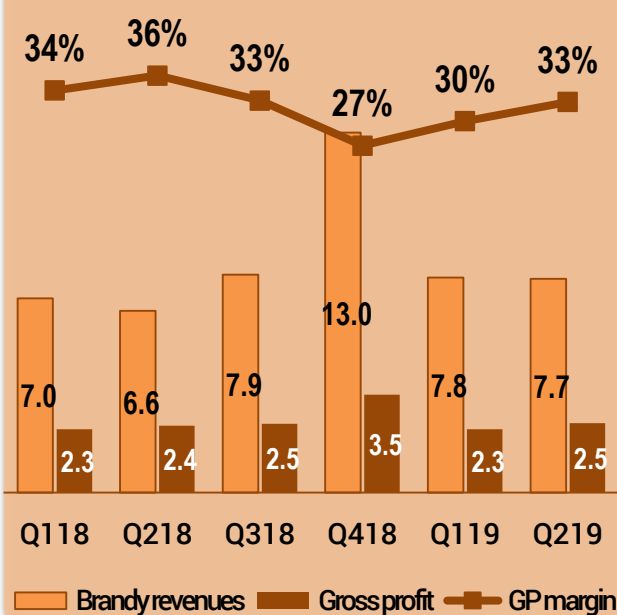
EMPERADOR INC.



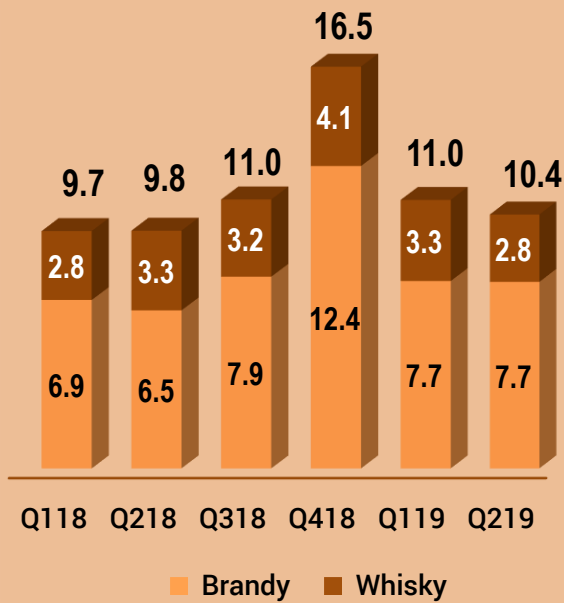
### WHISKY REVENUE\* vs GROSS PROFIT



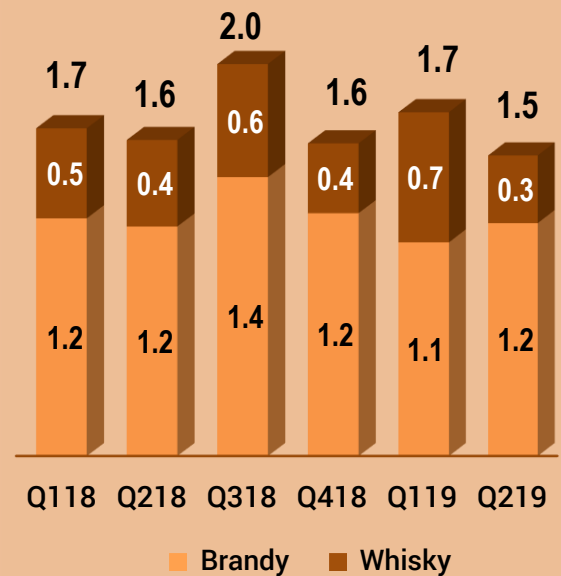
### BRANDY REVENUE\* vs GROSS PROFIT



### CONSOLIDATED REVENUE



### NET INCOME



\*Includes intersegment sales  
All items are in billion pesos except margin(%)

# Initiative: Expanding premium brandy portfolio



EMPERADOR INC.



c. P.12,800

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## The World's Best Brandy

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International World Spirits Competition

- ❑ Super-premium Brandy de Jerez
- ❑ Available in Travel Retail across Europe and Asia, and in the Philippines



**Did you know?**

## **Iceberg Museum**

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Shackleton Whisky  
is bringing Antarctic experience in  
Manila via a roving iceberg museum.

The 15°C interactive experience is  
hosting a light and sound show and  
whisky tasting in Landers Arcovia  
City starting August 1.





**GOLDEN ARCHES  
DEVELOPMENT CORPORATION**

# GOLDEN ARCHES DEVELOPMENT CORPORATION 1H2019 PERFORMANCE HIGHLIGHTS

# GADC by the numbers



5.5

Systemwide same store sales growth (%)



642

Store count



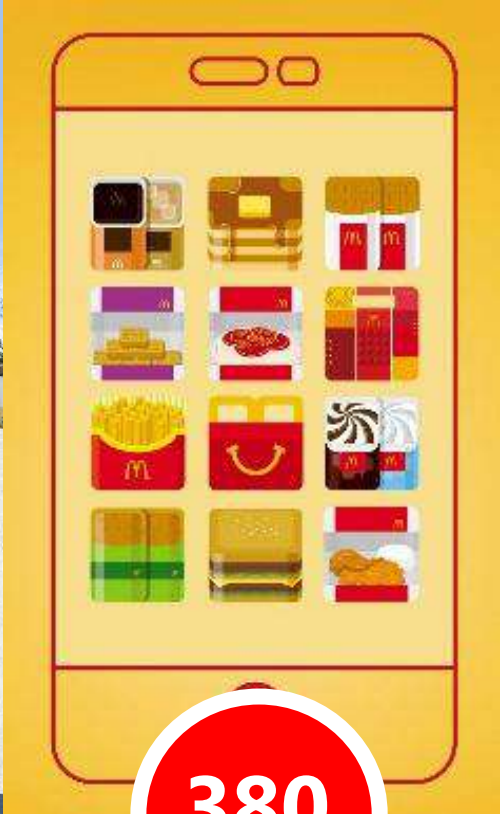
270

Dessert centers



270

Stores with drive-thru



380

McDelivery Hub



# GADC: 1H2019 financial performance

P&L (in Pbn)	1H2019	1H2018	%	
Systemwide sales	26.5	22.9	16%	• Boosted by store expansion program
Sales revenues	15.4	13.5	14%	
Sales by co. restos	13.9	12.2	14%	• SSSG at 5,5% in 1H19; 6.2% in 2Q19
Rent, royalty & others	1.5	1.3	20%	• Increased number of franchised stores
Gross profit	3.3	3.1	8%	• Weighed by higher raw material and personnel costs
EBITDA	1.9	1.7	6%	• Higher opex, mainly personnel costs, A&P
EBIT	1.2	1.2	4%	
Net profit	0.8	0.7	1%	• Higher income tax provision.
Gearing	Jun 2019	Dec 2018	Jun 2018	
Net debt (cash)	(3.8)	(4.9)	(4.6)	
Net debt/equity	Net cash	Net cash	Net cash	

## Gross Profit Margin

21% | 23%  
1H2019 | 1H2018

## EBITDA Margin

12% | 13%  
1H2019 | 1H2018

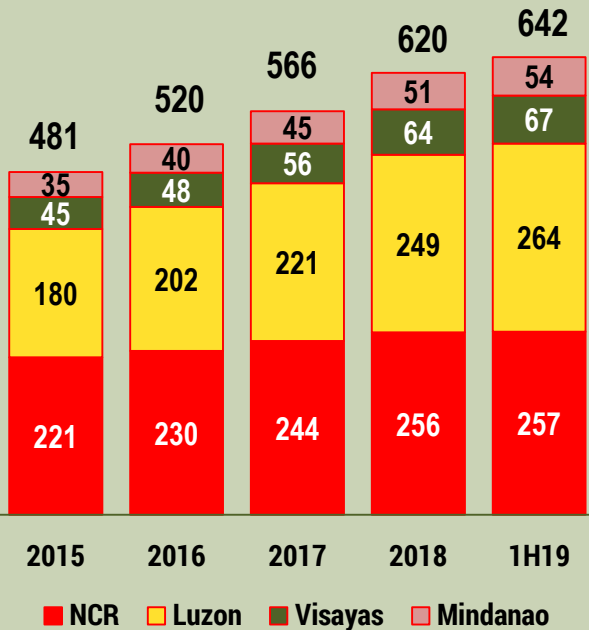
## Net Income Margin

5% | 6%  
1H2019 | 1H2018

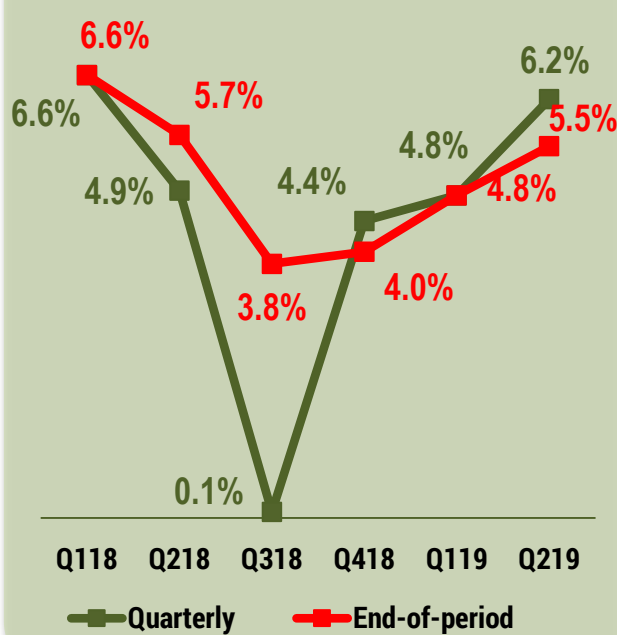
# GADC: Interim weakness in spending



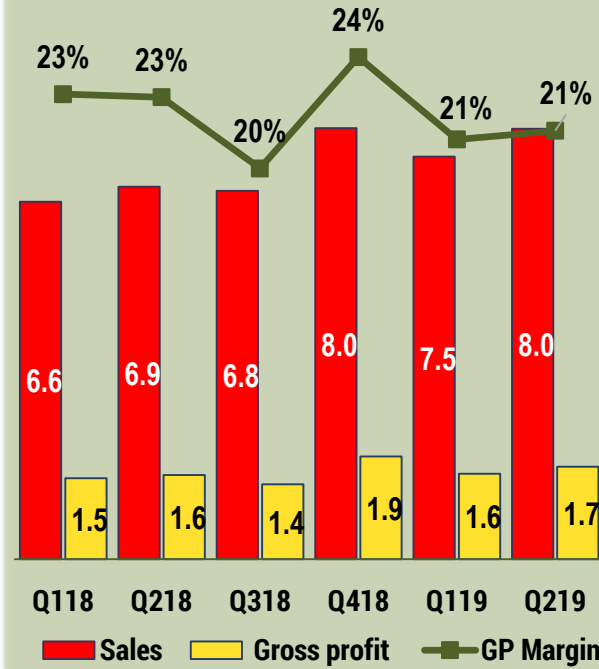
## STORE GEOGRAPHIC DISTRIBUTION



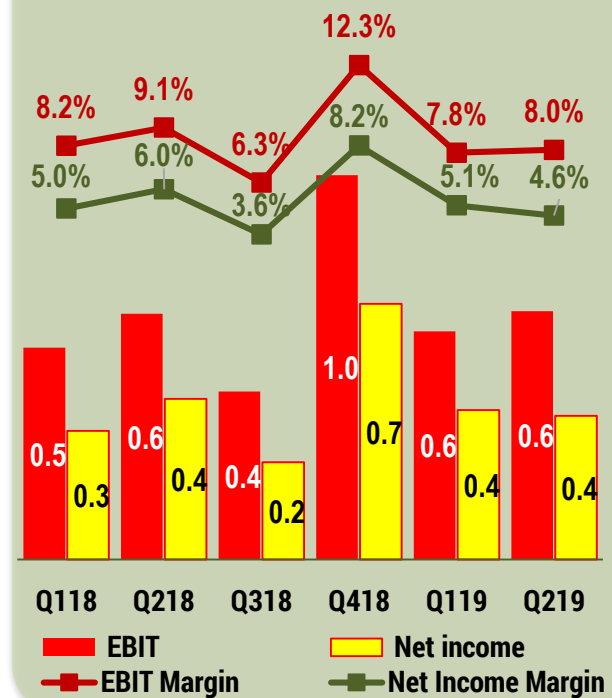
## SYSTEMWIDE SAME-STORE SALES GROWTH



## SALES VS GROSS PROFIT



## EBIT vs NET INCOME



# Initiative: McDonald's world class experience

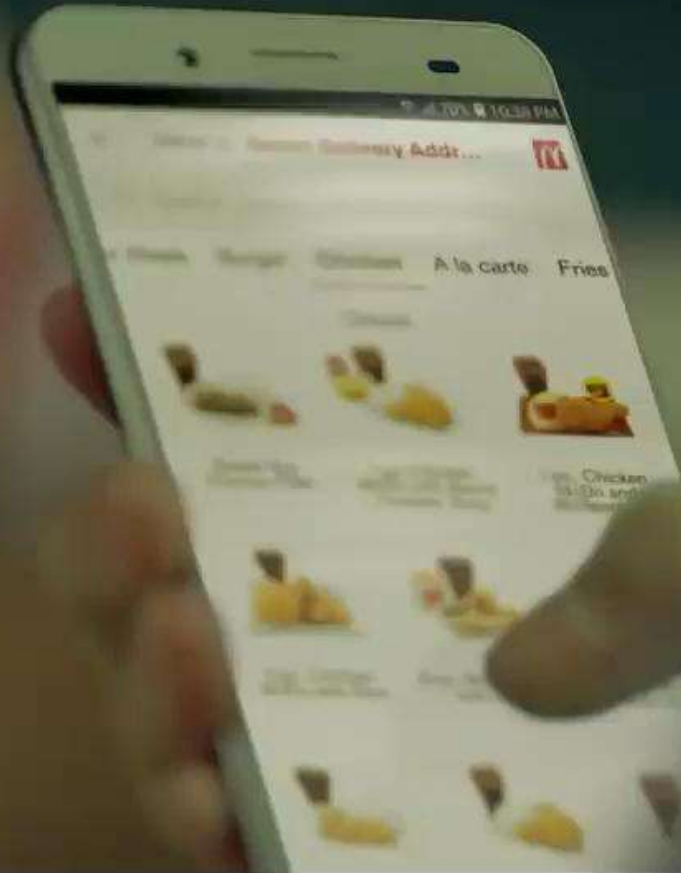


77

NXT GEN  
stores  
nationwide



# Initiative: Expanding delivery network



# Did you know?

## Speedee

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Speedee was the first McDonald's mascot before Ronald McDonald was created 1967 and portrayed by Willard Scott.







# INFRACORP

AN ALLIANCE GLOBAL COMPANY

# Fort Bonifacio-Makati Skytrain

## Project Timeline



Submission of  
unsolicited  
proposal

DOTr grant  
of Original  
Proponent Status

NEDA  
evaluation

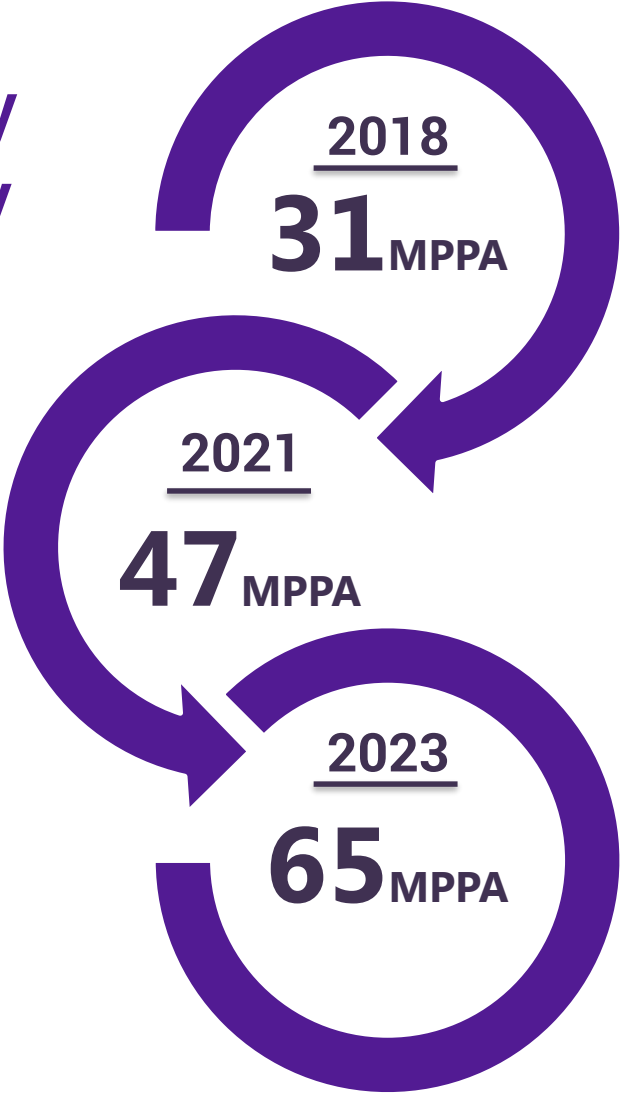
Estimated project  
award  
\*subject to change



1.88km Automated cable-propelled  
Monorail Project

# NAIA rehabilitation

## Gateway Strategy



Present capacity

PHASE 1A:  
Terminal Improvements  
Space Rationalization  
Optimize operation

PHASE 1B:  
New Terminals  
Airside Expansion





 ALLIANCE GLOBAL

END OF  
PRESENTATION