



 ALLIANCE GLOBAL  
UBS Philippines  
Corporate Day 2018  
13-15 August 2018





# Alliance Global Group Inc.

## 1H 2018 performance highlights

# AGI By the Numbers



4,948  
Hotel room keys



P178bn  
Gross debts  
(end-Jun18)



P584bn  
total resources  
(end-Mar18)



P73.2bn  
consolidated revenues  
1H2018



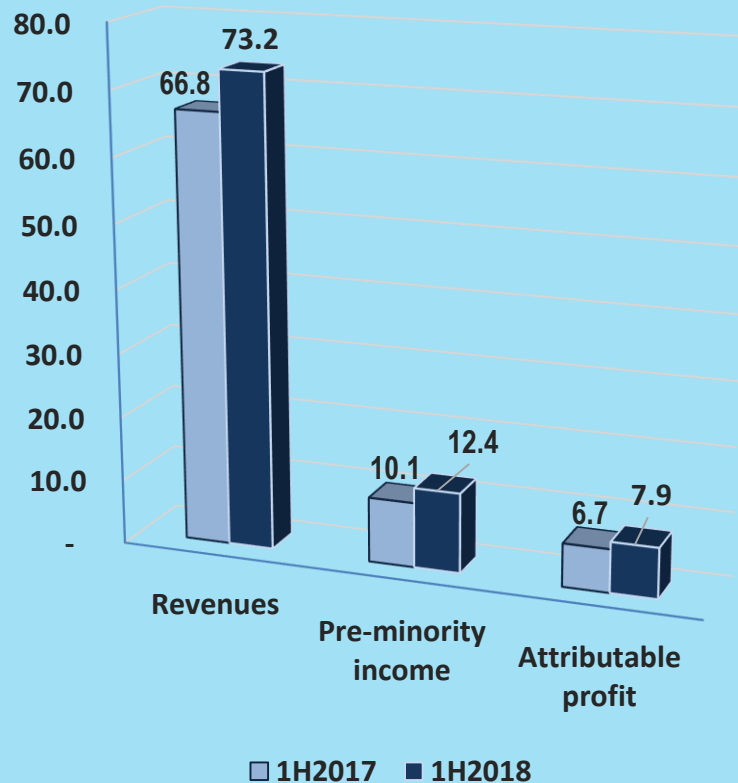
P7.9bn  
Attributable  
net income  
1H2018



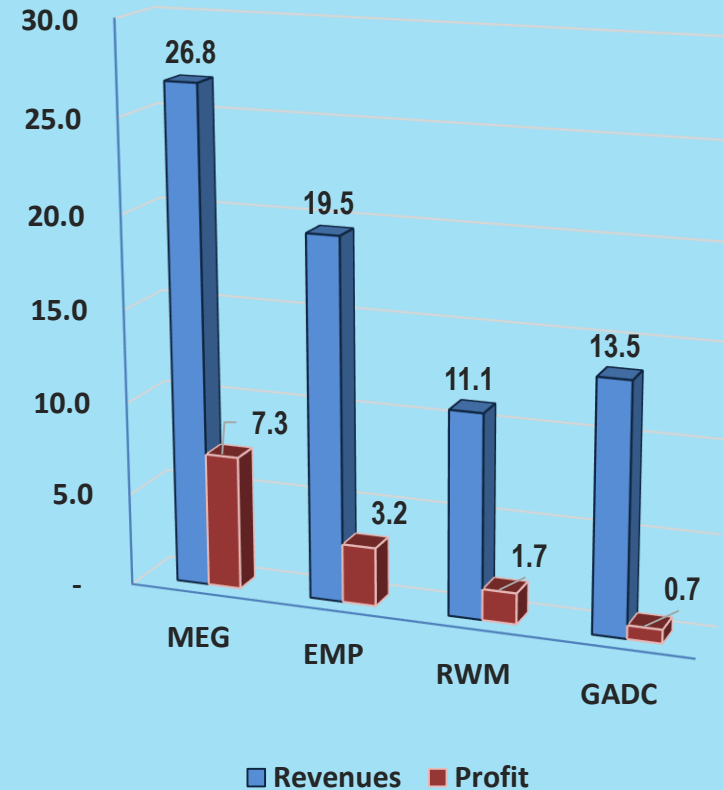
3%  
Parent  
net debt/equity

# AGI's 1H 2018 performance at a glance

## AGI P&L highlights (Pbn)



## 1H2018 P&L highlights of subsidiaries



# 2Q 2018 P&L highlights

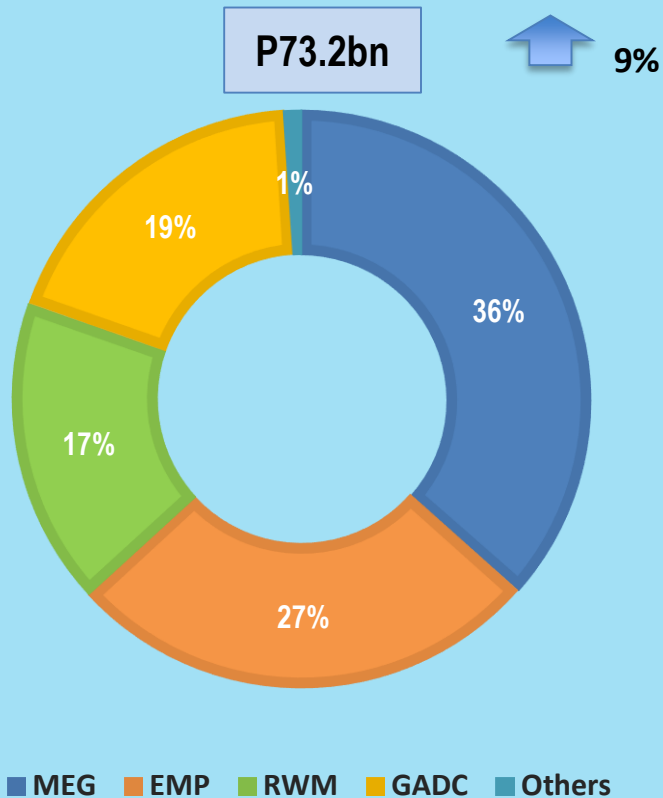
P&L highlights (Pbn)	Q218	Q217	% chg	Comments
<b>Group revenues</b>	<b>37.8</b>	<b>33.1</b>	<b>14%</b>	
Megaworld	13.6	12.1	12%	Sustained growth in rentals, higher project completion.
Emperador	9.7	9.0	8%	Robust growth in whisky sales, brandy sales steady.
Travellers	7.1	5.0	43%	Recovery in GGR
GADC	7.0	6.3	10%	4.9% systemwide SSSG; ongoing store expansion.
Others	0.4	0.7	-46%	
<b>Group costs/expenses</b>	<b>(28.6)</b>	<b>(26.7)</b>	<b>7%</b>	
Megaworld	(8.2)	(7.3)	13%	Overall opex and other charges.
Emperador	(7.8)	(7.6)	4%	Increased selling, G&A expenses, steady COGS.
Travellers	(5.4)	(5.1)	5%	Higher gaming fees, G&A expenses.
GADC	(6.4)	(5.8)	9%	Rising COGS.
Others	(0.9)	(0.9)	-9%	
<b>Net income to owners</b>	<b>4.4</b>	<b>3.2</b>	<b>38%</b>	
Megaworld	2.7	2.4	12%	Improvement in overall margins.
Emperador	1.3	1.0	36%	Doubling whisky profit, modest rise in brandy income.
Travellers	0.5	(0.1)	--	Core profit recovers.
GADC	0.2	0.1	41%	Gaining operating efficiencies.
Others	-0.4	-0.3	54%	
<b>Net profit margin</b>	<b>11.5%</b>	<b>9.5%</b>	<b>+200bps</b>	

# 1H 2018 P&L highlights

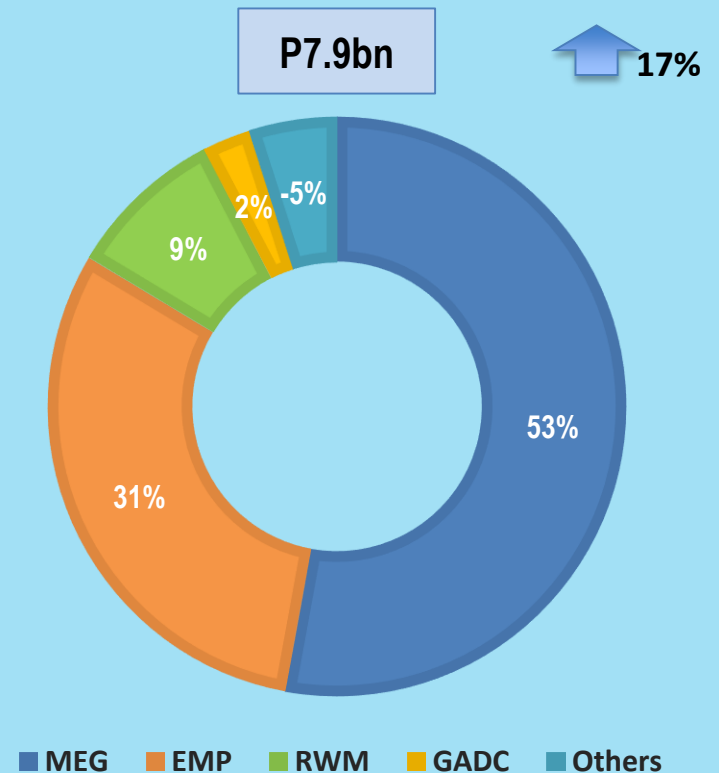
P&L highlights (Pbn)	1H18	1H17	% chg	Comments
<b>Group revenues</b>	<b>73.2</b>	<b>66.8</b>	<b>9%</b>	
Megaworld	26.7	23.9	11%	Strong growth in rentals, residential revenues.
Emperador	19.5	18.0	8%	Sustained momentum in whisky sales, brandy sales up.
Travellers	12.6	11.2	12%	Gaming recovery; rising non-gaming revenues.
GADC	13.6	12.3	11%	5.7% systemwide SSSG; ongoing store expansion.
Others	0.8	1.4	-40%	
<b>Group costs/expenses</b>	<b>(57.0)</b>	<b>(53.6)</b>	<b>6%</b>	
Megaworld	(17.0)	(15.2)	12%	Higher opex; unrealised FX losses.
Emperador	(15.7)	(14.8)	6%	Increased selling, G&A expenses, steady COGS.
Travellers	(10.4)	(10.6)	-3%	Incremental costs of operating Grand Wing.
GADC	(12.5)	(11.4)	10%	Sharper rise in COGS.
Others	(1.5)	(1.6)	-7%	
<b>Net income to owners</b>	<b>7.9</b>	<b>6.7</b>	<b>17%</b>	
Megaworld	4.8	4.3	11%	Improving margins due to better income mix.
Emperador	2.6	2.2	20%	Whisky segment contributes 27% of EMP profit.
Travellers	0.7	0.2	277%	Improving VIP revenues, non-gaming income.
GADC	0.4	0.3	40%	Gaining operating efficiencies.
Others	-0.7	-0.3	154%	
<b>Net profit margin</b>	<b>10.7%</b>	<b>10.1%</b>	<b>+69bps</b>	

# Revenue & profit breakdown

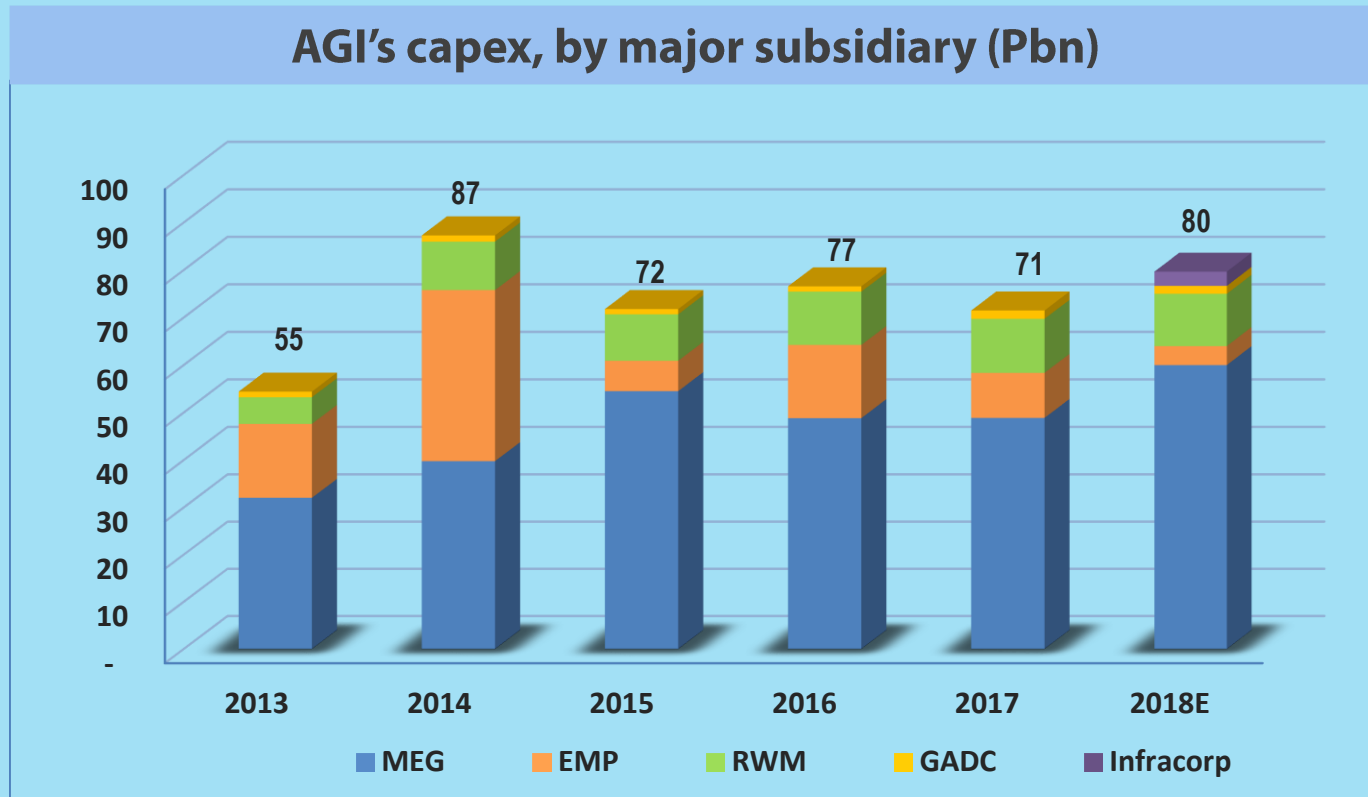
## 1H 2018 Consolidated Revenues



## 1H 2018 Attributable Net Income



# Group investment commitments



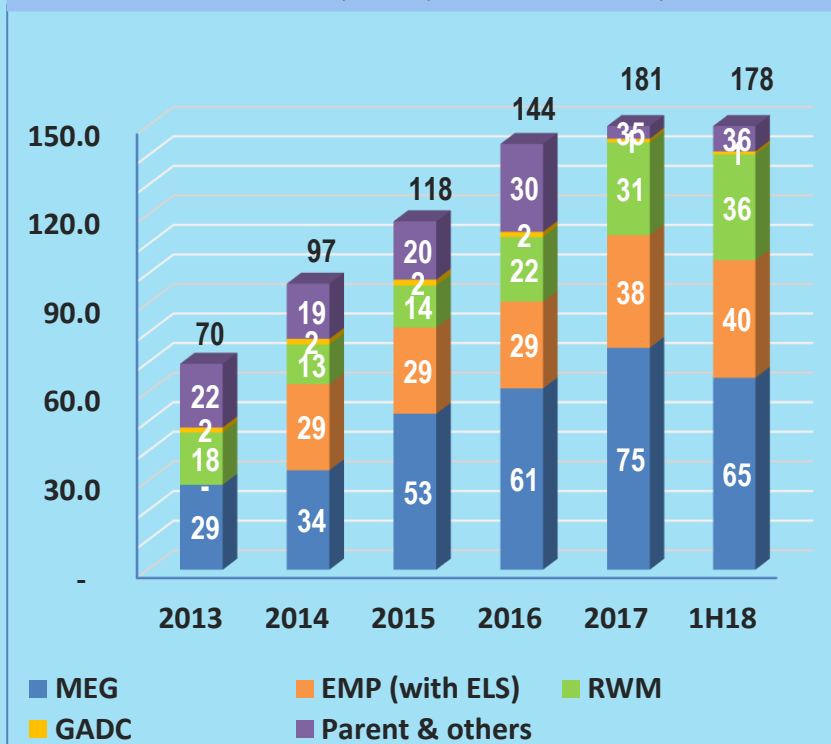
*E - Estimated.*

- Capex commitment for 2018: P80bn.

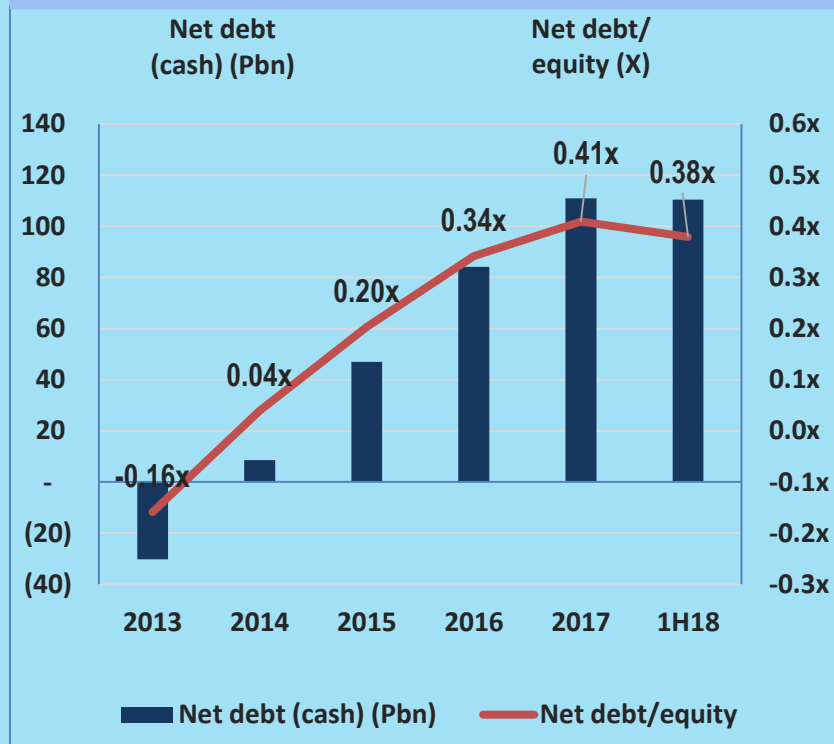


# Group borrowings

## Gross debts, by key subsidiary (Pbn)



## Gearing – consolidated level



- At end-June 2018, Group borrowings stood at P178bn, while net debt/equity fell to 0.38x (vs 0.41x in 2017).
- Parent net debt/equity remained at 0.03x.



MEGAWORLD



# Megaworld Corporation 1H 2018 performance highlights

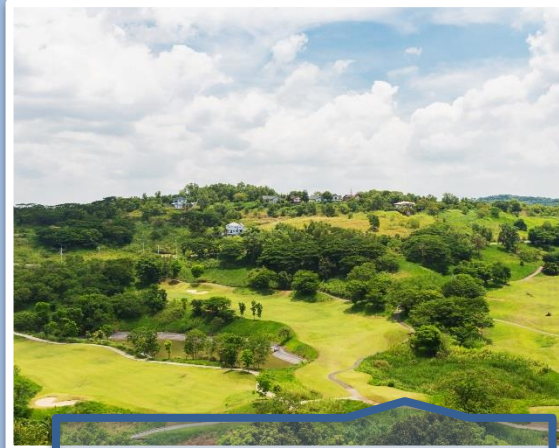
# Megaworld by the Numbers



MEGAWORLD



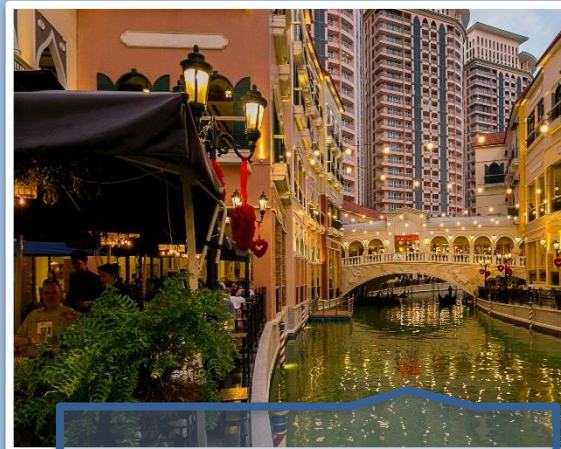
**23** townships & integrated lifestyle communities



**4,590** landbank (has.)



**1,013** office GLA ('000 sqm)







**318** lifestyle malls GLA ('000 sqm)



**~130** BPO clients

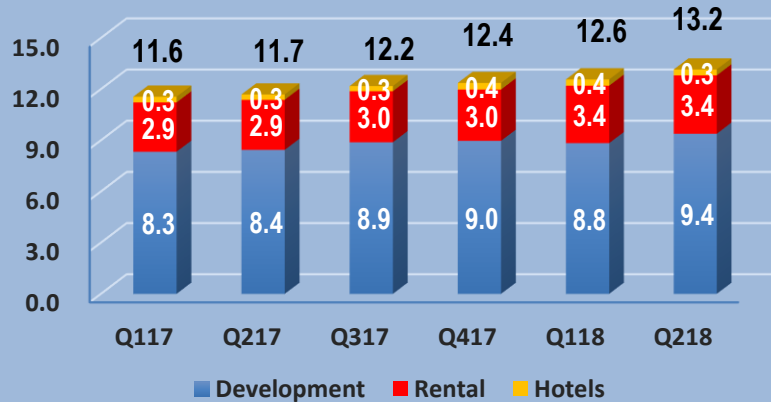
# MEG: development + rentals drive the growth

- Attributable net income +13% to P7.3bn.
- Resurgence in development segment.
  - Development revenues +9% to P18.2bn.
  - Total realized gross profit +22% to P7.9bn.
  - Reservation sales +31% to P76bn (FY2018 target: P110bn)
- Sustained growth in rentals.
  - Rentals grew 17% to P6.8bn.
  - Rental income split: office 62% / lifestyle malls 38%.
- Hotel income +10% to P715m; 73% average occupancy rate.
- Overall margin direction 
  - Residential gross profit margin  at 46.6% (from 45.8%)
  - Rental EBITDA margin  to 87.9% (from 86.1%)
  - Overall EBITDA margin  to 43.2% (from 42.7%)
- Net debt/equity down to 0.28x (from 0.36x in 2017).

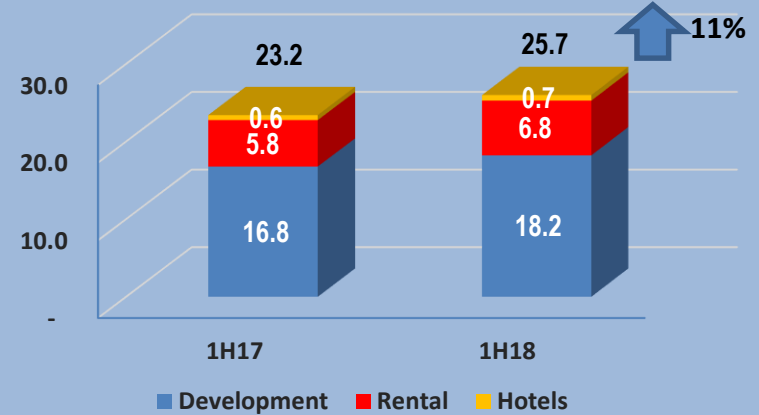


# Sustaining upward growth momentum

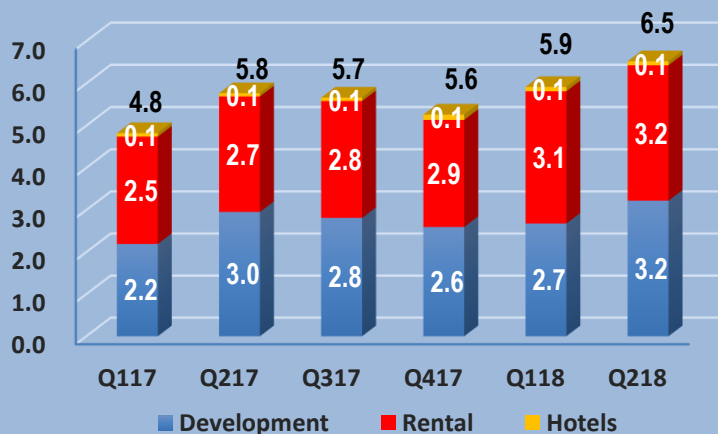
### Revenues\*, quarterly (Pbn)



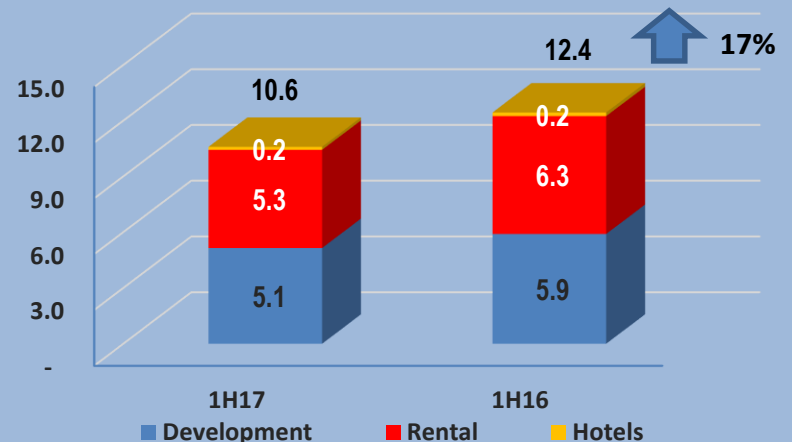
### Revenues\*, 1H18 vs 1H17 (Pbn)



### EBITDA\*, quarterly (Pbn)



### EBITDA\*, 1H18 vs 1H17 (Pbn)

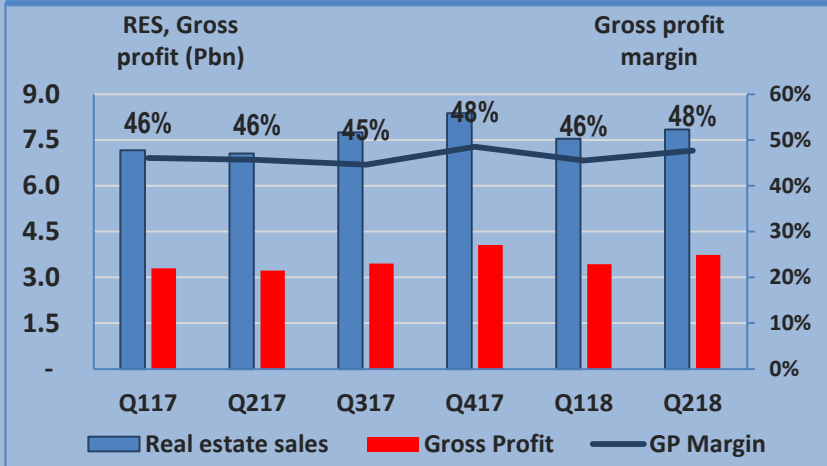


\*Covers residential, rental and hotel operations only. Excludes financial and other income.

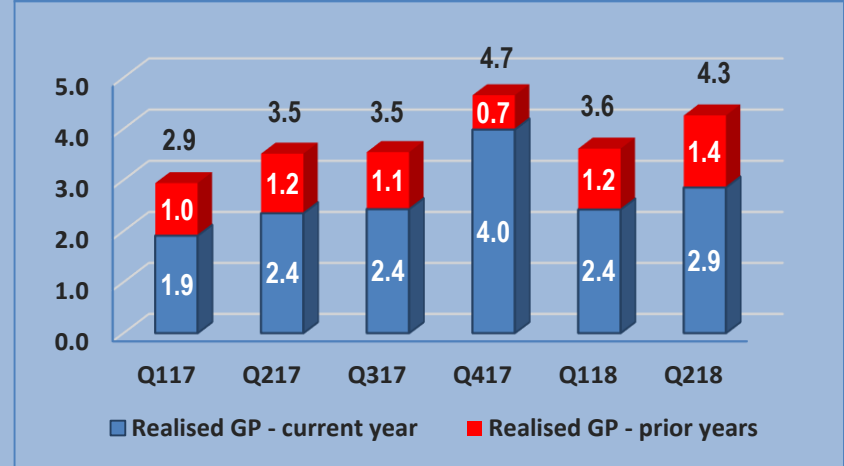


# Residential, rentals at faster growth pace

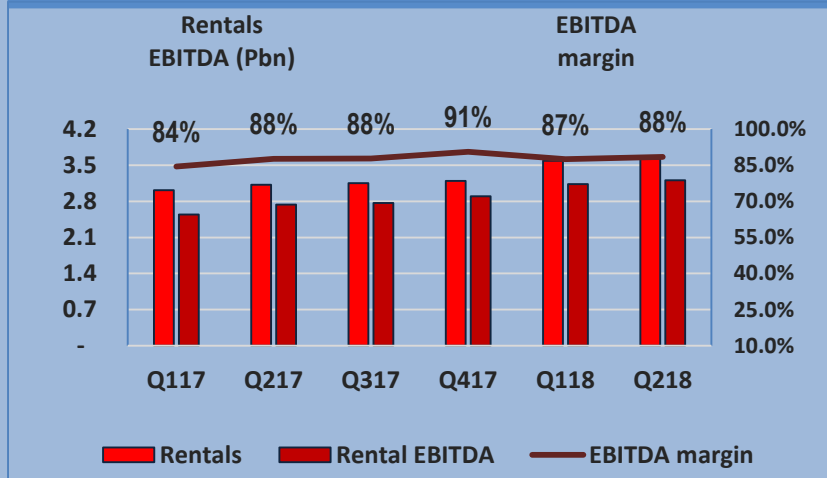
## Real estate sales vs Gross profit (Pbn)



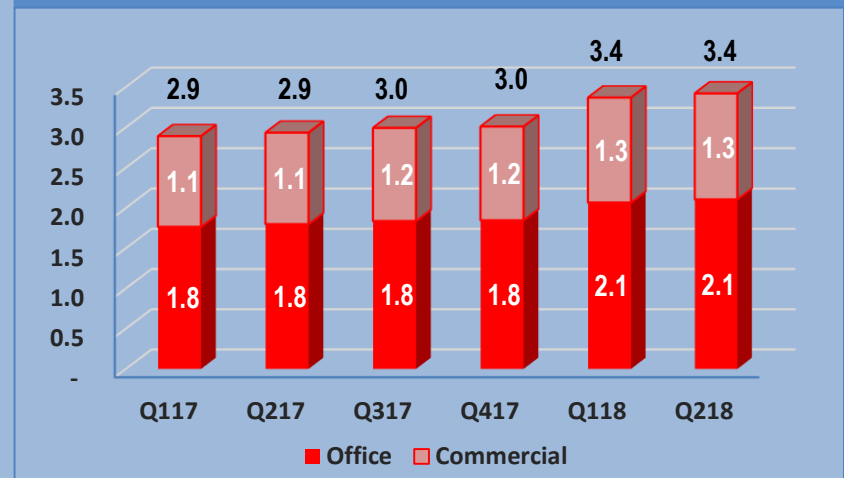
## Realized gross profit (Pbn)



## Rentals vs EBITDA (Pbn)



## Rentals: office vs lifestyle malls (Pbn)

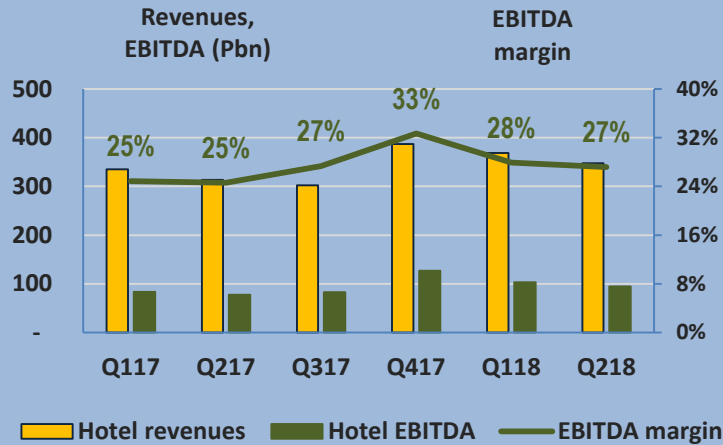


# Improving margins

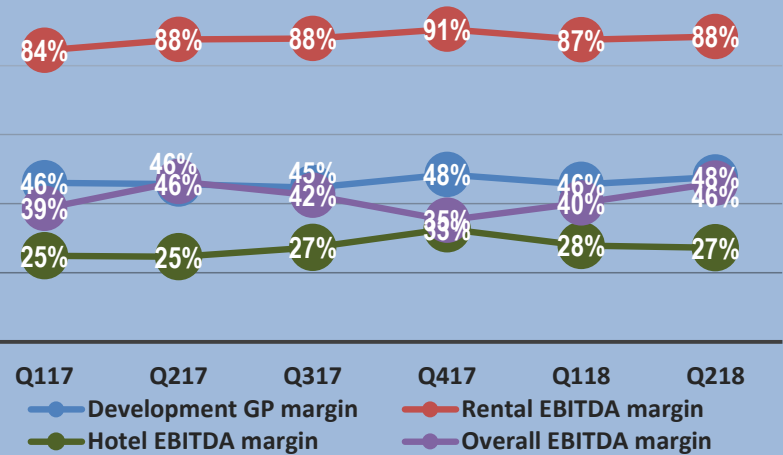


MEGAWORLD

## Hotel revenues vs EBITDA (Pbn)



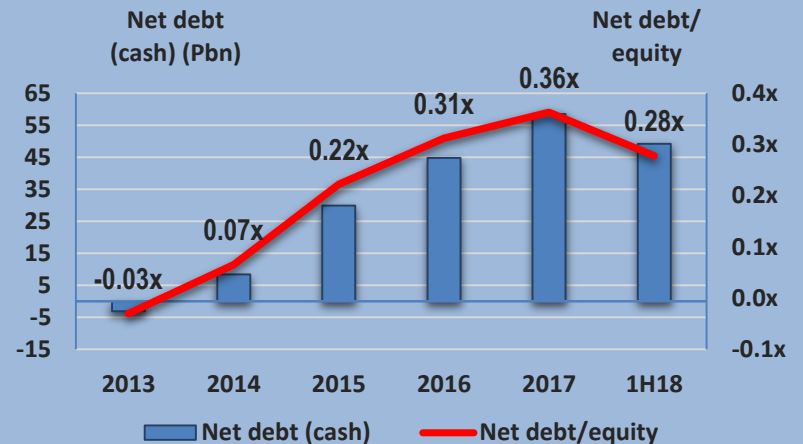
## Margin performance



## Attributable net income (Pbn)



## Gearing

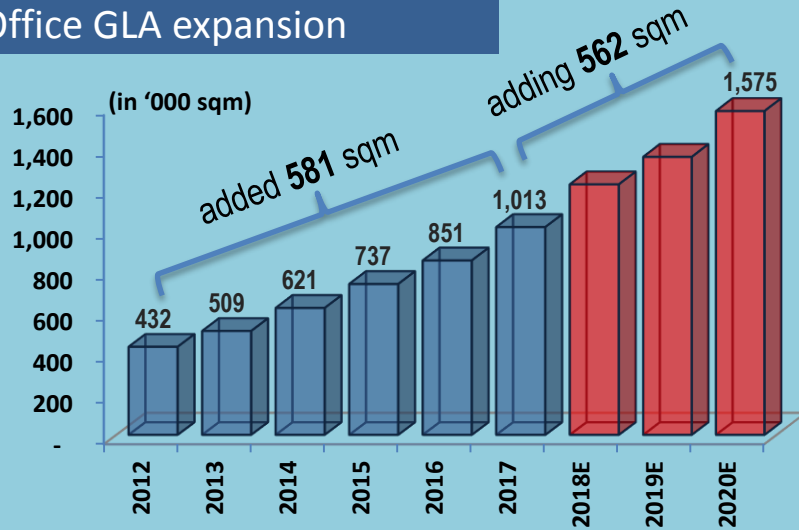


# Key initiatives: growing the rental segment

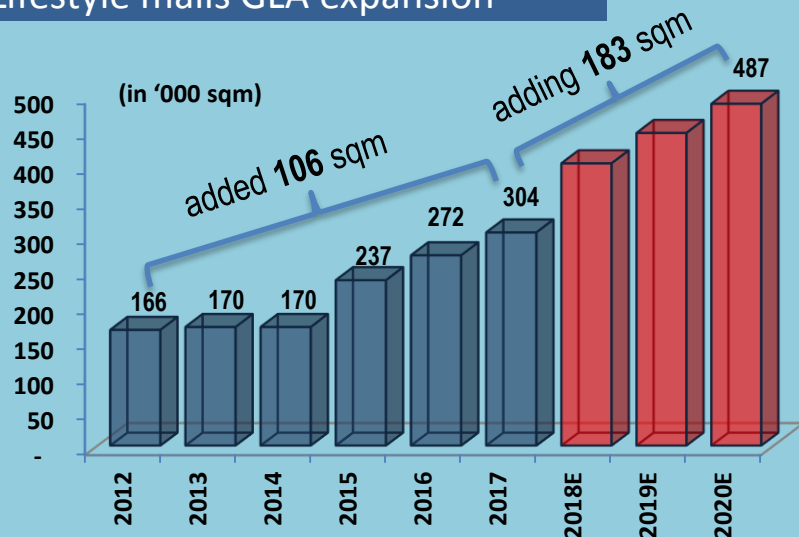


MEGAWORLD

## Office GLA expansion



## Lifestyle malls GLA expansion

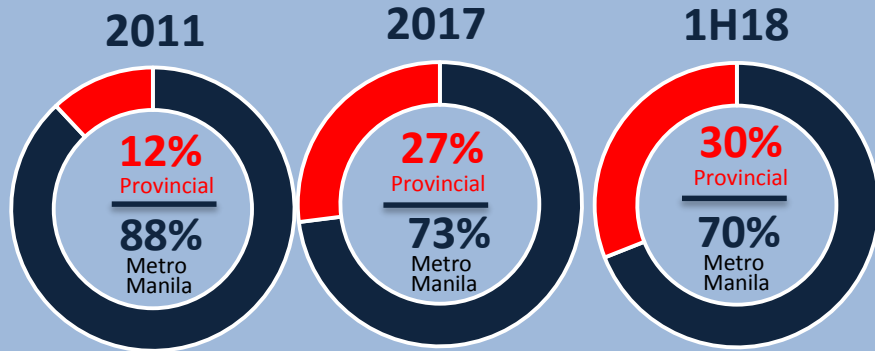






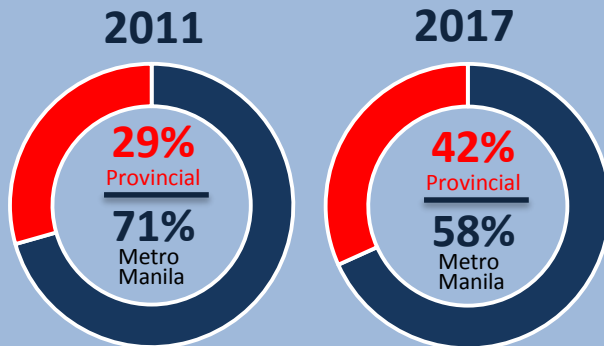
# Key initiatives: diversifying geographically

## Real Estate Sales, by location



Chelsea Park Place  
Capital Town Pampanga

## Residential Project Launches



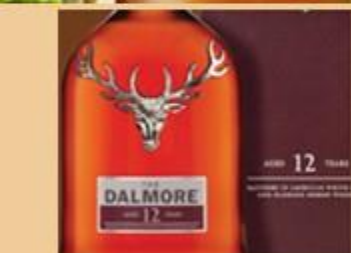
■ Metro Manila ■ Provincial



The Regis  
Upper East, Bacolod City



EMPERADOR INC.



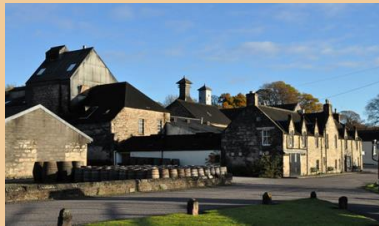
# Emperador Inc.

## 1H 2018 performance highlights



# Emperador by the Numbers

## 5 Distilleries in Scotland



### Dalmore Distillery

Region : Highland  
Capacity : 4.3m LOA



### Jura Distillery

Region : Island  
Capacity : 2.5m LOA



### Tamnavulin Distillery

Region : Speyside  
Capacity : 4.2m LOA



### Fettercairn Distillery

Region : Highland  
Capacity : 2.3m LOA



### Invergordon Distillery (Grain)

Region : Highland  
Capacity : 36.3m LOA

## 2 Vineyards in Spain



### Bodega San Bruno

- 509 hectares in Toledo, Spain
- 409 hectares in Madrid, Spain









### Bodega Las Copas

- 275-hectare near Toledo, Spain



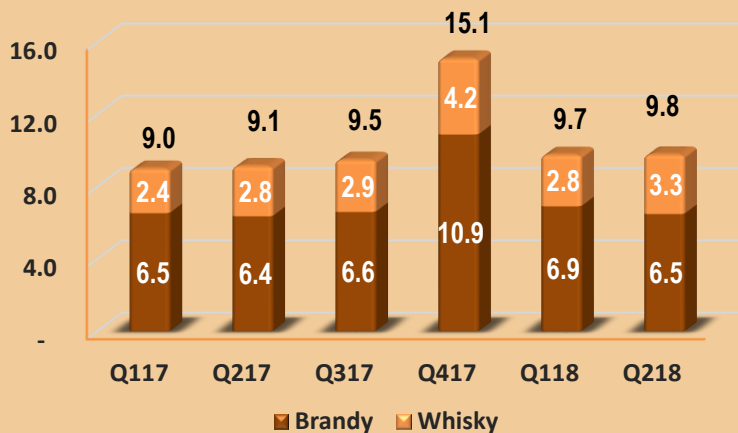
# EMP: buoyed by international operations

- Attributable net income +18% to P3.2bn.
- Increasing contribution of international operations.
  - Whisky revenues +16% to P6.2bn (31% of total) driven by sales of branded products Dalmore, Jura and Whyte&Mackay to UK, Asia and Travel Retail.
  - Operating income +92% to P950m (23% of total).
  - Net income +76% to P890m (27% of total).
- Domestic brandy business remains soft.
  - Brandy revenues +4% to P13.6bn (or 69% of total) due to Bodegas Fundador products.
  - Operating income -1% to P3.2bn (77% of total) amid higher selling and G&A expenses.
  - Net income +8% to P2.4bn (73% of total).
- Overall margin direction: 
  - GP margin  to 35.9% (from 33.4%)
    - Whisky margin  to 35% (from 28%) / Brandy margin  to 36% (from 35%)
  - Operating income margin  to 21.3% (from 20.4%)
  - Net profit margin  16.7% (from 14.9%)
- Net debt/equity at 0.52x (vs 0.48x in 2017).

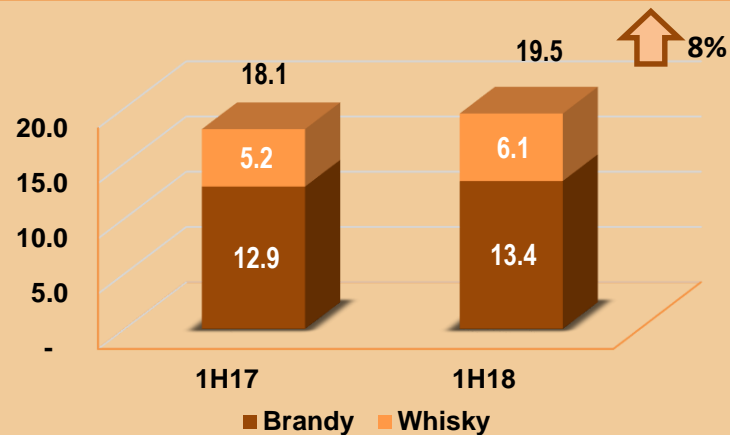


# Whisky segment continues to drive growth EMPERADOR INC.

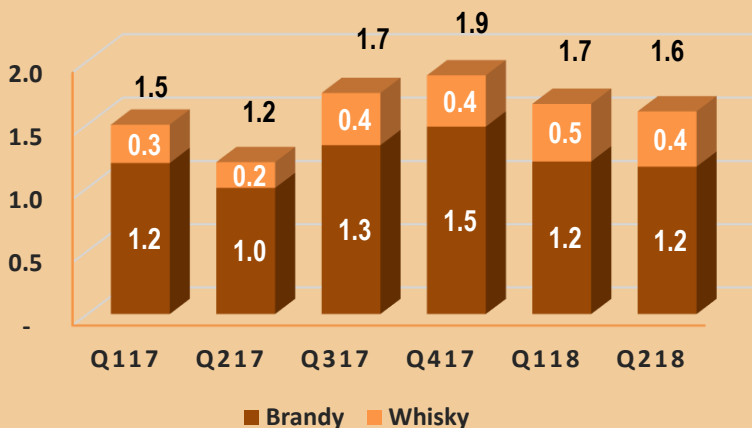
### Revenues, quarterly (Pbn)



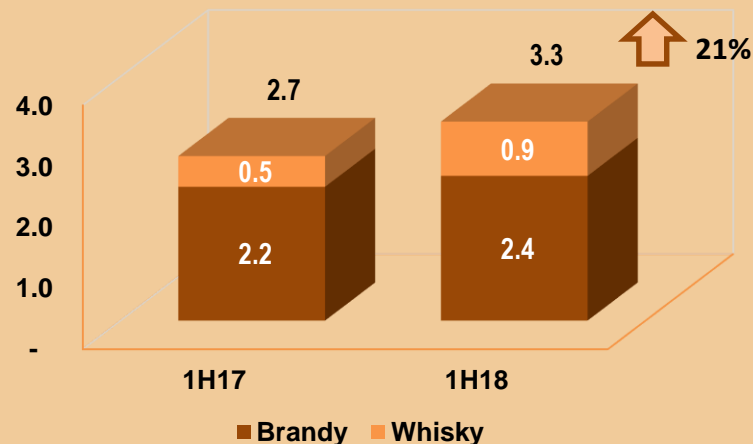
### Revenues, 1H18 vs 1H17 (Pbn)



### Net income, quarterly (Pbn)



### Net income, 1H18 vs 1H17 (Pbn)

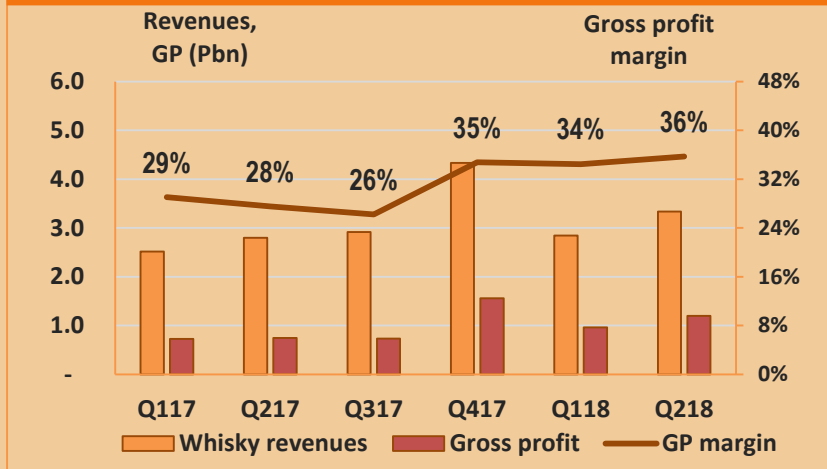


# Overall margin improvement

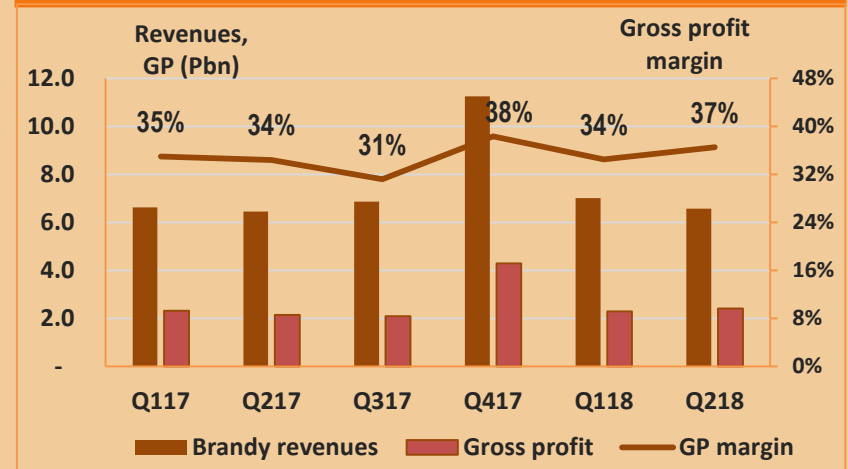


EMPERADOR INC.

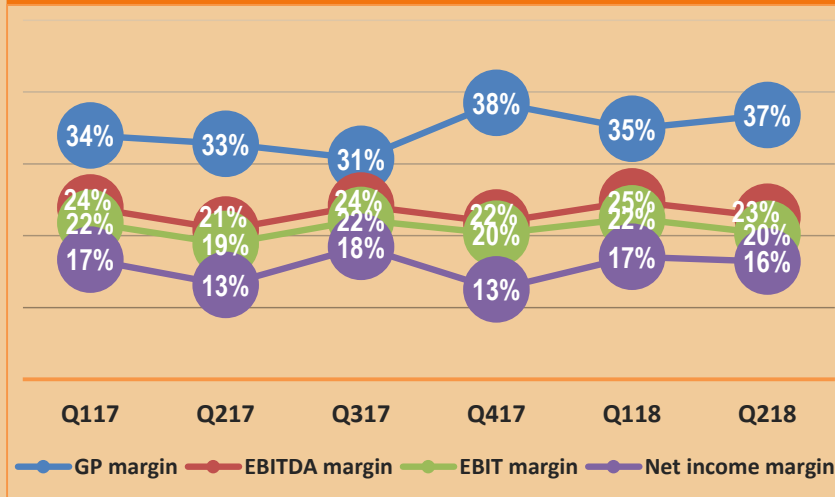
## Whisky: Revenues vs GP margin



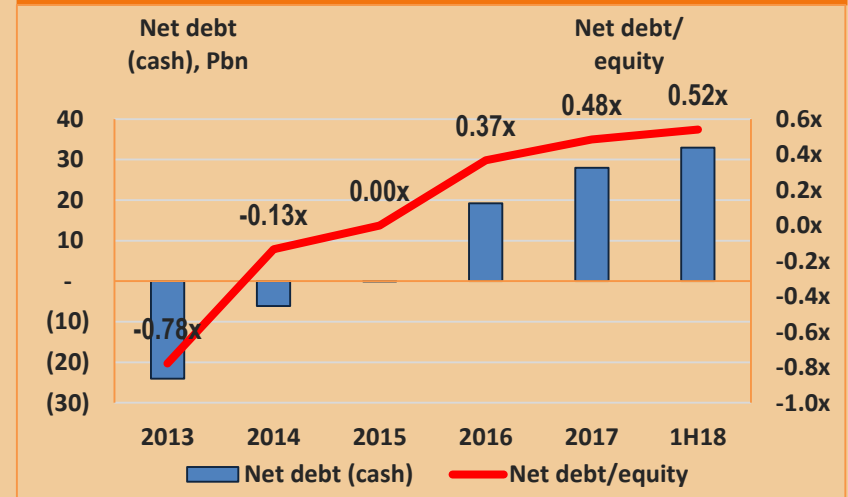
## Brandy: Revenues vs GP margin



## Margins



## Gearing





# Key initiative: increasing share of foreign brands





**Key initiative: continuing premiumization thrust** EMPERADOR INC.

# CIGAR LOUNGE

## DALMORE FLAGSHIP STORE

### UPTOWN BONIFACIO



# ZABANA BAR

SAVOY HOTEL MANILA



RICHMONDE HOTEL ILOILO





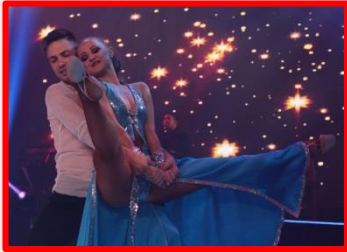


# Travellers International Hotel Group Inc.

1H 2018 performance highlights



# Travellers By The Numbers



**1,780**  
HOTEL ROOMS

**1,449**  
SLOTS  
1H2018

**80%**  
HOTEL  
OCCUPANCY  
1H2018

**P11.1bn**  
GROSS REVENUES  
1H2018



**P1.6bn**  
EBITDA  
1H2018

**257**  
GAMING  
TABLES  
1H2018

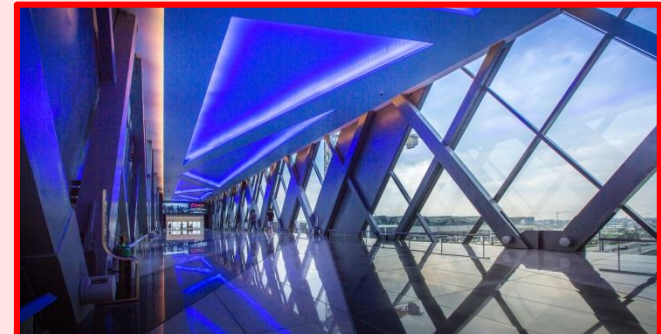


**P94.5bn**  
TOTAL RESOURCES  
(end-Jun2018)





**4,000**  
MGB CAPACITY

**91**  
RETAIL  
OUTLETS

**11,534**  
SQM RETAIL SPACE

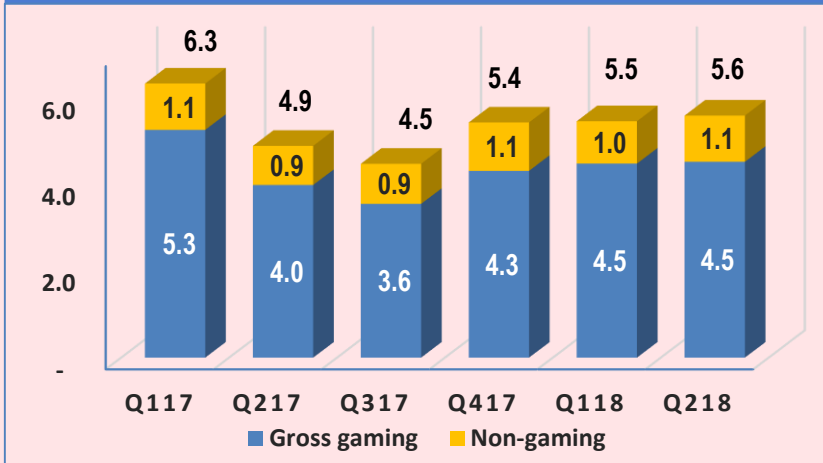


# RWM: ramping up; VIP segment recovers

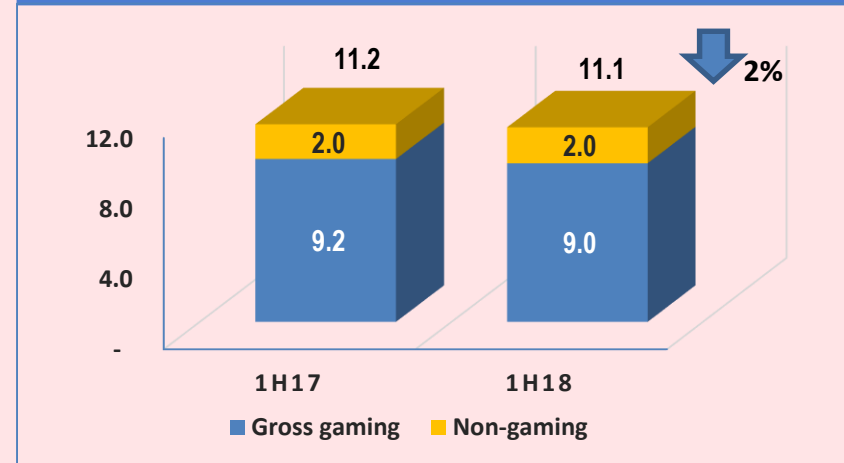
- Attributable net income at P1.7bn (from P375m).
- VIP ramping up, Grand Wing launch to augment capacity.
  - GGR -3% to P9.0bn: VIP volume, GGR recovers; mass segment weighed down by lower hold rate.
  - Grand Wing (soft-launched in May) continues to ramp up.
- Non-gaming segment recovers; 80% average hotel occupancy rate.
  - Non-gaming revenues +4% to P2.0bn.
  - Average daily visitors back at 27k.
- EBITDA at P1.6bn.
- Margin direction  amid incremental costs from the new facility.
  - GP margin  to 57.1% (from 57.5%)
  - EBITDA margin  to 14.2% (from 19.5%)
  - Core net margin  to 6.6% (from 4.8%)
- Net debt/equity at 0.55x (vs 0.47x in 2017).

# Capped by lower gaming capacity

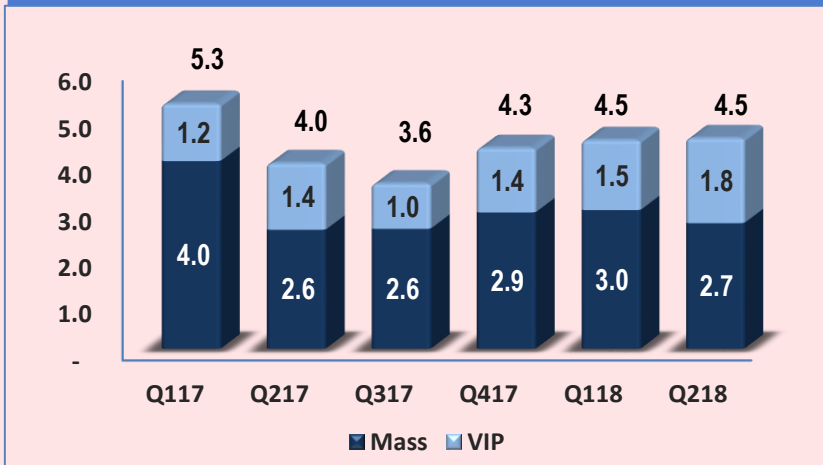
Gross revenues, quarterly (Pbn)



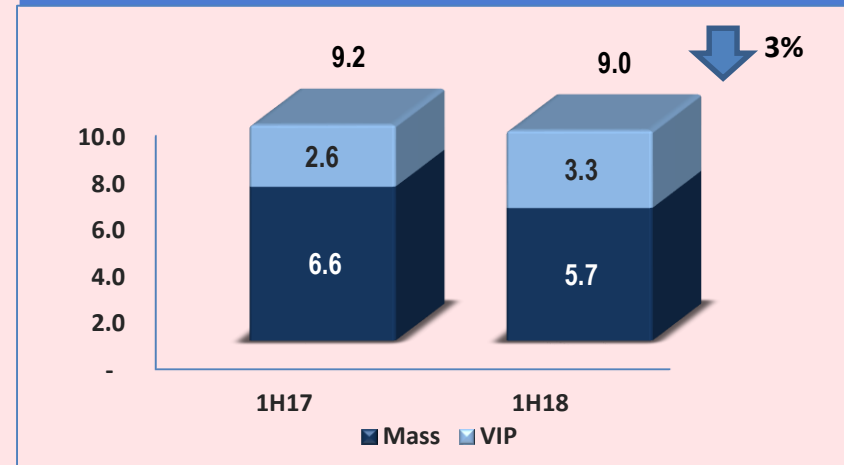
Gross revenues, 1H18 vs 1H17 (Pbn)



GGR: Mass vs VIP, quarterly (Pbn)

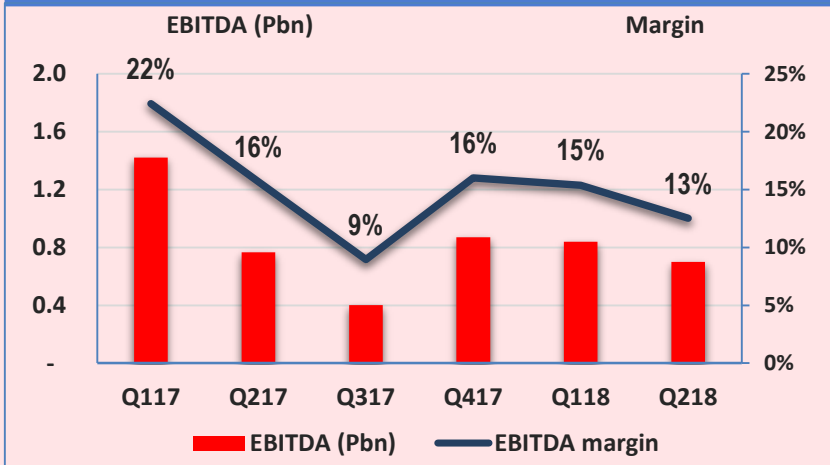


GGR: Mass vs VIP, 1H18 vs 1H17 (Pbn)

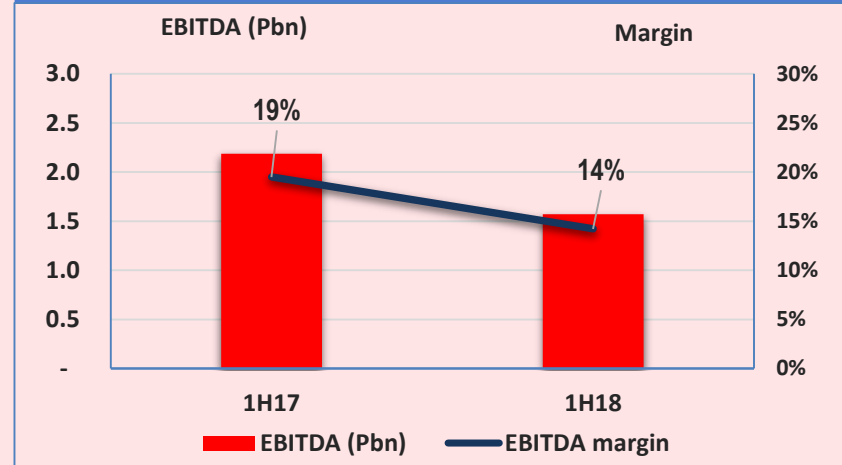


# Foot traffic recovers

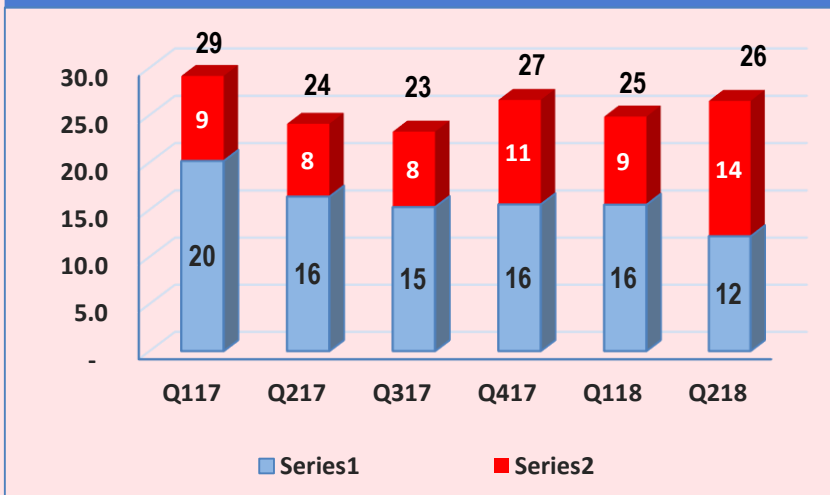
## EBITDA vs margin, quarterly



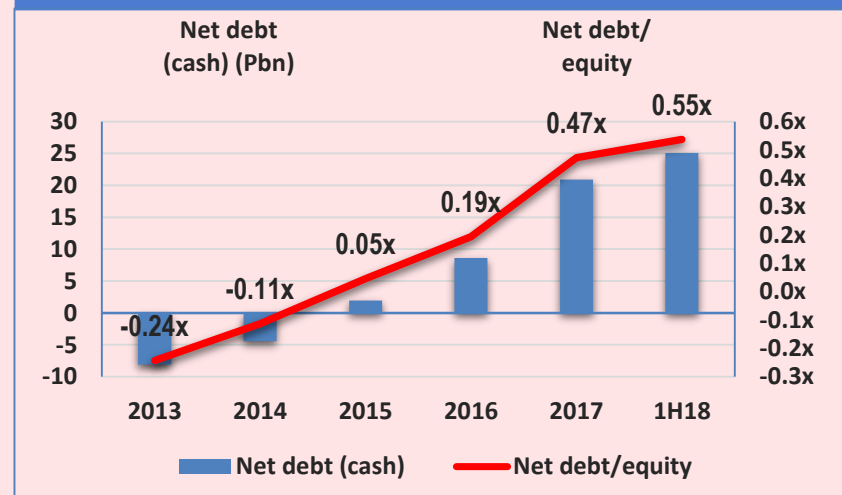
## EBITDA vs margin, 1H18 vs 1H17



## Number of visitors ('000)



## Gearing



# Key initiatives: Launch of The Grand Wing



partial opening of  
**GAMING AREA**

- ❖ **3,500** sqm
- ❖ **35** tables | **400** slot machines



# Key initiatives: International hotel brands



**391**  
ROOMS



**712**  
ROOMS



**357**  
ROOMS



**191**  
ROOMS





GOLDEN ARCHES DEVELOPMENT CORPORATION



# Golden Arches Development Corporation

## 1H 2018 performance highlights





# GADC By The Numbers



GOLDEN ARCHES DEVELOPMENT CORPORATION

**5.7%**

SYSTEMWIDE SAME-  
STORE SALES GROWTH  
(1H2018)

**P13.5bn**

SALES REVENUES  
(1H2018)

**22.6%**

GP MARGIN  
(1H2018)

**585**

STORES  
(end-  
Jun18)

**52%**  
COMPANY  
-OWNED

**48%**  
FRANCHISED

**273** DESSERT CENTERS (1H18)

**258** STORES WITH DRIVE THRU (1H18)

**324** MCDELIVERY HUBS (1H18)



**P19bn**

TOTAL RESOURCES  
(end-Jun18)






**P1.7bn**

EBITDA  
(1H2018)

# GADC: tirelessly expanding store count



GOLDEN ARCHES DEVELOPMENT CORPORATION

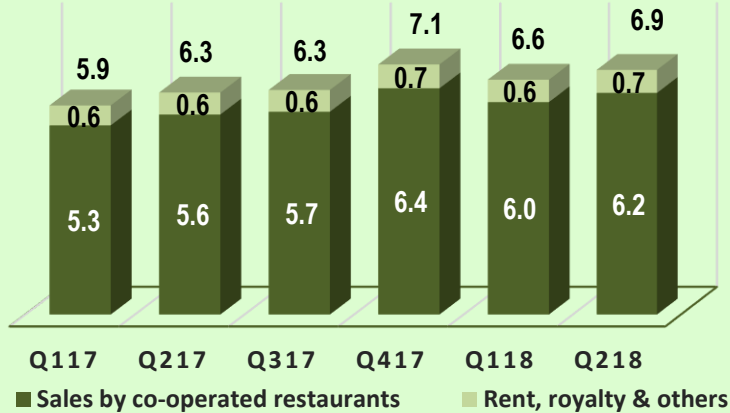
- Attributable net income +26% to P741m.
- Sustaining upward sales momentum.
  - Sales revenues +11% to P13.5bn.
    - ✓ Sales by company-owned stores +12% to P12.2bn (91% of total).
    - ✓ Rent, royalty & others +9% to P1.3bn (9% of total).
  - Systemwide same-store sales growth at 5.7% vs 5.2% in 1H17.
  - Number of stores : 585 (vs 533 in 1H17).
    - ✓ Average sales per store +3% YoY.
    - ✓ Some of Q218 new stores: Manila; Pagbilao (Quezon); Kalibo (Aklan); Maribago (Cebu); Iloilo; Cagayan de Oro; Davao.
- Margin direction  gaining from economies of scale.
  - GP margin  to 22.6% (from 22.5%)
  - EBITDA margin  to 12.9% (from 13.0%)
  - EBIT margin  to 8.7% (from 8.1%)
  - Net profit margin  to 5.5% (from 4.9%).
- Improving net cash levels.

# Sustaining healthy growth path

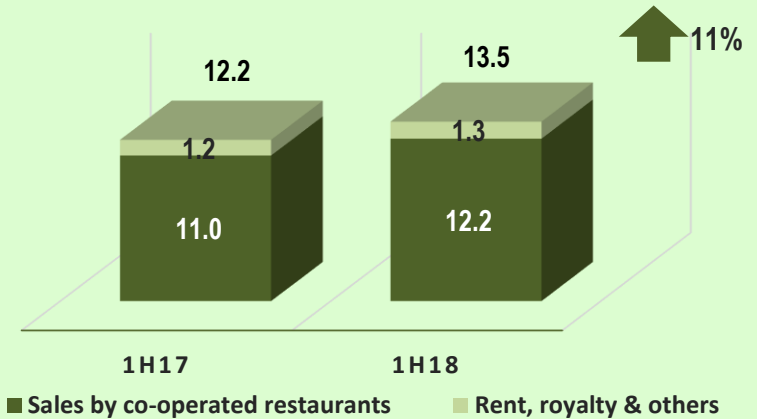


GOLDEN ARCHES DEVELOPMENT CORPORATION

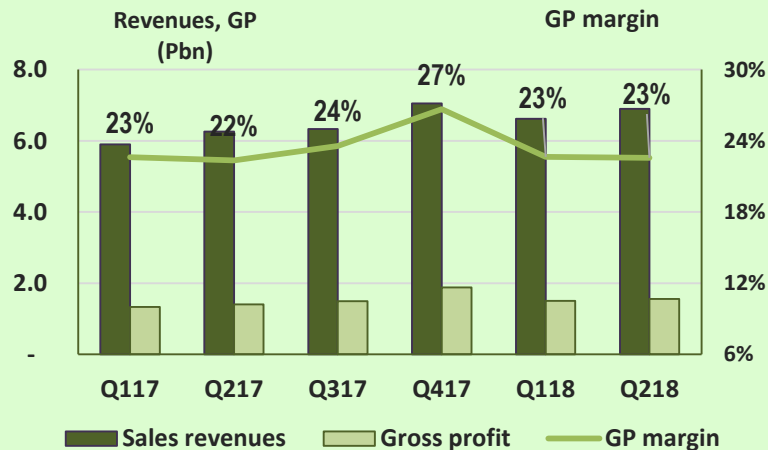
### Total revenues, quarterly (Pbn)



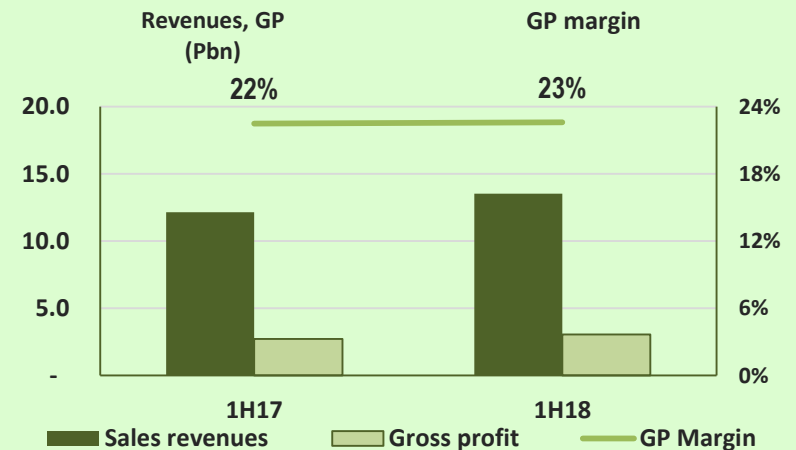
### Total revenues, 1H18 vs 1H17 (Pbn)



### Revenues, GP & GP margin, quarterly



### Revenues, GP & GP margin 1H18 vs 1H17

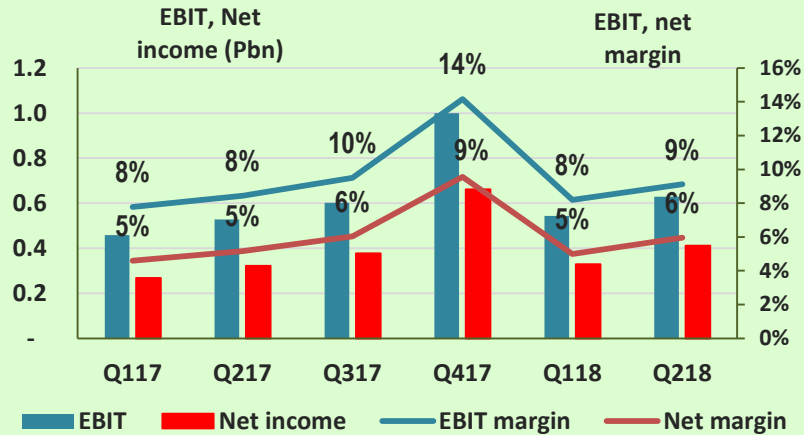


# Benefitting from economies of scale

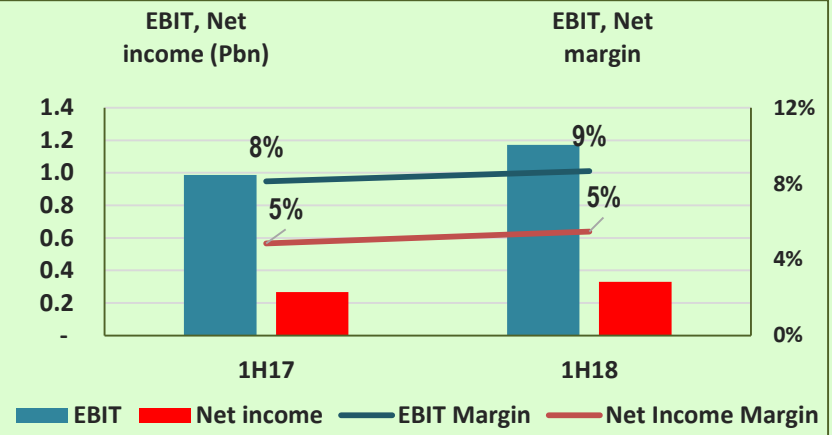


GOLDEN ARCHES DEVELOPMENT CORPORATION

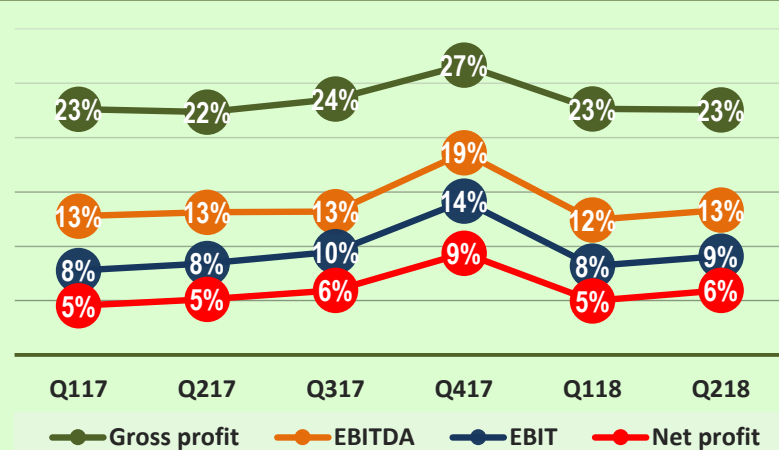
## EBIT, net income & margins, quarterly



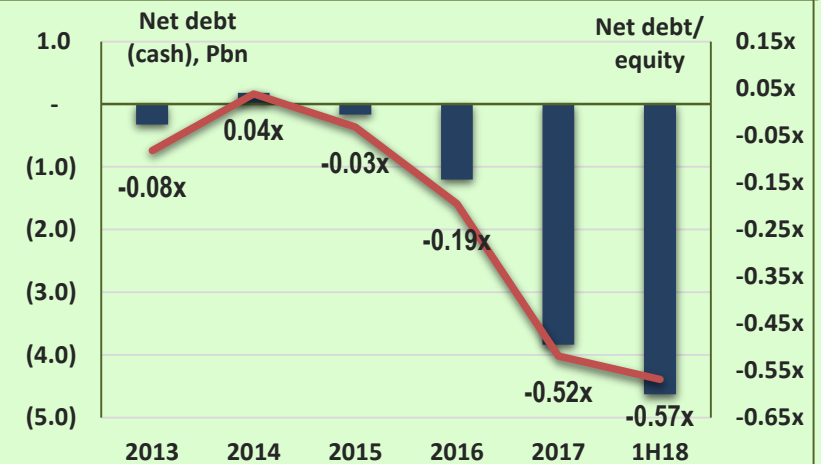
## EBIT, net income & margins, 1H18 vs 1H17



## Margins



## Gearing

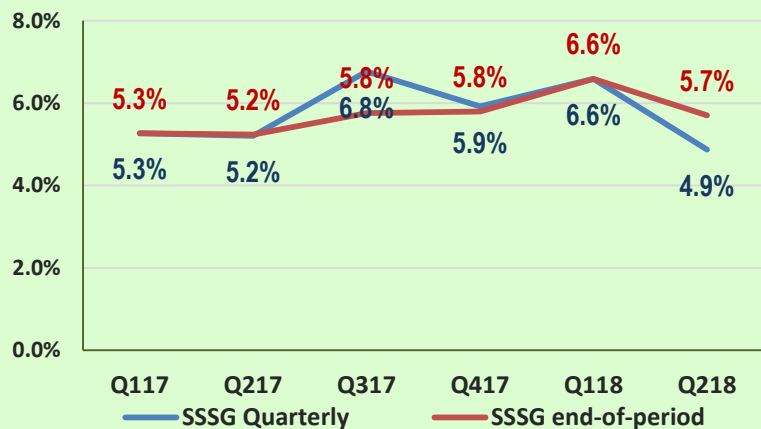


# Pursuing growth via store expansion

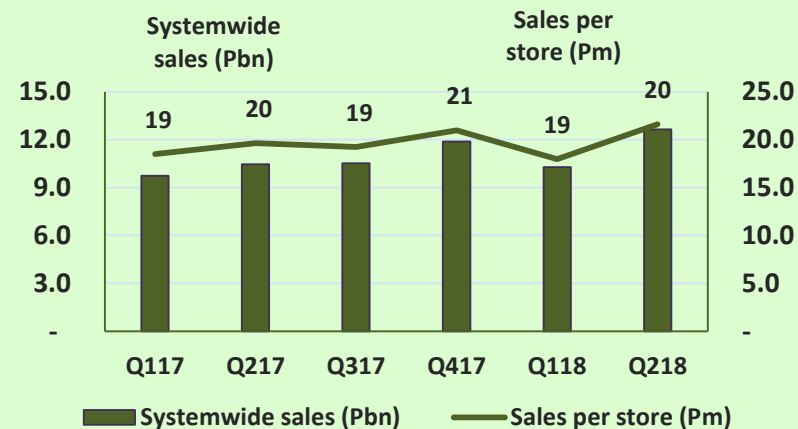


GOLDEN ARCHES DEVELOPMENT CORPORATION

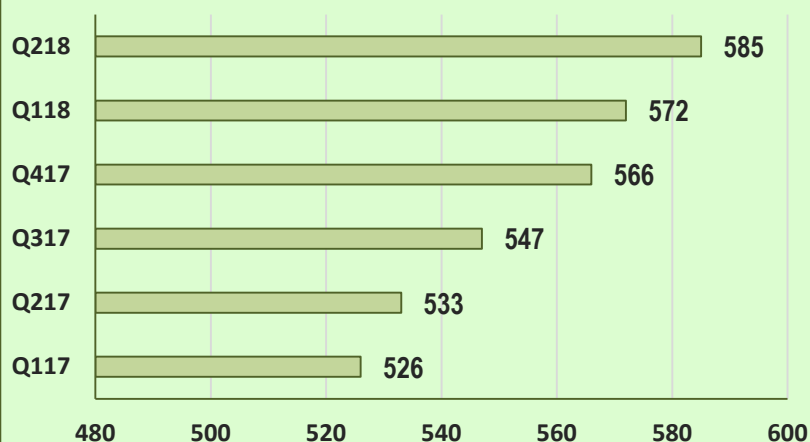
## Systemwide same-store sales growth



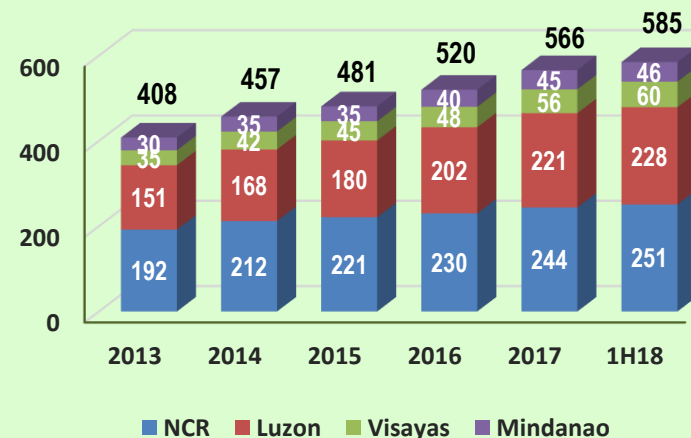
## Average sales per store



## Number of stores



## Store geographic distribution (number)



# Key initiative: improving QSR penetration



GOLDEN ARCHES DEVELOPMENT CORPORATION

Pagbilao, Quezon



Kalibo, Aklan



Tagum, Davao



Batac, Ilocos Norte



Maribago, Cebu



Toril, Davao





# INFRACORP

# Makati Skytrain: OPS secured

## MAKATI SKYTRAIN

- ❑ 1.88 km Monorail Project
- ❑ Automated Cable-Propelled Monorail to connect MRT 3 Guadalupe Station to Uptown Bonifacio
- ❑ Original Proponent Status secured





# NAIA Upgrade/Rehab: OPS secured

## NAIA CONSORTIUM

to spend

**P105bn**

for a concession period of

**15 years**

ANNUAL  
PASSENGER  
CAPACITY

2022e	65m
2020e	47m
NOW	31m



### CONSORTIUM MEMBERS



JG SUMMIT  
HOLDINGS, INC.



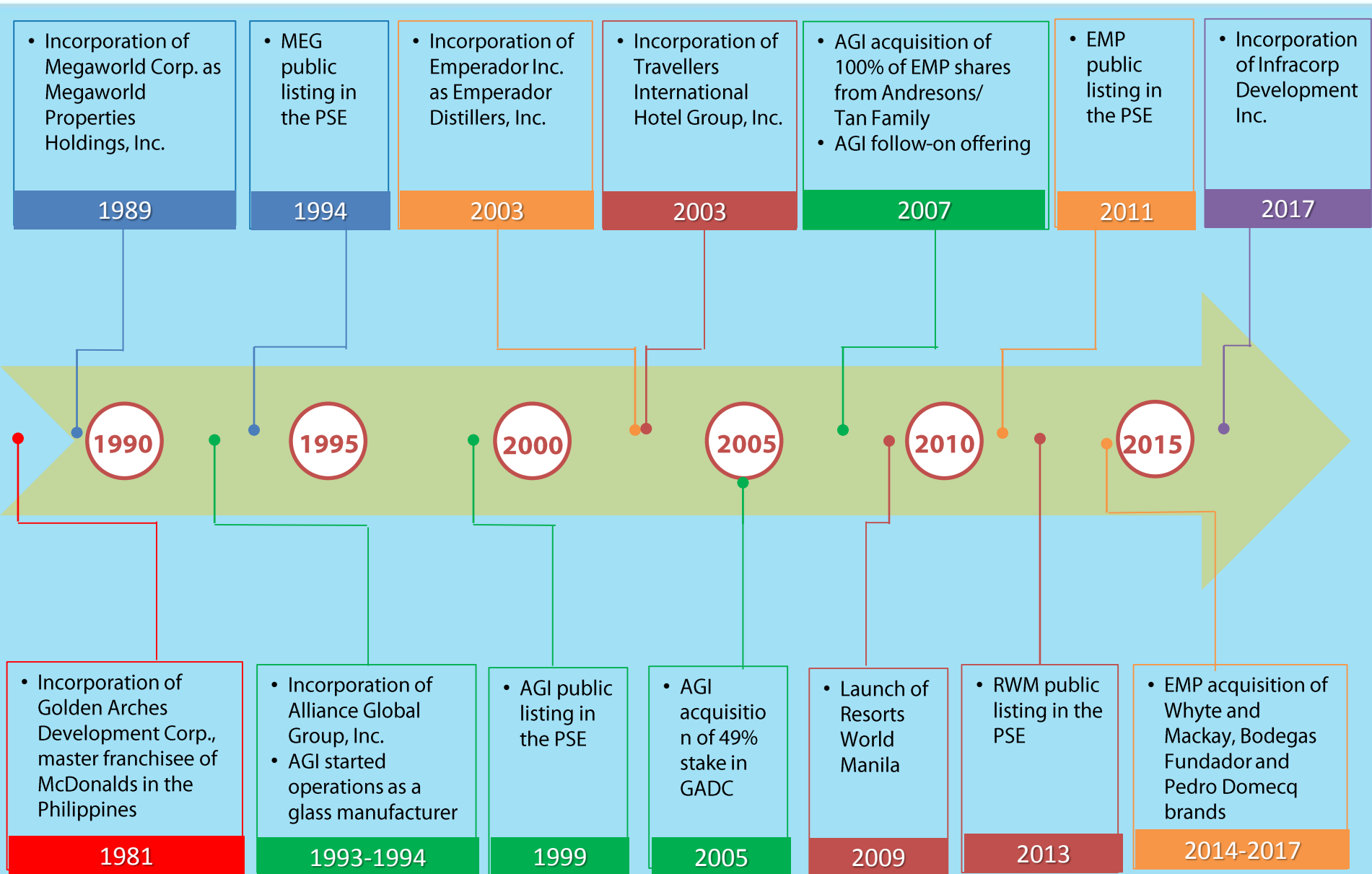
Asia's Emerging Dragon  
Corporation



# Alliance Global Group Inc.

## Brief history and milestones

# AGI timeline



# AGI group structure

## DR. ANDREW L. TAN FAMILY

58%

### ALLIANCE GLOBAL

AGI PM  
(US\$ 2.4bn)

67%

44%

82%

49%

100%



**MEGAWORLD**  
**MEG PM**  
(US\$ 3.0bn)

### TRAVELLERS

INTERNATIONAL  
**RWM PM**  
(US\$ 1.5bn)



**EMPERADOR INC.**  
**EMP PM**  
(US\$ 2.2bn)



GOLDEN ARCHES DEVELOPMENT CORPORATION  
**Not Listed**

**INFRACORP**  
AN ALLIANCE GLOBAL COMPANY  
**Not Listed**



**Empire East**  
**ELI PM**  
(US\$ 166m)

82%



GLOBAL-ESTATE RESORTS, INC.  
**GERI PM**  
(US\$ 250m)

82%



100%

100%



EMPERADOR DISTILLERS, INC.

100%



100%

BODEGAS  
**FUNDADOR**

95%  
**WESTSIDE CITY**  
*Resorts World, Inc.*

# Megaworld milestones

*In 1999...*



*Old textile milling facility*

*...after 19 years*



*18.5-hectare Eastwood City*



*Prior to 2003...*



*Former military base*

*...after 15 years*



*50-hectare McKinley Hill*



*In 2008...*



*Previous Iloilo airport*

*... after 10 years*



*72-hectare Iloilo Business Park*



# Megaworld township development



**23 Townships:**  
 \*2 Integrated Lifestyle Communities  
**4,004 hectares**

# Emperador milestones

## Domestic brands



## Foreign brands



# Emperador broad range of products ALLIANCE GLOBAL

LUXURY

THE DALMORE™  
HIGHLAND SINGLE MALT SCOTCH WHISKY

PHP 3,500 - 13,000  
USD 69 - 255

SUPER PREMIUM

JURA™  
SINGLE MALT SCOTCH WHISKY

SHACKLETON  
BLEND MALT SCOTCH WHISKY

PHP 1,250 - 1,900  
USD 33 - 68

PREMIUM

FUNDADOR

WHYTE & MACKAY

TRES CEPAS™  
V·S·

PHP 300 - 1,250  
USD 6 - 33

STANDARD

ANDY PLAYER

TRES CEPAS™  
LIGHT

EMPERADOR  
*Deluxe*

JOHN BARR.  
BLENDED SCOTCH WHISKY

PHP 142 - 300  
USD 3 - 4

MILLENNIALS/  
RTD

SMIRNOFF  
MULE

RAFFA  
*Sparkling*

ANDY  
COLA

Hot Shot  
BRANDY

PHP 27 - 120  
USD 0.53 - 2.35

MAINSTREAM

EMPERADOR  
LIGHT

EMPERADOR  
BRANDY

EMPERADOR  
*Gold*  
BRANDY

EMPERADOR  
**RED**  
*Small Brandy*

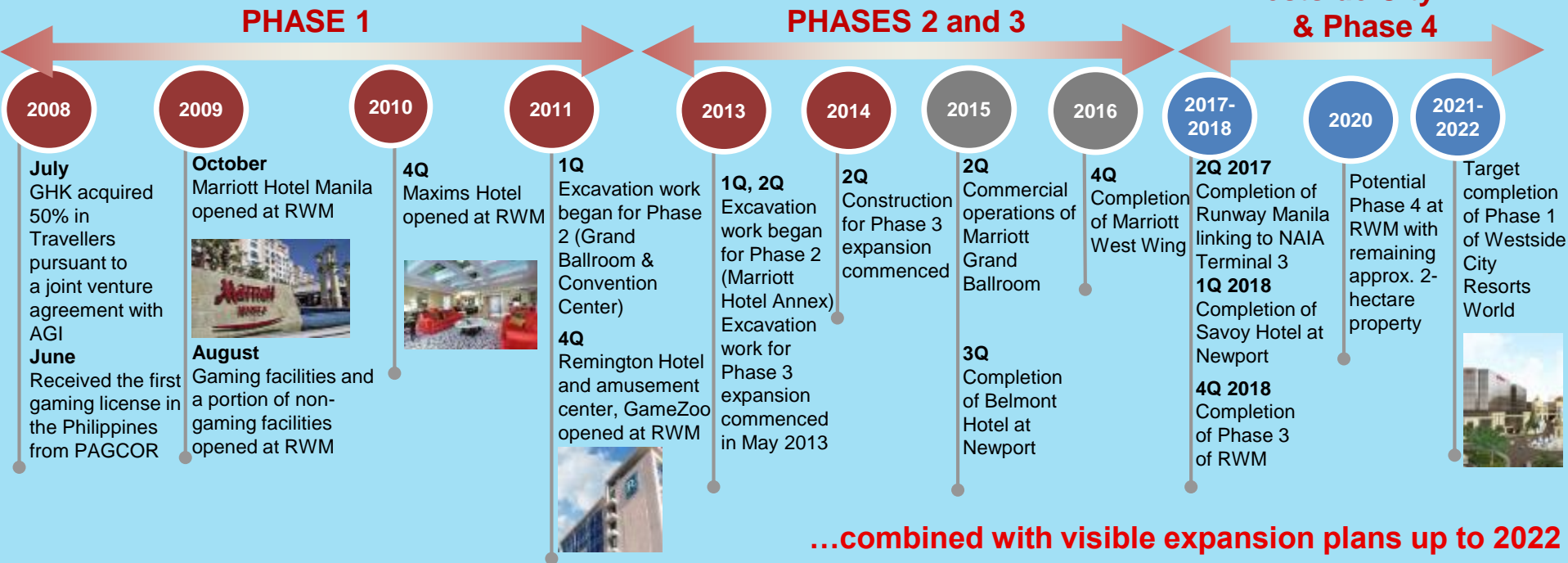
PHP 84.00 - 96.00  
USD 1.65 - 1.88





# Travellers milestones

Ongoing development since 2008 ...



...combined with visible expansion plans up to 2022

## Grand Wing Soft launch: 9 May



# GADC milestones



## 1981

- McDonald's started in the Philippines with 2 branches.
- First McDo branch in the Philippines is in Morayta, downtown Manila



## 1992

- In 1992, McDonald's started operations in Vis-Min with McDo restaurants launched in the cities of Cebu and Cagayan De Oro.



 ALLIANCE GLOBAL

## 2005

- McDonald's becomes 100% Filipino-owned.
- AGI acquired 49% stake in GADC.
- 72 new branches were opened during the year.



## 2013

- McDonald's has also been aggressive in exciting customers with new products and promotions.



## 2017

- McDonald's branches reached 566 stores nationwide

# Key points



- Expansive and strategic land bank.
- Township dominance.
- Strong rental growth.
- Healthy financials.



- Country's first IR; the only one with expansion capability on two sites.
- Resorts World Manila: highest concentration of premier foreign and local hotel brands in one location.
- World class gaming facilities.
- Marriott Grand Ballroom: biggest hotel ballroom; most popular MICE facility.



- Excellent, experienced management.
- Focused business segments: property & consumer.
- Aiming for higher share of reliable income sources.
- Increasing contribution of international operations.
- Reasonable gearing despite heavy capex.



## EMPERADOR INC.

- Vertically-integrated liquor operations.
- Global brandy dominance.
- Strong growth potential of whisky business.
- Improving free cash flows.



- Owns the exclusive McDonald's franchise in the Philippines.
- Fastest-growing QSR in the country.
- Net cash position despite ongoing store expansion program.

**Thank you.**