



TRAVELLERS
INTERNATIONAL



 ALLIANCE GLOBAL

dbAccess Asia Conference 2016

23-25 MAY 2016



AGI Group Structure

ALLIANCE GLOBAL

AGI PM
(US\$3.1bn)



67%

MEGAWORLD

MEG PM
(US\$2.9bn)

Townships

Number 1



81%

EMPERADOR INC.

EMP PM
(US\$2.5bn)

Liquor

Number 1

TRAVELLERS
INTERNATIONAL

44%

RWM PM
(US\$1.1bn)

Tourism- entertainment
and gaming

Number 2



49%

GOLDEN ARCHES DEVELOPMENT CORPORATION

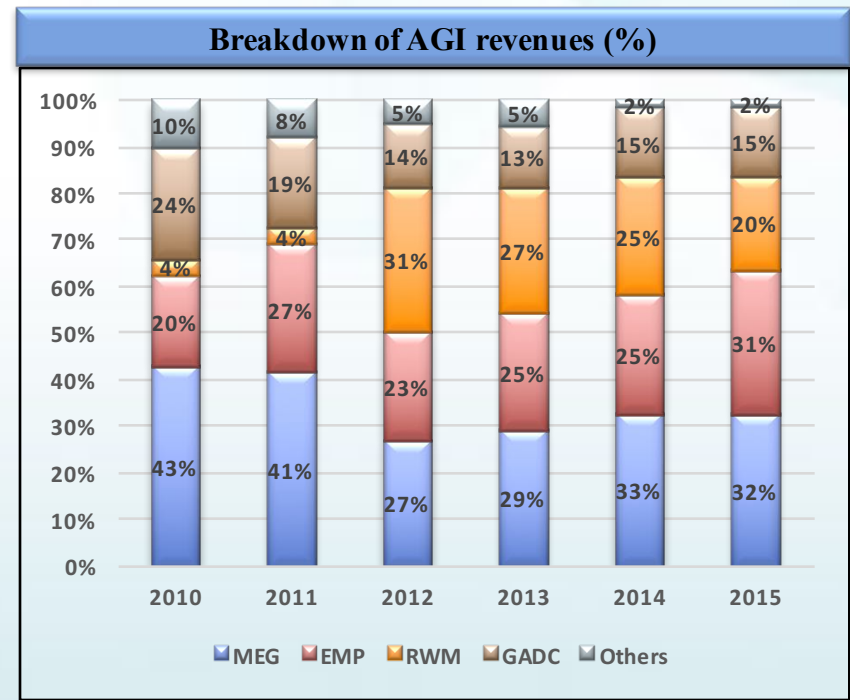
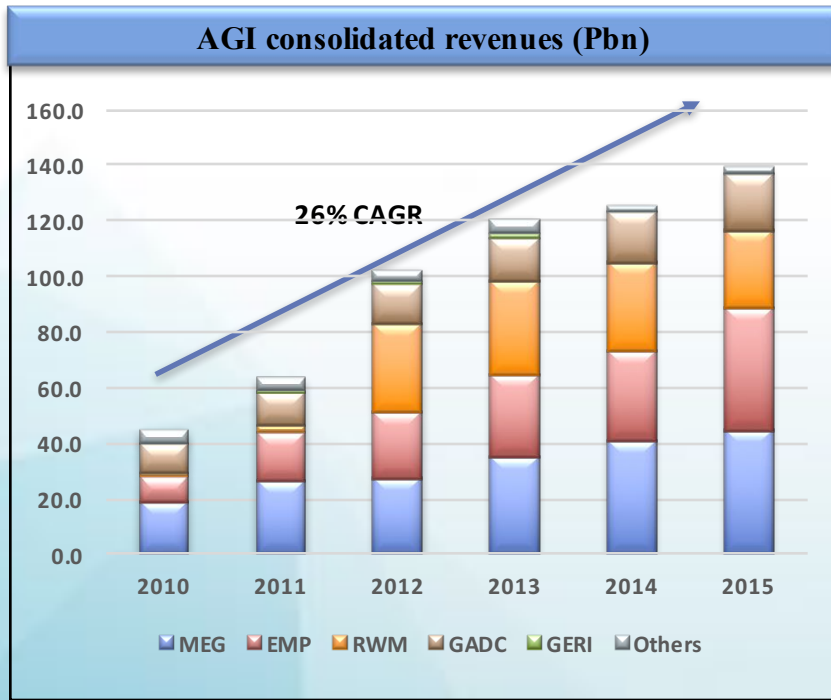
Not listed

Quick-service
restaurants

Number 2

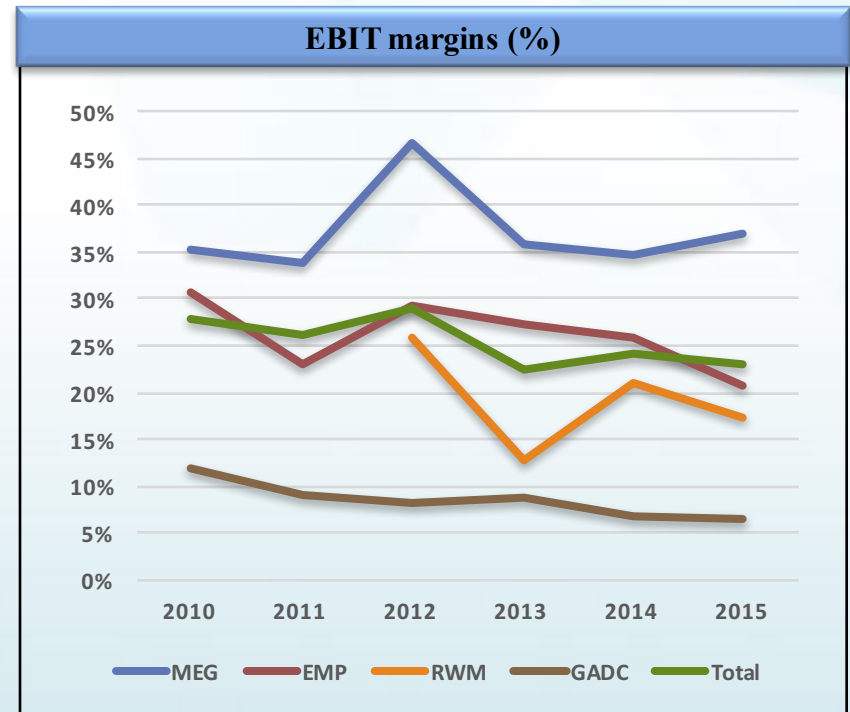
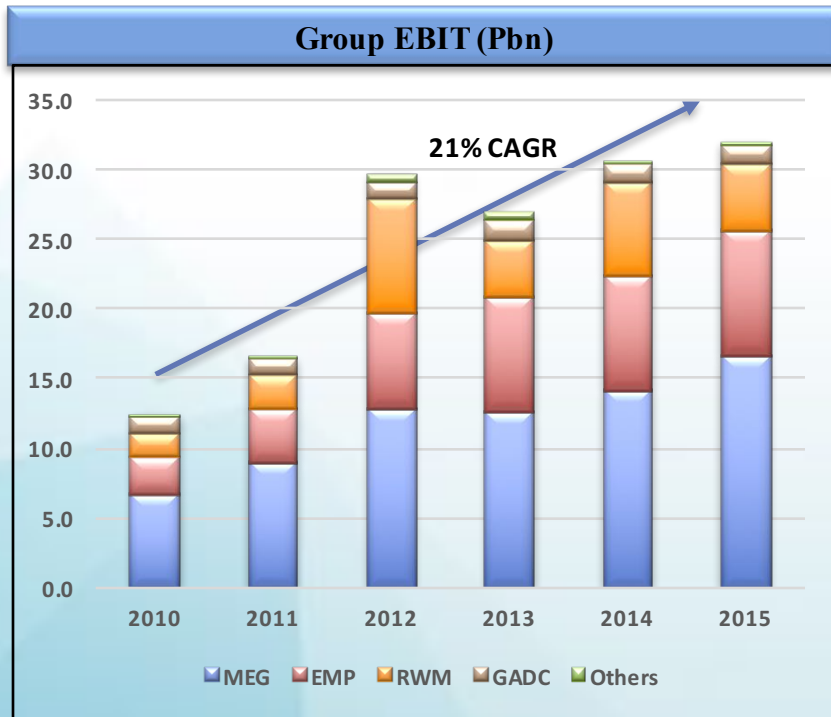
Performance review

- Consolidated revenues +26% CAGR
 - EMP drove group performance at 38% CAGR due to acquisitions; organically, domestic segment expanded 3.3x from 2010.
 - MEG grew at healthy 19% CAGR, supported by expansion in rental capacities.
 - In 2015, MEG and EMP each accounted for >30% of group revenues.



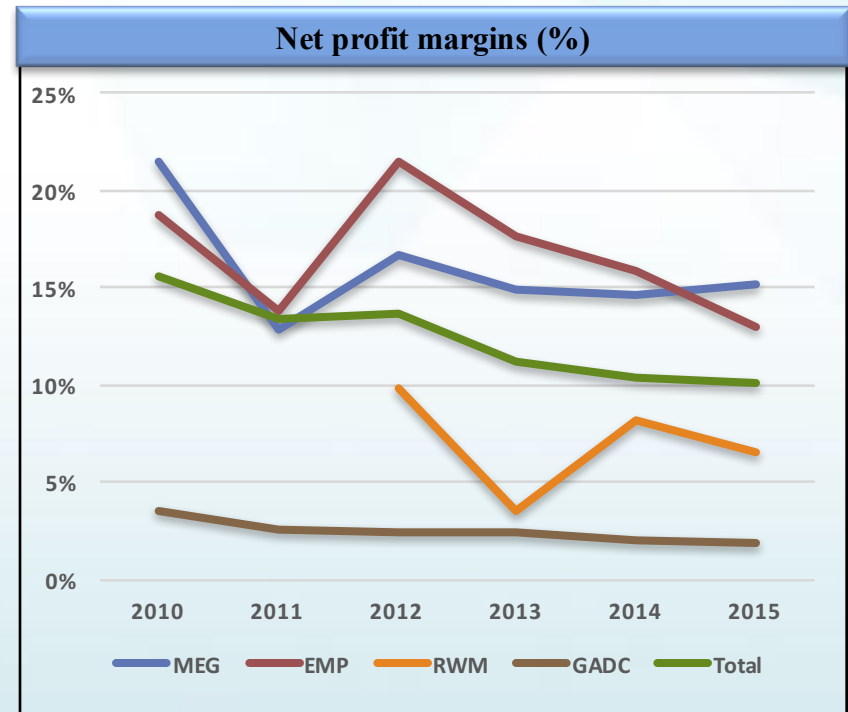
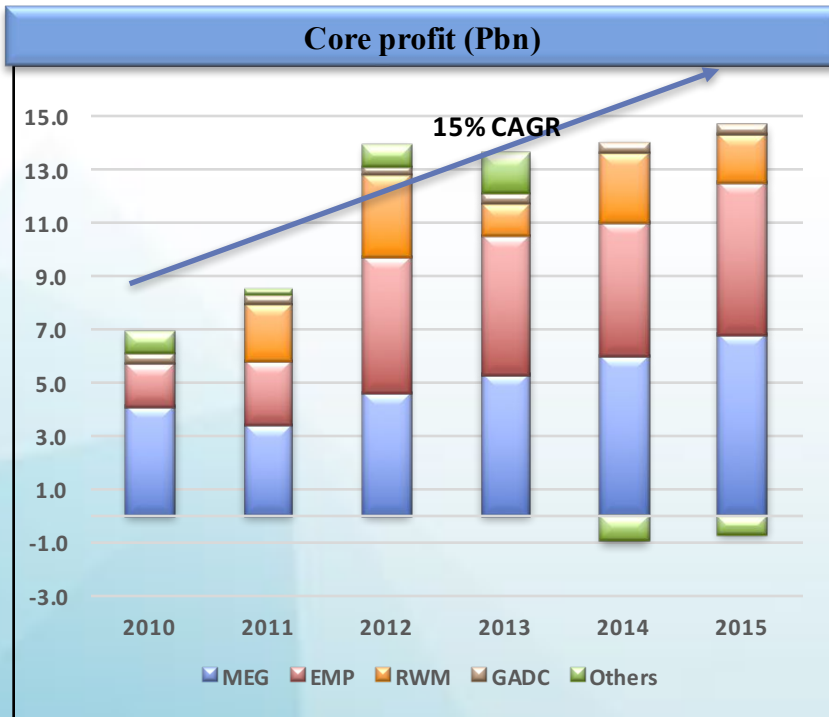
Performance review (cont'd)

- Consolidated EBIT +21% CAGR
 - Group margins narrowed to reflect impact of EMP’s international business and decline in gaming profits.
 - MEG maintained healthy margins, supported by significant expansion in rental operations.



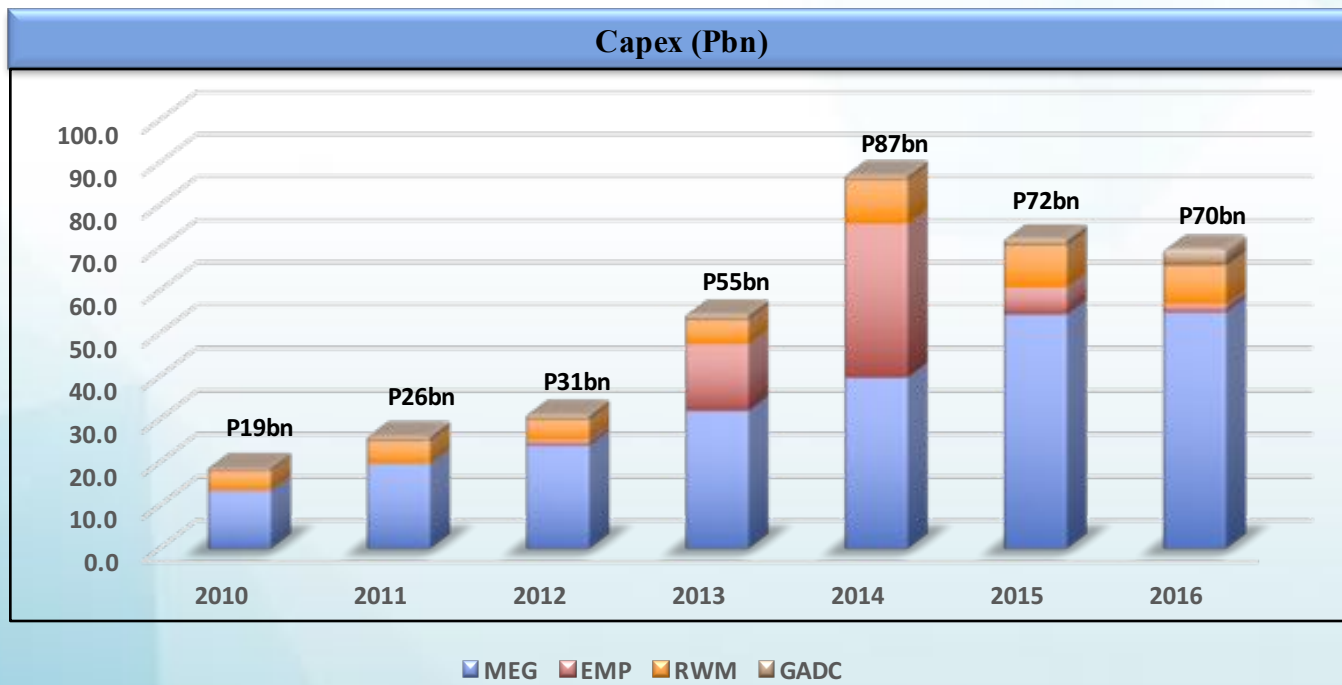
Performance review (cont'd)

- Core profit rose by 15% CAGR.
 - Challenges from the gaming sector and changes in EMP's product mix capped the growth in core earnings.
 - MEG accounted for close to half of group profit and enjoyed steady margins.



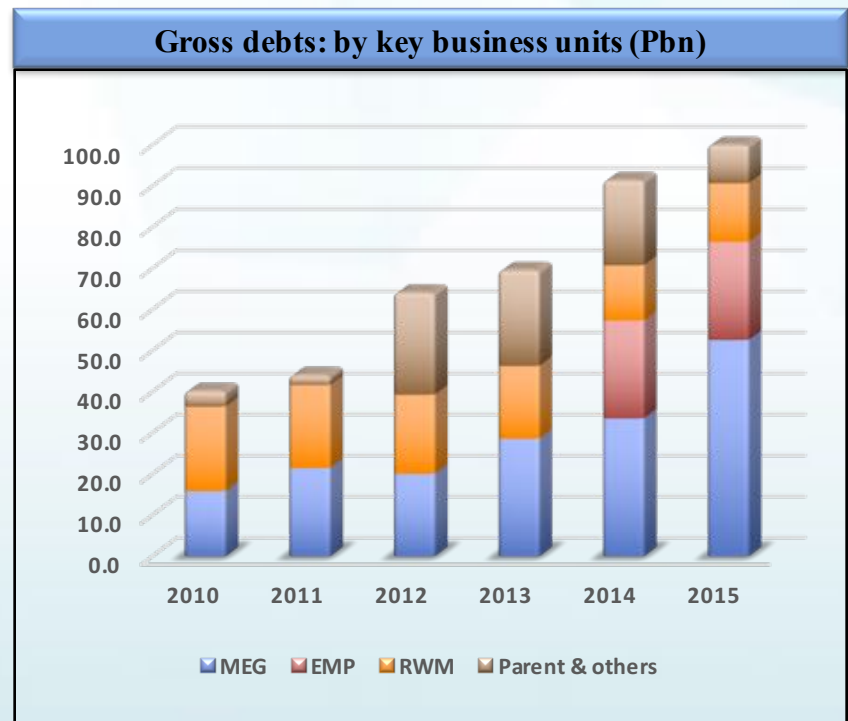
Maintaining aggressive capex

- MEG is looking at 2015-19 capex to hit P285.8bn.
- EMP has indicated 2015-19 capex of P21bn.
- RWM has set US\$550m capex for Phase 3 expansion.
- GADC is set to hit is 500th store this year, to spend P3.7bn this year.



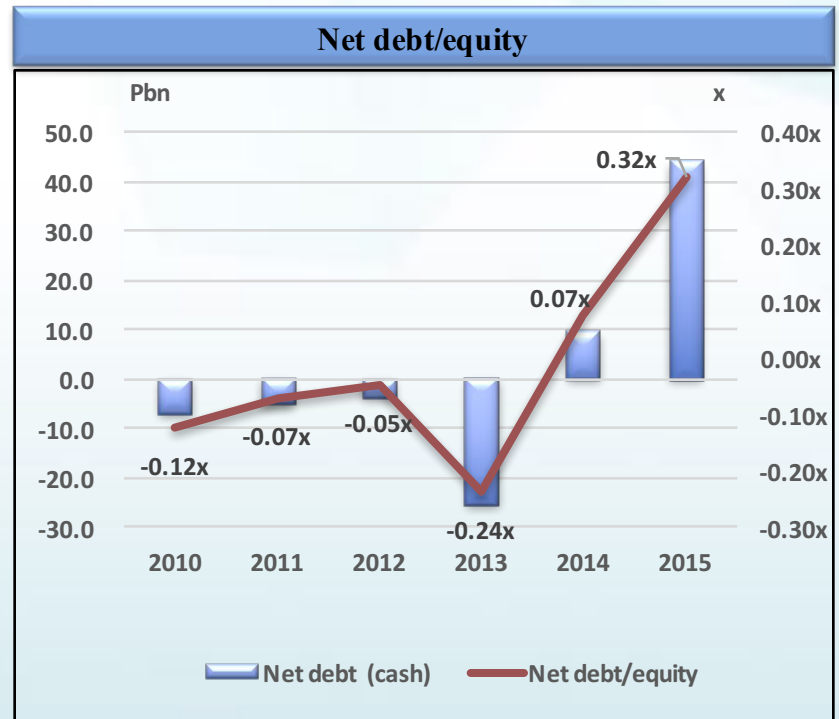
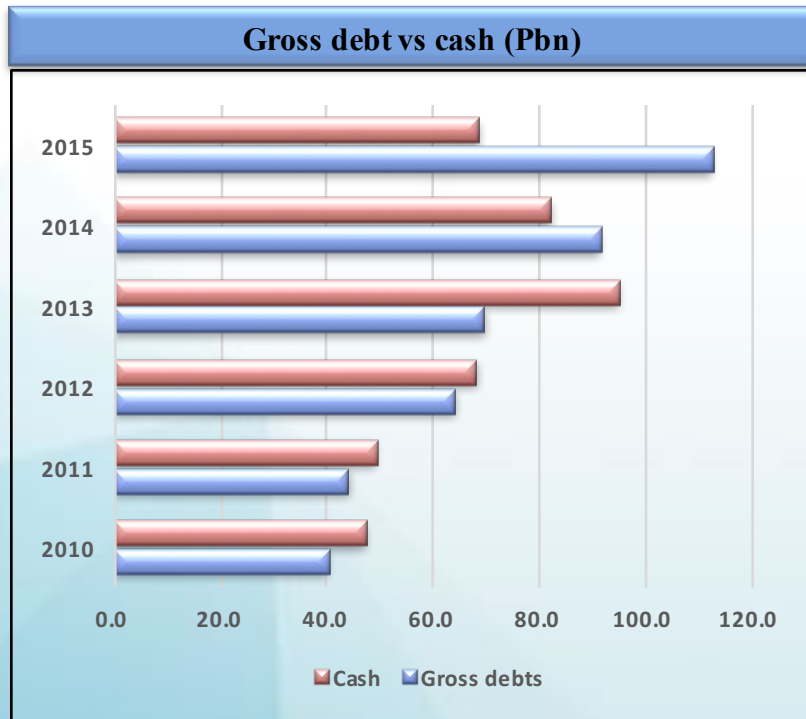
Rising debt levels...

- Gross debts have risen to fund capex and acquisitions.
 - Capex funding through internal cash flows and debts.
 - Three-fold increase in debts from 2010 level, about 70% in foreign currencies.



...but gearing has remained low

- Healthy balance sheet
 - Consolidated net debt/equity stood at 0.32x in end-2015.
 - Parent net debt reached P11.1bn, but net debt/equity remains low at 0.08x.



We are future-proofing the business

- Putting in place various structures to ensure long-term growth
- Maintaining market leadership
- Product diversification
 - MEG: rentals to complement residential; horizontal vs vertical projects; target market now broader to include economic housing and ultra luxury condos
 - EMP: expanded product offerings from brandy to whisky
 - RWM: growing premium mass segment; increasing non-gaming business
- Geographic distribution
 - MEG: expansion throughout the Philippines.
 - EMP: global presence in over 100 countries while maintaining dominance in the domestic market.
 - RWM: flagship project in Newport City; developing West Side City Resorts World
- Heavy capex but maintaining financial prudence.

Q116 performance highlights

ALLIANCE GLOBAL GROUP

AGI's Q116 performance at a glance

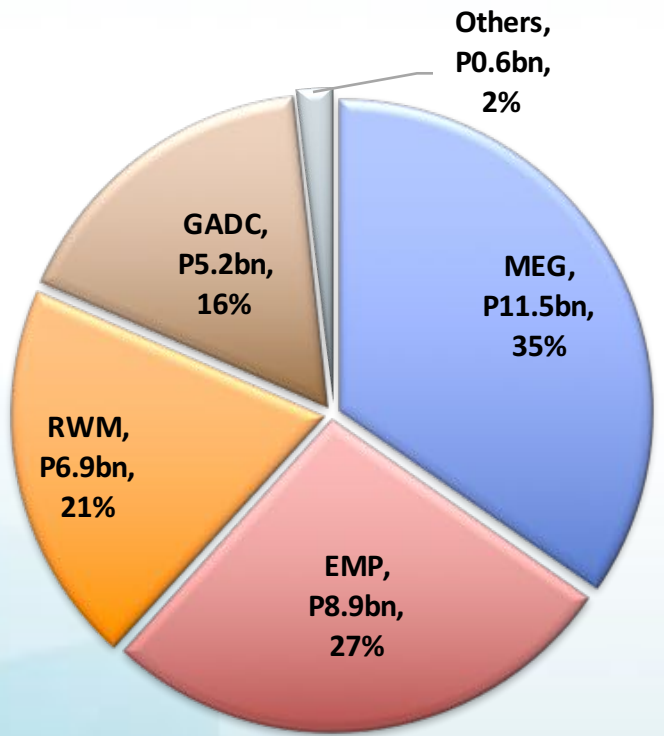
- Consolidated revenues up 2% to P33.08bn, diversifying mix.
 - MEG: robust growth in rentals; real estate revenues strong
 - EMP: domestic sales value up; WMG sales fell with exit of Russian vodka
 - RWM: improving mass drops; significant jump in non-gaming revenues
 - GADC: sales buoyed by election-spending and contribution from new stores
- Margins mixed: MEG up; EMP, RWM down; GADC steady
- Attributable net income fell 4% to P3.33bn.
- Total assets stood at P451.9bn, up 10% from year-ago level, driven by 29% increase in PPE and investment properties.
- Group capex could reach P70bn this year.
- Consolidated net debt/equity rose slightly to 0.38x; parent net debt/equity stood at 0.10x.

Interim performance highlights

P&L highlights (Pbn)	Q116	Q115	% chg
Group revenues	33.08	32.31	2%
Megaworld	11.45	10.43	10% healthy residential sales; strong rentals
Emperador	8.93	8.89	0.4% improved brandy sales; lower whisky sales
Travellers	6.86	7.62	-10% steady mass segment but weaker VIP business
GADC	5.25	4.78	10% store expansion; +7% systemwide sales
Others	0.59	0.59	1% interest income & FX gains
Group costs/expenses	26.58	25.52	4%
Megaworld	7.96	7.38	8% modest increases in opex
Emperador	7.27	7.13	2% higher adjustments for brandy but lower for whisky
Travellers	5.69	5.87	-3% lower gaming taxes, higher marketing expenses
GADC	4.96	4.52	10% imported raw material costs higher
Others	0.69	0.62	11% higher interest charges, increased borrowings
Net income to owners	3.34	3.48	-4%
Megaworld	1.70	1.48	15%
Emperador	1.15	1.14	0.4%
Travellers	0.52	0.81	-36%
GADC	0.09	0.08	18%
Others	-0.12	-0.04	202%
Net profit margin	10.1%	10.8%	-66bps

Revenue mix (in Pbn)

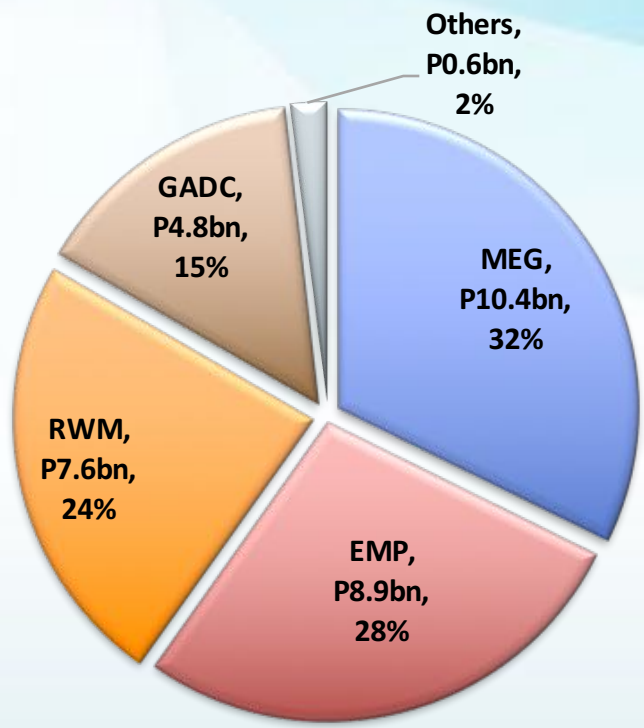
P33.1bn ↑ 2%



MEG EMP RWM GADC Others

Q116

P32.3bn



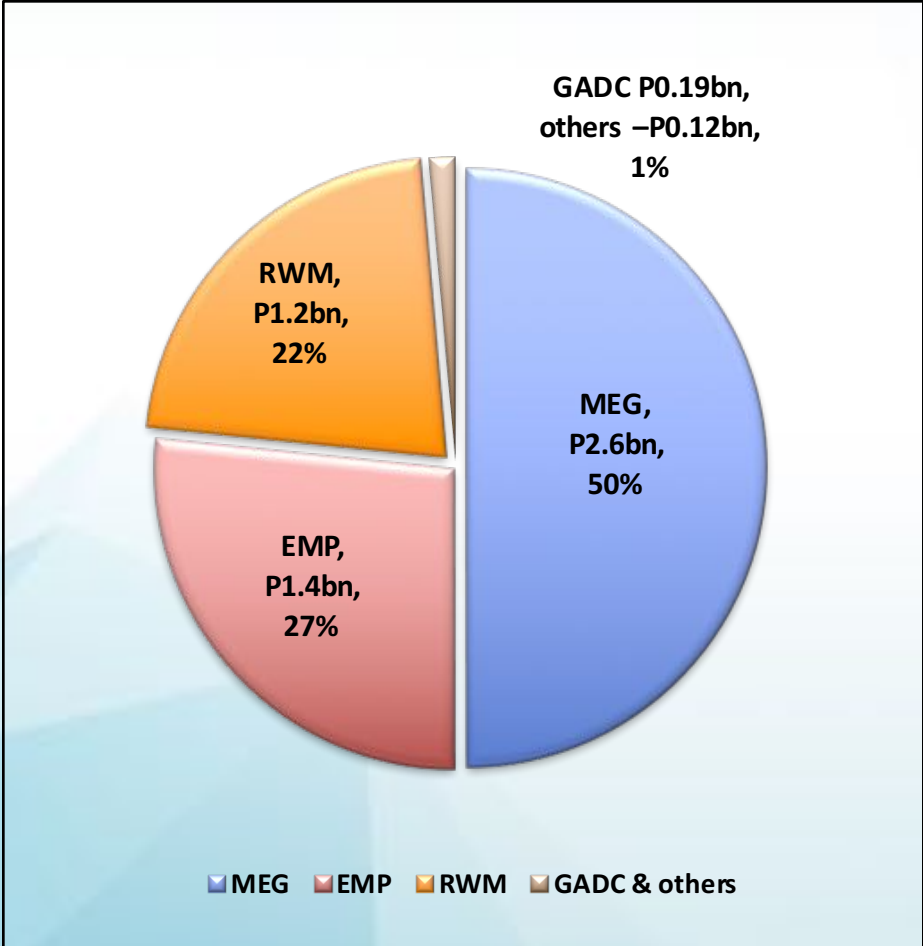
MEG EMP RWM GADC Others

Q115

Pre-minority net income mix (in Pbn)

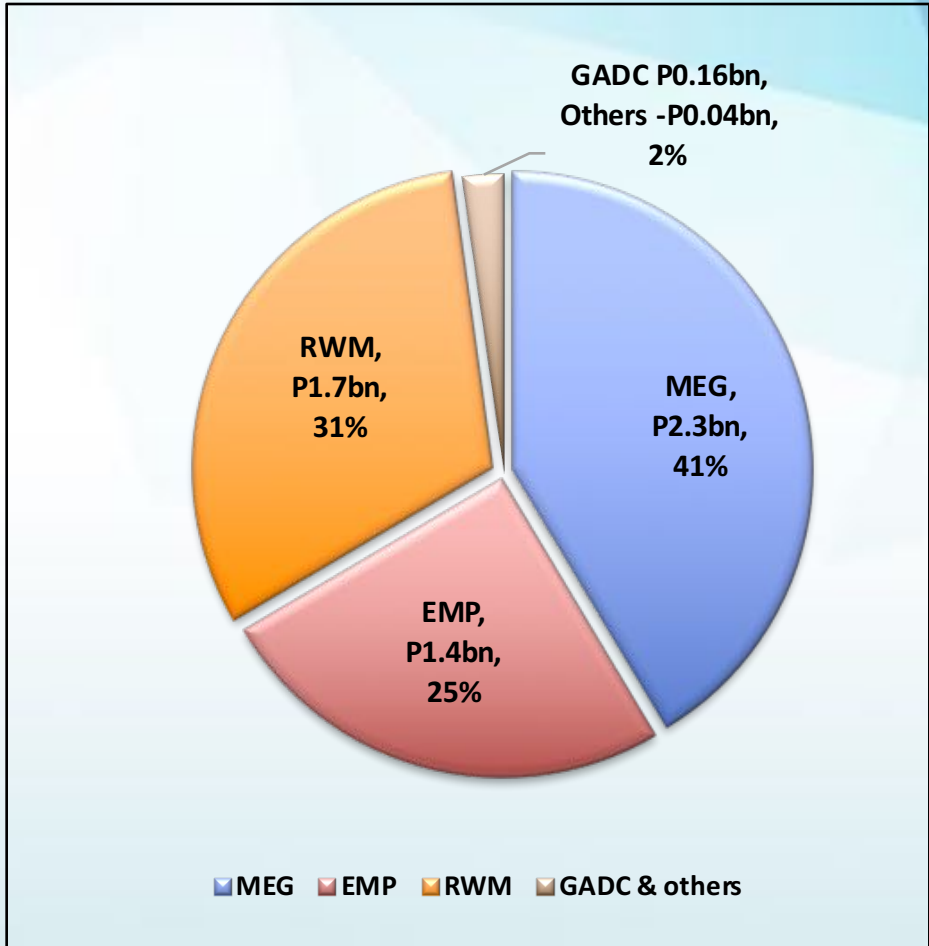
P5.3bn

↓ 5.5%



Q116

P5.6bn

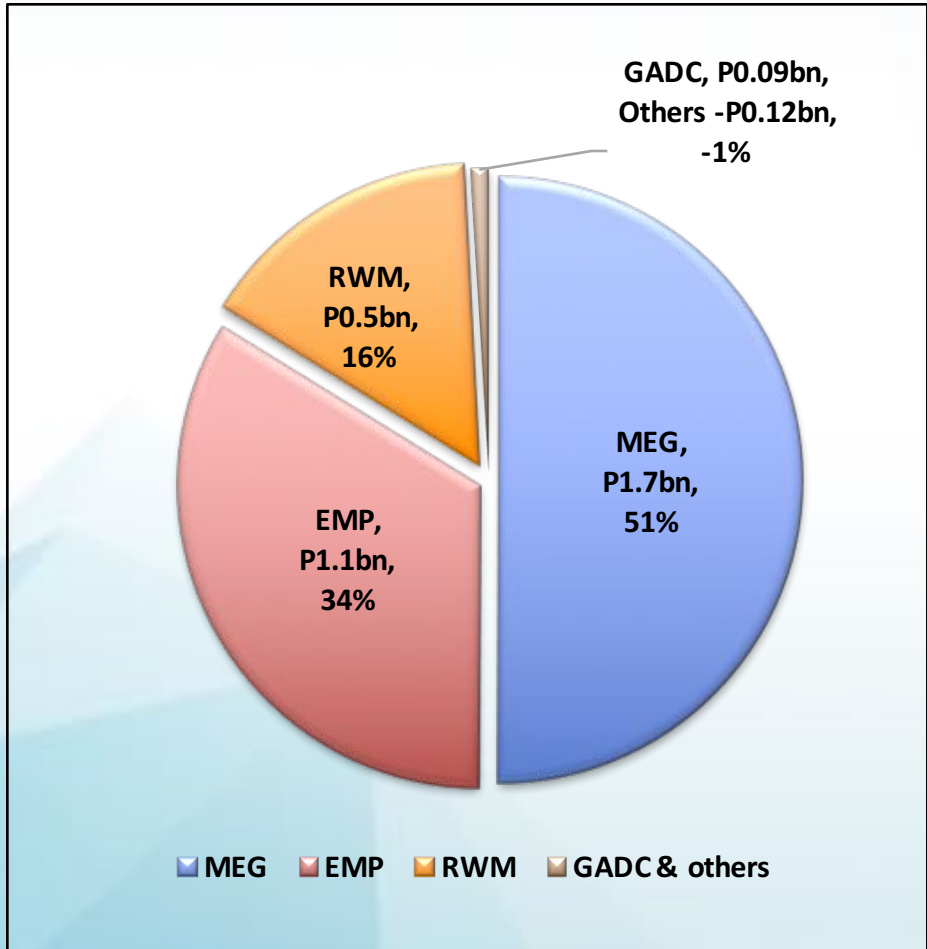


Q115

Attributable net income mix (in Pbn)

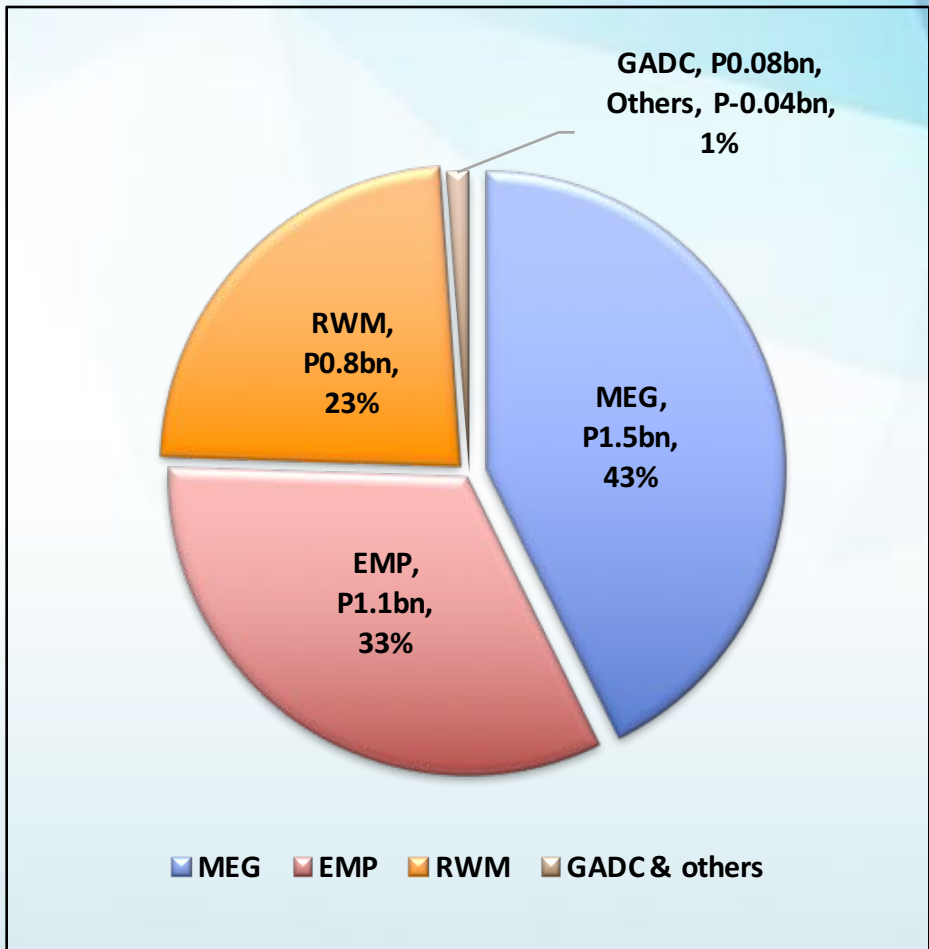
P3.3bn

↓ 4%



Q116

P3.5bn

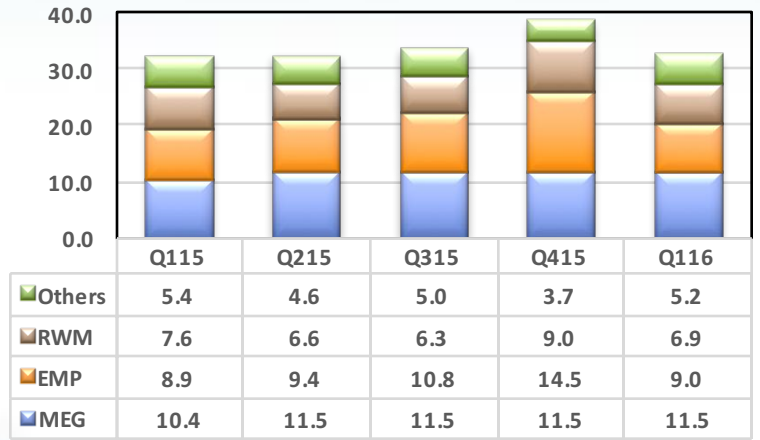


Q115

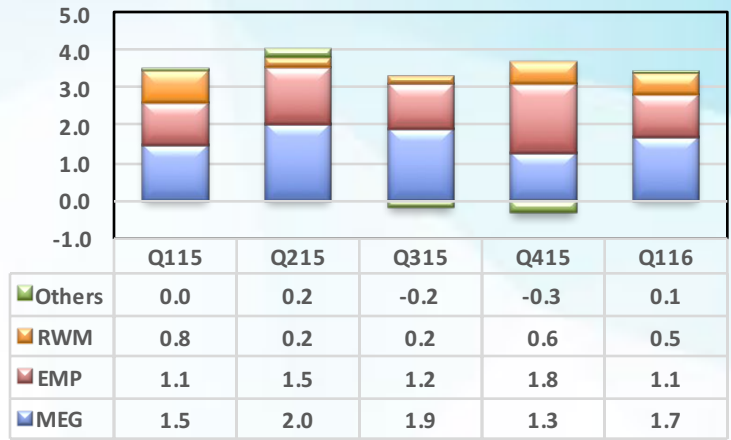
Financial highlights



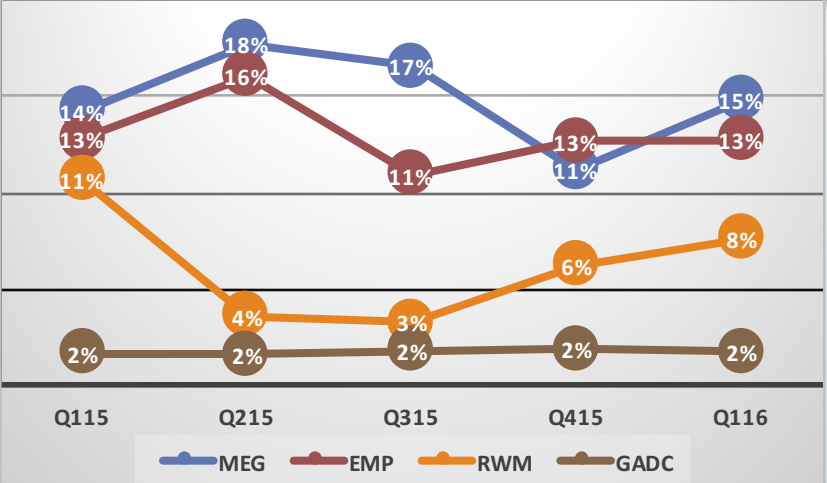
Revenue (Pbn)



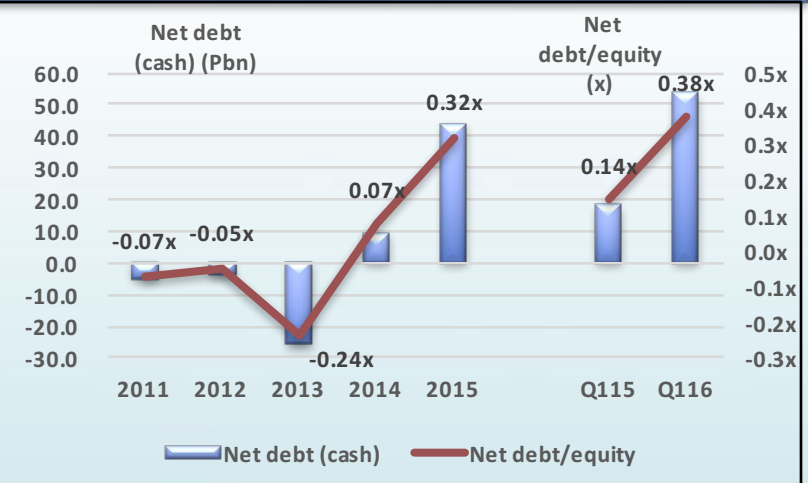
Net profit (Pbn)



Net profit margin



Net debt/equity



- **Megaworld**
 - Targeting to add 219,000 sqm in office and commercial GLA in 2016.
 - Renewed project launches for the balance of the year.
- **Emperador**
 - Acquisition of Fundador further expands brandy line, adding more premium products.
 - Increasing presence of WMG in North America and Asia.
 - Launching more new products in the domestic market; eyeing export market.
- **Travellers**
 - Completion of Marriott Hotel West Wing in 2H16.
 - Ongoing development of Phase 3 expansion (Maxims, Sheraton and Hilton).
- **GADC**
 - Continued store expansion program.

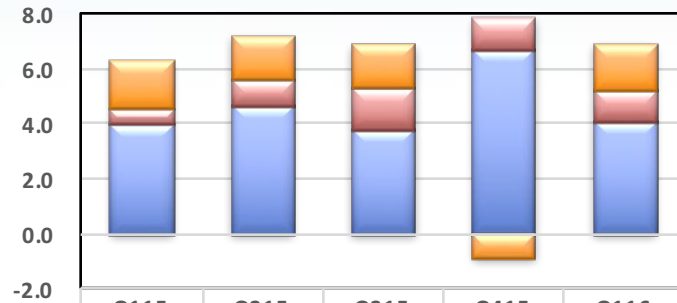
Q116 performance highlights

MEGAWORLD CORPORATION

MEG's Q116 performance at a glance

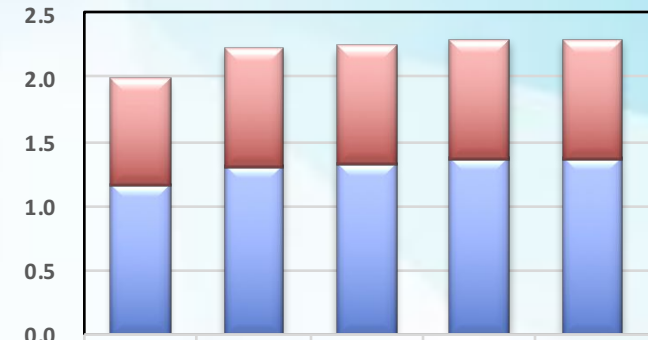
- Total revenues up 10% YoY to P11.5bn.
 - Real estate sales grew 10% to P6.9bn.
 - 70% MEG-standalone, 14% ELI/Suntrust, 16% GERI
 - Robust 15% growth in rentals (office and commercial) to P2.3bn.
 - Rentals now contribute 20% of total revenues (from 17% a year ago).
 - Driven largely by capacity expansions, rent increases
 - Finance & other income up 14%, helped by unrealised FX gains.
- Further cost efficiencies pushed margins higher.
 - Residential gross profit margin stood at 46% (vs 44%).
 - Rental EBIT margin rose to 74% (from 72%).
- Net income up 12% to P2.6bn.
- Net debt/equity higher at 0.27x (from 0.12x in end-Mar15 and 0.26x in end-2015).

Real estate sales (Pbn)



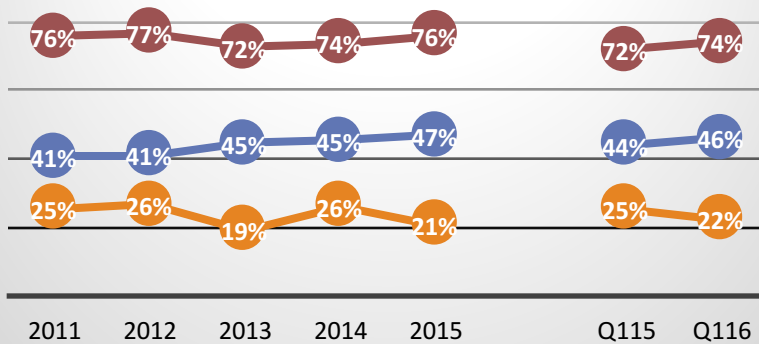
	Q115	Q215	Q315	Q415	Q116
ELI+SPI	1.7	1.6	1.6	-0.9	1.7
GERI	0.6	1.0	1.5	1.1	1.1
MEG only	4.0	4.6	3.8	6.7	4.1

Rentals (Pbn)



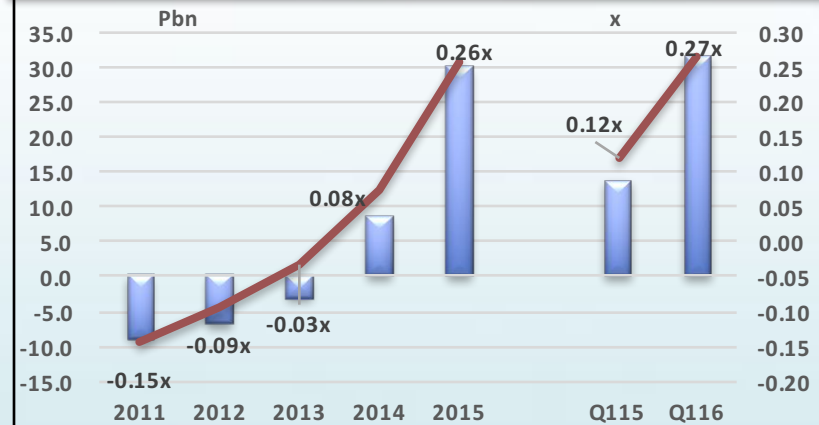
	Q115	Q215	Q315	Q415	Q116
Commercial	0.8	0.9	0.9	0.9	0.9
Office	1.2	1.3	1.3	1.4	1.4

Margins



Year	Development GP margin	Rental EBIT margin	Hotel EBIT margin
2011	41%	76%	25%
2012	41%	77%	26%
2013	45%	72%	19%
2014	45%	74%	26%
2015	47%	76%	21%
Q115	44%	72%	25%
Q116	46%	74%	22%

Gearing



Year	Net debt (cash) (Pbn)	Net debt/equity (x)
2011	-10.0	-0.15x
2012	-5.0	-0.09x
2013	-2.0	-0.03x
2014	8.0	0.08x
2015	30.0	0.26x
Q115	13.0	0.12x
Q116	32.0	0.27x

Q116 performance highlights

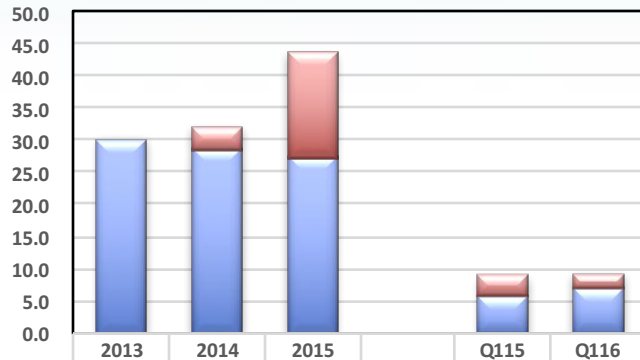
EMPERADOR INC

EMP's Q116 performance at a glance

- Officially took over Bodegas Fundador in end-Feb 2016.
- Revenues were little changed at P9.0bn.
 - Sales of EMP-domestic grew 19% to P6.7bn (75% of total).
 - One-month sales of Fundador (started in March)
 - Sharp rise also due to price adjustments, volume growth, and contribution from new products (*Andy Player, Smirnoff Mule*)
 - Sales of WMG fell 31% to P2.3bn (25% of total).
 - Termination of Russian Standard Vodka distributorship in end-2015
- Blended margins steady
 - GP margins: EMP-domestic down 7-ppt to 32% but WMG rose 10-ppt to 28%
 - EBIT margins: EMP-domestic down 8-ppt to 24% but WMG rose 8-ppt to 10%
- Net income stood flat at P1.4bn.
- From net cash, EMP posted net debt/equity of 0.07x.

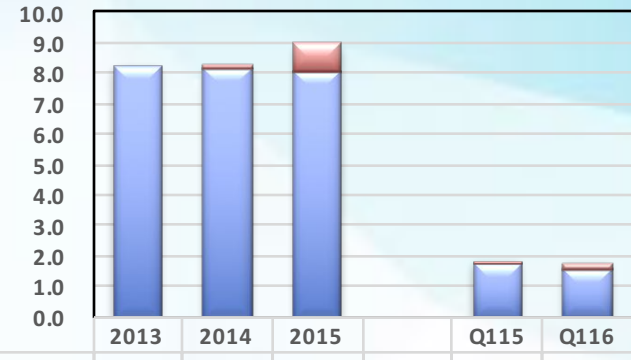


Revenues (Pbn)



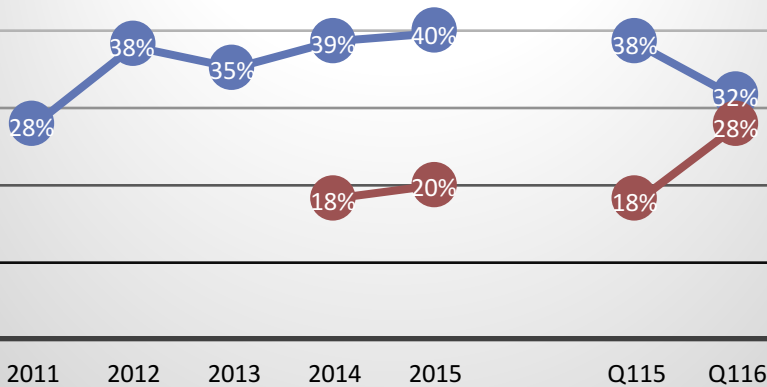
■ WMG	0.0	3.6	16.5	3.2	2.2
■ EMP ex-WMG	29.9	28.4	27.1	5.7	6.7

EBIT (Pbn)



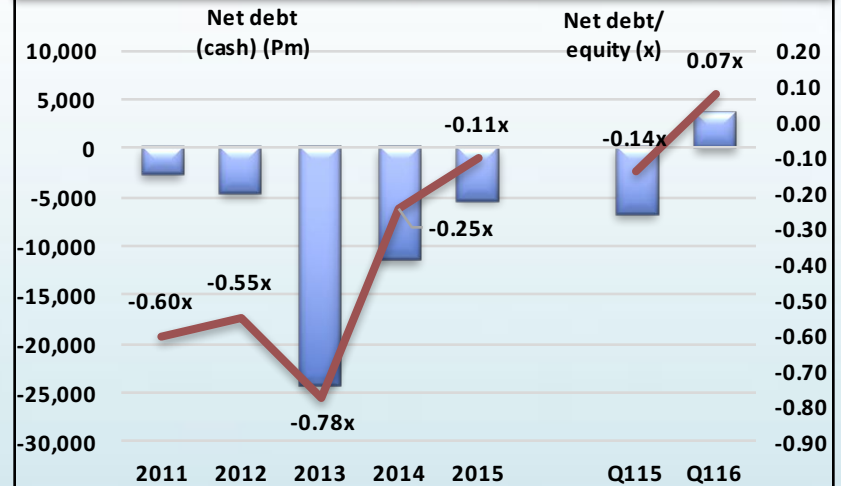
■ WMG	0.0	0.1	0.9	0.0	0.2
■ EMP ex-WMG	8.2	8.1	8.1	1.7	1.5

Gross profit margins



● EMP ex-WMG ● WMG

Gearing



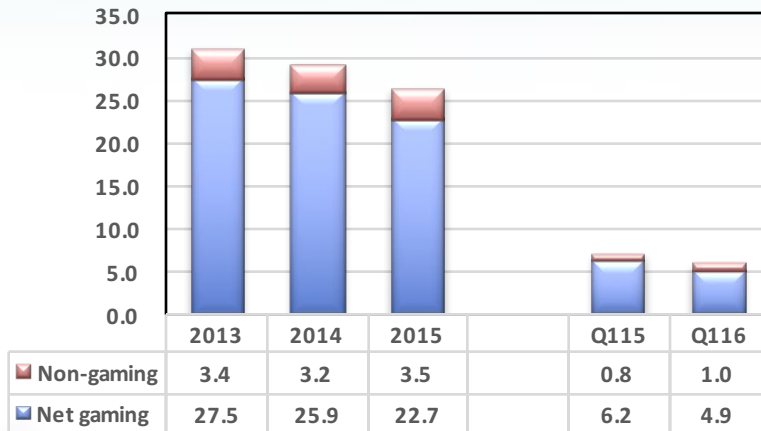
Q116 performance highlights

**TRAVELLERS INTERNATIONAL
HOTEL GROUP INC**

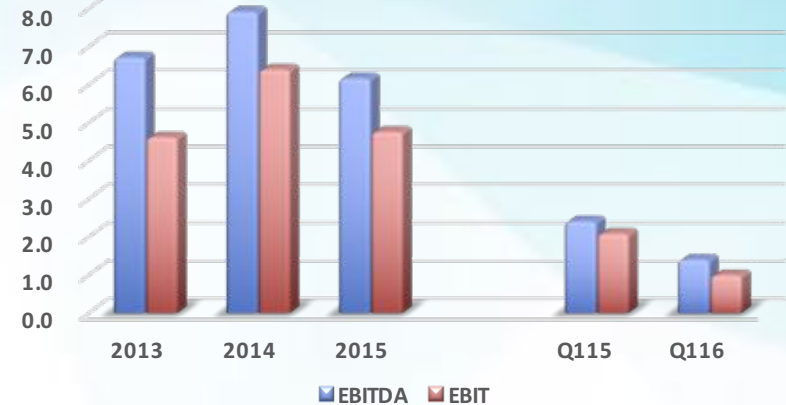
RWM's Q116 performance at a glance

- Net revenues fell 15% to P5.9bn.
 - GGR declined 18% to P5.6bn.
 - Double-digit growth in mass revenues as mass drops improved, hold rate steady.
 - But VIP revenues fell sharply due to lower rolling volume and hold rate.
 - GGR mix now at 70/30 mass vs VIP.
 - Robust 26% growth in non-gaming revenues with Marriott Grand Ballroom contributing 16% of total.
- Hefty decline in margins amid increases in promotional and marketing expenses.
 - EBITDA margins fell to 24% (from 35%) of net revenues.
 - EBIT margins declined to 17% (from 30%) of net revenues.
- Net income dipped 34% to P1.2bn.
- From net cash, RWM reported net debt/equity of 0.05x.

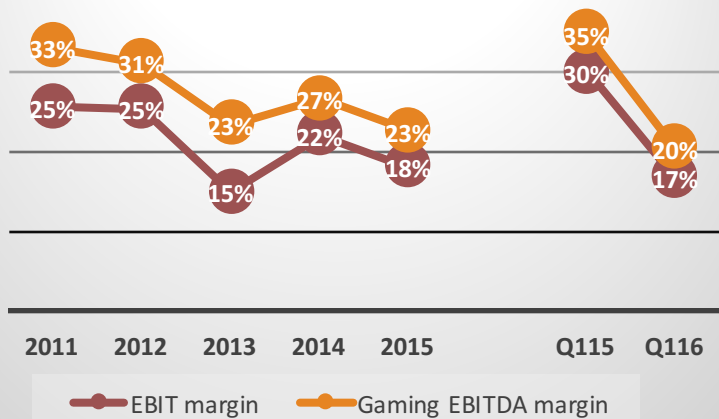
Net revenues (Pbn)



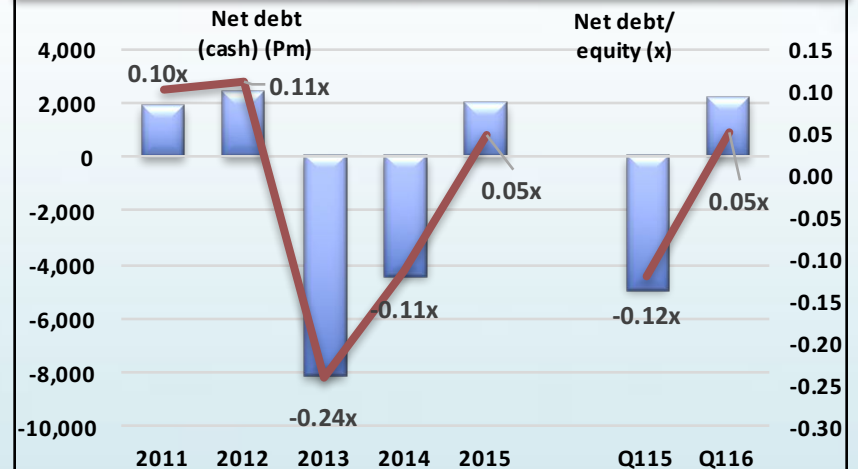
EBITDA & EBIT (Pbn)



Margins



Gearing



Q116 performance highlights

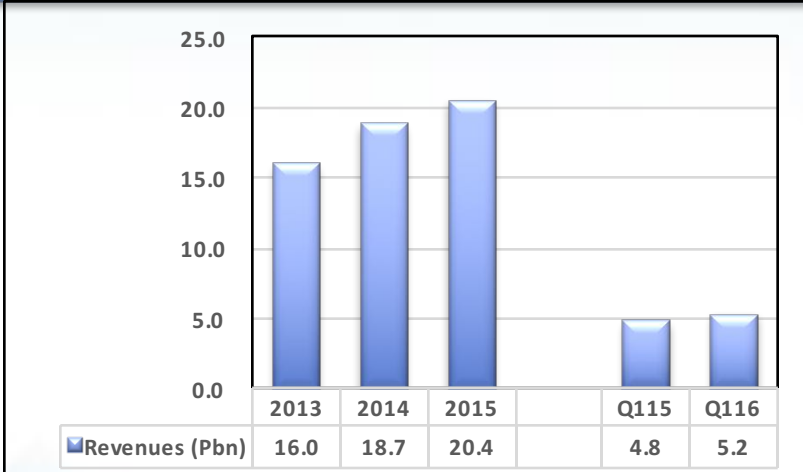
**GOLDEN ARCHES
DEVELOPMENT CORPORATION**

GADC's Q116 performance at a glance

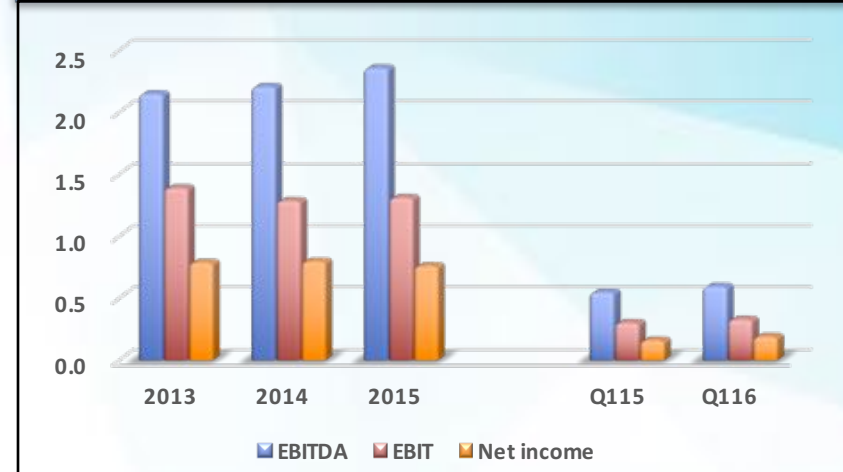
- Total revenues rose 10% to P5.2bn.
 - Systemwide same-store sales up 7% YoY.
 - 29 new stores launched in Q116 (11 co-owned, 15 franchised, 3 JVs) contributed 5% of system sales .
 - Introduction of new products (*Chicken Fillet ala King, Cheesy Eggdesal*).
- Targeted price increases kept margins steady.
 - EBITDA margins remained at 11%, EBIT margins steady at 6%.
- Net income grew by 19% to P191m.
- Aiming to open its 500th store this year.



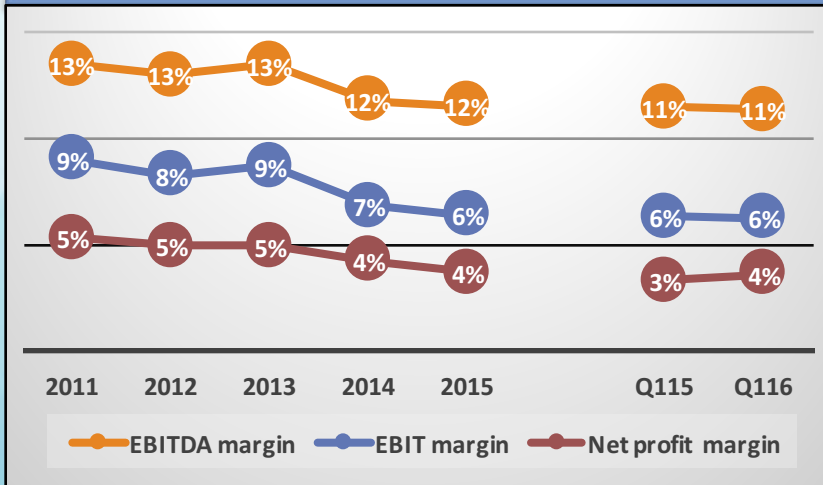
Revenues (Pbn)



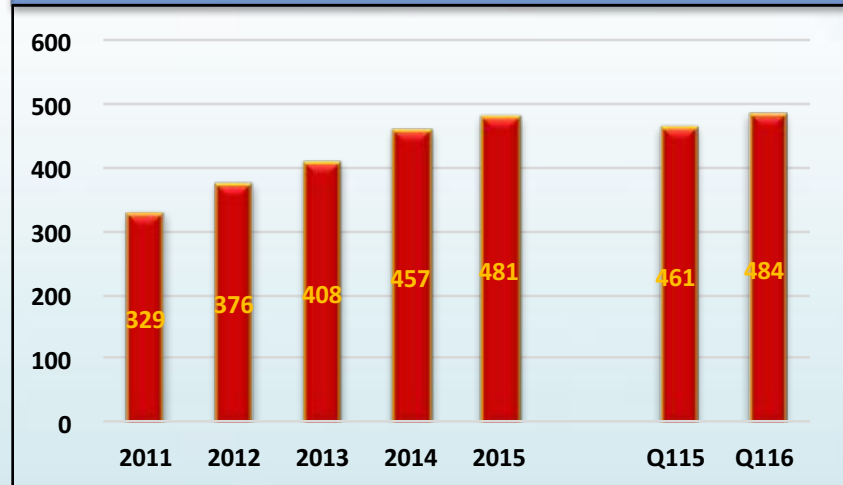
EBITDA, EBIT & Net income (Pbn)



Margins



Number of stores



Thank you.