

 **ALLIANCE GLOBAL**
9M2018 ANALYSTS BRIEFING
15 November 2018



AGI By the Numbers



4,565

Hotel room keys

599

Total resources (Pbn)

112.1

Consolidated revenue (Pbn)

12.1

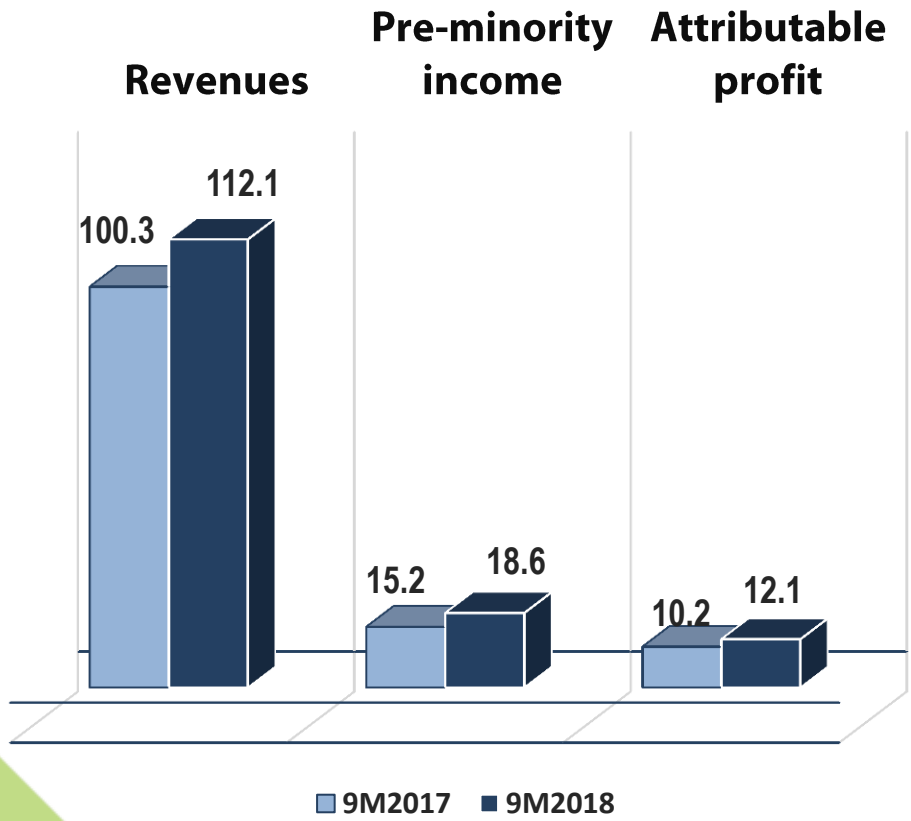
Attributable net income (Pbn)

3.6

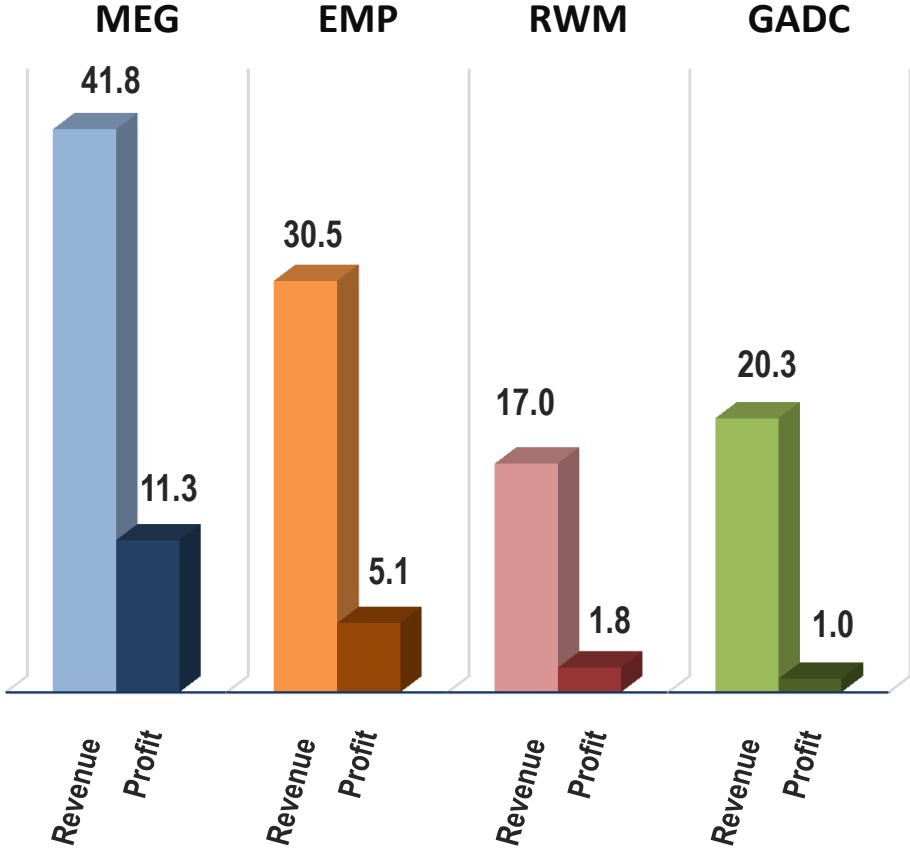
Parent net debt/equity (%)

9M2018 performance at a glance

AGI P&L highlights (Pbn)



9M2018 P&L highlights of subsidiaries (Pbn)



3Q 2018 P&L highlights

P&L highlights (Pbn)	3Q18	3Q17	% chg	Comments
Group revenues	39.0	33.5	16%	
Megaworld	14.8	12.5	18%	Sustained growth in rentals, higher project completion.
Emperador	10.9	9.5	15%	Sustained growth in sales of foreign brands.
Travellers	6.0	4.5	32%	Recovery in VIP rolling and GGR.
GADC	6.9	6.4	7%	Flattish growth in systemwide SSSG; ongoing store expansion.
Others	0.5	0.6	-22%	
Group costs/expenses	(31.8)	(27.0)	18%	
Megaworld	(9.6)	(8.0)	20%	Led by sharper rise in opex.
Emperador	(8.6)	(7.4)	17%	Increased selling, G&A expenses, steady COGS.
Travellers	(6.3)	(4.9)	30%	Higher gaming fees, marketing and G&A expenses.
GADC	(6.4)	(5.8)	10%	Rising COGS.
Others	(0.8)	(0.9)	-12%	
Net income to owners	4.2	3.5	21%	
Megaworld	2.7	2.4	14%	Improvement in overall margins.
Emperador	1.6	1.4	13%	Increasing contribution of foreign business.
Travellers	0.1	(0.2)	--	Core profit recovers.
GADC	0.1	0.2	-22%	Margin squeeze.
Others	(0.3)	(0.3)	-10%	
Net profit margin	10.8%	10.3%	+45bps	

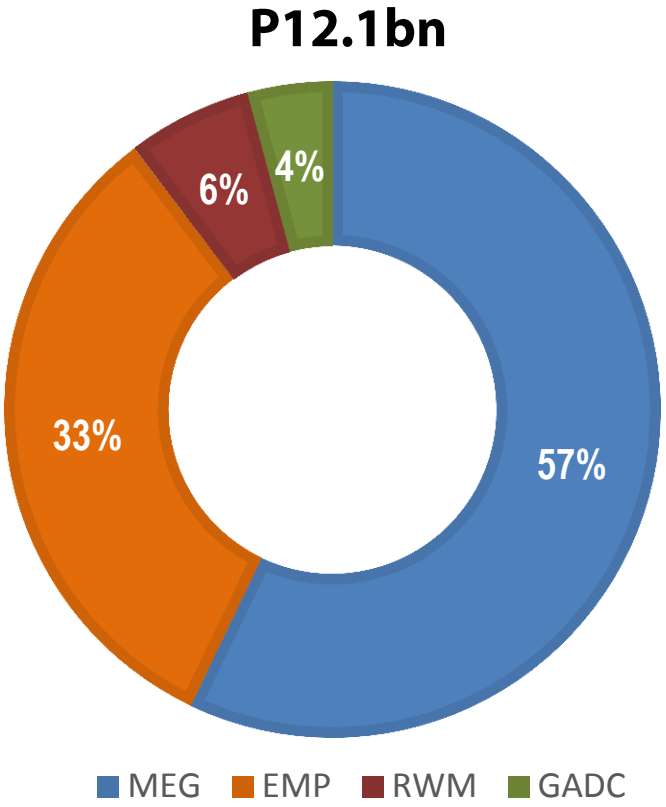
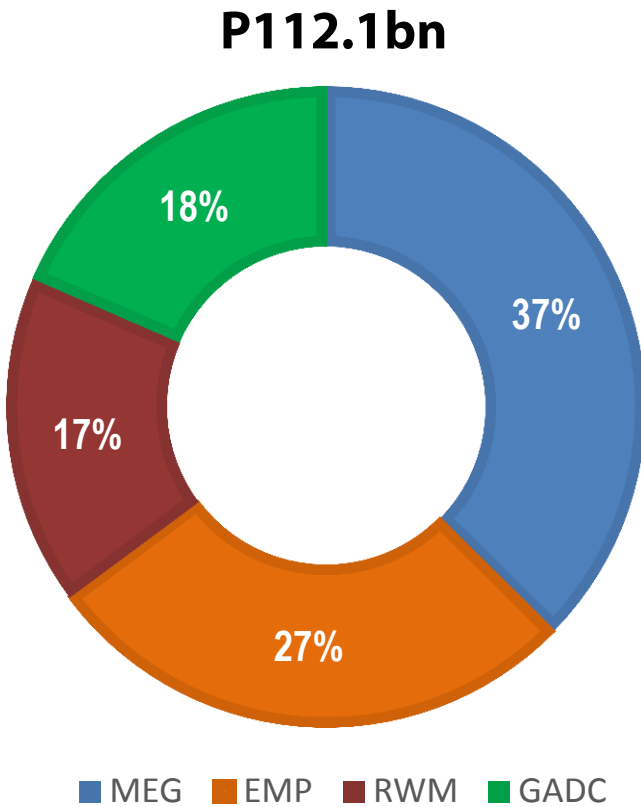
9M2018 P&L highlights

P&L highlights (Pbn)	9M18	9M17	% chg	Comments
Group revenues	112.1	100.3	12%	
Megaworld	41.5	36.5	14%	Sustained growth in residential and rentals.
Emperador	30.4	27.5	11%	Growth driven by foreign brands
Travellers	18.5	15.8	18%	Continued recovery in VIP segment, nongaming.
GADC	20.5	18.7	10%	3.8% systemwide SSSG, ongoing store expansion.
Others	1.3	2.0	-34%	
Group costs/expenses	(88.8)	(80.7)	10%	
Megaworld	(26.5)	(23.2)	15%	COS contained; increased opex.
Emperador	(24.3)	(22.2)	10%	Steady COGS; higher selling, G&A expenses.
Travellers	(16.7)	(15.6)	8%	Higher gaming fees, marketing expenses.
GADC	(18.9)	(17.2)	10%	Rising COGS.
Others	(2.3)	(2.5)	-9%	
Net income to owners	12.1	10.2	18%	
Megaworld	7.5	6.7	12%	Improving profit mix.
Emperador	4.3	3.7	17%	Increasing share of international business.
Travellers	0.8	0.0	--	Core profit recovers.
GADC	0.5	0.5	16%	Store expansion allowed for efficiency gains.
Others	(1.0)	(0.6)	64%	
Net profit margin	10.8%	10.1%	+61bps	

9M2018 performance at a glance

9M 2018 Consolidated Revenues

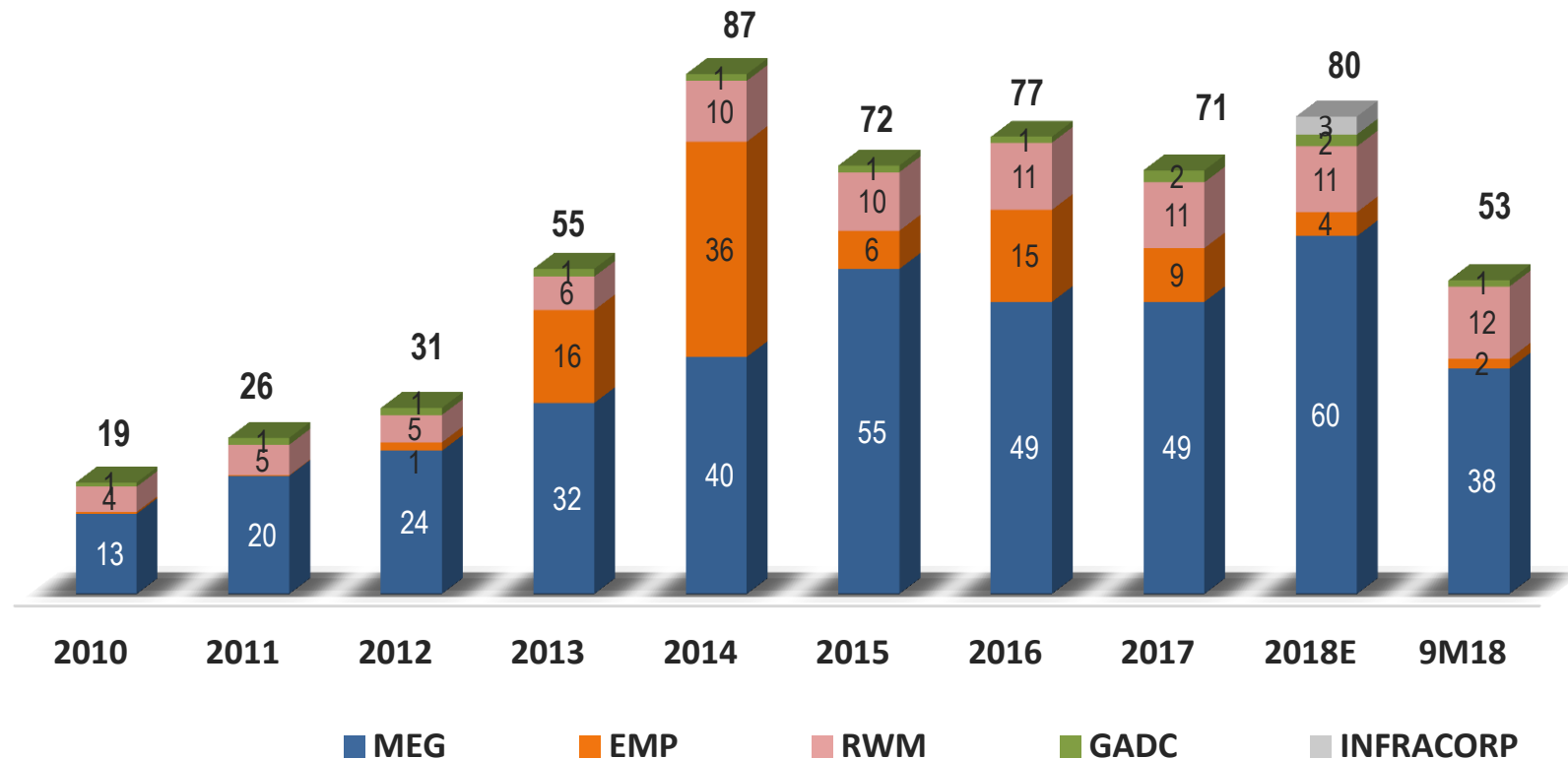
9M 2018 Attributable Net Income



Group investment commitments

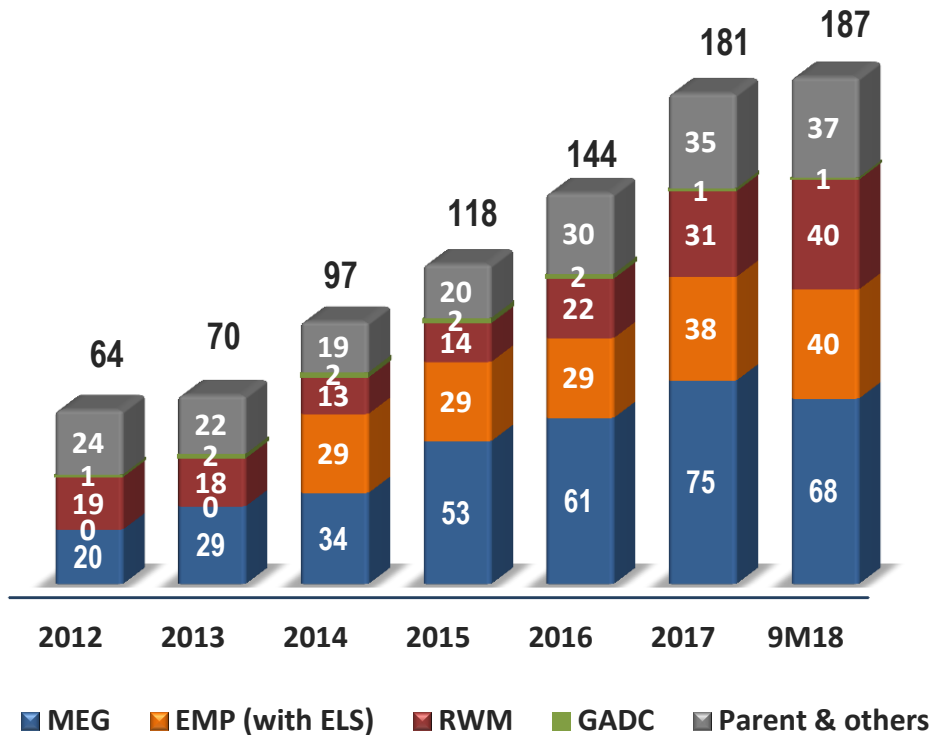
- Total capex budget for 2018-2020: **P240bn**

AGI's capex, by major subsidiary (Pbn)



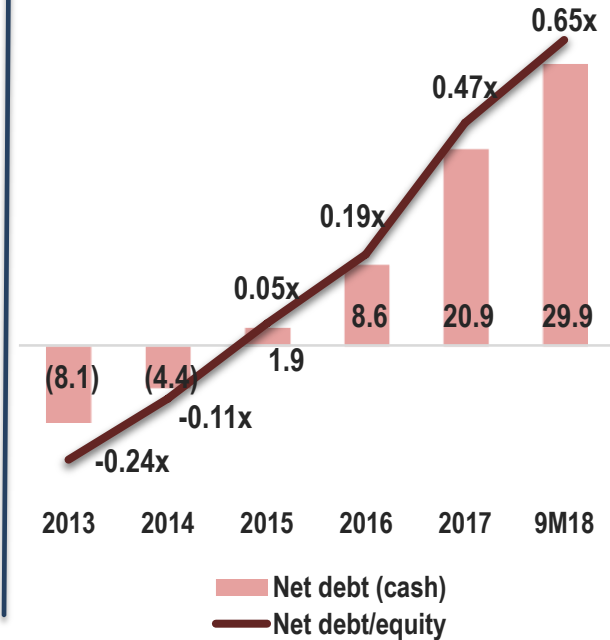
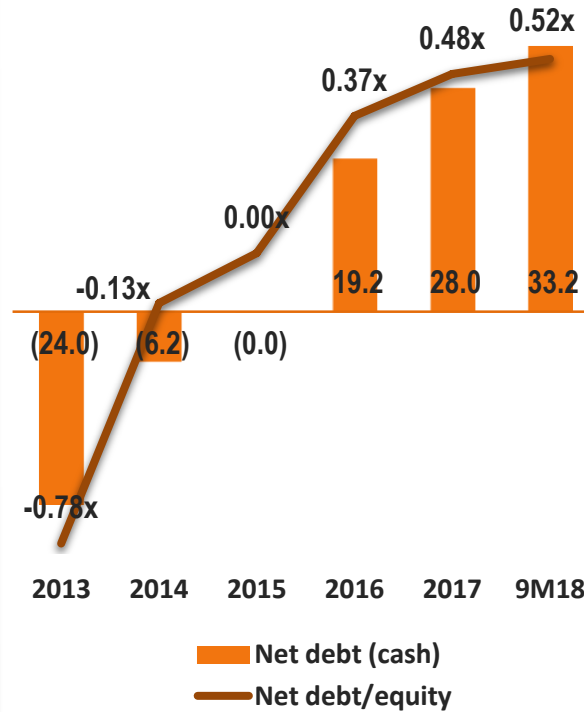
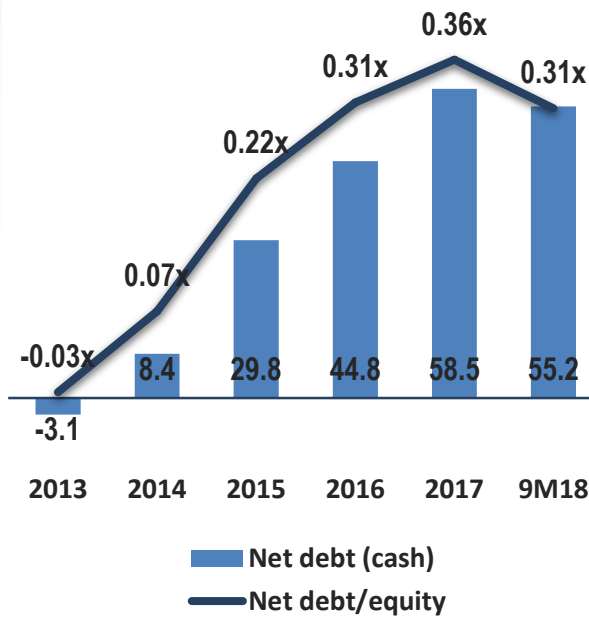
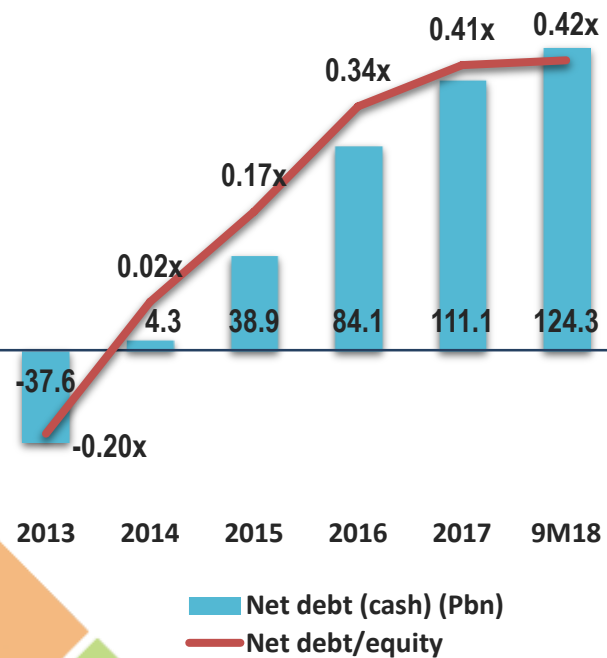
Group borrowings

Gross debts, by key subsidiary (Pbn)



- ❑ At end-Sep 2018, Group borrowings stood at P187bn, while net debt/equity rose to 0.42x (vs 0.41x in 2017)
- ❑ Parent net debt/equity stood at 0.04x.

Group gearing



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



MEGAWORLD



MEGAWORLD CORPORATION

9M2018 PERFORMANCE HIGHLIGHTS

MEG By the Numbers



MEGAWORLD



23

Townships & integrated lifestyle communities



4,689

Landbank (hectares)



1,013

Office GLA ('000 sqm)



616

Lifestyle Mall GFA ('000 sqm)



2,428

Hotel Room Keys

MEG: 9M2018 financial performance



MEGAWORLD

P&L (in Pbn)	9M2018	9M2017	%
Revenue	41.8	37.1	13%
Residential	28.4	25.7	11%
Rental	10.5	8.8	19%
Hotel	1.0	1.0	8%
EBITDA	17.6	15.8	12%
EBIT	16.0	14.5	11%
Net profit	11.7	10.3	13%
Attributable profit	11.3	10.0	13%
Gearing	Sep2018	Dec2017	Sep2017
Net debt (cash)	55.2	58.5	58.6
Net debt/equity	0.31x	0.36x	0.38x

- Total realized GP up 20% YoY
- Higher GLA, occupancy & rent
- Improving profit mix
- Increased depreciation charges

Development GP margin

47%
9M18

vs
45%
9M17

Rental EBITDA margin

88%
9M18

vs
87%
9M17

Hotel EBITDA margin

26%
9M18

vs
26%
9M17

Overall EBITDA margin

42%
9M18

vs
43%
9M17

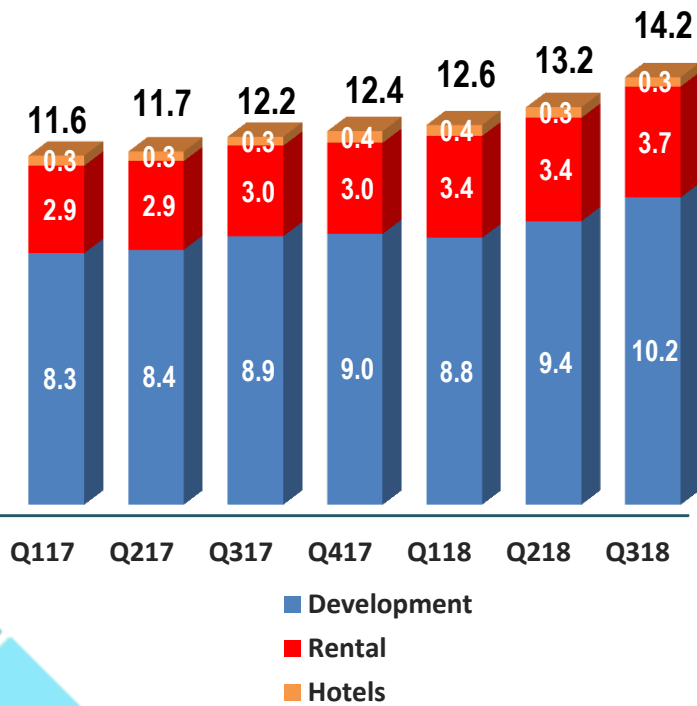
MEG: Changing business mix



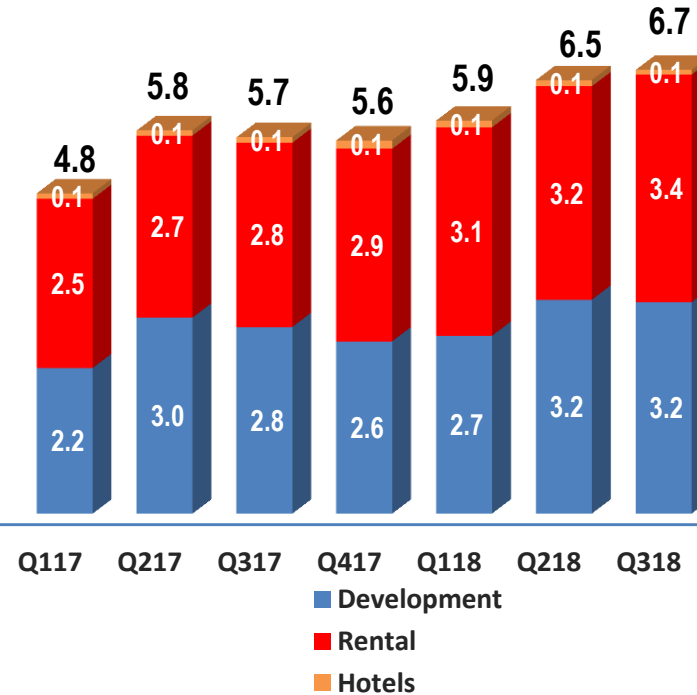
MEGAWORLD



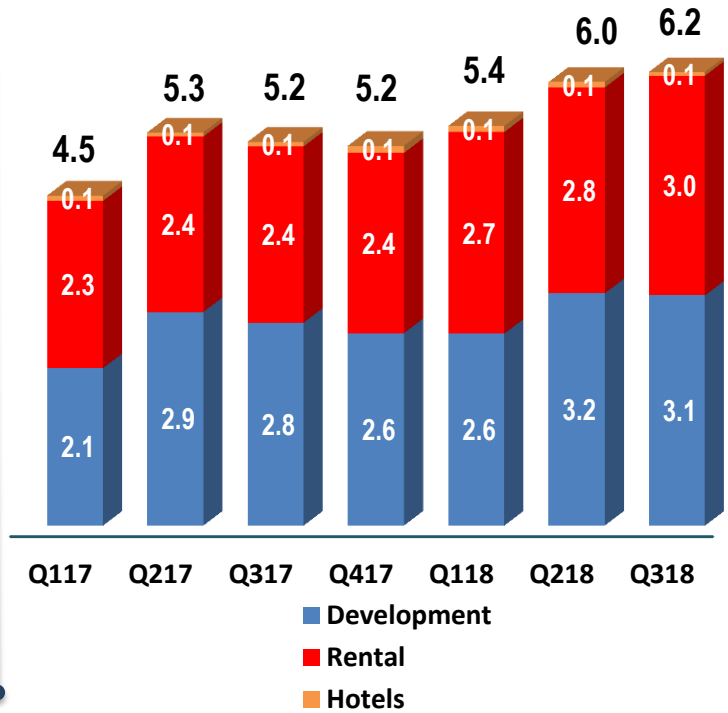
REVENUE



EBITDA



EBIT



*All items are in billion pesos.

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

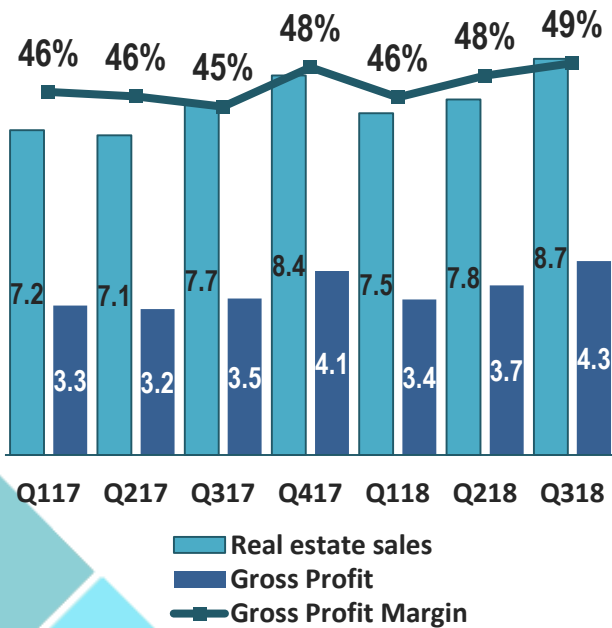
MEG: Sustained growth trajectory



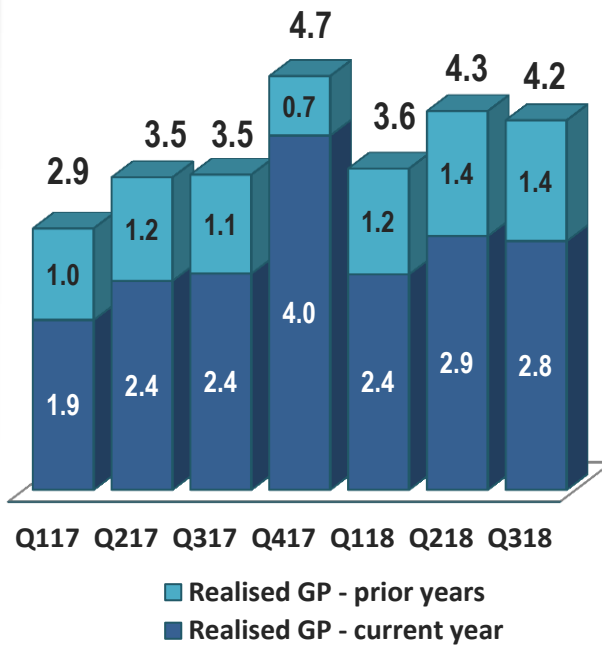
MEGAWORLD



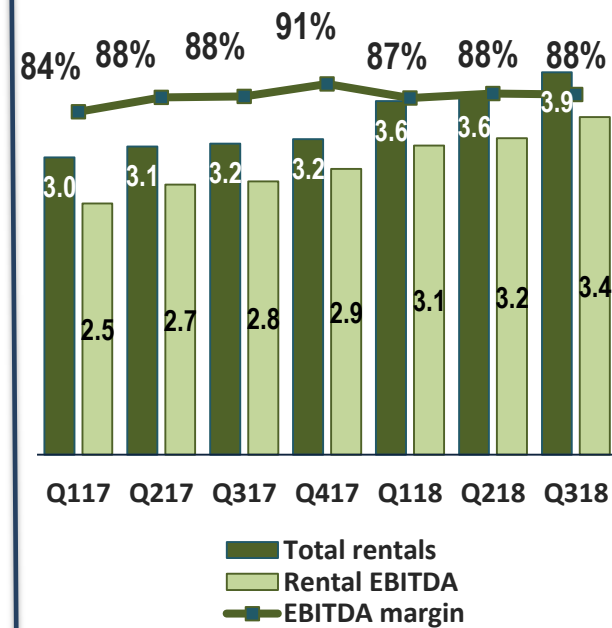
REAL ESTATE SALES vs GROSS PROFIT



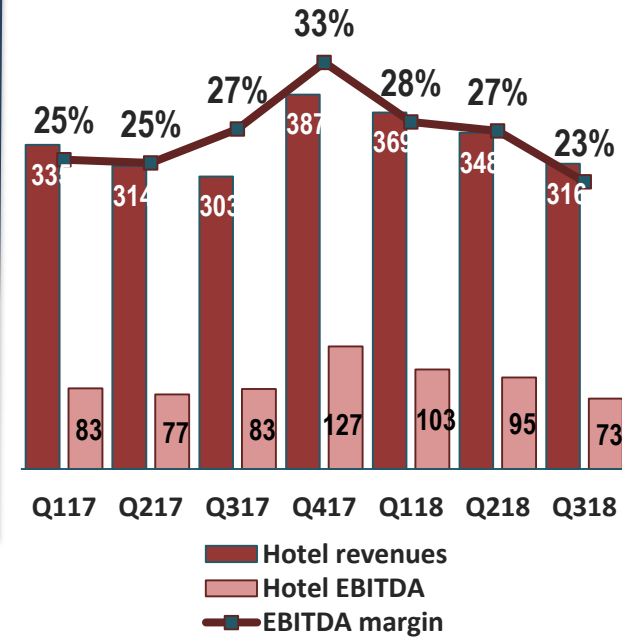
REALIZED GROSS PROFIT



RENTAL vs EBITDA



HOTEL vs EBITDA

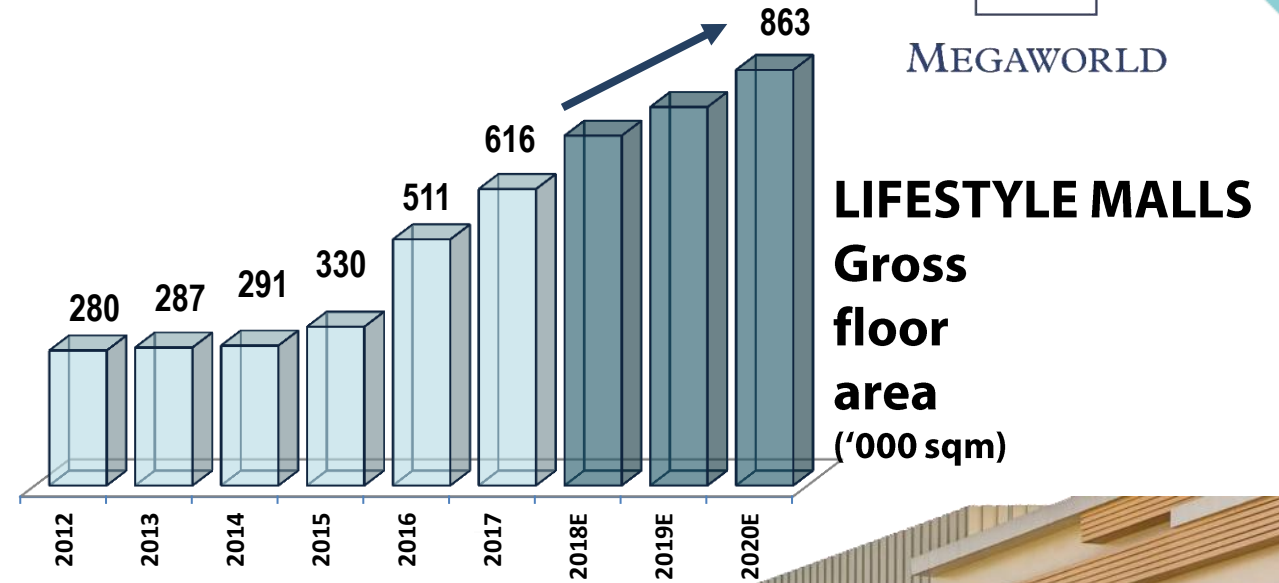
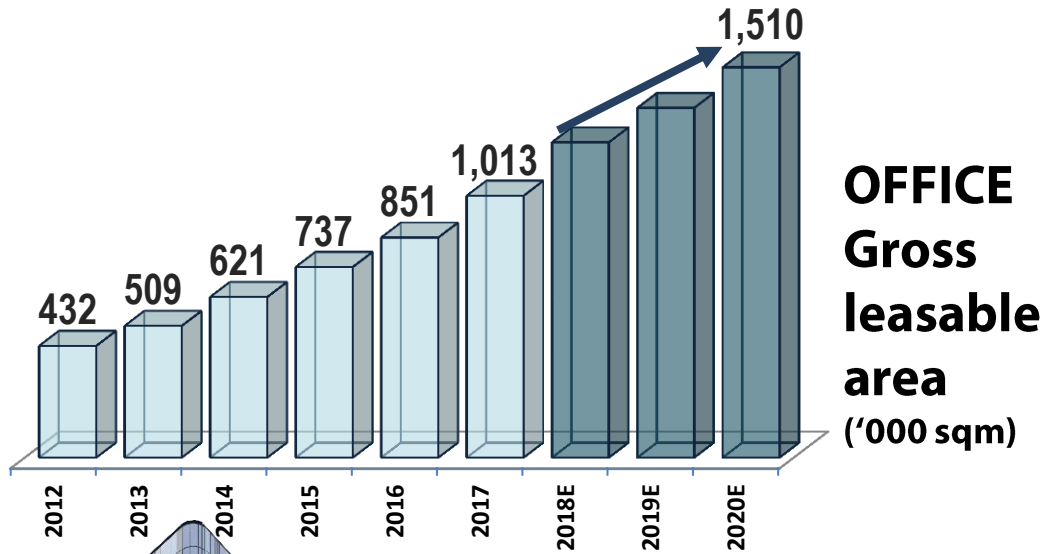


*All items are in billion pesos except margin

Initiative: Expansion of rental segment

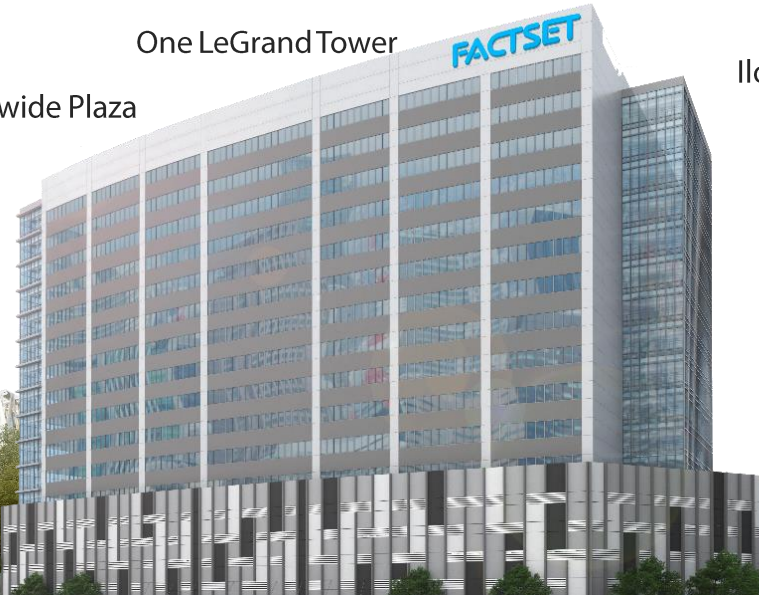


MEGAWORLD



One LeGrand Tower

Worldwide Plaza



Iloilo Festive Walk Mall

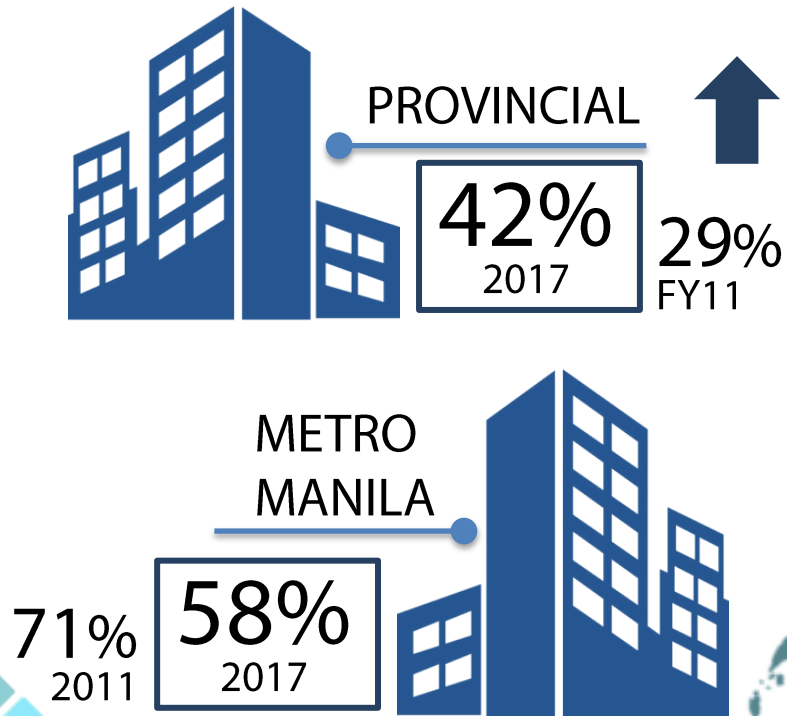


Initiative: Geographic diversification

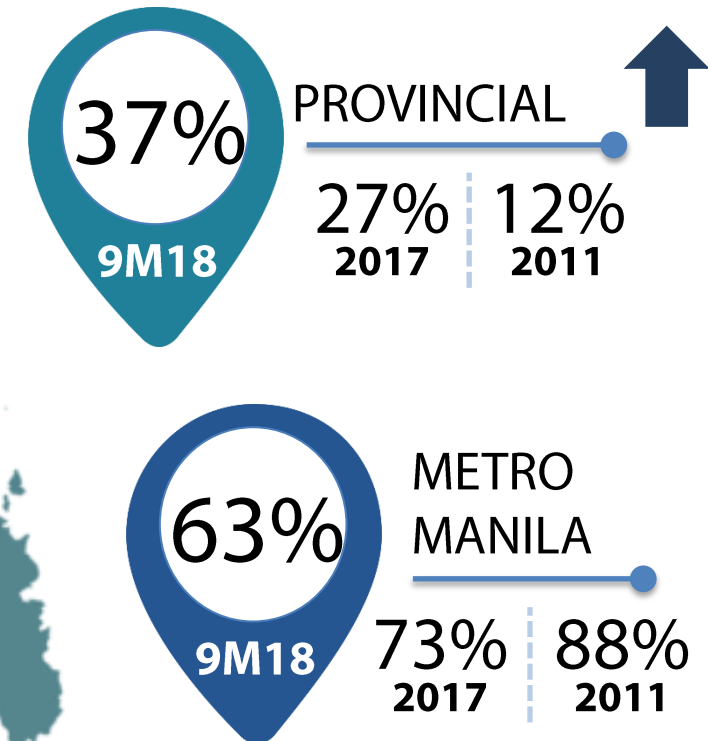


MEGAWORLD

RESIDENTIAL PROJECT LAUNCHES BY LOCATION



REAL ESTATE SALES BY LOCATION



Did you know?

EASTWOOD'S ENCHANTED FOREST OF LIGHTS

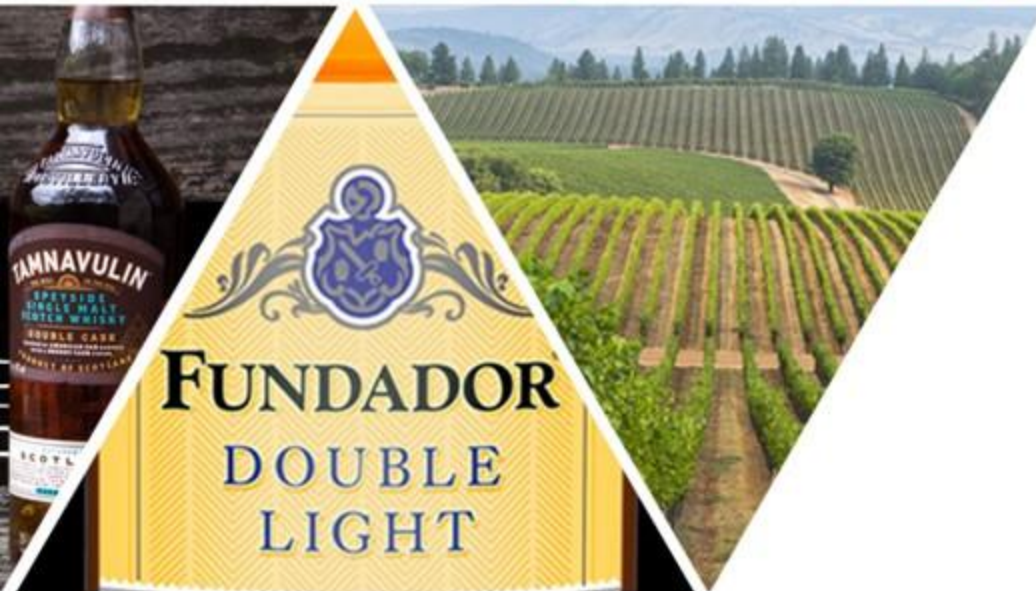
Made up of over 1.3 million LED light bulbs and 100 lighted displays.

It features huge replicas of animals and larger-than-life sea creatures, lighted trees and over 80 dandelions to complete the forest-like setting in Eastwood City.





EMPERADOR INC.



EMPERADOR INC.

9M2018 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

EMP: 9M2018 financial performance



EMPERADOR INC.

P&L (in Pbn)	9M2018	9M2017	%
Revenue*	30.5	27.6	11%
Whisky	9.3	8.1	15%
Brandy	21.3	19.5	9%
Gross Profit	10.6	8.8	21%
Whisky	3.4	2.2	55%
Brandy	7.2	6.6	10%
EBITDA	7.4	6.3	17%
Net profit	5.2	4.4	18%
Attributable profit	5.1	4.4	16%
Gearing	Sep2018	Dec2017	Sep2017
Net debt (cash)	33.2	28.0	24.2
Net debt/equity	0.52x	0.48x	0.44x

- Driven by The Dalmore, Jura sales

- Supported by Fundador sales

- Raw material costs kept low, offsetting higher salaries & manufacturing overhead costs

- Increasing share of whisky vs brandy

**Overall
GP margin**

36%
9M18

vs
32%
9M17

**Whisky
GP margin**

37%
9M18

vs
28%
9M17

**Brandy
GP margin**

35%
9M18

vs
33%
9M17

**Overall
EBITDA
margin**

24%
9M18

vs
23%
9M17

*NET OF INTERSEGMENT

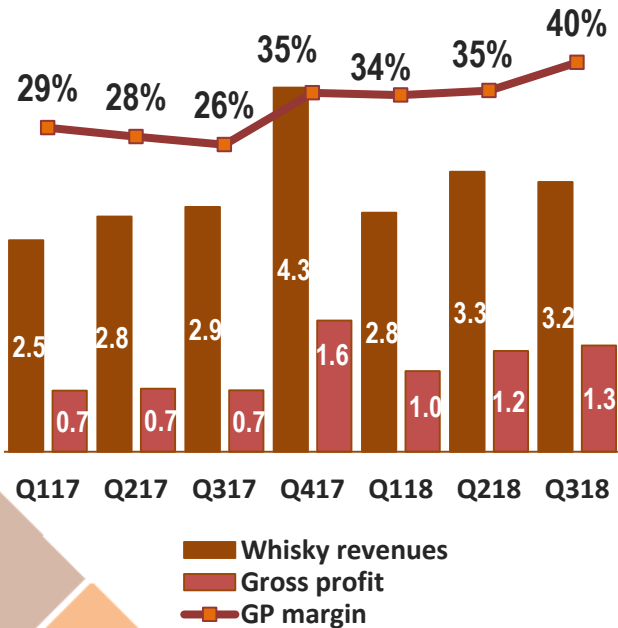
EMP: Whisky segment steers the growth



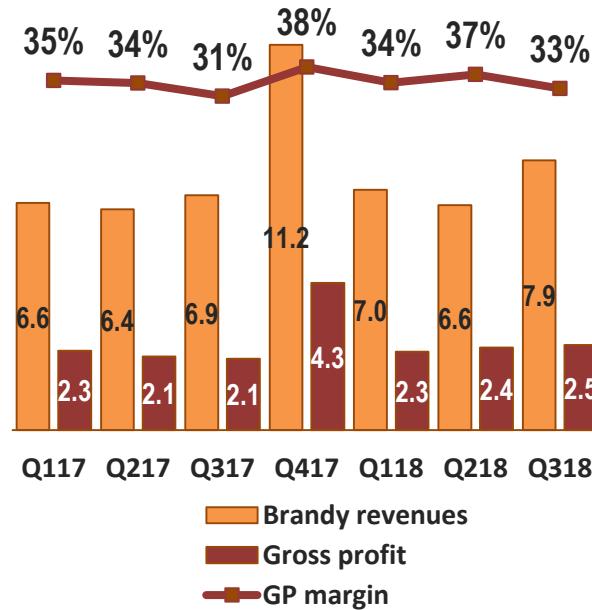
EMPERADOR INC.



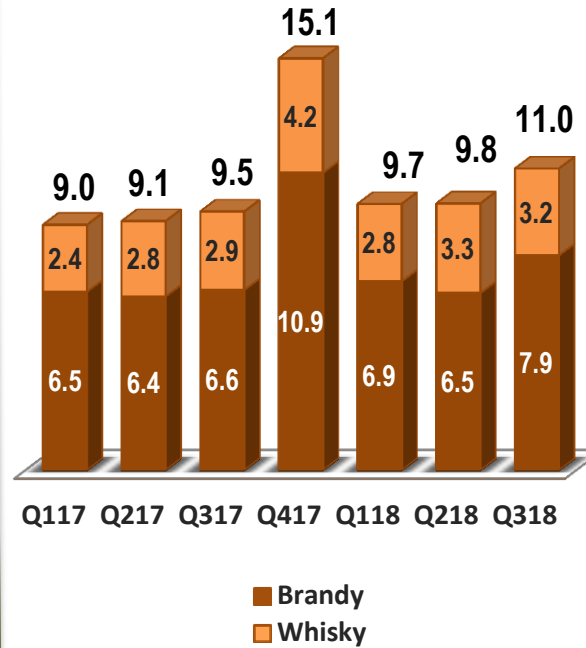
WHISKY REVENUE vs GROSS PROFIT



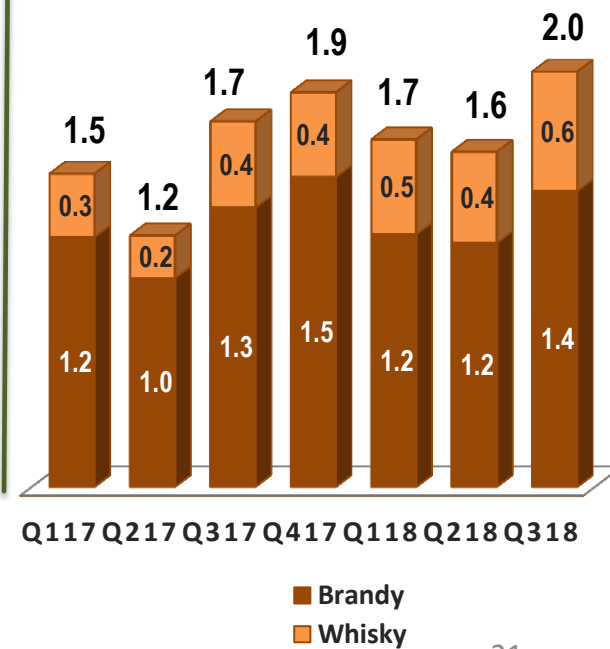
BRANDY REVENUE vs GROSS PROFIT



CONSOLIDATED REVENUE



NET PROFIT



*All items are in billion pesos except margin(%)

Initiative: Diversifying product line



EMPERADOR INC.

FUNDADOR SUPREMO

- ✓ A super-premium Brandy
- ✓ Introduced through the Travel Retail channel in Europe and Asia, and is now available in the Philippines.



Php12,800



Php95

THE BAR PREMIUM GIN

- ✓ Innovation of a Gin product
- ✓ Creates excitement and differentiation
- ✓ Premiumized thru the botanicals used
 - ❖ Almond
 - ❖ Thyme
 - ❖ Juniper
 - ❖ Mint
 - ❖ Coriander
 - ❖ Orrisroot
 - ❖ Grapefruit

Did you know?

Contrary to beliefs, the **PHILIPPINES** has perfect weather to grow grapes.



TRAVELLERS
INTERNATIONAL



TRAVELLERS INTERNATIONAL HOTEL GROUP, INC.
9M2018 PERFORMANCE HIGHLIGHTS

RWM By the Numbers



2,137

Hotel
rooms



80

Hotel
occupancy
(%)



263

Gaming
tables



1,513

Slots



4,000

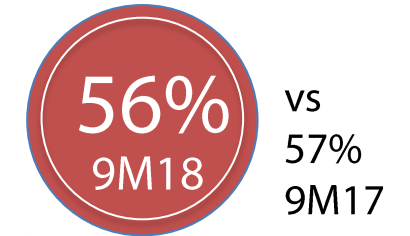
Marriott Grand
Ballroom
capacity

RWM 9M2018 financial highlights

P&L (in Pbn)	9M2018	9M2017	%
Total revenue	17.0	15.7	8%
Gaming	13.8	12.8	7%
Mass	8.9	9.2	-3%
VIP	4.8	3.6	33%
Non-gaming	3.2	2.9	11%
Gross profit	9.6	8.9	7%
EBITDA	1.8	2.6	-31%
Net profit	1.8	-0.0	n/a
Gearing	Sep2018	Dec2017	Sep2017
Net debt (cash)	29.9	20.9	15.4
Net debt/equity	0.65x	0.47x	0.35x

- Improvement in volume but lower hold rate
- Continued recovery in quarterly rolling volume
- Hotel occupancy rates at 80% (vs 78%)
- Increased gaming taxes with rise in GGR
- Higher opex from new facilities.
- Boosted by one-time non-operating gains.

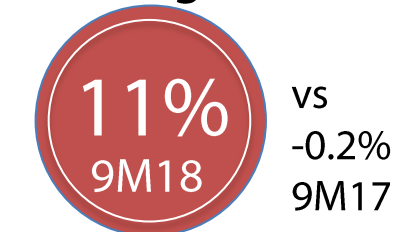
Gross profit margin



EBITDA margin



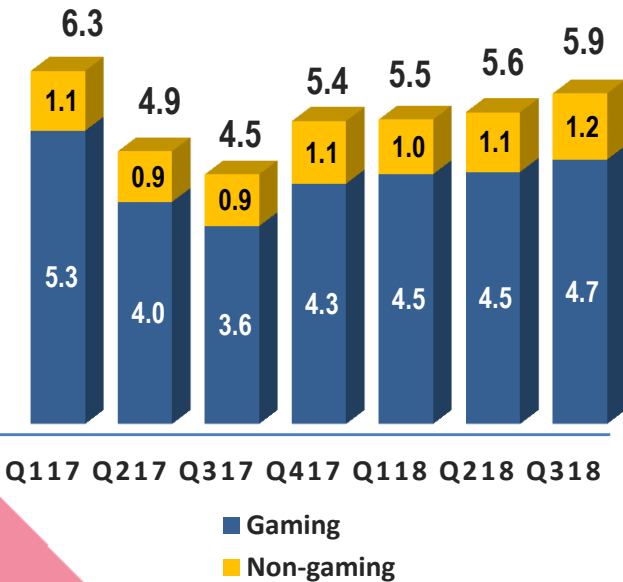
Net profit margin



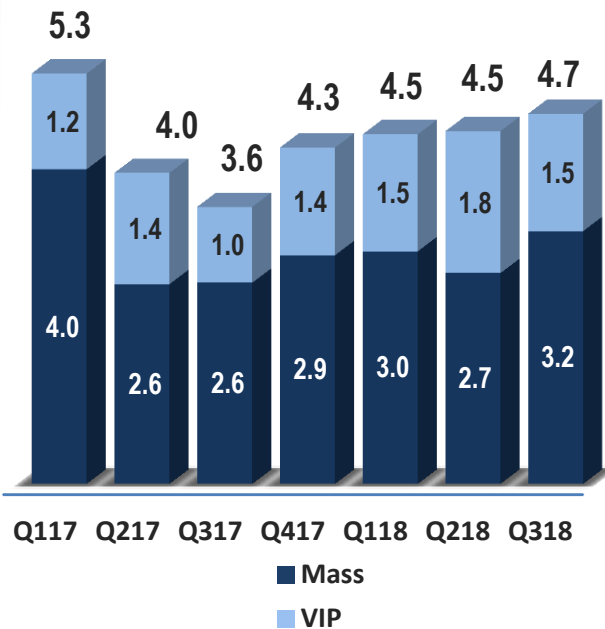
RWM: Buoyed by continued VIP recovery



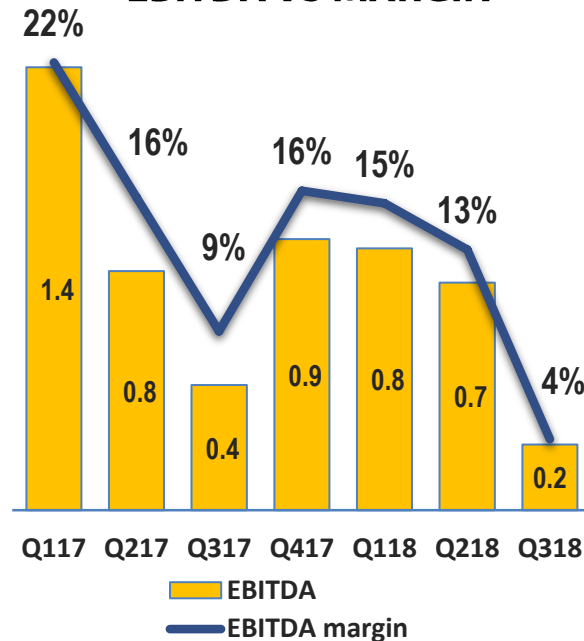
GROSS REVENUES



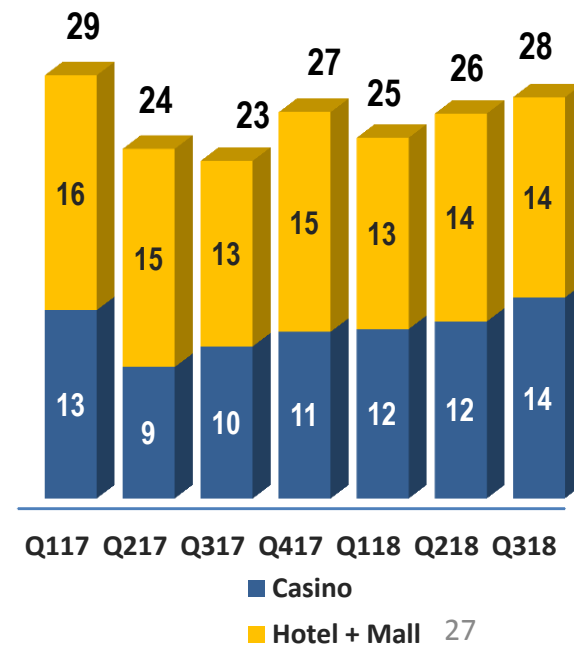
GGR: MASS VS VIP



EBITDA VS MARGIN



AVERAGE DAILY VISITORS



*All items are in billion pesos except margin(%) and average daily visitors ('000)

Initiative: Broadening international hotel brands

Existing hotels



570
keys



172
keys



326
keys



712
keys



357
keys

Upcoming hotels



191
keys



391
keys

Did you know?

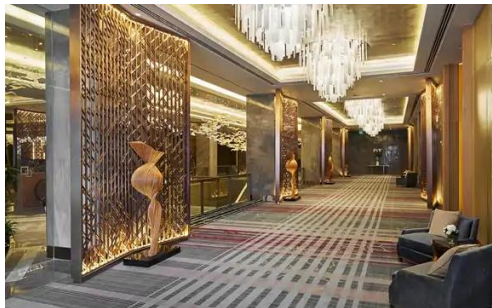
SOFT OPEN



Hilton

HOTELS & RESORTS

357 rooms





GOLDEN ARCHES DEVELOPMENT CORPORATION

9M2018 PERFORMANCE HIGHLIGHTS

GADC By the Numbers



3.8

Systemwide same store sales growth (%)



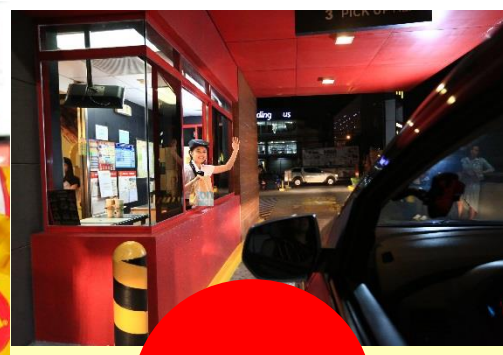
603

Store count



268

Dessert centers



268

Stores with drive-thru



339

McDelivery Hub

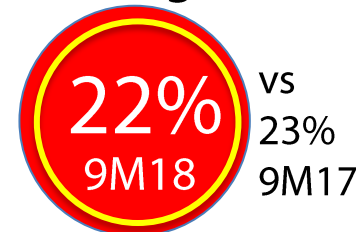
GADC: 9M2018 financial performance



P&L (in Pbn)	9M2018	9M2017	%
Systemwide sales	34.4	30.7	12%
Sales revenue	20.3	18.5	10%
Sales by co. restos	18.4	16.7	10%
Rent, royalty & others	1.9	1.8	8%
Gross profit	4.4	4.2	5%
EBITDA	2.5	2.4	3%
EBIT	1.6	1.6	1%
Net profit	1.0	1.0	3%
Gearing	Sep2018	Dec2017	Sep2017
Net debt (cash)	(4.0)	(3.8)	(4.4)
Net debt/equity	Net cash	Net cash	Net cash

- Helped by store expansion program
- Higher inflation slowed Q318 growth to 8%
- SSSG: 9M18 +3.8%; Q318 flat
- Higher number of franchised stores
- Slower topline growth, rising RM costs
- Costs & expenses up 12% YoY driven by higher inventory, rental and personnel costs.

Gross profit margin



EBITDA margin



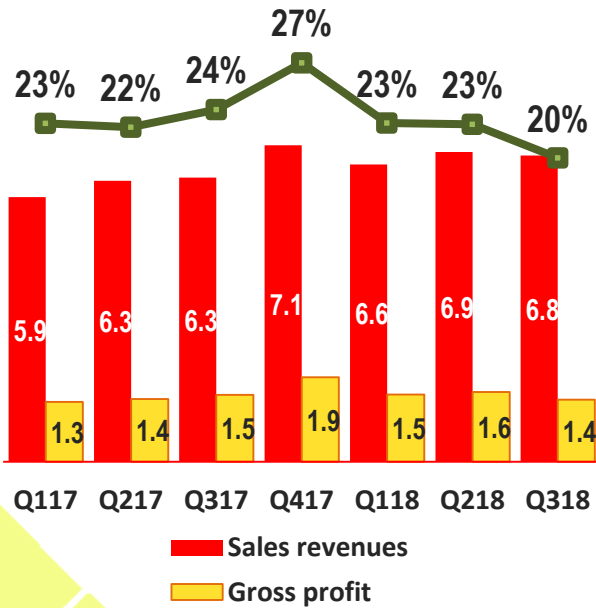
Net profit margin



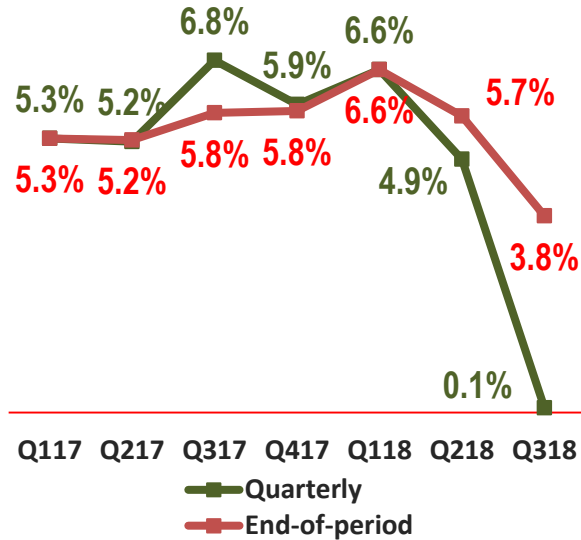
GADC: Interim weakness in spending



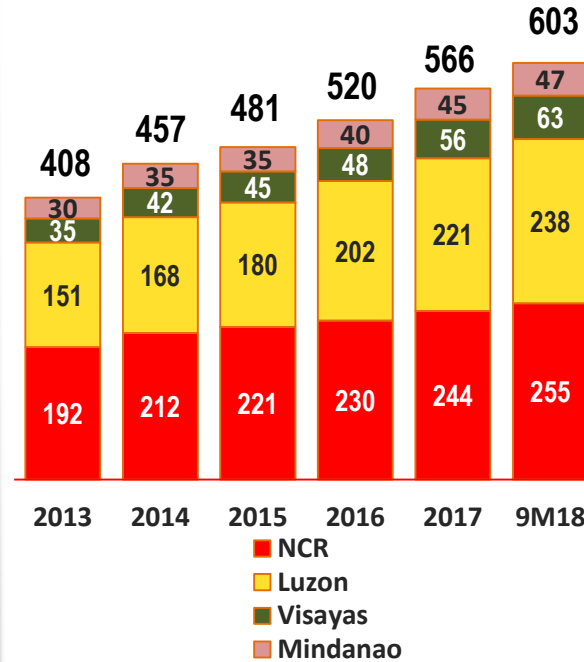
SALES VS GROSS PROFIT



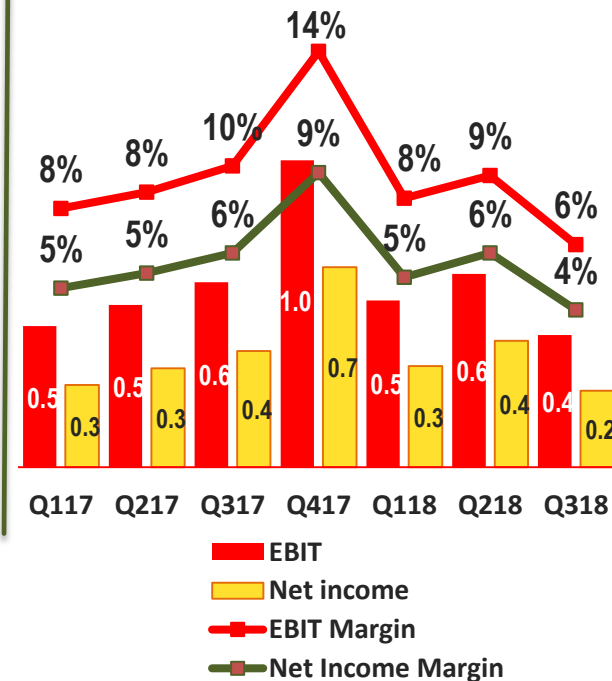
SYSTEMWIDE SAME-STORE SALES GROWTH



STORE GEOGRAPHIC DISTRIBUTION



EBIT vs NET INCOME



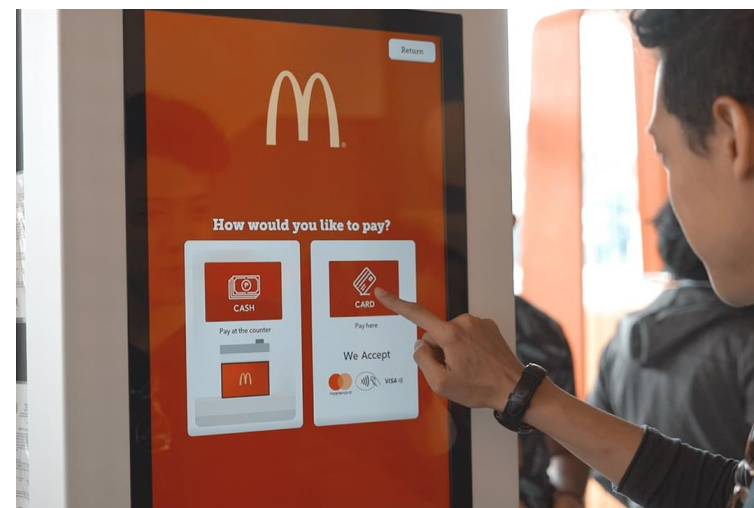
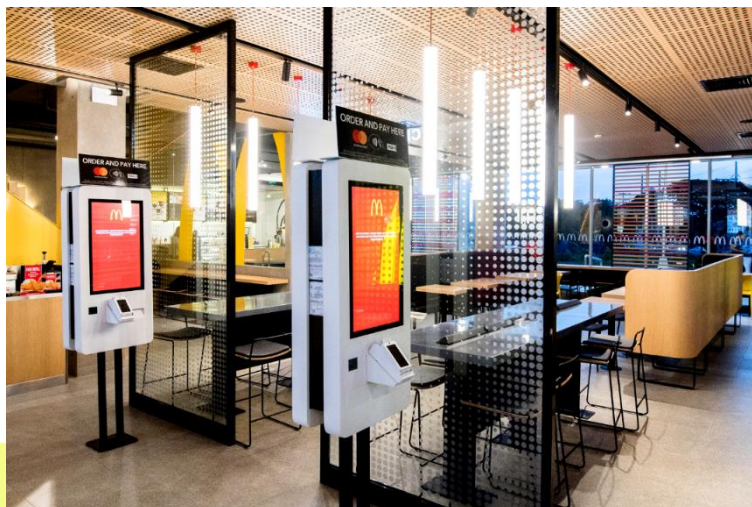
*All items are in billion pesos except margin(%) and store geographic distribution

Initiative: McDonald's NXTGEN stores



More to love

- ❖ Sleek and minimalist modern look
- ❖ High tech self-ordering kiosks
 - ✓ let customers skip the line;
 - ✓ order at their own pace
 - ✓ option to pay using cash or card
- ❖ Split Counters
- ❖ impeccable service from crew



- Experience it at the ff branches:
- McDonald's Madison
 - McDonald's McKinley West
 - McDonald's Pioneer Reliance
 - McDonald's Kapitolyo
 - McDonald's Robinson's Galleria
 - McDonald's Market Market
 - McDonald's Boracay Main Road
 - McDonald's Boracay Regency

Did you know?

McDonald's McKinley West

takes INSPIRATION from the

First McDonald's Franchise Store

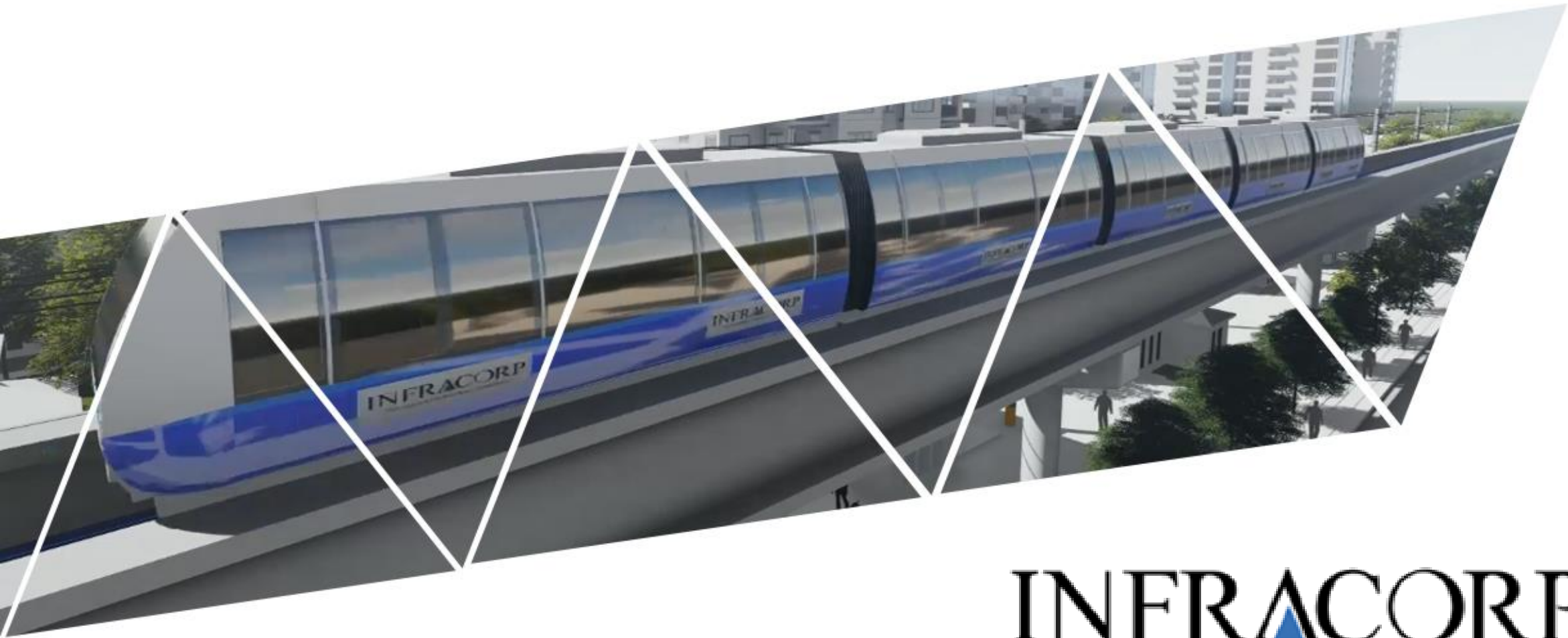
of McDonald's Founder, Ray
Kroc in 1955,
but with the modern twist.
Philippines, one of its kind.

McDonald's McKinley West



First McDonald's Store (USA, 1955)



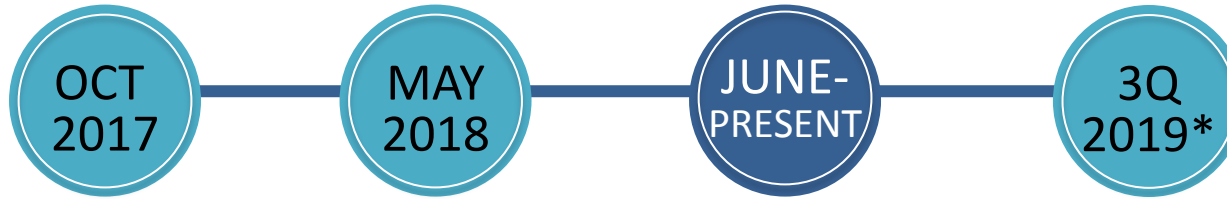


INFRACORP

AN ALLIANCE GLOBAL COMPANY

Fort Bonifacio - Makati Skytrain

Project Timeline



OCT 2017
Submission of unsolicited proposal

MAY 2018
DOTr grant of Original Proponent Status

JUNE-PRESENT
NEDA evaluation

3Q 2019*
Estimated project award
*subject to change

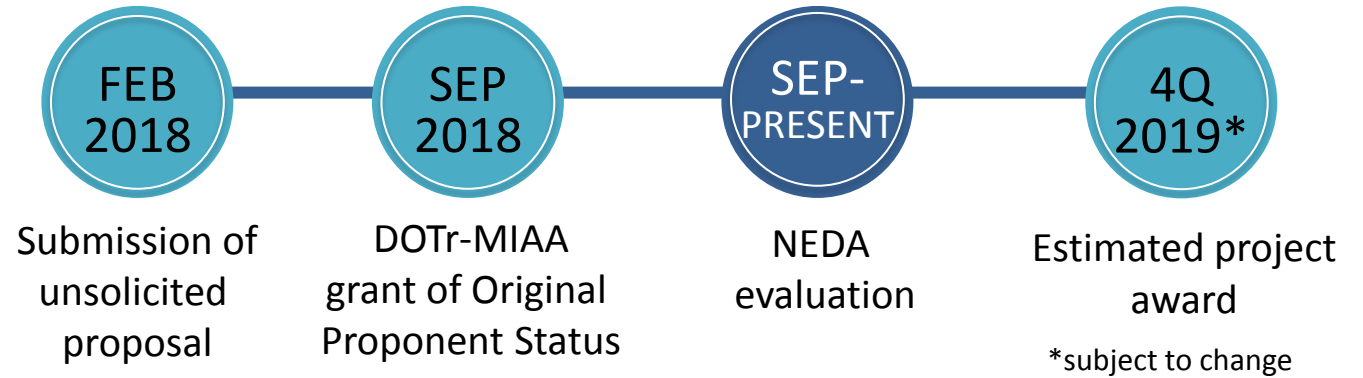
- 1.88 km Monorail Project
- Automated Cable-Propelled Monorail
- To connect MRT 3 Guadalupe Station to Uptown Bonifacio



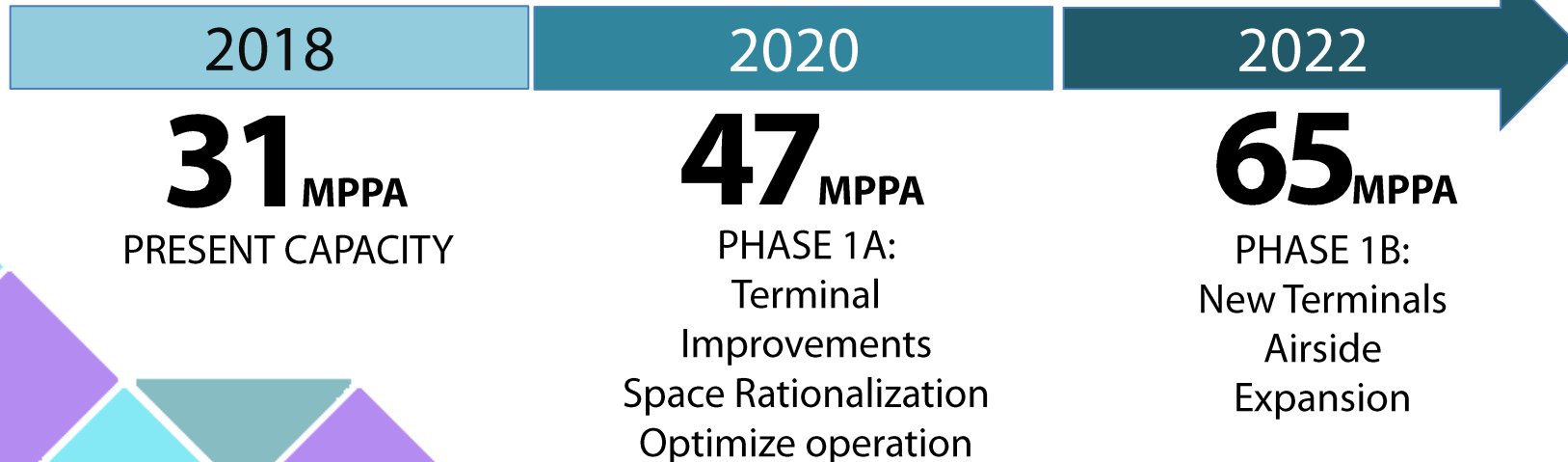
NAIA consortium



Project timeline



Gateway strategy



 **ALLIANCE GLOBAL**
END OF PRESENTATION

