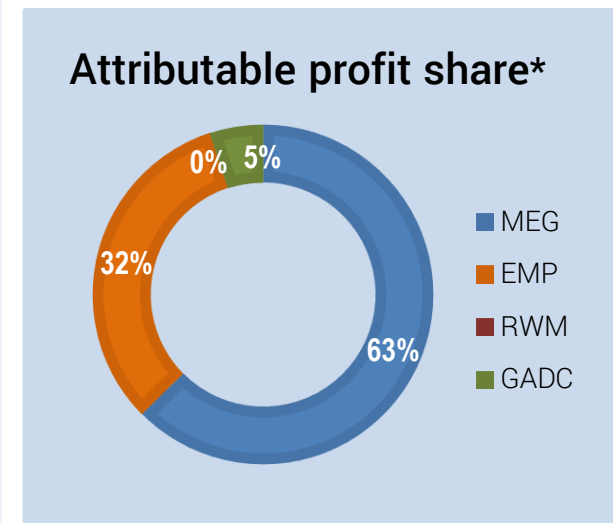
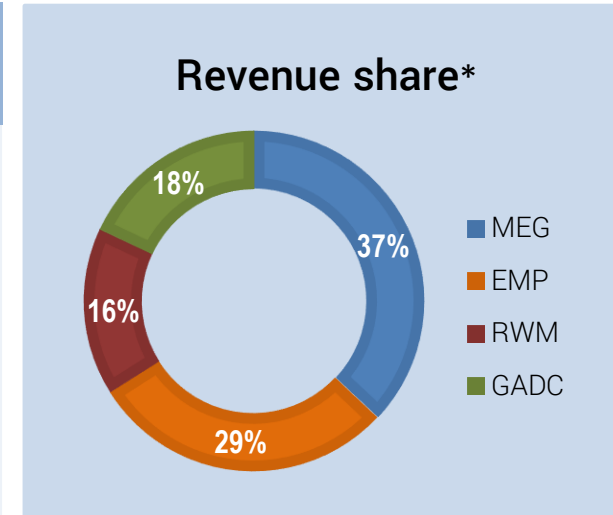
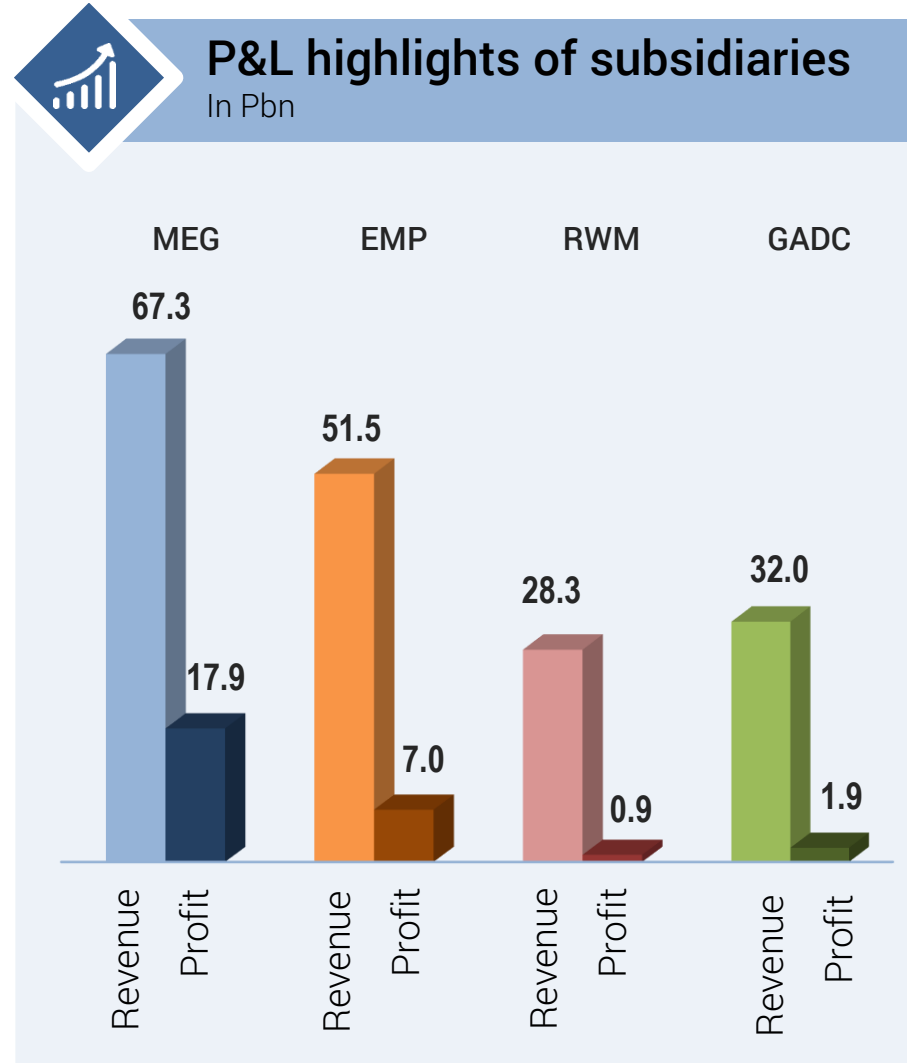
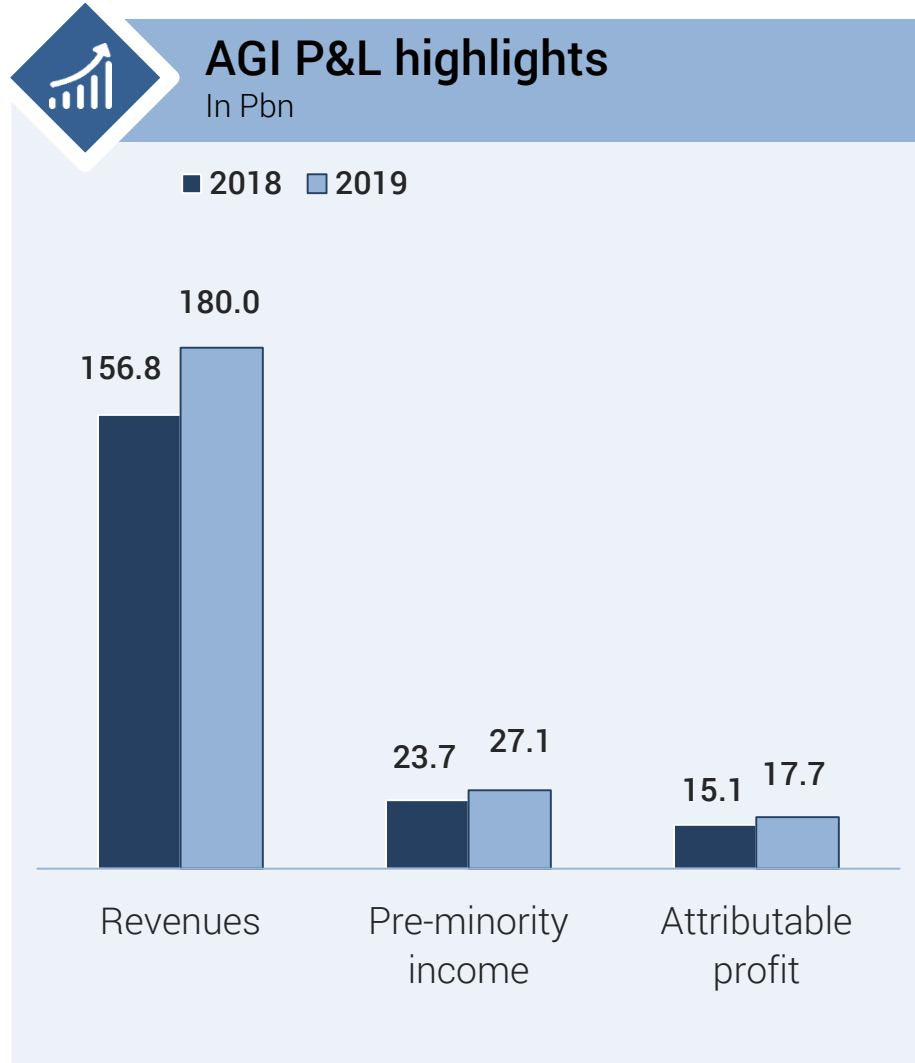




 **ALLIANCE GLOBAL**  
**FY2019 ANALYSTS' BRIEFING**

29 JUNE 2020

# AGI 2019 P&L highlights



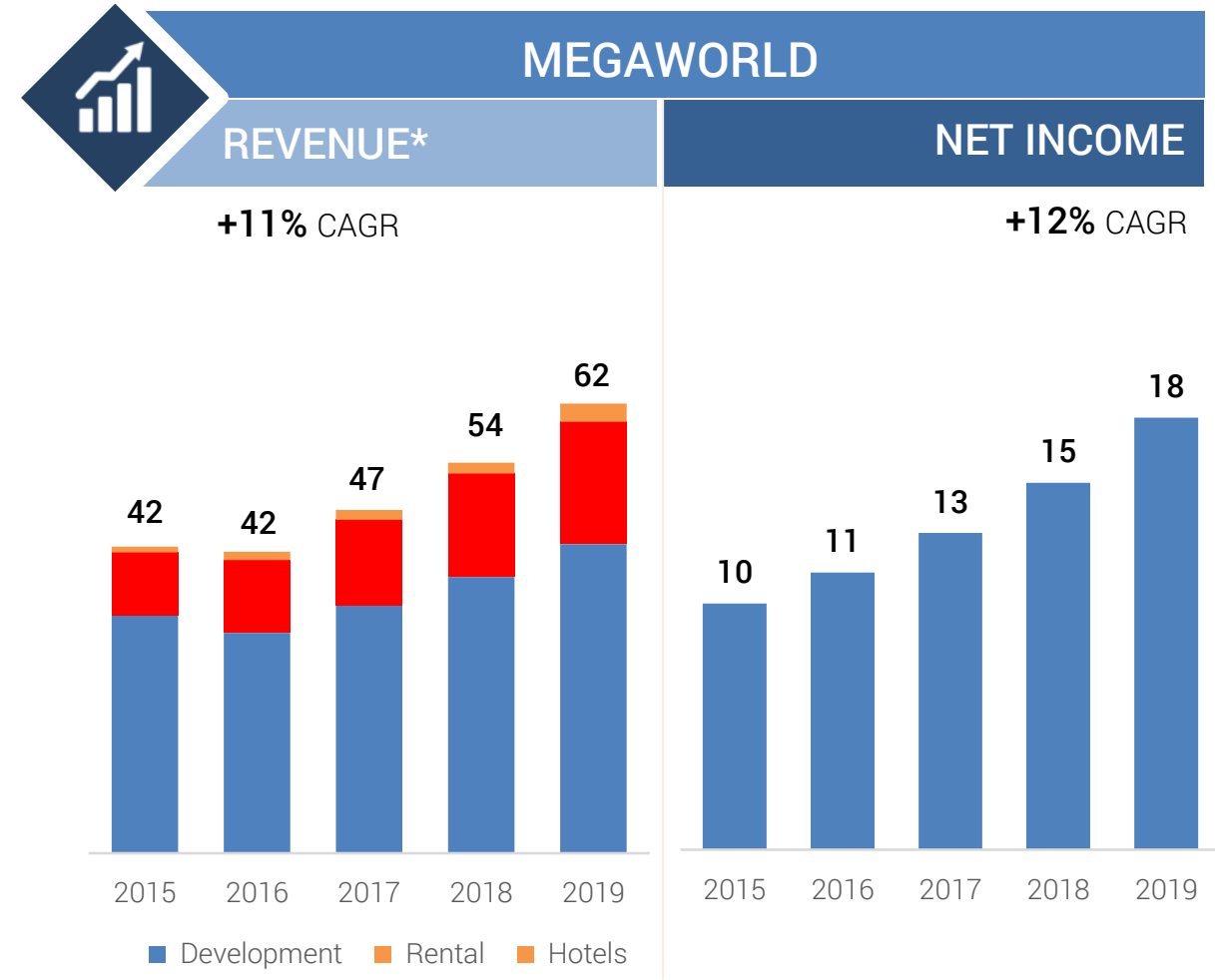
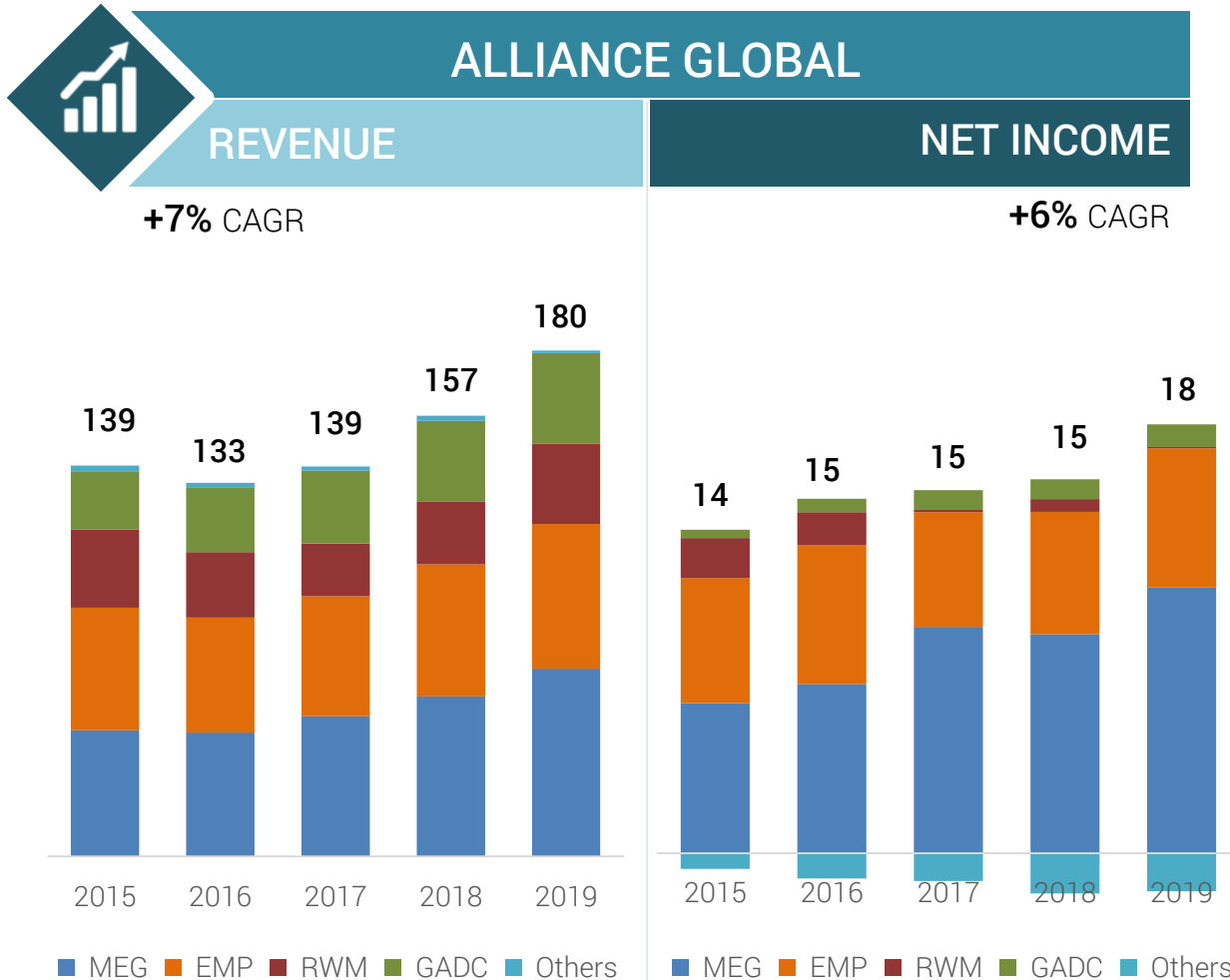
\*Excludes 'Others.'

# AGI 2019 financial performance



in Pbn	Q419	Q418	% chg	2019	2018	% chg	Comments
<b>Group revenues</b>	<b>53.0</b>	<b>48.0</b>	<b>10%</b>	<b>180.0</b>	<b>156.8</b>	<b>15%</b>	
Megaworld	19.1	15.9	20%	66.8	56.9	17%	Higher share of rentals; increased project completion
Emperador	17.8	16.7	7%	51.5	47.0	9%	Uptick in sales of higher-priced brandy products
Travellers	7.2	6.7	7%	28.4	22.4	27%	GGR recovery, increased gaming and non-gaming capacities
GADC	9.0	8.2	11%	32.3	28.6	13%	Buoyed by store expansion and robust SSSG
Others	(0.3)	0.5	--	1.0	1.8	-46%	
<b>Group costs/expenses</b>	<b>(42.6)</b>	<b>(39.6)</b>	<b>8%</b>	<b>(144.1)</b>	<b>(125.0)</b>	<b>15%</b>	
Megaworld	(12.3)	(9.8)	25%	(41.9)	(35.8)	17%	Hike in construction costs, depreciation and commission expenses
Emperador	(14.9)	(14.2)	5%	(42.4)	(38.6)	10%	Higher raw material costs, A&P and depreciation expenses
Travellers	(7.2)	(7.1)	2%	(27.8)	(20.9)	33%	Jump in gaming-related costs, depreciation and interest expenses
GADC	(7.9)	(7.2)	10%	(29.3)	(26.1)	12%	Increased raw material costs, PFRS-16-related adj.
Others	(0.3)	(1.3)	-80%	(2.6)	(3.6)	-26%	
<b>Net income to owners</b>	<b>4.9</b>	<b>3.1</b>	<b>59%</b>	<b>17.7</b>	<b>15.1</b>	<b>17%</b>	
Megaworld	3.3	2.4	31%	12.0	9.9	21%	Improving business mix
Emperador	1.9	1.3	46%	6.3	5.5	14%	Change in mix; adjustment in AGI's stake in EMP
Travellers	(0.1)	(0.2)	-66%	0.1	0.6	-89%	Sharp EBITDA recovery offset by higher depreciation and interest
GADC	0.4	0.3	9%	1.0	0.9	15%	Impact of operating efficiencies capped by PFRS-16 adjustments
Others	(0.5)	(0.8)	-32%	(1.7)	(1.8)	-6%	
<b>Net profit margin</b>	<b>10%</b>	<b>10%</b>	<b>21bps</b>	<b>9%</b>	<b>6%</b>	<b>280bps</b>	

# AGI group historical performance



All items are in billion pesos

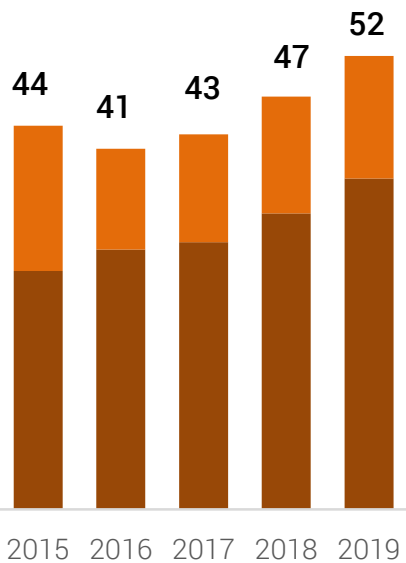
\*Covers residential, rental and hotel operations only. Excludes financial and other income.

# AGI group historical performance

## EMPERADOR

REVENUE

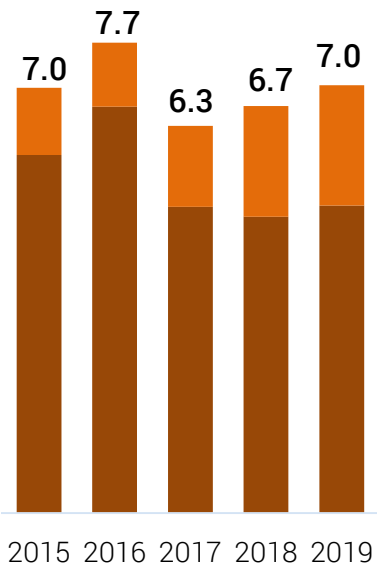
+6% CAGR



■ Brandy  
■ Whisky

NET INCOME\*

-2% CAGR

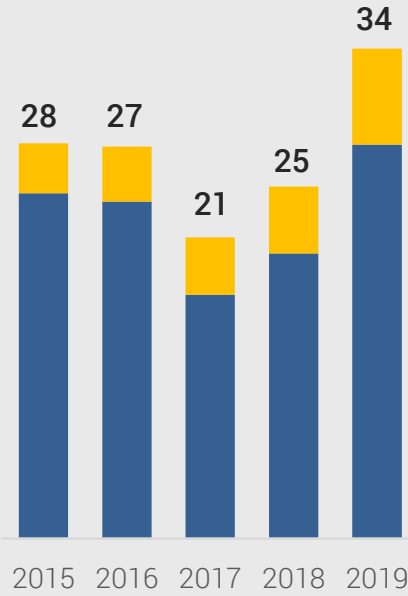


■ Brandy  
■ Whisky

## TRAVELLERS

GROSS REVENUE

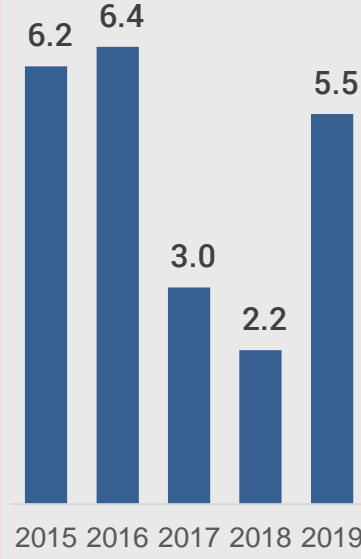
+6% CAGR



■ Non-gaming  
■ Gross gaming

EBITDA

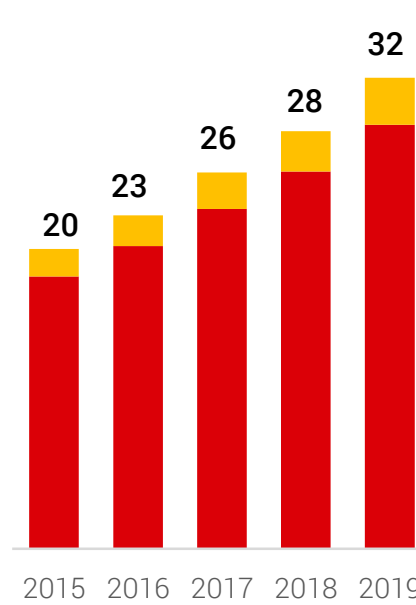
-4% CAGR



## GOLDEN ARCHES

REVENUE

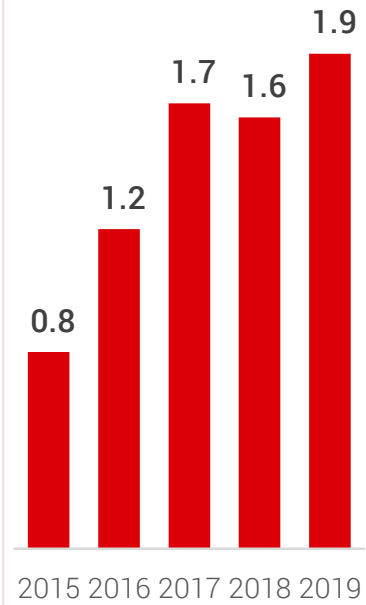
+9% CAGR



■ Rent, royalty & others  
■ Sales by co-owned stores


NET INCOME

+12% CAGR

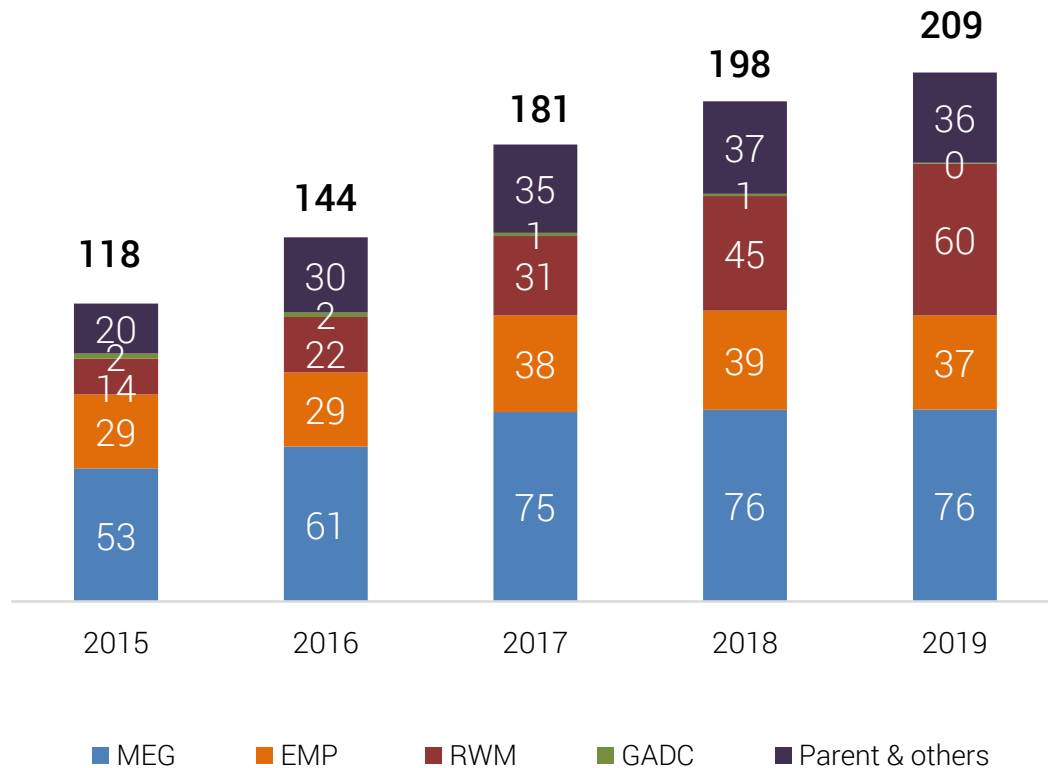


All items are in billion pesos.  
\*Excludes non-recurring expenses

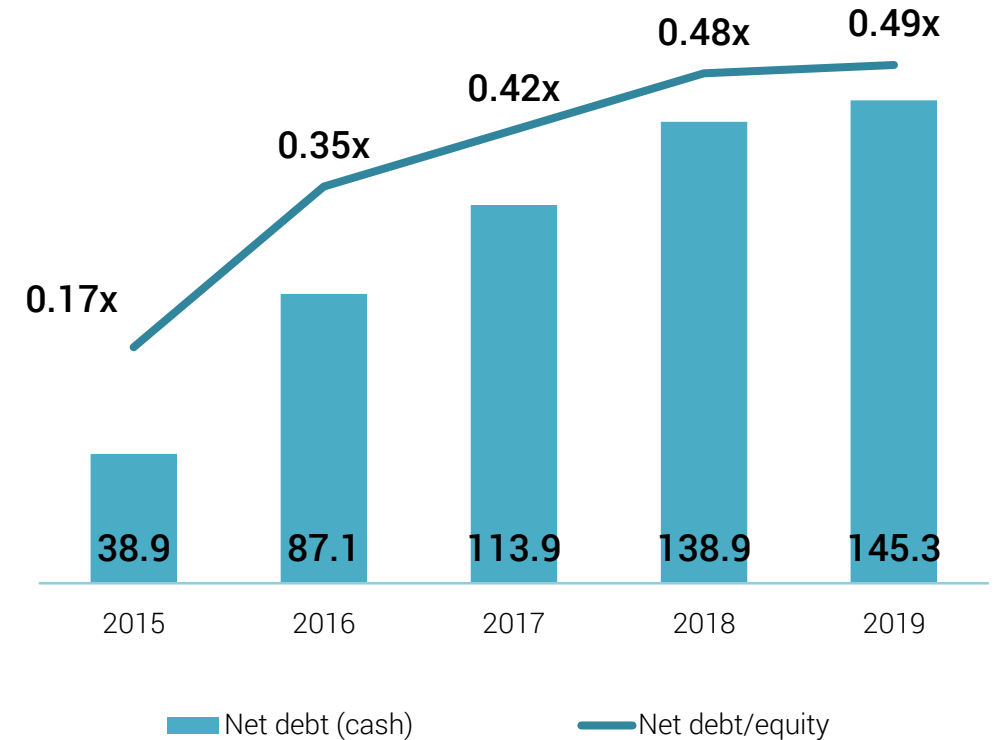
# Group borrowings



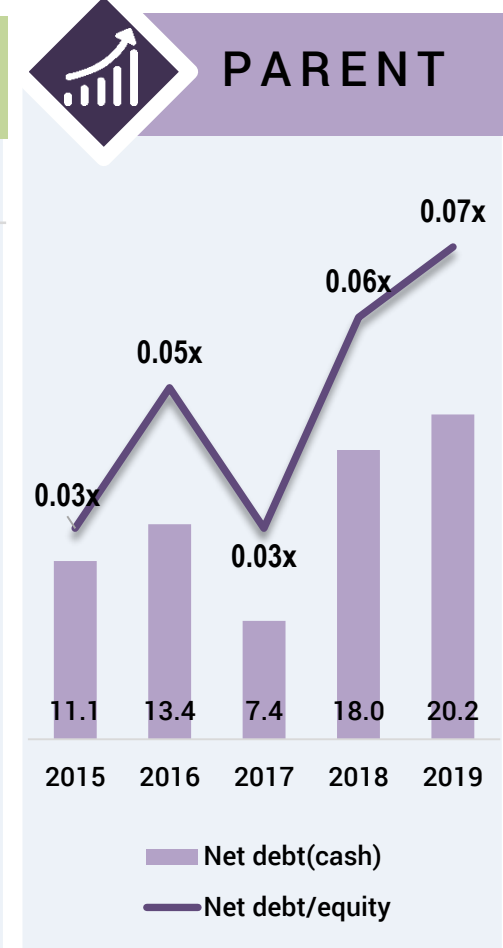
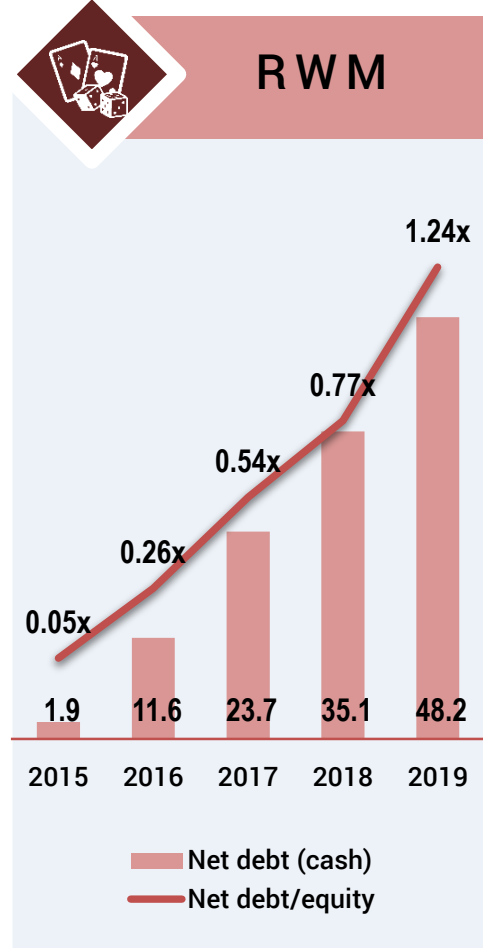
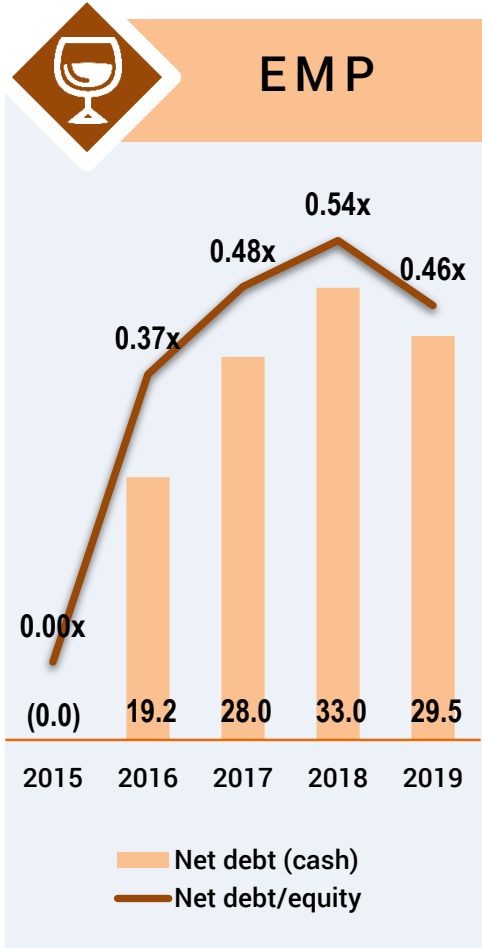
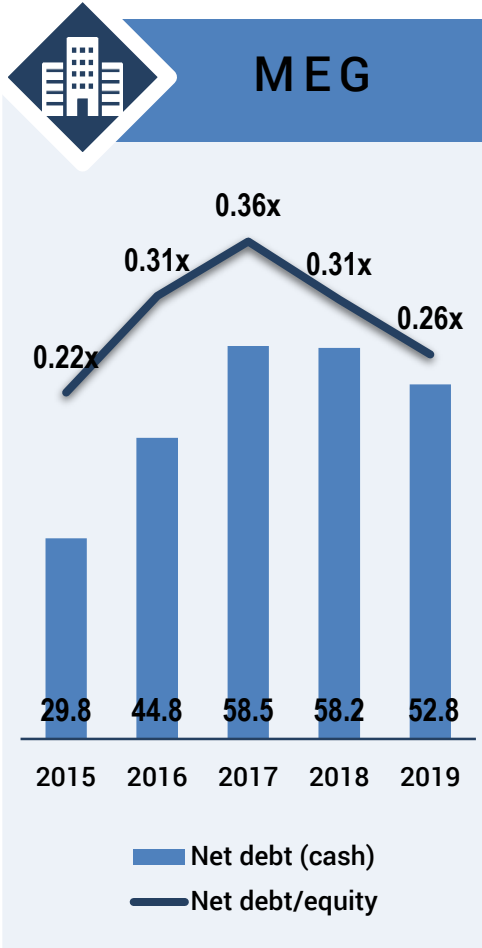
## GROSS DEBTS, by key subsidiary




## AGI GEARING



# Group gearing



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

26  
Townships &  
ILCs

4,688  
Landbank  
(has)

3,637  
Hotel  
room keys

1,312  
Offices GLA  
(‘000)

721  
Lifestyle  
malls GFA  
(‘000)



MEGAWORLD

## MEGAWORLD CORPORATION 2019 PERFORMANCE HIGHLIGHTS

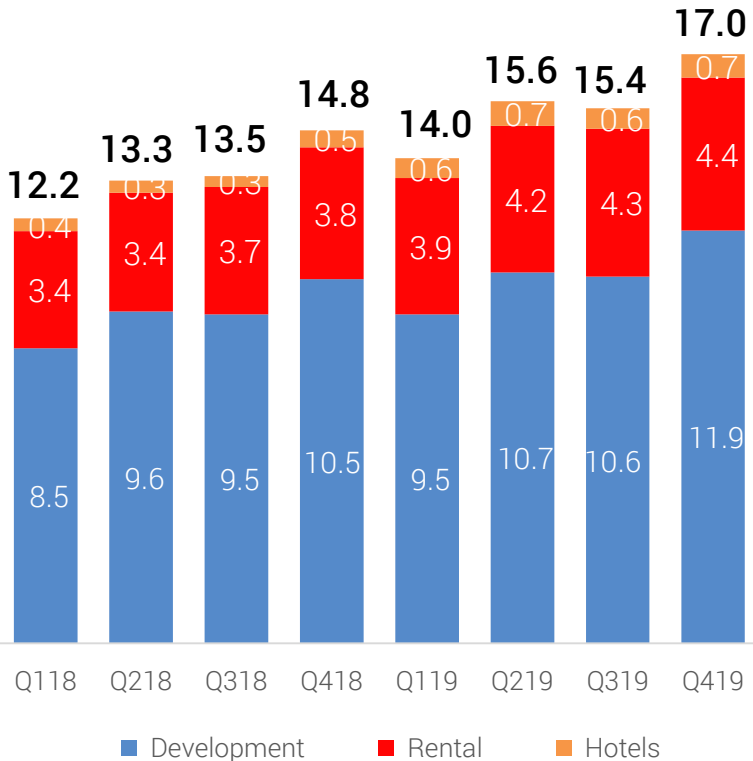


# MEG: 2019 financial performance

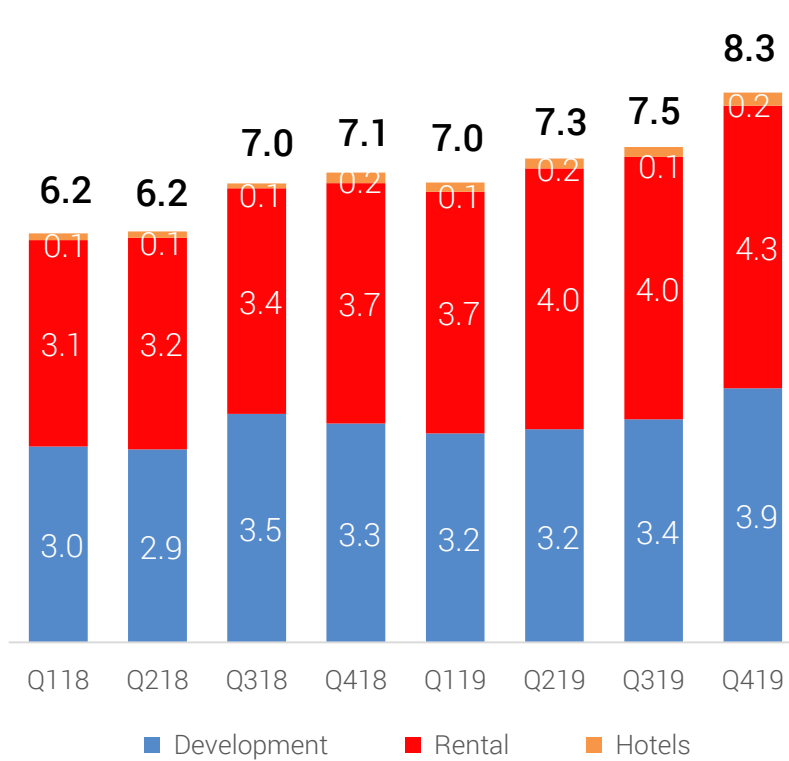
P&L summary (Pbn)	4Q19	4Q18	YoY chg	2019	2018	YoY chg	Comments
Revenue	19.2	16.1	19%	67.3	57.4	17%	Changing revenue mix
Residential	11.9	10.5	13%	42.6	38.0	12%	Higher project completion
Office	2.8	2.3	20%	10.5	8.7	20%	Capacity increases, rent adjustments
Malls	1.7	1.5	10%	6.3	5.5	14%	
Hotel	0.7	0.5	37%	2.5	1.5	67%	Additions to room capacity
EBITDA	8.2	7.3	13%	29.6	25.0	19%	Rising share of higher-margin rental segment
EBIT	7.4	6.6	12%	26.9	22.7	19%	Jump in depreciation charges.
Net profit	5.6	4.2	35%	19.3	15.8	22%	
Attributable profit	5.1	4.0	29%	17.9	15.2	18%	
<b>Margins</b>							
Gross profit margin	45.3%	44.1%	Up	45.1%	46.0%	Down	Sales mix, higher construction costs.
EBITDA margin	42.5%	44.9%	Down	44.0%	43.5%	Up	
EBIT margin	38.4%	40.8%	Down	39.9%	39.5%	Up	
Attributable profit margin	26.8%	26.8%	Stable	26.8%	24.6%	Up	

# MEG: Quarterly operational performance

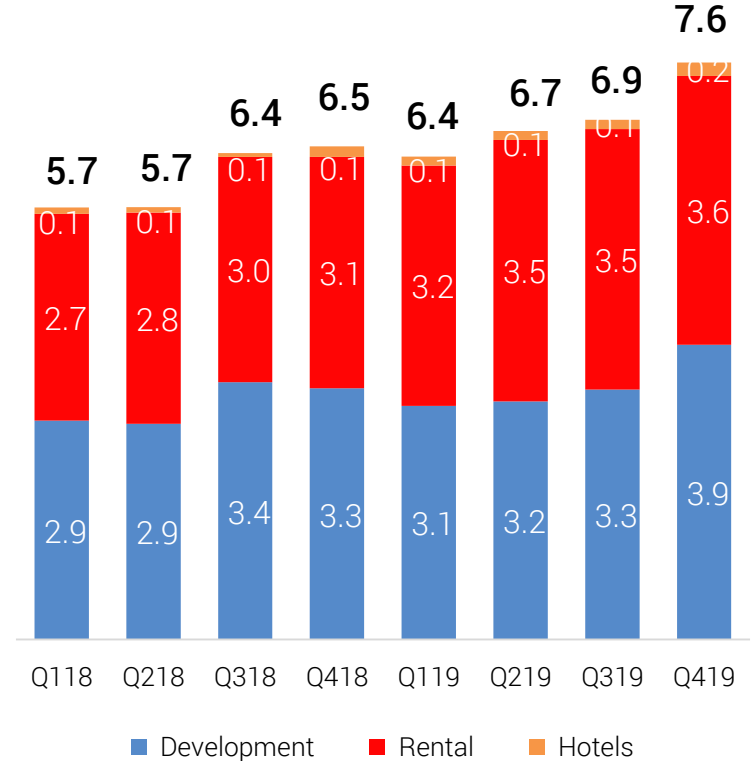
**%** REVENUE



EBITDA



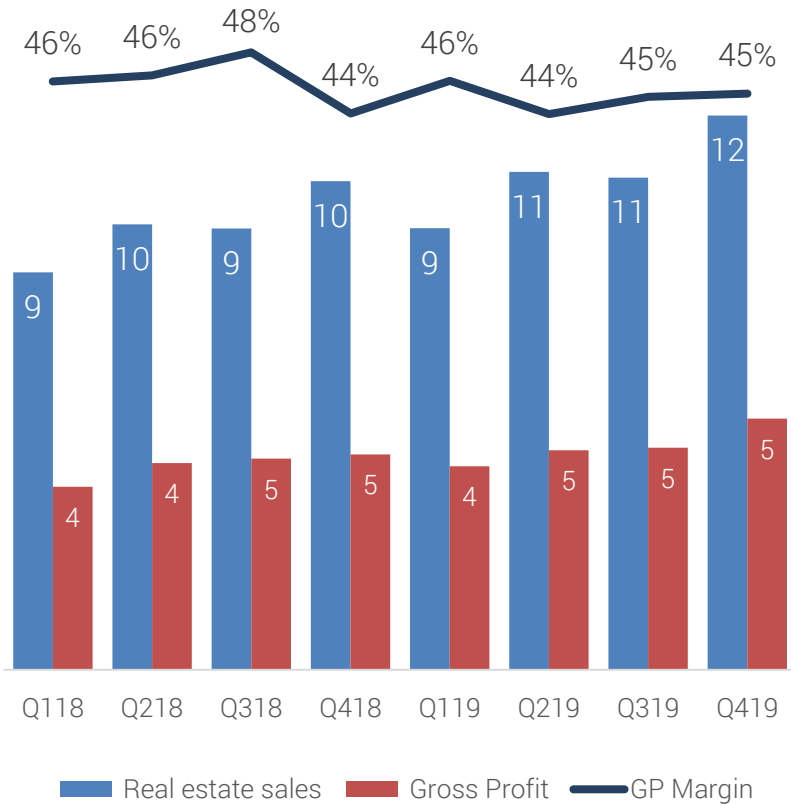
EBIT



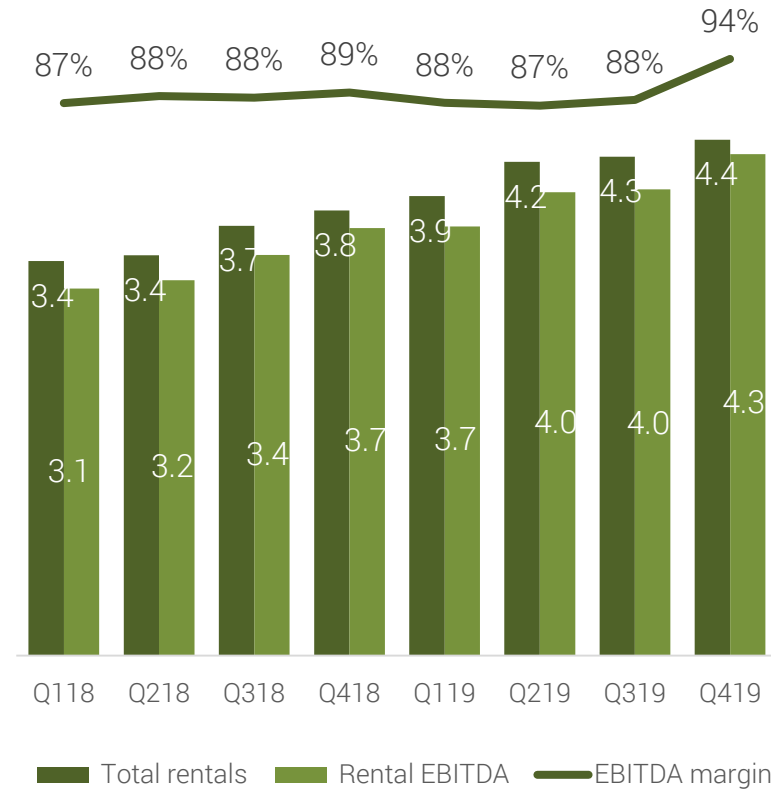
All items are in billion pesos.  
Covers residential, rental and hotel operations only. Excludes financial and other income.

# MEG: Quarterly operational performance

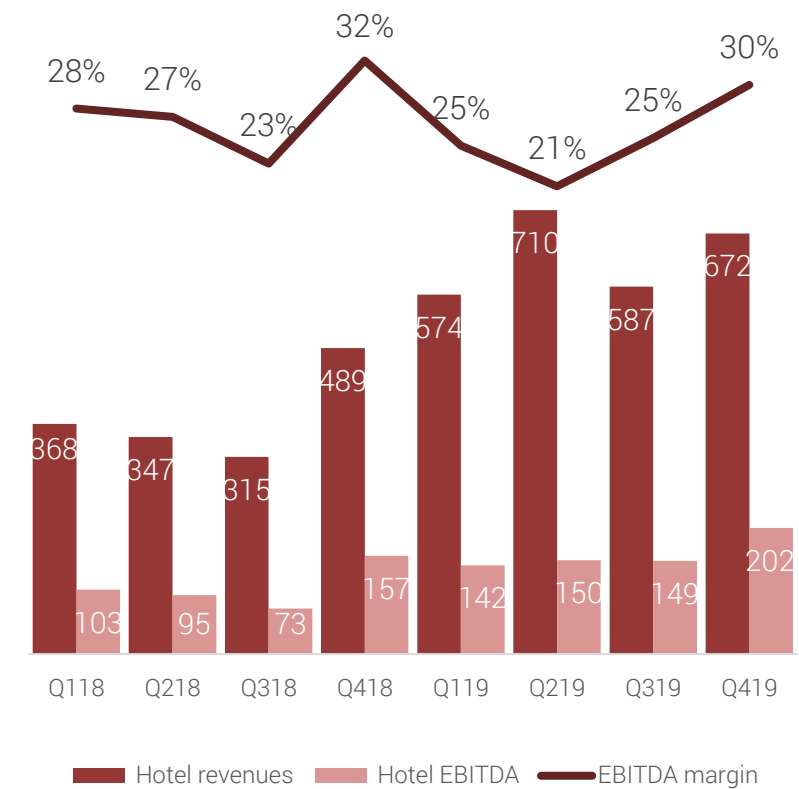
## REAL ESTATE SALES vs GROSS PROFIT



## RENTAL vs EBITDA



## HOTEL vs EBITDA





2,527

Hotel  
room keys

6

International  
Hotel Brands

80%

Hotel  
occupancy

321

VIP and mass  
gaming  
tables

100

Electronic  
Machines

TRAVELLERS  
INTERNATIONAL

## TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. 2019 PERFORMANCE HIGHLIGHTS

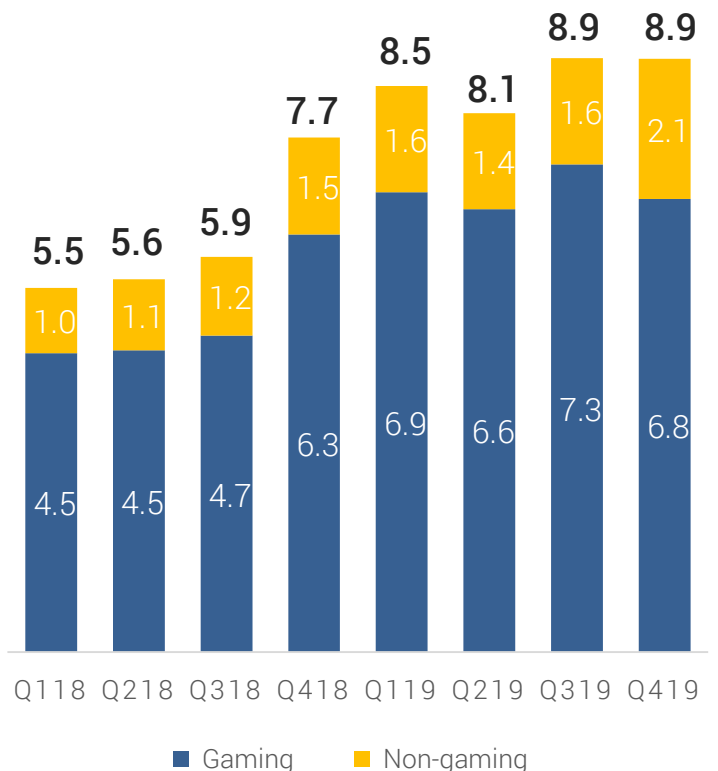
# RWM: 2019 financial performance



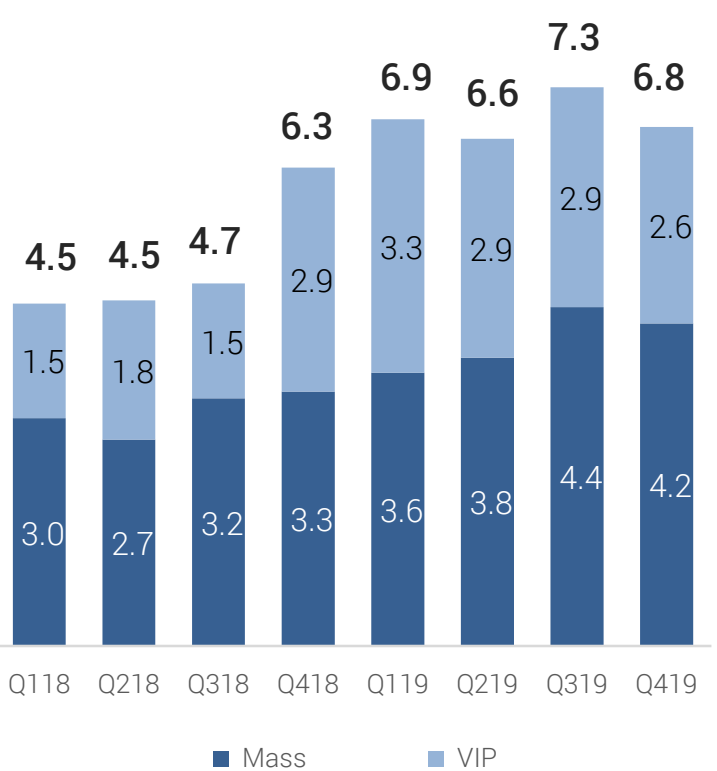
P&L summary (Pbn)	4Q19	4Q18	YoY chg	2019	2018	YoY chg	Comments
Revenue	7.2	6.5	12%	28.3	20.6	38%	
Gross gaming revenue	6.8	6.3	9%	27.6	20.0	38%	Recovery in volume and hold rate.
Mass	4.2	3.3	27%	16.0	12.3	31%	Hefty increase in mass drop.
VIP	2.6	2.9	-12%	11.6	7.8	50%	Sustained growth in rolling volume; Q4 weighed by lower hold rate.
Less: promotional allowance	(1.7)	(1.3)	33%	(6.1)	(4.1)	48%	More aggressive promotions.
Net gaming revenue	5.1	5.0	2%	21.5	15.9	36%	
Non-gaming revenue	2.1	1.5	44%	6.7	4.7	44%	Buoyed by capacity expansions.
EBITDA	1.4	0.6	119%	5.5	3.9	42%	Boosted by overall improvement in GGR and non-gaming revenues; moderate increase in G&A expenses
EBIT	0.5	(0.1)	-	2.3	1.6	42%	
Net profit	0.2	(0.4)	-	0.9	1.4	-35%	Weighed by higher interest charges.
Attributable profit	0.2	(0.4)	-	0.9	1.4	-35%	
<b>Margins</b>							
Gross profit margin	29.8%	20.4%	Up	35.8%	33.7%	Up	
EBITDA margin	15.6%	8.2%	Up	16.0%	15.7%	Up	
EBIT margin	5.7%	-0.7%	Up	6.8%	6.6%	Up	
Attributable profit margin	1.8%	-4.9%	Up	2.7%	5.8%	Down	

# RWM: Quarterly operational performance

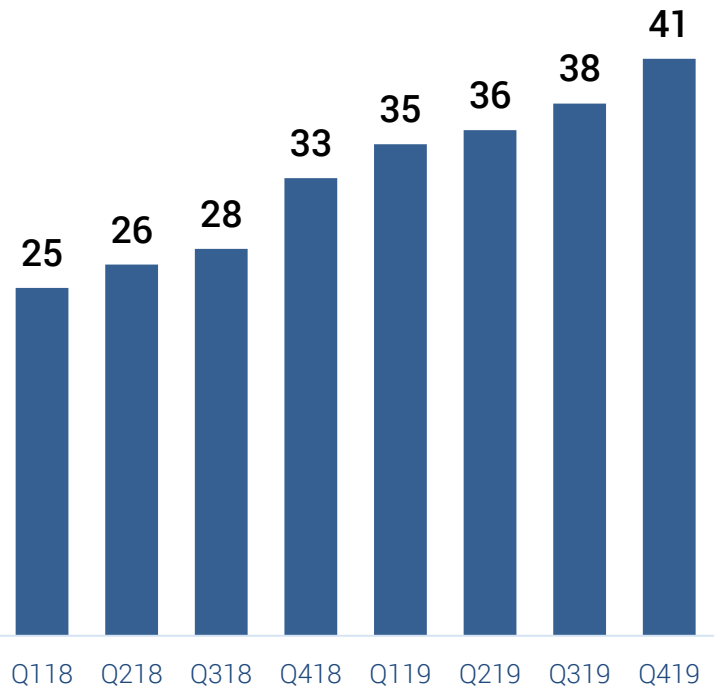
## % GROSS REVENUES



## GGR: MASS vs VIP



## AVERAGE DAILY VISITORS



All items are in billion pesos, except Average Daily Visitors.



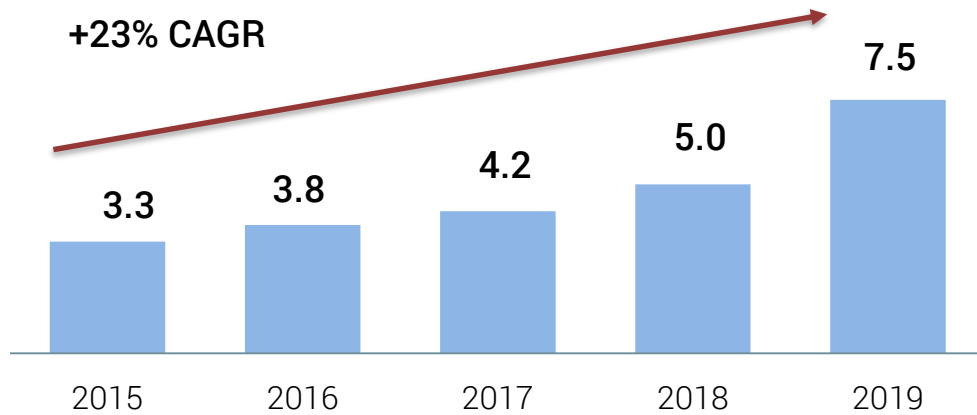
MEGAWORLD

TRAVELLERS  
INTERNATIONAL

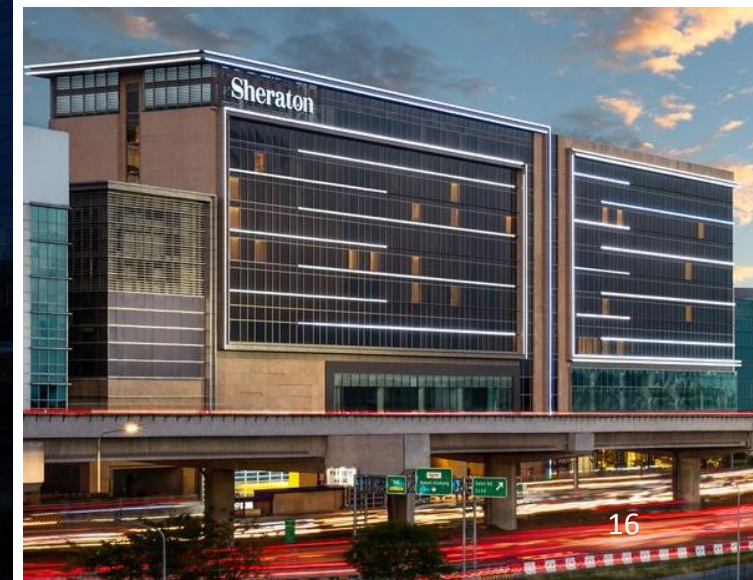
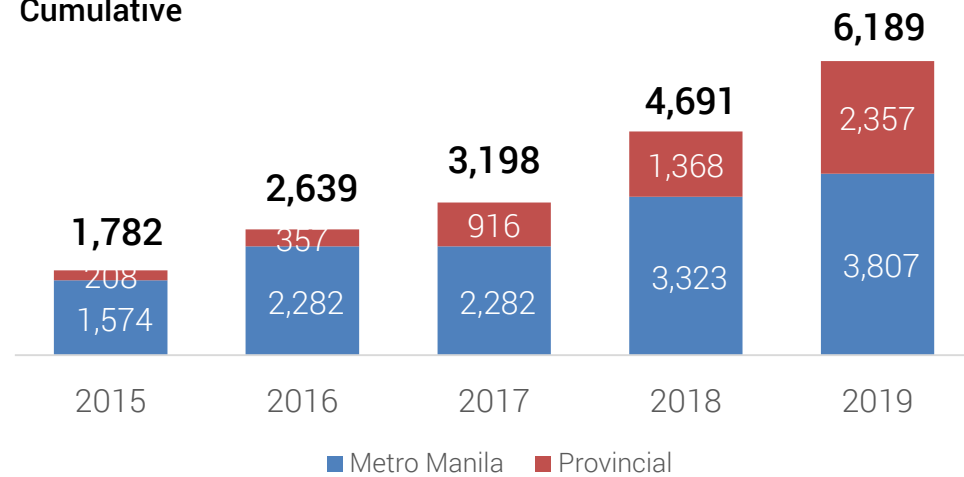
## HOTEL SEGMENT 2019 PERFORMANCE HIGHLIGHTS

# AGI: combined hospitality business

Hotel Revenues  
Pbn



Hotel Room Keys  
Cumulative







EMPERADOR INC.

1,513

Vineyards  
in Spain  
(has)

105

Countries under  
global  
distribution  
system

55

countries  
where EDI  
brands are  
exported

25

domestic  
sales  
offices

EMPERADOR INC.  
2019 PERFORMANCE HIGHLIGHTS

# EMP: 2019 financial performance



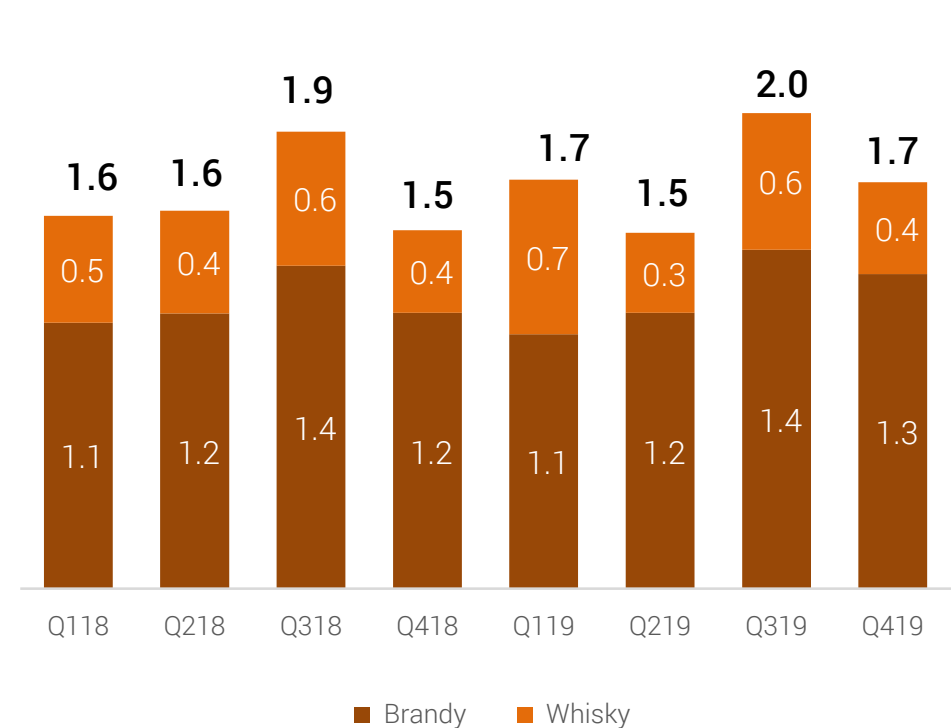
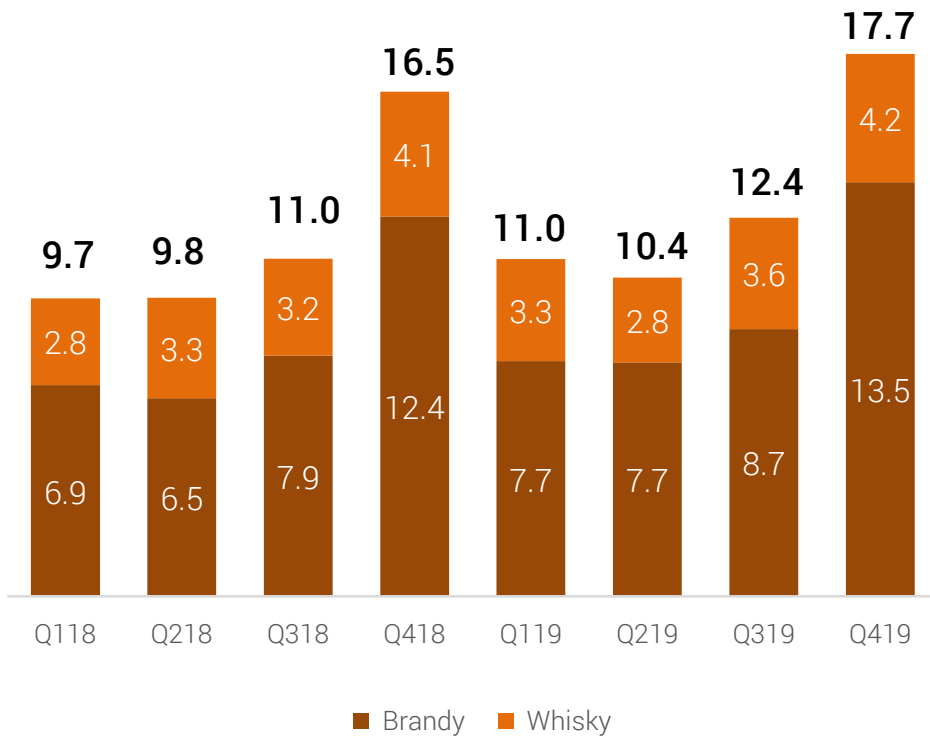
EMPERADOR INC.

P&L summary (Pbn)	4Q19	4Q18	YoY chg	2019	2018	YoY chg	Comments
Revenue	17.7	16.5	7%	51.6	47.1	10%	
Brandy	13.5	12.4	9%	37.6	33.7	12%	Increasing share of higher-priced brandy products
Whisky	4.2	4.1	3%	13.9	13.4	4%	Growth capped by Brexit and currency translation
Gross Profit	4.8	5.1	-7%	16.9	16.0	6%	
Brandy	3.4	3.5	-5%	11.3	10.7	6%	Higher RM costs; PWP promotions
Whisky	1.4	1.6	-10%	5.6	5.3	5%	Changes in sales mix
EBITDA	3.2	2.9	11%	11.1	10.3	7%	Modest rise in selling expenses
EBIT	2.4	2.6	-9%	9.3	9.3	0%	
Net profit	1.5	1.6	-3%	6.8	6.8	0%	Higher depreciation charges & impairment of brands
Attributable profit	1.5	1.5	-5%	6.7	6.7	1%	
Attributable profit - core	1.7	1.5	13%	7.0	6.7	5%	
<b>Margins</b>							
Gross profit margin	28.1%	31.1%	Down	33.7%	34.6%	Down	
Brandy	25.9%	27.0%	Down	30.4%	31.7%	Down	
Whisky	33.5%	39.5%	Down	39.8%	39.7%	Up	
EBITDA margin	18.1%	17.5%	Up	21.5%	22.0%	Down	
EBIT margin	13.5%	16.1%	Down	18.0%	19.7%	Down	
Attributable profit margin	8.2%	9.2%	Down	13.0%	14.2%	Down	
Attributable profit margin - core	9.7%	9.2%	Up	13.6%	14.2%	Down	

# EMP: Quarterly operational performance

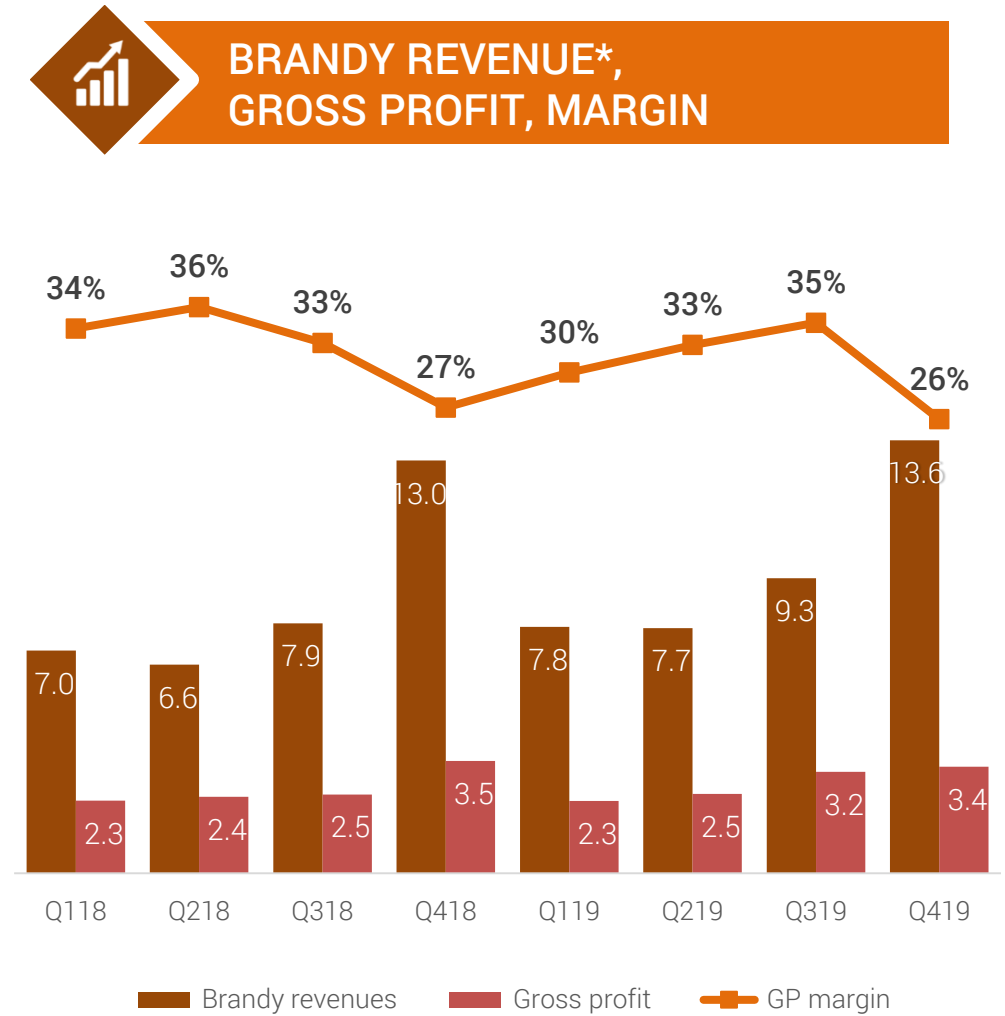
**%** REVENUE

**▲** ATTRIBUTABLE PROFIT\*



\*Excludes non-recurring expenses  
All items are in billion pesos

# EMP: Quarterly operational performance



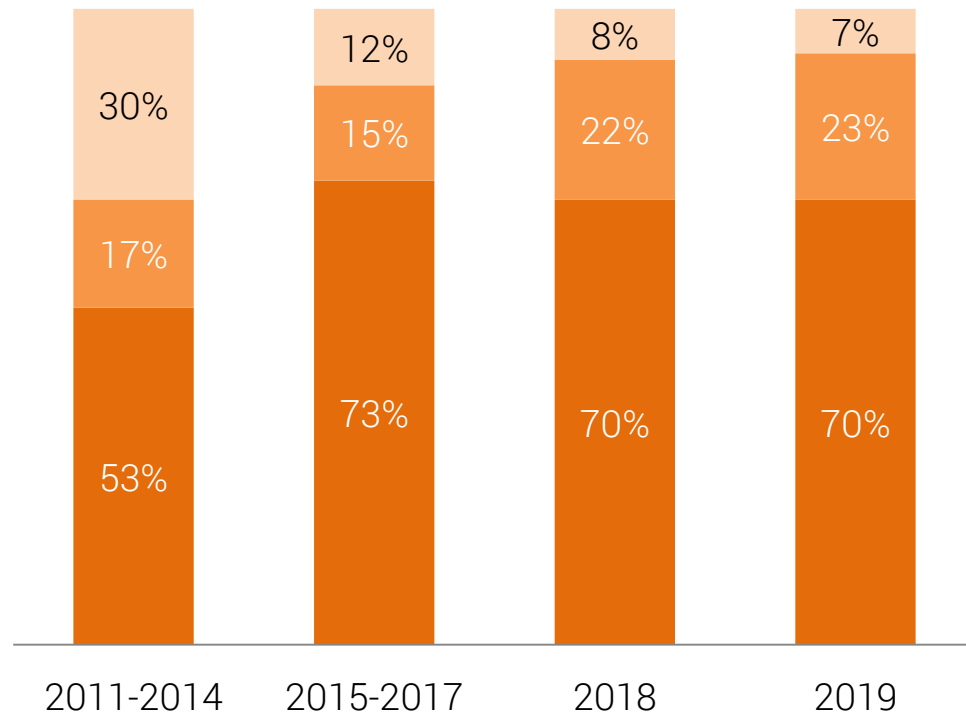
\*Includes intersegment sales  
All items are in billion pesos except margin(%)

# EMP: Growing the whisky business



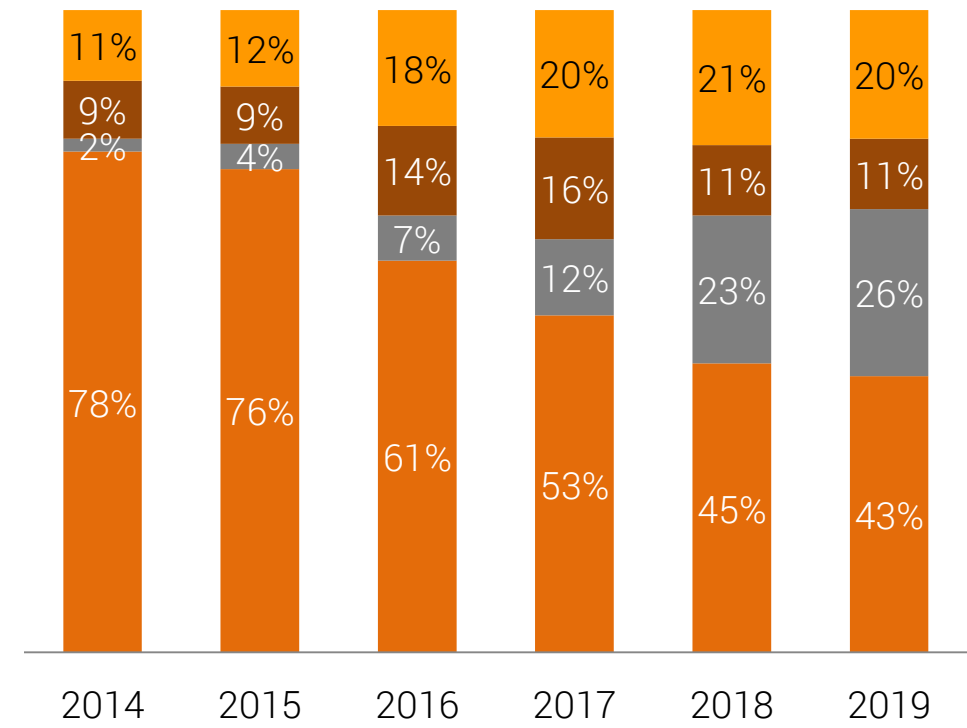
EMPERADOR INC.

## REVENUE MIX



■ Branded Business ■ Private Label ■ Bulk

## BRANDED BUSINESS BY REGION



■ EMEA ■ Asia & Pacific ■ Americas ■ Travel Retail

669  
Store  
count

386  
McDelivery  
hubs

325  
Stores  
with  
Drive-thru

5.8%  
Same store  
sales growth



**GOLDEN ARCHES  
DEVELOPMENT CORPORATION**

# GOLDEN ARCHES DEVELOPMENT CORPORATION 2019 PERFORMANCE HIGHLIGHTS

# GADC: 2019 financial performance



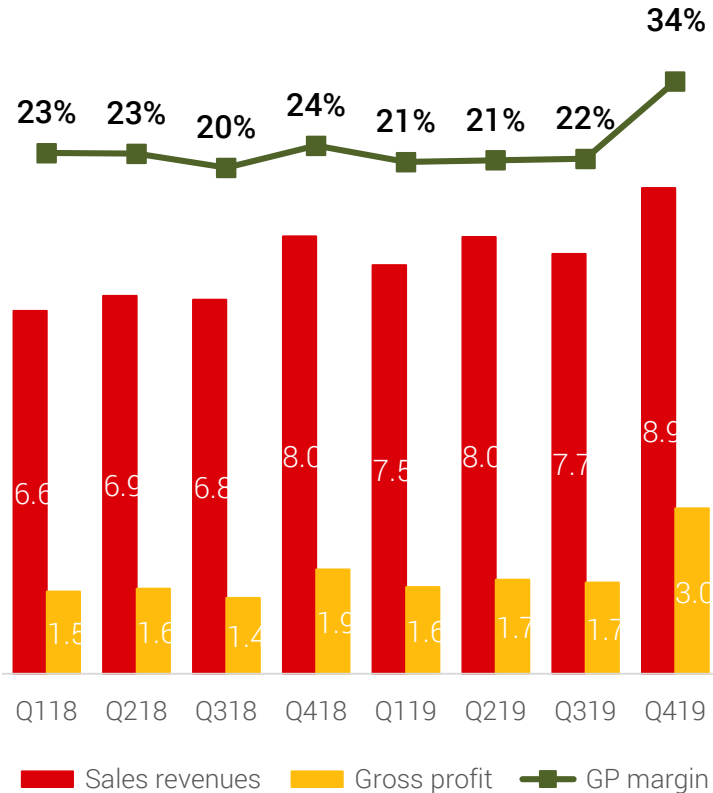
P&L summary (Pbn)	4Q19	4Q18	YoY chg	2019	2018	YoY chg	Comments
Sales Revenues	8.9	8.0	11%	32.0	28.3	13%	
Sales by co. restos	8.2	7.2	14%	28.8	25.6	12%	Store expansion; better SSSG
Rent, royalty & others	0.7	0.8	-13%	3.2	2.7	17%	Increased number of franchised stores
Gross Profit	3.0	1.9	59%	8.0	6.3	26%	PFRS-16 adjustments; modest rise in RM costs
EBITDA	3.3	1.3	151%	6.0	3.8	60%	PFRS-16 adjustments
EBIT	1.8	1.0	86%	3.6	2.6	41%	
Net profit	0.7	0.7	11%	1.9	1.7	15%	
Attributable profit	0.7	0.7	10%	1.9	1.7	15%	
Attributable profit before PFRS 16	0.8	0.7	19%	2.0	1.7	18%	
<b>Margins</b>							
Gross profit margin	34.0%	23.8%	Up	25.0%	22.4%	Up	
EBITDA margin	36.9%	16.3%	Up	18.9%	13.3%	Up	
EBIT margin	20.7%	12.3%	Up	11.4%	9.1%	Up	
Attributable profit margin	8.1%	8.2%	Down	5.9%	5.8%	Up	
Attributable profit margin before PFRS 16	8.8%	8.2%	Up	6.1%	5.8%	Up	

\*Excludes non-recurring expenses

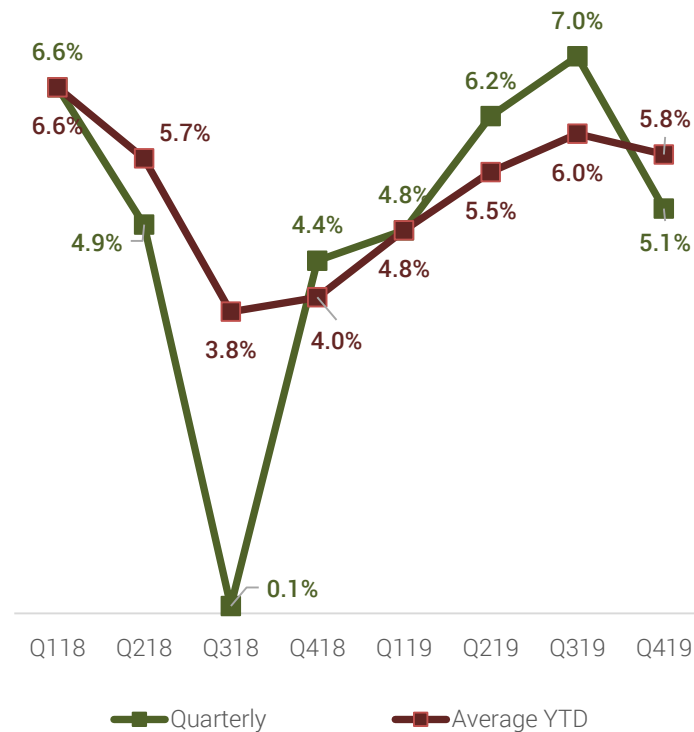


# GADC: Quarterly operational performance

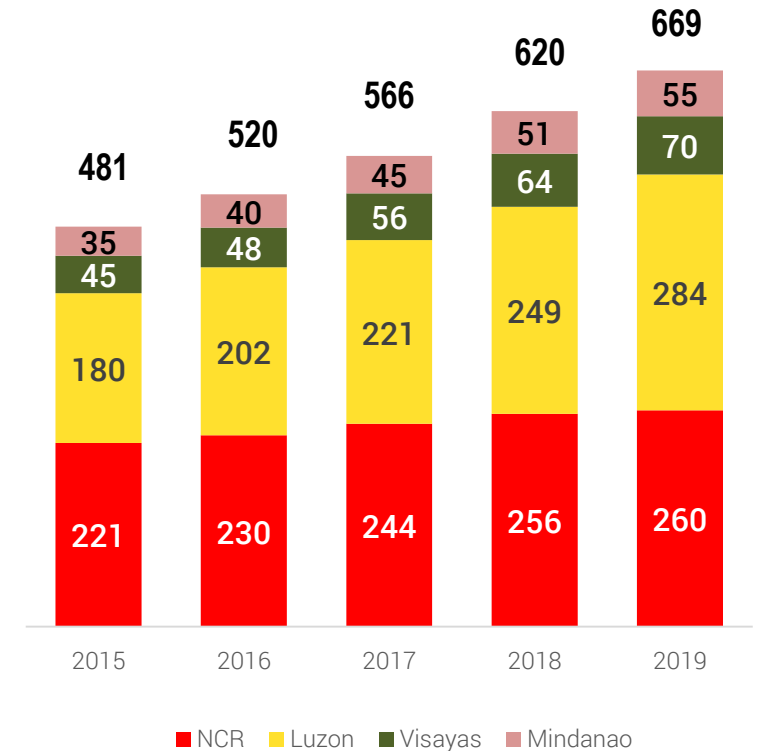
## SALES, GROSS PROFIT, MARGIN



## SYSTEMWIDE SAME-STORE SALES GROWTH



## STORE GEOGRAPHIC DISTRIBUTION







# INFRACORP

AN ALLIANCE GLOBAL COMPANY

# Foray into infrastructure

## Fort Bonifacio-Makati Skytrain

**Oct 2017**

Submission of  
unsolicited proposal

**May 2018**

DOTr grant of Original  
Proponent Status

**On-going**

NEDA evaluation

**4Q 2020**

\*subject to change  
Estimated project award



## NAIA upgrade

**Feb 2018**

Submission of  
unsolicited proposal

**May 2018**

DOTr grant of Original  
Proponent Status

**Sep 2019**

NEDA ICC approval

**4Q 2020**

NEDA board approval

**Discussions  
ongoing**



 **ALLIANCE GLOBAL**  
**Impact of the pandemic on  
the AGI Group**

# Impact on the residential segment



## RESIDENTIAL

### During Quarantine

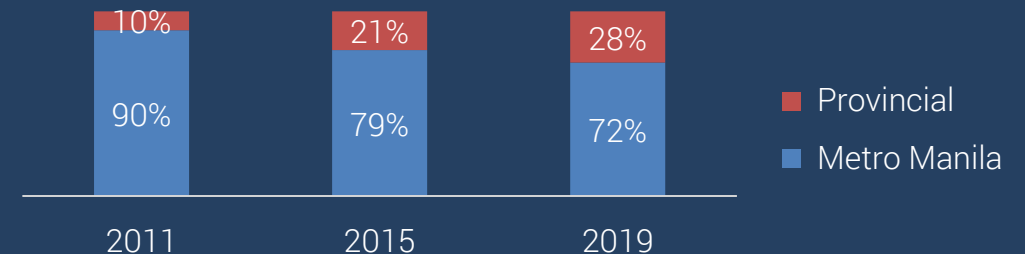
- Work stoppage in construction sites and slowdown in the supply chain have resulted in delays in project completion/turnover.
- Job stability/lower household incomes impact on housing demand.

### Update

- Reinforced MEG's township model as the way of the future.
- Ability of more attractive mortgage rates and sales reservation options to entice homebuyers.
- Initiatives on digital transformation to lead to better customer management, smart homes.
- Resumed construction activity but with strict adherence to health and safety protocols.

## TARGETS

Increasing share of projects outside MM  
Project Launches



**P75bn**

Reservation  
Sales for 2020

**P4bn**

Project Launches  
for 2020

No new  
township  
launches in  
2020

# Impact on Megaworld Premier Offices



## OFFICES

### During Quarantine

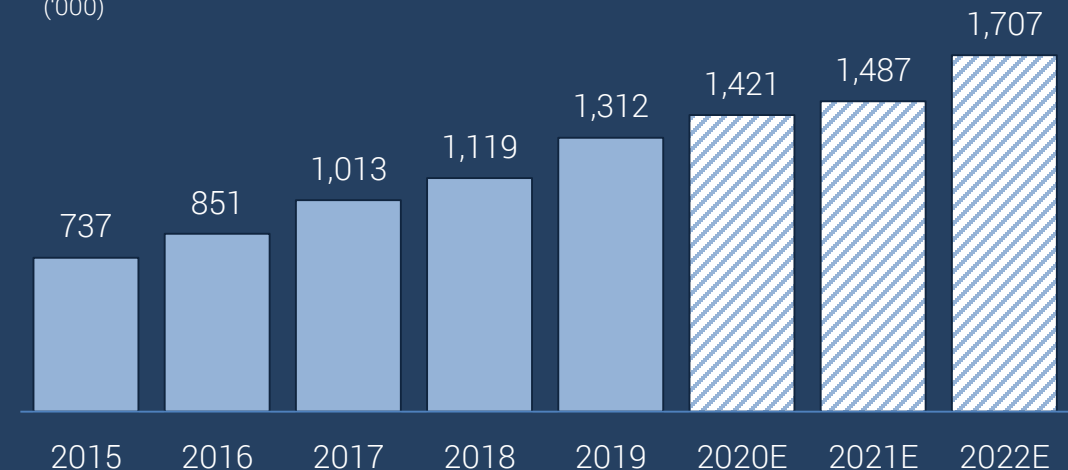
- Temporary closure of POGO operations but with no rental holiday.
- Uninterrupted BPO operations, with 50/50 WFH/office.
- BPOs provide office employees with lodgings within 2-km radius.

### Update

- Highlighted MEG's position as the largest office landlord; scale as a primary advantage.
- BPO sector will continue to grow, especially in light of US recession.
- Increased demand for more office spaces in light of physical distancing requirements as WFH may not be sustainable.

## TARGETS

### OFFICE GLA ('000)



No new projects; targeting to complete existing projects only.

# Impact on Megaworld Lifestyle malls



## LIFESTYLE MALLS

### During Quarantine

- Temporary mall closures except for areas tenanted by essential businesses where operations were limited.
- Rental holidays given to affected tenants.

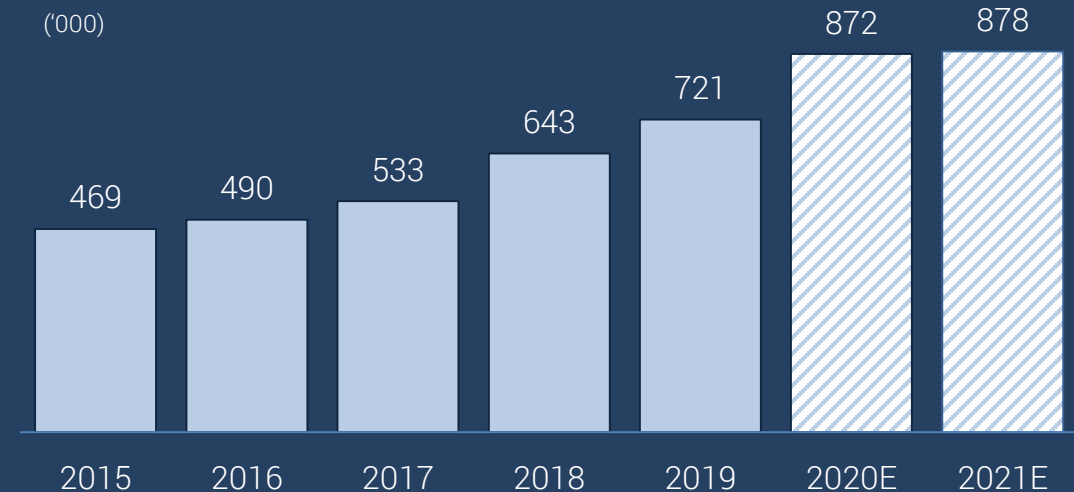
### Update

- Introduced innovations and strategies to provide a safe and convenient shopping experience: state-of-the art disinfecting equipment; reduction of mall's carrying capacity; cashless and contactless transactions; tie up with various institutions (medical, pharma, personal care, technology).
- Mall are experiential: more F&B, essentials; less fashion

## TARGETS

### LIFESTYLE MALLS GFA

('000)



No new projects; targeting to complete existing projects only.

# Impact on the hospitality business



## HOSPITALITY

### During Quarantine

- Overall hotel operations affected by travel bans, lockdowns.
- Partial operations for in-city hotels due to BPOs, repatriated Filipinos.
- Temporary closure of resort hotels.

### Update

- Slow reopenings of hotels.
- New learnings, more creative offerings to differentiate our hotels from the rest.
- Hotel restaurants in-dining now allowed (30% capacity)

## TARGETS



# Impact on the leisure and entertainment business



## LEISURE & ENTERTAINMENT

### During Quarantine

- Closure of gaming operations since 17 March.
- Closure of non-gaming operations (e.g, theaters, retail outlets, etc) and MICE activities (Marriott Grand Ballroom).

### Update

- Expected slow reopening of casinos bode well for RWM given its spacious and upgraded facilities -- Grand Wing and Garden Wing. Physical distancing ensured.

## TARGETS

- Resume development activities at Westside City Resorts World, particularly the casino hotel of Suncity.





# Impact on the spirits business



## SPIRITS

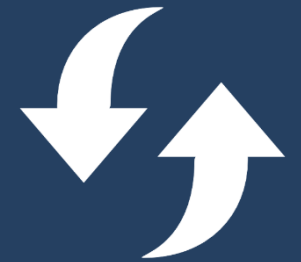
### During Quarantine

- EDI: temporary halt in liquor operations; sales affected by liquor ban imposed by most LGUs during ECQ.
- WMG: continuous operations even during the pandemic; sales impact from temporary closure of bars/clubs mitigated by robust off-premise sales; sales to travel retail severely affected by travel bans imposed by most countries.
- Fundador: continuous operations even during the pandemic; sales also affected by liquor ban in the Philippines; domestic sales affected by temporary closures of bars/clubs but off-premise sales still robust.
- Mexico: temporary closure of operations due to lockdown.

### Update

- With local bars closed, EDI sales supported by strong off-premise demand (90% of sales)
- Consumers are likely to go back to drinking old reliable brands in the absence of new product launches.
- Drinkers go back to “healthier” spirits or so-called “pantry products” like Emperador Light and Double Light, as well as Fundador Light.
- Resurgence in demand for luxury spirits products like The Dalmore in the international market.

## TARGET



**Change  
in market mix**

# Impact on the quick service restaurant segment



## QUICK SERVICE RESTAURANT

### During Quarantine

- Limited store operations during ECQ.
- Sales activities limited to take-outs, delivery services and drive thrus; in-dining not allowed.

### Update

- From only 38% of stores opened in mid-March, GADC now has 92% of its McDonald's stores operating nationwide.
- In-dining is now allowed (30% capacity).
- Focused on safer, cleaner McDonald's stores: #MSAFE.
- Opportunities to expand its sales through online platforms, McDonald's and third-party delivery services.

## TARGETS

- Cut back on company-owned store openings.
- Increasing focus on technology: online formats; NXTGEN stores.
- Rising share of third party delivery service.



# Impact on the infrastructure segment



## INFRASTRUCTURE

### During Quarantine

- No government action on pending PPP applications.

### Update

- Government is reviewing all applications, with increasing preference towards solicited PPPs.

## TARGETS

- Review of the economics of the planned Skytrain project and the NAIA Rehab project is ongoing.





 ALLIANCE GLOBAL  
**Initiatives**

# AGI: Digital transformation program



Keyless entry in residential units



Online payment channels available



Upgrade in EMP facilities and technology in brandy and whisky-making



Development of e-commerce platforms



Restaurant and hotel reservations thru RWM App



McDelivery hubs



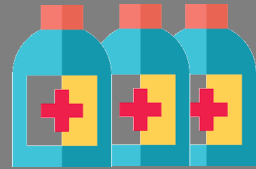
More NXTGEN stores nationwide

# AGI Group: Response to the pandemic



**P100M**

Donation to  
Project Ugnayan



**P250M**

1-M liters of  
disinfectant alcohol  
through EMP



**P66M**

AGI and subsidiaries'  
donation to LGUs and  
other organizations



**P60M**

COVID-19 test labs  
to PH Red Cross  
from MEG

**P500M**



Meals for frontliners, LGUs,  
gov't agencies and poor  
communities from  
McDonald's Kindness  
Kitchen

**P125M**



Distribution of PPEs and  
grocery bags to poor  
communities by RWM and  
partners

**P5M**



Food distribution, free  
transport to frontliners  
and construction workers  
by MEG

**P1M**

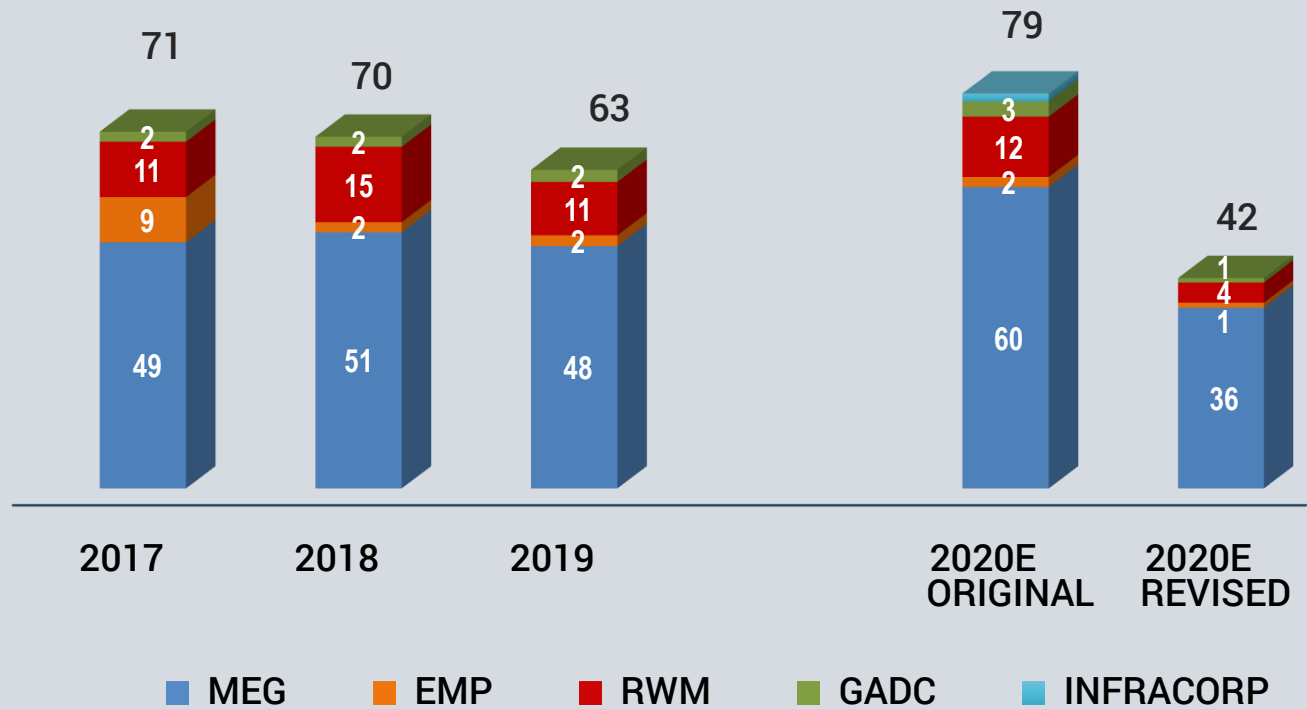


Essentials and PPEs to  
hospital, LGUs from MEG  
hotels

# Group investment commitment



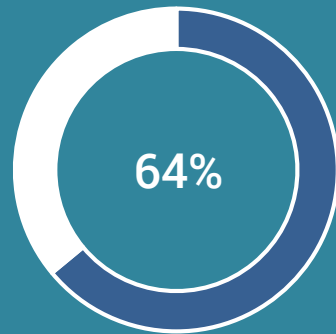
AGI's capex by major subsidiary  
In Pbn



- Capex spent in 2019: 63bn.
- 2020 target capex reduced to P42bn (from original P79bn) as Group shifts to cash preservation mode.

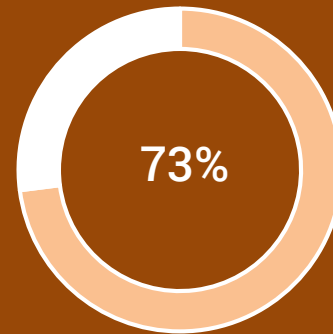
# Group share buyback program

## AGI



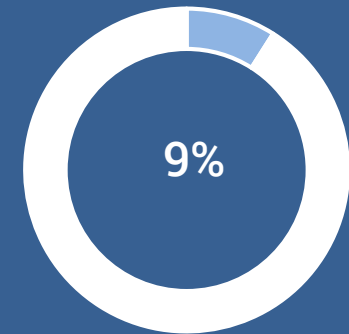
- P1.6bn (64%) already utilized out of the P2.5bn program.
- 141m shares bought back, average price P11.29 per share.

## EMP



- P2.2bn (73%) already utilized out of the P3.0bn program.
- 322m shares bought back, average price P6.77 per share.

## MEG



- P472m (9%) utilized out of the P5.0bn program.
- 185m shares bought back, average price P2.55 per share.





 **ALLIANCE GLOBAL**  
**FY2019 ANALYSTS' BRIEFING**

End of presentation