



 ALLIANCE GLOBAL



# A Premium-Lifestyle Conglomerate

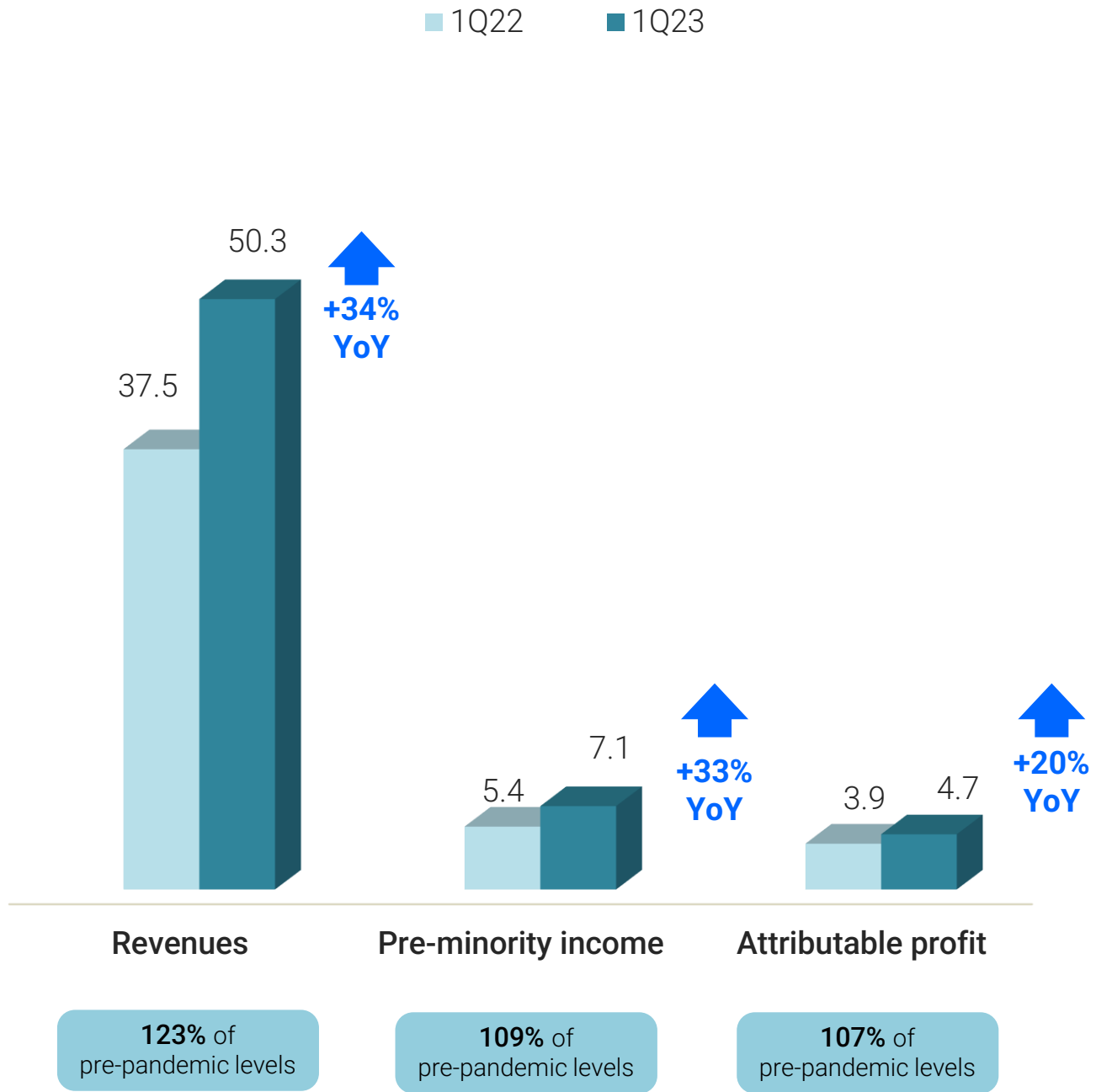


**First Quarter 2023  
Analysts' Briefing**

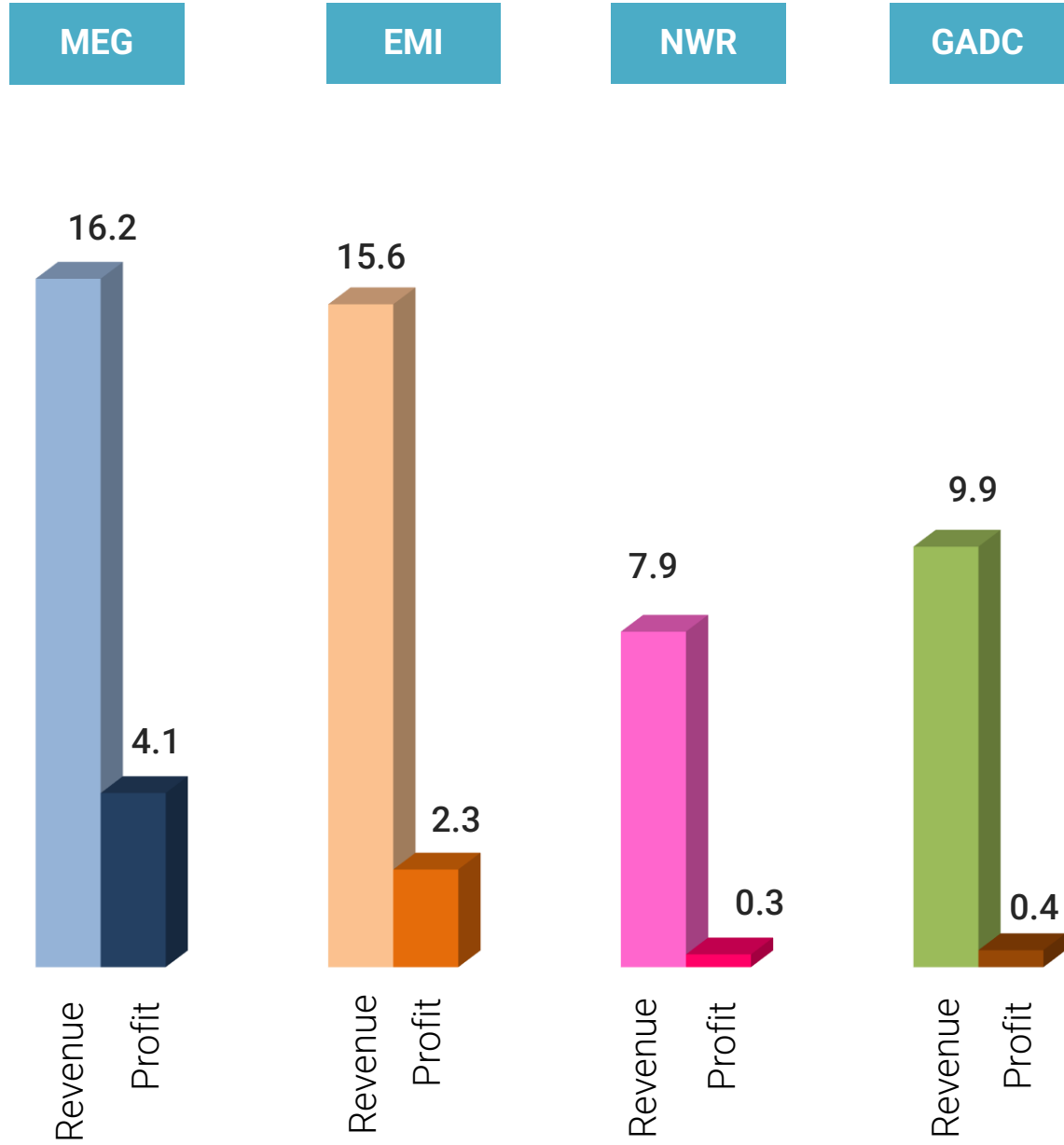
May 16, 2023

# AGI performance highlights

## AGI P&L Highlights



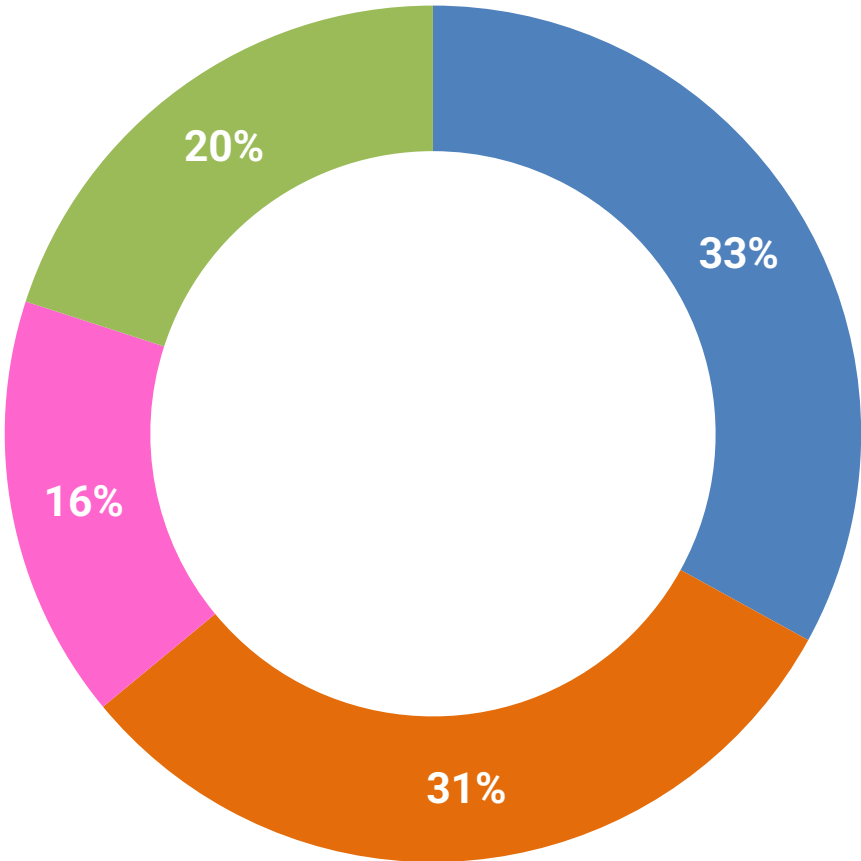
## P&L Highlights, by key subsidiary



# AGI revenue and profit share

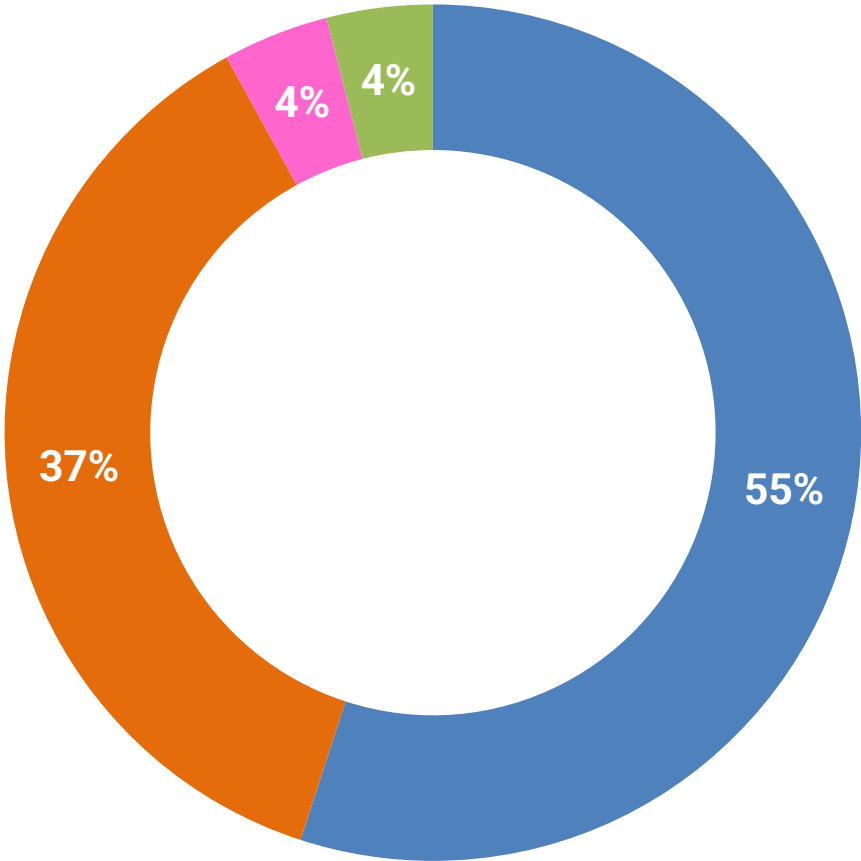
Revenue Share

■ MEG ■ EMI ■ NWR ■ GADC



Profit Share

■ MEG ■ EMI ■ NWR ■ GADC



# AGI 1Q2023 financial performance

in Pbn	1Q2023	1Q2022	YoY chg	4Q2022	QoQ chg
<b>Group revenues</b>	<b>50.3</b>	<b>37.5</b>	<b>34%</b>	<b>55.2</b>	<b>-9%</b>
Megaworld	16.2	12.9	26%	16.9	4%
Emperador	15.6	12.3	27%	19.5	-20%
Travellers	7.8	4.9	60%	8.6	-9%
GADC	10.0	7.2	40%	11.0	-9%
Others	0.6	0.3	153%	(0.9)	-170%
<b>Group costs/expenses</b>	<b>(41.3)</b>	<b>(30.7)</b>	<b>35%</b>	<b>(46.1)</b>	<b>-10%</b>
Megaworld	(10.5)	(8.5)	24%	(10.0)	6%
Emperador	(12.8)	(9.7)	31%	(16.0)	-20%
Travellers	(7.4)	(5.1)	46%	(8.8)	-15%
GADC	(9.4)	(6.7)	40%	(9.9)	-6%
Others	(1.2)	(0.6)	83%	(1.4)	-19%
<b>Attributable income</b>	<b>4.7</b>	<b>3.9</b>	<b>20%</b>	<b>4.2</b>	<b>12%</b>
Megaworld	2.9	2.4	22%	3.6	-19%
Emperador	1.9	1.9	2%	2.2	-14%
Travellers	0.2	(0.1)	-	0.4	-52%
GADC	0.2	0.2	45%	0.4	-42%
Others	(0.5)	(0.4)	40%	(2.4)	-78%
<b>Attributable income margin</b>	<b>9.3%</b>	<b>10.4%</b>	<b>-106bps</b>	<b>7.6%</b>	<b>+172bps</b>

All major subsidiaries contributed to robust topline performance, supported by the sustained rise in discretionary spending and economic activity, better-than-industry occupancy for rental properties and hotels.

Spirits business also benefited from increasing popularity of its premium products in the global market and the resurgence in travel retail.

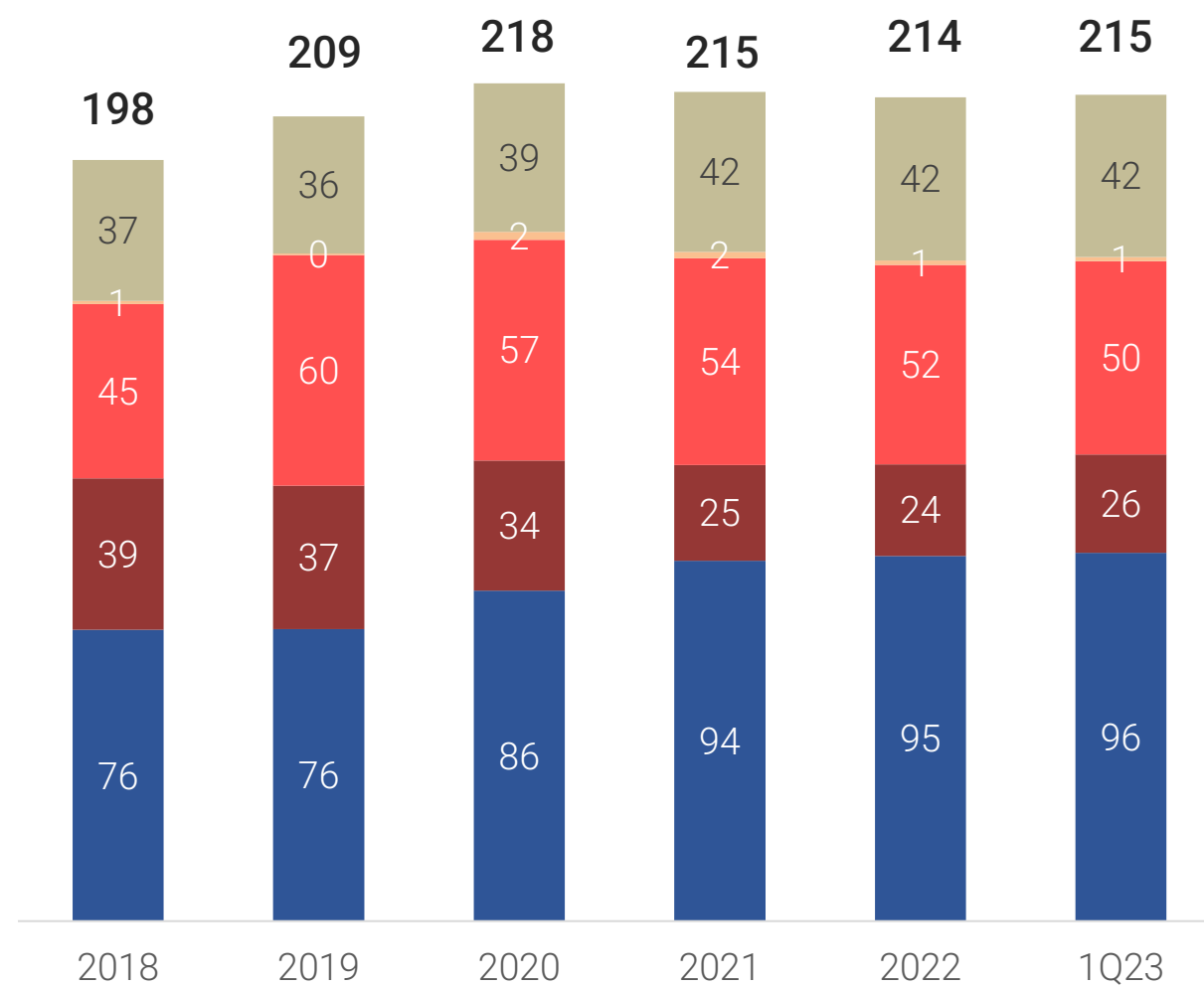
Costs and expenses have risen sharply, led mostly by rising inventory costs, personnel costs, selling and marketing expenses.



# Group Borrowings

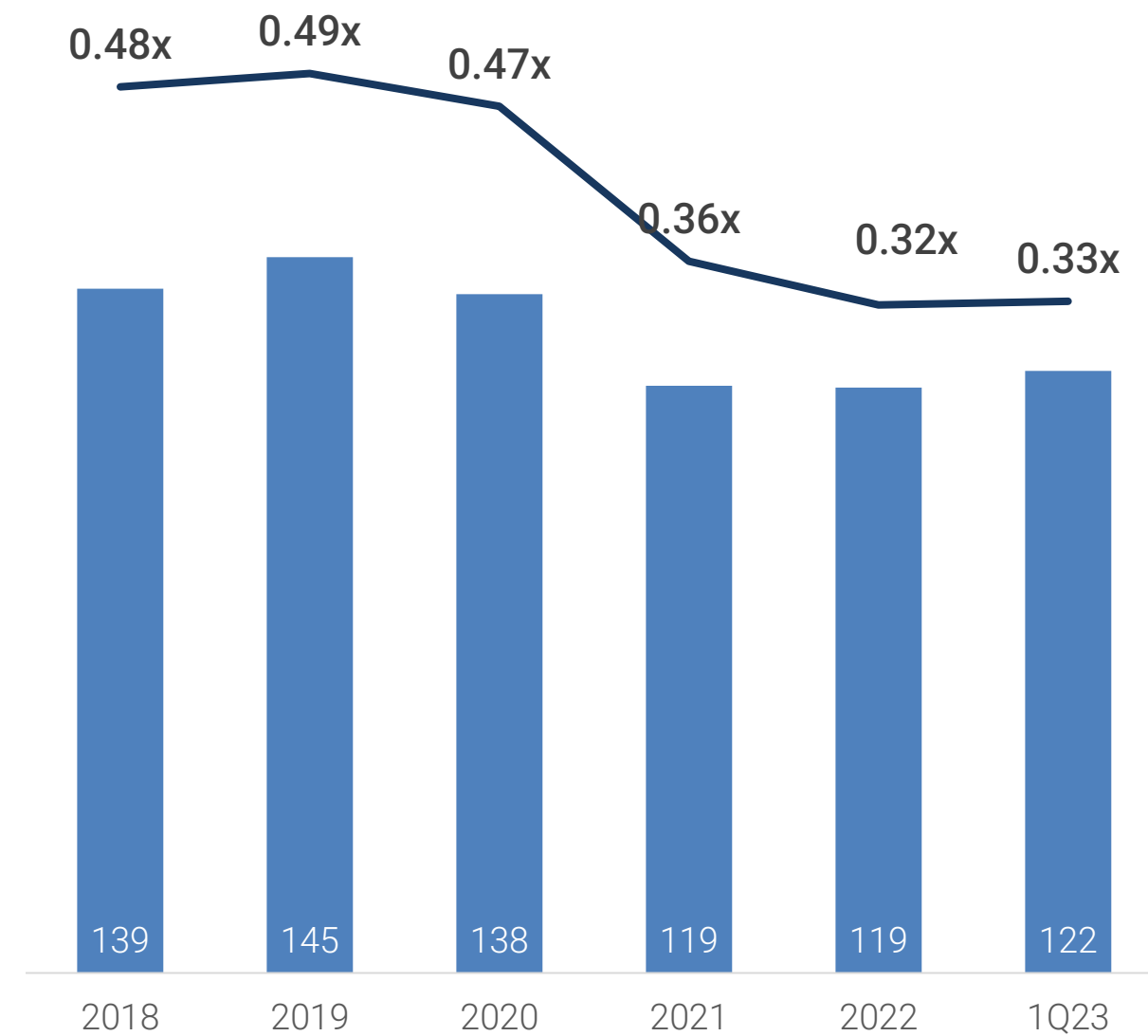
## GROSS DEBTS, by key subsidiary

■ MEG ■ EMI ■ NWR ■ GADC ■ Parent & others



## AGI GEARING

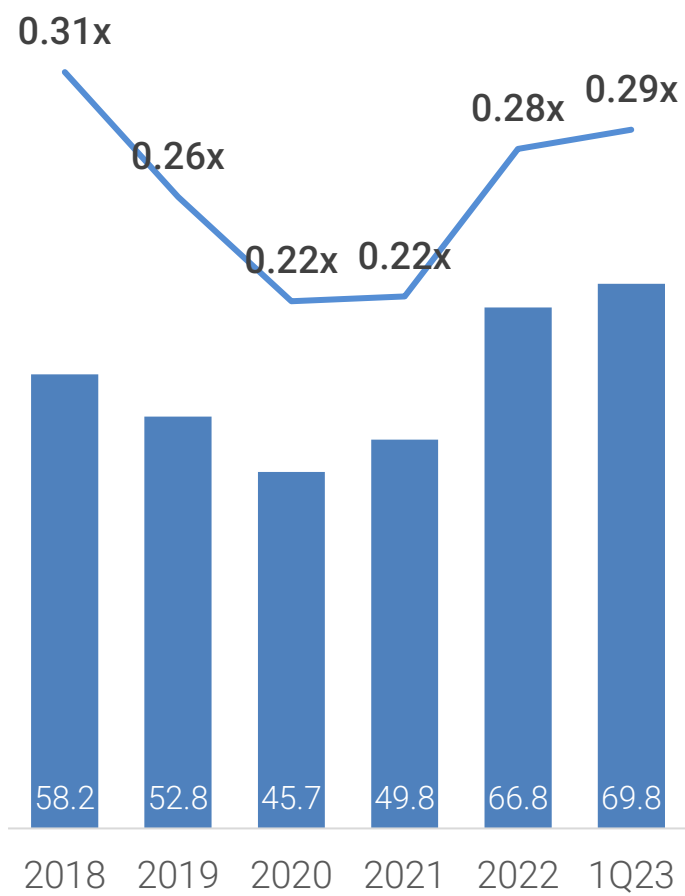
■ Net debt (cash) — Net debt/equity



All items are in billion pesos except net debt/equity.

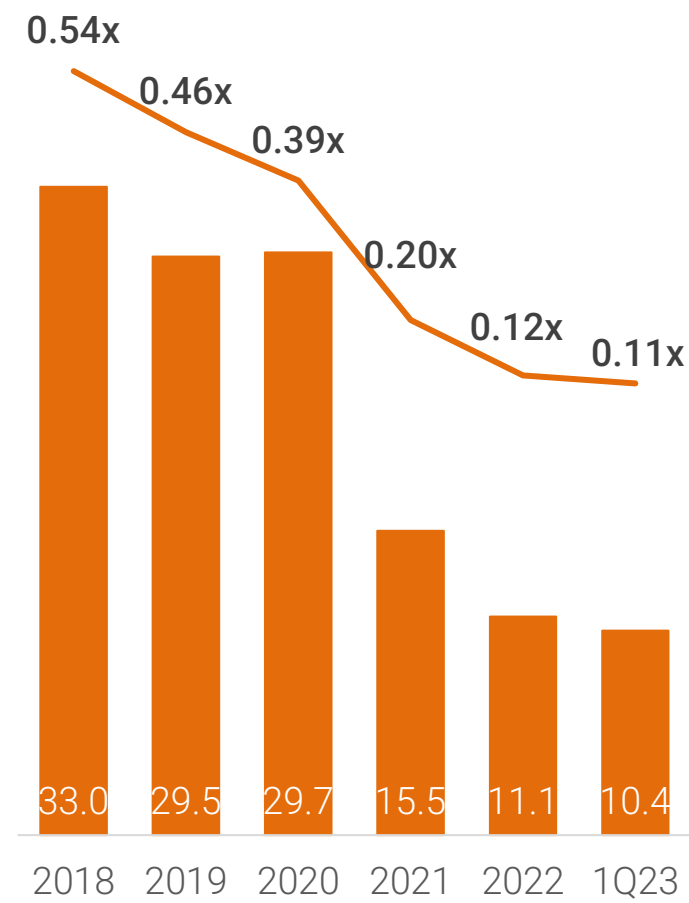
# Group Gearing

## MEGAWORLD



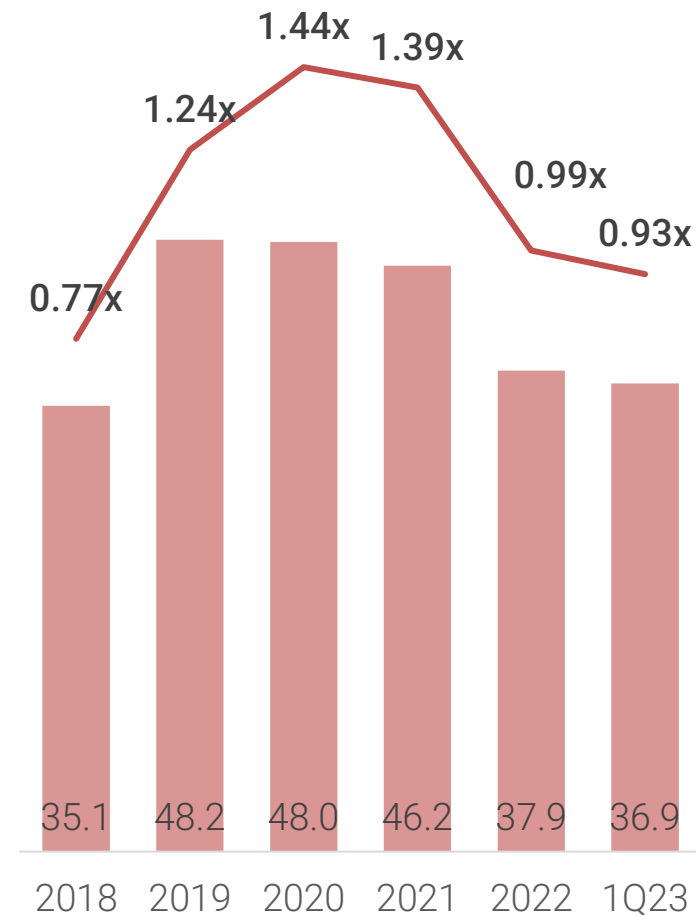
■ Net debt (cash)  
— Net debt/equity

## EMPERADOR



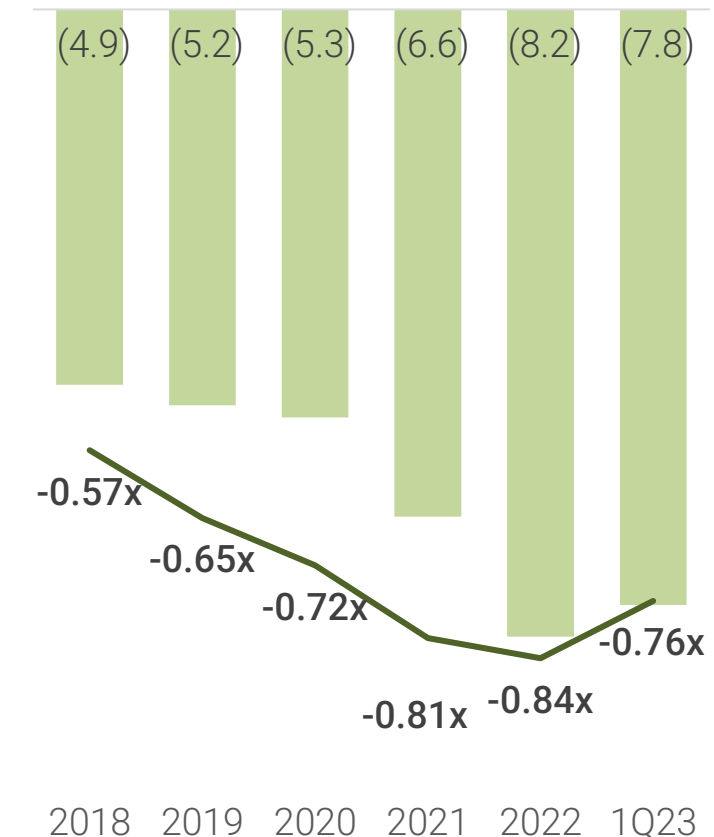
■ Net debt (cash)  
— Net debt/equity

## TRAVELLERS



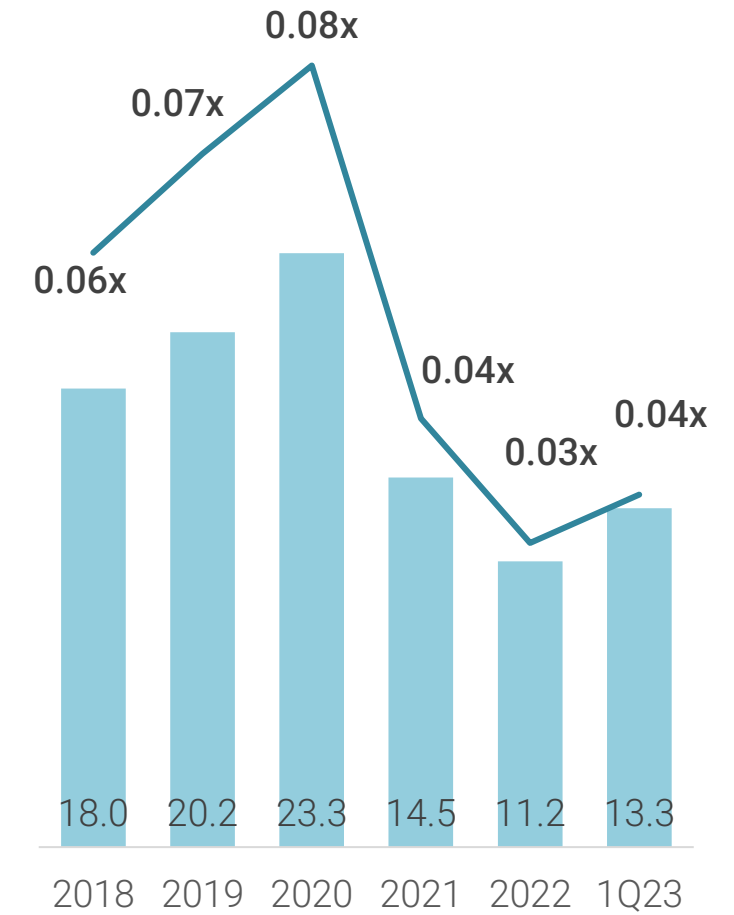
■ Net debt (cash)  
— Net debt/equity

## GOLDEN ARCHES



■ Net debt (cash)  
— Net debt/equity

## PARENT

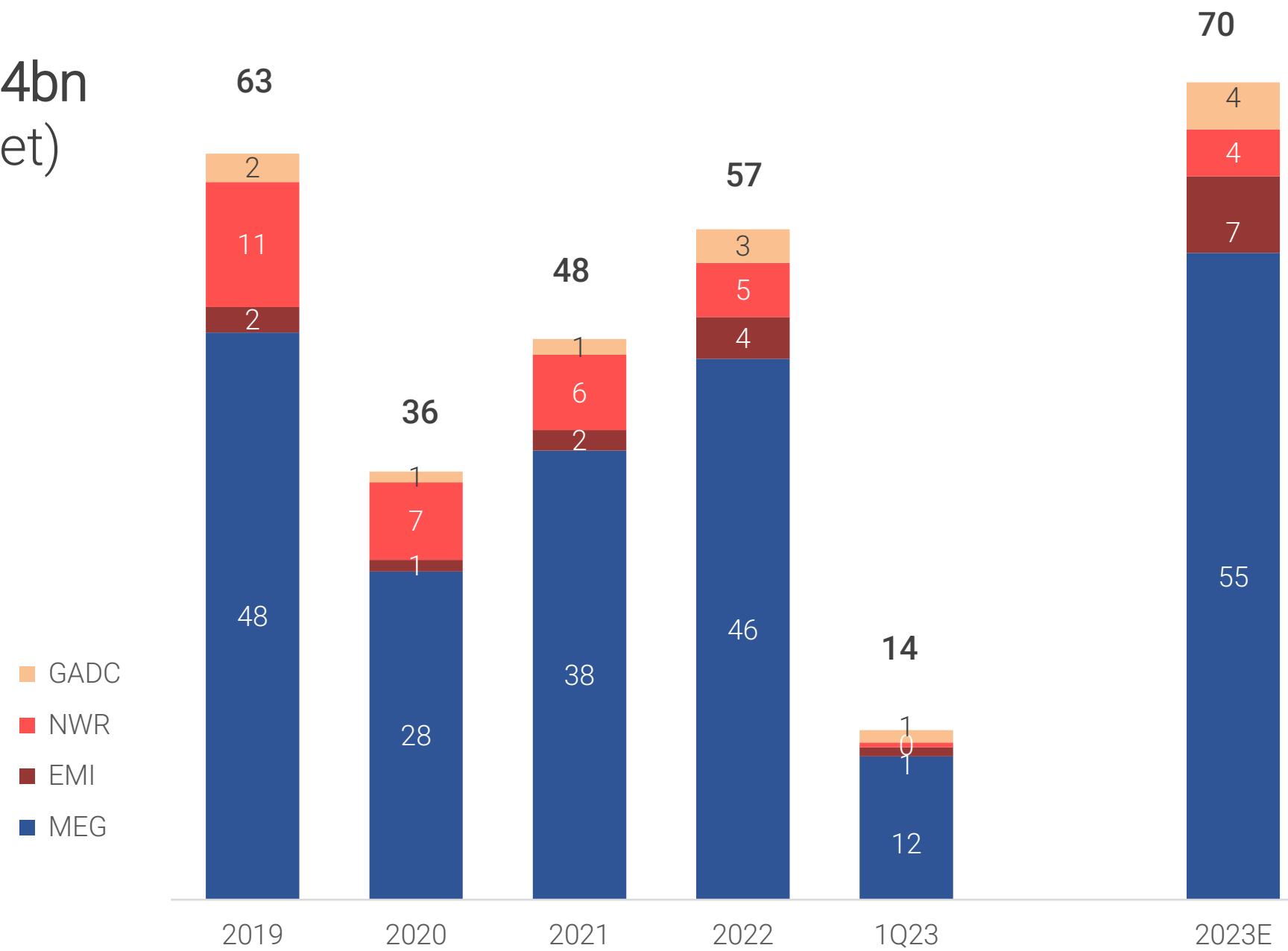


■ Net debt (cash)  
— Net debt/equity

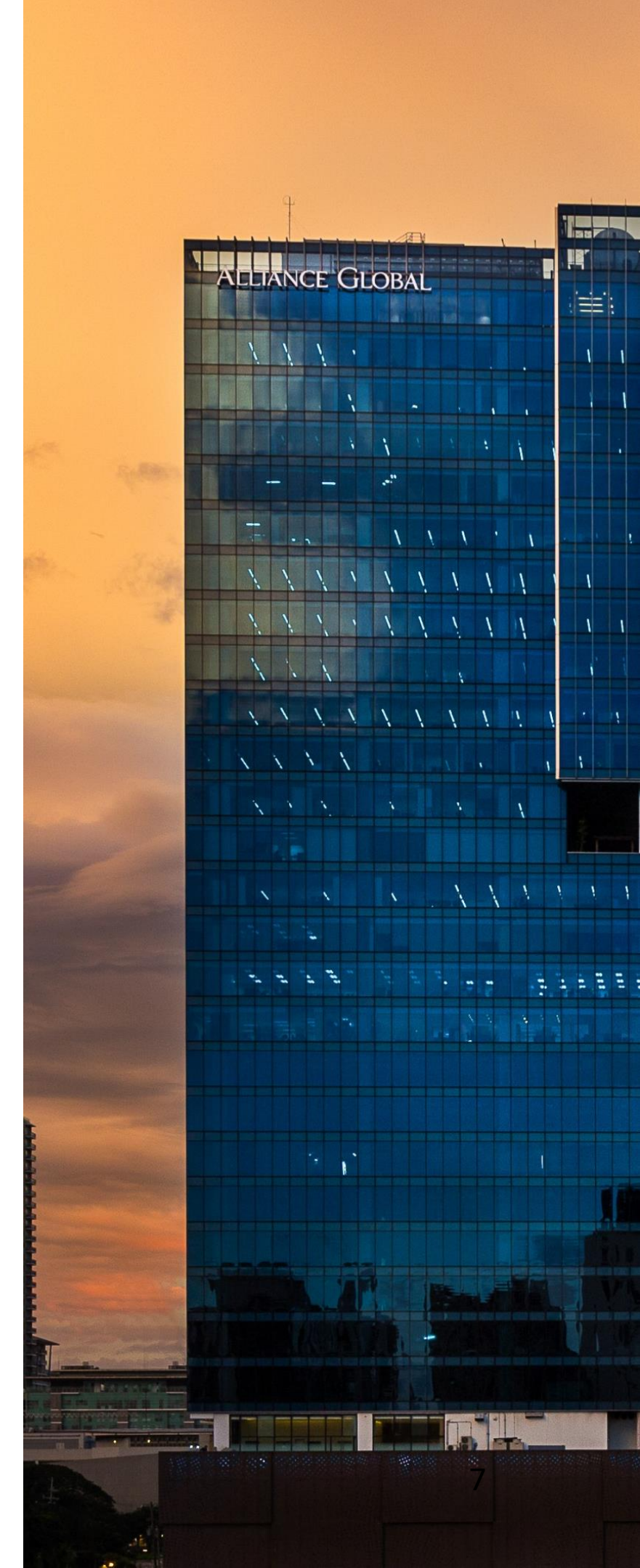
# Capital Expenditure

## AGI CAPEX, by key subsidiary

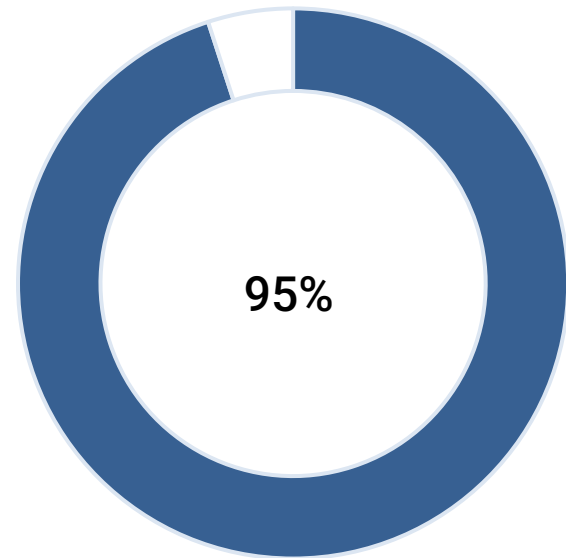
- Capex spent in 1Q23: P14.4bn (21% of P70bn 2023 budget)



All items are in billion pesos.

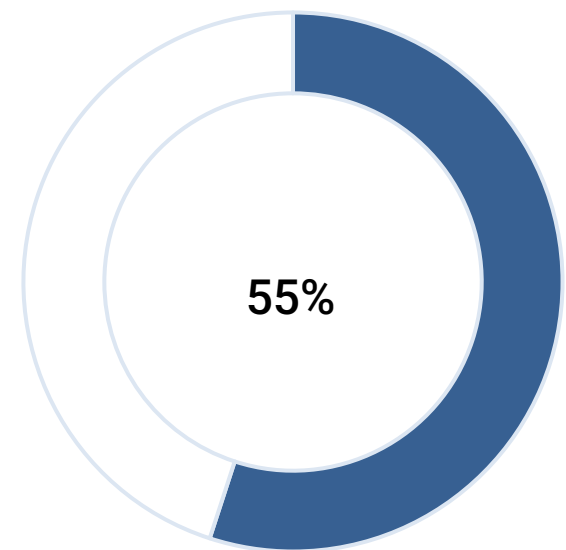


# Share Buyback Program



## AGI

- Buyback program size: P7.0bn
- Amount utilized: P6.6bn (95%)
- 574.8m shares bought at an average price P11.54 per share.
- Implementation period: 30 months from October 2021 to April 2024



## MEG

- Buyback program size: P5.0bn
- Amount utilized: P2.7bn (55%)
- 1.1m shares bought at an average price P2.59 per share.
- Implementation period: Extended up to February 2025







## Enhancing Shareholder Value

# Dividends

### **AGI**

- Dividend per share: P0.12
- Record date: Dec 1, 2022
- Payment Date: Dec 22, 2022

### **MEG**

- Dividend per share: P0.0615
- Record date: Oct 31, 2022
- Payment Date: Nov 14, 2022

### **EMI**

- Dividend per share: P0.29
- Record date: May 02, 2023
- Payment Date: May 25, 2023



MEGAWORLD



# Megaworld Corporation

1Q2023 Financial Performance

**30**

Townships & Integrated Lifestyle Communities

**5,000**

Landbank (has)

**1,400**

Offices GLA ('000 sqm)

**484**

Lifestyle Malls GLA ('000 sqm)

**4,713**

Hotel Room Keys

# MEG 1Q2023 financial performance



MEGAWORLD

P&L summary (Pbn)	1Q2023	1Q2022	YoY chg	4Q2022	QoQ chg
Revenue	16.2	13.1	24%	17.1	-5%
Residential	9.4	8.1	17%	10.7	-12%
Office	3.1	3.0	5%	3.1	0%
Malls	1.2	0.7	73%	1.2	8%
Hotel	0.8	0.5	62%	0.8	-4%
EBITDA	6.5	6.0	8%	7.4	-13%
EBIT	5.6	5.1	10%	6.6	-15%
Attributable profit	4.1	3.1	33%	5.1	-19%
<i>Margins</i>					
Gross profit margin	48.9%	48.9%	Stable	51.1%	Down
EBITDA margin	39.8%	45.5%	Down	43.6%	Down
EBIT margin	34.6%	38.9%	Down	38.8%	Down
Attributable profit margin	25.2%	23.4%	Up	29.7%	Down

Real estate sales buoyed by higher project completion.

Mall and office occupancy rates both at 90%.

Increased foot traffic, higher discretionary spending and removal of rental concessions provided a significant boost in lifestyle mall revenues.

Hotels continued to recover amid the resurgence in staycations and MICE activities.

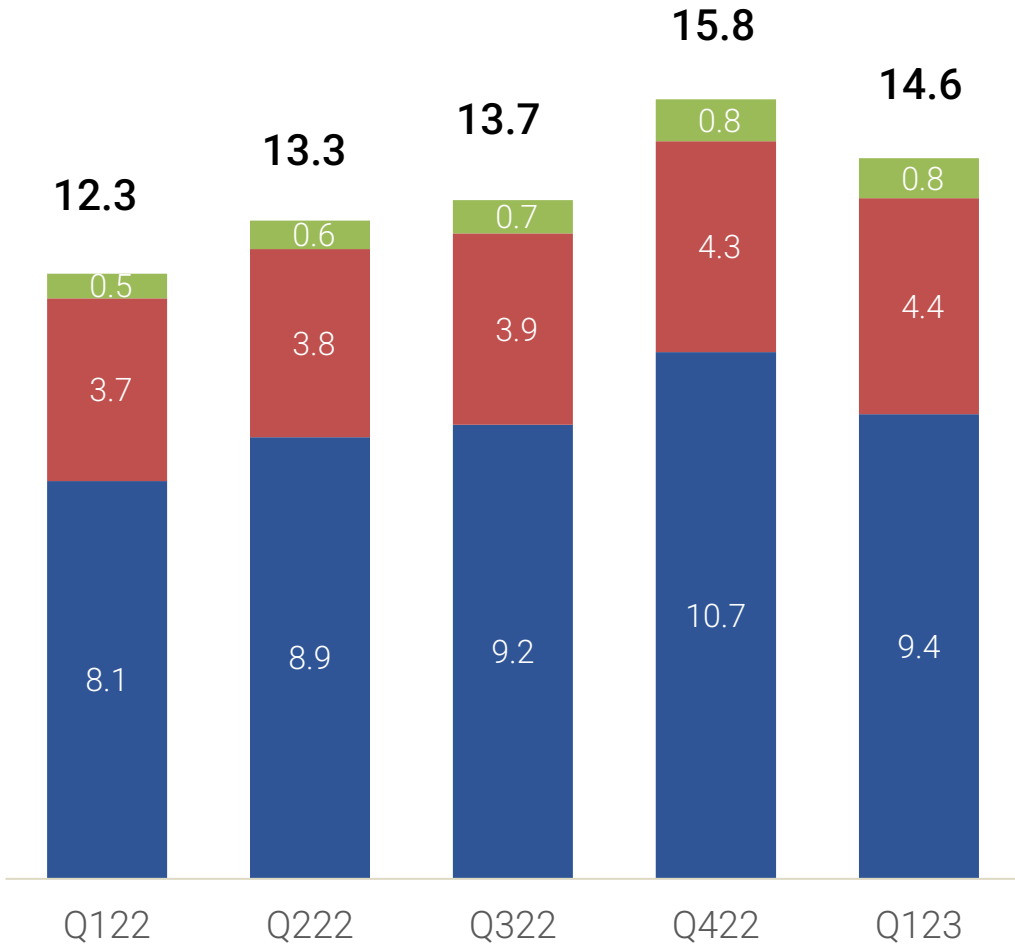
Additional earnings boost from unrealized FX gains due to Php strength vs USD.

# MEG quarterly performance



## REVENUE

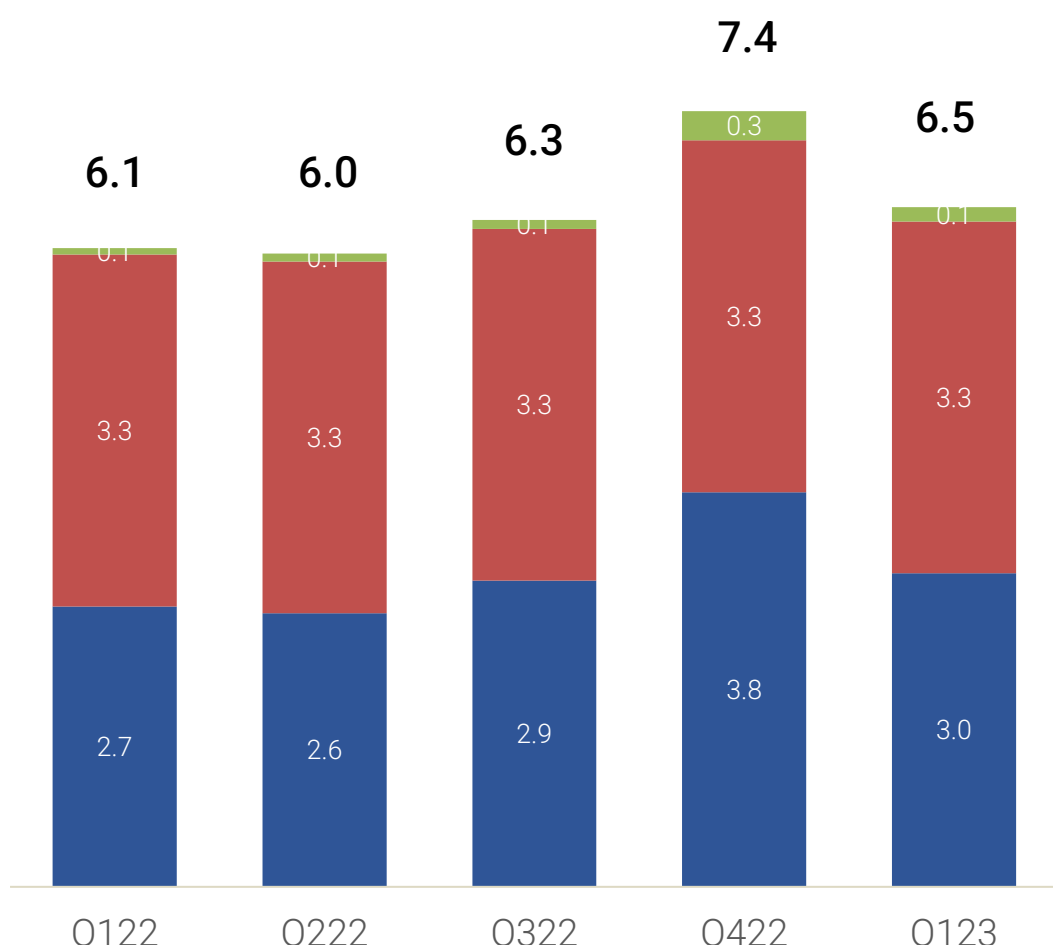
109% of pre-pandemic levels



■ Development ■ Rental ■ Hotels

## EBITDA

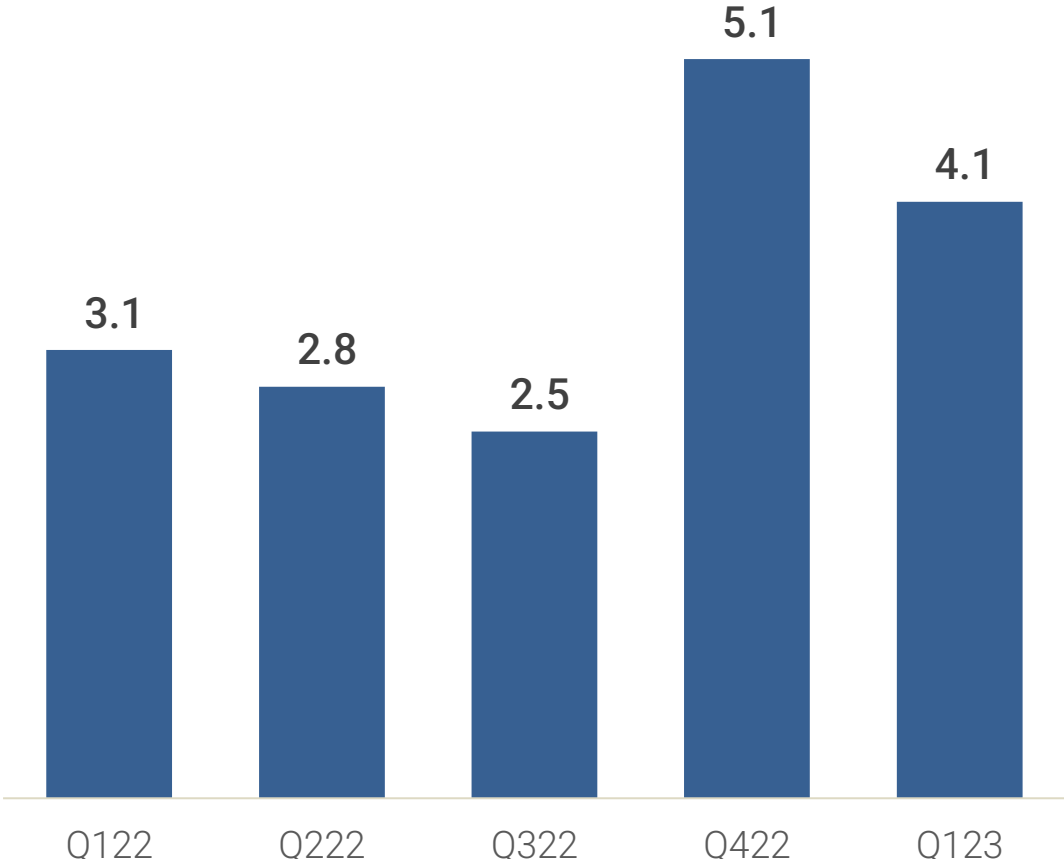
98% of pre-pandemic levels



■ Development ■ Rental ■ Hotels

## NET INCOME

106% of pre-pandemic levels



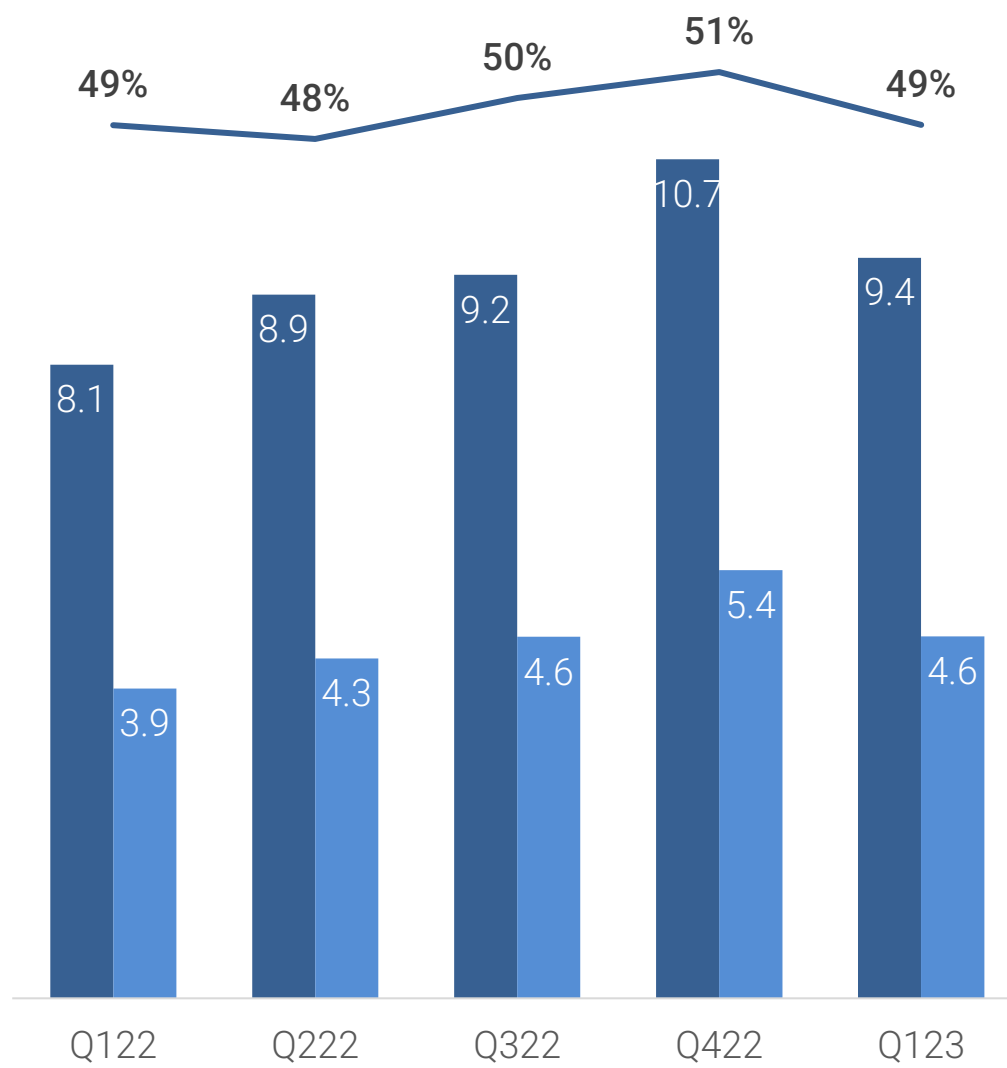
Covers residential, rental and hotel operations only. Excludes financial and other income.

# MEG quarterly performance



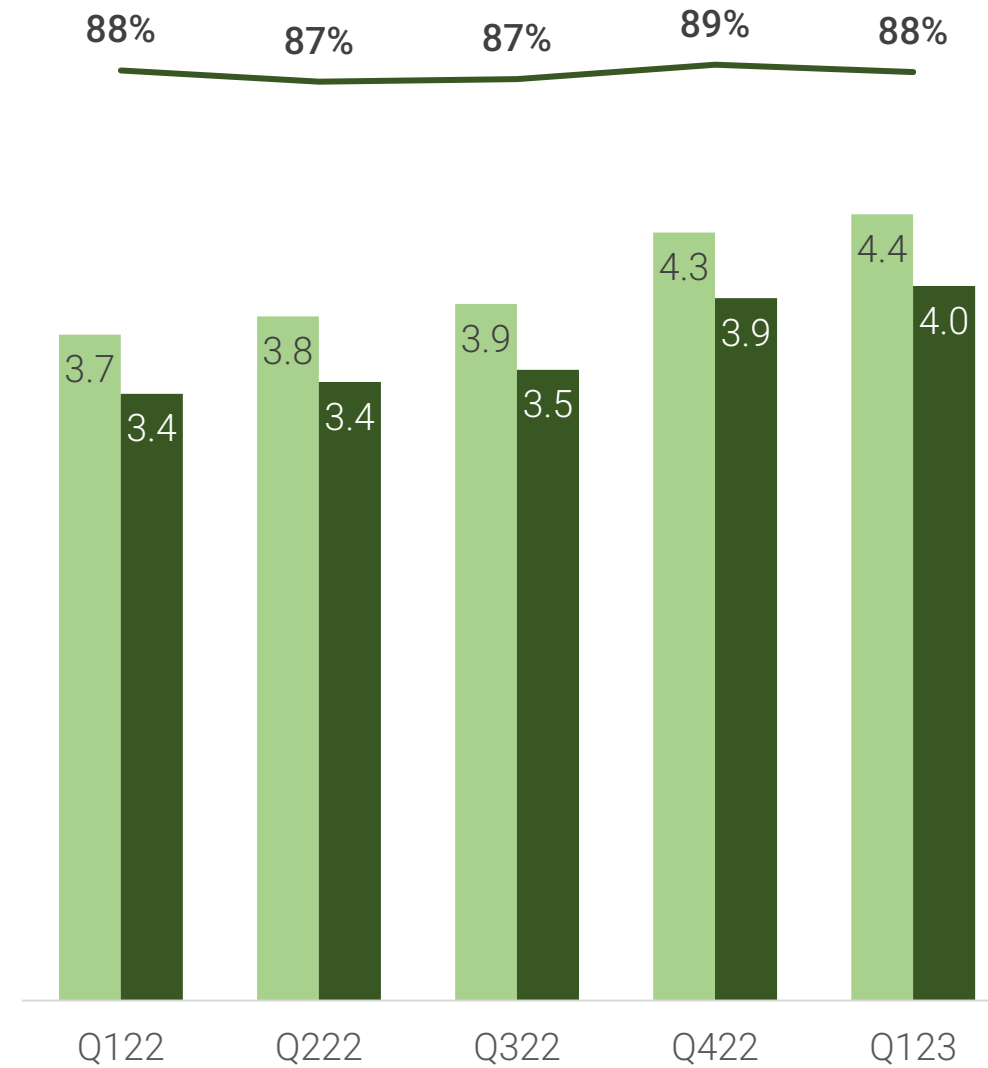
## RES VS GROSS PROFIT

Real estate sales Gross Profit GP Margin



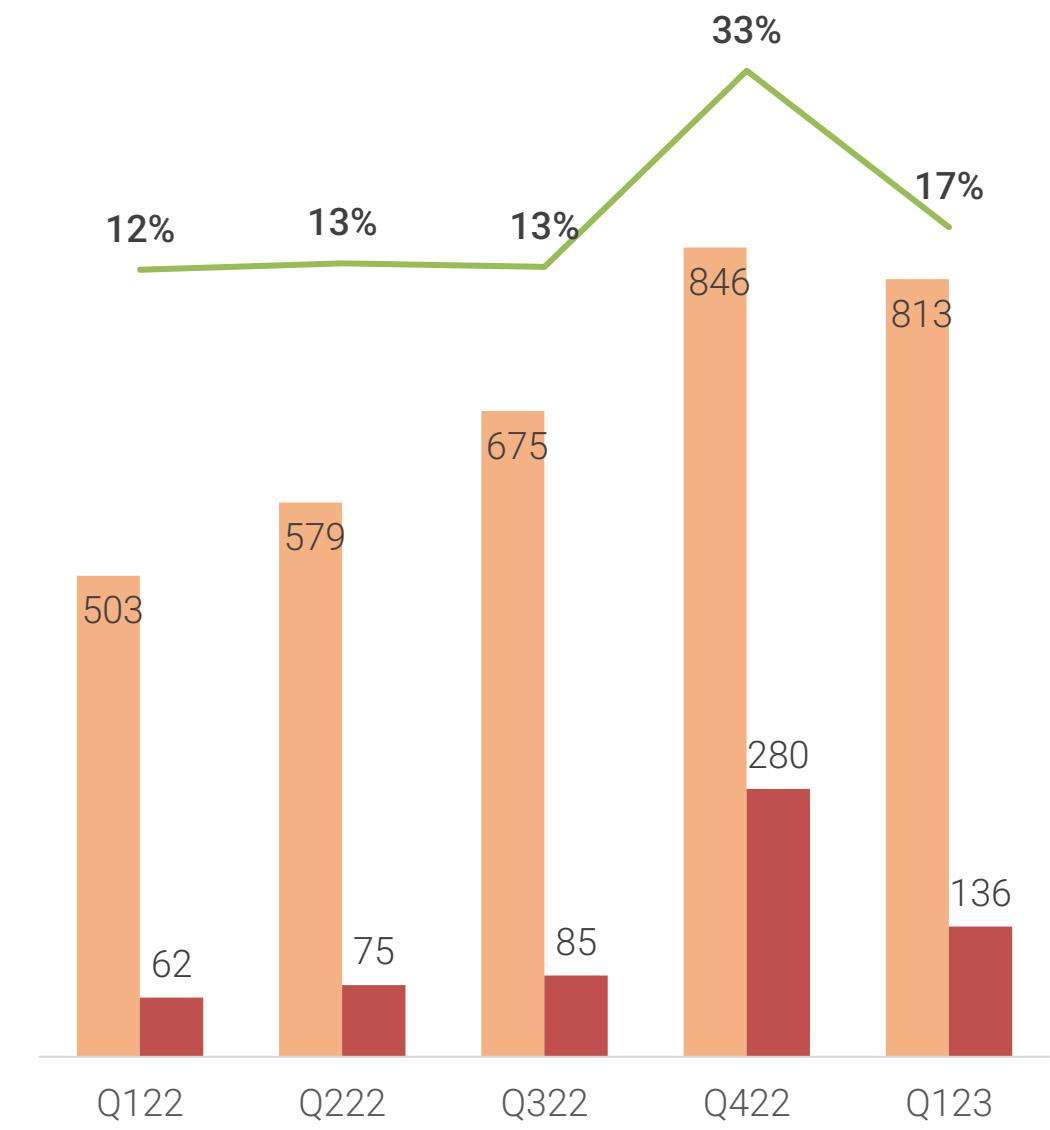
## RENTAL VS EBITDA MARGIN

Rentals Rental EBITDA EBITDA margin



## HOTEL REV VS EBITDA MARGIN

Hotel revenues Hotel EBITDA EBITDA margin

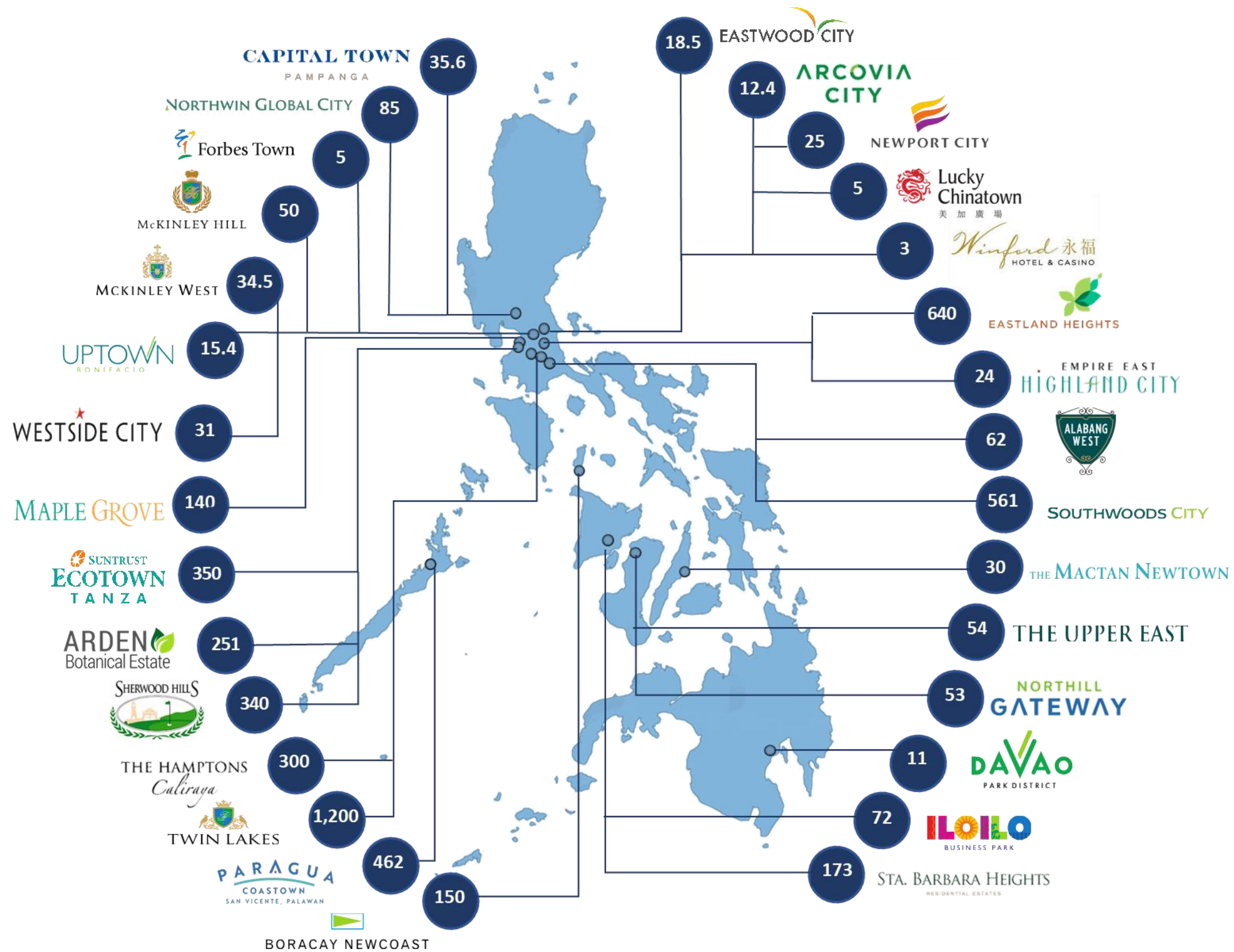


# 30

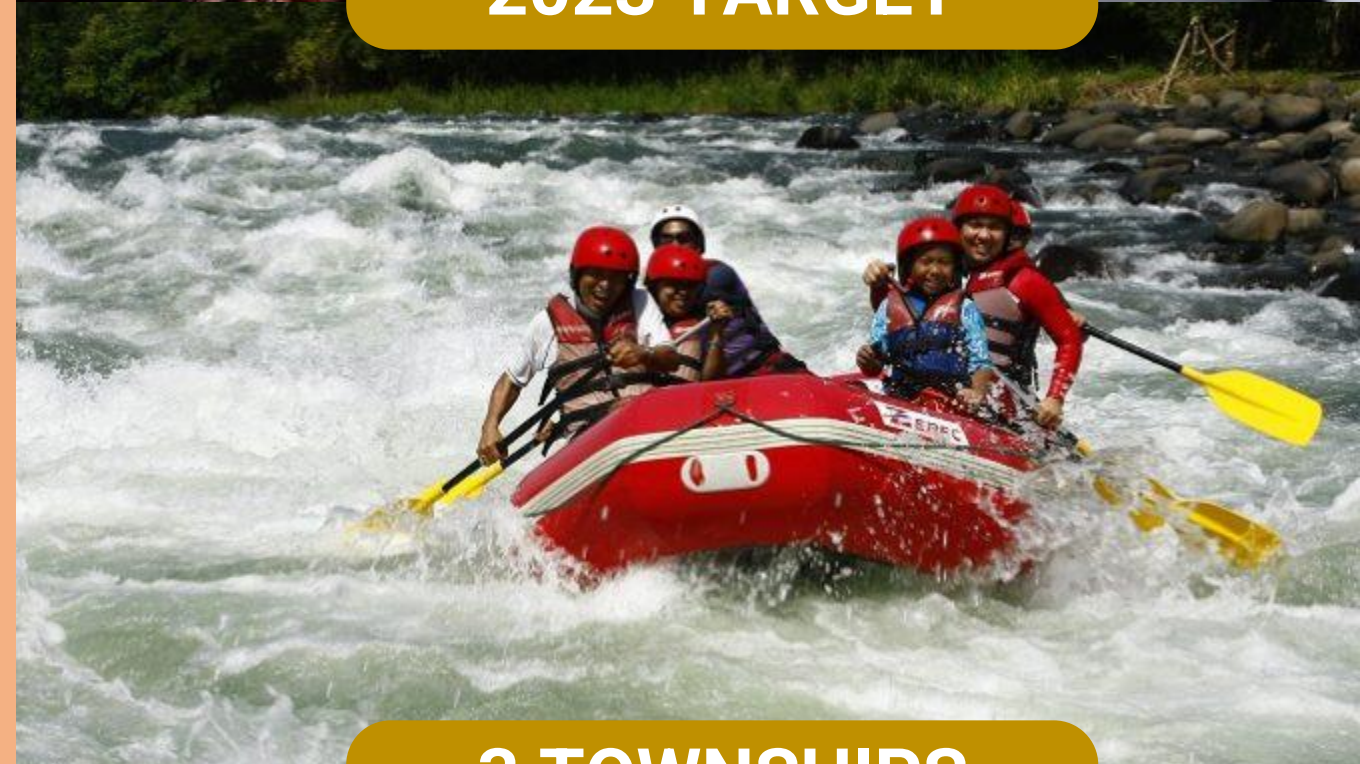
## TOWNSHIPS

# 5,172

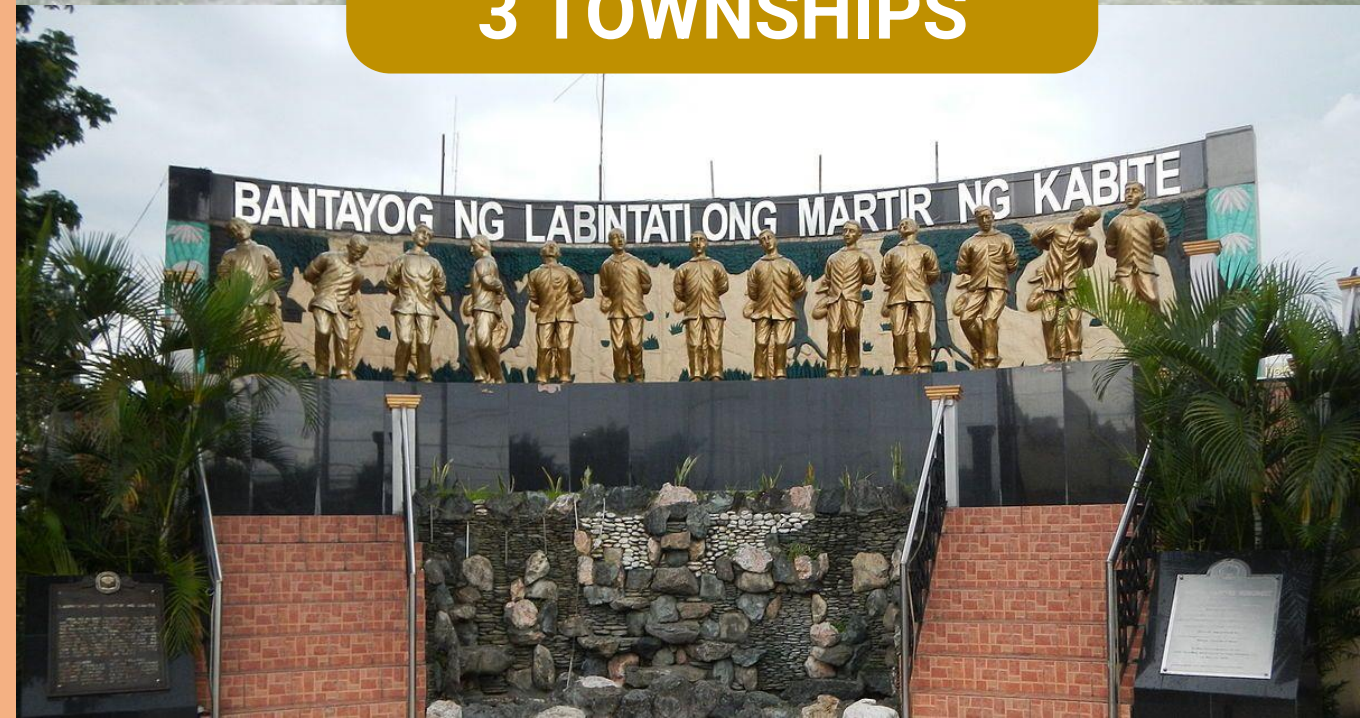
## HECTARES



## 2023 TARGET



## 3 TOWNSHIPS



# MEG TARGETS



**RESERVATION  
SALES**



**PROJECT  
LAUNCHES**



**CAPEX**

**P130bn**

2023E

**P39.6bn**  
(1Q2023)

**P60bn**

2023E

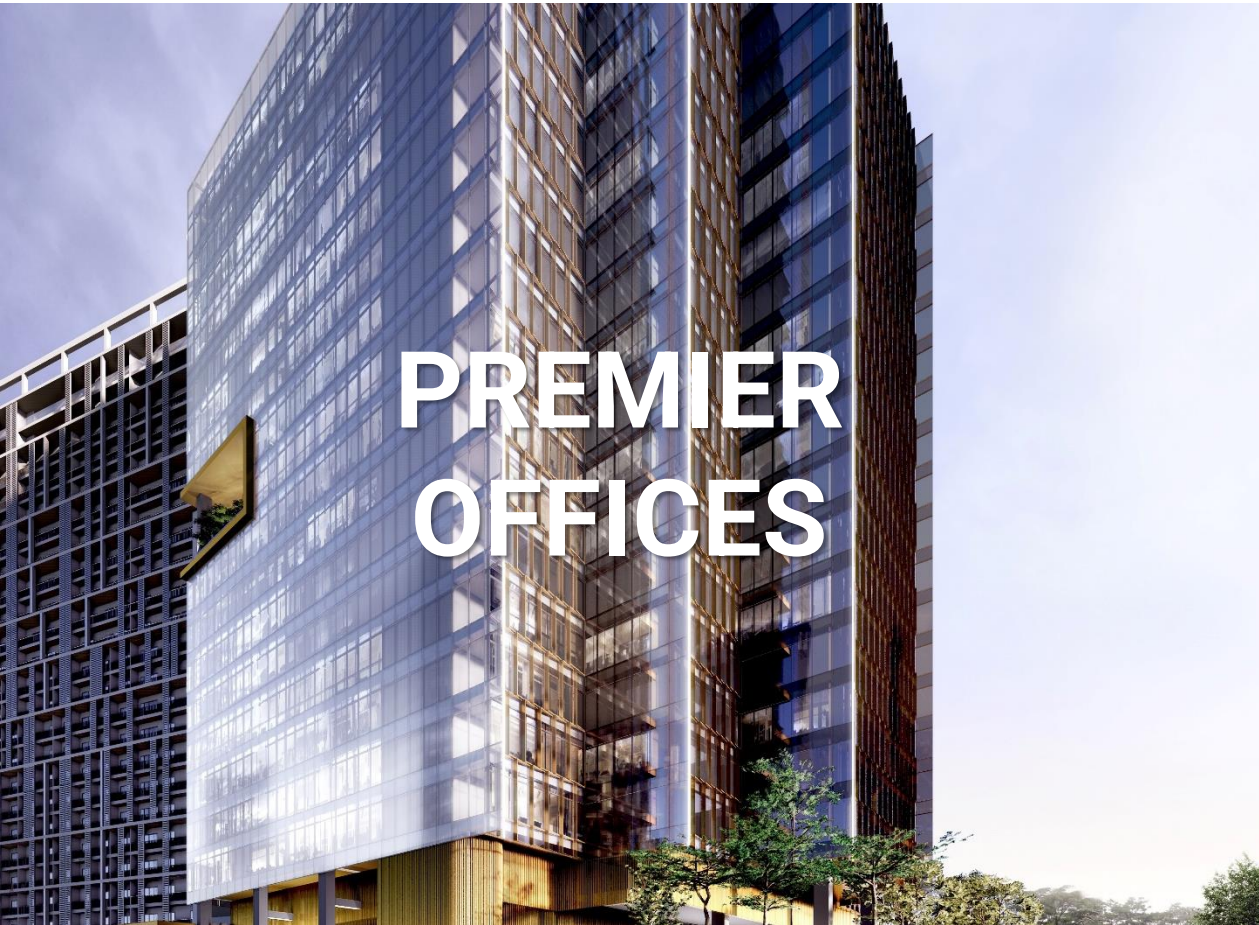
**P13.9bn**  
(1Q2023)

**P55bn**

2023E

**P12.2bn**  
(1Q2023)

# MEG EXPANSION PLANS



Additional Office GLA

**209k**

2023-2026

1,400k  
(1Q2023)

Additional Mall GLA

**160k**

2023-2026

484k  
(1Q2023)

Additional Hotel Room Keys

**3,159**

2023-2028

4,713  
(1Q2023)

All items are in sqm, except hotel room keys (#)





EMPERADOR INC.

# Emperador Inc.

1Q2023 Financial Performance



6

Vineyards  
in Spain

5

Distilleries  
in Scotland

>100

Countries under  
global distribution system

25

Domestic  
Sales Offices

# EMI 1Q2023 financial performance

P&L summary (Pbn)	1Q2023	1Q2022	YoY chg	4Q2022	QoQ chg
Revenue	15.6	12.3	26%	20.1	-23%
Brandy	9.8	7.6	28%	13.8	-29%
Whisky	5.8	4.7	24%	6.3	-8%
Gross Profit	5.1	3.8	35%	6.0	-15%
Brandy	2.4	1.9	25%	3.0	-22%
Whisky	2.7	1.9	45%	3.0	-8%
EBITDA	3.4	3.1	10%	3.6	-6%
EBIT	3.1	2.6	17%	3.2	-4%
Attributable profit	2.3	2.1	10%	2.9	-19%
<b>Margins</b>					
Gross profit margin	33.4%	32.1%	Up	31.1%	Up
Brandy	24.8%	25.7%	Down	23.3%	Up
Whisky	46.3%	40.3%	Up	45.5%	Down
EBITDA margin	21.9%	25.2%	Down	18.0%	Up
EBIT margin	19.7%	21.4%	Down	16.0%	Up
Attributable profit margin	14.9%	17.0%	Down	14.3%	Up

Robust brandy and whisky sales supported by price adjustments, increasing on-trade sales, growing popularity of premium single-malt whiskies in the global market, resurgence in travel retail.

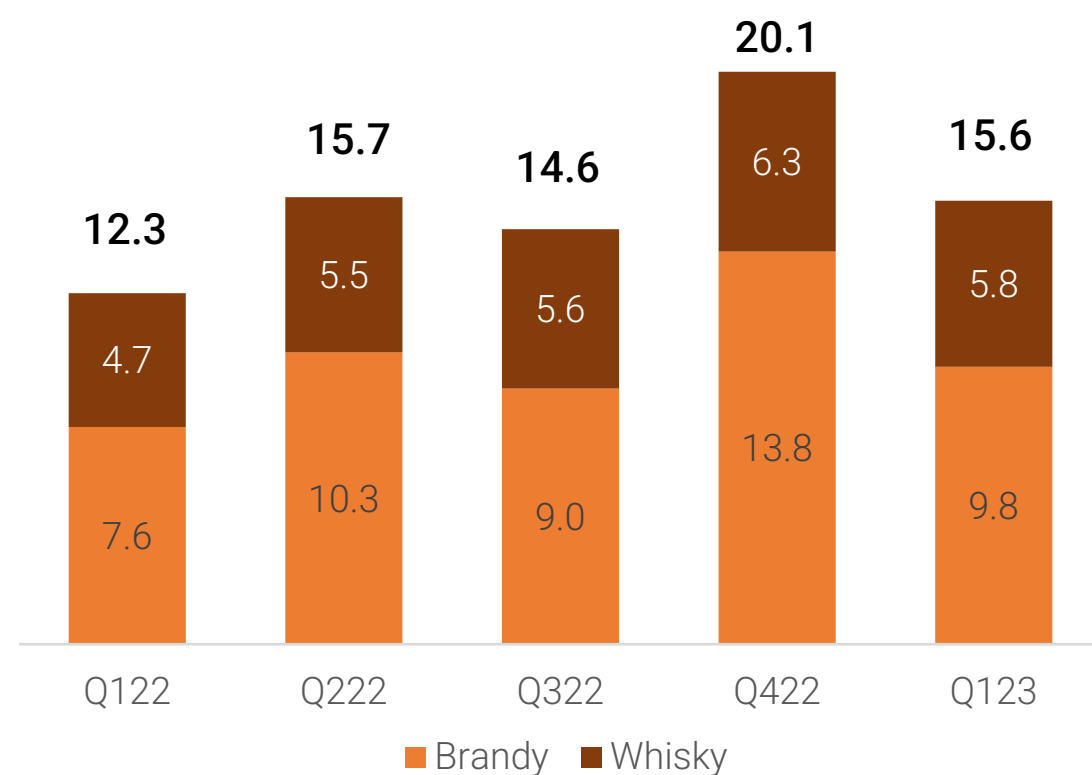
Brandy segment weighed down by margin pressures mainly from higher inventory costs, ongoing supply chain issues, increased A&P.

Whisky segment provided the lift to overall EMI margins, underscoring its growing importance to Group performance.

# EMI quarterly performance

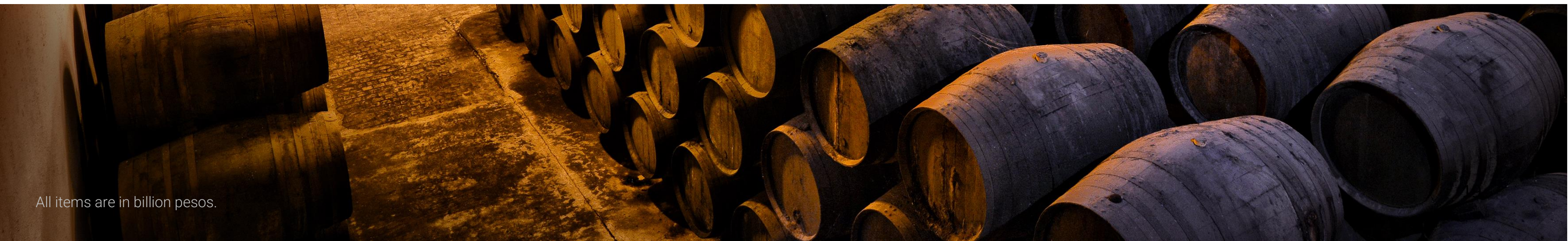
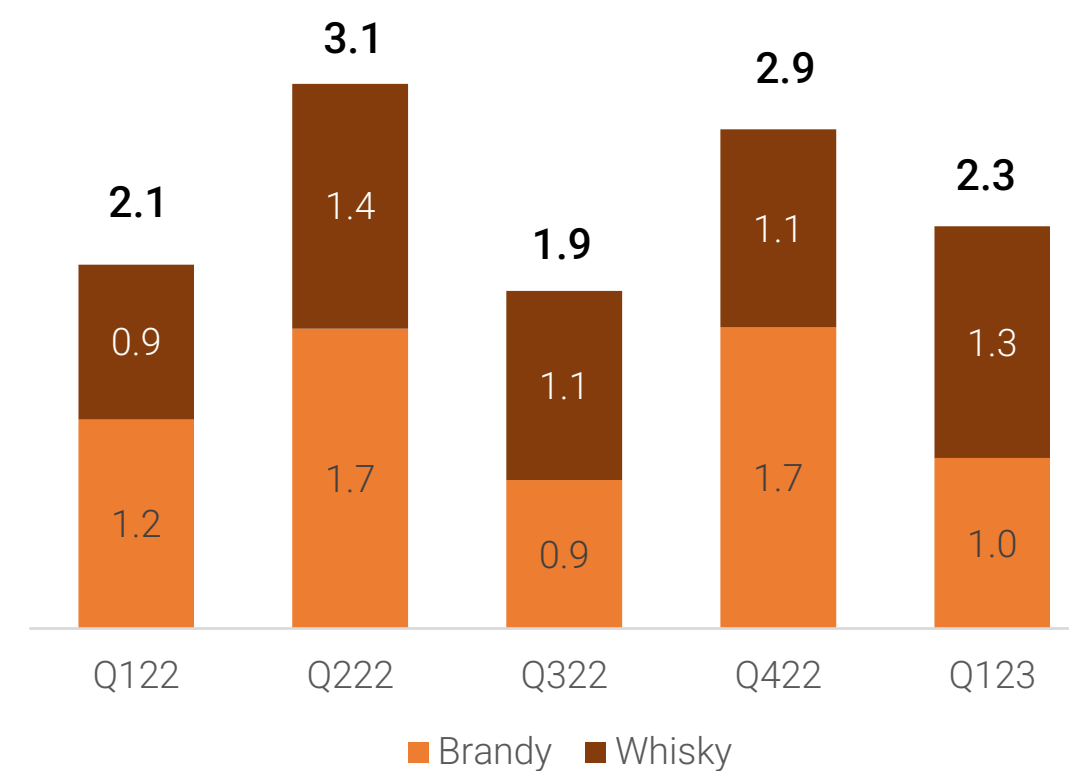
## REVENUE

141% of pre-pandemic levels



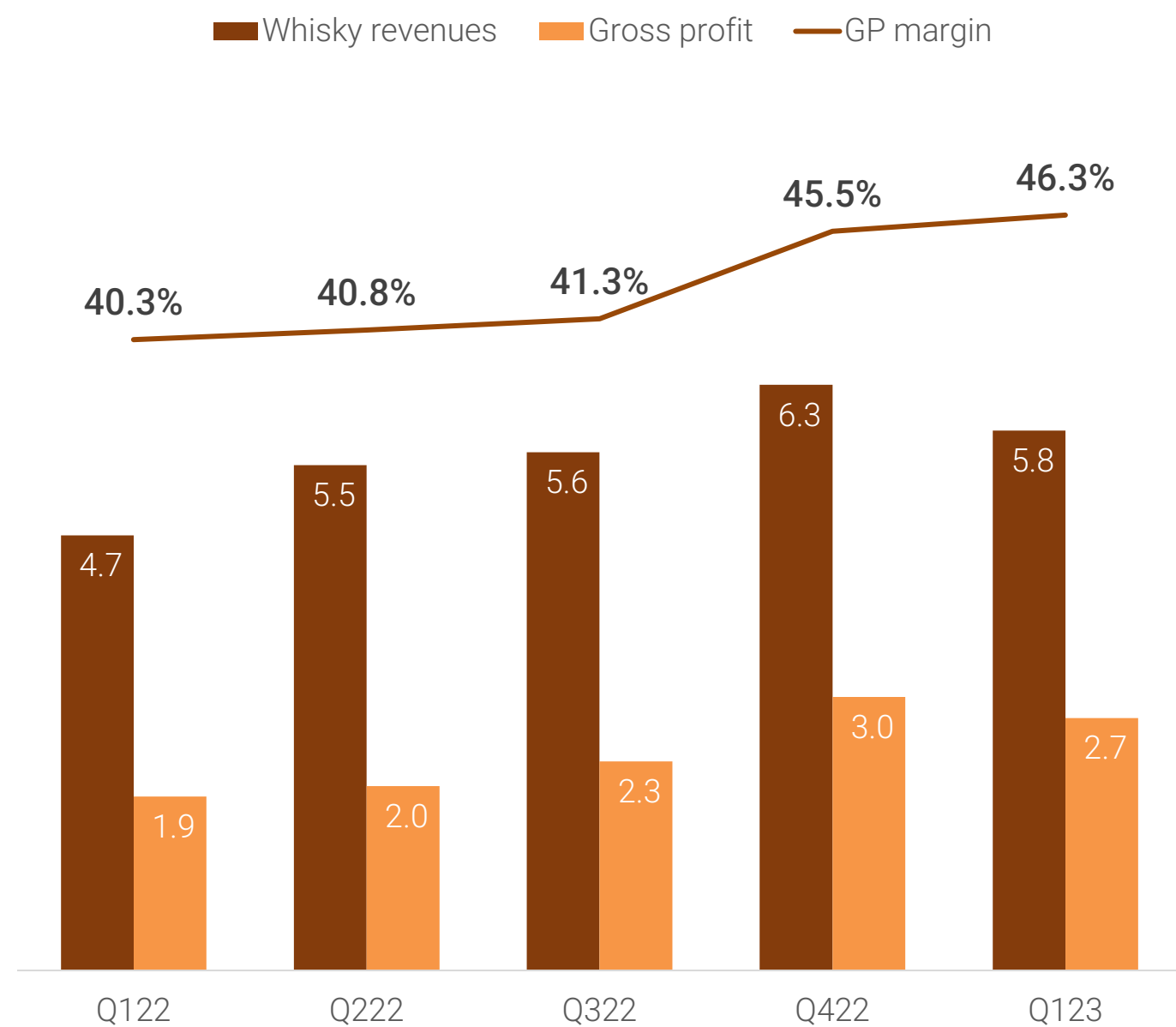
## ATTRIBUTABLE INCOME

133% of pre-pandemic levels

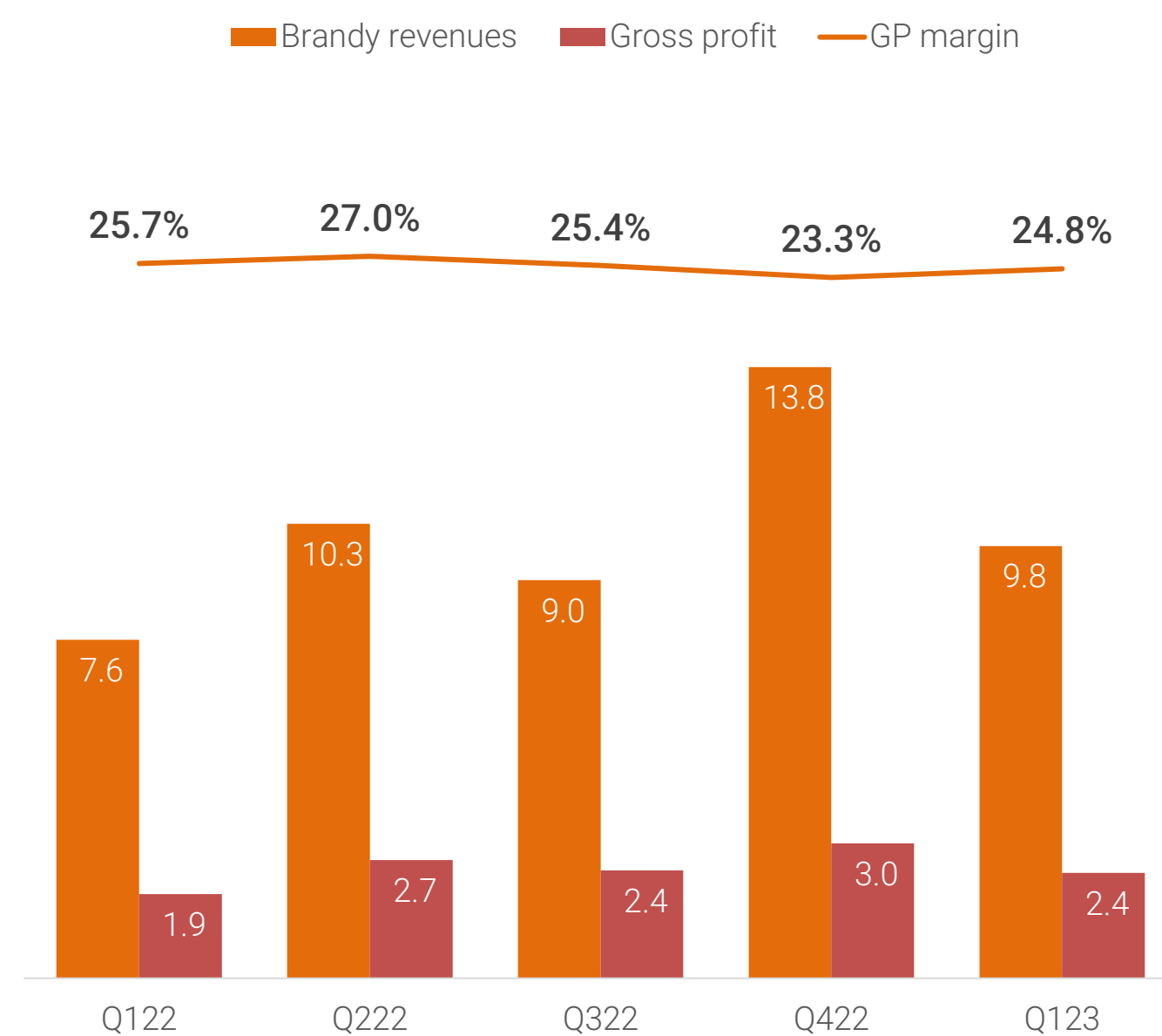


# EMI quarterly performance

## WHISKY REVENUE, GROSS PROFIT, MARGIN

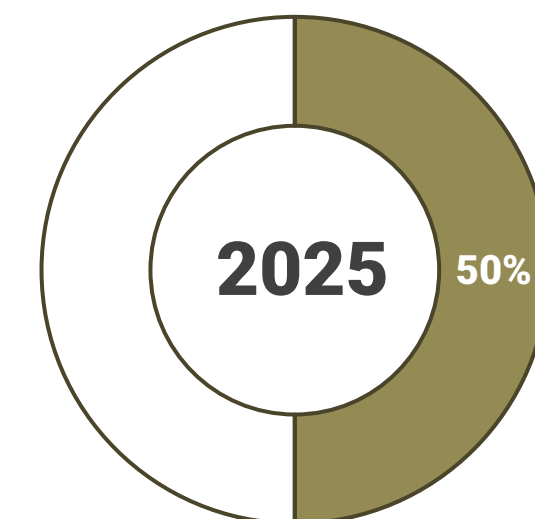
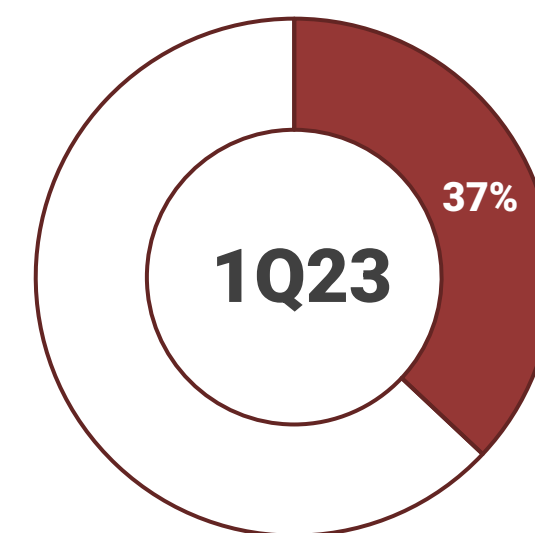


## BRANDY REVENUE, GROSS PROFIT, MARGIN





## OUR VISION FOR 2025



Emperador's growth aspiration is to generate 50% of the business from international operations by 2025.

# 2025 Objectives



**2X**

Double branded single malt sales from 2020-2025

**High Single Digit**

Brandy revenue CAGR from 2020 to 2025

# What we achieved from 2020 to 2022



**18%**

CAGR in whisky revenue

**5%**

CAGR in brandy revenue

# What we achieved in 2022



**+18% YoY**

Whisky revenue +18% YoY to P22.1bn in 2022

**+9% YoY**

Brandy revenue +9% YoY to P40.7bn in 2022

# Travellers International Hotel Group, Inc.

1Q2023 Financial Performance

2,742

Hotel room  
keys

6

International  
Hotel Brands

74%

Hotel Occupancy  
(1Q2023)

404

VIP and mass  
gaming tables

2,081

Slots



# NWR 1Q2023 financial performance

P&L summary (Pbn)	1Q2023	1Q2022	YoY chg	4Q2022	QoQ chg
Gross gaming revenue	8.9	6.5	36%	9.1	-2%
Mass	3.4	1.8	87%	3.3	2%
VIP	5.5	4.7	17%	5.8	-5%
Less: promotional allowance	(2.8)	(2.6)	7%	(2.3)	22%
Net gaming revenue	6.1	3.9	56%	6.8	-10%
Non-gaming revenue	1.8	0.9	93%	1.8	1%
Net Revenue	7.9	4.8	63%	8.6	-8%
EBITDA	2.1	1.4	55%	2.2	19%
EBIT	1.2	0.5	135%	1.0	135%
Attributable profit	0.3	(0.2)	-	1.3	-74%
<b>Margins</b>					
<b>EBITDA margin</b>	27.2%	28.6%	Down	26.1%	Up
<b>EBIT margin</b>	15.4%	10.7%	Up	11.9%	Up
<b>Attributable profit margin</b>	4.2%	-4.3%	Up	15.1%	Down

Sustained GGR expansion driven by the recovery in the mass segment and continued improvement in VIP business.

Margin enhancement supported by slower increases in gaming-related expenses.

Non-gaming revenues boosted by improving hotel occupancy rates and REVPAR amid a resurgence in staycations and MICE activities.

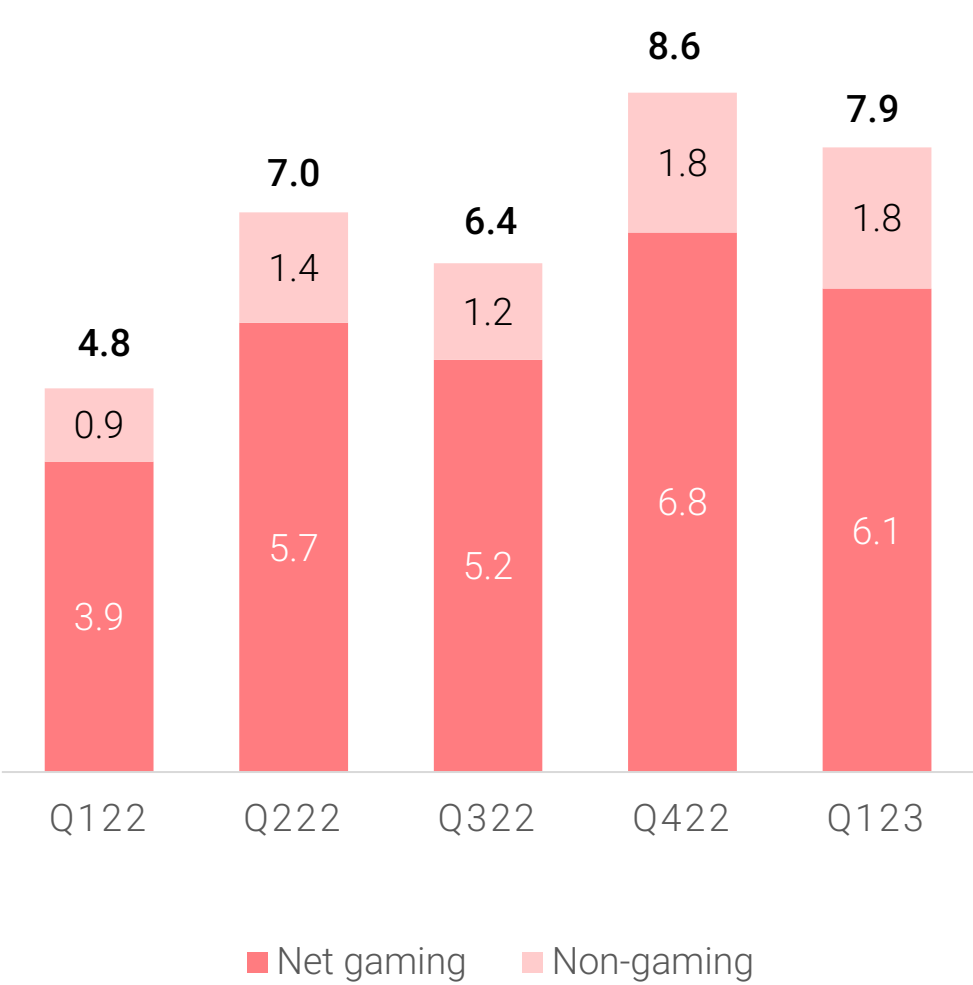
EBITDA now over 50% of pre-pandemic performance, approaching levels achieved in 2014.



# NWR quarterly performance

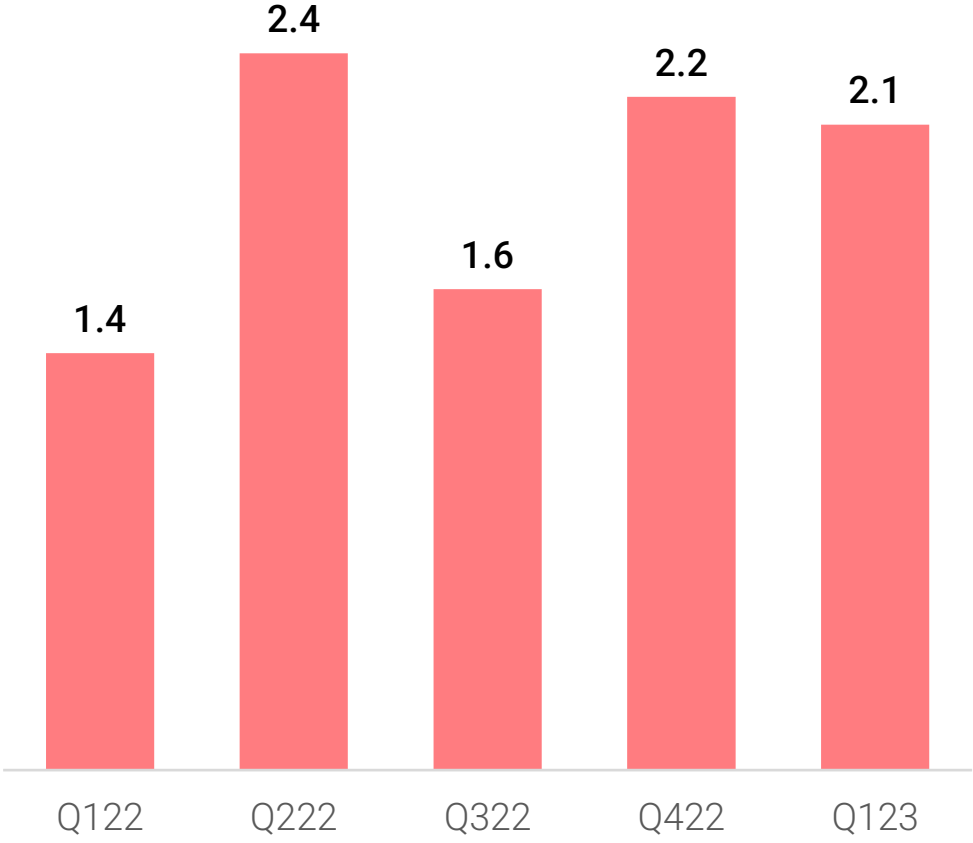
## NET REVENUES

114% of pre-pandemic levels



## EBITDA

153% of pre-pandemic levels



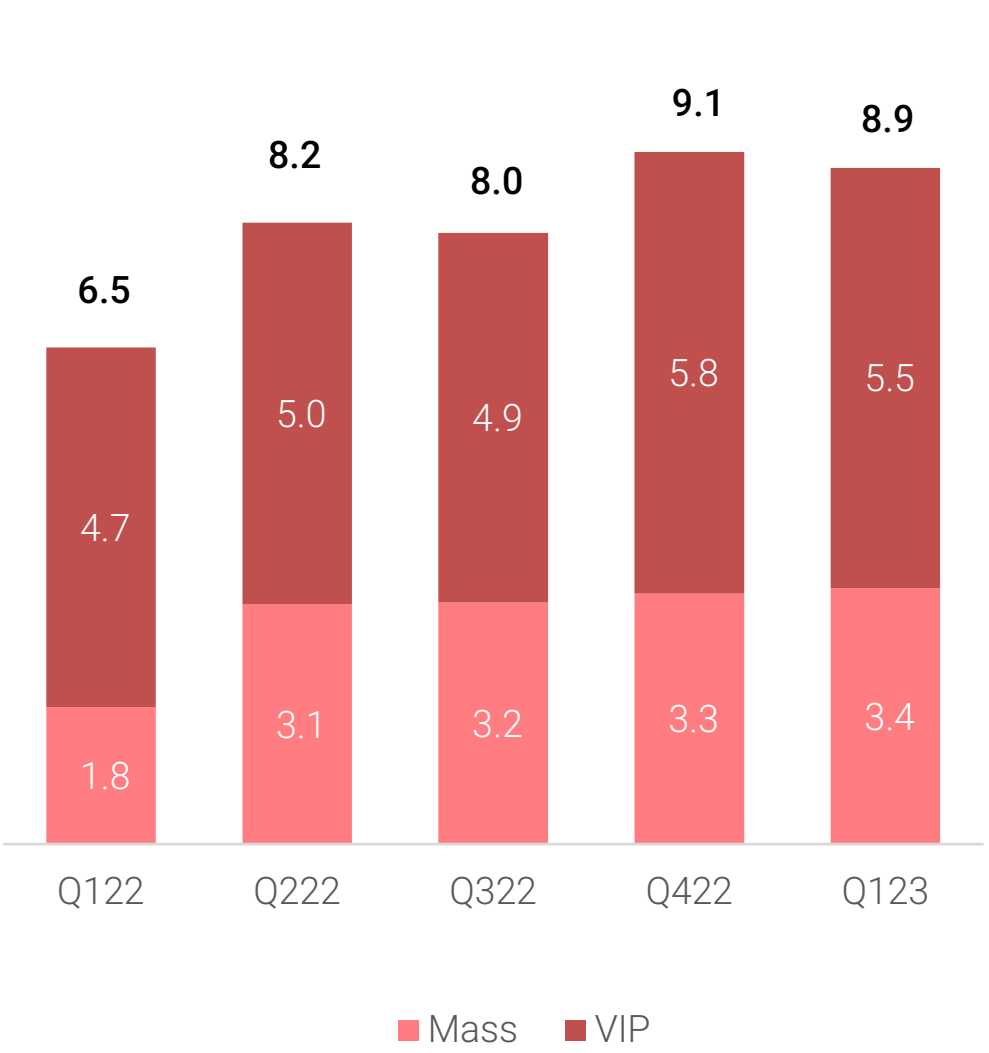
All items are in billion pesos.



# NWR quarterly performance

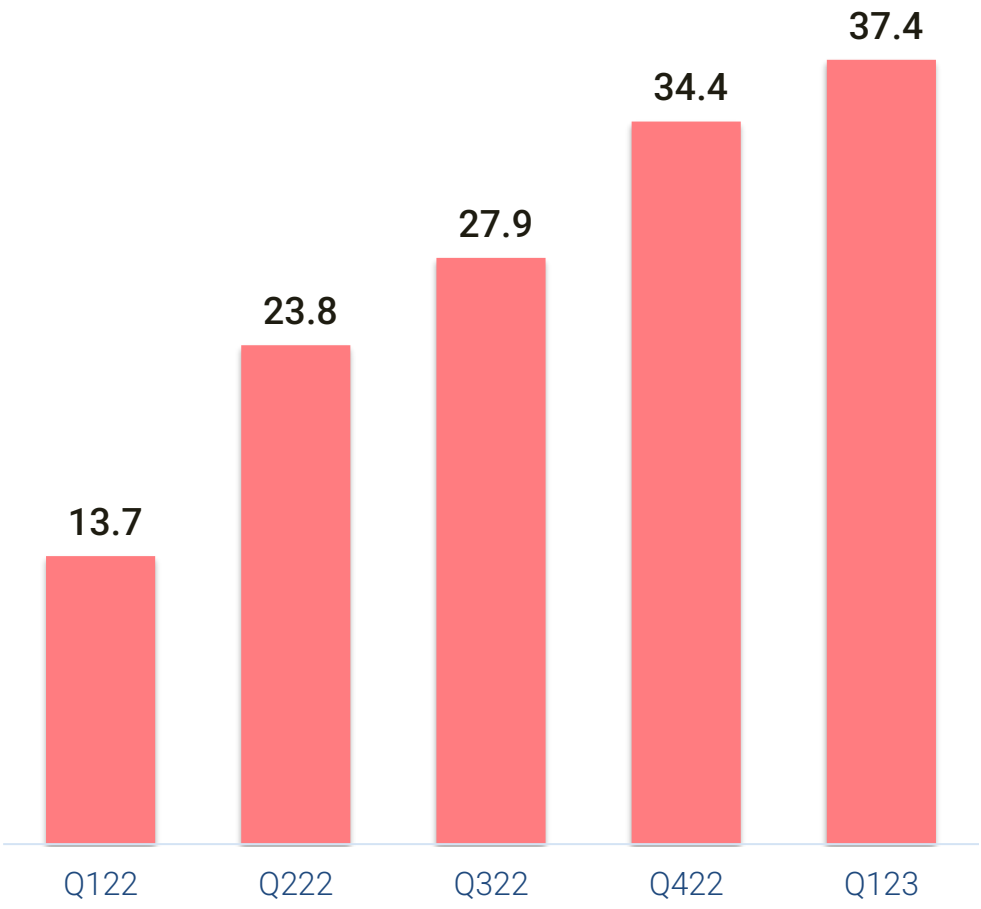
## GGR: Mass vs VIP

129% of pre-pandemic levels



## Average Daily Visitors

106% of pre-pandemic levels



All items are in billion pesos except average daily visitors.('000)

# NWR EXPANSION PLANS



**Expand premium mass segment to ~50% of GGR (from 40%).**

**Sustain growth in VIP business, with increased junket operations.**

**Improve foot traffic at Newport World Resorts Complex.**



# Golden Arches Development Corporation

1Q2023 Financial Performance

**703**

Store  
Count

**505**

McDelivery  
hubs

**409**

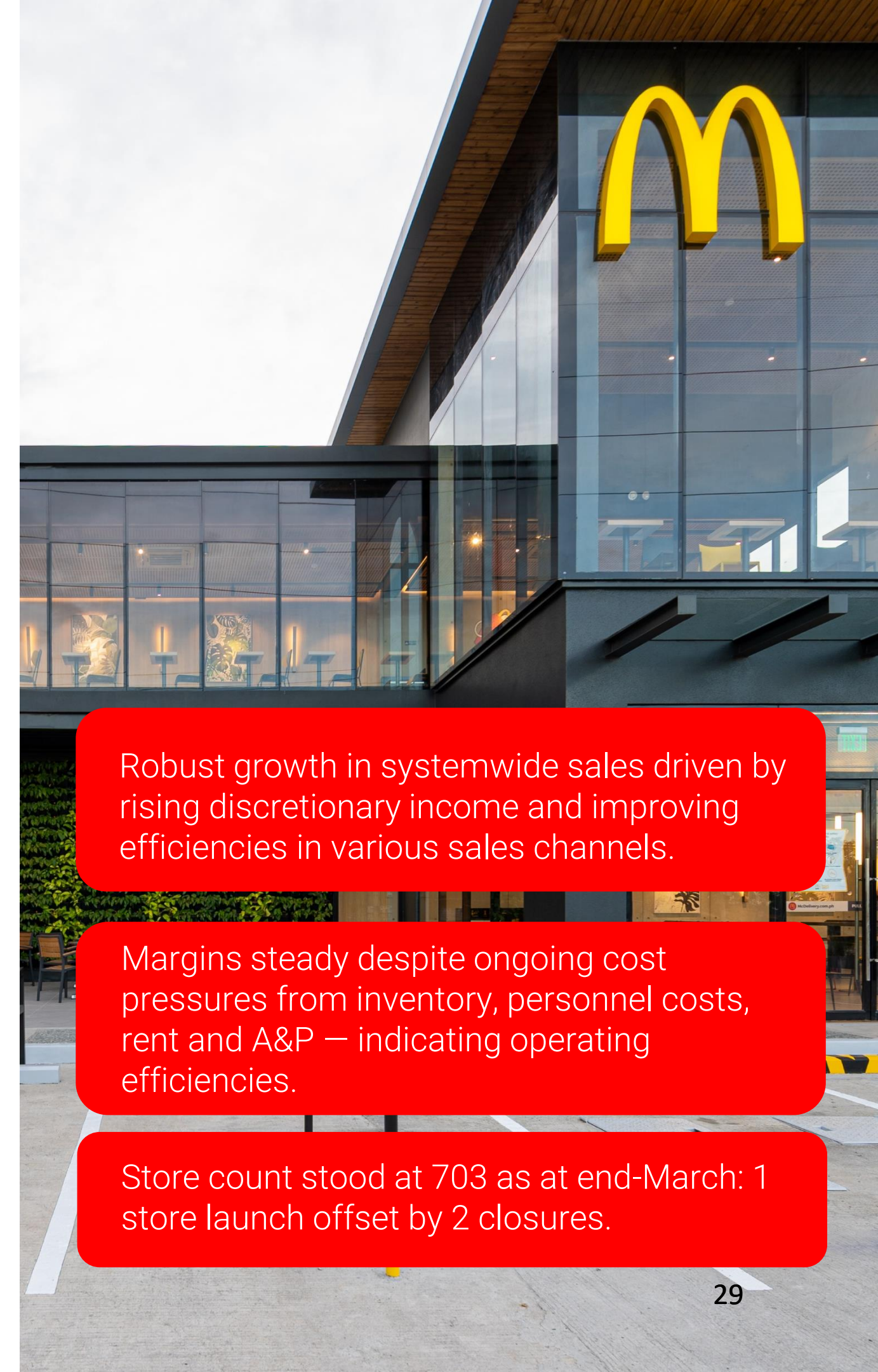
Stores with  
Drive-thru

**444**

NXTGEN  
stores

# GADC 1Q2023 financial performance

P&L summary (Pbn)	1Q2023	1Q2022	YoY chg	4Q2022	QoQ chg
Systemwide Sales	17.2	12.7	35%	18.5	-7%
Sales Revenues	9.9	7.2	38%	10.5	-5%
Sales by co. restos	9.0	6.5	39%	9.6	-6%
Rent, royalty & others	0.9	0.7	35%	0.9	-4%
Gross Profit	2.3	1.7	37%	2.7	-12%
EBITDA	1.6	1.3	25%	2.2	-26%
EBIT	0.9	0.7	27%	1.4	-35%
Attributable profit	0.4	0.3	62%	0.8	-48%
<b>Margins</b>					
<i>Gross profit margin</i>	23.6%	23.8%	Down	25.3%	Down
<i>EBITDA margin</i>	16.0%	17.7%	Down	20.6%	Down
<i>EBIT margin</i>	9.1%	10.0%	Down	13.4%	Down
<i>Attributable profit margin</i>	4.2%	3.6%	Up	7.7%	Down



Robust growth in systemwide sales driven by rising discretionary income and improving efficiencies in various sales channels.

Margins steady despite ongoing cost pressures from inventory, personnel costs, rent and A&P – indicating operating efficiencies.

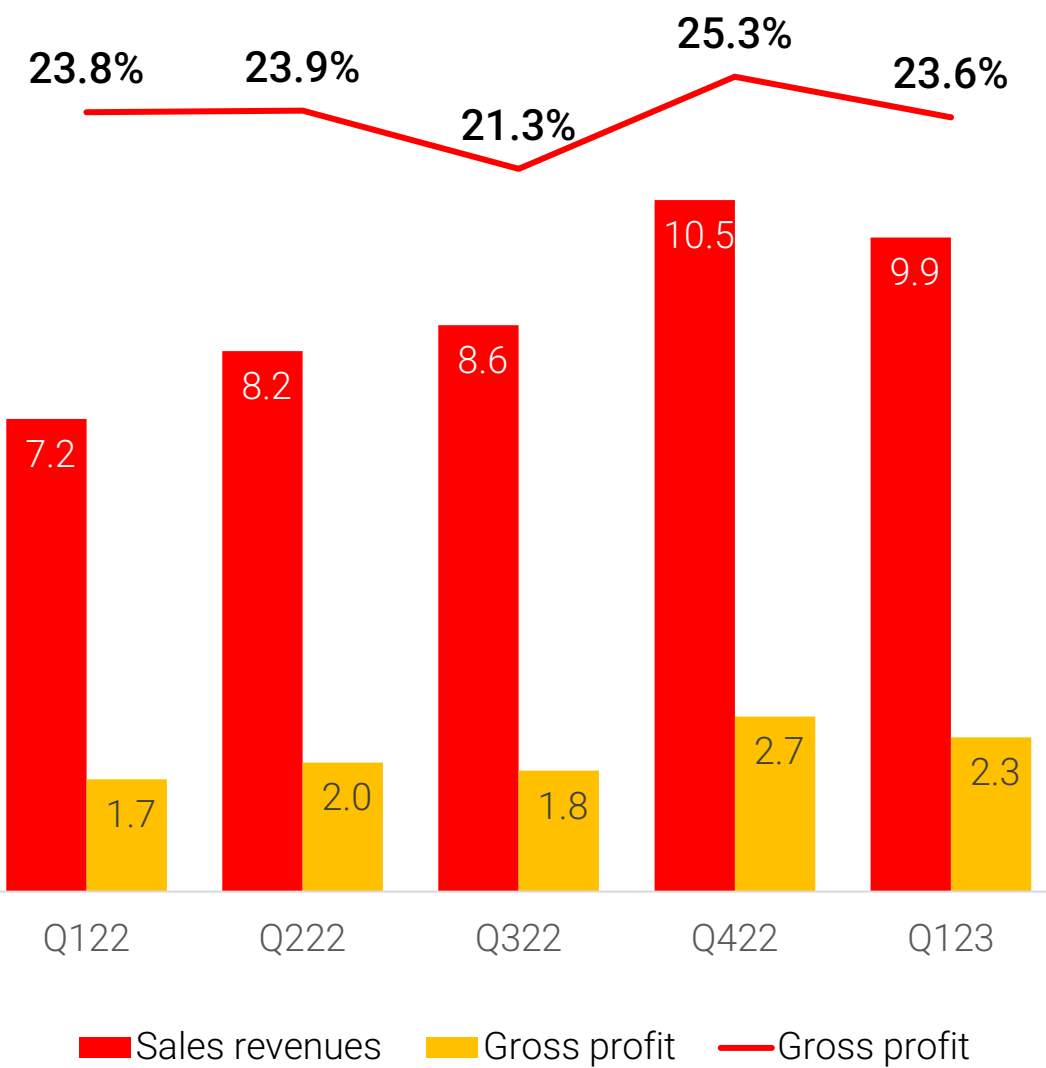
Store count stood at 703 as at end-March: 1 store launch offset by 2 closures.

# GADC quarterly performance

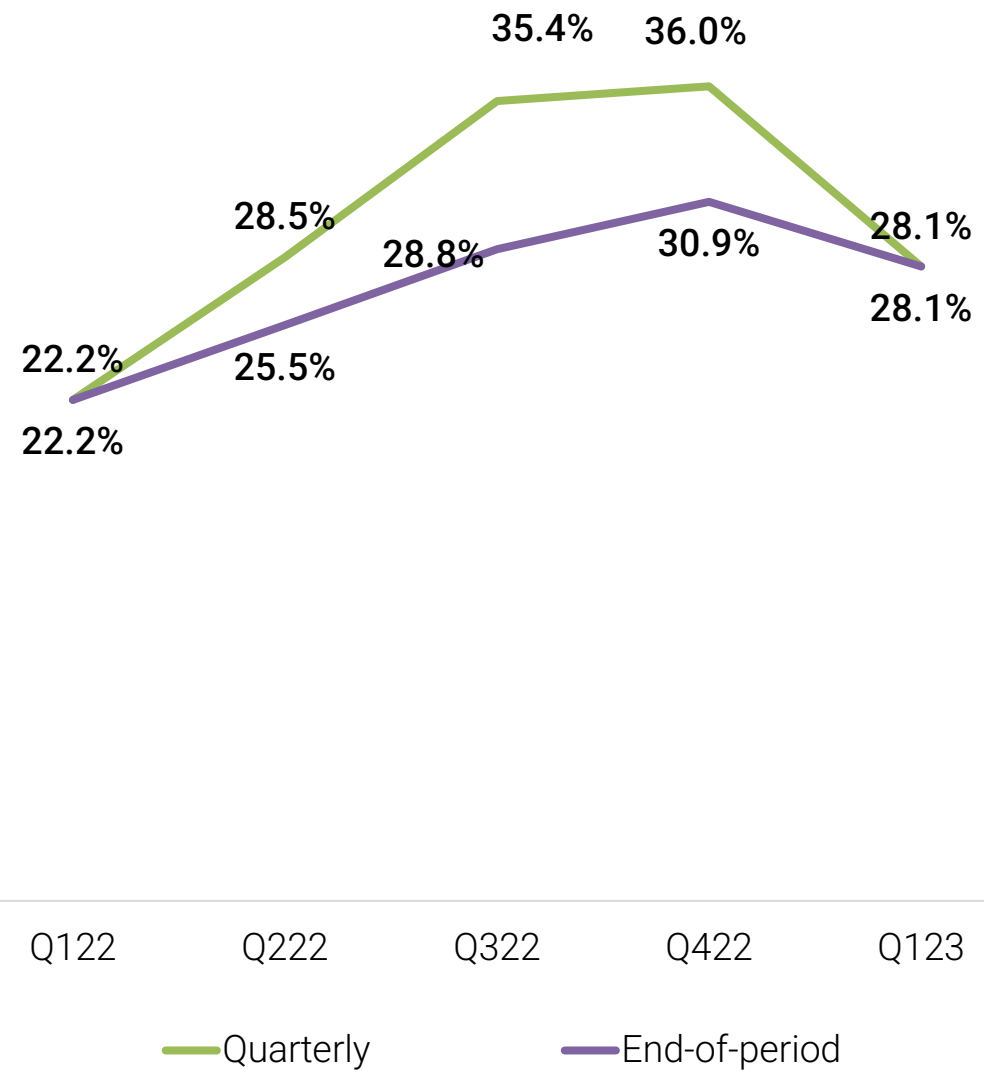


## SALES, GROSS PROFIT, MARGIN

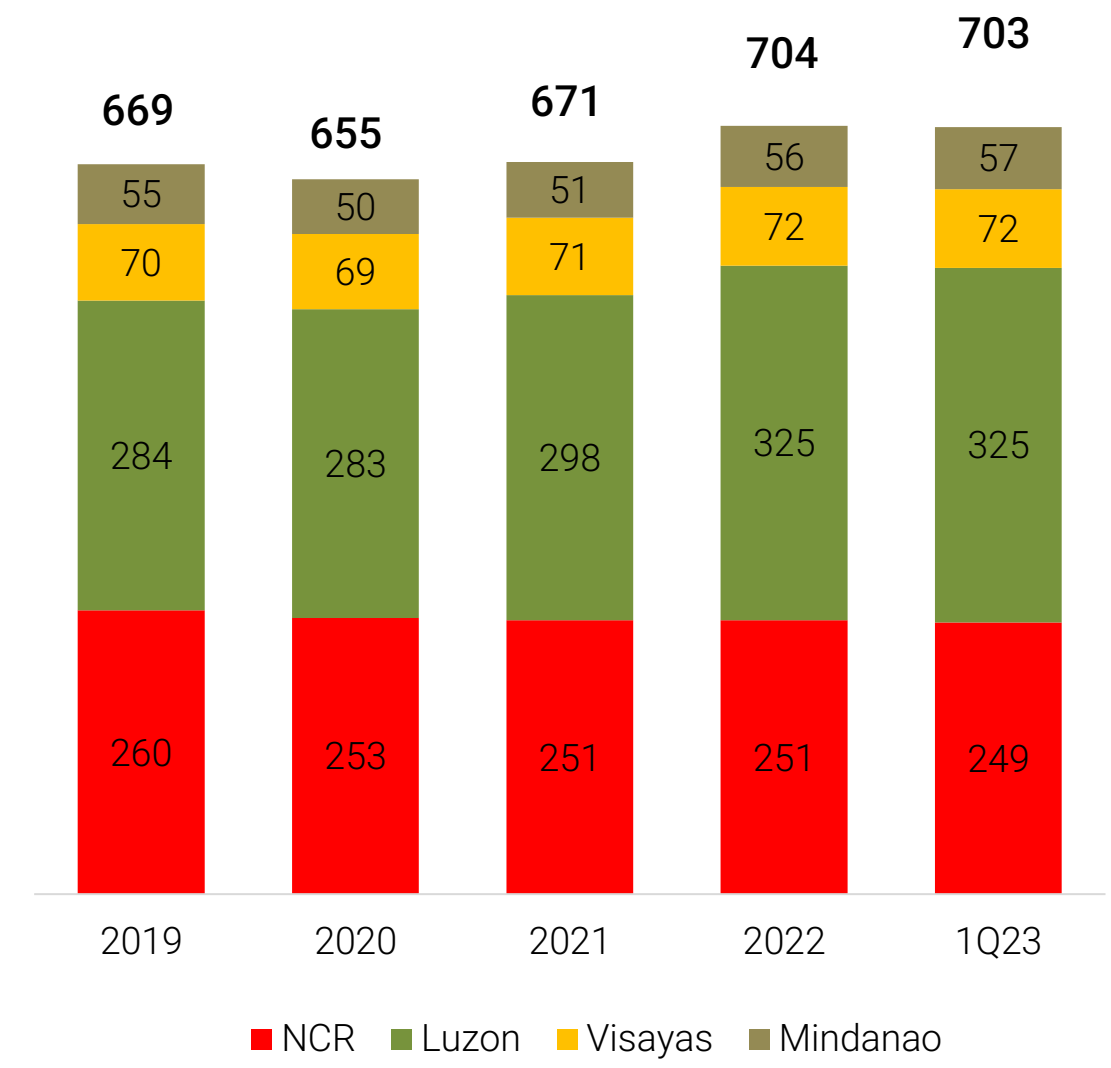
Sales Revenues, 133% of pre-pandemic levels  
Gross Profit, 148% of pre-pandemic levels



## SYSTEMWIDE SAME-STORE SALES GROWTH



## NUMBER OF STORES





**McDonald's**

**703 stores**

**1Q2023**

**50 new stores**

**2023 Target**

# Key Takeaways

- AGI is firing on all cylinders: robust real estate sales; resurgence in lifestyle malls, quick service restaurants, hotel and integrated resort operations; above-industry performance for office segment; sharp growth in spirits business.
- Margin pressures abound amid rising inventory costs, higher A&P, increased operating expenses as operations normalize.
- Moving forward, Group earnings should get a boost from improving efficiencies as we achieve economies of scale.

**“As a premium lifestyle conglomerate, we believe that our strength lies in our brands which we continue to improve and develop. Our agility and versatility allowed us to quickly adapt to the ever-changing demands of the market.”**

**Kevin Andrew L. Tan**  
CEO, Alliance Global Group, Inc.





 ALLIANCE GLOBAL



# A Premium-Lifestyle Conglomerate



**First Quarter 2023  
Analysts' Briefing**

May 16, 2023