



  
**MEGAWORLD**

**Results Briefing**  
 9M 2017

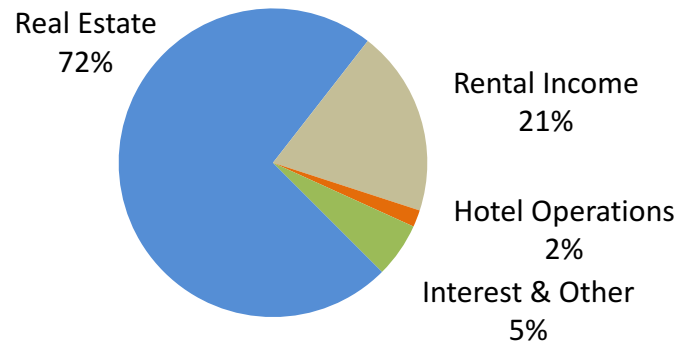


# PERFORMANCE UPDATE

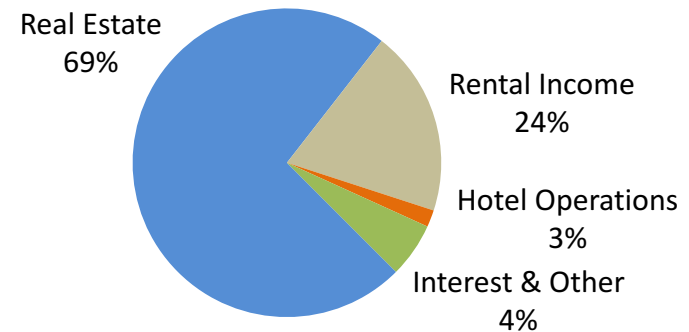
<i>In PHP billions</i>	9M 2016	9M 2017	%change	
<b>Revenues</b>	<b>35.3</b>	<b>37.1</b>	<b>5.2%</b>	
Real Estate Sales	20.7	21.0	1.2%	• Diversified sales mix
Rental	7.4	8.8	19.0%	• Healthy rental income growth
Hotel	0.9	1.0	8.1%	
Other Revenues	6.3	6.4	1.7%	
<b>Cost &amp; Expenses</b>	<b>26.0</b>	<b>26.8</b>	<b>3.0%</b>	• Modest cost expansion
Cost of Real Estate Sales	11.7	12.0	2.8%	
Hotel	0.5	0.6	9.3%	
OPEX & Other Expenses	10.0	10.1	0.9%	• Deferred GP down 15.7%
				• OPEX up 10%
<b>Operating Income</b>	<b>13.1</b>	<b>14.5</b>	<b>10.4%</b>	
Interest Expense	1.1	1.1	0.3%	
<b>Pre-tax Income</b>	<b>12.0</b>	<b>13.4</b>	<b>11.4%</b>	
Income Tax Expense	2.7	3.0	11.0%	
<b>Net Income</b>	<b>9.3</b>	<b>10.3</b>	<b>11.5%</b>	• Net income inline with double-digit growth target
Minority Interest	0.3	0.4	23.7%	
<b>Net Income to Owners</b>	<b>9.0</b>	<b>10.0</b>	<b>11.1%</b>	
<b>EBIT Margin</b>	<b>37.1%</b>	<b>39.0%</b>	<b>+190 bps</b>	• Margin expansion from higher rental contribution
<b>Net Income Margin</b>	<b>26.3%</b>	<b>27.9%</b>	<b>+160 bps</b>	

# CONSOLIDATED REVENUE BREAKDOWN

## 9M 2016



## 9M 2017



*In PHP billions*

	9M 2016	9M 2017	%change
Real Estate Sales	20.7	21.0	1.2%
Interest income on Real Estate Sales	1.4	1.4	-0.1%
Realized Gross Profit on Prior Years' Sales	3.2	3.3	3.3%
Rental	7.4	8.8	19.0%
Hotel	0.9	1.0	8.1%
Interest & Other income	1.7	1.7	0.2%
<b>Total Revenues</b>	<b>35.3</b>	<b>37.1</b>	<b>5.2%</b>

- Residential revenues up 1.4% driven by growing RGP from continued project completion
- Greater topline contribution from rentals

# Project Updates



The Albany – Kingsley, McKinley West  
P2.4 bn | 31% take-up



Saint Honore, Iloilo Business Park  
P700 mn | 85% take-up



Bayshore Residential Resorts 2 – Cluster D, Newport City  
P2.0 bn | 100% take-up



Eastland Heights Village, Eastland Heights  
P2.6bn | 5% take-up

# STABLE OVERALL RESIDENTIAL MARGINS

<i>In PHP billions</i>	9M 2016	9M 2017	%change
Real Estate Sales (RES)	20.7	21.0	1.2%
+Interest income on Real Estate Sales	0.9	1.0	7.0%
<b>Total RES</b>	<b>21.7</b>	<b>22.0</b>	<b>1.5%</b>
-Cost of RES	11.7	12.0	2.8%
<b>Gross Profit on RES</b>	<b>10.0</b>	<b>10.0</b>	<b>-0.1%</b>
<b><i>Gross Profit Margin</i></b>	<b>46.1%</b>	<b>45.4%</b>	<b>-70bps</b>
-Deferred Gross Profit	3.9	3.3	-15.7%
Realized Gross Profit	6.1	6.7	9.8%
+Realized Gross Profit On Prior Years' Sales	3.2	3.3	3.3%
<b>Total Realized Gross Profit</b>	<b>9.3</b>	<b>10.0</b>	<b>7.5%</b>

- GPM slightly down due to GERI mix
- Healthy increase in total realized gross profit from continued project completion

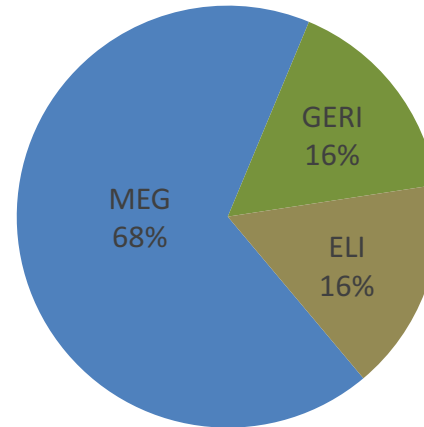
# DIVERSIFIED REAL ESTATE SALES MIX

*in PHP billions*

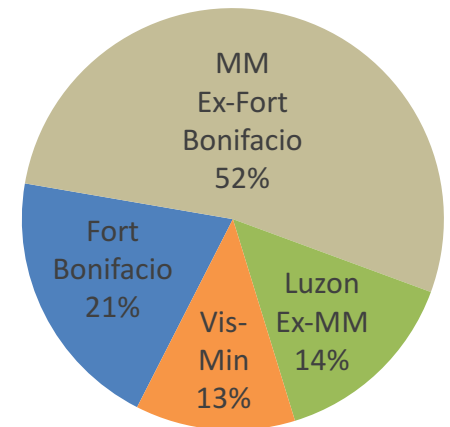
**9M 2016** (%sales) **9M 2017** (%sales)

	9M 2016	(%sales)	9M 2017	(%sales)
<b>MEG</b>	<b>14.0</b>	<b>67%</b>	<b>14.2</b>	<b>68%</b>
Taguig	4.8	23%	4.4	21%
Makati	2.1	10%	2.8	13%
Pasay&Parañaque	2.2	11%	1.6	8%
Quezon City	1.1	5%	1.5	7%
Manila	0.1	0%	0.4	2%
Cavite	0.1	0%	0.2	1%
Cebu	0.4	2%	0.4	2%
Iloilo	1.1	5%	0.5	2%
Bacolod	0.2	1%	0.1	1%
Other Subs	1.9	9%	2.3	11%
<b>GERI</b>	<b>3.4</b>	<b>16%</b>	<b>3.4</b>	<b>16%</b>
<b>ELI</b>	<b>3.4</b>	<b>16%</b>	<b>3.4</b>	<b>16%</b>
<b>TOTAL</b>	<b>20.7</b>	<b>100%</b>	<b>21.0</b>	<b>100%</b>

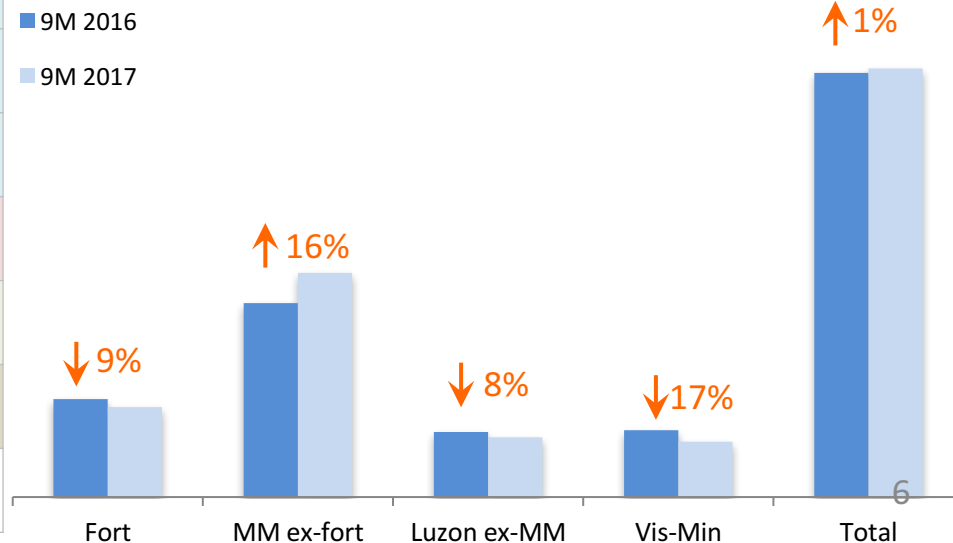
**9M 2017 Per Brand**



**9M 2017 Per Location**



**Year-on-Year Growth per Area**



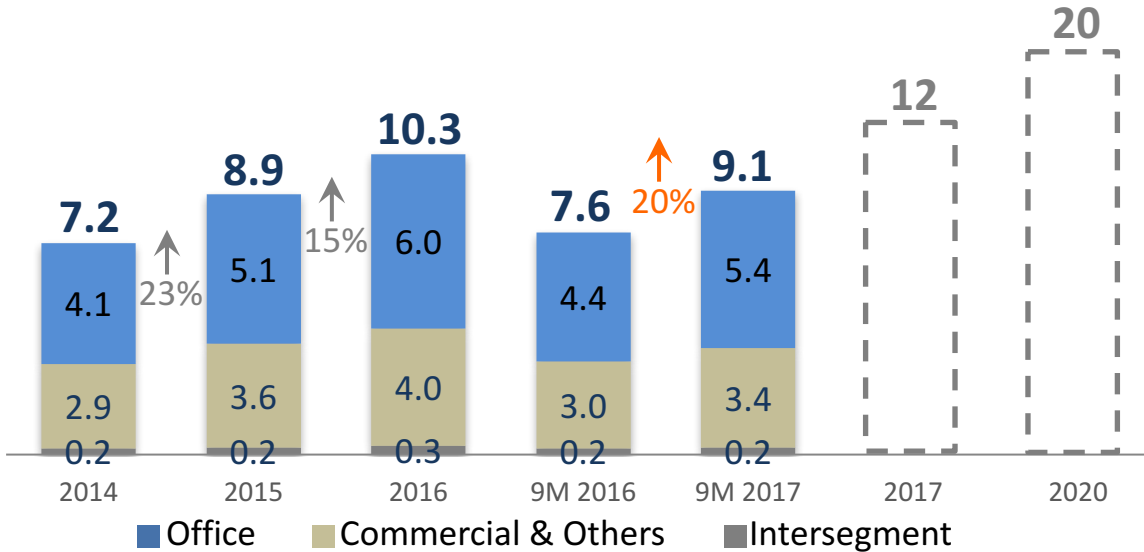
# GROWING RENTAL INCOME – HIGH MARGIN BUSINESS

<i>In PHP billions</i>	9M 2016	9M 2017	%change	
<b>Revenues</b>				
Rental	7.4	8.8	<b>19.0%</b>	
Intersegment Sales	0.2	0.2	<b>13.8%</b>	
<b>Total Rental Revenues</b>	<b>7.6</b>	<b>9.1</b>	<b>18.8%</b>	• Rentals is in line with full year target of P12bn
-Operating Expense	1.9	2.3	<b>16.3%</b>	
<b>Rental EBIT</b>	<b>5.7</b>	<b>6.8</b>	<b>19.7%</b>	
<b>Rental EBIT Margin</b>	<b>74.6%</b>	<b>75.2%</b>	<b>+60 bps</b>	• Strong and steady rental EBIT Margin

<i>In PHP billions</i>	9M 2016	% share	9M 2017	% share	
<b>EBIT Contribution</b>					
Real Estate	6.7	53%	7.3	51%	
Rental	5.7	45%	6.8	48%	• More balanced residential-rental split on EBIT
Hotel	0.2	1%	0.2	1%	
Corporate & Elimination	0.0	0%	-0.1	-1%	
<b>Total EBIT</b>	<b>12.5</b>	100%	<b>14.2</b>	100%	• 13.6% EBIT growth

# GROWING RENTAL INCOME – DRIVEN BY OFFICE & COMMERCIAL LEASING

## Increasing Rental Income (in PhP billions)



## Rental

- P10bn in 2016
- P20bn in 2020
- Over 1 million GLA in 2016
- Over 2 million GLA in 2020

## Office

Excellent Tenant Base  
Quality & Quantity

- Over 130 tenants
- Blue-chip companies

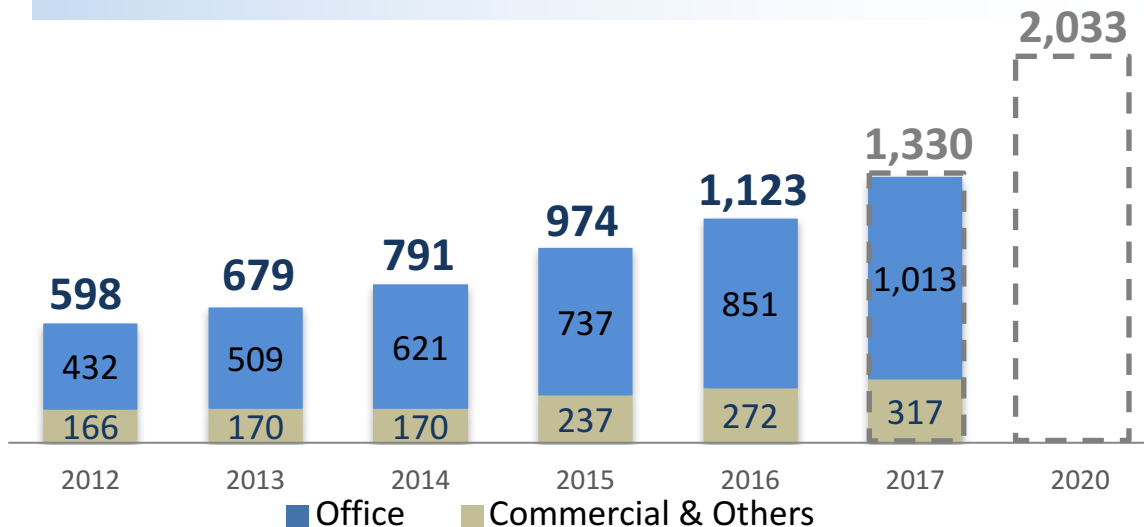
Healthy Pre-leasing

## Commercial

Captured Market  
Megaworld Lifestyle Malls

Top Retailers

## Rental portfolio ('000 sqm)





# OFFICE PIPELINE

## 2017

	Township	GLA (sqm)
Davao Finance Center	Davao Park District	26,000
Festive Walk BPO	Iloilo Business Park	15,000
One Town Square	Las Piñas	27,000
South East Asian Campus	McKinley Hill	50,200
Newport Square	Newport City	8,900
Southwoods BPO 2	Southwoods City	22,600
Pacific World Tower	The Mactan Newtown	<u>12,000</u>
		<b>161,700</b>

## 2018

Eastwood Global Plaza	Eastwood City	32,400
Two Techno Place	Iloilo Business Park	11,400
10 West Campus	McKinley West	36,300
World Commerce Place	Uptown Bonifacio	103,500
Southwoods BPO 1	Southwoods City	<u>23,300</u>
		<b>206,900</b>

## 2019

One Paseo
Capital Town BPO 1
Maple Grove BPO
Megaworld 808
Megaworld 810
One Le Grand Tower

## 2020

Capital Town BPO 2
IBP BPO10
Park West 1
Worldwide Plaza

## Township

## GLA (sqm)

Arcovia City	21,100
Capital Town	10,000
Maple Grove	20,000
Iloilo Business Park	16,300
Iloilo Business Park	17,100
McKinley West	<u>48,300</u>
	<b>132,800</b>

Capital Town	20,000
Iloilo Business Park	20,000
McKinley West	50,000
Uptown Bonifacio	<u>67,300</u>
	<b>157,300</b>



South East Asian Campus (2017)



World Commerce Place (2018)



One LeGrand Tower (2018)

# COMMERCIAL PIPELINE

## 2017

	Township	Gross floor area (sqm)	Leasable area (sqm)	Common area (sqm)
Arcovia Parade Retail 1 & 2	Arcovia City	62,800	45,000	17,800
Boracay Savoy	Boracay Newcoast			
San Lorenzo Place	Makati			
Three Central	Makati			
McKinley West BPO D, E, F	McKinley West			
Southwoods Mall	Southwoods City			

## 2018

Alabang West Retail & Landers	Alabang West	95,200	65,300	29,900
Arcovia Parade 3	Arcovia City			
Bayshore Retail 1	Bayshore			
Boracay Belmont	Boracay Newcoast			
Festive Walk Annex	Iloilo Business Park			
Festive Walk Mall	Iloilo Business Park			
LaFuerza Retail	Las Piñas			
Mactan Newtown Beach – Phase 1	The Mactan Newtown			
Uptown Residences	Uptown Bonifacio			



Southwoods Mall (2017)

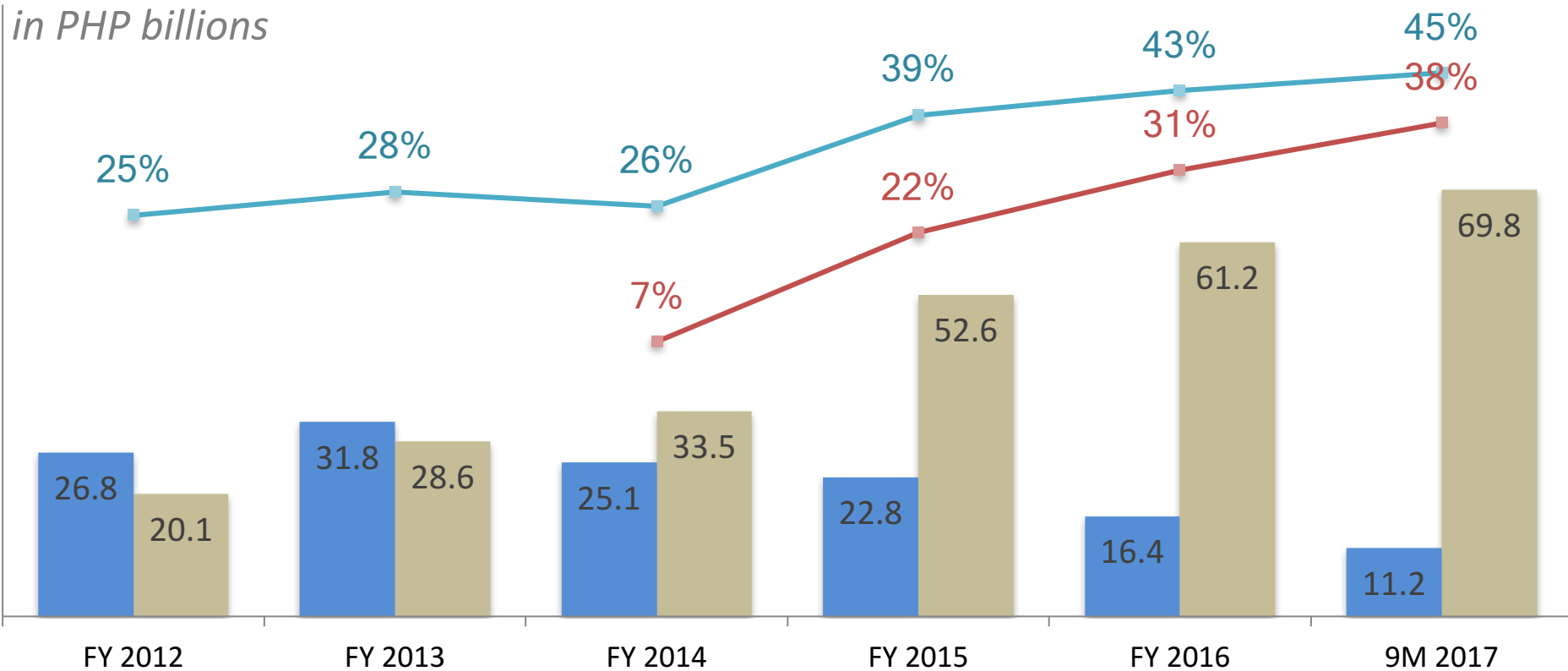


Festive Walk Mall (2018)

2019	Township	Gross floor area (sqm)	Leasable area (sqm)	Common area (sqm)
Plaza de Emperador	Arcovia City	54,400	36,500	17,900
Boracay Chancellor	Boracay Newcoast			
Clocktower	Davao Park District			
Colonade	Davao Park District			
The Pad	Shaw			
The Guesthouse	The Upper East			
Uptown Parksuites	Uptown Bonifacio			
2020				
Arcovia Retail – Block 5	Arcovia City	170,300	104,400	65,900
Arrival	Boracay Newcoast			
Beachfront	Boracay Newcoast			
Capital Town Retail – Block 4	Capital Town			
Governor’s Hills	Cavite			
Art Deco	Davao Park District			
San Antonio Residences	Makati			
Maple Grove Retail – Phase 1	Maple Grove			
Northhill Gateway Retail – Phase 1	Northhill Gateway			
Mactan Newtown Beach – Phase 2	The Mactan Newtown			

# SOLID BALANCE SHEET

in PHP billions



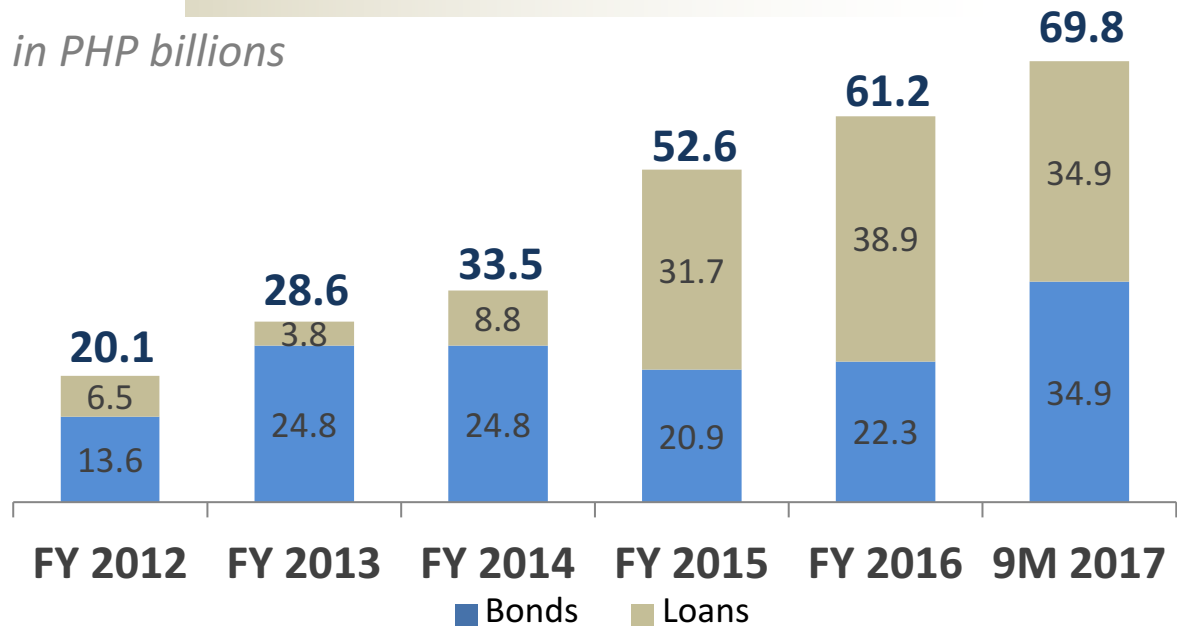
■ Total Borrowings    
 ■ Cash & Cash Equivalents    
 —■ Det to Equity    
 —■ Net Debt to Equity

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	9M 2017
<b>Debt to Equity</b>	25%	28%	26%	39%	43%	45%
<b>Net Debt to Equity</b>	Net Cash	Net Cash	7%	22%	31%	38%

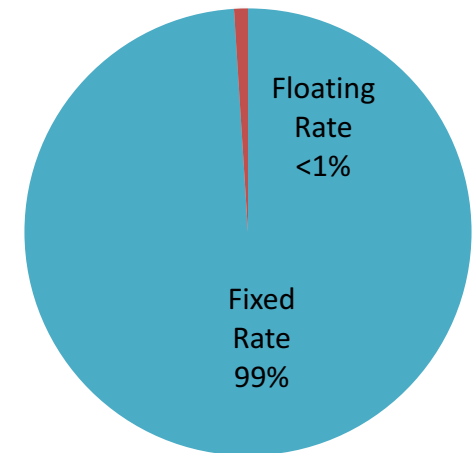
# DEBT MATURITY PROFILE

## Borrowings

in PHP billions



## Loans



Bonds	Coupon Rate	Date Issued	Maturity
\$250,000,000	4.25%	April 2013	2023
\$200,000,000	6.75%	April 2011	2018
₱12,000,000,000	5.35%	March 2017	2024

Loans	Ave. Rate	Year Issued	Maturity
₱34,938,512,191	~5.00%	Various	Various

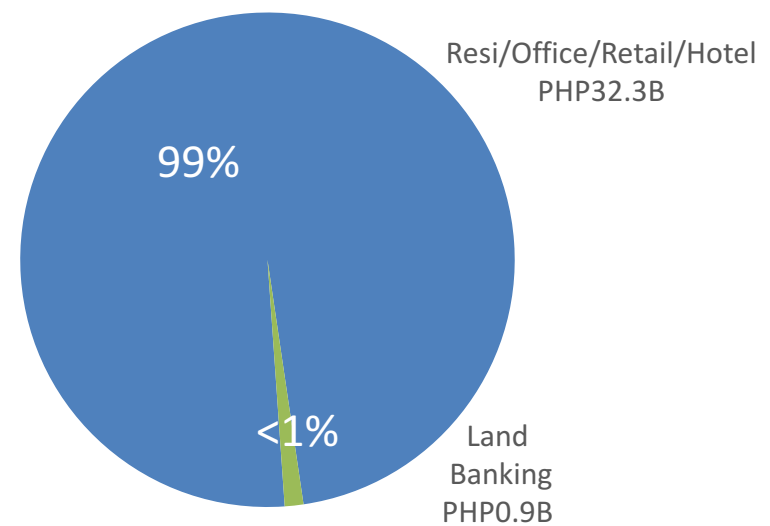
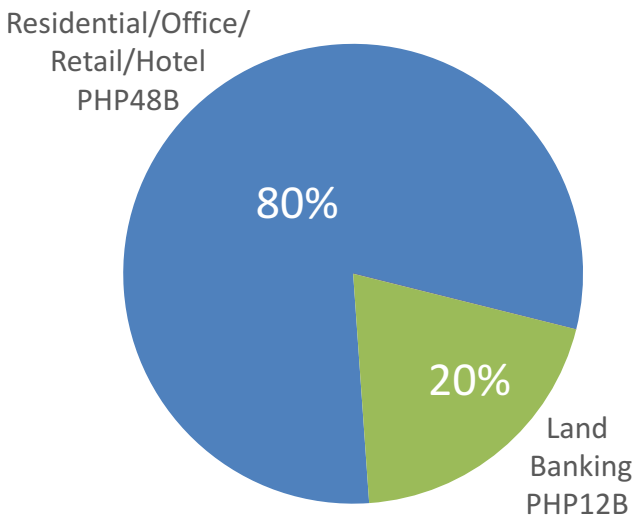
5-YEAR CAPEX PLAN  
PHP285.8B UNTIL 2019

**PHP285.8B**



**2017 CAPEX Budget**

**9M 2017 CAPEX Spending**



# PHILIPPINE'S PREMIER TOWNSHIP DEVELOPER AND PIONEER OF THE "LIVE-WORK-PLAY-LEARN" LIFESTYLE

Megaworld ■  
 GERI ■  
 Suntrust ■



Total of  
**22 Townships**  
 Covering  
**3,704 hectares**

\*Launched in 2016

- Diversified township roster
  - 22 townships across the country
  - Growing contributions from outside MM
- High residential base
  - High blended GPM at ~46%
  - 9M 2017 presales at P80.5bn (P90bn E2017 guidance)
  - 9M 2017 launches at P23.3bn (P30bn E2017 guidance)
- Growing high margin rental business
  - Rental EBIT margin at 75%
  - 2017 Target: P12bn
  - 2020 Target: P20bn





  
**MEGAWORLD**

End of Presentation





  
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 9M 2017

