



MEGAWORLD

FIRST QUARTER 2023

ANALYST BRIEFING

FINANCIAL UPDATE

PERFORMANCE UPDATE

| In PHP Billions | | | YoY | QoQ | |
|----------------------------|------|------|-------|------|-------|
| | 1Q23 | 1Q22 | % Chg | 4Q22 | % Chg |
| REVENUES | 16.2 | 13.1 | 24% | 17.1 | -5% |
| COSTS & EXPENSES | 11.7 | 9.6 | 21% | 11.4 | 3% |
| EBITDA* | 6.5 | 6.0 | 8% | 7.5 | -13% |
| NET PROFIT | 4.6 | 3.5 | 30% | 5.7 | -20% |
| ATTRIBUTABLE PROFIT | 4.1 | 3.1 | 33% | 5.1 | -19% |
| GROSS PROFIT MARGIN | 49% | 49% | | 51% | |
| EBITDA MARGIN* | 42% | 46% | | 44% | |
| ATTRIBUTABLE PROFIT MARGIN | 25% | 23% | | 30% | |

Strong YoY topline growth across all business segments led mainly by continued pick up in economic activity and mobility.

Increase in costs and expenses as the Company accelerates its activities

This quarter marks the full recovery from pre-pandemic revenues and earnings

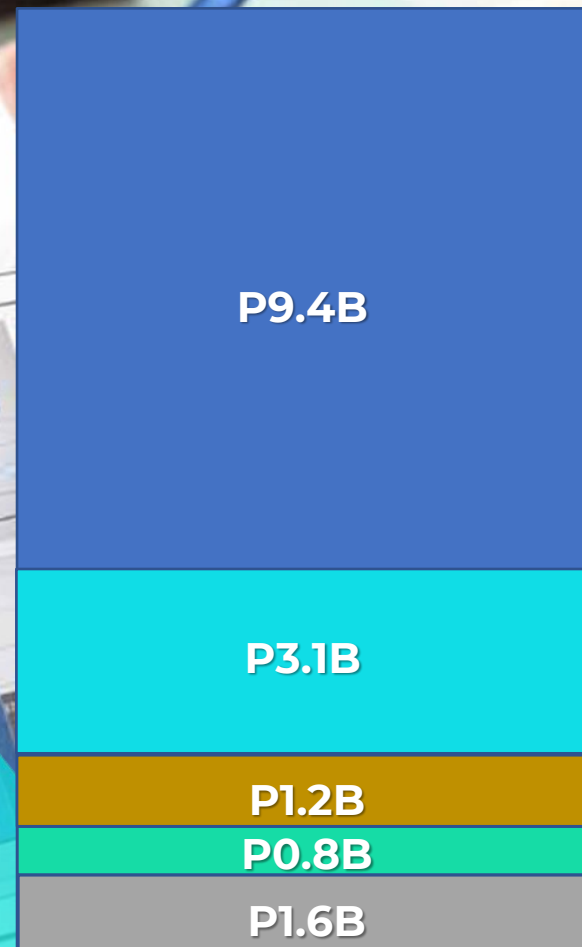
*Excluding FX translation adjustments

REVENUE BREAKDOWN

P16.2B

TOTAL REVENUES 24%

- REAL ESTATE SALES** 17%
 Improved construction activity, higher completion rate
- OFFICE RENTALS** 5%
 Growing transactions from BPOs/ traditional
- MALL RENTALS** 73%
 Increased mall spending and complete removal of rental concessions starting Jan 1, 2023
- HOTEL OPERATIONS** 62%
 Sharp pick up in domestic tourism, MICE activities
- OTHER INCOME** 87%



STRONG BALANCE SHEET

P95.7 BILLION

GROSS DEBT

P69.8B

NET DEBT

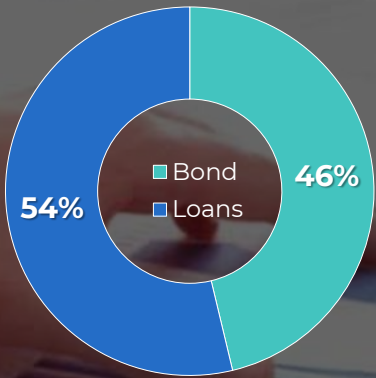
28.5%

NET DEBT / EQUITY

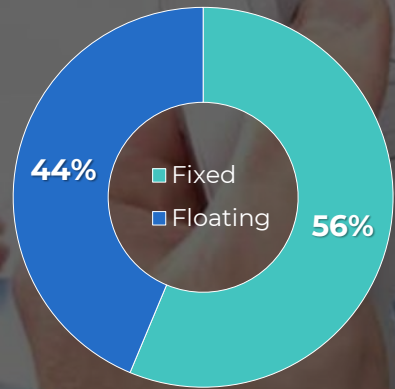
P12.2B

CAPEX SPENDING

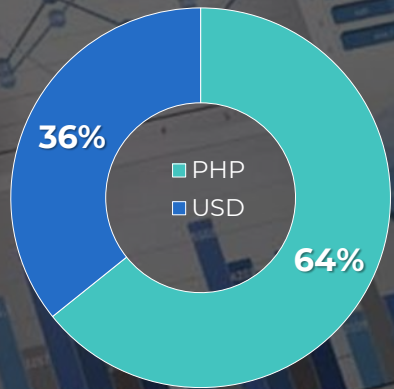
TYPE OF DEBT



INTEREST RATE



CURRENCY



MATURED BOND

USD 250M

80% of the \$250 million bond has been refinanced through a dollar loan that will mature in 2028 with an interest rate of 4.64% p.a.

The remaining 20% of the bond was paid in cash.

1Q2023

P95.7B

GROSS DEBT

64%

PHP

36%

USD

POST TRANSACTION

P93.0B

GROSS DEBT

66%

PHP

34%

USD



OPERATIONAL UPDATE

REAL ESTATE

P9.4B

REAL ESTATE SALES

↑17% YoY

P39.6B

RESERVATION SALES

vs P130B FY2023 Target

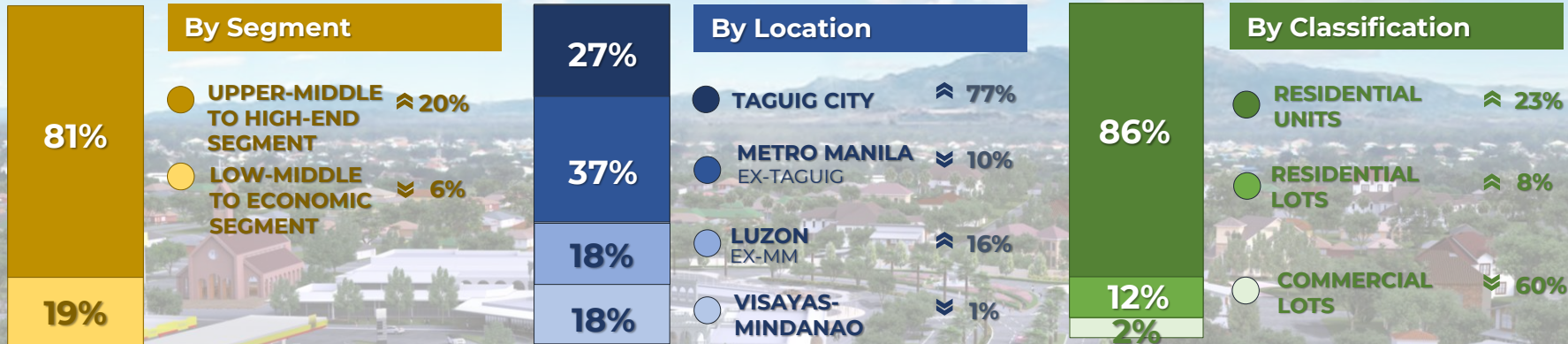
P13.9B

PROJECT LAUNCHES

vs P60B FY2023 Target

P9.4 BILLION

REAL ESTATE SALES



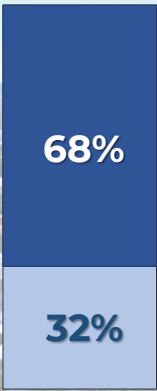
P72.6 BILLION

PROJECTS FOR TURNOVER THIS YEAR

100%

By Segment

- UPPER-MIDDLE TO HIGH-END SEGMENT
- LOW-MIDDLE TO ECONOMIC SEGMENT



By Location

- METRO MANILA
- PROVINCIAL

100%

By Classification

- VERTICAL
- HORIZONTAL

P39.6 BILLION

RESERVATION SALES

Buyers' Profile

75%

● LOCAL

● FOREIGN

25%

By Location

69%

● METRO MANILA

● PROVINCIAL

31%

By Classification

77%

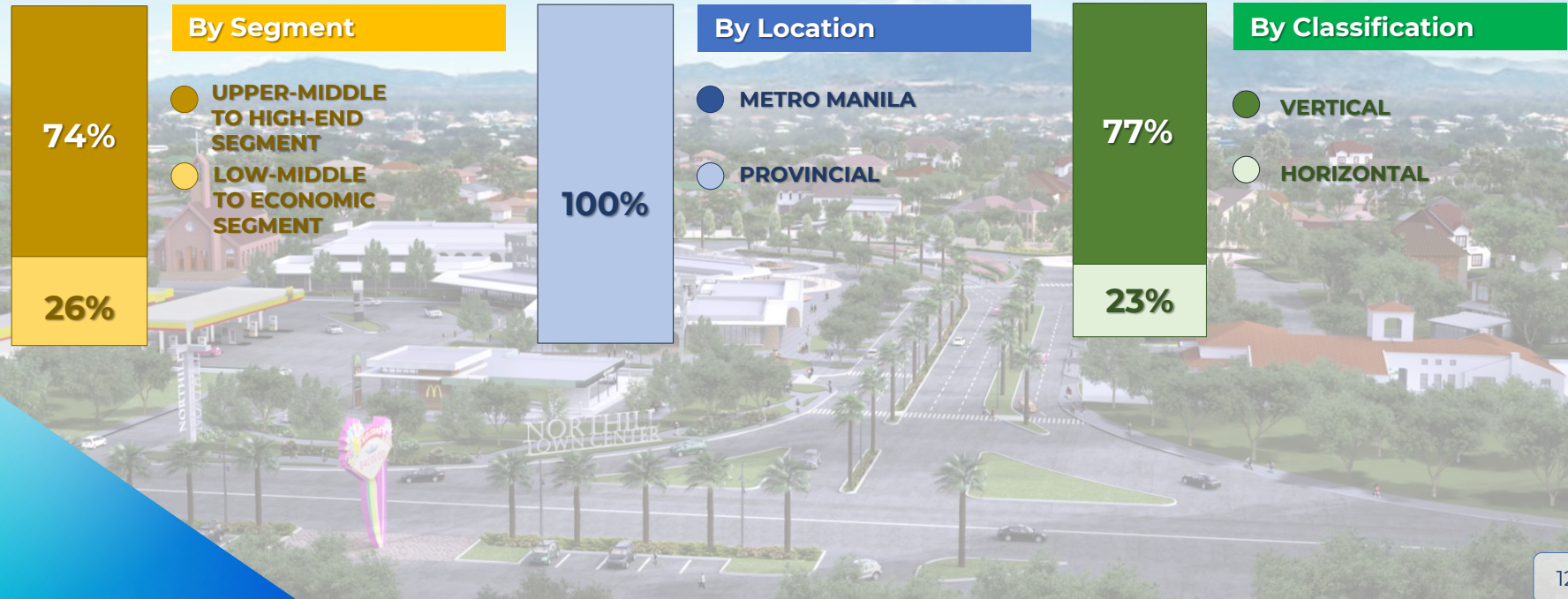
● VERTICAL

● HORIZONTAL

23%

P13.9 BILLION

PROJECT LAUNCHES



1Q 2023 LAUNCHES



SAVOY HOTEL PALAWAN

 Paragua Coasttown,
San Vicente Palawan

P4.2 BILLION
Project Value

14,000
Saleable Area

86%
Percentage Sold

1Q 2023 LAUNCHES



OCEAN GARDEN VILLAS – CLUSTER C

 Boracay Newcoast,
Malay Aklan

P849 MILLION
Project Value

3,300
Saleable Area

66%
Percentage Sold

1Q 2023 LAUNCHES



POSITANO MACTAN

 The Mactan Newtown,
Cebu

P2.0 BILLION

Project Value

8,000

Saleable Area

7%

Percentage Sold



PREMIER OFFICES

OFFICE RENTALS

↑5% YoY

P3.1B

OFFICE GLA

SQM

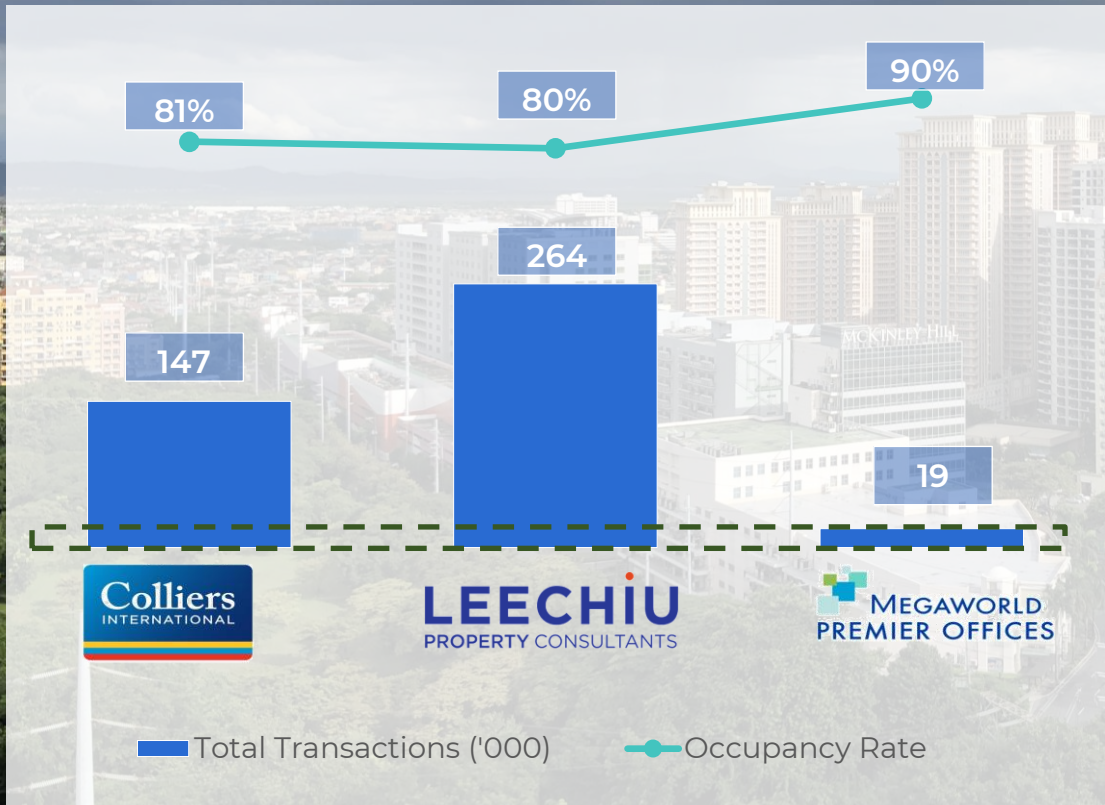
1.4M

OCCUPANCY RATE

vs 92% in 2022

90%

NEW LEASES vs OCCUPANCY



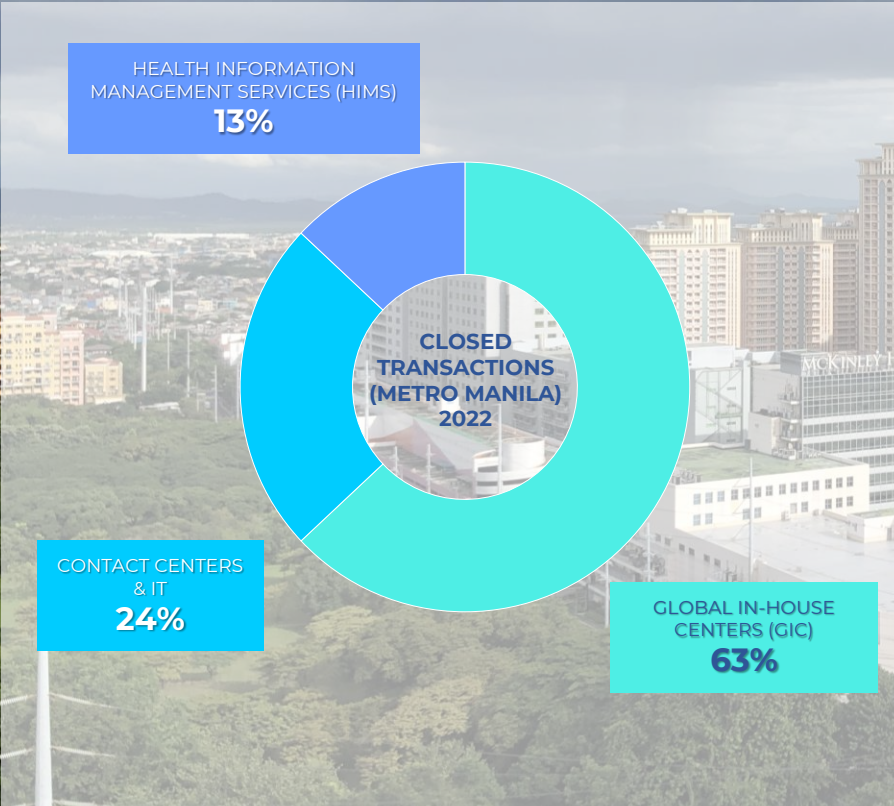
Megaworld Premier Offices captured up to **13%** of the reported **new leases** in the market.

Total closed transactions reached **19,000 sqm**, **84%** of the transactions closed are renewals

Occupancy rate still remains higher than industry at **90%**

Source: IQ2023 Brokers report and disclosures

FUTURE OF BPO INDUSTRY IN PH



- Demand from BPOs remains positive despite challenges and evolving trends
- The industry is shifting its attention to more valuable services in order to remain competitive and meet the needs of an increasingly global customer base.
- Work from home (WFH) arrangements may not be sustainable for high-valued BPO services

Source: Colliers article - BPO situationer Part 3

OFFICE PORTFOLIO



74%
BPO



18%
TRADITIONAL

3.5 YRS
weighted average lease expiry



5%
POGO



3%
SERVICED

90%
renewal rate

LIFESTYLE MALLS

P1.2B

MALL RENTALS

↑73% YoY

484

MALLS GLA

'000 SQM

90%

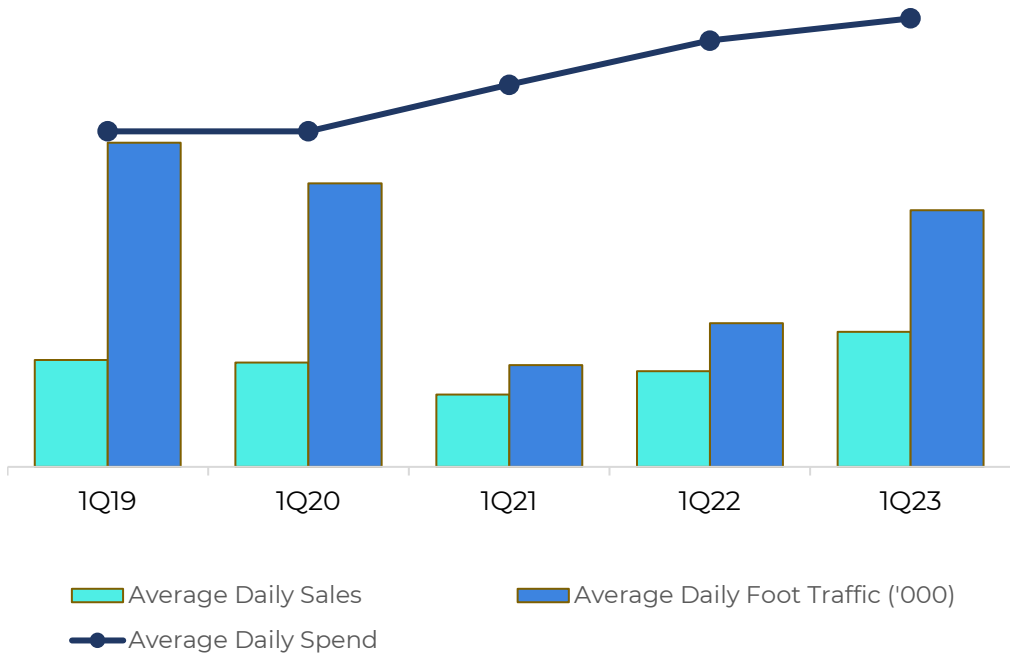
OCCUPANCY RATE

vs 90% in 2022

IMPROVING RETAIL PERFORMANCE

P548
 AVERAGE DAILY SPEND
 (\uparrow 5% vs 1Q2022)

209,000
 AVERAGE DAILY FOOT TRAFFIC
 (\uparrow 80% vs 1Q2022)



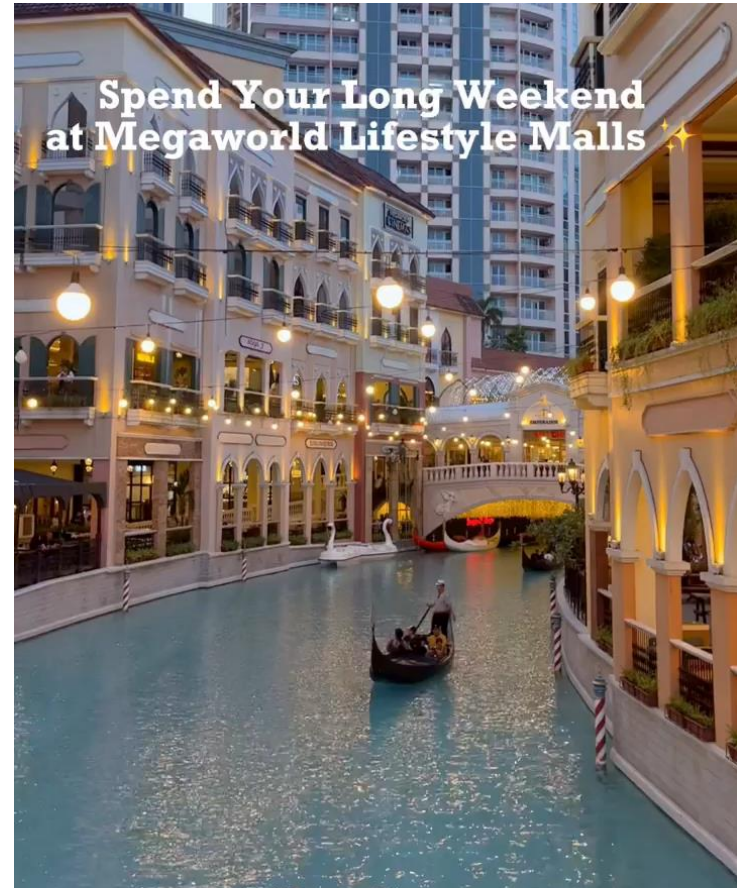
Mall revenues improved as daily spend reach **34%** higher than 2019

100% rental collection beginning Jan 1, 2023

Total tenant sales is now **127%** of pre-pandemic

REINVENTING THE DESTINATION MALL LANDSCAPE

- Unique and captivating environment with thematic designs, vibrant landscape that integrates entertainment and leisure options
- Wide array of attractions such as amusement parks, indoor/outdoor adventure zones, art installations and interactive exhibits
- These attractions contribute to each visit being a memorable and engaging encounter for visitors of all ages



HOTELS & RESORTS

HOTEL REVENUES | **P813M**
↑62% YoY

ROOM KEYS | **4,713**

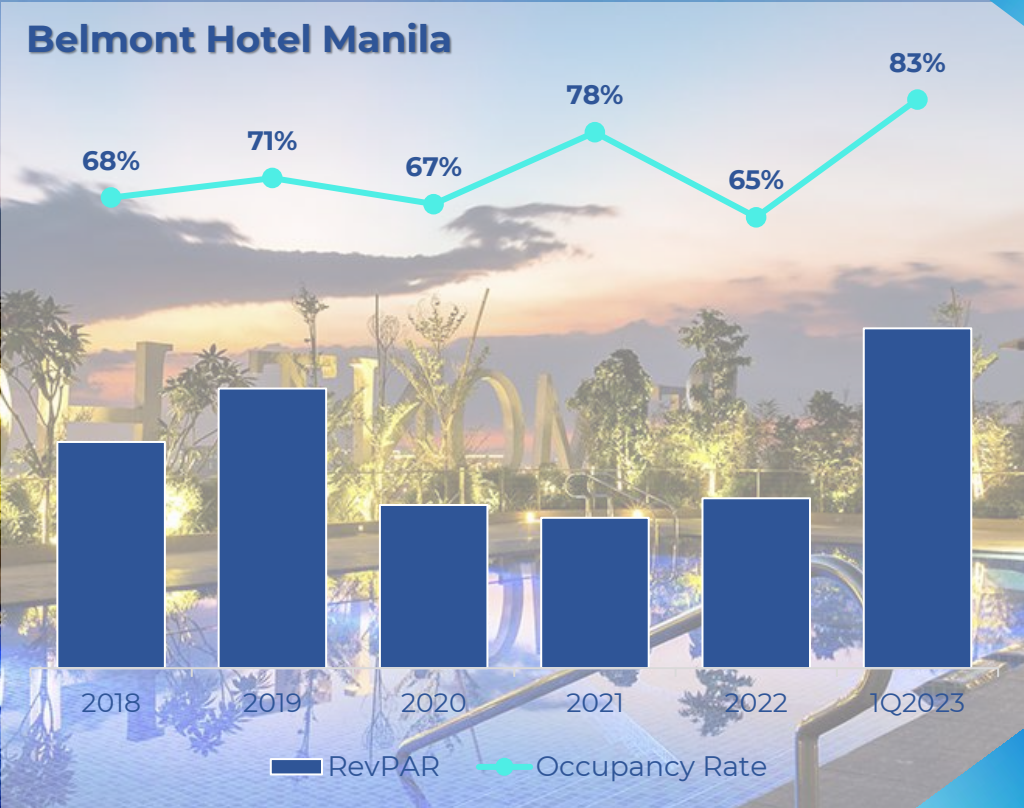
OCCUPANCY RATE | **66%**
vs 64% in 2022 (Metro Manila)

BEST PERFORMING HOTEL

Effective pricing strategies allowed for almost doubling of average daily rates vs pre-pandemic level

Intentional brand building efforts lead to improved occupancy rates.

Easing of restrictions and resumption of MICE activities also contributing factor in Improved performance



MAXIMIZING HOTEL PROFIT

- a cost-effective and sustainable initiative for Megaworld Hotels
- worked with DownToEarthPH to create vertical food gardens
- This project grows lettuce, mustard, chili, tomatoes, and other greens with decorative plants that surround the hotel's pool area

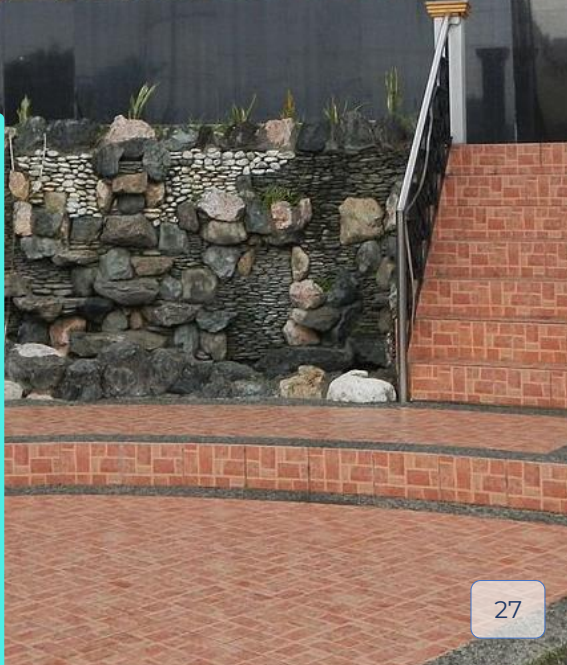
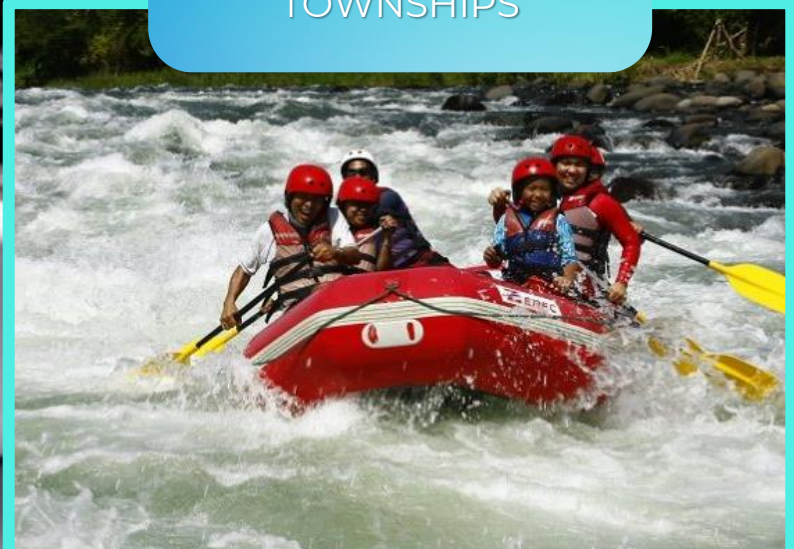




2023 AND BEYOND



3
TOWNSHIPS





P55B

CAPEX BUDGET

P60B

PROJECT LAUNCHES

P130B

RESERVATION SALES

OFFICE PIPELINE

209,400

gross leasable area (sqm)

| PROJECT NAME | TOWNSHIP | GLA | YR |
|------------------------------|-----------------------------------|--------|-----------|
| No. 1 Upper East | The Upper East, Bacolod City | 8,600 | 2023 |
| International Finance Center | Uptown Bonifacio, Taguig City | 69,000 | 2023 |
| Enterprise 1 & 2 | Iloilo Business Park, Iloilo City | 66,600 | 2024-2025 |
| Pasudeco Tower | The Capital Town, Pampanga | 10,800 | 2025 |
| Two McWest | McKinley West, Taguig City | 54,400 | 2026 |

MALLS PIPELINE

159,500

gross leasable area (sqm)

| PROJECT NAME | TOWNSHIP | GLA (sqm) | YR |
|----------------------------|---------------------------------|-----------|------|
| D' Olive | Eastland Heights, Antipolo City | 5,400 | 2023 |
| Davao Whisky Park | Davao Park District, Davao City | 3,000 | 2023 |
| Park McKinley West | McKinley West, Taguig City | 7,000 | 2023 |
| Boracay Newcoast Beachwalk | Boracay Newcoast, Aklan | 31,500 | 2025 |
| The Capital Mall | The Capital Town, Pampanga | 32,200 | 2025 |
| Maple Grove Commercial | Maple Grove, Cavite | 31,700 | 2025 |
| Highland Mall and Park | Highlands City, Cainta Rizal | 35,000 | 2026 |
| Upper East Mall | The Upper East, Bacolod City | 13,700 | 2026 |

HOTELS PIPELINE

3,159
room keys

| PROJECT NAME | TOWNSHIP | ROOMS | YR |
|-----------------------------|--------------------------------------|-------|------|
| Chancellor Hotel Boracay | Boracay Newcoast, Aklan | 554 | 2023 |
| Grand Westside Hotel | Westside City, Paranaque City | 1,530 | 2023 |
| Belmont Hotel Iloilo | Iloilo Business Park, Iloilo City | 405 | 2026 |
| Kingsford Hotel Bacolod | The Upper East, Bacolod City | 208 | 2028 |
| Savoy Hotel Palawan | Paragua Coastown, Palawan | 462 | 2028 |

KEY TAKEAWAYS

- REAL ESTATE**
Renewed demand for residential units in Metro Manila paired with provincial strength; revenues now back to 2019 levels
- OFFICES**
Higher than industry occupancy and improving revenues
- LIFESTYLE MALLS**
Surge in rental income driven was by the removal of rent concessions and higher tenant sales
- HOTELS**
Hotel revenues continue to grow beyond pre-pandemic levels on tourist and MICE activities

OUTLOOK

- REAL ESTATE**
Continued improvement of real estate revenues is expected on the back of the increase in construction activities
- OFFICES**
High tenant retention and continued rent escalations despite the challenges in the office segment
- LIFESTYLE MALLS**
Mall rent is expected to improve sequentially on the back of higher operational occupancy and full rent collection
- HOTELS**
Expect hotel growth to continue in line with expected improving international tourist arrivals and MICE activities



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