



IR Kit
1H 2017

 **ALLIANCE GLOBAL**

AGI PM
USD 3.1b



MEGAWORLD

67%

MEG PM
USD 3.2b

Real Estate

Pioneer township developer
and leading BPO/office
landlord in the Philippines



EMPERADOR INC.

81%

EMP PM
USD 2.4b

Liquor

Largest brandy company in
the world

TRAVELLERS
INTERNATIONAL

44%

RWM PM
USD 1.1b

Gaming

First integrated resort in the
Philippines



49%

**Not
Listed**

QSR

Second in the Philippine
QSR industry

MEGAWORLD STRUCTURE

A streamlined vehicle for AGI's property interests



MEGAWORLD

Township Development

Upper-middle to high income
mostly in Metro Manila
PHP3m – 30m (USD75k – 750k)
Price range (per unit)

Office and commercial
Mostly BPO and *Lifestyle Malls*



GLOBAL-ESTATE RESORTS, INC.

82%

GERI PM
USD 367m

Tourism estate developments

PHP3m – 12m (USD75k – 300k)
Price range (per unit)



Empire East

82%

ELI PM
USD 205m

Middle-income

PHP1.5m – 4m (USD37.5k – 100k)
Price range (per unit)



SUNTRUST

100%

**Not
Listed**

Affordable/economic

PHP800K – 3m (USD20k – 75k)
Price range (per unit)

KEY MESSAGES

Township dominance

- Pioneers of “Live-Work-Play-Learn” concept
- Diversified roster; inline with the direction of the government of regional growth
- 22 Townships:
 - 4 in Fort Bonifacio
 - 6 in MM (ex-Fort Boni)
 - 5 in Luzon (ex-MM)
 - 6 in Visayas
 - 1 in Mindanao

Strategic land bank

- Expansive land bank across 3 main regions of the country
- No pressure to acquire land at unreasonable prices
- Can last for the next 10-15 years

Excellent management



MEGAWORLD

Excellent track record proving stability and sustainability

Rental income growth

- Best position to capture BPO industry growth
- #1 BPO landlord in the PH
- High margin business
- P12bn rental income in 2017
- P20bn rental income in 2020

Strong financials

- Strong balance sheet
- Low gearing vs industry standard
- Able to withstand downturns
- Able to seize opportunities



MEGAWORLD

362 ha



SUNTRUST

172 ha



3,356 ha



Empire East

404 ha



GLOBAL-ESTATE RESORTS, INC.

2,418 ha

UNMATCHED TOWNSHIP DEVELOPMENTS IN METRO MANILA



105 hectares – unmatched scale in Fort Bonifacio, one of the largest CBDs in Manila

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

Megaworld ■
 GERI ■
 Suntrust ■

35.6 ha

CAPITAL TOWN
MANAYUN

5 ha

Forbes Town Center

50 ha



McKINLEY HILL

34.5 ha



MCKINLEY WEST

15.4 ha

UPTOWN
BONIFACIO

31 ha

WESTSIDE CITY

140 ha

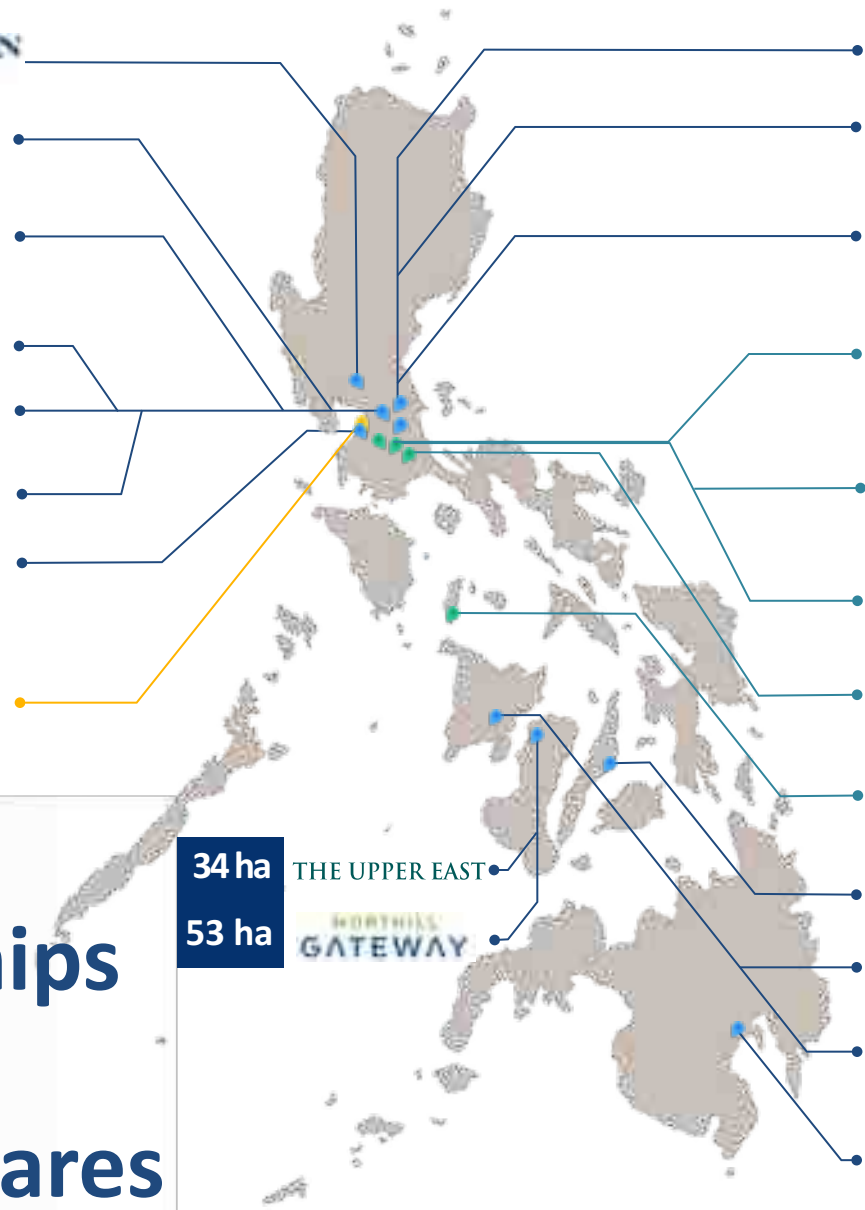
Maple Grove*

350 ha

SUNTRUST
ECOTOWN
TANZA

Total of
22 Townships
 Covering
3,704 hectares

*Launched in 2016



EASTWOOD CITY

18.5 ha

Arcadia City

12.4 ha



NEWPORT CITY

25 ha

EASTLAND HEIGHTS*

640 ha



62 ha

SOUTHWOODS CITY

561 ha



TWIN LAKES

1,200 ha

BORACAY NEWCOAST

150 ha

THE MACTAN NEWTOWN

30 ha

ILOILO
BUSINESS PARK

72 ha

Sta. Barbara Heights

173 ha

DAVAO
PARK DISTRICT

11 ha

34 ha

THE UPPER EAST

53 ha

SMITH HILL
GATEWAY

RESIDENTIAL BUSINESS CYCLE

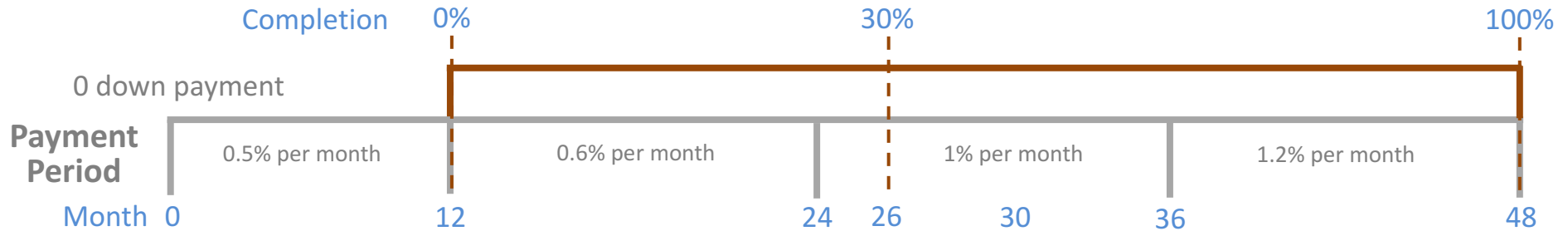
Tried and tested model

1. Affordable and flexible
2. Self-funding
3. Conservative booking
4. Secured by post dated checks

Typical Payment Scheme

- Total contract price: P10m
- 60% Amortized Payments: P6m
 - Monthly: step up per year
 - 5% per anniversary date: P500k
 - 40% Turnover Balance: P4m

Construction Period



Monthly payments	50k (0.5%)	500k (5%) lump sum	60k (0.6%)	500k (5%) lump sum	100k (1%)	500k (5%) lump sum	120k (1.2%)	500k (5%) lump sum
Annual payments	P1.1m (11%)		P1.2m (12%)		P1.7m (17%)		P2m (20%) + P4m (40%)	
Cumulative payment	P1.1m (11%)		P2.3m (23%)		P4m (40%)		P10m (100%)	

~70% presold

25% booking threshold

Real Estate Sales	P10m
Cost of RES	(P6m)
Gross Profit	P4m
Deferred GP	(P2.8m)
Realized GP	P1.2m

To be realized based on percentage of completion

DIVERSIFIED REAL ESTATE SALES MIX

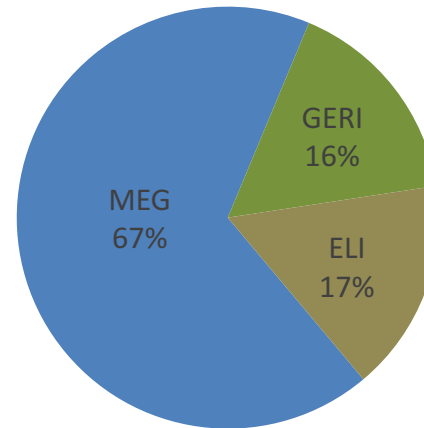
in PHP billions

1H 2016 (%sales)

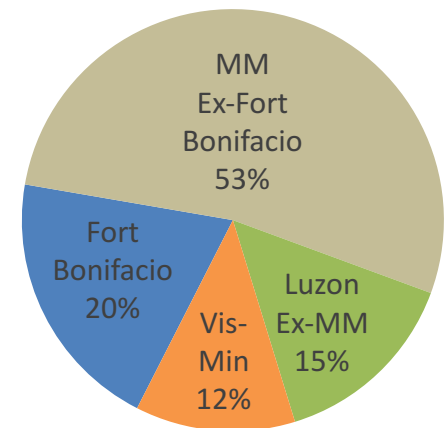
1H 2017 (%sales)

	1H 2016	(%sales)	1H 2017	(%sales)
MEG	9.1	67%	9.2	67%
Taguig	3.2	24%	2.8	20%
Makati	1.1	8%	1.9	14%
Pasay&Parañaque	2.0	15%	1.0	8%
Quezon City	0.7	5%	0.8	6%
Manila	0.1	1%	0.2	1%
Cavite	>0.1	0%	0.1	0%
Cebu	0.2	1%	0.2	1%
Iloilo	0.5	4%	0.4	3%
Bacolod	0.1	0%	0.1	1%
Other Subs	1.3	10%	1.9	14%
GERI	2.1	16%	2.1	16%
ELI	2.3	17%	2.3	17%
TOTAL	13.4	100%	13.6	100%

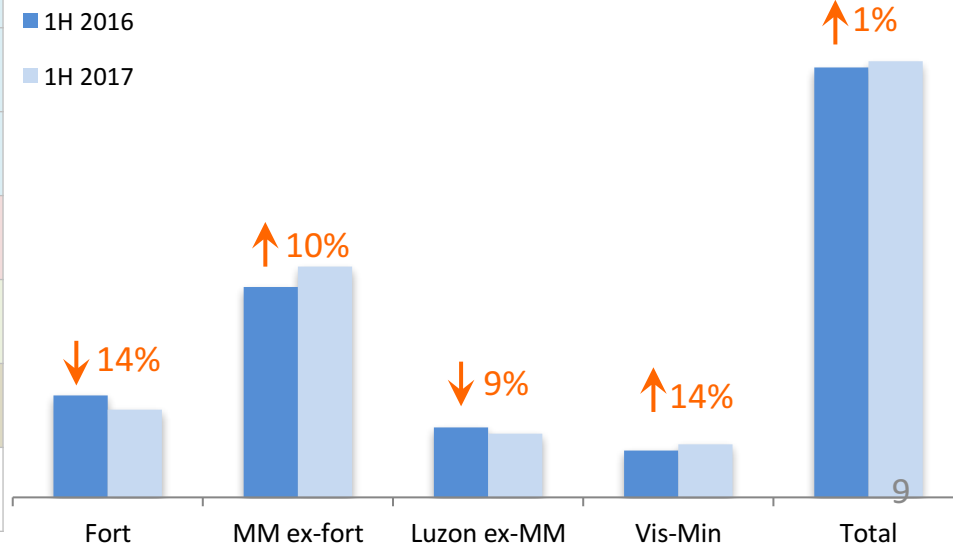
1H 2017 Per Brand



1H 2017 Per Location



Year-on-Year Growth per Area



STABLE OVERALL RESIDENTIAL MARGINS

<i>In PHP billions</i>	1H 2016	1H 2017	%change
Real Estate Sales (RES)	13.4	13.6	1.4%
+Interest income on Real Estate Sales	0.6	0.6	-0.2%
Total RES	14.0	14.2	1.4%
-Cost of RES	7.6	7.7	1.0%
Gross Profit on RES	6.4	6.5	1.8%
Gross Profit Margin	45.7%	45.8%	+10bps
-Deferred Gross Profit	2.7	2.3	-17.1%
Realized Gross Profit	3.7	4.3	15.7%
+Realized Gross Profit On Prior Years' Sales	2.1	2.2	5.8%
Total Realized Gross Profit	5.8	6.5	12.2%

- Steady high blended GPM
- Healthy increase in total realized gross profit from continued project completion

INVESTMENT PROPERTIES

High margin and yielding business

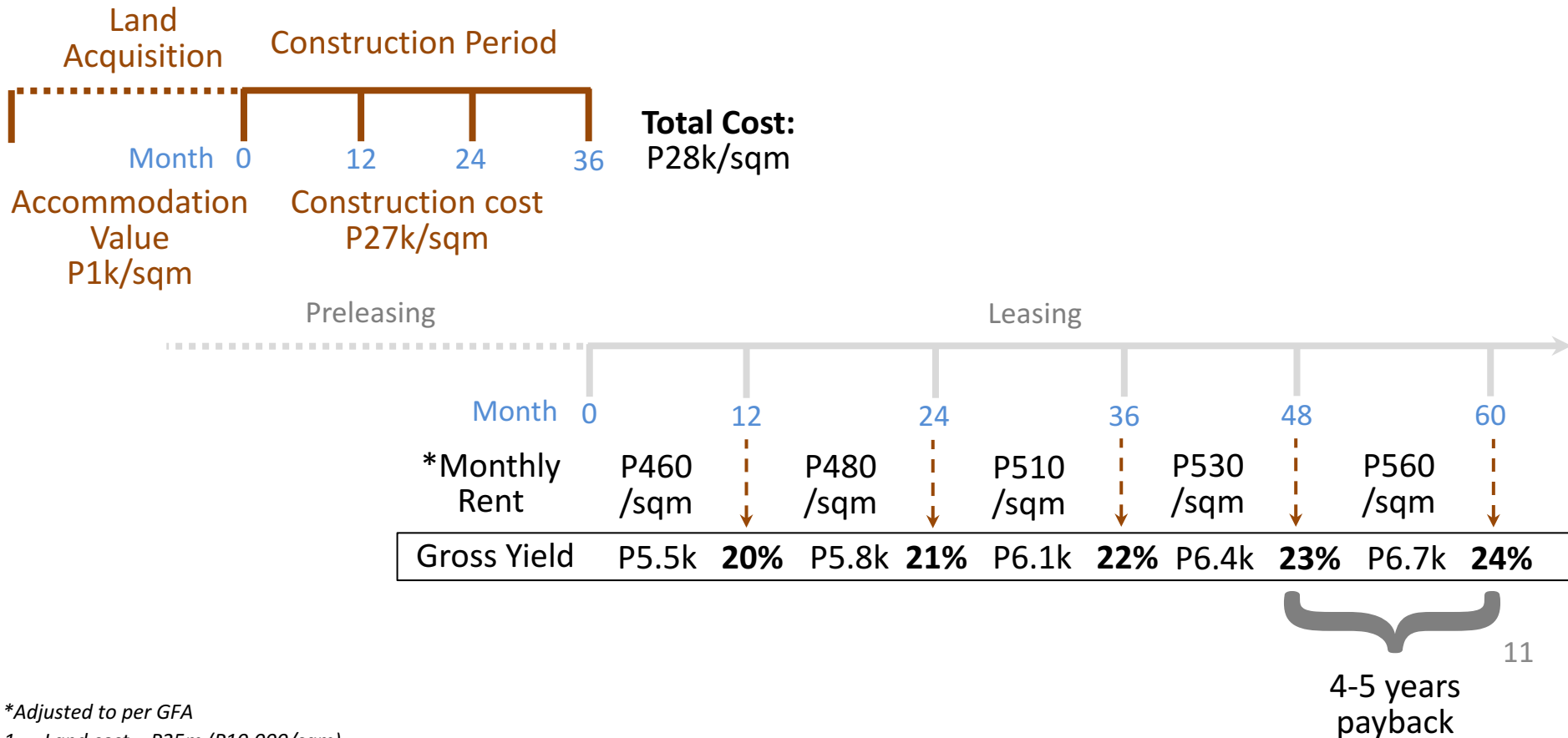
eCommerce (Eastwood City)

GFA: 22,600 sqm

GLA: 21,000 sqm

Construction per sqm: P27k/sqm

Accommodation Value: P1k/sqm



*Adjusted to per GFA
 1. Land cost = P25m (P10,000/sqm)
 2. Construction cost = P610m

INVESTMENT PROPERTIES

High margin and yielding business

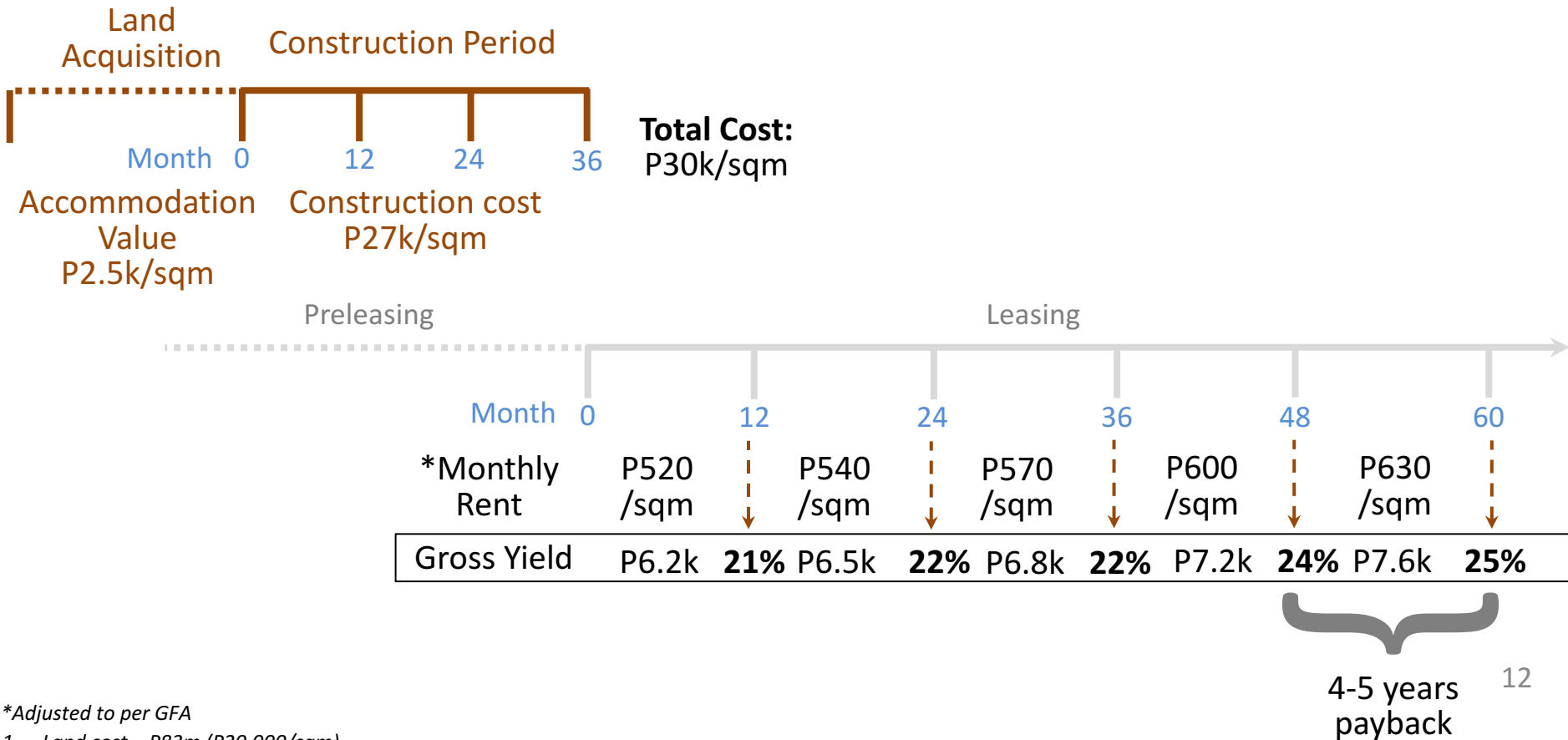
One World Square (McKinley Hill)

GFA: 33,000 sqm

GLA: 29,200 sqm

Construction per sqm: P27k/sqm

Accommodation Value: P2.5k/sqm



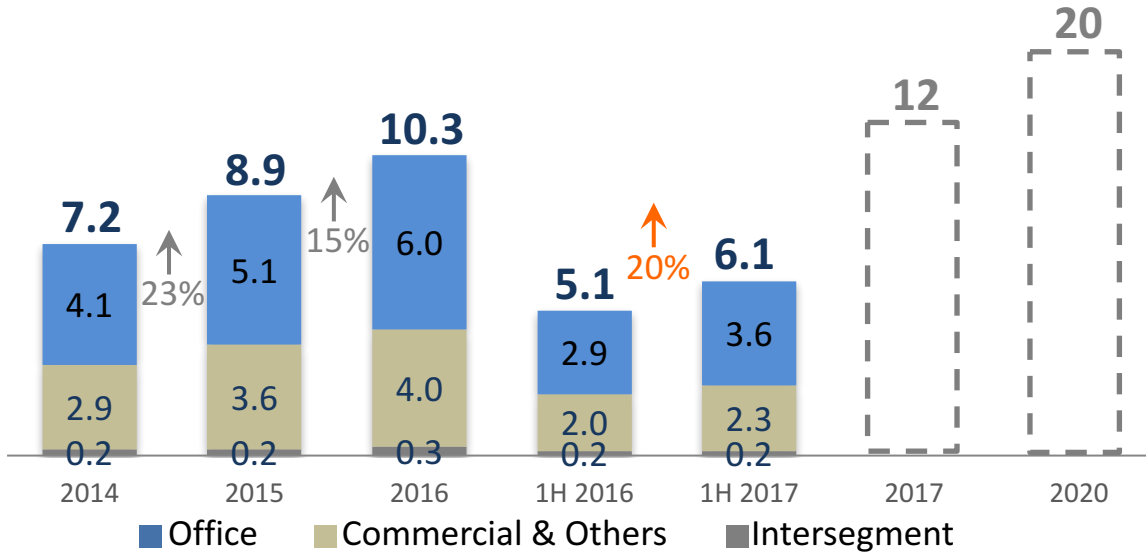
*Adjusted to per GFA

1. Land cost = P83m (P20,000/sqm)

2. Construction cost = P905m

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

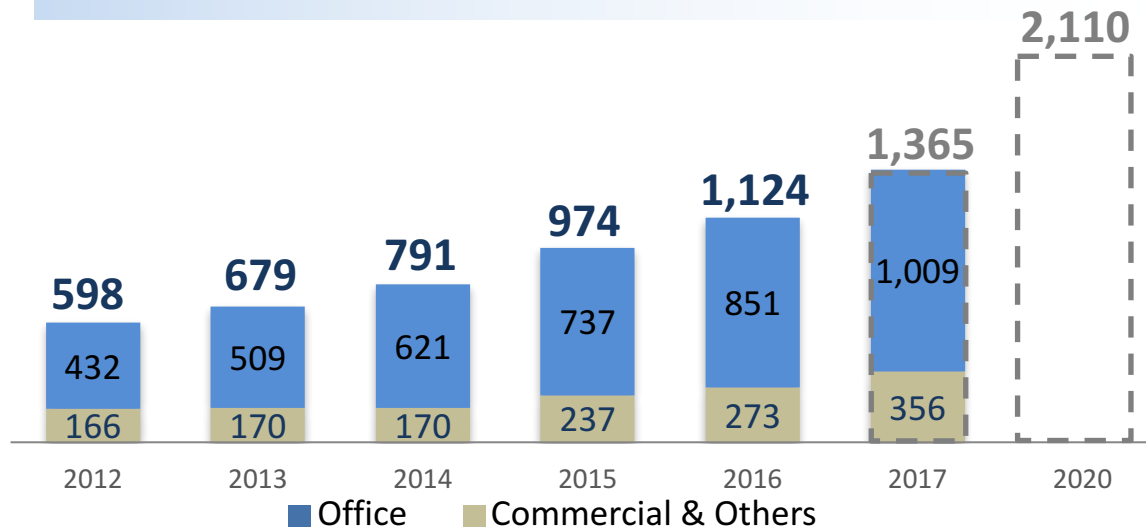
Healthy Pre-leasing

Commercial

Captured Market
Megaworld Lifestyle Malls

Top Retailers

Rental portfolio ('000 sqm)



GROWING RENTAL INCOME – HIGH MARGIN BUSINESS

<i>In PHP billions</i>	1H 2016	1H 2017	%change
Revenues			
Rental	4.8	5.8	20.3%
Intersegment Sales	0.2	0.2	0.7%
Total Rental Revenues	5.0	6.0	19.7%
-Operating Expense	1.3	1.5	16.9%
Rental EBIT	3.7	4.5	20.7%
Rental EBIT Margin	74.5%	75.1%	+60bps

- Total rentals in line with FY target

- Strong and steady rental EBIT Margin

<i>In PHP billions</i>	1H 2016	% share	1H 2017	% share
EBIT Contribution				
Real Estate	4.0	51%	4.7	51%
Rental	3.7	47%	4.5	49%
Hotel	0.1	2%	0.1	1%
Corporate & Elimination	0.0	0%	-0.1	-1%
Total EBIT	7.8	100%	9.2	100%

- 50/50 split on EBIT

OFFICE PIPELINE

2017

	Township	GLA (sqm)
Davao Finance Center	Davao Park District	30,000
Two Techno Place	Iloilo Business Park	9,000
One Town Square	Las Piñas	20,000
South East Asian Campus	McKinley Hill	50,000
Southwoods BPO 1 & 2	Southwoods City	37,000
Pacific World Tower	The Mactan Newtown	<u>12,000</u>
		158,000

2018

Two Paseo	Arcovia City	43,000
One Republic Plaza	Davao Park District	20,000
Emperador House	Davao Park District	10,000
Eastwood Sky Plaza 1	Eastwood City	20,000
Eastwood Global Plaza	Eastwood City	32,000
Festive Walk BPO	Iloilo Business Park	12,000
BPO 6	Iloilo Business Park	9,000
10 West Campus	McKinley West	34,000
The Upper East BPO	The Upper East	<u>30,000</u>
		210,000

2019

One Paseo	
BPO 7	
World Commerce Plaza	

2020

The Capital BPO	
Eastwood Sky Plaza 2	
BPO 8	
Maple Grove BPO	
Park West 1	
Block 3	

Township	GLA (sqm)
Arcovia City	43,000
Iloilo Business Park	9,000
Uptown Bonifacio	<u>105,000</u>
	157,000

Capital Town	20,000
Eastwood City	20,000
Iloilo Business Park	9,000
Maple Grove	20,000
McKinley West	30,000
Uptown Bonifacio	<u>55,000</u>
	154,000

COMMERCIAL PIPELINE

2017	Township	Gross floor area (sqm)	Leasable area (sqm)	Common area (sqm)
Arcovia Parade	Arcovia City	} 186,000	82,400	105,600
Festive Walk Annex	Iloilo Business Park			
Festive Walk Mall	Iloilo Business Park			
King's Plaza	Manila			
McKinley West BPO D, E, F	McKinley West			
Southwoods Mall	Southwoods City			
Uptown Residences	Uptown Bonifacio			
2018				
Alabang West Retail	Alabang West	} 53,200	28,800	24,800
Boracay Beach Strip	Boracay Newcoast			
The Capital Retail	Capital Town			
Davao Park Retail	Davao Park District			
Maple Grove Retail	Maple Grove			
Northhill Gateway Retail	Northhill Gateway			
The Upper East Retail	The Upper East			
Mactan Newtown Beach	The Mactan Newtown			

COMMERCIAL PIPELINE

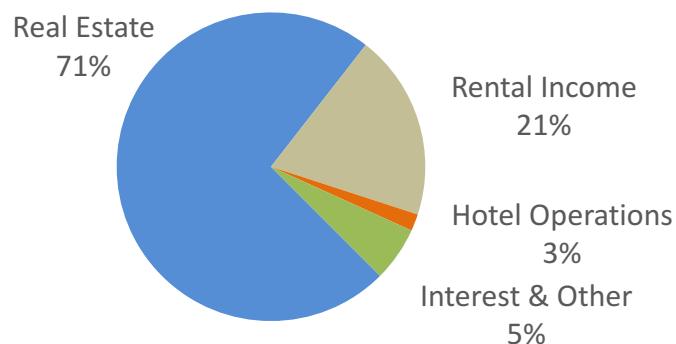
2019	Township	Gross floor area (sqm)	Leasable area (sqm)	Common area (sqm)
Boracay Belmont Governors' Hills	Boracay Newcost Governors' Hills	} 85,000	26,900	38,600
The Pad	Shaw			
2020				
Arcovia Palazzo	Arcovia City	} 267,700	168,200	99,300
Boracay Chancellor	Boracay Newcost			
Roma Cainta	Cainta			
The Capital Retail 2	Capital Town			
Block 20	McKinley West			
Maple Grove Retail 2	Maple Grove			
San Antonio Residences	San Antonio			
Resorts World Retail	Westside City			

PERFORMANCE UPDATE

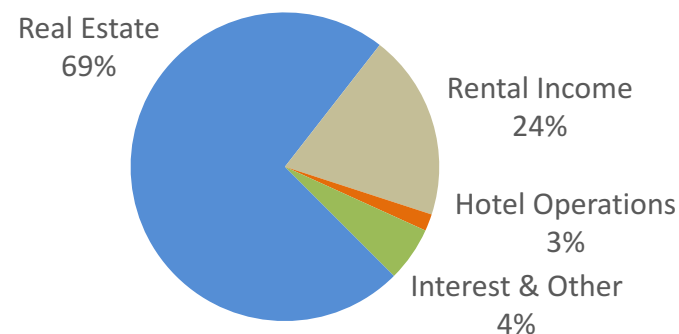
<i>In PHP billions</i>	1H 2016	1H 2017	%change	
Revenues	23.0	24.3	5.4%	
Real Estate Sales	13.4	13.6	1.4%	• Flattish but diversified mix
Rental	4.8	5.8	20.3%	• Robust growth for both rental & hotels
Hotel	0.6	0.6	9.8%	
Other Revenues	4.2	4.2	0.3%	
Cost & Expenses	17.0	17.6	3.4%	• Modest cost expansion
Cost of Real Estate Sales	7.6	7.7	1.0%	
Hotel	0.3	0.4	17.1%	• Deferred GP down 17.1%
OPEX & Other Expenses	6.5	6.7	2.3%	• OPEX up 8.6%
Operating Income	8.5	9.5	11.2%	
Interest Expense	0.7	0.8	5.0%	
Pre-tax Income	7.8	8.7	11.8%	
Income Tax Expense	1.8	2.1	14.5%	
Net Income	6.0	6.7	11.0%	• Net income inline with double-digit growth target
Minority Interest	0.2	0.2	17.9%	
Net Income to Owners	5.8	6.4	10.8%	
EBIT Margin	37.1%	39.2%	+210bps	• Margin improvement from higher rental contribution
Net Income Margin	26.2%	27.6%	+140bps	

CONSOLIDATED REVENUE BREAKDOWN

1H 2016



1H 2017



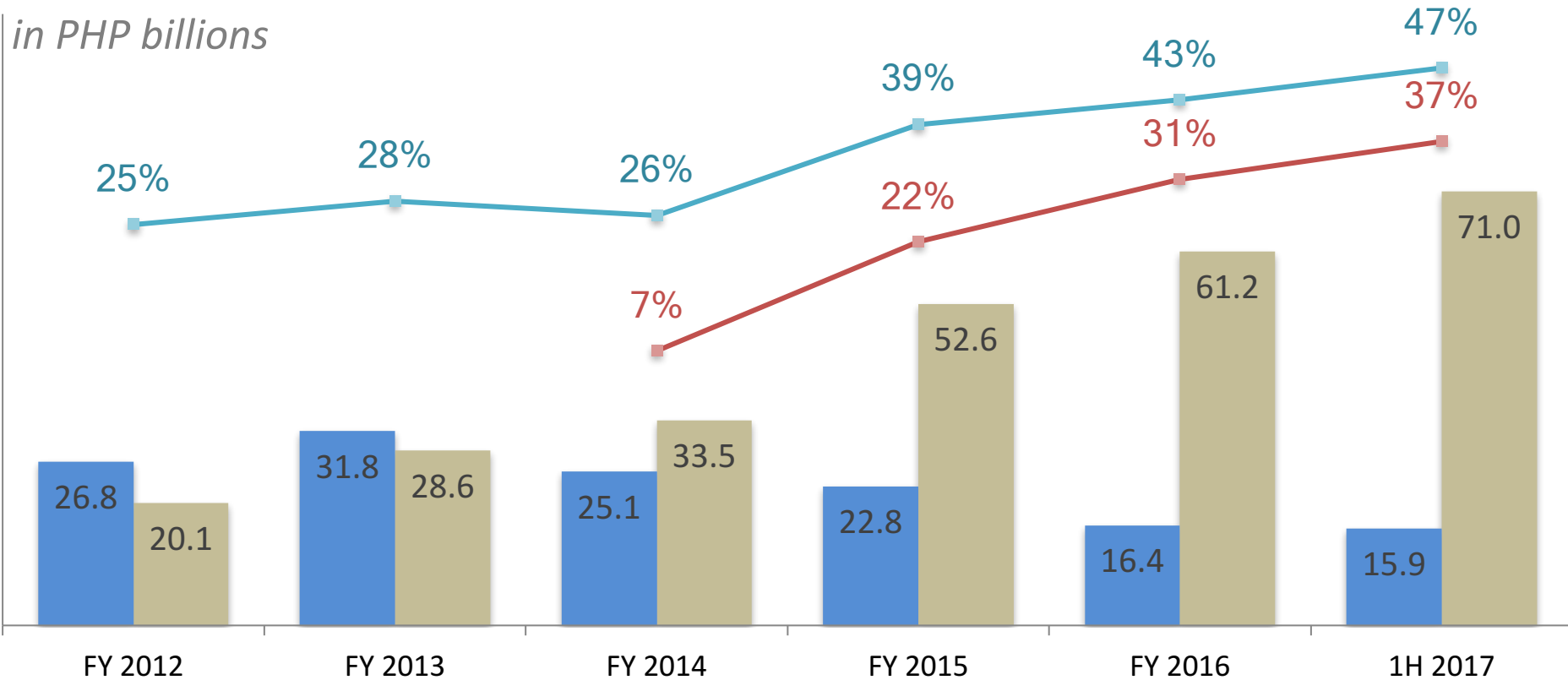
In PHP billions

	1H 2016	1H 2017	%change
Real Estate Sales	13.4	13.6	1.4%
Interest income on Real Estate Sales	1.0	1.0	0.1%
Realized Gross Profit on Prior Years' Sales	2.1	2.2	5.8%
Rental	4.8	5.8	20.3%
Hotel	0.6	0.6	9.8%
Interest & Other income	1.1	1.0	-9.6%
Total Revenues	23.0	24.3	5.4%

- Residential revenues up 1.9% driven by growing RGP from continued project completion
- More rental contribution; 300 bp expansion

SOLID BALANCE SHEET

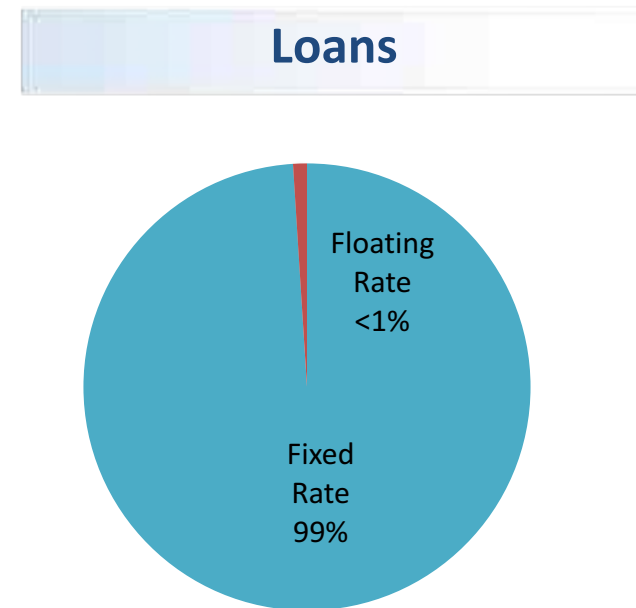
in PHP billions



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

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	1H 2017
Debt to Equity	25%	28%	26%	39%	43%	47%
Net Debt to Equity	Net Cash	Net Cash	7%	22%	31%	37%

DEBT MATURITY PROFILE



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
₱36,386,223,575	~5.00%	Various	Various

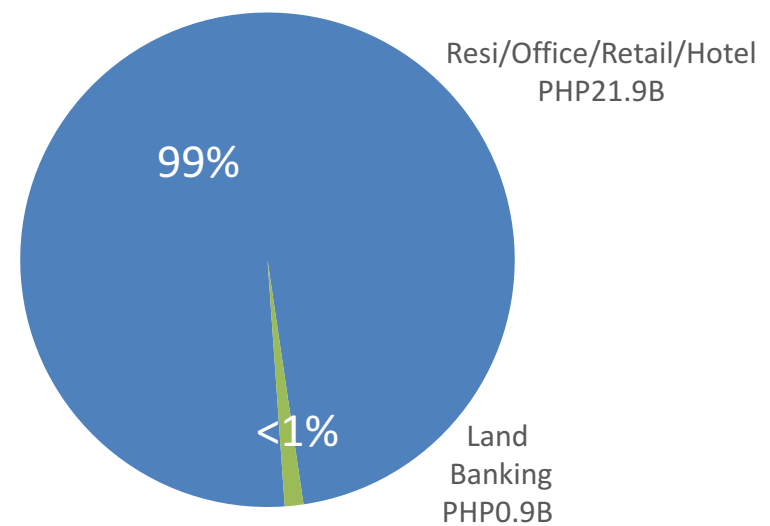
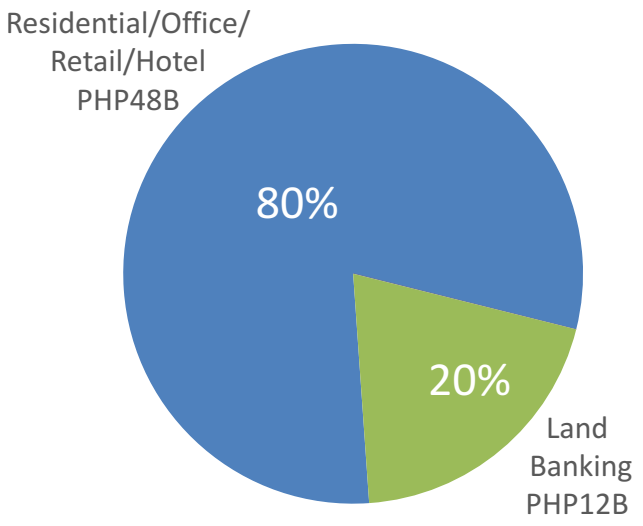
5-YEAR CAPEX PLAN
PHP285.8B UNTIL 2019

PHP285.8B

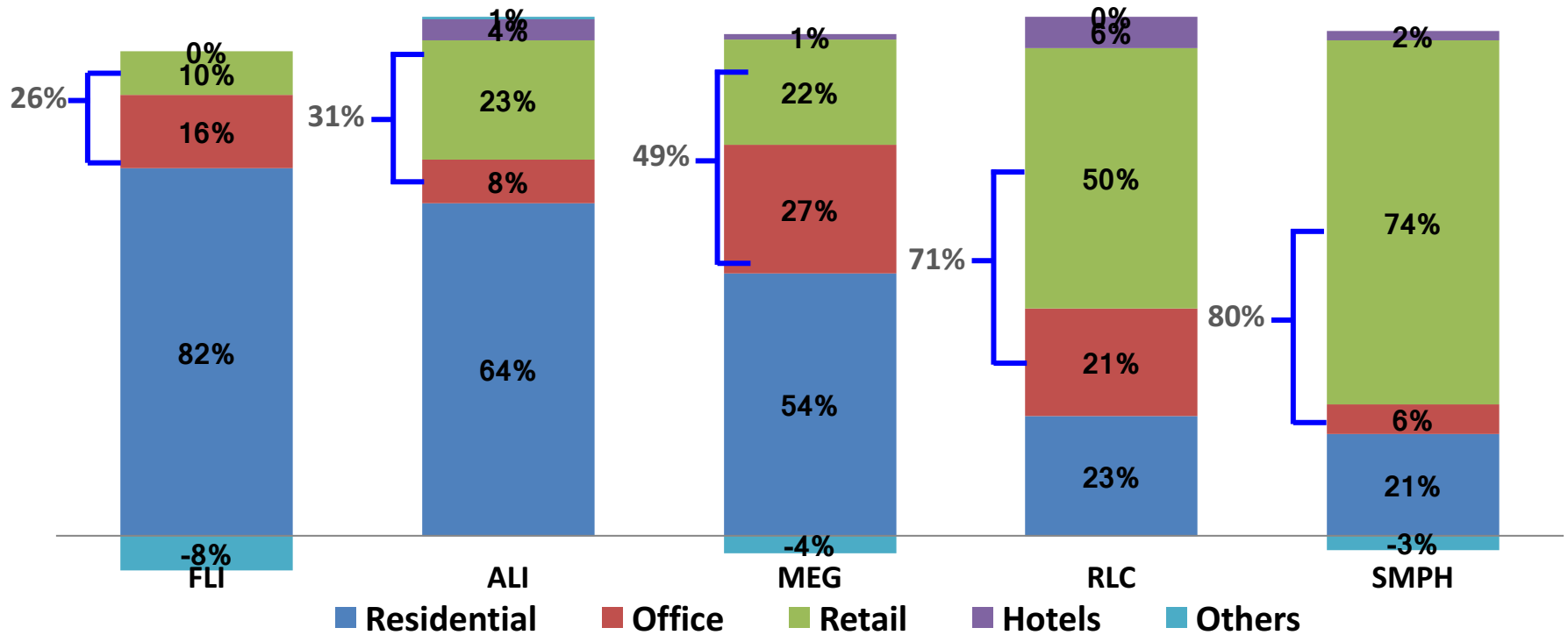


2017 CAPEX Budget

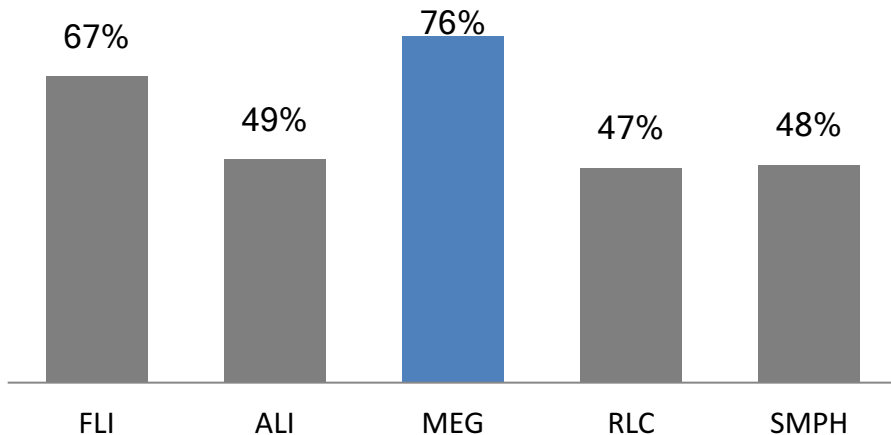
1H 2017 CAPEX Spending



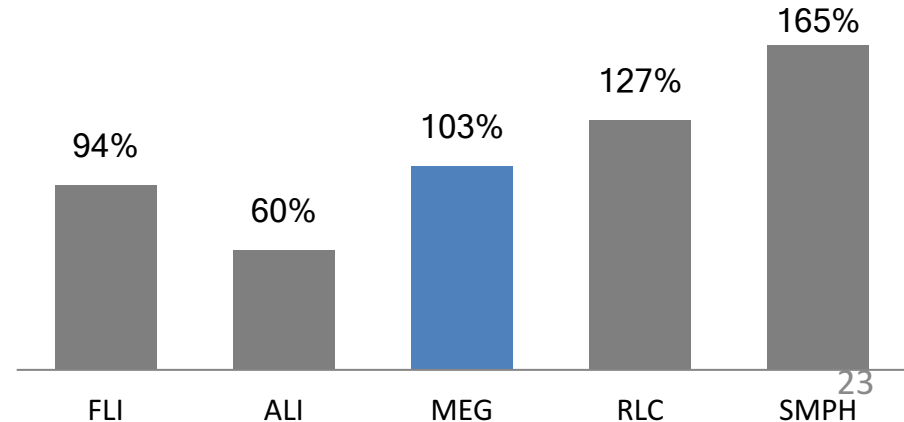
EBIT Contribution



Rental Margins



Rental Income as % of OPEX



- Diversified township roster
 - 22 townships across the country
 - Growing contributions from outside MM
- High residential base
 - High blended GPM at 46%
 - 1H 2017 presales at P58.3bn (P90bn E2017 guidance)
 - 1H 2017 launches at P18.4bn (P30bn E2017 guidance)
- Growing high margin rental business
 - Rental EBIT margin at 75%
 - 2017 Target: P12bn
 - 2020 Target: P20bn



End of Presentation

