

  
MEGAWORLD

Results Briefing  
1Q 2018



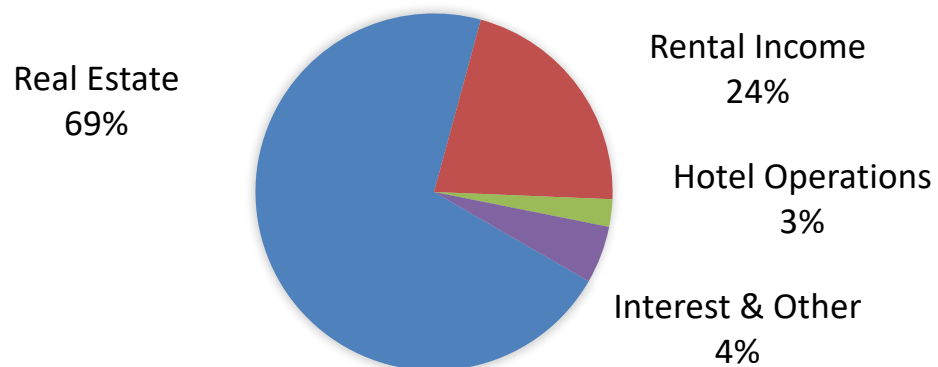
# PERFORMANCE UPDATE

<i>In PHP billions</i>	1Q 2017	1Q 2018	%change
<b>Revenues</b>	<b>12.0</b>	<b>13.1</b>	<b>9.2%</b>
Real Estate Sales	6.9	7.2	5.0%
Rental	2.9	3.4	16.5%
Hotel	0.3	0.4	9.9%
Other Revenues	1.9	2.1	13.1%
<b>Cost &amp; Expenses</b>	<b>9.1</b>	<b>9.8</b>	<b>8.1%</b>
Cost of Real Estate Sales	3.9	4.1	6.3%
Hotel	0.2	0.2	4.3%
OPEX & Other Expenses	3.7	4.0	10.2%
<b>Operating Income</b>	<b>4.3</b>	<b>4.7</b>	<b>11.2%</b>
Interest Expense	0.4	0.4	3.8%
<b>Pre-tax Income</b>	<b>3.9</b>	<b>4.3</b>	<b>12.0%</b>
Income Tax Expense	0.9	1.0	10.2%
<b>Net Income</b>	<b>2.9</b>	<b>3.3</b>	<b>12.5%</b>
Minority Interest	0.1	0.1	51.7%
<b>Net Income to Owners</b>	<b>2.8</b>	<b>3.2</b>	<b>11.2%</b>
<b>EBIT Margin</b>	<b>35.5%</b>	<b>36.2%</b>	<b>+70 bps</b>
<b>Net Income Margin</b>	<b>24.4%</b>	<b>25.2%</b>	<b>+80 bps</b>

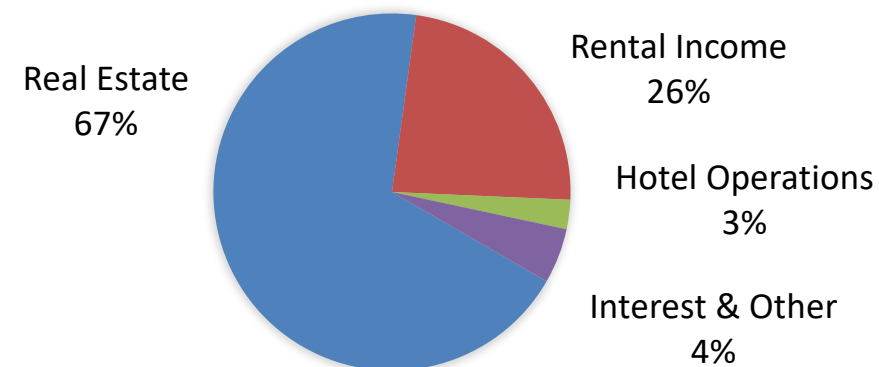
- Core earnings up 8.4%
- Steep rental income growth underpins robust results
- RGPPYS (↑16%), ESNEA (↑13%), & IOI (↑20%)
- Modest cost expansion
- 11.27% OPEX growth
- 12.5% net income growth in line with double-digit increase for the year
- Higher rental income pushing margins up

# CONSOLIDATED REVENUE BREAKDOWN

## 1Q 2017



## 1Q 2018



*In PHP billions*

	1Q 2017	1Q 2018	%change
Real Estate Sales	6.9	7.2	5.0%
Interest income on Real Estate Sales	0.4	0.4	0.4%
Realized Gross Profit on Prior Years' Sales	1.0	1.2	15.6%
Rental	2.9	3.4	16.5%
Hotel	0.3	0.4	9.9%
Interest & Other income	0.4	0.5	20.1%
<b>Total Revenues</b>	<b>12.0</b>	<b>13.1</b>	<b>9.2%</b>

- Residential business up 6% as a whole but contributes less to topline
- Significant growth in rental revenue pushes contributions 200 basis points up

## STABLE OVERALL RESIDENTIAL MARGINS

<i>In PHP billions</i>	1Q 2017	1Q 2018	%change
Real Estate Sales (RES)	6.9	7.2	5.0%
+Interest income on Real Estate Sales	0.3	0.3	11.8%
<b>Total RES</b>	<b>7.2</b>	<b>7.5</b>	<b>5.3%</b>
-Cost of RES	3.9	4.1	6.3%
<b>Gross Profit on RES</b>	<b>3.3</b>	<b>3.4</b>	<b>4.1%</b>
<b>Gross Profit Margin</b>	<b>46.1%</b>	<b>45.5%</b>	<b>-60bps</b>
-Deferred Gross Profit	1.4	1.0	-27.3%
Realized Gross Profit	1.9	2.4	26.8%
+Realized Gross Profit On Prior Years' Sales	1.0	1.2	15.6%
<b>Total Realized Gross Profit</b>	<b>2.9</b>	<b>3.6</b>	<b>22.9%</b>

- Slight dip in margins because of changing mix
- Negative growth on DGP reflects higher realized GP on sales of current period
- Faster growth in GP based on progressive booking
- Continued construction in all projects reflected in robust growth in Total Realized Gross Profit

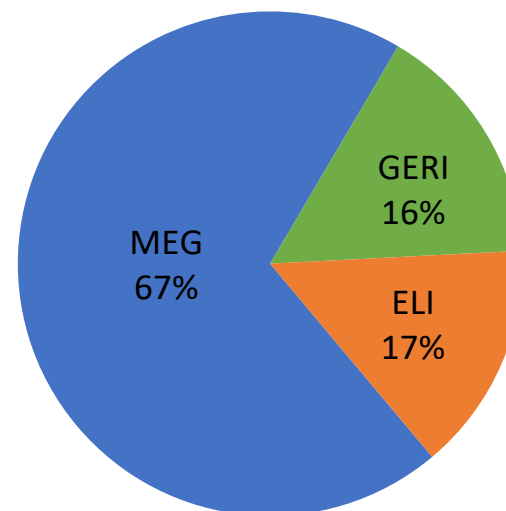
# DIVERSIFIED REAL ESTATE SALES MIX

in PHP billions

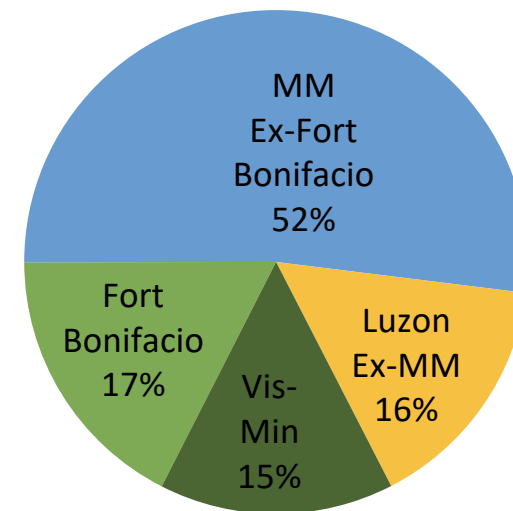
**1Q 2017** (% of sales) **1Q 2018** (% of sales)

MEG	4.6	66%	4.8	67%
Taguig	1.4	20%	1.2	18%
Makati	0.9	12%	1.2	16%
Pasay& Parañaque	0.4	6%	0.6	8%
Quezon City	0.3	4%	0.3	4%
Manila	0.1	2%	0.1	2%
Cavite	0.0	0%	0.2	2%
Cebu	0.1	1%	0.1	2%
Iloilo	0.4	6%	0.2	3%
Bacolod	0.1	1%	0.0	0%
Other Subs	0.9	13%	0.9	12%
<b>GERI</b>	<b>1.1</b>	<b>17%</b>	<b>1.2</b>	<b>16%</b>
<b>ELI</b>	<b>1.2</b>	<b>17%</b>	<b>1.2</b>	<b>17%</b>
<b>TOTAL</b>	<b>6.9</b>	<b>100%</b>	<b>7.2</b>	<b>100%</b>

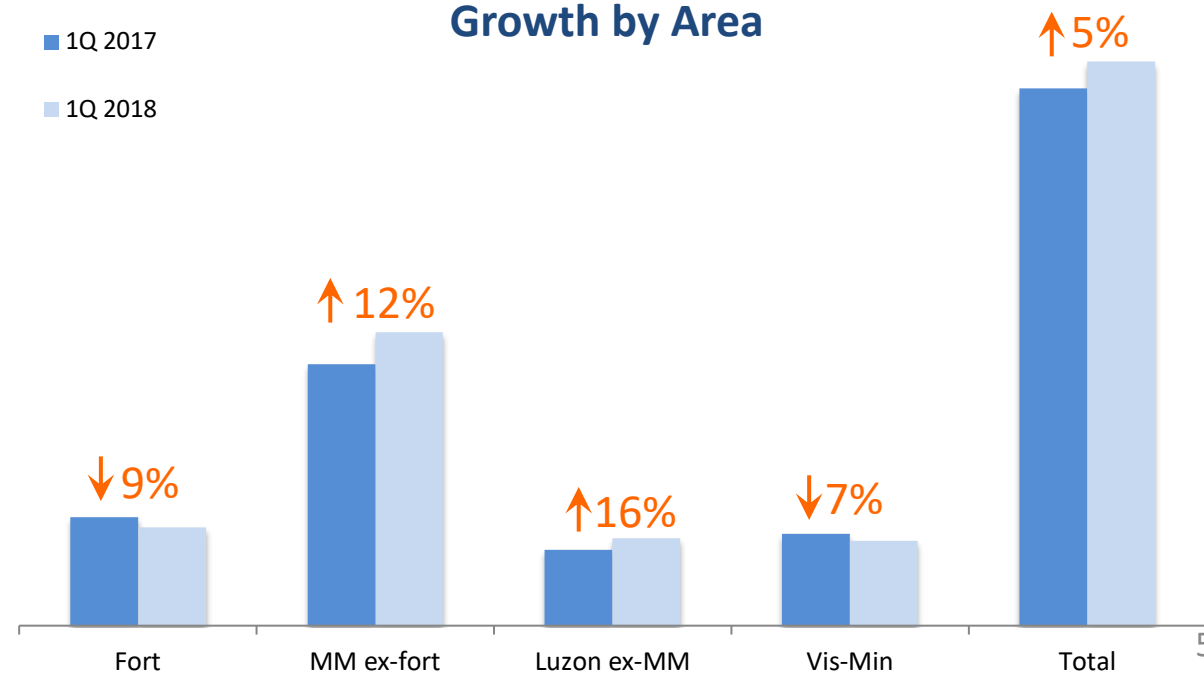
### 1Q 2018 by Brand



### 1Q 2018 by Location



### Growth by Area



# PROJECT LAUNCHES

Bayshore  
Residential  
Resorts  
Phase 2  
P18.5 billion



Park  
McKinley  
West  
P6.5 billion



The  
Belvedere  
Three  
P1.0 billion



## GROWING RENTAL INCOME – HIGH MARGIN BUSINESS

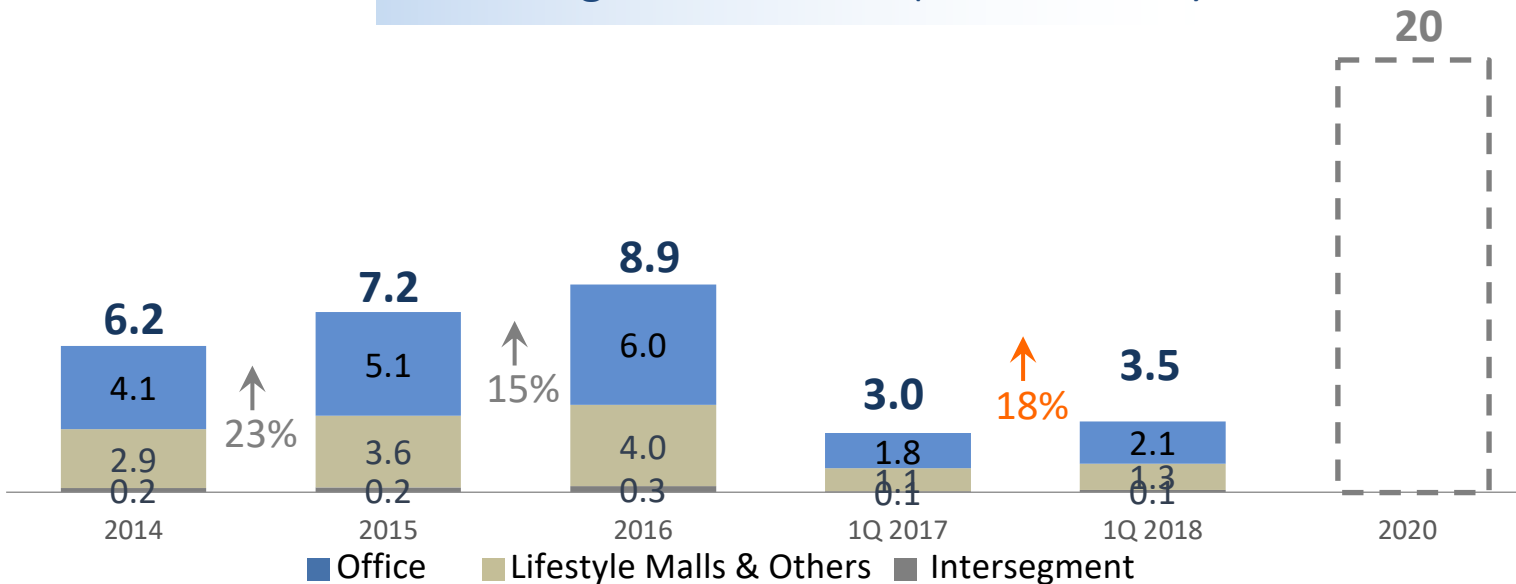
<i>In PHP billions</i>	1Q 2017	1Q 2018	%change
<b>Revenues</b>			
Rental	2.9	3.4	<b>16.5%</b>
Intersegment Sales & Interest Income	0.1	0.2	<b>73.7%</b>
<b>Rental Revenues</b>	<b>3.0</b>	<b>3.6</b>	<b>18.9%</b>
-Operating Expense	0.9	1.0	<b>13.9%</b>
<b>Rental Operating Income</b>	<b>2.1</b>	<b>2.6</b>	<b>20.9%</b>
+Interest Expense	<b>0.1</b>	<b>0.1</b>	<b>14.5%</b>
<b>Rental EBIT</b>	<b>2.3</b>	<b>2.7</b>	<b>20.5%</b>
<b>Rental EBIT Margin</b>	<b>75.2%</b>	<b>76.3%</b>	<b>+110 bps</b>

- Rental EBIT Margin expansion of 110 basis points

<i>In PHP billions</i>	1Q 2017	% share	1Q 2018	% share
<b>EBIT Contribution</b>				
Real Estate	2.1	48%	2.6	48%
Rental	2.3	51%	2.7	50%
Hotel	0.1	1%	0.1	2%
<b>Total EBIT</b>	<b>4.5</b>	<b>100%</b>	<b>5.4</b>	<b>100%</b>

- Rental gets larger share of EBIT versus residential

## Increasing Rental Income (in PhP billions)



### Rental

- P12bn in 2017
- 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

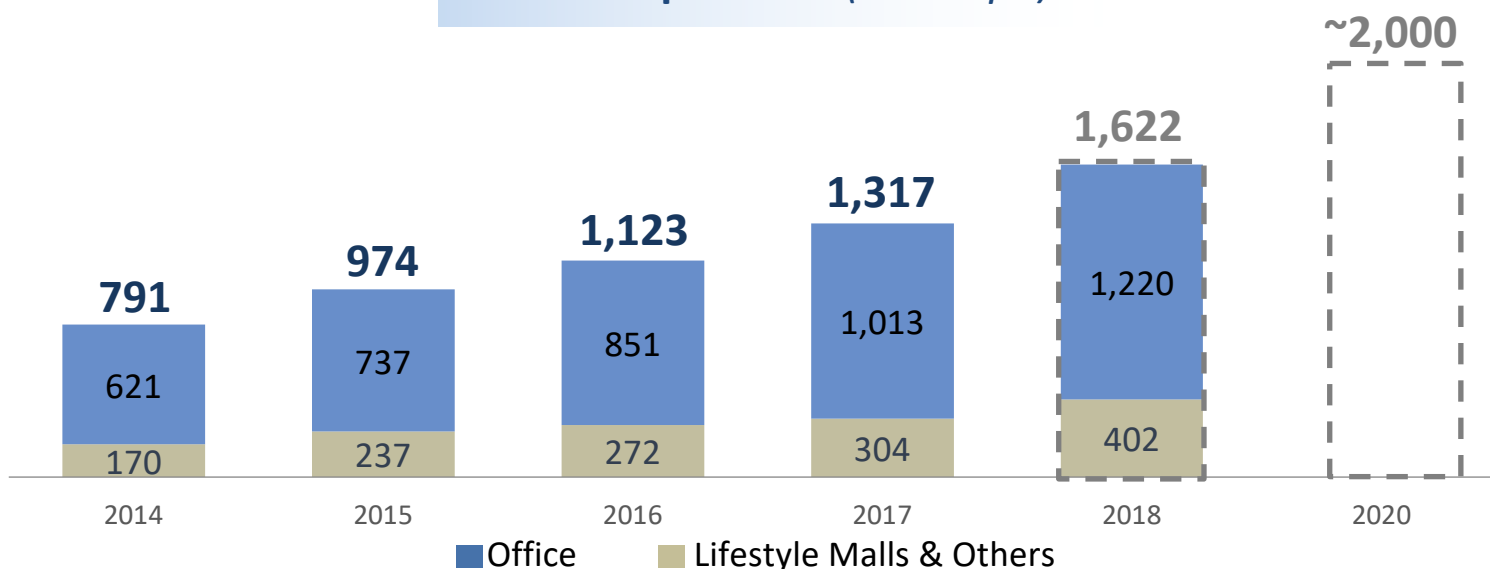
Healthy Pre-leasing

### Lifestyle Malls

Captured Market  
Through townships

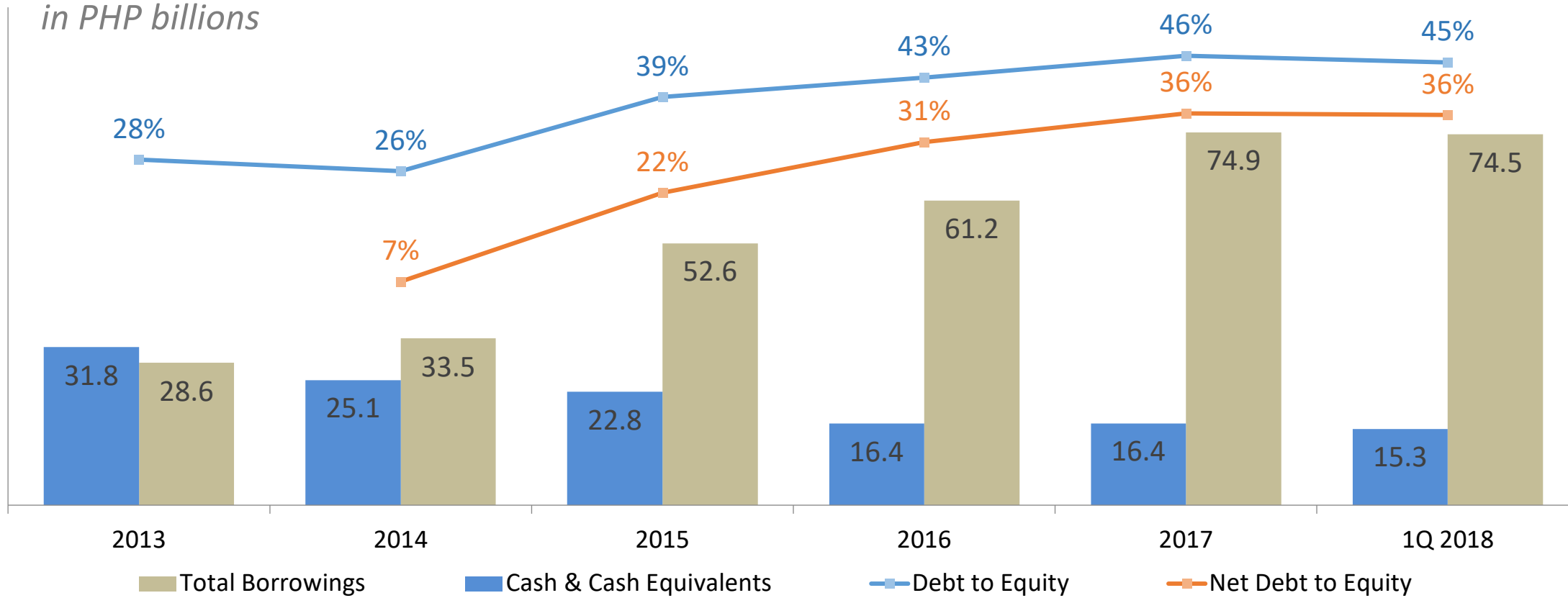
Top Retailers

## Rental portfolio ('000 sqm)





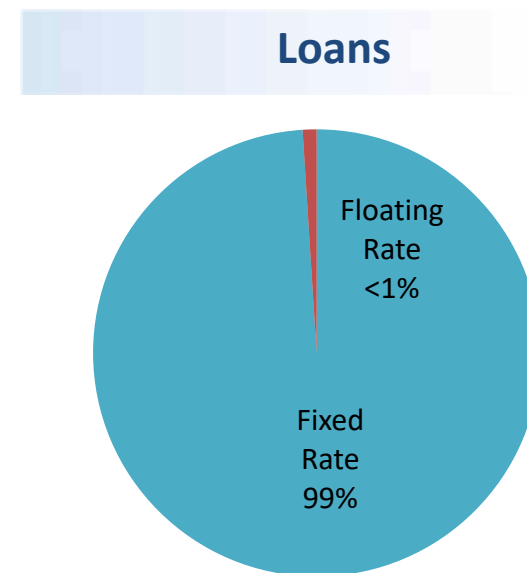
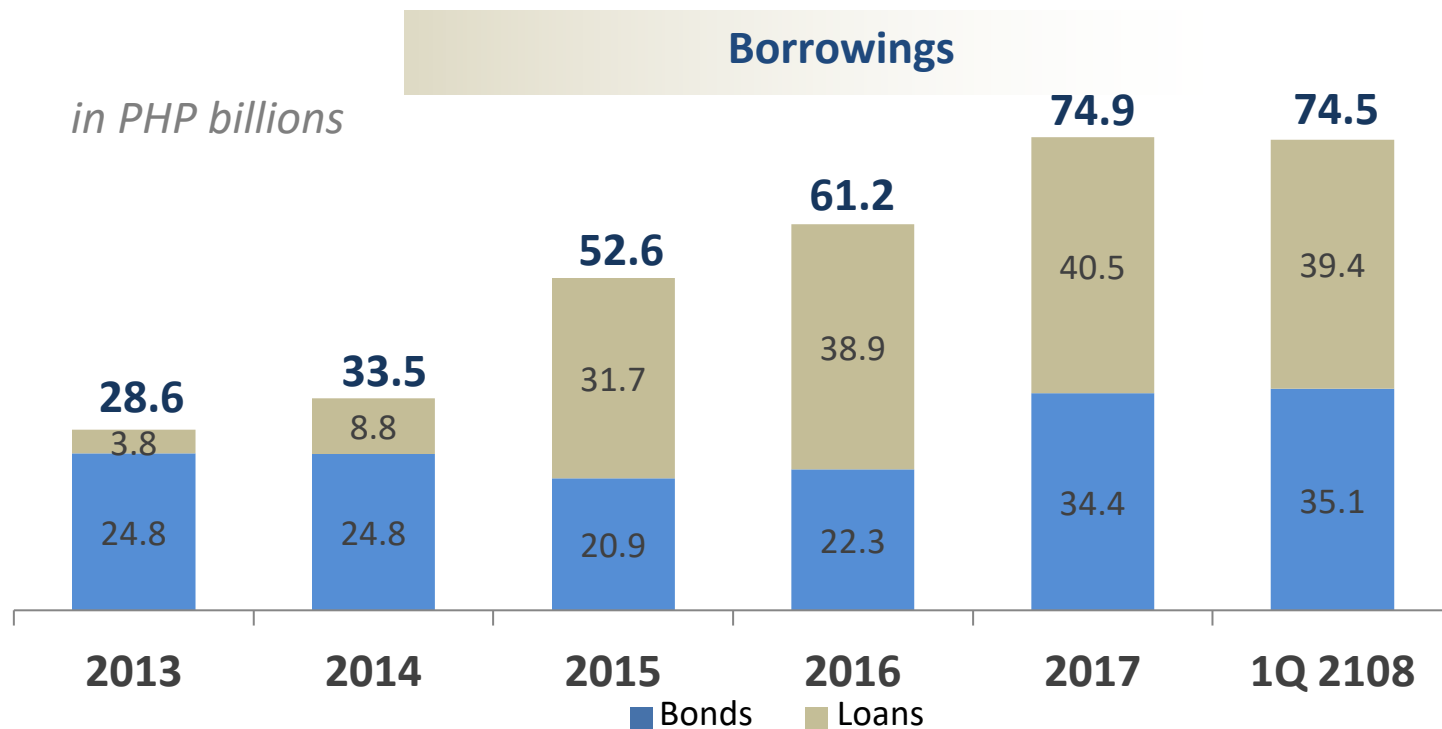
*in PHP billions*



	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	1Q 2018
<b>Debt to Equity</b>	28%	26%	39%	43%	46%	45%
<b>Net Debt to Equity</b>	Net Cash	7%	22%	31%	36%	36%

# DEBT MATURITY PROFILE

in PHP billions



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
₱39,438,309,709	~5.00%	Various	Various

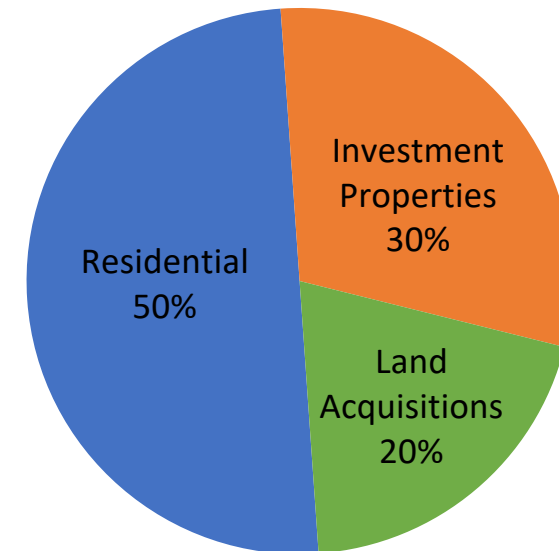
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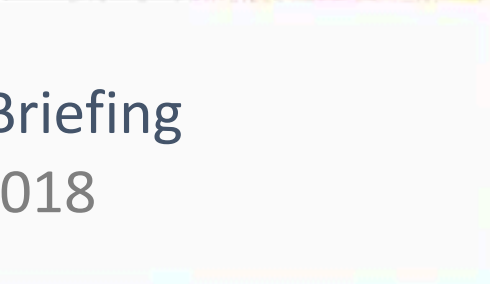
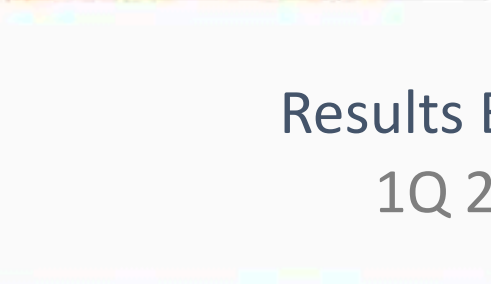
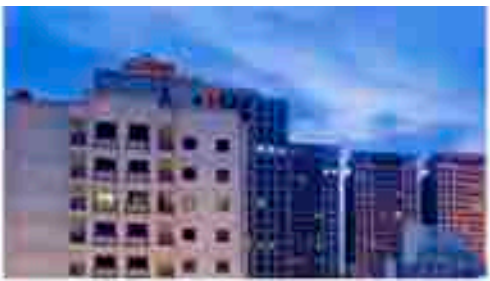
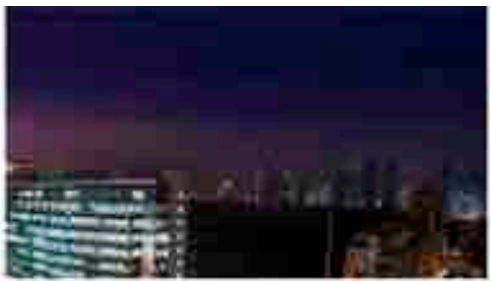
## 1Q 2018 CAPEX Spending



## 2018 CAPEX Budget



- Diversified township roster
- 23 townships across the country
- Growing contributions from outside MM
  
- High residential base
- High blended GPM at ~46%
  - 1Q 2018 presales at P43bn (P110bn in 2018)
  - 1Q 2018 launches at P37bn (P60bn in 2018)
  
- Growing high margin rental business
- Rental EBIT margin at ~75%
  - 2020 Target: P20bn



MEGAWORLD

## Results Briefing 1Q 2018

