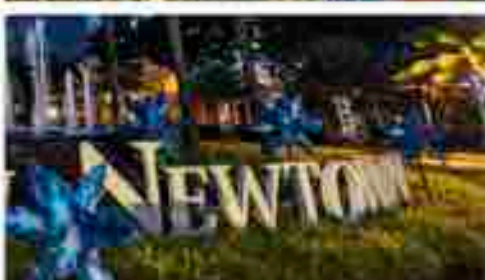


MEGAWORLD

## Briefing Kit 9M 2018



# PERFORMANCE UPDATE

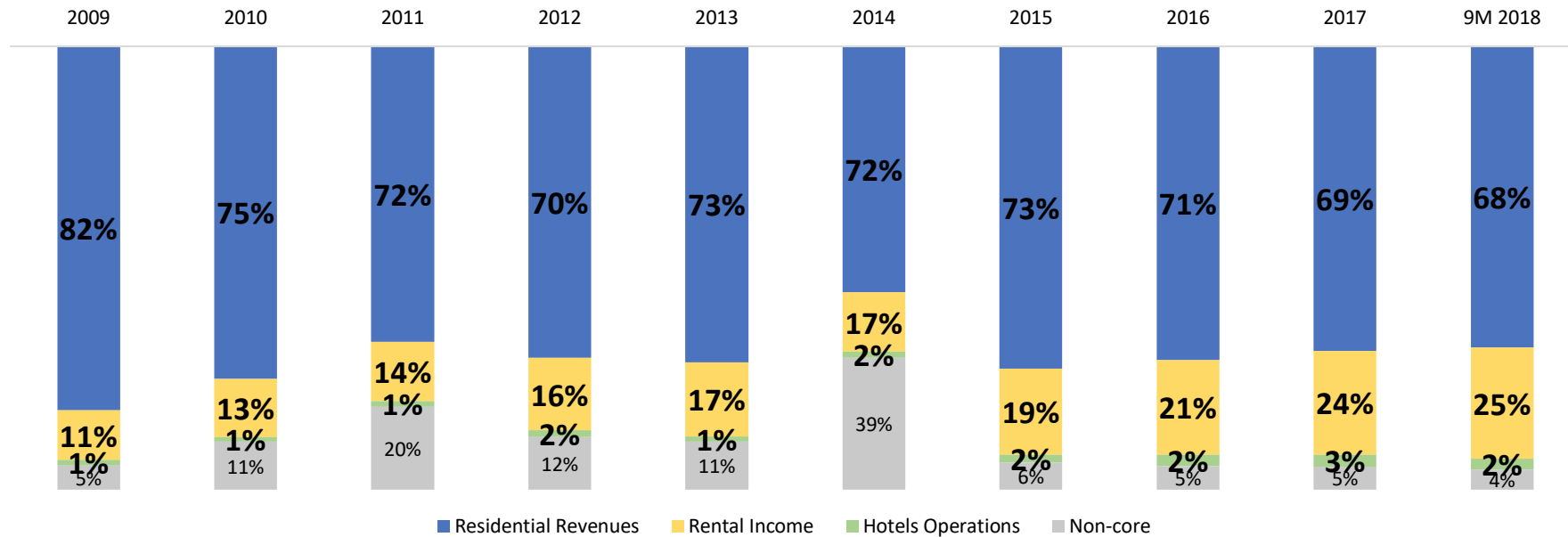
*In PHP billions*

	2017		2018		YoY	
	3Q	9M	3Q	9M	3Q vs 3Q	9M vs 9M
<b>Revenues</b>	<b>12.8</b>	<b>37.1</b>	<b>15.0</b>	<b>41.8</b>	17%	13%
Real Estate Sales	7.3	21.0	8.4	23.0	14%	10%
Rental	3.0	8.8	3.7	10.5	23%	19%
Hotel	0.3	1.0	0.3	1.0	4%	8%
Other Revenues	2.2	6.4	2.6	7.2	20%	13%
<b>Cost &amp; Expenses</b>	<b>9.2</b>	<b>26.8</b>	<b>10.7</b>	<b>29.9</b>	16%	12%
Cost of Real Estate Sales	4.3	12.0	4.5	12.7	4%	6%
Hotel	0.2	0.6	0.2	0.7	39%	17%
OPEX & Other Expenses	3.4	10.1	4.6	12.2	34%	21%
<b>Operating Income</b>	<b>5.0</b>	<b>14.5</b>	<b>5.7</b>	<b>16.2</b>	15%	12%
Interest Expense	0.4	1.1	0.3	1.0	-20%	-12%
<b>Pre-tax Income</b>	<b>4.6</b>	<b>13.4</b>	<b>5.4</b>	<b>15.2</b>	18%	14%
Income Tax Expense	1.0	3.0	1.1	3.4	15%	12%
<b>Net Income</b>	<b>3.6</b>	<b>10.3</b>	<b>4.3</b>	<b>11.8</b>	19%	14%
Minority Interest	0.1	0.4	0.1	0.4	6%	4%
<b>Net Income to Owners</b>	<b>3.5</b>	<b>10.0</b>	<b>4.2</b>	<b>11.5</b>	19%	15%
<i>EBIT Margin</i>	<i>38.7%</i>	<i>39.0%</i>	<i>38.1%</i>	<i>38.8%</i>	<i>-60bps</i>	<i>-21bps</i>
<i>Net Income Margin</i>	<i>28.4%</i>	<i>27.9%</i>	<i>28.9%</i>	<i>28.3%</i>	<i>+41bps</i>	<i>+46bps</i>

- Total residential revenues up 14.5% in 3Q and 10.7% in 9M
- Fastest growth in rental for 2018
- RGPPYS up 20% in 9M
- Costs growing behind revenues
- DGDP (↑45 in 3Q, 3% in 9M)
- OPEX (↑27 in 3Q, 18 in 9M)
- 13% increase fastest in 2018
- Rental income changing earnings profile



# CONSOLIDATED REVENUE BREAKDOWN



*In PHP billions*

	9M 2017	9M 2018	%change
Real Estate Sales	21.0	23.0	9.9%
Interest income on Real Estate Sales	1.4	1.4	0.5%
Realized Gross Profit on Prior Years' Sales	3.3	4.0	19.7%
Rental	8.8	10.5	18.6%
Hotel	1.0	1.0	8.4%
Non-Core	1.7	1.9	12.0%
<b>Total Revenues</b>	<b>37.1</b>	<b>41.8</b>	<b>12.6%</b>

- Residential related revenues up 14.5%
- Sharp increase in profit from prior years signaling continued progress in projects
- Rental growth inline with expectations, contribution to revenue pie up 100 basis points
- Core business up 12.6%

## Launches

- 1Q – P36.7bn
- 2Q – P29.5bn
- 1H – P66.2bn
- 3Q – P12.2bn
- 9M – P78.4bn



**One Regis**  
The Upper East  
P 1.2 billion



**Park McKinley West  
Tower 2**  
McKinley West  
P 7.0 billion



**18 Avenue De Triomphe**  
Arcovia City  
P 4.6 billion | 41% take-up







## **Saint Dominique (South Wing)**

Iloilo Business Park

P 773 million | 77% take-up





## **The Fifth (Towers 1 & 2)**

Pasig City

P 8.0 billion | 59% take-up

## Launches

- 1Q – P36.7bn
- 2Q – P29.5bn
- 1H – P66.2bn
- 3Q – P12.2bn
- 9M – P78.4bn

## Sales Reservation

- 1Q – P42.7bn
- 2Q – P33.4bn
- 1H – P76.1bn
- 3Q – P29.7bn
- 9M – P105.8bn
  - MEG: P70.6bn
  - GERI: P11.6bn
  - ELI & SPI: P23.6bn



# STABLE OVERALL RESIDENTIAL MARGINS

*In PHP billions*

	2017		2018		YoY	
	3Q	9M	3Q	9M	3Q	9M
Real Estate Sales (RES)	7.3	21.0	8.4	23.0	14%	10%
+Interest income on Real Estate Sales	0.4	1.0	0.4	1.1	-9%	9%
Total RES	7.7	22.0	8.7	24.1	13%	10%
-Cost of RES	4.3	12.0	4.5	12.7	4%	6%
<b>Gross Profit on RES</b>	<b>3.5</b>	<b>10.0</b>	<b>4.3</b>	<b>11.5</b>	24%	15%
<i>Gross Profit Margin</i>	<i>44.6%</i>	<i>45.4%</i>	<i>48.9%</i>	<i>47.5%</i>	<i>+430bps</i>	<i>+210bps</i>
-Deferred Gross Profit	1.0	3.3	1.5	3.4	45%	3%
Realized Gross Profit	2.4	6.7	2.8	8.1	15%	21%
+Realized Gross Profit On Prior Years' Sales	1.1	3.3	1.4	4.0	22%	20%
<b>Total Realized Gross Profit</b>	<b>3.5</b>	<b>10.0</b>	<b>4.2</b>	<b>12.0</b>	17%	20%

- Gross profit growth ahead of real estate sales because of health margins at around 47%
- Noticeable GPM improvement because of additional bookings of lot sales
- Contraction of DGP for 3Q but remains flattish for 9M period
- Faster growth in GP based on progressive booking
- Continued construction in projects reflected in robust growth in Total Realized Gross Profit

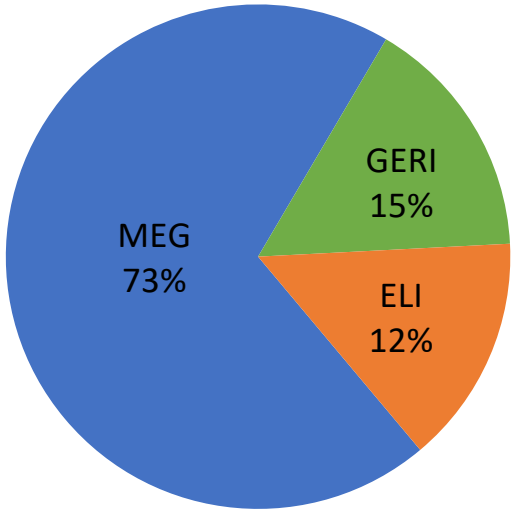
DIVERSIFIED REAL ESTATE SALES MIX

in PHP billions

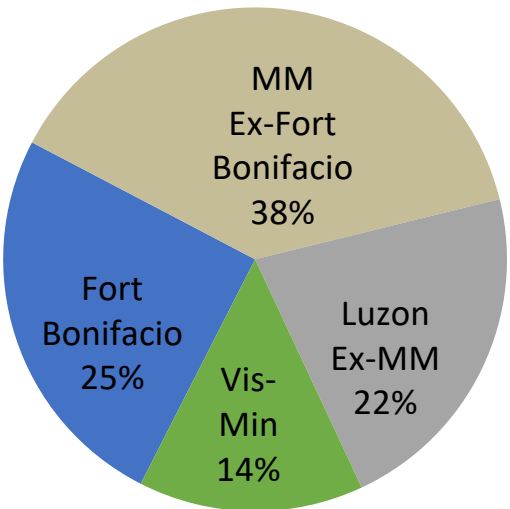
9M 2017 (% of sales) 9M 2018 (% of sales)

MEG	14.2	68%	16.9	73%
Taguig	4.4	21%	5.8	25%
Makati	2.8	13%	2.4	10%
Pasay& Parañaque	1.6	8%	0.9	4%
Quezon City	1.5	7%	0.9	4%
Manila	0.4	2%	0.3	1%
Others in Luzon	0.2	> 0%	1.2	4%
Cebu	0.4	2%	0.8	3%
Iloilo	0.5	2%	0.8	3%
Bacolod	0.1	1%	0.0	0%
Other Subs	2.3	11%	3.7	16%
GERI	3.4	16%	3.4	15%
ELI	3.4	16%	2.7	12%
TOTAL	21.0	100%	23.0	100%

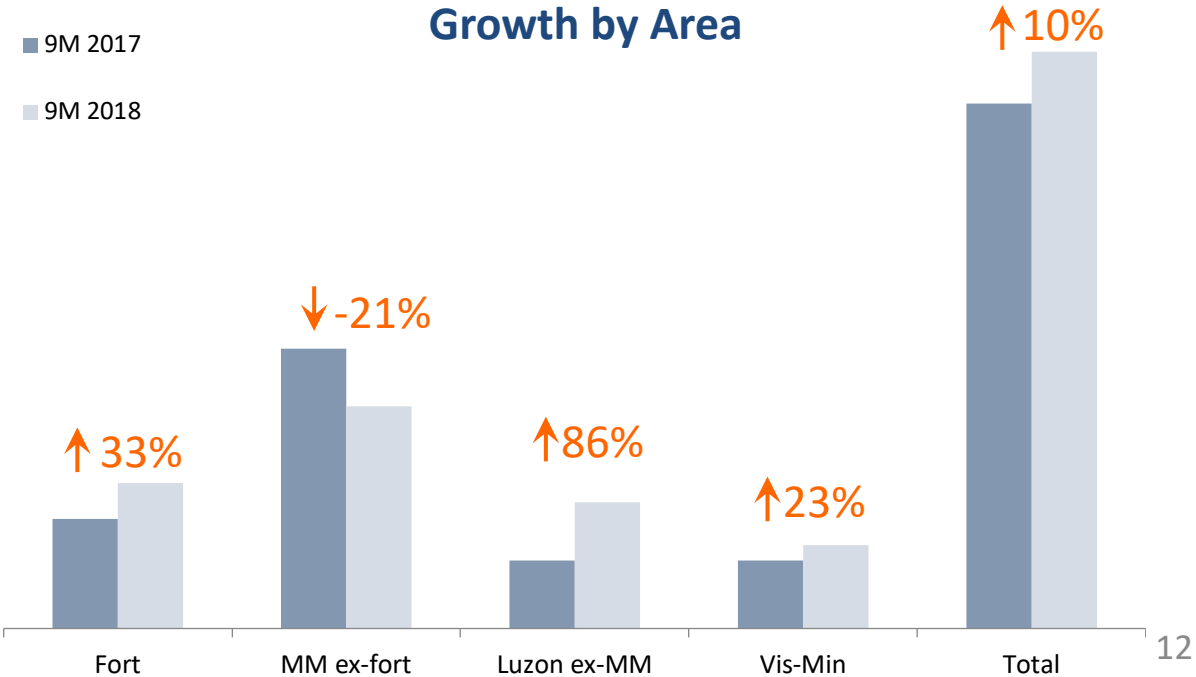
9M 2018 by Brand



9M 2018 by Location



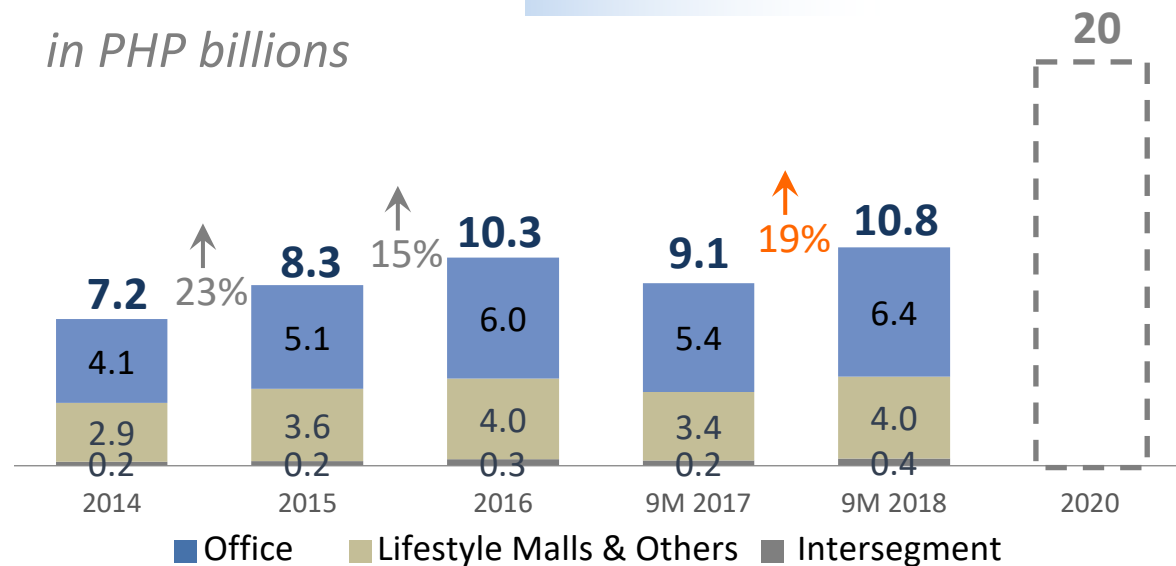
Growth by Area





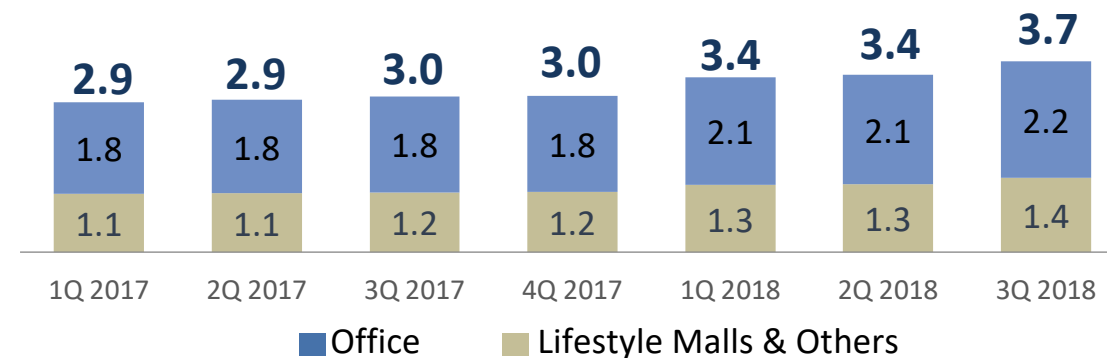
## YoY

in PHP billions

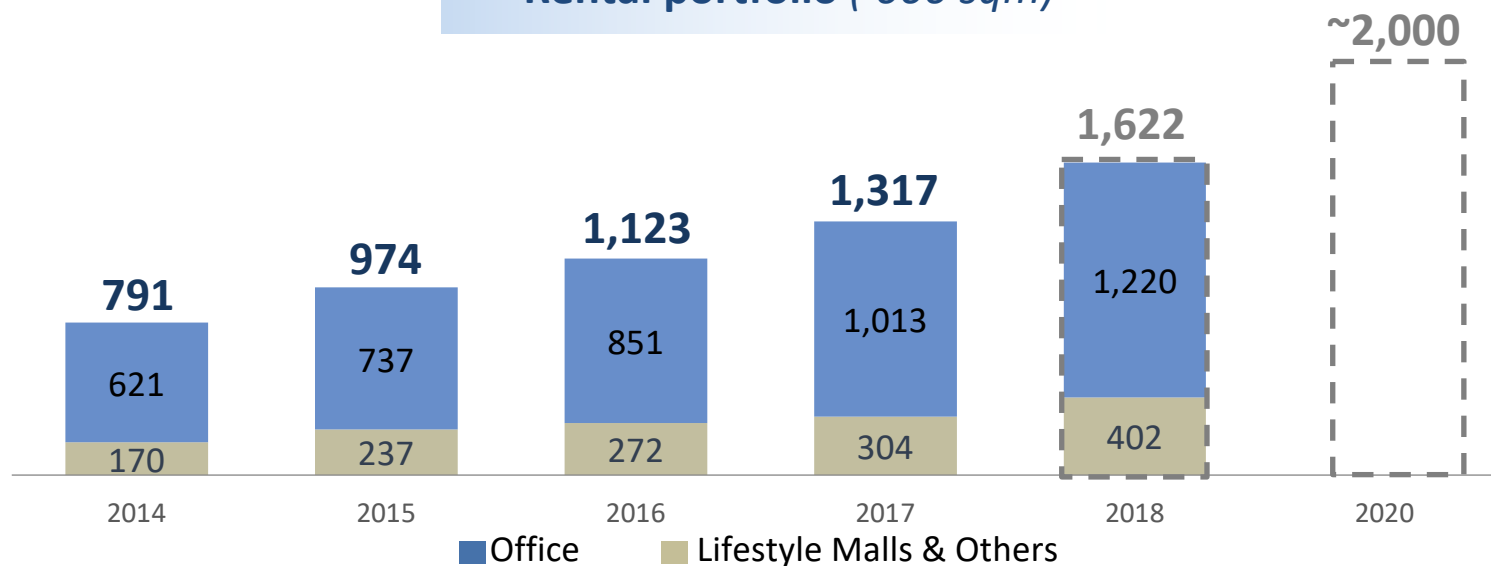


## QoQ

in PHP billions



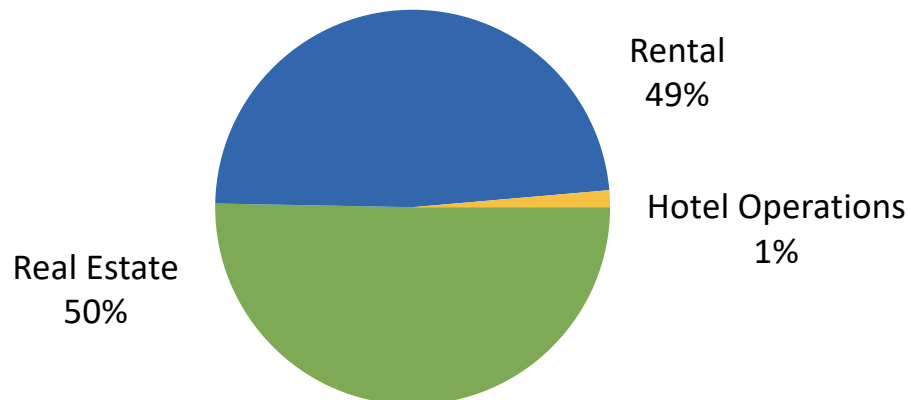
## Rental portfolio ('000 sqm)



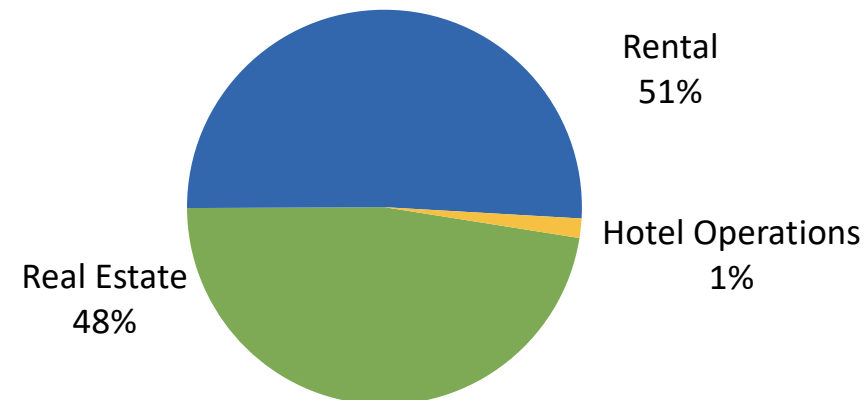
## Milestones

- P12bn in 2017
- P20bn in 2020
- Over 1 million GLA in 2016
- Over 2 million GLA in 2020

## Current EBIT Mix



## Current EBITDA Mix



*In PHP billions*

### Revenues

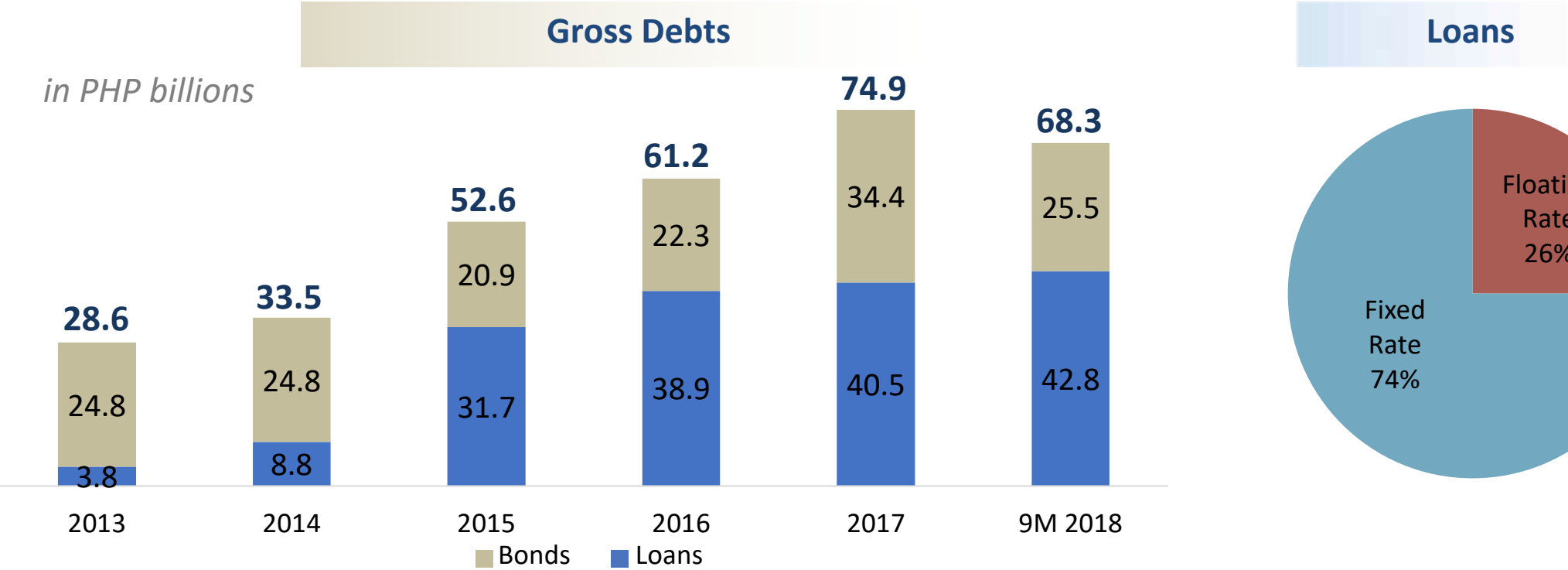
	9M 2017	9M 2018	%change
Rental	8.8	10.5	18.6%
Intersegment Sales & Interest Income	0.4	0.6	65.6%
<b>Rental Revenues</b>	<b>9.2</b>	<b>11.1</b>	<b>20.6%</b>
-Operating Expense	2.5	2.9	14.1%
<b>Rental Operating Income</b>	<b>6.7</b>	<b>8.2</b>	<b>23.0%</b>
+Interest Expense	0.4	0.3	-18.9%
<b>Rental EBIT</b>	<b>7.0</b>	<b>8.5</b>	<b>20.9%</b>
+Dep. & Amor.	1.0	1.3	23.7%
<b>Rental EBITDA</b>	<b>8.1</b>	<b>9.8</b>	<b>21.2%</b>

<i>Rental EBIT Margin</i>	<i>76.5%</i>	<i>76.7%</i>	<i>+20bps</i>
<i>Rental EBITDA Margin</i>	<i>87.6%</i>	<i>88.0%</i>	<i>+40bps</i>

- Rental revenues with intersegment sales up 21%
- Sizable D&A growth due to quick portfolio growth the past years
- Slight rental margins appreciation

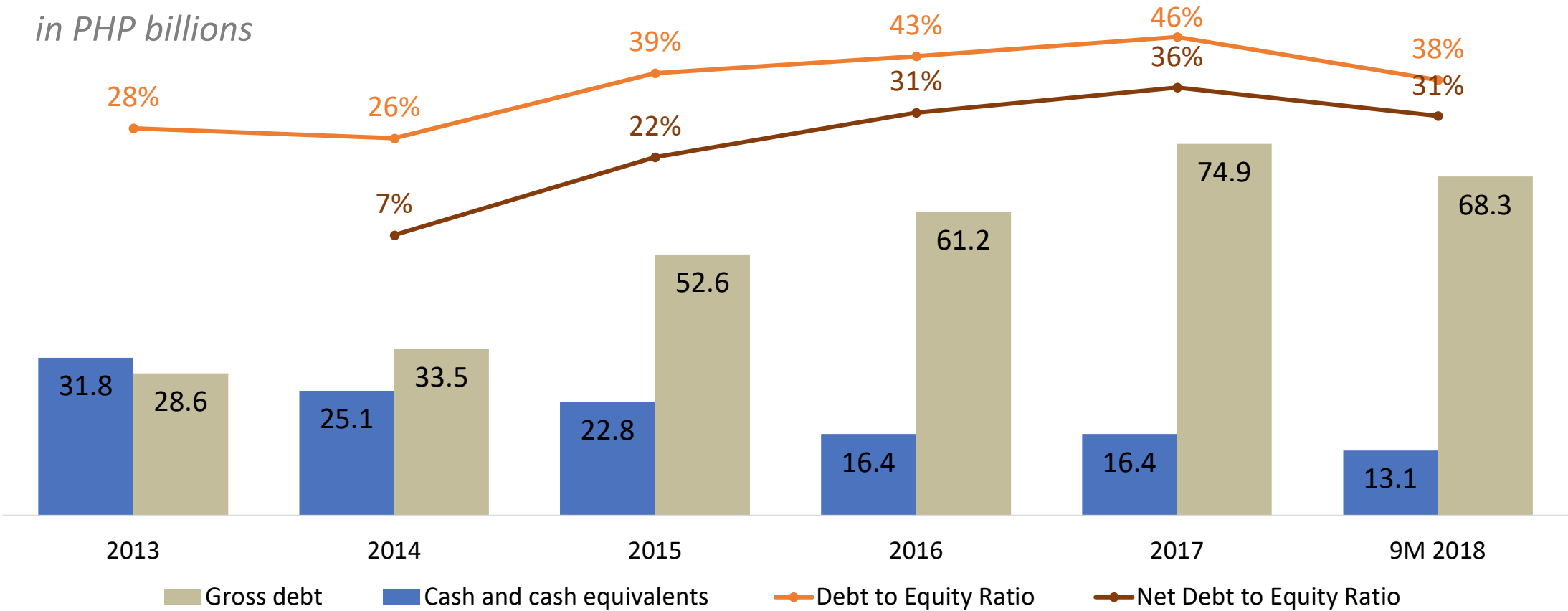


DEBT MATURITY PROFILE



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

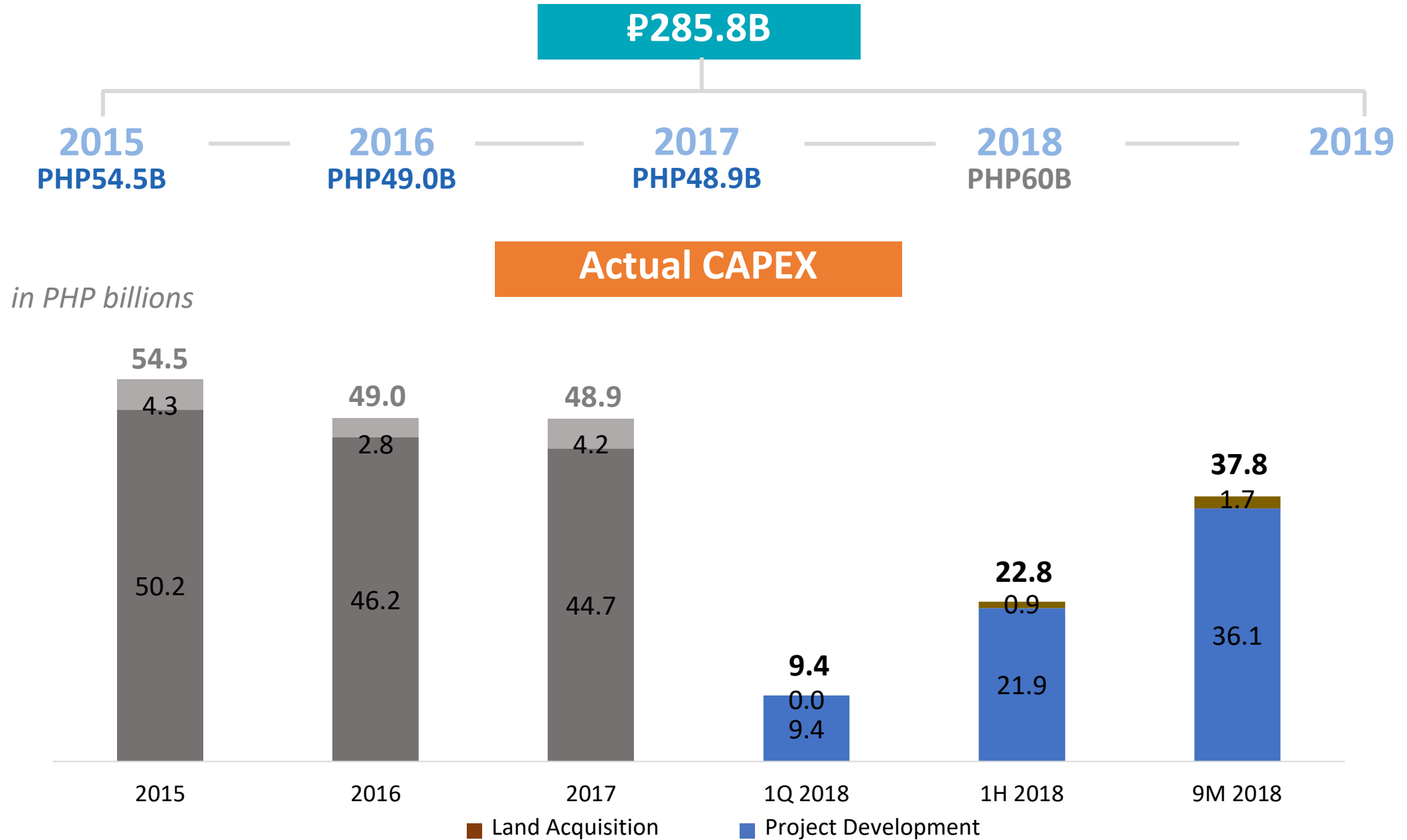
Loans	Ave. Rate	Year Issued	Maturity
₱42,807,717,471	~4.00%	Various	Various

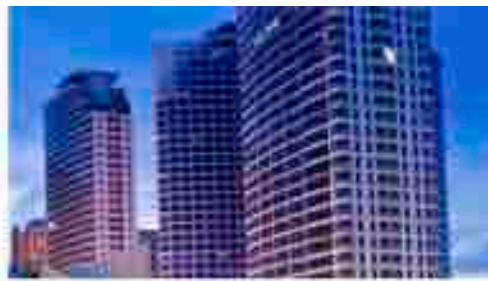
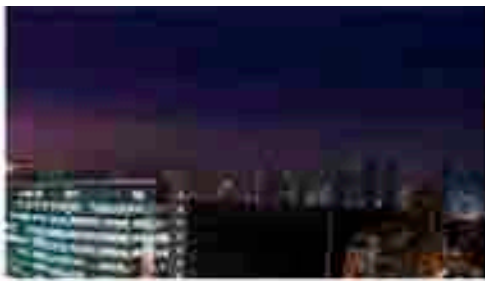
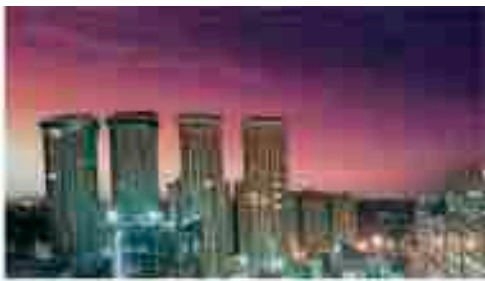


	2013	2014	2015	2016	2017	9M 2018
Debt to Equity	28%	26%	39%	43%	46%	38%
Net Debt to Equity	Net Cash	7%	22%	31%	36%	31%



5-YEAR CAPEX PLAN  
PHP285.8B UNTIL 2019





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