



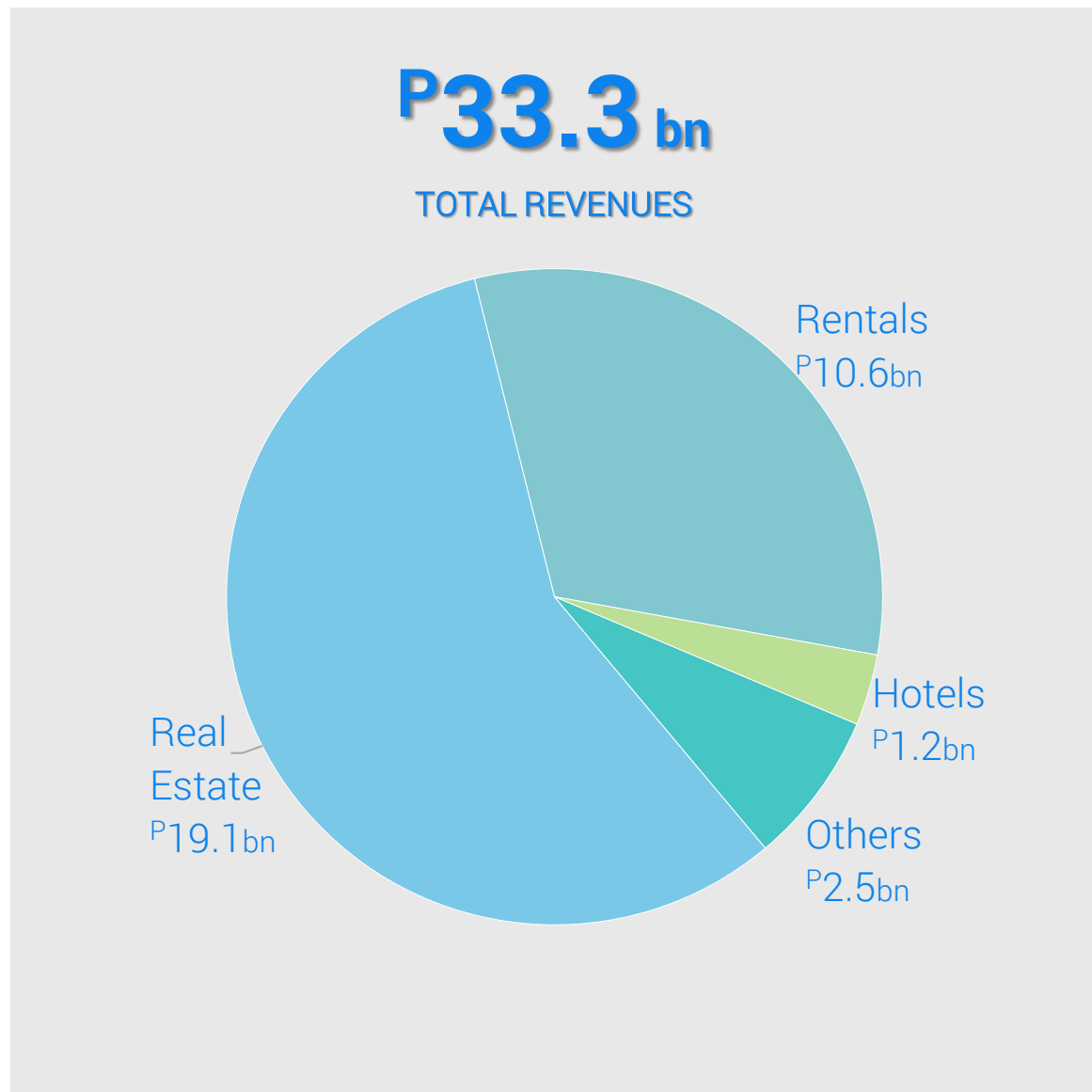
MEGAWORLD

BUILDING A SUSTAINABLE



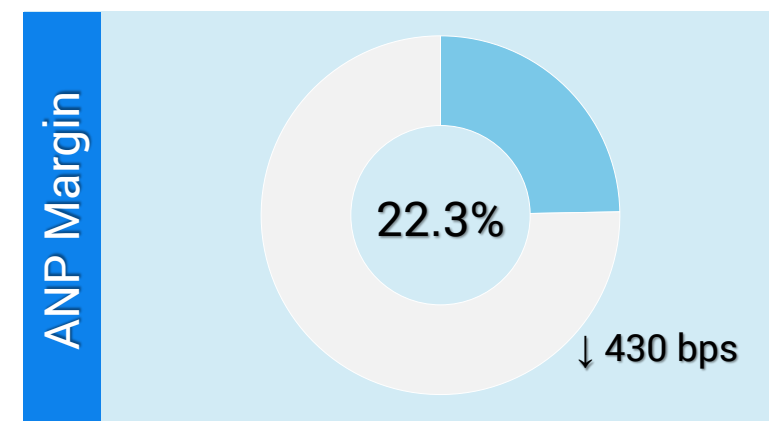
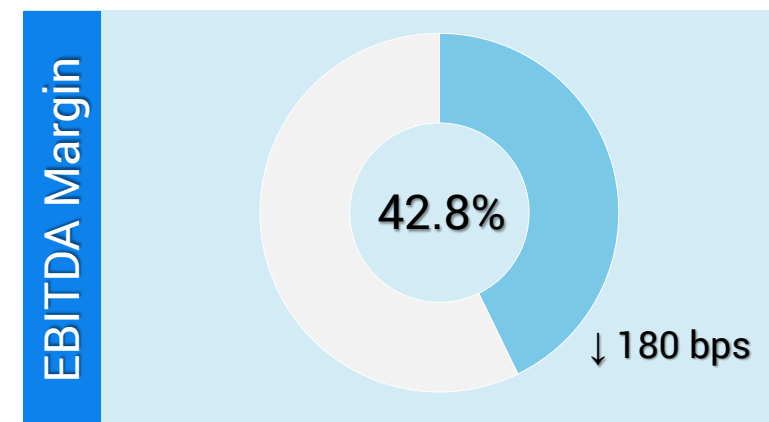
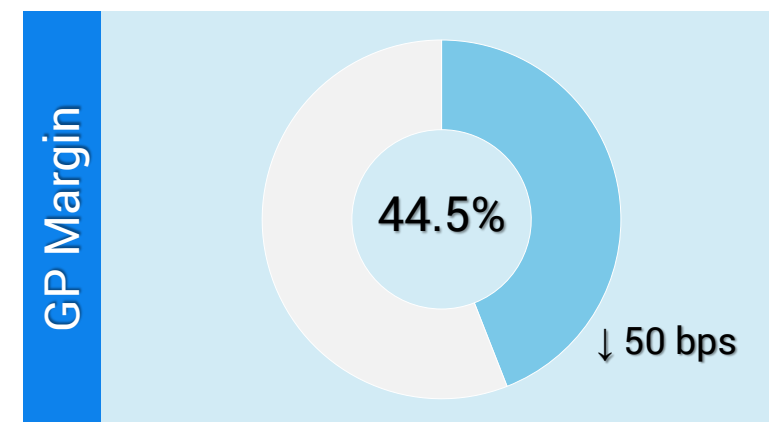
**9M 2020 Analyst Briefing**  
(16 November 2020)

# 9M 2020 FINANCIAL HIGHLIGHTS

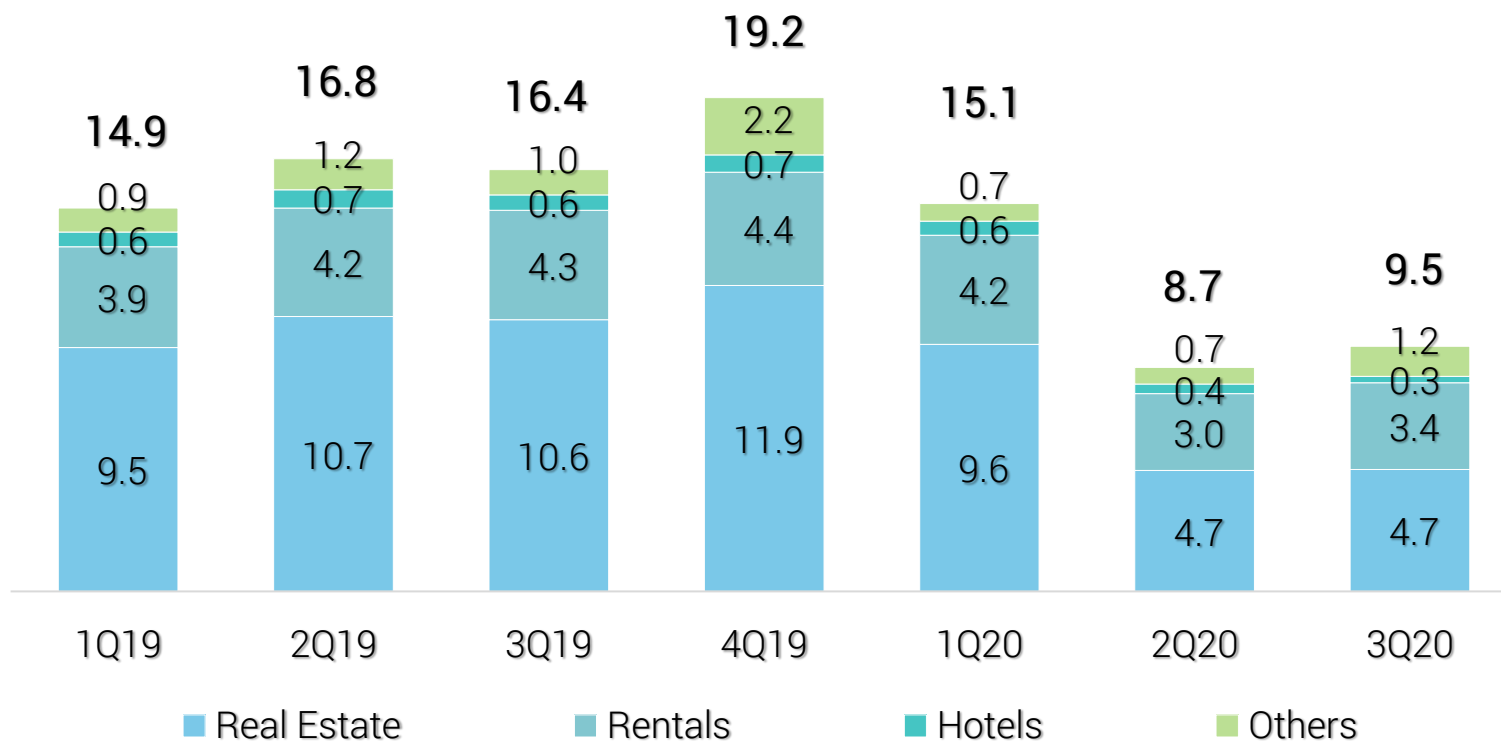


# 9M 2020 PERFORMANCE UPDATE

	9M20	9M19	%	Remarks
<b>REVENUES</b>	<b>33.3</b>	<b>48.1</b>	<b>-31%</b>	
Real estate sales	19.1	30.7	-38%	Limitations on construction activity
Rentals	10.6	12.4	-15%	Sustained growth in office rental
Hotels	1.2	1.9	-38%	Lower check-ins due to travel ban
Others	2.5	3.1	-20%	
<b>COSTS &amp; EXPENSES</b>	<b>25.2</b>	<b>34.4</b>	<b>-27%</b>	
Cost of sales	10.6	16.9	-37%	Decline in construction activity
Hotel costs	0.7	1.1	-36%	Restricted hotel operations due to travel ban
Operating expenses	8.9	9.6	-7%	Lower overhead, cost-management initiatives
Interest & other charges	2.2	2.2	2%	
Income taxes	2.8	4.7	-41%	
<b>EBITDA</b>	<b>14.3</b>	<b>21.4</b>	<b>-34%</b>	
<b>ATTRIBUTABLE PROFIT</b>	<b>7.4</b>	<b>12.8</b>	<b>-42%</b>	
<b>NET PROFIT</b>	<b>8.1</b>	<b>13.7</b>	<b>-41%</b>	

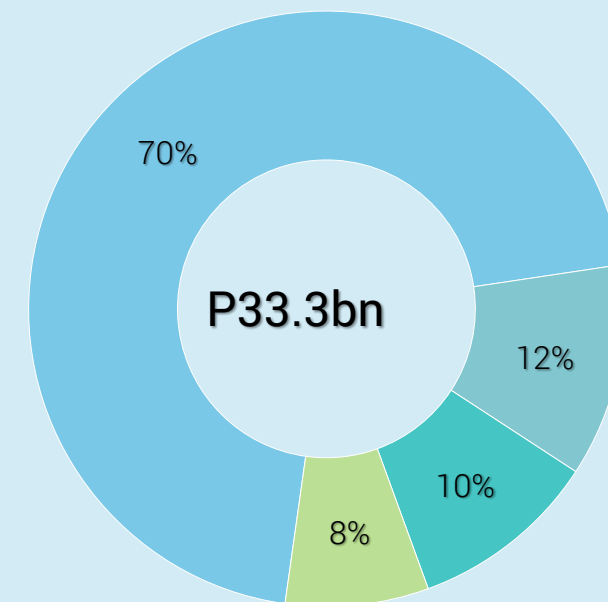


# TOTAL REVENUES (Pbn)



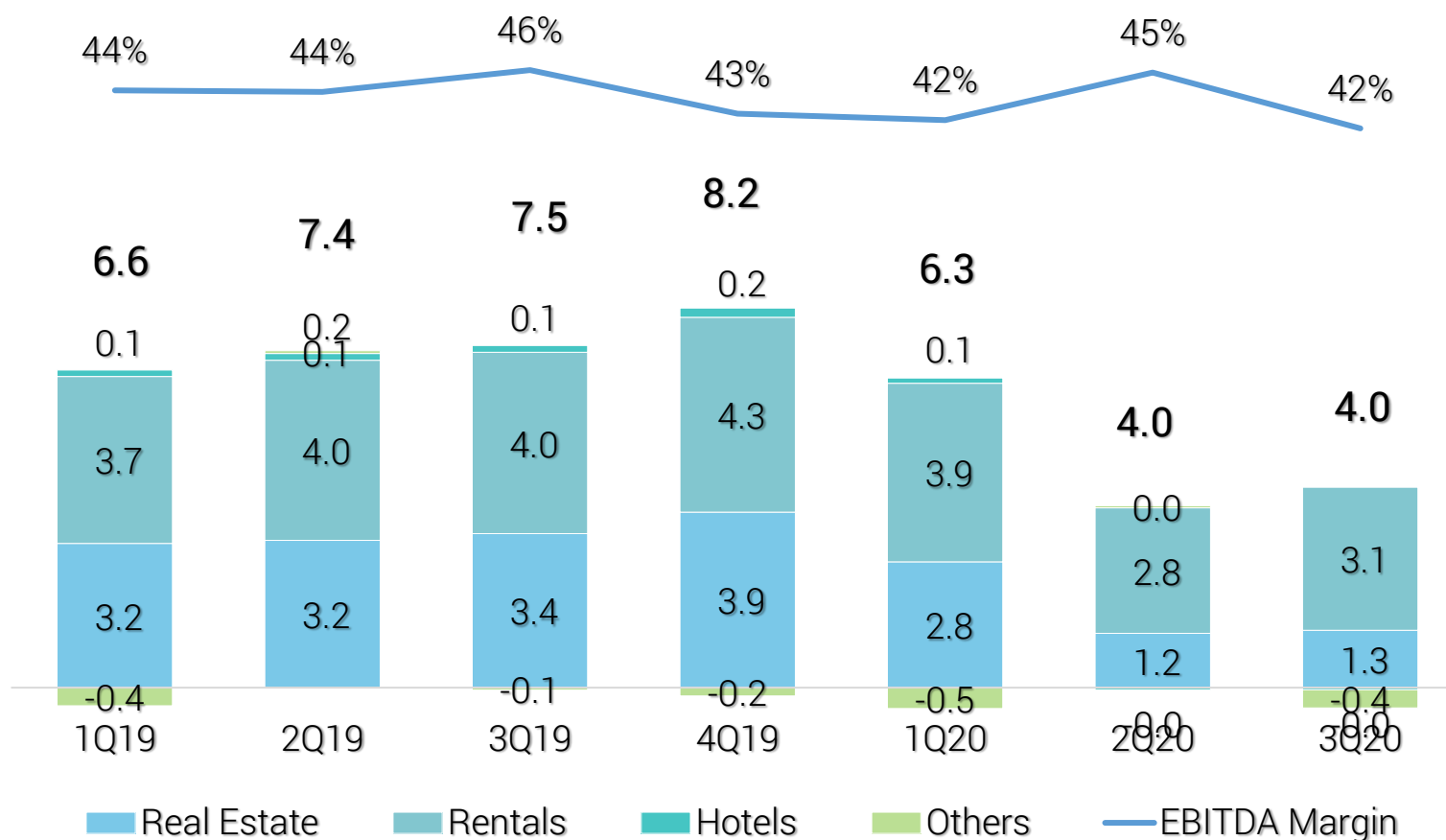
- Real Estate Sales make up the bulk of revenues (50% of total), while rental income accounts for 35%. Hotel operations contribute 4%.
- Bulk of increase in other income is due to FX gain.

## Per Company (9M20)



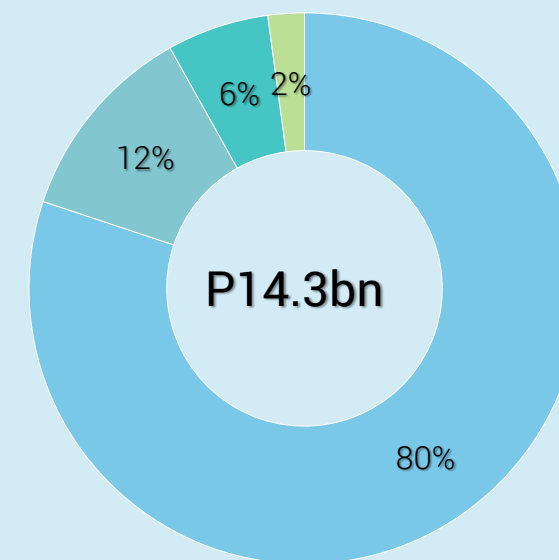
MEG GERI ELI SPI

# EBITDA (Pbn) & Margin



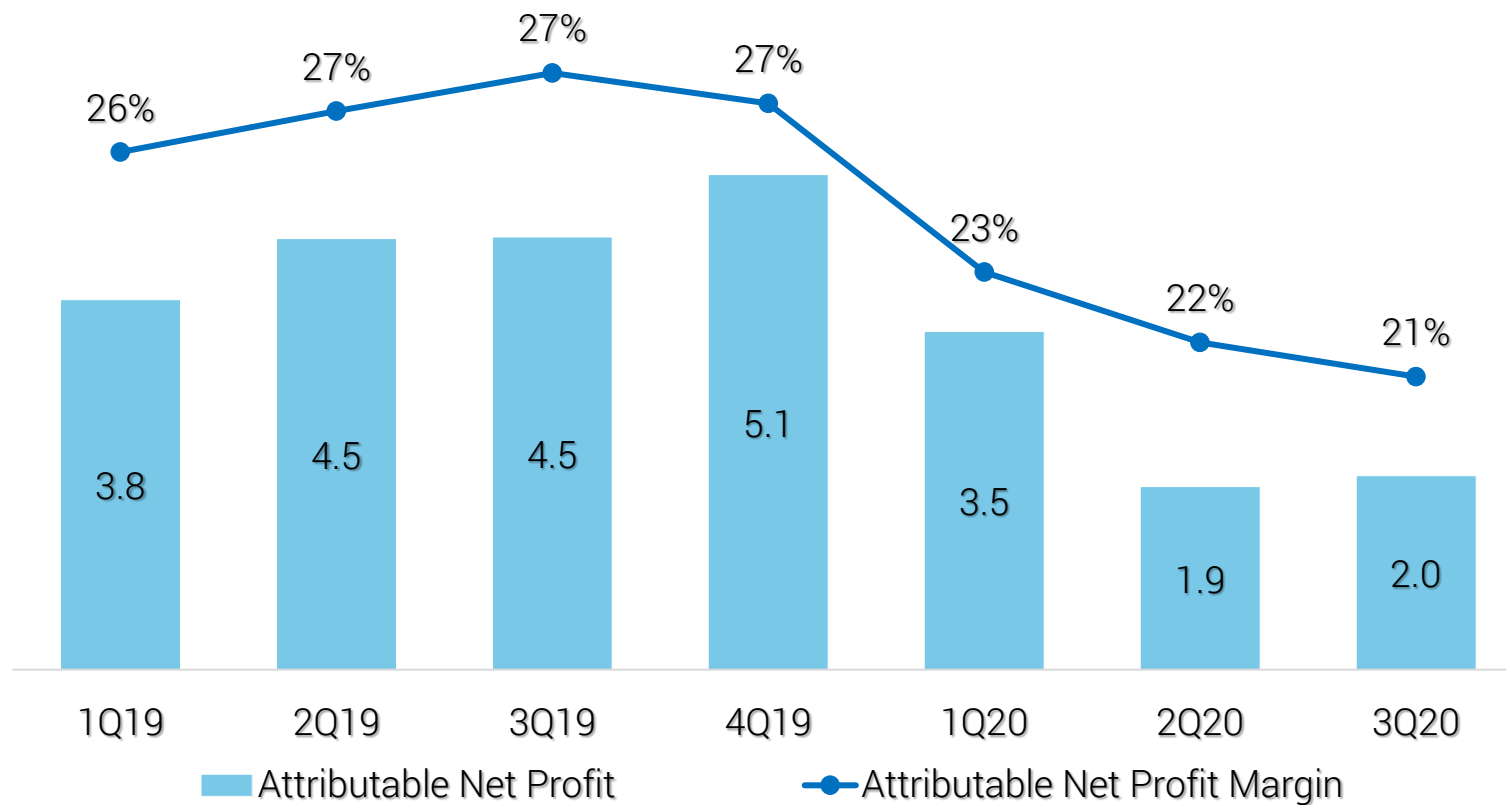
- QoQ, the improvement in revenues resulted in a slight increase in EBITDA.
- Meanwhile, the QoQ decline in EBITDA margin is due to the increased operational tempo.

## Per Company (9M20)



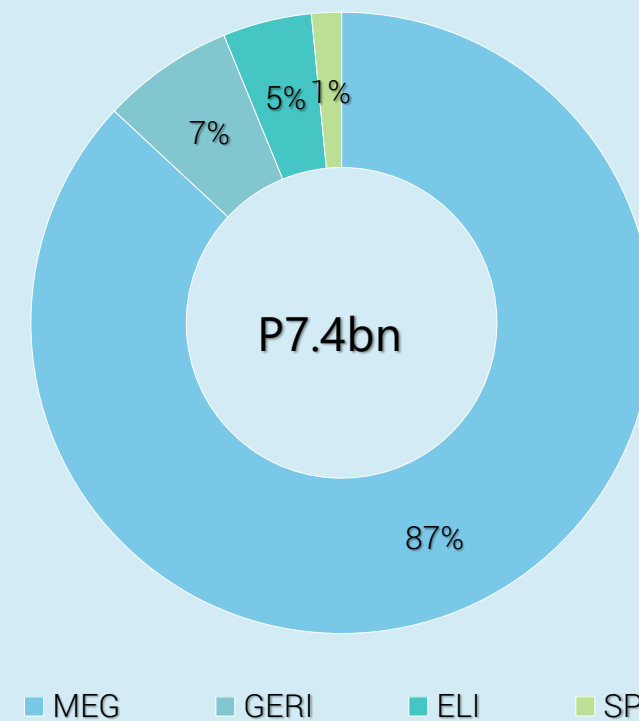
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# ATTRIBUTABLE NET PROFIT (Pbn) & MARGIN

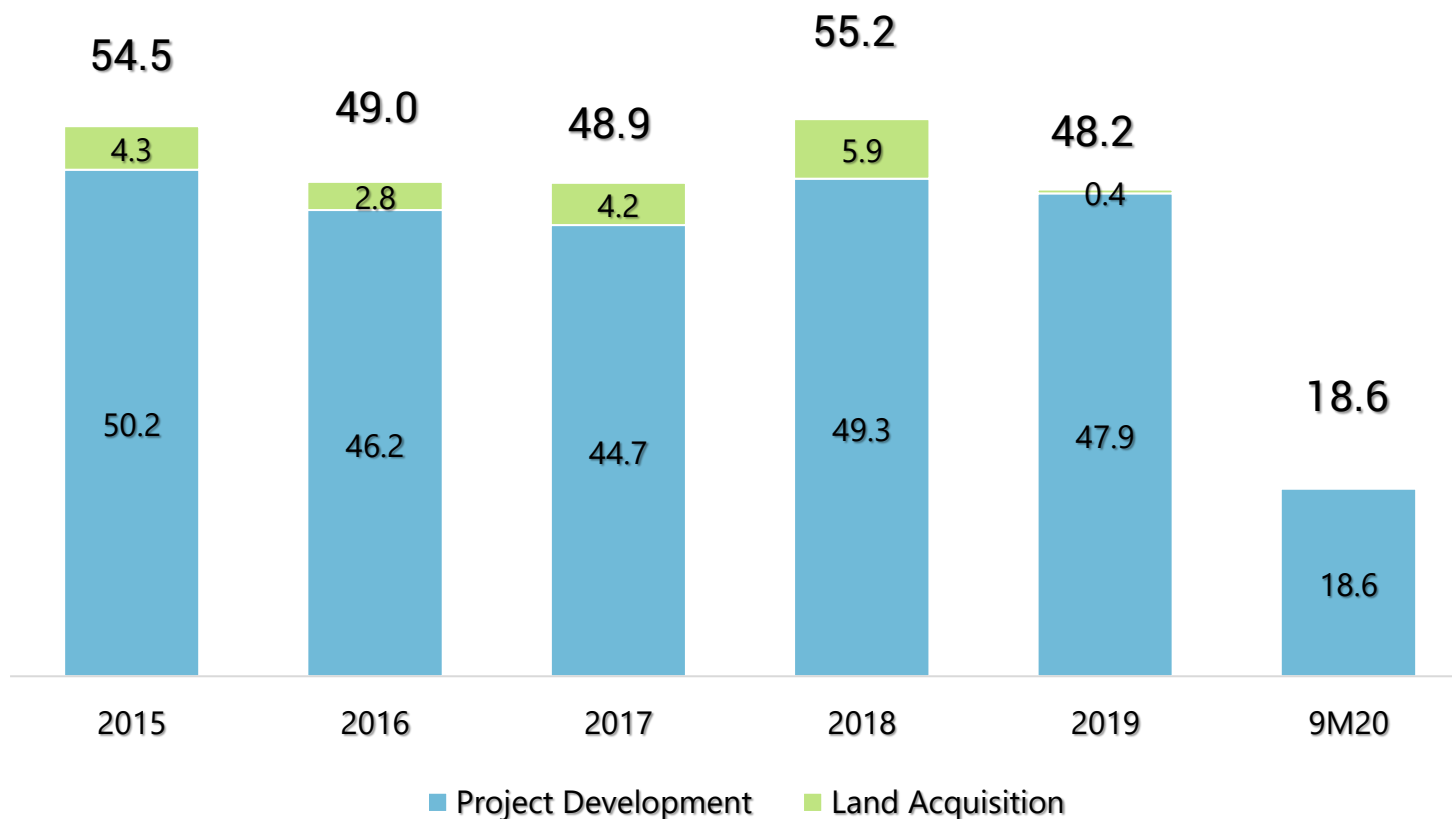


- Lower finance charges for the quarter offset the increase in operating cost which resulted in a slight decline in ANP margin.

## Attributable Net Profit (9M20)

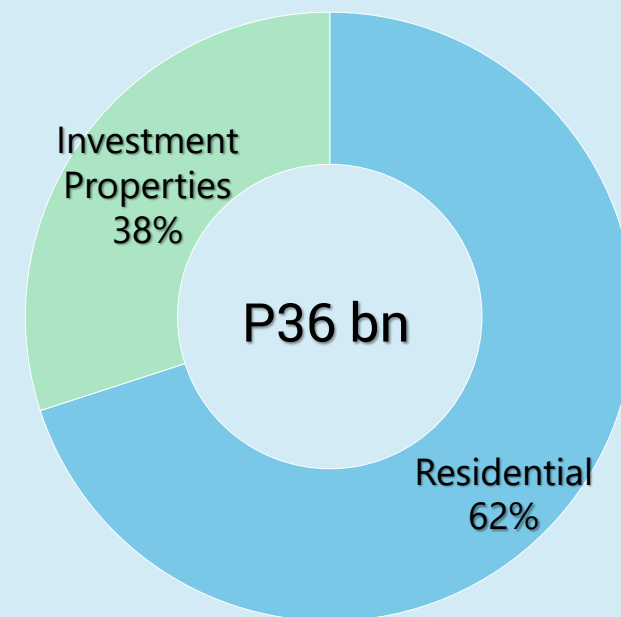


# CAPITAL EXPENDITURES (Pbn)

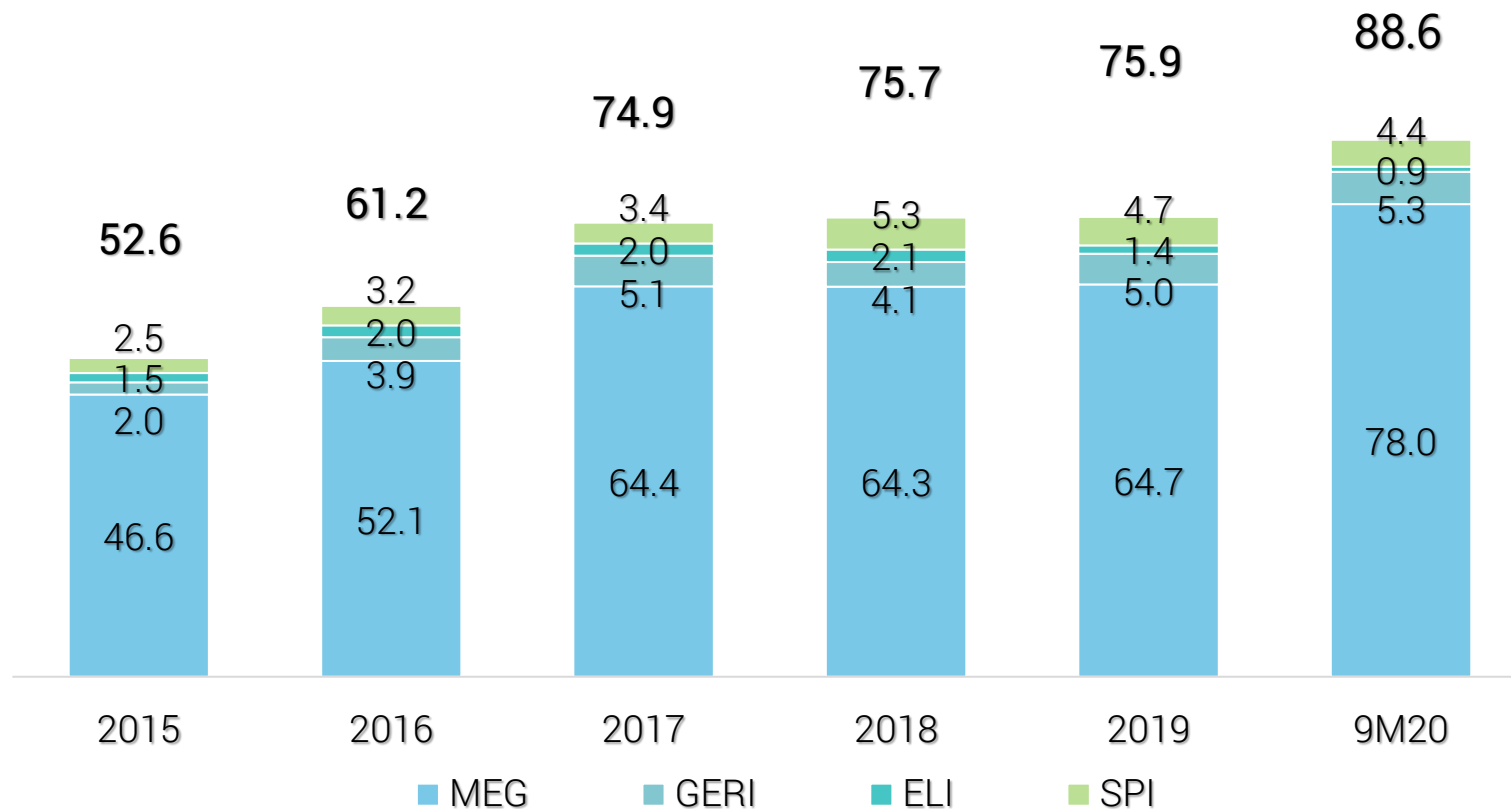


- P18.6 bn spent during the period (from P37.8 bn in 9M19) due to construction delays
- Construction activities only resumed when the ECQ was lifted in NCR
- Construction activity is expected to ramp up in 4Q20

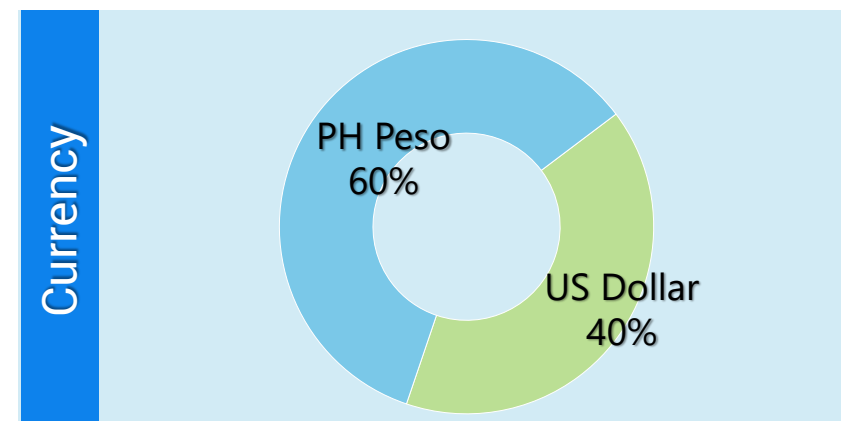
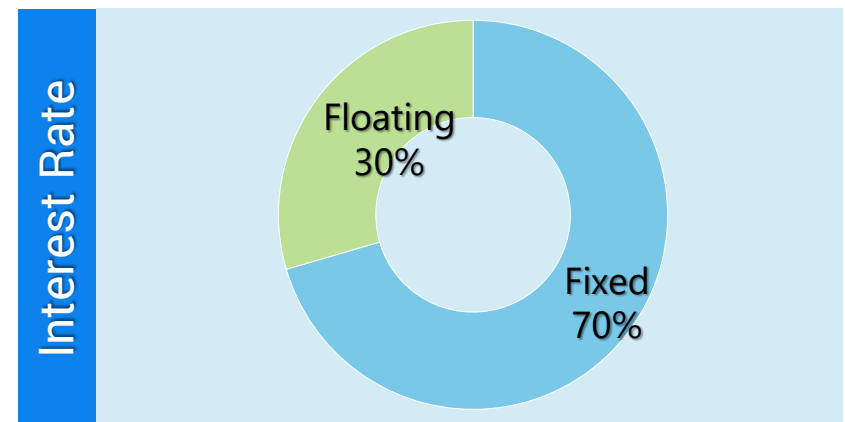
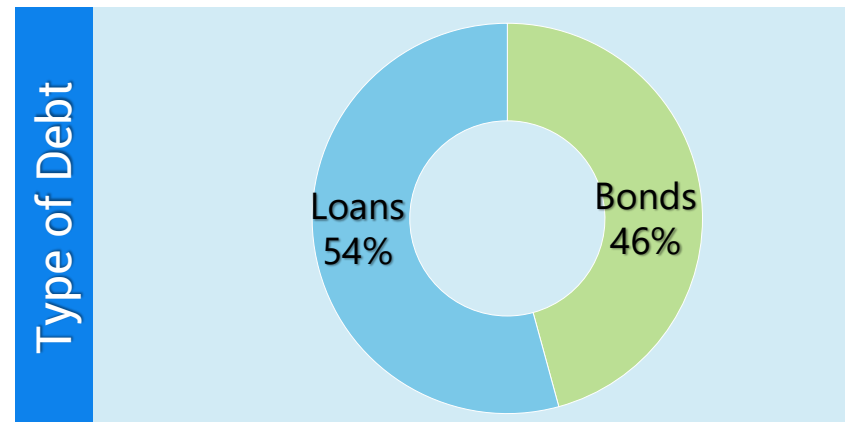
## 2020 CAPEX BUDGET



# GROSS DEBT (Pbn)

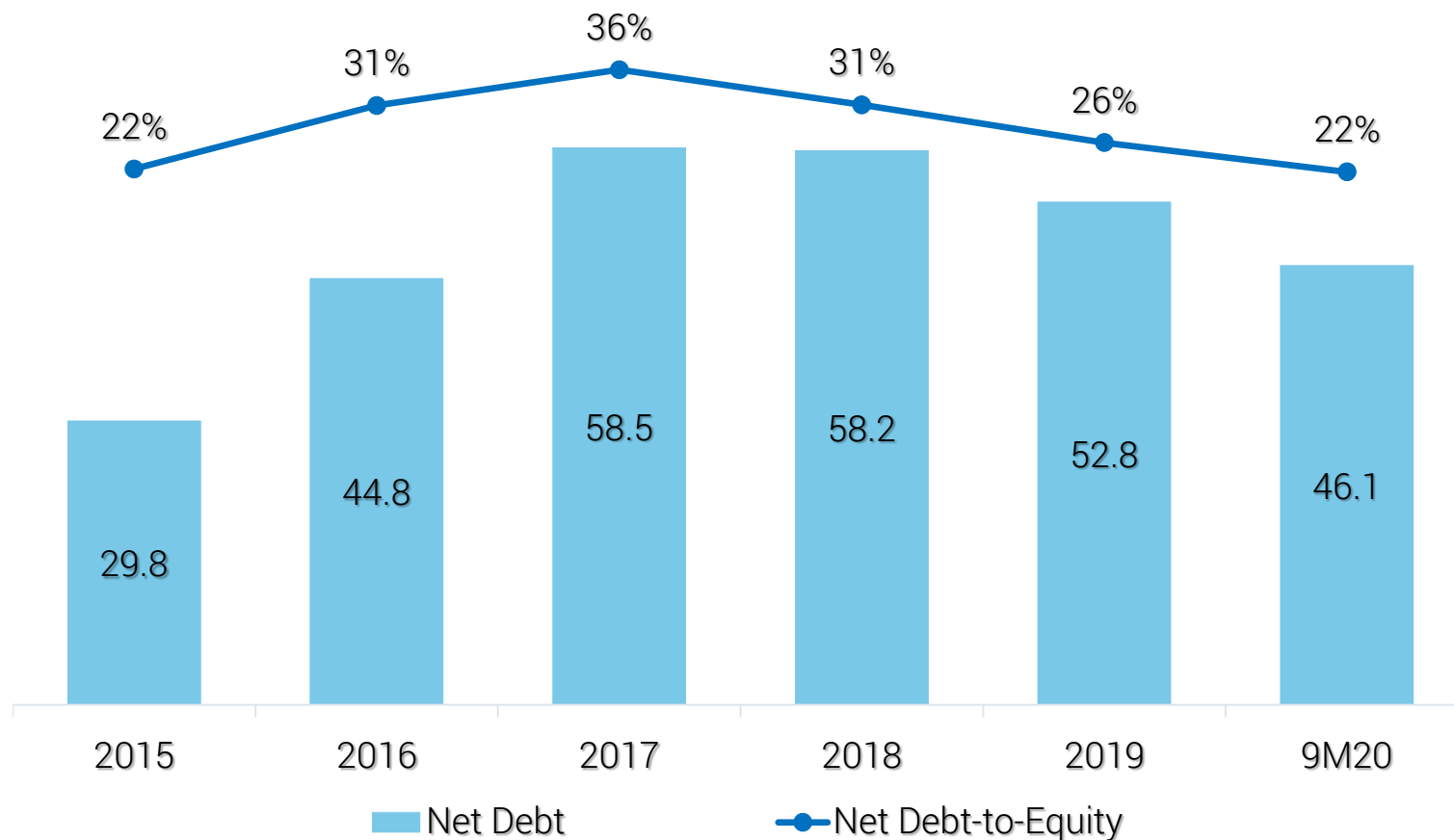


- Increase in debt due to issuance of \$350 million bonds last July 30
- Average cost of debt is less than 5%

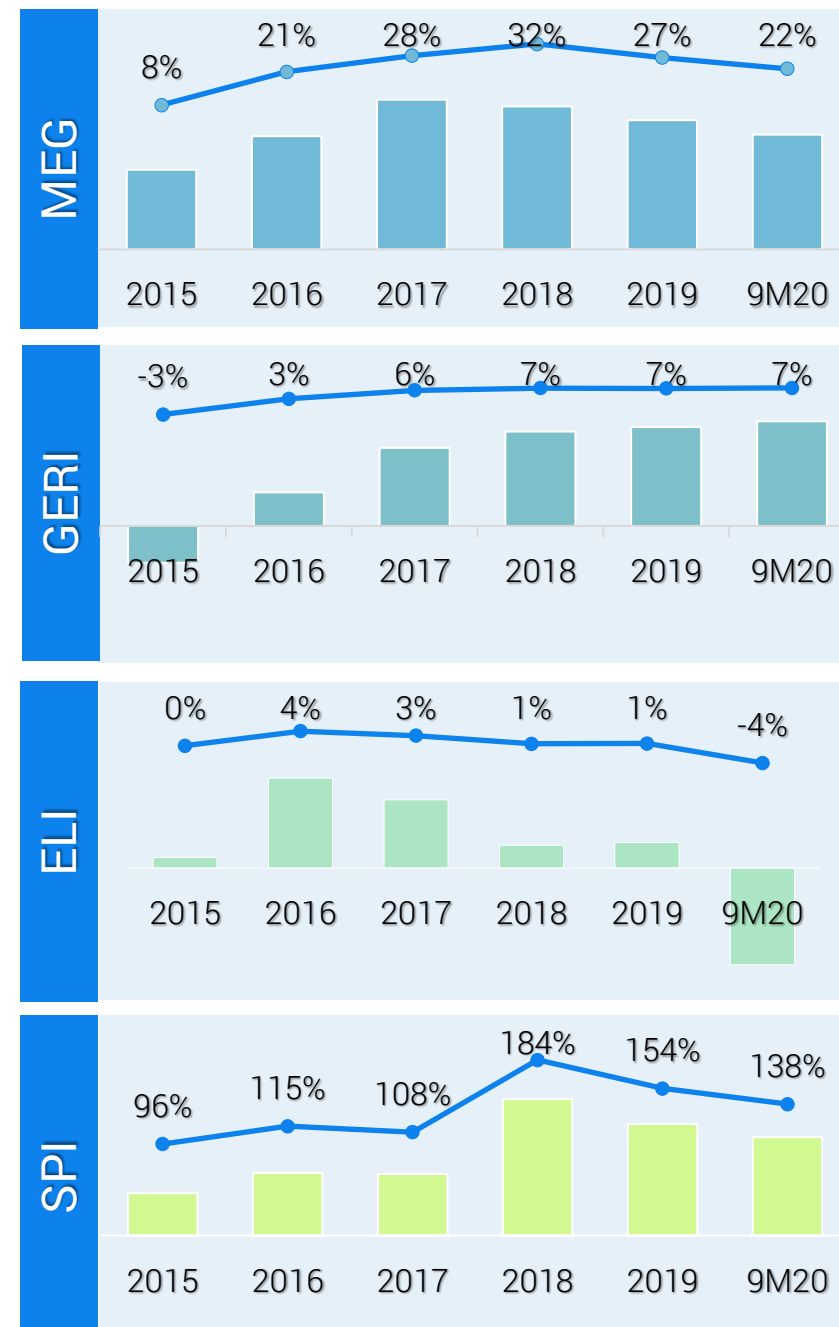




# NET DEBT (Pbn) & NET DEBT/EQUITY



- Low net gearing of 22% provides enough financial flexibility to deal with any developments that may arise



# CORE BUSINESSES



## REAL ESTATE



MEGAWORLD



GLOBAL-ESTATE RESORTS, INC.



Empire East



## OFFICES



## MALLS



## HOTELS

MEGAWORLD *Hotels*



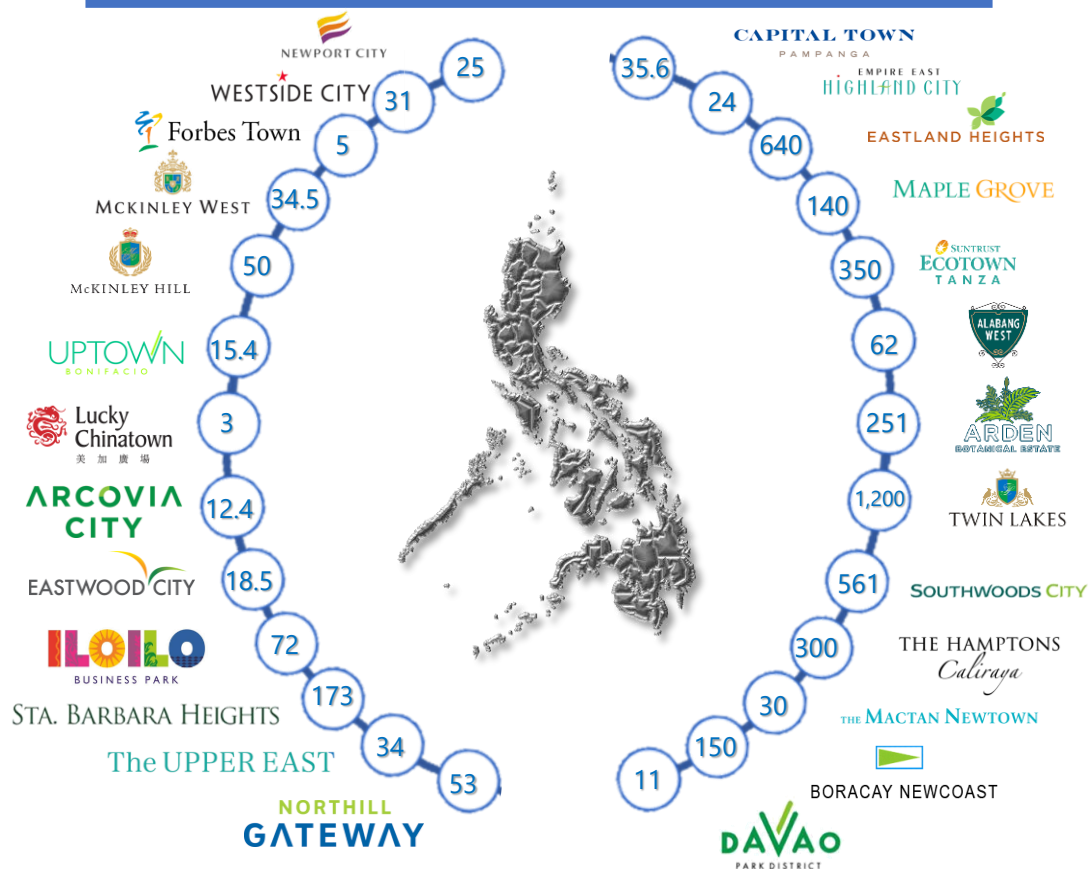
# 9M 2020 OPERATIONAL HIGHLIGHTS

**P50.2 bn**  
RESERVATION SALES

**4,300 has**  
LANDBANK

**P7.8 bn**  
PROJECT LAUNCHES

## 26 TOWNSHIPS (4,282 Hectares)



**1.3m**  
OFFICE GLA

**453k**  
MALL GLA

**3,637**  
HOTEL ROOM KEYS





MEGAWORLD  
REAL ESTATE

**P19.1 bn**

REAL ESTATE SALES

**P50.2 bn**

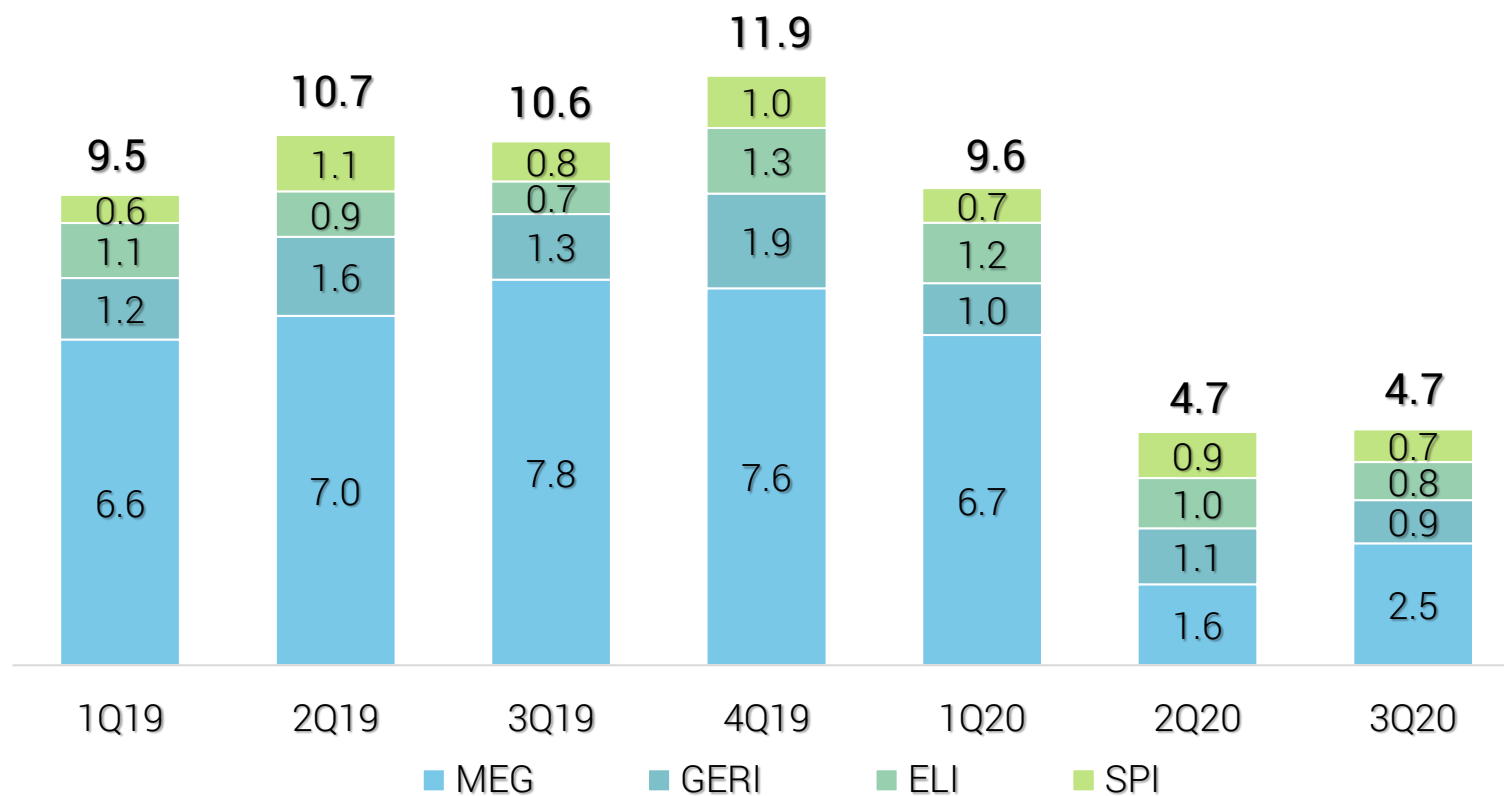
RESERVATION SALES

**P7.8 bn**

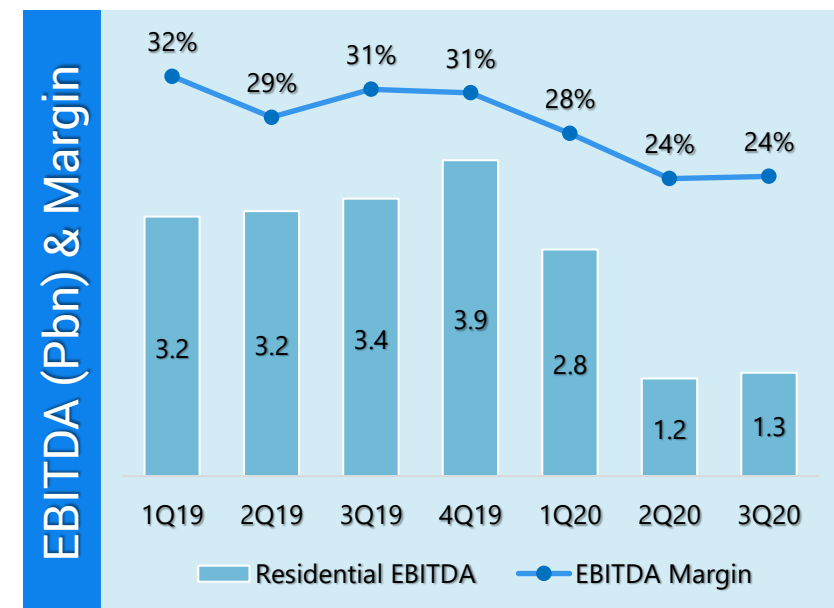
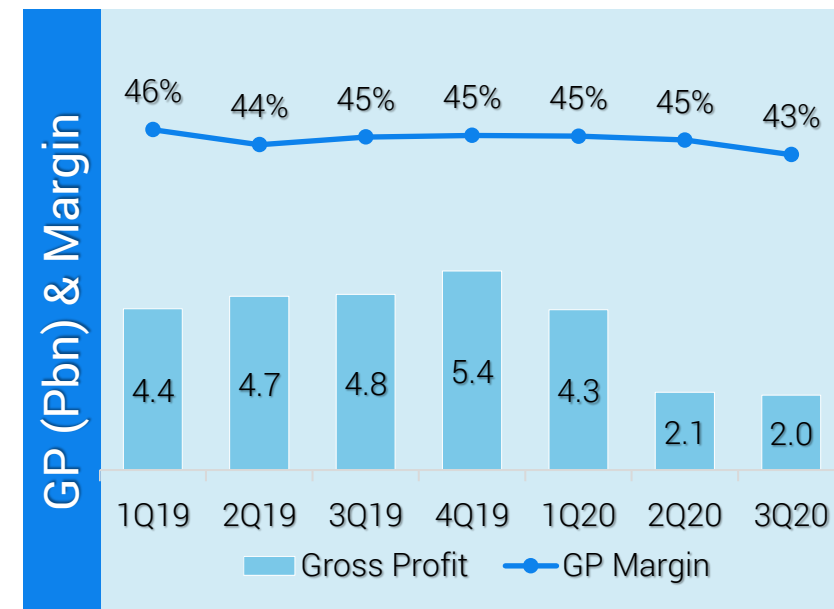
PROJECT LAUNCHES



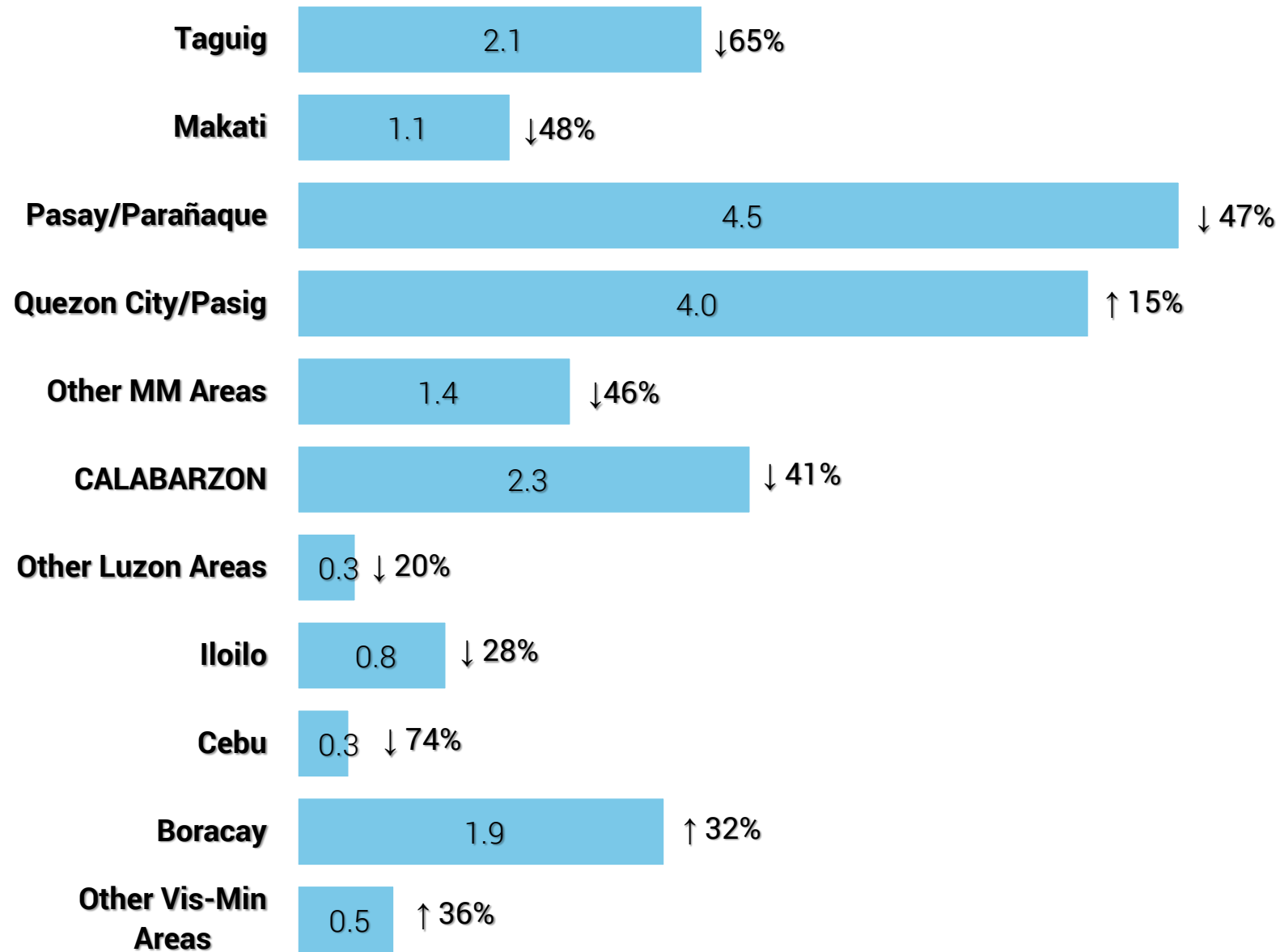
# REAL ESTATE SALES (Pbn) & MARGINS



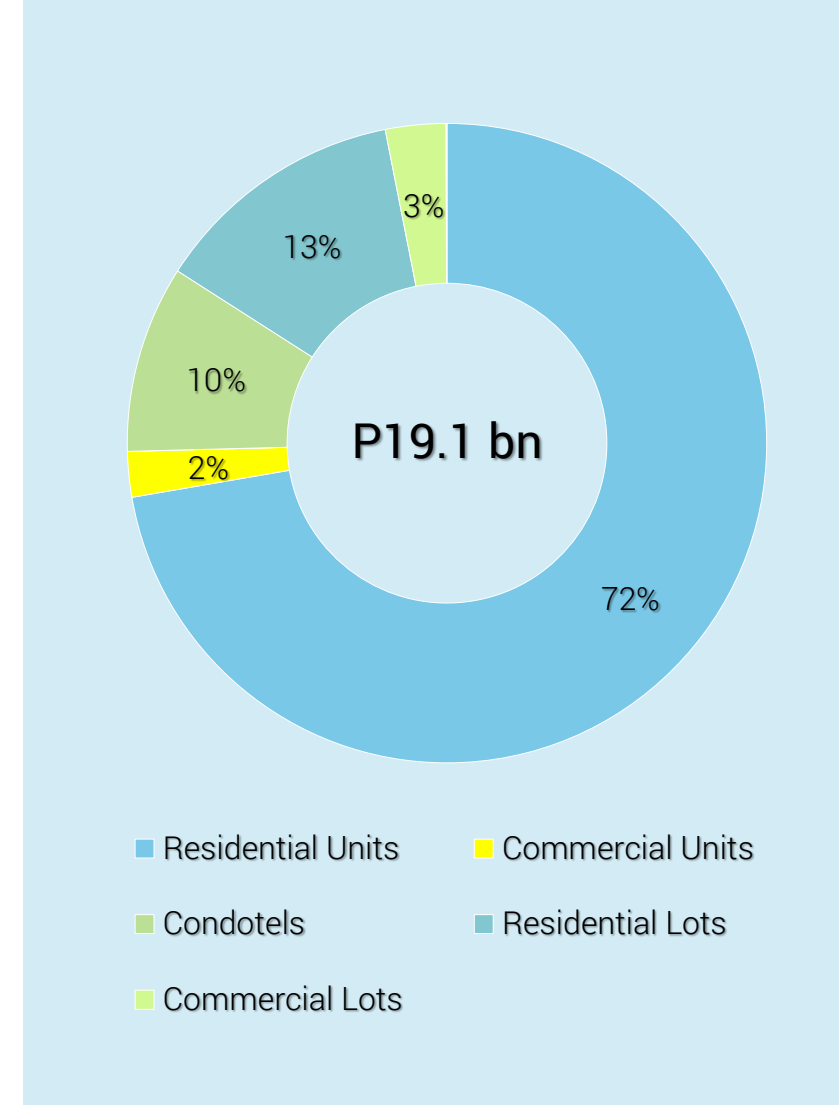
- Slower booking due to limitations on construction activity
- Decline in GP margin due to COVID-related costs (construction materials and labor)
- P123-billion worth of unbooked sales



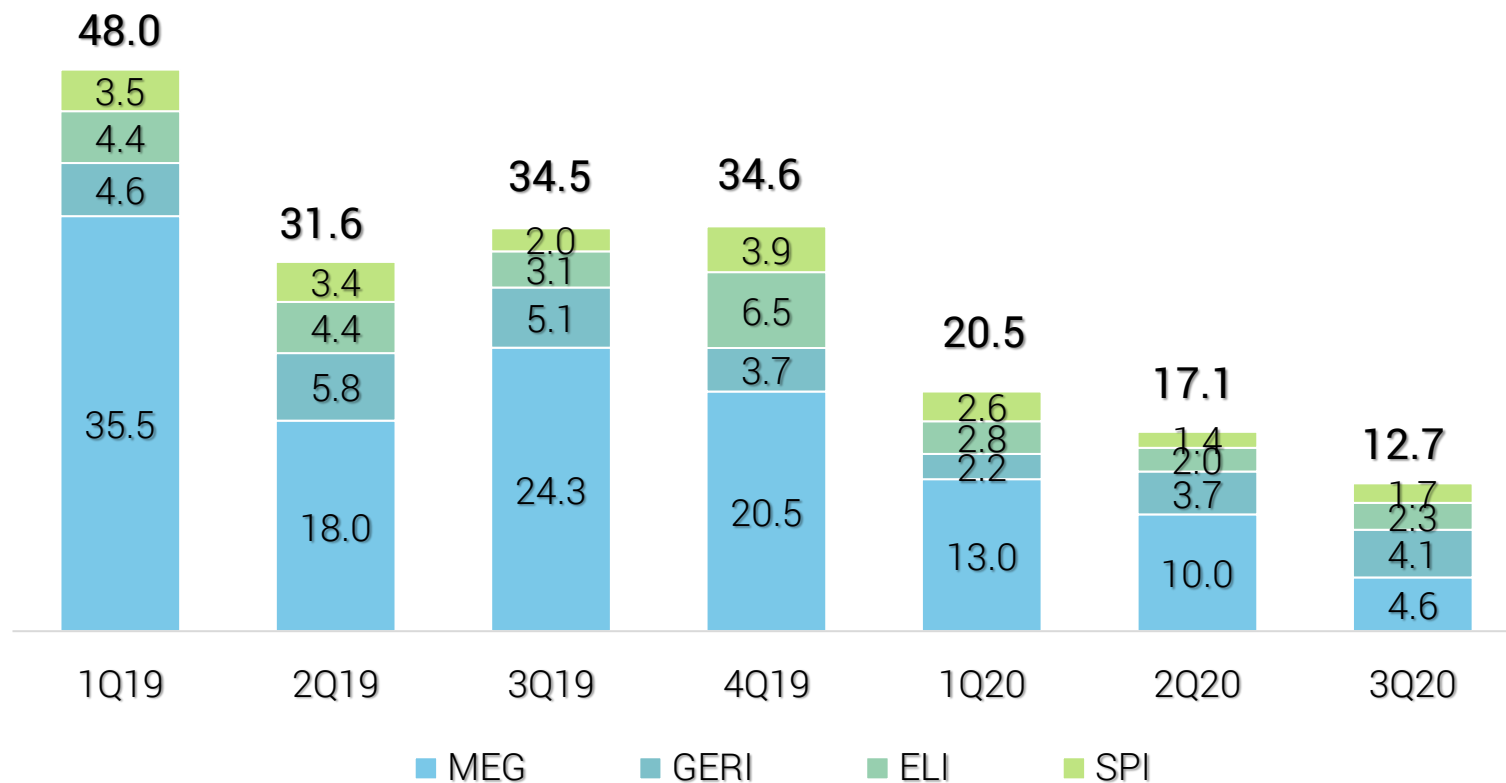
# 9M 2020 REAL ESTATE SALES MIX (Pbn)



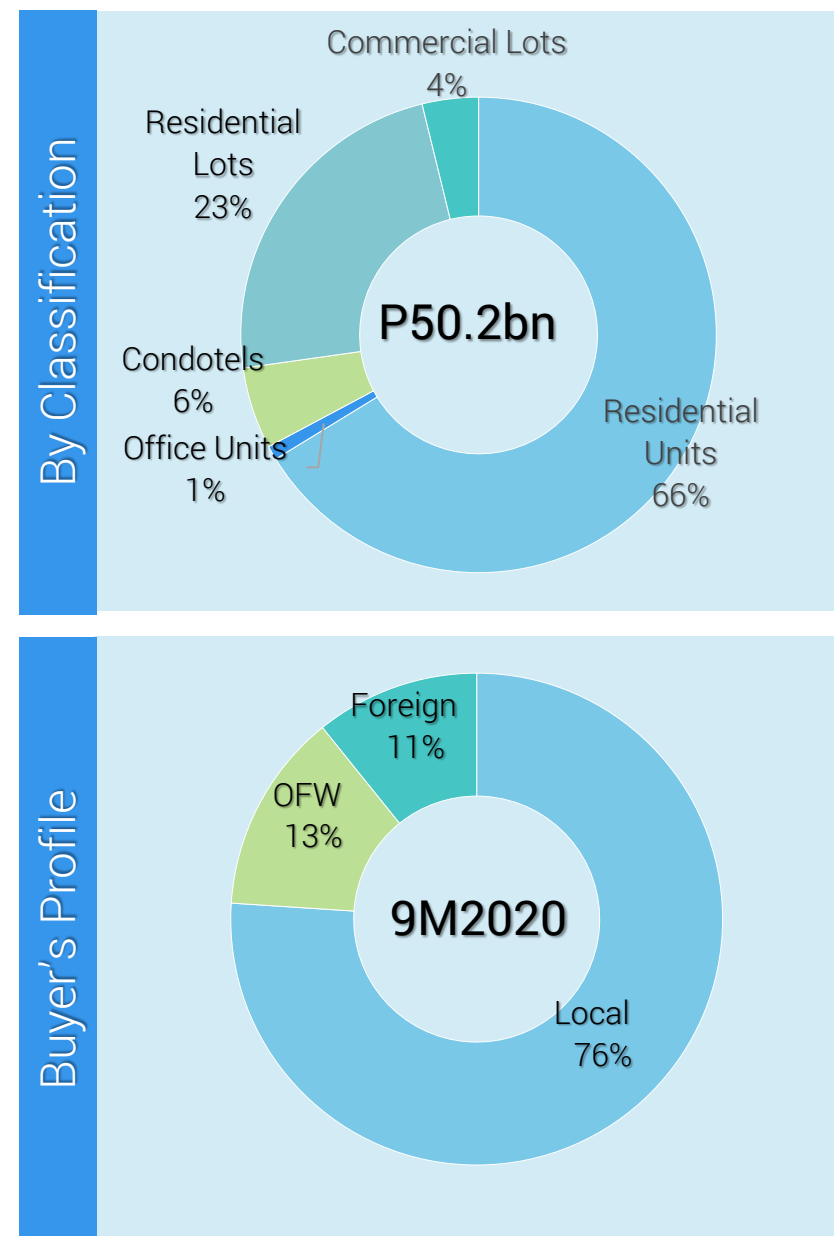
## By Classification



# RESERVATION SALES (Pbn)



- Lower launches as compared to the previous years.
- Slower take-up in MEG due to prevailing demand trend for provincial and horizontal projects.
- Unsold inventory as of 9M2020 equivalent to P87.6 billion.





# PROJECT LAUNCHES (Pbn)



The Pinnacle  
Iloilo Business Park



One Manhattan  
The Upper East

PROJECT NAME	LOCATION	VALUE
<b>MEGAWORLD</b>		<b>4.1</b>
Bryant Parklane North Wing	The Capital Town	1.0
The Pinnacle	Iloilo Business Park	1.5
One Manhattan	The Upper East	1.6
<b>EMPIRE-EAST</b>		<b>3.4</b>
Highland City – Arcadia T2	Highland City	3.4
<b>GLOBAL-ESTATE</b>		<b>0.3</b>
Lakefront Esplanade	Hamptons Caliraya	0.3
<b>TOTAL</b>		<b>7.8</b>



Lakeshore Esplanade  
Hamptons Caliraya





# MEGAWORLD RENTALS

**P10.6** bn

**RENTAL REVENUES**

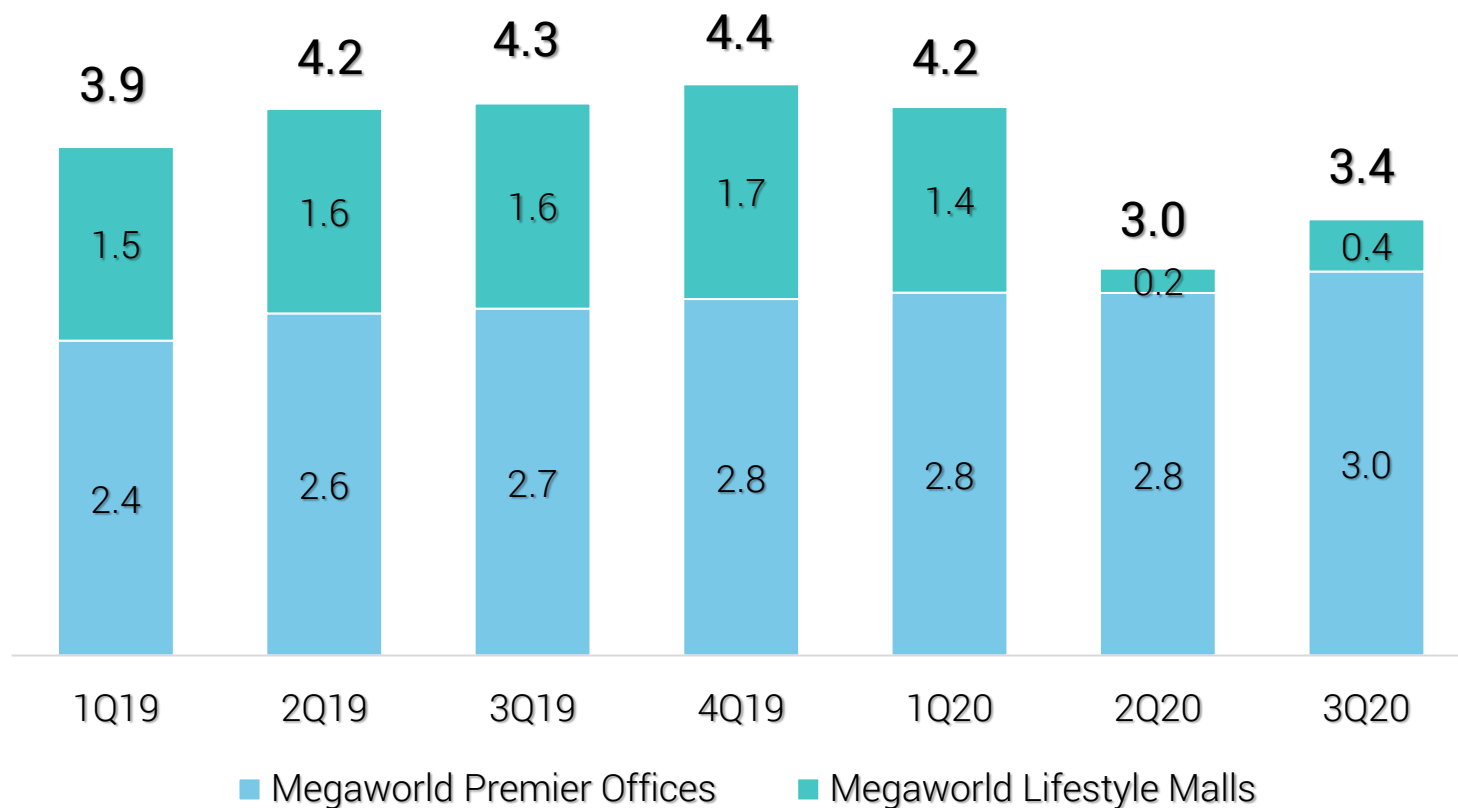
**P8.6** bn

**MEGAWORLD PREMIER  
OFFICES**

**P2.0** bn

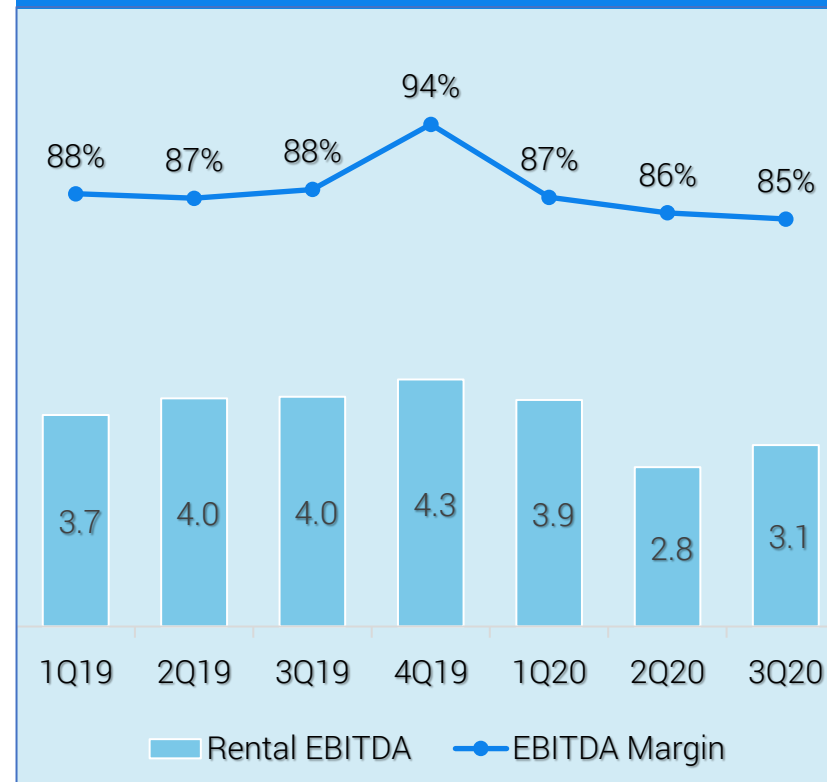
**MEGAWORLD  
LIFESTYLE MALLS**

# RENTAL INCOME (Pbn)



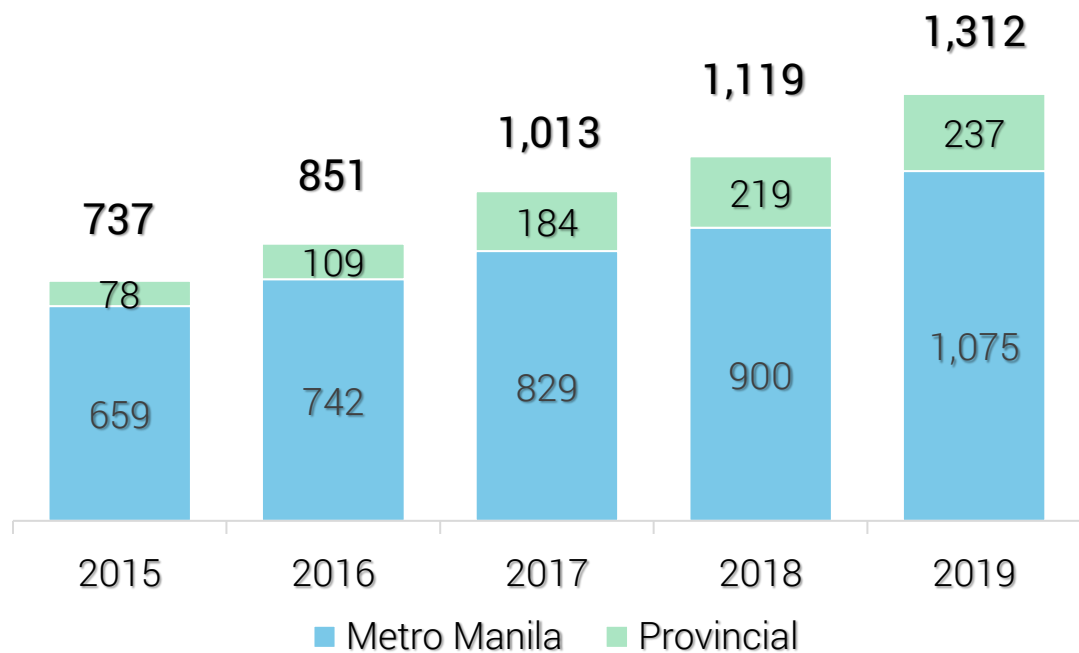
- 11% increase in office rent offset the weaker contribution from mall operations

## RENTAL EBITDA & MARGIN



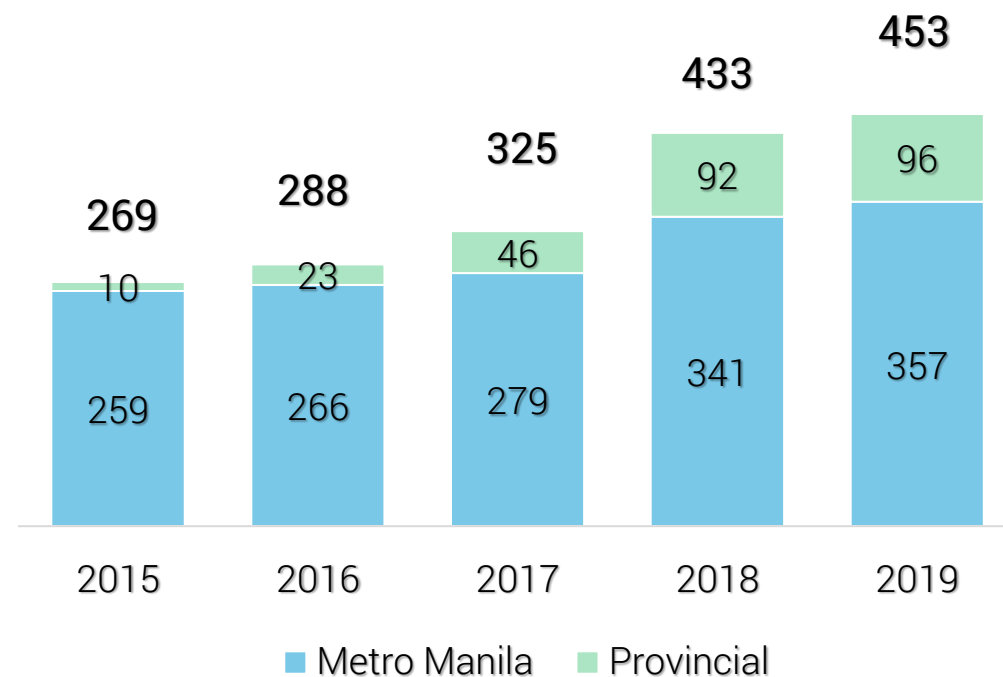
# RENTAL PORTFOLIO ('000 sqm)

## MEGAWORLD PREMIER OFFICES



- Office occupancy level at 94%
- Pre-termination for 29k sqm GLA; 60% has been leased out already

## MEGAWORLD LIFESTYLE MALLS



- Malls occupancy level at 88% (68% operational)



# MEGAWORLD PREMIER OFFICES

PROJECT	TOWNSHIP	GLA
<b>2020</b>		
Two Fintech Place	Iloilo Business Park	17,600
Worldwide Plaza	Uptown Bonifacio	69,200
<b>Total GLA</b>		<b>86,800 sqm</b>

<b>2022</b>		
Suntrust Finance Center	Westside City	20,800
One Fintech Tower	Westside City	17,500
Mactan World Museum	The Mactan Newtown	5,400
Enterprise 1	Iloilo Business Park	36,700
1 Upper East Avenue	Upper East	8,600
International Finance Center	Uptown Bonifacio	69,000
Pasudeco Tower 1	Capital Town	9,000
<b>Total GLA</b>		<b>167,000 sqm</b>



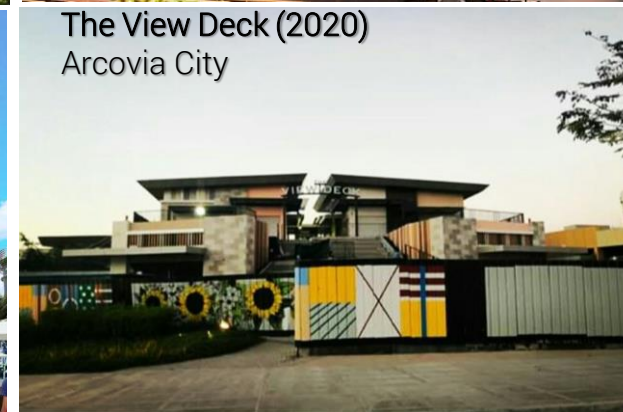


# MEGAWORLD LIFESTYLE MALLS

PROJECT	TOWNSHIP
---------	----------

## 2020

Lafayette	Iloilo Business Park
808 Building	Iloilo Business Park
World Commerce Plaza	Uptown Bonifacio
The View Deck	Arcovia City
One Legrand Tower	Mckinley West
Clock Tower	Davao Park District
Uptown Palazzo	Uptown Bonifacio
<b>Total GLA</b>	<b>13,900 sqm</b>



## 2021

Clark Cityfront	Clark, Pampanga
San Antonio Residences	Makati
Palladium	Iloilo Business Park
810 Building	Iloilo Business Park
<b>Total GLA</b>	<b>18,500 sqm</b>







## MEGAWORLD HOTELS

**P1.2 bn**

HOTEL REVENUES

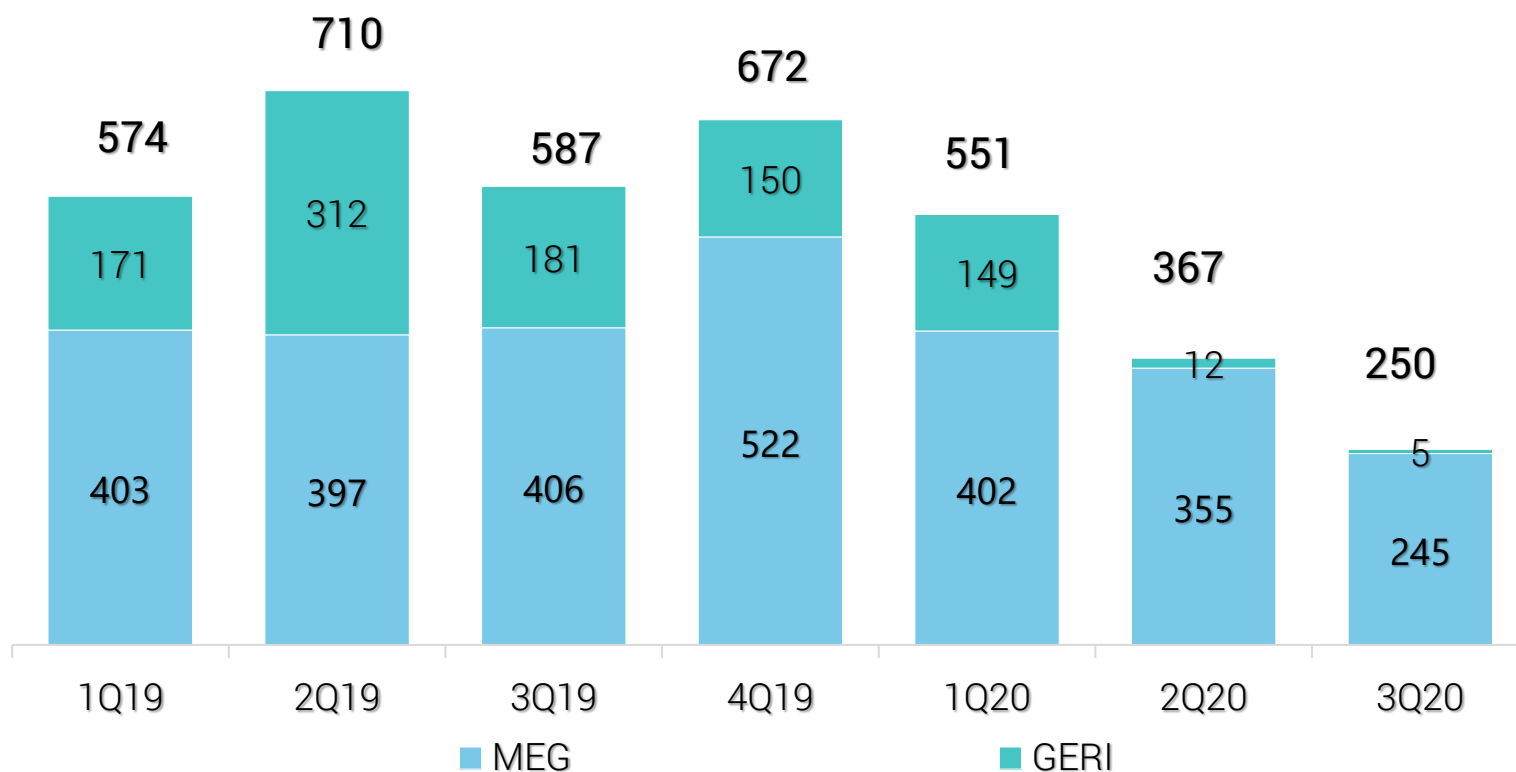
**P24 m**

HOTEL EBITDA

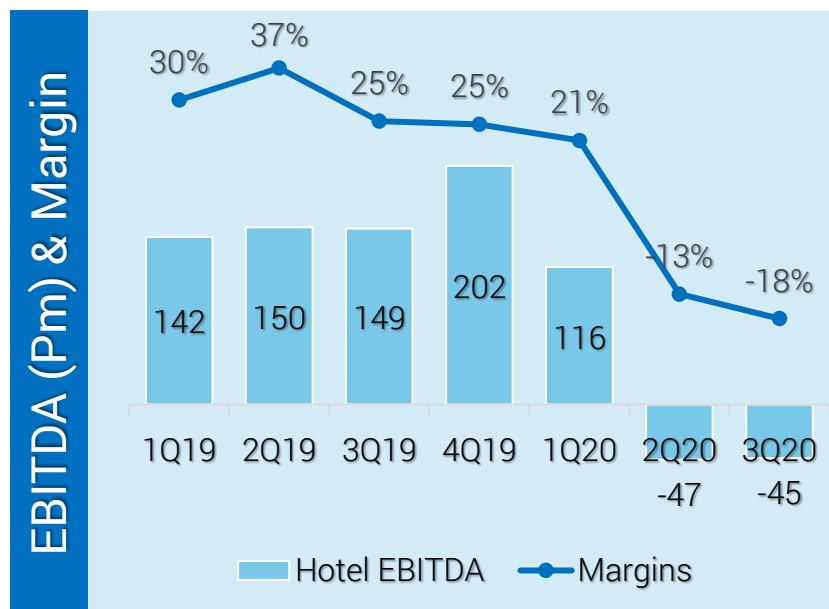
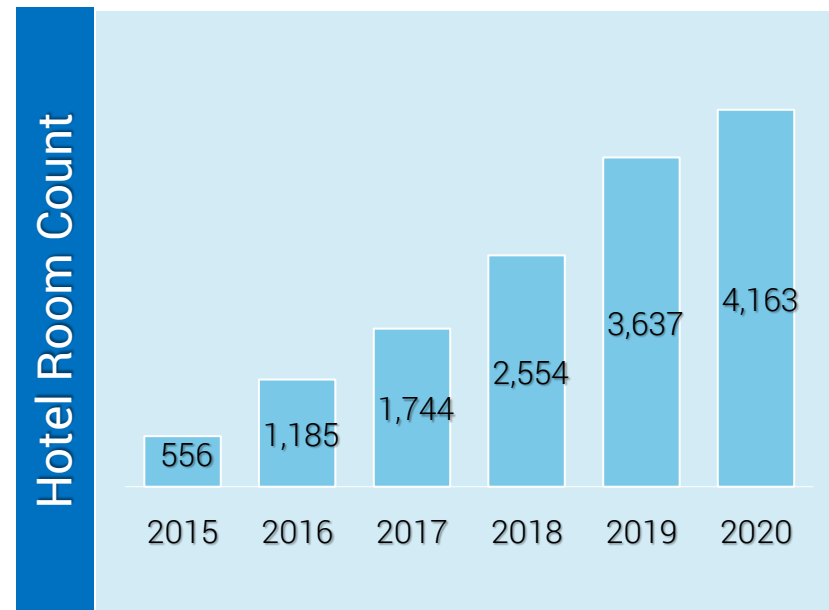
**3,637**

HOTEL ROOM COUNT

# HOTEL REVENUES (Pm)



- Hotel occupancy in 9M2020 dropped due to the imposition of travel restrictions resulting in the cancellation of room bookings and MICE activities
- Bulk of revenues came from in-city hotels, which continue to provide quarantine services to returning OFWs and “work-from-hotel” arrangements





# MEGAWORLD HOTELS

HOTEL NAME	TOWNSHIP	ROOM KEYS
<b>2020</b>		
Kingsford Hotel	Westside City	526
<b>2021</b>		
Chancellor Hotel Boracay	Boracay Newcoast	554
<b>2022</b>		
Grand Westside Hotel	Westside City	1,530
Belmont Hotel Mactan	The Mactan Newtown	550
Total		2,080



**Belmont Hotel Mactan**



**Kingsford Hotel**


**Grand Westside Hotel**



# 2020 TARGETS



**P75 bn**  
RESERVATION SALES



**P7.8 bn**  
PROJECT LAUNCHES



**P36 bn**  
CAPEX BUDGET



**+87 k**  
OFFICE GLA (SQM)



**+14 k**  
RETAIL GLA (SQM)



**+526**  
HOTEL ROOM KEYS



## SUMMARY

1. Megaworld's consolidated revenues of P33.3 bn and net income of P8.1 bn, about 31% and 41% lower from the same period last year. QoQ consolidated revenues grew by 9% to P9.5 bn, bringing its net profit up 7% to P2.2 bn for the same period.
2. Real estate sales totaled P19.1 bn, 38% lower YoY due to limitations on construction activities, which prevailed in 3Q20. Meanwhile, reservation sales amounted to P50.2 bn in 9M2020, 56% lower due to prevailing demand trend for provincial and horizontal projects.
3. Rental Income declined 14% to P10.6 bn in 9M2020, with 81:19 split in favor of office rental.
  - Megaworld Premier Offices continued its growth momentum in 9M2020 as it grew 11% YoY to P8.6 billion.
  - While mall revenues were down 57% YoY to P2 bn, the reopening of the economy boosted quarterly mall rent by 117% to P400 million in the third quarter as compared to the previous quarter.
4. In 9M2020, hotel revenues dropped 38% to P1.2 billion due to temporary closures brought about by the pandemic lockdowns in the country.
5. Capital expenditures totaled P18.6 bn equivalent to 52% of budget for 2020.
6. The company's balance sheet remains healthy as its net gearing improves to 22% from 26% in 2019.



MEGAWORLD

BUILDING A SUSTAINABLE



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(16 November 2020)