MEGAWORLD

MEGAWORLD CORPORATION

NINE MONTHS 2022 RESULTS

Analysts' Presentation

14 November 2022

FINANCIAL UPDATE

PERFORMANCE UPDATE

In PHP Billions	3Q22	2Q22	QoQ	3Q21	YoY	9M22	9M21	YoY
REVENUES	**15.0**	14.3	*5%*	14.5	*4%*	**42.5**	36.9	*15%*
COSTS & EXPENSES	**12.1**	11.1	*9%*	11.2	*8%*	**32.8**	28.3	*16%*
EBITDA	**5.1**	5.2	*-1%*	5.4	*5%*	**16.1**	14.7	*10%*
NET PROFIT	**3.0**	3.2	*-8%*	3.3	*-9%*	**9.7**	8.6	*12%*
ATTRIBUTABLE PROFIT	**2.5**	2.8	*-11%*	3.2	*-20%*	**8.4**	8.2	*3%*
GROSS PROFIT MARGIN	**50%**	48%		46%		**49%**	46%	
EBITDA MARGIN	**34%**	36%		37%		**38%**	40%	
ATTRIBUTABLE PROFIT MARGIN	**17%**	20%		22%		**20%**	22%	

Double-digit YoY topline growth across all business segments driven mainly by resurgence in economic activity with increased mobility.

Margin pressures due to notable increases in salaries and commissions

Profitability further weighed down by FX losses

REVENUE BREAKDOWN

P42.5B

TOTAL REVENUES 15%

REAL ESTATE SALES 13%
Improved construction activity, higher completion rate

OFFICE RENTALS 12%
Higher rent from new leases and escalations; stable occupancy

MALL RENTALS 51%
Increased mobility, higher spending and reduced rental concessions

HOTEL OPERATIONS 38%
Sharp pick up in domestic tourism, MICE activities

OTHER INCOME 11%

STRONG BALANCE SHEET

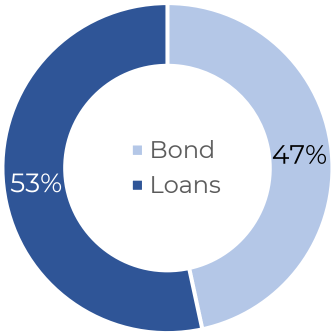
P100.5 BILLION
GROSS DEBT

P63.3B
NET DEBT

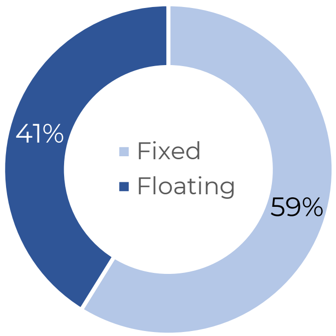
27%
NET DEBT /EQUITY

P35.0B
CAPEX SPENDING

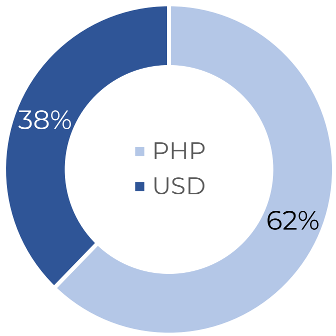
TYPE OF DEBT



INTEREST RATE



CURRENCY



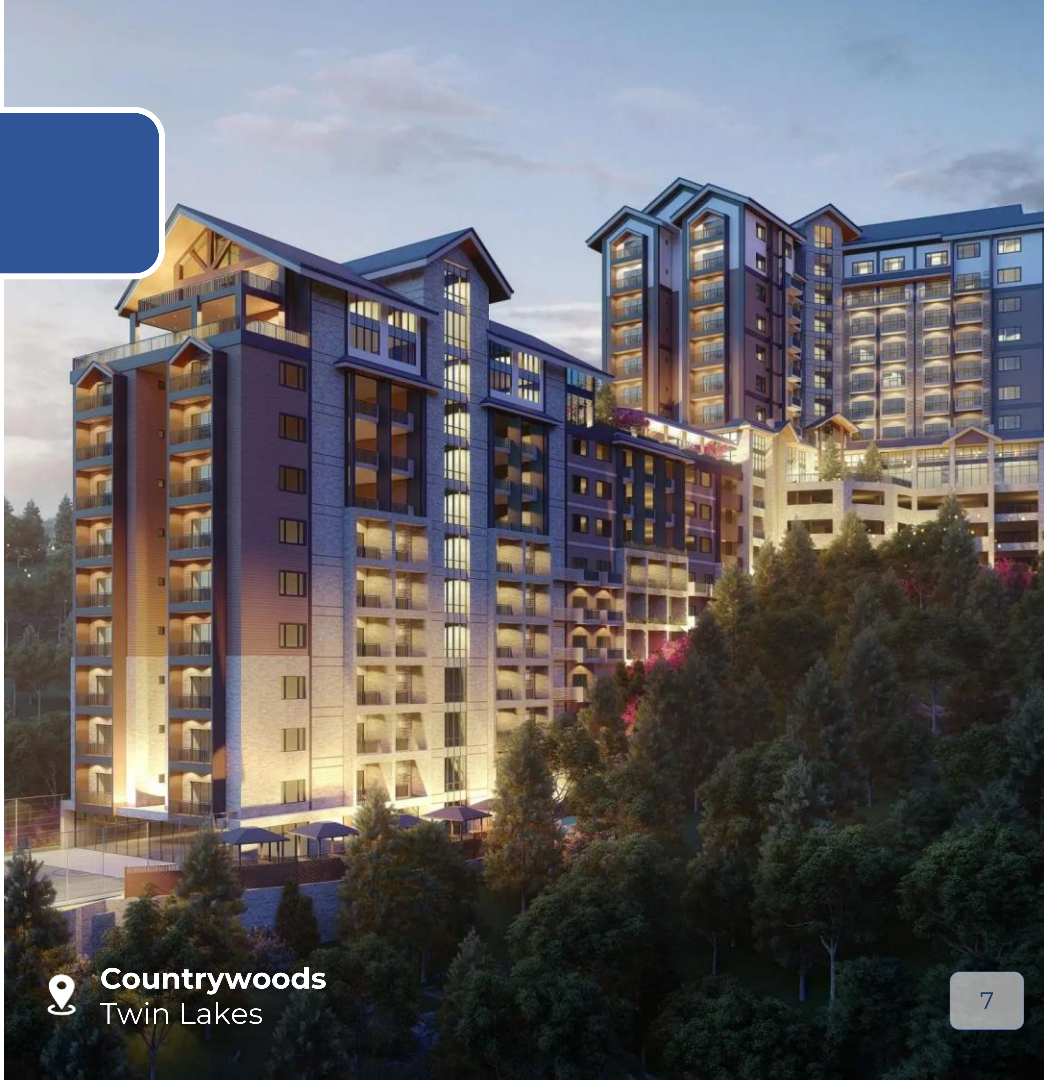
OPERATING UPDATE

REAL ESTATE

P26.2B **REAL ESTATE SALES**
↑13% YoY

P85.6B **RESERVATION SALES**
vs P90B FY2022 Target

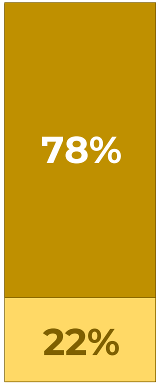
P29.1B **PROJECT LAUNCHES**
vs P30B FY2022 Target



REAL ESTATE SALES

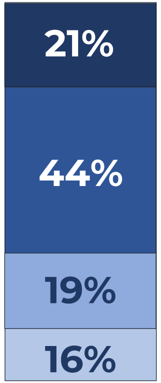
P26.2 BILLION
REAL ESTATE SALES

By Segment



- UPPER-MIDDLE TO HIGH-END SEGMENT — 34%
- LOW-MIDDLE TO ECONOMIC SEGMENT — 1%

By Location



- TAGUIG CITY — 33%
- METRO MANILA EX-TAGUIG — 1%
- LUZON EX-MM — 19%
- VISAYAS-MINDANAO — 23%

By Classification

- RESIDENTIAL UNITS — 7%
- RESIDENTIAL LOTS — 24%
- CONDOTELS — 48%
- COMMERCIAL LOTS — 31%

RESERVATION SALES

P85.6 BILLION
RESERVATION SALES

Buyers' Profile

- LOCAL: 80%
- FOREIGN: 20%

By Location

- METRO MANILA: 51%
- PROVINCIAL: 49%

By Classification

- VERTICAL: 77%
- HORIZONTAL: 23%

PROJECT LAUNCHES

MONTROSE PARKVIEW

THE CAPITAL TOWN | PAMPANGA

P2.8 BILLION
PROJECT VALUE

P232,000
CURRENT SELLING PRICE

51%
PERCENTAGE SOLD

SEP 2022
DATE LAUNCHED

PROJECT LAUNCHES

THE LINDGREN – Ph3

ARDEN BOTANICAL ESTATE | CAVITE

P2.7 BILLION

SALEABLE AREA

P99,000

CURRENT SELLING PRICE PER SQM

13%

PERCENTAGE SOLD

SEP 2022

DATE LAUNCHED

PROJECT LAUNCHES

PRANA GARDEN VILLAS

TRECE MARTIRES, CAVITE

P1.4 BILLION

PROJECT VALUE

P30,000

CURRENT SELLING PRICE PER SQM

5%

PERCENTAGE SOLD

SEP 2022

DATE LAUNCHED

OFFICES

P9.1B

OFFICE RENTALS
↑12% YoY

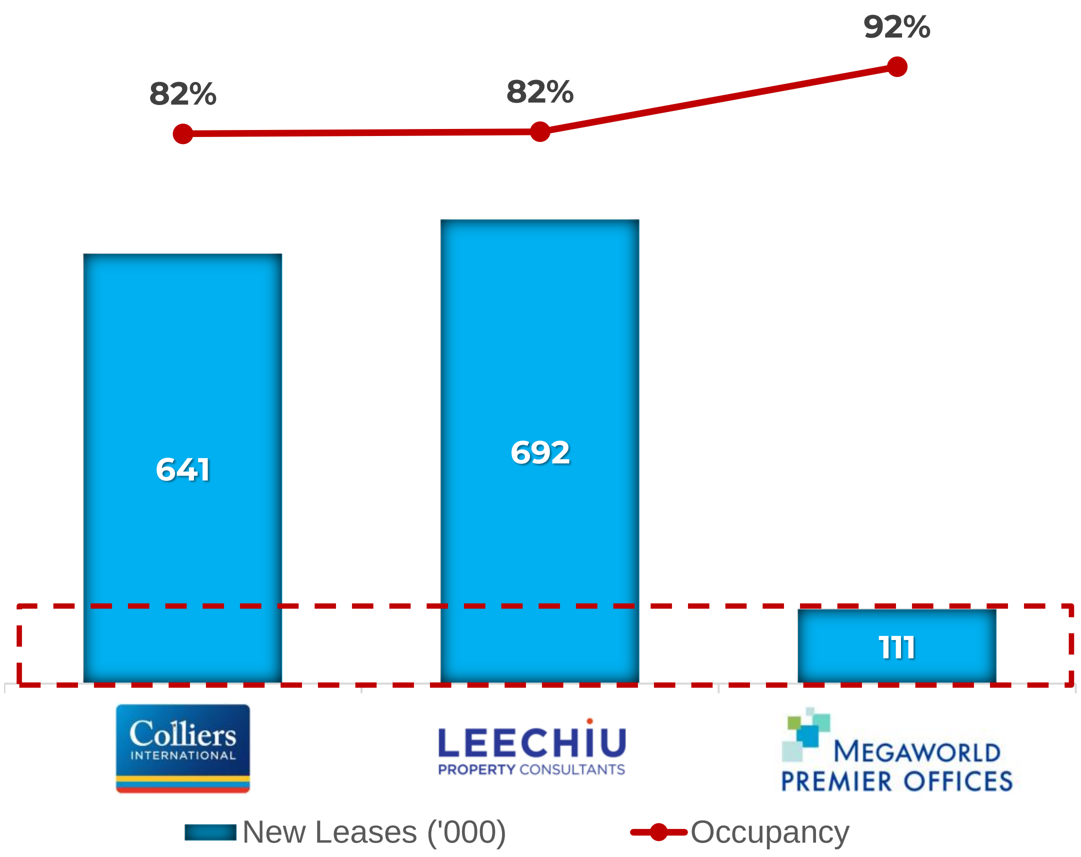
1.4M

OFFICE GLA
SQM

92%

OCCUPANCY RATE
VS 90% IN 9M21

NEW LEASES vs OCCUPANCY



**Brokers report and disclosure as of 9M2022*

Total closed transactions reached **230,000 sqm,** 7.5% higher than same period last year.

48% of the transactions closed as of 9M2022 are **new leases.**

Megaworld Premier Offices captured up to **17%** of the reported **new leases** in the market.

OFFICE PIPELINE

NO. 1 UPPER EAST AVENUE

THE UPPER EAST | BACOLOD CITY

8,600 SQM

GROSS LEASABLE AREA

2022

COMPLETION YEAR

OFFICE PIPELINE

INTERNATIONAL FINANCE CENTER

UPTOWN BONIFACIO | TAGUIG CITY

69,000

GROSS LEASABLE AREA

2024

COMPLETION YEAR

50%

PRE-LEASING COMMITMENT

OFFICE PIPELINE

ENTERPRISE 1 & 2

ILOILO BUSINESS PARK | ILOILO CITY

66,600 SQM

GROSS LEASABLE AREA

2024-2025

COMPLETION YEAR

OFFICE PIPELINE

PASUDECO 1 & 2

THE CAPITAL TOWN | SAN FERNANDO, PAMPANGA

19,300 SQM

GROSS LEASABLE AREA

2024-2025

COMPLETION YEAR

OFFICE PIPELINE

TWO MCWEST

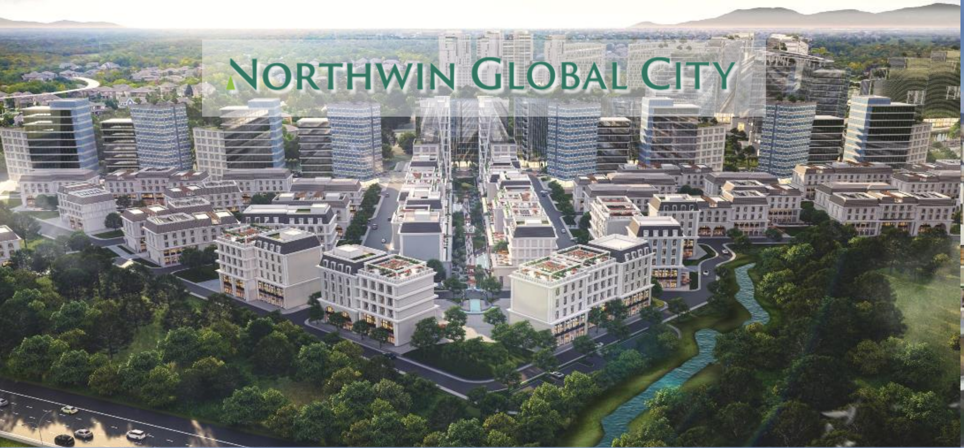
MCKINLEY WEST | TAGUIG CITY

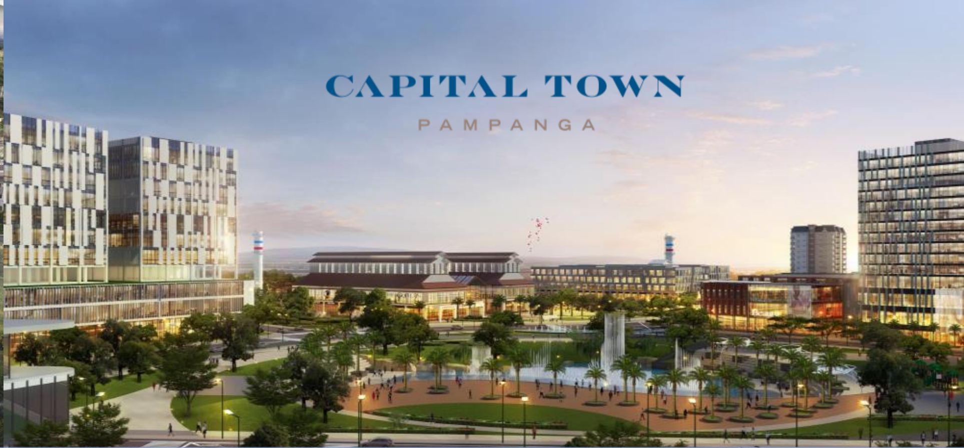
54,400 SQM

GROSS LEASABLE AREA

2025-2026

COMPLETION YEAR





OFFICES UNDER PLANNING PHASE

GREEN AND SUSTAINABLE

7 GOLD CERTIFICATION

10 SILVER CERTIFICATION

MREIT: OPERATING HIGHLIGHTS

Tenant Mix
(by GLA)

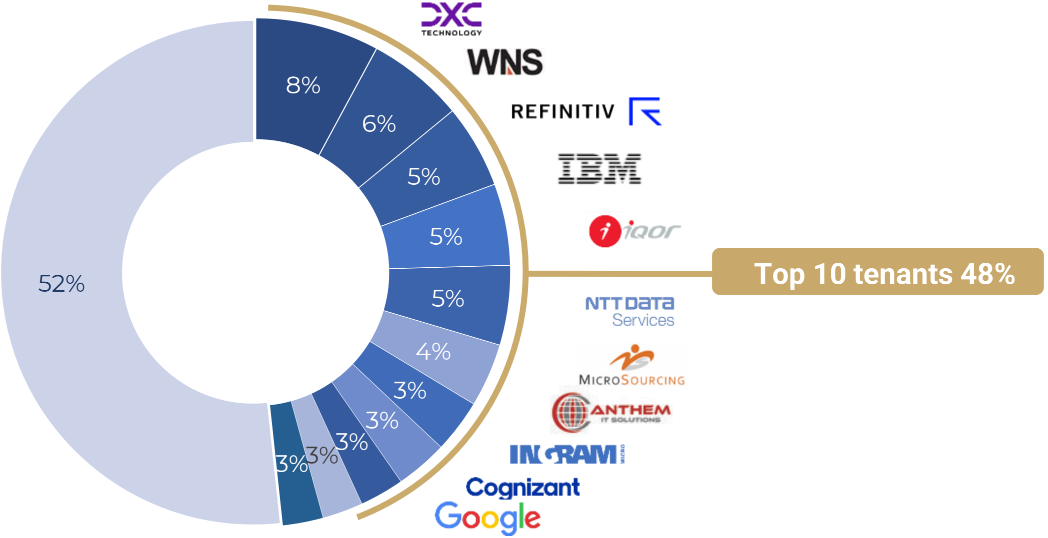
77% BPO

17% Traditional

3% Retail

3% Hotel

Tenant Breakdown
(by GLA)



95%
Occupancy Rate

3.2 years
Weighted Average Lease Expiry (WALE)

12,900 SQM
3Q2022 Closed Transactions

MREIT: FINANCIAL HIGHLIGHTS

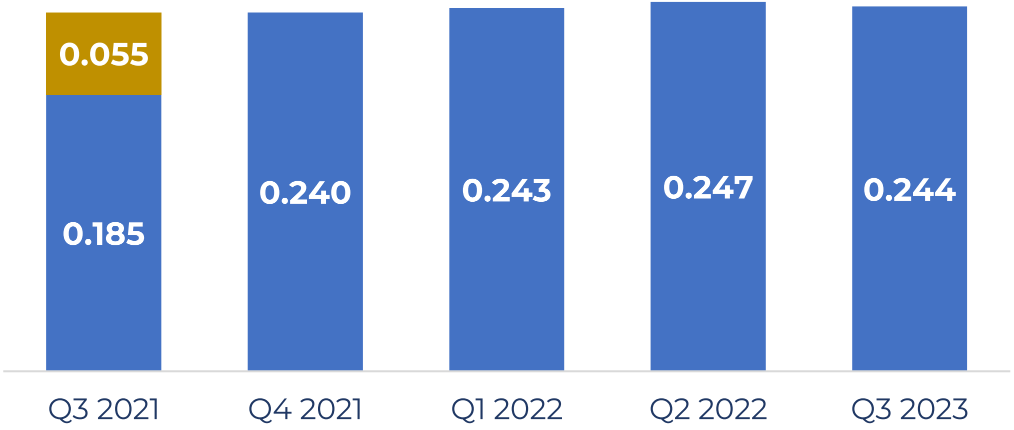
In PHP millions	3Q22	2Q22	QoQ	3Q21	YoY	9M22
Revenues	**917.0**	892.9	*2%*	711.2	*29%*	**2,711.5**
Direct Operating Costs	**-204.7**	-132.2	*55%*	-93.2	*119%*	**469.2**
Gen & Admin Expenses	**-10.4**	-9.8	*36%*	-4.7	*36%*	**27.8**
Net Operating Income	**702.0**	**750.9**	***-8%***	**613.3**	***15%***	**2,214.5**
Interest and Other Income	**6.4**	3.3	*130%*	4.4	*130%*	**12.5**
Interest Expense	**-77.9**	-76.9	*1%*	-7.6	*1%*	**-231.5**
Pre-Tax Income	**630.6**	**677.3**	***-8%***	**610.1**	***18%***	**1,995.6**
Tax Income (Expense)	**-1.2**	-0.6	*128%*	-140.7	*128%*	**2.3**
Net Income	**629.4**	**676.8**	***-8%***	**469.4**	**17%**	**1,993.3**
Adjustments	-8.1	-38.4	*120%*	89.0	-109%	-105.4
Distributable Income	**621.3**	**638.4**	***-3%***	**558.4**		**1,898.7**

CUSA rates were adjusted to reflect the current cost environment

Building enhancement initiatives were undertaken to improve the quality of our assets. These initiatives were expensed and had an impact on our reported distributable income.

DIVIDEND DISTRIBUTION

Dividend per Share (P)



P1.214

Total dividends per share since IPO

8.2%

Annualized Dividend (2022)

LIFESTYLE MALLS

P2.3B — **MALL RENTALS**
↑51% YoY

462K — **MALL GLA**
SQM

90% — **OCCUPANCY RATE**
VS 82% IN 9M21

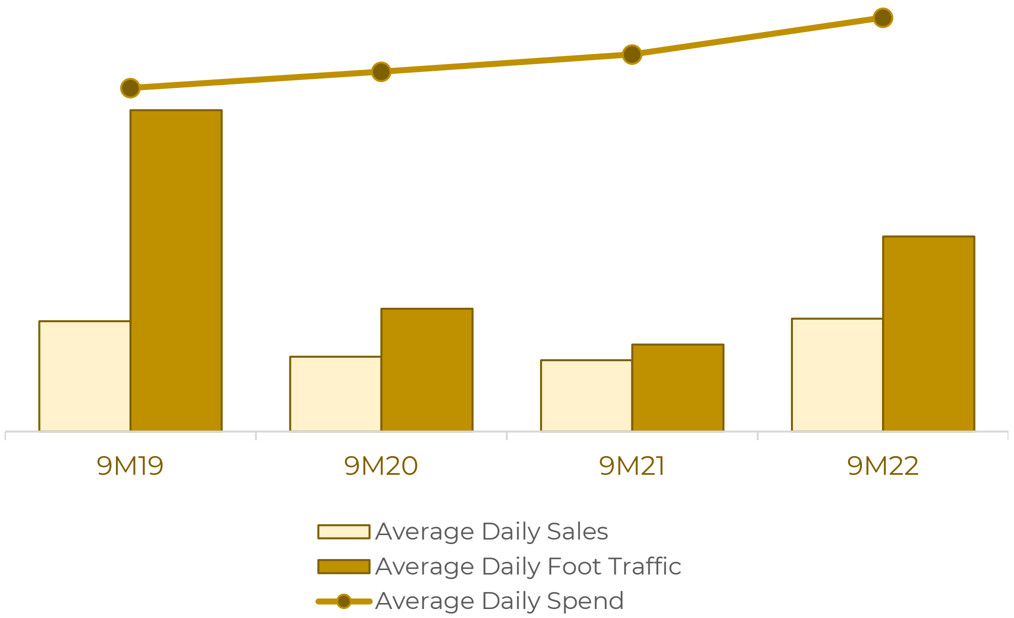
IMPROVING RETAIL PERFORMANCE

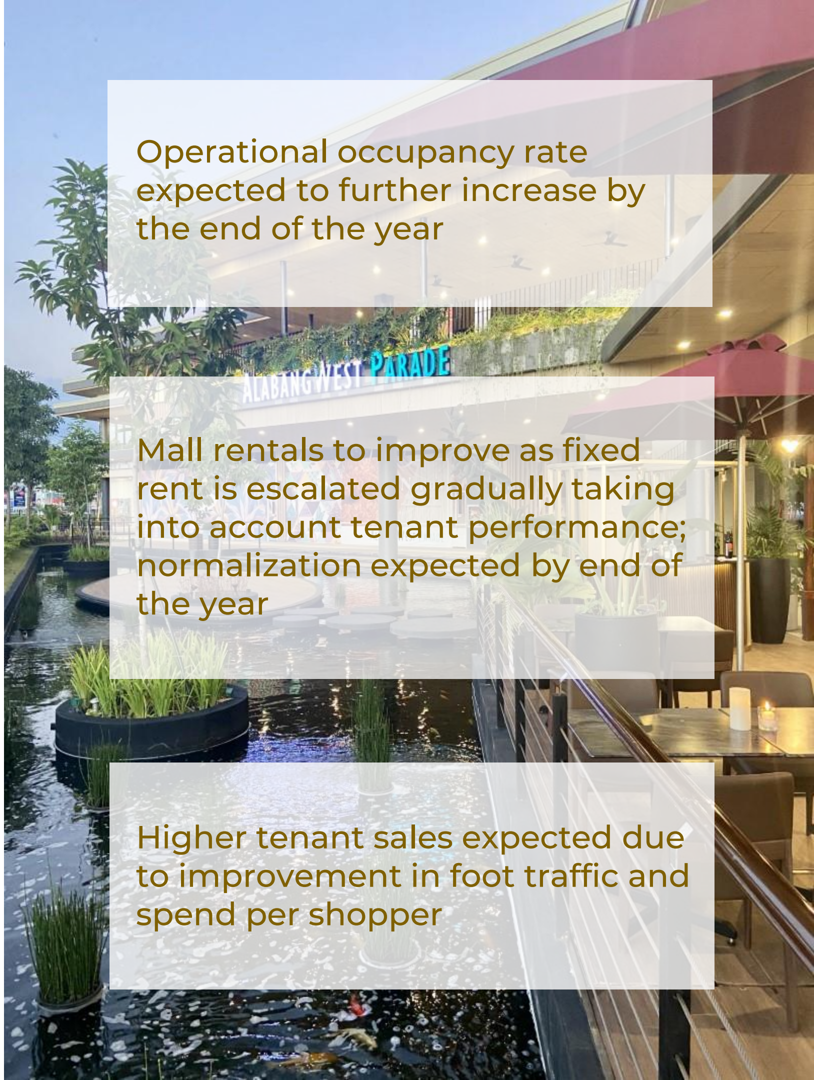
P506

AVERAGE DAILY SPEND
(**20%** vs PRE-PANDEMIC)

159,000

AVERAGE DAILY FOOT TRAFFIC
([illegible]1% vs PRE-PANDEMIC)





Operational occupancy rate expected to further increase by the end of the year

Mall rentals to improve as fixed rent is escalated gradually taking into account tenant performance; normalization expected by end of the year

Higher tenant sales expected due to improvement in foot traffic and spend per shopper

MALLS PIPELINE

MCKINLEY WHISKY PARK

MCKINLEY WEST | TAGUIG CITY

5,200 SQM

GROSS LEASABLE AREA

2022

COMPLETION YEAR

MALLS PIPELINE

D’ OLIVE

EASTLAND HEIGHTS | ANTIPOLO, RIZAL

5,400 SQM

GROSS LEASABLE AREA

2022

COMPLETION YEAR

MALLS PIPELINE

DAVAO WHISKY PARK

DAVAO PARK DISTRICT | DAVAO CITY

3,000 SQM

GROSS LEASABLE AREA

2023

COMPLETION YEAR

MALLS PIPELINE

PARK MCKINLEY WEST

MCKINLEY WEST| TAGUIG CITY

7,000 SQM

GROSS LEASABLE AREA

2023

COMPLETION YEAR

MALLS PIPELINE

BORACAY NEWCOAST BEACHWALK

BORACAY NEWCOAST | MALAY, AKLAN

31,500 SQM

GROSS LEASABLE AREA

2025

COMPLETION YEAR

MALLS PIPELINE

THE CAPITAL MALL

THE CAPITAL TOWN | PAMPANGA

32,200 SQM

GROSS LEASABLE AREA

2025

COMPLETION YEAR

MALLS PIPELINE

MAPLE GROVE

MAPLE GROVE | CAVITE

31,700 SQM

GROSS LEASABLE AREA

2025

COMPLETION YEAR

MALLS PIPELINE

HIGHLAND MALL AND PARK

HIGHLAND CITY | CAINTA, RIZAL

35,000 SQM

GROSS LEASABLE AREA

2026

COMPLETION YEAR

MALLS PIPELINE

UPPER EAST MALL

THE UPPER EAST | BACOLOD

13,700 SQM

GROSS LEASABLE AREA

2026

COMPLETION YEAR

HOTELS

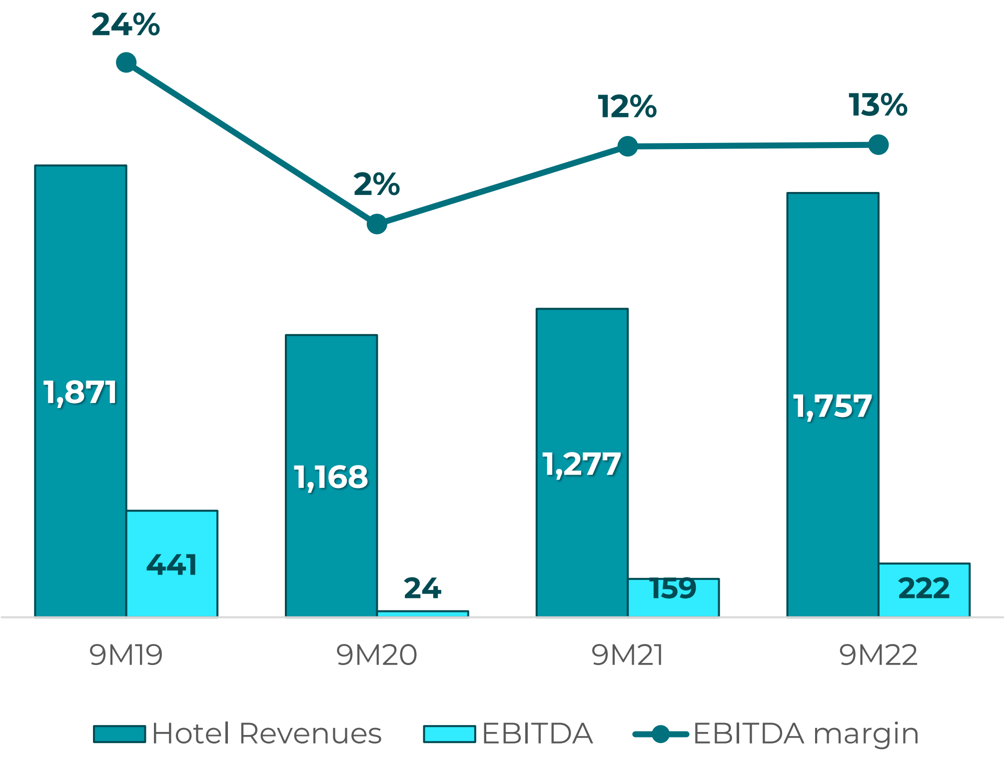
P1.8B — **HOTEL REVENUES**
↑38% YoY

4,163 — **HOTEL ROOM KEYS**

61% — **OCCUPANCY RATE**
(METRO MANILA)

HOTEL PERFORMANCE

Hotel Revenues (Pm) vs EBITDA



Hotel revenues nearing pre-pandemic levels driven by the sustained performance of in-city hotels and the pick-up in leisure-related activities.

Cost-management initiatives alleviate the rising costs of hotel operations

HOTELS PIPELINE

BELMONT HOTEL MACTAN

THE MACTAN NEWTOWN | CEBU

551 ROOMS

HOTEL ROOM KEYS

2022

COMPLETION YEAR

HOTELS PIPELINE

CHANCELLOR HOTEL BORACAY

BORACAY NEWCOAST | AKLAN

554 ROOMS

HOTEL ROOM KEYS

2023

COMPLETION YEAR

HOTELS PIPELINE

GRAND WESTSIDE HOTEL

WESTSIDE CITY | PARANAQUE

1,530 ROOMS

HOTEL ROOM KEYS

2023

COMPLETION YEAR

2022-2023 TARGETS

4 TOWNSHIPS


2022 TARGETS (REVISED)
P50B
CAPEX BUDGET
P35B
PROJECT LAUNCHES
ACROSS 14 PROJECTS
P110B
RESERVATION SALES

KEY TAKEAWAYS

REAL ESTATE

Continued improvement of real estate revenues is expected on the back of the increase in construction activities and renewed demand for residential units.

OFFICES

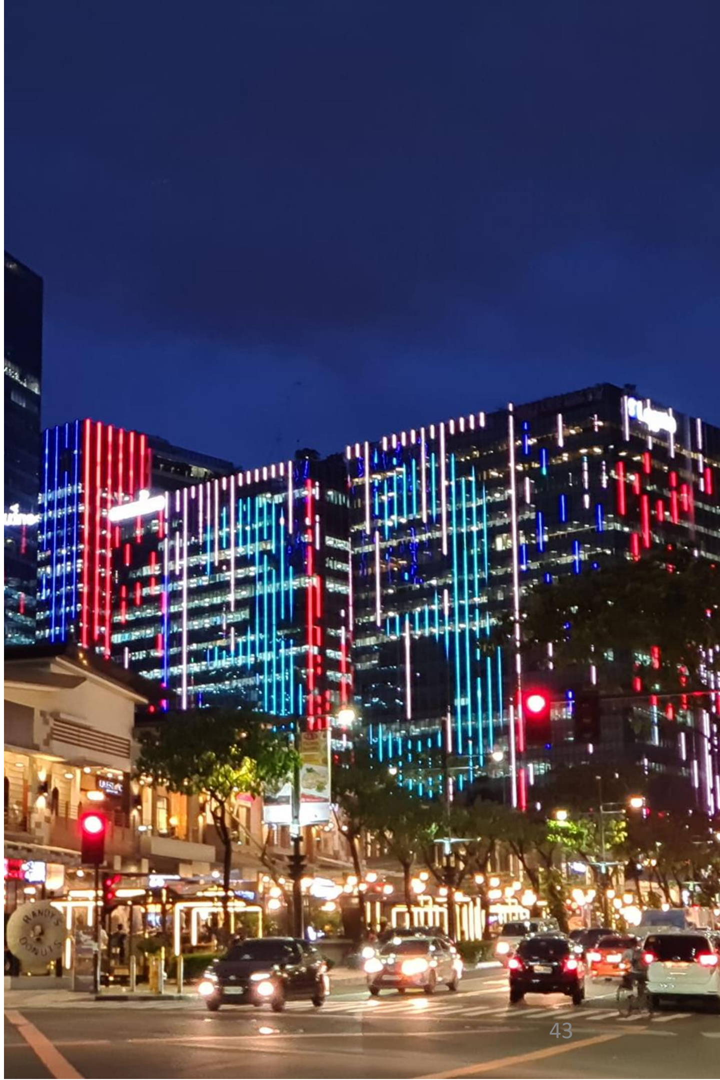
Improvement in occupancy despite the challenges in the office segment

LIFESTYLE MALLS

Surge in rental income driven by increase in operational tenants, fixed rent component and tenant sales.

HOTELS

Expect hotel recovery to continue in line with improving outlook for leisure and MICE activities



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