

Press Release  
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**MEGAWIDE NETS PHP2.2 BILLION IN FY17, UP 17%  
THROUGH STRONG CONSTRUCTION BUSINESS AND AIRPORT SEGMENT**

Diversified engineering and infrastructure conglomerate Megawide posted a Php2.2 billion consolidated net profit for the full year of 2017, 17% higher than the Php1.92 billion posted in 2016. Consolidated revenues reached Php19.2 billion, 9% higher than the 2016 figure of Php17.7 billion, driven by the solid performance from both its construction and airport business segments.

Megawide Chairman & CEO Edgar Saavedra said, “2017 has been a positive year for Megawide as we were able to exceed our guidance buoyed by the strong last quarter performance of our construction business and the outperformance of our airport segment highlighted by a double digit growth in revenues.”

Construction revenues generated Php16.7 billion in 2017, a 6% increase from last year’s Php15.8 billion due to private sector projects. Quarter on quarter, construction revenues rose by 24% to Php4.3 billion. Construction remains the core revenue contributor at 87% of consolidated revenues. Net income from the construction business grew by 7% to Php1.1 billion compared to last year’s Php1.017 billion.

New contracts booked from the private sector totaled Php10.8 billion in 2017 with Php6.25 billion booked in the last quarter of the year. At the end of 2017, order back log amounted to Php32.6 billion providing earnings visibility for the next two years.

“With our optimistic outlook on the country’s macroeconomic fundamentals coupled with the government’s roll-out of its infrastructure plans through its Build, Build, Build program, we remain bullish on the continued expansion of our construction business,” Mr. Saavedra said.

Revenues from airport operations remain solid, registering Php2.3 billion of revenues in 2017, a 23% increase year-on-year from P1.9 billion as a result of the double-digit increase in passenger throughput of 12%. This was propelled by strong international and domestic passenger traffic growth of 24% and 7%, respectively.

For the fourth quarter of 2017, airport revenues grew by 17% to Php575 million. The airport operations segment posted a 24% rise in net income to Php1.1 billion relative to 2016 representing 50% of consolidated net earnings of the Company.

In terms of airport revenue breakdown, non-aero or commercial revenues accounted for 31% of the total which rose by 36% to Php723 million. Meanwhile, revenues from passenger service charges went-up by 16% to Php1.3 billion representing 56% of total airport revenues. The remaining 13% came from aero-related revenues which grew by 27% to Php295 million.

Saavedra stated, “The increase in passenger numbers at Mactan-Cebu International Airport (MCIA) is substantial. When we took over operations in 2014, MCIA was handling about 6.5 million passengers.

In 2017, we had a total of 9.97 million passengers with domestic passengers representing 69% of the total and international passengers at 31%.”

GMR MEGAWIDE Cebu Airport Corporation (GMCAC) was able to add 12 international routes including seven destinations to and from Chinese cities, new direct flight to Bangkok and Kuala Lumpur, and additional flights to 23 domestic destinations. To date, MCIAC serves 35 domestic and 22 international destinations.

Mr. Saavedra said, “As we continue to promote Cebu as a tourist hub and with the opening of MCIAC’s Terminal 2, we are confident on the steady growth trajectory of our airport business. We also continue to explore opportunities to expand the same.”

The Company is on-track to open the 2<sup>nd</sup> Terminal of MCIAC by June 2018. This will increase total terminal capacity to 12.5 million passengers per annum (mppa). As of end 2017, Megawide’s recurring income base accounts for half of the total earnings mainly contributed by the airport operations.

The Company is also scheduled to open the Parañaque Integrated Terminal Exchange (PITX) in 2018, an integrated bus terminal that will cater to around 1,000 buses per day with 100,000 daily foot traffic. Upon start of commercial operations, this project will add to the recurring income base of the Company.

According to Mr. Saavedra, “Megawide’s diversification into the transportation infrastructure space by using engineering capabilities as its competitive advantage will remain the focus of the Company. This is in line with the thrust to increase the recurring income base for stability in the long term.”

The Company’s consolidated balance sheet as of end-2017 remains solid providing adequate capacity to support its growth plans. Gross debt-to-equity ratio registered at 1.60x while net debt-to-equity stood at 1.15x.

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## **ABOUT MEGAWIDE**

Diversified conglomerate MEGAWIDE is one of the leading engineering and infrastructure companies in the Philippines. Founded in 1997 as a mid-sized construction firm, it is a preferred partner for private projects and a strong supporter of the Philippine government through the Public-Private Partnership program. It has assets in construction, airport, and progressive property development.