

Press Release
15 November 2018

MEGAWIDE 9M NET INCOME AT P1.72 BILLION

The Company's 3rd quarter brings in a strong performance from the airport segment and a record number of new construction contracts year-on-year.

Metro Manila, Philippines – Diversified engineering and infrastructure conglomerate Megawide Construction Corporation (“the Company”) posted a net income of P1.720 billion in the first nine months of the year compared with P1.715 billion in the same period last year, with 57% brought in by the airport business segment and 43% from the construction business segment.

Net margin inched up to 13% from 12%, while EBITDA grew 8% to P3.6 billion during the period, compared from P3.3 billion last year.

“Megawide’s prospects remain promising with the continued strong growth of the airport business with the opening of the Mactan-Cebu International Airport (MCIA) Terminal 2. This is combined with our solid prospects in the construction business as we continue to expand the order book levels, ensuring revenue visibility for the next two to three years, at least,” said Megawide Chairman and CEO Edgar Saavedra.

Revenues

Consolidated revenues reached P12.75 billion, with the construction business contributing 81% and the airport business accounting for the balance of 19%.

Airport operations posted a 26% growth in revenues to P2.18 billion, attributed largely to the 15% increase in passenger volume. International passengers continue to drive growth, outpacing the growth of domestic passengers, 24% to 11%, following the official opening of Terminal 2 last July 1, 2018.

Meanwhile, the construction business delivered P10.35 billion in revenues with projects in varying stages of completion, and the commencement of new contracts booked towards the 4th quarter of 2017 and in the 1st half of 2018, consistent with the cyclical nature of the business.

Construction segment

Despite lower revenues from the construction segment, gross margin and EBITDA margin improved to 17% and 18%, respectively, compared to 15% and 16% last year, as completion of higher margin projects, particularly the Clark International Airport EPC, steadily progress.

Solid order book from new construction contracts

New contracts amounted to Php16.8 billion in the first nine months of this year, which was 55% more than the new contracts secured the entire 2017. This brought total outstanding order book to P39.7 billion, 22% higher than the previous year, across residential, office, commercial and infrastructure projects.

Airport Segment

Passenger throughput continued to drive airport revenues. In the first nine months of this year, MCIAC accommodated 8.6 million passengers compared with 7.5 million in the same period last year, as a result of aggressive airline marketing efforts to increase domestic and international flights in and out of Cebu. Currently, MCIAC is connected to 35 domestic destinations and 24 international destinations, with 9 domestic airline partners and 24 international airline partners. Domestic passengers continued to account for the bulk of the total at 66% while International passengers accounted for 34%.

Increased International Frequencies

Following the opening of Terminal 2, MCIAC is seeing an increase in the frequency of flights from both domestic and international carriers.

Last October, Sichuan Airlines increased flights to Chongqing from 4x weekly to daily, while Philippine Airlines increased flights to Nagoya from 3x to 4x weekly. Meanwhile, Cebu Pacific will increase flights to Hong Kong from daily to 10x weekly starting November 26; and flights to Tokyo Narita from 4x weekly to daily starting December 1. Next month, Cebu Pacific will also start operating 4x weekly Cebu to Macau flights.

As a result of higher passenger volume, revenue from Passenger Service Charge likewise rose by 25%. Non-aero or commercial revenues, on the other hand, increased by 30% while aero-related revenues jumped 24%. EBITDA from airport jumped 27% with EBITDA margin steady at 72%.

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ABOUT MEGAWIDE

Megawide is an innovative and leading Filipino engineering and infrastructure company. Publicly-listed since 2011, Megawide is the private partner of the Philippine Government for infrastructure projects such as the Mactan-Cebu International Airport (MCIA) and the Parañaque Integrated Terminal Exchange (PITX). In 2012, the company established Megawide Corporate Foundation, Inc., a non-profit organization focusing on social development projects.