



Press Release

July 2, 2019

### **Megawide business on the right track as the Company pursues its vision of A First-World Philippines**

**Metro Manila, Philippines** - Engineering and infrastructure developer Megawide today revealed its new company vision at its Annual Stockholders' Meeting: ***We will be a First-World Philippines***. The Company made great strides towards this vision with an abounding EPC pipeline, the opening of two national infrastructure projects, and a secure revenue base for the long term.

"Our vision may seem bold and ambitious, but Megawide has always embraced challenge. As a young company, we dreamed of changing the way structures were built in the Philippines and that holds true for us today," said Edgar Saavedra, Megawide Chairman and CEO.

Megawide officially commissioned its two national transport infrastructure projects in 2018: the Mactan-Cebu International Airport (MCIA) Terminal 2 in July and the Parañaque Integrated Terminal Exchange (MCIA) in November.

#### **Megawide above guidance in 2018**

In 2018, Megawide generated consolidated revenues of PhP16.0 billion. Construction is still the core revenue contributor at 79%, while 19% came from airport operations and 2% is from airport merchandising. Net income came in at PhP1.9 billion, slightly ahead of what the Company estimated at the start of last year, despite one-off charges related to disputed contract receivables.

While net profit was affected by the cyclicity in the construction business and non-cash charges associated with opening of Terminal 2 at MCIA, EBITDA remained healthy at PhP4.59 billion, 6% higher from the previous year's PhP4.35 billion.

#### **Rebound in 2019**

Megawide expects a stronger 2019 as its construction business rebounds from the cyclical downturn in 2018, coming from a peak in 2017. The airport segment is also expected to sustain its momentum while landport operations are seen to start its contribution.

Performance in the first three months of 2019 are on track, with revenues reaching PhP3.56 billion in the first three months of 2019, 10% higher than the fourth quarter of 2018.

In terms of segment, revenues from the construction business picked up to PhP2.57 billion in 1Q2019, up 10% from 4Q2018. Airport operations also recorded PhP892 million in revenues, up 9% from 4Q2018.



“We are expecting an upturn in 2019, especially in the construction business, with the completion of new projects towards the second half of 2019. Megawide has also secured a healthy pipeline of new projects in the first quarter of 2019, amounting to Php6.2 billion, to sustain a healthy order book of projects moving forward,” said Saavedra.

#### *Airport*

Meanwhile, the renovation of Terminal 1 will add an additional 2,200 sq m of retail space upon its completion at the end of the year. This will complement the existing 3,800 sq m of retail space located in Terminal 2 and boost non-aero related revenues of the airport business.

In terms of connectivity, MCIA opened a number of international routes and increased a number of existing flights within the first quarter. In January, MCIA welcomed the China Southern Airlines maiden flight from Guangzhou while Juneyao Airlines relaunched their Shanghai – Cebu services. Meanwhile, Philippines AirAsia (Z2) launched its Cebu to Macau in February.

Several airlines operated chartered flights during the Chinese New Year peak season. EVA Air added flights from Taipei (TPE), while China Eastern Airlines brought in passengers from Nanjing (NKG) and Wuxi (WUX). Philippine Airlines also operated flights from Wenzhou (WNZ), Hangzhou (HGH), Nanjing (NKG), and Chengdu (CTU).

“We see the airport business sustaining its momentum, driven largely by passenger growth and increased commercial spaces with the completion of Terminal 1’s renovation this year.

#### *Landport*

Initial contributions from landport operations are also expected this year, although still marginal, but will become more significant next year. PITX has served approximately 7 million passengers in the Greater Manila Area through a total vehicular movement of 400,000 since its launch in November last year to the first quarter of this year. Destinations have also increased from just 31 in November 2018 to 42 destinations as of March 2019.

These segments will even out the natural cyclicity in the construction business and help build a stronger and more stable portfolio for Megawide in the years to come,” said Saavedra. #

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### **About Megawide**

Megawide is one of the most innovative infrastructure and engineering companies in the Philippines. Publicly-listed since 2011, Megawide is the private partner 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.