



Engineering A First-world Philippines

# **FINANCIAL AND OPERATING HIGHLIGHTS**

Nine Months Ended September 30, 2019



# DISCLAIMER

---

This presentation was prepared solely and exclusively for discussion purposes. This presentation and/or any part thereof may not be reproduced, disclosed or used without the prior written consent of Megawide Construction Corporation (the “Company”).

This presentation, as well as discussions arising therefrom, may contain statements relating to future expectations and/or projections of the Company by its management team, with respect to the Company and its portfolio companies. These statements are generally identified by forward-looking words such as “believe”, “plan”, “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, or other similar words. These statements are: (i) presented on the basis of current assumptions which the company’s management team believes to be reasonable and presumed correct based on available data at the time these were made, (ii) based on assumptions regarding the Company’s present and future business strategies, and the environment in which it will operate in the future, (iii) a reflection of our current views with respect to future events and not a guarantee of future performance, and (iv) subject to certain factors which may cause some or all of the assumptions not to occur or cause actual results to diverge significantly from those projected. Any and all forward looking statements made by the Company or any persons acting on its behalf are deemed qualified in their entirety by these cautionary statements.

This presentation is solely for informational purposes and should in no way be construed as a solicitation or an offer to buy or sell securities or related financial instruments of the Company and/or any of its subsidiaries and/or affiliates.

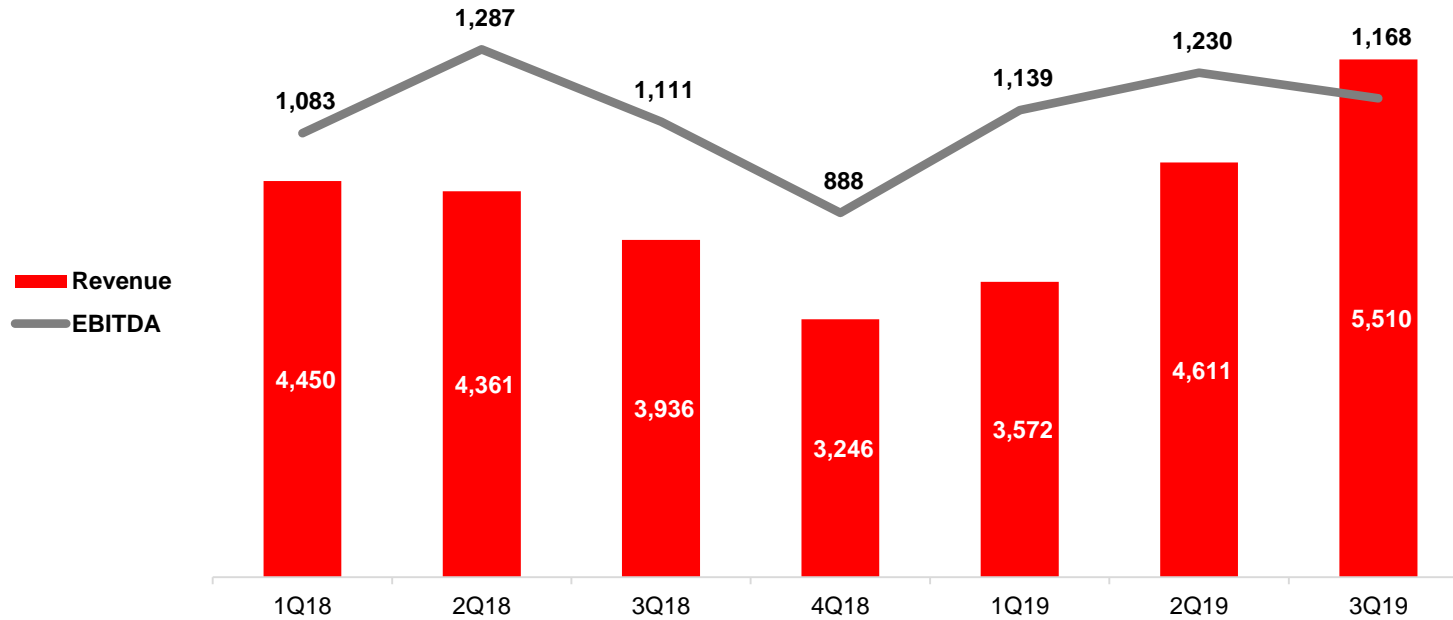
# 9M2019 CONSOLIDATED INCOME STATEMENT

In PhP M	9M 2019	9M 2018	YoY%	REMARKS
<b>Total Revenues</b>	<b>13,694</b>	<b>12,746</b>	7%	
Construction	10,526	10,352	2%	<i>Rebound on track</i>
Airport Operations	2,714	2,180	25%	<i>In line with expectations</i>
Airport Merchandising	248	215	15%	
Landport Operations	207	-	100%	<i>Initial lease commencement</i>
<b>Direct Costs</b>	<b>10,393</b>	<b>9,128</b>	14%	
Construction	9,052	8,618	5%	<i>Industry supply / capacity constraints</i>
Airport Operations	1,130	459	146%	<i>T2-related costs</i>
Airport Merchandising	62	51	21%	
Landport Operations	150	-	100%	
<b>Gross Profit</b>	<b>3,301</b>	<b>3,618</b>	-9%	
Other Operating Expenses	1,060	935	13%	<i>T2 and PITX related expenses</i>
<b>Operating Profit</b>	<b>2,241</b>	<b>2,683</b>	-16%	
Net Other Income (Charges)	-1,039	-588	77%	<i>Additional loan drawdowns*</i>
<b>Profit before tax</b>	<b>1,202</b>	<b>2,095</b>	-43%	
Tax Expense	367	375	-2%	
<b>Income before Non Controlling Interest</b>	<b>835</b>	<b>1,720</b>	-51%	
Non-Controlling Interest	185	399	-53%	
NIAT Attributable to MWIDE Equity Holders	650	1,321	-51%	

\*Majority pertains to drawdowns made by Airport, Landport and Clark EPC.

# FINANCIAL HIGHLIGHTS

QUARTERLY PERFORMANCE (PHPm)

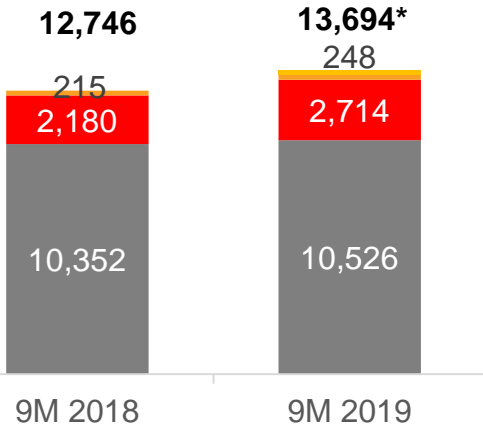


- Rebound performance on track

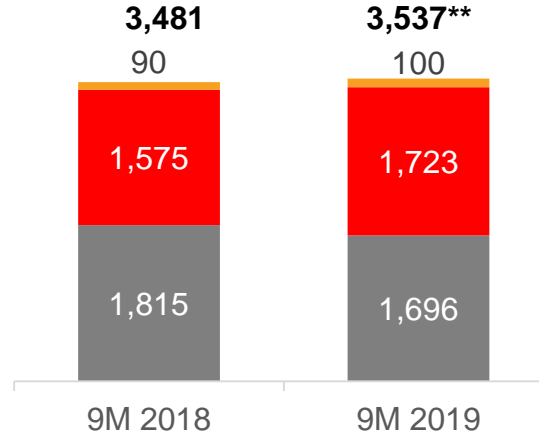
# FINANCIAL HIGHLIGHTS

## PERFORMANCE

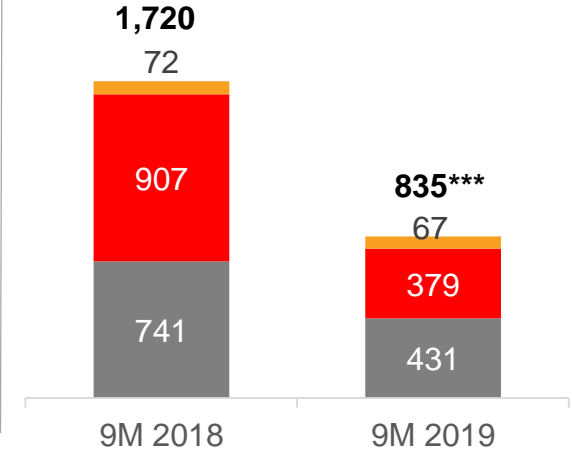
### REVENUE (PhP M)



### EBITDA (PhP M)

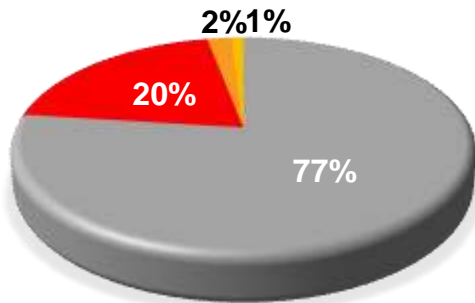


### NET INCOME (PhP M)

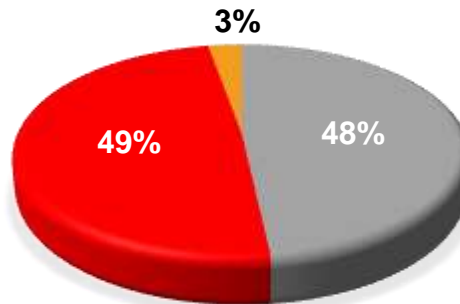


## 9M2019 BREAKDOWN

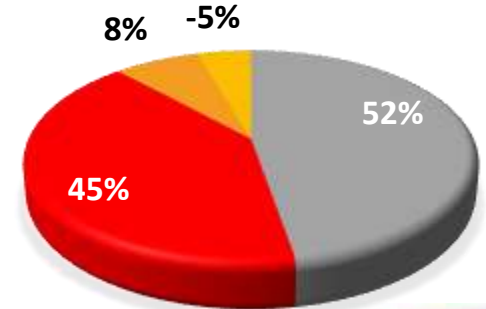
### REVENUE



### EBITDA



### NET INCOME



■ Construction ■ Airport ■ Merchandising ■ Landport

# MARGIN PERFORMANCE

In PhP M	9M 2019	9M 2018	REMARKS	FY 2018	FY 2017	FY 2016
<b>Gross Profit Margin</b>	<b>24%</b>	<b>28%</b>		<b>27%</b>	<b>24%</b>	<b>22%</b>
Construction	14%	17%	<i>Focus on L-T, high-value projects</i>	15%	16%	15%
Airport Operations	58%	79%	<i>T2 related costs</i>	75%	82%	81%
Airport Merchandising	75%	76%		76%	72%	-
<b>EBITDA Margin</b>	<b>26%</b>	<b>27%</b>		<b>29%</b>	<b>23%</b>	<b>20%</b>
Construction	16%	18%	<i>Lower margin, L-T projects</i>	19%	16%	15%
Airport Operations*	64%	72%	<i>T2 related costs</i>	70%	71%	70%
Airport Merchandising	40%	42%		43%	43%	-
<b>Net Income Margin</b>	<b>6%</b>	<b>13%</b>		<b>12%</b>	<b>12%</b>	<b>11%</b>
Construction	4%	7%	<i>Finance costs on loan drawdowns</i>	7%	7%	6%
Airport Operations**	14%	42%	<i>Finance costs and D&amp;A for T2</i>	31%	49%	48%
Airport Merchandising	27%	34%		34%	29%	-

\*Computed as operating income + depreciation and amortization expense

\*\* Due to the impact of depreciation and amortization and financing charges of Airport operations

# FINANCIAL POSITION

In PhP M	30-Sep-19	31-Dec-18	Movement	% Change
Cash & Financial Assets	6,335	5,761	574	10%
Other Current Assets	23,298	19,029	4,268	22%
Total Current Assets	29,633	24,790	4,843	20%
Concession Assets	29,377	28,289	1,088	4%
Total Non Current Assets	45,104	41,115	3,989	10%
Total Assets	74,737	65,906	8,831	13%
Current Liabilities	21,695	16,565	5,130	31%
Non Current Liabilities	34,608	31,336	3,271	10%
Total Liabilities	56,303	47,902	8,401	18%
Equity	18,434	18,004	430	2%

# LIQUIDITY AND GEARING RATIOS

<i>In PhPM</i>	As of September 2019			As of December 2018		
	Parent*	GMCAC**	Conso	Parent	GMCAC	Conso
<b>Cash/financial assets</b>	3,633	1,306	6,335	3,615	1,941	5,761
<b>Total Debt</b>	15,061	24,483	43,340	11,655	24,300	36,780
<b>Equity</b>	12,888	9,176	18,434	12,725	8,796	18,004
<b>D-E Ratio</b>	1.17	2.67	2.35	0.92	2.76	2.04
<b>Net D-E Ratio***</b>	0.89	2.53	2.01	0.63	2.54	1.72

\* Gross D-E covenant 2.33X under Parent level

\*\* Under project finance

\*\*\* Net debt: 9M19 - P37bn

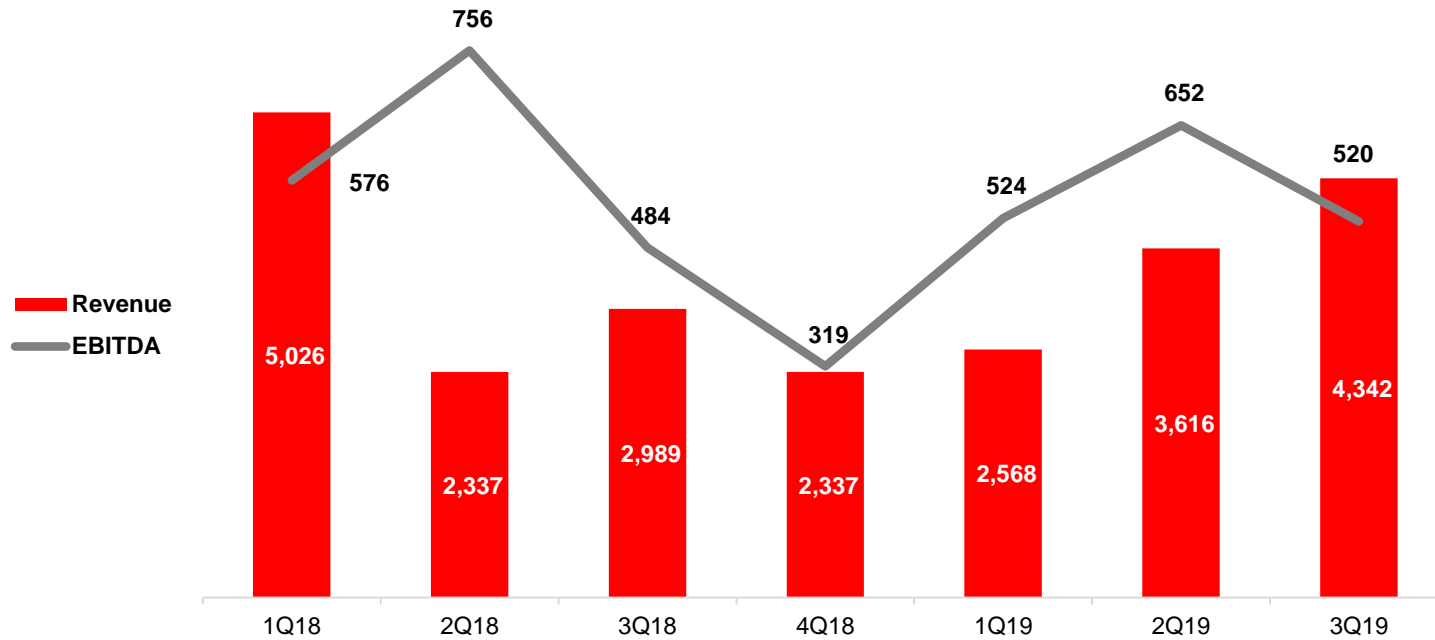


# 1 Engineering, Procurement, and Construction (EPC)



# 1 RECOVERY ON TRACK

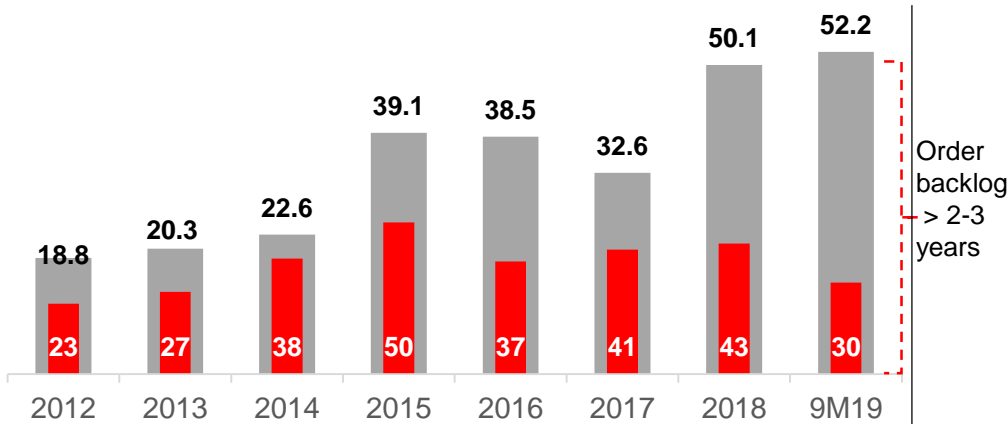
QUARTERLY PERFORMANCE (PhP M)



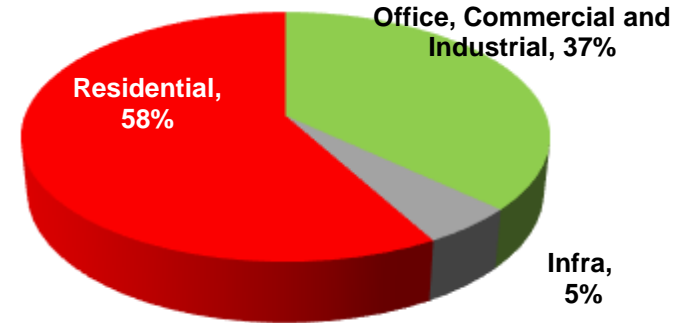
- Building forward momentum

# HEALTHY NEW CONTRACTS AND ORDER BOOK

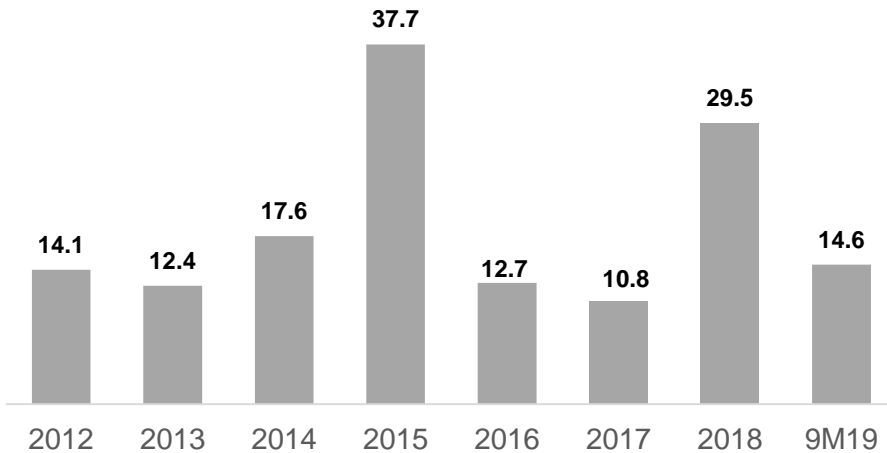
**ORDER BOOK (PhP B)**



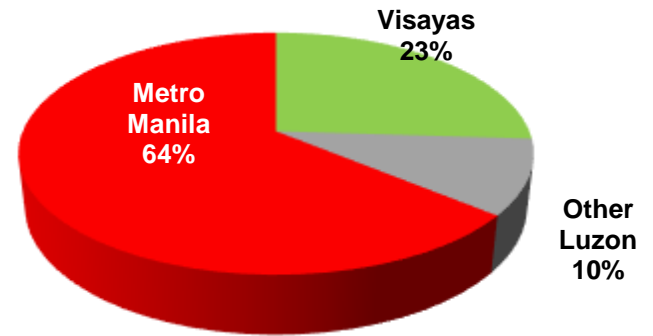
**9M 2019 ORDER BOOK (SEGMENT)**



**NEW CONTRACTS (PhP B)**

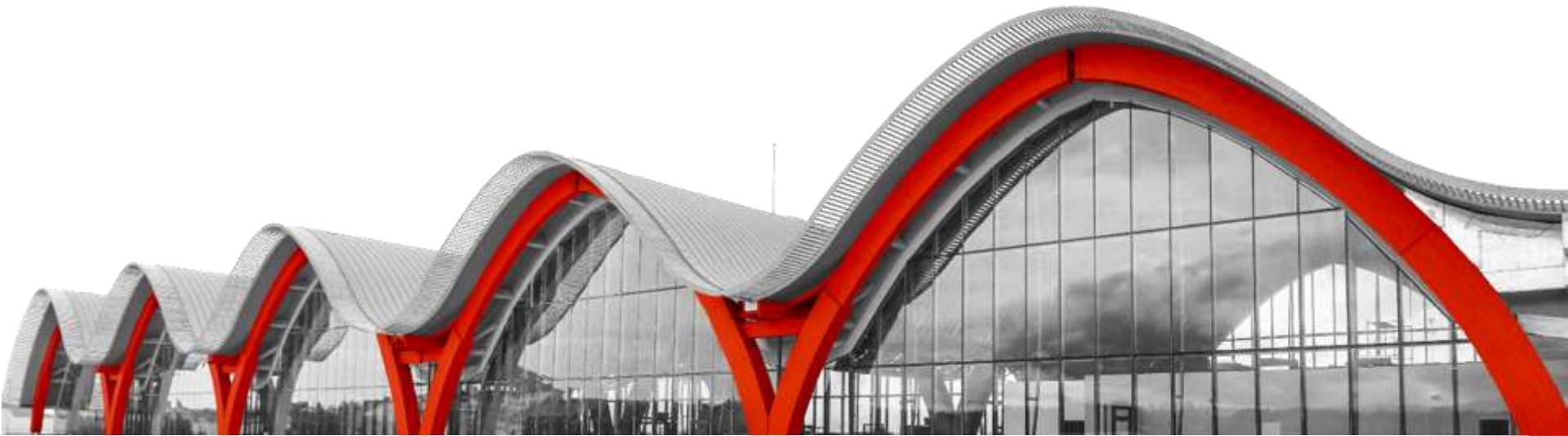


**9M 2019 ORDER BOOK (AREA)**



# TRANSPORT INFRASTRUCTURE

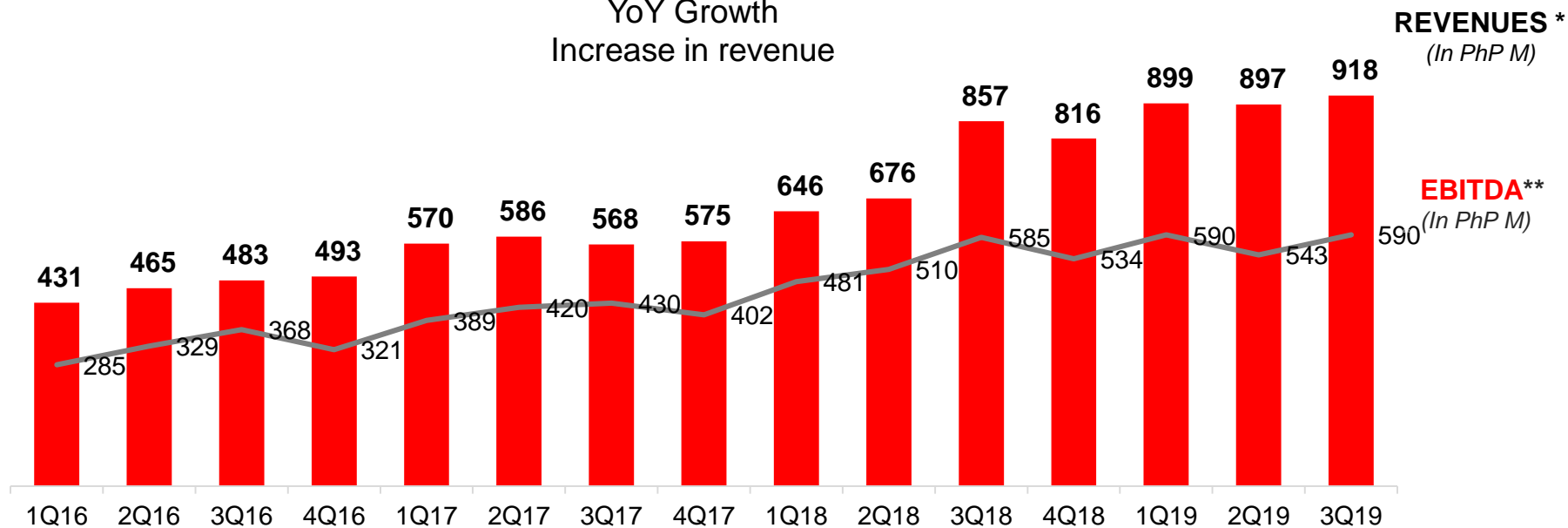
## 2 Airport Business Segment



# ROBUST EARNINGS STREAM

## 25%

YoY Growth  
Increase in revenue



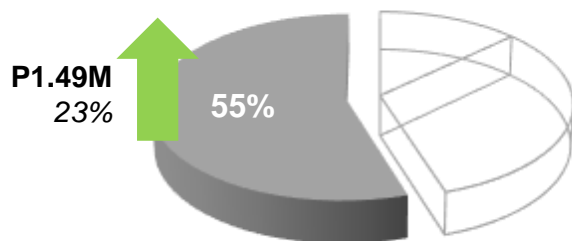
- Constant value creation

\* Excludes airport merchandising revenues 9M19 of PhP 248M

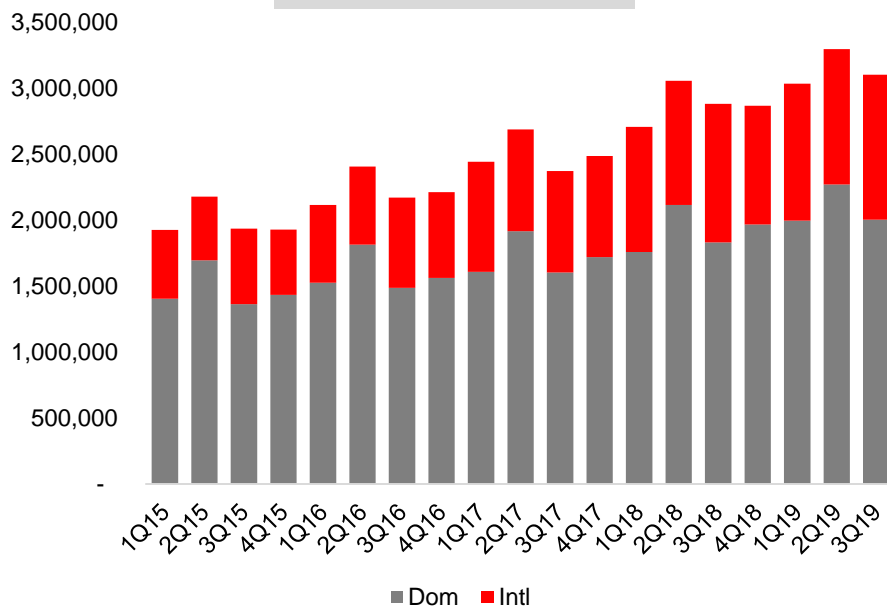
\*\* Computed as Operating income + depreciation and amortization expense

# PSC: PASSENGER GROWTH SUSTAINED

### 9M19 BREAKDOWN



### PASSENGER TRAFFIC



### PASSENGER VOLUME (millions)

	9M19	9M18	% Increase
Domestic	6.30	5.70	10%
International	3.19	2.94	9%
<b>Total</b>	<b>9.48</b>	<b>8.64</b>	<b>10%</b>

27 Domestic  
Destinations

23 International  
Destinations

### PASSENGER SERVICE CHARGE (PSC)

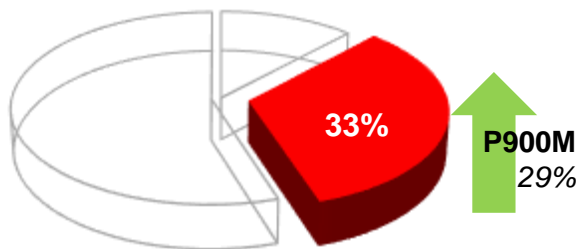
**1<sup>st</sup> Step up:** effected June 2015  
Domestic: from P200-P300  
International: from P550-P750

**2<sup>nd</sup> Step up:** effected July 2018  
Domestic: maintained at P300  
International: from P750-P850

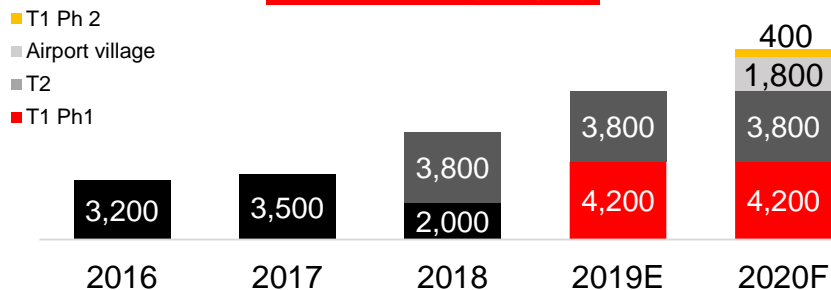
**Inflation adjustment:** Nov 2019  
Domestic: +10%  
International: +10%

# NON-AERO: EXPANDING SPACE AND OFFERINGS

## 9M19 BREAKDOWN



## RETAIL GLA (in sqms)



## NEW SHOPS AT TERMINAL 2



## T1 RENOVATION (PHASE 1)



## AIRPORT VILLAGE

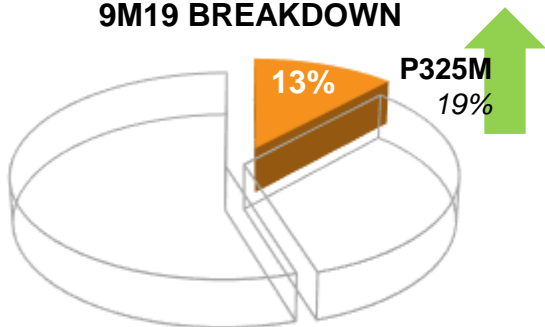


## NON-AERO

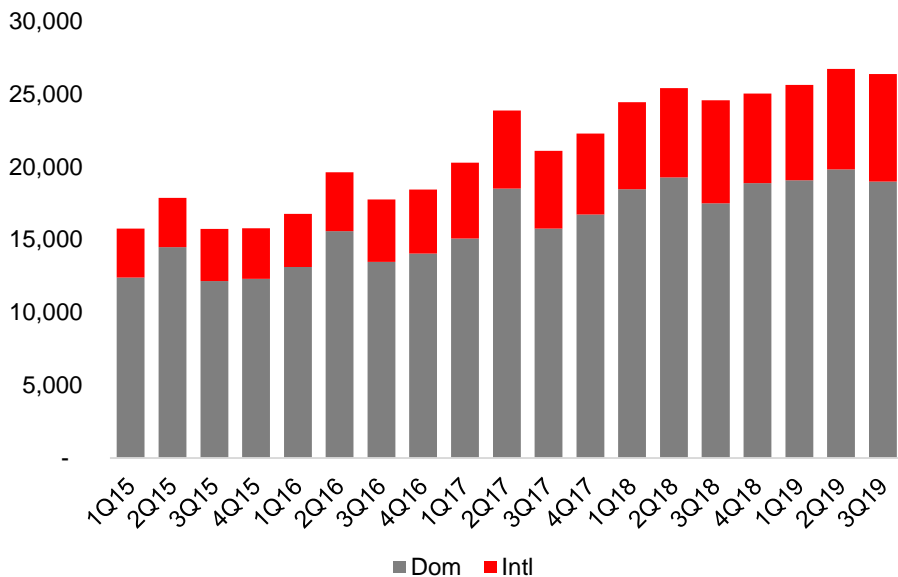
Rental revenues from concession tenants such as F&B and Retail. Also includes advertising, car parking and other rental revenues

# AERO: NEW FLIGHTS, INCREASED FREQUENCIES

9M19 BREAKDOWN



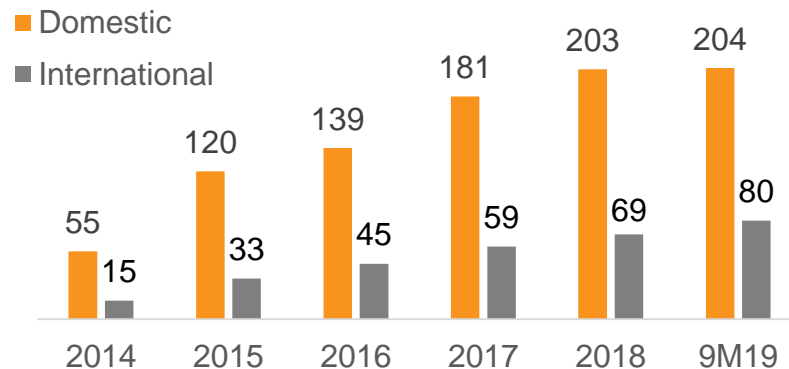
AIR TRAFFIC



AIR TRAFFIC VOLUME (thousands)

	9M19	9M18	% Increase
Domestic	57,876	55,286	5%
International	20,850	19,204	9%
<b>Total</b>	<b>78,726</b>	<b>74,490</b>	<b>6%</b>

AVE. DAILY FLIGHTS



**AERO RELATED**

Aircraft service charges – fees from airlines for the payment for aero bridges, ground handling, fuel, etc.



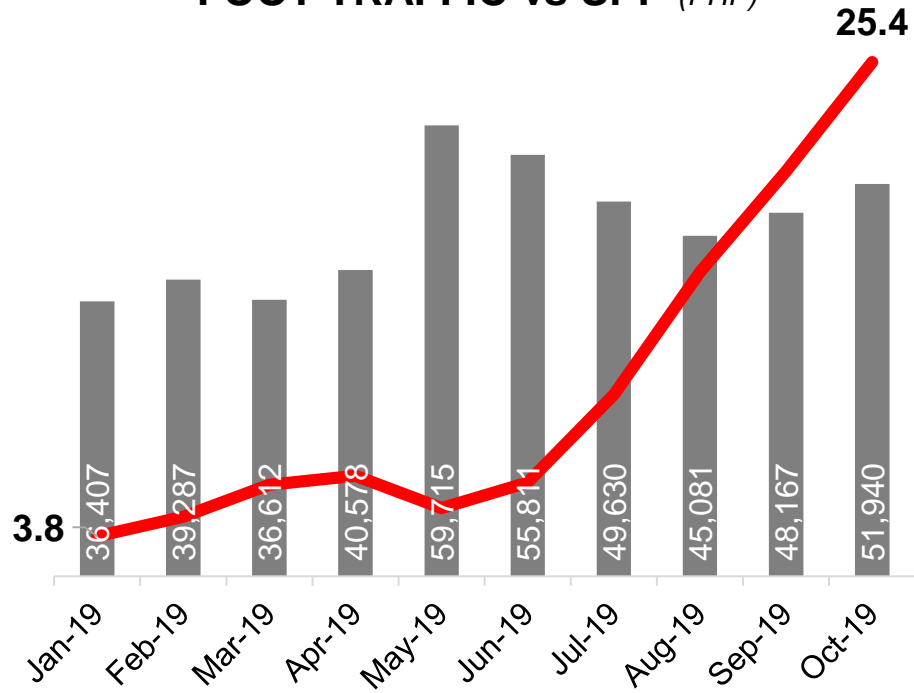
# TRANSPORT INFRASTRUCTURE

## 3 Integrated Transport Exchange Business Segment

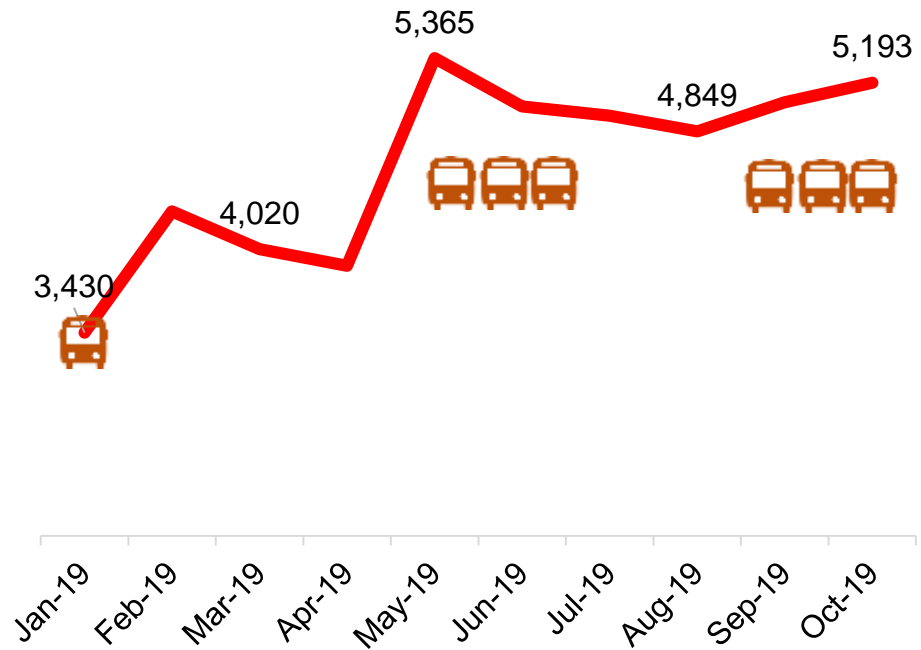


# 3 BUILDING CRITICAL MASS

**AVERAGE PASSENGER FOOT TRAFFIC vs SPP (PHP)**



**AVERAGE DAILY TRIPS\***



\*includes arrivals and departures

# 3 INITIAL REVENUE CONTRIBUTION

## OFFICE (72K sqms)

### Tower 3

Lease commenced:  
Oct 2019

### Tower 4

Lease commenced:  
Oct 2019

### Tower 1

Lease commencement:  
4Q19

### Tower 2

Lease commencement:  
4Q19



## OPERATIONAL

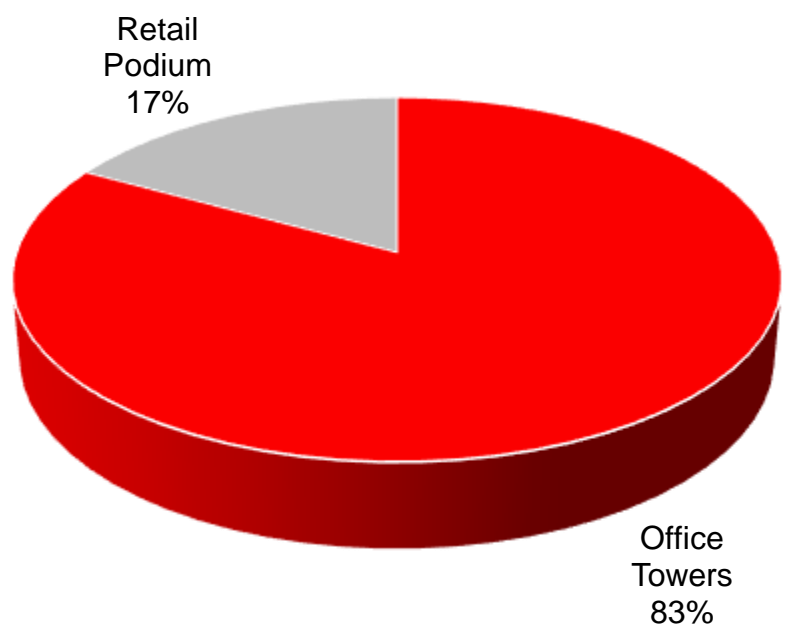
## RETAIL (12K sqms)

- 70% leased out (Sept 2019)
  - 79% F&B
  - 11% Retail
  - 10% Services
- 75% operational (end-2019)

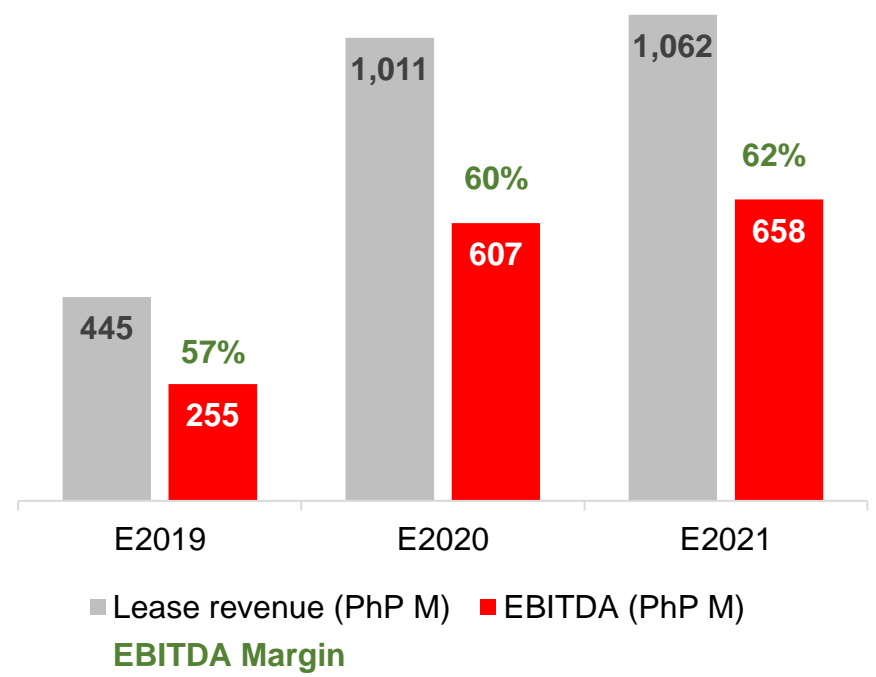


# 3 STABLE SOURCE AND RETURNS

## LEASING REVENUE BREAKDOWN



## ESTIMATED EARNINGS



**MEGAWIDE** 