

ANALYST BRIEFING

17 November 2020

Operating and Financial Results
Nine Months of 2020

Contact us

investorrelations@megawide.com.ph
www.megawide.com.ph

Follow us

fb.com/MegawideConstructionCorp
twitter.com/MegawideBuilds

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.

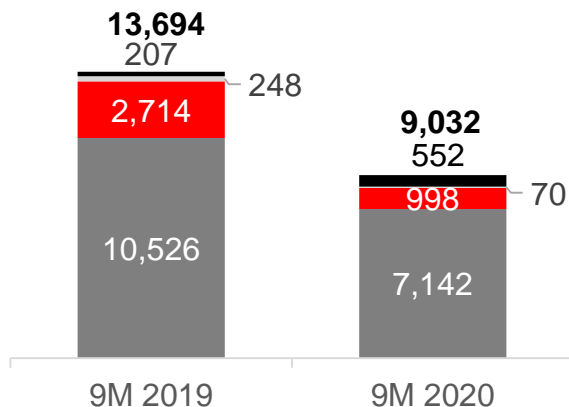
CONSOLIDATED INCOME STATEMENT

In PhP M	9M2020	9M2019	YoY%	REMARKS
Total Revenues	9,032	13,694	-34%	
Construction	7,412	10,526	-30%	Quarantine guidelines / suspension
Airport Operations	998	2,714	-63%	Travel bans due to COVID-19
Airport Merchandising	70	248	-72%	
Landport Operations	552	207	167%	Lease commencement
Direct Costs	7,280	10,393	-30%	
Construction	6,613	9,052	-27%	In line with revenue performance
Airport Operations	549	1,130	-51%	Limited operations
Airport Merchandising	19	62	-69%	
Landport Operations	99	150	-34%	Start of commercial operations
Gross Profit	1,752	3,301	-47%	
Other Operating Expenses	1,146	1,060	8%	Impact of PITX operations
Operating Profit	605	2,241	-73%	
Net Other Income (Charges)	-1,471	-1,039	42%	Additional loan drawdowns*
Profit before tax	-866	1,202	-172%	
Tax Expense	52	367	-86%	Due to deferred tax expense
Income / (Loss) before Non Controlling Interest	-918	835	-210%	
Non-Controlling Interest	-307	185	-266%	Net loss airport operations
NIAT/(Loss) Attributable to MWIDE Equity Holders	-611	650	-194%	

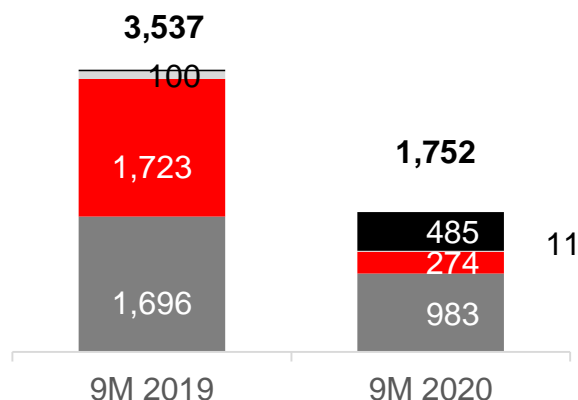
FINANCIAL HIGHLIGHTS

PERFORMANCE

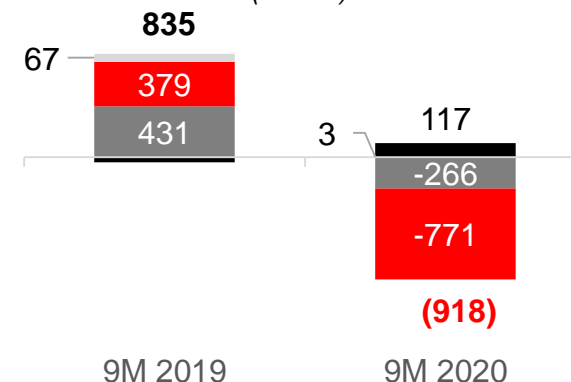
REVENUE (PhP M)



EBITDA (PhP M)

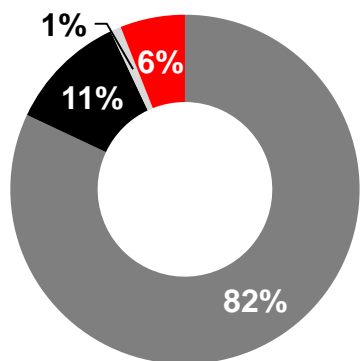


NET INCOME / (LOSS) (PhP M)

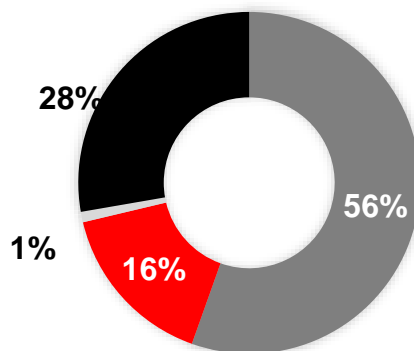


BREAKDOWN

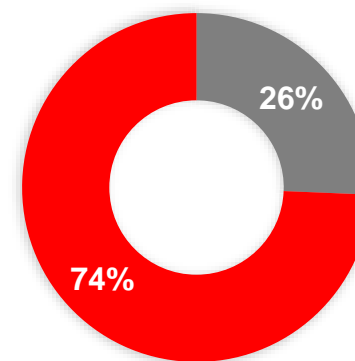
REVENUE



EBITDA



NET LOSS



■ Construction ■ Airport ■ Merchandising ■ Landport

*Landport operations registered a net income of 117M³

MARGIN PERFORMANCE

In PhP M	9M2020	9M2019	FY 2019	REMARKS
Gross Profit Margin	19%	24%	23%	
Construction	11%	14%	13%	<i>Suspension of activities due to quarantine</i>
Airport Operations	45%	58%	58%	<i>Lower revenue due to travel bans</i>
Airport Merchandising	72%	75%	73%	
Terminal Operations	82%	28%	44%	<i>Lease commencement of office towers</i>
EBITDA Margin	19%	26%	24%	
Construction	13%	16%	15%	<i>In line with the decrease in GP</i>
Airport Operations ¹	27%	64%	63%	<i>In line with the decrease in GP</i>
Airport Merchandising	16%	40%	37%	
Terminal Operations	88%	1%	19%	<i>In line with the increase in operating profit</i>
Net Income Margin	-10%	6%	6%	
Construction	-4%	4%	3%	<i>Net loss</i>
Airport Operations ²	-77%	14%	14%	<i>Net loss</i>
Airport Merchandising	4%	27%	24%	
Terminal Operations	21%	-21%	-1%	<i>Lease commencement</i>

¹Computed as operating income + depreciation and amortization expense

²Due to the impact of depreciation and amortization and financing charges of Airport operations

FINANCIAL POSITION

<i>In PhP M</i>	30 September 2020	31 Dec 2019	Movement	% Change
Cash & Financial Assets	4,251	6,519	-2,268	-35%
Other Current Assets	28,629	28,947	-318	-1%
Current Assets	32,880	35,466	-2,586	-7%
Concession Assets	29,791	29,437	354	1%
Non Current Assets	44,883	45,299	-416	-1%
Total Assets	77,763	80,764	-3,001	-4%
Current Liabilities	26,746	28,000	-1,254	-4%
Non Current Liabilities	34,847	34,766	81	0%
Total Liabilities	61,592	62,766	-1,174	-2%
Equity	16,170	17,999	-1,829	-10%

LIQUIDITY AND GEARING RATIOS

In PhP M	30 September 2020			31 December 2019		
	Parent ¹	GMCAC ²	Conso	Parent ¹	GMCAC ²	Conso
Cash/financial assets	1,901	1,097	4,251	3,592	1,169	6,519
Total Debt	19,013	23,891	46,814	19,573	24,278	47,753
Equity	11,137	8,551	16,170	12,300	9,322	17,999
D-E Ratio	1.71x	2.79x	2.90x	1.59x	2.60x	2.65x
Net D-E Ratio ³	1.54x	2.67x	2.63x	1.30x	2.48x	2.29x

¹Gross D-E covenant 2.33X under Parent level

²Under project finance/ with separate D/E computation as agreed with the lenders

³Net debt: FY19 – P41.2B

³Net debt: 9M20 – P42.6B

COVID TRACING: EFFECTS ON OPERATIONS



	ECQ (March 16 – May 15)	MECQ (May 16 – June 15)	GCQ (June 16 – Aug 3)	MECQ (Aug 4 – Aug 18)	GCQ (Aug 19 – Sep 30)
<ul style="list-style-type: none"> • Operations suspended • Anti-COVID 19 protocol in all facilities / offices • Cash management • Contract Cost Review 	<ul style="list-style-type: none"> • Essential sectors allowed • Anti-COVID 19 protocol in all facilities / offices • Mobilization works 	<ul style="list-style-type: none"> • Private construction resume (proper documentation) • Compliance with occupational health guidelines • 10% capacity 	<ul style="list-style-type: none"> • Construction activities continue as usual (GCQ) • Employee testing • Ramping up operations • 20-30% capacity 	<ul style="list-style-type: none"> • Construction activities as usual • Contract negotiations • 60% capacity 	
<ul style="list-style-type: none"> • No commercial flights • Sweeper flights only 	<ul style="list-style-type: none"> • Domestic essential travel allowed • Sweeper flights • 250 pax/day (ave) 	<ul style="list-style-type: none"> • Domestic and international travel allowed • Sweeper flights • 1,175 pax/day 	<ul style="list-style-type: none"> • Domestic (Clark and Davao only) and international (from NAIA) • Sweeper flights • 1,150 pax/day 	<ul style="list-style-type: none"> • Domestic and international travel resume • Sweeper flights • 1,314 pax/day 	
<ul style="list-style-type: none"> • Office: lease deferred • Retail: rental deferred • Terminal ops suspended 	<ul style="list-style-type: none"> • Office: lease deferred • Retail: rental deferred • Terminal ops for medical front liners 	<ul style="list-style-type: none"> • Office: lease commenced • Retail: rental commencement • 10K pax/daily (restart) 	<ul style="list-style-type: none"> • Office: lease commenced • Retail: rental commenced • Terminal operations suspended 	<ul style="list-style-type: none"> • Office: lease commenced • Retail: deferred rentals • 40K pax/daily (Aug-Sept) 	



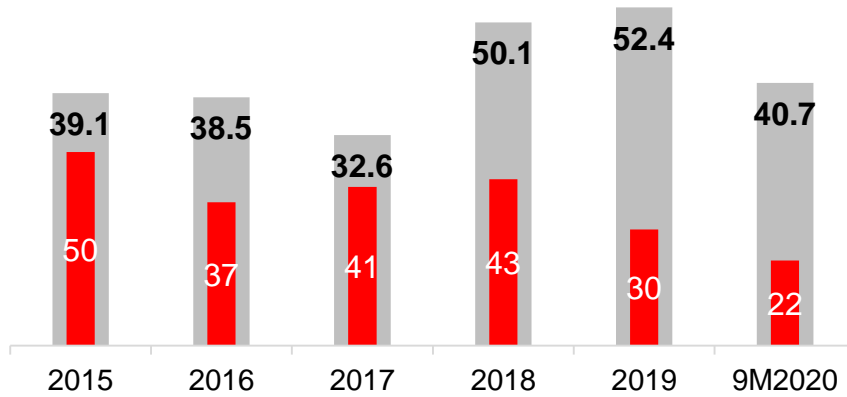
ENGINEERING, PROCUREMENT & CONSTRUCTION

HEALTHY AND DIVERSE ORDER BOOK

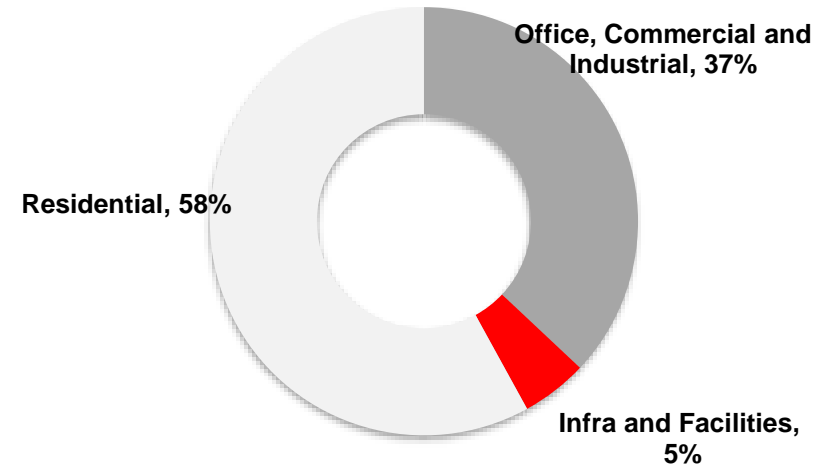


■ Order Book (PhP B)

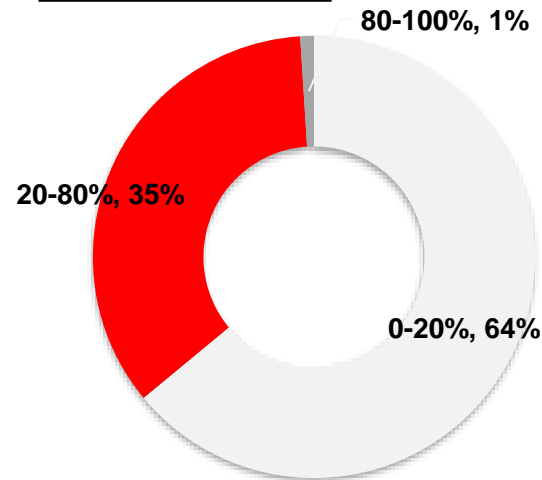
■ No. of Projects



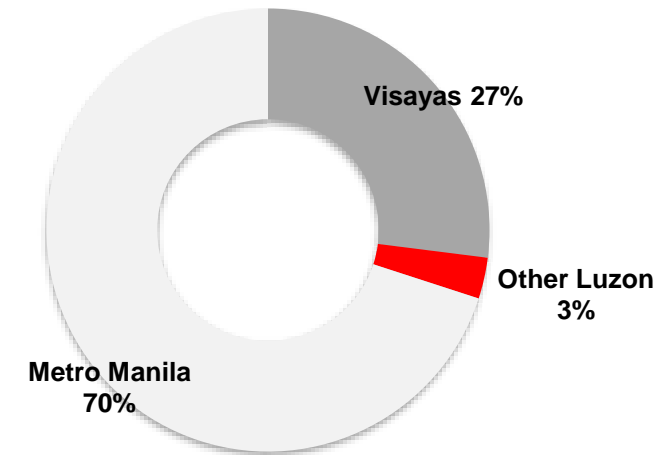
SEGMENT



% COMPLETION



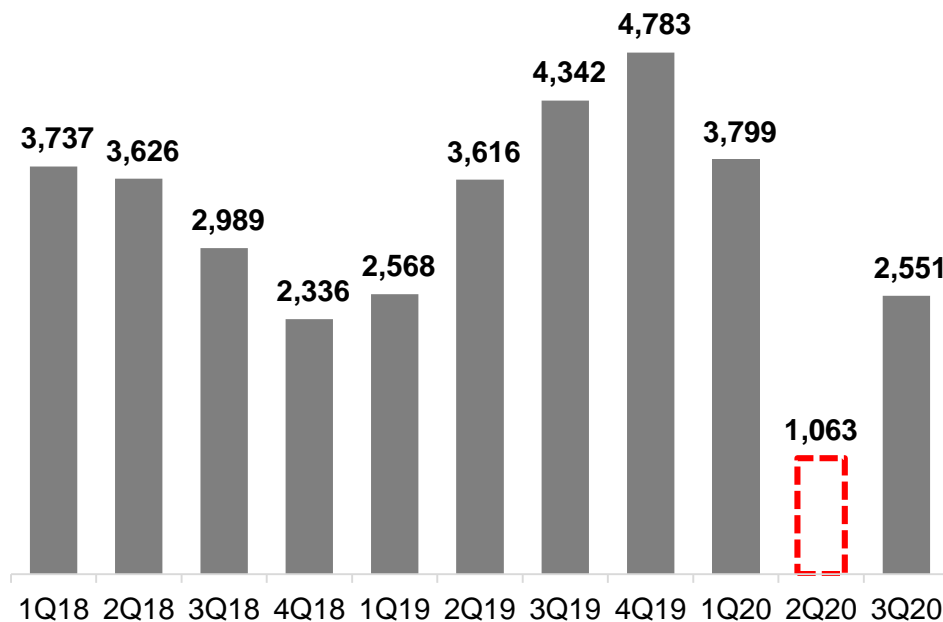
AREA



SLOWLY CATCHING UP



QUARTERLY PERFORMANCE (PhP M)



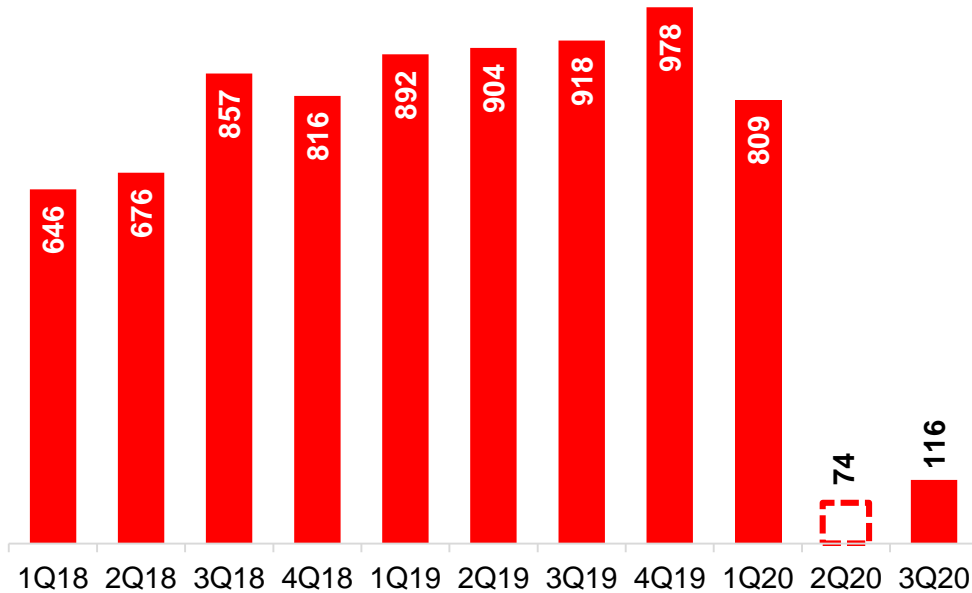
SAFETY PROTOCOLS:

- *Testing of personnel*
- *Expanded barracks*
- *Physical distancing*
- *Lock-in status*
- *50-60% workforce present*
- *Concentration on live projects*



AIRPORT OPERATIONS

TRAVEL BAN EFFECT



* Excludes airport merchandising revenues

** Computed as Operating income + depreciation and amortization expense

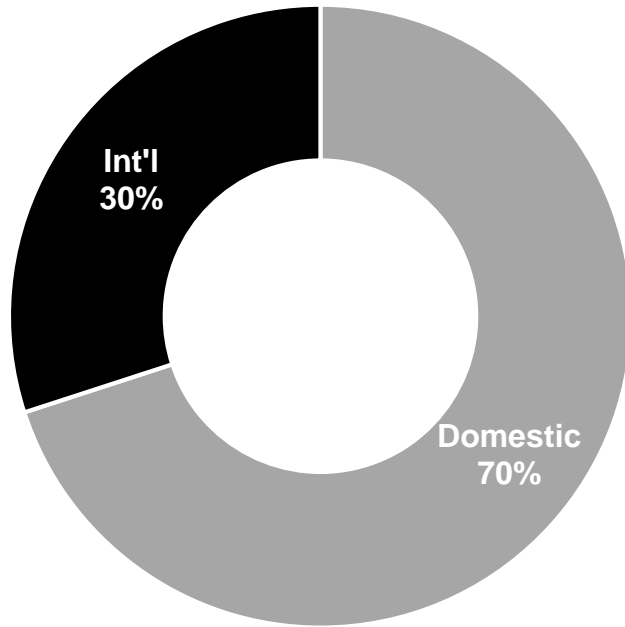
SAFETY PROTOCOLS:

- COVID testing (results within 24 hours)
- Contactless interaction
- Cashless purchases
- Physical distancing
- Floor markings and safety signages
- Single Terminal (T2 for Int'l Arrivals)

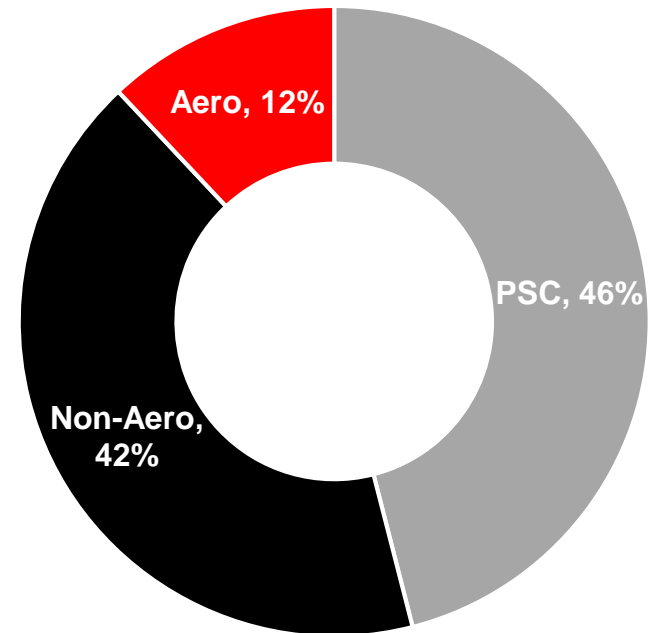
DOMESTIC-PASSENGER AND PSC DRIVEN



PASSENGER TYPE



REVENUE BREAKDOWN

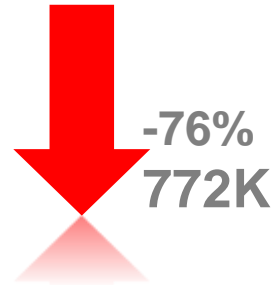


PSC AFFECTED BY SLOWER PASSENGER TRAFFIC

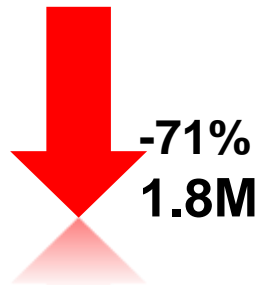


PASSENGER VOLUME

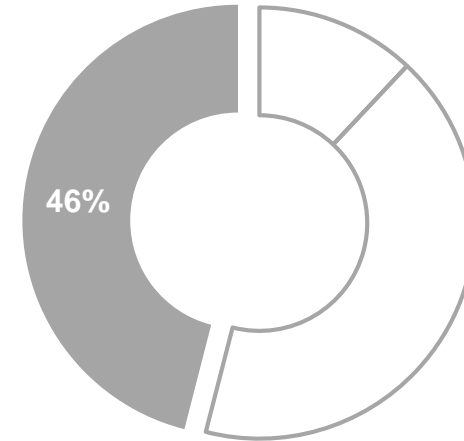
INTERNATIONAL



DOMESTIC



9M2020 BREAKDOWN

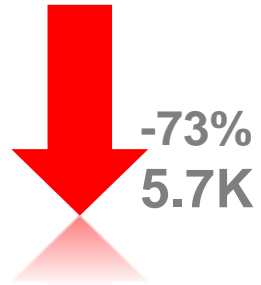


AIR TRAFFIC MOVEMENT RESTRICTED



AIR TRAFFIC MOVEMENT

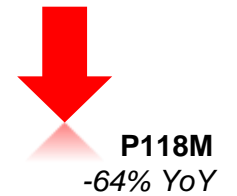
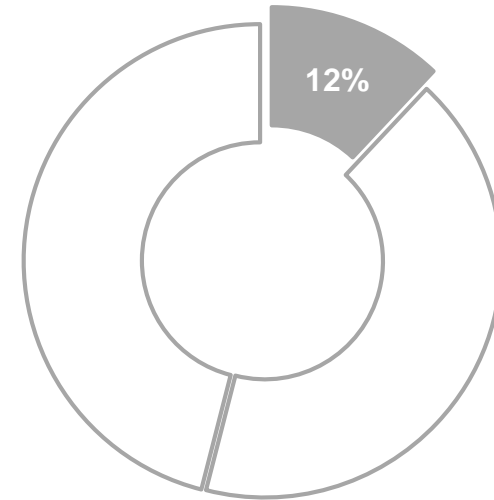
INTERNATIONAL



DOMESTIC



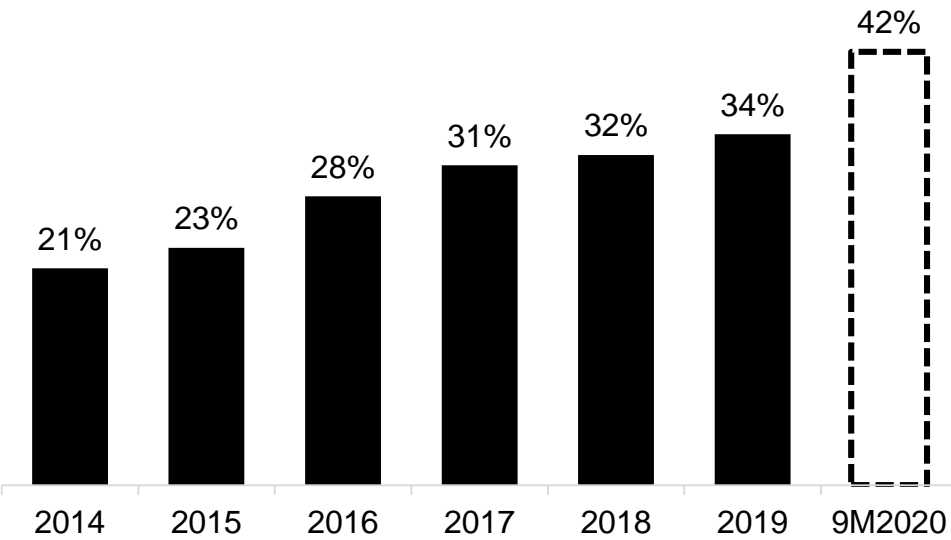
9M2020 BREAKDOWN



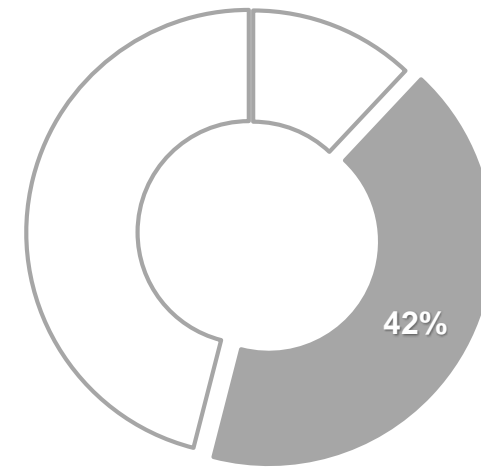
EXPANDING NON-AERO REVENUE SHARE



NON-AERO SHARE TO TOTAL



9M2020 BREAKDOWN



P420M
-33% YoY



LANDPORT OPERATIONS

ADAPTING TO NEW NORMAL



OFFICE (72K sqms)

- 100% leased out
- P1,000/sqm/month (ave)

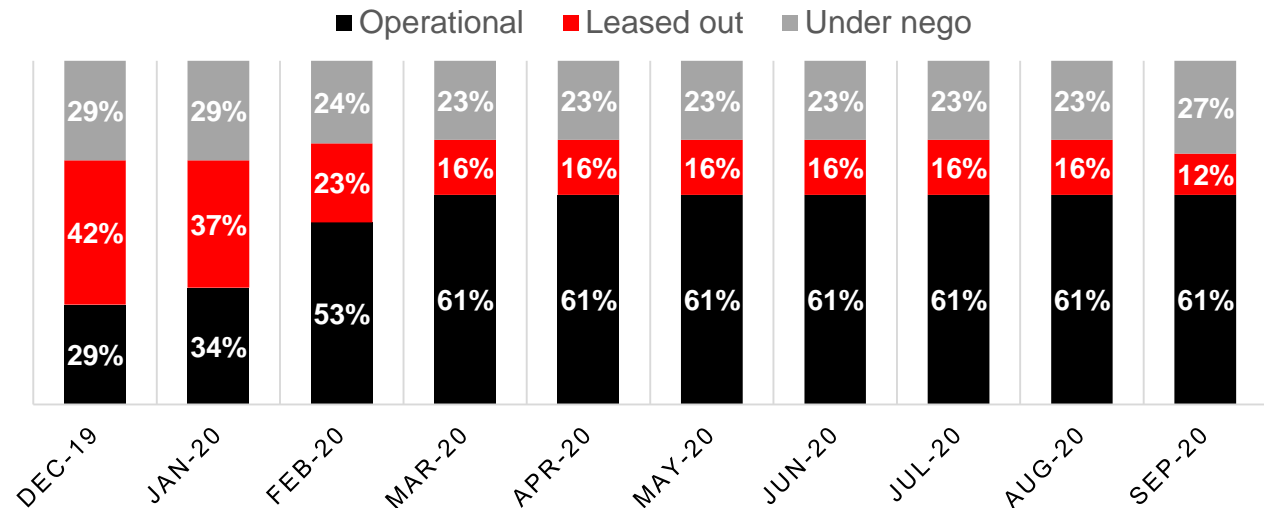


RETAIL (12K sqms)

- 80% leased out
- 60% operational
- P1,200/sqm/month (ave)

TENANT MIX

- 75% F&B
- 15% Consumer Goods
- 10% Services



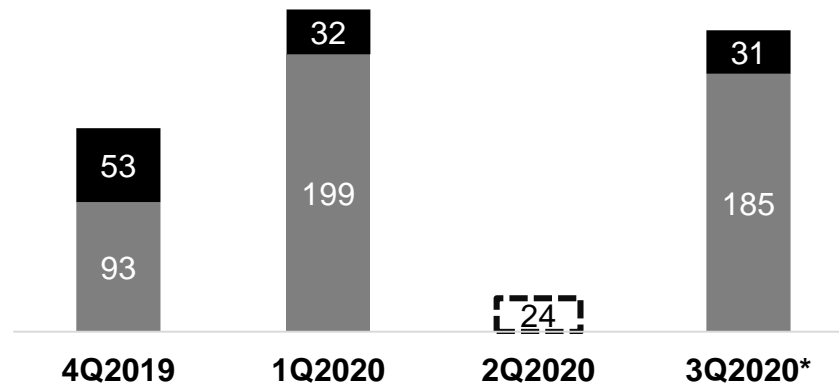
RESUMPTION OF LEASES



RENTAL REVENUE

(in Php M)

■ Office ■ Commercial



*PAS adjustment of -P80M

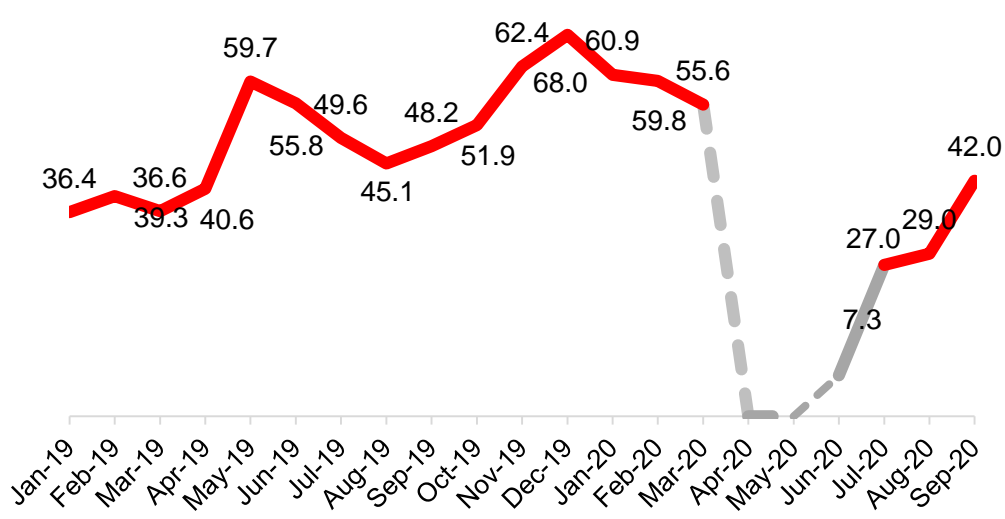
POST QUARANTINE PROTOCOLS:

- Automated temperature reading
- Sanitizing stations
- Physical distancing
- Additional PTP routes
- Increased bus seating capacities

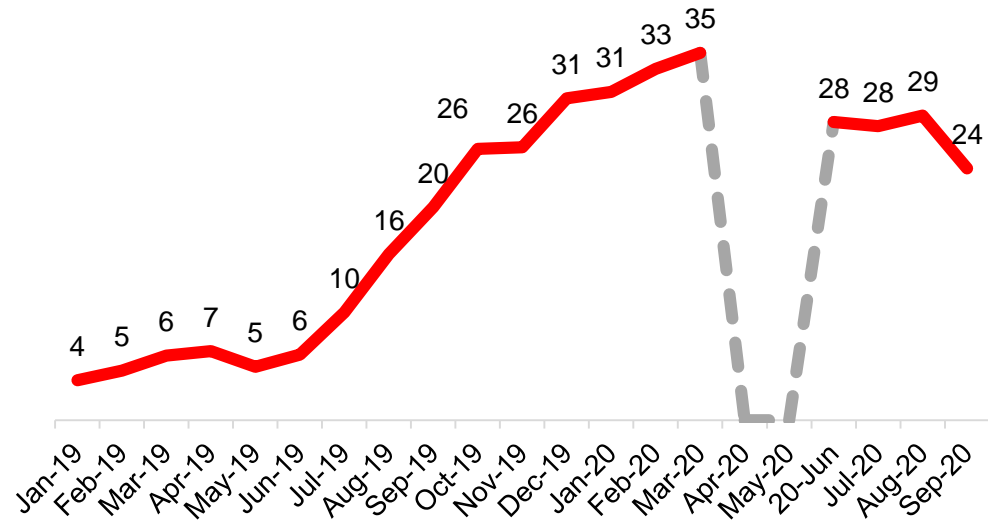
SLOWLY REACHING NORMALCY



AVERAGE FOOT TRAFFIC ('000)



AVERAGE SPP (Php)





RECENT DEVELOPMENTS

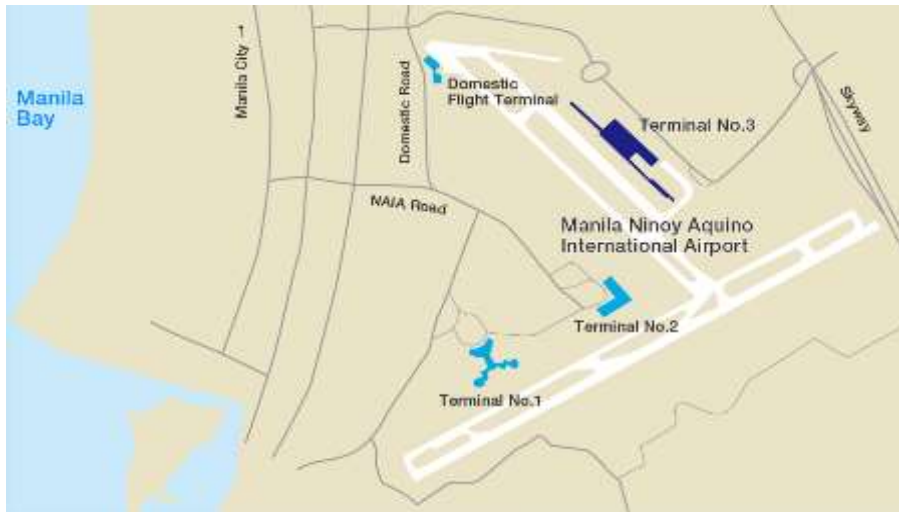
PREFERRED SHARES

- SEC issuance of Registration Order and Permit to Sell
 - **Issue Size:** PHP3.0B (*with PHP2.0B oversubscription option*)
 - **Indicative Rate:** Series 2A @4.75% (2.5 years)
Series 2B @5.75% (5 years)
 - **Offer Period:** November 10-17, 2020
 - **Target Listing:** November 27, 2020
 - **Joint Lead Underwriters and Bookrunners**
 - RCBC Capital Corporation
 - PNB Capital and Investment Corporation

NAIA REHABILITATION PROJECT (OPS)

ORIGINAL PROPONENT STATUS

- GMR 40% equity participation in consortium
- P109B Total Project Cost
- NEDA-TWG evaluation
- Compliant with BOT Law Sec 5.4 (c)



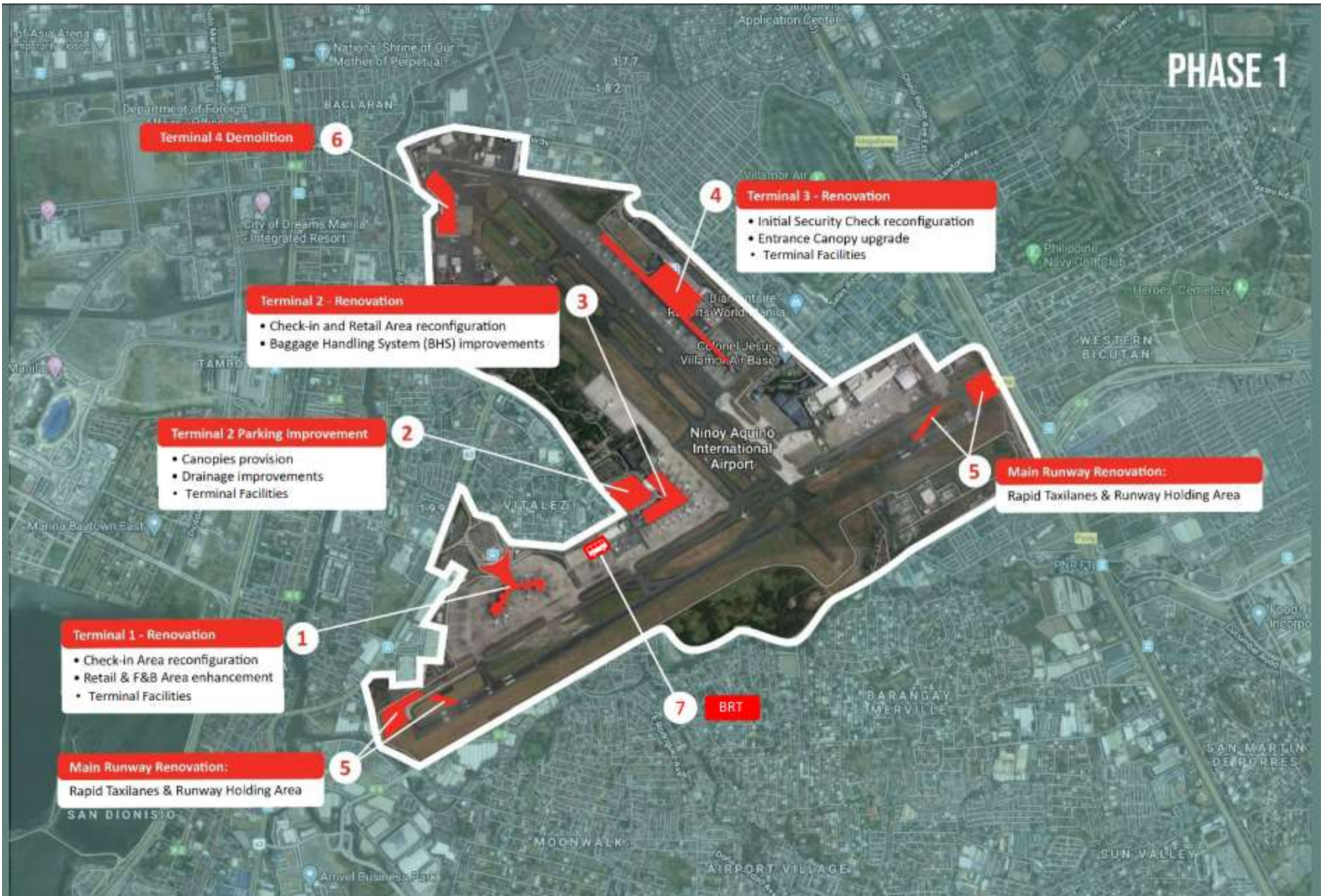
PASSENGER VOLUME PERFORMANCE

Year	(in millions)	Growth (YoY)
2013	33	3%
2014	34	4%
2015	37	7%
2016	40	8%
2017	42	6%
2018	45	7%
2019	48	6%

Our NAIA Proposal



PHASE 1



PHASE 2



Cargo Terminal Replication

7

Parking Building Construction

8

Existing Cargo Terminal Demolition

9

Airside Apron and Taxiway Improvement

13

New Terminal Construction

12

Fuel Farm Replication

10

Existing Fuel Farm Demolition

11

CAPACITY AUGMENTATION



Concept:
The NAIA Green Valley



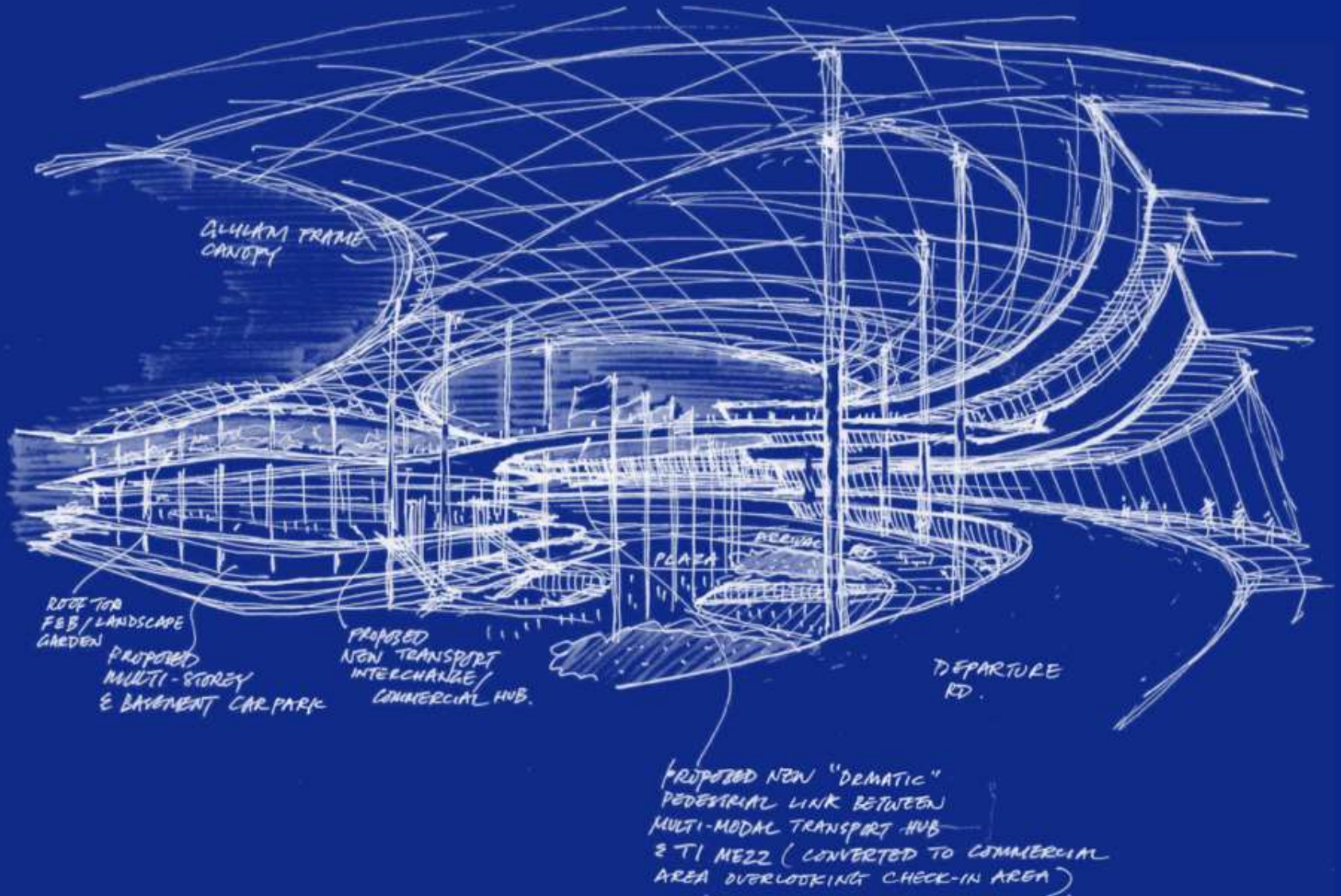
CONCEPT SKETCH



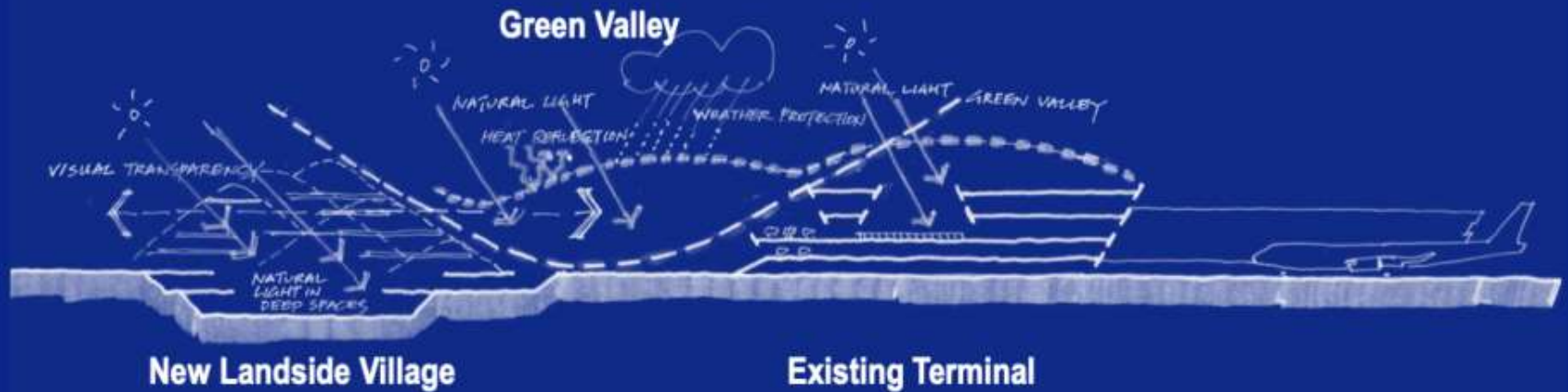
Existing Car Park

Existing Terminal

CONCEPT SKETCH

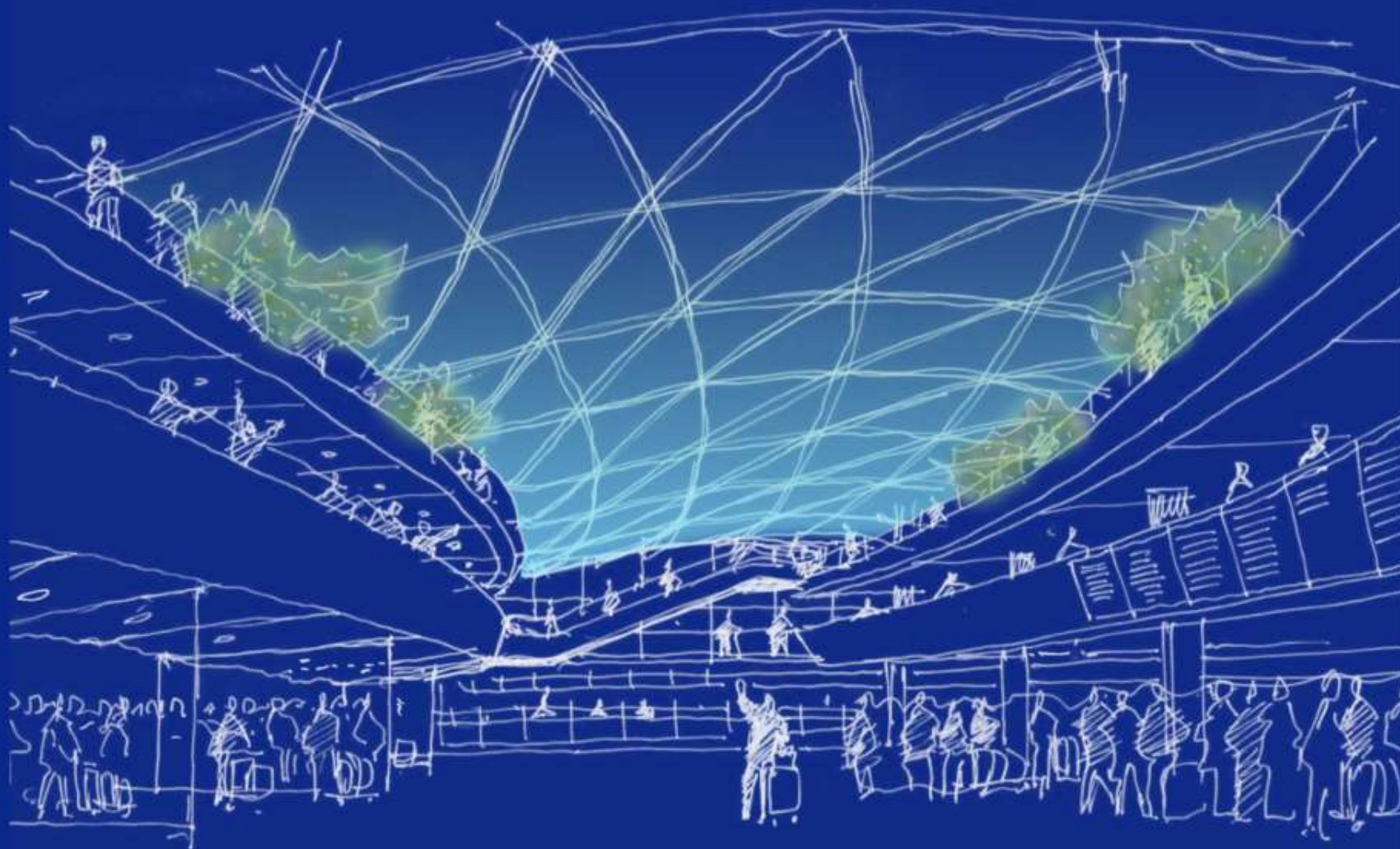


CONCEPT SKETCH



4 NAIA Project Refurbishment

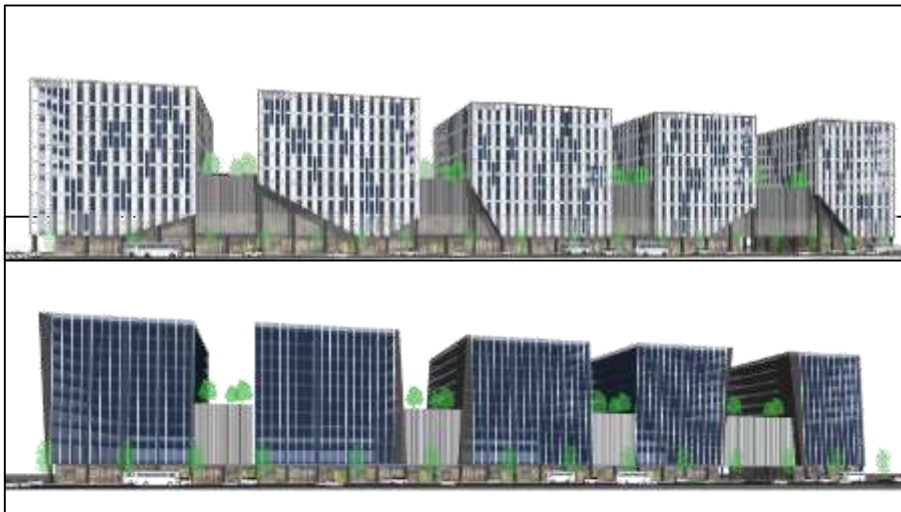
CONCEPT SKETCH



PITX LOT 2 DEVELOPMENT

DESIGN, DEVELOPMENT AND O&M

- Undergoing Final Design and Conceptualization
- ~P5B Total Project Cost
- Development timetable: 1-2 years



CARBON MARKET REDEVELOPMENT (OPS)

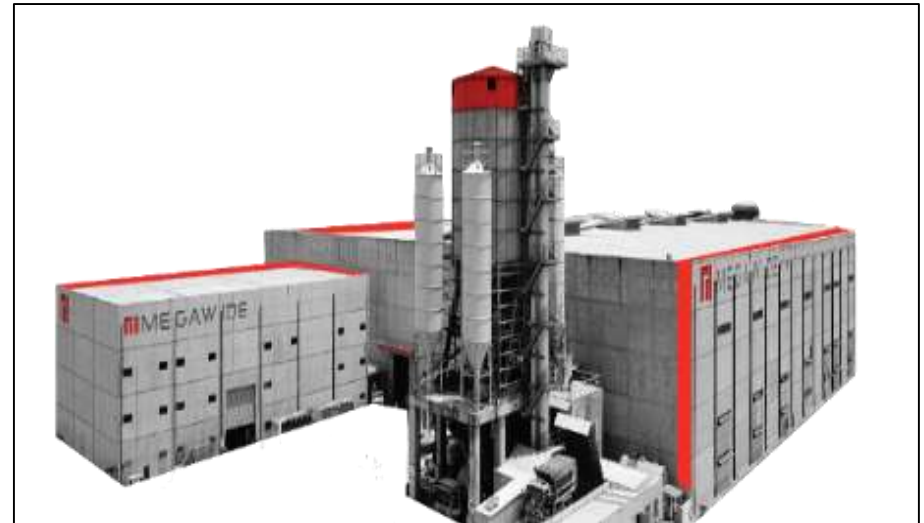
ORIGINAL PROPONENT STATUS

- JV with Cebu Local Government Unit
- P5B Total Project Cost (Ph1 P2B)
- Swiss Challenge period ended Nov 11, 2020



PRE-CAST CAPACITY BUILD-UP

PRE-CAST CAPACITY (m ³ /month)	
EXISTING	9,900
2019 New	2,922
2020 Planned	6,948
TOTAL	19,770
2023-2024 Forecast	40,000



HORIZONTAL INFRASTRUCTURE



AFFORDABLE/SOCIALIZED HOUSING SEGMENT

Thank you

Contact us

investorrelations@megawide.com.ph
www.megawide.com.ph

Follow us

fb.com/MegawideConstructionCorp
twitter.com/MegawideBuilds
