



ANALYST BRIEFING

**Financial Highlights
As of 1H 2018**

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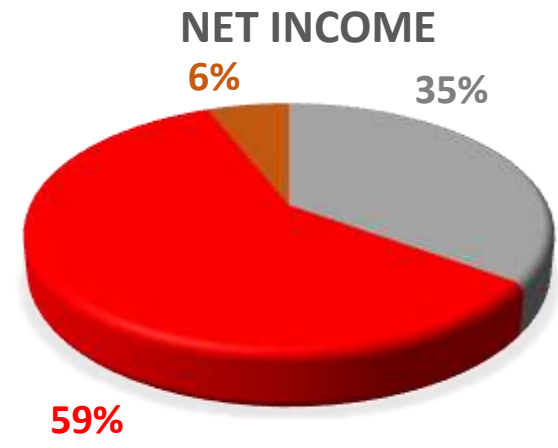
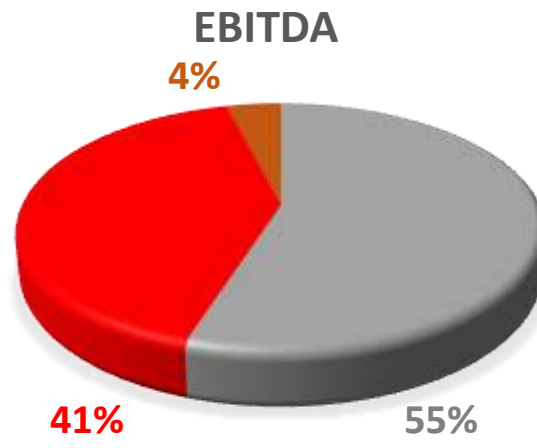
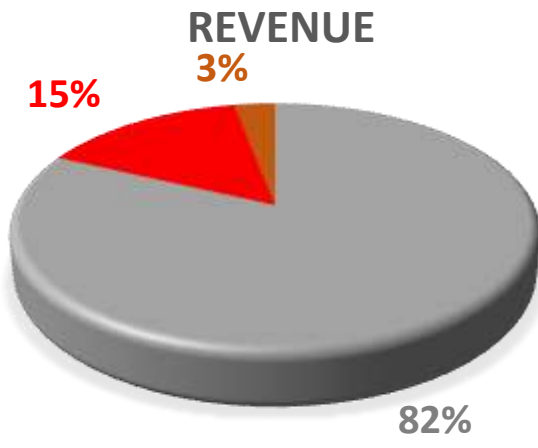
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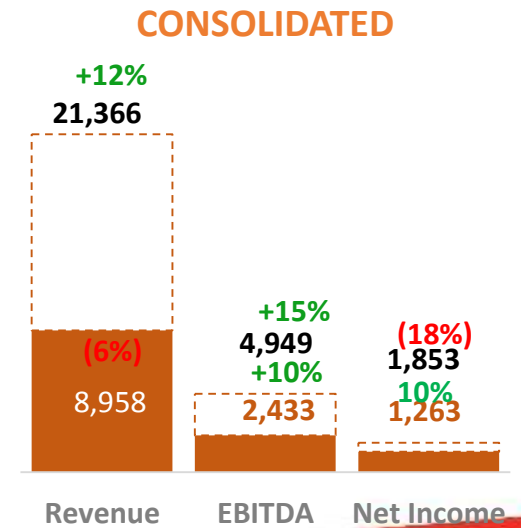
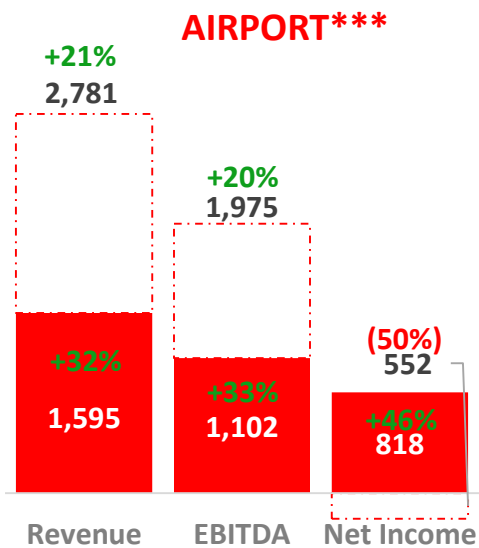
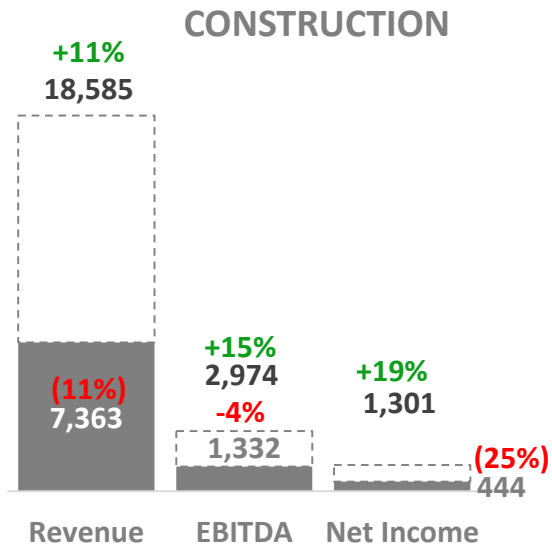
1H 2018 CONSOLIDATED INCOME STATEMENT

In Php M	1H 2018	1H 2017	Mov't	%	Remarks
Total Revenues	8,958	9,503	(545)	(6%)	
<i>Construction</i>	7,363	8,296	(933)	(11%)	Due to timing start of new projects
<i>Airport Operations</i>	1,322	1,156	166	14%	12% growth in passenger volume
<i>Airport Merchandising</i>	273	51	222	434%	
Direct Costs	6,460	7,181	(721)	(10%)	
<i>Construction</i>	6,203	6,964	(760)	(11%)	In line with revenue
<i>Airport Operations</i>	185	206	(21)	(10%)	
<i>Airport Merchandising</i>	72	11	60	541%	
Gross Profit	2,498	2,322	176	8%	
Other Operating Expenses	583	600	(18)	-3%	
Operating Profit	1,915	1,721	194	11%	
Other Income (Charges)	(351)	(297)	(54)	18%	Due to increase in Other Charges
Profit before tax	1,564	1,424	140	10%	Due to decrease in direct cost
Tax Expense	301	273	29	11%	In line with profit before tax growth
Income before Non Controlling Interest	1,263	1,152	111	10%	68% of full year 2018 guidance
Non-Controlling Interest	335	225	110	49%	
NIAT Attributable to MWIDE Equity Holders	928	927	1	0%	

1H 2018 FINANCIAL HIGHLIGHTS



- Construction
- Airport
- Merchandising



*In M Php

** Change in depreciation method from straight-line to unit of production effective 1Q18

***Includes airport merchandising

□ □ E2018

MARGIN PERFORMANCE

<i>In Php Million</i>	1H 2018	1H 2017	FY 2017	FY 2016
Gross Profit Margin	28%	24%	24%	22%
<i>Construction</i>	16%	16%	16%	15%
<i>Airport Operations</i>	86%	82%	82%	81%
<i>Airport Merchandising</i>	74%	78%	72%	-
EBITDA Margin	27%	23%	22%	20%
<i>Construction</i>	18%	17%	15%	15%
<i>Airport Operations</i>	75%	70%	71%	70%
<i>Airport Merchandising</i>	41%	34%	43%	-
Net Income Margin	14%	12%	12%	11%
<i>Construction</i>	6%	7%	7%	6%
<i>Airport Operations</i>	56%	48%	49%	48%
<i>Airport Merchandising</i>	29%	20%	29%	-

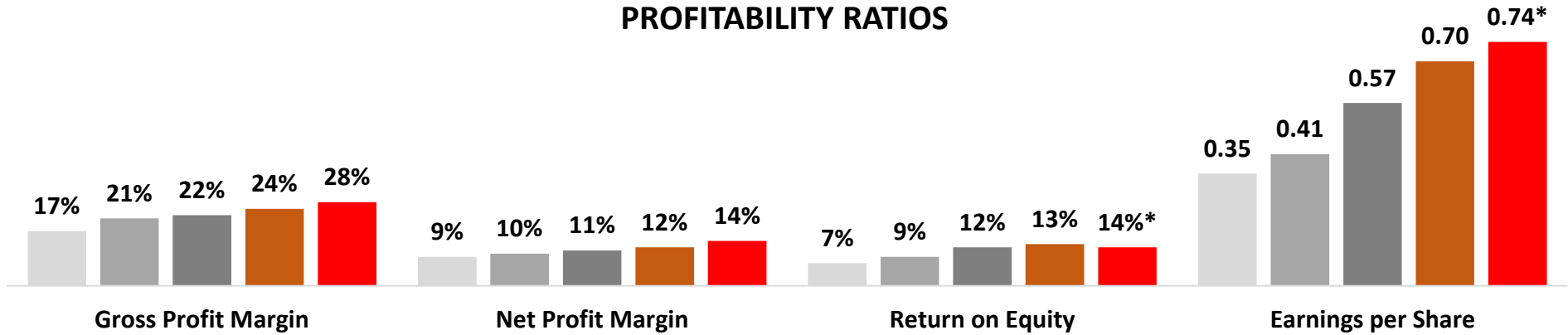
FINANCIAL POSITION

In Php M	30-June-18	31-Dec-17	Movement	% Change
Cash & Financial Assets	6,513	8,140	(1,628)	(20%)
Other Current Assets	12,999	10,559	2,441	45%
Total Current Assets	19,512	18,699	813	4%
Concession Assets	27,864	25,608	2,256	9%
Total Non Current Assets	38,955	35,719	3,236	9%
Total Assets	58,467	54,418	4,049	7%
Current Liabilities	10,990	9,413	1,577	17%
Non Current Liabilities	28,238	26,869	1,369	5%
Total Liabilities	39,228	36,282	2,946	8%
Equity	19,239	18,136	1,103	6%

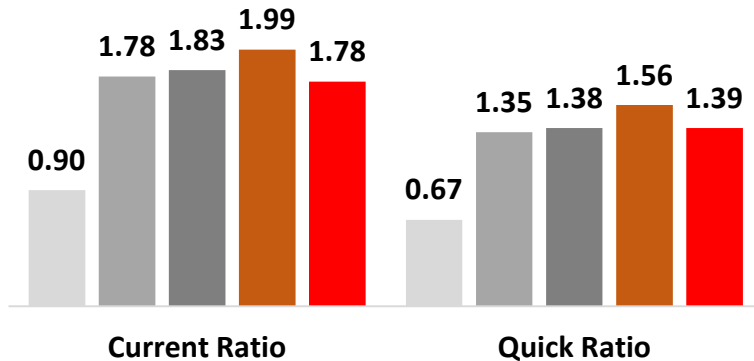
LIQUIDITY AND GEARING RATIOS

■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 1H2018

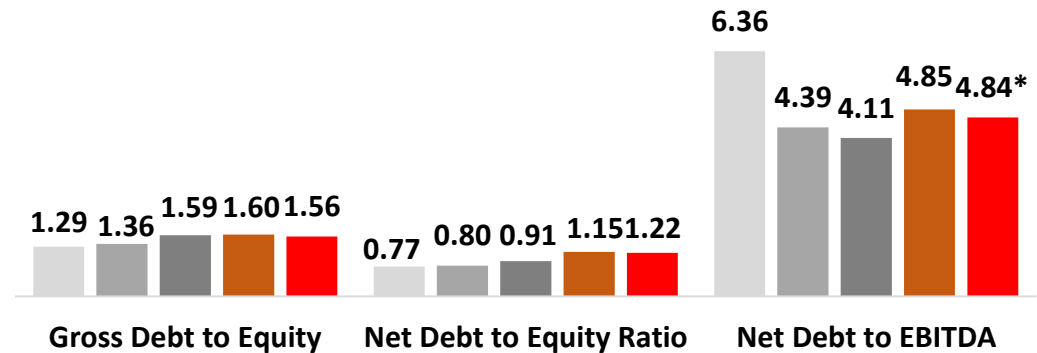
PROFITABILITY RATIOS



LIQUIDITY RATIOS



SOLVENCY RATIOS



* Annualized

** Interest Bearing loans: 1H18 – P30.1bn

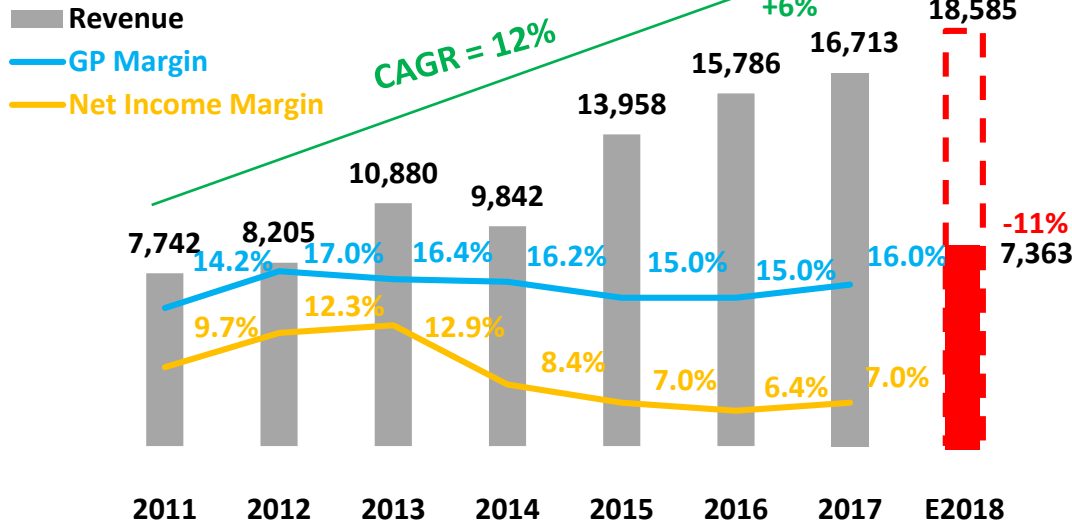
*** Net debt: 1H18 - P23.6bn

CONSTRUCTION BUSINESS SEGMENT

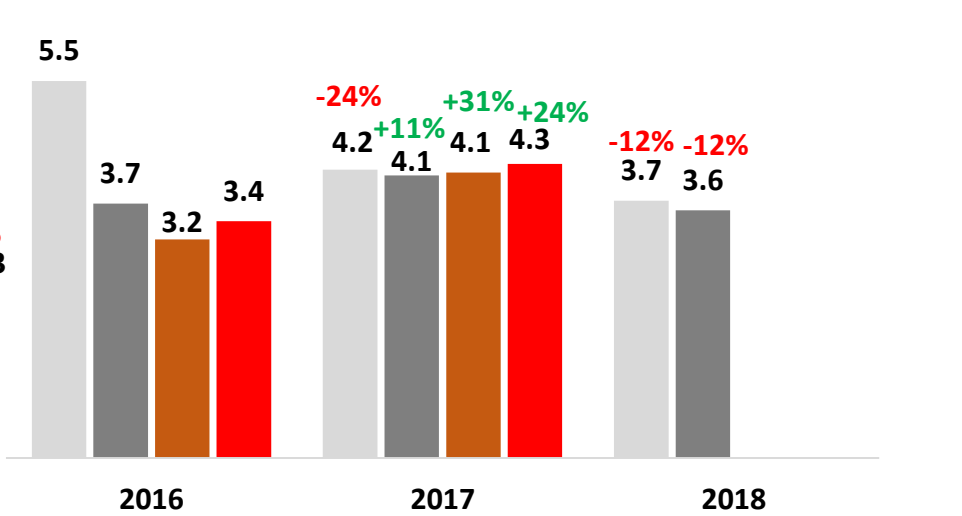


SOLID CONSTRUCTION REVENUES

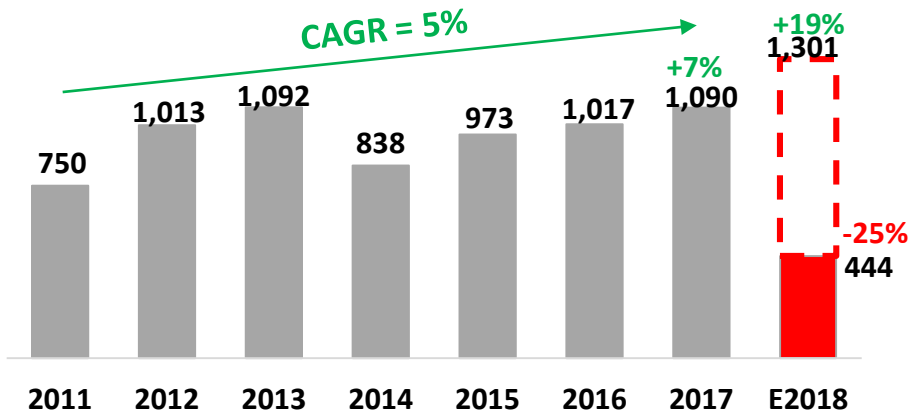
Construction Revenues (in M Php)



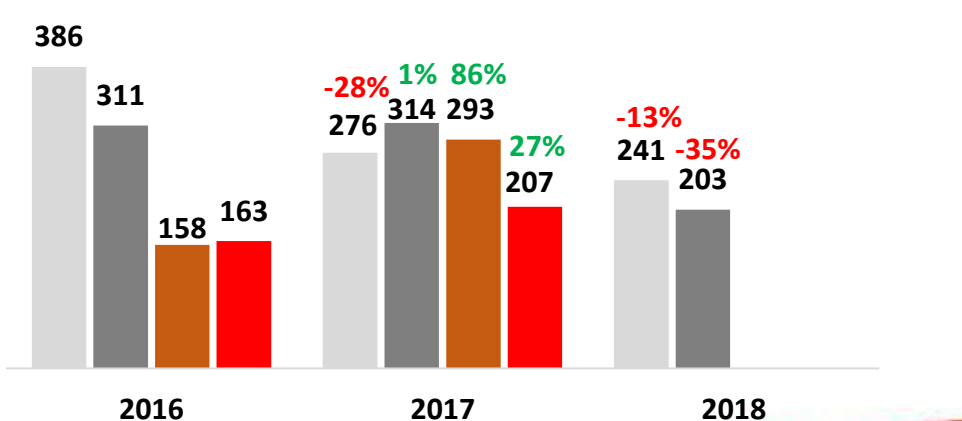
Quarterly Revenues (in Bn Php)



Construction Income (in M Php)



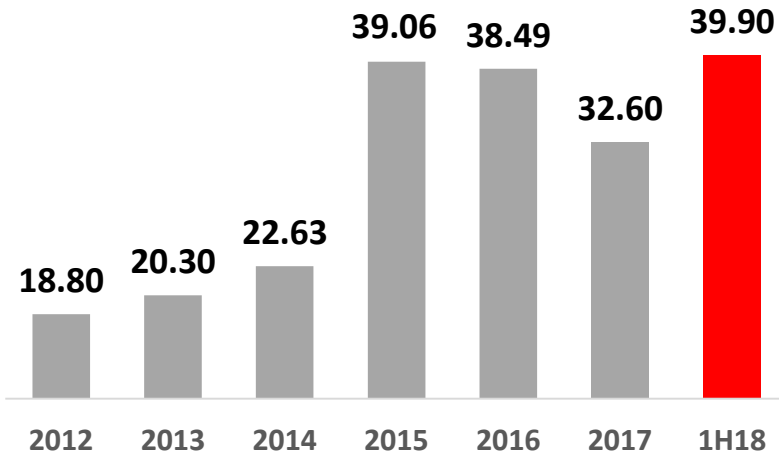
Quarterly Net Income (in M Php)



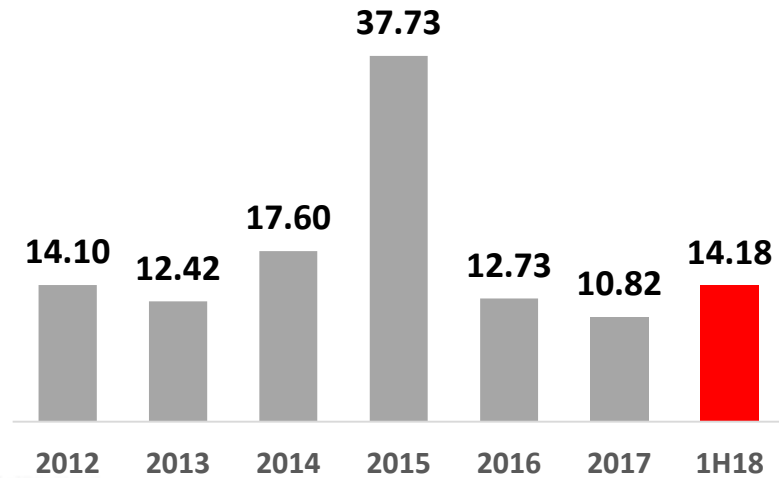
* 2015 Expiration of ITH

STABLE & DIVERSE CONSTRUCTION ORDER BOOK

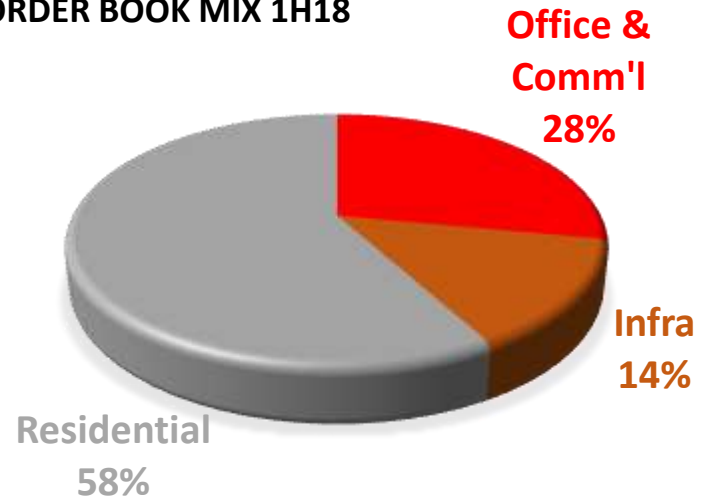
ORDER BOOK
(in Php Bn)



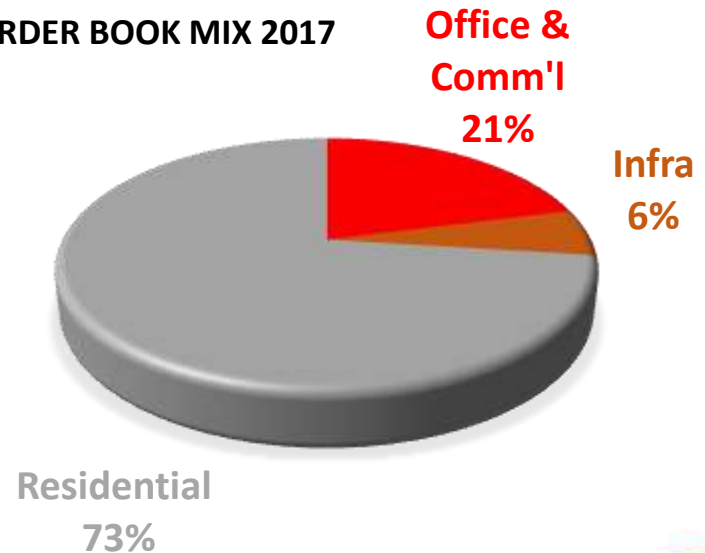
NEW CONTRACTS
(in Php Bn)



ORDER BOOK MIX 1H18



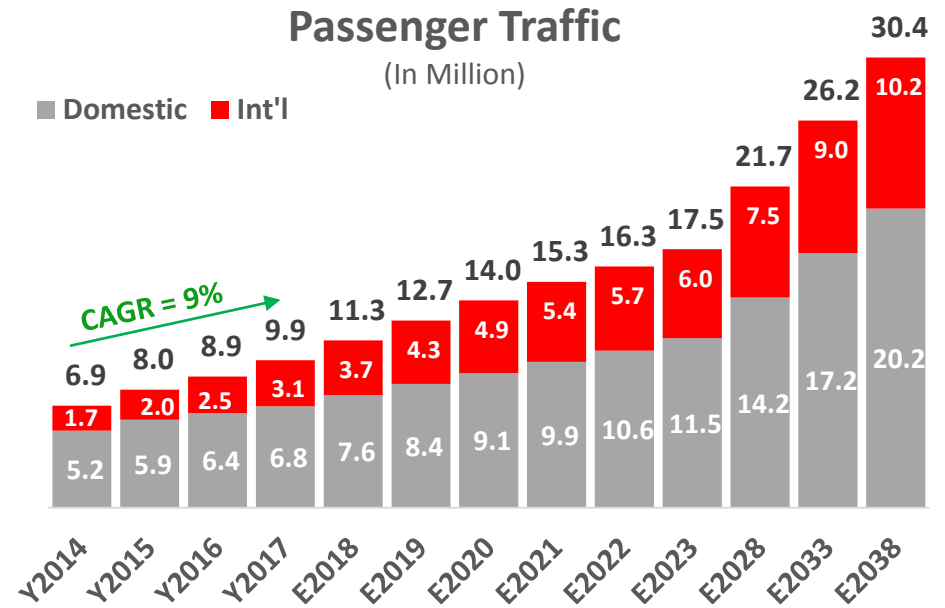
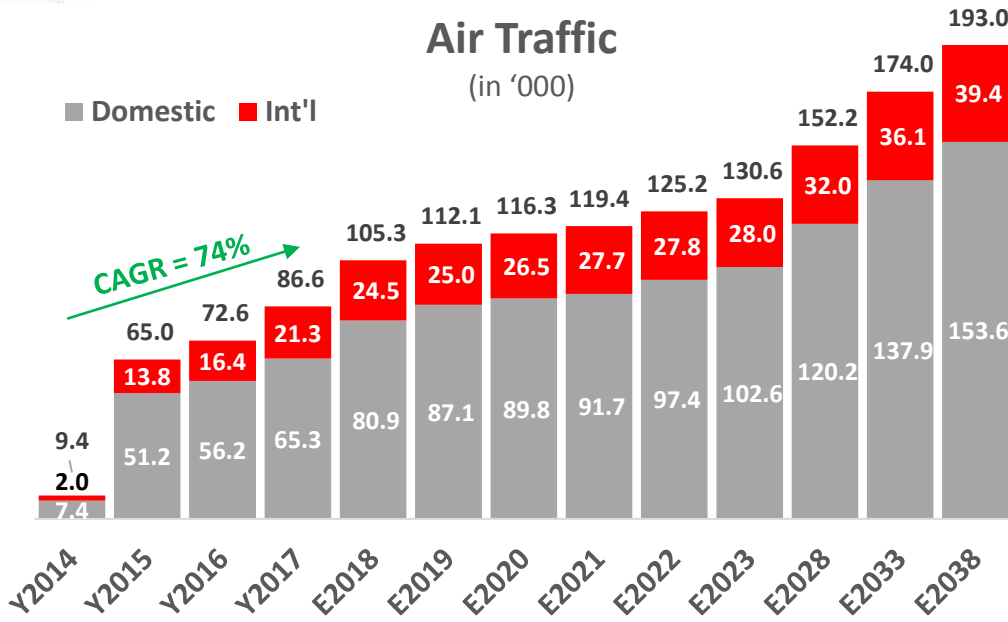
ORDER BOOK MIX 2017



AIRPORT BUSINESS SEGMENT



2 ROBUST TRAFFIC GROWTH



Air Traffic Volume

	<u>2016</u>	<u>2017</u>	<u>% Increase</u>
Domestic	56,210	65,300	16%
International	16,383	21,300	30%
Total	72,593	86,600	19%

	<u>1H2017</u>	<u>1H2018</u>	<u>% Increase</u>
Domestic	33,577	37,719	12%
International	10,566	12,124	15%
Total	44,143	49,843	13%

Passenger Volume Growth

	<u>2016</u>	<u>2017</u>	<u>% Increase</u>
Domestic	6.38	6.84	7%
International	2.52	3.13	24%
Total	8.89	9.97	12%

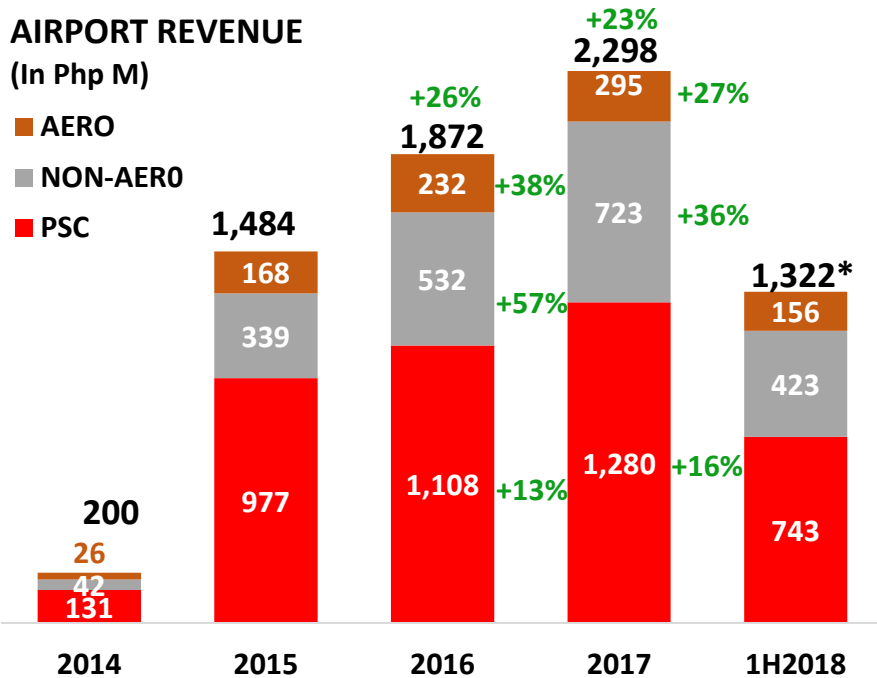
	<u>1H2017</u>	<u>1H2018</u>	<u>% Increase</u>
Domestic	3.52	3.87	10%
International	1.61	1.89	17%
Total	5.13	5.76	12%

DIVERSE RECURRING REVENUE STREAMS

AIRPORT REVENUE

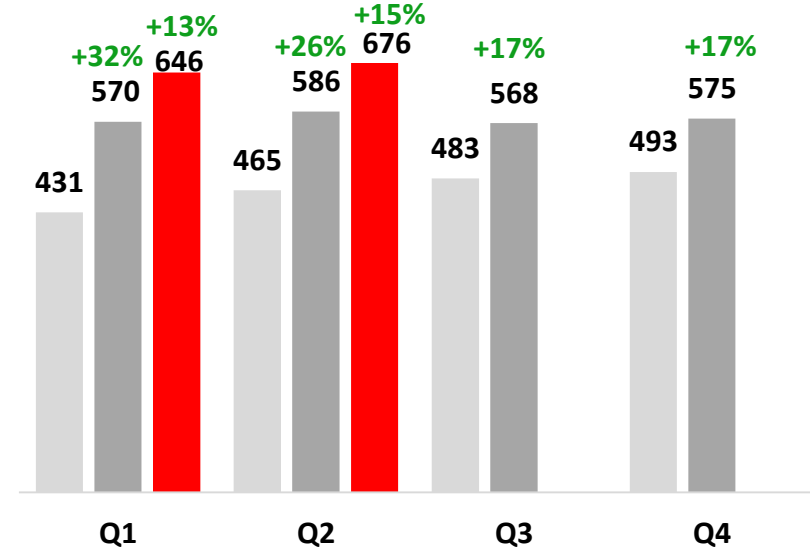
(In Php M)

- AERO
- NON-AERO
- PSC



QUARTERLY REVENUE

(in Php M) ■ 2016 ■ 2017 ■ 2018



Passenger Service Charge (PSC)	1 st Step-Up: Effective June 2015 Domestic – from P200 to P300 International – from P550 to P750
Aero Related	Aircraft service charges – fees collected from airlines for the payment for aero bridges, ground handling, fuel, etc.
Non-aero	Rental revenues from concession tenants such and Retail. Also includes advertising, car parking and other rental revenues

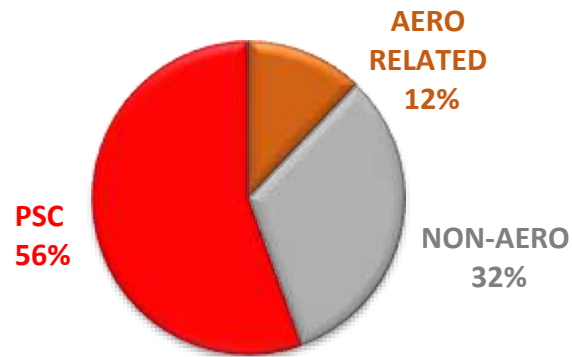
FINANCIAL RATIOS	2015	2016	2017
Current Ratio	0.4	1.3	1.0
Gross Debt to Equity	2.5	2.6	2.7
Net Debt to Equity	2.5	2.3	2.5
Gross Debt to EBITDA	14.4	13.0	12.4
Return on Equity	9%	15%	16%

* excludes airport merchandising revenues of P273M

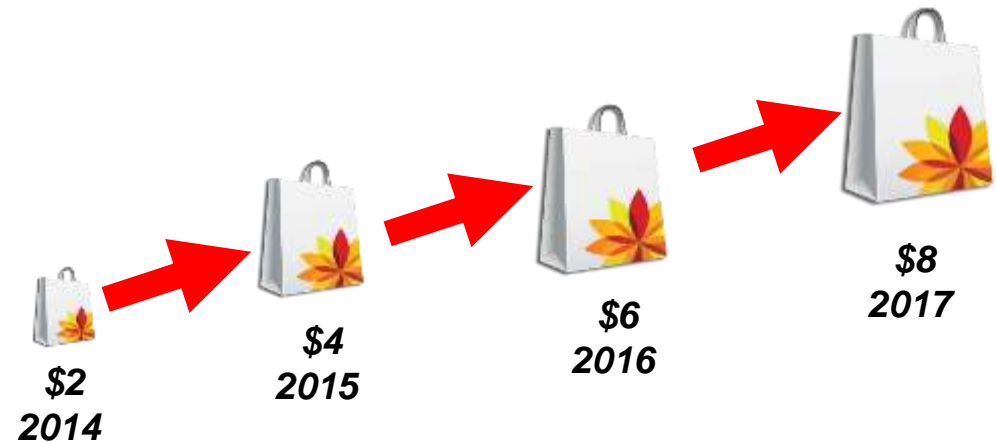
EXPANDING COMMERCIAL REVENUES

Since handover, T1 leasable space has increased by 38.5% to 2,800sqm and is expected to further increase by 3,000 sqm upon completion of T2.

1H 2018 Revenue Mix

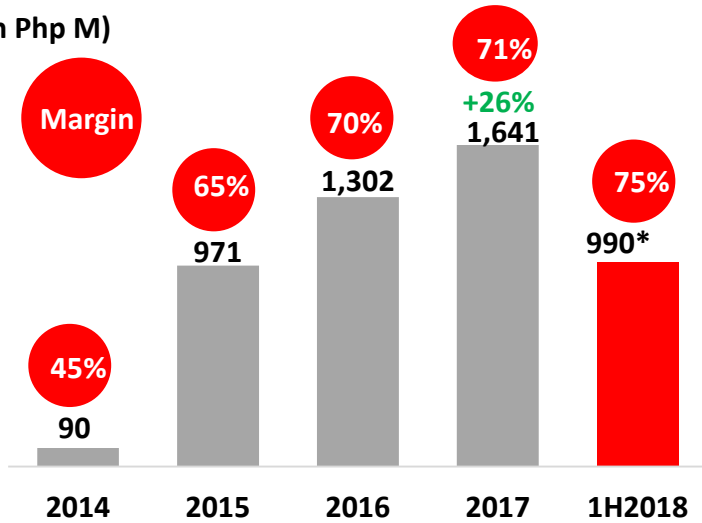


Growth in Sales per Passenger

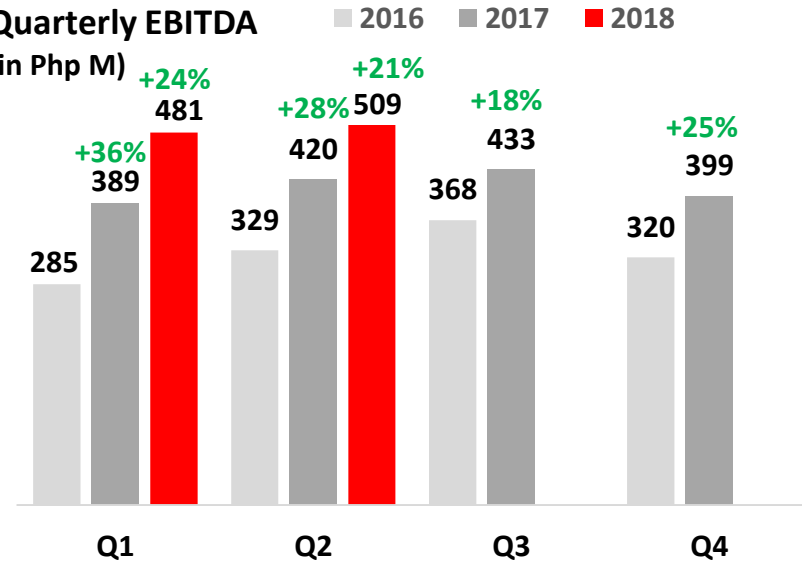


HEALTHY FINANCIAL PERFORMANCE

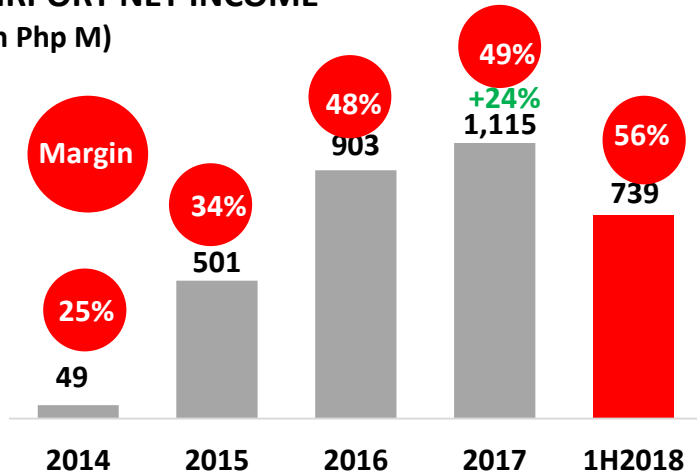
AIRPORT EBITDA
(In Php M)



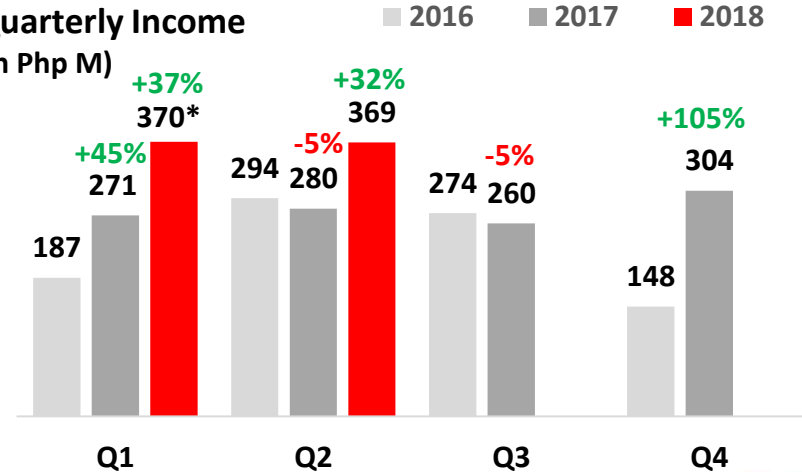
Quarterly EBITDA
(in Php M)



AIRPORT NET INCOME
(In Php M)



Quarterly Income
(in Php M)

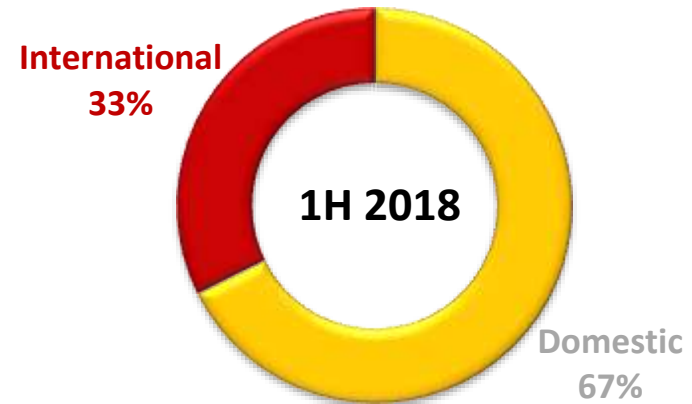
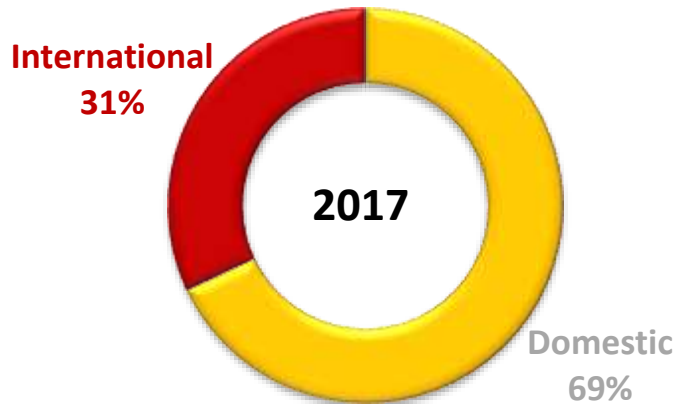


* excludes airport merchandising EBITDA of P112M and NI of P79M

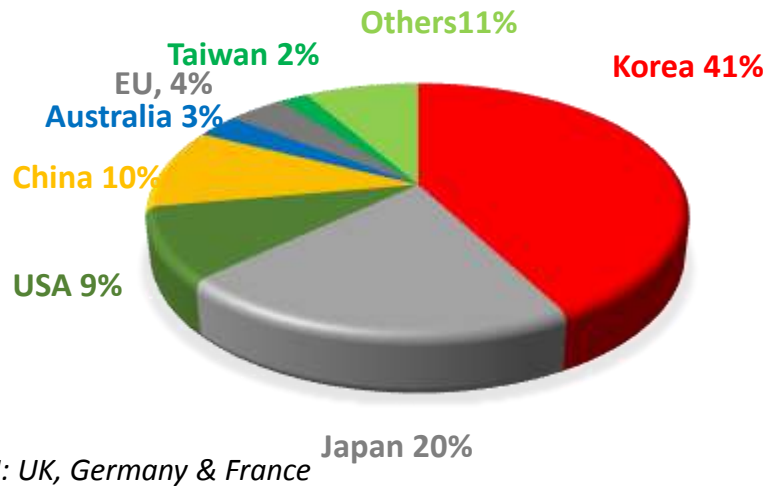
** change in depreciation method from straight line to UOP effective 1Q18

GROWING PASSENGER MIX

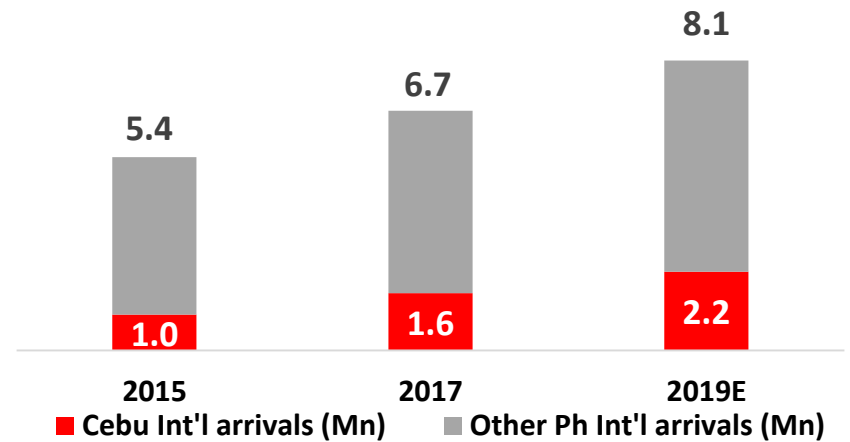
Passenger Mix



Breakdown of International Tourists 2017

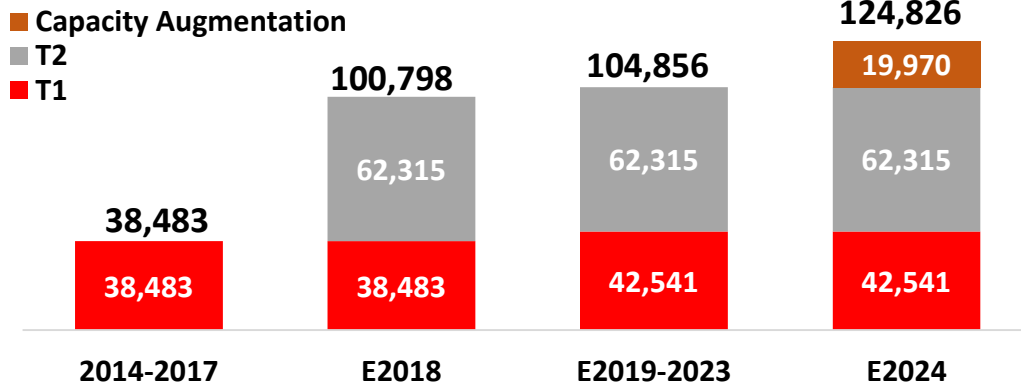


% of Cebu Int'l Arrivals to Total PH Int'l Arrivals

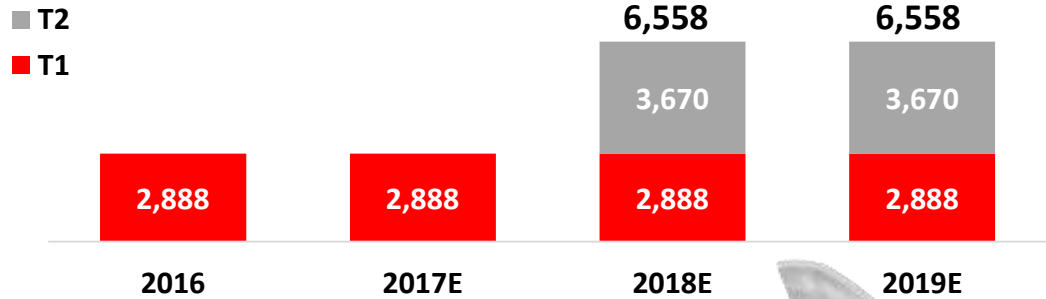


EXPANDING CAPACITY FOR GROWTH OPPORTUNITIES

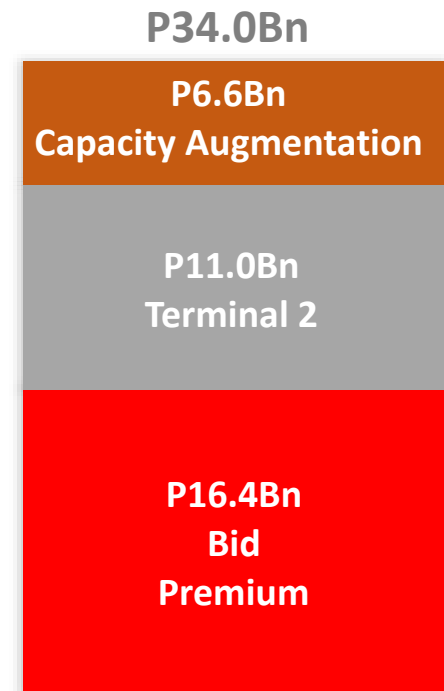
TOTAL TERMINAL AREA (in sqm)



RETAIL GLA (in sqm)



TOTAL PROJECT COST



INCREASING ROUTES AND FLIGHT FREQUENCY

Details of new routes/frequency in 2018

Airline	Destination	Start Date	Aircraft/Frequency
INTERNATIONAL			
China Eastern	Guangzhou	Jan 20	A320/2
Pan Pacific	Busan	Feb 15	A320/2
Air Asia	Shenzen	May 09	A320/3
Air Asia	Hangzhou	May 18	A320/2
PAL	Chengdu	May 1	A320/3
OKAY Airlines	Changsa	June 10	B-737-800/3
Cebu Pacific	Shanghai	June 29	A320/3
China Eastern	Chengdu	July 2	A320/3
PAL	Hangzhou	July 6	A320/3
Air Asia	Shanghai	July 7	A320/7
PAL	Nanjing	July 9	A320/3
Cebu Pacific	Beijing	July 16	A320/2
China Eastern	Nanjing	July 24	A320/3
DOMESTIC			
Air Juan	Ormoc	Mar 15	Cessna Caravan/2
Air Juan	Catbalogan	Mar 19	Cessna Caravan/2
Air Asia	Clark	May 11	A320/7

➤ **As of end July 2018:**

- ❑ **15 new international routes; 12 to China**
- ❑ **3 new domestic routes**



- 07 June 2018 MCI Terminal 2 Inauguration
- 01 July 2018 Commercial Operations



INTEGRATED TRANSPORT EXCHANGE BUSINESS SEGMENT

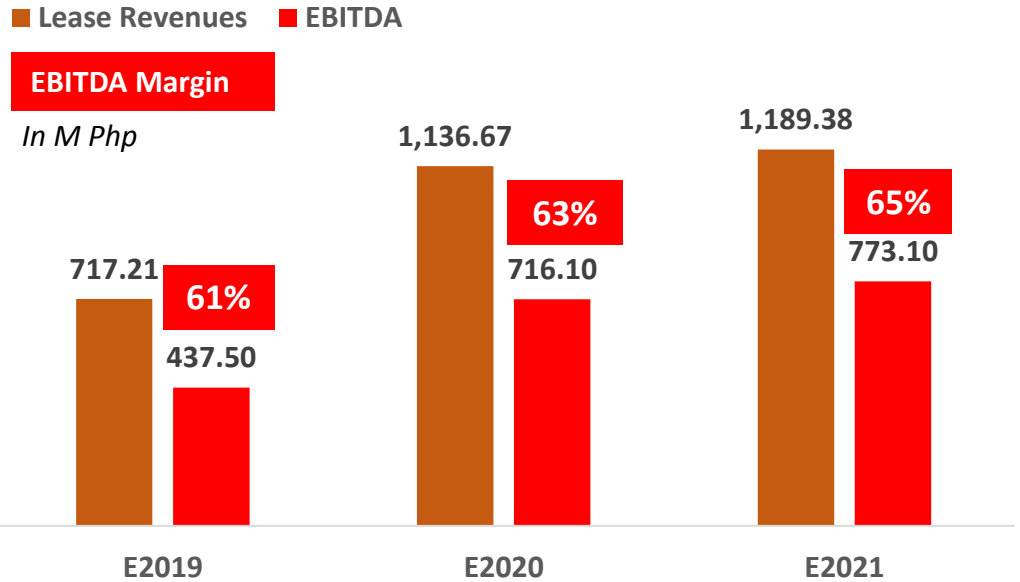


PROGRESSIVE PROPERTY TRANSPORT DEVELOPER

Paranaque Integrated Transport Exchange (PITx)



Owner	MWM Terminal (Megawide-Waltermart) *
Location	Manila-Cavite Expressway, Paranaque
Project Site	4.59 Hectares
Agreement	Build- Transfer-Operate for 35 years
Project Cost	P5.6 B
Opening Date	2H 2018



* Megawide has effected a buyout of WM Property Management Inc.'s (WMPMI) as of 9 Aug 2018 and effectively owns 100% of PITx.



BUSINESS UPDATES



CLARK INTERNATIONAL AIRPORT (Hybrid PPP)

Engineering Procurement & Construction

- Construction of new building terminal to accommodate 8 mppa
- Contract Cost: P9.36 Billion
- 50-50 JV with GMR
- Hybrid PPP Structure: Build-and-Transfer (BT)
- Construction Period: May 2018 – May 2020
- Payment Terms based on three milestones
 - Upon completion of:
 1. the shell of the new building terminal
 2. the landside facilities
 3. the remaining balance of work

Operations and Maintenance (O&M)

- O&M of the existing and the proposed new passenger terminal, excluding airside facilities and air traffic control
- Implementing Agency: DOT & BCDA
- Indicative Cost: P5.16 Billion
- Hybrid PPP Structure: O&M
- 25-year concession
- Bid Parameters: BCDA expects to receive:
 1. the following amounts equivalent to P10Bn in 10 tranches as follows: 2019-2021 (P1Bn/yr); 2024-2030 (P1Bn/yr)
 2. a percentage share of gross revenue in quarterly payments (bid parameter)
- Bid Submission: 02 Sept 2018 (rescheduled)



MCIA Expansion Project (Unsolicited Proposal)



- Submitted last 07 June 2017
- Investment: P208 billion (US\$4 billion)
- Original Proponent Status
- Awaiting NEDA approval

➤ Three Main Phases:

Phase 1: Takeover airside facility and subsequently undertake the following:

- a. rehabilitation of the existing runway and taxiways**
- b. construction of an additional full length parallel taxiway**
- c. development of additional rapid exit taxiways and runway holding positions**

Phase 2: Construction of a second parallel and independent runway

Phase 3: Construction of Terminal 3

Progressive Property Dev't Opportunity

6.5 Hectares land as part of the existing concession, ripe for development for mixed-use concept.

NAIA Rehabilitation Project (Unsolicited Proposal)

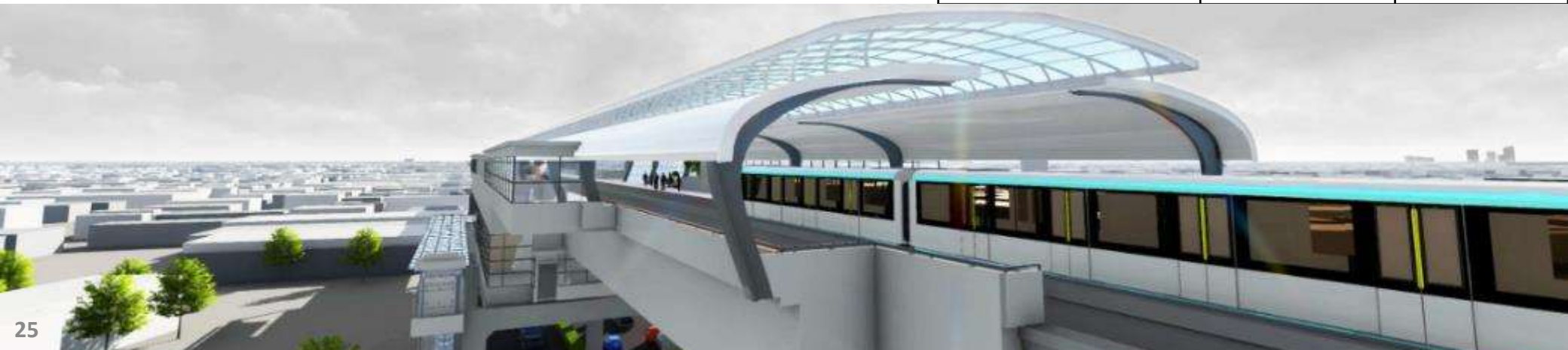


Megawide-GMR	Proposal	Infrastructure Plan
Project Cost	P150Bn	<ol style="list-style-type: none"> 1. Improve airside capacity and implement terminal improvements
Concession Period	18 Years	
Technical Partner	Mitre Corporation	
3 rd Runway	Not viable	<ol style="list-style-type: none"> 2. Introduction of key performance measures
Passenger Volume in 4 years	72 mppa	
Aircraft movement/hr	40-60	<ol style="list-style-type: none"> 3. Building future capacity

PNR EAST WEST RAIL PROJECT (Unsolicited Proposal)

- In October 2015, the Consortium of East West Rail Corporation (EWRC) and Alloy MTD (Alloy) made an unsolicited proposal for undertaking the East West Transit Rail Project, which is a 9.7 km railway line in Metro Manila.
- On 27th March, 2017, Megawide entered into an Investment Agreement with EWRTC to acquire 60% stake in the consortium.
- The project is subdivided into two components:
 - Build-Transfer (BT) for the construction, civil works and electromechanical systems; and
 - Build-Operate-Transfer (BOT) for the operations & management (O&M) for 30 years.

Stations	Type	Connecting Network
Lerma	Elevated	LRT-1, LRT-2
UST	Elevated	
Antipolo	Elevated	PNR
Welcome Rotonda	Elevated	
Banawe	Elevated	
G. Araneta	Elevated	
Roces	Elevated	
Timog	Elevated	
EDSA	Underground	
Quezon Memorial	Underground	MRT-3
University Avenue	Underground	MRT-7



Q & A



COMPANY INFORMATION

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