

# **ANALYST BRIEFING**

## **17 August 2020**

Operating and Financial Results  
First Six Months of 2020

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# CONSOLIDATED INCOME STATEMENT

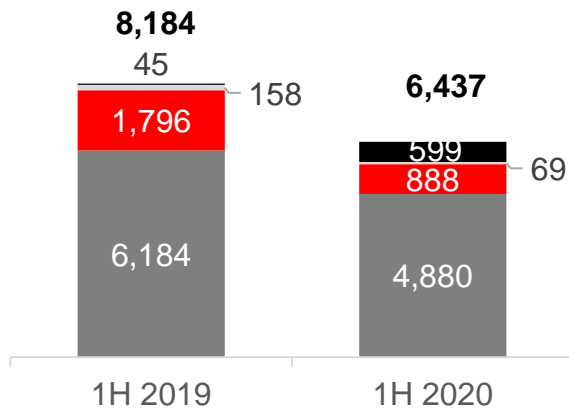
In PhP M	1H2020	1H2019	YoY%	REMARKS
<b>Total Revenues</b>	<b>6,437</b>	<b>8,184</b>	<b>-21%</b>	
Construction	4,880	6,184	-21%	Quarantine guidelines / suspension
Airport Operations	888	1,796	-51%	Travel bans due to COVID-19
Airport Merchandising	69	158	-56%	
Landport Operations	599	45	1221%	Lease commencement
<b>Direct Costs</b>	<b>4,999</b>	<b>6,095</b>	<b>-18%</b>	
Construction	4,445	5,264	-16%	In line with revenue performance
Airport Operations	450	754	-40%	Limited operations
Airport Merchandising	20	40	-50%	
Landport Operations	84	37	128%	Start of commercial operations
<b>Gross Profit</b>	<b>1,438</b>	<b>2,089</b>	<b>-31%</b>	
Other Operating Expenses	780	630	24%	Impact of PITX operations
<b>Operating Profit</b>	<b>658</b>	<b>1,459</b>	<b>-55%</b>	
Net Other Income (Charges)	-1,123	-493	128%	Additional loan drawdowns*
<b>Profit before tax</b>	<b>-464</b>	<b>965</b>	<b>-148%</b>	
Tax Expense	153	234	-35%	Airport deferred tax / PITX income
<b>Income / (Loss) before Non Controlling Interest</b>	<b>-617</b>	<b>731</b>	<b>-184%</b>	
Non-Controlling Interest	-219	145	-251%	Net loss airport operations
<b>NIAT/(Loss) Attributable to MWIDE Equity Holders</b>	<b>-398</b>	<b>586</b>	<b>-168%</b>	

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

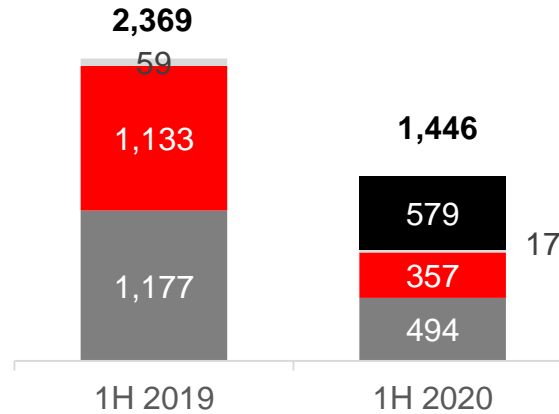
# FINANCIAL HIGHLIGHTS 1H2020

## PERFORMANCE

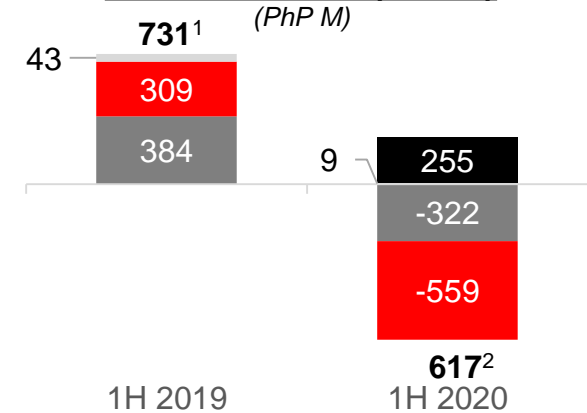
### REVENUE (PhP M)



### EBITDA (PhP M)

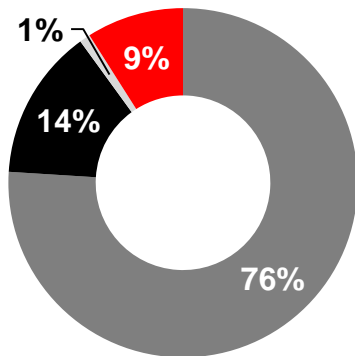


### NET INCOME / (LOSS) (PhP M)

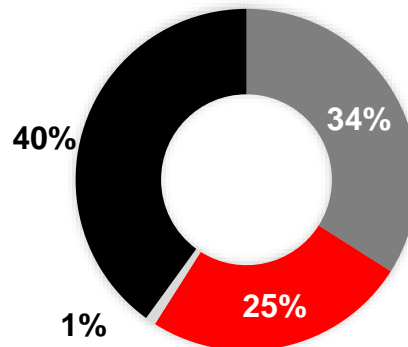


## BREAKDOWN

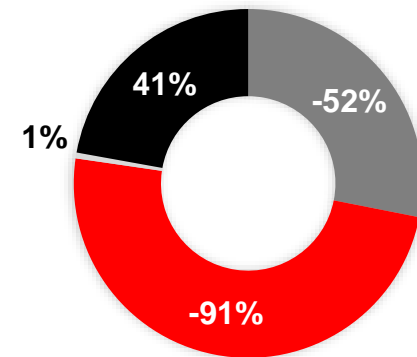
### REVENUE



### EBITDA



### NET LOSS



<sup>1</sup>includes -5M net loss from Landport operation

<sup>2</sup>includes 9M net income from Airport merchandising

■ Construction ■ Airport ■ Merchandising ■ Landport

# MARGIN PERFORMANCE

In PhP M	1H2020	1H2019	FY 2019	FY 2018	REMARKS
<b>Gross Profit Margin</b>	<b>22%</b>	<b>26%</b>	<b>23%</b>	<b>26%</b>	
Construction	9%	15%	13%	15%	<i>Suspension of activities</i>
Airport Operations	49%	58%	58%	69%	<i>Lower revenue due to travel bans</i>
Airport Merchandising	72%	75%	73%	76%	
Terminal Operations	86%	18%	44%	-	<i>Lease commencement of office towers</i>
<b>EBITDA Margin</b>	<b>22%</b>	<b>29%</b>	<b>24%</b>	<b>28%</b>	
Construction	10%	19%	15%	17%	<i>In line with the decrease in GP</i>
Airport Operations <sup>1</sup>	40%	63%	63%	70%	<i>In line with the decrease in GP</i>
Airport Merchandising	24%	40%	37%	43%	
Terminal Operations	97%	0%	19%	-	<i>In line with the increase in operating profit</i>
<b>Net Income Margin</b>	<b>-10%</b>	<b>9%</b>	<b>6%</b>	<b>12%</b>	
Construction	-7%	6%	3%	7%	<i>Net loss</i>
Airport Operations <sup>2</sup>	-63%	17%	14%	31%	<i>Net loss</i>
Airport Merchandising	13%	27%	24%	34%	
Terminal Operations	43%	-11%	-1%		<i>Lease commencement</i>

<sup>1</sup>Computed as operating income + depreciation and amortization expense

<sup>2</sup>Due to the impact of depreciation and amortization and financing charges of Airport operations

# FINANCIAL POSITION

<i>In PhP M</i>	30 June 2020	31 Dec 2019	Movement	% Change
<b>Cash &amp; Financial Assets</b>	4,758	6,519	-1,761	-27%
<b>Other Current Assets</b>	28,758	28,947	-989	-1%
<b>Total Current Assets</b>	32,716	35,466	-2,750	-8%
<b>Concession Assets</b>	29,674	29,437	237	1%
<b>Total Non Current Assets</b>	45,557	45,299	258	1%
<b>Total Assets</b>	78,273	80,764	-2,492	-3%
<b>Current Liabilities</b>	26,161	28,000	-1,839	-7%
<b>Non Current Liabilities</b>	35,573	34,766	808	2%
<b>Total Liabilities</b>	61,735	62,766	-1,031	-2%
<b>Equity</b>	16,538	17,999	-1,460	-8%

# LIQUIDITY AND GEARING RATIOS

<i>In PhP M</i>	30 June 2020			31 December 2019		
	Parent <sup>1</sup>	GMCAC <sup>2</sup>	Conso	Parent <sup>1</sup>	GMCAC <sup>2</sup>	Conso
<b>Cash/financial assets</b>	2,167	1,273	4,758	3,592	1,169	6,519
<b>Total Debt</b>	17,862	24,431	46,006	19,573	24,278	47,753
<b>Equity</b>	11,126	9,106	16,538	12,300	9,322	17,999
<b>D-E Ratio</b>	1.61x	2.68x	2.78x	1.59x	2.60x	2.65x
<b>Net D-E Ratio<sup>3</sup></b>	1.41x	2.54x	2.49x	1.30x	2.48x	2.29x

<sup>1</sup>Gross D-E covenant 2.33X under Parent level

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

<sup>3</sup>Net debt: FY19 – P41.2B

<sup>3</sup>Net debt: 1H20 – P41.2B





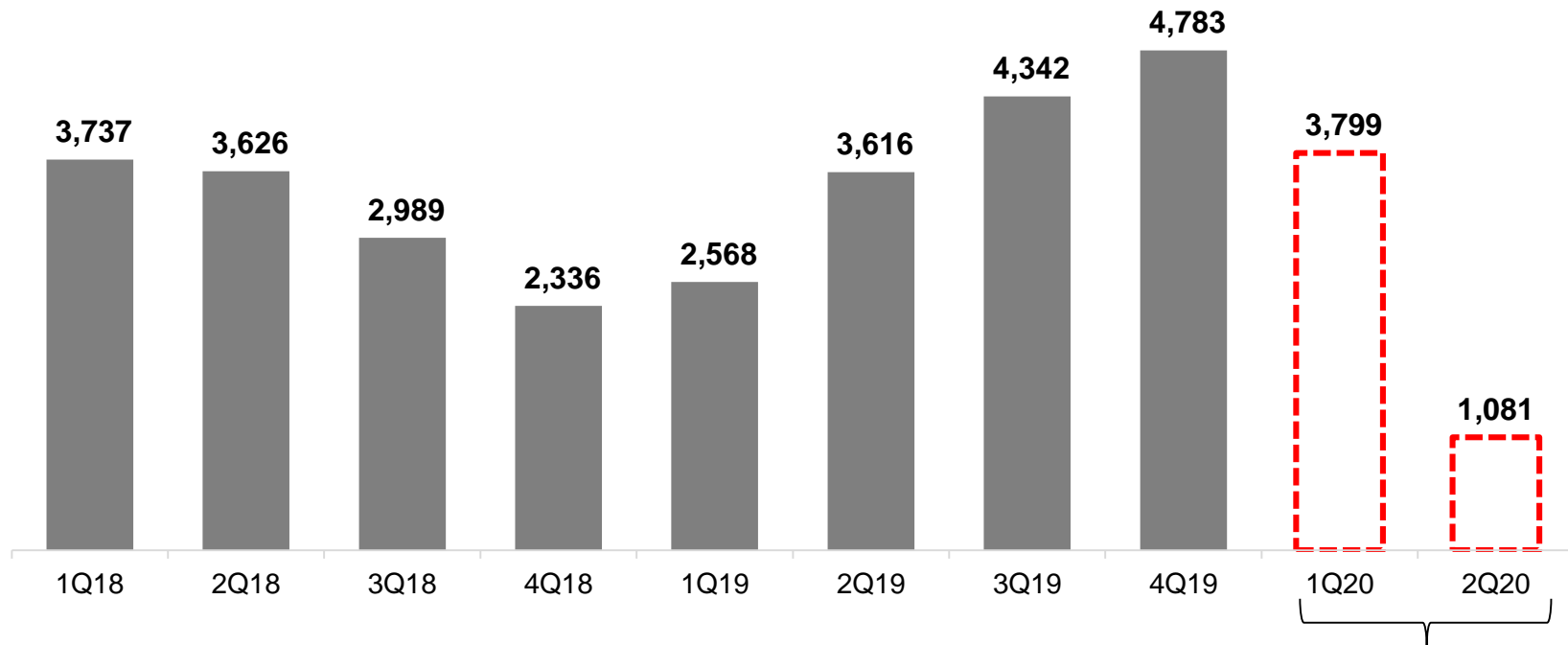
# **ENGINEERING, PROCUREMENT & CONSTRUCTION**



# COMMUNITY QUARANTINE IMPACT

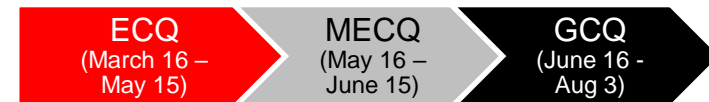


## QUARTERLY PERFORMANCE (PhP M)



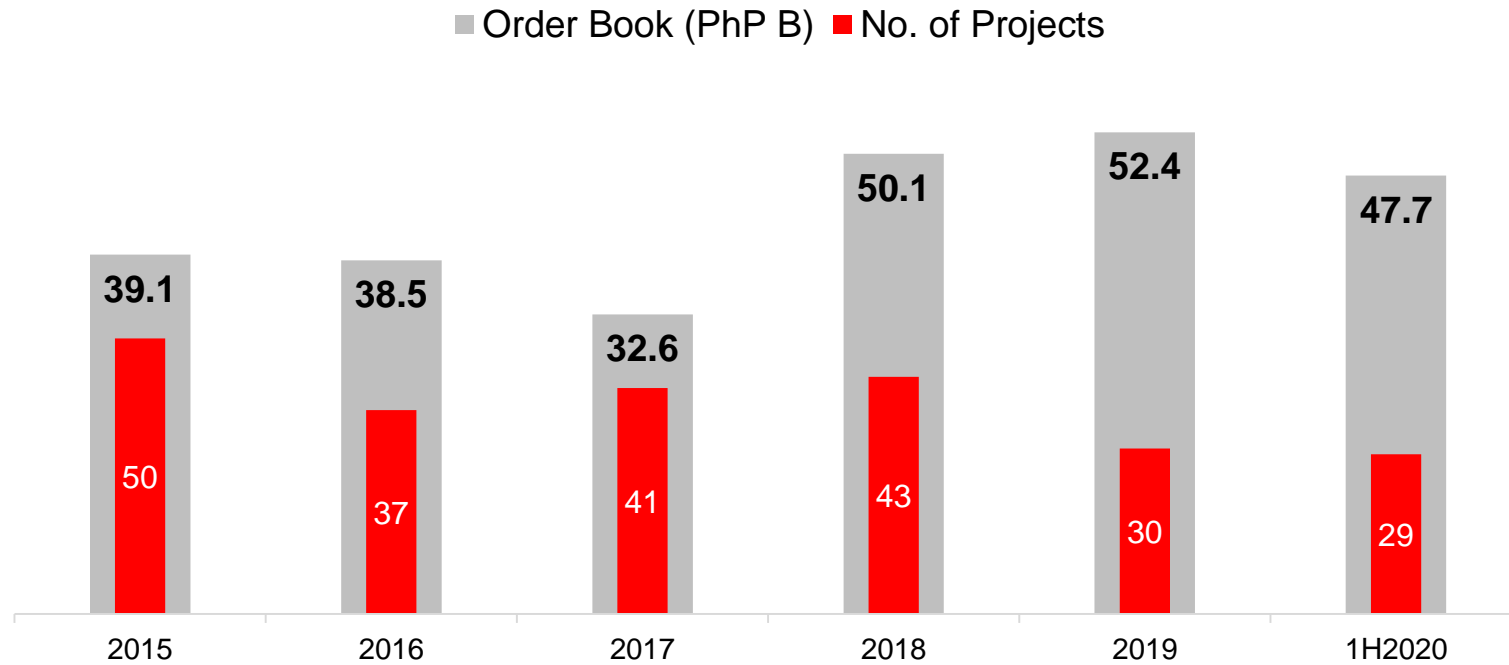
### POST QUARANTINE PROTOCOLS:

- Testing of personnel
- Securing local permits
- Expanded barracks
- Social distance in place



### QUARANTINE PERIODS

# COMFORTABLE ORDER BOOK



# DIVERSE PORTFOLIO

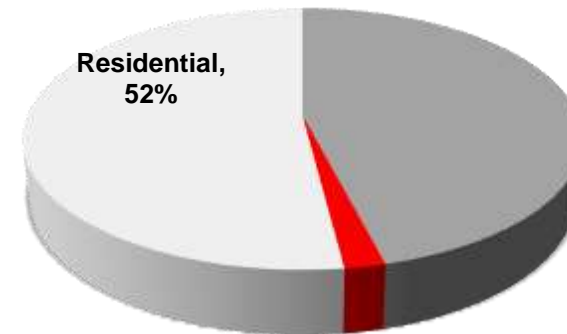


**P48B**  
Order book  
29 Projects

Order backlog  
> 2-3 years

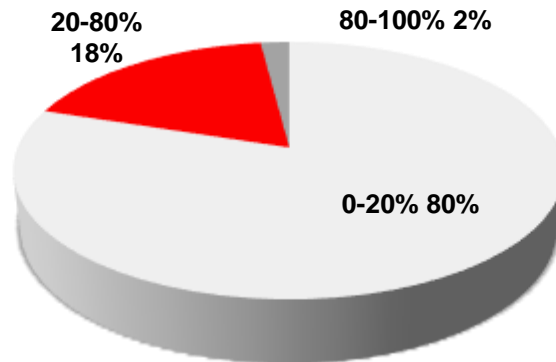
## SEGMENT

Office, Commercial and  
Industrial, 46%



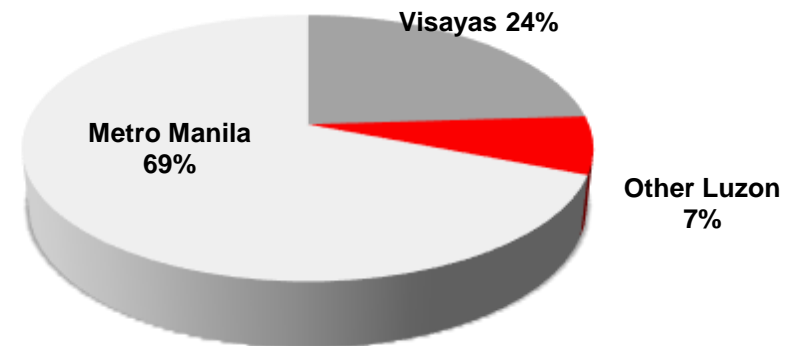
Infra and Facilities,  
2%

## % COMPLETION



80% of orderbook is in the 1<sup>st</sup> Trimester of Project completion, expected to contribute to revenue in succeeding periods.

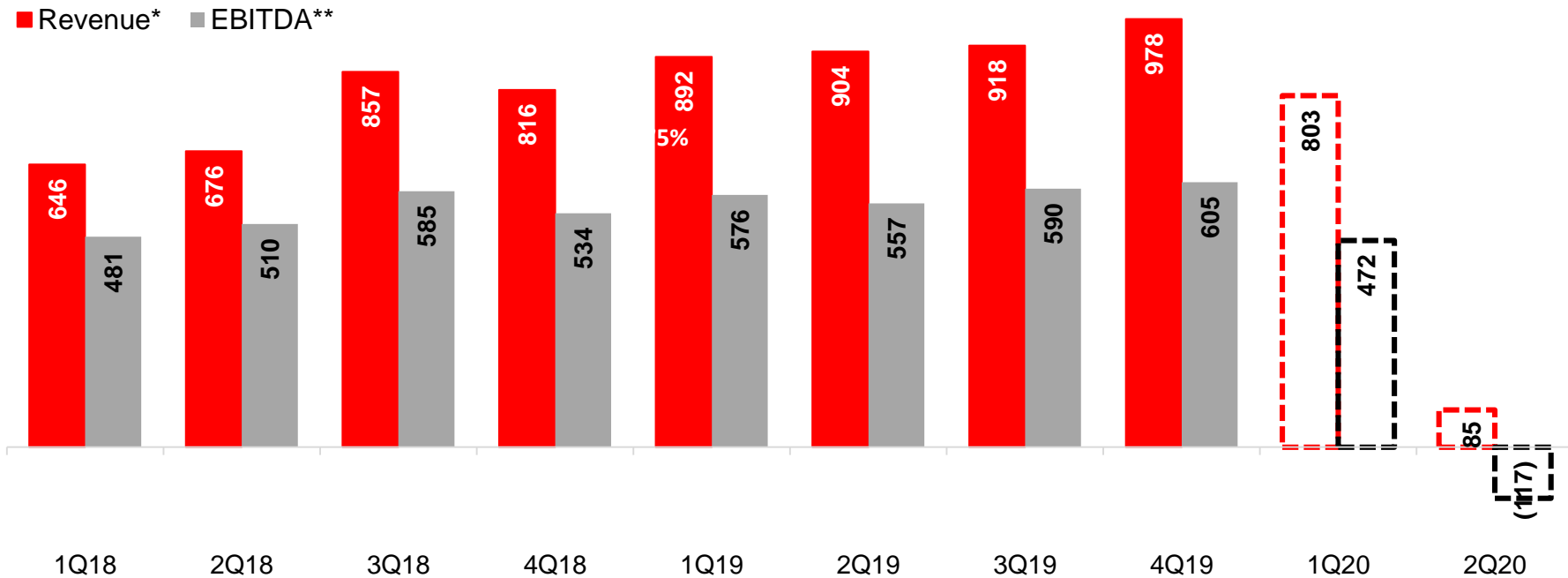
## AREA





# AIRPORT OPERATIONS

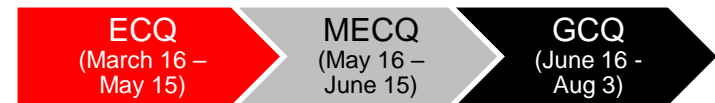
# COVID-19 TRAVEL BAN AFTERMATH



## POST QUARANTINE PROTOCOLS:

- COVID Testing
- Contactless interaction
- Cashless purchases
- Social distancing

## QUARANTINE PERIODS



Domestic	NO	YES (essentials)	YES (NAIA, Clark, Davao)
International	NO	NO	YES (non-essentials)
Sweeper	YES	YES	YES

\* Excludes airport merchandising revenues

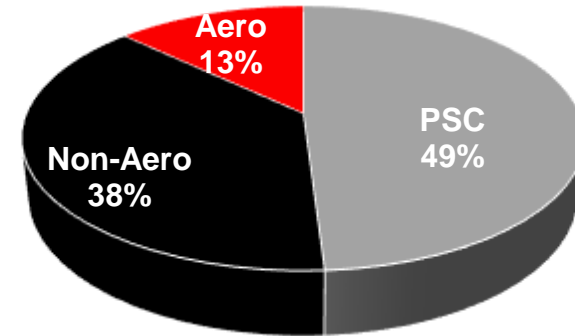
\*\* Computed as Operating income + depreciation and amortization expense



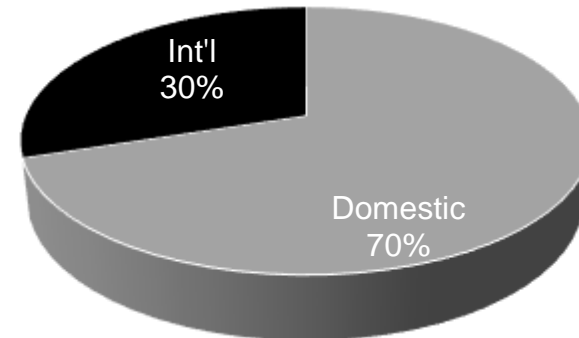
# ADAPTING TO NEW NORMAL



REVENUE BREAKDOWN



PASSENGER TYPE

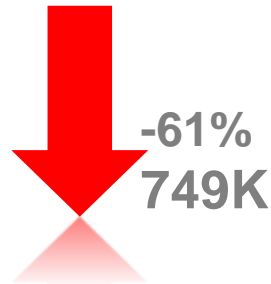


# PSC AFFECTED BY SLOWER PASSENGER TRAFFIC

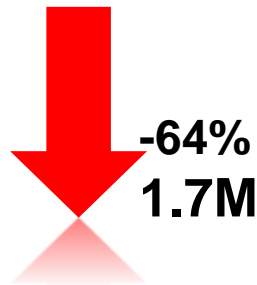


## PASSENGER VOLUME

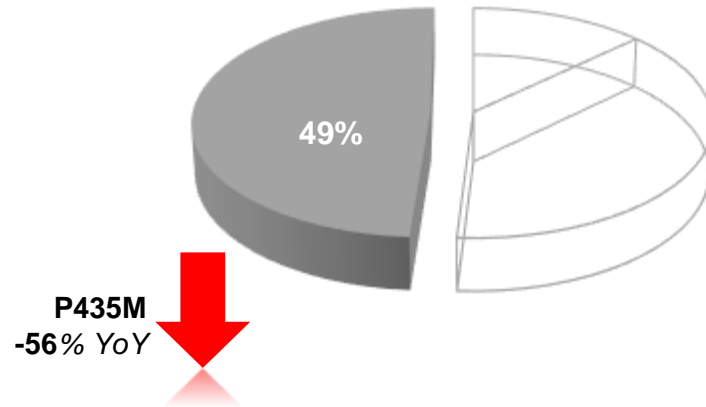
### INTERNATIONAL



### DOMESTIC



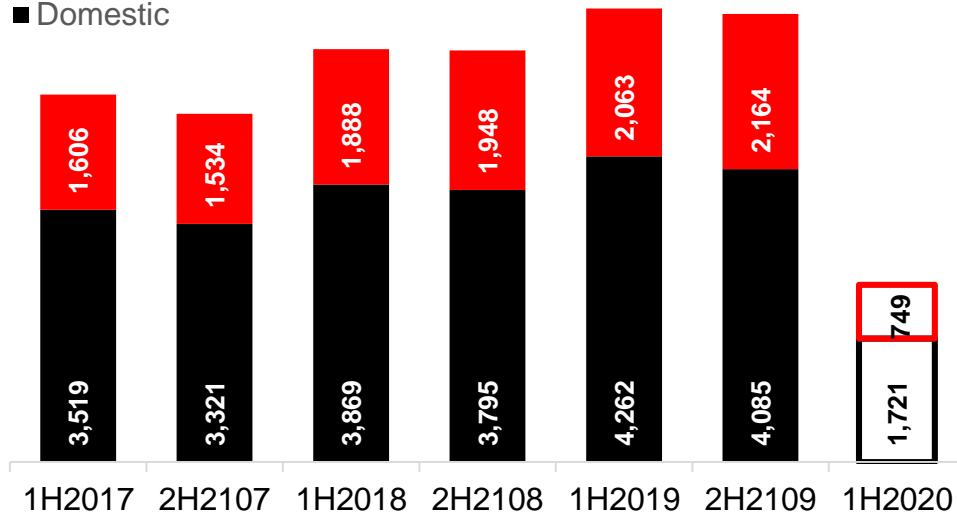
## 1H2020 BREAKDOWN



## PASSENGER VOLUME ('000)

■ Int'l

■ Domestic



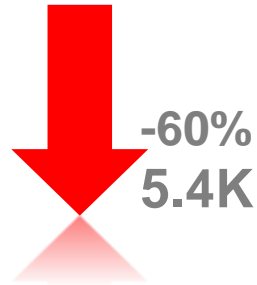


# AIR TRAFFIC MOVEMENT RESTRICTED



## AIR TRAFFIC MOVEMENT

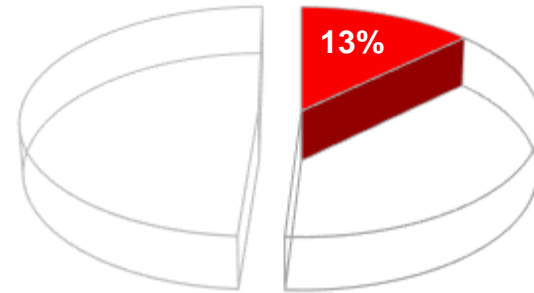
### INTERNATIONAL



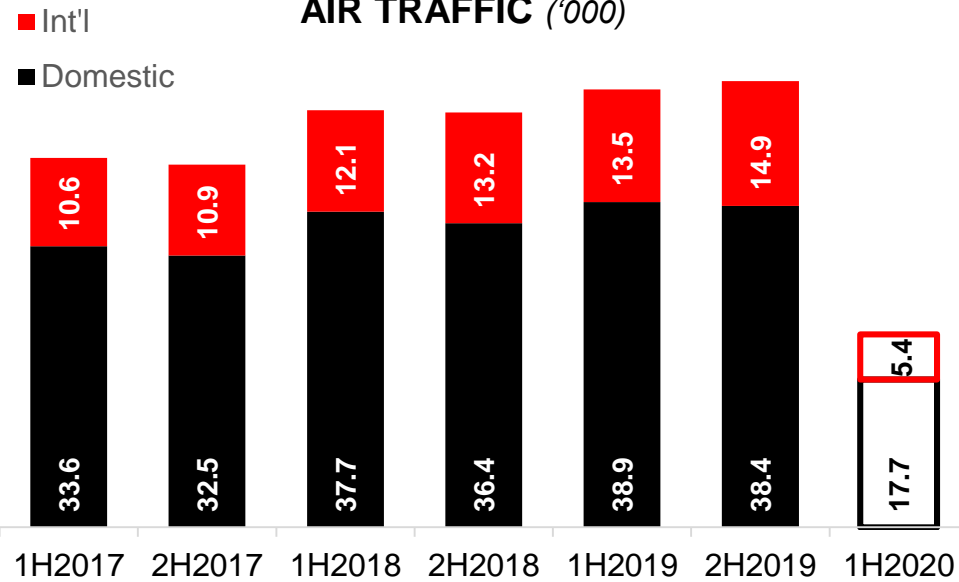
### DOMESTIC



## 1H2020 BREAKDOWN



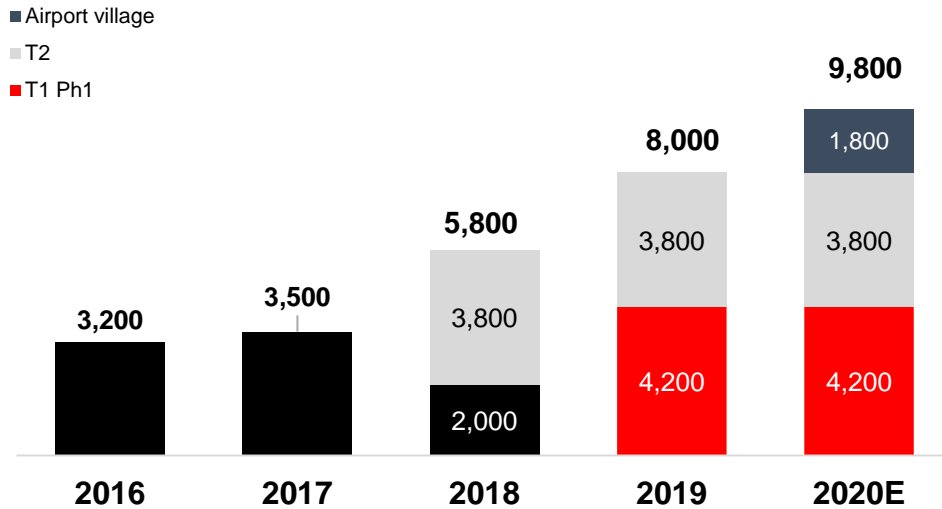
## AIR TRAFFIC ('000)



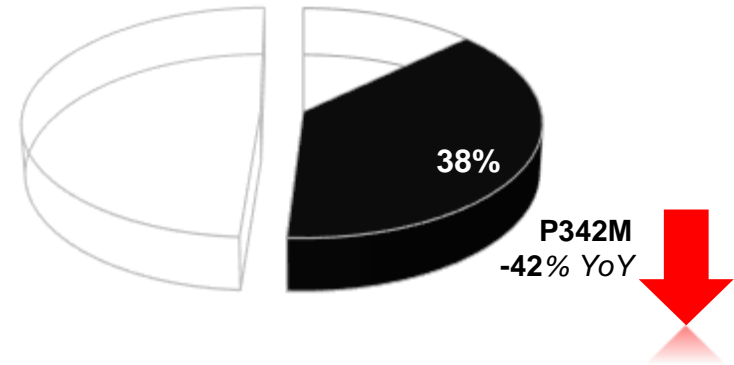
# NON-AERO EXPANDING SHARE



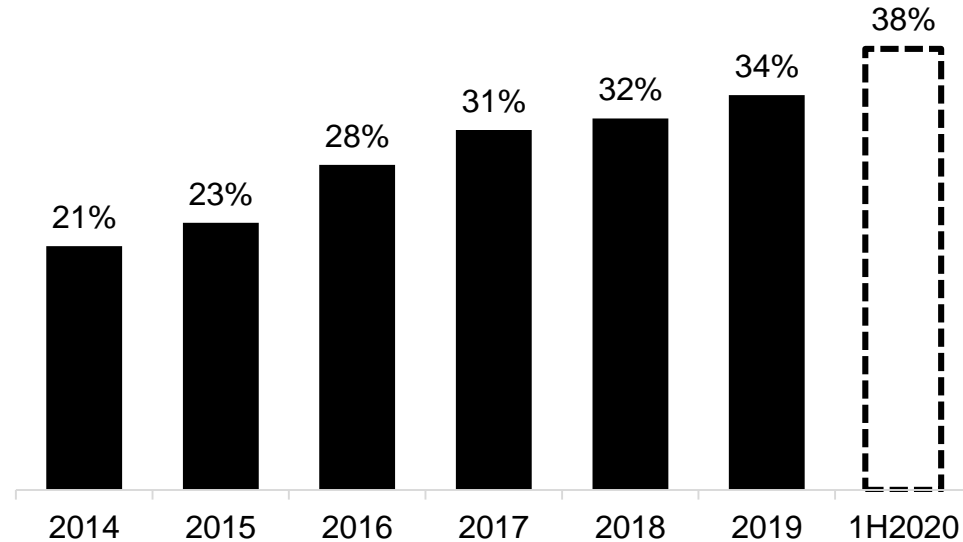
RETAIL GLA (in sqms)



1H2020 BREAKDOWN



NON-AERO SHARE TO TOTAL





# LANDPORT OPERATIONS

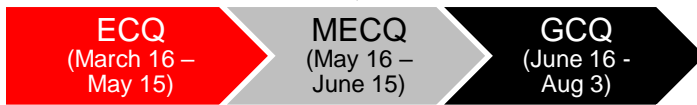
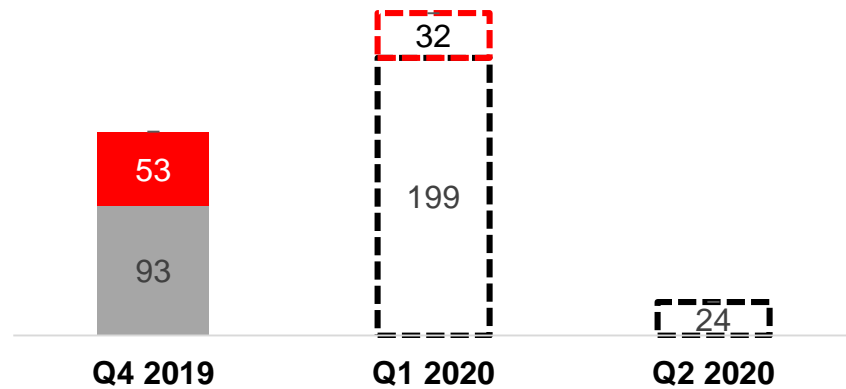
# TEMPORARY SUSPENSION OF OPERATIONS



## RENTAL REVENUE

(in Php M)

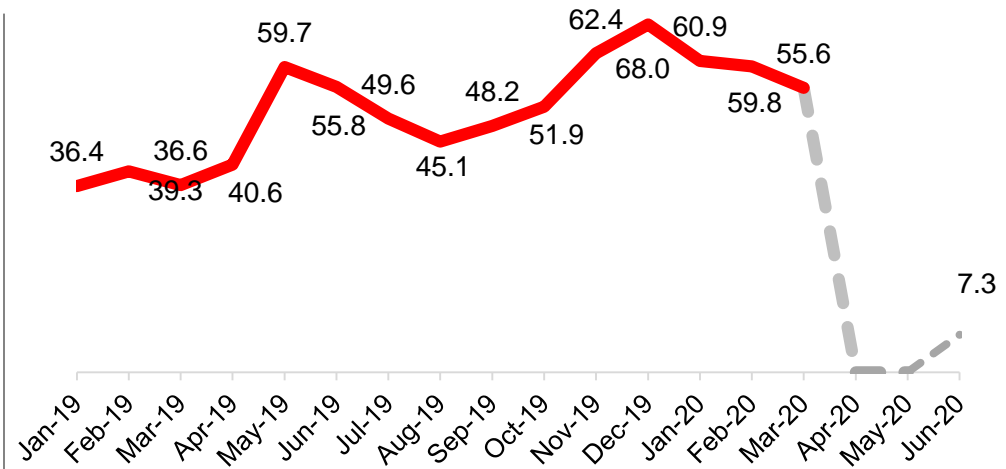
- Office
- Commercial



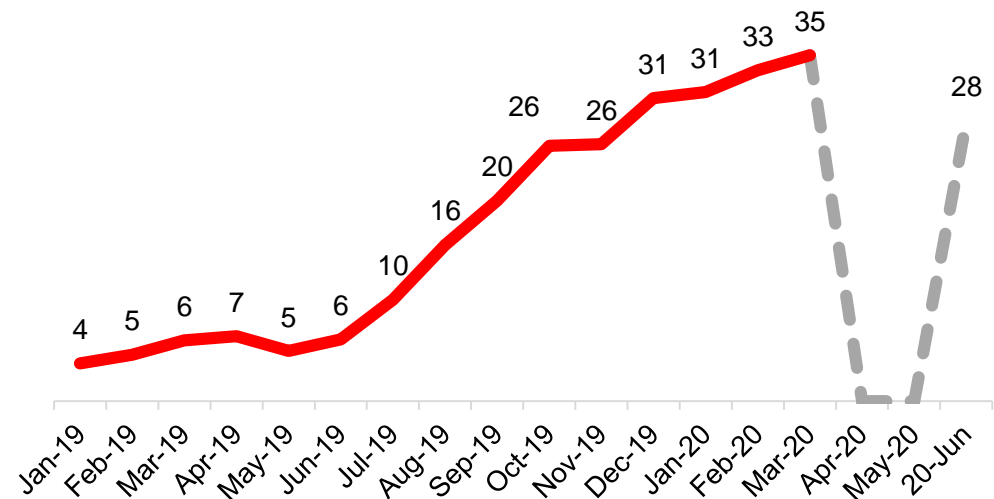
### POST QUARANTINE PROTOCOLS:

- Social distancing
- No mask, no entry
- Temperature check
- Cashier-less ticketing system

## AVERAGE FOOT TRAFFIC ('000)



## AVERAGE SPP (Php)

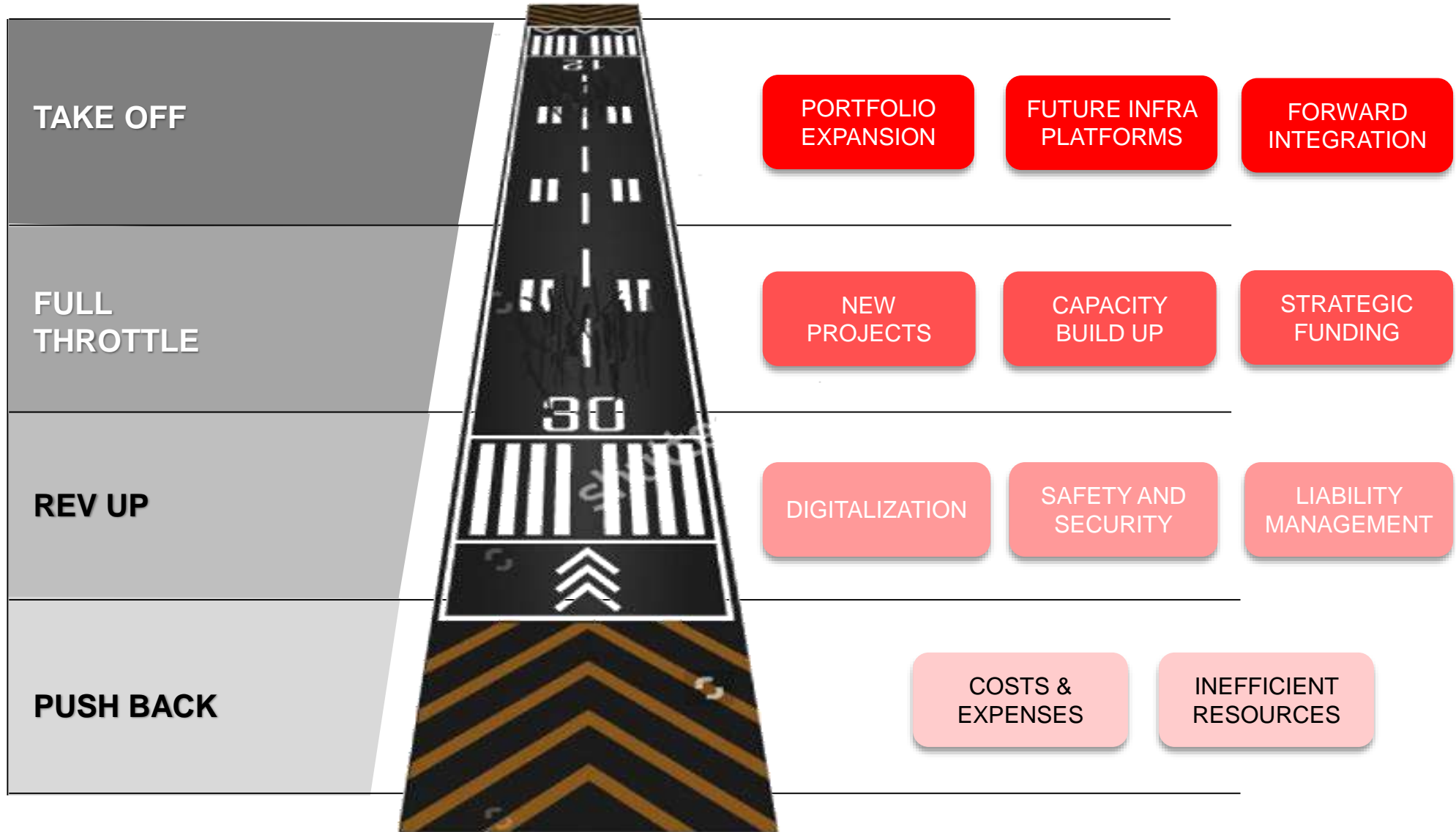




# **4-POINT POST-COVID RESILIENCY PROGRAM**



# RUNWAY TO RESILIENCE: POST COVID PLAN





# PROJECT UPDATES



# MALOLOS-CLARK RAILWAY PROJECT

## ENGINEERING PROCUREMENT & CONSTRUCTION

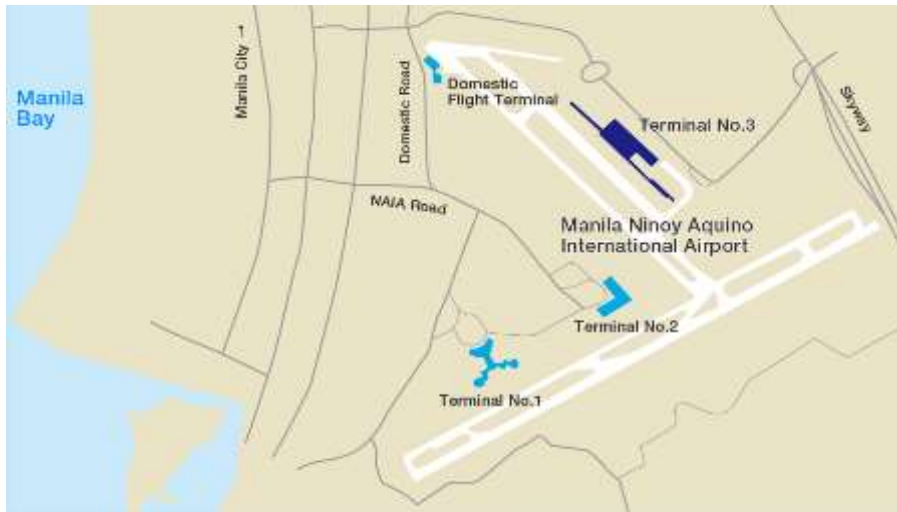
- **Scope:** Phase 2, Package 1: covers civil works for 17 kilometers of PNR Clark, including Calumpit and Apalit Stations.
- **Contract Cost:** P25B
- **Structure:** EPC
- **Proponent:** Consortium with Hyundai Engineering and Dong Ah Construction (35% share Megawide)
- **Construction Period:** ~ 4 years



# NAIA REHABILITATION PROJECT (OPS)

## ORIGINAL PROPONENT STATUS

- Improve airside capacity
- Implement terminal improvements
- Introduce key performance measures
- Build future capacity
  - Passenger Capacity 72mppa (4 years)
  - Aircraft movement/hr 40-60 ATMs
- Concession Period 15 years
- Technical Partner Mitre Corporation



## 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%



# MCIA EXPANSION PROJECT (OPS)

## ORIGINAL PROPONENT STATUS

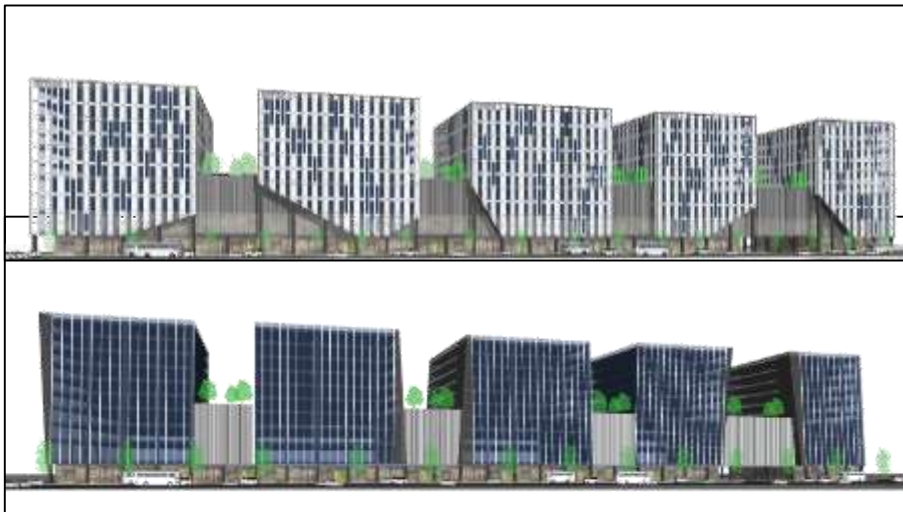
- Phase 1: Takeover airside and undertake the ff:
  - rehabilitation of existing runway and taxiways
  - construction of full length parallel taxiway
  - development of rapid exit taxiways/runway holding positions
- Phase 2: Construct second parallel runway
- Phase 3: Build Terminal 3
- Project Cost P208 billion (US\$4 billion)
- Awaiting NEDA approval



# PITX LOT 2 DEVELOPMENT

## DESIGN, DEVELOPMENT AND O&M

- **Location:** 1.8 hectare lot adjacent to existing PITX
- **Estimated Project Cost:** ~P5Bn
- **Four-tower commercial/office complex and Bus staging area**
  - ~70K sqms GLA (office)
  - ~12K sqms GLA (retail)
- **Possible Tenant Mix**
  - BPO/traditional offices
  - Mini-logistics hub (i.e. Zalora, Lazada, etc.)
- **Development timetable:** 1-2 years





# CARBON MARKET REDEVELOPMENT (OPS)

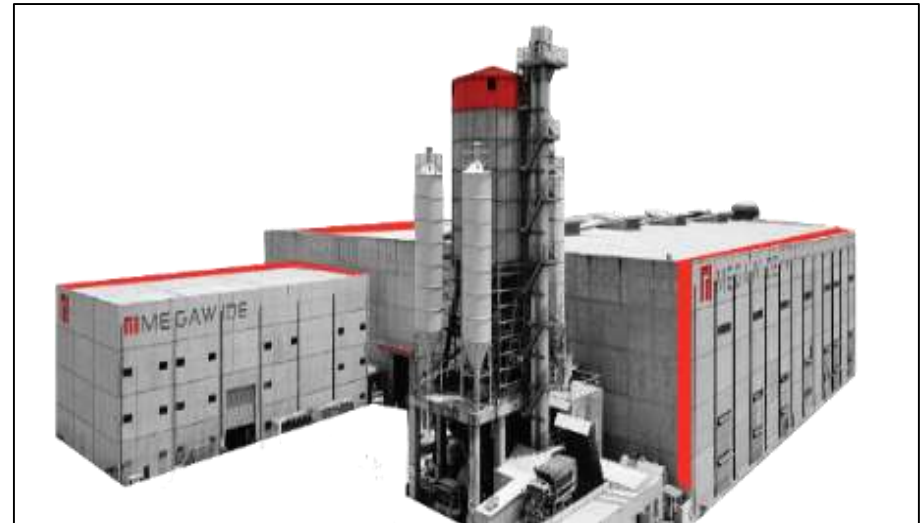
## ORIGINAL PROPONENT STATUS

- **Scope:** Remake of Carbon Market
  - *Phase 1:* New public market including, night market, and other commercial establishments, transport and ferry terminals, new Sto. Nino Park and chapel
  - *Phase 2:* Potential mixed-use development (hotel, MICE, retail, etc.)
- **Contract Cost:** P3Bn (Phase 1 only)
- **Structure:** JV with Cebu City LGU (unsolicited proposal)
- **Proponent:** Megawide and Cebu City LGU (JV)
- **Development timetable:** ~ 4 years



# PRE-CAST CAPACITY BUILD-UP

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



**HORIZONTAL INFRASTRUCTURE**



**AFFORDABLE/SOCIALIZED HOUSING SEGMENT**

# End of presentation

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