

PRESS RELEASE
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Debt Rebalancing Boost Support for Megawide
Banks express confidence in airport business recovery

Megawide Construction Corporation's ("Megawide" or the "Company") airport subsidiary GMR MEGAWIDE Cebu Airport Corporation (GMCAC) cleared the runway for full recovery with the recent completion of the financial rebalancing program agreed with its Lenders, which involves the relaxation of original debt servicing and covenant commitments.

Practically in the next three years, GMCAC will be able to preserve P4.5 billion in cash, initially earmarked for principal debt servicing, and utilize for its operations while regular travel remains contained due to the coronavirus scare. In turn, this will be amortized throughout the life of the loan, with bulk of payments scheduled towards 2027-29.

Aside from the Lenders, BDO Capital & Investment Corp. ("BDO Capital") – which acted as the Financial Advisor for the transaction – played an instrumental role in assuring the financial partners of the long-term, mutually beneficial advantages that can be realized from the agreement.

"Assessing the current situation, multi-sectoral cooperation will be very crucial for the country's economic take-off once smoke from this pandemic clears. The support of financial institutions, both local and regional, to private companies are important to reflect confidence in their business models and the entire country's economic growth potential," said Ed Francisco, President of BDO Capital.

During the negotiations, BDO Capital, with the support of all parties, developed a mutually acceptable proposition to amend the original schedule of the 15-year, P23.9-billion project financing for the Company's 25-year concession agreement to develop, operate, and maintain Mactan-Cebu International Airport (MCIA).

"For us, facilitating this transaction will help our long-time partner, Megawide and its airport subsidiary, recover from the ill effects of the crisis. Under the stewardship of Megawide, we have seen how MCIA improved and expanded over the last six years pre-pandemic, to become one of the country's and world's best airports. This track-record make us very optimistic of the airport's growth trajectory as soon as normalcy returns to the Philippines' travel and tourism industry. For the lenders, this will also open up fresh opportunities for expanding relationships, considering the Company's aggressive and exciting expansion plans," Francisco added.

Megawide recorded its highest order book at P68.4 billion in 2020 amid the pandemic, including the P26-billion Suncity West Side City to be completed in 2 ½ years and the Malolos-Clark Railway Project Package 1. The Company has also been aggressively pursuing and confident in securing deals under major infrastructure projects, like the Metro Manila Subway System and North-South Commuter Railway Project-South Line, which are scheduled for bidding this year. The Company is currently laying the groundworks for the redevelopment of the Carbon Market in Cebu under a 50-year joint-venture agreement with Cebu City and is in active discussions with the Baguio City LGU for a potential landport location.

All these developments provide Megawide, as well as its financial and business partners, with a pipeline of exciting and attractive growth prospects and value-creation initiatives moving forward.

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ABOUT MEGAWIDE

Megawide is one of the leading infrastructure and engineering innovators in the Philippines. Publicly-listed since 2011, it is one of the largest contractors for private sector construction projects in the country and the private partner of the Philippine Government for flagship infrastructure projects such as the development of the Mactan-Cebu International Airport (MCIA) and the Paranaque Integrated Terminal Exchange (PITX). Megawide is also the construction partner for the Clark International Airport New Passenger Terminal Building. It is currently undertaking the construction of the Malolos-Clark Railway Project Package 1, and the modernization of Cebu's historic Carbon Market District. In 2012, the company established Megawide Corporate Foundation, Inc., a non-profit organization focusing on social development projects.