

**PRESS RELEASE**  
22 April 2022

Refer to Anna Salgado | [asalgado@megawide.com.ph](mailto:asalgado@megawide.com.ph)  
0917.5637629 | 655.1111 local 710

### **Megawide's construction unit sustains growth momentum in 2021**

Megawide Construction Corporation (“Megawide” or the “Company”) reported consolidated revenues of P15.4 billion in 2021, 21% higher year-on-year, amid a persistent COVID-19 pandemic. The construction segment rallied the group and recorded revenues of P14.3 billion, 32% more than the previous year.

The airport and landport businesses, on the other hand, continued to be affected by restricted travel and transport as well as limited economic activities, resulting in weaker financial performances. Consolidated earnings before interest, taxes, depreciation and amortization or EBITDA amounted to P2.84 billion as airport operations generated losses.

With a more stable operating environment, the construction segment recorded a net income of P401 million and more than four times the P93 million income posted in the previous year. However, weak results from the other business segments resulted in a consolidated net loss of P893 million, with net loss attributable to equity holders of the Parent tapering to P343 million.

#### **Driving Resiliency and Cycle-Resistance**

“The past two years under the pandemic were very difficult, as our financial performance was severely affected by restricted travel and transport. In addition, the virus’ evolving variants ushered in a fresh set of lockdowns and discouraged a return to normalcy. Amid all these, we relentlessly pursued programs that will strengthen our core businesses and make them more cycle-resistant to deliver for us stable earnings year in and year out,” Edgar Saavedra, Chairman and CEO of Megawide, said.

The construction segment remained resilient but Megawide sees better days ahead as the winning bids for the big-ticket infrastructure projects, such as the Metro Manila Subway and North South Commuter Line, have yet to be officially announced.

“We are also looking forward to a better performance for our airport operations, with the national elections, the campaign period associated with it, and summer season driving domestic traffic. Hopefully, with a higher vaccination rate nationwide and managed infections this year, travel will be restored and return to pre-pandemic activities will be accelerated,” Saavedra added.

#### **Recovery in travel and transport**

The Company is already seeing initial signs of recovery in its airport asset the Mactan Cebu International Airport (MCIA), where January-February traffic showed a 170% improvement from the same period in 2021, data from the Mactan Cebu International Airport Authority (MCIAA) show.

“The International Air Transport Association (IATA) predicts that global air travel will be 80-90% of its pre-pandemic levels this year and next, with prospects of exceeding 2019 figures by 2024. That being said, this revenge travel should present a huge upside to MCIA, which currently operates at 20-30% of pre-COVID levels,” noted Louie Ferrer, Megawide’s Executive Director for Infrastructure Development and GMR-Megawide Cebu Airport Corporation’s (GMCAC’s) President.

In anticipation of the global tourism revival, MCIA has partnered with Emirates and Turkish Airlines to gain access to Europe and Middle East. Both airlines are expected to augment the predominantly Asian tourist market in Cebu as the former flies daily while the latter follows a thrice-a-week schedule.

Meanwhile, the Paranaque Integrated Terminal Exchange (PITX) is likewise optimistic for a rebound, as around 6,500 sqms of office space in Tower 2 has been signed and contracted out as of end-2021, bringing the lease rate up to 83%. This is expected to be complemented by 1,250 sqms of additional commercial space that will offer new and exciting products that will serve the growing number of passengers as well.

“We are also making a conscious effort to shift to more public and social infrastructure, which we believe will be critical in truly engineering a First-World Philippines. Outside PITX, we are exploring strategic locations where we can expand intra- and inter-island connectivity through a hub-and-spoke model, with PITX at the center,” Saavedra added.

### **Carbon in the works**

Down south, the Carbon Market redevelopment is in full swing, with the interim market completed and now welcoming vendors. The Sto. Nino Chapel and Statue was likewise officially consecrated in a ceremony held during the celebration of Easter Sunday last April 17, 2022.

“Carbon Market will be a game-changer not only for Cebu but for public market districts around the country. Not only does this modernize and refurbish the age-old system and structure in the province, it will also refresh the neighborhood into a modern-day tourist attraction,” said Ferrer, who also serves as the President of Cebu2World Development, Inc. (C2W).

Phase 1 is scheduled to be completed by 2027, which will transform Carbon Market into a multi-structure facility, having a fully-built up GLA of approximately 50,000 sqms, spread across the public market, commercial centers, and bayfront areas for vendors, business partners, trade participants, consumers, and tourists to enjoy.

### **Financial Management on Track**

The Company likewise continued with its financial management initiatives, specifically aimed at balance sheet health and optimizing financing costs. As of end December 2021, the Parent Company improved its debt-to-equity ratio to 1.23x from 1.59x pre-pandemic in 2019 and remained well below the 2.33x covenant. The Company also completed the rebalancing of its P24.5 billion project financing at GMCAC in May 2021 and successfully issued P4.0 billion worth of Series 4 Preferred Shares to retire the original and more expensive Company Preferred Shares issued in 2014.

“We also turned inward to strengthen our financial position, tapping the capital markets to take advantage of favorable interest rates, as part of our long-term financial management roadmap,” Saavedra said.

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