

PRESS RELEASE  
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## Megawide sees new construction growth platform with Metro Manila Subway construction



The Metro Manila Subway Project (MMSP) Contract Package (CP) 104, which broke ground last October 3, 2022, is a game changer for the country's public transportation system and an opportunity for local infrastructure and engineering players to showcase their expertise.

The ceremony was led by President Ferdinand "Bongbong" Marcos, Jr., joined by Japanese Diplomats, key national and local government officials, as well as members of the Tokyu Construction-Tobishima Corporation-Megawide Construction Corp. Joint Venture (TTMJV).

The project, funded by the Japan International Cooperation Agency (JICA), signals a major step in the country's journey towards First-World status, addressing urban traffic congestion and serving as a catalyst for growth. JICA's sponsorship of the MMSP is also an affirmation of the country's strong post-pandemic economic recovery and regional ascension.

### Vertical integration for efficient subway construction

For the joint venture's Filipino partner Megawide, CP-104 is opening significant opportunities to mobilize its vertically-integrated construction and engineering services and solutions.

"We are an infrastructure developer with engineering and innovation at our core. This positions us to offer more operational and cost efficiencies for these types of projects," said Edgar Saavedra, Megawide Chairman and CEO.

"By using the right technology and applying our vertical integration, we can deliver greater value – not just for our partners – but also for the government and the Filipino people," he continued.

Megawide is the largest vertically-integrated infrastructure and engineering firm in the country. Apart from its construction unit, Megawide also has business units focused on technologies such as precast, which operates one of the biggest and most advanced facilities the Southeast Asian region.

### **Dedicated Precast supply for CP-104**

Precast solutions is an emerging growth segment for the Company, fast expanding its share to 10% of Megawide's aggregate construction revenues in the first six months of 2022 from around 5% over the past three years. Given the higher margins from this business, the increasing contribution is expected to further shore up Megawide's profitability in the immediate to long-term.

"Precast and other innovative methodologies are increasingly vital in our industry as we take on more and increasingly complex infrastructure projects. We are seeing the practical application of our vertical integration in large infrastructure projects such as MMSP and we are confident it can be replicated in other projects too," said Saavedra.

To serve the unique requirements of the MMSP, the Company's existing precast plant will have an entirely new line dedicated to the production of CP-104's tunnel lining segment and, prospectively, may also serve other portions of the MMSP. This facility will be used by joint venture company between Megawide and Tokyu Construction's Tunnel Prefab Corporation.

The Company recently inaugurated its second precast plant to expand its capacity for more modular designs, such as walls and columns, required for vertical developments and affordable housing segments, while its original plant caters to more customized molds and is best suited for horizontal infrastructure projects, producing parapets and half slabs, which were used for LRT-1 and Skyway Stage 3, respectively.

"These two plants will augment our total precast capacity and complement each other to ensure efficiency, diversity, and speed-to-market in our operations," said Megawide Executive Vice-President for Precast and Construction Solutions Unit Markus Hennig.

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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 sole 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.