

MEGAWORLD

Results Briefing 1H 2018

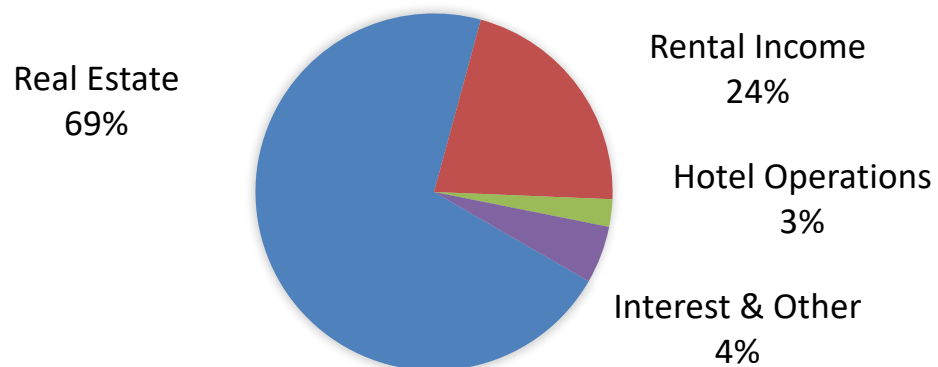


PERFORMANCE UPDATE

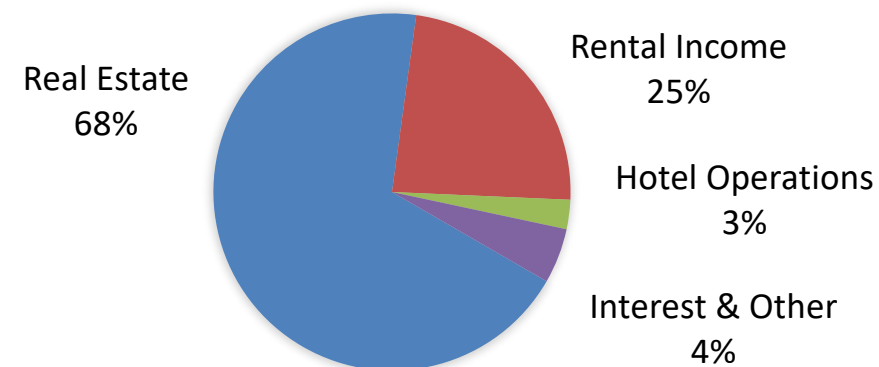
<i>In PHP billions</i>	1H 2017	1H 2018	%change	
Revenues	24.3	26.8	10.3%	• Core earnings up 10%
Real Estate Sales	13.6	14.7	7.6%	• Residential & rental segments providing growth
Rental	5.8	6.8	16.6%	
Hotel	0.6	0.7	10.4%	
Other Revenues	4.2	4.6	10.2%	• RGPPYS (↑18%), ESNEA (↓15%), & IOI (↑3%)
Cost & Expenses	17.6	19.3	9.6%	• Modest cost expansion
Cost of Real Estate Sales	7.7	8.2	6.6%	
Hotel	0.4	0.4	7.2%	
OPEX & Other Expenses	6.7	7.7	14.6%	• OPEX (↑14%)& IOC (↑63%)
Operating Income	9.5	10.5	10.3%	• Lower cost of debt from matured bond
Interest Expense	0.8	0.7	-7.9%	
Pre-tax Income	8.7	9.8	11.9%	
Income Tax Expense	2.1	2.3	11.0%	
Net Income	6.7	7.5	12.2%	• 12% net income growth in line with double-digit increase for the year
Minority Interest	0.2	0.3	2.5%	
Net Income to Owners	6.4	7.3	12.5%	
EBIT Margin	39.2%	39.2%	-	• Larger share of rental income pushing margins up
Net Income Margin	27.6%	28.0%	+40 bps	

CONSOLIDATED REVENUE BREAKDOWN

1H 2017



1H 2018



In PHP billions

	1H 2017	1H 2018	%change
Real Estate Sales	13.6	14.7	7.6%
Interest income on Real Estate Sales	1.0	1.0	0.3%
Realized Gross Profit on Prior Years' Sales	2.2	2.6	18.4%
Rental	5.8	6.8	16.6%
Hotel	0.6	0.7	10.4%
Interest & Other income	1.0	1.0	1.9%
Total Revenues	24.3	26.8	10.3%

- Core business up 10%
- Residential related revenues up 9%
- Sharp increase in profit from prior years signaling continued progress in projects
- Rental growth inline with expectations, contribution to revenue pie up 100 basis points



Gentry Manor (Tower D)
Westside City
P 3.2 billion | 100% take-up





Saint Dominique (South Wing)
Iloilo Business Park
P 773 million | 29% take-up





18 Avenue De Triomphe
Arcovia City
P 4.6 billion | 26% take-up





The Fifth (Towers 1 & 2)

Pasig City

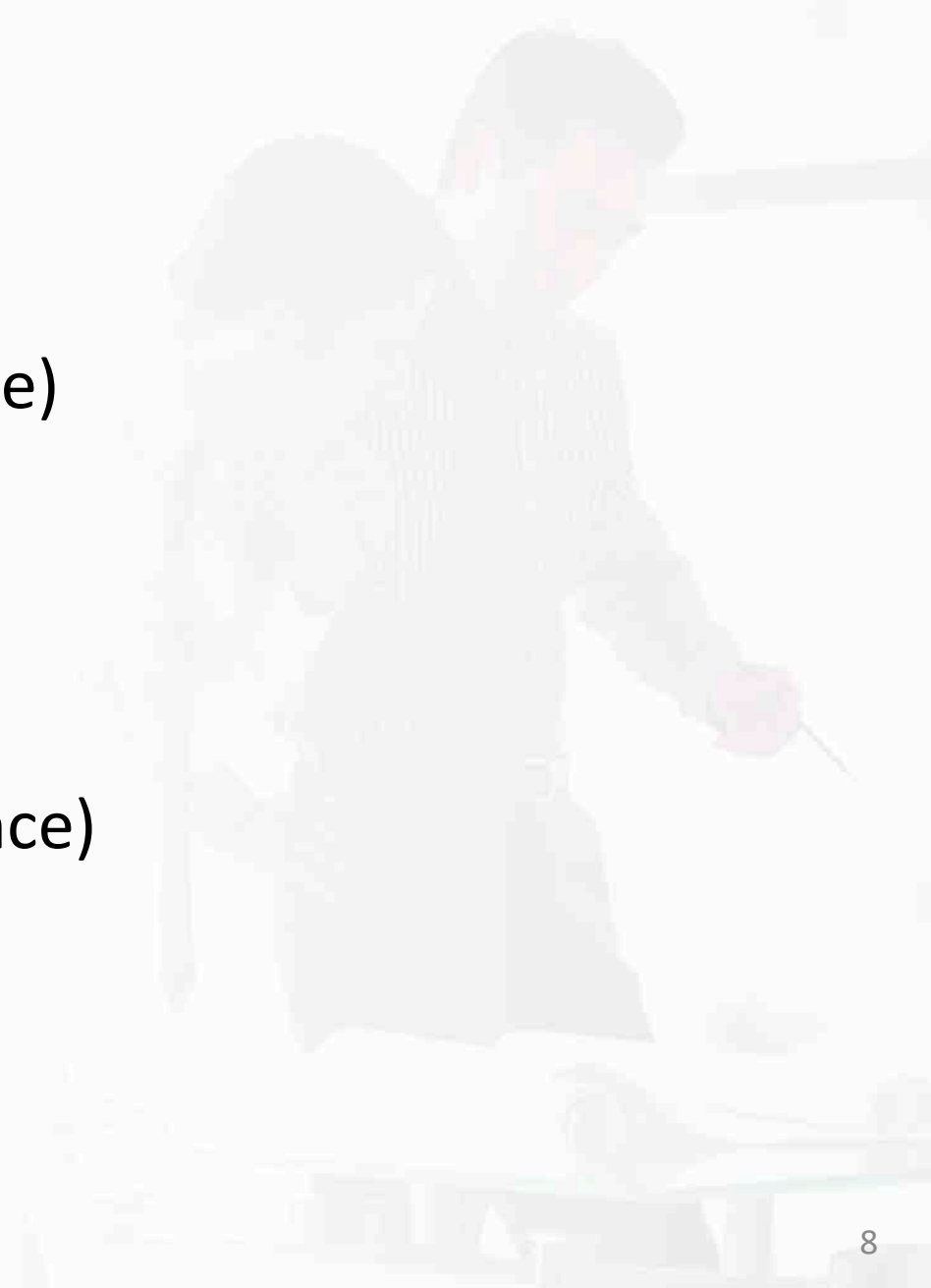
P 8.0 billion | 57% take-up

Launches

- 1Q – P36.7bn
- 2Q – P29.5bn
- 1H – P66.2bn (80% of P80bn 2018 guidance)

Sales Reservation

- 1Q – P42.6bn
- 2Q – P33.4bn
- 1H – P76.1bn (70% of P110bn 2018 guidance)
 - MEG – P51.6bn
 - GERI – P8.4bn
 - ELI & SPI – P16.1bn



STABLE OVERALL RESIDENTIAL MARGINS

<i>In PHP billions</i>	1H 2017	1H 2018	%change	
Real Estate Sales (RES)	13.6	14.7	7.6%	
+Interest income on Real Estate Sales	0.6	0.7	21.3%	
Total RES	14.2	15.4	8.2%	
-Cost of RES	7.7	8.2	6.6%	
Gross Profit on RES	6.5	7.2	10.1%	<ul style="list-style-type: none"> Gross profit growth ahead of real estate sales because of health margins at around 47%
Gross Profit Margin	45.8%	46.6%	+80bps	
-Deferred Gross Profit	2.3	1.9	-15.9%	<ul style="list-style-type: none"> Contraction of DGP reflects higher realized GP on sales of current period
Realized Gross Profit	4.3	5.3	23.8%	
+Realized Gross Profit On Prior Years' Sales	2.2	2.6	18.4%	<ul style="list-style-type: none"> Faster growth in GP based on progressive booking
Total Realized Gross Profit	6.5	7.9	22.0%	<ul style="list-style-type: none"> Continued construction in all projects reflected in robust growth in Total Realized Gross Profit

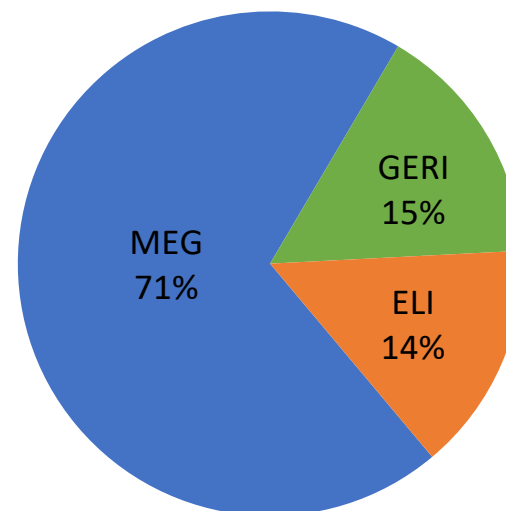
DIVERSIFIED REAL ESTATE SALES MIX

in PHP billions

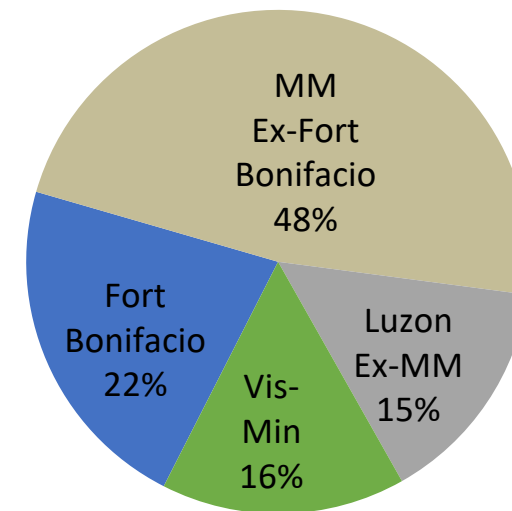
1H 2017 (% of sales) **1H 2018** (% of sales)

MEG	9.2	67%	10.5	71%
Taguig	2.8	20%	3.2	22%
Makati	1.9	14%	2.1	15%
Pasay& Parañaque	1.0	8%	1.0	7%
Quezon City	0.8	6%	0.7	5%
Manila	0.2	1%	0.3	2%
Others in Luzon	0.1	> 0%	0.2	1%
Cebu	0.2	1%	0.5	4%
Iloilo	0.4	3%	0.5	3%
Bacolod	0.1	1%	0.0	0%
Other Subs	1.9	14%	1.9	13%
GERI	2.1	16%	2.1	15%
ELI	2.3	17%	2.0	14%
TOTAL	13.6	100%	14.7	100%

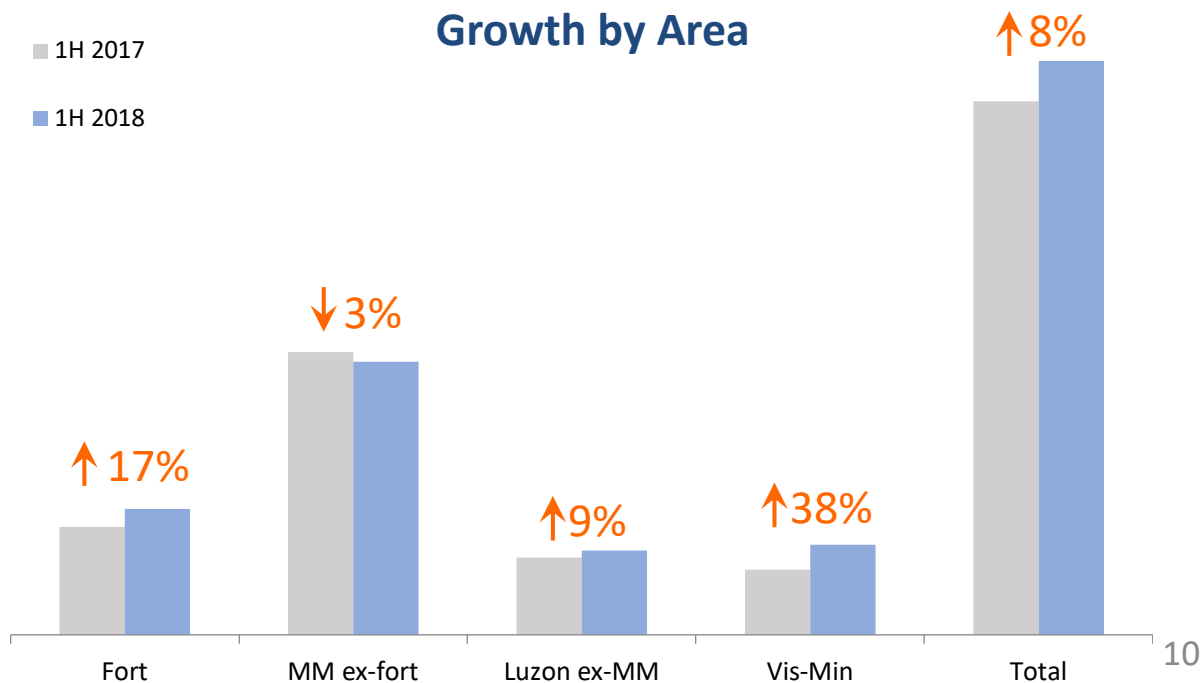
1H 2018 by Brand



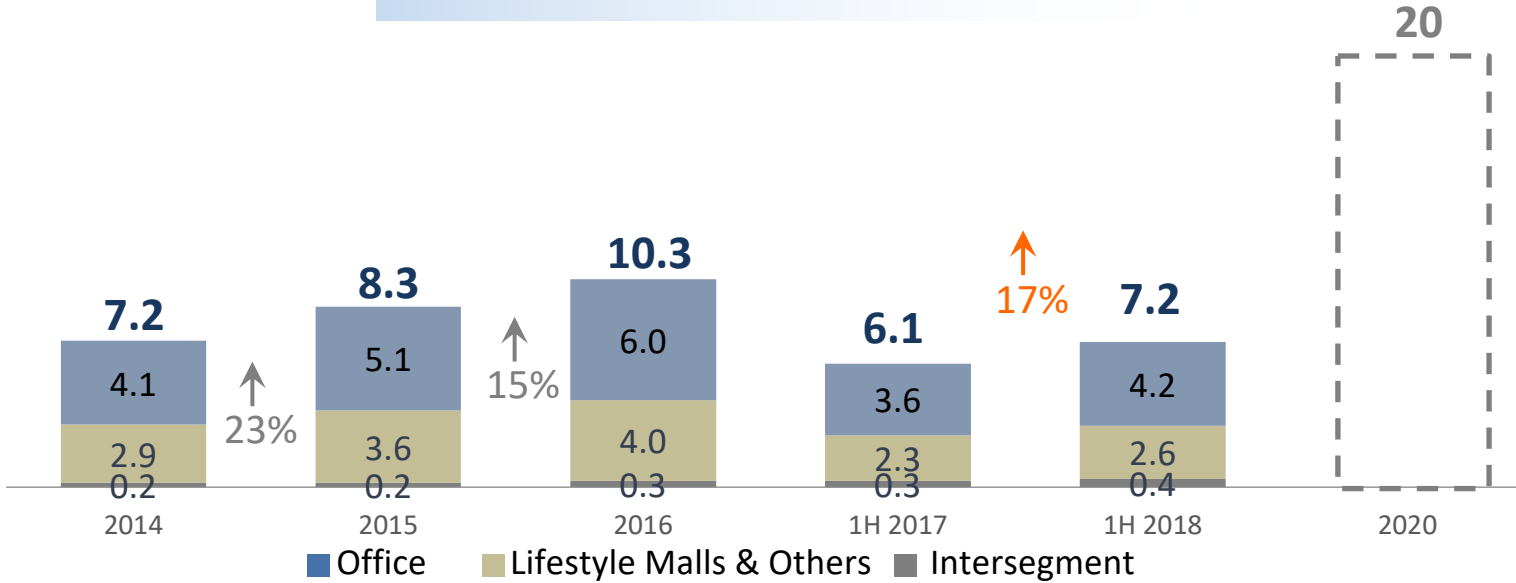
1H 2018 by Location



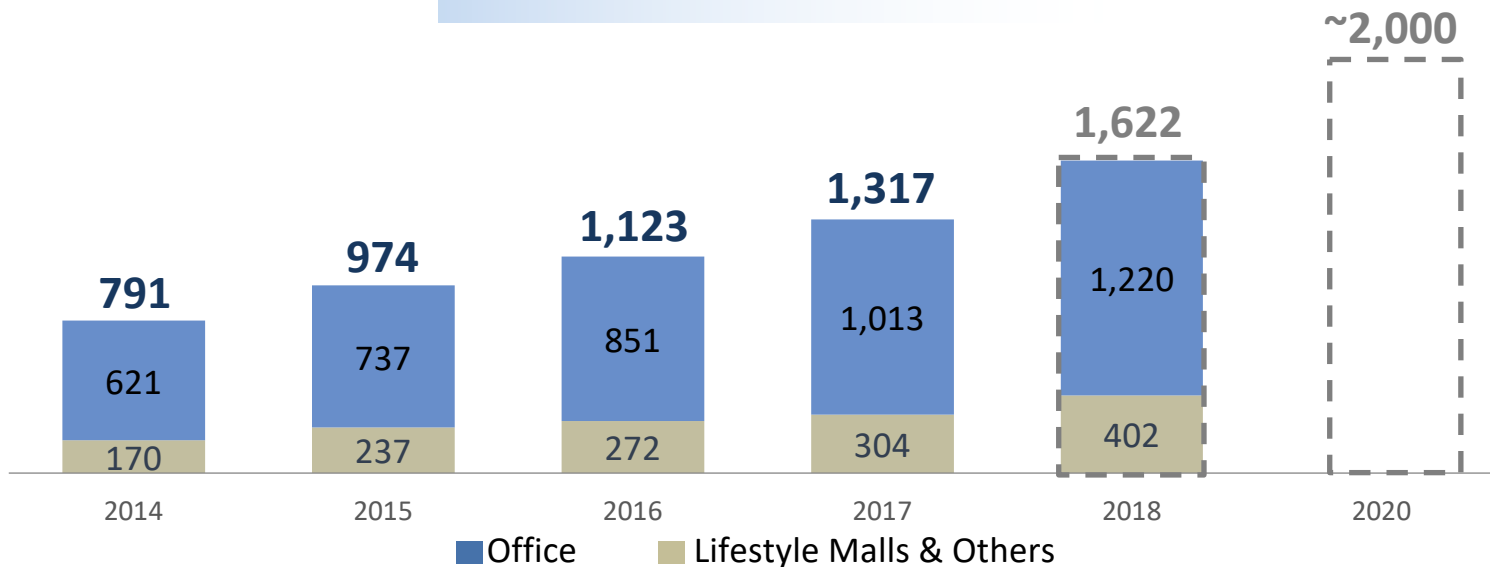
Growth by Area



Increasing Rental Income (in PhP billions)



Rental portfolio ('000 sqm)



Rental

- P12bn in 2017
- P20bn in 2020
- Over 1 million GLA in 2016
- Over 2 million GLA in 2020

Office

Excellent Tenant Base

Quality & Quantity

- Over 130 tenants
- Blue-chip companies

Healthy Pre-leasing

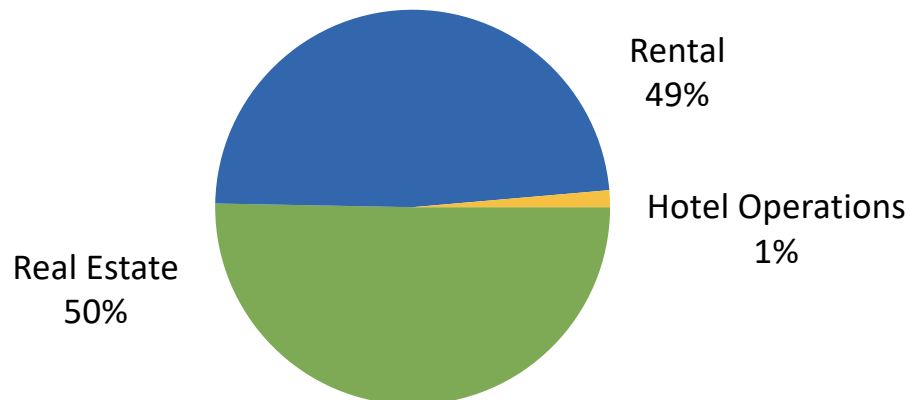
Lifestyle Malls

Captured Market

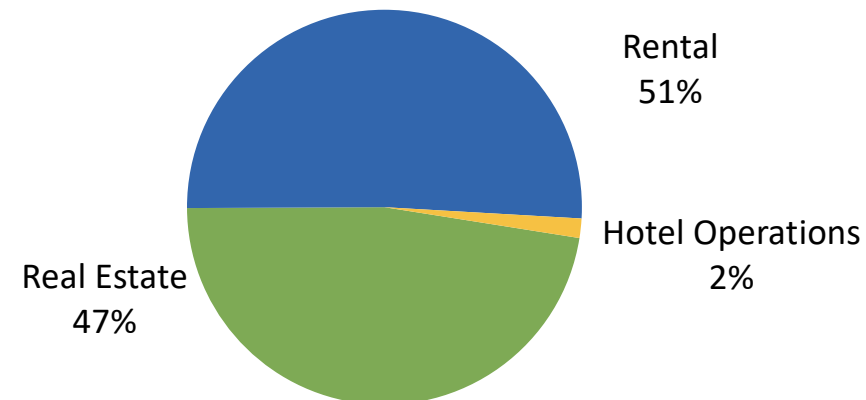
Through townships

Top Retailers

Current EBIT Mix



Current EBITDA Mix

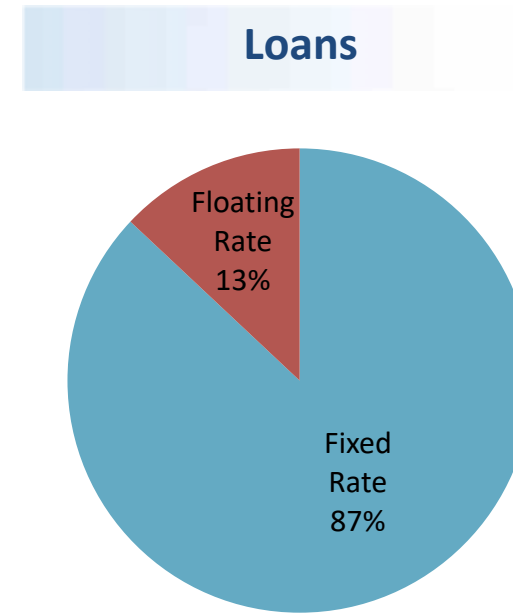
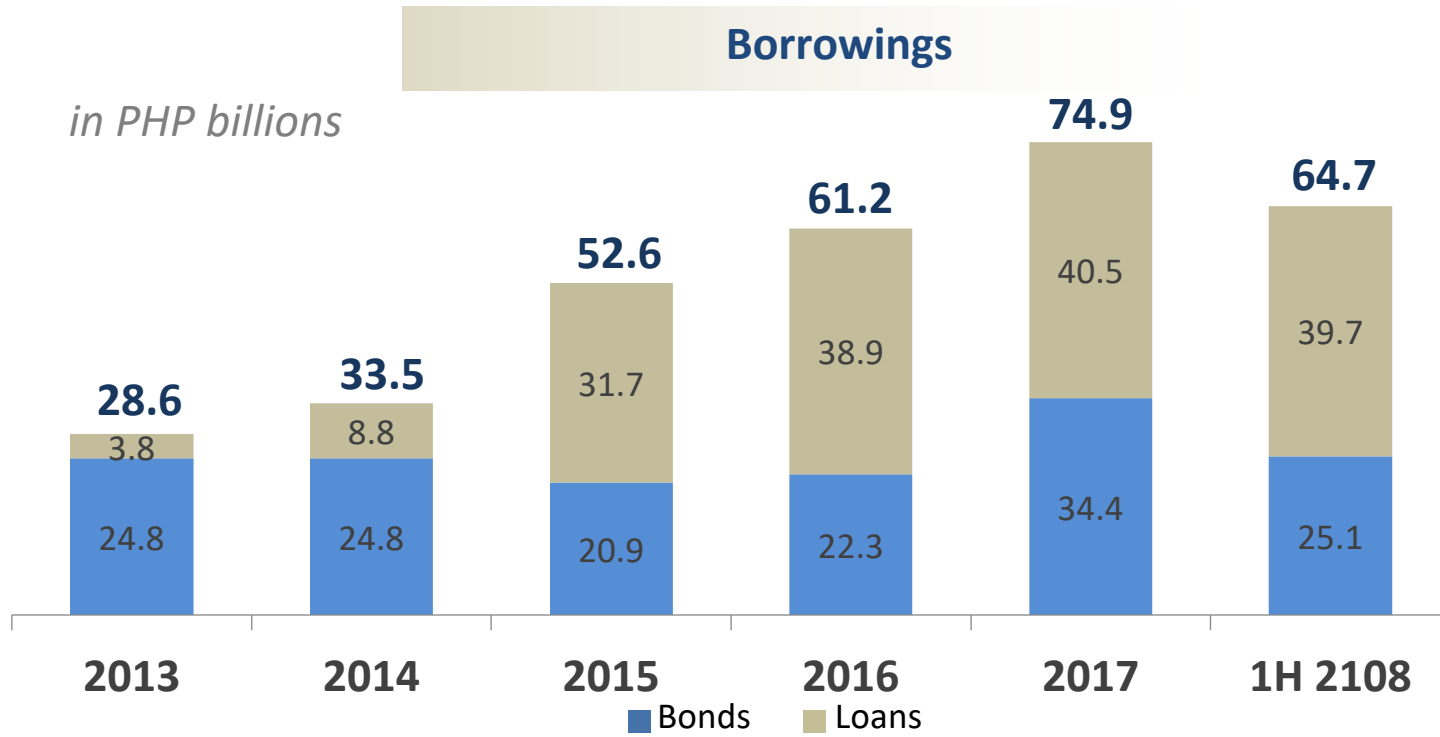


<i>In PHP billions</i>	1H 2017	1H 2018	%change
Revenues			
Rental	5.8	6.8	16.6%
Intersegment Sales & Interest Income	0.3	0.4	34.8%
Rental Revenues	6.1	7.2	17.5%
-Operating Expense	1.7	1.9	9.2%
Rental Operating Income	4.4	5.3	20.7%
+Interest Expense	0.2	0.2	-13.1%
Rental EBIT	4.6	5.5	18.9%
+Dep. & Amor.	0.6	0.8	28.1%
Rental EBITDA	5.3	6.3	20.0%
Rental EBIT Margin	75.7%	76.7%	+100 bps
Rental EBITDA Margin	86.1%	87.9%	+180 bps

- Rental revenues with intersegment sales up 18%
- Sizable D&A growth due to quick portfolio growth the past years
- Rental margins expansion

DEBT MATURITY PROFILE

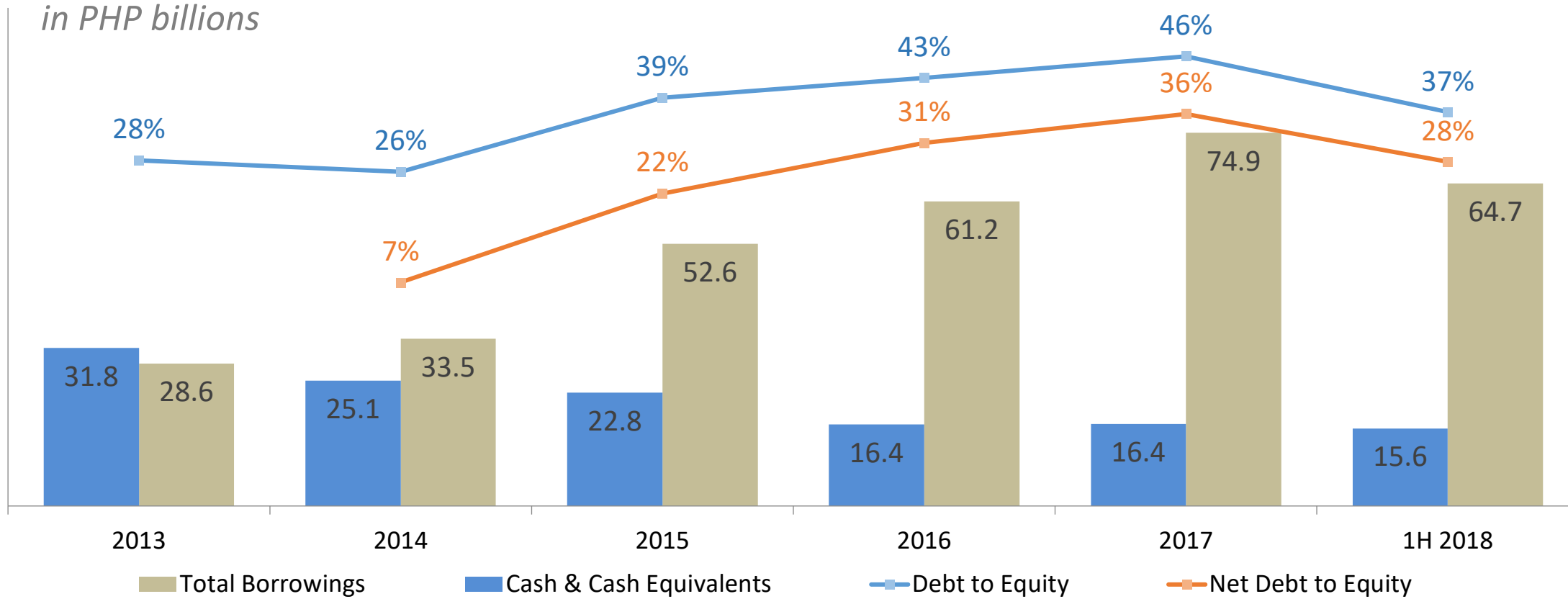
in PHP billions



Bonds	Coupon Rate	Date Issued	Maturity
\$250,000,000	4.25%	April 2013	2023
₱12,000,000,000	5.35%	March 2017	2024

Loans	Ave. Rate	Year Issued	Maturity
₱39,672,100,109	~5.00%	Various	Various

in PHP billions



	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	1H 2018
Debt to Equity	28%	26%	39%	43%	46%	37%
Net Debt to Equity	Net Cash	7%	22%	31%	36%	28%

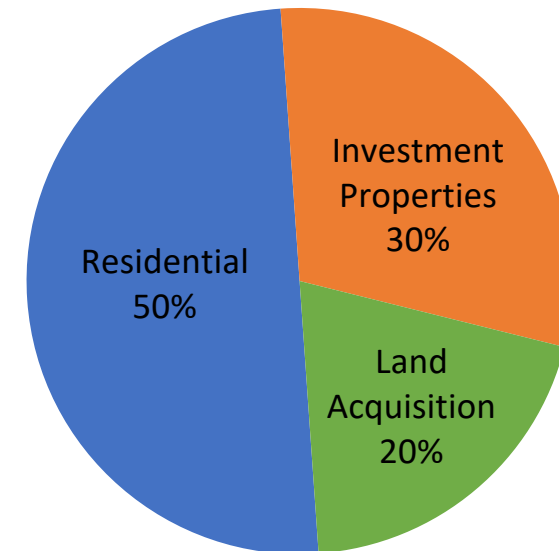
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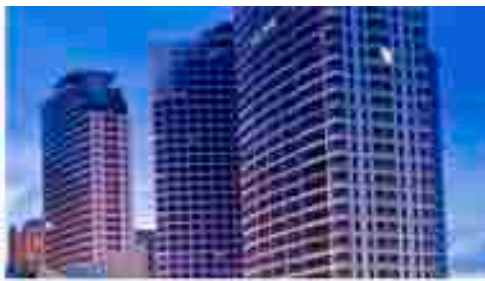
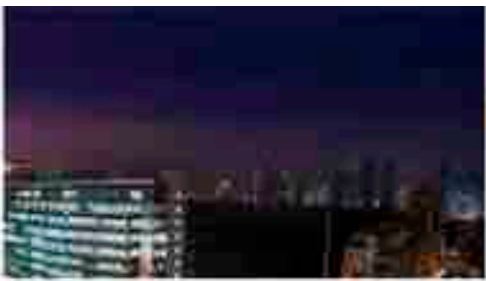


1H 2018 CAPEX Spending



2018 CAPEX Budget





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