



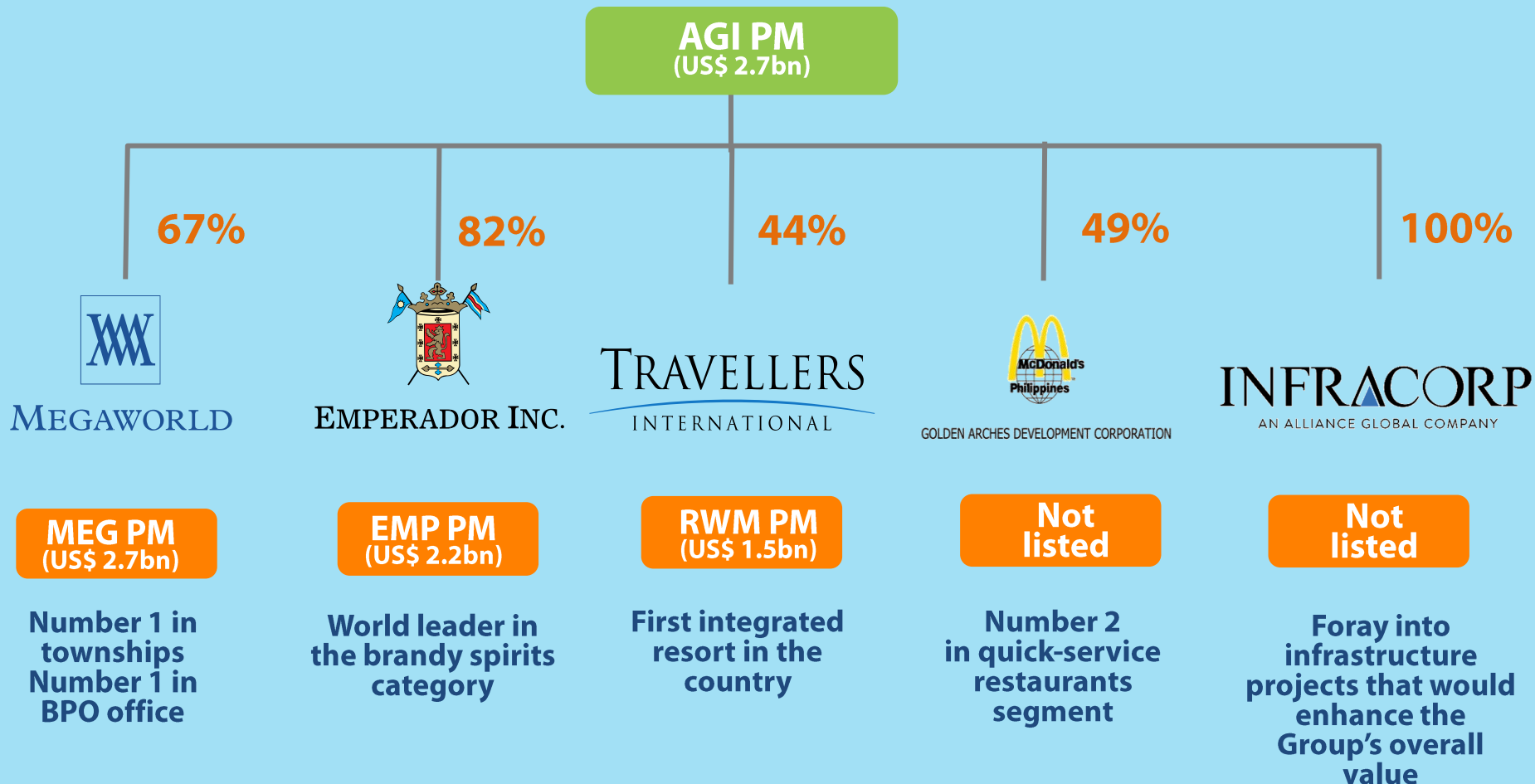
ALLIANCE GLOBAL  
1Q 2018 Analyst Briefing  
15 May 2018



# AGI Group structure



## ALLIANCE GLOBAL







# Alliance Global Group Inc. 1Q 2018 performance highlights

# AGI By the Numbers



4,203  
Hotel room keys



P184bn  
Gross debts  
(end-Marc18)



P562bn  
total resources



P35.3bn  
consolidated revenues  
Q118



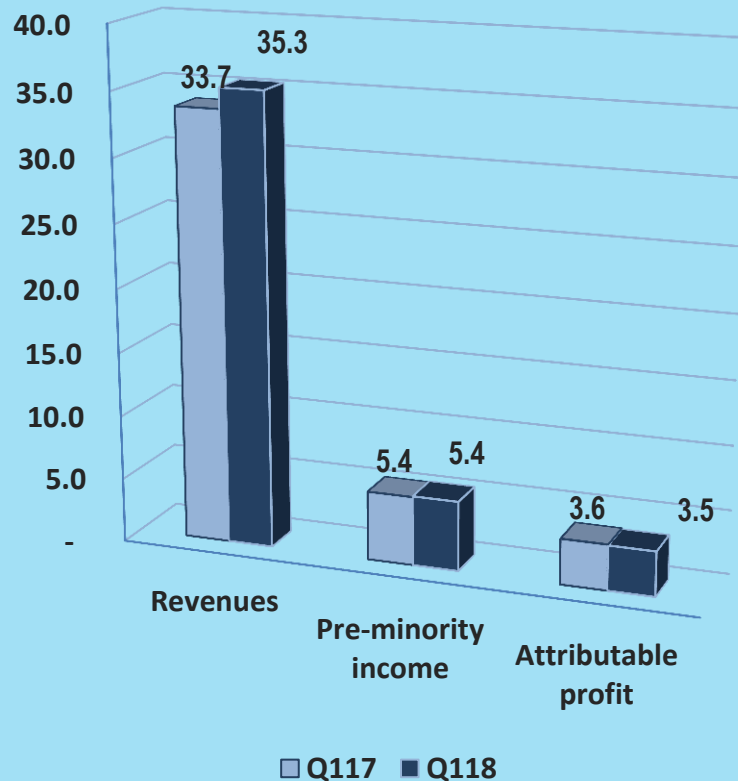
P3.5bn  
Attributable  
net income  
Q118



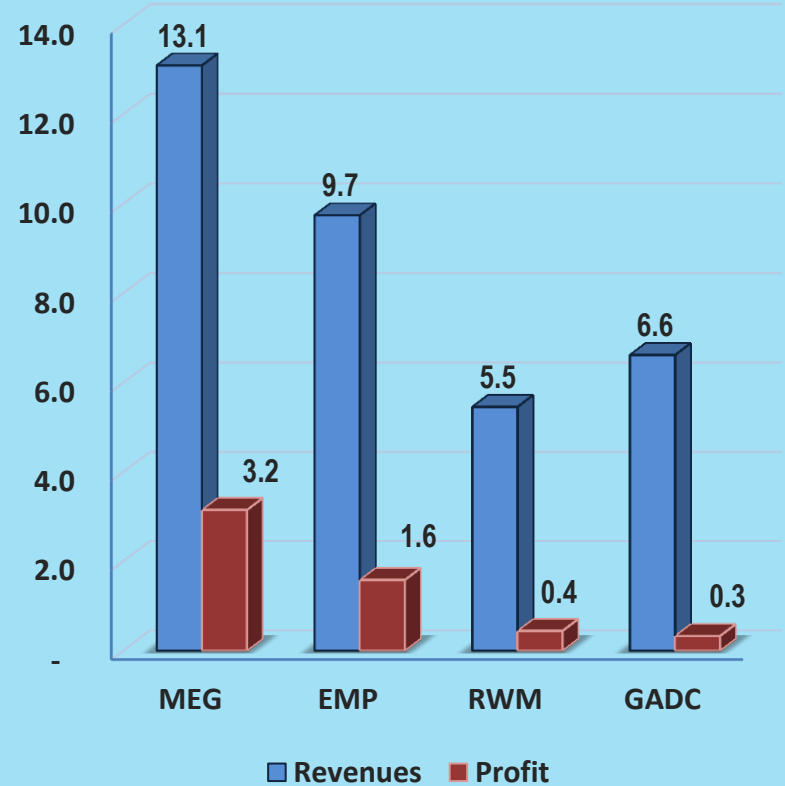
4%  
Parent  
net debt/equity

# AGI's 1Q 2018 performance at a glance

## AGI P&L highlights (Pbn)



## Q118 P&L highlights of subsidiaries



# 1Q 2018 P&L highlights

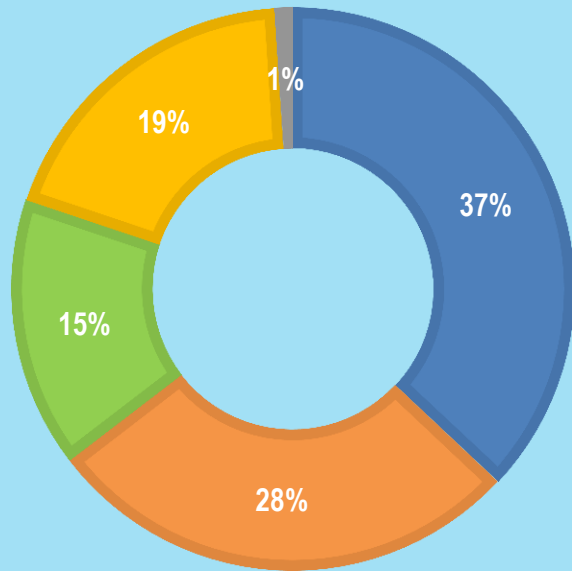
P&L highlights (Pbn)	Q118	Q117	% chg	Comments
<b>Group revenues</b>	<b>35.3</b>	<b>33.7</b>	<b>5%</b>	
Megaworld	13.1	11.8	11%	Strong growth in rentals, higher project completion.
Emperador	9.7	9.0	9%	Continued growth in whisky sales, brandy sales flat.
Travellers	5.5	6.3	-12%	Lower gaming capacity.
GADC	6.6	6.0	11%	6.6% systemwide SSSG; ongoing store expansion.
Others	0.4	0.7	-47%	
<b>Group costs/expenses</b>	<b>(28.4)</b>	<b>(27.0)</b>	<b>5%</b>	
Megaworld	(8.8)	(8.0)	10%	Overall costs & expenses in step with topline growth.
Emperador	(7.9)	(7.2)	6%	Higher selling/marketing expenses, steady COGS.
Travellers	(5.0)	(5.6)	-10%	Higher gaming fees and interest charges.
GADC	(6.1)	(5.6)	10%	Increases in COGS, G&A expenses.
Others	(0.6)	(0.7)	-5%	
<b>Net income to owners</b>	<b>3.5</b>	<b>3.6</b>	<b>-2%</b>	
Megaworld	2.1	1.9	10%	Rising share of rentals, improving overall margins.
Emperador	1.3	1.2	6%	50% rise in whisky profit, steady brandy net income.
Travellers	0.2	0.3	-33%	Profit recovery notable on QoQ basis.
GADC	0.2	0.1	39%	Gaining operating efficiencies.
Others	-0.3	-0.0	--	
<b>Net profit margin</b>	<b>9.9%</b>	<b>10.6%</b>	<b>-67bps</b>	

# Revenue & profit breakdown

## 1Q 2018 Consolidated Revenues

P35.3bn

↑ 5%

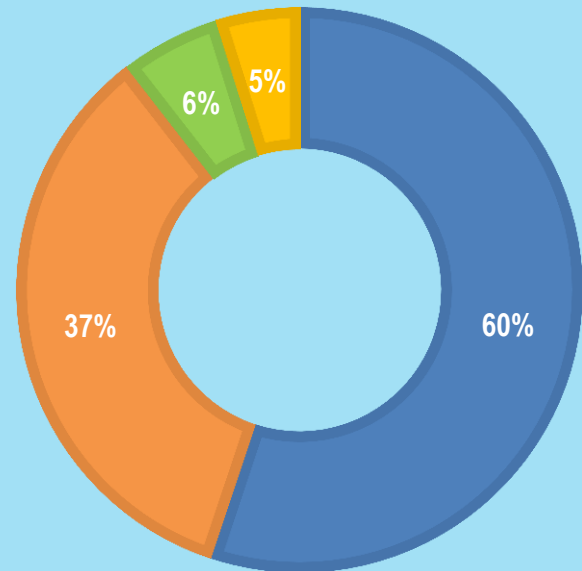


■ MEG ■ EMP ■ RWM ■ GADC ■ Others

## 1Q 2018 Attributable Net Income

P3.5bn

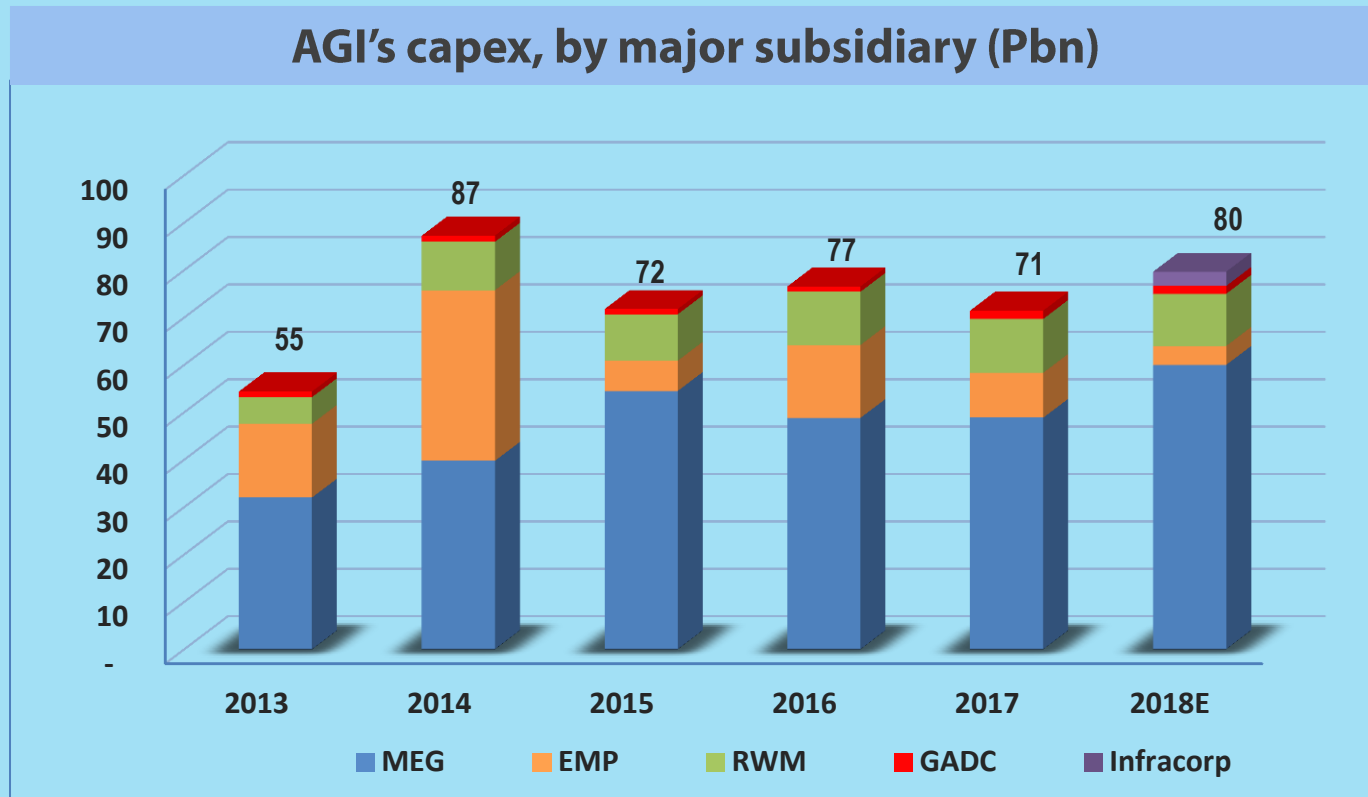
↓ 2%



■ MEG ■ EMP ■ RWM ■ GADC ■ Others



# Group investment commitments



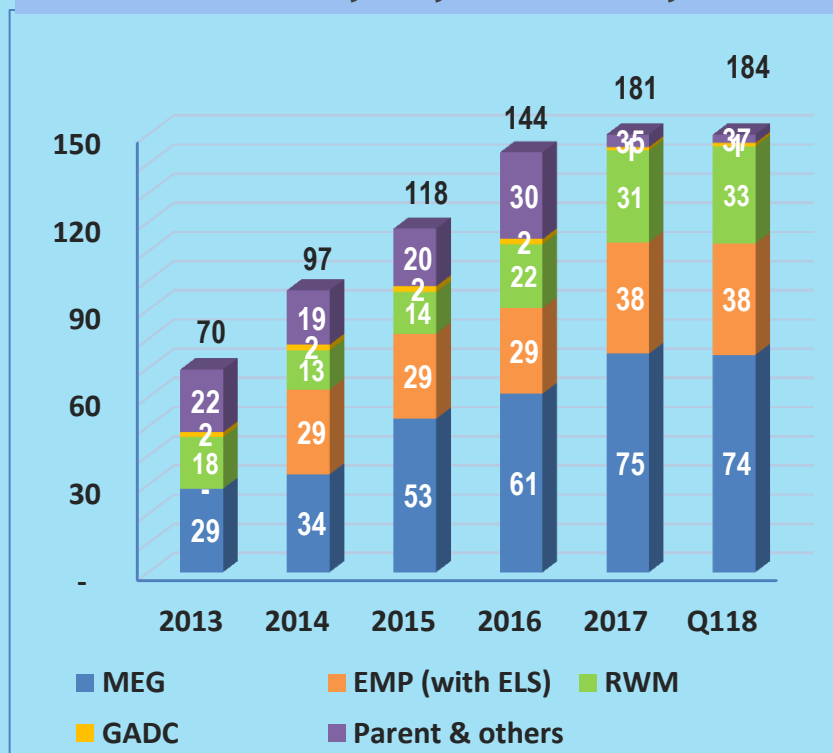
*E - Estimated.*

- AGI has spent >P360bn in capex over the last 5 years.
- Capex commitment for 2018: P80bn.

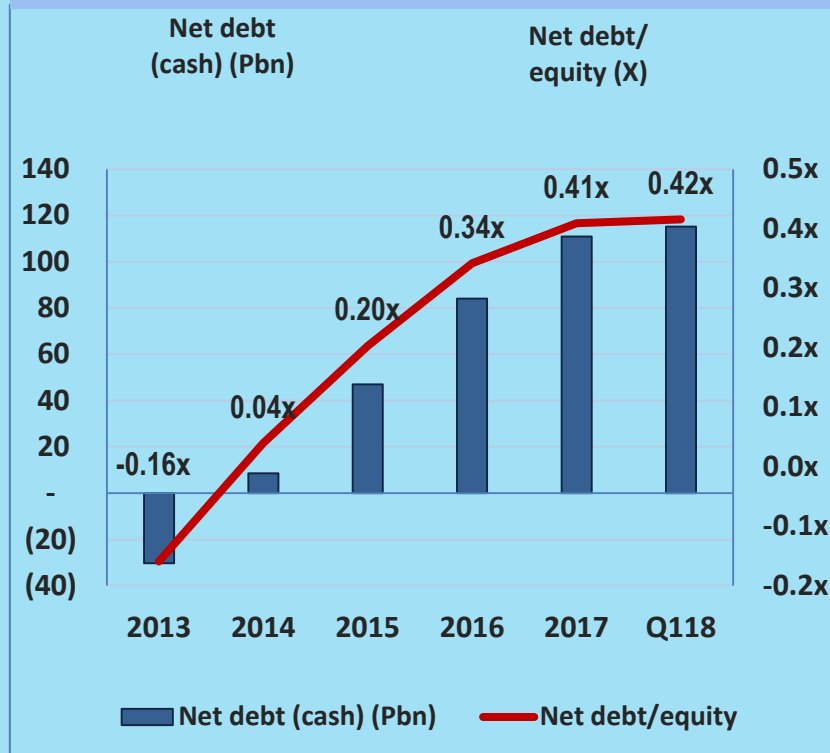


# Group borrowings

## Gross debts, by key subsidiary (Pbn)



## Gearing – consolidated level



- At end-March 2018, Group borrowings stood at P184bn, while net debt/equity hovered at 0.42x (vs 0.41x in 2017).
- Parent net debt/equity remained low at 0.04x.



MEGAWORLD



# Megaworld Corporation 1Q 2018 performance highlights



MEGAWORLD

# Megaworld by the Numbers



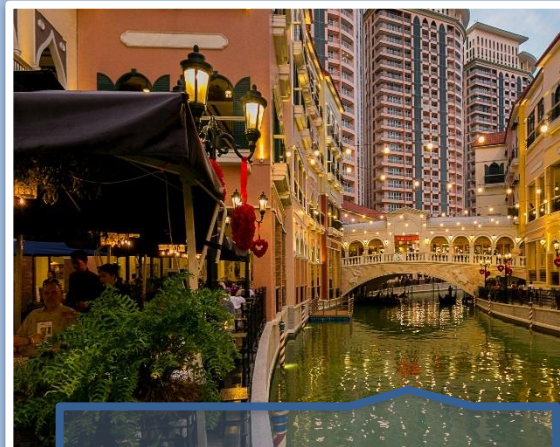
**23** townships & integrated lifestyle communities



**4,414** landbank (has.)



**1,013** office GLA ('000 sqm)







**318** lifestyle malls  
GLA ('000 sqm)



**~130** BPO clients

# Megaworld's 1Q 2018 performance at a glance

- Total revenues +9% YoY to P13.1bn.
  - Residential revenues +6% to P8.8bn (or 67% of total).
    - Total realized gross profit +23% to P3.6bn.
    - Share of projects outside of Metro Manila steady at 31% of total.
  - Rentals +17% to P3.4bn (or 26% of total).
    - Rental income split: office 61% / lifestyle malls 39%.
    - Rental GLA split: office 77% / lifestyle malls 23%.
  - Hotel income +10% to P368m (or 3% of total).
- Overall margin direction  due to improving income mix.
  - Residential gross profit margin  at 46%.
  - Rental EBITDA margin  87.5% from 84.5%.
  - Overall EBIT margin  36% from 35.5%.
- Attributable net income +11% to P3.2bn.
- Net debt/equity steady at 0.36x.

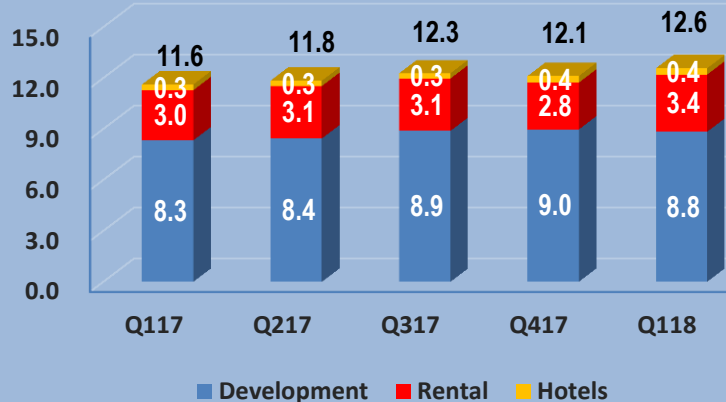


# Sustaining growth trend

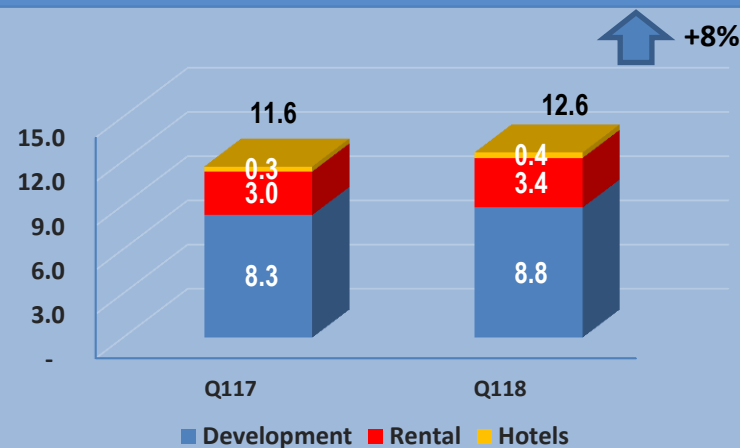


MEGAWORLD

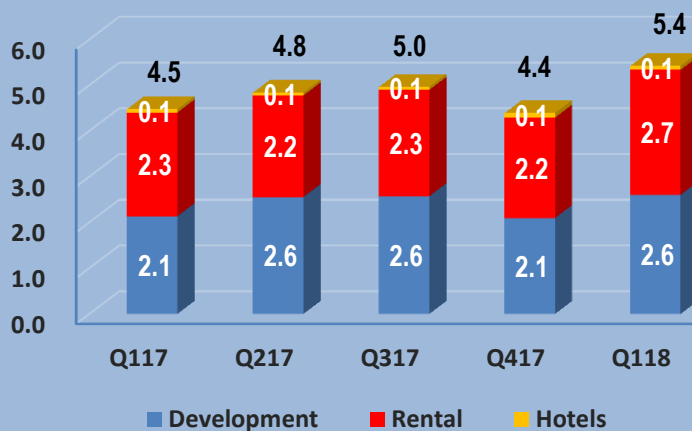
## Revenues\*, quarterly (Pbn)



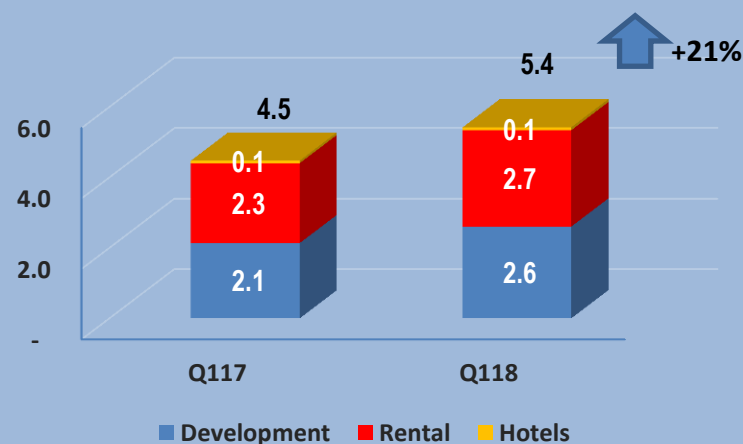
## Revenues\*, Q118 vs Q117 (Pbn)



## EBIT\*, quarterly (Pbn)



## EBIT\*, Q118 vs Q117 (Pbn)



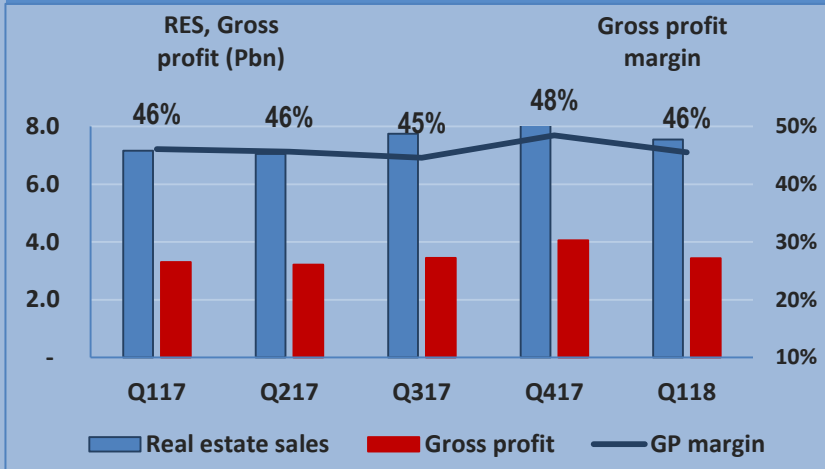
\*Covers residential, rental and hotel operations only. Excludes financial and other income.

# Well-oiled machine

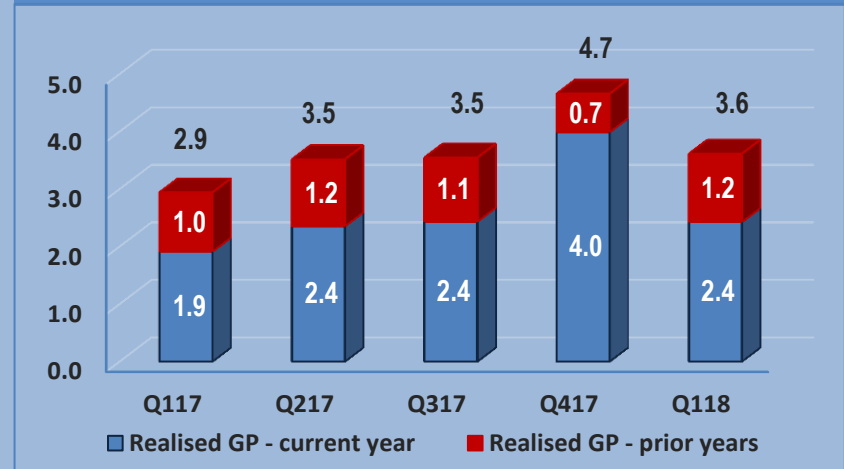


MEGAWORLD

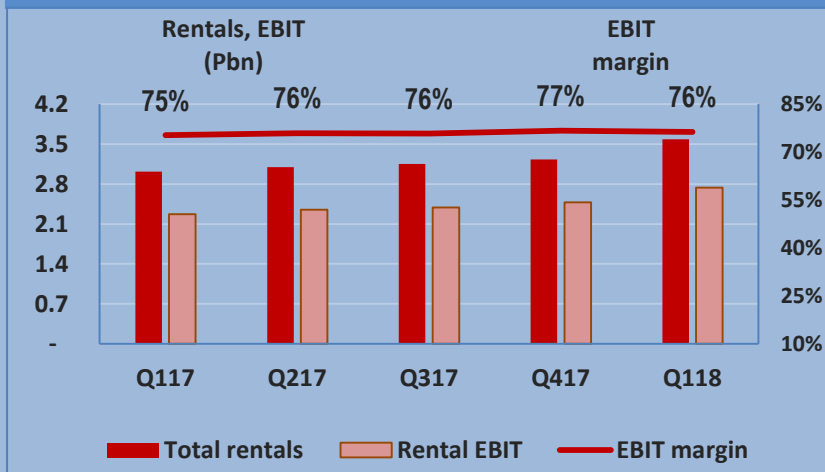
## Real estate sales vs Gross profit (Pbn)



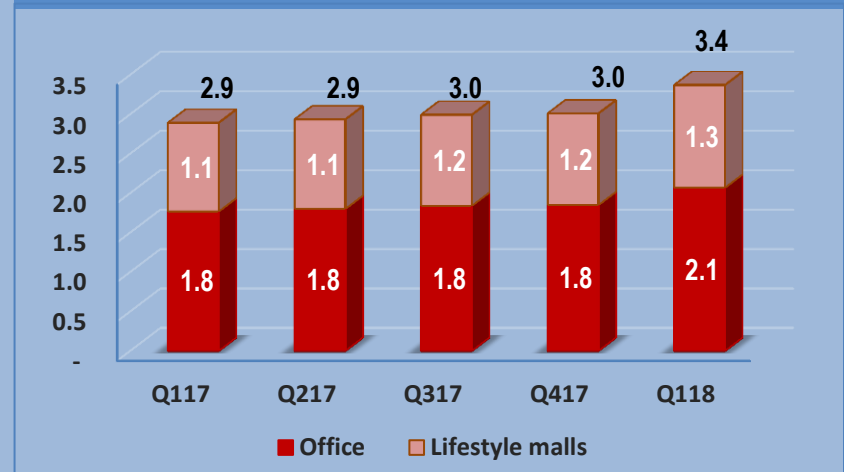
## Realized gross profit (Pbn)



## Rentals vs EBIT (Pbn)



## Rentals: office vs lifestyle malls (Pbn)

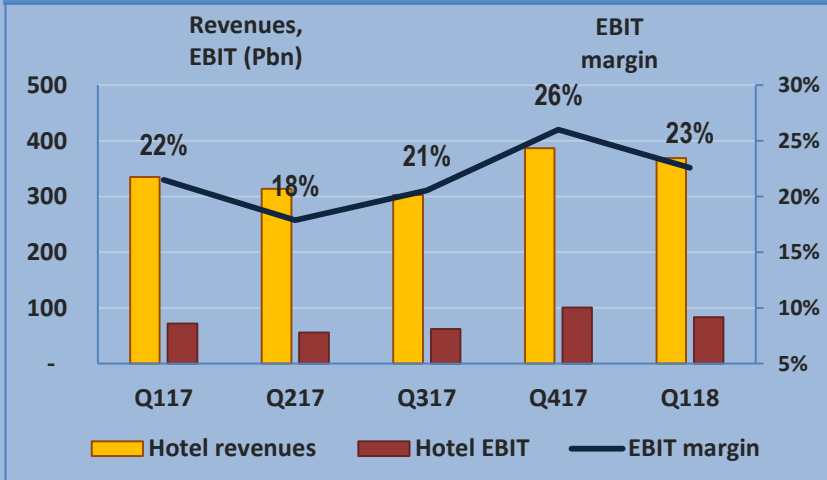


# Improving margins

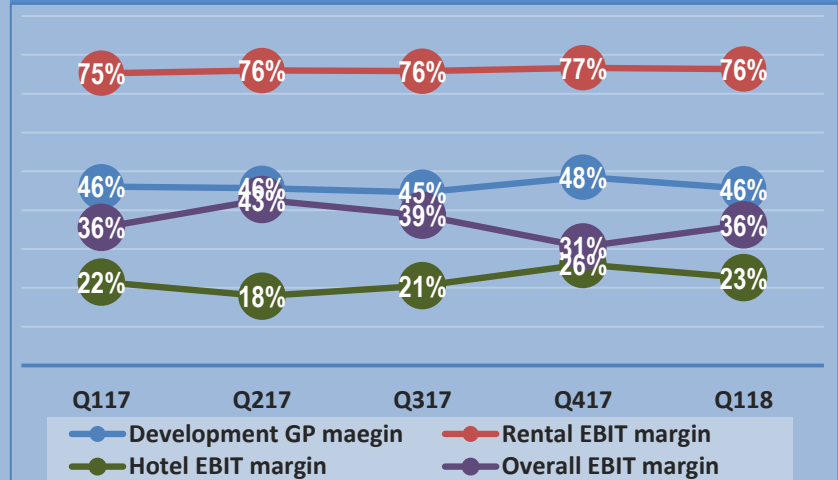


MEGAWORLD

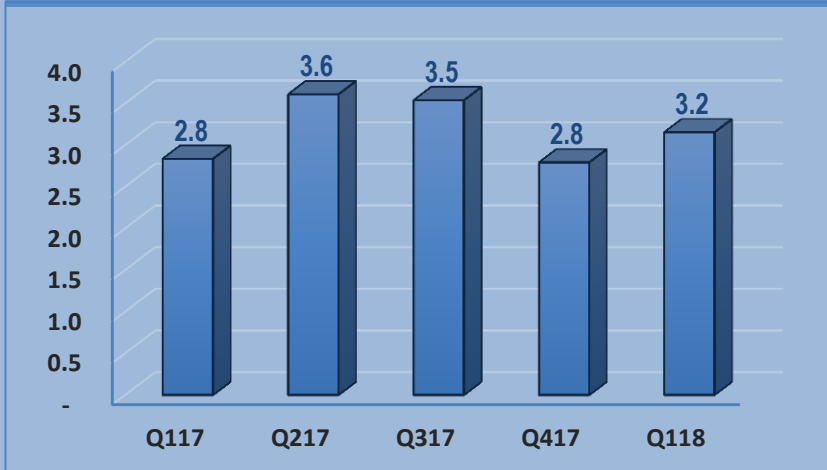
## Hotel revenues vs EBIT (Pbn)



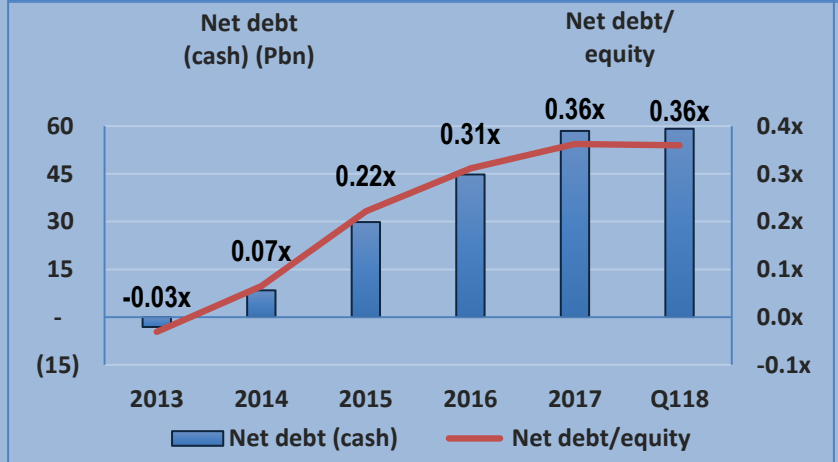
## Margin performance



## Attributable net income (Pbn)



## Gearing

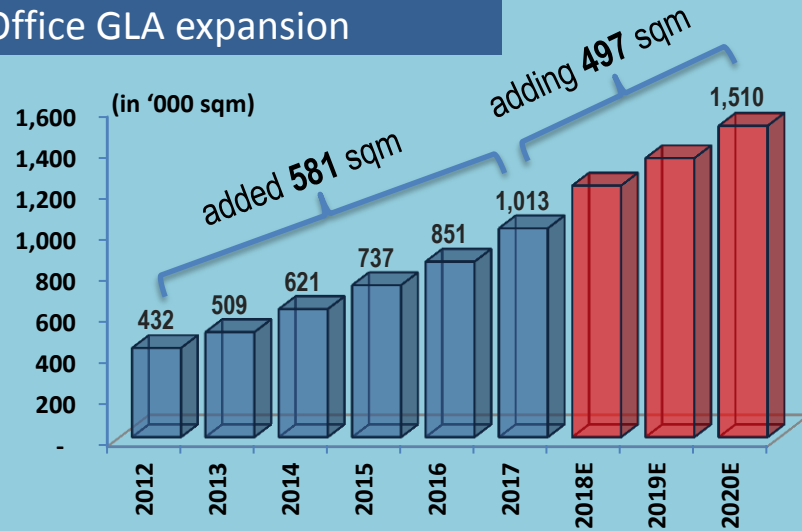


# Key initiatives: growing the rental segment

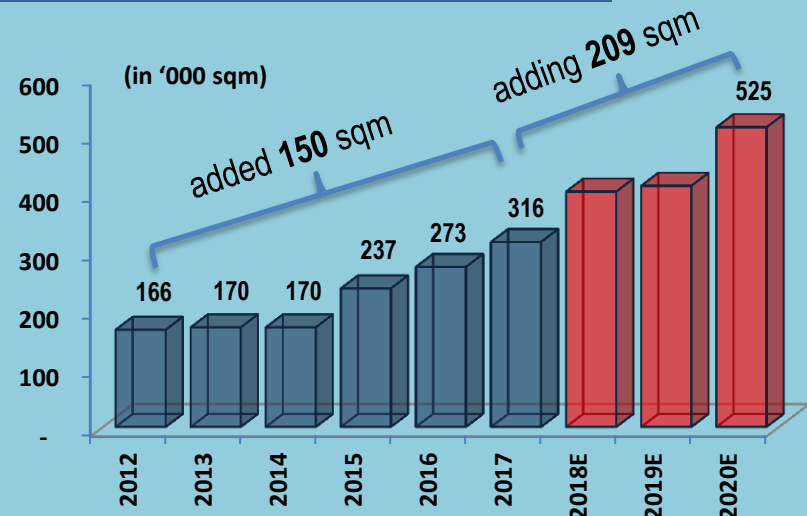


MEGAWORLD

## Office GLA expansion



## Lifestyle malls GLA expansion

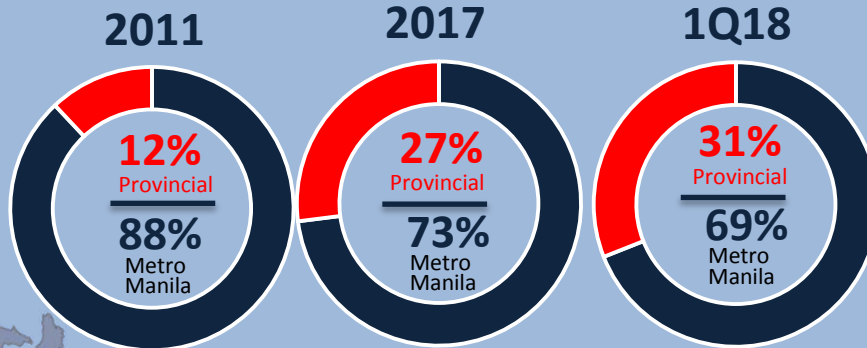




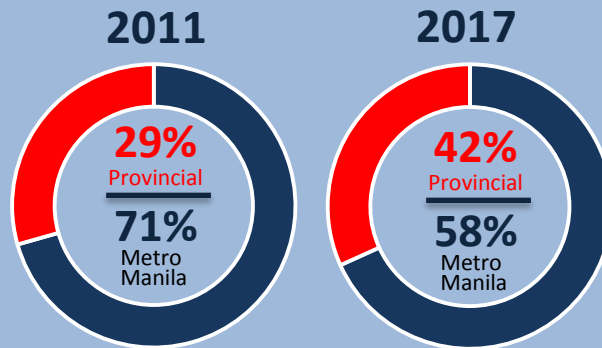


# Key initiatives: diversifying geographically

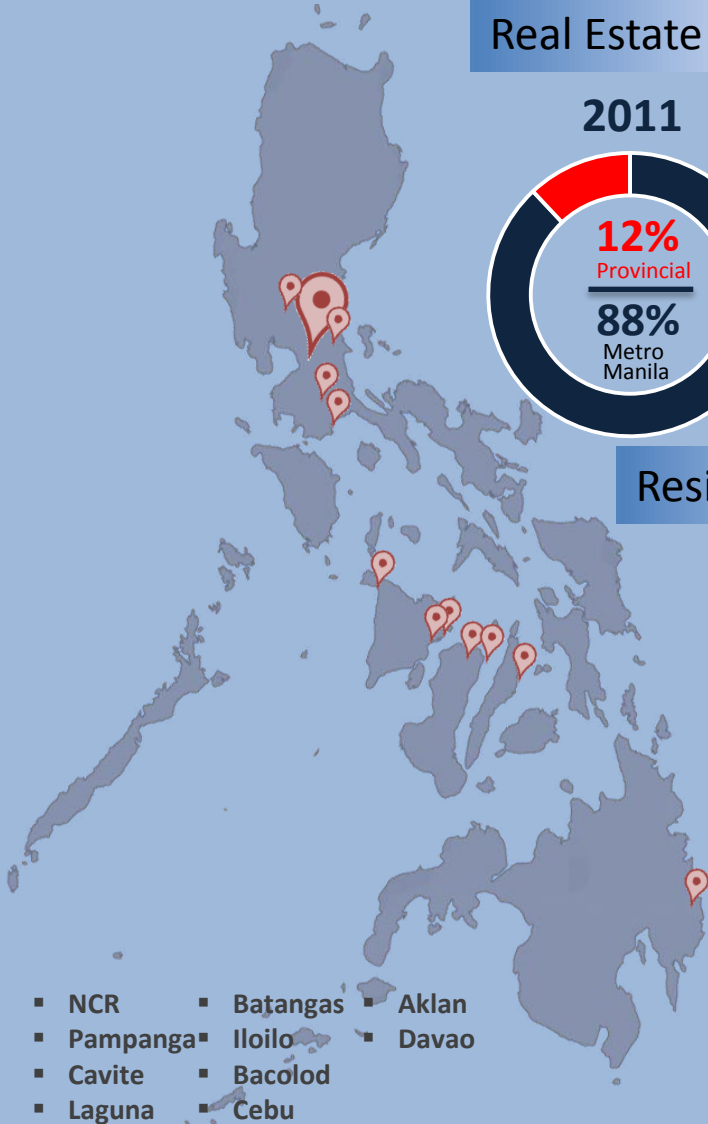
## Real Estate Sales, by location



## Residential Project Launches



■ Metro Manila ■ Provincial





EMPERADOR INC.



# Emperador Inc. 1Q 2018 performance highlights



# Emperador by the Numbers



EMPERADOR INC.



Global  
distribution  
of **101**  
**countries across**  
**6 continents**

**5 distilleries**  
in Scotland  
(4 malt, 1  
grain)








**22**  
**Sales offices**  
in the  
Philippines

**121,000**  
**accounts**  
nationwide

**1,500 has.**  
**vineyards** in  
Toledo, Madrid  
& Jerez



# Emperador's 1Q 2018 performance at a glance

- Consolidated revenues +9% to P9.7bn.
  - Whisky revenues +16% to P2.8bn (or 29% of total).
    - Whisky sales +14% driven by sales in Asia, US , Middle East and Travel Retail.
  - Brandy revenues +6% to P6.9bn (or 71% of total).
    - Flat brandy sales amidst the challenging domestic market.
- Overall margin direction:  
  - GP margin  to 35% from 34%.
    - Whisky GP margin  to 35% from 29%.
    - Brandy GP margin  at 35%.
  - Operating income margin  to 23% from 22%.
  - Net profit margin  17%.
- Net income +6% to P1.6bn.
- Net debt/equity at 0.46x (vs 0.48x in 2017).

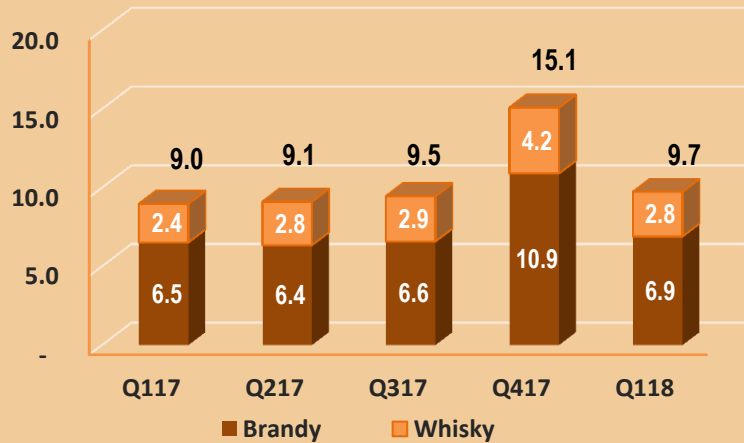


# Improving product mix

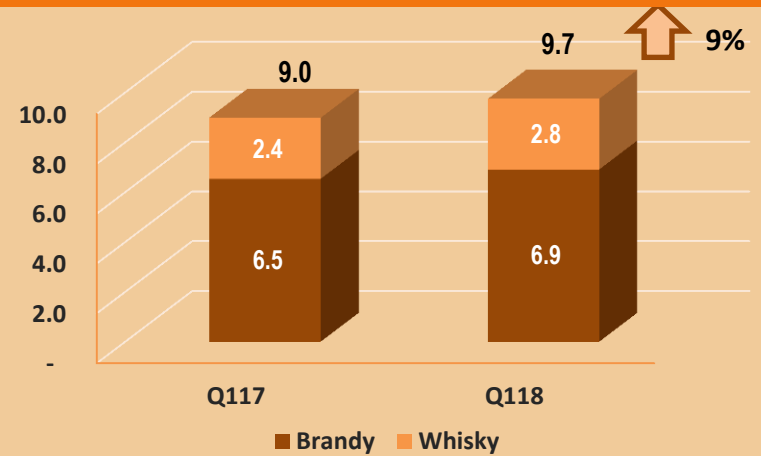


EMPERADOR INC.

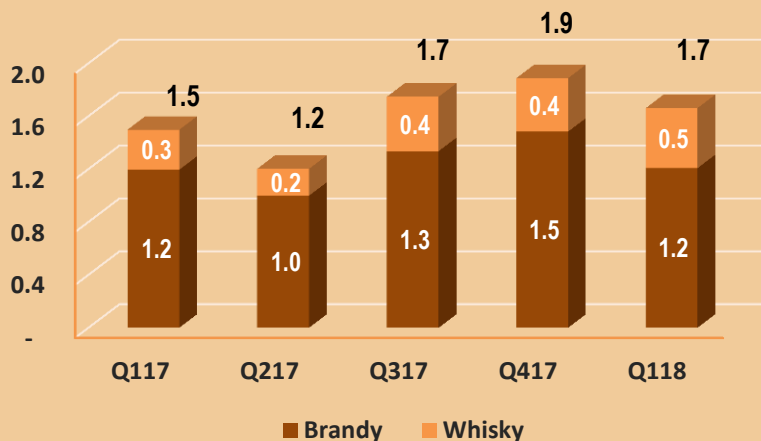
### Revenues, quarterly (Pbn)



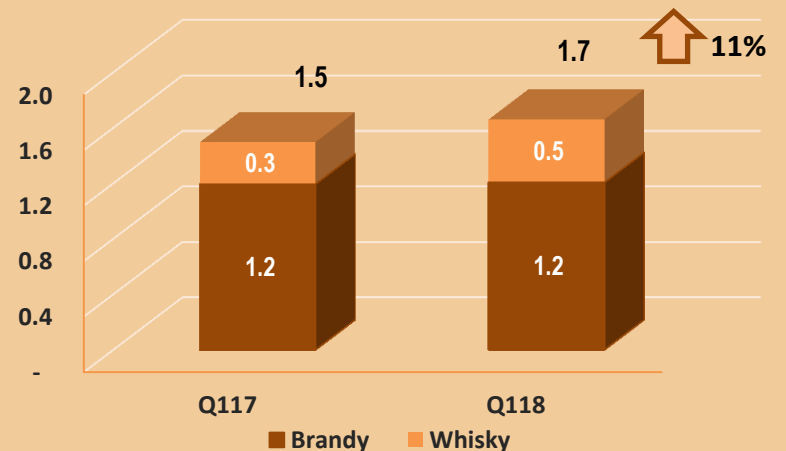
### Revenues, Q118 vs Q117 (Pbn)



### Net income, quarterly (Pbn)



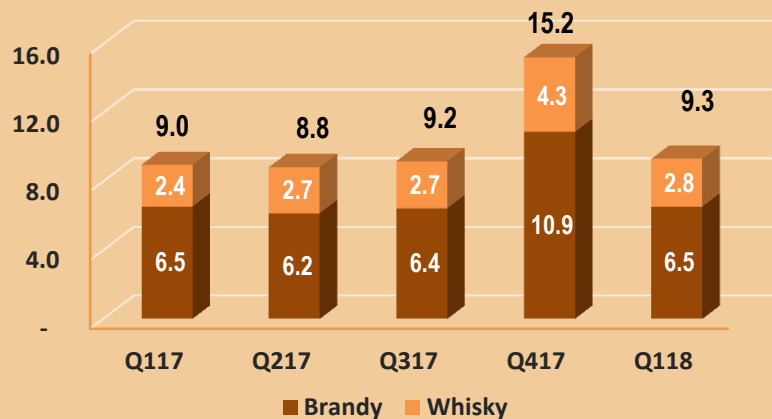
### Net income, Q118 vs Q117 (Pbn)



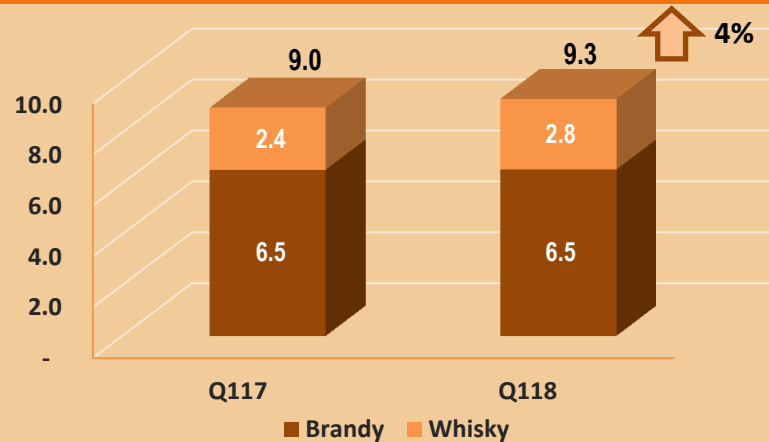


# Whisky segment continues to drive growth

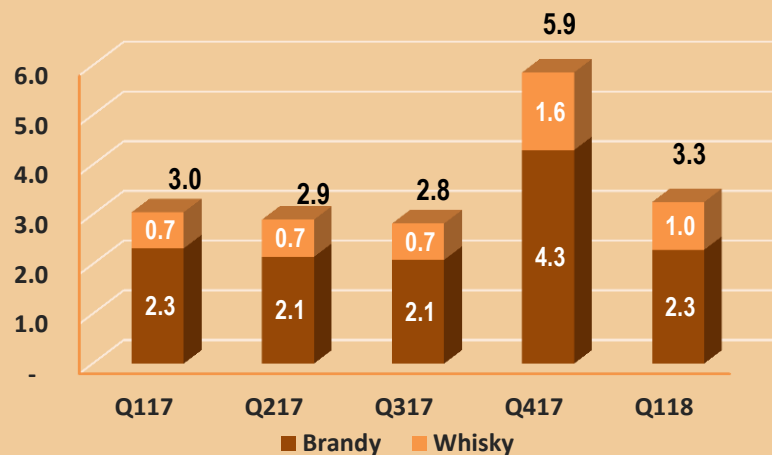
### Sales: Brandy vs Whisky (quarterly, Pbn)



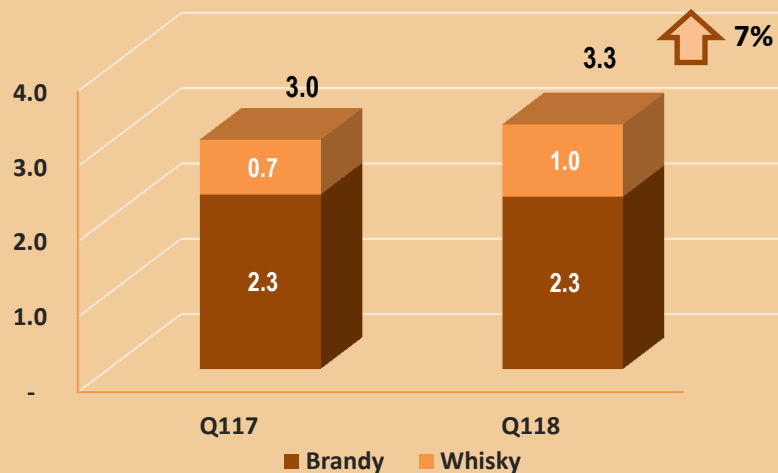
### Sales: Brandy vs Whisky (Q118 vs Q117, Pbn)



### GP: Brandy vs Whisky (quarterly, Pbn)



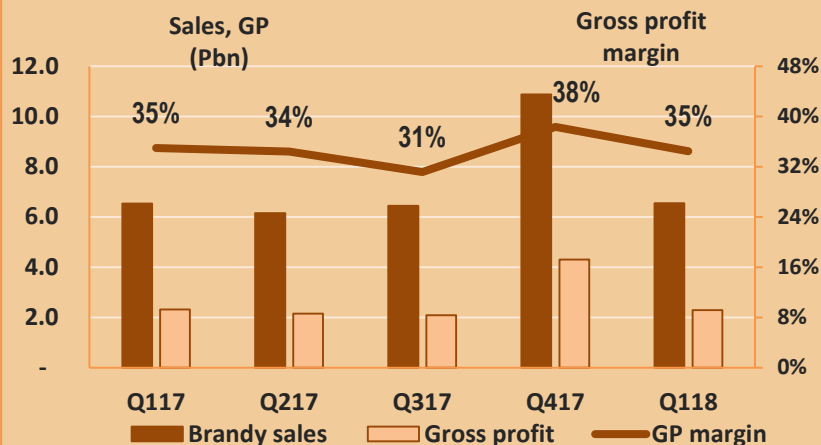
### GP: Brandy vs Whisky (Q118 vs Q117, Pbn)



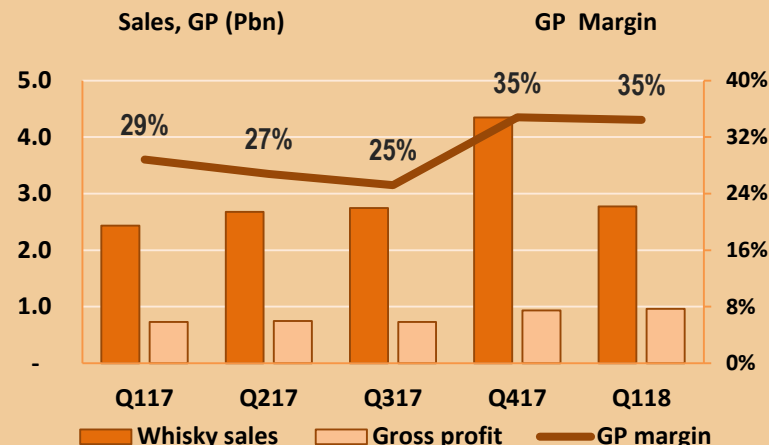


# Overall margin improvement

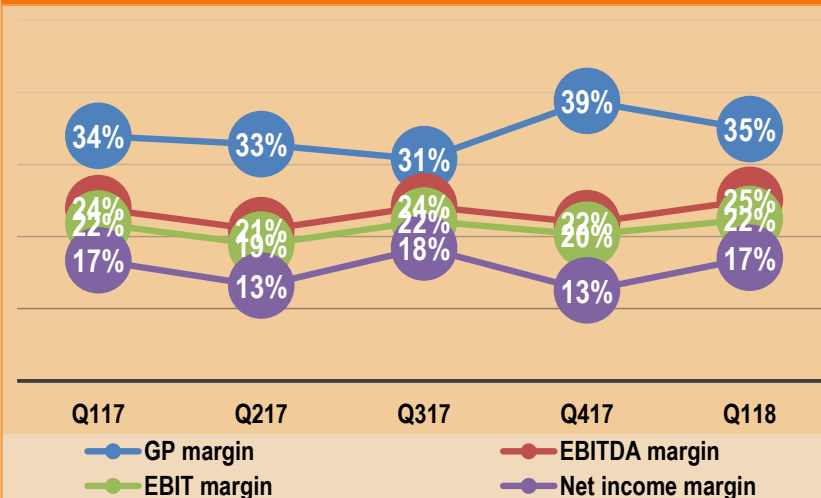
## Brandy: Sale of goods vs GP margin



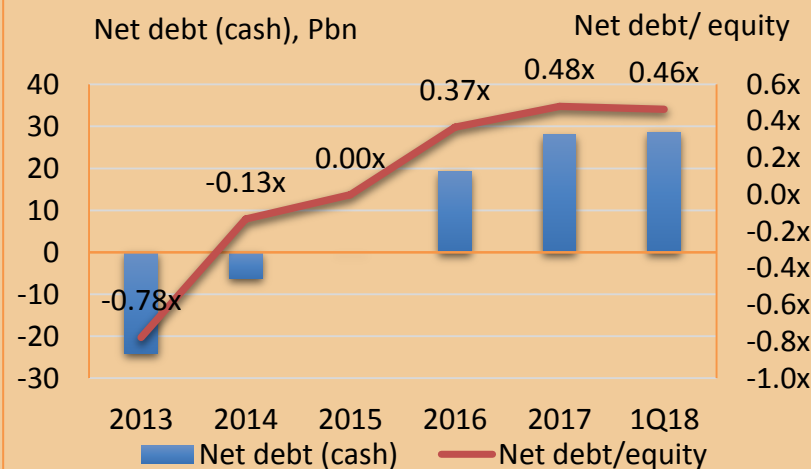
## Whisky: Sale of goods vs GP margin



## Margins



## Gearing



# Key initiative: increasing share of foreign brands



Fundador store at Venice Grand Canal Mall



Dalmore flagship store at Uptown Bonifacio







# Travellers International Hotel Group Inc. 1Q 2018 performance highlights



# Travellers By The Numbers



**80%**  
HOTEL  
OCCUPANCY



**P840m**  
EBITDA

**P86.3bn**  
TOTAL RESOURCES  
(FY2017)



**4,000**  
MGB CAPACITY

**1,454**  
HOTEL ROOMS

**P5.5bn**  
GROSS REVENUES

**242**  
GAMING  
TABLES


**91**  
RETAIL  
OUTLETS

**11,534**  
SQM RETAIL SPACE

**1,361**  
SLOTS

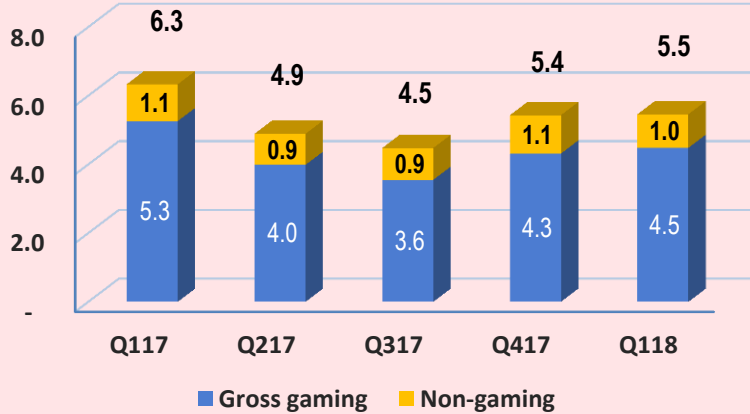


# Travellers' 1Q 2018 performance at a glance

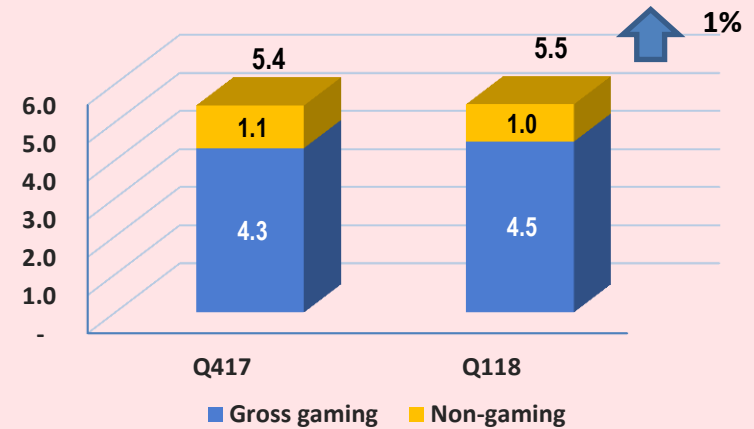
- Gross revenues on continued recovery: +1% QoQ to P5.5bn.
  - GGR +4% QoQ to P4.5bn helped by 10% overall volume growth.
  - Non-gaming revenues -12% QoQ to P978m.
  - Hotel room occupancy rates averaged at 80%.
  - Average daily visitors at 25k vs trough of 23k in Q317.
- EBITDA -3% QoQ to P840m weighed by higher gaming fees.
- Margin direction QoQ mostly  helped by GGR recovery.
  - GP margin  57% from 56.7%
  - EBITDA margin  15.4% from 16.4%
  - Net margin  8.2% from 5.3%
- Reported profit at P445m vs P285m in Q417.
- Net debt/equity at 0.54x (vs 0.47x in 2017).

# Weighed by lower gaming capacity

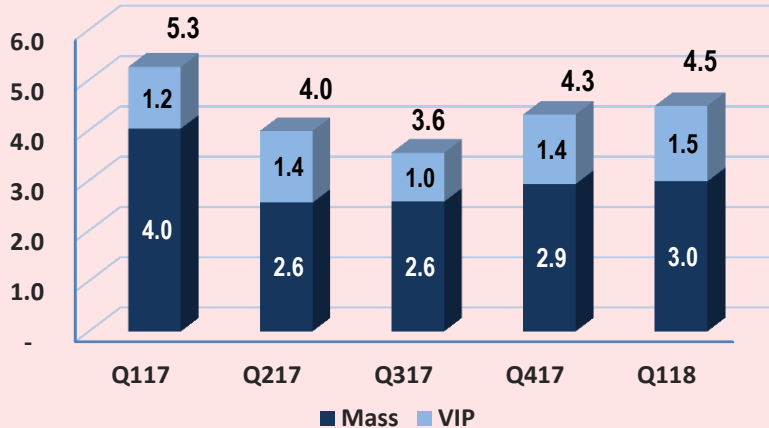
Gross revenues, quarterly (Pbn)



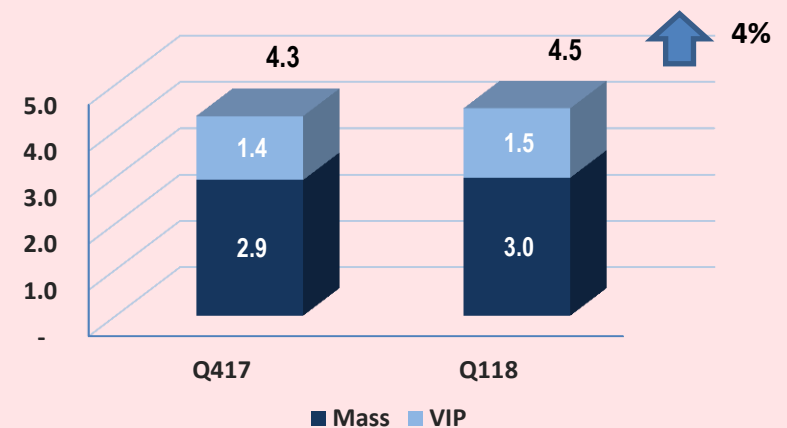
Gross revenues, Q118 vs Q417 (Pbn)



GGR: Mass vs VIP, quarterly (Pbn)



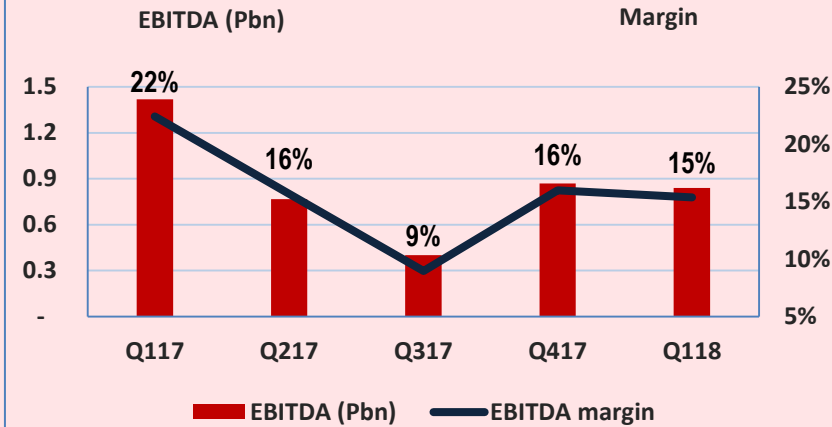
GGR: Mass vs VIP, Q118 vs Q417 (Pbn)



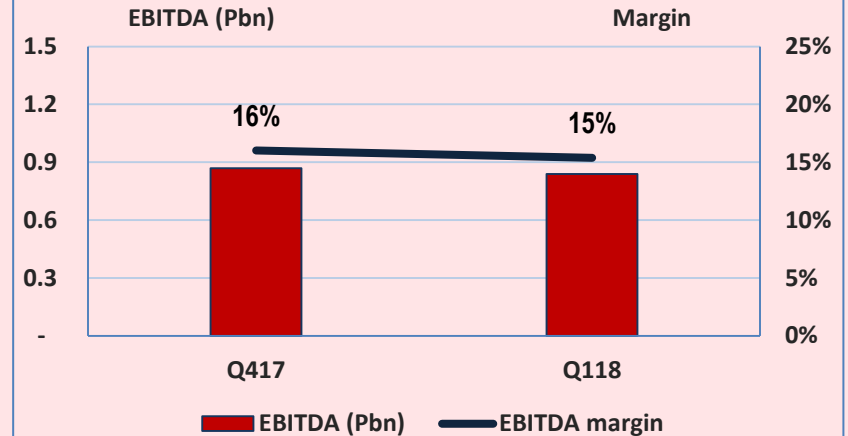


# Sustaining recovery

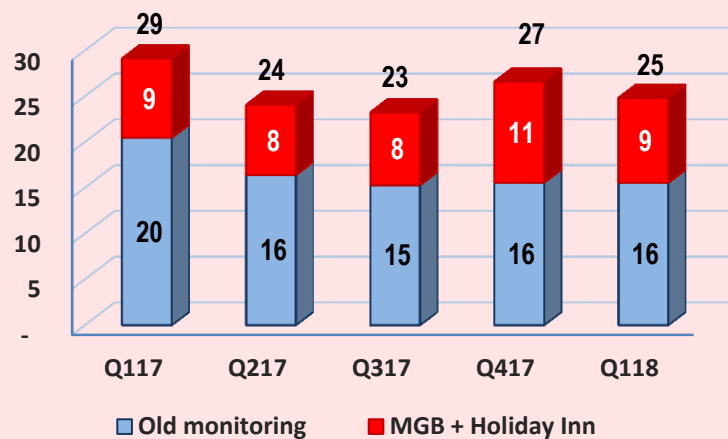
## EBITDA vs margin, quarterly



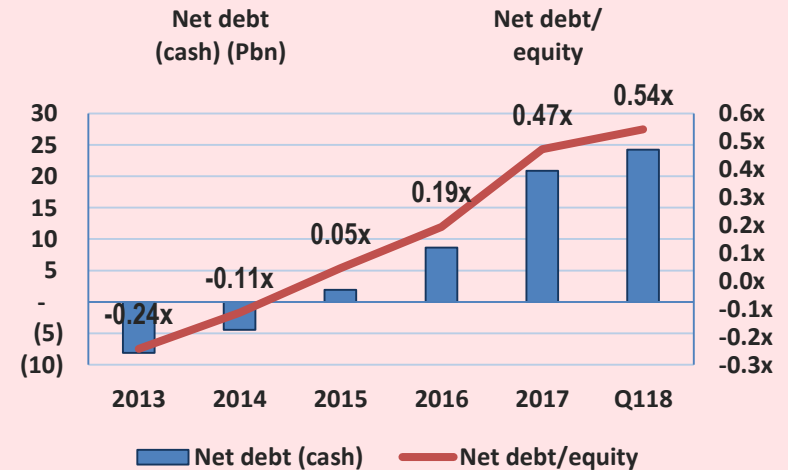
## EBITDA vs margin, Q118 vs Q417



## Number of visitors ('000)



## Gearing



# Key initiatives: Launching Grand Wing

Soft launch: 9 May

ZONE 1 Gaming Area: **3,500** sqm



## Successive launches in 2018



**391** ROOMS



**357** ROOMS



**191** ROOMS



GOLDEN ARCHES DEVELOPMENT CORPORATION



# Golden Arches Development Corporation

## 1Q 2018 performance highlights





# GADC By The Numbers



GOLDEN ARCHES DEVELOPMENT CORPORATION

**6.6%**

SYSTEMWIDE SAME-  
STORE SALES GROWTH  
(Q118)

**P6.6bn**

SALES REVENUES  
(Q118)

**22.6%**

GP MARGIN  
(Q118)

**572**  
STORES

**51%**  
COMPANY  
-OWNED

**49%**  
FRANCHISED

**282** DESSERT CENTERS

**250** STORES WITH DRIVE THRU

**317** MCDELIVERY HUBS



**P17.7bn**

TOTAL RESOURCES  
(FY2017)

**P822m**






EBITDA  
(Q118)



# GADC's 1Q 2018 performance at a glance

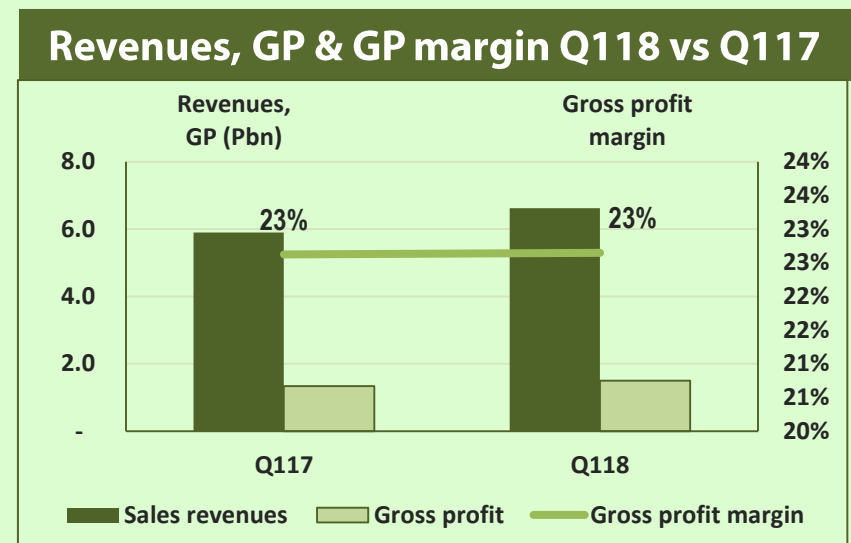
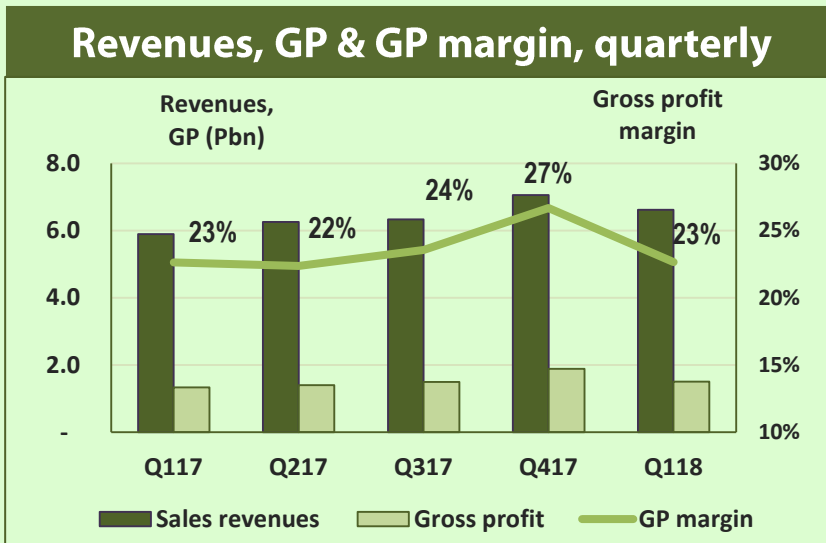
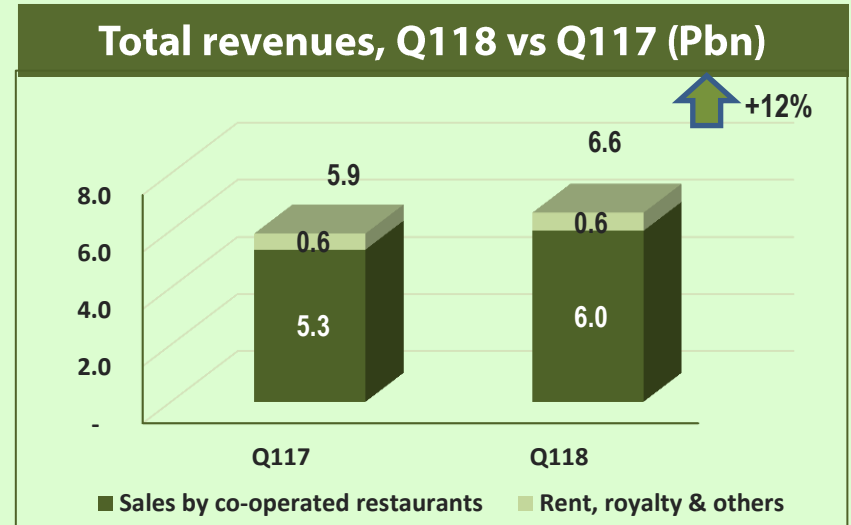
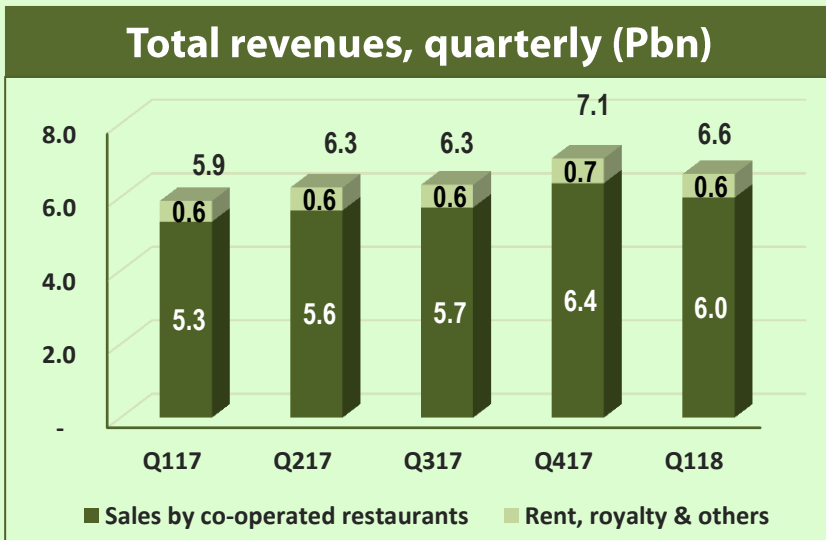


GOLDEN ARCHES DEVELOPMENT CORPORATION

- Sales revenues on healthy growth of 12% to P6.6bn.
  - Sales by company-owned stores +12% to P6.0bn (90% of total).
  - Rent, royalty & others +13% to P633m (10% of total).
- Systemwide same-store sales growth at 6.6% vs 5.3% in 1Q17.
  - Number of stores : 572 (vs 526 in 1Q17).
  - Average sales per store +5% YoY.
- Margin direction  benefitting from economies of scale.
  - GP margin  22.6%.
  - EBITDA margin  12.4% (from 12.8%).
  - EBIT margin  8.2% (from 7.8%).
  - Net profit margin  5.0% (from 4.6%).
- Net income +23% to P329m.
- Improving net cash levels.



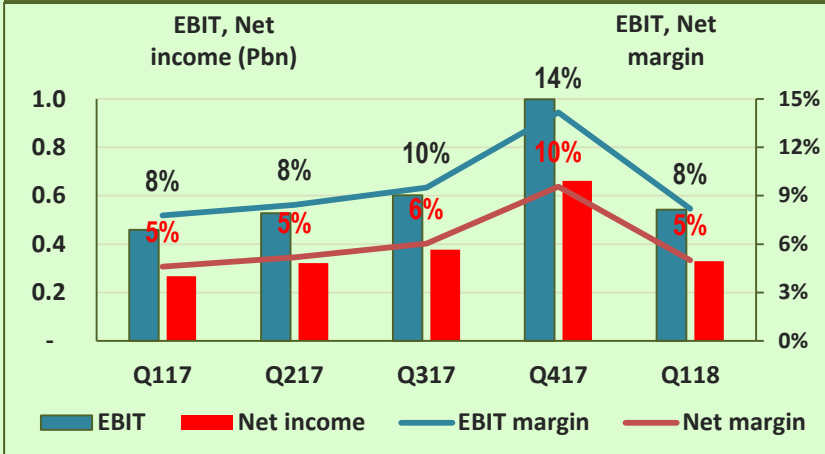
# Sustaining healthy growth path



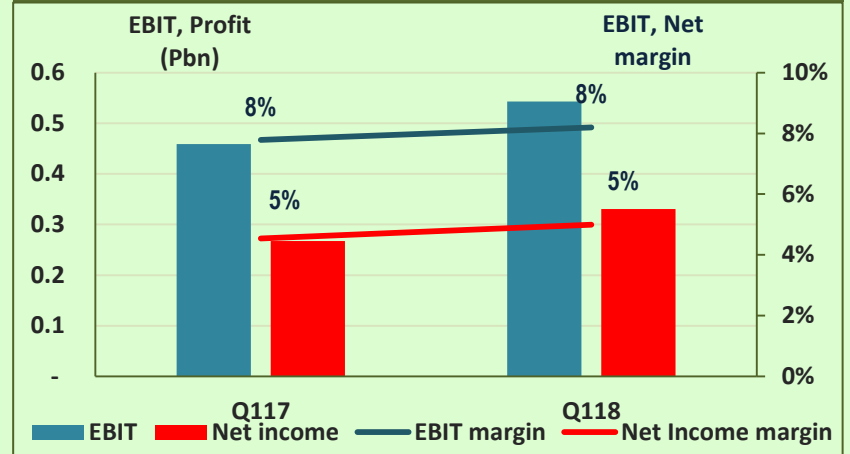


# Benefitting from economies of scale

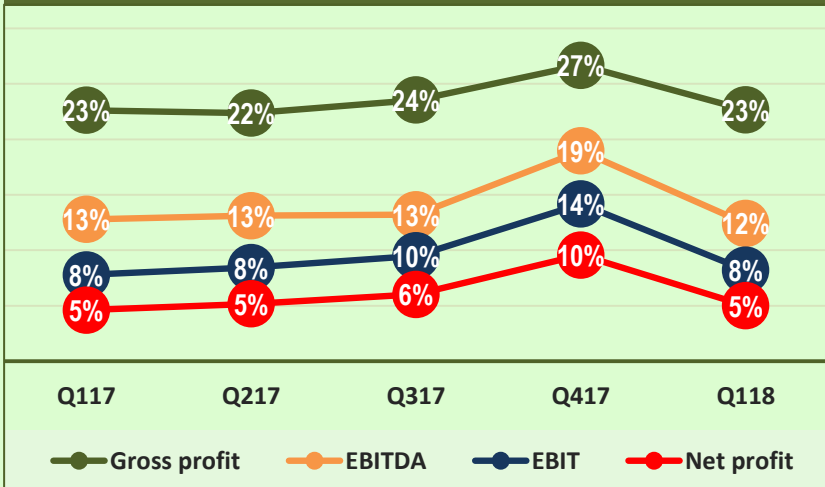
## EBIT, net income & margins, quarterly



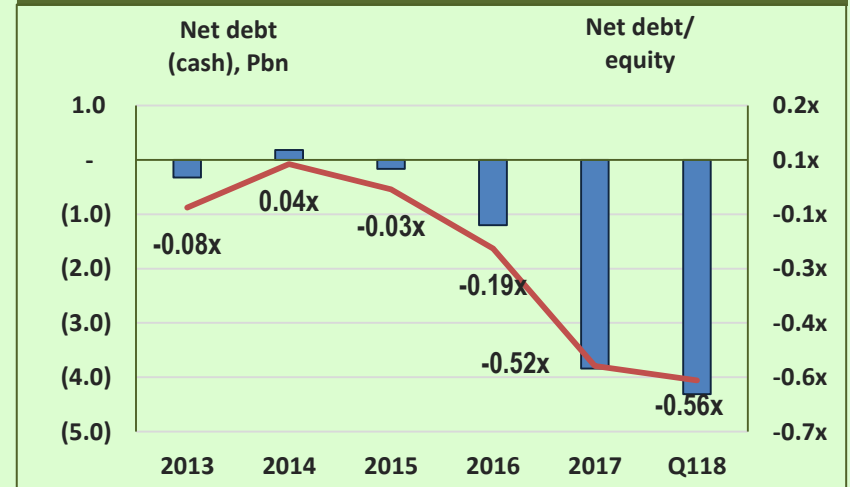
## EBIT, net income & margins, Q118 vs Q117



## Margins



## Gearing

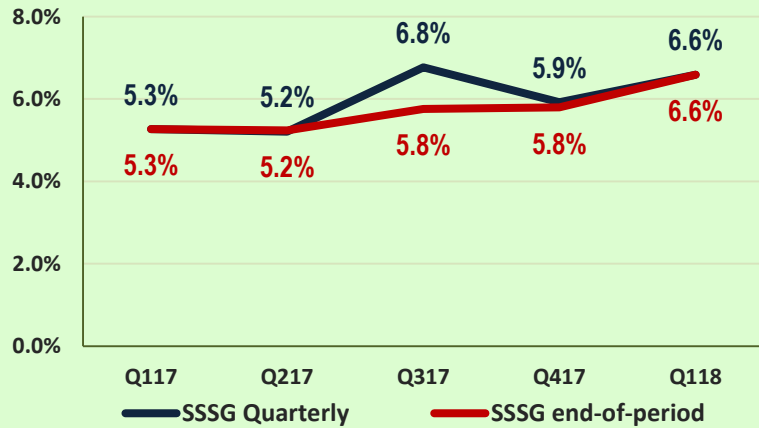


# Pursuing growth via store expansion

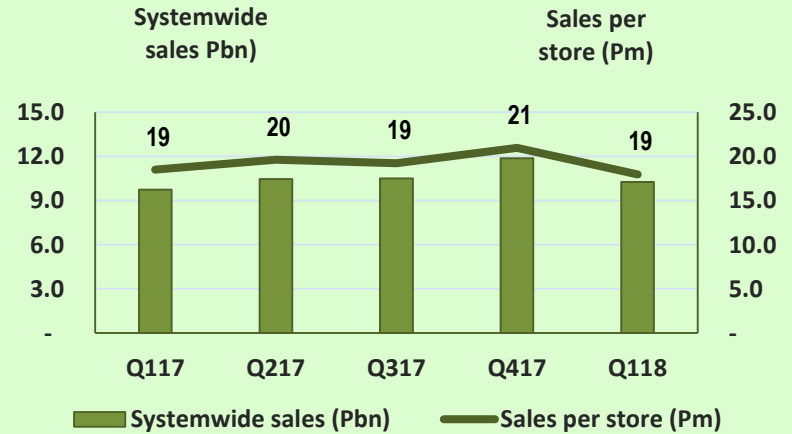


GOLDEN ARCHES DEVELOPMENT CORPORATION

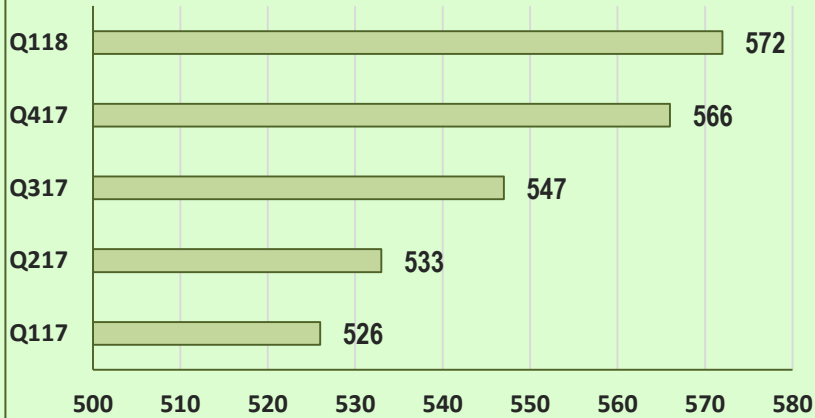
## Systemwide same-store sales growth



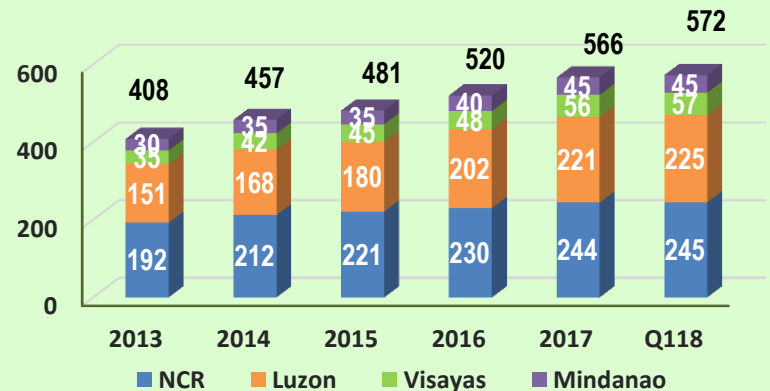
## Average sales per store (Pm)



## Number of stores



## Store geographic distribution (number)





# Key initiative: improving QSR penetration



GOLDEN ARCHES DEVELOPMENT CORPORATION



*Looking to add 40-50 stores each year*





# INFRACORP



# Forays into infrastructure

## INFRACORP

AN ALLIANCE GLOBAL COMPANY



### *Skytrain*

- 1.88 km Monorail Project
- automated Cable-Propelled Monorail to connect MRT 3 Guadalupe Station to Uptown Bonifacio
- awaiting official approval of project on original proponent status

### *NAIA rehab*

- unsolicited proposal on the rehabilitation and expansion of NAIA.



**Thank you.**