



## Presentation to Investors

### March 2019



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# Philippines : strong macroeconomic fundamentals

## Young workforce with rising incomes

|   |                                   |  |
|---|-----------------------------------|--|
| Strong GDP Growth<br><b>6.2%</b>          | Per Capita GDP<br><b>USD3,104</b> | Median Age<br><b>23</b>                        |
| Consumption Driven<br><b>68.5% of GDP</b> | Per Capita GNI<br><b>USD3,720</b> | Population<br><b>105M</b><br><b>+1.6% p.a.</b> |

## Inflation and interest rate environment

- Avg. Inflation rate: **4.1%** (Feb 2019)
- Avg. lending rate: **7.3%** (Jan 2019)

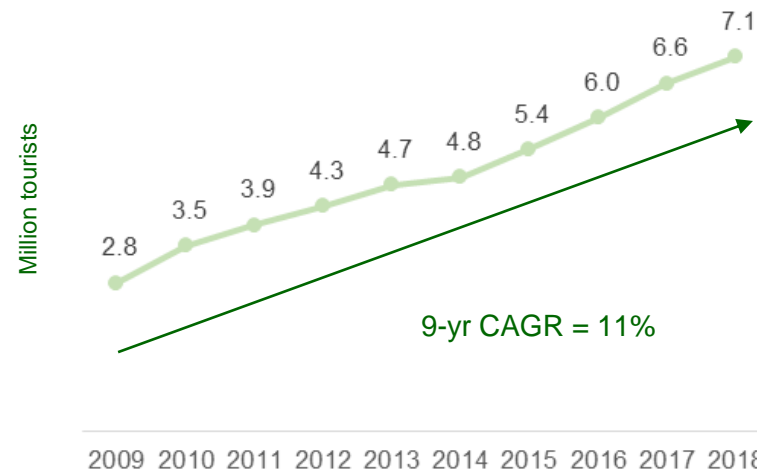
## Healthy fiscal and monetary system

- Debt/GDP: **41.9%**
- CAR: **15.8%**
- NPLs: **1.3%**

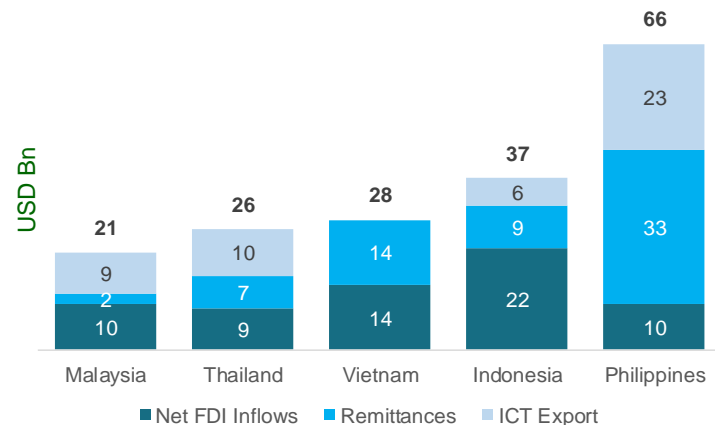
| Current Credit Ratings |              |
|------------------------|--------------|
| S&P                    | BBB Positive |
| Moody's                | Baa2 Stable  |
| Fitch                  | BBB Stable   |

Source: BSP Selected Economic and Financial Indicators  
Release as of March 1, 2019

## Tourist arrivals



## Foreign direct investments



Source: The World Bank, Most Recent Data (2017)

# About Belle Corporation

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**Belle Corporation is a developer of tourism and leisure destinations in the Philippines. It is uniquely positioned to capture the high growth of premium leisure travel in the country.**

## Established developer of premium destinations

- City of Dreams Manila integrated entertainment complex
- Tagaytay Highlands residential and mixed-use mountain resort

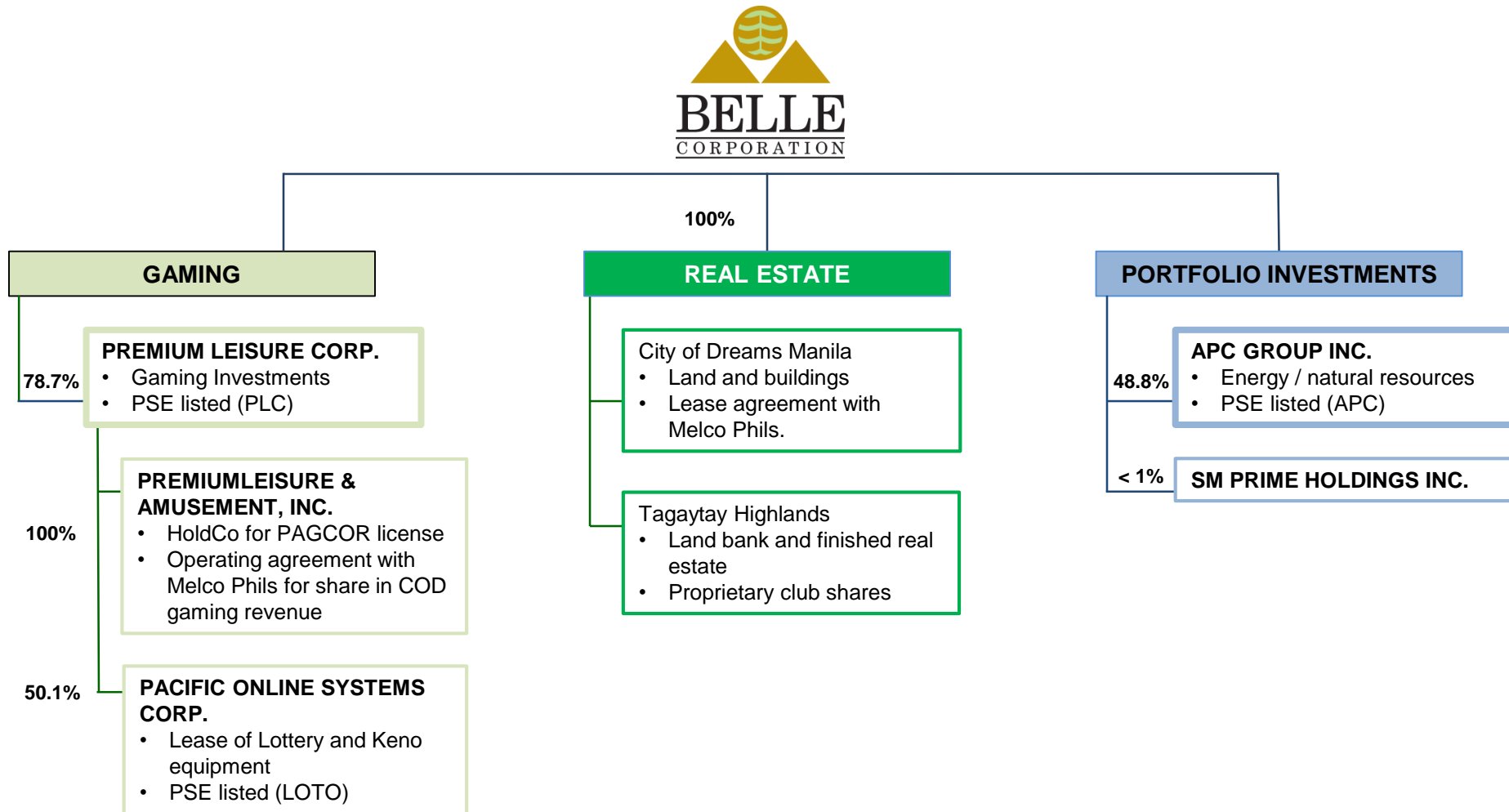
## Unique exposure to the growing Philippine gaming sector

- Guaranteed share of gaming revenue of City of Dreams Manila
- Reliable revenues from Pacific Online, provider of Lottery and Keno equipment to the Philippine Charity Sweepstakes Office

## Well-positioned for emerging tourism sector growth opportunities

- Synergies with the SM group
- Strong balance sheet and access to capital

# Our structure





# Our principal assets

## Tagaytay Highlands



- 25 year history of luxury mountain resort living
- Lake and volcano views for signature golf courses, themed residential communities and first class condominiums
- World class amenities for sports and nature enthusiasts

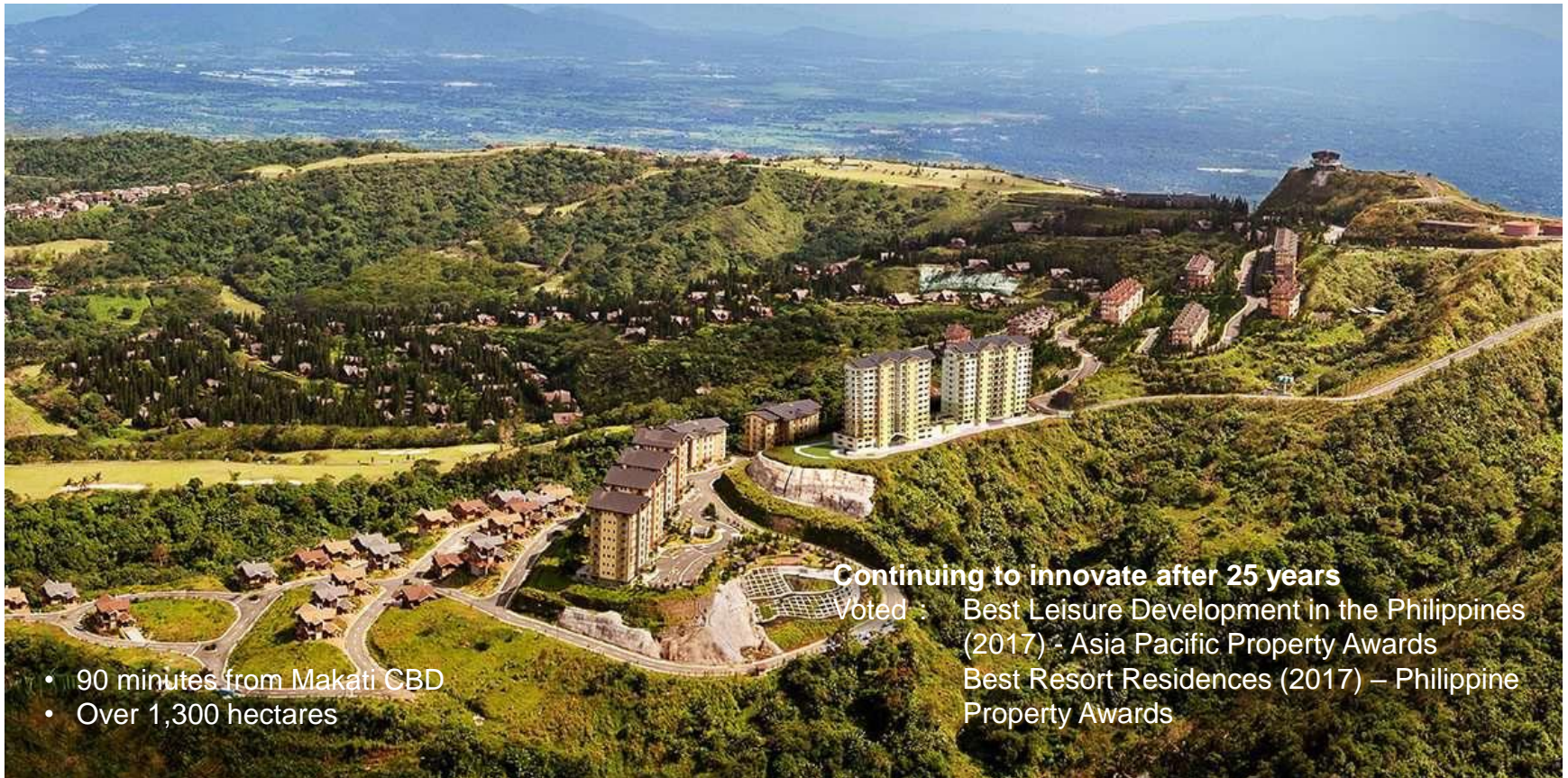
## City of Dreams Manila



- Offers multi-awarded contemporary and lifestyle-focused hotel brands in its NÜWA, Nobu and Hyatt hotels
- Has a unique mix of gaming, entertainment, shopping and family-oriented activities
- Winner of the prestigious Casino / Integrated Resort of the Year at the 8<sup>th</sup> International Gaming Awards (2015)

## Historical success as developer of leisure destinations

Belle has been developing premier lifestyle destinations for 25 years. Belle is best known for Tagaytay Highlands, an estate of exclusive, themed residential communities complemented by two world class golf courses, a selection of restaurants and a range of leisure activities, set amidst the unique views of Taal Lake and surrounding mountains.



- 90 minutes from Makati CBD
- Over 1,300 hectares

### Continuing to innovate after 25 years

Voted : Best Leisure Development in the Philippines (2017) - Asia Pacific Property Awards  
Best Resort Residences (2017) – Philippine Property Awards



# Tagaytay Highlands : defining mountain resort living



**Luxury living:** log cabins, lots, condominiums

**The Highlands** (360 ha). 2,000 – 2,500 ft above sea level. Has 360-degree views, cool climate and proximity to club amenities

**The Midlands** (670 ha). 1,000 – 1,500 ft above sea level. Bird sanctuary with themed enclaves inspired by architecture and culture from different countries

**Greenlands** (260 ha). 400 – 920 ft above sea level. Forest features are maintained as residential communities are developed to preserve the natural habitat of floral and fauna as much as possible



**Amenities:** in keeping with the mountain surroundings

- championship golf courses
- club, spa and lodge
- restaurant venues
- multiple sports venues
- facilities for outdoor activities
- swimming pools



2017 Best Leisure  
Development



2017 Best Residential  
Development  
Resort Category



Biodiversity  
Award



# City of Dreams Manila : multi-awarded integrated resort



**2015 Best Casino  
Integrated Resort**

NUWA



**NOBU  
HOTEL**  
MANILA



**Best Lobby Design  
Global category**



**Best Hotel over 200  
Rooms in Asia Pacific**



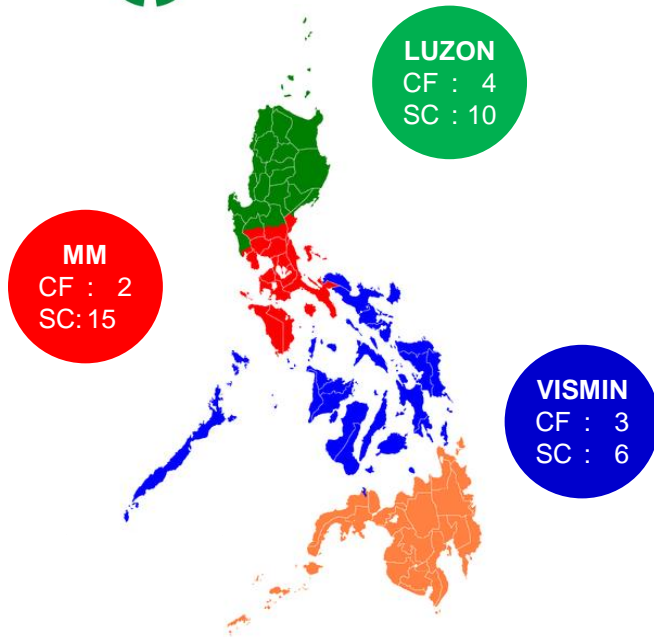
# The Philippine gaming industry

## Regulator : Philippine Amusement & Gaming Corporation (PAGCOR)

- Since 1976, PAGCOR has been overseeing games of chance, particularly casino gambling
- Revenues generated augment the government's budget for socio-civic work and national development programs
- In 2008, the Philippine Congress allowed PAGCOR to grant licenses to operate integrated resorts to private sector companies



### operated casinos

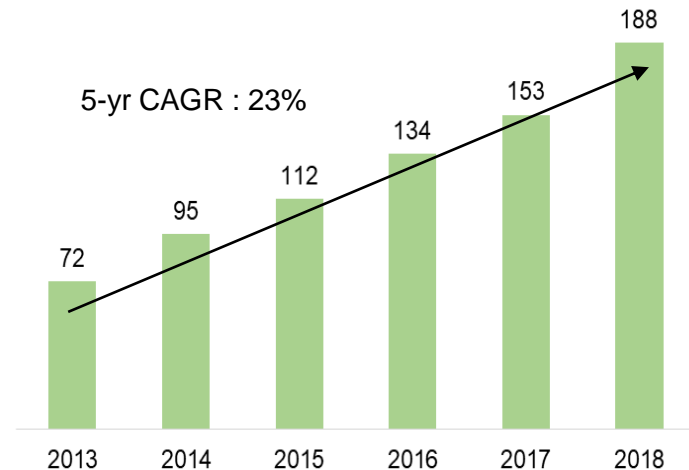


9 Casino Filipino (CF); 31 Satellite casinos (SC)  
Source: PAGCOR

## Rise of integrated resorts

- Since 2008, 5 integrated resort projects have been approved by PAGCOR for development at or near Entertainment City: with 4 already operating:
  - Resorts World Manila (in Newport City; opened 2009)
  - Solaire Resort & Casino (opened 2013)
  - City of Dreams Manila (opened 2014)
  - Okada Manila (opened 2017)
  - Resorts World Westside City (estimated opening in 2021)
- In 2012, Philippine casino gross gaming revenue was just Php56B. In 2018, it reached Php188B\*

## Philippine casino gross gaming revenues (Php B)



\* Figure excludes revenue from electronic gaming.

Source: PAGCOR, Credit Suisse



# Integrated resorts : driving growth

- In 2018, integrated resorts accounted for 75% of casino GGR

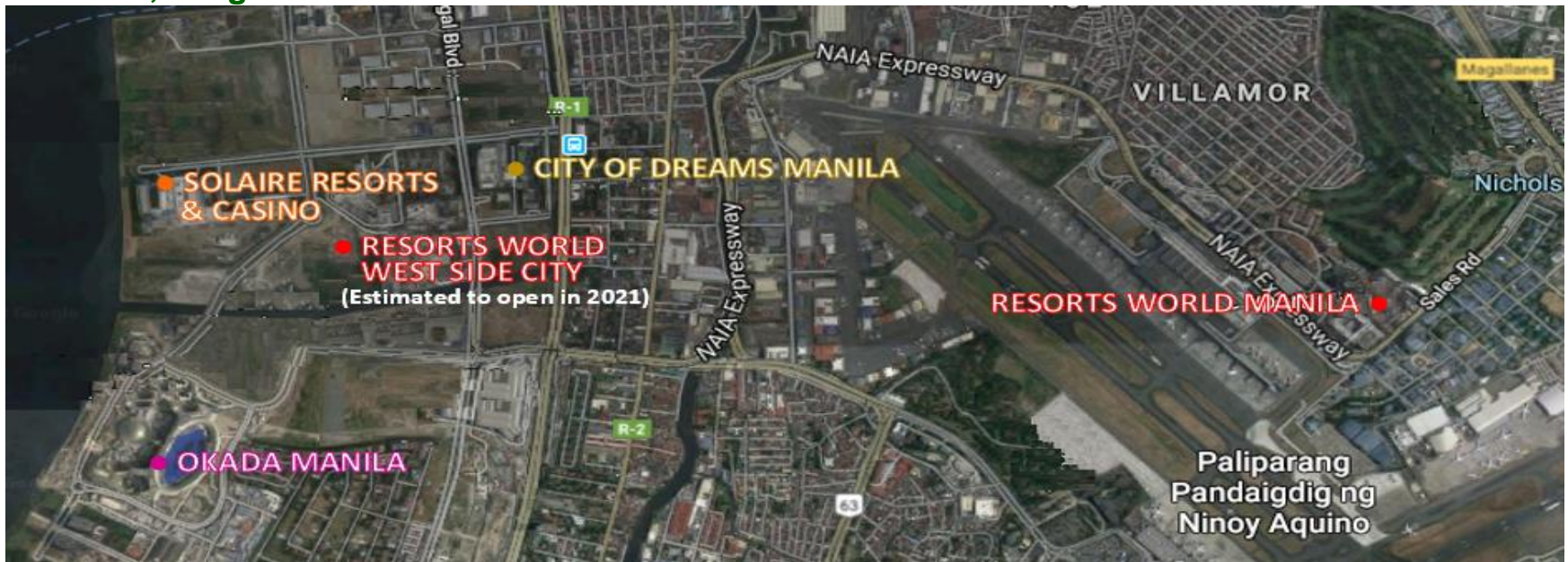
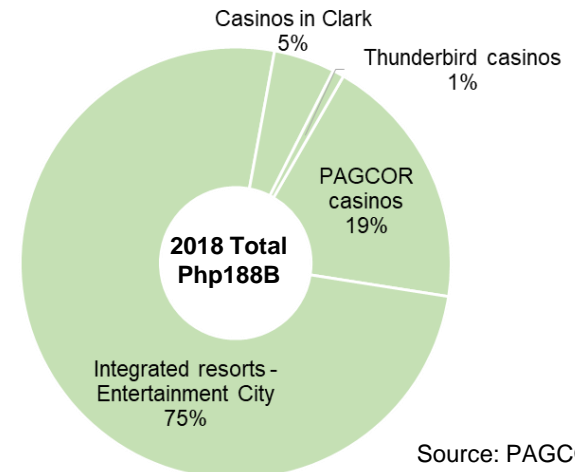


Image from Google maps

| Integrated Resorts           | Year Opened | Hotel Rooms |
|------------------------------|-------------|-------------|
| Resorts World Manila         | 2009        | 1,454       |
| Solaire Resorts & Casino     | 2013        | 800         |
| <b>City of Deams Manila</b>  | <b>2014</b> | <b>946</b>  |
| Okada Manila                 | 2017        | 993 (proj.) |
| Resorts World West Side City | ~ 2021      |             |

Source: Company Information and PAGCOR

## 2018 Philippine casino gaming revenues by category



Source: PAGCOR



# Gaming : a growth opportunity

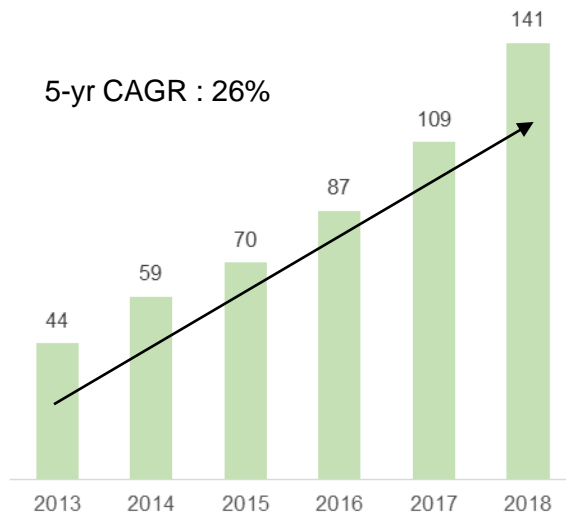
Philippine gaming is on a growth trajectory with integrated resorts leading the way.



## Growth drivers :

- Increasing tourist arrivals
- Easier travel documentary requirements
- VIP experience compared to other regional casinos
- Targeted marketing efforts aimed at local clientele
- Enhanced family-based entertainment propositions

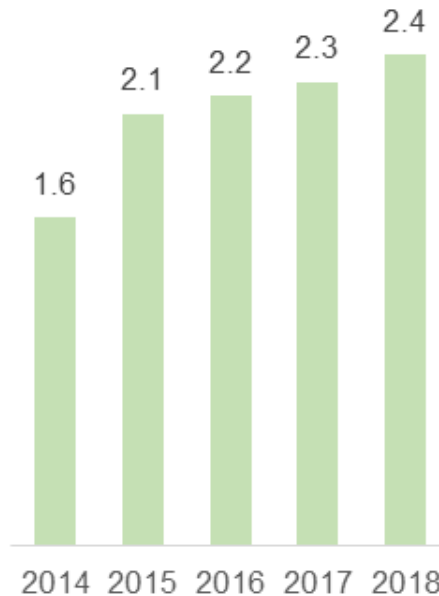
## Integrated resorts GGR (Php B)



Source: PAGCOR, Credit Suisse

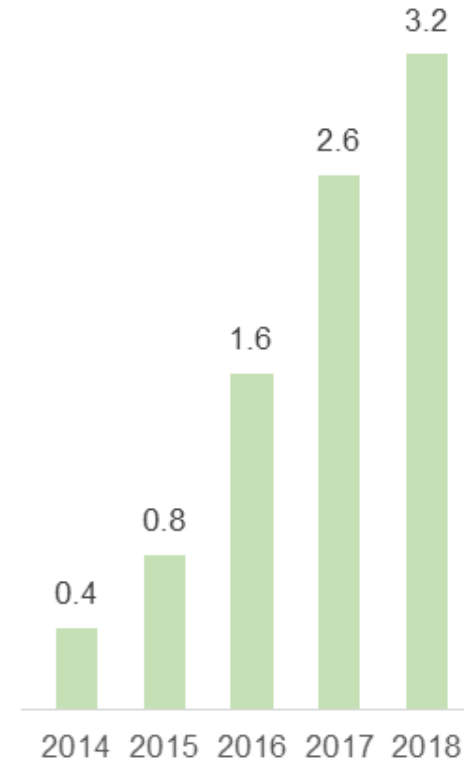
# Belle : unique exposure to gaming sector

City of Dreams lease revenue (Php B)



- **Guaranteed annuity income from lease (land and building)**

Gaming revenue share (Php B)

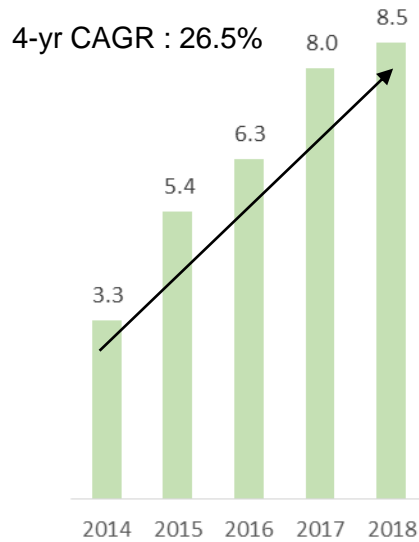


## Through PLC

- **Upside from share in the gaming revenues of City of Dreams Manila**
- **Financially efficient arrangement: zero debt and capital expenditures**

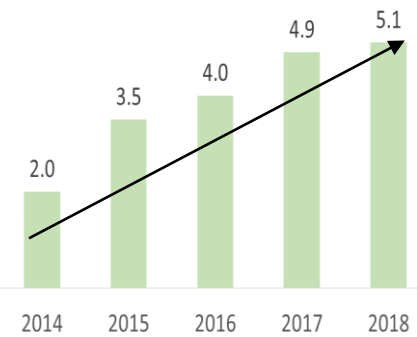
# Track record of delivering shareholder value

## Revenue (Php B)



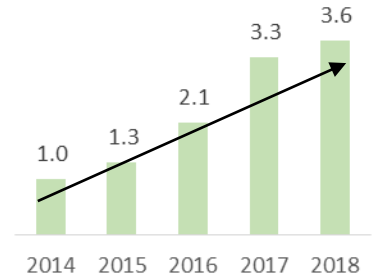
## EBITDA (Php B)

4-yr CAGR : 26.3%



## Recurring Net Income (Php B)

4-yr CAGR : 37.7%





# Financials

Figures in Php m except percentages

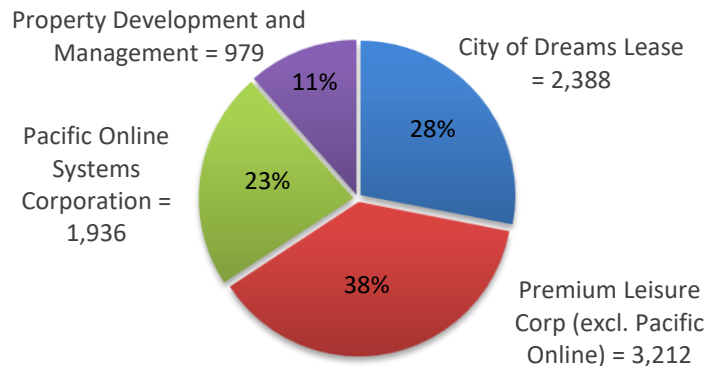
| <b>Consolidated</b>  | <b>FY 2018</b> | <b>FY 2017</b> | <b>FY 2016</b> | <b>FY 2015</b> |
|--|----------------|----------------|----------------|----------------|
| Revenues   | 8,515          | 8,012          | 6,322          | 5,352          |
| EBITDA   | 5,143          | 4,931          | 3,531          | 2,810          |
| EBIT   | 4,558          | 4,549          | 3,167          | 2,379          |
| Net income   | 3,225          | 3,511          | 3,096          | 1,772          |
| Recurring net income   | 3,611          | 3,288          | 2,076          | 1,334          |
| Belle dividend payments:   |                |                |                |                |
| Regular  | 1,267          | 1,003          | 1,003          | 1,003          |
| Special  | -              | -              | -              | 1,900          |
| ROE  | 10.7%          | 12.1%          | 11.7%          | 6.8%           |
| <b>City of Dreams Lease</b>  |                |                |                |                |
| Revenues   | 2,388          | 2,260          | 2,194          | 2,108          |
| EBITDA   | 2,139          | 1,926          | 1,465          | 1,258          |
| <b>Premium Leisure Corp. (excl. Pacific Online and intercompany dividends)</b> |                |                |                |                |
| Revenues   | 3,212          | 2,609          | 1,643          | 756            |
| EBITDA   | 2,454          | 1,893          | 1,187          | 640            |
| <b>Pacific Online Systems Corporation (excl. intercompany dividends)</b>       |                |                |                |                |
| Revenues   | 1,936          | 2,320          | 1,888          | 1,718          |
| EBITDA   | 535            | 879            | 769            | 623            |
| <b>Property Development and Management</b>                                     |                |                |                |                |
| Revenues   | 979            | 823            | 596            | 590            |
| EBITDA   | 301            | 333            | 257            | 235            |

# Financials

## Revenue Mix 2018

(amounts in Millions of Php, except percentages)

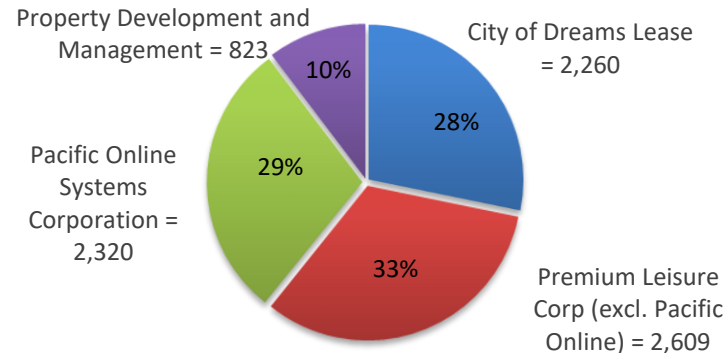
Total = 8,515



## Revenue Mix 2017

(amounts in Millions of Php, except percentages)

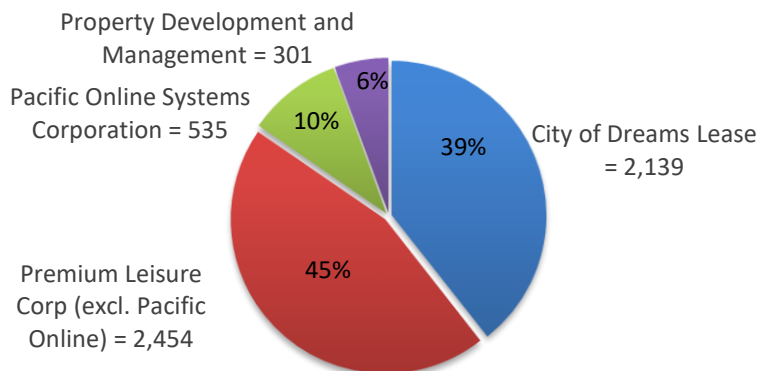
Total = 8,012



## EBITDA Mix 2018

(amounts in Millions of Php, except percentages)

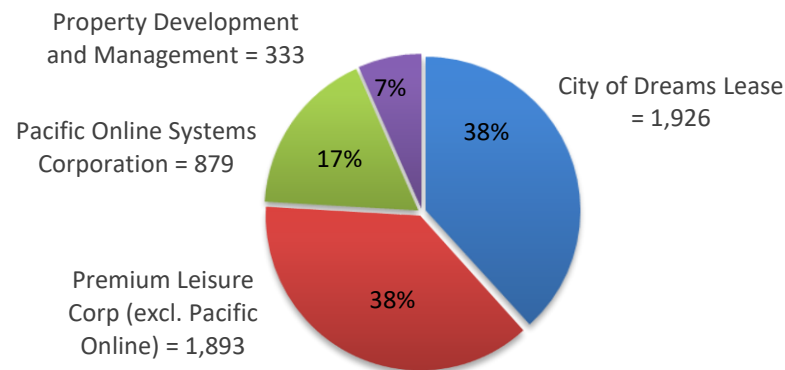
Total = 5,429



## EBITDA Mix 2017

(amounts in Millions of Php, except percentages)

Total = 5,031



## Positioned to build on history of growth

Strong cash flow from operations and predictable dividends enabled by prudent balance sheet management

| Declaration Date                  | Payment Date | Amount     |           | Stock price on Declaration Date (₱ / share) | Dividend Yield |
|-----------------------------------|--------------|------------|-----------|---|----------------|
|                                   |              | ₱ Millions | ₱ / share |   |                |
| 28 Feb 2019<br>(Regular Dividend) | 28 Mar 2019  | 1,172      | 0.12      | 2.58  | 4.65%          |
| 23 Feb 2018<br>(Regular Dividend) | 23 Mar 2018  | 1,267      | 0.12      | 3.66  | 3.28%          |
| 28 Feb 2017<br>(Regular Dividend) | 30 Mar 2017  | 1,003      | 0.095     | 3.42  | 2.78%          |
| 29 Feb 2016<br>(Regular Dividend) | 29 Mar 2016  | 1,003      | 0.095     | 3.08  | 3.08%          |
| 31 Jul 2019<br>(Regular Dividend) | 28 Aug 2015  | 1,003      | 0.095     | 3.70  | 2.57%          |
| 27 Jan 2015<br>(Special Dividend) | 9 Mar 2015   | 1,900      | 0.18      | 4.50  | 4.00%          |



## For more information

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|                                       |  |
|---------------------------------------|--|
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| PSE Ticker                            | BEL  |
| Bloomberg Ticker                      | BEL:PM   |
| Reuters Ticker                        | BEL:PS   |

### Disclaimer

Except for historical financial and operating data and other information in respect of historical matters, the statement contained herein are “forward-looking statements”. Any such forward-looking statement is not guarantee of future performance and involves a number of known and unknown risks, uncertainties, and other factors that could cause the actual performance, financial condition or results of operation of Belle Corporation and its subsidiaries to be materially different from any future performance, financial condition or results of operation implied by such forward-looking statement.