

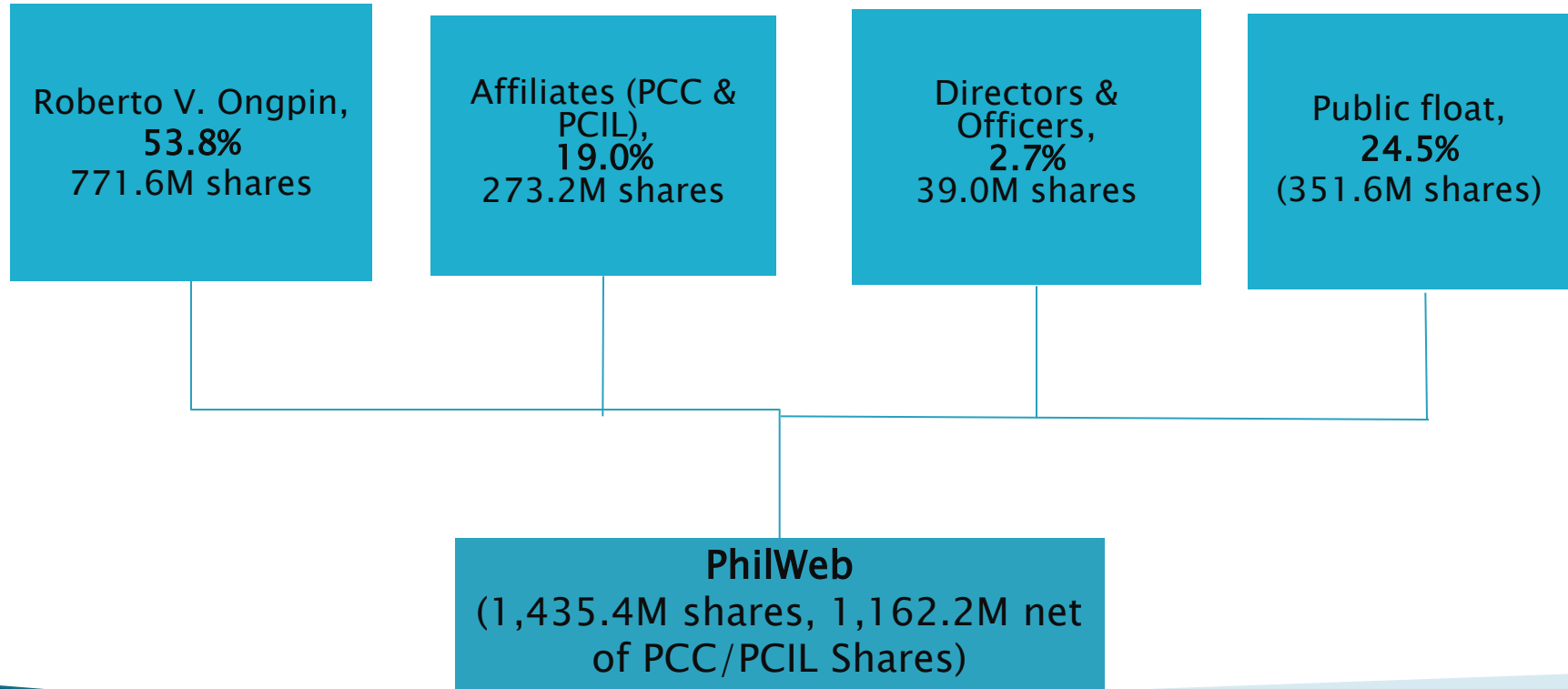
# PhilWeb Corporation

Company presentation

September 2016

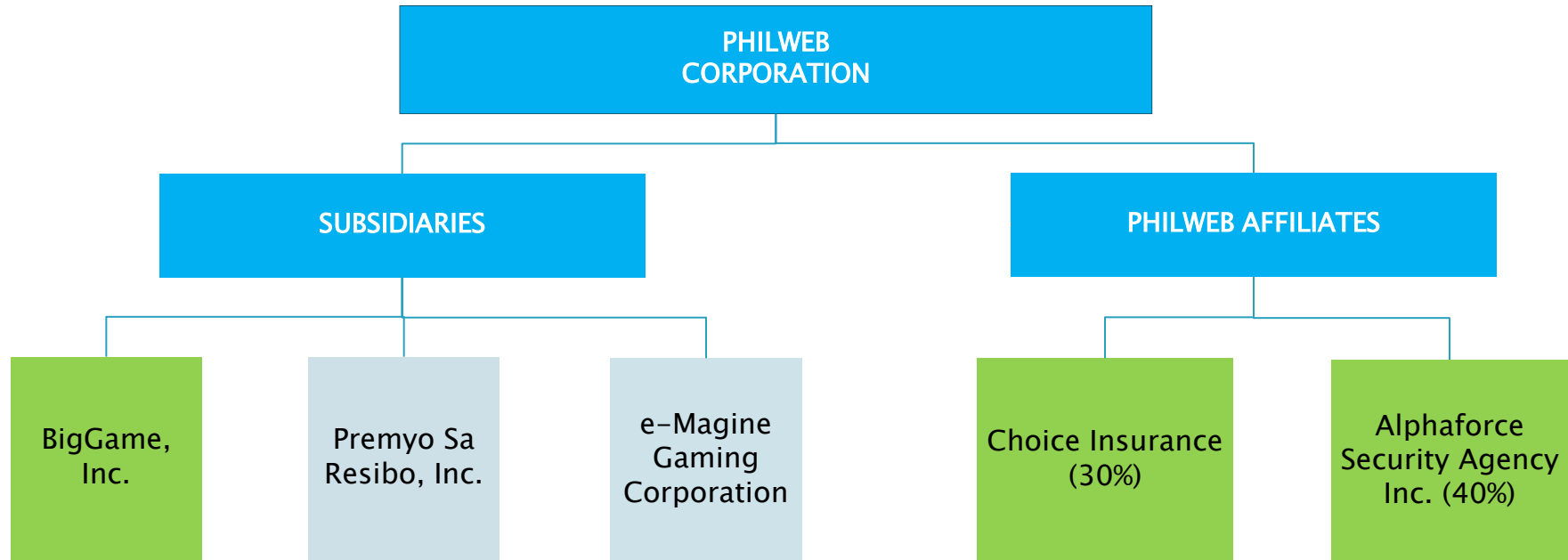


# PhilWeb Shareholding Structure\*



\*As of Aug 11, 2016

# Corporate Structure



- PhilWeb – Parent Company and the holder of IPLMA Contract with PAGCOR
- BGI – one of the eGames Operator. It currently operates 21 sites
- Premyo Sa Resibo – currently non-operating. It owns mobile lotto software
- eMagine – Manufacturer and trader of gaming machines
- Choice Insurance and Alphaforce – small companies, contributes minimal income to PhilWeb.

# PhilWeb at a glance

- ▶ Leading gaming technology and services provider in Philippines
- ▶ The core business of PhilWeb is the operation of PAGCOR e-Games cafés (“PeGS”)
- ▶ Operates PAGCOR’s network of over 280 e-Games casinos
- ▶ Selected by Forbes Asia magazine as one of its 200 Best Under a Billion companies for five consecutive years up to 2012

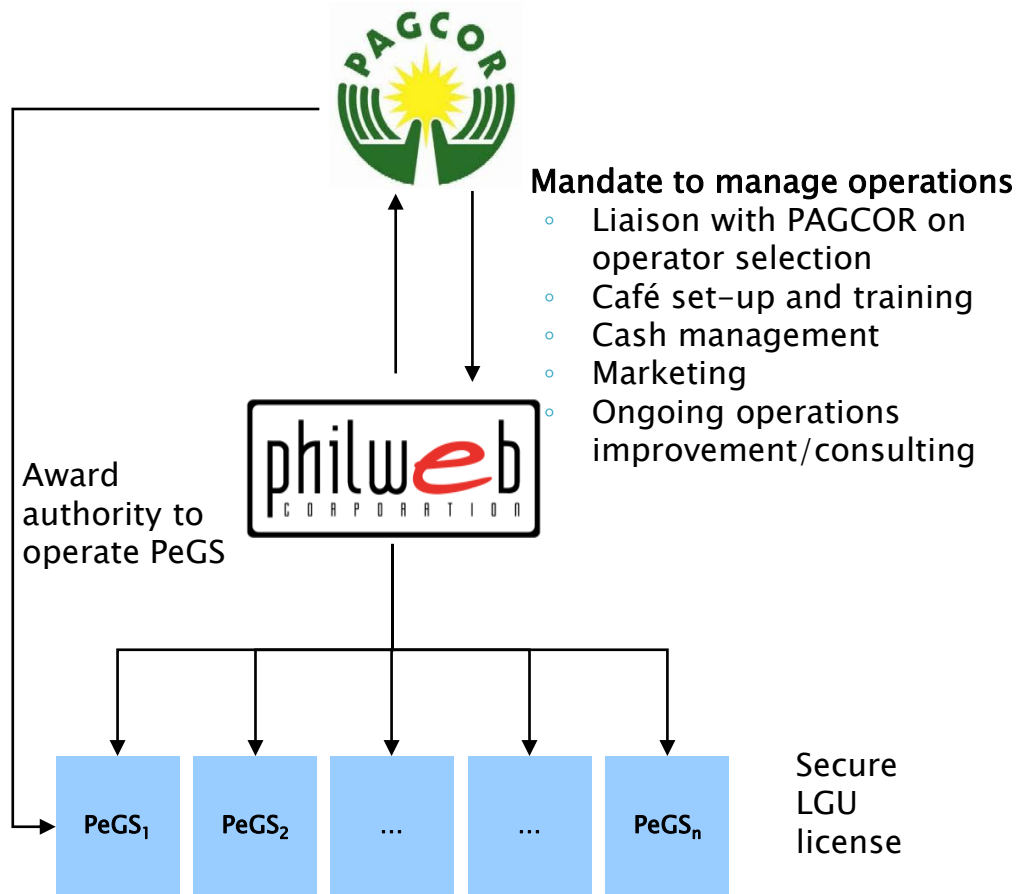
## Key financials

<i>Php in millions</i>	2011 FY	2012 FY	2013 FY	2014 FY	2015FY
Revenues	1,165	1,484	1,494	1,640	1,668
EBITDA	781	967	986	1,176	1,201
Net Income	914	1,096	203	904	870
EBITDA per Share*	0.67	0.83	0.85	1.01	1.03
EV/EBITDA**	8.8X	7.1X	6.9X	5.8X	5.7X

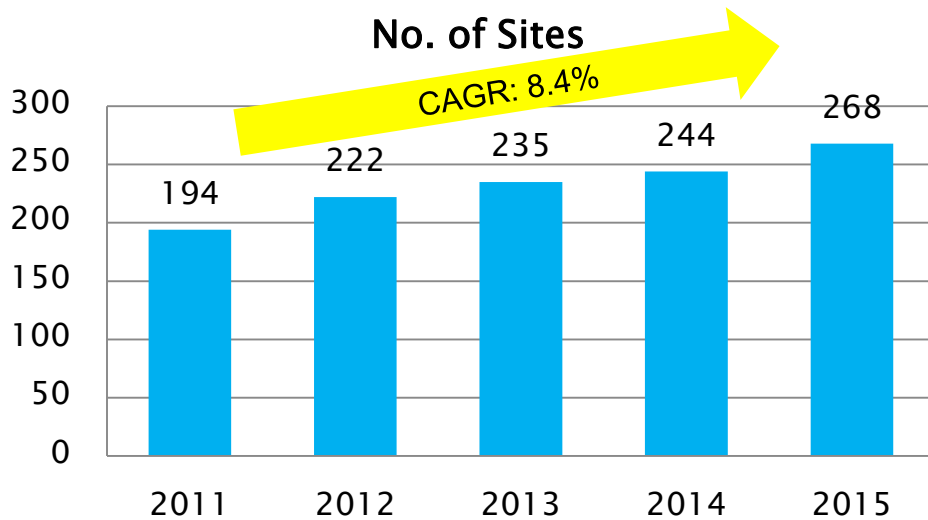
\* Based on net outstanding shares of 1,162.2M as of Aug 11, 2016

\*\* @ market price of P5.90 per share (Sept 1, 2016)

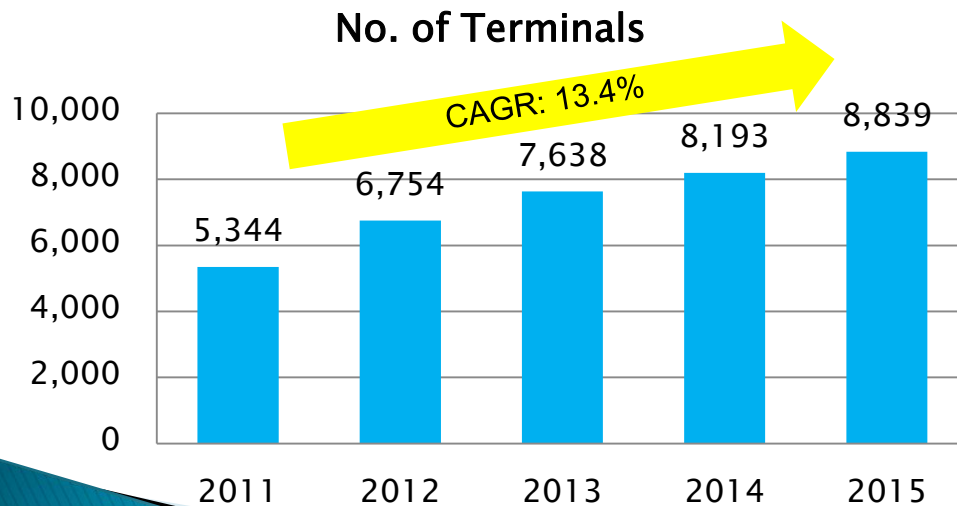
# Business model



# Philippine e-Games Cafés Growth

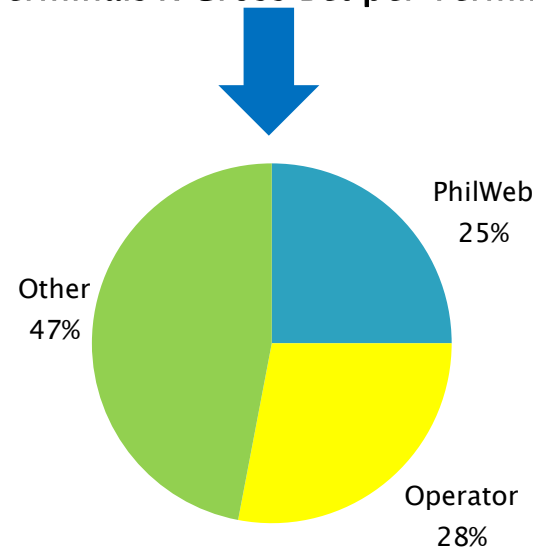


- ▶ PhilWeb operates 286 e-Games cafés with 9,124 terminals as of August 10, 2016
- ▶ PeGS requires \$40,000 start-up capital
  - PeGS third-party operator pays for CAPEX and secures local business permit from mayor
  - Payback period for operator is around 18 months
  - PhilWeb invests only in its IT infrastructure to expand capacity when needed



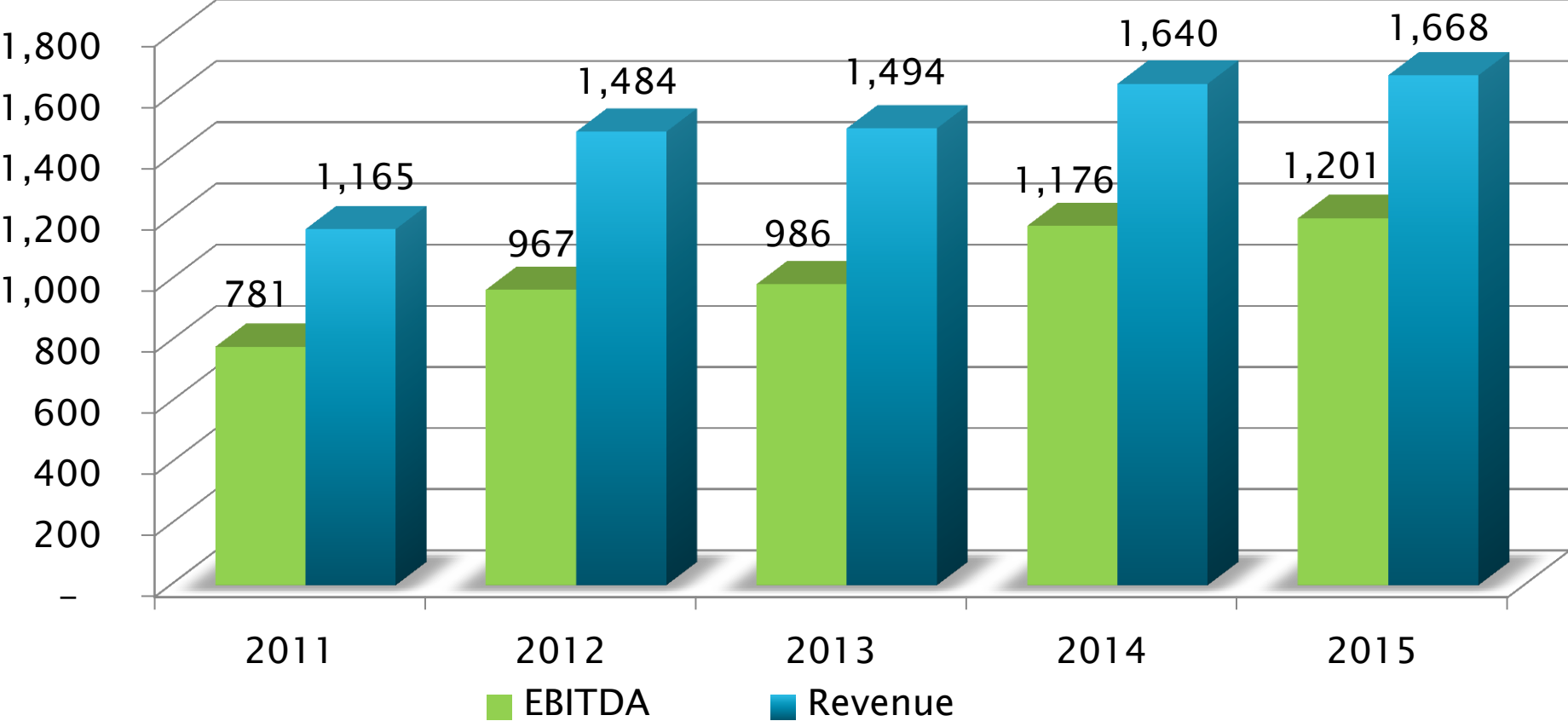
- ▶ PeGS Casino Win Formula:  

$$\text{No. of Terminals} \times \text{Gross Bet per Terminal} \times \text{Casino Win Rate}$$



Where PhilWeb is the operator of the PeGS, revenue of PhilWeb would include the operator portion.

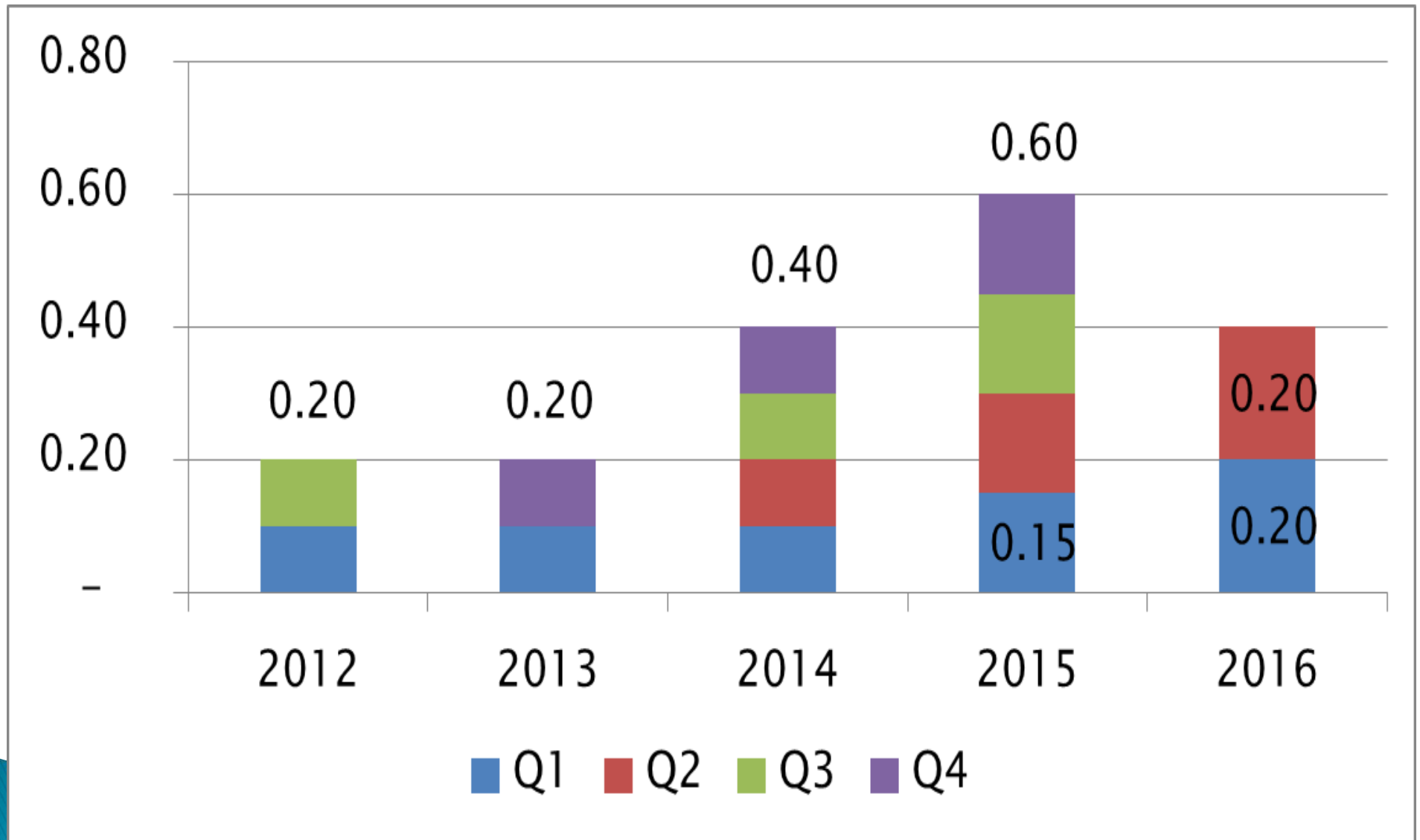
# Financial track record



**EBITDA CAGR** 11.4%

**Revenue CAGR** 9.4%

# Cash Dividends Paid



# Balance Sheet (Php Millions)

	<u>Dec 31, 2015</u>	<u>June 30, 2016</u>
	<i>Audited</i>	<i>Un-audited</i>
<b>Assets</b>		
Current assets	737.5	588.5
Non-current assets	842.6	686.0
<b>Total</b>	<b>1,580.2</b>	<b>1,274.5</b>
<b>Liabilities &amp; Equity</b>		
Accounts payable	410.8	425.0
Notes payable	200.0	82.5
Noncurrent liabilities	71.9	78.9
Equity	897.4	688.0
<b>Total</b>	<b>1,580.2</b>	<b>1,274.5</b>

# Income Statement (Php Millions)

	<u>H1 2015</u>	<u>H1 2016</u>
Revenue	797.2	850.0
Operating expenses	302.0	576.5
<b>Operating income</b>	<b>495.2</b>	<b>273.5</b>
Other income (charges)	(6.5)	1.2
<b>Income before income tax</b>	<b>488.7</b>	<b>274.6</b>
Income tax expense	77.2	39.6
<b>Net income</b>	<b>411.4</b>	<b>235.0</b>
<b>EBITDA</b>	<b>565.6</b>	<b>588.3</b>

*\*2016 includes provision for losses due to temporary suspension of eGames operations*

**END**