



## PRESS RELEASE

### **MacroAsia Corporation 2Q 2023 Revenues at ₱1.92 billion, A Record High 1H 2023 Net Income At P382.2 million, Up 667% From Last Year**

MacroAsia Corporation recorded a consolidated net income after tax of ₱382.2 million for the first half of 2023, a 667% growth from the consolidated net income after tax of ₱49.8 million reported during the same period in 2022.

The growth is driven by a strong topline of ₱3.71 billion, as historic 2Q revenues are recorded at ₱1.92 billion, on top of the 1Q revenues of ₱1.80 billion. Food services accounted for 51% of the 2Q revenues while ground-handling contributed 40%. ₱413 million or 22% of the 2Q revenues are not related to aviation activities, as the Group diversified its revenue portfolio during the pandemic period.

The 2<sup>nd</sup> quarter of 2023 net income grew by ₱84.3 million compared to the same period in 2022, due to business volume growth in almost all the operating subsidiaries.

For the first half in 2023, revenues from inflight and other catering posted a substantial 143% increase, from ₱775.52 million in 2022 to ₱1,881.14 million. The improvement is driven by the 98% volume growth in meal sales, from 5.62 million in 1H2022 to 11.11 million this 1H2023. 2Q2023 meal volume totaled 5.65 million, an increase of 65% and 4% compared to 2Q2022 and 1Q2023, respectively. Beyond the airport and planes, MacroAsia-made food products are also available to consumers in various client establishments like banks, schools, QSRs, warehouses and the like.

Ground-handling and aviation services had revenues at ₱1,485.10 million in 2023 compared to ₱776.57 million in 2022. This is an increase of ₱708.52 million (91%), attributable mainly to flight volume growth in the airports and new client acquisitions. Flights handled increased by a total of 32,013 flights (57%), from 56,455 in 2022 to 88,468 in the current year. 2Q2023 flights handled totaled 44,412 which is 34% and 1% higher than 2Q2022 and 1Q2023, respectively.

The aviation training school recorded revenues of ₱38.48 million in 1H2023 which is ₱19.17 million or 99% higher than 1H2022 revenue of ₱19.31 million. However, due to delays in training activities due to various aircraft issues in the early part of the year, the school still reported losses amounting to ₱18.66 million for 1H2023, which is ₱11.75 million better than the ₱30.40 million net loss in 1H2022.

Revenues from the water segment increased from ₱229.70 million to ₱286.42 million, a 25% increase compared to 2022. Commercial water sales in Boracay Island grew, and new accounts continued to boost billed volumes in other areas such as Cavite and Nueva Vizcaya.

Share in net income of associates amounted to ₱135.90 million in 1H2023, a decrease of ₱33.28 million compared to 1H2022. This represents MAC's share in the net operating result of its associated companies (Lufthansa Technik Philippines, Japan Airport Services Co., and Cebu Pacific Catering Services). Lufthansa Technik Philippines' maintenance, repair and overhaul (MRO) business is temporarily impacted by the closure of one of its hangar for modification to handle additional A380 business, compounded by the loss of specialist mechanics who sought employment abroad. The capacity constraint for LTP is expected to be addressed towards the latter part of this year, as the hangar upgrading is seen to be completed. The groundhandling business of JASCO in Narita has been recovering slowly, as the China travel market which is a staple for Japan tourism has not completely opened up. Cebu Pacific Catering Services, the lone inflight caterer in Cebu resumed its catering operations only in March 2023 as travel volumes in Mactan, Cebu started to return.

With the trendline of continuing topline growth, MAC foresees a stronger performance in the coming months, notwithstanding the headwinds faced, particularly on the inflationary pressures on costs and the competition for skilled manpower on a global scale.