

April 2024

PSE SPOTLIGHT

FEATURING:

Alliance Global Group, Inc.



Alliance Global Group, Inc. is one of the Philippines' largest conglomerates, consistently challenging the limits of innovation in its diverse businesses spanning real estate, spirits, gaming and entertainment, and quick service restaurants. It provides superior products and services to its customers locally and worldwide.

Stock Code	AGI
Listing Board	Main Board
Sector – Subsector	Holding Firms
Listing Date	Apr 19, 1999
Outstanding Shares	8,974,502,679
Free Float Level	30.14%
Market Capitalization	P87,142,421,013
P/E Ratio	5.09x
Dividend Yield	1.56%

As of 19 April 2024
Source: PSE Data

[Company Profile](#)

1. What makes AGI an attractive investment for potential investors?

Alliance Global Group Inc. (AGI) is one the largest conglomerates in the Philippines with a diversified portfolio spanning real estate, tourism and entertainment, and consumer sectors. The AGI subsidiaries – which include Megaworld Corporation (MEG), Emperador Inc., Travellers International Hotel Group Inc., and Golden Arches Development Corporation – push the boundaries of innovation in providing the market with high-quality goods and services. Through AGI, investors are presented with a very attractive opportunity to invest in these market leaders that offer potential for long-term growth, backed by its robust financial performance and commitment to sustainability.

2. What challenges have AGI encountered, and what strategies were employed to overcome them effectively?

AGI is a veteran of a number of crises over its four decades of existence, including the Asian financial crisis in 1997 and the global financial crisis in 2007-2008. These crises proved the company's mettle in dealing with financial adversities, which made AGI more conscious of exercising financial prudence even as it executed the group's expansion projects. The latest of these adversities is the global health crisis in 2020-2022 which continues to have some ripple effects in the global economy. During this period, AGI, backed by its strong financial position, accelerated its digital transformation initiatives and implemented cost-saving measures to support its business and maintain its profitability, while adapting to health and safety protocols. By 2023, AGI has exceeded its pre-pandemic levels with record consolidated revenues and profit.

Part of the challenges AGI faces as a Group is the Philippines regulatory landscape which could have a significant impact on its operations. To address these challenges, the Group is actively engaging with government authorities to ensure compliance while also advocating for policies that support its business interests.

Meanwhile, in the face of market competition, AGI has strengthened its offerings through innovation, quality enhancements, and strategic partnerships to maintain its market position and sustain growth. It also monitors market trends closely and adjusts its strategies and product offerings to meet evolving customer demands. By constantly adapting to changing market conditions and using its strengths, AGI is effectively conquering challenges while continuing to deliver value to its shareholders.

3. **What sustainability initiatives does AGI have in place? How do they align with your long-term goals?**

AGI has implemented several sustainability initiatives across its business segments aimed at reducing its impact on the environment, while promoting social responsibility and ensuring long-term business sustainability. Some of these initiatives include programs focused on energy efficiency, waste management, community development, and partnerships with NGOs on environmental conservation and social welfare.

For MEG, the sustainability initiatives are the MEGreen which includes the Decarbonize transition to renewable energy, Offset ADAPT-A-FOREST, and Road to Zero Sustainable Townships. MEG incorporates green building principles and obtains certifications such as Leadership in Energy and Environmental Design (LEED) aiming to reduce environmental impact, enhance energy efficiency, and create healthier and more livable spaces for occupants. For GADC, there is the GREEN and GOOD INITIATIVES which promotes green building solutions, packaging and waste disposals, utility efficient solutions, and sustainable active mobility. GADC also has the Ronald McDonald House Charities that support the children's needs for education, shelter and happiness. EMI has CSR and Sustainability Programs aimed at managing risks and negative socio-environmental impacts of its manufacturing plants. For Travellers International, its Newport World Resorts is taking bolder steps in its property-wide IloveEarth sustainability program, including the launch by Marriott Hotel Manila of a technology-controlled onsite farm, which produces high-value veggies for use in its restaurants.

Furthermore, AGI is dedicated to supporting the communities where it operates through various social responsibility programs. These initiatives include educational scholarships, healthcare assistance, livelihood programs, and disaster relief efforts. AGI also prioritizes employee welfare and development through training programs, health and wellness initiatives, and diversity and inclusion policies.

AGI's sustainability initiatives align with its long-term goals by enhancing brand reputation, fostering stakeholder trust, mitigating risks associated with environmental and social issues, and creating value for shareholders. By integrating sustainability into its business practices, AGI continuously contributes positive impact to society while securing its competitiveness and resilience in the face of evolving market forces and regulatory requirements.

4. **What digital transformation initiatives has the company taken or are currently undertaking? Can you describe how these will be able to contribute to your business and overall competitiveness?**

AGI has been actively pursuing digital transformation initiatives across its various business segments to enhance operational efficiency, improve customer experience, and drive innovation. These initiatives include implementing digital technologies such as data analytics, artificial intelligence, and automation in areas such as real estate development, hospitality, food and beverage, gaming, and infrastructure.

In February 2023, MEG, along with partner De La Salle University, inaugurated the Dr. Andrew L. Tan Data Science Institute in McKinley Hill, Taguig City.

In July 2023, MEG opened its Township Analytics and Technology (TAT) Lab, the Philippines' first-ever data science lab for a real estate company, as part of its commitment to building next-generation safer, more secure, and future-ready. TAT Lab spearheads data- and AI-driven initiatives benefiting residents, locators, and visitors of MEG townships including an advanced Accident Detection Program.

AGI, through GADC, initiated the NXTGEN McDonald's Stores, a global innovation that offers self-ordering kiosks that provide a fast, convenient and seamless experience to its customers.

Travellers International introduced the Newport World Casino Online where its customers can experience play on the go, mobile friendly, win real money, and play real slot machines.

By digitizing processes, AGI aims to streamline operations, reduce costs, and accelerate decision-making. Additionally, digital tools enable AGI to better understand customer preferences, personalize offerings, and deliver seamless experiences among various channels. These digital transformation efforts empower AGI to stay ahead of market trends, respond to changing customer demands more effectively, and maintain a competitive edge in an increasingly digital landscape.

5. What are the key performance indicators (KPIs) that your company utilizes to measure its performance and track progress towards achieving its targets?

AGI maintains a strong market position in its key sectors, including real estate, tourism and entertainment, spirits, and quick-service restaurants. AGI's market leadership is reinforced by its diversified portfolio, iconic brands, and strategic investments, effective management, and commitment to sustainability. To further solidify its competitive edge, AGI pursues key initiatives such as continuous innovation in product offerings and services, strategic partnerships with industry leaders, expansion into emerging markets, and leveraging digital technologies to enhance operational efficiency and customer experience. Additionally, AGI focuses on enhancing brand recognition, strengthening customer engagement, and investing in talent development to sustain its market leadership and capture new growth opportunities.

PSE Spotlight is a short feature about listed companies that are part of PSE STAR Investor Day. The report, which offers a quick overview of a company, includes a description of its business, stock information, as well as answers to five interview questions provided by the company's management team. The interview questions typically revolve around the company's value proposition, business operations and landscape, challenges and opportunities, and strategic initiatives.

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