

Analyst Briefing

First Quarter 2015 Financial Results



**CONQUERING CHALLENGES** 



## **Consolidated Income Statement Highlights**

#### (In Php Billions)

	1Q15	1Q14	Inc/ (Dec)	% Change
REVENUES				
Banking	6.30	6.39	(0.09)	(1%)
Beverage	3.21	3.01	0.20	7%
Distilled Spirits	2.98	2.95	0.03	1%
Property Development	0.64	0.54	0.10	19%
Tobacco	0.00	0.00	-	
Total Revenues	13.13	12.89	0.24	2%
Cost of Sales	6.17	6.10	0.07	1%
Gross Income	6.96	6.79	0.17	3%
Equity Income	0.51	0.48	0.03	6%
	7.47	7.27	0.20	3%
Operating Expenses	6.17	5.94	0.23	4%
Other Income/(Charges)	1.43	1.50	(0.07)	(5%)
Provision for Income Tax	0.59	0.61	(0.02)	(3%)
NET INCOME	2.14	2.22	(0.08)	(4%)
Net Income Attributable To:				
Equity Holders of LTG	1.59	1.61	(0.02)	(1%)
Non-controlling Interests	0.55	0.61	(0.06)	(10%)
TOTAL NET INCOME	2.14	2.22	(0.08)	(4%)



# Net Income by Segment

(In Php Millions)	Net In	come	LTG's Share in Net Income					
Cogmont					Y-o-Y (	Change		
Segment	1Q15	1Q14	1Q15	% to total I	Inc/(Dec)	%	1Q14	% to total
Banking	1,387	1,354	754	48%	7	1%	747	46%
Tobacco	411	578	409	26%	(167)	-29%	576	36%
Beverage	301	263	301	19%	38	14%	263	16%
Distilled Spirits	75	(11)	75	5%	86		(11)	-1%
Property Development	51	29	51	3%	22	76%	29	2%
Others	(86)	8	(3)	0%	(11)		8	0%
TOTAL	2,139	2,221	1,587	100%			1,612	100%
Earnings Per Share (Php)			0.15				0.15	



## Consolidated Balance Sheet Highlights

#### (In Php Billions)

As of:	Mar 2015	<b>Dec 2014</b>	Inc/(Dec)	% Change
Cash	144.0	147.3	(3.3)	(2.2%)
Total Assets	690.1	696.8	(6.7)	(1.0%)
Total Liabilities	523.9	534.1	(10.2)	(1.9%)
Total Equity	166.2	162.7	3.5	2.2%
D-E Ratio	3.2	3.3	(0.1)	(4.0%)





					<b>Balance Sheet</b>	As of	As of	As of
(In Php Millions)	1Q15	1Q14	Inc/(Dec)	<u>%</u>	(In Php Billions)	Mar '15	Mar '14	Dec '14
Net Interest Income								
Interest Income	5,223	5,401	(178)	(3%)	COH & Due from Banks	140	177	144
Interest Expense	994	1,017	(23)	(2%)	AFS Investments	66	62	63
	4,229	4,384	(155)	(4%)	Loans and Receivables	311	272	316
Net Service Fees and					Deposit Liabilities	441	453	448
Commission Income					Equity	88	72	86
Service Fee Income	869	822	47	6%	Equity		, =	
Service Fee Expense	233	184	49	27%		As of	As of	As of
	636	638	(2)	(0%)	Ratios	Mar '15	Mar '14	Dec '14
Other Income					Return on Equity	6.5%	7.8%	7.6%
Trading Gains & PRX	501	582	(81)	(14%)	• •			
Others	1,367	916	451	49%	Return on Assets	0.9%	0.9%	1.0%
	1,868	1,498	370	25%	Net Interest Margin	3.2%	3.5%	3.2%
Operating Expenses	4,954	4,715	239	5%	Cost Efficiency	71.2%	67.7%	64.8%
Prov. for Income Tax	392	450	(58)	(13%)	NPL Ratio, net	0.6%	1.3%	0.9%
Segment Profit	1,387	1,355	32	2%	Loans to Deposit Ratio	69.4%		
					•			
<b>EBITA Computation:</b>	All a				CAR - solo	15.8%	16.5%	15.4%
Net Income	1,387	1,355	32	2%	CAR - conso	21.3%	19.7%	20.6%
Depreciation	316	299	17	6%	Tier 1 - solo	12.4%	12.8%	12.0%
Prov. for Income Tax	392	1,228	(836)	(68%)	Tier 1 - conso	18.1%	16.4%	17.4%
EBITDA	2,095	2,882	(787)	(27%)				



#### **Income Statement**



(In Php Millions)	1Q15	1Q14	Inc/(Dec)	%
Segment Revenue	-	-	-	
Cost of Sales	-	-	-	
Gross Profit	-	-	-	
Equity in Net Earnings fr PMFTC	415	480	(65)	(14%)
	415	480	(65)	(14%)
Operating Expenses	26	63	(37)	(59%)
Operating Income	389	417	(28)	(7%)
Other Inc./(Charges)	23	204	(181)	(89%)
Prov. for Income Tax	1	43	-42	(98%)
Segment Profit	411	578	(167)	(29%)
EBITDA Computation:				
Net Income	411	578	(167)	(29%)
Depr. and Amort.	3	3	-	0%
Prov. for Income Tax	1	43	(42)	(98%)
EBITDA	415	624	(209)	(33%)







(In Php Millions)	1Q15	1Q14	Inc/(Dec)	%
Segment Revenue	3,502	3,372	130	4%
Cost of Sales	2,510	2,419	91	4%
Gross Profit	992	953	39	4%
Gross Profit Margin	28%	28%	+0%pt	
Operating Expenses	578	594	(16)	(3%)
Operating Income	414	359	55	15%
Other Inc./(Charges)	13	6	7	117%
Prov. for Income Tax	126	102	24	24%
<b>Segment Profit</b>	301	263	38	14%
Net Income Margin	9%	8%	+1%pt	

<b>EBITDA</b>	Compu	utation:
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Net Income	301	263
Depr. and Amort.	407	399
Interest Expense	3	3
Prov. for Income Tax	126	102
EBITDA	837	767







(In Php Millions)	1Q15	1Q14	Inc/(Dec)	%
Sales Volume	4.197	4.258	(0.061)	(1%)
Segment Revenue	2,991	2,957	34	1%
Cost of Sales	2,418	2,450	(32)	(1%)
Gross Profit	573	507	66	13%
Gross Profit Margin	19%	17%	+2%pts	
OPERATING EXPENSES				
Selling Expenses	241	235	6	3%
Admin.Expenses	178	173	5	3%
<b>Operating Income</b>	154	99	55	56%
Other Inc./(Charges)	(42)	(100)	58	(58%)
Prov. for Income Tax	38	10	28	280%
Segment Profit	75	(11)	86	(782%)
Ne <mark>t Incom</mark> e Margin	3%	0%	+3%pts	•

EBITDA Computation:		
Net Income	75	(11)
Depr. and Amort.	131	128
Interest Expense	47	66
Prov. for Income Tax	38	10
EBITDA	291	193







#### **□TUN** Income Statement



(In Php Millions)	10	Q15	1Q14	Inc/(Dec)	%
Segment Revenue					
Residential		386	408	(22)	(5%)
Leasing		258	131	127	97%
Cost of Sales					
Residential		300	350	(50)	(14%)
Leasing		55	52	3	6%
Gross Profit					
Residential		86	58	28	48%
Leasing		203	79	124	157%
<b>Gross Profit Margin</b>					
Residential		22%	14%	+8%pts	
Leasing		79%	60%	-1%pt	
<b>Operating Expenses</b>		168	130	38	29%
Operating Income		121	7	114	1629%
Other Inc./(Charges)		(38)	28	(66)	(236%)
Prov. for Income Tax		32	6	26	433%
Segment Profit		51	29	22	76%
Net <mark>Inco</mark> me Margin		8%	5%	+3%pts	
<b>EBITDA Computation:</b>	\			_	
Net Income	\	51	29		
Depr. and Amort.		37	25		
Interest Expense	1	27	7		
Prov. for Income Tax		32	6	_	
EBITDA		147	67	_	

