



LT GROUP, INC.

Analyst Briefing

March 11, 2016

Resilience Amid Challenges



Consolidated Income Statement Highlights

(In Php Billions)

	2015	2014	Inc/ (Dec)	% Change
REVENUES				
Banking	26.60	24.64	1.96	8%
Beverage	13.29	13.29	-	0%
Distilled Spirits	12.00	11.92	0.08	1%
Property Development	2.48	2.28	0.20	9%
Tobacco	0.00	0.00	-	--
Total Revenues	54.37	52.13	2.24	4%
Cost of Sales	24.88	25.07	(0.19)	(1%)
Gross Income	29.49	27.06	2.43	9%
Equity Income	1.19	0.89	0.30	34%
	30.68	27.95	2.73	10%
Operating Expenses	23.46	25.31	(1.85)	(7%)
Other Income/(Charges)	4.86	6.52	(1.66)	(25%)
Provision for Income Tax	2.58	2.69	(0.11)	(4%)
NET INCOME	9.50	6.47	3.03	47%
Net Income Attributable To:				
Equity Holders of LTG	6.60	4.41	2.19	50%
Non-controlling Interests	2.90	2.06	0.84	41%
TOTAL NET INCOME	9.50	6.47	3.03	47%



Net Income by Segment

(In Php Millions)	Net Income		LTG's Share in Net Income					
Segment	2015	2014	2015	% to total	Y-o-Y Change		2014	% to total
					Inc/(Dec)	%		
Banking	6,769	5,898	3,716	56%	461	14%	3,255	74%
Beverage	1,099	1,122	1,098	17%	(23)	-2%	1,121	25%
Tobacco	1,040	148	1,036	16%	889	605%	147	3%
Distilled Spirits	422	101	422	6%	321	-318%	101	2%
Property Development	313	120	312	5%	192	160%	120	3%
VMC*	214	379	214	3%	(165)	-44%	379	9%
Others	(360)	(1,296)	(199)	-3%	514	-72%	(713)	-16%
<i>LTG's share in PNB's gain from sale of ROPA to Eton</i>	(369)	-	(208)				-	
<i>LTG's share in PNB's gain from sale of VMC shares to LTG</i>	-	(1,338)	-				(755)	
<i>Others</i>	9	42	9				42	
TOTAL	9,497	6,472	6,599	100%			4,410	
Earnings Per Share (Php)			0.61				0.41	

* Notes:

- 2014 includes Php335 million gain from the purchase of VMC shares and Php44 million equity in net earnings
- Started equitizing income from VMC in 2Q14 when stake reached 20%
- VMC ownership at 22.59% as of end-2015; currently at 30.17%

Consolidated Balance Sheet Highlights

(In Php Billions)

As of:	2015	2014	Inc/(Dec)	% Change
Cash	137.6	147.3	(9.8)	(6.6%)
Total Assets	750.2	696.8	53.4	7.7%
Total Liabilities	579.9	534.1	45.8	8.6%
Total Equity	170.2	162.7	7.5	4.6%
D-E Ratio	3.4	3.3	0.1	3.8%

<i>(In Php Millions)</i>	2015	2014	Inc/(Dec)	%
Net Interest Income				
Interest Income	21,719	20,574	1,145	6%
Interest Expense	4,090	3,895	195	5%
	17,629	16,679	950	6%
Net Service Fees and Commission Income				
Service Fee Income	4,313	3,418	895	26%
Service Fee Expense	717	818	(101)	(12%)
	3,596	2,600	996	38%
Other Income				
Trading Gains & PRX	1,787	2,723	(936)	(34%)
Others	3,750	5,744	(1,994)	(35%)
	5,537	8,467	(2,930)	(35%)
Operating Expenses	18,449	20,185	(1,736)	(9%)
Prov. for Income Tax	1,544	1,664	(120)	(7%)
Segment Profit	6,769	5,897	872	15%
EBITA Computation:				
Net Income	6,769	5,897	872	15%
Depreciation	1,169	1,138	31	3%
Prov. for Income Tax	1,544	1,664	(120)	(7%)
EBITDA	9,482	8,699	783	9%

<i>Balance Sheet (In Php Billions)</i>	As of Dec '15	As of Dec '14
COH & Due from Banks	135	144
AFS Investments	68	63
Loans and Receivables	366	316
Deposit Liabilities	486	448
Equity	92	86
<i>Ratios</i>	As of Dec '15	As of Dec '14
Return on Equity	7.6%	7.6%
Return on Assets	1.1%	1.0%
Net Interest Margin	3.2%	3.2%
Cost Efficiency	67.7%	64.8%
NPL Ratio, net	0.3%	0.9%
Loans to Deposit Ratio	74.0%	67.7%
CAR - solo	14.4%	15.4%
CAR - conso	19.2%	20.6%
Tier 1 - solo	11.2%	12.0%
Tier 1 - conso	16.2%	17.4%



Income Statement



LT GROUP, INC.

(In Php Millions)	2015	2014	Inc/(Dec)	%
Segment Revenue	14,299	14,322	(23)	(0%)
Cost of Sales	10,262	10,238	24	0%
Gross Profit	4,037	4,084	(47)	(1%)
<i>Gross Profit Margin</i>	<i>28%</i>	<i>29%</i>	<i>-1%pt</i>	
Operating Expenses	2,509	2,474	35	1%
Operating Income	1,528	1,610	(82)	(5%)
Other Inc./ (Charges)	30	(2)	32	(1600%)
Prov. for Income Tax	459	486	(27)	(6%)
Segment Profit	1,099	1,122	(23)	(2%)
<i>Net Income Margin</i>	<i>8%</i>	<i>8%</i>	<i>0%pt</i>	

EBITDA Computation:

Net Income	1,099	1,122
Depr. and Amort.	1,550	1,676
Interest Expense	2	12
Prov. for Income Tax	459	486
EBITDA	3,110	3,296



Income Statement

(In Php Millions)	2015	2014	Inc/(Dec)	%
Segment Revenue	-	-	-	
Cost of Sales	-	-	-	
Gross Profit	-	-	-	
Equity in Net Earnings fr PMFTC	975	515	460	89%
	975	515	460	89%
Operating Expenses	141	356	(215)	(60%)
Operating Income	834	159	675	425%
Other Inc./ (Charges)	259	321	(62)	(19%)
Prov. for Income Tax	53	332	-279	(84%)
Segment Profit	1,040	148	892	603%

EBITDA Computation:

Net Income	1,040	148	892	603%
Depr. and Amort.	12	11	1	9%
Prov. for Income Tax	53	332	(279)	(84%)
EBITDA	1,105	491	614	125%

New Products:



WELCOME
TO MY
KINGDOM





TANDUAY Distillers Inc.

Income Statement



LT GROUP, INC.

(In Php Millions)	2015	2014	Inc/(Dec)	%
Sales Volume	16,519	17,012	(0.493)	(3%)
Segment Revenue	12,117	12,021	96	1%
Cost of Sales	9,831	9,819	12	0%
Gross Profit	2,286	2,202	84	4%
<i>Gross Profit Margin</i>	<i>19%</i>	<i>18%</i>	<i>+1%pt</i>	
OPERATING EXPENSES				
Selling Expenses	935	958	(23)	(2%)
Admin. Expenses	653	666	(13)	(2%)
Operating Income	698	578	120	21%
Other Inc./ (Charges)	(34)	(404)	370	(92%)
Prov. for Income Tax	243	73	170	233%
Segment Profit	422	101	321	318%
<i>Net Income Margin</i>	<i>3%</i>	<i>1%</i>	<i>+2%pts</i>	

EBITDA Computation:

Net Income	422	101
Depr. and Amort.	551	539
Interest Expense	58	418
Prov. for Income Tax	243	73
EBITDA	1,274	1,131





Income Statement



LT GROUP, INC.

(In Php Millions)	2015	2014	Inc/(Dec)	%
Segment Revenue				
<i>Residential</i>	1,312	1,538	(226)	(15%)
<i>Leasing</i>	1,173	740	433	59%
Cost of Sales				
<i>Residential</i>	953	1,304	(351)	(27%)
<i>Leasing</i>	227	279	(52)	(19%)
Gross Profit				
<i>Residential</i>	359	234	125	53%
<i>Leasing</i>	946	461	485	105%
Gross Profit Margin				
<i>Residential</i>	27%	15%	+12%pts	
<i>Leasing</i>	81%	62%	+19%pts	
Operating Expenses	631	582	49	8%
Operating Income	674	113	561	496%
Other Inc./ (Charges)	(111)	89	(200)	(225%)
Prov. for Income Tax	250	82	168	205%
Segment Profit	313	120	193	161%
<i>Net Income Margin</i>	<i>13%</i>	<i>5%</i>	<i>+6%pts</i>	

EBITDA Computation:

Net Income	313	120
Depr. and Amort.	140	174
Interest Expense	176	49
Prov. for Income Tax	250	82
EBITDA	879	425

Pipeline of Projects:



Centris
Cyberpod
Five,
Eton Centris,
Quezon City



Eton WestEnd
Square, Pasong
Tamo, Makati