



LT GROUP, INC.

Analyst Briefing
1Q16 Results

May 13, 2016

Resilience Amid Challenges



Consolidated Income Statement Highlights

(In Php Billions)

	1Q16	1Q15	Inc/ (Dec)	% Change
REVENUES				
Banking	7.16	6.19	0.97	15.7%
Beverage	3.44	3.21	0.23	7.2%
Distilled Spirits	3.09	2.98	0.11	3.7%
Property Development	0.65	0.64	0.01	1.6%
Tobacco	0.00	0.00	-	--
Total Revenues	14.34	13.02	1.32	10.1%
Cost of Sales	6.52	6.09	0.43	7.1%
Gross Income	7.82	6.93	0.89	12.8%
Equity Income	1.01	0.51	0.50	98.0%
	8.83	7.44	1.39	18.7%
Operating Expenses	6.42	5.72	0.70	12.2%
Other Income/(Charges)	1.55	0.90	0.65	72.2%
Provision for Income Tax	1.21	0.58	0.63	108.6%
NET INCOME FROM CONTINUING OPERATIONS	2.75	2.04	0.71	34.8%
NET INCOME FROM DISCONTINUED OPERATIONS	0.06	0.10	(0.04)	(40.0%)
TOTAL NET INCOME	2.81	2.14	0.67	31.3%
Net Income Attributable To:				
Equity Holders of LTG	2.23	1.59	0.64	40%
Non-controlling Interests	0.58	0.55	0.03	5%
TOTAL NET INCOME	2.81	2.14	0.67	31%

Net Income by Segment

<i>(In Php Millions)</i>	Net Income		LTG's Share in Net Income					
Segment	1Q16	1Q15	1Q16	% to total	Y-o-Y Change		1Q15	% to total
					Inc/(Dec)	%		
Banking	2,570	1,387	1,432	64%	679	90%	753	47%
Tobacco	949	411	945	42%	536	131%	409	26%
Beverage	350	301	350	16%	49	16%	301	19%
Distilled Spirits	82	75	82	4%	7	-9%	75	5%
Property Development	62	51	62	3%	11	22%	51	3%
VMC*	96	93	96	4%	3	3%	93	6%
Others	(1,295)	(179)	(738)	-33%	(643)	677%	(95)	-6%
<i>LTG's share in PNB's gain from sale of ROPA to Eton</i>	<i>(1,282)</i>	<i>(193)</i>	<i>(725)</i>		<i>(616)</i>		<i>(109)</i>	
<i>Others</i>	<i>(13)</i>	<i>14</i>	<i>(13)</i>				<i>14</i>	
TOTAL	2,814	2,139	2,229	100%			1,587	
Earnings Per Share (Php)			0.21				0.15	

* Note:

- VMC ownership at 20.17% as of end-March 2015, at 22.59% as of end-2015; currently at 30.17%

Consolidated Balance Sheet Highlights

(In Php Billions)

As of:	Mar-16	Dec-15	Inc/(Dec)	% Change
Cash	159.3	137.6	21.8	15.8%
Total Assets	769.6	750.2	19.4	2.6%
Total Liabilities	596.4	579.9	16.5	2.8%
Total Equity	173.2	170.2	3.0	1.7%
D-E Ratio	3.4	3.4	0.0	1.1%
D-E Ratio (w/o bank)	0.1	0.1	0.0	0.0%

Income Statement

(In Php Millions)	1Q16	1Q15	Inc/(Dec)	%
Segment Revenue	-	-	-	
Cost of Sales	-	-	-	
Gross Profit	-	-	-	
Equity in Net Earnings fr PMFTC	913	415	498	120%
	913	415	498	120%
Operating Expenses	30	26	4	15%
Operating Income	883	389	494	127%
Other Inc./ (Charges)	44	23	21	91%
Prov. for Income Tax	(22)	1	-23	(2300%)
Segment Profit	949	411	538	131%

EBITDA Computation:

Net Income	949	411	538	131%
Depr. and Amort.	3	3	-	0%
Prov. for Income Tax	(22)	1	(23)	(2300%)
EBITDA	930	415	515	124%

New Products:





PNB Income Statement

<i>(In Php Millions)</i>	1Q16	1Q15	Inc/(Dec)	%
Net Interest Income				
Interest Income	5,794	5,113	681	13%
Interest Expense	1,145	994	151	15%
	4,649	4,119	530	13%
Net Service Fees and Commission Income				
Service Fee Income	1,018	870	148	17%
Service Fee Expense	172	155	17	11%
	846	715	131	18%
Other Income				
Trading Gains & PRX	748	497	251	51%
Others	2,449	842	1,607	191%
	3,197	1,339	1,858	139%
Operating Expenses	5,176	4,509	667	15%
Prov. for Income Tax	1,010	382	628	164%
Profit - Continuing	2,506	1,282	1,224	95%
Profit - Discontinued	64	105	(41)	(39%)
Segment Profit	2,570	1,387	1,183	85%
EBITA Computation:				
Net Income	2,570	1,387	1,183	85%
Depreciation	307	314	(7)	(2%)
Prov. for Income Tax	1,010	382	628	164%
EBITDA	3,887	2,083	1,804	87%

<i>Balance Sheet (In Php Billions)</i>	As of Mar '16	As of Mar '15	As of Dec '15
COH & Due from Banks	157	140	135
AFS Investments	70	66	68
Loans and Receivables	364	311	366
Deposit Liabilities	499	441	486
Equity	95	88	92
<i>Ratios</i>	As of Mar '16	As of Mar '15	As of Dec '15
Return on Equity	11.0%	6.4%	7.6%
Return on Assets	1.5%	0.9%	1.1%
Net Interest Margin	3.1%	3.0%	3.2%
Cost Efficiency	57.3%	69.5%	67.7%
NPL Ratio, net	0.3%	0.6%	0.3%
Loans to Deposit Ratio	71.8%	69.4%	74.0%
CAR - solo	13.0%	15.8%	14.4%
CAR - conso	17.8%	21.3%	19.2%
Tier 1 - solo	12.1%	12.4%	11.2%
Tier 1 - conso	16.9%	18.1%	16.2%



Income Statement



LT GROUP, INC.

(In Php Millions)	1Q16	1Q15	Inc/(Dec)	%
Segment Revenue	3,696	3,502	194	6%
Cost of Sales	2,575	2,510	65	3%
Gross Profit	1,121	992	129	13%
<i>Gross Profit Margin</i>	<i>30%</i>	<i>28%</i>	<i>+2%pts</i>	
Operating Expenses	613	578	35	6%
Operating Income	508	414	94	23%
Other Inc./ (Charges)	(6)	13	(19)	(146%)
Prov. for Income Tax	152	126	26	21%
Segment Profit	350	301	49	16%
<i>Net Income Margin</i>	<i>9%</i>	<i>9%</i>	<i>0%pt</i>	

EBITDA Computation:

Net Income	350	301
Depr. and Amort.	373	407
Interest Expense	12	3
Prov. for Income Tax	152	126
EBITDA	887	837





TANDUAY Distillers Inc.

Income Statement



LT GROUP, INC.

(In Php Millions)	1Q16	1Q15	Inc/(Dec)	%
Sales Volume	3.464	4.197	(0.733)	(17%)
Segment Revenue	3,107	2,991	116	4%
Cost of Sales	2,600	2,418	182	8%
Gross Profit	507	573	(66)	(12%)
<i>Gross Profit Margin</i>	<i>16%</i>	<i>19%</i>	<i>-3%pts</i>	
OPERATING EXPENSES				
Selling Expenses	220	241	(21)	(9%)
Admin. Expenses	191	178	13	7%
Operating Income	96	154	(58)	(38%)
Other Inc./ (Charges)	1	(41)	42	(102%)
Prov. for Income Tax	16	38	(22)	(58%)
Segment Profit	82	75	7	9%
<i>Net Income Margin</i>	<i>3%</i>	<i>3%</i>	<i>0%pt</i>	

EBITDA Computation:

Net Income	82	75
Depr. and Amort.	141	131
Interest Expense	3	47
Prov. for Income Tax	16	38
EBITDA	242	291





Income Statement



LT GROUP, INC.

(In Php Millions)	1Q16	1Q15	Inc/(Dec)	%
Segment Revenue				
<i>Residential</i>	346	386	(40)	(10%)
<i>Leasing</i>	309	258	51	20%
Cost of Sales				
<i>Residential</i>	260	299	(39)	(13%)
<i>Leasing</i>	59	55	4	7%
Gross Profit				
<i>Residential</i>	86	87	(1)	(1%)
<i>Leasing</i>	250	203	47	23%
Gross Profit Margin				
<i>Residential</i>	25%	23%	+2%pts	
<i>Leasing</i>	81%	79%	+2%pts	
Operating Expenses	153	168	(15)	(9%)
Operating Income	183	122	61	50%
Other Inc./ (Charges)	(72)	(39)	(33)	85%
Prov. for Income Tax	49	32	17	53%
Segment Profit	62	51	11	22%
<i>Net Income Margin</i>	<i>9%</i>	<i>8%</i>	<i>+1%pt</i>	

EBITDA Computation:

Net Income	62	51
Depr. and Amort.	40	37
Interest Expense	75	27
Prov. for Income Tax	49	32
EBITDA	226	147

Pipeline of Projects:



Centris
Cyberpod
Five,
Eton Centris,
Quezon City



Eton WestEnd
Square, Pasong
Tamo, Makati