



LT GROUP, INC.

Analysts' Briefing

9M16 Results

November 11, 2016

INVESTING FOR THE FUTURE

# Consolidated Income Statement Highlights

(In Php Billions)

	9M16	9M15	Inc/ (Dec)	% Change
<b>REVENUES</b>				
Banking	21.62	19.54	2.08	11%
Beverage	10.46	9.75	0.71	7%
Distilled Spirits	10.85	8.73	2.12	24%
Property Development	2.20	1.88	0.32	17%
Tobacco	0.00	0.00	-	--
<b>Total Revenues</b>	<b>45.13</b>	<b>39.90</b>	<b>5.23</b>	<b>13%</b>
<b>Cost of Sales</b>	<b>21.09</b>	<b>18.35</b>	<b>2.74</b>	<b>15%</b>
<b>Gross Income</b>	<b>24.04</b>	<b>21.55</b>	<b>2.49</b>	<b>12%</b>
<b>Equity Income</b>	<b>1.90</b>	<b>0.70</b>	<b>1.20</b>	<b>171%</b>
	25.94	22.25	3.69	17%
<b>Operating Expenses</b>	<b>20.31</b>	<b>17.84</b>	<b>2.47</b>	<b>14%</b>
<b>Other Income/(Charges)</b>	<b>4.58</b>	<b>3.89</b>	<b>0.69</b>	<b>18%</b>
<b>Provision for Income Tax</b>	<b>2.38</b>	<b>1.58</b>	<b>0.80</b>	<b>51%</b>
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	<b>7.83</b>	<b>6.72</b>	<b>1.11</b>	<b>17%</b>
<b>NET INCOME FROM DISCONTINUED OPERATIONS</b>	<b>0.51</b>	<b>0.28</b>	<b>0.23</b>	<b>82%</b>
<b>TOTAL NET INCOME</b>	<b>8.34</b>	<b>7.00</b>	<b>1.34</b>	<b>19%</b>
<b>Net Income Attributable To:</b>				
<b>Equity Holders of LTG</b>	<b>6.25</b>	<b>4.71</b>	<b>1.54</b>	<b>33%</b>
<b>Non-controlling Interests</b>	<b>2.09</b>	<b>2.29</b>	<b>(0.20)</b>	<b>(9%)</b>
<b>TOTAL NET INCOME</b>	<b>8.34</b>	<b>7.00</b>	<b>1.34</b>	<b>19%</b>



## Net Income by Segment

<i>(In Php Millions)</i>	Net Income		LTG's Share in Net Income					
Segment	9M16	9M15	9M16	% to total	Y-o-Y Change		9M15	% to total
					Inc/(Dec)	%		
Banking	5,910	5,258	3,263	52%	374	13%	2,889	61%
Tobacco	1,800	525	1,793	29%	1,270	243%	523	11%
Beverage	895	694	894	14%	201	29%	693	15%
Distilled Spirits	679	337	679	11%	342	-101%	337	7%
Property Development	249	197	248	4%	52	27%	196	4%
VMC*	96	172	96	2%	(76)	-44%	172	4%
Others	(1,284)	(184)	(726)	-12%	(626)	626%	(100)	-2%
<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>(2)</i>	<i>9</i>	<i>(1)</i>		<i>(10)</i>		<i>9</i>	
TOTAL	8,345	6,999	6,247	100%			4,710	
Earnings Per Share (Php)			0.58				0.44	

\* VMC stake at 30.17%; was 20.17% as of end-September 2015

## Consolidated Balance Sheet Highlights

*(In Php Billions)*

As of:	Sep-16	Dec-15	Inc/(Dec)	% Change
Cash	176.7	137.6	39.1	28.4%
Total Assets	791.2	749.6	41.6	5.5%
Total Liabilities	613.7	579.8	33.9	5.8%
Total Equity	177.5	169.8	7.7	4.5%
D-E Ratio	3.5	3.4	0.0	1.3%
D-E Ratio (w/o bank)	0.2	0.1	0.0	15.4%



# PNB Income Statement

<i>(In Php Millions)</i>	9M16	9M15	Inc/(Dec)	%
<b>Net Interest Income</b>				
Interest Income	18,163	15,947	2,216	14%
Interest Expense	3,532	3,114	418	13%
	<b>14,631</b>	<b>12,833</b>	<b>1,798</b>	<b>14%</b>
<b>Net Service Fees and Commission Income</b>				
Service Fee Income	2,473	3,172	(699)	(22%)
Service Fee Expense	477	416	61	15%
	<b>1,996</b>	<b>2,756</b>	<b>(760)</b>	<b>(28%)</b>
<b>Other Income</b>				
Trading Gains & PRX	2,298	1,312	986	75%
Others	4,620	3,145	1,475	47%
	<b>6,918</b>	<b>4,457</b>	<b>2,461</b>	<b>55%</b>
Operating Expenses	16,513	14,119	2,394	17%
Prov. for Income Tax	1,630	948	682	72%
<b>Profit - Continuing</b>	<b>5,402</b>	<b>4,979</b>	<b>423</b>	<b>8%</b>
<b>Profit - Discontinued</b>	<b>508</b>	<b>279</b>	<b>229</b>	<b>82%</b>
<b>Segment Profit</b>	<b>5,910</b>	<b>5,258</b>	<b>652</b>	<b>12%</b>
<b>EBITA Computation:</b>				
Net Income	5,910	5,258	652	12%
Depreciation	983	878	105	12%
Prov. for Income Tax	1,630	948	682	72%
<b>EBITDA</b>	<b>8,523</b>	<b>7,084</b>	<b>1,439</b>	<b>20%</b>

<i>Balance Sheet (In Php Billions)</i>	As of Sep '16	As of Sep '15	As of Dec '15
COH & Due from Banks	173	130	135
AFS Investments	70	86	68
Loans and Receivables	389	335	366
Deposit Liabilities	539	462	486
Equity	98	91	92
<i>Ratios</i>	As of Sep '16	As of Sep '15	As of Dec '15
Return on Equity	8.1%	7.9%	7.6%
Return on Assets	1.2%	1.1%	1.1%
Net Interest Margin	3.1%	3.0%	3.2%
Cost Efficiency	63.7%	68.2%	67.7%
NPL Ratio, net	0.1%	0.3%	0.3%
Loan to Deposit Ratio	70.8%	72.0%	74.0%
CAR - solo	13.1%	15.1%	14.4%
CAR - conso	17.5%	20.3%	19.2%
Tier 1 - solo	12.2%	11.8%	11.2%
Tier 1 - conso	16.5%	17.2%	16.2%



# Income Statement

(In Php Millions)	9M16	9M15	Inc/(Dec)	%
Segment Revenue	-	-	-	
Cost of Sales	-	-	-	
<b>Gross Profit</b>	-	-	-	
Equity in Net Earnings fr PMFTC	1,803	533	1,270	238%
	<b>1,803</b>	<b>533</b>	<b>1,270</b>	<b>238%</b>
Operating Expenses	116	92	24	26%
<b>Operating Income</b>	<b>1,687</b>	<b>441</b>	<b>1,246</b>	<b>283%</b>
Other Inc./ (Charges)	123	92	31	34%
Prov. for Income Tax	10	8	2	25%
<b>Segment Profit</b>	<b>1,800</b>	<b>525</b>	<b>1,275</b>	<b>243%</b>

## EBITDA Computation:

Net Income	1,800	525	1,275	243%
Depr. and Amort.	9	9	-	0%
Prov. for Income Tax	10	8	2	25%
<b>EBITDA</b>	<b>1,819</b>	<b>542</b>	<b>1,277</b>	<b>236%</b>

## New Products/Launches:





## Income Statement

(In Php Millions)	9M16	9M15	Inc/(Dec)	%
Segment Revenue	11,210	10,378	832	8%
Cost of Sales	7,966	7,570	396	5%
<b>Gross Profit</b>	<b>3,244</b>	<b>2,808</b>	<b>436</b>	<b>16%</b>
<i>Gross Profit Margin</i>	<i>29%</i>	<i>27%</i>	<i>+2%pts</i>	
Operating Expenses	1,983	1,848	135	7%
<b>Operating Income</b>	<b>1,261</b>	<b>960</b>	<b>301</b>	<b>31%</b>
Other Inc./ (Charges)	19	35	(16)	(46%)
Prov. for Income Tax	385	301	84	28%
<b>Segment Profit</b>	<b>895</b>	<b>694</b>	<b>201</b>	<b>29%</b>
<i>Net Income Margin</i>	<i>8%</i>	<i>7%</i>	<i>+1%pt</i>	

### EBITDA Computation:

Net Income	895	694
Depr. and Amort.	1,163	1,246
Interest Expense	34	13
Prov. for Income Tax	385	301
<b>EBITDA</b>	<b>2,477</b>	<b>2,254</b>

### New Products:



Thai Tea



Coffee Caramel

### JV with Heineken:







# Income Statement

TANDUAY Distillers Inc.

<b>(In Php Millions)</b>	<b>9M16</b>	<b>9M15</b>	<b>Inc/(Dec)</b>	<b>%</b>
<b>Sales Volume (liquor)</b>	<b>12.254</b>	<b>12.147</b>	0.107	1%
Segment Revenue	10,889	8,810	2,079	24%
Cost of Sales	8,896	7,110	1,786	25%
<b>Gross Profit</b>	<b>1,993</b>	<b>1,700</b>	<b>293</b>	<b>17%</b>
<i>Gross Profit Margin</i>	<i>18%</i>	<i>19%</i>	<i>-1%pt</i>	
<b>OPERATING EXPENSES</b>				
Selling Expenses	726	676	50	7%
Admin. Expenses	411	483	(72)	(15%)
<b>Operating Income</b>	<b>856</b>	<b>541</b>	<b>315</b>	<b>58%</b>
Other Inc./ (Charges)	(2)	(33)	31	(94%)
Prov. for Income Tax	176	171	5	3%
<b>Segment Profit</b>	<b>679</b>	<b>337</b>	<b>342</b>	<b>101%</b>
<i>Net Income Margin</i>	<i>6%</i>	<i>4%</i>	<i>+2%pts</i>	

## EBITDA Computation:

Net Income	679	337
Depr. and Amort.	426	410
Interest Expense	6	53
Prov. for Income Tax	176	171
<b>EBITDA</b>	<b>1,287</b>	<b>971</b>







# Income Statement

<b>(In Php Millions)</b>	<b>9M16</b>	<b>9M15</b>	<b>Inc/(Dec)</b>	<b>%</b>
<b>Segment Revenue</b>				
<i>Residential</i>	1,258	1,032	226	22%
<i>Leasing</i>	940	843	97	12%
<b>Cost of Sales</b>				
<i>Residential</i>	863	771	92	12%
<i>Leasing</i>	186	163	23	14%
<b>Gross Profit</b>				
<i>Residential</i>	395	261	134	51%
<i>Leasing</i>	754	680	74	11%
<b>Gross Profit Margin</b>				
<i>Residential</i>	31%	25%	+6%pts	
<i>Leasing</i>	80%	81%	-1%pt	
<b>Operating Expenses</b>	481	514	(33)	(6%)
<b>Operating Income</b>	<b>668</b>	<b>427</b>	<b>241</b>	56%
Other Inc./ (Charges)	(252)	(86)	(166)	193%
Prov. for Income Tax	167	144	23	16%
<b>Segment Profit</b>	<b>249</b>	<b>197</b>	<b>52</b>	26%
<i>Net Income Margin</i>	<i>11%</i>	<i>11%</i>	<i>0%pt</i>	

## EBITDA Computation:

Net Income	249	197
Depr. and Amort.	120	113
Interest Expense	239	113
Prov. for Income Tax	167	144
<b>EBITDA</b>	<b>775</b>	<b>567</b>



Centris Cyberpod Five



Eton WestEnd Square