



LT GROUP, INC.

Press Release

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LT Group: Guarded Outlook for 2020 due to COVID-19

Due to the lingering effects of the novel coronavirus disease (COVID-19) pandemic, LT Group, Inc. (LTG) has a guarded outlook for 2020, company president Michael G. Tan said during the firm's Annual Stockholders' Meeting today (June 30, 2020).

Despite expected challenges, however, Mr. Tan said he hopes LTG's strong 2019 results will give the conglomerate a strong foundation to weather the current crisis.

He said the effects of COVID-19 was already felt in Q1 2020, starting mid-March, when the Government declared an Enhanced Community Quarantine (ECQ), particularly by the Bank, tobacco and the alcoholic and non-alcoholic beverage businesses. "Some plants were not allowed to operate when ECQ was declared as the products were considered non-essential. Sari-sari stores that play a big role in reaching consumers, were closed in some areas. There were also liquor bans declared by some local government units (LGUs)," he said.

Mr. Tan said government estimates that the economy will contract by 2% in 2020, but some economists expect a higher deceleration. With purchasing power affected, he said demand for consumer goods is expected to be weak, and will affect the sales volumes of the products of PMFTC Inc., Tanduay Distillers, Inc. and Asia Brewery, Inc. Eton Properties Philippines, Inc. will also be affected as some tenants may end their lease contracts while demand for residential units will be weak. Philippine National Bank will have to contend with higher non-performing loans (NPLs) as well as slower demand for loans.

"Even as the economy restarts under different permutations of the quarantine thereafter, LTG believes it will take a while before the Philippine economy goes back to the normal, or to what it used to be. The key to faster recovery would be the availability of a vaccine for COVID-19 which it hopes will be sooner than later," he added.

In 2019, LTG's attributable net income reached Php23.12 billion or 43% higher than the Php16.19 billion reported for 2018. This was the highest income that the Company achieved since its re-IPO in April 2013.

Meanwhile, for the first quarter of 2020, LTG's attributable net income amounted to Php6.21 billion, 41% more than the Php4.42 billion reported for the first three months of 2019.

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