



**Press Release  
First Quarter 2021**

**LTG Reports First Quarter 2021 Attributable Net Income of Php6.49 Billion, 4%  
Higher than 1Q20's Php6.21 Billion**

LT Group, Inc.'s (LTG) attributable net income in the first quarter of 2021 amounted to Php6.49 billion, Php276 million or 4.5% more than the Php6.21 billion reported for the same period in 2020.

Publicly-listed Philippine National Bank (PNB) contributed Php1.02 billion or 16% of total attributable net income. The tobacco business accounted for Php5.01 billion or 77% of total. Tanduay Distillers, Inc. (TDI) added Php233 million or 4%. Asia Brewery, Inc. (ABI) contributed Php211 million or 3%. Eton Properties Philippines, Inc. (Eton) accounted for Php149 million or 2%, while The 30.9% stake in Victorias Milling Company, Inc. (VMC) added Php66 million or 1%. Net expenses at the parent level amounted to Php198 million.

In March, LTG declared a Php0.15 per share regular cash dividend and a Php0.09 per share special cash dividend. The total dividends of Php0.24 per share or Php 2.60 billion were paid on April 13. This is equivalent to 12.4% of LTG's 2020 attributable net income.

LTG's balance sheet remains strong. Debt-to-Equity Ratio was at 3.91:1 with the Bank, and at 0.16:1 without the Bank.

**Philippine National Bank (PNB)**

PNB's net income under the pooling method was Php1.83 billion in the first quarter of 2021, Php455 million or 33% higher than 1Q20. The higher net income was primarily due to lower provisions for credit losses, at Php 2.10 billion in 1Q21 compared to Php 3.36 billion in 1Q20.

Net Interest Income was 7% lower at Php8.24 billion. Net Service Fees and Commission Income were 35% higher at Php1.29 billion. Trading and Foreign Exchange Gains and other income were 38% lower at Php1.55 billion.

**Tobacco**

The industry's volume was estimated at 13.1 billion sticks in 1Q21, 14% lower than 1Q20's 15.3 billion sticks. This is due to the October to November 2020 price increases to pass on the additional excise taxes.

Illicit activities have also been rising, which include smuggled and locally produced products. In 1Q21, there were 39 enforcements, compared to 26 in 1Q20. This was even after illicit activities increased significantly in 2020 with 161 machines seized from illegal factories, double the 82 machines seized in 2019

The tobacco business had a net income of Php5.03 billion in 1Q21, Php24 million more than 1Q20's Php5.01 billion.

On July 25, 2019, President Duterte signed Republic Act (RA) 11346 which increased further the excise tax on tobacco starting January 2020. From Php35 per pack in 2019, it increased to Php45 per pack in 2020 and Php50 in 2021. It will increase by Php5 per pack annually in 2022 and 2023, then increase by 5% annually thereafter. LTG is not against tax increases, but believes that the hikes should be moderate. Continued price hikes to pass on higher excise taxes may result in further volume declines.

### **Tanduay Distillers, Inc. (TDI)**

TDI's net income for the first three months of 2021 was Php235 million, Php36 million or 18% higher than 1Q20's Php199 million. The higher income is largely due to the 5% increase in the volume of liquor sales and higher rectified alcohol sales.

As of end-March 2021, TDI's nationwide market share for distilled spirits was at 26.5%, compared to March 2020's 27.7%. In the Visayas and Mindanao regions where most of TDI's sales are generated, market share was at 70.1% and 76.0%, respectively, as of March 2021, compared to 67.0% and 75.0%, respectively, as of March 2020.

### **Asia Brewery, Inc. (ABI)**

ABI's net income for 1Q21 was Php211 million, 185% or Php137 million more than 1Q20's Php74 million. The higher income is largely due to the absence of losses from the AB Heineken joint venture as the partnership transitions starting 2021 to the engagement of ABI to brew and distribute Heineken® and Tiger® beers in the Philippines.

Revenues declined 13% due to lower volume of bottled water and soymilk. Same with Vitamilk with a market share of 69%. Bottled water brands, Absolute and Summit, continue to have the second largest share in this segment at 23%.

### **Eton Properties Philippines, Inc. (Eton)**

Eton's net income for 1Q21 was Php150 million, 11% or Php19 million lower than 1Q20's Php169 million. The lower net income is attributed to the decline in residential unit sales and lower leasing income.

Projects in the pipeline include Blakes Tower, a 36-storey office and residential building in Makati City which will have 11,400 square meters of office space and 14,000 square meters of residential space once completed. Also, Eton City Square 1, the 4.3 hectare neighborhood retail and commercial center in Sta. Rosa, Laguna. Its first phase will add 7,200 square meters of gross leasable area to Eton's commercial leasing portfolio.

Eton currently has a leasing portfolio of around 181,000 square meters of office space and over 45,000 square meters of retail space.