



LT GROUP, INC.

Press Release

May 5, 2021

Outlook for 2021

At today's Annual Stockholders' Meeting (ASM), LT Group, Inc. (LTG) President and Chief Operating Officer Michael G. Tan said that while 2021 will be tough, it will hopefully be better than 2020.

The ECQ in Metro Manila starting late March which has since been downgraded to an MECQ will impact the Government's projected GDP growth of between 6.5% to 7.5% for 2021, that was announced earlier this year. But this is still a reversal from the 9.5% contraction of 2020.

The country got off to a slow start in 2021, but with the vaccination program of the government underway and the private sector starting soon, hopefully, the economy can open up more as more people get inoculated, and businesses can operate at efficient levels and thereby provide more jobs. For its part, LTG has secured enough vaccines for the over 50,000 employees and service providers of the Lucio Tan Group of Companies, and has also provided access to these vaccines for their families.

The slow opening-up of the economy in 2021 should bode well for all businesses in general. LTG expects the demand for consumer goods, those of Tanduay Distillers, Inc. (TDI) and Asia Brewery, Inc. (ABI), to show some volume growth or at least remain steady. But the volume of PMFTC Inc.'s products might still be impacted, as price increases are needed to pass on the annual increase in excise taxes, the last of which was in October 2020. Philippine National Bank (PNB) will see some more NPLs booked as Bayanihan 1 and 2 that provided a grace period for borrowers ended in 2020, but a better economy should pave the way for the need of more loans. Eton Properties Philippines, Inc. (Eton), with most of its leasing portfolio in office space will not be as affected as other developers who are more reliant on retail space.