



Press Release

LTG Reports an Unaudited Attributable Net Income of Php20.25 Billion for 2021, 4% Lower than 2020's Php21.02 Billion

LT Group, Inc. (LTG) posted an attributable unaudited net income of Php20.25 billion for the full year of 2021, 3.7% lower than the Php21.02 billion reported in 2020.

The tobacco business accounted for Php17.43 billion or 86% of LTG's total attributable income. Tanduay Distillers, Inc. (TDI) added Php1.24 billion, 6% of total. Eton Properties Philippines, Inc. (Eton) contributed Php548 million or 3% while Asia Brewery, Inc. (ABI) accounted for Php475 million or 2%. The 30.9% stake in Victorias Milling Company, Inc. (VMC) added Php258 million or 1% of total. Philippine National Bank (PNB) had a net contribution of Php308 million or 2% of total after eliminating the gain of Php33.44 billion from the transfer of real estate assets. Net expenses at the parent level amounted to Php14 million.

In November, LTG declared a Php0.60 per share special cash dividend or a total of Php6.49 billion and was paid in December. This brought total cash dividends declared in 2021 to Php1.08 per share or Php11.69 billion. This is equivalent to 55.6% of LTG's 2020 attributable net income.

LTG's balance sheet remains strong. Debt-to-Equity Ratio was at 3.98:1 with the Bank, and at 0.15:1 without the Bank as of end-December 2021.

Philippine National Bank (PNB)

Publicly-listed PNB's net income under the pooling method was Php34.02 billion for 2021. This included the Php33.44 billion gain that the bank booked from transferring real estate assets into PNB Holdings Corporation (PHC), wherein 51% was subsequently declared as a property dividend.

Net Interest Income was 3% or Php977 million lower at Php34.84 billion. Net Service Fees and Commission Income were at Php5.30 billion, 43% higher than 2020. Trading and Foreign Exchange Gains were lower at Php1.48 billion. Other Income rose to Php35.39 billion from Php1.53 billion due to the gain on the transfer of real estate assets to PHC.

Tobacco

The industry's volume was estimated at 55.4 billion sticks in 2021, 10.8% lower than 2020's 62.1 billion sticks, primarily due to the impact of the COVID-19 pandemic and the various quarantine protocols on the purchasing power of consumers.

Illicit activities have been rising, which includes smuggled and locally produced products. The Government continued its efforts, with 194 enforcements in 2021, compared to 171 in 2020.

The tobacco business had a net income of Php17.50 billion in 2021, Php610 million or 4% more than 2020's Php16.89 billion.

Republic Act (RA) 11346, signed into law in July 2019, further increased the excise tax on tobacco starting January 2020. From Php35 per pack in 2019, it increased to Php45 per pack in 2020 and to Php50 in 2021. It further increased to Php55 in 2022 and will increase by another Php5 in 2023, then 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 2021 was Php1.24 billion, Php124 million or 11% higher than 2020's Php1.12 billion. Liquor volume was slightly lower, but bioethanol sales were higher.

As of the end of 2021, TDI's nationwide market share for distilled spirits was at 26.6%, compared to end-2020's 22.5%. In the Visayas and Mindanao regions where most of TDI's sales are generated, market share was at 66.9% and 74.3%, respectively, as of December 2021, compared to 62.2% and 78.9%, respectively, as of December 2020.

Eton Properties Philippines, Inc. (Eton)

Eton reported a net income of Php550 million in 2021, 31% lower than the Php802 million reported for the previous year. The lower net income is attributed to the decline in residential unit sales and lower leasing income.

Projects in the pipeline include Eton City Square 1, the 4.3-hectare neighborhood retail and commercial center in Sta. Rosa, Laguna which will add 7,000 square meters of net leasable area to Eton's commercial leasing portfolio in phase 1. Another project is phase 2 of WestEnd Square in Makati which will have 23,000 square meters of net leasable area.

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

Asia Brewery, Inc. (ABI)

ABI's net income for 2021 was Php475 million, 20% lower than 2020's Php591 million.

The volume of Cobra Energy Drink was higher, but volumes of Absolute and Summit bottled water and Vitamilk soymilk were lower, as ABI's on-the-go sales at convenience stores continue to be adversely affected by the various forms of lockdowns imposed since March 2020.

Cobra Energy Drink remains the market leader with a 64% share. Vitamilk also maintained its leadership with a market share of 69%. Bottled water brands, Absolute and Summit, continue to have the second largest share in this segment at 22%.

LT GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	P265,139,174	P304,061,222
Financial assets at fair value through profit or loss (FVTPL)	11,205,269	23,858,324
Financial assets at fair value through other comprehensive income (FVTOCI)	75,800,753	59,680,618
Financial assets at amortized cost	45,931,953	40,216,142
Loans and receivables	216,143,944	223,006,163
Inventories	14,286,523	13,175,605
Due from related parties	7,685,534	1,954,502
Other current assets	10,298,762	10,908,904
	646,491,912	676,861,480
Assets of disposal group classified as held for sale	—	7,945,945
Total Current Assets	646,491,912	684,807,425
Noncurrent Assets		
Loans and receivables - net of current portion	407,515,357	393,592,324
Financial assets at FVTOCI	71,468,657	76,644,306
Financial assets at amortized cost	43,523,890	55,019,851
Investments in associates and joint ventures	22,208,309	23,777,783
Property, plant and equipment:		
At appraised values	60,468,871	59,918,473
At cost	13,642,782	11,586,799
Investment properties	34,447,353	32,837,375
Deferred income tax assets - net	6,291,847	8,889,031
Other noncurrent assets	5,777,386	6,049,087
Total Noncurrent Assets	665,344,452	668,315,029
TOTAL ASSETS	P1,311,836,364	P1,353,122,454

LIABILITIES AND EQUITY

Current Liabilities		
Deposit liabilities	P842,061,358	P822,131,355
Financial liabilities at FVTPL	891,531	701,239
Bills and acceptances payable	49,780,354	72,978,082
Accounts payable and accrued expenses	18,115,661	20,849,044
Short-term debts	3,940,000	4,740,000
Current portion of long-term debts	3,597,299	14,527,082
Income tax payable	381,539	1,008,067
Due to related parties	65,325	65,325
Other current liabilities	9,381,064	10,180,106
	928,214,131	947,180,300
Liabilities of disposal group classified as held for sale	—	6,353,964
Total Current Liabilities (Carried Forward)	928,214,131	953,534,264

	December 31	
	2021	2020
Total Current Liabilities (Brought Forward)	P928,214,131	P953,534,264
Noncurrent Liabilities		
Deposit liabilities - net of current portion	38,508,755	58,380,208
Bills and acceptances payable	3,173,443	14,181,368
Long-term debts - net of current portion	59,046,035	55,215,562
Net retirement benefits liability	1,817,657	2,418,637
Deferred income tax liabilities - net	8,499,173	8,327,412
Other noncurrent liabilities	9,040,491	5,526,724
Total Noncurrent Liabilities	120,085,554	144,049,911
Total Liabilities	1,048,299,685	1,097,584,175
Equity		
Attributable to equity holders of the Company:		
Capital stock	10,821,389	10,821,389
Capital in excess of par	35,906,231	35,906,231
Other comprehensive income, net of deferred income tax effect	14,410,914	15,056,237
Other equity reserves	(5,959,881)	(2,058,370)
Reserves of disposal group classified as held for sale	—	88,616
Retained earnings	134,905,274	125,612,353
Shares of stock of the Company held by subsidiaries	(12,519)	(12,519)
	190,071,408	185,413,937
Non-controlling interests	73,465,271	70,124,342
Total Equity	263,536,679	255,538,279
TOTAL LIABILITIES AND EQUITY	P1,311,836,364	P1,353,122,454

LT GROUP, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME**

(Amounts in Thousands, Except for Basic/Diluted Earnings Per Share)

	Years Ended December 31		
	2021	2020	2019
REVENUE			
Banking	P49,319,441	P54,800,902	P56,522,642
Distilled spirits	26,648,772	25,000,110	19,261,735
Beverage	13,173,729	12,227,532	15,234,051
Property development	2,031,373	2,399,390	3,132,431
	91,173,315	94,427,934	94,150,859
COST OF GOODS SOLD AND SERVICES	42,957,014	42,858,864	46,802,440
GROSS INCOME	48,216,301	51,569,070	47,348,419
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	18,021,180	17,614,907	14,813,251
	66,237,481	69,183,977	62,161,670
OPERATING EXPENSES			
Selling expenses	1,905,020	2,051,114	3,011,424
General and administrative expenses	40,321,877	47,897,268	31,596,421
		49,948,382	34,607,845
OPERATING INCOME	24,010,584	19,235,595	27,553,825
OTHER INCOME (CHARGES)			
Foreign exchange gains - net	816,015	747,095	1,049,965
Finance costs	(364,873)	(341,467)	(450,841)
Finance income	41,663	42,421	146,253
Others - net	2,758,831	1,902,969	2,843,597
	3,251,636	2,351,018	3,588,974
INCOME BEFORE INCOME TAX	27,262,220	21,586,613	31,142,799
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	4,112,063	5,976,621	4,192,172
Deferred	2,309,683	(6,648,541)	(513,537)
	6,421,746	(671,920)	3,678,635
NET INCOME FROM CONTINUING OPERATIONS	20,840,474	22,258,533	27,464,164
NET INCOME FROM DISCONTINUED OPERATIONS	20,615	67,583	101,593
NET INCOME	P20,861,089	P22,326,116	P27,565,757

Years Ended December 31			
	2021	2020	2019
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Company	P20,246,467	P21,021,996	P23,117,524
Non-controlling interests	614,622	1,304,120	4,448,233
	P20,861,089	P22,326,116	P27,565,757
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Company			
	P1.87	P1.94	P2.14
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Company from Continuing Operations			
	P1.87	P1.94	P2.13