



Press Release

May 4, 2022

Outlook for 2022

At today's Annual Stockholders' Meeting (ASM), LT Group, Inc. (LTG) President and Chief Operating Officer Michael G. Tan said that "Overall, 2022 should be a better year than 2021 as the economy opens up and as more and more people get vaccinated. The opening up of the economy means that the purchasing power of consumers will improve and bodes well for our different businesses. This should mean increased demand for the products of PMFTC Inc., Tanduay Distillers, Inc. and Asia Brewery, Inc. Eton Properties Philippines, Inc. (Eton) should have higher occupancy rates, but it will take time for the fit-outs of new office and retail tenants. An improved economy will also mean less non-performing loans and higher margins for Philippine National Bank (PNB)."

He added that "Typhoon Odette in late December 2021 devastated parts of the Visayas and Mindanao and left many areas without power and water for weeks. The full impact of the destruction on the economy will be felt in 2022. The war in Ukraine that started in February 24 has caused oil prices, already on the upswing given higher global demand, to surge even more. This has brought about higher manufacturing, distribution and transportation costs, with inflation expected to breach the government's original target of 2 to 4% for 2022."

Capital Expenditures (Capex) were Php9 billion in 2021, while the budget for 2022 is Php12 billion. The increase is for the higher IT budget of PNB and the construction of projects of Eton and the ALI-Eton joint venture which are expected to pick-up.