



LT GROUP, INC.

Press Release

LTG's First Half 2023 Attributable Net Income at Php13.00 billion, 16% lower than First Half 2022's Php15.40 billion.

LT Group, Inc.'s (LTG) attributable net income for the first half of 2023 amounted to Php13.00 billion, 16% lower than the first six months of 2022's Php15.40 billion.

The tobacco business accounted for 45%. PNB contributed 42%, while Tanduary added 5%. Asia Brewery provided 3%. Eton and Victorias Milling Company each contributed 2% while Other Income accounted for 1%.

A special cash dividend was declared in May and paid on June 13 of Php0.30 per share or a total of Php3.25 billion. Together with the dividends declared in March, dividends year-to-date amounted to Php0.60 per share or a total of Php6.49 billion, representing a 25.8% pay-out rate.

As of the end of June 2023, LTG's Debt-to-Equity Ratio was at 3.44:1 with the Bank and at 0.13:1 without the Bank. The parent company had cash of Php1.39 billion.

Tobacco

The tobacco business' net income for the first half of 2023 was Php5.85 billion, 25% lower than 1H22's Php7.77 billion. The industry's volume was 20% lower year-on-year (y-o-y) in 1H23 at 21.3 billion sticks, largely due to the industry-wide price increase in 1Q23, increasing illicit incidence and trade inventory movements.

The Government continued its efforts against the illicit trade with 359 enforcements in the first half of 2023, compared to only 123 in 1H22.

Philippine National Bank (PNB)

In 1H23, PNB's net profit under the pooling method was Php9.76 billion, 12% lower than 1H22's Php11.15 billion. The 1H23 profit included a Php2.93 billion gain from the sale of repossessed assets, compared to Php5.25 billion in 1H22.

Loans and receivables were relatively flat, but Net Interest Margin improved. Service Fee and Commission Income likewise improved.

The bank booked provisions for credit losses at Php1.57 billion in 1H23 compared to a net reversal of Php3.16 billion in 1H22.

Tanduay Distillers, Inc. (TDI)

TDI's net income for 1H23 amounted to Php626 million, 11% more than the Php564 million reported in 1H22.

Both the volume of liquor and bioethanol were lower y-o-y, at 14% and 35%, respectively, the latter due to the closure of Asian Alcohol Corporation in October 2022. As TDI implemented an Php84 per case price increase in November 2022, liquor revenues were only lower by 4% y-o-y to Php10.96 billion despite the 14% drop in volume.

As of June 2023, TDI's nationwide market share for distilled spirits was at 28.9%, compared to 28.5% as of June 2022. In the Visayas and Mindanao regions where most of TDI's sales are generated, market share was at 72.2% and 78.1%, respectively, compared to 70.3% and 73.8% as of June 2022.

Asia Brewery, Inc. (ABI)

ABI's net income for the first six months of 2023 was Php340 million, 16% higher than 1H22's Php294 million.

Revenues were 3% higher at Php8.41 billion from Php8.14 billion on the back of higher volumes for Cobra energy drink and bottled water. Cobra energy drink maintained its leadership with a market share of 58.9% while bottled water brands Absolute and Summit have the third-largest share at 18.5%.

Eton Properties Philippines, Inc. (Eton)

Eton's net income for the first half of 2023 was Php206 million, 20% lower than the same period in 2022. Leasing revenues were 8% higher at Php960 million from Php886 million.

Eton currently has a leasing portfolio of around 287,600 square meters, of which close to 192,000 is for office space.