



LT GROUP, INC.

Press Release

LTG Reported an Attributable Net income of Php6.42 Billion for the First Quarter of 2024, 1% Higher than 1Q23's Php6.38 Billion.

LT Group, Inc.'s (LTG) attributable net income for the first quarter of 2024 was Php6.42 billion, 1% higher than the Php6.38 billion reported for the first three months of 2023.

Philippine National Bank (PNB) contributed Php2.97 billion or 46% of total. The tobacco business added Php2.65 billion or 41%. Tanduay added Php254 million or 4%. Asia Brewery, Eton and Victorias Milling Company accounted for 2% each, at Php155 million, Php116 million and Php100 million, respectively. Other Income was Php168 million of total or 3%.

Regular and special cash dividends were declared in March, of P0.15 and P0.15 per share, respectively, or a total of Php3.25 billion. This represents a 12.8% pay-out rate of 2023's full-year income.

As of the end of March 2024, LTG's Debt-to-Equity Ratio was at 3.29:1 with the Bank and at 0.11:1 without the Bank. The parent company had cash of Php1.89 billion.

Philippine National Bank (PNB)

For the first three months of 2024, PNB's net profit under the pooling method was Php5.31 billion, Php479 million or 10% higher than the Php4.83 billion reported for the same period in 2023.

Loans and receivables were 4% higher as of March 2024 at Php610 billion from Php587 billion as of March 2023. Net Interest Margin improved to 4.3% from 4.1% resulting to a 12% improvement in Net Interest Income to Php11.69 billion from Php10.45 billion.

Net Service Fees and Commission Income, however, were 24% lower at Php1.18 billion from Php1.55 billion.

The Bank booked provisions for credit losses of Php620 million in 1Q24, 62% lower than the Php1.62 billion booked in 1Q23.

Tobacco

The tobacco business reported a net profit of Php2.66 billion for the first quarter of 2024, Php396 million or 13% lower than the Php3.06 billion reported for 1Q23. Most of the tobacco business' income is from equity in net earnings from the 49.6% stake in PMFTC.

The industry's volume (excluding illicit trade) was 11% lower year-on-year (y-o-y) in 1Q24 to 10.2 billion sticks from 11.5 billion sticks in 1Q23, largely due to affordability challenges of consumers, increasing illicit incidence, and the proliferation of vaping products.

The Government continued its efforts against the illicit trade. From ad hoc seizures in the past, these have progressed to simultaneous and coordinated nation-wide multi-agency operations, including the Bureau of Customs, Bureau of Internal Revenue, Department of Trade and Industry, the Philippine National Police, and issuances of warrants of arrest by the courts. We are grateful for these steps that the government is taking.

PMFTC aims to provide more choices for its customers. In 1Q24, PMFTC launched Fortune Double Blast, the brand's first double capsule product in selected areas. For heated tobacco products (HTP), PMFTC launched iQos *ILUMA* in October 2023, the next level in innovation that uses the new *Smartcore Induction System™*. It is bladeless and does not require cleaning after use, creating a more effortless experience compared to the previous iQos devices. PMFTC launched ZYN in November 2023, making it the first launch of ZYN in the Asia Pacific region. ZYN nicotine pouches are a smoke-free and tobacco-free way to enjoy nicotine in menthol and non-menthol variants.

Tanduay Distillers, Inc. (TDI)

TDI's net income for the first quarter of 2024 was Php255 million, slightly lower than the Php258 million in 1Q23. The volume of liquor was 13% lower y-o-y, while bioethanol's volume was 1% higher compared to the same period in the previous year.

Due to the decline in liquor volume, partially offset by the effect of the early 2023 price increase, revenues were 5% lower y-o-y at Php5.90 billion from Php6.24 billion.

As of March 2024, TDI's nationwide market share for distilled spirits was at 31.6%, compared to 29.1% as of March 2023. In the Visayas and Mindanao regions where most of TDI's sales are generated, market share was at 70.3% and 79.5%, respectively, compared to 71.6% and 77.0% as of March 2023.

Asia Brewery, Inc. (ABI)

ABI's net profit for 1Q24 was Php155 million, 107% higher than the Php75 million reported for 1Q23.

Revenues grew 15% to Php4.39 billion from Php3.81 billion as volumes across product lines were higher y-o-y.

Cobra energy drink maintained its leadership with a market share of 57% in 1Q24, while bottled water brands Absolute and Summit have the third-largest share at 19%.

Eton Properties Philippines, Inc. (Eton)

Eton's net income for the first quarter of 2024 amounted to Php116 million, 5% lower than 1Q23's Php122 million.

Leasing revenues were 12% higher due to higher occupancy rates and lease rates.

Eton was able to book Php50 million in residential sales as the Company resumed selling the remaining inventory of previously launched projects in 3Q23, at 68 Roces in Quezon City and in Eton City, Laguna.

Eton currently has a leasing portfolio of around 289 thousand square meters, of which close to 192 thousand square meters is for office space.