



## President's Report Full Year 2024

LT Group, Inc.'s (LTG) attributable net income for 2024 reached a record high of Php28.92 billion, a 14% increase from the Php25.42 billion reported in 2023.

The different business segments contributed as follows:

	2024 Contribution (Php Millions)	% of 2024 Attributable Net Income	2023 Contribution (Php Millions)	% of 2023 Attributable Net Income
FTC	12,716	44%	11,333	45%
PNB	11,887	41%	10,747	42%
TDI	2,141	7%	1,558	6%
ABI	836	3%	571	3%
Eton	211	1%	451	2%
VMC	492	2%	347	1%
Others	638	2%	414	1%
Total	28,921	100%	25,421	100%

LTG declared a special cash dividend of Php0.35 per share, totaling Php3.79 billion, in November, which was paid on December 9. Including prior dividend declarations, the year-to-date dividend payout reached Php1.25 per share, or Php13.53 billion in total, representing a 53.2% payout rate.

The company ended the year with Debt-to-Equity Ratio of 3.16:1 with the Bank and 0.10:1 without the Bank. The parent company's cash balance was Php2.17 billion.

### Fortune Tobacco Corporation (FTC)

FTC reported a net income of Php12.77 billion in 2024 which was 12% higher than the Php11.38 billion reported in 2023. This was primarily due to higher dividends received from PMFTC (a 49.6% associate) and higher foreign exchange gains.

PMFTC's 2024 cigarette volume mirrored the overall industry trend, declining 11% to 21.1 billion sticks from 23.8 billion sticks in 2023. The decrease was attributable to affordability issues, rising illicit trade and the growing popularity of vaping. Industry volume, excluding illicit trade, declined to 41.0 billion sticks in 2024 from 42.9 billion sticks in 2023.

Effective November 25, 2024, Marlboro cigarettes are priced at Php9 per stick while Marlboro Crafted, Fortune, and Jackpot are priced at Php8 and Chesterfield at Php7. These prices reflect the ongoing increase in excise taxes under Republic Act 11346,

which mandated a tax of Php63 per pack of 20 sticks effective January 1, 2024, with a 5% annual increase thereafter.

PMFTC expanded its portfolio in 2024 with the launch of Fortune Double Blast cigarettes, iQos ILUMA heated tobacco products, and ZYN nicotine pouches - the first in the Asia-Pacific region - offering diverse smoking and nicotine experiences.

Illicit cigarette seizures increased significantly in 2024, reaching a record 1.2 billion sticks, double the 0.6 billion sticks seized in 2023. This reflected a shift from reactive to coordinated, multi-agency enforcement efforts.

### **Philippine National Bank (PNB)**

PNB's net income under the pooling method was Php21.18 billion in 2024, Php2.16 billion or 11% higher than the Php19.02 billion reported in 2023.

Gross interest income in the current period increased by 13% or Php7.86 billion to Php67.46 billion, due to higher yields and volumes of loans, investments and interbank transactions. Gross interest expense was higher by 21% or Php3.12 billion at Php18.12 billion due to increased interest rates and larger volume of deposits. The higher increase in gross interest income relative to gross interest expense resulted in a higher net interest income by 11% or Php4.75 billion to Php49.34 billion and net interest margin increase from 4.2% to 4.5%.

Net Service Fees and Commission Income were 4% higher at Php5.52 billion for 2024 from Php5.32 billion in 2023 due to the increase in credit card and deposit-related fees.

Other income decreased to ₱3.10 billion for 2024 compared to ₱5.68 billion for 2023 primarily due to lower gains on sale of ROPA.

Operating expenses were lower by 2% to ₱33.50 billion in 2024 from ₱34.33 billion in 2023, mainly due to lower provisions for impairment, credit, and other losses. NPL cover was at 86.9% as of December 2024 compared to 90.8% as of December 2023.

### **Tanduay Distillers, Inc. (TDI)**

TDI achieved a record net income of Php2.15 billion in 2024, 37% higher than the Php1.57 billion in 2023.

Higher volume of liquor and bioethanol, by 2% and 1%, respectively and higher liquor prices boosted segment revenues by 13% to Php33.85 billion in 2024. With cost of sales increasing at a slower rate of 11% to Php28.92 billion, the gross profit margin improved to 15%.

TDI remained strong in the Visayas and Mindanao regions, where it holds a dominant share of 70.9% and 80.8%, respectively. TDI's nationwide market share for distilled

spirits, however slightly declined to 32.2% in 2024, compared to 32.9% in 2023, due to competitive pressures and impact on consumer purchasing power of inflation and weather disturbances during the year.

TDI sold its investment in Asian Alcohol Corporation in October 2024, which had a carrying cost of Php1.5 billion, for Php1.8 billion, payable with interest over a four-year period with an upfront payment of ₱480 million.

### **Asia Brewery, Inc. (ABI)**

ABI's net income in 2024 increased by 46% to Php841 million, compared to Php578 million in 2023. This was driven by a 5% increase in revenues to Php18.21 billion from Php17.38 billion, on account of higher y-o-y sales volume across major product lines. Cost of sales proportionately increased by 5% at ₱14.14 billion for 2024 due to higher manufacturing and energy costs. However, the gross profit margin slightly declined to 22% from 23% due primarily to sales mix.

Cobra energy drink maintained its market leadership with a 53% share in 2024, while Absolute and Summit bottled water brands held on their combined 17% market share, making them the third largest local water brand.

### **Eton Properties Philippines, Inc. (Eton)**

Eton's net income in 2024 decreased by 53% to Php212 million, compared to Php453 million in 2023 due to lower leasing income and higher operating expenses.

Leasing revenues for the period decreased by 1% y-o-y to Php2.03 billion, due primarily to the decline in occupancy rates and rental prices.

In 2024, Eton recorded Php501 million in residential sales, driven by the resumption of sales of the remaining inventory in projects at 68 Roces in Quezon City and Eton City, Laguna.

Eton's leasing portfolio comprises 288,000 square meters, with approximately 192,000 square meters dedicated to office space.

**LT GROUP, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Amounts in Thousands)

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	<b>P223,583,790</b>	P243,790,981
Financial assets at fair value through profit or loss (FVTPL)	<b>17,956,162</b>	10,550,595
Financial assets at fair value through other comprehensive income (FVTOCI)	<b>125,189,186</b>	112,335,996
Financial assets at amortized cost	<b>19,097,106</b>	21,841,362
Loans and receivables	<b>312,406,599</b>	291,696,307
Inventories	<b>13,328,520</b>	13,709,117
Due from related parties	<b>1,889,364</b>	2,338,723
Other current assets	<b>12,658,175</b>	12,378,192
<b>Total Current Assets</b>	<b>726,108,902</b>	708,641,273
<b>Noncurrent Assets</b>		
Loans and receivables - net of current portion	<b>349,063,956</b>	347,989,209
Financial assets at FVTOCI	<b>66,179,663</b>	31,709,930
Financial assets at amortized cost	<b>94,776,887</b>	101,359,065
Investments in associates and joint ventures	<b>18,382,496</b>	19,003,747
Property, plant and equipment:		
At appraised values	<b>57,248,391</b>	57,516,431
At cost	<b>11,671,107</b>	11,615,081
Investment properties	<b>38,979,404</b>	37,848,430
Deferred income tax assets - net	<b>7,448,142</b>	6,860,706
Other noncurrent assets	<b>4,470,911</b>	4,852,404
<b>Total Noncurrent Assets</b>	<b>648,220,957</b>	618,755,003
<b>TOTAL ASSETS</b>	<b>P1,374,329,859</b>	P1,327,396,276

**LIABILITIES AND EQUITY****Current Liabilities**

Deposit liabilities	<b>P940,057,144</b>	P892,931,695
Financial liabilities at FVTPL	<b>924,053</b>	555,811
Bills and acceptances payable	<b>20,208,451</b>	19,047,156
Accounts payable and accrued expenses	<b>20,655,439</b>	22,889,975
Short-term debts	<b>3,700,000</b>	4,280,000
Current portion of long-term debts	<b>1,926,643</b>	43,115,944
Income tax payable	<b>333,355</b>	432,496
Due to related parties	<b>64,001</b>	50,000
Other current liabilities	<b>11,372,824</b>	9,990,372
<b>Total Current Liabilities (Carried Forward)</b>	<b>999,241,910</b>	993,293,449

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<b>Total Current Liabilities (Brought Forward)</b>	<b>P999,241,910</b>	<b>P993,293,449</b>
<b>Noncurrent Liabilities</b>		
Deposit liabilities - net of current portion	<b>5,290,562</b>	10,833,859
Bills and acceptances payable	—	1,115,447
Long-term debts - net of current portion	<b>23,622,689</b>	6,395,070
Net retirement benefits liability	<b>710,000</b>	1,009,716
Deferred income tax liabilities - net	<b>8,475,269</b>	8,275,257
Other noncurrent liabilities	<b>6,777,227</b>	6,237,658
<b>Total Noncurrent Liabilities</b>	<b>44,875,747</b>	<b>33,867,007</b>
<b>Total Liabilities</b>	<b>1,044,117,657</b>	<b>1,027,160,456</b>
<b>Equity</b>		
Attributable to equity holders of the Company:		
Capital stock	<b>10,821,389</b>	10,821,389
Capital in excess of par	<b>35,906,231</b>	35,906,231
Other comprehensive income, net of deferred income tax effect	<b>13,327,515</b>	12,418,924
Other equity reserves	<b>(4,188,092)</b>	(5,592,465)
Retained earnings	<b>175,231,056</b>	158,972,132
Shares of stock of the Company held by subsidiaries	<b>(12,519)</b>	(12,519)
	<b>231,085,580</b>	212,513,692
Non-controlling interests	<b>99,126,622</b>	87,722,128
<b>Total Equity</b>	<b>330,212,202</b>	<b>300,235,820</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P1,374,329,859</b>	<b>P1,327,396,276</b>

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

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

	<b>Years Ended December 31</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>REVENUE</b>			
Banking	<b>P75,068,040</b>	P66,550,969	P50,843,607
Distilled spirits	<b>33,773,423</b>	29,884,821	31,559,876
Beverage	<b>17,193,576</b>	16,414,006	16,216,881
Property development	<b>2,930,483</b>	2,449,140	2,251,558
	<b>128,965,522</b>	115,298,936	100,871,922
<b>COST OF GOODS SOLD AND SERVICES</b>	<b>62,729,762</b>	55,537,664	51,102,930
<b>GROSS INCOME</b>	<b>66,235,760</b>	59,761,272	49,768,992
<b>EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES</b>	<b>8,866,605</b>	11,924,732	16,094,575
	<b>75,102,365</b>	71,686,004	65,863,567
<b>OPERATING EXPENSES</b>			
Selling expenses	<b>2,641,879</b>	2,516,285	2,283,909
General and administrative expenses	<b>36,811,271</b>	36,886,503	37,795,783
	<b>39,453,150</b>	39,402,788	40,079,692
<b>OPERATING INCOME</b>	<b>35,649,215</b>	32,283,216	25,783,875
<b>OTHER INCOME (CHARGES)</b>			
Foreign exchange gains - net	<b>1,453,699</b>	1,289,740	1,548,877
Finance costs	<b>(607,760)</b>	(691,456)	(484,614)
Finance income	<b>251,569</b>	84,958	219,285
Others - net	<b>8,410,776</b>	6,267,239	9,536,173
	<b>9,508,284</b>	6,950,481	10,819,721
<b>INCOME BEFORE INCOME TAX</b>	<b>45,157,499</b>	39,233,697	36,603,596
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>			
Current	<b>7,336,125</b>	5,665,437	6,445,510
Deferred	<b>(686,358)</b>	(447,620)	(506,920)
	<b>6,649,767</b>	5,217,817	5,938,590
<b>NET INCOME</b>	<b>P38,507,732</b>	P34,015,880	P30,665,006

	<b>Years Ended December 31</b>		
	<b>2024</b>	2023	2022
<b>NET INCOME ATTRIBUTABLE TO:</b>			
Equity holders of the Company	<b>₱28,920,989</b>	₱25,421,454	₱25,137,400
Non-controlling interests	<b>9,586,743</b>	8,594,426	5,527,606
	<b>₱38,507,732</b>	₱34,015,880	₱30,665,006
<b>Basic/Diluted Earnings Per Share Attributable to</b>			
<b>Equity Holders of the Company</b>	<b>₱2.67</b>	₱2.35	₱2.32
<b>Basic/Diluted Earnings Per Share Attributable to</b>			
<b>Equity Holders of the Company from</b>			
<b>Continuing Operations</b>	<b>₱2.67</b>	₱2.35	₱2.32