

Making life better
for every Filipino



JG SUMMIT
HOLDINGS, INC.

April 2016
FY2015 EARNINGS CALL

This presentation contains certain forward looking statements with respect to the financial condition, results of operations and businesses of JG Summit Holdings, Inc. (JG Summit). Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of JG Summit to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward looking statements were based on numerous assumptions regarding JG Summit's present and future business strategies and the political and economic environment in which JG Summit will operate in the future.



JG SUMMIT
HOLDINGS, INC.

Company Overview



Company Overview

Market cap:
PHP 587.4 bn



JG SUMMIT HOLDINGS, INC.

Core businesses



Stake: 55.8%
Market cap: PHP 475.6bn
Attributable Market Cap:
PHP 265.4bn

Stake: 67.2%
Market cap: PHP 54.5bn
Attributable Market Cap:
PHP 36.7bn

Stake: 61.0%
Market cap: PHP 116.7n
Attributable Market Cap:
PHP 71.1bn



Core investments



Stake: 8.0%
Market cap: PHP 401.9bn
Attributable Market Cap:
PHP 32.2bn



Stake: 27.1%
Market cap: PHP 368.6bn
Attributable Market Cap:
PHP100.0bn



Stake: 37.0%
Market cap: PHP 140.1bn
Attributable Market Cap:
PHP 51.8bn

Growth businesses



Stake: 100.0%



Stake: 60.0%

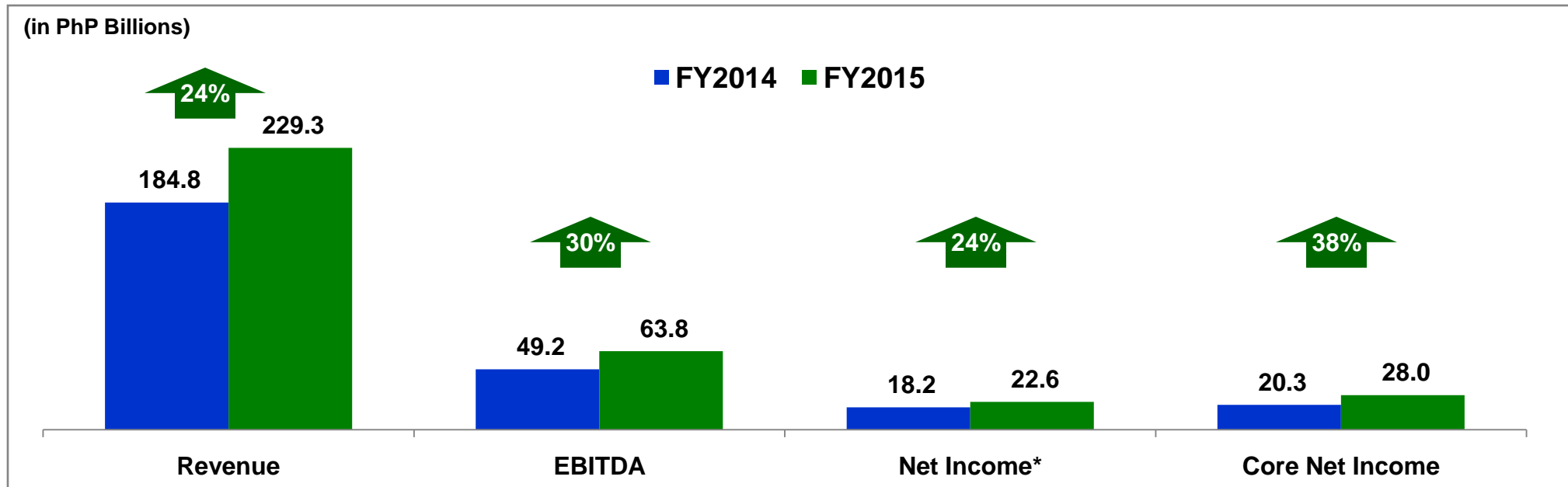


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Key Financial Highlights



Key Financial Highlights



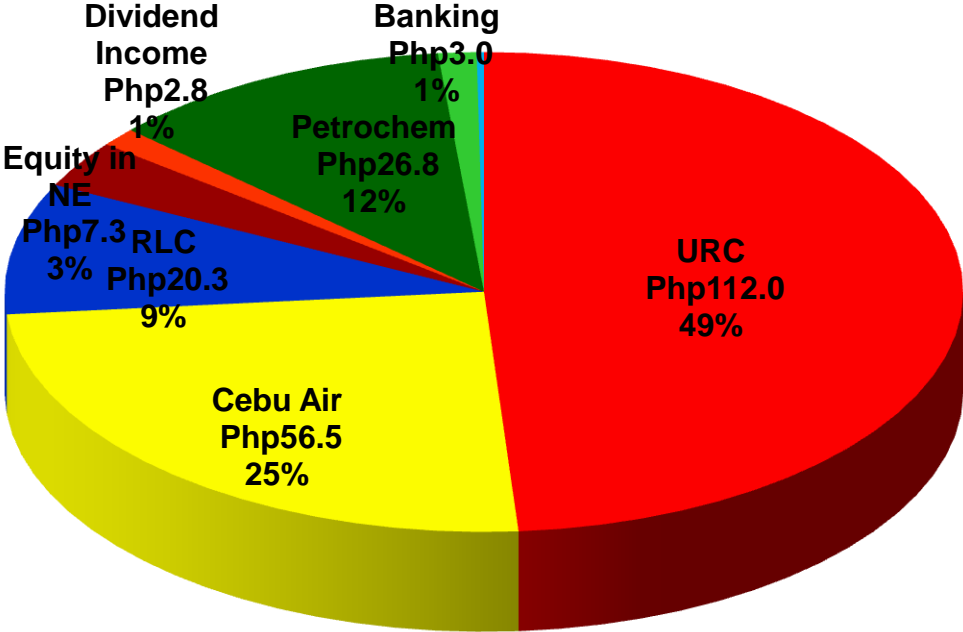
*From equity holders of the parent

- ❖ **Revenues** grew 24.1% in 2015 driven by the strong performance of core businesses
- ❖ **Core net income** after taxes excluding nonrecurring items increased 38.1% due to double-digit income growth in our core operating businesses particularly the airline business, which benefited significantly from the substantial reduction in fuel prices, and the Petrochemicals group, with 2015 its first full year of integrated operations.
- ❖ **EBITDA** grew 30% to P63.8 billion reflecting the overall increase in margins of our key subsidiaries

Growing Revenues & Earnings from Strong Operations

REVENUE DISTRIBUTION

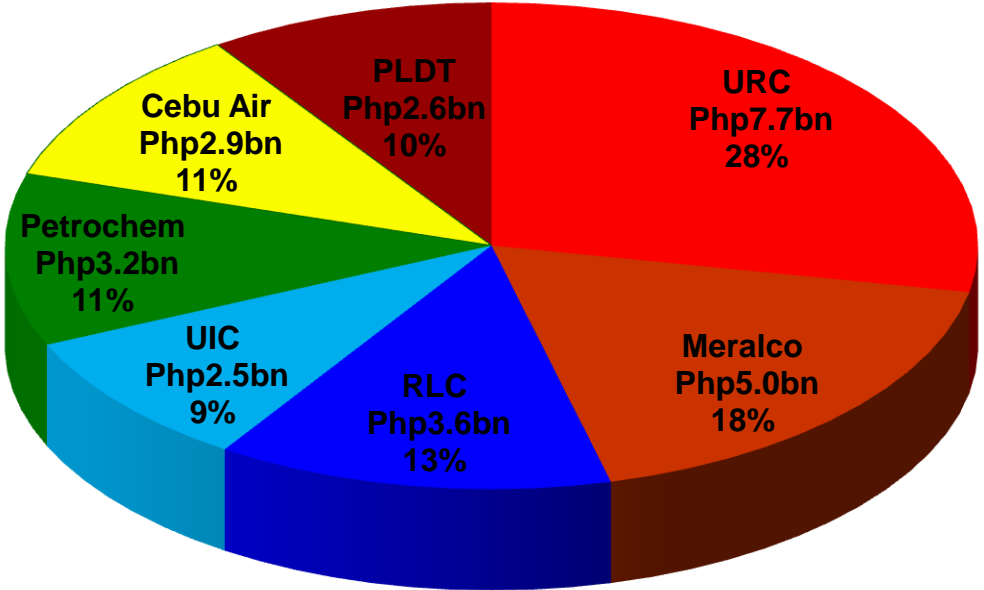
(in PhP Billions)



2015 REVENUES
PhP229.3 Bn

NET INCOME*

(in PhP Billions)



2015 EQUITY INCOME
PhP22.6 Bn

*From equity holders of the parent

Healthy Balance Sheet with Strong Funding Capacity

In PhP Billions (except ratios)

<u>CONSOLIDATED</u>	December 2015	December 2014 (Restated)	Growth
Cash*	50.7	47.0	+8%
Total Assets	596.3	559.3	+7%
Financial Debt	201.4	201.8	-0.2%
Net Debt	150.0	154.8	-3%
D/E Ratio	0.71	0.78	-9%
Net D/E Ratio	0.52	0.59	-12%
<u>PARENT</u>			
Total Debt	93.4	110.6	-12%
Net Debt	72.1	84.3	-17%

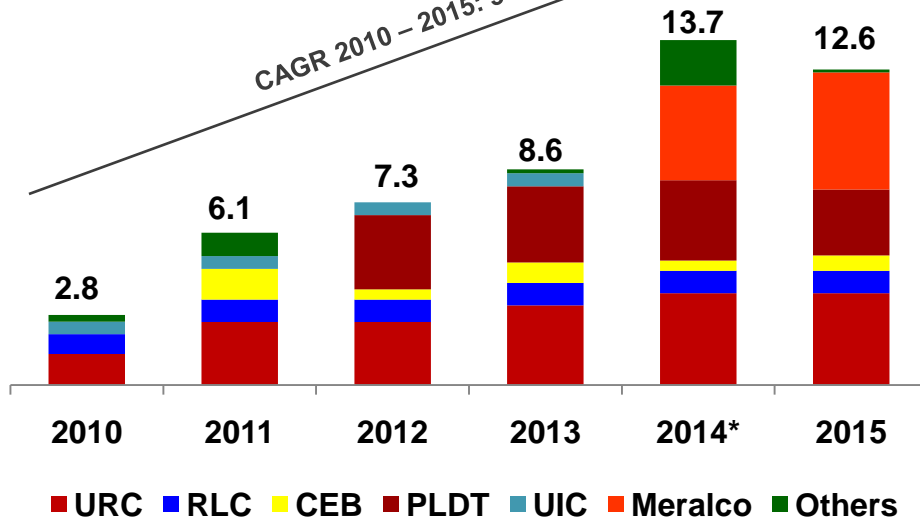
* Cash, FVPL and available for sale (AFS) investments from Robinsons Bank and AFS on PLDT are excluded

Strong Recurring Cashflows to Support Growth

Dividends Received

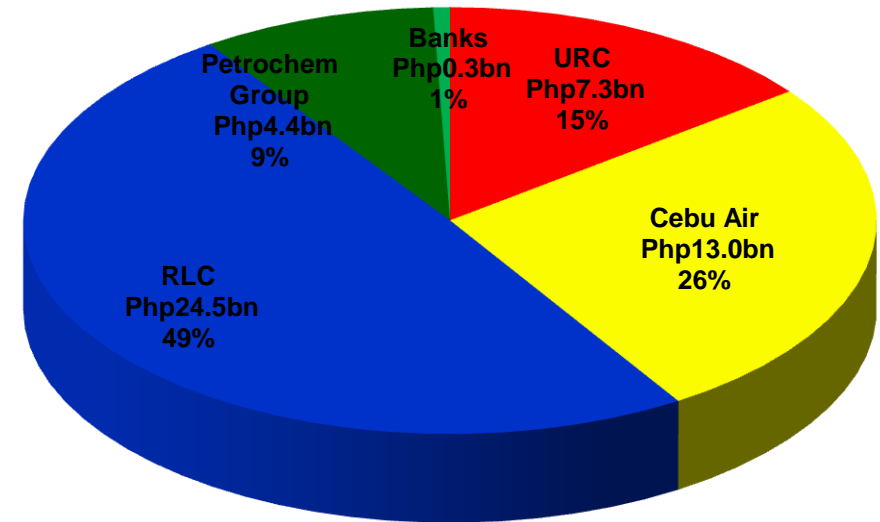
(in PhP Billions)

CAGR 2010 – 2015: 35%



*Dividend income from UIC is in the form of scrip dividends.

2015 CAPEX Spending: PhP49.5 Bn

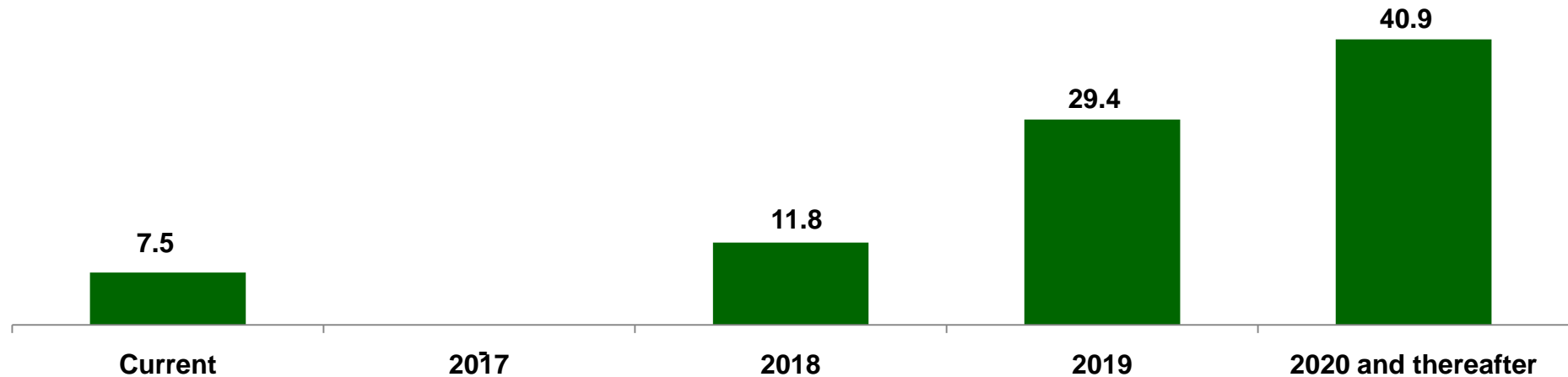


- ❖ **URC**: Capacity expansion of our various lines in the PH and Asean
- ❖ **RLC**: Construction of malls, offices, hotels & residential projects, and land banking.
- ❖ **CEB**: Mostly for fleet acquisition
- ❖ **Petrochem**: For operating and maintenance capex
- ❖ **Robinsons Bank**: For expansion and maintenance projects
- ❖ 2016 CAPEX budget is **P41.3 billion**.

Manageable Debt Profile

Schedule of Parent Debt Maturities*

(in Php Billions)



* Less unamortized bond issuance costs

<u>DEBT PROFILE (Parent)</u>	December 2015	December 2014
Total LT Debt (Php)	84.5bn	84.5bn
Total ST Debt (Php)	8.9bn	22.3bn
Gross LT Debt with Fixed Rates (Php)	65.8bn	68.9bn
Blended Cost of LT Debt	4.3%	4.3%
Blended Avg. Remaining Life	4.8yrs	6.1yrs
Interest Expense (Php)	4.2bn	4.5bn



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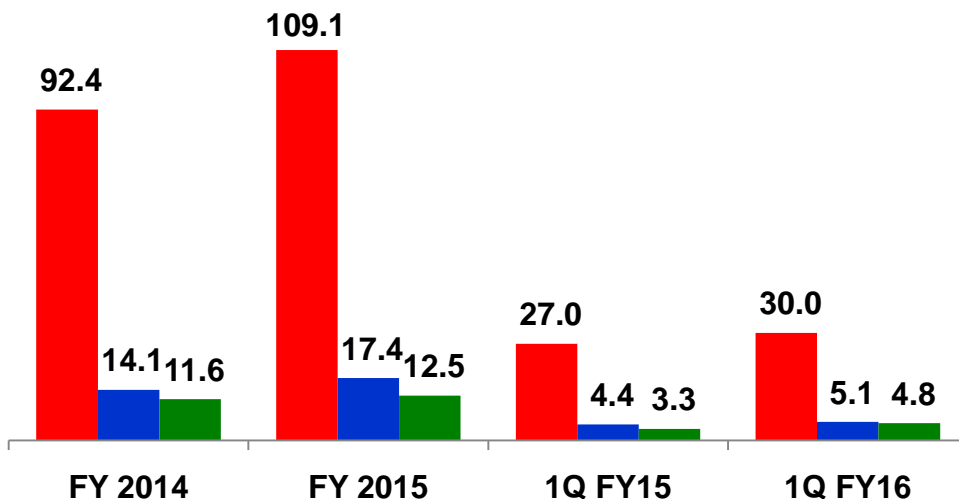
Core Businesses



FY END SEPT 30

(in PhP Billions)

■ Revenues ■ EBIT ■ Net Income*



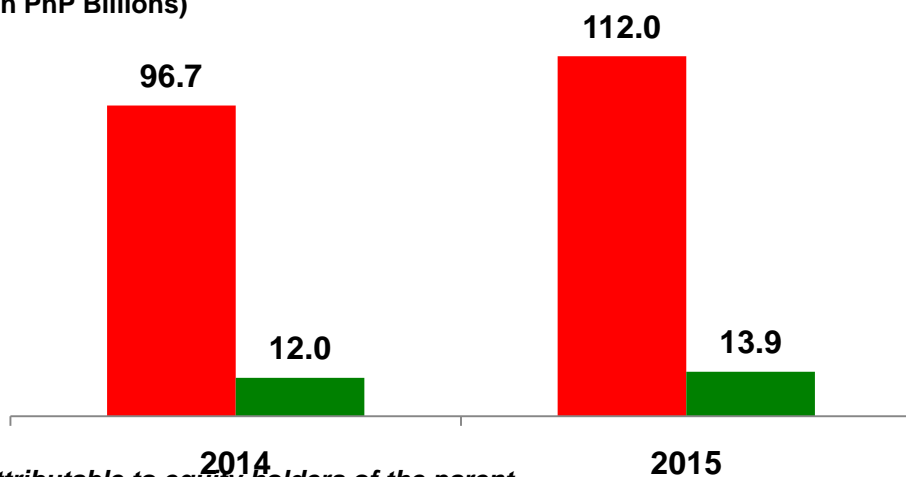
KEY HIGHLIGHTS

- ❖ Revenue growth driven by Branded Foods, Sugar/Renewables and Feeds.
- ❖ Branded Foods sales driven by our major markets: Vietnam, Indonesia and New Zealand.
- ❖ BCF PH growth coming from strong sales in RTD Beverages, Chocolates and Noodles.
- ❖ Feeds' sales up due to higher demand and Sugar driven by Renewables business.

CY END DEC 31

(in PhP Billions)

■ Revenues ■ Net Income*



In Php Bn	REVENUE			EBIT		
	1QFY16	1QFY15	Growth	1QFY16	1QFY15	Growth
BCF PH	16.0	15.1	6%	3.1	2.7	13%
BCF Intl	9.0	7.5	19%	1.2	0.8	51%
Total BCFG	25.0	22.7	10%	4.3	3.6	22%
AIG	2.3	2.3	2%	0.3	0.4	-15%
CFG	2.7	2.0	33%	0.9	0.8	13%
Corporate				(0.4)	(0.3)	34%
TOTAL URC	30.0	27.0	11%	5.1	4.4	16%

*attributable to equity holders of the parent

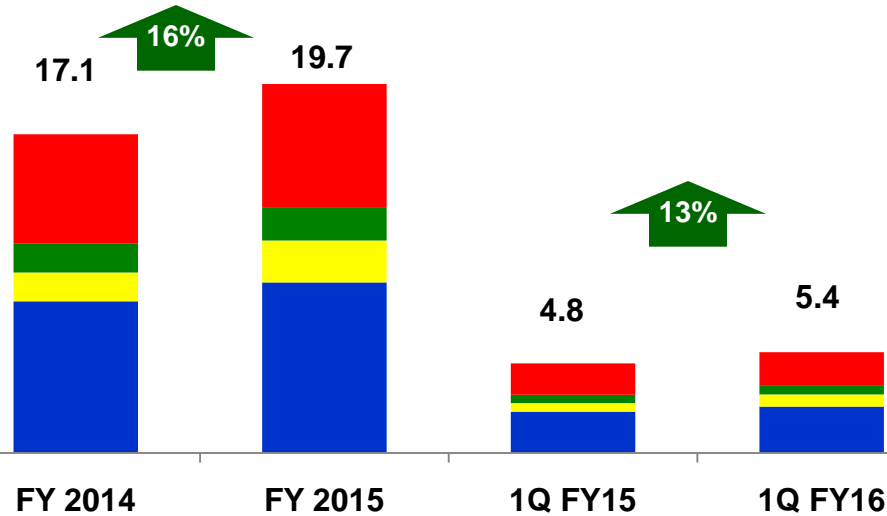


RLC Financial Performance

FY End Sept 30 Revenues*

(in PhP Billions)

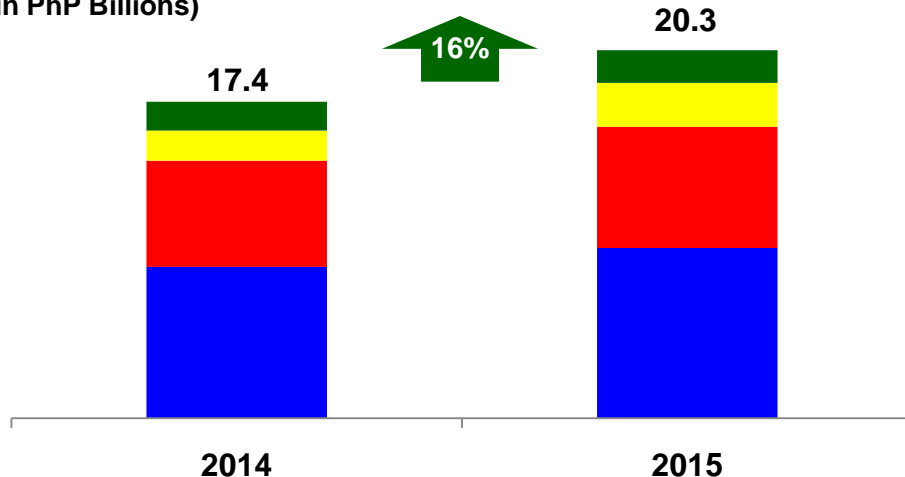
■ Malls ■ Offices ■ Hotels ■ Residential



*fiscal year ending Sept 30

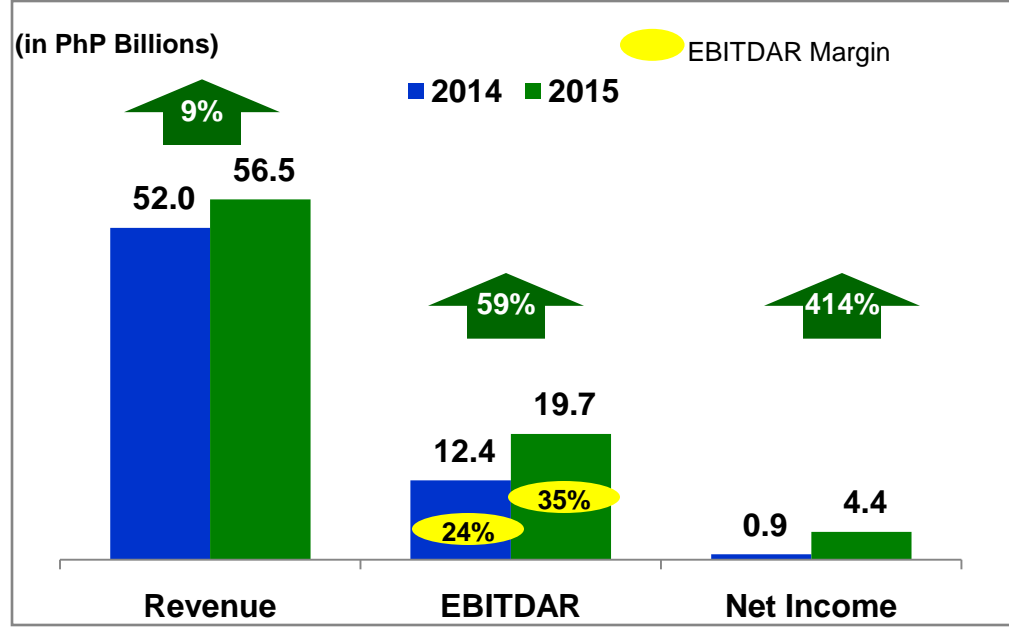
CY End Dec 31 Revenues*

(in PhP Billions)



KEY HIGHLIGHTS

- ❖ **Malls** revenue growth from steady same mall rental revenue growth from its portfolio of 41 malls with GLA of 1.151M sqm.
- ❖ Opened Las Pinas and Antique and expanded Novaliches in FY15 and opened third & largest mall in Cebu, Robinsons Galleria Cebu in Dec'15
- ❖ **Office revenues** growth from the 11 office buildings with NLA of 310K sqm and 97% total leased space for
- ❖ Completed Tera Tower in FY15, which was 100% taken up prior to completion.
- ❖ **Hotel** revenues growth from the 69% system-wide occupancy rate of its 14 hotel properties
- ❖ Opened Go Hotels Butuan and Summit Magnolia in FY15



KEY HIGHLIGHTS

- ❖ Flew 18.4M passenger in 2015, up 9% from 16.9M LY.
- ❖ Now the largest carrier to operate Manila-Sydney, capturing 41% market share for FY15.
- ❖ Most extensive domestic network: 56 routes, 34 destinations, 2,177 weekly flights.
- ❖ Started 4x weekly direct flights from Manila to Guam, its first US route, on March 15, 2016.
- ❖ Manila-Dubai, its first long haul posted 29.9% YOY passenger growth with a seat load factor of 79.5% for FY2015.
- ❖ International network expansion continues with 24 short haul & 5 long haul destinations, 41 routes, and 508 weekly flights.

OPERATIONAL HIGHLIGHTS

	2014	2015	Growth
Passenger Volume	16.9M	18.4M	+9%
Seat Load Factor	83.9%	82.6%	-1.3ppts
Ave. Yield/Pax	P2,896	P2,886	0%
Cost/ASK (ex-Fuel)	1.202	1,170	-3%
Cost/ASK	2.334	1.880	-19%
Fleet Size	52	55	



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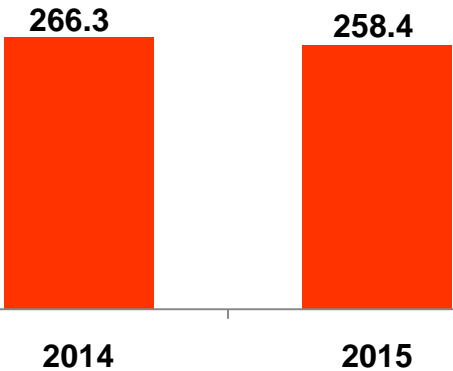
Core Investments



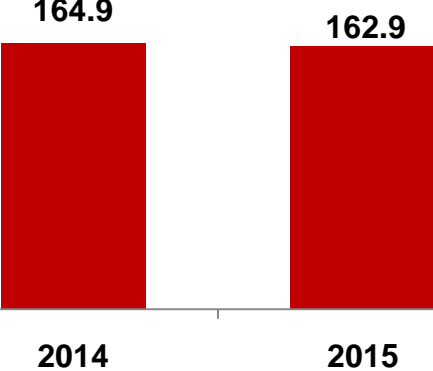
Core Investments



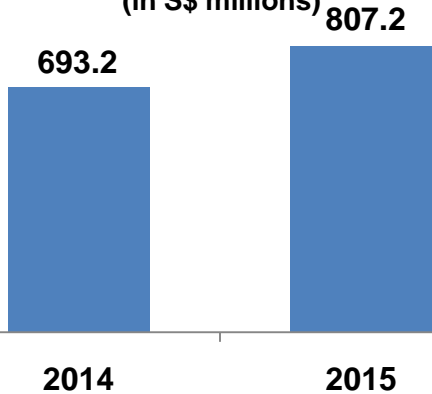
Revenues
(in Php Billions)



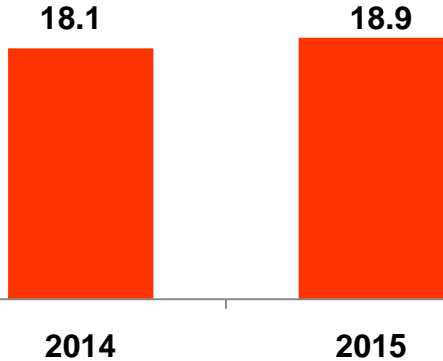
Service Revenues
(in Php Billions)



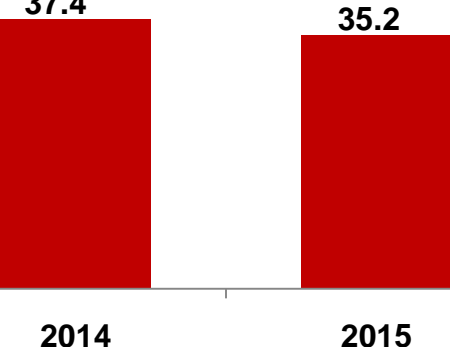
Revenues
(in S\$ millions)



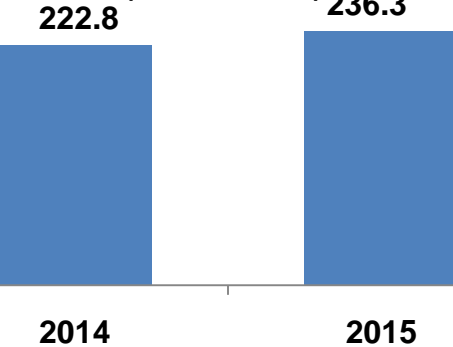
Core Net Income
(in Php Billions)



Core Net Income
(in Php Billions)



Net Profit*
(in S\$ millions)



Source: Company Filings, JG take-up

*from operations, attributable to equity holders of the Company



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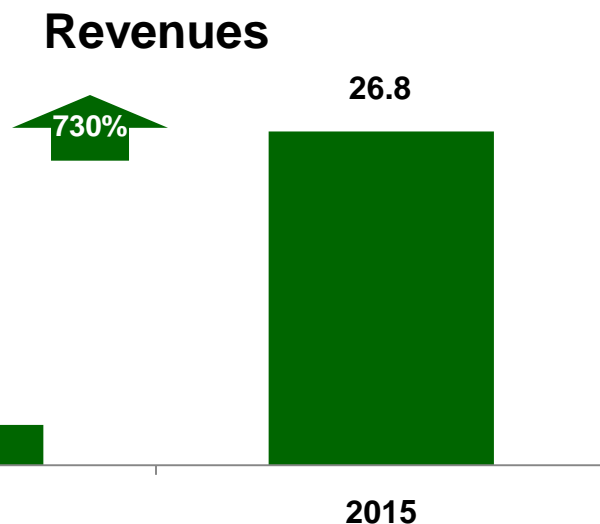
Growth Businesses



Petrochem Group Performance

Revenues

(in PhP Billions)



KEY HIGHLIGHTS

- ❖ Integrated commercial operations commenced in November 2014 after the completion of the new naphtha cracker and expansion and rehabilitation of polymer plants
- ❖ The cracker has been running continuously since start-up at around 85 - 90% run rate.
- ❖ Petrochem business continues to perform well, benefiting from the benign fuel environment.

in PhP Millions

2014

2015

Revenues*	3,226	26,780
Cost of Sales	4,072	23,439
EBITDA	(401)	4,208
EBIT	(701)	3,192
Net income	(759)	3,156

SALES VOLUME (MT)

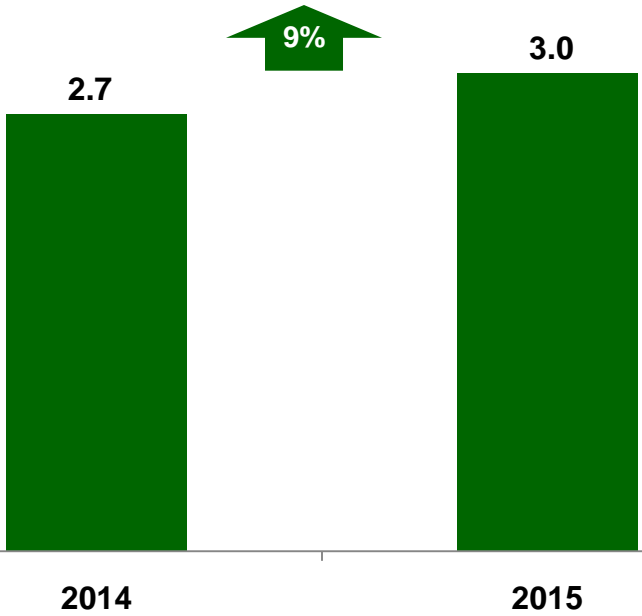
2014

2015

C2 (Ethylene)	-	56,709
C3 (Propylene)	-	13,814
Pygas	-	167,402
Mixed C4	-	8,957
PE	14,948	226,989
PP	21,798	133,961
TOTAL	36,746	607,832



Revenues (in PhP Billions)



CONSOLIDATED	2014	2015*
Assets (P bn)	49.2	58.3
Equity (P bn)	5.8	11.9
Gross TLP (P bn)	22.6	27.2
Gross NPLs (P bn)	1.04	1.15
Capital Adequacy Ratio	15.78%	32.46%
Tier 1 Ratio	15.12%	31.69%
No. of Branches	92 RBC 11 LSB	110 RBC 11 LSB

*Unaudited FS



JG SUMMIT
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Plans and Prospects



Plans and Prospects



UNIVERSAL ROBINA
CORPORATION

- ❖ Launched **Griffin's** in **SG** (Nov '15) and on March in **HK**. Phase 2 launch moved to Jul '16 (**PH**) and Aug '16 (**TH, MY, ID**)
- ❖ Expanding distribution of Halo in **Myanmar** and to formalize sales and distribution in **Laos** and **Cambodia**
- ❖ Currently constructing our 6th biscuits factory in **TH**, office and warehouse in **MY** and new biscuits building in **IN**
- ❖ Completed the asset acquisition of **Batangas Sugar Central, Inc.**



- ❖ Acquired the land use rights of a property in **Chengdu, China**, mainly for residential development with a minor commercial component
- ❖ Aggressively expand investment portfolio by opening **4 new malls**, expanding **1 existing mall**, completing **2 office developments** and adding **8% to hotel room portfolio** in FY16
- ❖ To launch **P6 billion** Westin Residences Tower in Ortigas



- ❖ Launched a 4x weekly service to **Guam**, its first US destination on March 15, 2016
- ❖ Granted **additional entitlements** by CAB for international routes from Manila to UAE and to key destinations in Russia, and from various points in the PH to Taipei and Kaohsiung, Taiwan
- ❖ Remaining **order book** of 5 A320, 30 A321 NEO, and 16 ATR 72-600 for a total fleet of **61 aircrafts** by end of 2017 and **69 aircrafts** by end of 2018 (net of replacements/exits)



- ❖ Targeting **95-100%** run rate this year. Improve operations and process management amidst a volatile environment
- ❖ To commission a study to evaluate **possible expansion** of the Petrochem business



- ❖ Grow the bank's **core income**
- ❖ Focus on building the **lending portfolio** and other **fee-based** income



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Thank You!

