



JG SUMMIT
HOLDINGS, INC.

**Making
Life
Better**

2016 Earnings Call
April 2017

Disclaimer



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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.



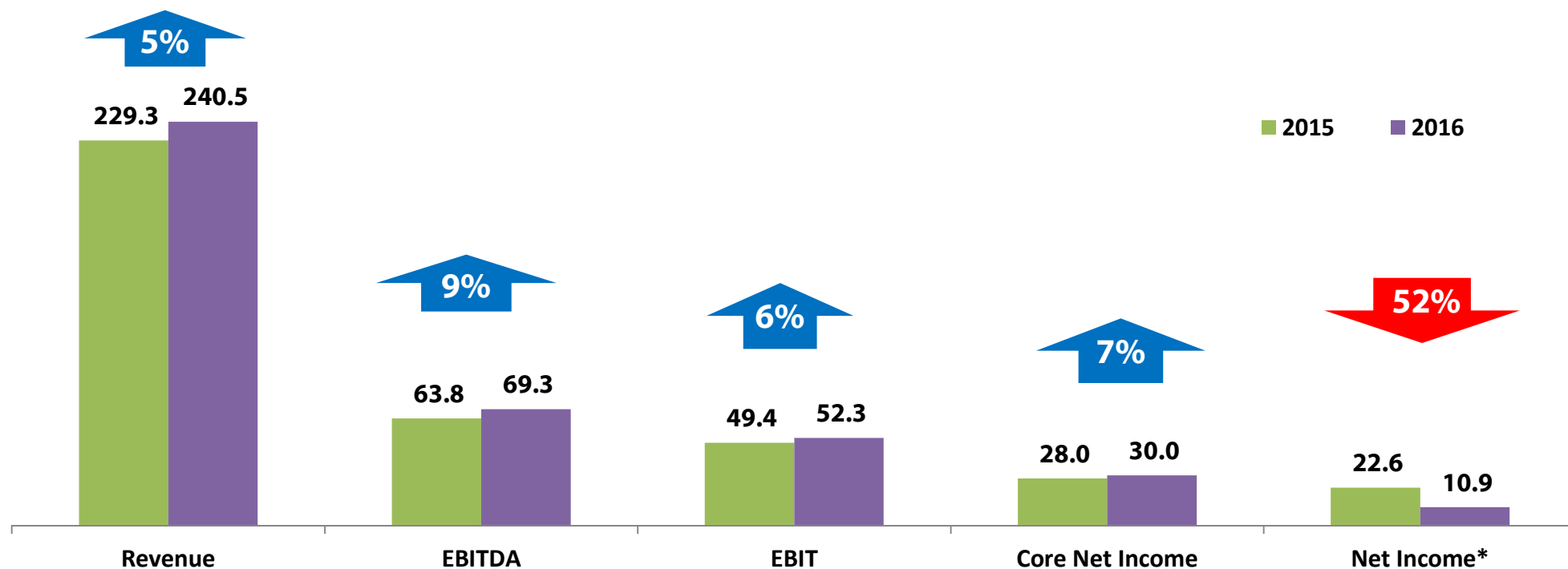
Key Financial Highlights



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Key Financial Highlights

(in PhP Billions)



- » **Revenues** grew 5% in 2016 driven by the strong performance of RLC, CEB and Petrochem.
- » **EBIT and EBITDA** grew 6% & 9% respectively, reflecting overall increase in margins of our key subsidiaries
- » **Core net income** (excluding non-operating and nonrecurring items) increased 7%
- » Net income attributable to equity holders of the parent dropped 52% due **impairment losses** of PLDT shares

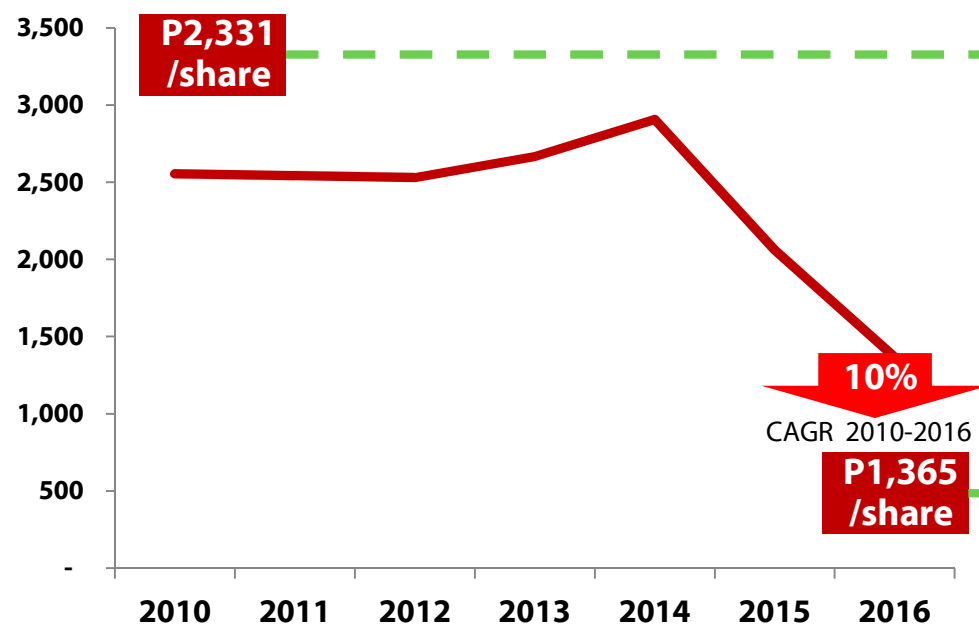
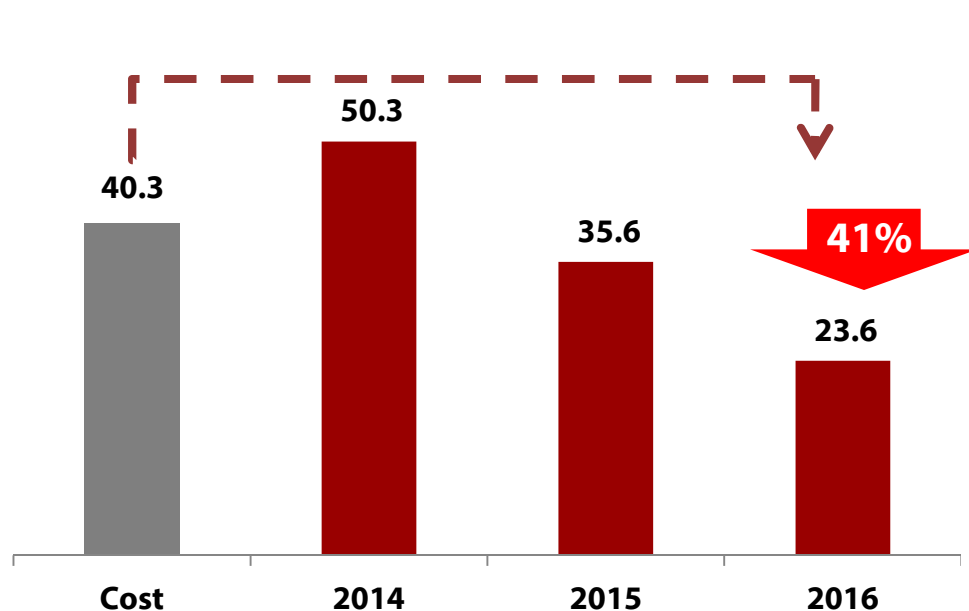
* from equity holders of the parent



Impairment Loss

Available For Sale Investments (PLDT Shares)
(in PhP Billions)

PLDT Share Price



- » 52% decline in net income is due to recording of P16.7 billion **impairment losses** from PLDT.
- » **PAS 39, Financial Instruments: Recognition and Measurement:**
 - » *If a decline in fair value of an AFS equity investment is significant or prolonged, the impairment is recognized one-time in net income rather than in equity.*

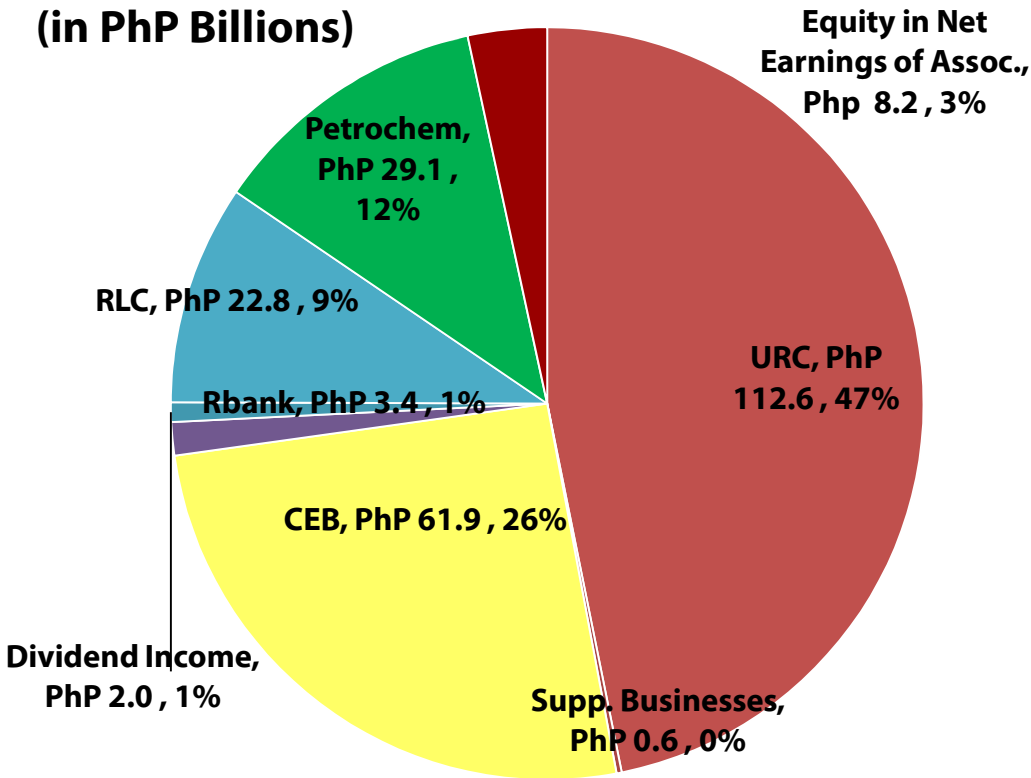
Strong Profit Contribution Across the Businesses



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REVENUE DISTRIBUTION

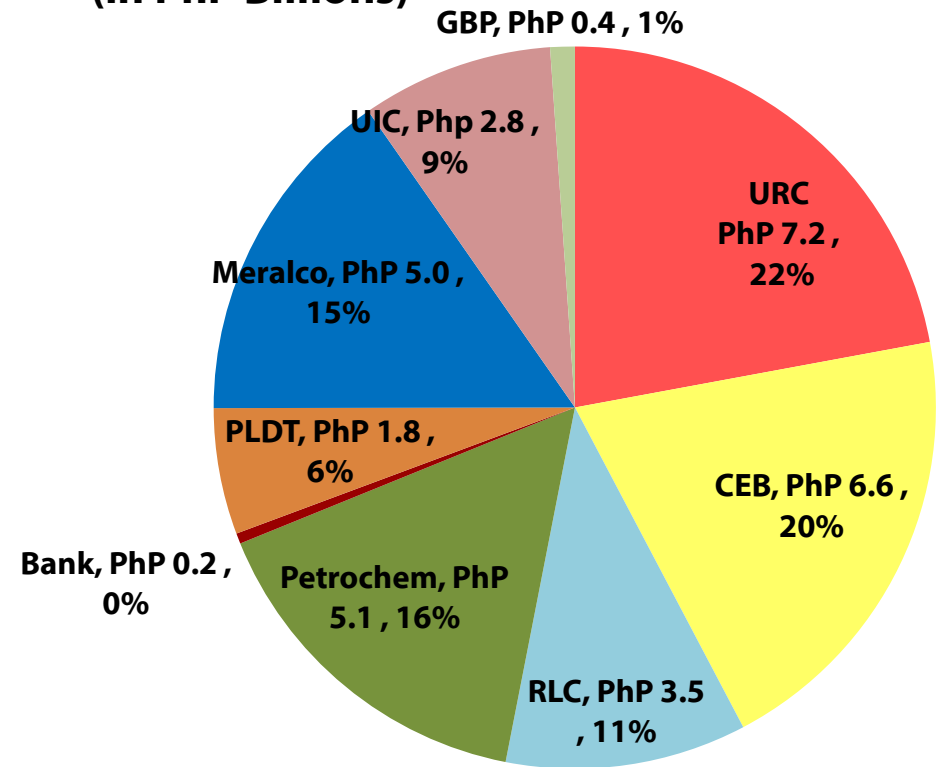
(in PhP Billions)



2016 REVENUES
PhP 240.5 Bn

NET INCOME*

(in PhP Billions)



2016 EQUITY INCOME*
PhP 27.6 Bn

* Excluding impairment loss on PLDT investment

Healthy Balance Sheet with Strong Funding Capacity



(in PhP Billions except ratios)

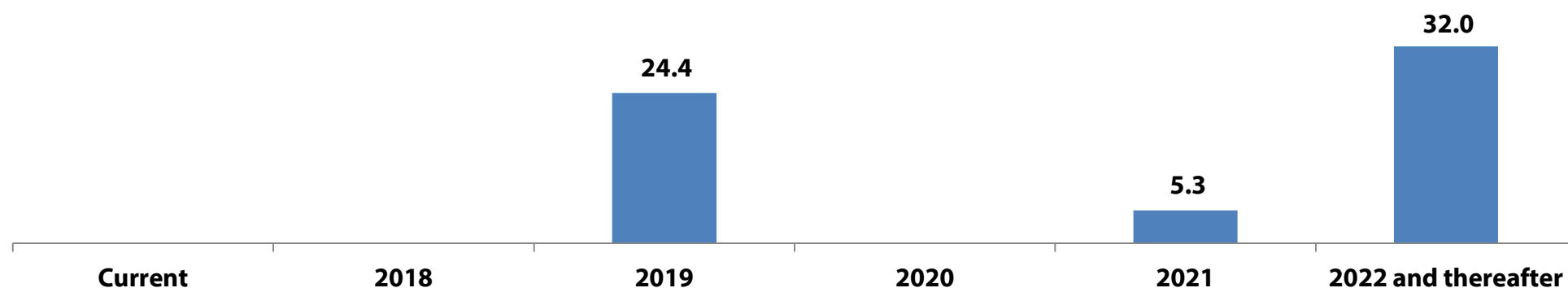
CONSOLIDATED	December 2016	December 2015	Growth
Cash*	47.5	50.7	-6%
Total Assets	666.3	596.3	+12%
Financial Debt	221.1	201.4	+10%
Net Debt	173.5	150.6	+15%
D/E Ratio	0.71	0.71	-1%
Net D/E Ratio	0.55	0.52	+6%
Total Debt Breakdown (Conso)			
Total LTD	159.2	166.5	-4%
Foreign-currency denominated	130.7	124.5	+5%

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

Manageable Debt Profile

SCHEDULE OF PARENT DEBT MATURITIES*

(in Php Billions)



DEBT PROFILE (Parent)	December 2016	December 2015
Total Debt (Php)	94.6bn	93.4bn
Total ST Debt (Php)	32.9bn	8.9bn
Net debt (Php)	75.4bn	72.1bn
Blended Cost of LT Debt	4.8%	4.3%
Blended Avg. Remaining Life	5.0yrs	4.8yrs
Interest Expense (Php)	4.0bn	4.2bn

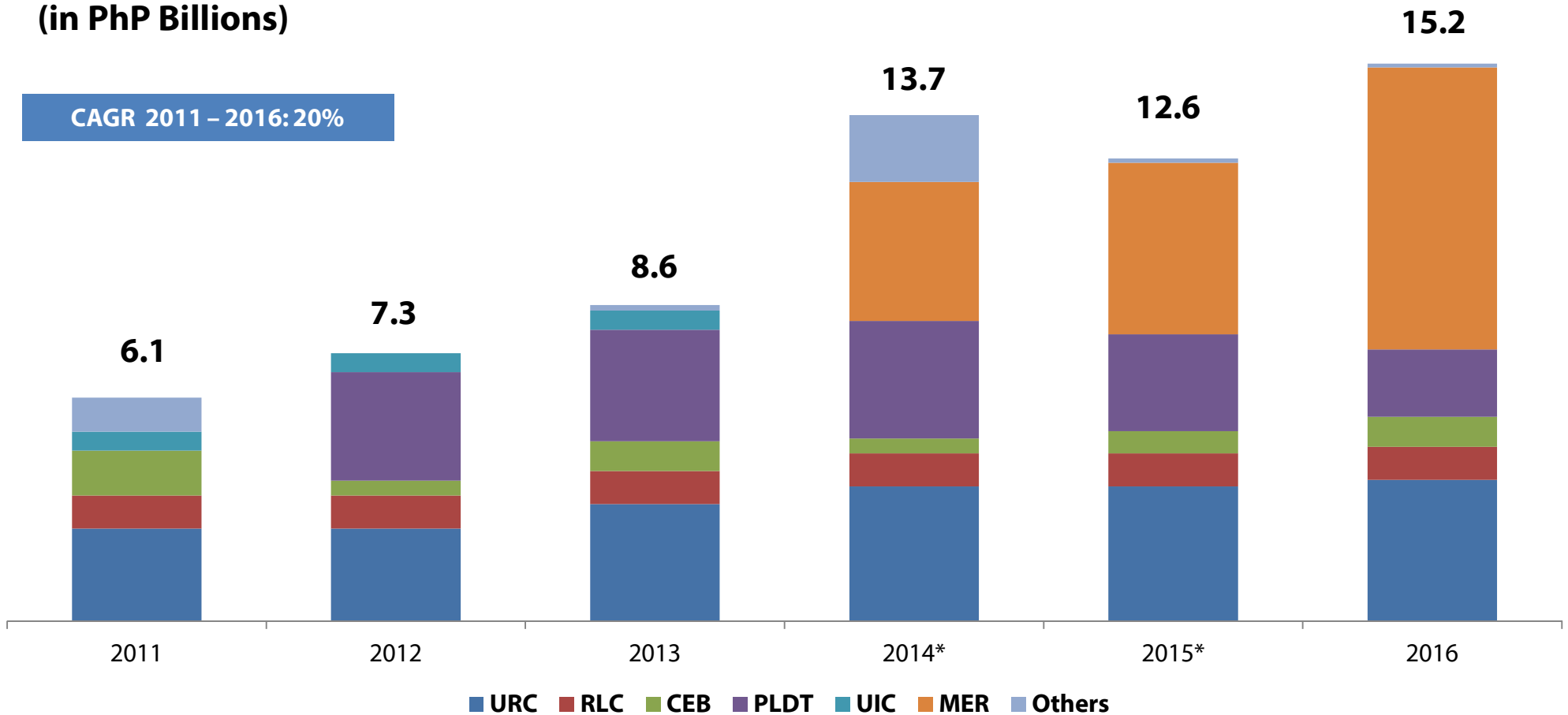
* Less unamortized bond issuance costs

Strong Recurring Cashflows at the JG Parent Level



DIVIDENDS RECEIVED (in PhP Billions)

CAGR 2011 – 2016: 20%



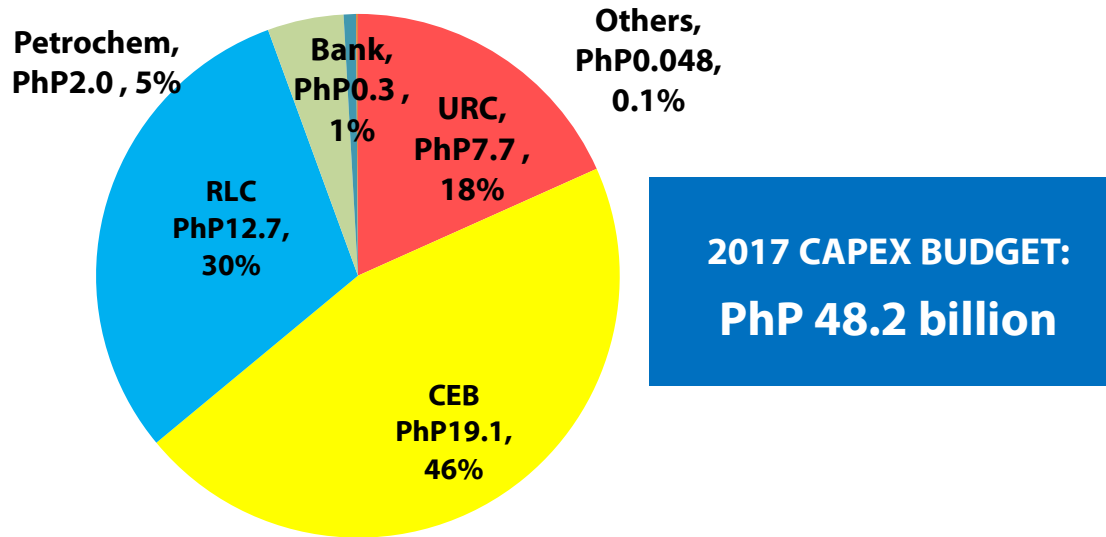
*Dividend income from UIC is in the form of scrip dividend.

CAPEX and Other Investments

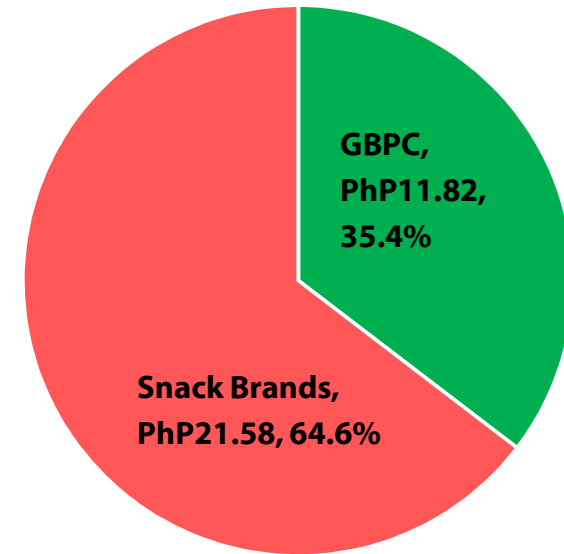


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2016 CAPEX: PhP41.9Bn



2016 Investments: PhP33.4Bn



- » **URC:** Capacity expansion of various lines in the PH and Asean
- » **RLC:** Construction of malls, offices, hotels & residential projects, and land banking
- » **CEB:** Mostly for aircraft acquisition
- » **Petrochem:** For operating and maintenance capex
- » **Robinsons Bank:** For expansion and maintenance projects

- » **GBPC:** In June 2016, JG Summit acquired 30% of Global Business Power Corp, which is the leading independent power producer in the Visayas region and Mindoro Island.
- » **Snackbrands:** In September 2016, URC, acquired 100% of Consolidated Snacks Pty. Ltd (CSPL) which owns the brand Snack Brands Australia ("SBA")



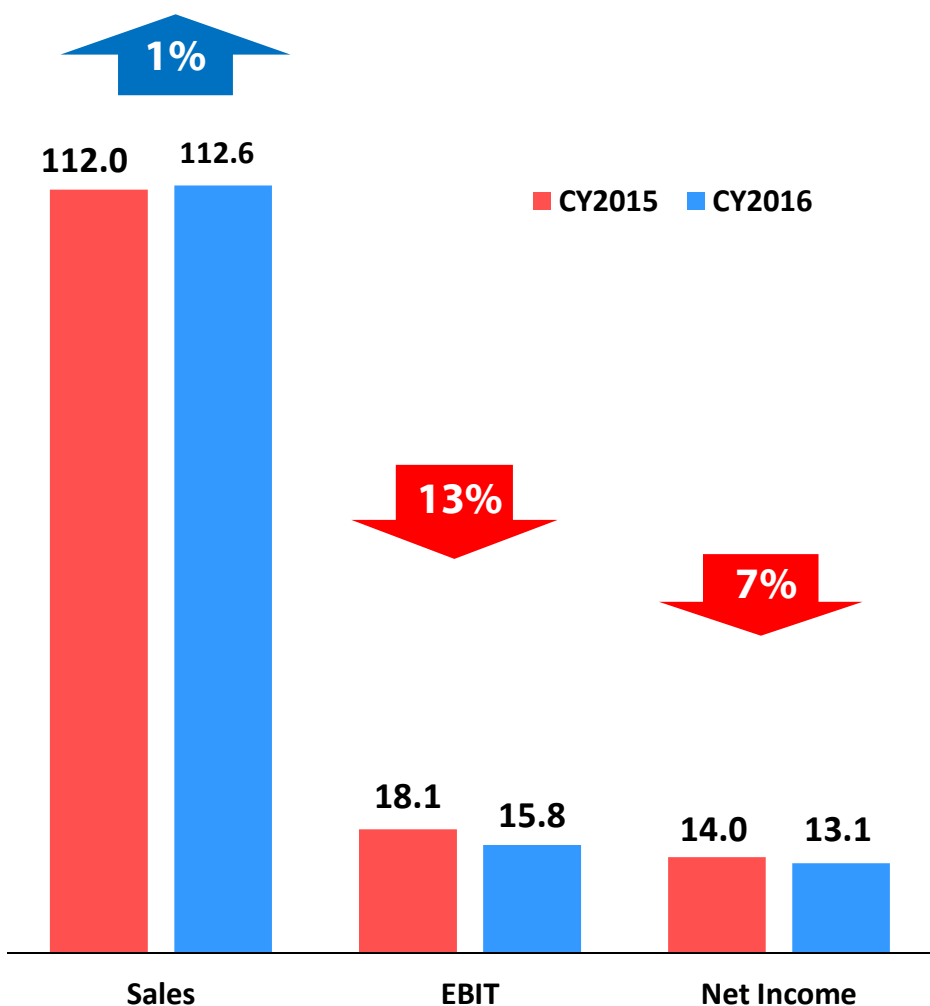
Core Businesses



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URC Overview

(in Php Billions)



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KEY HIGHLIGHTS

- » URC's topline and EBIT were challenged by BCF PH, Vietnam and Griffin's business in Australia
 - » BCF PH sales were flat due to slowdown in Q4 (Major categories that grew yoy were RTD Bev, Bakery and Noodles); EBIT decline is attributable to higher input costs
 - » Vietnam was severely hit by the product recall, but is now slowly recovering; Griffin's Private Label business in Australia put pressure on margins
- » CFG boosted Non-BCF's revenue while AIG pulled down operating income.

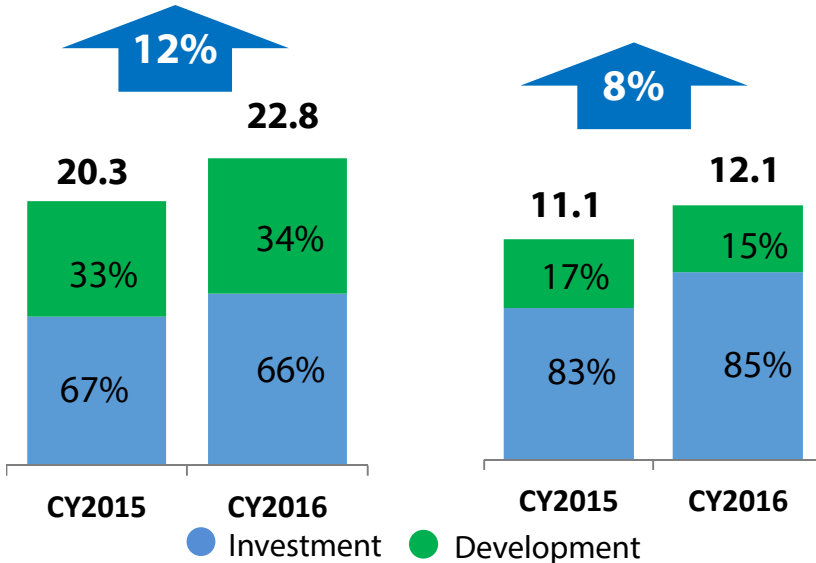
	SALES			EBIT		
	2015	2016	YoY	2015	2016	YoY
BCF PH	59.6	60.3	1%	11.0	10.6	-4%
BCF INT'L	34.5	32.9	-5%	4.3	2.6	-39%
TOTAL BCF	94.1	93.2	-1%	15.3	13.2	-14%
CFG	8.9	10.2	14%	3.2	3.4	3%
AIG	9.0	9.2	3%	1.1	0.9	-18%
Corporate				-1.5	-1.7	10%
Total URC	112.0	112.6	1%	18.1	15.8	-13%

RLC Overview

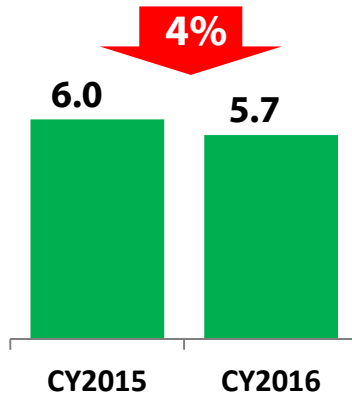


REVENUES (in Php Billions)

EBITDA (in Php Billions)



NET INCOME* (in Php Billions)



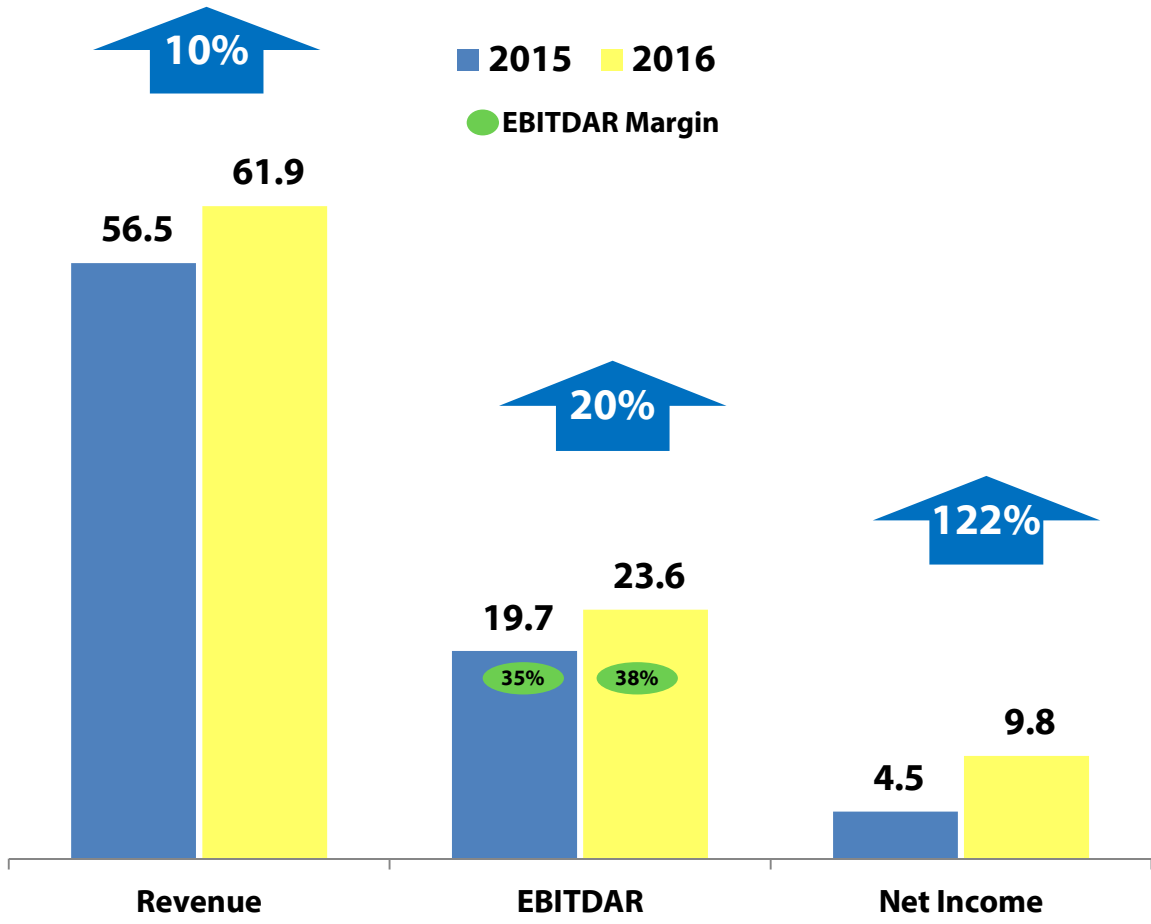
KEY HIGHLIGHTS

- » Strong top-line performance of 12% versus last year where:
 - » Malls: 8% from healthy 6% same mall rental revenue growth; full-year contribution from lifestyle centers opened in 2015 and lease revenues from the 3 new malls and 2 mall expansions in 2016.
 - » Offices: 24% increase from escalation of rents in existing offices and full-year contribution of Cyberscape Alpha, Cyberscape Beta and Tera Tower.
 - » Residential: 17% surge in realized revenues due to higher level full equity sales accompanied by improvement in completion.
 - » Hotels: 1% revenue growth mainly due to lower than expected occupancy rates of international branded hotels, Crowne Plaza and Holiday Inn, compensated by growth of Summit Hotel and Go Hotels brand.
- » Investment portfolio consisting of malls, offices and hotels accounted for 66% of revenues and 85% of EBITDA in 2016; while the balance was contributed by the residential projects.

*attributable to equity holders of the Parent

CEB Overview

(in Php Billions)



KEY HIGHLIGHTS

- » **Revenues** up 10% due to increase in passenger revenues (+9%), cargo revenues (+3%) and ancillary revenues(+13%).
- » CEB flew a total of 19.1M **passengers** for 2016, up 4 % from last year
- » Defended its dominance in the domestic market capturing 57.8% **market share**¹ for full year 2016, and continues to carry the most number of passengers, and have the highest load factor
- » **International** passengers grew 9.0% to 4.8M, ahead of seat growth of 7.4%.
- » As of December 31, 2016, we fly to 66 destinations, 102 routes, and 2,820 weekly flights
- » **57 aircraft** in our fleet.

¹ based on internal estimates,

Growth Businesses

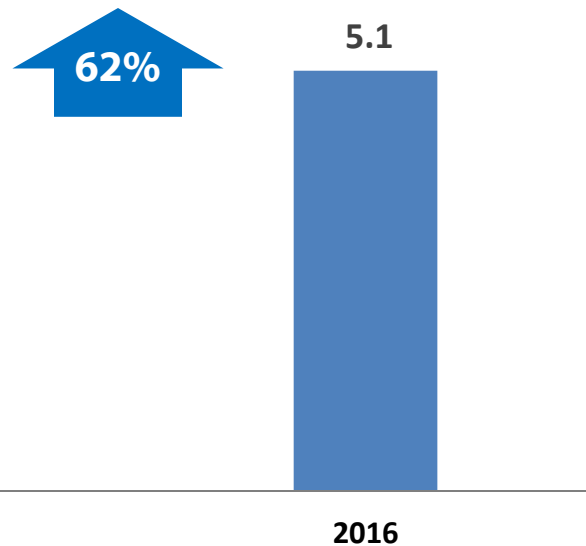


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Petrochem Group Performance

NET INCOME

(in PhP Billions)



KEY HIGHLIGHTS

- » Petrochemicals Group reported gross revenues of P29.1bn in 2016, up 8.6% YoY
- » Sales volume grew by 19.1%
- » EBITDA margin of 24% in 2016 vs 15.7% in 2015
- » Net income increased by 62% boosted mainly by higher capacity utilization that matched better market demand.

SALES VOLUME (MT)	2015	2016
C2 (Ethylene)	275,038	299,539
C3 (Propylene)	151,799	174,265
Pygas	167,424	186,637
Mixed C4	8,957	53,776
PE	227,097	264,238
PP	134,051	170,077
TOTAL	964,366	1,148,532

in PhP Billions	2015	2016
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Revenues*	26.8	29.1
Cost of Sales	23.4	22.8
EBITDA	4.2	7.1
EBIT	3.2	5.8
Net income	3.2	5.1

*after eliminations

Robinsons Bank Overview and Performance

ROBINSONSBANK
A Commercial Bank



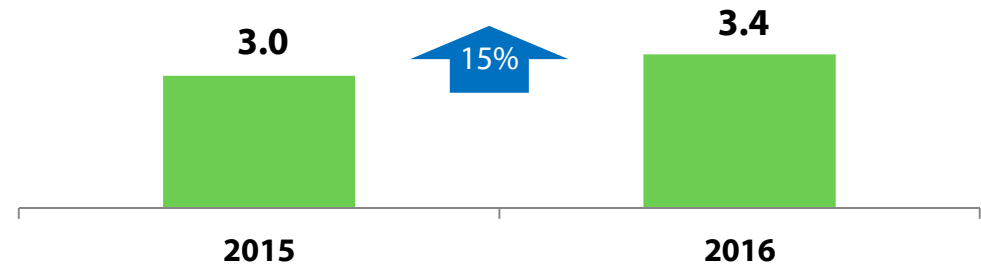
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KEY HIGHLIGHTS

- » As of Dec, 2016, Robinsons Bank has a network of 134 branches and 225 automated teller machines (ATMs)
- » The bank is currently ranked 19th in Loans & Deposits, and 20th in Capitalization & Assets (out of 41 U/KBs).
- » Revenue growth is boosted by higher interest income and trading gains
- » Net income for 2016 of P256.7m, up 140.6% YoY

REVENUES (in PhP Billions)



CONSOLIDATED	2015	2016*
Assets* (PhP Bn)	57.68	78.04
Equity* (PhP Bn)	11.99	11.98
Gross TLP* (PhP Bn)	27.75	39.01
Gross NPLs* (PhP Bn)	1.12	1.16
Capital Adequacy Ratio	32.46%	21.37%
Tier 1 Ratio	31.69%	20.72%

*based on unaudited FS



Core Investments



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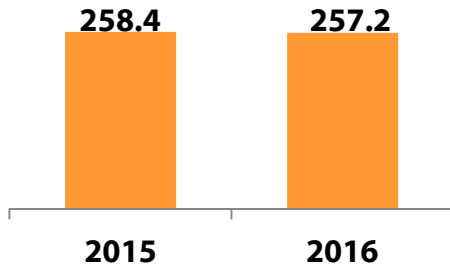
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Core Investments

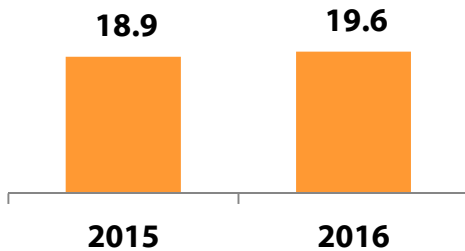


MERALCO

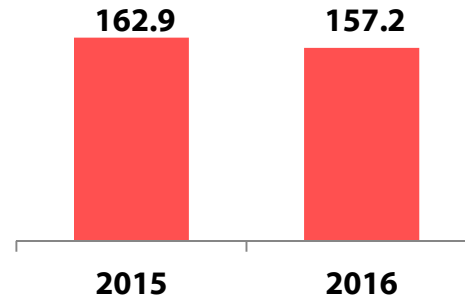
REVENUES
(in Php Billions)



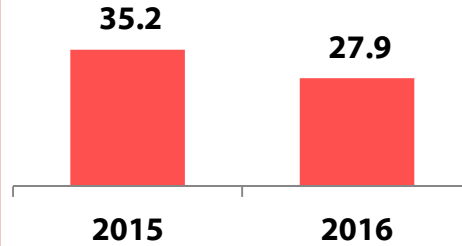
CORE NET INCOME
(in Php Billions)



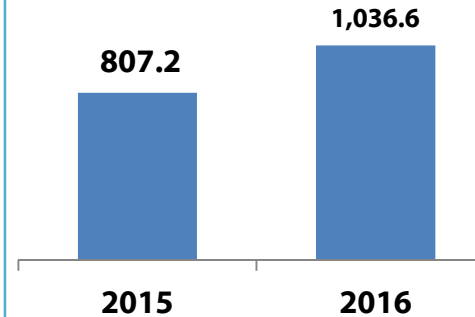
SERVICE REVENUES
(in Php Billions)



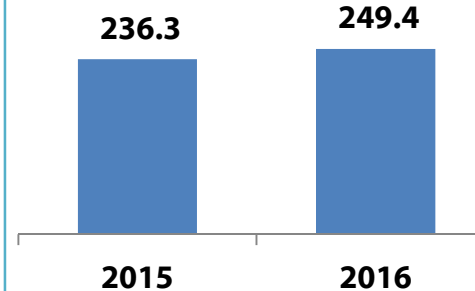
CORE NET INCOME
(in Php Billions)



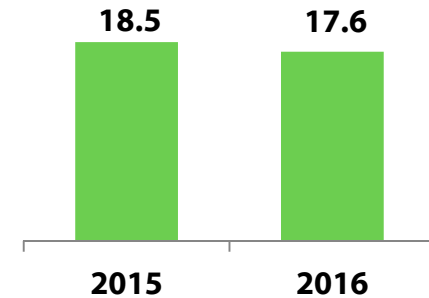
REVENUES
(in S\$ millions)



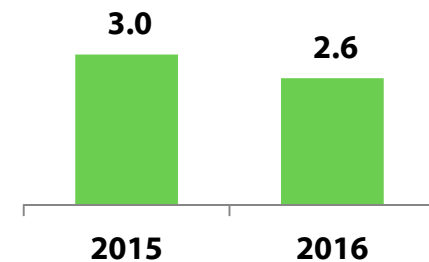
NET PROFIT*
(in S\$ millions)



REVENUES
(in Php Billions)



REPORTED INCOME
(in Php Billions)





Plans and Prospects



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Plans & Prospects



- » Outlook: Competition will further intensify with headwinds on input prices and forex
- » Plans to implement price increases, relaunch C2 and Rong Do to recover Vietnam business, and accelerate the synergies in the Oceania business



ROBINSONS LAND

- » Focus on investment portfolio
- » Remain conservative with project launches in the Residential division



- » Conservative but flexible fleet expansion able to adapt to current developments in the market.
- » Upgauging (using bigger planes) and more hubs out of Manila



- » Continue to optimize operations and raw material supply to achieve high and stable run rates
- » Expansion plans for downstream products



A Commercial Bank

- » Grow the Bank's core income
- » To launch debit and credit card businesses as well as the Bancassurance partnership with PruLife UK.



Thank you!



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