



JG SUMMIT
HOLDINGS, INC.



9M 2018 UNAUDITED RESULTS INVESTORS' BRIEFING

November 9, 2018

Lance Y. Gokongwei

President and CEO

Mike P. Liwanag

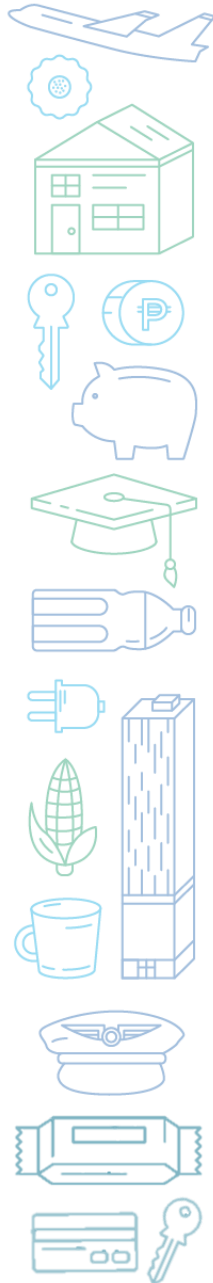
Senior Vice President



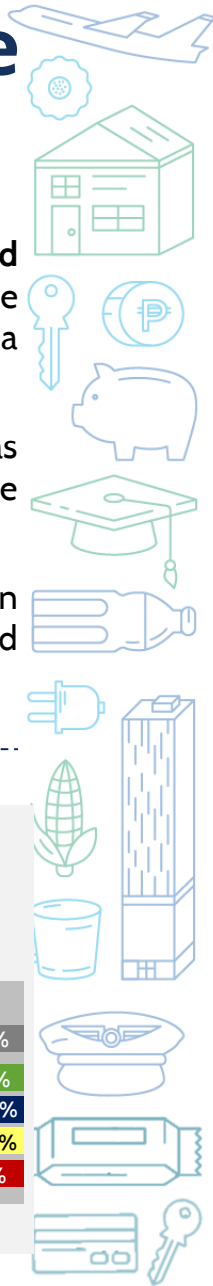
Agenda

1 9M 2018 Unaudited Results

2 Plans, Prospects and Business Updates



JGS: Topline growth slowed down in Q3 while decline in profits continued to taper

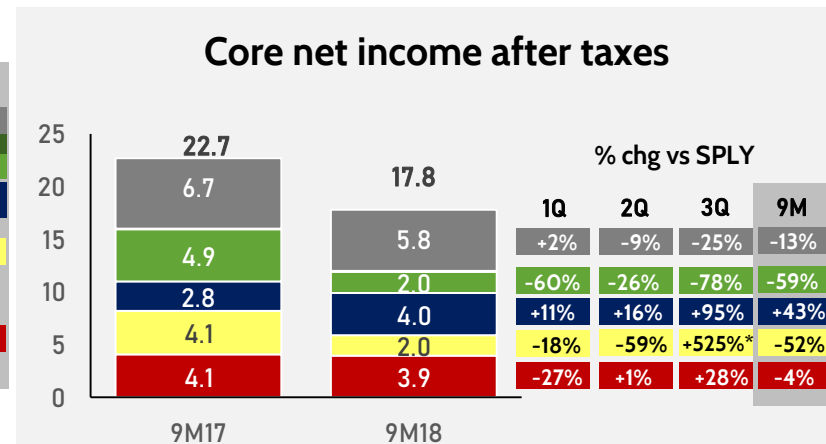
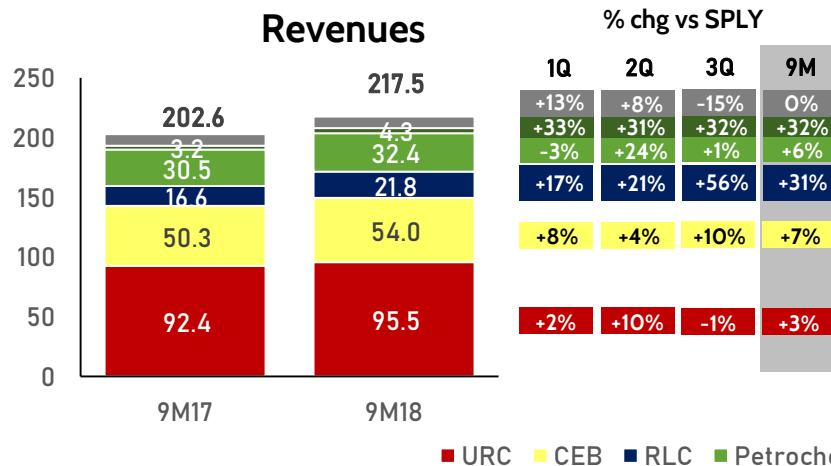


	In billion pesos				Growth (%) vs SPLY			
	1Q18	2Q18	3Q18	9M18	1Q	2Q	3Q	9M
Revenues	70.7	74.6	72.2	217.5	5%	11%	6%	7%
Core net income after taxes	6.3	5.9	5.5	17.8	-23%	-23%	-19%	-22%
Net income*	4.8	5.0	5.0	14.8	-36%	-30%	-25%	-30%

- Strong revenue growth of **RLC**, **CEB** and **RBank** was tempered by flat performance of **URC** and **Petrochem** leading to a deceleration in JGS' topline growth in 3Q
- Overall profitability remains challenged as higher fuel prices and weaker peso continue to affect **CEB** and **Petrochem**
- 3Q earnings improved vs prior quarters on **URC's** margin recovery and **RLC's** sustained double-digit growth

*attributable to equity holders of the parent

9M18 Segment Breakdown (in billion pesos)



■ URC ■ CEB ■ RLC ■ Petrochem ■ Banks ■ Others

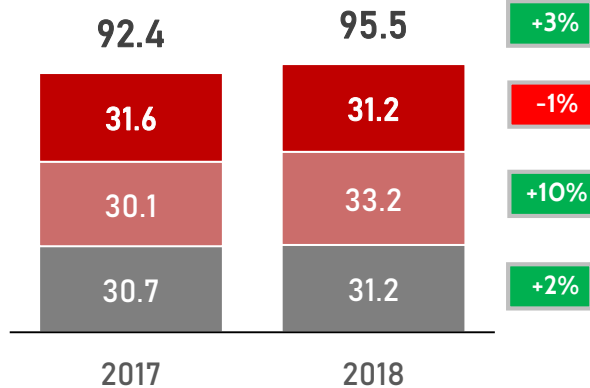
*CEB's 3Q17 and 3Q18 Core Net Income figures are negative

URC: Sales decelerated while margins recovered in 3Q

Revenue

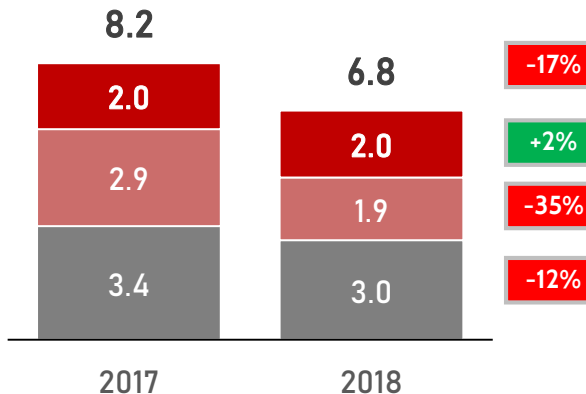
1Q 2Q 3Q 9M

% chg vs SPLY

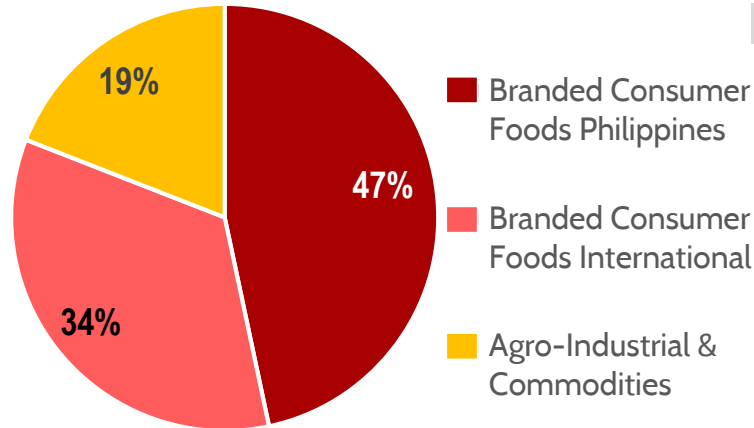


Net Income

% chg vs SPLY



Sales Breakdown (9M18)



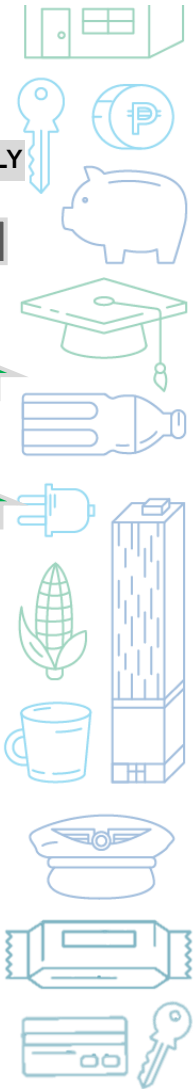
% chg vs LY

0%

+5%

+10%

- Shift in timing of Sugar sales and weak performances of BCF International's Thailand and Oceania resulted to a flat URC sales in 3Q; BCF Philippines showed an improvement with coffee sales decline tapering
- Net income improved in 3Q driven by the implementation of price increase in BCF Philippines, recovery in Vietnam, and better cost management

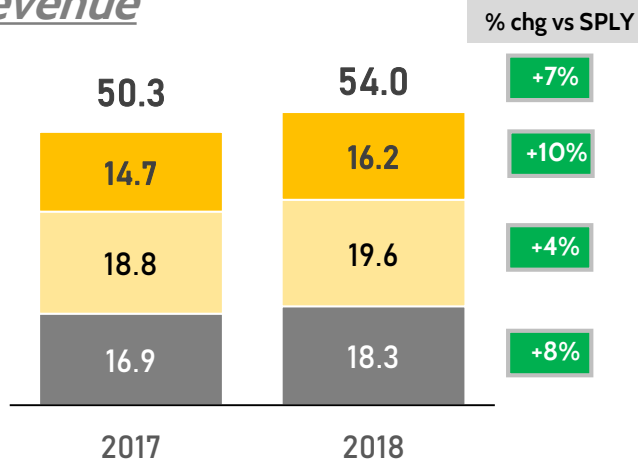


CEB: Net loss for the quarter mainly due to higher fuel price and forex impact



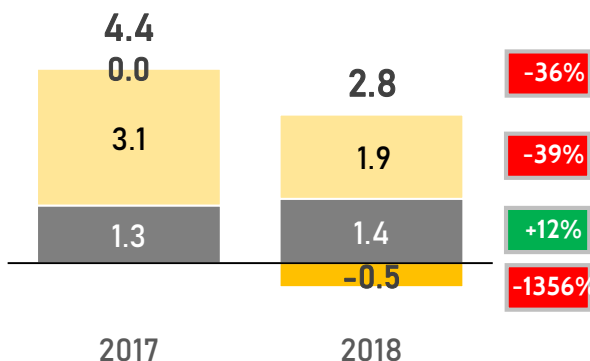
Revenue

1Q 2Q 3Q 9M

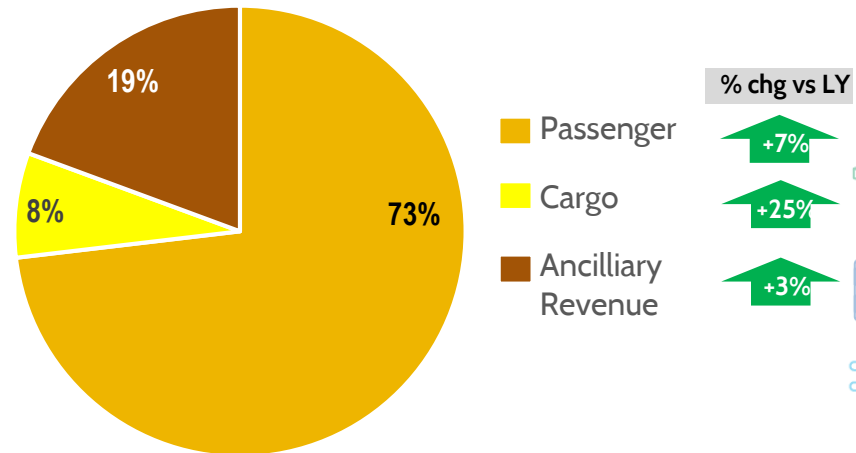


Net Income

% chg vs SPLY



Sales Breakdown (9M18)

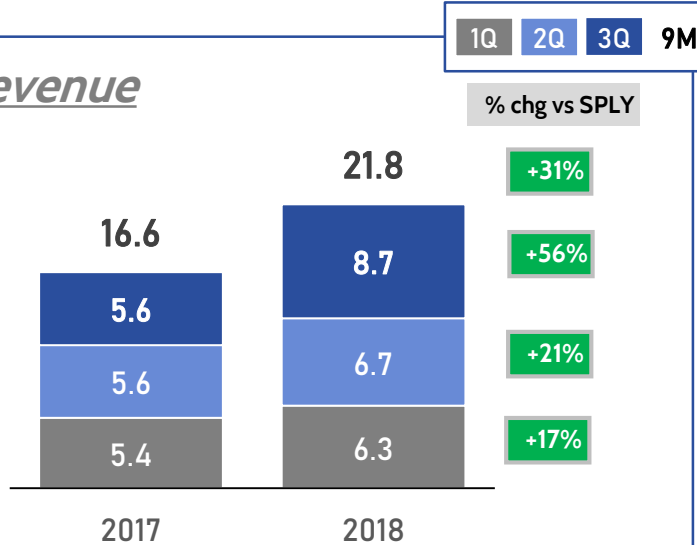


- Strong sales growth across the group as a result of higher average selling prices and robust cargo volumes
- Higher fuel prices, weaker peso, higher lease and lease return obligations, and investments on safety and secured digitalization resulted in a net loss in 3Q

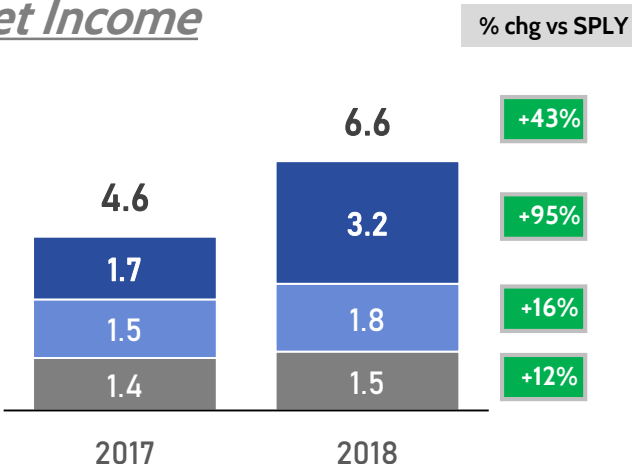


RLC: Growth momentum amplified by the gain on sale of land to JVs

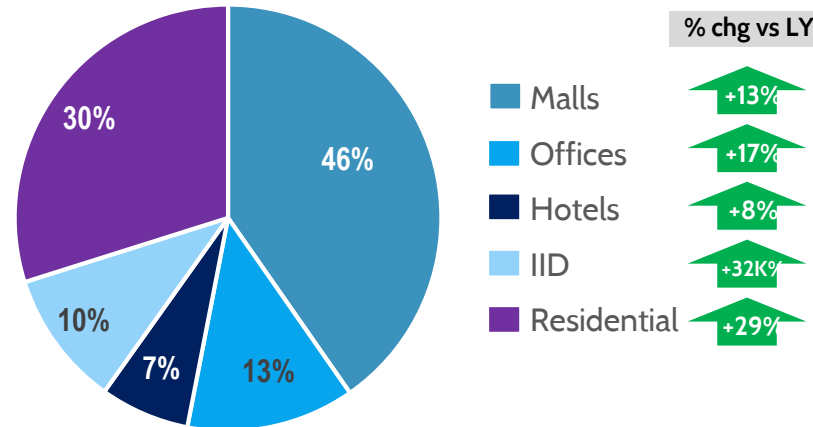
Revenue



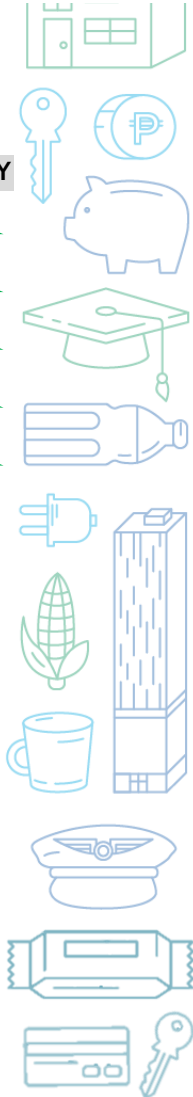
Net Income



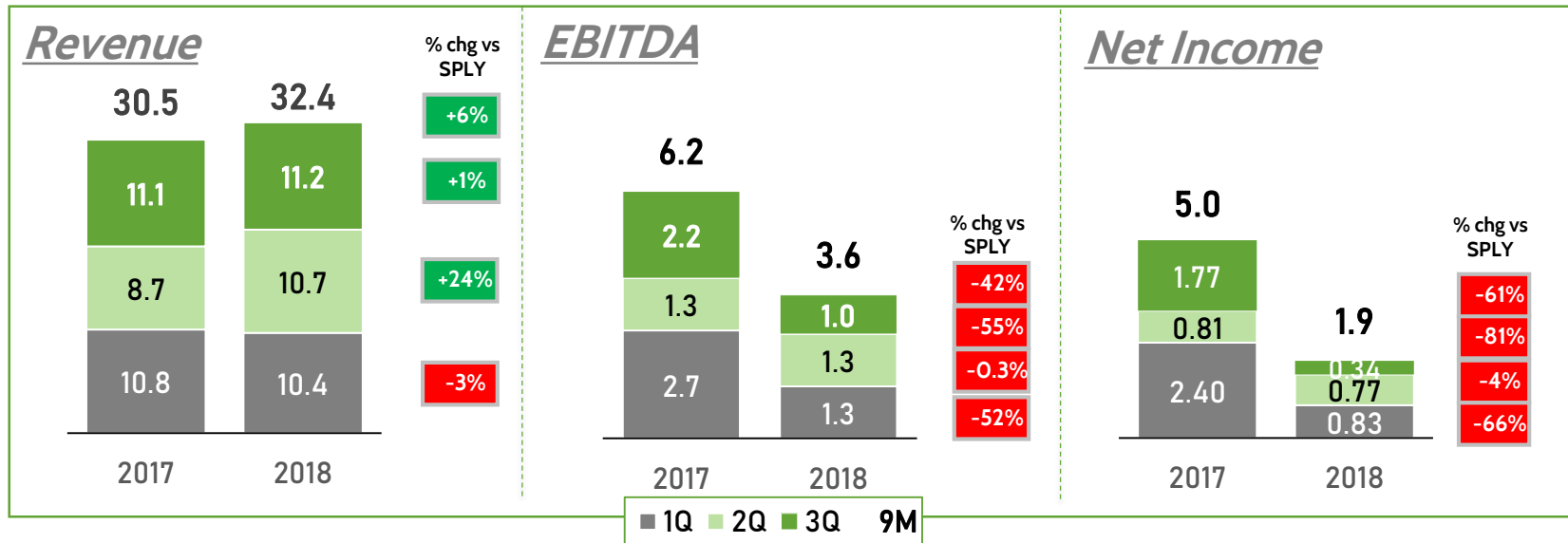
Sales Breakdown (9M18)



- Robust revenue growth attributable to rent escalation and new launches for malls and offices; and improved product development, new projects & strong demand for residential
- Gain on sale of land to JVs (booked under IID) augmented RLC's growth and largely drove its margin expansion for the quarter



Petrochem: Lower sales volumes and higher naphtha prices dragged 3Q results



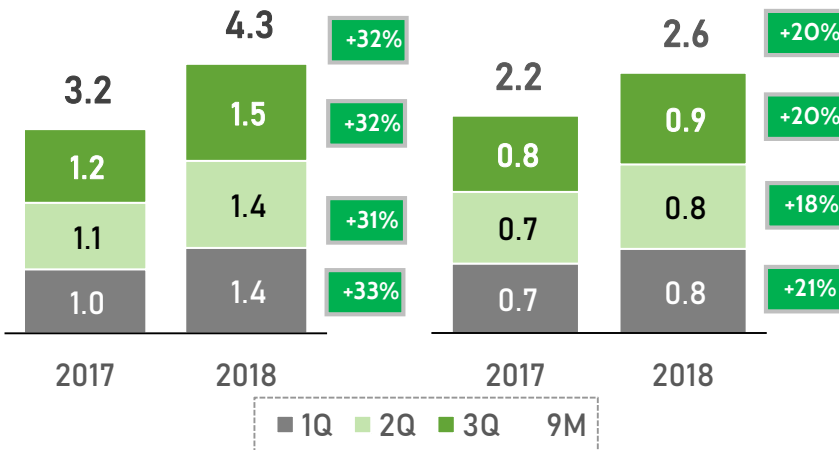
- Higher average selling prices of all segments cushioned the decline in sales volumes of polymers and pygas
- 3Q EBITDA significantly down mainly due to higher naphtha and LPG consumption cost; Net income further declined because of higher financing costs and forex losses

SALES VOLUME (MT)	9M17	9M18	%chg
*C2 (Ethylene)	30,638	47,113	54%
*C3 (Propylene)	-	12,274	NA
Pygas	184,326	159,082	-14%
Mixed C4	83,018	83,700	1%
PE	224,455	180,534	-20%
PP	151,042	126,531	-16%
TOTAL	673,479	609,235	-10%

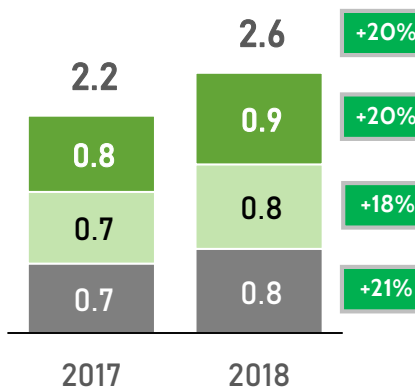
*After eliminations

Robinsons Bank: Solid growth sustained

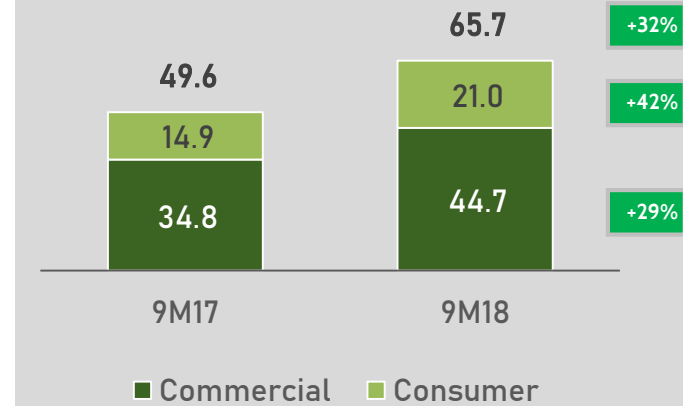
Gross Revenue



Net Interest Income

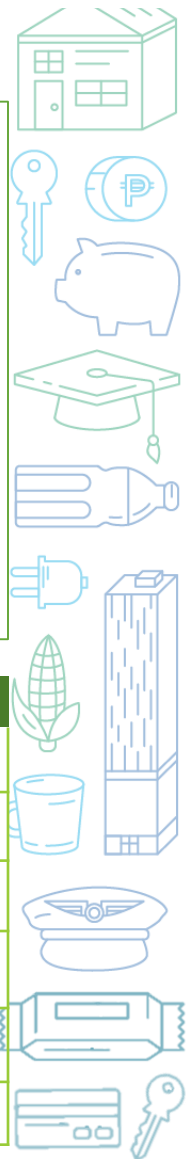


Loans



- Consolidated loan portfolio expanded 32% to Php65.7 billion, led by faster growth in consumer loans
- Net interest income now account for 87% of net revenues vs 83% last year
- Current consolidated network of 157* branches and 277 ATMs

Consolidated (Php Bn)	9M17	9M18	Growth
Assets	96.2	114.1	25%
Equity	12.4	12.3	3%
Gross TLP	49.6	65.7	41%
Gross NPLs	1.1	1.2	-8%
Capital Adequacy Ratio	21.4%	16.3%	
Tier 1 Ratio	20.5%	15.5%	

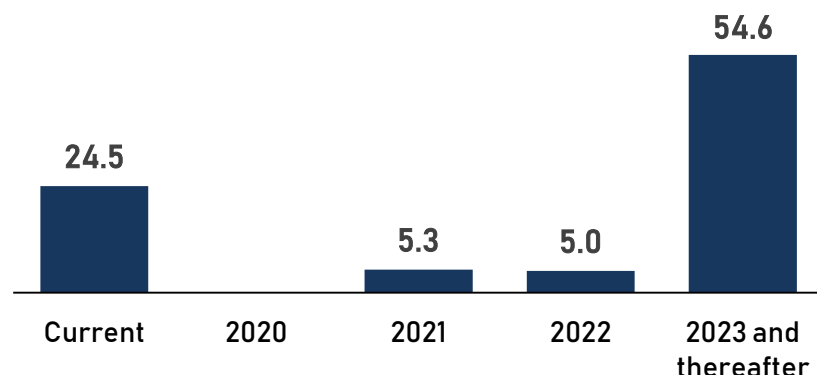


JGS: Balance sheet remains healthy

Consolidated

	Dec 2017	Sep 2018	Growth
Cash(1)	55.8	56.6	1%
Financial Debt	227.5	237.6	4%
Total LT Debt	181.7	209.1	15%
FX-Denominated	104.0	112.6	8%
Net Debt	171.7	181.0	5%
D/E Ratio	0.66	0.65	
Net D/E Ratio	0.50	0.49	

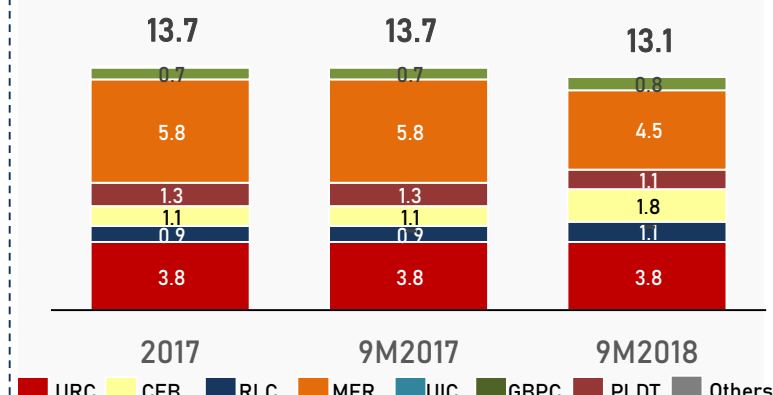
Schedule of parent LT debt maturities



Parent

	Dec 2017	Sep 2018	Growth
Cash	18.8	16.4	-7%
Total LT Debt	71.8	89.4	24%
Total ST Debt	19.3	6.5	-70%
Net Debt	72.3	79.5	7%
Blended Cost of LT Debt	4.8%	4.6%	
Blended Avg. Remaining Life(2)	3.9 yrs	3.4 yrs	

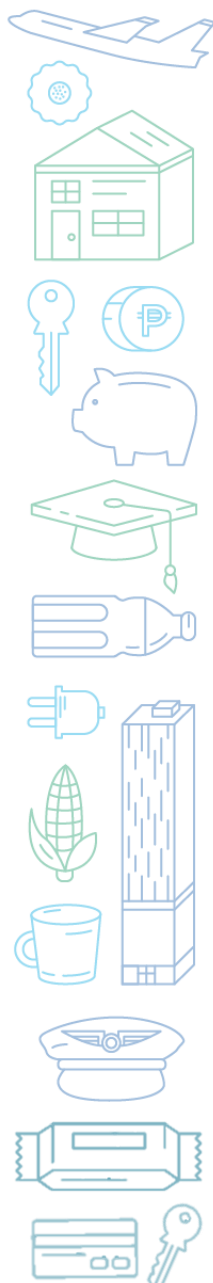
Stable recurring dividends



In billion pesos except ratios

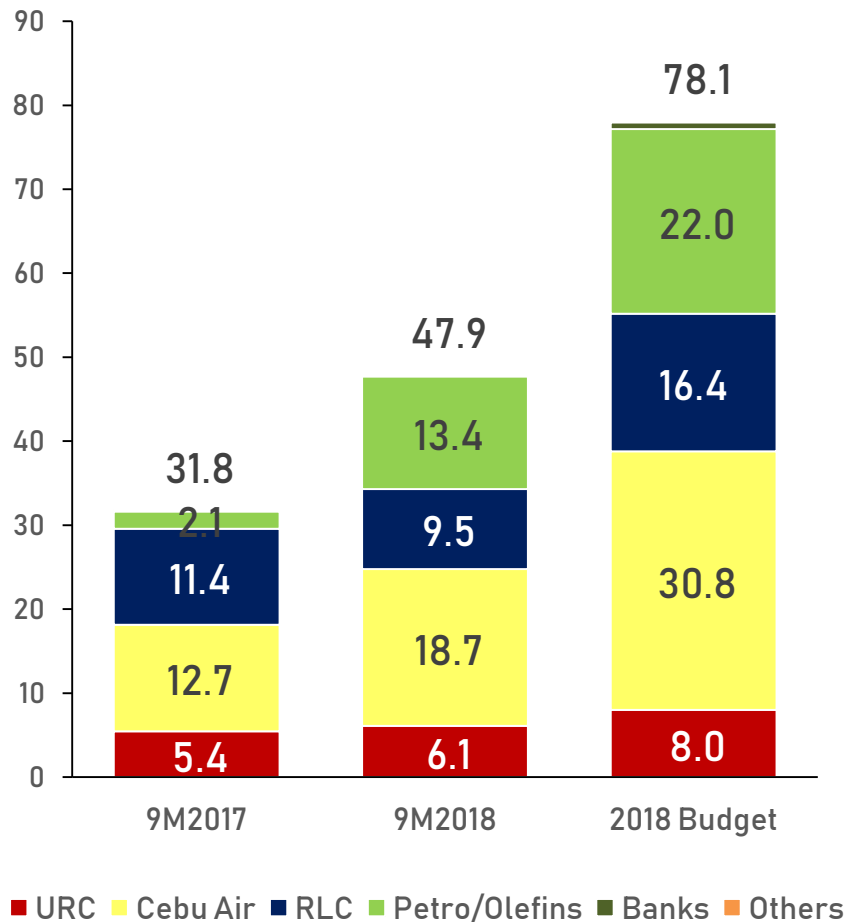
(1) Cash, FVPL and available for sale (AFS) investments from Robinsons Bank and AFS on PLDT are excluded

(2) Recalculated based on weighted average from simple average in previous presentations



CEB, Petrochem and RLC mainly contributed to JGS' 9M18 CAPEX spending

9M18 CAPEX SPEND: Php47.9 bn



- Capacity expansion of BCF Int'l, Sugar and Flour



- Land acquisitions
- Development of malls, offices, hotels and warehouse facilities



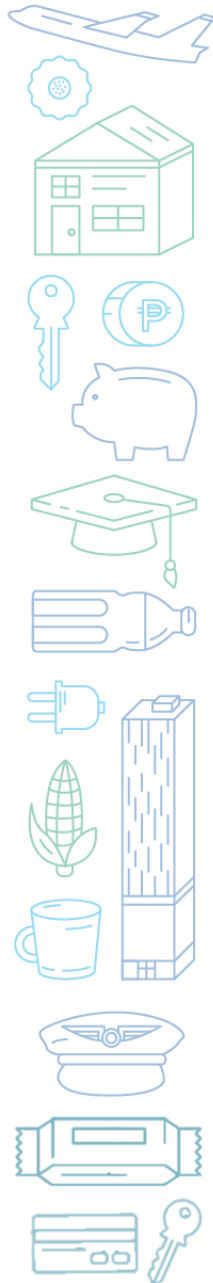
- Aircraft acquisition (5 A321 CEO aircraft and 2 ATR72-600)



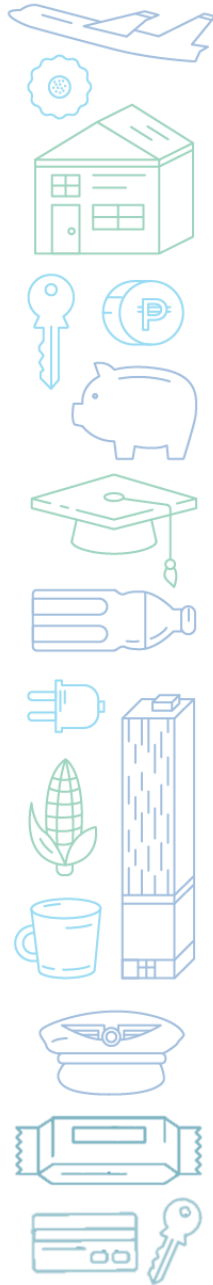
- Maintenance and expansion projects



- Branch expansion
- Maintenance CAPEX



Key Business Updates



Plans, Prospects and Business Updates



- Kicked-off major projects/ programs which will have a medium to long term impact to the business
 - Route-to-market (RTM) enhancements to improve numeric distribution
 - Lean Manufacturing Excellence Pilot Program and Supply Network Study and Redesign
 - Development of sustainability initiatives



- Target to breach the 1.5 million sqm-mark in terms of GLA by opening four new malls which will increase GLA by 9%; Complete three new office developments which will increase NLA by 28% to 518K sqm and open two new hotels which will boost hotel room count by 12% to 2,816 rooms by end-2018
- Already reached the 2018 target project launches for Residential division
- Continues to be on the lookout for opportunities to acquire land suitable for a township development



- Upsize strategy with A330 and A321 aircraft for a conservative but flexible fleet expansion plan
- Continued digital transformation and enhancement of safety and security
- Launched the Manila-Melbourne flights
- Expansion of Cebu and Clark hubs



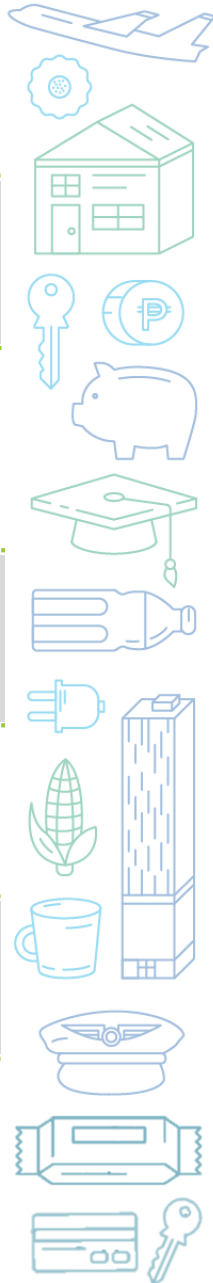
- Improve overall plant operations to achieve sustained 100% production rates
- Ongoing EPC works for the naphtha cracker expansion, new aromatics and butadiene extraction units, and both the new and expanded plants for polymers
- Integrated operations for the expanded petrochemical complex by 2020



- Issued ₱1.78 Bn LTNCDs last July 16, 2018
- After the launch of Direct2Bank Pesonet last May, Direct2Bank Instapay was launched last September
- Php3.0 billion recapitalization in 4Q18 to sustain growth



- Officially launched Cashalo's mobile app last October
- Digital Transformation Office continues to support and equip BUs in integrating digitalization in their business plans and ways of working
- Implementation of various projects to enhance overall governance across the JG Group such as simplification of approval processes, focused ExComs per SBU and Corporate Center units rationalization/alignment



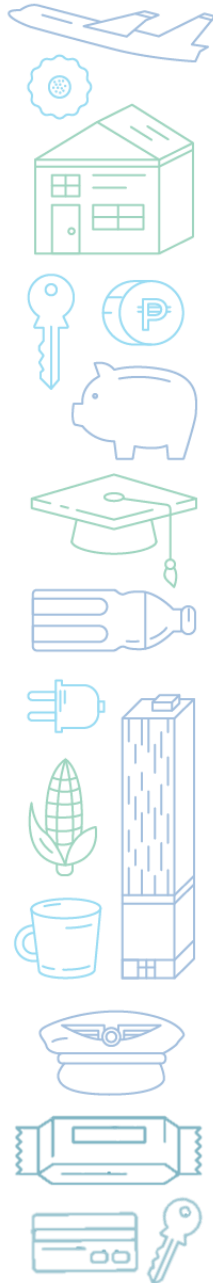
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For more information, please contact:

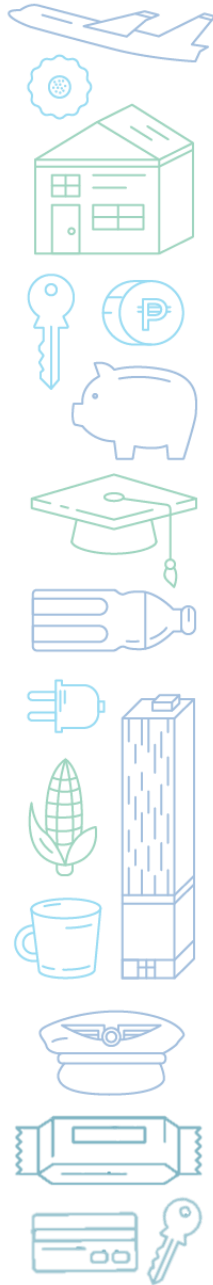
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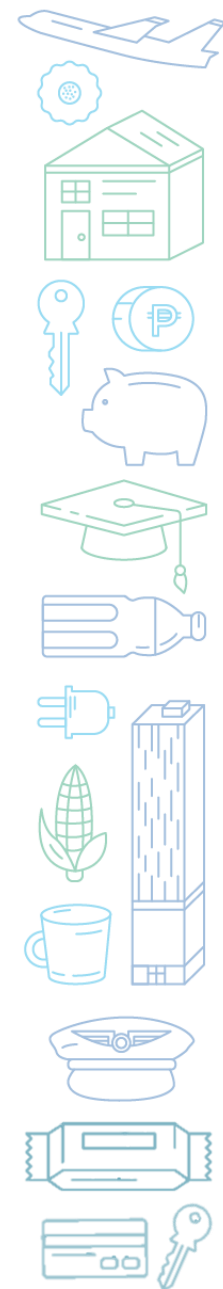
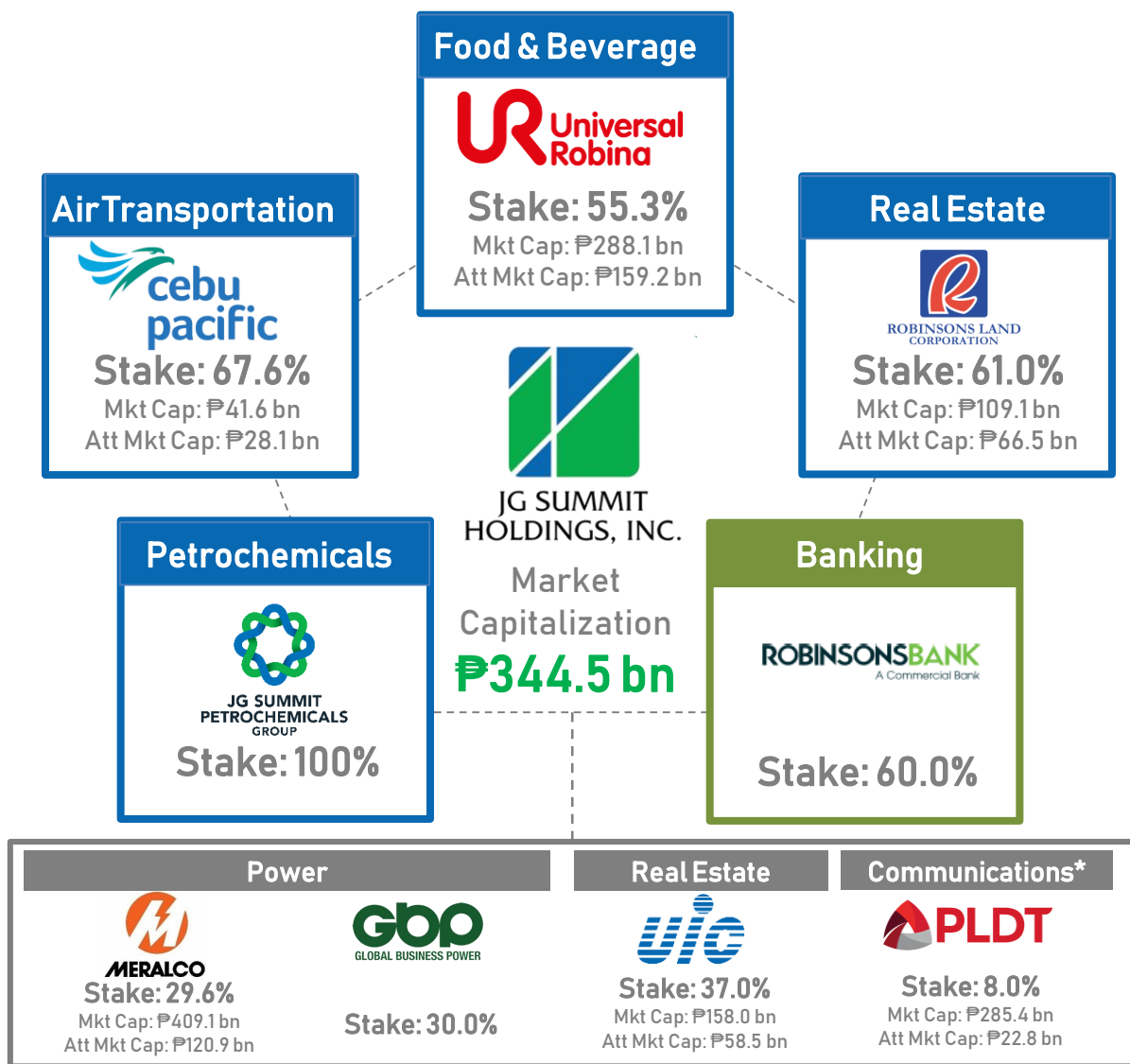
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Appendix

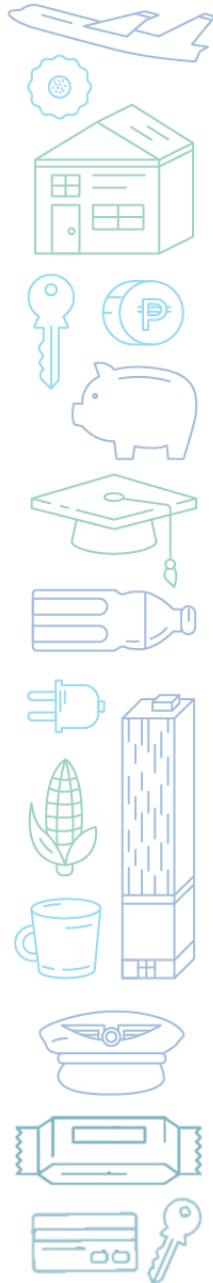


Corporate Structure



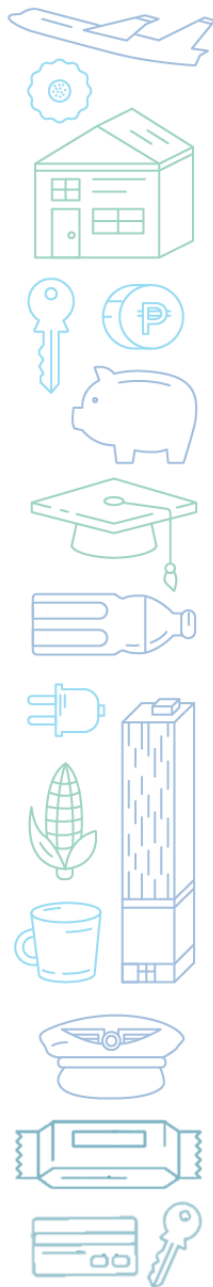
Balance Sheet

(Php Millions)	As of Sep 2018	As of Dec 2017
Cash & cash equivalents (including Financial assets at FVPL and AFS investments)	79,570	89,694
Other current assets	120,626	117,022
Investments in Associates and JVs - net	140,588	138,539
Property, plant, and equipment	205,547	181,660
Other noncurrent assets	248,068	212,540
TOTAL ASSETS	794,399	739,455
Current liabilities	205,582	181,680
Noncurrent liabilities	220,943	211,355
TOTAL LIABILITIES	426,524	393,035
Stockholders' Equity	277,816	267,837
Non-Controlling Interest	90,059	78,582
TOTAL EQUITY	367,874	346,420

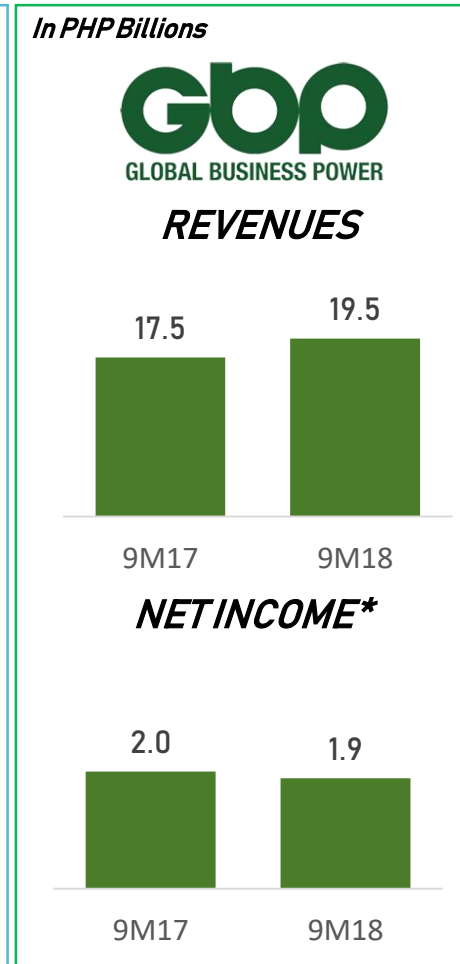
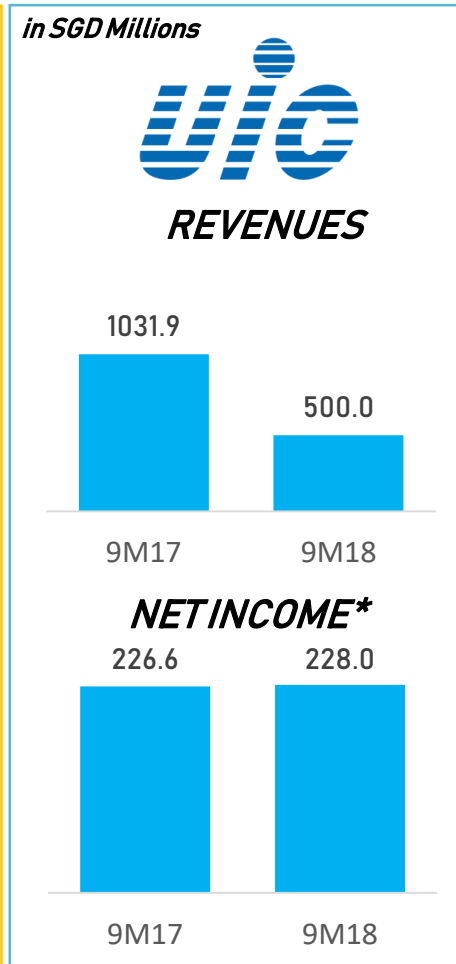
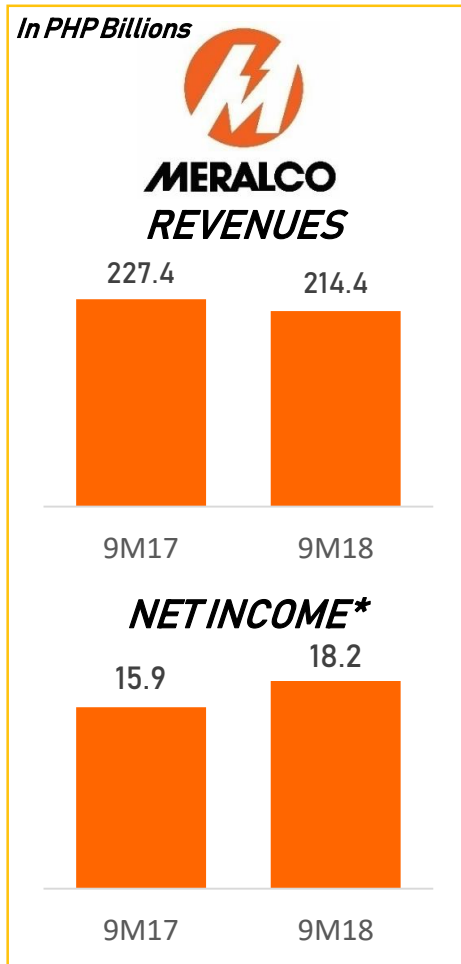
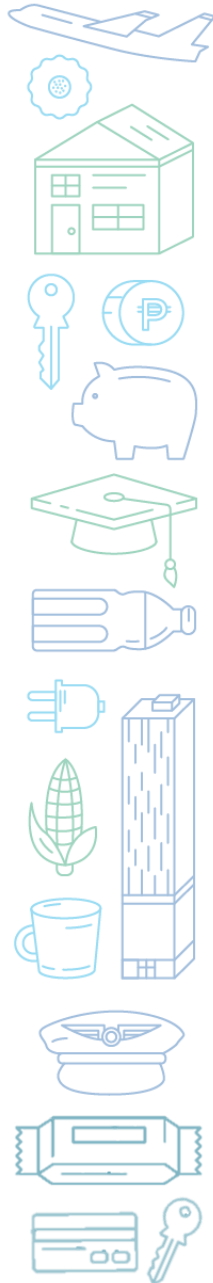


Income Statement

(Php Millions)	YTD Sep 2018	YTD Sep 2017	YoY
REVENUES	217,518	202,640	7%
Cost of sales and services	142,330	126,925	12%
GROSS INCOME	75,188	75,715	-1%
Operating Expenses	40,268	36,994	9%
OPERATING INCOME	34,920	38,721	-10%
Financing costs & other charges	(6,807)	(5,747)	18%
Foreign exchange gain/ (loss) - net	(3,938)	(949)	315%
Market valuation gain/ (loss)	831	(624)	-233%
Finance income	1,215	912	33%
Others	(133)	244	-154%
INCOME BEFORE TAX	26,089	32,556	-20%
Provision for Income Tax	4,487	4,128	9%
NET INCOME	21,601	28,428	-24%
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	14,798	21,243	-30%
CORE NET INCOME	17,784	22,687	-22%



Performance of Minority Investments



*from operations, attributable to equity holders of the Company; UIC net income includes fair value gains from investment property, which is eliminated in JGS consolidated FS
Source: Company Filings