

# 9M2020 UNAUDITED RESULTS INVESTORS BRIEFING

November 13, 2020



**Lance Y. Gokongwei**  
President & CEO

**Mike P. Liwanag**  
SVP, Investor Relations & Chief of Staff

---

# Agenda

9M2020 Unaudited Results

Business Updates, Plans and Prospects

---

# 9M2020 Unaudited Results

# QoQ improvements in Petro, RLC & CEB drove 3Q recovery

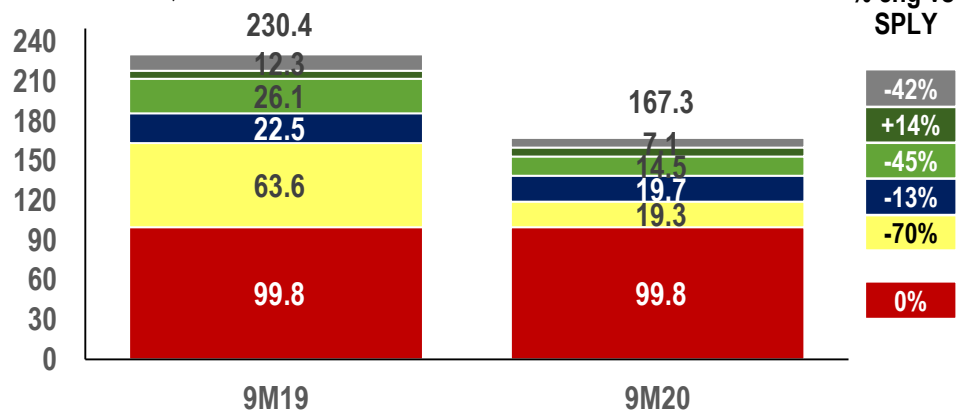
	In billion pesos				Growth (%) vs SPLY			
	1Q20	2Q20	3Q20	9M20	Q1	Q2	Q3	9M
Revenues	67.9	48.6	50.7	167.3	-10%	-42%	-29%	-27%
Core net income after taxes	4.3	(2.8)	(0.2)	1.2	-19%	NA	NA	-93%
Net income*	1.9	(2.6)	0.8	0.1	-71%	NA	-77%	-99%
Net income* excluding CEB	2.7	2.8	4.6	10.1	-35%	-67%	17%	-39%

\*attributable to equity holders of the parent

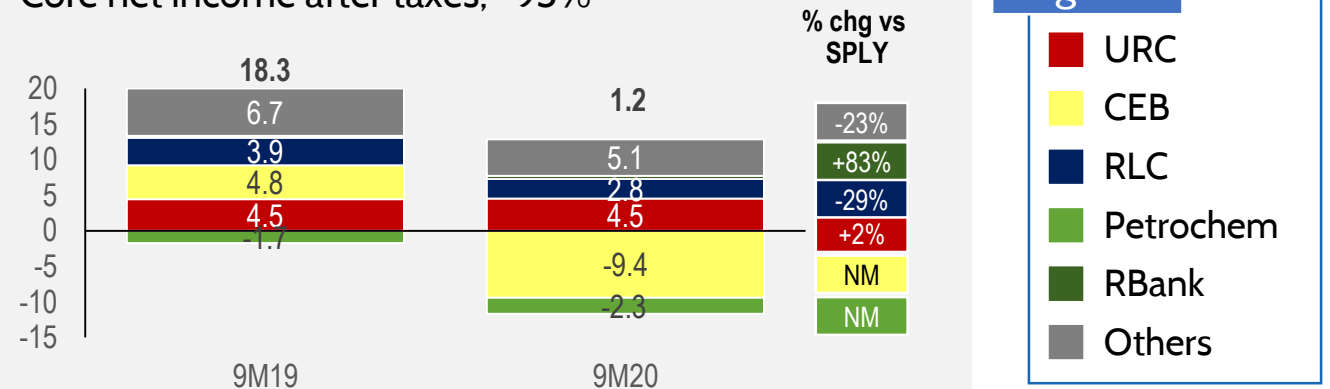
- The resilient topline performance of food, banking and office business segments continue to temper the year-on-year decline in airline, malls, hotels and petrochemical revenues in 9M20
- 3Q20 net income posted a significant turnaround from reported losses in 2Q on the back of improving contributions from petrochemicals & real estate, and reduced losses from airlines
- Excluding Meralco's one-off impairment loss, 9M20 core net income after taxes amounted to Php1.2B

## Segment Breakdown (in billion pesos)

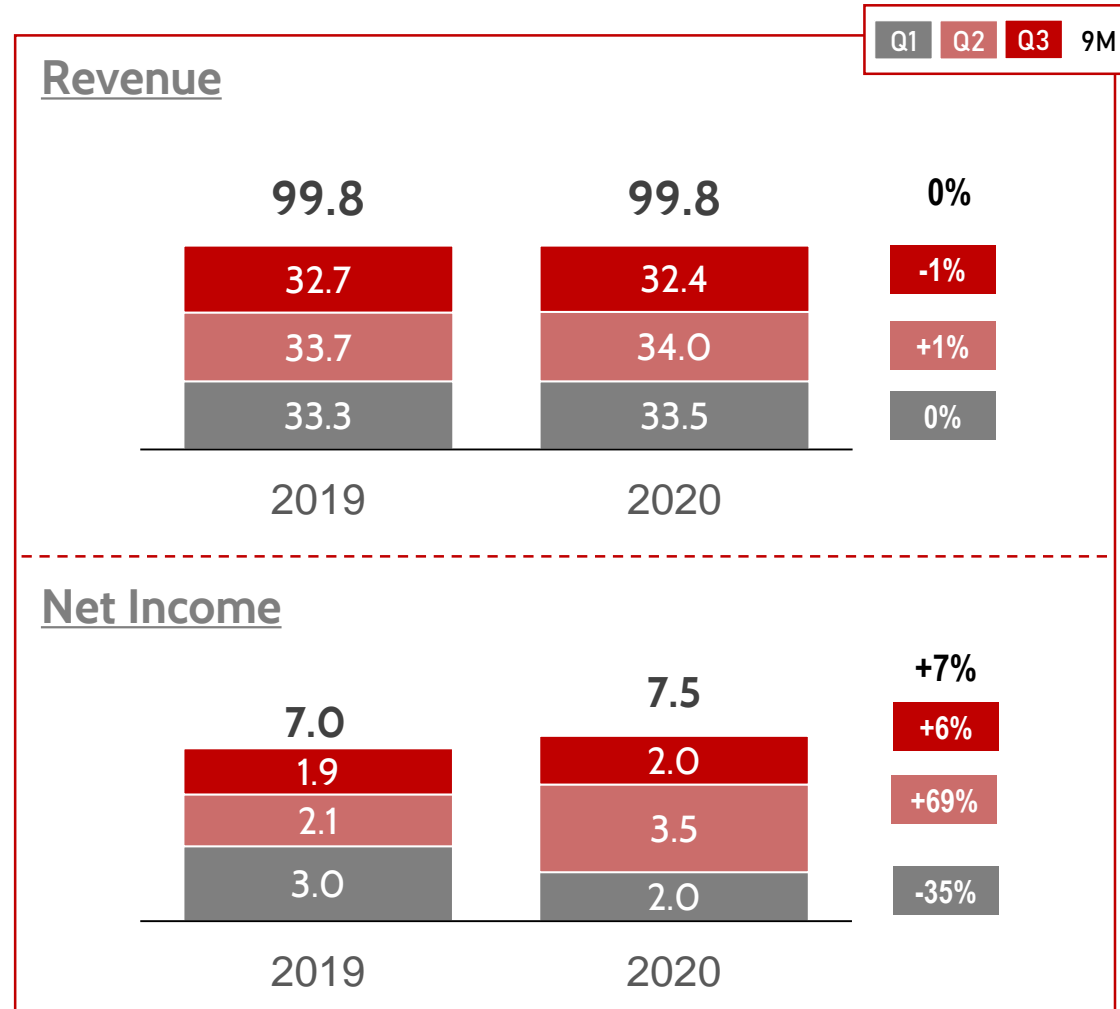
### Revenues, -27%



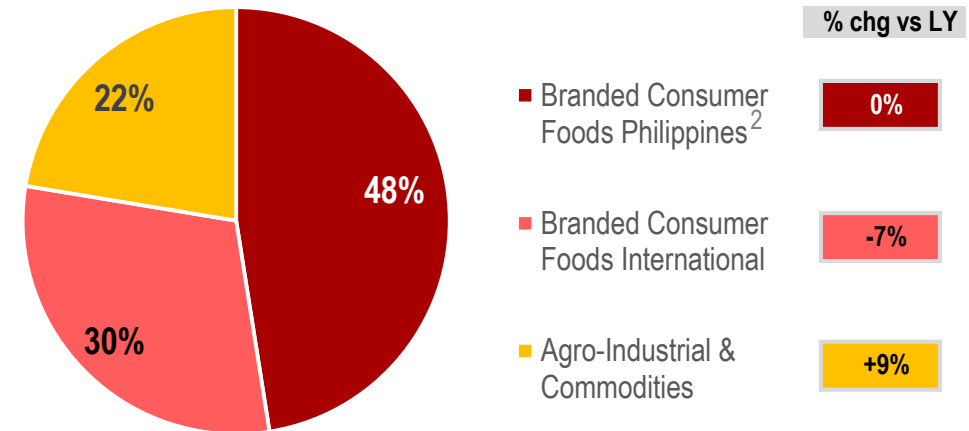
### Core net income after taxes, -93%



# URC: Better mix and cost management boosted profit growth amid flat sales YoY

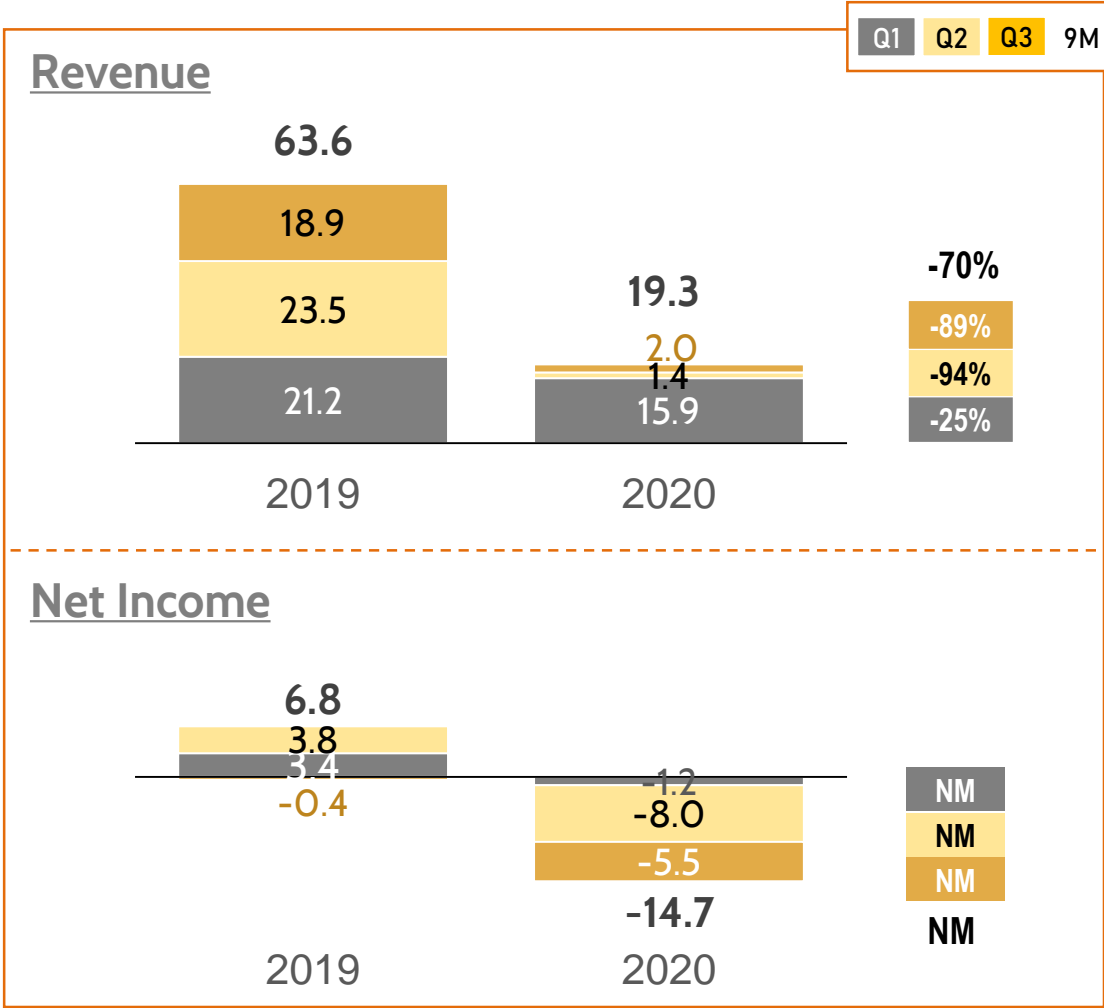


## Revenue Breakdown, 9M2020

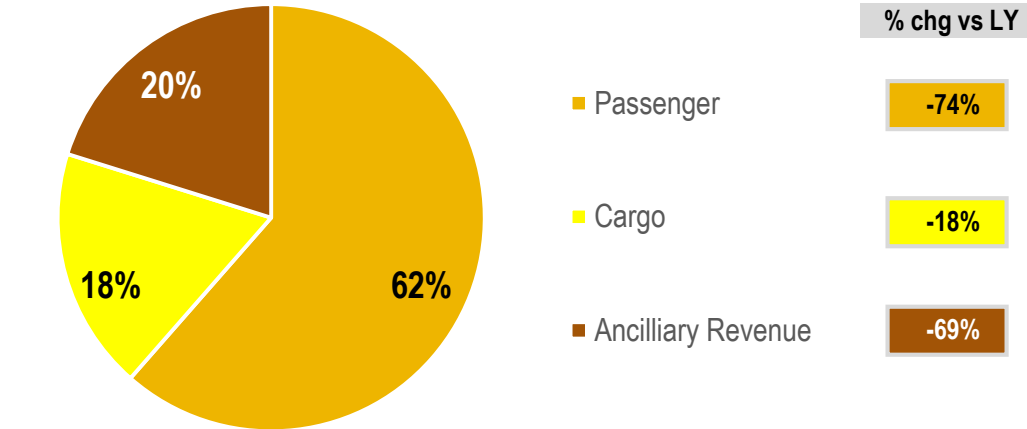


- Revenues remained flat YoY as growth in Agro-Industrial & Commodities, as well as market share gains in Branded Consumer Foods Philippines offset weak consumer sentiment
- Margins continue to expand YoY driven by favorable mix, OPEX control and cost savings across the group

# CEB: Gradual resumption of flights reflected tapering losses QoQ

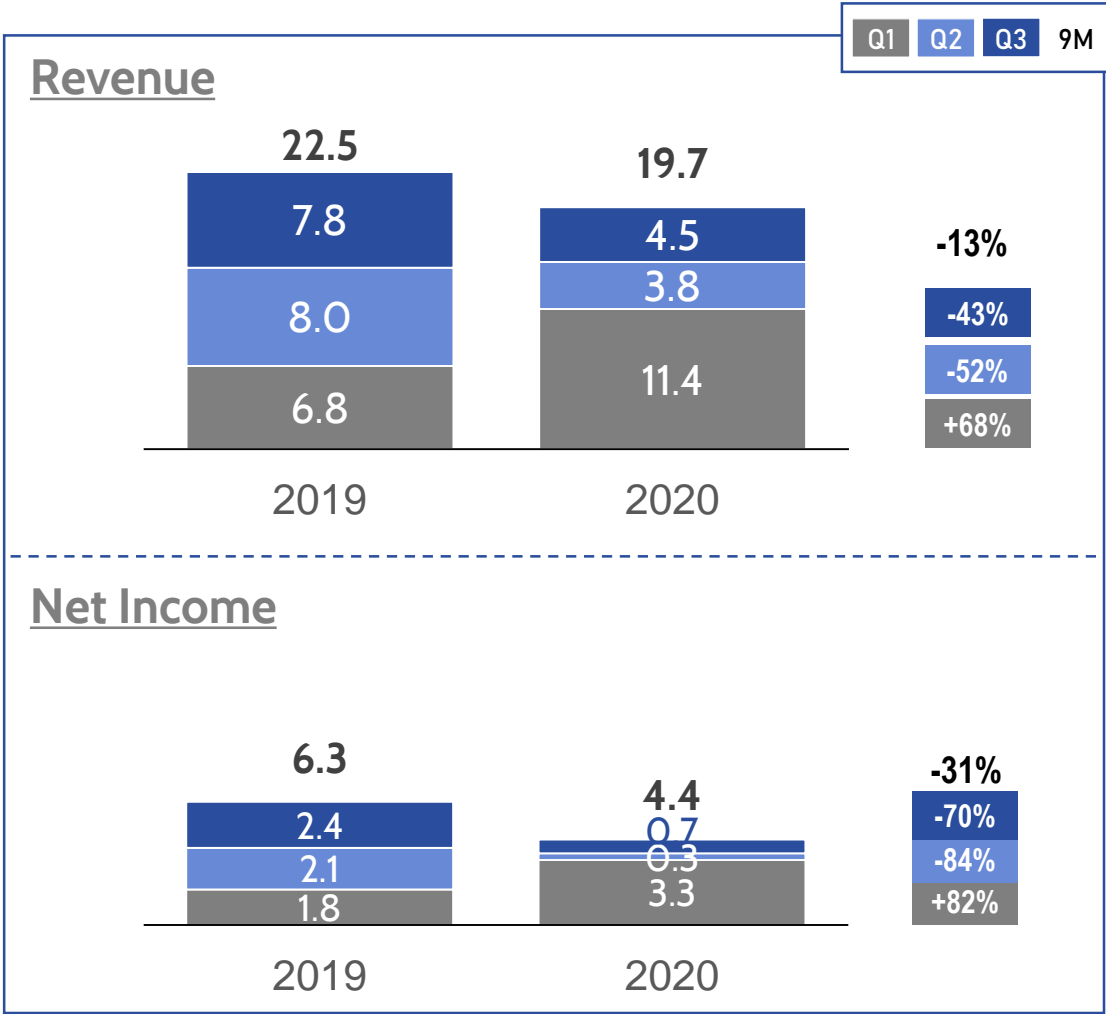


Revenue Breakdown, 9M2020

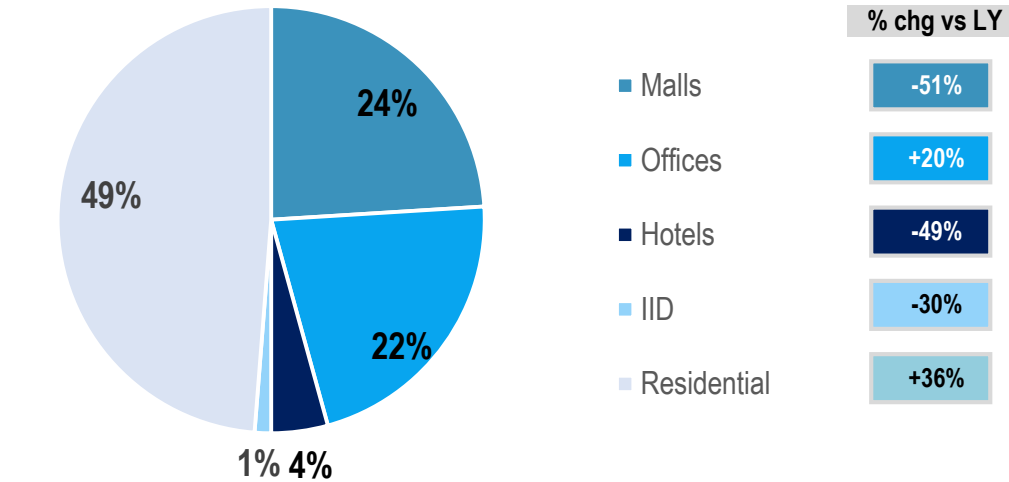


- 3Q20 flights and passenger volumes increased QoQ; but limitations on frequency of flights and varying requirements and processes from local government units remain to be a challenge for CEB's operations;
- Cargo supplemented commercial operations with bigger contribution to total YTD revenues at 18% vs 7% last year

# RLC: Balanced portfolio drove financial strength and 3Q improvement



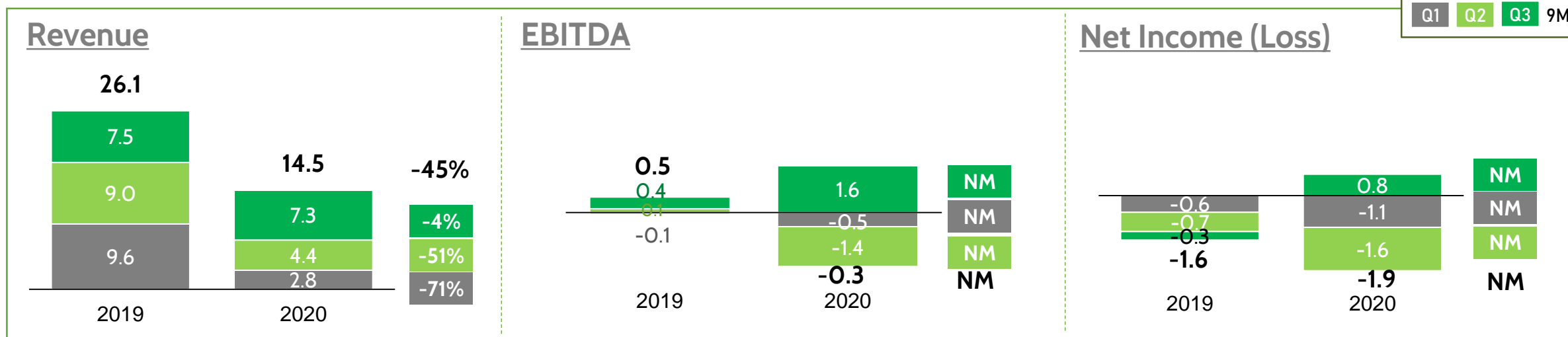
Revenue Breakdown, 9M2020



- The sustained growth of offices, the adoption of a new accounting policy for the residential division, and better 3Q performance in malls and hotels, tempered the YoY decrease in property revenues
- Streamlined operations and cost management softened EBITDA decline; but additional depreciation, higher interest expense and unfavorable foreign exchange impact pulled down Net Income

(1) In PHP billions, except ratios

# Petrochem: Improving run rates, market rebound & lower-priced naphtha led to positive profits in 3Q



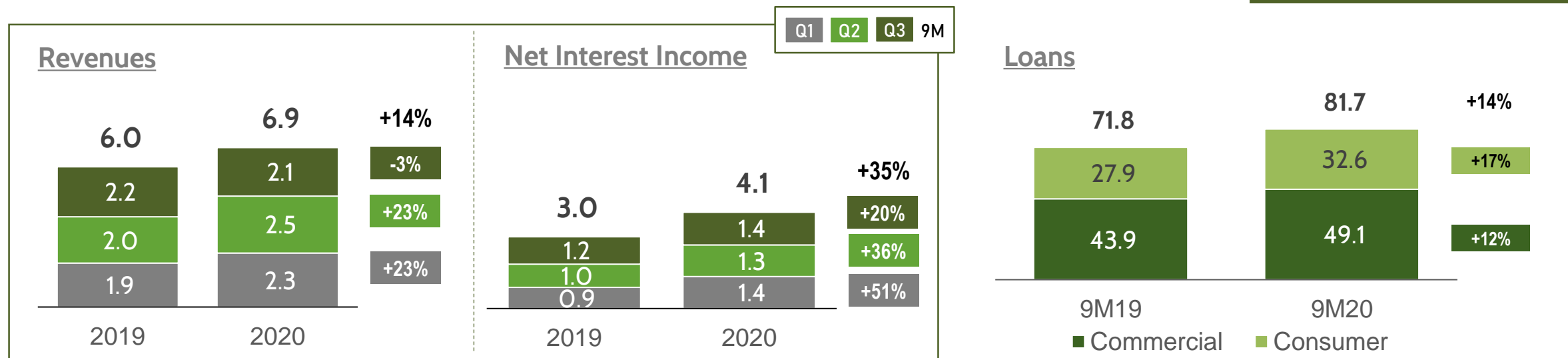
- Revenue decline softened in 3Q as higher volumes from improving utilization rates, local market rebound and strong export sales, nearly offset the impact of lower selling prices YoY
- Margins significantly expanded in 3Q driven by better volumes and lower-priced naphtha from inventory, resulting in positive EBITDA and net income for the quarter

SALES VOLUME (MT)	9M19	9M20	%chg
*C2 (Ethylene)	25,567	7,252	-72%
*C3 (Propylene)	7,978	1,608	-80%
Pygas	163,753	99,861	-39%
Mixed C4	77,471	0	-100%
PE	189,209	170,417	-10%
PP	121,477	107,622	-11%
<b>TOTAL</b>	<b>585,457</b>	<b>386,759</b>	<b>-34%</b>

\*After eliminations



# RBank: Sustained robust performance with higher NIMs and trading gains YoY



- 9M20 consolidated net income surged 68% to Php786 million as NIMs widened on top of double-digit loan growth
- Consolidated loan portfolio expanded 14% to Php81.7 billion, led by faster growth in consumer loans; commercial loan growth also accelerated in 3Q
- Net interest income rose 35% YoY and accounts for 78% of net revenues in 9M20
- Current consolidated network of 168<sup>(2)</sup> branches and 346 ATMs

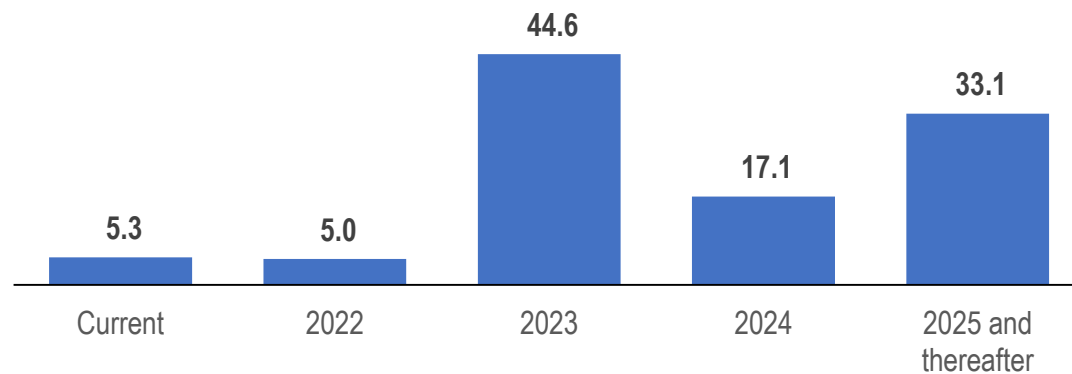
Consolidated (Php Bn)	9M19	9M20	Growth
Net Income	0.5	0.8	68%
Assets	110.6	142.1	29%
Equity	16.8	18.4	9%
Gross TLP	71.8	81.7	14%
Gross NPLs	1.4	3.2	134%
Allowance for probable losses <sup>(3)</sup>	1.5	2.4	61%
NPL Ratio	2.1%	3.9%	
NPL Coverage Ratio <sup>(3)</sup>	110%	75%	
Capital Adequacy Ratio	19.5%	17.5%	
Tier 1 Ratio	19.2%	16.7%	

# JGS: Balance sheet remains healthy

## Consolidated

	Dec 2019	Sep 2020	Growth
Cash(1)	58.7	79.6	36%
Financial Debt	273.0	311.4	14%
Total LT Debt	218.9	270.3	23%
FX-Denominated	118.6	133.1	12%
Net Debt	214.3	231.9	8%
D/E Ratio	0.7	0.8	
Net D/E Ratio	0.5	0.6	

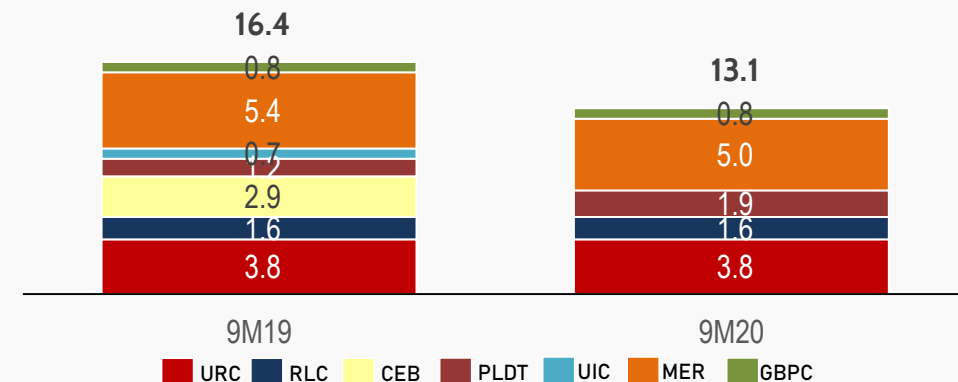
## Schedule of parent LT debt maturities



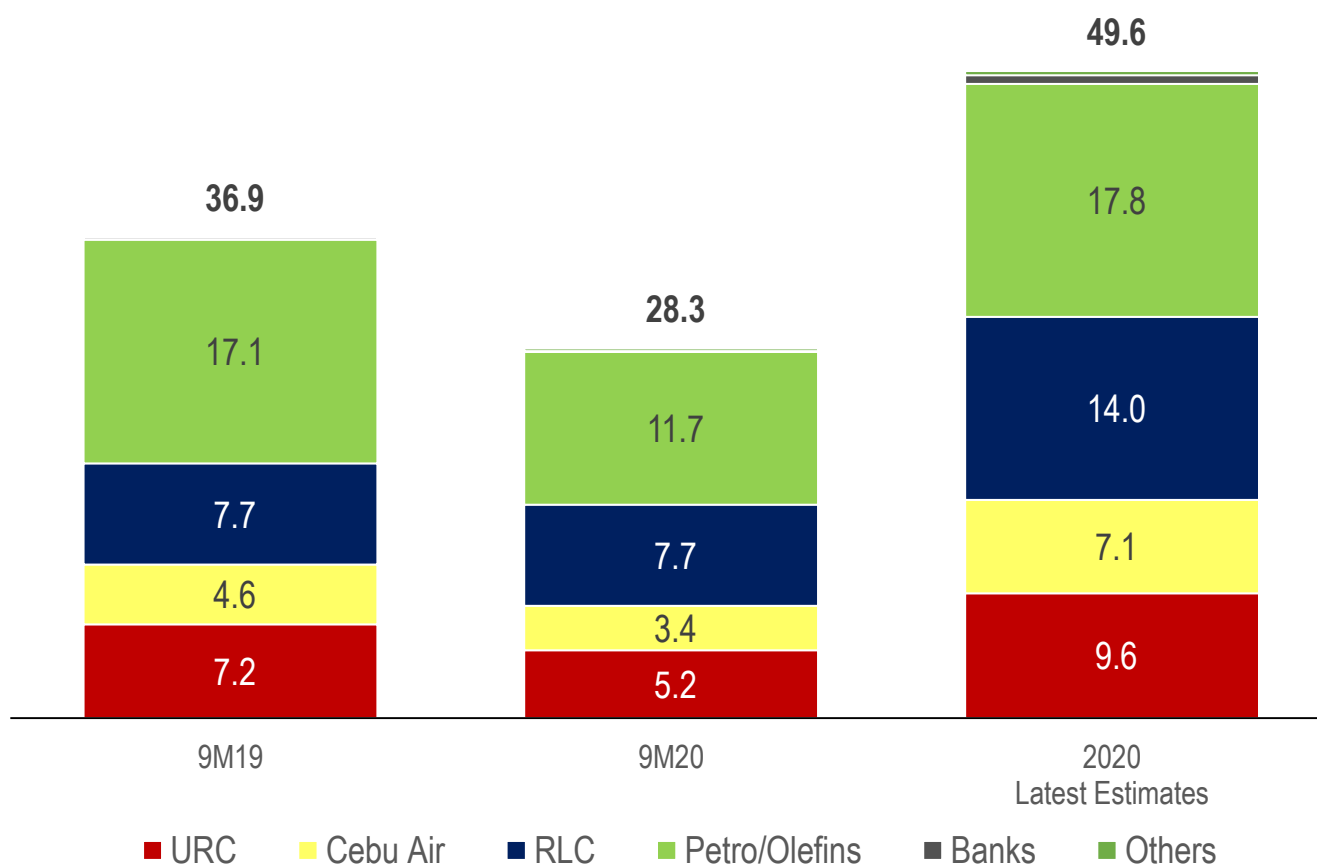
## Parent

	Dec 2019	Sep 2020	Growth
Cash	10.1	35.0	247%
Total LT Debt	74.7	104.7	40%
Total ST Debt	11.4	0.1	-99%
Net Debt	76.0	69.8	-8%
Blended Cost of LT Debt	4.69%	4.10%	
Blended Avg. Remaining Life	3.3 yrs	4.7 yrs	

## Stable recurring dividends



# Further trimmed FY20 capex estimates vs original budget and previous estimates



## 9M2020 CAPEX Spending



- BCF PH's Mega DC and transfer of lines
- International & AIC's capacity expansions



ROBINSONS LAND CORPORATION

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



- 1 A321 NEO acquired
- Ground and non flight equipment



JG SUMMIT PETROCHEMICALS GROUP

- Expansion projects
- Machineries and equipment



- Business development initiatives

# Business Updates, Plans and Prospects



- New and innovative products anchored on new consumer trends such as health, value, in-home and affordable indulgence
- Continues to strengthen health and safety protocols in the workplace
- Acquired Central Azucarera de la Carlota Inc. and Roxol Bioenergy Corporation
- Added a restructuring provision to support the further downsizing of farms business as part of our goal to focus our portfolio towards higher value-added and more stable processed meat business
- Added two female independent board of directors who are veterans in the insurance and consumer products industries



- Continues to have a strong liquidity position mainly from the fund-raising initiatives in the second quarter, and repatriated cash from our China project
- Chengdu Ban Bien Jie project is doing remarkably well with the sell-out of both the residential and town house components.
- Remains focused on making the right investments that will best position us for a sustainable long-term growth
- Looking to list a REIT Company for some of its office assets in CY2021



- To raise \$500 million in fresh capital to strengthen our financial position in the new normal; continues to implement various cost reduction initiatives
- Leads in contactless flights with self-service and digital transactions the new normal
- To launch “Test Before Boarding” to help boost travel demand and ensure safer travel
- Long term initiatives include right-sizing network & reshaping our fleet plan to meet new demand; push for efficient operations via zero-based and steer and deliver value moving forward

# Business Updates, Plans and Prospects



- Despite the implementation of ECQ in March, JGSPG has been able to continue its manufacturing operations. Construction for the expansion projects, which was halted during the 2-month ECQ in Batangas, resumed since implementation of GCQ
- Commissioning of key components of expansion projects, including new substations and new boilers under OSBL, and new extruder and associated downstream facilities for the PP expansion, is targeted for Q4 2020
- The organization continues to prepare for expanded operations and upcoming new products towards successful startup execution in 2021

## ROBINSONSBANK

- Number of deposit accounts continues to grow, boosted by the 74% YoY surge in digital account openings through the Simple Savings deposit product
- Continually enhancing its products and services:
  - **Digital Account Opening for Payroll Accounts** which will expand our online account openings
  - **RBank QuickR**, a cashless payment solution
  - **Agency Banking** to tap the unbanked and underbanked individuals
  - **RRewards Savings** which offers the benefits of a debit card and a rewards card
- Exponential acceleration in electronic fund transfers via InstaPay and PesoNet, growing by triple digits in terms of count and volume



## JG SUMMIT HOLDINGS, INC.

- Our group remains focused on employee health and welfare; operations and supply chain continuity of our key business units; measures to manage cash, costs and liquidity; and helping the communities
- Approved the declaration of stock dividends equivalent to 5% of its total issued and outstanding shares
- Reorganized our corporate center units to support our enterprise transformation
- Committed to support CEB's capital raising on an arm's length basis and market terms
- Has released its very first sustainability report in disclosing its financial and as non-financial performance and impacts in 2019

# JG Summit Released its First Sustainability Report

ESG UPDATE

## OUR NEW PURPOSE:

An unrelenting commitment to provide our customers with better choices, creating shared success with our stakeholders.

 **Thriv**ing through Generations



**Thank You!**

---

# Appendix



# Corporate Structure



Market Capitalization:  
**₱529.5 bn**

## CORE BUSINESSES

Strengthen and drive the full potential of these BUs

### Food & Beverage



Stake: 55.3%  
Mkt Cap: ₱317.2 bn  
Att Mkt Cap: ₱175.2 bn

### Air Transportation



Stake: 67.9%  
Mkt Cap: ₱23.5 bn  
Att Mkt Cap: ₱16.0 bn

### Real Estate



Stake: 61.0%  
Mkt Cap: ₱84.6 bn  
Att Mkt Cap: ₱51.5 bn

### Petrochemicals



Stake: 100.0%

## ECOSYSTEM PLAYS

Leverage on the synergies available within our extensive network of businesses

### Infrastructure



Stake: 33.0%

### Technology



Stake: 100.0%  
**DAVI**  
Stake: 45.2%

### Logistics



in partnership with JG SUMMIT HOLDINGS, INC.  
Stake: 50.0%

## GROWTH BUSINESS

Accelerate and invest in new verticals with potential to become part of our core businesses

### Banking



Stake: 60.0%

Identify new plays

## CORE INVESTMENTS

Maximize value through their steady stream of cash flows and capital appreciation

### Power



Stake: 29.6%  
Mkt Cap: ₱352.8 bn  
Att Mkt Cap: ₱104.3 bn



Stake: 30.0%

### Real Estate



Stake: 37.0%  
Mkt Cap: ₱113.9 bn  
Att Mkt Cap: ₱42.2 bn

### Communications



Stake: 11.3%  
Mkt Cap: ₱302.0 bn  
Att Mkt Cap: ₱34.0 bn

# Balance Sheet

(Php Millions)	As of Dec 2019	As of Sep 2020
Cash & cash equivalents (including Financial assets at FVPL and financial assets at FVOCI)	88,415	112,480
Other current assets	145,740	145,199
Investments in Associates and JVs - net	151,692	149,775
Property, plant, and equipment	259,243	265,677
Other noncurrent assets	283,219	306,082
<b>TOTAL ASSETS</b>	<b>928,310</b>	<b>979,213</b>
Current liabilities	245,139	257,342
Noncurrent liabilities	274,523	310,556
<b>TOTAL LIABILITIES</b>	<b>519,662</b>	<b>567,898</b>
Stockholders' Equity	304,812	310,238
Non-Controlling Interest	103,836	101,077
<b>TOTAL EQUITY</b>	<b>408,647</b>	<b>411,316</b>

# Income Statement

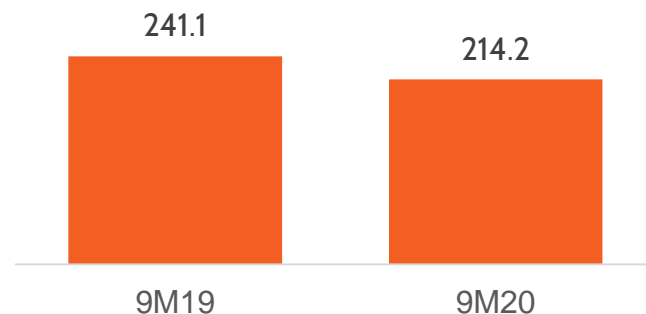
(Php Millions)	9M19	9M20	YoY
REVENUES	230,410	167,264	-27%
Cost of sales and services	146,305	113,096	-23%
GROSS INCOME	84,105	54,168	-36%
Operating Expenses	42,928	43,599	2%
OPERATING INCOME	41,177	10,568	-74%
Financing costs & other charges	(8,434)	(7,197)	-15%
Foreign exchange gain/ (loss) - net	(954)	1,802	-289%
Market valuation gain/ (loss)	761	(2,448)	-422%
Finance income	1,638	943	-42%
Others	(318)	(104)	-67%
INCOME BEFORE TAX	33,870	3,565	-89%
Provision for Income Tax	4,551	2,201	-52%
NET INCOME	29,319	1,364	-95%
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	21,074	124	-99%
CORE NET INCOME	18,314	1,207	-93%

# Performance of Minority Investments

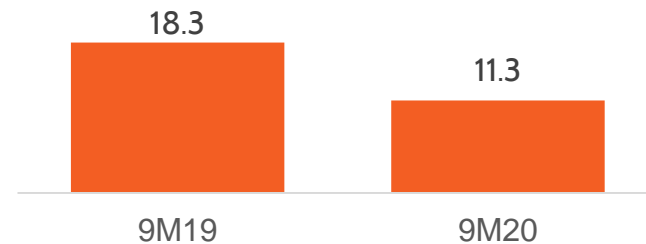
In PHP Billions



REVENUES



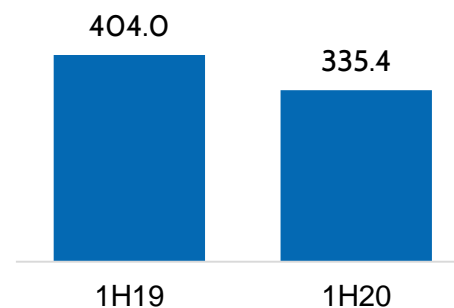
NET INCOME\*



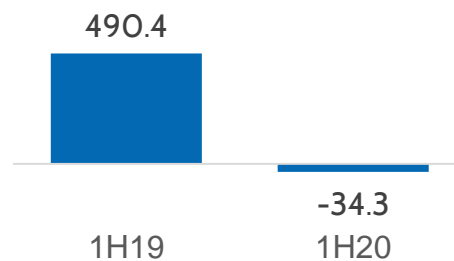
in SGD Millions



REVENUES



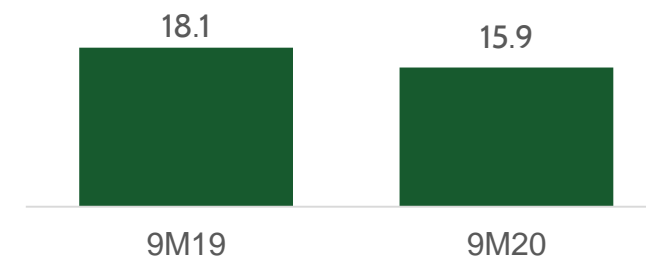
NET INCOME\*



In PHP Billions



REVENUES



NET INCOME\*

