

# 1Q2022 Unaudited Results Investors Briefing

May 12, 2022

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# Agenda

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- 1Q2022 Unaudited Results and Key Business Updates
- Sustainability Updates
- Outlook and Prospects



JG SUMMIT  
HOLDINGS, INC.

# 1Q2022 Unaudited Results and Key Business Updates

# Recovery momentum sustained as consolidated revenues rose 7% YoY and 6% QoQ but market volatility weigh on margins

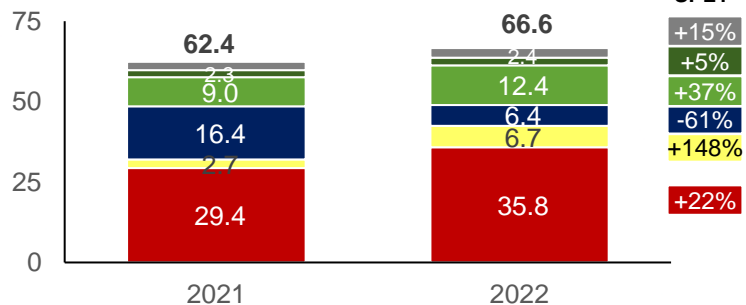
	in billion pesos		22 vs 21
	1Q21	1Q22	% chg
Revenues	62.4	66.6	7%
Core net income after taxes	0.2	(0.7)	NM
Net income*	0.1	(2.8)	NM

- Revenues across all subsidiaries increased YoY sans RLC's Chengdu Phase 1 sales recorded last year; excluding Chengdu, RLC and total JGS' topline growth would be 6% and 28%, respectively
- Unprecedented volatility in oil and input prices negatively affected bottomline particularly in JGSOC
- Peso depreciation and mark-to-market losses further led to 1Q22 net loss of Php2.8 billion

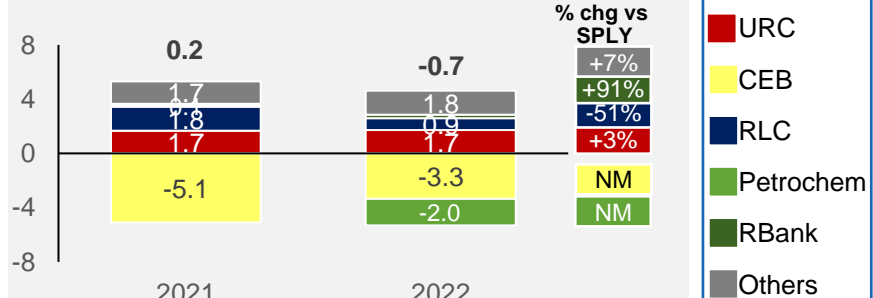
\*attributable to equity holders of the parent

## Segment Breakdown (in billion pesos)

### Revenues ▲7%

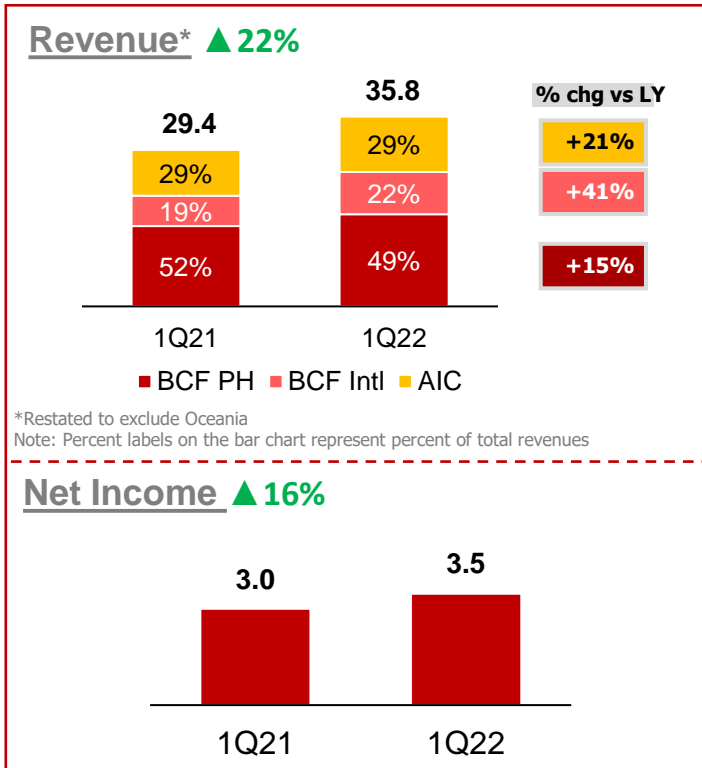


### Core net income after taxes



Note: Consolidated revenues were restated to exclude Oceania; 1Q20 & 1Q21 numbers do not include SLG

# URC: Robust topline expansion; double-digit net income growth tempered by heightened commodity prices



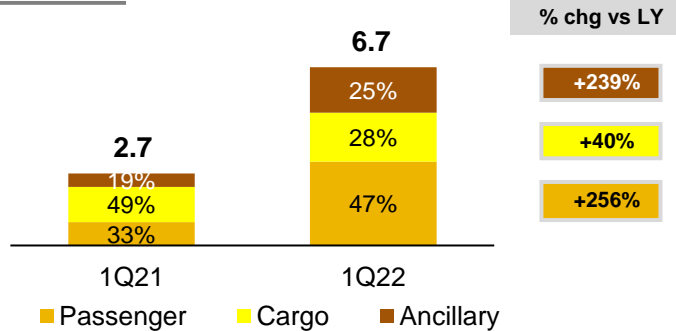
- Revenues expanded by 22%, driven by strong performance across all business units, with BCF PH posting record sales
- EBIT grew at a slower pace than topline as heightened commodity prices negatively affected margins. Absolute profits were protected by volume growth, higher ASP, and cost savings programs
- Double-digit net income growth was driven by higher EBIT plus forex gains

## Key Business Updates

- Munchy's has been displaying robust sales growth, with sales up 7% vs last year
- Margins continue to be challenged by material cost increases
- Further pricing action and cost savings programs to help mitigate margin pressures

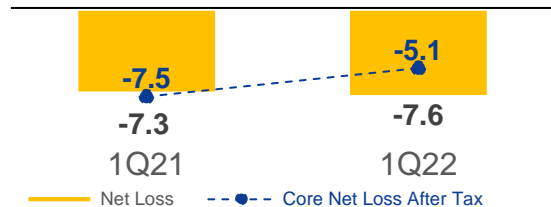
# CEB: Travel demand recovery drove significant revenue growth

## Revenue ▲ 148%



Note: Percent labels on the bar chart represent percent of total revenues

## Net Income (Loss)

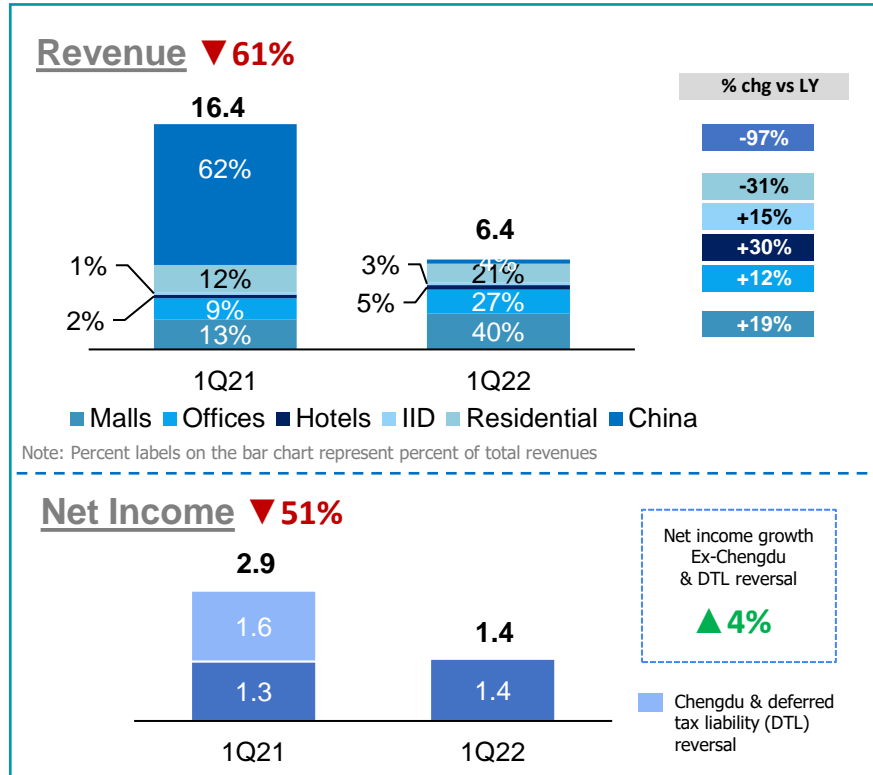


- Q1 revenues grew 148% YoY, driven by passenger and ancillary business, which grew 256% and 239%, respectively.
- Growth is driven by domestic market. Domestic SLF has increased to 75%, up 17 pts YoY.
- Core net loss posted at P5.1bn from P7.5B LY, a P2.4B improvement as topline growth offset fuel price increases, unrealized MTM loss of P2.2B from higher option value of convertible bonds, plus FX losses, drove Net Loss to P7.6B

## Key Business Updates

- Stronger demand recovery in 2Q: 3-mo Forward bookings end Q1 at 24% of seats vs 20% end 2021, at 56% more seats, improving cash from operations.
- CEB boosts capacity ahead of competitors: April domestic market share at 61% vs 53% pre-pandemic, and from May, domestic capacity to be at 110% of pre-pandemic levels
- 1 A321N delivered in 1Q; 5 more deliveries replacing 6 CEO AC this 2022; All AC capex to be financed via sale-leaseback

# RLC: Lumpy Chengdu contribution from 1Q21 masked mid-single-digit growth in revenues and net income in 1Q22



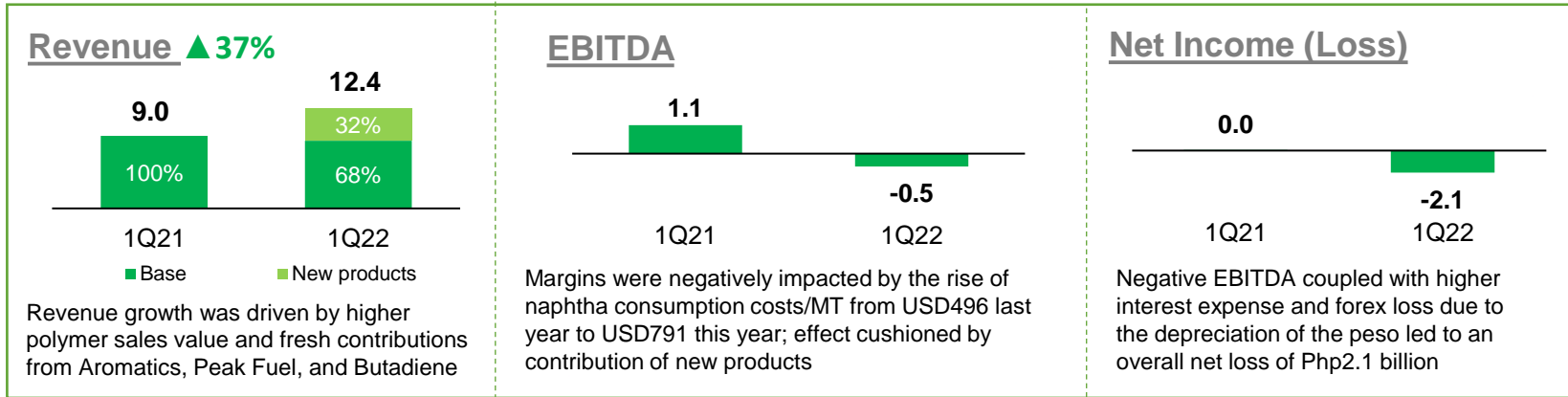
- Reported revenues and net income declined 61% and 51% YoY, respectively, due to the high base boosted by the lumpy contribution from Chengdu Phase 1 last year
- Excluding Chengdu and the deferred tax liability reversal due to CREATE law in 2021, revenues and net income rose 6% and 4% YoY, respectively, as double-digit growth in hotels, malls, offices, and IID outpaced lower contribution from Residences in 1Q22

## Key Business Updates

- Included as a constituent of the newly launched PSE Dividend Yield (PSE DivY) Index
- Launched 3 residential projects and 3 hotels in 1Q22
- Added Cybergate Bacolod in RCR's Portfolio last March
- Chengdu Phase 2 revenues are expected to be realized in 2Q22

(1) In PHP billions, except ratios (2) Net Income pertains to net income attributable to equity holders of the parent

# JGSOC: Contribution from new products supported revenue growth and tempered the effect of higher naphtha costs on margins



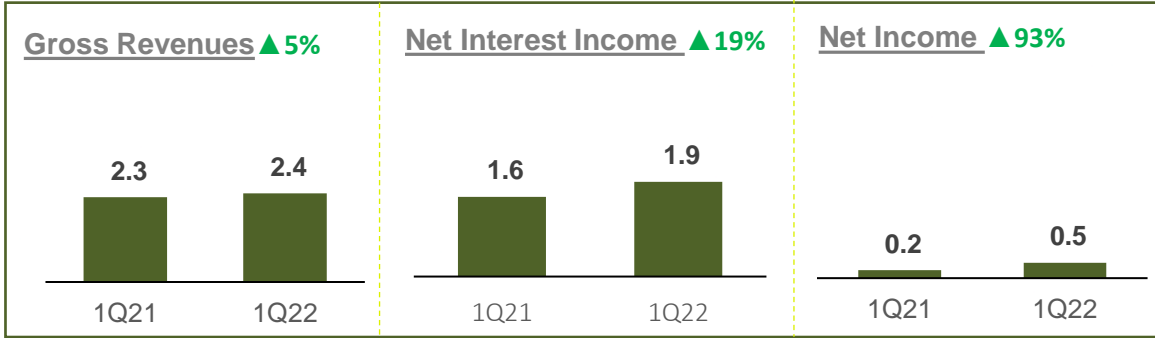
SALES VOLUME (MT)	1Q21	1Q22	%chg
C2 (Ethylene)	10,798	8,869	-18%
C3 (Propylene)	6,982	-	-100%
Pygas	60,626	-	-100%
Mixed C4	11,569	-	-100%
PE	83,292	72,464	-13%
PP	39,743	46,182	16%
Aromatics (AEU)	0	48,186	NM
Butadiene (BDEU)	0	4,027	NM
<b>Petrochemicals</b>	<b>213,010</b>	<b>179,728</b>	<b>-16%</b>
<b>LPG Trading (Peak Fuel)</b>	<b>-</b>	<b>34,778</b>	<b>NM</b>
<b>TOTAL</b>	<b>213,010</b>	<b>214,506</b>	<b>1%</b>

## Key Business Updates

- New capability allows us to better manage product mix and capitalize on higher value-added/ margin products, with incremental 1Q 22 margins from Aromatics and LPG Trading
- Commercial operations of Butadiene Extraction Unit commenced in March 2022. Commissioning ongoing for the PE3 facility, targeting start-up by 3Q 2022

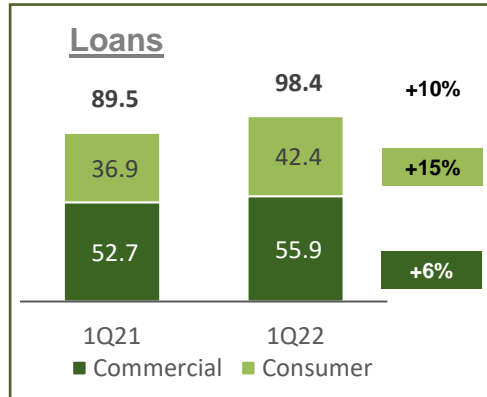


# RBank: Strong profit growth on the back of loan expansion and higher NIMs



- Revenues expanded 5% from higher NIMs, partially offset by lower trading gains
- The 93% growth in net income was driven by loan expansion coupled with higher NIMs
- NPL ratio at 3.7%, lower than the total banking industry average of 4.36% (latest published data as of end-Feb)

Consolidated (Php Bn)	1Q21	1Q22	Growth
Assets	162.1	168.1	4%
Equity	17.6	18.4	4%
Gross TLP	89.5	98.4	10%
Gross NPLs	3.4	3.6	7%
Allowance for probable losses <sup>(2)</sup>	2.7	2.9	
NPL Ratio	3.8%	3.7%	
NPL Coverage Ratio <sup>(2)</sup>	79.3%	79.2%	
Capital Adequacy Ratio	15.5%	13.0%	
Tier 1 Ratio	14.6%	12.3%	



## Key Business Updates

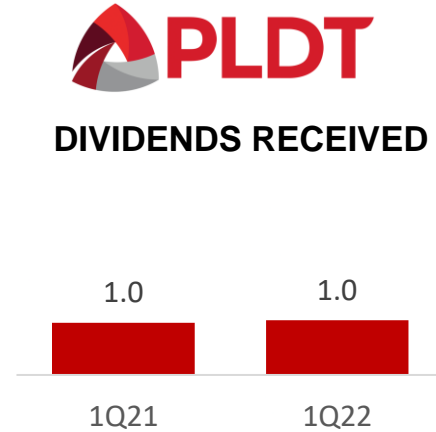
- Continued to grow merchant acquiring business, with 17% more merchants and gross billings almost doubling YoY
- Increased active credit cards by 49% YoY
- Expanded RBank Digital (RDX) user base by 95% YoY

(1) In PHP billions, except ratios (2) Includes Retained Earnings appropriations per BSP circular No. 1011 (3) Net Income pertains to net income attributable to equity holders of the parent

# Core Investments



- Strong topline growth given uptick in energy sales and increase in pass-through charges given rise in global fuel prices
- Profitability growth driven by increased contribution from the power generation business and higher volumes of energy sold



- PLDT dividends increased from Php40 to Php42 per share as it sustains its earnings momentum, with revenues and EBITDA reaching their all-time highs in 1Q22

\*SLG is not included given the change in their SGX reporting rules from quarterly to semi-annual

# Ecosystem Plays

## JG Digital Equity Ventures (JGDEV)



- Invested ~71% of the \$50M fund
- Approved investment in Wavemaker Impact, a climate tech venture builder in Southeast Asia
- GrowSari recently closed a \$77.5mn Series C round where JGDEV also participated in. This round will be used to fund the start-up's national expansion
- Targets to launch second DEV fund to invest primarily in key focus sectors with strategic relevance to the group such as fintech and e-commerce while also allocating a portion of the fund for opportunistic investments (e.g., HealthTech, EdTech, Media, etc)

## Luzon International Premier Airport Development Corporation (LIPAD)



- CRK handled a total of 105,534 passengers in Q1 2022, a significant increase of 171% against Q1 2021
- Asiana Airlines and Fly Gangwon are expected to resume scheduled flights by June 2022
- CRK Terminal 2 opened on May 2 with all domestic and international flights arriving and departing from the new terminal building

## Data Analytics Ventures, Inc. (DAVI)



- Go Rewards has grown to achieve a 5.65 million member with 2.25M users with transactions in Q1; Go Rewards is also reaching 1M Go Rewards mobile app users
- Successfully integrated a better journey for members to register or log in to the loyalty program
- DAVI closed with 19 brands in Q1 driving value up for our FMCG partners and the Gokongwei group for its Nexus 360 Data Hub

## DHL Summit Solutions, Inc.



- DSSI operations demonstrating strong service performance for its customers URC and RSC Sucat
- Continued onboarding new internal customers and ongoing business development activities
- Strong efficiency pipeline of programs and project improvements are still being implemented leveraging on technology and people's expertise

# JGS: Healthy balance sheet to support post-pandemic recovery

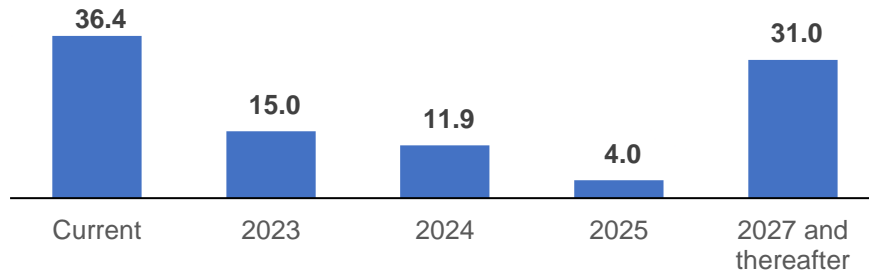
## Consolidated

	Dec-21	Mar-22	Growth
Cash(1)	85.2	69.7	-18%
Financial Debt	298.5	298.1	0%
Total LT Debt	232.5	221.7	-5%
FX-Denominated	110.9	110.4	0%
Net Debt	213.3	228.4	7%
D/E Ratio	0.68	0.70	
Net D/E Ratio	0.48	0.53	

## Parent

	Dec-21	Mar-22	Growth
Cash	26.5	23.7	-10%
Total LT Debt	97.3	98.0	1%
Total ST Debt	-	-	NM
Net Debt	70.8	74.3	5%
Blended Cost of LT Debt	3.80%	3.84%	
Blended Avg. Remaining Life	3.7 yrs	3.5 yrs	

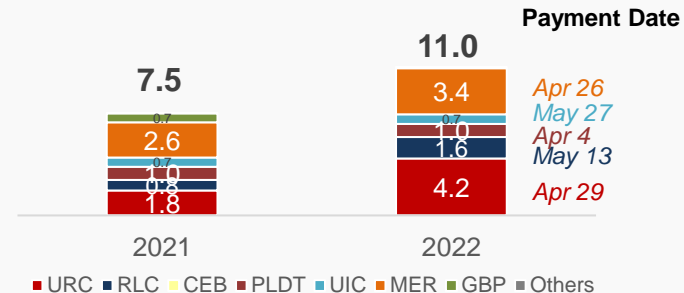
## Schedule of parent LT debt maturities



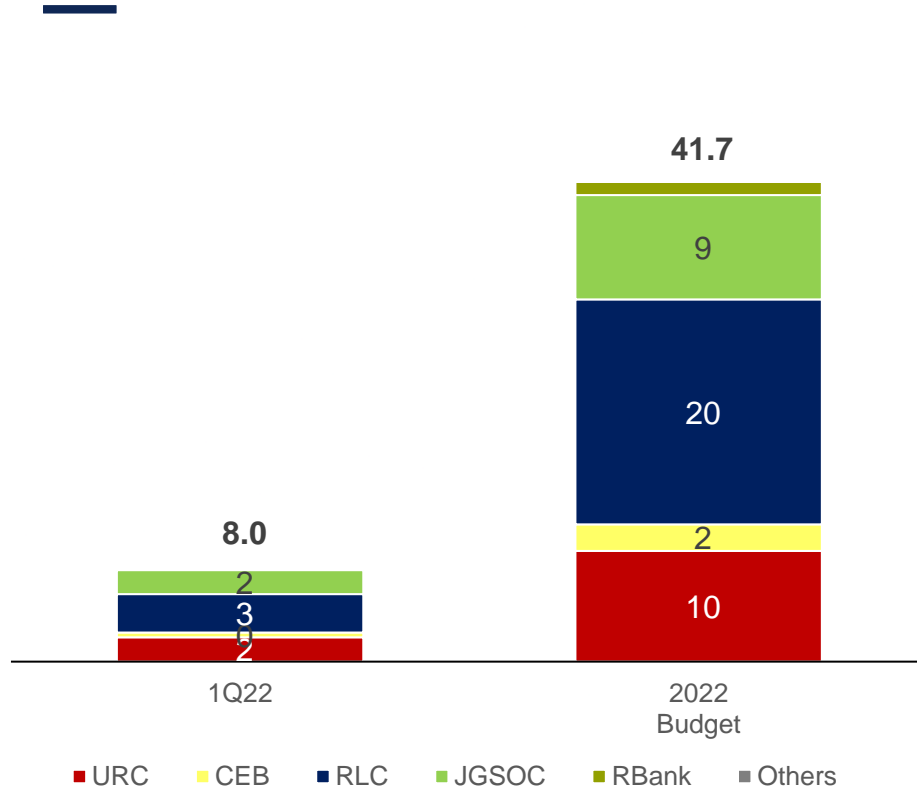
In PHP billions, except ratios

(1) Cash, FVPL and FVOCI investments from Robinsons Bank and PLDT are excluded

## Expected Dividends in 1H



# 1Q22 CAPEX Spending driven by RLC, URC, and JGSOC



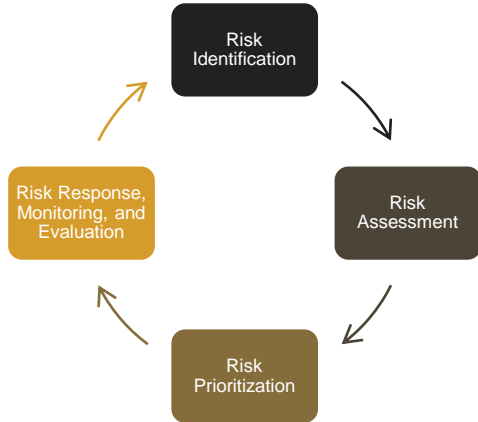
In PHP billions

1Q2022	
	<ul style="list-style-type: none"> <li>Capacity expansion and automation</li> </ul>
	<ul style="list-style-type: none"> <li>Land acquisitions</li> <li>Development of and investment in malls, offices, hotels, residential projects, and warehouse facilities</li> </ul>
	<ul style="list-style-type: none"> <li>Buyer furnished equipment, rotables and assemblies, capitalized overhaul expenses</li> </ul>
	<ul style="list-style-type: none"> <li>Expansion projects</li> <li>Machineries and equipment</li> </ul>
	<ul style="list-style-type: none"> <li>Business development initiatives</li> </ul>

# Sustainability Updates

In 2021, we improved our **Enterprise Risk Management** process to better capture sustainability risk drivers and megatrends and ensure our business strategy is responsive to these factors.

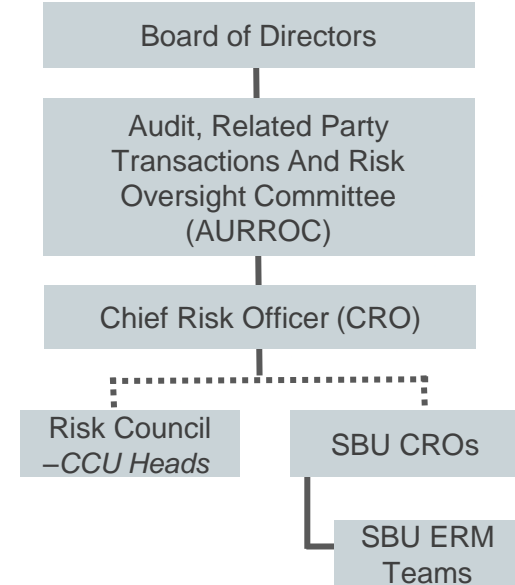
## Our Risk Management Process:



## Our Risk Categories:

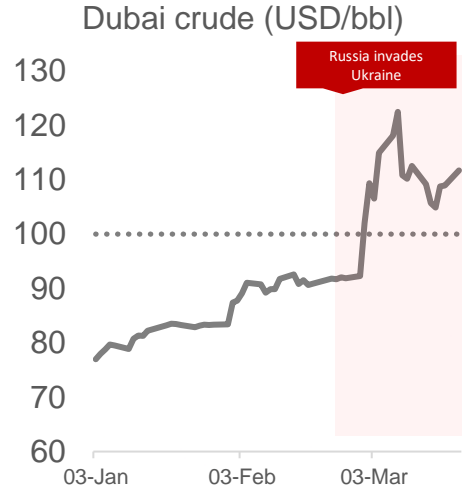
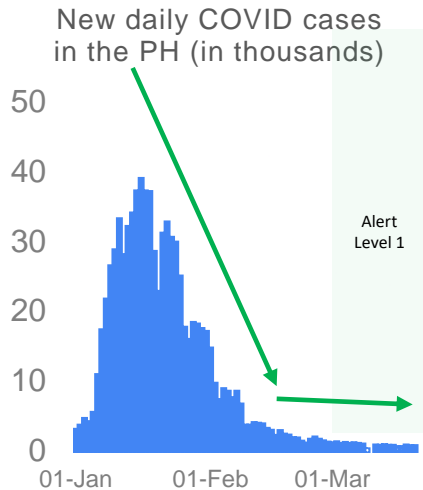
Strategic
Reputational
Governance
Emerging
Operational
IT & Digitalization
People
Financial
Legal and Compliance

## Our Risk Governance:



# 2022 Outlook

While the economy opened up in 1Q22 post-Omicron, the Russia-Ukraine conflict triggered an increase in global oil prices, weighing on PH recovery



## JG Summit's Outlook

Reopening of the economy has been positive for the following BUs:



Better demand from customers (trade and consumers)



BUs that will greatly benefit are malls, hotels, logistics, and offices



Increasing domestic flight frequencies and forward bookings; Resumption of international travel

However, all of our business units are facing **margin pressures** with the continuous increase in **oil and key input costs**, coupled with **peso depreciation**

We are proactively managing pricing & product mix, implementing productivity initiatives, and cost management measures to mitigate margin pressures



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# Thank You!





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# Appendix

# Corporate Structure



Market Capitalization:  
**₱404.6 bn**

## CORE BUSINESSES

**Strengthen** and drive the full potential of these BUs

### Food & Beverage



Stake: 55.6%  
Mkt Cap: ₱238.8 bn  
Att Mkt Cap: ₱132.8 bn

### Air Transportation



Stake: 66.3%  
Mkt Cap: ₱27.8 bn  
Att Mkt Cap: ₱18.4 bn

### Real Estate



Stake: 61.9%  
Mkt Cap: ₱99.6 bn  
Att Mkt Cap: ₱61.7 bn

### Petrochemicals



Stake: 100.0%

## ECOSYSTEM PLAYS

**Leverage** on the synergies available within our extensive network of businesses

### Infrastructure



Stake: 33.0%

### Technology



Stake: 45.2%

### Logistics



Stake: 50.0%

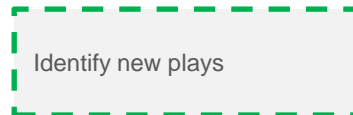
## GROWTH BUSINESS

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

### Banking



Stake: 60.0%



## CORE INVESTMENTS

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

### Power



Stake: 29.6%  
Mkt Cap: ₱387.7 bn  
Att Mkt Cap: ₱114.6 bn

### Real Estate



Stake: 37.0%  
Mkt Cap: ₱136.6 bn  
Att Mkt Cap: ₱50.6 bn

### Communications



Stake: 11.3%  
Mkt Cap: ₱408.3 bn  
Att Mkt Cap: ₱46.0 bn

# Balance Sheet

<b>(Php Millions)</b>	<b>As of Dec 2021</b>	<b>As of Mar 2022</b>
Cash & cash equivalents (including Financial assets at FVPL and financial assets at FVOCI)	124,884	101,890
Other current assets	181,383	190,786
Investments in Associates and JVs - net	146,034	144,437
Property, plant, and equipment	249,549	250,932
Other noncurrent assets	320,895	329,477
<b>TOTAL ASSETS</b>	<b>1,022,745</b>	<b>1,017,522</b>
Current liabilities	300,210	336,067
Noncurrent liabilities	278,904	249,178
<b>TOTAL LIABILITIES</b>	<b>579,114</b>	<b>585,244</b>
Stockholders' Equity	335,309	331,271
Non-Controlling Interest	108,322	101,006
<b>TOTAL EQUITY</b>	<b>443,631</b>	<b>432,277</b>

# Income Statement

(Php Millions)	1Q21	1Q22	YoY
REVENUES	62,391	66,629	7%
Cost of sales and services	46,083	50,693	10%
<b>GROSS INCOME</b>	<b>16,308</b>	<b>15,936</b>	<b>-2%</b>
Operating Expenses	13,711	13,301	-3%
<b>OPERATING INCOME</b>	<b>2,597</b>	<b>2,635</b>	<b>1%</b>
Financing costs & other charges	(2,194)	(2,468)	12%
Foreign exchange gain/ (loss) - net	(256)	(684)	168%
Market valuation gain/ (loss)	64	(2,108)	-3395%
Finance income	263	273	4%
Others	258	(111)	-143%
<b>INCOME BEFORE TAX</b>	<b>733</b>	<b>(2,463)</b>	<b>-436%</b>
Provision for Income Tax	430	242	-44%
Net Income from Continuing Operations	303	(2,705)	-994%
Net Income from Discontinued Operations	224	0	-100%
<b>NET INCOME (LOSS)</b>	<b>527</b>	<b>(2,705)</b>	<b>-614%</b>
<b>NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>122</b>	<b>(2,793)</b>	<b>-2386%</b>
<b>CORE NET INCOME</b>	<b>232</b>	<b>-689</b>	<b>-396%</b>