

# FY2022 Results Analysts' Briefing

March 29, 2023

**Lance Y. Gokongwei**  
President & Chief Executive Officer

**Mike P. Liwanag**  
Chief Strategy Officer



# Agenda

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- FY2022 Results and Key Business Updates
- Sustainability Targets



JG SUMMIT  
HOLDINGS, INC.

# FY2022 Results and Key Business Updates

# Record-high revenues plus the parent's portfolio management gains boost core net income by 100% YoY

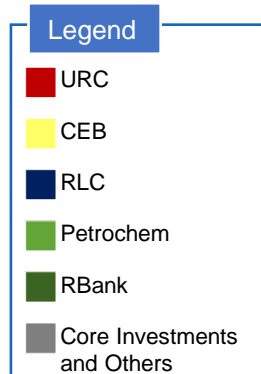
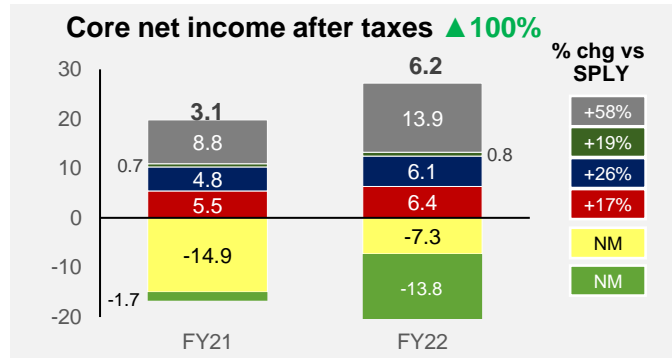
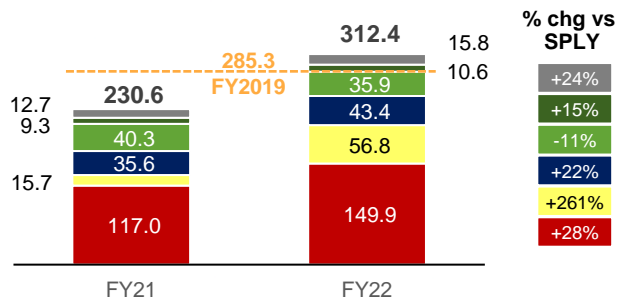
	FY21	FY22	% YoY
Revenues	230.6	<b>312.4</b>	<b>+36%</b>
Core net income	3.1	<b>6.2</b>	<b>+100%</b>
Net income*	5.1	<b>0.7</b>	-87%

\*attributable to equity holders of the parent

- Strong topline performance of JGS' consumer-facing businesses brought the group's total revenues to a new record high, surpassing pre-COVID levels
- Two-fold increase in core net income driven by the double-digit growth in most BUs, the meaningful improvement in CEB, and the Php3.2bn gain from the parent's MER share sale. These outpaced the adverse impact of JGSOC's 3-month plant shutdown given subdued global demand
- Incorporating FX translation losses on USD-denominated debt, net income settled at Php651 million in 2022

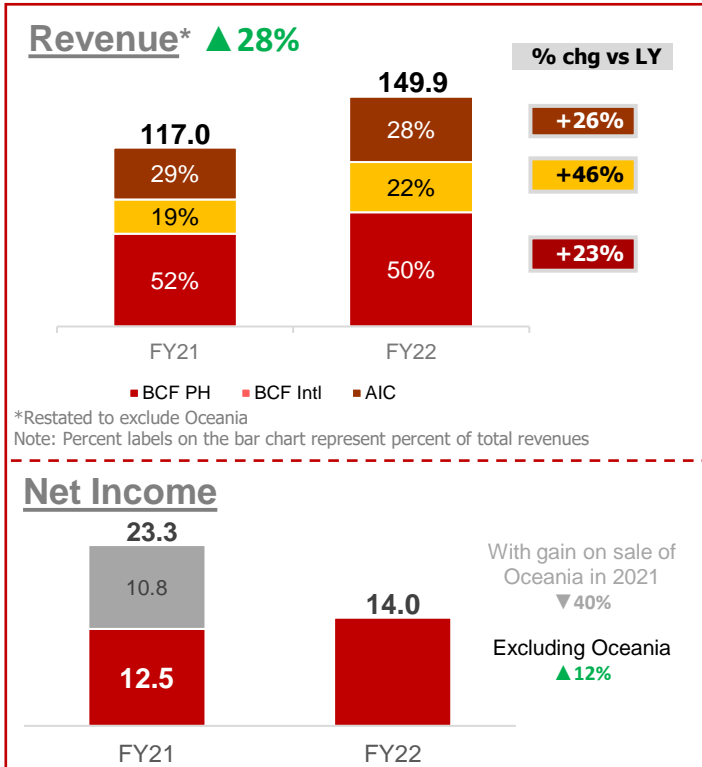
## Segment Breakdown (in billion pesos)

### Revenues ▲ 36%



Note: Consolidated revenues above exclude Oceania and include RBank. In the Audited FS, RBank is excluded from revenues given the merger agreement with BPI.

# URC: Strong sales momentum fueled double-digit growth in profits from continuing operations

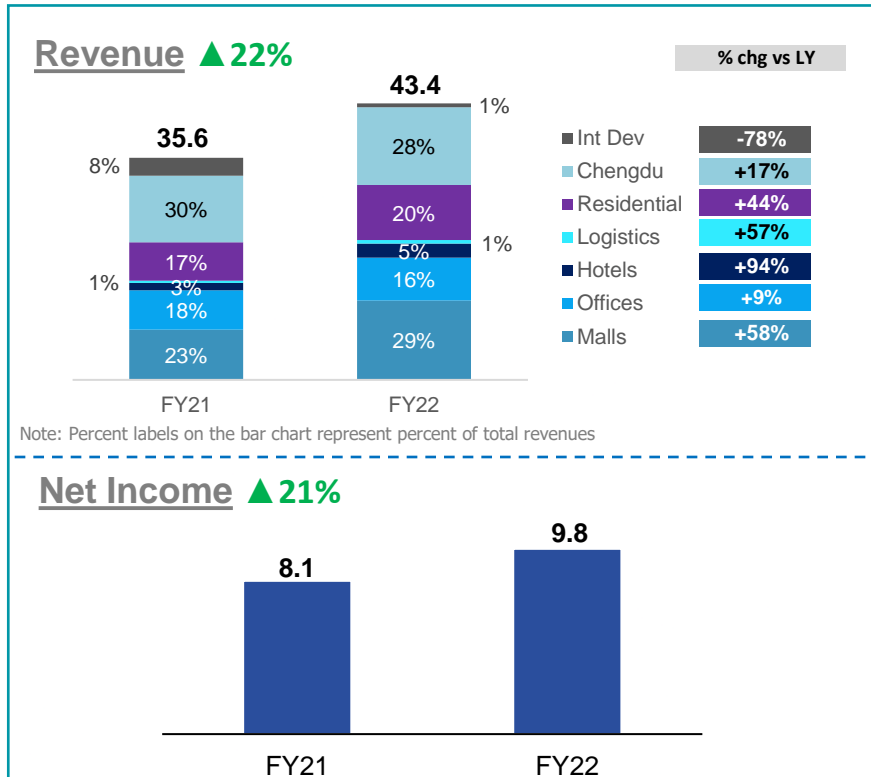


- Double digit growth across all segments led to record high revenues, on the back of robust demand
- Strong topline performance coupled with programmed price increases and cost saving initiatives drove 20% YoY increase in absolute operating profits
- Excluding contributions from the discontinued Oceania business in 2021, net income rose 12% YoY to Php14.0bn

## Key Business Updates

- Over 9% of URC's 2022 branded sales came from innovative product offerings that were launched over the last 3 years
- Product supply chain transformation is on track, achieving over Php 1.5B in savings throughout 2022
- Launched efforts to reach plastic neutrality through plastic collection sites for post-consumer waste in partnership with other Gokongwei Group brands

# RLC: Historic net profit level from surge in Malls, Hotels, and Residential, coupled with stable growth in Offices

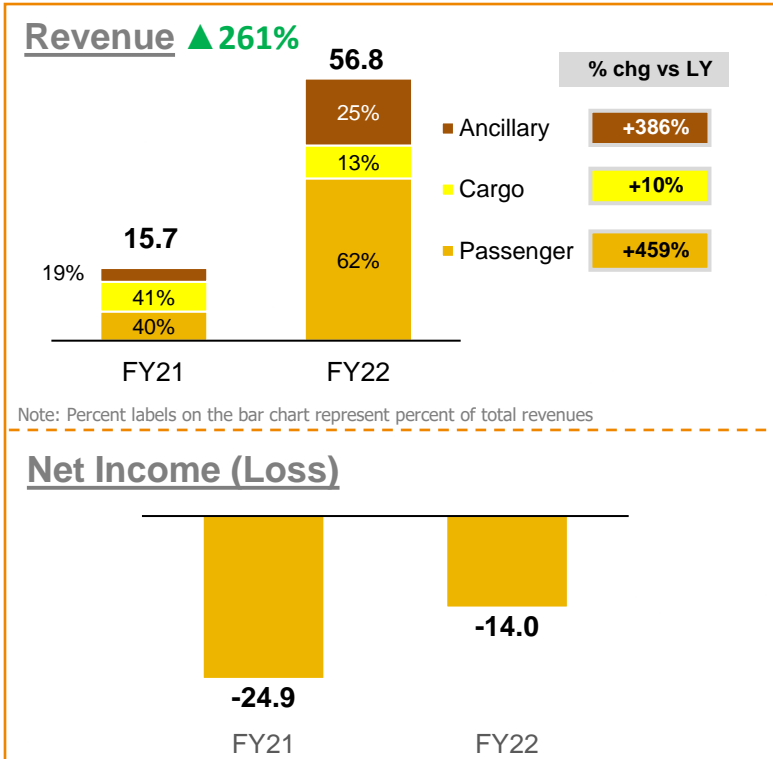


- Strong revenue expansion across business units, led by Malls, Residential, and Hotels, plus higher recognized sales from its China project
- Investment portfolio primarily drove earnings growth and accounted for 60% of EBIT in 2022 vs 51% LY
- Net income exceeded pre-pandemic levels and was at its historic high

## Key Business Updates

- Opened/launched the following projects:
  - Fili Urban Resort Hotel in Cebu, the first Filipino 5-star hospitality brand
  - Springdale Baliwag of Robinsons Homes
  - Robinsons Gapan in Nueva Ecija
  - New office buildings in Bacolod and Iloilo
  - Sync N Tower, part of RLC's 4-tower property along C5 Road in Pasig

# CEB: Post-pandemic travel demand propelled the recovery of Passenger business



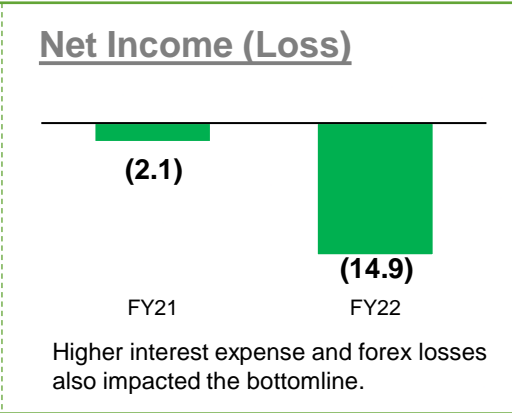
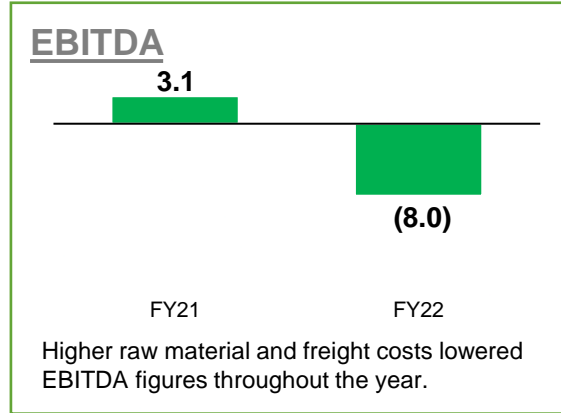
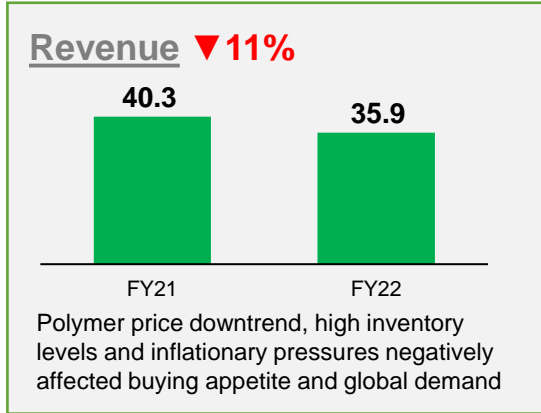
- Systemwide revenue soared by 261% due to the triple-digit growth of Passenger and Ancillary businesses and steady increase in Cargo
- Margins continue to be affected by higher fuel prices. OPEX grew 75% YoY, but December 2022 net income was already back in positive territory
- Reduced net losses on the back of strong topline recovery coupled with strategic cost saving programs

**Key Business Updates**

- Over 108,000 flights and 14.8 million passengers flown, an increase of 214% and 335% respectively, while seat load factors improved 15ppts YoY to 75% in 2022
- Ease of travel restriction within the Phils. paved for the full restoration of domestic capacity. This enabled CEB to capture 57% of market share, 5 ppts up vs pre pandemic
- Recovery of int'l network accelerated with reopening of North Asian markets.
- End 2022, CEB restored flights to 52 destinations and over 2,500 weekly flights

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

# JGSOC: Contributions from new products cushioned the decline in polymer sales; facility gearing up for the recovery in petrochem cycle



SALES VOLUME (MT)	FY21	FY22	%chg
C2 (Ethylene)	56,679	30,917	-45%
C3 (Propylene)	11,157	-	NM
Pygas	89,145	-	NM
Mixed C4	17,400	-	NM
PE	302,298	178,664	-41%
PP	184,823	116,780	-37%
Aromatics (AEU)	88,652	117,215	32%
Butadiene (BDEU)	-	35,802	NM
<b>Petrochemicals</b>	<b>750,154</b>	<b>479,379</b>	<b>-36%</b>
<b>LPG Trading (Peak Fuel)</b>	<b>39,003</b>	<b>138,866</b>	<b>256%</b>
<b>TOTAL</b>	<b>789,158</b>	<b>618,246</b>	<b>-22%</b>

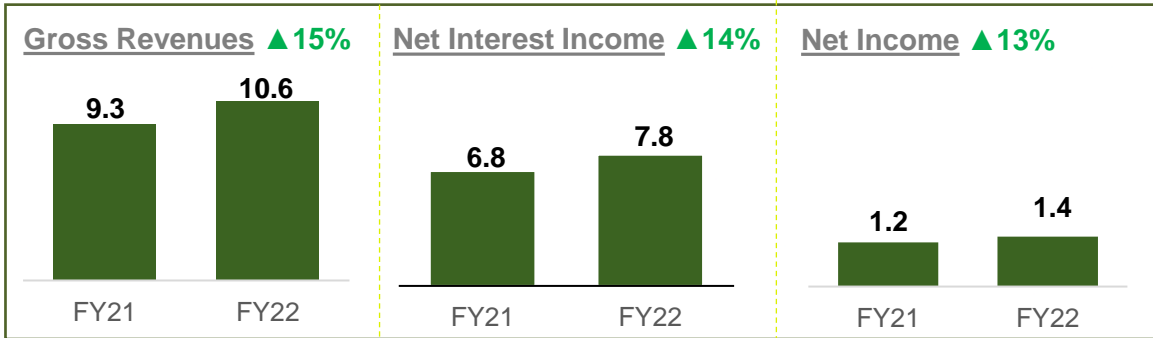
## Key Business Updates

- Started operations for butadiene extraction unit and began commissioning the 250kTA higher-value PE3 plant
- EVALENE PLUS and EVASOL, launched to penetrate higher value polymer and mixed aromatics markets
- Phase 1 of its 13.8MW solar rooftop project has started supplying renewable energy to the complex in Dec 2022
- 33 agile projects with projected value of P1.4B were launched
- 3-year safeguard duty for HDPE implemented since Dec 2022

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

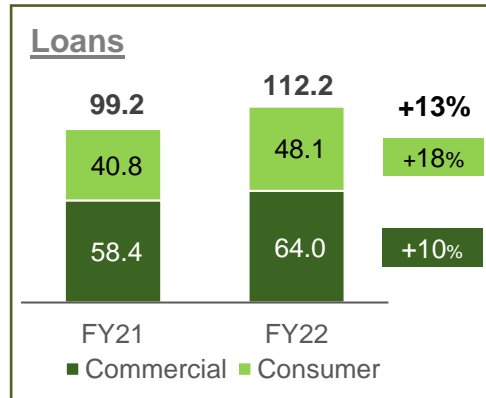


# RBank: FY2022 numbers up on the back of loan expansion despite rapidly increasing interest rates



- Double-digit expansion in gross loan portfolio with faster growth in consumer book
- Asset quality improved with lower NPL ratio in 2022, largely in line with industry
- Better NIMs and lower provisioning boosted net income growth

Consolidated (Php Bn)	FY21	FY22	%Chg
Net Income	1.2	1.4	13%
Assets	179.8	187.9	5%
Equity	18.4	19.8	7%
Gross TLP	99.2	112.2	13%
Gross NPLs	3.3	3.6	9%
Allowance for probable losses <sup>(2)</sup>	2.3	3.0	
NPL Ratio	3.3%	3.2%	
NPL Coverage Ratio <sup>(2)</sup>	70.4%	82.8%	
Capital Adequacy Ratio	14.4%	13.7%	



## Key Business Updates

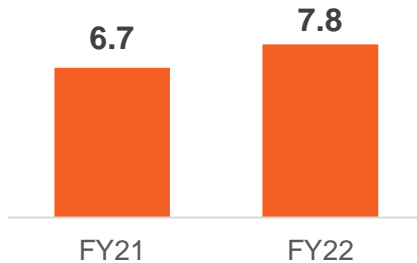
- Ranking in terms of Total Loans among UKBs climbed up to the 14<sup>th</sup> spot
- New security feature in RBank Digital to counter phishing attacks using web browsers
- Ongoing regulatory approvals for BPI-RBank merger

# Core Investments



**MERALCO**

**EQUITY INCOME\***

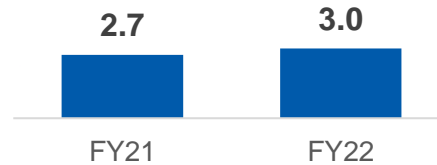


- Strong contribution from its Singapore power generation unit, plus the sustained growth in its energy distribution sales volumes



**SINGAPORELAND**

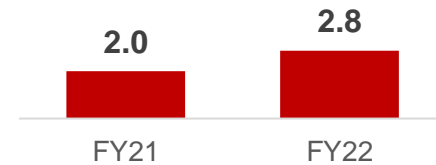
**EQUITY INCOME\***



- Surge in its hotel revenues, higher residential property sales, plus larger share in the profits of its associates and JVs outpaced the slight decline in its leasing business



**DIVIDENDS RECEIVED**



- Regular dividends totaled Php89 per share in 2022 vs Php82 per share last year
- Additional dividends of Php28 per share were declared from the proceeds of PLDT's tower sale

\*Pertains to JGS's share in the company's net income attributable to equity holders of the parent (in Php Billions)

# Ecosystem Plays

## JG Digital Equity Ventures (JGDEV)



- DEV Fund I is now effectively fully deployed, with a portfolio of 13 companies covering e-commerce, logistics, fintech, and enterprise solutions
- 2022 investments include Locad and Wavemaker Impact.

## Luzon International Premier Airport Development Corp. (LIPAD)



- Clark International Airport achieved a passenger count increase of 299% vs 2021
- Resumption of South Korea flights contributed to the increase, with Busan flights operating more than 100% pre-covid.

## Data Analytics Ventures, Inc. (DAVI)



- Member base grew 40% YoY to more than 7 million as of end-2022.
- Revamped GoRewards mobile app has become one of the highest-rated apps in the local App Store category.

## DHL Summit Solutions, Inc.



- Consistently delivered strong transport service performance to support URC's record-breaking revenues
- Transport operations of Robinsons Supermarket Tunasan DC has been successfully transitioned to DSSI, completing the onboarding of RRHI's supermarket segment DCs in Luzon.

# JGS: Balance sheet remains robust amidst VUCA

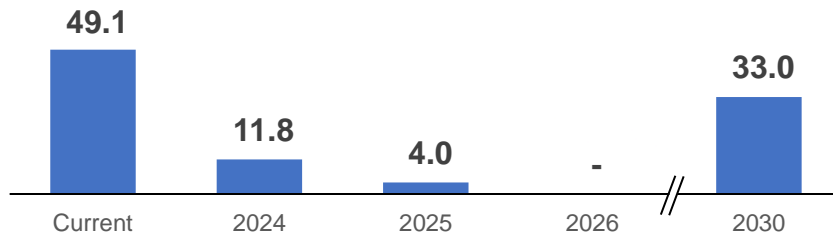
## Consolidated

	Dec-21	Dec-2022	Growth
Cash <sup>1,2</sup>	85.2	91.5	8%
Financial Debt	298.5	329.6	10%
Total LT Debt	232.5	237.7	2%
FX-Denominated	110.9	117.0	6%
Net Debt	213.3	238.1	12%
D/E Ratio	0.68	0.77	
Net D/E Ratio	0.48	0.56	

## Parent

	Dec-21	Dec-22	Growth
Cash <sup>1</sup>	26.5	47.3	78%
Total LT Debt	97.3	97.7	0%
Total ST Debt	-	4.8	NM
Net Debt	70.8	55.2	-22%
Blended Cost of LT Debt	3.80%	4.46%	
Blended Avg. Remaining Life	3.7 yrs	2.9 yrs	

## Schedule of parent LT debt maturities

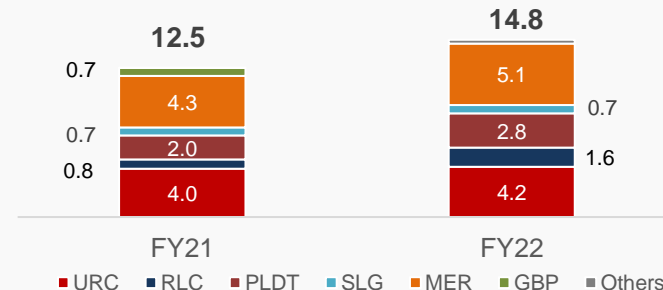


In PHP billions, except ratios

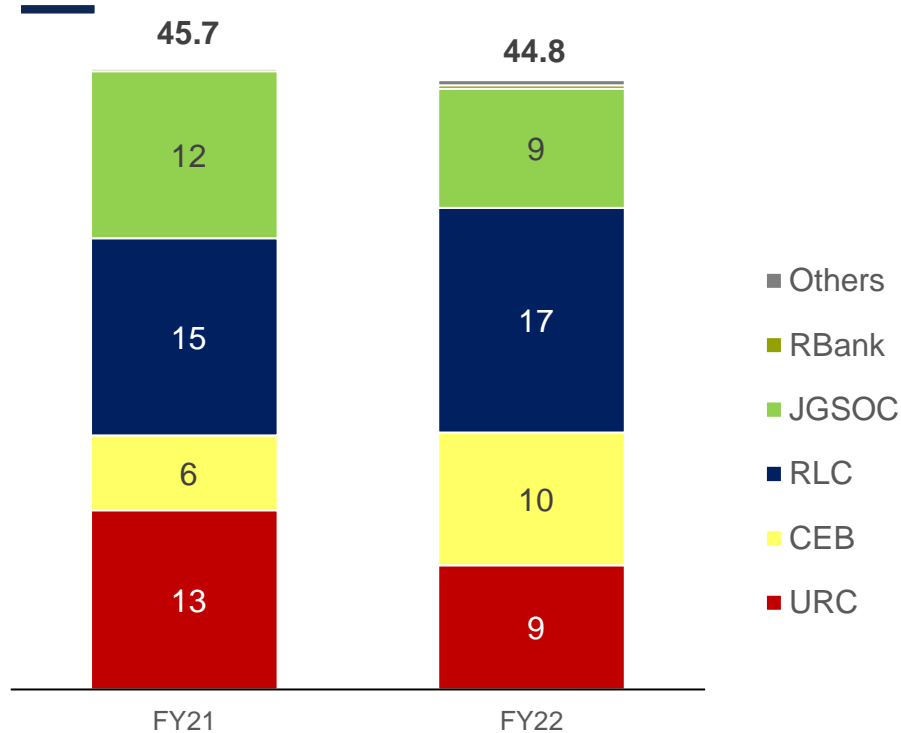
(1) Cash, FVPL and FVOCI investments from Robinsons Bank and PLDT are excluded

(2) After PFRS 5 reclassification of RBank

## Dividends Received



# Lower CAPEX vs 2021; bulk spent on RLC



In PHP billions

Excludes RLC's residential land acquisition and development capex of Php6.8bn and Php9.3bn in 2021 and 2022, respectively

CEB excludes aircraft acquired under long-term leases (ROU assets) and Pre-Delivery-Payment refunds totaling Php14.0bn in 2021 and Php8.6bn in 2022

FY2022	
	<ul style="list-style-type: none"> <li>Capacity expansion and automation</li> </ul>
	<ul style="list-style-type: none"> <li>Development of Malls, Offices, Hotels, and Warehouse facilities</li> <li>Acquisition of land</li> <li>Construction costs</li> </ul>
	<ul style="list-style-type: none"> <li>Limited to acquisition of buyer furnished equipment, rotables, assemblies &amp; capitalized overhaul expenses</li> </ul>
	<ul style="list-style-type: none"> <li>Butadiene and PE3 expansion projects</li> </ul>
	<ul style="list-style-type: none"> <li>Business development initiatives</li> </ul>

# ESG Update

Our groupwide ESG targets under 5 focus areas have been finalized

## Climate Action

- Low carbon transition roadmap released by 2025, as we aspire to achieve a net zero by 2050
- Major hotspots are assessed and managed on climate risk by 2030



## Shared Success

- All major vendors are aligned and comply to JGS key ESG practices by 2025



## Resource Efficiency and Circularity

- Plastic neutrality by 2030



## Employee Growth and Well-Being

- Zero lost-time incident annually
- JGS employees receive an average of 24 training hours annually per employee



## Better Choices

The group will continue to offer better choices:

- **URC:** By 2030, 70% of the product portfolio will meet at least 1 wellness criteria and 25% will meet at least 2
- **RLC:** 100% of new office buildings in Metro Manila will be GREEN Certified starting 2021
- **CEB:** 34MN Passengers, 100 routes and 50 destinations, 39 MN seat capacity by 2026
- **JGSOC:** Expanded polymer product portfolio of EVALENE and EVALENE PLUS by 20% in 2026, and potential increase of recyclates incorporation for up to 50% in 2028





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# Thank You!



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# Appendix



# Corporate Structure



Market Capitalization:  
**₱381.3 bn**

## CORE BUSINESSES

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

### Food & Beverage



**Stake: 55.9%**  
Mkt Cap: ₱307.2 bn  
Att Mkt Cap: ₱171.7 bn

### Air Transportation



**Stake: 66.1%**  
Mkt Cap: ₱23.9 bn  
Att Mkt Cap: ₱15.8 bn

### Real Estate



**Stake: 62.7%**  
Mkt Cap: ₱68.1 bn  
Att Mkt Cap: ₱43.5 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%**



**Stake: 44.6%**

### 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%\***

Identify new plays

## CORE INVESTMENTS

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

### Power



**Stake: 26.4%**  
Mkt Cap: ₱346.5 bn  
Att Mkt Cap: ₱91.4 bn

### Real Estate



**Stake: 37.0%**  
Mkt Cap: ₱129.2 bn  
Att Mkt Cap: ₱47.9 bn

### Communications



**Stake: 11.3%**  
Mkt Cap: ₱293.6 bn  
Att Mkt Cap: ₱33.1 bn

\*Last September 30, 2022, the Board of Directors of JG Summit Capital Services Corp. ("JG Capital"), a wholly-owned subsidiary of JG Summit Holdings, Inc., approved the execution of an agreement between the Bank of the Philippine Islands ("BPI") and JG Capital and Robinsons Retail Holdings, Inc. for the merger of BPI and Robinsons Bank Corporation, with BPI emerging as the surviving entity, subject to shareholders and regulatory approvals. Post-merger, BPI will become one of the group's core investments. It is expected to be completed by end-2023.

# Balance Sheet (per 17A)

(Php Millions)	As of Dec 2021	As of Dec 2022
Cash & cash equivalents (including Financial assets at FVPL and financial assets at FVOCI)	128,609	95,568
Other current assets	177,658	326,072
Investments in Associates and JVs - net	146,034	143,295
Property, plant, and equipment	250,050	256,036
Other noncurrent assets	321,183	252,231
<b>TOTAL ASSETS</b>	<b>1,023,535</b>	<b>1,073,201</b>
Current liabilities	297,591	407,348
Noncurrent liabilities	282,312	238,489
<b>TOTAL LIABILITIES</b>	<b>579,904</b>	<b>645,837</b>
Stockholders' Equity	335,309	319,932
Non-Controlling Interest	108,322	107,433
<b>TOTAL EQUITY</b>	<b>443,631</b>	<b>427,364</b>

*Note: Other current assets as of Dec 2022 include the total assets of RBank as "Asset Held for Sale" in line with PFRS 5, given the merger announcement in 2022. Accordingly, the total liabilities of RBank are reported as "Liabilities directly associated with assets held for sale" under current liabilities.*

# Income Statement (per 17A)

<b>(Php Millions)</b>	<b>FY21</b>	<b>FY22</b>	<b>YoY</b>
REVENUES	221,280	301,908	36%
Cost of sales and services	(164,151)	(232,553)	42%
<b>GROSS INCOME</b>	<b>57,128</b>	<b>69,355</b>	<b>21%</b>
Operating Expenses	(47,215)	(51,091)	8%
<b>OPERATING INCOME</b>	<b>9,913</b>	<b>18,264</b>	<b>84%</b>
Financing costs & other charges	(9,111)	(11,133)	22%
Foreign exchange gain/ (loss) - net	(3,108)	(7,368)	137%
Market valuation gain/ (loss)	(1,095)	705	-164%
Finance income	1,095	1,706	56%
Others	462	7,055	1,427%
<b>INCOME BEFORE TAX</b>	<b>(1,844)</b>	<b>9,229</b>	<b>-601%</b>
Provision for Income Tax	82	2,750	3,256%
Net Income from Continuing Operations	(1,926)	6,478	436%
Net Income from Discontinued Operations	12,660	1,563	-88%
<b>NET INCOME (LOSS)</b>	<b>10,734</b>	<b>8,041</b>	<b>-25%</b>
<b>NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>5,108</b>	<b>651</b>	<b>-87%</b>
<b>CORE NET INCOME</b>	<b>3,085</b>	<b>6,172</b>	<b>100%</b>