




GT CAPITAL
HOLDINGS INCORPORATED

First Quarter 2019 Financial and Operating Highlights

Building on
New opportunities

14 May 2019

GRAND
HYATT
MANILA

An aerial view of a multi-lane highway with several cars driving away from the viewer. The scene is set during sunset or sunrise, with a warm orange glow on the horizon and a clear blue sky. In the background, a city skyline is visible, featuring several prominent skyscrapers, including one with a distinctive pointed top. The overall atmosphere is modern and urban.

GT Capital Holdings First Quarter 2019 Financial Highlights

Financial Highlights 1Q 2019 year-on-year (vs. 1Q18)



Consolidated Net Income

-8%

Php3.42 billion

Php3.74 billion 1Q 2018

Core Net Income

(FV adjustments for PCFI, MPI, TMBC, TMP)

-8%

Php3.47 billion

Php3.76 billion 1Q 2018

Revenues

+3%

Php47.0 billion

Php45.5 billion 1Q 2018

Auto Sales (TMP – Php33.8B)

Php 38.8 billion +2%

Equity in net income of associates
(MBT Php2.4B, MPIC Php0.6B, AXA Php0.2B, TFS Php0.07B)

Php 3.3 billion +14%

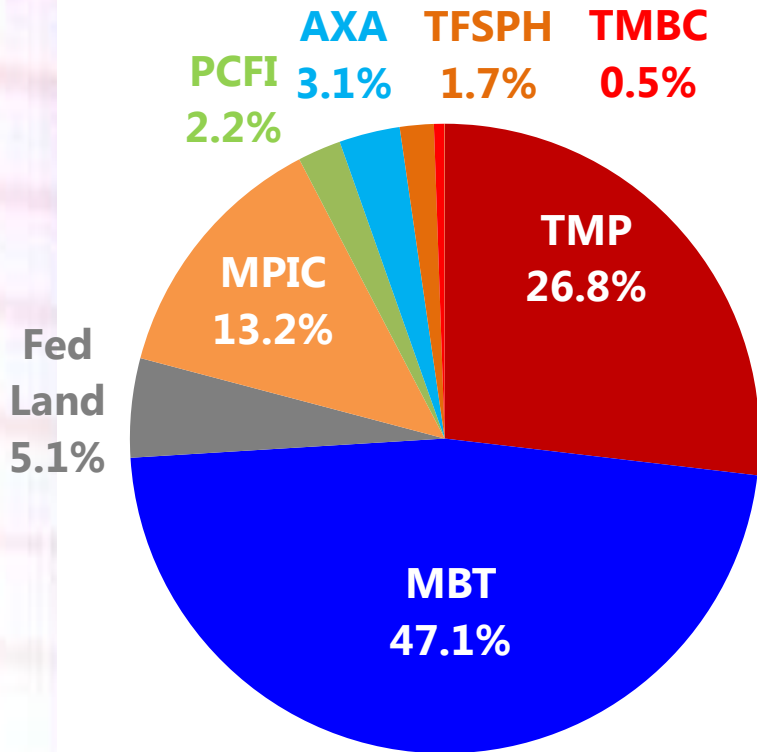
FLI & PCFI - Real Estate Sales and Interest income on Real Estate Sales

Php 3.7 billion +2%

GT Capital Net Income Contribution By Component Company

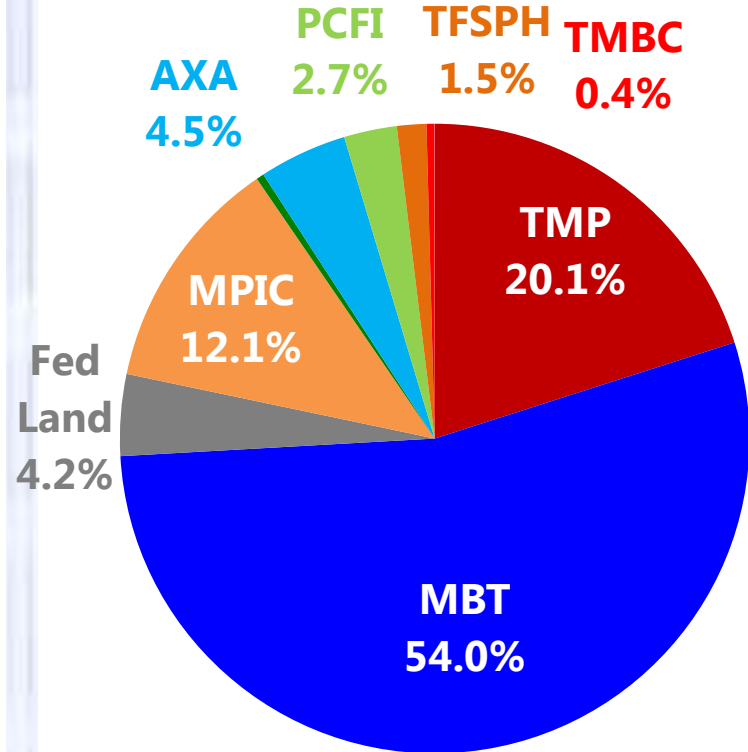


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MBT + TMP = 73.9%

1Q 2018



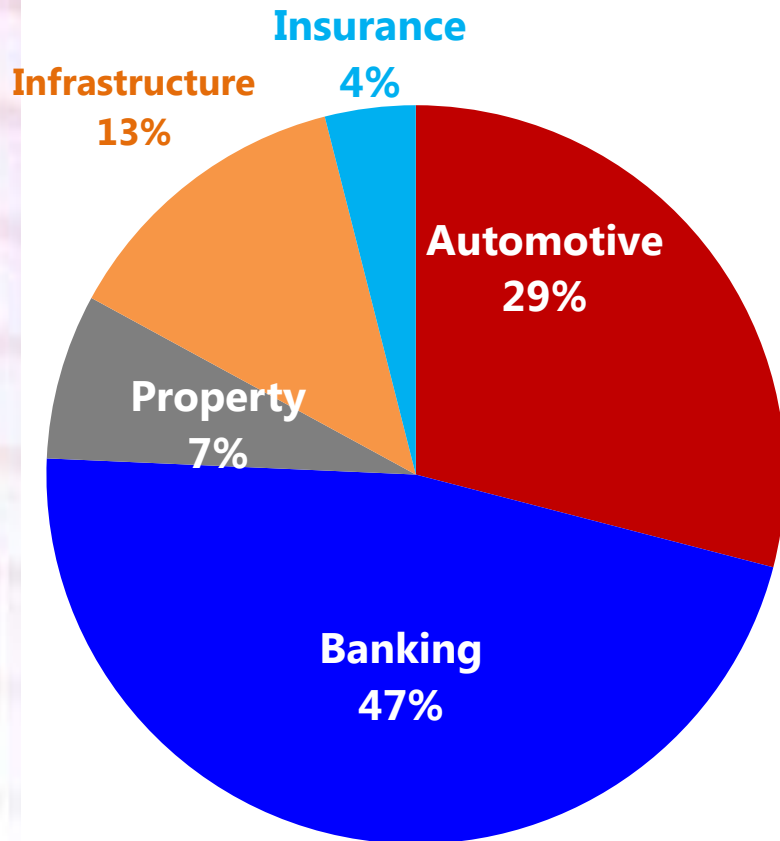
MBT + TMP = 74.1%

1Q 2019

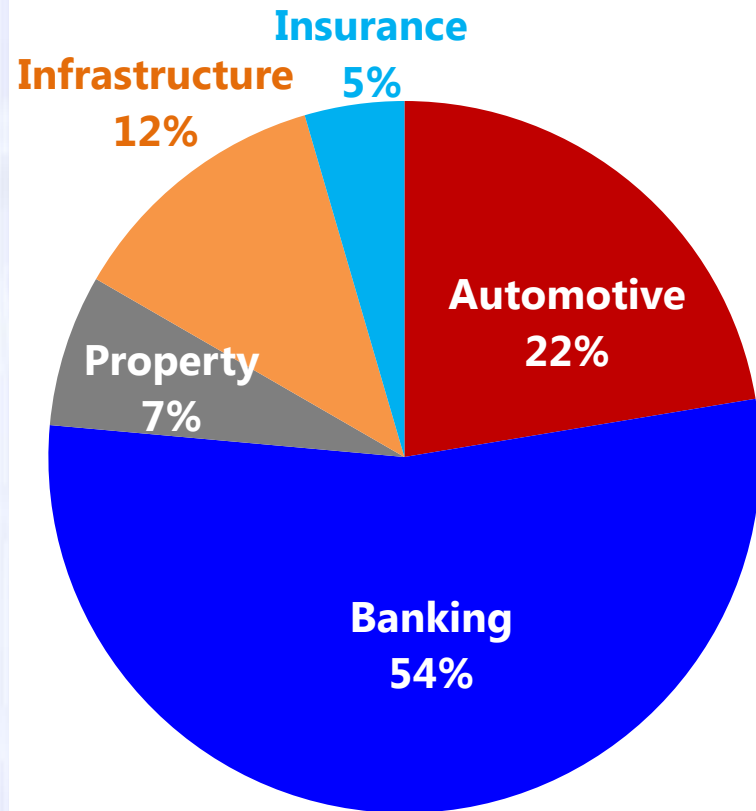
GT Capital Net Income Contribution by Sector



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1Q 2018



1Q 2019

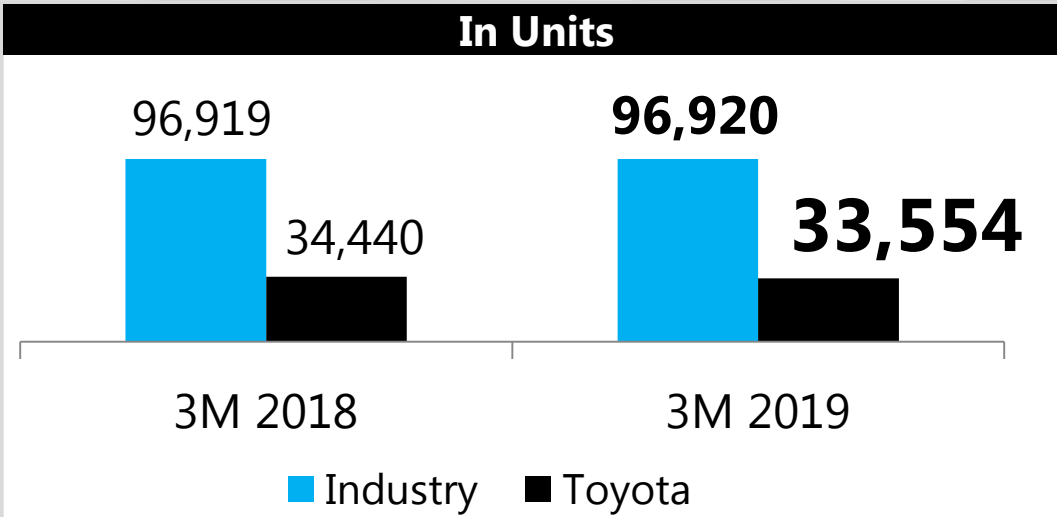


Automotive

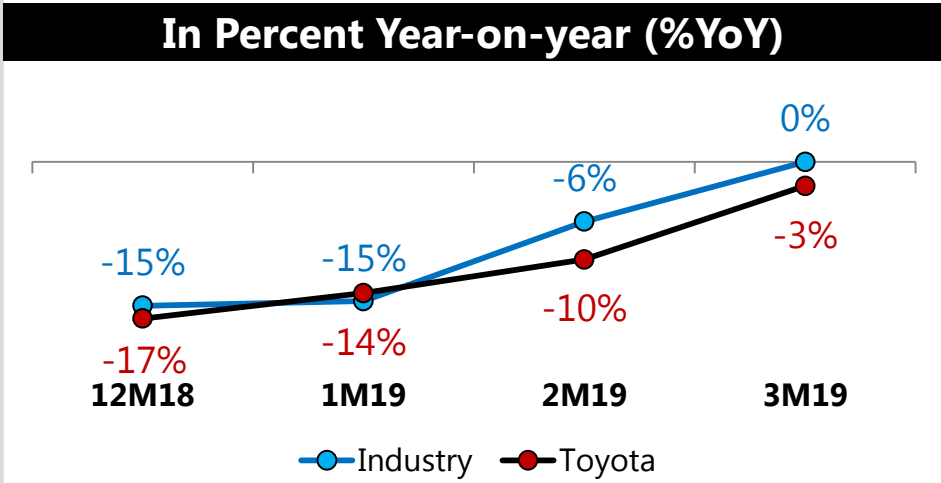
Retail auto unit sales volume



As of March 2019 YTD



Industry
0% Y-o-Y
Toyota
▼3% Y-o-Y



Industry factors:

- Signs of recovery in volume from seasonally high 4Q
- Flat YoY due to easing inflation and rebound in consumer sentiment

TMP lower-than-industry due to:

- Base effect: Jan. 2018 had spillover from Dec. 2018 front loading
- Hiace and Avanza import run-out
- Different fiscal year-end for other Japanese brands

Source: Company data, CAMPI, AVID

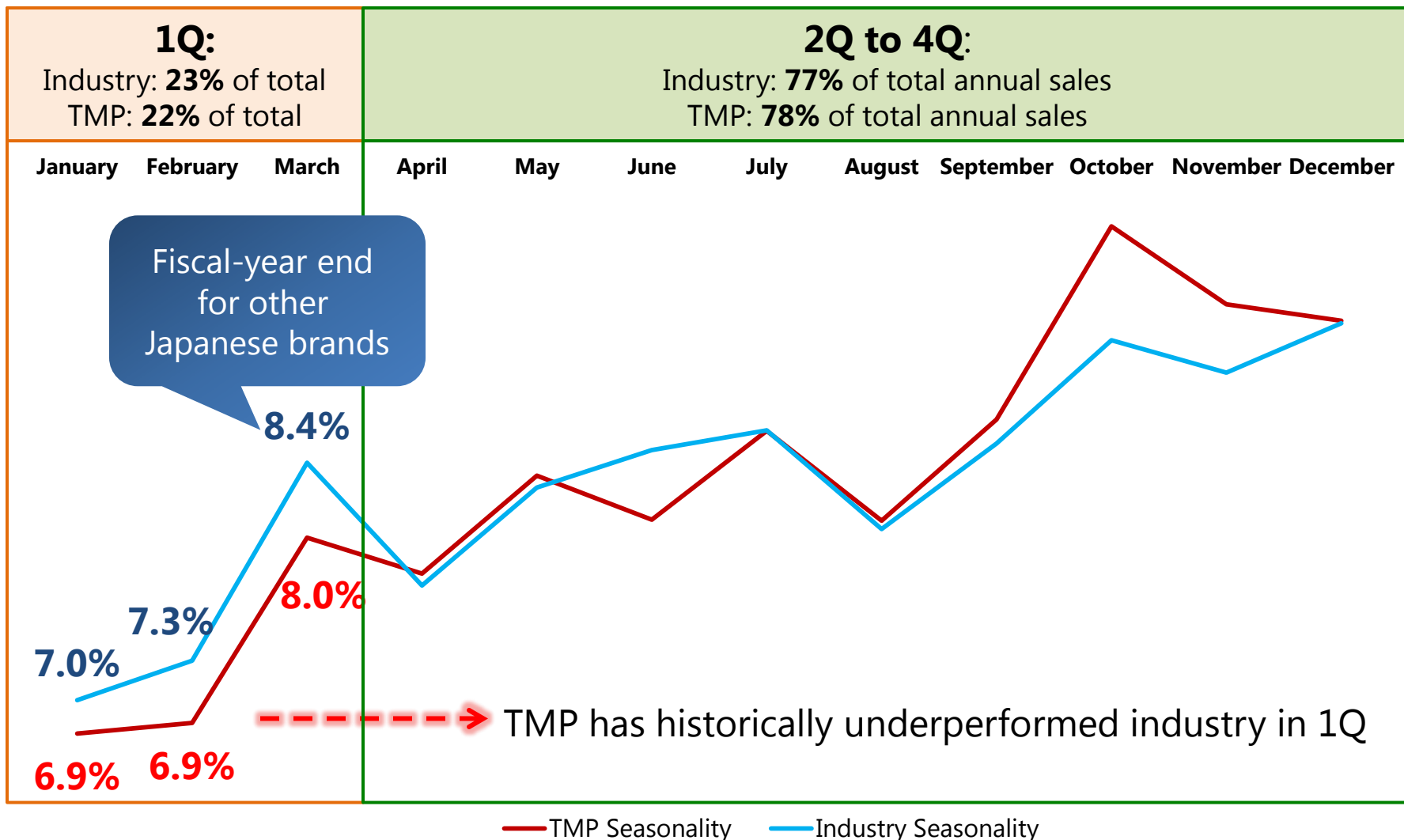
Seasonality

Volume to improve due to higher 2Q to 4Q seasonality

TMP historically below industry in 1Q due to competitors fiscal year-end



Seasonality – Industry and TMP (2009 to 2018)



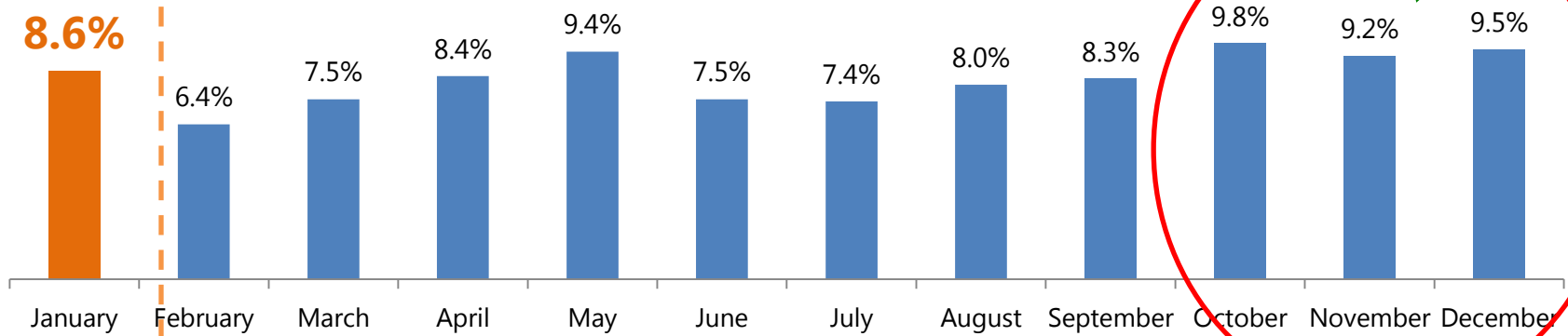
Base effect

Toyota retail volume in Jan. 2018 had spill over from Dec. 2017 front loading



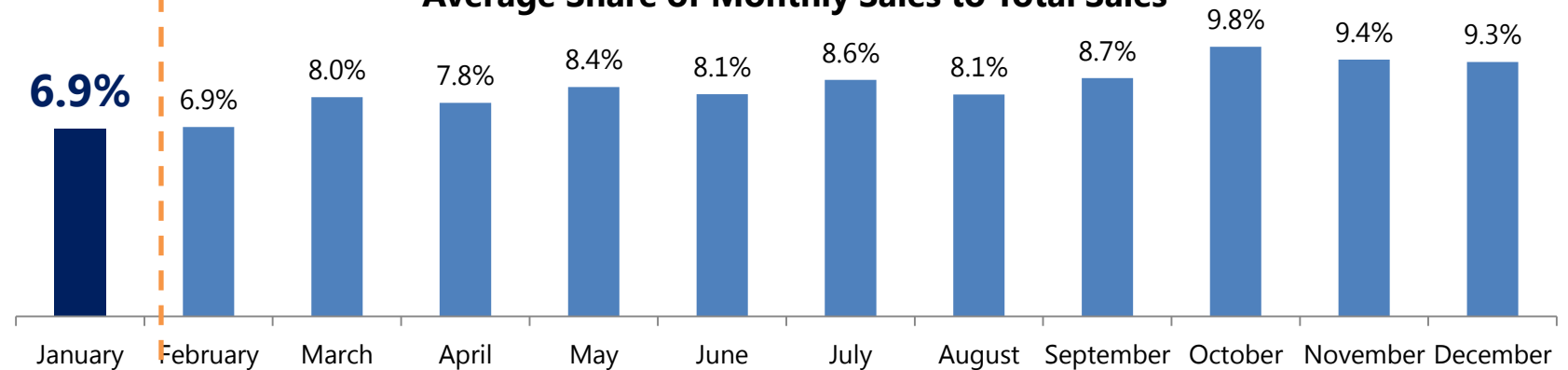
Jan 2018.
spill over

TMP Retail Sales Units - 2018 Average Share of Monthly Sales to Total Sales



*vs. Industry:
7.1%

TMP Retail Sales - 2009 to 2018 Average Share of Monthly Sales to Total Sales



*vs. Industry:
7.0%

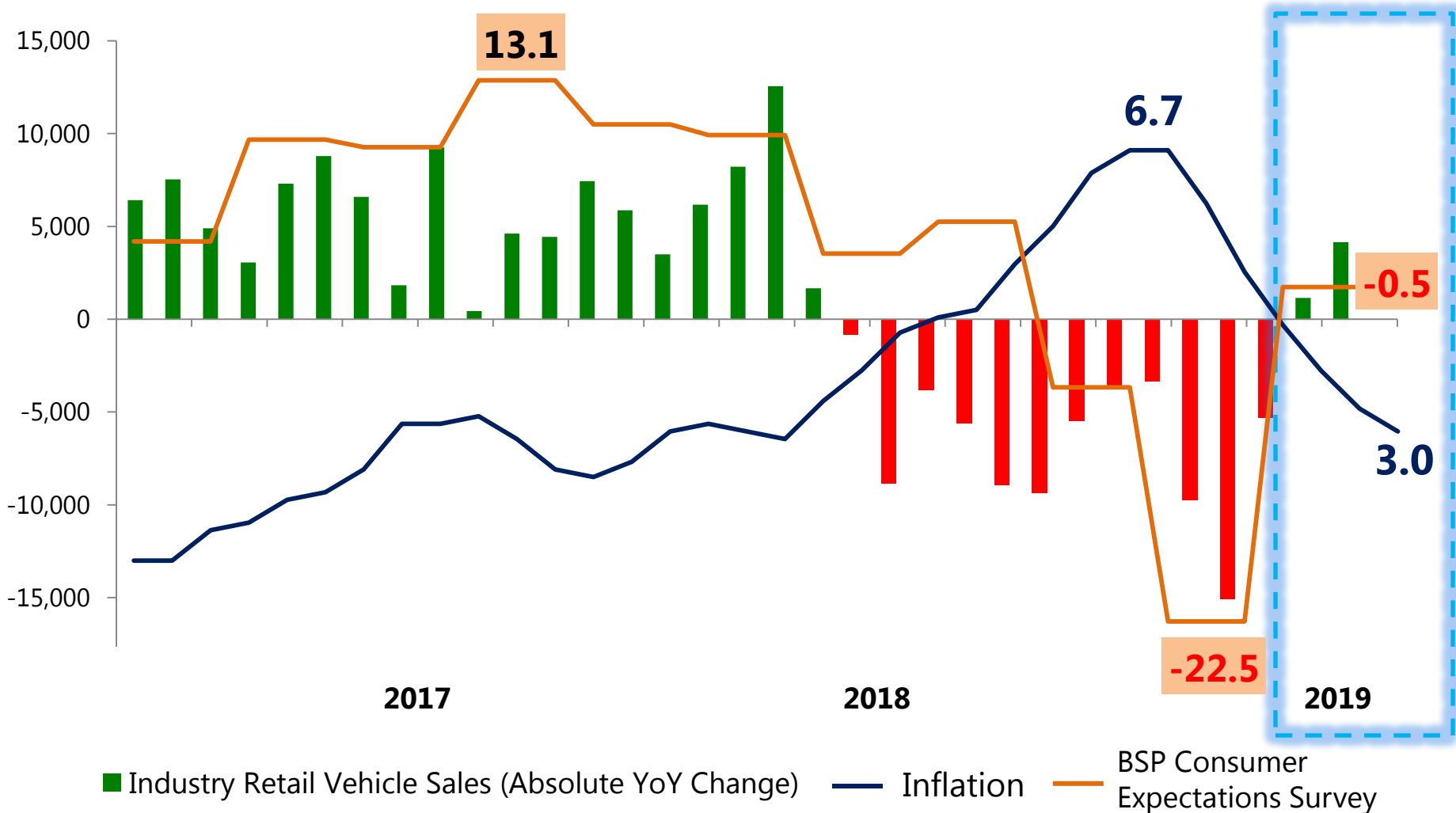
Source: Company data, CAMPI, AVID

Signs of recovery

Industry vehicle sales grew YoY for the first time in 12-mos. last Feb. 2019 due to easing inflation and rebound in consumer sentiment



Industry Vehicle Sales (Absolute YoY Change) vs. Inflation (In %) and BSP Consumer Expectations Survey (In %)



Source: Company data, CAMPI, AVID, BSP, PSA

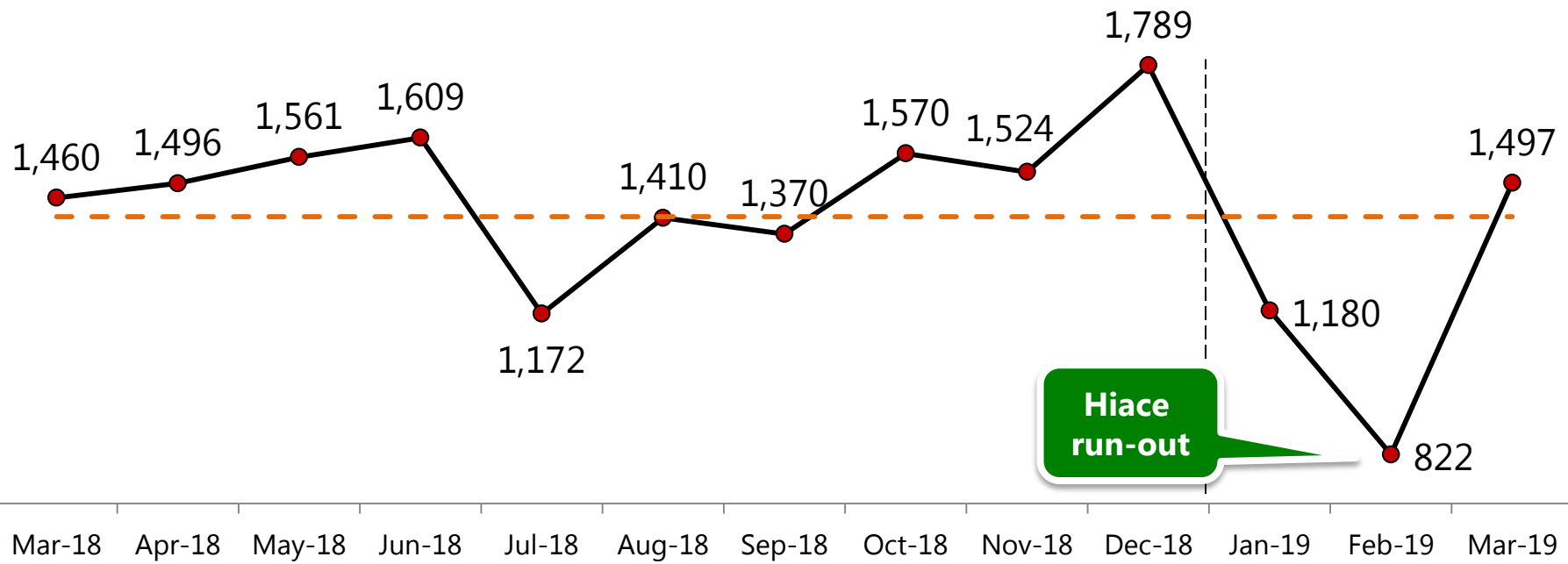
Hiace Run-out

(PH Largest market in the world at 17,000 units/annum)

Contributed 11% of monthly sales in 2018



Hiace Retail Sales (In Units)



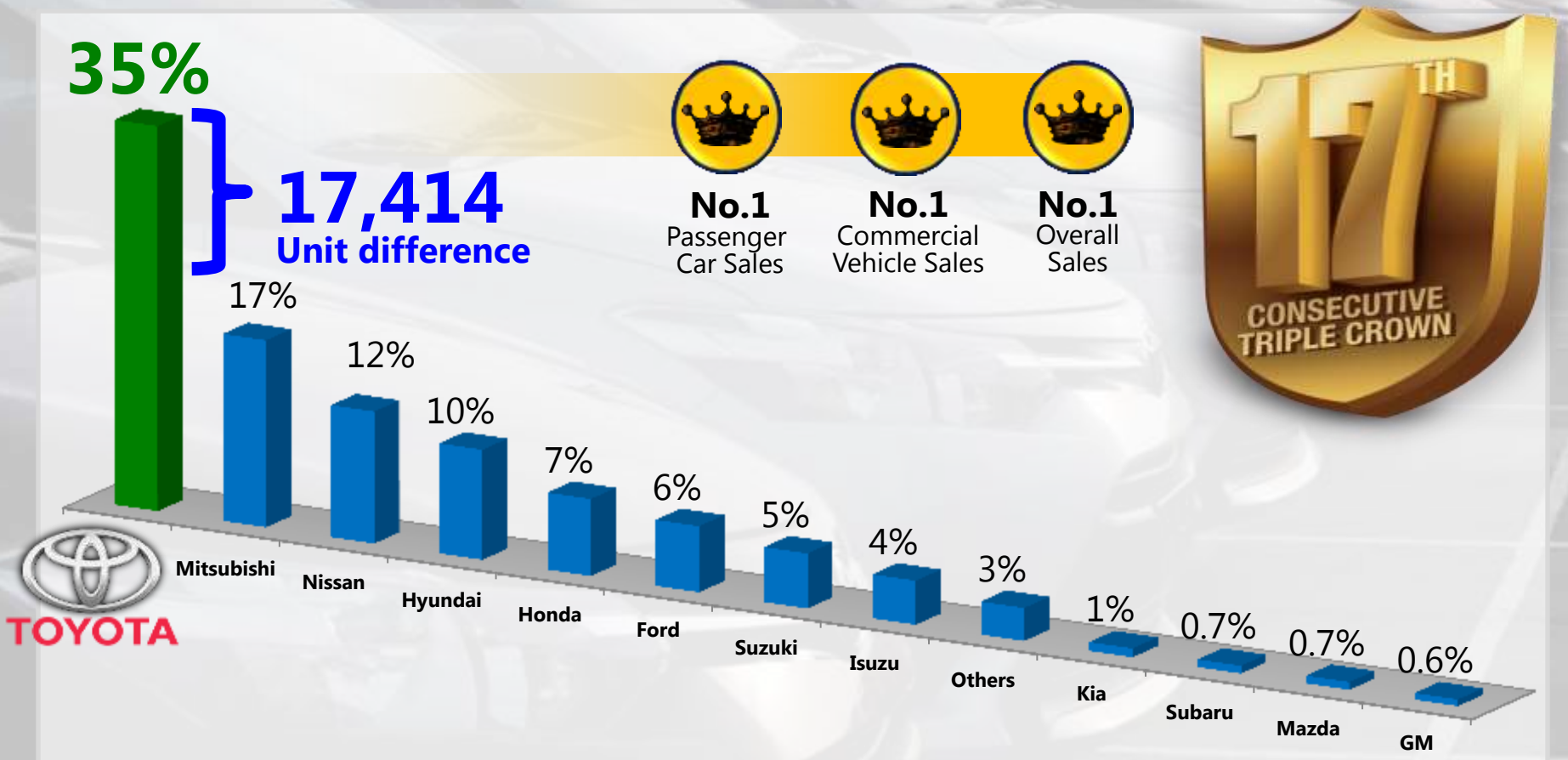
● Hiace - - - 2018 average (1,413 Units)



Toyota achieved a 35% market share in 1Q19 (vs. 36% in 1Q18)

Overall Market Share

As of March 2019 YTD



Source: Company data, CAMPI, AVID

Toyota continues to be the Philippines' dominant auto company



Auto Industry Market Share As of March 2019 YTD

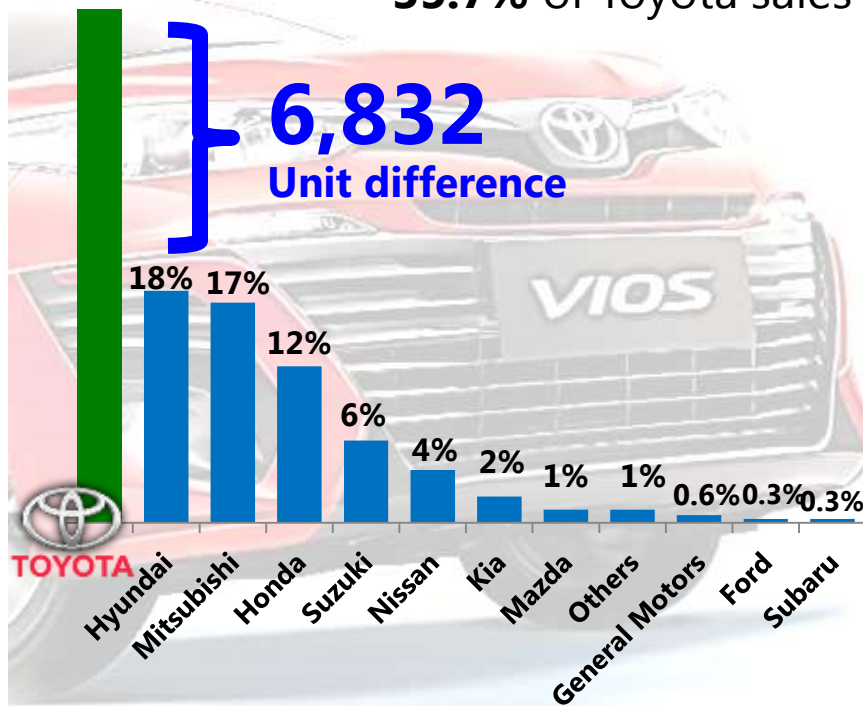
Passenger Car

39%

31.9% of total market
35.7% of Toyota sales

6,832

Unit difference



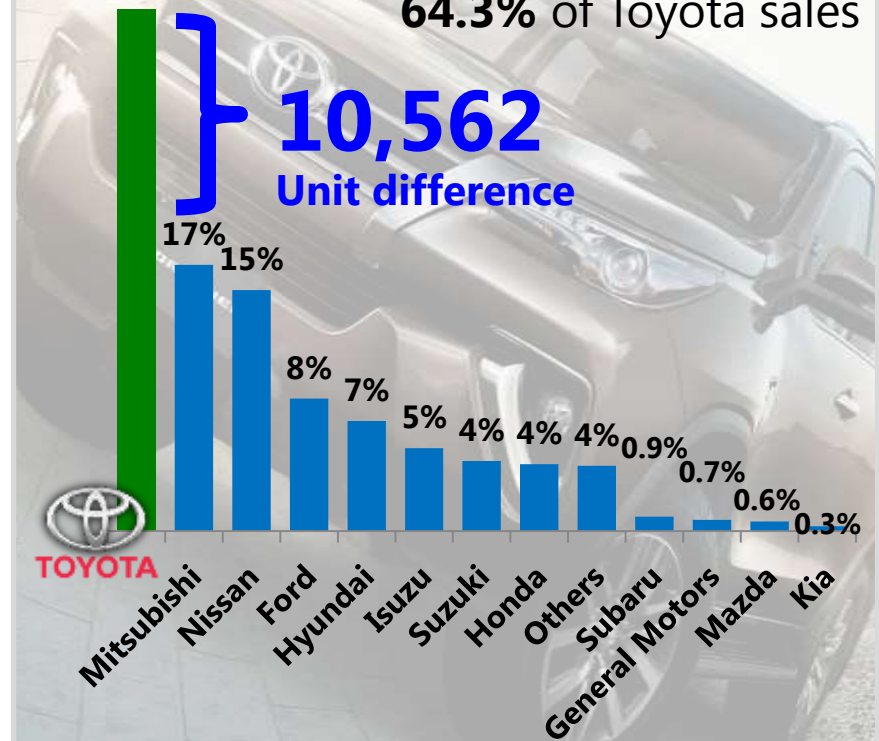
Commercial Vehicle

33%

68.1% of total market
64.3% of Toyota sales

10,562

Unit difference



Source: Company data, CAMPI, AVID

New model launch update

Dominant in respective segments



Rush May 2018

45% segment share since launch



VIOS July 2018

34% segment share since launch



CAMRY Dec. 2018

76% segment share since launch



HIACE Feb. 2019

55% segment share since launch



TOYOTA

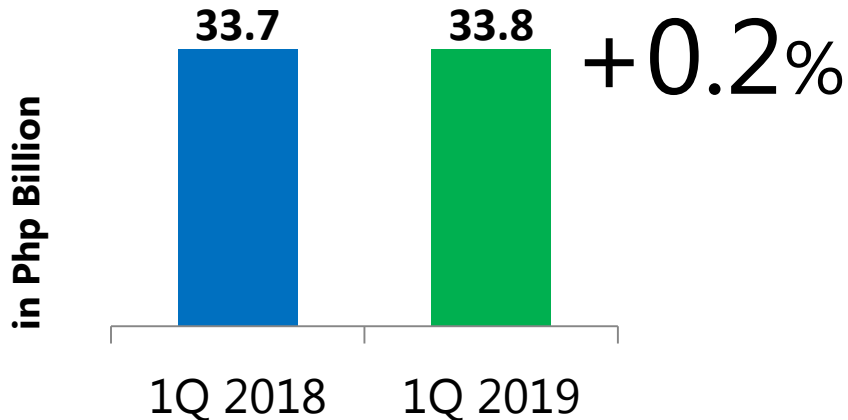


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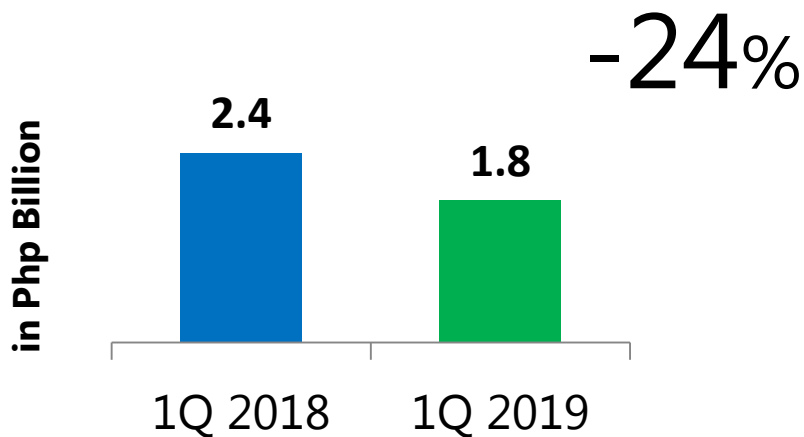
TMP Financial Highlights (YoY)



Revenues



Net Income ATP



- WSV -4% **32,394** units; RSV -3% vs. 0% Industry
 - Hiace: Runout Feb 2019
 - Fortuner & Vios: increased network discount
 - Avanza: Runout March 2019
- Sales volume:
 - PCs: Vios -6%, Wigo -14%
 - CVs: Hilux +50%, Fortuner -21%, Innova -5%, Hiace -15%, Rush **+100%** & Avanza -40%
- Overall market share from **35.5%** to **34.6%**
- To jump-start sales:
 - higher advertising & sales promo/sales rebates,
 - increase in OPEX & OH costs

Dealership Expansion

Target by end of year	2014	2015	2016	2017	2018	Current	2019E
Number of Dealers	45	49	52	61	69	70	72



January 2019

**SANTA ROSA
Nueva Ecija**



March 2019

DARAGA Albay

70 Dealerships as of 08 May 2019

Upcoming: Cebu (renovation), Valenzuela, Lucena (Quezon)



Property Development

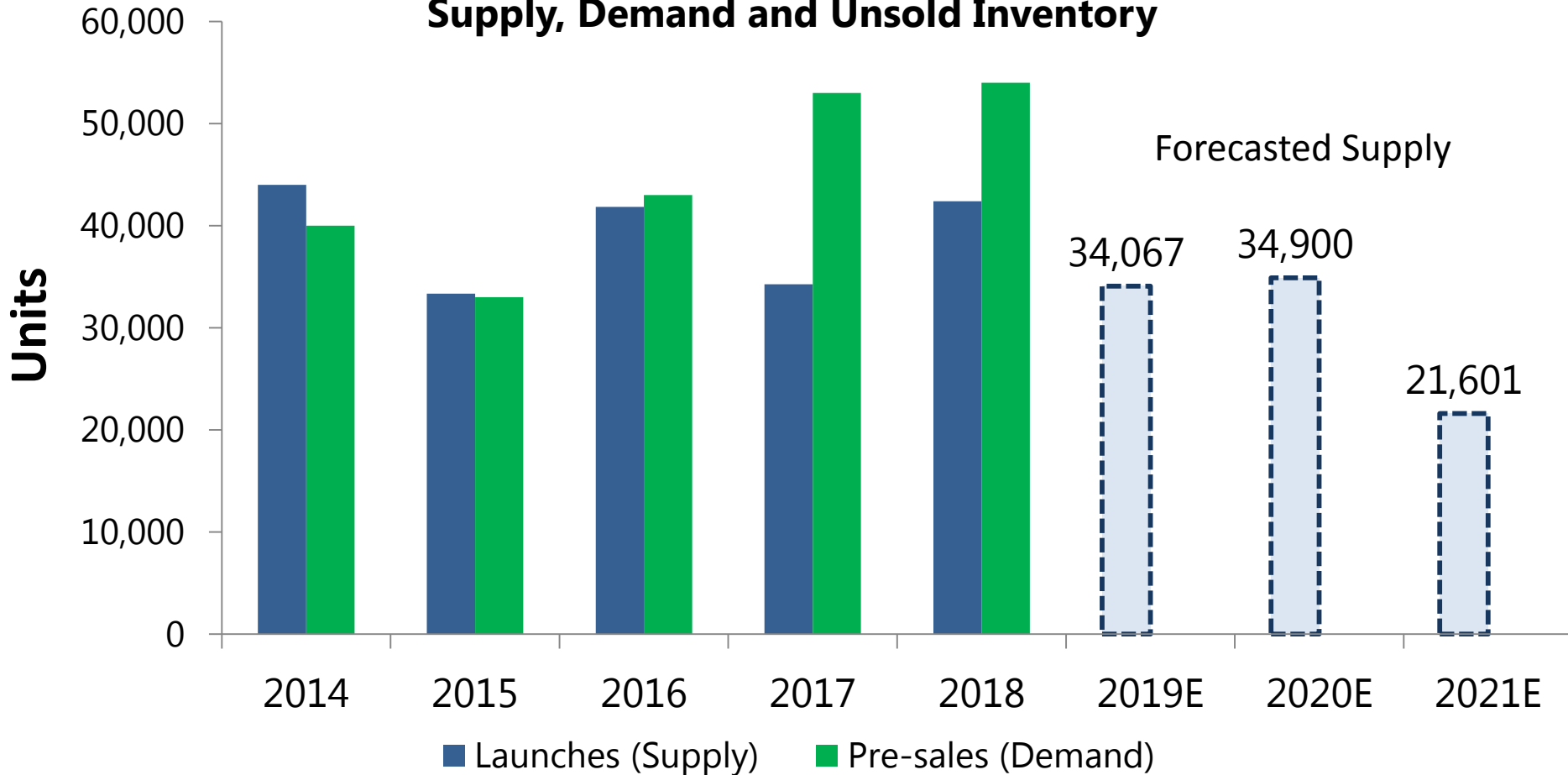


RESIDENTIAL SUPPLY AND DEMAND

Condominium demand continues to exceed supply;
Unsold inventory expected to be steady from 2019 to 2021



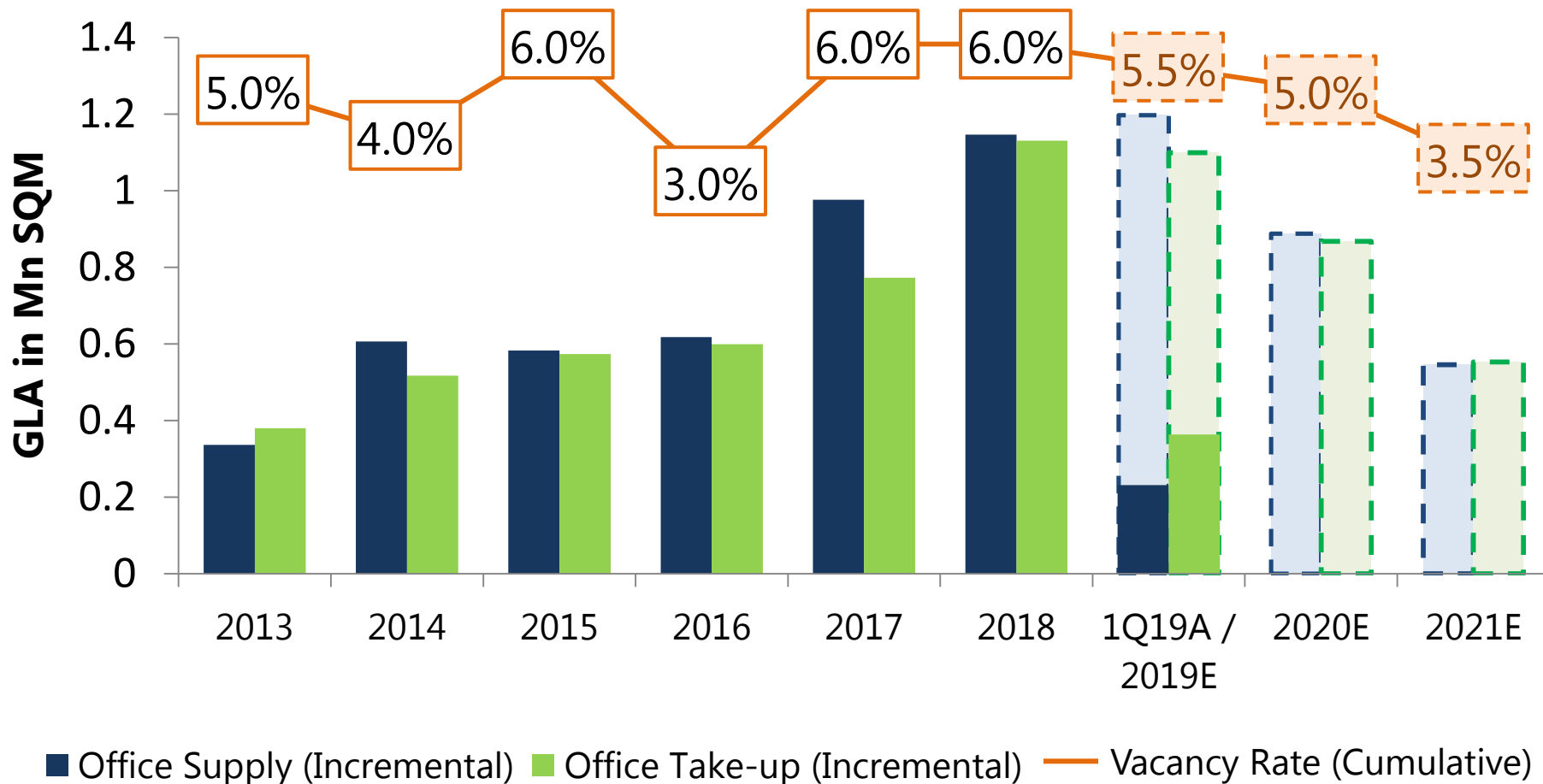
Metro Manila Residential Condominium Supply, Demand and Unsold Inventory



OFFICE SUPPLY AND DEMAND

1Q19 office demand exceeded supply;
Office supply and vacancy expected to decline by 2020

Metro Manila Office Supply (In SQM) vs. Average Vacancy Rate (In %)

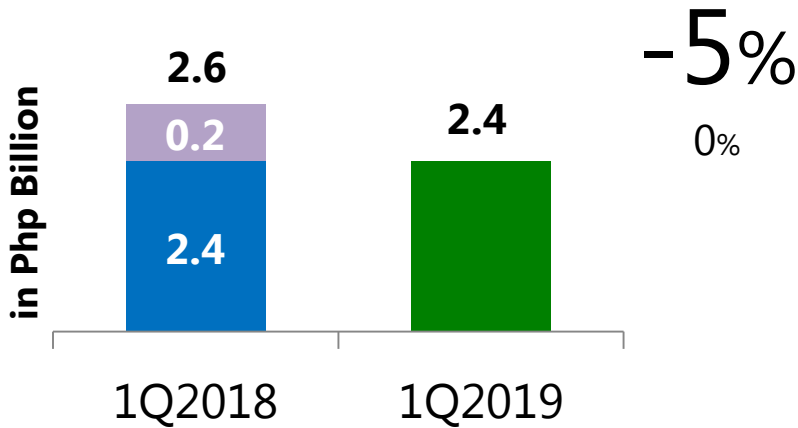




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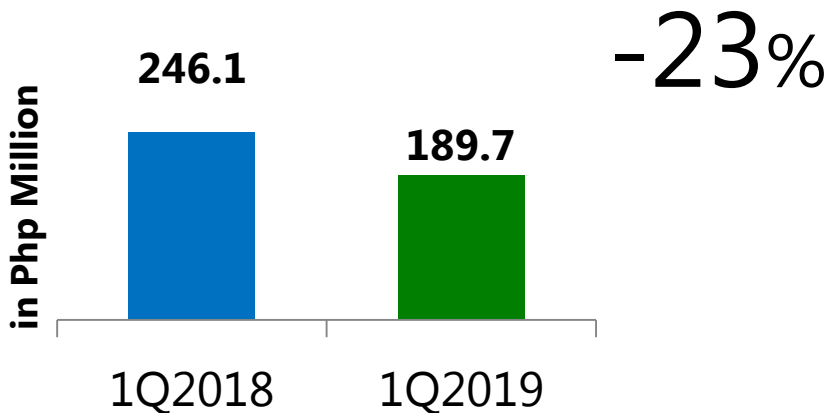
Federal Land Financial Highlights

Revenues



- Reservation Sales **+20%** to Php4.3B
- Real Estate Sales -12% to **Php1.8B** due to lower POC (due to delayed launches)
- **Php6.0B** revenues on hand, awaiting prescribed POC
- Rent **+12%** to **Php306M** due to higher occupancy in Bay Area projects
- Commission income **+473%** from **Php13M** to **Php73M** due to higher sales (GHR2 and AVEIA)
- GP margin **+4%** from **34%** to **38%** due to lower cost adjustments/variations
- OPEX +30% from **Php525M** to **Php683M** due to increased shared services, RPT (zonal value), & DST
- Interest Expense: **Php116M**

Net Income



Project Launches

1Q
2019

2

2Q
Estimate

2

Project Launches

Two projects launched in 1Q 2019

Number of units are all estimates and subject to change



Feb. 2019

188 units, Php18.0B (JV 50%)



The Estate

AYALA AVENUE



Mi Casa
Tower 1
BAY AREA, PASAY



March 2019

158 units, Php3.8B

Project Launches

Two planned launches this 2Q 2019

Number of units are all estimates and subject to change

▶
Siena Tower 2
MARIKINA



June 2019

297 units, Php1.2B



June 2019

1,304 units, Php4.0B

◀
Quantum Residences
Tower 2 (Amethyst)
TAFT AVE.



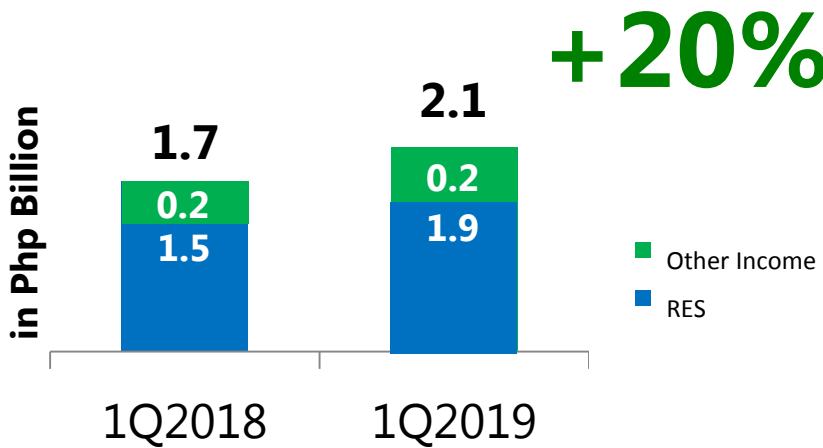

PRO • FRIENDS
PROPERTY COMPANY OF FRIENDS, INC.
Creating communities, transforming lives.


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PRO-FRIENDS Financial Highlights

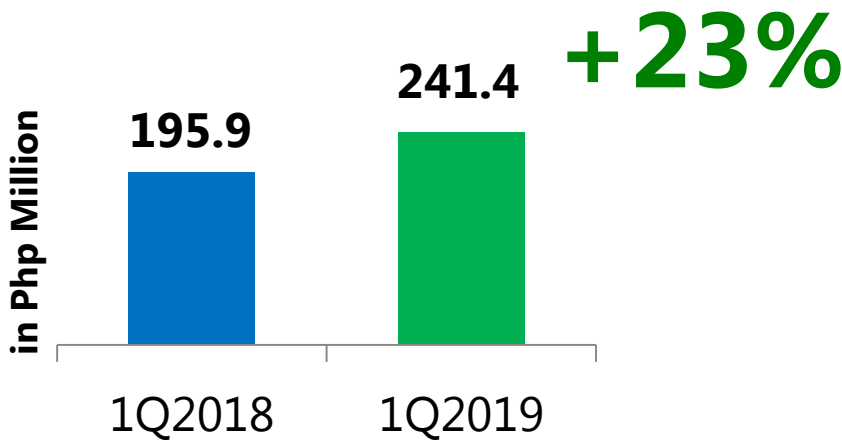


Revenues



- Ave. Bank Takeout from **Php655M** to **Php853M**
- Real estate sales **+20%** from **Php1.6B** to **Php1.9B**
- Rental income **+76%** to **Php23M** due to GLA increase, additional tenants, & rate escalation
- Other income **+91%** to **Php87M** due to CCS pre-termination (**Php44M**)

Net Income



- GP margin improved from **46%** to **48%**
- SME **+55%** from **Php77M** to **Php119M** due to sales promo incentives
- OPEX **+16%** from **Php351M** to **Php409M** due to increase in salaries, professional fees, repairs & maintenance, & taxes & licenses



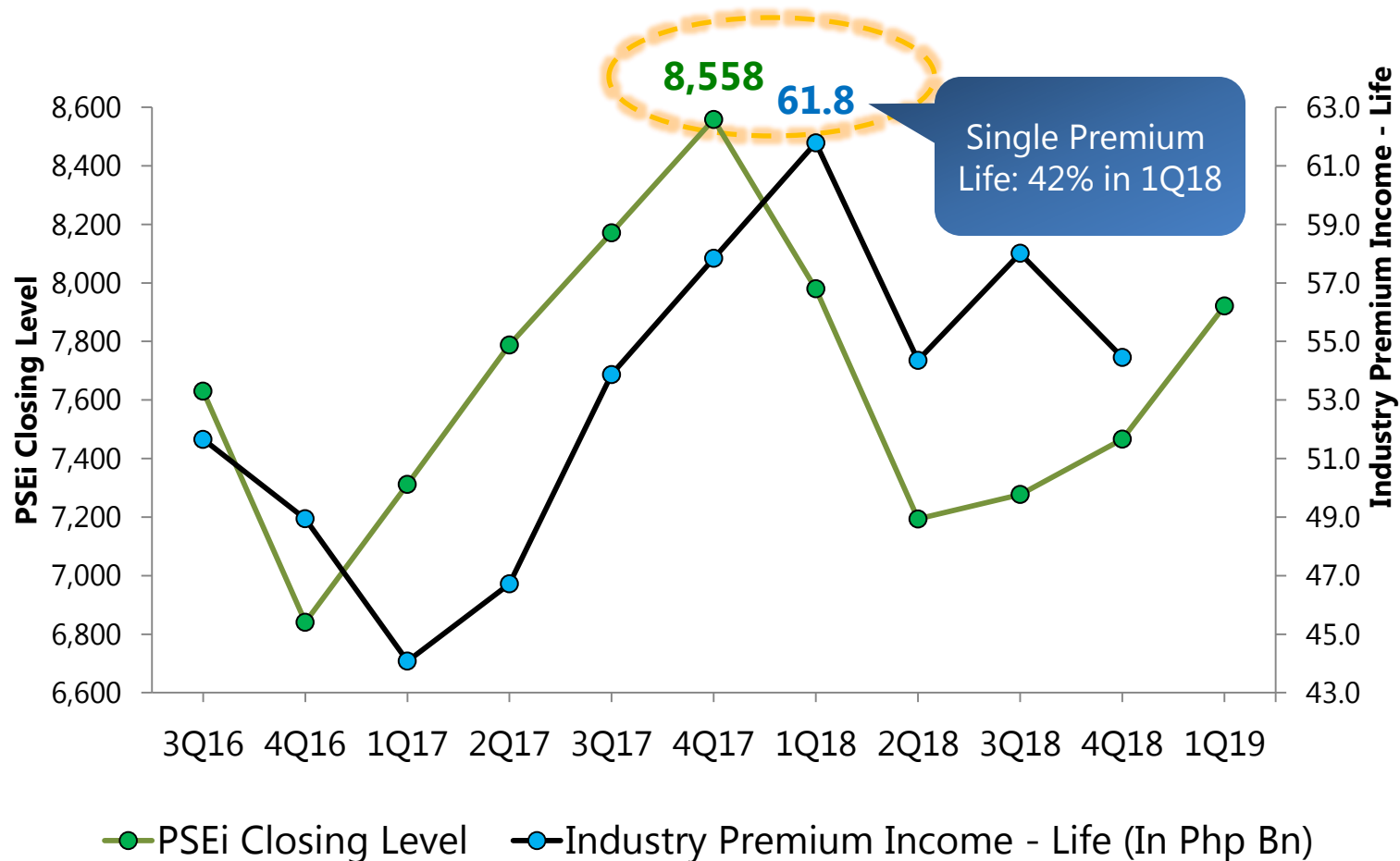
Insurance

Insurance Industry Updates

Premium income hit record in 1Q18, due to strength in equities market
1Q19 premiums are coming from a high base



Life Insurance Premiums vs. Philippine Stock Exchange Index (PSEi) Performance



Insurance Industry Updates

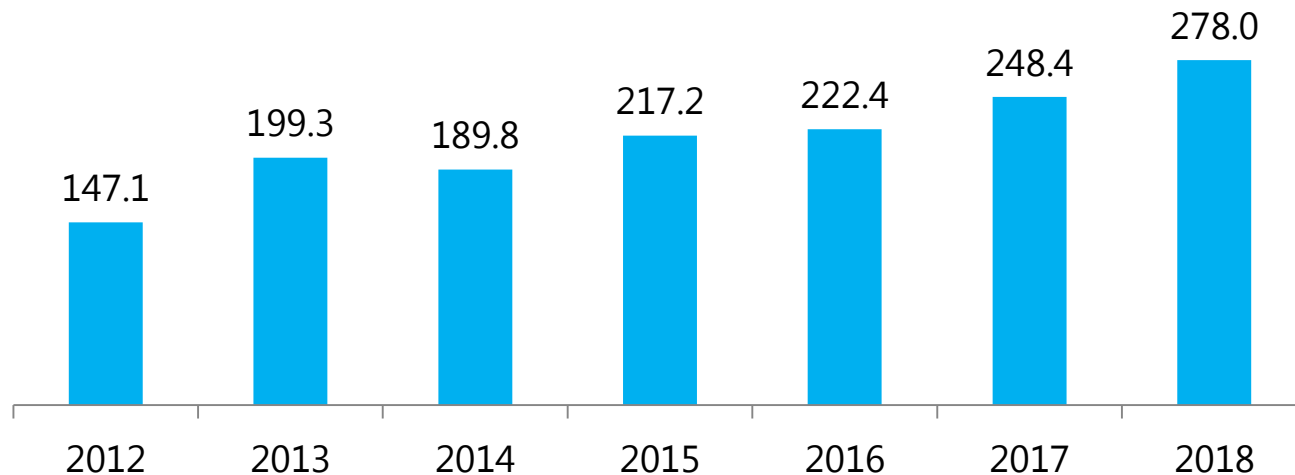
The Philippine insurance industry continues to be an underpenetrated high-growth sector



Life and General Premium Income (In Php Bn)

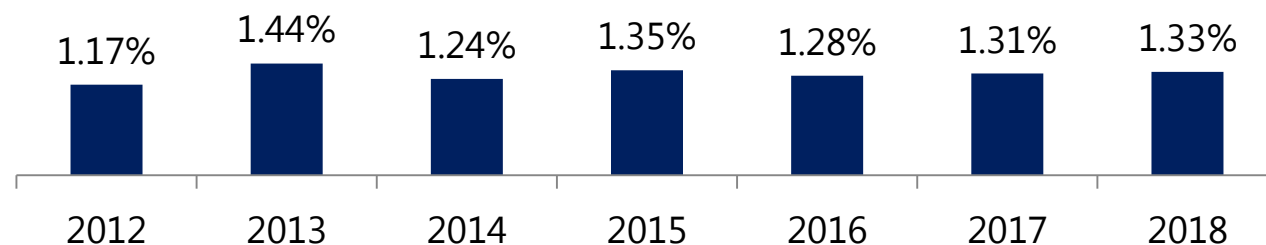
11%
CAGR

Increase in premiums of **Php24 billion** per annum



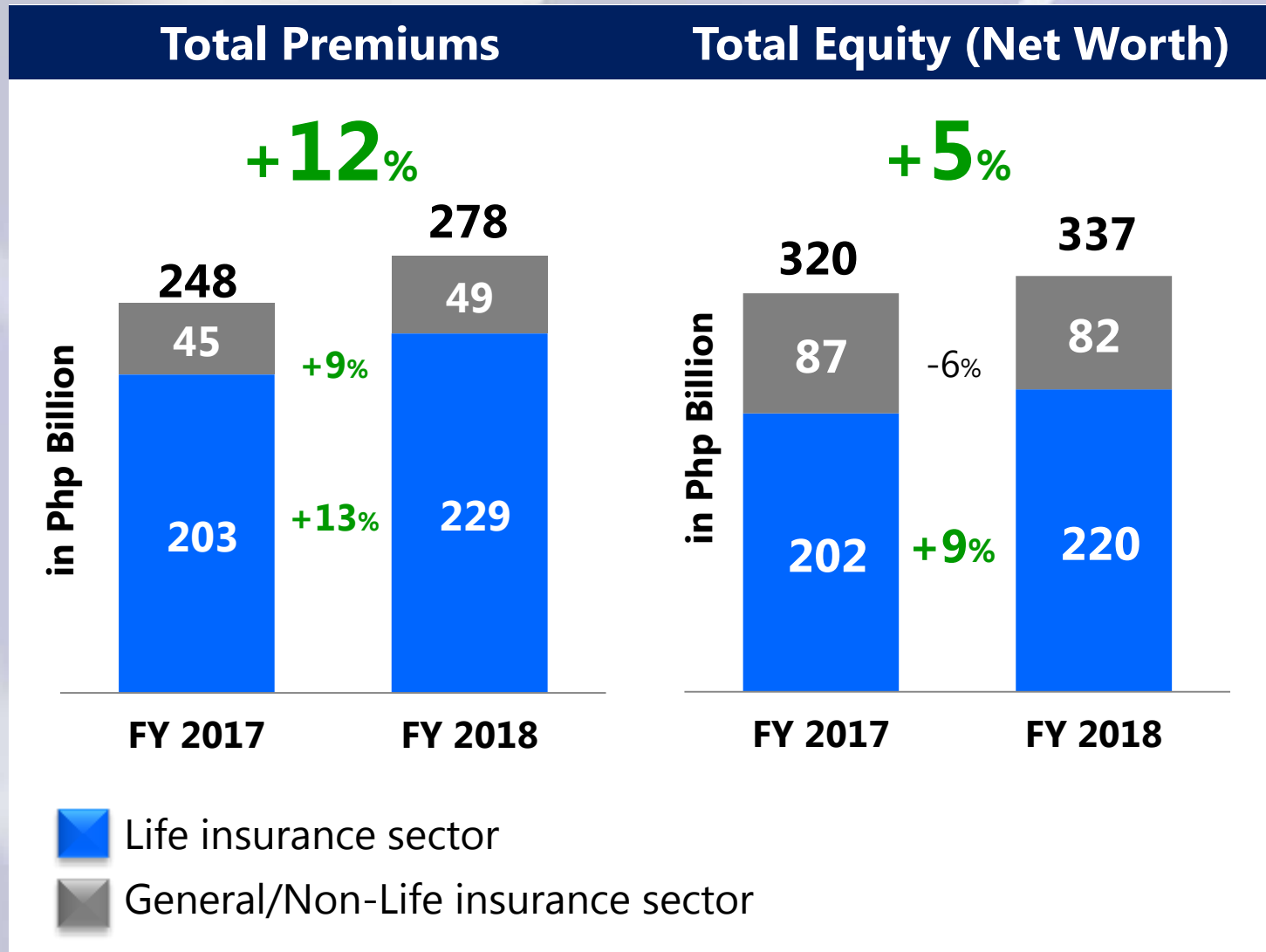
Life and General Premiums as a % of Gross National Income (GNI)

Insurance premium still **below 1.5% of GNI**



Insurance Industry Updates

As of December 2018

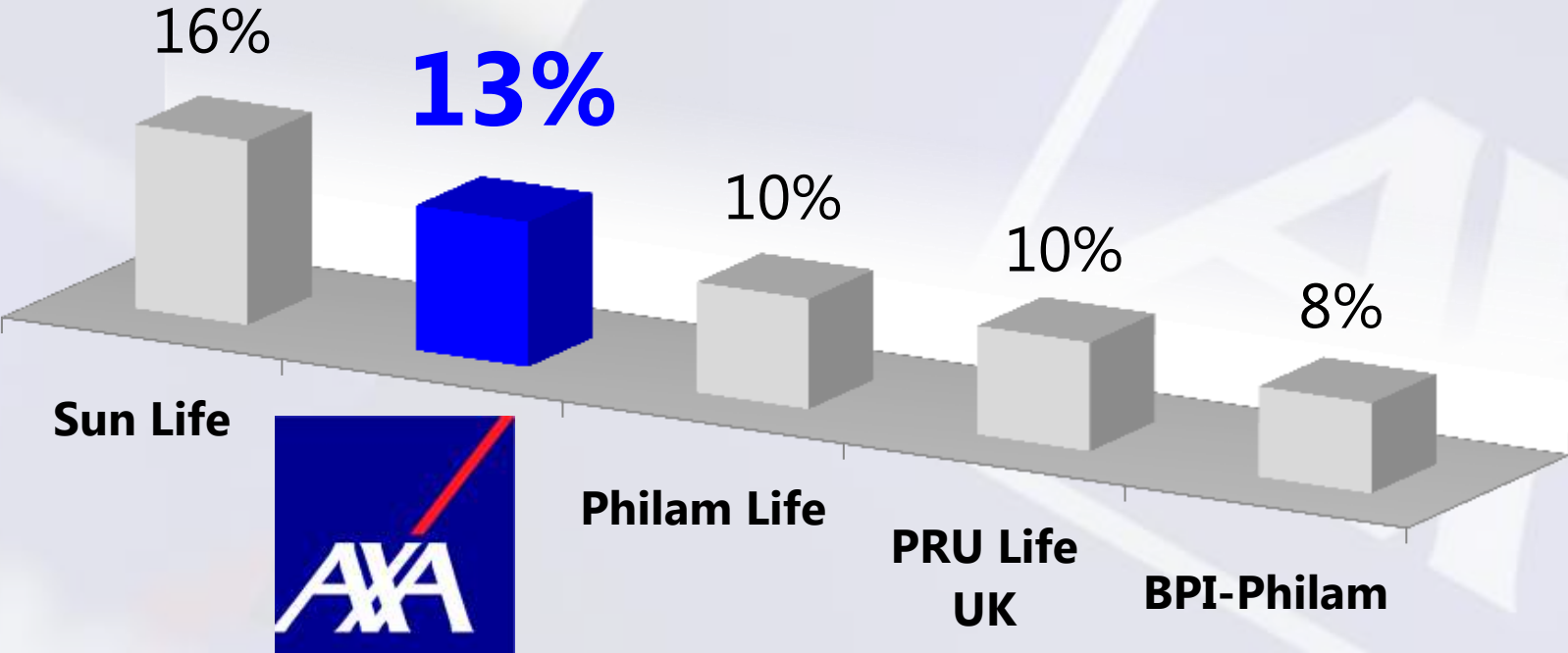


Life Insurance Ranking

Premium Income, December 2018



Market Share



Source: Insurance Commission Unaudited Statistics, BusinessWorld, 2019

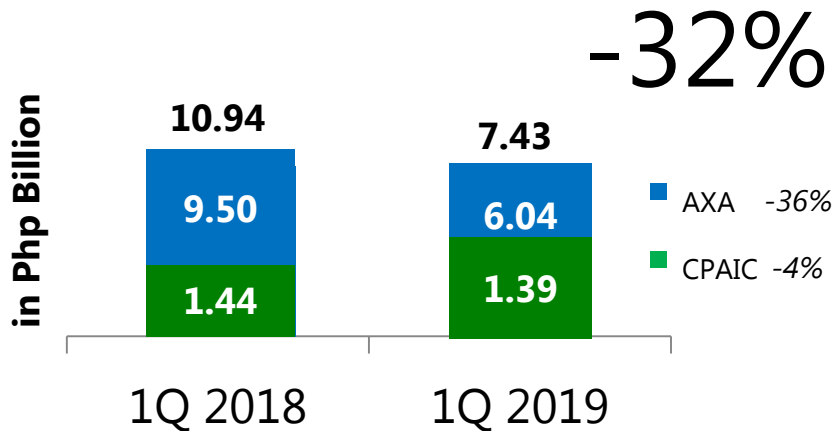


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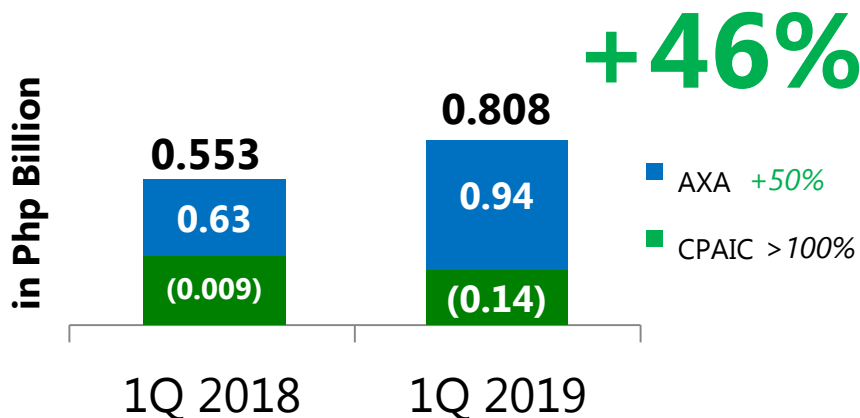
AXA Philippines Financial Highlights



Gross Premium



Net Income



LIFE

- New Business (APE) -14% from **Php2.0** to **Php1.8B** due to a high base in 2018; continued growth in Protection & Health line
 - RP **+9%**
 - *Traditional* **+46%** (Health & Protection)
 - *Unit-linked* **+2%**
 - SP -68%
- SP/RP mix
 - APE: **30:70** to **11:89**
 - Premium income: **65:35** to **33:67**
 - Premium margins: **Php1.9B** to **Php2.2B +16%** due to change in business mix (higher RP) & lower claims & withdrawals
- AUM-Linked **Php94B** to **Php104B +11%**; Asset management fees **Php0.5B +13%**
- Investment income: **Php29M**

GENERAL

- Flat GWP **Php1.3B** due to stricter underwriting risk selection policies
- Net loss **Php136M**
 - Combined ratio from **103%** to **114%**



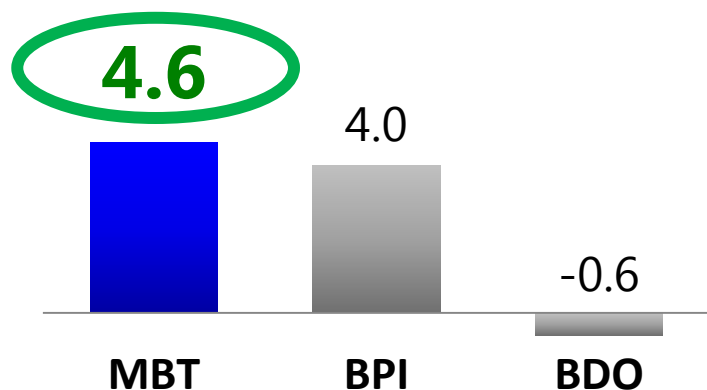
Banking

1Q 2019 Peer Banks Highlights

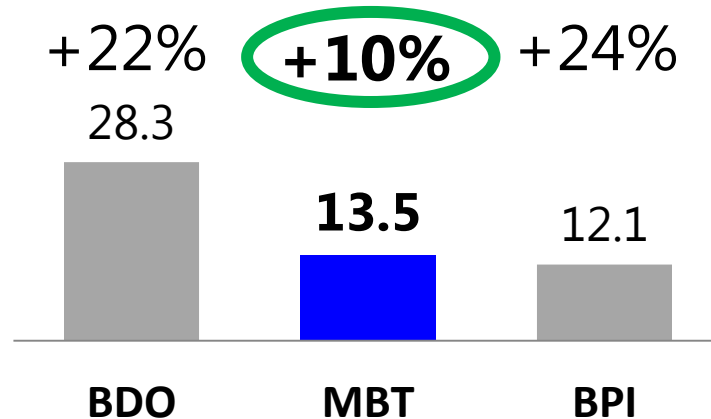
MBT delivered NIM expansion and prudent operational expenditures



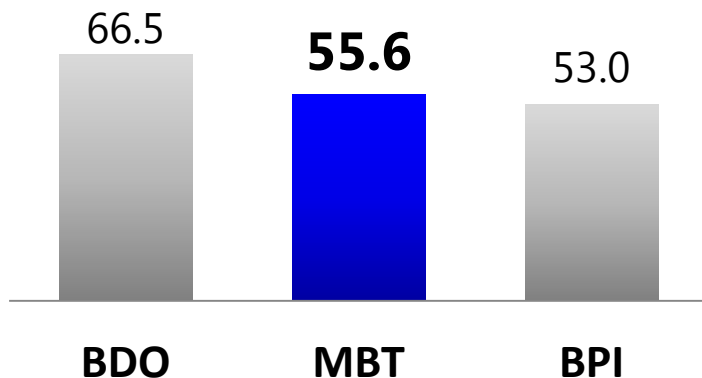
NII less Opex (Php Billion)



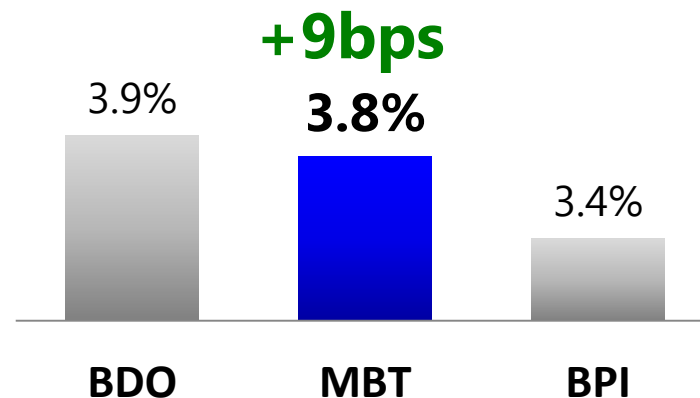
Operating Expenses (Php Billion)



Cost-to-Income Ratio (In %)

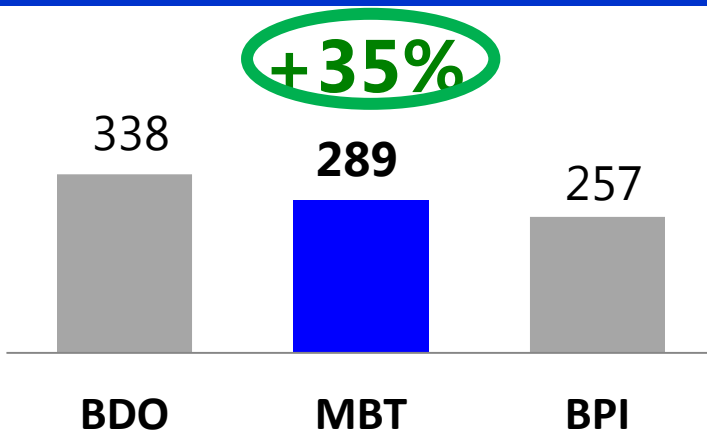


Net Interest Margin – NIMs (%)

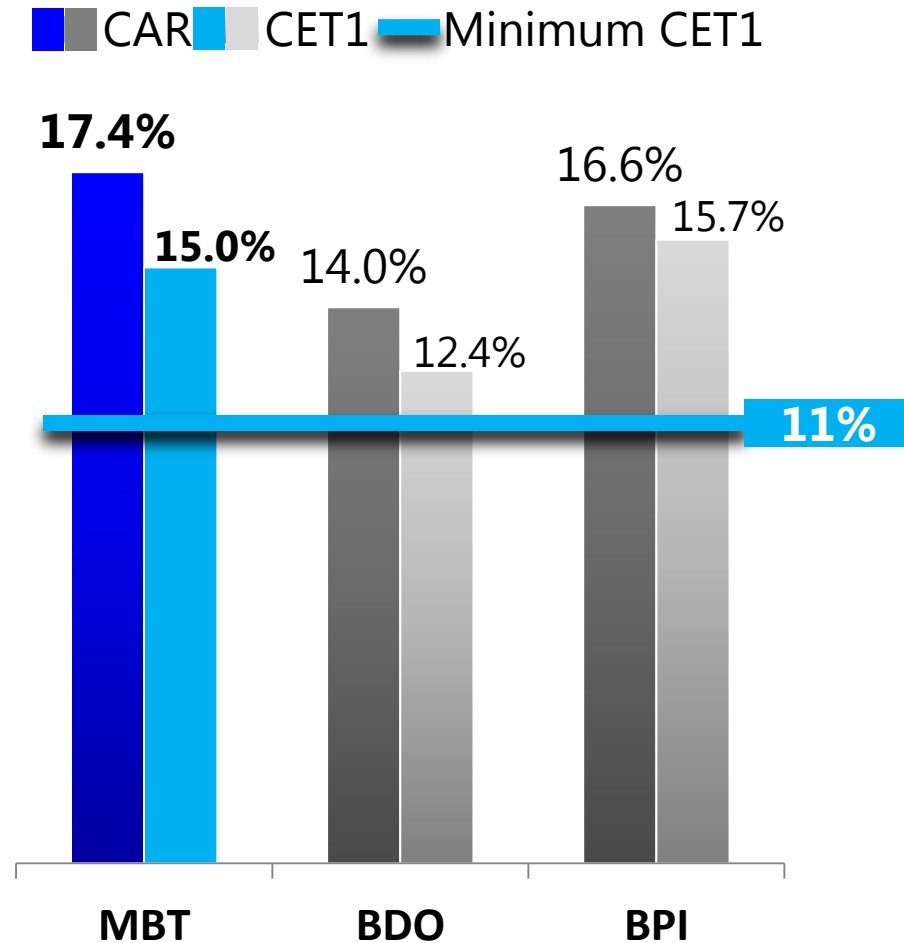


1Q 2019 Peer Banks Highlights

Total Equity (Php Billion)

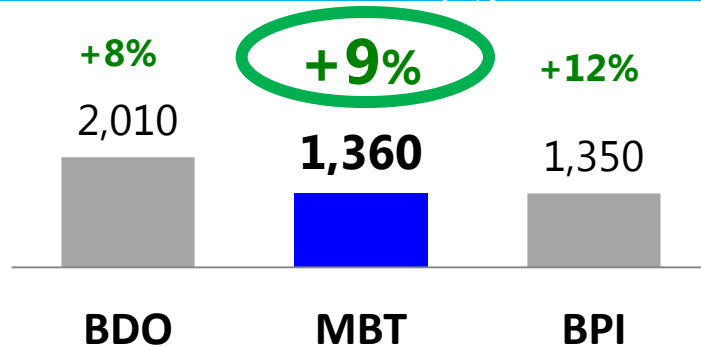


Total CAR and CET1 (%)



Total Loans* (Php Billion)

+9.9% industry growth



*excludes IBL and spurra

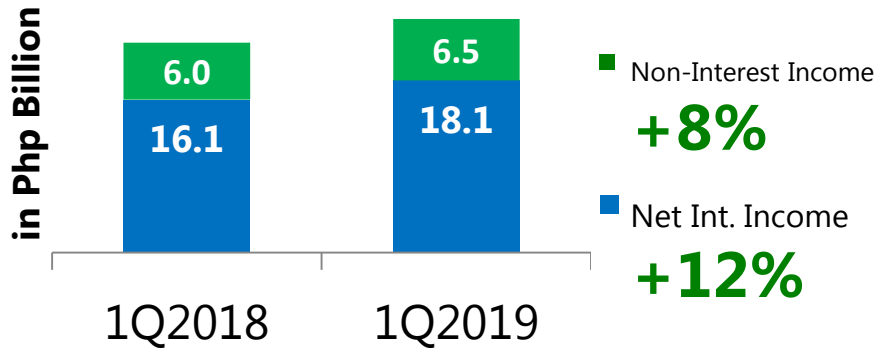


 **Metrobank**


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Metrobank Financial Highlights

Operating Income



- Net Interest Income **+12%** (Php18.1B or **74% of Operating Income**)

- Loan portfolio **+9%** at **Php1.36T**
 - Commercial **+9%**
 - Consumer **+5%**
 - NIMs at 3.84%

- Non-Interest income **+8%**

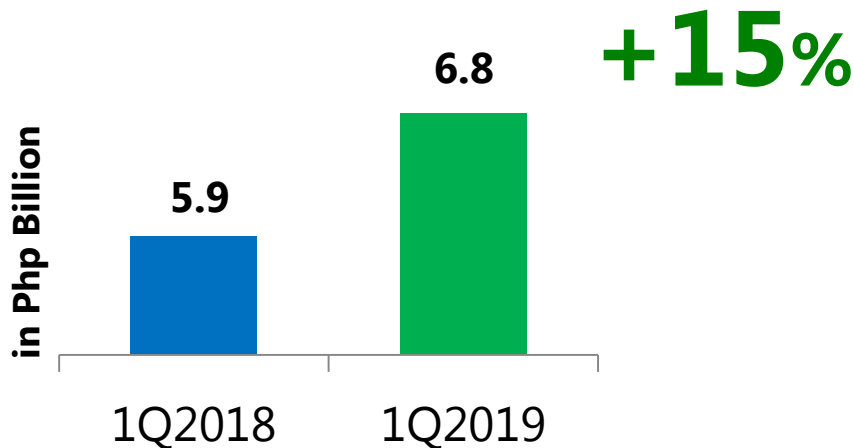
- Service fees & bank charges **+9%** from **Php2.9B** to **Php3.1B**
- Trading and FX gain **2x** from **Php0.7B** to **Php1.5B**

- Provisions for credit and impairment losses reached **Php2.4B**

- NPL ratio at 1.5%

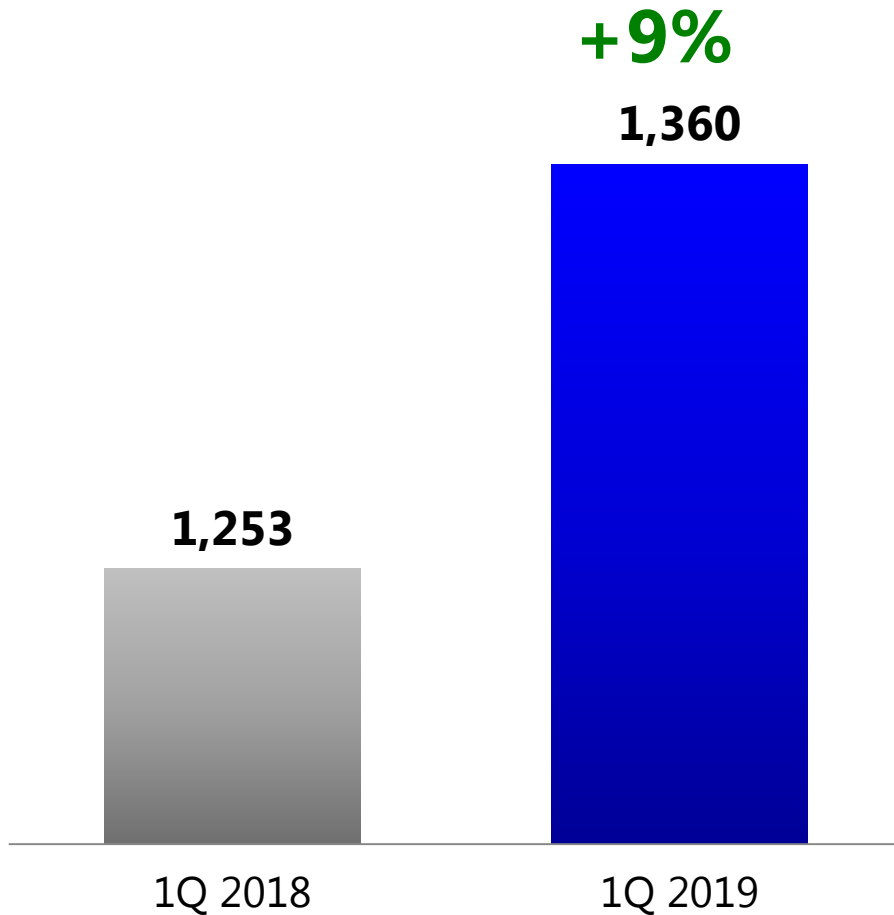
- Increase in OPEX **+10%** from **Php12.3B** to **Php13.5B**

Net Income



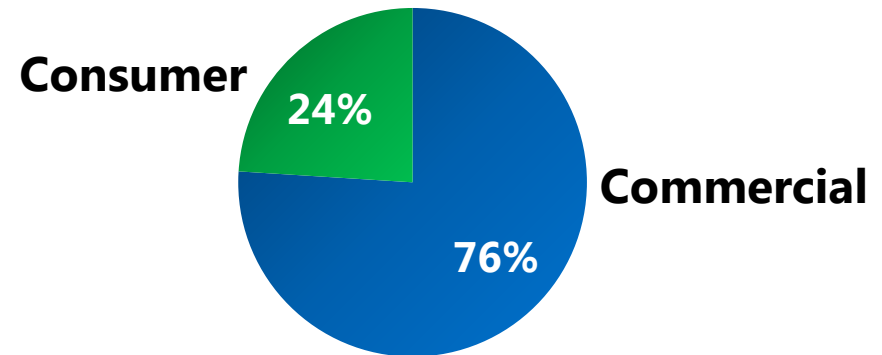
Key Performance Drivers

Loans and Receivables (Php Billion)

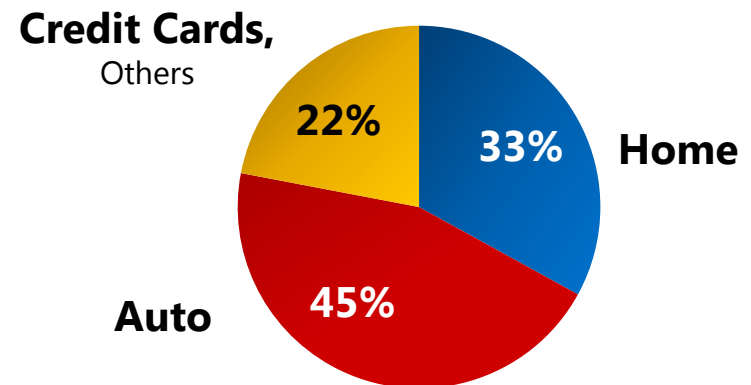


Source: 17Q Report as of 31 March 2019

Total Loan Portfolio Breakdown



Consumer Loan Portfolio Breakdown





Infrastructure And Utilities

Infrastructure Project Updates

1Q 2019 project opening

**METRO
PACIFIC**
INVESTMENTS



The logo for NLEX, consisting of the letters 'NLEX' in a bold, blue, sans-serif font. A yellow and orange swoosh is positioned under the 'X'.

NLEX HARBOUR LINK SEGMENT 10

5.8km from Karuhatan
Valenzuela to C3, Caloocan

**Opened
Feb 2019**

Infrastructure Project Updates

Upcoming developments

**METRO
PACIFIC**
INVESTMENTS



CAVITEX
A METRO PACIFIC TOLLWAY



**LIGHT RAIL
MANILA
CORPORATION**

C5 SOUTH LINK PHASE 1

2.2km C5 to Merville, Parañaque



87% Complete

Target Completion: **June 15, 2019**

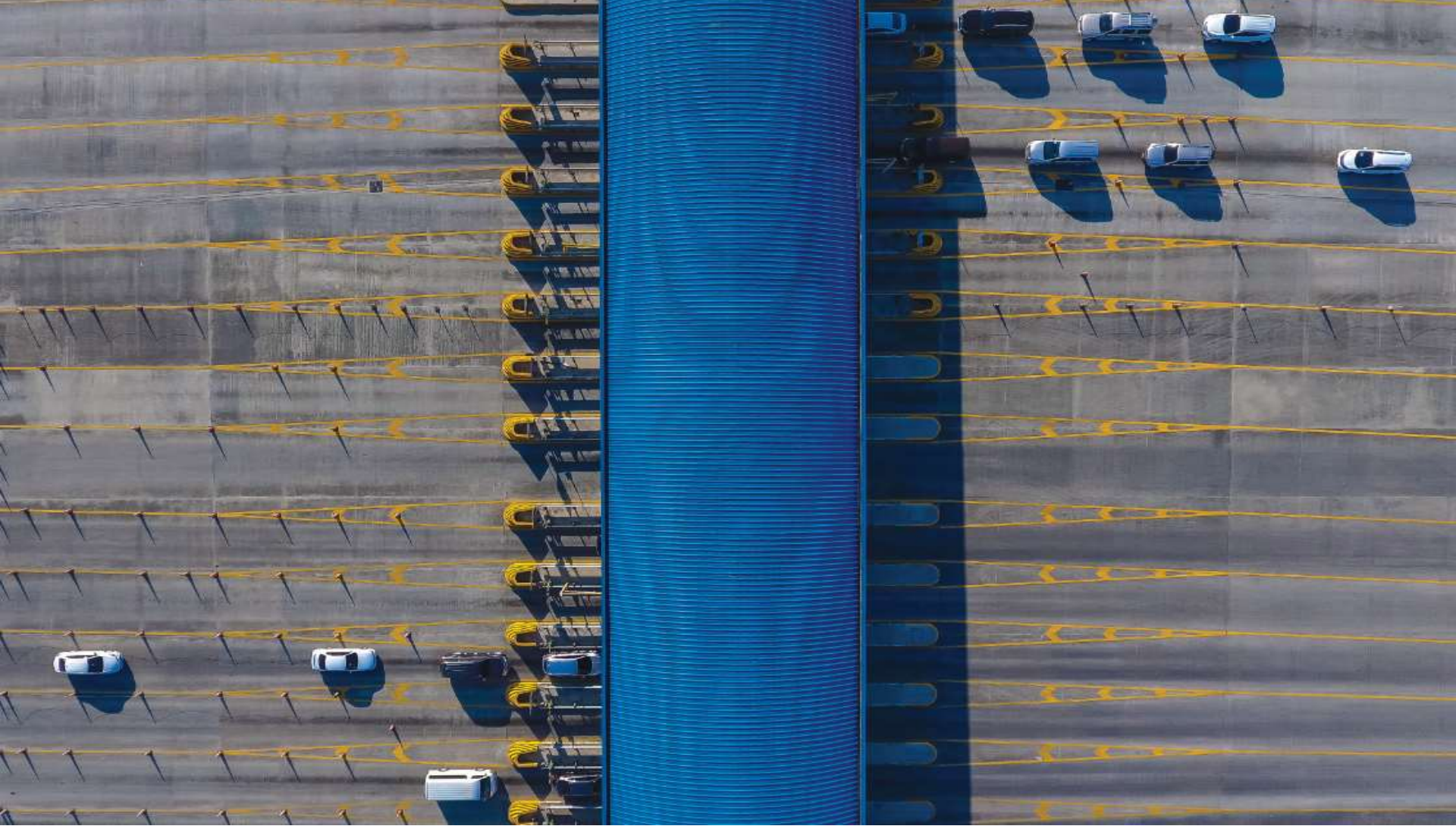
LRT1 CAVITE EXTENSION

11.7km Baclaran to Bacoor, Cavite



Ground breaking: **May 7, 2019**

Target Completion: **2023**



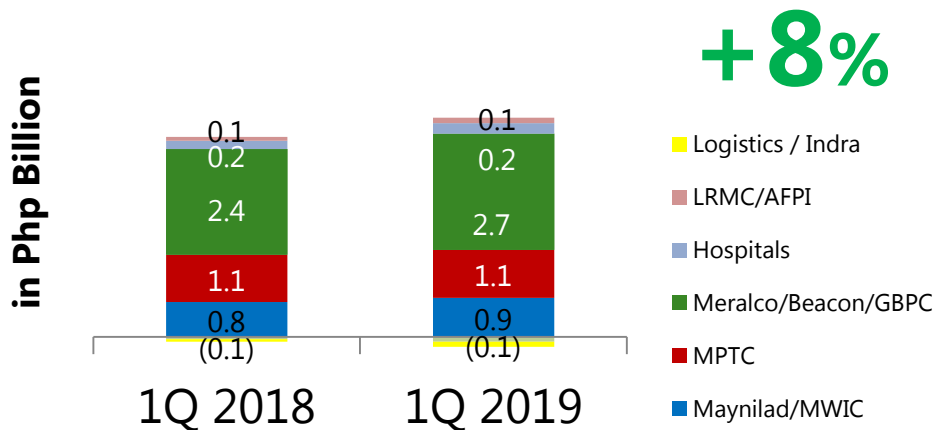
**METRO
PACIFIC**
INVESTMENTS



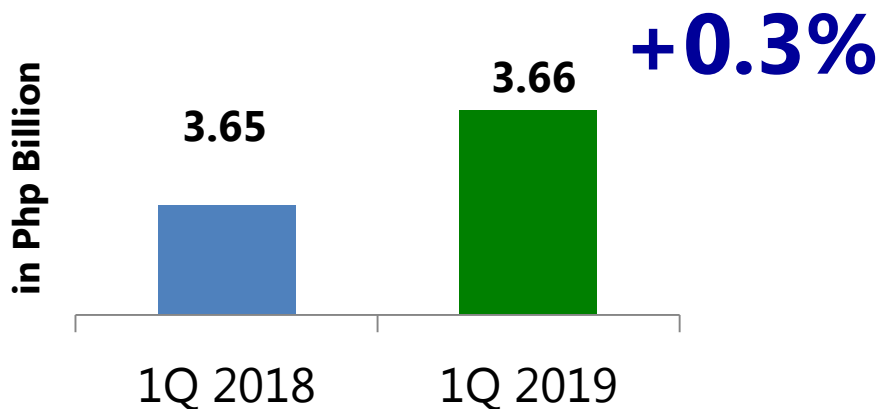
GT CAPITAL
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Metro Pacific Financial Highlights

Share in Operating Net Income (Core)



Core Net Income



- Power
 - Meralco - Core NI **Php5.6B +14%**
 - GBPC - Core NI **Php0.4B -44%**
- Toll Roads - Core NI **Php1.1B +1%**
- Water - Core NI **Php1.8B +12%**
- Hospitals - Core NI **Php0.7B +28%**
- Rail - Core NI **Php0.2B +35%**
- Logistics - Core net loss **Php0.1B**
- Equity accounting net income for GT Capital -7% from **Php0.6B** to **Php0.5B**; Higher interest expenses & non-recurring items (MPTC refinancing & issuance costs)



Recent Developments





**3-Year Peso Fixed-Rate
Bond at 6.30%**
annual interest



Bonds You Can Trust

You're in good hands.

Senior Bond Issuance

- Raised **Php17.5 billion**
29 March 2019
- Issued & listed on PDEX
11 April 2019

Issuance Details

- ***Nearly 2x
Oversubscribed***
- ***Initial target of Php10
Billion***
- ***Third bond issuance
from Php100 billion
program***
- ***Aggregate issue size
Php45.5 billion***



Introducing **THE NEW**
AVANZA

The smart MPV with a stylish ride

Launched
April 2019



ADVANCE IN STYLE with the new Avanza.
With a stylish look and smart features, you'll advance further on the road.

PRO-FRIENDS Share Redemption

10 May 2019



Exchange of Pro-Friends Shares for Land

Agreement signed on 10 May 2019
(Subject to regulatory approvals)



Redemption
of 64,530,712
Series A Preferred Shares
in PCFI
(51% of PCFI)

702 hectares
of selected assets



Approximately
Php20 Billion





Investment History

Investment History 2015 to 2018



- GT Capital invested **Php16.0 billion** for a **51.0%** direct equity stake in Pro-Friends
- **Tranche 1:** August 2015, Php7.24B for 22.68%
- **Tranche 2:** June 2016, Php8.76B for 28.3%
- **Investment rationale:** attain foothold in horizontal, affordable, low-cost housing sector



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Rationale

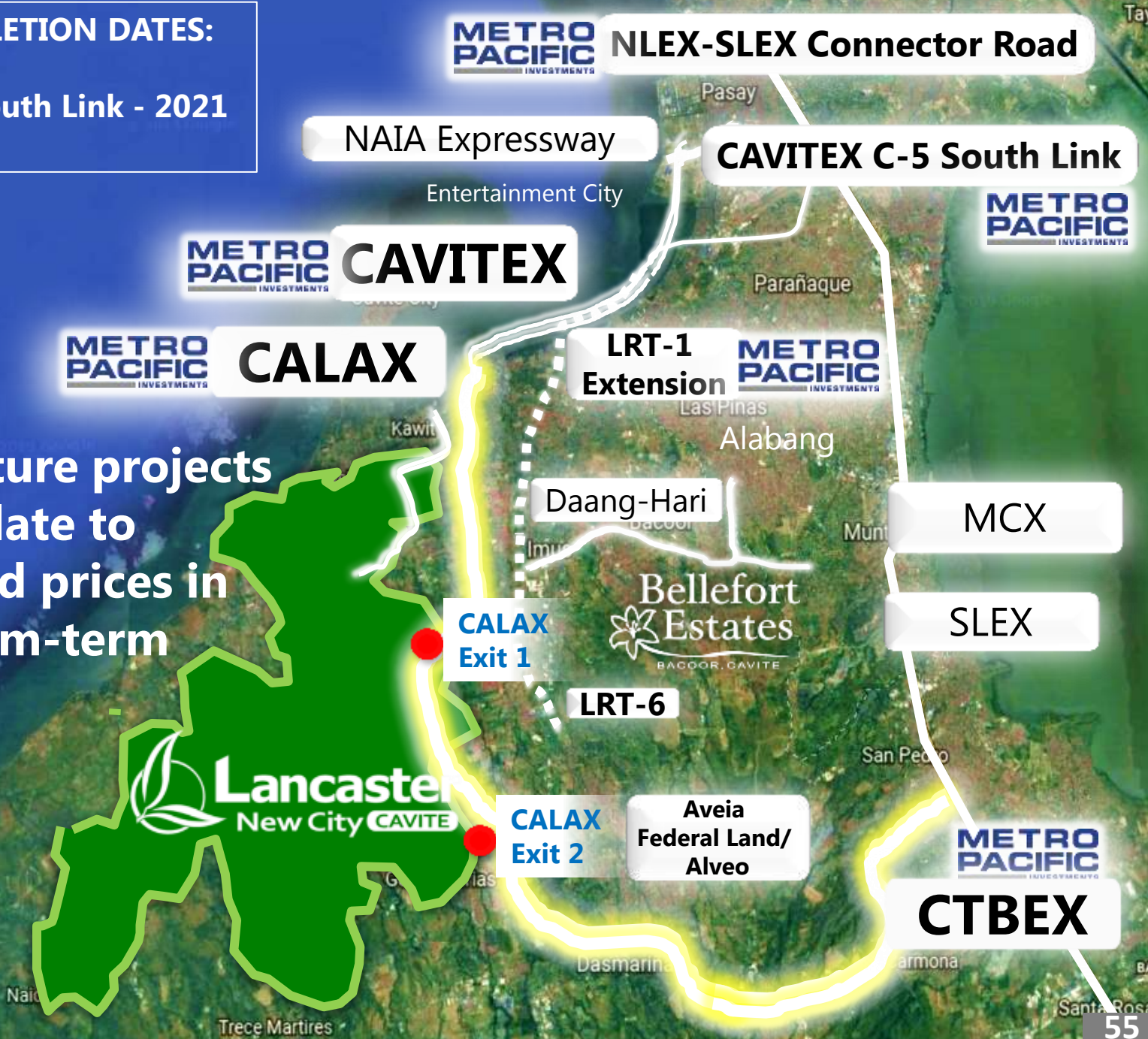
The selected 702 hectares are **best suited for master-planned, mixed-use developments**

Map not drawn to scale

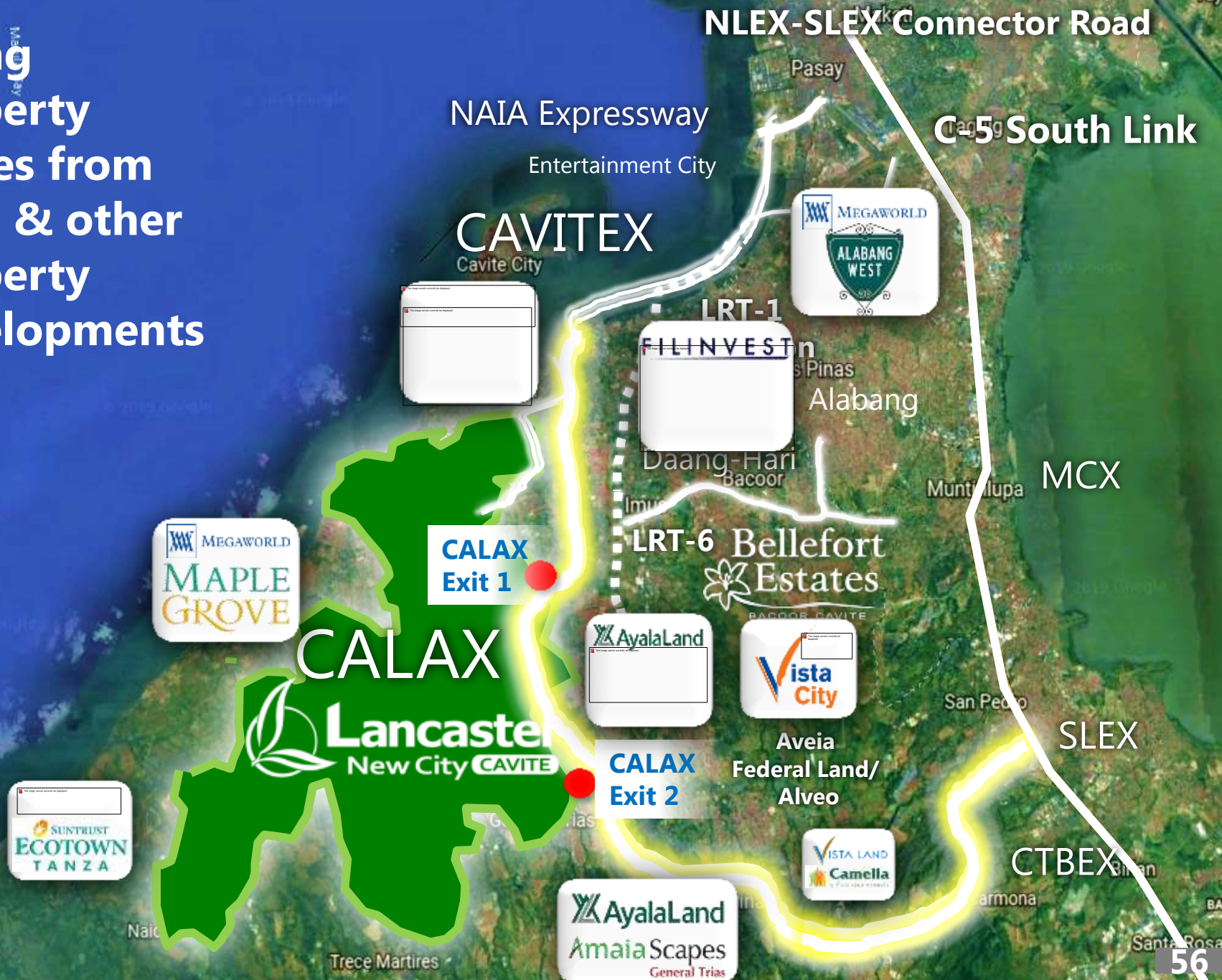


TARGET COMPLETION DATES:
CAVITEX - 2021
CAVITEX C-5 South Link - 2021
CALAX - 2022

Ongoing infrastructure projects may translate to higher land prices in the medium-term



Rising property values from infra & other property developments



Redemption of PRO-FRIENDS Shares

CALAX

Two dedicated exits at Lancaster New City

Surrounding Project Prices

AyalaLand	AyalaLand	MEGAWORLD	VISTA LAND
 Kawit	 General Trias	 General Trias	 Bacoor
c. Php30,000 to Php40,000 Per sq. m, estimated	c. Php17,000 Per sq. m, estimated	c. Php52,000 Per sq. m, estimated	c. Php45,500 Per sq. m, estimated
200 has.	15 has.	140 has.	100 has.

Source: Brokers' websites

CAVITEX-C5 Link

2.2km C5 to Merville, Parañaque

87% Complete

Target Completion: June 15, 2019

Daang Hari Surrounding Project Prices

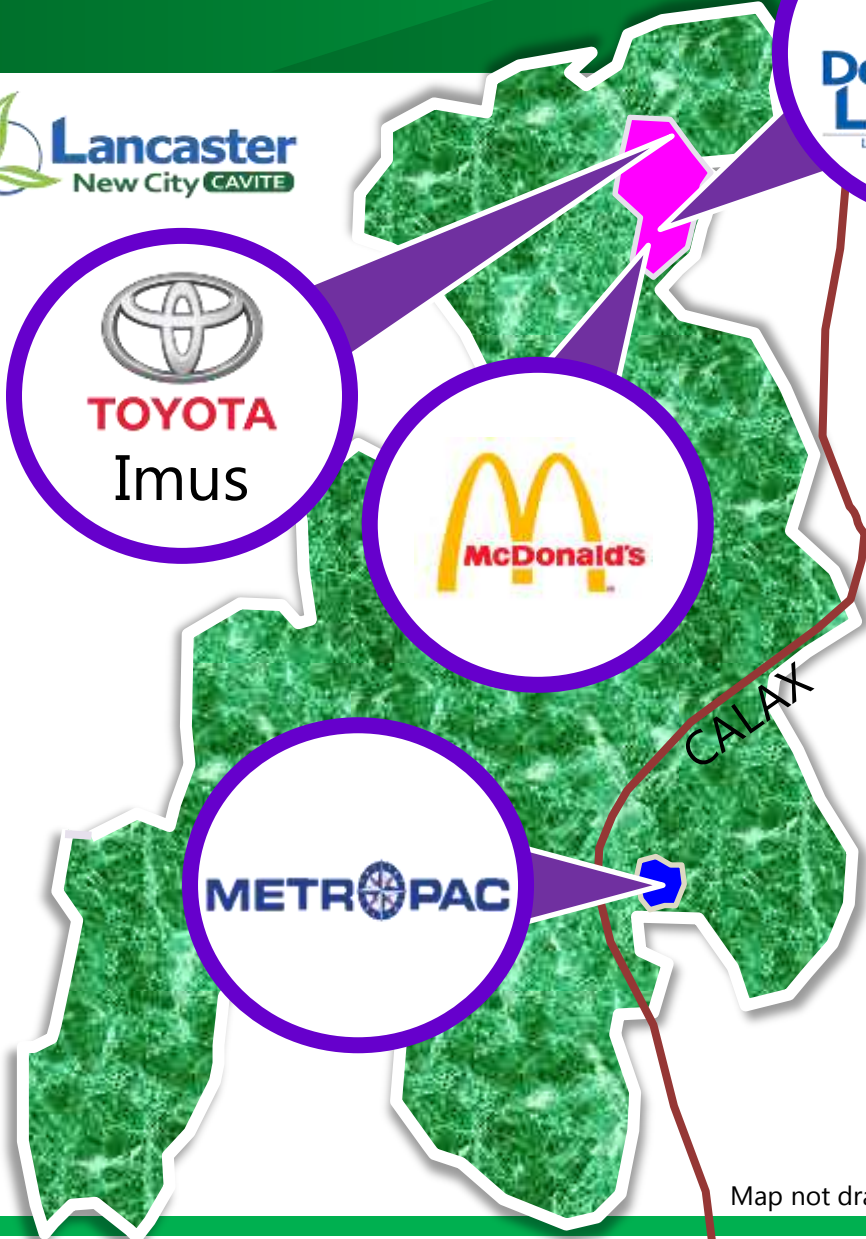
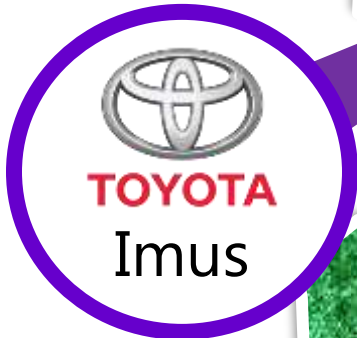
FILINVEST	AyalaLand	MEGAWORLD	VISTA LAND
			
c. Php92,000 Per sq. m, estimated	c. Php28,000 to Php45,000 Per sq. m, estimated	c. Php55,600 Per sq. m, estimated	c. Php44,000 Per sq. m, estimated
20 has.	750 has.	62 has.	1,350 has.

Source: Brokers' websites

LRT-1 Extension Baclaran to Bacoor, Cavite

Right-of-way
awarded to
LRMC

Recent Lot Sales



Sale to McDonald's

Php64.0 million
2,027 sq. m @

Php31,579/sq. m

February 2019

Sale to Toyota Manila Bay Group to build Toyota Imus dealership

Php223.8 million
13,429 sq. m @

Php16,667/sq. m

June 2018

Sale to MetroPac Movers, Inc.

Php1.1 billion
202,110 sq. m @

Php5,628/sq. m

July 2018

Ground breaking: April 3. Target opening: 4Q21

Map not drawn to scale

Redemption of PRO-FRIENDS Shares



CALABARZON and Cavite Demographics

CALABARZON



21%

of OFWs

Highest in the Philippines



2nd largest

contributor to GDP

only Metro Manila larger



\$2,058

GDP per capita



37.2%

Contribution to
manufacturing GDP



35

economic/industrial
estates



15

accredited PEZA zones
2nd highest no. in PH

Rationale for Redemption

LNC best-use for mixed-use development

- Land values no longer suitable for affordable housing
- Spin-off inevitable
- Partners to focus on areas of expertise
- Right Timing



Return on Investment

Valuation Methodology

- 702 hectares of Selected Assets appraised by Cuervo Appraisers
- Reyes Tacandong issued fairness opinion on Enterprise Value of PCFI using various methodologies
- Values converge at **Php20 Billion for 51%**

Return on GT Capital's Investment

Return on Investment

**Initial
Investment**

**Php16.0
Billion**

versus

Approximate Value of
"Selected Assets"

**Php20.0
Billion**



Dividends from
PRO-FRIENDS over 3 yrs

**Php0.9
Billion**

Total **Php20.9 Billion**

**Return
IN PERCENTAGE**

31%

- GT Capital Net Income Contribution from PRO-FRIENDS **CAGR +18%**
- Return on investment of **31%**



GT CAPITAL
HOLDINGS INCORPORATED

Thank You!

