



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 dense urban skyline is visible, featuring several prominent skyscrapers, including one with a distinctive pointed top. The overall atmosphere is modern and dynamic.

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%

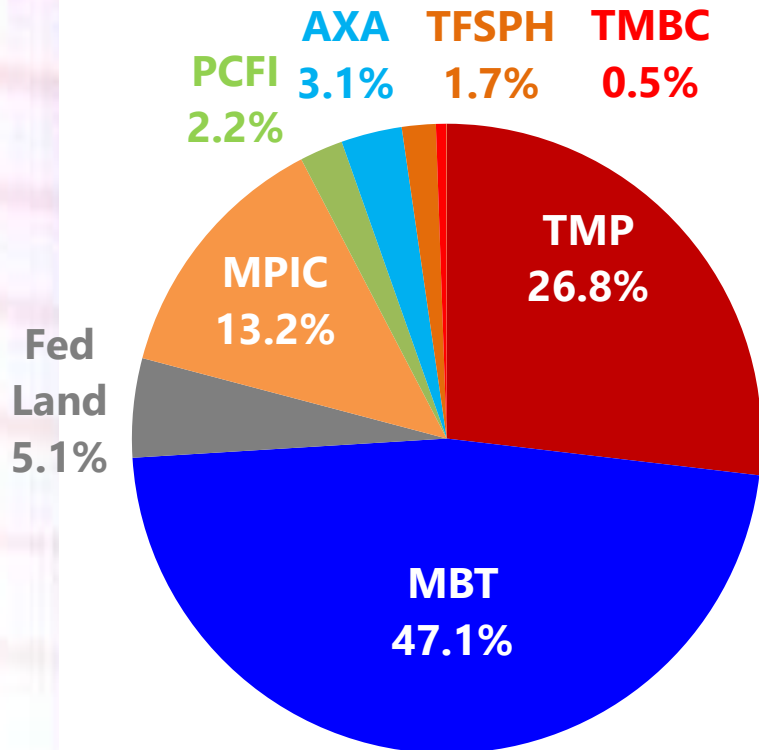
FLI & PCFI - Real Estate Sales and Interest income on Real Estate Sales

Php 3.7 billion +2%

GT Capital Net Income Contribution By Component Company

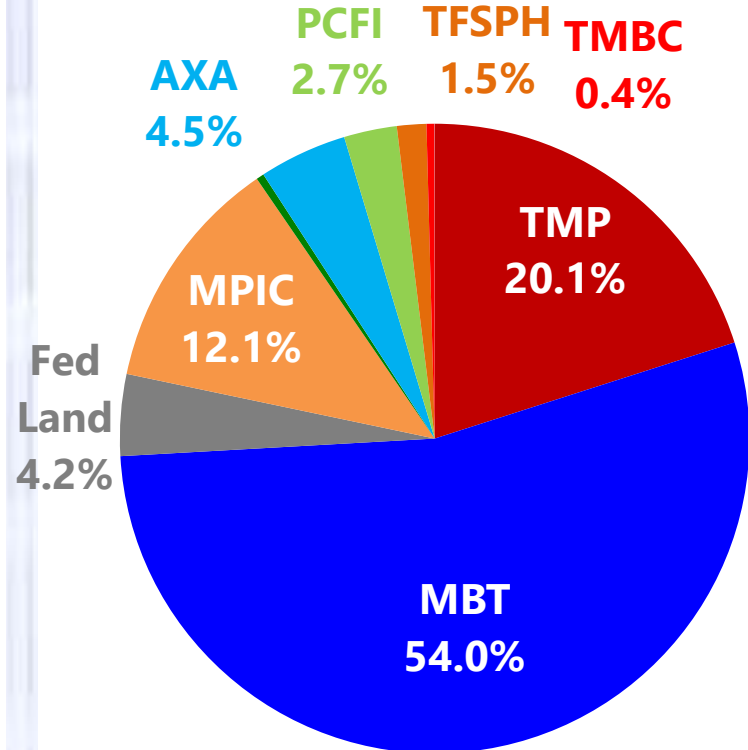


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MBT + TMP = 73.9%

1Q 2018



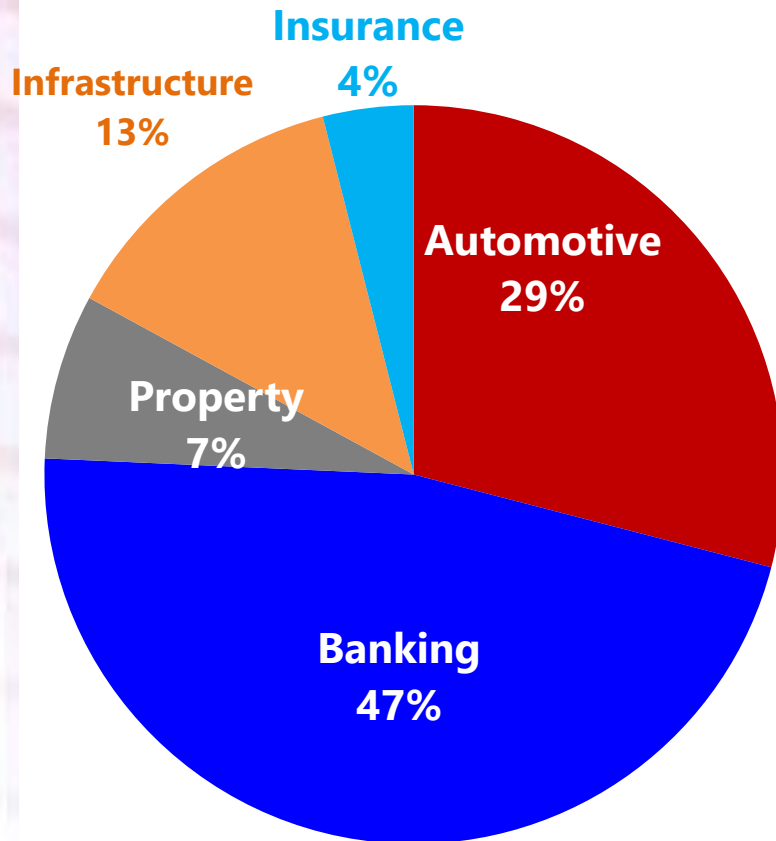
MBT + TMP = 74.1%

1Q 2019

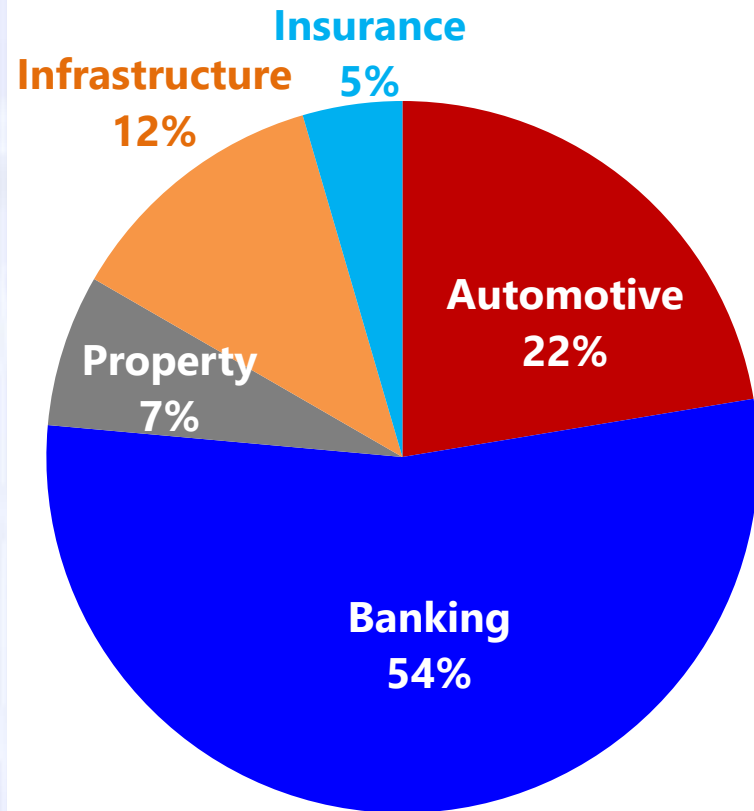
GT Capital Net Income Contribution by Sector



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1Q 2018



1Q 2019



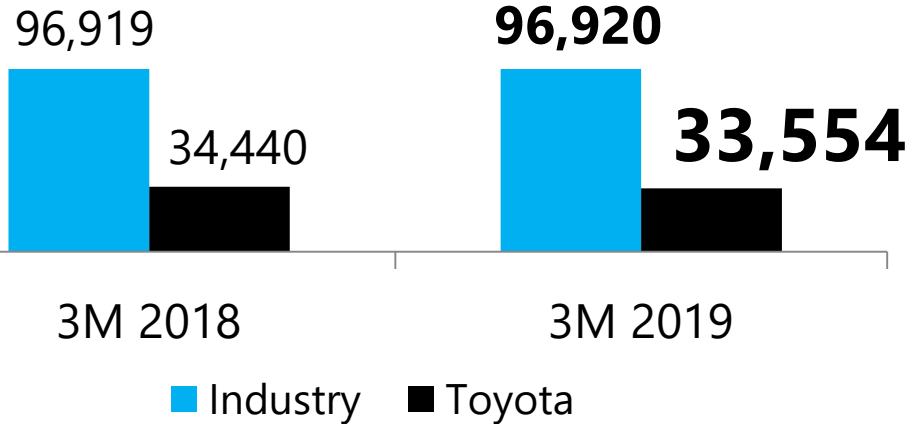
AUTOMOTIVE

Retail auto unit sales volume



As of March 2019 YTD

In Units



Industry

0% Y-o-Y

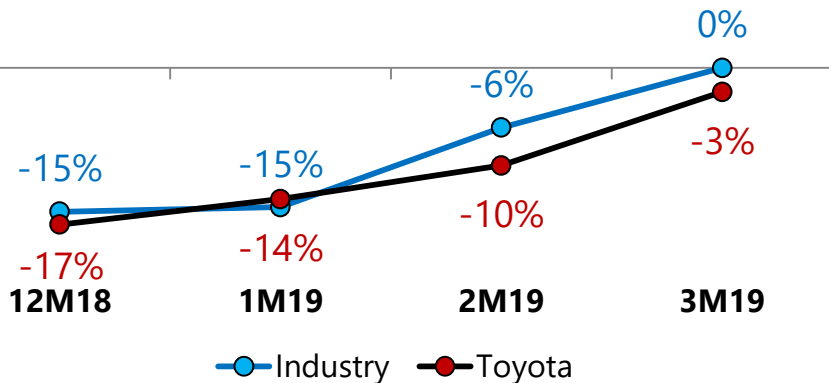
Toyota

▼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

In Percent Year-on-year (%YoY)



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

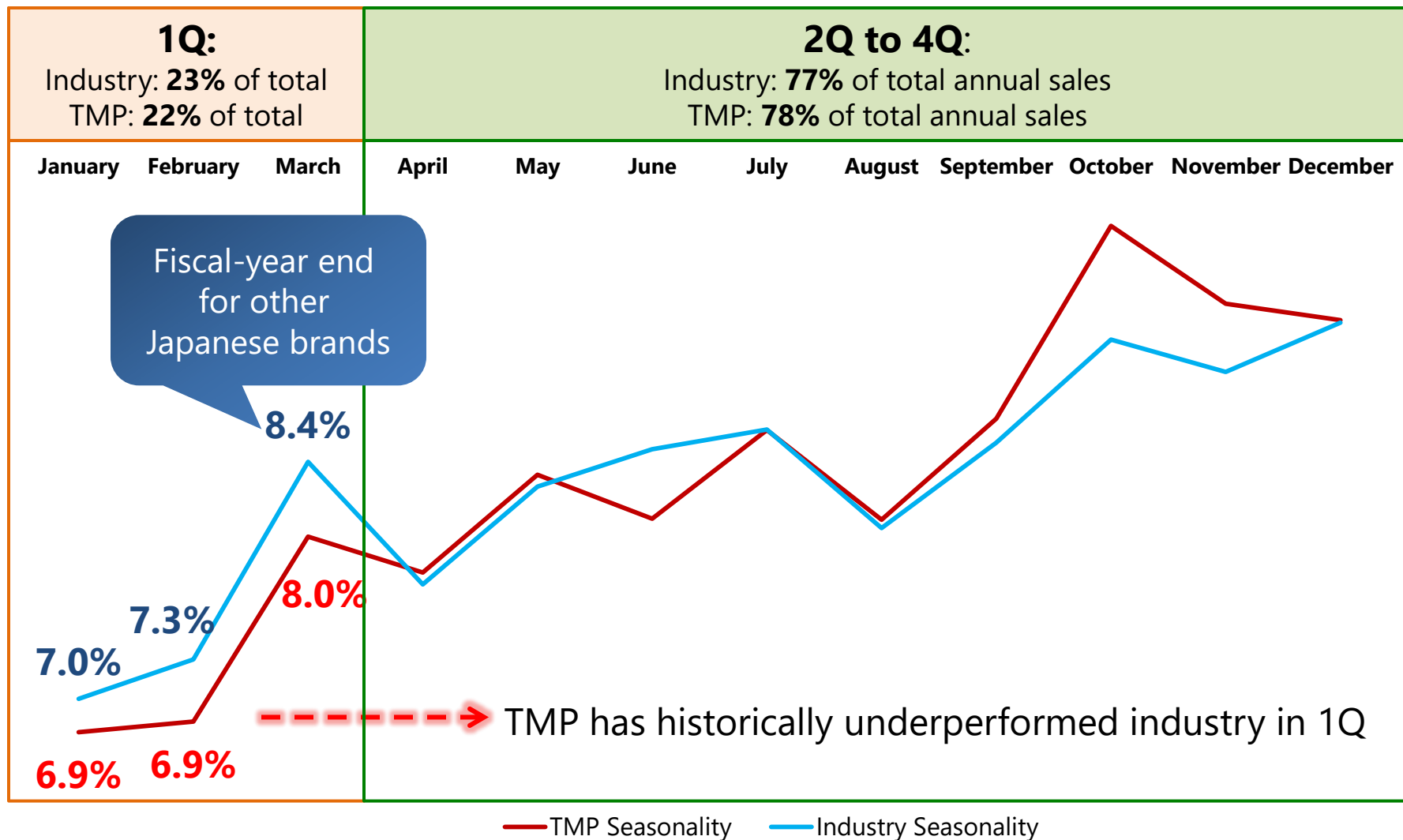
Seasonality

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)



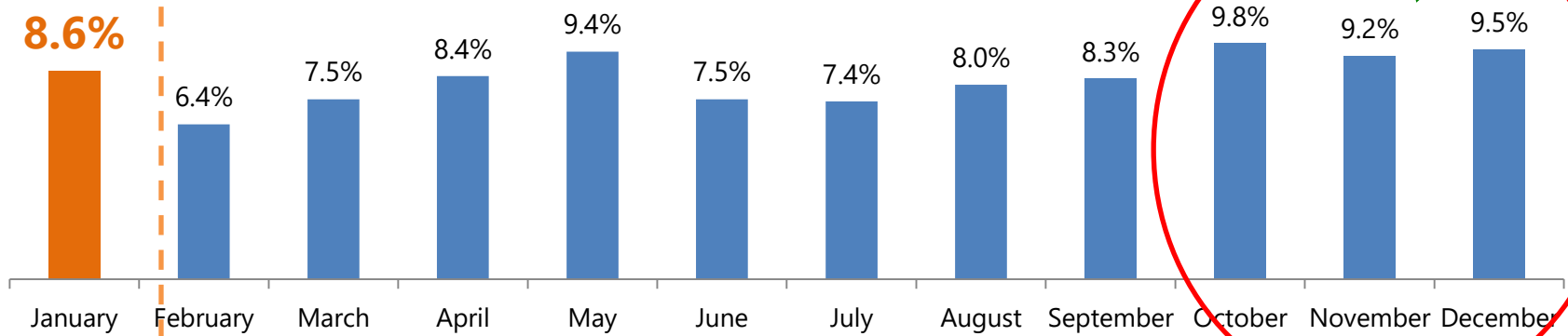
Base effect

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



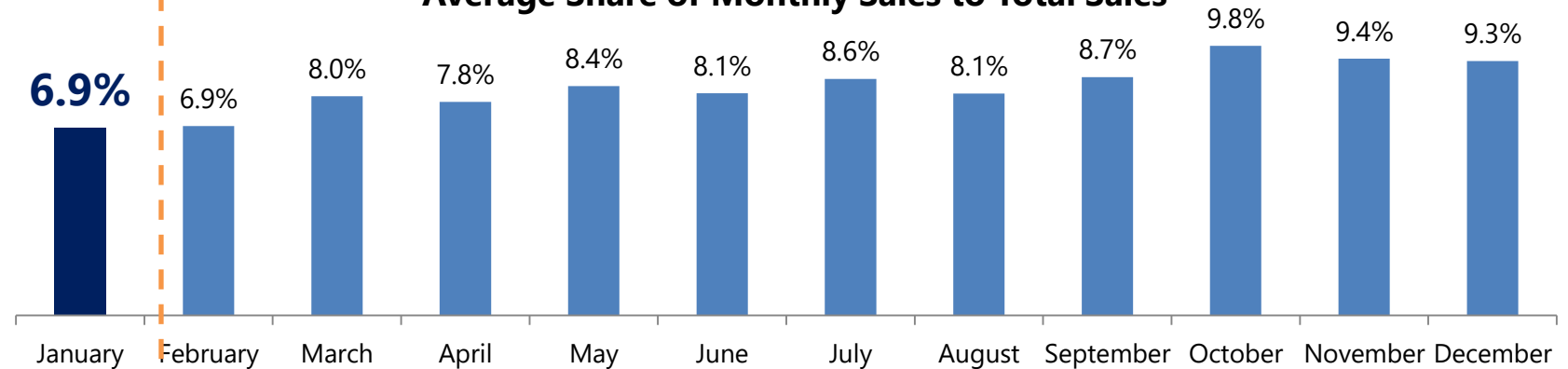
Jan 2018.
spill over

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%

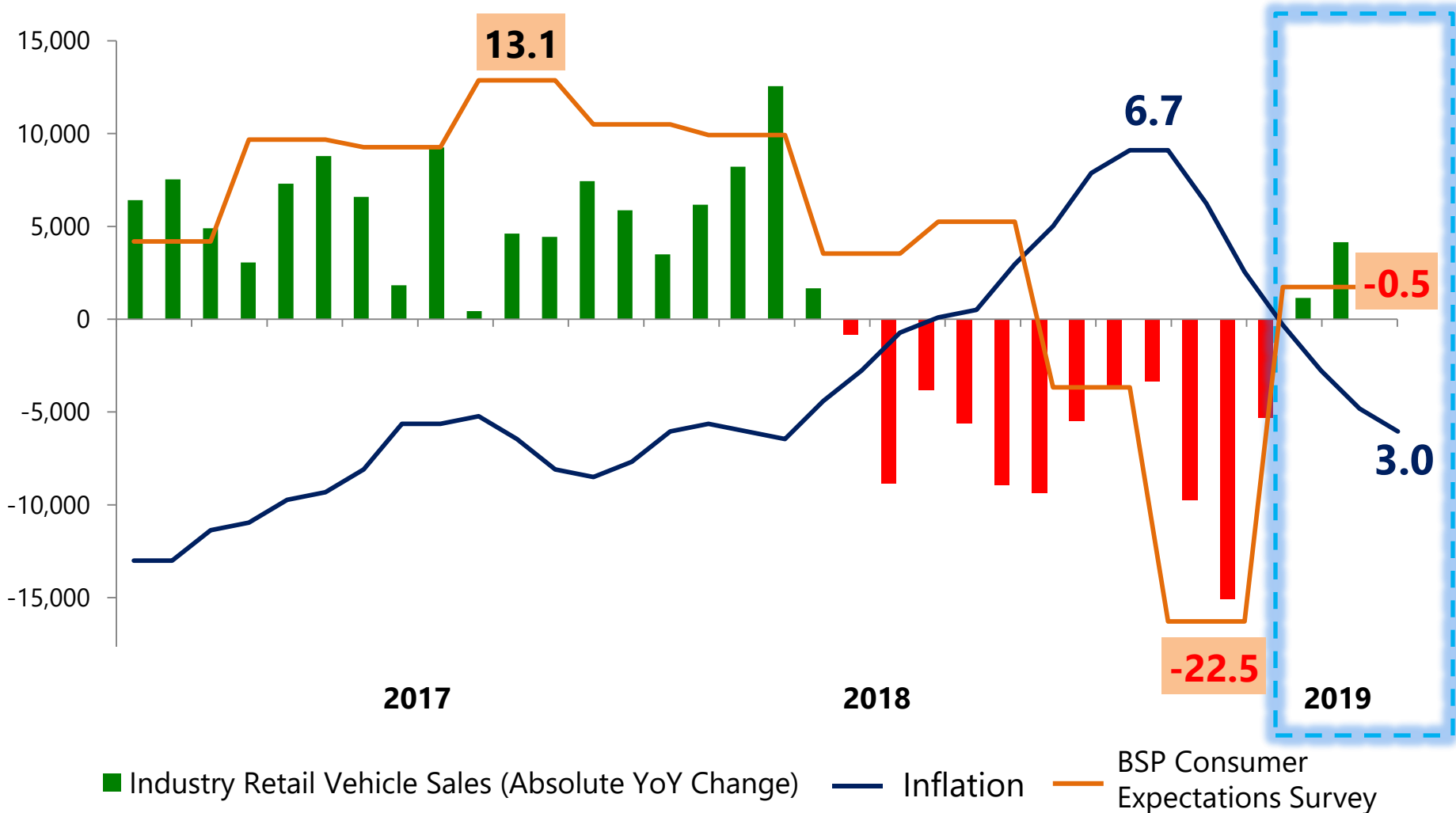
Source: Company data, CAMPI, AVID

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

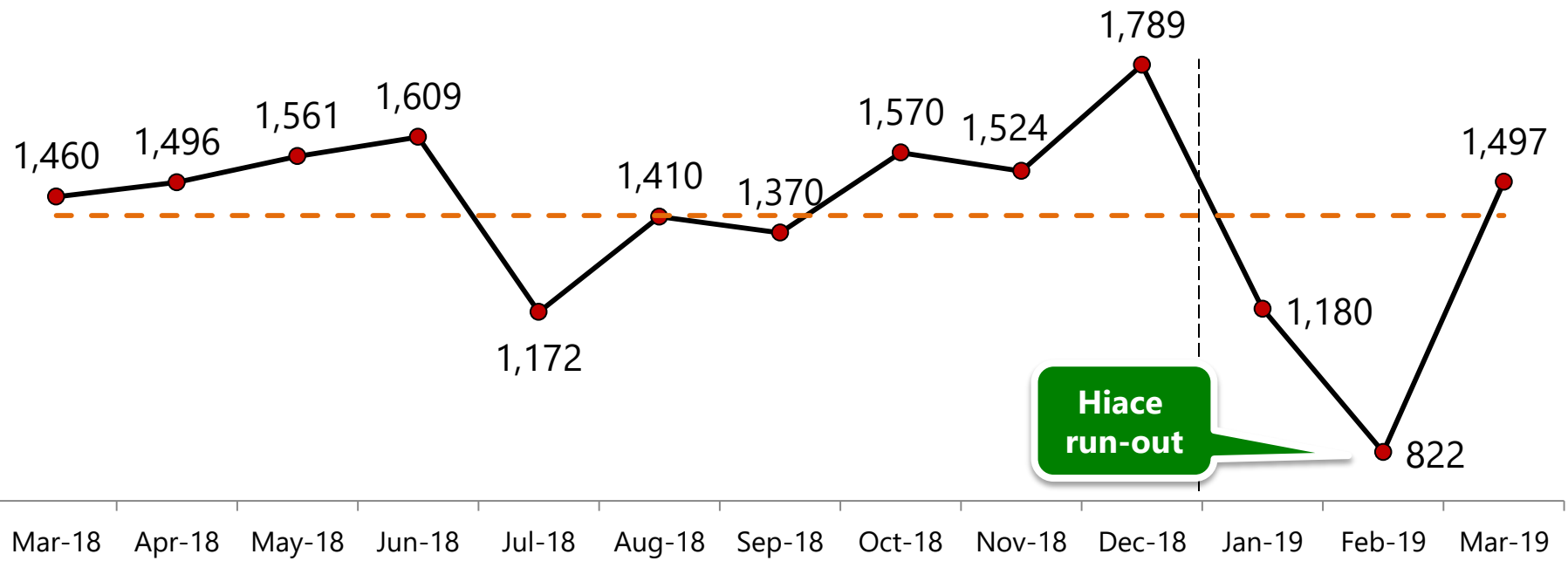
Hiace Run-out

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

Contributed 11% of monthly sales in 2018



Hiace Retail Sales (In Units)

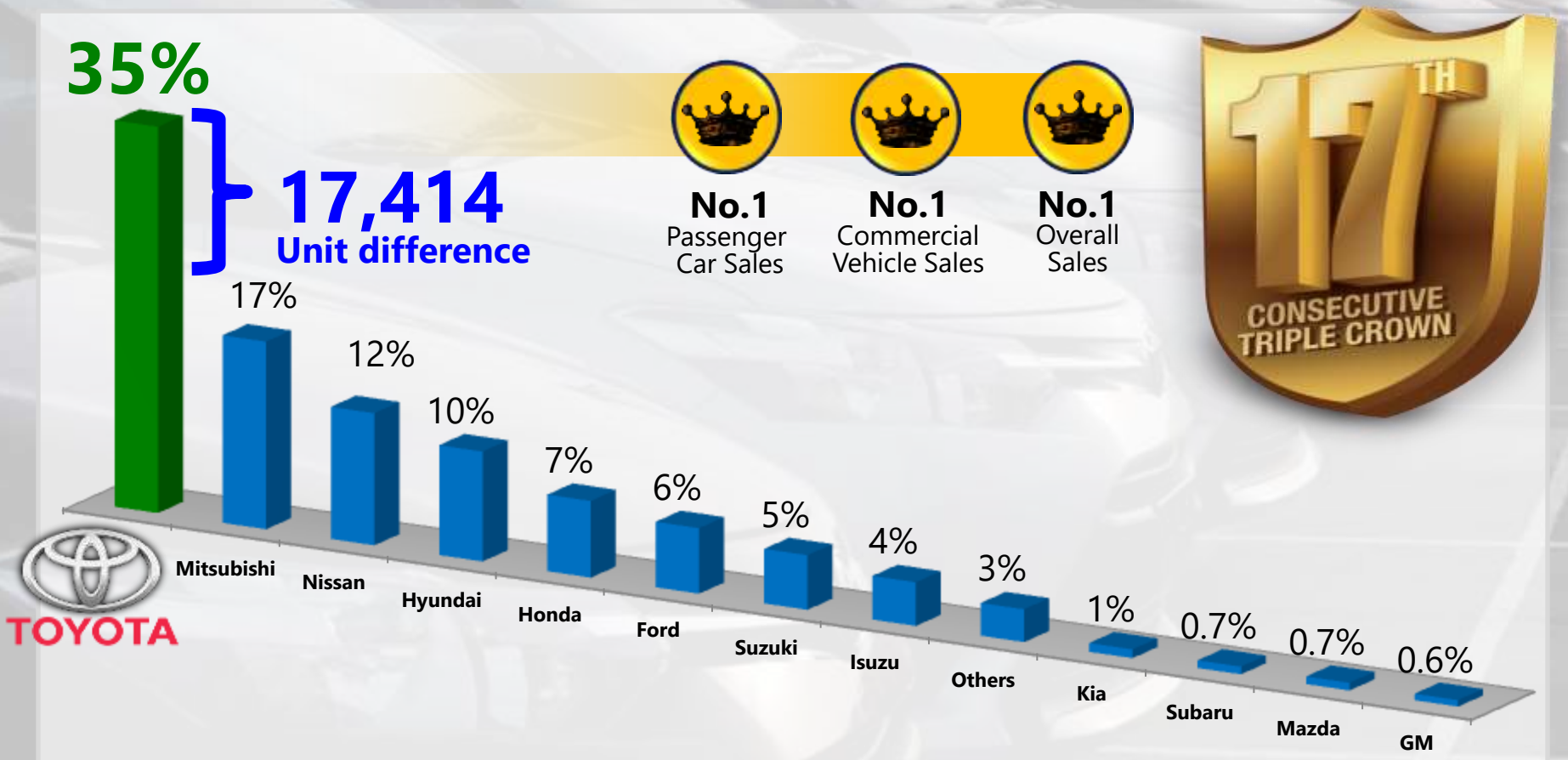


● Hiace - - - 2018 average (1,413 Units)



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

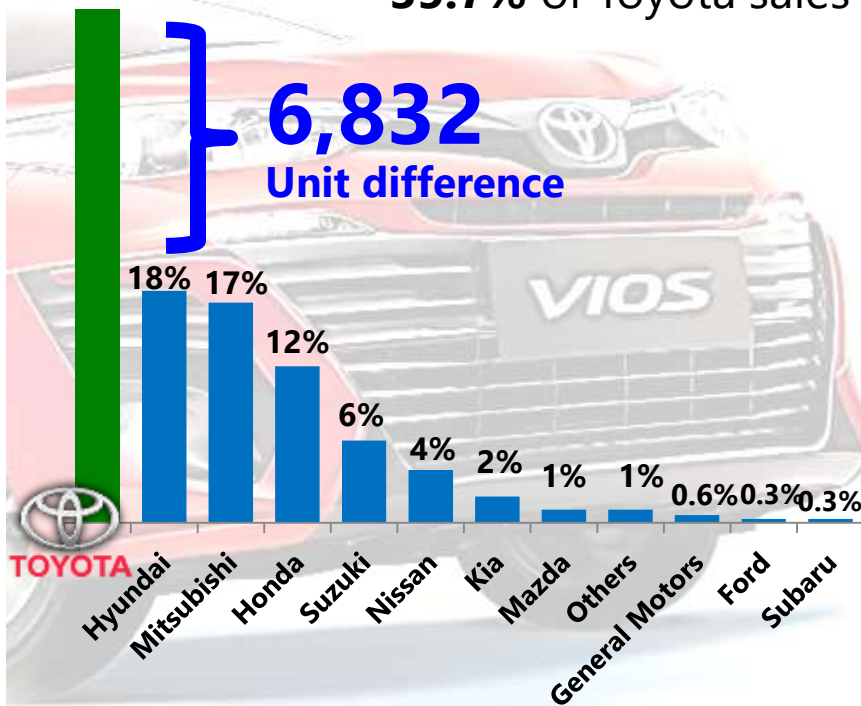
Passenger Car

39%

31.9% of total market
35.7% of Toyota sales

6,832

Unit difference



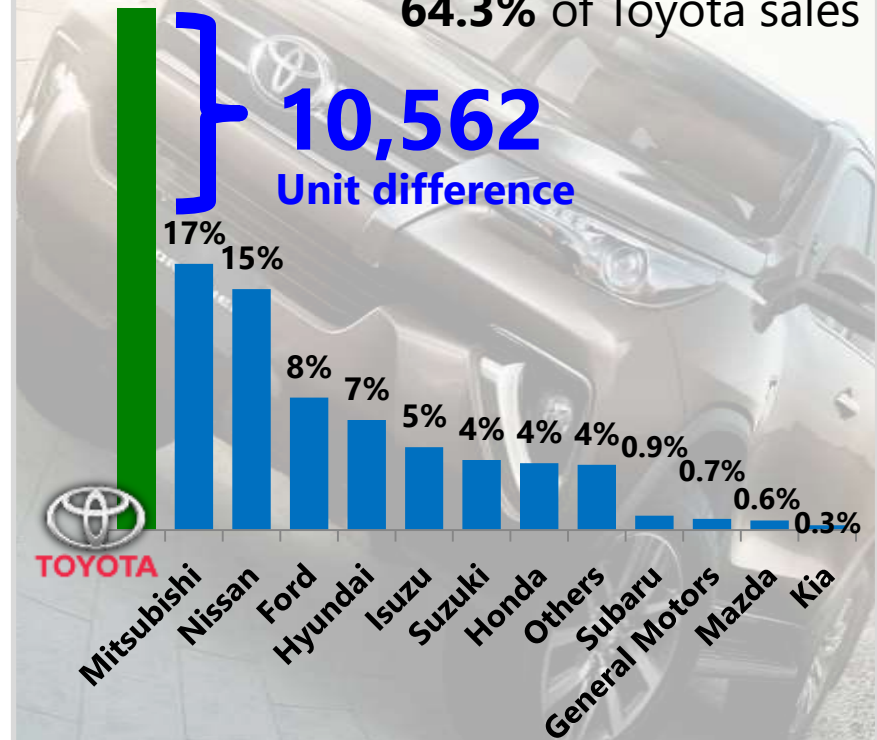
Commercial Vehicle

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

Php958k – 1.090M
FY'18: 7.0% of sales

May
2018

45% segment share since launch



VIOS

Php659k – 1.110M
FY'18: 16.8% of sales

July
2018

34% segment share since launch



CAMRY

Php1.806 – 2.007M
FY'18: 0.1% of sales

Dec
2018

76% segment share since launch



HIACE

Php1.442-2.686M
FY'18: 12.0% of sales

Feb
2019

55% segment share since launch



TOYOTA

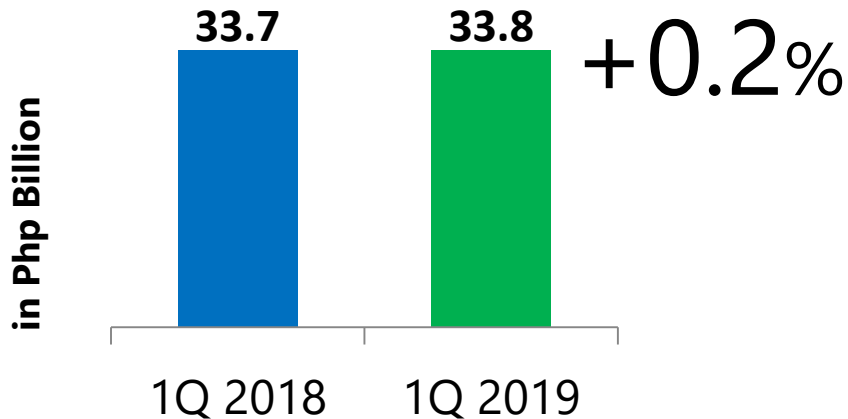


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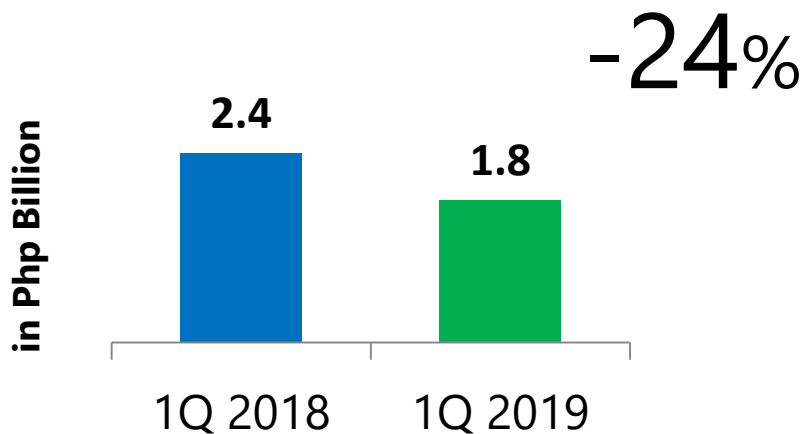
TMP Financial Highlights (YoY)



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

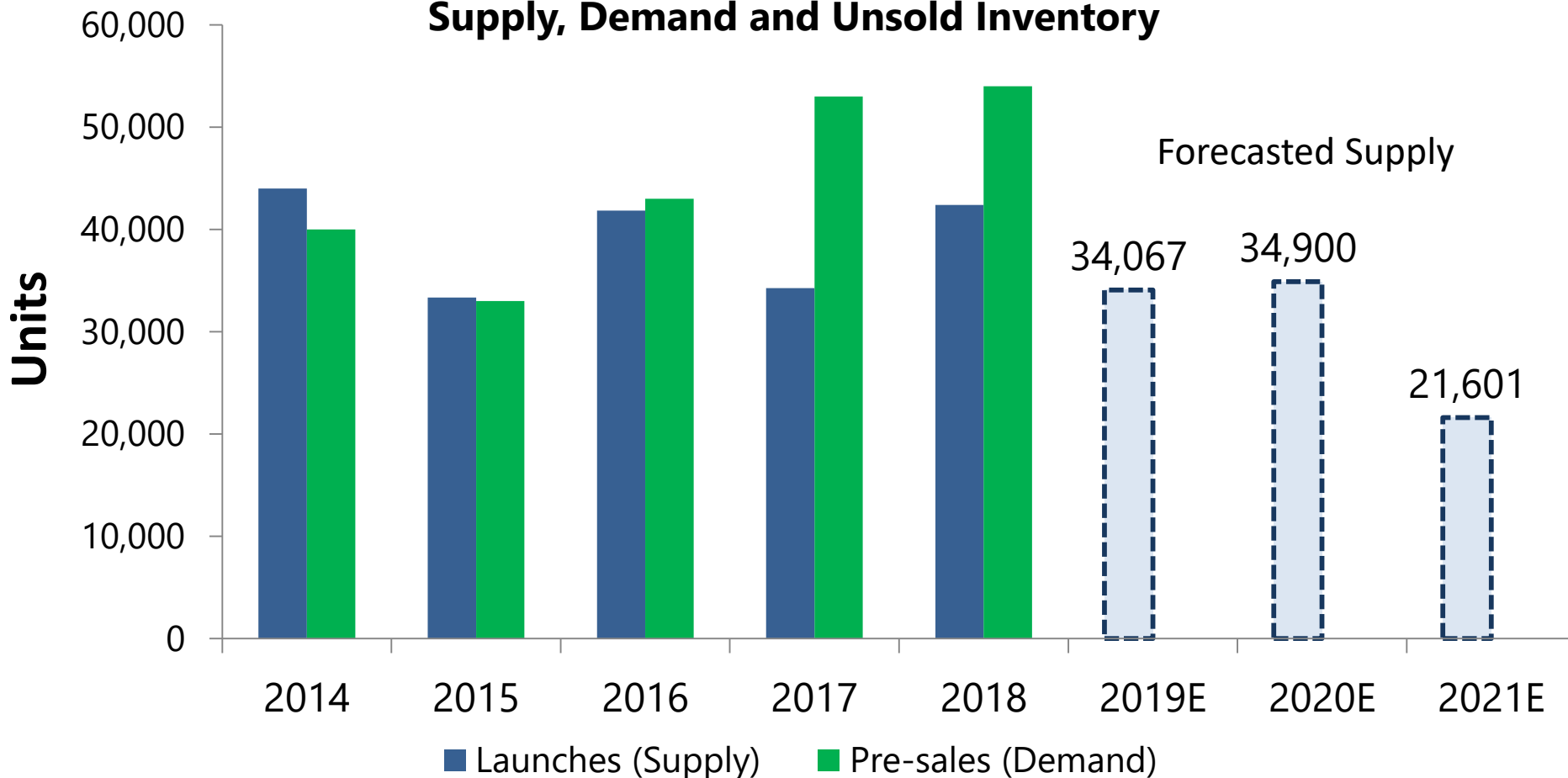


RESIDENTIAL SUPPLY AND DEMAND

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



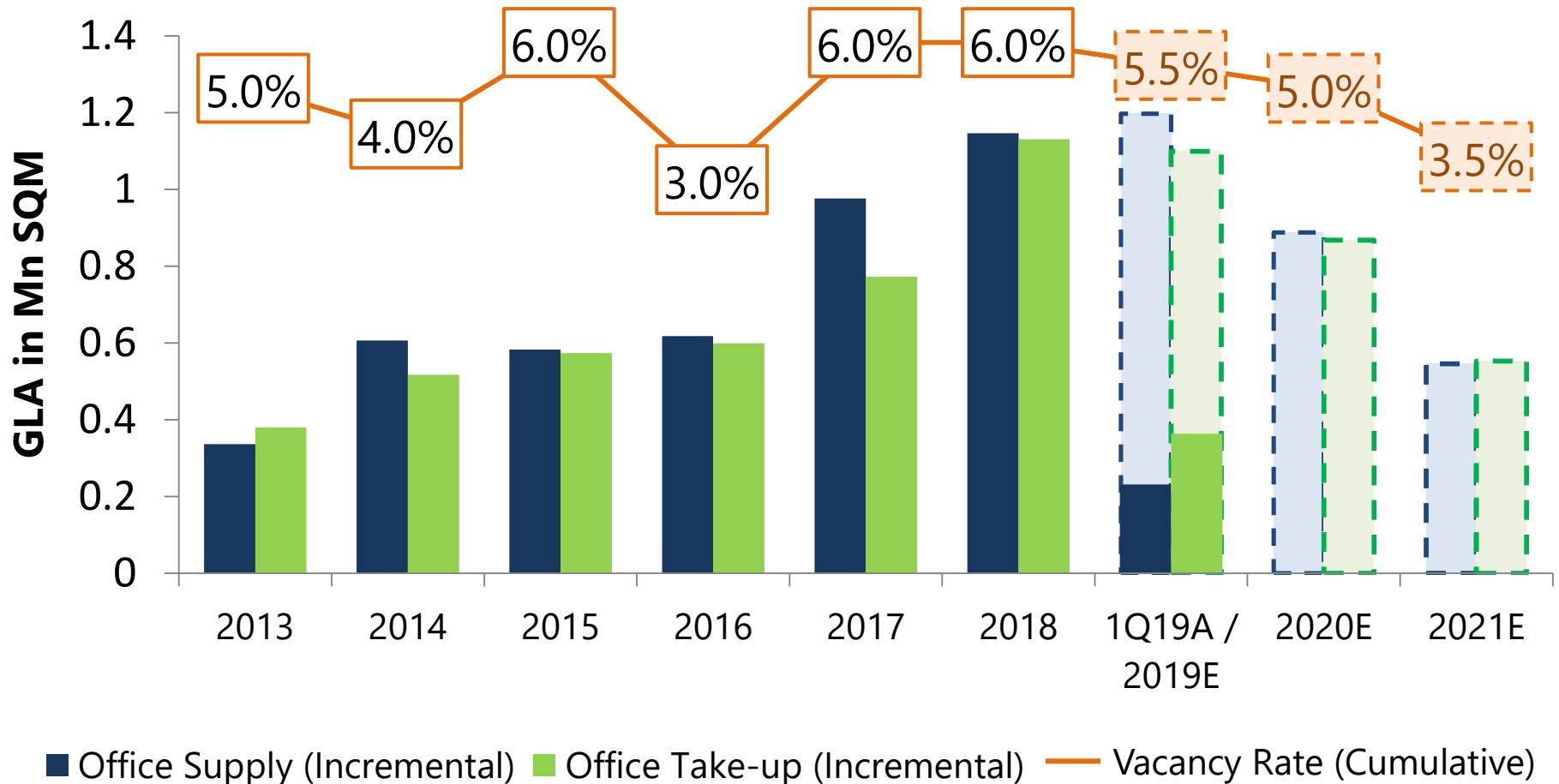
Metro Manila Residential Condominium Supply, Demand and Unsold Inventory



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 %)

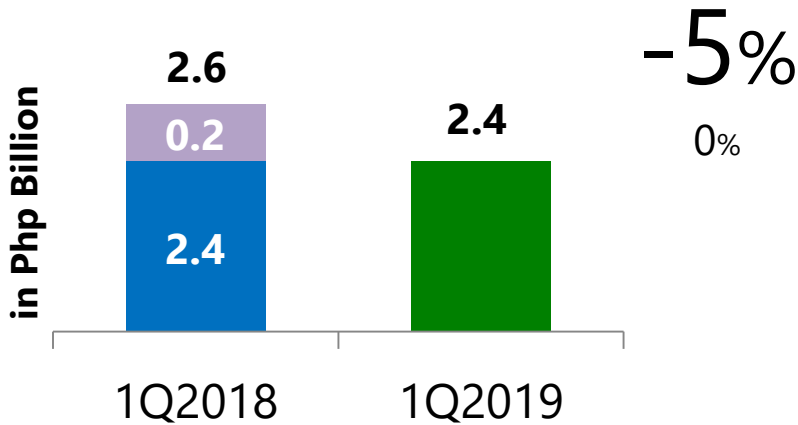




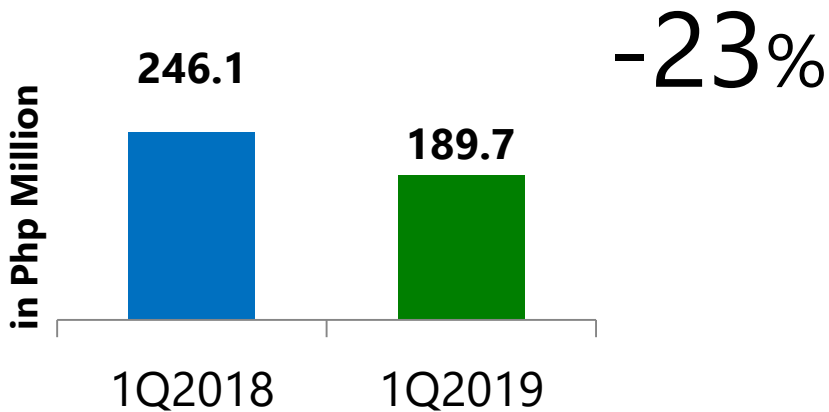
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Federal Land Financial Highlights

Revenues



Net Income



- 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**

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



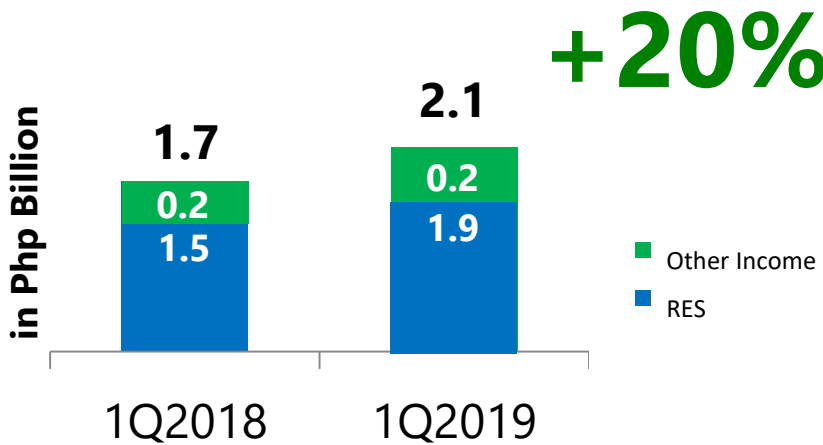

PRO • FRIENDS
PROPERTY COMPANY OF FRIENDS, INC.
Creating communities, transforming lives.


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PRO-FRIENDS Financial Highlights

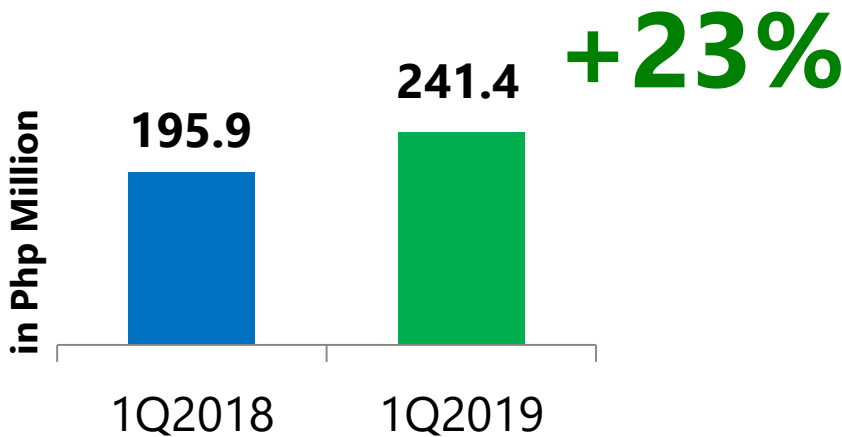


Revenues



- 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



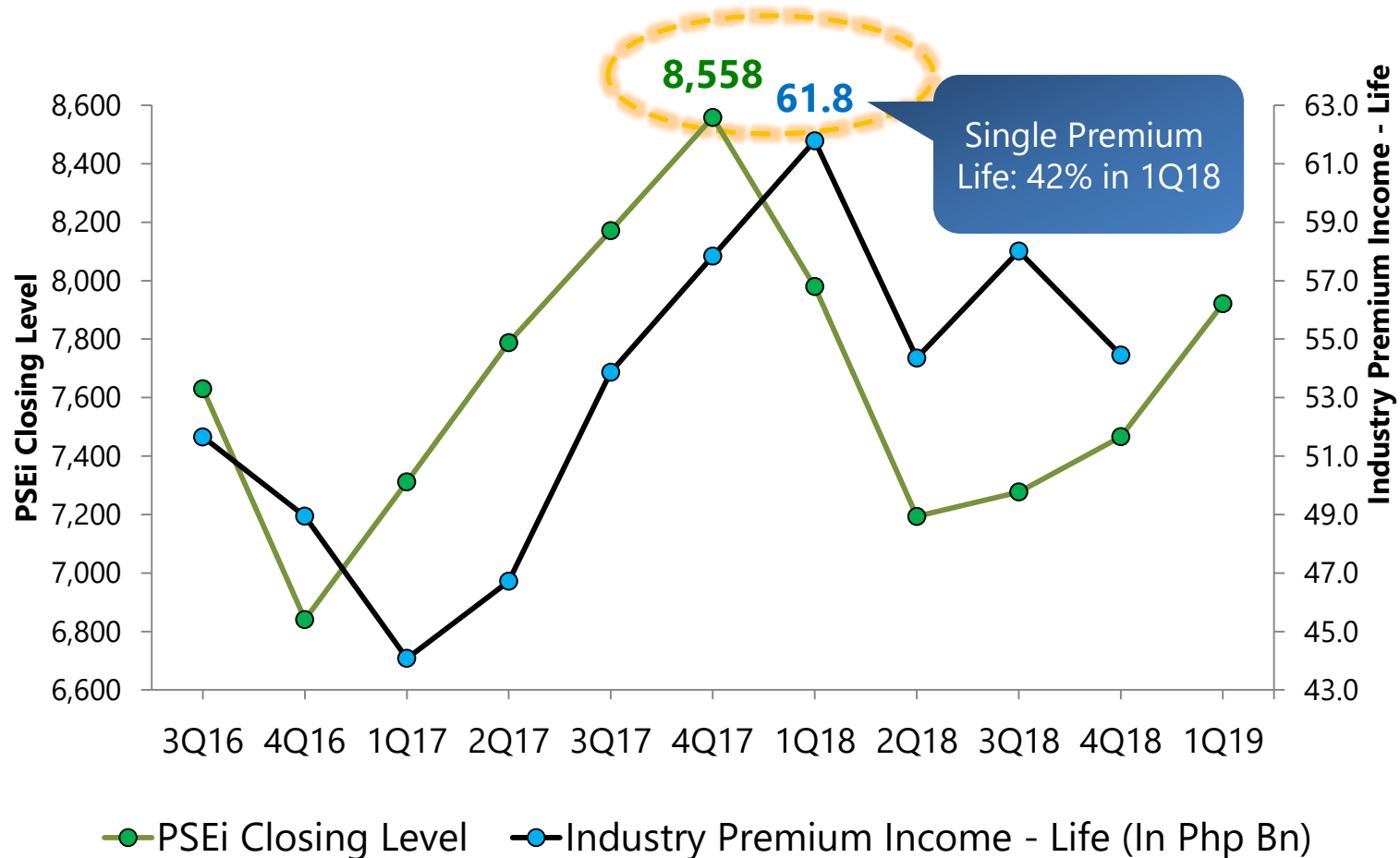
INSURANCE

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

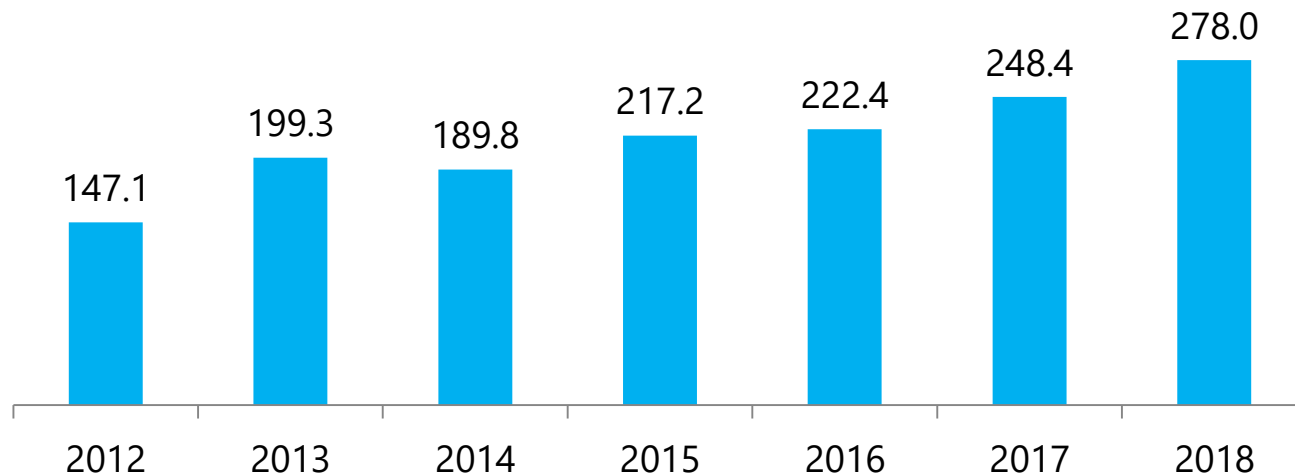
The Philippine insurance industry continues to be an underpenetrated high-growth sector



Life and General Premium Income (In Php Bn)

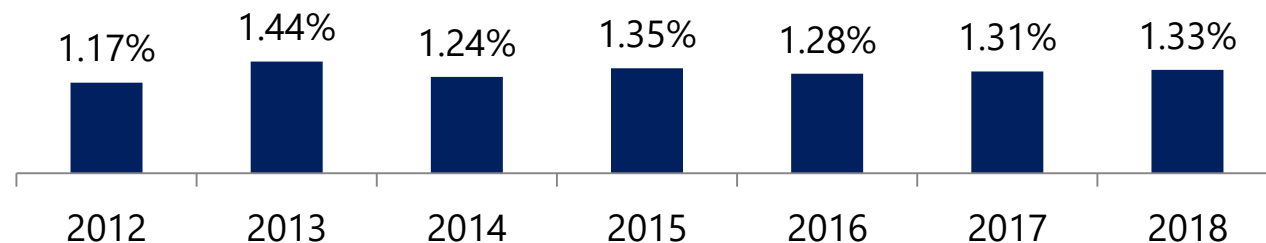
11%
CAGR

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



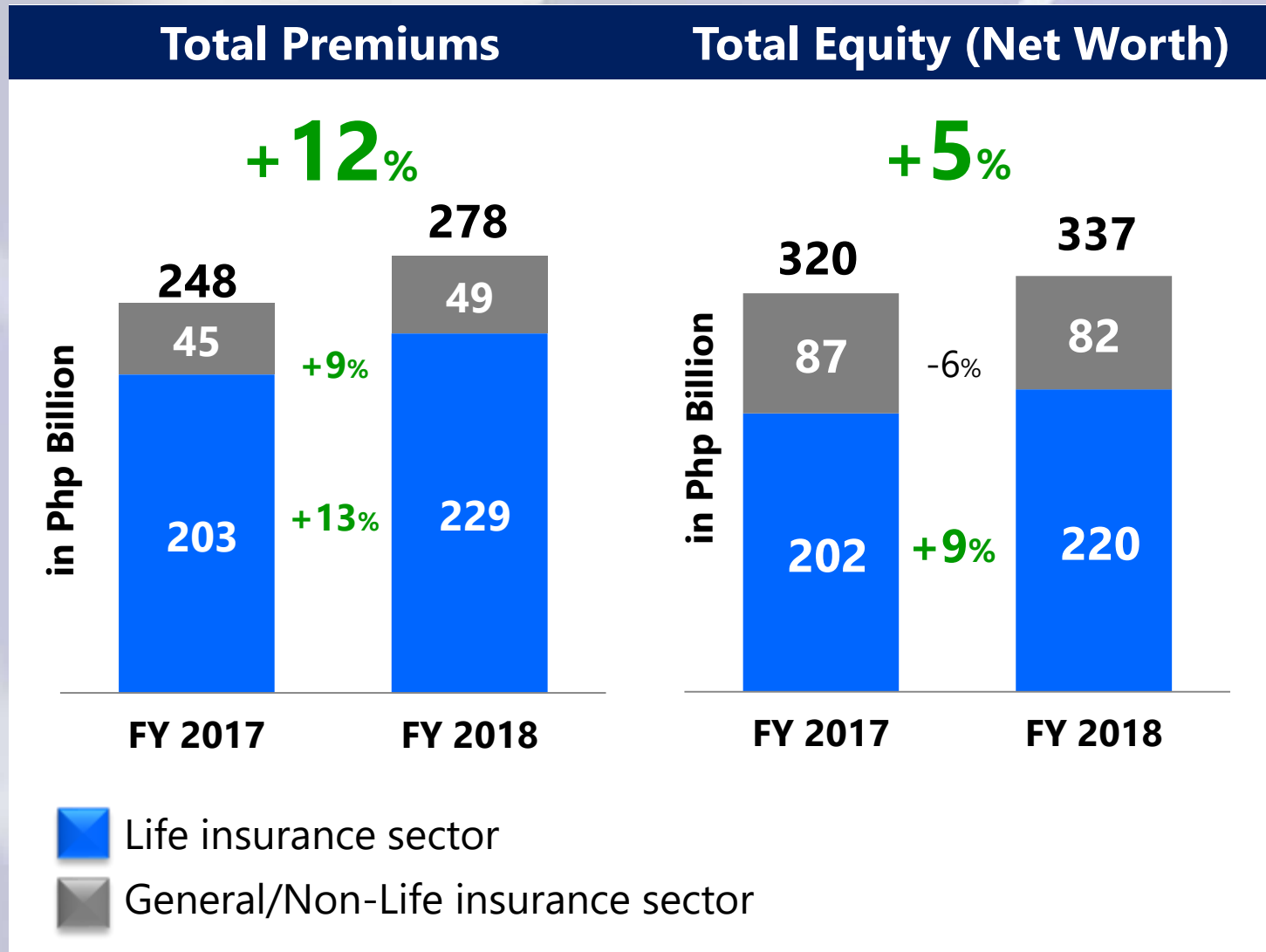
Life and General Premiums as a % of Gross National Income (GNI)

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



Insurance Industry Updates

As of December 2018

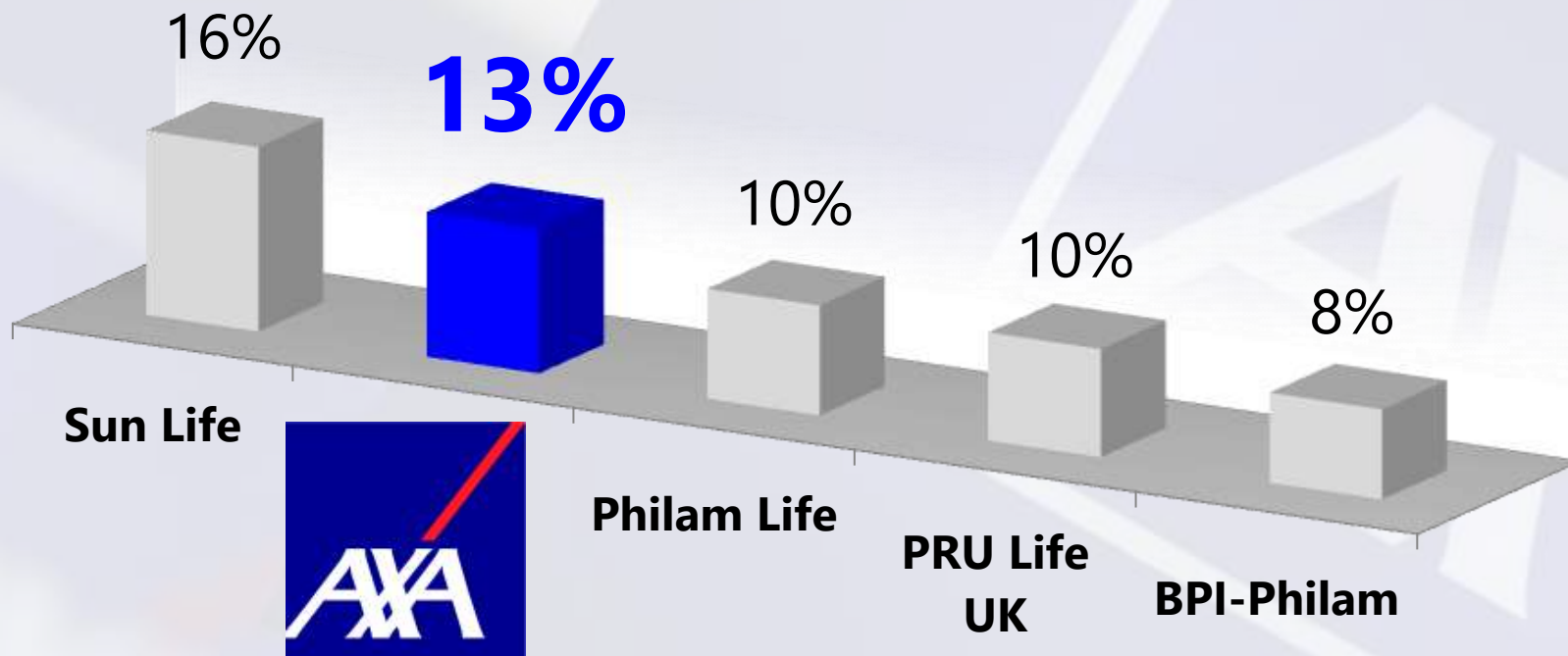


Life Insurance Ranking

Premium Income, December 2018



Market Share



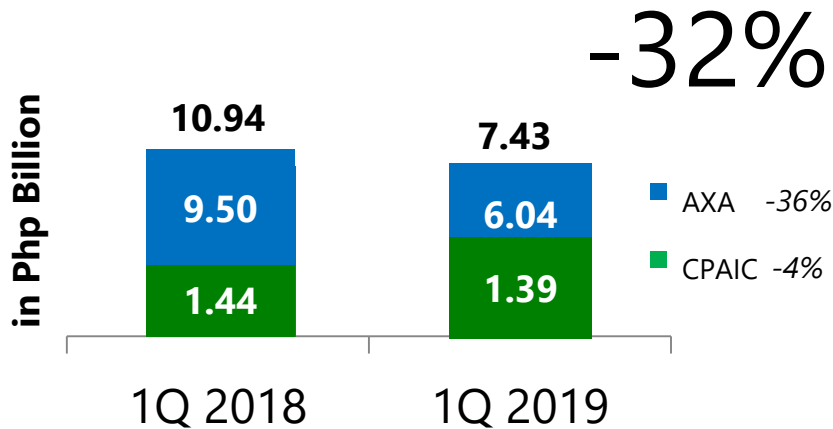


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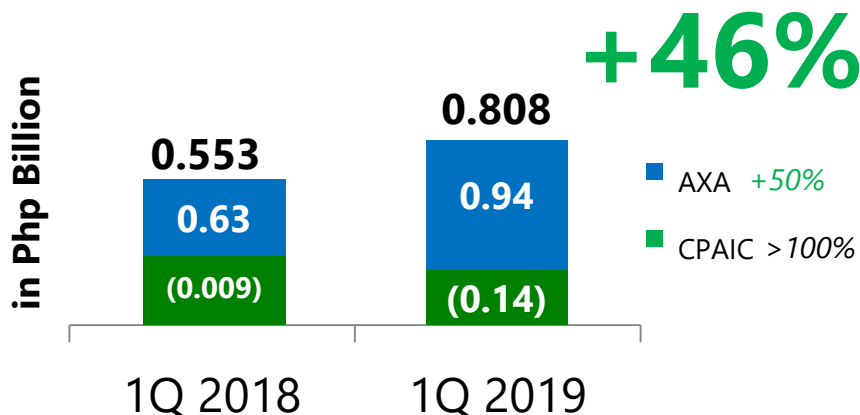
AXA Philippines Financial Highlights



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%**



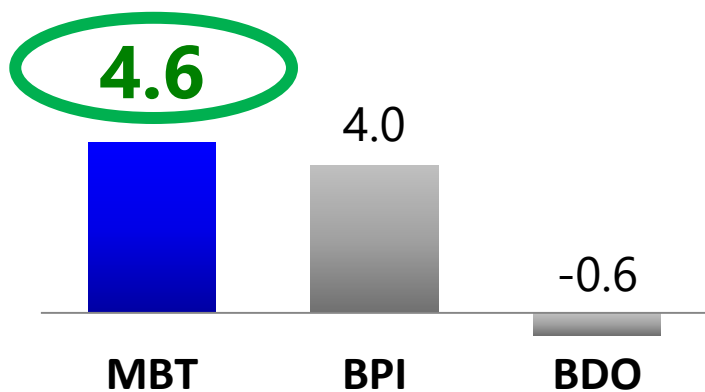
BANKING

1Q 2019 Peer Banks Highlights

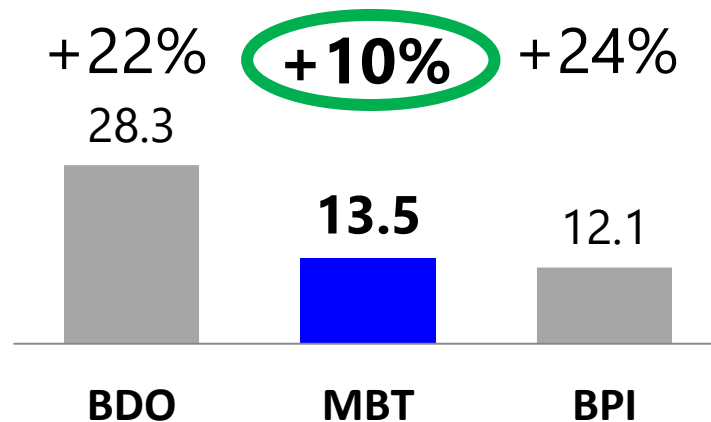
MBT delivered NIM expansion and prudent operational expenditures



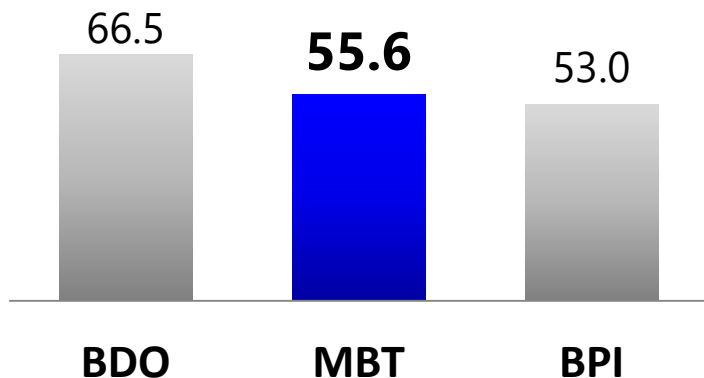
NII less Opex (Php Billion)



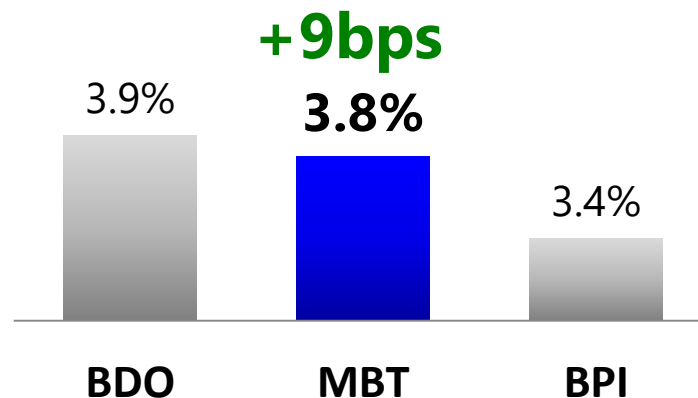
Operating Expenses (Php Billion)



Cost-to-Income Ratio (In %)

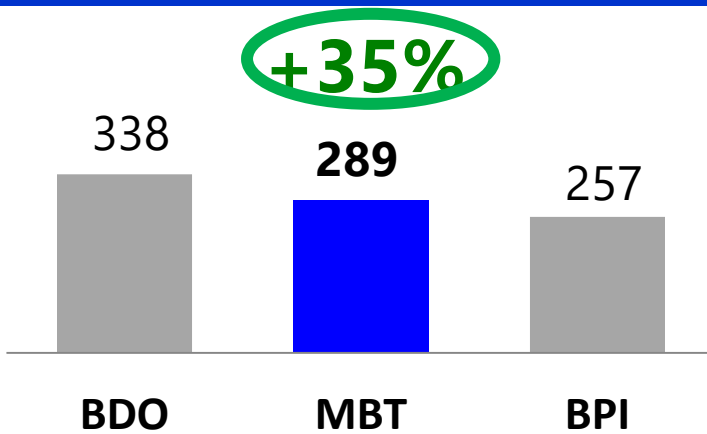


Net Interest Margin – NIMs (%)

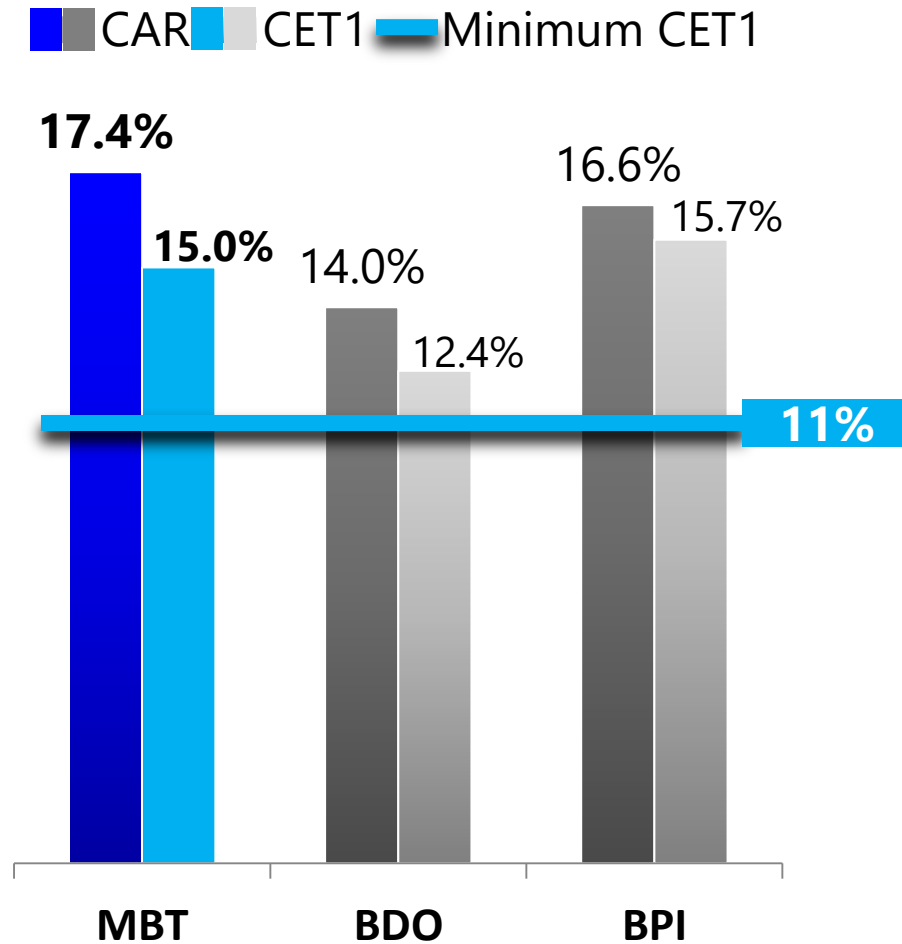


1Q 2019 Peer Banks Highlights

Total Equity (Php Billion)

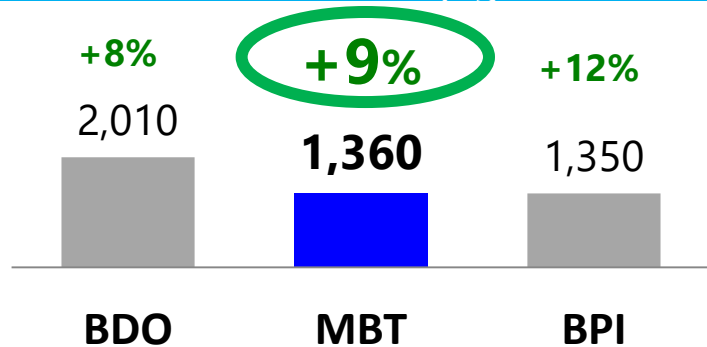


Total CAR and CET1 (%)



Total Loans* (Php Billion)

+9.9% industry growth



*excludes IBL and spurra

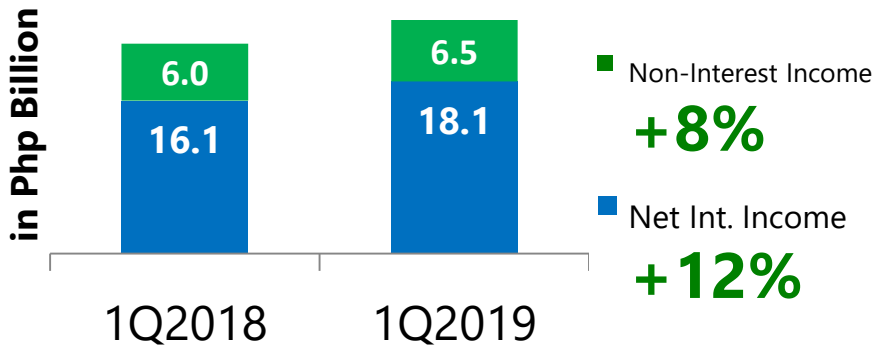


 **Metrobank**



Metrobank Financial Highlights

Operating Income



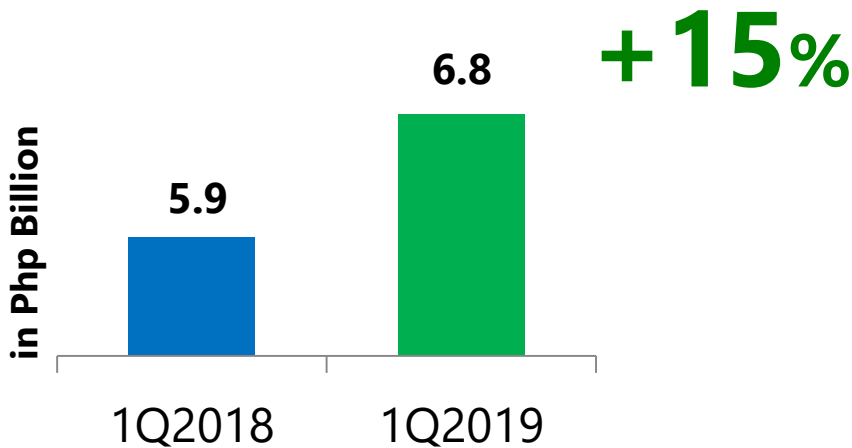
- Net Interest Income **+12%** (Php18.1B or **74% of Operating Income**)

- 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**

Net Income



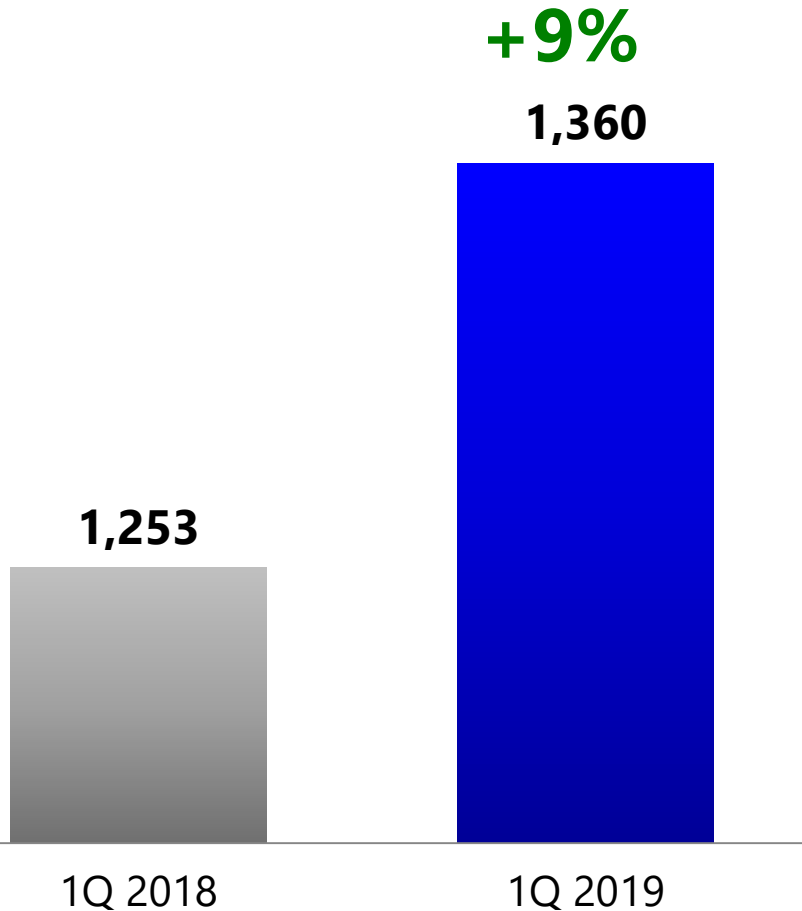
- Provisions for credit and impairment losses reached **Php2.4B**

- NPL ratio at 1.5%

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

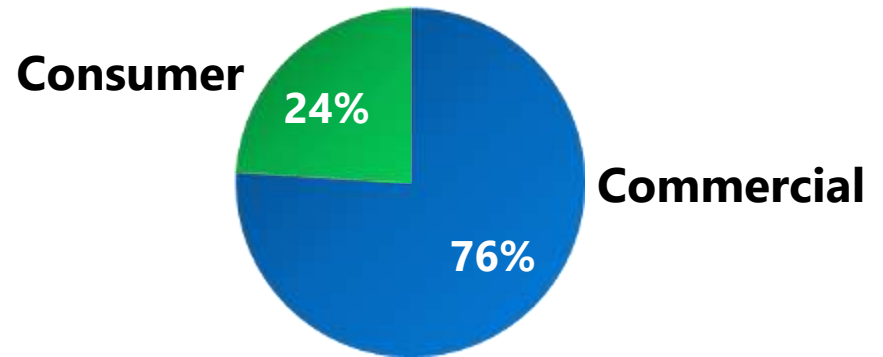
Key Performance Drivers

Loans and Receivables (Php Billion)

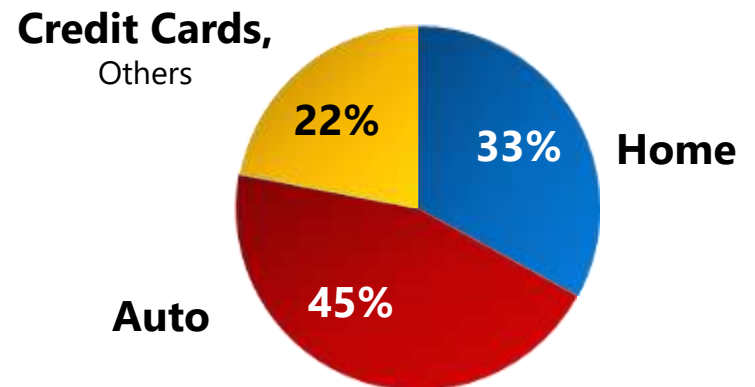


Source: 17Q Report as of 31 March 2019

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 (North Luzon Expressway), featuring the letters 'NLEX' in a bold, blue, sans-serif font with a yellow and orange swoosh underneath.

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**

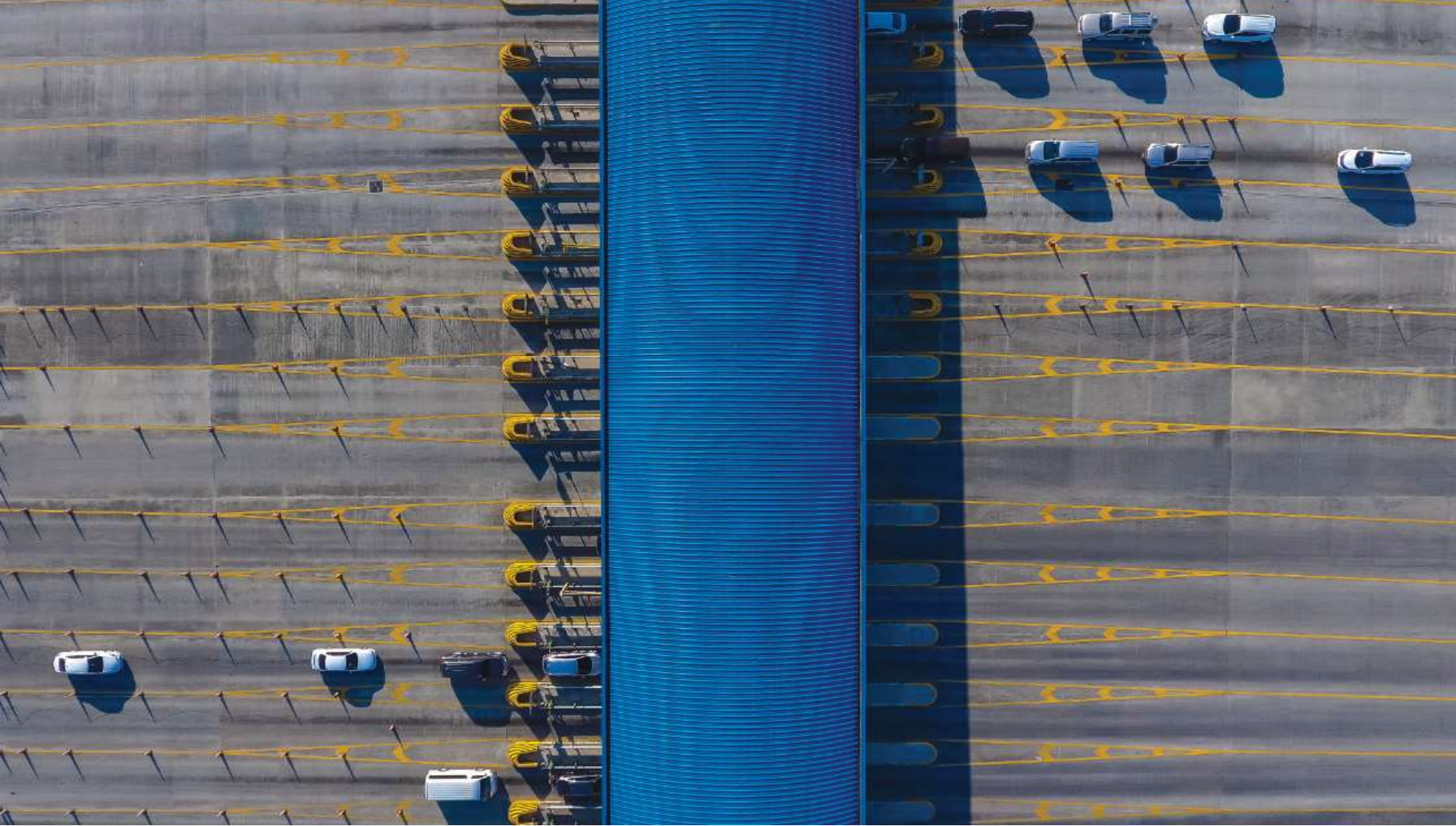
LRT1 CAVITE EXTENSION

11.7km Baclaran to Bacoor, Cavite



Ground breaking: **May 7, 2019**

Target Completion: **2023**



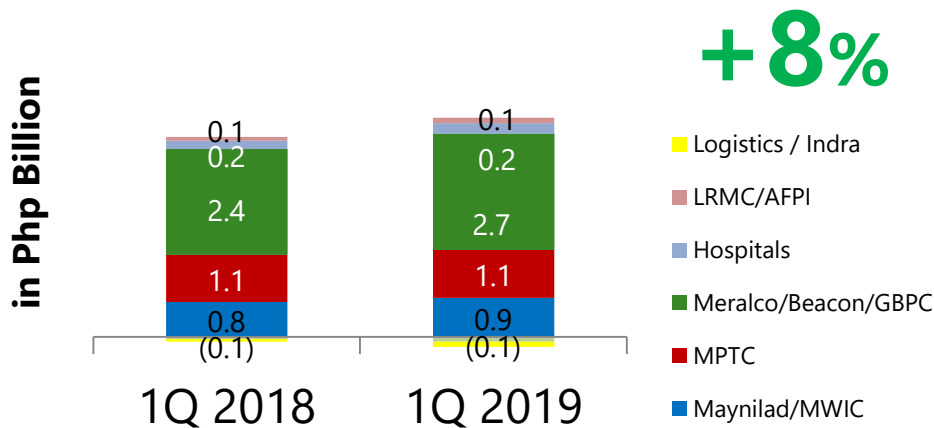
**METRO
PACIFIC**
INVESTMENTS



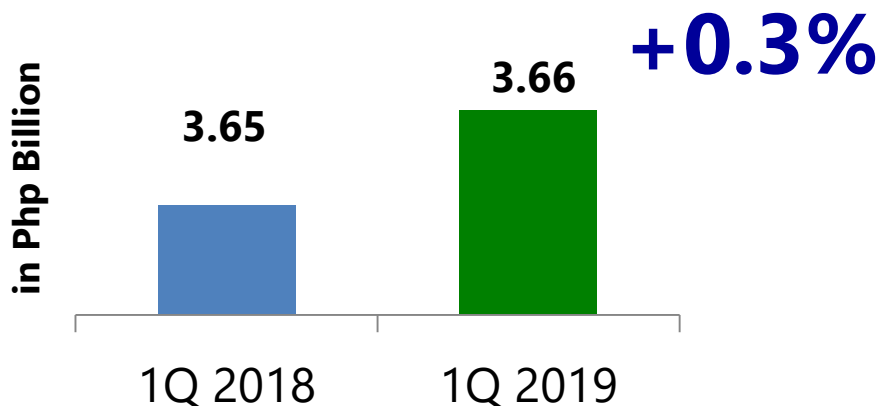
GT CAPITAL
HOLDINGS INCORPORATED 43

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***

 TOYOTA

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





GT CAPITAL
HOLDINGS INCORPORATED



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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PRO • FRIENDS
PROPERTY COMPANY OF FRIENDS, INC.

Rationale

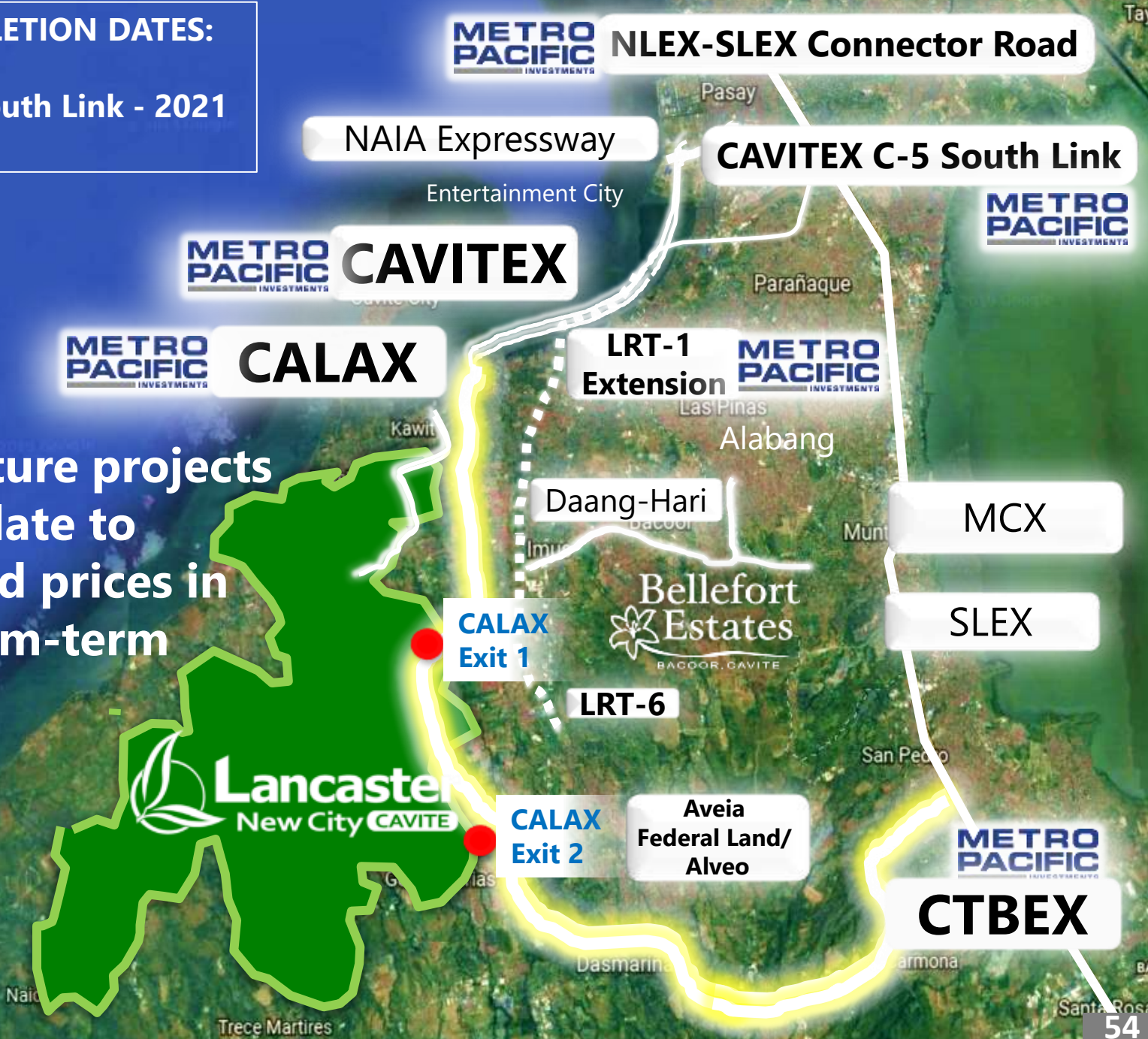
The selected 702 hectares are **best suited for master-planned, mixed-use developments**

Map not drawn to scale

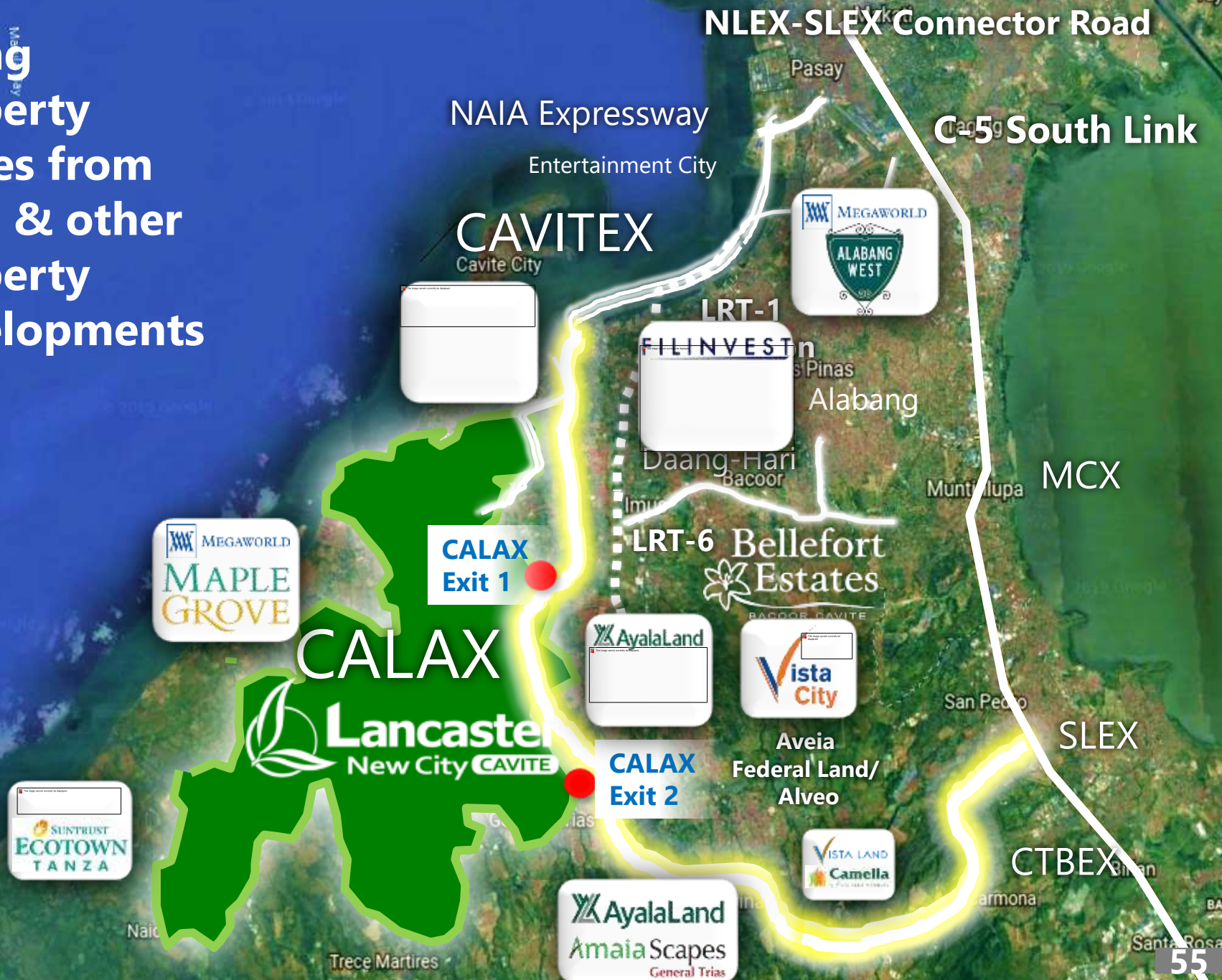


TARGET COMPLETION DATES:
CAVITEX - 2021
CAVITEX C-5 South Link - 2021
CALAX - 2022

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. |

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

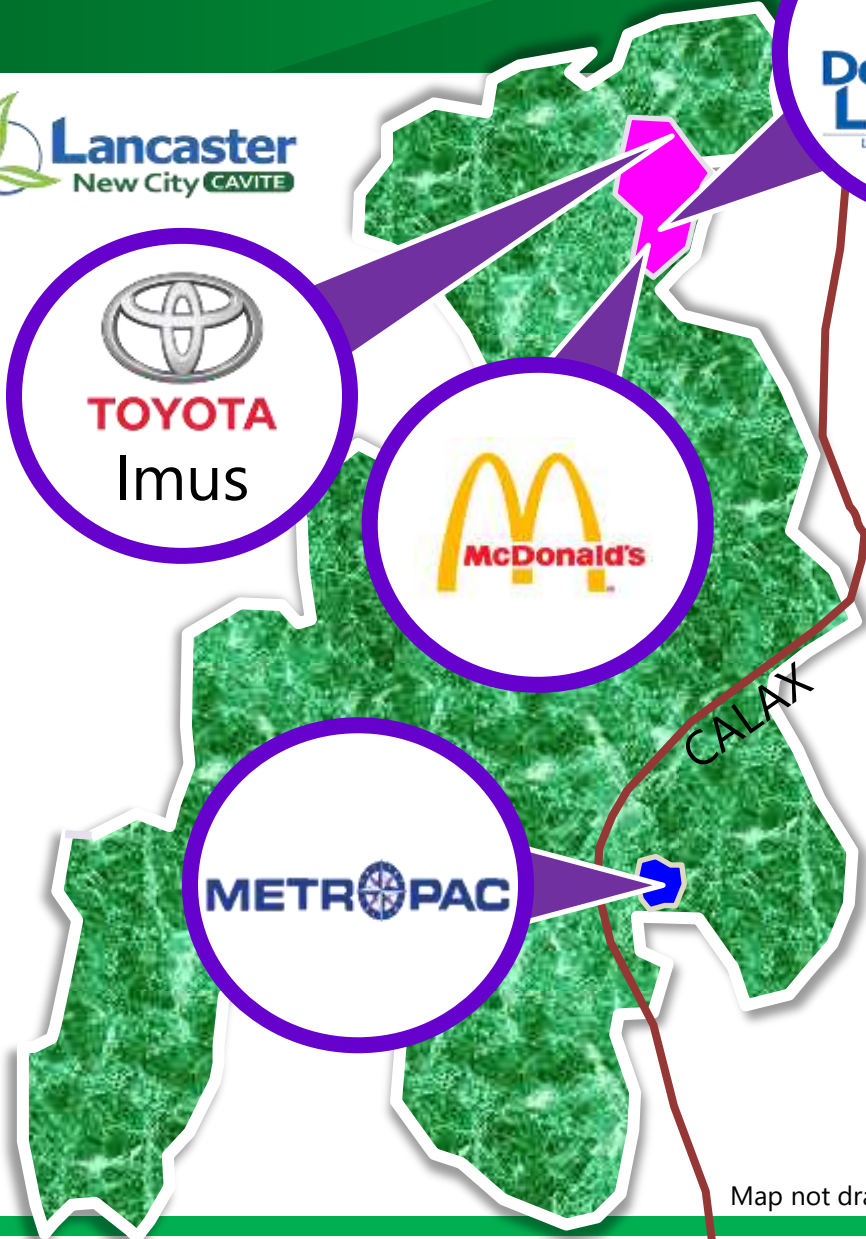
Redemption of PRO-FRIENDS Shares

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



GT CAPITAL
HOLDINGS INCORPORATED



PRO • FRIENDS
PROPERTY COMPANY OF FRIENDS, INC.

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!

