LT GROUP, INC.

President's Report
First Nine Months of 2025

LT Group, Inc. (LTG) achieved a record attributable net income of Php22.57 billion for the first nine months of 2025. A 14% increase year-on-year, marking the strongest nine-month and third-quarter performance since the company's follow-on public offering.

Business segments' contributions were as follows:

	LTG's Share in Net Income (In Php Millions)					
					Y-o-Y Change	
Segment	**9M25**	**% to total**	**9M24**	**% to total**	**Inc/(Dec)**	**%**
PNB	10,400	46%	8,441	43%	1,959	23%
FTC	8,122	36%	7,909	40%	213	3%
TDI	2,385	11%	1,508	8%	877	58%
ABI	731	4%	714	4%	17	2%
Eton	481	2%	497	3%	(16)	(3%)
VMC	276	1%	277	0%	(1)	(0%)
Others	171	0%	478	2%	(307)	(64%)
Total	**22,566**	**100%**	**19,824**	**100%**	**2,742**	**14%**

LTG declared a special dividend of Php0.30 per share in August 2025, plus the total Php0.60 per share earlier in March and June. In total, LTG paid out Php9.74 billion in dividends, which equals to a 33.6% pay-out rate as of end-September 2025.

As of September 30, 2025, the company's Debt-to-Equity Ratio was 2.88:1 with the Bank and 0.09:1 without the Bank. The parent company held a cash balance of Php3.04 billion.

Philippine National Bank (PNB)

PNB's net income was Php18.51 billion in 9M25, 23% higher than the Php15.06 billion in 9M24.

Gross interest income in the current period of Php52.37 billion was higher by 4% y-o-y driven by higher loan volume, interbank receivables and yields on investment securities. Gross interest expense decreased by 4% at Php13.07 billion due primarily to lower interest cost of bonds payable. This resulted to net interest income of Php39.30 billion, 8% higher y-o-y as the net interest margin improved to 4.7% from 4.6%.

Net service fees and commission income increased by Php643 million or 18% at Php4.22 billion for the period ended September 30, 2025, mainly due to higher fees from bancassurance, deposits and loan-related products.

Trading and investment securities and net foreign exchange gains were slightly lower at Php1.62 billion in 9M25 compared to 9M24's Php1.66 billion due to lower trading and investment securities profit.

Other income was higher at Php2.64 billion for the nine months ended September 30, 2025, compared to Php2.44 billion for the same period last year primarily driven by increased ROPA sale gains.

Operating expenses decreased by 5% to Php24.12 billion in 9M25 from Php25.39 billion in the prior period, mainly due to lower provisions for impairment and credit losses resulting from the bank's improved loan portfolio quality.

Fortune Tobacco Corporation (FTC)

For the first nine months of 2025, FTC's net income reached Php8.16 billion, a 3% increase from the Php7.94 billion earned in the same period last year. This improvement was mainly due to higher equity earnings from the Investment in PMFTC, which contributed Php6.91 billion, up 3% from Php6.69 billion last year.

The total industry volume was 34.7 billion sticks in 9M25, 3% higher than the 33.7 billion sticks in 9M24. PMFTC outperformed the market, increasing by 4% to 16.4 billion sticks in 9M25 higher than the 15.8 billion sticks in 9M24. This, along with price increases in November 2024, contributed to higher PMFTC income. PMFTC's 9M25 market share was 47.4% higher than 9M24's 46.9%. PMFTC adjusted cigarette prices in November 2024 to cover excise taxes, which is now at Php66.15 per pack of 20 sticks effective January 1, 2025.

PMFTC offers alternative to traditional smoking products such as IQOS ILUMA heated tobacco products and ZYN oral nicotine pouches. IQOS uses patented smartcore induction system - a bladeless system to heat tobacco without burning it.

PMFTC actively supports the government and other key players in the tobacco industry in their ongoing efforts to prevent illegal tobacco trade.

Tanduay Distillers, Inc. (TDI)

TDI posted a net income of Php2.40 billion for 9M25, an increase of 59% over the Php1.51 billion recorded in the same period last year. These are TDI's best nine-month and third quarter results to date. This was driven by higher net revenues at Php25.09 billion in 9M25, 2% higher than the Php24.61 billion reported in 9M24. This was primarily attributed to higher liquor selling prices which offset lower sales volume of liquor and bioethanol.

Cost of sales was lower at Php20.69 billion in 9M25 compared to Php21.05 billion in 9M24 due to lower sales volume. This resulted to a gross profit margin improvement to 18% in 9M25, higher than the 14% in 9M24 mainly on account of higher selling prices and lower costs in the liquor segment.

Operating expenses were lower at Php1.42 billion in 9M25 compared to Php1.56 billion in 9M24 due primarily to lower advertising, promotion and other expenses incurred.

In the first nine months of 2025, TDI's market share grew to 38.5% across the country, compared to 33.4% last year. The company remains the dominant player in the Visayas and Mindanao, holding significant market shares of 69.0% and 81.2% in those regions.

Asia Brewery, Inc. (ABI)

ABI's net income was higher at Php737 million for the nine months ended September 30, 2025 from Php715 million in the same period last year.

Revenues of the beverage segment were at Php13.45 billion in the current period, 3% lower than 9M24, as sales volume decreased for Cobra Energy Drinks. Cost of sales decreased at a faster rate of 5% at Php10.08 billion for 9M25 on account of packaging and formulation improvements. This resulted in the improvement of the gross profit margin to 25% from 23% due primarily to sales mix and lower discounts provided to distributors as well as decrease in manufacturing costs.

Operating expenses increased to Php2.26 billion in 9M25 from Php2.16 billion in 9M24 due to higher advertising expenses and personnel costs.

Cobra energy drink had 45% of the market in the first nine months of 2025. Absolute and Summit bottled water together held 15%, making it the third most popular local water brand.

Eton Properties Philippines, Inc. (Eton)

Eton reported a net income of Php483 million for the nine months of 2025, lower than the Php499 million for the same period last year on account of lower margins from the leasing business resulting from lower rental rates and higher operating costs.

Leasing revenues declined by 11% to Php1.41 billion in 9M25, representing 74% of total revenues, compared to Php1.59 billion in 9M24. Real estate sales grew by 55% to Php483 million, from Php312 million in 9M24, driven by continued sales of remaining inventory in the 68 Roces (Quezon City) and Eton City (Laguna) projects.

Operating expenses were lower at Php586 million due to lower rental expenses. Other income was higher due mainly to higher marketing fees and compensation from right of way from the local government.

Eton has a total of 269,500 square meters of leasable space, with about 192,000 square meters dedicated for office space.

LT GROUP, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands)

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	**₱166,870,811**	₱223,583,790
Financial assets at fair value through profit or loss (FVTPL)	**14,007,562**	17,956,162
Financial assets at fair value through other comprehensive income (FVTOCI)	**58,807,716**	125,189,186
Financial assets at amortized cost	**7,857,248**	19,097,106
Loans and receivables	**321,311,787**	312,406,599
Inventories	**14,302,490**	13,328,520
Due from related parties	**1,419,396**	1,889,364
Other current assets	**14,496,254**	12,658,175
Total Current Assets	**599,073,264**	726,108,902
Noncurrent Assets		
Loans and receivables-net of current portion	**382,246,763**	349,063,956
Financial assets at FVTOCI	**129,715,154**	66,179,663
Financial assets at amortized cost	**117,166,528**	94,776,887
Investment in associates and joint ventures	**18,689,368**	18,382,496
Property, plant and equipment:		
At appraised values	**57,465,012**	57,248,391
At cost	**11,250,002**	11,671,107
Investment properties	**40,080,994**	38,979,404
Deferred income tax assets	**6,830,330**	7,448,142
Other noncurrent assets	**4,225,032**	4,470,911
Total Noncurrent Assets	**767,669,183**	648,220,957
TOTAL ASSETS	**₱1,366,742,447**	₱1,374,329,859

LIABILITIES AND EQUITY		
Current Liabilities		
Deposit liabilities	**₱910,635,188**	₱940,057,144
Financial liabilities at FVTPL	**1,135,531**	924,053
Bills and acceptances payable	**17,330,223**	20,208,451
Accounts payable and accrued expenses	**19,820,549**	20,655,439
Short-term debts	**3,700,000**	3,700,000
Current portion of long-term debts	**1,773,510**	1,926,643
Income tax payable	**766,882**	333,355
Due to related parties	**50,000**	64,001
Other current liabilities	**10,235,868**	11,372,824
Total Current Liabilities (Carried Forward)	**965,447,751**	999,241,910

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Total Current Liabilities (Brought Forward)	**₱965,447,751**	₱999,241,910
Noncurrent Liabilities		
Deposit liabilities - net of current portion	**9,829,643**	5,290,562
Long-term debts - net of current portion	**22,766,830**	23,622,689
Net retirement benefits liabilities	**1,052,719**	710,000
Deferred income tax liabilities	**8,311,138**	8,475,269
Other noncurrent liabilities	**6,942,371**	6,777,227
Total Noncurrent Liabilities	**48,902,701**	44,875,747
Total Liabilities	**1,014,350,452**	1,044,117,657
Equity		
Attributable to equity holders of the Company:		
Capital stock	**10,821,389**	10,821,389
Capital in excess of par	**35,906,231**	35,906,231
Other comprehensive income, net of deferred income tax effect	**14,713,201**	13,327,515
Other equity reserves	**(4,211,874)**	(4,188,092)
Retained earnings	**188,338,113**	175,231,056
Shares of the Company held by subsidiaries	**(12,519)**	(12,519)
	245,554,541	231,085,580
Non-controlling interests	**106,837,454**	99,126,622
Total Equity	**352,391,995**	330,212,202
TOTAL LIABILITIES AND EQUITY	**₱1,366,742,447**	₱1,374,329,859

LT GROUP, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except for Basic/Diluted Earnings Per Share)

	Nine Months Ended September 30		For the Quarter Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)	**2025 (Unaudited)**	2024 (Unaudited)
REVENUE				
Banking	**₱58,745,136**	₱55,523,765	**₱19,836,096**	₱19,176,374
Distilled spirits	**25,043,496**	24,542,926	**9,832,439**	9,962,140
Beverage	**12,705,425**	12,986,125	**4,268,023**	4,035,571
Property development	**2,159,182**	2,111,601	**904,854**	857,596
	98,653,239	95,164,417	**34,841,412**	34,031,681
COST OF SALES AND SERVICES	**45,781,969**	46,280,769	**16,387,928**	16,778,463
GROSS INCOME	**52,871,270**	48,883,648	**18,453,484**	17,253,218
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	**7,673,831**	7,594,056	**2,302,360**	2,443,116
	60,545,101	56,477,704	**20,755,844**	19,696,334
OPERATING EXPENSES				
Selling expenses	**1,904,615**	2,023,435	**687,059**	750,529
General and administrative expenses	**26,415,419**	27,448,827	**8,965,700**	9,619,539
	28,320,034	29,472,262	**9,652,759**	10,370,068
OPERATING INCOME	**32,225,067**	27,005,442	**11,103,085**	9,326,266
OTHER INCOME (CHARGES)				
Foreign exchange gains - net	**1,038,572**	892,676	**82,385**	379,023
Finance costs	**(373,568)**	(427,711)	**(118,385)**	(147,058)
Finance income	**234,802**	129,822	**123,718**	32,479
Others - net	**4,261,807**	3,801,542	**1,593,129**	1,737,067
	5,161,613	4,396,329	**1,680,847**	2,001,511
INCOME BEFORE INCOME TAX	**37,386,680**	31,401,771	**12,783,932**	11,327,777
PROVISION FOR INCOME TAX				
Current	**5,497,679**	5,654,645	**1,374,733**	2,014,712
Deferred	**1,053,272**	(918,628)	**1,102,290**	111,782
	6,550,951	4,736,017	**2,477,023**	2,126,494
NET INCOME	**₱30,835,729**	₱26,665,754	**₱10,306,909**	₱9,201,283
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the Company	**₱22,565,663**	₱19,824,188	**₱7,599,859**	₱7,026,484
Non-controlling interests	**8,270,066**	6,841,566	**2,707,050**	2,174,799
	₱30,835,729	₱26,665,754	**₱10,306,909**	₱9,201,283
Basic/Diluted Earnings Per Share	**₱2.09**	₱1.83	**₱0.70**	₱0.65