

PSE SPOTLIGHT

FEATURING:

GT Capital Holdings, Inc.



GT Capital is a major listed Philippine conglomerate with interests in market-leading businesses across banking, automotive assembly, importation, dealership, and financing, property development, life and general insurance, and infrastructure. Its core operating companies are Metropolitan Bank & Trust Company, Toyota Motor Philippines Corporation, Federal Land, Inc., AXA Philippines Life and General Insurance Corporation, and Metro Pacific Investments Corporation.

Stock Code	GTCAP
Listing Board	Main Board
Sector – Subsector	Holding Firms
Listing Date	April 20, 2012
Outstanding Shares	215,284,587
Free Float Level	43.74%
Market Capitalization	P129,278,394,494
P/E Ratio	4.42x
Dividend Yield	0.83%

As of 12 July 2024
Source: PSE Data

[Company Profile](#)

1. What makes GT Capital an attractive investment for potential investors?

GT Capital is a major conglomerate with operating companies in key yet underpenetrated sectors of the Philippine economy, namely automotive and mobility, banking, property development, life and general insurance, and infrastructure. As such, it has a robust, synergistic ecosystem scale and footprint of which spans the whole country. GT Capital's operating companies are dominant in their respective underserved sectors and have all attained strong brand positioning. In addition, GT Capital is the only listed company that has a significant automobile business through its subsidiary, Toyota Motor Philippines, which has for decades been the consistent market leader in passenger car, commercial vehicle, and overall sales. The conglomerate is also recognized and trusted as a long-term, strategic partner of choice by best of class brands, both domestic and global, which follow and adhere to stringent rules and regulations in corporate governance and financial, and operations management. The joint ventures formed with these strategic partners are a testament to GT Capital's track record and corporate values of integrity, excellence, respect, and sustainable value creation.

2. What challenges has GT Capital encountered, and what strategies were employed to overcome them effectively?

As in businesses all over the world, GT Capital struggled during the Covid-19 pandemic. Nonetheless, the conglomerate surmounted the resulting challenges by primarily prioritizing the health and safety of its human resources. This was done through various initiatives such as work from home arrangements, quickly adapting to the new normal, systematic virus testing and vaccination, and constant company-wide communication to monitor the well being of all employees. Thus, operations continued and more important, personnel were largely protected. In more recent years, macroeconomic headwinds such as inflation and a depreciating peso also posed challenges to GT Capital. Prudent fiscal management, strategic planning, and enhanced operations, among others, enabled the conglomerate, with its subsidiaries and affiliates, to continue delivering respectable financial and operating results.

3. What sustainability initiatives does GT Capital have in place? How do they align with your long-term goals?

In terms of environmental, social, and governance (ESG) practices and parameters, GT Capital has significantly evolved through the years. We now fully embrace the International Integrated Reporting Framework on identified topics material to the conglomerate and its stakeholders, following the Global Reporting Initiative (GRI) standards, Sustainability Accounting Standards Board (SASB), and Task Force for Climate-Related Financial Disclosures (TCFD) recommendations together with the United Nations Sustainable Goals (UN SDGs). Furthermore, GT Capital engaged DNV Business Assurance Singapore Pte Ltd (DNV) to verify the holding company's non-financial data for sustainability reporting. These are all aligned with our long-term goals by ensuring our commitment to integrate ESG factors in our investment process, engaging with our operating companies on ESG, and ensuring relevant, reliable, and transparent ESG disclosures for our stakeholders and investors.

4. How is the company doing in terms of its market position vis-à-vis its competitors in the industry? What are the key initiatives or programs being undertaken by the company to increase market share or gain an advantage over the competition?

On the automotive sector, GT Capital's subsidiary, Toyota Motor Philippines (TMP) remains the dominant, number one car brand in the country, with a market share of well over 40% and has won the auto industry's Triple Crown award for 22 consecutive years. This major achievement means that Toyota is leading in commercial vehicle sales, passenger vehicle sales, and overall sales. GT Capital is bullish on the further growth of the Philippine automotive sector, which will clearly benefit Toyota as the undoubted market leader. This is further supported by the growth in hybrid electric vehicle (HEV) and electric vehicle (EV) sales. As of the first quarter of 2024, for Toyota and Lexus combined, these types of vehicles almost doubled compared to 2023, in terms of percentage of total sales. Toyota and Lexus currently offer 15 HEV models, the widest variety of models mix for electrified vehicles in the Philippine market. Later this year, TMP shall launch the iconic New Generation Tamaraw, a convertible light commercial vehicle that is targeted towards micro, small, medium enterprises (MSMEs), local government units (LGUs), transportation cooperatives, and individual users. In addition, the Tamaraw shall be locally assembled at the TMP's plant in Sta. Rosa, Laguna, alongside the Vios and the Innova.

For the property sector, Federal Land has been diversifying its offerings from high rise residential condominium projects to mixed use, estate developments. In as much as GT Capital now has an additional 702 hectares of strategic, fully developable land bank, the bulk of which is in the highly progressive province of Cavite, we have attracted best in class partners for joint development. A prime example of this would be the partnership with Nomura Real Estate Development Co., Ltd. of Japan, which led to a joint venture with Federal Land known as Federal Land NRE Global, Inc. (FNG). This partnership brought about the development of The Seasons Residences and the Mitsukoshi BGC mall, both located in the bustling central business district of Bonifacio Global City in Taguig and the Yume at Riverpark, a gated, horizontal residential property development project in Cavite. FNG is expected to bring milestone developments that offer Japanese inspired design and technology. Another property project that is set to be launched is Hartwood Village, the first phase of the Meadowcrest Township in Laguna.

5. What are your company's strategic priorities for the next two to three years?

The first ten years of GT Capital as a listed conglomerate were mainly dedicated to consolidate the group's various businesses under its wing. Now that the holding company is on its next decade, the aspiration is to pursue the expansion and development of its portfolio into new or adjacent businesses that would further enhance the group's value chain, expand synergy, and create better shareholder value.

PSE Spotlight is a short feature about listed companies that are part of PSE STAR Investor Day. The report, which offers a quick overview of a company, includes a description of its business, stock information, as well as answers to five interview questions provided by the company's management team. The interview questions typically revolve around the company's value proposition, business operations and landscape, challenges and opportunities, and strategic initiatives.

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