

# COVER SHEET

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S.E.C. Registration Number

L B C E X P R E S S H O L D I N G S ,  
I N C , ( f o r m e r l y F E D E R A L  
R E S O U R C E S I N V E S T M E N T  
G R O U P I N C . )

(Company's Full Name)

L B C H A N G A R , G E N E R A L  
A V I A T I O N C E N T R E , D O M E S T I C  
A I R P O R T R O A D , P A S A Y C I T Y  
M E T R O M A N I L A

(Business Address : No. Street/City/Province)

**Mahleene G. Go**

Contact Person

**8880999**

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

**SEC FORM 17-C**

FORM TYPE

**2<sup>nd</sup> Monday of June of  
each year**

Month

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

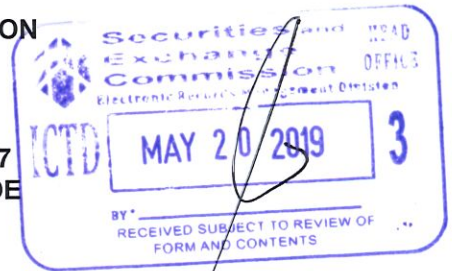
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SECURITIES AND EXCHANGE COMMISSION

AMENDED SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER



1. 15 May 2019  
Date of Report (Date of earliest event reported)
2. SEC Identification Number: ASO93-005277
3. BIR Tax Identification No.: 002-648-099-000
4. LBC EXPRESS HOLDINGS, INC. (formerly FEDERAL RESOURCES INVESTMENT GROUP INC.)  
Exact name of issuer as specified in its charter
5. Philippines
6.

Province, country or other jurisdiction of  
incorporation

(SEC Use Only)  
Industry Classification Code:

7. LBC Hangar, General Aviation Center,  
Domestic Airport Road, Pasay City  
Address of principal office

1300  
Postal Code

8. (632) 856 8510  
Issuer's telephone number, including area code
9. Federal Resources Investment Group Inc. / No. 35 San Antonio Street, San Francisco  
del Monte, Quezon City 1105  
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA:

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
<b>Common shares</b>	1,425,865,471

11. Indicate the item numbers reported herein: 9

**Please see attached disclosure made to the Philippine Stock Exchange with respect to the Company's press release in connection with the highlights of its financial performance and operations for the financial year ending 2018.**

## SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, LBC EXPRESS HOLDINGS, INC. has caused this report to be signed on its behalf by the undersigned, who is duly authorized for the purpose.

**LBC EXPRESS HOLDINGS, INC.**

Issuer

**15 May 2019**

Date



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**MAHLEENE G. GO**

Assistant Corporate Secretary

## SECURITIES AND EXCHANGE COMMISSION

### SEC FORM 17-C

#### CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

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*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*

## LBC Express Holdings, Inc. LBC

**PSE Disclosure Form 4-31 - Press Release**  
**References: SRC Rule 17 (SEC Form 17-C)**  
**Section 4.4 of the Revised Disclosure Rules**

### Subject of the Disclosure

Press release on the Company's performance for the financial year ending 2018.

### Background/Description of the Disclosure

Please see the attached Company's press release regarding the highlights of its financial performance and operations for the financial year ending 2018.

### Other Relevant Information

The attached press release principally contains information reported by the Company in its filed 17-A Report and other relevant market and Company information.

### Filed on behalf by:

Name

Ernesto III Naval

Designation

Alternate Corporate Information Officer

# PRESS RELEASE

## For Immediate Release

For more information, please contact  
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rlgomez@lbcexpress.com

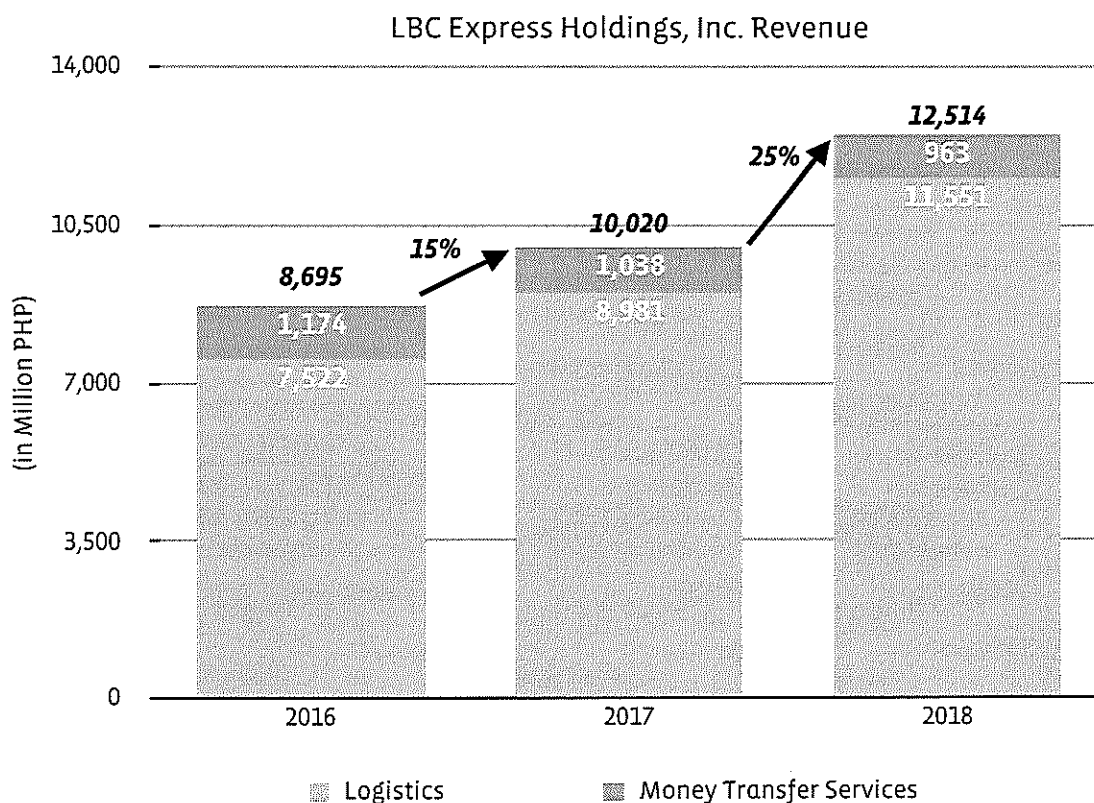


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### **LBC: 25% Revenue Increase** **Continuous, steady growth for the Philippines' Logistics Leader**

**MANILA, PHILIPPINES:** LBC Express Holdings, Inc. (PSE: LBC), listed company of the the country's foremost logistics brand, recently announced its favorable year-end results for 2018.

The Group's service revenues increased by 25%, to ₱12.51 billion for the year ended December 31, 2018, from ₱10.02 billion the previous year, attributable to 25% growth in Retail Logistics Sales and 35% in Corporate Logistics Sales.



In 2018, LBCH expanded operations by acquiring one (1) domestic and nine (9) international entities engaged in money remittance, and online and regular logistics services. Net contribution to revenue from these business combinations amounted to ₱889.79 million or 36% of the total increase.

There is also continuous growth in the domestic business, evidenced by the opening of 76 additional retail branches and the introduction of new products mid-2018, with total contribution of these to total revenue amounting to ₱123.67 million. Improvement in the corporate/institutional segment of the Group is also noteworthy, as it expanded its e-

commerce directed logistics and warehousing services, while likewise maintaining its annual growth of corporate/institutional accounts.

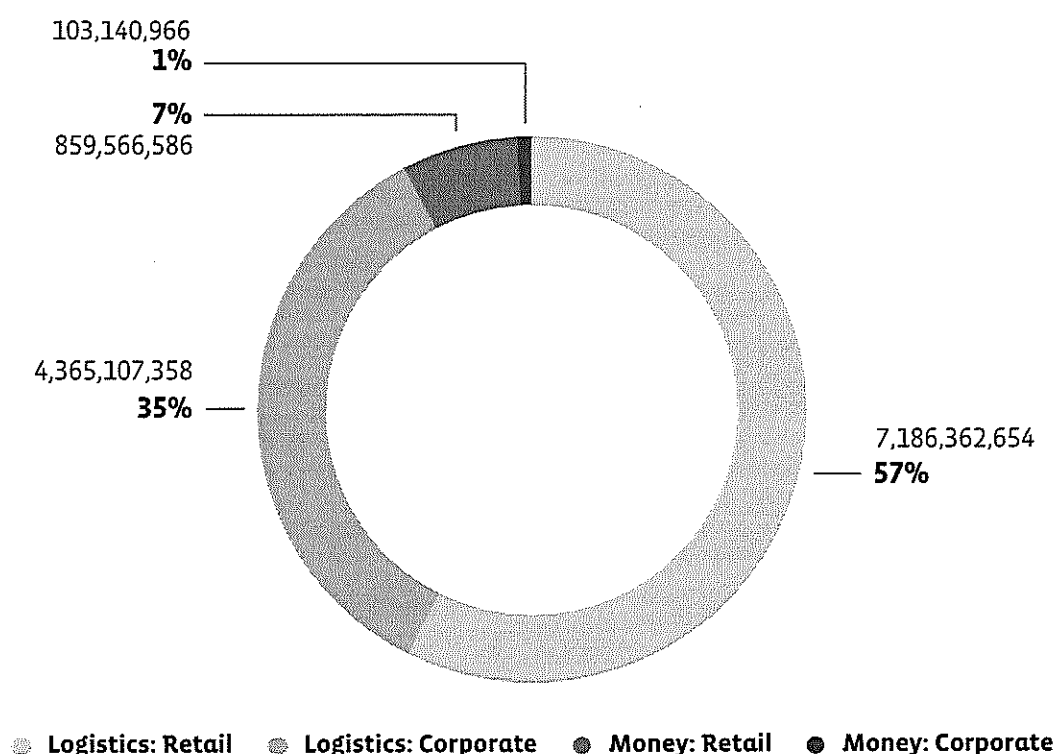
Cost of services increased by 30% to ₱8.56 billion in 2018 from ₱6.60 billion in 2017, in relation to volume growth in logistics services. This resulted in a 40% increase in cost of delivery and remittance.

Direct cost was also significantly affected by the increase in fuel rates, largely due to additional taxes imposed in compliance with the TRAIN Law effective January 1, 2018. This inclined carriers, mainly outsourced airlines and truckers, to enforce rate increases during the year.

Gross profit increased by 16% to ₱3.95 billion in 2018 from ₱3.41 billion in 2017, primarily due to the increase in volume and revenue amounts for logistics services.

Net income after tax increased by 91% to ₱1.34 billion in 2018 from ₱707.92 million in 2017, mainly related to growth in gross profit by 16%, resulting from an increase in volumes; and, the recognition of gain from derivative, amounting to ₱454.20 million, which compensates the loss incurred in 2017.

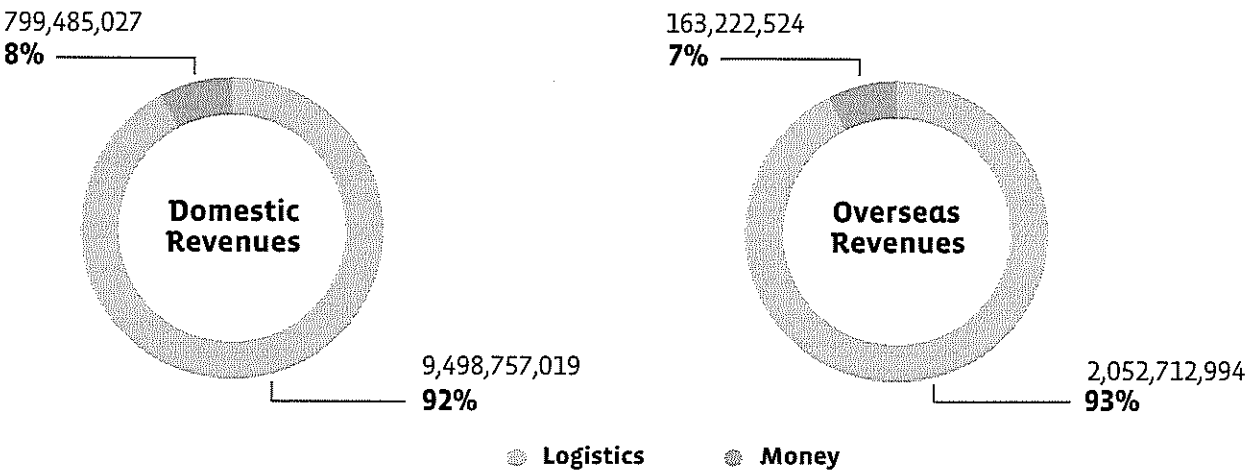
In 2018, the Logistics business of the Group accounts for approximately 92.3% of its total revenues while Money Transfer Services accounts for the remaining 7.7%.



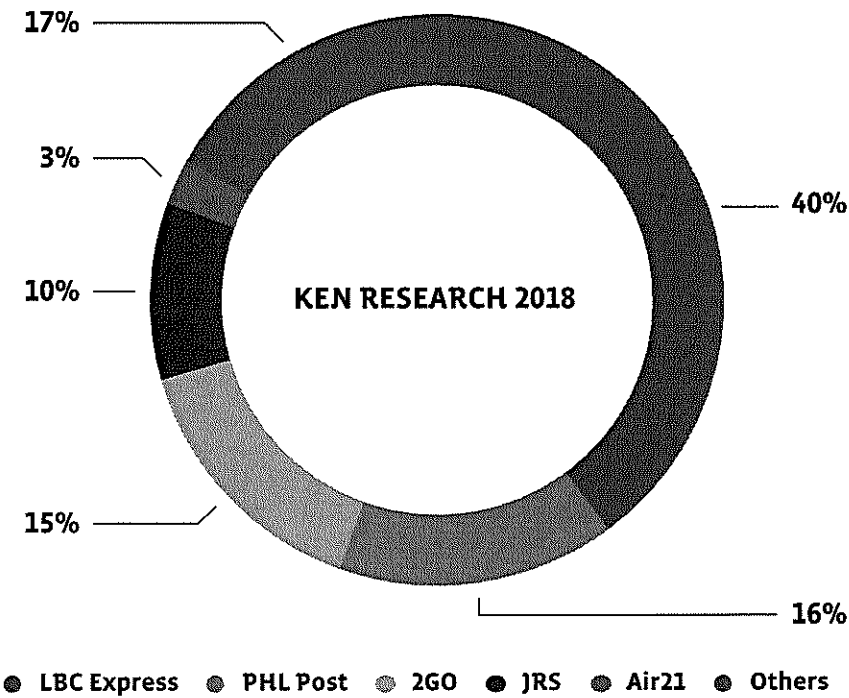
Retail Logistics comprised 62% of the Group's service revenue, primarily its "Express" products (courier and air cargo forwarding) and *balikbayan* boxes.

In 2018, service fees from international inbound remittances was ₱163.22 million, accounting for 17%, of the Group's total service revenues from Money Transfer Services.

Service fees from domestic Money Transfer Services was ₱799.5 million, representing 83%, of the Company's total Money Transfer Services.



From the recently released KEN RESEARCH Philippines Logistics and Warehousing Market Outlook to 2024, the notable research company was quoted,



*"LBC Express has dominated the express courier service provider in the Philippines in the year 2018..."*

*"In the domestic express delivery services, LBC Express has remained as one of the most efficient and recognized companies amongst the Filipinos."*

*"The company managed to dominate the express delivery market with revenue share of 39.8% in the year 2018 through its strategic approach towards the growth of express delivery service business."*

### **E-COMMERCE continues to open doors for logistics**

*According to the Google-Temasek e-Conomy SEA 2018 Report, "Supported by the increasing availability of affordable smartphones and the rollout of faster and more reliable mobile telecommunication services, Southeast Asia's internet user base continued to grow in 2018..."*

*"With more than 90% of Southeast Asians connecting to the internet primarily through their smartphones, this is one of the most mobile-first internet regions globally."*

*"The internet economy in the Philippines (\$5 billion in 2018, 30% CAGR 2015-2018) is still a relatively untapped opportunity."*

In recent years, the burgeoning E-commerce industry has created the fastest growing demand volumes for logistics providers, likewise an increased requirement in world-class service quality and trend-forward innovation.

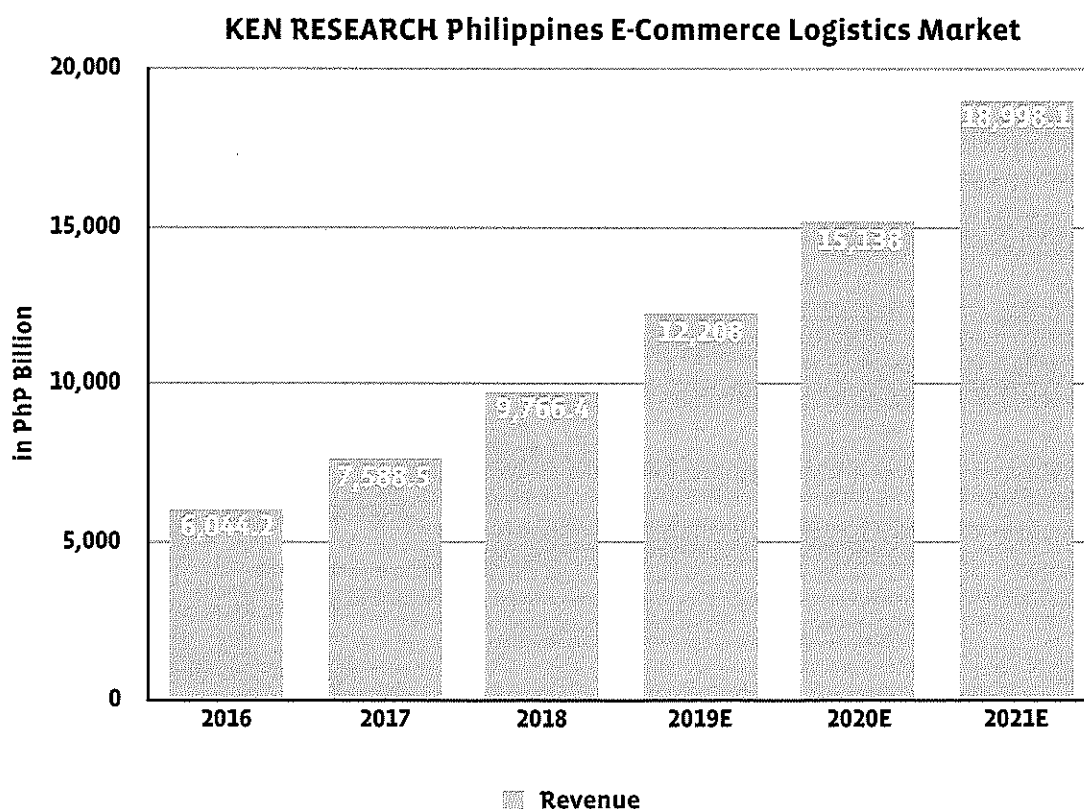
"Our vision for the next few years is to pave the way for Digital Logistics in the Philippines, and continue to lead the industry," says Mike A. Camahort, Chief Executive Officer of LBC Express Holdings, Inc. He adds, "It's a very exciting time in logistics, and there's much to do quickly in order to be constantly, globally competitive-- everything is now in "real time"; getting into Digital is definitely a must."

Aside from this entry into "Digistics," operating company LBC Express, Inc. also introduced a service innovation in 2018, to address the growing demand for logistics for e-commerce. Cash On Delivery/Cash On Pick-Up (COD/COP) services are now available at all LBC branches across the nation. With this innovative new service, LBC has enabled more merchants to enter into the e-commerce arena; sellers can have their goods delivered by LBC or picked up at an LBC branch, and payments are collected from buyers upon delivery or pick-up, then either remitted to the seller's account or picked up from a branch.

COD/COP utilizes both of LBC's core services: as a courier of parcels & boxes, and a payment collection channel. LBC branches become trading venues for Micro SMEs— COP guarantees convenient and seamless transactions between seller and buyer; a seller can now add LBC as a pick-up point. Furthermore, transactions made online are also guaranteed safe as sellers are assured of payment, while buyers are assured of receiving their purchased goods. LBC's nationwide network and serviceable areas also allows for buyers to shop from anywhere in the Philippines, and to likewise reach more customers across the nation.

It is estimated that E-commerce, with the inclusion of "Social Selling," will continuously grow, and create more demand for digital logistics solutions and platforms. In the KEN RESEARCH Philippines Logistics and Warehousing Market Outlook to 2024, E-commerce

Logistics revenues grew CAGR 27.8% from 2016-2018. Projections reveal 24.8% CAGR from 2019-2021, the total market estimated at PhP 19B in 2021.



The Group had also embarked on a Digital Transformation in 2018: A massive, enterprise-wide digital transformation program with RAMCO Logistics and Interblocks systems. The Group is committed to continuing to invest in state-of-the-art IT systems to maintain its competitive edge and more effectively deliver quality service to its customers. RAMCO Logistics covers the needs of all the business operations from Transportation to warehousing to order management for Parcel/courier service providers, forwarders, 3PL who are seeking high Performance logistics software. RAMCO Logistics solution allows LBC to standardize its process for the logistic segment of the business into one technology and application platform thus eliminating redundancy in operations and achieving absolute data integrity and scope for planning and optimization.

For the money segment of the Group, a partnership with Interblocks, a leading provider and innovator of integrated, electronic payment processing solutions that empower Banks & Financial Service Providers across global markets, is underway. The Group will utilize Interblocks iSuite platform to drive a broad range of solutions in Service Delivery, Payments, Cards, Virtual Banking and Mobile Commerce, Interblocks combines strong financial transaction integrity and tight data security into all of its solutions, delivering a totally integrated, consistent and rich experience across all customer touch points.

In addition, the Group has outfitted each of its couriers with handheld scanners, which will increase efficiency and minimize human error in documenting daily pick-ups and deliveries. In FY 2019, all old handhelds were replaced with latest model together with

SOTI Mobility Management that will help the business eliminate handheld device downtime. The Group has also implemented a put-to-light sorting technology for its non-bulk mail, which will help automate some aspects of the parcel sorting process.

The Group has also upgraded its current network infrastructure to allow for a more secure and reliable environment. It upgraded its connectivity bandwidth and implemented a Software Defined Wide Area Network (SD WAN) to provide added network security and reliability. This has enabled the Group to improve its network availability significantly.

With operational enhancements and innovations, LBC Express Holdings, Inc. fortifies its leadership position, by strengthening and completing its value chain for all markets from B2B, B2C through to C2C, while continuing its vision of a global competitiveness in the years to come.

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*LBC is the Philippines' market leader in retail and corporate courier & cargo, money remittance, and logistics services. With a growing network of over 6,400 branches, hubs & warehouses, partners, and agents in 30 countries, LBC is committed to moving lives, businesses, and communities and delivering smiles around the world. Listed in the Philippine Stock Exchange through LBC Express Holdings, Inc., LBC aims to deliver value to all of its stakeholders, as it has for over 60 years. Founded in 1945 as a brokerage and air cargo agent, LBC pioneered time-sensitive cargo delivery and 24-hour door-to-door delivery in the Philippines. Today, it is the most trusted logistics brand of the Global Filipino.*