



PRESS RELEASE

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RHI Q1 Net Loss at PhP240M

MANILA, PHILIPPINES – Listed sugar and ethanol producer Roxas Holdings, Inc. (RHI; PSEi: ROX) today reported a Net Loss of PhP240 million for the first quarter compared with a Net Loss of PhP36 million after taking into consideration the PhP247 million nonrecurring gain from the sale of an investment, in the same period last year.

RHI has recently re-organized its operations following the completion of the sale of its assets in La Carlota City in September 30, 2020.

Chairman Pedro E. Roxas said that the first quarter of operations for the remaining business units of the Group showed a loss as there were very limited transactions for the period given the seasonal nature of the business.

“We started the distillery operations of our San Carlos Bioenergy, Inc. in October 2020, while milling in Central Azucarera Don Pedro, Inc. began in mid-December 2020, after completing the off-season repairs and maintenance activities of these plants. This is the inherent seasonality in the Group’s operations which coincides with the availability of sugarcanes,” Mr. Roxas said.

RHI President and CEO Celso T. Dimarucut said that the Group remains optimistic that operations of the remaining businesses of the Group will perform better than last year despite the challenges facing the industry, including the higher than usual precipitation expected this year brought about by the La Niña phenomenon. Total ethanol production for the first quarter ended 31 December 2020 of 5.656 million liters was 75% higher than the 3.256 million liters produced during the same period last year.

The Group expects to complete next quarter the arrangements with major creditor banks to term out existing short-term loans, he added.

This press release may contain some statements which constitute “forward-looking statements” that are subject to a number of risks and uncertainties that could affect RHI’s business and results of operations. Although RHI believes that expectations reflected in any forward-looking statements are reasonable, it cannot guarantee future performance, action or events.

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ABOUT RHI

Roxas Holdings, Inc. (RHI) manages sugar miller and refiner Central Azucarera Don Pedro, Inc. (CADPI) in Nasugbu, Batangas; RHI Agri-business Development Corporation (RHI ADC); and ethanol producer San Carlos Bioenergy, Inc. (SCBI) in San Carlos City. RHI is listed on the Philippine Stock Exchange (PSEi: ROX).

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020

(With Comparative Audited Balances as at September 30, 2020)

(Amounts in Thousands)

	December 31, 2020 (Unaudited)	September 30, 2020 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	₱32,206	₱888,597
Trade and other receivables	867,040	1,252,304
Inventories	521,280	442,965
Other current assets	545,449	194,012
	1,965,975	2,777,878
Noncurrent Assets		
Property, plant and equipment:		
At cost	4,850,715	4,912,445
At revalued amount	4,541,024	4,537,678
Investment properties	301,948	301,948
Retirement assets – net	2,958	2,958
Other noncurrent assets	1,487,113	1,494,439
	11,183,758	11,249,468
	₱13,149,733	₱14,027,346
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term borrowings	₱4,048,300	₱5,369,550
Trade and other payables	1,054,345	1,587,787
Income tax payable	5,177	2,408
Lease liabilities - current portion	2,420	8,848
	5,110,242	6,968,593
Noncurrent Liabilities		
Long-term borrowings - net of current portion	1,251,000	1,000
Retirement liabilities -net	372,660	401,205
Deferred tax liabilities - net	783,813	783,813
Other noncurrent liabilities	21,694	22,570
	2,429,167	1,208,588
Total Liabilities	7,539,409	8,177,181

(Forward)

	December 31, 2020 (Unaudited)	September 30, 2020 (Audited)
Equity Attributable to the Equity Holders of the Parent Company		
Capital stock	₱1,565,579	₱1,565,579
Additional paid-in capital	2,842,183	2,842,183
Treasury stock	(52,290)	(52,290)
Other equity items and reserves	3,649,712	3,649,712
Deficit	(2,430,213)	(2,191,115)
	5,574,971	5,814,069
Non-controlling Interests	35,353	36,096
	5,610,324	5,850,165
	₱13,149,733	₱14,027,346

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIODS ENDED
DECEMBER 31, 2020 AND 2019**

(Amounts in Thousands, except Basic and Diluted Earnings per Share Data)

	Three-Month Period October 1 to December 31 (Unaudited) 2019 2020 (As restated)	
CONTINUING OPERATIONS		
REVENUE FROM CONTRACTS WITH CUSTOMERS	P351,973	P1,114,686
COST OF SALES	(341,123)	(1,090,837)
GROSS INCOME	10,850	23,849
OPERATING EXPENSES	(171,872)	(165,441)
INTEREST EXPENSE	(89,191)	(94,434)
OTHER INCOME – Net	10,403	15,463
LOSS BEFORE INCOME TAX	(239,810)	(220,563)
INCOME TAX EXPENSE	(31)	(1,422)
NET LOSS FROM CONTINUING OPERATIONS	(239,841)	(221,985)
NET INCOME FROM DISCONTINUED OPERATIONS	–	186,462
NET LOSS	(P239,841)	(P35,523)
Net loss attributable to:		
Equity holders of the Parent Company	(P239,098)	(P33,887)
Non-controlling interests	(743)	(1,636)
	(P239,841)	(P35,523)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		
Basic	(P0.15)	(P0.02)
Diluted	(0.15)	(0.02)

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED
DECEMBER 31, 2020 AND 2019
(Amounts in Thousands)**

	Three-Month Period October 1 to December 31 (Unaudited) 2019 2020 (As restated)	
NET LOSS	(₱239,841)	(₱35,523)
OTHER COMPREHENSIVE INCOME		
Appraisal increase on land, net of tax	–	10,812
Deferred tax asset on retirement actuarial losses	–	9,057
Share in remeasurement loss on retirement liability of an associate, net of tax	–	(5,335)
TOTAL COMPREHENSIVE LOSS	(₱239,841)	(₱20,989)
Total comprehensive loss attributable to:		
Equity holders of the Parent Company	(₱239,098)	(₱20,072)
Non-controlling interests	(743)	(917)
	(₱239,841)	(₱20,989)

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED
DECEMBER 31, 2020 AND 2019
(Amounts in Thousands)**

	December 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)
CAPITAL STOCK	₱1,565,579	₱1,565,579
ADDITIONAL PAID-IN CAPITAL	2,842,183	2,842,183
TREASURY STOCK	(52,290)	(52,290)
REVALUATION INCREMENT ON LAND UNDER ASSETS HELD FOR SALE	–	2,806,661
OTHER EQUITY RESERVES		
Beginning balance	3,649,712	1,049,889
Reclassification of investment in associate’s other comprehensive income to profit and loss	–	(272,600)
Appraisal increase on land, net of tax	–	10,093
Deferred tax asset on retirement actuarial losses	–	9,057
Share in remeasurement loss on retirement liability of an associate, net of tax	–	(5,335)
	3,649,712	791,104
RETAINED EARNINGS (DEFICIT)		
Beginning balance	(2,191,115)	897,392
Net loss attributable to equity holders of the Parent Company	(239,098)	(33,887)
Reclassification of investment in associate’s other comprehensive income to profit and loss	–	272,600
	(2,430,213)	1,136,105
NON-CONTROLLING INTERESTS		
Beginning balance	36,096	54,921
Loss attributable to non-controlling interests	(743)	(1,636)
Appraisal increase on land, net of tax	–	719
	35,353	54,004
TOTAL EQUITY	₱5,610,324	₱9,143,346

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED
DECEMBER 31, 2020 AND 2019
(Amounts in Thousands)**

	December 31, 2020 (Unaudited)	December 31, 2019 (Unaudited, as restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax from continuing operations	(P239,810)	(P220,563)
Income before income tax from discontinued operations	–	186,496
Adjustments for:		
Interest expense	89,191	164,610
Depreciation and amortization	50,342	180,290
Retirement expense	21,966	15,322
Interest income	(102)	(1,311)
Gain on sale of investment in associate	–	(247,491)
Unrealized fair value gain on investment properties	–	(9,005)
Share in net earnings of associate	–	(2,193)
Operating income (loss) before changes in working capital	(78,413)	66,155
Decrease (increase) in:		
Trade and other receivables	385,264	407,996
Inventories	(78,315)	(42,401)
Other current assets	(351,719)	(251,785)
Increase (decrease) in trade and other payables	(440,257)	99,545
Net cash generated from (used in) operating activities	(563,440)	279,510
Retirement benefits paid	(50,511)	–
Income taxes paid	(20)	(1,455)
Interest received	102	1,308
Net cash flows provided by (used in) operating activities	(613,869)	279,363
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(55,626)	(90,844)
Proceeds from sale of investment in associate	–	859,994
Proceeds from dividends received	–	40,255
Decrease (increase) in other noncurrent assets	889	(23,155)
Net cash flows provided by (used in) investing activities	(54,737)	786,250
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Interest	(111,556)	(170,884)
Principal portion of lease liabilities	(4,979)	–
Long-term borrowings	–	(865,942)
Net payments of short-term borrowings	(71,250)	–
Net cash flows used in financing activities	(187,785)	(1,036,826)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(856,391)	28,787
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	888,597	438,268
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P32,206	P467,055