



PRESS RELEASE

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RHI tempers nine-month losses amidst challenges in the Philippine sugar industry

MANILA, PHILIPPINES – Listed sugar and ethanol producer Roxas Holdings, Inc. (PSEi: ROX) (RHI) today reported a nine-month net loss amounting to PhP727 million from a net loss of PhP876 million, before income from discontinued South Negros operations, in the same period last year.

“While there was an increase in the volume of sugarcanes milled across sugar-producing regions, the industry had to contend with the pernicious effects of a prolonged La Nina phenomenon affecting the country. Heavy rainfall caused delays in harvesting and extended the milling period,” said RHI Chairman Pedro E. Roxas. He added that, “we are also seeing a decline in the yield from sugarcanes, partly because of more water content diluting the sweetness of the canes.”

RHI President and CEO Celso T. Dimarucut stated that despite the continuing challenges of unfavorable weather conditions, RHI has started to embark on strategic actions targeted to address factors causing volatility and higher costs in the industry and the Group. “We have seen marked improvements in our ethanol unit, as a result of strategic and opportunistic shifts and flexibility in feedstock, to address production costs which have increased in recent years. This was made possible as RHI gradually regains its market share in canes from its competitors since it bolstered its cane acquisition master plan. Likewise, other mid- and long-term capacity building plans for our sugar business are underway, to improve the bottomline of the Group. We hope that, with these efforts, we can unlock the Group’s core strengths amid changing conditions, and assure sustainable operations in the coming years,” Mr. Dimarucut said.

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). Further information can be obtained by visiting its website at www.roxasholdings.com.ph.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021
(With Comparative Audited Balances as at September 30, 2020)
(Amounts in Thousands)

	June 30, 2021 (Unaudited)	September 30, 2020 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	₱83,006	₱888,597
Trade and other receivables	883,532	1,252,304
Inventories	1,257,359	442,965
Other current assets	288,404	194,012
	2,512,301	2,777,878
Noncurrent Assets		
Property, plant and equipment:		
At cost	4,741,683	4,912,445
At revalued amount	4,537,678	4,537,678
Investment properties	307,955	301,948
Retirement assets – net	2,958	2,958
Other noncurrent assets	1,496,930	1,494,439
	11,087,204	11,249,468
	₱13,599,505	₱14,027,346
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term borrowings	₱3,728,249	₱5,369,550
Trade and other payables	2,326,317	1,596,635
Income tax payable	3,761	2,408
	6,058,327	6,968,593
Noncurrent Liabilities		
Long-term borrowings - net of current portion	1,251,000	1,000
Retirement liabilities -net	391,677	401,205
Deferred tax liabilities - net	787,510	783,813
Other noncurrent liabilities	10,941	22,570
	2,441,128	1,208,588
Total Liabilities	8,499,455	8,177,181

(Forward)

	June 30, 2021 (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	3,626,455	3,649,712
Deficit	(2,923,031)	(2,191,115)
	5,058,896	5,814,069
Non-controlling Interests	41,154	36,096
	5,100,050	5,850,165
	₱13,599,505	₱14,027,346

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
JUNE 30, 2021 AND 2020
(Amounts in Thousands, except Basic and Diluted Earnings per Share Data)

	Three-Month Period April 1 to June 30 (Unaudited) 2020 2021 (As restated)		Nine-Month Period October 1 to June 30 (Unaudited) 2020 2021 (As restated)	
CONTINUING OPERATIONS				
REVENUE FROM CONTRACTS WITH CUSTOMERS	₱1,904,184	₱1,191,534	₱3,791,716	₱3,156,365
COST OF SALES	(1,859,608)	(1,202,810)	(3,854,468)	(3,291,441)
GROSS INCOME (LOSS)	44,576	(11,276)	(62,752)	(135,076)
OPERATING EXPENSES	(175,321)	(156,970)	(481,177)	(496,349)
INTEREST EXPENSE	(80,406)	(90,358)	(252,611)	(278,683)
OTHER INCOME – Net	70,344	7,340	81,833	37,134
LOSS BEFORE INCOME TAX	(140,807)	(251,264)	(714,707)	(872,974)
INCOME TAX BENEFIT (EXPENSE)				
Current	(8,432)	(1,954)	(8,454)	(4,473)
Deferred	(3,697)	45	(3,697)	1,829
	(12,129)	(1,909)	(12,151)	(2,644)
NET LOSS FROM CONTINUING OPERATIONS	(152,936)	(253,173)	(726,858)	(875,618)
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	–	(173,608)	–	143,724
NET LOSS	(₱152,936)	(₱426,781)	(₱726,858)	(₱731,894)
Net income (loss) attributable to:				
Equity holders of the Parent Company	(₱159,431)	(₱425,580)	(₱731,916)	(₱725,653)
Non-controlling interests	6,495	(1,201)	5,058	(6,241)
	(₱152,936)	(₱426,781)	(₱726,858)	(₱731,894)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY				
Basic	(₱0.10)	(₱0.28)	(₱0.47)	(₱0.47)
Diluted	(0.10)	(0.28)	(0.47)	(0.47)

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
JUNE 30, 2021 AND 2020
(Amounts in Thousands)

	Three-Month Period April 1 to June 30 (Unaudited)		Nine-Month Period October 1 to June 30 (Unaudited)	
	2021	2020 (As restated)	2021	2020 (As restated)
NET LOSS	(₱152,936)	(₱426,781)	(₱726,858)	(₱731,894)
OTHER COMPREHENSIVE INCOME (LOSS)				
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	(₱152,936)	(₱426,781)	(₱726,858)	(₱717,360)
Total comprehensive income (loss) attributable to:				
Equity holders of the Parent Company	(₱159,431)	(₱425,580)	(₱731,916)	(₱711,838)
Non-controlling interests	6,495	(1,201)	5,058	(5,522)
	(₱152,936)	(₱426,781)	(₱726,858)	(₱717,360)

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED**

JUNE 30, 2021 AND 2020

(Amounts in Thousands)

	Three-Month Period April 1 to June 30 (Unaudited)		Nine-Month Period October 1 to June 30 (Unaudited)	
	2021	2020	2021	2020
CAPITAL STOCK	₱1,565,579	₱1,565,579	₱1,565,579	₱1,565,579
ADDITIONAL PAID-IN CAPITAL	2,842,183	2,842,183	2,842,183	2,842,183
TREASURY STOCK	(52,290)	(52,290)	(52,290)	(52,290)
REVALUATION INCREMENT ON LAND UNDER ASSETS HELD FOR SALE	–	2,806,661	–	2,806,661
OTHER EQUITY RESERVES				
Beginning balance	3,626,455	791,104	3,649,712	1,049,889
Remeasurement loss on retirement liabilities	–	–	(23,257)	–
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)
	3,626,455	791,104	3,626,455	791,104
RETAINED EARNINGS (DEFICIT)				
Beginning balance	(2,763,600)	869,919	(2,191,115)	897,392
Reclassification of investment in associate's other comprehensive income to profit and loss	–	–	–	272,600
Net loss attributable to equity holders of the Parent Company	(159,431)	(425,580)	(731,916)	(725,653)
	(2,923,031)	444,339	(2,923,031)	444,339
NON-CONTROLLING INTERESTS				
Beginning balance	34,659	43,723	36,096	54,921
Income (loss) attributable to non-controlling interests	6,495	(1,201)	5,058	(6,241)
Acquisition	–	–	–	(6,877)
Appraisal increase on land, net of tax	–	–	–	719
	41,154	42,522	41,154	42,522
TOTAL EQUITY	₱5,100,050	₱8,440,098	₱5,100,050	₱8,440,098

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED
JUNE 30, 2021 AND 2020
(Amounts in Thousands)

	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited, As restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax from continuing operations	(P714,707)	(P872,974)
Income before income tax from discontinued operations	-	143,804
Adjustments for:		
Depreciation and amortization	445,107	855,112
Interest expense	252,611	484,636
Retirement expense	43,071	46,411
Unrealized fair value gain on investment properties	(6,007)	(9,005)
Loss from disposal of property, plant and equipment	2,228	-
Interest income	(1,005)	(4,263)
Gain on sale of investment in associate	-	(258,311)
Gain on sale of investment property	-	(16,677)
Share in net earnings of associate	-	(2,193)
Operating income before changes in working capital	21,298	366,540
Decrease (increase) in:		
Trade and other receivables	386,516	494,042
Inventories	(814,394)	(556,074)
Other current assets	(112,141)	(85,244)
Increase in trade and other payables	706,334	310,222
Net cash generated from operating activities	187,613	529,486
Retirement benefits paid	(75,856)	-
Income taxes paid	(10,800)	(5,971)
Interest received	1,005	4,263
Net cash flows provided by operating activities	101,962	527,778
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(197,443)	(199,179)
Proceeds from:		
Sale of property, plant and equipment	8,446	-
Sale of investment in associate	-	870,813
Sale of investment property	-	50,000
Dividends received	-	40,255
Increase in other noncurrent assets	(21,904)	(21,291)
Net cash flows provided by (used in) investing activities	(210,901)	740,598
CASH FLOWS FROM FINANCING ACTIVITIES		
Net payments of short-term borrowings	(391,301)	(50,000)
Payments of:		
Interest	(294,274)	(507,001)
Principal portion of lease liabilities	(11,077)	(21,422)
Long-term borrowings	-	(866,833)
Net cash flows used in financing activities	(696,652)	(1,445,256)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(805,591)	(176,880)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	888,597	438,268
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P83,006	P261,388