



PRESS RELEASE

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RHI incurs First-Half Net Loss of PhP574M

MANILA, PHILIPPINES – Listed sugar and ethanol producer Roxas Holdings, Inc. (PSEi: ROX) (RHI) reported that it incurred a net loss of PhP574 million for the six months ended 31 March 2021 compared with a prior period net loss of PhP563 million, before accounting for a gain on sale of investments of PhP258 million.

Chairman Pedro E. Roxas noted that there had been a substantial drop in sugarcane yields despite an increase in tons cane milled, particularly in Batangas, which negated gains and improvements in the Group's operations during the period.

"The adverse effects of a prolonged La Niña were felt on the level of farm productivity which slowed the growth of sugar canes," Mr. Roxas said. "The overall decline in cane quality (sugar content of canes) is a concern for the entire sugar industry, so much so, that the Philippine Sugar Regulatory Administration has intervened and suspended the US Quota for exports in early April," he added.

RHI President and CEO Mr. Celso T. Dimarucut added that the unpredictable weather conditions seriously affected business operations in the past two quarters. "The onslaught of heavy rains caused a delay in the harvesting of canes, and extended the milling cycle," Mr. Dimarucut explained.

Meanwhile, the Group's ethanol plant, San Carlos Bioenergy, Inc. (SCBI), had been registering marked improvement in its production in the last two quarters. This was the result of a strategic shift in the sourcing of the company's primary raw material, with the increase in milling from sugarcane syrup, whilst maintaining flexibility in the use of molasses, as prices soften.

"We are now fully focused on implementing solutions to address the factors causing volatility and higher costs in our industry and our Group. Efforts are currently underway to regain our position in the market," he 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

MARCH 31, 2021

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

(Amounts in Thousands)

	March 31, 2021	September 30, 2020
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	₱55,994	₱888,597
Trade and other receivables	526,213	1,252,304
Inventories	1,349,083	442,965
Other current assets	326,871	194,012
	2,258,161	2,777,878
Noncurrent Assets		
Property, plant and equipment:		
At cost	4,791,694	4,912,445
At revalued amount	4,537,678	4,537,678
Investment properties	301,948	301,948
Retirement assets – net	2,958	2,958
Other noncurrent assets	1,482,133	1,494,439
	11,116,411	11,249,468
	₱13,374,572	₱14,027,346
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term borrowings	₱3,857,234	₱5,369,550
Trade and other payables	1,826,028	1,587,787
Income tax payable	1,348	2,408
	5,684,610	6,959,745
Noncurrent Liabilities		
Long-term borrowings - net of current portion	1,251,000	1,000
Retirement liabilities -net	376,006	401,205
Deferred tax liabilities - net	787,510	783,813
Other noncurrent liabilities	22,460	31,418
	2,436,976	1,217,436
Total Liabilities	8,121,586	8,177,181

(Forward)

	March 31, 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	(2,763,600)	(2,191,115)
	5,218,327	5,814,069
Non-controlling Interests	34,659	36,096
	5,252,986	5,850,165
	₱13,374,572	₱14,027,346

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX-MONTH PERIODS ENDED
MARCH 31, 2021 AND 2020
(Amounts in Thousands, except Basic and Diluted Earnings per Share Data)

	Three-Month Period January 1 to March 31 (Unaudited) 2020 2021 (As restated)		Six-Month Period October 1 to March 31 (Unaudited) 2020 2021 (As restated)	
CONTINUING OPERATIONS				
REVENUE FROM CONTRACTS WITH CUSTOMERS	₱1,535,559	₱2,029,941	₱1,887,532	₱1,964,831
COST OF SALES	(1,653,737)	(2,177,589)	(1,994,860)	(2,088,630)
GROSS LOSS	(118,178)	(147,648)	(107,328)	(123,799)
OPERATING EXPENSES	(133,984)	(173,938)	(305,856)	(339,379)
INTEREST EXPENSE	(83,014)	(93,891)	(172,205)	(188,325)
OTHER INCOME – Net	1,086	14,330	11,489	29,793
LOSS BEFORE INCOME TAX	(334,090)	(401,147)	(573,900)	(621,710)
INCOME TAX BENEFIT (EXPENSE)				
Current	9	(1,097)	(22)	(2,519)
Deferred	–	1,784	–	1,784
	9	687	(22)	(735)
NET LOSS FROM CONTINUING OPERATIONS	(334,081)	(400,460)	(573,922)	(622,445)
NET INCOME FROM DISCONTINUED OPERATIONS	–	130,870	–	317,332
NET LOSS	(₱334,081)	(₱269,590)	(₱573,922)	(₱305,113)
Net loss attributable to:				
Equity holders of the Parent Company	(₱333,387)	(₱266,186)	(₱572,485)	(₱300,073)
Non-controlling interests	(694)	(3,404)	(1,437)	(5,040)
	(₱334,081)	(₱269,590)	(₱573,922)	(₱305,113)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY				
Basic	(₱0.22)	(₱0.17)	(₱0.37)	(₱0.20)
Diluted	(0.22)	(0.17)	(0.37)	(0.20)



ROXAS HOLDINGS, INC. AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED**

MARCH 31, 2021 AND 2020

(Amounts in Thousands)

	Three-Month Period January 1 to March 31 (Unaudited)		Six-Month Period October 1 to March 31 (Unaudited)	
	2021	2020 (As restated)	2021	2020 (As restated)
NET LOSS	(₱334,081)	(₱269,590)	(₱573,922)	(₱305,113)
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	(₱334,081)	(₱269,590)	(₱573,922)	(₱290,579)
Total comprehensive loss attributable to:				
Equity holders of the Parent Company	(₱333,387)	(₱266,186)	(₱572,485)	(₱289,662)
Non-controlling interests	(694)	(3,404)	(1,437)	(917)
	(₱334,081)	(₱269,590)	(₱573,922)	(₱290,579)

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTH AND SIX-MONTH PERIODS ENDED
MARCH 31, 2021 AND 2020
(Amounts in Thousands)

	Three-Month Period January to March 31 (Unaudited)		Six-Month Period October 1 to March 31 (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	3,649,712	791,104	3,649,712	1,049,889
Remeasurement loss on retirement liabilities	(23,257)	–	(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				
Beginning balance	(2,430,213)	1,136,105	(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	(333,387)	(266,186)	(572,485)	(300,073)
	(2,763,600)	869,919	(2,763,600)	869,919
NON-CONTROLLING INTERESTS				
Beginning balance	35,353	54,004	36,096	54,921
Loss attributable to non-controlling interests	(694)	(3,404)	(1,437)	(5,040)
Appraisal increase on land, net of tax	–	–	–	719
	34,659	50,600	34,659	50,600
TOTAL EQUITY	₱5,252,986	₱8,873,756	₱5,252,986	₱8,873,756



ROXAS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED

MARCH 31, 2021 AND 2020

(Amounts in Thousands)

	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited, As restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax from continuing operations	(P573,900)	(P621,710)
Income before income tax from discontinued operations	–	318,793
Adjustments for:		
Depreciation and amortization	268,294	581,063
Interest expense	172,205	327,988
Retirement expense	25,960	31,073
Interest income	(912)	(3,629)
Gain on sale of investment in associate	–	(258,303)
Gain on sale of investment property	–	(16,677)
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	(108,353)	347,400
Decrease (increase) in:		
Trade and other receivables	726,092	(12,428)
Inventories	(906,118)	(806,467)
Other current assets	(132,864)	(177,571)
Increase in trade and other payables	211,631	867,386
Net cash generated from (used in) operating activities	(209,612)	218,320
Retirement benefits paid	(74,416)	–
Income taxes paid	(1,083)	(5,406)
Interest received	912	3,629
Net cash flows provided by (used in) operating activities	(284,199)	216,543
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(80,636)	(146,170)
Proceeds from:		
Sale of investment in associate	–	859,994
Sale of investment property	–	50,000
Dividends received	–	40,255
Increase in other noncurrent assets	(1,136)	(22,214)
Net cash flows provided by (used in) investing activities	(81,772)	781,865
CASH FLOWS FROM FINANCING ACTIVITIES		
Net payments of short-term borrowings	(262,316)	(50,000)
Payments of:		
Interest	(194,569)	(337,600)
Principal portion of lease liabilities	(9,747)	(13,928)
Long-term borrowings	–	(866,833)
Net cash flows used in financing activities	(466,632)	(1,268,361)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(832,603)	(269,953)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	888,597	438,268
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P55,994	P168,315