



## PRESS RELEASE

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### **RHI's 9-month Net Loss Down to PhP434M**

**MANILA, PHILIPPINES** – The Net Loss of integrated sugar and bioethanol producer Roxas Holdings, Inc. (PSEi: ROX) (RHI) for the nine-month period ended on June 30 dropped to PhP434 million from PhP652 million in the same period last year.

Chairman Pedro E. Roxas said the nine-month period was largely marked with the unexpected consequences of unforeseen events. "RHI experienced the twin impacts of the eruption of Taal Volcano in Batangas and the global pandemic resulting from the Corona Virus Disease 2019 (COVID19) but the Group showed its resilience in facing these headwinds," said Mr. Roxas. "While the Group's sugar segment, particularly, Central Azucarera de la Carlota, Inc. registered gains from the increased sales of raw sugar, this is significantly tempered by the losses from the ethanol units," he added.

President and CEO Hubert D. Tubio said that overall, the alcohol segment reeled from high feedstock (molasses) cost resulting in marked decline in gross profit. This was further compounded by lower production volume as a result of the decreased demand for ethanol due to the imposition of lockdowns. He, however, added that despite the heightened challenges brought by the global pandemic, RHI and its subsidiaries managed to lower its operating expenses while actively responding to the demands of the time.

"RHI will continue to bolster its competitiveness and focus on its strength as we chart new territories," Mr. Tubio said, noting that the Philippine sugar output for the crop year beat forecast. "The favorable weather conditions in the current year has bolstered sugar output in the country," he said.

Executive Vice President and Chief Finance Officer Celso T. Dimarucut shared that the Group's efforts in continuously looking for opportunities to reduce its debts are progressing.



“RHI earlier announced that Universal Robina Corporation is interested to acquire our assets in La Carlota City, Negros Occidental. We hope that this transaction for our sugar mill Central Azucarera de la Carlota, Inc. and ethanol facility Roxol Bioenergy Corporation will be completed at the soonest time,” Mr. Dimarucut said.

He added that proceeds from the asset sale would be used to trim RHI’s debt levels.

Meanwhile, recognizing the need to support government efforts to curtail the spread of COVID19, the Group extended assistance to the government and other organizations by donating ethyl alcohol to entities affected by COVID19.

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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) is the largest integrated sugar and ethanol producer in the Philippines, and a first mover in agribusiness in the country. It manages sugar miller and refiner Central Azucarera Don Pedro, Inc. (CADPI) in Nasugbu, Batangas; and the following plants in Negros Occidental: sugar miller Central Azucarera de la Carlota, Inc. (CACI), ethanol producer Roxol Bioenergy Corporation (RBC), and RHI Agri-business Development Corporation (RHI ADC) – all in La Carlota City; 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](http://www.roxasholdings.com.ph).

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2020**  
*(With Comparative Audited Balances as at September 30, 2019)*  
**(Amounts in Thousands)**

	June 30, 2020 (Unaudited)	September 30, 2019 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	P261,388	P438,268
Trade and other receivables	856,047	1,355,546
Inventories	1,761,922	1,205,848
Other current assets	1,337,677	1,285,418
	<b>4,217,034</b>	<b>4,285,080</b>
<b>Assets Held for Sale</b>	<b>6,598,839</b>	<b>7,254,738</b>
	<b>10,815,873</b>	<b>11,539,818</b>
<b>Noncurrent Assets</b>		
Property, plant and equipment:		
At cost	6,870,021	7,199,292
At revalued amount	1,303,050	1,287,002
Investment properties	489,243	513,561
Goodwill	1,079,615	1,079,615
Retirement assets – net	18,610	18,610
Other noncurrent assets	341,870	279,536
	<b>10,102,409</b>	<b>10,377,616</b>
	<b>P20,918,282</b>	<b>P21,917,434</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Short-term borrowings	P6,666,800	P6,716,800
Current portion of long-term borrowings	635,682	847,576
Trade and other payables	1,446,468	1,175,248
Income tax payable	–	1,427
	<b>8,748,950</b>	<b>8,741,051</b>
Liability directly associated with the assets held for sale	616,096	616,096
	<b>9,365,046</b>	<b>9,357,147</b>
<b>Noncurrent Liabilities</b>		
Long-term borrowings - net of current portion	2,070,048	2,722,485
Retirement liabilities -net	453,633	407,259
Deferred tax liabilities - net	258,700	264,908
Other noncurrent liabilities	32,873	1,300
	<b>2,815,254</b>	<b>3,395,952</b>
<b>Total Liabilities</b>	<b>12,180,300</b>	<b>12,753,099</b>

(Forward)

	June 30, 2020 (Unaudited)	September 30, 2019 (Audited)
<b>Equity Attributable to the Equity Holders of the Parent Company</b>		
Capital stock	<b>₱1,565,579</b>	₱1,565,579
Additional paid-in capital	<b>2,842,183</b>	2,842,183
Treasury stock	<b>(52,290)</b>	(52,290)
Revaluation increment on land under assets held for sale	<b>2,806,661</b>	2,806,661
Other equity items and reserves	<b>791,104</b>	1,049,889
Retained earnings	<b>742,223</b>	897,392
	<b>8,695,460</b>	9,109,414
Non-controlling Interests	<b>42,522</b>	54,921
	<b>8,737,982</b>	9,164,335
	<b>₱20,918,282</b>	₱21,917,434

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE-MONTH AND NINE MONTH PERIODS ENDED**  
**JUNE 30, 2020 AND 2019**

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

	Three-Month Period April 1 to June 30 (Unaudited)		Nine-Month Period October 1 to June 30 (Unaudited)	
	2020	2019	2020	2019
<b>REVENUE</b>				
Sale of goods	₱515,825	₱1,410,655	₱3,218,886	₱4,880,341
Sale of services	180,292	415,757	1,298,367	1,052,308
	<b>696,117</b>	1,826,412	<b>4,517,253</b>	5,932,649
<b>COST OF SALES</b>	<b>(764,075)</b>	(1,764,614)	<b>(4,337,810)</b>	(5,765,304)
<b>GROSS INCOME</b>	<b>(67,958)</b>	61,798	<b>179,443</b>	167,345
<b>OPERATING EXPENSES</b>	<b>(156,525)</b>	(174,881)	<b>(532,632)</b>	(569,728)
<b>INTEREST EXPENSE</b>	<b>(118,546)</b>	(133,092)	<b>(367,528)</b>	(348,404)
<b>SHARE IN NET EARNINGS OF AN ASSOCIATE</b>	-	4,282	<b>2,193</b>	41,333
<b>OTHER INCOME – Net</b>	<b>4,555</b>	7,163	<b>316,988</b>	27,250
<b>LOSS BEFORE INCOME TAX</b>	<b>(338,474)</b>	(234,730)	<b>(401,536)</b>	(682,204)
<b>INCOME TAX BENEFIT (EXPENSE)</b>				
Current	1,337	(1,132)	(1,533)	(5,439)
Deferred	-	82,038	1,784	234,907
	<b>1,337</b>	80,906	<b>251</b>	229,468
<b>NET LOSS FROM CONTINUING OPERATIONS</b>	<b>(337,137)</b>	(153,824)	<b>(401,285)</b>	(452,736)
<b>NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS)</b>	<b>(4,441)</b>	(134,306)	<b>(32,725)</b>	(199,515)
<b>NET LOSS</b>	<b>(₱341,578)</b>	(₱288,130)	<b>(₱434,010)</b>	(₱652,251)
Net loss attributable to:				
Equity holders of the Parent Company	(₱340,377)	(₱287,582)	(₱427,769)	(₱650,009)
Non-controlling interests	(1,201)	(548)	(6,241)	(2,242)
	<b>(₱341,578)</b>	(₱288,130)	<b>(₱434,010)</b>	(₱652,251)
<b>LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>				
Basic	(₱0.22)	(₱0.18)	(₱0.28)	(₱0.42)
Diluted	(0.22)	(0.18)	(0.28)	(0.42)

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**

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**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED**  
**JUNE 30, 2020 AND 2019**  
 (Amounts in Thousands)

	Three-Month Period April 1 to June 30 (Unaudited)		Nine-Month Period October 1 to June 30 (Unaudited)	
	2020	2019	2020	2019
<b>NET LOSS</b>	<b>(P341,578)</b>	(P288,130)	<b>(P434,010)</b>	(P652,251)
<b>OTHER COMPREHENSIVE INCOME</b>				
Appraisal increase on land, net of tax	-	-	10,812	-
Deferred tax asset on retirement actuarial losses	-	-	9,057	-
Share in <del>remeasurement</del> loss on retirement liability of an associate, net of tax	-	-	(5,335)	-
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(P341,578)</b>	(P288,130)	<b>(P419,476)</b>	(P652,251)
<b>Total comprehensive loss attributable to:</b>				
Equity holders of the Parent Company	<b>(P340,377)</b>	(P287,582)	<b>(P413,954)</b>	(P650,009)
Non-controlling interests	<b>(1,201)</b>	(548)	<b>(5,522)</b>	(2,242)
	<b>(P341,578)</b>	(P288,130)	<b>(P419,476)</b>	(P652,251)

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTH PERIODS ENDED**  
**JUNE 30, 2020 AND 2019**  
**(Amounts in Thousands)**

	Three-Month Period April to June 30 (Unaudited)		Nine-Month Period October 1 to June 30 (Unaudited)	
	2020	2019	2020	2019
<b>CAPITAL STOCK</b>	<b>₱1,565,579</b>	₱1,565,579	<b>₱1,565,579</b>	₱1,565,579
<b>ADDITIONAL PAID-IN CAPITAL</b>				
Beginning balance	2,842,183	2,841,276	2,842,183	2,840,370
Employee stock option	-	907	-	1,813
	<b>2,842,183</b>	2,842,183	<b>2,842,183</b>	2,842,183
<b>TREASURY STOCK</b>	<b>(52,290)</b>	(52,290)	<b>(52,290)</b>	(52,290)
<b>REVALUATION INCREMENT ON LAND UNDER ASSETS HELD FOR SALE</b>	<b>2,806,661</b>	1,177,585	<b>2,806,661</b>	1,177,585
<b>OTHER EQUITY RESERVES</b>				
Beginning balance	791,104	2,390,419	1,049,889	2,390,419
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)	-
	<b>791,104</b>	2,390,419	<b>791,104</b>	2,390,419
<b>RETAINED EARNINGS</b>				
Beginning balance				
As previously reported	1,082,600	2,419,047	897,392	2,781,402
Prior period adjustment	-	-	-	72
As restated	<b>1,082,600</b>	2,419,047	<b>897,392</b>	2,781,474
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	<b>(340,377)</b>	(287,582)	<b>(427,769)</b>	(650,009)
	<b>742,223</b>	2,131,465	<b>742,223</b>	2,131,465
<b>NON-CONTROLLING INTERESTS</b>				
Beginning balance	43,723	58,159	54,921	59,853
Acquisition	-	-	(6,877)	-
Income (loss) attributable to non-controlling interests	(1,201)	(548)	(6,241)	(2,242)
Appraisal increase on land, net of tax	-	-	719	-
	<b>42,522</b>	57,611	<b>42,522</b>	57,611
<b>TOTAL EQUITY</b>	<b>₱8,737,982</b>	₱10,112,552	<b>₱8,737,982</b>	₱10,112,552

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIODS ENDED**  
**JUNE 30, 2020 AND 2019**  
**(Amounts in Thousands)**

	June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax from continuing operations	(P401,536)	(P682,204)
Loss before income tax from discontinued operations	(29,714)	(285,066)
Adjustments for:		
Depreciation and amortization	558,112	794,397
Interest expense	484,636	526,296
Gain on sale of investment in associate	(258,311)	-
Retirement expense	46,411	48,322
Gain on sale of land	(16,677)	-
Unrealized fair value gain on investment properties	(9,005)	-
Interest income	(4,263)	1,813
Share in net earnings of associate	(2,193)	(41,333)
Employee stock option expense	-	(3,517)
Operating income before changes in working capital	367,460	358,708
Decrease (increase) in:		
Trade and other receivables	494,042	1,478,964
Inventories	(556,074)	139,925
Other current assets	(85,244)	30,229
Increase (decrease) in trade and other payables	309,302	(1,060,068)
Net cash generated from operating activities	529,486	947,758
Income taxes paid	(5,971)	(7,066)
Interest received	4,263	3,517
<b>Net cash flows provided by operating activities</b>	<b>527,778</b>	<b>944,209</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investment in associate	870,813	-
Additions to property, plant and equipment	(199,179)	(154,466)
Proceeds from sale of land	50,000	-
Proceeds from dividends received	40,255	49,420
Increase in other noncurrent assets	(21,291)	(15,385)
<b>Net cash flows provided by (used in) investing activities</b>	<b>740,598</b>	<b>(120,431)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of:		
Long-term borrowings	(866,833)	(932,131)
Interest	(507,001)	(518,066)
Finance lease	(21,422)	-
Net availments (payments) of short-term borrowings	(50,000)	823,291
<b>Net cash flows used in financing activities</b>	<b>(1,445,256)</b>	<b>(626,906)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(176,880)</b>	<b>196,872</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>438,268</b>	<b>295,149</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>P261,388</b>	<b>P492,021</b>