

## PRESS RELEASE

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### RHI's 2020 Net Debt down by 54%

MANILA, PHILIPPINES - Sugar and ethanol producer Roxas Holdings, Inc. (RHI; PSEi: ROX) today reported the results of operations and financial position for the fiscal year ended 30 September 2020.

Net Debt at 30 September 2020 dropped significantly to PhP4.4 billion, from PhP9.8 billion last year, after the completion of the sale of its assets in La Carlota City.

Chairman Pedro E. Roxas said that the proceeds of the sale of its sugar mill and ethanol plant in La Carlota City, Negros Occidental and investment properties, consisting of shares in Najalin Agri-Ventures, Inc. (NAVI) in September 2020 were used to pay-off all the long-term loans of the Group. "The sale of these assets to significantly reduce our debt is part of our efforts to de-risk the business and focus on expanding our sugar refinery operations in Nasugbu, Batangas. This will also allow the Group to help our country minimize importation of refined sugar needed by beverage and food manufacturers," Mr. Roxas added.

The refocusing of the business thrust of the Group, however, resulted to the recognition of non-recurring losses of PhP2.6 billion, mainly from the asset sale and goodwill impairment recognized at the end of the year. The Group reported a net loss of PhP3.8 billion for the fiscal year ended 30 September 2020 from a net loss of PhP1.9 billion for the same period last year.

RHI Officer-in-Charge and EVP/Chief Financial Officer Celso T. Dimarucut noted that before the non-recurring charges, overall growth was significantly tempered by the losses from the ethanol business unit. "The early shutdown of our alcohol plants due to the delays in lifting by oil companies and the steep rise in the cost of feedstock, tempered gains, which resulted in slim margins for the alcohol unit," Mr. Dimarucut said.

"Our sugar operations in Batangas were likewise affected by the eruption of Taal Volcano last January coupled by the decline in available canes in the area, which also hampered production of refined sugar due to a limited supply of bagasse.

"Despite the prevailing uncertainties due to the pandemic, RHI is doing its best to fast track recovery and implement a wide-ranging transformation strategy to rebuild its sugar mill and refinery in Batangas, while boosting its alcohol business in Negros Occidental and strengthening its agri-business with more targeted programs to help farmers increase their yields," said Mr. Dimarucut.

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 one of the largest integrated sugar and ethanol producers 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; 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](http://www.roxasholdings.com.ph).

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Amounts in Thousands)

	<b>September 30</b>	
	<b>2020</b>	2019 (As restated)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	<b>₱888,597</b>	₱438,268
Trade and other receivables	<b>1,252,304</b>	1,355,546
Inventories	<b>442,965</b>	1,205,848
Other current assets	<b>194,012</b>	1,285,418
	<b>2,777,878</b>	4,285,080
<b>Assets Held for Sale</b>	<b>–</b>	7,254,738
	<b>2,777,878</b>	11,539,818
<b>Noncurrent Assets</b>		
Property, plant and equipment:		
At cost	<b>4,912,445</b>	7,199,292
At revalued amount	<b>4,537,678</b>	1,287,002
Investment properties	<b>301,948</b>	513,561
Goodwill	<b>–</b>	1,079,615
Retirement assets - net	<b>2,958</b>	18,610
Other noncurrent assets	<b>1,494,439</b>	279,536
	<b>11,249,468</b>	10,377,616
	<b>₱14,027,346</b>	₱21,917,434
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Short-term borrowings	<b>₱5,369,550</b>	₱6,716,800
Current portion of long-term borrowings	<b>–</b>	847,576
Trade and other payables	<b>1,587,787</b>	1,175,248
Income tax payable	<b>2,408</b>	1,427
Lease liabilities - current portion	<b>8,848</b>	–
	<b>6,968,593</b>	8,741,051
Liability directly associated with the assets held for sale	<b>–</b>	616,096
	<b>6,968,593</b>	9,357,147
<b>Noncurrent Liabilities</b>		
Long-term borrowings - net of current portion	<b>1,000</b>	2,722,485
Retirement liabilities - net	<b>401,205</b>	407,259
Deferred tax liabilities - net	<b>783,813</b>	264,908
Other noncurrent liabilities	<b>22,570</b>	1,300
	<b>1,208,588</b>	3,395,952
<b>Total Liabilities</b>	<b>8,177,181</b>	12,753,099

(Forward)

	<b>September 30</b>	
	<b>2020</b>	2019 (As restated)
<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)
Other equity items and reserves	<b>3,649,712</b>	771,953
Retained earnings (deficit)	<b>(2,191,115)</b>	897,392
Revaluation increment on land under assets held for sale	-	2,806,661
Cumulative share in revaluation increment on land of an associate held for sale	-	285,600
Cumulative share in remeasurement loss on retirement liability of an associate held for sale	-	(7,664)
	<b>5,814,069</b>	9,109,414
<b>Non-controlling Interests</b>	<b>36,096</b>	54,921
	<b>5,850,165</b>	9,164,335
	<b>₱14,027,346</b>	₱21,917,434

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Amounts in Thousands, except Basic and Diluted Earnings per Share)

	Years Ended September 30		
	2020	2019 (As restated)	2018 (As restated)
<b>CONTINUING OPERATIONS</b>			
<b>REVENUE</b>			
Revenue from contracts with customers	₱4,798,579	₱8,147,050	₱–
Sale of goods	–	–	8,638,059
Sale of services	–	–	145,605
	<b>4,798,579</b>	<b>8,147,050</b>	<b>8,783,664</b>
<b>COST OF SALES AND SERVICES</b>	<b>(4,696,756)</b>	<b>(8,018,420)</b>	<b>(8,212,127)</b>
<b>GROSS INCOME</b>	<b>101,823</b>	<b>128,630</b>	<b>571,537</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>(703,055)</b>	<b>(756,078)</b>	<b>(697,116)</b>
<b>SELLING EXPENSES</b>	<b>(35,369)</b>	<b>(51,003)</b>	<b>(77,213)</b>
<b>INTEREST EXPENSE</b>	<b>(395,997)</b>	<b>(445,030)</b>	<b>(397,349)</b>
<b>SHARE IN NET EARNINGS OF AN ASSOCIATE</b>	<b>2,193</b>	<b>41,333</b>	<b>55,834</b>
<b>OTHER INCOME</b>	<b>(1,319,704)</b>	<b>28,513</b>	<b>67,120</b>
<b>LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS</b>	<b>(2,350,109)</b>	<b>(1,053,635)</b>	<b>(477,187)</b>
<b>INCOME TAX BENEFIT (EXPENSE)</b>			
Current	(11,061)	(15,379)	(21,574)
Deferred	4,310	(303,561)	225,151
	<b>(6,751)</b>	<b>(318,940)</b>	<b>203,577</b>
<b>NET LOSS FROM CONTINUING OPERATIONS</b>	<b>(2,356,860)</b>	<b>(1,372,575)</b>	<b>(273,610)</b>
<b>NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX</b>	<b>(1,468,925)</b>	<b>(516,361)</b>	<b>328,278</b>
	<b>(₱3,825,785)</b>	<b>(₱1,888,936)</b>	<b>₱54,668</b>
<b>NET INCOME (LOSS) ATTRIBUTABLE TO:</b>			
Equity holders of the Parent Company	(₱3,813,129)	(₱1,884,113)	₱47,664
Non-controlling interests	(12,656)	(4,823)	7,004
	<b>(₱3,825,785)</b>	<b>(₱1,888,936)</b>	<b>₱54,668</b>
<b>EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>			
Basic	(₱2.46)	(₱1.22)	₱0.03
Diluted	(2.46)	(1.22)	0.03
<b>EARNINGS (LOSS) PER SHARE FOR CONTINUING OPERATIONS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>			
Basic	(₱1.52)	(₱0.33)	₱0.21
Diluted	(1.52)	(0.33)	0.21

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Amounts in Thousands)

	Years Ended September 30		
	2020	2019 (As restated)	2018 (As restated)
<b>NET INCOME (LOSS)</b>	<b>(₱3,825,785)</b>	<b>(₱1,888,936)</b>	<b>₱54,668</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Items not to be reclassified to profit or loss</i>			
Appraisal increase on land (net of tax effect of ₱107.9 million in 2020, ₱18.6 million in 2019 and ₱4.6 million in 2018)	495,091	43,374	10,782
Remeasurement gains (losses) on retirement assets and liabilities [net of tax effect of ₱9.1 million in 2020, ₱38.7 million in 2019 and ₱34.4 million in 2018 ]	(80,449)	(90,374)	80,249
Share in remeasurement gain (loss) on retirement liability of an associate [net of tax effect of ₱2.3 million in 2020, nil in 2019 and ₱0.6 million in 2018]	(5,335)	–	1,501
Reversal of deferred tax assets on remeasurement losses on retirement assets and liabilities	–	(96,589)	–
Effect of change in effective tax rate on revaluation increment of assets held for sale	–	410,731	–
Share in appraisal increase on land of an associate (net of tax effect of ₱9.1 million in 2019 and ₱24.3 million in 2018)	–	21,295	56,813
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>(₱3,416,478)</b>	<b>(₱1,600,499)</b>	<b>₱204,013</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>			
Equity holders of the Parent Company	(₱3,404,530)	(₱1,595,567)	₱196,520
Non-controlling interests	(11,948)	(4,932)	7,493
	<b>(₱3,416,478)</b>	<b>(₱1,600,499)</b>	<b>₱204,013</b>

**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Amounts in Thousands)

	Equity Attributable to the Equity Holders of the Parent Company								
	Capital Stock	Additional Paid-in Capital	Treasury Stock	Other Equity Items and Reserves	Revaluation Increment on Land Under Assets Held for Sale	Retained Earnings	Total	Non-controlling Interests	Total Equity
<b>Balances as at September 30, 2019</b>	<b>₱1,565,579</b>	<b>₱2,842,183</b>	<b>(₱52,290)</b>	<b>₱1,049,889</b>	<b>₱2,806,661</b>	<b>₱897,392</b>	<b>₱9,109,414</b>	<b>₱54,921</b>	<b>₱9,164,335</b>
Net loss:									
Continuing operations	-	-	-	-	-	(2,344,204)	(2,344,204)	(12,656)	(2,356,860)
Discontinued operations	-	-	-	-	-	(1,468,925)	(1,468,925)	-	(1,468,925)
Appraisal increase on land, net of tax	-	-	-	491,275	-	491,275	491,275	719	491,994
Remeasurement loss on retirement assets and liabilities, net of tax	-	-	-	(80,438)	-	-	(80,438)	(11)	(80,449)
Share in remeasurement gain on retirement liability of an associate, net of tax	-	-	-	(5,335)	-	-	(5,335)	-	(5,335)
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>405,502</b>	<b>-</b>	<b>(3,813,129)</b>	<b>(3,407,627)</b>	<b>(18,825)</b>	<b>(3,419,575)</b>
Effect of deconsolidation:									
Derecognition of subsidiary's accumulated earnings	-	-	-	-	-	(133,226)	(133,226)	-	(133,226)
Reversal of subsidiary's treasury shares	-	-	-	-	-	68,569	68,569	-	68,569
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(6,877)	(6,877)
Adjustment on revaluation increment on land under assets held for sale	-	-	-	-	21,161	-	21,161	-	21,161
Reclassification of revaluation increment on land under assets held for sale	-	-	-	(2,827,822)	(2,827,822)	-	-	-	-
Reclassification of subsidiaries' revaluation increment on land properties sold	-	-	-	(490,888)	-	490,888	-	-	-
Reversal of deferred tax liabilities on land properties sold	-	-	-	147,266	-	-	147,266	-	147,266
Reclassification of remeasurement gains on retirement assets and liabilities	-	-	-	(25,790)	-	25,790	-	-	-
Reversal of net deferred tax liabilities on remeasurement gains on retirement assets and liabilities	-	-	-	8,512	-	-	8,512	-	8,512
Reclassification of previously held investment in associate's comprehensive income	-	-	-	(272,601)	-	272,601	-	-	-
<b>Balances as at September 30, 2020</b>	<b>₱1,565,579</b>	<b>₱2,842,183</b>	<b>(₱52,290)</b>	<b>(2,005,932)</b>	<b>₱-</b>	<b>(₱2,191,115)</b>	<b>₱5,814,069</b>	<b>₱36,096</b>	<b>₱5,850,165</b>
<b>Balances as at October 1, 2018, as previously reported</b>	<b>₱1,565,579</b>	<b>₱2,840,370</b>	<b>(₱52,290)</b>	<b>₱1,177,585</b>	<b>₱2,390,419</b>	<b>₱2,781,402</b>	<b>₱10,703,065</b>	<b>₱59,853</b>	<b>₱10,762,918</b>
Opening adjustment on PFRS 15 adoption	-	-	-	-	-	103	103	-	103
<b>Balances as at October 1, 2018, as restated</b>	<b>₱1,565,579</b>	<b>₱2,840,370</b>	<b>(₱52,290)</b>	<b>₱1,177,585</b>	<b>₱2,390,419</b>	<b>₱2,781,505</b>	<b>₱10,703,168</b>	<b>₱59,853</b>	<b>₱10,763,021</b>
Net loss:									
Continuing operations	-	-	-	-	-	(1,367,752)	(1,367,752)	(4,823)	(1,372,575)
Discontinued operations	-	-	-	-	-	(516,361)	(516,361)	-	(516,361)
Appraisal increase on land, net of tax	-	-	-	43,374	-	43,374	43,374	-	43,374
Remeasurement gain on retirement assets and liabilities, net of tax	-	-	-	(90,265)	-	-	(90,265)	(109)	(90,374)
Effect of change in effective tax rate on revaluation increment of assets held for sale	-	-	-	-	410,731	-	410,731	-	410,731
Reversal of remeasurement gains (losses) on retirement assets and liabilities	-	-	-	(96,589)	-	-	(96,589)	-	(96,589)
Share in remeasurement gain on retirement liability of an associate, net of tax	-	-	-	-	-	-	-	-	-
Share in appraisal increase on land of an associate, net of tax	-	-	-	21,295	-	-	21,295	-	21,295
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(122,185)</b>	<b>410,731</b>	<b>(1,884,113)</b>	<b>(1,595,567)</b>	<b>(4,932)</b>	<b>(1,600,499)</b>
Reclassification of revaluation increment on land under assets held for sale	-	-	-	(5,511)	5,511	-	-	-	-
Exercise of employee stock option	-	1,813	-	-	-	-	1,813	-	1,813
<b>Balances as at September 30, 2019</b>	<b>₱1,565,579</b>	<b>₱2,842,183</b>	<b>(₱52,290)</b>	<b>₱1,049,889</b>	<b>₱2,806,661</b>	<b>₱897,392</b>	<b>₱9,109,414</b>	<b>₱54,921</b>	<b>₱9,164,335</b>

Equity Attributable to the Equity Holders of the Parent Company

	Capital Stock	Additional Paid-in Capital	Treasury Stock	Other Equity Items and Reserves	Revaluation Increment on Land Under Assets Held for Sale	Retained Earnings	Total	Non-controlling Interests	Total Equity
<b>Balances as at September 30, 2017</b>	₱1,564,599	₱2,826,554	(₱52,290)	₱3,419,148	₱-	₱2,733,738	₱10,491,749	₱52,360	₱10,544,109
Net income (loss):									
Continuing operations	-	-	-	-	-	(280,614)	(280,614)	7,004	(273,610)
Discontinued operations	-	-	-	-	-	328,278	328,278	-	328,278
Appraisal increase on land, net of tax	-	-	-	10,422	-	-	10,422	360	10,782
Remeasurement gain on retirement assets and liabilities, net of tax	-	-	-	80,120	-	-	80,120	129	80,249
Share in remeasurement gain on retirement liability of an associate, net of tax	-	-	-	1,501	-	-	1,501	-	1,501
Share in appraisal increase on land of an associate, net of tax	-	-	-	56,813	-	-	56,813	-	56,813
<b>Total comprehensive income</b>	-	-	-	148,856	-	47,664	196,520	7,493	204,013
Reclassification of revaluation increment on land under assets held for sale	-	-	-	(2,390,419)	2,390,419	-	-	-	-
Employee stock option	-	12,356	-	-	-	-	12,356	-	12,356
Exercise of employee stock option	980	1,460	-	-	-	-	2,440	-	2,440
<b>Balances as at September 30, 2018</b>	₱1,565,579	₱2,840,370	(₱52,290)	₱1,177,585	₱2,390,419	₱2,781,402	₱10,703,065	₱59,853	₱10,762,918



**ROXAS HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in Thousands)

	Years Ended September 30		
	2020	2019 (As restated)	2018 (As restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax from continuing operations	(P2,350,109)	(P1,053,635)	(P477,187)
Loss before income tax from discontinued operations	(1,453,059)	(359,161)	386,226
Adjustments for:			
Depreciation and amortization	1,260,142	566,516	775,308
Loss from disposal of property, plant and equipment	1,165,773	4,719	38
Loss from impairment of goodwill	1,079,615	–	–
Interest expense	639,640	704,156	502,073
Gain on sale of:			
Investment in associate	(258,311)	–	–
Investment in subsidiary	(64,009)	–	–
Investment property	(16,677)	–	–
Retirement benefits	141,431	55,910	64,777
Unrealized gain on fair value adjustment on investment properties	(13,387)	(21,680)	(27,531)
Share in net earnings of an associate	(2,193)	(41,333)	(55,834)
Interest income	(4,442)	(4,013)	(2,600)
Employee stock option	–	1,813	12,356
Net unrealized foreign exchange gains	–	–	(1)
Operating income (loss) before changes in working capital	124,414	(146,708)	1,177,625
Decrease (increase) in:			
Trade and other receivables	(186,824)	1,684,806	(782,272)
Inventories	762,883	1,440,344	(106,559)
Other current assets	(306,826)	(89,931)	(127,261)
Increase (decrease) in trade and other payables	528,959	(1,084,447)	1,083,076
Net cash generated from operations	922,606	1,804,064	1,244,609
Income taxes paid, including final taxes	(12,079)	(21,435)	(32,550)
Interest received	4,439	4,013	2,600
Retirement benefits paid	–	(530)	(350)
Net cash flows provided by operating activities	914,966	1,786,112	1,214,309
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment including additions to investment properties and assets held for sale	(335,087)	(268,999)	(1,185,332)
Proceeds from disposal of:			
Property, plant and equipment	4,207,532	4,988	7,117
Investment in associate	870,813	–	–
Investment in subsidiary	142,267	–	–
Investment property	50,000	–	–
Dividends received	40,255	49,419	78,226
Increase (decrease) in other noncurrent assets	174,814	6,032	(258,999)
Net cash flows provided by (used in) investing activities	5,150,594	(208,560)	(1,358,988)

**Years Ended September 30**

	2020	2019	2018
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net availments (payments) of short-term borrowings	<b>(P1,347,250)</b>	P505,943	P1,602,498
Payments of:			
Long-term borrowings	<b>(3,569,061)</b>	(1,243,052)	(1,242,222)
Interest	<b>(679,968)</b>	(697,324)	(494,266)
Principal portion of lease liabilities	<b>(18,952)</b>	-	-
Proceeds from exercise of stock option	-	-	2,440
Net cash flows used in financing activities	<b>(5,615,231)</b>	(1,434,433)	(131,550)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>450,329</b>	143,119	(276,229)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	-	-	1
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>438,268</b>	295,149	571,377
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>P888,597</b>	P438,268	P295,149