



PRESS RELEASE

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RHI Posts PhP4 Million Net Income in First Quarter

MANILA, PHILIPPINES – Integrated sugar and bioethanol producer Roxas Holdings, Inc. (PSEi: ROX) (RHI) today reported a net income of PhP4 million for the first quarter from a net loss of PhP197 million for the same period last year, primarily as a result of gains recognized from the sale of certain assets held for investment.

Consolidated revenues for the period, however, amounted to PhP1.3 billion, 32% lower than the PhP1.9 billion revenues for the first quarter in the previous year.

Chairman Pedro E. Roxas said that: “The volume of sales for refined sugar in the first quarter was low versus last year, because of the decrease in refined sugar produced by the Group in the previous crop year. The average sales price of sugar also dropped during the period.”

Mr. Roxas also added that the performance of the mills in the first three months of the current crop year is down. This mirrors the overall performance of the sugar industry based on national sugar production and tons cane milled, compared to the previous crop year.

President and CEO Hubert D. Tubio stated the Group’s alcohol segment also reeled from the high cost of feedstock. “The average molasses cost in the first quarter was 32% higher than the average price in the past year,” Mr. Tubio said. The increase in the feedstock cost dented the segment’s contribution for the period.

Meanwhile, Executive Vice President and Chief Finance Officer Celso T. Dimaricut reported that: “As part of our debt management plan, we used the proceeds from the sale of our investment to significantly reduce the amount of our long-term loans. This is in line with the Group’s thrust to de-risk the business. ”



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.

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019
(With Comparative Audited Balances as at September 30, 2019)
(Amounts in Thousands)

	December 31, 2019 (Unaudited)	September 30, 2019 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	₱467,054	₱438,268
Trade and other receivables	1,025,347	1,355,546
Inventories	1,248,249	1,205,848
Other current assets	1,519,128	1,285,418
	4,259,778	4,285,080
Assets Held for Sale	6,598,839	7,254,738
	10,858,617	11,539,818
Noncurrent Assets		
Property, plant and equipment:		
At cost	7,141,267	7,199,292
At revalued amount	1,302,448	1,287,002
Investment properties	522,566	513,561
Goodwill	1,079,615	1,079,615
Retirement assets – net	18,610	18,610
Other noncurrent assets	293,897	279,536
	10,358,403	10,377,616
	₱21,217,020	₱21,917,434
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term borrowings	₱6,716,800	₱6,716,800
Current portion of long-term borrowings	211,894	847,576
Trade and other payables	1,352,184	1,175,248
Income tax payable	1,427	1,427
	8,282,305	8,741,051
Liability directly associated with the assets held for sale	616,096	616,096
	8,898,401	9,357,147
Noncurrent Liabilities		
Long-term borrowings - net of current portion	2,492,225	2,722,485
Retirement liabilities -net	422,544	407,259
Deferred tax liabilities - net	219,960	264,908
Other noncurrent liabilities	1,300	1,300
	3,136,029	3,395,952
Total Liabilities	12,034,430	12,753,099

(Forward)

	December 31, 2019 (Unaudited)	September 30, 2019 (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)
Revaluation increment on land under assets held for sale	2,806,661	2,806,661
Other equity items and reserves	796,439	1,049,889
Retained earnings	1,170,014	897,392
	9,128,586	9,109,414
Non-controlling Interests	54,004	54,921
	9,182,590	9,164,335
	₱21,217,020	₱21,917,434

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTH PERIODS ENDED
DECEMBER 31, 2019 AND 2018
(Amounts in Thousands, except Basic and Diluted Earnings per Share Data)

	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)
REVENUE		
Sale of goods	₱893,741	₱1,539,399
Sale of services	405,575	411,065
	1,299,316	1,950,464
COST OF SALES	(1,279,300)	(1,934,724)
GROSS INCOME	20,016	15,740
OPERATING EXPENSES	(181,406)	(186,453)
INTEREST EXPENSE	(123,668)	(55,708)
SHARE IN NET EARNINGS OF AN ASSOCIATE	2,193	16,000
OTHER INCOME (EXPENSE) – Net	281,274	(2,894)
LOSS BEFORE INCOME TAX	(1,591)	(213,315)
INCOME TAX BENEFIT		
Current	(1,431)	1,690
Deferred	30,397	102,538
	28,966	104,228
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	27,375	(109,087)
NET LOSS FROM DISCONTINUED OPERATIONS	(23,654)	(88,279)
NET INCOME (LOSS)	₱3,721	(₱197,366)
Net income (loss) attributable to:		
Equity holders of the Parent Company	₱5,357	(₱196,824)
Non-controlling interests	(1,636)	(542)
	₱3,721	(₱197,366)
EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		
Basic	₱0.00	(₱0.13)
Diluted	₱0.00	(₱0.13)

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED
DECEMBER 31, 2019 AND 2018
(Amounts in Thousands)

	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)
NET INCOME (LOSS)	₱3,721	(₱197,366)
OTHER COMPREHENSIVE INCOME		
Appraisal increase on land, net of tax	10,812	–
Remeasurement gain on retirement liability	9,057	–
Share in remeasurement gain on retirement liability of an associate, net of tax	5,335	–
TOTAL COMPREHENSIVE INCOME (LOSS)	₱28,925	(₱197,366)
Total comprehensive income (loss) attributable to:		
Equity holders of the Parent Company	₱29,842	(₱196,824)
Non-controlling interests	(917)	(542)
	₱28,925	(₱197,366)

ROXAS HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIODS ENDED
DECEMBER 31, 2019 AND 2018
(Amounts in Thousands)

	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)
CAPITAL STOCK	₱1,565,579	₱1,565,579
ADDITIONAL PAID-IN CAPITAL	2,842,183	2,840,370
TREASURY STOCK	(52,290)	(52,290)
REVALUATION INCREMENT ON LAND UNDER ASSETS HELD FOR SALE	2,806,661	2,390,419
OTHER EQUITY RESERVES		
Beginning balance	1,049,889	1,177,585
Reclassification of investment in associates' other comprehensive income to profit and loss	(267,265)	-
Appraisal increase on land, net of tax	10,093	-
Remeasurement gain on retirement liability	9,057	-
Share in remeasurement gain on retirement liability of an associate, net of tax	(5,335)	-
	796,439	1,177,585
RETAINED EARNINGS		
Balance at beginning of the period:		
As previously reported	897,392	2,781,402
Prior period adjustments	-	72
As restated	897,392	2,781,474
Reclassification of investment in associates' other comprehensive income to profit and loss	267,265	-
Net income (loss) attributable to equity holders of the Parent Company	5,357	(196,824)
	1,170,014	2,584,650
NON-CONTROLLING INTERESTS		
Beginning balance	54,921	59,853
Net loss attributable to non-controlling interests	(1,636)	(542)
Appraisal increase on land, net of tax	719	-
	54,004	59,311
TOTAL EQUITY	₱9,182,590	₱10,565,624

ROXAS HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED
DECEMBER 31, 2019 AND 2018
(Amounts in Thousands)

	December 31, 2019 (Unaudited)	December 31, 2018 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax from continuing operations	(P1,591)	(P213,315)
Loss before income tax from discontinued operations	(33,756)	(113,256)
Adjustments for:		
Gain on sale of investment in associate	(247,491)	–
Depreciation and amortization	180,290	219,179
Interest expense	164,610	144,781
Retirement expense	15,322	15,727
Unrealized fair value gain on investment properties	(9,005)	–
Share in net earnings of associate	(2,193)	(16,000)
Interest income	(1,311)	(1,055)
Operating income before changes in working capital	64,875	36,061
Decrease (increase) in:		
Trade and other receivables	331,618	(35,074)
Inventories	(42,401)	634,413
Other current assets	(251,784)	(231,902)
Increase in trade and other payables	177,201	(392,826)
Net cash generated from operating activities	279,509	10,672
Income taxes paid	(1,455)	–
Interest received	1,308	1,055
Net cash flows provided by operating activities	279,362	11,727
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investment in associate	859,994	–
Additions to property, plant and equipment	(90,844)	(132,078)
Proceeds from dividends received	40,255	–
Increase in other noncurrent assets	(23,155)	(555)
Net cash flows provided by (used in) investing activities	786,250	(132,633)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Long-term borrowings	(865,942)	(311,437)
Interest	(170,884)	(144,998)
Net availments of short-term borrowings	–	832,654
Net cash flows provided by (used in) financing activities	(1,036,826)	376,219
NET INCREASE IN CASH AND CASH EQUIVALENTS	28,786	255,313
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	438,268	295,149
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P467,054	P550,462