

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

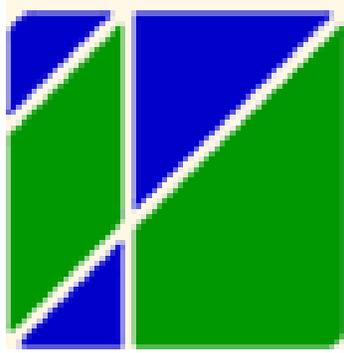
CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Nov 12, 2020
2. SEC Identification Number
184044
3. BIR Tax Identification No.
000-775-860
4. Exact name of issuer as specified in its charter
JG SUMMIT HOLDINGS, INC.
5. Province, country or other jurisdiction of incorporation
Pasig, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
43rd Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City, Metro Manila
Postal Code
1605
8. Issuer's telephone number, including area code
(632) 8633-7631 to 40
9. Former name or former address, if changed since last report
NOT APPLICABLE
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	7,162,841,657
Long-term debt	5,489,470,000

11. Indicate the item numbers reported herein
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The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



JG Summit Holdings, Inc.
JGS

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Press Release

Background/Description of the Disclosure

Please find attached press release entitled "JG Summit's Profitability Returns to Positive Territory in 3Q20"

Other Relevant Information

None

Filed on behalf by:

Name

Michele Abellanosa

Designation

Vice President - Corporate Controller



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JG Summit's Profitability Returns to Positive Territory in 3Q20

As the Philippine economy progressively opens up amidst the lingering threat of the COVID-19 pandemic, strategic pivots employed by the Gokongwei-led JG Summit Holdings, Inc. (JGS) begin to bear fruit with the substantial quarter-on-quarter (QoQ) recovery in the conglomerate's profitability.

Consolidated net income in the 3rd quarter of 2020 (3Q20) registered at Php844 million, a significant turnaround from the reported Php720 million loss in the first six months of 2020. Improving contributions from petrochemicals and real estate coupled with reduced losses from air transport drove the QoQ recovery and brought JGS' net income for the nine months ending September 30, 2020 (9M20) to Php124 million. Higher margins from food and banking also boosted earnings. Excluding the impact of foreign exchange gains and market valuation losses¹, as well as the non-recurring impairment loss recognized by its power affiliate, JGS' core net income after taxes reached Php1.2 billion in 9M20.²

The group's operations remain to be challenged by the COVID-19 disruption. Nonetheless, the resilient topline performance of JGS' food, banking and office business segments continue to temper the year-on-year (YoY) decline in its airline, mall, hotel and petrochemical revenues in 9M20. In 3Q20, this was further alleviated by improving petrochemical utilization rates and sales volumes, the gradual resumption of domestic and international flights, as well as increasing operational gross leasable space in malls. All in all, JGS closed 9M20 with consolidated revenues of Php167.3 billion, 27% lower vs the same period last year (SPLY).

JGS' balance sheet provides financial flexibility to weather the pandemic-related risks and fuel the group's recovery with gearing and net debt-to-equity ratios at 0.76 and 0.56, respectively, as of end-September 2020.

“The business continue to face challenges brought about by COVID but I am encouraged by our results in the third quarter. With the easing of restrictions, economic activity has slowly returned and our different business units showed some quarter on quarter recovery but I also note that these results are far from ideal and still showed steep declines versus a year ago. Weaker consumer sentiment will continue to affect demand for products and services in the near term

¹ Net of foreign exchange losses and market valuation gains

² Only the financial results for the first six months of 2019 and 2020 are included for UIC, a JGS' affiliate, given the change in their SGX reporting rules from quarterly to semi-annual. For the avoidance of doubt, JGS' 3Q19 and 3Q20 numbers do not include UIC.

thus we remain cautiously optimistic. We will however focus on execution to build on and continue the momentum that have started in Q3. The prospects of a vaccine likewise give us hope that this will unlock further acceleration and recovery towards the latter part of 2021,” JG Summit President & CEO, Lance Gokongwei said.

Key performances per business unit are as follows:

Food: Universal Robina Corporation (URC)

Total URC's topline for the 9M20 was flat versus SPLY, which amounted to Php99.8 billion. This was driven by slower recovery of consumer sentiments in the Philippines and Southeast Asia, offsetting the growth on Agro-Industrial and Commodities (AIC). Domestically, the shift towards in-home consumption and higher demand for snacks, biscuits, noodles and powdered coffee compensated for the decline in ready-to-drink tea, candies and the food service channel. In international markets, the strong underlying performance of the Oceania region were tempered by AUD and NZD's forex devaluation, as well as Vietnam and Thailand's challenged results. Meanwhile, the growth in AIC's flour and sugar sales exceeded the negative impact of the downsized farm operations.

Better product mix and cost management, coupled with lower debt and interest expense, led URC to report net income of Php7.5 billion in 9M20, a 7% YoY improvement.

Real Estate and Hotels: Robinsons Land Corporation (RLC)

From exhibiting the effects brought upon by the pandemic in the second quarter, RLC reported a strong QoQ recovery in net income to Php717 million in 3Q20. This was mainly driven by the improved performance of our malls, hotels and residential businesses and sustained expansion from office and warehouse leasing businesses.

Looking at 9M2020, property revenues fell 13% YoY, as the adoption of the new accounting policy on residential revenue recognition plus the double-digit growth in offices and warehouses tempered the significant decline in malls and hotels.

RLC's streamlined operations and cost management softened its EBITDA decline. But the additional depreciation from newly-opened properties as well as interest expense on newly-issued loans pulled 9M net income down to PhP4.4 billion, 31% lower vs SPLY.

Air Transportation: Cebu Air (CEB)

The COVID 19 situation in the Philippines has begun to show signs of improvements with the gradual resumption of domestic and international flights. This is evident in CEB's

upward QoQ trend on the number of flights and passenger volumes which more than doubled and tripled, respectively, in 3Q20 vs the previous quarter's record lows.

However, the limitations on frequency of flights and varying requirements and processes from local government units continue to be a challenge, resulting in 9M20 revenues of Php19.3 billion, a 70% decline YoY. Passenger revenues were down 74% while ancillaries decreased by 69% due to lower passenger volumes. Seat load factor also declined to 79% in 9M20 vs 87% SPLY. Meanwhile, CEB's cargo operations were sustained with higher average yields cushioning the volume decline.

CEB's 3Q20 net loss narrowed to Php5.5 billion from the previous quarter driven by cost savings on operations and fuel consumption on top of the QoQ buildup in passenger volumes. CEB closed 9M20 with a net loss of Php14.7B.

Petrochemicals: JG Petrochemicals Group (Petrochem)

Improving plant utilization rates, rebound in market demand, as well as lower naphtha prices led Petrochem to report positive earnings in 3Q20, a significant improvement from the reported losses in the first two quarters.

3Q20 posted softer YoY revenue decline as the unfavorable petrochemical prices across its segments were offset by higher sales volume due to improving utilization rates. In addition, the local market demand has rebounded especially for essential goods resulting in higher polymer sales for packaging, blow molding, and yarn. Export sales were also strong as more countries open up from lockdowns. Coming from planned facility shutdowns in 1Q and demand challenges in 2Q due to the ECQ, better 3Q sales drove Petrochem's 9M20 revenues to Php14.5 billion, 45% lower vs SPLY.

Meanwhile, profitability turned positive in 3Q20 with EBITDA and Net Income of Php1.6 billion and Php772 million, respectively, on the back of lower naphtha cost used in production. This brought 9M20 numbers to a negative EBITDA of Php251 million and net loss amounting Php1.9 billion.

Banking: Robinsons Bank Corporation (RBank)

9M20 revenues totaled Php6.9 billion, a 14% increase YoY on the back of a 14% loan growth which was mostly led by the faster expansion of consumer loans, and trading gains which amounted to Php896 million.

Despite the higher loan loss provision of Php770 million in 9M20 due to risks related to the pandemic, the YoY topline growth as well the 52-basis point improvement in net interest margins led to a net income of Php786 million, a 68% growth vs SPLY.

Equity Earnings

9M20 equity in net earnings of associated companies and joint ventures decreased by 56% YoY to Php4.6 billion mainly driven by Meralco's lower consolidated energy sales and impairment loss in its Pacific Light Power investment, as well as the absence of last year's one-time gain from United Industrial Corporation Limited's (UIC) Marina Mandarin transaction. Please note that given the change in UIC's SGX reporting rules from quarterly to semi-annual, only its 1H19 and 1H20 results are incorporated in JGS' equity earnings. Meanwhile, JGS received higher dividends from PLDT in 9M20 vs SPLY.

Balance Sheet

The Group's balance sheet remains healthy. Consolidated net-debt-to-equity ratios were at 0.76 and 0.56, respectively. At the parent level, cash amounted to Php35.0 and net debt stood at Php69.8 billion as of end-September 2020.