

# 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)  
Aug 12, 2021
2. SEC Identification Number  
184044
3. BIR Tax Identification No.  
350-000-775-860
4. Exact name of issuer as specified in its charter  
JG SUMMIT HOLDINGS, INC.
5. Province, country or other jurisdiction of incorporation  
METRO MANILA, 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  
N/A
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	7,520,983,658
11. Indicate the item numbers reported herein  
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**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 a press release entitled "JG Summit's total core profit rebounds 19% YoY; surpasses pre-COVID levels excluding airline"

**Other Relevant Information**

N/A

**Filed on behalf by:**

<b>Name</b>	Maria Celia Fernandez-Estavillo
<b>Designation</b>	Senior Vice President, General Counsel and Corporate Secretary



## JG SUMMIT HOLDINGS, INC.

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### **JG Summit's total core profit rebounds 19% YoY; surpasses pre-COVID levels excluding airline**

JG Summit Holdings, Inc. (JGS), one of the largest and most diversified conglomerates in the Philippines, registered core net income of Php1.7 billion for the first half of 2021 (1H21), up 19% vs same period last year (SPLY) as the group bounced back from the first full lockdown in the second quarter of last year. The recovery is also evident in the quarter on quarter (QoQ) surge in core net income from Php295 million in the first quarter (1Q21) to Php1.4 billion in the second quarter of 2021 (2Q21). The strong volumes and higher margins in JG Summit Petrochemicals Group (JGSPG), sustained EBITDA improvement across Robinsons Land Corporation (RLC)'s divisions and net interest margin expansion in Robinsons Bank Corporation (RBank), offset the negative impact of the pandemic to Cebu Air, Inc. (CEB)'s bottomline.

Excluding airline, 1H21 core net income grew 68% year on year (YoY) to Php11.0 billion, which is already 24% higher than 1H19 core profits of Php9 billion. Incorporating foreign exchange losses, net income ex-CEB ended at Php10.3 billion in 1H21. This is 87% higher vs SPLY boosted by the impact of CREATE Law, and the Php262 million gain from the sale of JGS' 30% stake in Global Business Power Corporation (GBPC).

JGS profits also rose faster than the group's consolidated revenues, which increased 9% YoY to Php128.1 billion in 1H21. The topline growth was mainly driven by higher plant utilization rates in JGSPG, Chengdu's contribution and recognition of lot sales in RLC, recovering passenger flights & higher cargo yields in CEB, as well as higher earnings from our core investments in Meralco and PLDT. In addition, our food, banking and office segments remained resilient.

*JG Summit President & CEO Lance Gokongwei said, "Despite the lingering impact of the pandemic, we have successfully kept our food and banking revenues stable while we continue to exhibit strong recovery on businesses that had been more severely affected by the first enhanced community quarantine (ECQ) in 2Q last year namely real estate and petrochemicals. Given the sequential recovery, we are happy to note that most of our subsidiaries' topline have already surpassed their average 2019 pre-COVID levels. Our airline unit, Cebu Air, Inc. remains challenged given ongoing travel and mobility restrictions. This business however is well positioned to remain competitive and together with our new partners IFC and Indigo, have given it enough wherewithal to withstand this tough environment and pivot back to strong recovery post-COVID.*

*We firmly believe that with our diversified portfolio and the agile initiatives we have put in place, the group will be able to navigate the challenges for the balance of the year and*

*onwards. We will continue to focus on addressing the needs of our customers through digitalization as well as through cost-efficient and sustainable operations.*

*We are also grateful for the opportunity to support the government's national vaccination program with CEB providing vaccine transport, RLC Malls serving as vaccination sites, and the Gokongwei Group proactively covering the vaccination of our employees and qualified dependents."*

Key performances per business unit are as follows:

### **Food: Universal Robina Corporation (URC)**

URC's 1H21 revenues increased 2% YoY to Php68.5 billion. The continuous recovery in its international markets and the growth in commodities unit outpaced the expected lower performance in Branded Consumer Foods Philippines (BCF PH) given the high base from pantry stocking last year. Nonetheless, URC continues to perform better than the market and gain local market shares despite weak consumer sentiment. International sales continue to post recovery in the first half (1H) driven by the recovery of Thailand and Vietnam while Agro-Industrial & Commodities (AIC)'s topline improvement was mainly driven by the contributions from La Carlota and Roxol.

URC's 1H21 operating income was flat as the margin pressures from higher input costs and changes in mix were offset by cost savings, pricing initiatives and SG&A improvements. Despite flat EBIT, net income was up 46% due to the gain from sale of idle land and the impact of the CREATE law.

### **Real Estate and Hotels: Robinsons Land Corporation (RLC)**

RLC posted 1H2021 revenues of Php25.6 billion, up 55% YoY boosted by Chengdu's contribution and IID's lot sales in Bridgetowne. The recovery was also evident in Malls, Hotels and Residential revenues this quarter while office and warehouse leasing remained resilient amidst the pandemic.

Mall's footfall, despite the stricter lockdowns in 2Q21, remained largely stable since third quarter of 2020. Hotels saw an increasing demand for quarantine hotels and long-stay accommodations. Lastly, sales take-up of Residential is also showing signs of recovery on the back of strong performance of Sapphire Bloc in Ortigas, Sierra Valley Gardens in Cainta, and AmiSa Private Residences in Cebu.

In terms of profitability, 1H21 Net Income increased by 48% to Php5.4 billion as a result of the sustained EBITDA improvement across its business units, plus the impact of Chengdu, Bridgetowne lot sales and benefits of the CREATE law.

### **Air Transportation: Cebu Air, Inc. (CEB)**

CEB's revenues and bottomline in 1H21 are expectedly weaker vs SPLY given the timing of the first ECQ in 2020. 1H21 revenues declined by 66% to Php5.9 billion on the back of lower number of flights driven by various restrictions on air travel, and lower average fares with a more domestic driven recovery. Meanwhile, 1H21 net loss amounted to Php13.8 billion, larger than LY's Php9.1 billion.

Nonetheless, CEB's second quarter performance showed gradual recovery QoQ and YoY in terms of both topline and profitability. 2Q21 revenues amounted to Php3.2 billion, up 125% YoY driven by higher passenger flights and higher yields from chartered cargo services. CEB also managed to reduce its net loss QoQ and YoY to Php6.5 billion in 2Q21 as its cost management initiatives offset the increase in fuel prices.

### **Petrochemicals: JG Summit Petrochemicals Group (JGSPG)**

JGSPG's revenues grew 2.5 times to Php18.1 billion in 1H21 due to higher selling prices and sales volumes. Utilization rates continue to improve coming from the planned shutdowns in 1Q20. 1H21 cracker and polymer utilization rates averaged 102% and 89%, respectively, vs 49% and 54% SPLY.

Despite higher naphtha cost, stronger volumes and better margins led to an EBITDA of Php2.2 billion in 1H21, a turnaround from the negative Php1.8 billion EBITDA SPLY. Net income likewise turned positive at Php329 million, from a net loss of Php2.7 billion LY.

### **Banking: Robinsons Bank Corporation (RBank)**

RBank's 2Q21 revenues were stable QoQ but slightly fell YoY due to lower trading gains, resulting in a year-to-date (YTD) topline of Php4.6 billion, down 4%.

Coming from a 33% YoY decline in net income in 1Q21 mainly due to significantly higher provisions, RBank's 2Q21 profits improved 45% QoQ and 22% YoY to Php340 million. This was driven by a 16% loan growth, higher NIMs and normalizing loan loss provisions. This brought 1H21 net income to Php573 million.

RBank's NPL ratio improved to 3.7% in 2Q vs 3.8% in 1Q as asset quality remained largely stable despite the acceleration in loan growth. This compares against the industry's 4.01% as of May 2021, which deteriorated from 3.7% in March 2021.

### **Core Investments**

Equity in net earnings of associated companies and joint ventures amounted to Php4.0 billion for 1H21, a 24% increase YoY. The increase is mainly due to the 48% increase in equity in net earnings of Meralco to Php2.8 billion given the stable energy consumption in residential, the demand recovery in its commercial and industrial segments, as well as the absence of last year's impairment charge on its Pacific Light Power investment.

## **Balance Sheet**

The Group's balance sheet remains healthy. Consolidated gearing and net debt-to-equity ratios were at 0.81 and 0.62, respectively. At the parent level, cash amounted to Php28.8 billion while net debt stood at Php70.9 billion as of June 2021.

For any questions, kindly email:  
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Note: net income pertains to net income attributable to equity holders of the parent