

12 May 2021

Securities & Exchange Commission

Secretariat Building, PICC Complex
Roxas Blvd, Metro Manila

Philippine Stock Exchange

Disclosure Department
3/F PSE Plaza, Ayala Triangle Plaza
Makati City, Metro Manila

Philippine Dealing & Exchange Corp.

Philippine Dealing & Exchange Corp.
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Attention: Hon. Vicente Graciano P. Felizmenio, Jr.
Director, Market and Securities Regulation Department
Securities & Exchange Commission

Ms. Janet A. Encarnacion
Head, Disclosure Department
Philippine Stock Exchange

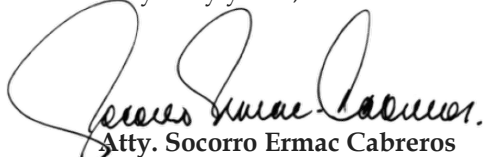
Atty. Marie Rose M. Magallen-Lirio
Head, Issuer Compliance and Disclosure Department (ICDD)
Philippine Dealing & Exchange Corp.

Sir and Mesdames:

We would like to submit the attached Press Release for your reference in relation to the Company's Performance for the First Quarter 2021.

Thank you and warm regards.

Very truly yours,



Atty. Socorro Ermac Cabreros
Corporate Secretary

May 11, 2021

Phoenix grows market share in FY2020, sustains recovery in 1Q2021

- **Market share increased to 7.1% in FY2020, solidifying its position as #3 player in the Philippines**
- **Overall volume up 43% y-o-y driven by the domestic LPG cylinder business, sharp recovery in commercial and other B2B, and sustained strength of its overseas trading business**
- **OPEX is down 16% y-o-y, with OPEX per liter down 42% on prudent operating and capital spending**
- **Net income swings to P121.3 million from P386.3 million loss in 1Q2020**

Phoenix Petroleum remained the third largest player in market share in 2020¹. Amidst the industry contraction, the Company's market share as of end of 2020 rose to 7.1% from 6.9% in the first half on the back of the strong recovery of its core business in retail, LPG, and commercial and B2B.

The Company is off to a brisk start in 2021 with a reported P121.3 million net income in the first quarter versus a P386.3 million loss in the same period last year. Overall volume was 43% higher year-on-year supported by the fast-growing LPG cylinder business and the strong rebound in the commercial and other B2B segments.

Volume from overseas subsidiaries more than doubled during the period. The overseas business, led by the trading subsidiary in Singapore, remained robust in the first quarter. Meanwhile, the LPG operations in Vietnam eased following consecutive triple digit growth in the prior quarters.

In line with the Company's strategic priority of growing its Phoenix Super LPG cylinder business, LPG cylinder volume was up 15% year-on-year nationwide, with Luzon and VisMin growing by 53% and 11%, respectively. Cylinders accounted for almost two-thirds of the business in the first quarter. Meanwhile, sales to the lower margin LPG segments were pulled back, resulting in a 13% decline in overall LPG volume.

Domestic volume reached 93% of pre-COVID levels despite a muted beginning this year with the resurgence of COVID infections and the subsequent community quarantines. This has since further improved based on initial Q2 results.

"Our April results, despite the quarantines, exceeded pre-COVID levels for the first time. While this is very encouraging, we remain cautious and thus committed to our priorities of providing the best offer to our customers, operational excellence, and accelerating growth," said Phoenix Petroleum President Henry Albert R. Fadullon.

¹Based on internal data and information provided by the Department of Energy

The Company continues to deliver on its operational and capital commitment to simplify its operations, free up resources, and improve efficiency. OPEX was 16% lower from the prior year and OPEX per liter was down 42%. The Company's capital light strategy, which was rolled out pre-pandemic, is scaling across its portfolio and driving sustainable results:

- Strategic retail partnerships formed in 2018 has so far grown the network to 676 retail stations as of March 2021;
- Rationalization of the lubricants and FamilyMart supply chain in 2019 eliminated warehousing costs and generated savings;
- Spin off of non-core road transport operations to a partnership in early 2020 has increased tank truck loadings;
- Monetizing the brand through an integrated franchising program launched in late 2020 to offer multiple businesses in one site or outlet, such as the Phoenix Block.

The Company, via its Limitless app, is likewise driving organic growth across its portfolio of fuel and non fuel retail services including LPG, food, and payments.

Meanwhile, finance costs were down 56% during the period on the back of lower average debt levels and average interest rates. The Company is strengthening its balance sheet with longer maturities and declining gearing.

"We are proud to grow our market share even in the most difficult times. We are grateful and inspired by the whole team for their hardwork and dedication, our customers who continue to trust in the brand, and our business and financial partners who supported us in the true spirit of Bayanihan. Our aspirations for growth have not changed and this crisis has only made us leaner, more focused, and stronger as a Company," adds Fadullon.

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About Phoenix Petroleum

Phoenix Petroleum is engaged in the nationwide trading and marketing of refined petroleum products, including LPG and lubricants, operation of oil depots and storage facilities, hauling and into-plane services; convenience store retailing; and trading and supply.

With a vision to be an indispensable partner in the journey of everyone whose life it touches, Phoenix Petroleum is committed to deliver world-class services, empower people, and spire every Filipino's entrepreneurial spirit.

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