

02 August 2021

Securities & Exchange Commission

Secretariat Building, PICC Complex
Roxas Blvd, Metro Manila

Philippine Stock Exchange

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

Ms. Janet Encarnacion
Head - Disclosure Department
Philippine Stock Exchange

Atty. Marie Rose M. Magallen-Lirio
Head - Issuer Compliance and Disclosure Department (ICDD)

Sir and Mesdames:

We would like to submit the attached Press Release entitled "**Phoenix records all-time-high sales volume in 2Q2021**".

Thank you and warm regards.

Very truly yours,



Atty. Socorro Ermac Cabreros
Corporate Secretary

August 02, 2021

Phoenix records all-time-high sales volume in 2Q2021

- **Overall volume at record-high, up by 32% as growth in domestic fuel and LPG business strengthened**
- **EBITDA up 73% q-o-q in 2Q21 on record-high quarterly volume and continued cost and capital discipline**
- **OPEX per liter down 17%**
- **Net income up 9% q-o-q to P132 million in 2Q**
- **Market share increased to 7.8% from 7.1% in 1Q21**

Phoenix Petroleum recorded in the second quarter of 2021 its all-time-high quarterly volume, while maintaining prudence in OPEX and CAPEX management, accelerating the Company's growth with EBITDA up 73% from the prior quarter to P1.07 billion. Revenues rose 38%, while OPEX per liter was down by 17%. Net Income was up 9% to P132 million.

Overall volume grew 32% from the prior quarter as the growth of the domestic business picks up pace. Domestic volume rose 27% q-o-q. Commercial, alongside other B2B segments, strengthened from the prior quarter as select industries such as manufacturing and trading drive the momentum. This was enabled by the Company's excellent execution across the board from supply and marketing to support services. LPG likewise accelerated in 2Q on strong canister volume and as industrial LPG returns to growth. Meanwhile, the overseas business was up 37% q-o-q led by the growth in the Vietnam LPG business.

Recovery in retail has been slowed down by the continued challenges in mobility with the new spikes in COVID cases, the slower-than-expected rollout of the nationwide vaccination program, and the threat of new COVID variants. Station count in 2Q stood at 680.

"Our 2Q performance shows that our domestic growth is accelerating and we are solidifying our market positions as evidenced by the recent market share expansion. Despite challenges, we are able to continue to expand our network via a capex-light model, win new B2B accounts, and keep our costs in line," Phoenix Petroleum President Henry Albert R. Fadullon said.

Phoenix Petroleum grew its market share in the 1Q21 to 7.8% from 7.1% in the 1Q21, based on latest report from the Department of Energy. The same report showed Phoenix LPG expanding its market share from 6.9% to 7.2%.

The Company continues to deliver meaningful balance sheet initiatives with the continued debt reduction and successful refinancing of short term liabilities. These have enhanced liquidity and lengthened the Company's debt maturity profile. In addition, last July 26 the Company settled P3.08 billion in Commercial Papers, which was partly financed by internally generated funds. Cash generation improved through active working capital management and shorter cash cycles.

“We are confident in our path to long-term, sustainable growth, and will continue to implement high-impact activities to further strengthen the Company’s fundamentals. We are encouraged and inspired to see progress over the past quarters with all the work the team has been putting in. With all these operational gains, we will probably see even more opportunities going forward,” Fadullon added.

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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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