

11 August 2022

**Securities & Exchange Commission**

Secretariat Building, PICC Complex  
Roxas Blvd, Metro Manila

**Philippine Stock Exchange**

Disclosure Department  
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BGC, Taguig City, Metro Manila

**Philippine Dealing & Exchange Corp.**

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8751 Paseo de Roxas, Makati City

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

**Ms. Alexandra D. Tom Wong**  
Officer-in-Charge, 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 “PNX returns to profitability in Q2”.

Thank you and warm regards.

Very truly yours,



**Atty. Socorro Ermac Cabreros**  
Corporate Secretary

August 11, 2022

## **PNX returns to profitability in Q2**

Homegrown oil company Phoenix Petroleum Philippines, Inc. returns to profitability with a net income of Php 201 million for the second quarter, its highest since the onset of the pandemic. Gradually recovering from the loss in the first quarter, gains from its overseas businesses and continued OPEX discipline across the Group grew EBITDA by 67% quarter-on-quarter.

“We had a difficult start this year, but we’ve gained some traction, and are seeing favorable results from our strategies. Improved margins and our sustained prudence are paying off, and we are in a better position to cultivate growth as the market further recovers,” said Phoenix Petroleum President Henry Albert Fadullon.

The company is reaping the benefits of its long-standing commitment in streamlining operations and maximizing efficiency across the business as OPEX was lower by 10% quarter-on-quarter. As part of its pre-pandemic OPEX and CAPEX rationalization programs, Phoenix has continued to advance resource management initiatives and operational improvements. The Company is likewise developing a new supply model to navigate through the persistent volatility in the markets and foreign exchange.

Meanwhile, sustained increases in inventory costs and working capital limitations dampened domestic fuels, leading to overall volume dipping by 13% quarter-on-quarter. Rising selling prices in LPG, along with the overall uptick in inflation, have also softened household demand for the product.

Phoenix continues to benefit from its diversified portfolio of offers and markets. The weakness on the domestic front has been made up for by its overseas business, which accounted for about 69% of consolidated volume in the second quarter.

The Company, nonetheless, remains relentless in growing its domestic retail footprint, having added new Phoenix retail stations and FamilyMart stores to its network within the quarter. These include two new stations centrally located in Pasig, and another in Makati. FamilyMart, likewise, continues to expand with new stores in Paranaque and Antipolo, while diversifying its own offers through new product launches including its Tea Creations beverage line.

With its goal to make its outlets one-stop shops for customers, Phoenix recently partnered with eTap Solutions, Inc. to bring additional payment solutions to customers. Under the partnership agreement, eTap will install new self-service machines at 70 FamilyMart stores and Phoenix stations within the year.

*To be indispensable partner in the journey of everyone  
whose life we touch.*



“We are glad to emerge from the second quarter stronger and are more determined to stay on the path to recovery. With the economy opening up, we are focused on improved inventory strategies and continued cost discipline to sustain our upward momentum,” Fadullon said.

### **About Phoenix Petroleum**

Established in 2002 in Davao City, Phoenix is the first independent oil firm that was listed on the Philippine Stock Exchange. From only five stations in Mindanao by 2005, it now has close to 700 retail outlets nationwide, and has expanded to other businesses including terminaling and hauling services, convenience store retailing, asphalt, car repair and maintenance, and digital transactions, with overseas presence in Singapore, Vietnam, and Indonesia.

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