

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. **4 May 2020**
Date of Report (Date of earliest event reported)

2. SEC Identification Number **CS201518815** 3. BIR Tax Identification No. **009-133-917-000**

4. **CEMEX HOLDINGS PHILIPPINES, INC.**
Exact name of issuer as specified in its charter

5. **Metro Manila, Philippines**
Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
Industry Classification Code:

7. **34th Floor Petron Mega Plaza Building, 358 Sen. Gil J. Puyat Avenue, Makati City, 1200 Philippines**
Address of principal office Postal Code

8. **+632 8849-3600**
Issuer's telephone number, including area code

9. **N/A**
Former name or former address, if changed since last report

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 Shares | 13,489,226,623¹ |

¹ Includes 8,293,831,169 common shares which were the subject of the stock rights offering conducted in January 2020 pursuant to a Notice of Confirmation of Exempt Transaction of the SEC which was issued on December 11, 2019, confirming that the stock rights offering is exempt from the registration requirements of the Securities Regulation Code (SRC) under SRC Section 10.1 (e) and (i).

11. Indicate the item numbers reported herein: **Item 9**

CEMEX HOLDINGS PHILIPPINES, INC. ("CHP") released its briefing materials (attached) for the conference call and webcast presentation on 4 May 2020 regarding its 1st Quarter 2020 results. These materials were posted prior to the conference call/webcast on edge.pse.com.ph and CHP's website - www.cemexholdingsphilippines.com.

CHP also issued its Press Release dated 4 May 2020 announcing its financial and operating highlights for the 1st Quarter 2020 (also attached).

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CEMEX HOLDINGS PHILIPPINES, INC.
Issuer

4 May 2020
Date


Jannette Virata Sevilla
Compliance Officer



**HOLDINGS
PHILIPPINES**

1Q 2020 Results

May 4, 2020

This presentation contains forward-looking statements. In some cases, these statements can be identified by the use of forward-looking words such as “may,” “should,” “could,” “anticipate,” “estimate,” “expect,” “plan,” “believe,” “predict,” “potential” and “intend” or other similar words. These forward-looking statements reflect current expectations and projections about future events of CEMEX Holdings Philippines, Inc. (“CHP”) based on CHP’s knowledge of present facts and circumstances and assumptions about future events. These statements necessarily involve, as of the date such statements are made, risks and uncertainties that could cause actual results to differ materially from CHP’s expectations. Some of the risks, uncertainties and other important factors that could cause results to differ, or that otherwise could have an impact on CHP or its subsidiaries, include, but are not limited to, the cyclical activity of the construction sector; CHP’s exposure to other sectors that impact CHP’s business, such as the energy sector; general political, economic, health and business conditions in the markets in which CHP operates; competition in the markets in which we offer our products and services; the regulatory environment, including environmental, tax, antitrust and acquisition-related rules and regulations; CHP’s ability to satisfy its debt obligations and the ability of CEMEX, S.A.B. de C.V. (“CEMEX”), the ultimate parent company of the major shareholder of CHP, to satisfy CEMEX’s obligations under its material debt agreements, the indentures that govern CEMEX’s senior secured notes and CEMEX’s other debt instruments; expected refinancing of CEMEX’s existing indebtedness; the impact of CEMEX’s below investment grade debt rating on CHP’s and CEMEX’s cost of capital; CEMEX’s ability to consummate asset sales and fully integrate newly acquired businesses; achieve cost-savings from CHP’s cost-reduction initiatives and implement CHP’s pricing initiatives for CHP’s products; the increasing reliance on information technology infrastructure for CHP’s invoicing, procurement, financial statements and other processes that can adversely affect operations in the event that the infrastructure does not work as intended, experiences technical difficulties or is subjected to cyber-attacks; changes in the economy that affect demand for consumer goods, consequently affecting demand for our products and services; the impact of pandemics, epidemics or outbreaks of infectious diseases and the response of governments and other third parties, including with respect to COVID-19, which have affected and may continue to adversely affect, among other matters, supply chains, international operations, availability of liquidity, investor confidence and consumer spending, as well as availability of, and demand for, our products and services; weather conditions, including but not limited to, excessive rain and snow, and disasters such as earthquakes and floods; weather conditions; natural disasters and other unforeseen events (including global health hazards such as COVID-19); and the other risks and uncertainties described in CHP’s public filings. Readers are urged to read these presentations and carefully consider the risks, uncertainties and other factors that affect CHP’s business. The information contained in these presentations is subject to change without notice, and CHP is not obligated to publicly update or revise forward-looking statements. Unless the context indicates otherwise, all references to pricing initiatives, price increases or decreases, refer to CHP’s prices for products sold or distributed by CHP or its subsidiaries.

COVID-19 Situation: Our Priorities

- ✓ **Protect the health and safety** of our employees and their families, customers, suppliers, and communities
- ✓ **Support our customers** and leverage CEMEX Go for a digital and low-touch experience
- ✓ **Ensure the long-term business continuity** of CHP

Protect the health and safety of our employees and their families, customers, suppliers, and communities



- ✓ **Activated Rapid Response Teams** to continually monitor the situation and implement preventive measures to reduce risks
- ✓ **Enabled distance work and skeletal-workforce schemes**
- ✓ **Applied strict hygiene protocols** in our operations
- ✓ Modified our manufacturing, sales, and delivery processes to **implement physical distancing**
- ✓ **Intensified Health and Safety measures** involving employees, contractors, and suppliers, such as suspending non-essential visits to our facilities and implementing temperature and visual checks at entry
- ✓ **Conducted internal information campaigns** on recommended practices for health, hygiene, and social interaction
- ✓ **Restricted all work-related travel**
- ✓ **Supported our communities with provisions of necessities** such as rice, canned goods, medical and hygiene supplies

Support our customers and leverage CEMEX Go for a digital and low-touch experience

- ✓ **Continue to work together with customers, contractors and suppliers** to implement measures to maintain business continuity
- ✓ **Ready to restart or ramp-up operations**, complying with all health and safety requirements, when the government allows construction activity to resume
- ✓ Our **commercial teams remain in communication with our clients**
- ✓ Leveraging **CEMEX Go** digital platform to provide a virtual and safe customer journey

Ensure the long-term business continuity of CHP

- ✓ Continuously assessing all relevant **national and local government pronouncements and ordinances**, implementing and applying those applicable.
- ✓ Implemented **flexible working arrangements** in our sites and offices, in compliance with government advisories and regulations.
- ✓ For the next three months, in accordance with applicable laws and regulations:
 - ✓ **Some executives have volunteered to forgo 15% of their monthly salaries.**
 - ✓ **Some employees have voluntarily deferred 10% of their monthly salary**, with the deferred amount to be paid in December 2020.
- ✓ As immediate actions, to mitigate constraints on or impact to our operations resulting from COVID-19, **CHP is reducing** the following:
 - ✓ **Capital expenditures**, unless related to managing the pandemic.
 - ✓ **Budgeted operating expenses**, in line with the evolution of market demand.
 - ✓ **Production and inventory levels**, as part of working capital initiatives.

- ✓ **Construction activity in Luzon halted** for the entire duration of the Enhanced Community Quarantine (ECQ).
- ✓ Beginning March 19, **suspended production and delivery of cement products in Solid Cement Plant**, consistent with the government's implementation of Enhanced Community Quarantine in Luzon¹.
- ✓ **APO Cement Plant** continues to operate, complying with the necessary hygiene and safety measures.
- ✓ Significant **slowdown in construction activity in the Visayas and Mindanao** regions.

¹ CHP's Marine Terminals in Manila and Batangas were also closed due to the ECQ

Domestic Cement Volumes and Prices

| | | 1Q20 vs. 1Q19 | 1Q20 vs. 4Q19 |
|--------------------|-------------|------------------|------------------|
| Domestic Cement | Volume | (4%) | 9% |
| | Price (PHP) | (6%) | (3%) |

Domestic cement volumes decreased by 4% year-over-year during the first quarter.

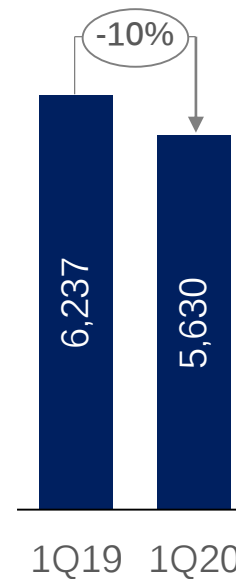
- An 8% increase in volumes during the first two months of the year was offset by the effects of the Enhanced Community Quarantine in Luzon, and other quarantine measures around the country during the second half of March.

Domestic cement prices decreased by 6% year-over-year during the first quarter, reflecting declines during the second half of 2019 due to competitive dynamics.

Net Sales

For the first quarter, **net sales** decreased by 10% year-over-year due to lower volumes and lower prices.

Net Sales¹



¹ Millions of Philippine Pesos

Private Sector

Construction employment decreased year-over-year and sequentially during the first quarter. The Enhanced Community Quarantine (ECQ) in Luzon and persisting COVID-19 transmission restrict labor mobility, which may result in lower employment until the threat of the virus is contained.

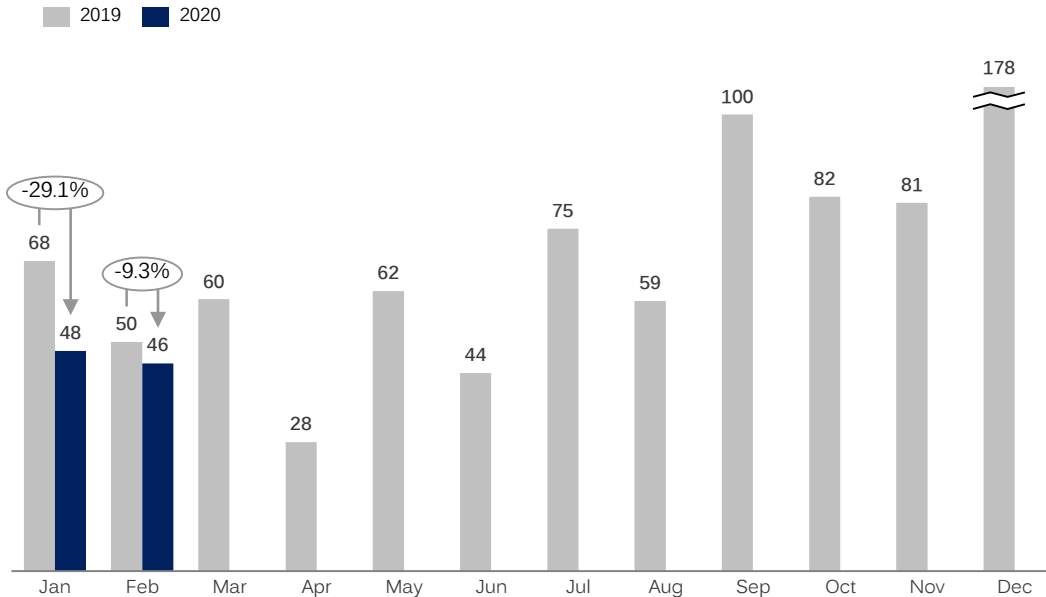
Residential sector activity was lower year-over-year as demand has been negatively affected by the global pandemic. Lower borrowing rates may augment demand recovery but effects of the pandemic on spending behavior may last even after the ECQ is lifted due to the estimated decline in OFW remittances and increase in joblessness.

Non-residential sector also showed lower activity during the quarter due to a challenging business environment and disruptions in operations and mobility. The sector may see some resilience from downward adjustments in borrowing rates by the central bank, and loan facility support extended to small businesses. However, demand in the sector (hospitality, retail, and recreation) may recover slowly even after the ECQ is lifted as social distancing may become the new normal.

Employment in Construction
(M Persons)



Disbursements on Infrastructure and Capital Outlays (in PHP billion)



(%) Refers to year-over-year growth

Infrastructure and Capital Outlay during the first two months of the year reached PHP 93.9 billion, 21% lower year-over-year. This was in part due to a base effect given higher payables for completed projects of the Department of Public Works and Highways (DPWH) during the same period last year.

The Department of Public Works and Highway suspended all construction works in Luzon throughout the Enhanced Community Quarantine (ECQ) period.

The government plans to reallocate from the Build, Build, Build Program around PHP 30 B of the PHP 972.5 billion budgeted for 2020 for COVID-19 mitigation efforts. Infrastructure project implementation and construction works will be crucial in ensuring growth recovery and assisting employment generation after the ECQ period.

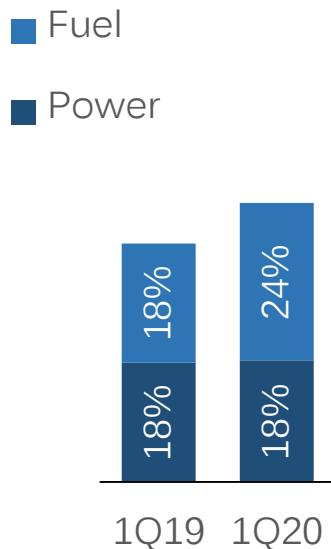
Activity during the remainder of the year will likely be challenged, with the rainy season occurring in the second half of the year. Execution delays may be expected, likely pushing out implementation of some projects to 2021.

Cost of Sales

Cost of Sales
(% of net sales)



Fuel and Power
(% of cost of sales)



1Q20 cost of sales, as a percentage of sales, decreased by 5 pp year-over-year.

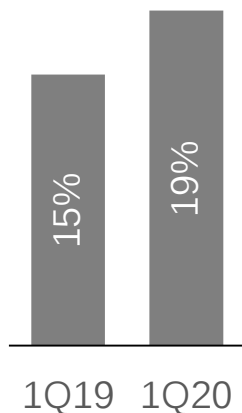
High comparable base as 1Q19 costs were affected by scheduled kiln maintenance of Solid Cement Plant, higher sales from cement imports, and consumption of purchased clinker in cement production, carried over as a result of the Naga landslide.

Fuel costs, as a percentage of cost of sales, were 6 pp higher year-over-year.

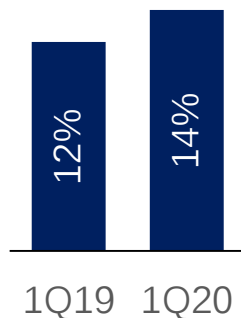
Power costs, as a percentage of cost of sales, remained at 18%. Absolute power costs decreased due to lower electricity prices and a rebate from the wholesale electricity spot market.

Operating Expenses

Distribution
(% of net sales)



Selling and Administrative
(% of net sales)



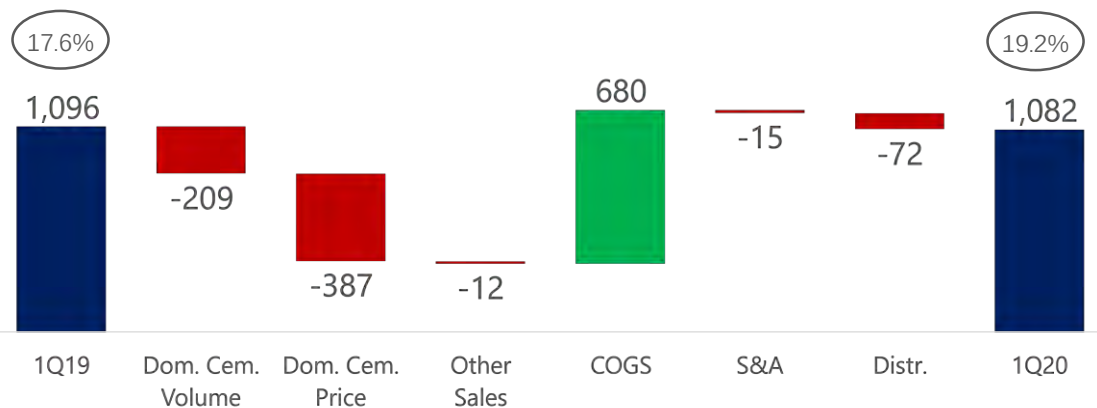
Distribution expenses, as a percentage of sales, increased by 4 pp year-over-year.

1Q19 sales considers higher sales sourced from cement imports, an effect of the Naga landslide incident.

Selling and administrative expenses, as a percentage of sales, increased by 2 pp year-over-year.

Operating EBITDA and Operating EBITDA Margin

Operating EBITDA Variation¹



(%) Refers to operating EBITDA margin

Operating EBITDA for the first quarter decreased by 1% year-over-year.

March 2020 was impacted by the effects of COVID-19 quarantine measures.

Operating EBITDA margin was at 19.2%, 1.7 pp higher compared to the same period in 2019.

High comparable base as 1Q19 costs were affected by scheduled kiln maintenance of Solid Cement Plant, higher sales from cement imports, and consumption of purchased clinker in cement production, carried over as a result of the Naga landslide.

¹ Millions of Philippine Pesos

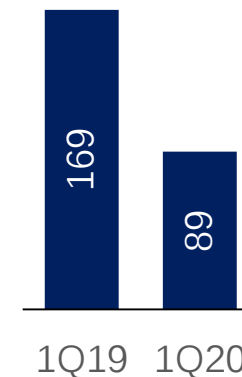
Net Income

Net income for the first quarter was 47% lower compared with the same period in 2019.

Operating earnings were impacted by the effects of COVID-19 quarantine measures.

| (In Millions of Philippine Pesos) | First Quarter | | | January - March | | |
|--|---------------|------------|--------------|-----------------|------------|--------------|
| | 2020 | 2019 | % var | 2020 | 2019 | % var |
| Operating earnings | 533 | 631 | (16%) | 533 | 631 | (16%) |
| Financial expenses, net | (280) | (355) | 21% | (280) | (355) | 21% |
| Foreign exchange gain (loss), net | (66) | (17) | (284%) | (66) | (17) | (284%) |
| Net income (loss) before income taxes | 187 | 259 | (28%) | 187 | 259 | (28%) |
| Income tax benefit (expenses) | (98) | (90) | (9%) | (98) | (90) | (9%) |
| Consolidated net income (loss) | 89 | 169 | (47%) | 89 | 169 | (47%) |

Net Income¹



FREE CASH FLOW & GUIDANCE

1Q 2020



HOLDINGS
PHILIPPINES



Free Cash Flow

| | January - March | | | First Quarter | | |
|---|-----------------|------------|--------------|----------------|------------|--------------|
| | 2020 | 2019 | % var | 2020 | 2019 | % var |
| Operating EBITDA | 1,082 | 1,096 | (1%) | 1,082 | 1,096 | (1%) |
| - Net Financial Expenses | 280 | 355 | | 280 | 355 | |
| - Maintenance Capex | 49 | 90 | | 49 | 90 | |
| - Change in Working Capital | 332 | (283) | | 332 | (283) | |
| - Income Taxes Paid | 122 | 92 | | 122 | 92 | |
| - Other Cash Items (net) | (12) | (6) | | (12) | (6) | |
| Free Cash Flow after Maintenance Capex | 312 | 848 | (63%) | 312 | 848 | (63%) |
| - Strategic Capex | 1,452 | 65 | | 1,452 | 65 | |
| Free Cash Flow | (1,140) | 783 | N/A | (1,140) | 783 | N/A |

Millions of Philippine Pesos

Free cash flow after maintenance

CAPEX for first quarter 2020 was at PHP 312 million.

Strategic CAPEX for the quarter reached almost PHP 1.5 billion due to our Solid Cement Plant Expansion project.

Solid Cement Plant Capacity Expansion



Civil works and all other works **on halt during the Enhanced Community Quarantine (ECQ)** in Luzon.

Expected start of operations of second quarter 2021 to be **re-evaluated post-ECQ based on work-related guidelines set by the government.**

Estimated total investment of US\$235 million



Q&A SESSION

1Q 2020



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PHILIPPINES

APPENDIX

1Q 2020



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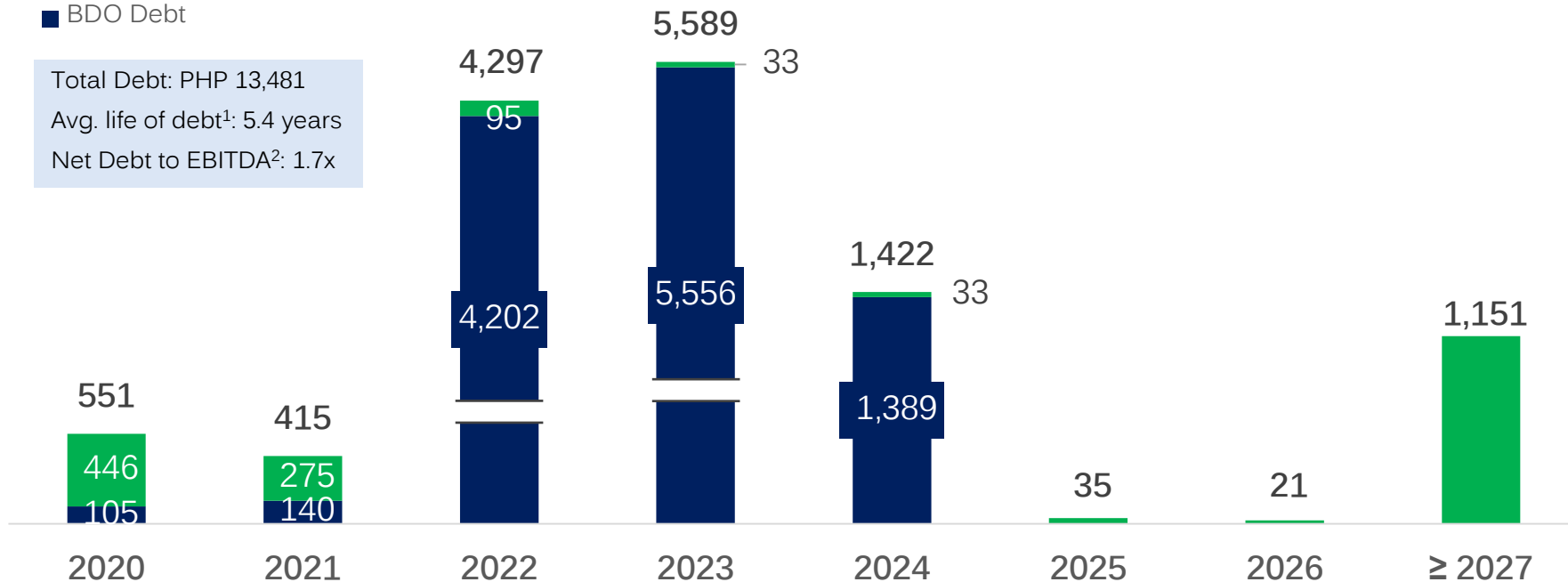
Update regarding the Stock Rights Offering

- ✓ Stock Rights Offering (“SRO”) of 8,293,831,169 common shares with a par value of Php 1.00 per common share (the “Offer Shares”) set at the price of Php 1.54 per share was **successfully completed** with the offer period ending last January 24, 2020.
- ✓ Offer Shares were **listed on March 4, 2020**.
- ✓ **SRO proceeds** were released upon listing.
- ✓ As of the end of March 2020, CHP has already **prepaid the Solid Cement and APO Cement loans with CEMEX Asia B.V.**

Debt Maturity Profile

- Leases
- BDO Debt

Total Debt: PHP 13,481
 Avg. life of debt¹: 5.4 years
 Net Debt to EBITDA²: 1.7x



All amounts in millions of Philippine Pesos

¹ Based on weighted average life of debt

² Last 12 months Consolidated EBITDA

Additional Debt Information

| | First Quarter | | | Fourth Quarter |
|-------------------------------|---------------|--------|-------|----------------|
| | 2020 | 2019 | % var | 2019 |
| Total debt ⁽¹⁾⁽²⁾ | 13,481 | 21,281 | (37%) | 20,063 |
| Short term | 5% | 8% | | 9% |
| Long term | 95% | 92% | | 91% |
| Cash and cash equivalents | 6,334 | 3,885 | 63% | 1,399 |
| Net debt | 7,147 | 17,396 | (59%) | 18,664 |
| Leverage Ratio ⁽³⁾ | 3.20 | | | 3.47 |
| Coverage Ratio ⁽³⁾ | 4.08 | | | 3.73 |

Note:

All amounts in millions of Philippine Pesos, except percentages and ratios

¹ U.S. dollar debt converted using end-of-period exchange rates

² Includes leases, in accordance with Philippine Financial Reporting Standards (PFRS)

³ Based on BDO Loan Facility financial covenants which we are required to comply commencing in June 2020

Definitions

| | |
|---|--|
| PHP | Philippine Pesos |
| Pp | Percentage points |
| Prices | All references to pricing initiatives, price increases or decreases, refer to our prices for our products. |
| Operating EBITDA | Operating earnings before other expenses, net, plus depreciation and operating amortization. |
| Free Cash Flow | Operating EBITDA minus net interest expense, maintenance and strategic capital expenditures, change in working capital, taxes paid, and other cash items (net other expenses less proceeds from the disposal of obsolete and/or substantially depleted operating fixed assets that are no longer in operation), |
| Maintenance Capital Expenditures | Investments incurred for the purpose of ensuring the company's operational continuity. These include capital expenditures on projects required to replace obsolete assets or maintain current operational levels, and mandatory capital expenditures, which are projects required to comply with governmental regulations or company policies, |
| Strategic capital expenditures | investments incurred with the purpose of increasing the company's profitability. These include capital expenditures on projects designed to increase profitability by expanding capacity, and margin improvement capital expenditures, which are projects designed to increase profitability by reducing costs. |
| Change in Working capital in the Free cash flow statements | Only include trade receivables, trade payables, receivables and payables from and to related parties, other current receivables, inventories, other current assets, and other accounts payable and accrued expense. |
| Net Debt | Total debt (debt plus leases) minus cash and cash equivalents. |

Contact Information

Investor Relations

In the **Philippines**

+632 8849 3600

chp.ir@cemex.com

Stock Information

PSE:

CHP



2020

FIRST QUARTER RESULTS

- **Stock Listing Information**
Philippine Stock Exchange
Ticker: CHP
- **Investor Relations**
+ 632 8849 3600
E-Mail:
chp.ir@cemex.com

Operating and Financial Highlights



| | January – March | | | First Quarter | | |
|---|-----------------|--------|-------|---------------|--------|-------|
| | 2020 | 2019 | % var | 2020 | 2019 | % var |
| Net sales | 5,630 | 6,237 | (10%) | 5,630 | 6,237 | (10%) |
| Gross profit | 2,354 | 2,313 | 2% | 2,354 | 2,313 | 2% |
| as % of net sales | 42% | 37% | 5pp | 42% | 37% | 5pp |
| Operating earnings before other income, net | 521 | 625 | (17%) | 521 | 625 | (17%) |
| as % of net sales | 9% | 10% | (1pp) | 9% | 10% | (1pp) |
| Controlling Interest Net Income | 89 | 169 | (47%) | 89 | 169 | (47%) |
| Operating EBITDA | 1,082 | 1,096 | (1%) | 1,082 | 1,096 | (1%) |
| as % of net sales | 19.2% | 17.6% | 1.7pp | 19.2% | 17.6% | 1.7pp |
| Free cash flow after maintenance capital expenditures | 312 | 848 | (63%) | 312 | 848 | (63%) |
| Free cash flow | (1,140) | 783 | N/A | (1,140) | 783 | N/A |
| Net debt ¹ | 7,147 | 17,396 | (59%) | 7,147 | 17,396 | (59%) |
| Total debt ¹ | 13,481 | 21,281 | (37%) | 13,481 | 21,281 | (37%) |
| Earnings per share ² | 0.01 | 0.03 | (67%) | 0.01 | 0.03 | (67%) |

In millions of Philippine Pesos, except percentages and earnings per share

¹ U.S. dollar debt converted using end-of-period exchange rate. See Debt Information on page 4 and Exchange Rates on page 8 for more detail.

² In Philippine Pesos

Net sales in the first quarter of 2020 decreased by 10% compared with the first quarter of 2019 due to lower volumes and lower prices.

Cost of sales was at 58% of sales during the first quarter of 2020 compared with 63% in the same period of 2019, a decrease of 5 pp on a year-over-year basis.

Costs in the same period in 2019 costs were affected by scheduled kiln maintenance of Solid Cement Plant, higher sales from cement imports, and consumption of purchased clinker in cement production, carried over as a result of the Naga landslide.

Fuel costs was at 24% of cost of sales, 6 pp higher on a year-over-year basis. Power costs remained flat at 18% of cost of sales. Absolute power costs decreased due to lower electricity prices and a rebate from the wholesale electricity spot market.

Operating expenses, as a percentage of sales, during the first quarter increased by 5 pp compared with the same period in 2019.

Distribution expenses was at 19% of sales during the first quarter of 2020, an increase of 4 pp year-over-year. Costs in the same period in 2019 considers higher sales sourced from cement imports, an effect of the Naga landslide incident.

Selling and administrative expenses was at 14% of sales during the first quarter of 2020, 2 pp higher year-over-year, due to lower sales

Operating EBITDA in the first quarter decreased by 1% year-over-year as March 2020 was impacted by the effects of COVID-19 quarantine measures.

Operating EBITDA margin in the first quarter of 2020 was at 19.2%, 1.7 pp higher compared to the same period in 2019.

Costs in the same period in 2019 costs were affected by scheduled kiln maintenance of Solid Cement Plant, higher sales from cement imports, and consumption of purchased clinker in cement production, carried over as a result of the Naga landslide.

Controlling interest net income in the first quarter decreased by 47% year-over-year due to lower operating earnings mostly as a result of COVID-19 community quarantine measures beginning mid-March 2020.

Total debt at the end of March 2020 was at PHP 13,481 million, of which PHP 11,392 million pertained to debt owed to BDO Unibank, Inc.

| Domestic Gray Cement | January - March 2020 vs. 2019 | First Quarter 2020 vs. 2019 | First Quarter 2020 vs. Fourth Quarter 2019 |
|----------------------|----------------------------------|--------------------------------|---|
| Volume | (4%) | (4%) | 9% |
| Price in PHP | (6%) | (6%) | (3%) |

Our domestic cement volumes decreased by 4% year-over-year during the first quarter of 2020. An 8% increase in volumes during the first two months of the year was offset by the effects of the Enhanced Community Quarantine in Luzon, and other quarantine measures around the country during the second half of March 2020.

Our domestic cement prices were 6% lower year-over-year during the first quarter of 2020, reflecting declines during the second half of 2019 due to competitive dynamics.

Operating EBITDA and Free Cash Flow

| | January - March | | | First Quarter | | |
|--|-----------------|--------------|--------------|----------------|--------------|--------------|
| | 2020 | 2019 | % var | 2020 | 2019 | % var |
| Operating earnings before other expenses, net | 521 | 625 | (17%) | 521 | 625 | (17%) |
| + Depreciation and operating amortization | 562 | 471 | | 562 | 471 | |
| Operating EBITDA | 1,082 | 1,096 | (1%) | 1,082 | 1,096 | (1%) |
| - Net financial expenses | 280 | 355 | | 280 | 355 | |
| - Maintenance capital expenditures | 49 | 90 | | 49 | 90 | |
| - Change in working capital | 332 | (283) | | 332 | (283) | |
| - Income taxes paid | 122 | 92 | | 122 | 92 | |
| - Other cash items (net) | (12) | (6) | | (12) | (6) | |
| Free cash flow after maintenance capital expenditures | 312 | 848 | (63%) | 312 | 848 | (63%) |
| - Strategic capital expenditures | 1,452 | 65 | | 1,452 | 65 | |
| Free cash flow | (1,140) | 783 | N/A | (1,140) | 783 | N/A |

In millions of Philippine Pesos

Debt Information

| | First Quarter | | | Fourth Quarter | First Quarter | |
|-------------------------------------|---------------|---------------|--------------|----------------|---------------|------|
| | 2020 | 2019 | % var | 2019 | 2020 | 2019 |
| Total debt⁽¹⁾⁽²⁾ | 13,481 | 21,281 | (37%) | 20,063 | | |
| Short term | 5% | 8% | | 9% | | |
| Long term | 95% | 92% | | 91% | | |
| Cash and cash equivalents | 6,334 | 3,885 | 63% | 1,399 | | |
| Net debt | 7,147 | 17,396 | (59%) | 18,664 | | |
| Leverage Ratio⁽³⁾ | 3.20 | | | 3.47 | | |
| Coverage Ratio⁽³⁾ | 4.08 | | | 3.73 | | |
| Currency denomination | | | | | | |
| U.S. dollar | | | | | 4% | 26% |
| Philippine peso | | | | | 96% | 74% |
| Interest rate | | | | | | |
| Fixed | | | | | 56% | 41% |
| Variable | | | | | 44% | 59% |

In millions of Philippine Pesos, except percentages

⁽¹⁾ U.S. dollar debt converted using end-of-period exchange rate. See Exchange Rates on page 8 for more detail.

⁽²⁾ Includes leases, in accordance with Philippine Financial Reporting Standards (PFRS).

⁽³⁾ Based on BDO Loan Facility financial covenants which we are required to comply commencing in June 2020.

Income Statement & Balance Sheet Information

CEMEX Holdings Philippines, Inc.

(Thousands of Philippine Pesos in nominal terms, except per share amounts)

| INCOME STATEMENT | January – March | | | First Quarter | | |
|--|------------------|------------------|--------------|------------------|------------------|--------------|
| | 2020 | 2019 | % var | 2020 | 2019 | % var |
| Net sales | 5,629,916 | 6,237,427 | (10%) | 5,629,916 | 6,237,427 | (10%) |
| Cost of sales | (3,275,817) | (3,924,246) | 17% | (3,275,817) | (3,924,246) | 17% |
| Gross profit | 2,354,099 | 2,313,181 | 2% | 2,354,099 | 2,313,181 | 2% |
| Selling and Administrative expenses | (767,455) | (735,596) | (4%) | (767,455) | (735,596) | (4%) |
| Distribution expenses | (1,065,804) | (952,950) | (12%) | (1,065,804) | (952,950) | (12%) |
| Operating earnings before other expenses, net | 520,840 | 624,635 | (17%) | 520,840 | 624,635 | (17%) |
| Other income (expenses), net | 12,094 | 6,392 | 89% | 12,094 | 6,392 | 89% |
| Operating earnings (loss) | 532,934 | 631,027 | (16%) | 532,934 | 631,027 | (16%) |
| Financial expenses, net | (279,540) | (355,236) | 21% | (279,540) | (355,236) | 21% |
| Foreign exchange gain (loss), net | (66,411) | (17,276) | (284%) | (66,411) | (17,276) | (284%) |
| Net income (loss) before income taxes | 186,983 | 258,515 | (28%) | 186,983 | 258,515 | (28%) |
| Income tax benefit (expenses) | (97,861) | (89,876) | (9%) | (97,861) | (89,876) | (9%) |
| Consolidated net income (loss) | 89,122 | 168,639 | (47%) | 89,122 | 168,639 | (47%) |
| Non-controlling interest net income (loss) | 8 | 7 | 14% | 8 | 7 | 14% |
| Controlling Interest net income (loss) | 89,131 | 168,646 | (47%) | 89,131 | 168,646 | (47%) |
| Operating EBITDA | 1,082,436 | 1,095,935 | (1%) | 1,082,436 | 1,095,935 | (1%) |
| Earnings per share | 0.01 | 0.03 | (67%) | 0.01 | 0.03 | (67%) |

| BALANCE SHEET | as of March 31 | | | as of December 31 | |
|---|-------------------|-------------------|--------------|-------------------|--------------|
| | 2020 | 2019 | % Var | 2019 | % Var |
| Total Assets | 64,327,986 | 59,890,672 | 7% | 58,806,177 | 9% |
| Cash and Temporary Investments | 6,334,330 | 3,885,268 | 63% | 1,399,180 | 353% |
| Derivative Asset | 0 | 17,020 | (100%) | 0 | |
| Trade Accounts Receivables | 1,112,654 | 1,082,287 | 3% | 892,951 | 25% |
| Other Receivables | 53,497 | 90,123 | (41%) | 92,993 | (42%) |
| Insurance Claims and Premium Receivables | 92,662 | 638,466 | (85%) | 445,535 | (79%) |
| Inventories | 2,995,714 | 3,447,227 | (13%) | 3,013,444 | (1%) |
| Assets Held for Sale | 0 | 0 | | 0 | |
| Other Current Assets | 1,515,137 | 1,551,919 | (2%) | 1,672,392 | (9%) |
| Current Assets | 12,103,994 | 10,712,310 | 13% | 7,516,495 | 61% |
| Fixed Assets | 20,947,637 | 17,472,779 | 20% | 19,937,723 | 5% |
| Investments in an Associate and Other Investments | 14,097 | 14,097 | 0% | 14,097 | 0% |
| Other Assets and Noncurrent Accounts Receivables | 882,515 | 974,819 | (9%) | 837,151 | 5% |
| Advances to Contractors | 1,458,603 | 2,069,601 | (30%) | 1,606,397 | (9%) |
| Deferred Income Taxes - net | 1,061,446 | 787,372 | 35% | 1,034,620 | 3% |
| Goodwill | 27,859,694 | 27,859,694 | 0% | 27,859,694 | 0% |
| Other Assets | 31,276,355 | 31,705,583 | (1%) | 31,351,959 | (0%) |
| Total Liabilities | 21,939,210 | 30,985,907 | (29%) | 29,140,690 | (25%) |
| Current Liabilities | 8,383,231 | 10,651,666 | (21%) | 10,136,812 | (17%) |
| Long-Term Liabilities | 11,152,261 | 17,657,643 | (37%) | 16,549,640 | (33%) |
| Deferred Tax Liability | 1,624 | 129,657 | (99%) | 1,587 | 2% |
| Other Liabilities | 2,402,094 | 2,546,941 | (6%) | 2,452,651 | (2%) |
| Consolidated Stockholders' Equity | 42,388,776 | 28,904,765 | 47% | 29,665,487 | 43% |
| Non-controlling Interest | 162 | 186 | (13%) | 170 | (5%) |
| Stockholders' Equity Attributable to Controlling Interest | 42,388,614 | 28,904,579 | 47% | 29,665,317 | 43% |

Income Statement & Balance Sheet Information

CEMEX Holdings Philippines, Inc.

(Thousands of U.S. Dollars, except per share amounts)

| INCOME STATEMENT | January - March | | | First Quarter | | |
|--|-----------------|---------------|--------------|---------------|---------------|--------------|
| | 2020 | 2019 | % var | 2020 | 2019 | % var |
| Net sales | 110,767 | 119,705 | (7%) | 110,767 | 119,705 | (7%) |
| Cost of sales | (64,451) | (75,312) | 14% | (64,451) | (75,312) | 14% |
| Gross profit | 46,316 | 44,393 | 4% | 46,316 | 44,393 | 4% |
| Selling and Administrative expenses | (15,099) | (14,118) | (7%) | (15,099) | (14,118) | (7%) |
| Distribution expenses | (20,969) | (18,288) | (15%) | (20,969) | (18,288) | (15%) |
| Operating earnings before other expenses, net | 10,248 | 11,987 | (15%) | 10,248 | 11,987 | (15%) |
| Other income (expenses), net | 238 | 123 | 93% | 238 | 123 | 93% |
| Operating earnings (loss) | 10,486 | 12,110 | (13%) | 10,486 | 12,110 | (13%) |
| Financial expenses, net | (5,500) | (6,817) | 19% | (5,500) | (6,817) | 19% |
| Foreign exchange gain (loss), net | (1,307) | (332) | (294%) | (1,307) | (332) | (294%) |
| Net income (loss) before income taxes | 3,679 | 4,961 | (26%) | 3,679 | 4,961 | (26%) |
| Income tax benefit (expenses) | (1,925) | (1,725) | (12%) | (1,925) | (1,725) | (12%) |
| Consolidated net income (loss) | 1,754 | 3,236 | (46%) | 1,754 | 3,236 | (46%) |
| Non-controlling interest net income (loss) | 0 | 0 | | 0 | 0 | |
| Controlling Interest net income (loss) | 1,754 | 3,236 | (46%) | 1,754 | 3,236 | (46%) |
| Operating EBITDA | 21,297 | 21,033 | 1% | 21,297 | 21,033 | 1% |

| BALANCE SHEET | as of March 31 | | | as of December 31 | |
|---|------------------|------------------|--------------|-------------------|--------------|
| | 2020 | 2019 | % Var | 2019 | % Var |
| Total Assets | 1,269,296 | 1,140,775 | 11% | 1,161,259 | 9% |
| Cash and Temporary Investments | 124,987 | 74,005 | 69% | 27,630 | 352% |
| Derivative Asset | 0 | 324 | (100%) | 0 | |
| Trade Accounts Receivables | 21,954 | 20,615 | 6% | 17,633 | 25% |
| Other Receivables | 1,056 | 1,717 | (38%) | 1,836 | (42%) |
| Insurance Claims and Premium Receivables | 1,828 | 12,161 | (85%) | 8,798 | (79%) |
| Inventories | 59,110 | 65,661 | (10%) | 59,507 | (1%) |
| Assets Held for Sale | 0 | 0 | | 0 | |
| Other Current Assets | 29,896 | 29,560 | 1% | 33,025 | (9%) |
| Current Assets | 238,831 | 204,043 | 17% | 148,429 | 61% |
| Fixed Assets | 413,331 | 332,815 | 24% | 393,715 | 5% |
| Investments in an Associate and Other Investments | 278 | 269 | 3% | 278 | 0% |
| Other Assets and Noncurrent Accounts Receivables | 17,413 | 18,568 | (6%) | 16,532 | 5% |
| Advances to Contractors | 28,781 | 39,421 | (27%) | 31,722 | (9%) |
| Deferred Income Taxes - net | 20,944 | 14,998 | 40% | 20,431 | 3% |
| Goodwill | 549,718 | 530,661 | 4% | 550,152 | (0%) |
| Other Assets | 617,134 | 603,917 | 2% | 619,115 | (0%) |
| Total Liabilities | 432,896 | 590,208 | (27%) | 575,448 | (25%) |
| Current Liabilities | 165,414 | 202,889 | (18%) | 200,174 | (17%) |
| Long-Term Liabilities | 220,053 | 336,336 | (35%) | 326,810 | (33%) |
| Deferred Tax Liability | 32 | 2,470 | (99%) | 31 | 3% |
| Other Liabilities | 47,397 | 48,513 | (2%) | 48,433 | (2%) |
| Consolidated Stockholders' Equity | 836,400 | 550,567 | 52% | 585,811 | 43% |
| Non-controlling Interest | 3 | 4 | (25%) | 3 | 0% |
| Stockholders' Equity Attributable to Controlling Interest | 836,397 | 550,563 | 52% | 585,808 | 43% |

Newly issued PFRS effective in 2019

PFRS 16, Leases (“PFRS 16”)

In summary, beginning January 1, 2019, PFRS 16 introduces a single lessee accounting model and requires a lessee to recognize, for all leases, allowing exemptions in case of leases with a term of less than 12 months or when the underlying asset is of low value, assets for the right-of-use of the underlying asset against a corresponding financial liability, representing the net present value of estimated lease payments under the contract, with a single income statement model in which a lessee recognizes amortization of the right-of-use asset and interest on the lease liability. After concluding the inventory and measurement of its leases, CEMEX Holdings Philippines, Inc. and Subsidiaries adopted PFRS 16 using the full retrospective approach by means of which it determined an opening cumulative effect in its statement of financial position as of January 1, 2017 as follows:

| (Thousands of Philippine Pesos) | As of January 1, 2017 |
|---------------------------------|------------------------------|
| Assets for the right-of-use | 2,187,292 |
| Deferred income tax assets | 33,509 |
| Deferred income tax liability | (3,053) |
| Lease liabilities | 2,309,165 |
| Retained earnings ¹ | <u>(85,311)</u> |

¹ The initial effect in retained earnings refers to a temporary difference between the straight-line amortization expense of the right-of-use asset and the amortization of the financial liability under the effective interest rate method since origination of the contracts. This difference will reverse over the remaining term of the contracts.

As of March 31, 2020 and 2019, assets for the right-of-use amounted to PHP 1,867 million and PHP 2,039 million, respectively. In addition, financial liabilities related to lease contracts amounted to PHP 2,089 million as of March 31, 2020 and PHP 2,251 million as of March 31, 2019. These amounts of financial liabilities as of March 31, 2020 and 2019 are included in the “Debt Information” section appearing on page 4.

Methodology for translation, consolidation, and presentation of results

CEMEX Holdings Philippines, Inc. (“CHP”) reports its consolidated financial statements under Philippine Financial Reporting Standards (“PFRS”). When reference is made in 2020 and 2019 to consolidated financial statements, it means CHP financial information together with its subsidiaries.

For the purpose of presenting figures in U.S. dollars, the consolidated balance sheet as of March 31, 2020 has been converted at the end of period exchange rate of 50.68 Philippine pesos per US dollar while the consolidated income statement for the three-month period ended March 31, 2020 has been converted at the January to March 2020 average exchange rate of 50.83 Philippine pesos per US dollar.

Definition of terms

PHP refers to Philippine Pesos.

pp equals percentage points.

Prices all references to pricing initiatives, price increases or decreases, refer to our prices for our products.

Operating EBITDA equals operating earnings before other expenses, net, plus depreciation and operating amortization.

Free cash flow equals operating EBITDA minus net interest expense, maintenance and strategic capital expenditures, change in working capital, taxes paid, and other cash items (net other expenses less proceeds from the disposal of obsolete and/or substantially depleted operating fixed assets that are no longer in operation).

Maintenance capital expenditures investments incurred for the purpose of ensuring the company’s operational continuity. These include capital expenditures on projects required to replace obsolete assets or maintain current operational levels, and mandatory capital expenditures, which are projects required to comply with governmental regulations or company policies.

Strategic capital expenditures investments incurred with the purpose of increasing the company’s profitability. These include capital expenditures on projects designed to increase profitability by expanding capacity, and margin improvement capital expenditures, which are projects designed to increase profitability by reducing costs.

Change in Working capital in the Free cash flow statements only include trade receivables, trade payables, receivables and payables from and to related parties, other current receivables, inventories, other current assets, and other accounts payable and accrued expense.

Net debt equals total debt minus cash and cash equivalents.

| Exchange Rates | January - March | | First Quarter | | January - March | |
|---|-----------------|--------------|---------------|--------------|--------------------|--------------------|
| | 2020 average | 2019 average | 2020 average | 2019 average | 2020 End of period | 2019 End of period |
| Philippine peso | 50.83 | 52.11 | 50.83 | 52.11 | 50.68 | 52.50 |
| Amounts provided in units of local currency per US dollar | | | | | | |

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CHP REPORTS FIRST QUARTER 2020 RESULTS

- Operating EBITDA was at PHP 1.08 billion with an EBITDA margin of 19.2%

MANILA, PHILIPPINES. MAY 4, 2020 – CEMEX HOLDINGS PHILIPPINES, INC. ("CHP") (PSE: CHP), announced today that net sales decreased by 10% during the first quarter of 2020, versus the comparable period in 2019, amounting to PHP 5.6 billion. Domestic cement volumes decreased by 4% during the quarter versus the same period in 2019. An 8% increase in volumes during the first two months of the year was offset by the effects of the Enhanced Community Quarantine in Luzon and other quarantine measures around the country during the second half of March 2020. CHP's domestic cement prices decreased by 6% during the quarter compared with the same period in the previous year, reflecting price declines during the second half of 2019.

Operating EBITDA in the first quarter was at PHP 1.08 billion, a decrease of 1% versus the same period in 2019.

Operating EBITDA margin increased to 19.2% during the quarter, up by 1.7 percentage points on a year-over-year basis. The comparable cost base in the first quarter of 2019 was affected by the scheduled kiln maintenance of Solid Cement Plant, higher sales from cement imports, and consumption of purchased clinker in cement production, as a result of the Naga landslide.

Net income was at PHP 89 million in the first quarter of 2020 versus PHP 168.6 million in the first quarter of 2019 mainly due to lower operating earnings mostly as a result of COVID-19 community quarantine measures.

Ignacio Mijares, CHP President and CEO, said: "These are extraordinary times we live in. Around the world, governments, industries, and people are taking measures to deal with the effects of the COVID-19 pandemic, and CEMEX Holdings Philippines is not an exception. Our focus during these challenging times is on three priorities: first, to protect the health and safety of our employees and their families, customers, suppliers, and communities; second, to support our customers as much as possible in a responsible way; and third, to ensure the long-term business continuity of CHP."

Following the successful completion of the company's Stock Rights Offering ("SRO"), 8,293,831,169 common shares of CHP with a par value of Php 1.00 per common share were listed on March 4, 2020.

As of March 31, 2020, CHP's total debt was at PHP 13,481 million, a decrease of around PHP 6.6 billion from December 31, 2019. A portion of the proceeds raised from the SRO was used to pay respective debts owed by Solid Cement Corporation and APO Cement Corporation to CEMEX ASIA, B.V.

CHP, a listed company at the Philippine Stock Exchange, is one of the leading cement producers in the Philippines, based on annual installed capacity. CHP produces and markets cement and cement products, such as ready-mix concrete and clinker, in the Philippines through direct sales using its extensive marine and land distribution network. Moreover, CHP's cement manufacturing subsidiaries have been operating in the Philippines with well-established brands, such as "APO," "Island," and "Rizal," all having a multi-decade history in the country.

CHP is an indirect subsidiary of CEMEX, S.A.B. de C.V., one of the largest cement companies in the world based on annual installed cement production capacity. The shares of CEMEX, S.A.B. de C.V. are listed on the Mexican Stock Exchange and the New York Stock Exchange.

For more information on CHP, please visit website: www.cemexholdingsphilippines.com.

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This press release may contain forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of CHP to be materially different from those expressed or implied in this release, including, among others, changes in general economic, political, governmental and business conditions globally and in the countries in which CHP does business, changes in interest rates, changes in inflation rates, changes in exchange rates, the level of construction generally, changes in cement demand and prices, changes in raw material and energy prices, changes in business strategy, changes derived from events affecting CEMEX, S.A.B de C.V. and subsidiaries ("CEMEX") and various other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. CHP assumes no obligation to update or correct the information contained in this press release.