

11. Indicate the item numbers reported herein: Item 9

CEMEX HOLDINGS PHILIPPINES, INC. (“CHP”) submits amended investors’ briefing materials regarding “4th Quarter 2020” results that were released last 15 February 2021. The figures corresponding to the following concepts have been revised/updated:

- Derivative Asset and Due from Related Parties - items corresponding to these concepts were re-categorized to enhance the information disclosure.
- The following concepts were modified to reflect a pension contribution adjustment:
 - Balance Sheet: deferred income tax assets-net, trade payables, retirement benefits liability and other equity reserves
 - Working capital improved to Php 0.09 Billion
 - Free cash flow after maintenance capex and total free cash flow increased to Php 2.9 Billion and Php 0.03 Billion, respectively.

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

22 April 2021
Date


Jannette Virata Sevilla
Compliance Officer



**HOLDINGS
PHILIPPINES**

4Q 2020 Results

February 15, 2021

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.

Fourth Quarter and Full Year 2020 Updates



- ✓ **Several typhoons** adversely affected the Philippines in 4Q20, impacting economic activity.
- ✓ **Successfully executed major kiln maintenance works in Solid Cement Plant** in November 2020, after 21 months of operating without a major kiln shutdown.
- ✓ Solid Cement and APO Cement certified for **ISO 50001:2018 Energy Management System** in 2020.
- ✓ **Took initiative to evolve our supply chain**, encouraging and allowing for more pick-up transactions. Effects reflected mainly in our composite price and distribution expenses starting 4Q20, with most of our sales now being priced for pick-up.
- ✓ **Implemented cost control measures** by reducing discretionary expenses.
- ✓ In October 2020, we virtually inaugurated our **new in-house Service Center**, enhancing our capacity to serve customers across multiple communication channels.
- ✓ **CEMEX Go** allows our customers to purchase products, track deliveries, and manage orders in real-time, all while limiting physical touchpoints.
- ✓ **Kaagapay Mo Ang CEMEX** Health & Safety Live Webinar series with our clients.
- ✓ Through the **CEMEX Philippines Foundation**, we aided our communities affected by the typhoons.

- ✓ **The Philippine government has shifted their approach in responding to the COVID-19 pandemic**, opting to focus on risk management, strict implementation of health and safety protocols, and more testing, while utilizing lockdowns on a localized basis.
- ✓ **Approved national budget for infrastructure** in 2021 is 12% more than the enacted budget in 2020.
- ✓ National weather bureau, PAGASA, announced that the **La Niña phenomenon** is still expected to bring above-normal rainfall conditions to the Philippines until March 2021.
- ✓ The country will continue to **struggle between managing the pandemic and recovering** from the effects of impeded domestic activity, lower demand, and reduced incomes.
- ✓ We are providing an expected **+4% to +6% volume growth guidance for our company**, in anticipation of a less restricted economy and inertia from both the public and private sectors to ramp up construction activity.
- ✓ Solid Cement Plant expansion project reached a milestone with the **lifting of the new kiln into position last January 2021**.
- ✓ Continue to uphold **Health and Safety as our top priority**.

Domestic Cement Volumes and Prices

		2020 vs. 2019	4Q20 vs. 4Q19	4Q20 vs. 3Q20
Domestic Cement	Volume	(11%)	(9%)	(13%)
	Price (PHP)	(6%)	(7%)	(5%)

Domestic cement volumes decreased by 9% year-over-year during the fourth quarter due to adverse weather conditions, amidst the ongoing pandemic.

Sequentially, our daily sales volumes were lower by 8%, after adjusting for the impact of holidays.

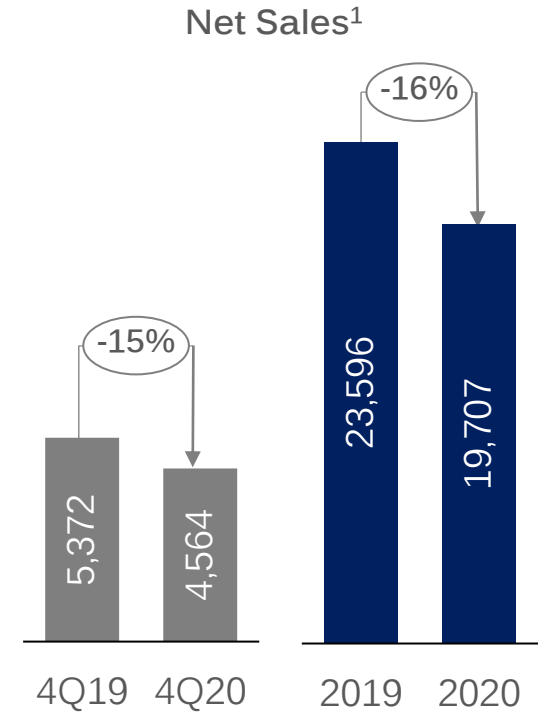
For 2020, domestic cement volumes decreased by 11% year-over-year mainly due to the COVID-19 pandemic.

Our domestic cement prices were 7% lower year-over-year during the fourth quarter.

- This movement in our composite price was driven by a higher proportion of pick-up sales, lower demand, and competitive market dynamics.
- The sequential and full year change in our prices also reflect the same effects.

Net Sales

As a result of lower volumes and prices, **net sales** decreased, year-over-year, by 15% during the fourth quarter and by 16% for 2020.



¹ Millions of Philippine Pesos

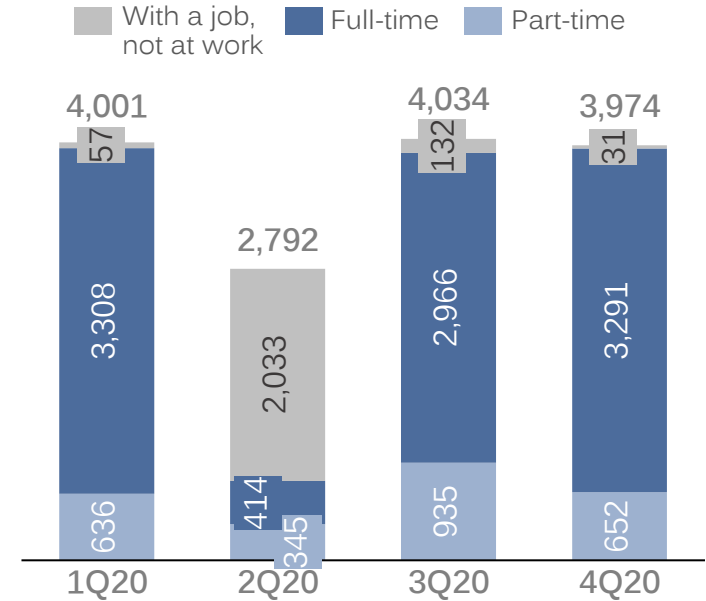
Private Sector

Activity in the **residential sector** declined during 4Q20 due to the impact of COVID-19 on spending behavior of households. Remittances have been resilient, but OFW households apportioned lower proceeds for real property investments. Property firms, observed to have deferred development projects due to low demand and uncertainties, have recently signaled resumption in project execution and new project launches.

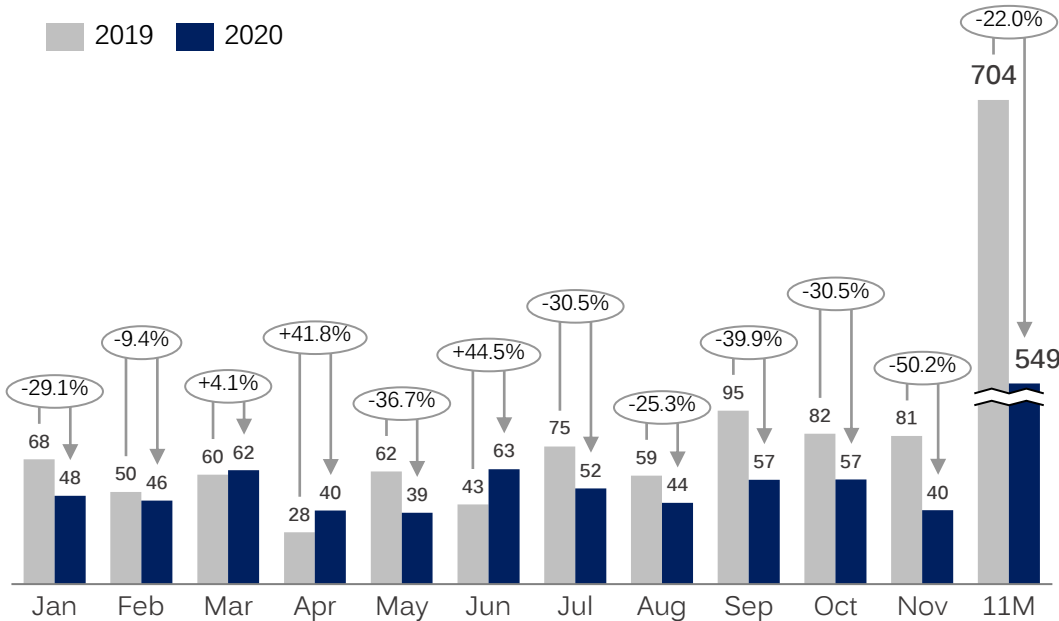
The **non-residential sector** declined in 4Q20 due to lower foot traffic and movement restrictions. We expect challenges will continue to limit activity in the office, retail, and tourism segments in the short-term. Industrial and logistics segments could augment and lead recovery in the sector.

Sequential improvement in **full-time construction work** during 4Q20.

Employment in Construction
(K Persons)



Disbursements on Infrastructure and Capital Outlays (in PHP billion)



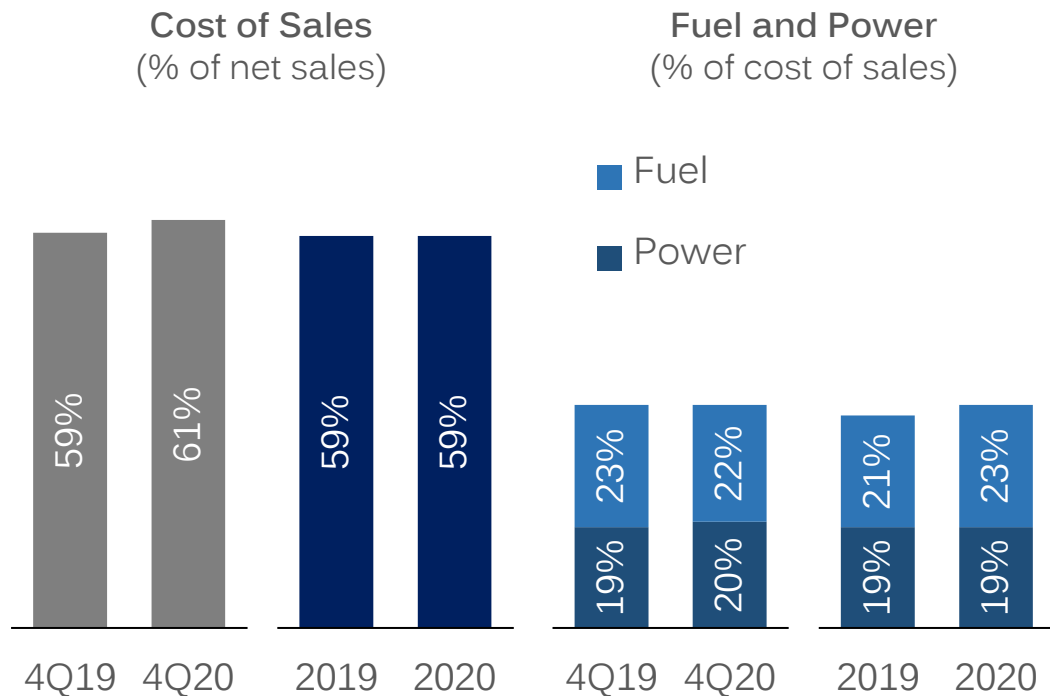
Ⓜ Refers to year-over-year growth

Infrastructure disbursements in October and November fell by 40% year-over-year to PHP 97.4 billion. The lower performance during the period is attributed to multiple delays encountered in earlier months related to the COVID-19 pandemic.

For 2021, the government targets to spend Php 1.1 trillion for infrastructure development, which is 12% higher than the enacted budget in 2020.

Infrastructure remains a core pillar of the government and the planned spending in 2021 is expected to help generate jobs necessary to support economic rebound.

Cost of Sales



Cost of sales, as a percentage of sales, was flat at 59% for 2020.

Extraordinary benefit in 2020 shutdown costs due to reduced scope and postponement of APO Cement Plant major kiln shutdown.

2021 major kiln shutdown costs expected to be similar to 2019 level.

Planning to execute APO Plant major kiln shutdown in 3Q21.

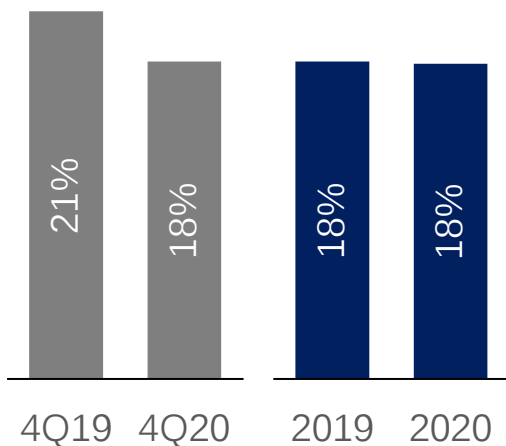
No major kiln shutdown scheduled for Solid Cement Plant in 2021.

Inflationary pressures expected to affect costs in 2021.

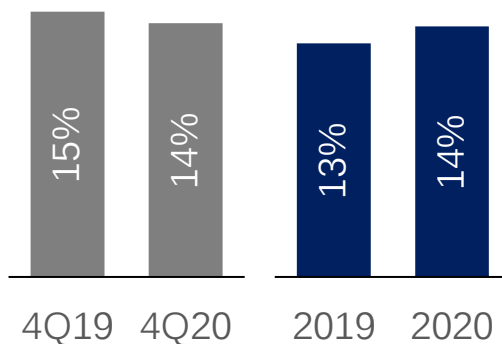
Total fuel cost was 7% lower year-over-year, while **total power cost** declined by 16% year-over-year for 2020 due to production optimization, and lower energy prices.

Operating Expenses

Distribution
(% of net sales)



Selling and Administrative
(% of net sales)



Distribution expenses, as a percentage of sales, was flat at 18% for 2020.

Total distribution expenses decreased by 17% year-over-year for 2020, driven by initiatives to increase operational and cost efficiency.

Targeting to further increase proportion of pick-up sales and derive additional savings from distribution expenses in 2021.

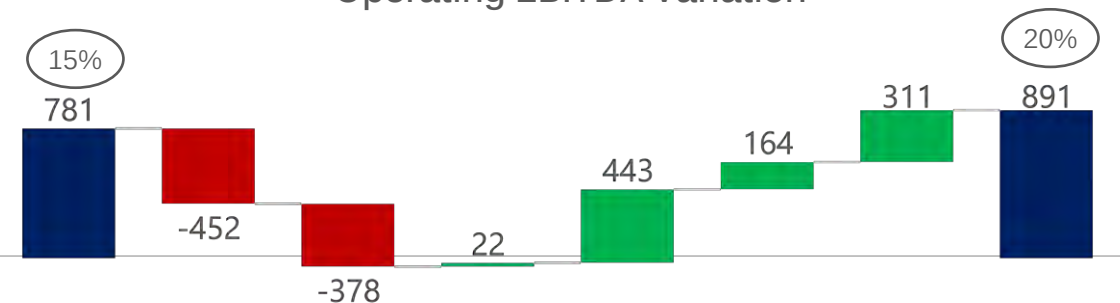
Selling and administrative expenses, as a percentage of sales, was at 14% for 2020.

Total S&A expenses were 11% lower year-over-year for 2020.

Operating EBITDA and Operating EBITDA Margin

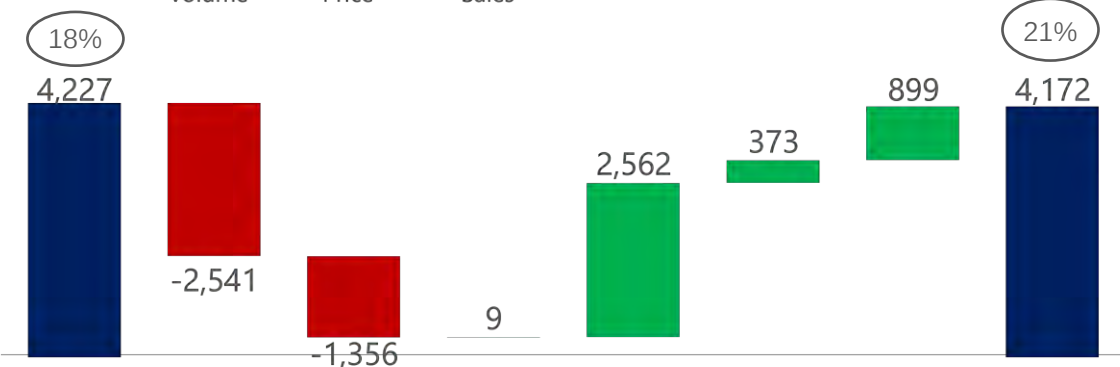


Operating EBITDA Variation¹



Operating EBITDA for 2020 decreased by 1% year-over-year.

Operating EBITDA margin was at 21% for 2020, as lower volumes and prices were offset by lower costs and our efforts to contain expenses, including maintenance cost deferrals.



2019 Dom. Cem. Volume Dom. Cem. Price Other Sales COGS S&A Distr. 2020

% Refers to operating EBITDA margin

¹ Millions of Philippine Pesos

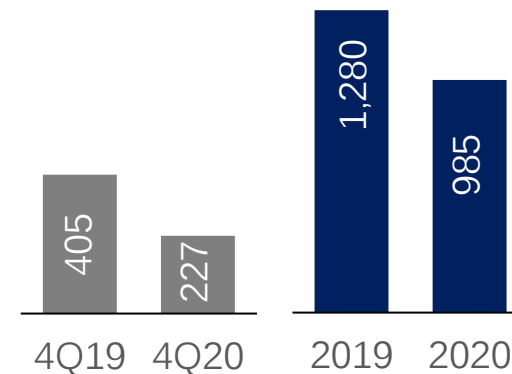
Net Income

Net income was at PHP 985 million for 2020, lower by 23% year-over-year due to the impact of the COVID-19 pandemic on operating earnings.

Income tax for the full year was higher primarily due to the utilization of deferred tax assets (NOLCO credits) during the second half which reduced cash tax payments.

Financial expenses for the full year reflected lower outstanding loan balances and declining interest rates. From the Stock Rights Offering proceeds raised during 1Q20, we disbursed around PHP 7.9 billion for the repayment of debt owed to CEMEX ASIA, B. V., most of which had been incurred for our Solid Cement Plant expansion project.

Net Income¹



(In Millions of Philippine Pesos)	Fourth Quarter			January - December		
	2020	2019	% var	2020	2019	% var
Operating earnings	289	233	24%	1,777	2,350	(24%)
Financial income (expense), net	81	(237)	N/A	(626)	(1,305)	52%
Foreign exchange gain (loss), net	37	325	(89%)	170	453	(62%)
Net income (loss) before income taxes	407	321	27%	1,321	1,499	(12%)
Income tax benefit (expenses)	(181)	84	N/A	(336)	(219)	(53%)
Consolidated net income (loss)	227	405	(44%)	985	1,280	(23%)

¹ Millions of Philippine Pesos

FREE CASH FLOW

4Q 2020



HOLDINGS
PHILIPPINES



Free Cash Flow

	January - December			Fourth Quarter		
	2020	2019	% var	2020	2019	% var
Operating EBITDA	4,172	4,227	(1%)	891	781	14%
- Net Financial Expenses	626	1,305		(81)	237	
- Maintenance Capex	274	659		108	273	
- Change in Working Capital	(93)	(785)		(224)	473	
- Income Taxes Paid	418	575		112	184	
- Other Cash Items (net)	30	(9)		26	24	
Free Cash Flow after Maintenance Capex	2,916	2,481	18%	949	(411)	N/A
- Strategic Capex	3,251	3,199		919	1,159	
Free Cash Flow	(335)	(719)	53%	29	(1,570)	N/A

Millions of Philippine Pesos

Free cash flow after maintenance CAPEX for 2020 was around PHP 2.9 billion.

Strategic CAPEX for 2020 was at PHP 3.25 billion due to our Solid Cement Plant Expansion project.

From the Stock Rights Offering proceeds raised during 1Q20, we disbursed around PHP 1.3 billion for the payment of costs and expenses associated with the plant expansion project in 2020.

Solid Cement Plant Capacity Expansion



Lifting of new rotary kiln into position at Solid Cement Plant (Jan. 2021)

Works remained ongoing, with strict health and safety protocols, in line with government regulations.

Our contractors **continue to work on the different buildings and structures** of the new line.

Installation of various equipment, including the kiln, began last month, in January.

Expected completion of construction in **December 2021**.

Estimated total investment of US\$235 million

2021 Guidance

Cement Volumes 4-6%

Capital expenditures	PHP 5,680 million	Solid Cement Plant Expansion CAPEX
	PHP 1,350 million	Maintenance and Other CAPEX
	PHP 7,030 million	Total CAPEX



Q&A SESSION

4Q 2020



HOLDINGS
PHILIPPINES

APPENDIX

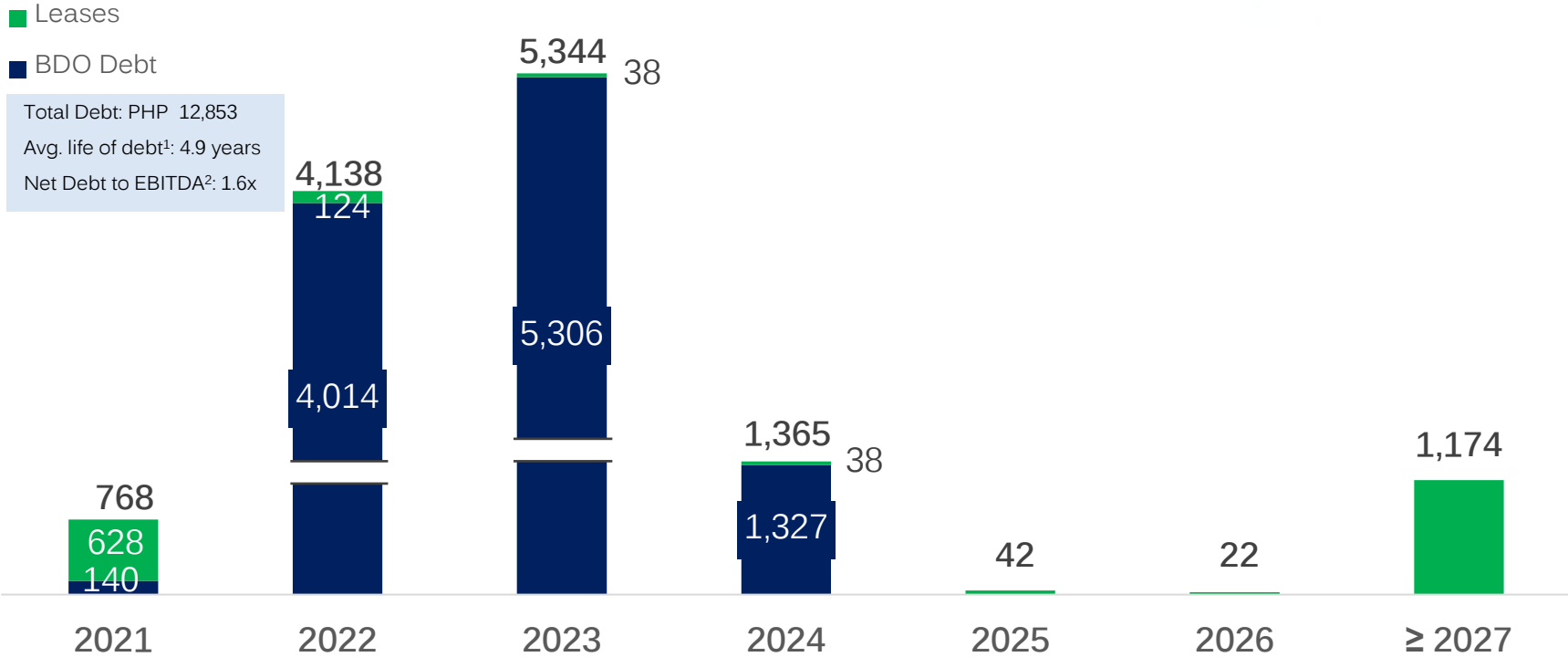
4Q 2020



HOLDINGS
PHILIPPINES



Debt Maturity Profile



All amounts in millions of Philippine Pesos

¹ Based on weighted average life of debt

² Last 12 months Consolidated EBITDA

Additional Debt Information

	Fourth Quarter			Third Quarter
	2020	2019	% var	2020
Total debt ⁽¹⁾⁽²⁾	12,853	20,063	(36%)	13,510
Short term	6%	9%		6%
Long term	94%	91%		94%
Cash and cash equivalents	6,139	1,399	339%	6,667
Net debt	6,714	18,664	(64%)	6,843
Leverage Ratio ⁽³⁾	3.08	3.47		3.33
Coverage Ratio ⁽³⁾	5.95	3.73		5.21

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 on June 30, 2021

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

FOURTH 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 - December			Fourth Quarter		
	2020	2019	% var	2020	2019	% var
Net sales	19,707	23,596	(16%)	4,564	5,372	(15%)
Gross profit	8,092	9,683	(16%)	1,779	2,177	(18%)
as % of net sales	41%	41%	0pp	39%	41%	(2pp)
Operating earnings before other expenses, net	1,808	2,342	(23%)	315	257	23%
as % of net sales	9%	10%	(1pp)	7%	5%	2pp
Controlling Interest Net Income (Loss)	985	1,280	(23%)	227	405	(44%)
Operating EBITDA	4,172	4,227	(1%)	891	781	14%
as % of net sales	21.2%	17.9%	3.3pp	19.5%	14.5%	5.0pp
Free cash flow after maintenance capital expenditures	2,916	2,481	18%	949	(411)	N/A
Free cash flow	(335)	(719)	53%	29	(1,570)	N/A
Net debt ¹	6,714	18,664	(64%)	6,714	18,664	(64%)
Total debt ¹	12,853	20,063	(36%)	12,853	20,063	(36%)
Earnings per share ²	0.08	0.22	(62%)	0.02	0.08	(78%)

In millions of Philippine Pesos, except percentages, and earnings per share¹ U.S. dollar debt converted using end-of-period exchange rate.

¹ See Debt Information on page 4 and Exchange Rates on page 8 for more detail.

² In Philippine Pesos. The weighted average number of shares used to calculate earnings per share takes into account the effect of the bonus element related to the issuance of stock rights. Earnings per share, as previously presented based on weighted average number of shares outstanding of 5,195,395,454, was P0.25 in 2019.

Net sales decreased, year-over-year, by 15% during the fourth quarter and by 16% for 2020, due to lower volumes and prices.

Cost of sales as a percentage of sales, was flat at 59% for 2020. Extraordinary benefit in 2020 shutdown costs due to reduced scope and postponement of APO Cement Plant major kiln shutdown.

Total fuel cost was 7% lower year-over-year, while total power cost declined by 16% year-over-year for 2020 due to production optimization, and lower energy prices.

During the fourth quarter, cost of sales was at 61% of sales due to the execution of kiln shutdown works in our Solid Cement Plant.

Operating expenses, as a percentage of sales, was at 32% for 2020, compared with 31% in 2019.

Distribution expenses, as a percentage of sales, was flat at 18% for 2020. Total distribution expenses decreased by 17% year-over-year for 2020, driven by initiatives to increase operational and cost efficiency.

Selling and administrative expenses, as a percentage of sales, was at 14% for 2020, compared with 13% in 2019. Total selling and administrative expenses were lower by 11% year-over-year for year 2020. Cost control measures were implemented to reduce discretionary expenses.

Operating EBITDA for 2020 was around PHP 4.2 billion, a decrease of 1% year-over-year.

Operating EBITDA margin was at 21% for 2020, as lower volumes and prices were offset by lower costs and our efforts to contain expenses, including maintenance cost deferrals.

Controlling interest net income was at PHP 985 million for 2020, 23% lower on a year-over-year basis, due to the impact of the COVID-19 pandemic on operating earnings.

Income tax for 2020 was higher on a year-over-year basis due to the utilization of deferred tax assets (NOLCO credits) during the second half which reduced cash tax payments.

Financial expenses for 2020 reflected lower outstanding loan balances and declining interest rates. From the Stock Rights Offering proceeds raised during 1Q20, we disbursed around PHP 7.9 billion for the repayment of debt owed to CEMEX ASIA, B. V., most of which had been incurred for our Solid Cement Plant expansion project.

Total debt at the end of December 2020 was at PHP 12,853 million, of which PHP 10,787 million pertained to debt owed to BDO Unibank, Inc.

Domestic Gray Cement	January - December 2020 vs. 2019	Fourth Quarter 2020 vs. 2019	Fourth Quarter 2020 vs. Third Quarter 2020
Volume	(11%)	(9%)	(13%)
Price in PHP	(6%)	(7%)	(5%)

Our domestic cement volumes decreased by 9% year-over-year during the fourth quarter due to adverse weather conditions, amidst the ongoing pandemic.

Sequentially, our daily sales volumes were lower by 8%, after adjusting for the impact of holidays.

For 2020, domestic cement volumes decreased by 11% year-over-year mainly due to the COVID-19 pandemic.

Our domestic cement prices were 7% lower year-over-year during the fourth quarter. This movement in our composite price was driven by a higher proportion of pick-up sales, lower demand, and competitive market dynamics.

The sequential and full year change in our prices also reflect the same effects.

Operating EBITDA and Free Cash Flow

	January - December			Fourth Quarter		
	2020	2019	% var	2020	2019	% var
Operating earnings before other income, net	1,808	2,342	(23%)	315	257	23%
+ Depreciation and operating amortization	2,364	1,886		575	524	
Operating EBITDA	4,172	4,227	(1%)	891	781	14%
- Net financial expenses	626	1,305		(81)	237	
- Maintenance capital expenditures	274	659		108	273	
- Change in working capital	(93)	(785)		(224)	473	
- Income taxes paid	418	575		112	184	
- Other cash items (net)	30	(9)		26	24	
Free cash flow after maintenance capital expenditures	2,916	2,481	18%	949	(411)	N/A
- Strategic capital expenditures	3,251	3,199		919	1,159	
Free cash flow	(335)	(719)	53%	29	(1,570)	N/A

In millions of Philippine Pesos

Debt Information

	Fourth Quarter		% var	Third Quarter	Fourth Quarter	
	2020	2019		2020	2020	2019
Total debt⁽¹⁾⁽²⁾	12,853	20,063	(36%)	13,510		
Short term	6%	9%		6%		
Long term	94%	91%		94%		
Cash and cash equivalents	6,139	1,399	339%	6,667		
Net debt	6,714	18,664	(64%)	6,843		
Leverage Ratio⁽³⁾	3.08	3.47		3.33		
Coverage Ratio⁽³⁾	5.95	3.73		5.21		

	Fourth Quarter	
	2020	2019
Currency denomination		
U.S. dollar	4%	30%
Philippine peso	96%	70%
Interest rate		
Fixed	58%	43%
Variable	42%	57%

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 on June 30, 2021.

Income Statement & Balance Sheet Information

CEMEX Holdings Philippines, Inc.

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

INCOME STATEMENT	January - December			Fourth Quarter		
	2020	2019	% var	2020	2019	% var
Net sales	19,706,682	23,595,877	(16%)	4,564,378	5,372,359	(15%)
Cost of sales	(11,614,953)	(13,913,316)	17%	(2,785,612)	(3,195,374)	13%
Gross profit	8,091,729	9,682,561	(16%)	1,778,766	2,176,985	(18%)
Selling and Administrative Expenses	(2,782,058)	(3,111,531)	11%	(650,158)	(804,531)	19%
Distribution expenses	(3,502,053)	(4,229,410)	17%	(813,158)	(1,115,482)	27%
Operating earnings before other expenses, net	1,807,618	2,341,620	(23%)	315,450	256,972	23%
Other income (expenses), net	(30,310)	8,544	N/A	(26,001)	(23,615)	(10%)
Operating earnings (loss)	1,777,308	2,350,164	(24%)	289,449	233,357	24%
Financial expenses, net	(626,420)	(1,304,540)	52%	80,803	(237,304)	N/A
Foreign exchange gain (loss), net	170,224	453,125	(62%)	37,215	325,205	(89%)
Net income (loss) before income taxes	1,321,112	1,498,749	(12%)	407,467	321,258	27%
Income tax benefit (expenses)	(336,018)	(219,174)	(53%)	(180,505)	83,636	N/A
Consolidated net income (loss)	985,094	1,279,575	(23%)	226,962	404,894	(44%)
Non-controlling interest net income (loss)	20	23	(13%)	4	5	(20%)
Controlling Interest net income (loss)	985,114	1,279,598	(23%)	226,966	404,899	(44%)
Operating EBITDA	4,171,707	4,227,133	(1%)	890,553	780,927	14%
Earnings per share	0.08	0.25	(66%)	0.02	0.08	(78%)

BALANCE SHEET	as of December 31		
	2020	2019	% Var
Total Assets	63,760,347	58,806,177	8%
Cash and Temporary Investments	6,139,411	1,399,180	339%
Derivative Asset	24,039	0	
Trade Accounts Receivables	700,162	892,951	(22%)
Other Receivables	47,512	92,993	(49%)
Insurance Claims and Premium Receivables	87,569	445,535	(80%)
Inventories	2,349,966	3,013,444	(22%)
Assets Held for Sale	0	0	
Other Current Assets	1,825,209	1,672,392	9%
Current Assets	11,173,868	7,516,495	49%
Fixed Assets	21,699,377	19,937,723	9%
Investments in an Associate and Other Investments	14,097	14,097	0%
Other Assets and Noncurrent Accounts Receivables	782,399	837,151	(7%)
Advances to Contractors	1,142,685	1,606,397	(29%)
Deferred Income Taxes - net	1,088,227	1,034,620	5%
Goodwill	27,859,694	27,859,694	0%
Other Assets	30,887,102	31,351,959	(1%)
Total Liabilities	20,849,759	29,140,690	(28%)
Current Liabilities	8,169,894	10,136,812	(19%)
Long-Term Liabilities	10,566,642	16,549,640	(36%)
Deferred Tax Liability	853	1,587	(46%)
Other Liabilities	2,112,370	2,452,651	(14%)
Stockholders' Equity	42,910,588	29,665,487	45%
Non-controlling Interest	150	170	(12%)
Stockholders' Equity Attributable to Controlling Interest	42,910,438	29,665,317	45%

Income Statement & Balance Sheet Information

CEMEX Holdings Philippines, Inc.

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

INCOME STATEMENT	January - December			Fourth Quarter		
	2020	2019	% var	2020	2019	% var
Net sales	398,160	457,595	(13%)	94,773	105,905	(11%)
Cost of sales	(234,672)	(269,821)	13%	(57,840)	(62,990)	8%
Gross profit	163,488	187,774	(13%)	36,933	42,915	(14%)
Selling and Administrative Expenses	(56,210)	(60,343)	7%	(13,500)	(15,861)	15%
Distribution expenses	(70,757)	(82,021)	14%	(16,884)	(21,989)	23%
Operating earnings before other expenses, net	36,521	45,410	(20%)	6,549	5,065	29%
Other income (expenses), net	(612)	166	N/A	(540)	(466)	(16%)
Operating earnings (loss)	35,909	45,576	(21%)	6,009	4,599	31%
Financial expenses, net	(12,656)	(25,299)	50%	1,678	(4,678)	N/A
Foreign exchange gain (loss), net	3,439	8,787	(61%)	773	6,411	(88%)
Net income (loss) before income taxes	26,692	29,064	(8%)	8,460	6,332	34%
Income tax benefit (expenses)	(6,789)	(4,250)	(60%)	(3,748)	1,649	N/A
Consolidated net income (loss)	19,903	24,814	(20%)	4,712	7,981	(41%)
Non-controlling interest net income (loss)	0	0		0	0	
Controlling Interest net income (loss)	19,903	24,814	(20%)	4,712	7,981	(41%)
Operating EBITDA	84,286	81,977	3%	18,491	15,394	20%

as of December 31

BALANCE SHEET	2020	2019	% Var
Total Assets	1,327,704	1,161,374	14%
Cash and Temporary Investments	127,843	27,633	363%
Derivative Asset	500	0	
Trade Accounts Receivables	14,580	17,635	(17%)
Other Receivables	989	1,837	(46%)
Insurance Claims and Premium Receivables	1,823	8,799	(79%)
Inventories	48,934	59,513	(18%)
Assets Held for Sale	0	0	
Other Current Assets	38,007	33,028	15%
Current Assets	232,676	148,445	57%
Fixed Assets	451,854	393,754	15%
Investments in an Associate and Other Investments	294	278	6%
Other Assets and Noncurrent Accounts Receivables	16,292	16,533	(1%)
Advances to Contractors	23,795	31,725	(25%)
Deferred Income Taxes - net	22,661	20,433	11%
Goodwill	580,132	550,206	5%
Other Assets	643,174	619,175	4%
Total Liabilities	434,161	575,504	(25%)
Current Liabilities	170,123	200,193	(15%)
Long-Term Liabilities	220,033	326,842	(33%)
Deferred Tax Liability - net	18	31	(42%)
Other Liabilities	43,987	48,438	(9%)
Stockholders' Equity	893,542	585,869	53%
Non-controlling Interest	3	3	0%
Stockholders' Equity Attributable to Controlling Interest	893,539	585,866	53%

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 December 31, 2020 and 2019, assets for the right-of-use amounted to PHP 1,791 million and PHP 1,962 million, respectively. In addition, financial liabilities related to lease contracts amounted to PHP 2,066 million as of December 31, 2020 and PHP 2,163 million as of December 31, 2019. These amounts of financial liabilities as of December 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 December 31, 2020 has been converted at the end of period exchange rate of 48.02 Philippine pesos per US dollar while the consolidated income statement for the whole year period ended December 31, 2020 has been converted at the January to December 2020 average exchange rate of 49.49 Philippine pesos per US dollar. On the other hand, the consolidated income statement for the three-month period ended December 31, 2020 has been converted at the October to December 2020 average exchange rate of 48.16 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 - December		Fourth Quarter		January - December	
	2020 average	2019 average	2020 average	2019 average	2020 End of period	2019 End of period
Philippine peso	49.49	51.57	48.16	50.73	48.02	50.64

Amounts provided in units of local currency per US dollar