

# COVER SHEET

**CS201518815**  
S.E.C. Registration Number

C	E	M	E	X		H	O	L	D	I	N	G	S		P	H	I	L	I	P	P	I	N	E	S	,	I	N	C	.

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A	v	e	n	u	e	,		M	a	k	a	t	i		C	i	t	y												

( Business Address : No. Street City / Town / Province )

**JANNETTE VIRATA SEVILLA**  
Contact Person

**8849-3600**  
Company Telephone Number

1	2	3	1
Month		Day	

Fiscal Year

SEC Form 17-C  
FORM TYPE

First Wednesday of June

0	6	0	7
Month		Day	

Annual Meeting

Issuer of Securities under SEC MSRD Order No. 9 series of 2016  
Secondary License Type, If Applicable

MSR  
Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings  
Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

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. **3 May 2023**  
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. **34<sup>th</sup> 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
<b>Common Shares</b>	<b>13,489,226,623<sup>1</sup></b>

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<sup>1</sup> 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 materials for the webcast presentation on 3 May 2023, highlighting its financial and operating results for First Quarter 2023.**

**These materials will be posted prior to the webcast on [edge.pse.com.ph](http://edge.pse.com.ph) and CHP's website - [www.cemexholdingsphilippines.com](http://www.cemexholdingsphilippines.com).**

**CHP also issued a Press Release dated 3 May 2023 announcing its First Quarter 2023 Results (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

**3 May 2023**  
Date

  
**Jannette Virata Sevilla**  
Compliance Officer



# First Quarter 2023 Results



Except as the context otherwise may require, references in this presentation to “CHP,” “we,” “us” or “our” refer to CEMEX Holdings Philippines, Inc. and its consolidated entities. The information contained in this presentation includes forward-looking statements within the meaning of securities laws. We intend these forward-looking statements to be covered by any applicable safe harbor provisions for forward-looking statements within the meaning of securities laws. These forward-looking statements and information are necessarily subject to risks, uncertainties, and assumptions, including but not limited to statements related to CHP’s plans, objectives, expectations (financial or otherwise), and typically can be identified by the use of words such as “will,” “may,” “assume,” “might,” “should,” “could,” “continue,” “would,” “can,” “consider,” “anticipate,” “estimate,” “expect,” “envision,” “plan,” “believe,” “foresee,” “predict,” “potential,” “target,” “strategy,” “intend,” “aimed”, and similar terms. Although CHP believes that its expectations are reasonable, it can give no assurance that these expectations will prove to be correct, and actual results may vary materially from historical results or results anticipated by forward-looking statements due to various factors. These forward-looking statements reflect, as of the date on which such forward-looking statements are made, our current expectations and projections about future events based on our knowledge of present facts and circumstances and assumptions about future events, unless otherwise indicated. These statements necessarily involve risks, uncertainties and assumptions that could cause actual results to differ materially from historical results or those anticipated in this presentation. Among others, such risks, uncertainties, and assumptions include those discussed in CHP’s most recent annual report and those detailed from time to time in CHP’s filings with the Philippine Securities and Exchange Commission, which factors are incorporated herein by reference, including, but not limited to: the impact of pandemics, epidemics or outbreaks of infectious diseases and the response of governments and other third parties, including with respect to the novel strain of the coronavirus identified in China in late 2019 and its variants (“COVID-19”), which have affected and may continue to adversely affect, among other matters, the ability of our operating facilities to operate at full or any capacity, supply chains, international operations, availability of liquidity, investor confidence and consumer spending, as well as the availability of, and demand for, our products and services; the cyclical activity of the construction sector; our exposure to other sectors that impact our and our clients’ businesses, such as, but not limited to, the energy sector; availability of raw materials and related fluctuating prices; volatility in pension plan asset values and liabilities, which may require cash contributions to the pension plans; the impact of environmental cleanup costs and other liabilities relating to existing and/or divested businesses; our ability to secure and permit aggregates reserves in strategically located areas; the timing and amount of federal, state and local funding for infrastructure; changes in the level of spending for private residential and private nonresidential construction; changes in our effective tax rate; competition in the markets in which we offer our products and services; general political, social, health, economic and business conditions in the markets in which we operate or that affect our operations and any significant economic, health, political or social developments in those markets, as well as any inherent risks to international operations; the regulatory environment, including environmental, energy, tax, labor, antitrust, and acquisition-related rules and regulations; our ability to satisfy our obligations under our material debt agreements and CEMEX, S.A.B. de C.V.’s (“CEMEX”), the ultimate parent company of the major shareholder of CHP, ability to satisfy CEMEX’s obligations under its material debt agreements, the indentures that govern CEMEX’s outstanding notes, and other debt instruments and financial obligations, including CEMEX’s subordinated notes with no fixed maturity and other financial obligations; the availability of short-term credit lines or working capital facilities, which can assist us in connection with market cycles; the impact of CEMEX’s below investment grade debt rating on our cost of capital and on the cost of the products and services we purchase; loss of reputation of our brands; our ability to consummate asset sales, fully integrate newly acquired businesses, achieve cost-savings from our cost-reduction initiatives, implement our pricing initiatives for our products and CEMEX’s ability to generally meet its “Operation Resilience” strategy’s goals; the increasing reliance on information technology infrastructure for our sales, invoicing, procurement, financial statements and other processes that can adversely affect our sales and 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 the demand for consumer goods, consequently affecting demand for our products and services; weather conditions, including but not limited to, excessive rain and snow, and disasters such as earthquakes and floods; trade barriers, including tariffs or import taxes and changes in existing trade policies or changes to, or withdrawals from, free trade agreements; availability and cost of trucks, railcars, barges and ships, as well as their licensed operators, for transport of our materials; labor shortages and constraints; terrorist and organized criminal activities as well as geopolitical events, such as war and armed conflicts, including the current war between Russia and Ukraine; declarations of insolvency or bankruptcy, or becoming subject to similar proceedings; and, natural disasters and other unforeseen events (including global health hazards such as COVID-19). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from historical results, performance or achievements and/or results, performance or achievements expressly or implicitly anticipated by the forward-looking statements, or otherwise could have an impact on us or our consolidated entities. Any or all of CHP’s forward-looking statements may turn out to be inaccurate and the factors identified above are not exhaustive. Accordingly, undue reliance on forward-looking statements should not be placed, as such forward-looking statements speak only as of the dates on which they are made. These factors may be revised or supplemented, but CHP is not under, and expressly disclaims, any obligation to update or correct the information contained in this presentation or any forward-looking statement that it may make from time to time, whether as a result of new information, future events or otherwise. Readers should review future reports filed by us with the Philippine Securities and Exchange Commission. This presentation also includes statistical data regarding the production, distribution, marketing and sale of cement, ready mix concrete, clinker, aggregates, and Urbanization Solutions. Unless the context indicates otherwise, all references to pricing initiatives, price increases or decreases, refer to CHP’s prices for CHP’s products. We generated some of this data internally, and some was obtained from independent industry publications and reports that we believe to be reliable sources. We have not independently verified this data nor sought the consent of any organizations to refer to their reports in this presentation.

# First Quarter 2023 Update

- Facing significant input cost inflation and market challenges, we remain **focused on the variables within our control**
- Shifted to a **more cost-efficient fuel mix**
- **Declining monthly unitary fuel cost<sup>1</sup>** in the quarter; March 2023 unitary fuel cost<sup>1</sup> lowest since April 2022
- **Sequential decline in unitary distribution cost<sup>2</sup>** for the quarter; March 2023 unitary distribution cost<sup>2</sup> lowest since March 2022
- Implementing **efficiency measures to optimize operations**, as well as **selling and administrative expenses**

# Committed to Zero4Life

- Zero recordable fatalities and Lost Time Injury in 1Q23
- Safety incidents lower by 50% year-over-year for 1Q23
- Continued health and wellness initiatives (e.g. physical fitness activities and health checks)
- We will continue with efforts to reduce recordable injuries

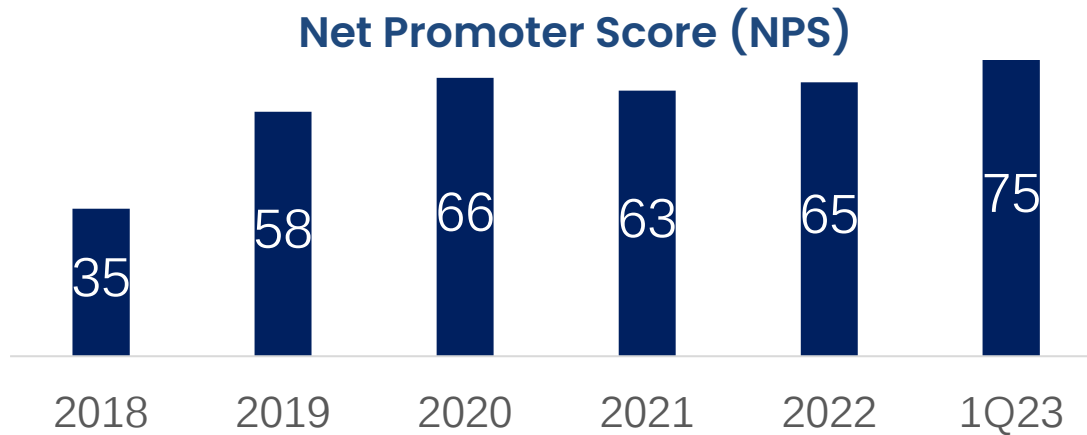
## Take 5 Together

- 1 Stop, Look, and Walk Around
- 2 Think through the Task
- 3 Identify Hazards
- 4 Control Risks
- 5 Do the Task Safely



# Achieved record Net Promoter Score

- Net Promoter Score of 75 in 1Q23, our highest ever
- Standardizing high-level and consistent service in all our business units
- Integrated new e-payment channel with CEMEX Go





# Reaching milestones through Future in Action

- Reached 50% reduction in CO2 emissions<sup>1</sup> per ton in 2022, compared to our 1990 baseline
- Continuing to increase use of alternative fuels, increase use of clean energy, and produce lower-carbon products
- In April 2023, Solid Plant and APO Plant achieved daily records for lowest CO2 emissions<sup>1</sup> per ton
- Launched **Regenera in the Philippines**, a business specialized in providing circularity solutions, leveraging CEMEX global expertise, to use waste and by-products as sustainable substitutes for fossil fuels and natural raw materials in the cement production processes



<sup>1</sup> net CO2 emissions per ton of cementitious product

# Expanding portfolio of low carbon products



Launched new and improved **CEMEX Palitada King** masonry product in Luzon



Note: CEMEX Palitada King currently available in select Metro Manila and Southern Luzon markets



**CEMEX** / HOLDINGS PHILIPPINES

**Great  
Place  
To  
Work<sup>®</sup>**

**Certified**

FEB 2023-FEB 2024

PH

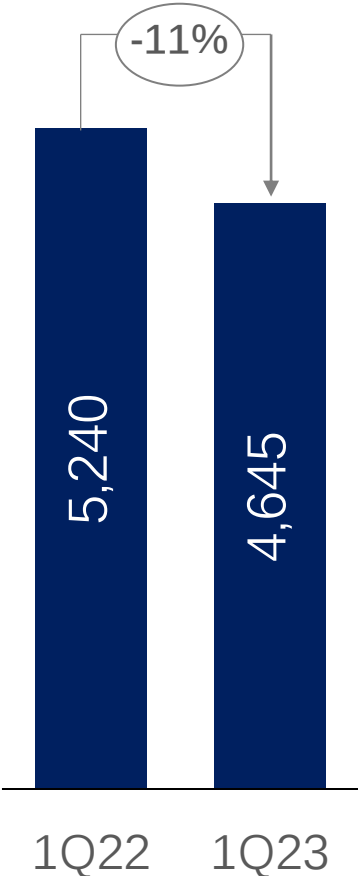




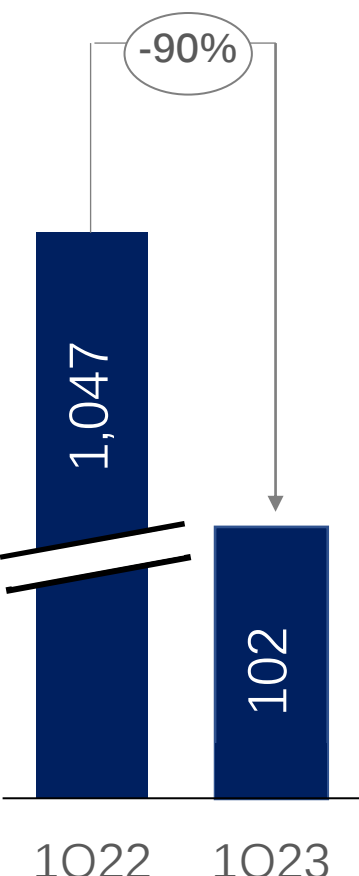
# **Operating and Financial Highlights**

# Financial Results Summary

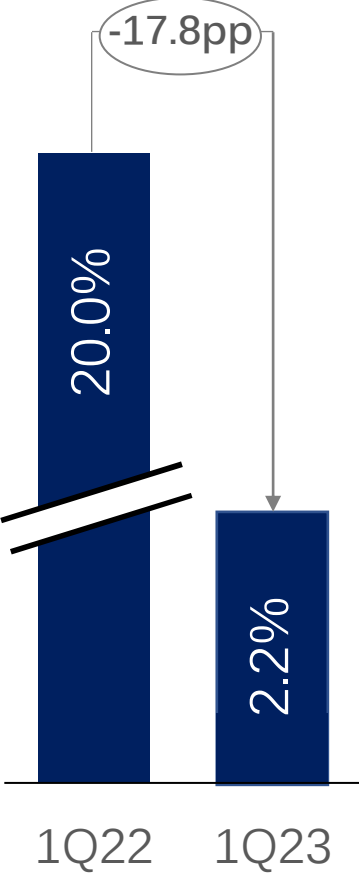
**Net Sales  
(PHP M)**



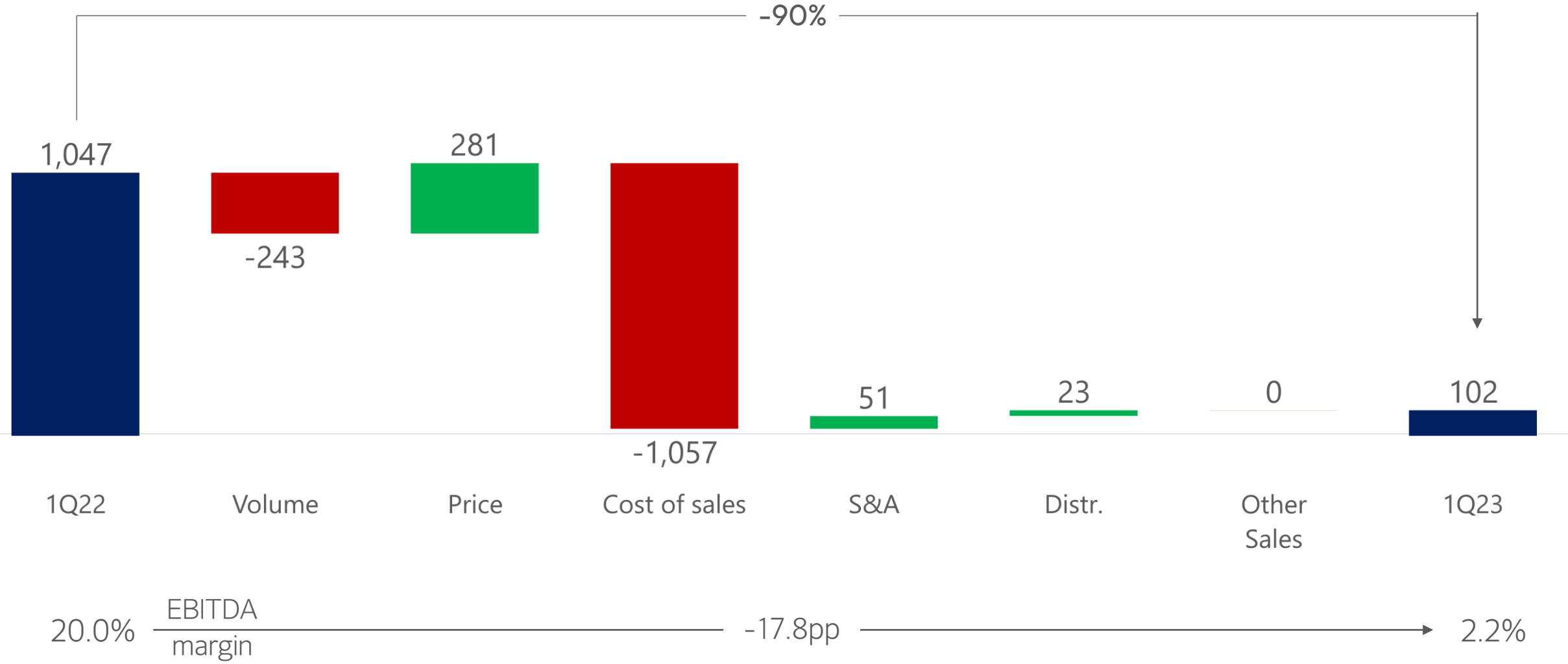
**Operating EBITDA  
(PHP M)**



**Margin EBITDA  
(%)**



# Operating EBITDA Variation 2023



All amounts in millions of Philippine Pesos, except percentages

# Domestic Cement Volumes and Prices

		1Q23 vs. 1Q22	1Q23 vs. 4Q22
Domestic Cement	Volume	(16%)	(2%)
	Price (PHP)	5%	0%

**Domestic cement volumes** decreased by 16% year-over-year and by 2% sequentially, reflecting soft cement demand, a difficult prior year comparison, heightened industry competition, the presence of imported cement in the market, and our pricing strategy, which we have been executing since last year.

Our **domestic cement prices** were up by 5% year-over-year, reflecting our pricing strategy to offset the inflationary input cost impact we have experienced since last year.

Sequentially, our domestic cement price remained flat, amidst soft cement demand and heightened industry competition

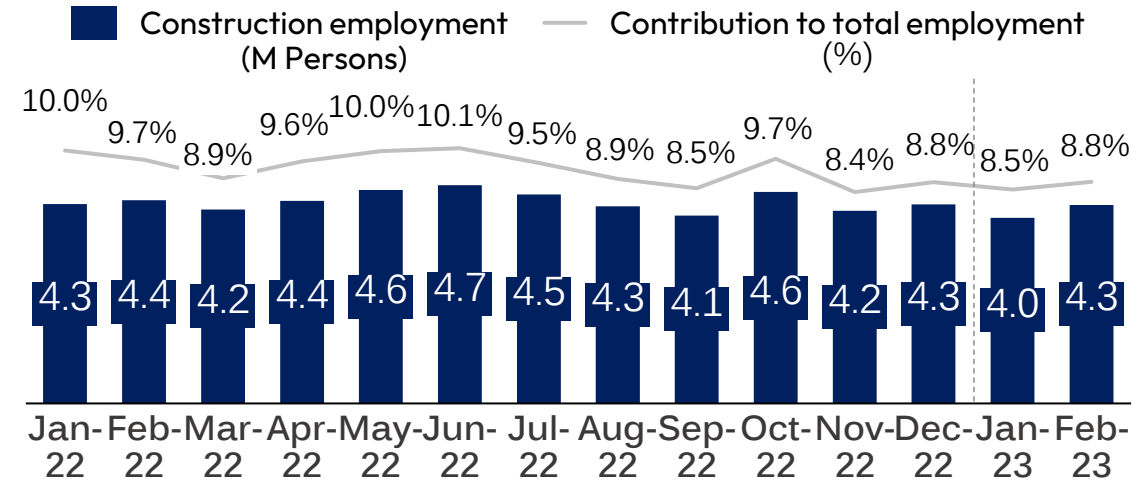
# Construction Employment and Private Sector

Construction sector's total employment declined in January and February 2023 year-over-year, reflecting a lower share of total employment compared to last year.

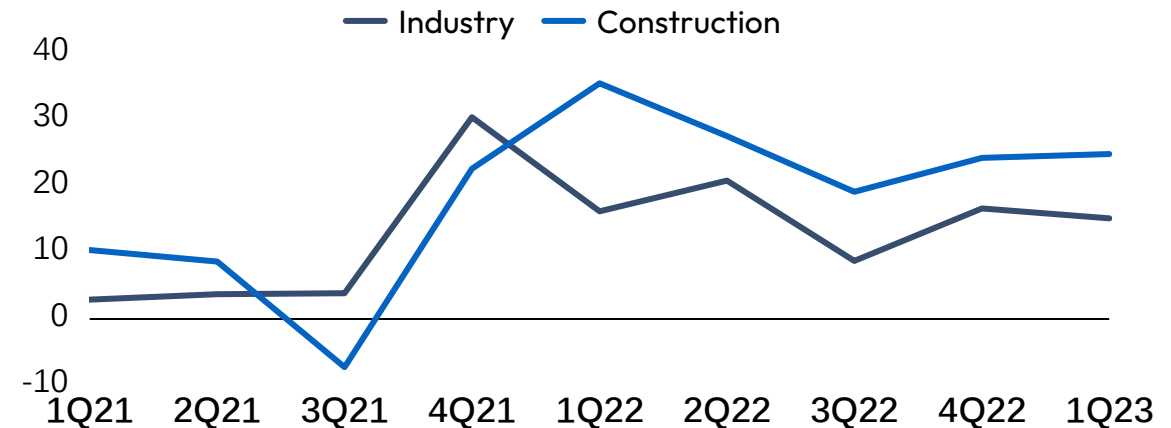
Recovery of residential demand affected by high interest rates and elevated construction material prices, although remittances support the sector.

Non-residential sector may find support from the BPO<sup>3</sup>, tourism, and warehousing industries but risks from POGO<sup>4</sup> exit and high commercial inventory levels remain.

### Employment in Construction<sup>1</sup>



### Current Quarter Business Activity Index<sup>2</sup>



<sup>1</sup> Source: Philippine Statistics Authority

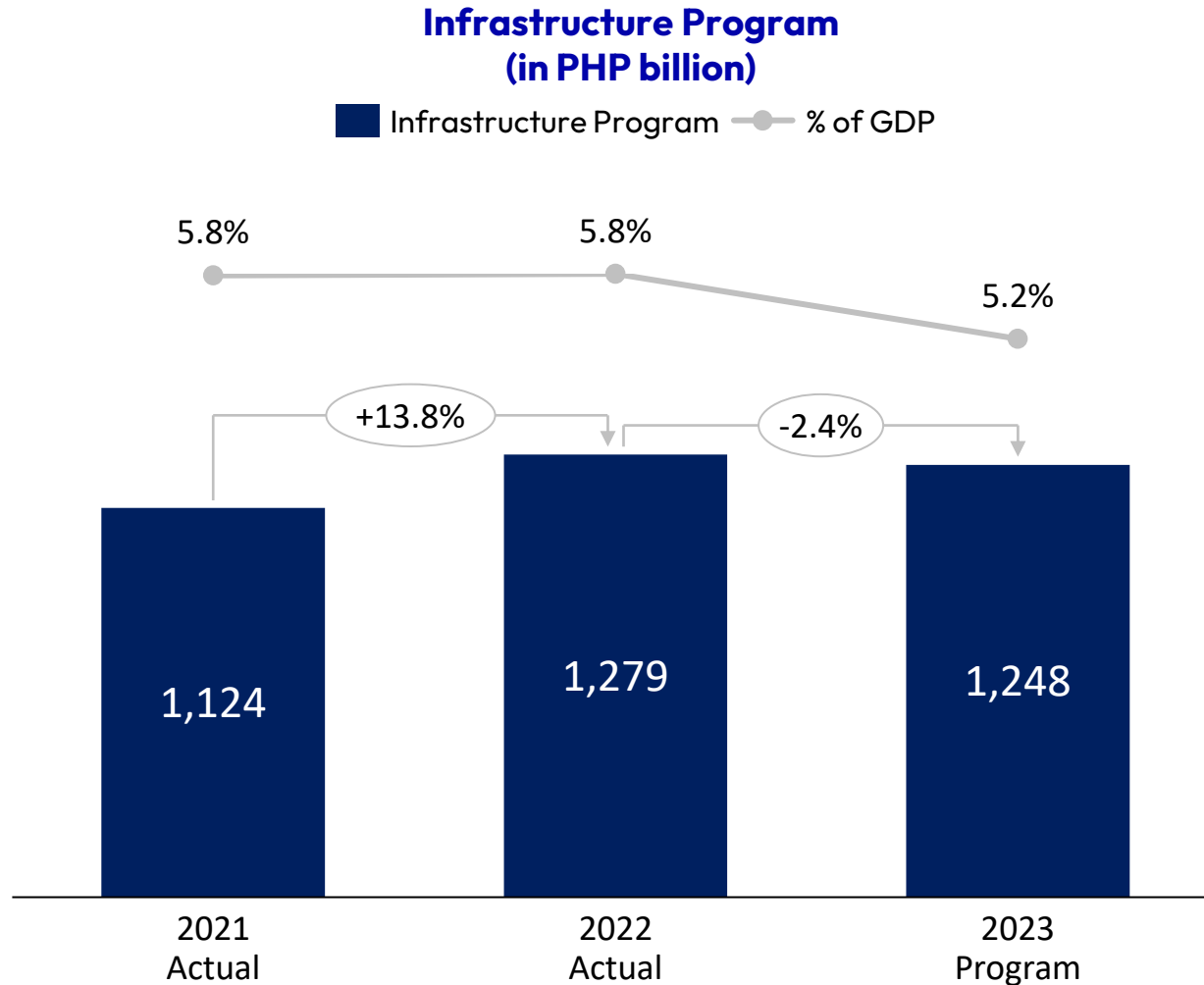
<sup>2</sup> Source: Bangko Sentral ng Pilipinas

<sup>3</sup> Business Process Outsourcing

<sup>4</sup> Philippine Offshore Gaming Operators

Other sources: Colliers, Jones Lang Lasalle





Ⓢ Refers to year-over-year change

Government's 2023 infrastructure program lower than 2022 level, but still aligned with target of at least 5% of GDP

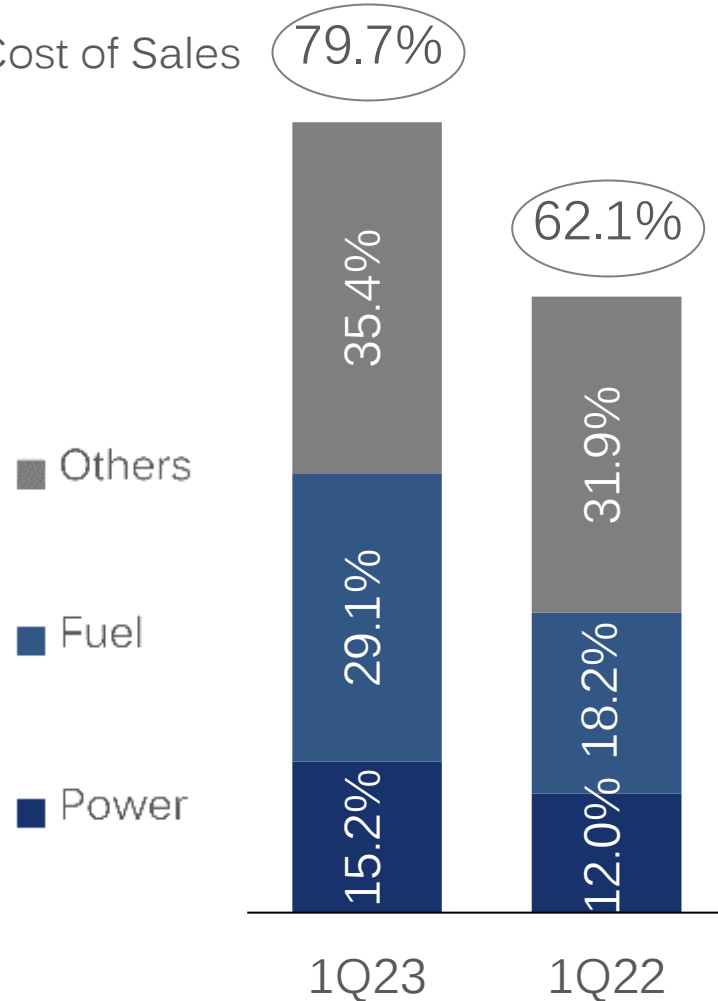
Infrastructure investments expected to be sustained through Public-Private Partnerships (PPP), although tight fiscal space may limit spending potential.

The current administration intends to build one million social houses per year during its term.

# Cost of Sales

(% of net sales)

○ Total Cost of Sales



**Cost of sales**, as a percentage of net sales, increased by 18pp year-over-year mainly due to higher fuel and power cost

**Fuel cost**, as a percentage of net sales, was higher by 11pp year-over-year mainly driven by the steep rise in global energy prices in 2022

**Power cost**, as a percentage of net sales, increased by 3pp year-over-year resulting from higher power rates due to renegotiations of electricity contracts in 2H22

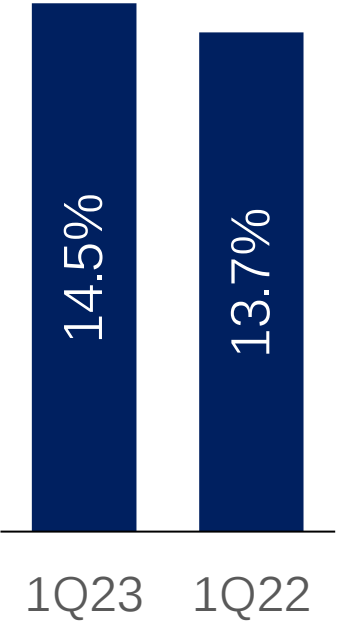
Aiming to further **optimize production costs and reduce year-over-year maintenance expenses**

# Operating Expenses

**Distribution  
(% of net sales)**



**Selling and administrative  
(% of net sales)**



**Distribution expenses**, as a percentage of net sales, higher by 1.3pp year-over-year, mainly due to higher freight and fuel rates, and increased deliveries to customers

**Selling and administrative expenses**, as a percentage of net sales, higher by 0.8pp year-over-year

Total selling and administrative expenses declined by 6% year-over-year for 1Q23

# Net Income

(In Millions of Philippine Pesos)	January - March		
	2023	2022	% var
<b>Operating earnings</b>	<b>(403)</b>	<b>565</b>	<b>N/A</b>
Financial income (expense), net	(68)	(104)	35%
Foreign exchange gain (loss), net	281	(96)	N/A
<b>Net income (loss) before income</b>	<b>(189)</b>	<b>365</b>	<b>N/A</b>
Income tax benefit (expenses)	(166)	(104)	(60%)
<b>Consolidated net income (loss)</b>	<b>(355)</b>	<b>261</b>	<b>N/A</b>

**Net loss** for 1Q23 was mainly a result of lower Operating earnings, due to a significant year-over-year increase in cost of sales.

**Financial expenses** decreased year-over-year mainly due to a temporary pause in interest capitalization for the Solid Plant New Line project during 1Q22, prior to the resumption of the project.

**Foreign exchange (FX) gains**, for 1Q23, and FX losses, for 1Q22, were attributable to movement in the PHP to US\$ exchange rate. This mainly relates to intragroup deposits between CHP and its foreign subsidiaries. These intragroup deposits are essentially neutral on a net equity basis. Majority of these FX gains and losses are unrealized (non-cash expenses).

**Income tax expenses** were higher year-over-year mainly related to the foreign exchange gains recorded during the quarter, which resulted in a decrease in deferred tax assets (non-cash expenses).



# Free Cash Flow & Guidance

# Free Cash Flow

	January - March		% var
	2023	2022	
Operating EBITDA	102	1,047	(90%)
- Net Financial Expenses	68	104	
- Maintenance Capex	32	68	
- Change in Working Capital	2,039	842	
- Income Taxes Paid	117	141	
- Other Cash Items (net)	(8)	7	
<b>Free Cash Flow after Maintenance Capex</b>	<b>(2,144)</b>	<b>(115)</b>	<b>(1768%)</b>
- Strategic Capex	746	134	
<b>Free Cash Flow</b>	<b>(2,891)</b>	<b>(249)</b>	<b>(1062%)</b>

Millions of Philippine Pesos

1Q23 investment in **working capital** was mainly due to timing differences of accounts payables and lower balance in accounts payables

**Net financial expenses** decreased year-over-year for 1Q23 due to a temporary pause in interest capitalization for the Solid Plant New Line during 1Q22, prior to the resumption of the project

**Strategic capital expenditures** were higher in 1Q23 due to timing related to execution of the Solid Plant New Line project

# Solid Cement Plant New Line



- Commissioning and startup of **main electrical substation** for the new line completed in 1Q23

Activities currently ongoing include:

- **Electrical installation**
- **Mechanical installation** of various equipment
- Construction of **material transportation system**
- Construction of the **different buildings** for the new line

- We have invested around **US\$237 million**<sup>1</sup> from the start of the project until end March 2023
- Expected completion of construction: **March 2024**
- Expected total investment of **US\$356 million**<sup>1</sup>

<sup>1</sup> Includes project cost and interest capitalization

# 2023 Guidance

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<b>Cement Volumes</b>	Low-single-digit percentage decrease	
<b>Capital expenditures</b>	PHP 4,000 million	Solid Cement Plant New Line CAPEX
	<u>PHP 700 million</u>	Maintenance and Other Strategic CAPEX
	<b>PHP 4,700 million</b>	<b>Total CAPEX</b>

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# Q&A Session 2023 First Quarter Results



## Contact Information

### Investors Relations

In the Philippines  
+632 8849 3600

[chp.ir@cemex.com](mailto:chp.ir@cemex.com)

### Stock Information

PSE:  
CHP

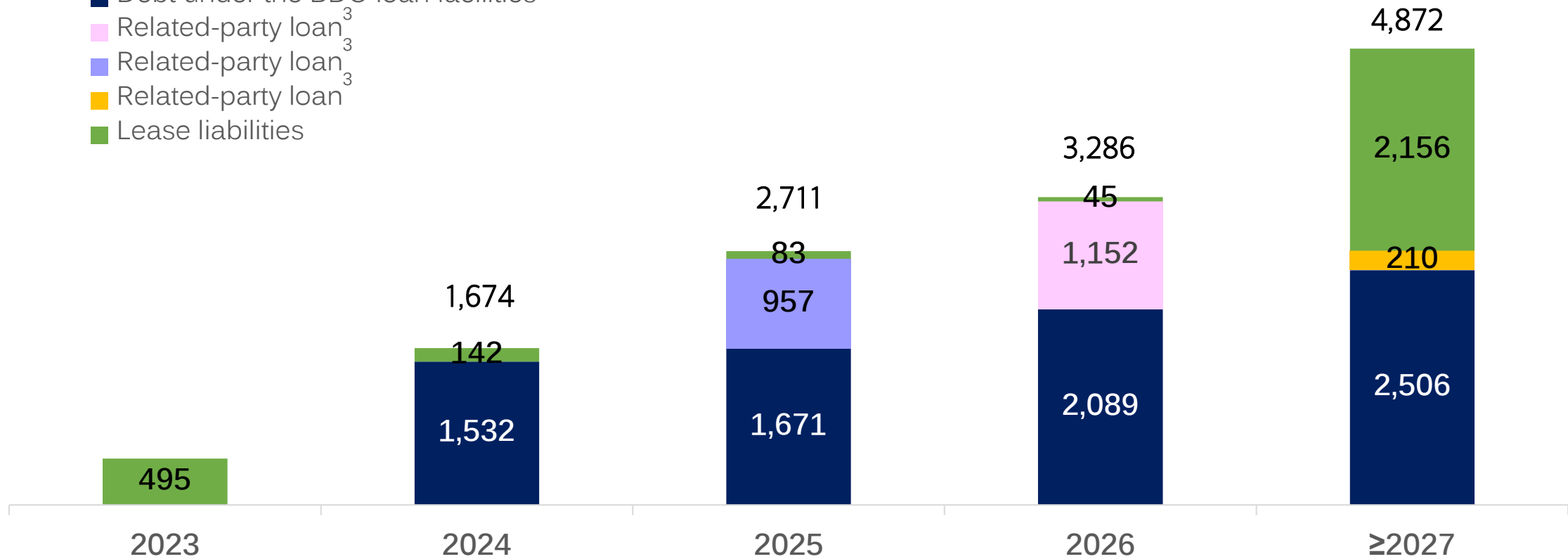


# 2023 First Quarter Appendix

# Debt Maturity Profile

Total Debt: PHP 13,038  
 Avg. life of debt<sup>1</sup>: 6.4 years  
 Net Debt to EBITDA<sup>2</sup>: 6.0x

- Debt under the BDO loan facilities
- Related-party loan<sup>3</sup>
- Related-party loan<sup>3</sup>
- Related-party loan<sup>3</sup>
- Lease liabilities



All amounts in millions of Philippine Pesos

<sup>1</sup> Based on weighted average life of debt

<sup>2</sup> Last 12 months Consolidated EBITDA

<sup>3</sup> Loans of subsidiaries with Cemex Innovation Holding Ltd., a subsidiary of CEMEX, S.A.B. de C.V.

# Additional Debt Information

	First Quarter			Fourth Quarter
	2023	2022	% var	2022
Total debt <sup>(1)(2)</sup>	13,038	10,910	20%	11,060
Short term	13%	47%		8%
Long term	87%	53%		92%
Cash and cash equivalents	1,746	4,611	(62%)	2,720
Net debt	11,292	6,299	79%	8,340
Leverage Ratio <sup>(3)</sup>	6.76	2.81		3.89
Coverage Ratio <sup>(3)</sup>	3.15	7.45		5.18

Note:

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

<sup>1</sup> U.S. dollar debt converted using end-of-period exchange rates

<sup>2</sup> Includes leases, in accordance with Philippine Financial Reporting Standards (PFRS)

<sup>3</sup> Based on financial covenants under the BDO loan facilities; for compliance commencing on January 1, 2025

# Definitions

<b>PHP</b>	Philippine Pesos
<b>pp</b>	Percentage points
<b>Prices</b>	All references to pricing initiatives, price increases or decreases, refer to our prices for our products.
<b>Operating EBITDA</b>	Operating earnings before other expenses, net, plus depreciation and operating amortization.
<b>Free Cash Flow</b>	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),
<b>Maintenance Capital Expenditures</b>	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,
<b>Strategic capital expenditures</b>	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.
<b>Change in Working capital in the Free cash flow statements</b>	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.
<b>Net Debt</b>	Total debt (debt plus leases) minus cash and cash equivalents.



# 2023

## FIRST QUARTER RESULTS

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

## Operating and Financial Highlights

	January - March			First Quarter		
	2023	2022	% var	2023	2022	% var
Net sales	4,645	5,240	(11%)	4,645	5,240	(11%)
Gross profit	942	1,989	(53%)	942	1,989	(53%)
as % of net sales	20.3%	37.9%	(17.6pp)	20.3%	37.9%	(17.6pp)
Operating earnings before other expenses, net	(411)	573	N/A	(411)	573	N/A
as % of net sales	-8.8%	10.9%	(19.7pp)	-8.8%	10.9%	(19.7pp)
Controlling Interest Net Income (Loss)	(355)	261	N/A	(355)	261	N/A
Operating EBITDA	102	1,047	(90%)	102	1,047	(90%)
as % of net sales	2.2%	20.0%	(17.8pp)	2.2%	20.0%	(17.8pp)
Free cash flow after maintenance capital expenditures	(2,144)	(115)	(1768%)	(2,144)	(115)	(1768%)
Free cash flow	(2,891)	(249)	(1062%)	(2,891)	(249)	(1062%)
Net debt <sup>1</sup>	11,292	6,299	79%	11,292	6,299	79%
Total debt <sup>1</sup>	13,038	10,910	20%	13,038	10,910	20%
Earnings per share <sup>2</sup>	(0.03)	0.02	N/A	(0.03)	0.02	N/A

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

<sup>1</sup> U.S. dollar debt converted using end-of-period exchange rate. See Debt Information on page 4 and Exchange Rates on page 7 for more detail.

<sup>2</sup> In Philippine Pesos

**Net sales** for 1Q23 were down by 11% year-over-year mainly due to lower volumes.

**Cost of sales** as a percentage of net sales, increased by almost 18pp year-over-year mainly due to higher fuel and power cost.

Fuel cost, as a percentage of net sales, was higher, at 29.1% for 1Q23, compared with 18.2% in 1Q22, driven by the steep rise in global energy prices in 2022.

Power cost, as a percentage of net sales, was higher, at 15.2%, for 1Q23, compared with 12.0% in 1Q22, resulting from higher power rates due to renegotiations of electricity contracts in the second half of 2022.

In light of significant input cost inflation and market challenges, CHP has remained focused on the variables within its control, especially on the cost side, with substantial progress. In February 2023, CHP shifted to a more cost-efficient fuel mix at its APO Cement plant and has significantly increased the usage of alternative fuels in both Solid Cement and APO Cement plants. As a result, notable improvements have already been seen in CHP's cost base. On a unitary per gigacalorie basis, after seeing its fuel cost reach its highest level ever in January, CHP's fuel cost declined sequentially over the next two months of the first quarter. CHP's unitary fuel cost in March 2023 was its lowest since April 2022. CHP also aims to further optimize production costs and reduce year-over-year maintenance expenses.

**Operating expenses** were 29.1% of sales for 1Q23, compared with 27.0% in 1Q22.

While selling and administrative expenses, as a percentage of net sales, were higher by 0.8pp year-over-year, total selling and administrative expenses declined by 6% year-over-year.

Distribution expenses, as a percentage of net sales, higher by 1.3pp year-over-year, mainly due to higher freight and fuel rates, and increased deliveries to customers.

CHP has launched a program to reach efficiencies in all areas of the company, not only in production and supply chain operations, but also targeting potential savings from operating expenses and fixed costs. Through these efforts, CHP has seen its unitary distribution cost decline sequentially quarter-on-quarter. CHP's unitary distribution cost in March 2023 was its lowest since March 2022.

**Operating EBITDA** for 1Q23 decreased by 90% year-over-year, while **Operating EBITDA margin** declined by 17.8pp year-over-year, mainly due to higher cost of sales and lower volume, together with an unfavorable comparison base for the quarter in terms of both costs and volumes, as global energy prices increased significantly in the second half of 2022, while volumes rose last year in anticipation of the May presidential elections.

**Controlling interest net income** was a loss for 1Q23, mainly a result of lower operating earnings due to a significant year-over-year increase in cost of sales.

Financial expenses decreased year-over-year for 1Q23 mainly due to a temporary pause in interest capitalization for the Solid Plant New Line project during 1Q22, prior to the resumption of the project.

Foreign exchange (FX) gains, for 1Q23, and losses, for 1Q22, were attributable to movement in the PHP to US\$ exchange rate. This mainly relates to intragroup deposits between CHP and its foreign subsidiaries. These intragroup deposits are essentially neutral on a net equity basis. Majority of these FX gains and losses are unrealized (non-cash expenses).

Income tax expenses were higher mainly related to the foreign exchange gains recorded during the quarter, which resulted in a decrease in deferred tax assets (non-cash expenses).

**Total debt** increased by 20% year-over-year, and stood at PHP 13,038 million at the end of March 2023, of which PHP 7,798 million pertained to debt owed to BDO Unibank, Inc. under the BDO loan facilities.



Domestic Gray Cement	January - March 2023 vs. 2022	First Quarter 2023 vs. 2022	First Quarter 2023 vs. Fourth Quarter 2022
Volume	(16%)	(16%)	(2%)
Price in PHP	5%	5%	0%

Our **domestic cement volume** for the first quarter of 2023 decreased by 16% year-over-year and by 2% sequentially, reflecting soft cement demand, a difficult prior year comparison, heightened industry competition, the presence of imported cement in the market, and an impact due to our pricing strategy, which we have been executing since last year.

Our **domestic cement prices** for the quarter were up by 5% year-over-year, reflecting our pricing strategy to offset the inflationary input cost impact we have experienced since last year.

Sequentially, our domestic cement price remained flat, amidst soft cement demand and heightened industry competition.

## Operating EBITDA, Free Cash Flow and Debt Information



### Operating EBITDA and Free Cash Flow

	January - March			First Quarter		
	2023	2022	% var	2023	2022	% var
<b>Operating earnings before other income, net</b>	<b>(411)</b>	<b>573</b>	<b>N/A</b>	<b>(411)</b>	<b>573</b>	<b>N/A</b>
+ Depreciation and operating amortization	513	474		513	474	
<b>Operating EBITDA</b>	<b>102</b>	<b>1,047</b>	<b>(90%)</b>	<b>102</b>	<b>1,047</b>	<b>(90%)</b>
- Net financial expenses	68	104		68	104	
- Maintenance capital expenditures	32	68		32	68	
- Change in working capital	2,039	842		2,039	842	
- Income taxes paid	117	141		117	141	
- Other cash items (net)	(8)	7		(8)	7	
<b>Free cash flow after maintenance capital expenditures</b>	<b>(2,144)</b>	<b>(115)</b>	<b>(1768%)</b>	<b>(2,144)</b>	<b>(115)</b>	<b>(1768%)</b>
- Strategic capital expenditures	746	134		746	134	
<b>Free cash flow</b>	<b>(2,891)</b>	<b>(249)</b>	<b>(1062%)</b>	<b>(2,891)</b>	<b>(249)</b>	<b>(1062%)</b>

In millions of Philippine Pesos

Investment in **working capital** in 1Q23 was mainly due to timing differences of accounts payables and lower balance in accounts payables.

**Net financial expenses** decreased year-over-year due to a temporary pause in interest capitalization for the Solid Plant New Line during 1Q22, prior to the resumption of the project.

**Strategic capital expenditures** were higher in 1Q23 due to timing related to execution of the Solid Plant New Line project.

### Debt Information

	First Quarter		Fourth Quarter		First Quarter	
	2023	2022	% var	2022	2023	2022
<b>Total debt<sup>(1)(2)</sup></b>	<b>13,038</b>	<b>10,910</b>	<b>20%</b>	<b>11,060</b>		
Short term	13%	47%		8%		
Long term	87%	53%		92%		
Cash and cash equivalents	1,746	4,611	(62%)	2,720		
<b>Net debt</b>	<b>11,292</b>	<b>6,299</b>	<b>79%</b>	<b>8,340</b>		
<b>Leverage Ratio<sup>(3)</sup></b>	<b>6.76</b>	<b>2.81</b>		<b>3.89</b>		
<b>Coverage Ratio<sup>(3)</sup></b>	<b>3.15</b>	<b>7.45</b>		<b>5.18</b>		
<b>Currency denomination</b>						
U.S. dollar					20%	4%
Philippine peso					80%	96%
<b>Interest rate</b>						
Fixed					40%	67%
Variable					60%	33%

In millions of Philippine Pesos, except percentages

<sup>(1)</sup> U.S. dollar debt converted using end-of-period exchange rate. See Exchange Rates on page 7 for more detail

<sup>(2)</sup> Includes leases, in accordance with Philippine Financial Reporting Standards (PFRS)

<sup>(3)</sup> Based on financial covenants under the BDO loan facilities; for compliance commencing on January 1, 2025

## 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		
	2023	2022	% var	2023	2022	% var
Net sales	4,645,083	5,240,454	(11%)	4,645,083	5,240,454	(11%)
Cost of sales	(3,702,660)	(3,251,941)	(14%)	(3,702,660)	(3,251,941)	(14%)
<b>Gross profit</b>	<b>942,423</b>	<b>1,988,513</b>	<b>(53%)</b>	<b>942,423</b>	<b>1,988,513</b>	<b>(53%)</b>
Selling and Administrative Expenses	(674,025)	(718,424)	6%	(674,025)	(718,424)	6%
Distribution expenses	(679,069)	(697,127)	3%	(679,069)	(697,127)	3%
<b>Operating earnings before other expenses, net</b>	<b>(410,671)</b>	<b>572,962</b>	<b>N/A</b>	<b>(410,671)</b>	<b>572,962</b>	<b>N/A</b>
Other income (expenses), net	7,671	(7,494)	N/A	7,671	(7,494)	N/A
<b>Operating earnings</b>	<b>(403,000)</b>	<b>565,468</b>	<b>N/A</b>	<b>(403,000)</b>	<b>565,468</b>	<b>N/A</b>
Financial income (expense), net	(67,644)	(104,298)	35%	(67,644)	(104,298)	35%
Foreign exchange gain (loss), net	281,455	(96,073)	N/A	281,455	(96,073)	N/A
<b>Income (loss) before income tax</b>	<b>(189,189)</b>	<b>365,097</b>	<b>N/A</b>	<b>(189,189)</b>	<b>365,097</b>	<b>N/A</b>
Income tax (expense) benefit	(166,301)	(103,798)	(60%)	(166,301)	(103,798)	(60%)
<b>Consolidated net income (loss)</b>	<b>(355,490)</b>	<b>261,299</b>	<b>N/A</b>	<b>(355,490)</b>	<b>261,299</b>	<b>N/A</b>
Non-controlling interest net income (loss)	8	8	0%	8	8	0%
<b>Controlling Interest net income (loss)</b>	<b>(355,482)</b>	<b>261,307</b>	<b>N/A</b>	<b>(355,482)</b>	<b>261,307</b>	<b>N/A</b>
<b>Operating EBITDA</b>	<b>102,459</b>	<b>1,047,455</b>	<b>(90%)</b>	<b>102,459</b>	<b>1,047,455</b>	<b>(90%)</b>
<b>Earnings per share</b>	<b>(0.03)</b>	<b>0.02</b>	<b>N/A</b>	<b>(0.03)</b>	<b>0.02</b>	<b>N/A</b>

BALANCE SHEET	as of March 31			as of December 31		
	2023	2022	% Var	2022	% Var	
<b>Total Assets</b>	<b>66,687,405</b>	<b>65,317,179</b>	<b>2%</b>	<b>67,952,115</b>	<b>(2%)</b>	
Cash and cash equivalents	1,746,481	4,611,175	(62%)	2,720,304	(36%)	
Derivative Asset	23,708	93,269	(75%)	49,605	(52%)	
Trade receivables - net	673,557	707,262	(5%)	637,410	6%	
Other current accounts receivable	86,276	62,481	38%	73,357	18%	
Insurance Claims and Premium Receivables	324,735	0	100%	538,740	(40%)	
Inventories, net	5,240,935	4,299,643	22%	5,813,896	(10%)	
Prepayments and other current assets	3,171,441	2,205,888	44%	3,056,051	4%	
Current Assets	11,267,133	11,979,718	(6%)	12,889,363	(13%)	
Fixed Assets	25,658,168	22,856,861	12%	25,167,401	2%	
Investments in an Associate and Other Investments	13,173	14,097	(7%)	13,173	0%	
Other Assets and Noncurrent Accounts Receivables	654,927	434,010	51%	638,789	3%	
Advances to Contractors	660,672	1,274,668	(48%)	768,525	(14%)	
Derivative asset – net of current portion	5,627	29,179	(81%)	0	100%	
Deferred income tax assets - net	568,011	868,952	(35%)	615,170	(8%)	
Goodwill	27,859,694	27,859,694	0%	27,859,694	0%	
Other Assets	29,762,104	30,480,600	(2%)	29,895,351	(0%)	
<b>Total Liabilities</b>	<b>23,173,752</b>	<b>20,639,435</b>	<b>12%</b>	<b>23,828,302</b>	<b>(3%)</b>	
Current Liabilities	11,433,369	14,272,803	(20%)	13,298,251	(14%)	
Long-Term Liabilities	8,937,994	4,408,233	103%	7,723,630	16%	
Deferred Tax Liability	2,364	1,666	42%	2,764	(14%)	
Other Liabilities	2,800,025	1,956,733	43%	2,803,657	(0%)	
<b>Consolidated Stockholders' Equity</b>	<b>43,513,653</b>	<b>44,677,744</b>	<b>(3%)</b>	<b>44,123,813</b>	<b>(1%)</b>	
Non-controlling Interest	92	117	(21%)	101	(9%)	
Stockholders' Equity Attributable to Controlling Interest	43,513,561	44,677,627	(3%)	44,123,712	(1%)	

## Income Statement & Balance Sheet Information

CEMEX Holdings Philippines, Inc.

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

INCOME STATEMENT	January - March			First Quarter		
	2023	2022	% var	2023	2022	% var
Net sales	84,800	102,113	(17%)	84,800	102,113	(17%)
Cost of sales	(67,596)	(63,366)	(7%)	(67,596)	(63,366)	(7%)
<b>Gross profit</b>	<b>17,204</b>	<b>38,747</b>	<b>(56%)</b>	<b>17,204</b>	<b>38,747</b>	<b>(56%)</b>
Selling and Administrative Expenses	(12,305)	(13,999)	12%	(12,305)	(13,999)	12%
Distribution expenses	(12,397)	(13,584)	9%	(12,397)	(13,584)	9%
<b>Operating earnings before other expenses, net</b>	<b>(7,498)</b>	<b>11,164</b>	<b>N/A</b>	<b>(7,498)</b>	<b>11,164</b>	<b>N/A</b>
Other income (expenses), net	140	(146)	N/A	140	(146)	N/A
<b>Operating earnings</b>	<b>(7,358)</b>	<b>11,018</b>	<b>N/A</b>	<b>(7,358)</b>	<b>11,018</b>	<b>N/A</b>
Financial income (expense), net	(1,235)	(2,032)	39%	(1,235)	(2,032)	39%
Foreign exchange gain (loss), net	5,138	(1,872)	N/A	5,138	(1,872)	N/A
<b>Income (loss) before income tax</b>	<b>(3,455)</b>	<b>7,114</b>	<b>N/A</b>	<b>(3,455)</b>	<b>7,114</b>	<b>N/A</b>
Income tax (expense) benefit	(3,036)	(2,023)	(50%)	(3,036)	(2,023)	(50%)
<b>Consolidated net income (loss)</b>	<b>(6,491)</b>	<b>5,091</b>	<b>N/A</b>	<b>(6,491)</b>	<b>5,091</b>	<b>N/A</b>
Non-controlling interest net income (loss)	0	0		0	0	
<b>Controlling Interest net income (loss)</b>	<b>(6,491)</b>	<b>5,091</b>	<b>N/A</b>	<b>(6,491)</b>	<b>5,091</b>	<b>N/A</b>
<b>Operating EBITDA</b>	<b>1,870</b>	<b>20,410</b>	<b>(91%)</b>	<b>1,870</b>	<b>20,410</b>	<b>(91%)</b>

BALANCE SHEET	as of March 31			as of December 31	
	2023	2022	% Var	2022	% Var
<b>Total Assets</b>	<b>1,226,755</b>	<b>1,262,413</b>	<b>(3%)</b>	<b>1,218,763</b>	<b>1%</b>
Cash and cash equivalents	32,128	89,122	(64%)	48,790	(34%)
Derivative Asset	436	1,803	(76%)	890	(51%)
Trade receivables less allowance for doubtful accounts	12,391	13,670	(9%)	11,432	8%
Other accounts receivable	1,587	1,208	31%	1,316	21%
Insurance Claims and Premium Receivables	5,974	0	100%	9,663	(38%)
Inventories, net	96,412	83,101	16%	104,276	(8%)
Other Current Assets	58,341	42,634	37%	54,812	6%
Current Assets	207,269	231,538	(10%)	231,179	(10%)
Fixed Assets	472,005	441,764	7%	451,393	5%
Investments in an Associate and Other Investments	242	272	(11%)	236	3%
Other Assets and Noncurrent Accounts Receivables	12,048	8,388	44%	11,457	5%
Advances to Contractors	12,154	24,636	(51%)	13,784	(12%)
Derivative asset - LT	104	564	(82%)	0	100%
Deferred tax asset	10,449	16,795	(38%)	11,033	(5%)
Goodwill	512,504	538,456	(5%)	499,681	3%
Other Assets	547,501	589,111	(7%)	536,191	2%
<b>Total Liabilities</b>	<b>426,301</b>	<b>398,908</b>	<b>7%</b>	<b>427,375</b>	<b>(0%)</b>
Current Liabilities	210,327	275,857	(24%)	238,512	(12%)
Long-Term Liabilities	164,422	85,200	93%	138,528	19%
Deferred Tax Liability	43	32	34%	50	(14%)
Other Liabilities	51,509	37,819	36%	50,285	2%
<b>Consolidated Stockholders' Equity</b>	<b>800,474</b>	<b>863,505</b>	<b>(7%)</b>	<b>791,388</b>	<b>1%</b>
Non-controlling Interest	2	2	0%	2	0%
Stockholders' Equity Attributable to Controlling Interest	800,472	863,503	(7%)	791,386	1%

### 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 to consolidated financial statements, it means financial statements corresponding to CHP together with its subsidiaries.

For the purpose of presenting figures in U.S. dollars, the consolidated balance sheet as of March 31, 2023 has been converted at the end of period exchange rate of 54.74 Philippine pesos per US dollar while the consolidated income statement for the three-month period ended March 31, 2023 has been converted at the January to March 2023 average exchange rate of 54.78 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** are 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** are 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	
	2023 average	2022 average	2023 average	2022 average	2023 End of period	2022 End of period
Philippine peso	54.78	51.32	54.78	51.32	54.36	51.74

Amounts provided in units of local currency per US dollar

Except as the context otherwise may require, references in this report to “CHP,” “we,” “us” or “our” refer to CEMEX Holdings Philippines, Inc. and its consolidated entities. The information contained in this report contains forward-looking statements within the meaning of securities laws. We intend these forward-looking statements to be covered by any applicable safe harbor provisions for forward-looking statements within the meaning of securities laws. These forward-looking statements and information are necessarily subject to risks, uncertainties, and assumptions, including but not limited to statements related to CHP’s plans, objectives, expectations (financial or otherwise), and typically can be identified by the use of words such as “will,” “may,” “assume,” “might,” “should,” “could,” “continue,” “would,” “can,” “consider,” “anticipate,” “estimate,” “expect,” “envision,” “plan,” “believe,” “foresee,” “predict,” “potential,” “target,” “strategy,” “intend,” “aimed”, and similar terms. Although CHP believes that its expectations are reasonable, it can give no assurance that these expectations will prove to be correct, and actual results may vary materially from historical results or results anticipated by forward-looking statements due to various factors. These forward-looking statements reflect, as of the date on which such forward-looking statements are made, our current expectations and projections about future events based on our knowledge of present facts and circumstances and assumptions about future events, unless otherwise indicated. These statements necessarily involve risks, uncertainties and assumptions that could cause actual results to differ materially from historical results or those anticipated in this report. Among others, such risks, uncertainties, and assumptions include those discussed in CHP’s most recent annual report and those detailed from time to time in CHP’s filings with the Philippine Securities and Exchange Commission, which factors are incorporated herein by reference, including, but not limited to: the impact of pandemics, epidemics or outbreaks of infectious diseases and the response of governments and other third parties, including with respect to the novel strain of the coronavirus identified in China in late 2019 and its variants (“COVID-19”), which have affected and may continue to adversely affect, among other matters, the ability of our operating facilities to operate at full or any capacity, supply chains, international operations, availability of liquidity, investor confidence and consumer spending, as well as the availability of, and demand for, our products and services; the cyclical activity of the construction sector; our exposure to other sectors that impact our and our clients’ businesses, such as, but not limited to, the energy sector; availability of raw materials and related fluctuating prices; volatility in pension plan asset values and liabilities, which may require cash contributions to the pension plans; the impact of environmental cleanup costs and other liabilities relating to existing and/or divested businesses; our ability to secure and permit aggregates reserves in strategically located areas; the timing and amount of federal, state and local funding for infrastructure; changes in the level of spending for private residential and private nonresidential construction; changes in our effective tax rate; competition in the markets in which we offer our products and services; general political, social, health, economic and business conditions in the markets in which we operate or that affect our operations and any significant economic, health, political or social developments in those markets, as well as any inherent risks to international operations; the regulatory environment, including environmental, energy, tax, labor, antitrust, and acquisition-related rules and regulations; our ability to satisfy our obligations under our material debt agreements and CEMEX, S.A.B. de C.V.’s (“CEMEX”), the ultimate parent company of the major shareholder of CHP, ability to satisfy CEMEX’s obligations under its material debt agreements, the indentures that govern CEMEX’s outstanding notes, and other debt instruments and financial obligations, including CEMEX’s subordinated notes with no fixed maturity and other financial obligations; the availability of short-term credit lines or working capital facilities, which can assist us in connection with market cycles; the impact of CEMEX’s below investment grade debt rating on our cost of capital and on the cost of the products and services we purchase; loss of reputation of our brands; our ability to consummate asset sales, fully integrate newly acquired businesses, achieve cost-savings from our cost-reduction initiatives, implement our pricing initiatives for our products and CEMEX’s ability to generally meet its “Operation Resilience” strategy’s goals; the increasing reliance on information technology infrastructure for our sales, invoicing, procurement, financial statements and other processes that can adversely affect our sales and 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 the demand for consumer goods, consequently affecting demand for our products and services; weather conditions, including but not limited to, excessive rain and snow, and disasters such as earthquakes and floods; trade barriers, including tariffs or import taxes and changes in existing trade policies or changes to, or withdrawals from, free trade agreements; availability and cost of trucks, railcars, barges and ships, as well as their licensed operators, for transport of our materials; labor shortages and constraints; terrorist and organized criminal activities as well as geopolitical events, such as war and armed conflicts, including the current war between Russia and Ukraine; declarations of insolvency or bankruptcy, or becoming subject to similar proceedings; and, natural disasters and other unforeseen events (including global health hazards such as COVID-19). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from historical results, performance or achievements and/or results, performance or achievements expressly or implicitly anticipated by the forward-looking statements, or otherwise could have an impact on us or our consolidated entities. Any or all of CHP’s forward-looking statements may turn out to be inaccurate and the factors identified above are not exhaustive. Accordingly, undue reliance on forward-looking statements should not be placed, as such forward-looking statements speak only as of the dates on which they are made. These factors may be revised or supplemented, but CHP is not under, and expressly disclaims, any obligation to update or correct the information contained in this report or any forward-looking statement that it may make from time to time, whether as a result of new information, future events or otherwise. Readers should review future reports filed by us with the Philippine Securities and Exchange Commission. This report also includes statistical data regarding the production, distribution, marketing and sale of cement, ready mix concrete, clinker, aggregates and Urbanization Solutions. Unless the context indicates otherwise, all references to pricing initiatives, price increases or decreases, refer to CHP’s prices for CHP’s products. We generated some of this data internally, and some was obtained from independent industry publications and reports that we believe to be reliable sources. We have not independently verified this data nor sought the consent of any organizations to refer to their reports in this report.

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## **CHP REPORTS FIRST QUARTER 2023 RESULTS**

**MANILA, PHILIPPINES. MAY 3, 2023 – CEMEX HOLDINGS PHILIPPINES, INC. ("CHP") (PSE: CHP)**, announced today that its consolidated net sales for the first quarter of 2023 amounted to PHP 4.6 billion, a decrease of 11% compared to the prior year due to lower volumes.

CHP's domestic cement volumes decreased by 16% year-over-year for first quarter of 2023. The decline in volume was mainly attributable to lower cement demand.

CHP's domestic cement price rose by 5% year-over-year for the first quarter of 2023, reflecting the company's pricing strategy to offset the sharp input cost inflation the company has experienced in fuel, electricity, and transport, among others.

CHP's cost of sales, as a percentage of net sales, was at 79.7% for the first quarter of 2023, an increase of 17.7 percentage points year-over-year mainly due to higher fuel and power costs. CHP's fuel cost, as a percentage of net sales, was at 29.1% for the quarter, an increase of 10.9 percentage points year-over-year mainly driven by steep inflation in global energy prices in 2022. CHP's power cost, as a percentage of net sales, was at 15.2% for the quarter, an increase of 3.2 percentage points year-over-year resulting from higher power rates due to renegotiations of electricity contracts in the second half of 2022.

Operating EBITDA for the first quarter of 2023 amounted to PHP 102 million, 90% lower year-over-year. The decrease was mainly due to higher cost of sales and lower volume, as well as an unfavorable first quarter 2022 comparison base for both for input costs and volumes, as global energy prices increased significantly in the second half of 2022, while volumes rose last year in anticipation of the May presidential elections. Operating EBITDA margin for the first quarter was 2.2%, a decline of 17.8 percentage points year-over-year.

CHP recorded a net loss of PHP 355 million for the first quarter of 2023, mainly as a result of lower operating earnings due to the significant year-over-year increase in cost of sales.

In light of significant input cost inflation and market challenges, CHP has remained focused on the variables within its control, especially on the cost side, with substantial progress.

In February 2023, CHP shifted to a more cost-efficient fuel mix in its APO Cement plant and has significantly increased the usage of alternative fuels in both Solid Cement and APO Cement plants. As a result, notable improvements have already been seen in CHP's cost base. On a unitary per gigacalorie basis, after seeing its fuel cost reach its highest level ever in January, CHP's fuel cost declined sequentially for the next two months of the first quarter. CHP's unitary fuel cost in March 2023 was its lowest since April 2022.

In addition to its efforts with energy, CHP has launched a program to achieve efficiencies in all areas of the company, not only production and supply chain operations, but also targeting potential savings from operating expenses and fixed costs.

Through these efforts, CHP has seen its unitary distribution cost decline sequentially quarter-on-quarter. CHP's unitary distribution cost in March 2023 was its lowest since March 2022.

Luis Franco, President and CEO of CHP, said: "As commented last February, we expect 2023 to be a year of transition for our company. Although we have already noticed an inflection point in costs such as fuel and electricity, our expectations remain that market conditions and cost inflation will continue to be challenging through the first half of 2023. With uncertain market conditions in the foreseeable future, we remain focused on finding efficient and sustainable ways of running our operations and improving results."

For 2023, CHP is guiding for a low-single-digit percentage decrease for its domestic cement sales volume.

*CHP, a listed company on 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 other building materials 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. For more information please visit: [www.cemexholdingsphilippines.com](http://www.cemexholdingsphilippines.com)*

*CHP is an indirect subsidiary of CEMEX, S.A.B. de C.V., a global construction materials company that is building a better future through sustainable products and solutions. CEMEX is committed to achieving carbon neutrality through relentless innovation and industry-leading research and development. CEMEX is at the forefront of the circular economy in the construction value chain, and is pioneering ways to increase the use of waste and residues as alternative raw materials and fuels in its operations with the use of new technologies. CEMEX offers cement, ready-mix concrete, aggregates, and urbanization solutions in growing markets around the world, powered by a multinational workforce focused on providing a superior customer experience, enabled by digital technologies. 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 please visit: [www.cemex.com](http://www.cemex.com)*

*For more information on CHP, please visit website: [www.cemexholdingsphilippines.com](http://www.cemexholdingsphilippines.com).*

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