



PRESS RELEASE

Eagle Cement posts P1.3 billion net profit in 1H20

MANILA, Philippines—Eagle Cement Corporation (EAGLE), a fully integrated cement company, continued to turn a profit in the second quarter even as the Philippine economy fell into a recession after the government locked down Luzon starting mid-March to contain the spread of the COVID-19 pandemic.

“These are very difficult times but we remain confident that the economy will recover from this pandemic and emerge stronger. The government’s steady push for the completion of major infrastructure projects and the private sector’s readiness to bounce back offer encouraging signs for our Company’s prospects moving forward,” said EAGLE President & CEO Paul Ang.

For the first half of 2020, the Company still posted a net profit of P1.3 billion, down 61% from last year, as net sales dropped 44% to P5.9 billion. EAGLE expects the strong performance it saw in early 2020 to resume once the government eases further the quarantine restrictions, especially in Luzon.

EAGLE reported a second-quarter net profit of P128 million, down from P1.7 billion over the same period in the previous year, as net sales dropped 73% to P1.4 billion.

Ang said that the pandemic that has negatively affected the economy this year has created a highly competitive cement market that could squeeze profits. “More aggressive strategies in pricing and marketing will be undertaken in the remaining half of the year,” he added.

Even with the slide in profitability, EAGLE continued to showcase a strong financial position at the end of June to withstand any external adversities amid the crisis. Total assets amounted to P45.8 billion, a 7% drop from the end-2019 figure while total liabilities likewise declined by 13% to P10.2 billion. EAGLE sustained its current gearing at low levels, with debt-to-equity and financial debt-to-equity ratios registering at 0.29x and 0.19x, respectively. Meanwhile, current ratio stood at 4.69x.

“Our balance sheet remains strong and well-capitalized and the Company is well-positioned to take advantage of a rebound in the construction industry. We continue to expand our production capacity despite the pandemic, underscoring our confidence on the economy’s ability to recover once quarantine restrictions are further eased,” said Ang.

Eagle Cement’s Bulacan expansion is underway and is slated to be completed in 1Q21, augmenting its cement production capacity by 1.5 million metric tonnes (MMT) to 8.6 MMT a year.

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Founded in 1995 and commenced its commercial operations in 2010, Eagle Cement Corporation (EAGLE) operates the newest and single largest cement manufacturing plant in the Philippines. EAGLE is engaged in the business of manufacturing, marketing, sale and distribution of cement, under the brands: Eagle Cement Advance Type 1P, Eagle Cement Exceed Type 1P, and Eagle Cement Strongcem Type 1.