

PPC's 2019 NET INCOME UP BY 7.58%

Pryce Corporation and its subsidiaries (PPC) posted an unaudited consolidated net income of Php 1.509 billion for the year 2019, which is 7.58% higher than the previous year's Php 1.403 billion. The Php 1.509-billion net income is within the range of the company's target and this was achieved despite the expiration on December 31, 2018 of the income tax holidays enjoyed by the company's San Fabian, Pangasinan import terminal since 2014.

PPC's 2019 topline is Php 10.632 billion, a 3.50% increase over last year's revenues of Php 10.273 billion. Liquefied petroleum gas (LPG) is the group's principal product, along with its cylinders & accessories and LPG gensets. It accounted for 94% of total revenues, whereas the remaining revenues were accounted for by sales of industrial gases, real estate, and pharmaceutical products. The modest revenue growth is largely explained by the lower average international LPG contract price (CP) of US\$439.5/MT during the year. In 2018, CP for LPG averaged US\$540/MT, higher by US\$100.5/MT over that of 2019. Normally, local LPG prices follow or reflect the international CP of LPG.

LPG sales volume grew 9.10% to 220,193 metric tons (MT) from year-ago volume of 201,826 MT. The company's Luzon operations achieved a 9.69% growth in sales volume, a little higher than the 8.35% growth in the combined sales performance of the company's operations in the Visayas and Mindanao areas. Department of Energy's data show that the combined demand for LPG of Luzon and NCR comprise about 79% of the country's total demand; the balance of 21% is accounted for by the combined demand of the Visayas and Mindanao areas.

The company is optimistic about its prospects for 2020 on account of strong household incomes given steady OFW remittances and new job opportunities in a growing economy. This is a welcome environment for our company's expansion projects. This will be complemented by vigorous marketing and sales efforts in order to widen the scope of our market and bring our LPG products closer to the consumers.

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