

## MEDIA RELEASE

March 11, 2020

### **Axelum more than doubles profit in 2019**

Axelum Resources Corp. (PSE: AXLM), the country's largest fully-integrated manufacturer and exporter of world-class premium coconut products, disclosed today a net income of P775.6 million for 2019, up 113% from P364.8 million in 2018.

"The year 2019 was a transformational period for Axelum as it transitioned from a private homegrown company into a publicly-listed entity. We also achieved a record level in terms of profitability despite encountering various headwinds brought about by an overall challenging environment. We were faced with global price volatilities of vegetable-based oil, rising input costs and a stronger peso currency, amongst others. Looking ahead, we are determined to sustain this growth trajectory in 2020," stated Mr. Henry J. Raperoga, President and Chief Operating Officer of Axelum Resources Corp.

For 2019, topline decreased by 10% to P5.3 billion from P5.9 billion in 2018. This was primarily due to the global decline in vegetable oil prices that heavily discounted average selling rates combined with the strong finish of the Philippine peso. Notably, gross margin significantly improved to 29% from 23% as a result of on-going efforts intended to leverage on operational efficiencies, streamline processes and optimize production costs. Operating expenses were also relatively maintained at P297 million in 2019. Net income margin stood at 15% compared to 6% in 2018.

For 2020, Axelum has earmarked capital spending at approximately P600.0 million to expand local and overseas distribution channels, upgrade production equipment and develop new products.

As to its manufacturing operations, the company expects core products namely desiccated coconut, coconut water and coconut milk powder to drive its growth momentum this year. For its coconut water segment, Axelum is on-track to sell around 25 million liters of coconut water in 2020. Similarly, the company has also seen a boost in its coconut milk powder business driven by a robust order pipeline complemented by continuous inquiries from new customers particularly from the cosmetics and nutrition industries. The surge in demand can be attributed to innovative and broader commercial applications of coconut milk powder specifically as a key ingredient for non-food items.

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Moreover, Axelum is actively engaged in preliminary discussions with select strategic targets for potential acquisition.

“From our end, this represents a unique opportunity to further enhance our value-chain, extend our product line, future-proof manufacturing capacity, increase market share and derive additional operating synergies across the business. Hopefully, we can close a good deal within the year,” ended Mr. Raperoga.

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