

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-Q

### QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

- 1. For the quarterly period ended  
Mar 31, 2026
- 2. SEC Identification Number  
142312
- 3. BIR Tax Identification No.  
000-083-856-000
- 4. Exact name of issuer as specified in its charter  
Ginebra San Miguel Inc.
- 5. Province, country or other jurisdiction of incorporation or organization  
Philippines
- 6. Industry Classification Code(SEC Use Only)  
[REDACTED]
- 7. Address of principal office  
3rd and 6th Floors, San Miguel Properties Centre, St. Francis Street, Ortigas Center, Mandaluyong City  
Postal Code  
1550
- 8. Issuer's telephone number, including area code  
(+632) 8841-5100
- 9. Former name or former address, and former fiscal year, if changed since last report  
N/A
- 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
COMMON STOCK	286,327,841

- 11. Are any or all of registrant's securities listed on a Stock Exchange?  
 Yes     No  
 If yes, state the name of such stock exchange and the classes of securities listed therein:  
 The Philippine Stock Exchange, Inc. - Common Shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

Yes     No

(b) has been subject to such filing requirements for the past ninety (90) days

 Yes
  No

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



## Ginebra San Miguel, Inc. GSMI

### PSE Disclosure Form 17-2 - Quarterly Report References: SRC Rule 17 and Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Mar 31, 2026
Currency (indicate units, if applicable)	Php (in thousands)

#### Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2026	Dec 31, 2025
<b>Current Assets</b>	29,862,616	25,957,910
<b>Total Assets</b>	39,172,899	35,343,202
<b>Current Liabilities</b>	10,983,463	8,297,297
<b>Total Liabilities</b>	12,014,711	9,331,370
<b>Retained Earnings/(Deficit)</b>	28,691,542	27,545,186
<b>Stockholders' Equity</b>	27,158,188	26,011,832
<b>Stockholders' Equity - Parent</b>	26,178,789	25,077,511
<b>Book Value per Share</b>	94.85	90.85

#### Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
<b>Gross Revenue</b>	16,727,469	16,269,709	16,727,469	16,269,709
<b>Gross Expense</b>	13,898,568	13,805,509	13,898,568	13,805,509
<b>Non-Operating Income</b>	237,493	366,497	237,493	366,497
<b>Non-Operating Expense</b>	23,099	20,485	23,099	20,485
<b>Income/(Loss) Before Tax</b>	3,043,295	2,810,212	3,043,295	2,810,212
<b>Income Tax Expense</b>	751,626	698,168	751,626	698,168
<b>Net Income/(Loss) After Tax</b>	2,291,669	2,112,044	2,291,669	2,112,044
<b>Net Income Attributable to Parent Equity Holder</b>	2,246,590	2,073,864	2,246,590	2,073,864

<b>Earnings/(Loss) Per Share (Basic)</b>	8	7.38	8	7.38
<b>Earnings/(Loss) Per Share (Diluted)</b>	8	7.38	8	7.38

	<b>Current Year (Trailing 12 months)</b>	<b>Previous Year (Trailing 12 months)</b>
<b>Earnings/(Loss) Per Share (Basic)</b>	30.93	26.06
<b>Earnings/(Loss) Per Share (Diluted)</b>	30.93	26.06

#### Other Relevant Information

Please see attached SEC Form 17-Q (Quarterly Report) of GSMI for the period ended March 31, 2026. Amounts in thousand pesos, except per share data.

#### Filed on behalf by:

<b>Name</b>	Francis Joseph Cruz
<b>Designation</b>	General Counsel and Assistant Corporate Secretary

# COVER SHEET

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S. E. C. Registration Number

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(Company's Full Name)

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

Ariel I. Victoria
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Contact Person

(632) 8841-5100
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Company Telephone

Number

1	2
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Month

3	1
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Day

SEC FORM 17-Q (1 <sup>st</sup> Qtr 2026)
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FORM TYPE

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Month

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Day

Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.  
Number/Section

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Amended

Articles

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Total No. of Stockholders  
Foreign

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Total Amount of Borrowings

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Domestic

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To be accomplished by SEC Personnel concerned

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**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-Q  
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER**

1. For the quarterly period ended **March 31, 2026**
2. Commission identification number **142312**
3. BIR Tax Identification No. **000-083-856-00000**
4. Exact name of issuer as specified in its charter: **GINEBRA SAN MIGUEL INC.**

**PHILIPPINES**

5. Province, country or other jurisdiction of incorporation or organization:
6. Industry Classification Code:  (SEC use only)

**3<sup>RD</sup> and 6<sup>TH</sup> FLOORS, SAN MIGUEL PROPERTIES CENTRE,  
ST. FRANCIS STREET, ORTIGAS CENTER  
MANDALUYONG CITY**

7. Address of issuer's principal office **1550**  
Postal Code

**(632) 8841-5100**

8. Issuer's telephone number, including area code

**N.A.**

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

11.

**Outstanding Capital Stock and Amount of Debt  
Outstanding as of March 31, 2026**

<b>COMMON SHARES</b>	<b>286,327,841</b>
<b>PREFERRED SHARES</b>	<b>-</b>
	<b>286,327,841</b>
 <b>TOTAL LIABILITIES</b>	 <b>Php 12,014,711</b>

12. Are any or all of the securities listed on a Stock Exchange?

Yes [ / ] No [ ]

If yes, state name of such Stock Exchange and the class/es of securities listed therein.

**THE PHILIPPINE STOCK EXCHANGE, INC. - Common**

13. Indicate by check mark whether the registrant:

a.) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes [ / ] No [ ]

b.) has been subject to such filing requirements for the past 90 days

Yes [ / ] No [ ]

## PART I – FINANCIAL INFORMATION

### Item 1. Financial Statements.

The unaudited consolidated financial statements of Ginebra San Miguel Inc. and its subsidiaries as of and for the period ended March 31, 2026 (with comparative figures as of December 31, 2025 and for the period ended March 31, 2025) and Selected Notes to the Consolidated Financial Statements are attached hereto as **Annex "A"**.

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information required by Part III, Paragraph (A)(2)(b) of "Annex C, as amended" is attached hereto as **Annex "B"**.

## PART II – OTHER INFORMATION


Ginebra San Miguel Inc. may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

NONE

## 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 thereunto duly authorized.

Issuer **GINEBRA SAN MIGUEL INC.**

Signature and Title   
**Ariel I. Victoria**  
OIC - Chief Finance Officer

Date April 30, 2026

**GINEBRA SAN MIGUEL INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2026 AND DECEMBER 31, 2025**

(In Thousands)

	Note	2026 Unaudited	2025 Audited
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6, 7	P17,850,264	P15,002,489
Trade and other receivables - net	3, 6, 7	1,804,364	2,237,055
Inventories - net		8,319,984	7,509,951
Prepaid expenses and other current assets	3, 6, 7	1,888,004	1,208,415
<b>Total Current Assets</b>		<b>29,862,616</b>	<b>25,957,910</b>
<b>Noncurrent Assets</b>			
Investment in debt instruments at amortized cost	3, 6, 7	1,500,000	1,500,000
Property, plant and equipment - net	2	6,086,003	6,157,051
Investment property - net	3	702,663	710,033
Right-of-use assets - net	3	35,938	44,344
Goodwill - net		126,863	126,863
Deferred tax assets - net		593,326	644,095
Other noncurrent assets - net	3, 6, 7	265,490	202,906
<b>Total Noncurrent Assets</b>		<b>9,310,283</b>	<b>9,385,292</b>
		<b>P39,172,899</b>	<b>P35,343,202</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	3, 6, 7	P8,828,930	P5,953,120
Income and other taxes payable		2,133,728	2,317,666
Lease liabilities - current portion	3, 6	20,805	26,511
<b>Total Current Liabilities</b>		<b>10,983,463</b>	<b>8,297,297</b>
<b>Noncurrent Liabilities</b>			
Retirement liabilities		1,012,459	1,012,459
Lease liabilities - net of current portion	3, 6	18,789	21,614
<b>Total Noncurrent Liabilities</b>		<b>1,031,248</b>	<b>1,034,073</b>
<b>Total Liabilities</b>		<b>12,014,711</b>	<b>9,331,370</b>
<b>Equity</b>			
Capital stock		399,063	399,063
Additional paid-in capital		2,539,454	2,539,454
Equity reserves		(801,898)	(801,898)
Retained earnings:			
Appropriated		3,512,000	3,512,000
Unappropriated	5	25,179,542	24,033,186
Treasury stock		(3,669,973)	(3,669,973)
<b>Total Equity</b>		<b>27,158,188</b>	<b>26,011,832</b>
		<b>P39,172,899</b>	<b>P35,343,202</b>

See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:



ARIEL I. VICTORIA

OIC - Chief Finance Officer

*Just*

**GINEBRA SAN MIGUEL INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE PERIODS ENDED MARCH 31, 2026 AND 2025**  
(In Thousands, Except Per Share Data)

	<i>Note</i>	<u>2026</u> Unaudited	<u>2025</u> Unaudited
SALES	3	P16,727,469	P16,269,709
COST OF SALES		12,215,800	12,187,048
GROSS PROFIT		4,511,669	4,082,661
SELLING AND MARKETING EXPENSES		(893,122)	(922,108)
GENERAL AND ADMINISTRATIVE EXPENSES		(789,646)	(696,353)
INTEREST EXPENSE AND OTHER FINANCING CHARGES		(21,875)	(20,485)
INTEREST INCOME		237,493	225,226
OTHER INCOME (CHARGES) - Net		(1,224)	141,271
INCOME BEFORE INCOME TAX		3,043,295	2,810,212
INCOME TAX EXPENSE		751,626	698,168
<b>NET INCOME / TOTAL COMPREHENSIVE INCOME</b>		<b>P2,291,669</b>	<b>P2,112,044</b>
Basic and diluted earnings per share	4	P8.00	P7.38
Cash dividends declared per common share	5	P4.00	P4.00

*See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.*

CERTIFIED CORRECT:



ARIEL I. VICTORIA

OJC - Chief Finance Officer



**GINEBRA SAN MIGUEL INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIODS ENDED MARCH 31, 2026 AND 2025**  
(In Thousands)

Note	Capital Stock		Additional Paid-in Capital	Equity Reserve for Retirement Plan	Retained Earnings		Treasury Stock		Total
	Common	Preferred			Appropriated	Unappropriated	Common	Preferred	
<b>As of January 1, 2026 (Audited)</b>	P345,625	P53,438	P2,539,454	(P801,898)	P3,512,000	P24,033,186	(P1,947,198)	(P1,722,775)	P26,011,832
Net income / total comprehensive income	-	-	-	-	-	2,291,669	-	-	2,291,669
Cash dividends and distribution on common shares	-	-	-	-	-	(1,145,313)	-	-	(1,145,313)
<b>As of March 31, 2026 (Unaudited)</b>	<b>P345,625</b>	<b>P53,438</b>	<b>P2,539,454</b>	<b>(P801,898)</b>	<b>P3,512,000</b>	<b>P25,179,542</b>	<b>(P1,947,198)</b>	<b>(P1,722,775)</b>	<b>P27,158,188</b>
<b>As of January 1, 2025 (Audited)</b>	P345,625	P53,438	P2,539,454	(P777,643)	P3,512,000	P19,937,595	(P1,947,198)	(P1,722,775)	P21,940,496
Net income / total comprehensive income	-	-	-	-	-	2,112,044	-	-	2,112,044
Cash dividends and distribution on common shares	-	-	-	-	-	(1,145,313)	-	-	(1,145,313)
<b>As of March 31, 2025 (Unaudited)</b>	<b>P345,625</b>	<b>P53,438</b>	<b>P2,539,454</b>	<b>(P777,643)</b>	<b>P3,512,000</b>	<b>P20,904,326</b>	<b>(P1,947,198)</b>	<b>(P1,722,775)</b>	<b>P22,907,227</b>

See accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:

  
**ARIEL I. VICTORIA**  
OIC - Chief Finance Officer

Just

**GINEBRA SAN MIGUEL INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIODS ENDED MARCH 31, 2026 AND 2025**  
(In Thousands)

	2026	2025
	Unaudited	Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	P3,043,295	P2,810,212
Adjustments for:		
Depreciation and amortization	200,167	176,814
Net derivative loss (gain)	57,427	(43,519)
Retirement expense	31,148	31,118
Interest expense and other financing charges	21,875	20,485
Net unrealized foreign exchange loss (gain)	(14,915)	18
Interest income	(237,493)	(225,226)
Operating income before working capital changes	3,101,504	2,769,902
Decrease (increase) in:		
Trade and other receivables	434,097	474,406
Inventories	(917,443)	(984,768)
Prepaid taxes and other current assets	(621,859)	(642,644)
Increase (decrease) in:		
Accounts payable and accrued expenses	1,800,875	1,624,618
Other taxes payable	(129,269)	117,698
Cash generated from operations	3,667,905	3,359,212
Interest expense and other financing charges paid	(6,415)	(5,593)
Contribution to retirement plan	(251,005)	(42,777)
Income taxes paid	(628,110)	(41,431)
Net cash flows provided by operating activities	2,782,375	3,269,411
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	236,169	222,035
Additions to property, plant and equipment	(108,497)	(84,977)
Increase in other noncurrent assets	(67,430)	(14,900)
Net cash flows provided by investing activities	60,242	122,158
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of:		
Lease liabilities:		
Principal	(8,530)	(7,479)
Interest	(785)	(1,217)
Cash dividends	(360)	(47)
Net cash flows used in financing activities	(9,675)	(8,743)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	14,833	(34)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,847,775	3,382,792
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	15,002,489	11,330,931
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	P17,850,264	P14,713,723

CERTIFIED CORRECT:



ARIEL I. VICTORIA

OIC - Chief Finance Officer

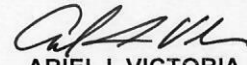
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**GINEBRA SAN MIGUEL INC. AND SUBSIDIARIES**  
**TRADE AND OTHER RECEIVABLES**  
**MARCH 31, 2026 (UNAUDITED)**  
(In Thousands)

TYPE OF ACCOUNTS RECEIVABLE	TOTAL	Current	< 30 days past due	30 - 60 days past due	61 - 90 days past due	Over 90 days past due
Trade Receivables	P1,626,829	P1,565,192	P35,222	P1,726	P7,869	P16,820
Non-trade Receivables	793,839	87,392	2,721	2,044	4,865	696,817
<b>Total</b>	<b>2,420,668</b>	<b>1,652,584</b>	<b>37,943</b>	<b>3,770</b>	<b>12,734</b>	<b>713,637</b>
Less: Allowance for doubtful accounts	(682,567)	-	-	-	-	(682,567)
<b>NET RECEIVABLES*</b>	<b>P1,738,101</b>	<b>P1,652,584</b>	<b>P37,943</b>	<b>P3,770</b>	<b>P12,734</b>	<b>P31,070</b>

\*Excluding tax certificate receivables amounted to P66,263 as at March 31, 2026.

CERTIFIED CORRECT:



ARIEL I. VICTORIA

OIC - Chief Finance Officer



**GINEBRA SAN MIGUEL INC. AND SUBSIDIARIES**  
**SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(Amounts in Thousands, Except Per Share Data)**

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**1. Summary of Material Accounting Policy Information**

The interim consolidated financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting* and do not include all the information required in the annual consolidated financial statements, and should be read in conjunction with the Group's audited consolidated financial statements as at December 31, 2025.

The interim consolidated financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) on April 30, 2026.

The interim consolidated financial statements are presented in Philippine peso and all financial information are rounded off to the nearest thousand (000), except when otherwise indicated.

The principal accounting policies adopted in the preparation of the interim consolidated financial statements of the Group are consistent with those followed in the most recent annual audited consolidated financial statements, except for the changes in accounting policies as explained below.

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the adoption of a number of new and amendments to standards as part of Philippine Financial Reporting Standards (PFRS) Accounting Standards.

*Adoption of Amendments to Standards*

The Group has adopted the following amendments to PFRS effective January 1, 2026 and accordingly, changed its accounting policies in the following areas:

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments* and PFRS 7). The amendments clarify that a financial liability is derecognized on the settlement date when the related obligation is discharged, cancelled or expires. The amendments also introduce an accounting policy option to derecognize financial liabilities settled through an electronic payment system before the settlement date, if certain specified conditions are met.

The amendments also provide guidelines for assessing the contractual cash flow characteristics of financial assets that include environmental, social, and governance-linked features and other similar contingent features.

Entities are required to disclose additional information about financial assets and financial liabilities with contingent features, and equity instruments classified at fair value through other comprehensive income.

- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to five standards, of which the following amendments are relevant to the Group:
  - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.

- Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:
  - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in statement of income; and
  - replaced the term 'their transaction price (as defined in PFRS 15, *Revenue from Contracts with Customers*)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that's unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

The adoption of the amendments to standards did not have a material effect on the interim consolidated financial statements.

#### *New and Amendments to Standards Not Yet Adopted*

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2026 and have not been applied in preparing the interim consolidated financial statements. Unless otherwise indicated, none of these is expected to have a significant effect on the interim consolidated financial statements.

The Group will adopt the following new and amendments to standards on the respective effective dates:

- PFRS 18, replaces PAS 1. The new standard introduces the following key requirements:
  - Entities are required to classify all income and expenses into five categories in the statement of income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.
  - Management-defined performance measures are disclosed in a single note to the financial statements.
  - Enhanced guidance is provided on how to group information in the financial statements.

Consequential amendments to PAS 7, *Statement of Cash Flows*, require the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

PFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

The Group continues to assess the impact of the above new and amendments to standards effective subsequent to 2026 on the interim consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the interim consolidated financial statements when these amendments are adopted.

## 2. Property, Plant and Equipment

Property, plant and equipment consist of:

March 31, 2026 and December 31, 2025

Cost	Land and Land Improvements	Buildings and Improvements	Transportation Equipment	Machinery and Equipment	Furniture, Fixtures and Other Equipment	Leasehold Improvements	Capital Projects in Progress	Total
January 1, 2025 (Audited)	P1,268,091	P2,949,843	P510,101	P9,579,201	P1,045,739	P143,497	P1,737,551	P17,234,023
Additions	40,264	229,002	290,590	92,458	89,527	2,315	454,966	1,199,122
Disposals / Retirement	-	-	(5,889)	(2,384)	(2,934)	-	-	(11,207)
Reclassifications	144,123	127,824	3,753	110,658	108,034	12,450	(1,243,867)	(737,025)
December 31, 2025 (Audited)	1,452,478	3,306,669	798,555	9,779,933	1,240,366	158,262	948,650	17,684,913
Additions	-	743	14,188	12,344	-	-	81,222	108,497
Disposals / Retirement	-	-	-	-	(6)	-	-	(6)
Reclassifications	-	-	13,908	1,903	2,668	4,334	(22,813)	-
<b>March 31, 2026 (Unaudited)</b>	<b>1,452,478</b>	<b>3,307,412</b>	<b>826,651</b>	<b>9,794,180</b>	<b>1,243,028</b>	<b>162,596</b>	<b>1,007,059</b>	<b>17,793,404</b>
<b>Accumulated Depreciation</b>								
January 1, 2025 (Audited)	315,140	1,575,014	395,779	7,528,377	677,009	42,630	-	10,533,949
Depreciation	11,435	96,806	74,155	363,281	135,920	15,923	-	697,520
Disposals / Retirement	-	-	(5,889)	(2,384)	(2,934)	-	-	(11,207)
December 31, 2025 (Audited)	326,575	1,671,820	464,045	7,889,274	809,995	58,553	-	11,220,262
Depreciation	2,932	26,353	25,608	83,443	36,616	4,589	-	179,541
Disposals / Retirement	-	-	-	-	(2)	-	-	(2)
<b>March 31, 2026 (Unaudited)</b>	<b>329,507</b>	<b>1,698,173</b>	<b>489,653</b>	<b>7,972,717</b>	<b>846,609</b>	<b>63,142</b>	<b>-</b>	<b>11,399,801</b>
<b>Accumulated Impairment Losses</b>								
December 31, 2025	-	-	-	307,600	-	-	-	307,600
and March 31, 2026	-	-	-	307,600	-	-	-	307,600
<b>Carrying Amount</b>								
December 31, 2025 (Audited)	P1,125,903	P1,634,849	P334,510	P1,583,059	P430,371	P99,709	P948,650	P6,157,051
<b>March 31, 2026 (Unaudited)</b>	<b>P1,122,971</b>	<b>P1,609,239</b>	<b>P336,998</b>	<b>P1,513,863</b>	<b>P396,419</b>	<b>P99,454</b>	<b>P1,007,059</b>	<b>P6,086,003</b>

Depreciation and amortization charged to operations amounted to P179,541 and P165,972 for the periods ended March 31, 2026 and 2025, respectively.

### 3. Related Party Disclosure

The Group, certain subsidiaries and their shareholders, associates and joint ventures purchase products and services from one another in the normal course of business. The Group requires approval of the BOD for related party transactions amounting to at least ten percent (10%) of the total consolidated assets based on its latest audited financial statements.

Amounts owed by/owed to related parties are collectible/will be settled in cash. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates.

The following are the transactions with related parties and the outstanding balances as at March 31, 2026 and December 31, 2025:

	Year	Revenue from Related Parties	Purchases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties	Terms	Conditions
Ultimate Parent Company*	2026	P -	P -	P -	P -	On demand; non-interest bearing	Unsecured; no impairment
	2025	-	-	5	-		
Intermediate Parent Company**	2026	330	80,394	6,991	12,863	On demand; non-interest bearing	Unsecured; no impairment
	2025	149,606	316,727	8,110	11,428		
Parent Company***	2026	25	-	98	867,888	On demand; non-interest bearing	Unsecured; no impairment
	2025	170	-	30	-		
Under Common Control	2026	32,387	2,420,877	54,063	1,052,045	On demand; non-interest bearing	Unsecured; with impairment
	2025	131,145	9,287,511	109,474	1,320,987		
Joint Venture	2026	15,548	-	9	-	On demand; Interest bearing	Unsecured; with impairment
	2025	14,477	-	15	-		
Associate of the Intermediate Parent Company	2026	30,806	-	1,508,464	249	5 to 7 years interest bearing; On demand; non-interest bearing	Unsecured; no impairment
	2025	115,678	58,432	1,505,512	62,522		
Others	2026	-	-	59	-	On demand; non-interest bearing	Unsecured; no impairment
	2025	46	-	231	-		
<b>Total</b>	<b>2026</b>	<b>P79,096</b>	<b>P2,501,271</b>	<b>P1,569,684</b>	<b>P1,933,045</b>		
<b>Total</b>	<b>2025</b>	<b>P411,122</b>	<b>P9,662,670</b>	<b>P1,623,377</b>	<b>P1,394,937</b>		

\*Top Frontier Investment Holdings, Inc. (TF) is the Ultimate Parent Company of the Group.

\*\*San Miguel Corporation (SMC) is the Intermediate Parent Company of the Group.

\*\*\*San Miguel Food and Beverage, Inc. (SMFB) is the Parent Company of the Group.

- Amounts owed by related parties consist of current and noncurrent receivables.
- The amounts owed by joint venture pertains to receivables from Thai San Miguel Liquor Company Limited (TSML) and are included as part of "Non-trade receivables from related parties" under "Trade and other receivables - net" account in the consolidated statement of financial position. Allowance for impairment losses pertaining to these receivables amounted to P540,216 as at March 31, 2026.
- Amounts owed by related party include investments in debt instruments at amortized cost to Bank of Commerce amounting to a total of P1,500,000 which bear an annual average interest rate of 6.90% and maturities up to seven years.
- Amounts owed to related parties consist of trade payables and lease liabilities.

There were no known transactions with parties that fall outside the definition "related parties" under PAS 24, *Related Party Disclosures*, but with whom GSML or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

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#### 4. Basic and Diluted Earnings Per Share (EPS)

Basic and Diluted EPS is computed as follows:

	March 31	
	2026	2025
Net income available to common shares (a)	<b>P2,291,669</b>	P2,112,044
Weighted average number of common shares outstanding (in thousands) - basic and diluted (b)	<b>286,328</b>	286,328
Basic and Diluted Earnings Per Share (a/b)	<b>P8.00</b>	P7.38

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#### 5. Cash Dividends

The BOD approved the declaration and payment of the following cash dividends to common stockholders as follows:

##### 2026

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common - regular	March 5, 2026	March 23, 2026	April 10, 2026	P2.50
Common - special	March 5, 2026	March 23, 2026	April 10, 2026	1.50

##### 2025

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common - regular	March 5, 2025	March 20, 2025	April 4, 2025	P2.50
Common - special	March 5, 2025	March 20, 2025	April 4, 2025	1.50

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#### 6. Financial Risk and Capital Management Objectives and Policies

##### Objectives and Policies

The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Market Risk (Interest Rate Risk and Foreign Risk)
- Liquidity Risk
- Credit Risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Group include cash and cash equivalents, investment in debt instruments at amortized cost and derivative instruments and other noncurrent liabilities. These financial instruments, except derivative instruments, are used mainly for working capital management purposes. The trade-related financial assets and financial liabilities of the Group such as trade and other receivables, lease receivable, security deposit, accounts payable and accrued expenses and lease liabilities arise directly from and are used to facilitate its daily operations.

The BOD oversees that a sound enterprise risk management framework is in place to effectively identify, monitor, assess and manage key business risks, which will guide the BOD in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.

The risk management policies of the Group are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The BOD constituted the Audit and Risk Oversight Committee (the "Committee") to, among others, enhance its oversight capability over the Group's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations; and be responsible for the oversight of the Group's enterprise risk management system to ensure its functionality and effectiveness.

The Committee also has the responsibility to assist the BOD in ensuring that there is an effective and integrated risk management process in place to guide the BOD in arriving at well-informed decisions, having taken into consideration risks related to significant business activities, plans and opportunities. In relation to this, the Committee has the following duties and responsibilities, among others: a) develop a formal enterprise risk management plan which contains common language or register of risks, well-defined risk management goals, objectives and oversight, uniform processes of assessing risks and developing strategies to manage prioritized risks, designing and implementing risk management strategies, and continuing assessments to improve risk strategies, processes and measures; b) oversee the implementation of the enterprise risk management plan; c) evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness; d) advise the BOD on its risk appetite levels and risk tolerance limits; and e) review at least annually the Group's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Group.

Internal Audit assists the Committee in its oversight role. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

#### Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Group's exposure to changes in interest rates relates to investment securities. Investment securities acquired expose the Group to fair value interest rate risk. On the other hand, investment securities acquired at variable rates expose the Group to cash flow interest rate risk.

The Group manages its interest cost by using an optimal combination of fixed and variable rate debt instruments. The management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up rates charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks.

In managing interest rate risk, the Group aims to reduce the impact of short-term fluctuations on the earnings. Over the longer term, however, permanent changes in interest rates would have an impact on profit or loss.

The management of interest rate risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various standard and non-standard interest rate scenarios.

#### Interest Rate Risk Table

The terms and maturity profile of the interest-bearing financial instruments, together with its gross amounts, are shown in the following tables:

<b>March 31, 2026</b>	<b>&lt;1 Year</b>	<b>1 - 2 Years</b>	<b>&gt;2 - 3 Years</b>	<b>&gt;3 - 4 Years</b>	<b>&gt;4 - 7 Years</b>
<b>Financial Asset</b>					
Investment in debt instruments at amortized cost	P -	P -	P -	P1,500,000	P -
Interest rate	-	-	-	6.90%	-

<b>December 31, 2025</b>	<b>&lt;1 Year</b>	<b>1 - 2 Years</b>	<b>&gt;2 - 3 Years</b>	<b>&gt;3 - 4 Years</b>	<b>&gt;4 - 7 Years</b>
<b>Financial Asset</b>					
Investment in debt instruments at amortized cost	P -	P -	P -	P1,500,000	P -
Interest rate	-	-	-	6.90%	-

#### Foreign Currency Risk

The functional currency is the Philippine peso, which is the denomination of the bulk of the Group's revenues. The exposure to foreign currency risk results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Group. The risk management objective with respect to foreign currency risk is to reduce or eliminate earnings volatility and any adverse impact on equity.

Information on the Group's foreign currency-denominated monetary assets and their Philippine peso equivalents is as follows:

	<b>March 31, 2026</b>		<b>December 31, 2025</b>	
	<b>US Dollar</b>	<b>Peso Equivalent</b>	<b>US Dollar</b>	<b>Peso Equivalent</b>
<b>Assets</b>				
Cash and cash equivalents	\$5,328	P323,647	\$753	P44,240
Trade and other receivables	0.37	23	26	1,539
<b>Foreign currency- denominated monetary assets</b>	<b>\$5,328.37</b>	<b>P323,670</b>	<b>\$779</b>	<b>P45,779</b>

The Group reported net gain on foreign exchange amounting to P14,242 and P784 for the periods ended March 31, 2026 and 2025, respectively, with the translation of its foreign currency-denominated assets. These mainly resulted from the movements of the Philippine peso against the United States (US) dollar as shown in the following table:

	<b>US Dollar to Philippine Peso</b>
<b>March 31, 2026</b>	<b>60.748</b>
December 31, 2025	58.790
March 31, 2025	57.210
December 31, 2024	57.845

The management of foreign currency risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various foreign currency exchange rate scenarios.

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

March 31, 2026	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
Cash and cash equivalents	(P5,328)	(P3,996)	P5,328	P3,996
Trade and other receivables	(0.37)	(0.28)	0.37	0.28
	(P5,328.37)	(P3,996.28)	P5,328.37	P3,996.28

December 31, 2025	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
Cash and cash equivalents	(P753)	(P565)	P753	P565
Trade and other receivables	(26)	(20)	26	20
	(P779)	(P585)	P779	P585

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

#### Liquidity Risk

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Group's objectives to manage its liquidity risk are as follows: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; c) to be able to access funding when needed at the least possible cost; and d) to maintain an adequate time spread of refinancing maturities.

The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary.

The table below summarizes the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

March 31, 2026	Carrying Amount	Contractual Cash Flow	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	Over 5 Years
<b>Financial Assets</b>						
Cash and cash equivalents	P17,850,264	P17,850,264	P17,850,264	P -	P -	P -
Trade and other receivables - net*	1,738,101	1,738,101	1,738,101	-	-	-
Lease receivable (included under "Other noncurrent assets - net" account)	272	272	-	272	-	-
Derivative assets (included under "Prepaid expenses and other current assets" account)	553	553	553	-	-	-
Investment in debt instruments at amortized cost	1,500,000	1,707,411	69,419	87,687	1,550,305	-
Security deposit (included under "Other noncurrent assets - net" accounts)	493	493	-	493	-	-
<b>Financial Liabilities</b>						
Accounts payable and accrued expenses (excluding derivative liabilities and deferred rent income**)	8,761,285	8,761,285	8,761,285	-	-	-
Derivative liabilities (included under "Accounts payable and accrued expenses" account)	59,874	59,874	59,874	-	-	-
Lease liabilities (including current portion)	39,594	43,999	21,782	5,995	12,964	3,258

\*Excluding tax certificate receivables amounted to P66,263 as at March 31, 2026.

\*\*Deferred rent income amounted to P7,771 as at March 31, 2026.

December 31, 2025	Carrying Amount	Contractual Cash Flow	1 Year or Less	> 1 Year - 2 Years	> 2 Years - 5 Years	Over 5 Years
<b>Financial Assets</b>						
Cash and cash equivalents	P15,002,489	P15,002,489	P15,002,489	P -	P -	P -
Trade and other receivables - net*	2,166,594	2,166,594	2,166,594	-	-	-
Lease receivable (included under "Other noncurrent assets - net" account)	275	275	-	275	-	-
Derivative assets (included under "Prepaid expenses and other current assets" account)	1,085	1,085	1,085	-	-	-
Investment in debt instruments at amortized cost	1,500,000	1,725,679	87,687	87,687	1,550,305	-
Security deposit (included under "Other noncurrent assets - net" accounts)	493	493	-	493	-	-
<b>Financial Liabilities</b>						
Accounts payable and accrued expenses (excluding derivative liabilities and deferred rent income**)	5,934,881	5,934,881	5,934,881	-	-	-
Derivative liabilities (included under "Accounts payable and accrued expenses" account)	10,422	10,422	10,422	-	-	-
Lease liabilities (including current portion)	48,125	54,338	28,906	7,886	13,835	3,711

\*Excluding tax certificate receivables amounted to P70,461 as at December 31, 2025.

\*\*Deferred rent income amounted to P7,817 as at December 31, 2025.

### Credit Risk

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade and other receivables. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

### Trade and Other Receivables

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of the Group's customer base.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Group ensures that sales on account are made to customers with appropriate credit history. The Group has detailed credit criteria and several layers of credit approval requirements before engaging a particular customer or counterparty. The review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer and are reviewed on a regular basis. Customers that fail to meet the benchmark creditworthiness may transact with the Group only on a prepayment basis.

### Investment in Debt Instruments

The Group limits its exposure to credit risk by investing only in liquid debt instruments with counterparties that have high credit ratings. The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields.

### Credit Quality

In monitoring and controlling credit extended to counterparty, the Group adopts a comprehensive credit rating system based on financial and non-financial assessments of its customers. Financial factors being considered comprised of the financial standing of the customer while the non-financial aspects include but are not limited to the assessment of the customer's nature of business, management profile, industry background, payment habit and both present and potential business dealings with the Group.

The credit quality of financial assets is being managed by the Group using internal credit ratings. Credit quality of the financial assets were determined as follows:

- High grade includes deposits or placements to reputable banks and companies with good credit standing. High grade financial assets include cash and cash equivalents and investment in debt instruments at amortized cost and derivative assets.
- Standard grade pertains to receivables from counterparties with satisfactory financial capability and credit standing based on historical data, current conditions and the Group's view of forward-looking information over the expected lives of the receivables. Standard grade financial assets include trade and other receivables, lease receivable and security deposit.

Receivables with high probability of delinquency and default were fully provided with allowance for impairment losses.

Financial information on the Group's maximum exposure to credit risk, without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	March 31, 2026	December 31, 2025
Cash and cash equivalents*	P17,847,524	P14,998,999
Trade and other receivables - net**	1,738,101	2,166,594
Lease receivable	272	275
Investment in debt instruments at amortized cost	1,500,000	1,500,000
Derivative assets	553	1,085
Security deposit	493	493
	<b>P21,086,943</b>	<b>P18,667,446</b>

\*Excluding cash on hand amounted to P2,740 and P3,490 as at March 31 2026 and December 31, 2025, respectively.

\*\*Excluding tax certificate receivables amounted to P66,263 and P70,461 as at March 31, 2026 and December 31, 2025, respectively.

The table below presents the Group's exposure to credit risk and shows the credit quality of the financial assets by indicating whether the financial assets are subjected to 12-month expected credit loss (ECL) or lifetime ECL. Assets that are credit-impaired are separately presented.

March 31, 2026					
Financial Assets at Amortized Cost					
	12-month ECL	Lifetime ECL not Credit Impaired	Lifetime ECL Credit Impaired	Financial Assets at FVPL	Total
Cash and cash equivalents*	P17,847,524	P -	P -	P -	P17,847,524
Trade and other receivables**	-	1,738,101	682,567	-	2,420,668
Lease receivable	-	272	-	-	272
Derivative assets	-	-	-	553	553
Investment in debt instruments at amortized cost	1,500,000	-	-	-	1,500,000
Security deposit	-	493	-	-	493

\* Excluding cash on hand amounted to P2,740 as at March 31, 2026.

\*\*Excluding tax certificate receivables amounted to P66,263 as at March 31, 2026.

December 31, 2025					
Financial Assets at Amortized Cost					
	12-month ECL	Lifetime ECL not Credit Impaired	Lifetime ECL Credit Impaired	Financial Assets at FVPL	Total
Cash and cash equivalents)*	P14,998,999	P -	P -	P -	P14,998,999
Trade and other receivables**	-	2,166,594	682,567	-	2,849,161
Lease receivable	-	275	-	-	275
Derivative assets	-	-	-	1,085	1,085
Investment in debt instruments at amortized cost	1,500,000	-	-	-	1,500,000
Security deposit	-	493	-	-	493

\* Excluding cash on hand amounted to P3,490 as at December 31, 2025.

\*\*Excluding tax certificate receivables amounted to P70,461 as at December 31, 2025.

The aging of receivables is as follows:

<b>March 31, 2026</b>	<b>Trade</b>	<b>Non-trade</b>	<b>Amounts Owed by Related Parties</b>	<b>Total*</b>
Current	P1,563,715	P79,722	P9,147	P1,652,584
Past due:				
1 - 30 days	36,499	358	1,086	37,943
31 - 60 days	1,578	208	1,984	3,770
61 - 90 days	296	552	11,886	12,734
Over 90 days	10,152	29,166	674,319	713,637
	<b>P1,612,240</b>	<b>P110,006</b>	<b>P698,422</b>	<b>P2,420,668</b>

\*Excluding tax certificate receivables amounted to P66,263 as at March 31, 2026.

<b>December 31, 2025</b>	<b>Trade</b>	<b>Non-trade</b>	<b>Amounts Owed by Related Parties</b>	<b>Total</b>
Current	P1,704,524	P64,546	P62,619	P1,831,689
Past due:				
1 - 30 days	305,997	88	4,444	310,529
31 - 60 days	2,475	-	2,251	4,726
61 - 90 days	302	517	626	1,445
Over 90 days	8,160	25,093	667,519	700,772
	<b>P2,021,458</b>	<b>P90,244</b>	<b>P737,459</b>	<b>P2,849,161</b>

\*Excluding tax certificate receivables amounted to P70,461 as at December 31, 2025.

Various collaterals for trade receivables such as bank guarantees, letters of credit and time deposit are held by the Group for certain credit limits.

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible based on historical payment behavior and analyses of the underlying customer credit ratings.

The Group computes impairment loss on receivables based on past collection experience, current circumstances and the impact of future economic conditions, if any, available at the reporting period. There are no significant changes in the credit quality of the counterparties during the period.

The Group's cash and cash equivalents, derivative assets and investment in debt instruments at amortized cost are placed with reputable entities with high quality external credit ratings.

The Group's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of trade and other receivables and noncurrent receivables and deposits is its carrying amount without considering collaterals or credit enhancements, if any. The Group has no significant concentration of credit risk since the Group deals with a large number of homogenous counterparties.

The Group does not execute any credit guarantee in favor of any counterparty.

#### Capital Management

The Group maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, pay-off existing debts, return capital to shareholders or issue new shares.

The Group defines capital as paid-in capital stock, additional paid-in capital and retained earnings, both appropriated and unappropriated. Other components of equity such as treasury stock and equity reserves are excluded from capital for purposes of capital management.

The Group monitors capital on the basis of debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is defined as total current liabilities and total noncurrent liabilities, while equity is total equity as shown in the consolidated statements of financial position.

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Group's business, operation and industry.

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## 7. Financial Assets and Financial Liabilities

*Recognition and Initial Measurement.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument.

A financial asset (unless a trade receivable without a significant financing component) or financial liability is initially measured at the fair value of the consideration given or received. The initial measurement of financial instruments, except for financial assets and financial liabilities at fair value through profit or loss (FVPL), includes transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

### *Financial Assets*

The Group classifies its financial assets, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and FVPL. The classification depends on the contractual cash flow characteristics of the financial assets and the business model of the Group for managing the financial assets.

For purposes of subsequent measurement, financial assets are classified in the following categories: financial assets at amortized cost, financial assets at FVOCI (with or without recycling of cumulative gains and losses) and financial assets at FVPL.

The Group has no financial assets at FVOCI as at March 31, 2026 and December 31, 2025.

*Financial Assets at Amortized Cost.* A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model with the objective of holding financial assets to collect contractual cash flows; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the consolidated statements of income when the financial asset is derecognized, modified or impaired.

The Group's cash and cash equivalents, trade and other receivables, investment in debt instruments at amortized cost, lease receivable and security deposit are included under this category.

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

*Financial Assets at FVPL.* All financial assets not classified as measured at amortized cost or FVOCI are measured at FVPL. This includes derivative financial assets that are not designated as cash flow hedge. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

At initial recognition, the Group may irrevocably designate a financial asset as at FVPL if the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on different bases.

The Group carries financial assets at FVPL using their fair values. Attributable transaction costs are recognized in the consolidated statements of income as incurred. Changes in fair value and realized gains or losses are recognized in the consolidated statements of income.

The Group's derivative assets that are not designated as cash flow hedge are classified under this category.

#### Financial Liabilities

The Group determines the classification of its financial liabilities, at initial recognition, in the following categories: financial liabilities at FVPL and financial liabilities at amortized costs. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

*Financial Liabilities at FVPL.* Financial liabilities are classified under this category through the fair value option. Derivative instruments (including embedded derivatives) with negative fair values, except those covered by hedge accounting relationships, are also classified under this category.

The Group carries financial liabilities at FVPL using their fair values and reports fair value changes in the consolidated statements of income. Fair value changes from derivatives accounted for as part of an effective accounting hedge are recognized in other comprehensive income.

The Group's derivative liabilities that are not designated as cash flow hedge are classified under this category.

*Financial Liabilities at amortized costs.* This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial recognition, financial liabilities at amortized costs are measured using the effective interest method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability. The effective interest rate amortization is included in "Interest expense and other financing charges" account in the consolidated statements of income. Gains and losses are recognized in the consolidated statements of income when the liabilities are derecognized as well as through the amortization process.

Debt issue costs are considered as an adjustment to the effective yield of the related debt and are deferred and amortized using the effective interest method. When a loan is paid, the related unamortized debt issue costs at the date of repayment are recognized in the consolidated statements of income.

The Group's liabilities arising from its trade transactions or borrowings such as accounts payable and accrued expenses, long-term debt and lease liabilities are included under this category.

#### Impairment of Financial Assets

The Group recognizes allowance for expected credit loss (ECL) on financial assets at amortized cost.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

The Group recognizes an allowance for impairment based on either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group recognizes lifetime ECLs for receivables that do not contain significant financing component. The Group uses provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the borrowers and the economic environment.

At each reporting date, the Group assesses whether these financial assets at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the restructuring of a financial asset by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

The Group directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering the contractual cash flows on a financial asset, either partially or in full. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The ECLs on financial assets at amortized cost are recognized as allowance for impairment losses against the gross carrying amount of the financial asset, with the resulting impairment losses (or reversals) recognized in the consolidated statements of income.

The table below presents a comparison by category of carrying amounts and fair values of the Group's financial instruments:

	March 31, 2026		December 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Cash and cash equivalents	P17,850,264	P17,850,264	P15,002,489	P15,002,489
Trade and other receivables - net*	1,738,101	1,738,101	2,166,594	2,166,594
Derivative assets (included under "Prepaid expenses and other current assets" account)	553	553	1,085	1,085
Investment in debt instruments at amortized cost	1,500,000	1,500,000	1,500,000	1,500,000
Security deposit	493	493	493	493
Lease receivable	272	272	275	275
<b>Financial Liabilities</b>				
Accounts payable and accrued expenses (excluding derivative liabilities and deferred rent income**)	8,761,285	8,761,285	5,934,881	5,934,881
Derivative liabilities (included under "Accounts payable and accrued expenses" account)	59,874	59,874	10,422	10,422

\*Excluding tax certificate receivables amounted to P66,263 and P70,461 as at March 31, 2026 and December 31, 2025, respectively.

\*\*Deferred rent income amounted to P7,771 and P7,817 as at March 31, 2026 and December 31, 2025, respectively.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

*Cash and Cash Equivalents, Trade and Other Receivables, Lease Receivable, Investment in Debt Instruments at Amortized Cost and Security Deposit.* The carrying amount of cash and cash equivalents and trade and other receivables approximates fair value primarily due to the relatively short-term maturities of these financial instruments. In the case of investment in debt instruments at amortized cost, lease receivable and security deposit, the fair value is based on the present value of expected future cash flows using the applicable discount rates based on current market rates of identical or similar quoted instruments.

*Derivatives.* The fair values of forward exchange contracts are calculated by reference to current forward exchange rates. Fair values for embedded derivatives are based on valuation models used for similar instruments using both observable and non-observable inputs.

*Accounts Payable and Accrued Expenses.* The carrying amount of accounts payable and accrued expenses approximates fair value due to the relatively short-term maturities of these financial instruments.

#### Derivative Financial Instruments

The Group's derivative financial instruments according to the type of financial risk being managed and the details of embedded derivative financial instruments are discussed below.

#### Derivative Instruments not Designated as Hedges

The Group enters into certain derivatives as economic hedges of certain underlying exposures. These include embedded derivatives found in host contracts, which are not designated as accounting hedges. Changes in fair value of these instruments are accounted for directly in the consolidated statements of income. Details are as follows:

#### *Embedded Currency Forwards*

The total outstanding notional amount of currency forwards embedded in non-financial contracts amounted to US\$31,868 and US\$26,744 as at March 31, 2026 and December 31, 2025, respectively. These non-financial contracts consist mainly of foreign currency denominated purchase orders and sales agreements. The embedded forwards are not clearly and closely related to their respective host contracts. The net fair value of these embedded currency forwards amounted to (P59,321) and (P9,337) as at March 31, 2026 and December 31, 2025, respectively.

The Group recognized marked-to-market gains (losses) from embedded derivatives amounting to (P57,427) and P43,519 for the periods ended March 31, 2026 and 2025, respectively.

#### Fair Value Measurements

The Group measures a number of financial and non-financial assets and liabilities at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstance and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For the purpose of the fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

#### Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy groups financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The Group's derivative assets and derivative liabilities amounting to P553 and (P59,874), respectively as at March 31, 2026, and P1,085 and (P10,422), respectively as at December 31, 2025, are valued based on Level 2. The Group has no financial instruments valued based on Level 1 and Level 3. During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

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### **8. Other Matters**

- a. There are no unusual items as to nature and amount affecting assets, liabilities, equity, net income or cash flows, except those stated in Management's Discussion and Analysis of Financial Position and Financial Performance.
- b. There were no material changes in estimates of amounts reported in prior financial years.
- c. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity.
- d. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favorable or unfavorable impact on net sales or revenues or income from continuing operation.
- e. There were no known events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation and there were no changes in contingent liabilities and contingent assets since the last annual reporting date. No material contingencies and any other events or transactions exist that are material to an understanding of the current interim period.
- f. The effects of seasonality or cyclicity on the interim operations of the Group's businesses are not material.
- g. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period, except for the outstanding derivative transactions entered by the Group as at March 31, 2026.
- h. The Group's material commitments for capital expenditure projects have been approved during the current year but are still ongoing and not yet completed as at March 31, 2026. These consist of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business. The said projects will be carried forward to next quarter until its completion. The fund to be used for these projects will come from available cash from operations.

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**9. Event After the Reporting Date**

*Declaration of Cash Dividends*

On April 30, 2026, the BOD approved the declaration of regular and special cash dividends to all common shareholders of record as of May 19, 2026 amounting to P2.50 and P2.00 per common share, respectively. Cash dividends for common shares, both regular and special are payable on June 5, 2026.

**GINEBRA SAN MIGUEL INC. AND SUBSIDIARIES**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE**

The following discussion should be read in conjunction with the attached unaudited consolidated financial statements of Ginebra San Miguel Inc. ("the Parent Company") and its subsidiaries (collectively referred to as the "Group") as of and for the period ended March 31, 2026 (with comparative figures as of December 31, 2025 and for the period ended March 31, 2025). All necessary adjustments to present fairly the consolidated financial position, financial performance and cash flows of the Group as of March 31, 2026, and for all the other periods presented, have been made. Certain information and footnote disclosures normally included in the audited consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards have been omitted.

**I. FINANCIAL PERFORMANCE**

**Three months ended March 31, 2026 compared to three months ended March 31, 2025**

	March		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2026	2025	Amount	Percentage	2026	2025
	<i>(In Thousands)</i>					
Sales	P16,727,469	P16,269,709	P457,760	3%	100%	100%
Cost of Sales	12,215,800	12,187,048	28,752	0%	73%	75%
Gross Profit	4,511,669	4,082,661	429,008	11%	27%	25%
Selling and Marketing Expenses	(893,122)	(922,108)	(28,986)	(3%)	(5%)	(6%)
General and Administrative Expenses	(789,646)	(696,353)	93,293	13%	(5%)	(4%)
Interest Expense and Other Financing Charges	(21,875)	(20,485)	1,390	7%	(0%)	(0%)
Interest Income	237,493	225,226	12,267	5%	1%	1%
Other Income (Charges) - net	(1,224)	141,271	(142,495)	(101%)	(0%)	1%
Income Before Income Taxes	3,043,295	2,810,212	233,083	8%	18%	17%
Income Tax Expense	751,626	698,168	53,458	8%	4%	4%
Net Income	P2,291,669	P2,112,044	P179,625	9%	14%	13%

The Group started 2026 on a stable position, posting consolidated net income of P2,292 million in the first quarter, up 9% from P2,112 million in the same period last year.

Consolidated sales increased to P16,727 million in the first quarter from P16,270 million in the same period last year, due to increase in selling prices implemented in the first quarter.

Cost of sales remained stable at P12,216 million this quarter versus P12,187 million in the same period last year, as higher excise taxes were partly offset by lower material inputs. As a result, gross profit increased by 11% to P4,512 million from P4,083 million in the same period last year.

Selling and administrative expenses increased by 4% to P1,683 million from P1,618 million, mainly due to higher delivery, personnel-related, and depreciation expenses.

Interest expense and other financing charges increased by 7% to P22 million from P20 million, because of higher interest on the defined benefit liability and other related charges.

Interest income increased by 5% to P237 million from P225 million, on account of higher money market placements.

Other income (charges) shifted to net charges of P1 million in the current period from net income of P141 million in the same period last year, as a result of losses from derivative instruments and lower tolling income.

Income tax expense increased by 8% to P752 million for the first quarter from P698 million in the same period last year, reflecting higher taxable income.

As a result of the foregoing, the Group recorded consolidated net income of P2,292 million for the first quarter, up 9% from P2,112 million in the same period last year.

**Three months ended March 31, 2025 compared to three months ended March 31, 2024**

	March		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
	2025	2024	Amount	Percentage	2025	2024
<i>(In Thousands)</i>						
Sales	P16,269,709	P15,116,977	P1,152,732	8%	100%	100%
Cost of Sales	12,187,048	11,393,889	793,159	7%	75%	75%
Gross Profit	4,082,661	3,723,088	359,573	10%	25%	25%
Selling and Marketing Expenses	(922,108)	(803,500)	118,608	15%	(6%)	(5%)
General and Administrative Expenses	(696,353)	(641,664)	54,689	9%	(4%)	(4%)
Interest Expense and Other Financing Charges	(20,485)	(20,138)	347	2%	(0%)	(1%)
Gain on Disposal / Retirement of Noncurrent Assets	-	95	(95)	(100%)	0%	0%
Interest Income	225,226	189,206	36,020	19%	1%	1%
Other Income - Net	141,271	90,081	51,190	57%	1%	1%
Income Before Income Tax	2,810,212	2,537,168	273,044	11%	17%	17%
Income Tax Expense	698,168	630,294	67,874	11%	4%	4%
Net Income	P2,112,044	P1,906,874	205,170	11%	13%	13%

Consolidated revenues climbed to P16,270 million, reflecting an 8% rise from last year's P15,117 million, primarily due to an increase in selling price effected in February. The cost of sales increased by 7%, reaching P12,187 million from P11,394 million, driven by higher input costs and excise taxes. The increase in selling price more than offset the impact of higher input costs resulting to a 10% increase in gross profit.

Selling and administrative expenses registered a 12% increase from P1,445 million to P1,618 million mainly driven by higher advertising and promotional expenses and delivery and marketing.

There was no gain on disposal or retirement of noncurrent assets as of March 2025 as opposed to last year's gain of P95 thousand.

Interest income jumped to P225 million, a 19% increase from last year's P189 million as a result of higher money market placement.

Other income rose significantly by 57% from P90 million to P141 million on account of marked-to-market gain on derivatives amounting to P51 million.

The Group's consolidated net income for the first quarter of 2025 posted an 11% increase from P1,907 million to P2,112 million versus first quarter of 2024.

## II. FINANCIAL POSITION

### Financial Position as of March 31, 2026 vs December 31, 2025

	March	December	Horizontal Analysis		Vertical Analysis	
	2026	2025	Increase (Decrease) Amount	Percentage	2026	2025
<i>(In Thousands)</i>						
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	P17,850,264	P15,002,489	P2,847,775	19%	46%	42%
Trade and other receivables - net	1,804,364	2,237,055	(432,691)	(19%)	5%	6%
Inventories - net	8,319,984	7,509,951	810,033	11%	21%	21%
Prepaid expenses and other current assets	1,888,004	1,208,415	679,589	56%	4%	4%
<b>Total Current Assets</b>	<b>29,862,616</b>	<b>25,957,910</b>	<b>3,904,706</b>	<b>15%</b>	<b>76%</b>	<b>73%</b>
<b>Noncurrent Assets</b>						
Investments in debt instruments at amortized cost	1,500,000	1,500,000	-	0%	4%	4%
Property, plant and equipment - net	6,086,003	6,157,051	(71,048)	(1%)	16%	18%
Investment property - net	702,663	710,033	(7,370)	(1%)	2%	2%
Right-of-use assets - net	35,938	44,344	(8,406)	(19%)	0%	0%
Goodwill - net	126,863	126,863	-	0%	0%	0%
Deferred tax assets - net	593,326	644,095	(50,769)	(8%)	2%	2%
Other noncurrent assets - net	265,490	202,906	62,584	31%	0%	1%
<b>Total Noncurrent Assets</b>	<b>9,310,283</b>	<b>9,385,292</b>	<b>(75,009)</b>	<b>(1%)</b>	<b>24%</b>	<b>27%</b>
	<b>P39,172,899</b>	<b>P35,343,202</b>	<b>P3,829,697</b>	<b>11%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued expenses	P8,828,930	P5,953,120	P2,875,810	48%	23%	17%
Income and other taxes payable	2,133,728	2,317,666	(183,938)	(8%)	5%	6%
Lease liabilities - current portion	20,805	26,511	(5,706)	(22%)	0%	0%
<b>Total Current Liabilities</b>	<b>10,983,463</b>	<b>8,297,297</b>	<b>2,686,166</b>	<b>32%</b>	<b>28%</b>	<b>23%</b>
<b>Noncurrent Liabilities</b>						
Retirement liabilities	1,012,459	1,012,459	-	0%	3%	3%
Lease liabilities - net of current portion	18,789	21,614	(2,825)	(13%)	0%	0%
<b>Total Noncurrent Liabilities</b>	<b>1,031,248</b>	<b>1,034,073</b>	<b>(2,825)</b>	<b>0%</b>	<b>3%</b>	<b>3%</b>
<b>Total Liabilities</b>	<b>12,014,711</b>	<b>9,331,370</b>	<b>2,683,341</b>	<b>29%</b>	<b>31%</b>	<b>26%</b>
<b>Equity</b>						
Capital stock	399,063	399,063	-	0%	1%	1%
Additional paid-in capital	2,539,454	2,539,454	-	0%	6%	7%
Equity reserves	(801,898)	(801,898)	-	0%	(2%)	(2%)
Retained earnings:						
Appropriated	3,512,000	3,512,000	-	0%	9%	10%
Unappropriated	25,179,542	24,033,186	1,146,356	5%	64%	68%
Treasury stock	(3,669,973)	(3,669,973)	-	0%	(9%)	(10%)
<b>Total Equity</b>	<b>27,158,188</b>	<b>26,011,832</b>	<b>1,146,356</b>	<b>4%</b>	<b>69%</b>	<b>74%</b>
	<b>P39,172,899</b>	<b>P35,343,202</b>	<b>P3,829,697</b>	<b>11%</b>	<b>100%</b>	<b>100%</b>

The Group started the year on a steady footing, maintaining a solid financial position, with total assets increasing by 11% to P39,173 million as of the end of the first quarter, from P35,343 million a year earlier.

Cash and cash equivalents increased by 19% to P17,850 million from P15,002 million last year, driven by conversion of receivables to cash.

Trade and other receivables decreased by 19% to P1,804 million from P2,237 million, as December ending balances are normally higher given the holiday sales.

Inventories increased by 11% to P8,320 million from P7,510 million, as a result of higher finished goods and material inventories.

Prepaid expenses and other current assets increased by 56% to P1,888 million from 1,208 million on account of higher excise tax and other prepaid expenses.

Right-of-use assets decreased by 19% to P36 million from P44 million last year due to depreciation.

Deferred tax assets (DTA) decreased by 8% to P593 million from P644 million, because of lower DTA portion related to retirement costs and payment of sickness and vacation leave credits.

Other noncurrent assets increased by 31% to P265 million from P203 million, mostly due to the capitalization of computer software related to the implementation of an enterprise resource planning system.

Accounts payable and accrued expenses increased by 48% to P8,829 million from P5,953 million, mainly due to the timing of excise tax payments and the accrual of dividends declared in March 2026.

Income and other taxes payable decreased by 8% to P2,134 million from P2,318 million driven by lower VAT payable and the payment of annual income tax during the quarter.

Lease liabilities decreased by 22% to P21 million from P27 million as a result of amortization, partially offset by reclassification from noncurrent to current liabilities.

Lease liabilities - noncurrent portion decreased by 13% to P19 million from P22 million due to reclassification to current liabilities.

Unappropriated retained earnings increased by 5% as a result of net income for the period partially offset by dividend declaration.

## Financial Position as of March 31, 2025 vs December 31, 2024

	March	December	Horizontal Analysis		Vertical Analysis	
	2025	2024	Amount	Percentage	2025	2024
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	P14,713,723	P11,330,931	P3,382,792	30%	42%	37%
Trade and other receivables - net	1,427,936	1,899,136	(471,200)	(25%)	4%	6%
Inventories - net	8,653,661	7,606,929	1,046,732	14%	25%	25%
Prepaid expenses and other current assets	1,356,948	892,247	464,701	52%	4%	3%
	26,152,268	21,729,243	4,423,025	20%	75%	71%
<b>Noncurrent Assets</b>						
Investments in joint ventures	1,500,000	1,500,000	-	0%	5%	5%
Property, plant and equipment - net	6,311,479	6,392,474	(80,995)	(1%)	18%	21%
Right-of-use assets - net	57,713	65,532	(7,819)	(12%)	0%	0%
Goodwill - net	126,863	126,863	-	0%	0%	0%
Deferred tax assets - net	583,641	625,092	(41,451)	(7%)	2%	3%
Other noncurrent assets - net	105,264	93,389	11,875	13%	0%	0%
	8,684,960	8,803,350	(118,390)	(1%)	25%	29%
	P34,837,228	P30,532,593	P4,304,635	14%	100%	100%
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued expenses	P8,418,006	P5,666,429	2,751,577	49%	24%	19%
Income and other taxes payable	2,401,901	1,808,095	593,806	33%	7%	6%
Lease liabilities - current portion	32,626	32,108	518	2%	0%	0%
	10,852,533	7,506,632	3,345,901	45%	31%	25%
<b>Noncurrent Liabilities</b>						
Retirement liabilities	1,045,838	1,045,838	-	0%	3%	3%
Lease liabilities - net of current portion	31,630	39,626	(7,996)	(20%)	0%	0%
	1,077,468	1,085,464	(7,996)	(1%)	3%	3%
	11,930,001	8,592,096	3,337,905	39%	34%	28%
<b>Equity</b>						
Capital stock	399,063	399,063	-	0%	1%	1%
Additional paid-in capital	2,539,454	2,539,454	-	0%	8%	8%
Equity reserves	(777,643)	(777,643)	-	0%	(3%)	(3%)
Retained earnings:						
Appropriated	3,512,000	3,512,000	-	0%	12%	12%
Unappropriated	20,904,326	19,937,596	966,730	5%	60%	66%
Treasury stock	(3,669,973)	(3,669,973)	-	0%	(12%)	(12%)
	22,907,227	21,940,497	966,730	4%	66%	72%
	P34,837,228	P30,532,593	P4,304,635	14%	100%	100%

As of March 2025, the Group's financial position continue to strengthen with a total asset of P34,837 million, reflecting a 14% increase from P30,533 million in December 2024. This growth was primarily driven by a surge in cash and cash equivalents or 30% increase to P14,714 million from P11,331 million, on account of higher cash sales and higher collection of modern trade receivables.

Trade and other receivables declined by 25% to P1,428 million driven by the collection of modern trade receivables, partially offset by higher receivables from internal counterparties.

Inventories rose by 14%, from P7,607 million to P8,654 million due to higher materials and finished goods inventory level, as the company increased the inventory of molasses on account of lower prices.

Prepaid expense and other current assets saw a significant increase of 52% to P1,357 million mainly from higher prepaid excise tax, input tax, derivative asset and unamortized prepaid taxes and licenses.

Right-of-use assets were down by 12% to P58 million due to depreciation.

Deferred tax assets amounted to P584 million from P625 million, attributable to the payment of accrued sickness / vacation leave and amortization of past service cost.

Other noncurrent assets were up by P12 million on account of higher advances to suppliers.

Accounts payable and accrued expenses amounted to P8,418 million, mainly from higher outstanding trade payables and first quarter dividend declaration accrued in March 2025 and paid in April 2025.

Income and other taxes payable posted an increase of 33% or P594 million predominantly due to higher payables on income tax, VAT and withholding tax.

Noncurrent lease liabilities went down by P8 million due to reclassification from noncurrent to current.

### III. Sources and Uses of Cash

A brief summary of cash flow movements is shown below:

	March 31	
	2026	2025
	<i>(In Millions)</i>	
Net cash flows provided by operating activities	P2,782	P3,269
Net cash flows provided by investing activities	60	122
Net cash flows used in financing activities	(10)	(9)

Net cash flows provided by operating activities consist of income before income tax for the period and the effect of changes in current assets and certain current liabilities, and others.

Net cash flows used in investing activities include the following:

	March 31	
	2026	2025
	<i>(In Millions)</i>	
Interest received	P236	P222
Additions to property, plant and equipment	(108)	(85)
Increase in other noncurrent assets	(67)	(15)

Major components of net cash flows used in financing activities are as follows:

	<b>March 31</b>	
	<b>2026</b>	<b>2025</b>
	<i>(In Millions)</i>	
Payments of:		
Lease liabilities	<b>(P9)</b>	(P9)
Cash dividends	<b>(1)</b>	(0)

The effect of exchange rate changes on cash and cash equivalents amounted to P15 million and (P0.034) million for the periods ended March 31, 2026 and 2025, respectively.

#### IV. KEY PERFORMANCE INDICATORS

The following are the major performance measures used by the Group. Analyses are employed by comparisons and measurements based on the financial data for the periods indicated below.

<b>KPI</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Liquidity:		
<b>Current Ratio</b>	<b>2.72</b>	3.13
Solvency:		
<b>Debt to Equity Ratio</b>	<b>0.44</b>	0.36
<b>Asset to Equity Ratio</b>	<b>1.44</b>	1.36
Profitability:		
<b>Return on Average Equity</b>	<b>34%</b>	36%
<b>Interest Rate Coverage Ratio</b>	<b>444.20</b>	126.38

<b>KPI</b>	<b>Period Ended March 31</b>	
	<b>2026</b>	<b>2025</b>
Operating Efficiency:		
<b>Volume Growth</b>	<b>(3%)</b>	1%
<b>Revenue Growth</b>	<b>3%</b>	8%
<b>Operating Margin</b>	<b>17%</b>	15%

The manner by which the Group calculates the above indicators is as follows:

KPI	Formula
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Debt to Equity Ratio	$\frac{\text{Total Liabilities (Current + Noncurrent)}}{\text{Equity}}$
Asset to Equity Ratio	$\frac{\text{Total Assets (Current + Noncurrent)}}{\text{Equity}}$
Return on Average Equity	$\frac{\text{Net Income}^*}{\text{Average Equity}}$
Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interests and Taxes}}{\text{Interest Expense and Other Financing Charges}}$
Volume Growth	$\left( \frac{\text{Sum of All Businesses' Volume}}{\text{Prior Period Volume}} \right) - 1$
Revenue Growth	$\left( \frac{\text{Current Period Net Sales}}{\text{Prior Period Net Sales}} \right) - 1$
Operating Margin	$\frac{\text{Income from Operating Activities}}{\text{Net Sales}}$

\*Annualized for quarterly reporting.