

# COVER SHEET

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S.E.C. Registration Number

[illegible]

( Company's Full Name )

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| R | O | S | A |   | I | , |   | M | A | R | I | L | A | O | , |  | B | U | L | A | C | A | N |   |   |   |  |  |

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

**Atty. Mary Christine Dabu-Pepito**  
Contact Person

**(+632) 8843-30-33**  
Company Telephone Number

**1 2 - 3 1**  
Month Day

1 7 - C  
Form Type

**Last Friday of June**

|       |     |
|-------|-----|
| 0     | 6   |
| Month | Day |

Dept. Requiring this Doc.

Secondary License Type. If Applicable

Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings

|          |         |
|----------|---------|
|          |         |
| Domestic | Foreign |

To be accomplished by SEC Personnel concerned

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STAMPS

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-C**

**CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER**

1. **August 4, 2022**  
Date of Report (Date of earliest event reported)
2. SEC Identification Number **21134**
3. BIR Tax Identification No. **000-234-398**
4. **VITARICH CORPORATION**  
Exact name of issuer as specified in its charter
5. **Bulacan, Philippines**  
Province, country or other jurisdiction  
of incorporation
6.  (SEC Use Only)  
Industry Classification Code:
7. **Marilao San Jose Road, Sta. Rosa I, Marilao, Bulacan**  
Address of principal office
- 3019**  
Postal Code
8. **(+632) 8843-3033**  
Issuer's telephone number, including area code
9. **Not applicable**  
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

| Title of Each Class                        | Number of Shares of Common Stock<br>Outstanding and Amount of Debt<br>Outstanding |
|--|---|
| <u>Common Stock</u>                        | <b><u>3,054,334,014</u></b>   |
| <u>Total Shares Issued and Outstanding</u> |   |
11. Indicate the item numbers reported herein: **Item 9. Other Events**

## Item 9. Other Events

August 4, 2022– Vitarich Corporation (PSE:VITA) reports revenues of P5.5 billion for the first half of 2022, an increase of 21% from P4.6 billion in the prior-year period, led by the Foods business.

"We delivered record-breaking revenue performance even in the face of challenging macroeconomic headwinds" said Rocco Sarmiento, President and CEO. "Through volume gains, responsible price increases, and operational efficiencies, we limited the impact of higher input costs on our profitability. At the same time, we successfully executed on our strategic plan of growing our core. We added several key accounts to our hotels, restaurants, institutional (HRI) customer list—including some leading fast food chains—and launched our branded chicken products, *Cook's*, in various parts of the country."

Attached is the full Press Release of Vitarich Corporation.

## SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Registrant - **VITARICH CORPORATION**

By:



**ATTY. MARY CHRISTINE DABU-PEPITO**  
Assistant Corporate Secretary, Corporate  
Information Officer and Compliance Officer

Date: August 4, 2022



**V I T A R I C H**

### **Vitarich Reports Record First-Half Revenues Amid Market Headwinds**

August 4, 2022– Vitarich Corporation (PSE:VITA) reports revenues of P5.5 billion for the first half of 2022, an increase of 21% from P4.6 billion in the prior-year period, led by the Foods business.

"We delivered record-breaking revenue performance even in the face of challenging macroeconomic headwinds" said Rocco Sarmiento, President and CEO. "Through volume gains, responsible price increases, and operational efficiencies, we limited the impact of higher input costs on our profitability. At the same time, we successfully executed on our strategic plan of growing our core. We added several key accounts to our hotels, restaurants, institutional (HRI) customer list—including some leading fast food chains—and launched our branded chicken products, Cook's, in various parts of the country."

Cost of goods climbed 25% to P4.9 billion primarily due to higher sales volume and prices of raw materials, such as wheat, soybean, and corn, which saw an average increase of 32% compared to the same period last year. Similarly, the recent surge in fuel, energy, and labor costs impacted cost of sales as well as operating expenses, which also rose 25%. As a result, gross profit was P591.9 million, representing a gross margin of 11% compared to 14% in the first half of 2021, and operating profit was P241.9 million.

Net income was P147.7 million with earnings per share of P0.048.

"We expect input costs to remain elevated as we move through the balance of the year," said Melise Arnaldo, Chief Finance Officer. "We are taking necessary actions to manage through the current market conditions while remaining focused on our growth plans and long-term opportunities. We are innovating, sourcing, and finding alternative raw materials when possible, while more prudently managing inventory levels, especially of imported items, in view of pressures on the foreign exchange rate and inflation impact."

#### **Segment Highlights**

- Foods was the largest contributor to revenues at 54%, building on a strong recovery since 2021 and achieving record first half revenues of P3.0 billion, an increase of 55%. Volume expanded 45% supported by an average price increase of 6%. Demand was particularly high in Luzon and Mindanao.

The segment added a total of 13 HRI customers including some leading fast food chains, providing custom product and menu development suited to customer specifications, quality, and cost requirements.

Cook's dressed chicken was introduced in Isabela, Camarines Sur, Camarines Norte, Albay, and Northern Samar and is now available to HRI customers, supermarkets, and wet markets in these areas.

- Feeds revenues grew 5% to P2.2 billion driven by pricing, which sequentially rose over the past two quarters to mitigate high input cost inflation. Specifically, pricing increased 14% compared to the year-ago period versus input costs at 23%. As expected, pricing had an



## V I T A R I C H

unfavorable impact on volume which slightly contracted by 7%. Feeds segment comprised 41% of revenues.

The segment expanded its distribution network across the Cordillera Administrative Region, Negros Occidental, Capiz, and Antique through additional retail stores and end users such as backyard farms.

- Farms revenues declined 44% to P291.5 million, or 5% of revenues. Fair value adjustments on biological assets amounting to P73.7 million was recognized as part of revenues and P55.2 million as part of cost of goods.

### Market Insights

Three key themes continued to shape market conditions of the domestic poultry broiler industry in the first half of the year.

First, the marked increase in feed input costs exerted a significant strain in reaching optimal feed conversion ratios targets. As a result, some poultry growers cut costs either by reducing volume or using feed input alternatives, while some carried out price hikes and passed on the increased cost to consumers.

Second, the combination of tighter local border restrictions and the unusually hot weather led to a mid-to-high single digit decline in harvest recovery rates. In Visayas and Mindanao, for example, varying border restrictions increased travel and production times, resulting in stunted growth or death among broilers. In addition, heat stress directly affected livestock growth.

Finally, the shortage of important feed inputs, mainly corn, was a contributing factor to the chicken supply gap in June and is expected to persist as a major source of uncertainty for the industry unless effective measures are implemented to improve the long-term competitiveness of the corn industry.

PHP millions, except per share data

|                  | <b>1H 2022</b> | <b>1H 2021</b> | <b>Change</b> | <b>1H 2020</b> | <b>Change</b> |
|------------------|----------------|----------------|---------------|----------------|---------------|
| Revenues         | 5,526.2        | 4,584.8        | 21%           | 3,843.7        | 44%           |
| Operating income | 241.9          | 371.5          | -35%          | 44.5           | 443%          |
| Net income       | 147.7          | 276.9          | -47%          | 11.6           | 1177%         |
| EPS              | 0.048          | 0.091          | -47%          | 0.004          | 1108%         |
| EBITDA           | 281.0          | 417.3          | -33%          | 122.7          | 129%          |

### ABOUT VITARICH CORPORATION

Vitarich Corporation (PSE: VITA) is a pioneer, agribusiness partner, and leader in the animal feeds industry in the Philippines. Recognized with international standards for sanitation, food safety, and quality, VITA operates in three primary industry segments: feeds, foods, and farms—forging livelihood and nourishing lives. For more information, visit [www.vitarich.com](http://www.vitarich.com) or contact [ir@vitarich.com](mailto:ir@vitarich.com)