



October 29, 2021

via electronic mail

SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC
Complex Roxas Boulevard,
Pasay City, 1307

ATTENTION : **DIR. VICENTE GRACIANO P. FELIZMENIO, JR.**
Markets and Securities Regulation Department

via PSE EDGE

PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 28th Street, cor. 5th Avenue,
Bonifacio Global City, Taguig City

ATTENTION : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

via electronic mail

PHILIPPINE DEALING & EXCHANGE CORP.

Market Regulatory Services
Group 29th Floor BDO Equitable
Tower 8751 Paseo de Roxas,
Makati City

ATTENTION : **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**
Head - Issuer Compliance and Disclosures Department

Gentlemen:

Please see attached the SEC Form 17-C (Current Report) of Aboitiz Equity Ventures Inc. filed in compliance with the Securities Regulation Code, its 2015 Implementing Rules and Regulations, the Revised Disclosure Rules of the Philippine Stock Exchange (PSE), and the Issuer Disclosure Operating Guidelines of the Philippine Dealing Exchange Corp. (PDEX).

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ EQUITY VENTURES INC.

By:


SAMMY DAVE A. SANTOS
Assistant Corporate Secretary

COVER SHEET

C E O 2 5 3 6

S.E.C. Registration Number

A B O I T I Z E Q U I T Y V E N T U R E S I N C .

(Company's Full Name)

3 2 N D S T R E E T , B O N I F A C I O G L O B A L

C I T Y , T A G U I G C I T Y , M E T R O M A N I L A

P H I L I P P I N E S

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

MANUEL ALBERTO R. COLAYCO

Contact Person

(02) 8886-2338

Company Telephone Number

1 2 3 1

Month Day

Fiscal Year

1 7 - C

FORM TYPE

4th Monday of April

0 4 2 6

Month Day

Annual Meeting

N/A

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc

N/A

Amended Articles Number/Section

Total No. of Stockholders

x

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier


STAMPS

Remarks = Pls. use black ink for scanning purposes

SECURITIES & EXCHANGE COMMISSION

SEC FORM 17-C

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

1. October 29, 2021
Date of Report (Date of earliest event reported)
2. SEC Identification Number CE02536 3. BIR TIN 003-828-269-V
4. ABOITIZ EQUITY VENTURES INC.
Exact name of registrant as specified in its charter
5. Philippines 6. 
Province, country or other jurisdiction of incorporation Industry Classification Code
7. 32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines 1634
Address of principal office Postal Code
8. (02) 8886-2800
Registrant's telephone number, including area code
9. N/A
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding |
|---|---|
| <u>Common Stock ₱1 Par Value</u> | <u>5,630,225,457</u> |
| <u>Amount of Debt Outstanding (June 30, 2021)</u> | <u>₱329,151,712,000.00</u> |
11. Indicate the item numbers reported herein: 9

Item 9: Other Matters

Aboitiz Equity Ventures Inc. ("AEV" or "the Company") recorded consolidated net income of ₱6.1 billion (bn) for the third quarter of 2021, a 38% increase from the ₱4.4 bn reported in the same period in 2020. The Company recognized non-recurring gains of ₱252 million (mn) during the period, compared to the ₱16 mn in non-recurring gains for the corresponding period in 2020, representing foreign exchange gains from the revaluation of dollar-denominated assets. Without these one-off gains, the Company's core net income for the third quarter of 2021 was ₱5.8 bn, a 33% increase year-on-year (YoY). For the relevant period, AEV recorded consolidated earnings before interest, tax, depreciation and amortization (EBITDA) of ₱16.7 bn, which was 5% higher YoY.

On a year-to-date (YTD) basis, AEV's net income for the first three quarters of 2021 was ₱19.5 bn, 135% higher than the ₱8.3 bn recorded during the same period in the previous year. The Company recognized non-recurring gains of ₱83 mn, versus the ₱5 mn in non-recurring losses recorded during the same period in 2020, which were primarily due to the revaluation of dollar-denominated assets. Without these one-off gains, AEV's core net income for the first three quarters of 2021 was ₱19.5 bn, a 133% increase YoY. AEV recorded consolidated EBITDA of ₱49.5 bn during the first three quarters of 2021, a 28% increase from the ₱38.8 bn recorded in the same period in 2020.

Power accounted for 58% of the total income contributions from AEV's Strategic Business Units (SBU) during the first three quarters of 2021, while Financial Services accounted for 26%. Income contributions from Food, Infrastructure, and Real Estate SBUs were at 7%, 6%, and 3%, respectively.

"As we approach the end of 2021, we see the light at the end of the tunnel growing brighter in terms of the pandemic, and the Aboitiz Group's performance trajectory continues to substantially improve throughout the current health crisis, posting figures that are again much higher than last year's. Our financial and cultural investments in innovative and agile thinking have paid off handsomely as we powered through the pandemic with strong performance indicators. This gives us every reason to believe that next year will be even better as COVID cases decrease, vaccinations increase and our new strategic partnership with Jera kicks into gear. As always, our main priority and driving force remains to be our team members, and as we did with the current government, we look forward to working closely with next year's new administration in defeating the virus by learning to function with it to help our country along the path to economic recovery," said Sabin M. Aboitiz, Aboitiz Group President and CEO.

Strategic Business Units

Power

Aboitiz Power Corporation's ("AboitizPower") income contribution to AEV for the first three quarters of 2021 amounted to ₱12.1 bn, 124% higher than the ₱5.4 bn recorded during the same period in 2020.

On a stand-alone basis, AboitizPower's core net income for the first three quarters of 2021 was ₱15.7 bn, 143% higher compared to the same period in 2020. Including non-recurring losses amounting to ₱36 mn, AboitizPower's net income for the first three quarters of 2021 was ₱15.7 bn, 124% higher YoY. This was primarily due to commissioning revenue from GNPowder Dinginin Ltd. Co. (GNPD) Unit 1, higher water inflow for AboitizPower's hydro plants, higher availability of the Therma Luzon, Inc. (TLI), Therma South, Inc. (TSI) and Therma Visayas, Inc. (TSI) facilities, and higher WESM dispatch in compliance with the must-offer rule. AboitizPower was also able to claim liquidated damages for the delay in the construction of GNPowder Unit 1 and received the final payment for business interruption claims resulting from GNPowder Mariveles Energy Center Ltd. Co. (GMEC) and AP Renewables Inc. outages in previous years.

For the first three quarters of 2021, the income contribution from the generation and retail electricity supply businesses, which accounted for 83% of total income contribution from AboitizPower's business segments, totaled ₱16.2 bn, 157% higher YoY. Consolidated EBITDA for the generation and retail electricity supply business

recorded in the first three quarters of 2021 was ₱32.3 bn, a 27% increase YoY. This was due to commissioning revenue from GNPD Unit 1, higher water inflow, higher availability of our TLI, TSI and TVI facilities, and higher WESM dispatch in compliance with the must offer rule. This was partially offset by the lower margins from the GMEC outage.

Capacity sold for the first three quarters of 2021 increased by 8% to 3,663 megawatts (MW), compared to 3,394 MW in the same period in 2020. Energy sold increased by 11% to 18,442 gigawatt-hours (GWh) for the first three quarters of 2021, compared to 16,689 GWh for the corresponding period in 2020.

AboitizPower's distribution business recorded an income share of ₱3.3 bn during the first three quarters of 2021, a 19% increase YoY, and accounted for 17% of income contributions from AboitizPower's business segments. Consolidated EBITDA for the distribution business in the first three quarters of 2021 was ₱6.1 bn, 5% higher YoY. This was driven by higher energy consumption resulting from recoveries in demand. Energy sales from the Residential, Commercial and Industrial customer segments increased due to less stringent community quarantines and the resumption of operations of commercial and industrial customers.

Energy sales increased by 5% to 4,197 GWh during the first three quarters of 2021, compared to 3,994 GWh in the same period in 2020.

Banking & Financial Services

Union Bank of the Philippines' ("UnionBank" or "the Bank") income contribution to AEV for the first three quarters of 2021 amounted to ₱5.4 bn, 26% higher than the ₱4.3 bn recorded during the same period in 2020.

On a stand-alone basis, UnionBank and its subsidiaries recorded net income of ₱10.4 bn for the first three quarters of 2021, 26% higher YoY. Net interest income grew to ₱22.0 bn, 3% higher YoY, on the back of higher margins, which improved to 4.6% from 4.5% a year ago. Non-interest income during the first three quarters of 2021 was ₱12.6 bn, up 22% YoY, due to strong trading gains in the first half of the year, higher foreign exchange income, and higher fees and commissions.

Loan loss provisions were recorded at ₱4.1 bn, 45% lower YoY amid the continued stabilization of non-performing loans (NPL). The Bank's NPL ratio improved to 4.9% as of end-September 2021, from 5.1% as of year-end 2020.

UnionBank's earnings performance in the first three quarters of 2021 resulted in a return on equity of 13.6%, a return on assets of 1.8%, and a revenue-to-expense ratio of 1.9x.

As of September 30, 2021, UnionBank's total assets amounted to ₱767.8 bn, 1% lower than the year-end 2020 level. Total loans and receivables were down 4% YoY to ₱341.5 due to the subdued demand for corporate loans. Total Current Account Savings Account (CASA) deposits, on other hand, sustained its record YoY growth of 26% to ₱318.3 bn.

Food

AEV's non-listed food subsidiaries' (Pilmico Foods Corporation, Pilmico Animal Nutrition Corporation, and Pilmico International Pte. Ltd. - which includes Gold Coin

Management Holdings Pte. Ltd.) income contribution to AEV amounted to ₱1.5 bn for the first three quarters of 2021, 54% higher than the ₱969 mn recorded in the same period in 2020.

The Farms business segment reported net income of ₱385 mn during the first three quarters of 2021, recovering from a net loss of ₱703 mn for the same period in 2020. This can be attributed to the depressed market performance of hogs in the previous year following the spread of African Swine Fever in the country. The Feeds business segment recorded net income of ₱1.0 bn during the first three quarters of 2021, 24% lower YoY on the back of the continuous rise in raw materials costs. The Flour business segment recorded ₱283 mn in net income for the first three quarters of 2021, 50% lower than the corresponding period in 2020, on the back of lower by-product contributions, in addition to higher operating and administration costs.

Real Estate

AEV's non-listed real estate businesses, comprising of Aboitiz Land, Inc. ("AboitizLand") and its subsidiaries, reported a consolidated net income of ₱646 mn for the first three quarters of 2021, 665% higher than the ₱85 mn recorded in the same period in 2020.

AboitizLand contributed ₱2.9 bn in revenues for the first three quarters of 2021, 34% higher than revenue contributions from the same period in 2020. This increase was primarily due to increased sales, especially of sales with large spot down payments, as well as to increased construction and site development activities.

Out of AboitizLand's revenue for the first three quarters of 2021, the residential business unit contributed ₱2.1 bn, the commercial business unit contributed ₱186 mn, while the industrial business unit and others contributed the remaining ₱599 mn, equivalent to 73%, 6%, and 21%, respectively.

Infrastructure

For the Infrastructure group, Republic Cement & Building Materials, Inc.'s ("Republic Cement") income contribution to AEV for the first three quarters of 2021 amounted to ₱1.4 bn, 247% higher than the ₱400 mn recorded in the same period in 2020. This was primarily due to stronger market demand from the residential and infrastructure segments, as well as capital investments which resulted in increased overall efficiency. Republic Cement also benefited from a one-time gain brought about by the CREATE bill which reduced its deferred tax liabilities.

Financial Condition

As of September 30, 2021, the Company's consolidated assets totaled ₱631.8 bn, a 4% increase from end-2020's ₱609.2 bn. Cash and cash equivalents stood at ₱51.0 bn, 23% lower than the ₱66.0 bn as of end-2020. Consolidated liabilities totaled ₱381.1 bn, a 1% decrease from the year-end 2020 level of ₱385.6 bn, while equity attributable to equity holders of the parent increased by 12% to ₱204.7 bn. AEV's current ratio as of September 30, 2021 stood at 1.5x while its net debt-to-equity ratio was 1.0x.

SIGNATURE (S)

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

ABOITIZ EQUITY VENTURES INC.

By:


Sammy Dave A. Santos
Assistant Corporate Secretary

Date: October 29, 2021