



March 5, 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:

Attached is 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) 8 886-2338

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. **March 5, 2021**
Date of Report (Date of earliest event reported)

2. SEC Identification Number **CEO2536** 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) 8 886-2800**
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
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Common Stock ₱1 Par Value	5,630,225,457
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Amount of Debt Outstanding (September 30, 2020)	₱331,460,797,000.00
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11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Equity Ventures Inc. (AEV or the "Company") recorded consolidated net income of ₱7.1 billion (bn) for the fourth quarter of 2020, a 13% increase from the ₱6.3 bn reported during the corresponding period in 2019. The Company recognized non-recurring net losses of ₱472 million (mn) during the period, compared to the ₱671 mn in non-recurring net gains for the corresponding period in 2019. Without these one-off losses, the Company's core net income for the fourth quarter of 2020 was ₱7.6 bn, a 34% increase year-on-year (YoY). For the relevant period, AEV recorded consolidated earnings before interest, tax, depreciation and amortization (EBITDA) of ₱18.9 bn, which was 23% higher YoY.

AEV's net income for 2020 was ₱15.4 bn, 30% lower than the ₱22.0 bn recorded in 2019. The Company recognized non-recurring losses of ₱477 mn during 2020 versus the ₱516

mn in non-recurring gains recorded in 2019. Without these one-off losses, AEV's core net income for 2020 was ₱15.9 bn, 26% lower than the ₱21.5 bn recorded in 2019. AEV recorded consolidated EBITDA of ₱57.7 bn in 2020, a 4% decrease from the ₱60.2 bn recorded in 2019.

Power accounted for 52% of the total income contributions from AEV's Strategic Business Units (SBU) in 2020, while Financial Services accounted for 32%. Income contributions from Food, Infrastructure, and Real Estate SBUs were at 12%, 2%, and 2%, respectively.

"In 2020, the Aboitiz Group, like all other business organizations in our country, faced not only the unprecedented challenges brought on by the COVID-19 pandemic but the normal run-of-mill issues that normal times bring. Through the many uncertainties, our business units stayed focused on ensuring we deliver uninterrupted vital services to our customers and communities. Careful consideration of our future growth led us to significantly reduce our capital expenditure budgets and prioritize essential projects supported by our strong balance sheet. Early adoption of digital transformation allowed us to seamlessly transition work processes from the physical environment to virtual platforms. These initiatives form important elements in improving our ESG performance through our sustainability programs.

As we have done for 100 years, all our decisions will continue to be guided by our time-honored values of integrity, teamwork, innovation, and responsibility. We remain committed to our brand promise of advancing business and communities. This is our commitment as a proactive participant in working hand in hand with our government on the path to economic recovery in 2021 and beyond and for the long haul," Sabin M. Aboitiz, Aboitiz Group President and CEO said.

Strategic Business Units

Power

Aboitiz Power Corporation's (AboitizPower) net income contribution to AEV for 2020 was ₱9.7 bn, 27% lower compared to the ₱13.3 bn recorded in the previous year.

On a stand-alone basis, AboitizPower's core net income for 2020 was ₱12.5 bn, 25% lower than in 2019. Including non-recurring gains of ₱45 mn, AboitizPower's net income for 2020 was ₱12.6 bn, 27% lower YoY. The increase in EBITDA was offset by additional tax expenses following the expiration of the income tax holiday incentives of Therma South, Inc. and GN Power Mariveles Energy Center Ltd. Co. (formerly GNPowder Mariveles Coal Plant Ltd. Co.) and the de-recognition of deferred tax assets on NOLCO from 2018 and 2019. There were also additional interest expenses from the Company's bonds and loans that were availed of in late 2019 and the second half of 2020.

For 2020, the income contribution from the generation and retail electricity supply businesses, which accounted for 77% of total income contribution from AboitizPower's business segments, totaled ₱12.0 bn, 22% lower YoY. Consolidated EBITDA for the generation and retail electricity supply business recorded in 2020 was ₱37.7 bn, a 4% increase YoY. The variance was primarily due to better availability of our coal facilities and the recognition of BI claims, which offset the lower demand due to COVID-related community quarantines and lower water inflows to AboitizPower's hydro facilities.

Capacity sold for 2020 increased by 7% to 3,417 megawatts (MW) from 3,184 MW in the same period in 2019. This was the result of increased contracting levels driven by the new capacity of Therma Visayas, Inc. and additional portfolio contracts. The increase in contracting levels, however, was offset by the lower demand brought about by the

pandemic and lower water inflows to our hydro facilities. This resulted in a YoY reduction in energy sold, which declined by 1% to 22,754 gigawatt-hours (GWh) for 2020 from 22,942 GWh in 2019.

Meanwhile, AboitizPower's distribution business recorded an income share of ₱3.5 bn in 2020, a 14% decrease YoY, which accounted for 23% of income contribution from AboitizPower's business segments. Consolidated EBITDA for the distribution business in 2020 was ₱7.2 bn, 12% lower YoY. This was due to lower consumption which resulted from the enforcement of COVID-related community quarantines. Energy sales decreased by 8% to 5,368 GWh in 2020 from 5,851 GWh in 2019.

Banking & Financial Services

The income contribution of Union Bank of the Philippines (UnionBank or the "Bank") to AEV for 2020 amounted to ₱5.9 bn, 18% lower than the ₱7.2 bn recorded in the previous year.

On a stand-alone basis, UnionBank and its subsidiaries recorded net income of ₱11.6 bn in 2020, 18% lower than the ₱14.0 bn recorded in 2019. This was mainly due to higher provisions for loan losses for 2020. Net interest income grew to ₱28.7 bn, 29% higher YoY, due to higher margins, robust CASA growth, and the sustained expansion of high-yielding consumer, small and medium-sized enterprises (SME), and commercial loans. Meanwhile, non-interest income was ₱13.4 bn, down 6% YoY, in part due to lower trading gains.

UnionBank's earnings performance in 2020 resulted in a return on equity of 11.4%, a return on assets of 1.5%, and a revenue-to-expense ratio of 2.0x.

As of December 31, 2020, UnionBank's total assets amounted to ₱774.5 bn, 1% higher YoY.

UnionBank's provisions for loan losses in 2020 amounted to ₱8.7 bn, which was set aside mainly due to continued weakness in the economy as a result of the COVID-19 crisis.

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 ₱2.2 bn for 2020, 38% higher than the ₱1.6 bn recorded in 2019.

The Food SBU's Philippine subsidiaries reported net income amounting to ₱1.2 bn in 2020. The Feeds business segment recorded net income of ₱999 mn, 119% higher YoY, due to higher volume and lower raw material costs. The Flour business segment recorded ₱716 mn in net income, 1% higher than in 2019, as improved per unit gross profit and volume were offset by higher interest expenses and unrealized foreign exchange losses on money market placements. The Farms business segment recorded a net loss of ₱552 mn due to decreased margins resulting from higher production costs and lower selling prices caused by the industry-wide effect of the African Swine Fever. This was compounded by lower sales volume due to transport restrictions on pork and pigs imposed in several provinces in Luzon.

Meanwhile, income contributions from the Food SBU's international subsidiaries totaled ₱978 mn in 2020, a 29% increase from 2019. This was due to an increase in volume and

decreased raw material costs, as well as the full year effect of the Food SBU's 100% ownership in Gold Coin Management Holdings Pte. Ltd.

Real Estate

AEV's real estate businesses, comprising AboitizLand, Inc. (AboitizLand) and its subsidiaries, reported a consolidated net income of ₱338 mn for 2020, 64% lower than the ₱943 mn in income recorded the previous year. This was primarily due to the absence of fair valuation gains on investment properties recognized in 2019, which were not present in 2020.

AboitizLand contributed ₱3.5 bn in revenues for 2020, 15% lower than revenue contributions from 2019. This was primarily due to constraints brought about by the slowdown of construction activities and restrictions in operations resulting from the COVID-related community quarantines.

Of AboitizLand's revenue for 2020, the residential business unit contributed ₱1.0 bn, the commercial business unit contributed ₱213 mn, while the industrial business unit and other subsidiaries contributed the remaining ₱2.2 bn, equivalent to 31%, 6%, and 63%, respectively.

Infrastructure

For the Infrastructure group, Republic Cement & Building Materials, Inc. reported a net income of ₱590 mn to AEV for 2020, 4% lower compared to the ₱612 mn in net income recorded in 2019. This negative variance was mainly due to the contraction in the demand for cement as construction activities significantly slowed down, particularly during the enforcement of COVID-related community quarantines.

Financial Condition


As of December 31, 2020, the Company's consolidated assets totaled ₱609.2 bn, a 4% increase from end-2019's level of ₱588.4 bn. Cash and cash equivalents stood at ₱66.9 bn, 44% higher than the ₱46.4 bn as of end-2019. Consolidated liabilities totaled ₱385.6 bn, a 4% increase from the year-end 2019 level of ₱371.2 bn, while equity attributable to equity holders of the parent increased by 4% to ₱183.1 bn. AEV's current ratio as of December 31, 2020 stood at 1.6x while its net debt-to-equity ratio was 1.1x.

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: March 5, 2021