



July 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, 28<sup>th</sup> Street, cor. 5<sup>th</sup> 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 29<sup>th</sup> 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

4<sup>th</sup> 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

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LCU

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Cashier

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non-recurring losses of ₱169 mn, versus the ₱20 mn in non-recurring losses recorded during the same period in 2020, which was primarily due to the goodwill write-off related to City Savings Bank, Inc. Without these one-off losses, AEV's core net income for the first half of 2021 was ₱13.6 bn, a 246% increase YoY. AEV recorded consolidated EBITDA of ₱32.8 bn during the first half of 2021, a 43% increase from the ₱22.9 bn recorded in the same period in 2020.

Power accounted for 53% of the total income contributions from AEV's Strategic Business Units (SBU) during the first half of 2021, while Financial Services accounted for 28%. Income contributions from Infrastructure, Food, and Real Estate SBUs were at 9%, 7%, and 3%, respectively.

"The Aboitiz Group's positive performance in the first half is a solid foundation for optimism that our country is on the right track to economic recovery. Looking ahead, we see some headway in our own strategic growth objectives and the new CREATE law should enable businesses to make even more significant strides to regain lost ground. However, we know the COVID-19 Delta variant remains a very real threat so we have to be cautious in our next steps. Our most important priority remains the safety and wellbeing of our team members as we begin our company's own vaccination program. Likewise, we continue to work closely with the national and local governments to help ensure that the Philippines succeeds in overcoming the pandemic," 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 half of 2021 amounted to ₱7.8 bn, 171% higher than the ₱2.9 bn recorded during the same period in 2020.

On a stand-alone basis, AboitizPower's core net income for the first half of 2021 was ₱10.1 bn, 188% higher compared to the same period in 2020. Including non-recurring gains amounting to ₱4 mn, AboitizPower's net income for the first half of 2021 was ₱10.1 bn, 171% higher YoY. This was primarily due to commissioning revenue from GNPower Dinginin Unit 1, higher water inflow, higher demand, and higher wholesale electricity spot market (WESM) dispatch in compliance with the must offer rule. AboitizPower was also able to claim liquidated damages for the delay in the construction of GNPower Dinginin Ltd. Co. and received the final payment for business interruption claims resulting from GNPower Mariveles Energy Center Ltd. Co.'s (GMEC) outages in 2019.

For the first half of 2021, the income contribution from the generation and retail electricity supply businesses, which accounted for 81% of total income contribution from AboitizPower's business segments, totaled ₱10.1 bn, 183% higher YoY. Consolidated EBITDA for the generation and retail electricity supply business recorded in the first half of 2021 was ₱20.5 bn, a 42% increase YoY. This was due to commissioning revenue from GNPower Dinginin Unit 1, higher water inflows, higher demand, higher WESM dispatch, and other income from liquidated damages and business interruption claims. These factors offset the impact of the ongoing GMEC outage, which we expect to be resolved in September 2021.

Capacity sold for the first half of 2021 increased by 6% to 3,600 megawatts (MW), compared to 3,388 MW in the same period in 2020. Energy sold increased by 10% to 11,790 gigawatt-hours (GWh) for the first half of 2021, compared to 10,764 GWh for the corresponding period in 2020.

AboitizPower's distribution business recorded an income share of ₱2.3 bn during the first half 2021, a 36% increase YoY, and accounted for 19% of income contributions from AboitizPower's business segments. Consolidated EBITDA for the distribution business in the first three months of 2021 was ₱4.1 bn, 12% higher YoY. This was driven by higher energy consumption resulting from recoveries in demand. Energy sales from the Residential customer segment were sustained while energy sales

from the Commercial and Industrial customer segments increased due to looser community quarantines and the resumption of operations of commercial and industrial customers.

Energy sales increased by 4% to 2,745 GWh during the first half of 2021, compared to 2,629 GWh in the same period 2020.

### ***Banking & Financial Services***

Union Bank of the Philippines' (UnionBank or the "Bank") income contribution to AEV for the first half of 2021 amounted to ₱4.2 bn, 92% higher than the ₱2.2 bn recorded during the same period in 2020.

On a stand-alone basis, UnionBank and its subsidiaries recorded net income of ₱8.3 bn for the first half of 2021, 94% higher YoY. Net revenues were at ₱25.5 bn, up 16% from the same period in 2020. Net interest income grew to ₱14.8 bn, 7% higher YoY, driven by higher net interest margins, which improved to 4.7% from 4.4% a year ago. Non-interest income during the first half of 2021 was ₱10.7 bn, up 33% YoY, on the back of strong trading gains, higher foreign exchange income, as well as higher fees and commissions.

Loan loss provisions were recorded at ₱3.1 bn, 56% lower YoY as non-performing loans (NPL) started to stabilize. The Bank's NPL ratio improved to 4.7% as of end-June 2021, from 5.1% as of year-end 2020.

UnionBank's earnings performance in the first half of 2021 resulted in a return on equity of 15.9%, a return on assets of 2.2%, and a revenue-to-expense ratio of 2.1x.

As of June 30, 2021, UnionBank's total assets amounted to ₱733.6 bn, 5% lower than the year-end 2020 level. Total loans and receivables were down 4% YoY to ₱336.9 bn on muted corporate and commercial credit demand. Total Current Account Savings Account (CASA) deposits, on other hand, sustained a record YoY growth of 28% to ₱299.6 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 ₱1.1 bn for the first half of 2021, 35% higher than the ₱795 mn recorded in the same period in 2020.

The Farms business segment reported net income of ₱281 mn during the first half of 2021, recovering from a net loss of ₱510 mn for the same period in 2020. This can be attributed to the recovery of selling prices as the spread of the African Swine Fever negatively impacted the supply of pork in the market. The Feeds business segment recorded net income of ₱643 mn during the first half of 2021, 43% lower YoY on the back of rising raw materials costs. The Flour business segment recorded ₱285 mn in net income for the first half of 2021, 18% 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 ₱385 mn for the first half of 2021, recovering from ₱39 mn in losses recorded in the same period in 2020.

AboitizLand contributed ₱1.8 bn in revenues for the first half of 2021, 53% higher than revenue contributions from the same period in 2020. This increase was primarily due to increased construction activity for its residential business as well as an increase in sales, especially those with

large spot down payments.

Out of AboitizLand's revenue for the first half of 2021, the residential business unit contributed ₱1.2 bn, the commercial business unit contributed ₱123 mn, while the industrial business unit and others contributed the remaining ₱407 mn, equivalent to 70%, 7%, and 23%, respectively.

### ***Infrastructure***

For the Infrastructure group, Republic Cement & Building Materials, Inc.'s income contribution to AEV for the half of 2021 amounted to ₱1.3 bn, recovering from the ₱10 mn in losses recorded in the same period in 2020. This was primarily due to stronger market demand driven by the residential and infrastructure segments, as well as reduced costs and increased overall efficiency.

### **Financial Condition**

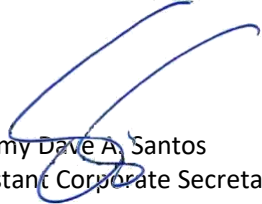
As of June 30, 2021, the Company's consolidated assets totaled ₱625.9 bn, a 3% increase from end-2020's ₱609.2 bn. Cash and cash equivalents stood at ₱57.6 bn, 13% lower than the ₱66.0 bn as of end-2020. Consolidated liabilities totaled ₱389.9 bn, a 1% increase from the year-end 2020 level of ₱385.6 bn, while equity attributable to equity holders of the parent increased by 6% to ₱193.7 bn. AEV's current ratio as of June 30, 2021 stood at 1.5x 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: July 29, 2021