President’s Report
Transitioning Pathways towards Sustainability

2022 Annual Stockholders’ Meeting
Monday, April 25, 2022
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**The position of the logo and the attitude symbols should not be altered.**

Sabin M. Aboitiz
President and CEO
Aboitiz Equity Ventures Inc.
2021 Philippines GDP

5.6%
The position of the logo and the attitude symbols should not be altered.
Balance Sheet
In PHP Millions

**Total Assets**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value ( Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>588,386</td>
</tr>
<tr>
<td>2020</td>
<td>609,156</td>
</tr>
<tr>
<td>2021</td>
<td>733,607</td>
</tr>
</tbody>
</table>

**Net Debt**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value ( Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>255,044</td>
</tr>
<tr>
<td>2020</td>
<td>257,890</td>
</tr>
<tr>
<td>2021</td>
<td>182,756</td>
</tr>
</tbody>
</table>

**Stockholders Equity**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value ( Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>176,481</td>
</tr>
<tr>
<td>2020</td>
<td>183,062</td>
</tr>
<tr>
<td>2021</td>
<td>244,679</td>
</tr>
</tbody>
</table>

*Equity Attributable to Equity Holders of the Parent

**Net D/E Ratio**

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.17x</td>
<td>1.14x</td>
<td>0.56x</td>
</tr>
</tbody>
</table>

**Current Ratio**

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.27x</td>
<td>1.60x</td>
<td>2.32x</td>
</tr>
</tbody>
</table>
2021 Financial Highlights

Revenue
(in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (in PHP Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>201,157</td>
</tr>
<tr>
<td>2020</td>
<td>186,797</td>
</tr>
<tr>
<td>2021</td>
<td>223,929</td>
</tr>
</tbody>
</table>

20% increase from 2019 to 2021
2021 Financial Highlights

**EBITDA**
(in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA (in PHP Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>60,157</td>
</tr>
<tr>
<td>2020</td>
<td>57,720</td>
</tr>
<tr>
<td>2021</td>
<td>67,131</td>
</tr>
</tbody>
</table>

16% increase from 2020 to 2021.
2021 Financial Highlights

Net Income
(in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS</th>
<th>ROE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>3.91</td>
<td>13%</td>
</tr>
<tr>
<td>2020</td>
<td>2.74</td>
<td>9%</td>
</tr>
<tr>
<td>2021</td>
<td>4.85</td>
<td>15%</td>
</tr>
</tbody>
</table>

The position of the logo and the attitude symbols should not be altered.
2021 Financial Highlights

Earnings Contribution

POWER 57%
BANKING & FINANCIAL SERVICES 23%
INFRASTRUCTURE 5%
LAND 9%
FOOD 7%
Dividends

Cash Dividend (in PHP per share)

- 2020: 1.30 (44.95 on Mar-06)
- 2021: 0.91 (42.75 on Mar-05)
- 2022: 1.62 (61.50 on Mar-04)

- Dividend yield (yields are computed by dividing DPS by the closing price on declaration date)
- Dividend per share (in pesos/share)

1/3

DIVIDEND PAYOUT RATIO

OF PREVIOUS YEAR’S NET INCOME
AEV 27-year Stock Performance

Total Shareholder Return Compounded Annual Growth Rate

18% (1 Year) 3% (3 Years) 6% (10 Years)

Total shareholder return (TSR) is computed by combining share price appreciation and dividends paid to show TRS expressed as a compounded annual growth rate (CAGR).
Operating Results: POWER

Income Contribution (in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Income Contribution (in PHP Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>13,335</td>
</tr>
<tr>
<td>2020</td>
<td>9,685</td>
</tr>
<tr>
<td>2021</td>
<td>16,045</td>
</tr>
</tbody>
</table>

66% growth from 2019 to 2021.
Operating Results:

Power Generation and Retail Electric Supply

Income Contribution
(in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Income Contribution (in PHP Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>11,751</td>
</tr>
<tr>
<td>2020</td>
<td>9,158</td>
</tr>
<tr>
<td>2021</td>
<td>16,884</td>
</tr>
</tbody>
</table>

The position of the logo and the attitude symbols should not be altered.
Operating Results:

Power Distribution

Income Contribution
(in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Income Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>3,159</td>
</tr>
<tr>
<td>2020</td>
<td>2,715</td>
</tr>
<tr>
<td>2021</td>
<td>3,068</td>
</tr>
</tbody>
</table>

13% increase from 2020 to 2021.
The position of the logo and the attitude symbols should not be altered.

**Operating Results:**

**Banking and Financial Services**

### Income Contribution

(in PHP Millions)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROAE</td>
<td>15.3%</td>
<td>11.5%</td>
<td>11.6%</td>
</tr>
<tr>
<td>ROAA</td>
<td>1.9%</td>
<td>1.5%</td>
<td>1.6%</td>
</tr>
</tbody>
</table>
Operating Results:

Banking and Financial Services

Total Deposits and Total Loans & Other Receivables - Net
(in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Deposits</th>
<th>Total Loans and Other Receivables - Net</th>
<th>Net NPL Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>392,564</td>
<td>484,336</td>
<td>1.8%</td>
</tr>
<tr>
<td>2020</td>
<td>339,537</td>
<td>527,785</td>
<td>3.2%</td>
</tr>
<tr>
<td>2021</td>
<td>359,775</td>
<td>570,501</td>
<td>2.4%</td>
</tr>
</tbody>
</table>
Operating Results: Sustained Increase in Digital Adoption

Phase 1
Build the Core

1. Enterprise Architecture
2. Business Process Automation
3. Robotics Process Automation
4. Open API Strategy
5. Integrated Operations Center
6. Triangulation of Data Center
7. Cloud Migration

Phase 2
Launch Digital Channels

1. Branch Transformation
   - UnionBank Online App for retail
   - The Portal for corporates

2. Online Banking Apps & Platforms

3. MAX 5.0 Digital RM Tool

Phase 3
Rollout and Commercialization

1. Total Registered Digital Users
   - 4.1M
   - 8x Total Users of UB Online App, The Portal Corporate Platform, and SME Business Banking App
   - 53x Customers who opened accounts digitally through the app
   - 549K
   - 25K
   - 1.3 M

Monthly Transaction Count
(Digital vs. Physical Channel)

1. Monthly Transaction Count
   - 3.9x
   - 8.4M
   - 2.5M
   - 2.1M

Digital Trans.: Fund Transfer, Bills Payment, Load Purchase, Mobile Cheque Deposits, FX, Remittance, FSC, and Cashier/ATM from UB Mobile App, The Portal, and MSME Business Banking – Branch Trans.: Fund Transfer, Bills Payment, Cash Deposit, Check Deposit, Cash Withdrawal, Check Encashment, Remittance, MO/DD, Nano Application, Time Deposit Renewal, Bank Cert, TD Closing, etc. – ATU Trans.: Fund Transfer, Bills Payment, Cash Withdrawal

Operational Results:
Sustained Increase in Digital Adoption

- Formed new groups; Hired industry experts
- Added new roles
- Adopted agile ways of working
- Upskilled employees with on-demand learning tools

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**The position of the logo and the attitude symbols should not be altered.**

Banking and Financial Services Outlook
Operating Results:

Food

Income Contribution
(in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Trading</th>
<th>Agribusiness</th>
<th>Food and Nutrition</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>366</td>
<td>1,216</td>
<td>1,582</td>
<td>1,582</td>
</tr>
<tr>
<td>2020</td>
<td>201</td>
<td>1,021</td>
<td>1,977</td>
<td>2,178</td>
</tr>
<tr>
<td>2021</td>
<td>790</td>
<td>1,021</td>
<td>1,955</td>
<td>1,955</td>
</tr>
</tbody>
</table>

-10% decrease from 2020 to 2021
The position of the logo and the attitude symbols should not be altered.
Operating Results:

**Land**

**Income Contribution**
(in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Income Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>943</td>
</tr>
<tr>
<td>2020</td>
<td>338</td>
</tr>
<tr>
<td>2021</td>
<td>2,561</td>
</tr>
</tbody>
</table>

658% increase from 2020 to 2021.
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Land Outlook
Operating Results: Republic Cement

Income Contribution (in PHP Millions)

- 2019: 612
- 2020: 590
- 2021: 1,559

Increase: 164%
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Risk Management

**Level 4 Risk Maturity**

- **How**
  - Our Process

- **Why**
  - Our Purpose

- **What**
  - Our Roles
Leadership towards a Sustainable Future

ESG data can be accessed in the aboitiz website

https://aboitiz.com/sustainability/sustainability-at-aboitiz/
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Capital Expenditures
(with partners)

2022
- POWER: 41%
- NON-POWER: 59%
- Total: P69 bn

2021
- POWER: 56%
- NON-POWER: 44%
- Total: P27 bn

2020
- POWER: 65%
- NON-POWER: 35%
- Total: P29 bn

2019
- POWER: 65%
- NON-POWER: 35%
- Total: P53 bn

Includes 100% of Subsidiaries and Affiliates

1- Budgeted figures
2- Actual figure
AEV Board of Directors

MANUEL R. SALAK III  CESAR G. ROMERO