Aboitiz Equity Ventures

First Nine Months of 2018
Financial & Operating Results
7 November 2018
Review of Business Units

• Power

• Banking & Financial Services

• Food

• Infrastructure

• Land

• AEV Financials

• Strategic Overview

• Q&A
9M 2018 EBITDA*

+5% YoY growth, mainly of which:

- +4% from new contributions from PEC and HBI
- +1% from Distribution group driven by strong growth

*Beneficial figures
9M 2018 Core Net Income

**EBITDA** | **Interest Expense** | **Depcn. & Amort.** | **Tax & Others** | **Core Net Income**
--- | --- | --- | --- | ---
36,715 | 8,253 | 6,397 | 3,679 | 18,386

<table>
<thead>
<tr>
<th>Description</th>
<th>9M 2017</th>
<th>9M 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>35,003</td>
<td>36,715</td>
<td>5%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>8,646</td>
<td>8,253</td>
<td>-5%</td>
</tr>
<tr>
<td>Depcn. &amp; Amort.</td>
<td>6,038</td>
<td>6,397</td>
<td>6%</td>
</tr>
<tr>
<td>Tax &amp; Others</td>
<td>2,835</td>
<td>3,679</td>
<td>30%</td>
</tr>
<tr>
<td>Core Net Income</td>
<td>17,484</td>
<td>18,386</td>
<td>5%</td>
</tr>
</tbody>
</table>

*EPS* | 2.17 | 2.14 | 5% |
### 9M 2018 Net Income

**Core Net Income**

<table>
<thead>
<tr>
<th>Description</th>
<th>9M 2017</th>
<th>9M 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Net Income</td>
<td>17,484</td>
<td>18,386</td>
<td>5%</td>
</tr>
<tr>
<td>Non-recurring Income/(Loss)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forex gains/losses</td>
<td>(1,738)</td>
<td>(1,714)</td>
<td>-1%</td>
</tr>
<tr>
<td>Debt prepayment costs</td>
<td>(1,088)</td>
<td>(1,714)</td>
<td>58%</td>
</tr>
<tr>
<td>(650)</td>
<td></td>
<td>-</td>
<td>N/A</td>
</tr>
<tr>
<td>Net Income</td>
<td>15,746</td>
<td>16,672</td>
<td>6%</td>
</tr>
</tbody>
</table>

**FX in Sep 2018:** 53.48 vs 51.17 in 2017
## Balance Sheet Highlights

<table>
<thead>
<tr>
<th>(Php mn)</th>
<th>CONSOLIDATED</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YE2017</td>
<td>9M2018</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents</strong></td>
<td>35,700</td>
<td>29,631</td>
</tr>
<tr>
<td><strong>Trade and Other Receivables</strong></td>
<td>17,360</td>
<td>23,486</td>
</tr>
<tr>
<td><strong>Property, Plant and Equipment</strong></td>
<td>204,025</td>
<td>208,476</td>
</tr>
<tr>
<td><strong>Investments and advances</strong></td>
<td>31,249</td>
<td>34,493</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>361,477</td>
<td>375,738</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>237,499</td>
<td>243,714</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>123,978</td>
<td>132,024</td>
</tr>
<tr>
<td><strong>Total Interest Bearing Debt</strong></td>
<td>205,996</td>
<td>209,835</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>167,654</td>
<td>174,509</td>
</tr>
<tr>
<td><strong>Net Debt to Equity</strong></td>
<td>1.3X</td>
<td>1.3x</td>
</tr>
<tr>
<td><strong>Debt to Equity</strong></td>
<td>1.7X</td>
<td>1.6x</td>
</tr>
</tbody>
</table>

*Interest bearing debt / Total equity*
Operating Highlights: Capacity Sales and Capacity Sold Factor by Contract Type

Capacity Sales: Capacity Contracts (MW) + Energy Contracts (MW) + (Spot (MWh) + Ancillary (MWh))/Days_Year/Hours Day
Capacity Sold Factor: Capacity Sales (MW) / Net Sellable Capacity (MW)
Operating Highlights: Revenue and Energy Sold

<table>
<thead>
<tr>
<th>Php MN</th>
<th>9M2017</th>
<th>9M2018</th>
<th>+6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>65,623</td>
<td>69,392</td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>2,610</td>
<td>3,048</td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>3,908</td>
<td>5,151</td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td></td>
<td></td>
<td>+6%</td>
</tr>
<tr>
<td>Energy</td>
<td>21,970</td>
<td>25,383</td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>37,135</td>
<td>35,810</td>
<td></td>
</tr>
</tbody>
</table>

GWh

- Capacity Contracts: 9,169, 53%
- Energy Contracts: 5,623, 32%
- Spot: 1,233, 7%
- Ancillary Services: 1,609, 9%

- Total GWh: 17,496

- 9M2017: 17,744

- 9M2018: 17,496

- Spot: 1,233, 7%
Operating Highlights: Gross Margin

In Php MN

- Revenue: 69,392 (65,623 + 6%)
- Cost of Sales: 36,025 (32,598 + 11%)
- Gross Margin: 33,367 (33,025 + 1%)

In GWh

- Energy Generated: 11,101 (10,711)
- Purchased Power: 1,583 (1,636)

9M2017 vs 9M2018
Operating Highlights: WESM

WESM TIME WTD AVERAGE PRICES (P/MWh)
Operating Highlights: Water Level

Magat’s Water Level vs. Rule Curve (in MASL)
Operating Highlights: Distribution

Beneficial Power Sales (GWh)

- Strong growth in distribution sales

Beneficial Power Sales By Customer Type (GWh)

- Residential
- Commercial & Industrial
- Total Power Sales

Peak Demand in (MW)

- Davao Light
- VECO
- Cotabato Light
- SFELAPCO
- SEZ
- MEZ
- BEZ
- LEZ
- Total
Operating Highlights: Distribution

Gross Margin / kWh
### Project Update

Pipeline on track to reach our target of 4,000 MW by 2020

<table>
<thead>
<tr>
<th>GRID</th>
<th>Project</th>
<th>Capacity (Net)</th>
<th>% Ownership</th>
<th>Attributable Net Capacity</th>
<th>Estimated Commercial Operation Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>LUZON</td>
<td>La Trinidad (Hydro – Hedcor Inc)</td>
<td>19 MW</td>
<td>100%</td>
<td>19 MW</td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td>Dinginin Unit 1 (Coal – GNPD)</td>
<td>668 MW</td>
<td>40%</td>
<td>267 MW</td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td>Dinginin Unit 2 (Coal – GNPD)</td>
<td>668 MW</td>
<td>40%</td>
<td>267 MW</td>
<td>2020</td>
</tr>
<tr>
<td></td>
<td>Subic (Coal – RP Energy)</td>
<td>300 MW</td>
<td>25%</td>
<td>75 MW</td>
<td></td>
</tr>
<tr>
<td>VISAYAS</td>
<td>Cebu (Coal – Therma Visayas)</td>
<td>300 MW</td>
<td>80%</td>
<td>240 MW</td>
<td>Unit 1 Jul 2019</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Unit 2 Apr 2019</td>
</tr>
<tr>
<td>MINDANAO</td>
<td>Manolo Fortich (Hydro – Hedcor Bukidnon)</td>
<td>68 MW</td>
<td>100%</td>
<td>68 MW</td>
<td>Plant 1 Jul 2018 (done)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Plant 2 Nov 2018</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,023 MW</td>
<td></td>
<td>936 MW</td>
<td></td>
</tr>
</tbody>
</table>
Project Update

Manolo Fortich - 68 MW of Hydro Power
Project Update

Cebu - 300 MW of Coal Power
Project Update

La Trinidad - 19 MW of Hydro Power
Project Update

Dinginin - 2 x 668 MW of Coal Power
Project Update

Naga Power Plant Complex
Adding to AboitizPower’s presence in Luzon

**Acquisition cost:** $579.2 million  
**Description:** Acquisition of 60% economic stake in AA Thermal, Inc.  
**Financing:** External debt  
**Status:** Subject to approval of Philippine Competition Commission
Post-acquisition Transaction Structure

<table>
<thead>
<tr>
<th></th>
<th>PREV</th>
<th>ADDTL</th>
<th>NEW</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GMCP</td>
<td>66%</td>
<td>12%</td>
<td>78%</td>
</tr>
<tr>
<td>GNPD</td>
<td>40%</td>
<td>30%</td>
<td>70%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>PREV</th>
<th>ADDTL</th>
<th>NEW</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>478</td>
<td>418</td>
<td>77</td>
<td>495</td>
</tr>
<tr>
<td>478</td>
<td>534</td>
<td>401</td>
<td>935</td>
</tr>
</tbody>
</table>
EV/MW appears to be in line with recent Philippine transactions but...

Philippines-based transaction comparables implied EV/MW based on public information and estimates.
A Strategic Acquisition that Reaffirms Our Belief

Highly strategic assets

• Support economic growth in Luzon

• GMCP fully contracted, GNPD in advanced stages of contracting

• GNPD is a super critical coal facility
Review of Business Units

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9M 2018 Net Income

(in Php mn)

Net income at P6.1 Bn

-4.8%
9M 2018 Net Interest Income
(in Php mn)

Higher earning assets buoyed net interest income

NET INTEREST INCOME

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 2017</td>
<td>12,463</td>
<td>3%</td>
</tr>
<tr>
<td>Sep 2018</td>
<td>12,860</td>
<td></td>
</tr>
</tbody>
</table>

NET INTEREST MARGIN

<table>
<thead>
<tr>
<th>Month</th>
<th>Avg Yield</th>
<th>Avg Cost</th>
<th>NIM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 2017</td>
<td>5.3%</td>
<td>3.8%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Sep 2018</td>
<td>5.6%</td>
<td>2.1%</td>
<td>3.51%</td>
</tr>
</tbody>
</table>

34 bps

EARNING ASSETS*

<table>
<thead>
<tr>
<th>Month</th>
<th>Liquid Earning Assets</th>
<th>Securities</th>
<th>Loans</th>
<th>Others</th>
<th>Share of EA to Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 2017</td>
<td>33</td>
<td>146</td>
<td>238</td>
<td>273</td>
<td>13%</td>
</tr>
<tr>
<td>Sep 2018</td>
<td>28</td>
<td>169</td>
<td>273</td>
<td></td>
<td>-15%</td>
</tr>
</tbody>
</table>

(ADB in Php bn)

3% 13% +15%

13%

*excludes cash and reserve requirements
Credit portfolio sustained double-digit growth

Sep 2017

- Retail: 36
- Commercial: 89
- Corporate: 118

Sep 2018

- Retail: 52
- Commercial: 135
- Corporate: 243

+14%
+44%
+2%
9M 2018 Non-Interest Income

(in Php mn)

Non-interest income up on profits on sale of securities

<table>
<thead>
<tr>
<th></th>
<th>Sep 2017</th>
<th>Sep 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities Trading Gains</td>
<td>2,164</td>
<td>2,827</td>
</tr>
<tr>
<td>Ser. Charges, Fees and Com.</td>
<td>3,368</td>
<td>1,783</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>263</td>
<td>1,392</td>
</tr>
</tbody>
</table>

Increase: 4%
Decrease: -16%
Increase: +5.3x
Decrease: -18%
9M 2018 Total Deposits & CASA Deposits

(in Php mn)

Double-digit CASA growth

TOTAL DEPOSITS

Sep 2017

Sep 2018

TOTAL DEPOSITS

367

400

-13%

+9%

-6%

UnionBank

Subsidiaries

CASA DEPOSITS

Sep 2017

Sep 2018

CASA DEPOSITS

119

132

33%

35%

11%

+11%

11%
### 9M 2018 Operating Expenses

**(in Php mn)**

Operating Expenses increased primarily on business growth

<table>
<thead>
<tr>
<th>Core Bank</th>
<th>Taxes (DST &amp; GRT)</th>
<th>Subsidiaries (ex CSB)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sep 2017</strong></td>
<td><strong>Sep 2018</strong></td>
<td><strong>% Change</strong></td>
</tr>
<tr>
<td>7,944</td>
<td>9,328</td>
<td>+17%</td>
</tr>
<tr>
<td>286</td>
<td>281</td>
<td>+3%</td>
</tr>
<tr>
<td>1,387</td>
<td>1,818</td>
<td>+31%</td>
</tr>
</tbody>
</table>

- **9M 2018 Operating Expenses increased by 19%** compared to 9M 2017.
Capital Adequacy Ratios

Solo Basis

Capital ratios up on P10 Bn SRO completed in Sep 2018

<table>
<thead>
<tr>
<th></th>
<th>Tier 1 Capital Ratio</th>
<th>Total Capital Adequacy Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 1</td>
<td>12.61%</td>
<td>15.10%</td>
</tr>
<tr>
<td>Sep 2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 1</td>
<td>13.69%</td>
<td>15.89%</td>
</tr>
</tbody>
</table>

- Min. req. Tier 1 ratio: 10%
- Min. req. CAR: 8.5%
Profitability Ratios
Consolidated Basis

Sustained above-industry profitability ratios

<table>
<thead>
<tr>
<th>Profitability Ratios</th>
<th>Sep 2017</th>
<th>Sep 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Equity</td>
<td>12.6%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Return on Assets</td>
<td>1.6%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Cost-to-Income</td>
<td>52.7%</td>
<td>60.6%</td>
</tr>
</tbody>
</table>

Sep 2017
Sep 2018
Review of Business Units

• Power

• Banking & Financial Services

• **Food**

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## 9M 2018 Financial Highlights

(Amounts in Php Million)

<table>
<thead>
<tr>
<th>Category</th>
<th>9M 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>44,657</td>
<td>+133%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>3,493</td>
<td>+55%</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>8%</td>
<td>-400bps</td>
</tr>
<tr>
<td>NIAT</td>
<td>1,593</td>
<td>+32%</td>
</tr>
</tbody>
</table>
9M 2018 Financial Highlights: Revenue
(Amounts in Php Million)

<table>
<thead>
<tr>
<th>Category</th>
<th>9M 2017</th>
<th>9M 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>FARMS</td>
<td>2,178</td>
<td>2,634</td>
<td>133%</td>
</tr>
<tr>
<td>GOLD COIN FEEDS</td>
<td>11,790</td>
<td>21,067</td>
<td></td>
</tr>
<tr>
<td>FEEDS PH &amp; VN</td>
<td>5,167</td>
<td>15,393</td>
<td></td>
</tr>
<tr>
<td>FLOUR</td>
<td>5,167</td>
<td>5,563</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19,135</td>
<td>44,657</td>
<td></td>
</tr>
</tbody>
</table>
9M 2018 Financial Highlights: Revenue
(Amounts in Php Million)

9M 2017

- FARMS: 2,178
- GOLD COIN FEEDS: 11,790
- PILMICO FEEDS PH & VN: 5,167
- FLOUR: 15,393
Total: 19,135

9M 2018

- FARMS: 2,634
- GOLD COIN FEEDS: 21,067
- PILMICO FEEDS PH & VN: 5,563
Total: 44,657

Increase: 133%
VOLUME GROWTH
2017 vs 2018

PILMICO FEEDS (PH + VN)
+ 21%

PILMICO FLOUR
-

GOLD COIN FEEDS
+ 872k

FARMS
+ 18%
9M 2018 Financial Highlights: EBITDA

(Amounts in Php Million)

<table>
<thead>
<tr>
<th>Category</th>
<th>9M 2017</th>
<th>9M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>FARMS</td>
<td>755</td>
<td>865</td>
</tr>
<tr>
<td>FEEDS</td>
<td>1,041</td>
<td>1,089</td>
</tr>
<tr>
<td>PILMICO FEEDS</td>
<td>463</td>
<td>1,078</td>
</tr>
<tr>
<td>PH &amp; VN</td>
<td></td>
<td>461</td>
</tr>
<tr>
<td><strong>Total (55%)</strong></td>
<td>2,259</td>
<td>3,493</td>
</tr>
</tbody>
</table>
9M 2018 Financial Highlights: Net Income
(Amounts in Php Million)

9M 2017
- FARMS: 389
- FEEDS: 601
- FLOUR: 212

9M 2018
- FARMS: 469
- FEEDS: 490
- PH & VN: 359
- FLOUR: 276

Increase: 32%
Farms

**LAYERS**
1M hens by 2020

- **22%** Completed
  - Rearing Farms

**MEATS**
Farm to Fork by 2019

- **11%** Completed
  - Meat Processing Plant

**SWINE**
20K Sow Level by 2020

- **59%** Completed
  - Farms 4 & 5 Biogas

**PROJECT PIPELINE**
- Breeder Farm 3
- Nursery Farm 3
- Growfin Farm 12-16
Feeds

**PowerMix**
- +4 TPH
- 99% Completed
- PowerMix Plant

**Iligan**
- +20 TPH
- 2% Completed
- Capacity Expansion

**Tarlac**
- +20 TPH
- 2% Completed
- Capacity Expansion

**Project Pipeline**
- Fingerling Feed Production Line (Vietnam)
### SUCCESSFUL ACQUISITION OF ASIA PACIFIC FEEDMILL OPERATOR GOLD COIN

- Accelerates Pilmico’s business plan by 10 years
- Geographically diverse in 11 countries across Asia Pacific
- Enjoys leading market position in key Asian countries
- Operates 20 mills and 3 R&D facilities
- Assumed control in July 2018
- Earnings contribution to Pilmico starting April 2018

### HARNESSING SYNERGIES & EXECUTING THE BUSINESS PLAN

- Alignment and integration well under way
- Synergies identified:
  - Raw Materials
  - Access to leverage and capital
  - Research & Development and Formulation
  - Opportunities for cross selling of products
  - Manufacturing best practices
Review of Business Units

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Strong Demand But Challenging Environment

- Government’s infrastructure projects accelerating
- Stable private sector demand
- Prices have improved slightly
- Significant increases in fuel and power costs impacting results
- Contribution to AEV amounts to PhP221M in 9M 2018
Water Infrastructure: Project Updates

300 MLD Bulk Water project in Davao

One of the country’s largest private bulk water supply projects

- Key permitting activities done
- Preparation works for construction ongoing
Transport Infrastructure: Airport Proposals

NAIA

Original Proponent Status (OPS)
to rehabilitate, develop, operate and maintain for 15 years

PHP102 billion estimated total project cost

Annual Passenger Capacity:
- 2018: 31 Million
- 2020: 47 Million
- 2022: 65 Million
Transport Infrastructure: Airport Proposals

New Bohol International Airport

**Original Proponent Status (OPS)**
to operate and maintain, and undertake future expansions of the airport

2 Million passenger capacity, more than double the size of Tagbilaran airport

Source: DOTr Philippines

DOTr: 95.16% complete as of Oct. 8
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### 9M 2018 Financial Performance

<table>
<thead>
<tr>
<th></th>
<th>9M 2018</th>
<th>vs 9M 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Sales</td>
<td>1.7B</td>
<td>-28%</td>
</tr>
<tr>
<td>Revenues</td>
<td>3.0B</td>
<td>+25%</td>
</tr>
<tr>
<td>GP</td>
<td>1.2B</td>
<td>+11%</td>
</tr>
<tr>
<td>NOP</td>
<td>576M</td>
<td>+35%</td>
</tr>
<tr>
<td>NIAT</td>
<td>403M</td>
<td>+19%</td>
</tr>
</tbody>
</table>
Residential sales down YoY mainly due to sell out of The Persimmon Studios and Almiya.

- Amoa (Compostela, Cebu)
- Seafront (San Juan, Batangas)
9M 2018 Revenues

(in Php mn)

Revenues increase with higher industrial lot sales recognized

<table>
<thead>
<tr>
<th></th>
<th>9M 2017</th>
<th>9M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1,268</td>
<td>964</td>
</tr>
<tr>
<td>Industrial</td>
<td>1,001</td>
<td>1,887</td>
</tr>
<tr>
<td>Commercial and Others</td>
<td>115</td>
<td>127</td>
</tr>
</tbody>
</table>

25% increase in Industrial

+89% increase in Commercial and Others

-24% decrease in Residential
9M 2018 Gross Profit & Net Operating Profit

Gross Profit
(in PHP mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M 2017</td>
<td>1,091</td>
<td></td>
</tr>
<tr>
<td>9M 2018</td>
<td>1,208</td>
<td>11%</td>
</tr>
</tbody>
</table>

Net Operating Profit
(in PHP mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M 2017</td>
<td>426</td>
<td></td>
</tr>
<tr>
<td>9M 2018</td>
<td>576</td>
<td>35%</td>
</tr>
</tbody>
</table>
9M 2018 Business Highlights
9M 2018 Business Highlights

The Outlets at Lipa is set to have its grand launch by Q4 2018
9M 2018 Business Highlights

Residential
• Sell out of Almiya and The Persimmon Studios
• Increased construction progress in top-selling developments, Seafront Residences and Amoa
• New Project launches, Ajoya Cabanatuan and Ajoya Capas

Commercial
• Cebu commercial assets maintain full occupancy, with notable increases in merchant sales from the previous year
• Grand launch for The Outlets at Lipa set for December 2018

Industrial
• 35 hectares sold
Review of Business Units

• Power

• Banking & Financial Services

• Land

• Infrastructure

• Food

• **AEV Financials**

• Strategic Overview

• Q&A
### 9M 2018 Financial Performance

<table>
<thead>
<tr>
<th>Category</th>
<th>9M 2018</th>
<th>9M 2017</th>
<th>Change</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>₱51.8 bn</td>
<td>₱135.1 bn</td>
<td>+30%</td>
<td>+21%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>vs 3Q2017</td>
<td>vs 9M2017</td>
</tr>
<tr>
<td>Conso EBITDA</td>
<td>₱17.6 bn</td>
<td>₱45.5 bn</td>
<td>+14%</td>
<td>+10%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>vs 3Q2017</td>
<td>vs 9M2017</td>
</tr>
<tr>
<td>Core Net Income</td>
<td>₱7.2 bn</td>
<td>₱17.7 bn</td>
<td>13%</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>vs 3Q2017</td>
<td>vs 9M2017</td>
</tr>
<tr>
<td>Net Income</td>
<td>₱7.2 bn</td>
<td>₱17.3 bn</td>
<td>28%</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>vs 3Q2017</td>
<td>vs 9M2017</td>
</tr>
</tbody>
</table>
2% growth vs 9M2017, of which...

- +4% from power group driven by fresh contributions of PEC and HBI, and strong growth from Distribution units
- +1% from food group driven by fresh contribution of Gold Coin
- -1% from banking on lower contribution from CSB
- -2% from infrastructure on higher production costs
9M 2018 Consolidated EBITDA

(in Php mn)

<table>
<thead>
<tr>
<th>Segment</th>
<th>9M 2017</th>
<th>9M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power</td>
<td>3,197</td>
<td>2,578</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>2,887</td>
<td>2,938</td>
</tr>
<tr>
<td>Financial Services</td>
<td>2,323</td>
<td>2,559</td>
</tr>
<tr>
<td>Food</td>
<td>2,938</td>
<td>3,233</td>
</tr>
<tr>
<td>Real Estate</td>
<td>3,197</td>
<td>-</td>
</tr>
<tr>
<td>Parent &amp; Others</td>
<td>2,323</td>
<td>2,559</td>
</tr>
</tbody>
</table>

Change:
- Power: -7%
- Infrastructure: +14%
- Financial Services: +31%
- Food: +13%
- Real Estate: -100%
- Parent & Others: +11%
## 9M 2018 Core Net Income

(in Php mn)

<table>
<thead>
<tr>
<th></th>
<th>9M2017</th>
<th>9M2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conso EBITDA</td>
<td>41,384</td>
<td>45,538</td>
<td>10%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>9,329</td>
<td>9,140</td>
<td>-2%</td>
</tr>
<tr>
<td>Depcn. &amp; Amort.</td>
<td>6,353</td>
<td>7,147</td>
<td>12%</td>
</tr>
<tr>
<td>Tax &amp; Others</td>
<td>2,991</td>
<td>3,800</td>
<td>27%</td>
</tr>
<tr>
<td>Non-controlling Interest</td>
<td>5,591</td>
<td>7,725</td>
<td>38%</td>
</tr>
<tr>
<td>Core Net Income</td>
<td>17,119</td>
<td>17,726</td>
<td>4%</td>
</tr>
</tbody>
</table>

**EPS**

<table>
<thead>
<tr>
<th></th>
<th>9M2017</th>
<th>9M2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.04</td>
<td>3.15</td>
</tr>
</tbody>
</table>
## 9M 2018 Net Income

*(in Php mn)*

### Core Net Income
- **9M 2017**: 17,119
- **9M 2018**: 17,726
- **Change**: +4%

### Non-recurring Income/(Loss)
- **9M 2017**: (1,215)
- **9M 2018**: (407)
- **Change**: +66%

### Net Income
- **9M 2017**: 15,905
- **9M 2018**: 17,319
- **Change**: +9%

### EPS
- **9M 2017**: 3.15
- **9M 2018**: 3.04

FX rate as of 30 Sep 2018: 53.48 vs 51.17 in 2017
## Balance Sheet Highlights

(in Php mn, except ratios)

<table>
<thead>
<tr>
<th></th>
<th>YE2017</th>
<th>9M2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and Cash Equivalents</strong></td>
<td>64,870</td>
<td>47,816</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>492,244</td>
<td>542,309</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>299,661</td>
<td>330,449</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>192,584</td>
<td>211,860</td>
</tr>
<tr>
<td><strong>Equity Attributable to Parent</strong></td>
<td>155,011</td>
<td>171,792</td>
</tr>
<tr>
<td><strong>Book Value Per Share</strong></td>
<td>27.51</td>
<td>30.49</td>
</tr>
<tr>
<td><strong>Current Ratio</strong></td>
<td>1.6x</td>
<td>1.7x</td>
</tr>
<tr>
<td><strong>Debt to Equity</strong></td>
<td>1.6x</td>
<td>1.6x</td>
</tr>
<tr>
<td><strong>Net Debt to Equity</strong></td>
<td>1.0x</td>
<td>1.1x</td>
</tr>
</tbody>
</table>

### Parent Net Debt

- **YE2017**: 15,629
- **9M2018**: 18,812
- **+20%**

<table>
<thead>
<tr>
<th>ND/E</th>
<th>YE2017</th>
<th>9M2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>ND/E</td>
<td>0.10x</td>
<td>0.11x</td>
</tr>
</tbody>
</table>
AEV + Pilmico / Goldcoin + GN Power
Review of Business Units

• Power

• Banking & Financial Services

• Food

• Infrastructure

• Land

• AEV Financials

• Strategic Overview

• Q&A
Strategic Overview

- Purpose: To drive change for a better world
- Mission: To create long-term value for all our stakeholders

Strategic Pillars:
- Grow the Business
- Stakeholder Engagement
- Build Human Capital
- Execution Excellence

Core Values:
- Integrity
- Teamwork
- Innovation
- Responsibility
Energy Trilemma

Energy Security
- Energy Supply, Reliability of Energy Infrastructure, and Ability to Meet Current and Future Demand

Energy Equity
- Accessibility and Affordability of Energy Supply Across the Population

Environmental Sustainability
- Supply and Demand-side Energy Efficiencies and Development of Renewable and Low-carbon Energy
Digital Transformation

**PLAN A**
"Best Digital Bank"

**PLAN C+**
"Best Mass Market Bank"
(Credit for more; Eliminate cash)

**PLAN B**
"Embedded Banking Experience"
(Technology Company with Banking Utilities)

**CORE**
"Great Retail Bank" (FOCUS 2020)

**Unbanked**
(Adjacent Market; Banking the Unbanked)
Natural Listening Posts

LEADING MARKET POSITIONS

1. MALAYSIA
1. BRUNEI
1. SRI LANKA
1. PAKISTAN
8. VIETNAM
8. PHILIPPINES
8. INDONESIA
8. SINGAPORE
8. SOUTH CHINA
10. MYANMAR
10. THAILAND
Building Scale

20+ years; 20+ communities

- Residential (Developed), 82 has total
- Residential (Ongoing), 198 has total
- Residential (For Launch), 117 has total
- Commercial (Developed), 45,000 sqm total GLA
- Commercial (For Launch), 168,000* sqm total
- Industrial, 858 has total GLA

Residential Landbank (836 has)
  Luzon – 13% (108 has)
  VisMin – 83% (728 has)

Industrial Landbank (858 has)
  Luzon – 58% (500 has)
  VisMin – 42% (358 has)
Water Value Chain
Strategic Overview

Purpose
To drive change for a better world

Mission
To create long-term value for all our stakeholders

Strategic Pillars
- Grow the Business
- Stakeholder Engagement
- Build Human Capital
- Execution Excellence

Core Values
- Integrity
- Teamwork
- Innovation
- Responsibility
Review of Business Units

- Power

- Banking & Financial Services

- Food

- Infrastructure

- Land

- AEV Financials

- Strategic Overview

- Q&A
Thank you!