November 7, 2018

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
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas, Makati City

ATTENTION: MS. VINA VANESSA S. SALONGA
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:

Manuel Alberto R. Colayco
Corporate Secretary
COVER SHEET

CEO2536
S.E.C. Registration Number

ABOITIZEQUITYVENTURES,INC.

(Company's Full Name)

32NDSTREET,BONIFACIOGLOBAL
CITY, TAGUIGCITY, METROMANILA
PHILIPPINES
(Business Address: No. Street City / Town / Province)

MANUEL ALBERTO R. COLAYCO
Contact Person
(02) 886-2338
Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

17-C
FORM TYPE

N/A
Secondary License Type, if Applicable

SEC
Dept. Requiring this Doc

N/A
Amended Articles Number/Section

X
Domestic
Foreign

Total No. of Stockholders

To be accomplished by SEC Personnel concerned

File Number
LCU

Document I.D.
Cashier

STAMPS

Remarks = Pls. use black ink for scanning purposes
Item 9: Other Matters

Aboitiz Equity Ventures, Inc. (AEV or the “Company”) recorded consolidated net income of ₱7.2 billion (bn) for the third quarter of 2018, a 28% increase from the ₱5.6 bn recorded for the same period in 2017. AEV recognized non-recurring FX gains totaling ₱60 million (mn) during the period, against last year’s non-recurring losses of ₱720 mn, consisting of net unrealized foreign exchange losses on the restatement of consolidated dollar-denominated debts and money market placements and pre-termination costs on the refinancing of a subsidiary’s debt. Without these one-off gains, the Company’s core net income for the third quarter of 2018 was 13% higher year-on-year (YoY), increasing to ₱7.2 bn from ₱6.4 bn. For the relevant
period, AEV recorded consolidated earnings before interest, tax, depreciation and amortization (EBITDA) of P17.6 bn, a 14% increase from the P15.4 bn recorded during the same period last year.

On a year-to-date (YTD) basis, AEV’s net income for the first nine months of 2018 was P17.3 bn, 9% higher than the P15.9 bn recorded last year. The Company recognized non-recurring FX losses of P407 mn for the period, versus last year’s losses of P1.2 bn, representing net unrealized foreign exchange losses and pre-termination costs on debt refinancing. Without these one-off losses, core net income for the first nine months of the year was P17.7 bn, a 4% increase YoY from the P17.1 bn for the same period in 2017. AEV recorded a consolidated EBITDA of P45.5 bn during the first nine months of 2018, 10% higher than the P41.4 bn recorded in the previous year.

Power Strategic Business Units (SBU) accounted for 72% of the total income contributions from AEV’s SBUs during the first nine months of 2018. The Financial Services, Food, Real Estate and Infrastructure SBUs were responsible for 17%, 8%, 2% and 1% of total income contributions, respectively.

**Strategic Business Units**

**Power**

Aboitiz Power Corporation’s (AboitizPower) net income contribution to AEV for the first nine months of 2018 increased by 6% YoY to P12.8 bn from P12.1 bn.

On a stand-alone basis, AboitizPower’s core net income for the first nine months of 2018 was P18.4 bn, 5% higher YoY. After taking into account non-recurring losses of P1.7 bn during the relevant period, net income totaled P16.7 bn, which is 6% higher than the same period last year.

For the first nine months of 2018, income contributions from the generation and retail supply businesses amounted to P15.3 bn, 4% higher YoY, and accounted for 82% of total income contributions from AboitizPower’s business segments. Consolidated EBITDA was P33.0 bn, representing a 11% increase YoY and was primarily due to income contributions from Pagbilao Energy Corporation (PEC) and Hedcor Bukidnon, Inc. (HBI).

Capacity sold during the period under review was flat YoY, from 3,158 megawatts (MW) to 3,162 MW.

The distribution business accounted for 18% of income contributions from AboitizPower’s business segments and recorded an income share of P3.3 bn for the first nine months of 2018, an 8% YoY increase. Consolidated EBITDA for the distribution business stood at P6.2 bn, 11% higher YoY while energy sales increased to 4,136 gigawatt-hours (GWh), up 5% YoY from 3,924 GWh. The increase was the result of increased consumption across all customer segments.

**Banking & Financial Services**

Union Bank of the Philippines’ (UnionBank or the “Bank”) income contribution to AEV for the first nine months of 2018 decreased by 5% YoY, from P3.1 bn to P3.0 bn.

On a stand-alone basis, UnionBank and its subsidiaries recorded net income of P6.1 bn for the relevant period, down 5% from the P6.4 bn earned in the corresponding period last year. The decrease was the result of lower contributions from CitySavings Bank.

Overall, the Bank’s earnings performance for the period translated to a Return on Equity (ROE) and Return on Assets (ROA) of 11.0% and 1.3%, respectively.

As of end-September 2018, UnionBank’s total resources grew by 17% YoY to P643.1 bn, primarily driven by the robust expansion of total loans and other receivables by 19% to P315.3 bn. The Bank continues to
consider its loan portfolio as well-diversified, with consumer loans accounting for approximately one-third of total loans.

UnionBank’s capitalization as of September 2018 was boosted by the successful P10.0 bn rights offering it completed in September 2018, which resulted in a total capital adequacy ratio of 15.9% and Common Equity Tier 1 ratio of 13.7%.

Food

AEV’s non-listed food subsidiaries (Pilmico Foods Corporation, Pilmico International Pte. Ltd., and Gold Coin Management Holdings Limited) reported net income of P1.5 bn for the first nine months of 2018, 26% higher than the P1.2 bn recorded last year.

Feeds Philippines recorded net income of P475 mn for the first nine months of 2018, which was 8% lower YoY due to the increased costs of feeds ingredients and the change in the feeds sales mix to low-margin lines. The Flour business segment reported net income of P276 mn for the relevant period, 30% higher than the same period last year on the back of foreign exchange gains from short-term dollar investments and higher interest income. The Farms business segment recorded a 20% increase in its net income to P469 mn for the first nine months of 2018 due to improved margins and increased volume compared to the previous year.

Pilmico International Pte. Ltd., reported net income of P252 mn, a 415% jump from last year. This was primarily due to the fresh contribution of Gold Coin Management Holdings Limited - an expansion in one of Pilmico’s core feed milling businesses - which mitigated the effects of higher input costs to Pilmico’s international animal feeds and aqua feeds businesses.

Real Estate

AEV’s non-listed real estate subsidiary, Aboitiz Land, Inc., reported net income of P403 mn during the first nine months of 2018, which is 19% higher than the P340 mn recorded for the same period last year.

The increase in net income for the period was attributed to the growth in top-line contributions from the industrial, residential and commercial business units, while maintaining operating expenses at levels similar to those in 2017.

AboitizLand’s revenues for the first nine months of 2018 totaled P3.0 bn, 25% higher than the same period last year. This was primarily due to the industrial business segment having recognized significantly more hectares sold compared to the same period in 2017. Revenue contributions of the residential business unit totaled P984 mn, the industrial business unit contributed P1.9 bn, while the commercial business unit and others contributed the remaining P127 mn, equivalent to 32%, 64% and 4%, respectively of AboitizLand’s revenues for the relevant period.

Infrastructure

For the infrastructure group, Republic Cement and Building Materials, Inc.’s income contribution to AEV for the first three quarters of 2018 amounted to P221 mn, a decrease of 12% YoY from the P249 mn reported last year. Despite slight improvement in prices due to government infrastructure spending and stable private sector demand, this was offset by significant increases in fuel and power costs.

Financial Condition

As of September 30, 2018, the Company’s consolidated assets totaled P542.3 bn, a 10% increase compared to the year-end 2017 level of P492.2 bn. Cash and cash equivalents stood at P47.8 bn, 26% lower than the year-end 2017 level of P64.9 bn. Consolidated liabilities totaled P330.4 bn, a 10% increase from the year-
end 2017 level of ₱299.7 bn, while Equity Attributable to Equity Holders of the Parent increased by 11% to ₱171.8 bn. The Company’s current ratio as of September 30, 2018 stood at 1.7x while the 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:

[Signature]
Manuel Alberto R. Colayco
Corporate Secretary

Date: November 7, 2018