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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:

Please see attached Press Release.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ EQUITY VENTURES INC.

By:



MANUEL ALBERTO R. COLAYCO
Corporate Secretary

PRESS RELEASE
6 November 2019

Aboitiz Equity Ventures earns P15.7 billion in the first 9 months of 2019

On a year-to-date (YTD) basis, Aboitiz Equity Ventures, Inc.'s (AEV's) net income for the first nine months of 2019 was ₱15.7 billion, 9% lower than the ₱17.3 billion recorded during the same period last year.

AEV recognized non-recurring losses of ₱155 million, lower than the previous year's ₱407 million, representing net foreign exchange and derivative losses. Without these one-off losses, AEV's core net income for the first nine months of 2019 was ₱15.9 billion, 10% lower from ₱17.7 billion year-on-year (YoY). AEV recorded consolidated earnings before interest, tax, depreciation, and amortization of ₱44.8 billion during the first three quarters of 2019, a 2% decrease from the ₱45.5 billion recorded in the same period last year.

Power accounted for 60% of the total income contributions, followed by Banking and Financial Services (25%), Food (6%), Land (5%), and Infrastructure (4%).

"Despite challenges in our power business, better operating performance in our non-power businesses provided resilience to our investment portfolio. As we fund our growth projects, we look to further broaden and strengthen our diversification in the Philippines and overseas," said Erramon I. Aboitiz, AEV President and Chief Executive Officer.

Strategic Business Units

Power

Aboitiz Power Corporation's (AboitizPower) net income contribution to AEV for the first three quarters of 2019 decreased by 19% YoY, from ₱12.8 billion to ₱10.4 billion.

On a stand-alone basis, AboitizPower's core net income for the first three quarters of 2019 was ₱13.7 billion, a 26% decrease YoY. Including non-recurring losses of ₱220 million for the first nine months of 2019, AboitizPower's net income was ₱13.5 billion, 19% lower compared to the corresponding period last year. This was primarily due to the higher volume and cost of purchased power, lower spot market revenues, and lower plant availability.

Income from the generation and retail electricity supply businesses accounted for 80% of total income contributions from AboitizPower's business segments, which totaled ₱12.6 billion during the first nine months of 2019, 18% lower YoY.

Banking & Financial Services

Union Bank of the Philippines' (UnionBank) income contribution to AEV for the first nine months of 2019 increased by 41% to ₱4.2 billion, from ₱3 billion recorded during the same period in 2018.

On a stand-alone basis, UnionBank and its subsidiaries recorded a net income of ₱8.5 billion in the first nine months of 2019, 40% higher compared to the ₱6.1 billion recorded in the same period last year. The growth was primarily driven by robust revenues coming from the sustained double-digit growth in earning assets as well as strong trading gains for the first three quarters of 2019.

Food

AEV's non-listed food subsidiaries' (Pilmico Foods Corporation, Pilmico Animal Nutrition Corporation, and AEV International Pte. Ltd. (AEVI)) income contribution to AEV amounted to ₱1 billion for the first nine months of 2019, a 31% decrease from the ₱1.5 billion recorded in the corresponding period last year. This was due to declines from the Feeds and Farms business segments, which fell due to higher manufacturing costs & operating expenses, and decreased margins following increased feeds costs and lower live hog selling prices, respectively.

However, Pilmico International Pte. Ltd., a subsidiary of AEVI, delivered a net income of ₱683 million in the first nine months of 2019, 84% higher YoY due to higher full nine-month income contributions from Gold Coin Management Holdings, which was acquired during the second quarter of 2018, and Pilmico Vietnam Feeds' increase in margins due to better selling prices and lower raw material cost.

For the first nine months of 2019, 31% of the Food Group's total earnings were generated offshore, versus 17% recorded in the same period last year.

Infrastructure

For the Infrastructure group, Republic Cement & Building Materials, Inc.'s income contribution to AEV for the first three quarters of 2019 amounted to ₱631 million, 186% higher than the ₱221 million reported in the same period last year. This was primarily due to improved control on production costs, increased private sector demand, and the completion of several debottlenecking projects.

Land

AEV's non-listed real estate segment, comprising Aboitiz Land, Inc. (AboitizLand) and its subsidiaries, reported a consolidated net income of ₱829 million for the first nine months of 2019, 106% higher than the ₱404 million recorded in the same period in 2018.

This was mainly due to fair valuation gains on investment properties recognized in the third quarter of 2019 which were not present in the same period last year.

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About Aboitiz Equity Ventures

Aboitiz Equity Ventures, Inc. (AEV) is the public holding company of the Aboitiz Group with major investments in power, banking and financial services, food, infrastructure, and land. Today, AEV is recognized as one of the best-managed companies in the Philippines and in the region, consistently cited for its commitment to good corporate governance and corporate social responsibility. With five generations of Aboitiz Group business success behind it, AEV continues to drive change for a better world by advancing business and communities.

For further queries on this Press Release, please contact:

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