

July 31, 2019

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. JOSEPH B. EVANGELISTA**
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

31 July 2019

AEV ends first half with P9 billion net income

Aboitiz Equity Ventures (AEV) ended the first half of 2019 with a net income of ₱9 billion, 11% lower than the ₱10.1 billion recorded last year. Without one-off gains, AEV's core net income stood at ₱8.9 billion, 16% lower from ₱10.6 billion year-on-year (YoY). AEV recorded consolidated earnings before interest, taxes, depreciation, and amortization (EBITDA) of ₱26.5 billion during the first semester of 2019, a 5% decrease from the ₱28 billion recorded last year.

Power accounted for 67% of the total income contributions from AEV's Strategic Business Unit (SBUs) for the first half of 2019, followed by Banking and Financial Services (24%), Food (6%), Infrastructure (2%), and Land (1%).

"While challenges to our bottom line continue to persist, we have seen recovery across our entire portfolio compared to the same period last year and compared to the previous quarter," said Erramon I. Aboitiz, AEV President and Chief Executive Officer.

"We still feel we are well-positioned to reap the benefits of our country's 'demographic dividend' and to take advantage of opportunities to evolve and expand beyond our borders, as we deepen our role in building a better future for communities," Aboitiz said.

Strategic Business Units

Aboitiz Power Corporation's net income contribution to AEV for the first half of 2019 decreased by 5% YoY, from ₱7 billion to ₱6.7 billion due largely to higher volume and cost of purchased power during the first half of 2019.

Income contributions from the generation and retail electricity supply businesses accounted for 82% of total income contributions from AboitizPower's business segments, which totaled ₱8.1 billion during the first six months of 2019, 5% lower YoY, while AboitizPower's distribution business recorded an income share of ₱1.8 billion during the first semester of 2019, a 12% decrease YoY.

Union Bank of the Philippines' income contribution to AEV for the first half of 2019 increased by 3% to ₱2.4 billion, from ₱2.3 billion recorded during the same period in 2018, as the bank sustained the growth of earning assets despite lower margins and strategic investment in its digital transformation.

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 ₱552 million for the first half of 2019, a 17% decrease from the ₱662 million last year.

For the first half of 2019, 30% of the Food Group's total earnings were generated offshore versus 1% recorded in the previous year. This comes as Pilmico International announced earlier this year its full acquisition of Singapore-based feed firm Gold Coin Management Holdings Limited.

Republic Cement & Building Materials, Inc.'s income contribution to AEV for the first half of 2019 amounted to ₱249 million, 473% higher than the ₱44 million reported in the same period last year. This was primarily due to improved control on production costs together with higher market prices and increased private sector demand.

Aboitiz Land, Inc. reported a consolidated net income of ₱60 million for the first half of 2019, 79% lower than the ₱283 million recorded during the same period in 2018, while revenues for the first half of 2019 amounted to ₱1.4 billion, 28% lower YoY.

This was primarily attributable to the deferred revenue recognition of industrial lot sales for the industrial BU.

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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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