



100 YEARS OF ADVANCING BUSINESS AND COMMUNITIES

**March 10, 2020**

*via PSE EDGE*

**PHILIPPINE STOCK EXCHANGE, INC.**  
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Bonifacio Global City, Taguig City

ATTENTION : **MS. JANET A. ENCARNACION**  
Head, Disclosure Department

*via electronic mail*

**PHILIPPINE DEALING & EXCHANGE CORP.**  
Market Regulatory Services Group  
29<sup>th</sup> 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:

A handwritten signature in blue ink, appearing to read "Mailene".

**MAILENE M. DE LA TORRE**  
Assistant Corporate Secretary

**PRESS RELEASE**

**10 March 2020**

**AEV earns P22 billion net income in 2019**

Aboitiz Equity Ventures (AEV) ended the year with a net income of ₱22.0 billion, 1% lower than the ₱22.2 billion recorded during the same period last year.

Power accounted for 57% of the total income contributions from AEV's Strategic Business Units (SBUs) in 2019, followed by Banking and Financial Services (30%), Food (7%), Land (4%), and Infrastructure (2%).

Without one-off gains, AEV's core net income for 2019 was ₱21.5 billion, 7% lower year-on-year (YoY) from ₱23.1 billion. AEV recorded consolidated earnings before interest, taxes, depreciation, and amortization (EBITDA) of ₱60.2 billion for 2019, 1% lower than the ₱60.7 billion recorded during the previous year.

"Despite challenges in our power business last year, our portfolio was largely able to sustain its operational and bottom line performance, as better-performing businesses continued their positive trajectory," said Sabin M. Aboitiz, AEV President and Chief Executive Officer.

"As we commemorate the 100th year of our majority owner, Aboitiz & Co., we will continue to build a well-diversified and resilient investment portfolio into the next decade by advancing business and communities," Aboitiz added.

**Aboitiz Power Corporation's** net income contribution to AEV for 2019 decreased by 20% YoY, to ₱13.3 billion from ₱16.7 billion.

EBITDA recorded for 2019 for the generation and retail electricity supply businesses was ₱36.2 billion, a 16% decrease YoY. This was primarily due to the outages experienced by the company's coal facilities and exacerbated by the need to purchase replacement power at higher spot market prices. Replacement power was also purchased from the spot market as AboitizPower had contracted ahead in anticipation of Therma Visayas's incoming capacity. Decreased spot market sales further eroded YoY earnings.

EBITDA for the distribution business in 2019 was ₱8.2 billion, flat YoY. Energy sales increased by 6% to 5,851 gigawatt-hours (GWh) during 2019, from the 5,540 GWh recorded in 2018. The increase in earnings, however, was mitigated by lost margins from the decommissioning of the Bajada power plant.

**Union Bank of the Philippines'** income contribution to AEV for 2019 amounted to ₱7.2 billion, 100% higher than the ₱3.6 billion recorded in the previous year.

On a stand-alone basis, UnionBank and its subsidiaries posted a record net income of ₱14 billion in 2019, 100% higher than the ₱6.9 billion recorded in 2018. This growth was mainly due to revenue growth from the increase in earning assets and improved margins, as well as from healthy trading gains during 2019.

AEV's non-listed food subsidiaries' (**Pilmico Foods Corporation, Pilmico Animal Nutrition Corporation, and Pilmico International Pte. Ltd.**) income contribution to AEV amounted to ₱1.58 billion for 2019, 2% higher than the ₱1.56 billion recorded in the previous year.

For 2019, 48% of the Food Group's total earnings were generated offshore, compared to the 15% recorded in the same period in 2018. Gains from the Food SBU's overseas unit offset local declines.

AEV's non-listed real estate businesses, comprising **Aboitiz Land, Inc.** and its subsidiaries, reported a consolidated net income of ₱943 million for 2019, a 46% increase from the ₱645 million recorded in 2018. This was primarily due to fair valuation gains on investment properties recognized in 2019 which were not present in 2018.

For the Infrastructure group, **Republic Cement & Building Materials, Inc.'s** income contribution to AEV for 2019 amounted to ₱612 million, 187% higher than the ₱213 million recorded in 2018. This was primarily due to a slight increase in private sector demand for cement, the completion of several debottlenecking projects, and improved controls on production costs.

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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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