



Aboitiz Equity Ventures

**Full Year 2019
Financial & Operating Results
11 March 2020**





Review of Business Units

- **Outlook**
- Power
- Financial Services
- Food
- Infrastructure
- Land
- AEV Financials
- Q & A



Presenters



Sabin Aboitiz
President & CEO
Aboitiz Group



Manny Rubio
President & CEO
AboitizPower



Toto Hilado
CFO
UnionBank



Tristan Aboitiz
President & CEO
Pilmico Philippines



Cosette Canilao
President & CEO
Aboitiz InfraCapital



Dave Rafael
President & CEO
AboitizLand



Dmi Lozano
CFO
Aboitiz Equity Ventures



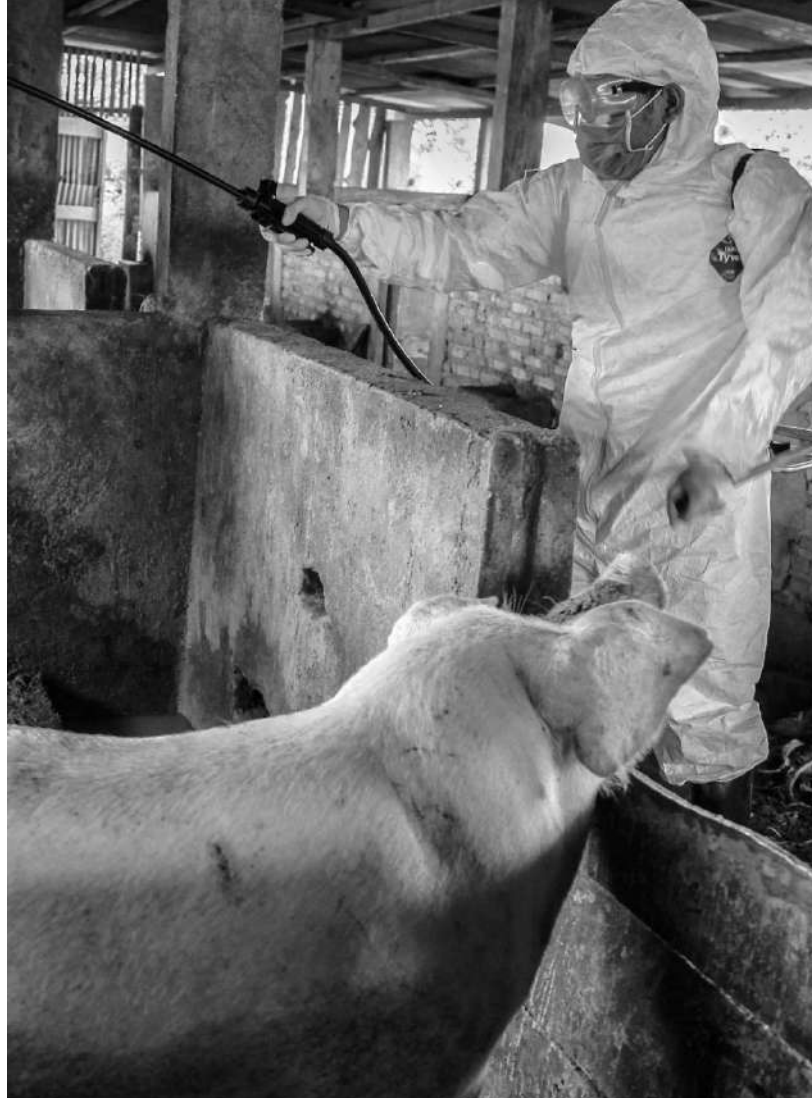
Outlook

TAAL



TAAL ERUPTION

ASF

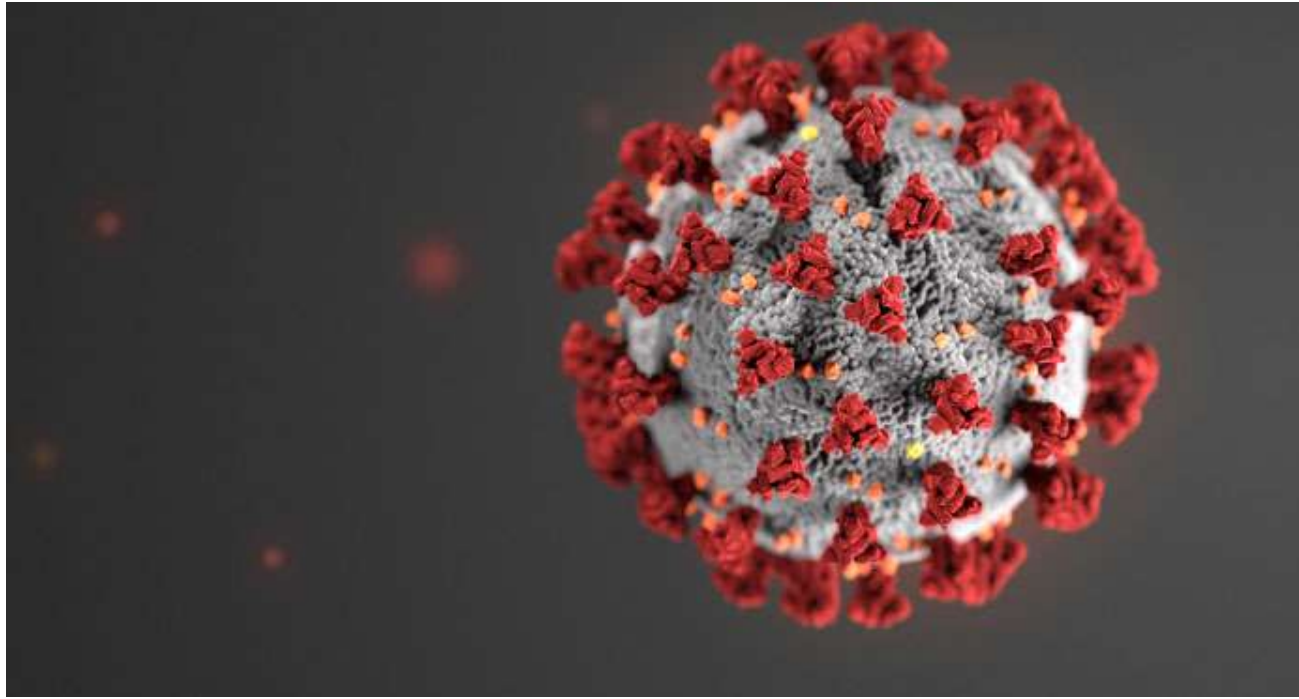


AFRICAN SWINE FEVER

COVID 19

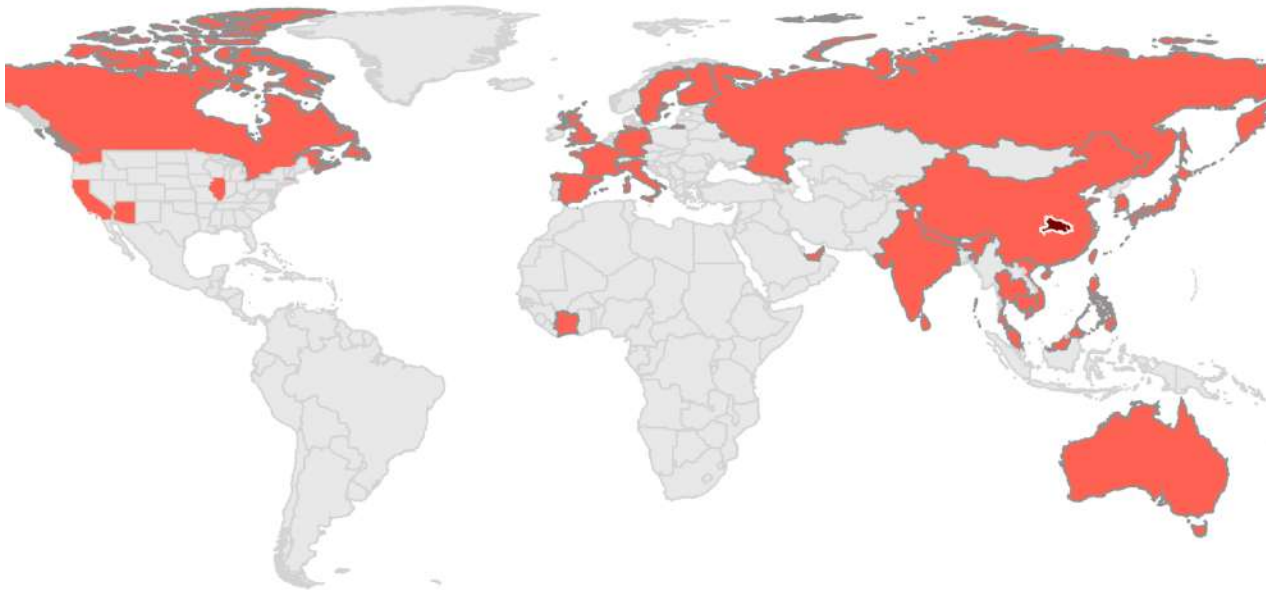


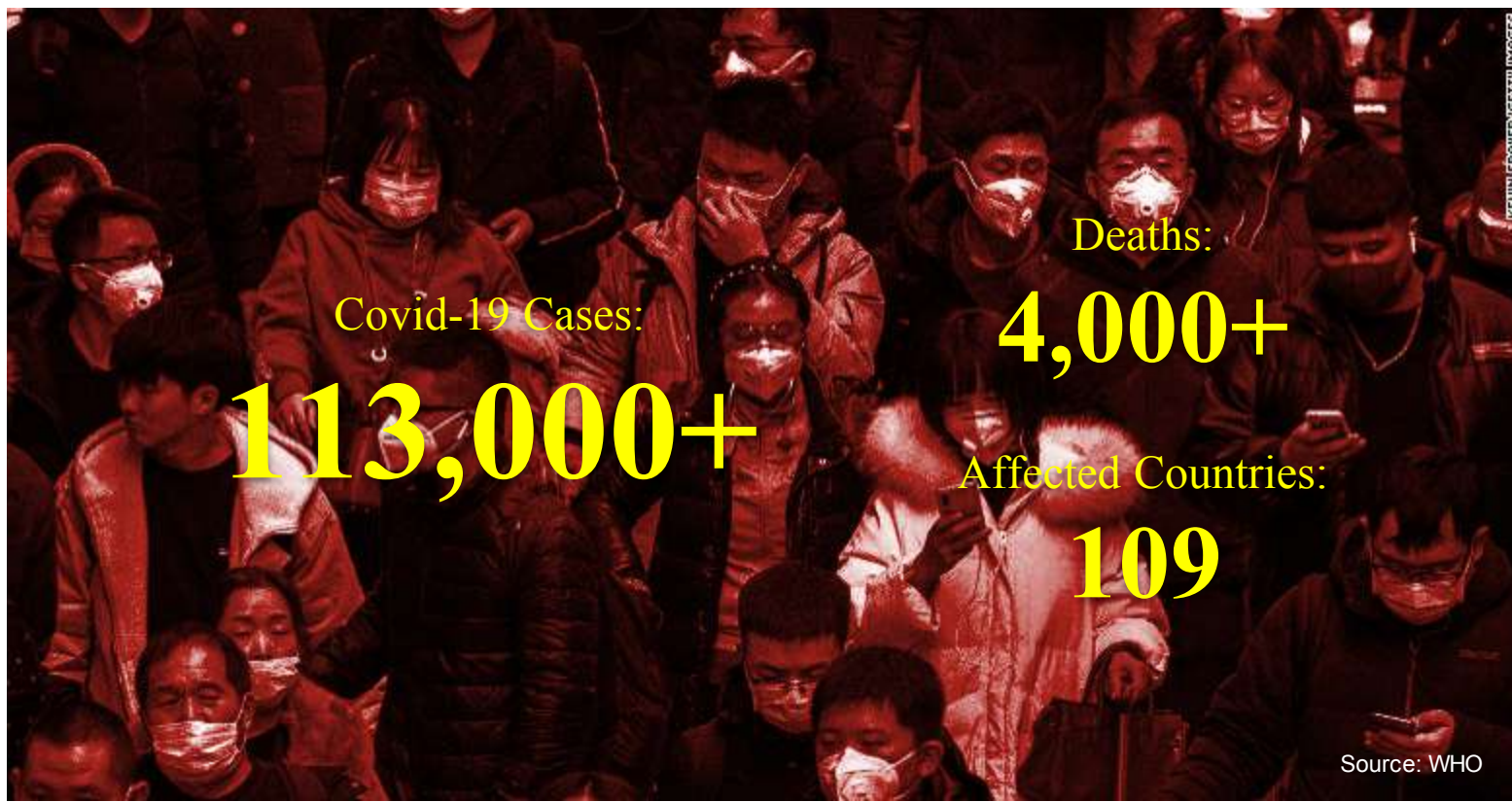
CORONAVIRUS DISEASE 2019



COVID 19

CORONAVIRUS DISEASE 2019







100 YEARS OF ADVANCING BUSINESS AND COMMUNITIES





“Palabra de honor”
WORD OF HONOR





100 YEARS OF ADVANCING BUSINESS AND COMMUNITIES



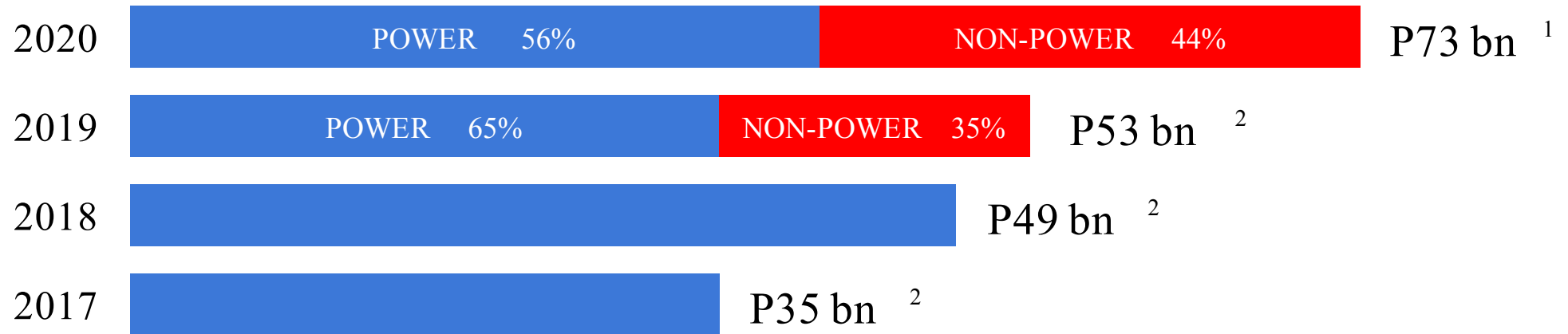
We will lead the Aboitiz team
into the next decade.





We will continue to invest in capacities to advance business and communities.

Capital Expenditure (with partners)



**Includes 100% of Subsidiaries and Affiliates 1- Budgeted figures 2-Actual figure*



100 YEARS OF ADVANCING BUSINESS AND COMMUNITIES



PARTNERS



“Despite these difficulties,
we are not contemplating
a reduction in our expenditures.
Our Build, Build, Build will go full
blast, so will other programs of the
government.”

Carlos G. Dominguez

Finance Secretary
Republic of the Philippines





100 YEARS OF ADVANCING BUSINESS AND COMMUNITIES

We will achieve our 10-year EBITDA target by managing our ESG risks and finding opportunities in the world's Sustainable Development Goals.



Renewable Capacity



Bulk Water Treatment Capacity



Regional Banking linked by Ethereum



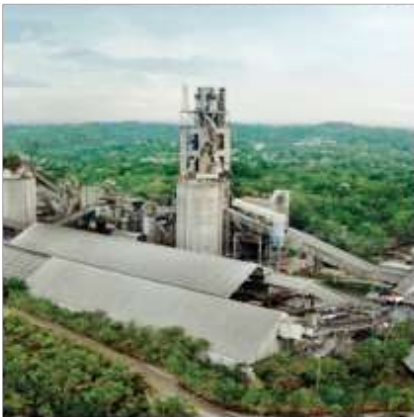
Affordable Microstudio Rental Units



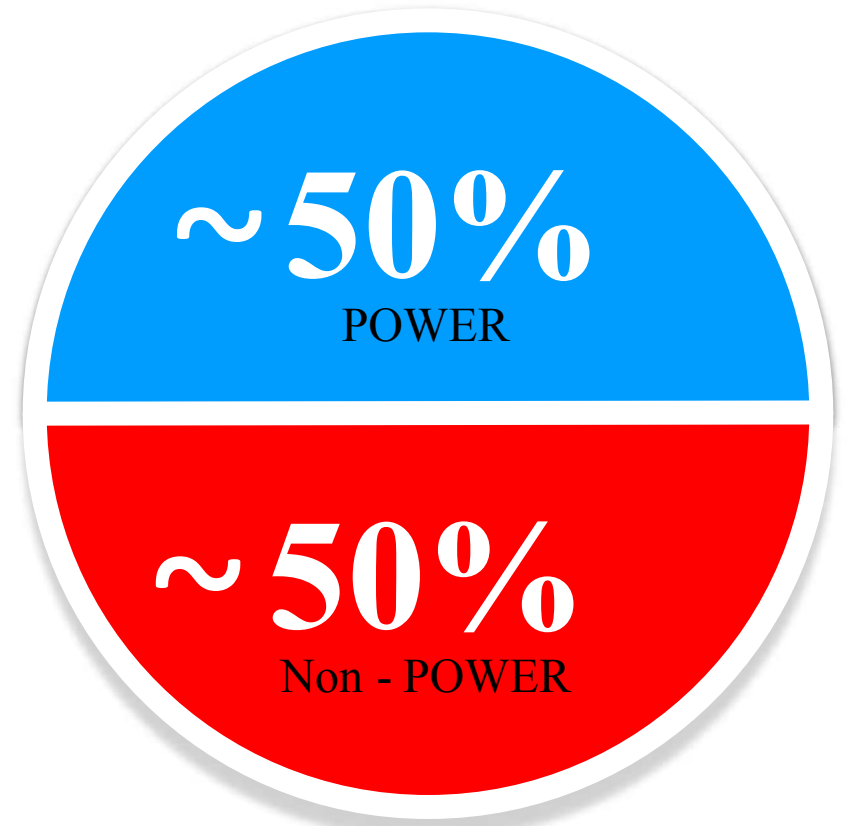
Regional Airport Infrastructure



Common Towers Infrastructure



We will balance our business portfolio by the end of the decade



~ 10% from overseas



~ 50% renewable in energy mix

ADC
advance business and communities.



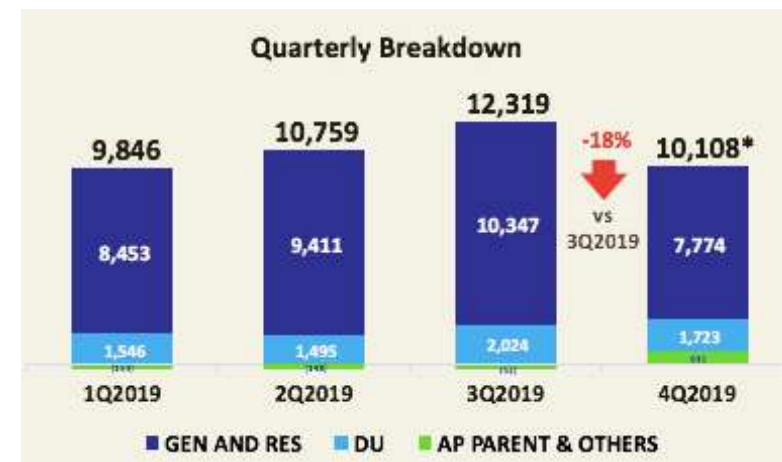
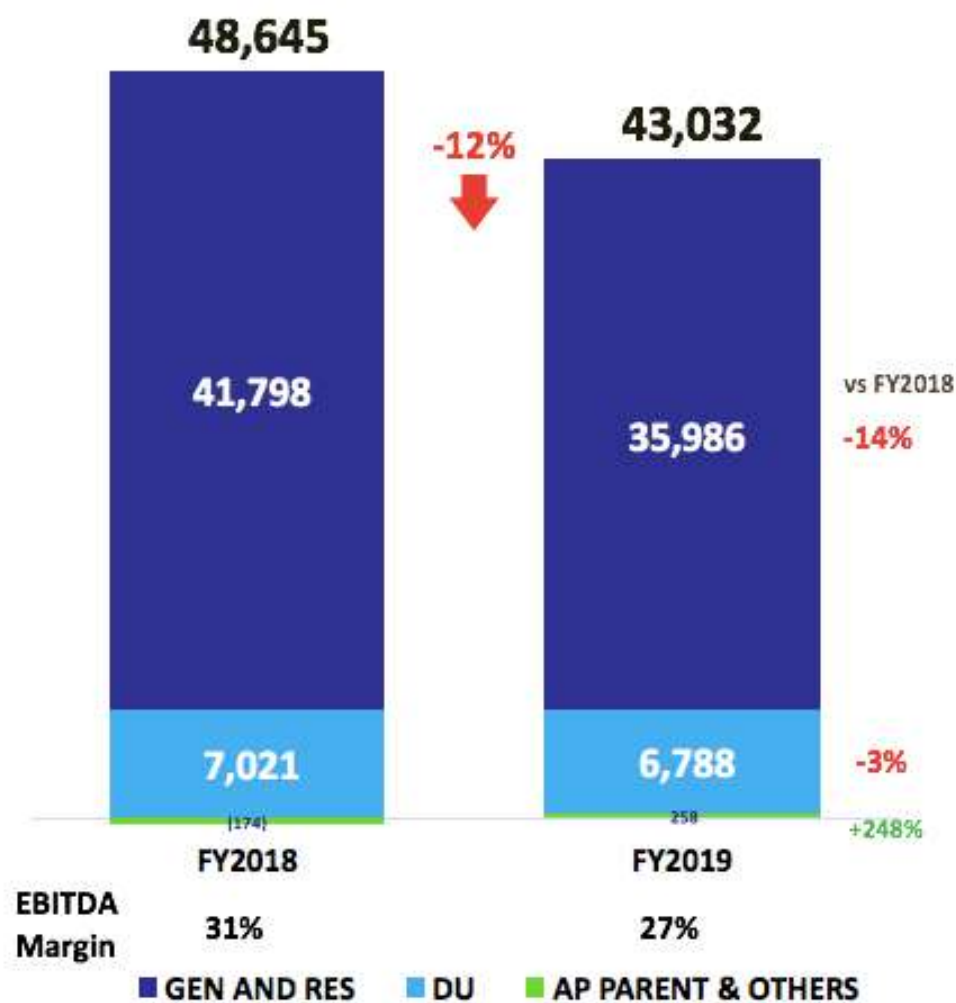


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FY 2019 Beneficial EBITDA



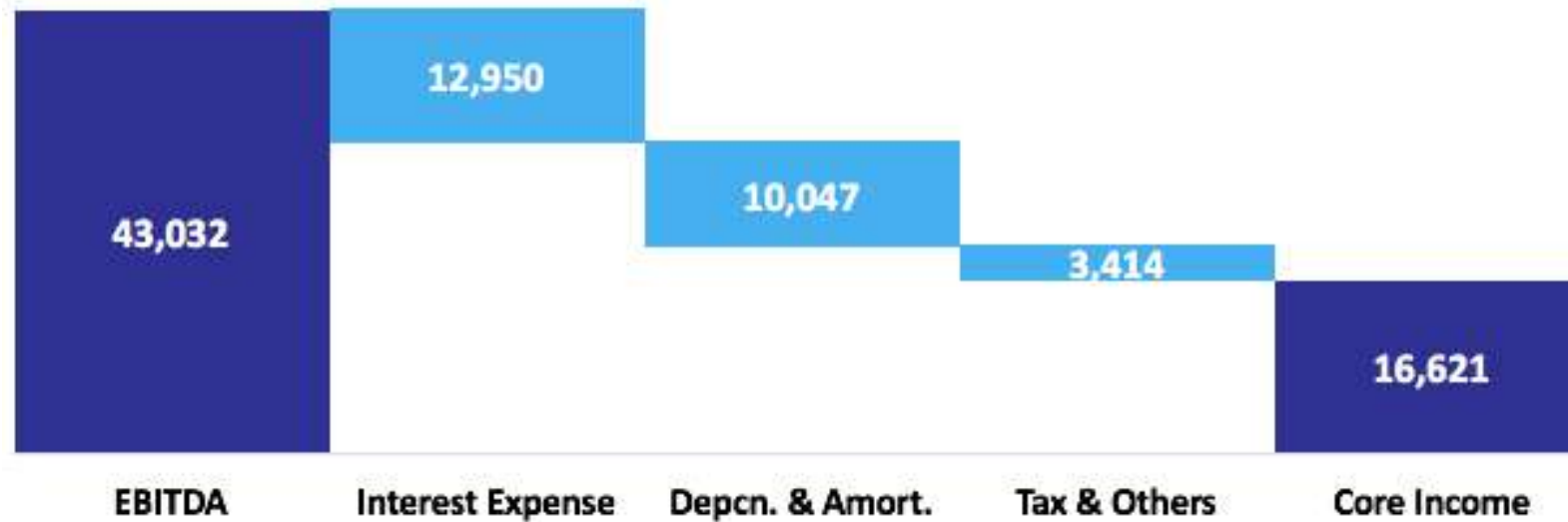
*-15% vs 4Q2018

-12% decline, mainly of which...

- -7% due to higher purchased power cost
- -3% due to lower availability from coal facility
- -2% due to lower revenues from spot sales



FY 2019 Core Income



Php mn

EBITDA

Less: Interest Expense

Depcn. & Amort.

Tax & Others

Core Income

EPS

FY2018

48,645

11,479

8,761

4,622

23,783

3.23

FY2019

43,032

12,950

10,047

3,414

16,621

2.26

Change

-12%

13%

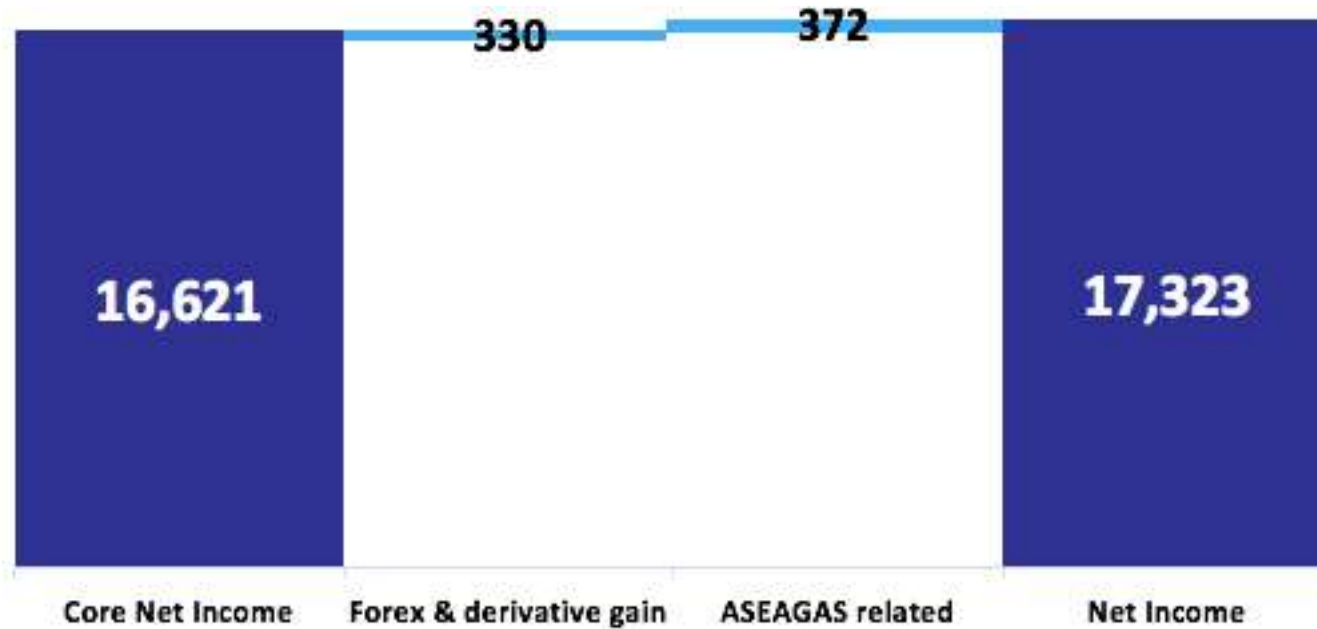
15%

-26%

-30%



FY 2019 Net Income



Php mn

Core Net Income

Non-recurring Income/(Loss)

Forex & derivative gain/(loss)

Impairment costs

ASEAGAS related

Net Income

EPS

	FY2018	FY2019	Change
Core Net Income	23,783	16,621	-30%
Non-recurring Income/(Loss)	(2,075)	702	134%
Forex & derivative gain/(loss)	(1,521)	330	122%
Impairment costs	(554)		N/A
ASEAGAS related		372	N/A
Net Income	21,708	17,323	-20%
EPS	2.95	2.35	



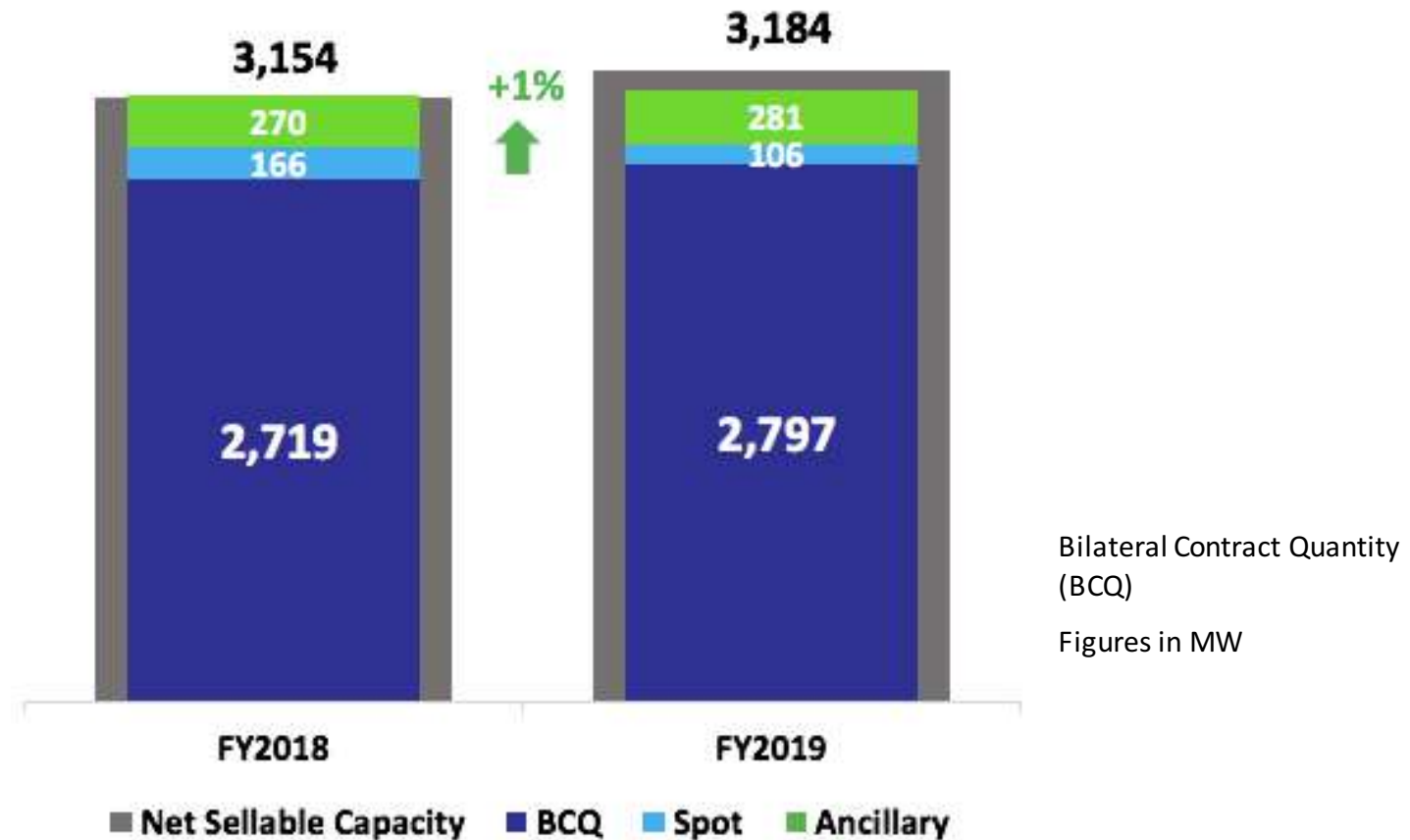
Balance Sheet Highlights

(Php mn)	CONSOLIDATED	
	YE2018	YE2019
Cash and Cash Equivalents	46,343	37,434
Investments and advances	34,334	60,879
Total Assets	389,662	410,469
Total Liabilities	253,086	276,826
Total Equity	136,577	133,643
Total Interest Bearing Debt	216,499	233,097
Net Debt	164,866	186,541
Net Debt to Equity	1.2X	1.4x
Debt to Equity*	1.6X	1.7x

**Total Interest Bearing Debt / Total Equity*



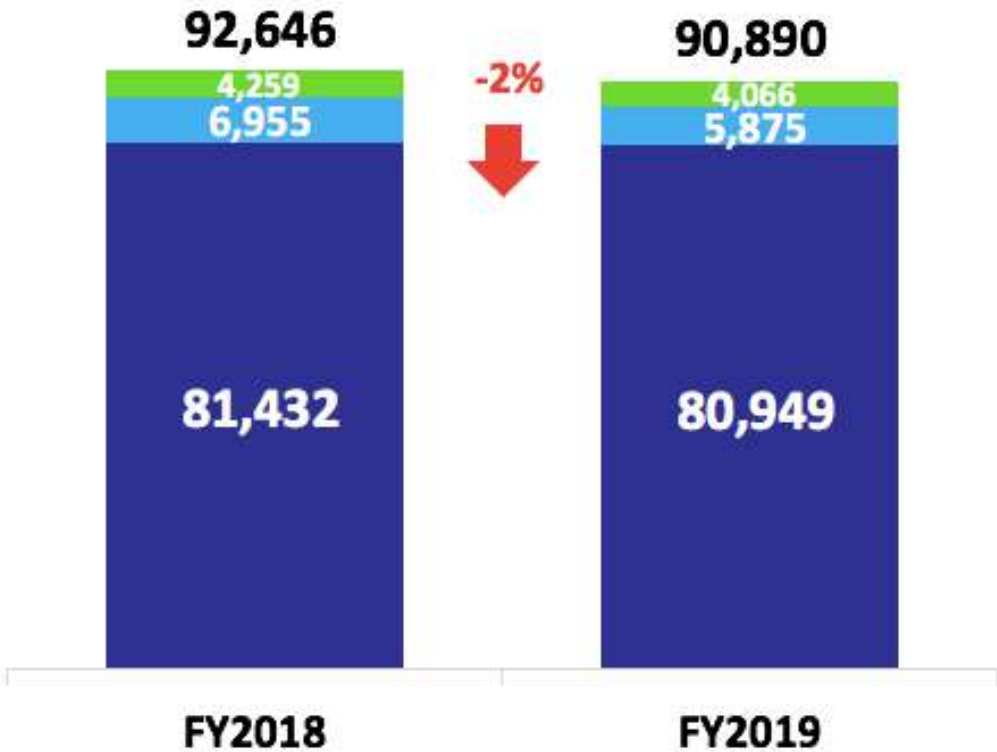
Operating Highlights: Capacity Sales



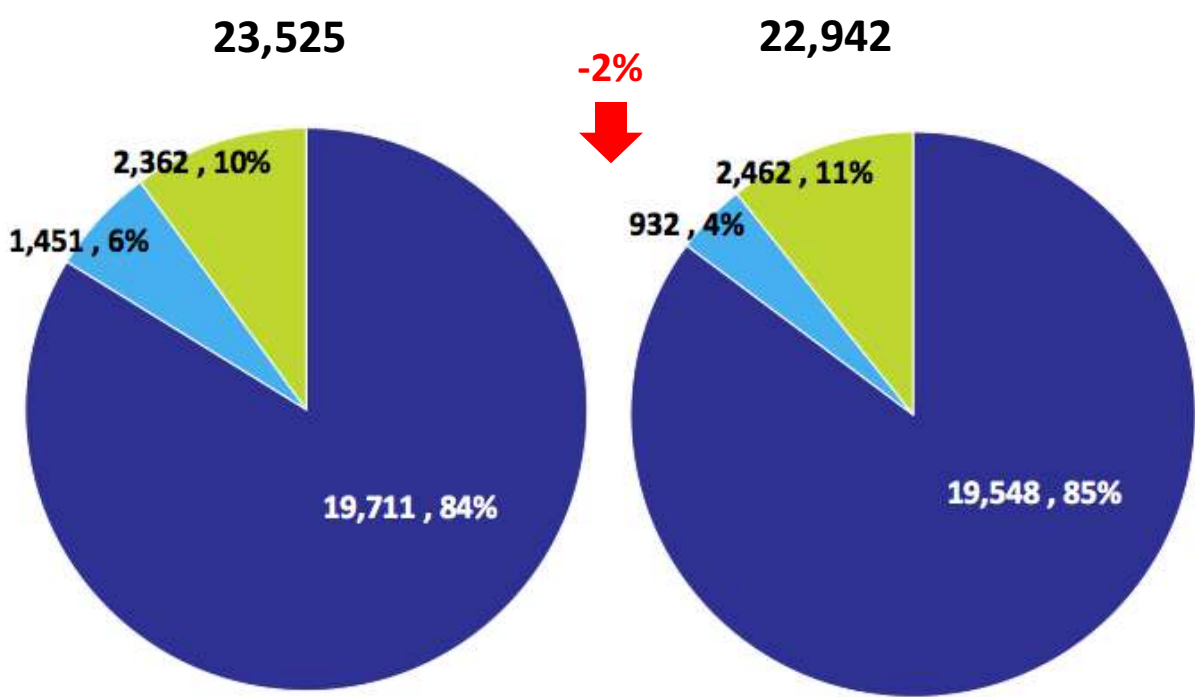


Operating Highlights: Revenue and Energy Sold

Php MN



GWh



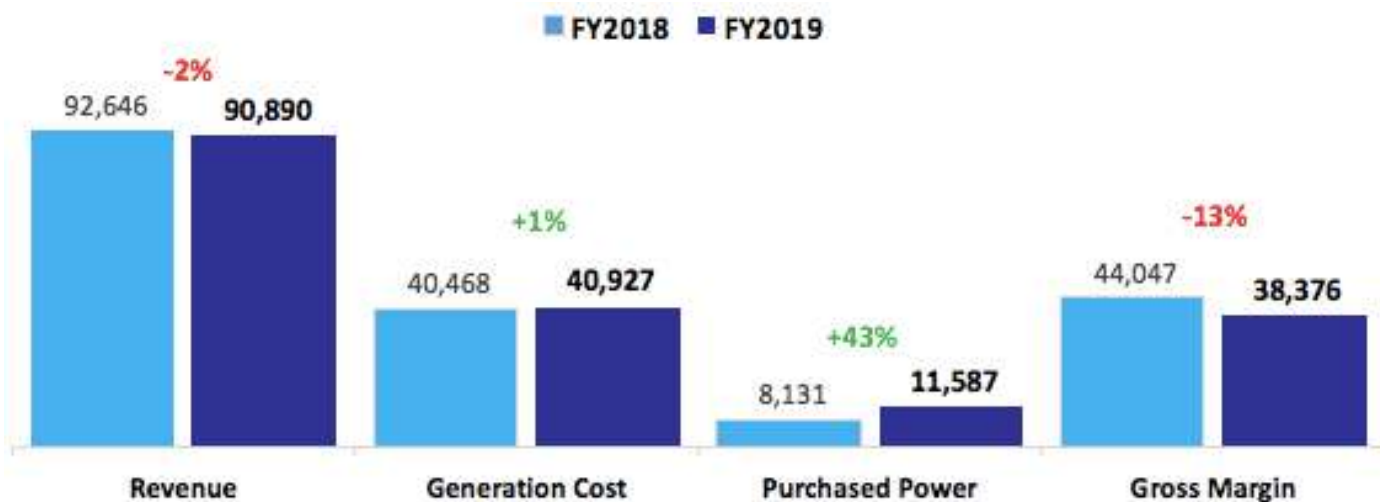
Bilateral Contract Quantity (BCQ)

■ BCQ ■ Spot ■ Ancillary Services

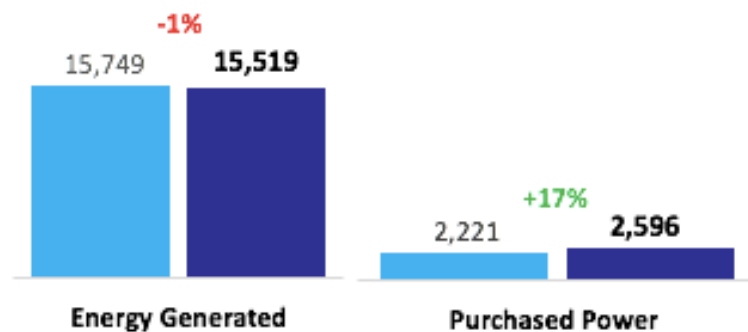


Operating Highlights: Gross Margin

In Php MN



In GWh



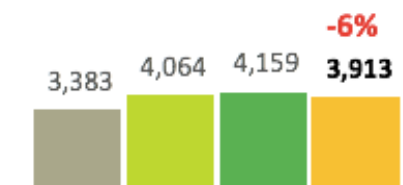
Quarterly Breakdown

In Php MN

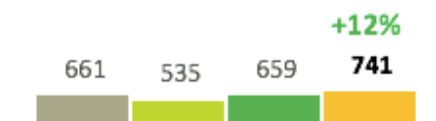


In GWh

Gross Margin



Energy Generated



Purchased Power

Legend: 1Q2019 (Grey), 2Q2019 (Light Green), 3Q2019 (Dark Green), 4Q2019 (Yellow)

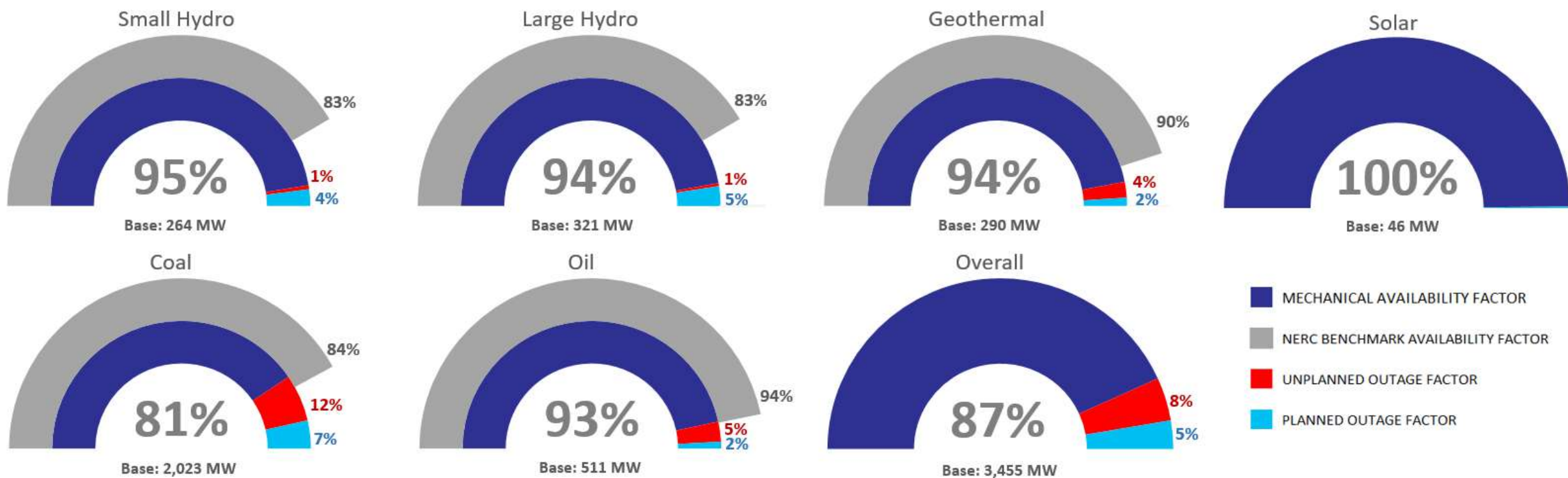


Operating Highlights: Average Selling Price (P/kWh)





Operating Highlights: FY 2019 Availability

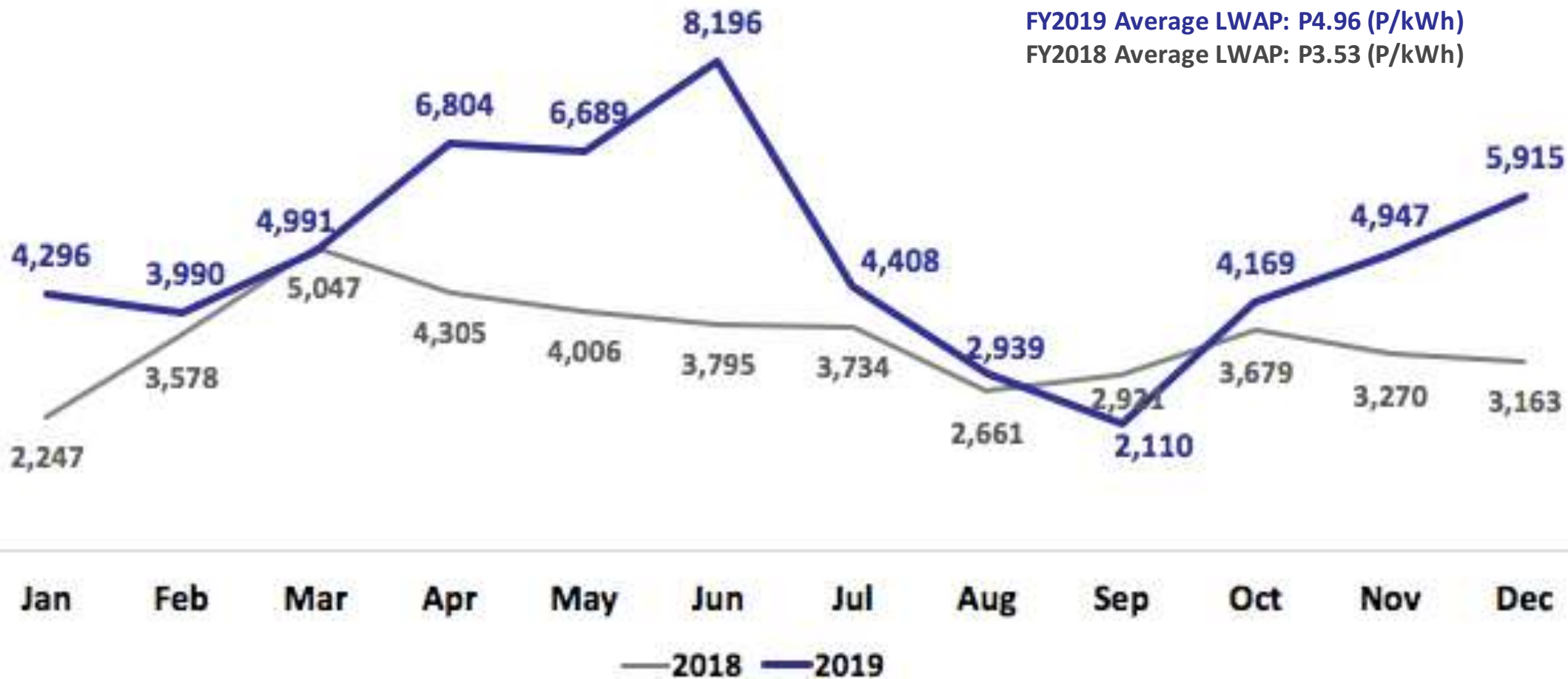




Operating Highlights: WESM

FY2019 Average LWAP: P4.96 (P/kWh)

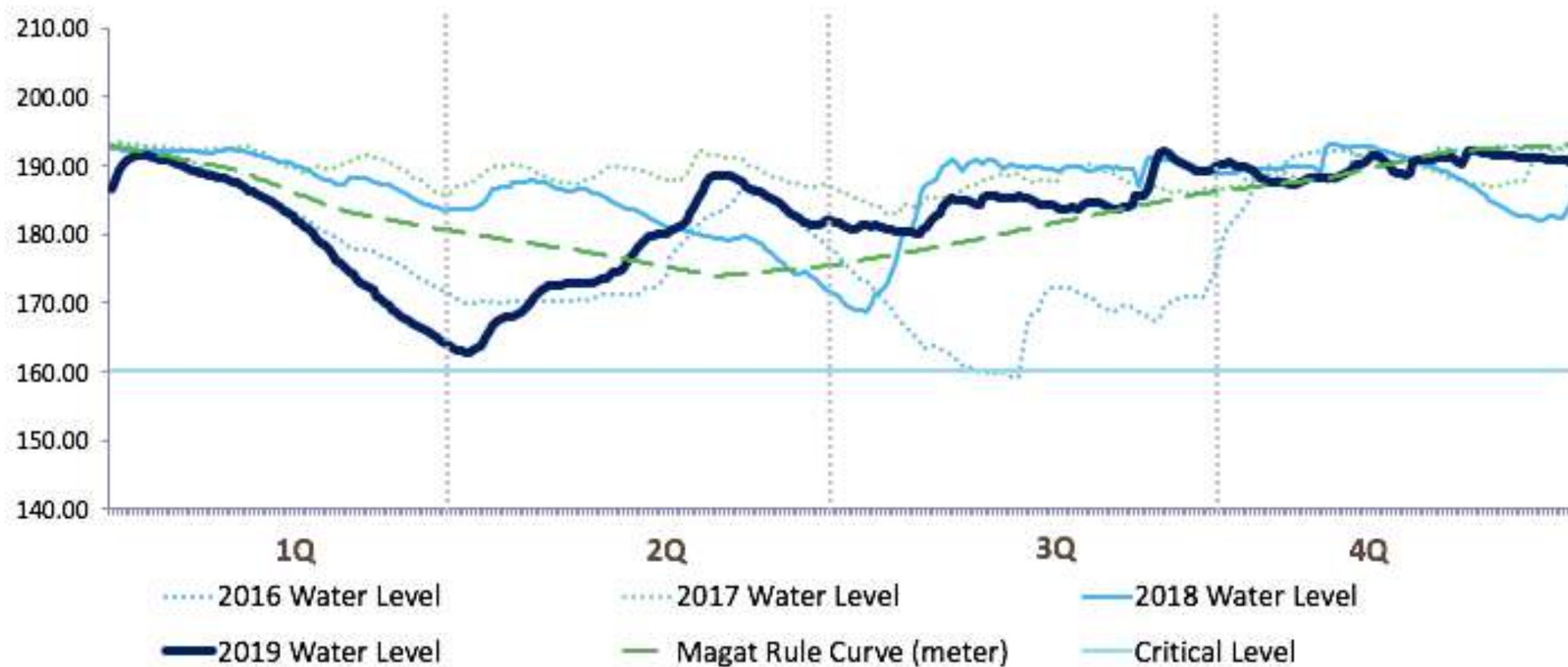
FY2018 Average LWAP: P3.53 (P/kWh)





Operating Highlights: Water Level

Magat's Water Level vs Rule Curve (in MASL)

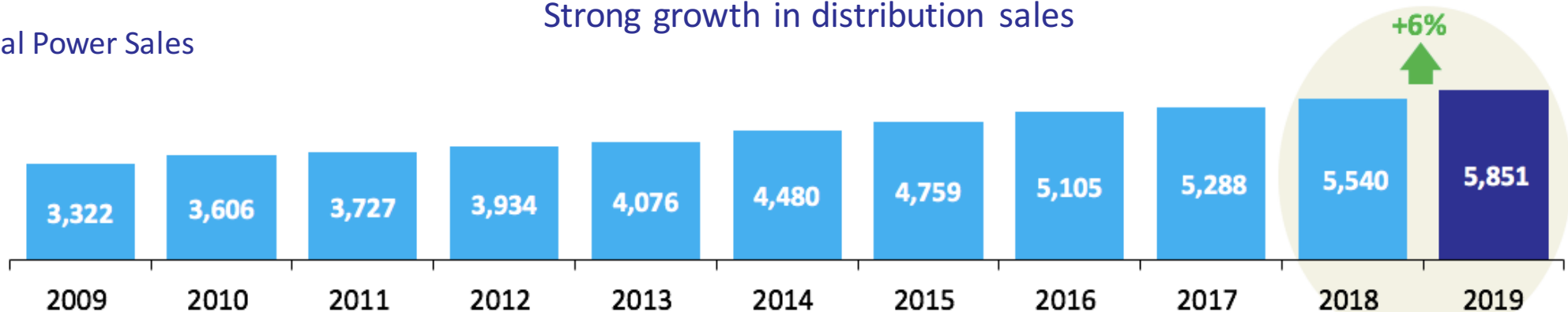




Operating Highlights: Distribution

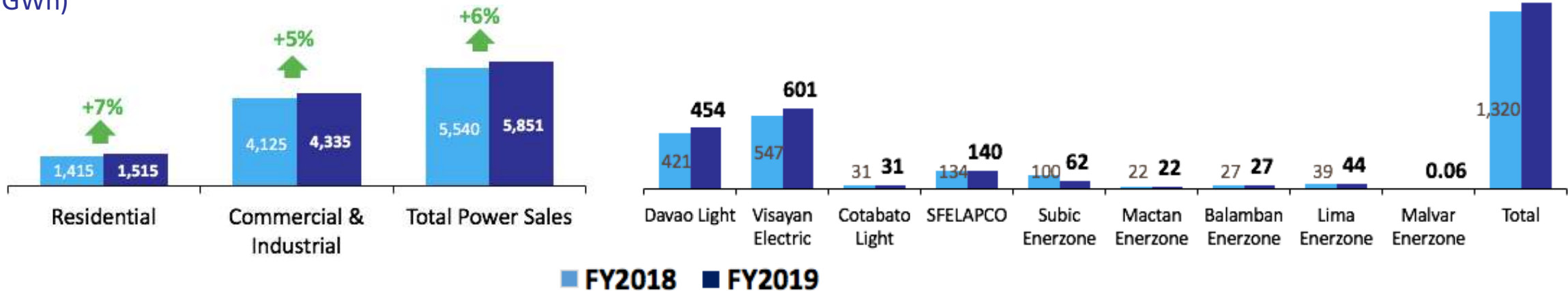
Beneficial Power Sales
(GWh)

Strong growth in distribution sales



Beneficial Power Sales By Customer Type
(GWh)

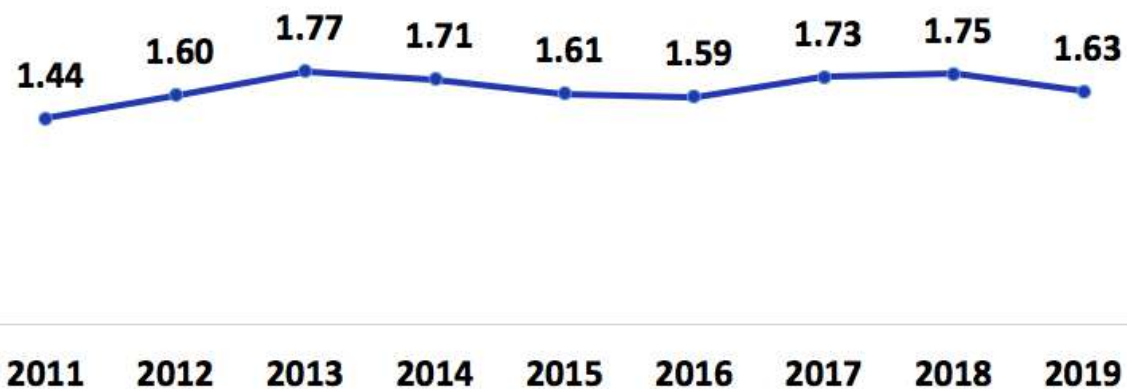
Peak Demand in (MW)



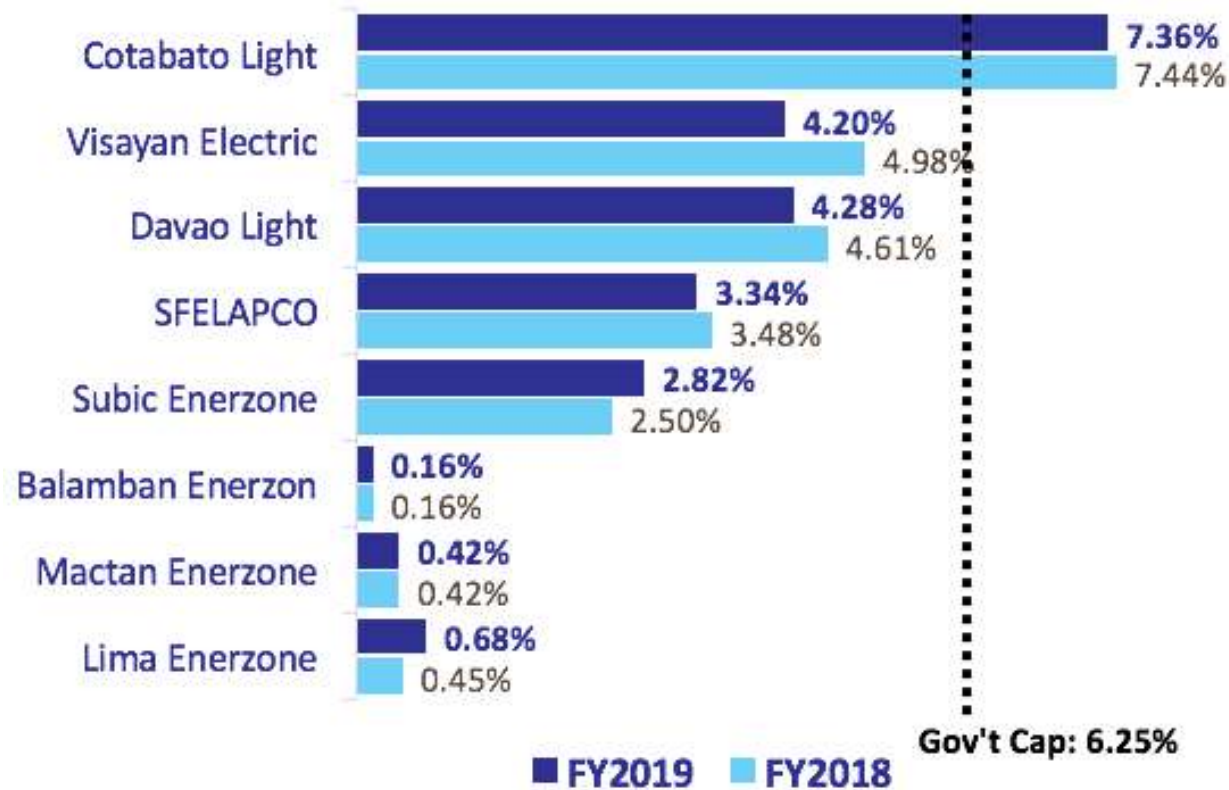


Operating Highlights: Distribution

Gross Margin / kWh



Feeder Loss





Project Update

We will reach our capacity target of 4,000 MW by 2020

Grid	Project	Capacity (Net)	% Ownership	Attributable Net Sellable Capacity	Estimated Commercial Operation Date
Luzon	Dinginin Unit 1 (Coal – GNPD)	668 MW	70%	468 MW	Q4 2020
	Dinginin Unit 2 (Coal – GNPD)	668 MW	70%	468 MW	Q2 2021
Visayas	Naga Power Plant Complex	42 MW	100%	42 MW	Q3 2020
Vietnam	Dam Nai (Wind – Mekong Wind)	39 MW	100%	39 MW	Q1 2020
		1,417 MW		1,017 MW	

Attributable net sellable capacity as of FY2019: 3,455 MW



Project Update

Dinginin - 2 x 668 MW of Coal Power (GN Power Dinginin)





Project Update

Mekong Wind – 39 MW



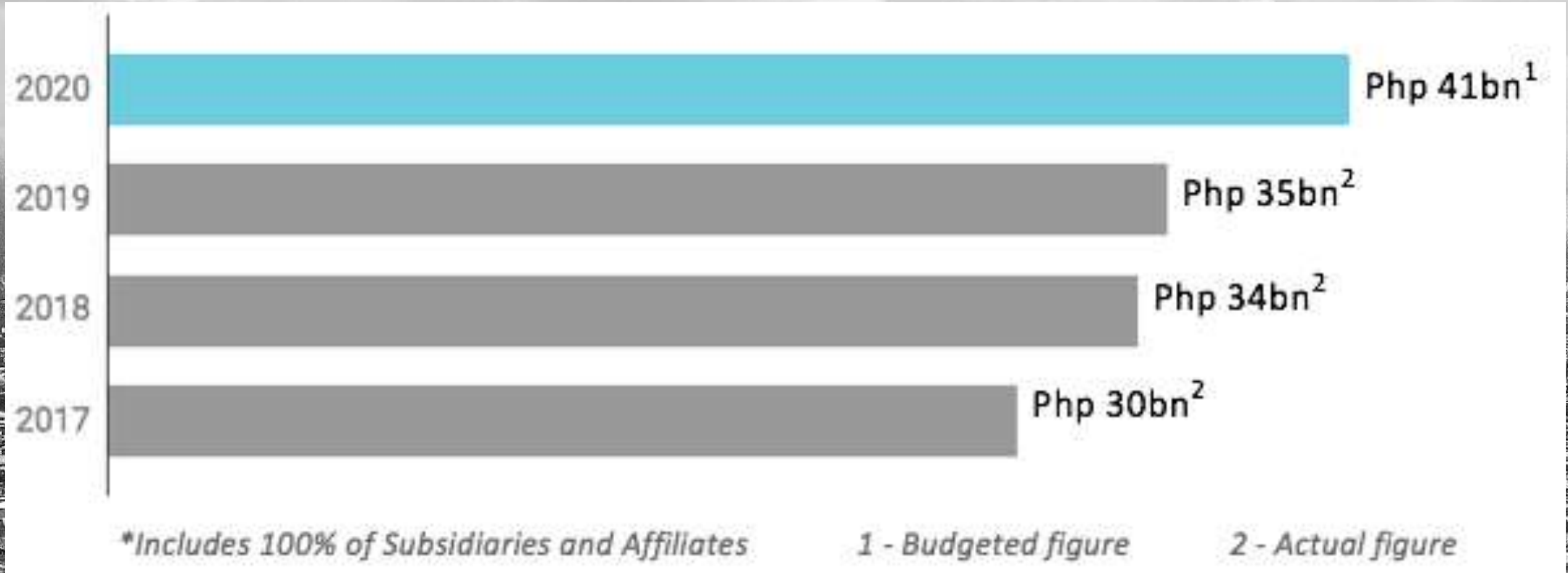


Project Update

Naga Power Plant Complex – 42 MW



Capital Expenditure (with partners)





Dividend Payment



Payout Ratio: 1/2 of previous year's consolidated net income

2020 Dividend Yield: Computed based on March 06, 2020 closing price



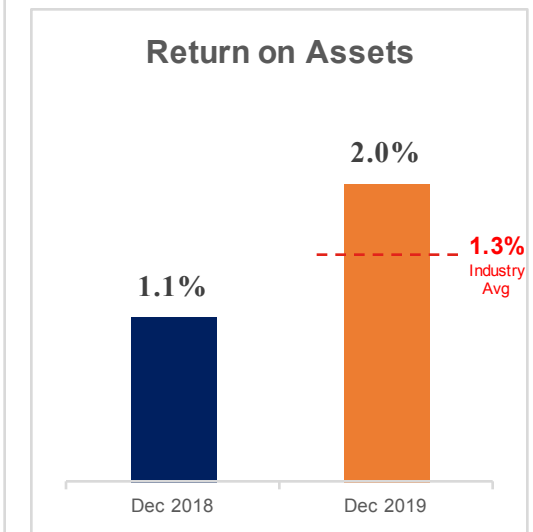
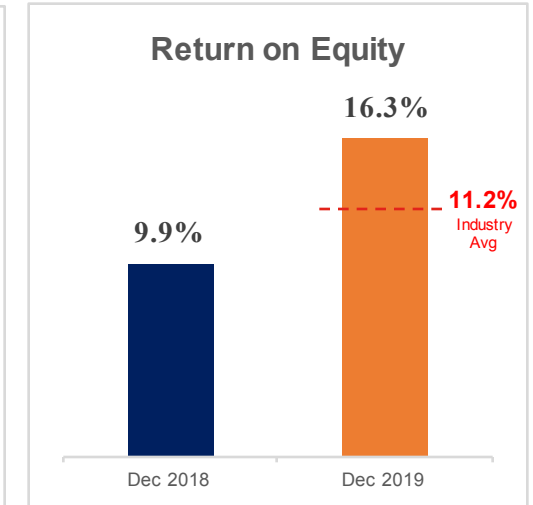
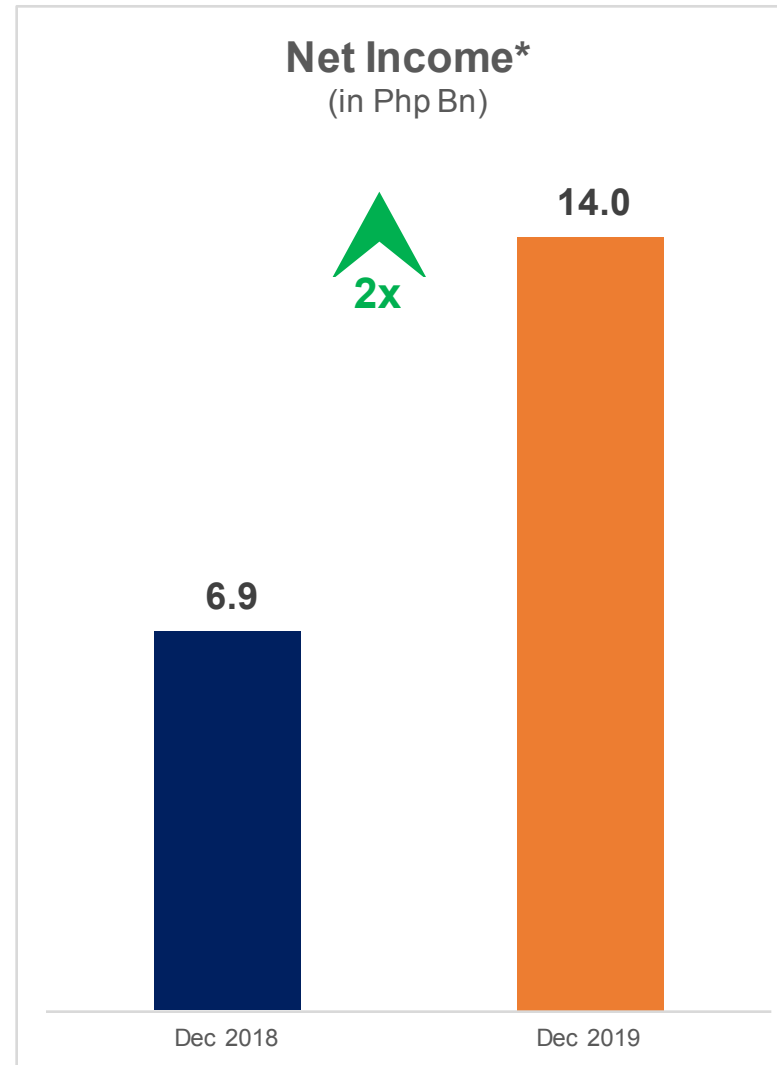
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2019 Net Income doubled to P14.0 Bn

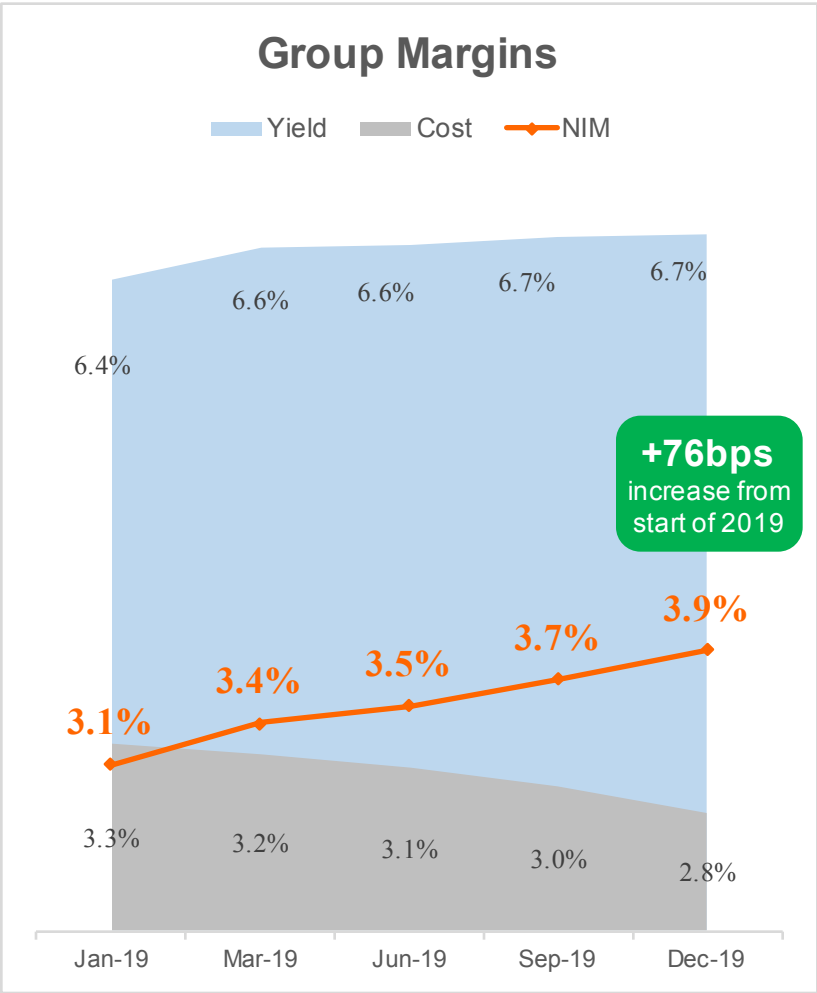
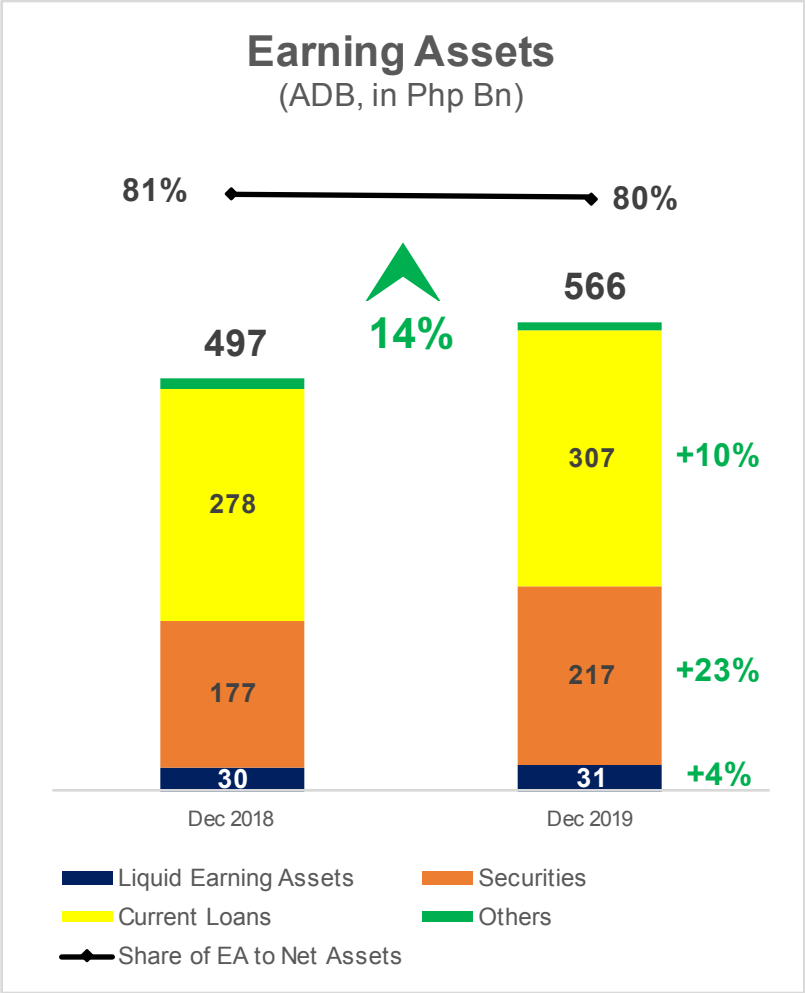
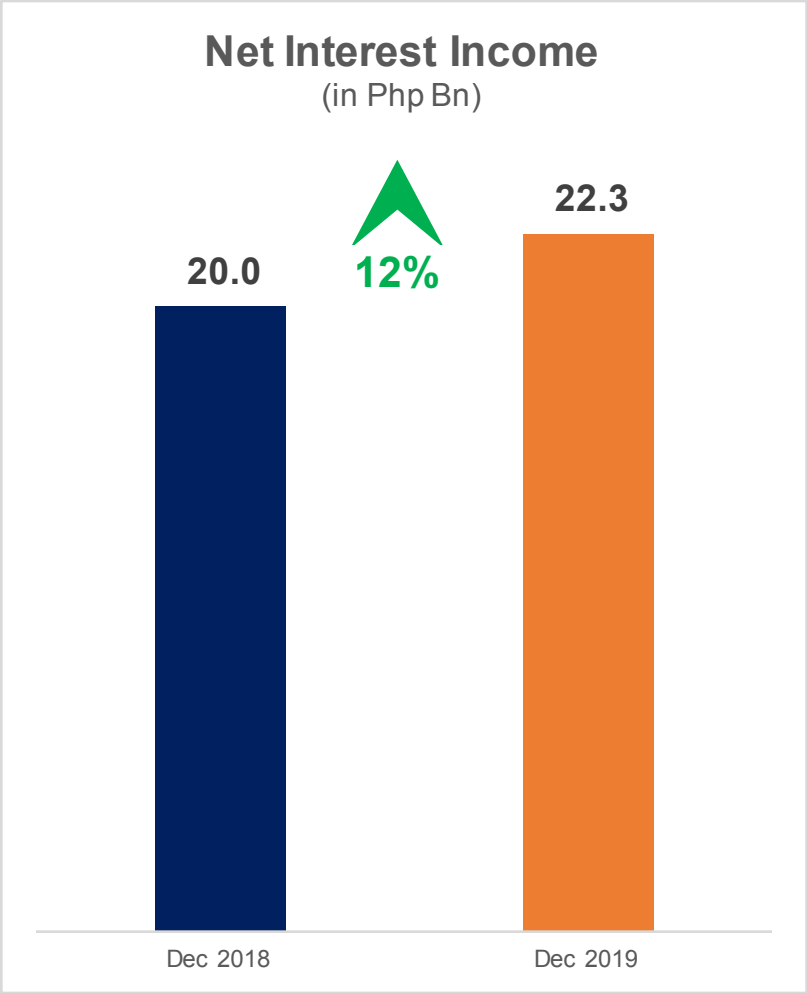
- UBP posted a record high net income of P14.0 Bn driven by:
 - Solid loan growth of consumer & SME
 - Increase in margins in 2019
 - Strong non-interest income growth
- Profitability ratios way above previous year and surpassed industry average



**Attributable to Parent Bank's Stockholders
Note: Industry ratios based on latest BSP data*



Net Interest Income grew double-digit from robust growth of earning assets; margins improved 70+bps



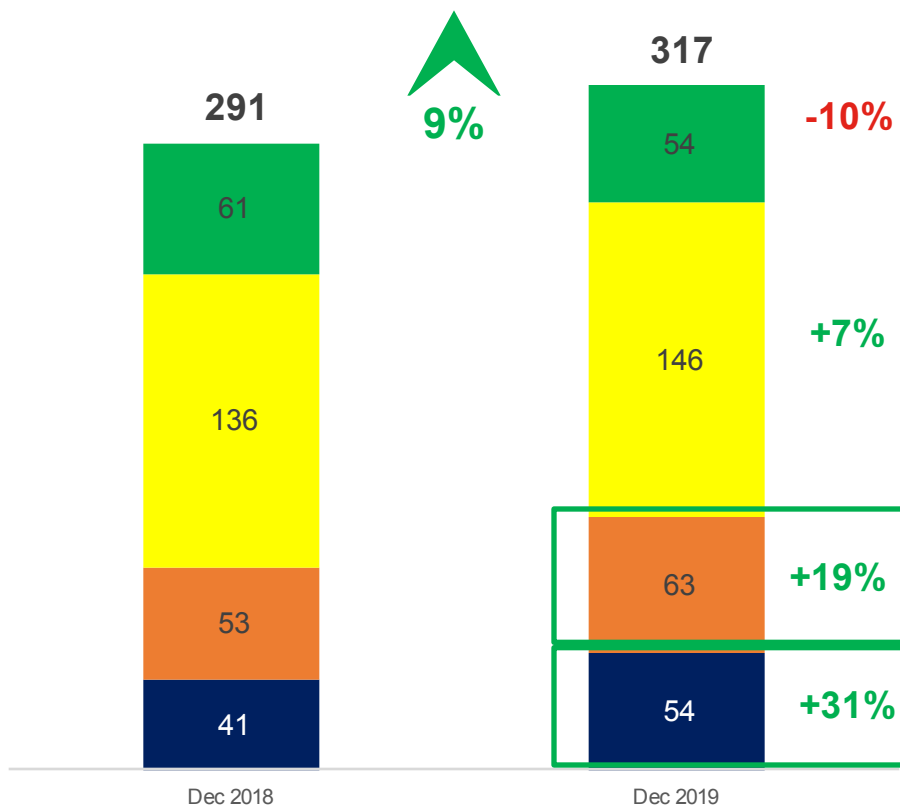


Earning Assets driven by high yielding Consumer & SME loans

Credit Portfolio

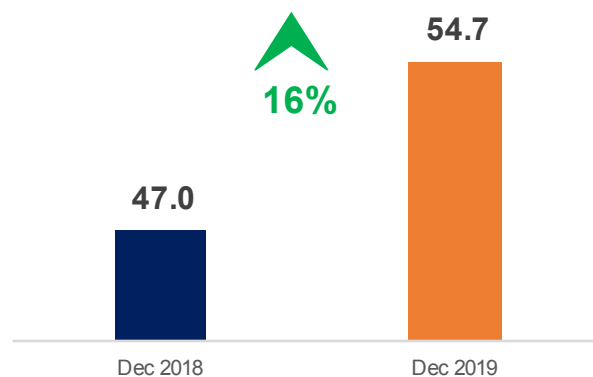
(ADB, in Php Bn)

■ Retail ■ Commercial ■ Corporate ■ Mass Market Loans



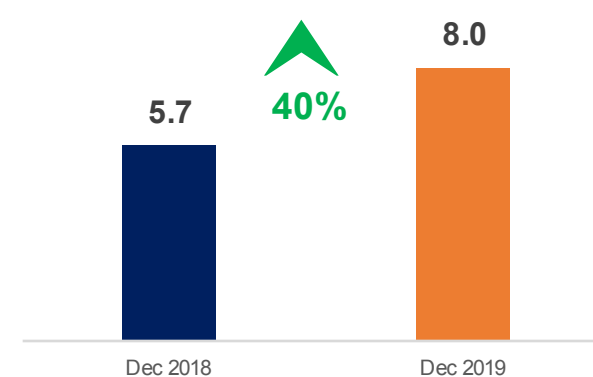
Commercial Loans

(ADB, in Php Bn)



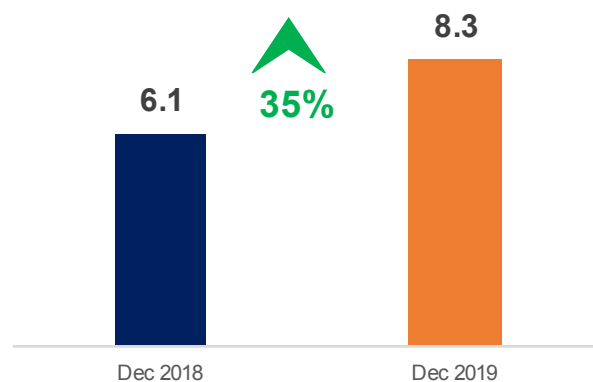
Businessline

(ADB, in Php Bn)



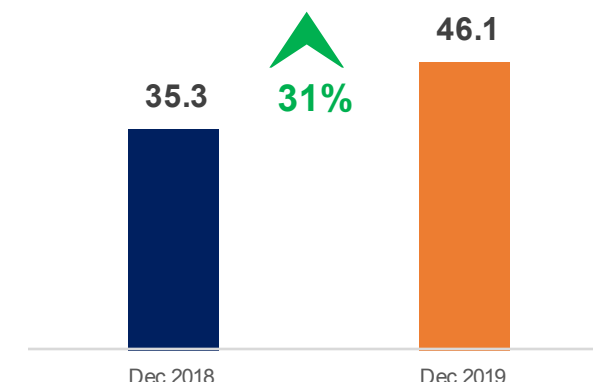
Credit Cards

(ADB, in Php Bn)



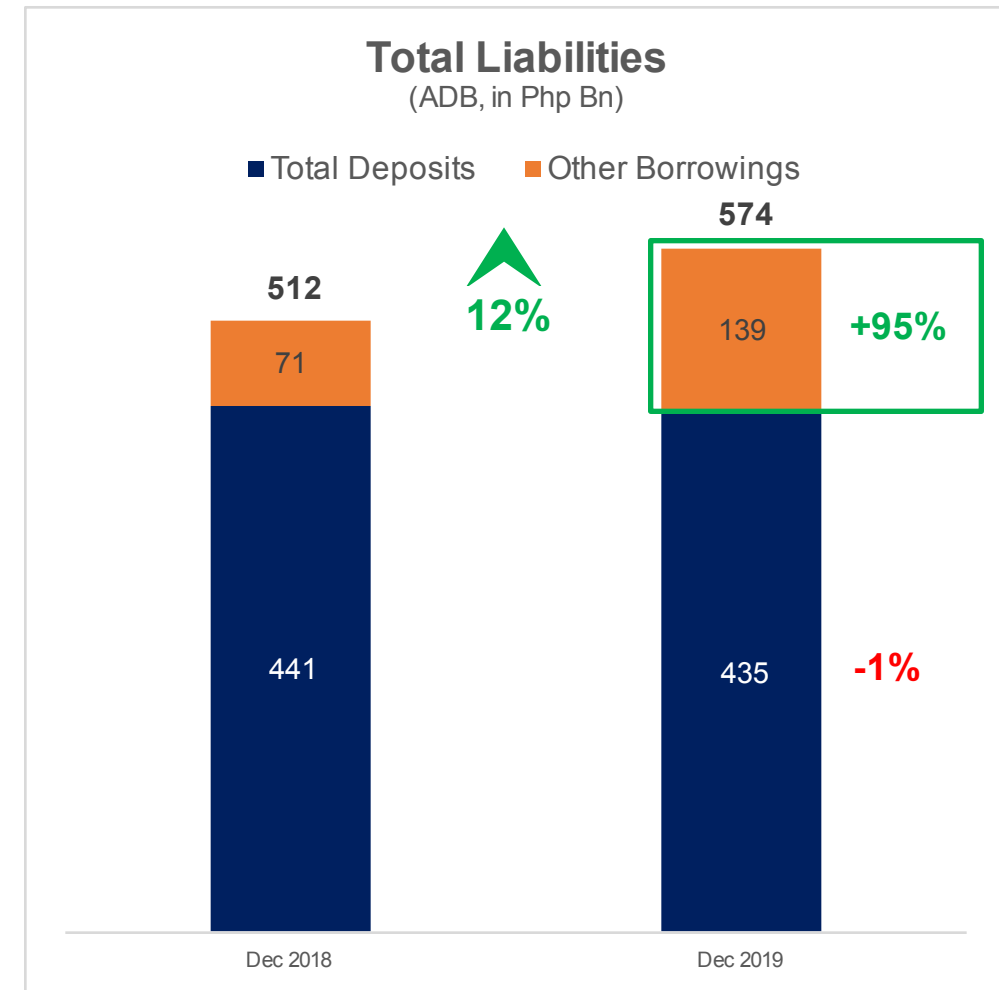
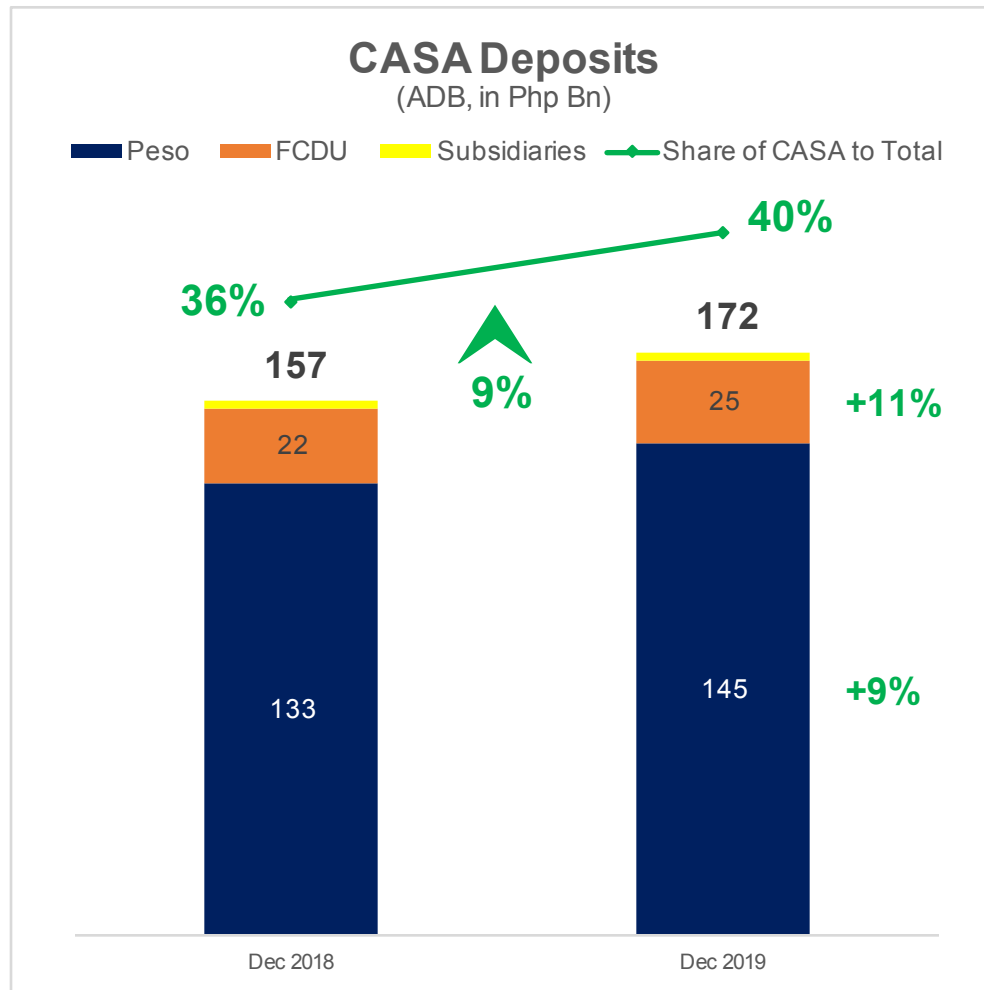
Consumer Loans

(ADB, in Php Bn)



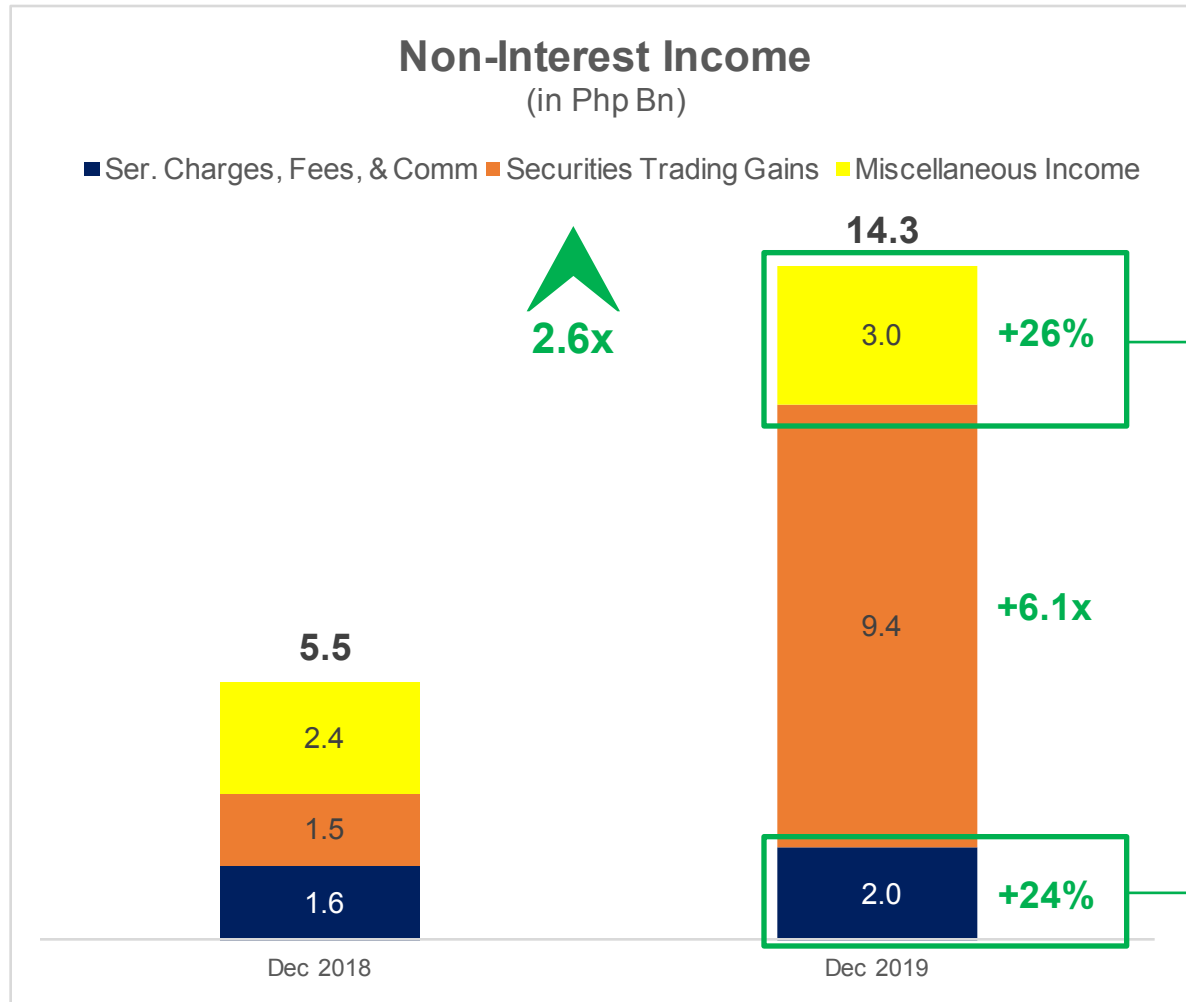


Higher CASA ratio YoY; Managed high-cost deposits by shifting to cost-efficient liabilities





Non-Interest Income more than doubled from strong growth of key revenue streams

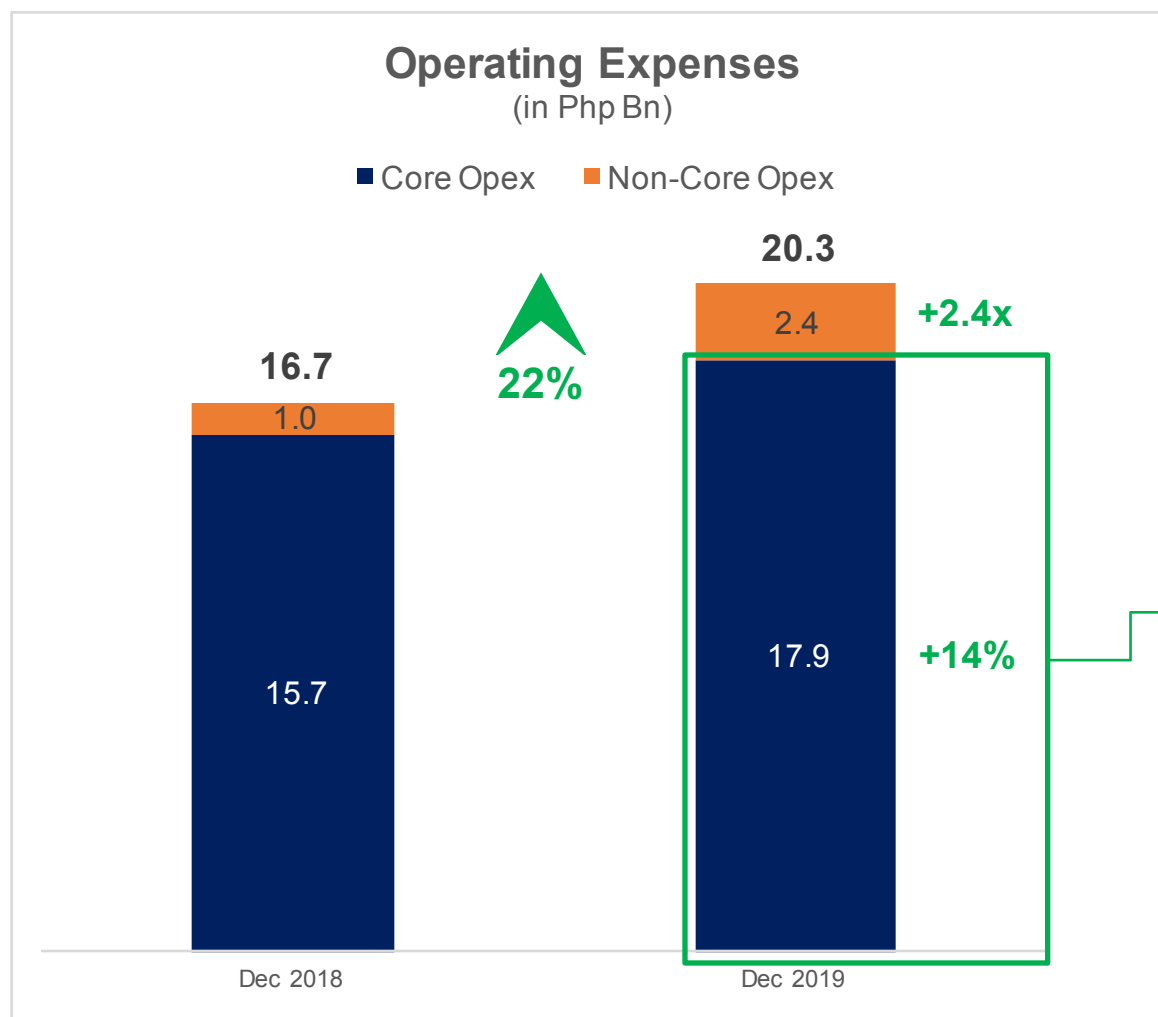


in Php Bn	Dec 2018	Dec 2019	Growth
Total Misc. Income	2.4	3.0	26%
Foreign exchange gains	0.6	0.7	17%
Others	1.8	2.3	29%

in Php Bn	Dec 2018	Dec 2019	Growth
Total Ser. Charges & Fees	1.6	2.0	24%
Parent	1.3	1.5	11%
Subsidiaries	0.3	0.5	86%



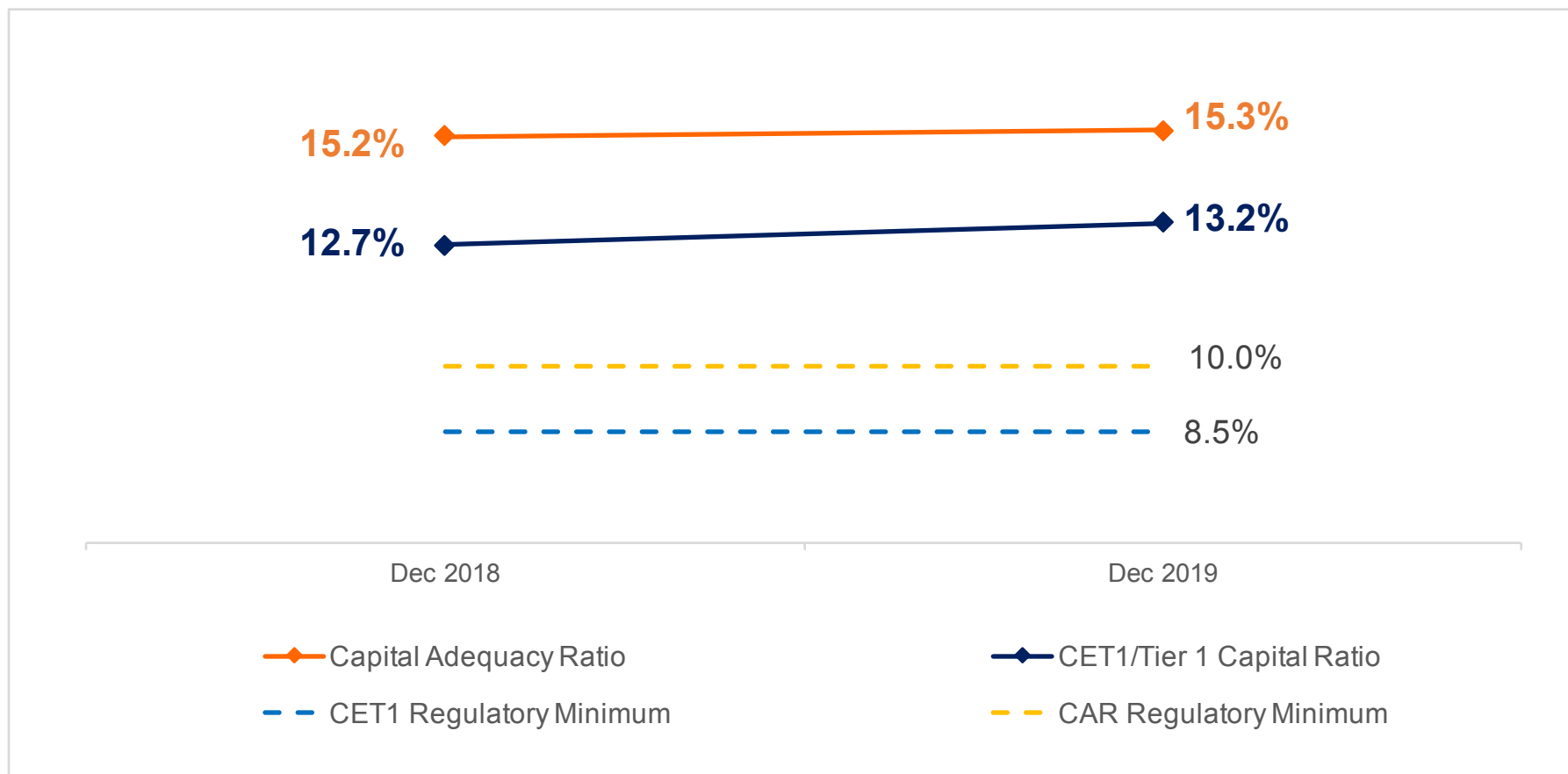
Opex higher than expected due to acquisitions in CSB



In Php Bn	Dec 2018	Dec 2019	Growth
Total Core Opex	15.7	17.9	14%
Recurring	11.7	13.4	14%
Volume-Related	4.0	4.5	13%



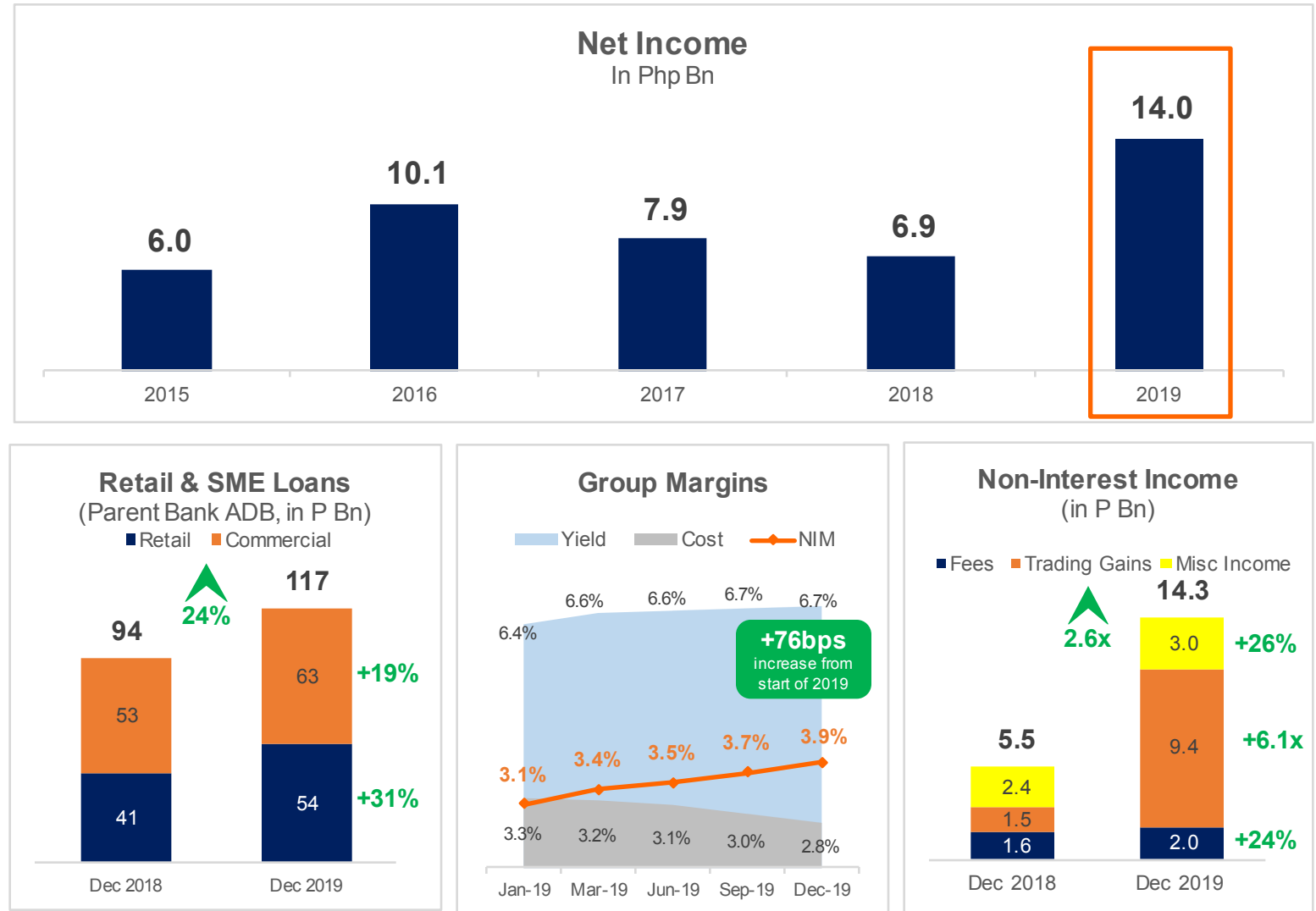
Higher capital ratios as earnings outpace growth of risk assets





Summary

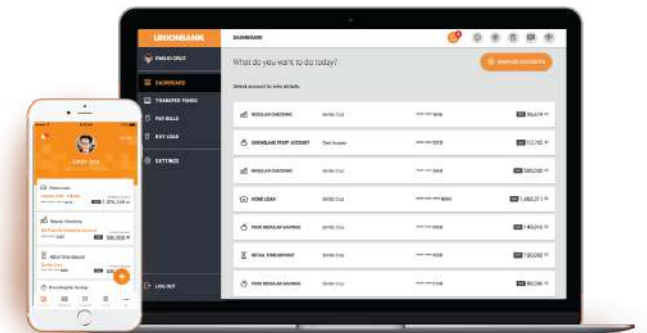
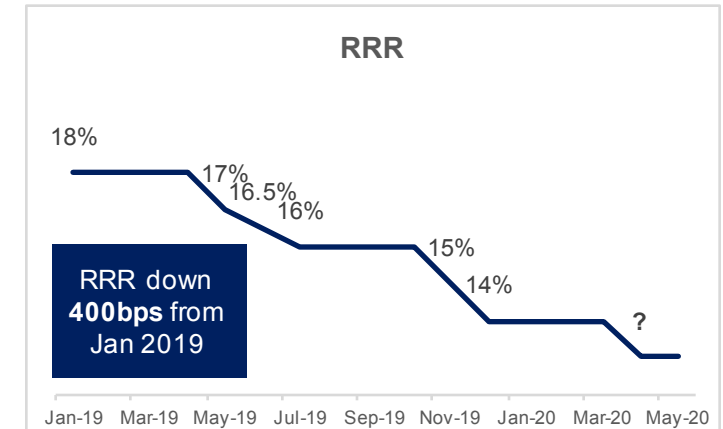
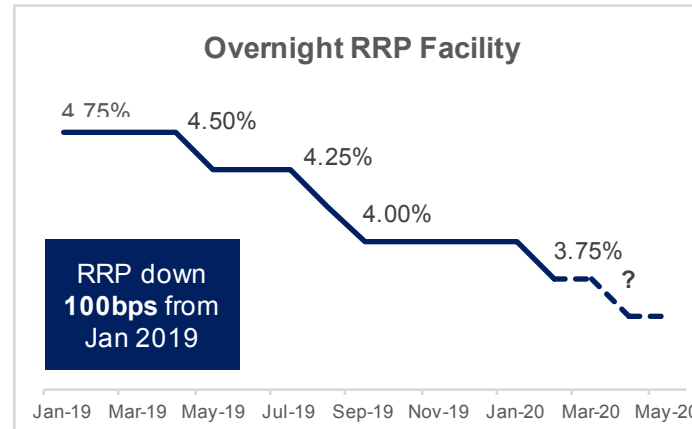
- Record net income
- Robust consumer & SME lending
- Substantial margin improvement within the year
- Strong non-interest income growth





Outlook

- Further cuts on policy rate and RRR shall further improve margins
- Robust expansion of retail & SME loans
- CSB to be driven by salary & motorcycle loan growth
- Accelerate customer acquisition via digital channels









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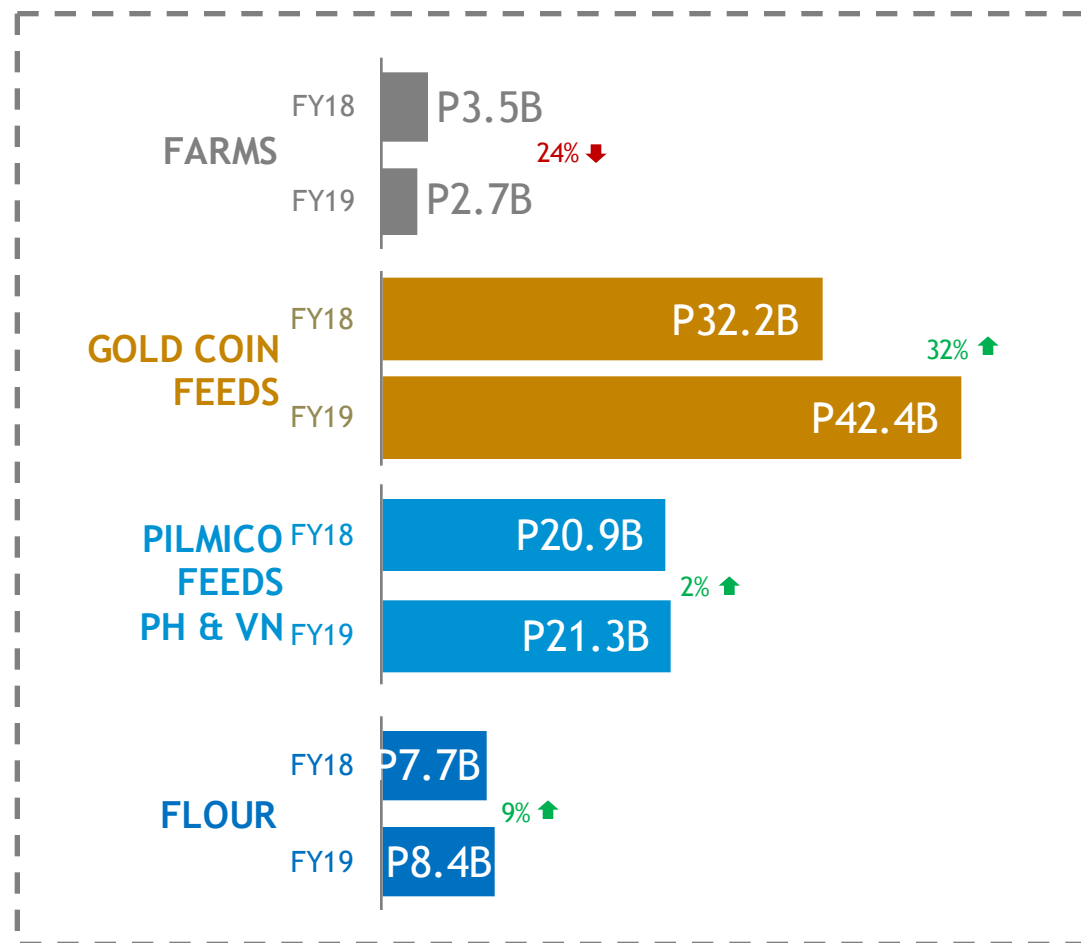
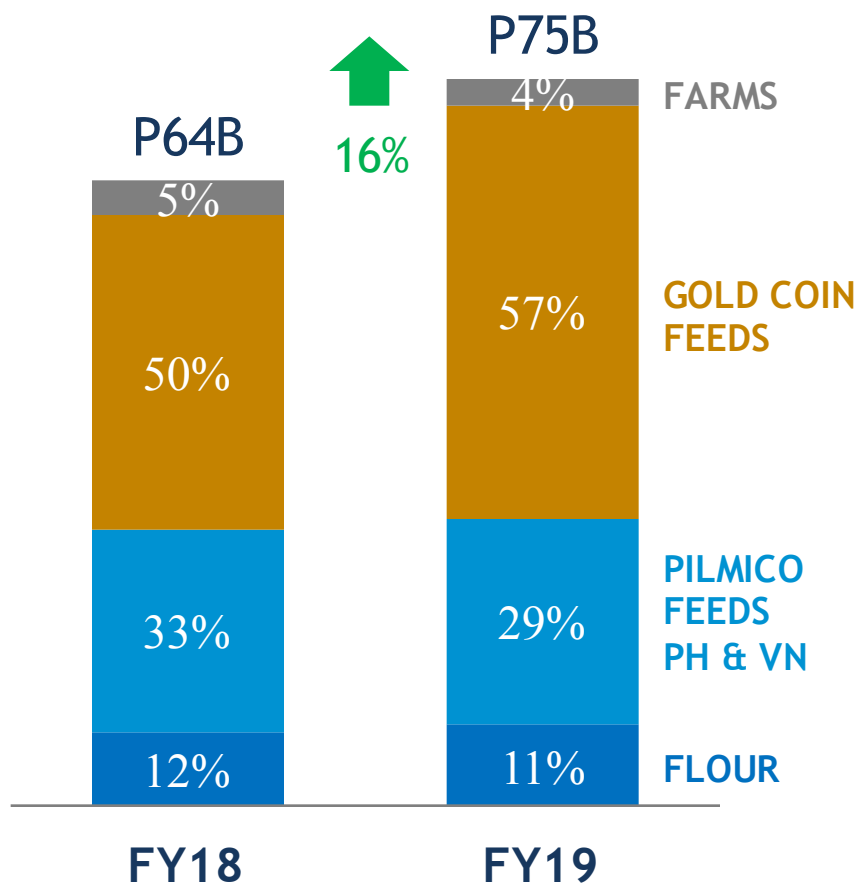


FY 2019 Financial Highlights

Revenue	74,724		vs. FY18 +16%
EBITDA	5,363		+29%
EBITDA Margin	7%		+100bps
NIAT	2,105		+12%

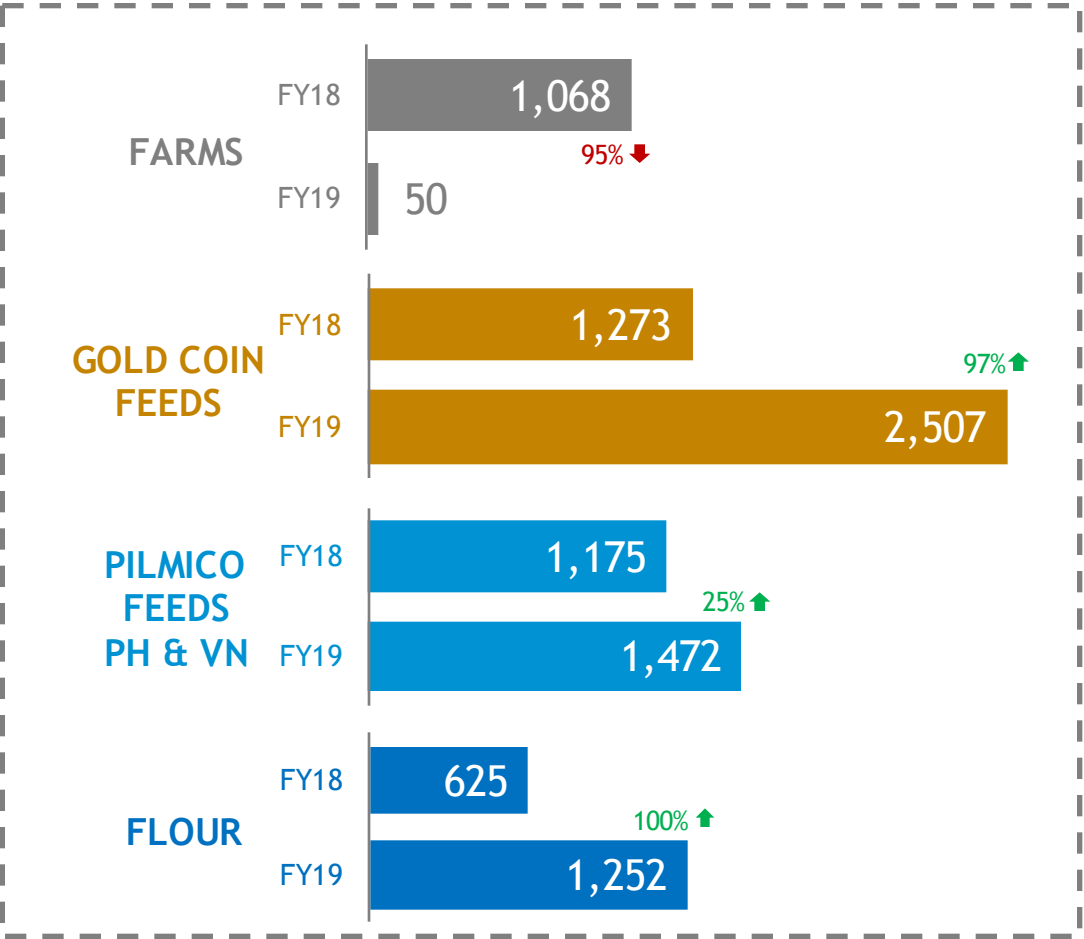
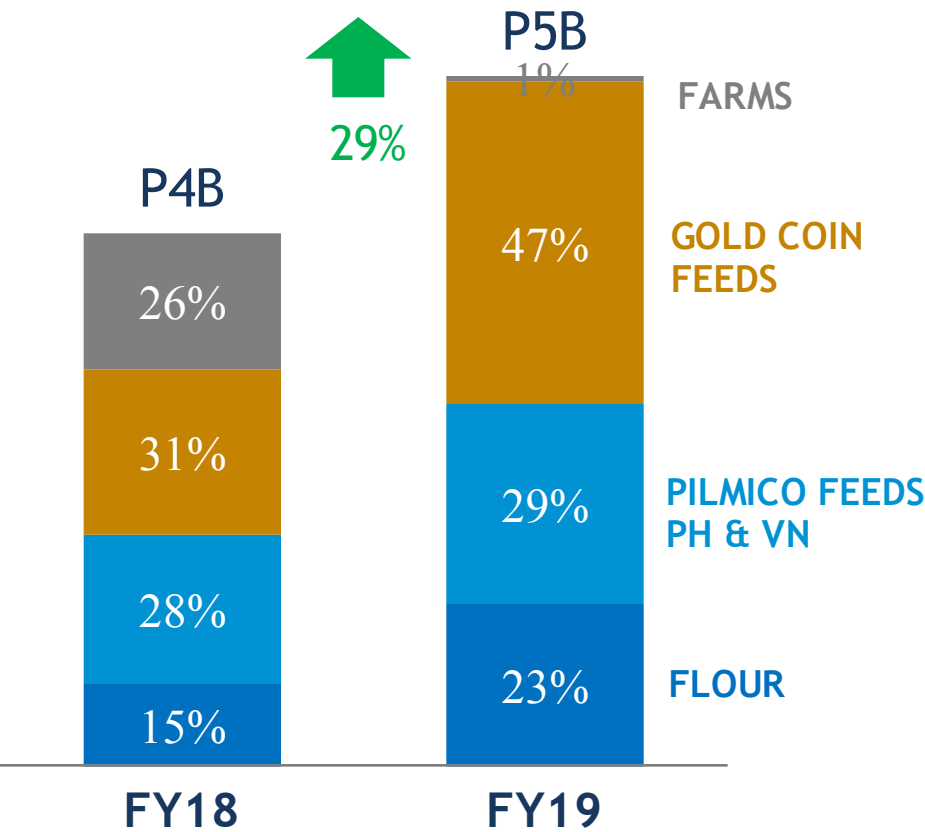


FY 2019 Financial Highlights: Revenue



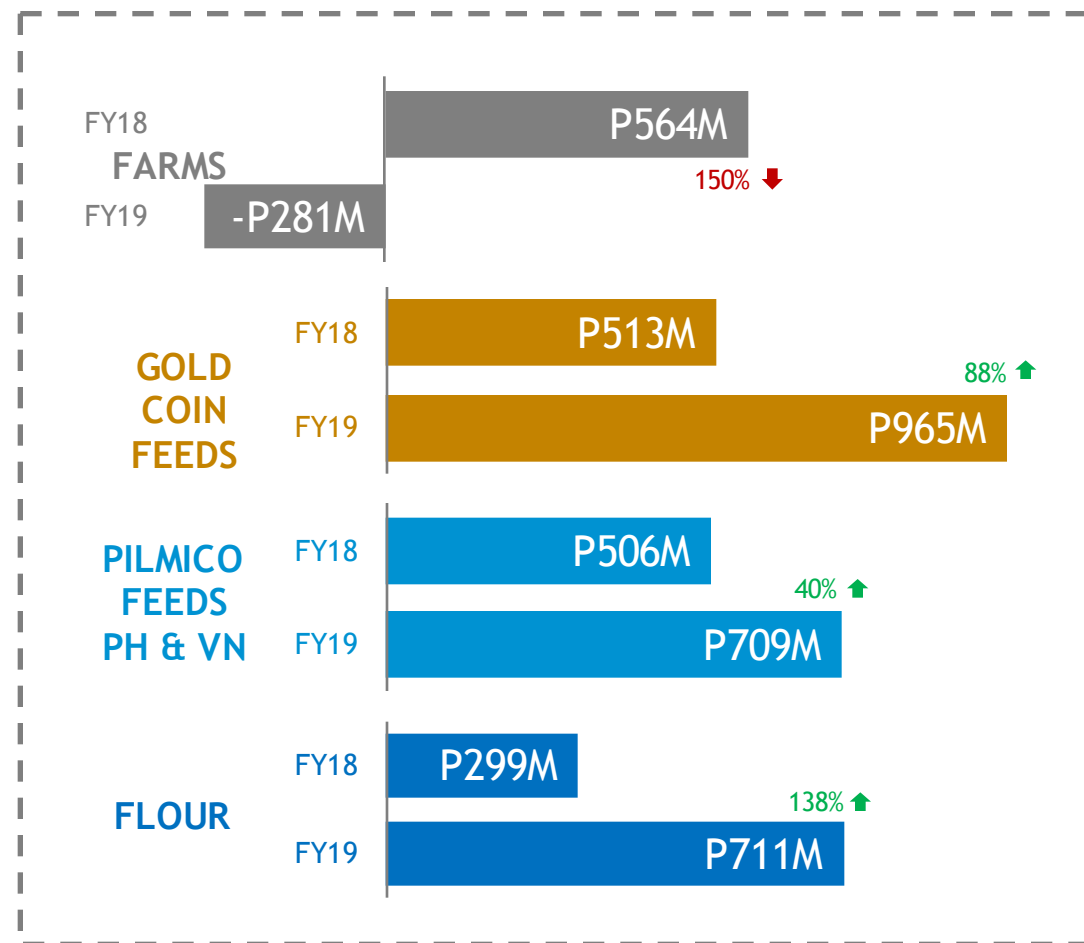
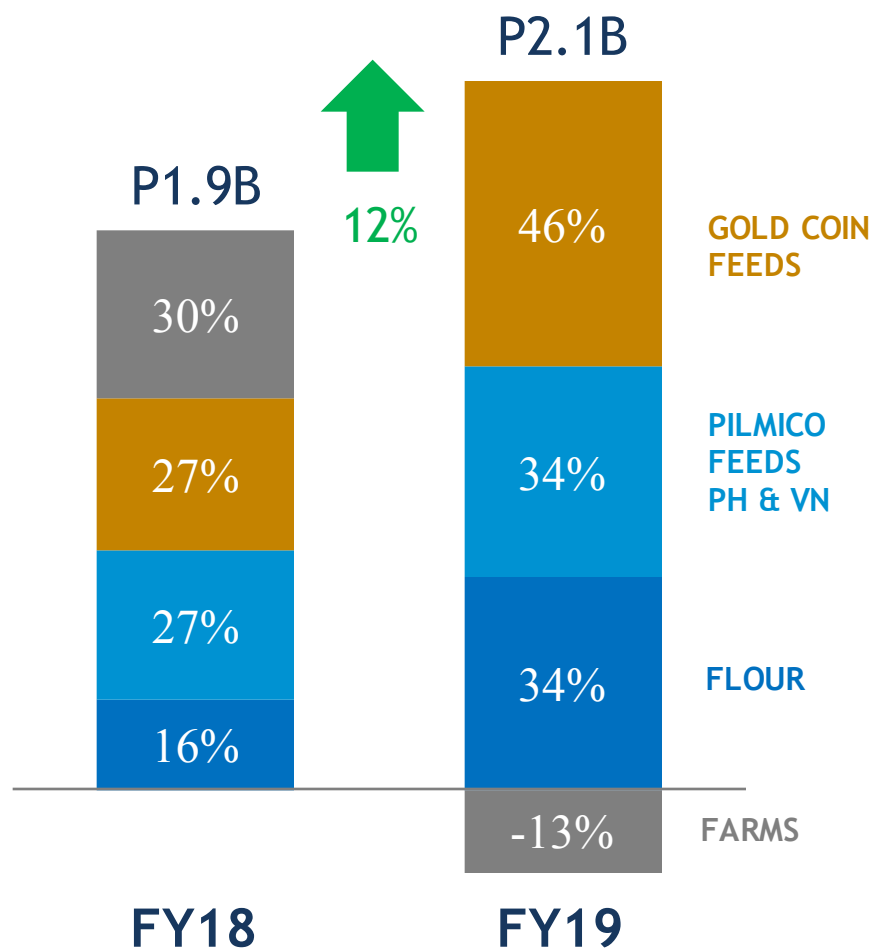


FY 2019 Financial Highlights: EBITDA





FY 2019 Financial Highlights: Net Income





ONE FOOD GROUP

Leadership Team



HUBERT DE ROQUEFEUIL

PRESIDENT & CEO
FOOD GROUP

TRISTAN ROBERTO ABOITIZ

PRESIDENT & CEO
PILMICO FOODS CORPORATION





ONE FOOD GROUP

KEY STRATEGIC PRIORITIES



BALANCE

Balance portfolio, market opportunities and risks



OPTIMIZE

Execution excellence through processes and systems



DEVELOP

Build capabilities, innovate, and expand the business



2020 Project Pipeline

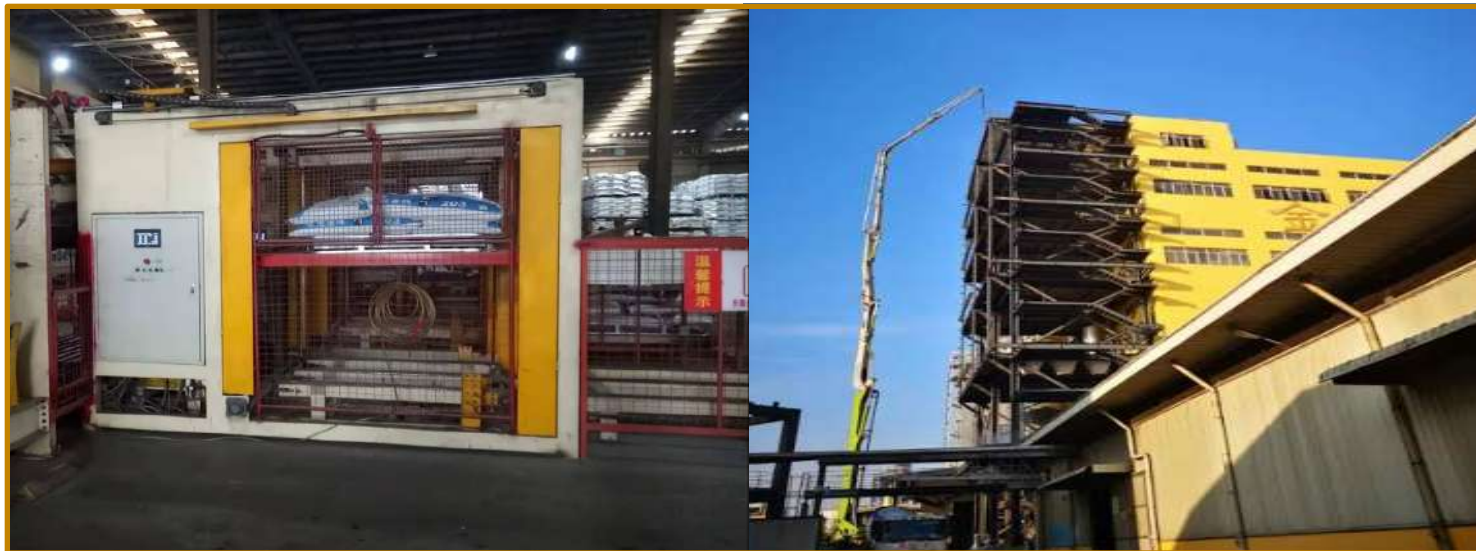


Jan 2020

Indonesia Depot

Depot in Bangka Island, Indonesia
Completion rate: 100%





Apr 2020

Floating Fish Line

+5TPH in Dongguan, China
Completion rate: 60%



Fish Feed Line

+5TPH in Ha Nam, Vietnam
Completion rate: 85%



May 2020



Iligan Feedmill Expansion

+20 TPI/ capacity support VisMin Region
Completion rate: 77%



Meats Fabrication Plant

Forward Integration of Farms Business
Completion rate: 94%



Dec 2020



Growfin Farm XII

*Last farm of the Phase 2 expansion
Completion rate: 37%*



Layer House Expansion

*Add'l 260K Hens in Armenia, Tarlac
Planning Stage*





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Highlights of Operations: Water



4% improvement in operating margins



10% increase in water production



99.8% facility uptime



92% customer satisfaction rating

PhP 3 Bn CAPEX spent for FY19



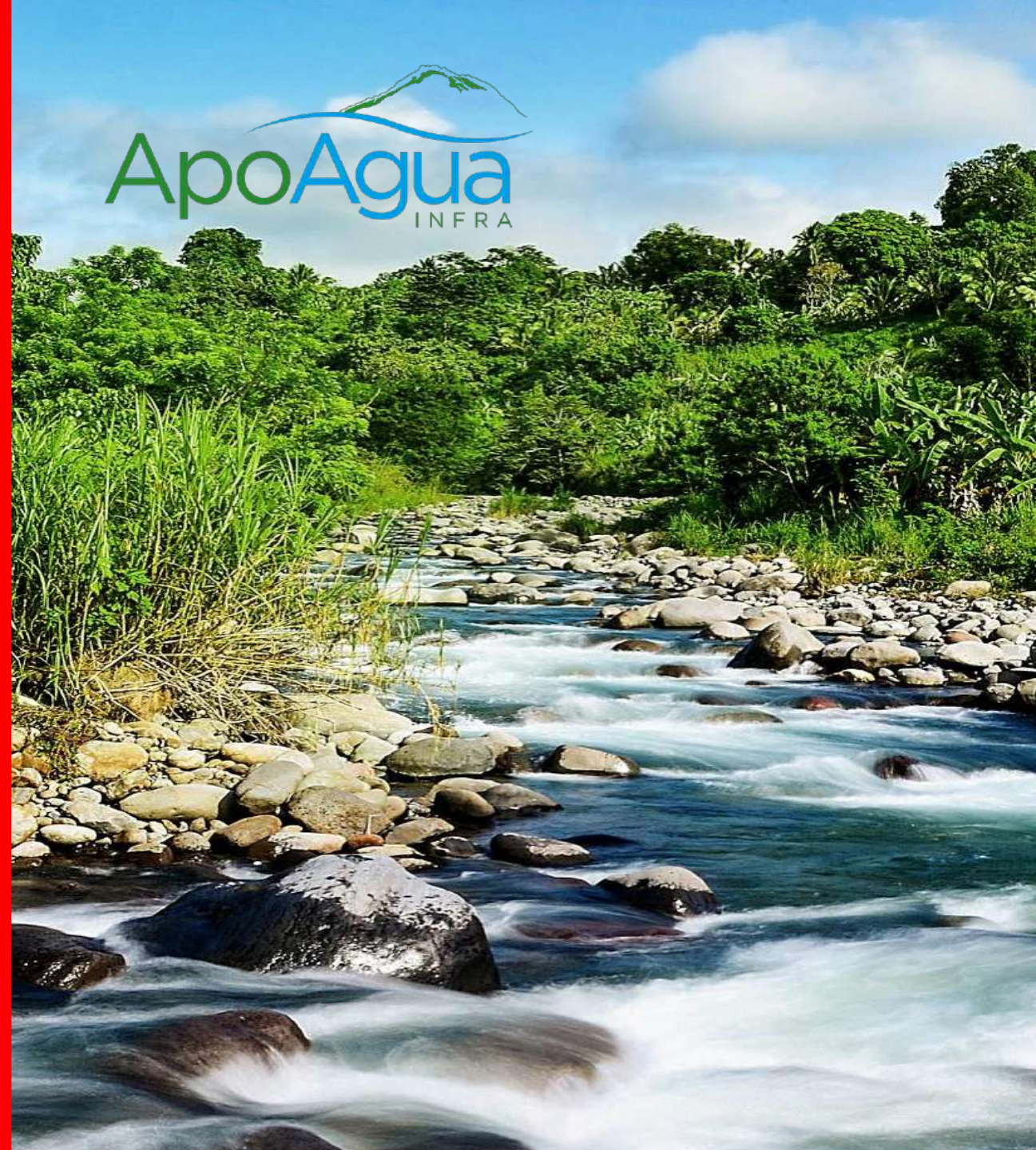
Construction of intake facilities in Tamugan River is in full swing



Laying of conveyance pipelines in ongoing



Pouring of concrete on foundations of the HEPP and process trains have been completed



Project Updates

Bohol-Panglao International Airport



Approved by the NEDA Board
last November 29, 2019



We are working with the
Government on final steps
before **commencing Swiss
Challenge**

Laguindingan Airport



Approved by the NEDA ICC-Cabinet Committee last December 20, 2019

The next step is to get NEDA Board Approval

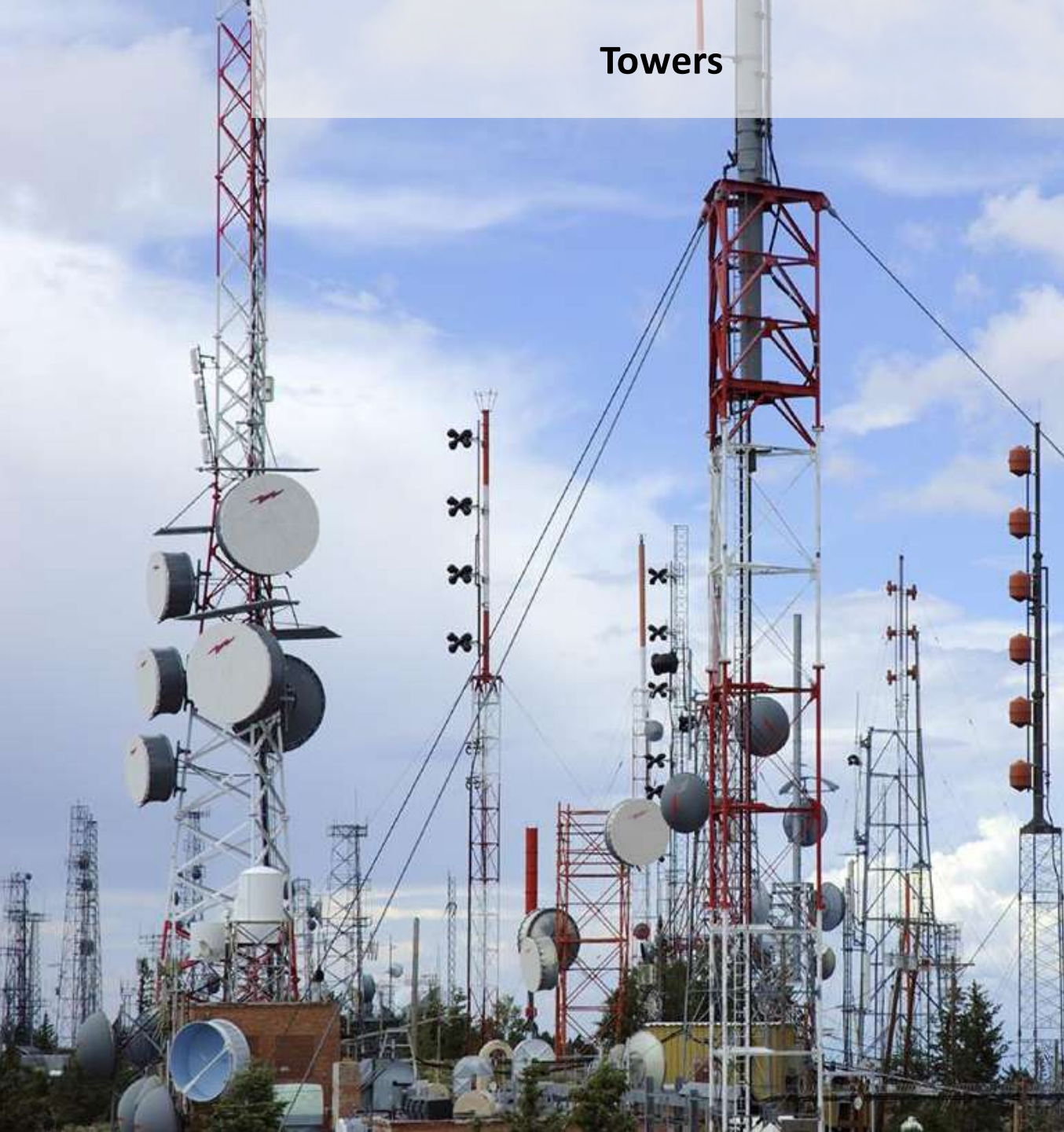
Bicol Airport



Unsolicited Proposal submitted on September 18, 2019

35 year concession with optimization

Towers



Continuing active engagement with the MNOs, particularly on site acquisition and selection

2,000 towers in 5 years

MOU with 3 telcos (Globe, DITO, and PLDT-Smart)



Improved operational performance in a challenging environment

- Modest growth in cement demand as contraction in infrastructure was offset by growth in residential and non-residential segments
- Market prices stable while production costs under control
- Debottlenecking projects completed safely, within budget, and now delivering results
- New mills nearing completion
- Contribution to AEV at PhP604M in 2019, higher by PhP470M versus 2018





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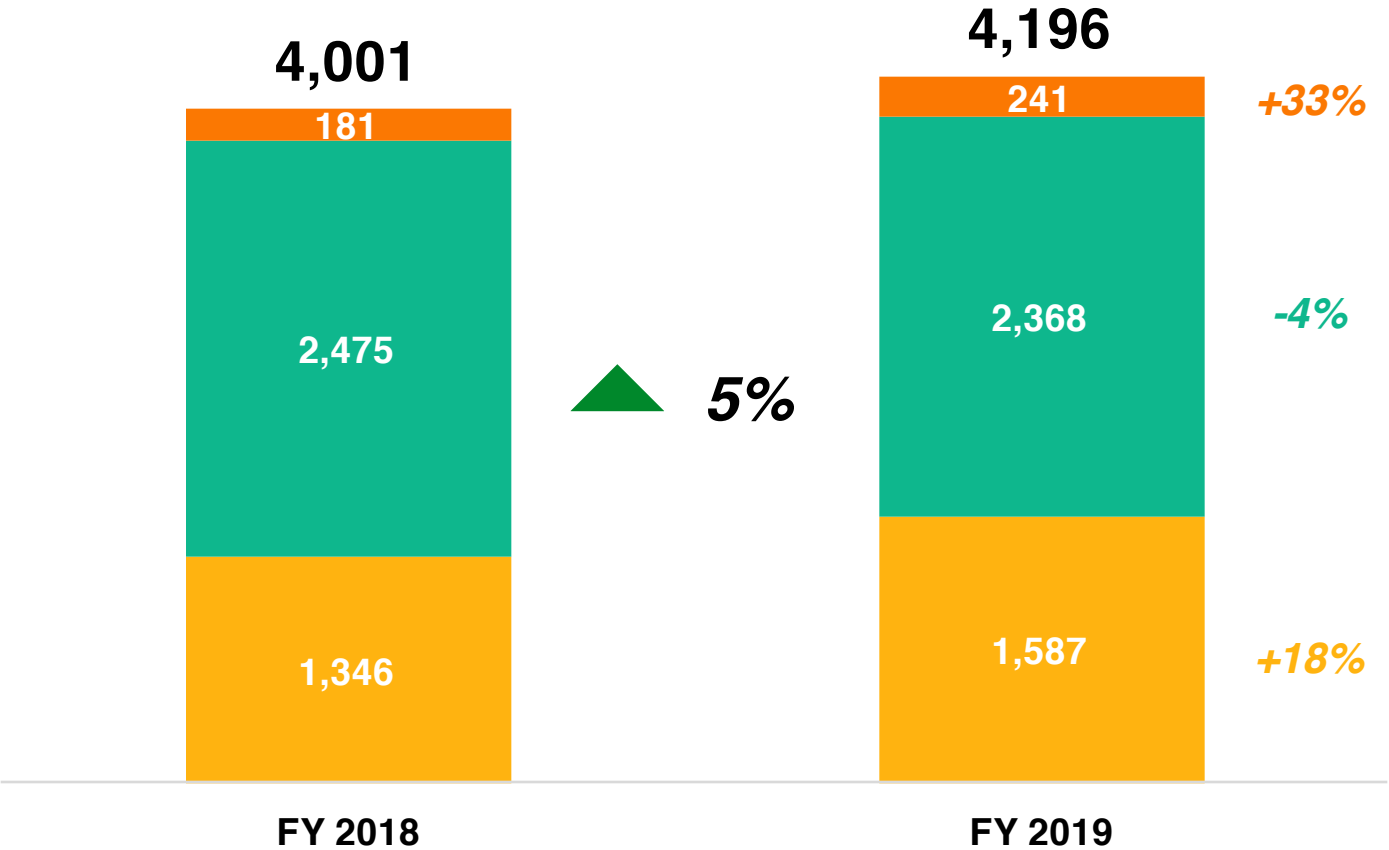
FY 2019 Financial Performance

	<u>FY 2019</u>	<i>vs <u>FY 2018</u></i>
Revenues	4,196M	▲ 5%
Gross Profit	1,485M	▼ 17%
Net Operating Profit	549M	▼ 43%
NIAT	943M	▲ 46%
<i>Residential Sales</i>	<i>2,196M</i>	▼ 6%



FY 2019 Revenues

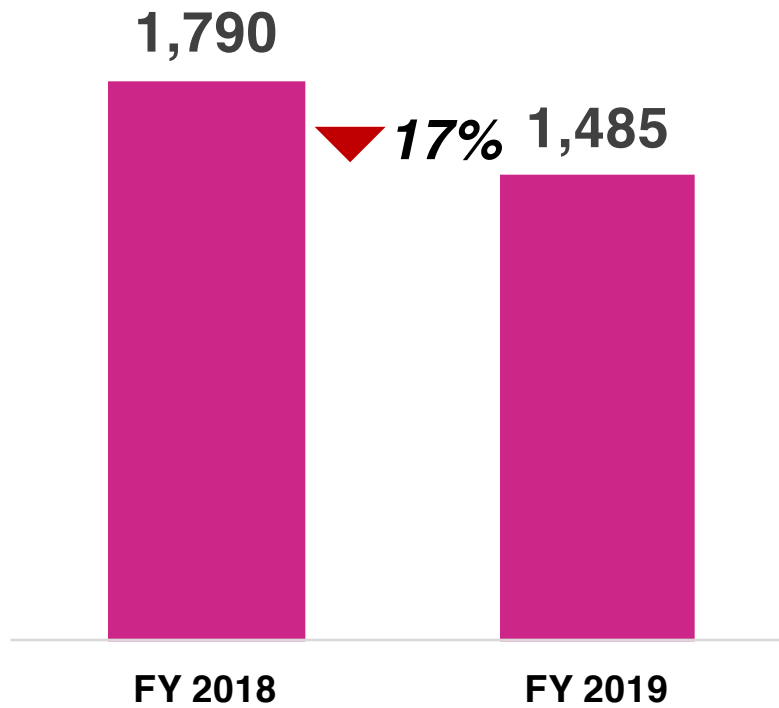
- Commercial
- Industrial & Others
- Residential



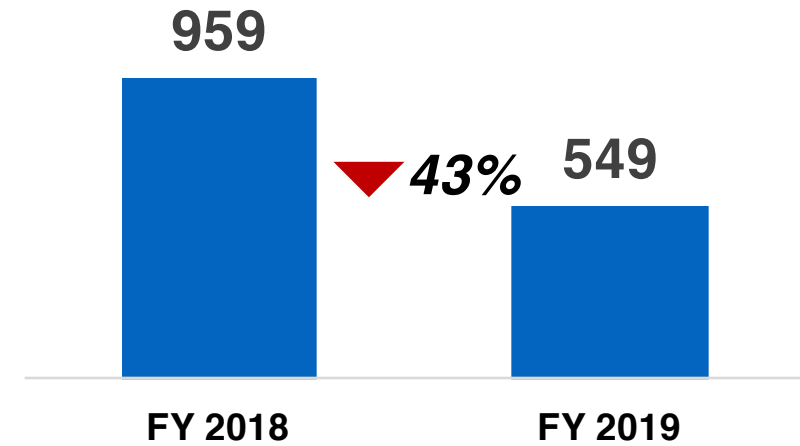


FY 2019 Gross Profit & Net Operating Profit

Gross Profit



Net Operating Profit





FY 2019 Business Highlights

In December we opened Lima Exchange, the latest commercial addition to our New Industry City in Lima. It houses a Robinsons supermarket, a public transport terminal, and more establishments that cater to the community's basic needs.





FY 2019 Business Highlights

Our communities and elegantly designed homes caught the attention of award-giving bodies

The Outlook 2019: Philippine Buyers' Choice Property Awards (organized by Lamudi Philippines)

Winner	Best House in VisMin (Amoa)
Nominee	Best Developer in Luzon
	Best Developer in Vismin
	Best Premium House (Seafront Residences)





FY 2019 Business Highlights

In 2019, AboitizLand partnered with Cebu Landmasters to deliver housing solutions to the Cebuano market. The JV's first project is a three-tower condominium in Mandaue City, Cebu.





FY 2019 Business Highlights

We also teamed up with Point Blue, a pioneer in the integrated micro-studio market.

Point Blue currently has 4 buildings in operation covering a total of 657 units, and plans to build 20 more apartment buildings over the next two years.





Review of Business Units

- Outlook
- Power
- Financial Services
- Food
- Infrastructure
- Land
- **AEV Financials**
- Q & A



FY 2019 Financial Performance

Revenues



₱48.7 bn | ₱201.2 bn

-6%

vs 4Q2018

+8%

vs FY2018

Conso EBITDA



₱15.3 bn | ₱60.2 bn

+1%

vs 4Q2018

-1%

vs FY2018

Core Net Income



₱5.6 bn | ₱21.5 bn

+4%

vs 4Q2018

-7%

vs FY2018

Net Income



₱6.3 bn | ₱22.0 bn

+28%

vs 4Q2018

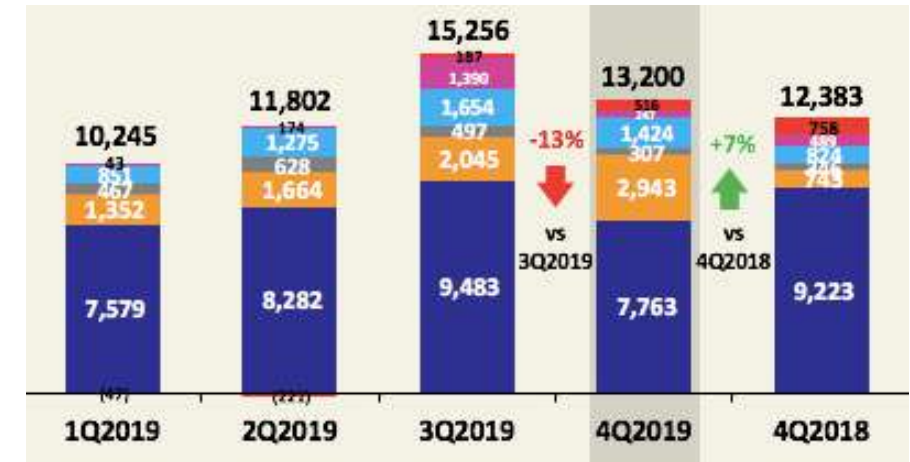
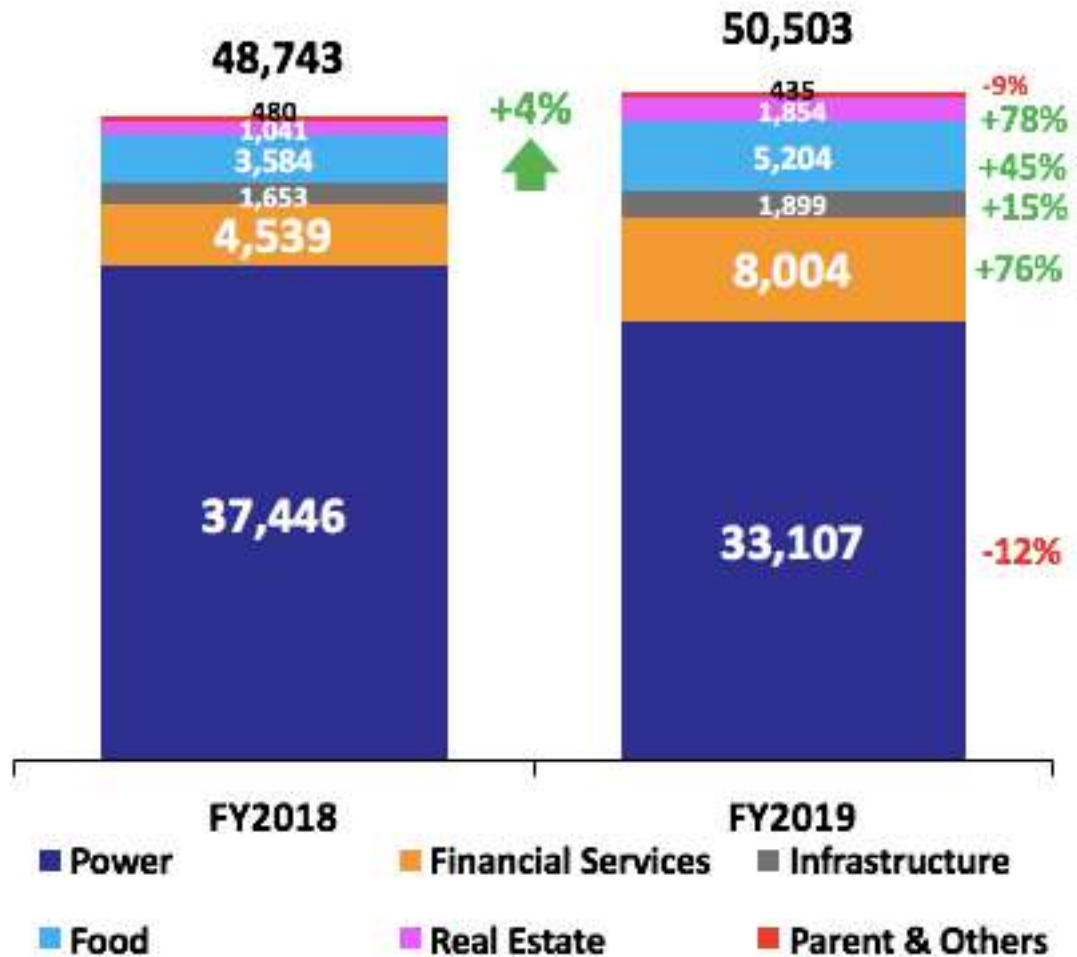
-1%

vs FY2018



FY 2019 Beneficial EBITDA

(in Php mn)



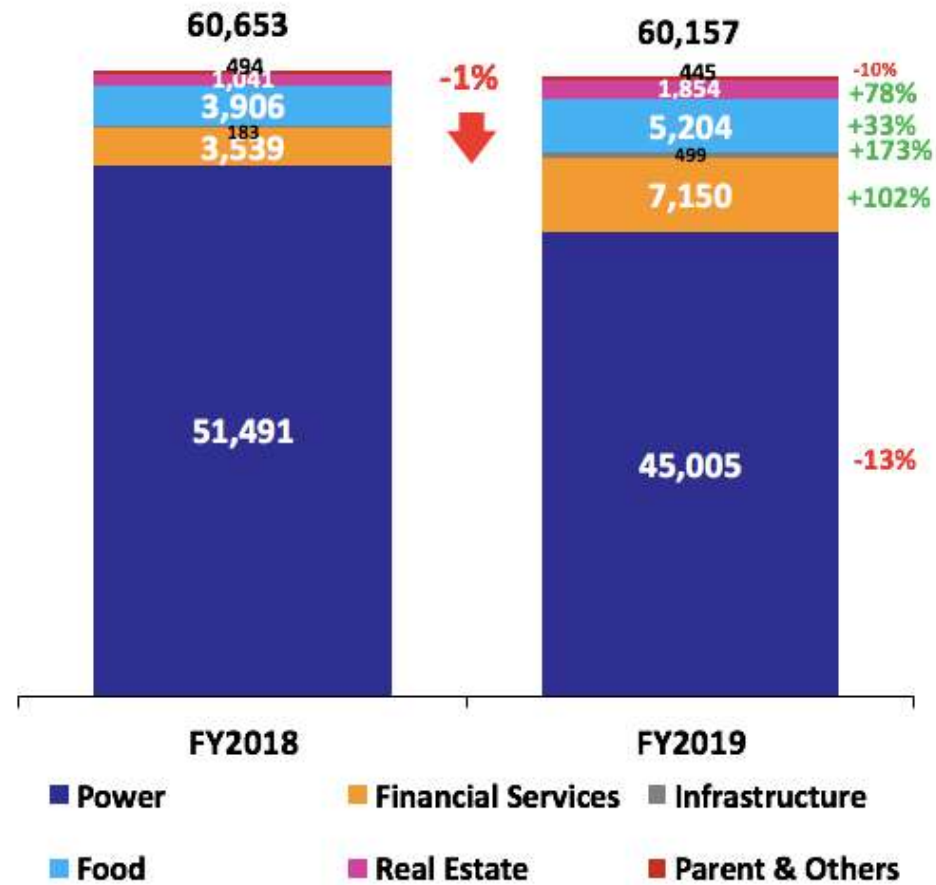
+4% vs FY 2018, of which

- +13% from outperformance of non-power business units
- -9% from Power due to higher purchased power cost, lower availability of coal facility and lower spot sales



FY 2019 Consolidated EBITDA

(in Php mn)





FY 2019 Core Net Income

(in Php mn)

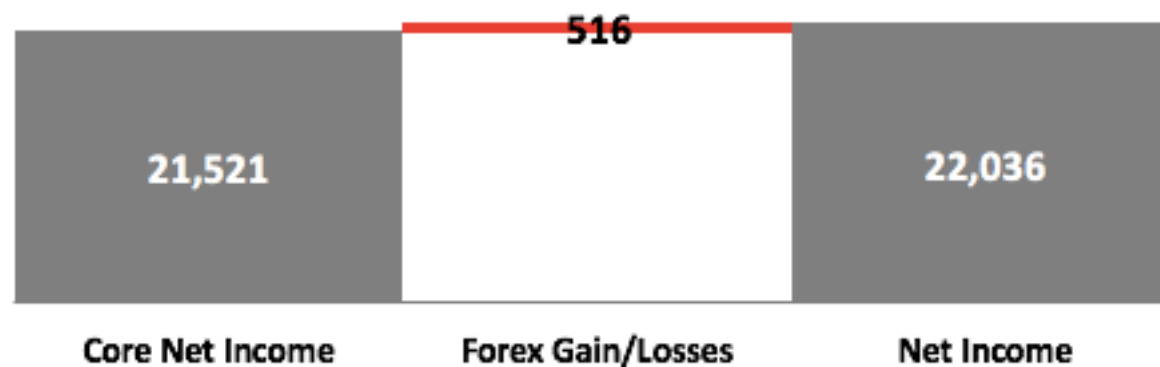


	FY2018	FY2019	Change
Conso EBITDA	60,653	60,157	-1%
Less: Interest Expense	13,162	15,474	18%
Depcn. & Amort.	9,818	11,537	18%
Tax & Others	4,799	4,572	-5%
Non-controlling Interest	9,749	7,054	-28%
Core Net Income	23,124	21,521	-7%
EPS	4.10	3.82	



FY 2019 Net Income

(in Php mn)



Core Net Income

Non-recurring gains/ (losses)

Net Income

EPS

	FY2018	FY2019	Change
Core Net Income	23,124	21,521	-7%
Non-recurring gains/ (losses)	(891)	516	158%
Net Income	22,233	22,036	-1%
EPS	3.95	3.91	

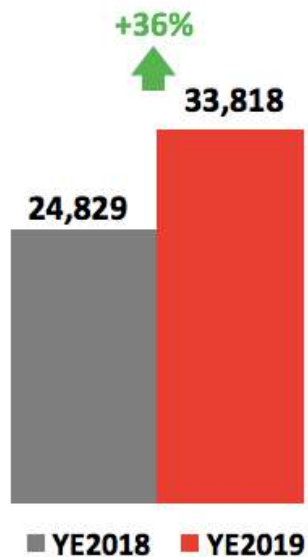
FX rate:
31 Dec 2019: 50.64
31 Dec 2018: 52.58



Balance Sheet Highlights

(in Php mn, except ratios)

Parent Net Debt



ND/E 0.14x 0.19x

Consolidated Balance Sheet/Key Ratios

	YE2018	YE2019
Cash and Cash Equivalents	59,033	46,425
Total Assets	554,494	588,386
Total Liabilities	336,016	371,191
Total Equity	218,478	217,195
Equity Attributable to Parent	174,691	176,481
Book Value Per Share	31.01	31.33
Current Ratio	1.8x	1.3x
Debt to Equity	1.5x	1.7x
Net Debt to Equity	1.0x	1.2x



Dividend Payment



Payout Ratio: 1/3 of previous year's consolidated net income

2020 Dividend Yield: Computed based on March 06, 2020 closing price



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100 YEARS OF ADVANCING BUSINESS AND COMMUNITIES