April 30, 2020

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
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 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:

SAMMY DAVE A. SANTOS
Assistant Corporate Secretary
COVER SHEET

S.E.C. Registration Number

(Company's Full Name)

(Business Address: No. Street City / Town / Province)

Contact Person

Company Telephone Number

FORM TYPE

Secondary License Type, if Applicable

Dept. Requiring this Doc

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = Pls. use black ink for scanning purposes
**Aboitiz Equity Ventures Inc. (AEV or the “Company”) recorded consolidated net income of ₱2.0 billion (bn) for the first quarter of 2020, a 42% decrease from the ₱3.5 bn reported in the same period in 2019. The Company recognized non-recurring losses of ₱262 million (mn) during the period, compared to the ₱334 mn in non-recurring losses for the corresponding period in 2019. These were due to unrealized foreign exchange losses from the revaluation of dollar-denominated assets. Without these one-off losses, the Company’s core net income for the first quarter of 2020 was ₱2.3 bn, a 41% decrease year-on-year (YoY). For the relevant period, AEV recorded**
consolidated earnings before interest, tax, depreciation and amortization (EBITDA) of ₱11.8 bn, which was 5% lower YoY.

Power accounted for 55% of the total income contributions from AEV’s Strategic Business Units (SBU) during the first quarter of 2020, while Financial Services accounted for 46%. Income contributions from Food, Infrastructure, and Real Estate SBUs were at 2%, 1%, and -4%, respectively.

**Strategic Business Units**

**Power**

Aboitiz Power Corporation’s (AboitizPower) net income contribution to AEV for the first quarter of 2020 decreased by 43% YoY, from ₱2.8 bn to ₱1.6 bn.

On a stand-alone basis, AboitizPower’s core net income for the first quarter of 2020 was ₱2.1 bn, 49% lower than the previous year. Including non-recurring losses of ₱27 mn, AboitizPower’s net income for the first quarter of 2020 was ₱2.1 bn, 43% lower YoY.

For the first quarter of 2020, Income contributions from the generation and retail electricity supply businesses, which accounted for 65% of total income contribution from AboitizPower’s business segments, totaled ₱1.9 bn, 44% lower YoY. Consolidated EBITDA recorded for the first quarter of 2020 was ₱7.4 bn, a 13% decrease YoY. The variance was primarily due to the EBITDA for the first quarter of 2019 that included income from the Generation Rate Adjustment Mechanism (GRAM) and Incremental Currency Exchange Rate Adjustment (ICERA). Excluding that, their EBITDA would have been lower only by 3%. AboitizPower’s performance during the first quarter of 2020 was also affected by outages in Therma South, Inc. and GN Power Mariveles Coal Plant Ltd. Co., and by lower selling prices. These offset the fresh contributions of Therma Visayas, Inc. and the decreased purchased power costs.

AboitizPower recorded higher capacity sold for the first quarter of 2020 at 3,445 MW, compared to 2,947 MW in the same period in 2019.

Meanwhile, AboitizPower’s distribution business recorded an income share of ₱1.0 bn during the first quarter 2020, an 8% increase YoY, which accounted for 35% of income contributions from AboitizPower’s business segments. Consolidated EBITDA for the distribution business in the first three months of 2020 was ₱2.1 bn, 12% higher YoY. This was driven by higher energy consumption from residential and commercial customer segments, and growth in the number of customers from the industrial segment.

Energy sales increased by 6% to 1,429 gigawatt-hours (GWh) during the first three months of 2020 from 1,343 GWh in the first quarter of 2019.
Union Bank of the Philippines’ (UnionBank or the “Bank”) income contribution to AEV for the first three months of 2020 amounted to ₱1.3 bn, 23% higher than the ₱1.1 bn recorded in the same period last year.

On a stand-alone basis, UnionBank and its subsidiaries recorded net income of ₱2.6 bn in the first quarter of 2020, 22% higher than the ₱2.2 bn recorded in the same period last year. This was mainly due to revenue growth from the increase in net interest income, which grew to ₱6.8 bn, 47% higher YoY.

UnionBank’s earnings performance during the first quarter of 2020 resulted in a return on equity (ROE) of 10.8%, a return on assets (ROA) of 1.4%, and a revenue-to-expense ratio of 1.9x.

As of March 31, 2020, UnionBank’s total assets amounted to ₱751.9 bn, 7% YoY, driven by growth in its customer loan portfolio which stood at ₱391.8 bn due to the expansion of commercial lending, consumer loans, SME banking and credit cards.

The Bank deemed it prudent to set aside higher provisions for loan losses during the quarter in anticipation of the impact of COVID-19.

**Food**

AEV’s non-listed food subsidiaries’ (Pilmico Foods Corporation, Pilmico Animal Nutrition Corporation, and Pilmico International Pte. Ltd. - which includes Gold Coin Management Holdings Limited) income contribution to AEV amounted to ₱60 mn for the first quarter of 2020, 56% lower than the ₱137 mn recorded in the same period in 2019.

The Food SBU’s local subsidiaries reported net loss amounting to ₱29 mn in the first quarter of 2020. The Farms business segment reported a net loss of ₱345 mn due to decreased selling prices and sales volume resulting from the spread of the African Swine Fever in Luzon. The Feeds business segment recorded net income of ₱130 mn, 136% higher YoY, due to reduced raw materials and financing costs. The Flour business segment recorded ₱184 mn in net income, 69% higher than the previous year, on the back of improved per unit gross profit and volume.

Meanwhile, income contribution from the Food SBU’s international subsidiaries totaled ₱89 mn. Pilmico International recorded net income of ₱297 mn in the first quarter of 2020, a 116% increase from the same period last year. This was due to the increase in income contribution of Gold Coin Management Holdings Limited (Gold Coin) resulting from an increased equity ownership, and increased volumes from Gold Coin’s China, Vietnam, Malaysia, and Sri Lanka operations. This, however, was offset by ₱94 mn in financing costs related to the acquisition of Gold Coin and ₱113 mn for project funding.
Real Estate

AEV’s non-listed real estate businesses, comprising AboitizLand, Inc. (AboitizLand) and its subsidiaries, reported a consolidated net loss of ₱110 mn for the first quarter of 2020, versus ₱44 mn in losses recorded in the same period last year.

AboitizLand contributed ₱508 mn in revenues for the first quarter of 2020, 24% lower than revenue contributions from the same period in 2019. This decrease was primarily due to higher forfeitures and lower construction progress resulting from the eruption of the Taal Volcano at the start of the quarter, and the enhanced community quarantine towards the end of the quarter. Operating costs were also higher compared to the same period last year.

Of AboitizLand’s revenue for the first quarter of 2020, the residential business unit contributed ₱235 mn, the commercial business unit contributed ₱71 mn, while the industrial business unit and others contributed the remaining ₱203 mn, equivalent to 46%, 14%, and 40%, respectively.

Infrastructure

For the Infrastructure group, Republic Cement & Building Materials, Inc.’s income contribution to AEV for the first quarter of 2020 amounted to ₱61 mn, versus the ₱32 mn loss recorded in the same period last year. This was due to strong demand growth during the first two months of the year and tempered by the slowdown in construction activities in March due to the Luzon-wide enhanced community quarantine.

Financial Condition

As of March 31, 2020, the Company’s consolidated assets totaled ₱621.8 bn, a 6% increase from end-2019’s level of ₱588.4 bn. Cash and cash equivalents stood at ₱76.8 bn, 65% higher than the ₱46.4 bn as of end-2019. Consolidated liabilities totaled ₱410.9 bn, a 11% increase from the year-end 2019 level of ₱371.2 bn, while equity attributable to equity holders of the parent decreased by 3% to ₱170.5 bn. AEV’s current ratio as of March 31, 2020 stood at 1.3x while its net debt-to-equity ratio was 1.2x.
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]
Sammy Dave A. Santos
Assistant Corporate Secretary

Date: April 30, 2020