



Aboitiz Equity Ventures

First Quarter of 2018

Financial & Operating Results

3 May 2018

aboitiz

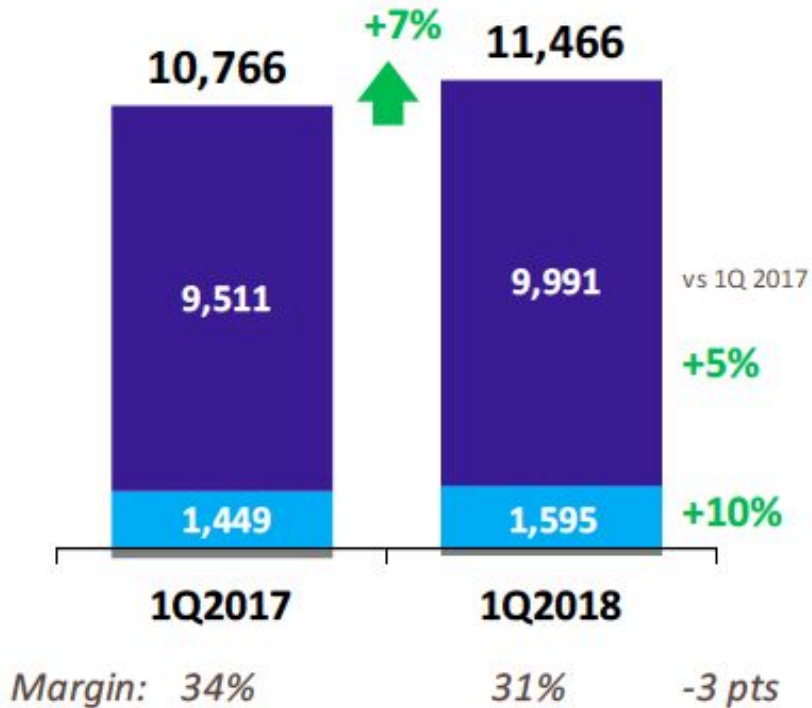


Review of Business Units

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



1Q 2018 EBITDA



+7% YoY growth, mainly of which...

- +8% from Coal group (mainly from PEC addition and higher availability of GMCP)
- +2% from higher contracting levels
- +1% from Distribution group driven by strong growth
- -5% from Hydro group due to lower hydrology

■ Generation and RES

■ Distribution

■ AP Parent & Others

Note: All numbers represent beneficial share.



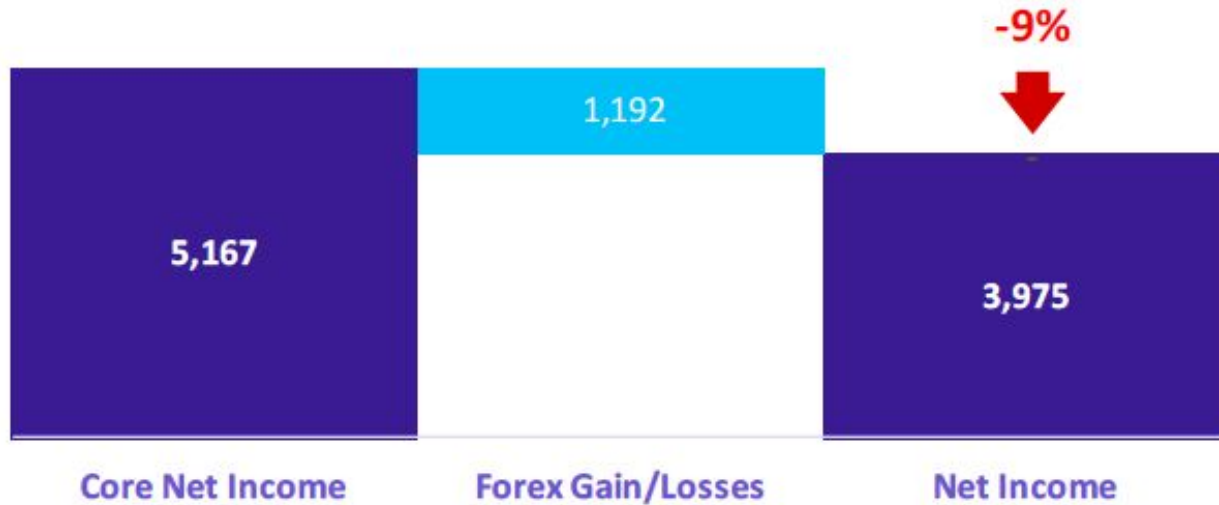
1Q 2018 Core Net Income



Php mn	1Q 2017	1Q 2018	Change
EBITDA	10,766	11,466	7%
-Interest Expense	2,691	2,821	5%
-Depcn. & Amort.	1,918	2,002	4%
-Tax & Others	1,207	1,476	22%
Core Net Income	4,950	5,167	4%
EPS	0.67	0.70	



1Q 2018 Net Income



	Net Income		
	1Q2017	1Q2018	Change
Php mn			
Core Net Income	4,950	5,167	4%
FX losses	(577)	(1,192)	107%
Net Income	4,373	3,975	-9%
EPS	0.59	0.54	

FX in March 2018: 52.16 vs 50.16 in 2017



Balance Sheet

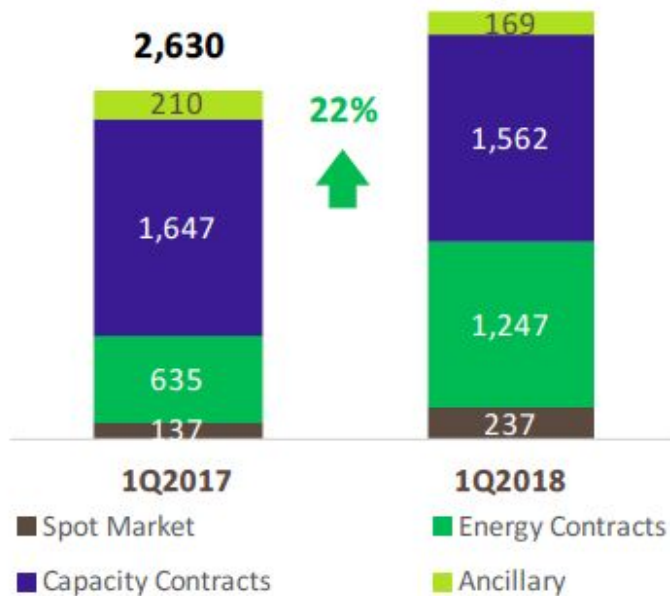
(Php mn)	CONSOLIDATED	
	YE2017	1Q2018
Cash and Cash Equivalents	35,700	44,330
Investments and Advances	31,249	31,819
Property, Plant and Equipment	204,025	206,332
Total Assets	361,477	375,549
Total Liabilities	237,499	259,943
Total Equity	123,978	115,606
Total Interest Bearing Debt	205,996	218,044
Net Debt	167,654	170,086
Net Debt to Equity	1.4X	1.5x
Debt to Equity*	1.7X	1.9x

*Interest bearing debt/Total equity



Operating Highlights: Generation

Capacity Sales Breakdown
(MW)



- Increased capacity sales driven by PEC

Capacity Sold Factor

Fuel Group	1Q2017	1Q2018	Change pts
Mini Hydro	36%	33%	(3)
Large Hydro	93%	96%	3
SNAP Magat	85%	89%	4
SNAP Benguet	104%	107%	3
Geothermal	68%	133%	65
Coal	99%	115%	16
Therma Luzon	104%	141%	37
Therma South	77%	100%	23
GN Power Mariveles	103%	103%	-
Pagbilao 3	0%	74%	-
Oil	88%	81%	(7)
Others	9%	14%	6
AP Generation	88%	105%	17

Capacity Sales: Capacity Contracts (MW) + Energy Contracts (MW) + [(Spot (MWh) + Ancillary (MWh))/Days_Year/Hours Day]
 Capacity Sold Factor: Capacity Sales (MW) / Net Sellable Capacity (MW)



Operating Highlights: Generation

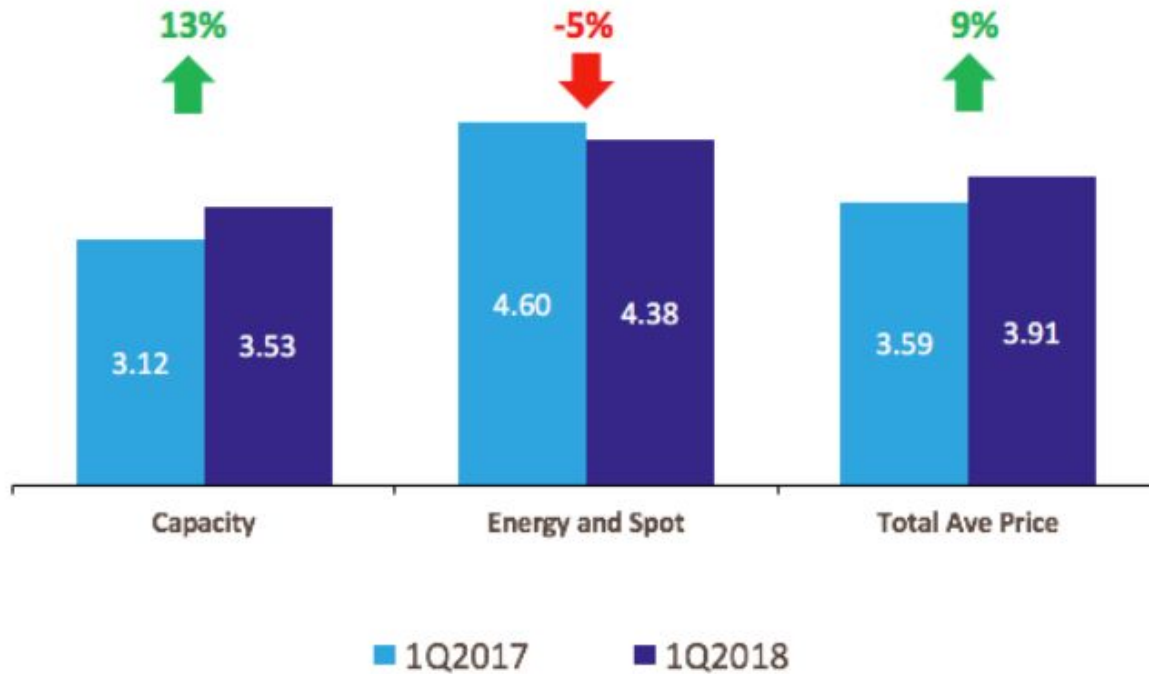
	Beneficial Energy Dispatch* (GWh)		
	1Q2017	1Q2018	Change
Mini Hydro	114	125	10%
Large Hydro	259	303	17%
SNAP Magat	171	192	13%
SNAP Benguet	88	111	25%
Geothermal	576	627	9%
Coal	2,332	2,908	25%
Therma Luzon	1,255	1,462	17%
Therma South	283	339	20%
GN Power Mariveles	570	506	-11%
Pagbilao 3	-	320	100%
Oil	163	138	-16%
Others	4	15	230%
Total Energy Dispatch	3,448	4,115	19%

**generated + purchased power*



Operating Highlights: Generation

Average Selling Price (P/kWh)

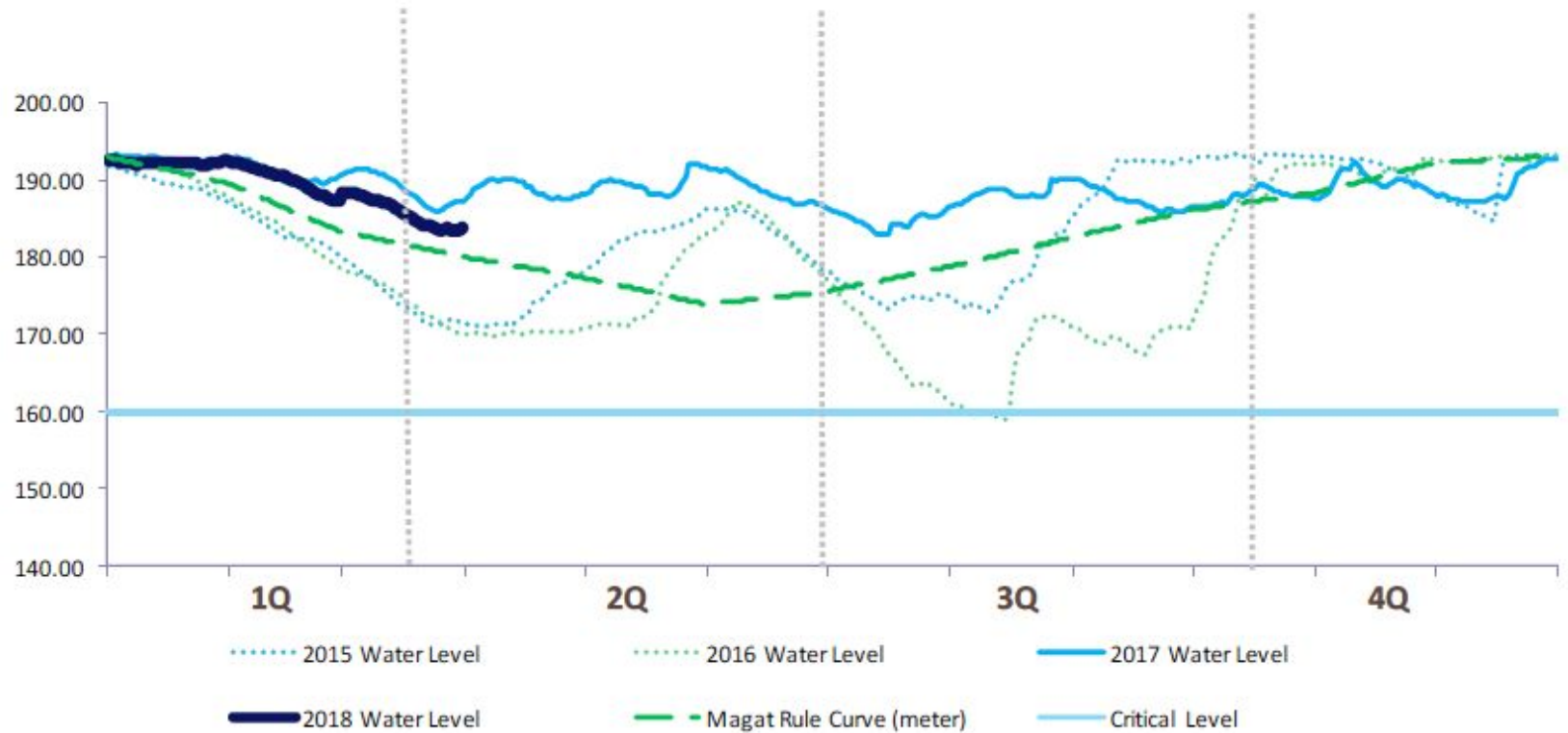


Notes:
Capacity contracts; energy contracts include spot
kWh: Based on total energy sold



Operating Highlights: Generation

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



- Water levels above the rule curve but lower compared to previous year



Operating Highlights: Generation

WESM TIME WTD AVERAGE PRICES (P/MWh)



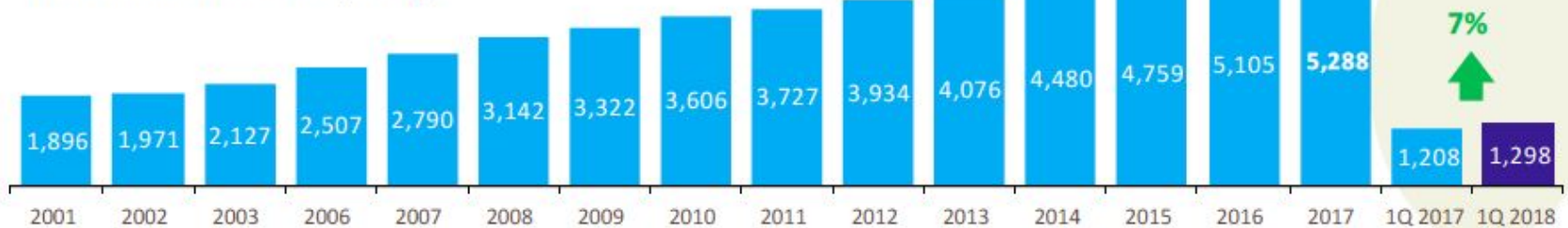
Source: WESM



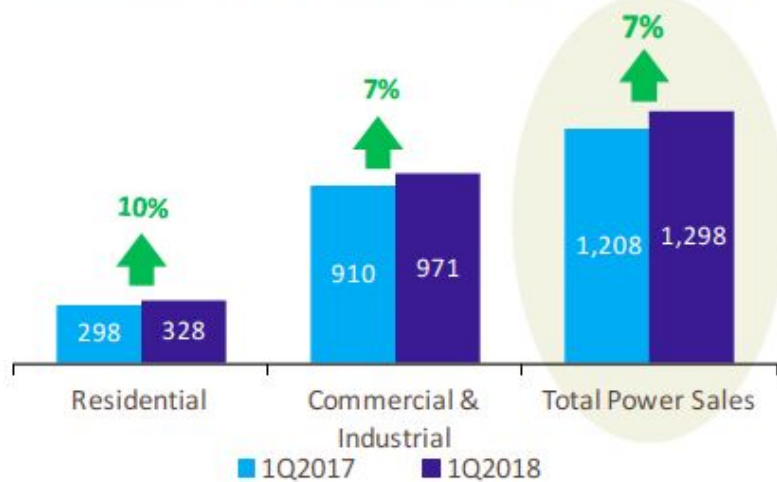
Operating Highlights: Distribution

Strong growth in distribution sales

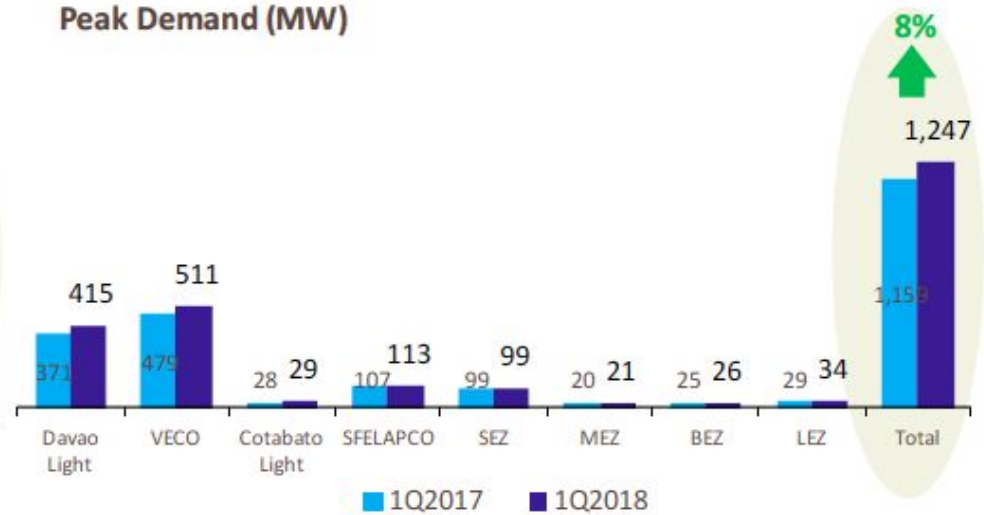
Beneficial Power Sales (GWh)



Beneficial Power Sales By Customer Type (GWh)



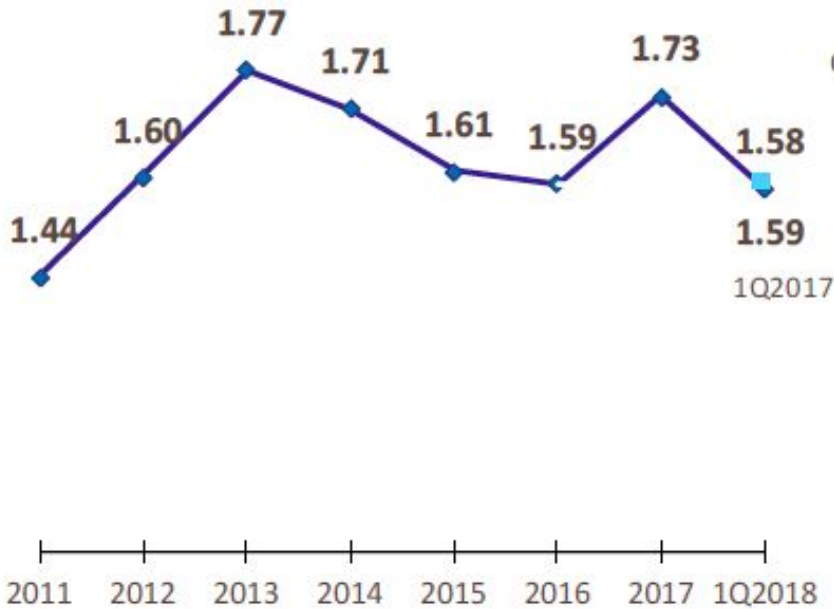
Peak Demand (MW)



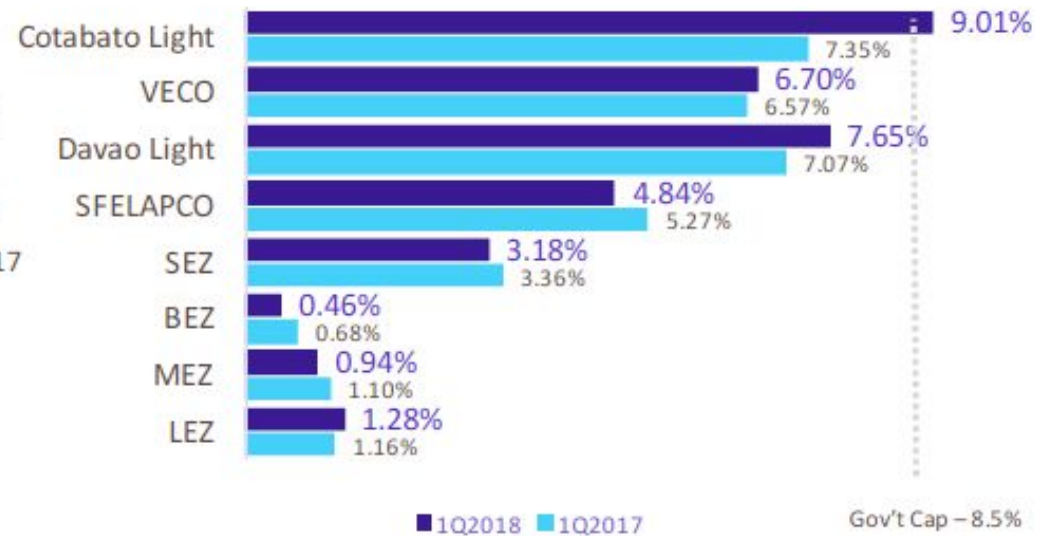


Operating Highlights: Distribution

Gross Margin/kWh



System Loss





Project Update

Pipeline on track to track to reach our target of 4,000 MW by 2020

GRID	Project	Capacity (Net)	% Ownership	Attributable Net Capacity	Estimated Commercial Operation Date
LUZON	Maris (Hydro – SNAP Magat)	8.5 MW	50%	4.3 MW	Jan 2018 (done)
	Pagbilao 3 (Coal – Pagbilao Energy)	400 MW	50%	200 MW	Mar 2018 (done)
	La Trinidad (Hydro – Hedcor Inc)	19 MW	100%	19 MW	2019
	Dinginin Unit 1 (Coal – GNPD)	668 MW	40%	267 MW	2019
	Dinginin Unit 2 (Coal – GNPD)	668 MW	40%	267 MW	2020
	Subic (Coal – RP Energy)	300 MW	25%	75 MW	
VISAYAS	Cebu (Coal – Therma Visayas)	300 MW	80%	240 MW	Dec 2018
MINDANAO	Manolo Fortich (Hydro – Hedcor Bukidnon)	68 MW	100%	68 MW	Unit 1 Jun 2018 Unit 2 Sep 2018
		2,432 MW		1,140 MW	



Project Update

Pagbilao 3 – 400 MW of Coal power





Project Update

Manolo Fortich – 68 MW of Hydro





Project Update

Cebu – 300 MW of Coal Power





Project Update

La Trinidad – 19 MW of Hydro Power





Project Update

Dinginin– 2 x 668 MW of Coal Power





Review of Business Units

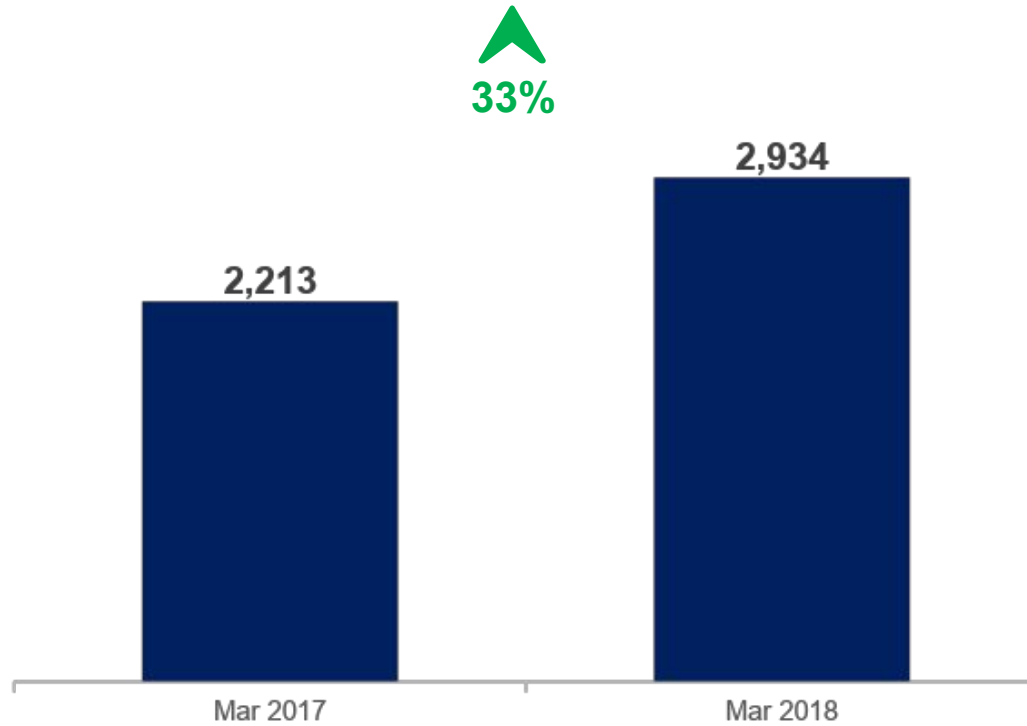
- Power
- **Banking & Financial Services**
- Food
- Infrastructure
- Land
- AEV Financials
- **Q&A**



1Q 2018 Net Income

(in Php mn)

Net income surged 33% for 1Q2018



Attributable to Parent Bank's Stockholders

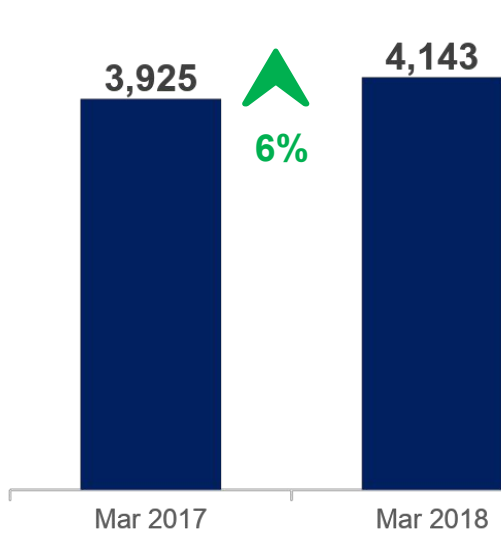


1Q 2018 Net Interest Income

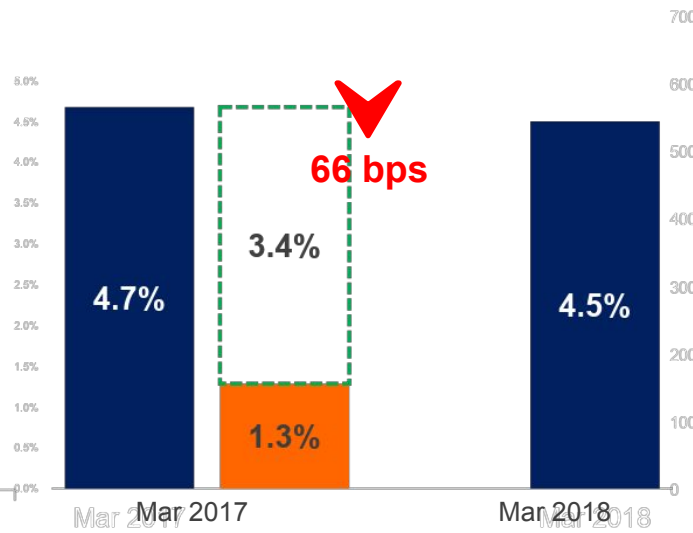
(in Php mn)

Net interest income was up due to higher earning assets

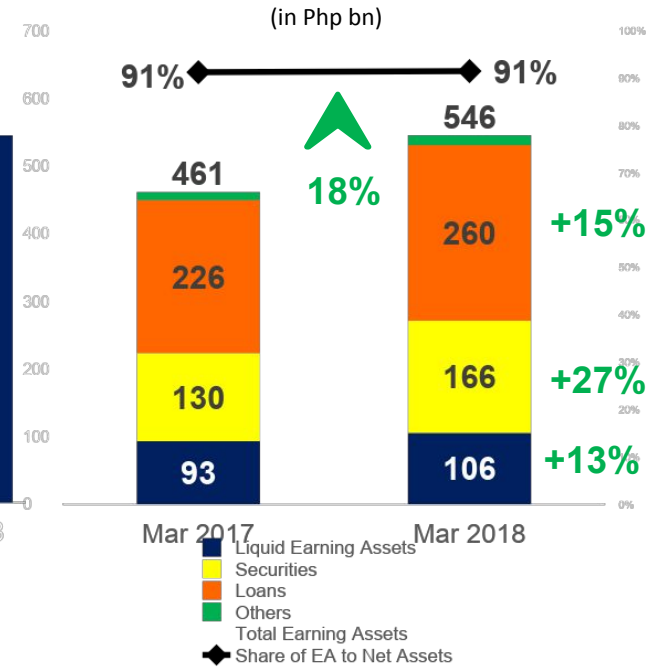
NET INTEREST INCOME



NET INTEREST MARGIN



EARNING ASSETS

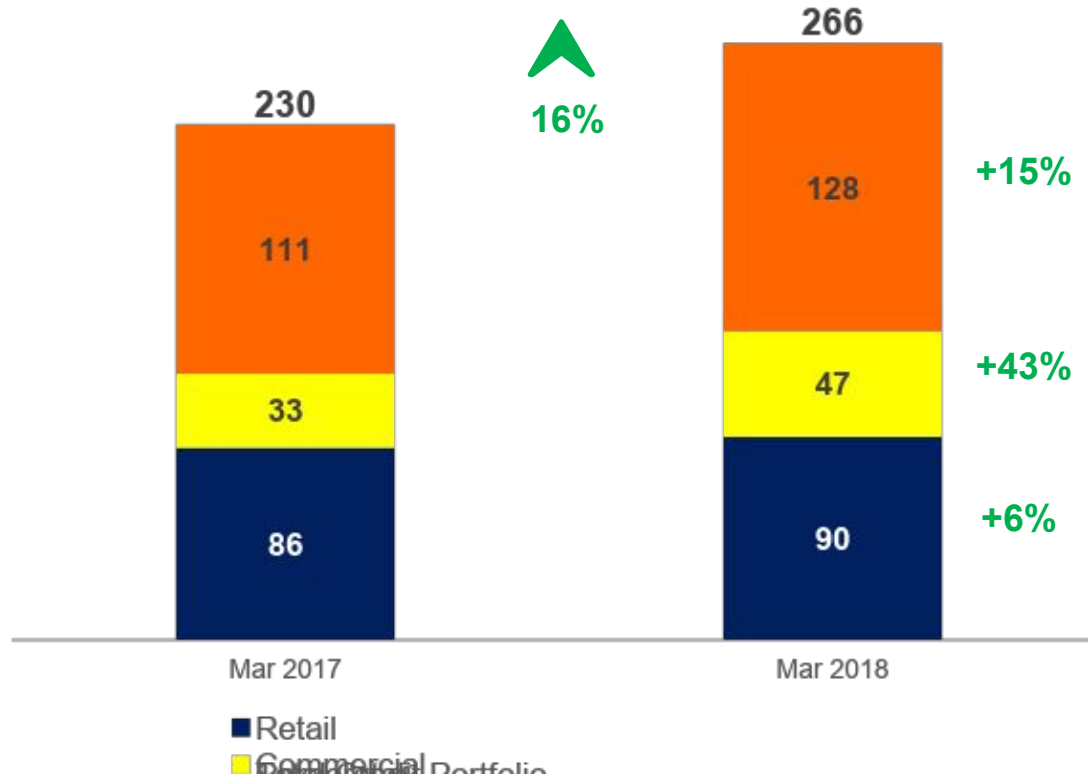




1Q 2018 Credit Portfolio

(ADB in Php bn)

Credit portfolio sustained double-digit growth

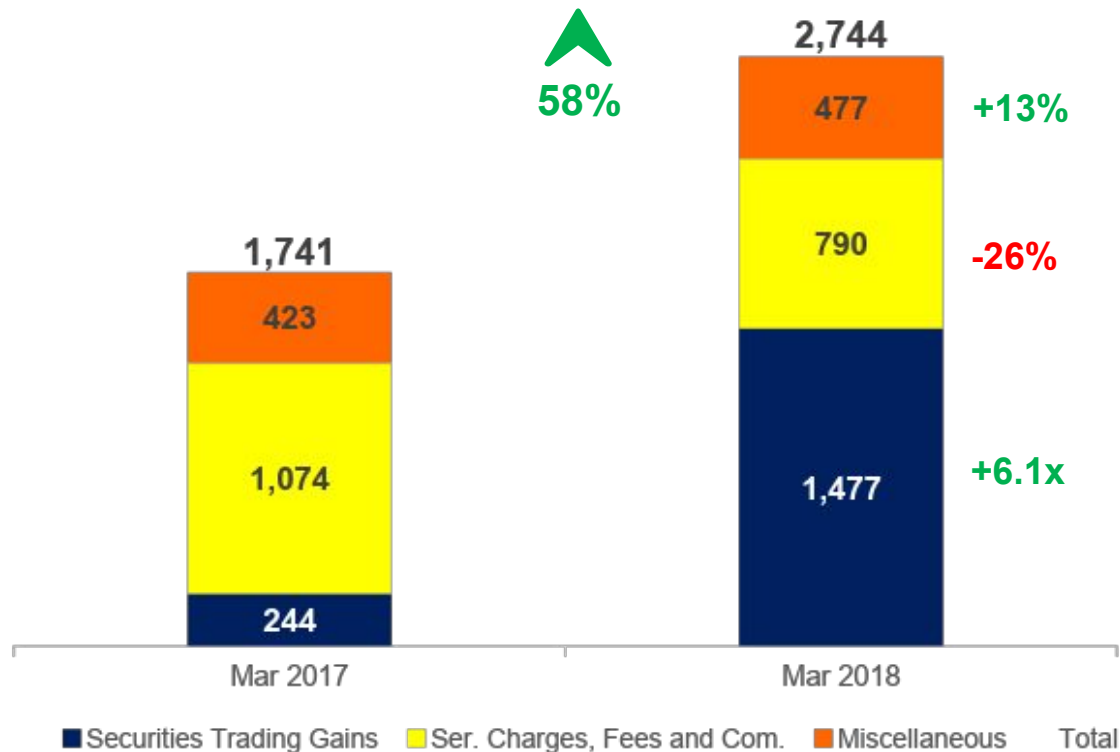




1Q 2018 Non-Interest Income

(in Php mn)

Non-interest income driven by gain on sale of securities



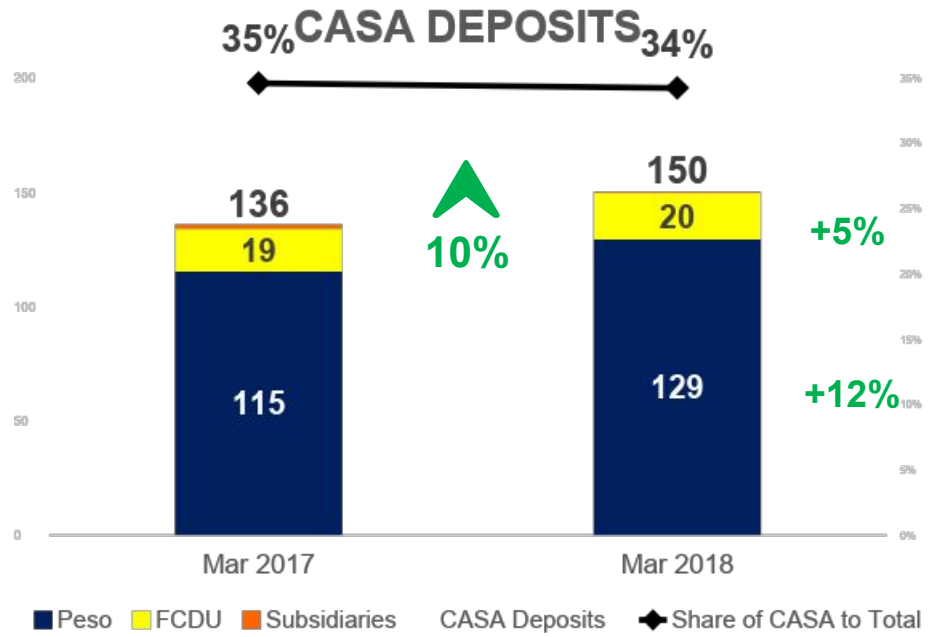
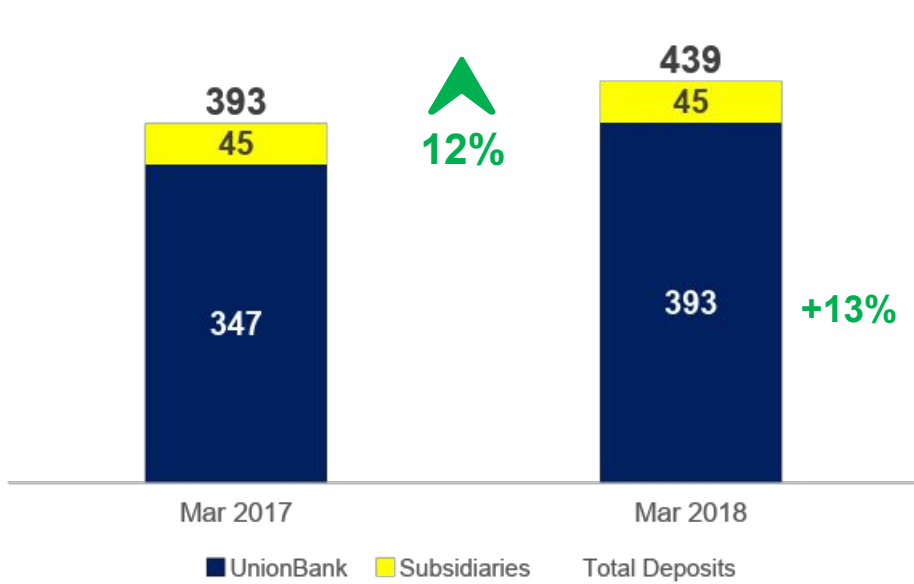


1Q 2018 Total Deposits & CASA Deposits

(ADB in Php bn)

Deposits in line with asset expansion

TOTAL DEPOSITS

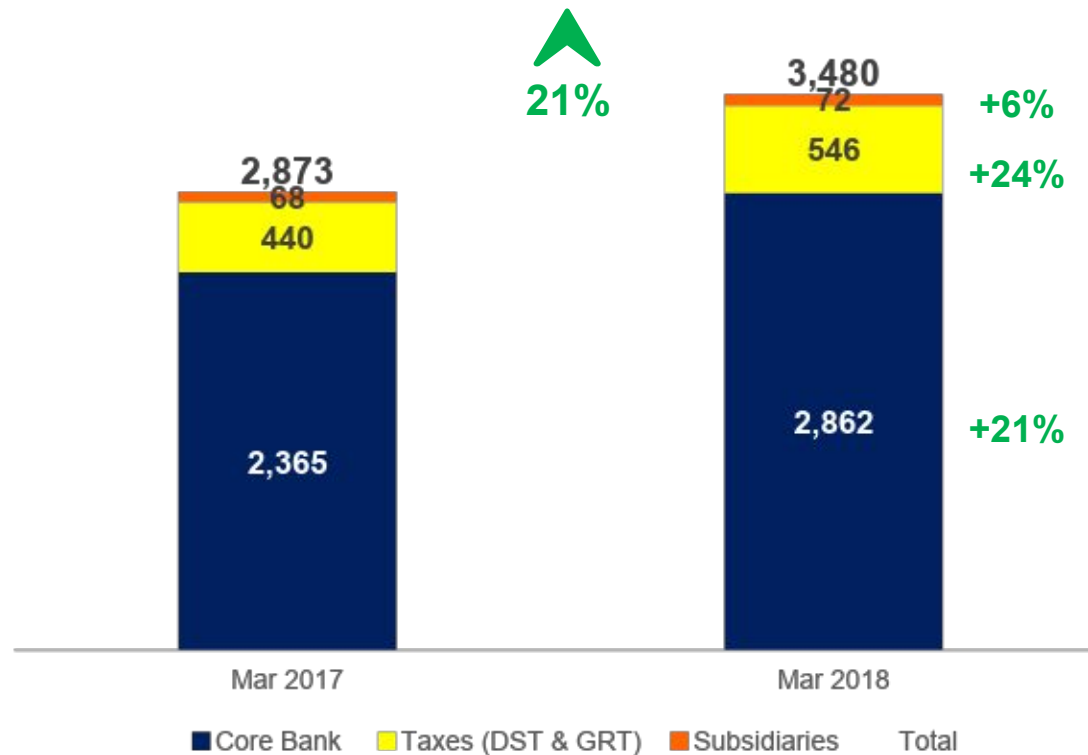




1Q 2018 Operating Expenses

(in Php mn)

Operating Expenses increased primarily on business growth

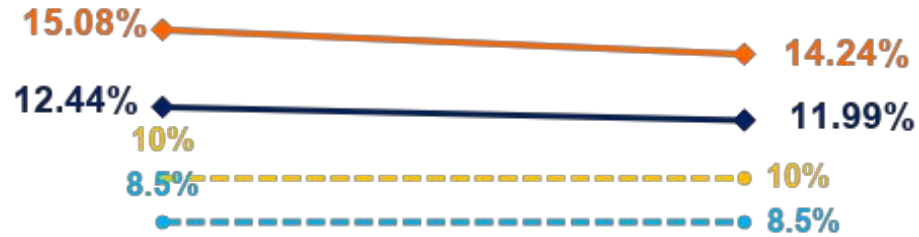




Capital Adequacy Ratios

Consolidated Basis

Capital ratios remained healthy



Mar-17

Mar-18

Mar 2017

Mar 2018

- ◆ Tier 1 Capital Ratio
- ◆ Total Capital Adequacy Ratio
- Min. req. Tier 1 ratio
- Min. req. CAR



Profitability Ratios

Sustained above-industry profitability ratios

RETURN ON EQUITY

RETURN ON ASSETS

COST-TO-INCOME

13.1%

15.9%

1.7%

2.0%

50.7%

50.5%

Mar 2017

Mar 2018

Mar 2017

Mar 2018

Mar 2017

Mar 2018









Review of Business Units

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



1Q 2018 Financial Highlights

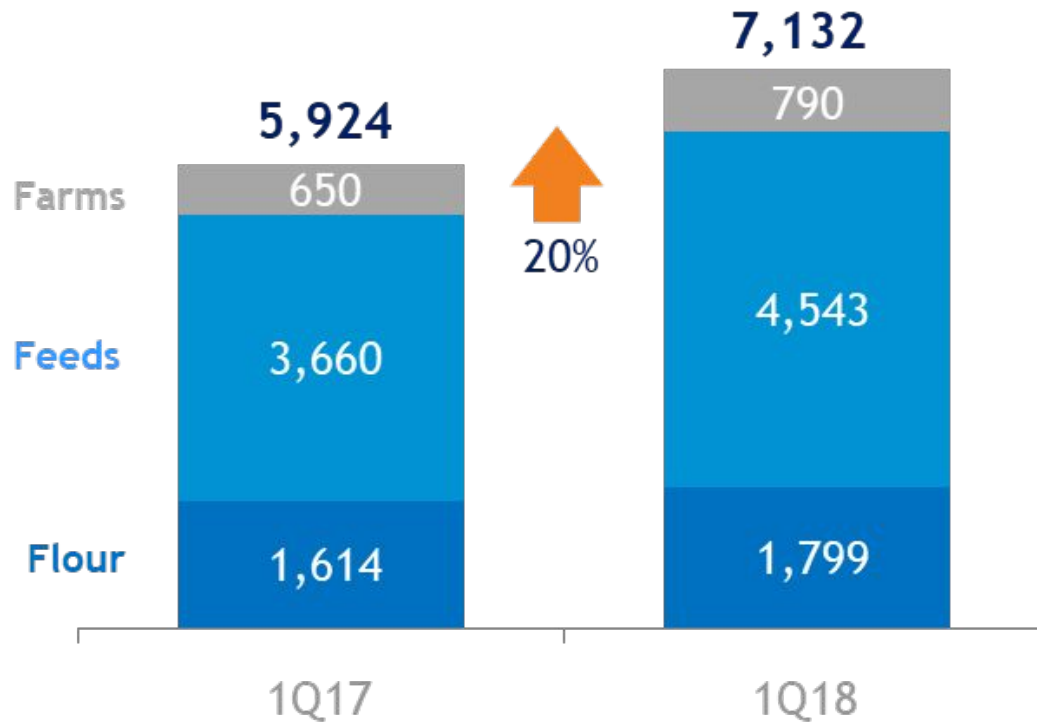
(in Php mn)

Revenue	7,132	 vs. 1Q17 +20%
EBITDA	601	 -6%
EBITDA Margin	8%	 -200bps
NIAT	274	 -10%



1Q 2018 Revenue

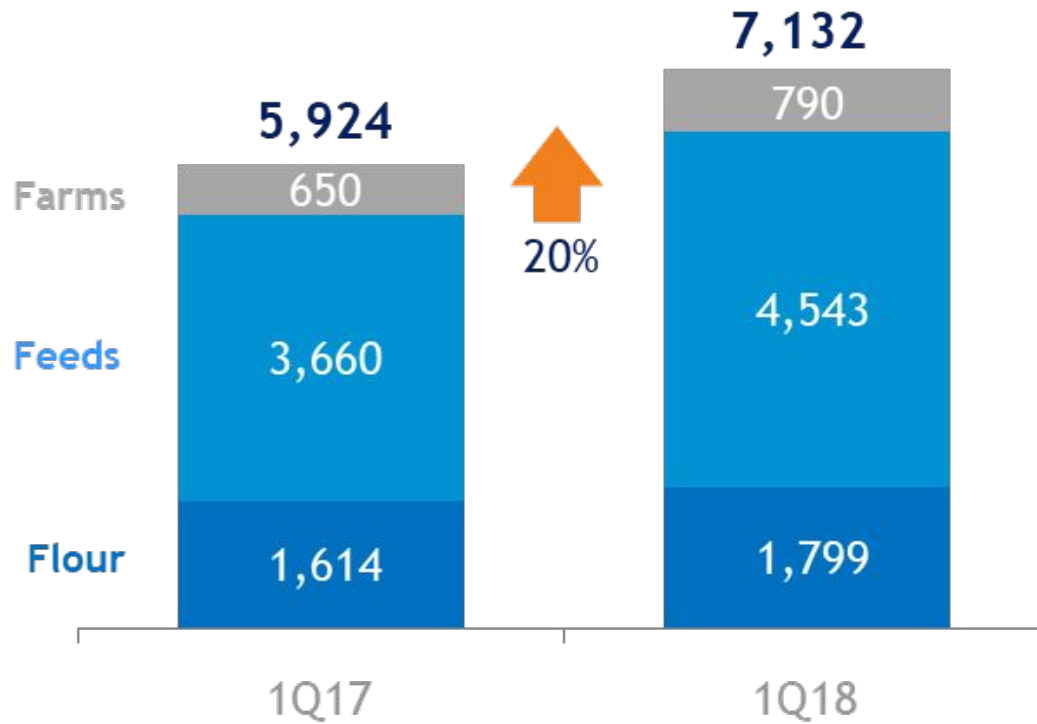
(in Php mn)





1Q 2018 Revenue

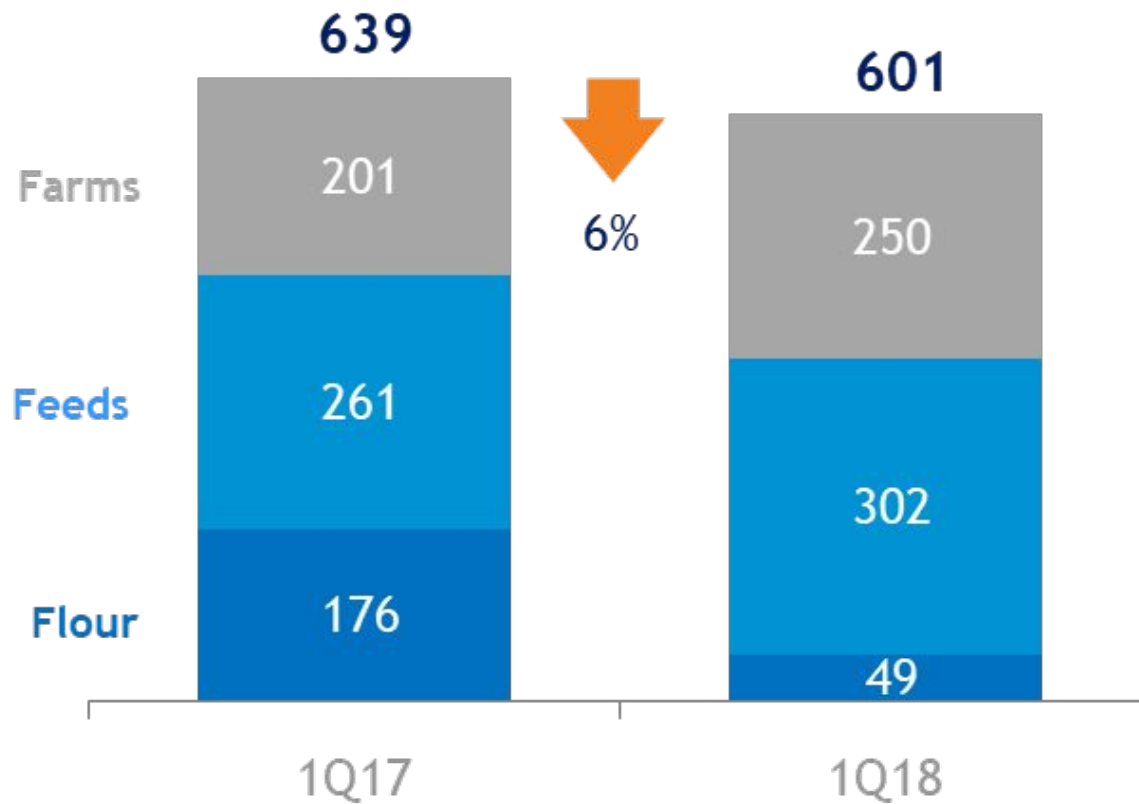
(in Php mn)





1Q 2018 EBITDA

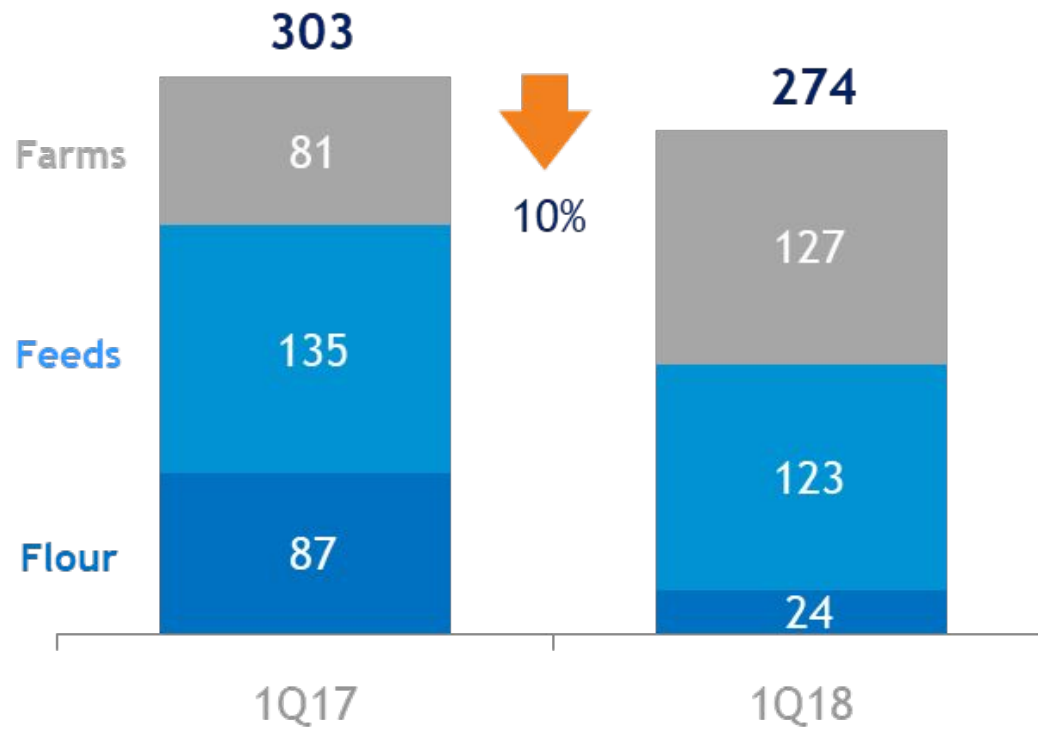
(in Php mn)





1Q 2018 Net Income

(in Php mn)



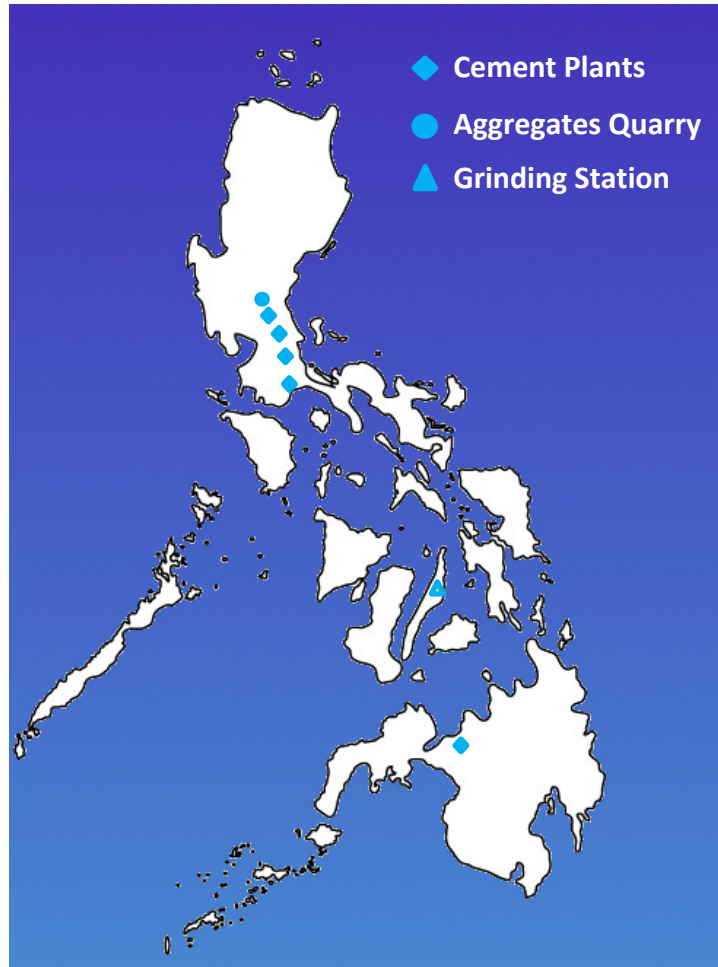


Review of Business Units

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



Market Showing Signs of Recovery



- Government's infrastructure slowly picking up
- Stable demand in residential and non-residential market
- Market prices improving but remain below Q1 2017 levels
- Fuel costs increased



Water Sector: Project Updates



300 MLD Bulk Water project in Davao

One of the country's largest private bulk water supply projects



WORK-IN-PROGRESS

- Permitting
- Design Works
- Stakeholder engagement campaigns



Transport Infrastructure: NAIA Unsolicited Proposal



- Unsolicited proposal submitted
- Letter of completeness received
- Discussion of terms ongoing








Review of Business Units

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



1Q 2018 Financial Performance

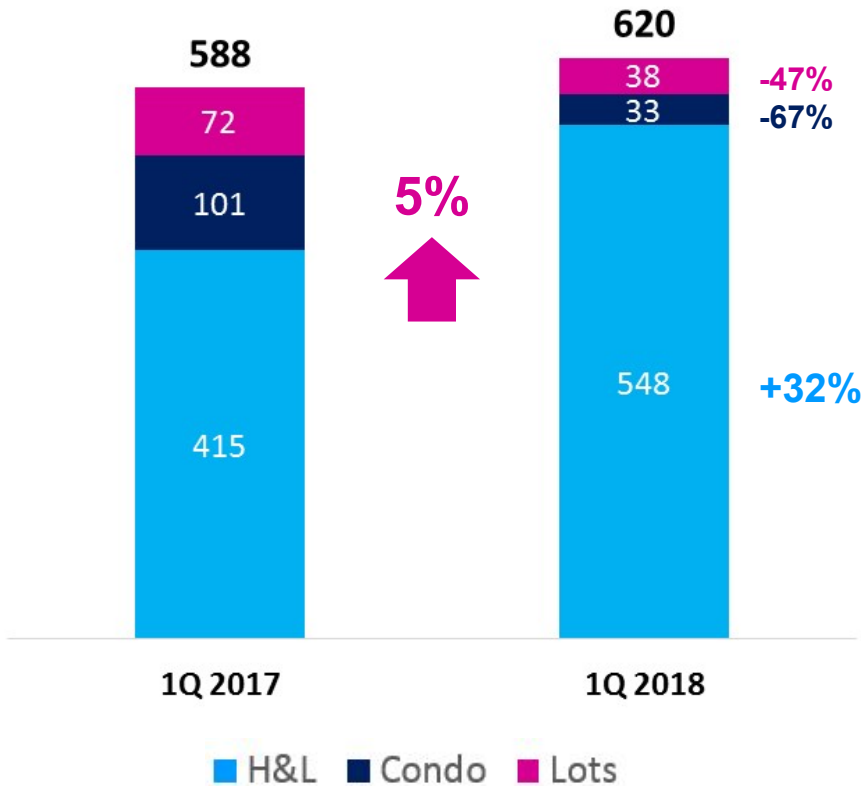
	1Q 2018	<i>vs 1Q 2017</i>
 Residential Sales	620M	<i>+5%</i>
 Revenues	740M	<i>+16%</i>
 GP	292M	<i>+3%</i>
 NOP	90M	<i>+5%</i>
 NIAT	59M	<i>-18%</i>



1Q 2018 Residential Sales

(in Php mn)

Residential sales up, driven by H&L products



Amoa (Compostela, Cebu)



Seafront (San Juan, Batangas)

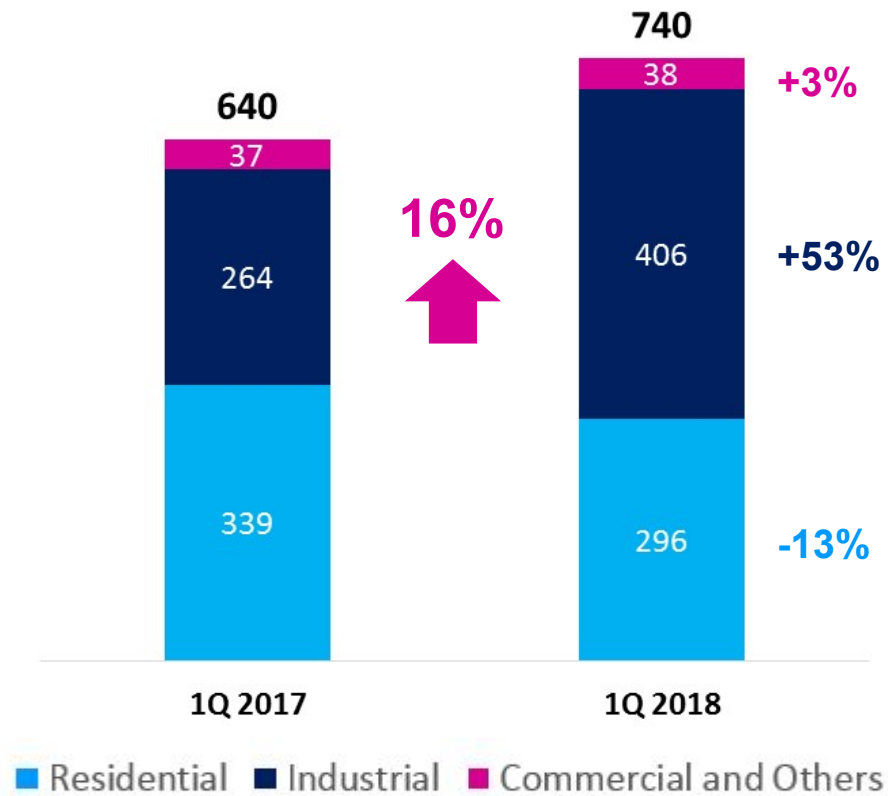




1Q 2018 Revenues

(in Php mn)

Revenues increase with higher industrial lot sales recognized

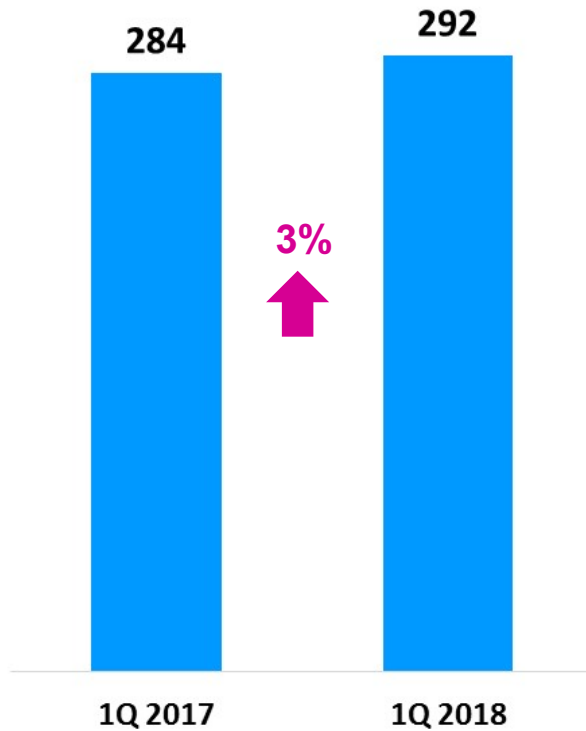




1Q 2018 Gross Profit & Net Operating Profit

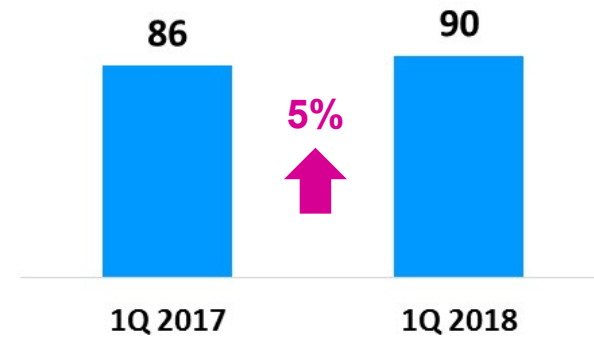
Gross Profit

(in PHP mn)



Net Operating Profit

(in PHP mn)





1Q 2018 Business Highlights



Se@front Summerfest (featured above)

43-hectare beachside residential development in San Juan, Batangas



1Q 2018 Business Highlights



The largest Outlet mall to open in the Philippines
(~27,000 GLA located at Lipa, Batangas)

Operational by 1H of 2018



1Q 2018 Business Highlights



Residential

- *Almiya and The Persimmon Studios* approaching completion
- On-going construction progress in existing development – notably in *Seafront Residences, Amoa, Priveya Hills, and Pristina North Residences*

Commercial

- Malls in Cebu boast an occupancy rate of 96%, with increases in merchant sales from the previous year
- The *Outlets at Lipa* remains on-schedule and is expected to open by 1H of 2018

Industrial

- 20 hectares sold

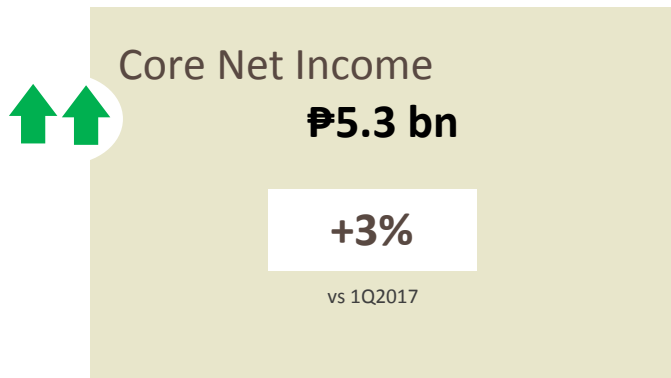


Review of Business Units

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



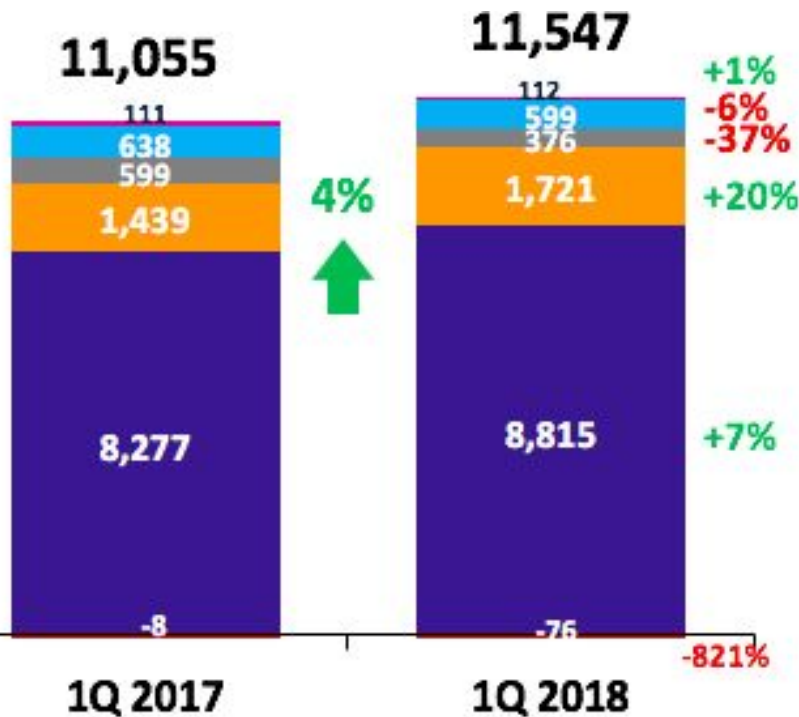
1Q 2018 Financial Performance





1Q 2018 Beneficial EBITDA

(in Php mn)



+4% growth vs 1Q 2017, mainly from...

- Power group driven by PEC addition, higher availability of GMCP and higher contracting levels
- Banking on higher trading gains
- Infrastructure on RCBM due to higher energy input costs

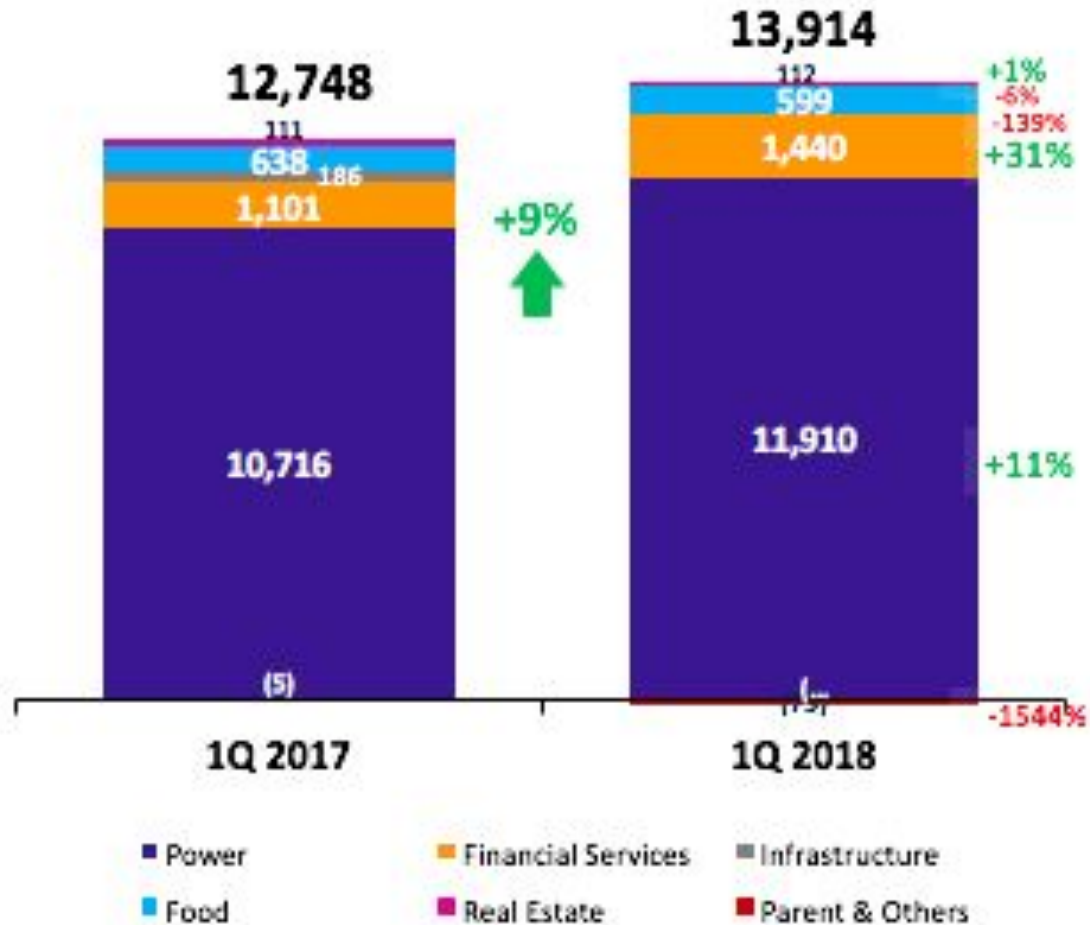
■ Power ■ Financial Services ■ Infrastructure ■ Food ■ Real Estate ■ Parent & Others

represents AEV's proportionate share of the EBITDAs of its investee companies



1Q 2018 Consolidated EBITDA

(in Php mn)





1Q 2018 Core Net Income

(in Php mn)

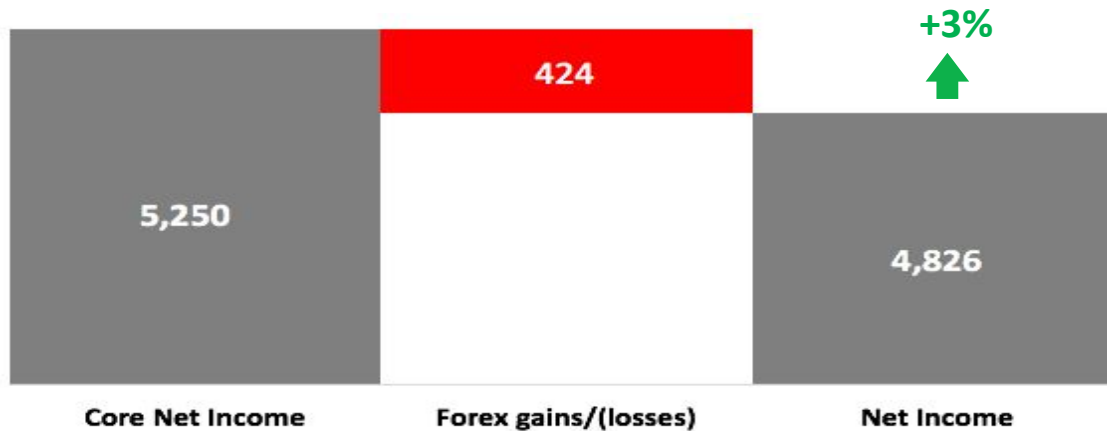


	1Q2017	1Q2018	Change
Conso EBITDA	12,748	13,914	9%
Interest Expense	2,869	3,038	6%
Depcn. & Amort.	2,019	2,211	9%
Tax & Others	1,329	1,834	38%
Non-controlling Interest	1,415	1,581	12%
Core Net Income	5,115	5,250	3%
<i>EPS</i>	<i>0.91</i>	<i>0.93</i>	



1Q 2018 Net Income

(in Php mn)



	1Q2017	1Q2018	Change
Core Net Income	5,115	5,250	3%
Non-recurring Income/(Loss)	(442)	(424)	-4%
Net Income	4,674	4,826	3%
EPS	0.83	0.86	

FX in March 2018: 52.16 vs 50.16 in 2017



1Q 2018 Balance Sheet

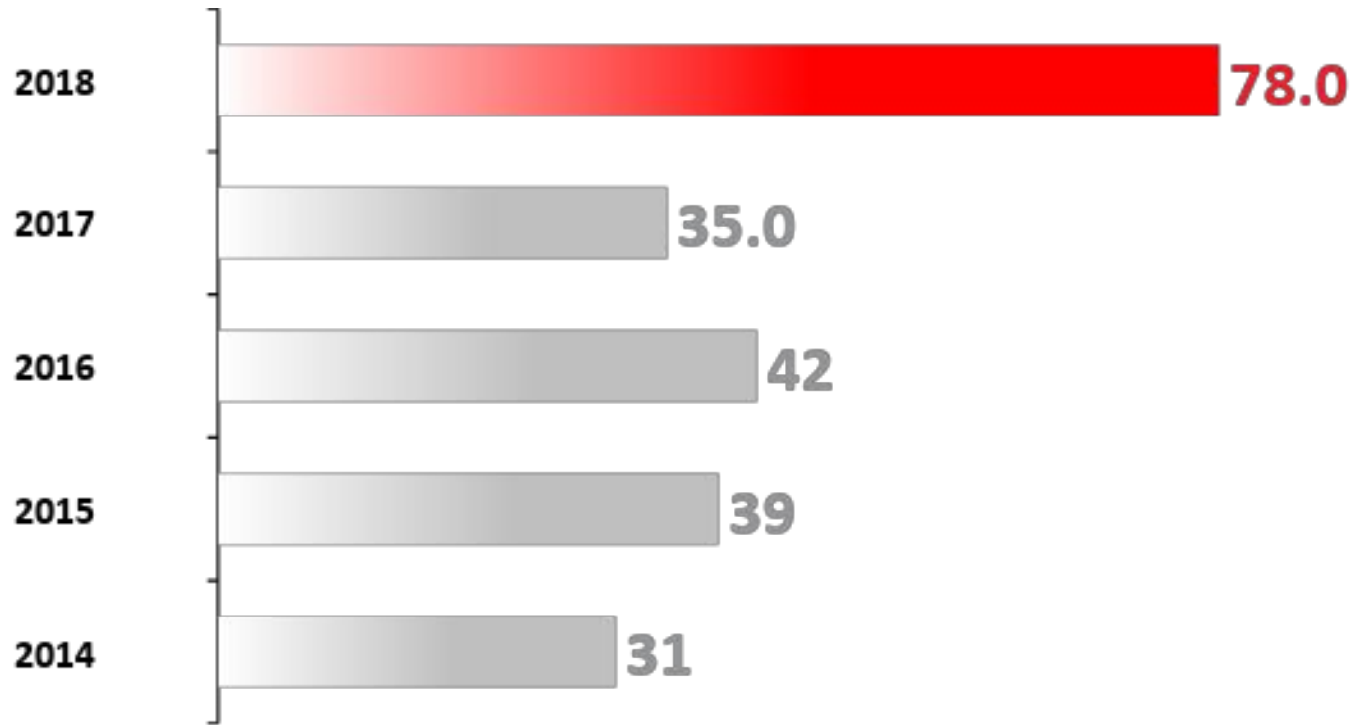
(in Php mn, except ratios)

Consolidated Balance Sheet/Key Ratios

	YE2017	1Q2018
Cash and Cash Equivalents	64,870	71,565
Total Assets	492,244	505,293
Total Liabilities	299,661	316,183
Total Equity	192,584	189,109
Equity Attributable to Parent	155,011	153,530
Book Value Per Share	27.51	27.25
Current Ratio	1.6x	1.6x
Debt to Equity	1.6x	1.7x
Net Debt to Equity	1.0x	1.0x



AEV Group Capital Expenditure



Includes 100% of subsidiaries and affiliates



Review of Business Units

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



Thank you!

abotiz