

Aboitiz Equity Ventures

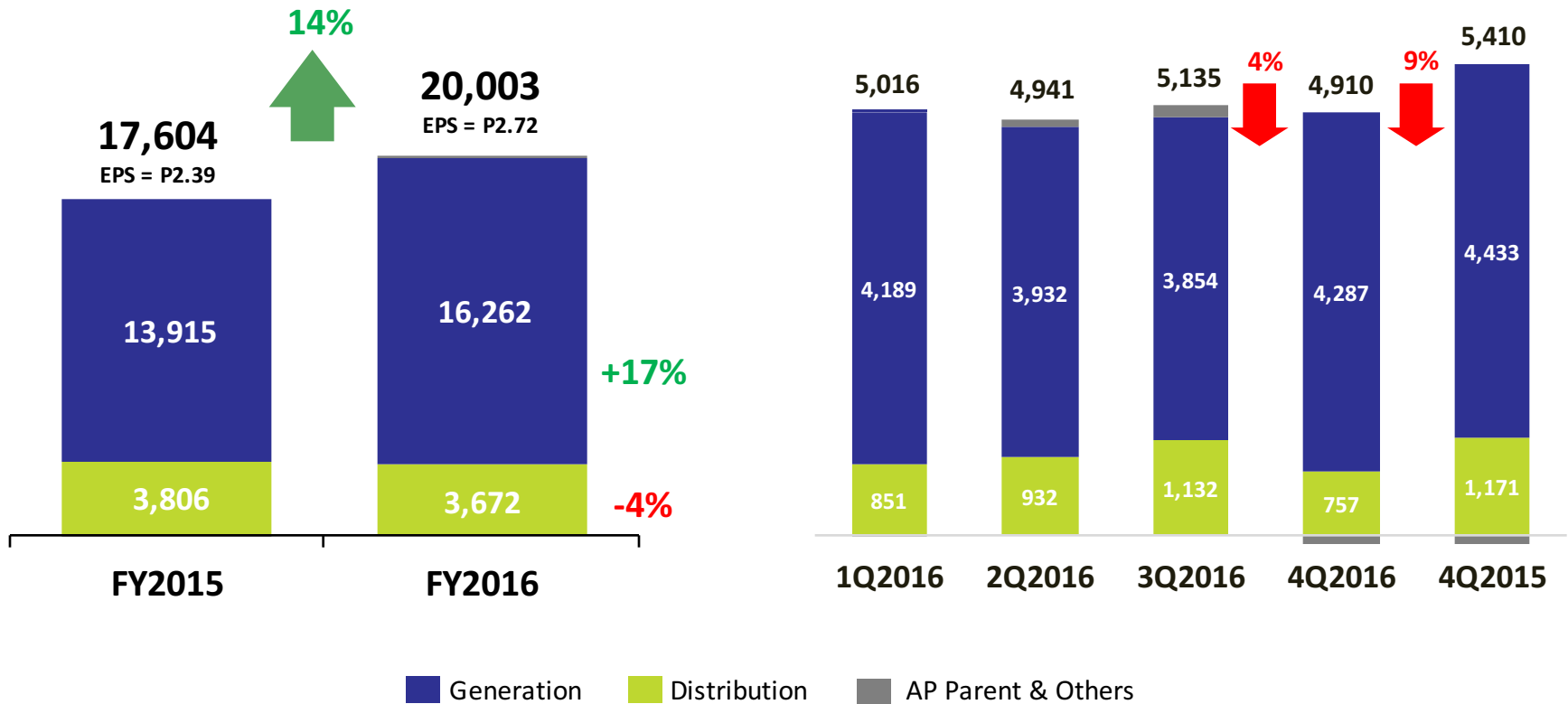
Full Year 2016
Financial & Operating Results
8 March 2017

- **Review of Business Units**
 - **Power**
 - Banking & Financial Services
 - Food
 - Land
 - Infrastructure
- **AEV Financials**
- **Q&A**

AboitizPower income grew on higher generation contribution



Net Income In Php million

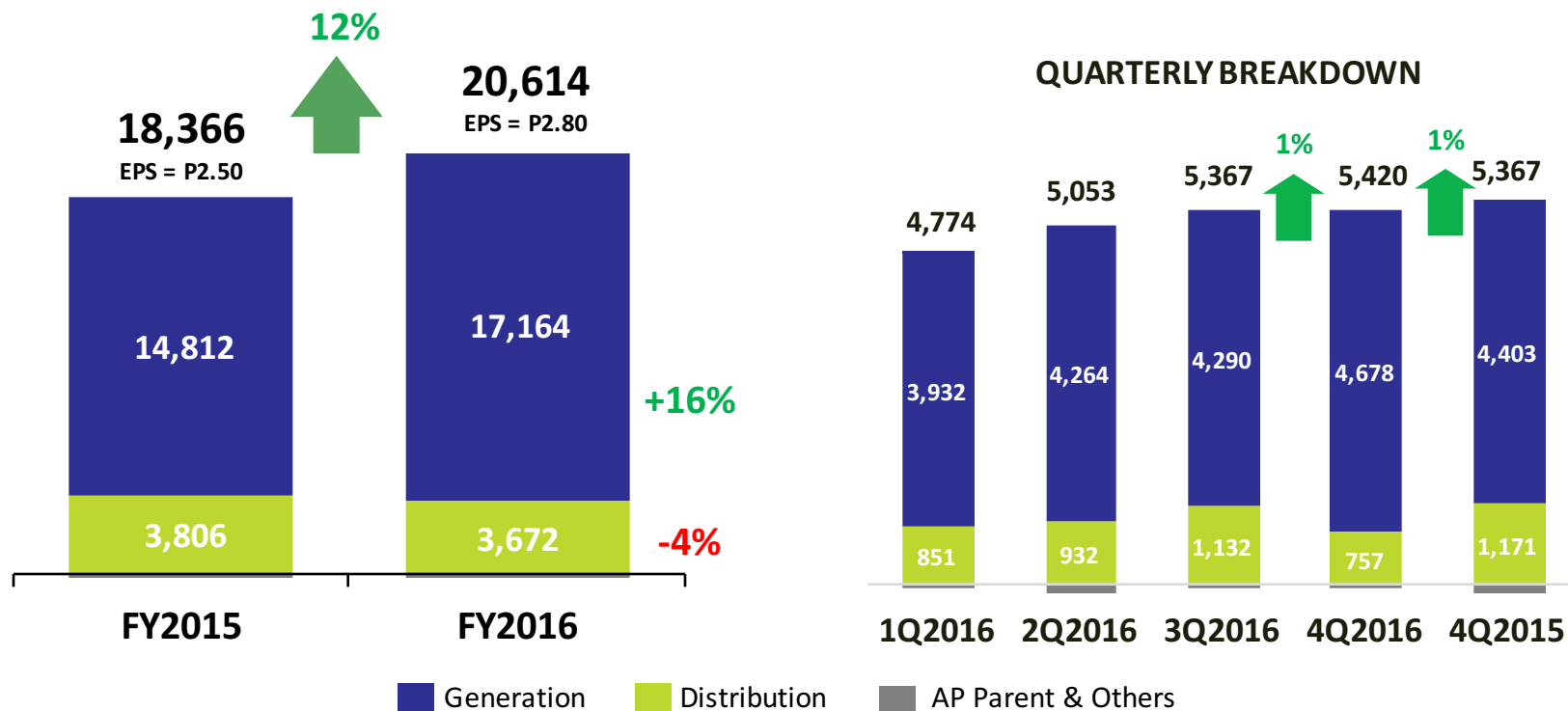


Core net income growth driven by new coal capacity

Core Net Income

In Php million

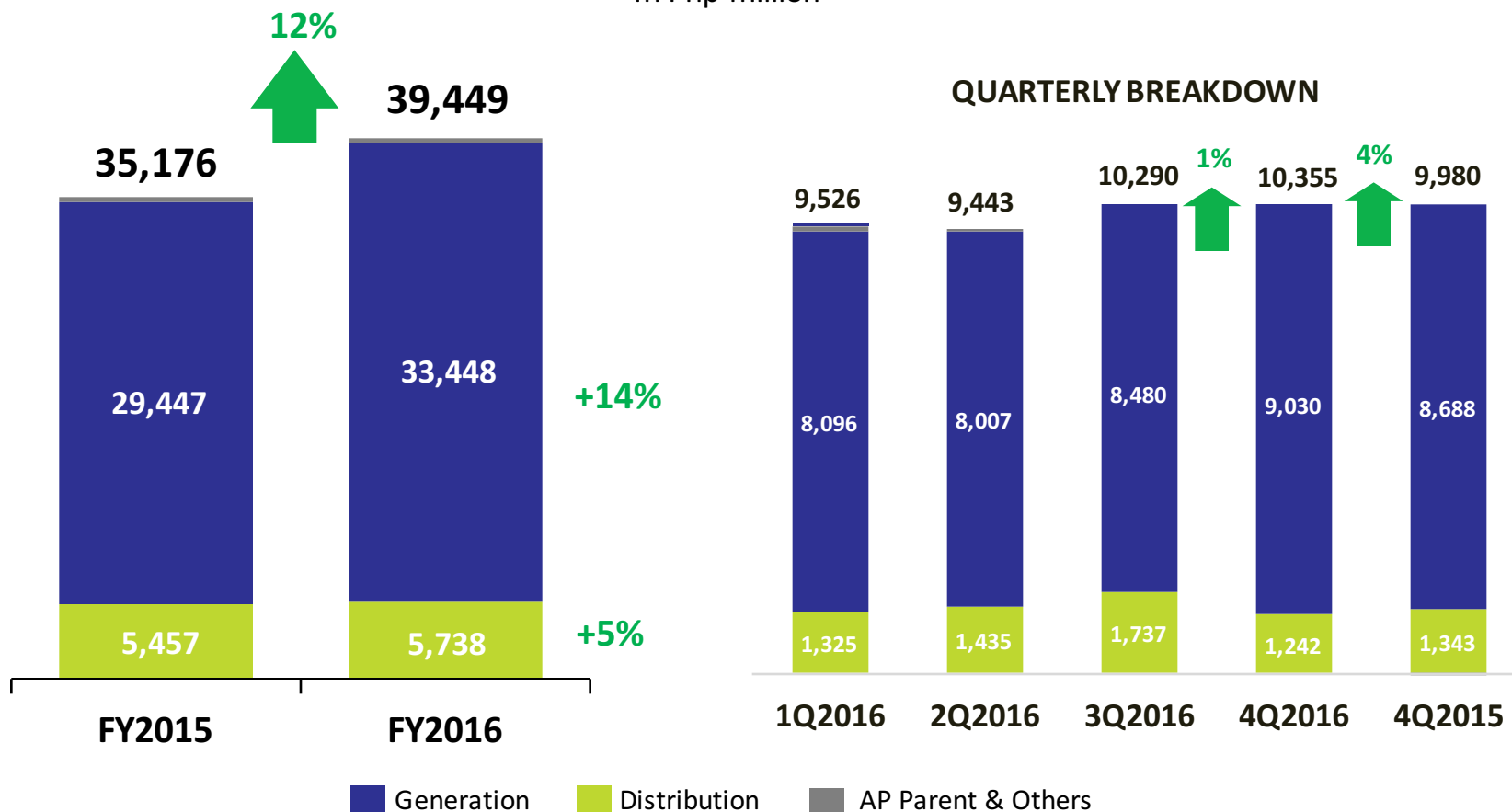
Non-Recurring Items		FY2015	FY2016	1Q2016	2Q2016	3Q2016	4Q2016	4Q2015
AP Parent		135	290	(15)	220	204	(119)	12
AP -Gen		(897)	(902)	257	(332)	(436)	(391)	31
Total Gains/(Losses)		(762)	(612)	242	(112)	(232)	(510)	43



EBITDA growth driven by Therma South

Beneficial EBITDA

In Php million



Strong balance sheet



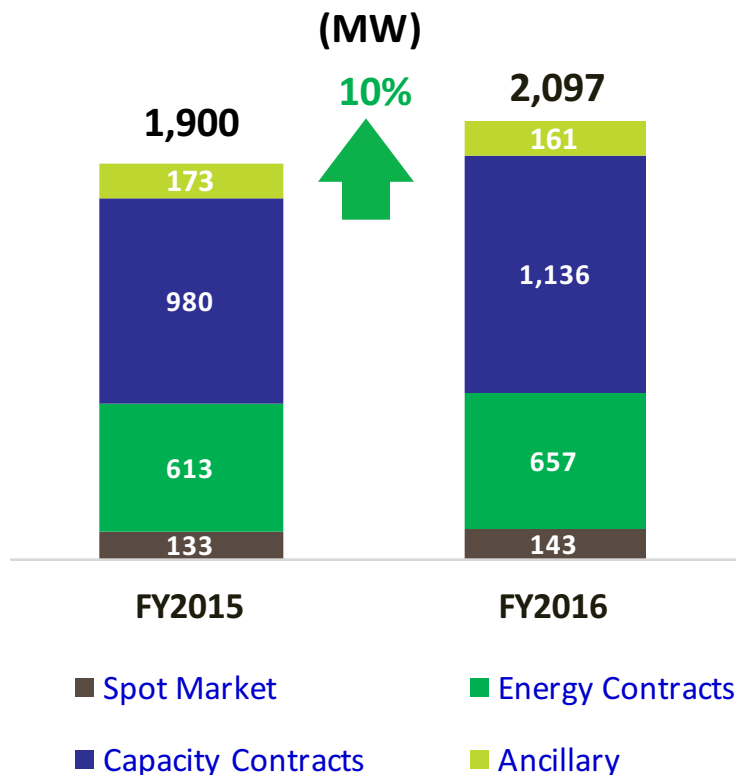
Balance Sheet In Php million	Consolidated	
	YE2015	YE2016
Cash and Cash Equivalents	51,098	47,045
Investments and Advances	22,552	30,596
Property, Plant and Equipment	134,811	191,998
Total Assets	242,489	354,779
Total Liabilities	140,876	243,147
Total Equity	101,614	111,632
Total Interest Bearing Debt	114,612	214,217
Net Debt	63,514	165,022
Net Debt to Equity	0.6x	1.5x
Debt to Equity*	1.1x	1.9x

*Interest bearing debt/Total equity

Generation: Capacity sales growth mainly driven by Therma South



Capacity Sales Breakdown



Capacity Sold Factor

Fuel Group	FY15	FY16	Change in % points
MINI HYDRO	43%	41%	(3)
LARGE HYDRO	76%	73%	(4)
SNAP Magat	60%	57%	(4)
SNAP Benguet	100%	96%	(4)
GEO THERMAL	75%	78%	1
COAL	94%	91%	(4)
Therma Luzon	93%	91%	(2)
Therma South	-	86%	
OIL	97%	92%	(4)
SOLAR	-	10%	
AP GENERATION	85%	83%	(1)

Capacity Sales: Capacity Contracts (MW) + ([Spot (MWh) + Energy Contracts (MWh) + Ancillary (MWh)]/Days_Year/Hours_Day)

Capacity Sold Factor: Capacity Sales (MW) / Net Sellable Capacity (MW)

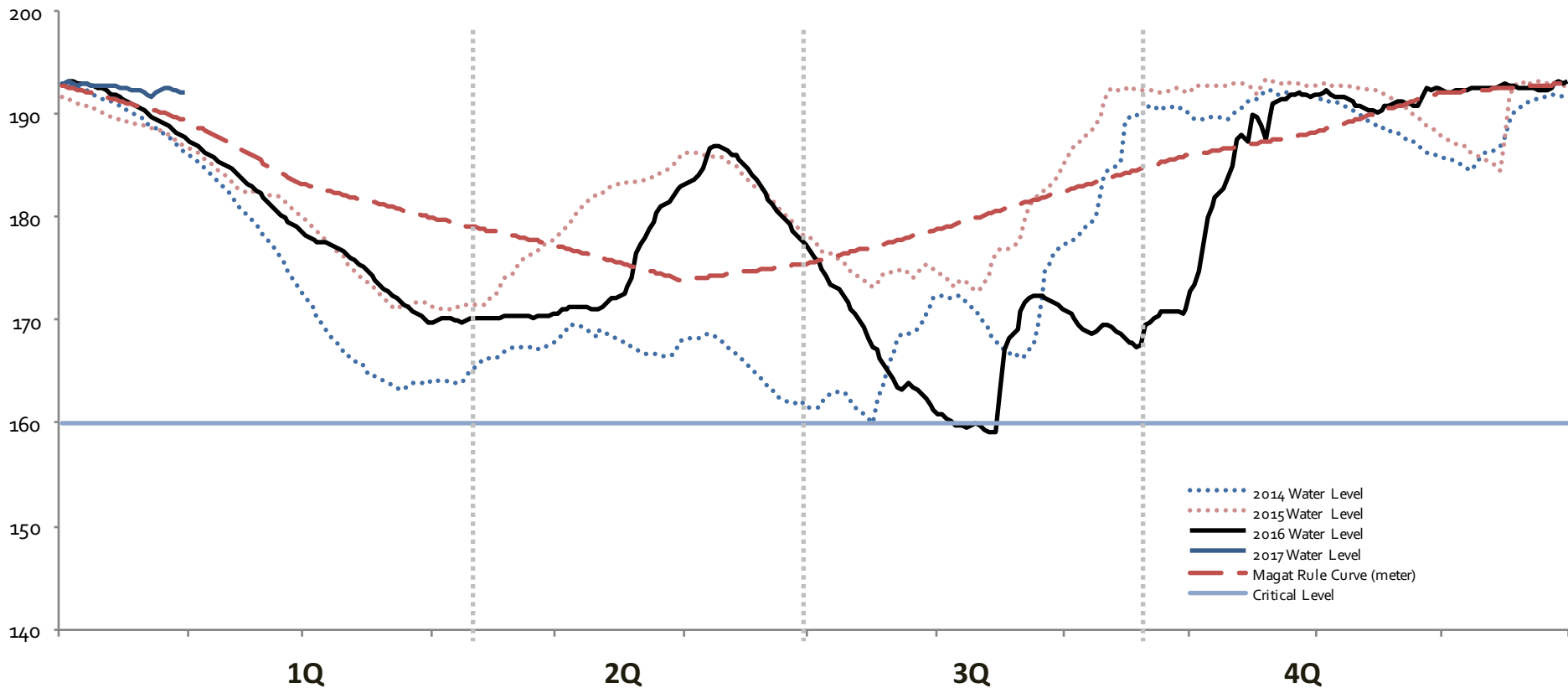
Generation: Volume growth driven by Coal and Large Hydro



Fuel Group	Beneficial Total Energy Sales (GWh)			Beneficial Ancillary Sales (GW-h)		
	FY15	FY16	YoY Chg	FY15	FY16	YoY Chg
MINI HYDRO	686	651	-5%			
LARGE HYDRO	790	895	13%	1,221	1,038	-15%
SNAP Magat	381	462	21%	572	437	-24%
SNAP Benguet	409	433	6%	650	601	-7%
GEOHERMAL	2,643	2,688	2%			
COAL	6,580	7,732	18%			
Therma Luzon	5,124	5,091	-1%	298	375	26%
Therma South	436	1,640	276%			
OIL	1,854	1,511	-19%			
SOLAR		18				
AP GENERATION	12,550	13,495	8%	1,519	1,413	-7%

Generation: Water levels ended at the rule curve

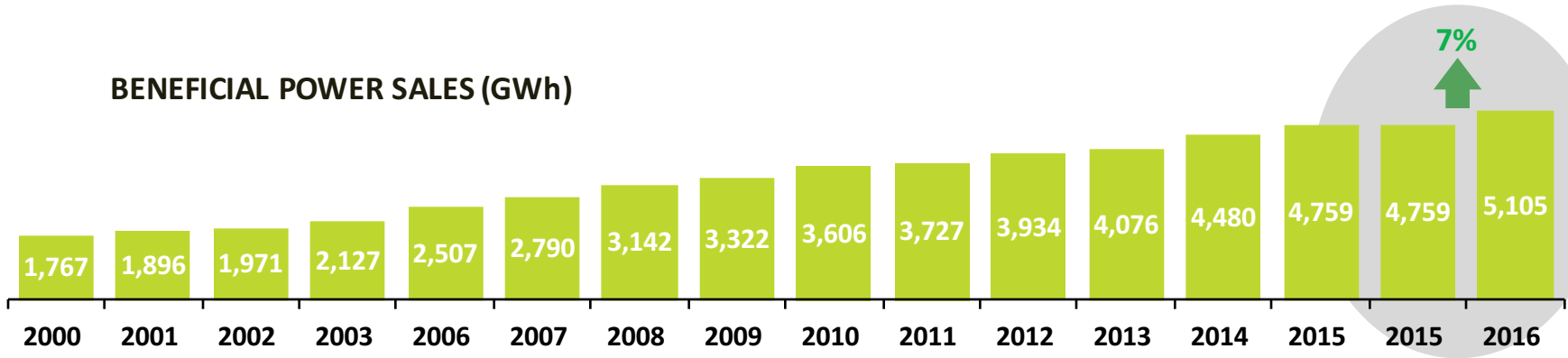
MAGAT'S WATER LEVEL VS. RULE CURVE (in MASL)



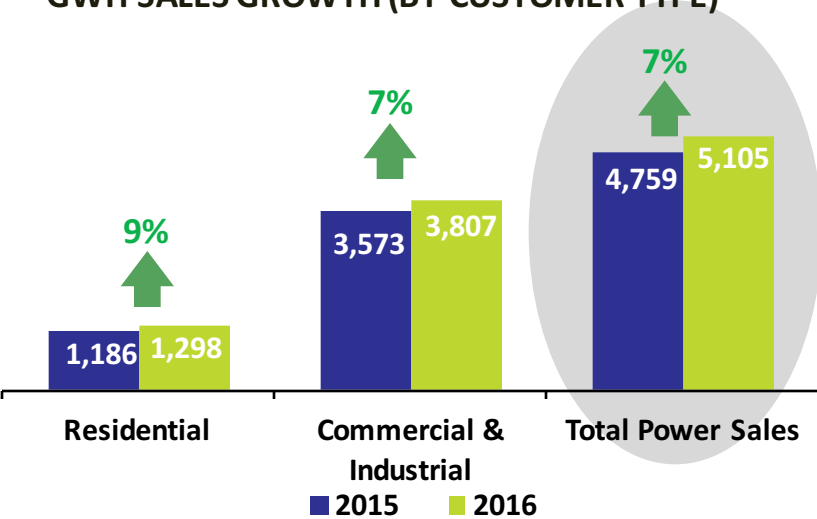
Distribution: Power sales grew across all customer segments



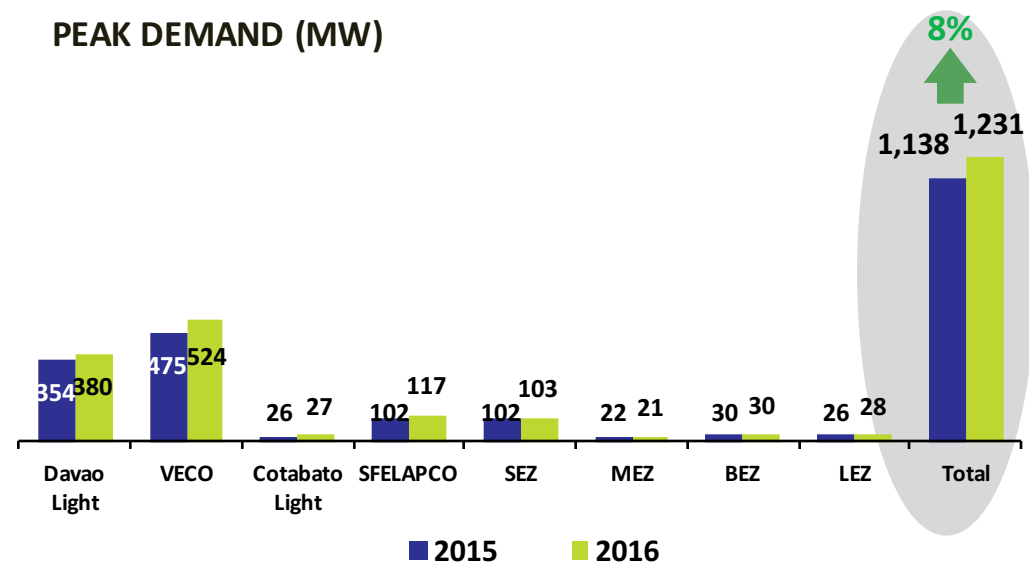
BENEFICIAL POWER SALES (GWh)



BENEFICIAL GWH SALES GROWTH (BY CUSTOMER TYPE)



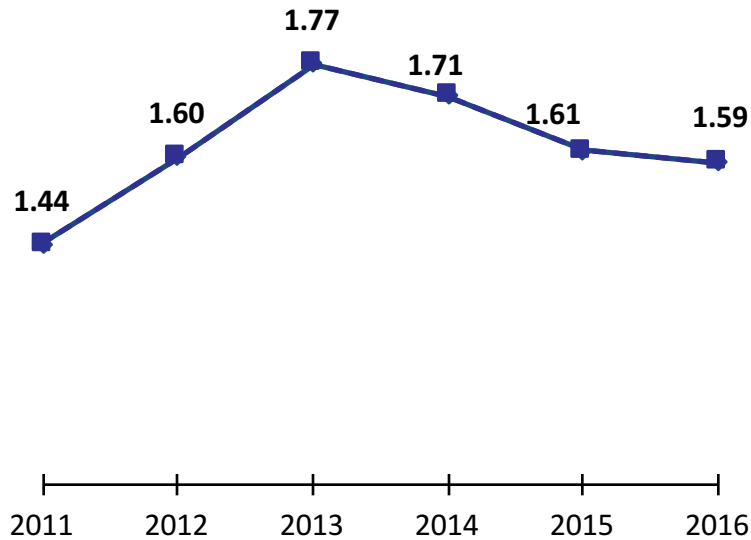
PEAK DEMAND (MW)



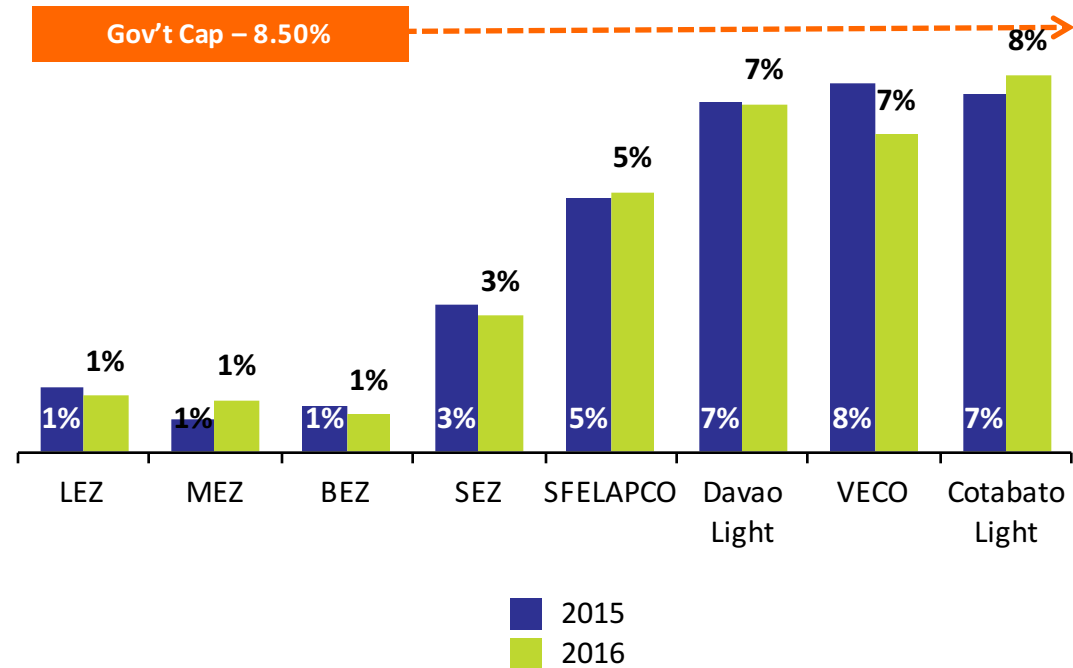
Distribution: Gross margin down brought by shift in supply mix



GROSS MARGIN / KWH SALE



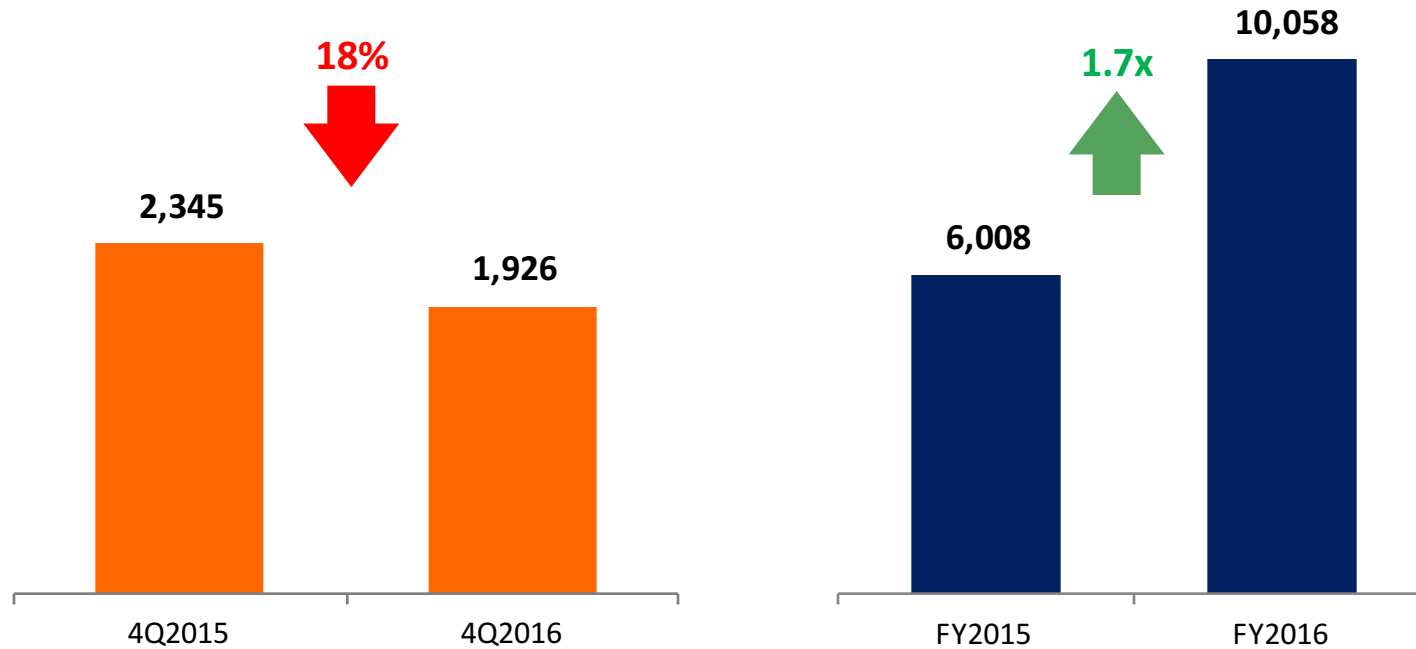
SYSTEMS LOSS



- **Review of Business Units**
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Net Income up by 1.7x

Net Income In Php million

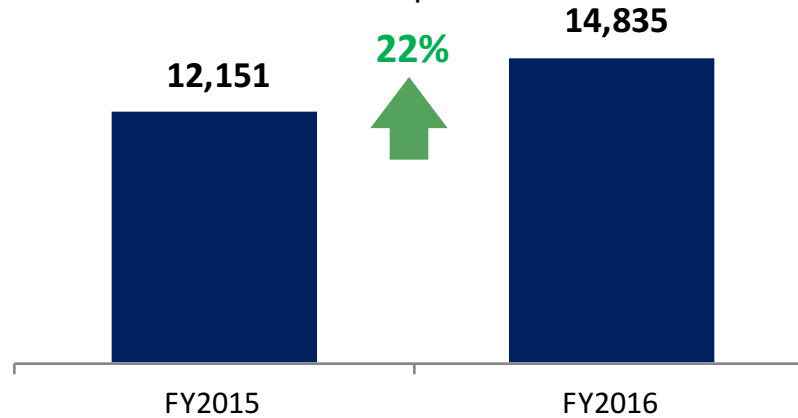


Robust growth in net interest income driven by customer loans and investment securities

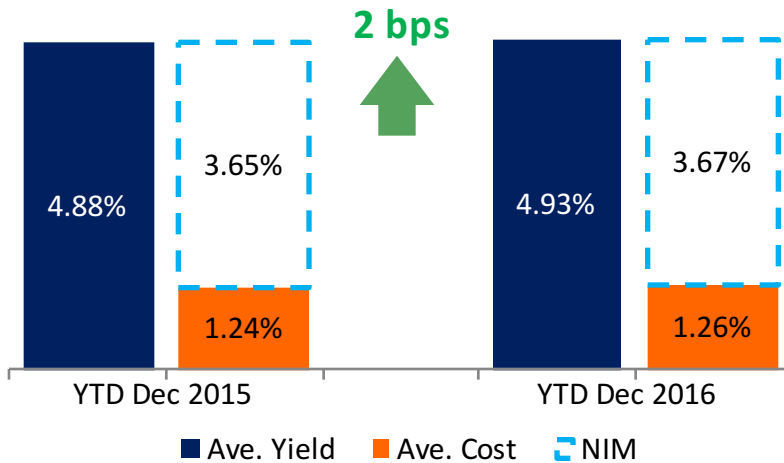


Net Interest Income

In Php million

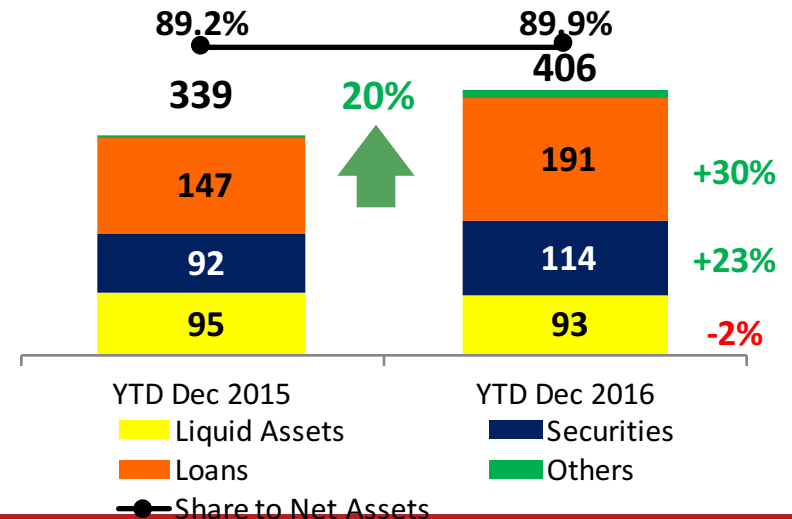


Net Interest Margin



Earning Assets

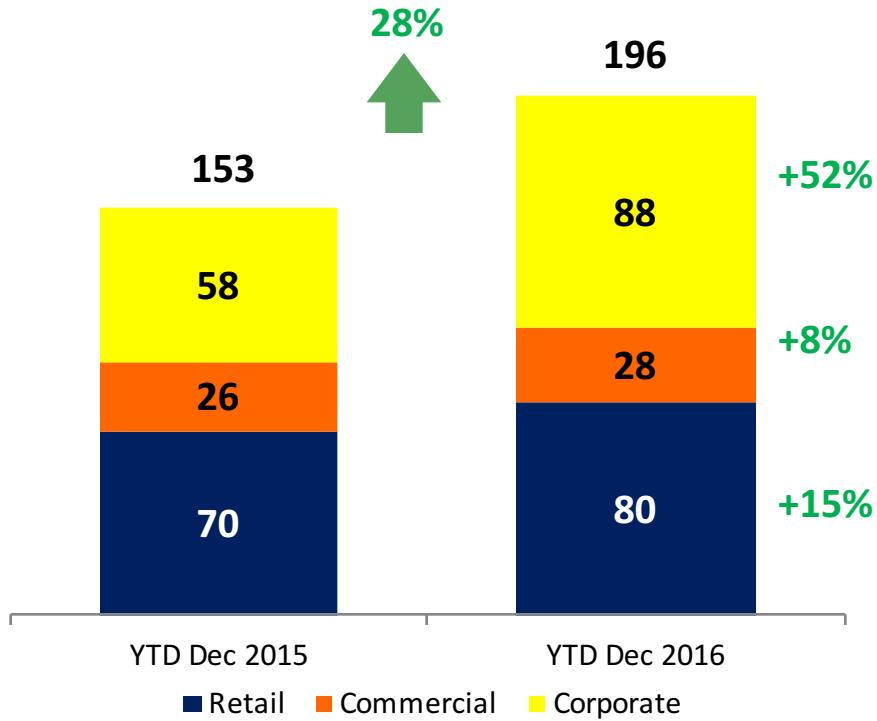
ADB Php billion



Credit and Securities portfolio posted robust expansion

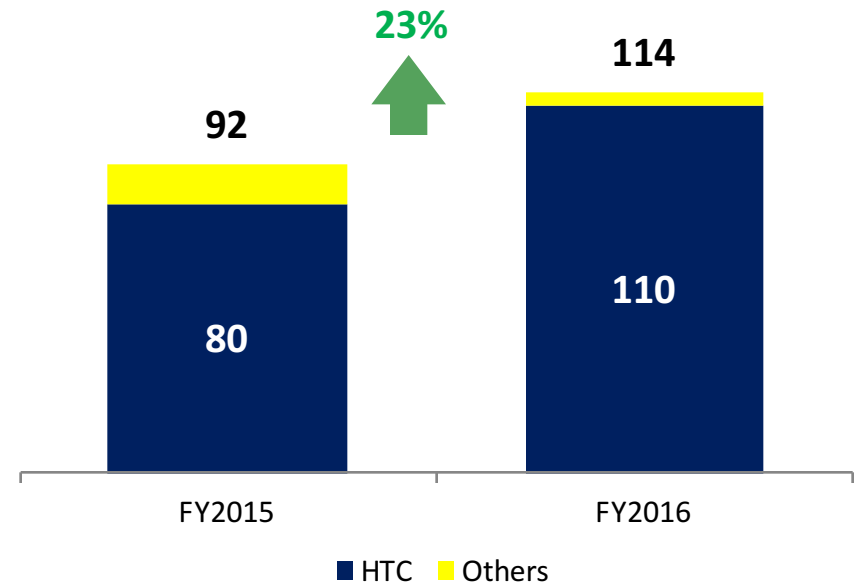
Credit Portfolio

ADB in Php billion



Securities Portfolio

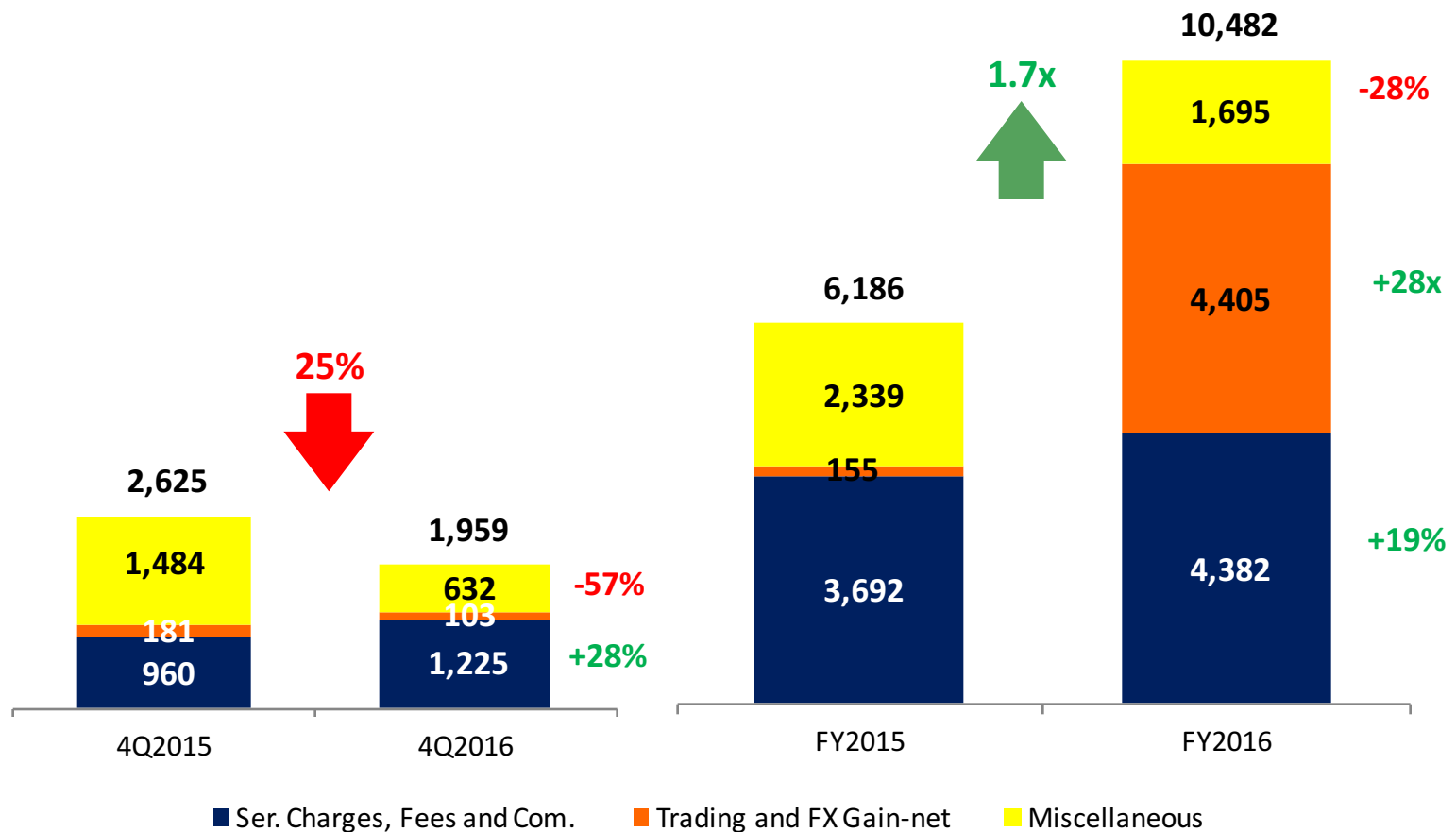
ADB in Php billion



Non-interest income surged on higher fee-based income and profit from sale of securities

Non-Interest Income

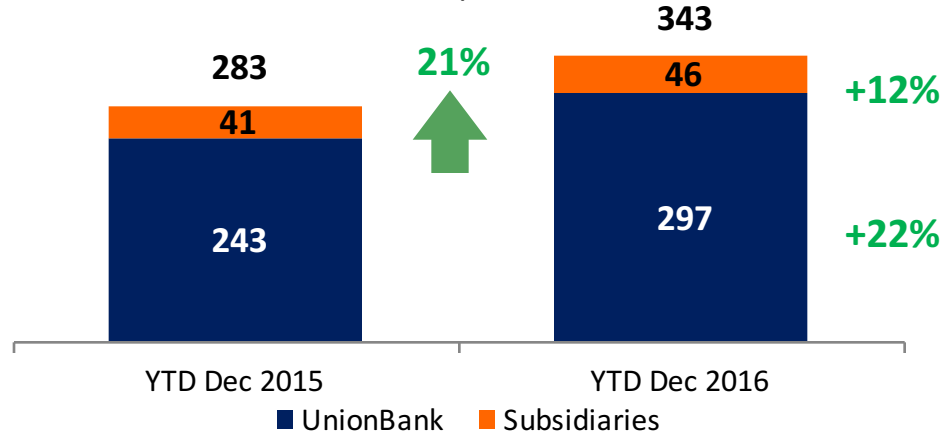
In Php million



Sustained double-digit growth in CASA and Total Deposits

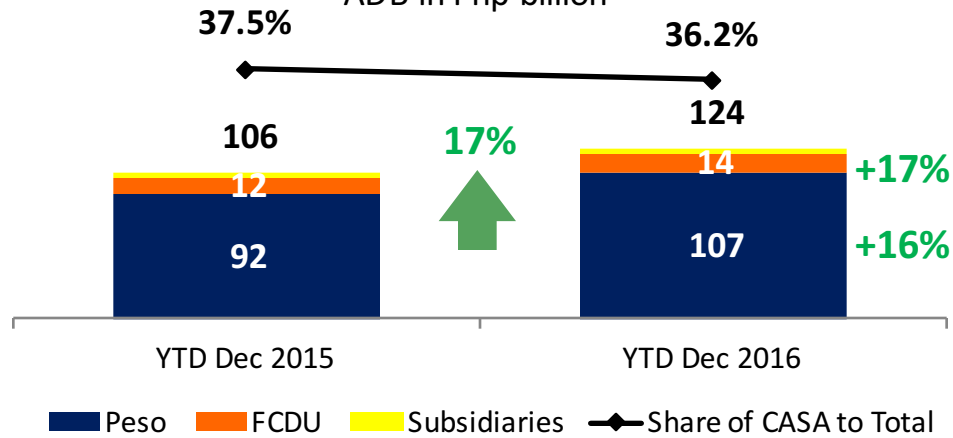
Total Deposits

ADB in Php billion



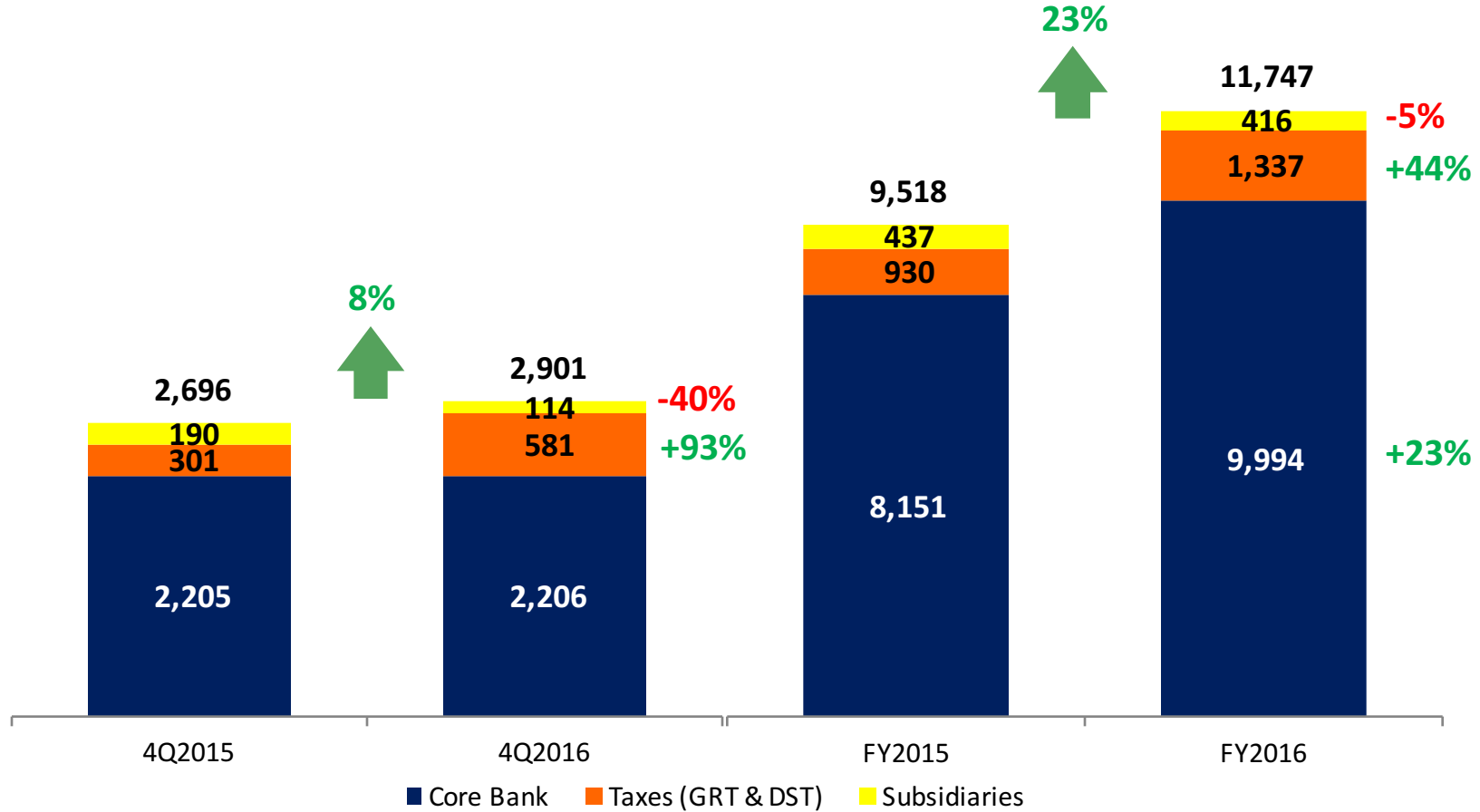
CASA Deposits

ADB in Php billion



Operating Expenses was up due to higher core bank expenses

Operating Expenses In Php million

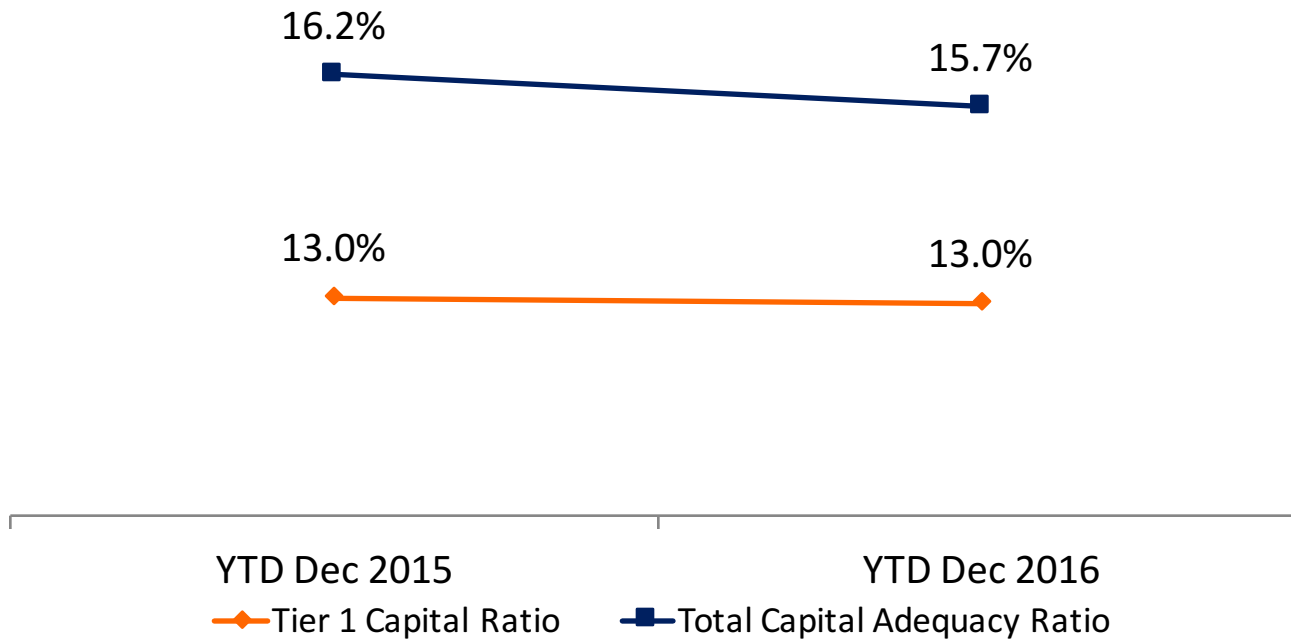


Capital ratios remained healthy



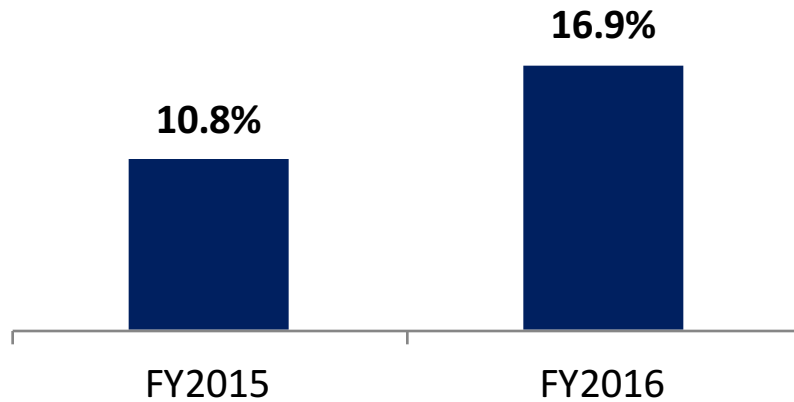
Capital Adequacy Ratios

Consolidated Basis

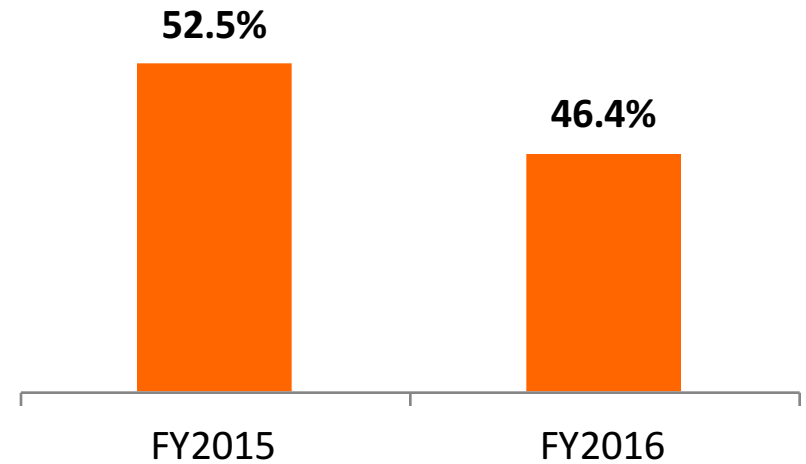


Profitability ratios further improve

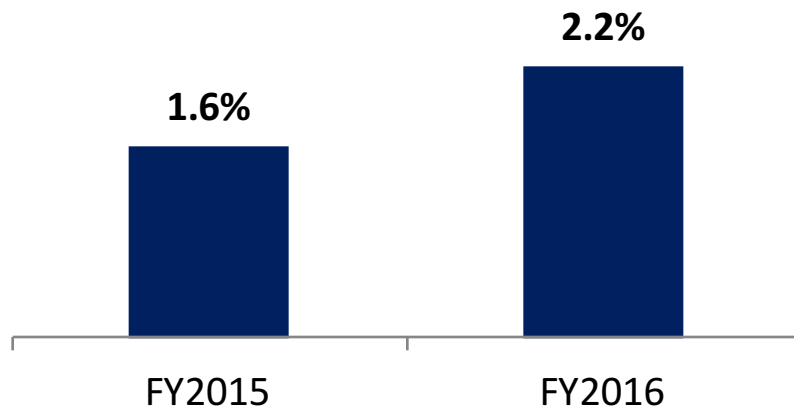
Return On Equity



Cost To Income Ratio



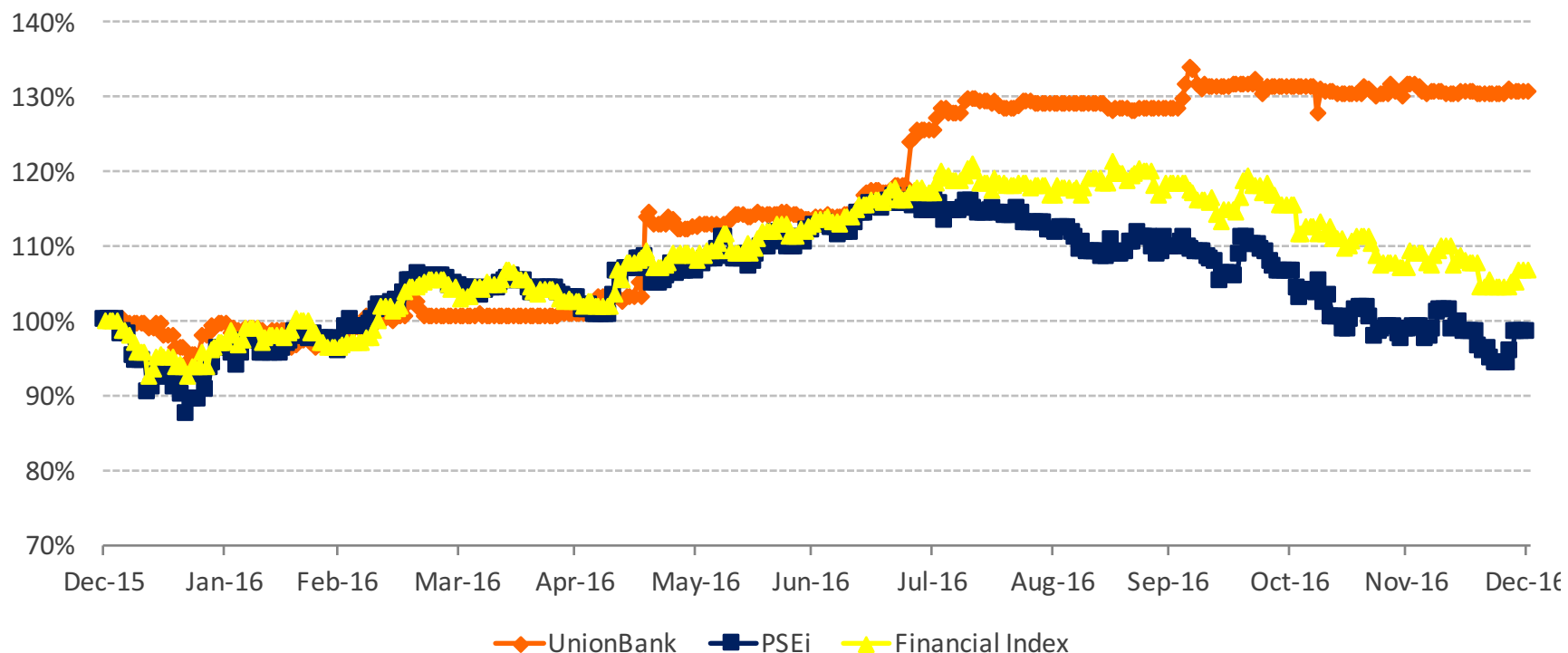
Return On Ave. Assets



UnionBank outperforming PSE and Financial indices

Rebased Stock Performance

12/31/2015-12/31/2016



	UBP	BPI	BDO	Metrobank	Security Bank	PNB	Chinabank	RCBC	PSEi	Financial
12/31/2015	57.05	83.85	100.33	80.50	141.24	51.14	34.44	33.00	6,952.08	1,550.68
12/31/2016	74.60	88.80	107.11	72.60	190.00	54.60	38.00	33.55	6,840.64	1,655.54
% Change	31%	6%	7%	-10%	35%	7%	10%	2%	-2%	7%
Rank	2	6	5	8	1	4	3	7		



Voted 1st, 3rd & 2nd Best Local Cash Management Bank by small, medium & large corporates, respectively
(November 2016)



Best Cash Management Bank 2016
(November 2016)



Best Commercial Bank of the year
Best Innovation in Retail Banking
(September 2016)



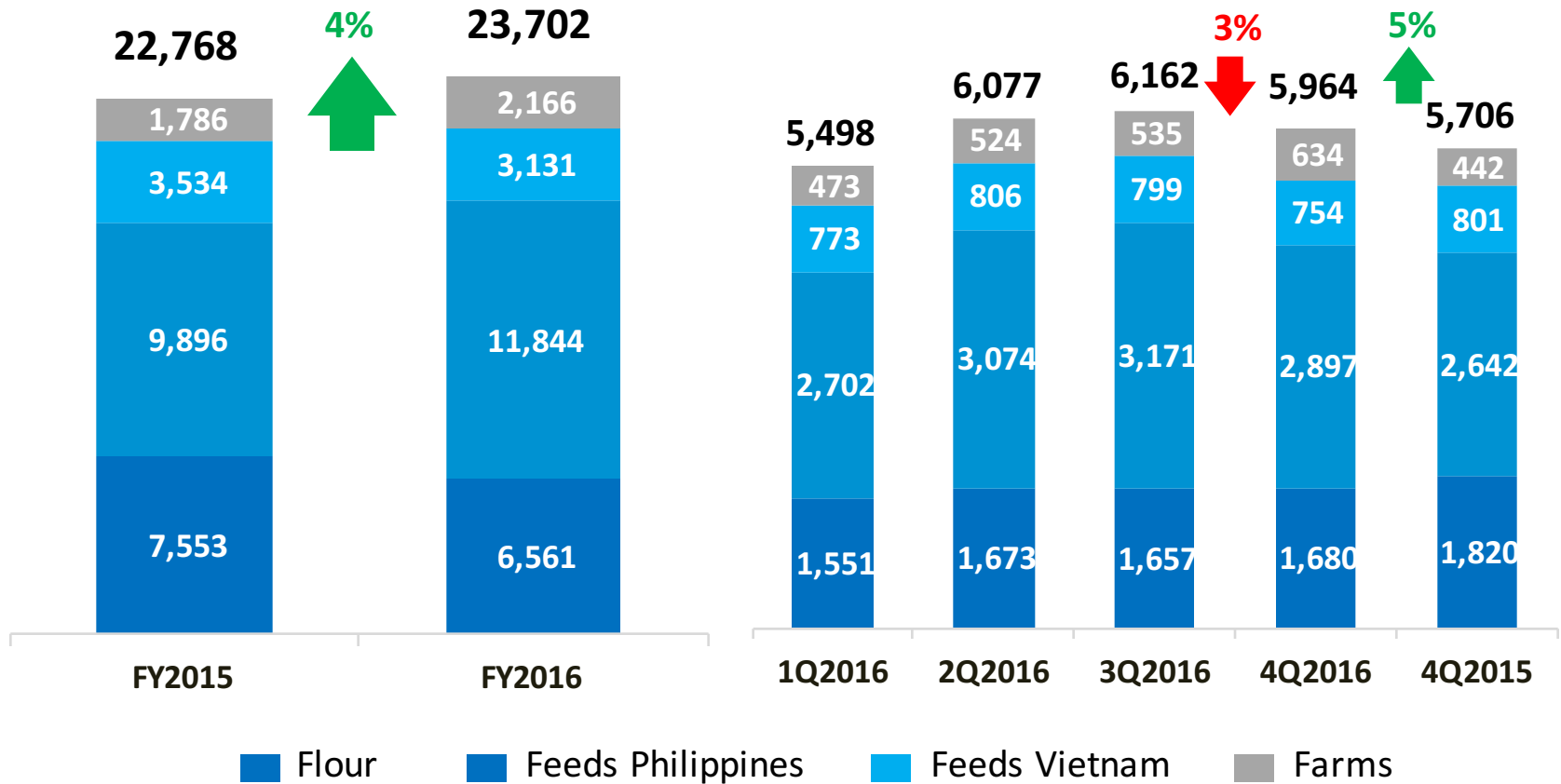
Best Company to Work For of the Year
(November 2016)

- **Review of Business Units**
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Food Group revenue up 4% from last year

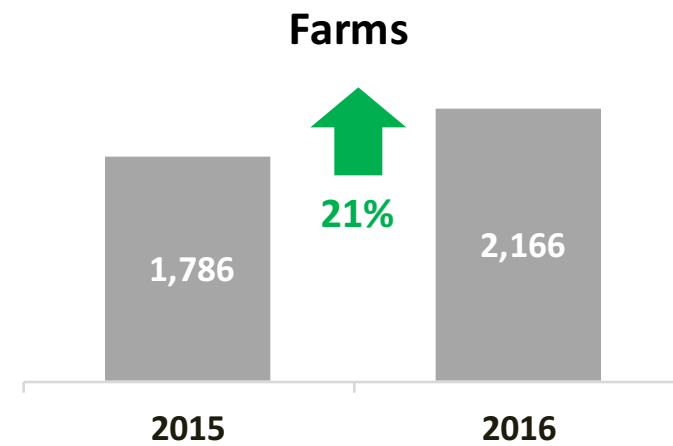
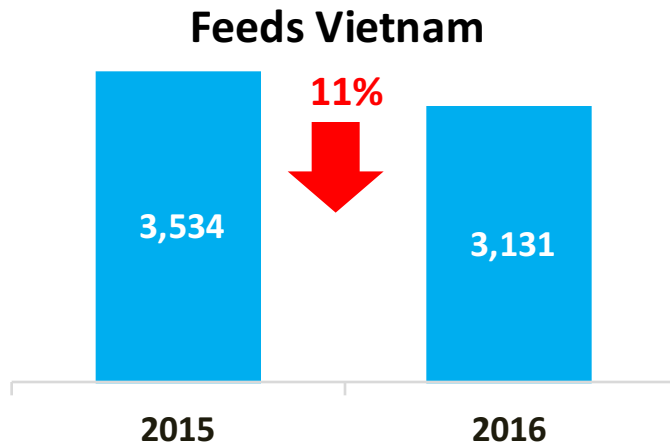
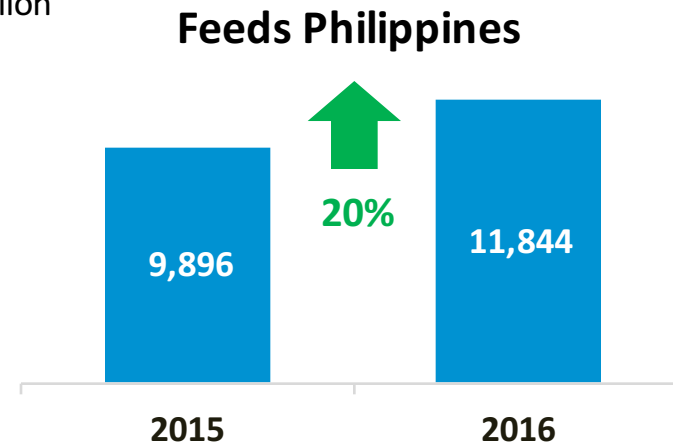
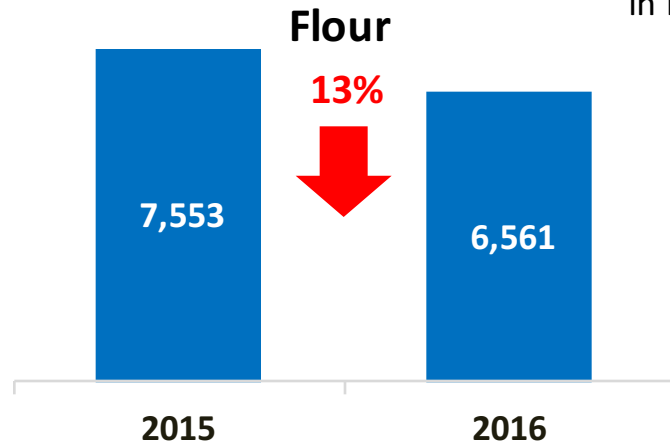
Revenue
in Php million

QUARTERLY BREAKDOWN



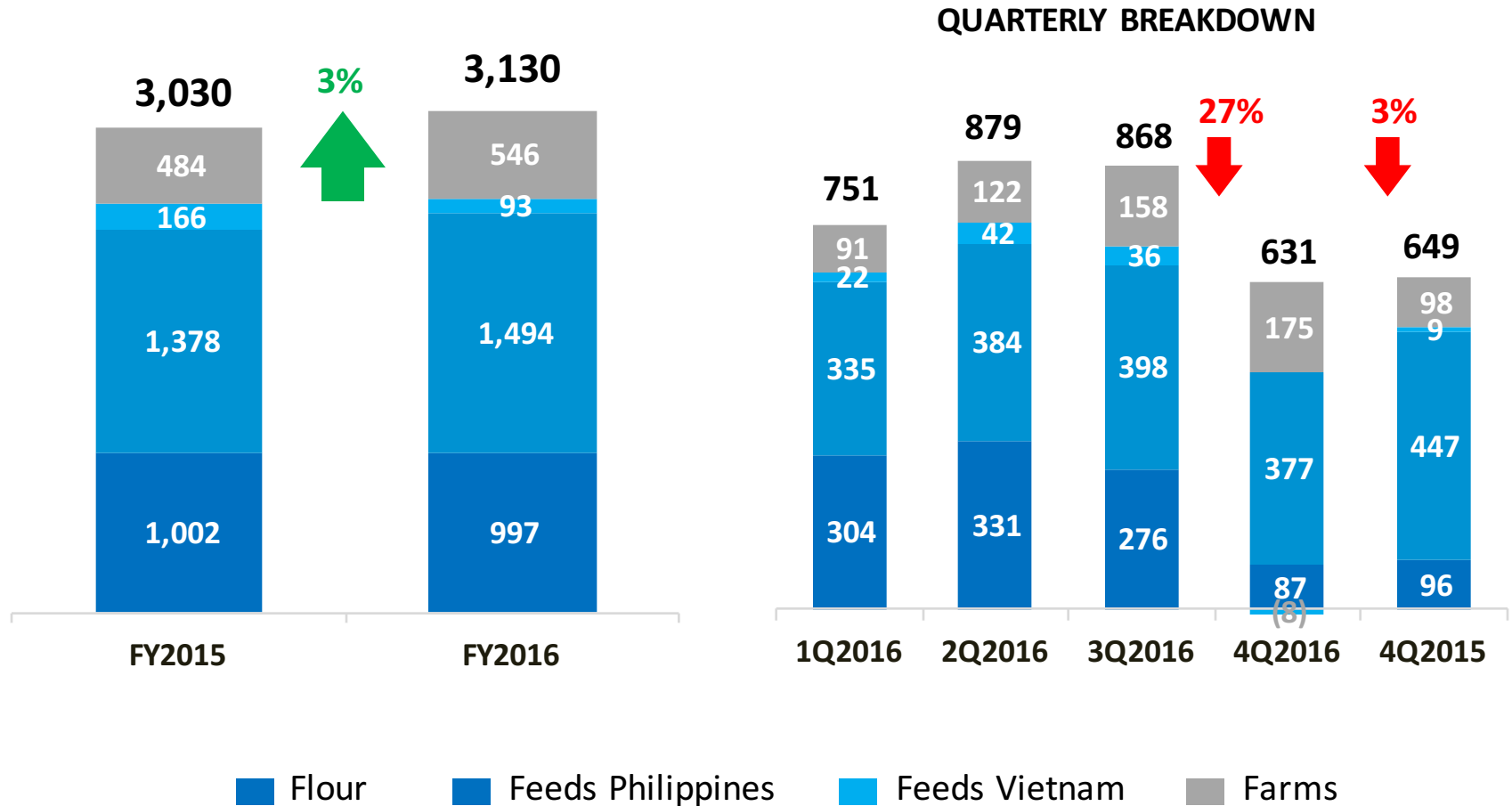
Food Group revenue up 4% from last year

Revenue
in Php million



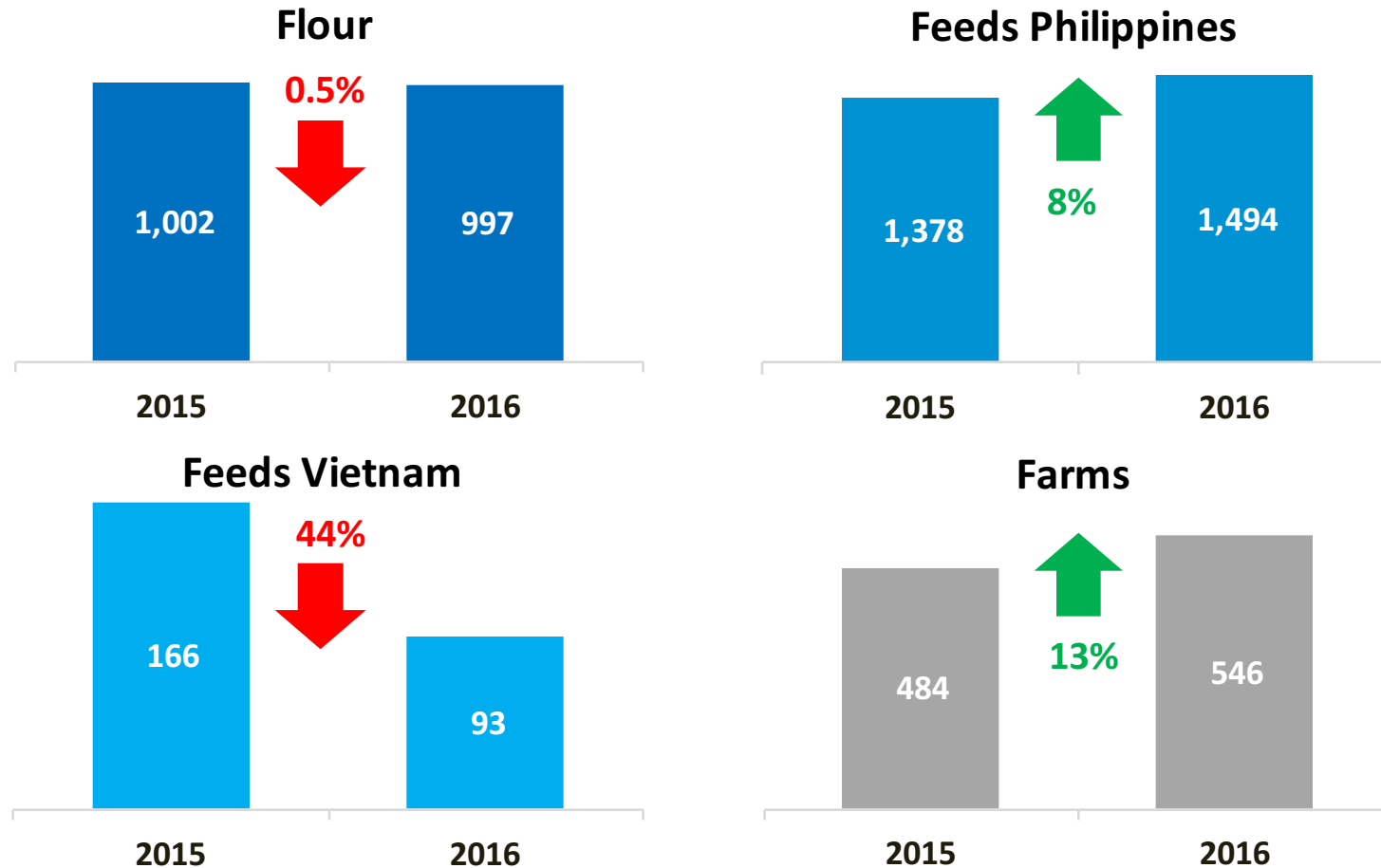
Food Group EBITDA up 3% from last year

EBITDA
in Php million



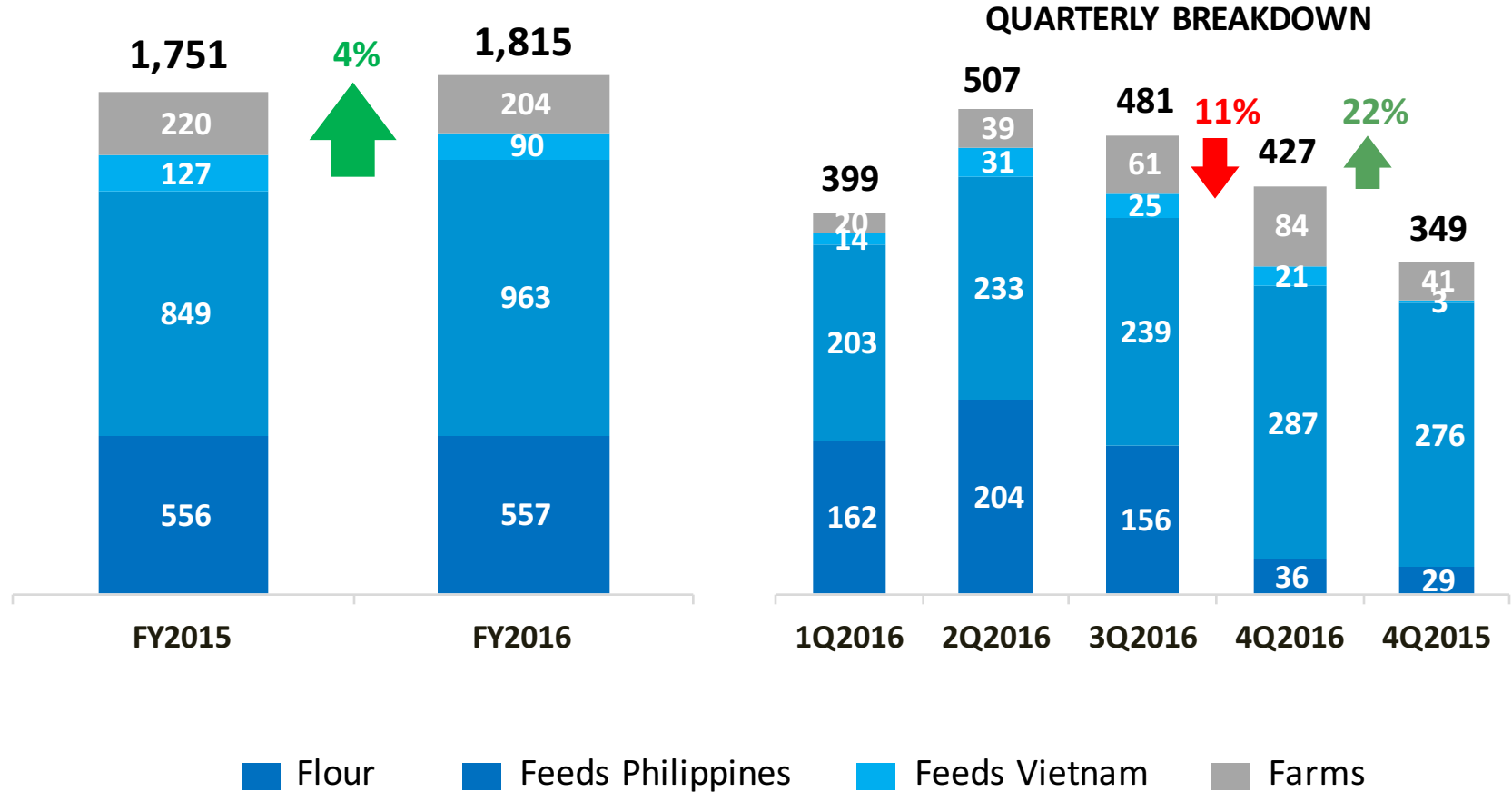
Food Group EBITDA up 3% from last year

EBITDA
in Php million



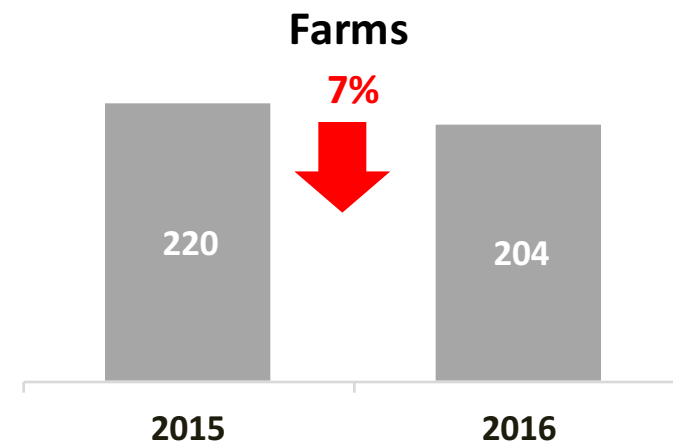
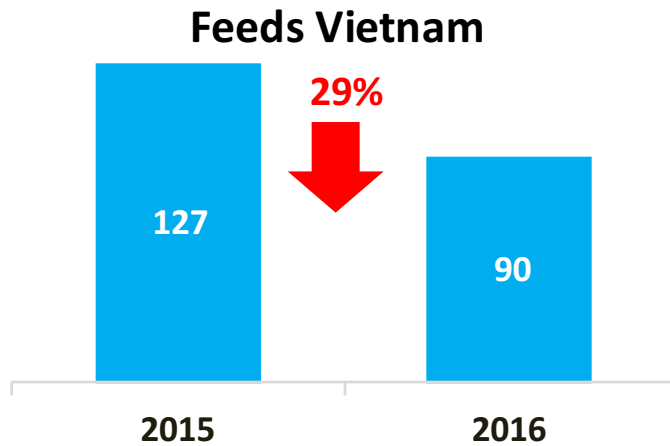
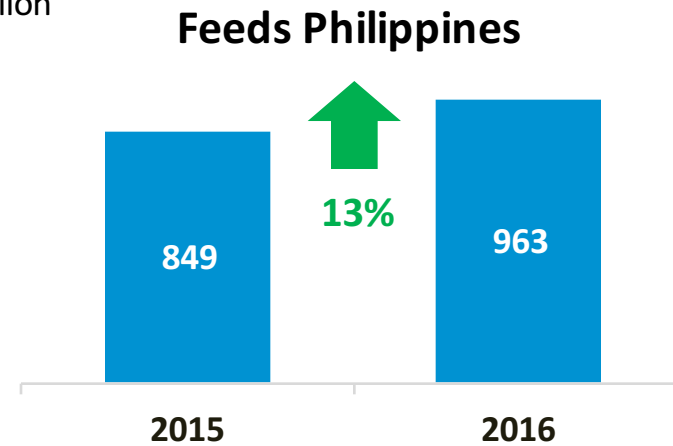
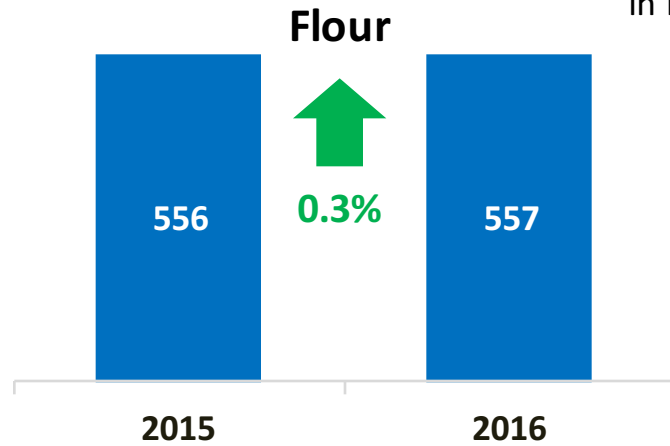
Food Group NIAT up 4% from last year

Net Income in Php million

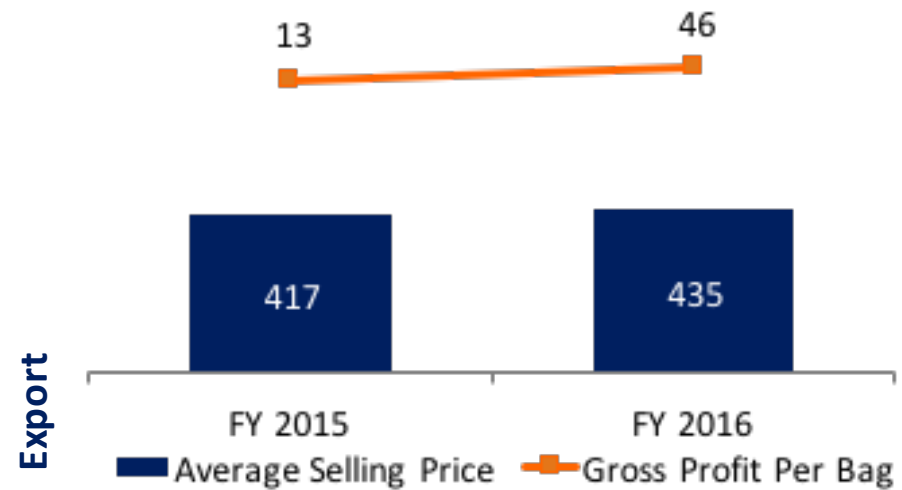
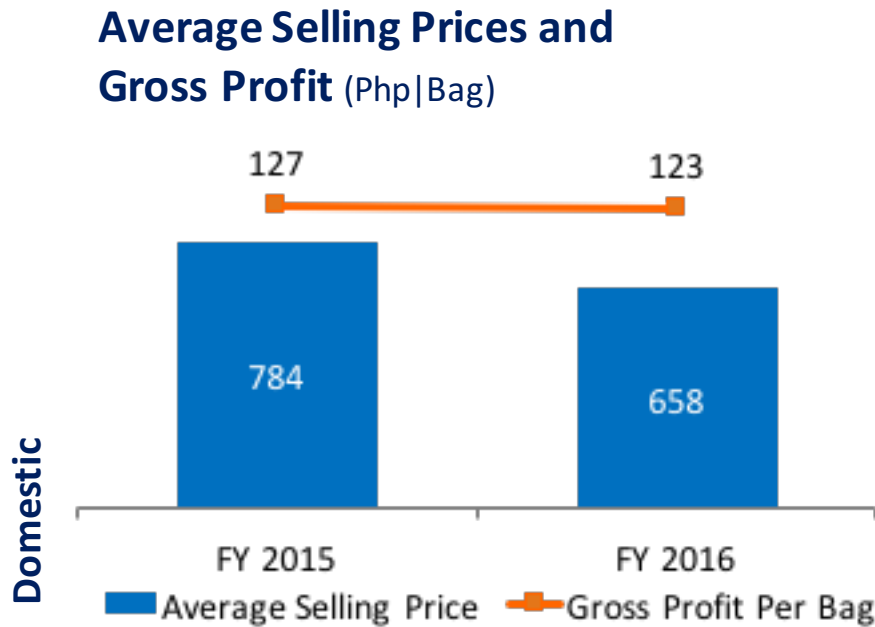
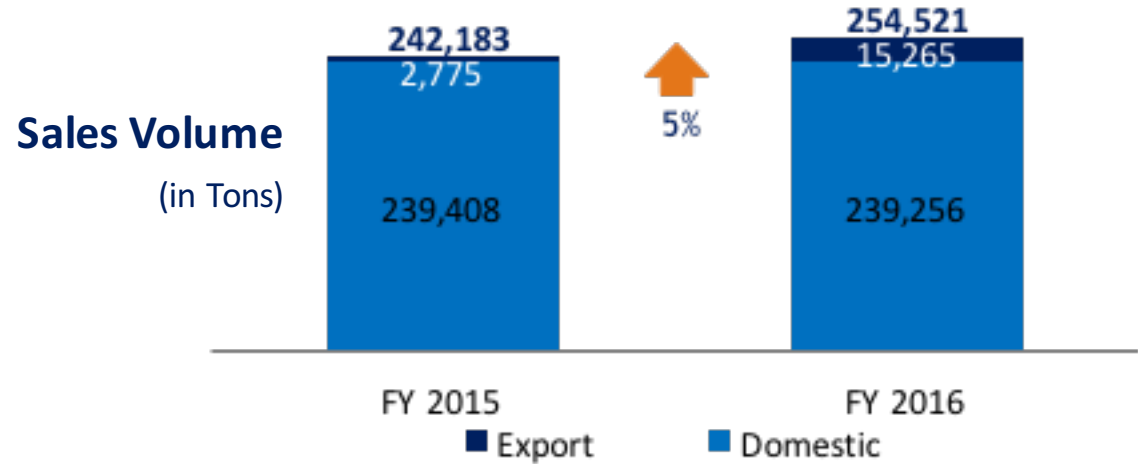


Food Group NIAT up 4% from last year

Net Income
in Php million

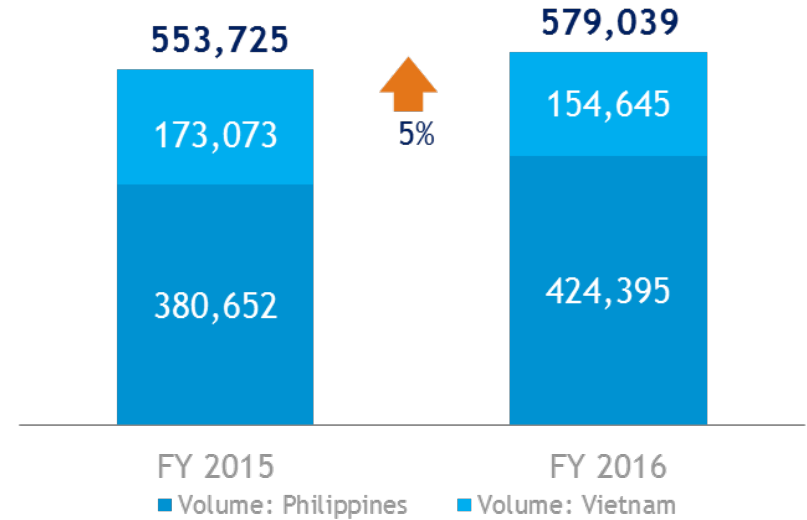


Operating Highlights: Flour

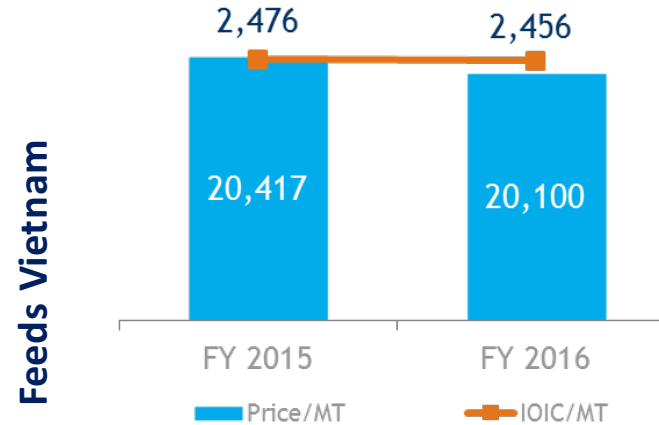
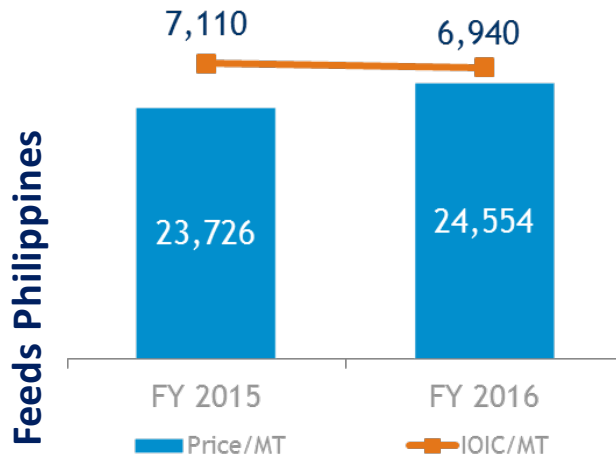


Operating Highlights: Feeds

Sales Volume
(in Tons)

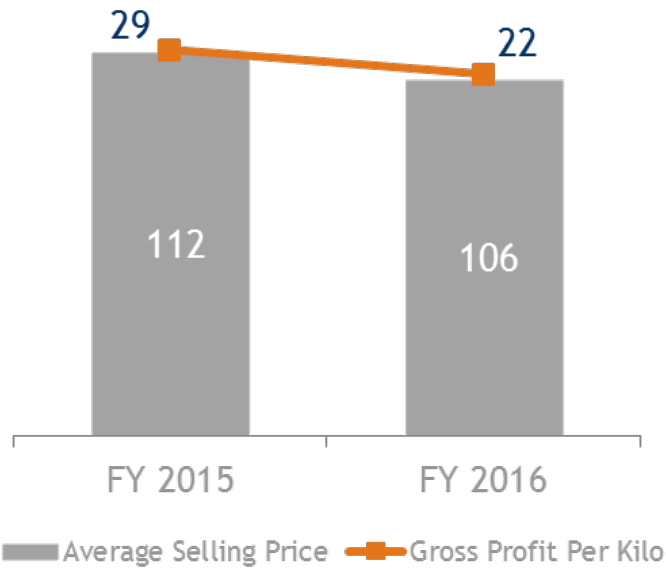
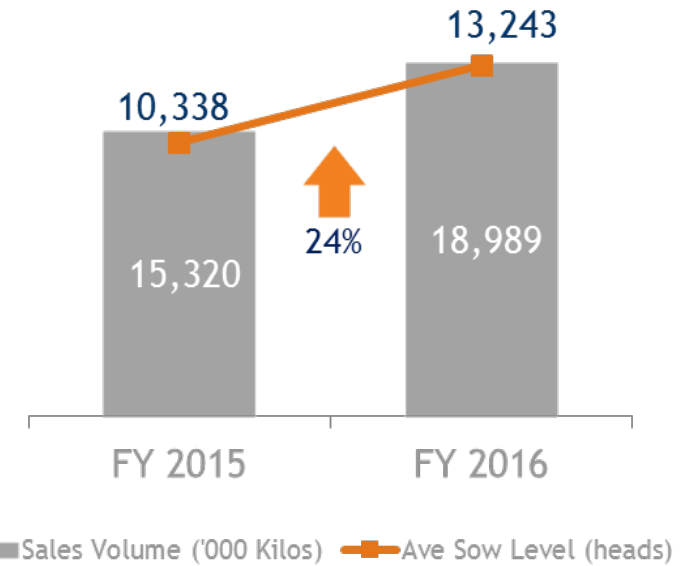


Average Selling Prices and Income Over Ingredient Cost (Php|Mt)



Operating Highlights: Farms

Sales Volume (in '000 Kilos) and Ave Sow Level



Average Selling Prices and Gross Profit (Php|Kg)

Project Updates

Completed Expansion



Farms

HOG FARMS

- ✓ Nursery Farm 2
- ✓ Breeder Farm 2
- ✓ GrowFin Farm 8
- ✓ GrowFin Farm 9
- GrowFin Farm 10
- GrowFin Farm 11 & 12

LAYERS FARMS

- ✓ 172,000 RTLs
- ✓ Layer House 1
- ✓ Layer House 2
- ✓ Layer House 3
- ✓ Layer House 4
- ✓ Rearing House
- ✓ Egg House



Feeds

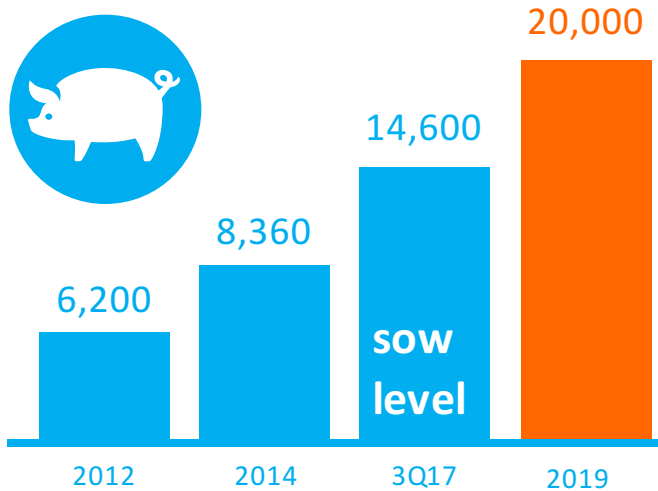
FEED MILLS

- ✓ 20 TPH in Iligan
- ✓ 20 TPH Tarlac
- ✓ 20 TPH Vietnam

INFRASTRUCTURE

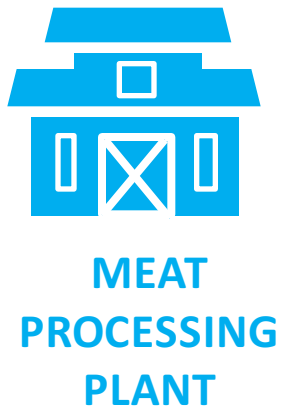
- ✓ Inter-island Pier - Iligan

New Project Pipeline



Increase Sow Level to 20,000 by 2019

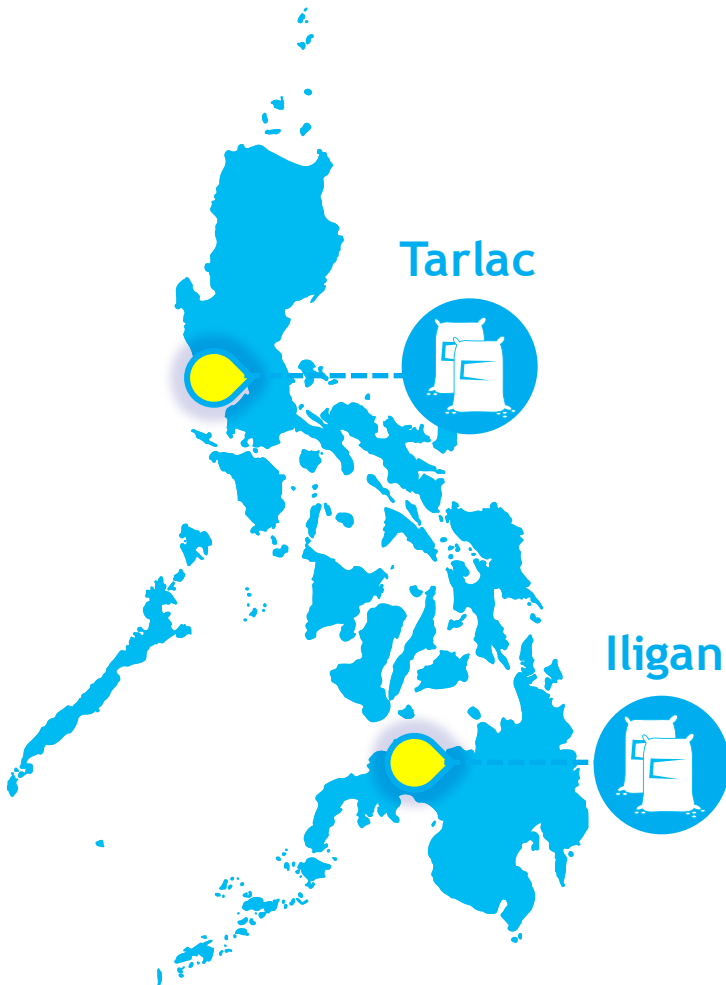
- ❑ 14,600 sow level completed by 3Q17
- ❑ Build new Nursery Farm and Breeder Farm
- ❑ Build five new Grow-Finishing Farm



Build Slaughter & Meat Fabrication Plant

- ❑ Triple A facility
- ❑ 180 heads per hour capacity
- ❑ December 2017

New Project Pipeline



Tarlac

Increase Tarlac Animal Feedmill Capacity

- Produces animal feeds
- Serves Luzon commercial sales
- Operational by July 2018

Iligan

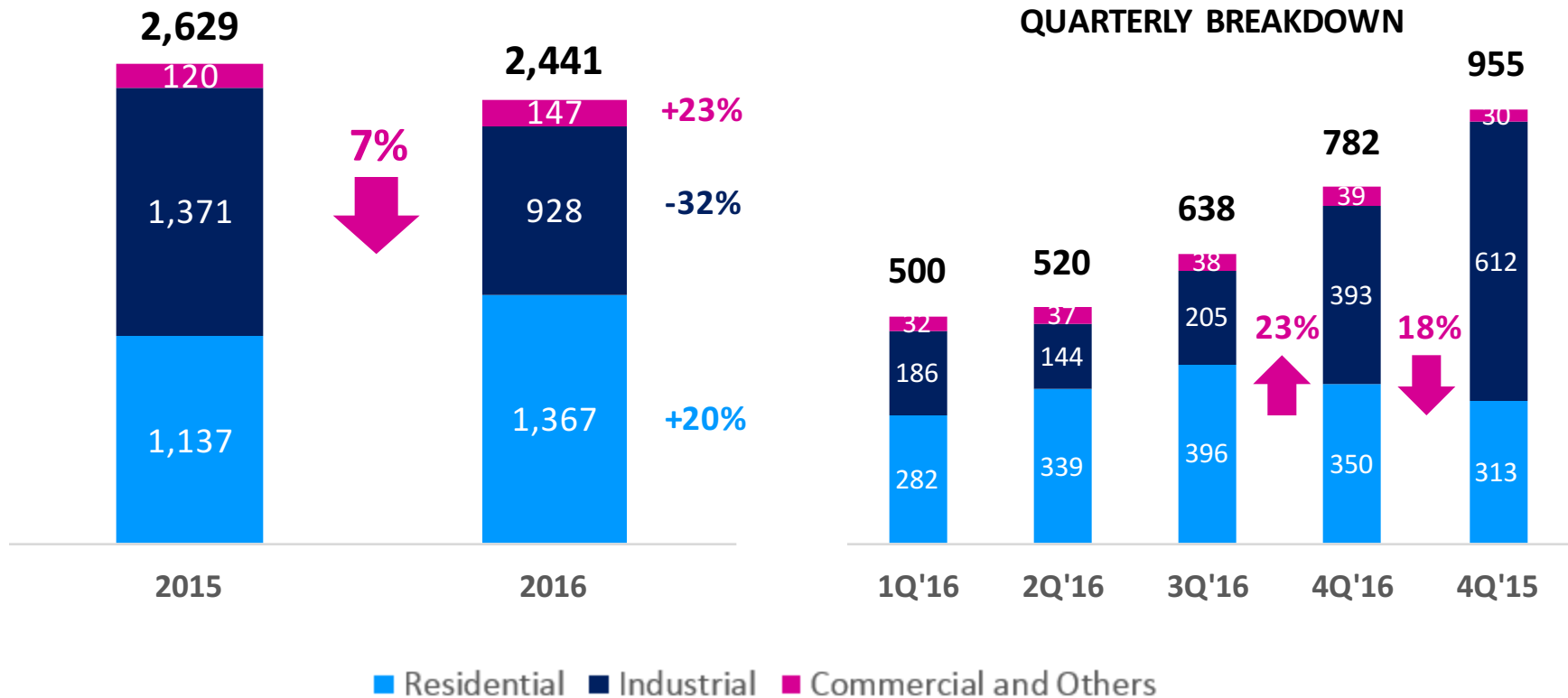
Increase Iligan Animal Feedmill Capacity

- Produces animal feeds
- Serves Visayas and Mindanao commercial sales
- Operational by July 2018

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Revenues dip slightly due to deferral

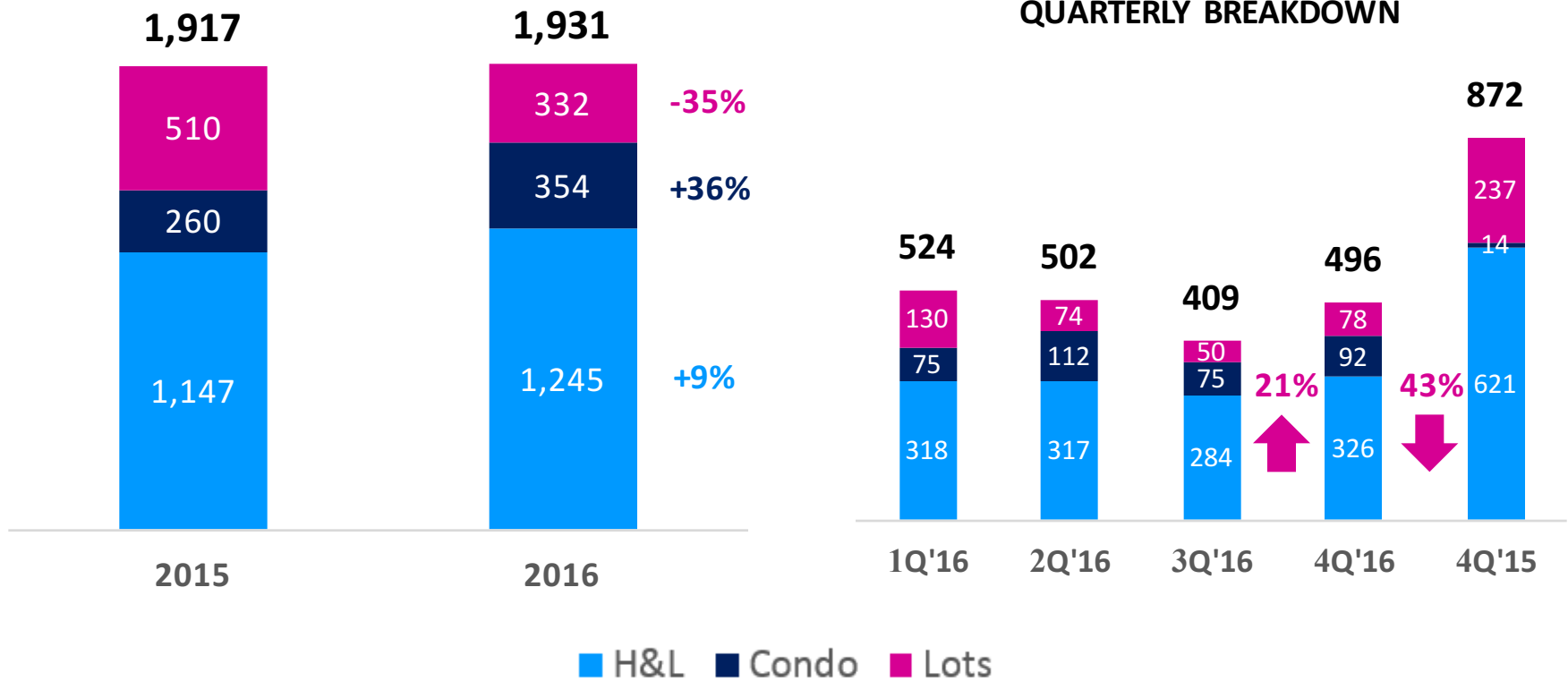
Revenues
In Php million



Residential sales remain robust, driven by H&L and Condo products

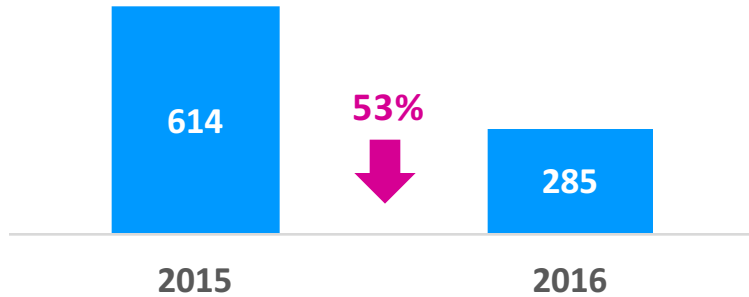


Residential Sales In Php million

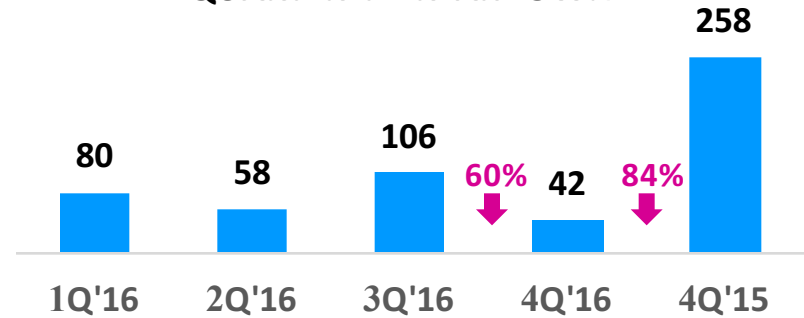


EBITDA and NIAT drops on lower revenues

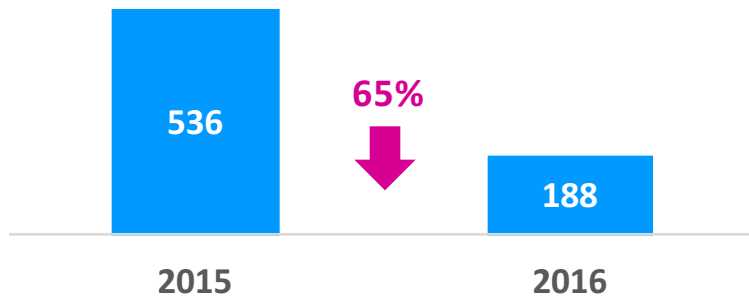
EBITDA
(in PHP mn)



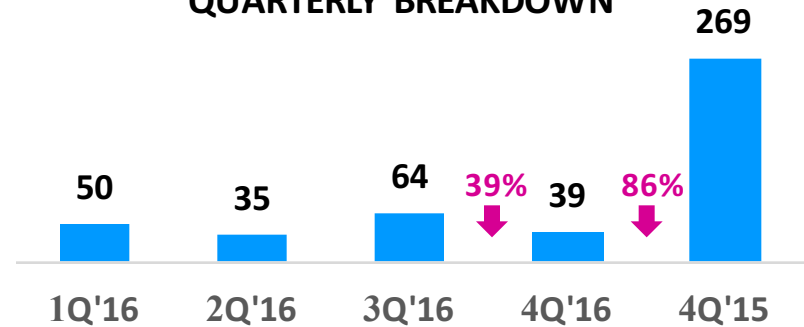
QUARTERLY BREAKDOWN



NIAT
(in PHP mn)



QUARTERLY BREAKDOWN



Operating Highlights



Corporate

- Solidified partnership with Aboitiz Construction Group

Residential

- *Amoa* continues to exceed sales targets with the launch of a new enclave
- *Pristina North* and *Ajoya* approaching full inventory sellout

Commercial

- Expansion of *The Outlets at Pueblo Verde*, completed in 2015, already approaching full lease out
- Foot traffic in *The Outlets (A,B, C)* increased by 36% from the previous year as merchant sales doubled

Industrial

- 70-hectare expansion area of Lima Technology Center now occupied
- Revenues deferred, but reservations on track



Operating Highlights



Residential

- Substantial construction progress of *Priveya Hills*, *Almiya*, *Ajaya* and *The Persimmon Studios*
- First residential project in Luzon to launch in 1Q 2017



Commercial (*The Outlets at Lipa*)

- Following its groundbreaking in 4Q of 2016, *The Outlets at Lipa* continues to garner attention through increased inquiries and commitments
- First phase is expected to be operational by the end of 2017, with full operations expected by 1Q 2018

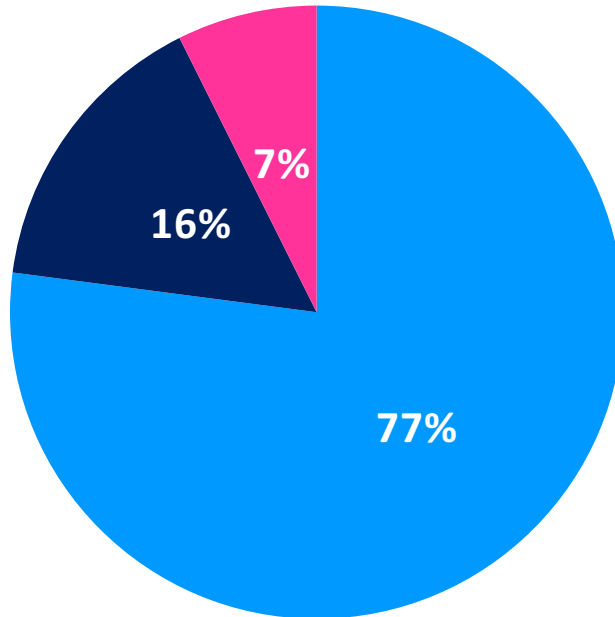


Gateway

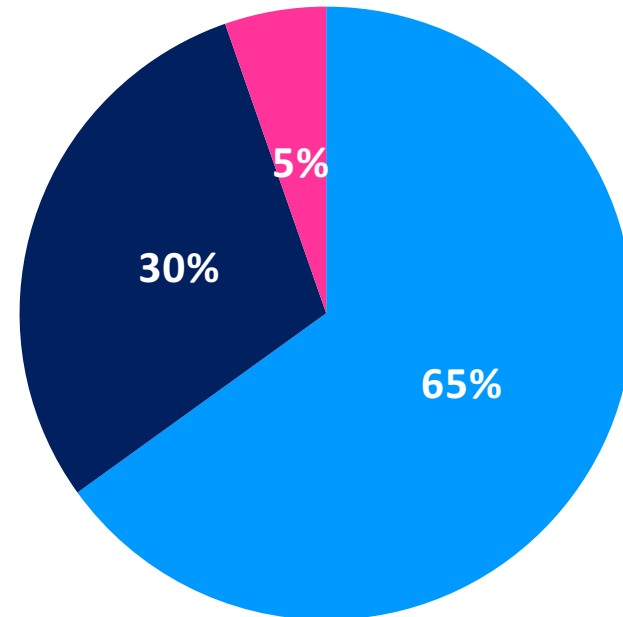
- Groundbreaking of *Gateway* took place in 2Q 2016
- Secured commitments with anchor tenants

Majority of 2017 capital expenditures committed towards project development

2016 CAPEX spent: P2.5B



2017 CAPEX Target: P5.0B



■ Project Development ■ Land Acquisition ■ Other Initiatives

- **Review of Business Units**
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aboitiz

InfraCapital

As the newly established fifth leg of the Aboitiz Group, Aboitiz InfraCapital (AIC) is mandated to develop opportunities in the infrastructure space and to manage AEV's infrastructure investments. AIC is well positioned to contribute to the nation's growth trajectory by developing and building infrastructure solutions and producing quality building materials that will help advance businesses and communities.

Strong construction demand



- 6.6% industry growth in cement demand, reaching 26 million metric tons
- RCBM contribution to AEV income amounts to PHP1.6bn in 2016

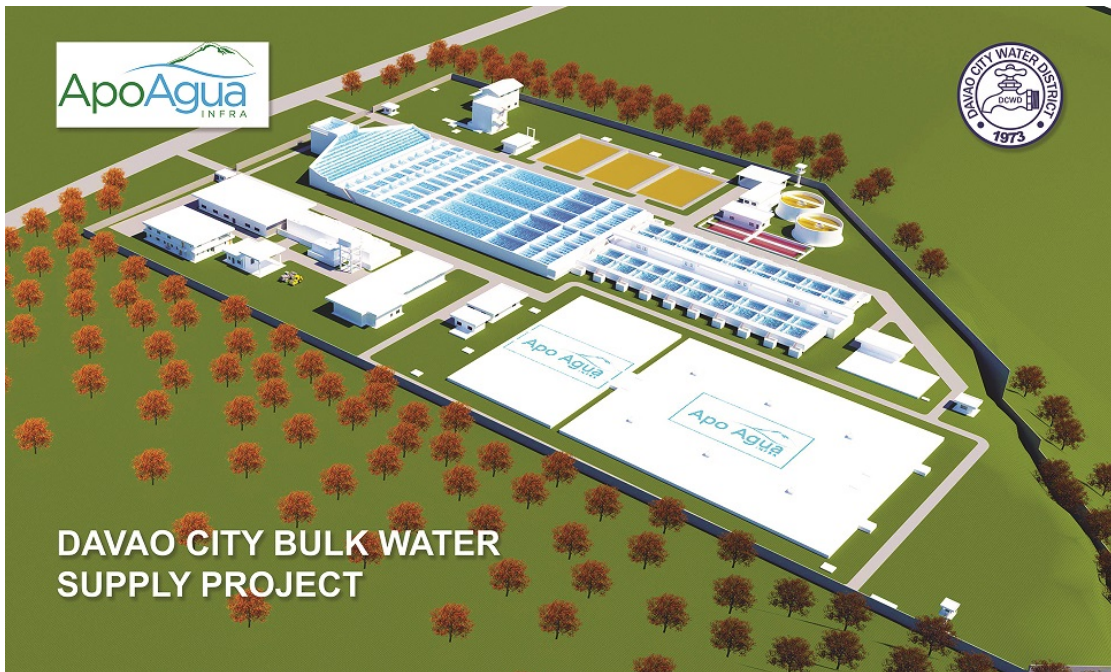
Project Updates



300 MLD Davao Bulk Water Project

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

**A partnership with
JV Angeles Construction Corporation**



On-going

In-progress

**Target
Commercial
Operations**

Some critical permits

Onsite investigation & design works

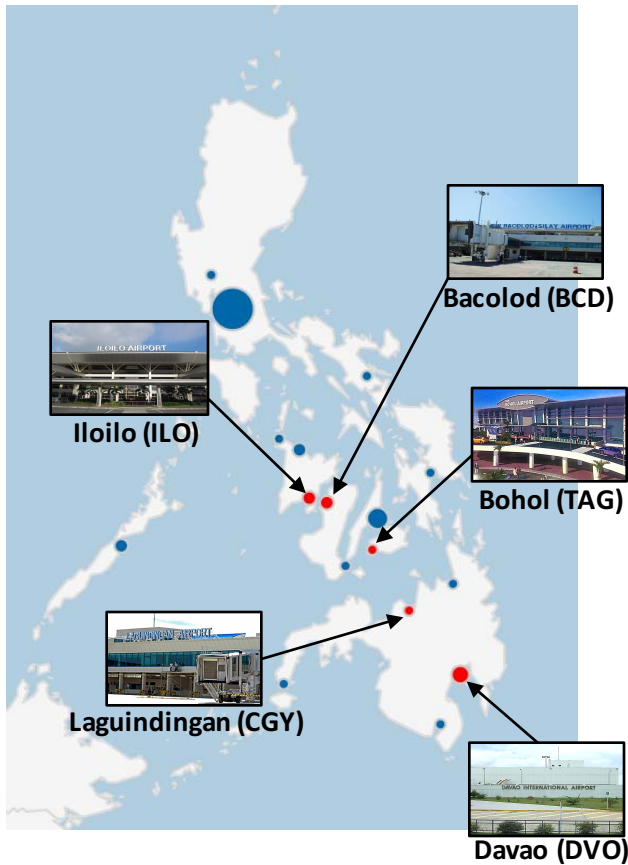
Remaining permits

Q4 2019

PPP Projects of Interest



Regional Bundled Airports



LRT 2



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Stronger financial performance

CONSOLIDATED PROFIT & LOSS

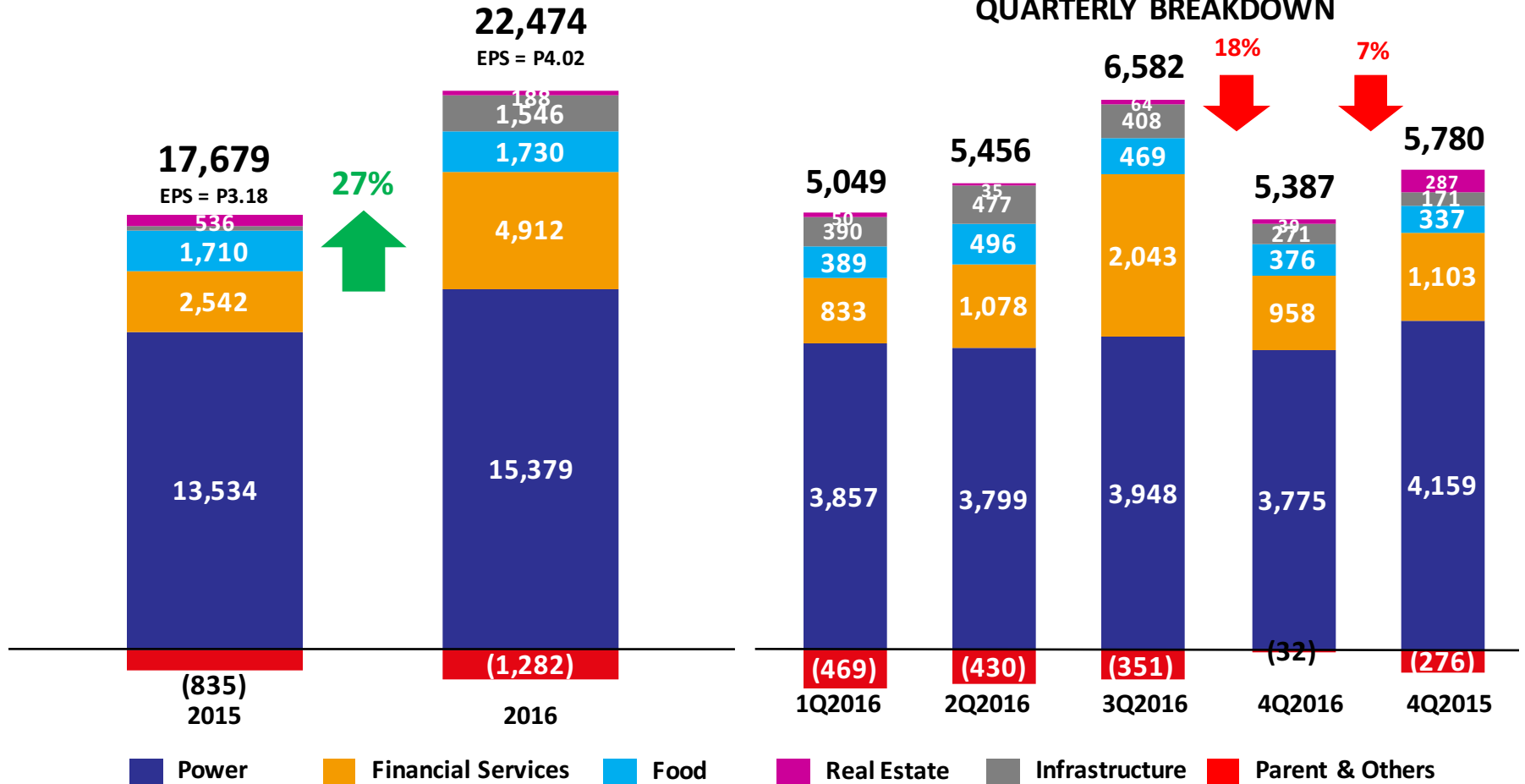
in Php million

	4Q2015	4Q2016	% Ch	2015	2016	% Ch
Revenues	27,446	28,991	6%	111,260	116,536	5%
Equity Earnings	2,513	2,316	-8%	6,589	9,651	46%
EBITDA	11,567	11,729	1%	40,171	47,937	19%
Net Income	5,780	5,387	-7%	17,679	22,474	27%
Core Net Income	5,759	5,717	-1%	18,281	22,820	25%

Power contribution down to 65%

Net Income

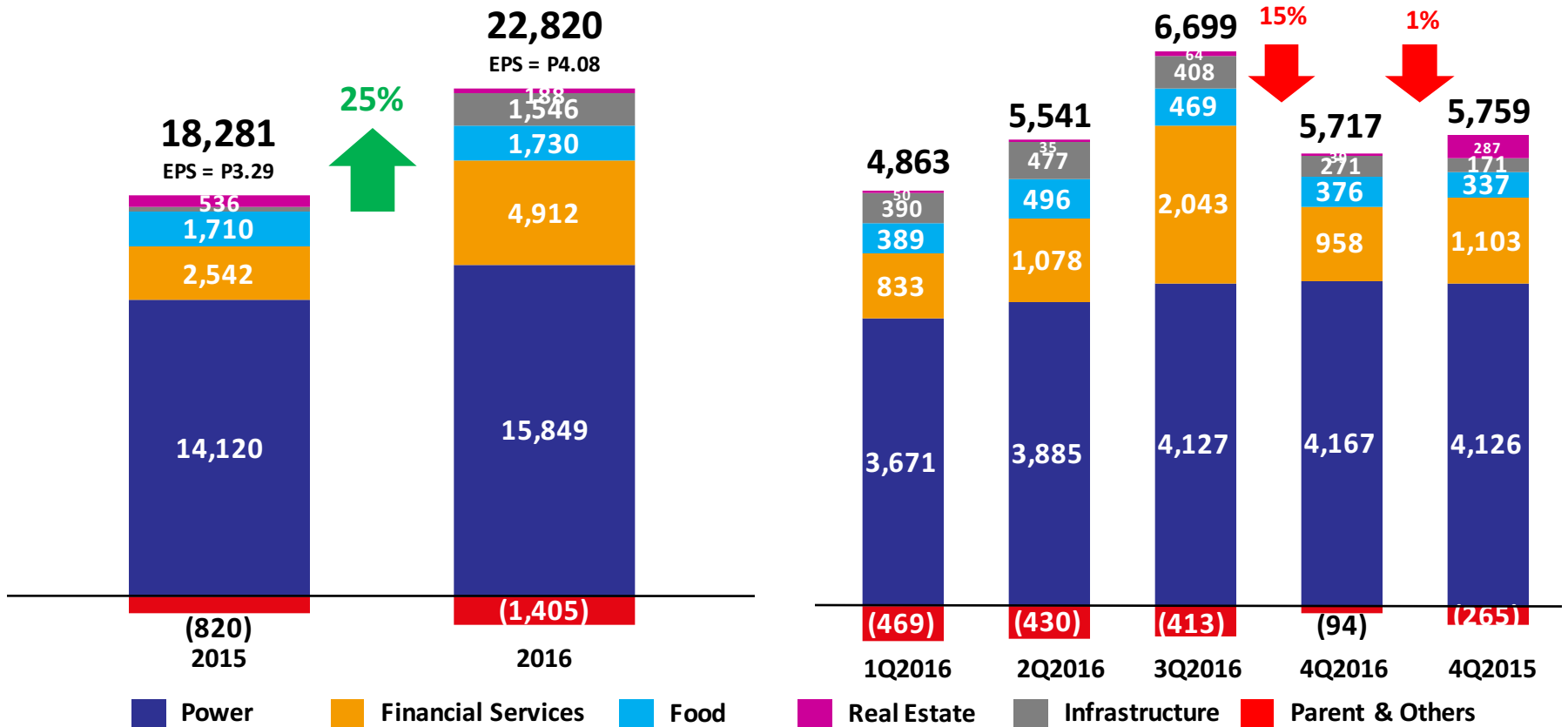
In Php million



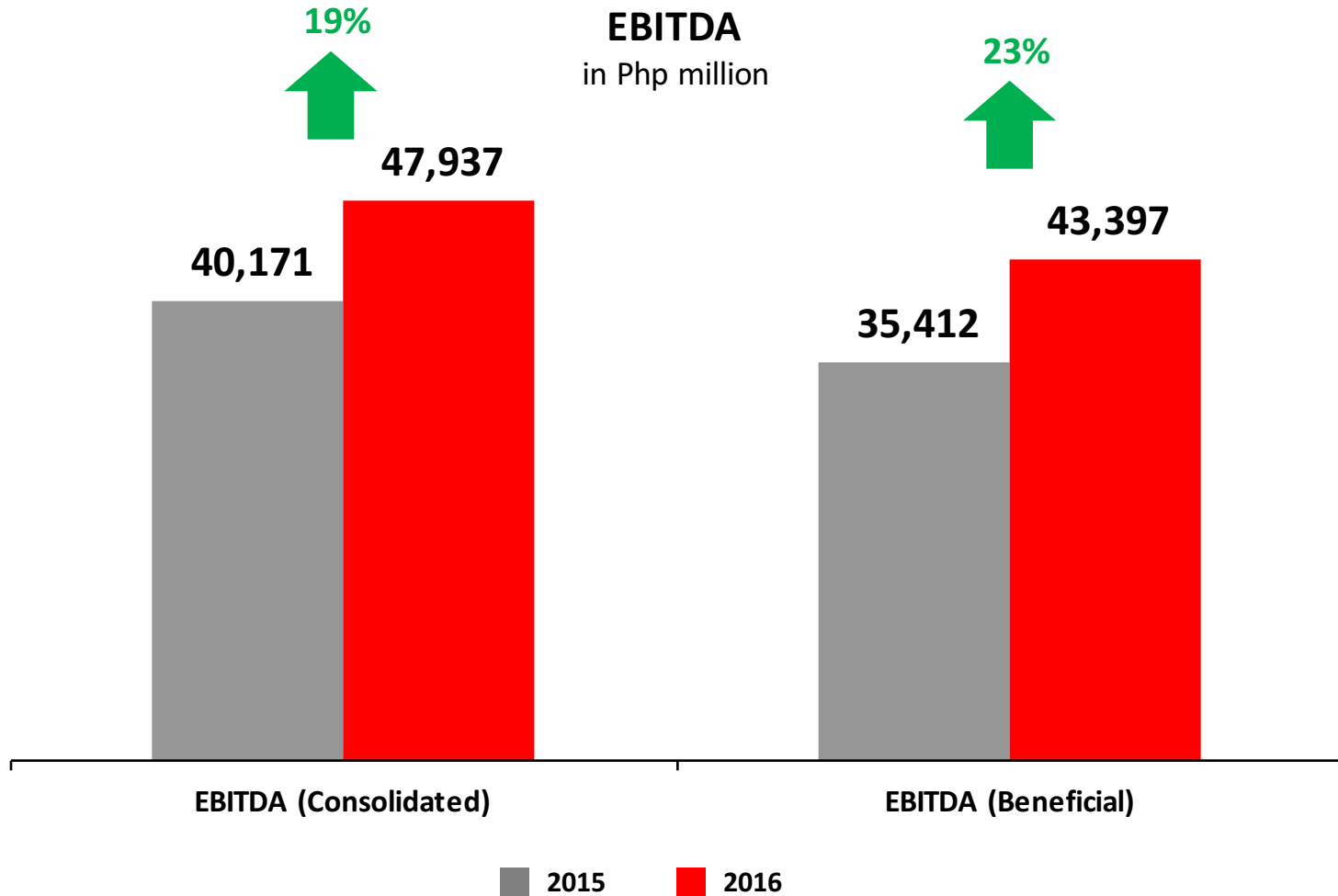
CORE NET INCOME (in Php million)

Non-Recurring Items

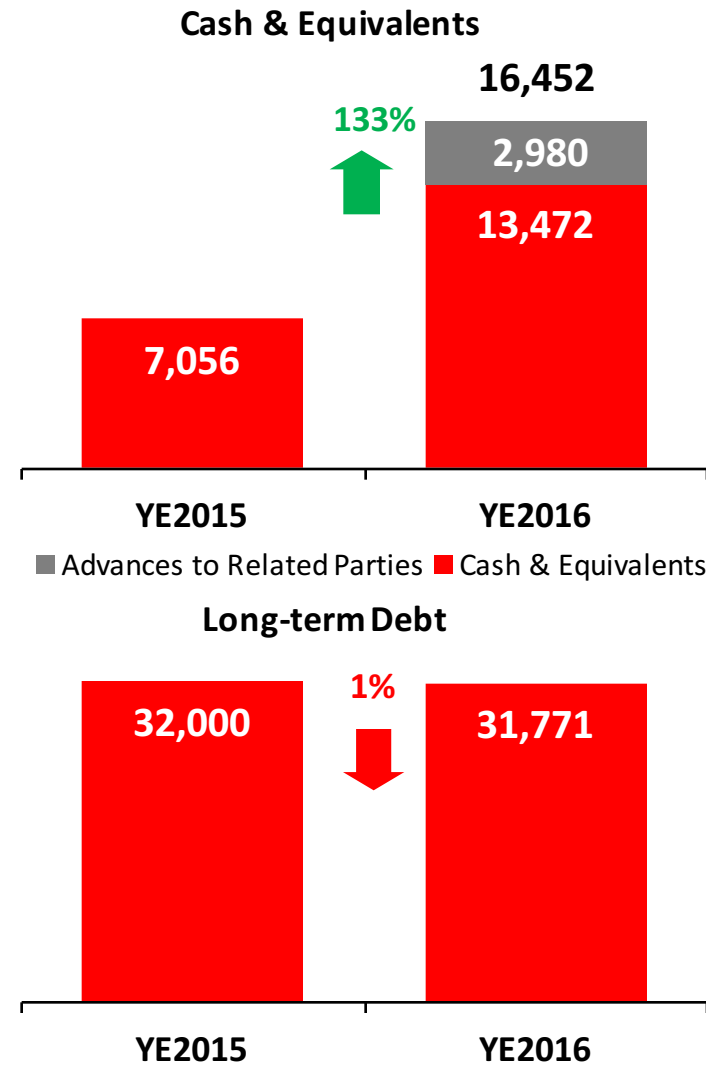
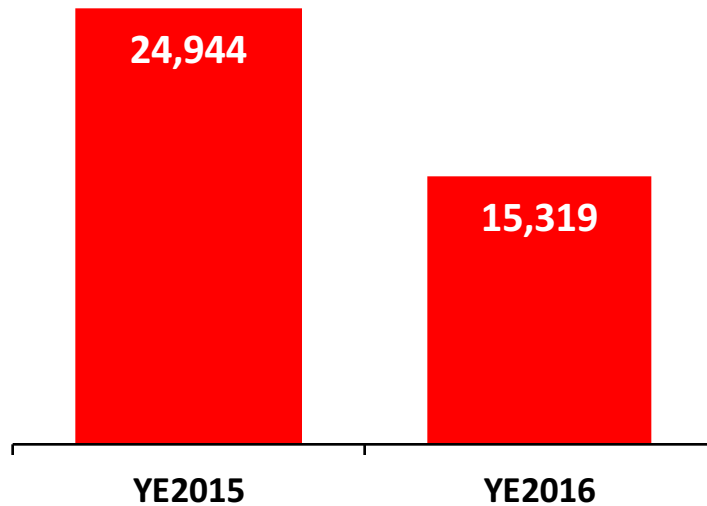
	2015	2016	1Q2016	2Q2016	3Q2016	4Q2016	4Q2015
Parent	(15.5)	123.7	(0.3)	0.3	61.7	62.0	(11.4)
Power	(585.9)	(470.4)	186.1	(85.8)	(178.6)	(392.0)	33.1
Total Gains/(Losses)	(601.5)	(346.7)	185.8	(85.5)	(116.9)	(330.1)	21.7



EBITDA increases on full-year contribution from RCBM and Therma South, and stronger results from UnionBank



Parent net debt decreases by P9.6 billion



Financial ratios remain strong, despite additional debt

Consolidated Balance Sheet/Key Ratios

(in Php million, except ratios)

	YE2015	YE2016	% Change
Cash and Cash Equivalents	63,582	65,958	4%
Total Assets	340,118	464,459	37%
Total Liabilities	193,133	290,748	51%
Total Equity	146,984	173,711	18%
Equity Attributable to Parent	118,220	140,488	19%
Book Value Per Share	21.28	24.94	
Current Ratio	2.8x	2.5x	
Debt to Equity	1.3x	1.7x	
Net Debt to Equity	0.7x	1.1x	





Why we do what we do

Annex

EARNINGS CONTRIBUTION

(in Php million)

	4Q2015	4Q2016	% Ch	2015	2016	% Ch
AboitizPower	4,159	3,775	-9%	13,534	15,379	14%
UnionBank	1,110	951	-14%	2,534	4,914	94%
Petnet	(7)	8	219%	8	(2)	-121%
Pilmico	337	376	12%	1,710	1,730	1%
AboitizLand	287	39	-86%	536	188	-65%
Republic Cement	172	277	61%	194	1,555	700%
Parent & Others	(278)	(38)	-86%	(837)	(1,290)	-54%
Net Income	5,780	5,387	-7%	17,679	22,474	27%
Core Net Income	5,759	5,717	-1%	18,281	22,820	25%

- **Review of Business Units**
 - Power
 - Banking & Financial Services
 - Food
 - Land
 - Infrastructure
- **AEV Financials**
- **Q&A**

Is there a better way?