

May 2, 2019

**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, 28<sup>th</sup> Street, cor. 5<sup>th</sup> 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  
37/F, Tower 1, The Enterprise Center  
6766 Ayala Avenue corner Paseo de Roxas, Makati City

ATTENTION : **ATTY. JOSEPH B. EVANGELISTA**  
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:



**MANUEL ALBERTO R. COLAYCO**  
Corporate Secretary

COVER SHEET

C E O 2 5 3 6

S.E.C. Registration Number

A B O I T I Z E Q U I T Y V E N T U R E S I N C .

( Company's Full Name )

3 2 N D S T R E E T , B O N I F A C I O G L O B A L

C I T Y , T A G U I G C I T Y , M E T R O M A N I L A

P H I L I P P I N E S

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

MANUEL ALBERTO R. COLAYCO

Contact Person

(02) 886-2338

Company Telephone Number

1 2 3 1

Month Day

Fiscal Year

1 7 - C

FORM TYPE

4th Monday of April

0 4 2 2

Month Day

Annual Meeting

N/A

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc

N/A

Amended Articles Number/Section

Total No. of Stockholders

x

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

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LCU

Document I.D.

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Cashier


STAMPS

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SECURITIES & EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE (SRC)  
AND SRC RULE 17.2(c) THEREUNDER

1. **May 2, 2019**  
Date of Report (Date of earliest event reported)
2. SEC Identification Number **CEO2536** 3. BIR TIN **003-828-269-V**
4. **ABOITIZ EQUITY VENTURES INC.**  
Exact name of registrant as specified in its charter
5. **Philippines** 6.   
Province, country or other jurisdiction of incorporation Industry Classification Code
7. **32<sup>nd</sup> Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines** **1634**  
Address of principal office Postal Code
8. **(02) 886-2800**  
Registrant's telephone number, including area code
9. **N.A.**  
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA
- | Title of Each Class                                   | Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding |
|---|---|
| <b>Common Stock ₱1 Par Value</b>                      | <b>5,632,792,557</b>  |
| <b>Amount of Debt Outstanding (December 31, 2018)</b> | <b>₱285,305,308,057.00</b>  |

11. Indicate the item numbers reported herein: 9

**Item 9: Other Matters**

Aboitiz Equity Ventures Inc. ("AEV" or the "Company") recorded a consolidated net income of ₱3.5 billion (bn) for the first quarter of 2019, a 27% decrease from the ₱4.8 bn reported during the same period last year. The Company recognized non-recurring losses of ₱334 million (mn) during the period, primarily due to unrealized foreign exchange losses from the revaluation of dollar-denominated assets and recognized losses on derivatives, which were lower than 1Q2018's ₱424 mn FX losses. Without these one-off losses, the Company's core net income was ₱3.9 bn, a 27% decline year-on-year (YoY). For the relevant period, AEV recorded consolidated earnings before interest, tax, depreciation and amortization (EBITDA) of ₱12.4 bn, 11% lower than the ₱13.9 bn logged for the first quarter of 2018.

Power accounted for 71% of the total income contributions from AEV's Strategic Business Unit (SBU) for the first quarter of 2019, while the Financial Services, Food, Real Estate, and Infrastructure SBUs income contributions were at 27%, 4%, -1%, and -1%, respectively.

### **Strategic Business Units**

#### *Power*

Aboitiz Power Corporation's (AboitizPower) net income contribution to AEV during the first quarter of 2019 decreased by 9% to ₱2.8 bn from the ₱3.1 bn in the corresponding period last year.

On a stand-alone basis, AboitizPower's core net income for the first quarter of 2019 was ₱4.1 bn, a 21% decrease YoY. Taking into account non-recurring losses of ₱440 mn for the same period, net income was ₱3.6 bn, 9% lower compared to the same period last year.

Income contributions from the generation and retail electricity supply businesses totaled ₱3.4 bn during the first quarter of 2019, 12% lower YoY, and accounted for 78% of total income contributions from AboitizPower's business segments for the relevant period. Consolidated EBITDA was ₱8.6 bn, a 15% decrease YoY, which was primarily due to the higher volume and cost of purchased power due to exceptionally high spot market prices. The Company had purchased replacement power as a result of outages and overcontracting in anticipation of incoming capacities.

AboitizPower also recorded lower capacity sold, from 3,146 megawatts (MW) in the first quarter of 2018 to 2,947 MW in the corresponding period in 2019.

AboitizPower's distribution business recorded an income share of ₱944 mn during the first quarter of 2019, a 5% decrease YoY, and accounted for 22% of income contributions from AboitizPower's business segments. Consolidated EBITDA for the distribution business stood at ₱1.9 bn, a 3% increase from the first quarter of the previous year, as energy sales increased by 3% YoY to 1,343 gigawatt-hours (GWh), compared to 1,298 GWh in 2018. This driven by the increase in new customers across all segments.

#### *Banking & Financial Services*

Union Bank of the Philippines' ("UnionBank" or the "Bank") income contribution to AEV for the first quarter of 2019 declined by 25% to ₱1.1 bn, from ₱1.4 bn in the same period in 2018.

On a stand-alone basis, UnionBank and its subsidiaries recorded a net income of ₱2.2 bn in the first quarter of 2019, down by 26% from the ₱2.9 bn earned in the same period last year.

Nonetheless, the Bank's recurring income improved YoY as net interest income and fee income increased to ₱4.7 bn and ₱530 mn, respectively, from ₱4.6 bn and ₱313 mn in the first quarter of the previous year.

UnionBank's earnings performance translated to a return on equity (ROE) of 9.6%, return on assets of 1.3%, and revenue-to-expense ratio of 1.6x.

As of end-March 2019, UnionBank's total assets reached ₱705.4 bn, 16% higher YoY, as customer loans reached ₱315.5 bn, with retail loans accounting for more than one-third of total loans. All customer businesses, except CitySavings, posted double-digit growth in volume.

UnionBank's capitalization remains healthy, with total capital adequacy ratio of 14.3% and Common Equity Tier 1 ratio of 12.2%.

### *Food*

AEV's non-listed food subsidiaries (Pilmico Foods Corporation, Pilmico Animal Nutrition Corporation, and Pilmico International Pte. Ltd. - which now includes Gold Coin Management Holdings Limited) reported a consolidated net income of ₱137 mn for the first quarter of 2019, a 48% decrease from the ₱264 mn recorded in the same period in 2018.

For the first quarter of 2019, Feeds Philippines' net income of ₱12 mn was 89% lower YoY due to increased raw materials costs. The Farms business segment recorded a net income of ₱4 mn, 97% lower YoY, due to the increase in the cost of feeds combined with the decrease in selling price of live hogs. Meanwhile, the Flour business segment's net income increased by 359% YoY to ₱109 mn, on the back of increases in by-product contributions.

Pilmico International Pte. Ltd. reported a consolidated net income of ₱13 mn in the first quarter of 2019, a 230% increase from the same period last year. This increase was primarily due to fresh contributions from Gold Coin Management Holdings Limited, a feeds business in the Asia-Pacific region acquired in July 2018, and income from Pilmico Vietnam Feeds on the back of higher selling prices and sales volumes.

For the first three months of 2019, 10% of the Food Group's total earnings were generated offshore, higher than the 1% recorded in the same period last year.

### *Real Estate*

AEV's non-listed real estate segment, comprising AboitizLand, Inc. ("AboitizLand") and its subsidiaries, reported a consolidated net loss of ₱44 mn in the first quarter of 2019, 174% lower than the ₱59 mn net income recorded in the same period in 2018. This decrease was due to the deferred revenue recognition of industrial lot sales combined with higher direct project expenses.

AboitizLand's revenues totaled ₱671 mn in the first quarter of 2019, 9% lower YOY. This was primarily attributable to the deferred revenue recognition of industrial lot sales for the industrial business unit, which was offset by revenue contributions from the residential business unit due to significant construction progress primarily in key projects such as Seafont Residences and Amoa.

Of AboitizLand's revenue for the first quarter of 2019, the residential business unit contributed ₱462 mn, the industrial business unit contributed ₱156 mn, while the commercial business unit and others contributed the remaining ₱53 mn, equivalent to 69%, 23% and 8%, respectively.

### *Infrastructure*

For the Infrastructure group, Republic Cement & Building Materials, Inc.'s 1Q2019 contribution to AEV was a net loss of ₱32 mn, 61% lower than the ₱82 mn net loss reported in the corresponding period in 2018. This was mainly due to improved control on production costs in addition to stable market prices and private sector demand.

### **Financial Condition**

As of March 31, 2019, the Company's consolidated assets totaled ₱558.6 bn, a 1% increase from end-2018's level of ₱554.6 bn. Cash and cash equivalents at the end of the first quarter of 2019 stood at ₱63.6 bn, 8% higher than ₱59 bn as of end-2018. Consolidated

liabilities totaled ₱346.2 bn, a 3% increase from the year-end 2018 level of ₱337.3 bn, while equity attributable to equity holders of the parent decreased by 3% to ₱170.2 bn. AEV's current ratio as of March 31, 2019 stood at 1.5x while its net debt-to-equity ratio was 1.1x.

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:



Manuel Alberto R. Colayco  
Corporate Secretary

Date: May 2, 2019