



Aboitiz Equity Ventures

First Quarter of 2019

Financial & Operating Results

02 May 2019

abotiz



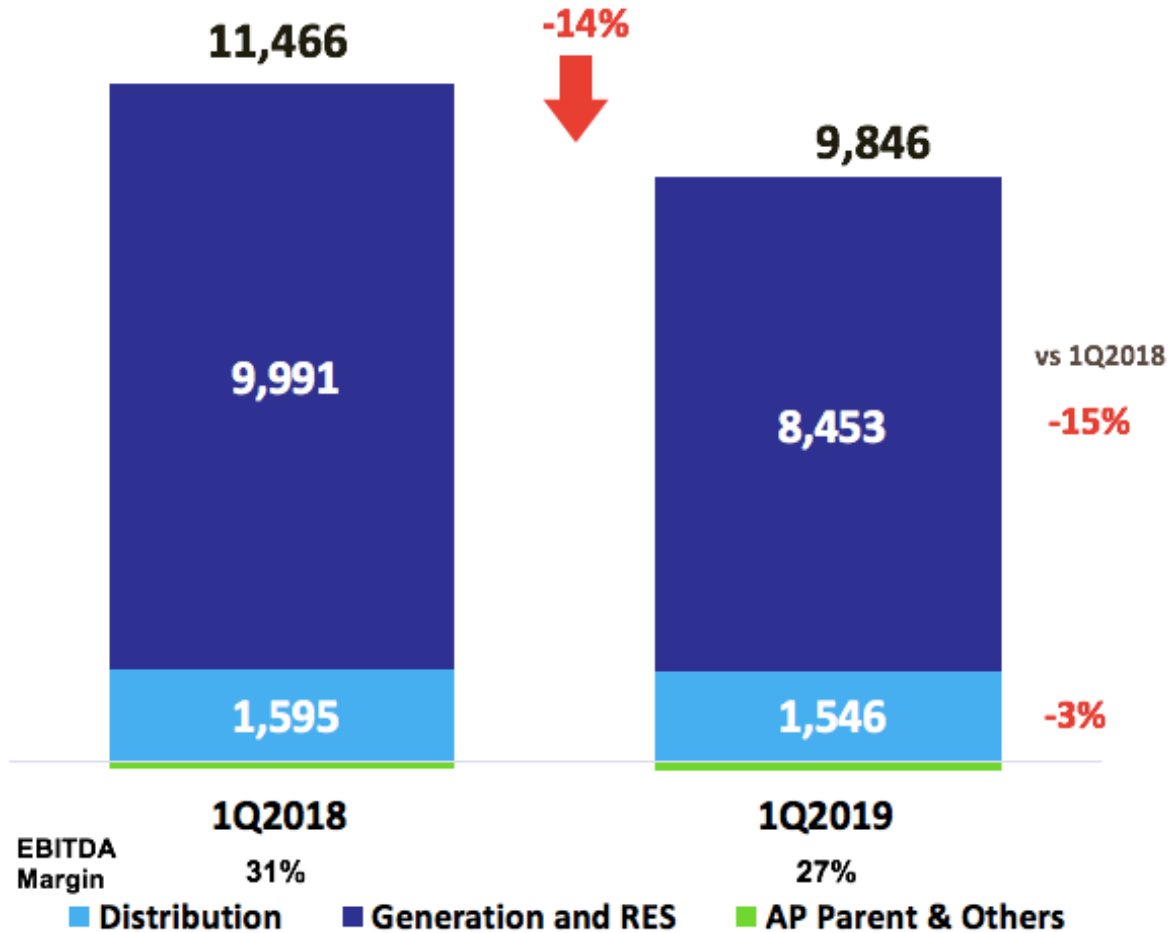
Review of Business Units

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



1Q 2019 Beneficial EBITDA

(in Php mn)

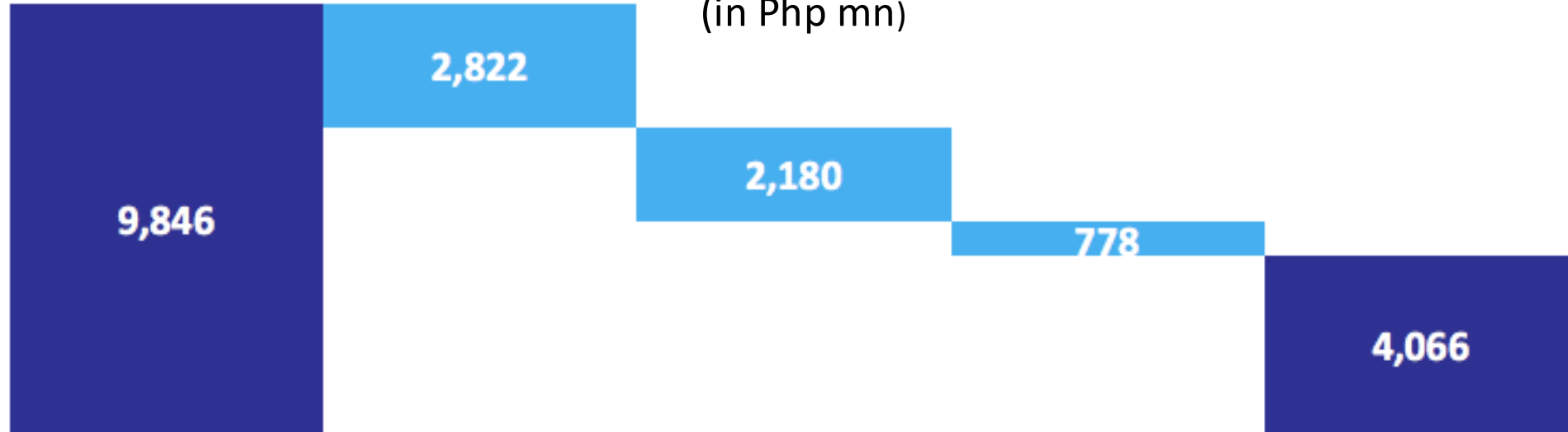


-14% decline, mainly of which...

- -13% due to higher purchased power cost
- -1% due to absence of revenues from Therma Mobile (TMO)

1Q 2019 Core Net Income

(in Php mn)

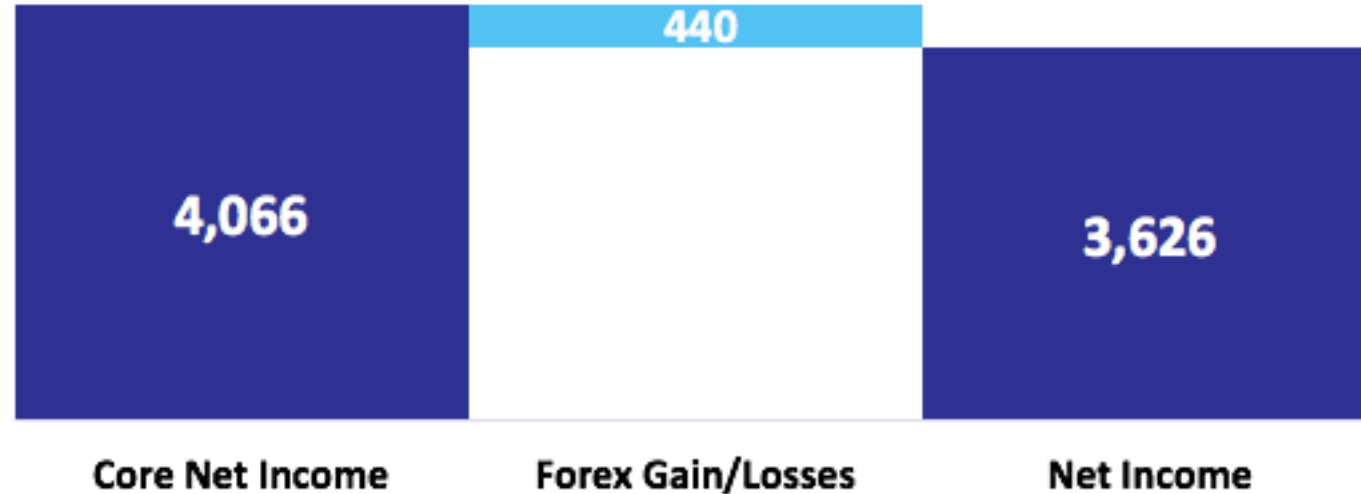


EBITDA	Interest Expense	Depcn. & Amort.	Tax & Others	Core Net Income
Php mn		1Q2018	1Q2019	Change
EBITDA		11,466	9,846	-14%
Less: Interest Expense		2,821	2,822	0%
Depcn. & Amort.		2,002	2,180	9%
Tax & Others		1,476	778	-47%
Core Net Income		5,167	4,066	-21%
<i>EPS</i>		2.17	2.14	



1Q 2019 Net Income

(in Php mn)



Php mn	1Q2018	1Q2019	Change
Core Net Income	5,167	4,066	-21%
Forex/Derivative losses	(1,192)	(440)	63%
Net Income	3,975	3,626	-9%
<i>EPS</i>	0.54	0.49	



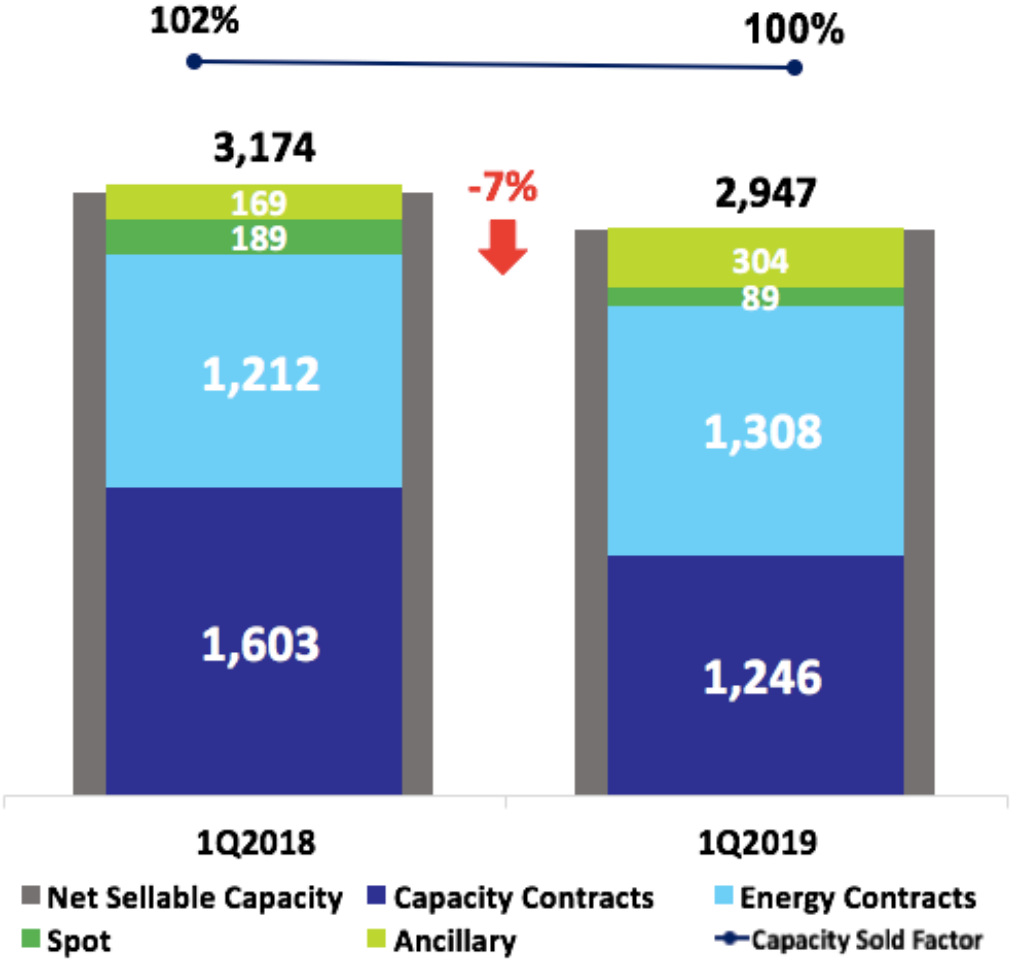
Balance Sheets Highlights

(in Php mn, except ratios)

(Php mn)	CONSOLIDATED	
	YE 2018	1Q 2019
Cash and Cash Equivalents	46,343	50,109
Total Assets	389,662	391,307
Total Liabilities	253,086	263,910
Total Equity	136,577	127,397
Total Interest Bearing Debt	216,499	220,413
Net Debt	164,866	166,466
Net Debt to Equity	1.2X	1.3x
Debt to Equity*	1.6X	1.7x

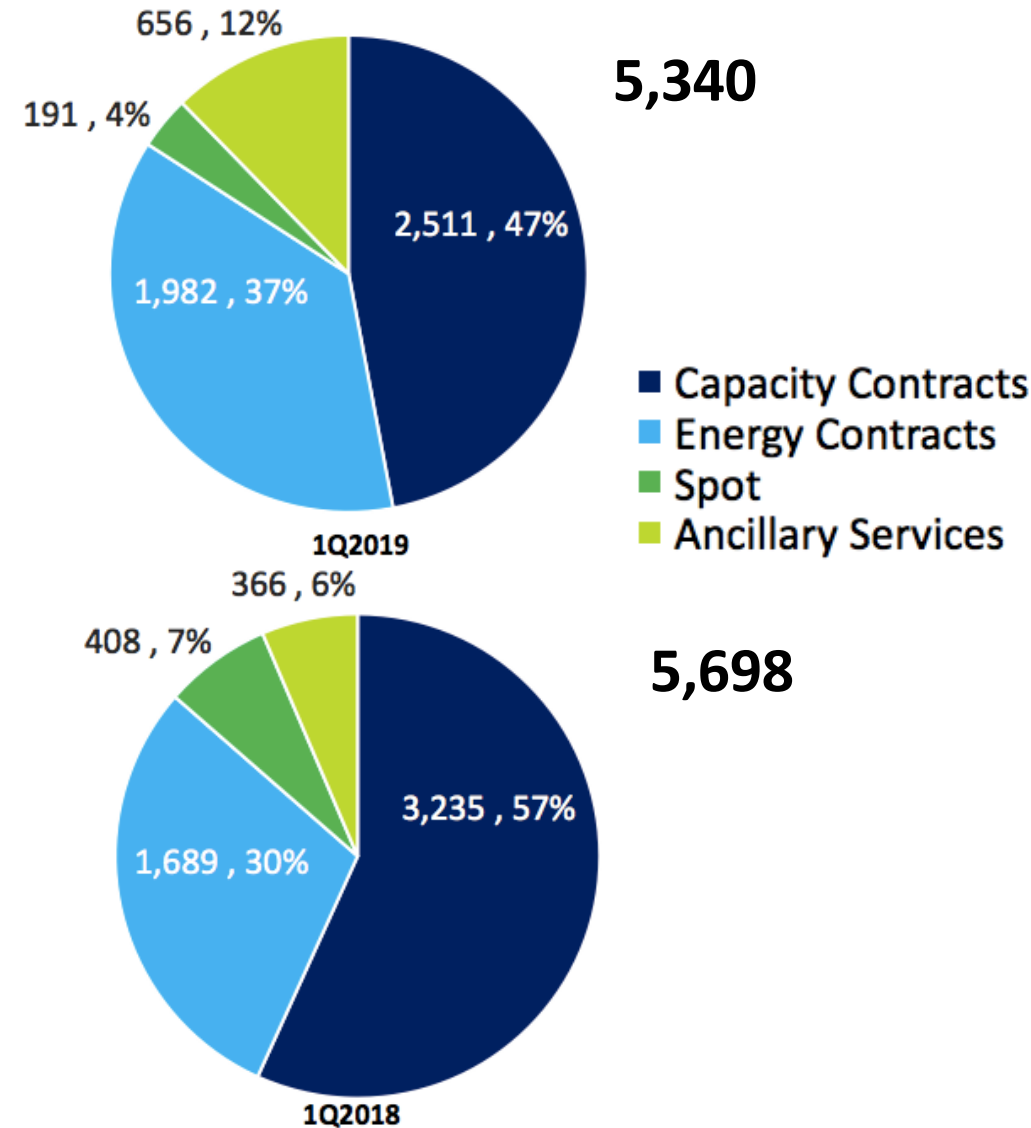
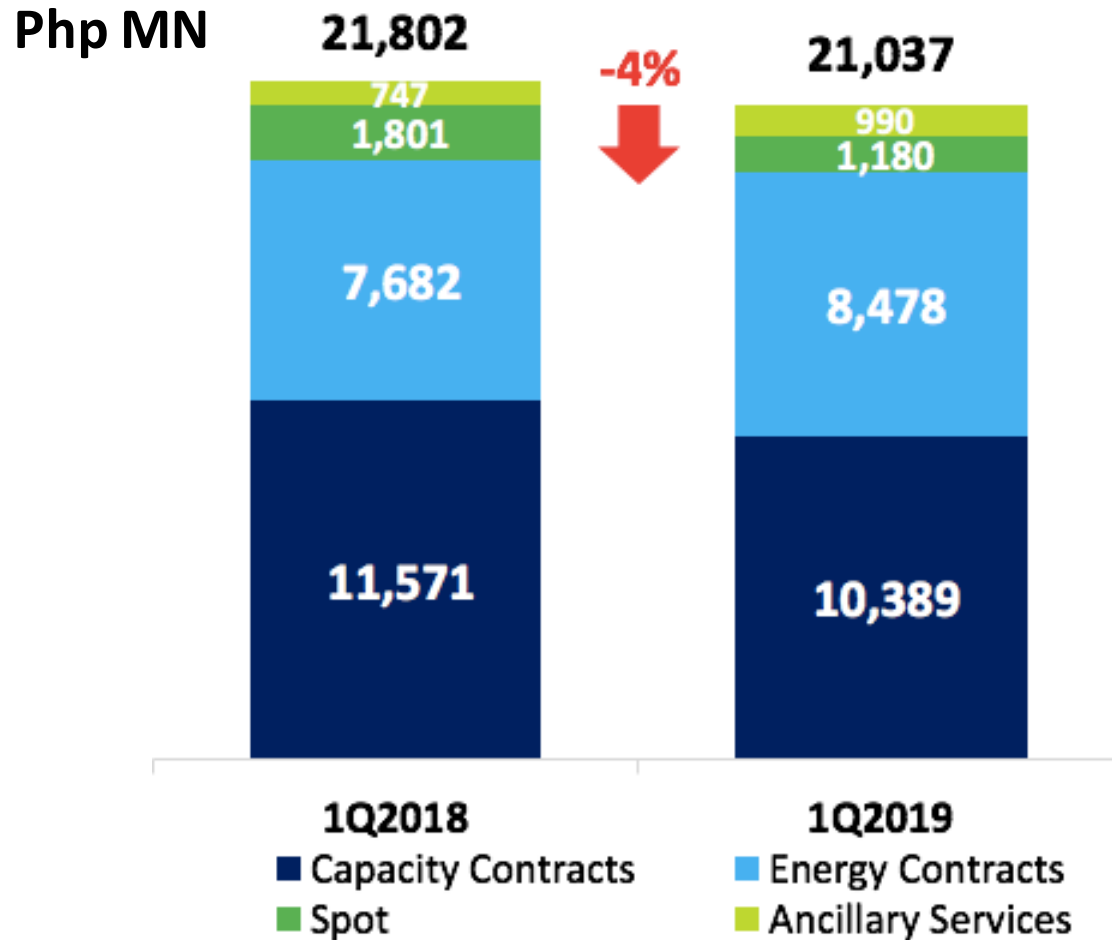
**Total Interest Bearing Debt / Total Equity*

Operating Highlights: Capacity Sales and Capacity Sold Factor by Contract Type



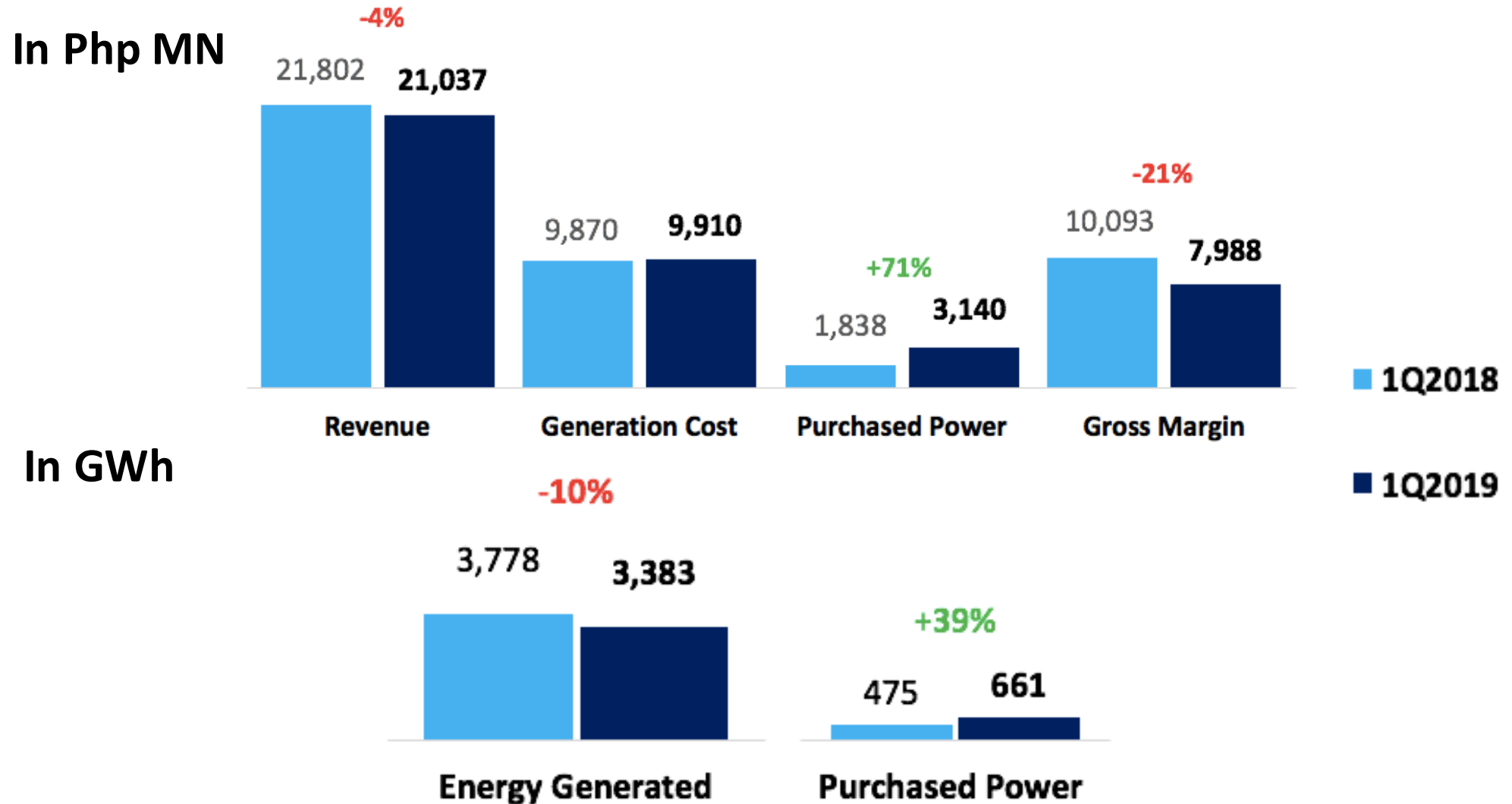
Capacity Sales: Capacity Contracts (MW) + Energy Contracts (MW) + [(Spot (MWh) + Ancillary (MWh))/Days_Year/Hours Day]
 Capacity Sold Factor: Capacity Sales (MW) / Net Sellable Capacity (MW)

Operating Highlights: Revenue and Energy Sold





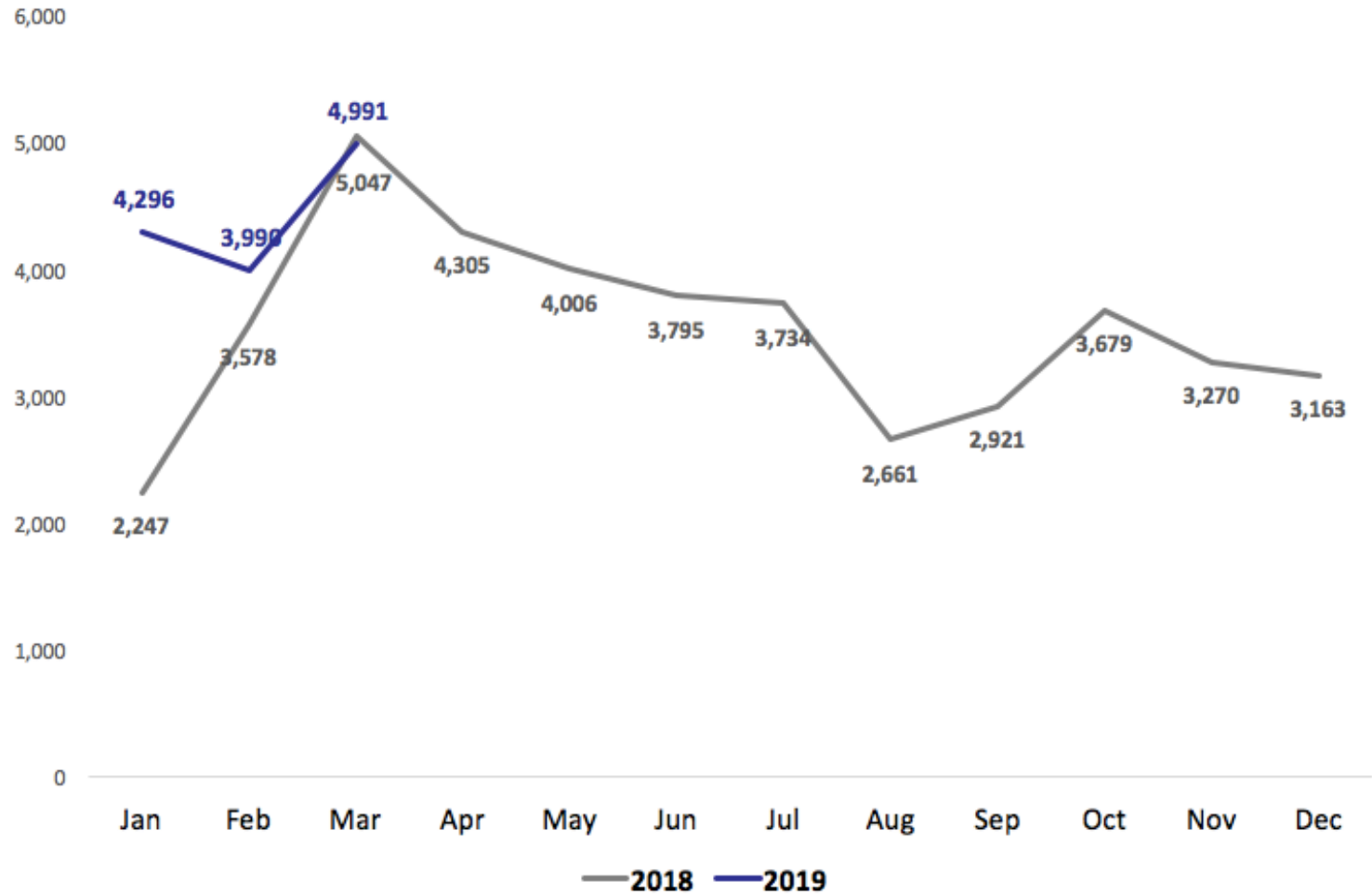
Operating Highlights: Gross Margin





Operating Highlights: WESM

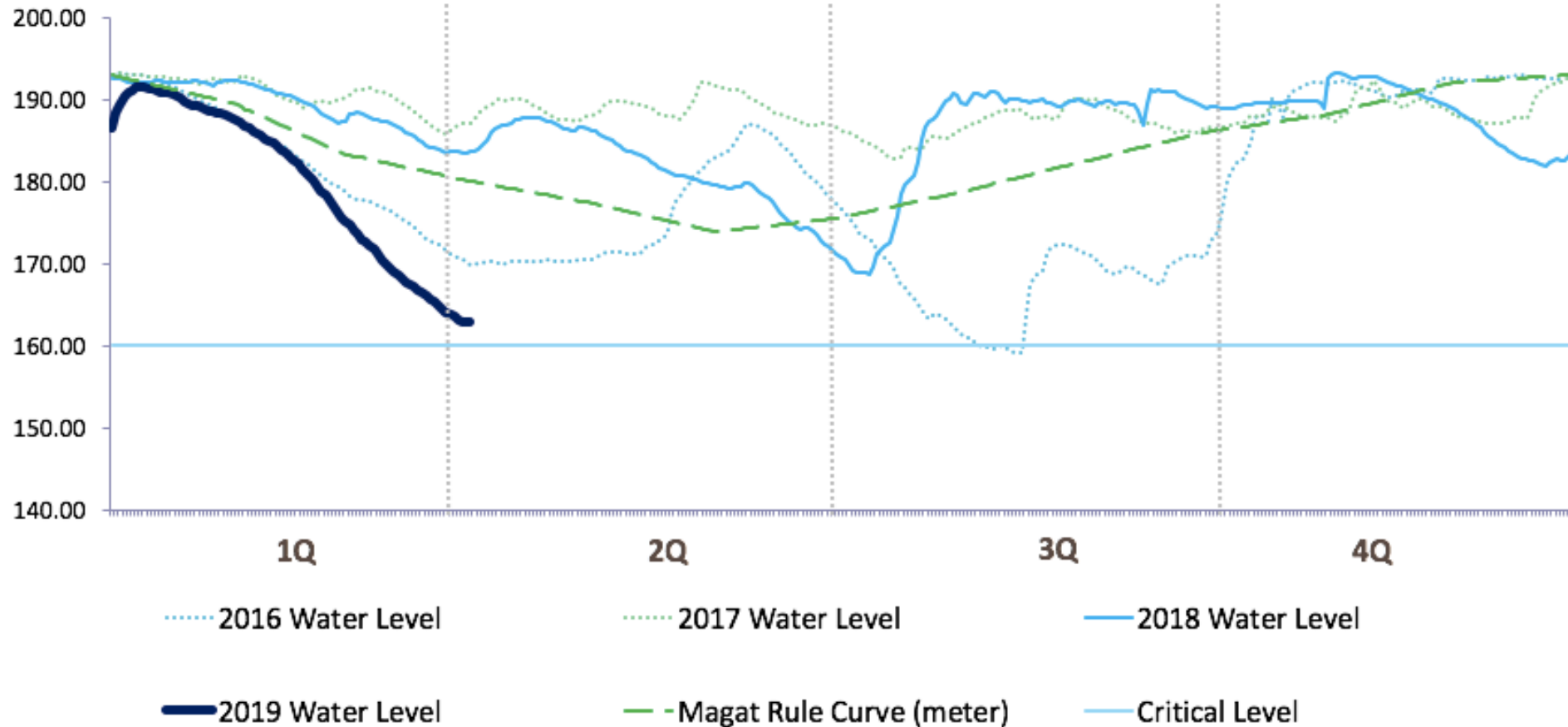
WESM LOAD WEIGHTED AVERAGE PRICES (P/MWh)





Operating Highlights: Water Level

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

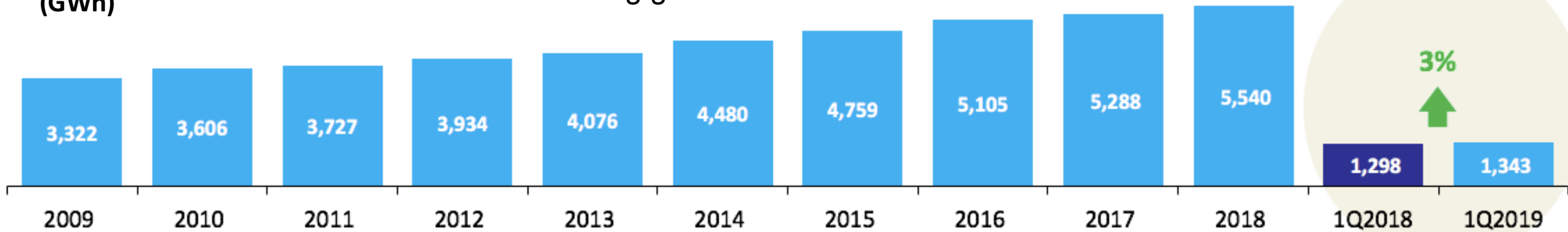




Operating Highlights: Distribution

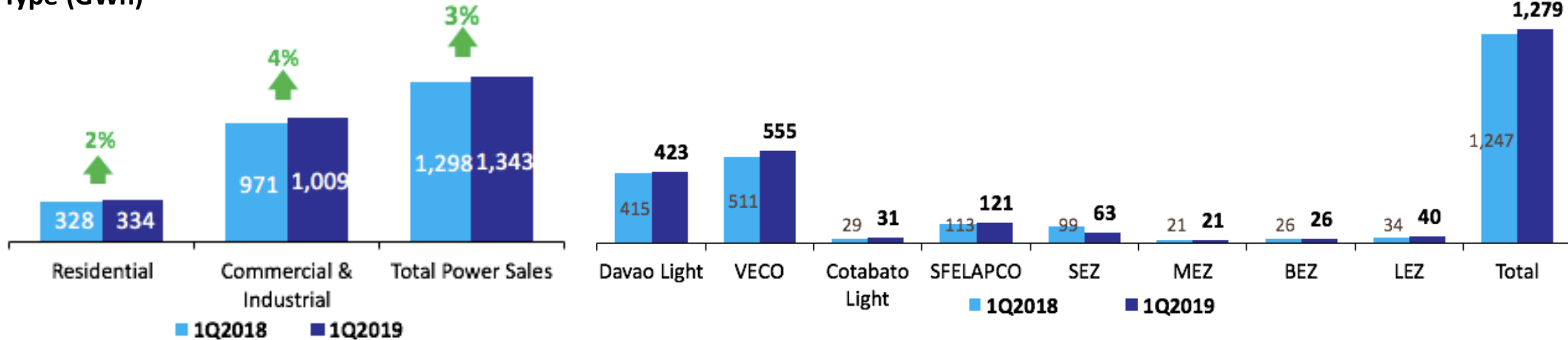
Beneficial Power Sales (GWh)

Strong growth in distribution sales



Beneficial Power Sales By Customer Type (GWh)

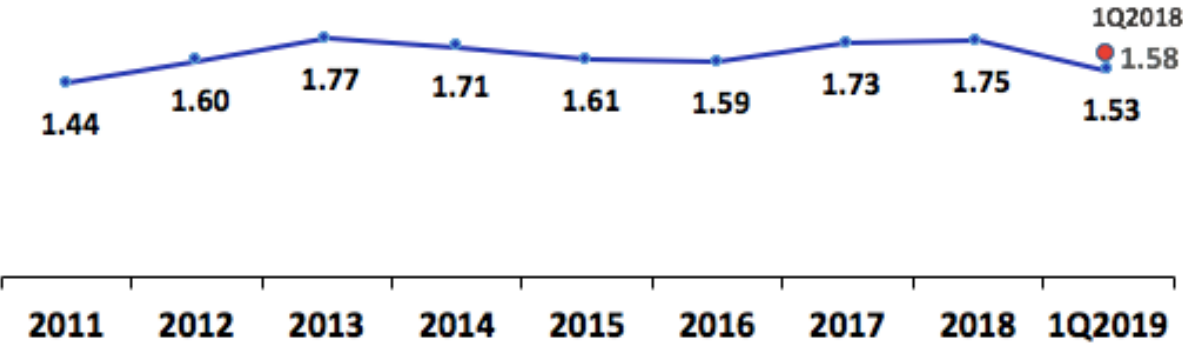
Peak Demand in (MW)



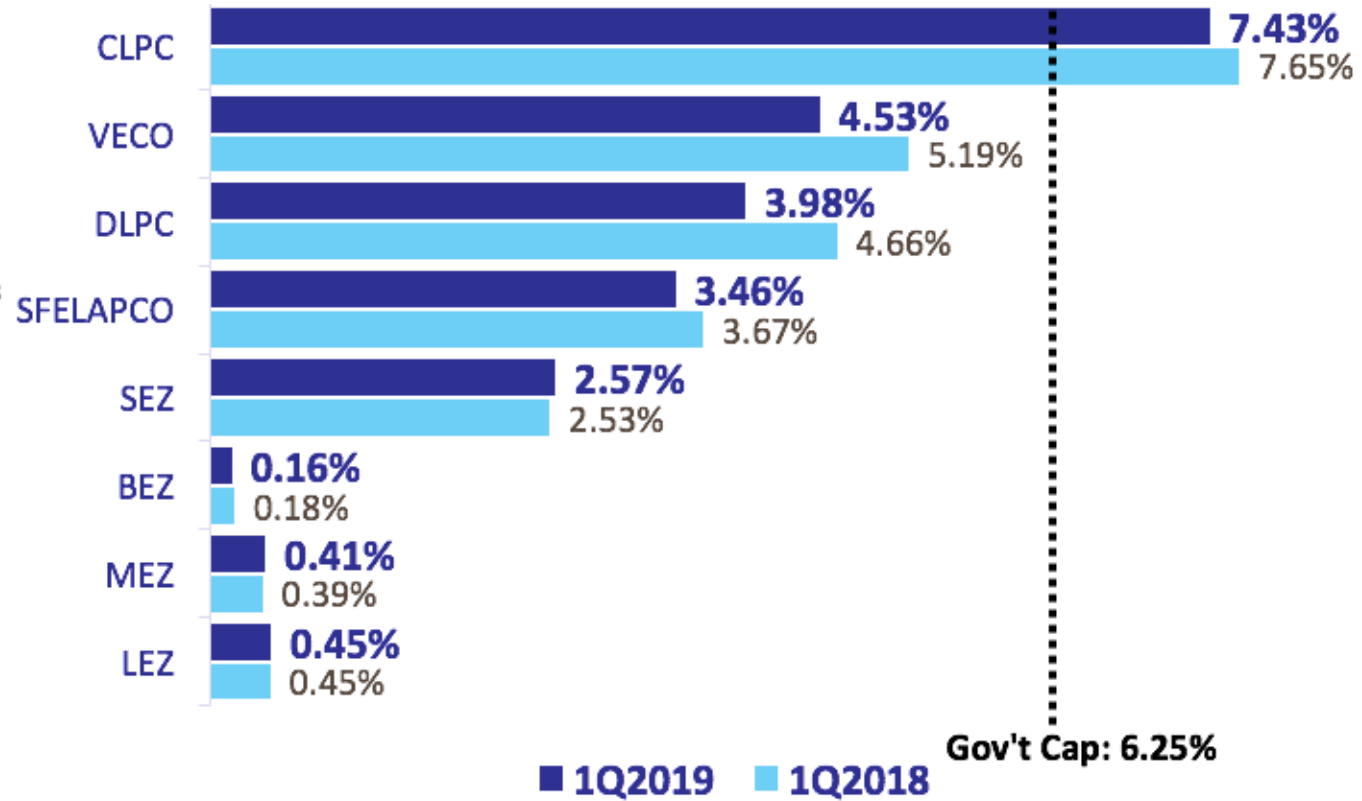


Operating Highlights: Distribution

Gross Margin / kWh



Feeder Loss





Project Update

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

GRID	Project	Capacity (Net)	% Ownership	Attributable Net Capacity	Estimated Commercial Operation Date
LUZON	La Trinidad (Hydro – Hedcor Inc)	19 MW	100%	19 MW	Jul 2019
	Dinginin Unit 1 (Coal – GNPD)	668 MW	40%	267 MW	Q1 2020
	Dinginin Unit 2 (Coal – GNPD)	668 MW	40%	267 MW	Middle 2020
	Subic (Coal – RP Energy)	300 MW	25%	75 MW	
VISAYAS	Cebu (Coal – Therma Visayas)	300 MW	80%	240 MW	Unit 1 on commercial operations
					Unit 2 Jun 2019
		1,955 MW		868 MW	



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





Project Update

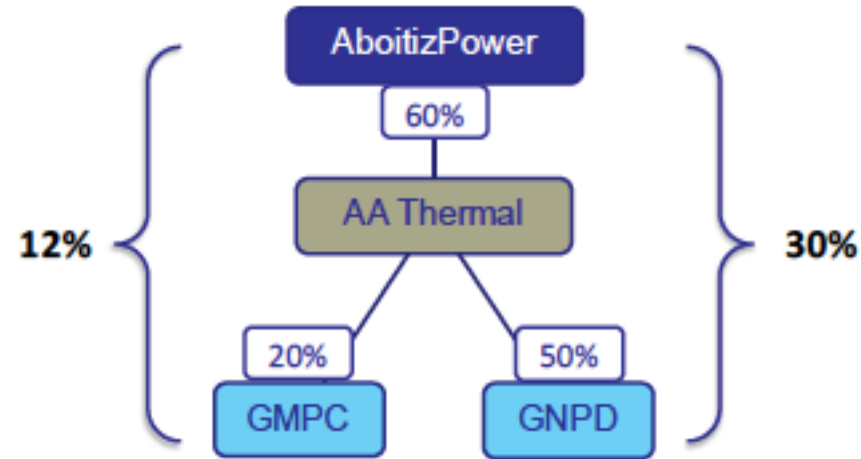
Naga Power Plant Complex



● ■
Therma Mobile signs Power Supply contract
with Meralco



AP Received Approval From Philippine Competition Commission



	PREV	ADDTL	NEW
	%		
GMCP	66%	12%	78%
GNPD	40%	30%	70%

	PREV	ADDTL	NEW
	MW		
	418	77	495
	534	401	935
	478		



Review of Business Units

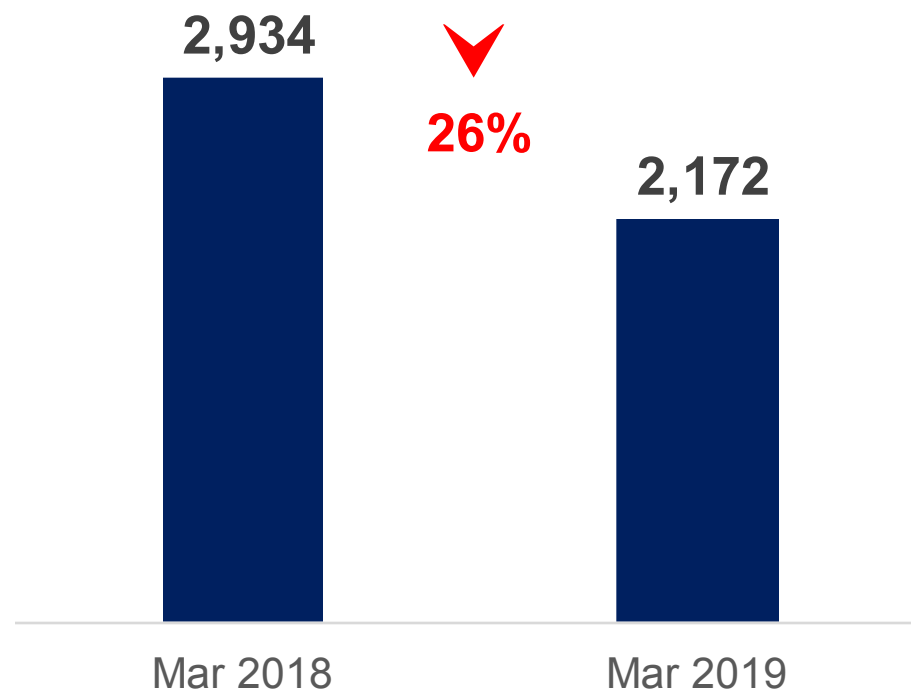
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1Q 2019 Net Income

(in Php mn)

Net income* at P2.2 Bn



*Attributable to Parent Bank's Stockholders

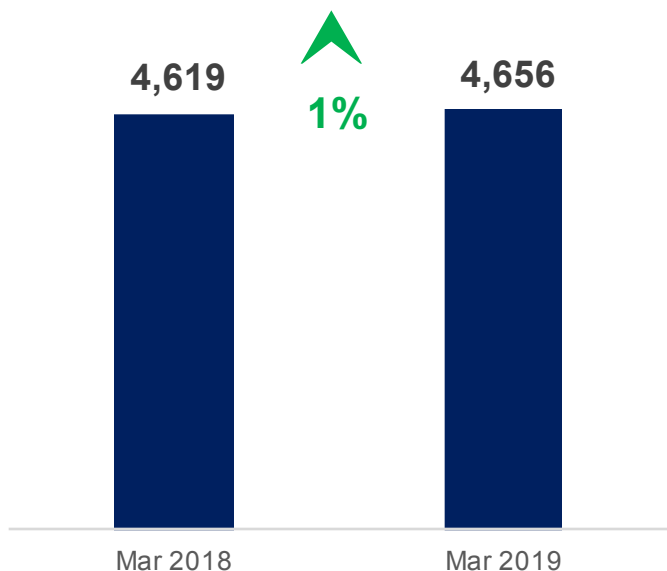


1Q 2019 Net Interest Income

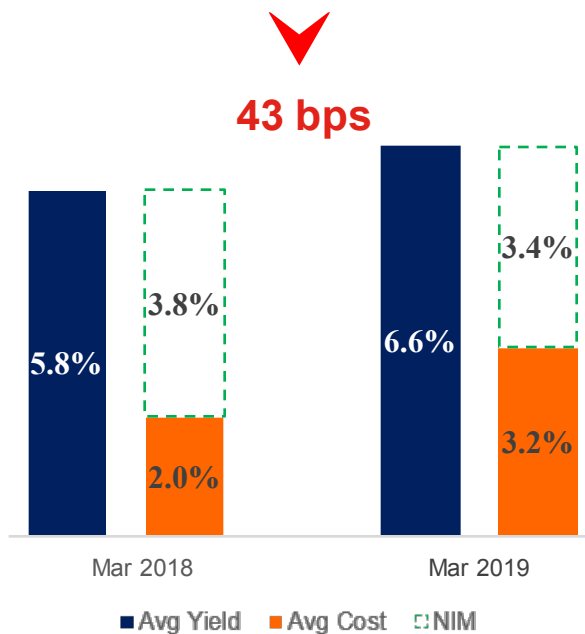
(in Php mn)

Net interest income was up on higher earning assets

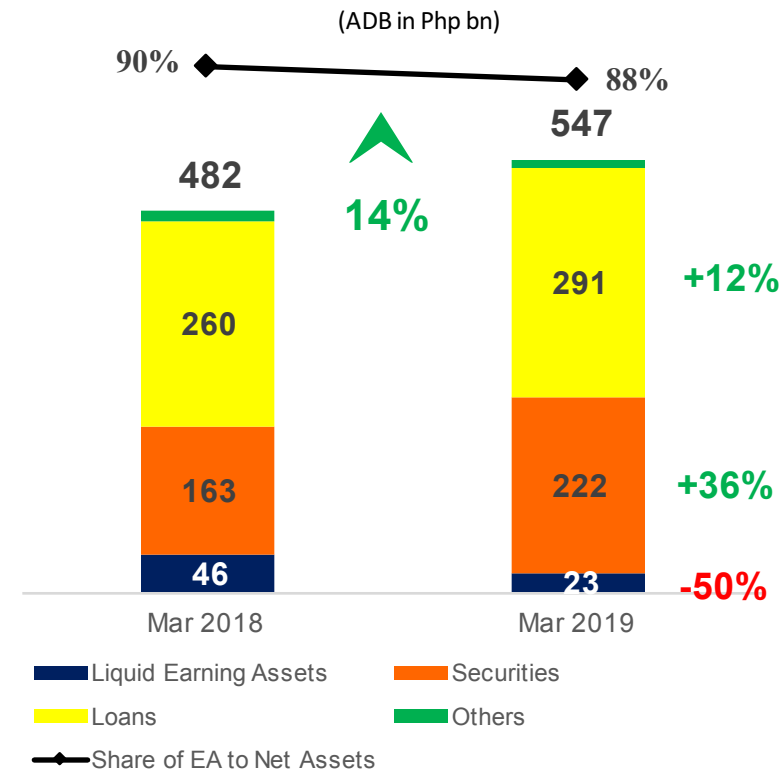
NET INTEREST INCOME



NET INTEREST MARGIN



EARNING ASSETS*



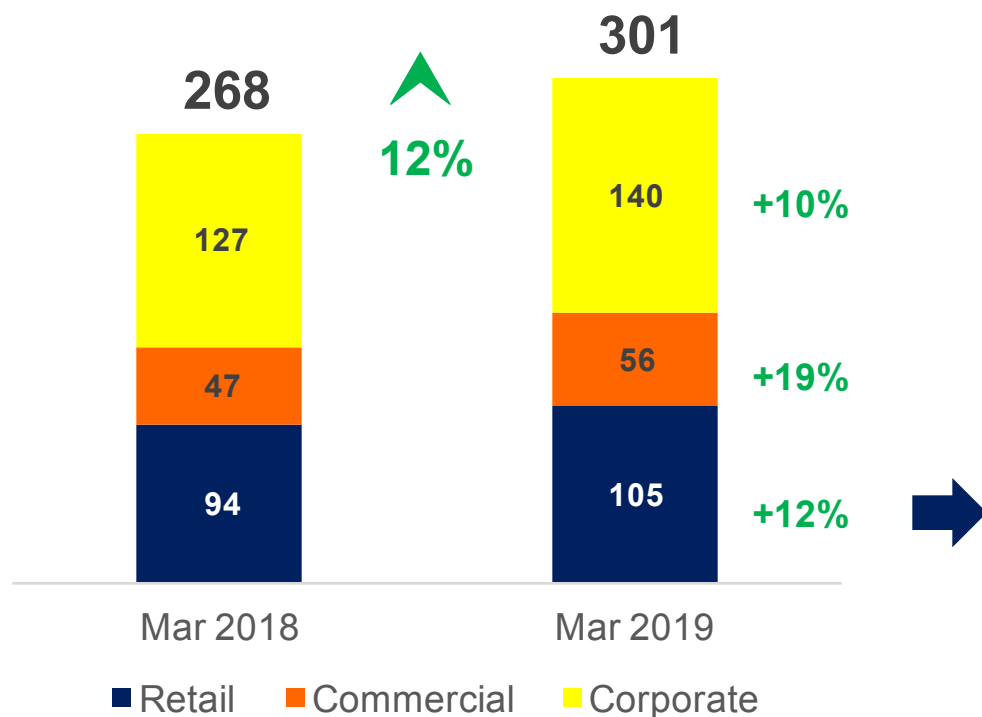
*excludes cash and reserve requirements



1Q 2019 Credit Portfolio

(in Php mn)

Credit portfolio sustained double-digit growth



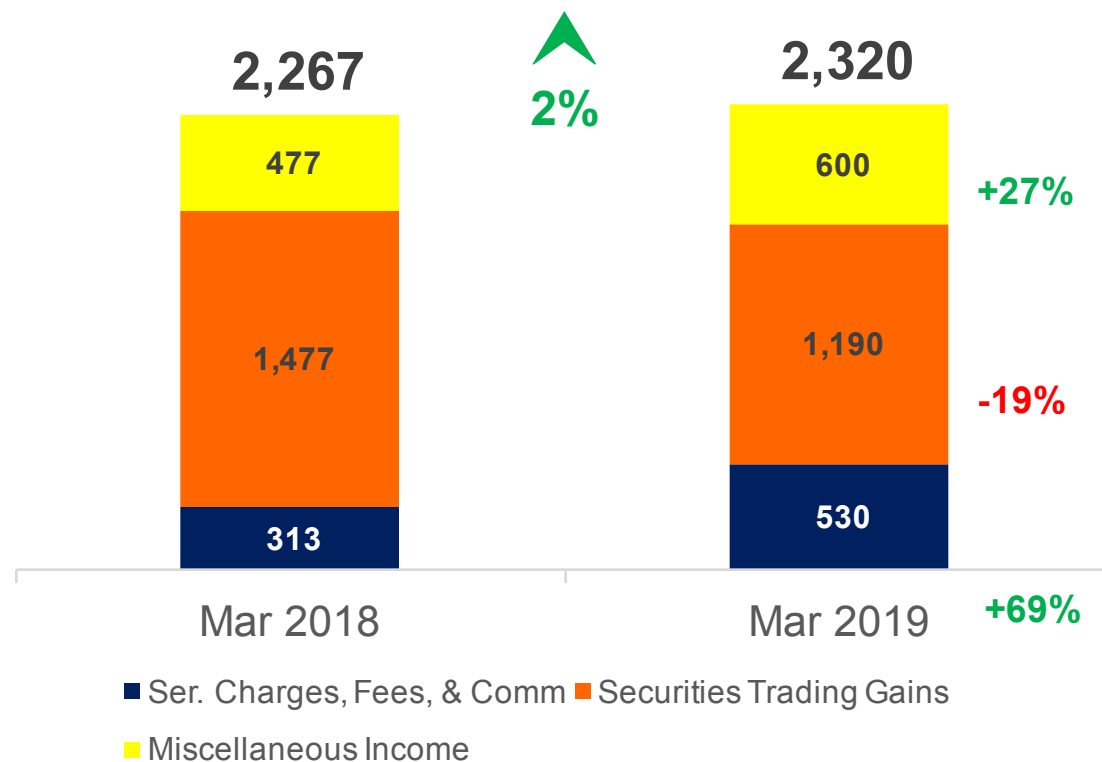
Credit Portfolio, Net (in Php Bn)	Mar 2018	Mar 2019	Variance	% Change
Mass Market Loans	56.5	56.7	0.1	0.3%
Credit Cards	5.3	7.5	2.2	41%
Mortgage	27.1	37.3	10.2	38%
Auto Loans & Others	4.8	3.5	-1.3	-26%
Total Retail	93.7	105.1	11.3	12%



1Q 2019 Non-Interest Income

(in Php mn)

Non-interest income up on higher fee income



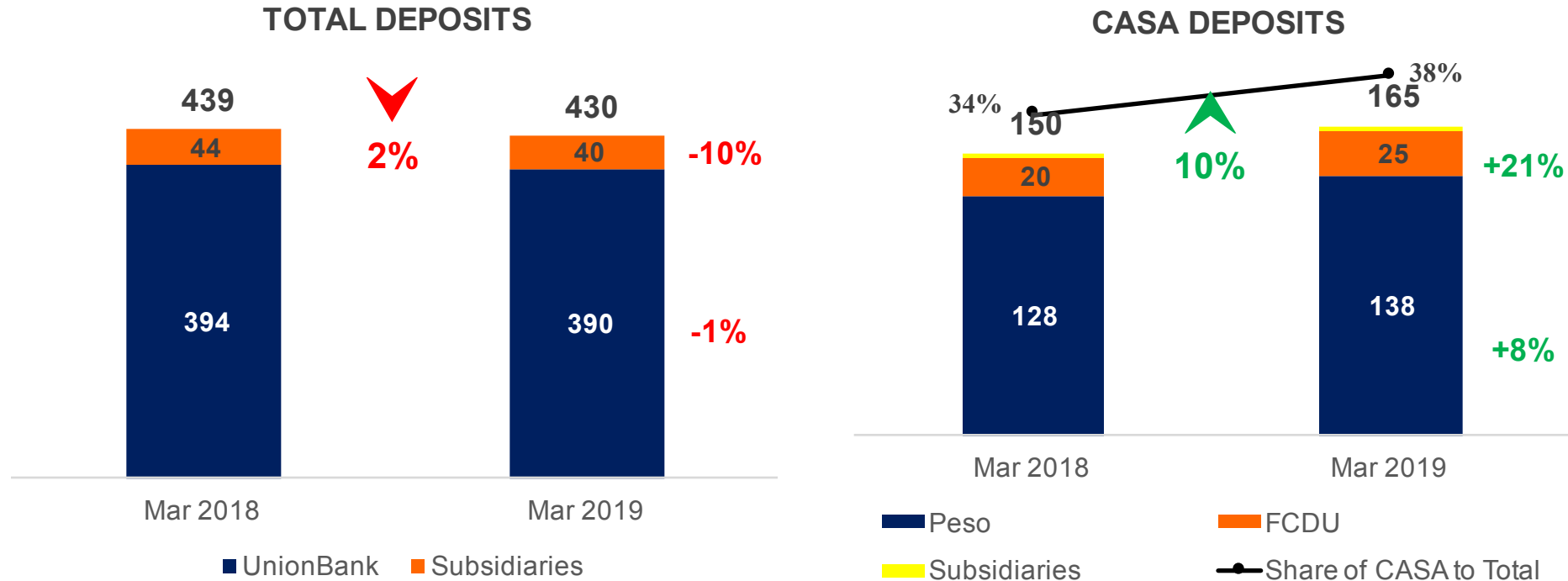




1Q 2019 Total Deposits & CASA Deposits

(in Php mn)

CASA sustained double-digit growth

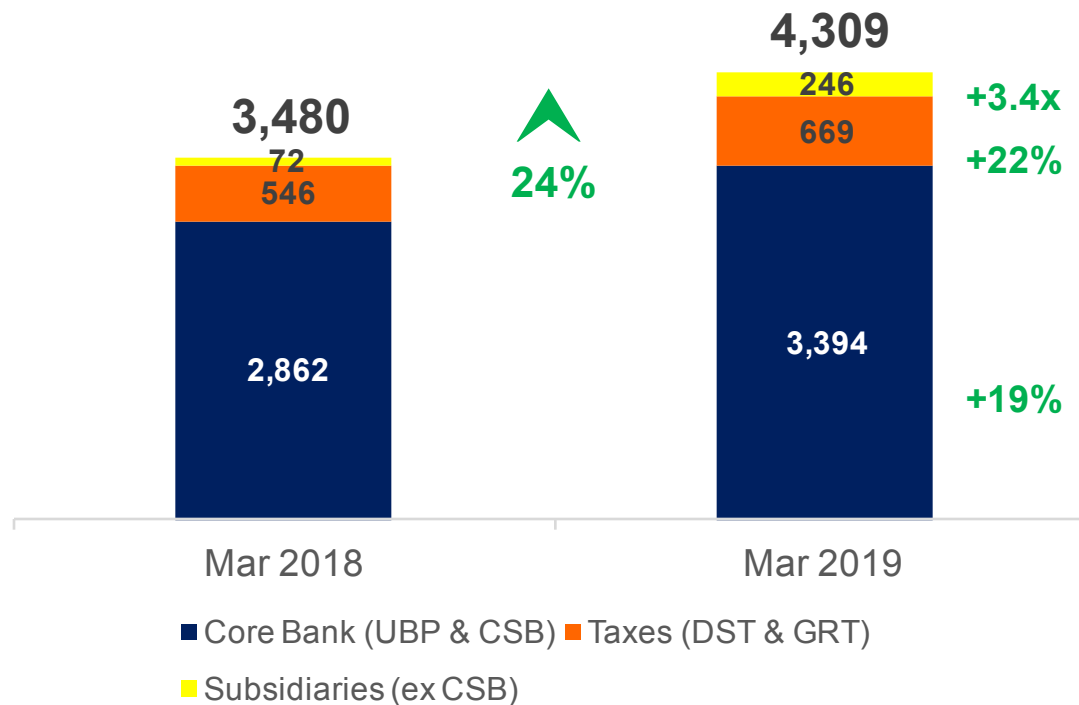




1Q 2019 Operating Expenses

(in Php mn)

Operating Expenses increased primarily on business growth

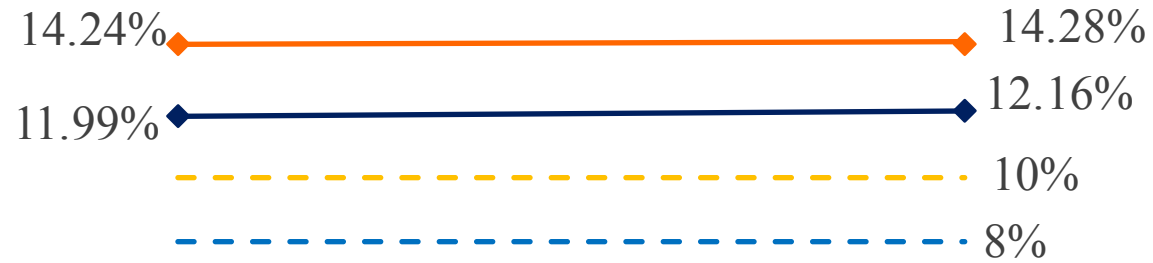




Capital Adequacy Ratios

Consolidated Basis

Capital ratios remain healthy



Mar 2018

Mar 2019

◆ CET1/Tier 1 Capital Ratio

◆ Total Capital Adequacy Ratio

- - - Min. Req. CAR

- - - Min. Req. Tier 1 Ratio



Profitability Ratios

Sustained above-industry profitability ratios

RETURN ON EQUITY

10.0%



Dec 2018

9.6%



Mar 2019

RETURN ON ASSETS

1.2%



Dec 2018

1.3%



Mar 2019

COST-TO-INCOME RATIO

64%



Dec 2018

62%



Mar 2019

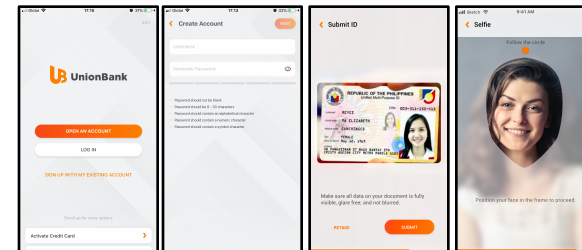


Updates/Outlook

- Double-digit growth of loan portfolio
- More benign interest rate environment for the year
- Launch of account opening feature in UnionBank Online app; and business banking platform, The Portal



	1Q2018	2Q2018	3Q2018	4Q2018	1Q2019F	2Q2019F	3Q2019F	4Q2019F
— Inflation Rate	4.3%	5.2%	6.7%	5.1%	4.1%	3.8%	3.2%	2.8%
— BSP Overnight Rate	3.25%	3.50%	4.50%	4.75%	4.75%	4.75%	4.50%	4.50%





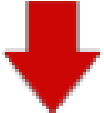



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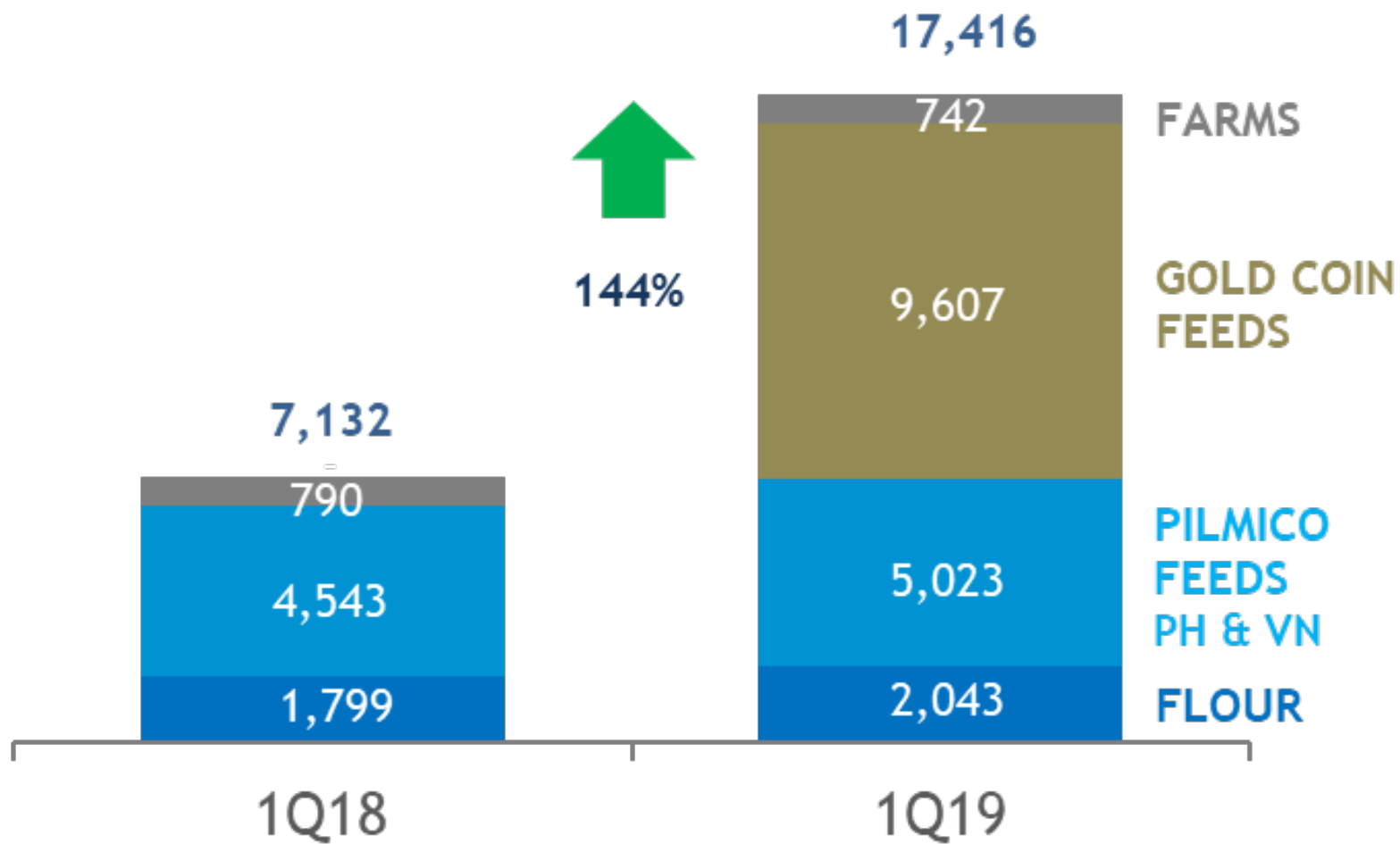


1Q 2019 Financial Highlights

Revenue	17,416		vs. 1Q18 +144%
EBITDA	962		+60%
EBITDA Margin	6%		-300bps
NIAT	257		-6%

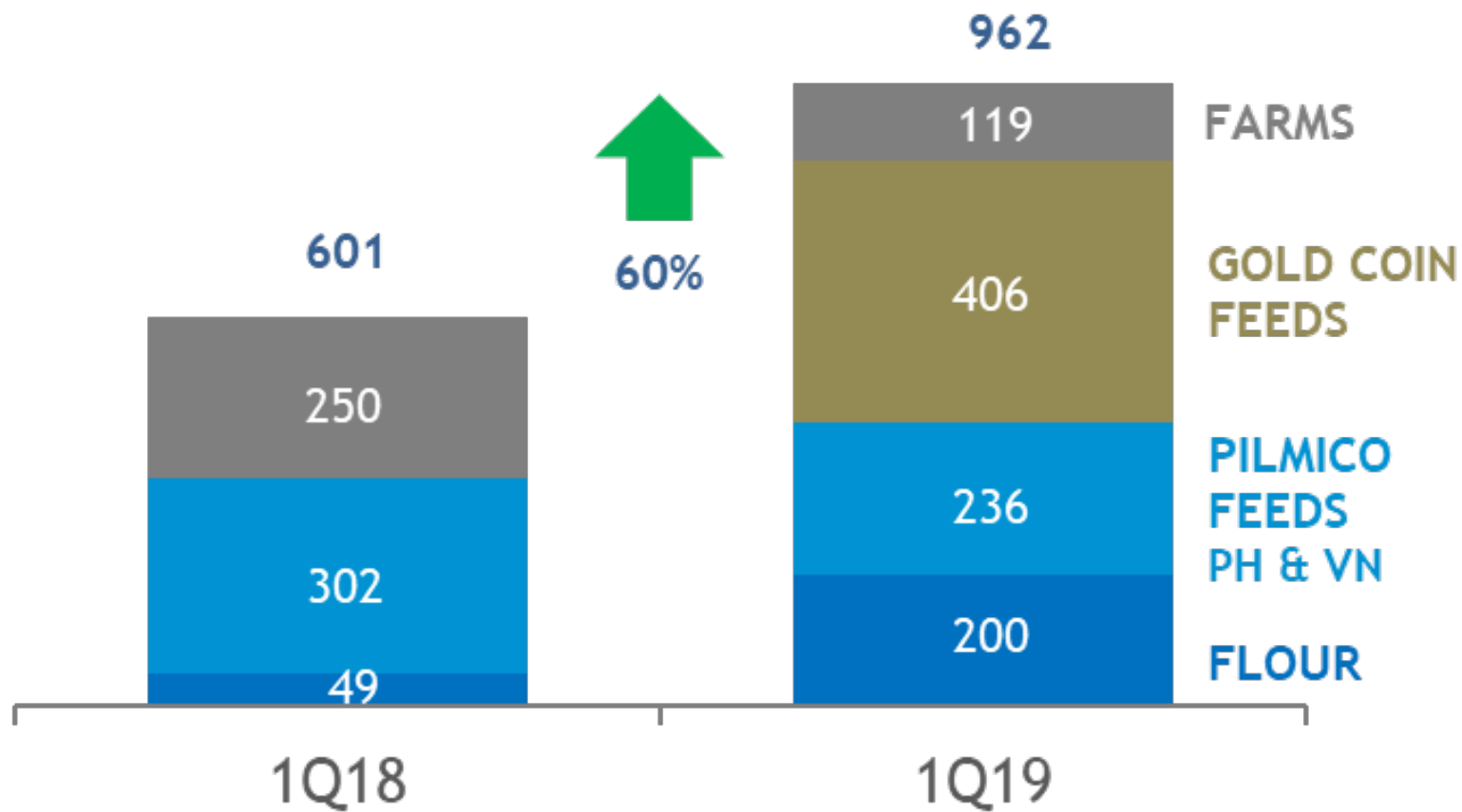


1Q 2019 Financial Highlights: Revenue





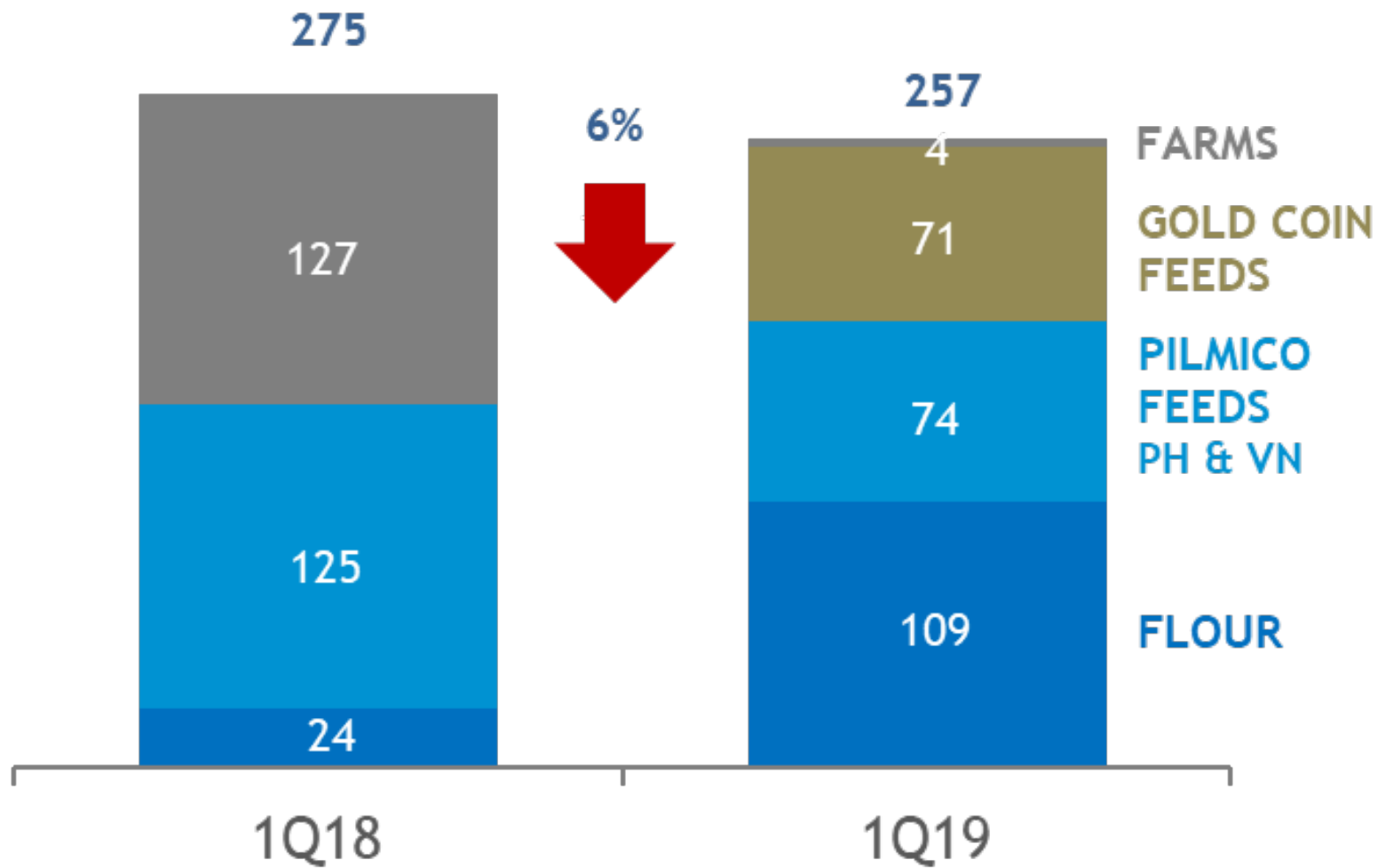
1Q 2019 Financial Highlights: EBITDA



In PHP Million



1Q 2019 Financial Highlights: Net Income



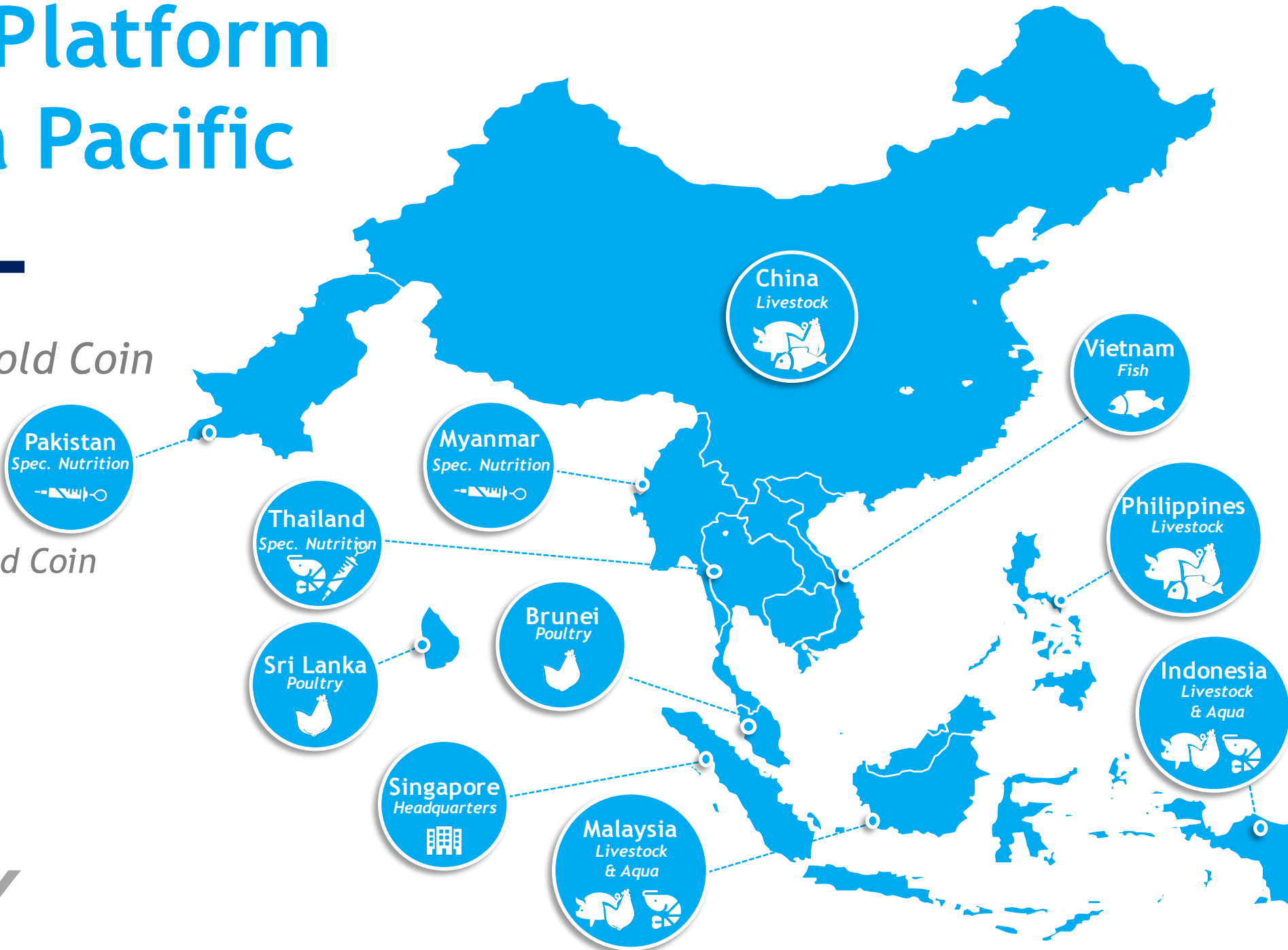
Building a Platform Across Asia Pacific

5.7M MT
2023 Growing with Gold Coin

4.3M MT
2018 Acquisition of Gold Coin

500K MT
2012 Pilmico

DESIGN
CAPACITY

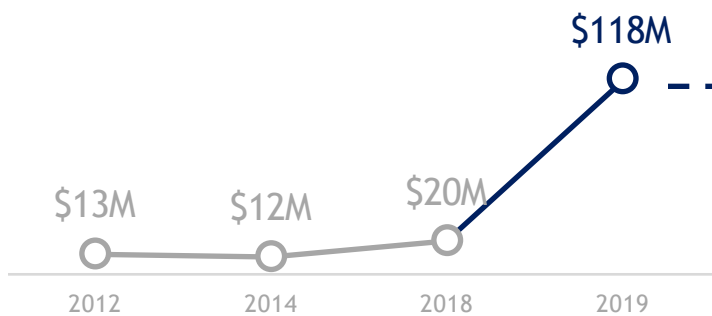




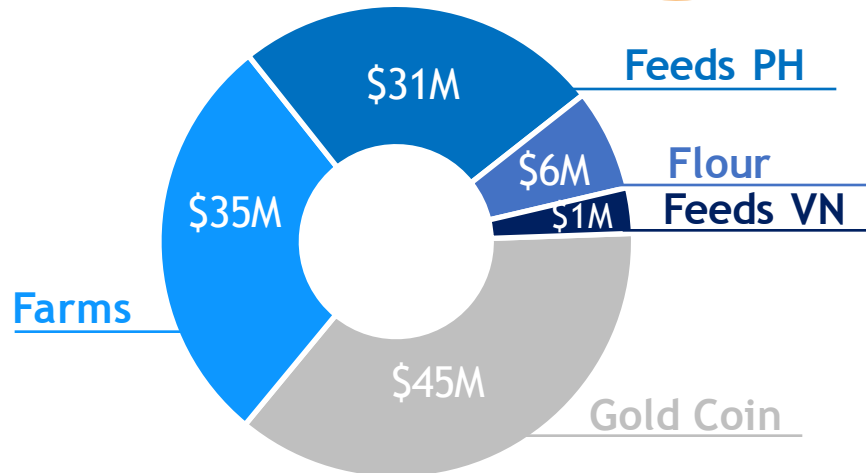
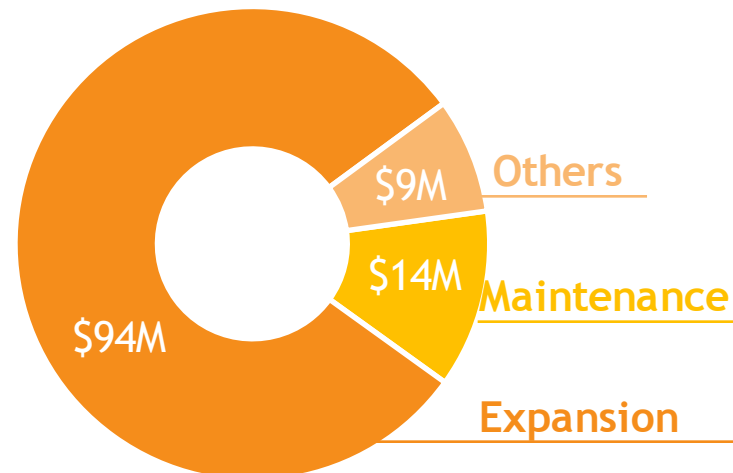
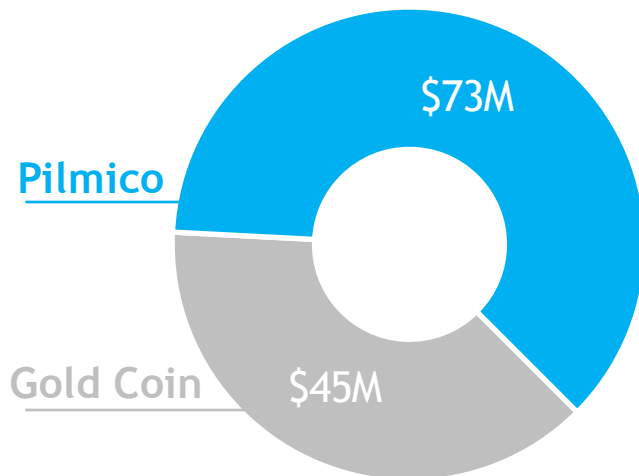
Growth supported by robust CAPEX spending

\$118M

Php 6 Billion 2019 CAPEX

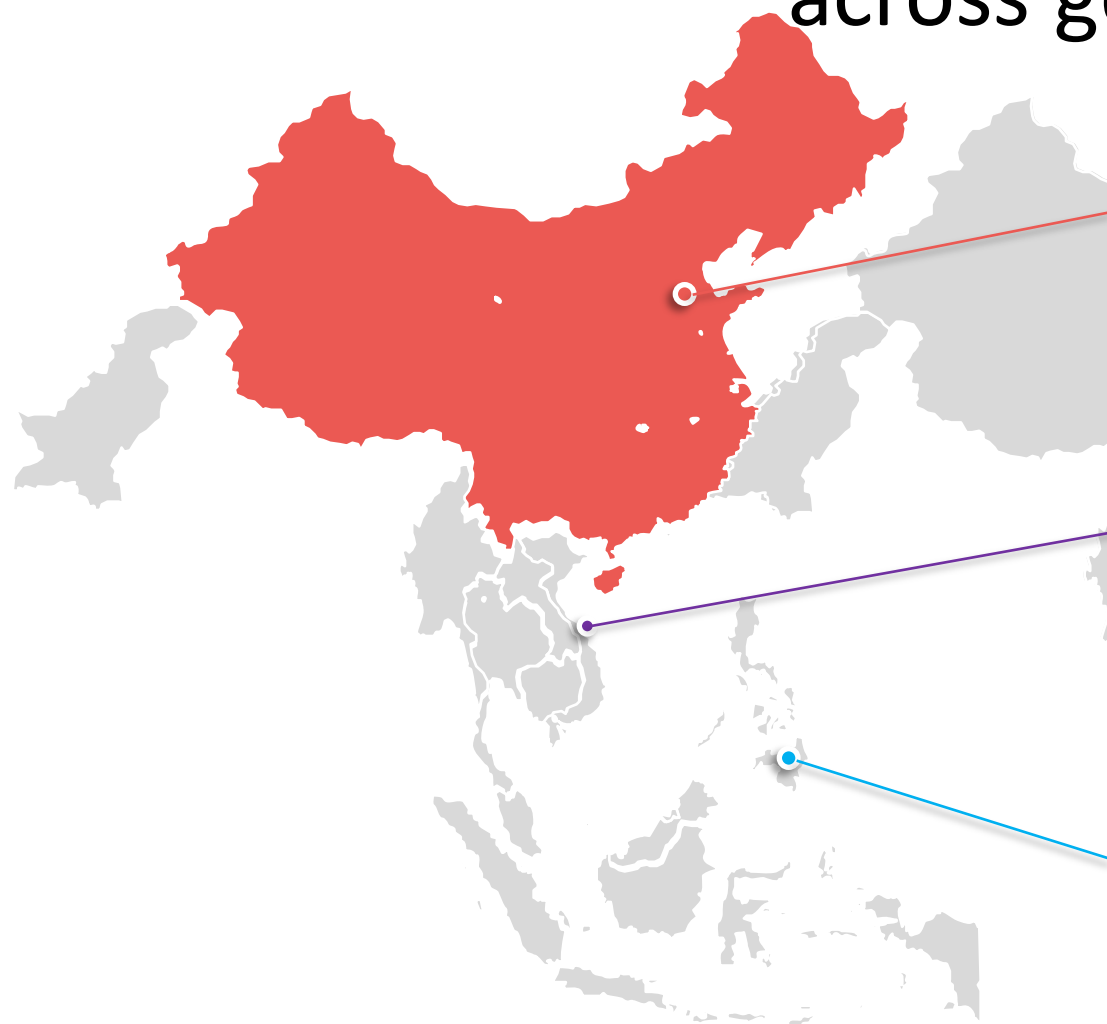


37% CAGR since 2012





Growing core business while expanding across business lines and across geographies



China
World's Largest Pork Producer

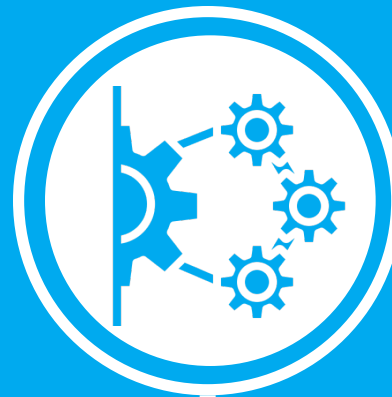
Vietnam
9th Largest Fish Producer

Philippines
Core business of Feeds and Farms

Strong Growth pipeline in all platforms

2019

Integration of
Eurofeed into
Gold Coin



Jan

Mar



China Automated
Finished Goods Packing
Line

- Efficiency Improvement & lower labor costs
- Capacity: 600 bags/Hr per line

Dongguan Feedmill Hog Line

- Additional capacity for Pig lines in Southern China
- Capacity: + 9TPH



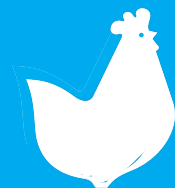
Zhangzhou Feedmill Pelleting Line

- Additional capacity for pelleting line in Eastern China
- Capacity: +9TPH



Layer Farm Expansion

- Rearing Farm Expansion to grow Ready-To-Lay hens (RTL)
- Capacity: From 173K to 260K RTL



Jun

Aug



Dongguan Feedmill Fish Line

- Additional capacity for Floating Fish Southern China
- Capacity: + 5TPH



Two Biogas Facilities

- Source of renewable energy in Tarlac for farms business
- Capacity: 148 KW each

Meat Fabrication Plant

- Forward integration of the farms business
- Capacity: 345,600 Heads



Ha Nam Fish Feed Line

- Cater Strong demand for fish feed line in North Vietnam
- Capacity: +5TPH



Nov

Dec



Iligan Feedmill Expansion

- Additional Capacity to support Visayas & Mindanao
- Capacity: +20TPH



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Aboitiz InfraCapital



Aboitiz Water Portfolio



AIC to build water portfolio amounting to 350 MLD (by 2021) across the water value chain over the next three years.



Water Infrastructure: Apo Agua

330 MLD Bulk Water project in Davao

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



100% of steel coil requirement for pipe manufacturing **delivered on-site**



Site **access roads** on going construction



Commenced excavation works on **water treatment plant site**



Increased PR activities in tri-media and social media platforms



Water Infrastructure: Lima Water

8 MLD Water Facility in Batangas

Captures end to end process of the water value chain



1Q 2019 **EBITDA** grew by **9% YoY** due to higher billed volume



Initiated several **tariff reform initiatives** to ensure sustainability of operations and support investment program



Sales growth due to **robust demand** from both new and existing locators to continue in 2019



Roll out **PhP140 M capex plan** over the next three years



Aboitiz Infrastructure Portfolio



AIC to become a reference player in the operation and management of regional airports and other infrastructure



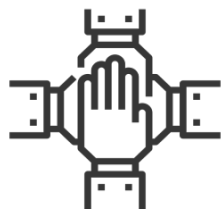
Transport Infrastructure: NAIA



Original Proponent Status (OPS)
to rehabilitate, develop, operate and maintain for 15 years



PhP96 Bn
estimated total project cost



Consortium of 7 Equal Partners
with a solid track record of managing large scale projects and operational excellence



Annual Passenger Capacity:



31 Million
2018



47 Million
2022



65 Million
2025



Transport Infrastructure: Bohol-Panglao International Airport (BPIA)



Original Proponent Status (OPS)

to operate and maintain, and undertake future expansions of the airport



2 Million Passenger Capacity

more than double the size of Tagbilaran airport



Improvements will Result in

efficient passenger flow, better retail & dining experience, and increased flight destinations from Bohol-Panglao airport





BPIA: Façade & Grounds



Spacious, new and clean



BPIA: Passenger boarding area



Enough seats and large open spaces



Enough space for more food stalls and dining facilities



BPIA: Passenger check-in



No queues for check-in, self check-in kiosks from airlines also available



Transport Infrastructure: Laguindingan Airport



Original Proponent Status (OPS)

to operate and maintain, and undertake Immediate upgrade and future expansions of the airport



2.1 Million vs 1.6 Million

2018 actual traffic vs current terminal capacity



Improvements will Result in

upgraded and efficiently run airport facilities





Laguindingan: Façade & Grounds



Available open spaces to accommodate facility upgrades and expansion



Laguindingan: Passenger check-in



Passenger check-in area will be improved to utilize the space and ease the passenger flow



Our Vision for Laguindingan Airport



Laguindingan Airport in 2022, External Airside View



Our Vision for Laguindingan Airport



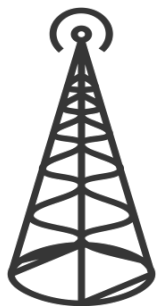
Laguindingan Airport in 2022, Check-in Area



Digital Infrastructure: Telecom Towers



MoU with DICT
to become a Common Tower
Operator



50,000 New Sites Needed
for the country to catch up with other
SEA countries



Improvements will Result in
more efficient, accessible, and
reliable telecommunications
services



RCBM



A Good Start in 2019

- Government's infrastructure programmes continuing though some concerns on budget approval delays
- Stable private sector demand
- Market prices stable
- Production costs are under control
- Bulacan debottlenecking project completed safely, within budget and now delivering results
- Contribution to AEV at (PhP32M) in Q12019, an improvement of +PhP49M from same period last year





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1Q 2019 Financial Performance

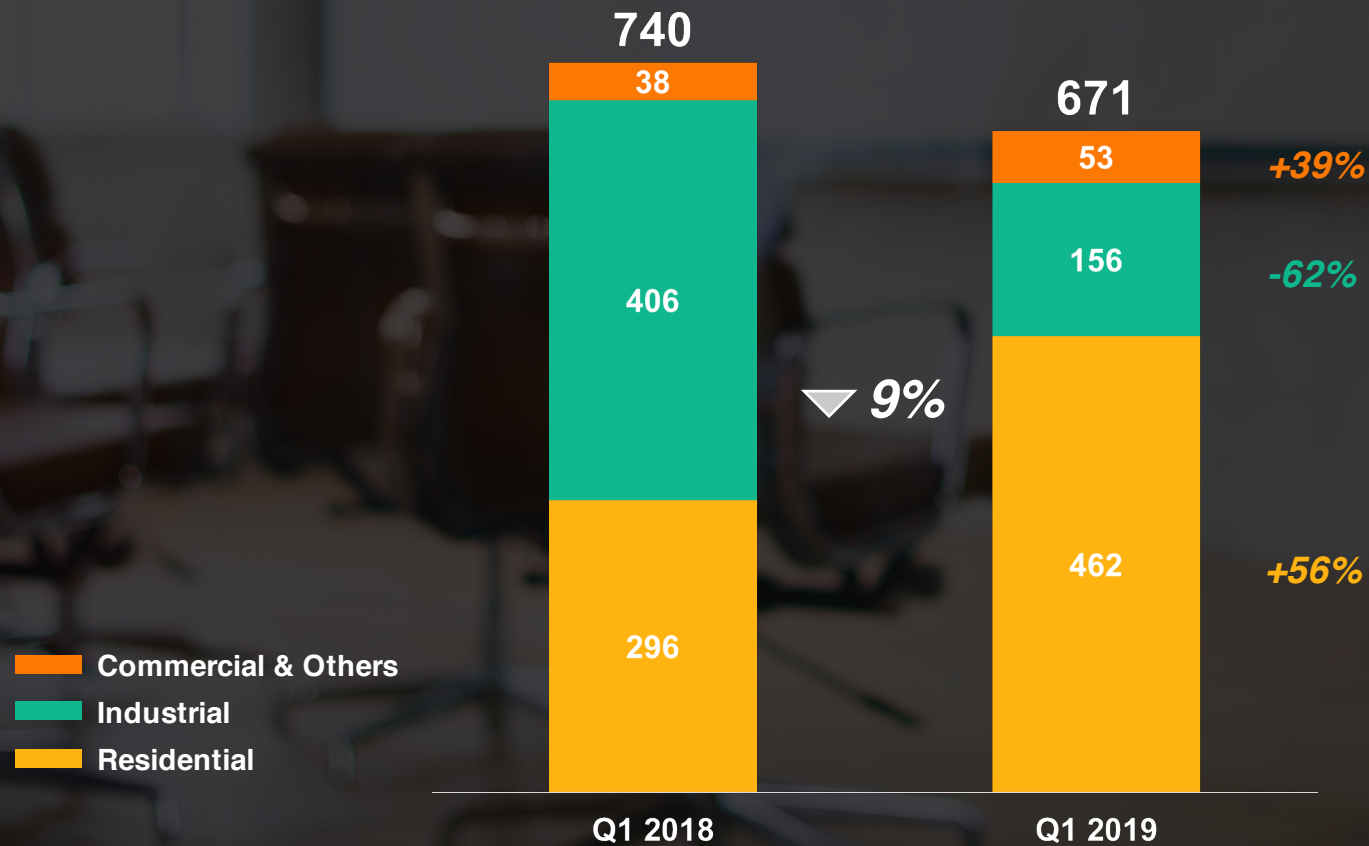
	<u>1Q 2019</u>	<i>vs 1Q 2018</i>
Revenues	671M	▼ 9%
Gross Profit	252M	▼ 14%
Net Operating Profit	15M	▼ 83%
NIAT	-44M	▼ 174%
Residential Sales	497M	↔



1Q 2019 Revenues

(in Php Million)

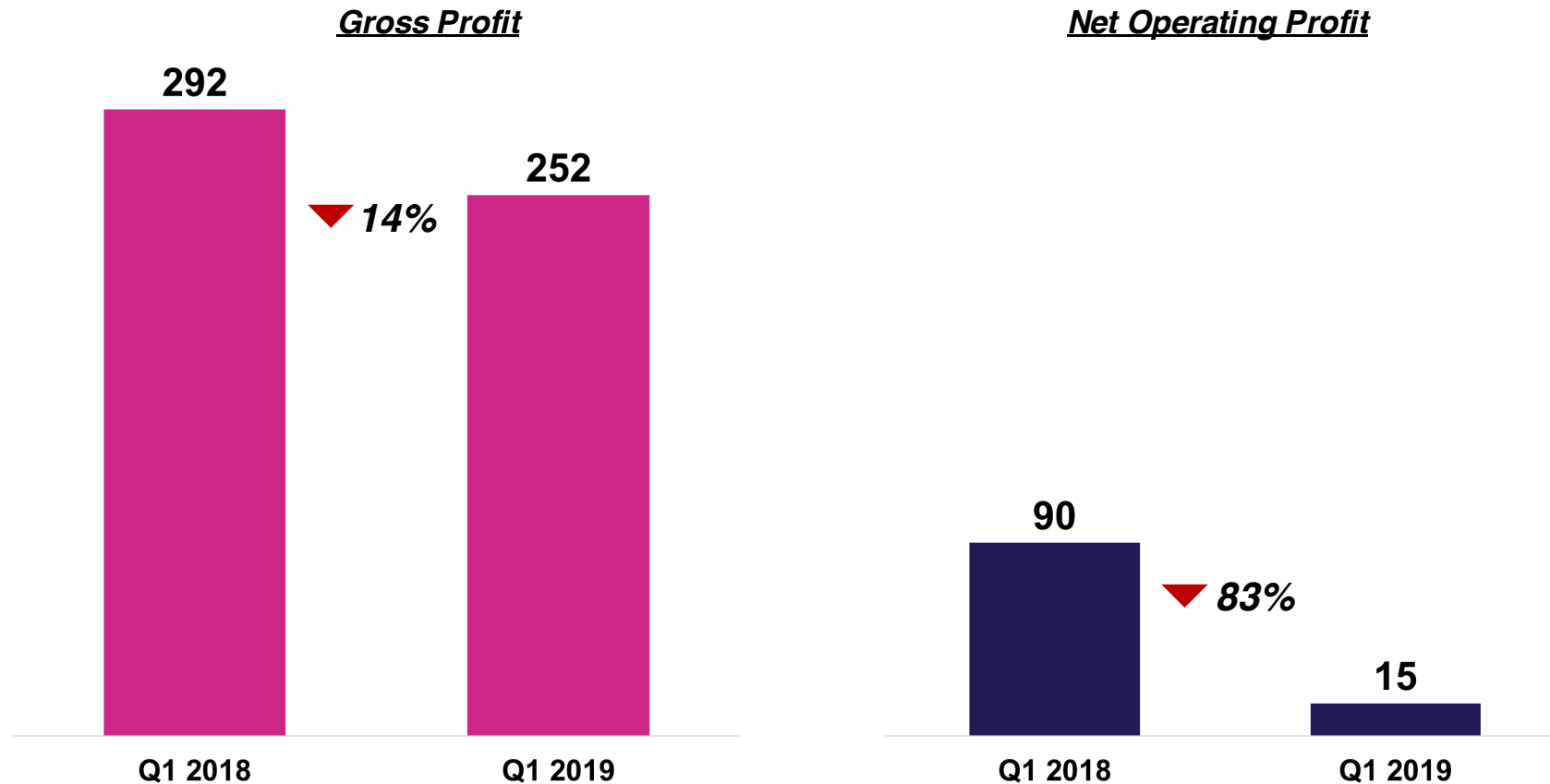
Revenues down by 9% due to deferred recognition of industrial lot sales





1Q 2019 Gross Profit & Net Operating Profit

Profits weighed down by lower revenues and higher direct project expenses

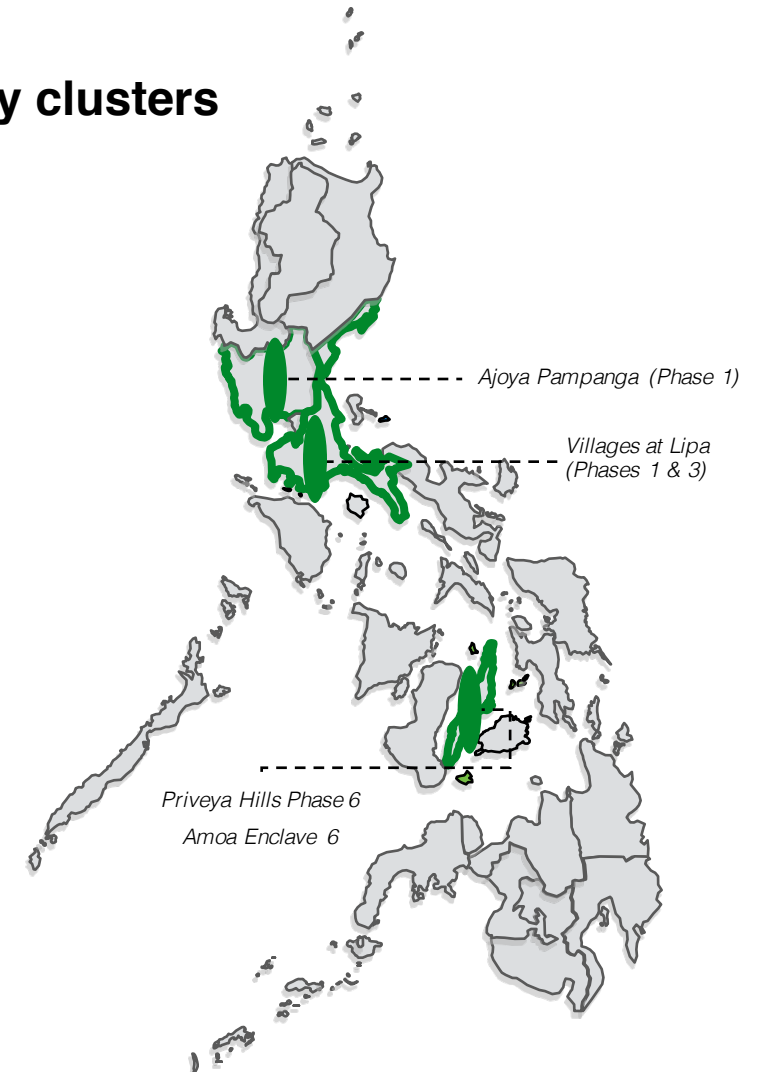




1Q 2019 Business Highlights

Upcoming Residential Launches are centered in key clusters

	Cebu	Luzon	Total
Planned Launches in 2019	2	2	4
No. of units for release	486	993	1,479
Est. Inventory value	1.7Bn	3.8Bn	5.5Bn





1Q 2019 Business Highlights

Cebu Cluster: Upcoming launches of new phases in existing developments

Amoa

Compostela, Cebu

**3 Launched Phases (64% sold)
1,340 units | Php 3.3Bn**

**For release (July '19)
395 units | Php 1.2Bn**



Priveya Hills

Talamban, Cebu

**5 Launched Phases (63% sold)
447 units | Php 3.0Bn**

**For release (June '19)
91 units | Php 0.5Bn**





1Q 2019 Business Highlights

North Luzon Cluster: New residential community to be launched by Q2 2019



Ajoya Pampanga

Mexico, Pampanga

1,446 units | Php 3.9B

**For release (Phase 1)
252 units | Php 0.5Bn**



1Q 2019 Business Highlights

South Luzon Cluster: Further solidify presence in Batangas

Seafront Residences

San Juan, Batangas

4 Launched Phases

(44% sold)

765 units | Php 3.2Bn



Villages at Lipa (Q2 2019)

Lipa, Batangas

1,693 units | Php 7.1B

For release (Phase 1&3)

741 units | Php 3.4Bn





1Q 2019 Business Highlights

South Luzon Cluster: The Outlets at Lipa as an integral component to the Lima Estate

The Outlets at Lipa

Lipa, Batangas

Phase 1

30% occupied (4.2k sqm)

62% signed (8.7k sqm)

Phase 2

17% signed (2.4k sqm)





1Q 2019 Business Highlights

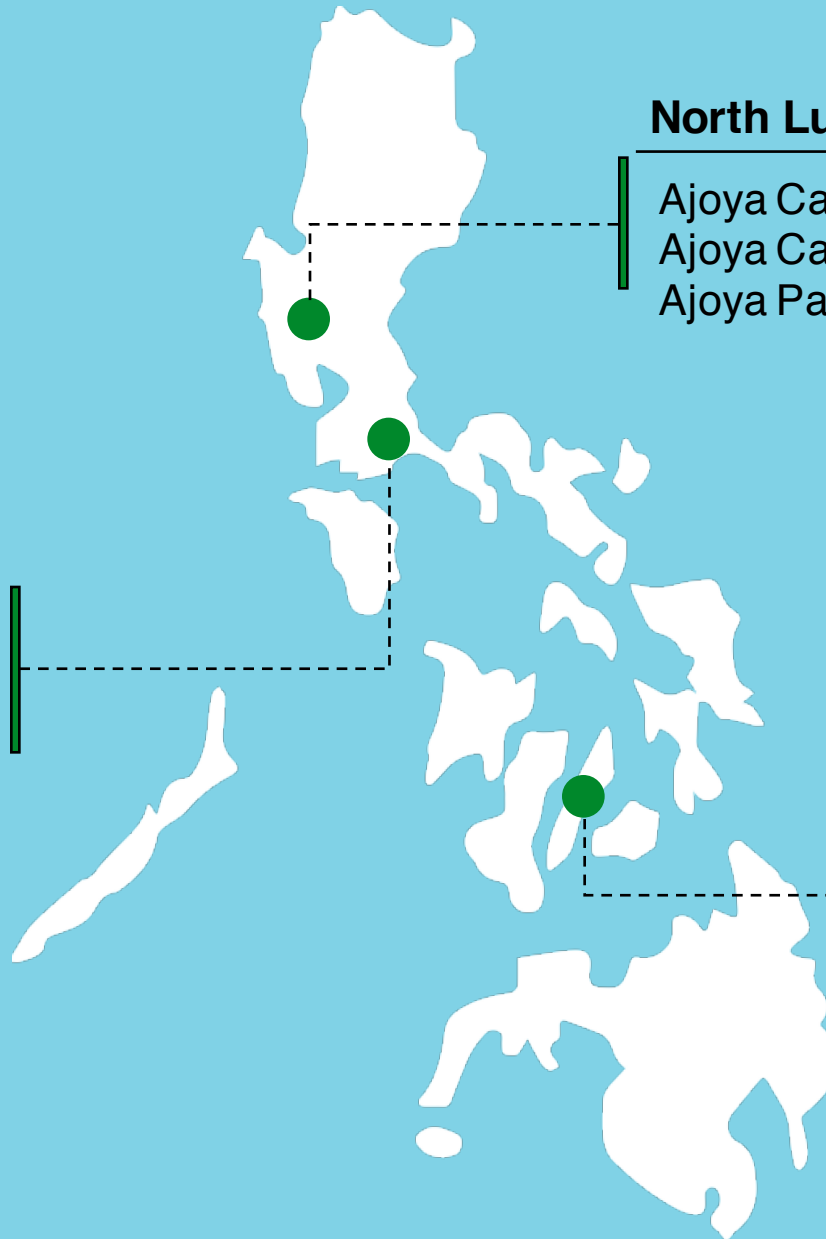
Estate Transformation of the Lima Technology Center

The Outlets at Lipa (28k GLA)

Lima Exchange (9k GLA)

The Villages at Lipa (2,589 units)





North Luzon Cluster

- Ajoya Capas
- Ajoya Cabantauan
- Ajoya Pampanga

South Luzon Cluster

Seafront Residences

Lima Estate

(Industrial Park, Villages at Lipa, The Outlets at Lipa)

Cebu Cluster

- Amoa
- Pristina North
- Priveya Hills
- Foressa Mountain Town
- The Persimmon Studios
- Almiya
- Ajoya Mactan

Cebu Commercial Assets

(Outlets at Pueblo Verde, iMEZ, The Persimmon Plus)

- MEZ II
- CIPDI Industrial Park

Expanding our geographic footprint through developments in thriving areas

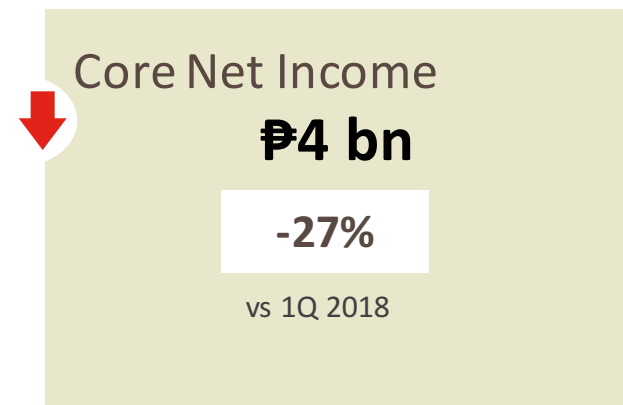


Review of Business Units

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



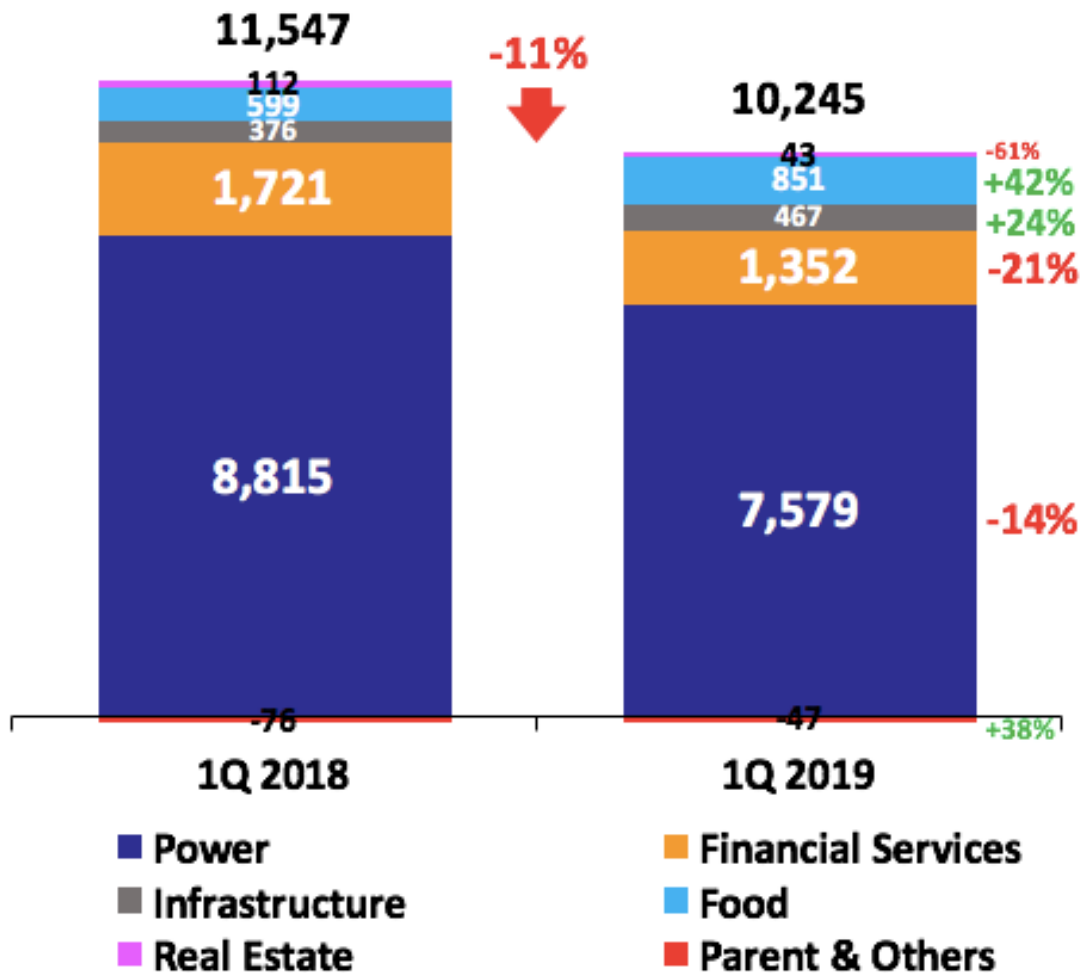
1Q 2019 Financial Performance





1Q 2019 Beneficial EBITDA

(in Php mn)

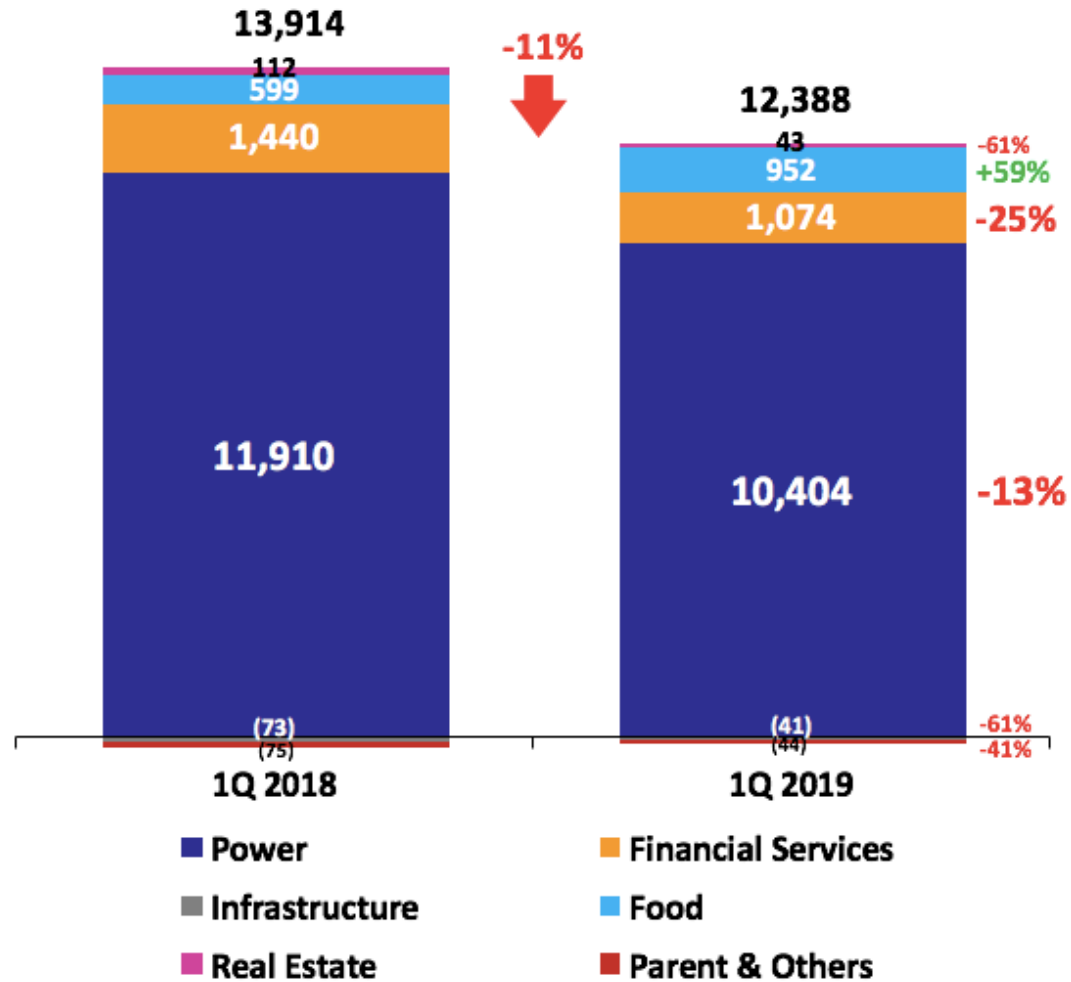


-11% down mainly due to higher purchased power cost from the Power SBU



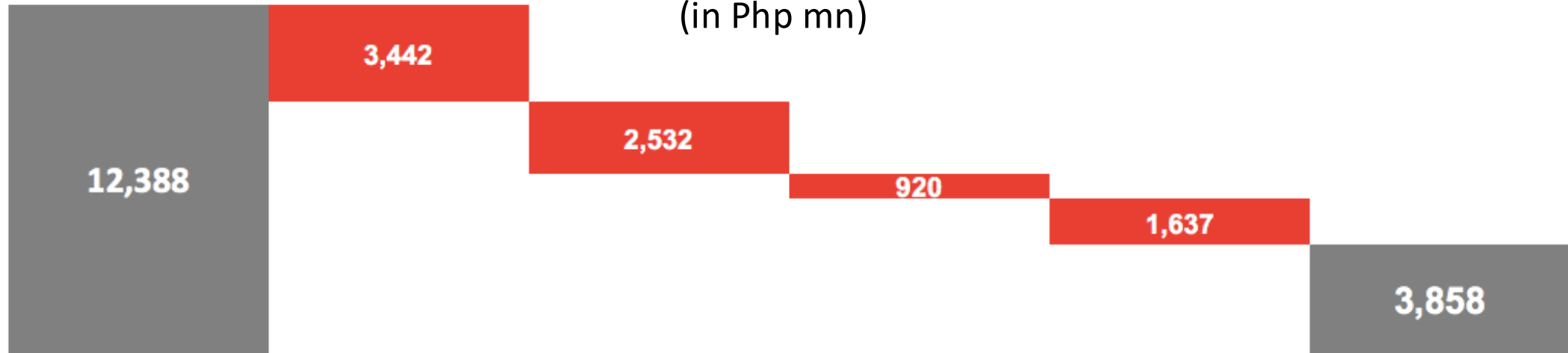
1Q 2019 Consolidated EBITDA

(in Php mn)



1Q 2019 Core Net Income

(in Php mn)



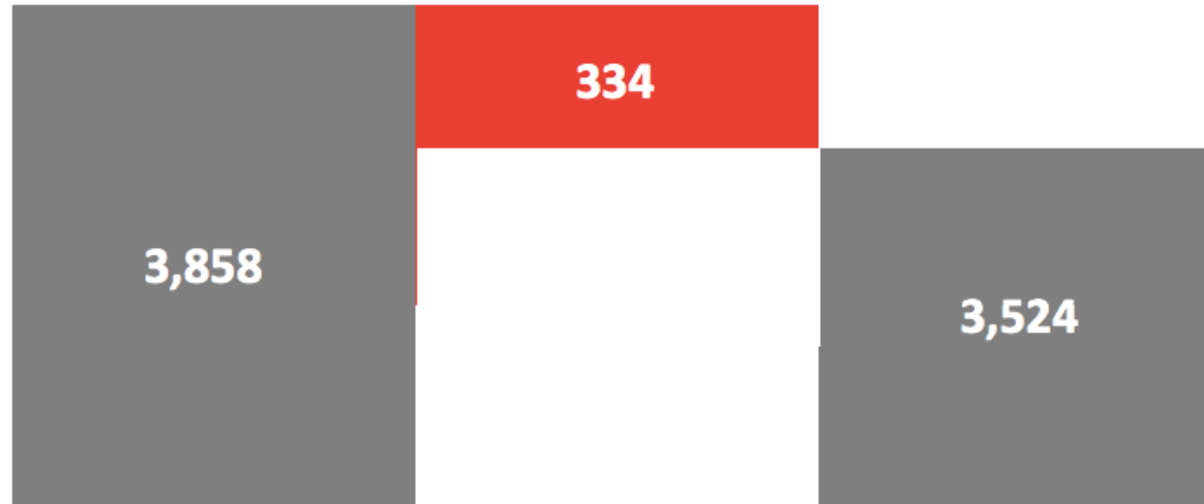
Conso EBITDA Interest Expense Depcn. & Amort. Tax & Others Non-controlling Interest Core Net Income

	1Q 2018	1Q 2019	Change
Conso EBITDA	13,914	12,388	-11%
Less: Interest Expense	3,038	3,442	13%
Depcn. & Amort.	2,211	2,532	15%
Tax & Others	1,539	920	-40%
Non-controlling Interest	1,875	1,637	-13%
Core Net Income	5,250	3,858	-27%
<i>EPS</i>	<i>0.93</i>	<i>0.68</i>	



1Q 2019 Net Income

(in Php mn)



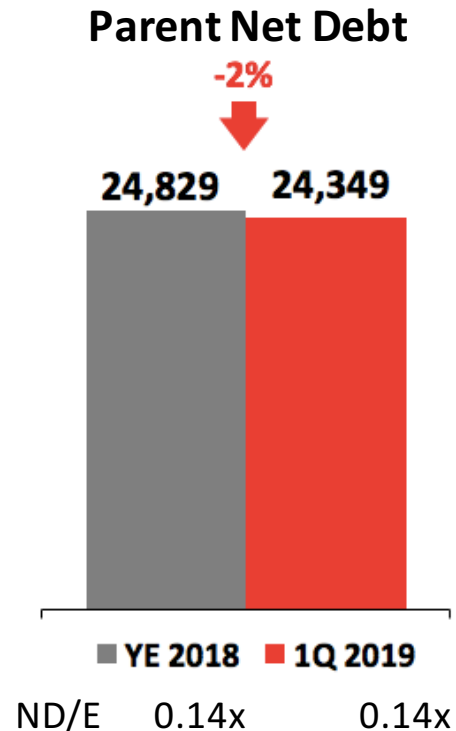
Core Net Income Non-recurring Income/(Loss) Net Income

	1Q 2018	1Q 2019	Change
Core Net Income	5,250	3,858	-27%
Non-recurring losses	(424)	(334)	21%
Net Income	4,826	3,524	-27%
<i>EPS</i>	0.86	0.63	



Balance Sheet Highlights

(in Php mn, except ratios)



Consolidated Balance Sheet/Key Ratios

	YE 2018	1Q 2019
Cash and Cash Equivalents	59,033	63,588
Total Assets	554,588	558,566
Total Liabilities	337,325	346,170
Total Equity	217,264	212,396
Equity Attributable to Parent	174,705	170,245
Book Value Per Share	31.02	30.22
Current Ratio	1.8x	1.5x
Debt to Equity	1.6x	1.6x
Net Debt to Equity	1.0x	1.1x



Succession



Emmanuel V. Rubio

President and Chief Executive Officer
AboitizPower
(incoming)



Succession



Sabin M. Aboitiz

President & CEO

Aboitiz Equity Ventures, Inc.
(incoming)



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ADVANCING BUSINESS
AND COMMUNITIES