



Aboitiz Equity Ventures

**First Half of 2020
Financial & Operating Results**
Thursday, July 30, 2020



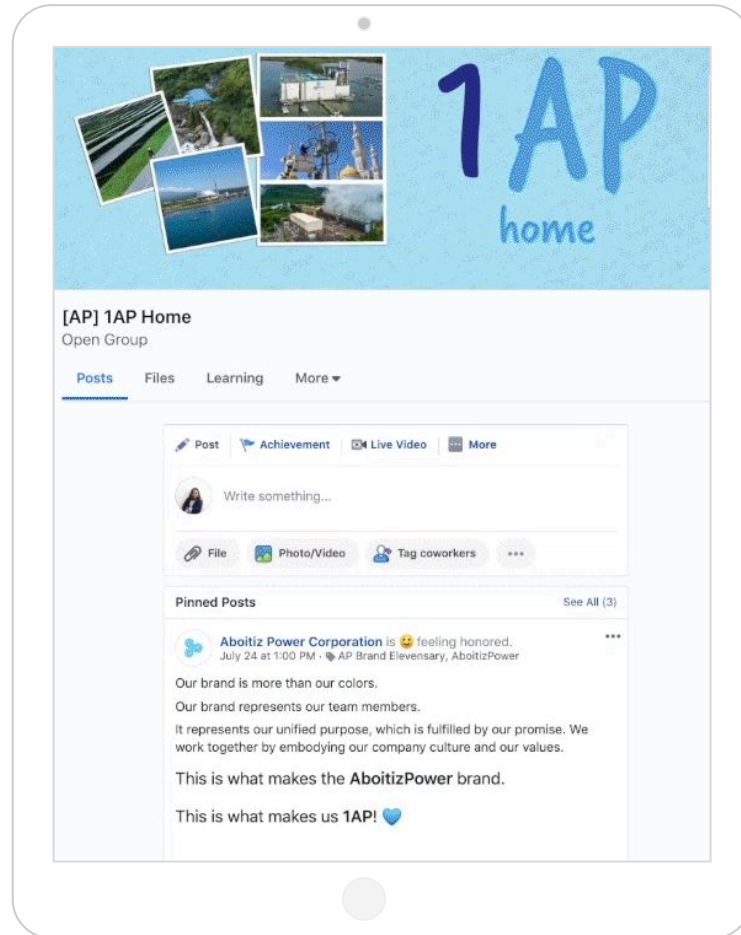


Review of Business Units

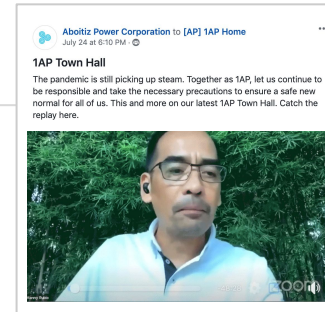
- **Power**
- Financial Services
- Food
- Infrastructure
- Land
- AEV Financials
- Q & A



Business Recovery



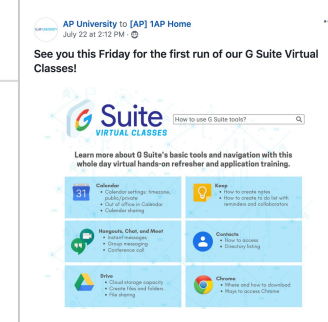
1AP TOWN HALLS



BRAND ANNIVERSARY



AP UNIVERSITY



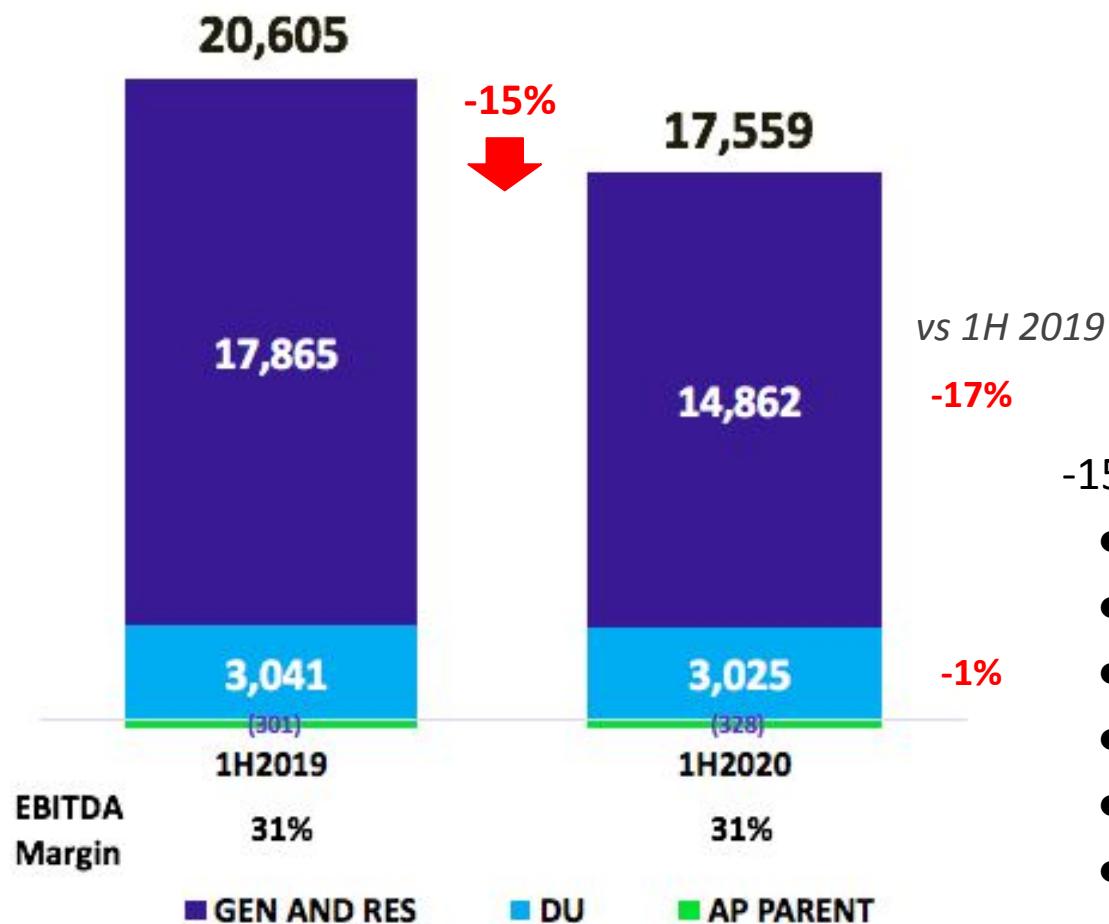
WORK FROM HOME TIPS



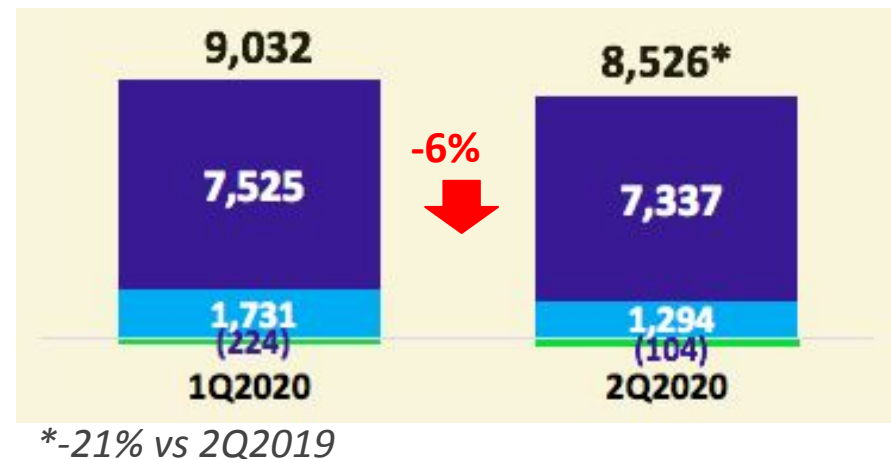


1H2020 Beneficial EBITDA

in PHP millions



Quarterly Breakdown

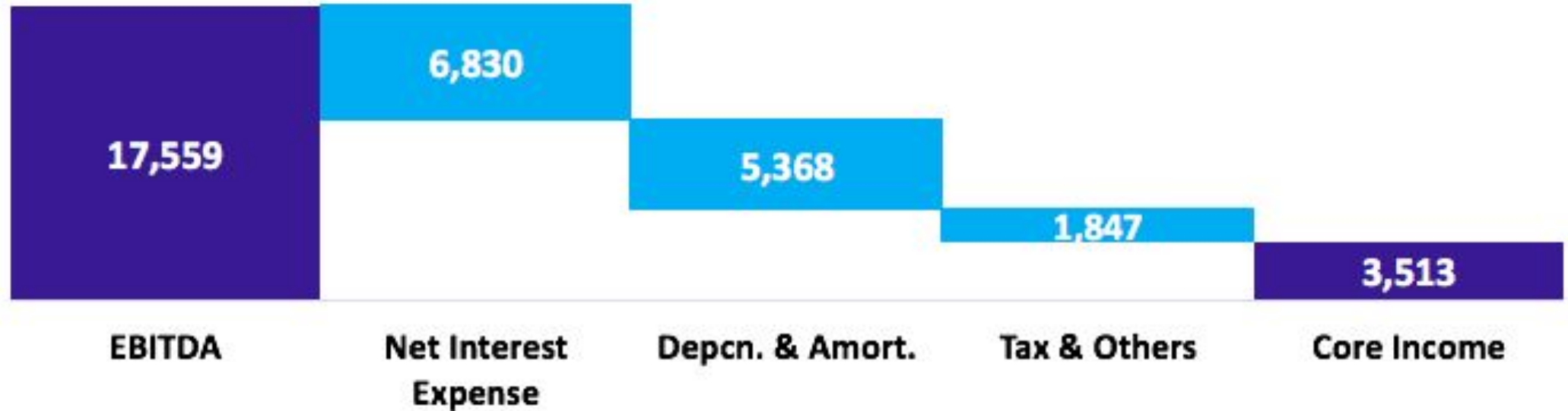


-15% decline:

- -7% lower demand due to COVID-19
- -10% outages in TSI, GMCP and Pagbilao
- +4% lower purchased power cost
- +5% new capacity from TVI and TMO
- +3% higher ownership in GMCP
- -3% lower BCQ rates
- -5% GRAM and ICERA



1H2020 Core Income



Php mn

EBITDA

Less: Net Interest Expense

Depcn. & Amort.

Tax & Others

Core Income

EPS

1H2019

20,605

5,787

4,603

1,686

8,528

1.16x

1H2020

17,559

6,830

5,368

1,847

3,513

0.48x

Change

-15%

18%

17%

10%

-59%



1H2020 Net Income



Php mn

Core Income

FX/Derivative Gain (Losses)

Net Income

EPS

1H2019

1H2020

Change

8,528

3,513

-59%

121

224

86%

8,648

3,737

-57%

1.18x

0.51x



Balance Sheet Highlights

(Php mn)	CONSOLIDATED	
	YE2019	1H2020
Cash and Cash Equivalents	37,434	39,829
Investments and advances	60,879	62,655
Total Assets	410,469	415,560
Total Liabilities	276,826	287,111
Total Equity	133,643	128,449
Total Interest Bearing Debt	231,014	239,876
Net Debt	189,131	191,092
Net Debt to Equity	1.4x	1.5x
Debt to Equity*	1.7x	1.9x

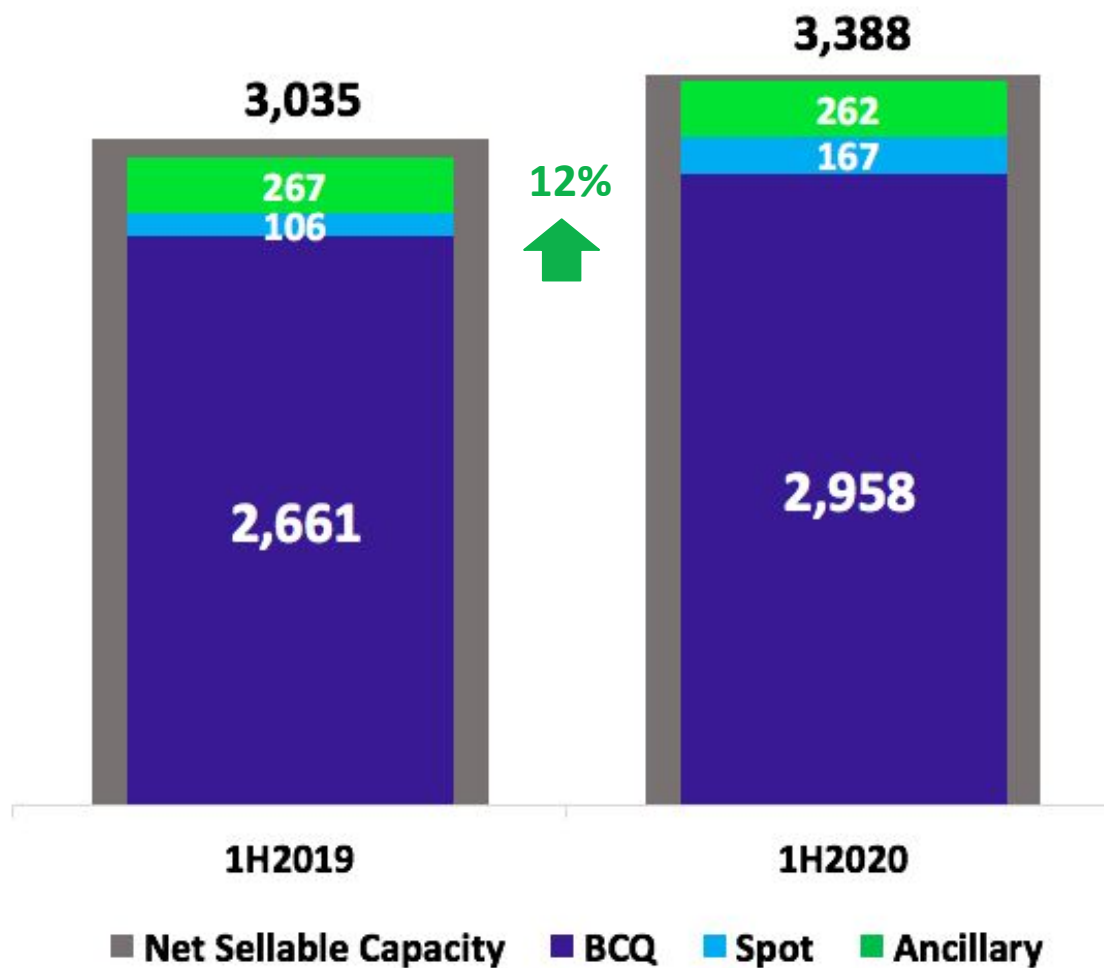
**Total Interest Bearing Debt / Total Equity*



Operating Highlights: Capacity Sales

Capacity Sales

in MW

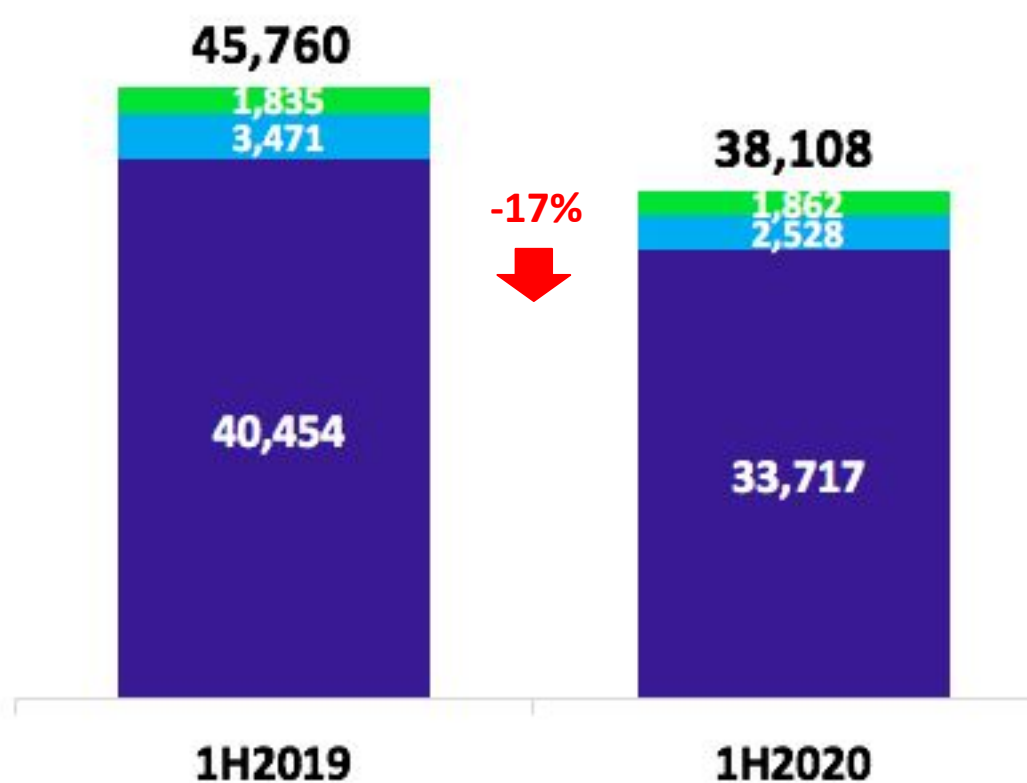




Operating Highlights: Revenue and Energy Sold

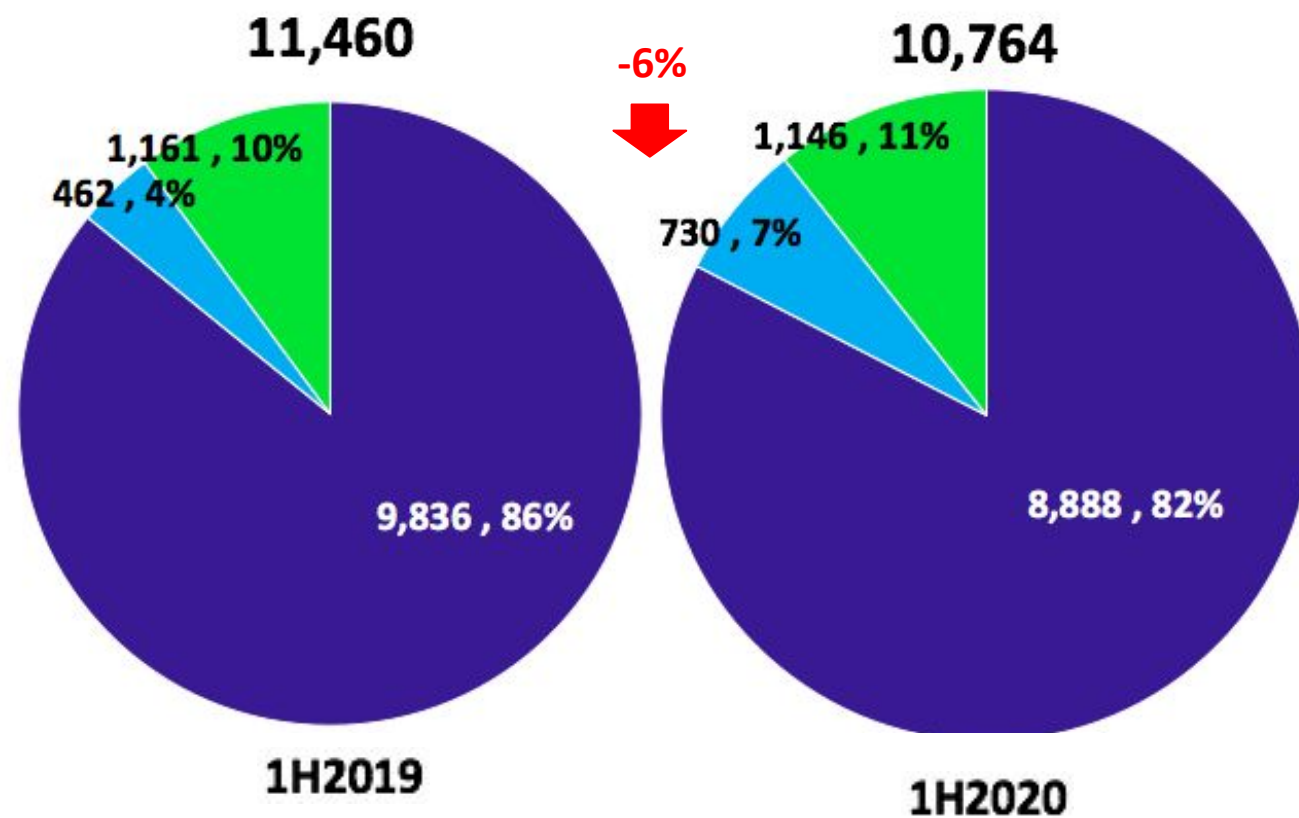
Revenue

in PHP millions



Energy Sold

in GWh

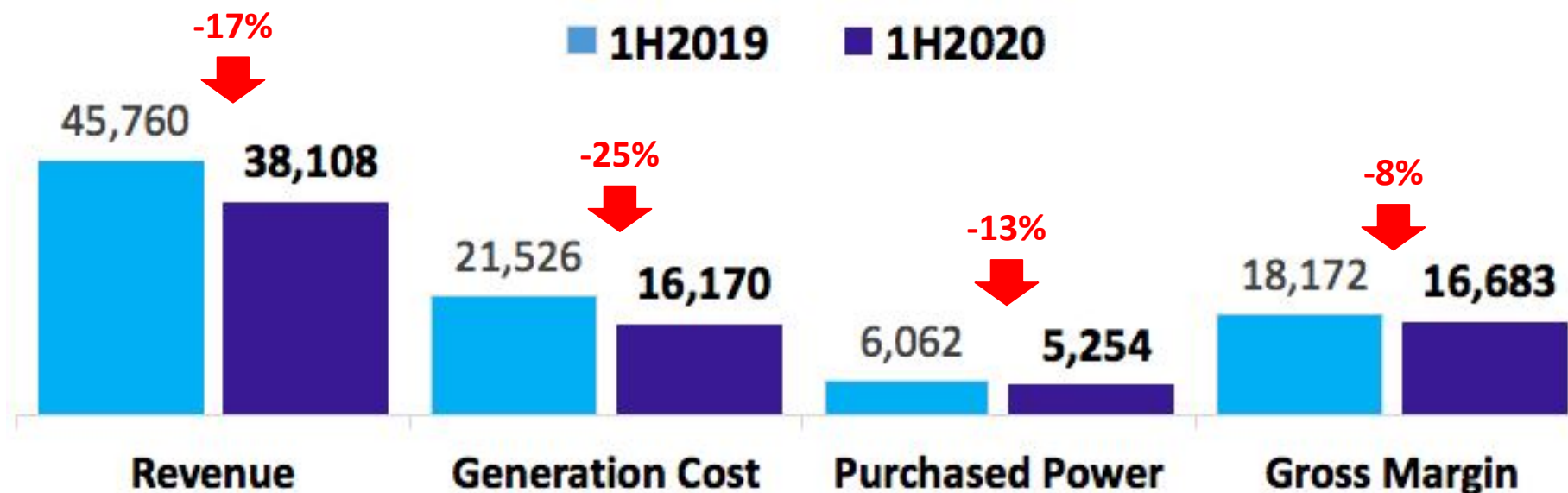


■ BCQ ■ Spot ■ Ancillary Services



Operating Highlights: Gross Margin

in PHP millions



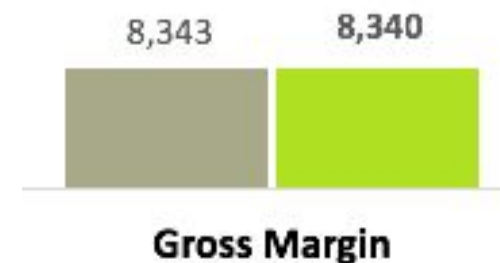
in GWh



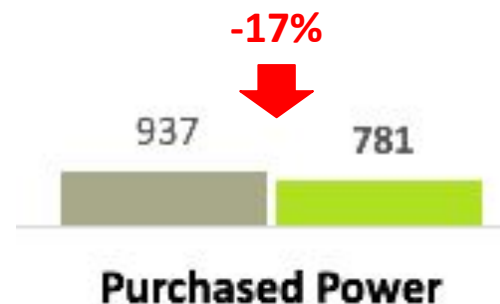
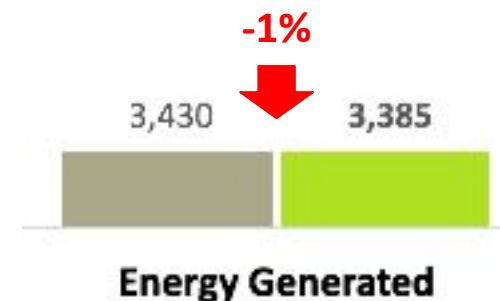
Quarterly Breakdown

■ 1Q2020 ■ 2Q2020

in PHP millions

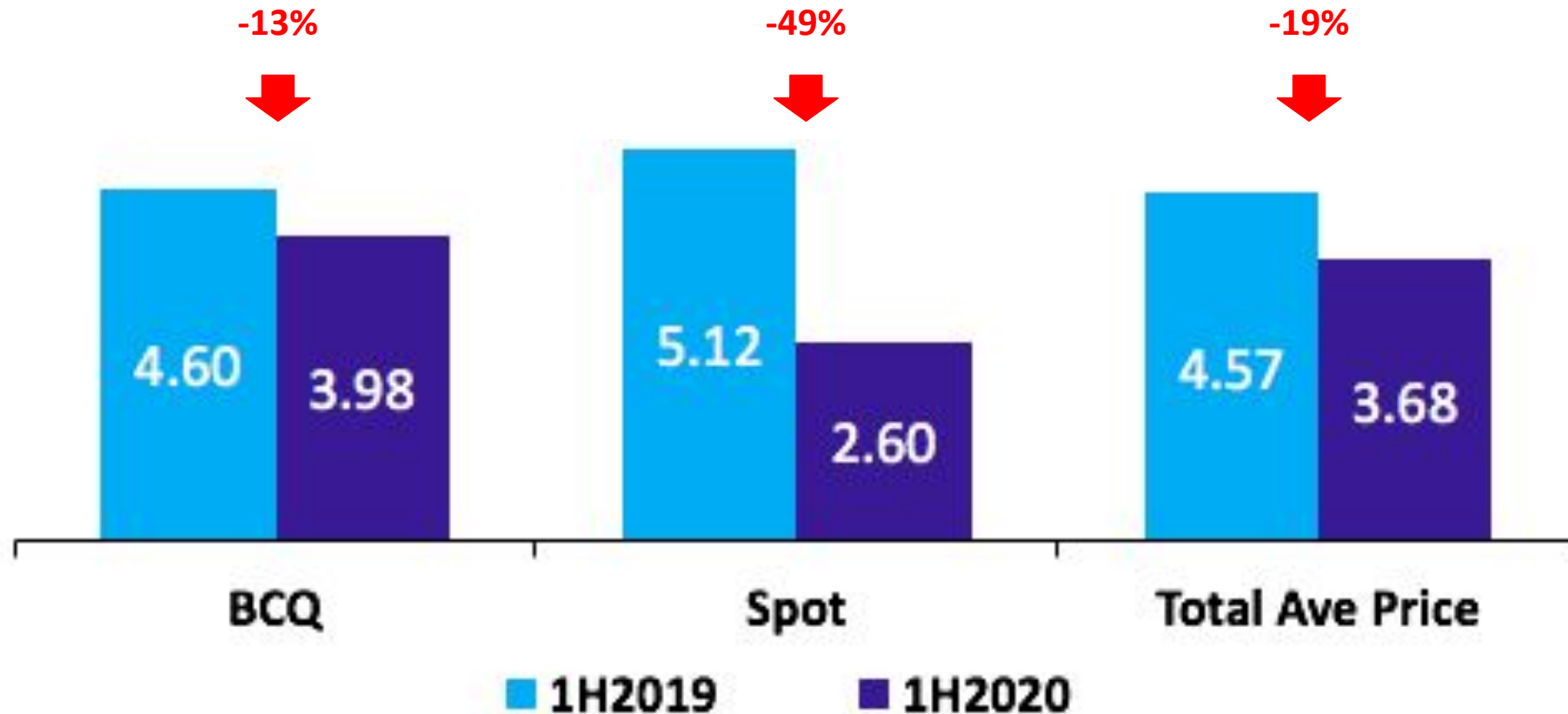


in GWh





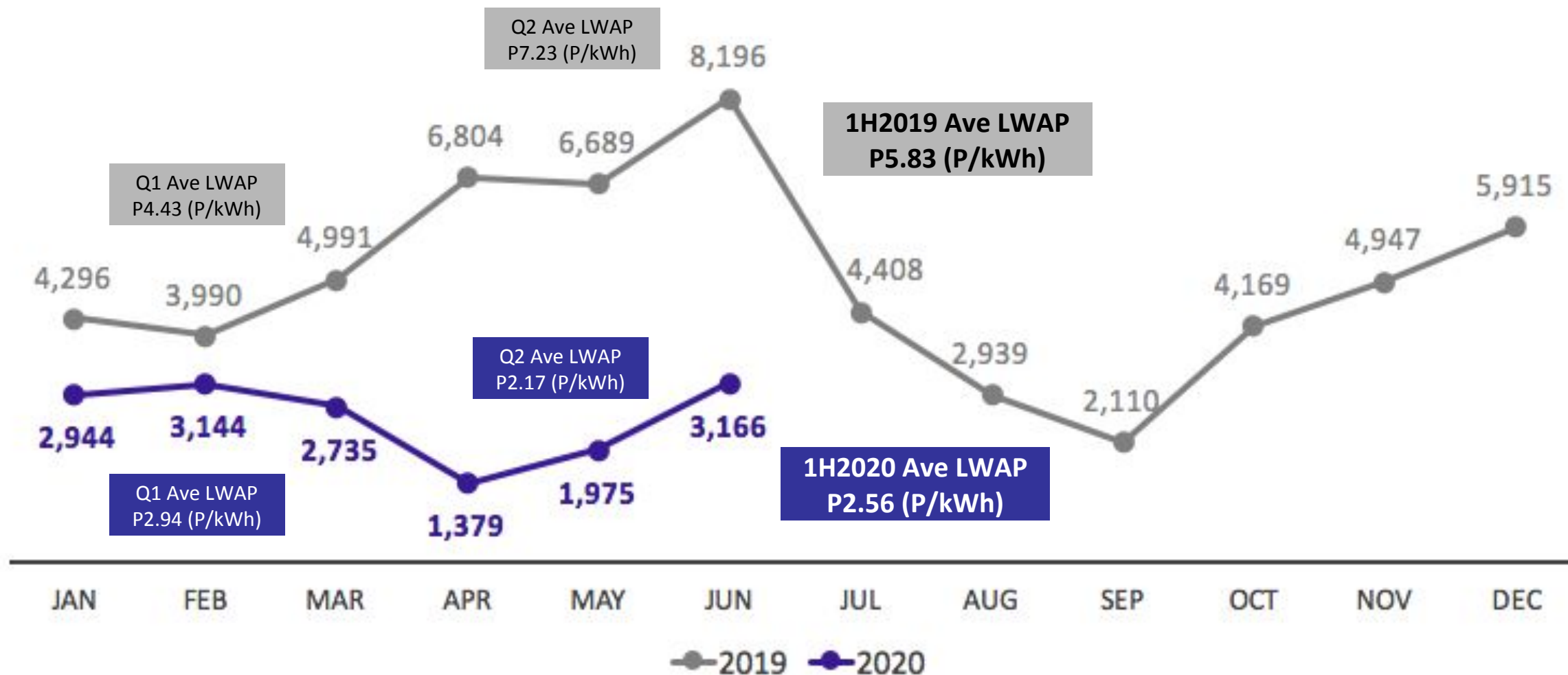
Operating Highlights: Average Selling Price (P/kWh)



Ave NEWC \$96.41/MT in 1H 2019 vs \$65.87/MT in 1H2020

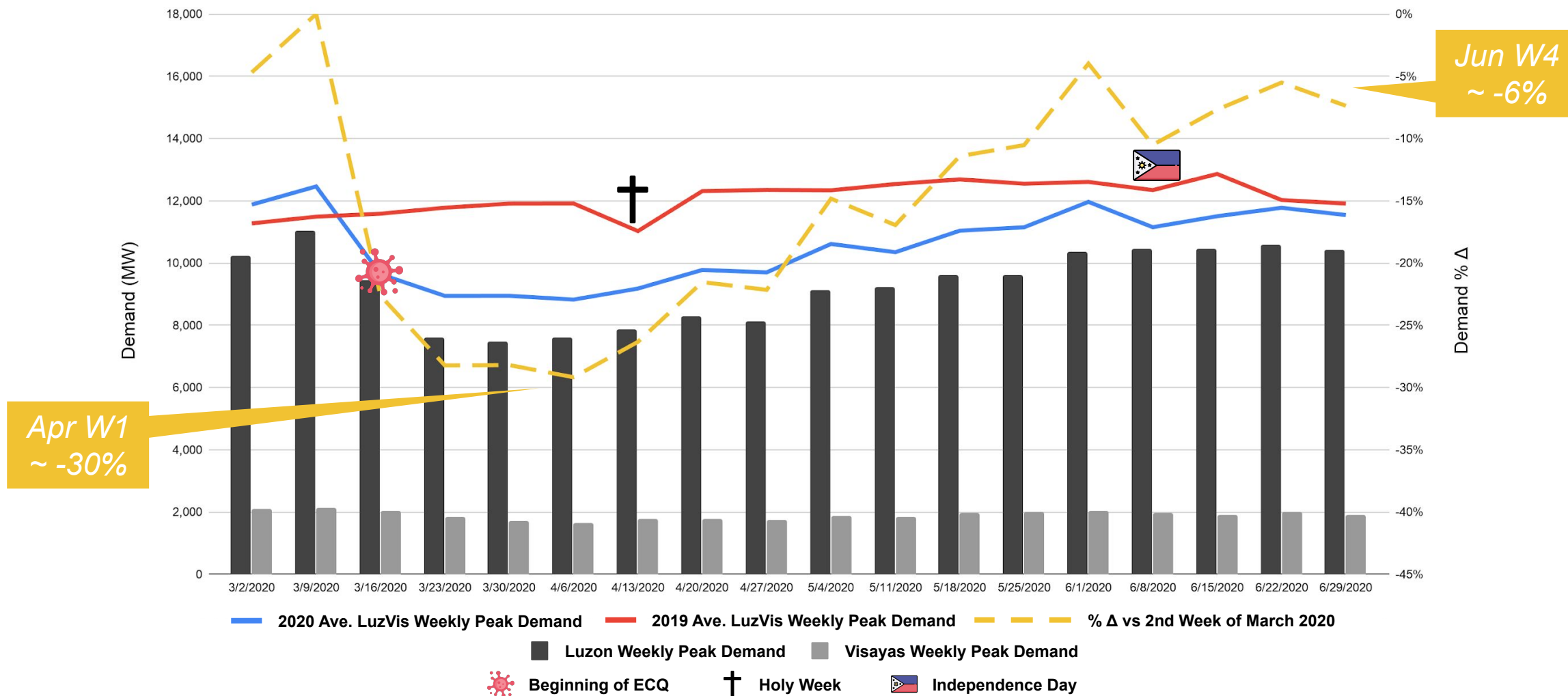


Operating Highlights: WESM



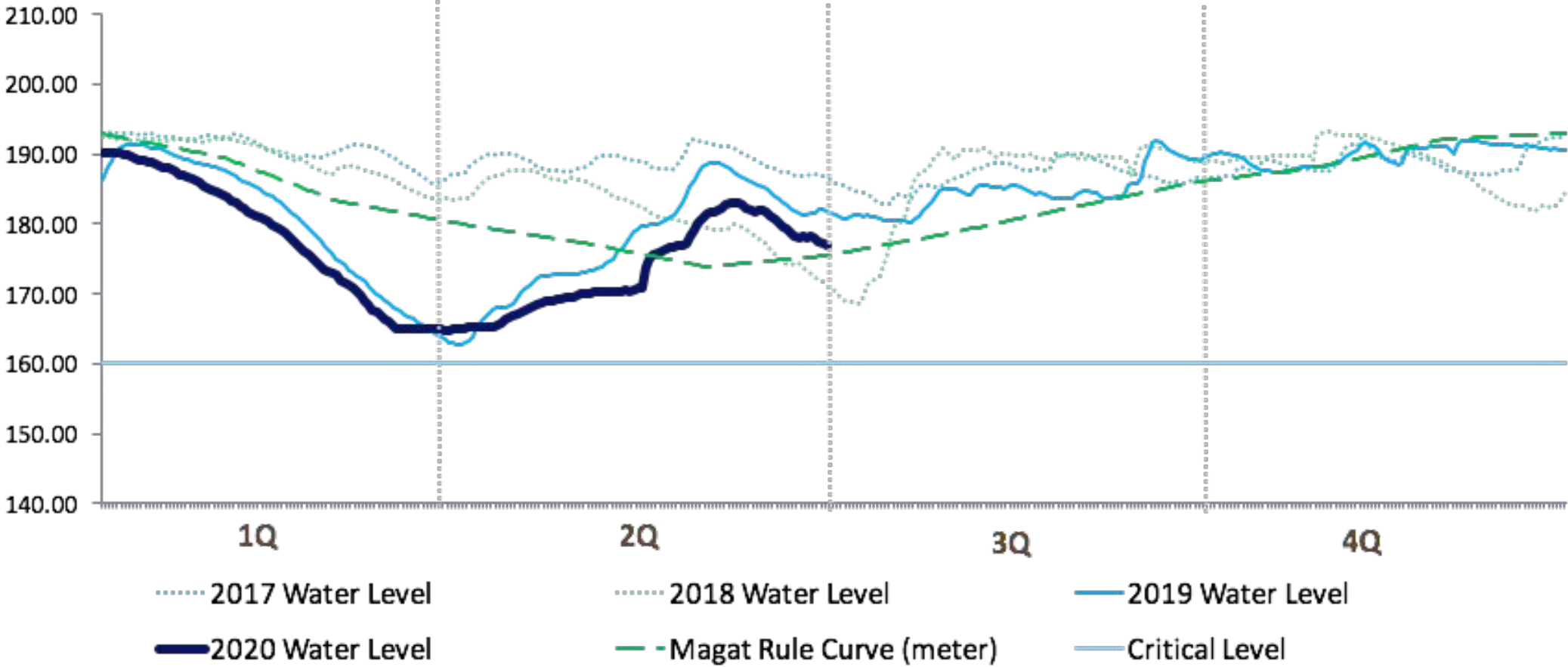


Luzon and Visayas Average Weekly Peak Demand





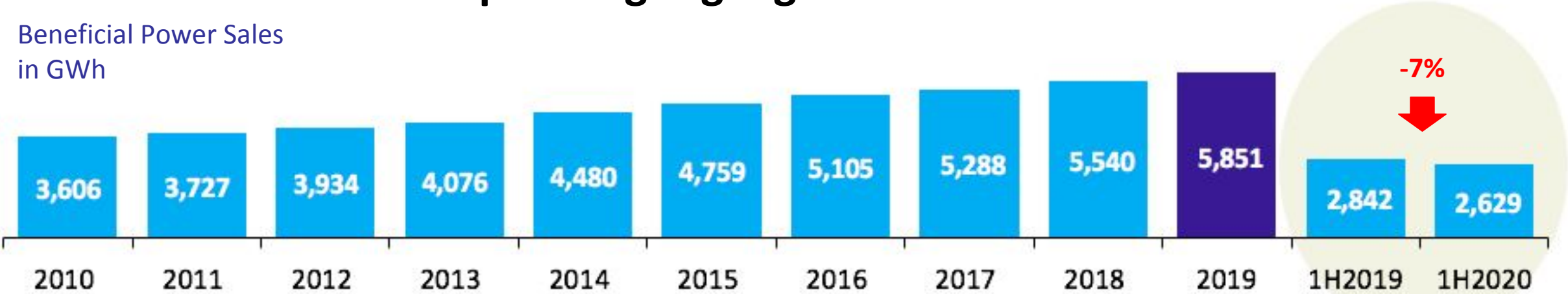
Operating Highlights: Water Level



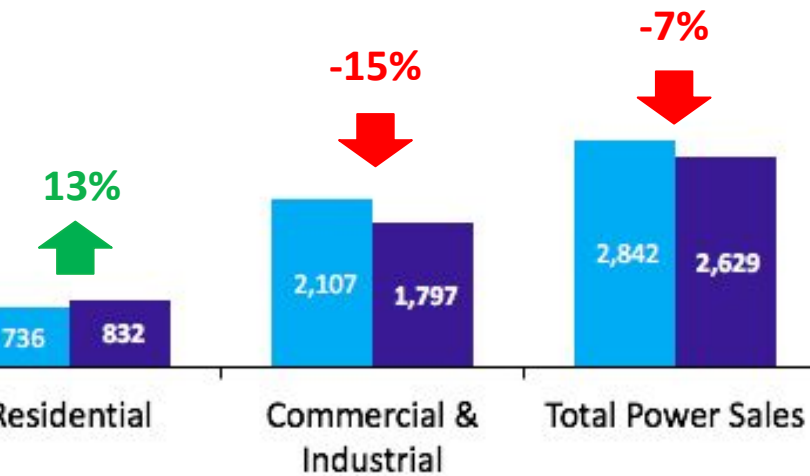


Operating Highlights: Distribution

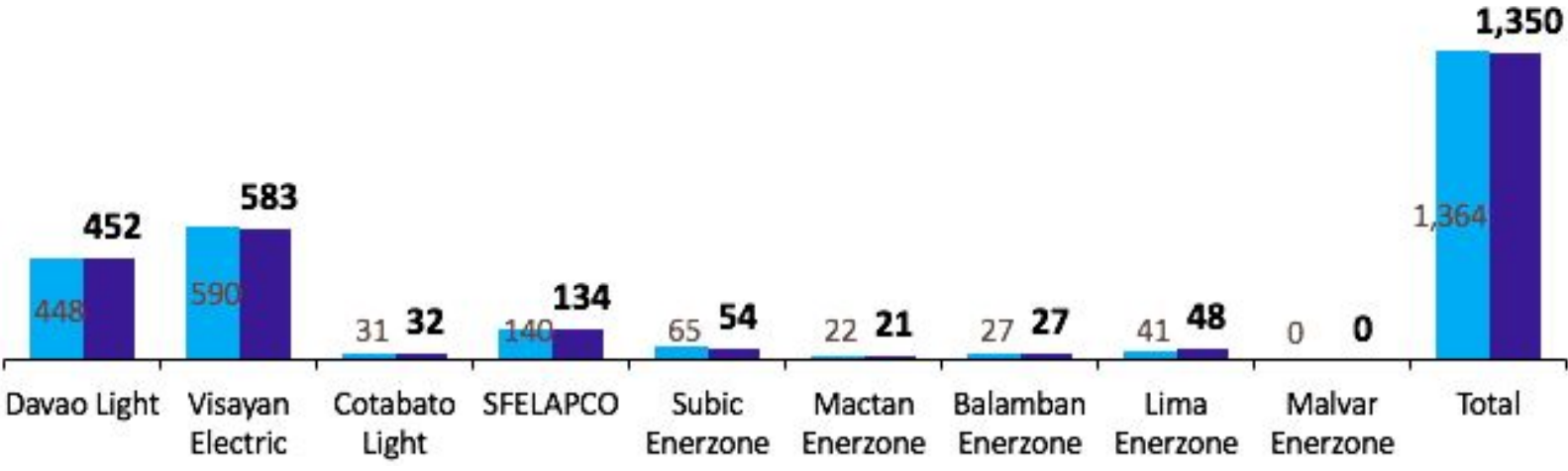
Beneficial Power Sales
in GWh



Customer Type
in GWh



Peak Demand
in MW



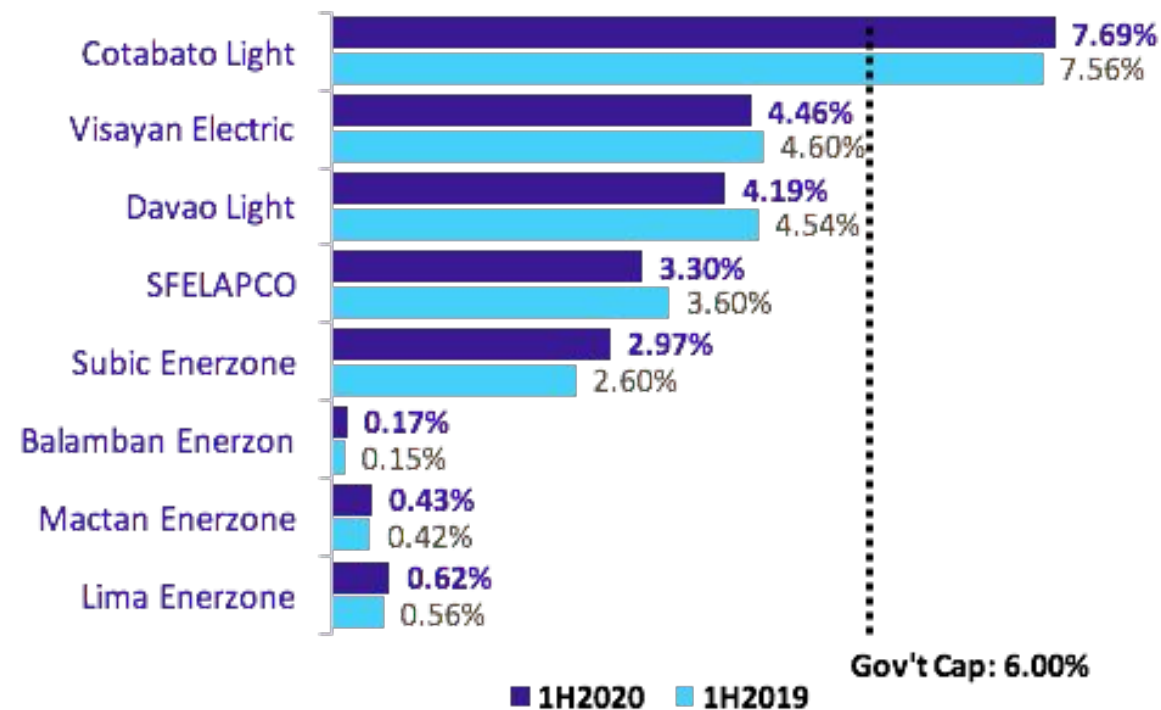


Operating Highlights: Distribution

Gross Margin / kWh



Feeder Loss





Project Update

Grid	Project	Capacity (Net)	% Ownership	Attributable Net Sellable Capacity	Estimated Commercial Operation Date
Luzon	Dinginin Unit 1 (Coal – GNPDP)	668 MW	70%	468 MW	Q1 2021
	Dinginin Unit 2 (Coal – GNPDP)	668 MW	70%	468 MW	Q2 2021
Visayas	Naga Power Plant Complex	39 MW	100%	39 MW	Q3 2020
		1,375 MW		975 MW	

GNPower Dinginin

2 x 668 MW of
Coal Power

Coal Dome 1 Sheeting Complete



Coal Dome 2 dome steel frame progressing and
stacker reclaimer progressing



Unit 2 Boiler roof and silencers nearing completion



Jetty



Naga Power Plant Complex

39 MW of
Oil Power





MGP production well pads
ready for drilling



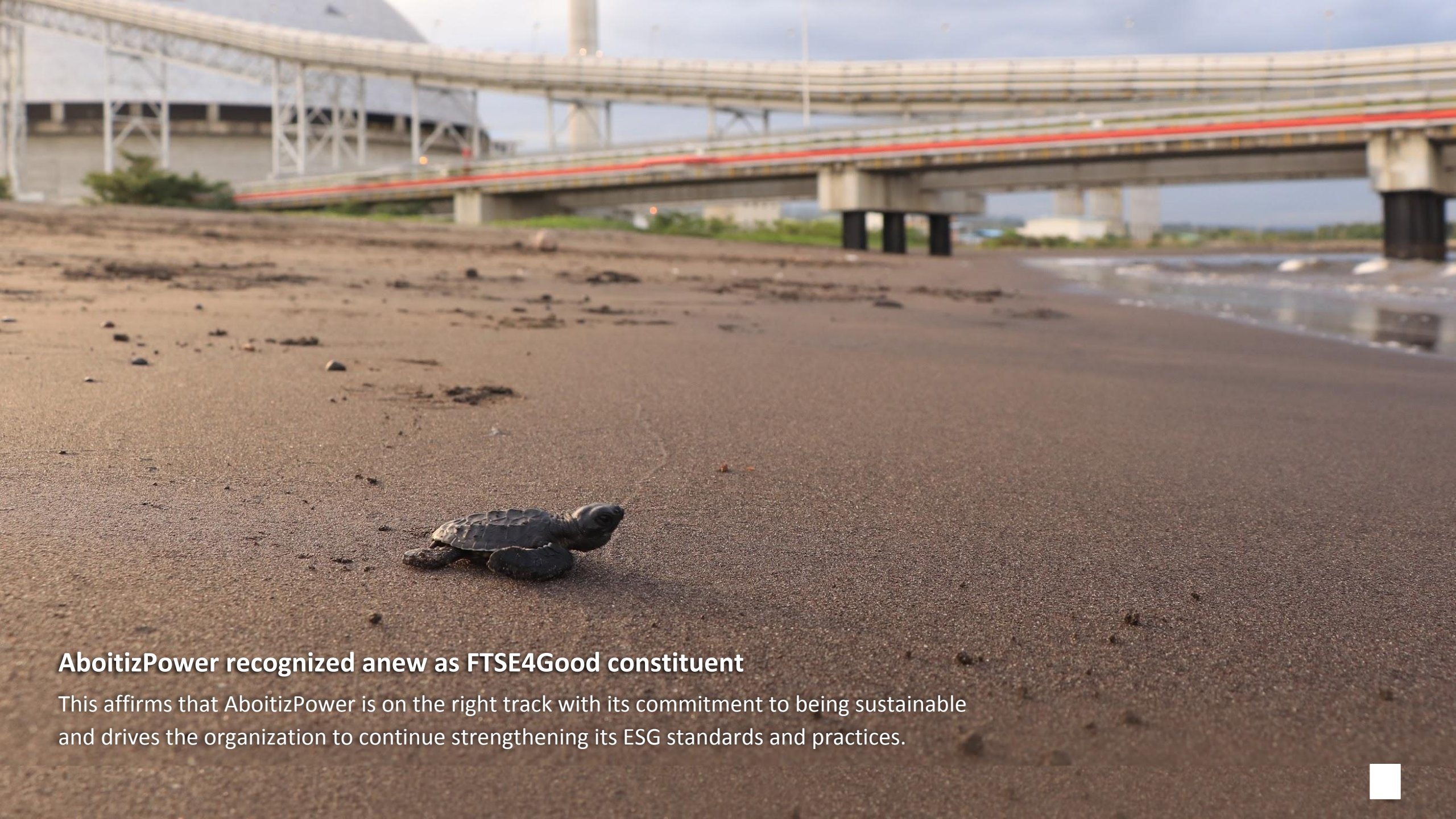
Layout of 1st 3 MGP production wells



MGP roads and rig staging
areas ready

MakBan and Tiwi Drilling Project

50 MW



AboitizPower recognized anew as FTSE4Good constituent

This affirms that AboitizPower is on the right track with its commitment to being sustainable and drives the organization to continue strengthening its ESG standards and practices.





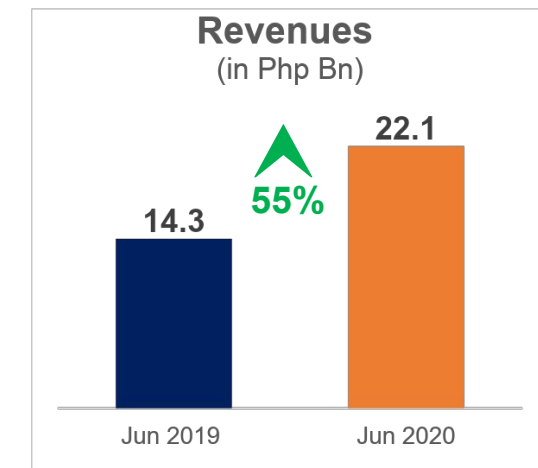
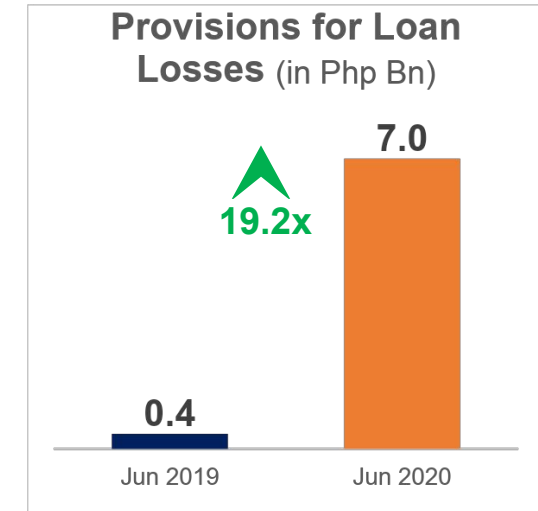
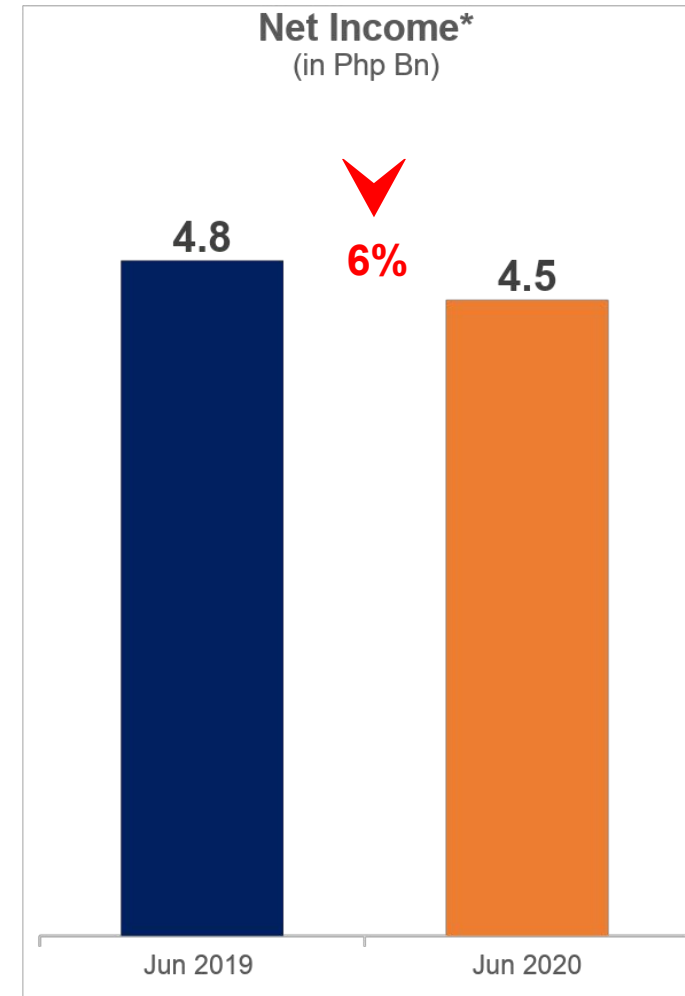
Review of Business Units

- Power
- **Financial Services**
- Food
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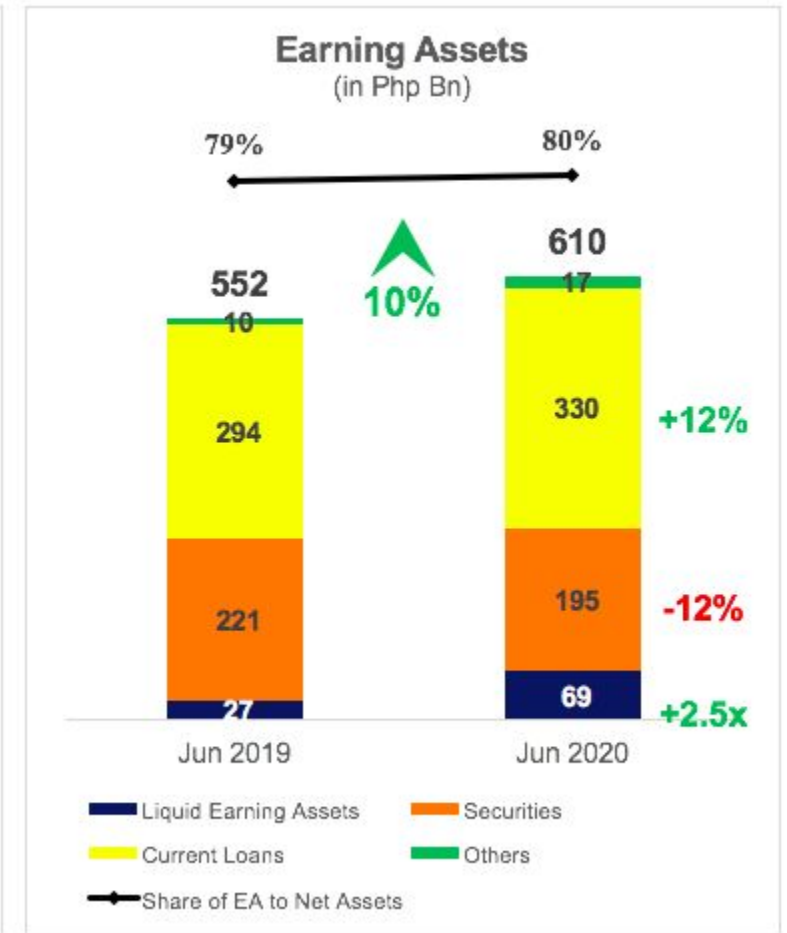
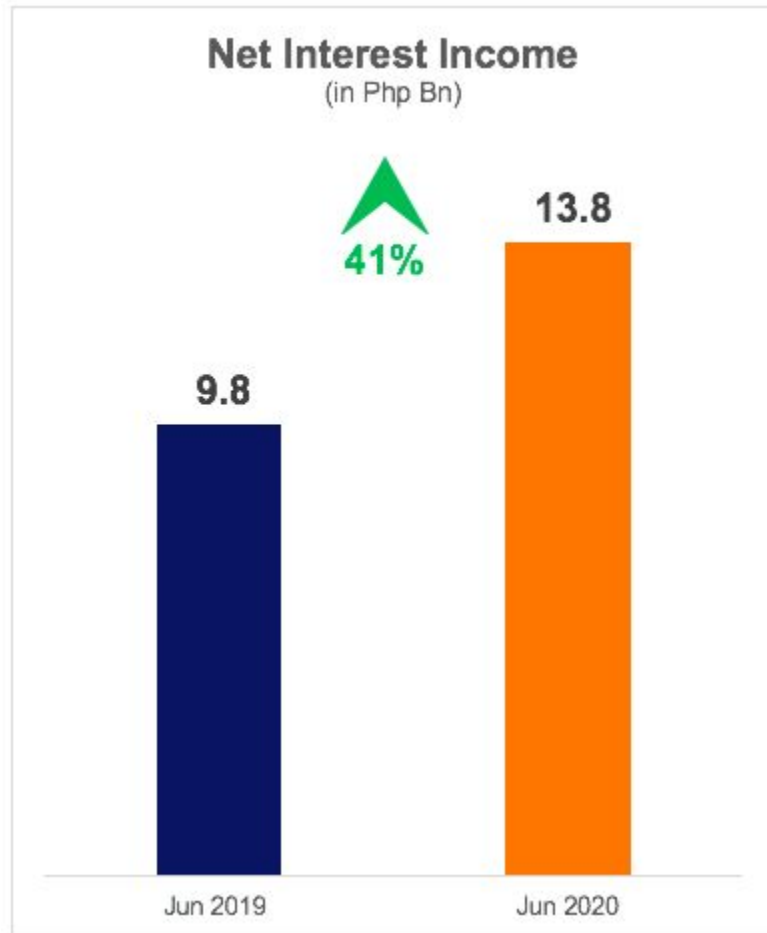
1H2020 Net Income at P4.5 Bn; Total Provisions increased to P7.0 Bn

- Net income at P4.5 Bn, down 6%
- Provisions for loan losses further increased to P7.0 Bn in anticipation of the potential impact of COVID-19
- Solid revenue growth of 55% driven by:
 - Robust YoY growth of high-yielding consumer, SME, and commercial loans
 - Higher margins YoY
 - Strong trading gains

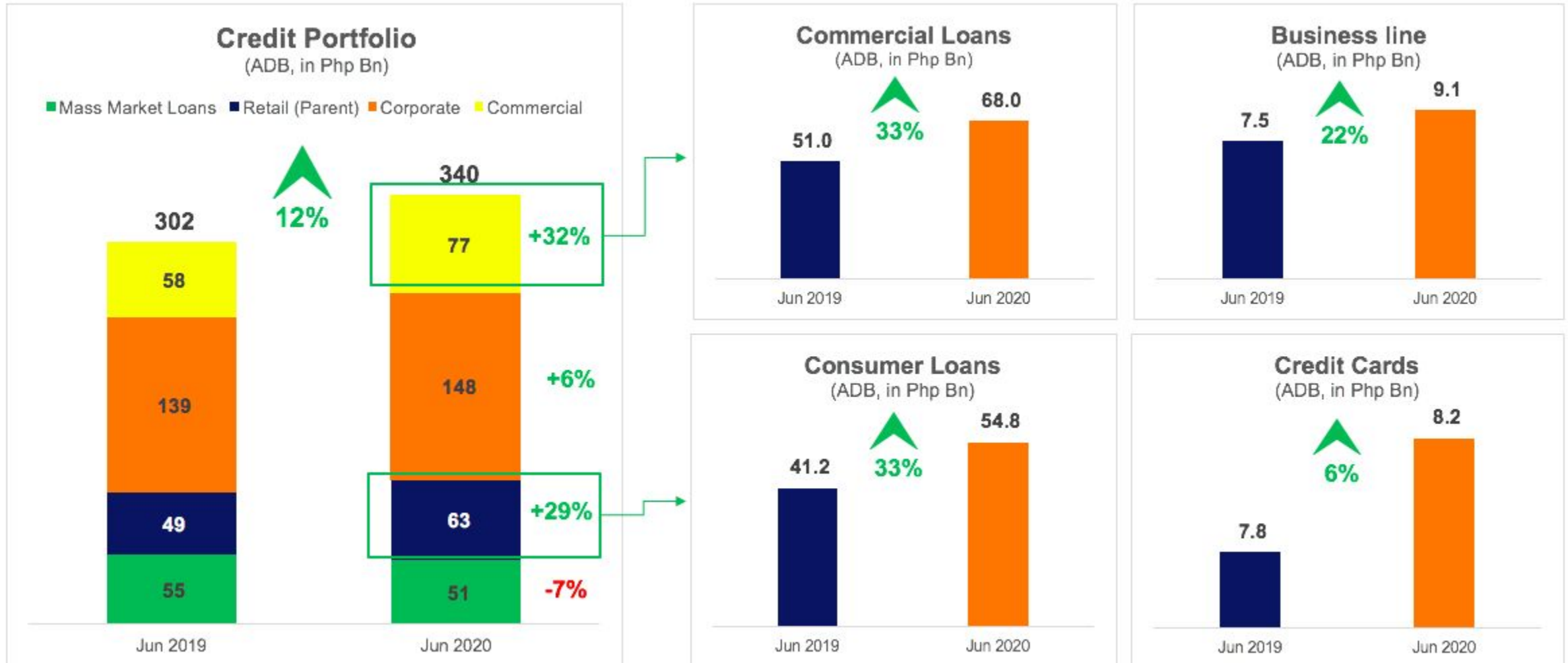




Net Interest Income rose 41% driven by significant margin increase (up 94bps YoY)

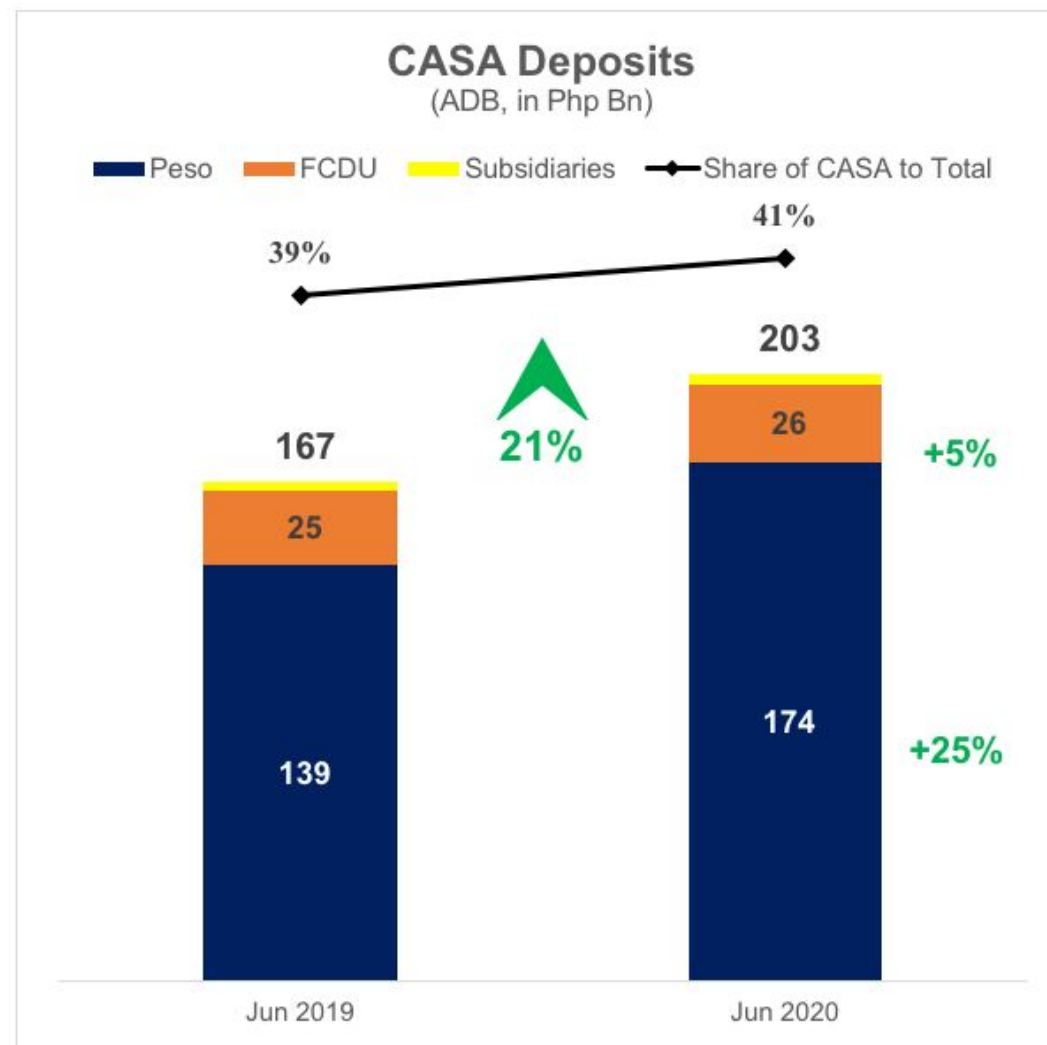
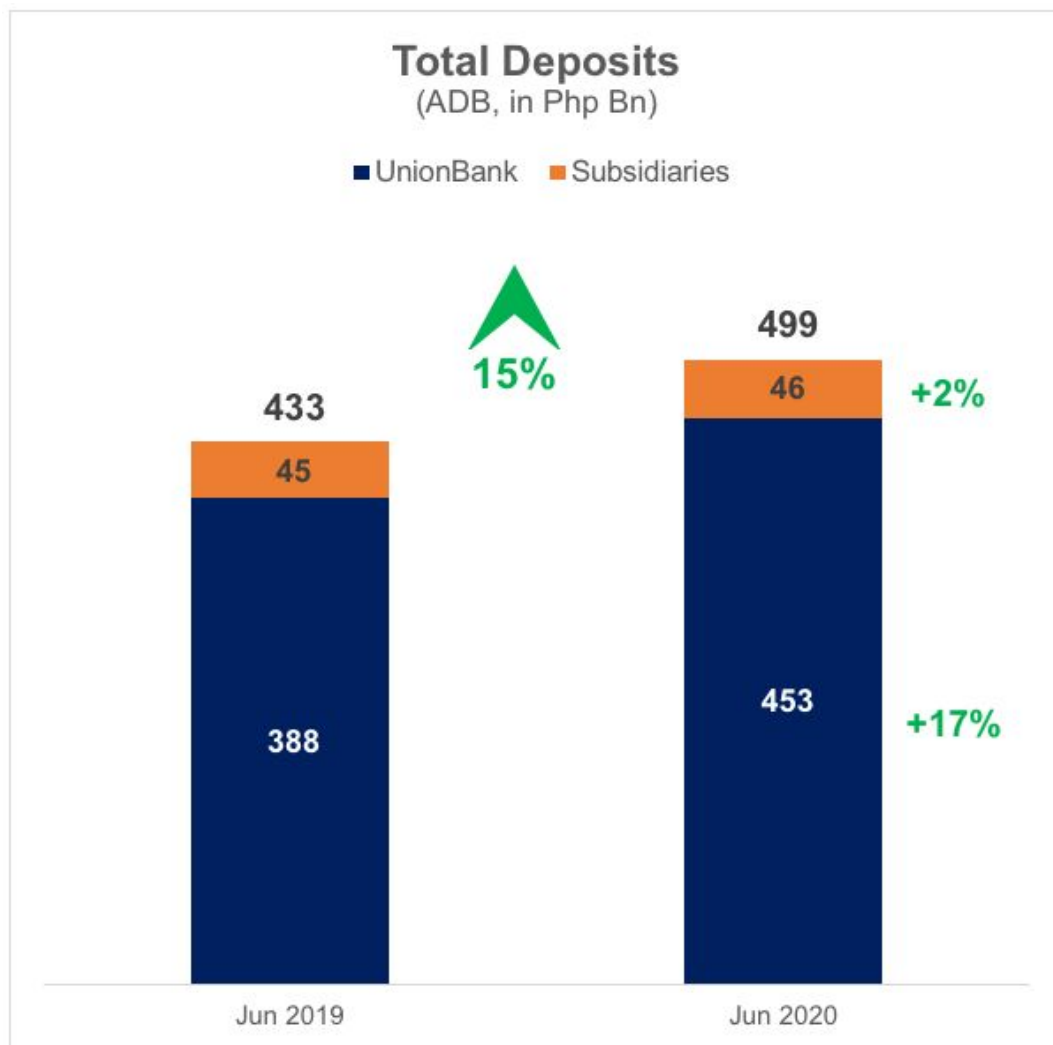


Credit portfolio boosted by high-yielding consumer & commercial segments



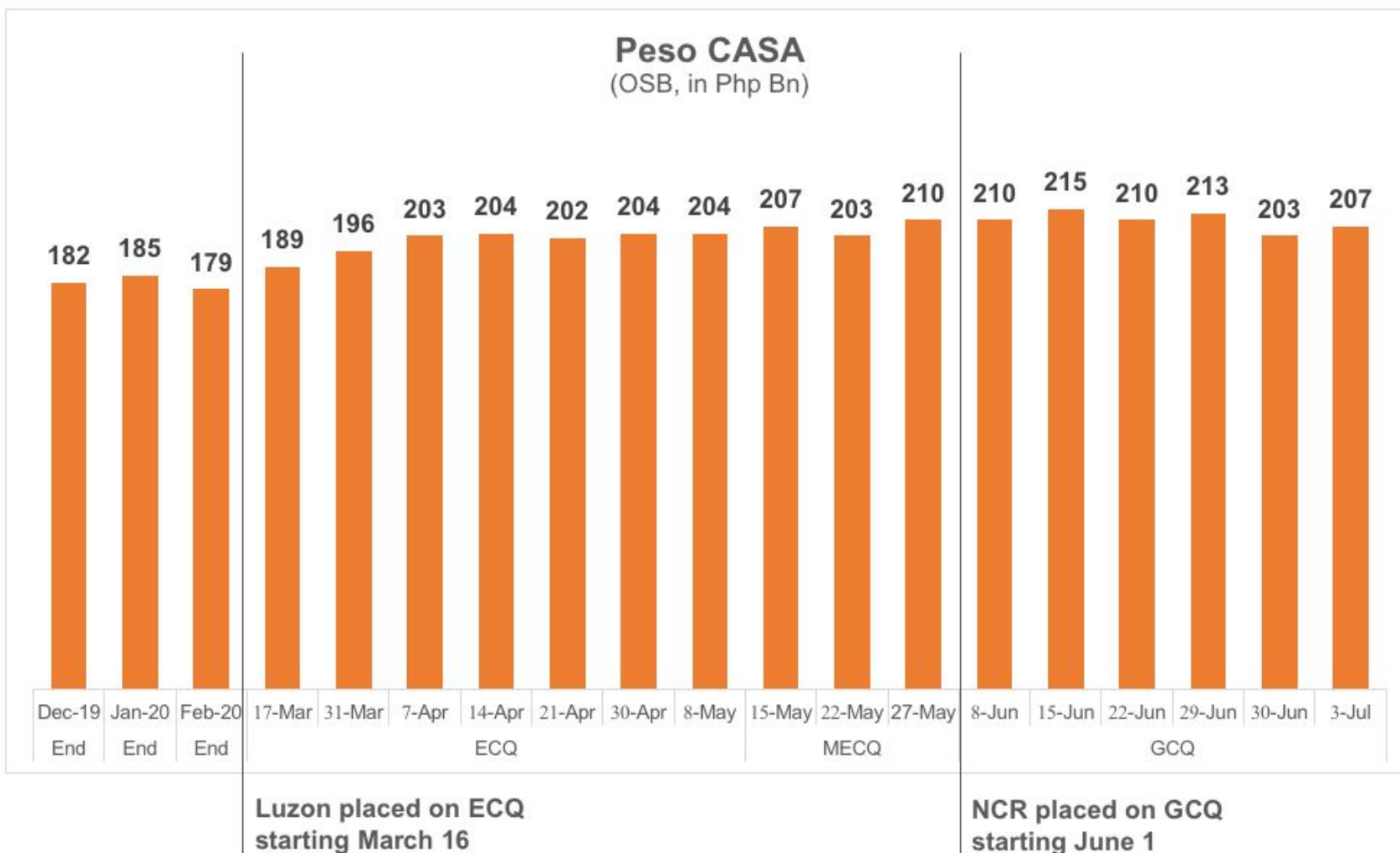


Double-digit deposit increase driven by robust CASA growth





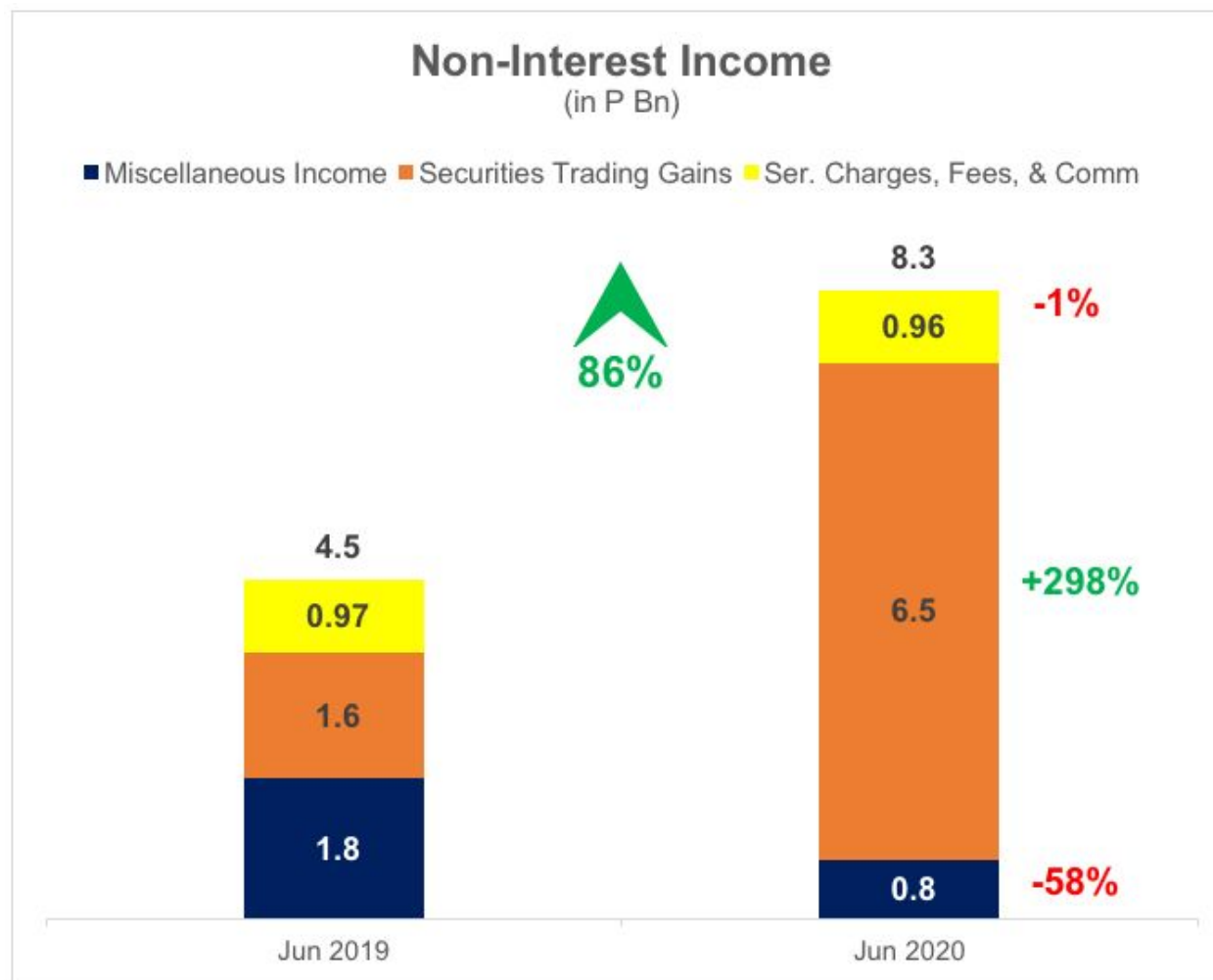
Steady CASA growth amid Quarantine Period



- Peso CASA higher by 14% or P25.0 Bn vs. end-2019;
- Higher by 10% or P18.0 Bn since ECQ implementation

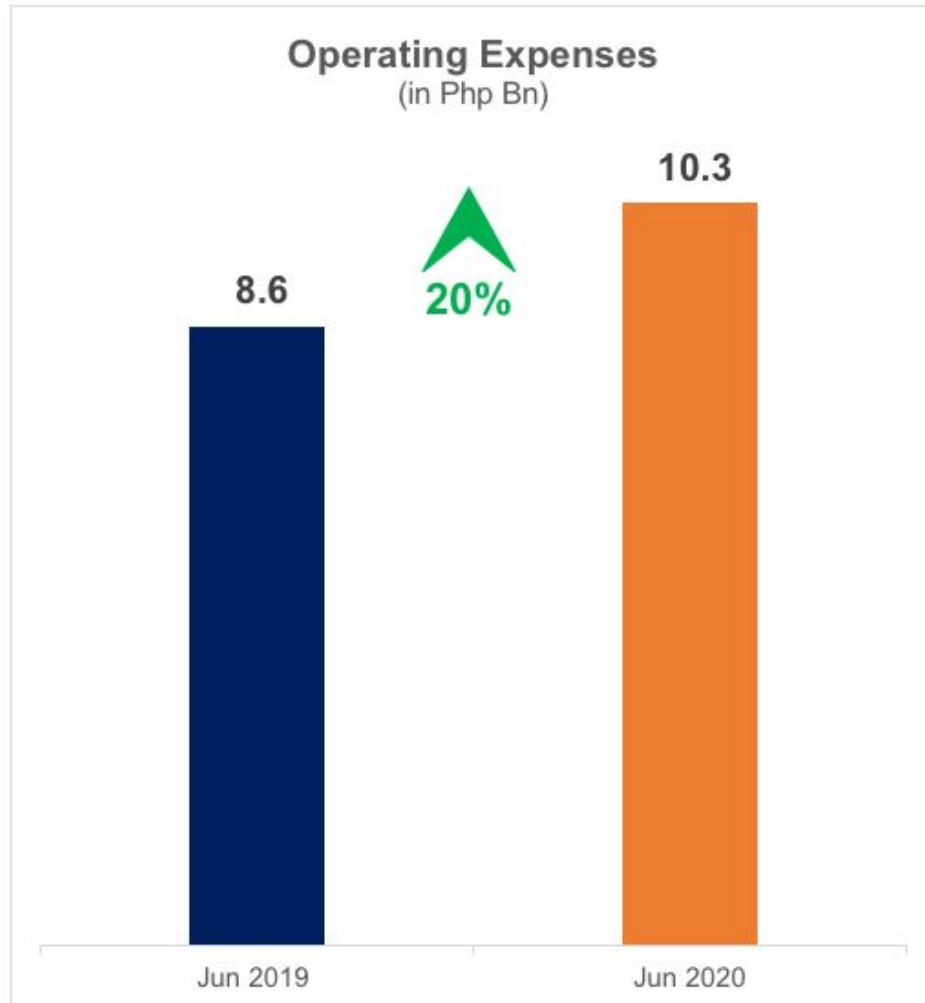


Non-interest income buoyed by strong trading gains





Regular Opex remain manageable; Double-digit growth due to Taxes & Advertising

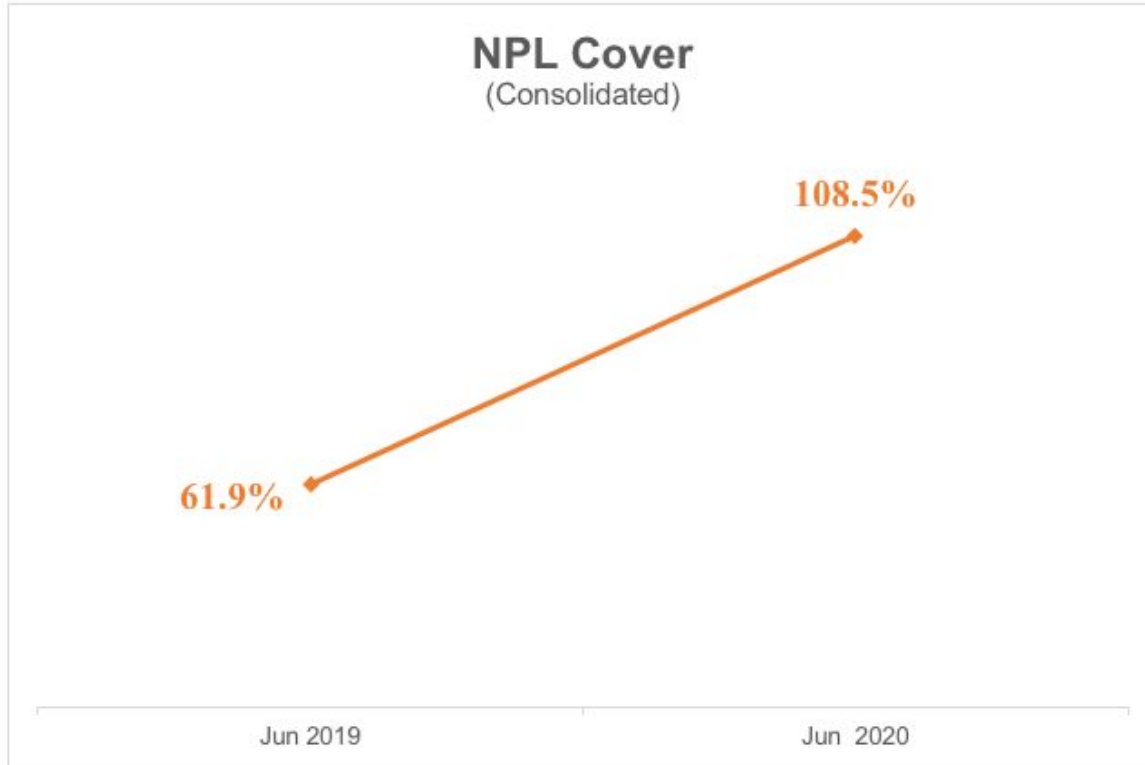


Major increases:

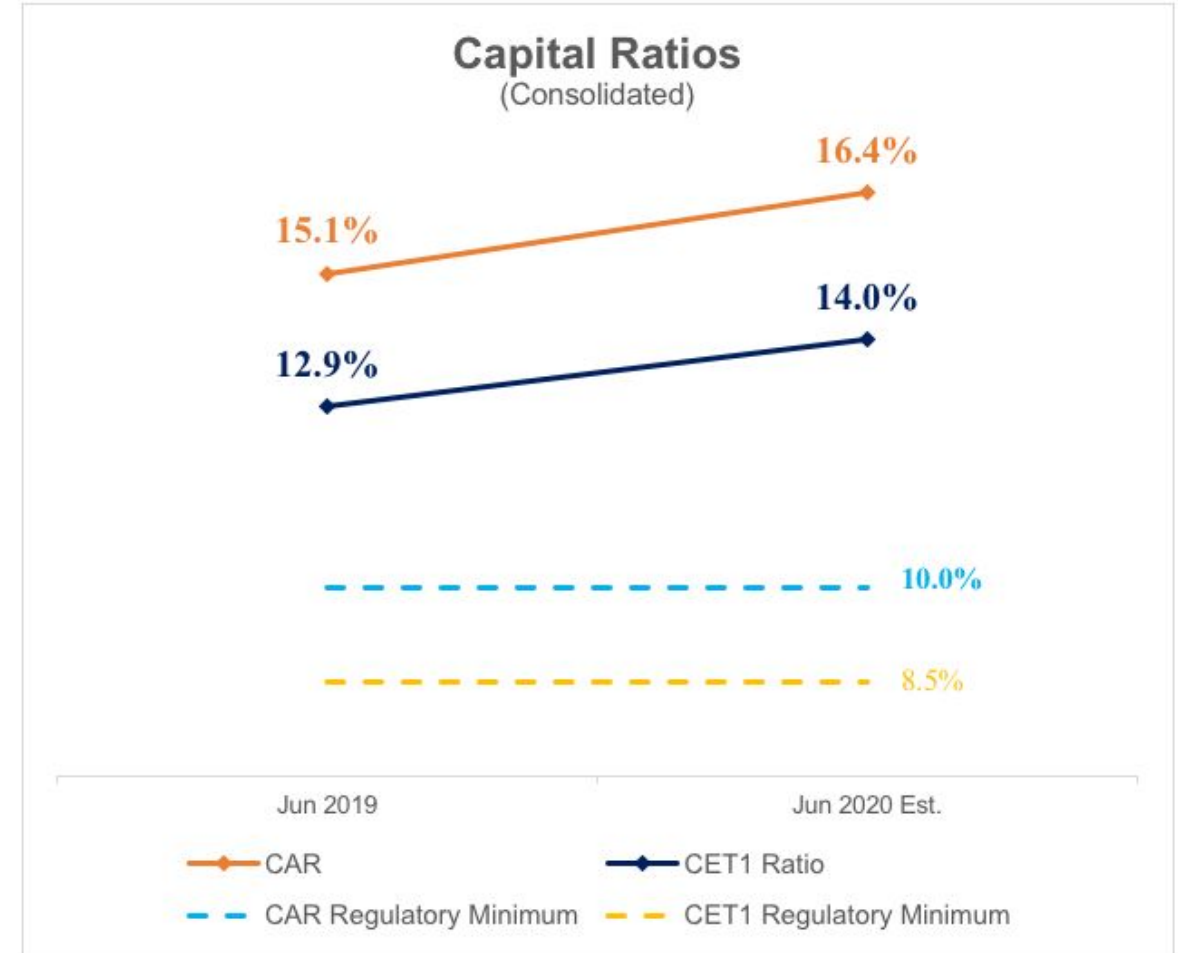
In Php Bn	Jun 2019	Jun 2020	Growth
Gross Receipt Taxes	0.82	1.08	32%
Advertising & Marketing	0.097	0.36	275%
Documentary Stamp Taxes	0.54	0.67	23%
PDIC Insurance	0.44	0.50	15%
Others	0.30	-	
Total Opex, net of Major Increases	6.97	7.65	10%



Strong capital position; NPL Cover above 100% due to higher provisions



Consolidated	Jun 2019	Jun 2020
Net NPL Ratio	2.3%	2.1%

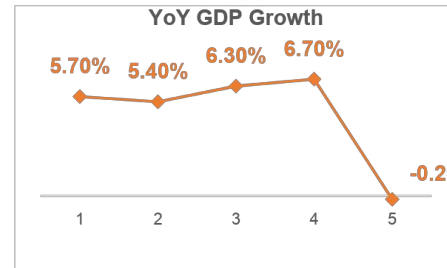




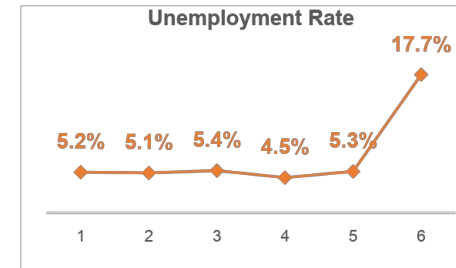
Outlook

Confidence on economy dampened by:

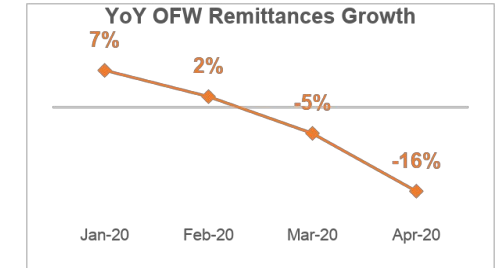
- Negative GDP growth



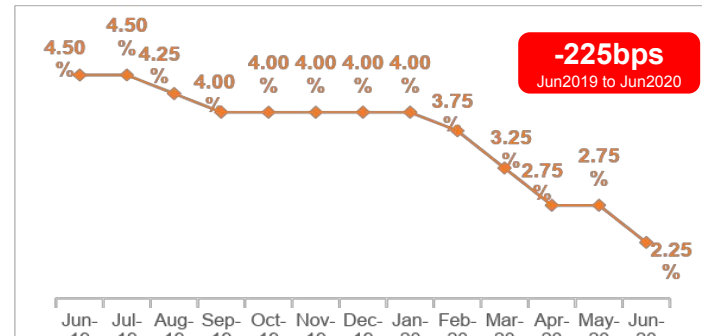
- Surge in unemployment rate



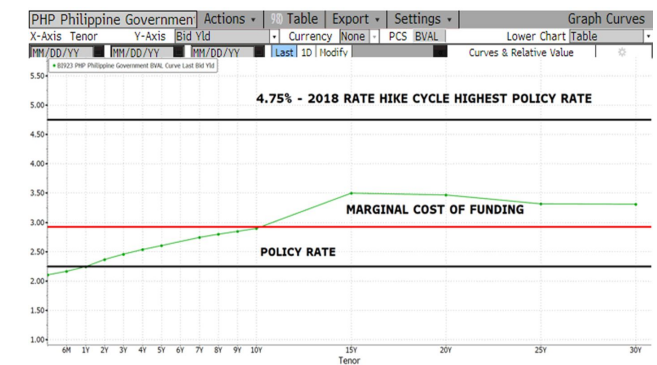
- Negative OFW remittances growth



- RRP rates down 225bps YoY after 50bps cut on June 25



- Yield curve flattens post rate cut



- Relatively flat loan and asset growth given cautious credit outlook of banks
- Low interest rate environment to persist
- Increase in digital take-up, with industry fast-tracking digital projects

COMPANIES

Digital payment grows in Philippines amid COVID-19 fears

By: Daxim L. Lucas - Reporter / @daximluc / Philippine Daily Inquirer / 04:42 AM July 04, 2020

BSP ramps up digital campaign to wean Pinoys off cash payments

BSP chief: digital transactions goal may be met earlier than expected

By Tyrone Jasper C. Pineda June 24, 2020

COVID-19 pandemic highlights 'increasing importance' of digital transactions: BSP

Jessica Fencel, ABS-CBN News
Printed at: July 03, 2020 01:27 PM

PESONet, InstaPay payments hit P341B

By Mayvelin U. Caraballo, TMT © July 15, 2020

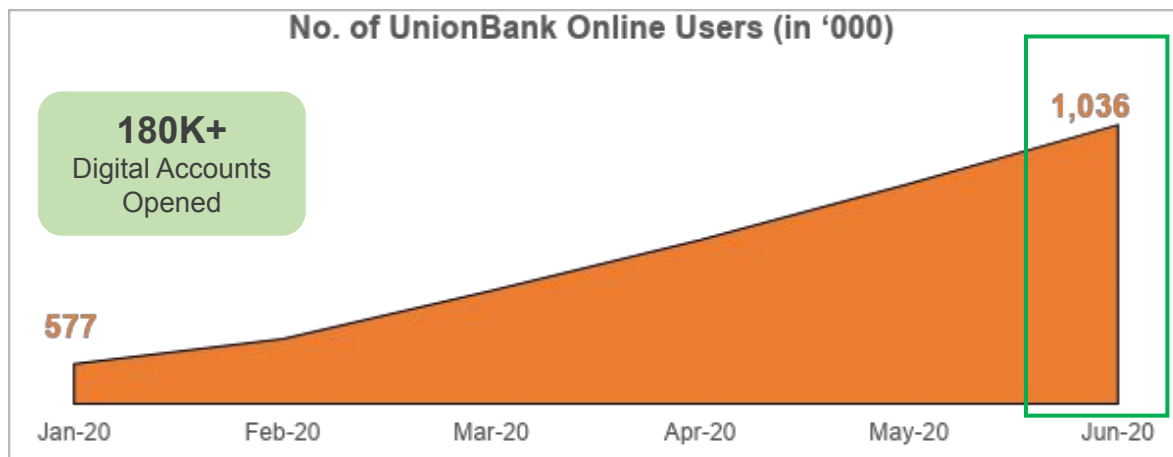
BSP sees spike in Pinoys' owning financial accounts

Philippine Daily Inquirer / 04:36 AM July 18, 2020

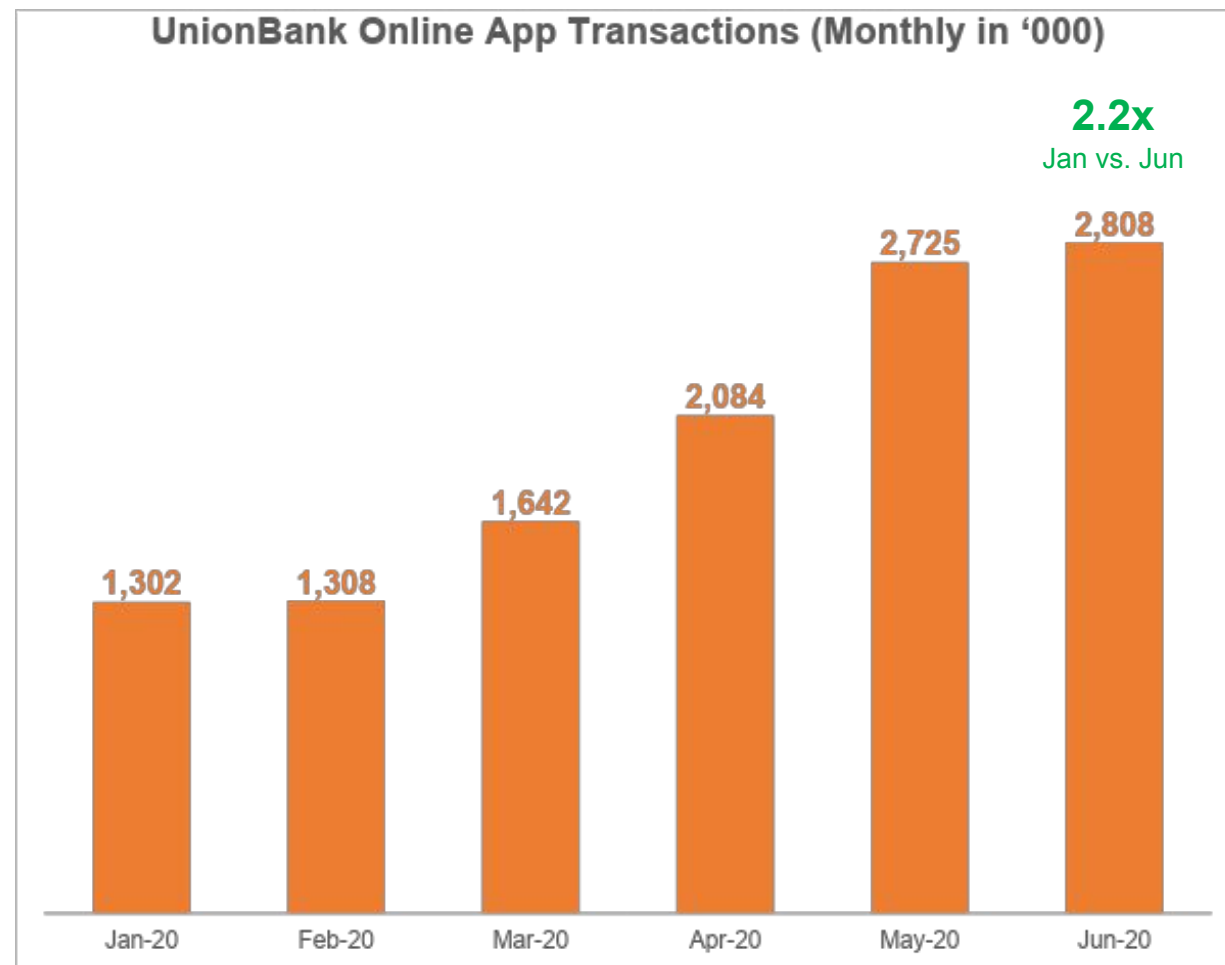


Digital take-up and transactions continue upward trend

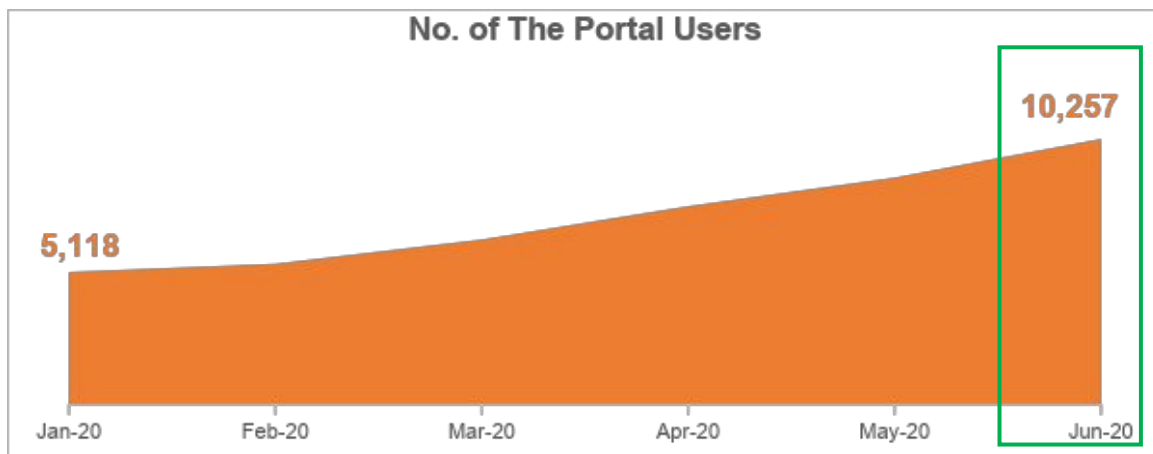
UnionBank Online customers breached 1M mark



Digital transactions on an upward trajectory



Corporate enrollments now more than 10K



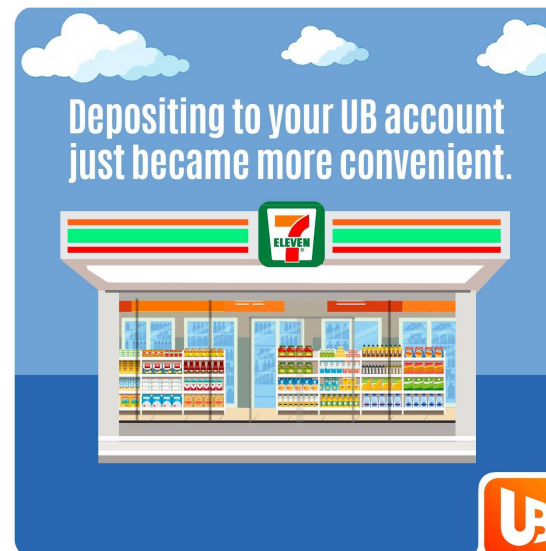
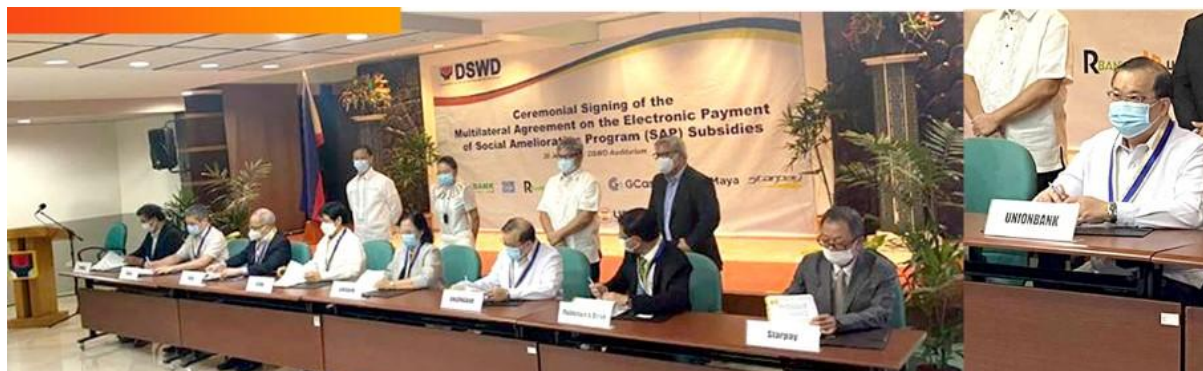
Note: Transactions here include Bills Payment, Fund Transfers, Load Purchase, Remittances, and Mobile Check Deposits



Agility amidst the COVID crisis

UBP & DSWD Partnership

UBP chosen as **one of six electronic payment providers** for the 2nd tranche of DSWD's Social Amelioration Program (SAP)



Cash-In Capability In 7-11 Branches

Customers can now deposit cash via the CliQQ machines at any 3,000 7-Eleven branches nationwide

Bureau of the Treasury
cordially invites you to the
24th Issue of Retail Treasury Bonds
Progreso Bonds Para Sa Bayan

ONLINE INVESTORS' BRIEFING

via Zoom
(Link to be provided)
24 July 2020, Friday
2:00 PM

China Lagio - clagio@rbcb.com
Grace Domingo - gwdomingo@rbcb.com
Daryl P. Tan - dpentan@rbcb.com

To register,
please contact:

JOINT LEAD ISSUE MANAGERS

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BONDS.PH
BY UnionBank

Helping the country has never been easier.

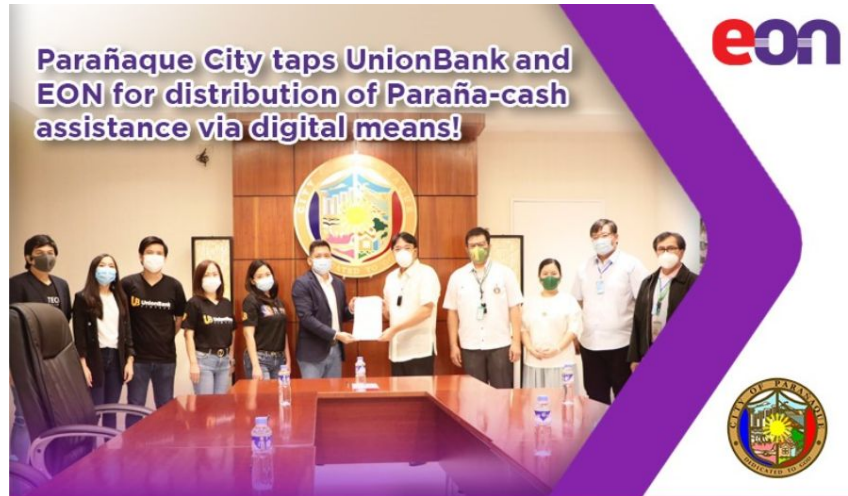
First in Asia App-Based, Blockchain-Enabled Distribution of Retail Sovereign Treasury Bonds

UBP, in partnership with PDAX, powering the digital app (BONDS.ph), and one of the issue managers in Bureau of the Treasury's P30Bn retail treasury bonds issuance

Launched on July 16

Agility amidst the COVID crisis

The partnership allows for the electronic, fast, and efficient distribution of Parañaque City's P200Mn Paraña-Cash COVID19 Assistance Program to its constituents



Imus City tapped EON for the disbursement of cash aid to its 88,000 residents (Imus Cash Card) and 45,000 youth citizens (Bida Kard)



EON lits LIGHT Microfinance towards digital transformation



PSSLAI goes digital with EON!





EON's partnership with Light Microfinance and PSSLAI enables a total of 350K microentrepreneurs and customers to quickly receive loan proceeds through an EON account, withdraw from ATMs, or transact using the EON app.



Review of Business Units

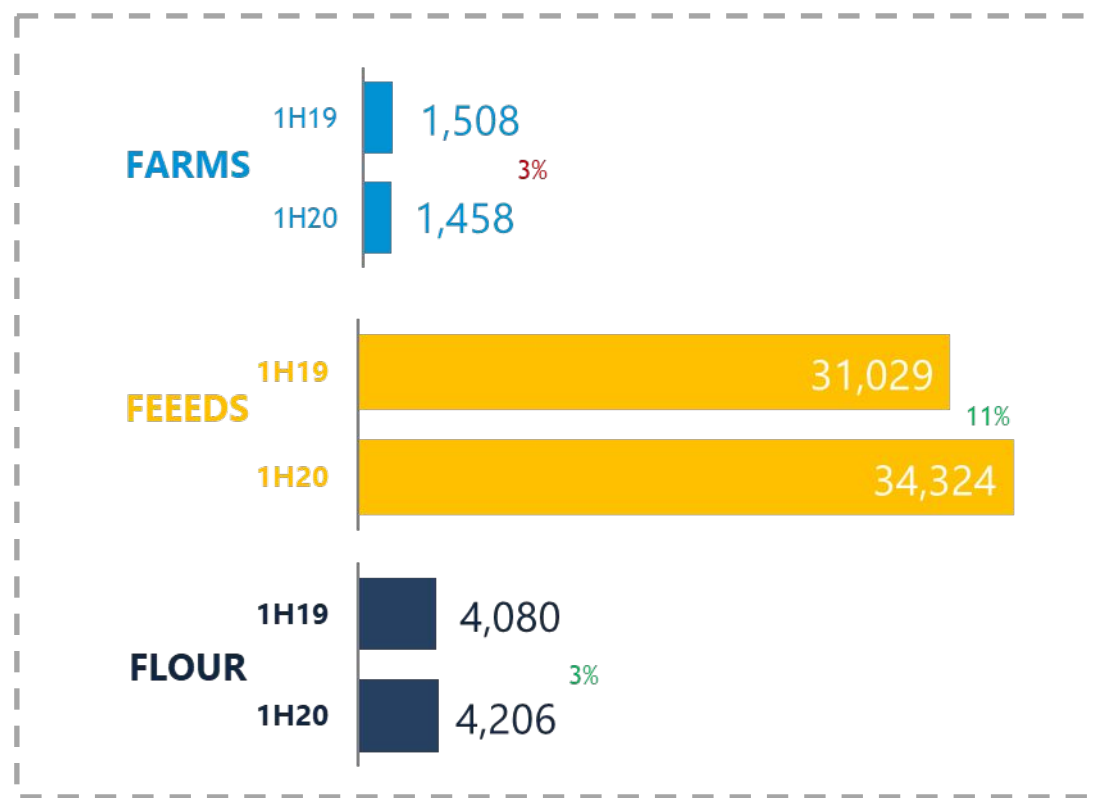
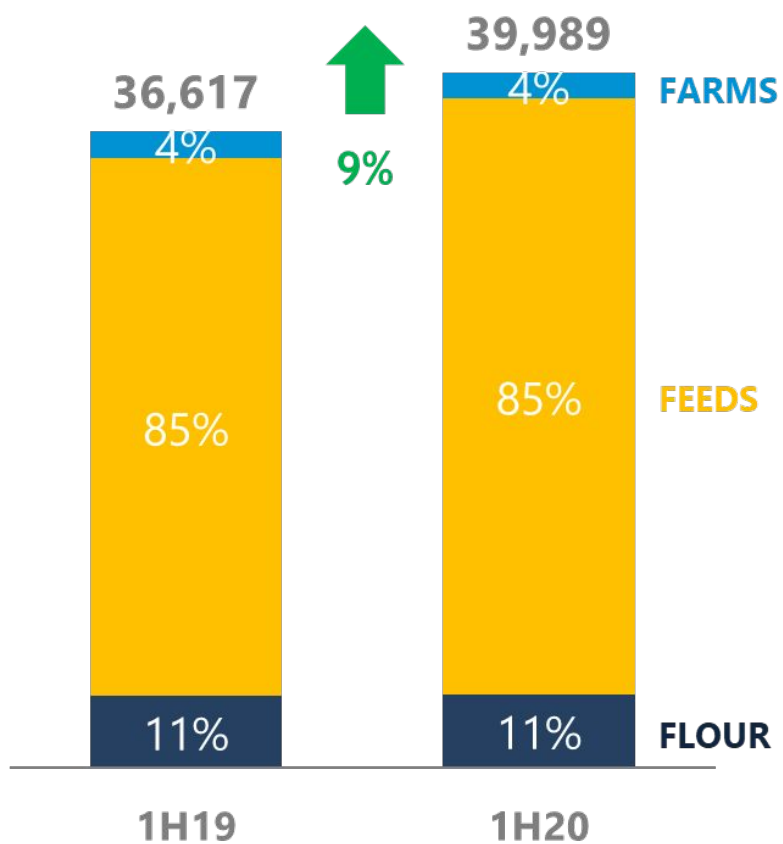
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1H2020 Financial Highlights

Food Group  	1H 2020	vs. 1H 2019	
	PHP (Million)	PHP (Million)	% Movement
Revenue	39,989	+3,372	+9%
EBITDA	2,776	+414	+18%
NIAT	1,082	+286	+36%
EBITDA Margin	7%	+49 BPS	



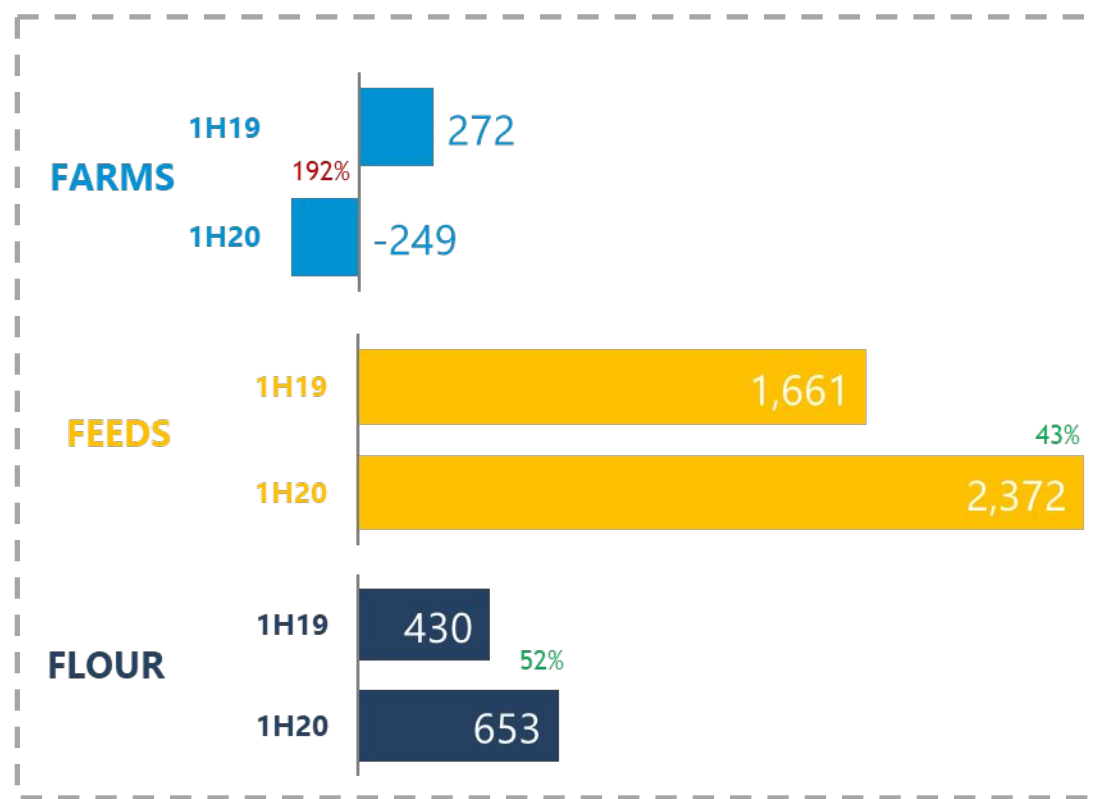
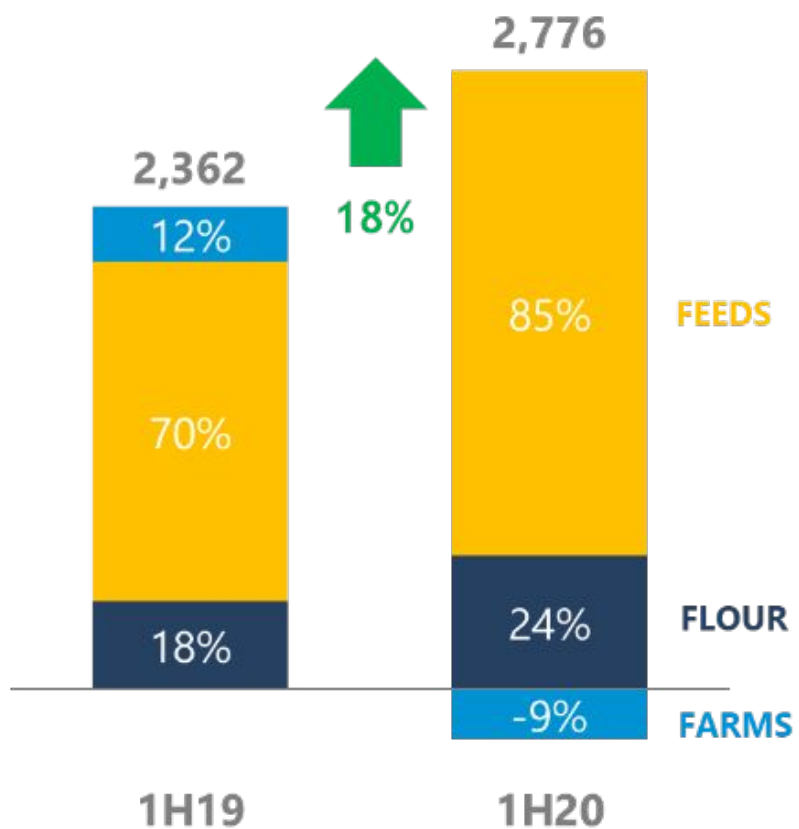
1H2020 Financial Highlights: Revenue



Amounts in Php Million



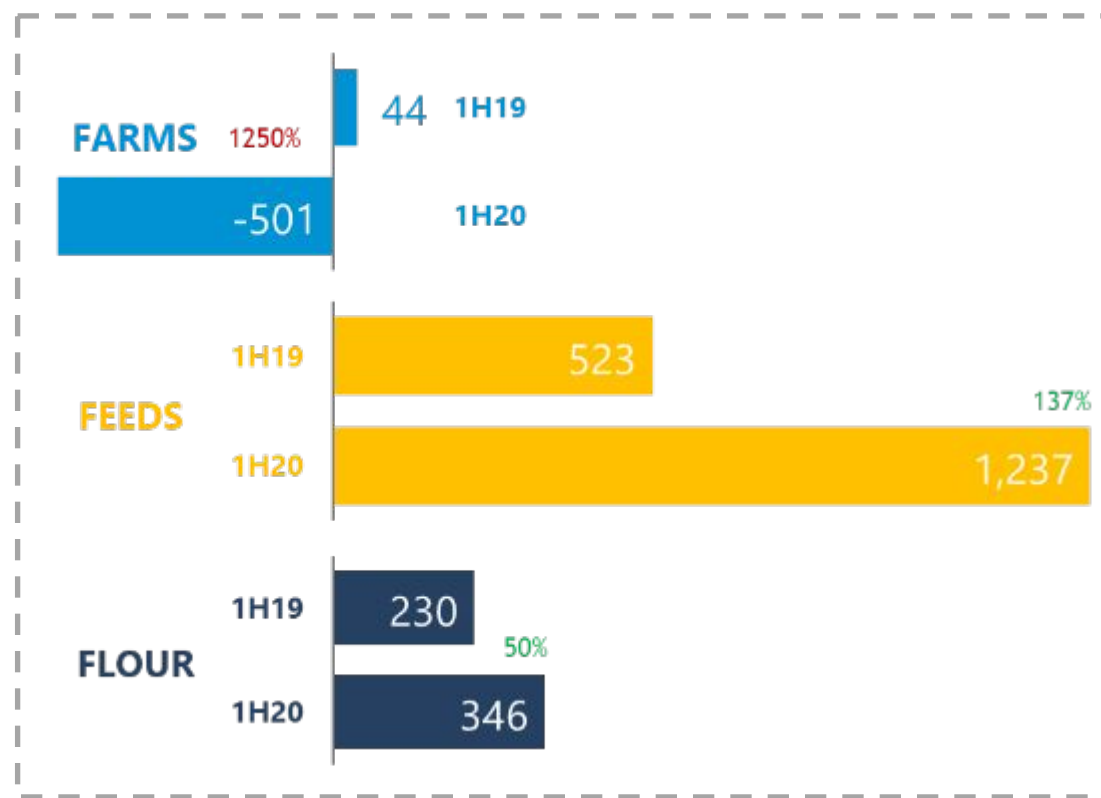
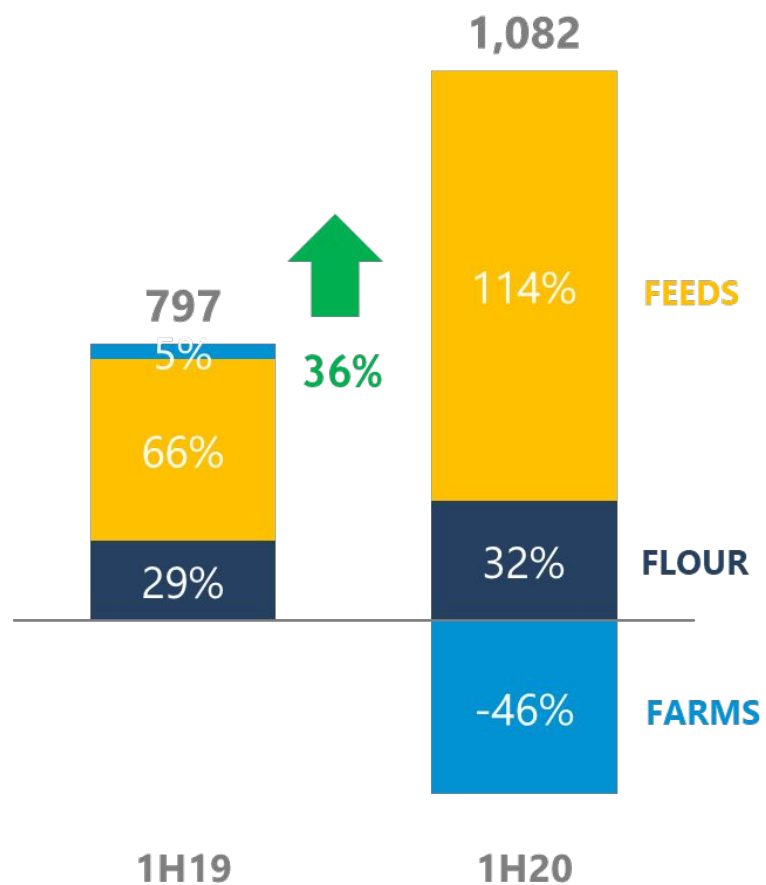
1H2020 Financial Highlights: EBITDA



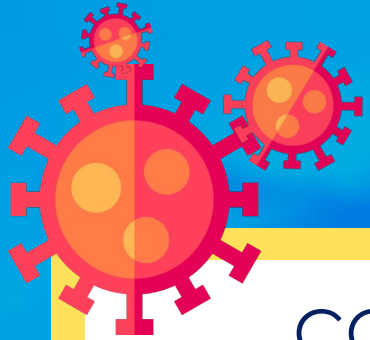
Amounts in Php Million



1H2020 Financial Highlights: Net Income

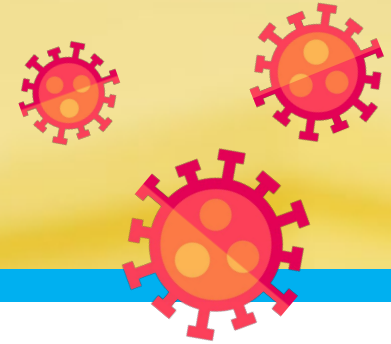


Amounts in Php Million



COVID19 Pandemic Effects

- Disruptions in Production and Supply
- Shift in Sales Channel & Change in Market Consumptions
- Logistical Constraints & Challenges
- Longer Cash Conversion Cycle
- Extension of Project Completions



Food Group Counter Measures

- ✓ Secured Raw Materials and continuous Supply
- ✓ Strengthened Sales Strategy
- ✓ Enhanced Supply Chain Management
- ✓ Flexible Collections and Payments
- ✓ Pushed through Essential CAPEX to Protect Bottomline

2020 Project Pipeline



Apr 2020

Floating Fish Line

+5TPH in Dongguan, China

Completion rate: 100%



Sep 2020



Meats Fabrication Plant

Forward Integration of Farms Business
Completion rate: 97%



Iligan Feedmill Expansion

+20 TPH to support VisMin Region
Completion rate: 85%



Oct 2020

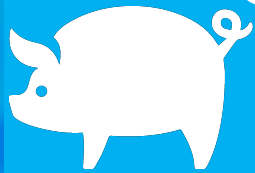
Fish Feed Line

*+5TPH in Ha Nam,
Vietnam*

Completion rate: 97%



Dec 2020



Growfin Farm XII

*Last farm of the Phase 2
expansion
Completion rate: 74%*



Mar 2021

Fish Feed Line

*+5TPH West Port, Malaysia
Completion rate: 50%*





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- **Infrastructure**
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Highlights of Operations: Water



Water demand has normalized as locators ramp up their operations

New alternative payment options for locators' convenience

Optimized CAPEX by focusing on critical & efficiency-related CAPEX

Received **DENR lab accreditation**

Target completion by 2021

**Construction activities
resumed in May**

**Aggressive manpower
ramp-up to expedite project
delivery**

**EPC contractor is implementing
proper safety protocols onsite**



Project Updates

Bohol-Panglao International Airport



**Approved by the NEDA Board
and ICC-Cabinet Committee
respectively last year**

Laguindingan Airport



**Re-engaging with government
on best and most prudent way
to move forward**

Continuing discussions with MNOs Globe, DITO, and PLDT-Smart

Restarted site surveys after
the lifting of the ECQ

Towers





COVID-19 relief efforts for communities, hospitals frontliners, and office subcons

Ongoing CSR at Apo Agua thru College Scholarship Program, Financial Assistance for High School students, Assistance to public schools, Adopt-A-Site Project, and Medicine Donation to Barangays



RCBM



Results impacted by COVID-19

- Cement demand contracted in H1 as construction activities dramatically slowed down particularly during the two-month ECQ lockdown
- Strict health protocols and limited transportation has also contributed to the construction slowdown
- New mills undergoing commissioning, with some delays due to COVID-19 travel restrictions
- Contribution to AEV at -PhP6M in H1 2020, lower by PhP256M versus H1 2019





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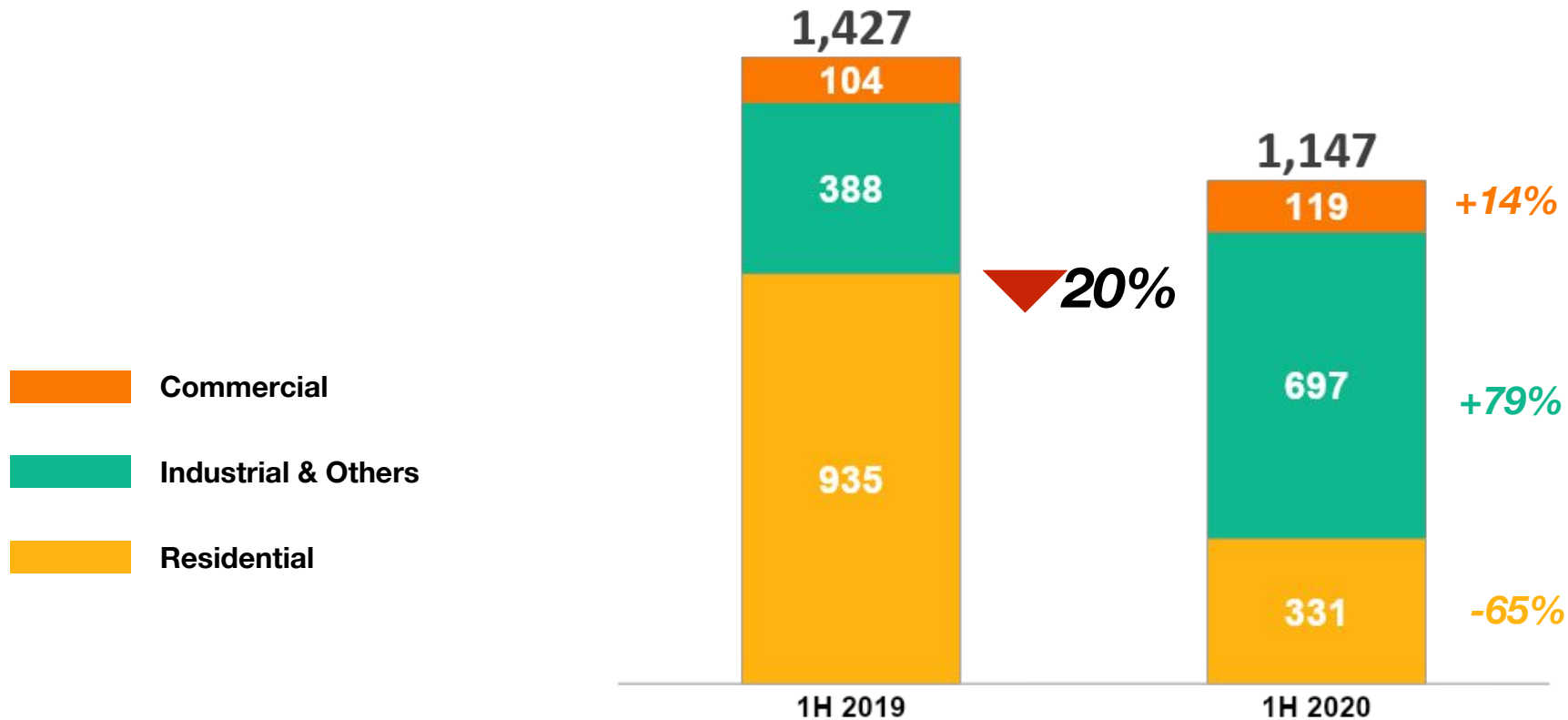
1H 2020 Financial Performance

	<u>1H2020</u>	<i>vs</i> <u>1H2019</u>
Revenues	1,147M	▼ 20%
Gross Profit	463M	▼ 19%
NIAT	-39M	▼ 165%
<i>Residential Sales</i>	1,175M	▲ 106%



1H 2020 Revenues

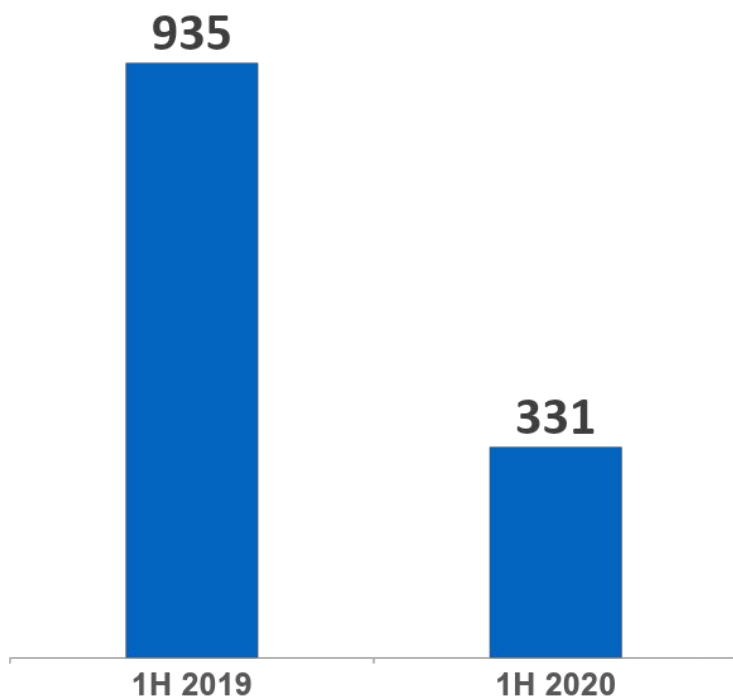
Restrictions in residential operations significantly weighed down revenues year-on-year though slightly offset by the recognition of Industrial lot sale in Lima



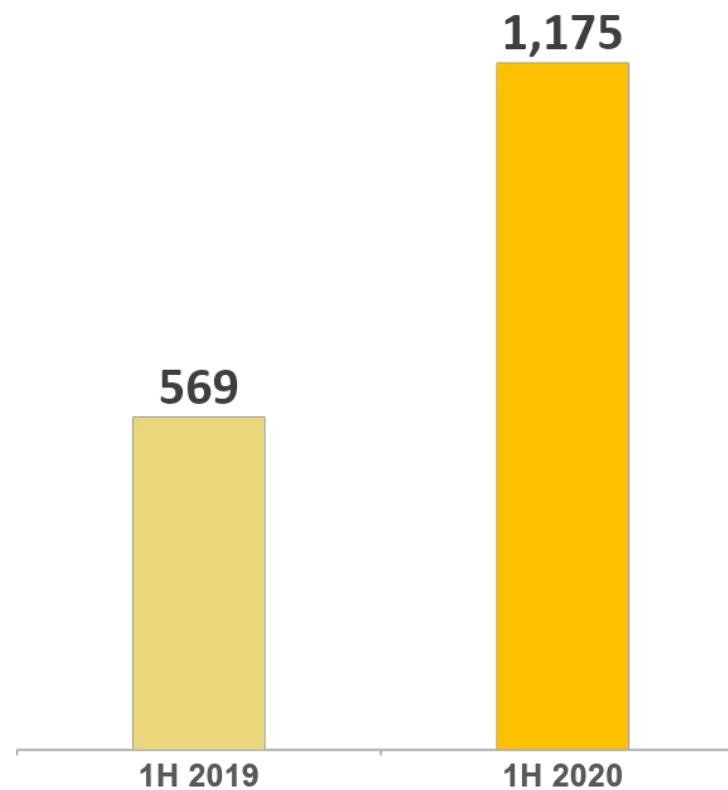


1H 2020 Residential Performance

 **Revenues**
by 65% vs. 2019



 **Sales**
by 106% vs. 2019





1H 2020 Business Highlights

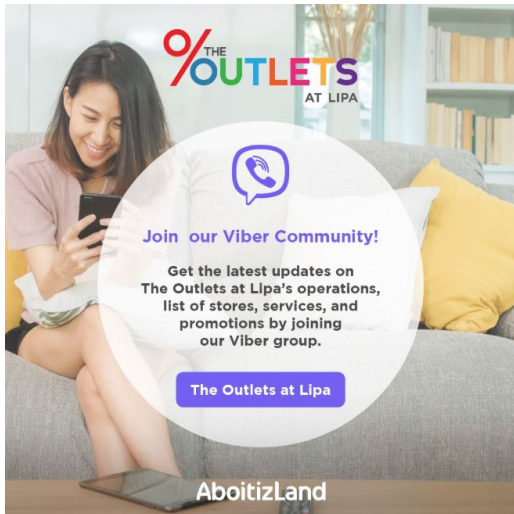
Impact of innovative selling techniques sustained residential sales levels;
More digital initiatives launched to continue momentum and increase
developer brand visibility





1H 2020 Business Highlights

With the heightened need for safety, open-space format of our commercial developments offers safer and more secure experience for mall-goers





1H 2020 Business Highlights

Industrial parks are in good position to capitalize and maximize on emerging market opportunities.





1H 2020 Business Recovery Plan



Residential

- Increase focus in the construction progress, turnover and collection efficiency of current roster of projects
- Efficient reduction in variable costs while maximizing output of fixed costs



Commercial

- Continue nurturing of accounts in The Outlets at Lipa and Lima Exchange
- Offer creative solutions to aid recovery of tenants



Industrial

- Continue to expand portfolio of locators
- Build up on zone-plus strategy

Landbanking

- Critical transactions to follow through



Review of Business Units

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



1H2020 Financial Performance



Revenues

₱46 bn | **₱95 bn**

-17%

vs 2Q2019

-8%

vs 1H2019



Conso EBITDA

₱11 bn | **₱23 bn**

-20%

vs 2Q2019

-13%

vs 1H2019



Core Net Income

₱2 bn | **₱4 bn**

-65%

vs 2Q2019

-54%

vs 1H2019



Net Income

₱2 bn | **₱4 bn**

-63%

vs 2Q2019

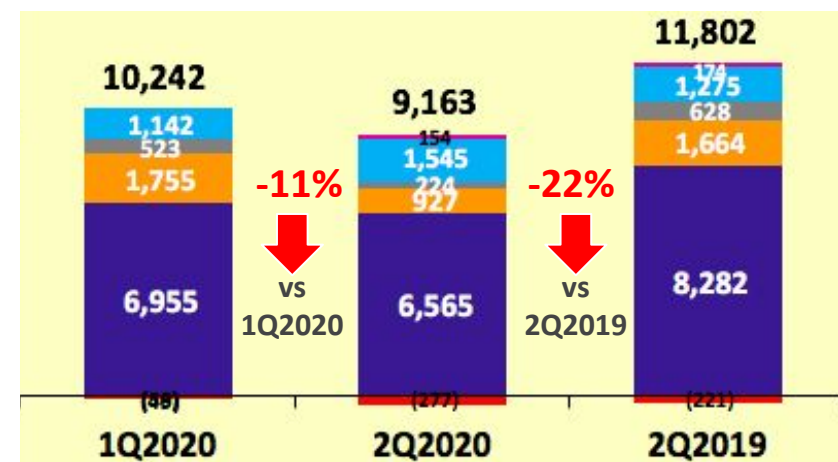
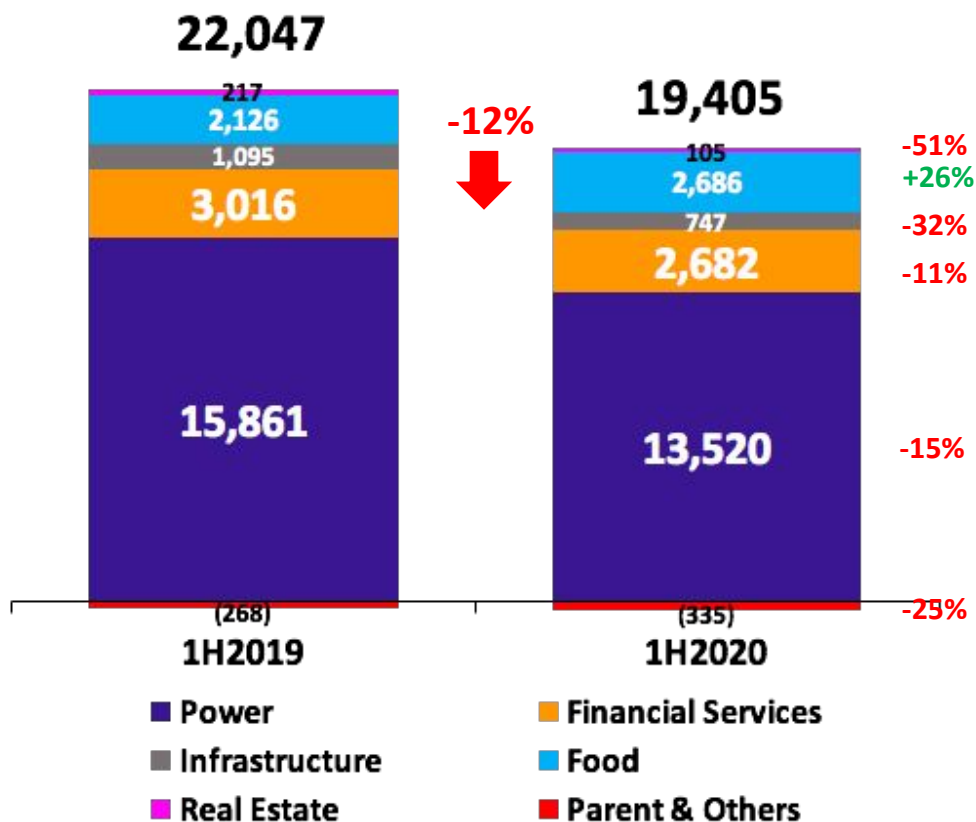
-55%

vs 1H2019



1H2020 Beneficial EBITDA

In PHP Millions



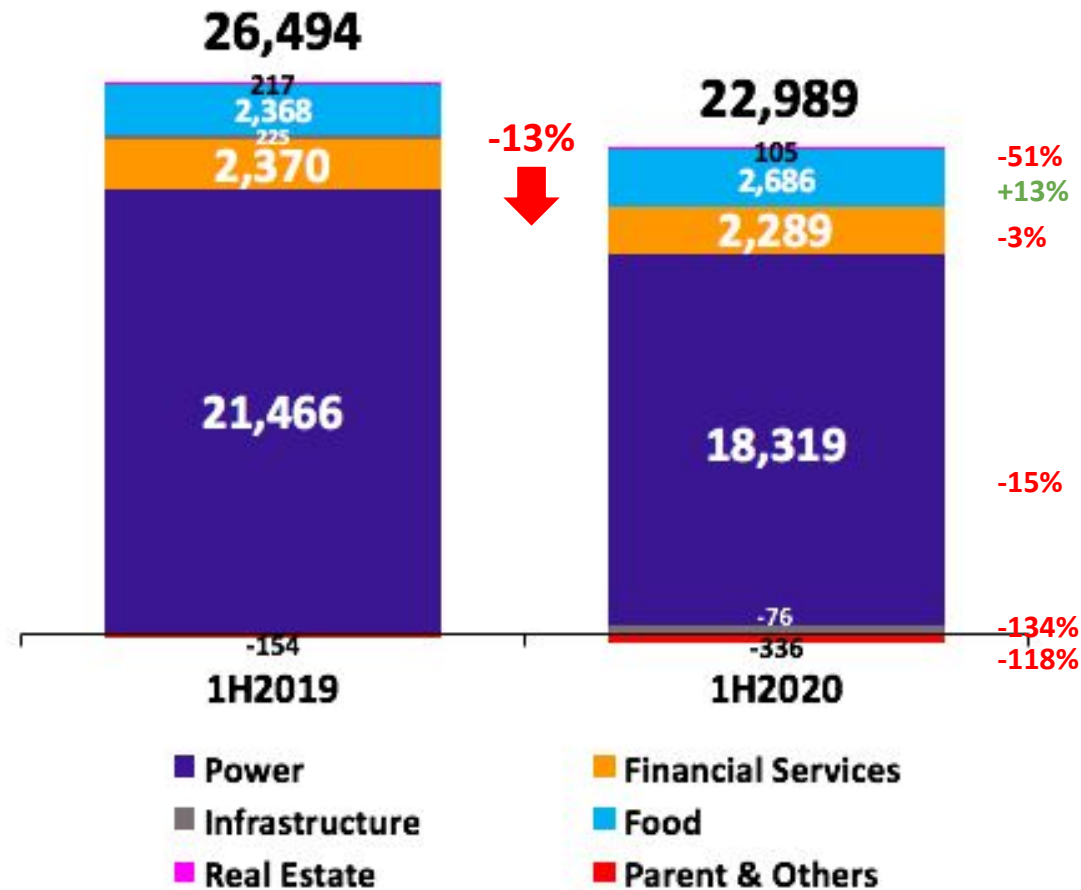
-12% decline vs 1H2019:

- -11% from Power mostly due to lower demand brought about by COVID-19 and outages
- -2% from Financial services due to increased loss provisioning
- -2% from Infrastructure due to lower cement demand brought about by COVID-19
- +3% from Food due to higher contributions of Feeds and Flour



1H2020 Consolidated EBITDA

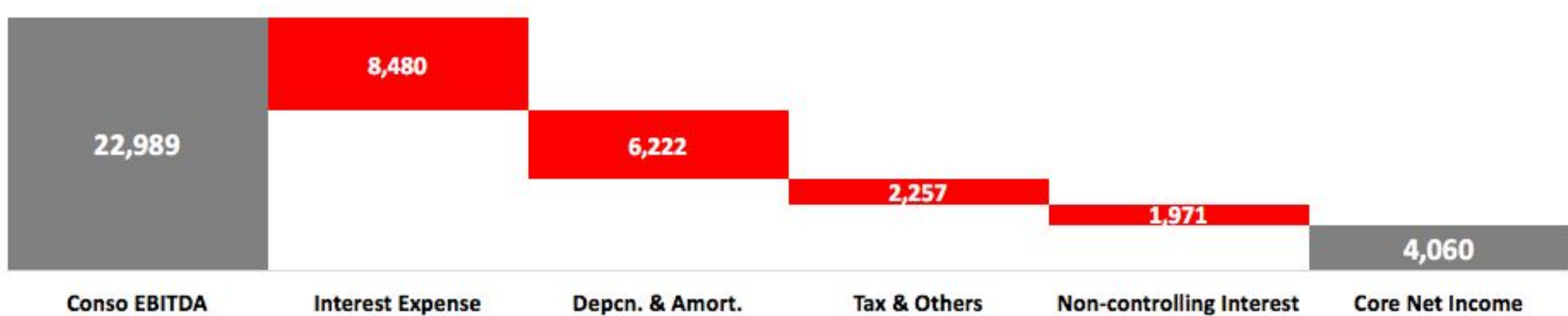
In PHP Millions





1H2020 Core Income

In PHP Millions



	1H2019	1H2020	Change
Conso EBITDA	26,494	22,989	-13%
Less: Interest Expense	7,138	8,480	19%
Depcn. & Amort.	5,443	6,222	14%
Tax & Others	1,400	2,257	61%
Non-controlling Interest	3,641	1,971	-46%
Core Net Income	8,872	4,060	-54%
EPS	1.59	0.72	



1H2020 Net Income

In PHP Millions



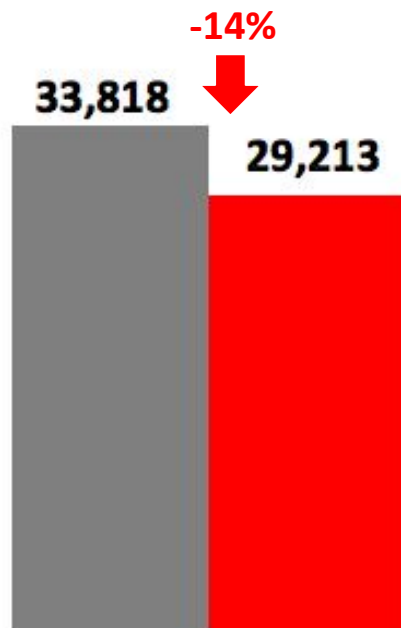
	1H2019	1H2020	Change
Core Net Income	8,872	4,060	-54%
Non-recurring Income/(Loss)	78	(20)	-125%
Net Income	8,950	4,040	-55%
EPS	1.59	0.72	



Balance Sheet Highlights

In PHP Millions, except for ratios

Parent Net Debt



■ YE2019 ■ 1H2020

ND/E 0.19x 0.17x

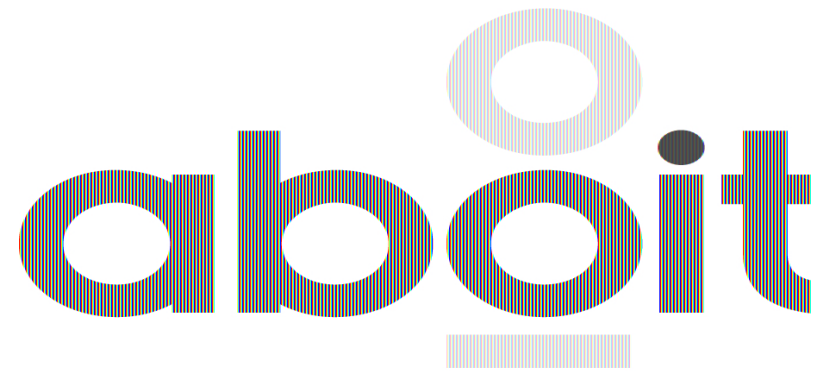
Consolidated Balance Sheet/Key Ratios

	YE2019	1H2020
Cash and Cash Equivalents	46,425	73,187
Total Assets	588,386	621,890
Total Liabilities	371,191	410,210
Total Equity	217,195	211,679
Equity Attributable to Parent	176,481	171,651
Book Value Per Share	31.33	30.49
Current Ratio	1.3x	1.3x
Debt to Equity	1.7x	1.9x
Net Debt to Equity	1.2x	1.2x



Review of Business Units

- Power
- Financial Services
- Food
- Infrastructure
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100 YEARS OF ADVANCING BUSINESS AND