



Aboitiz Equity Ventures

**First Quarter of 2020
Financial & Operating Results**
Thursday, April 30, 2020



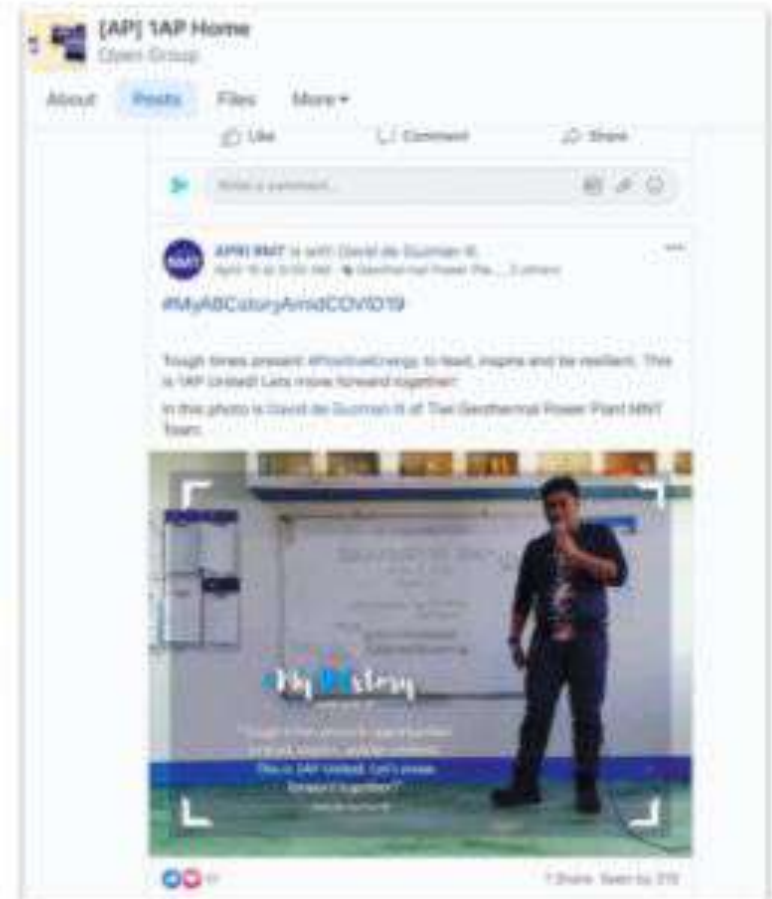


Review of Business Units

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



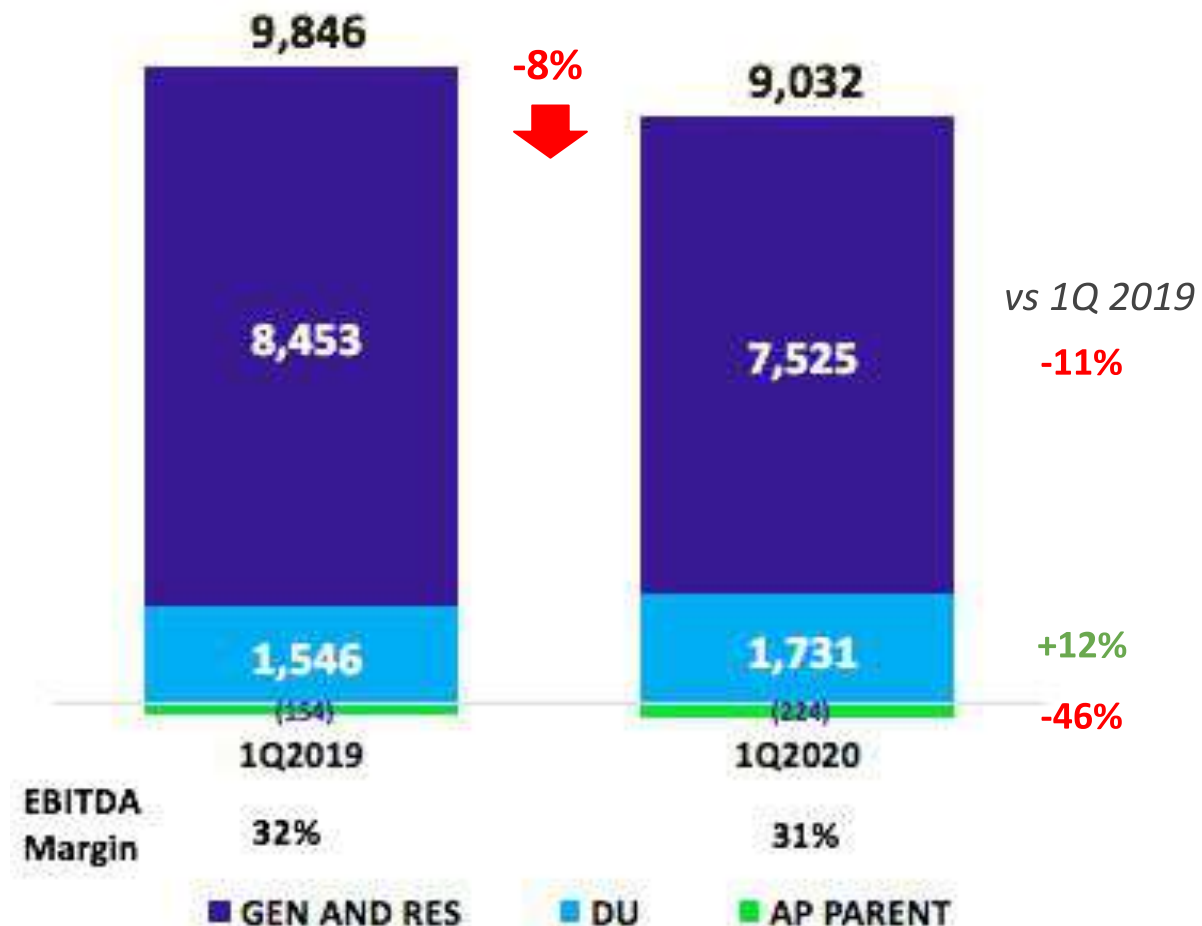
Business Continuity During COVID-19





1Q2020 Beneficial EBITDA

in PHP millions

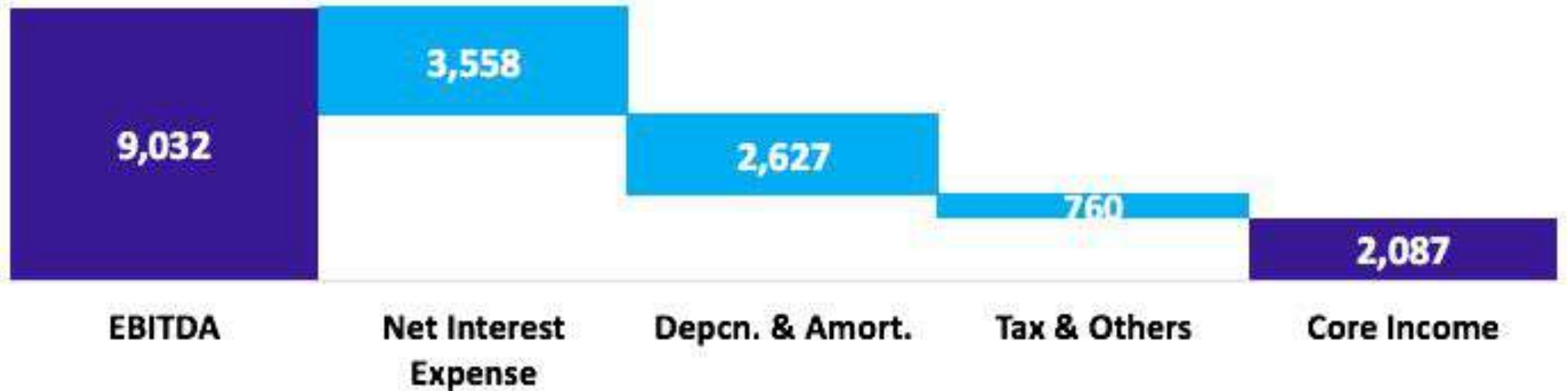


-8% decline:

- -10% due to recognition of GRAM & ICERA in 2019
- -8% due to outages in TSI and GMCP
- -4% due to lower BCQ rates
- 6% due to fresh contributions from TVI
- 6% due to lower purchased power cost
- 2% due to higher energy sales from DU



1Q2020 Core Income



Php mn
EBITDA
Less: Interest Expense
Depcn. & Amort.
Tax & Others
Core Income
EPS

	1Q2019	1Q2020	Change
EBITDA	9,846	9,032	-8%
Less: Interest Expense	2,822	3,558	26%
Depcn. & Amort.	2,180	2,627	21%
Tax & Others	778	760	-2%
Core Income	4,066	2,087	-49%
EPS	0.55x	0.28x	



1Q2020 Net Income



Php mn

Core Income

Forex/Derivative Losses

Net Income

EPS

1Q2019

1Q2020

Change

4,066

2,087

-49%

(440)

(27)

94%

3,626

2,060

-43%

0.49x

0.28x



Balance Sheet Highlights

(Php mn)	CONSOLIDATED	
	YE2019	1Q2020
Cash and Cash Equivalents	37,434	44,028
Investments and advances	60,879	62,647
Total Assets	410,469	418,571
Total Liabilities	276,826	292,417
Total Equity	133,643	126,154
Total Interest Bearing Debt	233,097	239,409
Net Debt	191,213	187,262
Net Debt to Equity	1.4x	1.4x
Debt to Equity*	1.7x	1.9x

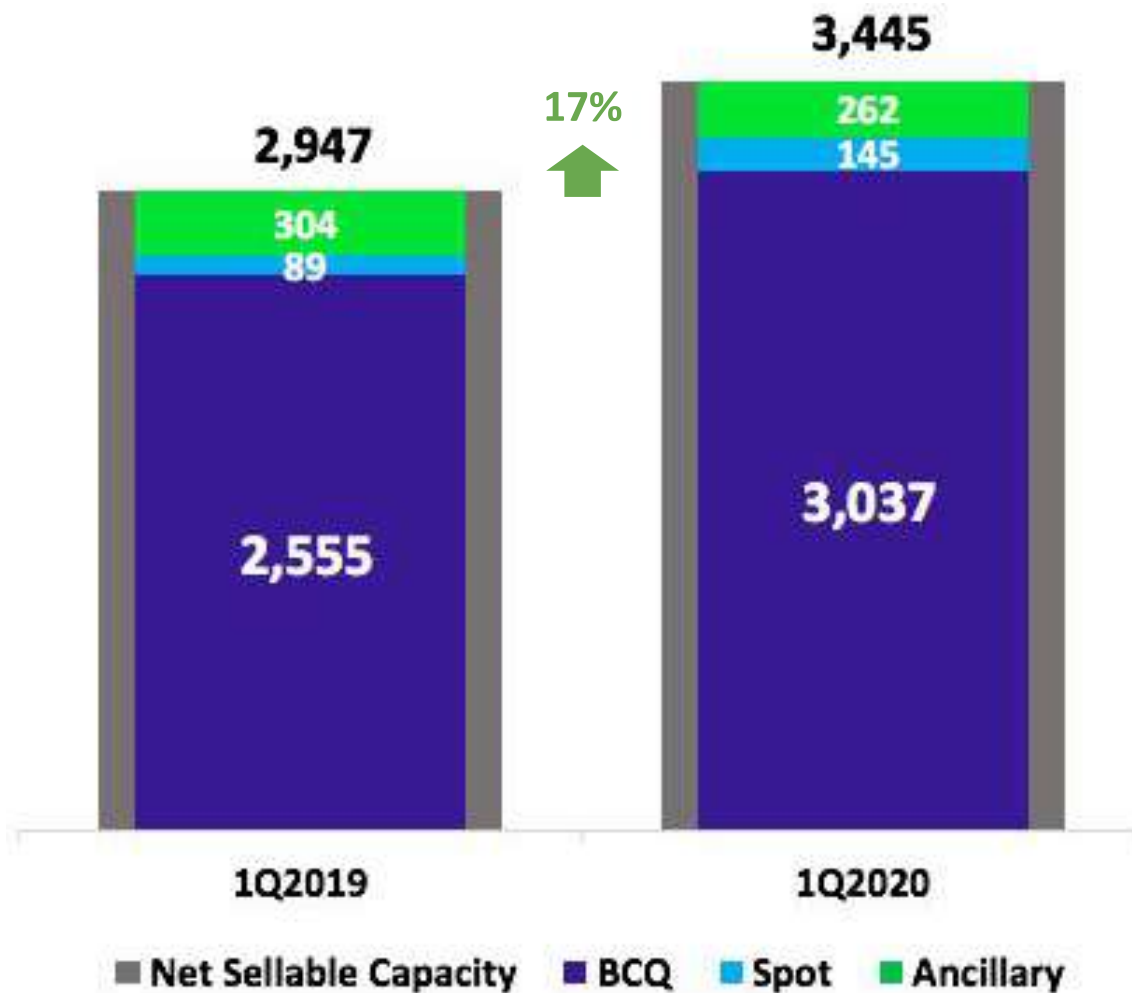
**Total Interest Bearing Debt / Total Equity*



Operating Highlights: Capacity Sales

Capacity Sales

in MW

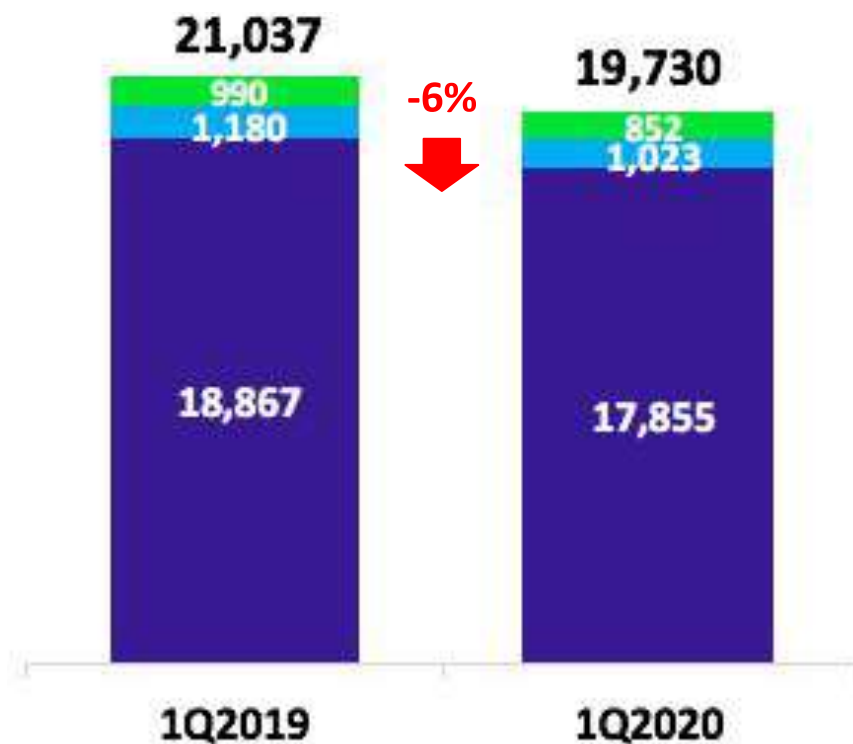




Operating Highlights: Revenue and Energy Sold

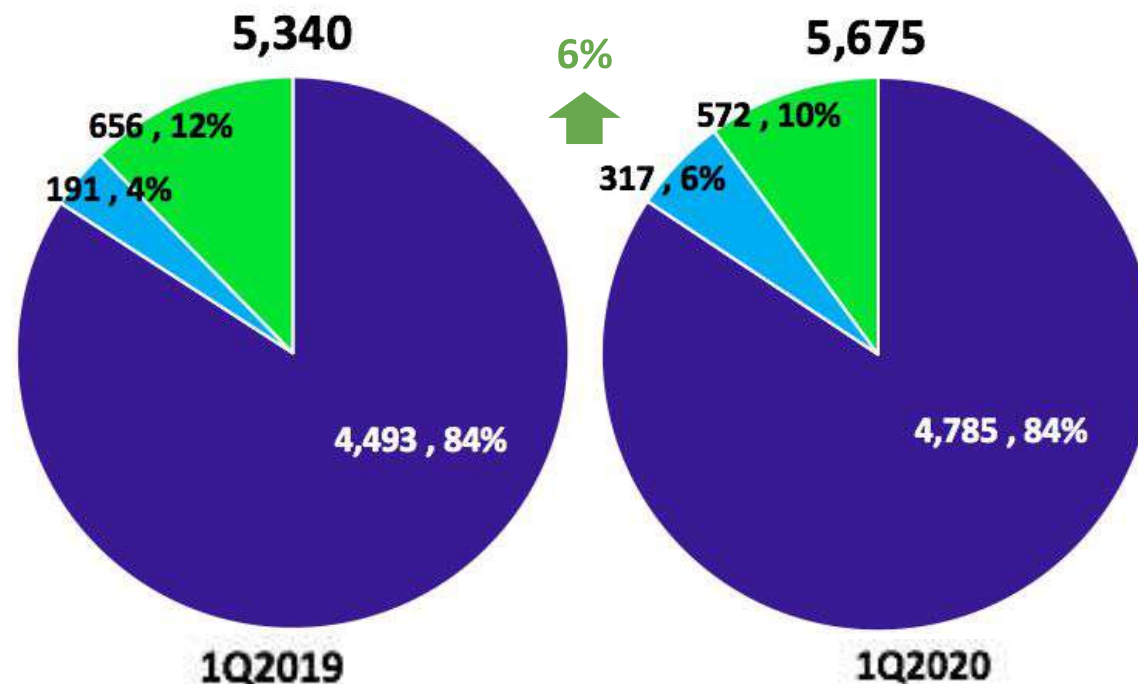
Revenue

in PHP millions



Energy Sold

in GWh

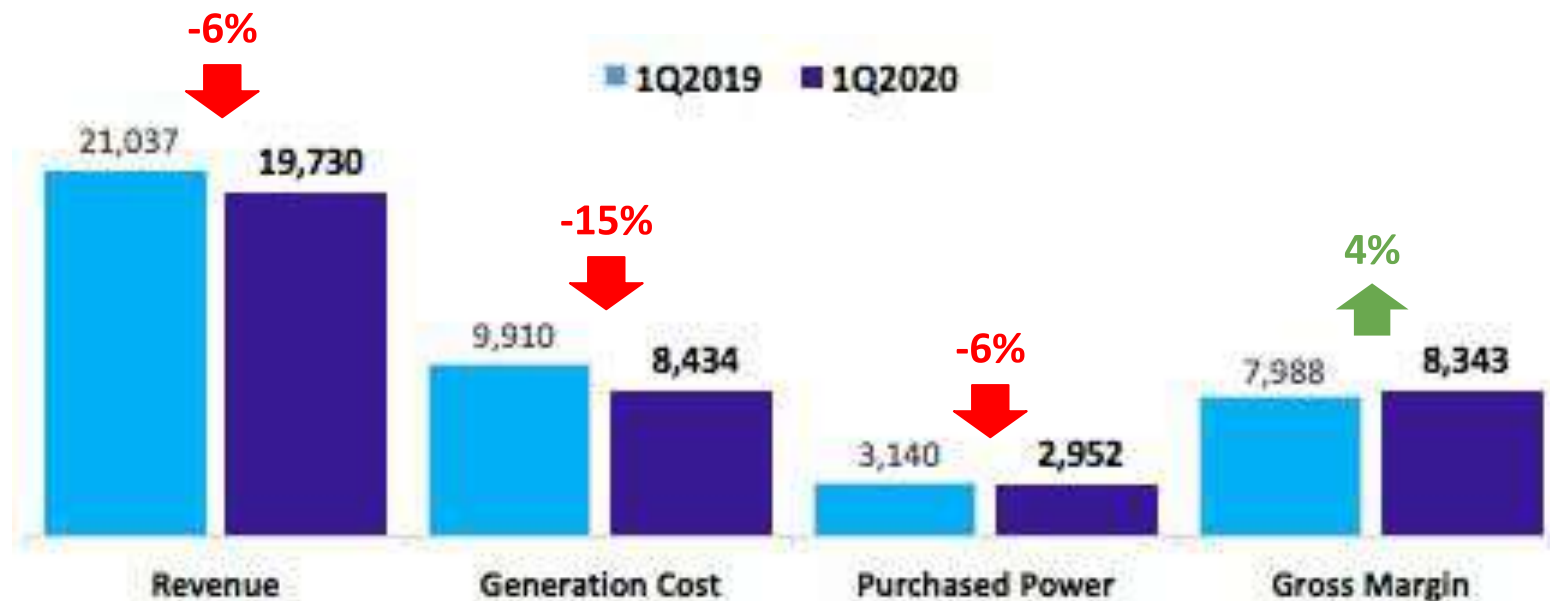


■ BCQ ■ Spot ■ Ancillary Services



Operating Highlights: Gross Margin

in PHP millions

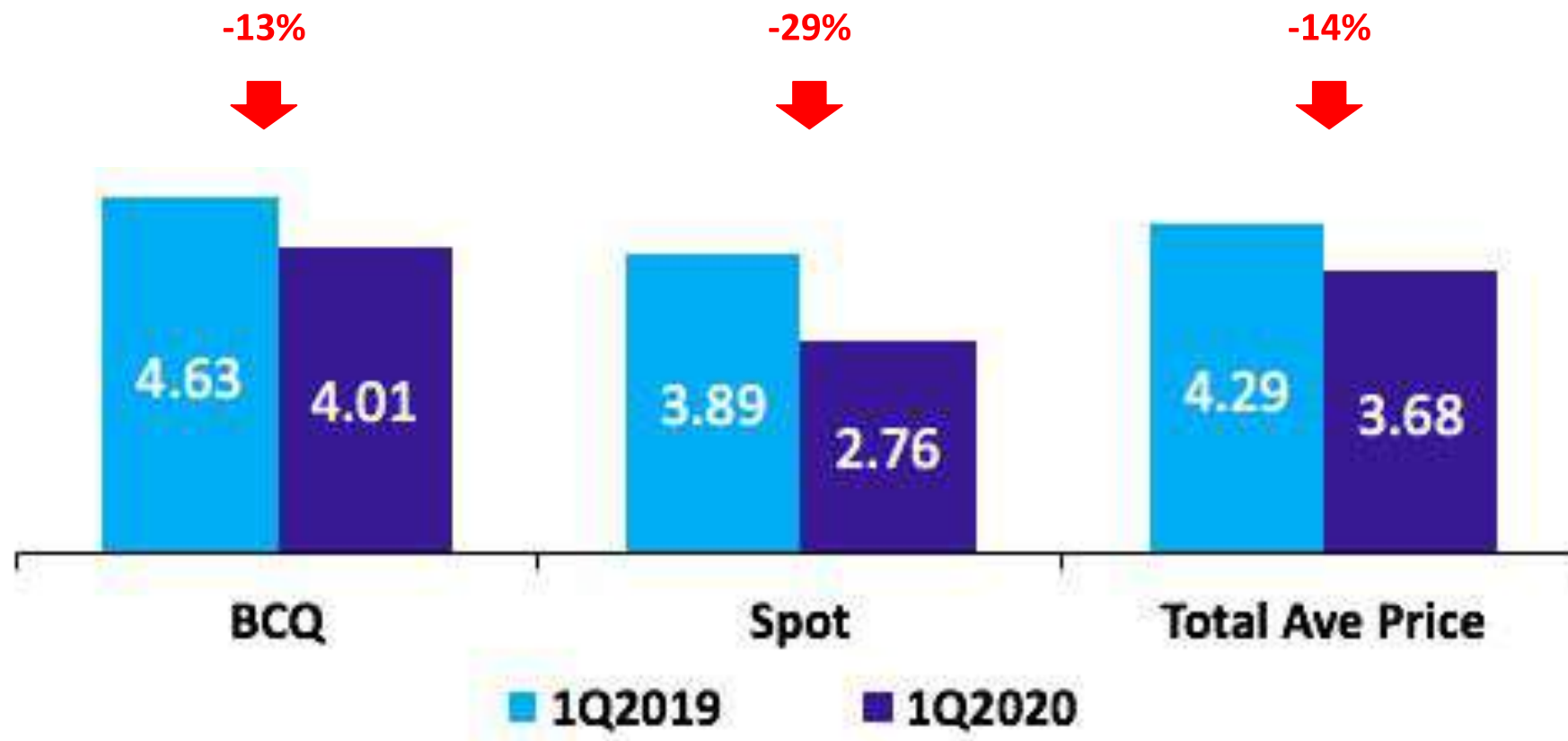


in GWh



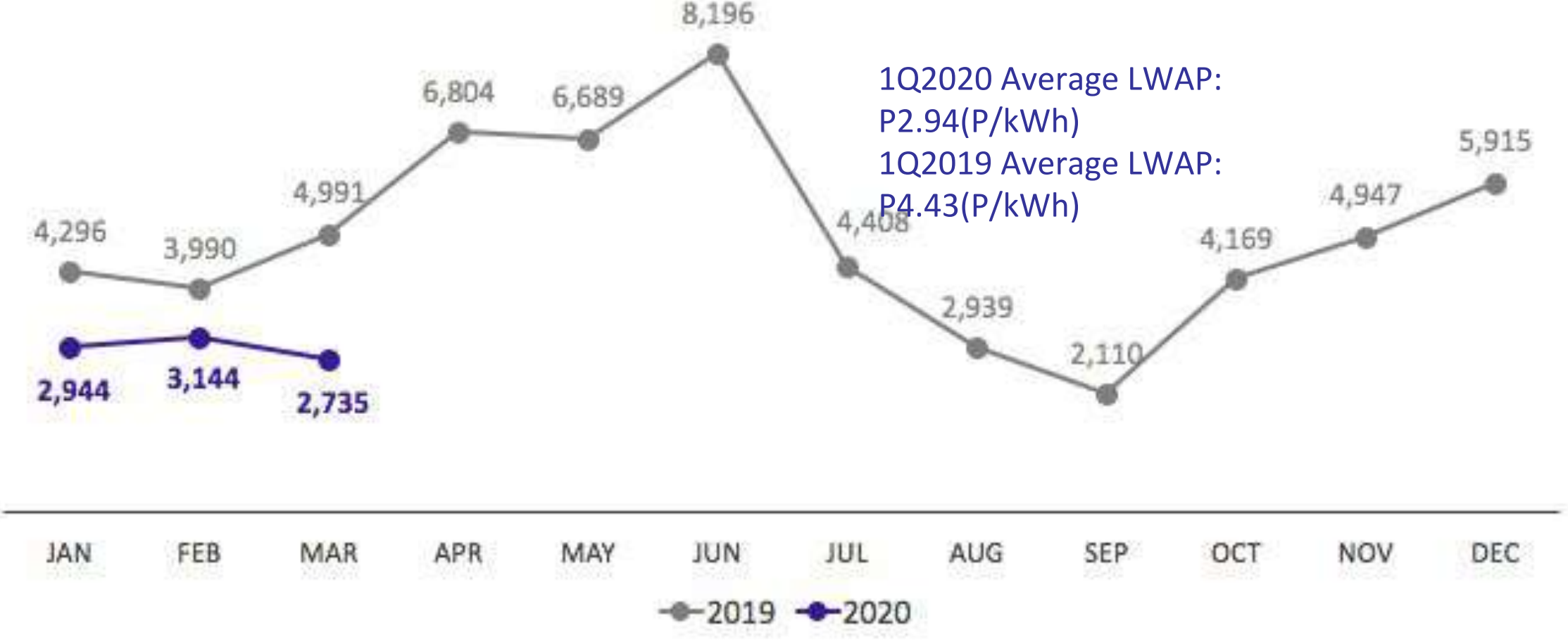


Operating Highlights: Average Selling Price (P/kWh)



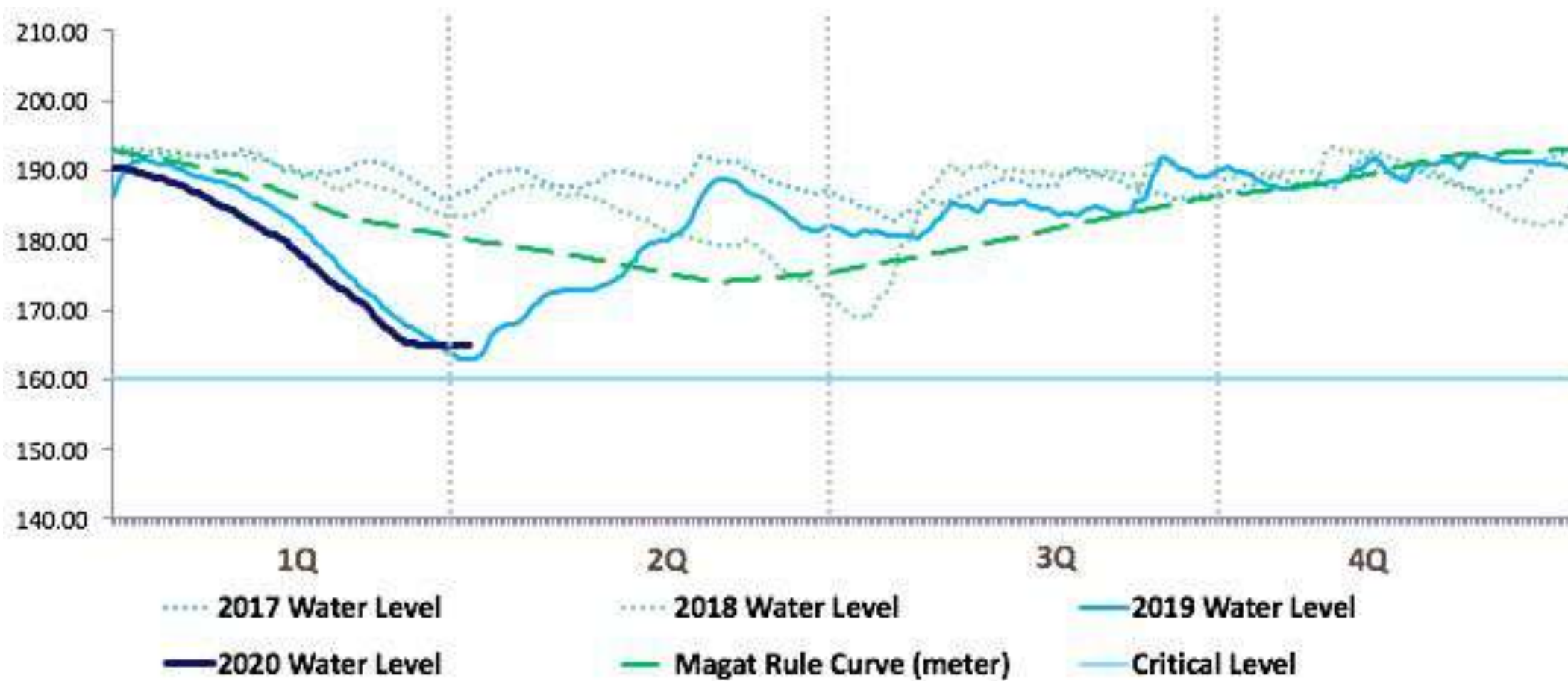


Operating Highlights: WESM



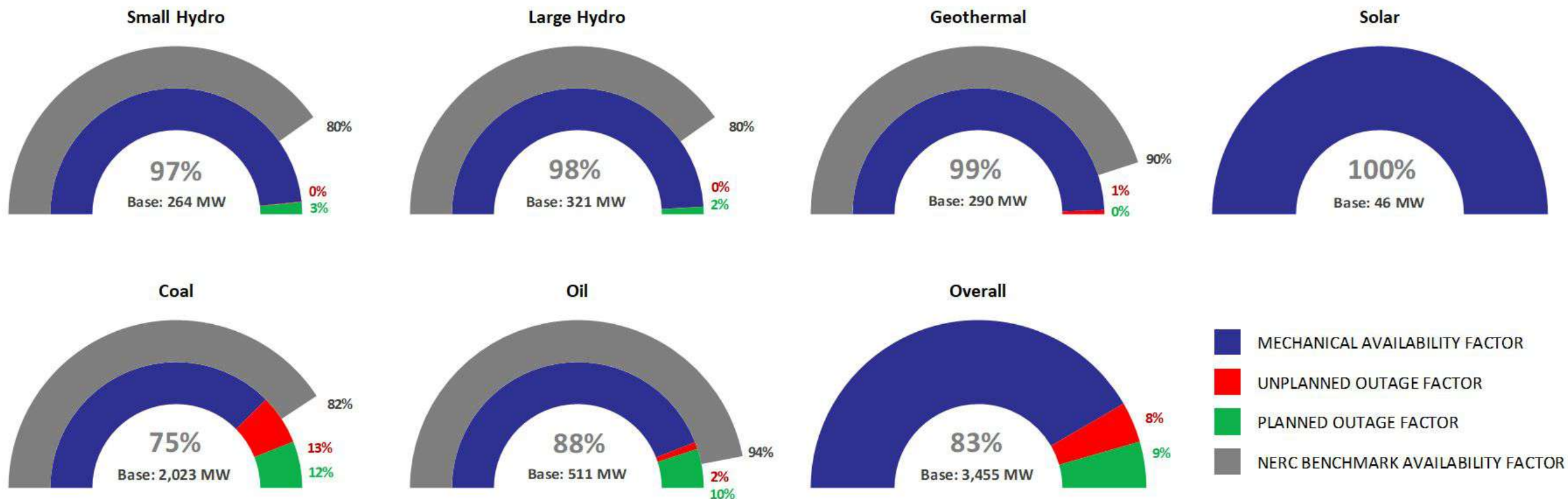


Operating Highlights: Water Level





Operating Highlights: Availability - 1Q2020

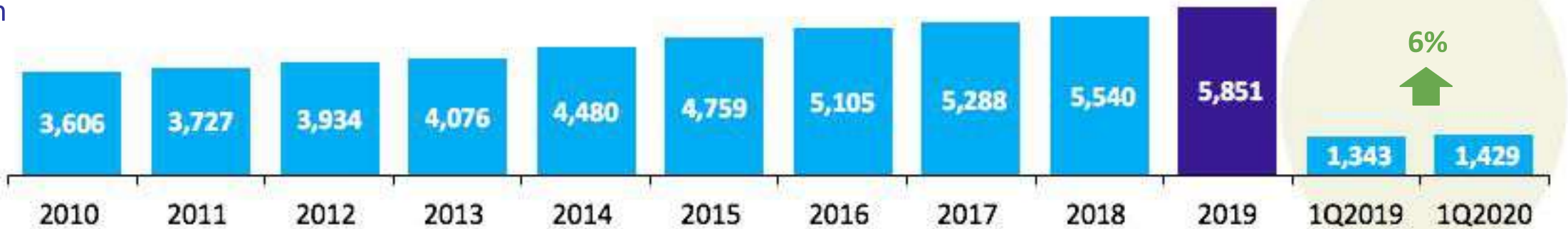




Operating Highlights: Distribution

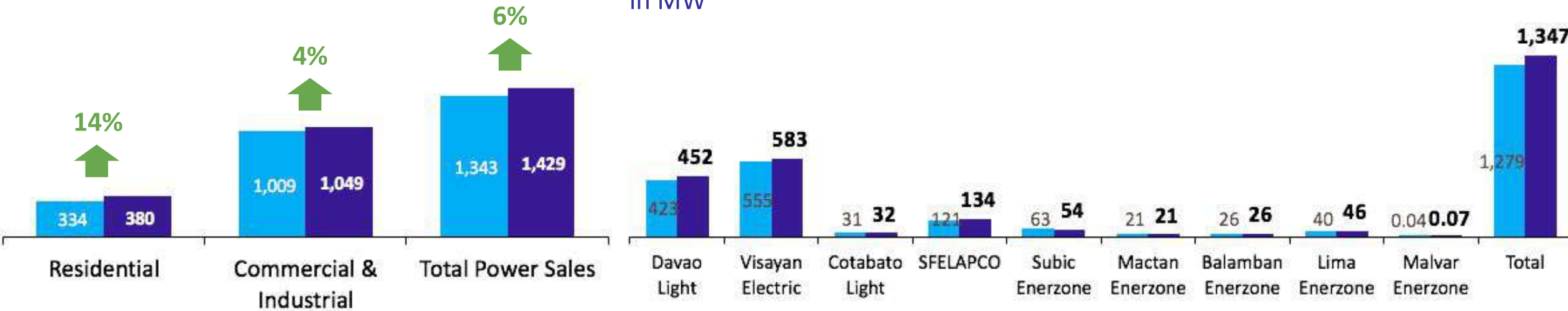
Beneficial Power Sales
in GWh

Strong growth in distribution sales



Customer Type
in GWh

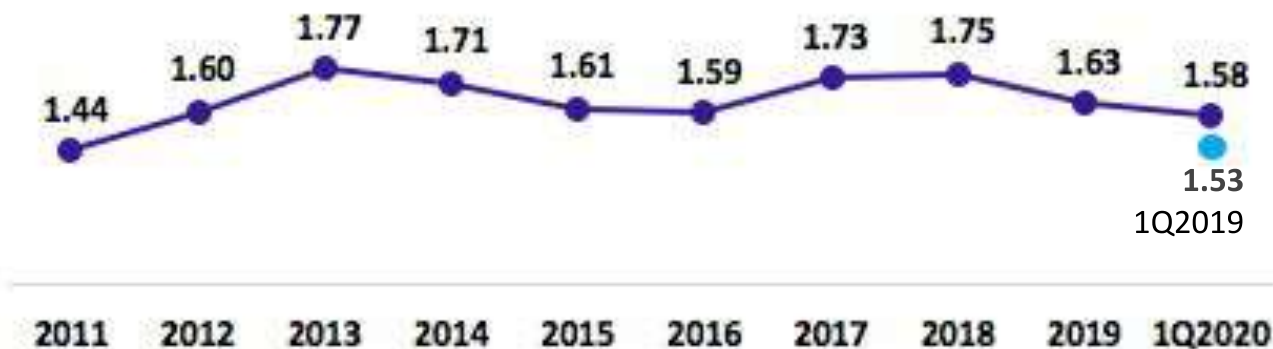
Peak Demand
in MW



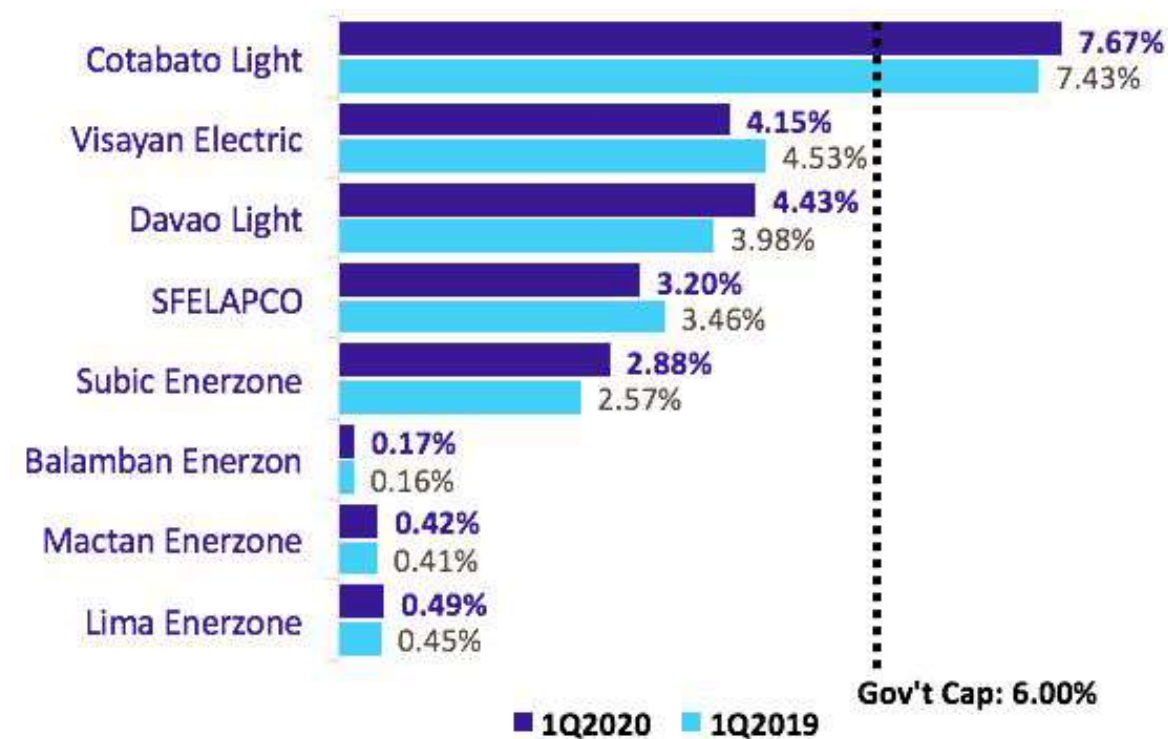


Operating Highlights: Distribution

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 – GNPD)	668 MW	70%	468 MW	Q1 2021
	Dinginin Unit 2 (Coal – GNPD)	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





Naga Power Plant Complex

39 MW of Oil Power



AboitizPower backs move allowing LGUs to use ER 1-94 funds for COVID-19 response

Various AboitizPower business units, in partnership with Aboitiz Foundation, have been providing assistance to their host beneficiaries amid the pandemic situation. The ER 1-94 funds will augment these efforts to help the local government units have enough resources in their fight against Covid-19.



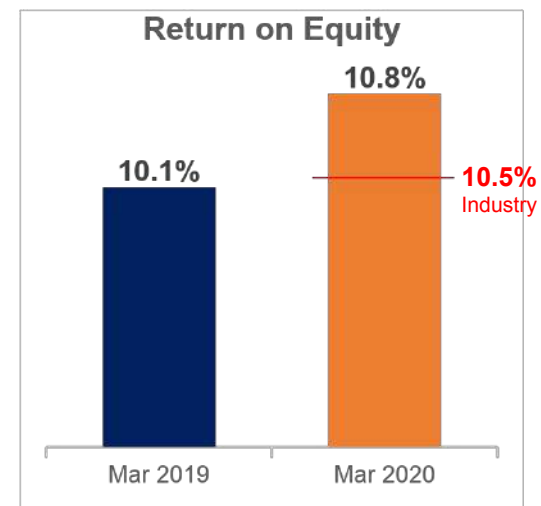
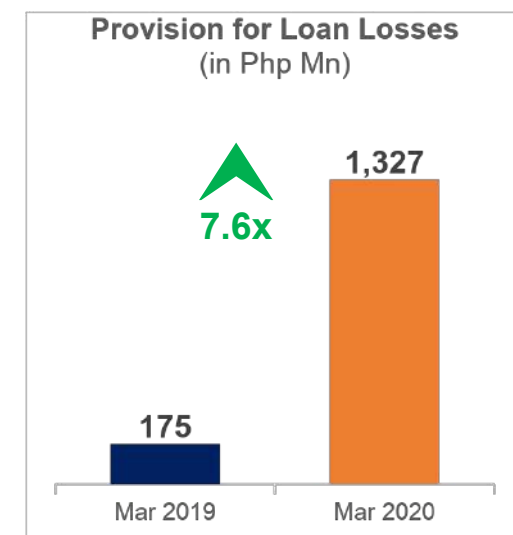
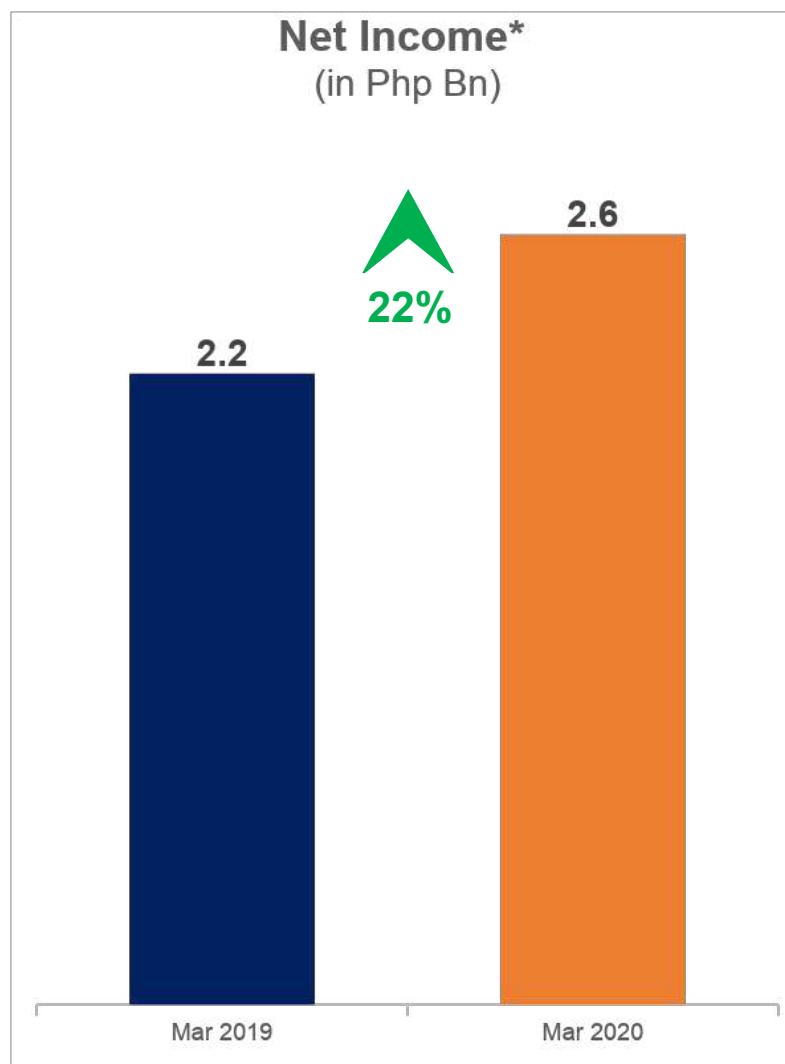
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1Q2020 Net Income up 22% YoY

- Net income at P2.6 Bn, up 22% YoY driven by:
 - Robust YoY growth of consumer, SME, and commercial loans
 - Higher margins YoY
 - Strong trading gains
- Higher provisions for loan losses was applied for the year in anticipation of COVID-19 impact
- Profitability ratios are above industry average





Net Interest Income grew 47% as margins increased by more than 100bps YoY

Net Interest Income
(in Php Bn)

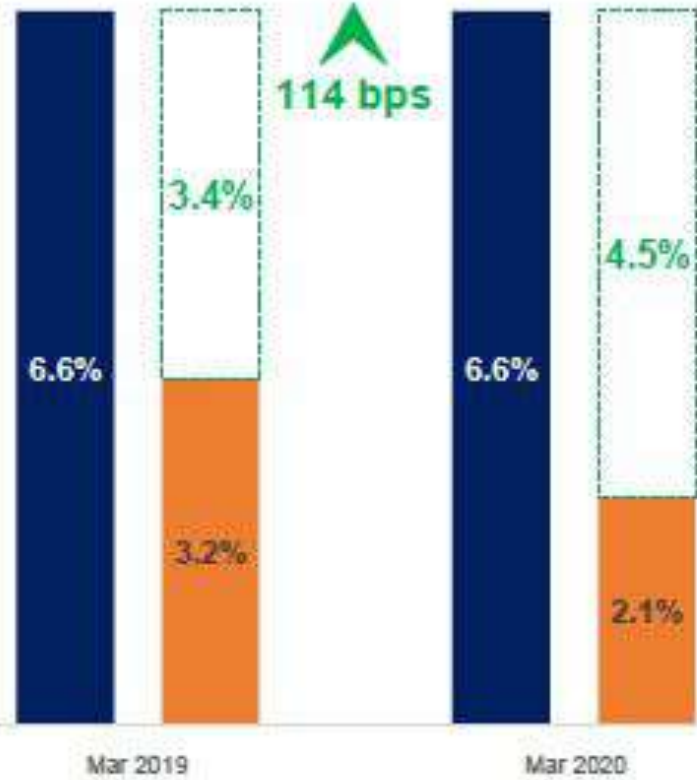
47%



Net Interest Margin

■ Yield ■ Cost □ NIM

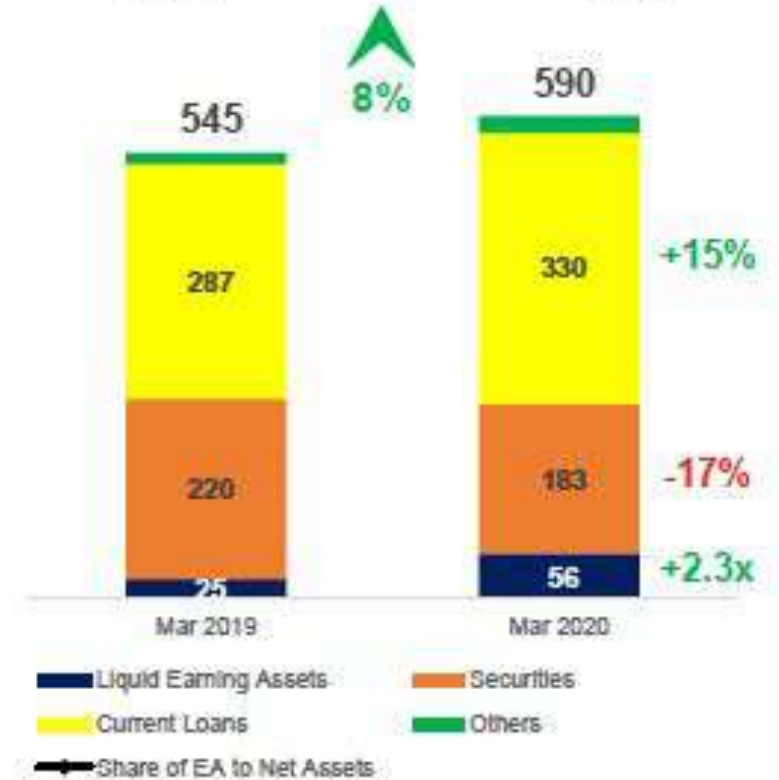
114 bps



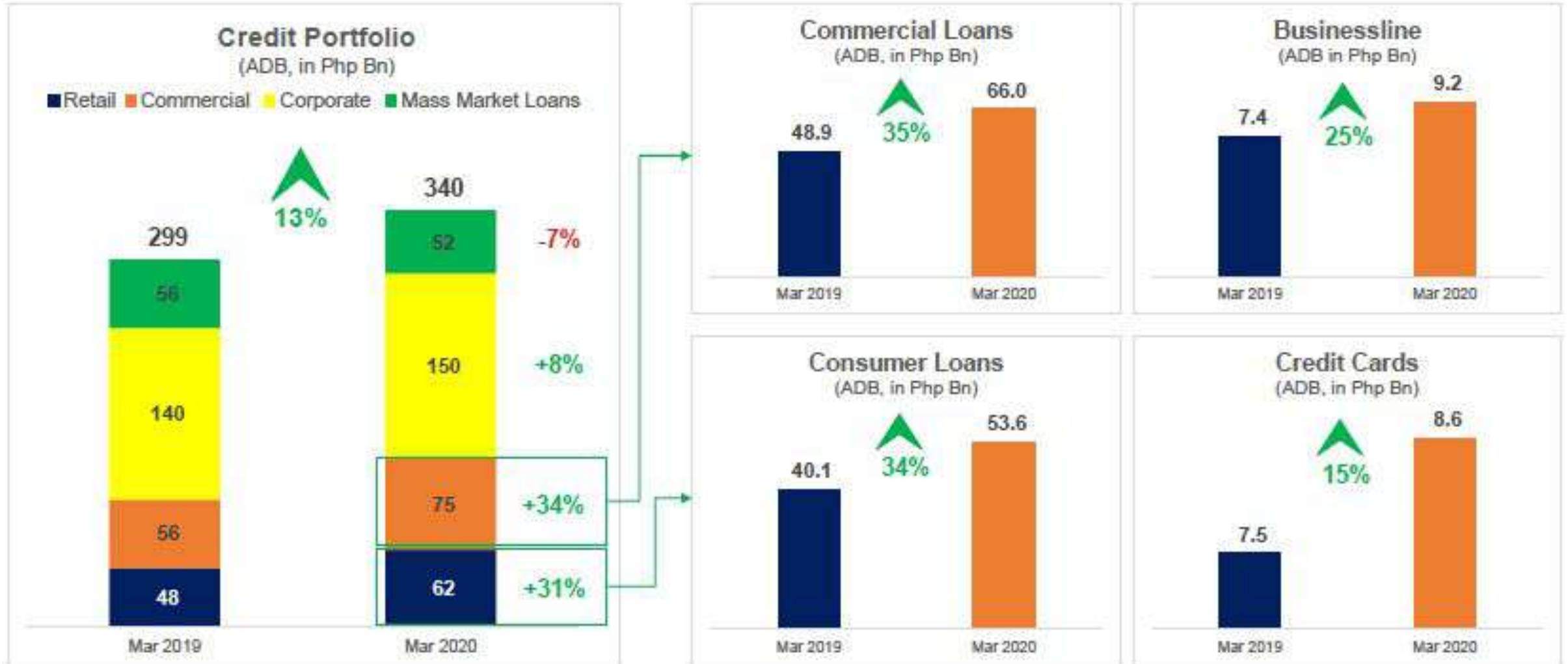
Earning Assets
(ADB, in Php Bn)

81% → 82%

8%

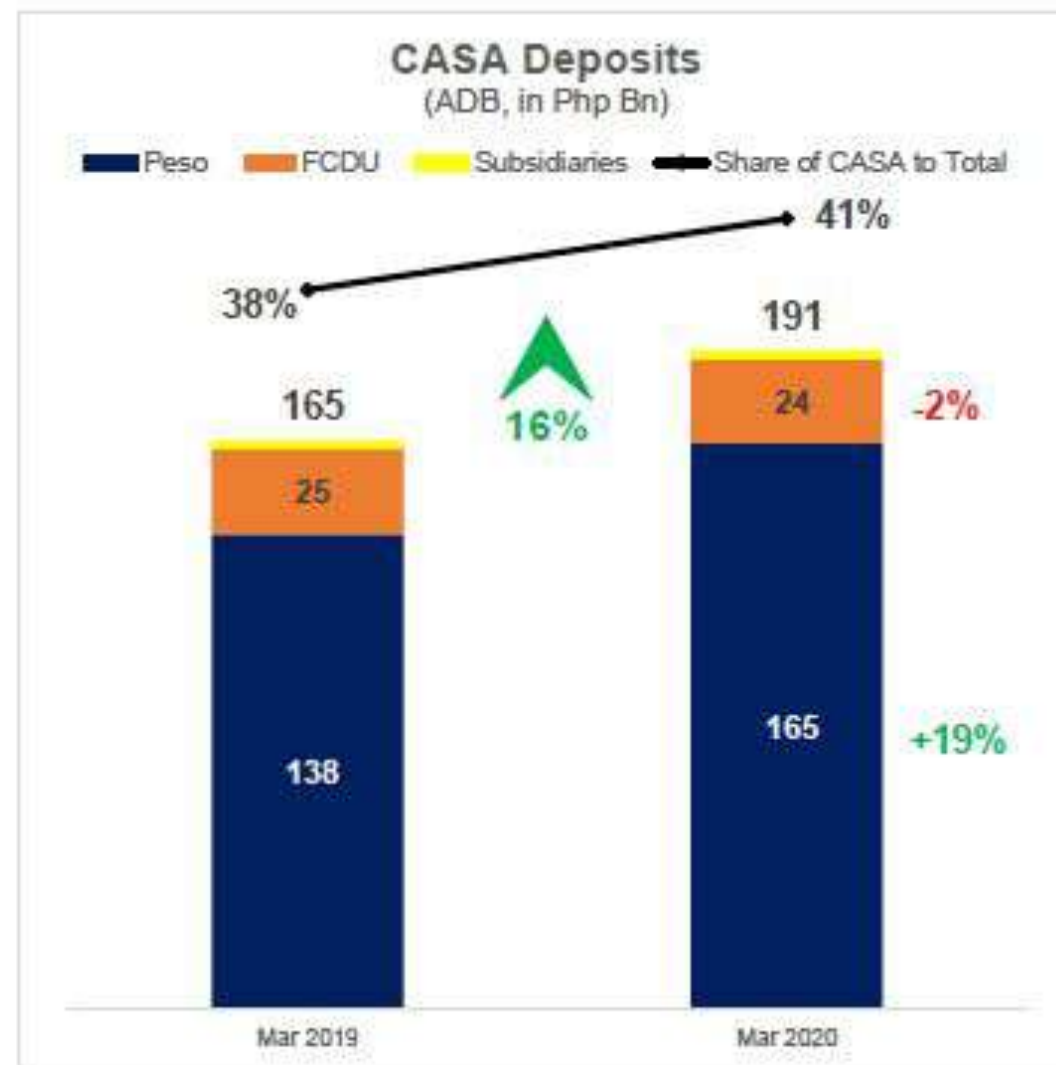
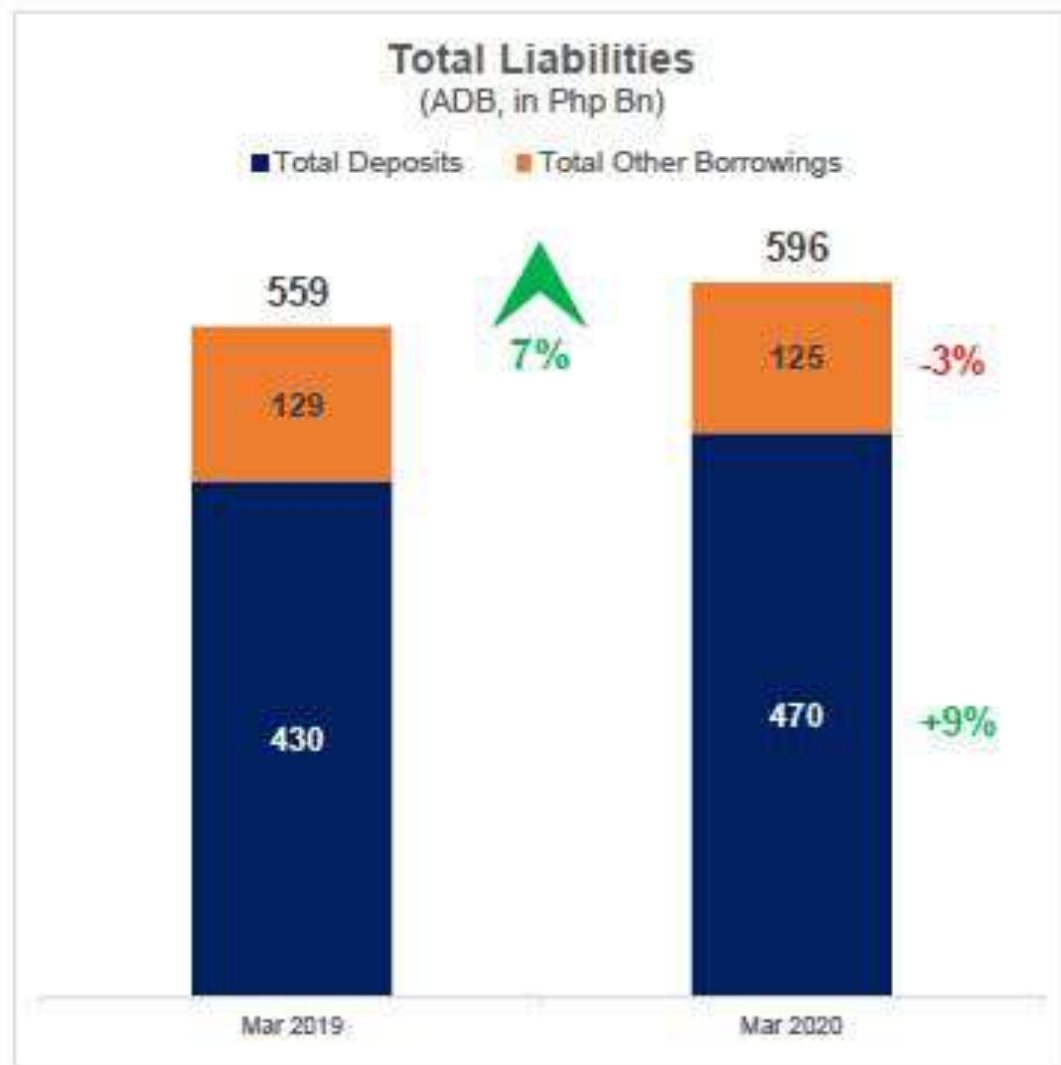


Credit portfolio boosted by high-yielding consumer & commercial segments



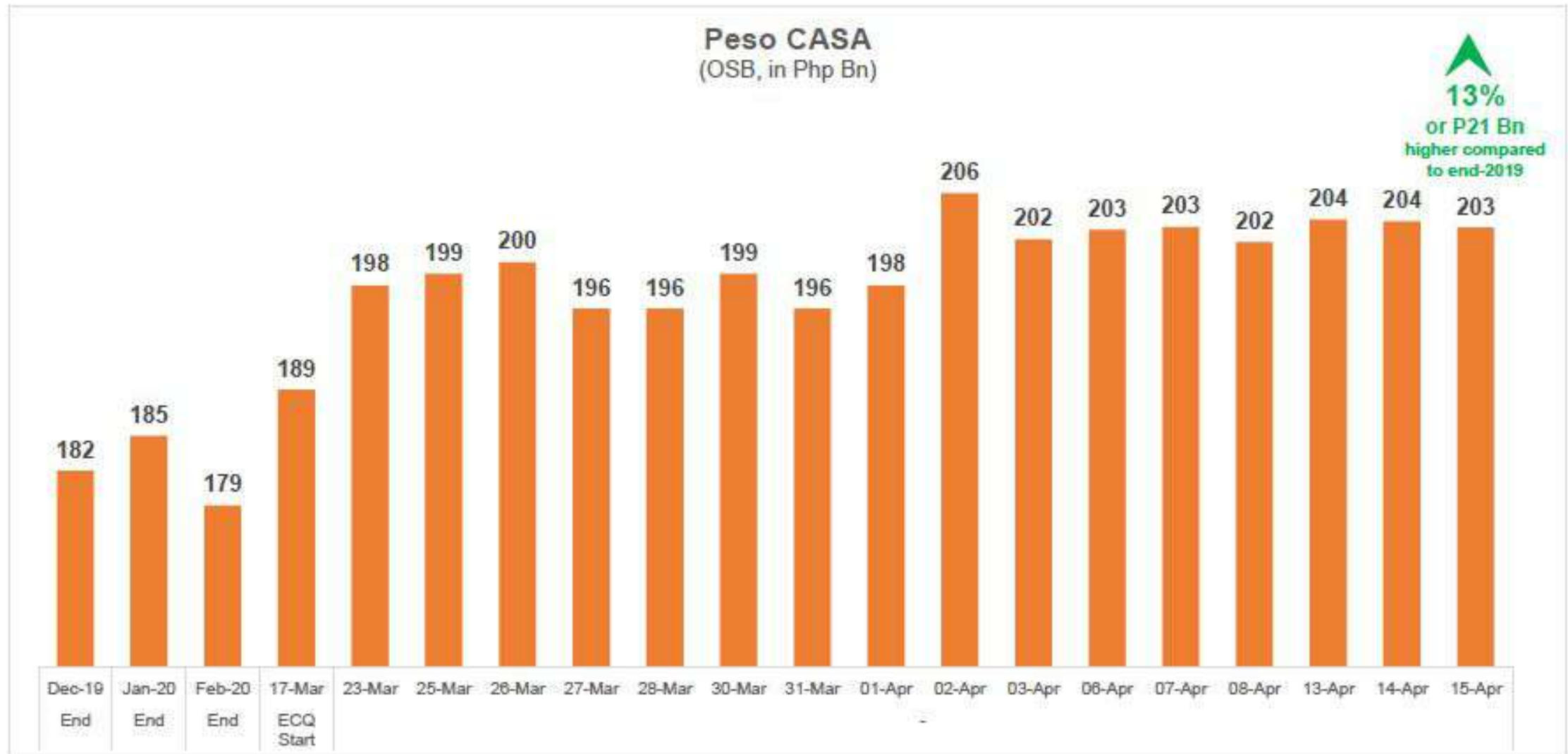


CASA rose by double-digit



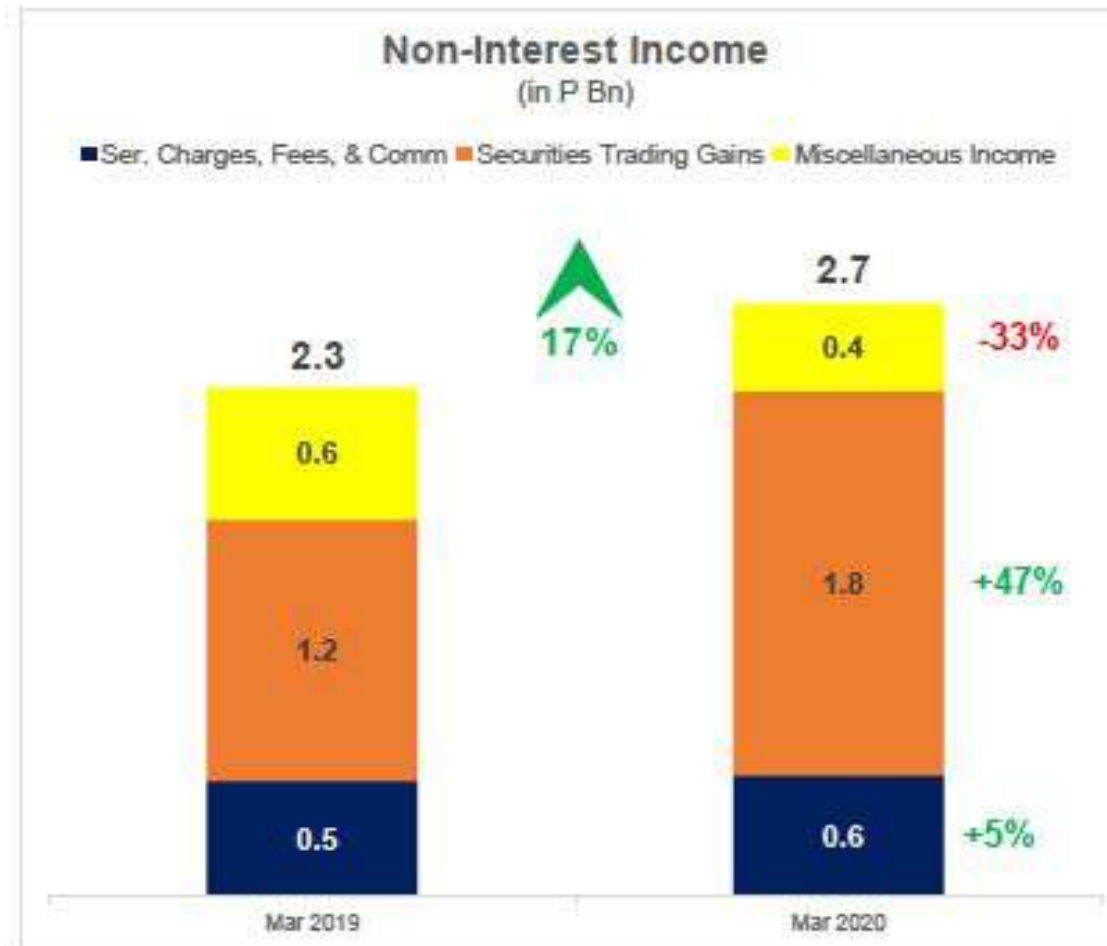


Steady CASA growth amid ECQ



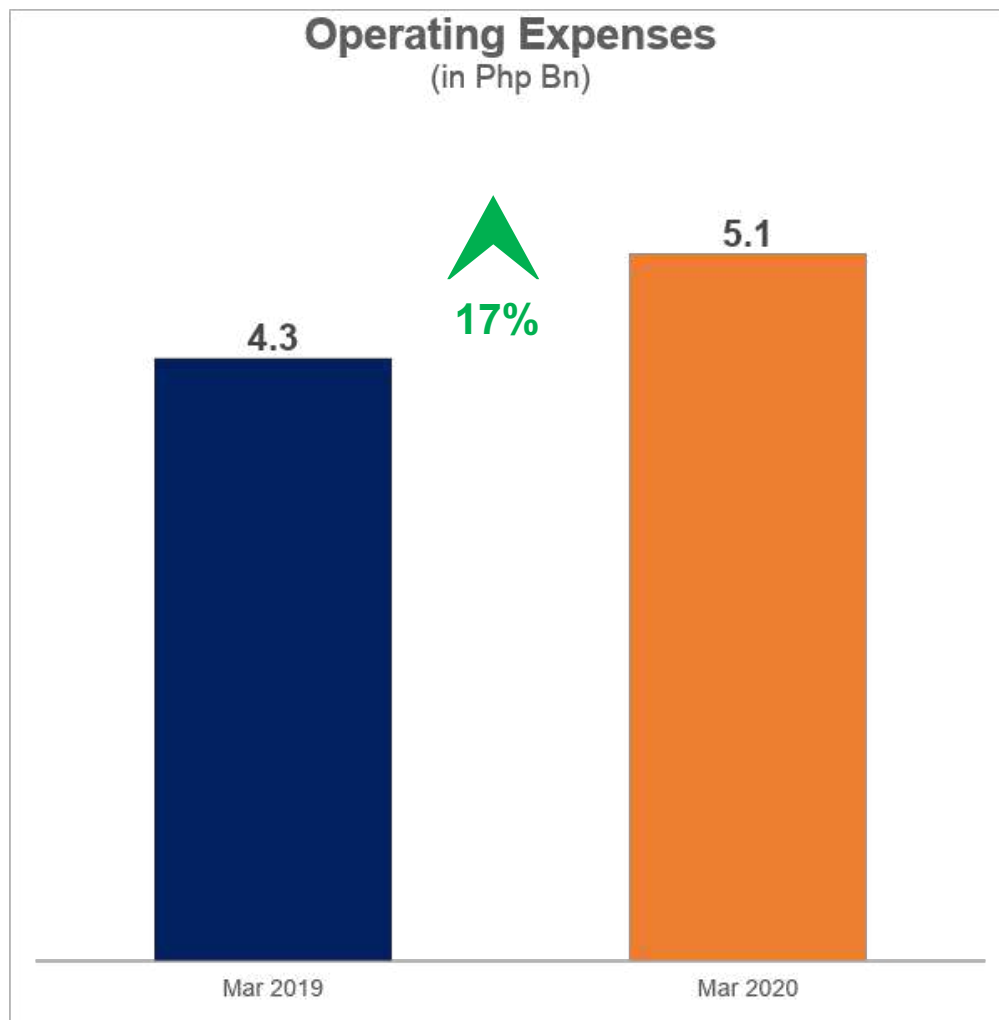


Non-interest income buoyed by strong trading gains





Regular Opex within expectation; Double-digit growth due to Advertising & Taxes



Major increases:

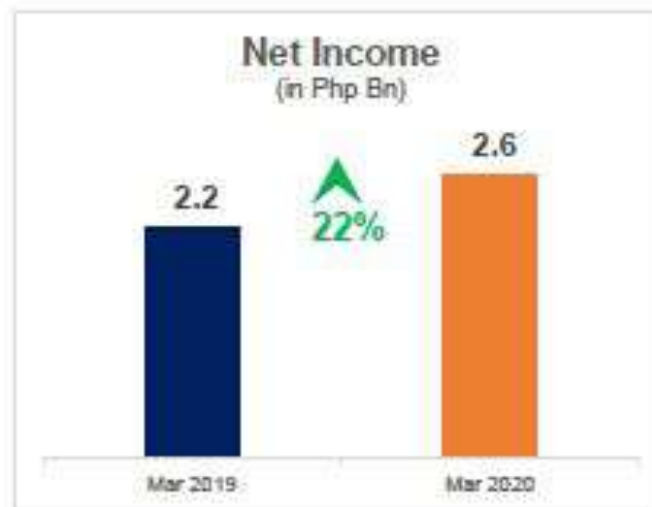
In Php Bn	Mar 2019	Mar 2020	Growth
Gross Receipt Taxes	0.25	0.41	65%
Advertising & Marketing	0.04	0.34	662%
Depreciation	0.21	0.35	61%
Total Opex, net of Major Increases	3.80	3.95	4%



Summary

- Double-digit growth in income
- Robust increase in loan portfolio
- Higher margins YoY
- Strong CASA growth

Solid financial results allowed us to book higher provisions in anticipation of COVID-19 impact





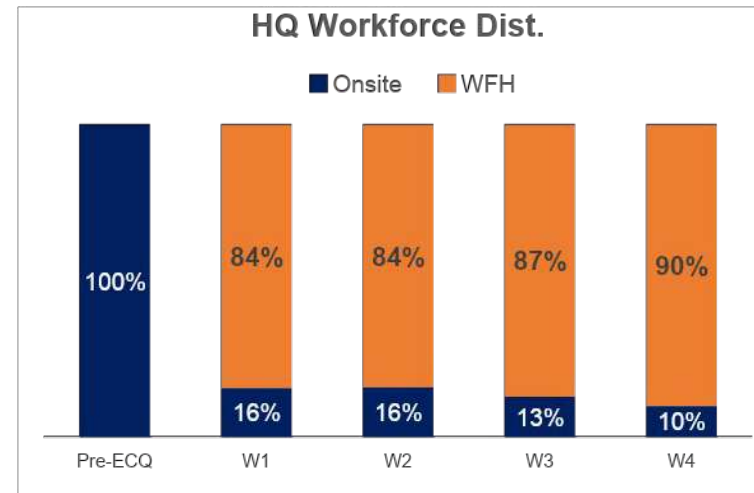
Built reserves in anticipation of potential headwinds





Digital Transformation prepared the Bank for COVID-19 disruption

- 85-90% of workforce are working from home while supporting all critical banking operations
- Supported liquidity and banking needs amid ECQ with Ark capabilities (self-service kiosks, flexible configuration)



Performed all critical operations while in WFH status

- ✓ Clearing Operations
- ✓ Payroll E-Crediting
- ✓ E-Gobyerno Settlement
- ✓ Mortgage Processing
- ✓ AML Reporting
- ✓ ATM Management
- ✓ Core Banking Systems
- ✓ SWIFT, RTGS, PDDTS





Digital Transformation prepared the Bank for COVID-19 disruption

- Introduced Bank-on-Wheels to support areas with large transaction needs
- Launched 'Send Money to Remittance Centers' in app, connecting customers to ~10,000 cash outlets nationwide
- Removed fees on fund transfers & promoted online check deposits to encourage customers to bank from home



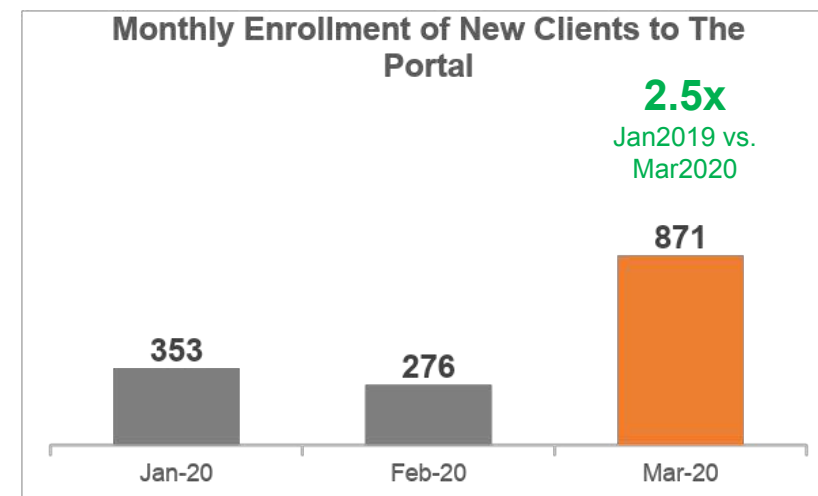
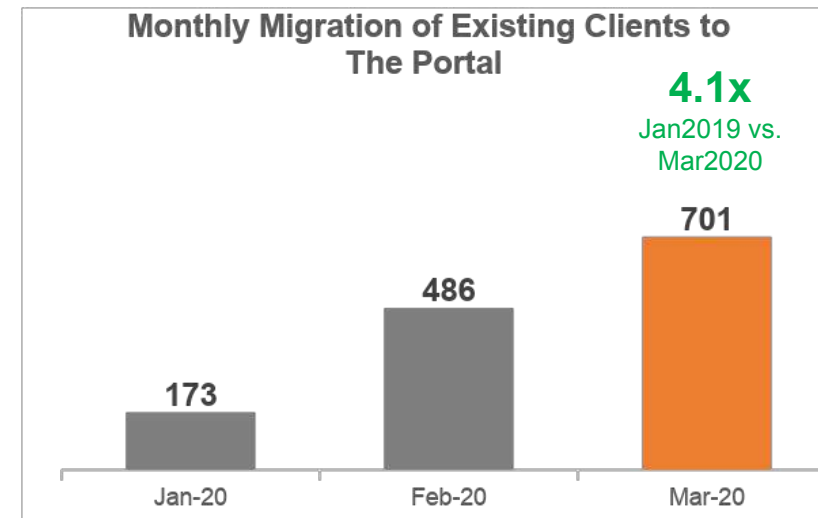
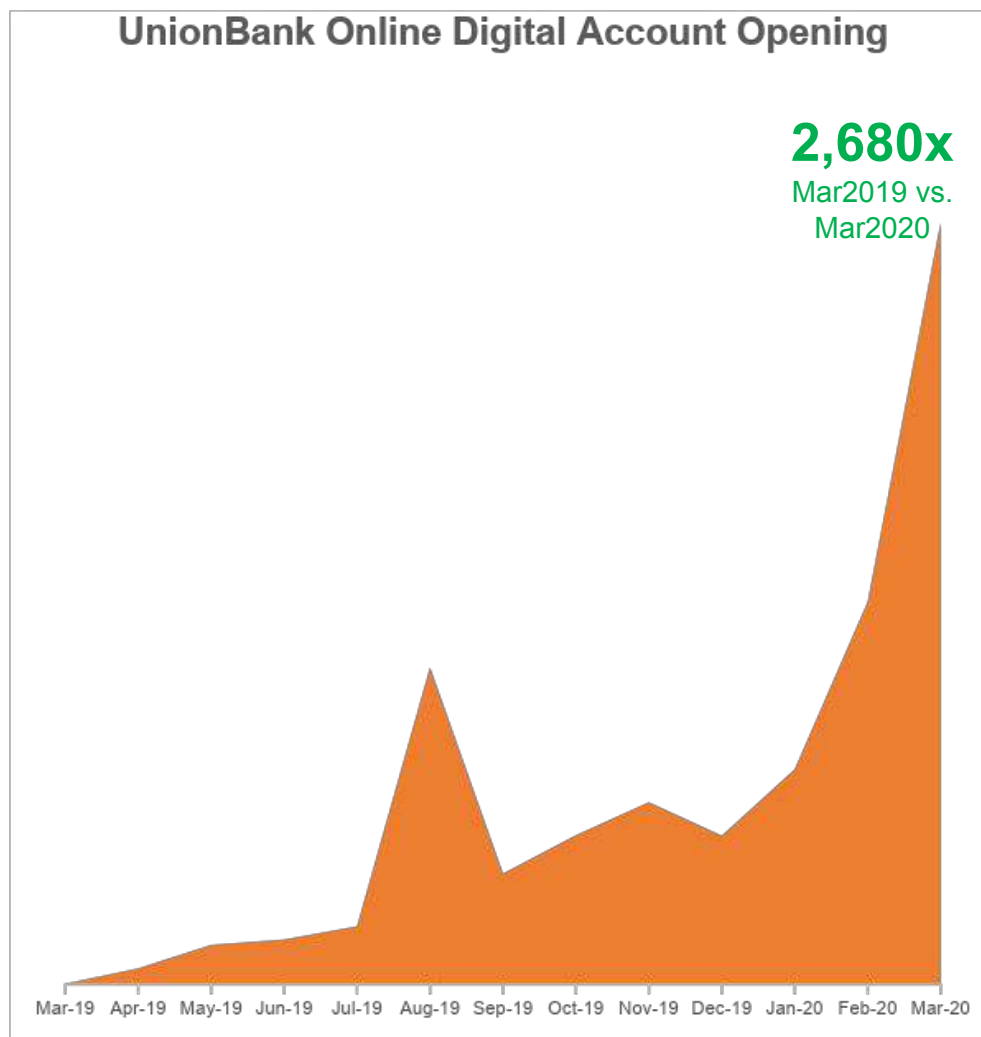
5G-Enabled Bank on Wheels





Digital Transformation prepared the Bank for COVID-19 disruption

- Digital account opening surged during ECQ
- No. of accounts opened peaked at ~4,000 in one day
- Average no. of accounts opened per day during ECQ reached 1,000







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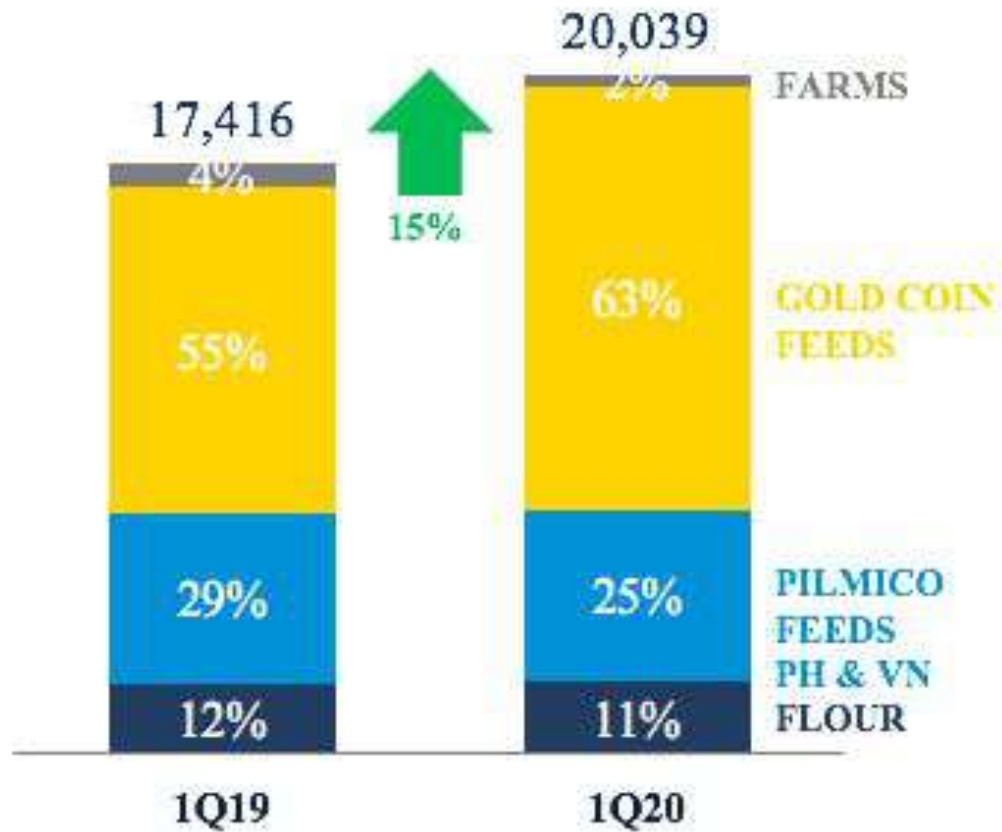


1Q2020 Financial Highlights

Food Group  	1Q 2020	vs. 1Q 2019	
	PHP (Million)	PHP (Million)	% Movement
Revenue	20,039	+ 2,624	+ 15%
EBITDA	1,192	+ 230	+ 24%
NIAT	332	+ 70	+ 27%
EBITDA Margin	6%	+ 42 BPS	

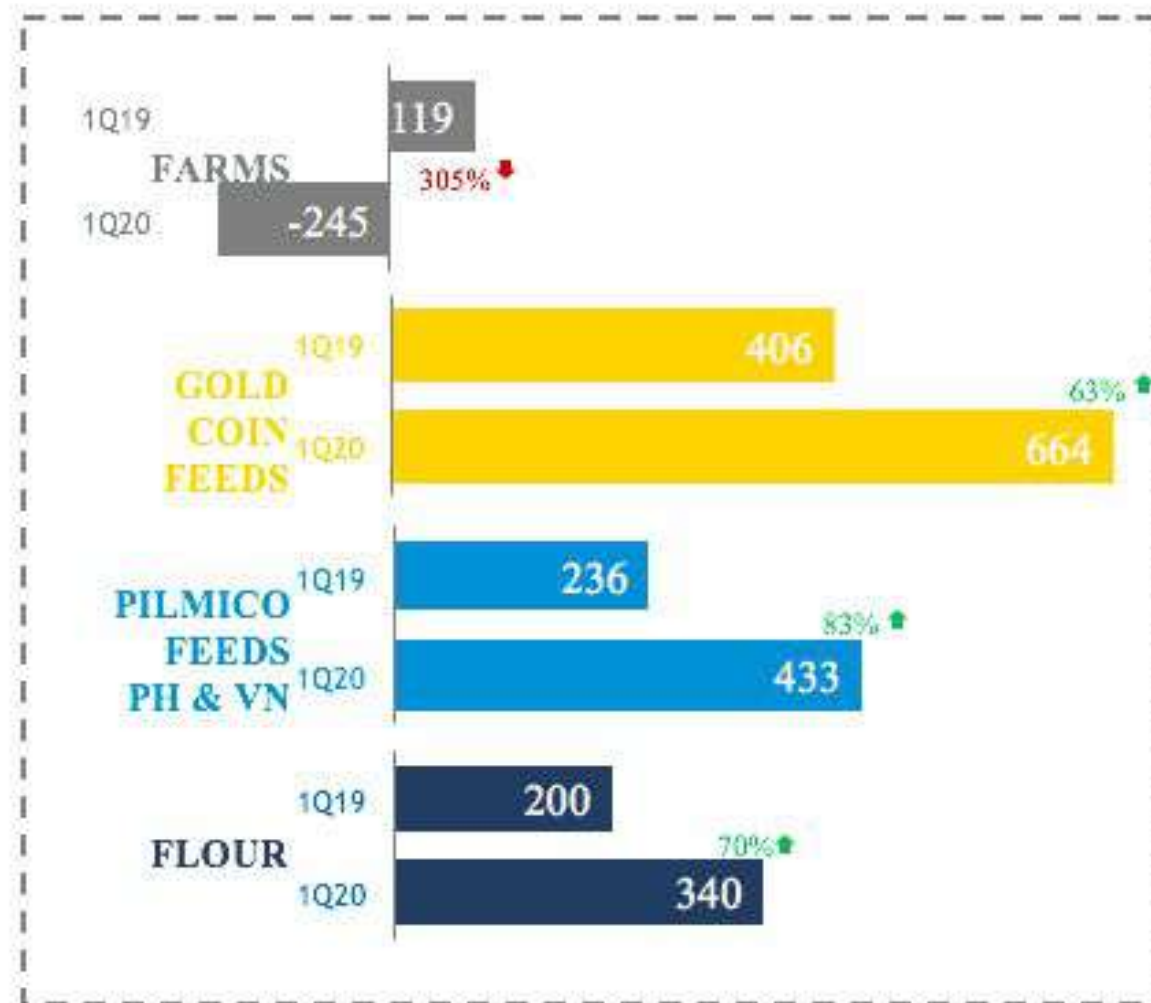
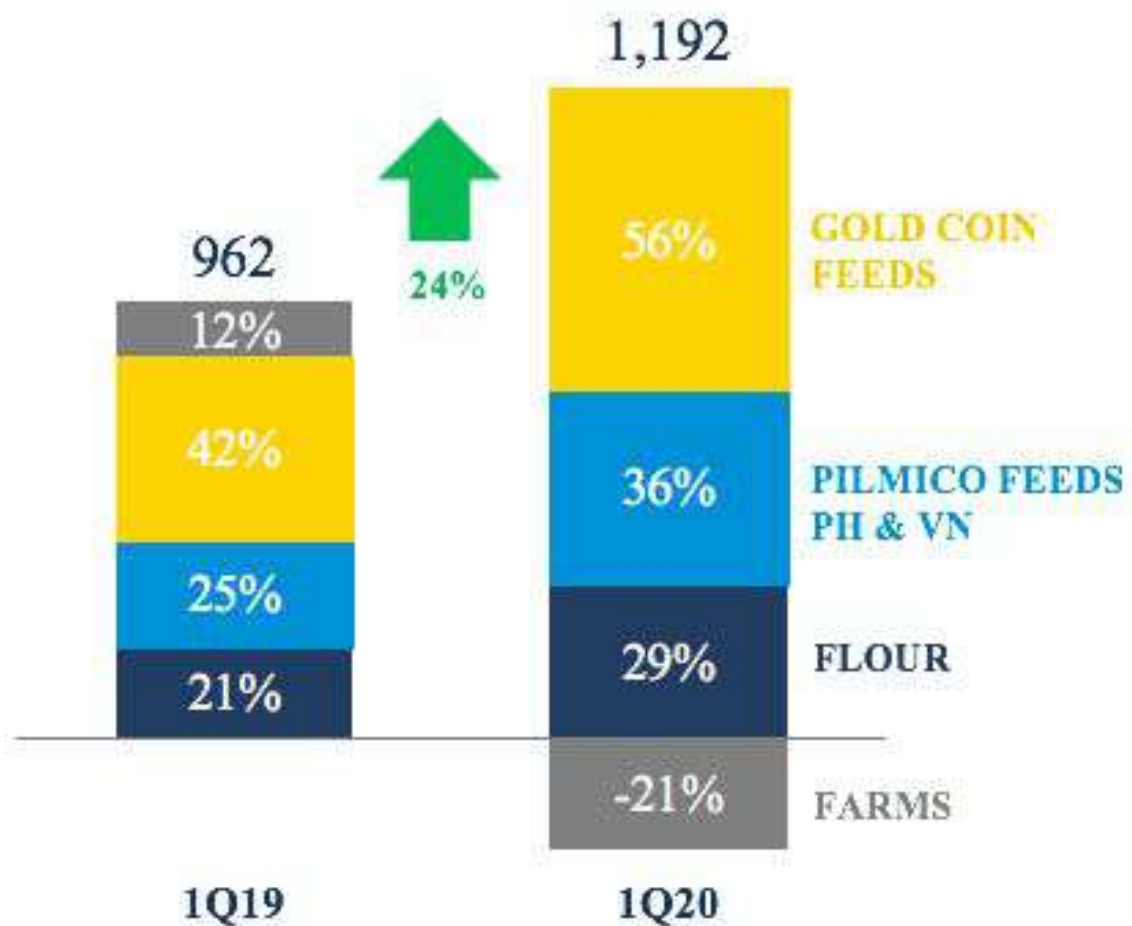


1Q2020 Financial Highlights: Revenue



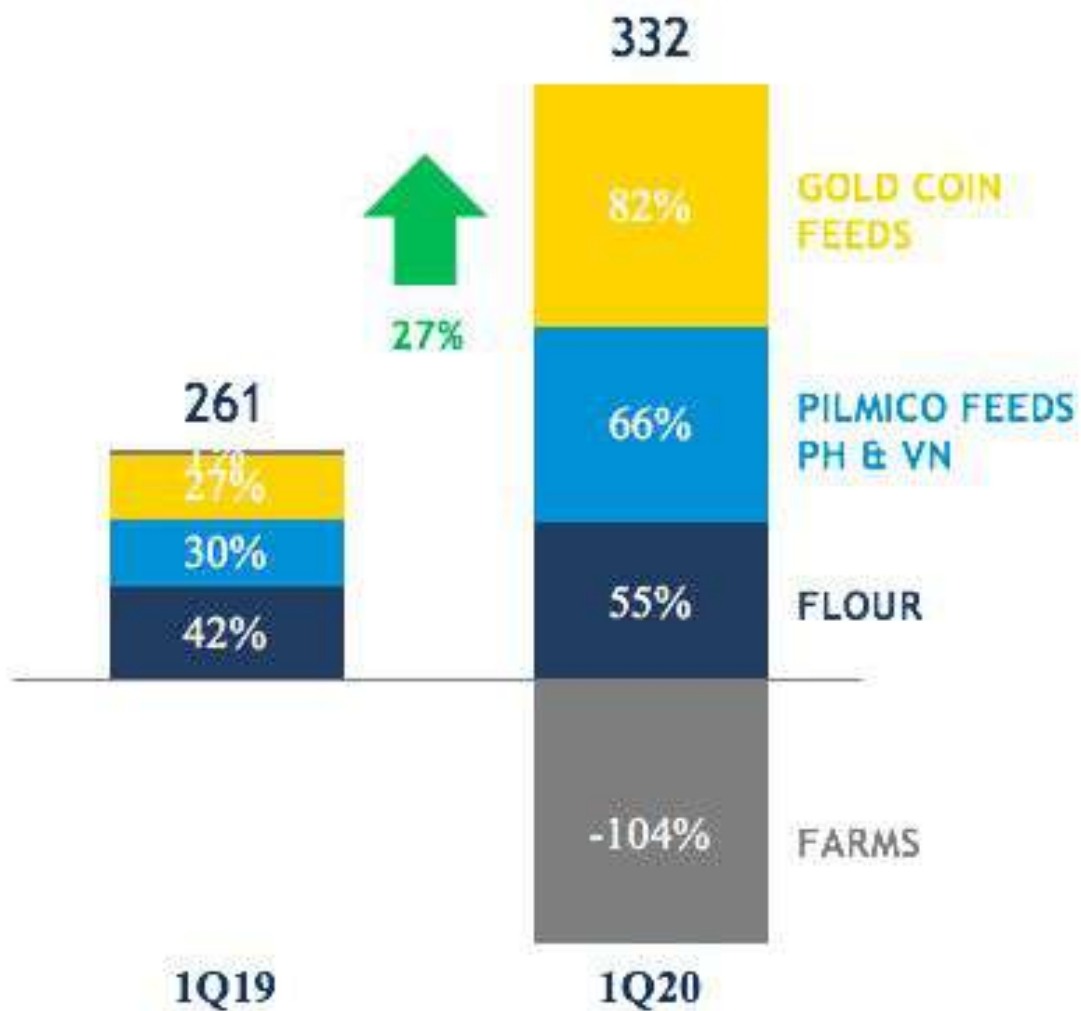


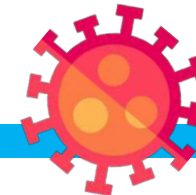
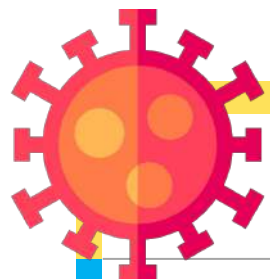
1Q2020 Financial Highlights: EBITDA





1Q2020 Financial Highlights: Net Income





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





Food Group BCP Compliance Review

	Philippines	Singapore	Malaysia	China	Vietnam	Indonesia	Thailand	Sri Lanka
Incident Management Team								
Travel Guidelines and Restrictions								
Other Guidelines and Advisory								
Awareness and Education								
Preparation and Planning Activities:								
People Planning-WFH/Skeletal								
BC Strategy and Plan (ie. Critical business function, dependencies, etc.)								
Business Continuity Plans								
Incident Management Plan								
Incident Alert Levels and Advisory								
Workplace Precautionary Measures								
Response and Containment Procedures								
Communication Plans								

Legend:

	Completed
	Updating

	On Going
	For Adoption





2020 Project Pipeline



Jan 2020

Indonesia Depot

Depot in Bangka Island, Indonesia
Completion rate: 100%





Apr 2020

Floating Fish Line

+5TPH in Dongguan, China
Completion rate: 90%



Fish Feed Line

+5TPH in Ha Nam, Vietnam
Completion rate: 97%



Jun 2020



Meats Fabrication Plant

Forward Integration of Farms Business
Completion rate: 97%



Jul 2020



Iligan Feedmill Expansion

+20 TPH cpato support VisMin Region
Completion rate: 78%



Dec 2020



Growfin Farm XII

*Last farm of the Phase 2 expansion
Completion rate: 65%*



Layer House Expansion

*Add'l 260K Hens in Armenia, Tarlac
Planning Stage*





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Highlights of Operations: Water



Q1 2020 Results of Operations

At par production volume of 0.62mcm vs. budget

7% improvement in EBITDA margin vs. budget

COVID-19 Impact to Operations

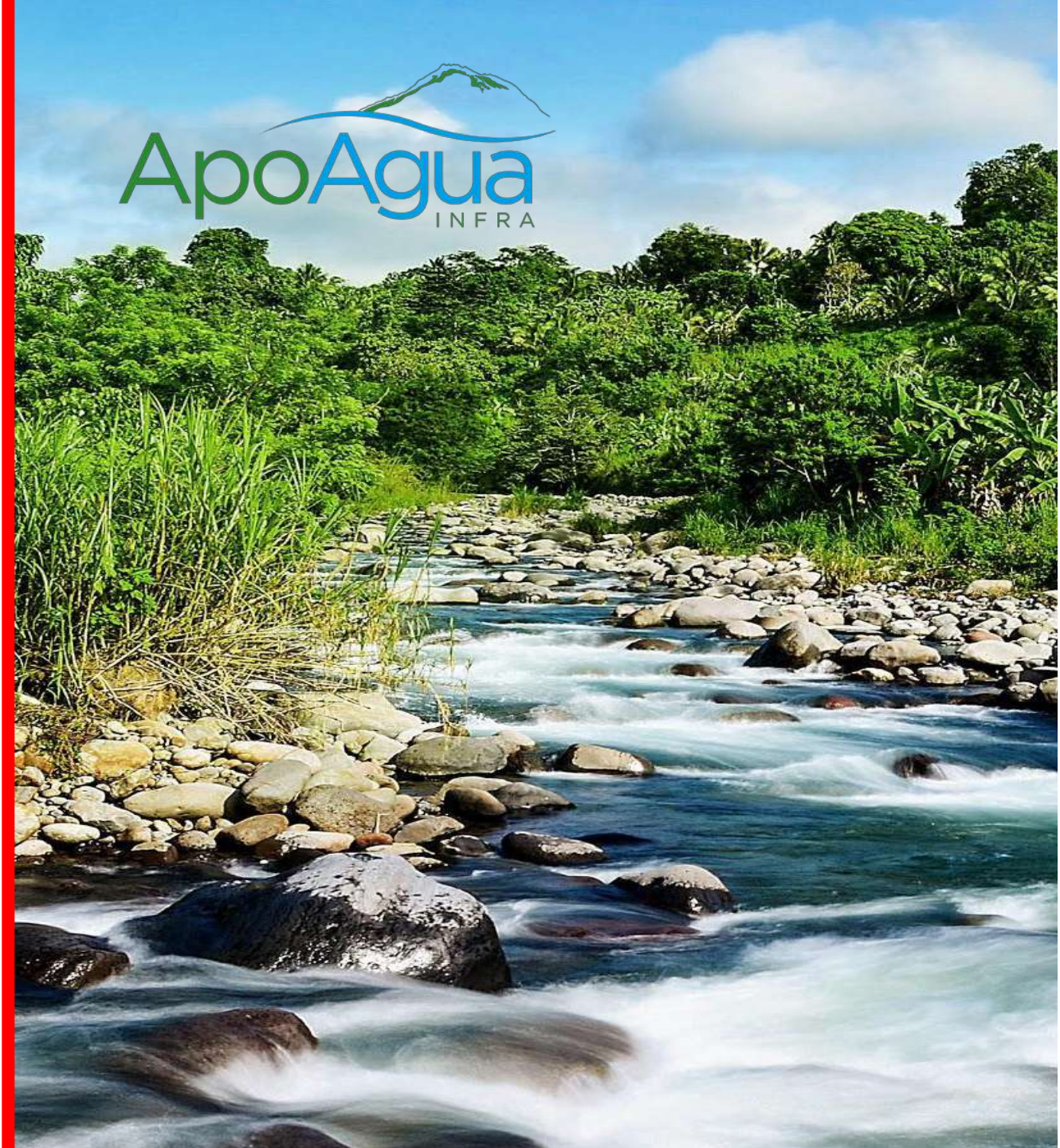
Deployment and **continuous assessment** of BCP Plans in response to regulatory developments

Operational recalibration for **average demand of 50%**, due to production stoppage of industrial locators

COVID-19 Impact to Construction

Full cessation of construction activity
during ECQ

Working proactively with EPC to ensure
implementation of a viable **recovery plan**
for the eventual lifting of quarantine
conditions



Project Updates

Bohol-Panglao International Airport



Approved by the NEDA Board
last November 29, 2019



We are working with the
Government on final steps
before **commencing Swiss
Challenge**

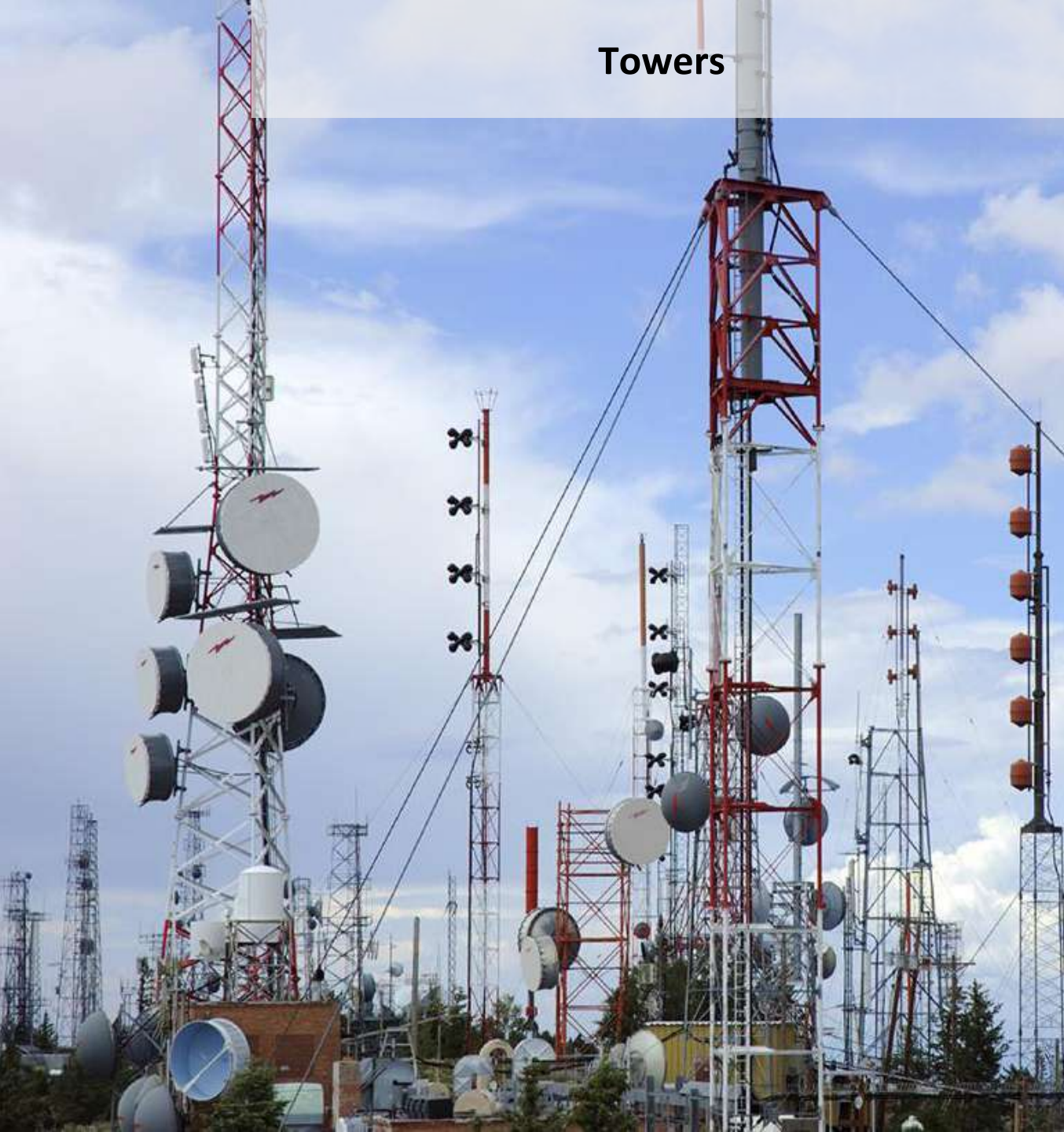
Laguindingan Airport



Approved by the NEDA ICC-Cabinet Committee last December 20, 2019

The next step is to get NEDA Board Approval

Towers



Continuing active engagement with the MNOs, particularly on site acquisition and selection

MOU with 3 telcos (Globe, DITO, and PLDT-Smart)

RCBM



Results impacted by COVID-19

- Coming from strong demand growth in January and February, cement demand contracted in Q1 as construction activities dramatically slowed down in March due to Luzon-wide ECQ.
- New mills undergoing commissioning.
- Contribution to AEV at PhP61M in Q1 2020, higher by PhP93M versus Q1 2019.





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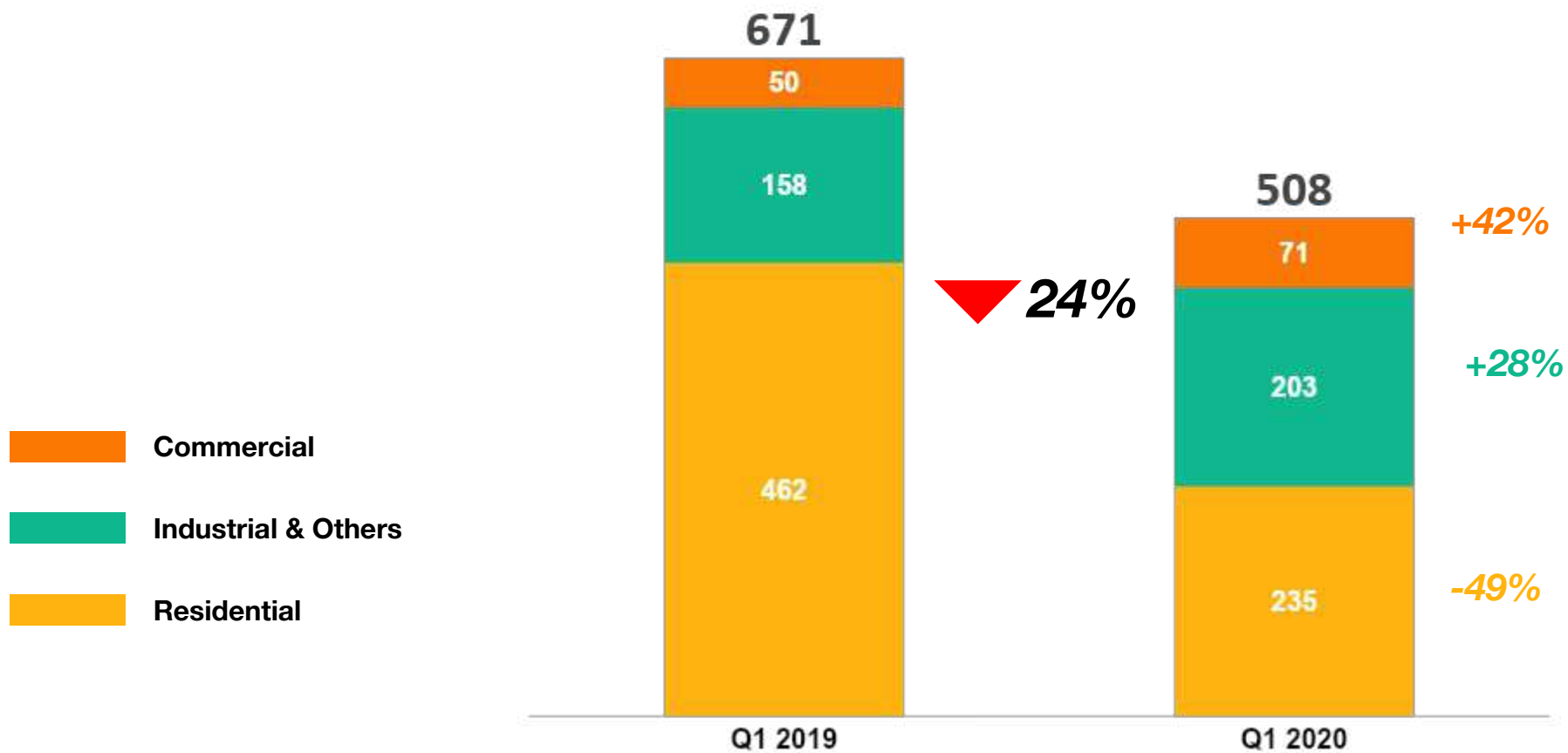


Q12020 Financial Performance

	<u>Q12020</u>	<u>vs Q12019</u>
Revenues	508M	▼ 24%
Gross Profit	177M	▼ 30%
NIAT	-110M	▼ 152%
<i>Residential Sales</i>	732M	▲ 100%



Q12020 Revenues

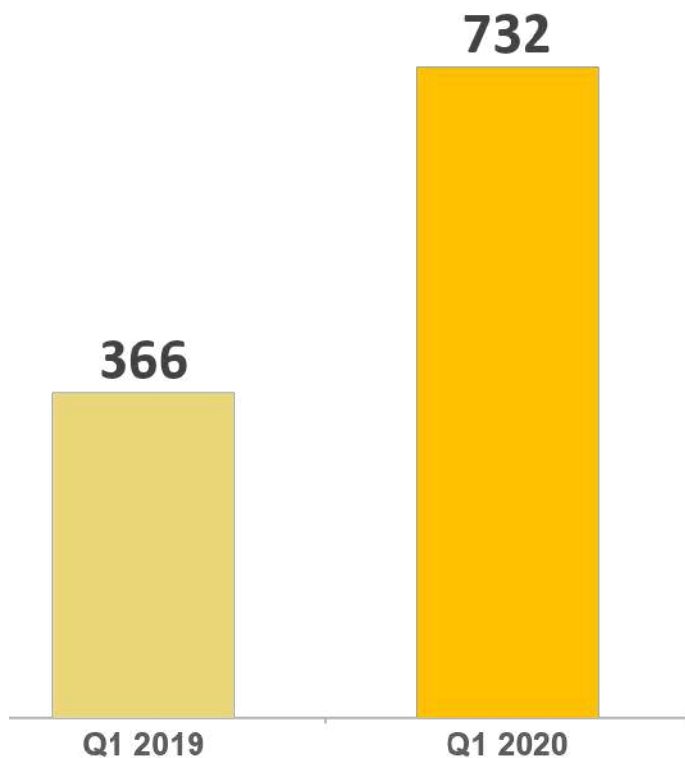




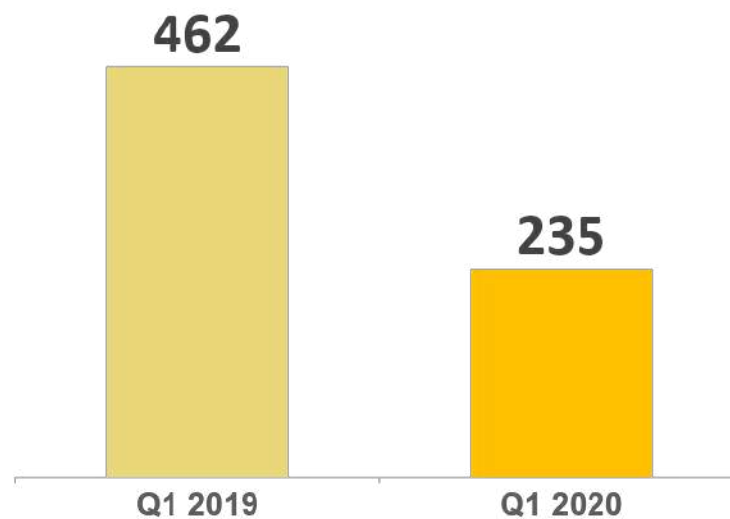
Q1 2020 Residential Performance



Sales
by 100% vs. 2019



Revenues
by 49% vs. 2019





1Q2020 Business Highlights

Despite the subdued investment environment, we remain confident about our residential business moving forward. Anticipating our buyers' changing needs, we have implemented a contactless, end-to-end home-buying system.

Dubbed #BetteratHome, the system guides buyers starting with virtual tours of our developments, to payment and submission of requirements, all from the comfort of their own homes.



RESERVE

E-mail us a scanned copy of:

- 1. The signed Reservation Agreement
- 2. One valid government ID
- 3. Proof of online payment for the reservation fee

Our sales personnel will assist you via phone call or emails for any clarifications you might have on said requirements.



1Q2020 Business Highlights

Similarly, we are optimistic that the Outlets format of our commercial developments is well-suited to address shoppers' needs post-ECQ.

In contrast to traditional big box stores, the more sprawling footprint of our Outlets malls will put shoppers at ease in a world where social distancing is the norm.





1Q2020 Business Highlights

Meanwhile, we believe our Industrial Business will suffer the least adverse effects from the current pandemic.

With the global supply chain likely decreasing its concentration in China, paired with available inventory of PEZA-accredited lots, our industrial parks are in a good position to capitalize on market opportunities.

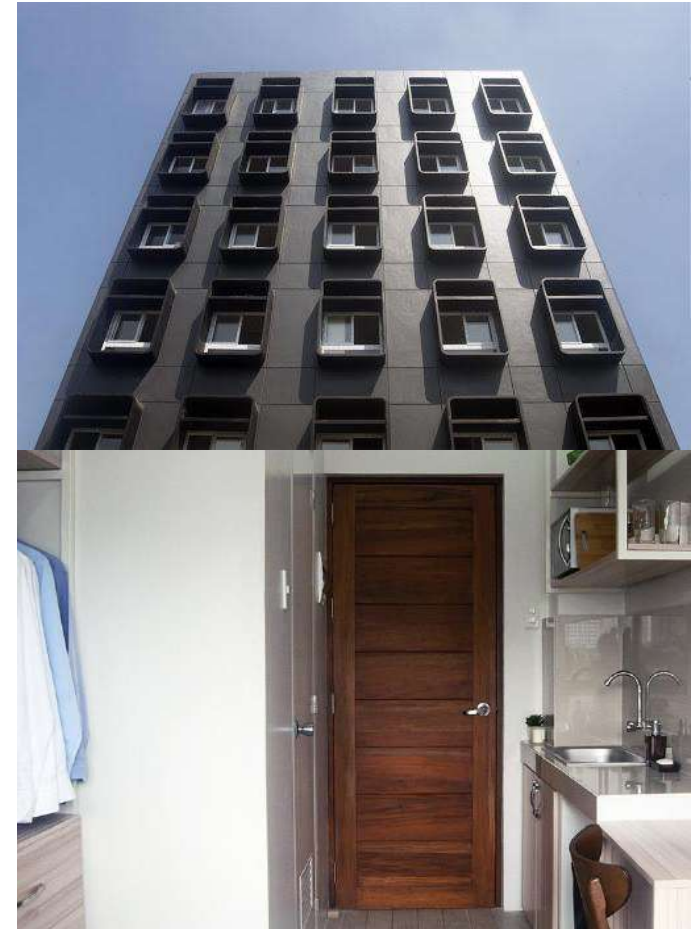




1Q2020 Business Highlights

Finally, as the demand for temporary lodging near and around CBDs increases, we believe that Point Blue, our microstudio joint venture, is a perfect fit. Current occupancy levels in the existing buildings also point to the same conclusion.

Given its single-occupancy format, social distancing will not be a problem for tenants, while the buildings' proximity to CBDs will enable walking to work while the future of our congested public transport system remains cloudy.





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1Q2020 Financial Performance

Revenues



₱47 bn

-1%

vs 1Q 2019

Conso EBITDA



₱12 bn

-5%

vs 1Q 2019

Core Net Income



₱2 bn

-41%

vs 1Q 2019

Net Income



₱2 bn

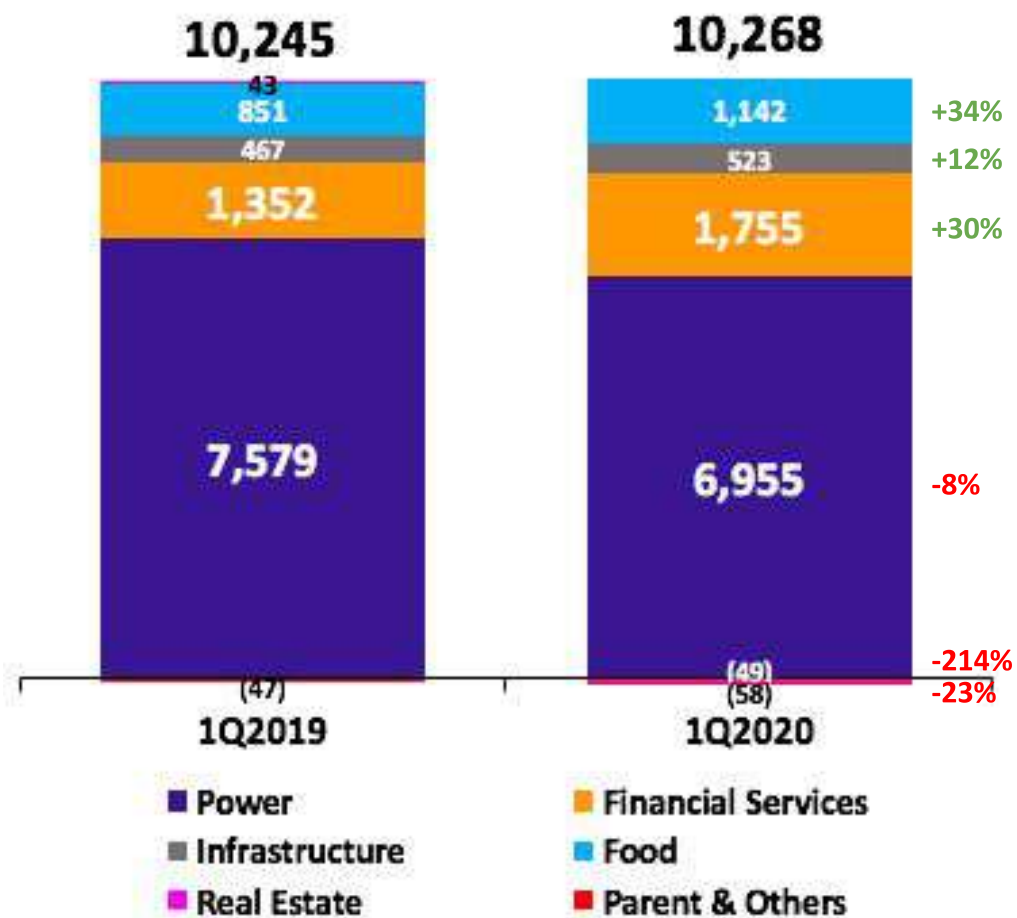
-42%

vs 1Q 2019



1Q2020 Beneficial EBITDA

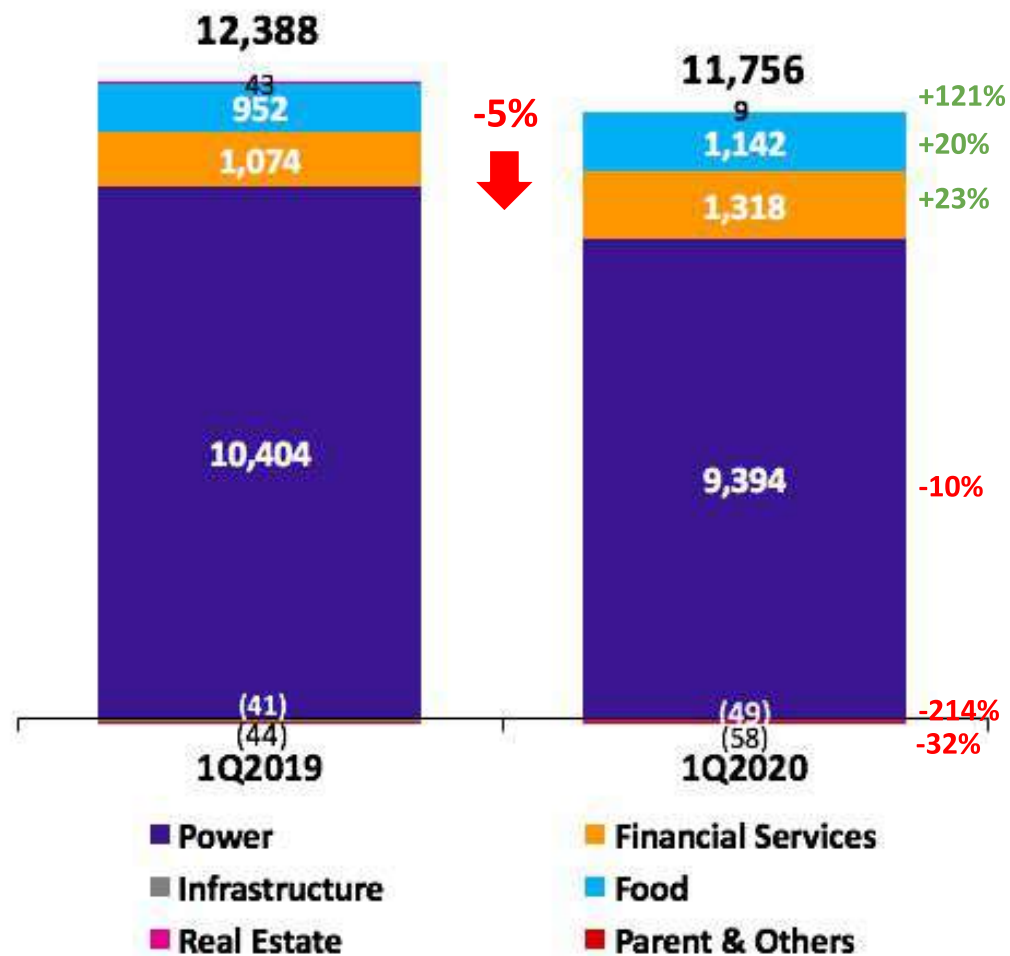
In PHP Millions





1Q2020 Consolidated EBITDA

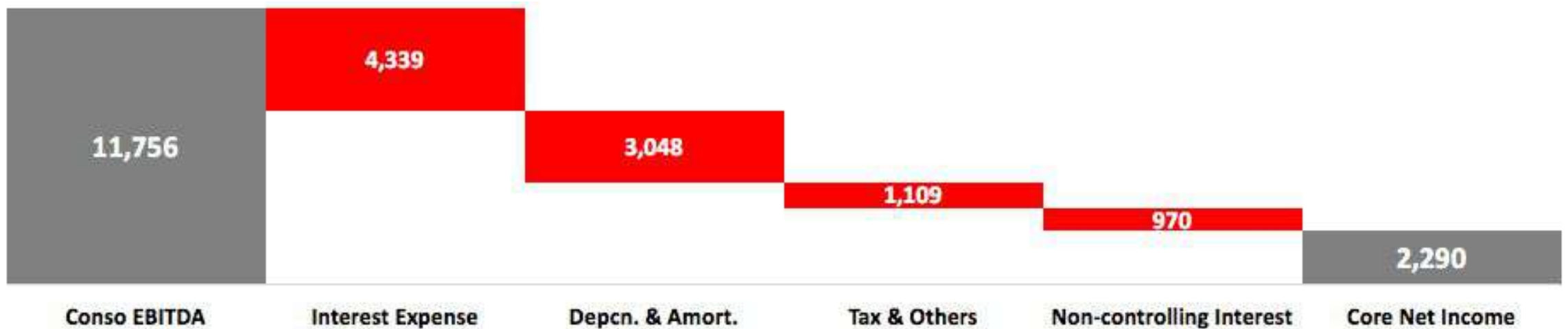
In PHP Millions





1Q2020 Core Income

In PHP Millions



	1Q2019	1Q2020	Change
Conso EBITDA	12,388	11,756	-5%
Less: Interest Expense	3,442	4,339	26%
Depcn. & Amort.	2,532	3,048	20%
Tax & Others	1,013	1,109	10%
Non-controlling Interest	1,544	970	-37%
Core Net Income	3,858	2,290	-41%
EPS	0.63	0.36	



1Q2020 Net Income

In PHP Millions

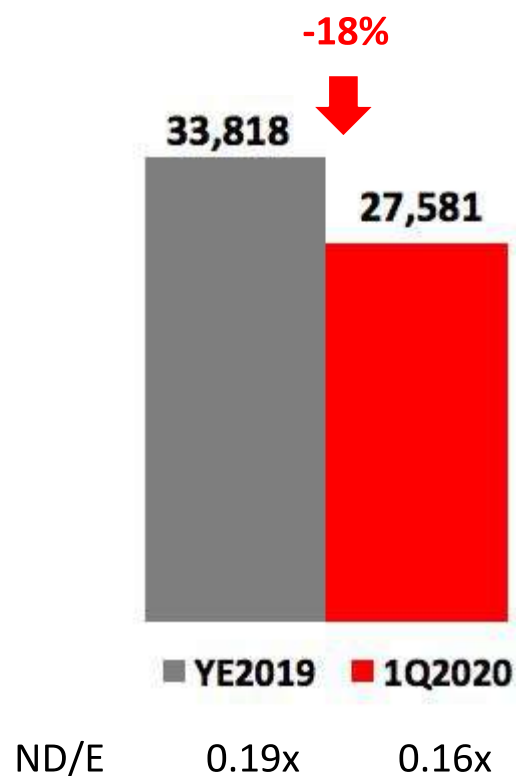


	1Q2019	1Q2020	Change
Core Net Income	3,858	2,290	-41%
Non-recurring gains/ (losses)	(334)	(262)	21%
Net Income	3,524	2,028	-42%
EPS	0.63	0.36	



Balance Sheet Highlights

In PHP Millions, except for ratios



Consolidated Balance Sheet/Key Ratios

	YE2019	1Q2020
Cash and Cash Equivalents	46,425	76,797
Total Assets	588,386	621,771
Total Liabilities	371,191	410,882
Total Equity	217,195	210,889
Equity Attributable to Parent	176,481	170,479
Book Value Per Share	31.33	30.28
Current Ratio	1.3x	1.3x
Debt to Equity	1.7x	1.9x
Net Debt to Equity	1.2x	1.2x



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