Aboitiz Equity Ventures, Inc.
President’s Report

2019 Annual Stockholders’ Meeting

The Ballroom, New World Hotel
Esperanza St. Cor. Makati Ave., Makati, 1228 Metro Manila
Monday, April 22, 2019
Erramon I. Aboitiz
President & CEO
Aboitiz Equity Ventures, Inc.
Among the Best Performing Economies in Asia

Philippine GDP grew by 6.2%
## 2018 Financial Highlights

**Revenue**  
(in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (in PHP Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>116,415</td>
</tr>
<tr>
<td>2017</td>
<td>150,422</td>
</tr>
<tr>
<td>2018</td>
<td>186,943</td>
</tr>
</tbody>
</table>

- Growth: 24%
2018 Financial Highlights

EBITDA
(in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (in PHP Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>48,128</td>
</tr>
<tr>
<td>2017</td>
<td>56,977</td>
</tr>
<tr>
<td>2018</td>
<td>60,653</td>
</tr>
</tbody>
</table>

6.5% increase
2018 Financial Highlights

Net Income (in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS</th>
<th>ROE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4.02</td>
<td>20%</td>
</tr>
<tr>
<td>2017</td>
<td>3.84</td>
<td>16%</td>
</tr>
<tr>
<td>2018</td>
<td>3.95</td>
<td>15%</td>
</tr>
</tbody>
</table>
2018 Financial Highlights

Earnings Contribution

- Power: 73%
- Banking & Financial Services: 16%
- Land: 3%
- Food: 7%
- Infrastructure: 1%
Dividend Policy

Cash Dividend
(in PHP Millions)

2016 - 5,888
2017 - 7,493
2018 - 7,211

DIVIDEND PAYOUT RATIO
1/3
OF PREVIOUS YEAR’S NET INCOME

2017 - P1.33 / Share
2018 - P1.28 / Share
2019 - P1.32 / Share
AEV 10-year Stock Performance

Total Shareholder Return CAGR

0% (3 Years)  →  2% (5 Years)  →  29% (10 Years)
Operating Results: Power

Income Contribution
(in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (in PHP Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>15,379</td>
</tr>
<tr>
<td>2017</td>
<td>15,697</td>
</tr>
<tr>
<td>2018</td>
<td>16,692</td>
</tr>
</tbody>
</table>

6% increase from 2016 to 2018.
Operating Results: Power Generation and Retail Electricity Supply

**Income Contribution**
(in PHP Millions)

- 2016: 12,298
- 2017: 13,714
- 2018: 15,347

12% increase from 2016 to 2018.
Operating Results: Power Distribution

Income Contribution
(in PHP Millions)

-5%

<table>
<thead>
<tr>
<th>Year</th>
<th>Income Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2,823</td>
</tr>
<tr>
<td>2017</td>
<td>3,286</td>
</tr>
<tr>
<td>2018</td>
<td>3,116</td>
</tr>
</tbody>
</table>
Outlook: Power
Operating Results:
Banking and Financial Services

Income Contribution
(in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4,912</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>4,124</td>
<td>-13%</td>
</tr>
<tr>
<td>2018</td>
<td>3,583</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ratio</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROAE</td>
<td>17%</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>ROAA</td>
<td>2.2%</td>
<td>1.5%</td>
<td>1.2%</td>
</tr>
</tbody>
</table>
Operating Results:
Banking and Financial Services

Total Deposits and Total Loans & Other Receivables - Net
(in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Loans and Other Receivables - Net</th>
<th>Total Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>376,485</td>
<td>234,530</td>
</tr>
<tr>
<td>2017</td>
<td>447,616</td>
<td>280,179</td>
</tr>
<tr>
<td>2018</td>
<td>326,199</td>
<td>420,703</td>
</tr>
</tbody>
</table>

NPL Ratio:
- 2016: 0.6%
- 2017: 1.3%
- 2018: 2.3%
Operating Results: Food

Income Contribution
(in PHP Millions)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilmico International and Trading</td>
<td>204</td>
<td>123</td>
<td>234</td>
</tr>
<tr>
<td>Farms</td>
<td>963</td>
<td>666</td>
<td>564</td>
</tr>
<tr>
<td>Feeds Philippines</td>
<td>557</td>
<td>716</td>
<td>460</td>
</tr>
<tr>
<td>Flour</td>
<td>197</td>
<td>299</td>
<td></td>
</tr>
</tbody>
</table>

-8%
Outlook: Food
Operating Results: Land

Income Contribution
(in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Income Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>188</td>
</tr>
<tr>
<td>2017</td>
<td>744</td>
</tr>
<tr>
<td>2018</td>
<td>645</td>
</tr>
</tbody>
</table>

-13% decrease from 2017 to 2018.
Outlook: Land
Operating Results: Republic Cement

Income Contribution
(in PHP Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Income Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1,555</td>
</tr>
<tr>
<td>2017</td>
<td>671</td>
</tr>
<tr>
<td>2018</td>
<td>213</td>
</tr>
</tbody>
</table>

-68%
Outlook: Infrastructure
Balance Sheet

In PHP Millions

**Total Assets**
- 2016: 466,308
- 2017: 491,932
- 2018: 554,588

**Net Debt**
- 2016: 191,524
- 2017: 194,501
- 2018: 220,983

**Stockholders Equity**

*Equity Attributable to Equity Holders of the Parent*
- 2016: 140,275
- 2017: 154,698
- 2018: 174,705

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net D/E Ratio</td>
<td>1.10x</td>
<td>1.01x</td>
<td>1.02x</td>
</tr>
<tr>
<td>Current Ratio</td>
<td>2.51X</td>
<td>1.62x</td>
<td>1.76x</td>
</tr>
</tbody>
</table>
Group Capital Expenditure*

- **2019**: POWER 63% (NON-POWER 37%)  
  - POWER: PHP35 billion²  
  - NON-POWER: PHP42 billion²

- **2018**: POWER 69% (NON-POWER 31%)  
  - POWER: PHP49 billion²

- **2017**: POWER 100%  
  - POWER: PHP35 billion²

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*Includes 100% of Subsidiaries and Affiliates  
1 - Budgeted figure  
2 - Actual figure
Risk Management

Aboitiz Risk Maturity Index Rating

5 Advanced
The organization has a well-developed ability to identify, measure, manage, and monitor risks. Risk management processes are dynamic and adapt to changing risks and business cycles.

4 Operational
There is a clear understanding of the organization's key risks and a consistent execution of activities to address these risks; some functional areas may employ more sophisticated techniques.

3 Defined
The organization understands and addresses its key risks; capabilities to measure, manage, and monitor risks are in place but may be inconsistent across the organization.

2 Basic
There is inconsistent understanding, management and monitoring of key risks across the organization; capabilities to consistently identify, assess, manage, and monitor risks are limited.

1 Initial
If the organization identifies and addresses risks, it is done within silos only; components and activities of the risk management process are limited in scope and implemented in an ad-hoc manner.

AON Risk Maturity Rating Scale

- 4.3 August 2018
- 3.9 September 2014
- 3.3 March 2013
- 2.7 December 2011

Successfully sustained level 4 between 2014 to 2018
Continuing the ABC Challenge

Aboitiz Group Initiatives
(In PHP thousands)

- Education: 190,828 (45%)
- Environment: 71,557 (17%)
- Enterprise Development: 41,000 (10%)
- Other Projects: 115,558 (28%)

Total PHP419 million
Jon Ramon Aboitiz
Chairman of the Board
1948 - 2018
A Season of Change

Sabin M. Aboitiz
President & CEO
Aboitiz Equity Ventures, Inc.
(incoming)
A Season of Change

Xavier Jose Aboitiz
Chief Human Resources Officer
Aboitiz Equity Ventures

M. Jasmine Oporto
Chief Compliance Officer
Aboitiz Equity Ventures

Antonio Moraza
President and Chief Executive Officer
Aboitiz Power Corporation
A Season of Change

Emmanuel V. Rubio
President & CEO
AboitizPower
(Januray 1, 2020)