



Aboitiz Equity Ventures

**First Nine Months of 2020
Financial & Operating Results**
Wednesday, November 04, 2020





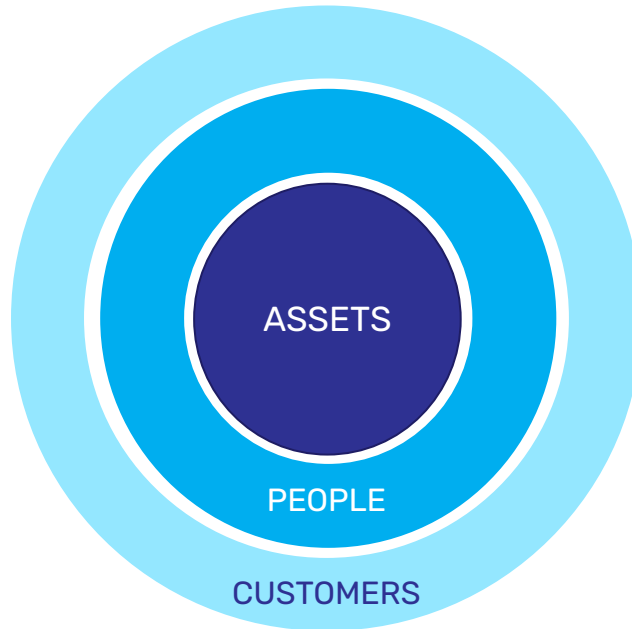
Review of Business Units

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



1AP DIGITAL STRATEGY

Digital first. Digital where it matters.



● Our Assets

- Digital plant operations for maximum performance and availability
- Smart distribution network for quality energy and responsiveness

● Our People

- Culture that works effectively in a digital ecosystem

● Our Customers

- Empowering customers through a digital customer experience for
- Customer intelligence for value-adding customer relationships
- Advanced forecasting for smarter sales strategy

DIGITAL STRATEGY FRAMEWORK

DIGITAL OPERATIONS

Intelligent operations through digitalization of critical core systems

OT / IT CYBERSECURITY

Solid cybersecurity vigilance and protection as an essential pillar for digitalization

DATA & ADVANCED ANALYTICS

Advanced analytics and machine learning techniques for smart forecasting and planning

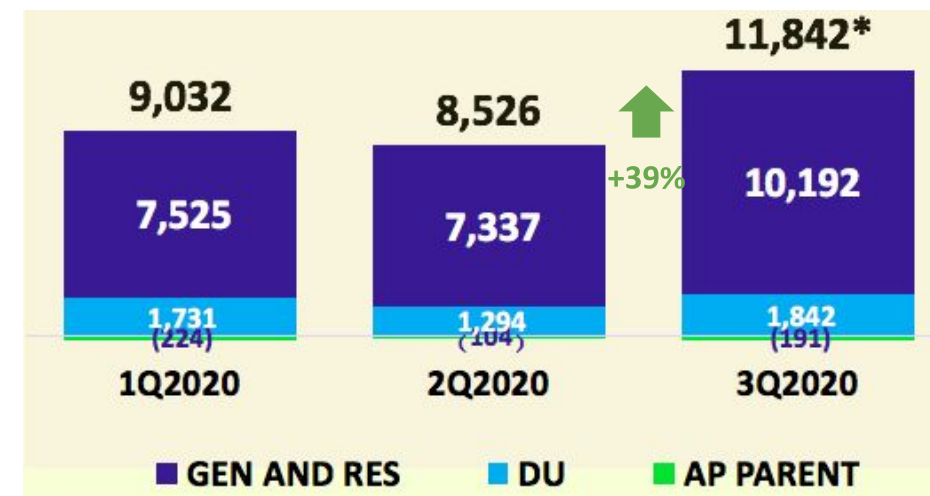
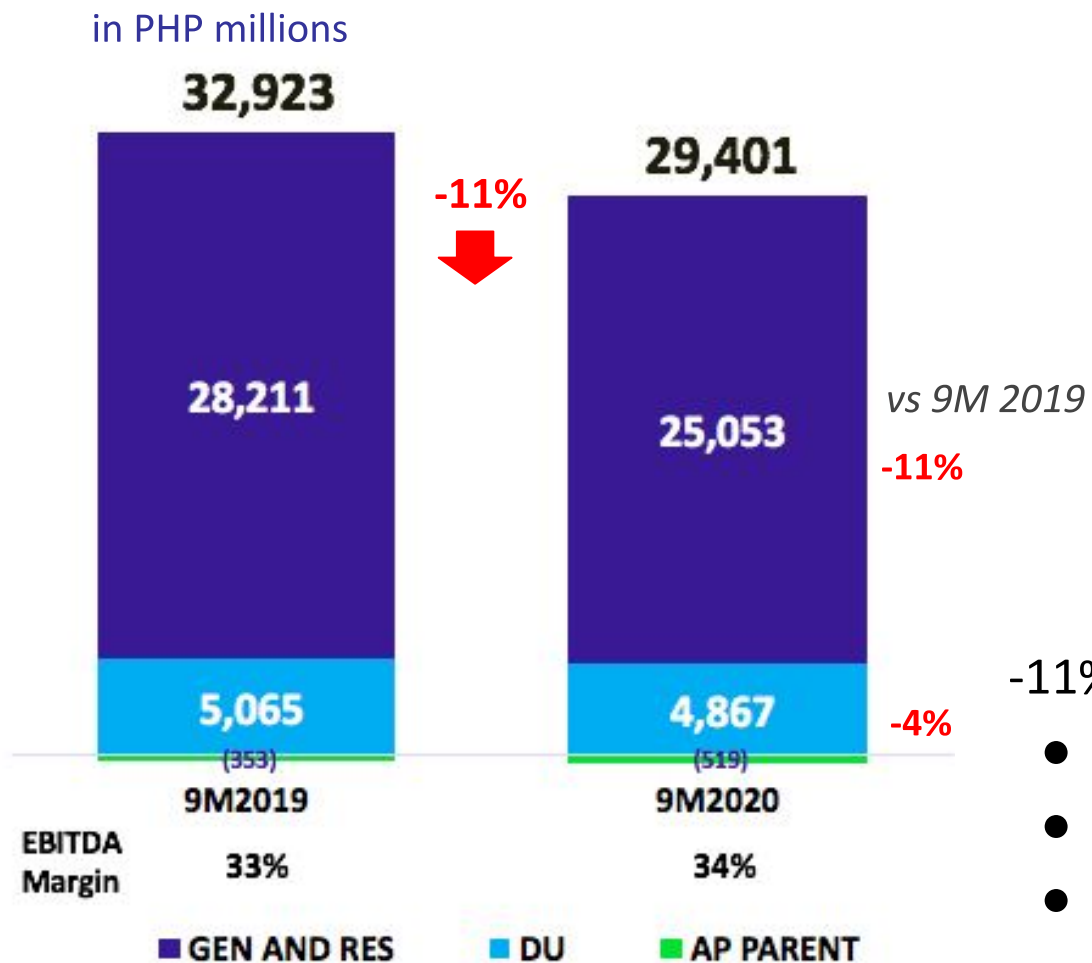
DIGITAL INFRASTRUCTURE

Fast deployment of digital strategy through a robust and well-planned smart infrastructure



9M2020 Beneficial EBITDA

Quarterly Breakdown



*-4% vs 3Q2019

-11% decline:

- -6% lower demand due to COVID-19
- -3% lower BCQ rates
- -2% lower water inflow



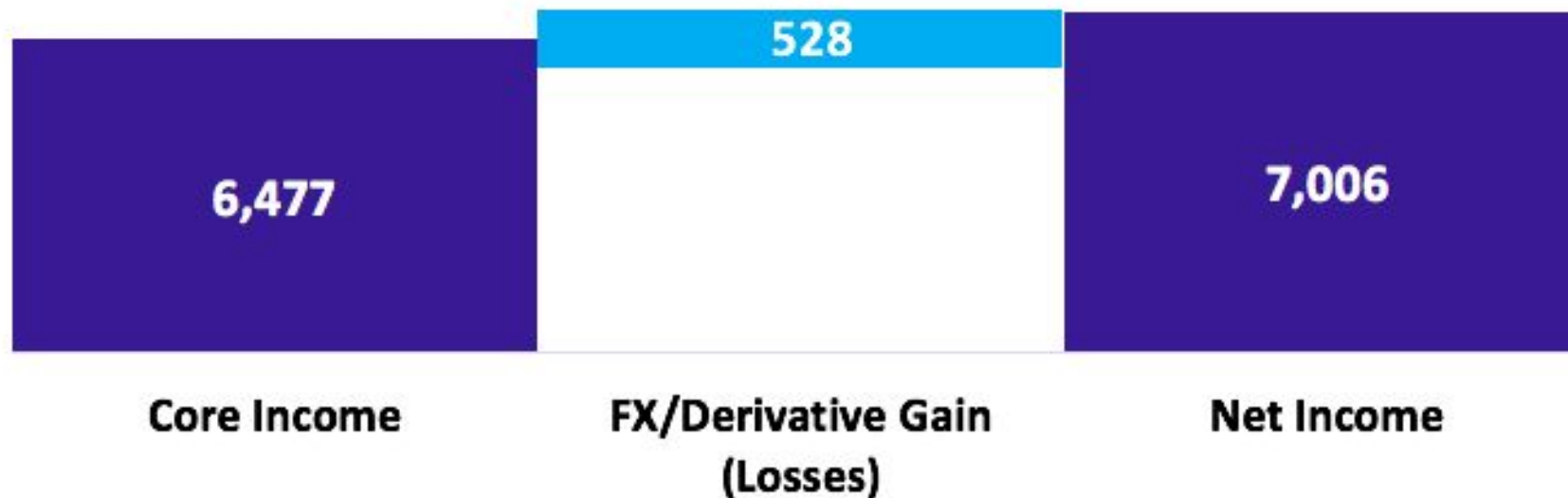
9M2020 Core Income



Php mn	9M2019	9M2020	Change
EBITDA	32,923	29,401	-11%
Less: Net Interest Expense	9,346	10,179	9%
Depcn. & Amort.	7,330	8,165	11%
Tax & Others	2,572	4,580	78%
Core Income	13,675	6,477	-53%
EPS	1.86	0.88	



9M2020 Net Income



Php mn	9M2019	9M2020	Change
Core Income	13,675	6,477	-53%
FX/Derivative Gain (Losses)	(220)	528	340%
Net Income	13,455	7,006	-48%
EPS	1.83	0.95	



Balance Sheet Highlights

(Php mn)	CONSOLIDATED	
	YE2019	9M2020
Cash and Cash Equivalents	37,434	38,040
Investments and advances	60,879	63,697
Property, Plant and Equipment	209,521	204,507
Total Assets	410,469	404,108
Total Liabilities	276,826	275,425
Total Equity	133,643	128,683
Total Interest Bearing Debt	231,014	232,747
Net Debt	189,131	186,194
Net Debt to Equity	1.4x	1.4x
Debt to Equity*	1.7x	1.8x

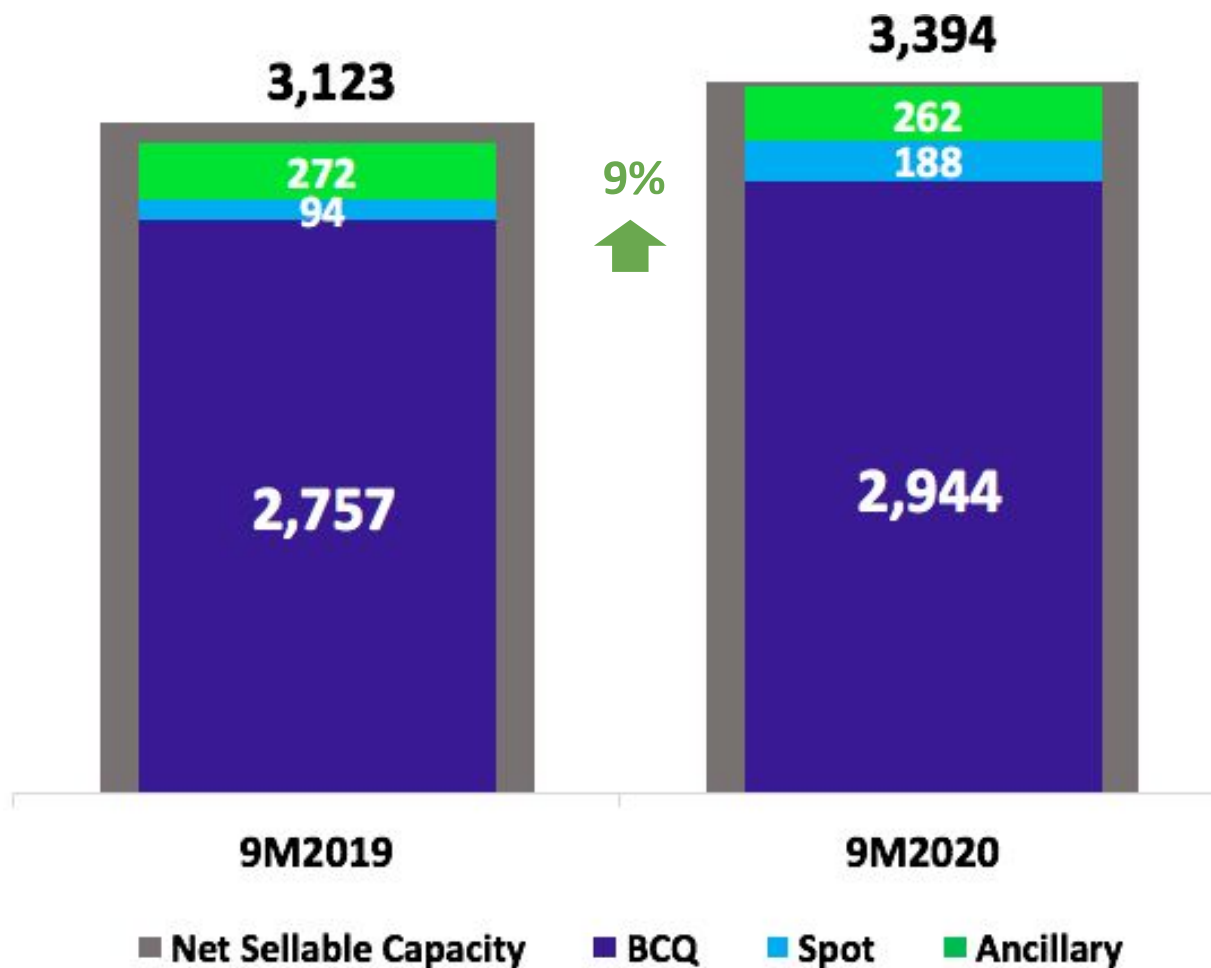
**Total Interest Bearing Debt / Total Equity*



Operating Highlights: Capacity Sales

Capacity Sales

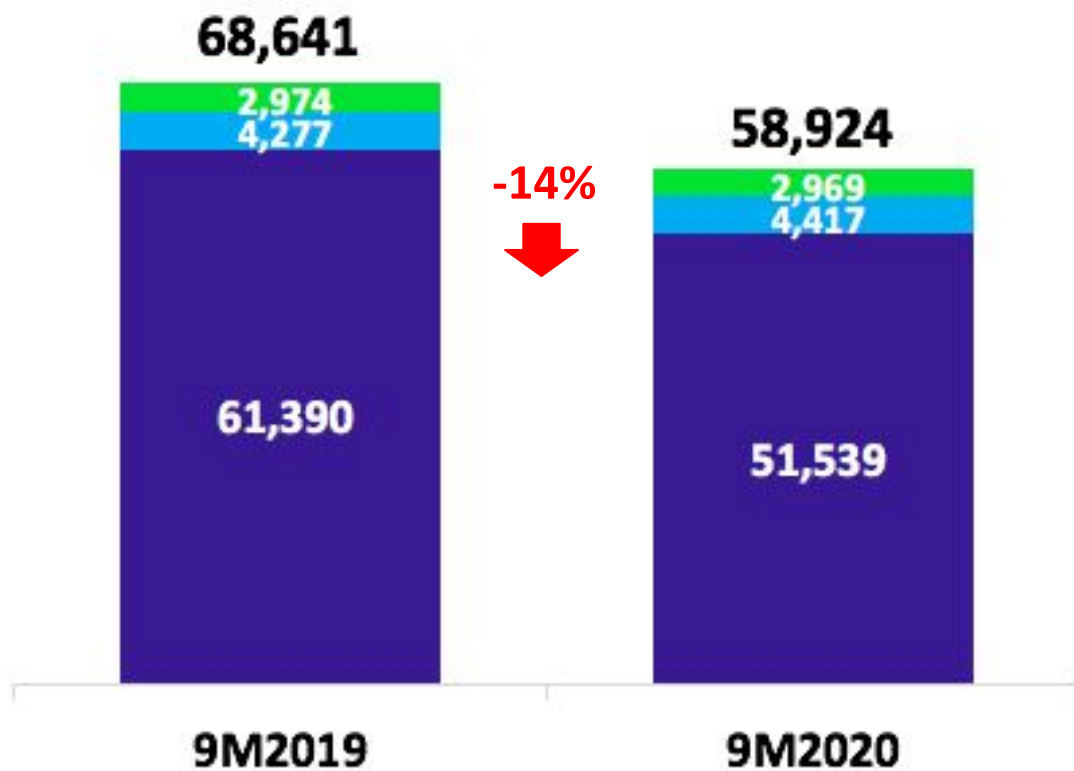
in MW



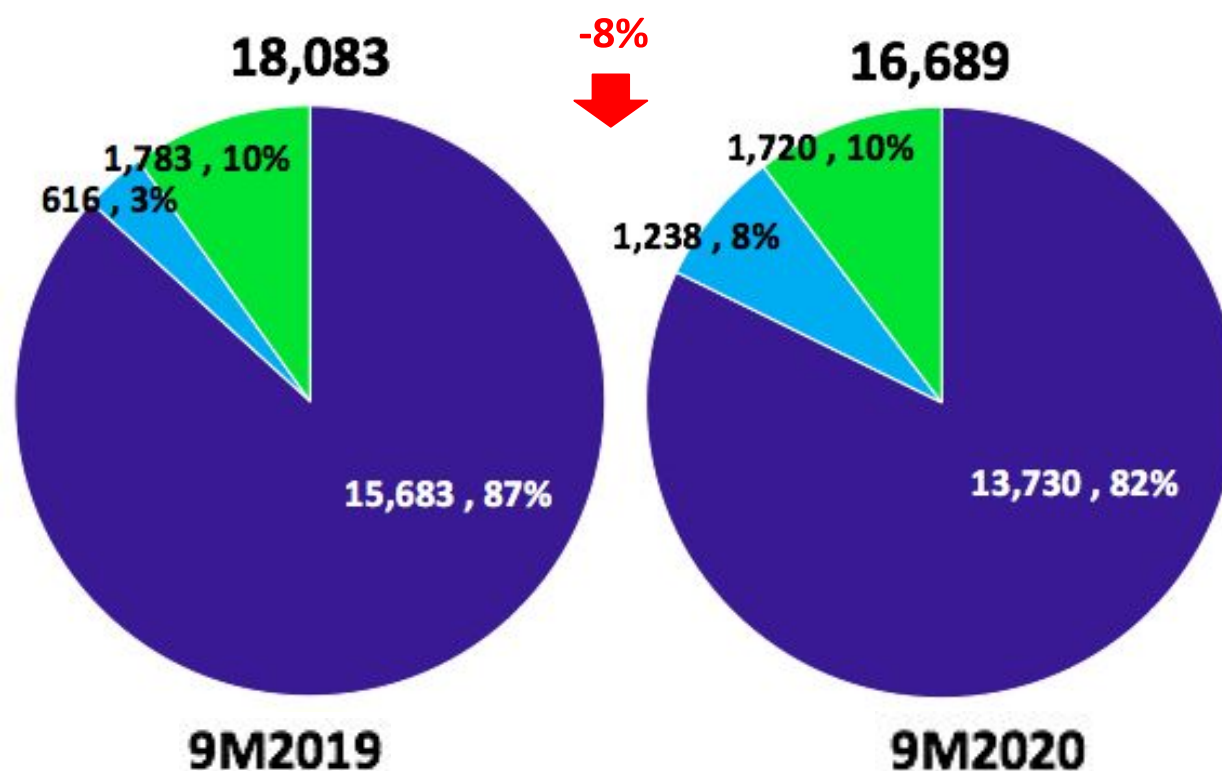


Operating Highlights: Revenue and Energy Sold

Revenue
in PHP millions



Energy Sold
in GWh

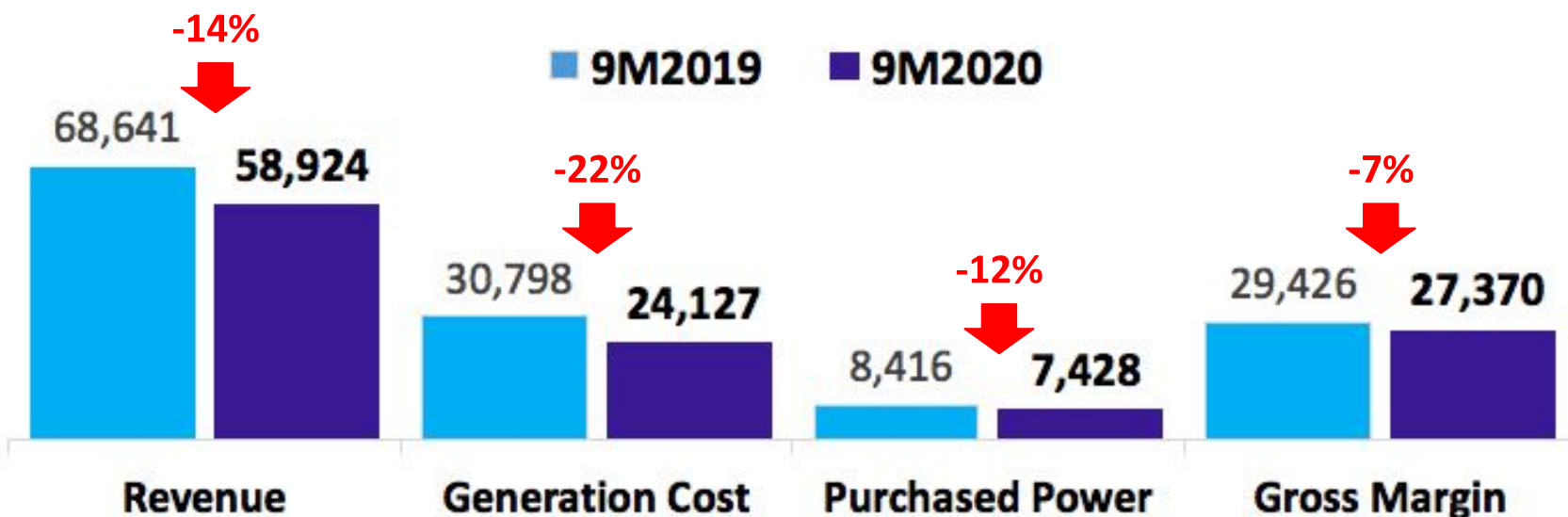


■ BCQ ■ Spot ■ Ancillary Services

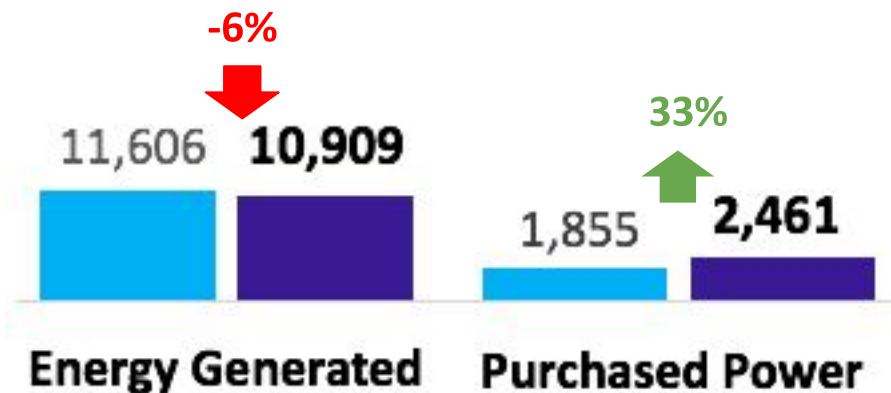


Operating Highlights: Gross Margin

in PHP millions

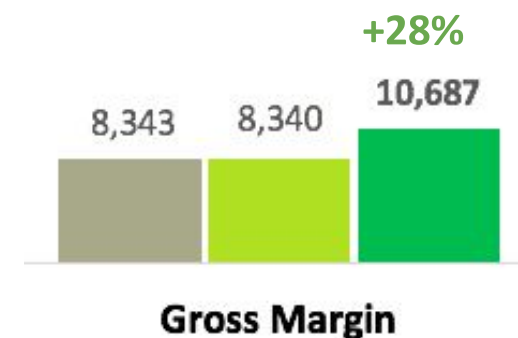


in GWh

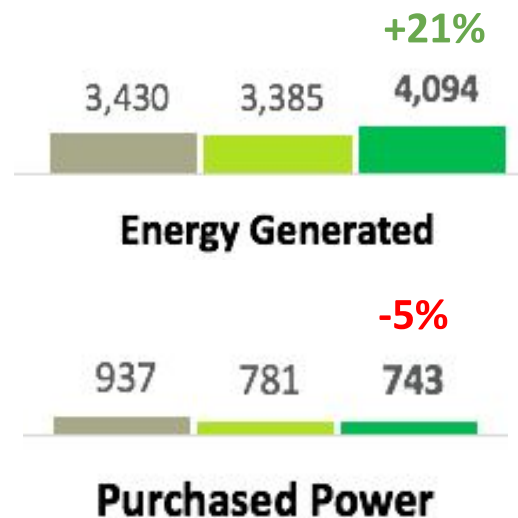


Quarterly Breakdown

in PHP millions



in GWh





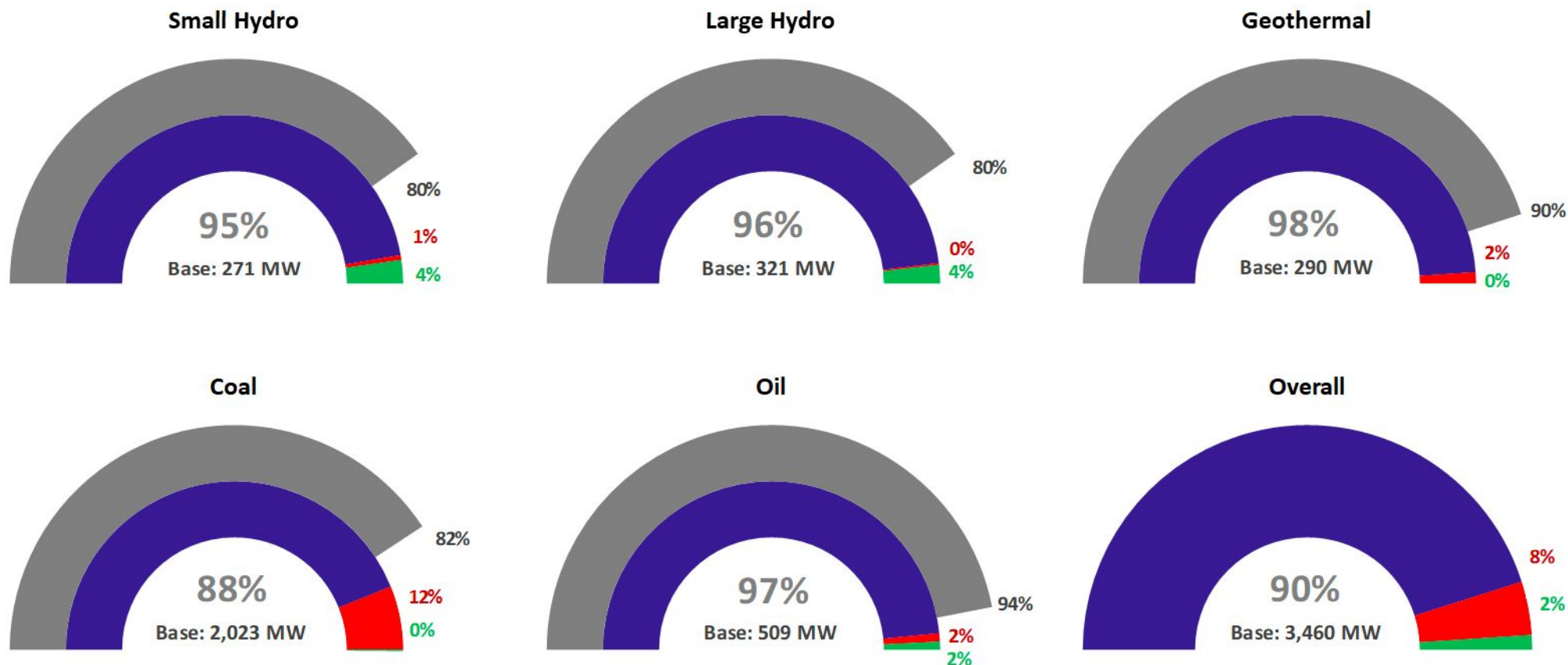
Operating Highlights: Selling Prices (P/kWh)



Ave NEWC \$89.39/MT in 9M2019 vs \$61.56/MT in 9M2020



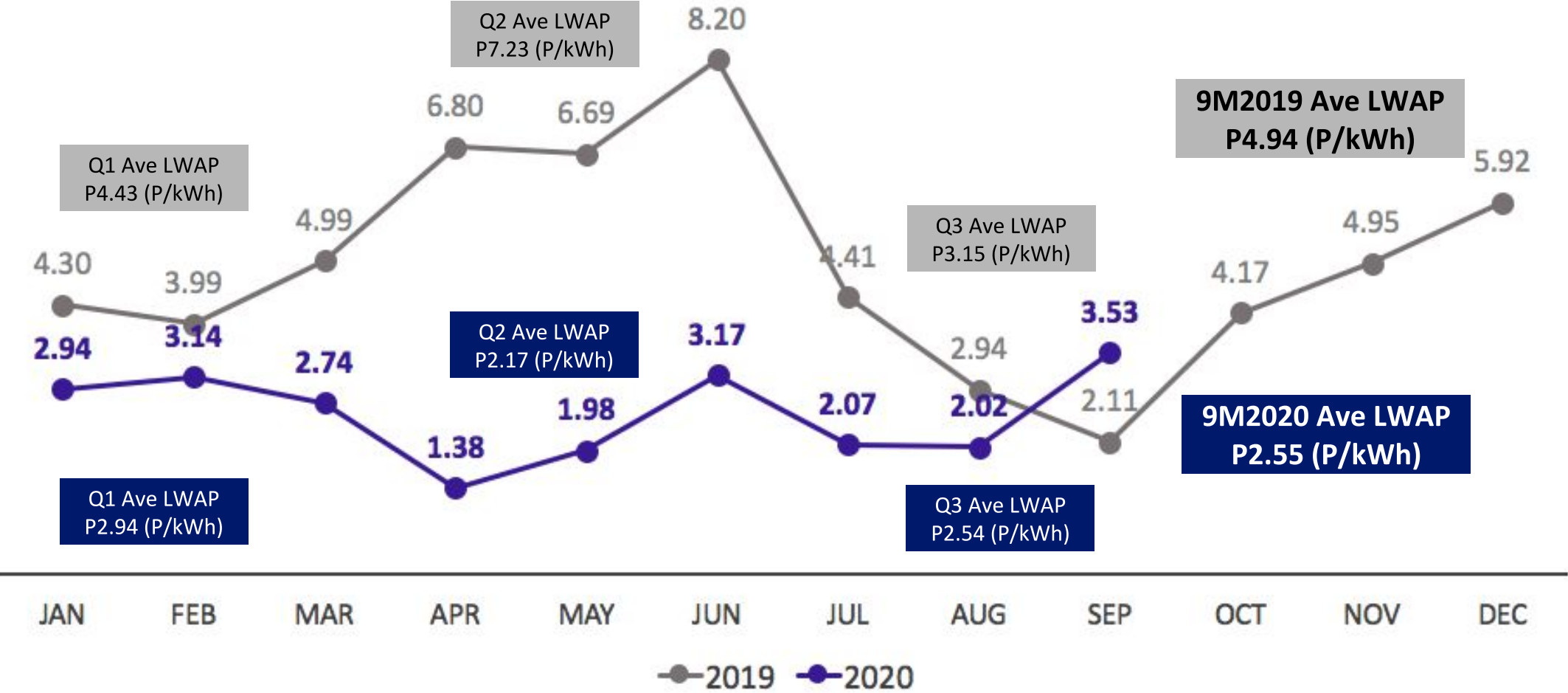
Operating Highlights: Availability - 9M2020



MECHANICAL AVAILABILITY FACTOR UNPLANNED OUTAGE FACTOR PLANNED OUTAGE FACTOR NERC BENCHMARK AVAILABILITY FACTOR

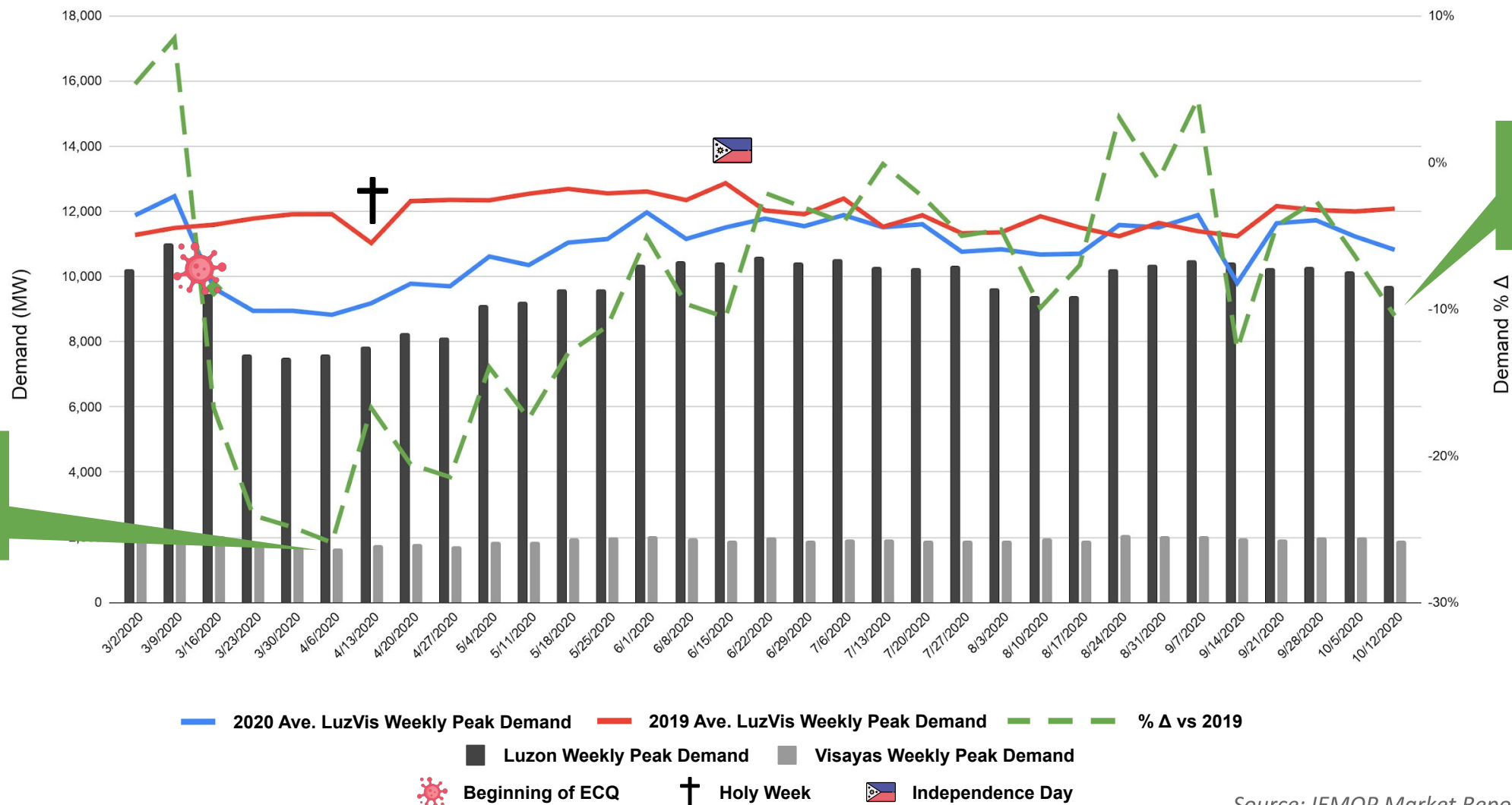


Operating Highlights: WESM



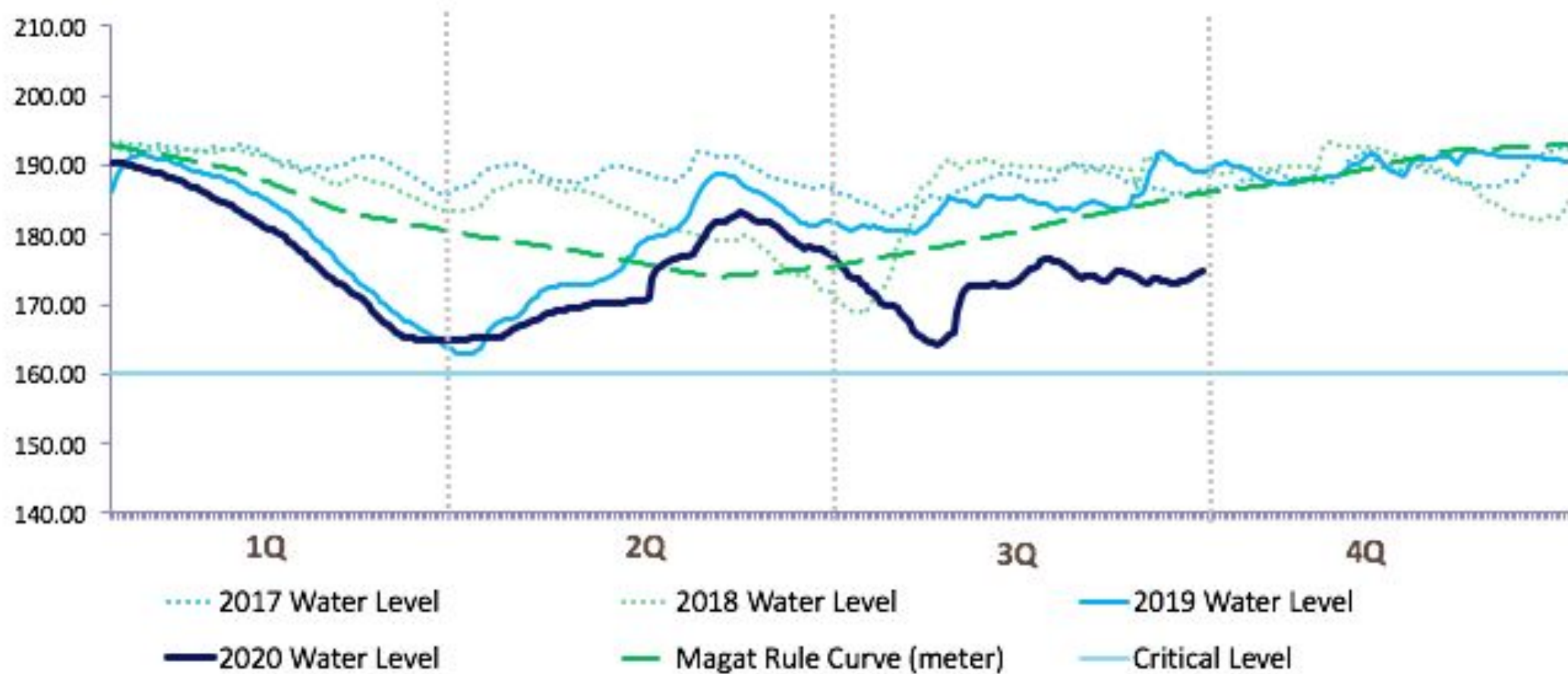


Luzon and Visayas Average Weekly Peak Demand





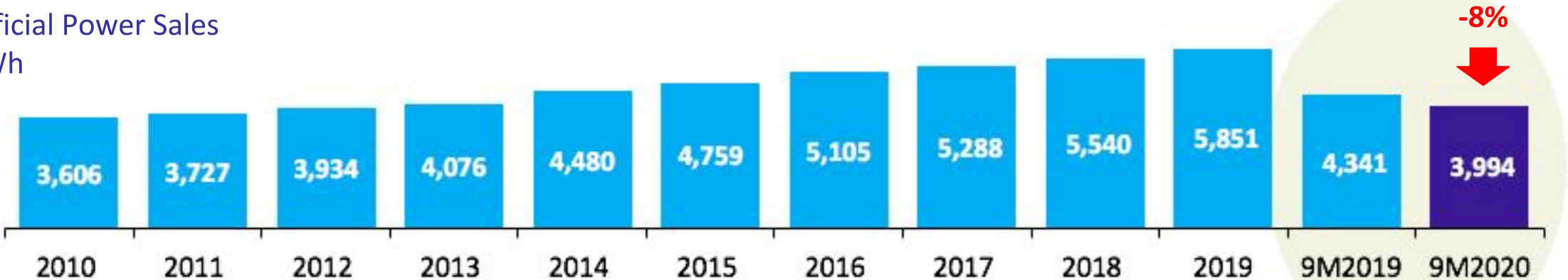
Operating Highlights: Water Level



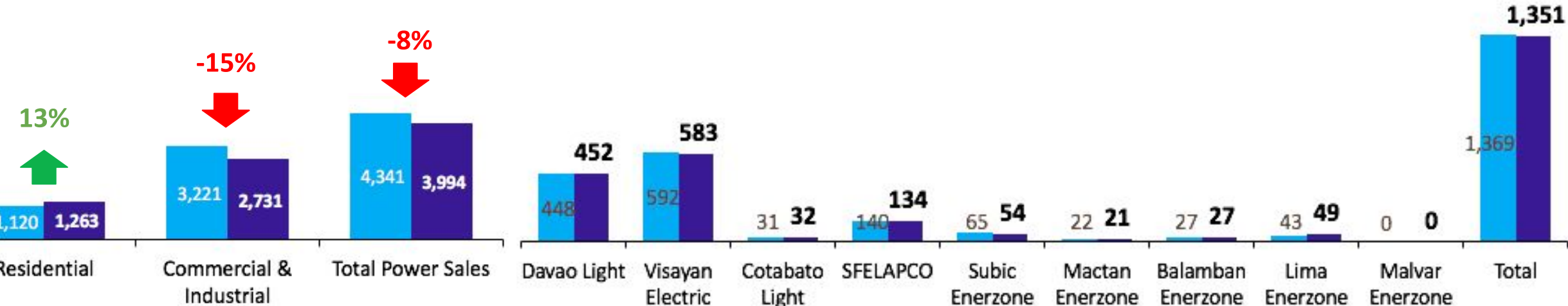


Operating Highlights: Distribution

Beneficial Power Sales
in GWh



Customer Type
in GWh



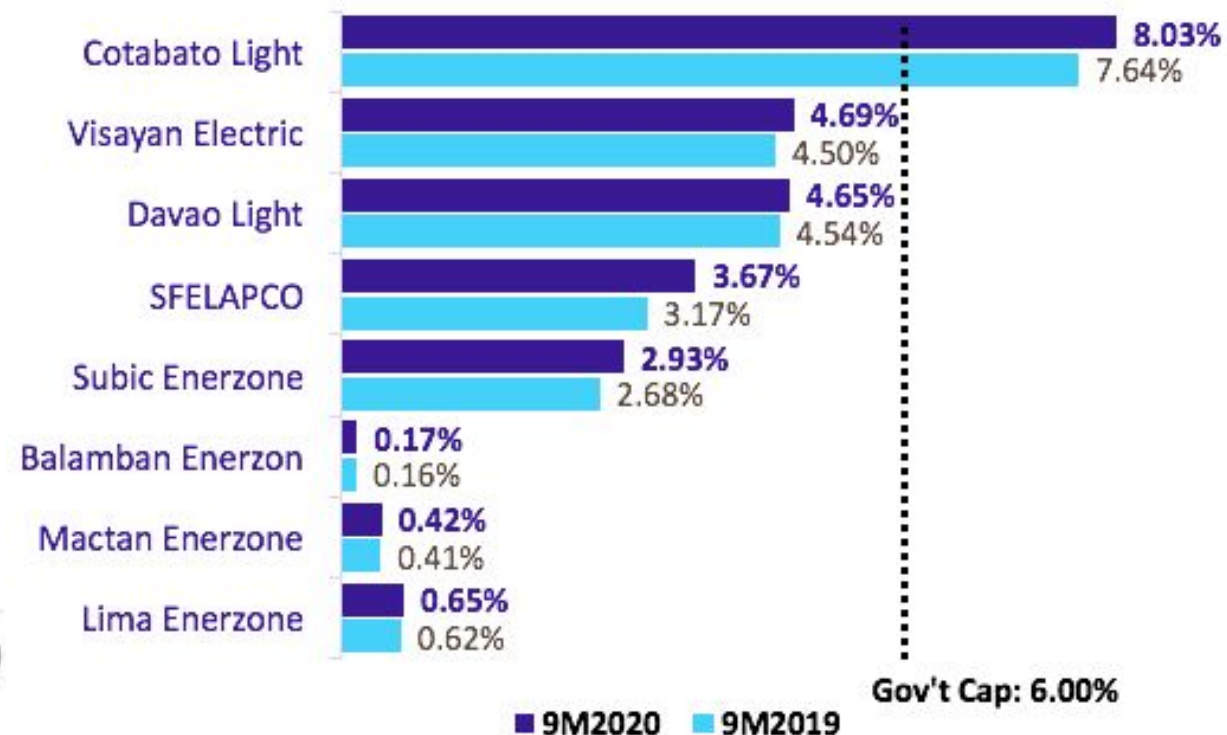


Operating Highlights: Distribution

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	Q2 2021
	Dinginin Unit 2 (Coal – GNPD)	668 MW	70%	468 MW	Q3 2021
	SNAP Magat Floating Solar	67 MW	50%	34 MW	Ongoing development
	SNAP Magat Battery	20 MW	50%	10 MW	2023
Visayas	Naga Power Plant Complex	39 MW	100%	39 MW	Aug 2020
Mindanao	Therma Marine Battery	49 MW	100%	49 MW	2022
		1,511 MW		1,067 MW	

GNPower Dinginin

2 x 668 MW of
Coal Power



Unit 1 First Coal Fire



Unit 1 Steam Turbine Generator



Control Room



Storm Water Settlement Basin

Naga Power Plant Complex

39 MW of
Oil Power



Power House - Smoke Stacks



Engine Room



Main Transformer Yard



Control
Room

Floating Solar

67 MW of
Solar of Power





SNAP Magat Battery Energy Storage System (BESS)
20 MW

TMI
Hybrid
Battery
Energy
Storage
System (BESS)

49 MW



“

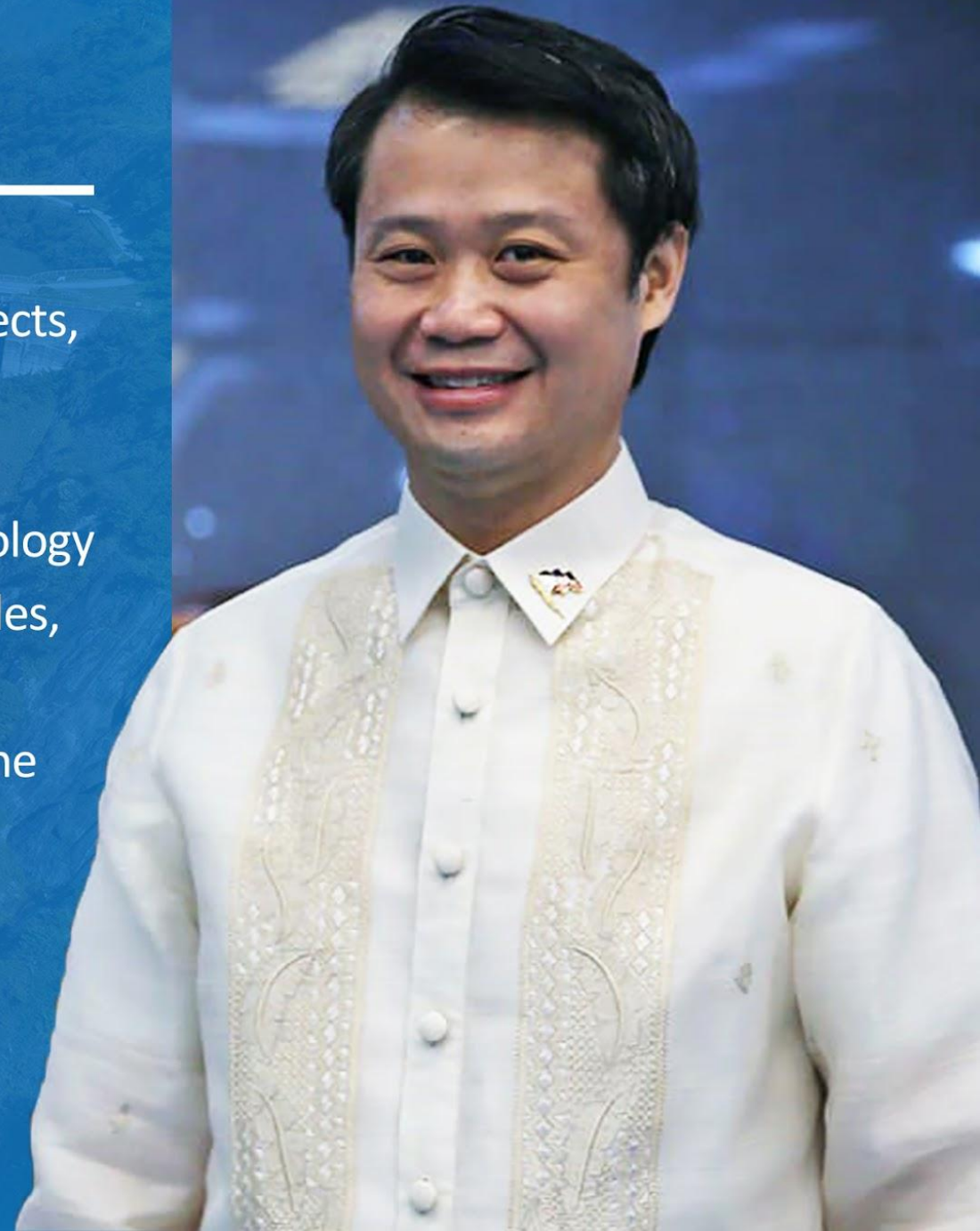
#PositiveEnergy

Aboitiz is a very good partner. I've gone to a lot of their projects, especially hydro. The hydro projects in different parts of the country [are] amazing. It's a very difficult technology. The technology [per se] is not difficult but navigating that technology is very difficult because you have to talk to indigenous peoples, to barangays. So my first suggestion is to look for the right partner. The right partner will help them navigate through the intricacies of the local environment.

Senator Sherwin “Win” Gatchalian

when asked for recommendations to foreign companies
that wish to enter the Philippine energy market

Energy Smart Forum | October 23, 2020





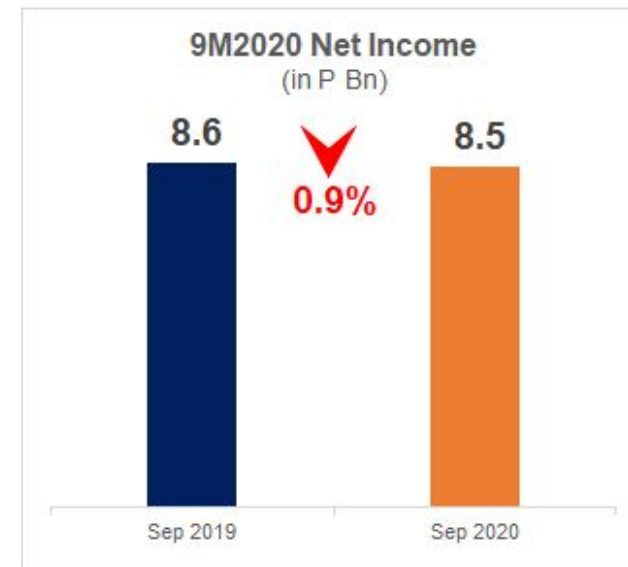
Review of Business Units

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9M2020 Net Income at P8.5 Bn, 0.9% lower YoY

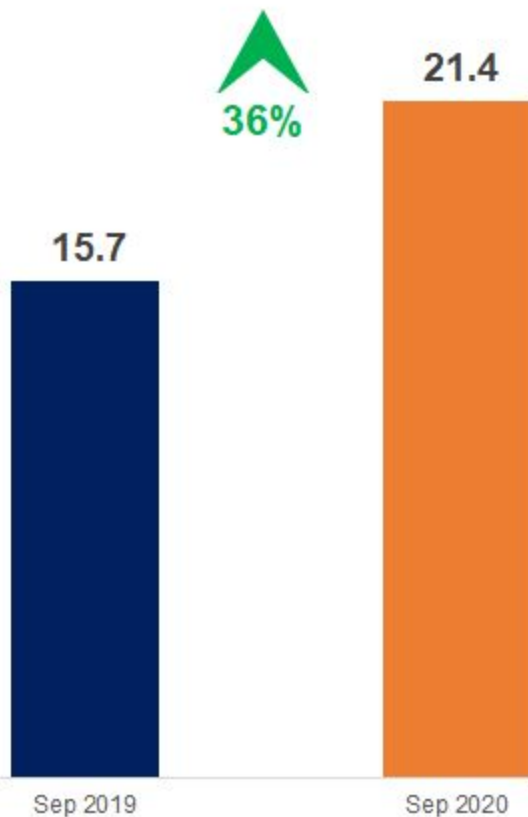
- **3Q2020 earnings at P4.2 Bn, 11% higher vs. 3Q2019**
 - Recurring income up 27% on higher net interest income and service fees
- **9M2020 earnings at P8.5 Bn, 0.9% lower YoY**
 - Provisions for loan losses increased to P7.5 Bn due to continued weakness in the economy from COVID crisis
 - Recurring income growth at 33% from better margins, healthy loan growth, higher fee income.
 - Higher trading gains YoY also boosted the bottomline.





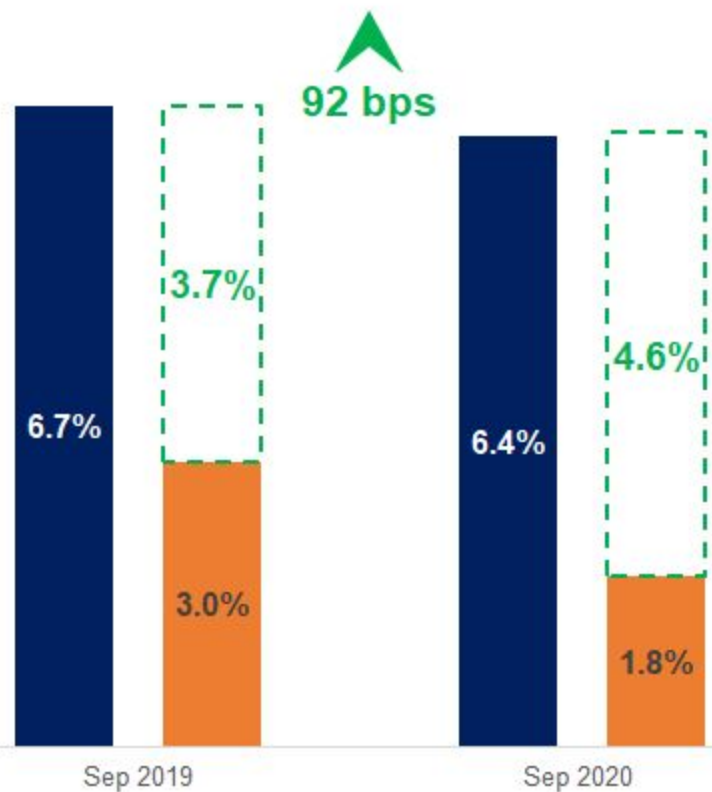
Net interest income increased 36%; Margins up 92bps YoY on lower funding cost

Net Interest Income
(in P Bn)

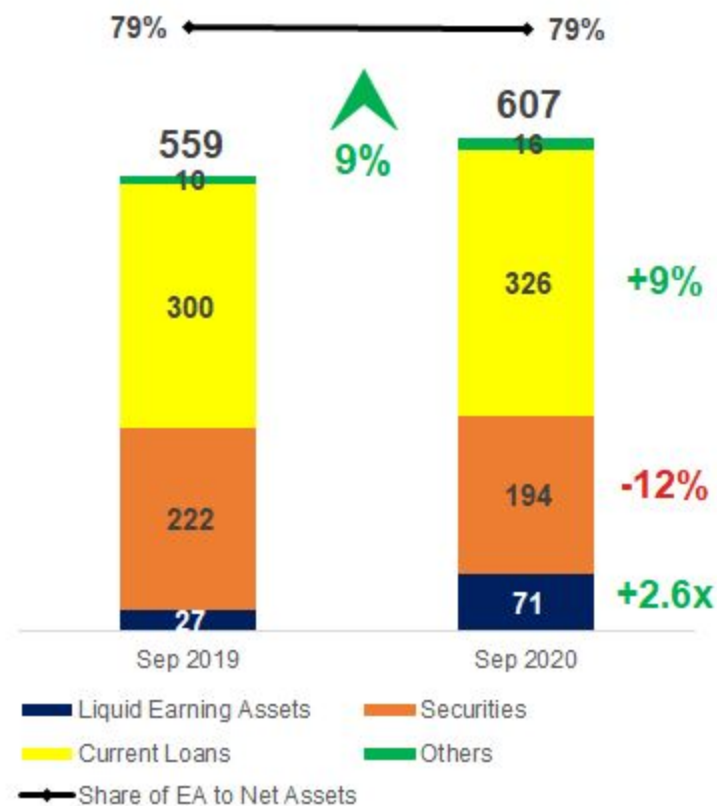


Net Interest Margins

■ Yield ■ Cost ■ NIM



Earning Assets
(in P Bn)





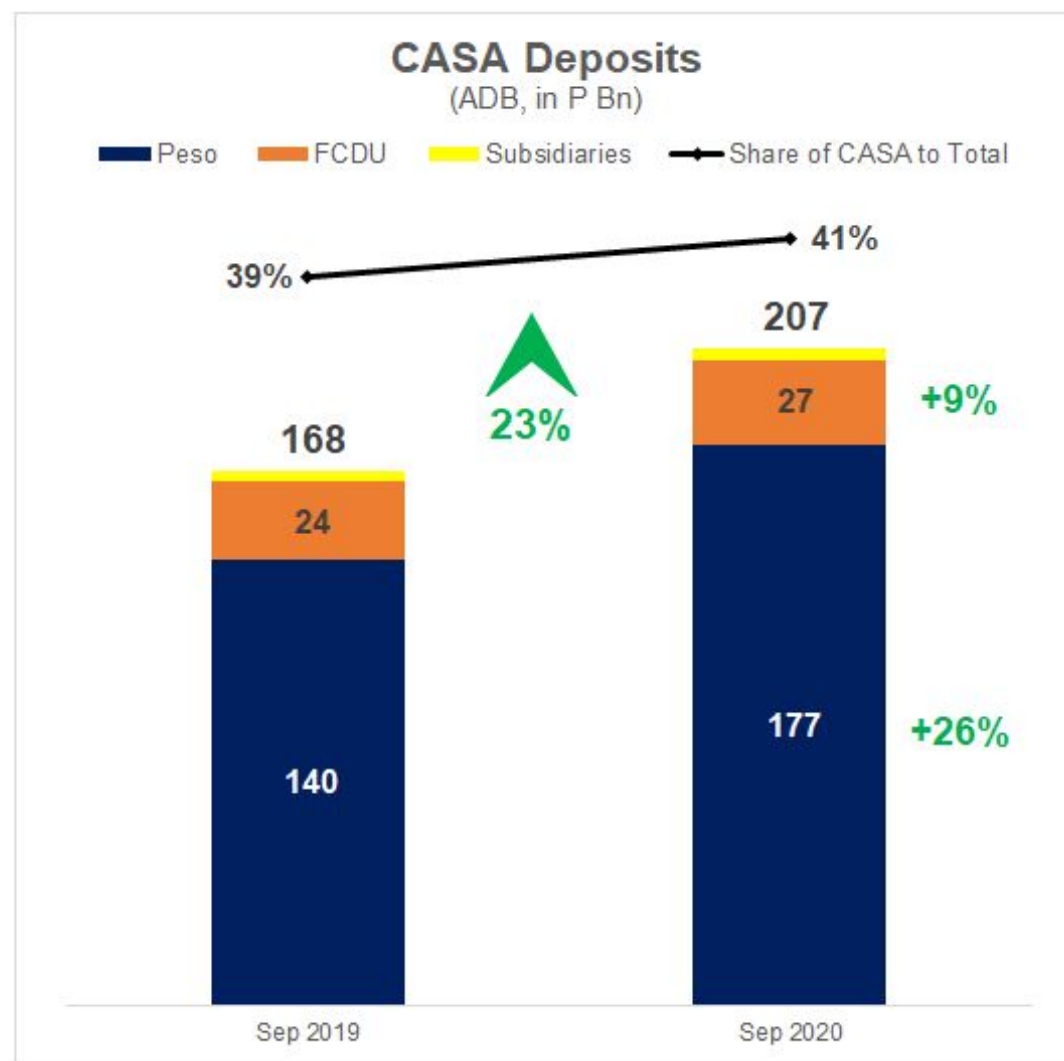
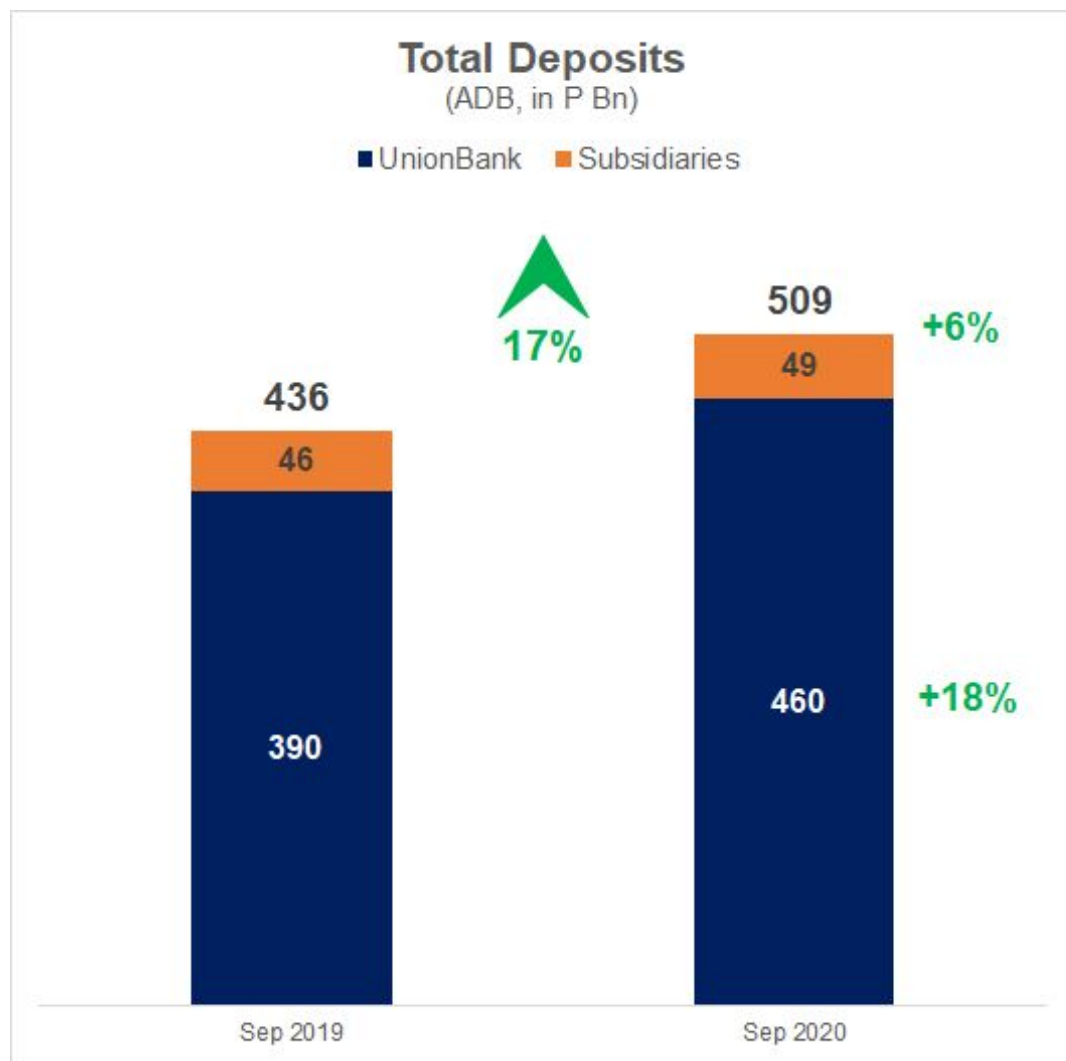
Loan growth driven by commercial and consumer segments



Comprised of Parent Bank Mortgage Loans, Auto Loans, Salary Loans



Total deposits rose 17% on robust CASA growth (+23% YoY)



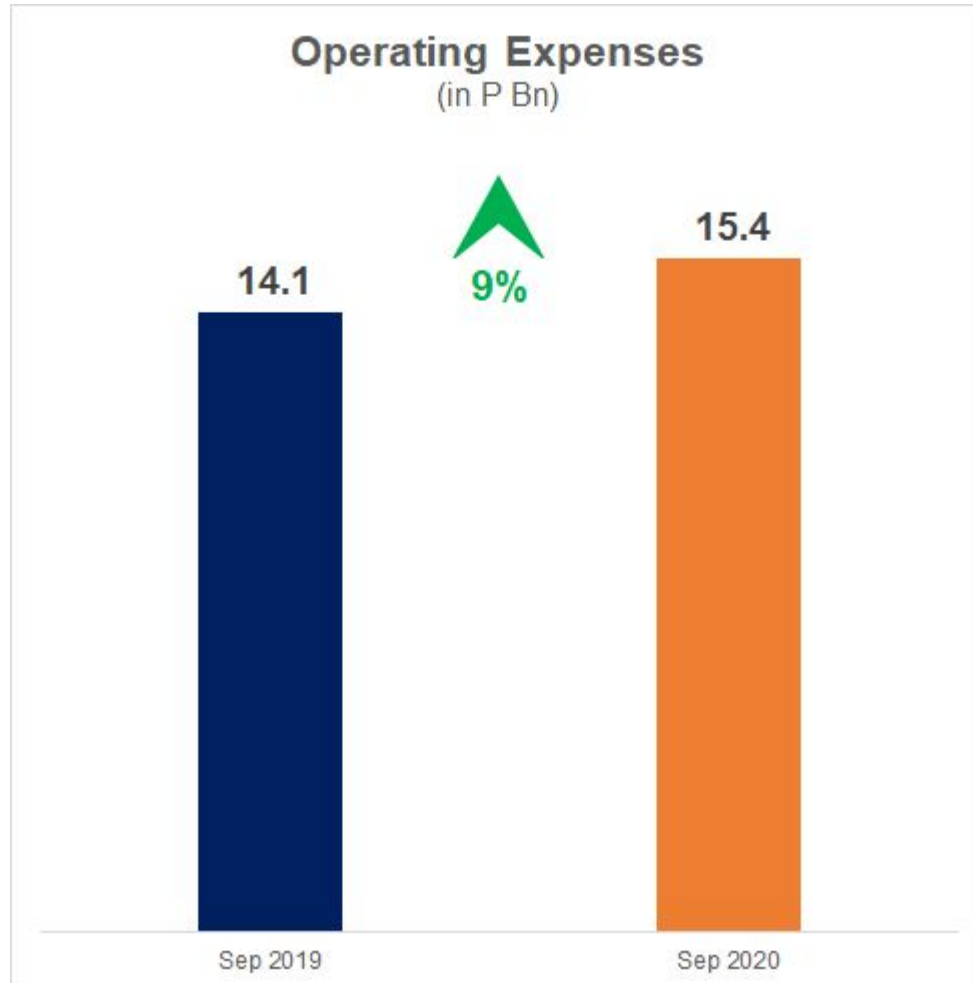


Higher trading gains YoY boost non-interest income





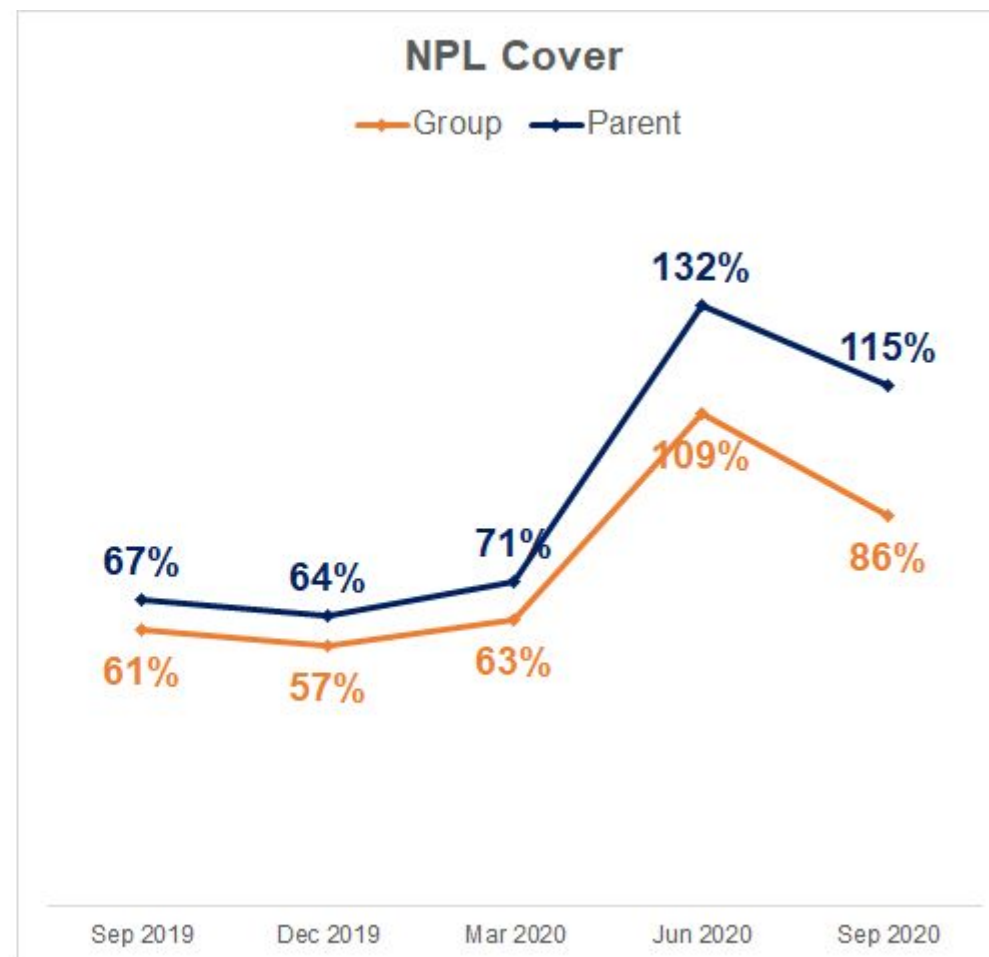
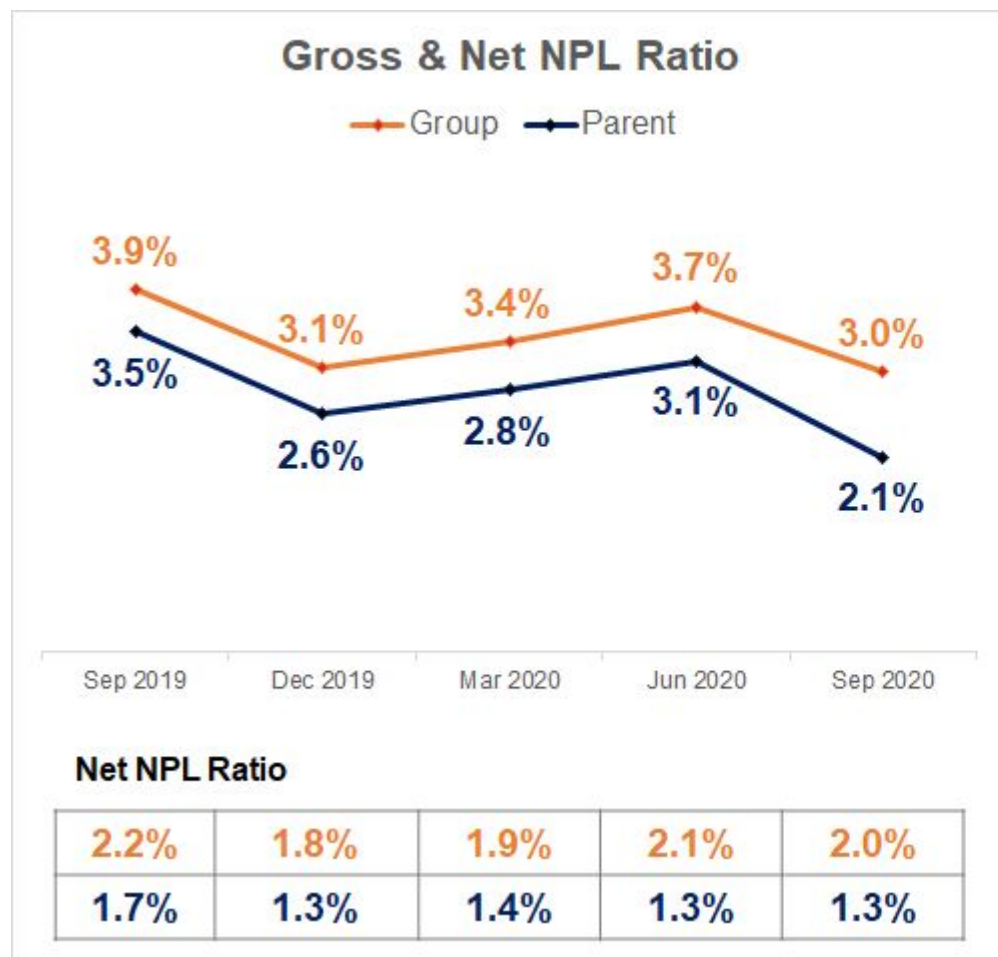
Single-digit opex growth driven by controllable expenses



In P Bn	Sep 2019	Sep 2020	Growth
Volume-Related	3.46	4.20	21%
Gross Receipt Taxes	1.18	1.50	27%
Documentary Stamp Taxes	0.88	1.06	20%
PDIC Insurance	0.64	0.76	18%
Others	0.75	0.88	16%
Controllable	10.68	11.19	5%
Manpower	5.76	5.51	-4%
Depreciation & Amortization	0.97	1.06	10%
Occupancy	0.74	0.68	-8%
Advertising & Marketing	0.16	0.36	123%
Others	3.06	3.59	17%

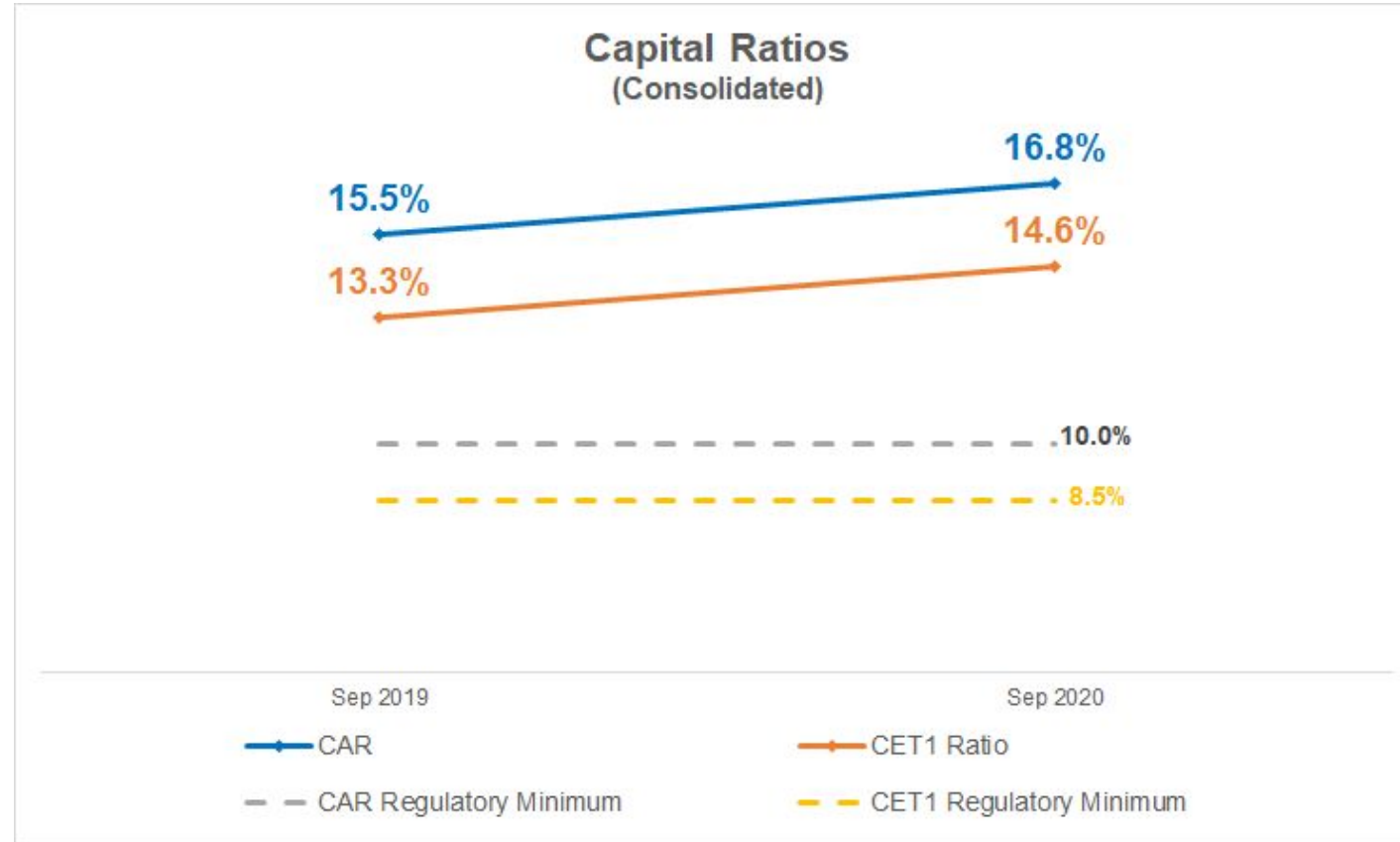


NPL ratios remain manageable; Higher provisions in 2Q boosted NPL cover





Stronger capital ratios YoY and above regulatory minimum





Outlook

- ▶ Relatively flat loan and asset growth amid continued economic weakness

Negative GDP growth

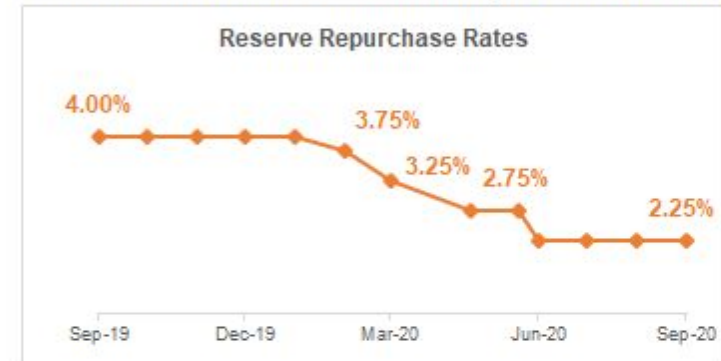


Slower loan growth in the banking industry



- ▶ BSP might keep rates unchanged for the rest of the year

RRP rates remain at 2.25% since 50bp-cut in June 2020



RRR remains at 12% since 200bp-cut in April



Resiliency and agility amid COVID crisis



Deployed Bank on Wheels to support customers' liquidity needs



UBP as one of DSWD's financial service providers for its social amelioration program



EON's partnerships with LGUs for distribution of cash assistance



Launch of blockchain-enabled Bonds.ph app, for the distribution of retail treasury bonds, in partnership with PDAX & BTr

UnionBank Online App features launched amid COVID



Send money to partner remittance centers



Mobile Check Deposit



Free InstaPay fund transfers



Cash in via ECPay partner outlets



Forex Transactions via the UB app

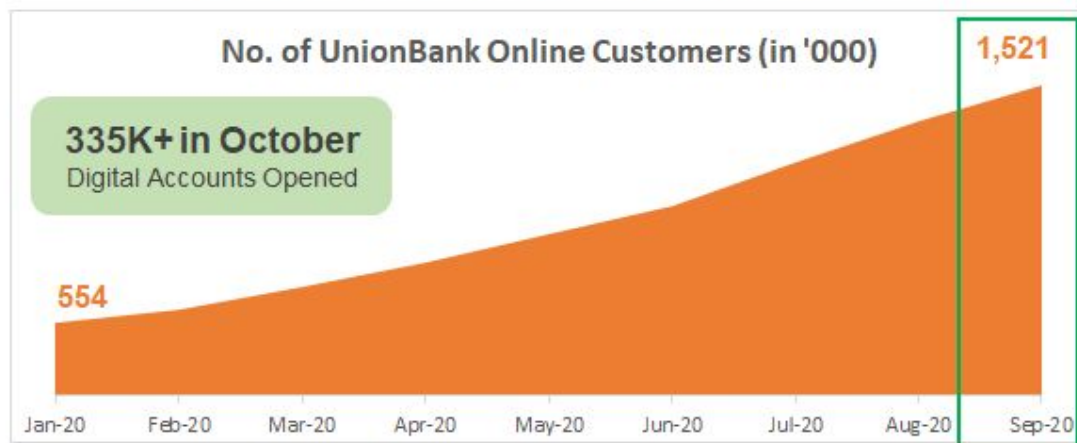
UnionBank x Lazada Credit & Debit Card



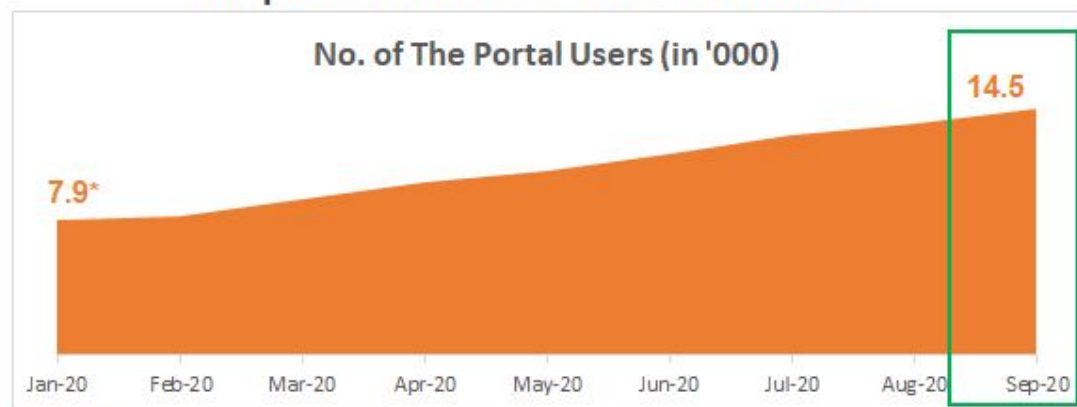


Digital take-up continues to gain traction

UnionBank Online customers breached 1.5M mark

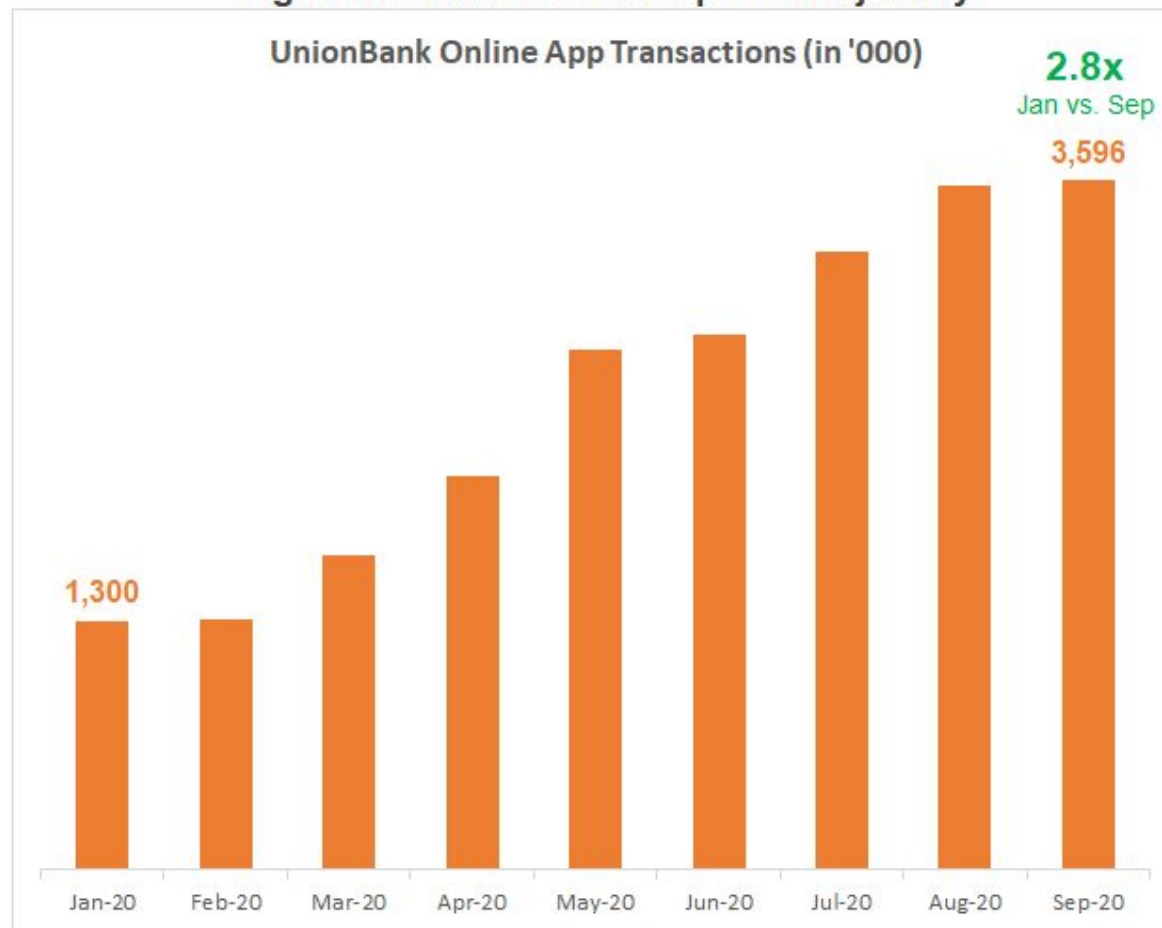


Corporate enrollments doubled to 14K+



*Restated

Digital transactions on an upward trajectory



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



Review of Business Units

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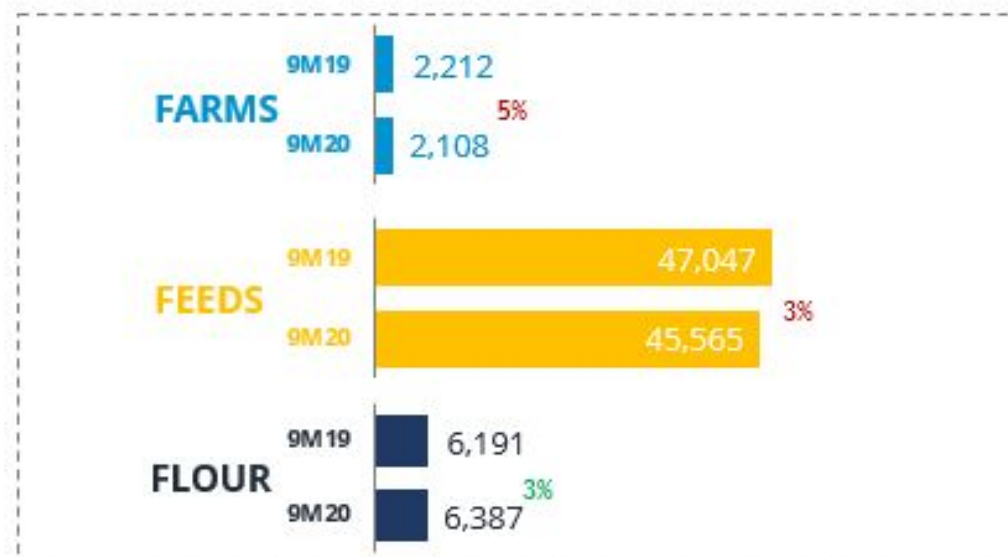
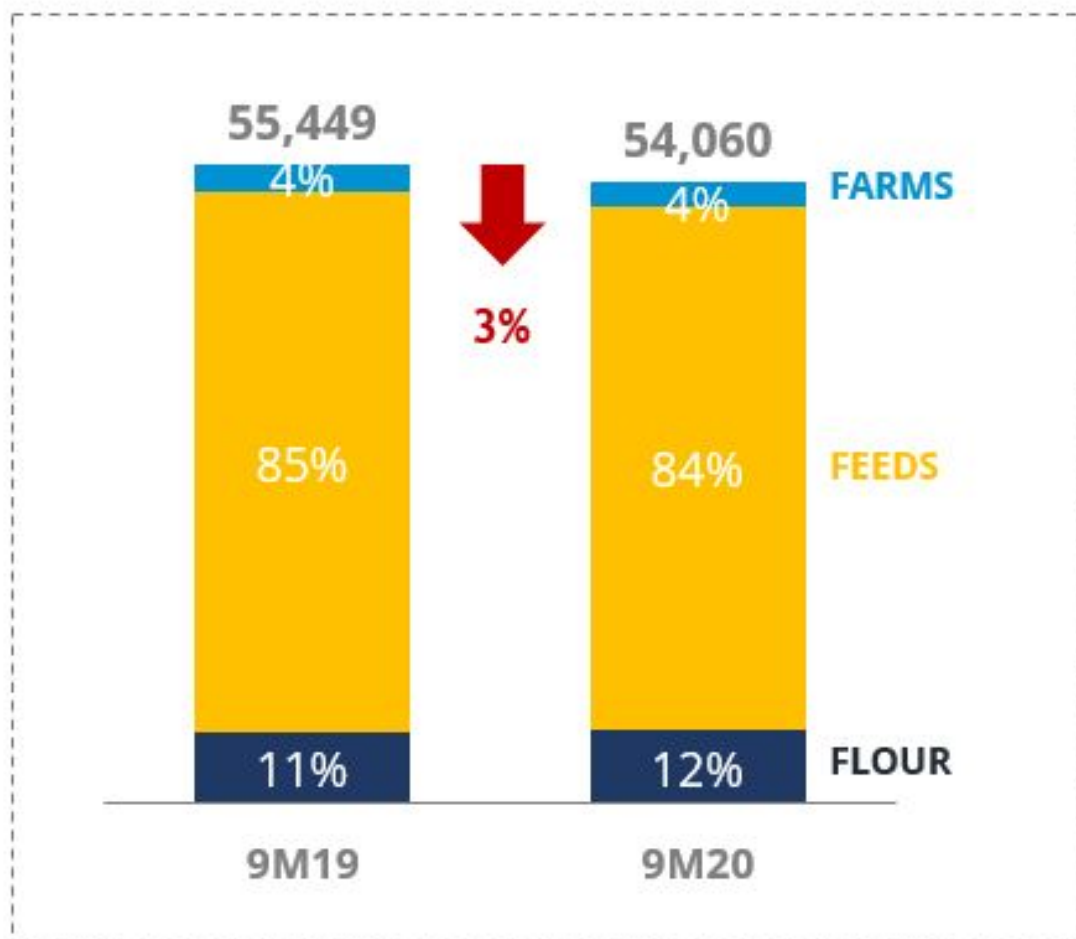


9M2020 Financial Highlights

FOOD GROUP  	9M 2020 Financials		vs. 9M 2019 Financials		
	PHP (Million)	USD (Million)	PHP (Million)	USD (Million)	% Movement
Revenue	54,060	1,080	- 1,390	- 28	- 3%
EBITDA	3,946	79	+ 133	+ 3	+ 3%
NIAT	1,363	27	- 40	- 1	- 3%
EBITDA Margin	7%		+ 42 BPS		



9M2020 Financial Highlights: Revenue

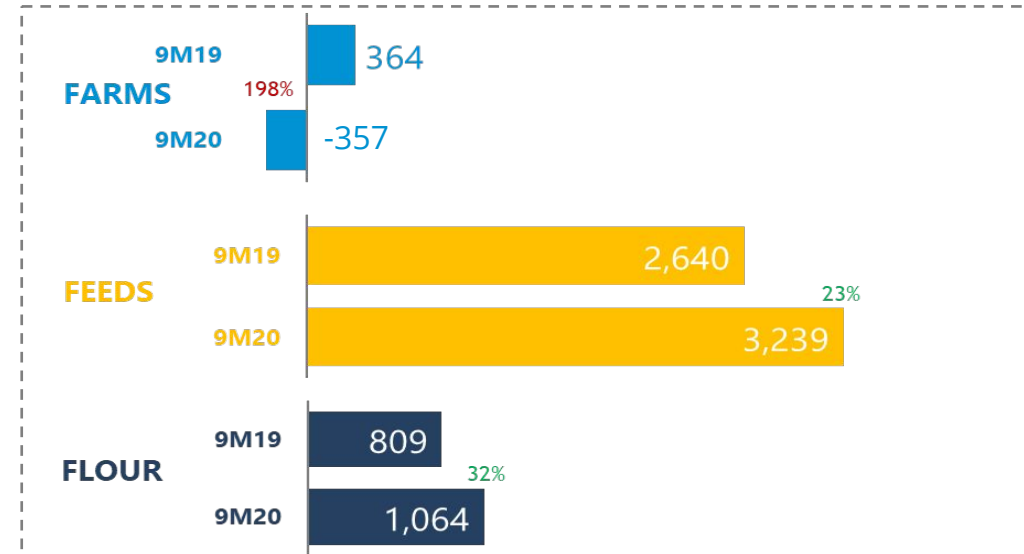
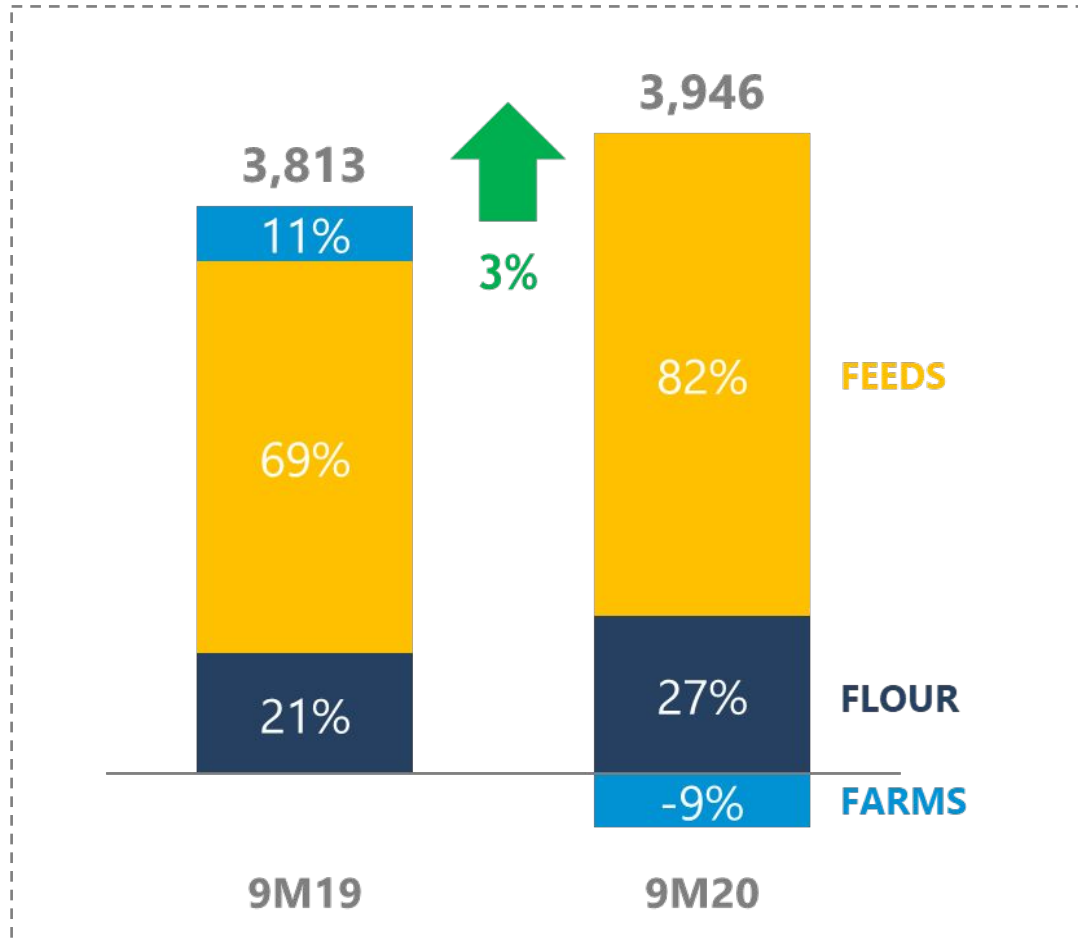


DIVISIONS	IN USD MILLION		VARIANCE	
	9M19	9M20	Year on Year	
Farms	44	42	- 2	- 5%
Feeds	940	910	- 30	- 3%
Flour	124	128	+ 4	+ 3%
Total Food Group	1,108	1,080	- 28	- 3%

Amounts in Php Million



9M2020 Financial Highlights: EBITDA

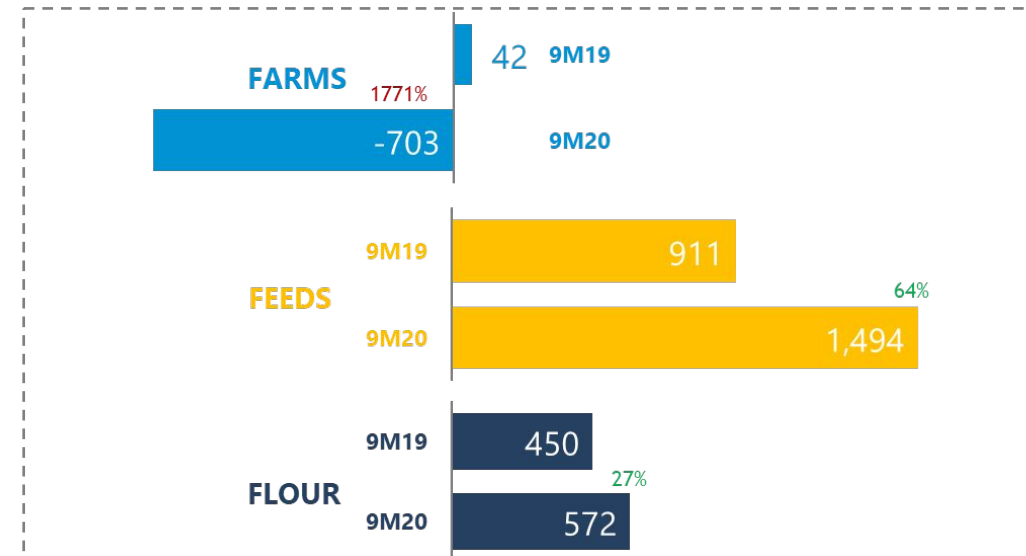
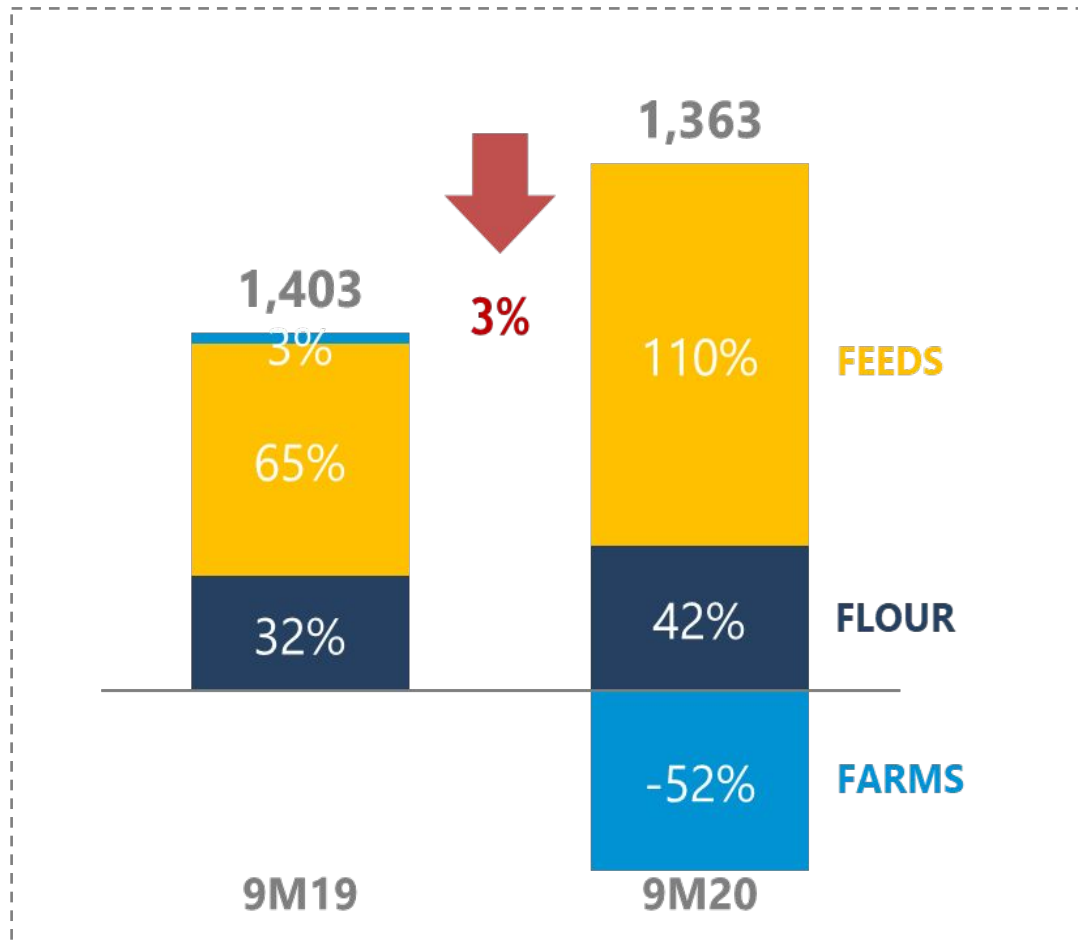


DIVISIONS	IN USD MILLION		VARIANCE	
	9M19	9M20	Year on Year	
Farms	7	-7	- 14	- 198%
Feeds	53	65	+ 12	+ 23%
Flour	16	21	+ 5	+ 32%
Total Food Group	76	79	+ 3	+ 3%

Amounts in Php Million



9M2020 Financial Highlights: NIAT



DIVISIONS	IN USD MILLION		VARIANCE	
	9M19	9M20	Year on Year	
Farms	0.8	-14.0	- 15	- 1771%
Feeds	18	30	+ 12	+ 64%
Flour	9	11	+ 2	+ 27%
Total Food Group	28	27	- 1	- 3%

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 through the use of online platforms
- ✓ Enhanced Supply Chain Management
- ✓ Flexible Collections and Payments
- ✓ Pushed through Essential CAPEX to Protect Bottomline
- ✓ Fast BCP response - Readiness of Digital Platforms





2020 Project Update

LOCATION	PROJECT	CAPACITY	DATE OF COMPLETION
Philippines	Meats Fabrication Plant (Tarlac Meats Master)	468k heads p.a	3Q 2020
Vietnam	Fish Feed Line	5TPH	4Q 2020
Philippines	Iligan Feed Mill Expansion	20TPH	4Q 2020
Malaysia	Fish Feed Line	5TPH	1Q 2021





Aug 2020

Meats Fabrication Plant (Tarlac Meats Master)

*Forward Integration of Farms Business
Completion rate: 100%*





Oct 2020

Fish Feed Line

+5TPH capacity in Ha Nam, Vietnam
Completion rate: 99%





Nov 2020

Iligan Feed Mill Expansion

+20TPH capacity to support VisMin region

Completion rate: 99.5%





Mar 2021

Fish Feed Line
+5TPH capacity in West Port, Malaysia
Completion rate: 50%









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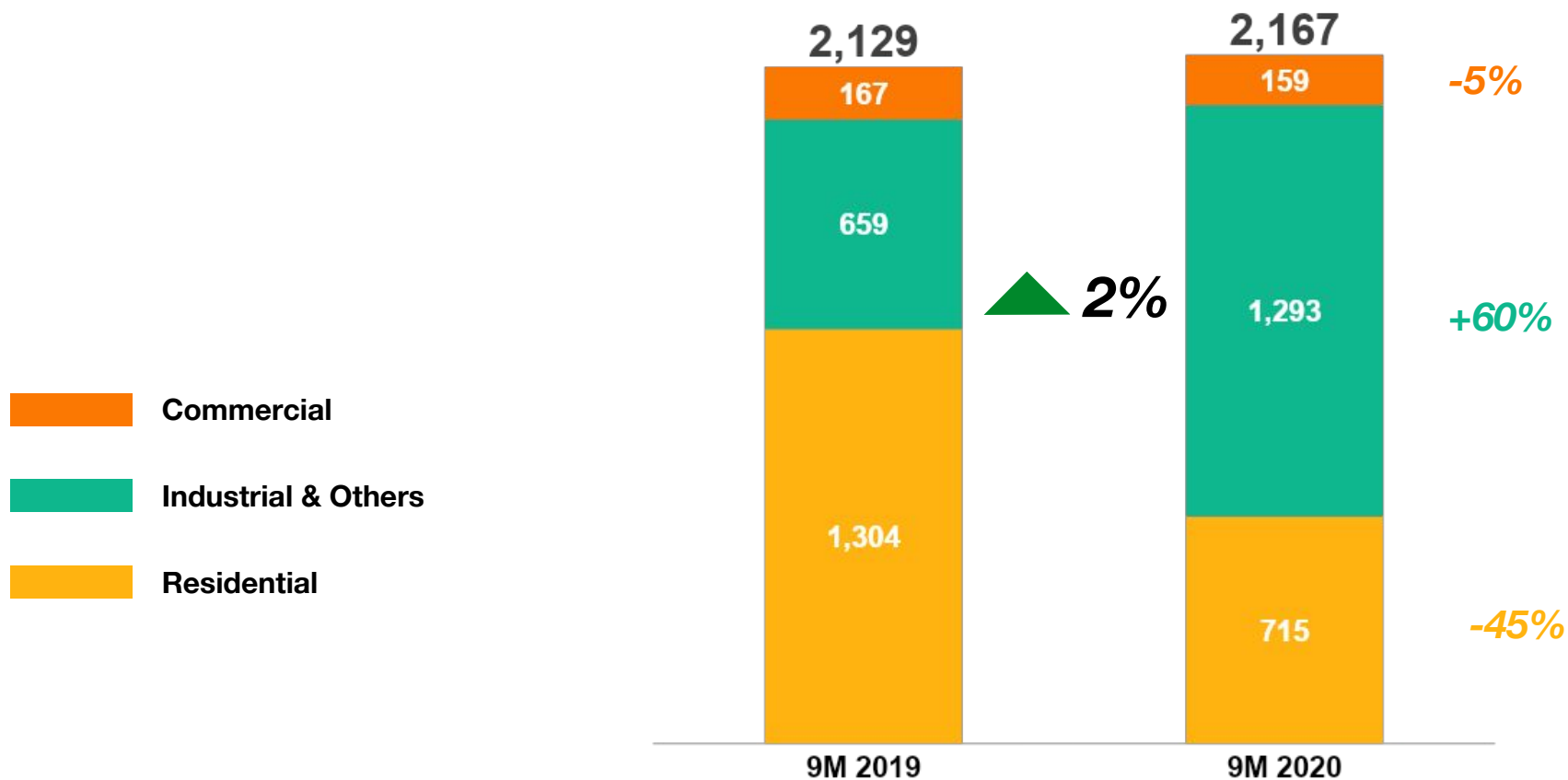
9M2020 Financial Performance

	<u>9M2020</u>	vs <u>9M2019</u>
Revenues	2,167M	 2%
Gross Profit	868M	 6%
NIAT	85M	 90%
<i>Residential Sales</i>	2,012M	 66%



9M2020 Revenues

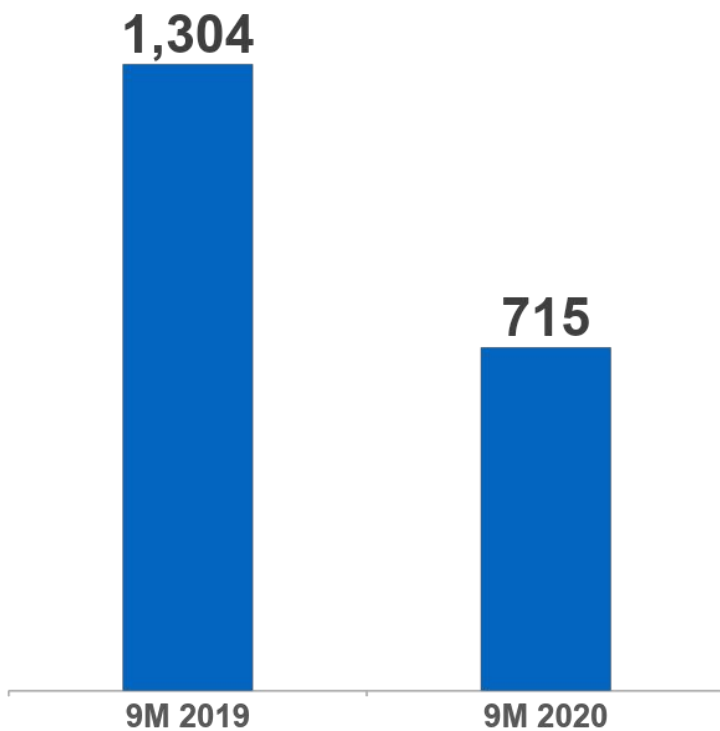
Restrictions in residential operations significantly weighed down revenues year-on-year though offset by the recognition of Industrial lot sales in Lima



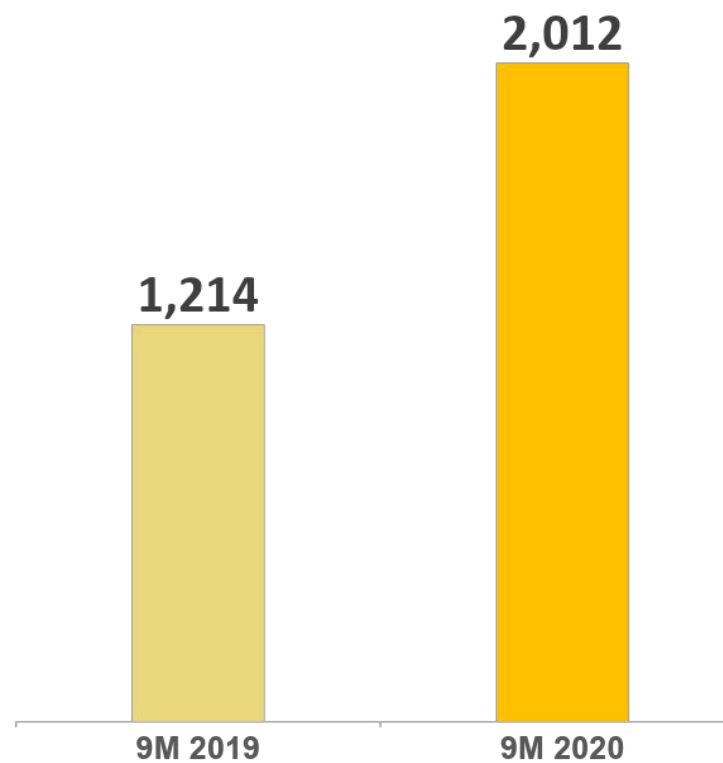


9M2020 Residential Performance

 **Revenues**
by 45% vs. 2019



 **Sales**
by 66% vs. 2019





9M2020 Business Highlights

Greater broker engagement has improved residential sales.
Digital activations continue to help in sustaining sales momentum
and brand visibility.





9M2020 Business Recovery Plan

Digital Initiatives

- Setting up systems to make our processes more efficient

Aggressive marketing

- Ramped-up digital activations designed to convert sales
(Online open houses, webinars)
- Opening of Model Units and Sales Offices
- Competitive payment terms





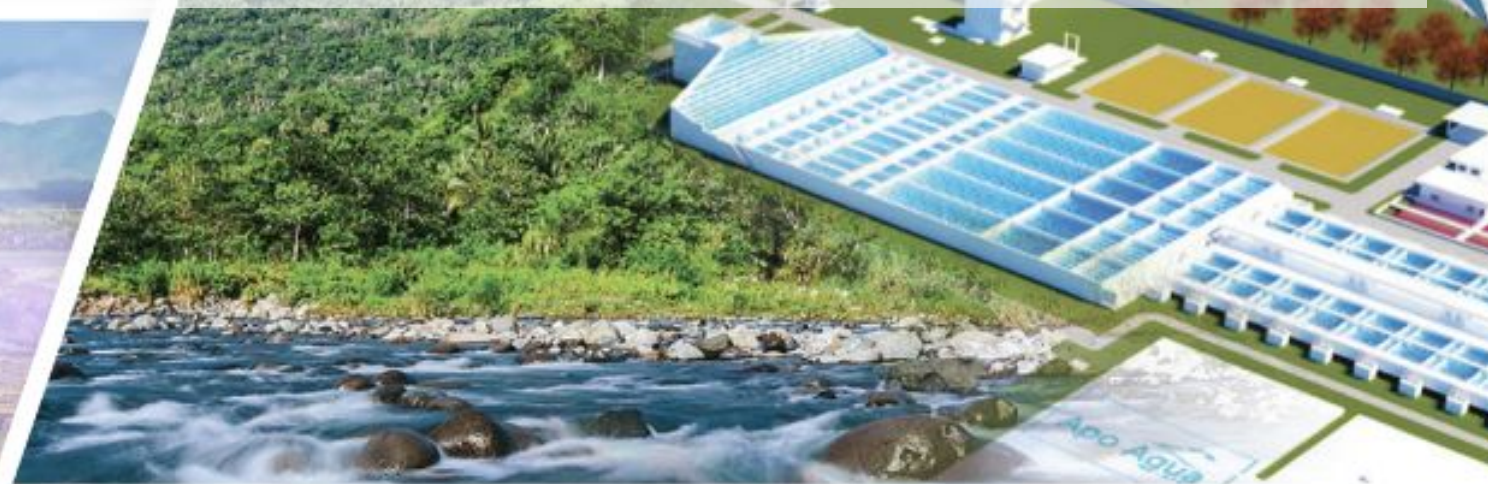
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Aboitiz InfraCapital

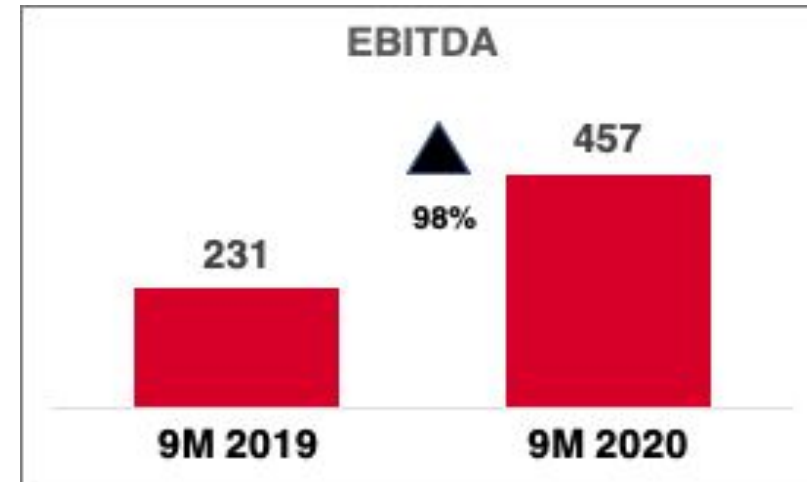
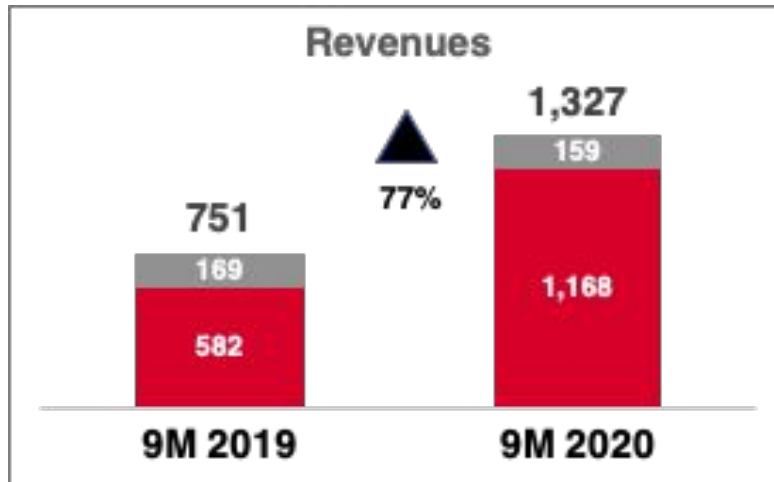
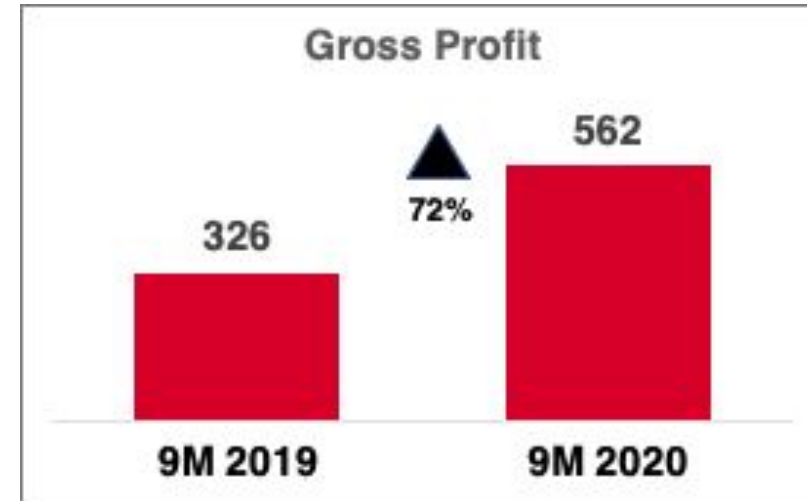
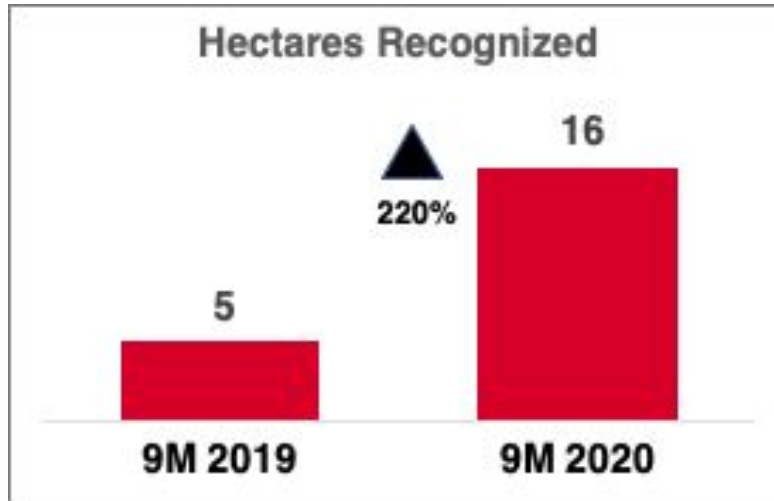


We are committed to helping uplift lives and spur economic growth through better and integrated infrastructure facilities and services





9M2020 ICBU Financial Performance

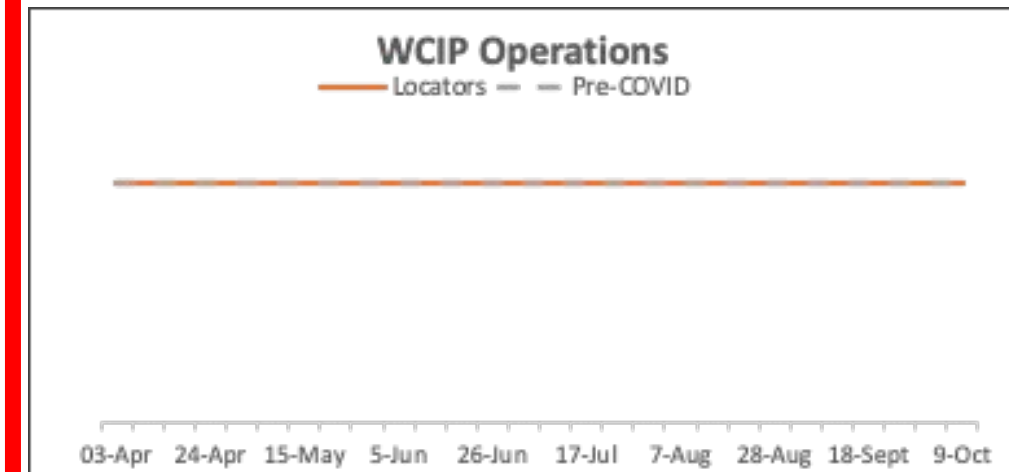
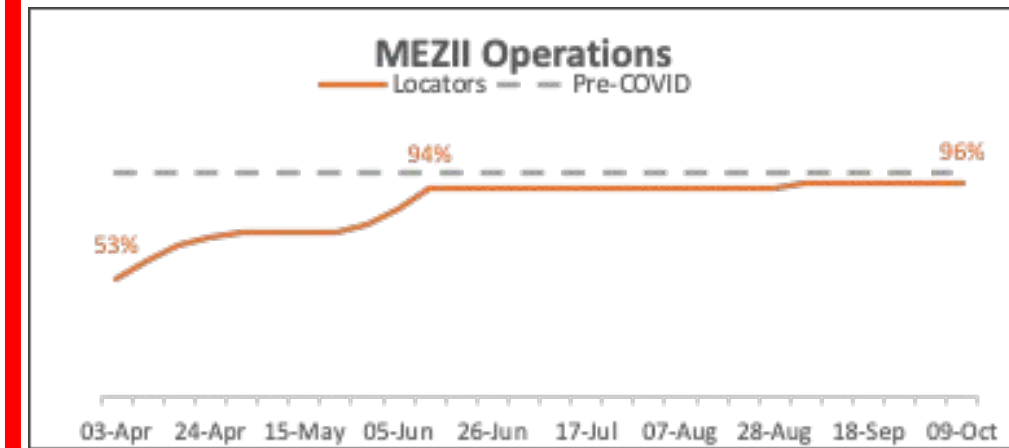
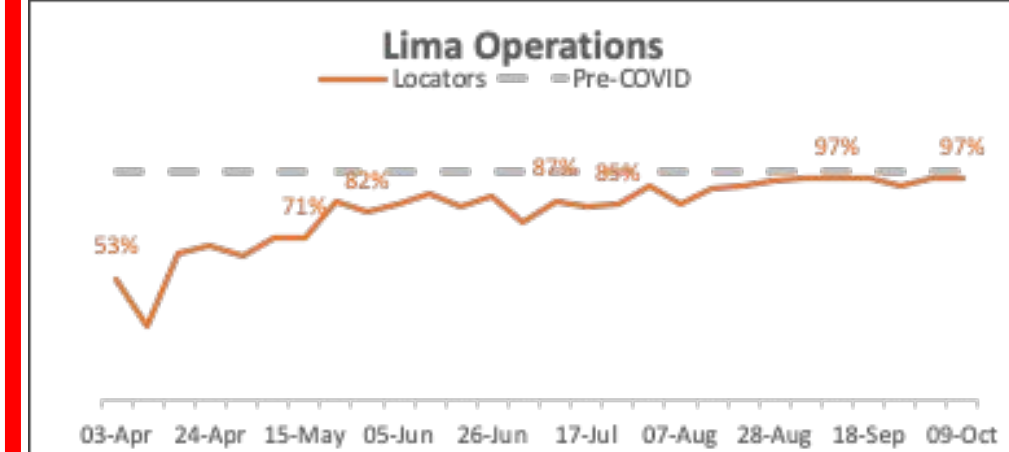


 Commercial
 Industrial

Note: Figures exclude Joint Ventures

Minimum disruption to industrial operations

Locators are all operational and activity levels are back to pre-ECQ levels





Ensuring Business Continuity:

- **Regular disinfections**, safety protocols and reminders throughout park
- **Virtual meetings with locators**
- **On-site accomodations** provided for construction workers. **Proper sequencing of work and breaks** to facilitate social distancing.

Addressing the challenging environment for the retail business

Foot traffic gradually increasing since lifting of ECQ

**Daily sales are better with alternative purchasing modes
and al fresco areas**



Providing rental relief for commercial tenants

Ensuring the safety of patrons and tenants through the proper measures

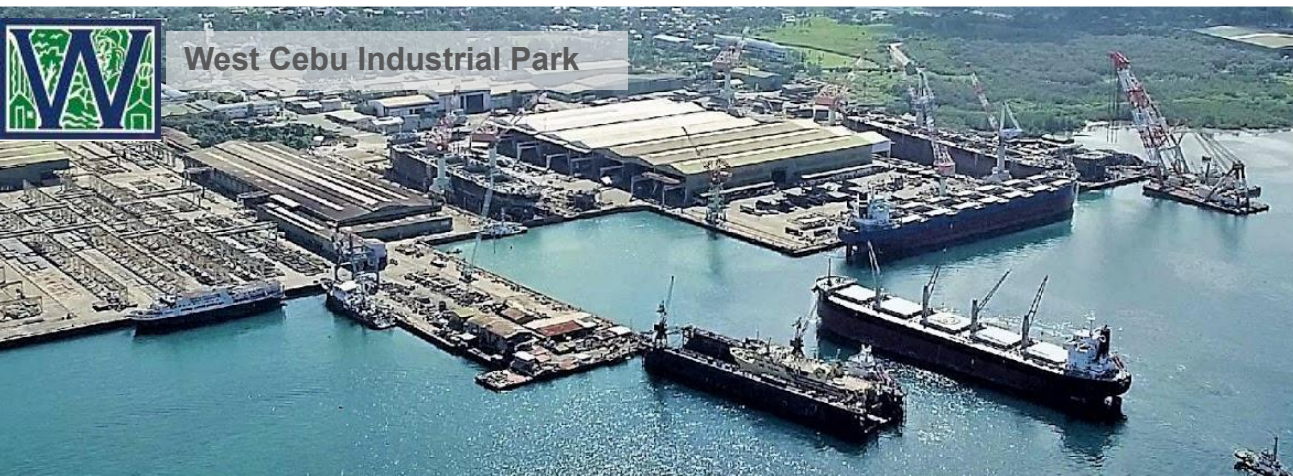
Leveraging on **open-air format of The Outlets**

Alternative means for customers to avail of the products and offerings





MEZ II
Mactan Economic Zone II



W
West Cebu Industrial Park

Industrial zones to be expanded and transformed over time in order to maximize earning capability

- **Harvest** - Continue sales/lease of industrial land and leasing commercial spaces
- **Expand** - Consolidate strategic footprint & capitalize on opportunities
- **Transform** - Develop the industrial zones into smart and vibrant integrated economic centers



Water demand has reached
pre-ECQ level resulting to
YTD EBITDA of PhP28M

First and only industrial park water
services provider with a **laboratory**
accredited by DENR

Implemented **additional operating**
efficiency program that will lead to
savings

How we plan to achieve target completion by 2021 amid COVID-19:

- Aggressive manpower ramp-up
- Simultaneous work and extended hours
- Subcontracting works

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





Small cells will help **improve the country's ICT infrastructure** and will play a **key role in 4G and 5G deployments**

Partnered with Globe and Dito for the deployment of small cells in key urban areas

Small Cell Sites

Received **provisional registration as an Independent Tower Company** from DICT on September 10, 2020

Continuing discussions with government on revised terms for airport proposals to take into account impact of COVID-19

Towers



Airports





Lima Technology Center collaborated with the Office of Civil Defense to distribute boxes of fish to employees of locators who were affected by the pandemic.



Approximately 800 boxes (10 kgs/box) of fish were distributed on September 22 at the Lima Admin Office

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

Ongoing CSR at Apo Agua thru

- College Scholarship Program
- Financial Assistance for High School students
- Assistance to public schools
- Adopt-A-Site Project with DCWD





Promoting Health & Safety

- Daily Health Checks
- InfraCares Bulletin
- InfraKamustahan Virtual Town Halls
- Virtual wellness activities
- Online contests

INFRAKAMUSTAHAN

OCTOBER 14, 2020 | WEDNESDAY
3:30 - 4:30PM



Return to Office Protocols
are already in place

RCBM



Strong company performance in Q3 despite COVID-19

- Cement demand contracted in YTD Sep as construction activities slowed down due to the pandemic
- New mills undergoing commissioning, with some delays due to COVID-19 travel restrictions
- Company implemented several cost cutting and productivity improvement measures
- Contribution to AEV at PhP412M in Q3 2020, bringing YTD total to PhP406M (PhP631M in YTD Sep 2019)*



*Like-for-like YTD contribution is PhP439M vs PhP435M in 2019



Review of Business Units

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



9M2020 Financial Performance



Revenues

₱43 bn | **₱137 bn**

-14%

vs 3Q2019

-10%

vs 9M2019



Conso EBITDA

₱16 bn | **₱39 bn**

-13%

vs 3Q2019

-13%

vs 9M2019



Core Net Income

₱4 bn | **₱8 bn**

-37%

vs 3Q2019

-48%

vs 9M2019



Net Income

₱4 bn | **₱8 bn**

-35%

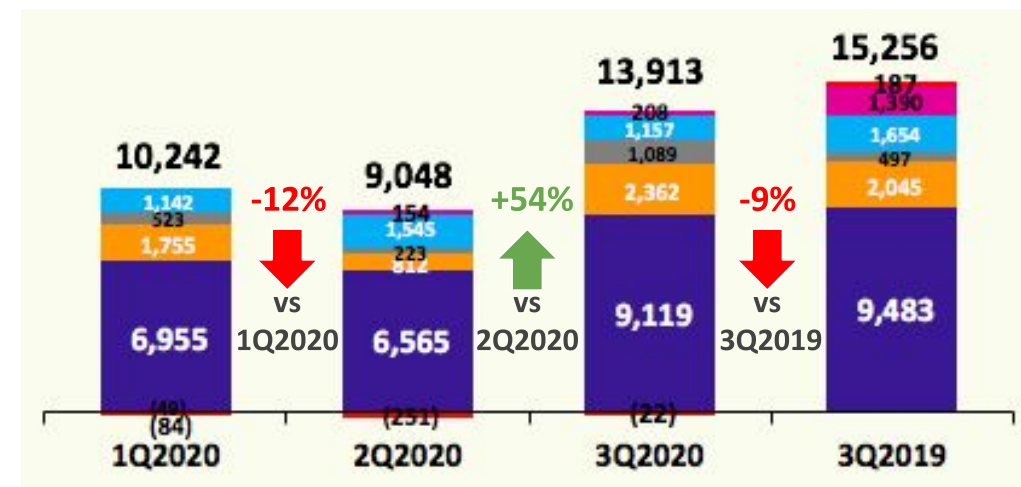
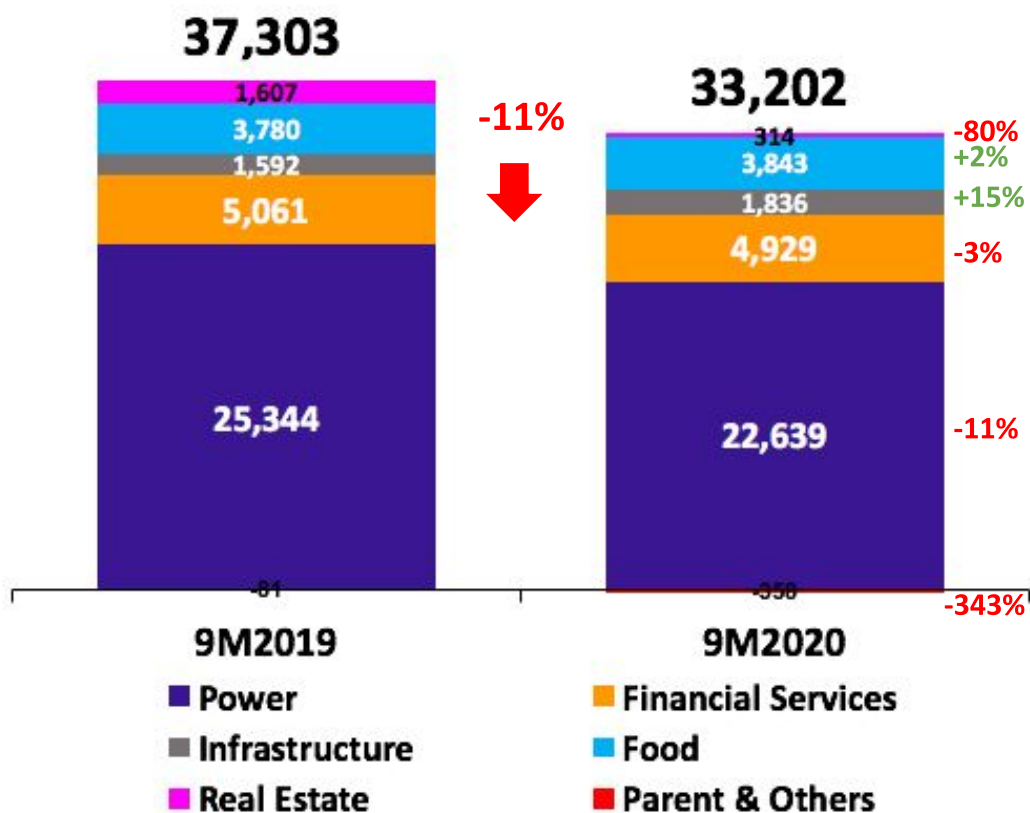
vs 3Q2019

-47%

vs 9M2019



9M2020 Beneficial EBITDA



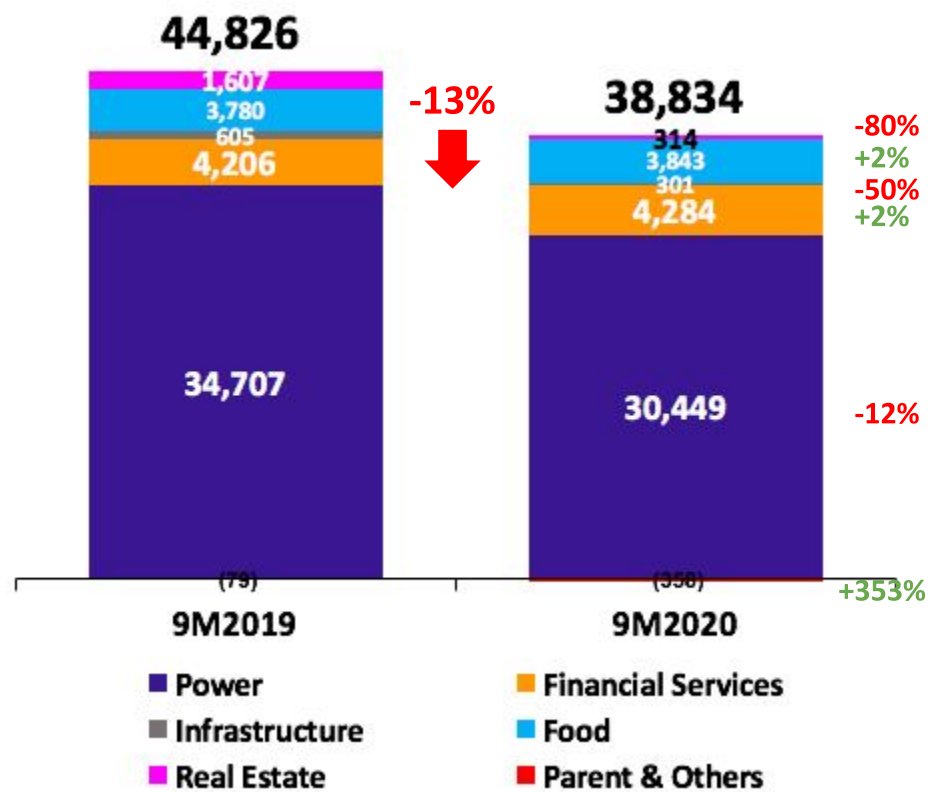
-11% decline vs 9M2019:

- -7% from Power due to lower demand brought about by COVID-19, lower BCQ rates and lower water inflow
- -4% from Real Estate due to fair valuation gains on investment properties recognized in 3Q2019



9M2020 Consolidated EBITDA

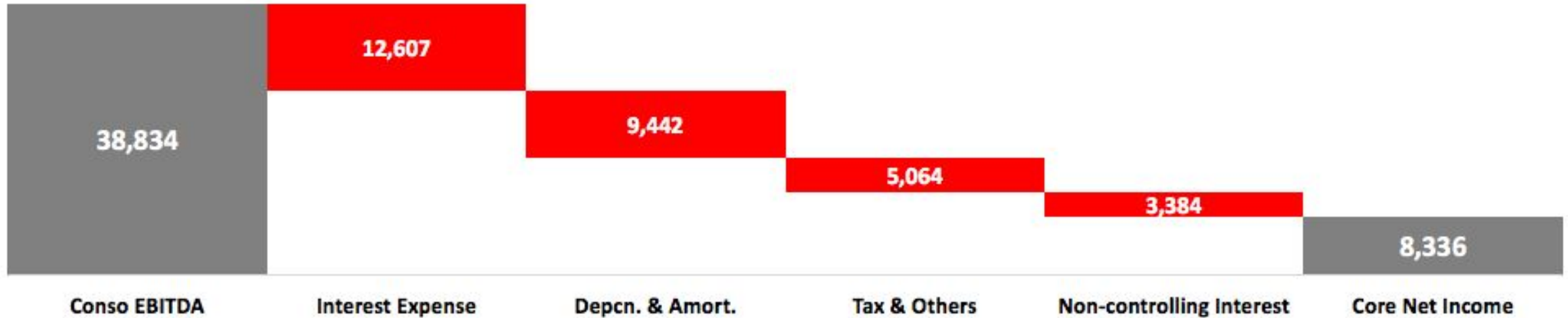
In PHP Millions





9M2020 Core Income

In PHP Millions



	9M2019	9M2020	Change
Conso EBITDA	44,826	38,834	-13%
Less: Interest Expense	11,222	12,607	12%
Depcn. & Amort.	8,508	9,442	11%
Tax & Others	3,437	5,064	47%
Non-controlling Interest	5,776	3,384	-41%
Core Net Income	15,882	8,336	-48%
EPS	2.82	1.48	



9M2020 Net Income

In PHP Millions



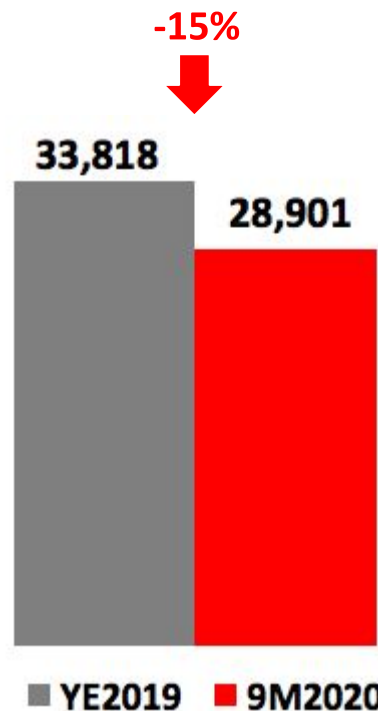
	9M2019	9M2020	Change
Core Net Income	15,882	8,336	-48%
Non-recurring Income/(Loss)	(155)	(5)	97%
Net Income	15,727	8,331	-47%
EPS	2.79	1.48	



Balance Sheet Highlights

In PHP Millions, except for ratios

Parent Net Debt



ND/E

0.19x

0.16x

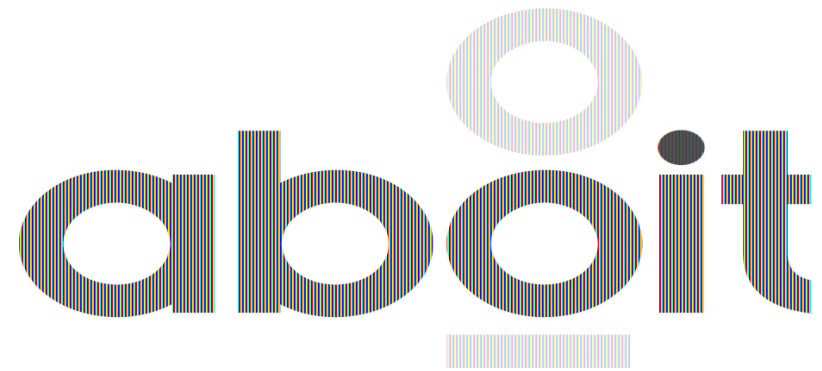
Consolidated Balance Sheet/Key Ratios

	YE2019	9M2020
Cash and Cash Equivalents	46,425	65,403
Total Assets	588,386	608,593
Total Liabilities	371,191	393,737
Total Equity	217,195	214,856
Equity Attributable to Parent	176,481	175,917
Book Value Per Share	31.33	31.25
Current Ratio	1.3x	1.3x
Debt to Equity	1.7x	1.8x
Net Debt to Equity	1.2x	1.2x



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100 YEARS OF ADVANCING BUSINESS AND