



Aboitiz Equity Ventures

First Half of 2019

Financial & Operating Results

31 July 2019

aboitiz

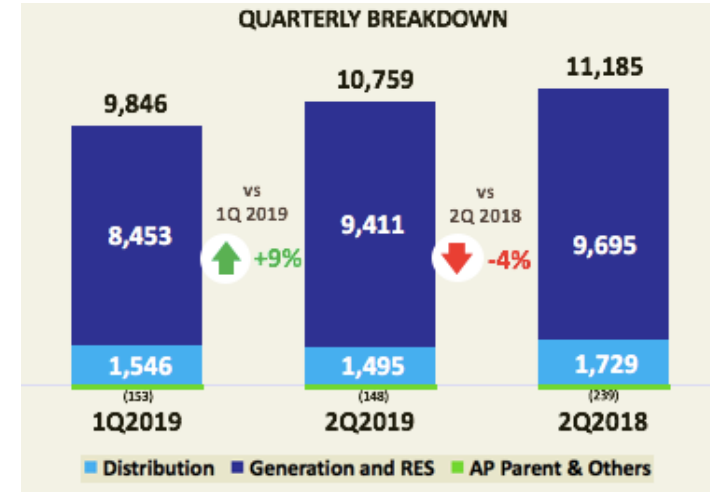
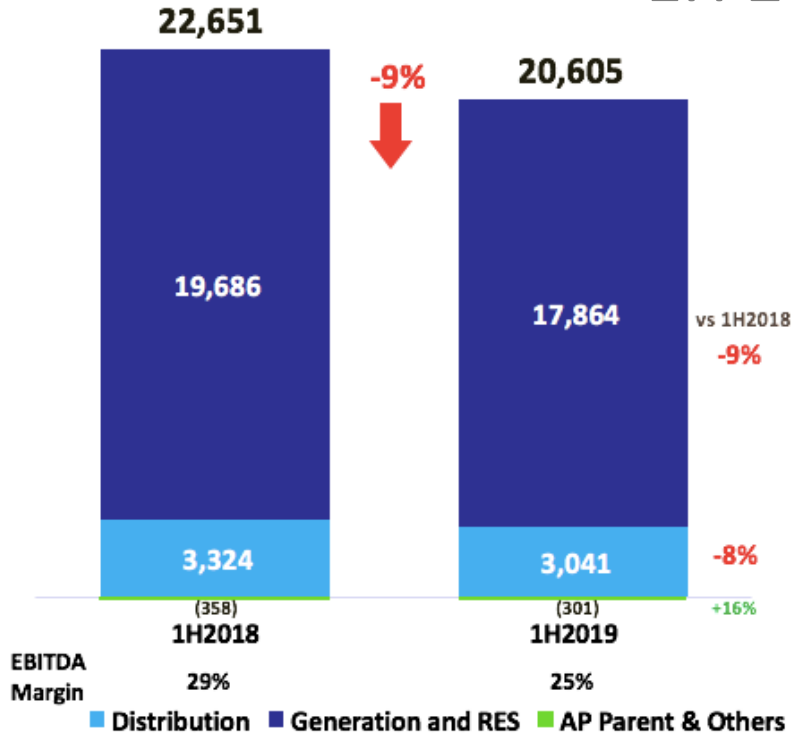


Review of Business Units

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



1H 2019 EBITDA*



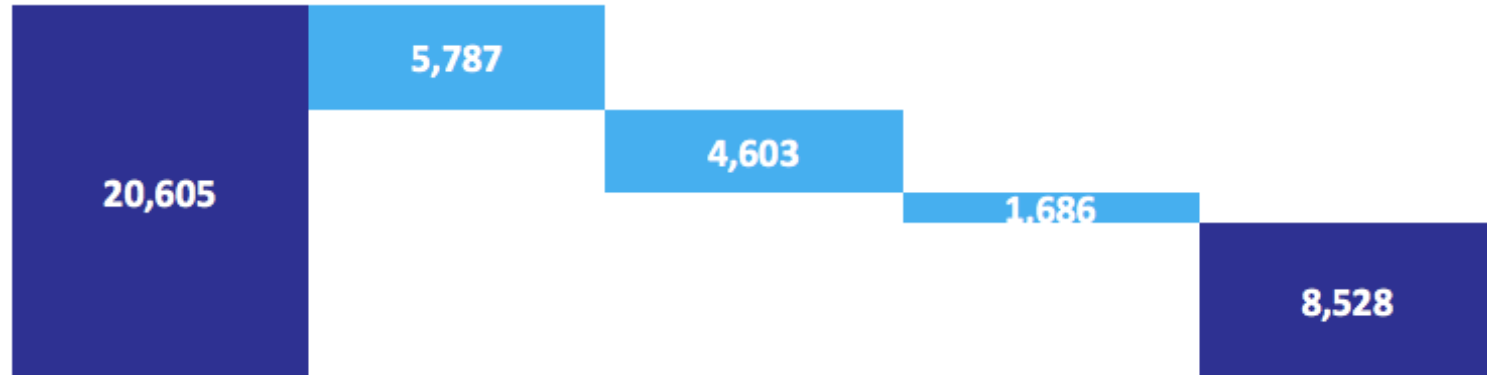
-9% decline, mainly of which...

- -7% due to higher purchased power cost
- -2% due to lower revenue from Therma Mobile (TMO)

*Beneficial Figures, in millions



1H 2019 Core Income



EBITDA

Less: Interest
Expense

Depcn. & Amort.

Tax & Others

Core Net Income

Php mn

EBITDA

Less: Interest Expense

Depcn. & Amort.

Tax & Others

Core Net Income

EPS

1H2018

22,651

5,256

4,199

2,690

10,506

2.17

1H2019

20,605

5,787

4,603

1,686

8,528

2.14

Change

-9%

10%

10%

-37%

-19%



1H 2019 Net Income



Core Net Income

Forex Gain/Losses

Net Income

Php mn

Core Net Income

Forex /gain (losses)

Net Income

EPS

1H2018

10,506

(1,388)

9,118

1.24

1H2019

8,528

121

8,648

1.18

Change

-19%

109%

-5%



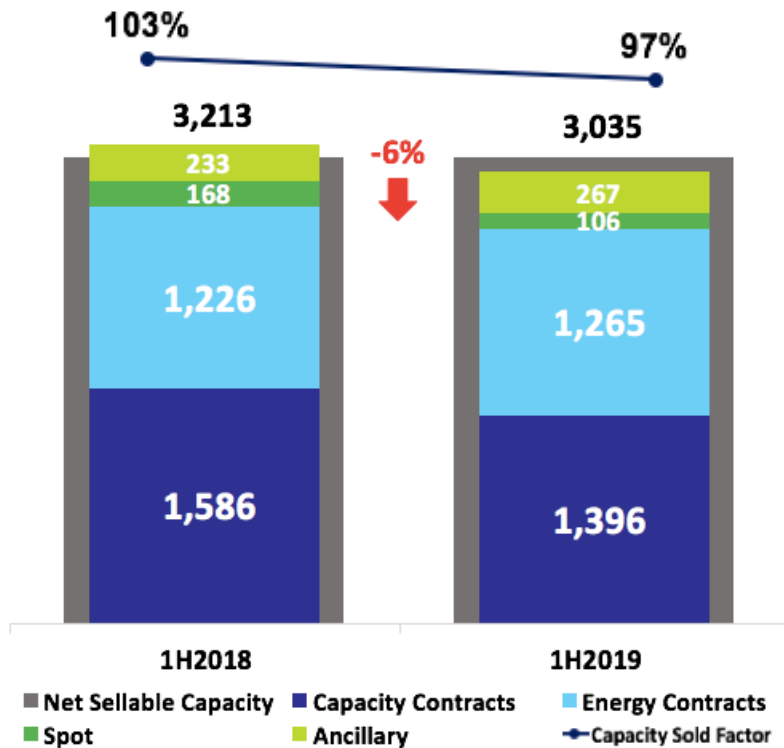
Balance Sheet Highlights

(Php mn)	CONSOLIDATED	
	YE 2018	1H 2019
Cash and Cash Equivalents	46,343	31,778
Investments and advances	34,334	59,287
Total Assets	389,662	404,549
Total Liabilities	253,086	279,276
Total Equity	136,577	125,272
Total Interest Bearing Debt	216,499	235,673
Net Debt	164,866	196,067
Net Debt to Equity	1.2X	1.6x
Debt to Equity*	1.6X	1.9x

**Total Interest Bearing Debt / Total Equity*



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

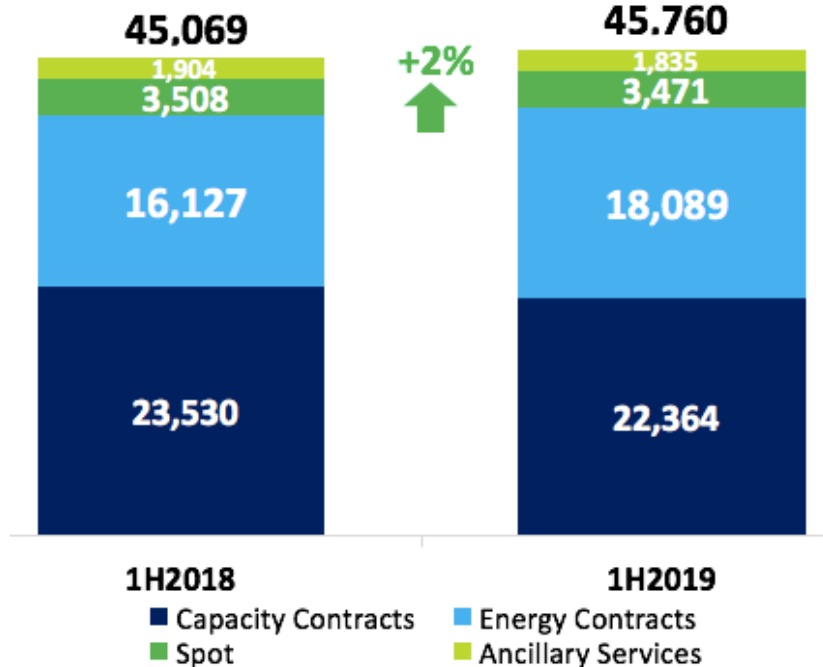


Capacity Sales: Capacity Contracts (MW) + Energy Contracts (MW) + [Spot (MWh) + Ancillary (MWh)]/Days_Year/Hours Day
Capacity Sold Factor: Capacity Sales (MW) / Net Sellable Capacity (MW)

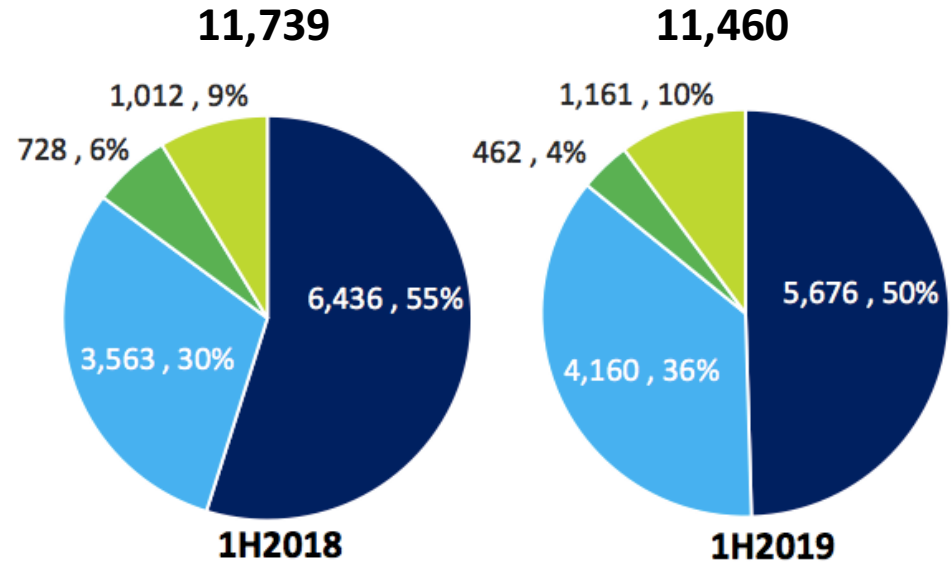


Operating Highlights: Revenue and Energy Sold

Php MN



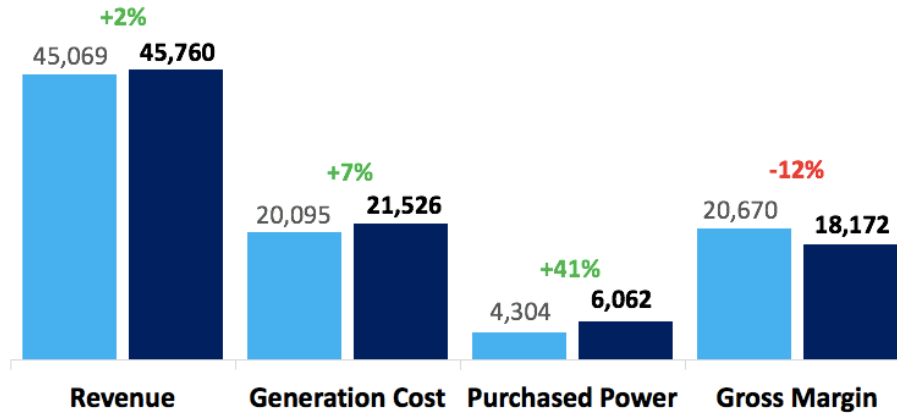
GWh



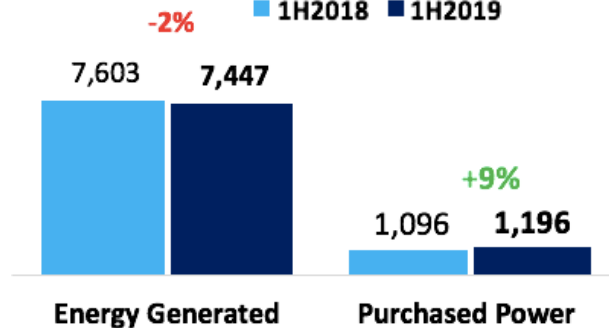


Operating Highlights: Gross Margin

In Php MN

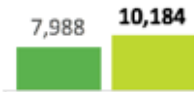


In GWh



Quarterly Breakdown

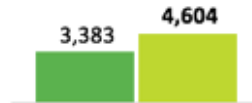
In Php MN +27%



Gross Margin

In GWh

+36%



Energy Generated

-19%

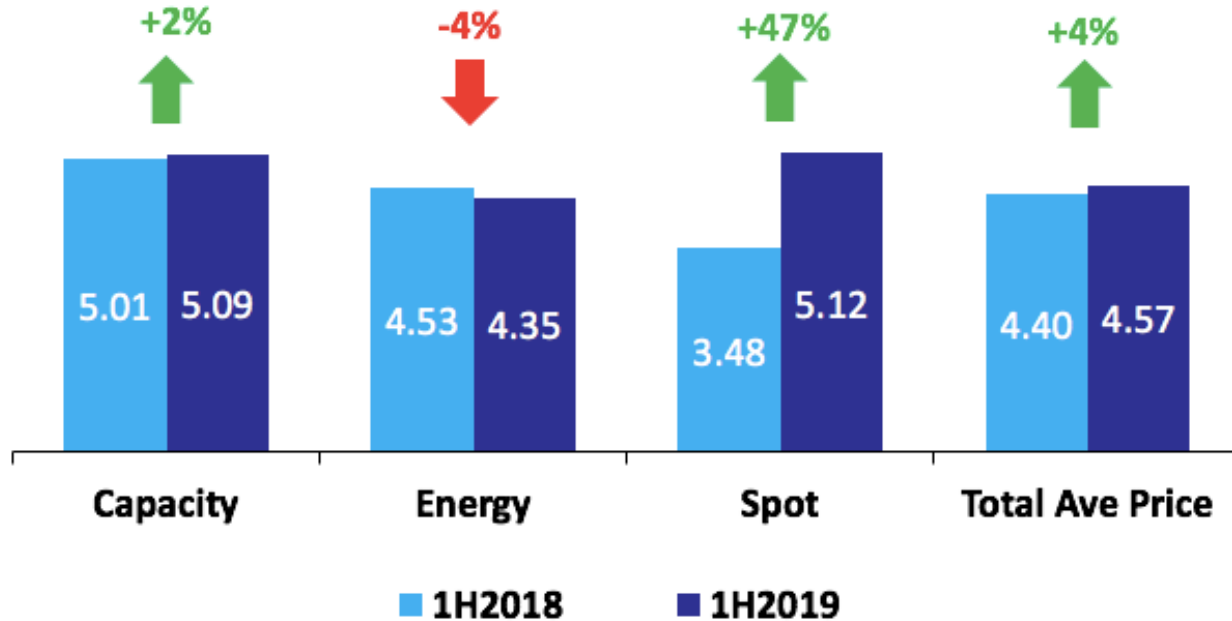


Purchased Power

1Q2019 2Q2019



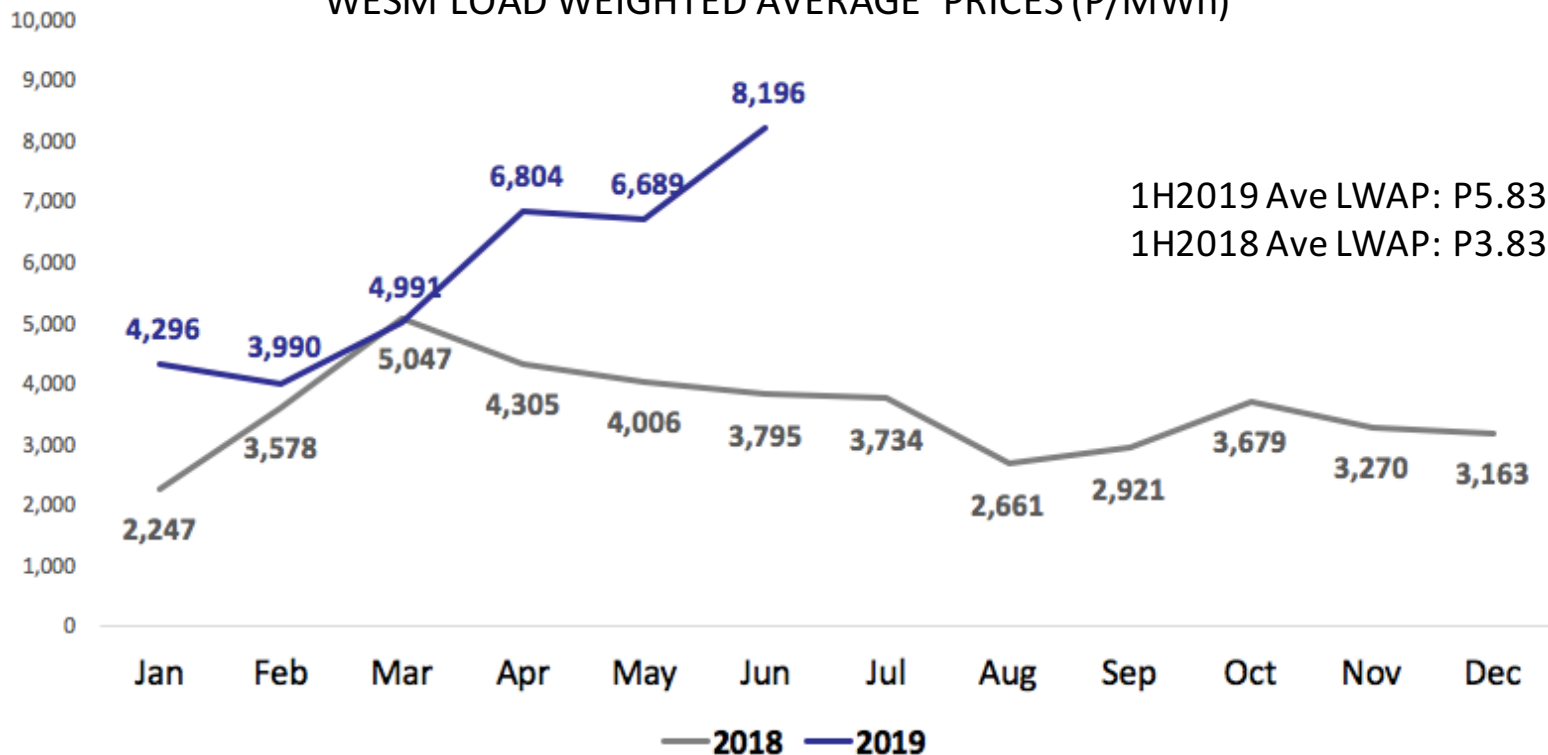
Operating Highlights: Average Selling Price (P/KWh)





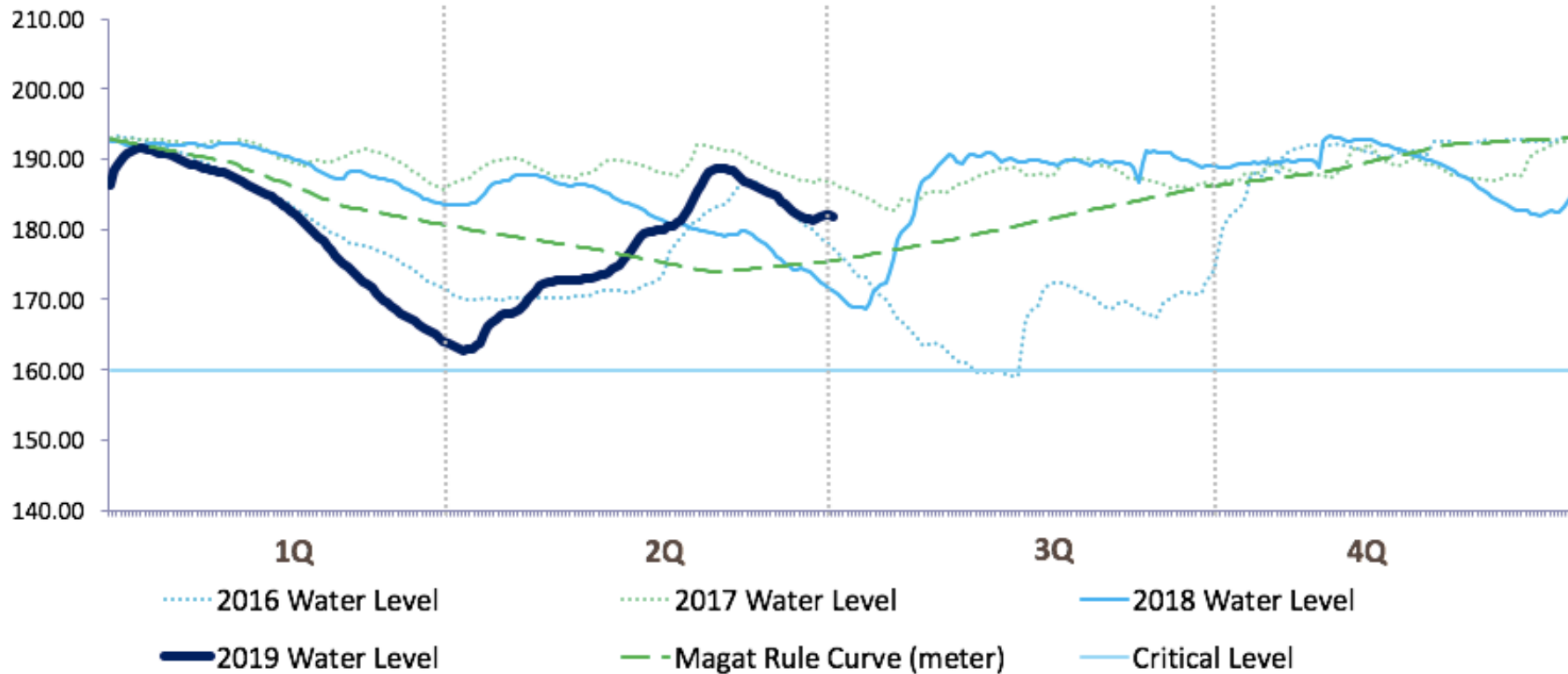
Operating Highlights: WESM

WESM LOAD WEIGHTED AVERAGE PRICES (P/MWh)





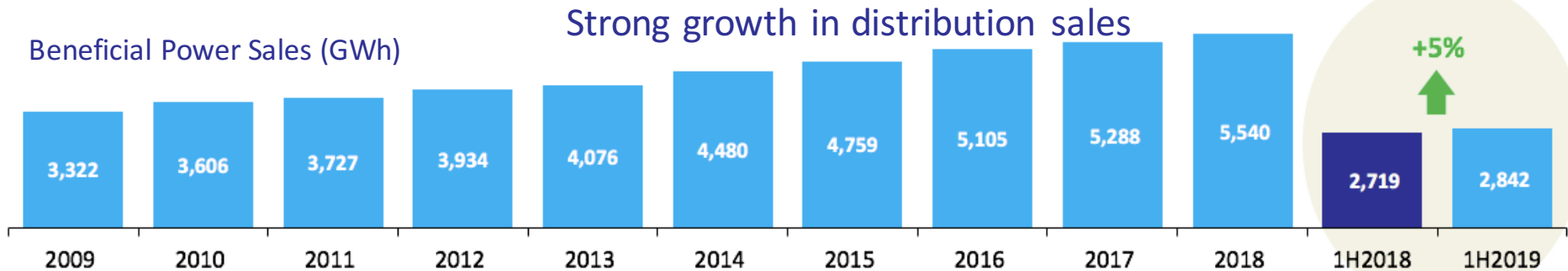
Operating Highlights: Water Level



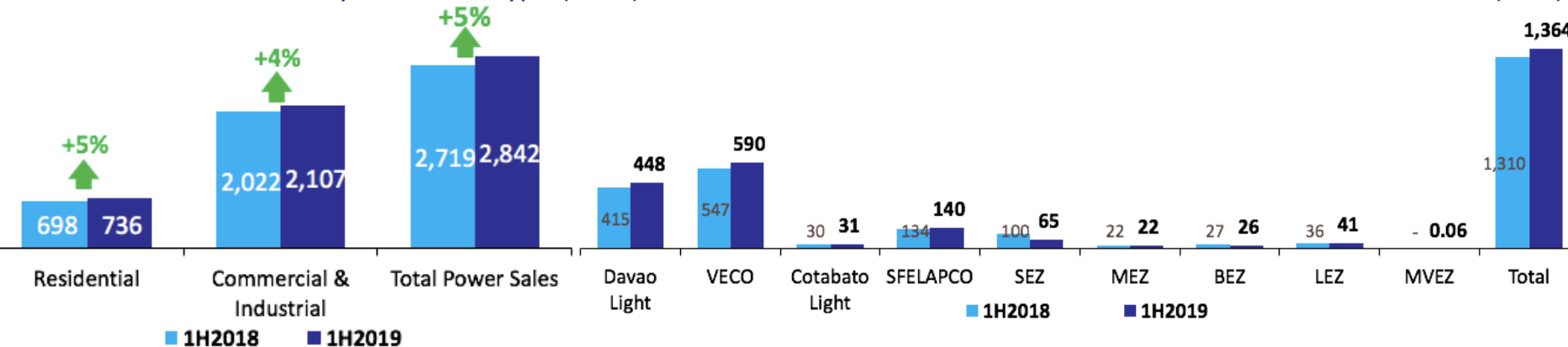


Operating Highlights: Distribution

Beneficial Power Sales (GWh)



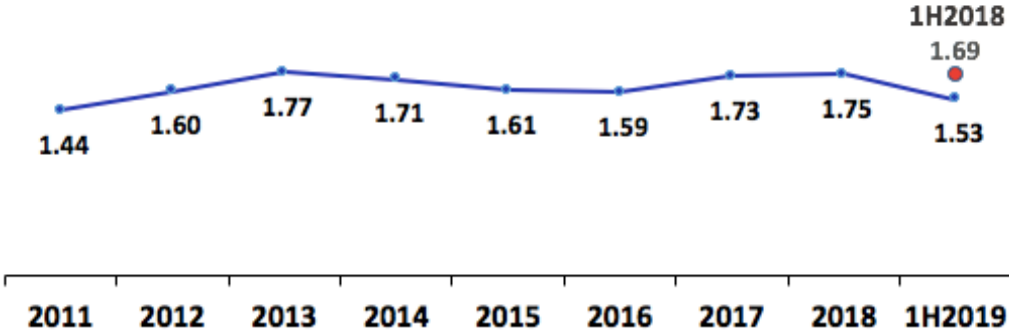
Beneficial Power Sales By Customer Type (GWh)



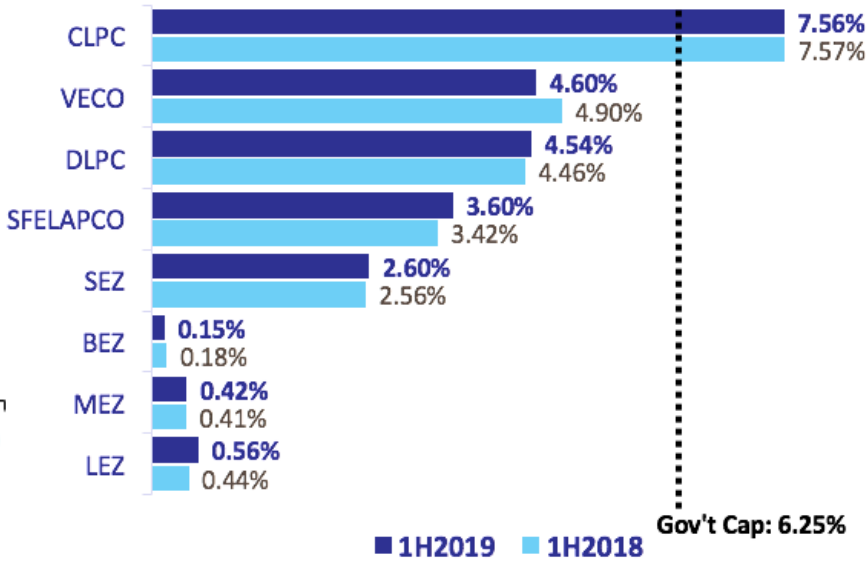


Operating Highlights: Distribution

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	On Commercial Operations
	Dinginin Unit 1 (Coal – GNPD)	668 MW	70%	468 MW	Q2 2020
	Dinginin Unit 2 (Coal – GNPD)	668 MW	70%	468 MW	Q3 2020
	Subic (Coal – RP Energy)	300 MW	25%	75 MW	
VISAYAS	Cebu Unit 1 (Coal – Therma Visayas)	150 MW	80%	120 MW	Practical Completion in April
	Cebu Unit 2 (Coal – Therma Visayas)	150 MW	80%	120 MW	Aug 2019
		1,955 MW		1,269 MW	



Project Update

Cebu - 300 MW of Coal Power (Therma Visayas)





Project Update

La Trinidad - 19 MW of Hydro Power (Hedcor Inc.)





Project Update

Dinginin - 2 x 668 MW of Coal Power (GN Power Dinginin)





Project Update

Floating Solar in Isabela (SN Aboitiz Power – Magat)





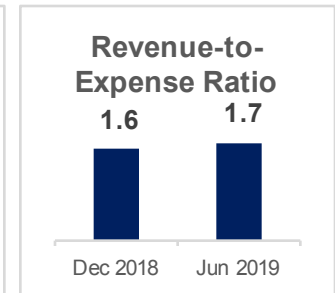
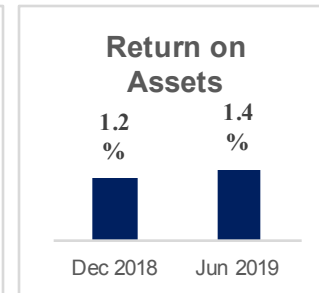
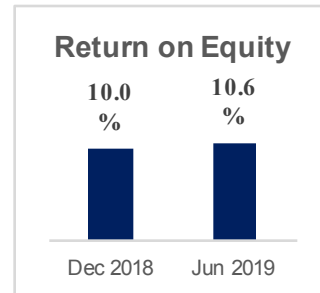
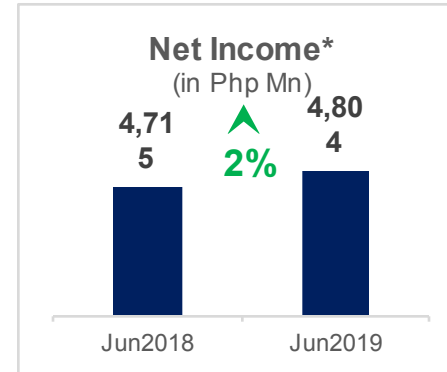
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1H2019 Financial Highlights

- 1H2019 net income up 2% YoY to P4.8 Bn
- Earning performance supported by the ff:
 - Improving margins
 - Strong growth in retail & SME segment
 - Teachers loan release back-on-track
 - Higher fees & other income
 - Manageable opex growth
- Profitability ratios better than FY2018



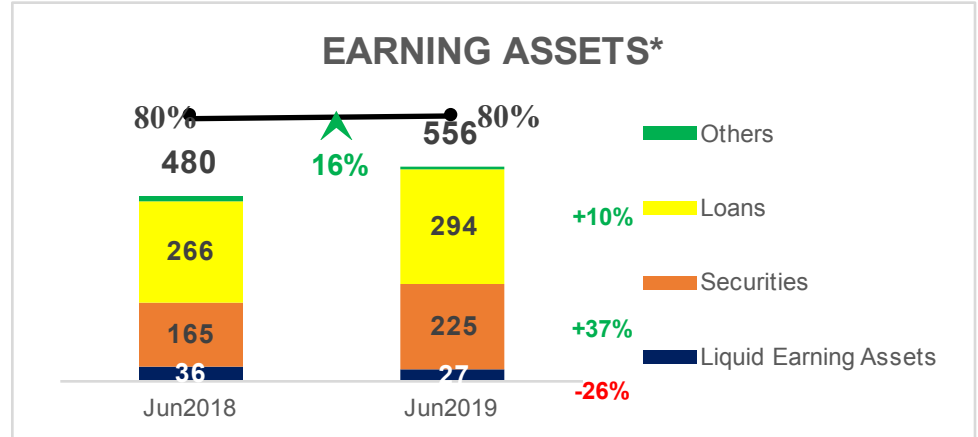


1H 2019 Net Interest Income

(in Php bn)

- Net interest income up 4% YoY to P9.8 Bn
- Margins improving QoQ
- Sustained double-digit growth in earning assets

	Jun2018	Mar2019	Jun2019	YoY Variance	QoQ Variance
Avg Yield	5.97%	6.59%	6.62%	0.65%	0.03%
Avg Cost	2.07%	3.19%	3.10%	1.04%	-0.09%
NIM	3.91%	3.40%	3.52%	-0.39%	0.11%





1H 2019 Credit Portfolio

(in Php Bn)

- Credit portfolio growth driven by higher yielding assets (credit cards, consumer business, and commercial loans)

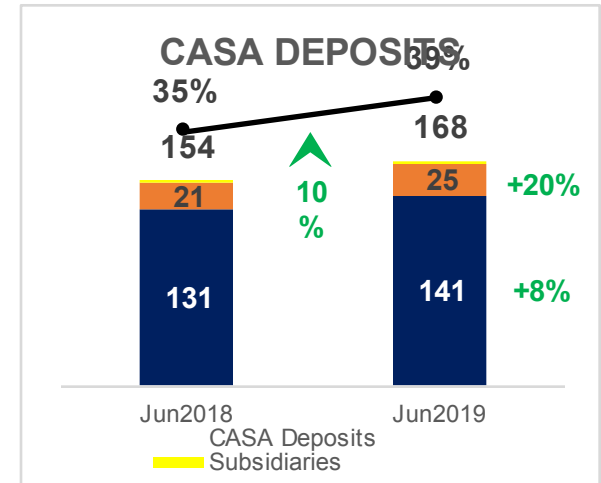
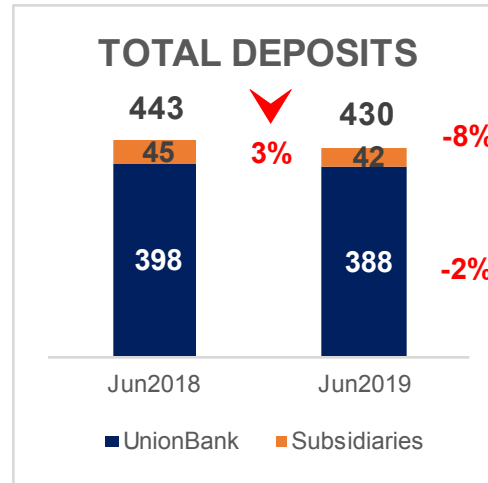
Credit Portfolio, Net (in Php Bn)	Jun2018	Jun2019	% Change
Corporate	131.3	139.2	6%
Commercial	50.4	58.5	16%
Retail	93.0	105.3	13%
Credit Cards	5.6	7.8	39%
Consumer Loans	32.4	42.5	31%
Mass Market Loans	55.0	55.0	0.2%
Total	274.6	303.0	10%



1H 2019 Total Deposits & CASA Deposits

(in Php Bn)

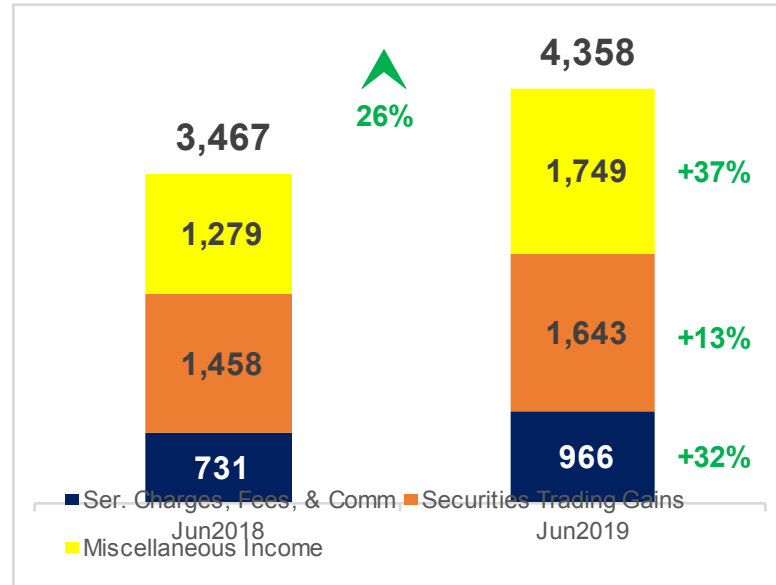
- Deposits declined as asset growth was funded by borrowings
- CASA sustained double-digit growth





1H 2019 Non-Interest Income (in Php mn)

- Non-interest income up 26% YoY to P4.4 Bn due to fee income growth across the Group and securities trading gains.



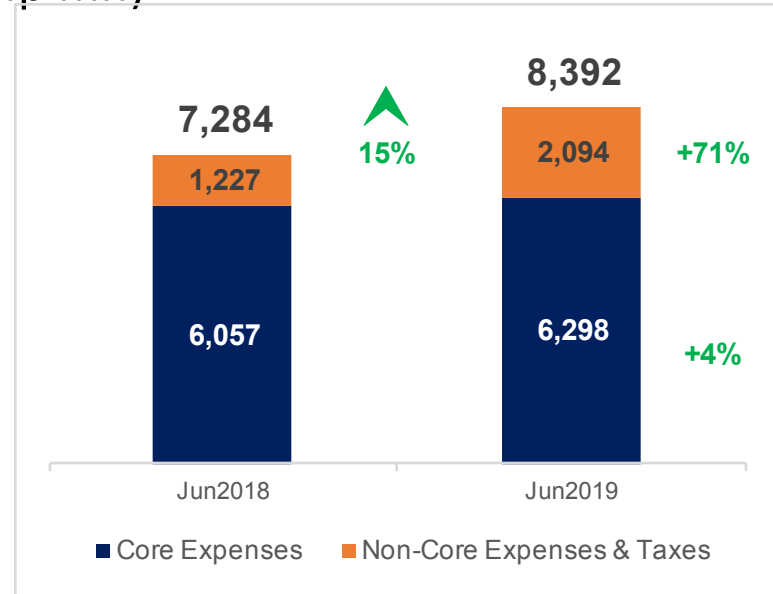




1H 2019 Operating Expenses

(in Php mn)

- Operating expenses grew 15% YoY to P8.4 Bn driven by volume-related taxes & licenses and new entities (non-core).
- Growth of core bank expenses (UBP & CSB) remained manageable at 4% YoY despite business growth and digital investments.

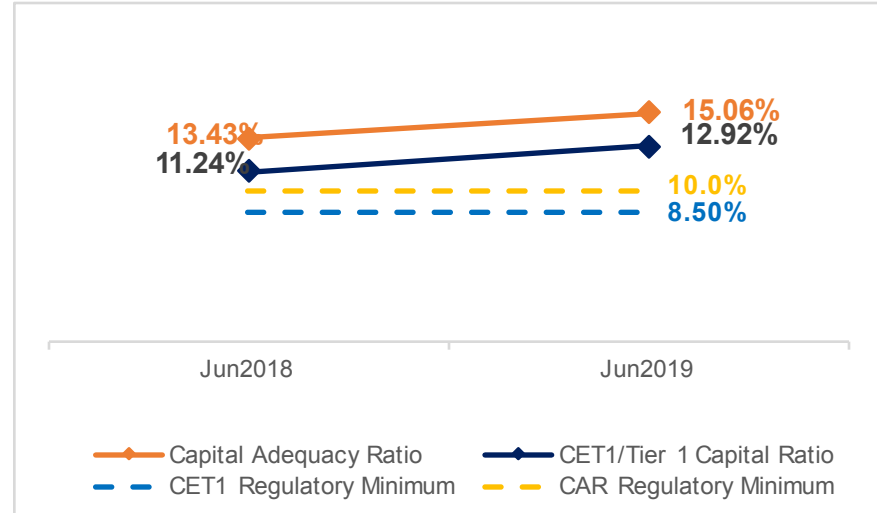




Capital Adequacy Ratios

Consolidated Basis

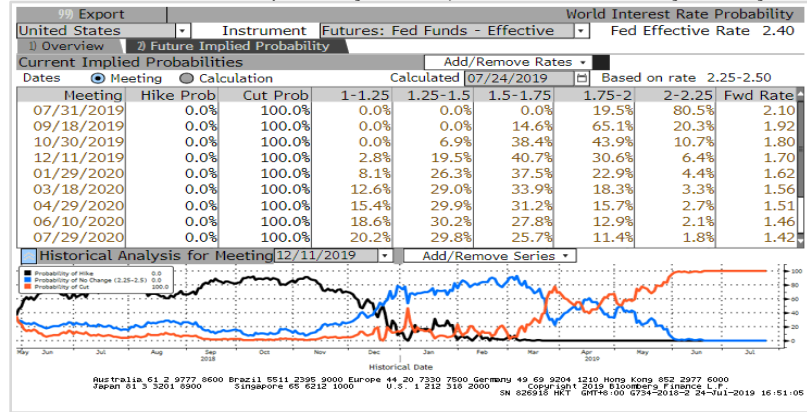
- Capital adequacy ratios remain well-above regulatory minimum



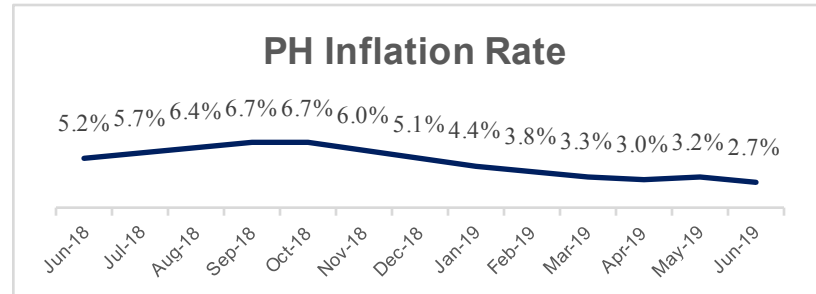


Outlook

Market Consensus: 100% probability of a cut; Median is for 3 cuts by end of year.



PH market is expecting BSP's rate cut on the back of the continued inflation downtrend

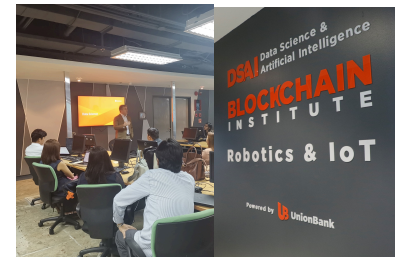


- Continued strong growth in consumer business
- Margin improvement from foreseen rate cuts
- Normalization of mass market lending



Updates

- Arks to reach ~40 by year-end
- UBX, UBP's innovation and tech company
 - MSME platform in partnership with Ping An's OneConnect
 - Logistics platform (Xlog) with Shiptek
 - Rural bank platform (i2i) with Consensys
- Launch of Data Science & Artificial Intelligence (DSAI)
- Recognition received from BSP on digital initiatives
 - Digital Excellence Award
 - Outstanding Partner for Digital Transformation
 - Top PESONet Bank of 2019









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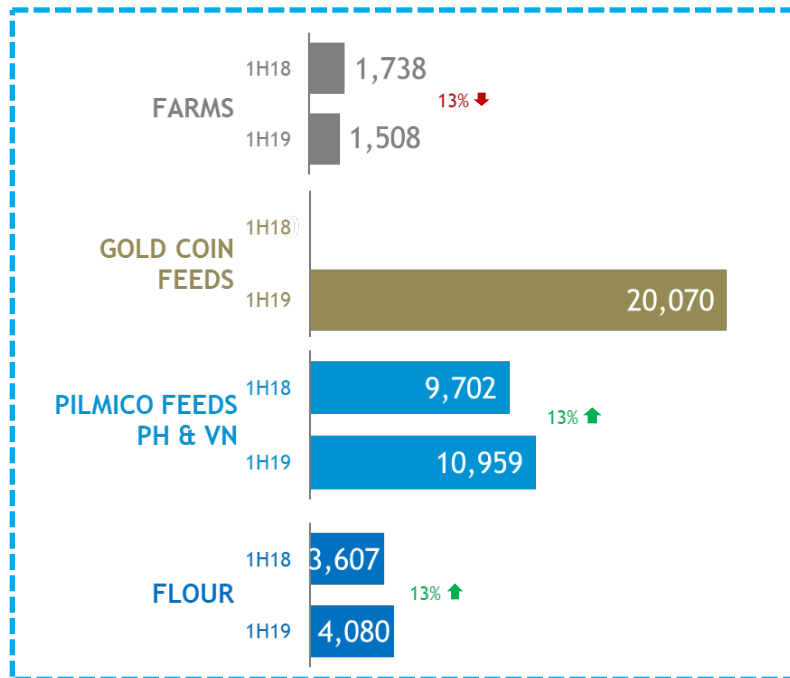
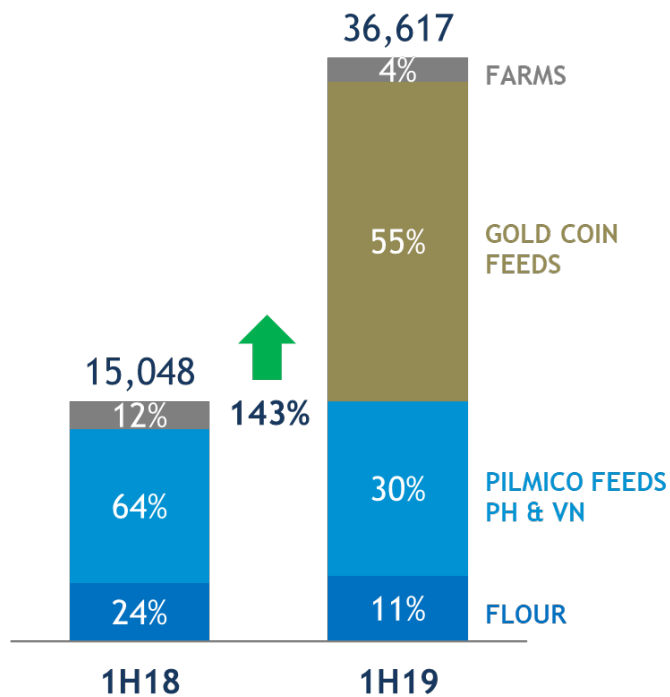


1H 2019 Financial Highlights

Revenue	36,617		vs. 1H18 +143%
EBITDA	2,362		+67%
EBITDA Margin	6%		-300bps
NIAT	808		+18%



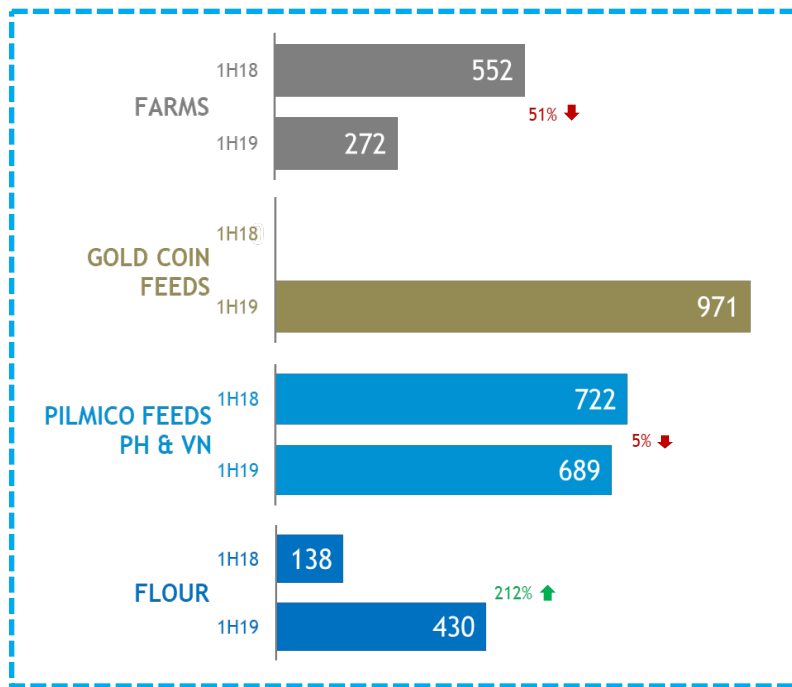
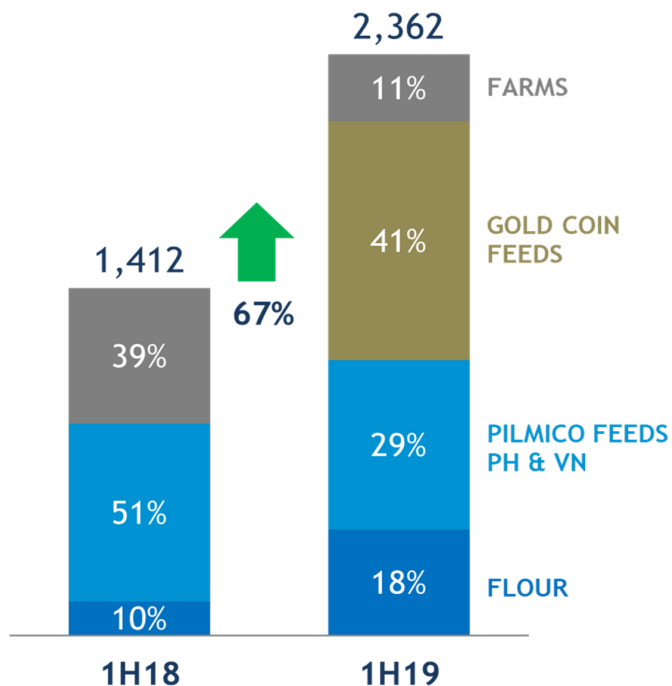
1H 2019 Financial Highlights: Revenue



In PHP Million



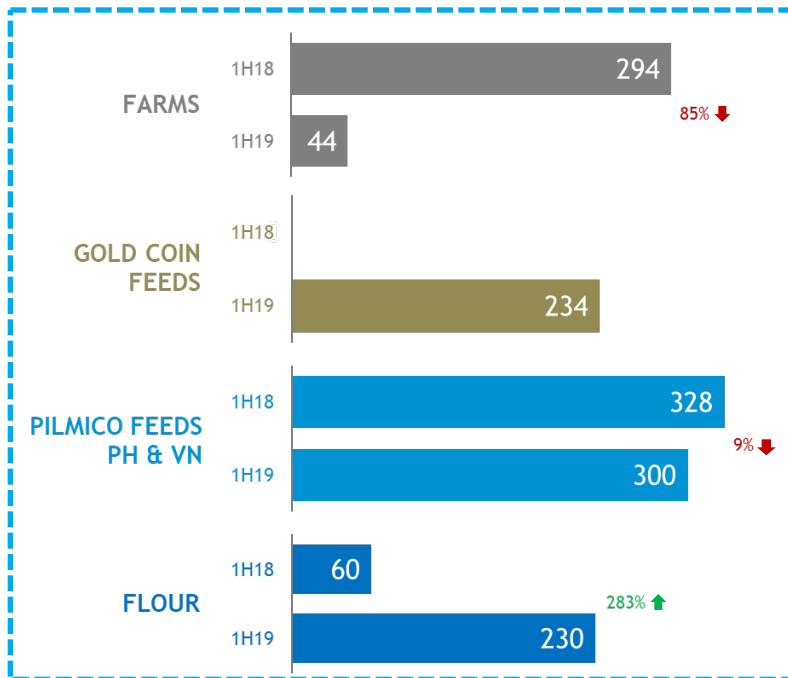
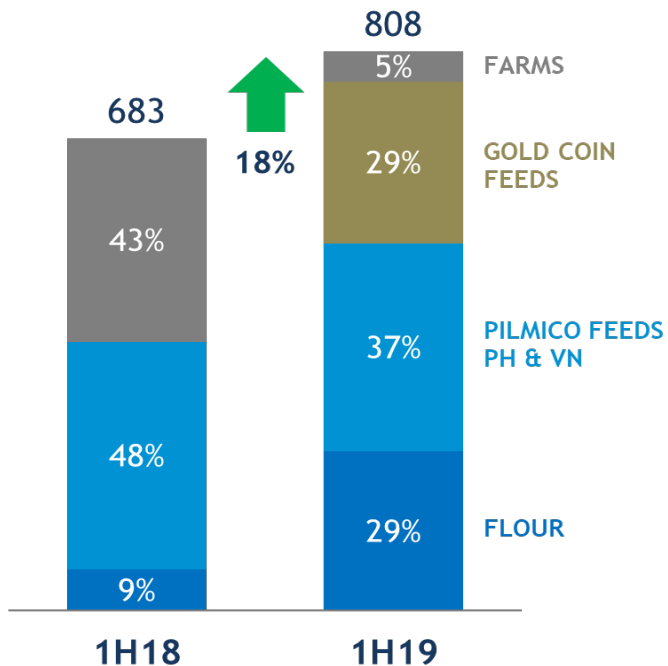
1H 2019 Financial Highlights: EBITDA



In PHP Million



1H 2019 Financial Highlights: Net Income



In PHP Million

Gaining Full Control

100% Ownership

+ 25% share in beneficial NIAT

\$120M Investment



Grow with
Gold Coin



HUBERT DE ROQUEFEUIL

JOINS GOLD COIN AS PRESIDENT & CEO

- Former CEO of Neovia, a French-based animal nutrition and feeds production company
- Solid background and years of proven experience in the Food Industry
- Technical expert in international business development and general management in the manufacturing and animal nutrition space

Project Updates

August 2019

21 - Farm 4 Biogas

Source of Renewable energy for Farms
Completion rate: 96%



30 - Solar Power

Source of Renewable energy for Feeds
Completion rate: 84%



Project Updates

August 2019

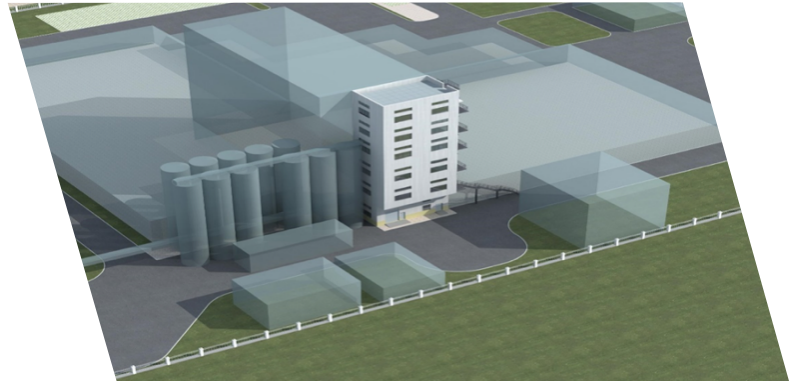
25 - Zhangzhou Pelleting Line

Addt'l Pelleting line in Eastern China
Completion rate: 60%



30 - Dongguan Hog Line

Addt'l Hog lines in Southern China
Completion rate: 50%



Project Updates

November 2019

25 - Meats Fabrication Plant

Forward integration of the Farms Business
Completion rate: 19%



30 - Dongguan Floating Fish line

Addt'l Floating Fish line in Southern China
Completion rate: 5%



Project Updates

December 2019

Ha Nam Fish Feed Line

Fish Feedline in North Vietnam

Completion rate: 30%



March 2020

Iligan Feedmill Expansion

Additional Capacity to support VisMin

Completion rate: 50%





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abotiz
InfraCapital

We play a key role in nation building by becoming a leader in innovative infrastructure-related solutions that will help drive economic progress and uplift the lives of every Filipino.



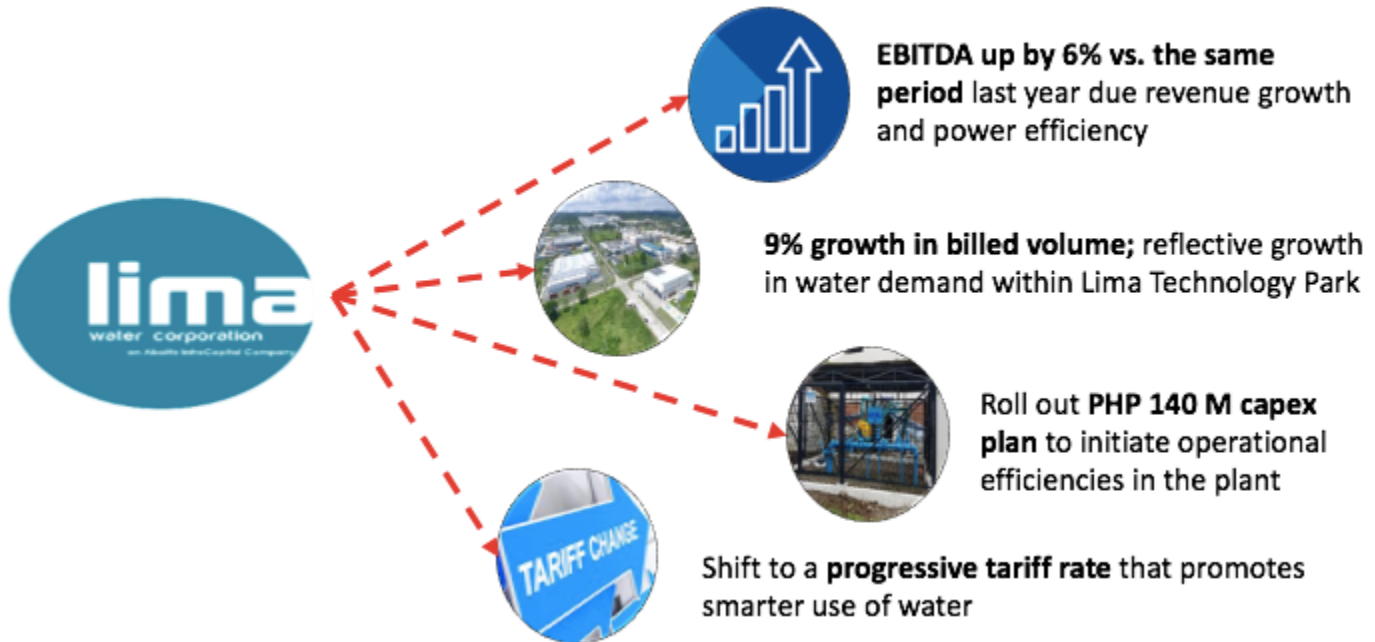


Highlights of Operations: Water



Lima Water

Water and Wastewater Services provider in Batangas with sales of 8 MLD
Captures end to end process of the water value chain

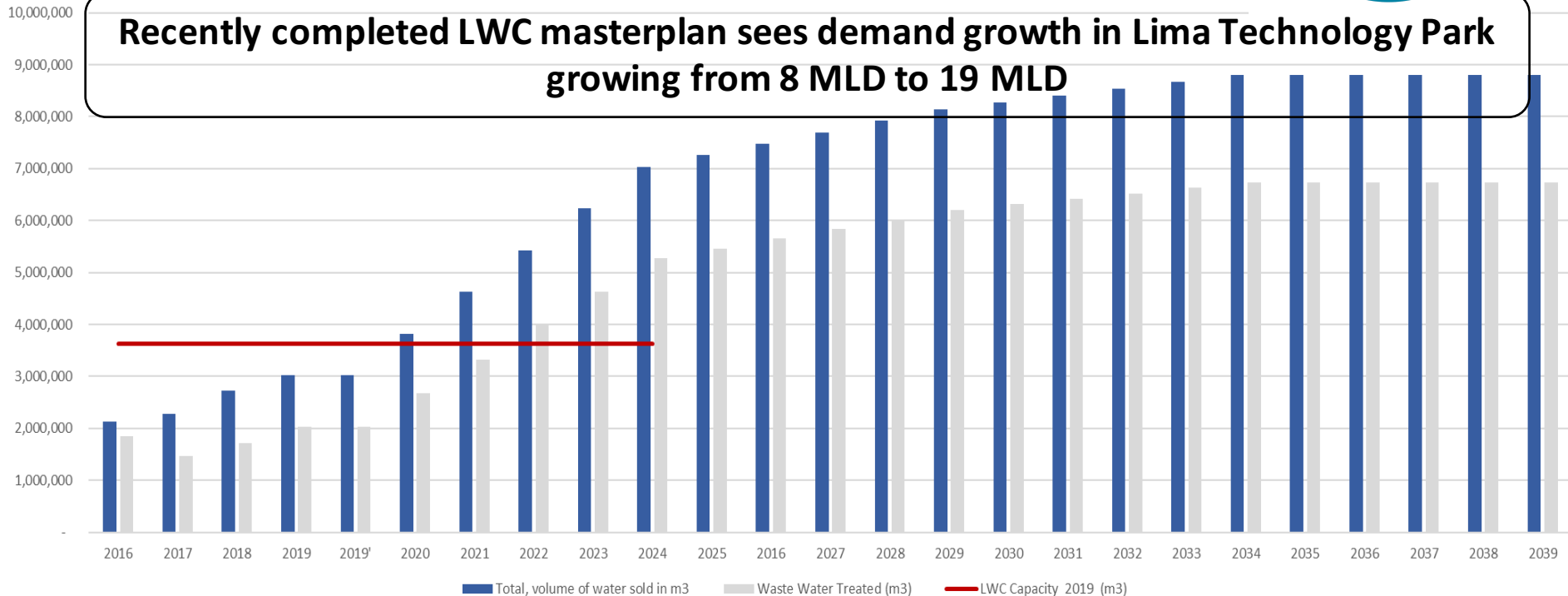




Lima Water : Demand Growth

Projections LWC 2019-2039 Demand

Recently completed LWC masterplan sees demand growth in Lima Technology Park growing from 8 MLD to 19 MLD





Lima Water: Water Infrastructure

Lima Water is on the way to **serving as both the operational and reference standard** for our water business



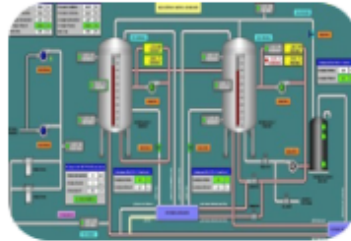
Installation of new wells and transmission mains



Increased water storage capacity



Network rehab and improvement



Facility automation



Upgrade of Sewage Treatment Plant



Apo Agua

330 MLD bulk water supply project in Davao

Construction works for raw water facilities and water treatment plant site in full swing



Clearing and excavation works within the Intake Weir



Excavation to grade, cutting of slope and berm at raw water pipeline



Excavation works on major structures in the water treatment plant



Apo Agua



Apo Agua's bulk water project financing named best Philippine utility deal by The Asset



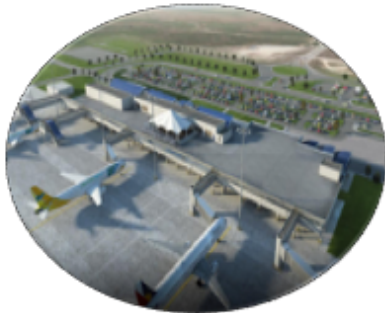
Highlights of Operations: Infra



Regional Airports

Tagbilaran and Laguindingan

Creating a platform of reference starting 2020



(in PhP billion)	CGY	TAG	TOTAL
Initial CAPEX	4.8	0.6	5.5
Total CAPEX (35 years)	42.9	24.5	67.5



**3.9M pax to 18.2
pax (cumulative) in
35 years**



Regional Airports: creating a platform of reference starting 2020

abotiz
InfraCapital



daa 
International

Dublin Airport was a joint winner in its category of European Airports that have 25-40 million passengers per year in the Airports Council International (ACI) World Airport Service Quality Awards

31.5m

passengers at Dublin Airport



2.1m

connecting passengers
at Dublin Airport

2.4m

passengers at
Cork Airport

4%

rise in passenger
numbers at
Cork Airport

14.7m

passengers at
Terminal 5, King Khalid
International Airport in
Riyadh, Saudi Arabia

8th

year Dublin Airport
enjoyed consecutive
traffic growth



Telecom Towers

Digital Infrastructure

A natural transition to becoming a common tower operator

Our wealth of experience in utility management and the expertise to find efficient solutions for cellular tower power requirements makes the common tower business a natural transition for the group.



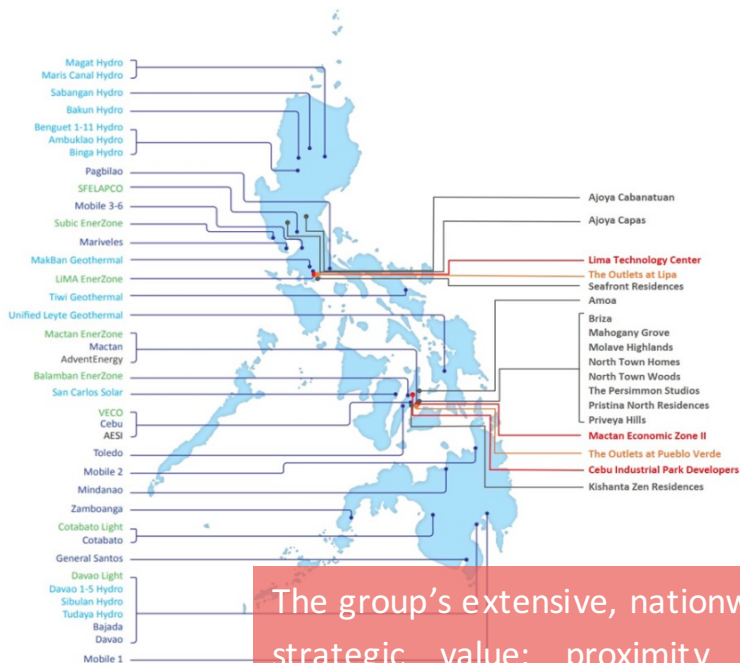


Telecom Towers

A Nationwide Presence: Power and Land

Aboitiz Power

- Generation - renewable
- Generation - thermal
- Distribution
- Retail electricity supplier



Aboitiz Land

- Residential
- Industrial
- Commercial

The group's extensive, nationwide footprint provides immediate strategic value: proximity to populated areas, potential colocation, and a ready power supply.

Telecom Towers

AIC-FTA-Globe MOU

- AIC has partnered up with Frontier Tower, a renown tower operator with footprint in Myanmar, Indonesia, etc.
- Globe/AIC/FTA agreed in an MoU to negotiate technical and commercial terms to lease out passive infrastructure to Globe





RCBM



Improved Performance in 1H

- **Increased demand in Philippine cement market** due residential and non-residential segments.
- Production costs under control
- Market prices stable during the year and generally higher compared to same period same last
- **North Luzon debottlenecking projects completed** safely, within budget, and now delivering results
- **Contribution to AEV at PhP249M** in H1 2019, an improvement of +PhP206M versus H1 2018





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1H 2019 Financial Performance

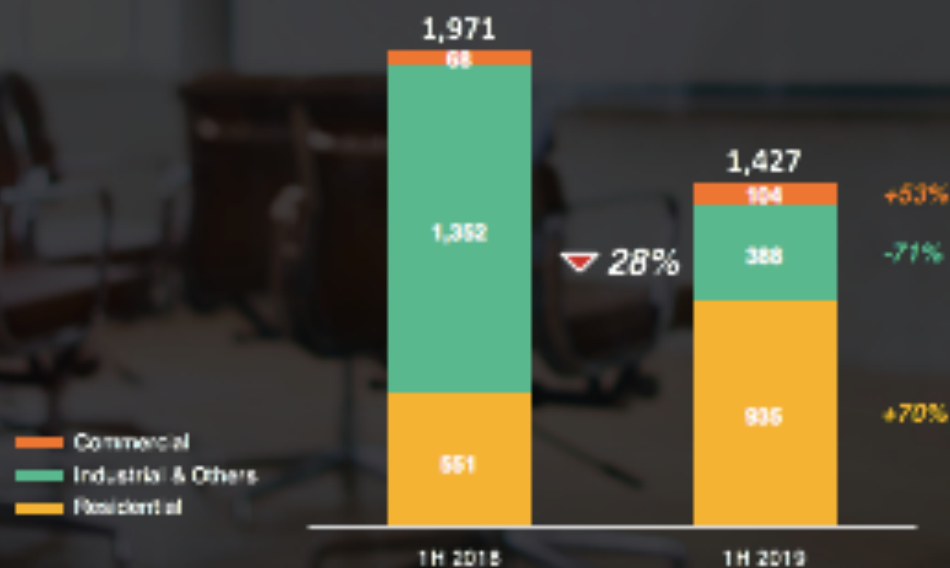
	<u>1H 2019</u>	<i>vs 1H 2018</i>
Revenues	1,427M	▼ 28%
Gross Profit	575M	▼ 28%
Net Operating Profit	156M	▼ 57%
NIAT	60M	▼ 79%
Residential Sales	602M	▼ 42%



1H 2019 Revenues

(in Pp. Million)

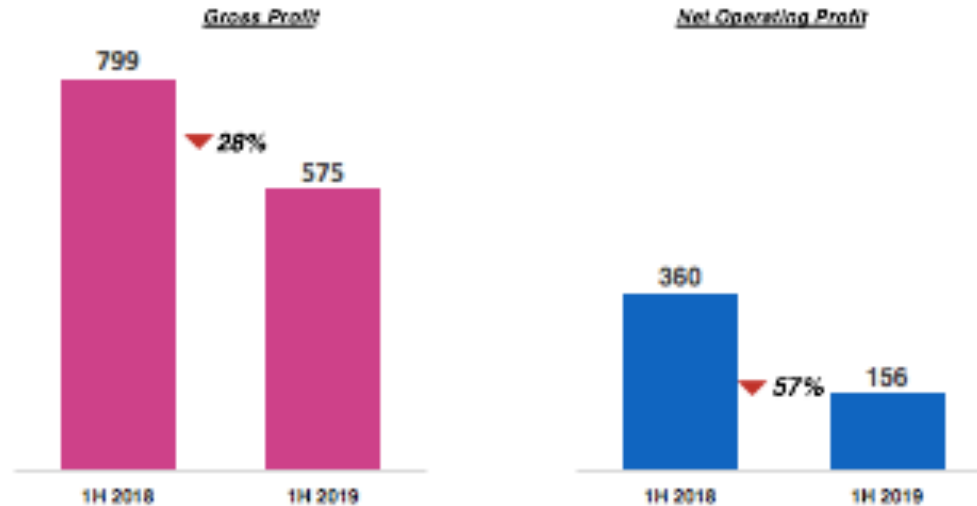
Revenues dampened by deferred recognition of industrial lot sales





1H 2019 Gross Profit & Net Operating Profit

Profits weighed down by lower revenues





1H 2019 Business Highlights

Two Launches to bolster our residential foothold in Luzon

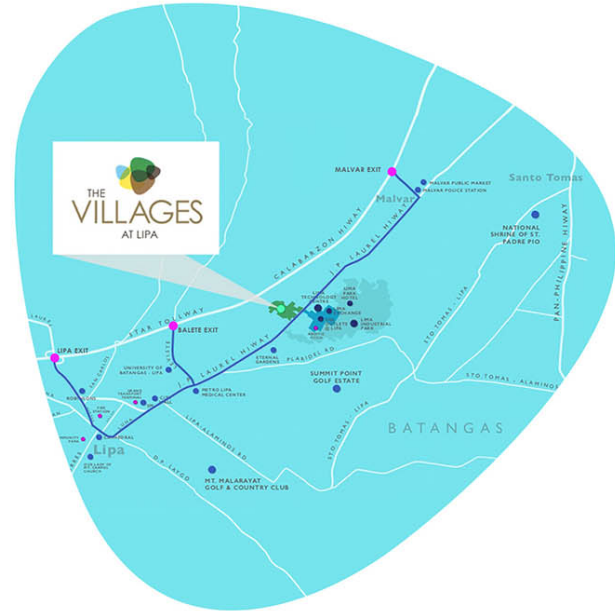
	The Villages at Lipa	Ajoya Pampanga
Location	Lipa, Batangas	Mexico, Pampanga
No. of units for release	741	137
Est. Inventory value	P3.4B	P365M





2Q 2019 Business Highlights

The Villages at Lipa, the next component of AboitizLand's New Industry City, launches





2Q 2019 Business Highlights

On the heels of our successful entry into Central Luzon in 2018, Ajoya Pampanga will offer our Kapampangan vecinos Better Ways to Live





2Q 2019 Business Highlights

Amoa (Cebu) and Seafront (Batangas) gearing up for first turnover of houses

Amoa

Compostela, Cebu

**140 houses to be turned over in 2019
71% of inventory sold (P1.9 billion)**



Seafront Residences

San Juan, Batangas

**60 houses to be turned over in 2019
71% of inventory sold (P2.3 billion)**





2Q 2019 Business Highlights

The Outlets at Lipa

Occupancy Levels

- Phase 1: 36% occupied, 68% signed
- Phase 2: 18% signed

Key Tenant Signings

- Starbucks (180 sqm)
- Bench (90 sqm)
- Cotton On (90 sqm)

Operations

- Footfall increased from 2.5k visitors / day in 1Q to 3.5k / day 2Q
- Spartan Race – more than 10k total event attendees
- Healthy sales of Nike – P27k / sqm per month



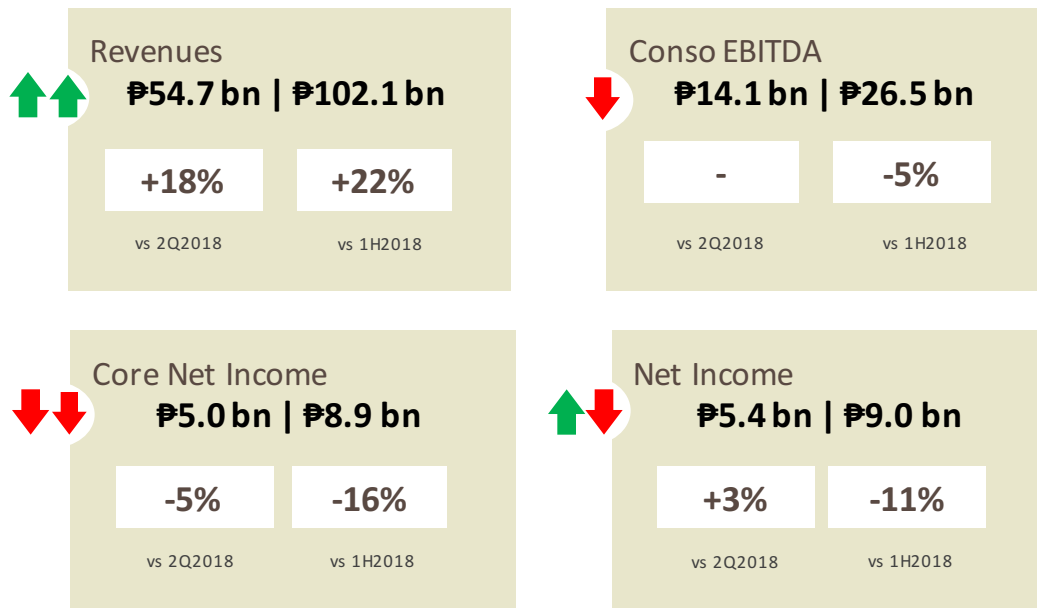


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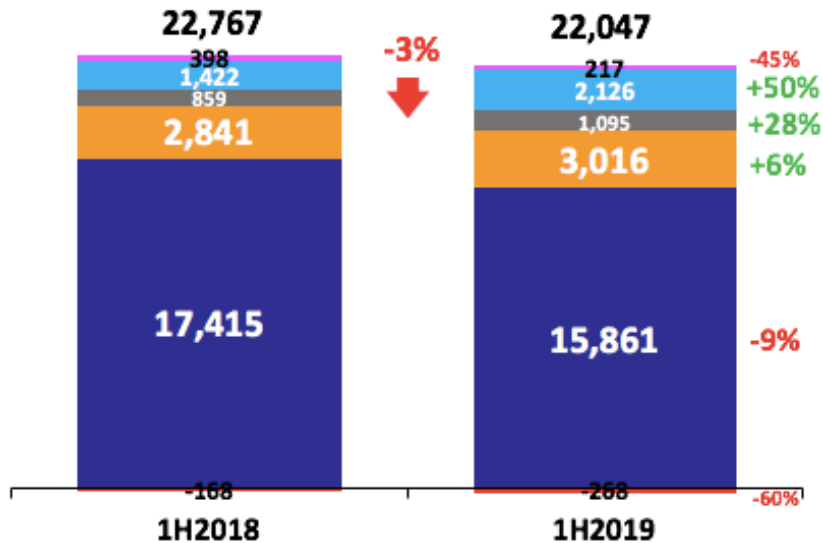
1H 2019 Financial Performance





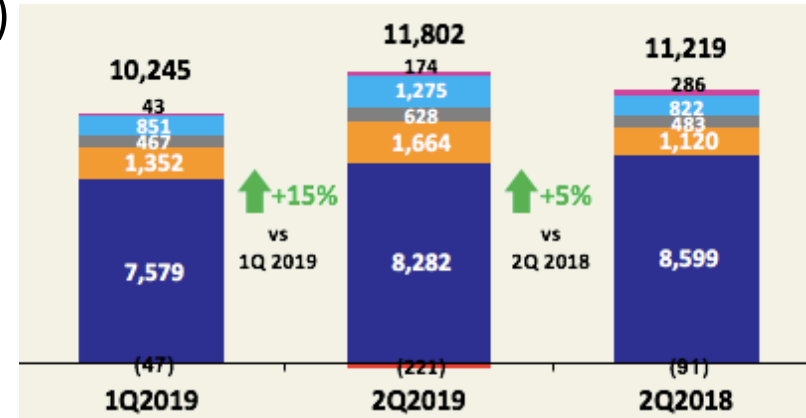
1H 2019 Beneficial EBITDA

(in Php mn)



■ Power
■ Infrastructure
■ Real Estate

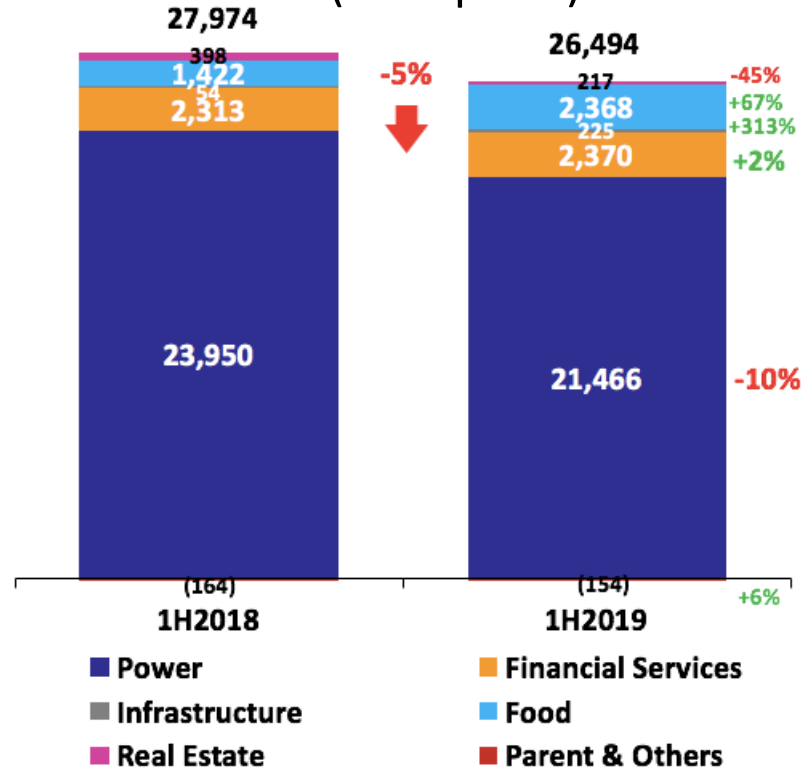
■ Financial Services
■ Food
■ Parent & Others



-3% growth vs 1H 2018, of which...

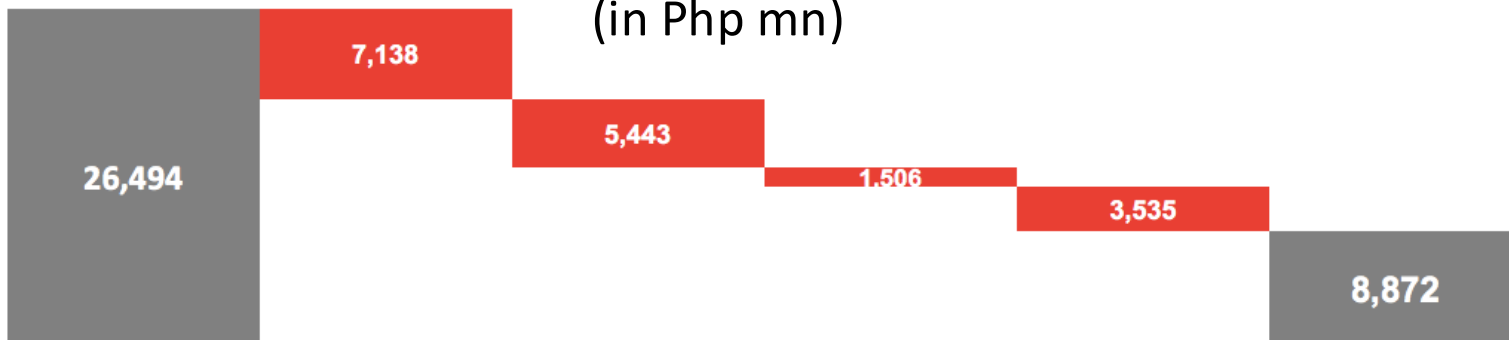
- -7% from Power due to higher purchased power cost
- +3% from Food driven by fresh contribution of Gold Coin; and positive performance of Feeds and Flour businesses
- +1% from Infrastructure as a result of improvement in selling volume and selling prices

1H 2019 Consolidated EBITDA
(in Php mn)



1H 2019 Core Net Income

(in Php mn)



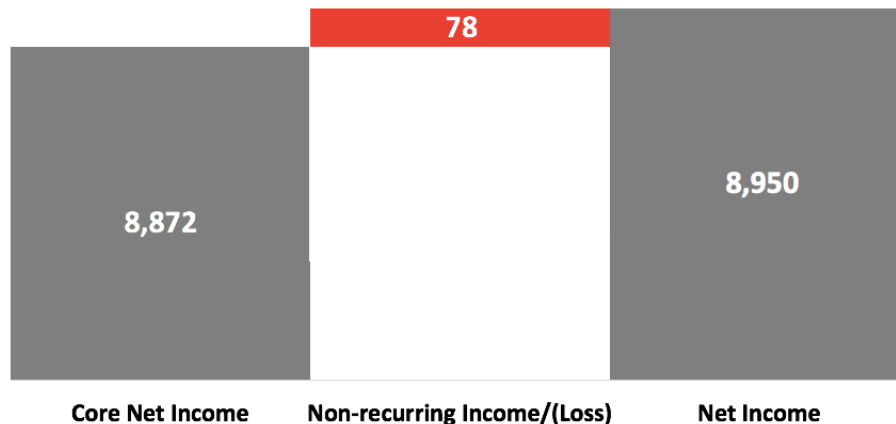
Conso EBITDA Interest Expense Depcn. & Amort. Tax & Others Non-controlling Interest Core Net Income

	1H2018	1H2019	Change
Conso EBITDA	27,974	26,494	-5%
Less: Interest Expense	5,733	7,138	25%
Depcn. & Amort.	4,630	5,443	18%
Tax & Others	2,761	1,506	-45%
Non-controlling Interest	4,298	3,535	-18%
Core Net Income	10,553	8,872	-16%
EPS	1.87	1.58	



1H 2019 Net Income

(in Php mn)



	1H2018	1H2019	Change
Core Net Income	10,553	8,872	-16%
Non-recurring gains/ (losses)	(467)	78	117%
Net Income	10,086	8,950	-11%
EPS	1.79	1.59	

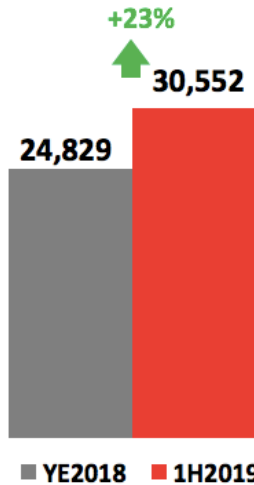
FX rate
30 Jun 2019: 51.24
30 Jun 2018: 53.34



Balance Sheet Highlights

(in Php mn, except ratios)

Parent Net Debt



ND/E 0.14x (0.03)x

Consolidated Balance Sheet/Key Ratios

	YE2018	1H2019
Cash and Cash Equivalents	59,033	44,077
Total Assets	554,494	572,434
Total Liabilities	336,016	369,694
Total Equity	218,478	202,740
Equity Attributable to Parent	174,691	164,991
Book Value Per Share	31.01	29.29
Current Ratio	1.8x	1.4x
Debt to Equity	1.5x	1.8x
Net Debt to Equity	1.0x	1.3x



Review of Business Units

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



aboitiz

ADVANCING BUSINESS
AND COMMUNITIES