

Analysts' Briefing

May 2, 2023
(Philippine Time)

aboitiz
Equity Ventures



Together we are building the PH's first **techglomerate**

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Review of Business Units

- **Food**
- Land
- Infrastructure
- AEV Financials
- Q&A

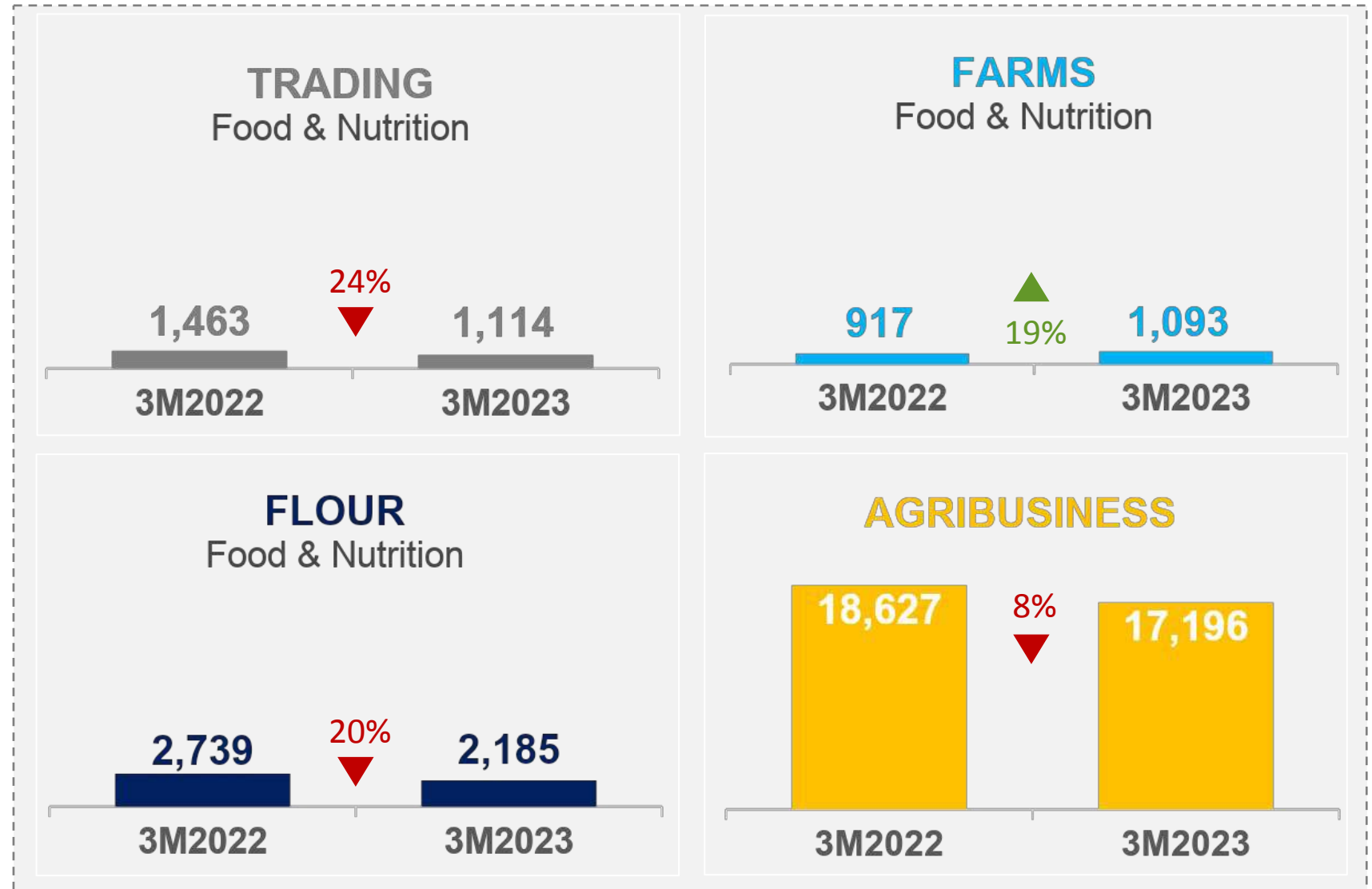
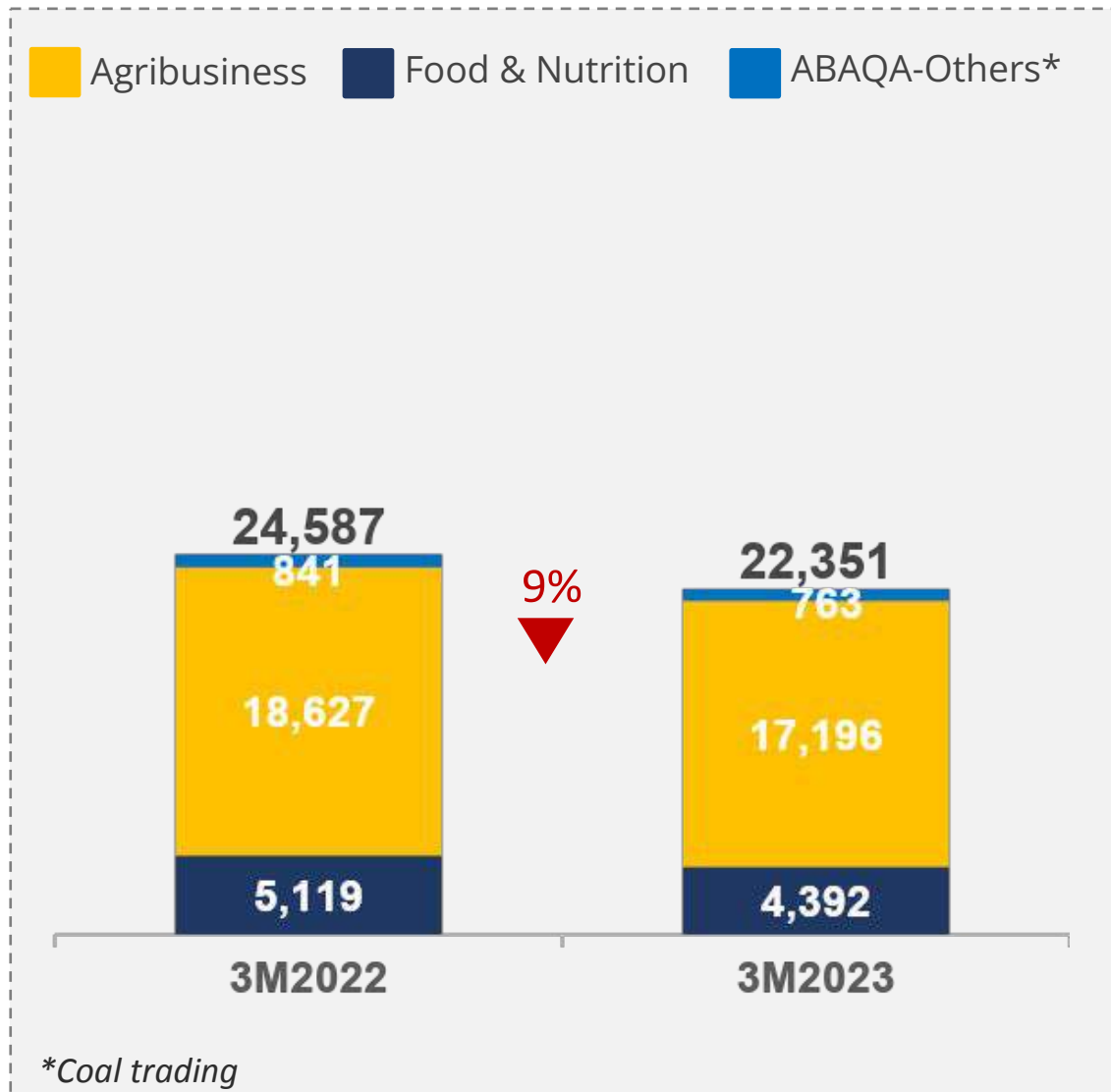


- Food Group's first quarter of 2023 revenue was down 9% YoY on the decrease in contribution of Food & Nutrition (-14%) and Agribusiness (-8%).
- Food Group reported a Net Loss of P534M in 1Q2023, 206% behind the P502M NIAT in the same period in 2022.
- The drag in profitability was driven by the (1) lower gross profit and (2) further weakened by the higher financing costs across all divisions with the stark increases in borrowing rates against a more expensive working capital requirement.

FINANCIAL SUMMARY (in PHP Millions)	3M22A	3M23A	vs Last Year	
			Amount	%
REVENUE	24,587	22,351	(2,236)	- 9%
EBITDA	1,524	272	(1,252)	- 82%
NIAT	502	(534)	(1,036)	- 206%
EBITDA MARGIN	6.2%	1.2%	-498 BPS	

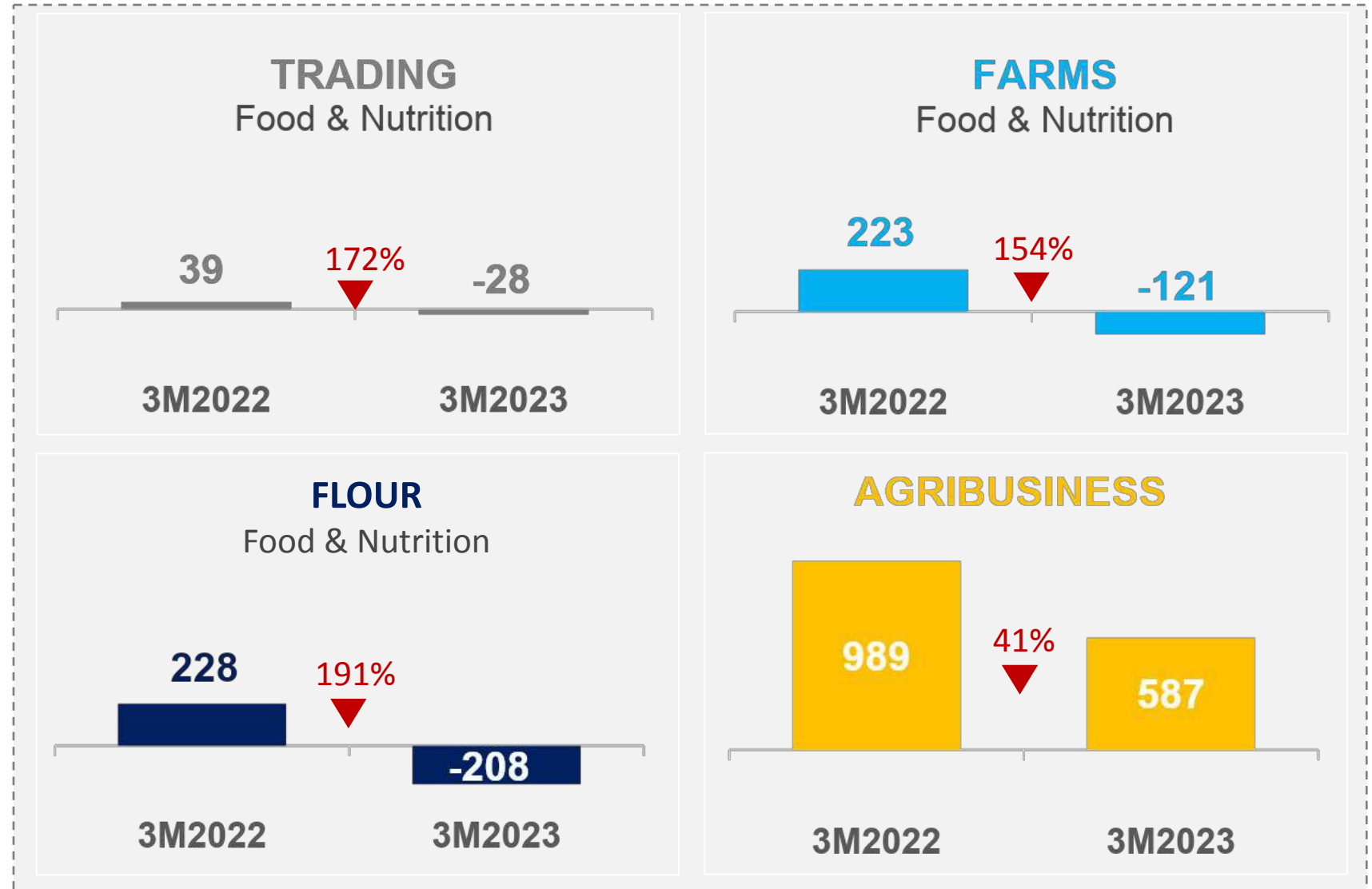
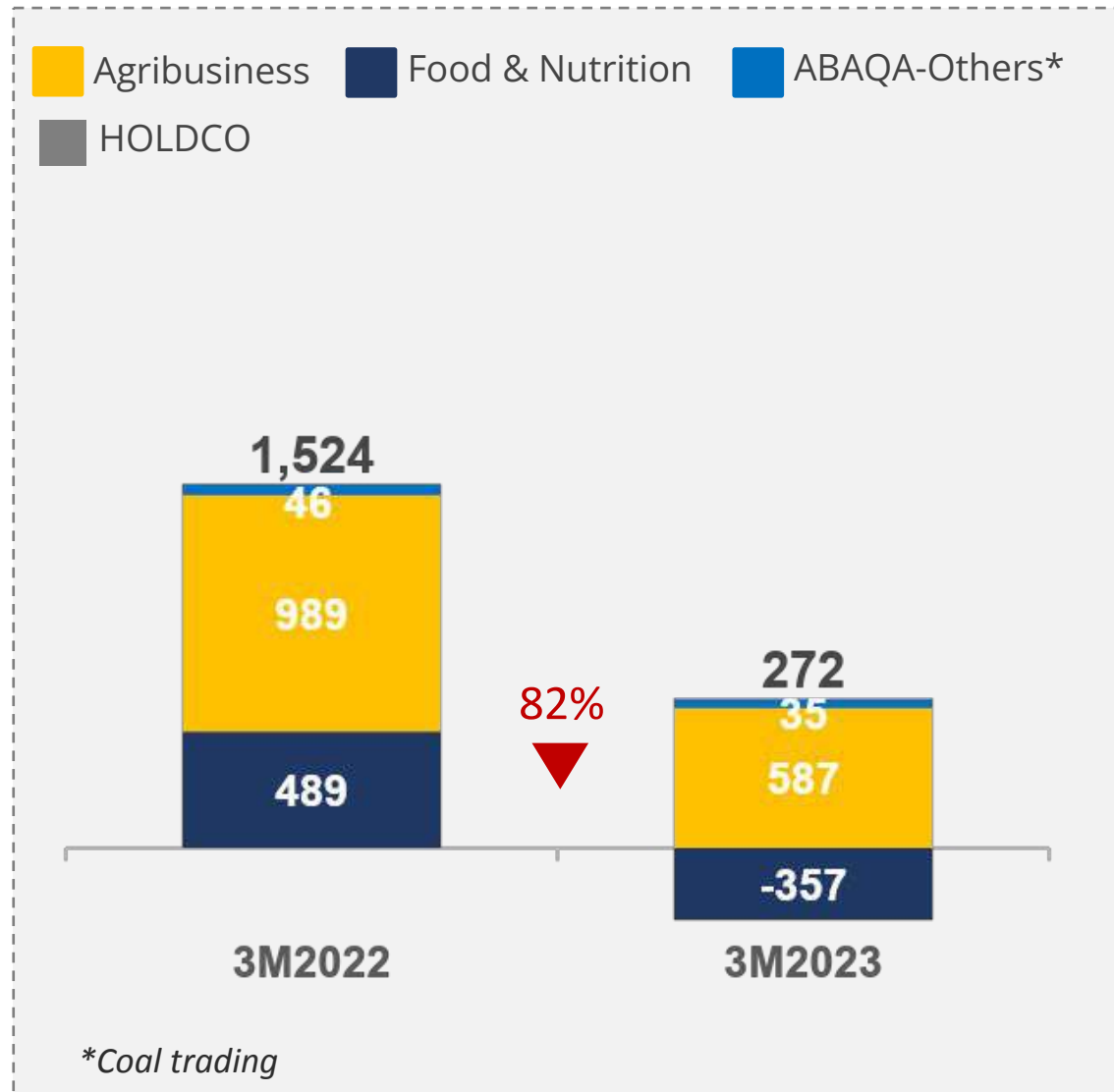
REVENUE: Lower by 9% compared with 1Q2022

1Q2023 revenue decreased 9% YoY to P22B, with only Farms showing revenue growth. However, Farm's increase in revenue from higher volume, was wiped out by the decline in Flour, Agribusiness, and Trading's revenue contribution.



EBITDA: Declined 82% YoY dragged down by both business units

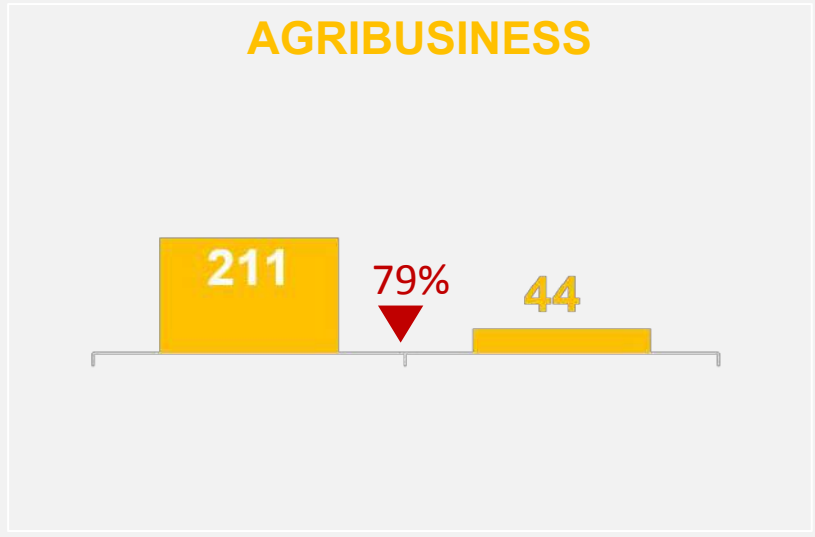
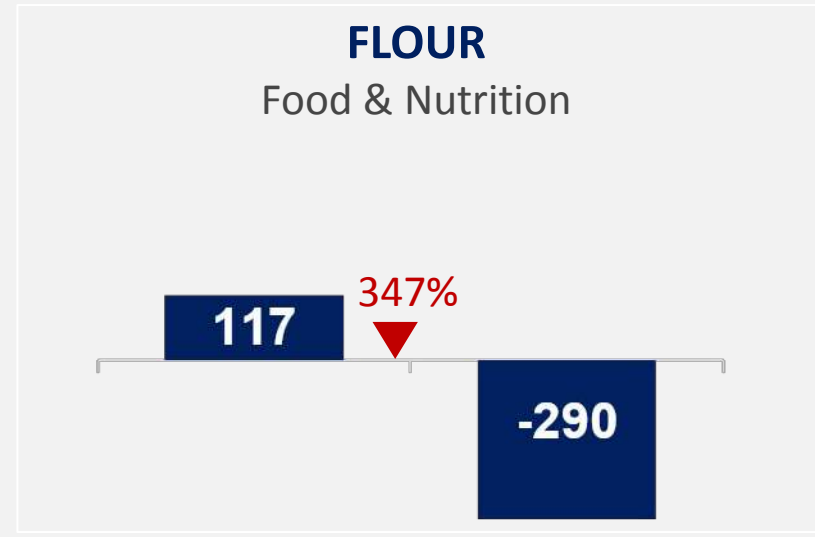
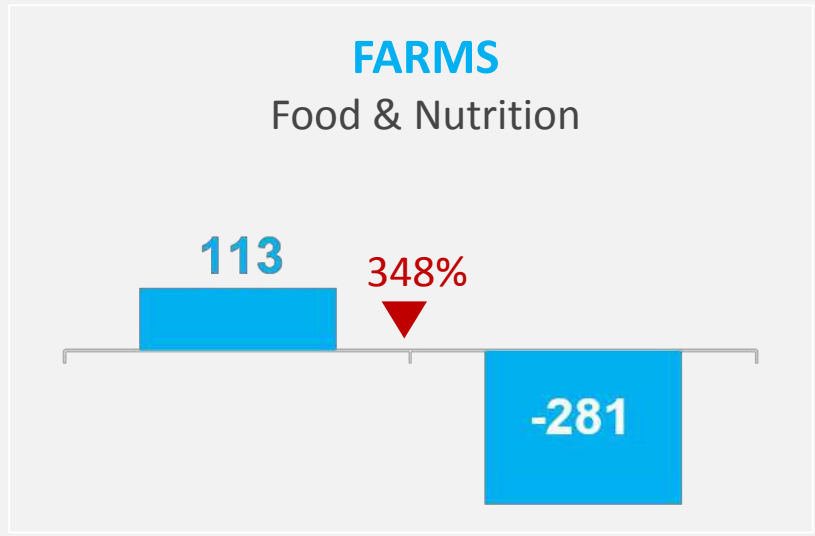
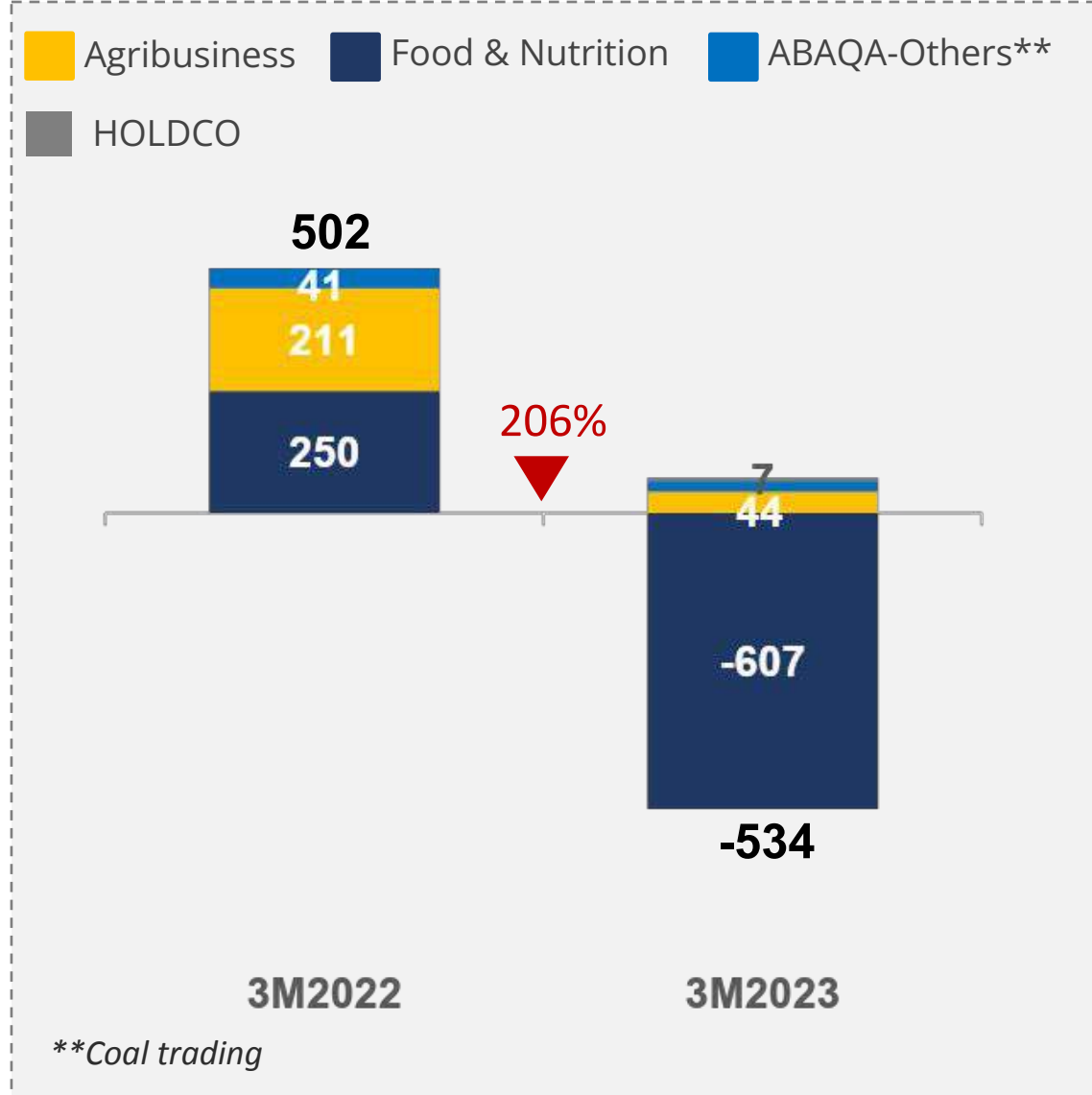
Food Group EBITDA slid 82% YoY on the unfavorable performance of both business units (-173% decline in Food & Nutrition and -41% in Agribusiness) attributable to lower sales volume and profit margins.



NIAT: Drops to a P534M net loss weighed down by demand

challenges, higher input costs, and doubling interest rates

Food Group reported a Net Loss of P534M in 1Q23, falling behind 1Q22 performance by 206%. The YoY weak NIAT performance was driven by the lower EBITDA across all divisions and pulled down further by the 2.6x (or PHP 242M) increase in interest expense (coming from higher interest rates and loan borrowings) in both our PH and International operations.





1Q 2023 Project Milestone

LOCATION	PROJECT	CAPACITY	% OF COMPLETION	TARGET COMPLETION
Philippines	The Good Meat Stores (6 Stand-alone Stores)	2K MT Day	67%*	2Q23
China	Yunnan Mill	30TPH	23%	2Q24
Vietnam	Long An Mill	30TPH	37%	4Q23

**4 out of 6 stores completed on top of 1 existing store*



Agribusiness: China Yunnan Mill

“150k MT-capacity feedmill, with a potential to expand capacity up to 270k MT”



COMPLETION RATE: **23%**
TARGET DATE OF COMPLETION: **2Q2024**



Agribusiness: Vietnam Long An Mill



“ 200k MT-capacity feedmill, with a potential to expand capacity up to 300k MT ”



COMPLETION RATE: **37%**

TARGET DATE OF COMPLETION: **4Q2023**



Food & Nutrition: The Good Meat (TGM) Expansion



“With more than 250 store presence in 2023”



COMPLETION RATE: **67%***

TARGET DATE OF COMPLETION: **2Q2023**



Key Takeaways

- Food Group revenue is dampened by lower volume despite overall increase in selling prices to catch up with the higher commodity costs.
- 1Q2023 EBITDA down by 82% YoY due to demand challenges and higher input costs.
- From an 82% lower EBITDA, the Group's bottomline drops further to a P534M net loss on higher financing costs
- The Feedmill expansion in China and Vietnam is on track. The first half of this year will focus mostly on the final design and construction, while the second half will include equipment installation.

AboitizLand



Review of Business Units

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- **Land**
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Aboitiz Land has seen a slow start as of Q1 2023 based on its key financial and operational metrics



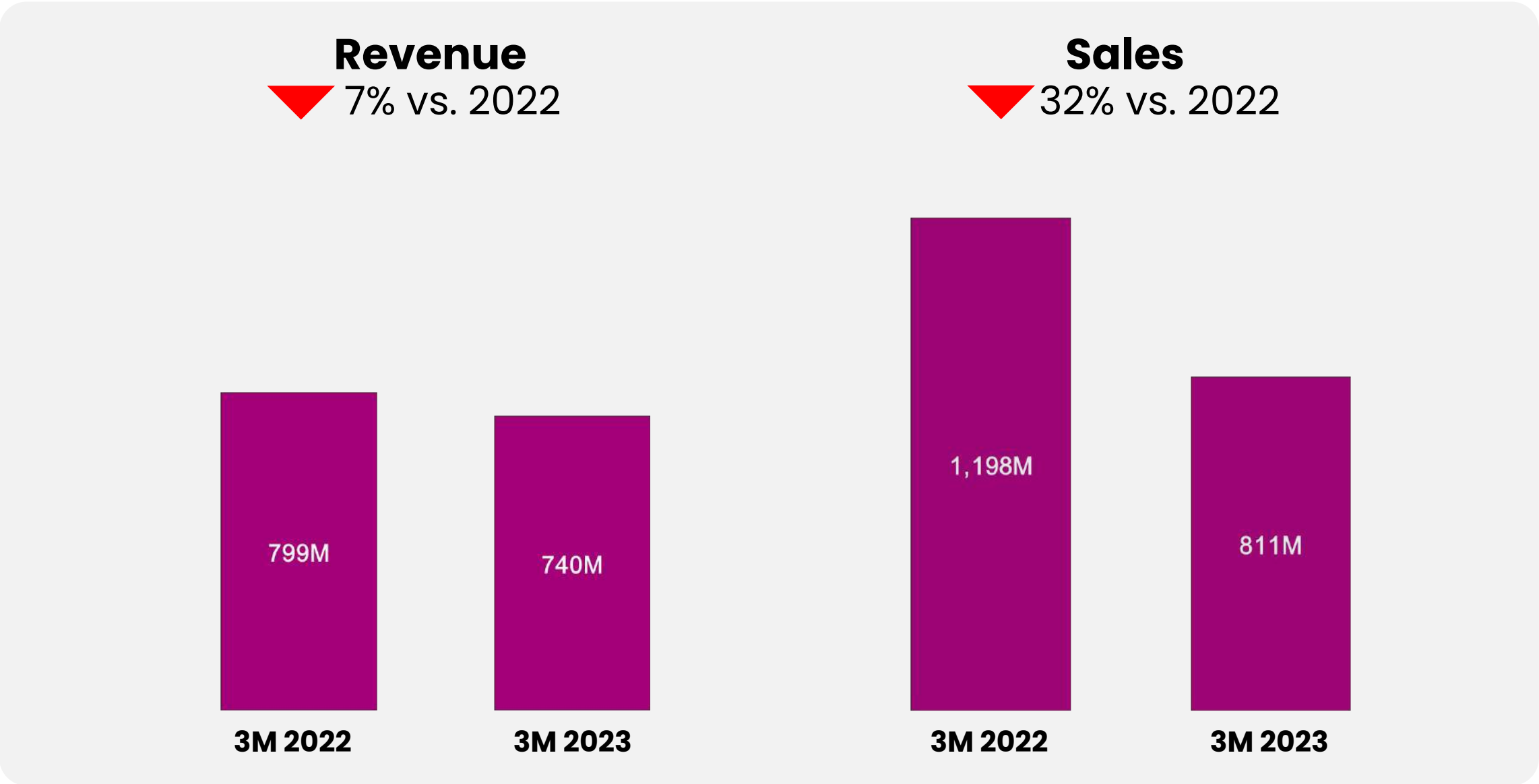
RESIDENTIAL SALES 3M 2023
811M 3M 2022
▼ 32%

REVENUES 3M 2023
740M 3M 2022
▼ 7%

GROSS PROFIT 3M 2023
299M 3M 2022
▼ 9%

CORE EBITDA 3M 2023
197M 3M 2022
▼ 7%

Action steps are established that will allow Aboitiz Land to catch up to the original budget within the year



Leveraging innovation that positively impact our business



Sales

- Vecino App as our differentiator for International Sales Deployment in Dubai
- Prequal initiative to improve the quality of sales



Construction

- Construction technology transforming our ability to build distinctive and high-quality homes faster and better
- Savings on materials procurement



Digitization Initiatives

- INVENTI:** Cloud-based Property Management System
- GAVITI:** Automated A/R Collections Solution

Gearing up for the Great Trajectory in 2023

Project Launches

New project phases to be launched in Batangas and Cebu



Priveya Hills Phase 5B

Mandaue City, Cebu

Q2 2023



The Villages at Lipa MRB

Lipa and Malvar, Batangas

Q3 2023



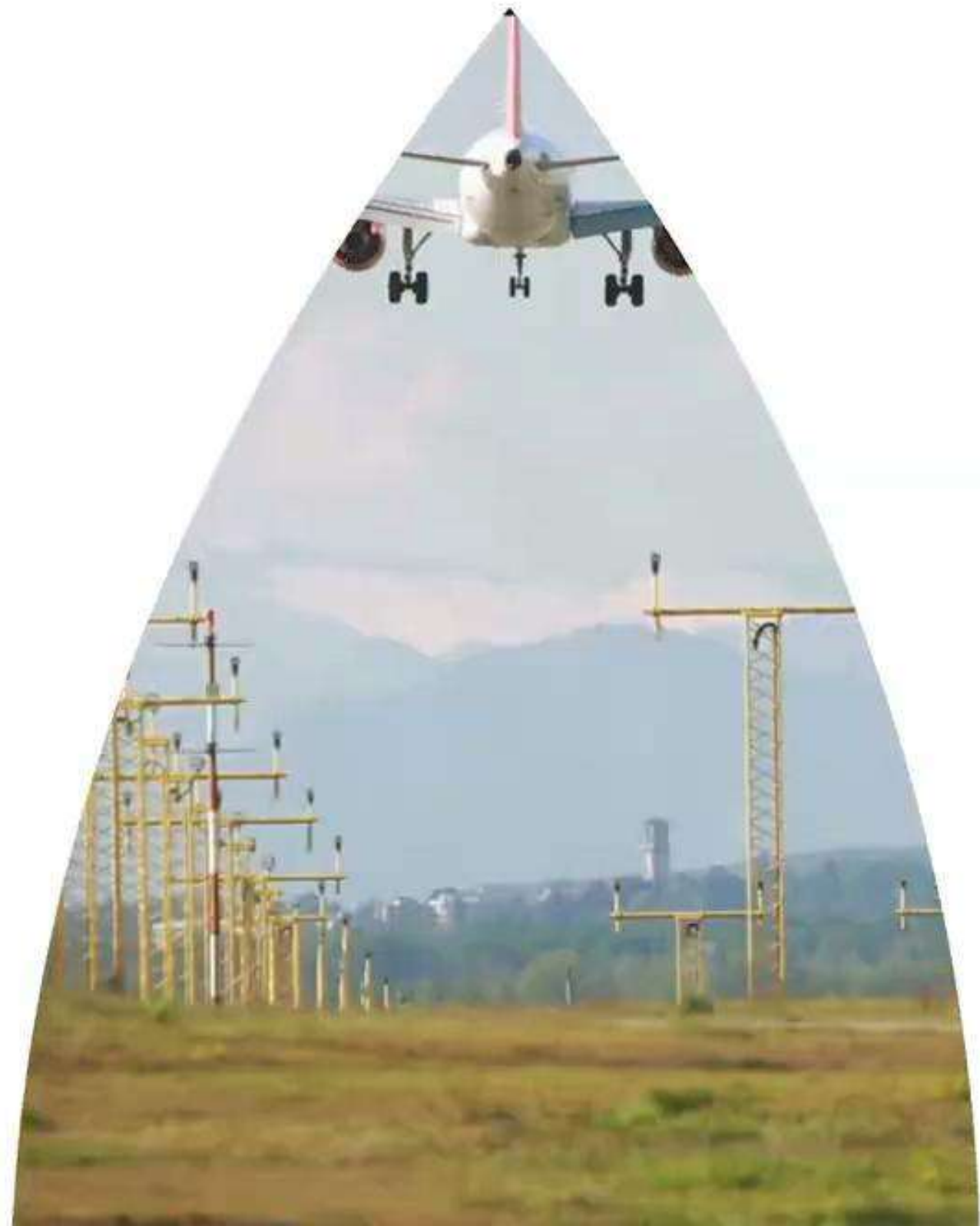
Amoa Enclaves 2 and 3

Compostela, Cebu

2024

Land SBU Key Takeaways

- Aboitiz Land is off to a slow start as of Q1 2023 largely due to delays in construction, collections, and lower sales take-up. Solutions to address these that will allow us to catch-up with the original budget by Q3 are already being undertaken.
- We are starting to reap the operational benefits from some of our initiatives across sales, construction, property management, and collections. We expect that the increased efficiencies will eventually also impact our financial performance positively.
- This year, Aboitiz Land will launch fresh inventories as a testament of the strong market reception for its developments. Priveya Hills, its exclusive residential development in Cebu City, will see a new phase launched while in Lipa City, Batangas, a cluster of mid-rise buildings will be launched within LIMA Estate.
- Aboitiz Land remains confident towards the growth of the business and residential demand for 2023. We will continue on accelerating our activities in international sales, landbank development, project launches, and monetization of non-strategic land assets.



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ECONOMIC ESTATES

WATER FACILITIES

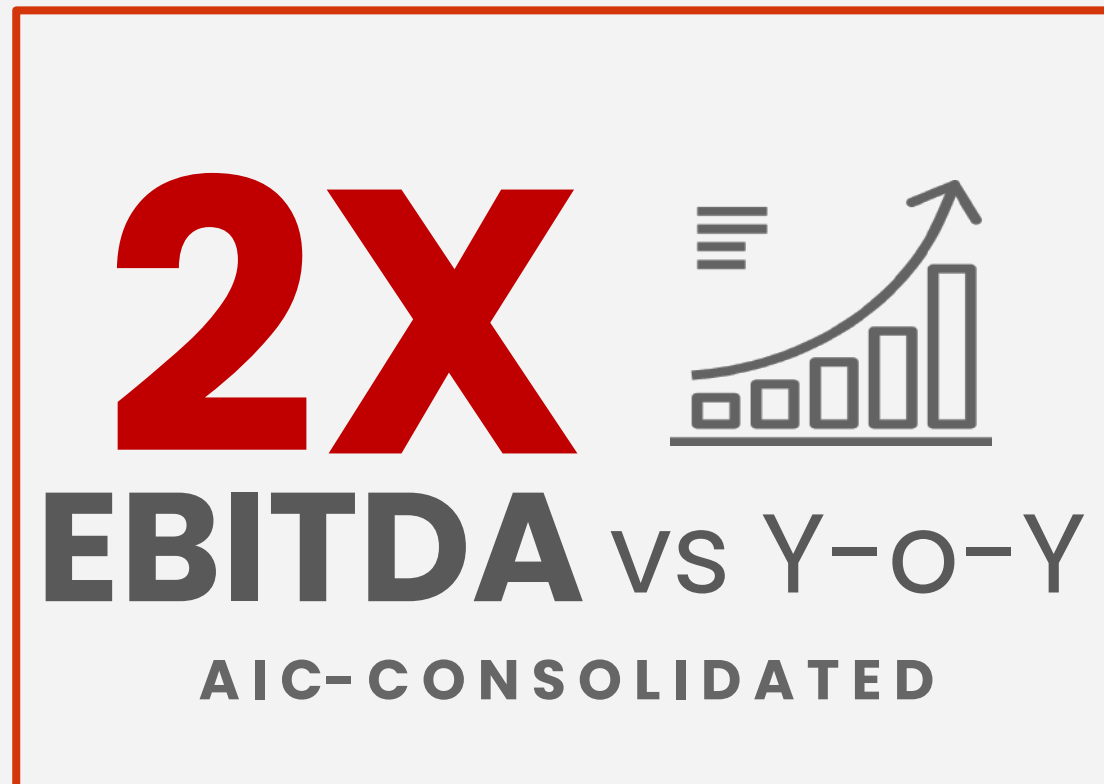
DIGITAL INFRASTRUCTURE

TRANSPORT and MOBILITY

**ENABLING BUSINESSES.
UPLIFTING COMMUNITIES.**



AIC off to a promising start for 2023



More than tripled YoY passenger traffic

MCIA has been awarded as best airport in Asia Pacific for under 5M passengers



Continued to deliver point of service connections to all telcos in the market

Unity focused on transitioning acquired towers from PLDT-Smart



Promoting the Philippines and AIC's Economic Estates as a leading destination for foreign investors

PBBM signed Proclamation 402 which approved the expansion of LIMA Technology Center - Special Economic Zone



Apo Agua delivers 1st drop of water to DCWD

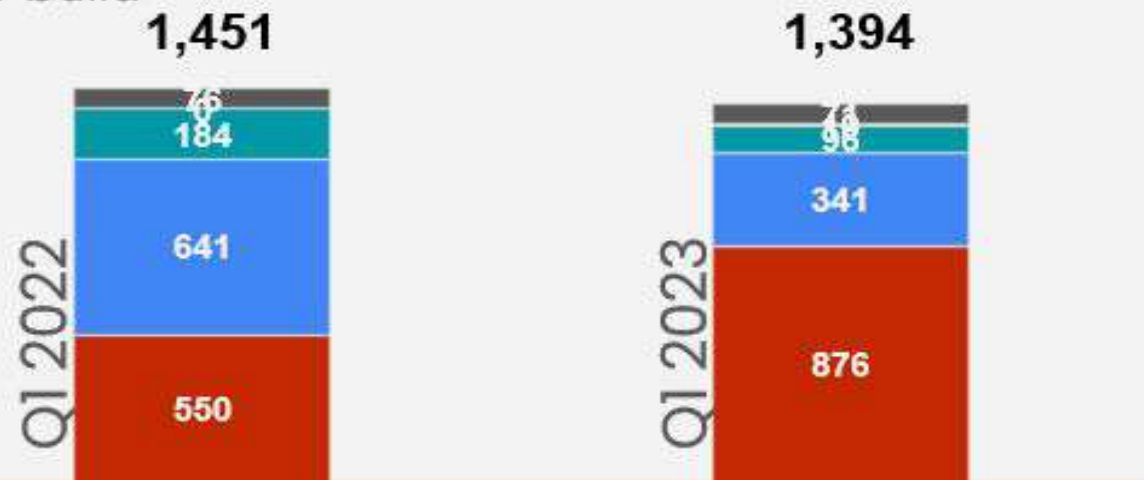
Estate Water awarded by National Water Resources Board for water conservation efforts

Q1 AIC Financials

CAPEX (in Php M)

-4%

Slightly lower Q1 CAPEX as Apo Agua nears project completion and Unity currently focused on SLB transition instead of new tower build

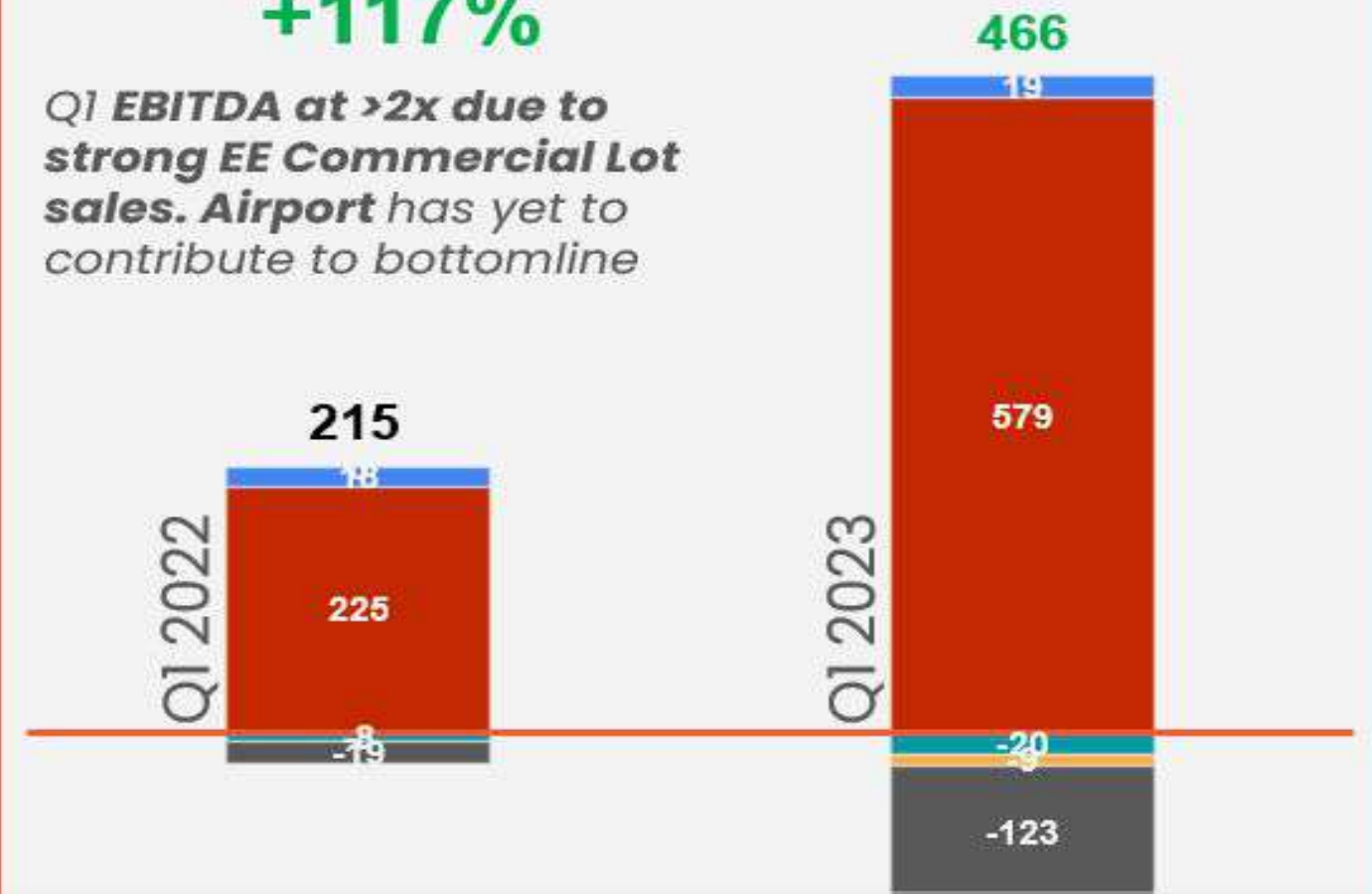


■ Economic Estates ■ Water ■ Digital Infra ■ Airports ■ Parent

EBITDA (in Php M)

+117%

Q1 EBITDA at >2x due to strong EE Commercial Lot sales. Airport has yet to contribute to bottomline



■ Economic Estates ■ Water ■ Digital Infra ■ Airports ■ Parent

Business Performance

3X

Passenger traffic more than tripled year-on-year



- Department of Tourism and other government agencies started initiatives to boost foreign travel, e.g. use of an e-Visa system



AIC is on track to build the first Philippine Airport platform

- Proposals to undertake operations of 3 regional airports (Laguindingan, Bohol, and Bicol) are under ICC-NEDA evaluation
- AIC is optimistic on the prospects as the government is very receptive to private sector participation



Apo Agua delivers 1st drop to DCWD

- Apo Agua Infraestructura has achieved a major milestone with the delivery of the 1st drop of water to DCWD
- Apo Agua gearing up for start of full operations targeted in 1H 2023



- Estate Water completed the solar power integration project in its sewage treatment plant which will reduce its power consumption from the grid



Unity continued to deliver point of service connections for all telcos in the market



- Unity continued its build out of macro towers and deployment of small cell poles in the first quarter
- Unity's footprint in VISMIN will reach 1,000 with its recent acquisition of 650 towers from PLDT-Smart



Promoting the Philippines as a leading destination for foreign investments



- Promoting the Philippines both locally and abroad through strong collaboration and partnerships with National Government Agencies

THE PHILIPPINES **dti PHILIPPINES** **boi BOARD OF INVESTMENTS** **Aboitiz InfraCapital**
Enabling Businesses. Uplifting Communities.

PHILIPPINE BUSINESS FORUM

14 November 2022 (Monday) | 2:00 PM - 4:30 PM (JST)
Venue: Tokyo Chamber of Commerce and Industry (TCCI)
Shibusawa Hall (Tokyo, Japan)

Organizers: Department of Trade and Industry (BOI, PTIC-Tokyo), Aboitiz InfraCapital, and Philippine Economic Zone Authority
Supported by: The Japan-Philippines Economic Cooperation Committee (JPECC), Marubeni Corporation

LIMA Estate Expansion



- Groundbreaking for LIMA Estate Industrial Expansion (Phase 4), adding 96 hectares of industrial land to serve the increasing demand
- 47 ha. Phase 3 (Blk 9-1) expansion area **100%** complete
- 57 ha. Phase 3 (Blk 9-2) expansion is more than **70%** complete and is set to be completed by **December 2023**



LIMA Estate

- LIMA continues to transform its facilities into mixed-use developments, creating vibrant communities where people can live, work, and play



Roll out of electric minibuses to operate the Intra LIMA shuttle system



Groundbreaking for 'The Pods' – a 600 bed dormitory facility

West Cebu Estate Expansion

- Current **39ha. industrial expansion** more than **50%** complete and is set to be completed by **Q4 2024**
- Expected to cater to the growing demands of a wider range of industries such as automotives, manufacturing, and logistics
- Commercial lots are suitable for office, residential, and institutional use will be available



Awards and Events

PAWD National Convention and NWRB World Water Day



Philippine Association of Water Districts (PAWD).

Aboitiz InfraCapital is a proud sponsor of the 44th PAWD National Convention, the largest gathering of water districts in the Philippines



National Water Resources Board (NWRB).

AIC Estate Water was recently awarded by the NWRB for its implemented water efficiency initiatives (non-revenue water reduction) and water management program which demonstrated promising water conservation efforts



Best Airport



- Mactan Cebu International Airport has been awarded as best airport in Asia Pacific for under 5 million passengers category by routes Asia

GOLD AWARDS

ABOITIZ INFRACAPITAL

Outstanding Developer - Industrial



Gold Award for Outstanding Industrial Developer



- FIABCI (*Fédération Internationale des Administrateurs de Bien-Consolis Immobiliers*) Philippine Chapter's Property and Real Estate Excellence Awards recognize projects that best embody excellence and best practices in architecture and design, development and construction, community benefits, environmental impact and financial and marketing success

TAKEAWAY AND OUTLOOK



Enabling Businesses. Uplifting Communities.



**TRANSPORT
& MOBILITY**

- Expecting acceleration in 2H of this year as airlines restart major international routes and aircraft availability improves
- With 3 Regional Airport submissions now with the government, AIC on track to build first Philippine Airport Platform



**DIGITAL
INFRA**

- Unity Digital Infrastructure poised to reach 1,000+ macro towers and over 600+ poles for small cells by year end



**ECONOMIC
ESTATES**

- Completion of facilities going as planned, e.g. LIMA Tower 1, The Satellite, The Pods
- Looking to continue developing new projects as well as acquiring new ones to expand its portfolio



WATER

- Apo Agua gearing up for start of operations in 1H 2023
- Estate Water aims to construct another deepwell to support the requirement of LIMA Technology Center's expansion

RCBM

Challenging market environment persists

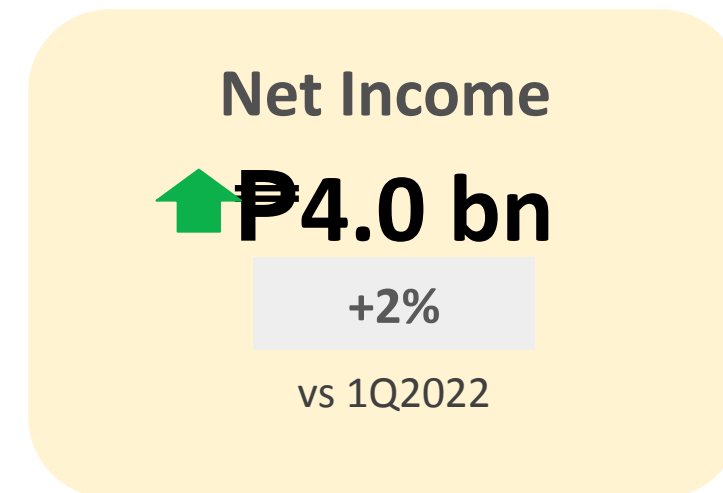
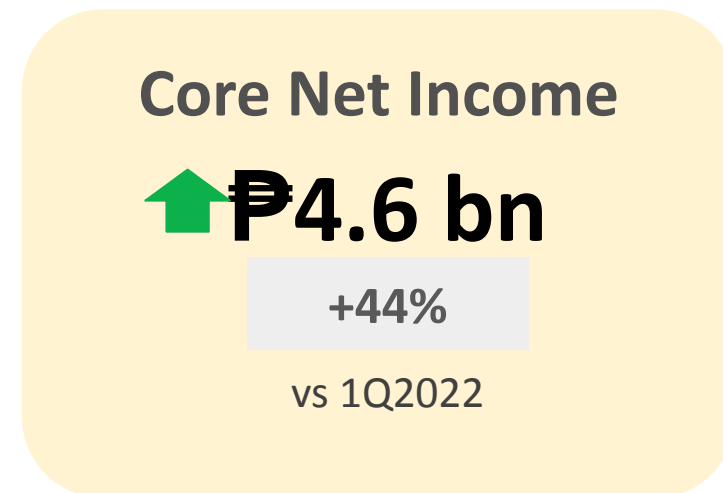
- Cement market demand contracted in Q1 2023, impacted mainly by elevated inflation, high interest rates and delayed government infrastructure spending
- BU adversely affected by market contraction and significant increases in energy costs. Cost control measures in place but cannot fully mitigate cost factor increases
- Contribution to AEV at -PhP0.30B, lower by PhP0.28B vs Q1 2022



Review of Business Units

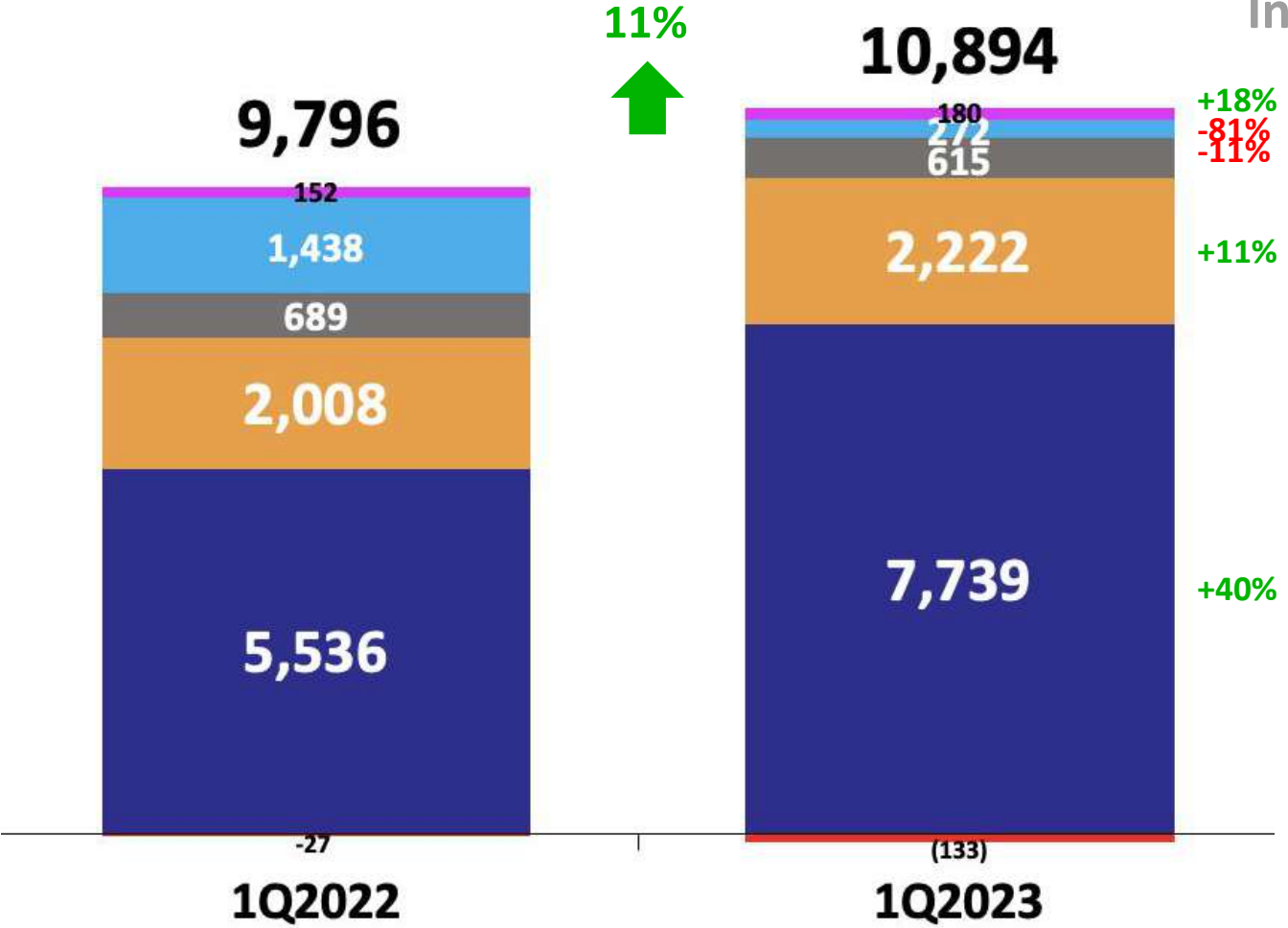
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Revenues up from better performance across almost all SBUs



Beneficial EBITDA up by 11%

In PHP Millions

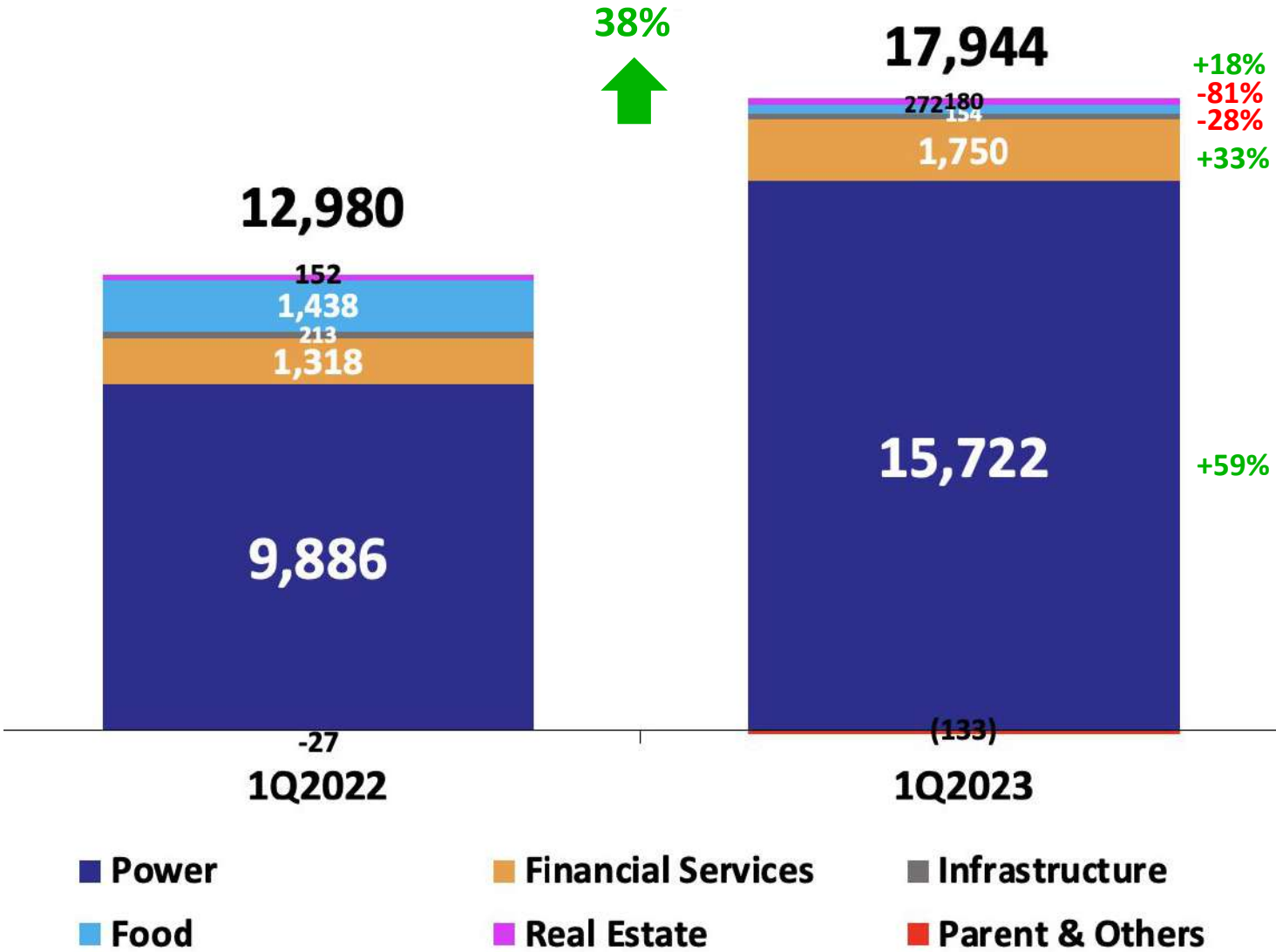


+11% vs LY:

- +23% from Power due to fresh contributions from GNPD, higher availability and higher water inflow
- -12% from Food Group due to lower sales volume and profit margins

Consolidated EBITDA up by 38%

In PHP Millions



Net Income up by 2%

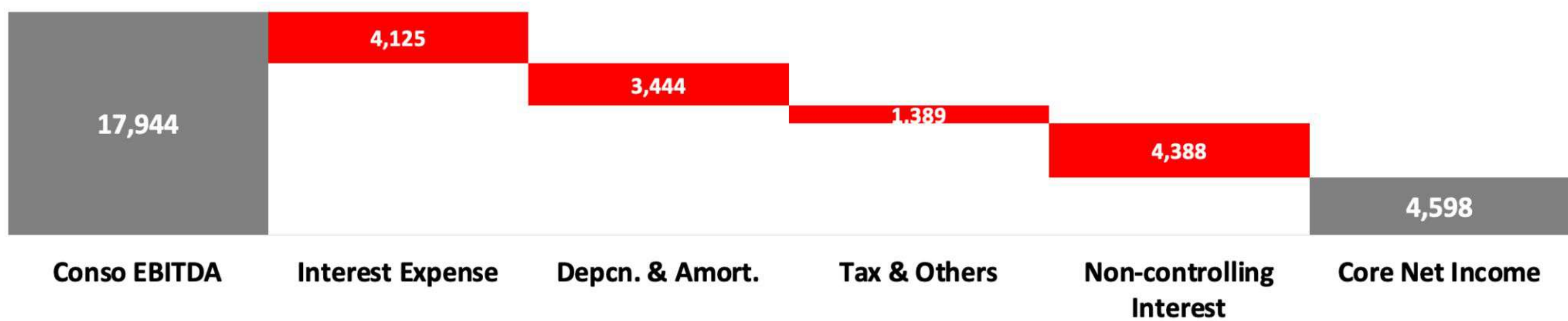
In PHP Millions



	1Q2022	1Q2023	Change
Core Net Income	3,196	4,598	44%
Non-recurring Income/(Loss)	742	-593	-1335
Net Income	3,938	4,005	2%
EPS	0.70	0.71	

Core Net Income up by 44%

In PHP Millions

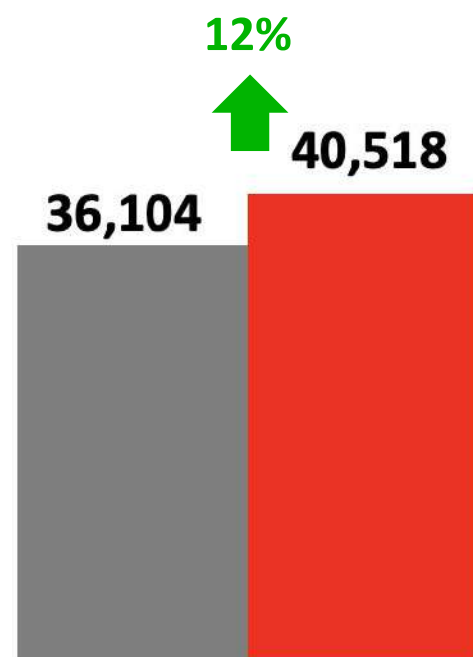


	1Q2022	1Q2023	Change
Conso EBITDA	12,980	17,944	38%
Less: Net Interest Expense	4,200	4,125	-2%
Depcn. & Amort.	3,312	3,444	4%
Tax & Others	852	1,389	63%
Non-controlling Interest	1,420	4,388	209%
Core Net Income	3,196	4,598	44%
<i>EPS</i>	<i>0.57</i>	<i>0.82</i>	

Solid balance sheet allowed us to seize opportunities

In PHP Millions, except for ratios

Parent Net Debt



■ YE2022 ■ 1Q2023

ND/E

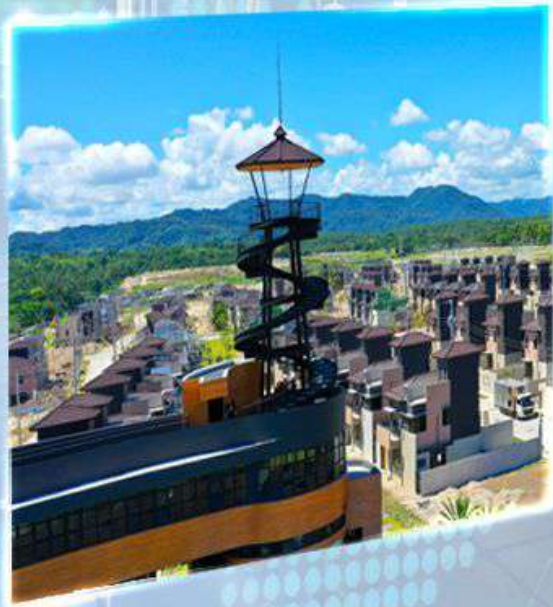
0.1x

0.2x

Consolidated Balance Sheet/Key Ratios

	YE2022	1Q2023
Cash and Cash Equivalents	128,465	114,438
Total Assets	807,982	795,492
Total Liabilities	455,780	449,821
Total Equity	352,203	345,671
Equity Attributable to Parent	256,196	255,402
Book Value Per Share	45.58	45.44
Current Ratio	1.9x	1.8x
Debt to Equity	1.3x	1.3x
Net Debt to Equity	0.7x	0.7x

*includes AEV international



Here are AEV's key takeaways

- ❑ Our first quarter results are promising as the product of our team's unwavering dedication and relentless innovation. Our NIAT was sustained, while our Core NIAT was up by 44%, reflecting the underlying strength of our power and banking businesses, and resilience of our portfolio.
- ❑ We have deployed a significant part of the JERA proceeds to M&A deals, which have started impacting our bottom-lines.
- ❑ As we move into the second year of our Great Transformation, we continue to have a strong balance sheet that will allow us to take advantage of investment opportunities as we continue to execute our plan to become the country's first Techglomerate.

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THE GREAT TRANSFORMATION BEGINS WITH YOU AND ME