



# Aboitiz Equity Ventures

**First Half 2021**  
**Financial & Operating Results**  
Friday, July 30, 2021

**abotiz**



## Review of Business Units

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



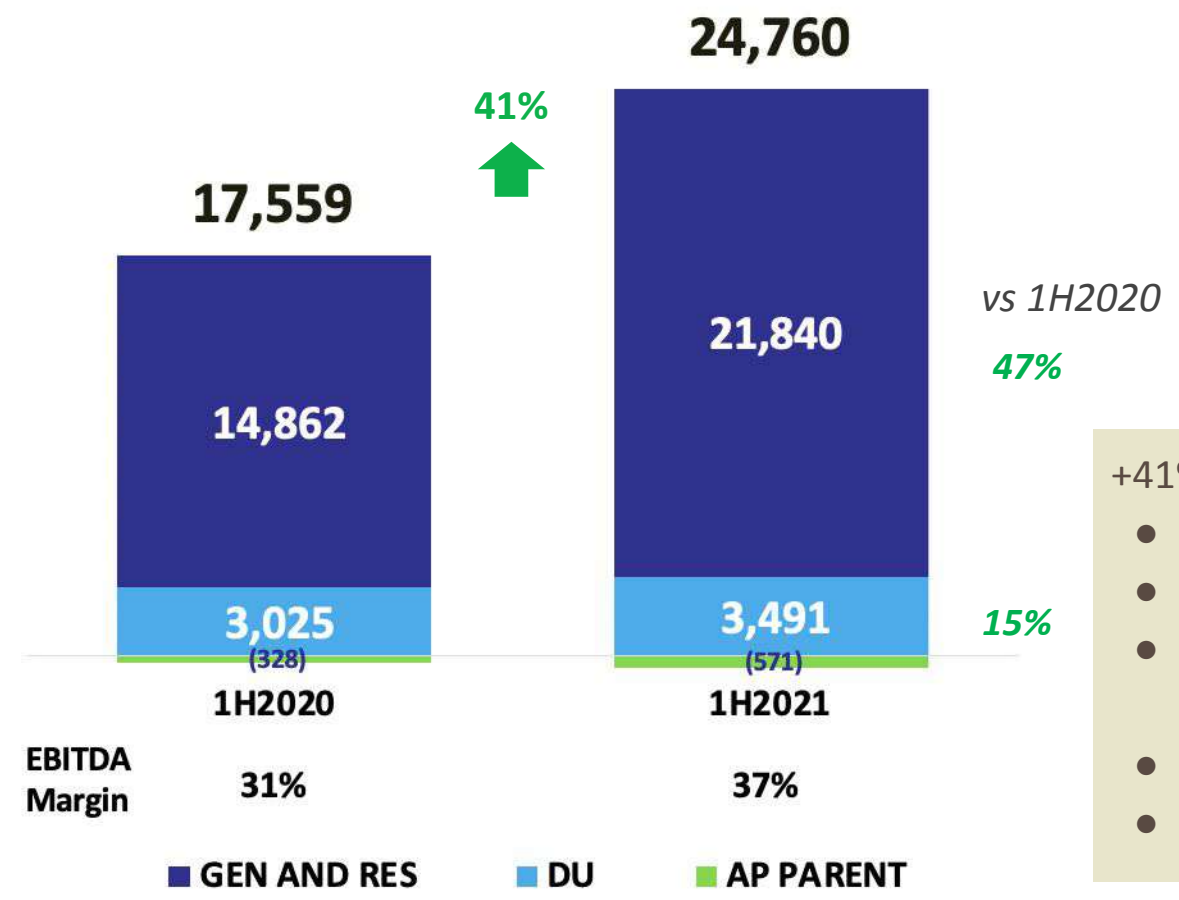
making headway with our  
**10-year growth strategy**





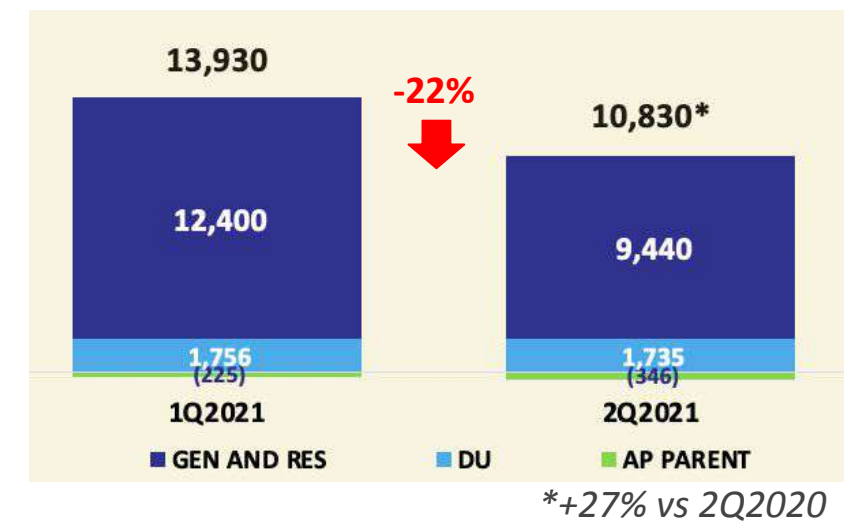
# 1H2021 Beneficial EBITDA

in PHP millions



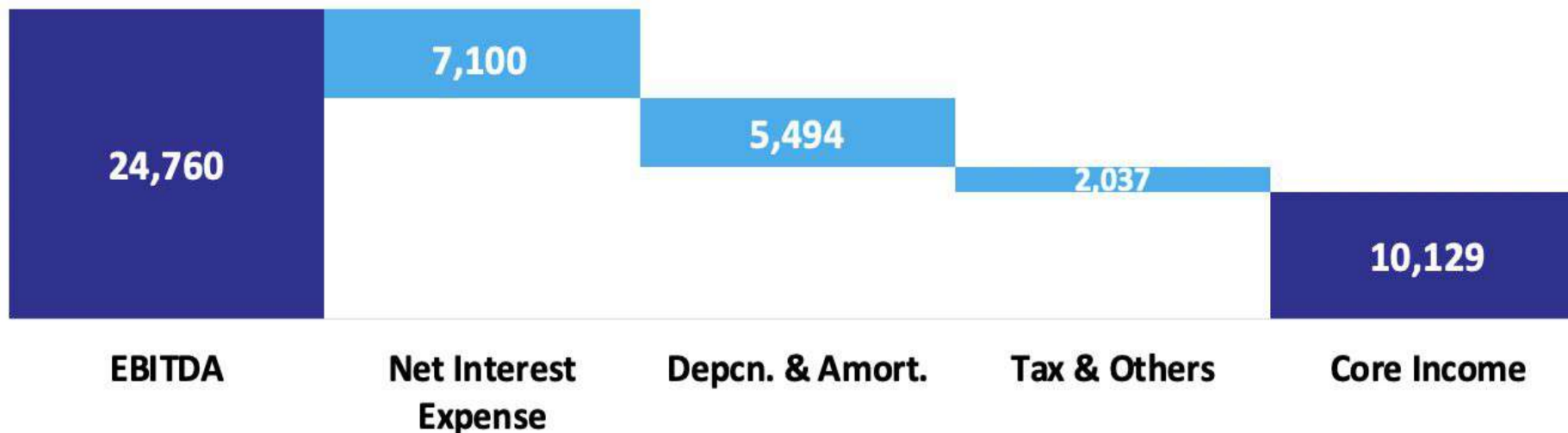
- +41% vs LY:
- +9% higher WESM dispatch
  - +6% higher water inflows
  - +5% GNPD commissioning revenue
  - +4% higher demand
  - +17% other income

## Quarterly Breakdown





## 1H2021 Core Income



Php mn	1H2020	1H2021	Change
<b>EBITDA</b>	17,559	24,760	41%
Less: Net Interest Expense	6,830	7,100	4%
Depcn. & Amort.	5,368	5,494	2%
Tax & Others	1,847	2,037	10%
<b>Core Income</b>	3,513	10,129	188%
<i>EPS</i>	0.48	1.38	



## 1H2021 Net Income



Php mn

**Core Income**

**Net Income**

*EPS*

	1H2020	1H2021	Change
<b>Core Income</b>	3,513	10,129	<b>188%</b>
<b>Net Income</b>	3,737	10,134	<b>171%</b>
<i>EPS</i>	<i>0.51</i>	<i>1.38</i>	



## Balance Sheet Highlights

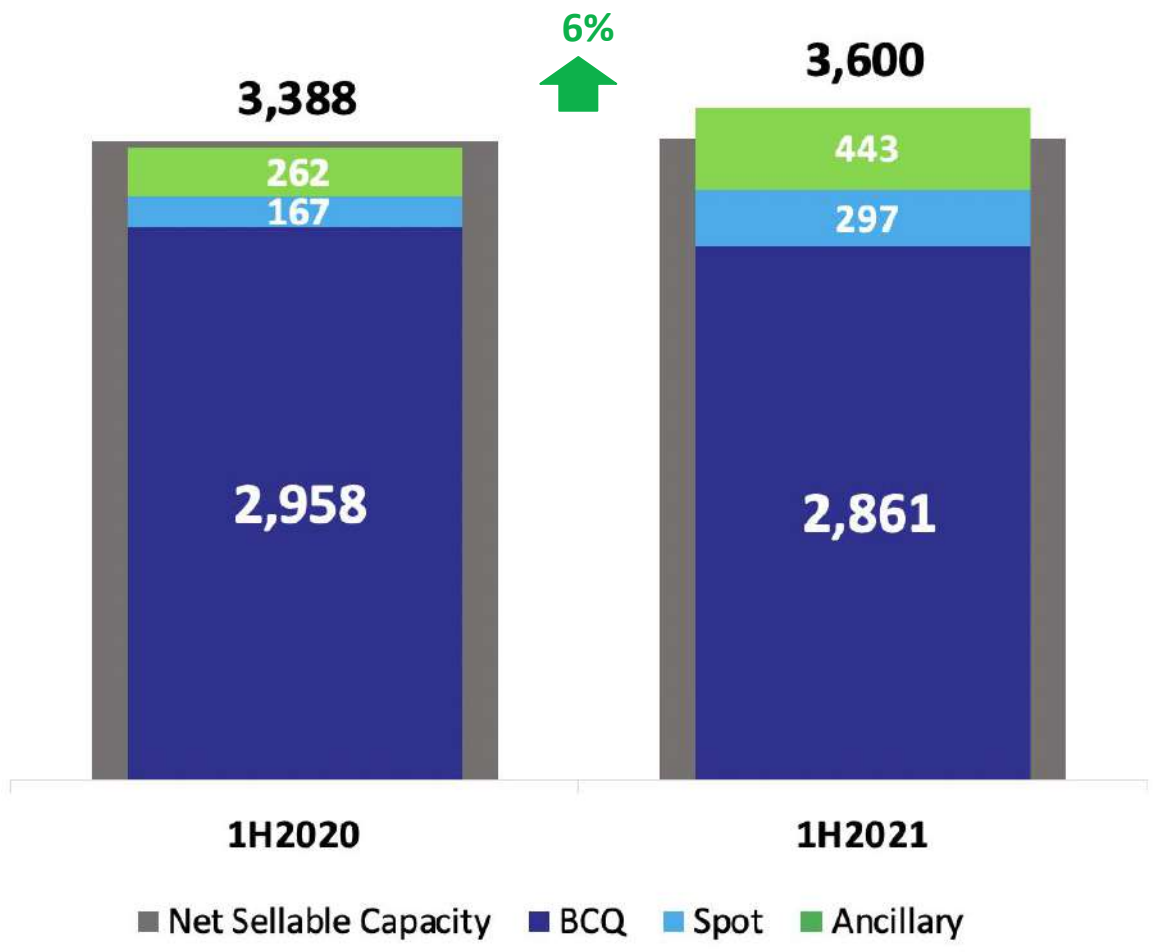
(Php mn)	CONSOLIDATED	
	YE2020	1H2021
<b>Cash and Cash Equivalents</b>	38,700	41,595
<b>Investments and advances</b>	61,829	63,392
<b>Property, Plant and Equipment</b>	203,451	201,038
<b>Total Assets</b>	397,925	406,439
<b>Total Liabilities</b>	263,340	265,143
<b>Total Equity</b>	134,585	141,296
<b>Total Interest Bearing Debt</b>	228,328	226,853
<b>Net Debt</b>	184,304	179,323
<b>Net Debt to Equity</b>	1.4x	1.3x
<b>Debt to Equity*</b>	1.7x	1.6x

*\*Total Interest Bearing Debt / Total Equity*



# Operating Highlights: Capacity Sales

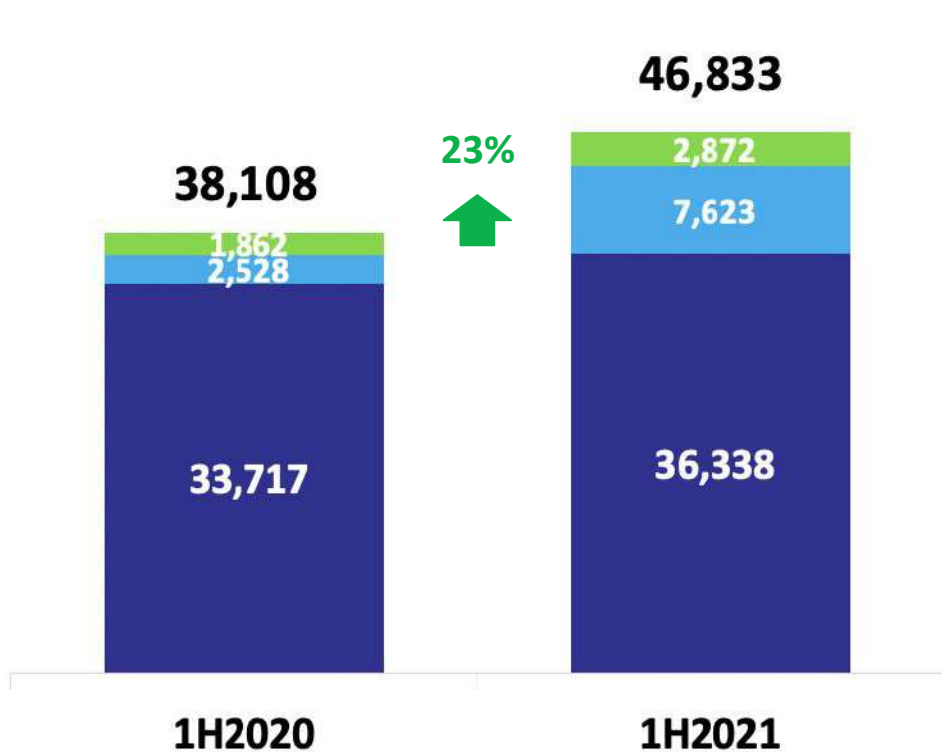
Capacity Sales  
in MW



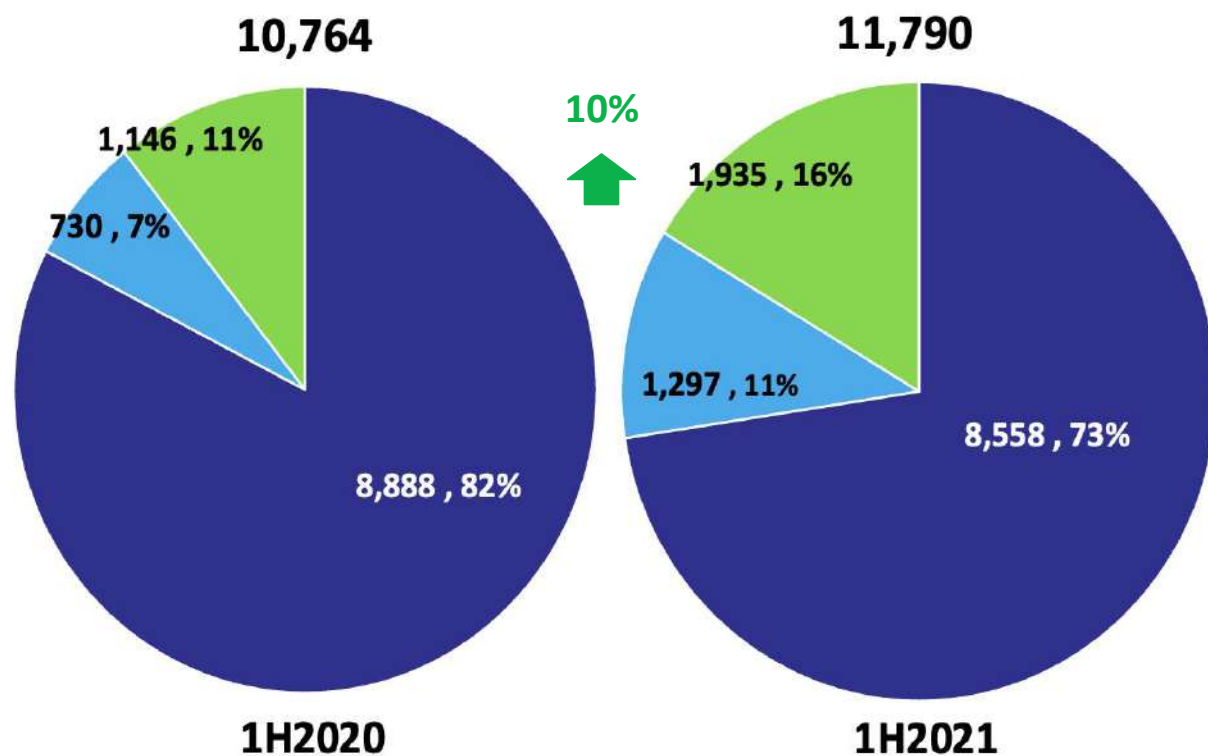


# Operating Highlights: Revenue and Energy Sold

**Revenue**  
in PHP millions



**Energy Sold**  
in GWh

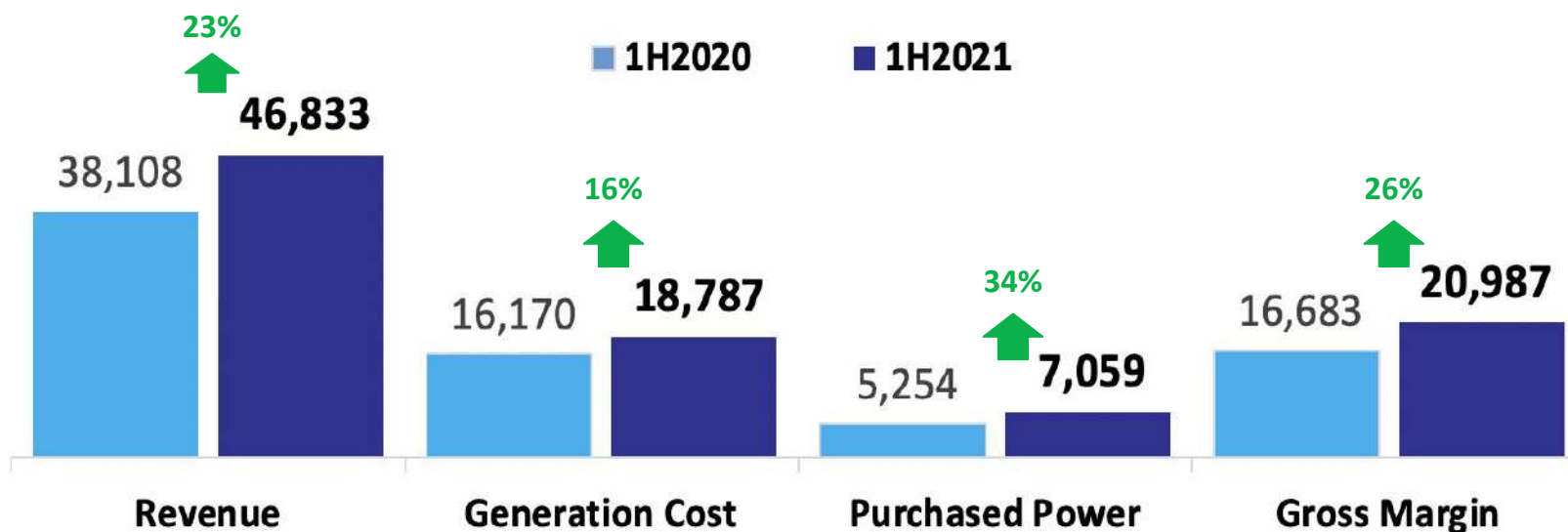


■ BCQ ■ Spot ■ Ancillary Services

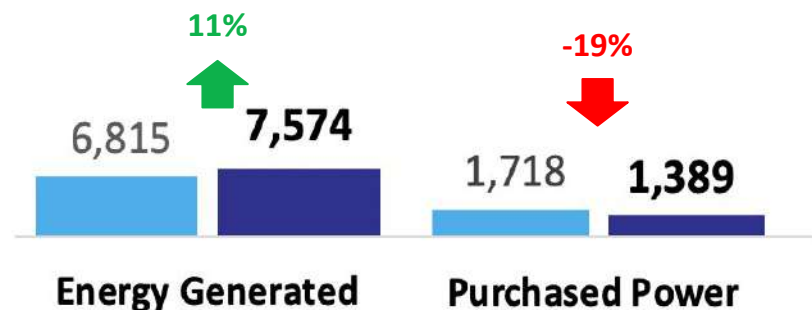


# Operating Highlights: Gross Margin

in PHP millions



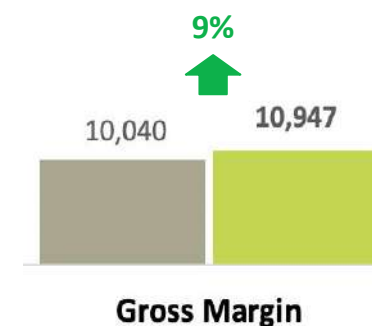
in GWh



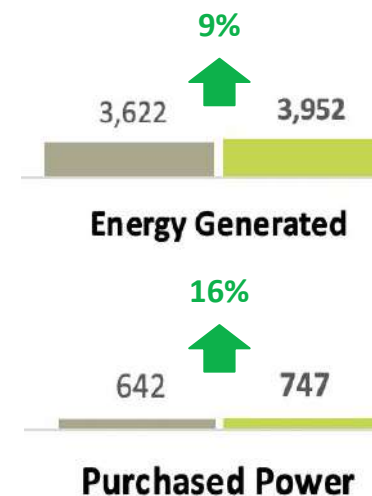
## Quarterly Breakdown

■ 1Q2021 ■ 2Q2021

in PHP millions

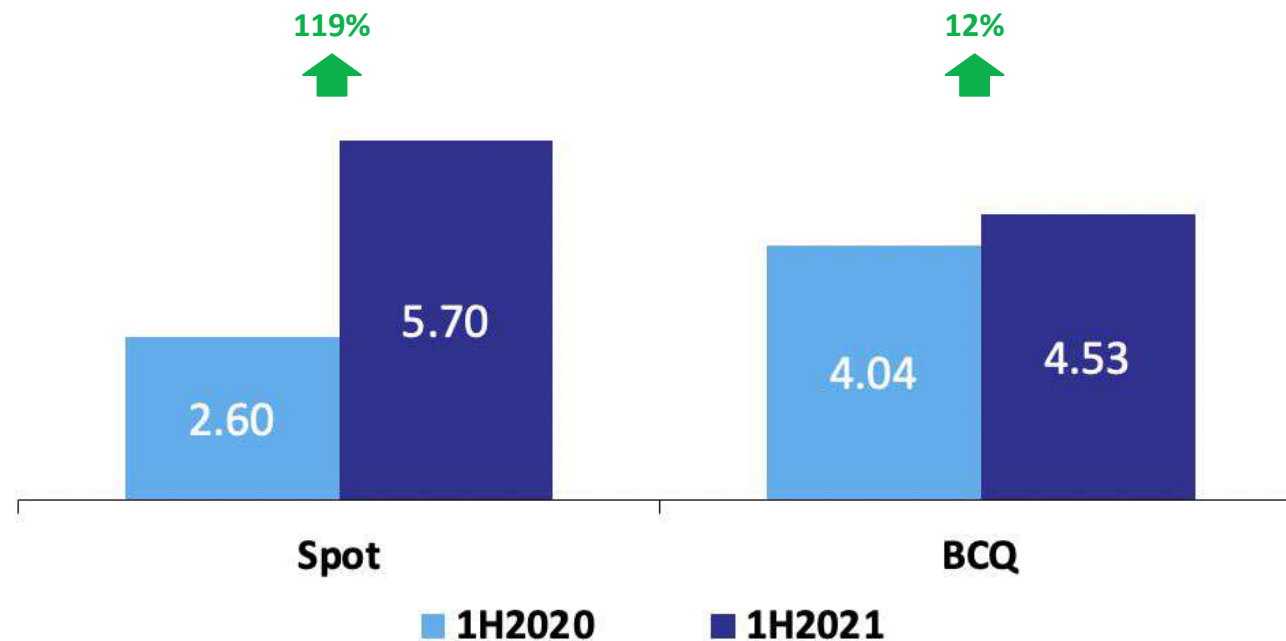


in GWh



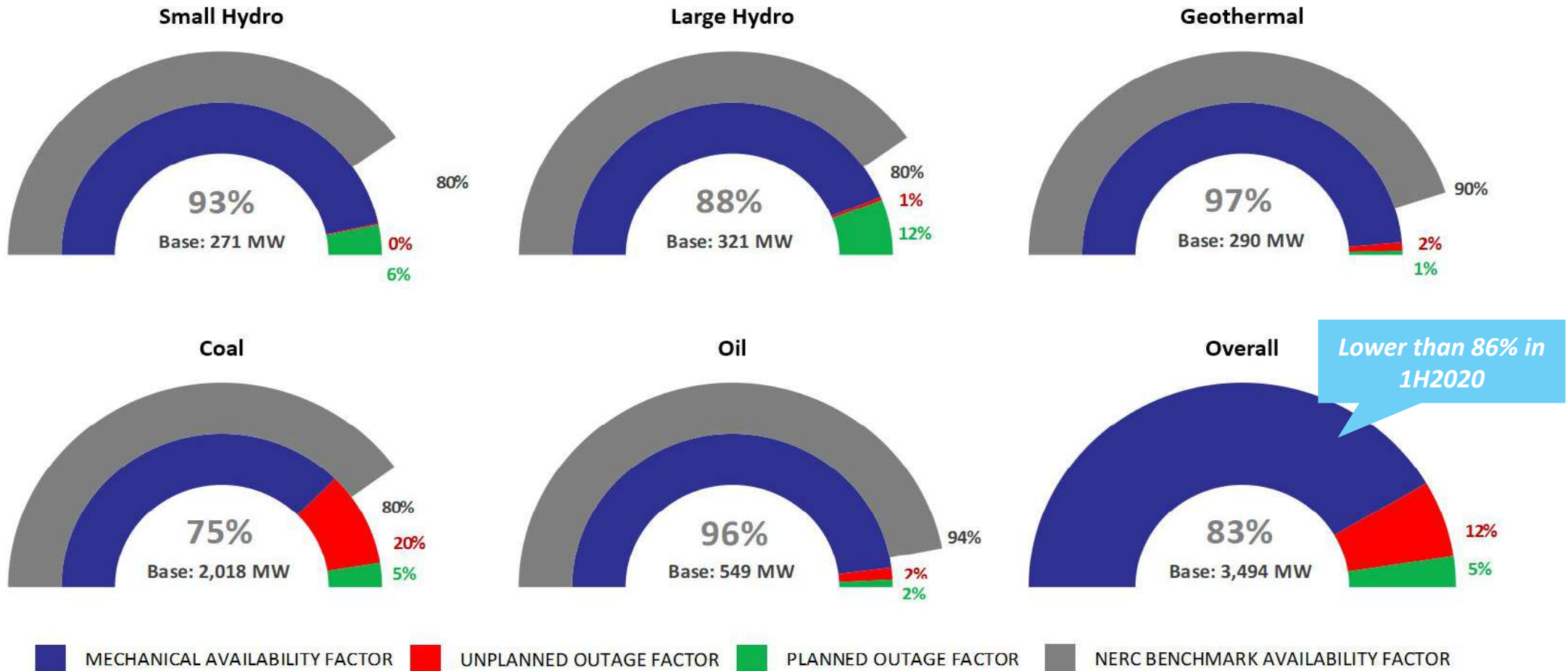


## Operating Highlights: Selling Prices (P/kWh)





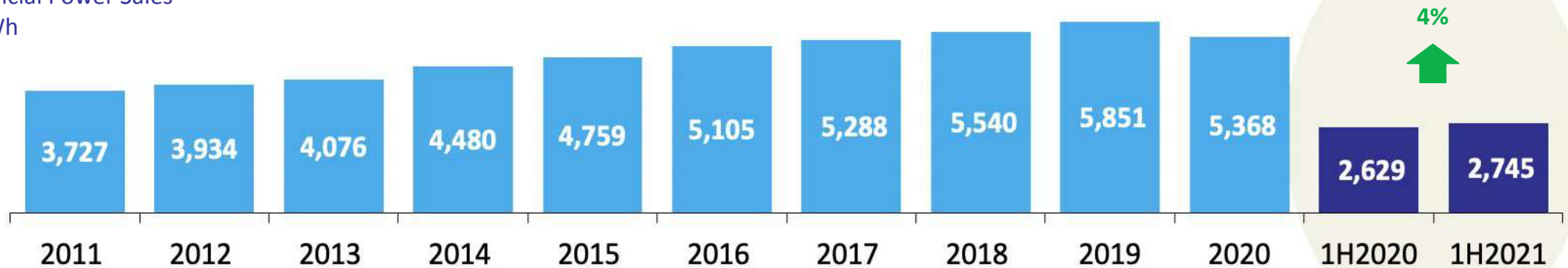
# Operating Highlights: Availability - 1H2021





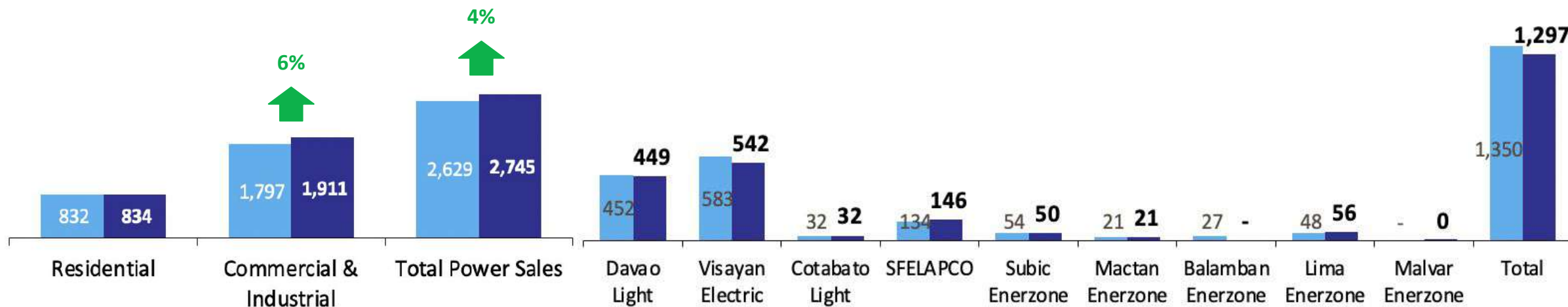
# Operating Highlights: Distribution

Beneficial Power Sales  
in GWh



Customer Type  
in GWh

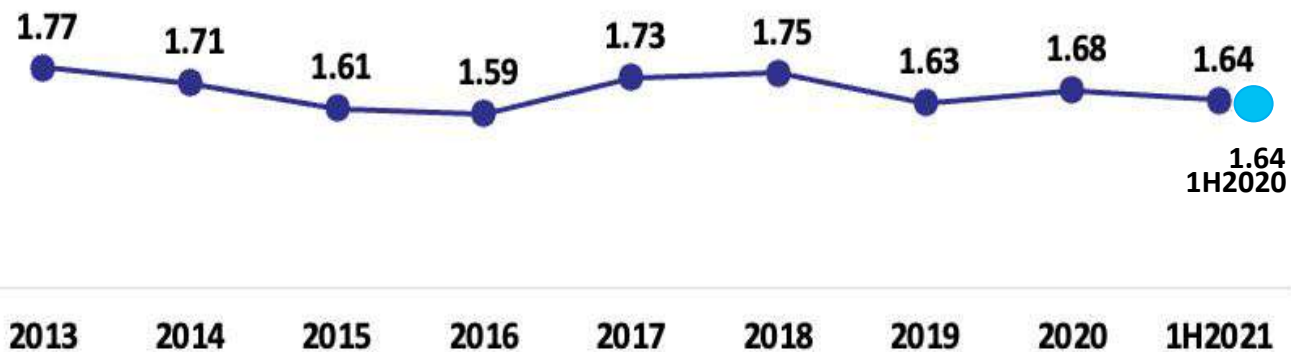
Peak Demand  
in MW



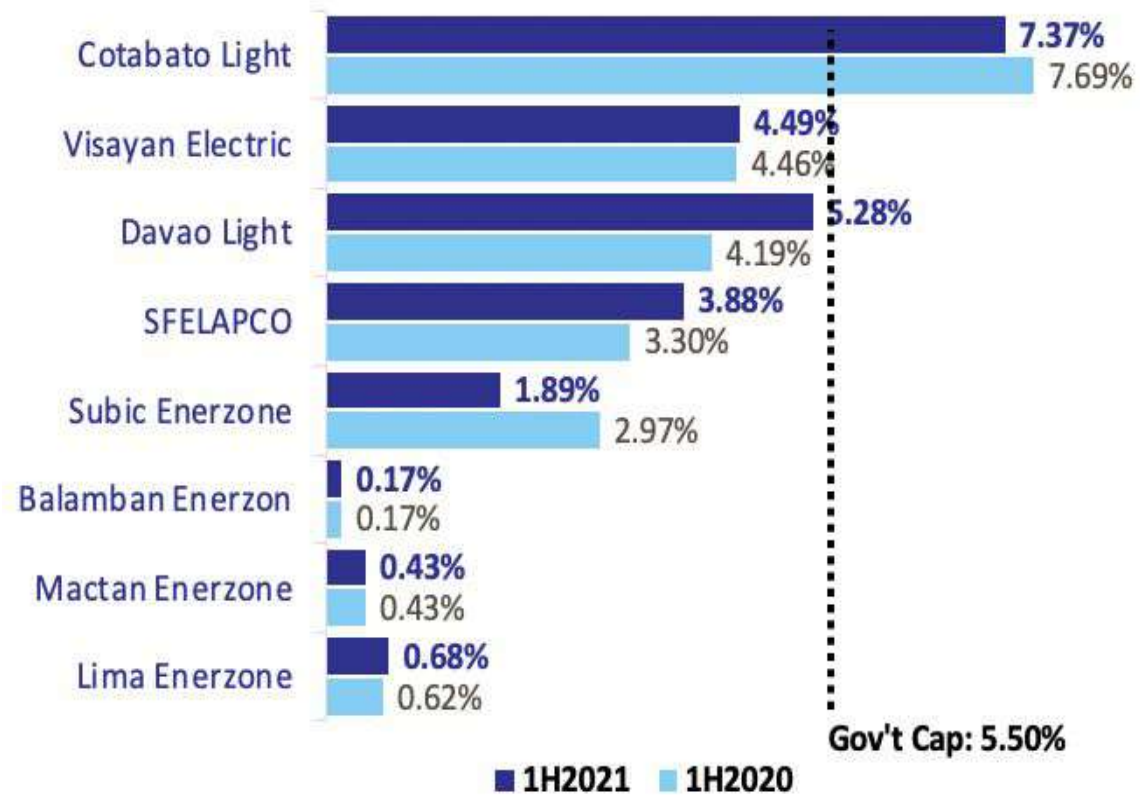


# Operating Highlights: Distribution

Gross Margin / kWh

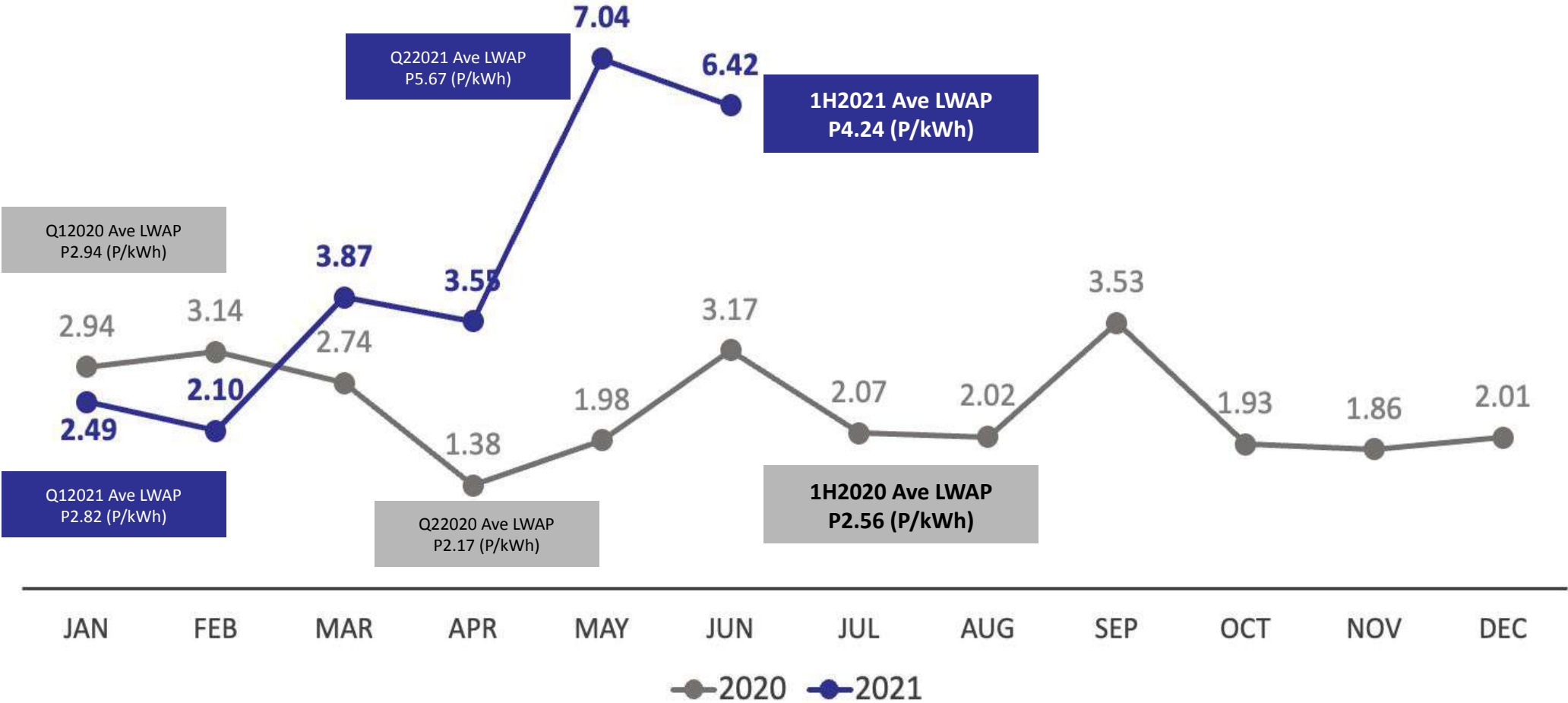


Feeder Loss



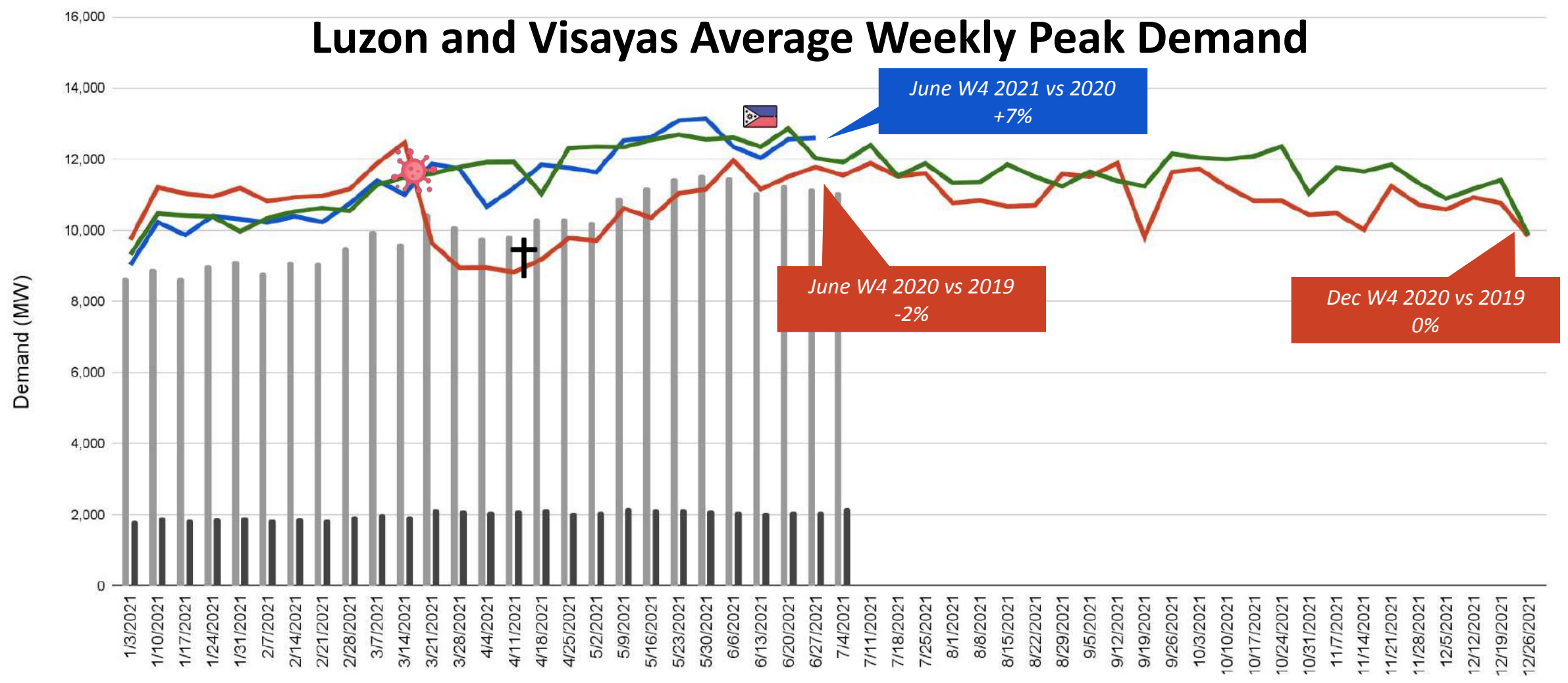


# Operating Highlights: WESM





# Luzon and Visayas Average Weekly Peak Demand

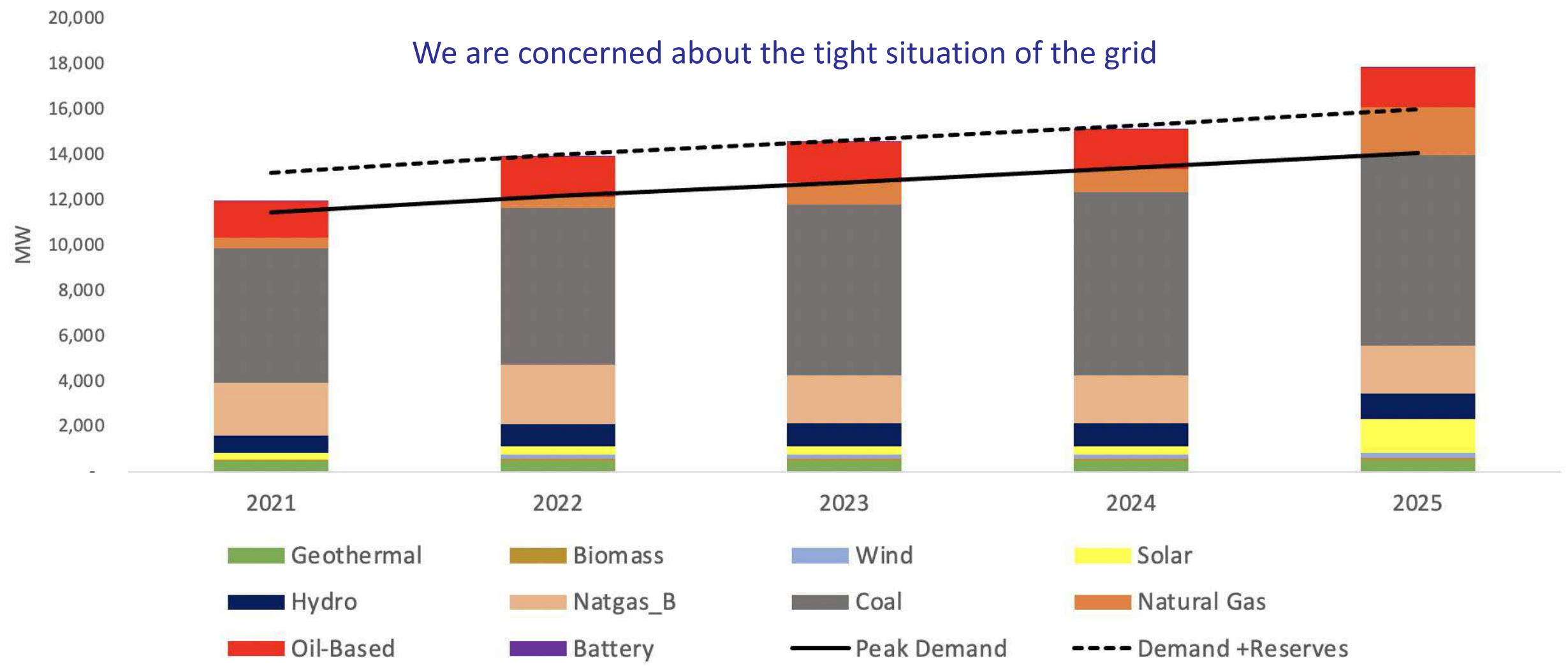


— 2021 Ave. LuzVis Weekly Peak Demand — 2020 Ave. LuzVis Weekly Peak Demand — 2019 Ave. LuzVis Weekly Peak Demand  
■ Luzon Weekly Peak Demand ■ Visayas Weekly Peak Demand  
🦠 Beginning of ECQ † Holy Week 🇵🇭 Independence Day



# Luzon Supply and Demand

We are concerned about the tight situation of the grid



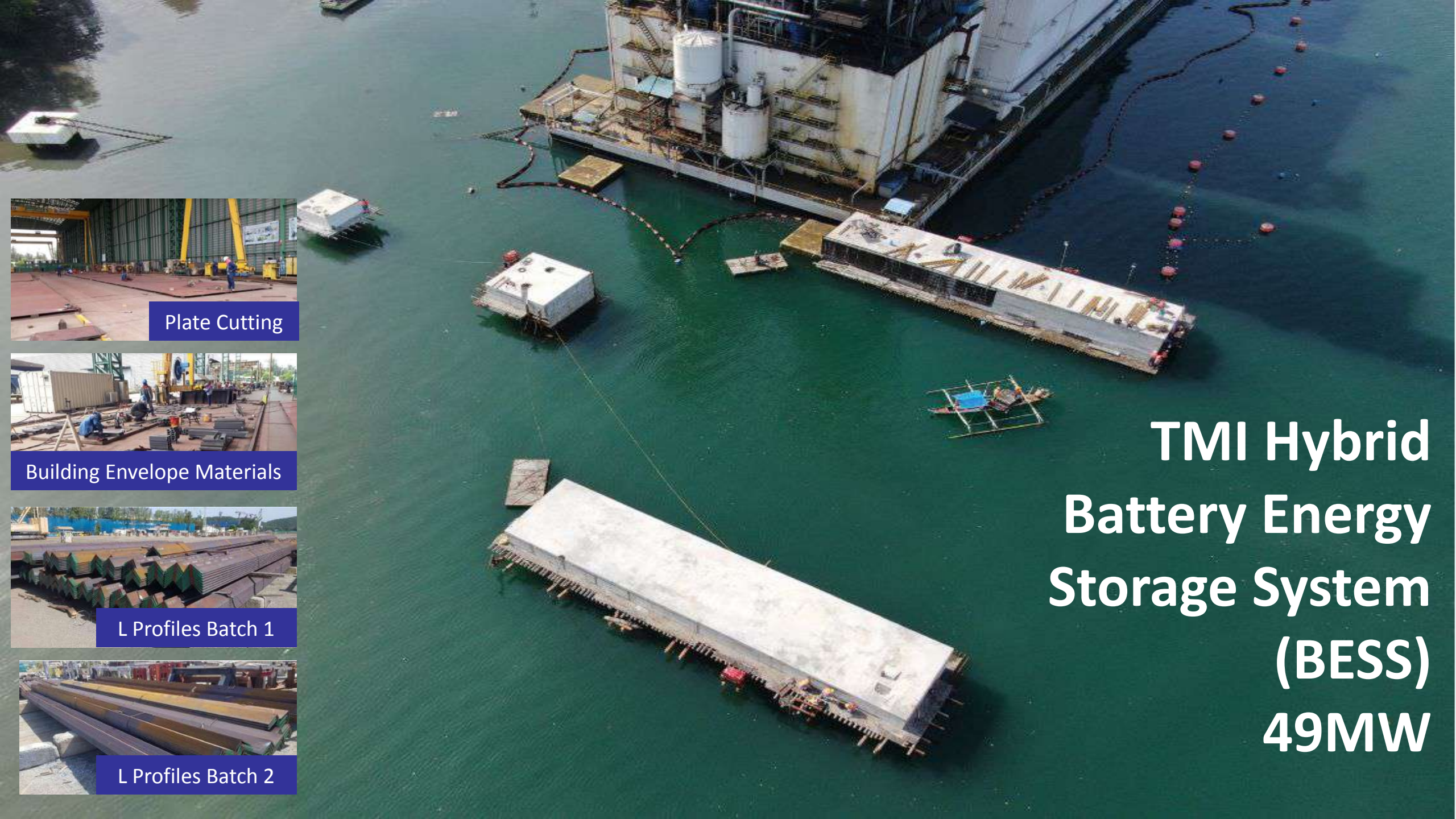


## Project Update

Grid	Project	Capacity (Net)	% Ownership	Attributable Net Sellable Capacity	Estimated Commercial Operation Date
Luzon	Dinginin Unit 1 (Coal – GNPD)	668 MW	70%	468 MW	Q3 2021
	Dinginin Unit 2 (Coal – GNPD)	668 MW	70%	468 MW	Q2 2022
	SNAP Magat Floating Solar	150 MW	50%	75 MW	Ongoing development
	SNAP Magat Battery	20 MW	50%	10 MW	2H 2024
	PV Sinag Power	78 MW	100%	78 MW	Ongoing development
Mindanao	Therma Marine Battery	49 MW	100%	49 MW	1H 2022
		<b>1,633 MW</b>		<b>1,147 MW</b>	



**GNPower Dinginin**  
**2 x 668 MW of Coal Power**



# TMI Hybrid Battery Energy Storage System (BESS) 49MW



Plate Cutting



Building Envelope Materials



L Profiles Batch 1



L Profiles Batch 2



**SNAP Magat  
Battery Energy  
Storage System  
(BESS)**

**20MW**

# Floating Solar 150 MW of Solar Power



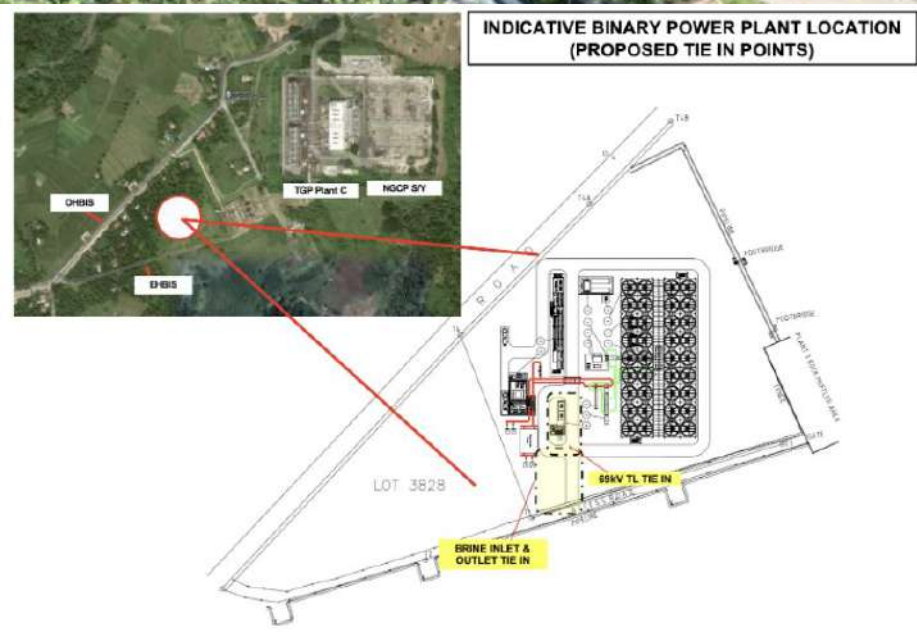
# PV Sinag Power

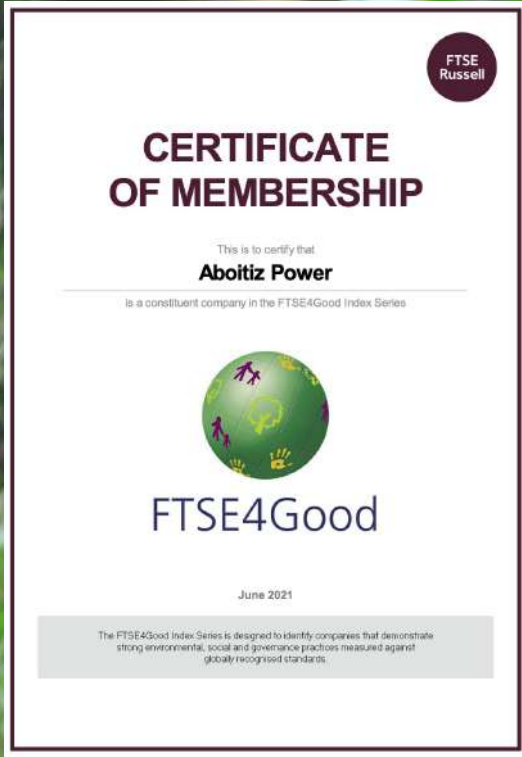
## 78 MW of Solar Power



# MakBan and Tiwi Capacity Optimization Projects

## 65 MW of Geothermal Power





*“Having been recognized as a FTSE4Good constituent for four years in a row is an affirmation of what we are doing. Sustainability has always been at the core of our operations and with this development, we are even more encouraged to strengthen our ESG standards and practices.”*

**Emmanuel V. Rubio,  
AboitizPower President and CEO**



Pangarap, one of the last females of her kind, is AboitizPower’s adopted Philippine Eagle housed at the Philippine Eagle Center in Davao City. The adoption of Pangarap, which AboitizPower renews each year for 11 years now, is a symbol of the organization’s commitment to biodiversity conservation.



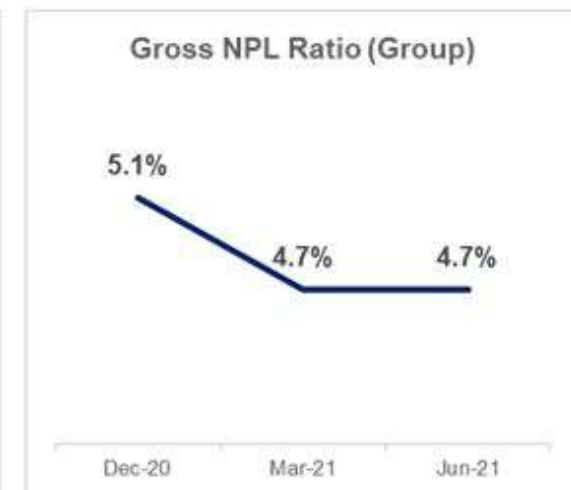
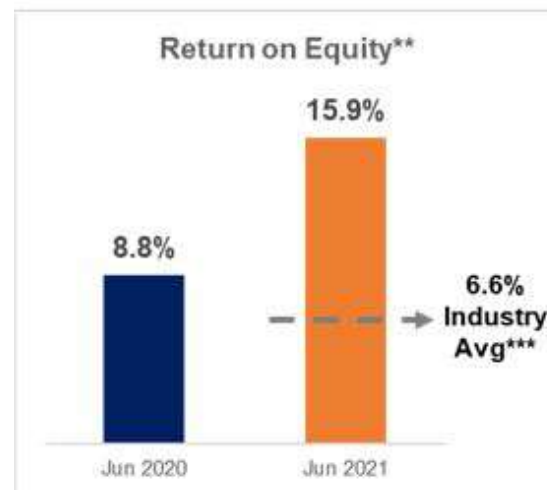
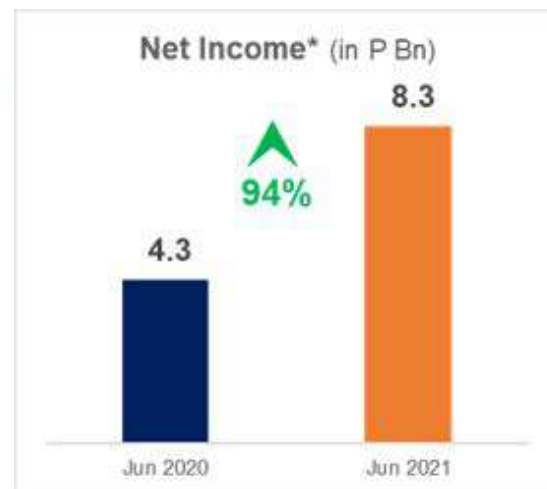
## Review of Business Units

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- **Financial Services**
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## Net Income at P8.3 Bn, 94% YoY

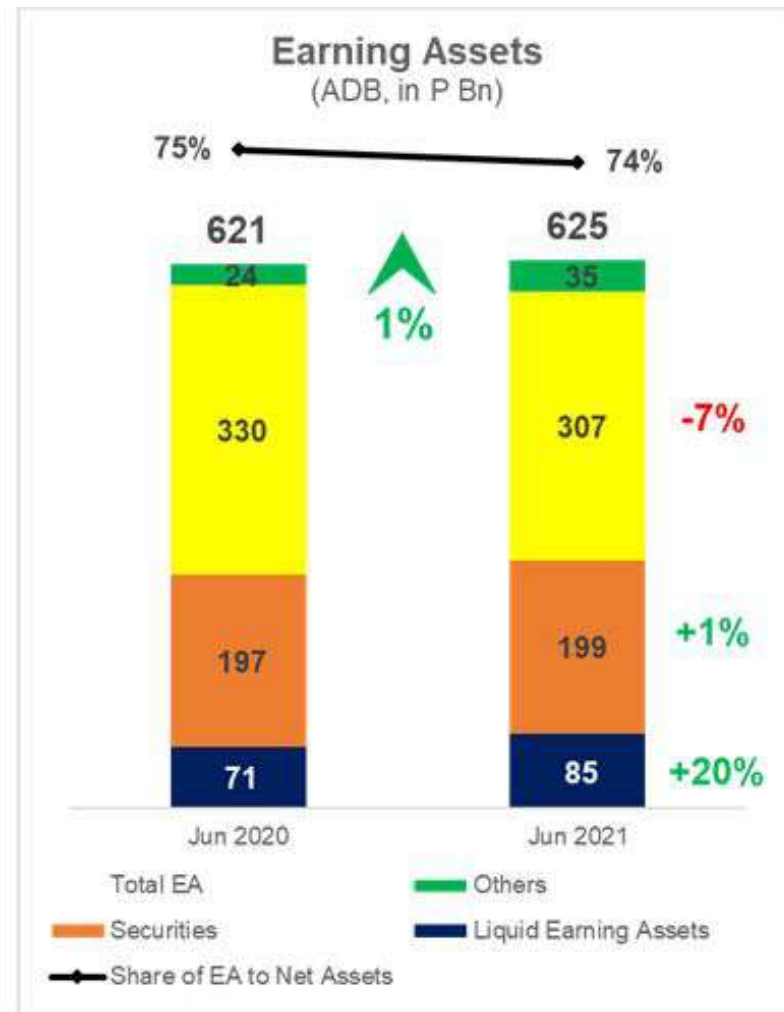
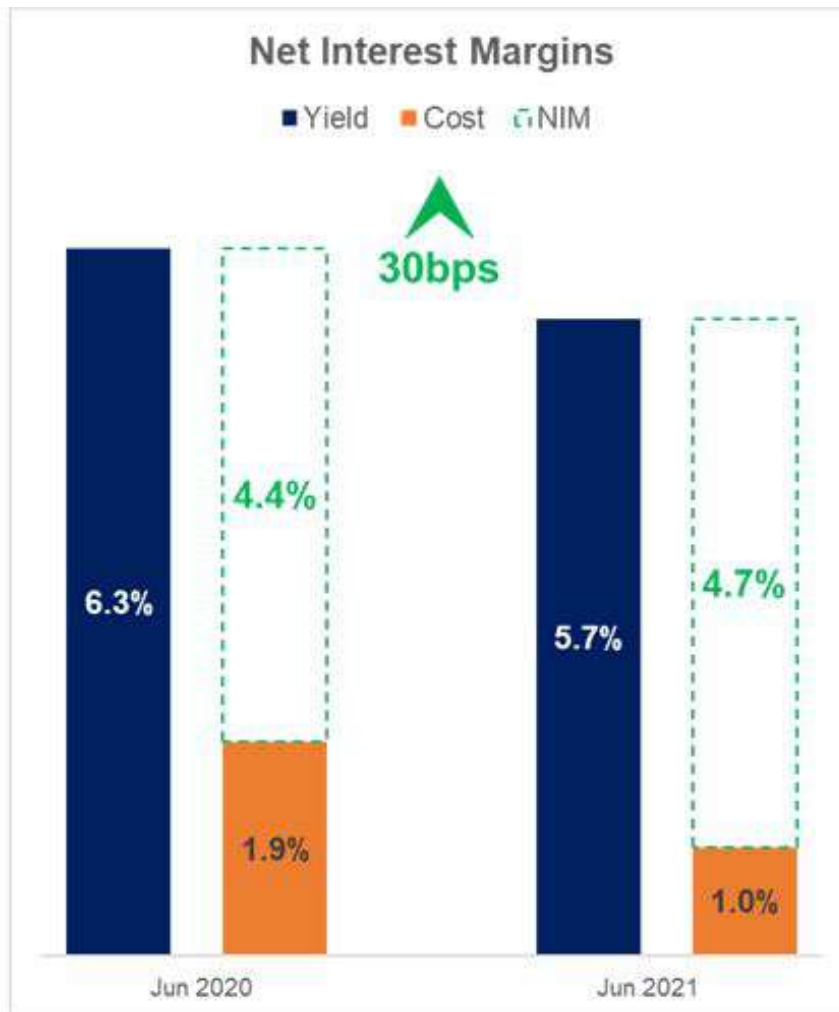
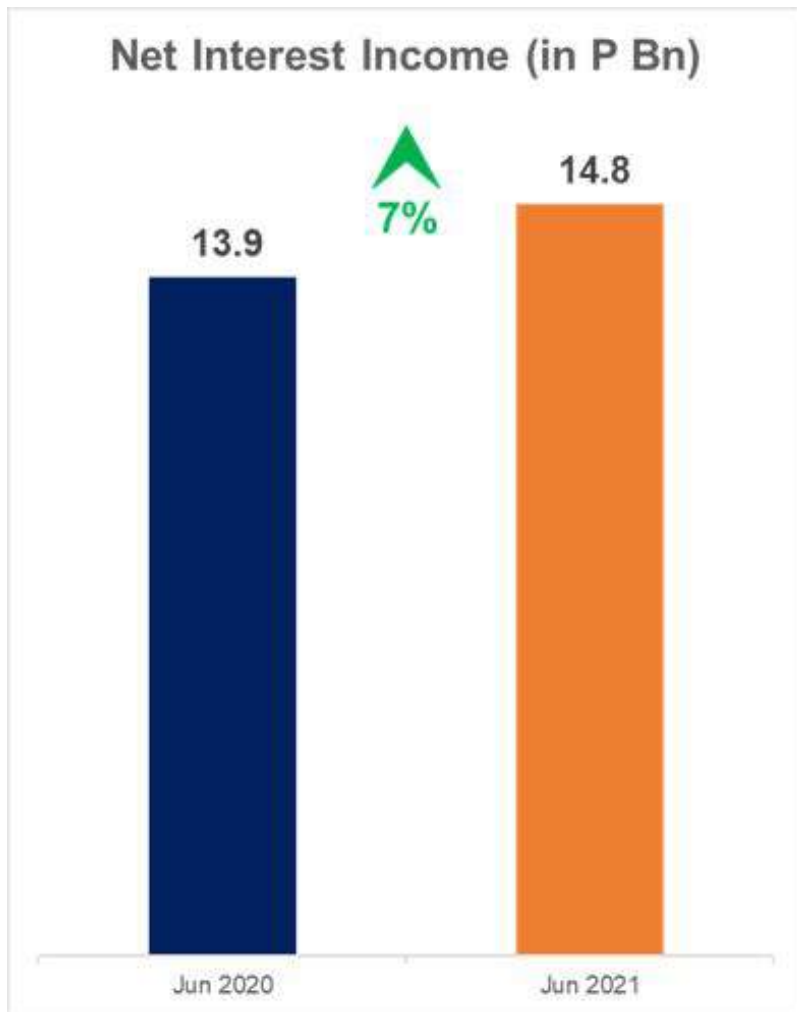
- **Strong revenue growth drove earnings performance**
  - Higher margins from sustained robust CASA growth and lower funding costs
  - Higher fees and commissions
  - Strong trading gains
- **Above-industry ROE at 15.9%**
- **Credit reserves were lower vs. last year as NPLs started to stabilize**
- **Group's NPL ratio stable at 4.7% driven by Parent Bank's lower NPLs**



\*Attributable to Parent Bank's Stockholders; \*\* Beginning ROE; \*\*\*Computed Beginning ROE from BSP as of Mar2021 (latest)

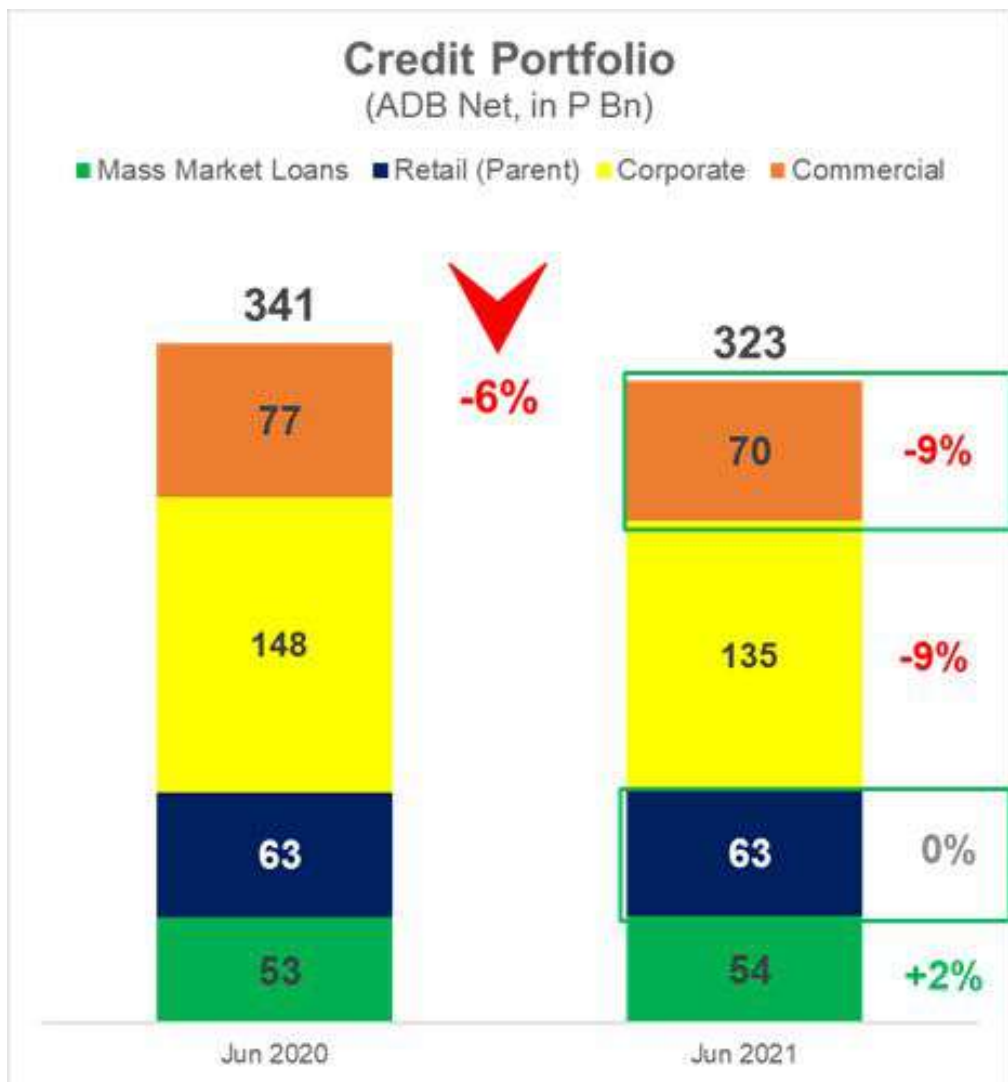


# Net interest income growth driven by higher margins, supported by lower funding cost





# Lower loans YoY on muted corporate and commercial demand



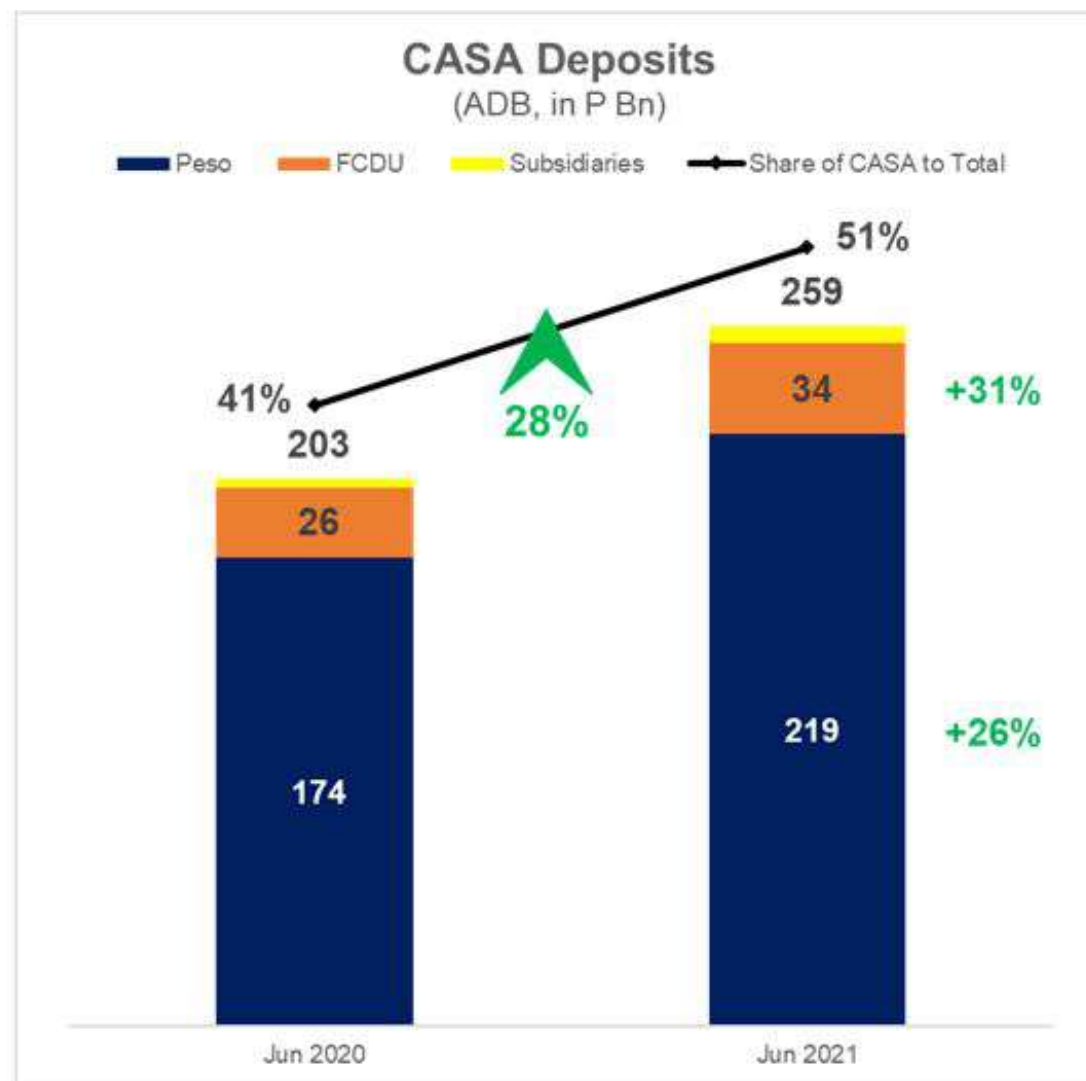
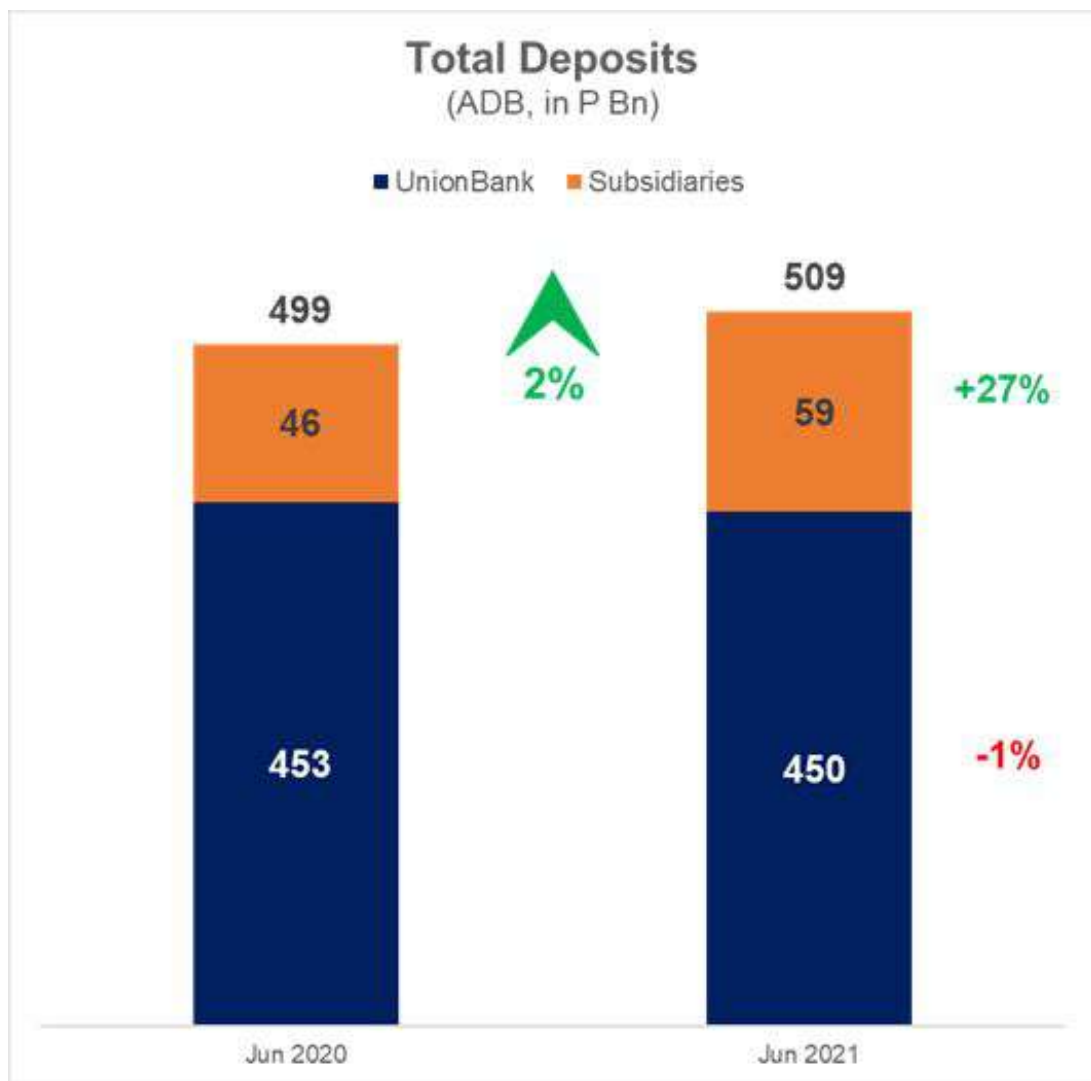
In P Bn	Jun 2020	Jun 2021	Growth
Commercial	67.9	62.3	-8%
Businessline	9.2	8.0	-12%
<b>Total</b>	<b>77.1</b>	<b>70.3</b>	<b>-9%</b>

In P Bn	Jun 2020	Jun 2021	Growth
Credit Cards	8.2	7.4	-9%
Other Consumer Loans*	54.8	55.5	1%
<b>Total</b>	<b>63.0</b>	<b>63.0</b>	<b>-</b>

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

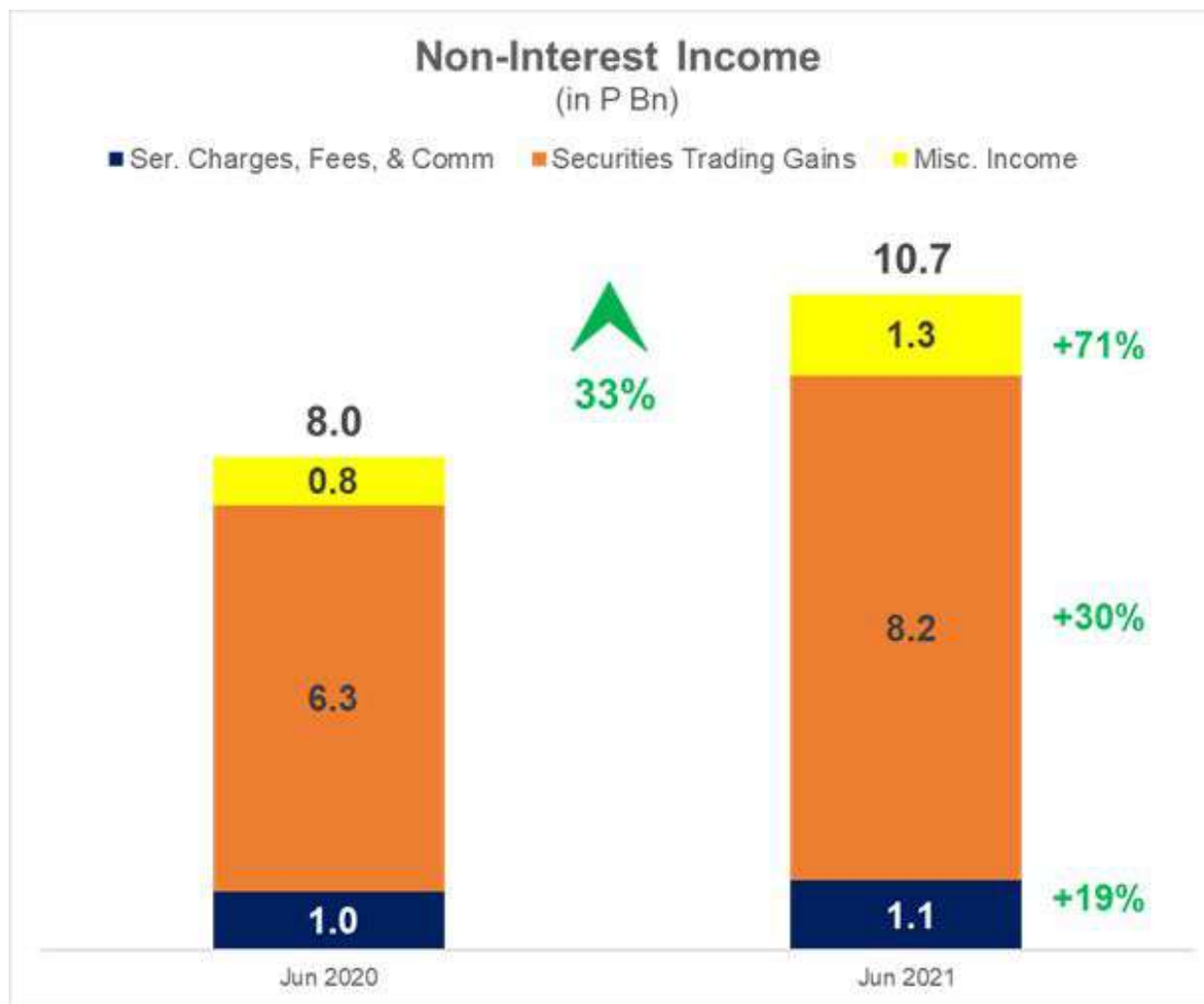


# Sustained robust growth in CASA



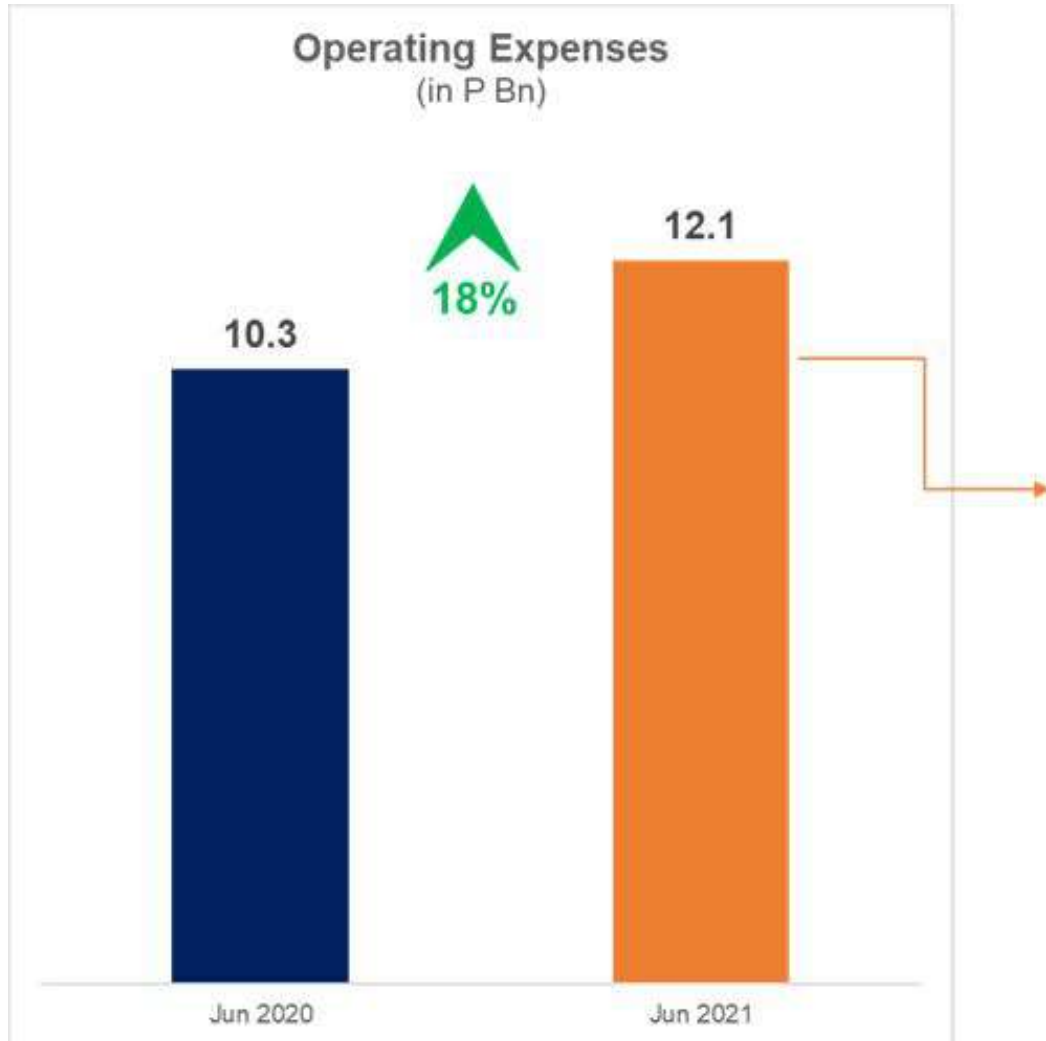


# Double-digit increases across all non-interest income drivers





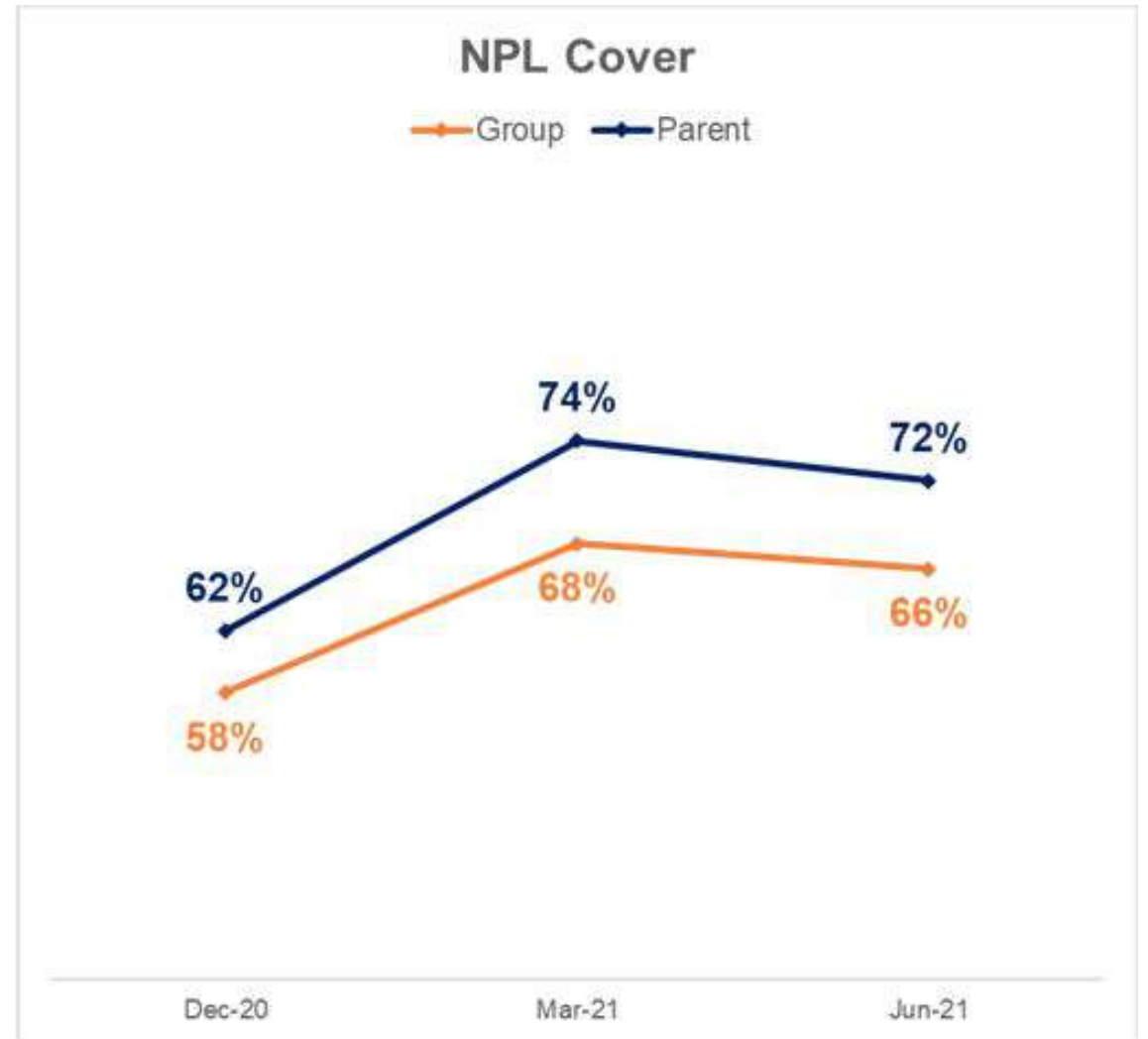
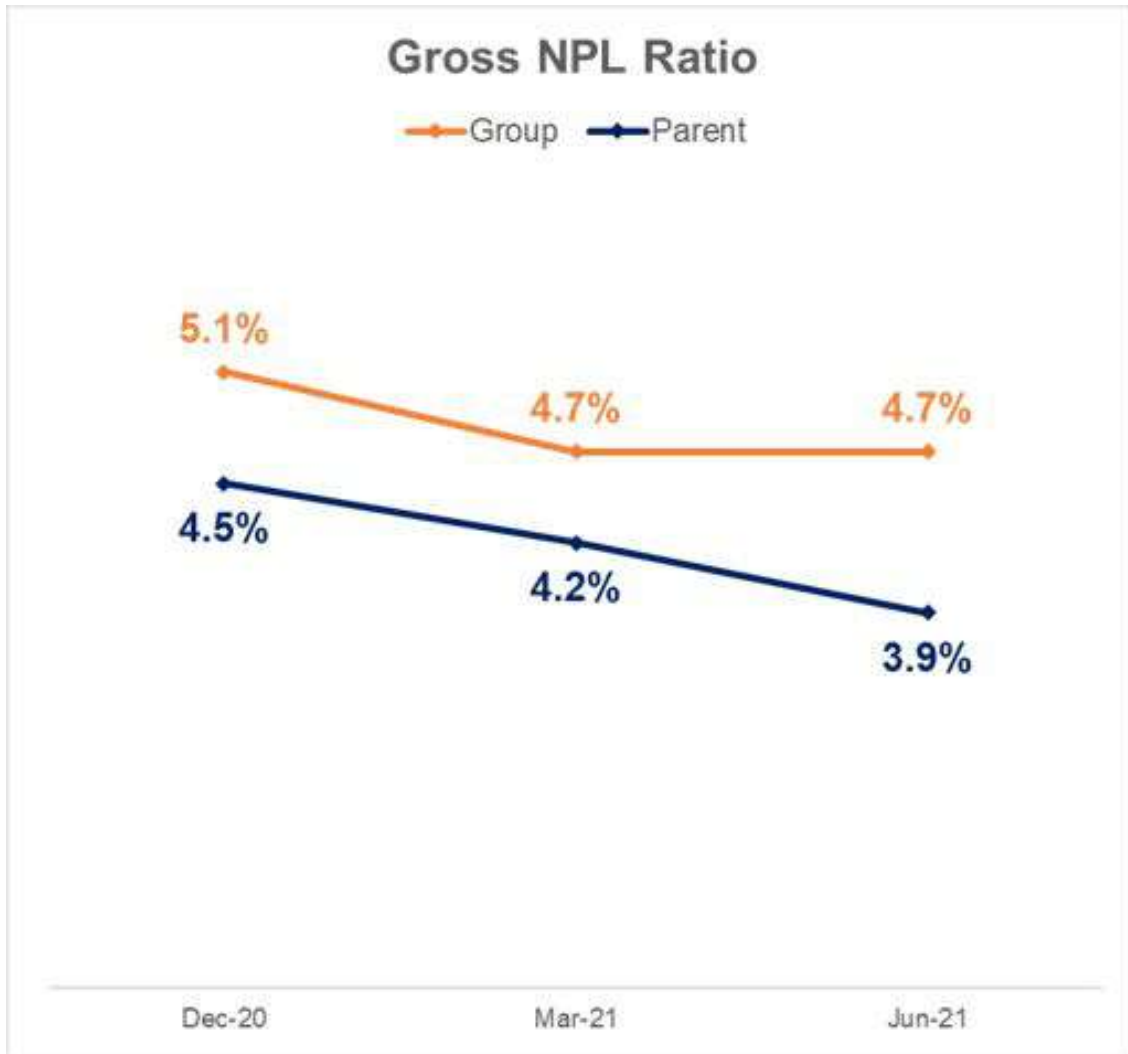
## Opex higher on one-time business expenses



In P Bn	Jun 2020	Jun 2021	Growth
<b>Volume-Related Expenses</b>			
PDIC Insurance	0.45	0.48	5%
Gross Receipt Taxes	1.08	0.82	-24%
Documentary Stamp Taxes	0.67	0.49	-27%
Card Rewards & Fees	0.46	0.65	41%
Other Operating Expenses	0.49	1.60	224%
Controllable Operating Expenses	7.10	8.03	13%

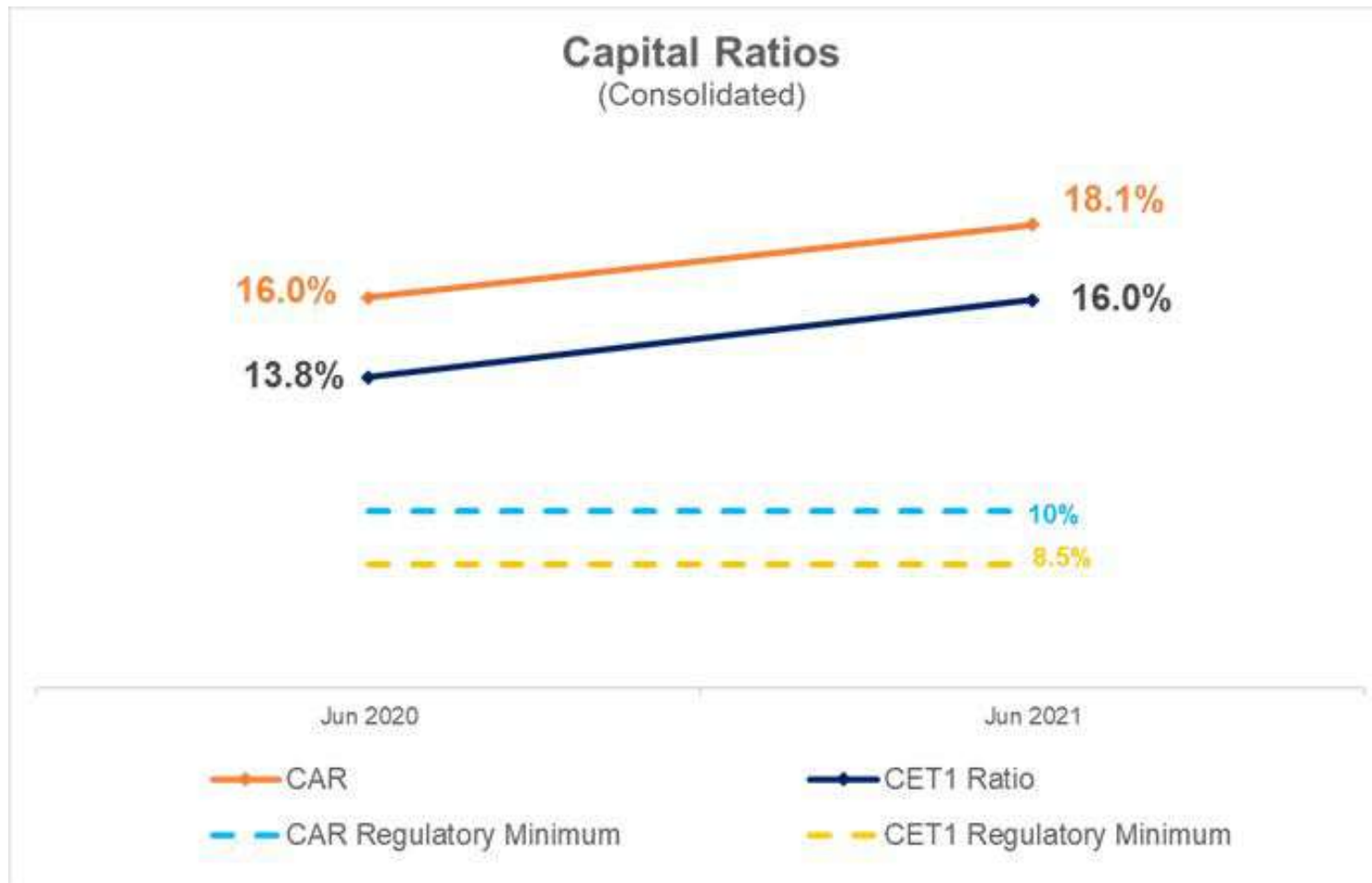


## Stable NPL Ratio and Coverage





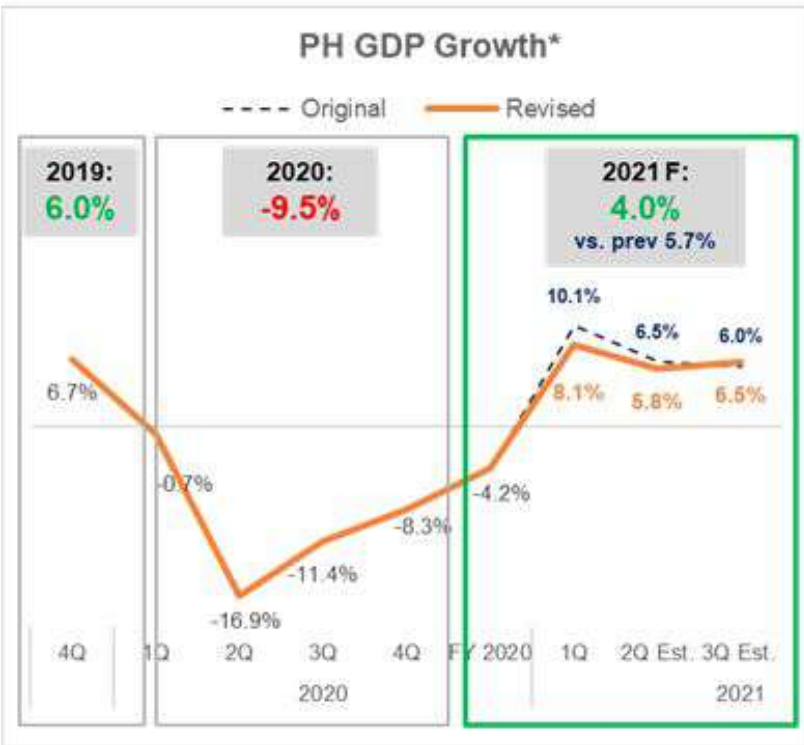
## Stronger capital ratios YoY



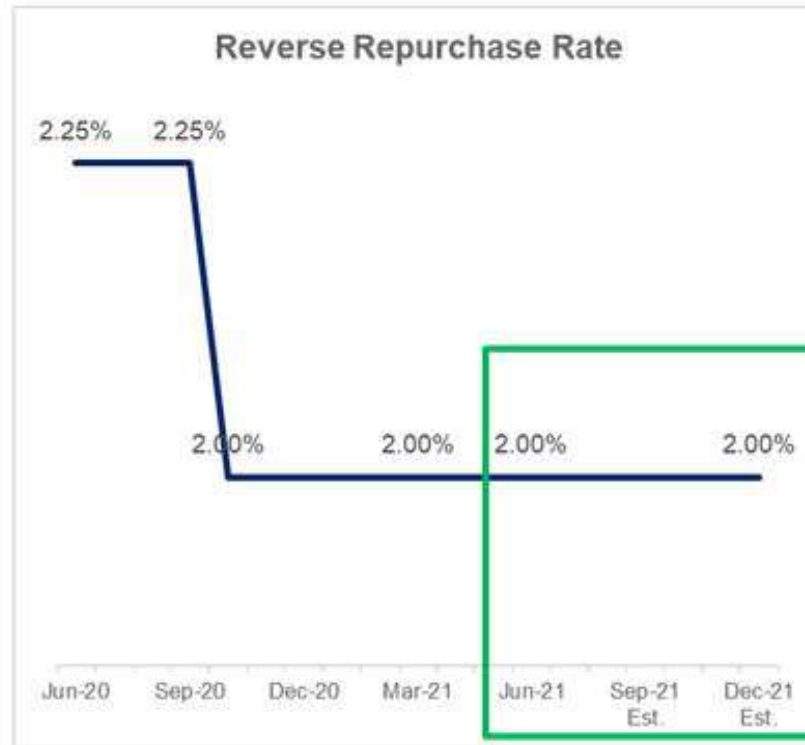


# Outlook

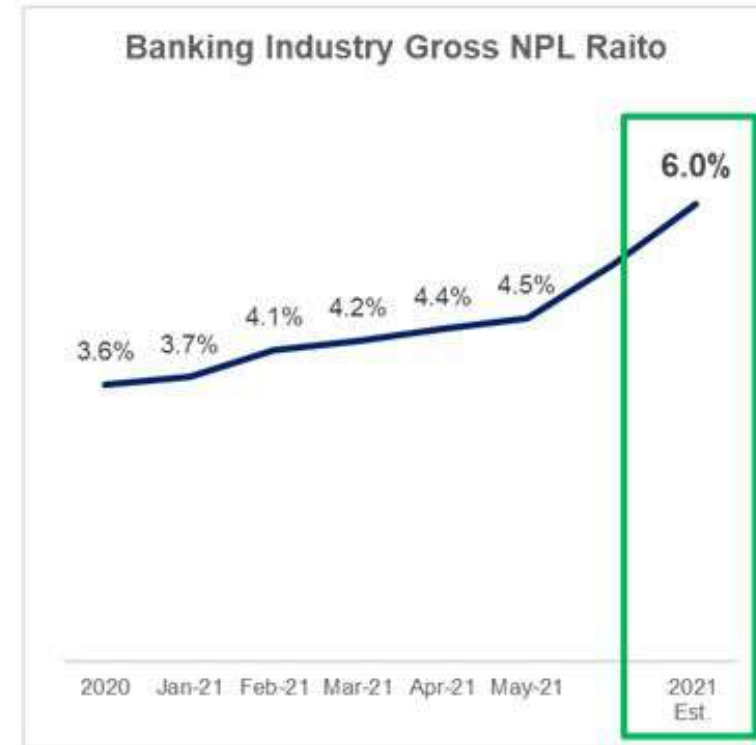
## Slower economic growth



## No rate hikes within the year



## Elevated Industry NPLs



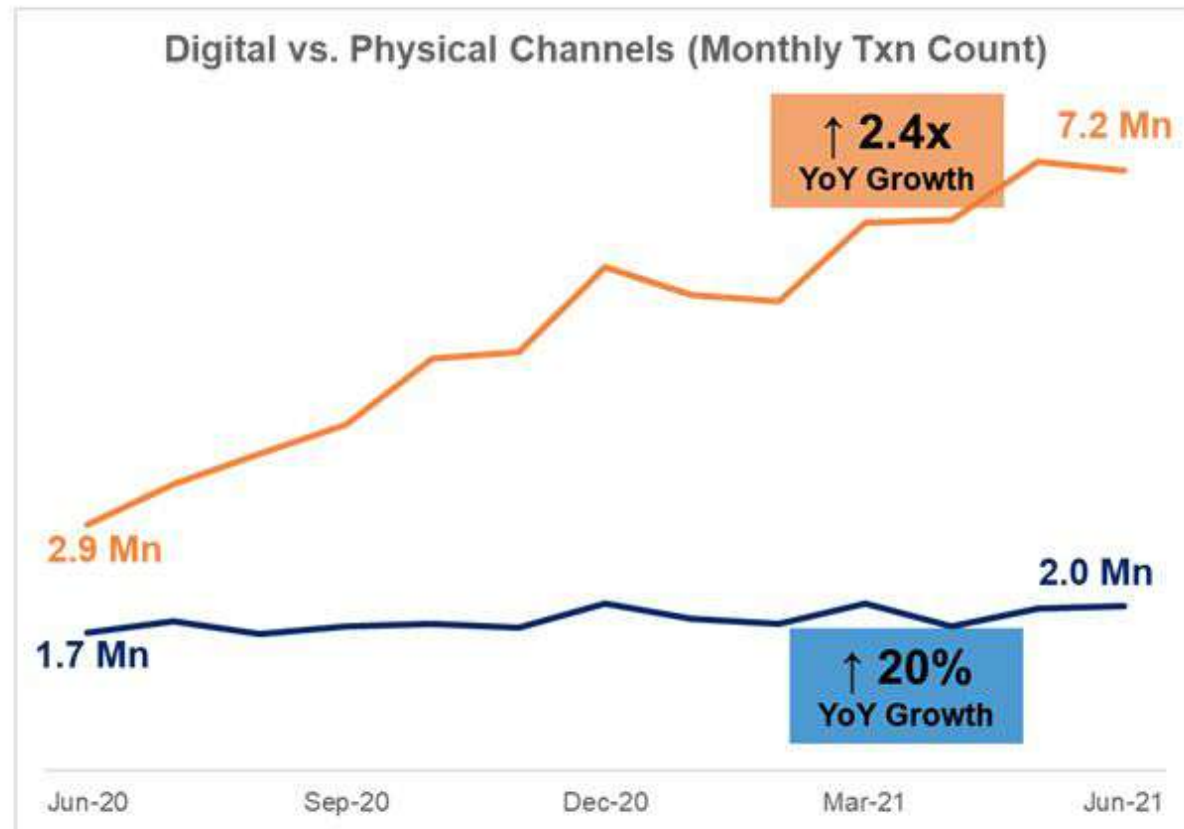


# Digital Updates

## Highest app signups and digital accounts opened in 2Q2021



## Digital transactions continue to ramp up



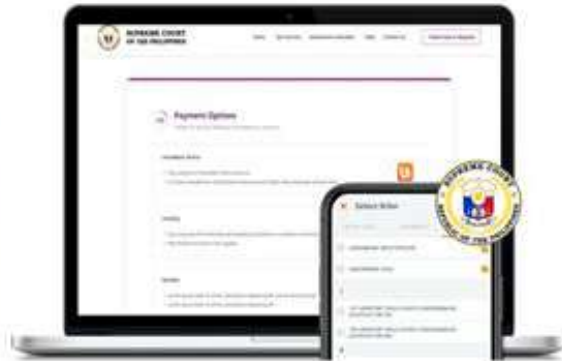
*Digital Txns: Fund Transfer, Bills Payment, Load Purchase, Mobile Check Deposits, and Remittance from UB Online App and The Portal*  
*Branch Txns: Fund Transfer, Bills Payment, Cash Deposit, Check Deposit, Cash Withdrawal, Check Encashment, Remittance*  
*ATM Txns: Fund Transfer, Bills Payment, Cash Withdrawal*



# Digital Updates

Full steam ahead on Tech Up Pilipinas initiatives!

## Supreme Court Partnership for an e-Payment Solution



- UBP shall develop a Judiciary ePayment Solution for the Supreme Court of the Philippines
- The solution will enable all courts in the country to **receive fees and payments digitally** from litigants, their counsels, representatives in a safe, secure, real-time, 24/7 basis from anywhere at their convenience

## More LGUs going digital



- The Bank continues to enable more LGUs with digital capabilities to continue serving constituents amid the pandemic.
- Constituents of **Navotas and Valenzuela cities** can now pay business taxes online via UnionBank Online or SME Business Banking App
- Residents of **Narvacan, Ilocos Sur and Parañaque** were provided EON cards, and can opt to use the app for digital transactions



# Digital Updates

## Enabling more MSMEs through digital finance

### IFC, UBP to issue social bonds to help finance MSMEs



- IFC invested **USD150 Mn** for UBP's issuance of a **7-year social bond**
- Proceeds of the bonds shall **finance over 2,000 loans to MSMEs** who were affected by the pandemic but critical in the economy's recovery
- Loans will be **disbursed through the Bank's Financial Supply Chain platform**

### Financial Supply Chain platform onboards more ecosystems



- The FSC platform offers **financing services such as payables discounting or dealer financing** for all supply chain participants delivered digitally
- **Enrolled organizations doubled to 170** (corporates, dealers, distributors, etc.) from 52 communities across various industries (FMCG, Agriculture, etc.)
- Processed more than **P6.0 Bn** in loans and transactions in 1H2021.

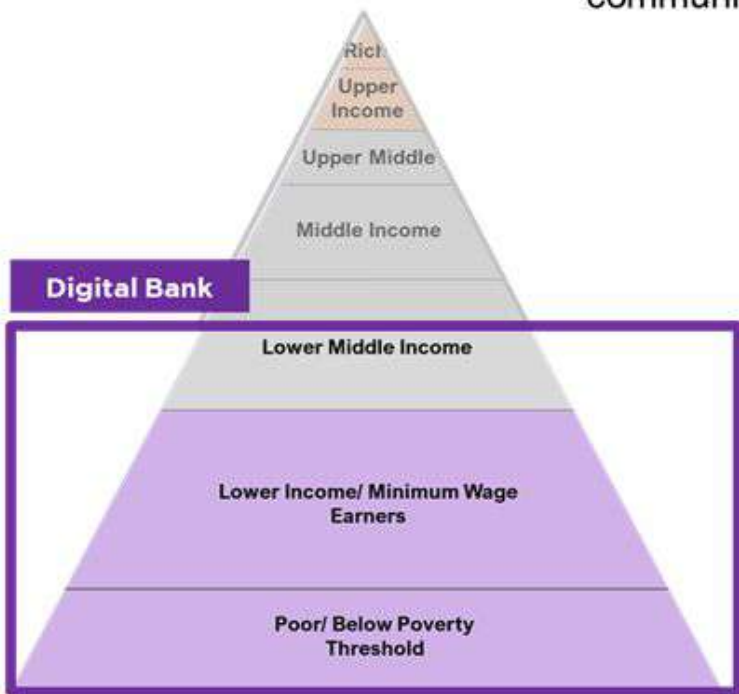


# Digital Updates

**BSP approves UnionBank's Digital Bank application!**

## Our Purpose

To "Tech Up" the communities we serve, and promote inclusive prosperity by co-creating purpose-built digital financial services and community solutions







## Review of Business Units

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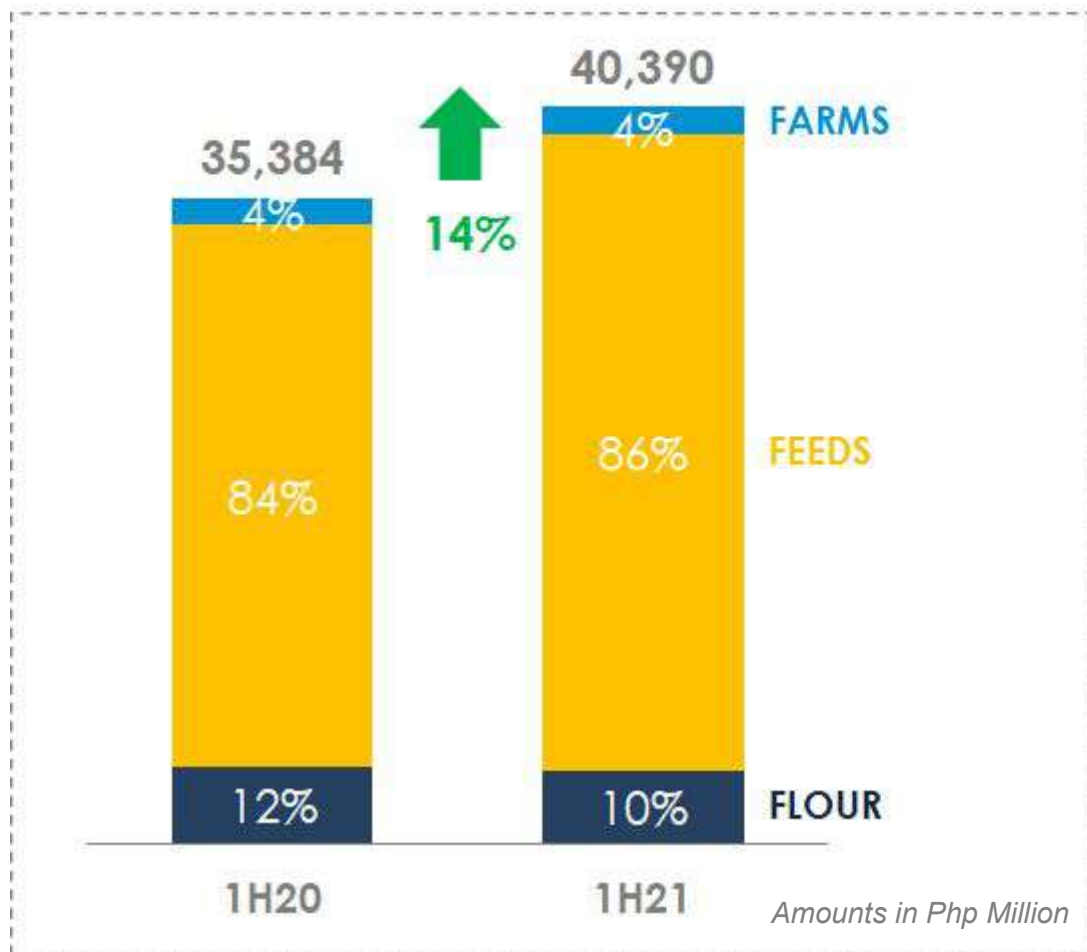


## 1H2021 Financial Highlights

FOOD GROUP  	1H 2021 Financials		vs. 1H 2020 Financials		
	PHP (Million)	USD (Million)	PHP (Million)	USD (Million)	% Movement
Revenue	40,390	837	+5,005	+104	+14%
EBITDA	2,618	54	-91	-2	-3%
NIAT	1,209	25	+237	+5	+24%
EBITDA Margin	6%		-118 BPS		



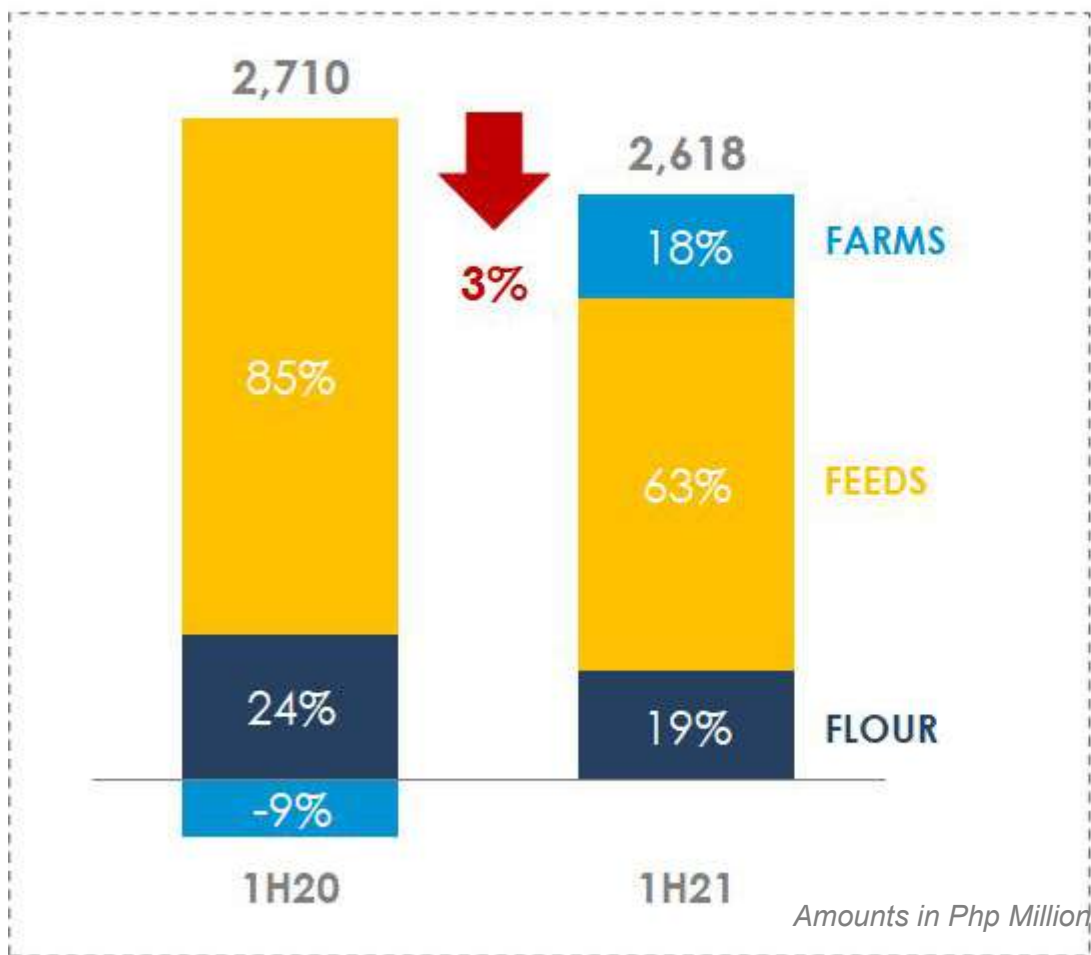
# 1H2021 Financial Highlights: Revenue



DIVISIONS	IN USD MILLION		VARIANCE	
	1H20	1H21	Year on Year	
Farms	30	31	+ 1	+ 3%
Feeds	616	723	+ 107	+ 17%
Flour	87	83	- 4	- 4%
<b>Total Food Group</b>	<b>734</b>	<b>837</b>	<b>+ 104</b>	<b>+ 14%</b>



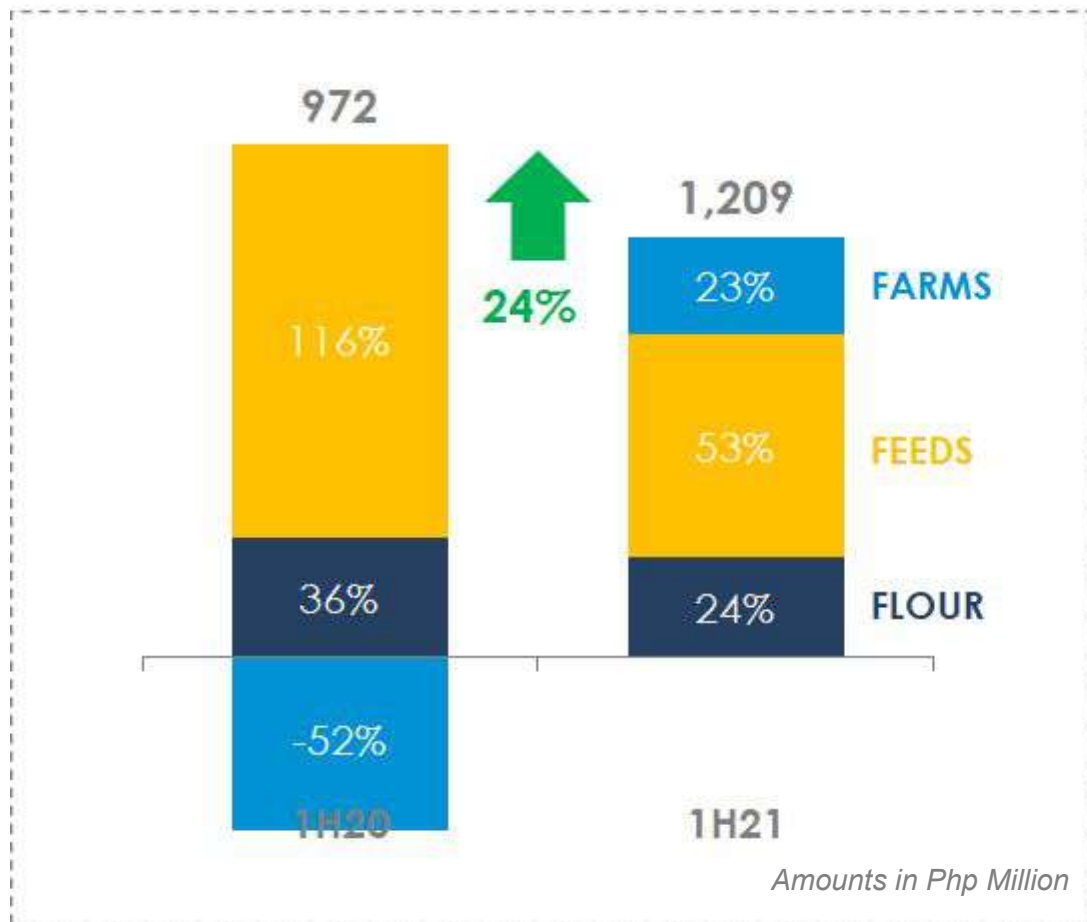
# 1H2021 Financial Highlights: EBITDA



DIVISIONS	IN USD MILLION		VARIANCE	
	1H20	1H21	Year on Year	
Farms	-5	10	+15	+288%
Feeds	48	34	-13	-28%
Flour	14	10	-3	-25%
<b>Total Food Group</b>	<b>56</b>	<b>54</b>	<b>-2</b>	<b>-3%</b>



# 1H2021 Financial Highlights: NIAT



DIVISIONS	IN USD MILLION		VARIANCE	
	1H20	1H21	Year on Year	
Farms	-10	6	+ 16	+ 156%
Feeds	23	13	- 10	- 43%
Flour	7	6	- 1	- 18%
<b>Total Food Group</b>	<b>20</b>	<b>25</b>	<b>+ 5</b>	<b>+ 24%</b>



# 10 Year Strategy



**BALANCE**



**OPTIMIZE**



**DEVELOP**





## Five Strategic Moves

- Improving operational efficiency.
- Diversifying and growing feeds while maximizing cross-selling.
- Selectively integrating downstream in farms and processing.
- Protecting market share and margins as we continue to be a standalone flour player.
- Developing new businesses by capturing growth in Aqua and investing in high margin segments like Pet Food and Specialty Nutrition.





# 2021 Project Pipeline

LOCATION	PROJECT	CAPACITY	DATE OF COMPLETION
Malaysia	Fish Feed Line	5TPH	Apr 2021
Indonesia	Raw Material Warehouse	3K MT	October 2021
Philippines	The Good Meat	2K MT   Day	December 2021
Philippines	Breeder Farm III	2500 SL	September 2022





**Apr 2021**

**Fish Feed Line**

*+5TPH capacity in West Port, Malaysia  
Completion rate: 100%*





MEDAN

OPPO F5

📍 Kecamatan Perhut Sei Tuan



**Oct 2021**

**RM Warehouse**

+3000 MT capacity in Medan, North Indonesia  
Completion rate: 15%





The GOOD MEAT

RETAIL • WHOLESALE • SOLUTIONS

Your day's meals are covered with

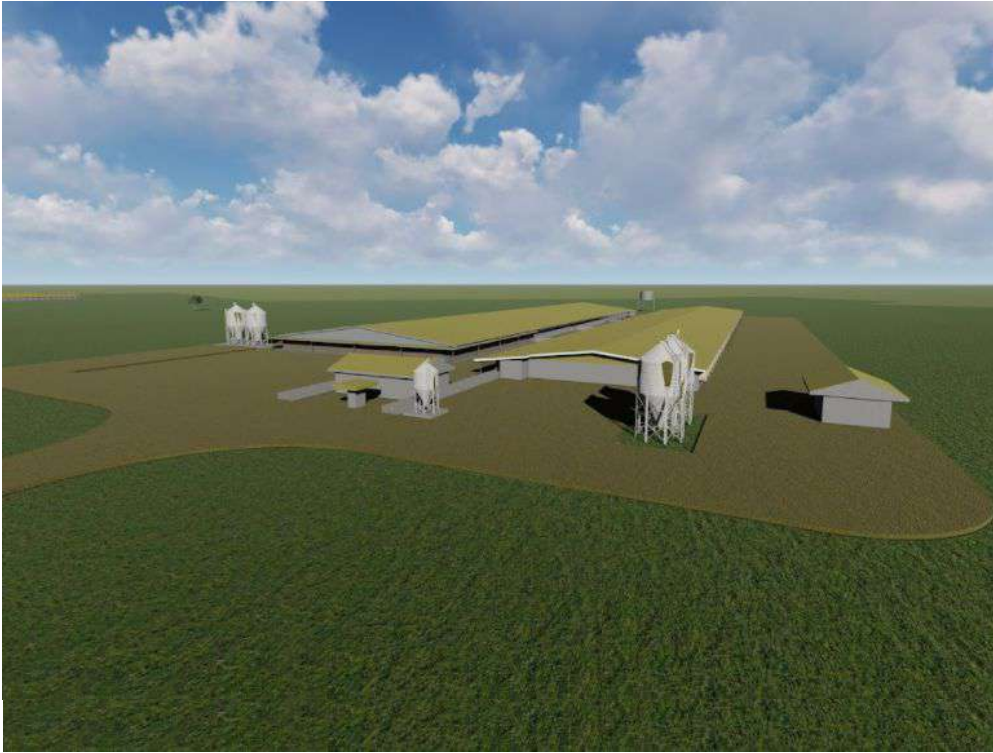
The GOOD MEAT

thegoodmeat.ph • The Good Meat Official Store on Lazada

**Dec 2021**

**The Good Meat**  
Forward Integration of Farms Business, Philippines  
Completion rate: 31%





Sep 2022

### Breeder Farm III

Forward Integration of Farms Business  
Status: Planning Stage Completed









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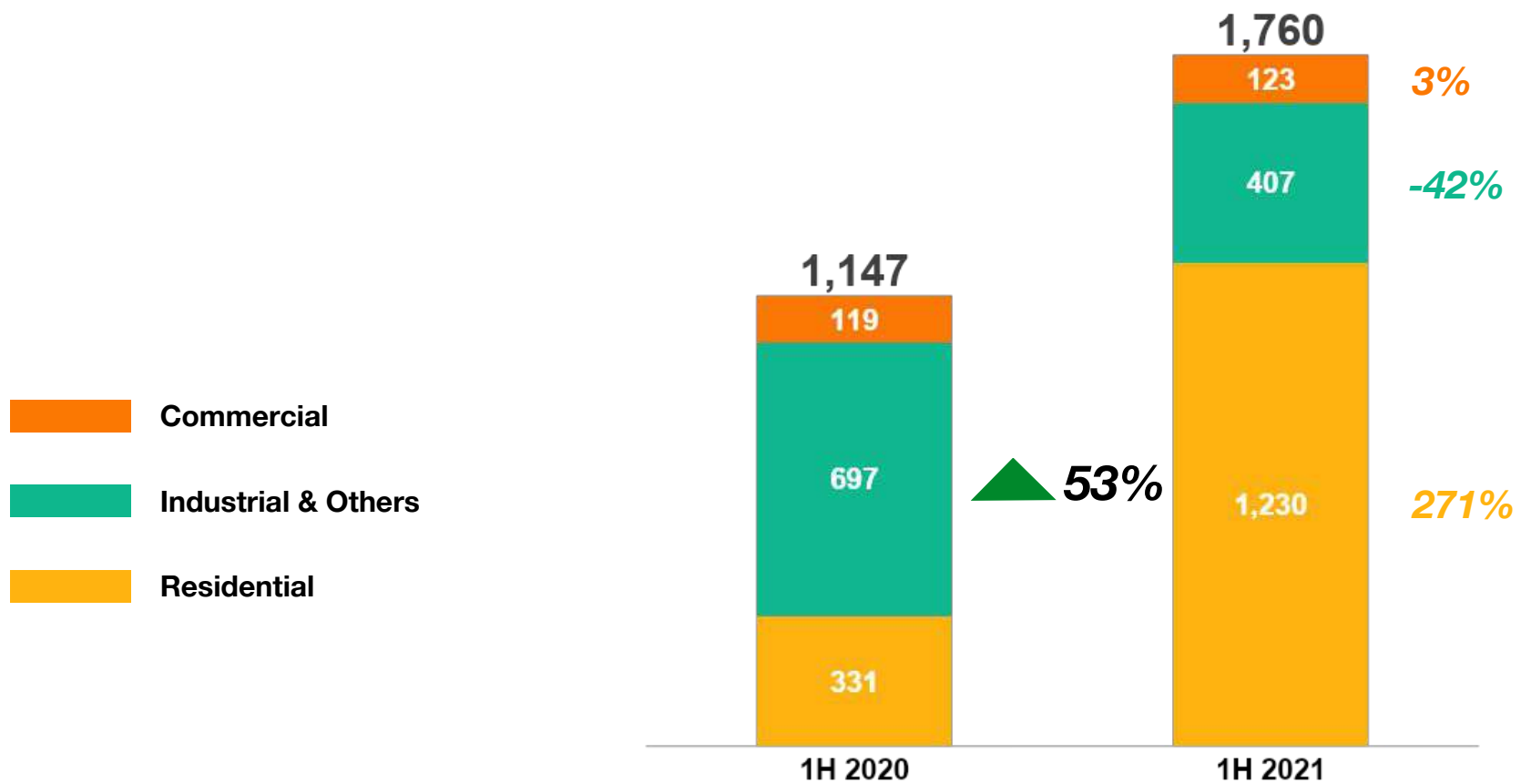
## 1H2021 Financial Performance

	<u>1H2021</u>	vs <i>1H2020</i>
Revenues	1760M	 <b>53%</b>
Gross Profit	766M	 <b>65%</b>
NIAT	383M	 -
<i>Residential Sales</i>	2,582M	 <b>125%</b>



# 1H2021 Revenues

Increased construction activity and stronger sales with spot payments contributed to a significant increase in residential revenue in Q2 2021

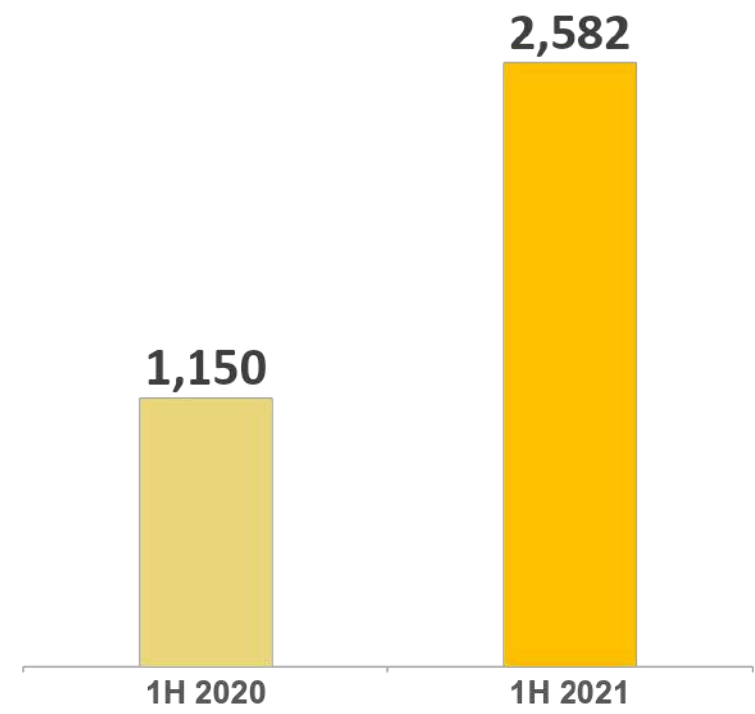
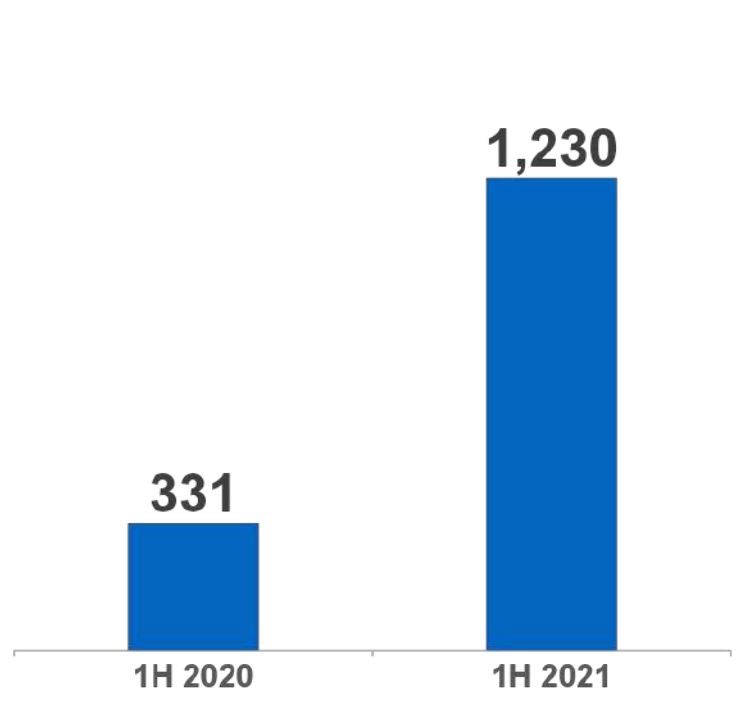




# 1H2021 Residential Performance

 **Revenues**  
by **271%** vs. 2020

 **Sales**  
by **125%** vs. 2020





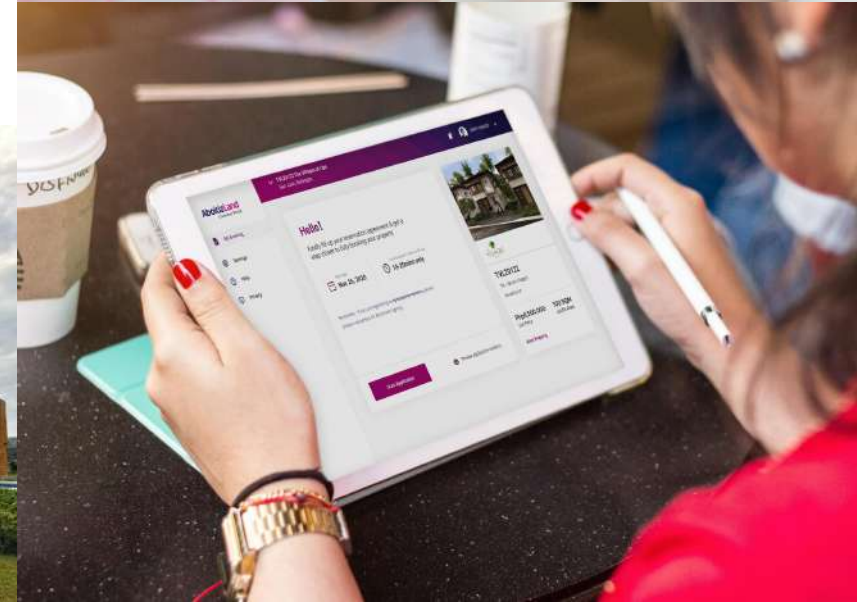
 

# 1H2021 Business Highlights

**Current sales numbers are on track to beat total 2020 sales while keeping expenses to a minimum**

**AboitizLand Vecino App ready to launch to provide our vecinos with an end-to-end buying experience**

**Construction and unit turn overs are in full swing. Digitalization of operations also in progress**





## 2021 Outlook

### Digital Initiatives

- End-to-end digital home buying platform
- Automation of back-end activities
- Partnering with payment portals/mortgage brokers

### Marketing

- Hybrid marketing activations
- Continue to strengthen OFW engagement
- Competitive pricing and payment terms and promos for RFOs and lots

### Planning

- New project phases





## Review of Business Units

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

**Aboitiz InfraCapital**



**Lima**  
Technology Center



**MEZ II**  
Mactan Economic Zone II



West Cebu Industrial Park

## INTEGRATED ECONOMIC CENTERS

**LIMA Land** continues to strengthen its portfolio with **72%** of its current inventory already reserved

Acquisition and development of Lima expansion will add **47 Has of inventory** and could create **20,000 jobs**

Planning of **40 Has of WCIP expansion** nearly complete and will commence construction by **January 2022**

Opened **4 Has** of commercial lot inventory within the LIMA CBD. Lot sizes range from **1,800 up to 5,000 sqm**

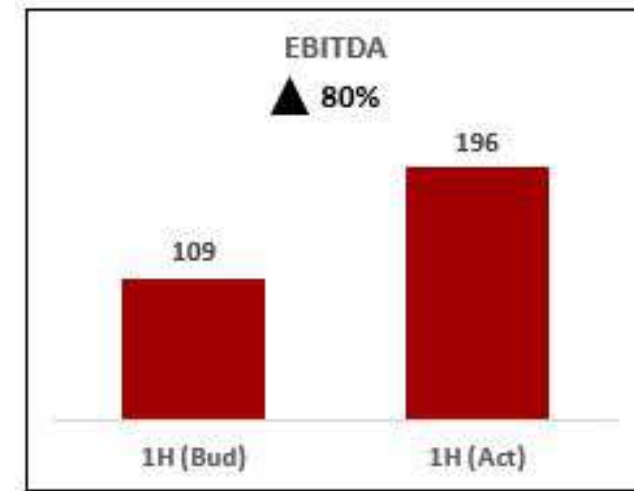
LIMA is set to build a seven-tower office complex, with the **first tower, LIMA Tower One**



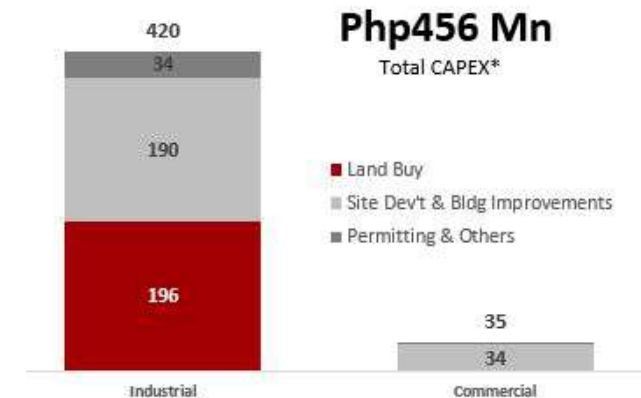
**Stable industrial operations and improved commercial leasing performance** in Q2 2021 albeit still below pre-covid level

**Budgeted Php2.1Bn for ongoing expansion & transformation activities** to solidify presence in existing footprints

## FINANCIAL RESULTS Budget(Q2) VS Actuals(Q2)



## YTD CAPEX



*\*Numbers shown in this slide are beneficial*

# COMMON TOWERS

Unity Digital Infrastructure, Inc. (**Unity**) to build and operate **telecommunication towers** and supporting infrastructure across the country

Secured **pilot sites master agreement** and **master lease agreement** with MNOs



**Tower Pilot Sites**

# SMALL CELL SITES

Deployed more than 300+ small cell sites

Rolled out **Globe's KonekTayo Wifi access points** to broadcast faster and reliable internet at affordable prices



**Small Cell Sites**

# APO AGUA

Target of achieving the first drop of water by the end of 2021 is on track

- Over 5,000 manpower count to support aggressive recovery plan
- Simultaneous work and extended hours



# LIMA WATER

Billed volume continues to improve, averaging **7.4MLD**

Implementing **automation** and **priority efficiency initiatives**

Building capabilities to support **expansion of estate water business**

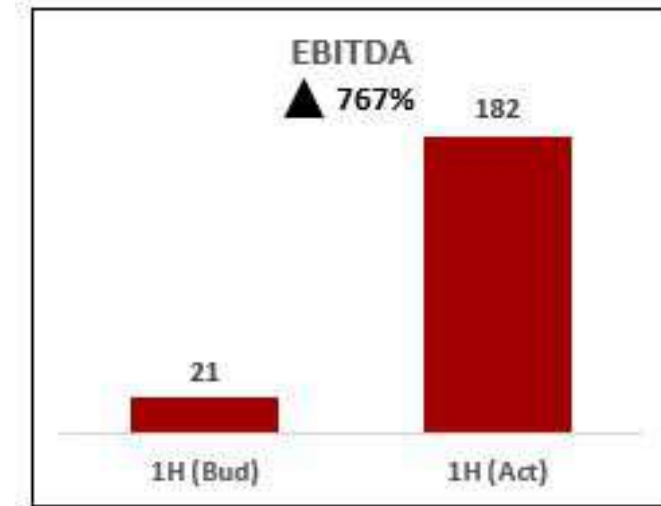


# AIC Financial & Operational Highlight

Continuous normal operations in the business units resulting higher EBITDA

YTD Capex mainly from ongoing construction of Apo Agua and expansion initiatives of IEC

## CONSOLIDATED FINANCIAL RESULTS YTD Budget VS Actuals



## YTD CAPEX



\*Numbers shown in this slide are benefi

**EXPANSION & TRANSFORMATION ACTIVITIES  
INTO SMART DEVELOPMENTS**



**CONSTRUCTION IN FULL SWING FOR  
FIRST DROP OF WATER IN APO AGUA**



**SECURED LEASE AGREEMENT WITH MNOs & DEPLOYMENT OF **DIGITAL INFRA****

**RCBM**



## Superb performance despite COVID-19

- H1 2021 cement market demand is stronger than H1 2020 and slightly better than H1 2019
- Company continued to benefit from several cost cutting and productivity improvement measures
- Ramping up production of new cement capacity in Bulacan and Iligan
- H1 2021 contribution to AEV at PhP1.32B, higher by PhP1.33B vs H1 2020; Excluding one-time impact of CREATE law, contribution amounts to PhP779M in H1 2021





## Review of Business Units

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## 1H2021 Financial Performance



### Revenues

**₱57 bn** | **₱103 bn**

**+16%**

vs 2Q2020

**+9%**

vs 1H2020



### Conso EBITDA

**₱14 bn** | **₱33 bn**

**+29%**

vs 2Q2020

**+43%**

vs 1H2020



### Core Net Income

**₱5 bn** | **₱14 bn**

**+194%**

vs 2Q2020

**+246%**

vs 1H2020



### Net Income

**₱5 bn** | **₱13 bn**

**+159%**

vs 2Q2020

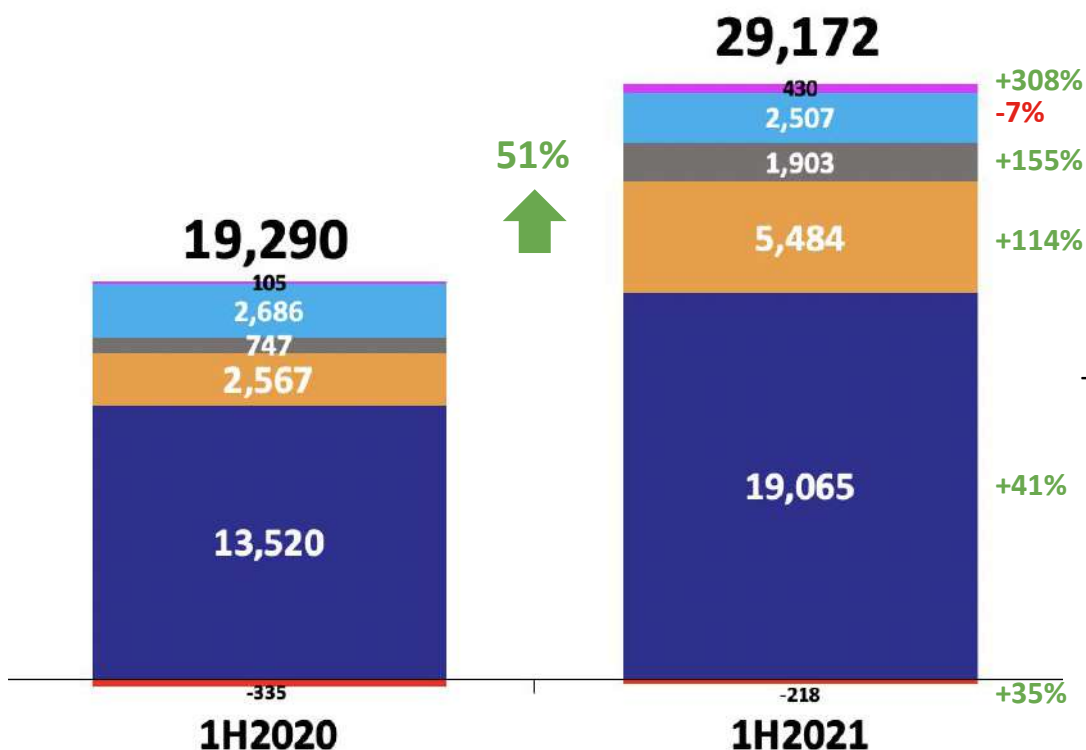
**+243%**

vs 1H2020



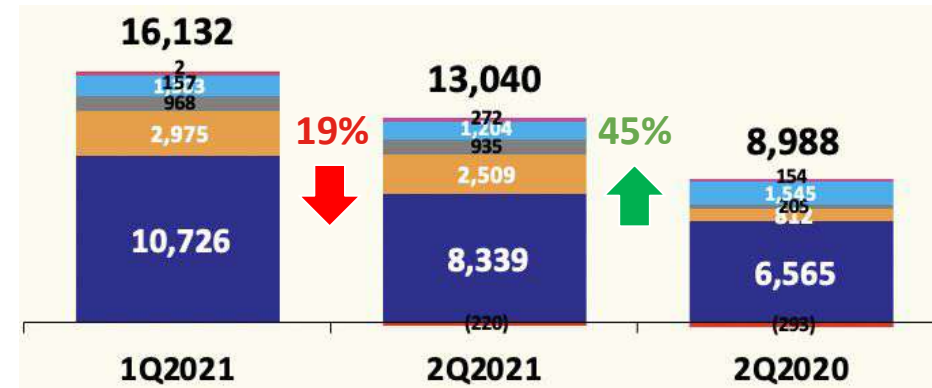
# 1H2021 Beneficial EBITDA

In PHP Millions



- Power
- Infrastructure
- Real Estate

- Financial Services
- Food
- Parent & Others



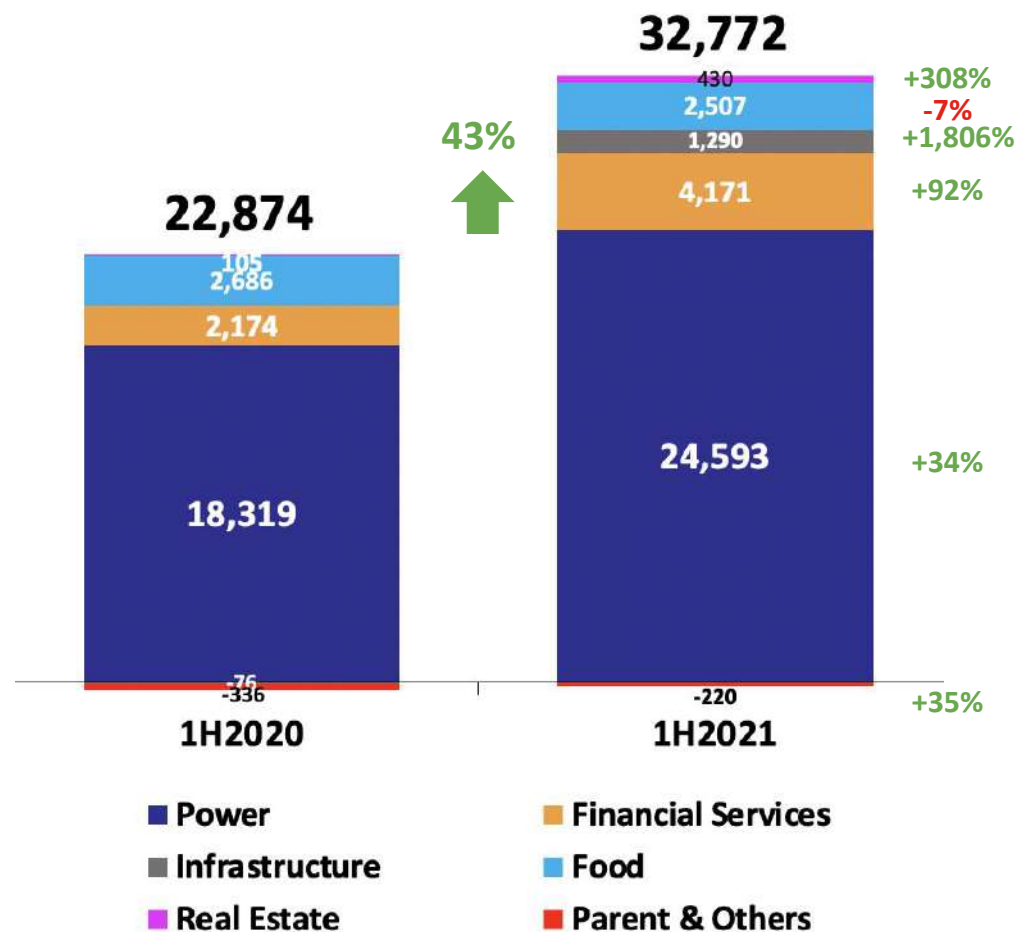
+51% vs LY:

- +29% from Power due to commissioning revenue from GNPD, higher water inflow, higher demand, higher WESM dispatch and recognition of other income
- +15% from Financial Services due to higher margins, lower funding costs and strong trading gains
- +6% from Infrastructure due to stronger market demand, reduced costs and increased overall efficiency of Cement
- +2% from Real Estate due to enhanced construction activity and continued strong sales
- -1% from Food Group mainly due to lower margins of Feeds and Flour



# 1H2021 Consolidated EBITDA

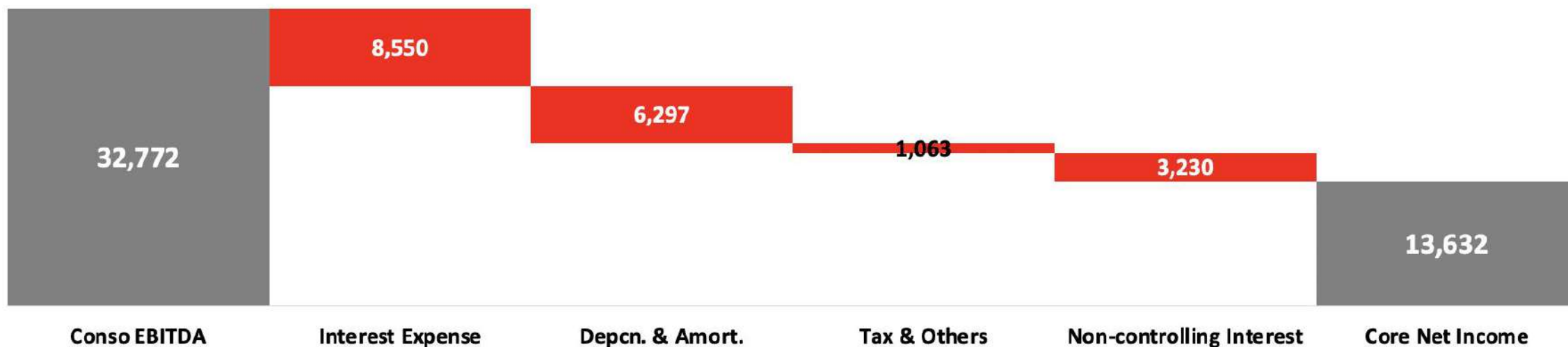
In PHP Millions





# 1H2021 Core Income

In PHP Millions

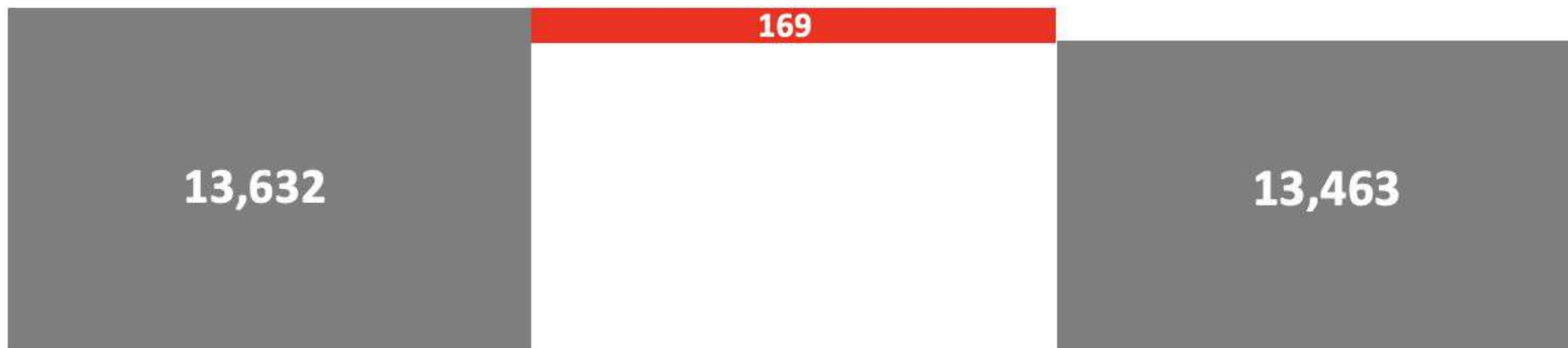


	1H2020	1H2021	Change
Conso EBITDA	22,874	32,772	43%
Less: Interest Expense	8,480	8,550	1%
Depcn. & Amort.	6,222	6,297	1%
Tax & Others	2,257	1,063	-53%
Non-controlling Interest	1,971	3,230	64%
Core Net Income	3,945	13,632	246%
EPS	0.70	2.42	



# 1H2021 Net Income

In PHP Millions



**Core Net Income**

**Non-recurring Income/(Loss)**

**Net Income**

	<b>1H2020</b>	<b>1H2021</b>	<b>Change</b>
Core Net Income	3,945	13,632	<b>246%</b>
Non-recurring Income/(Loss)	(20)	(169)	<b>739%</b>
Net Income	3,925	13,463	<b>243%</b>
<i>EPS</i>	0.70	2.39	



# Balance Sheet Highlights

In PHP Millions, except for ratios

	PARENT*		CONSOLIDATED	
	YE2020	1H2021	YE2020	1H2021
<b>Cash and Cash Equivalents</b>	17,450	14,642	65,966	57,620
<b>Net Debt</b>	47,429	51,763	257,890	266,574
<b>Total Equity</b>	183,062	193,677	223,600	235,993
<b>Net Debt to Equity</b>	0.3x	0.3x	1.2x	1.1x
<b>Interest Coverage</b>	3.5x	5.0x	2.7x	3.1x

*\*includes AEV international*



## Key Take Aways

- ☐ We continue to see headway in our recovery and growth plans.*
- ☐ We approach the future with caution, considering the potential impact of Delta on our country's recovery.*
- ☐ Our company vaccination program has started, as part of efforts to protect our team members, hand in hand with government.*



## Review of Business Units

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



# Presentation Development Team

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ADVANCING BUSINESS  
AND COMMUNITIES

**END**