



# Aboitiz Equity Ventures

**Full Year 2020  
Financial & Operating Results**  
Wednesday, March 10, 2021

**abotiz**



## Review of Business Units

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



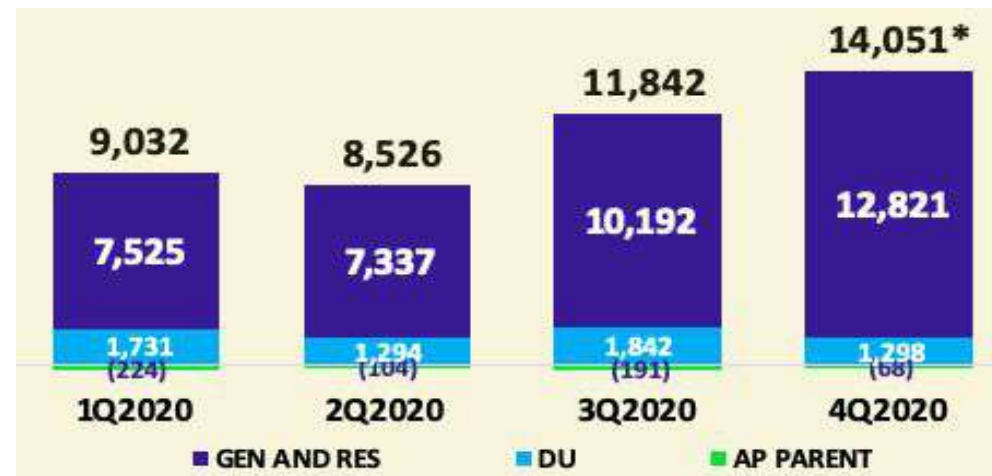
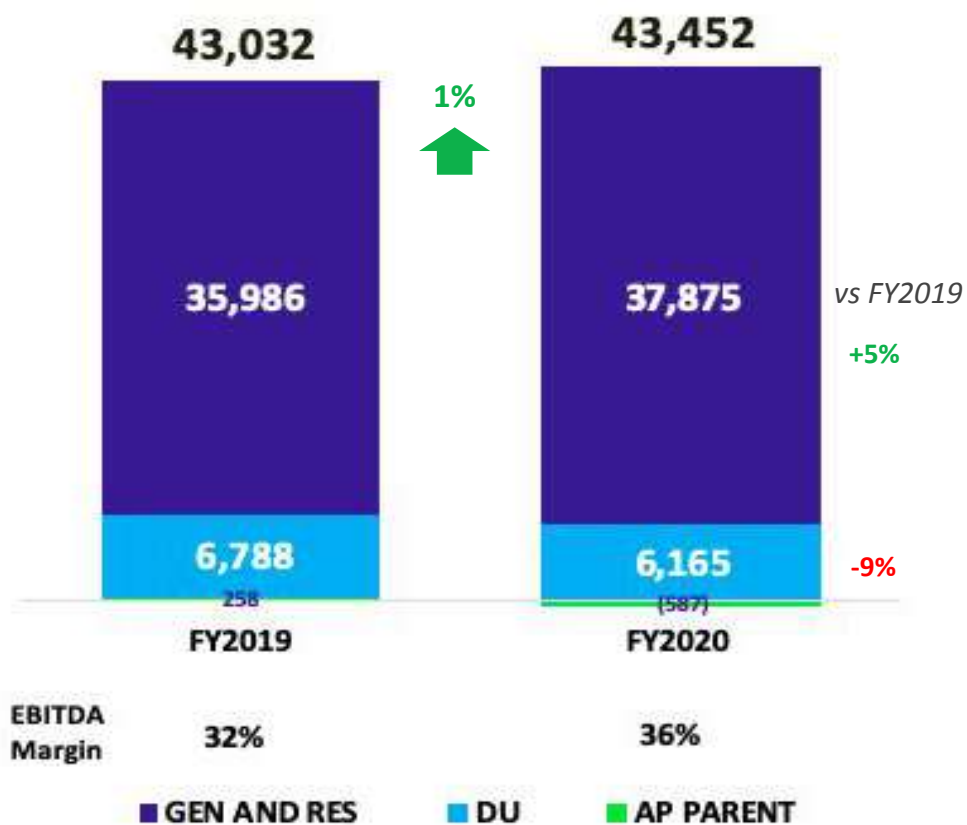
# Advancing Despite Adversity through #PositiveEnergy





# FY2020 Beneficial EBITDA

in PHP millions



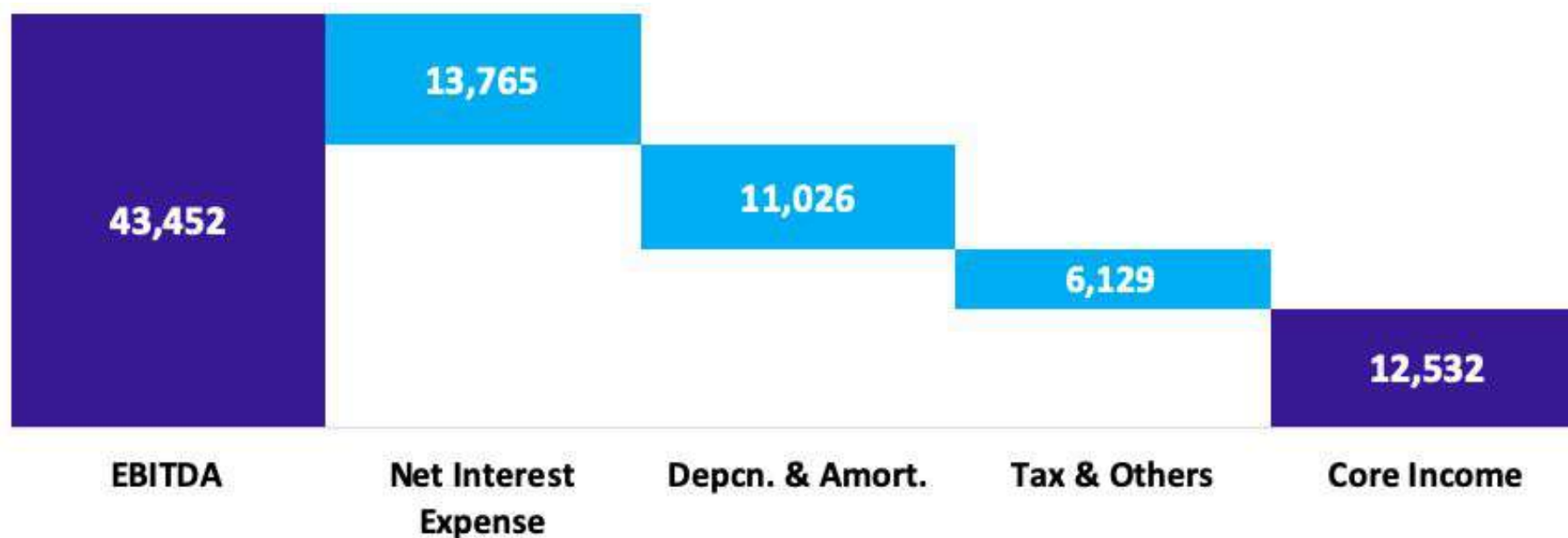
\*+39% vs 4Q2019

Flat vs LY:

- +10% higher availability
- +2% other income
- -7% lower demand due to COVID-19
- -3% lower BCQ rates
- -1% lower water inflow



## FY2020 Core Income



Php mn	FY2019	FY2020	Change
EBITDA	43,032	43,452	1%
Less: Net Interest Expense	12,950	13,765	6%
Depcn. & Amort.	10,051	11,026	10%
Tax & Others	3,410	6,129	80%
Core Income	16,621	12,532	-25%
EPS	2.26	1.70	



# FY2020 Net Income



Php mn  
Core Income  
Net Income  
EPS

	FY2019	FY2020	Change
Core Income	16,621	12,532	-25%
Net Income	17,323	12,578	-27%
EPS	2.35	1.71	



## Balance Sheet Highlights

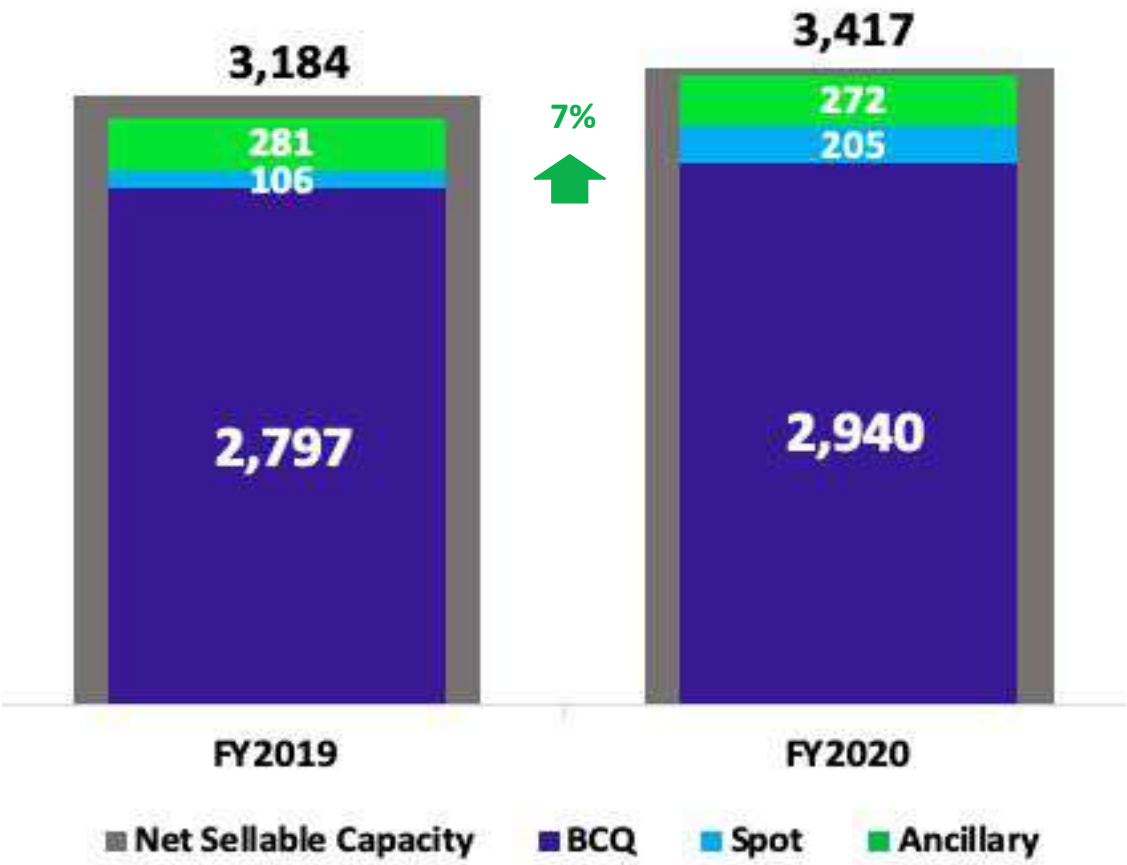
(Php mn)	CONSOLIDATED	
	YE2019	YE2020
Cash and Cash Equivalents	37,434	38,700
Investments and advances	60,879	61,829
Property, Plant and Equipment	209,521	203,451
Total Assets	410,469	397,925
Total Liabilities	276,826	263,340
Total Equity	133,643	134,585
Total Interest Bearing Debt	231,014	228,328
Net Debt	189,131	184,304
Net Debt to Equity	1.4x	1.4x
Debt to Equity*	1.7x	1.7x

\*Total Interest Bearing Debt / Total Equity



# Operating Highlights: Capacity Sales

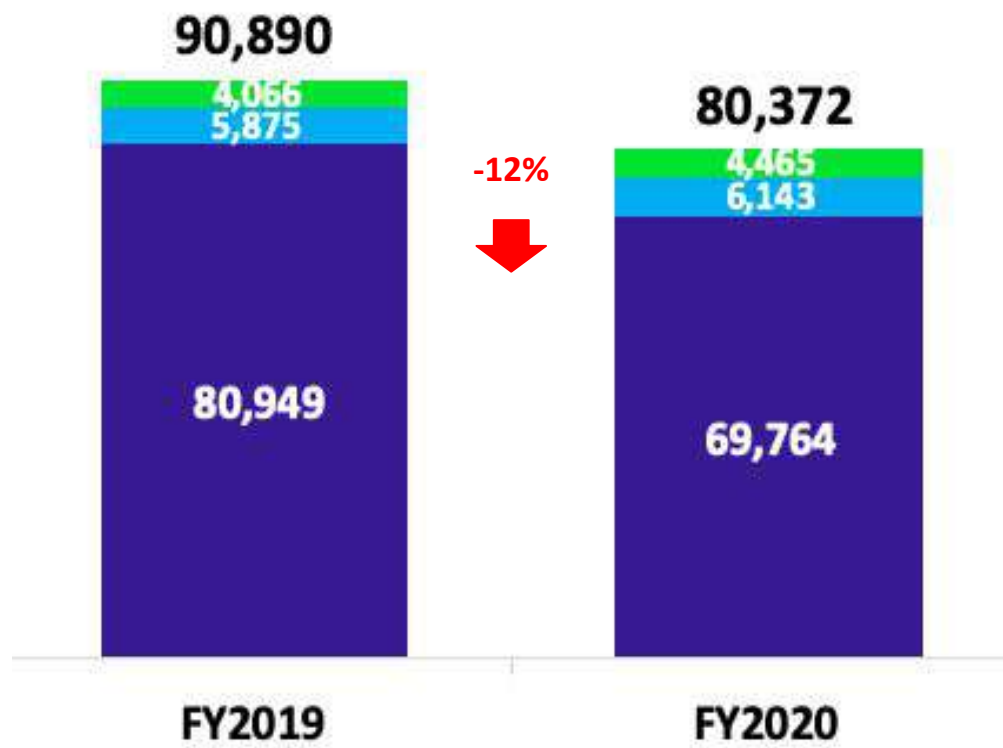
Capacity Sales  
in MW



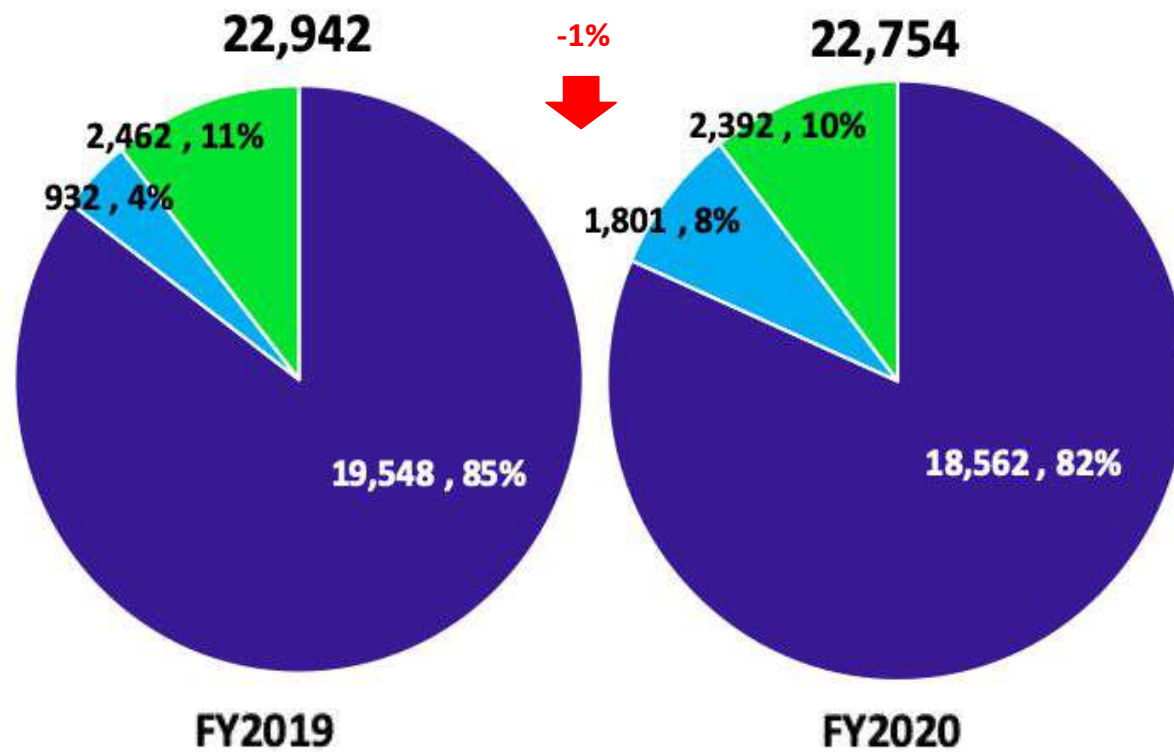


## Operating Highlights: Revenue and Energy Sold

Revenue  
in PHP millions



Energy Sold  
in GWh

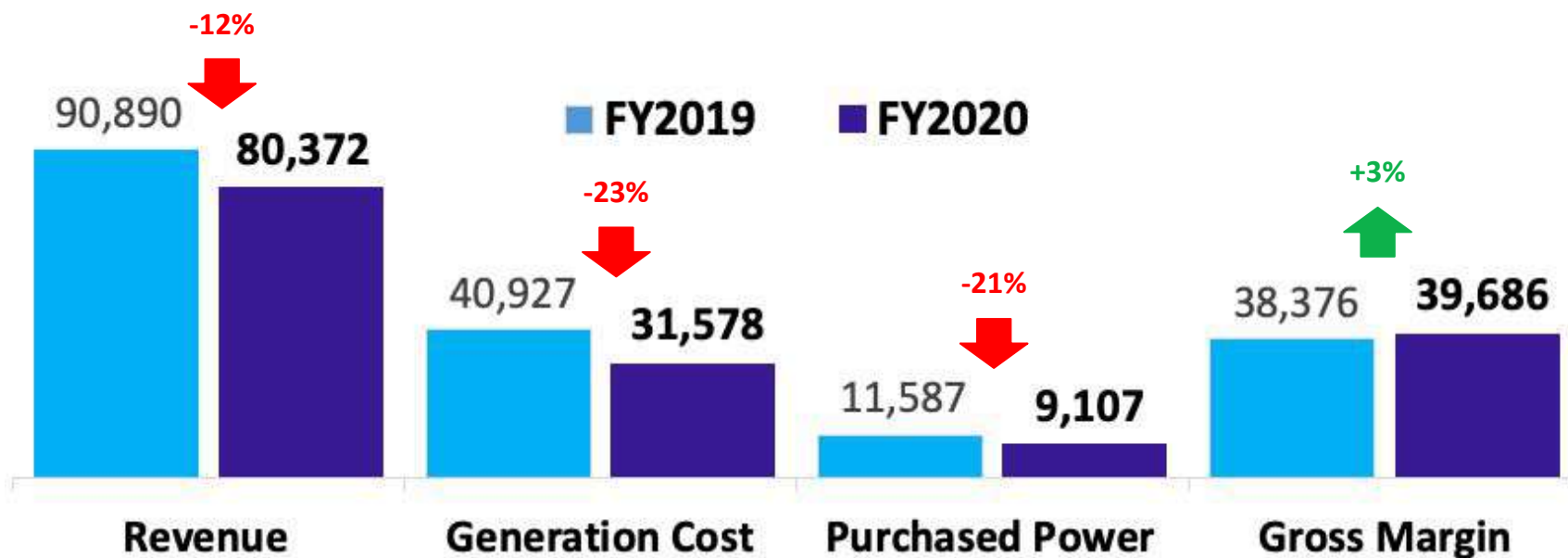


■ BCQ ■ Spot ■ Ancillary Services

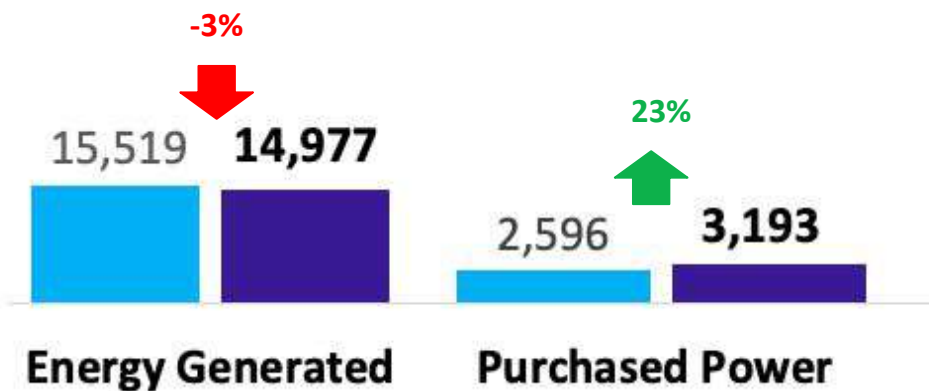


# Operating Highlights: Gross Margin

in PHP millions



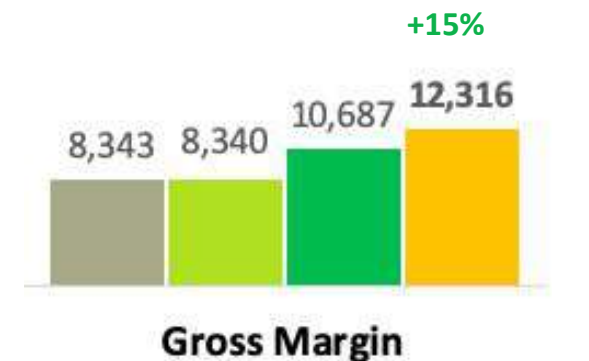
in GWh



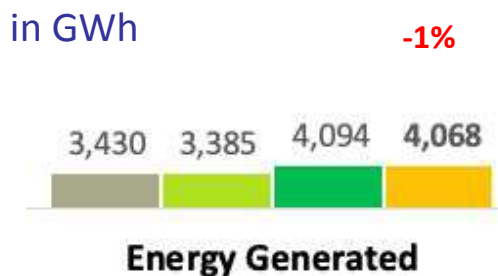
## Quarterly Breakdown

Legend: 1Q2020 (Grey), 2Q2020 (Light Green), 3Q2020 (Green), 4Q2020 (Yellow)

in PHP millions



in GWh





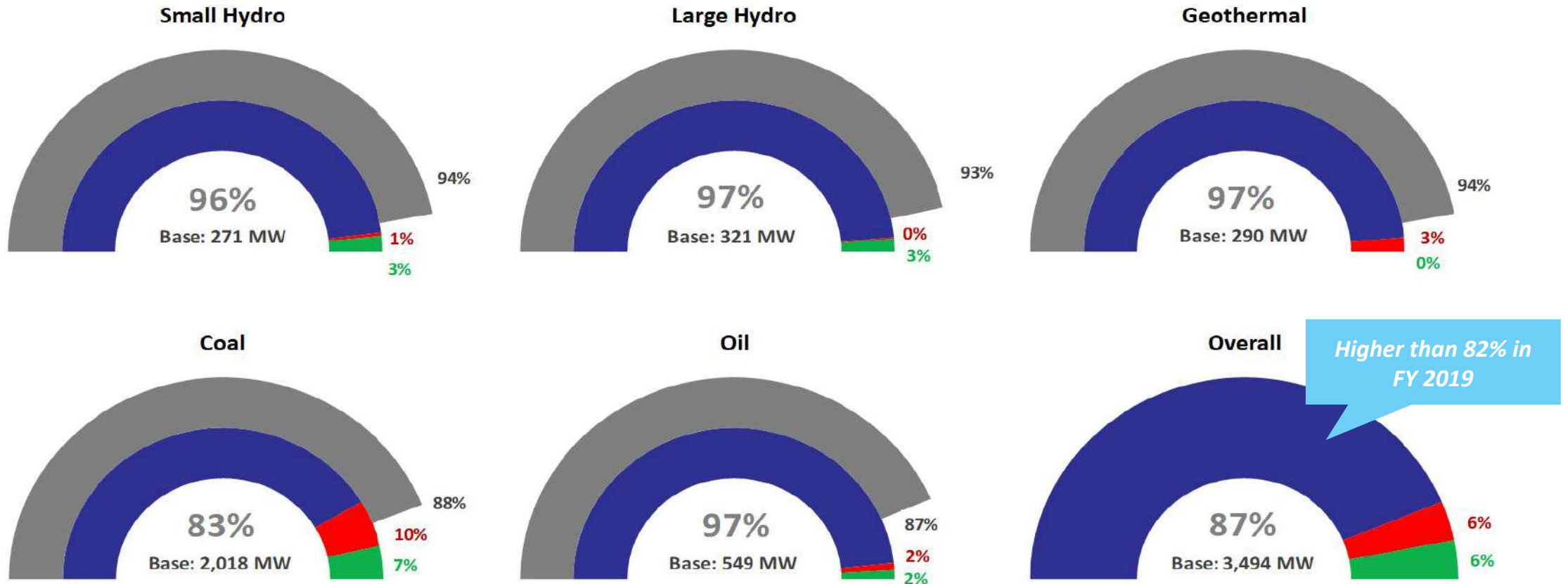
## Operating Highlights: Selling Prices (P/kWh)



Ave NEWC \$83.78/MT in FY2019 vs \$59.80/MT in FY2020



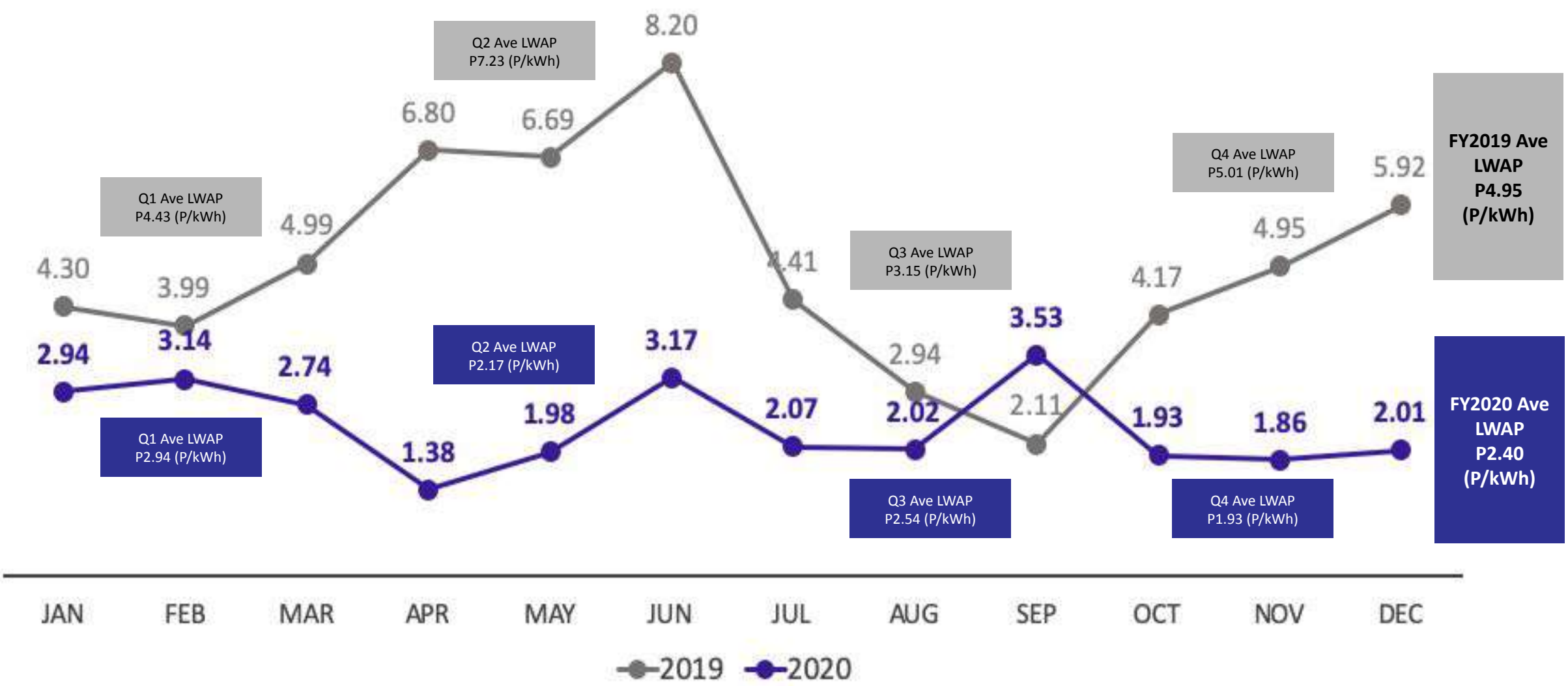
# Operating Highlights: Availability - FY2020



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

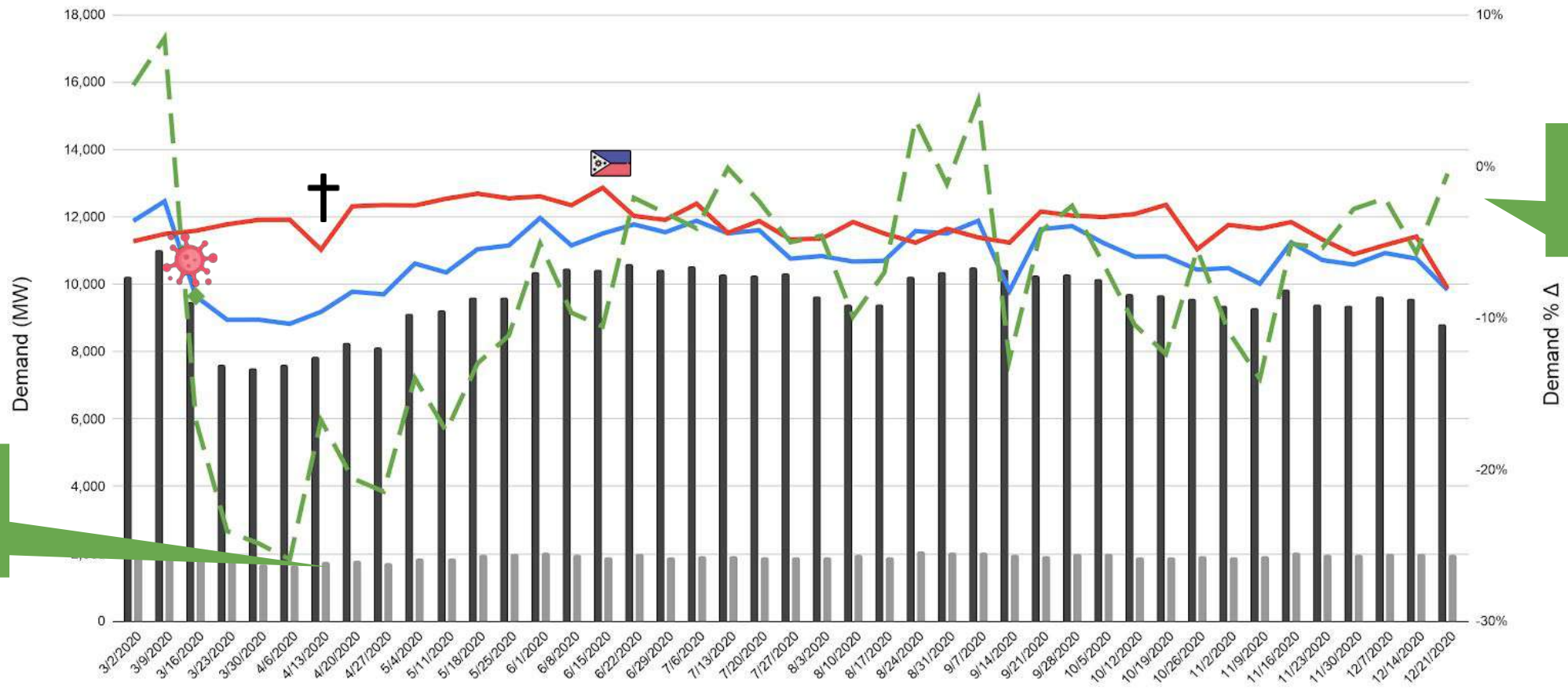


# Operating Highlights: WESM





# Luzon And Visayas Average Weekly Peak Demand



Apr W1  
-26%

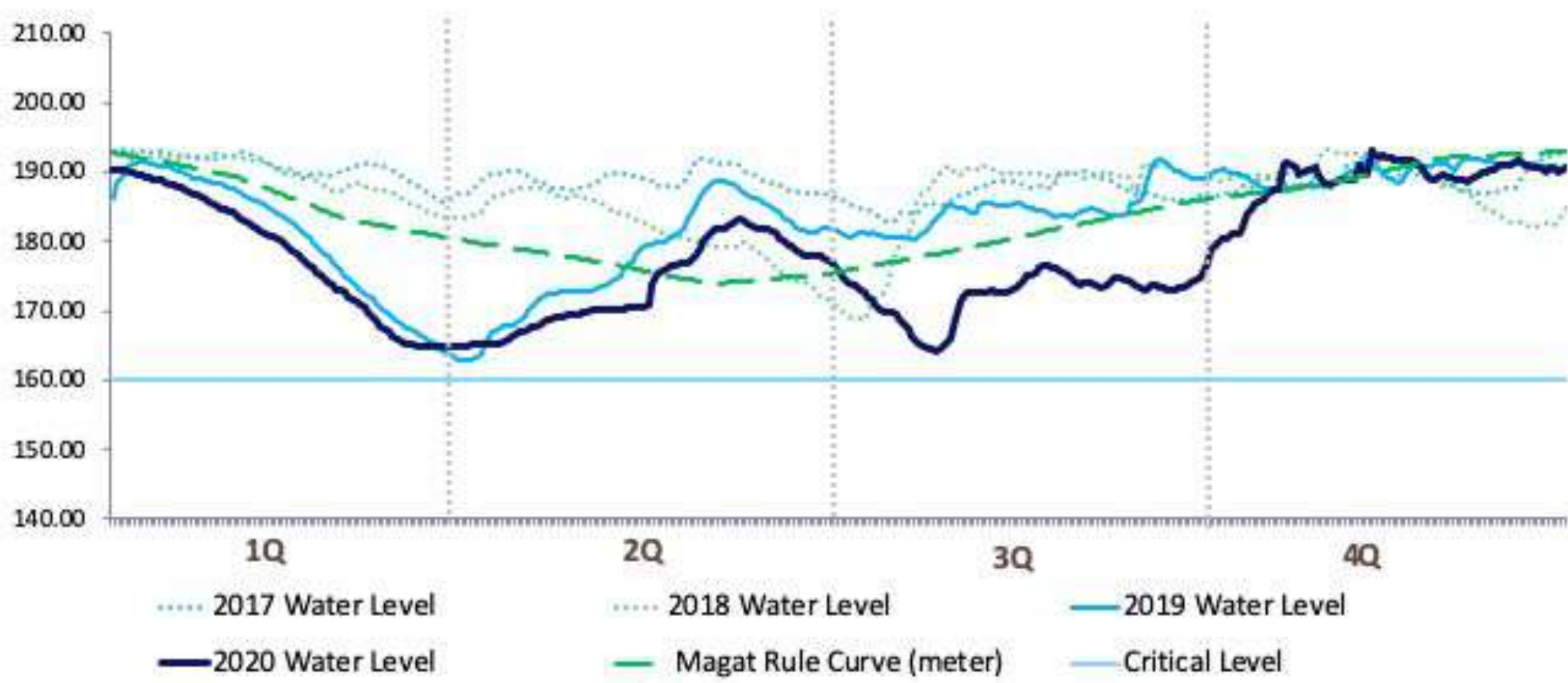
Dec W4  
0%

- 2020 Ave. LuzVis Weekly Peak Demand
- 2019 Ave. LuzVis Weekly Peak Demand
- - - % Δ vs 2019
- Luzon Weekly Peak Demand
- Visayas Weekly Peak Demand
- 🦠 Beginning of ECQ
- + Holy Week
- Independence Day

Source: IEMOP Market Reports



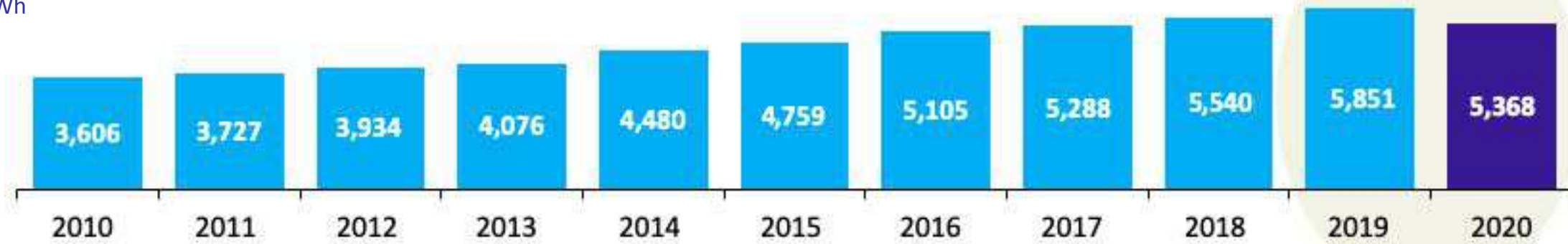
## Operating Highlights: Water Level





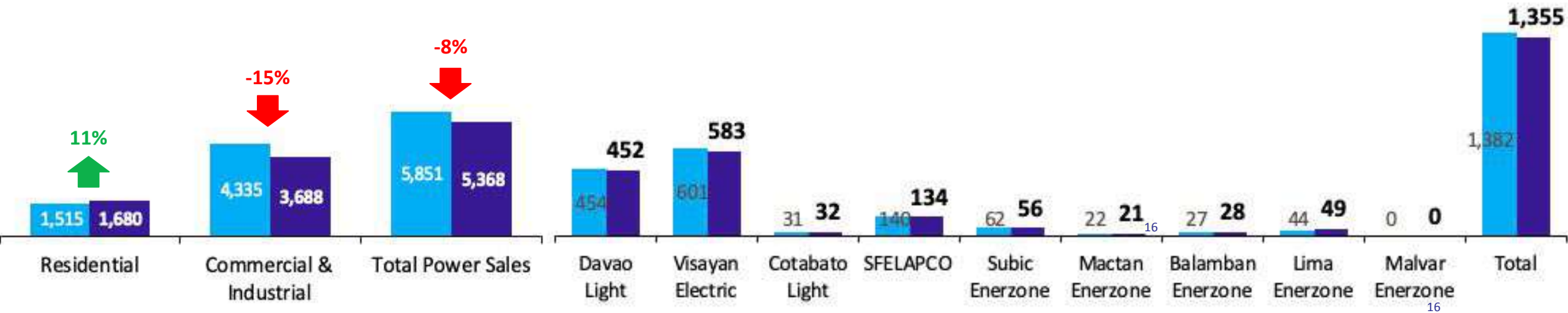
# Operating Highlights: Distribution

Beneficial Power Sales in GWh



Customer Type in GWh

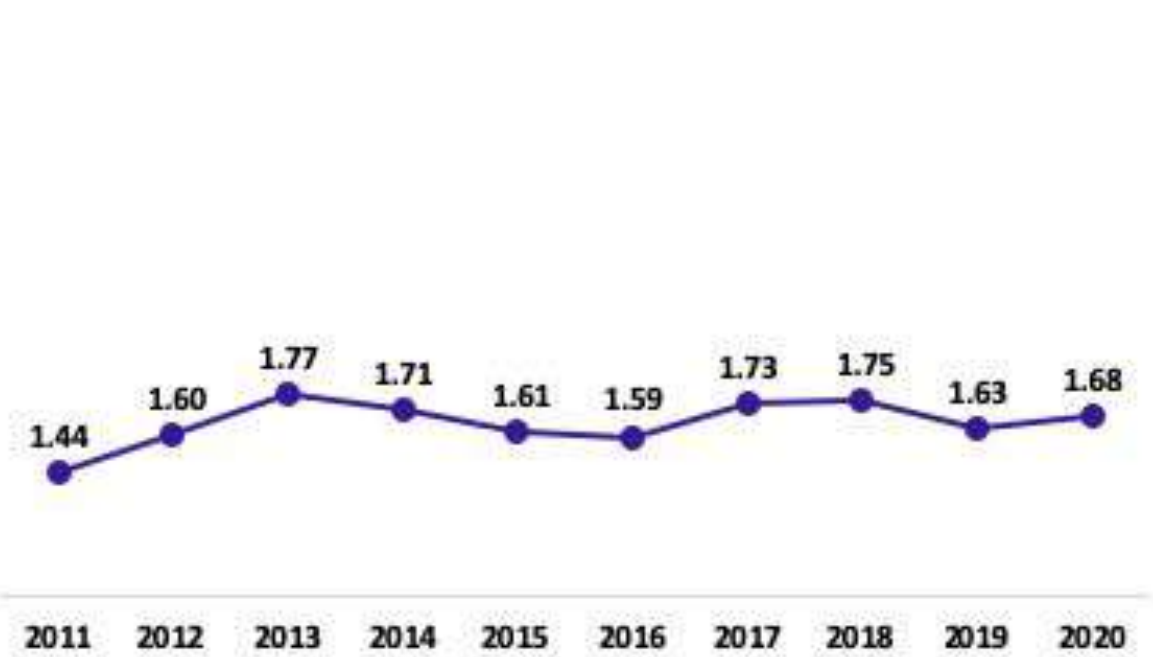
Peak Demand in MW



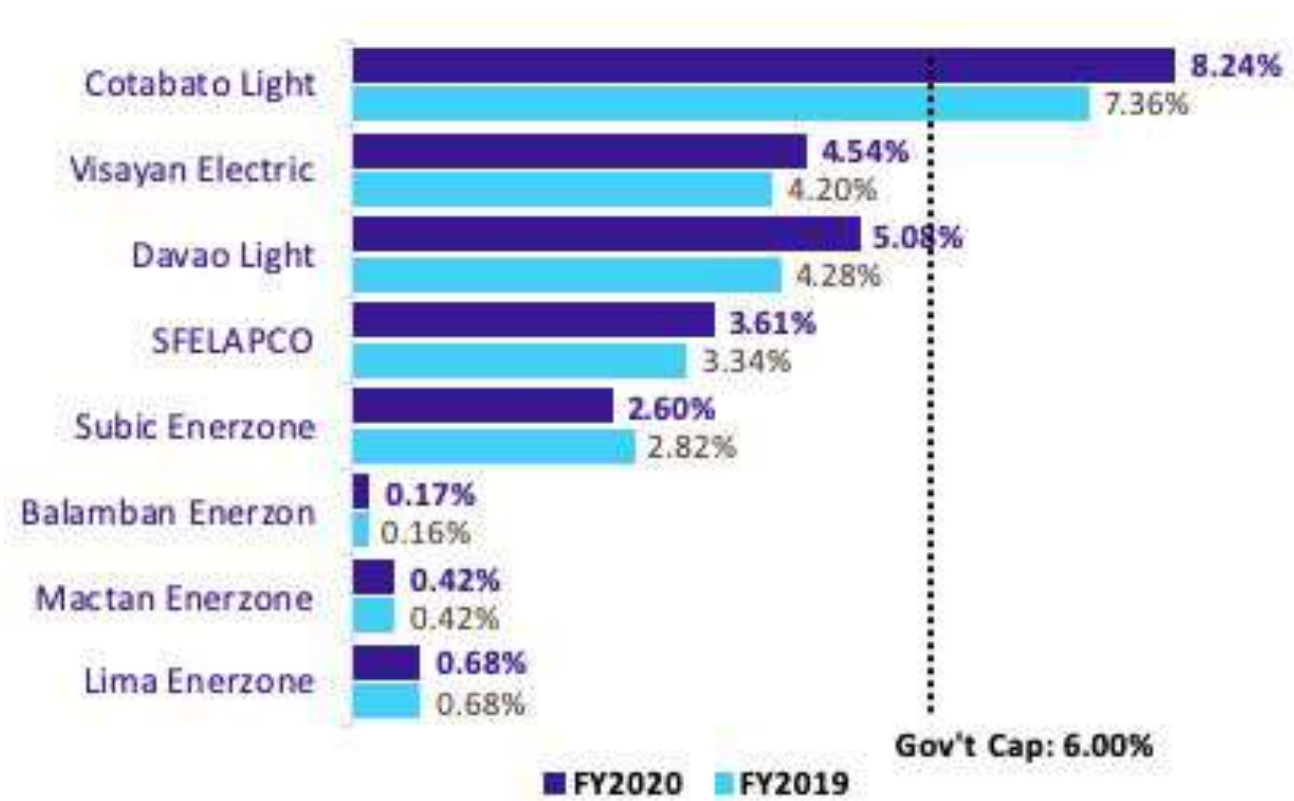


# Operating Highlights: Distribution

Gross Margin P/ 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	Q4 2021
	SNAP Magat Floating Solar	150 MW	50%	75 MW	Ongoing development
	SNAP Magat Battery	20 MW	50%	10 MW	2023
Mindanao	Therma Marine Battery	49 MW	100%	49 MW	2022
		<b>1,555 MW</b>		<b>1,069 MW</b>	

# GNPower Dingin

2 x 668 MW of  
Coal Power



Plant View From Jetty



Unit 1 Synchronization



Unit 1 Steam Turbine Generator

**TMI  
Hybrid  
Battery  
Energy  
Storage  
System  
(BESS)**

**49 MW**





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

# Floating Solar

150 MW of  
Solar of Power





Drilling Sites in MakBan



First Make-UP Well in MakBan



Tiwi Make-UP Well Drilling Rig in Operation

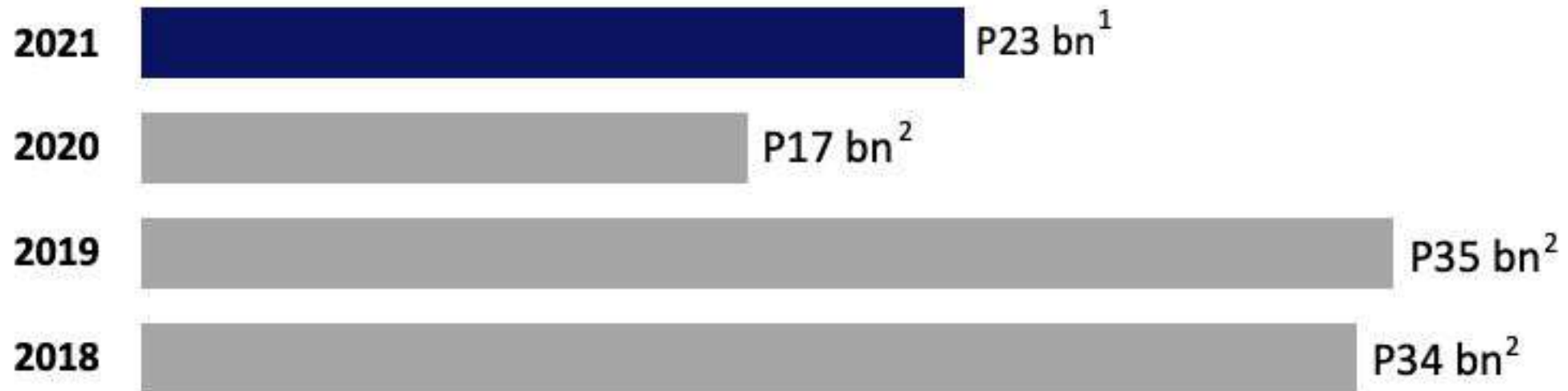
# MakBan and Tiwi Capacity Optimization Projects

64 MW



# Southline Transmission Line Interconnection

# Capital expenditures (with partners)



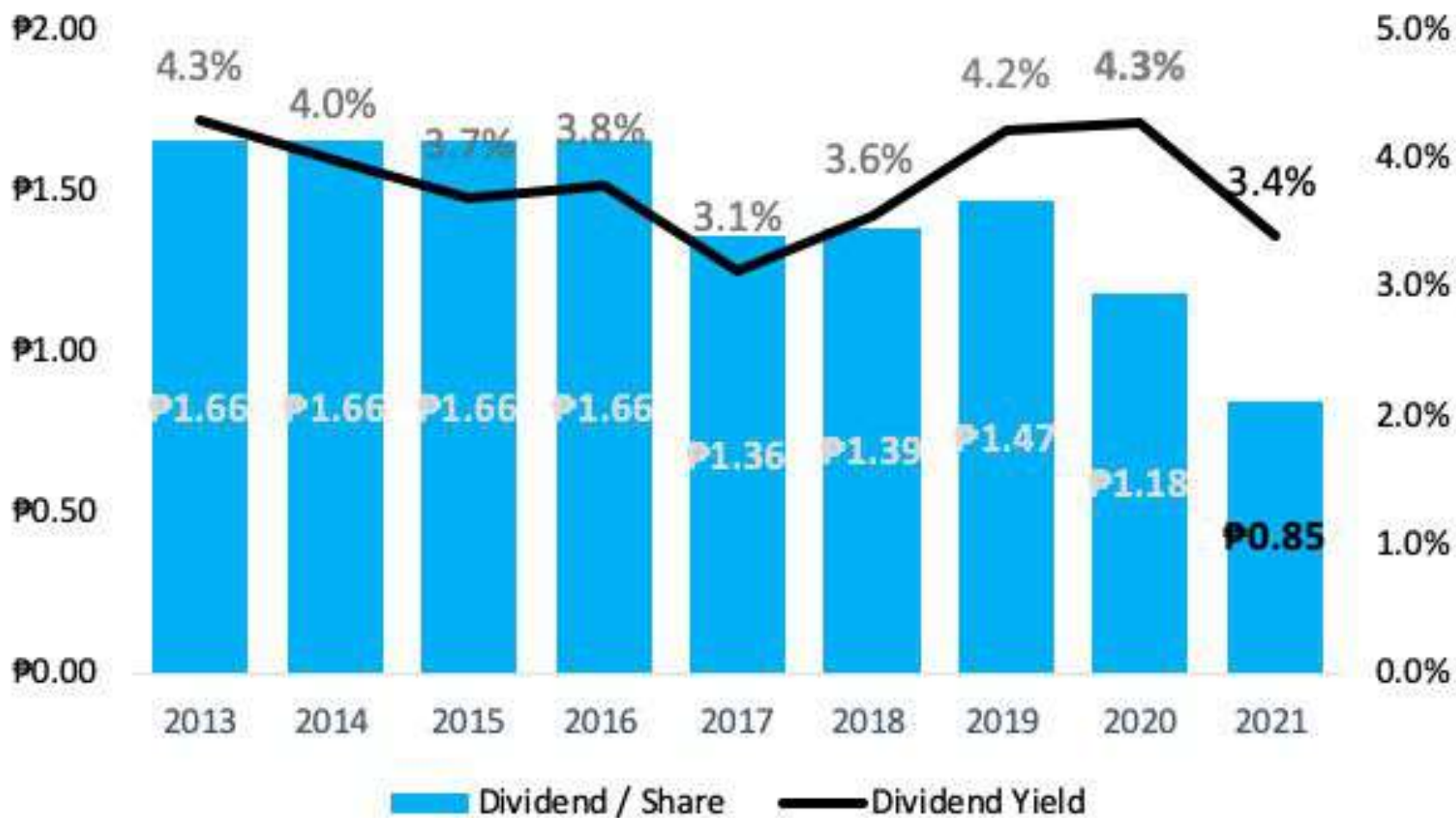
*Includes 100% of Subsidiaries and Affiliates*

*1 - Budgeted Figure*

*2 - Actual Figure*



## Dividend Payment








*Payout Ratio: 1/2 of previous year's consolidated net income*

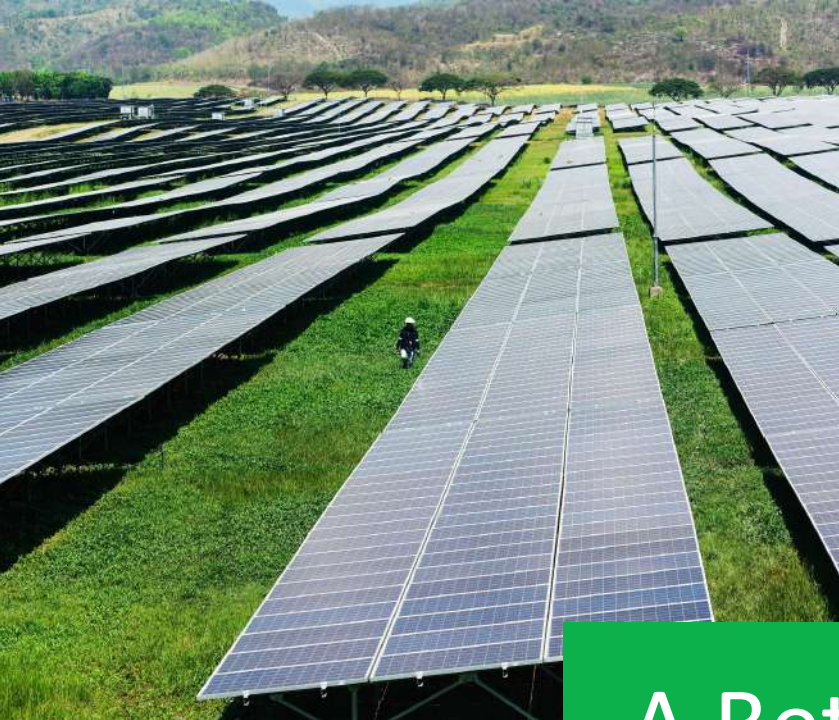
*2021 Dividend Yield: Computed based on March 05, 2021 closing price (P25.00)*



## AP ESG Assessment Ratings

	Score Reference	2018	2019	2020
 SAM (S&P Global)	<b>0</b> (lowest) - <b>100</b> (highest) The higher the better.	10	23	<b>40</b> ↑
 FTSE Russell	<b>1</b> (lowest) - <b>5</b> (highest) The higher the better.	--	2.6	<b>2.5</b> ↓
 Sustainalytics	<b>0</b> (negligible) - <b>40+</b> (severe) The lower the better.	--	37.3	<b>34.1</b> ↑
 MSCI	<b>CCC</b> (lowest) - <b>AAA</b> (highest) The higher the better.	BB	BB	<b>BB</b>
 CDP <i>(Shared with AEV, climate change only)</i>	<b>D-</b> (lowest) - <b>A</b> (highest) The higher the better.	D-	D-	D-

AboitizPower has been a consistent FTSE4Good Constituent Company for three years in a row and currently the only Philippine Power company which is part of this index.



# A Better Future with Cleanergy





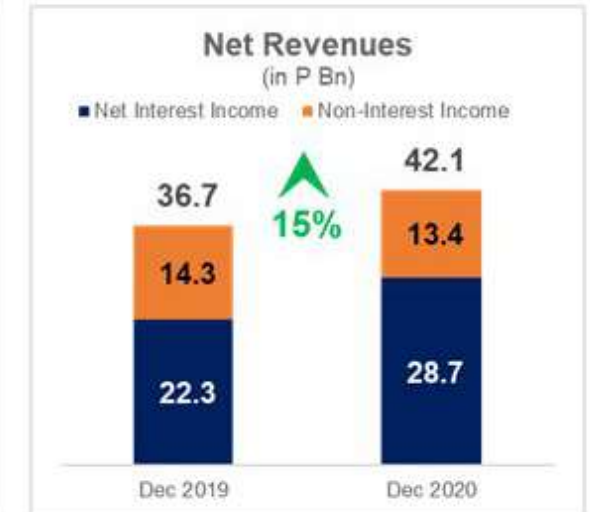
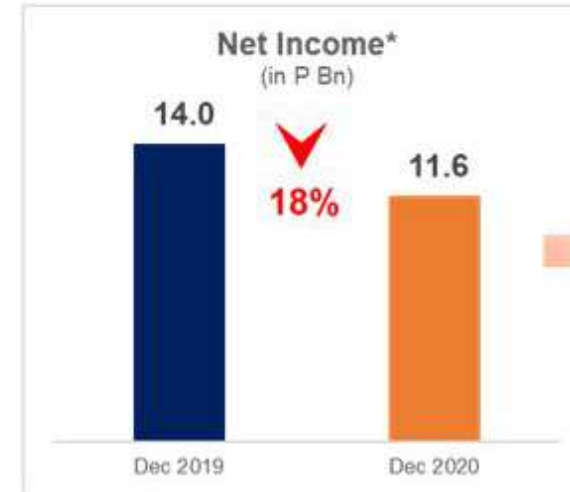
## Review of Business Units

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# Net income at P11.6 Bn; Record-high topline revenues amid the crisis

- Net income at P11.6 Bn despite 4.5x growth in credit reserves amid the COVID crisis
- Maintained above-industry ROE at 11.9%
- All-time high revenues at P42.1 Bn driven by:
  - Higher margins YoY
  - Robust CASA growth
  - Sustained expansion of high-yielding consumer, SME, and commercial loans
  - Strong trading gains



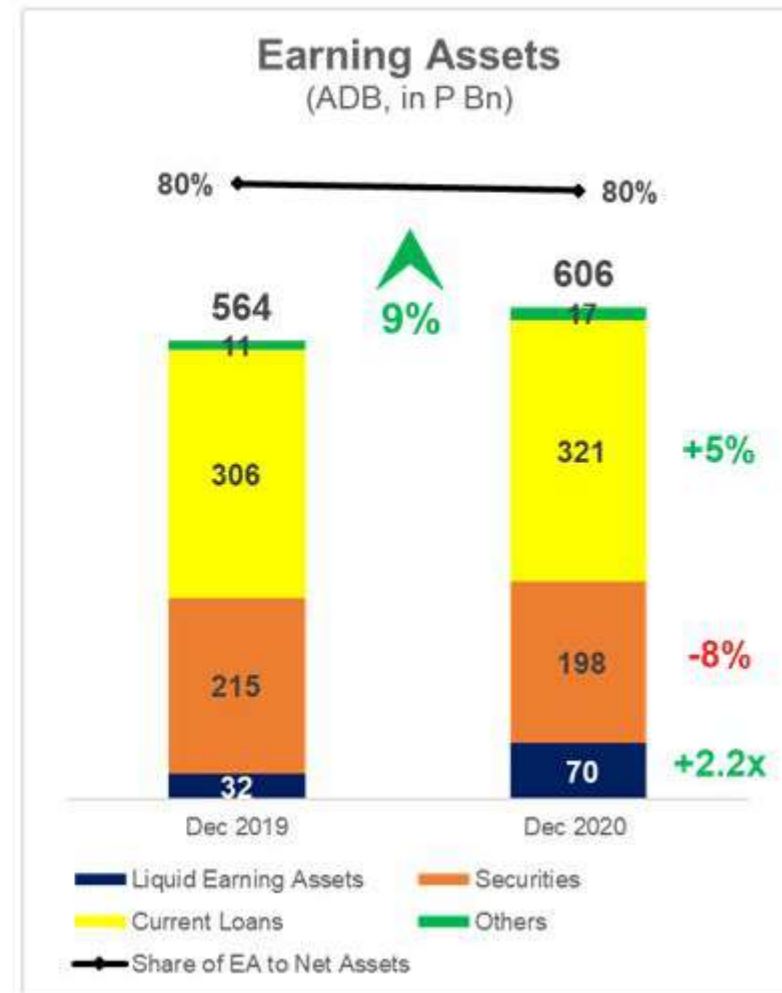
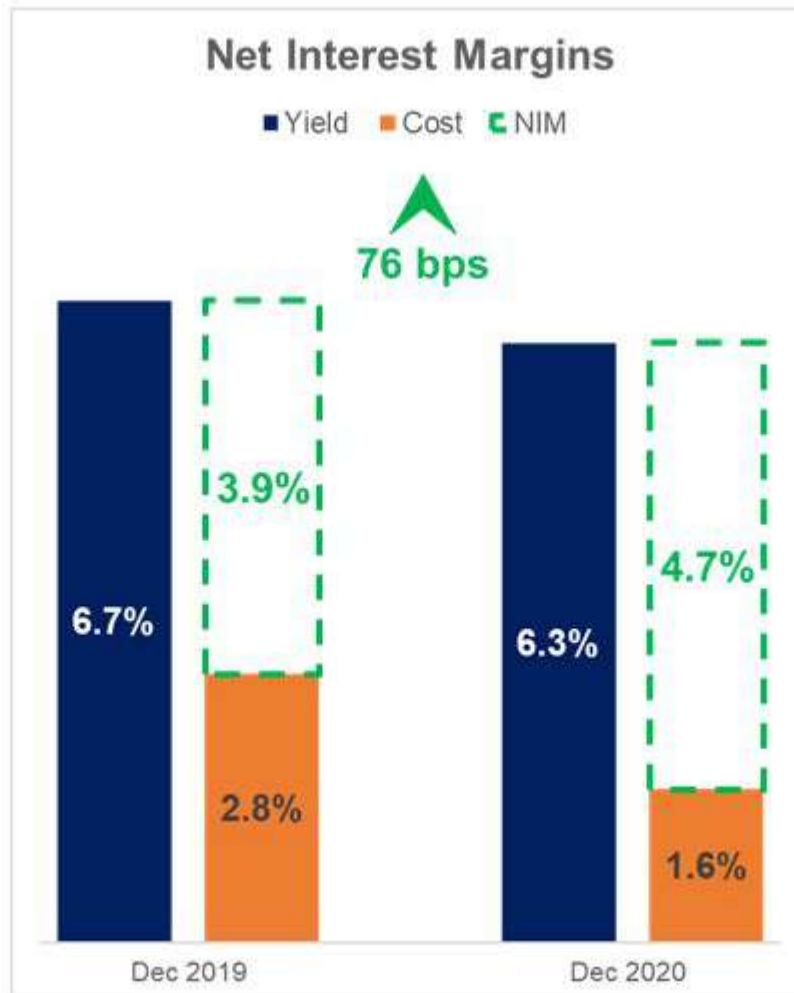
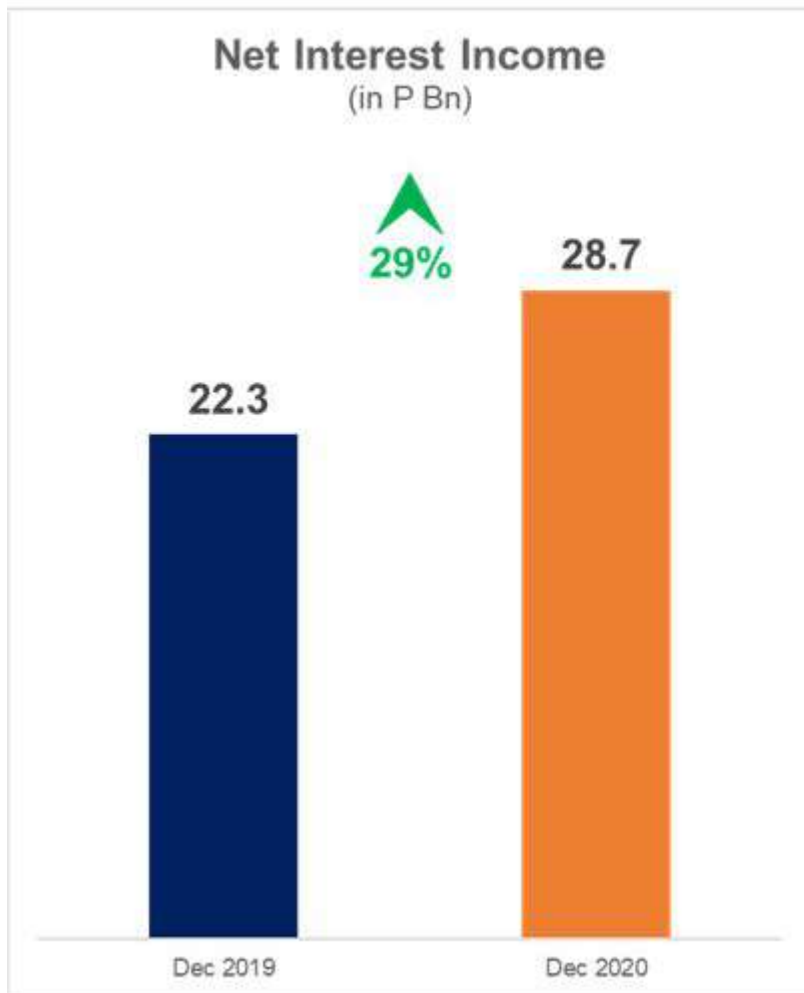
\*Attributable to Parent Bank's Stockholders

\*\* Beginning ROE

\*\*\* Computed Beginning ROE

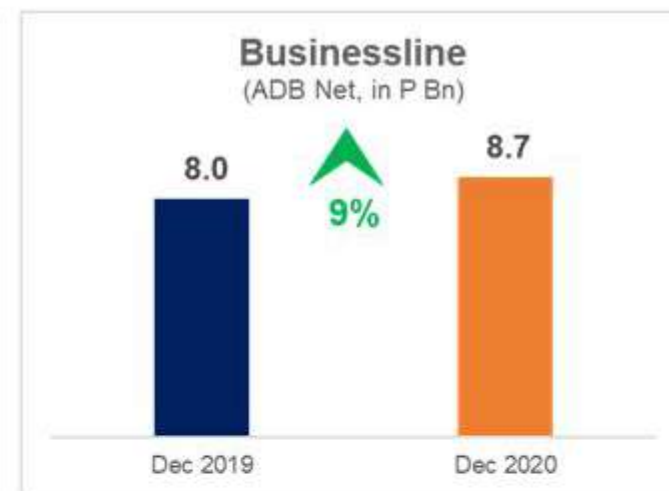
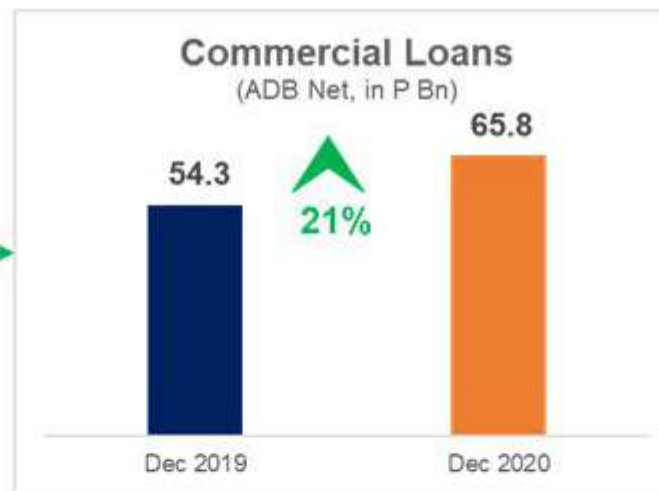
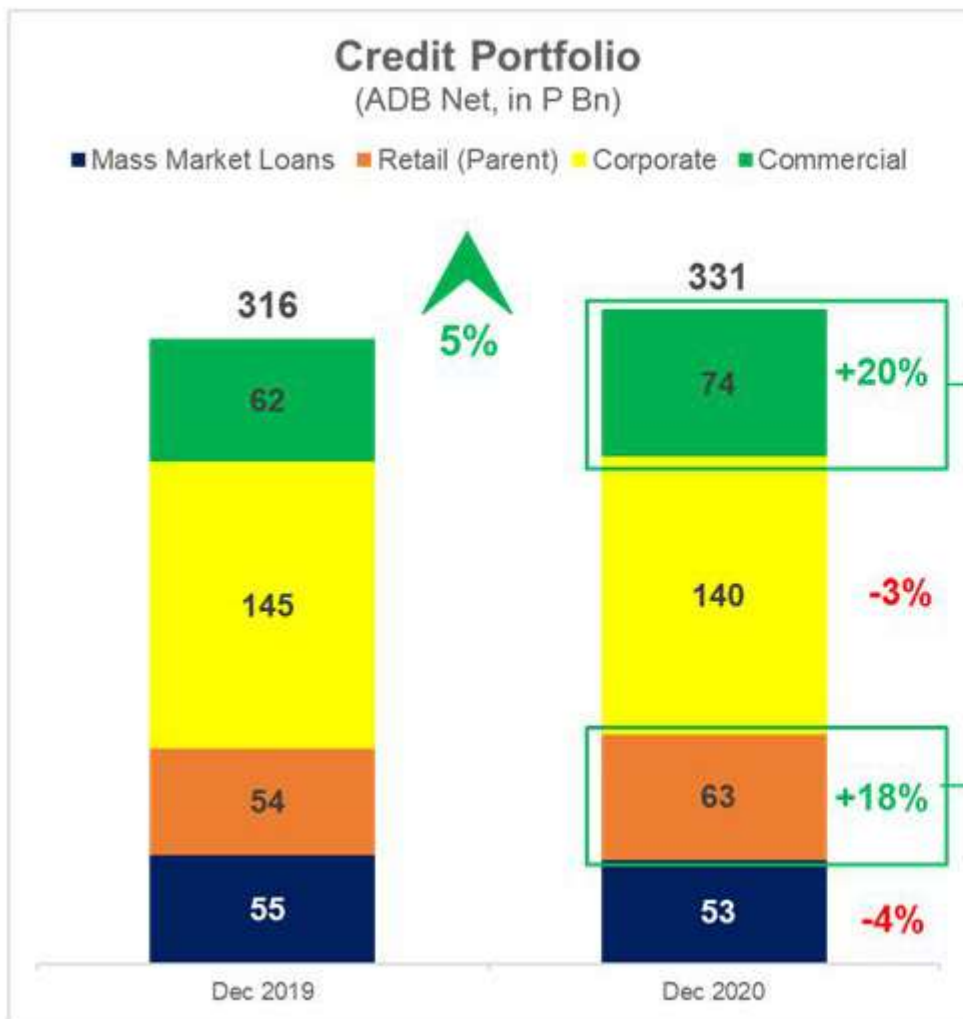


# Net Interest Income up 29%; Margins higher by 76bps on lower funding cost





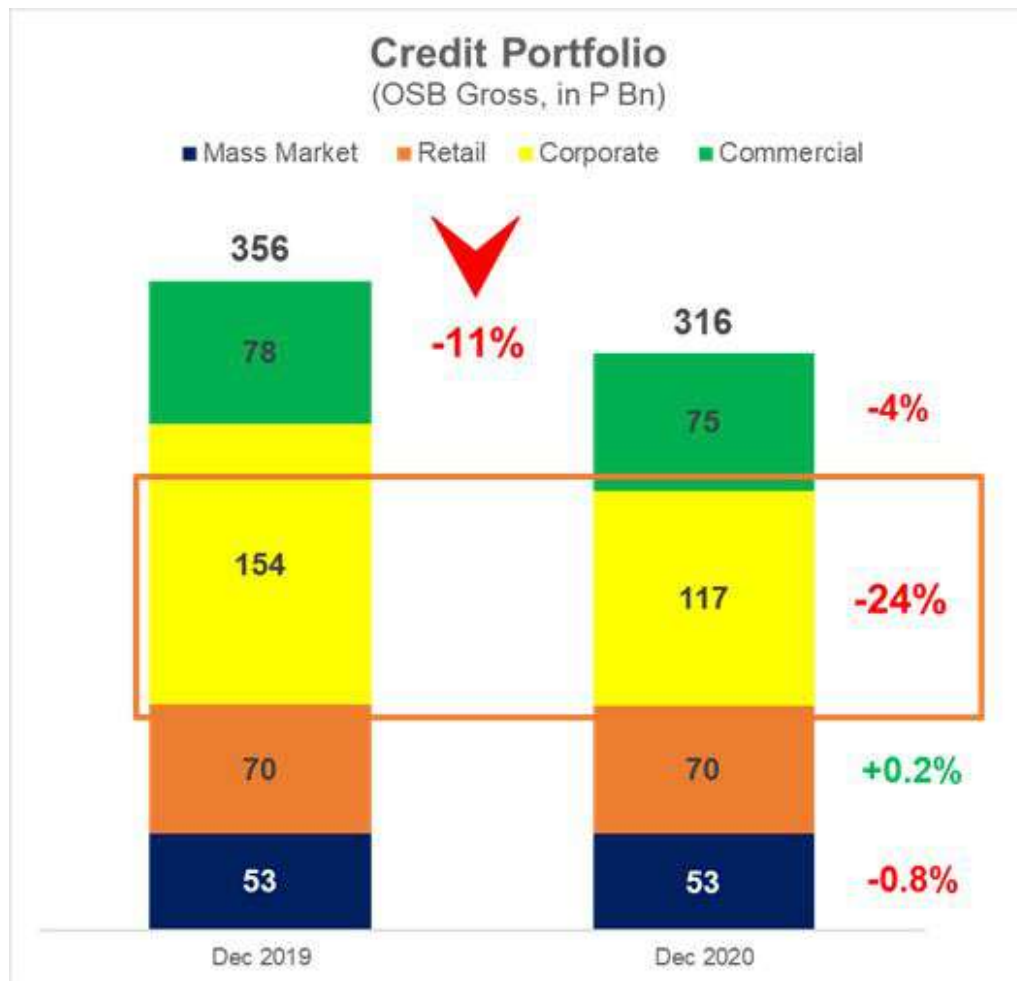
# ADB loan growth driven by commercial and consumer segments



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



# OSB loans lower YoY largely from reduced corporate demand

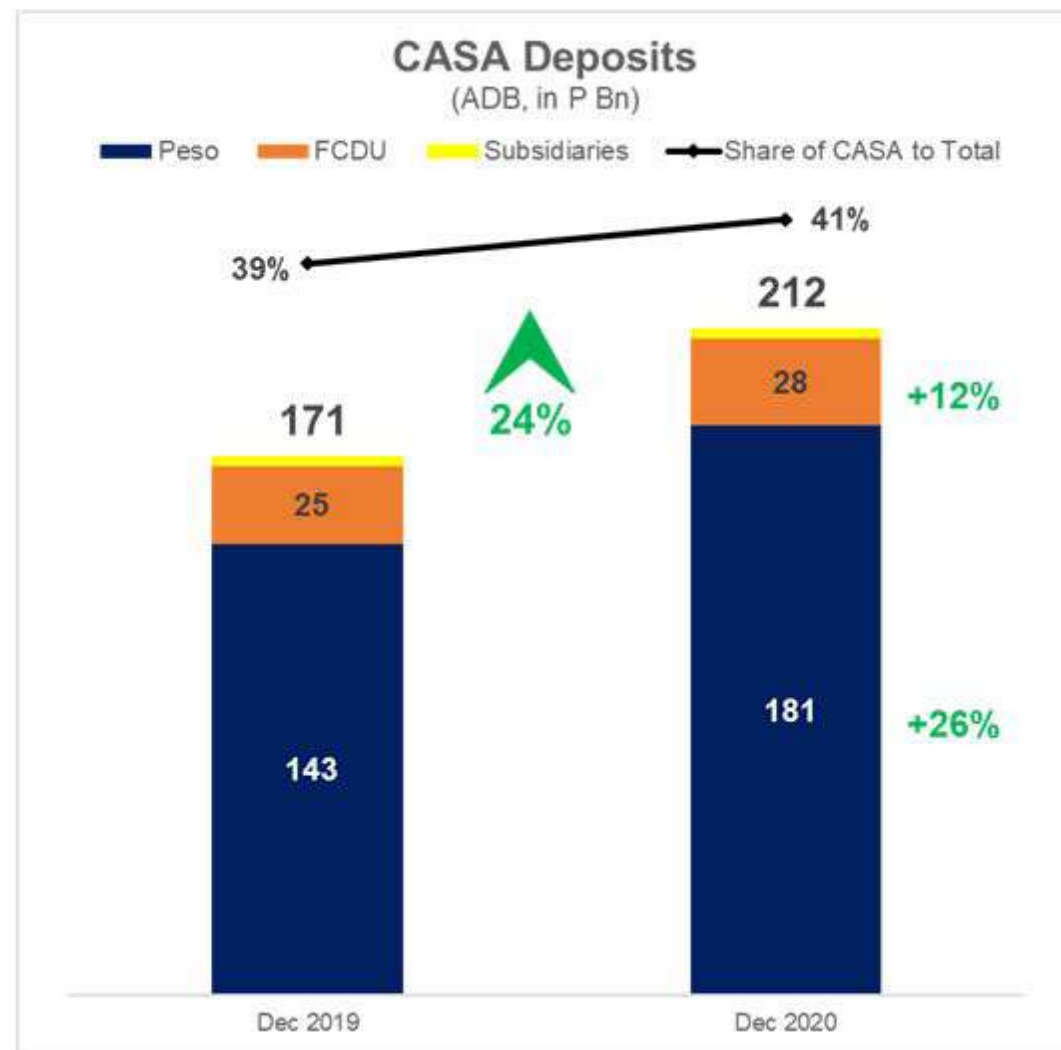
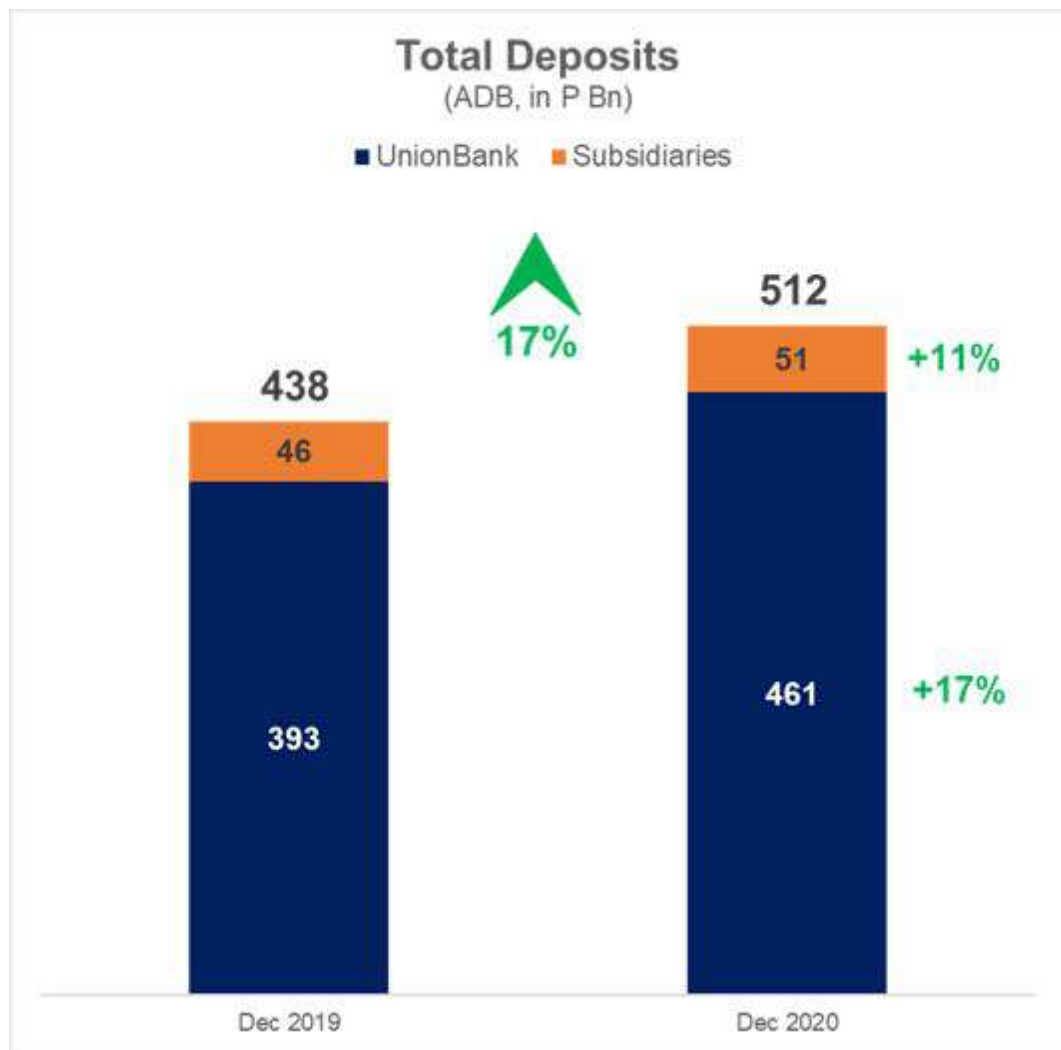


In P Bn	Dec 2019	Dec 2020	Growth
Commercial	69.2	66.6	-4%
Businessline	8.8	8.7	-2%
<b>Total</b>	<b>78.1</b>	<b>75.3</b>	<b>-4%</b>

In P Bn	Dec 2019	Dec 2020	Growth
Credit Cards	10.3	9.0	-13%
Other Consumer Loans	60.0	61.5	3%
<b>Total</b>	<b>70.3</b>	<b>70.4</b>	<b>0.2%</b>

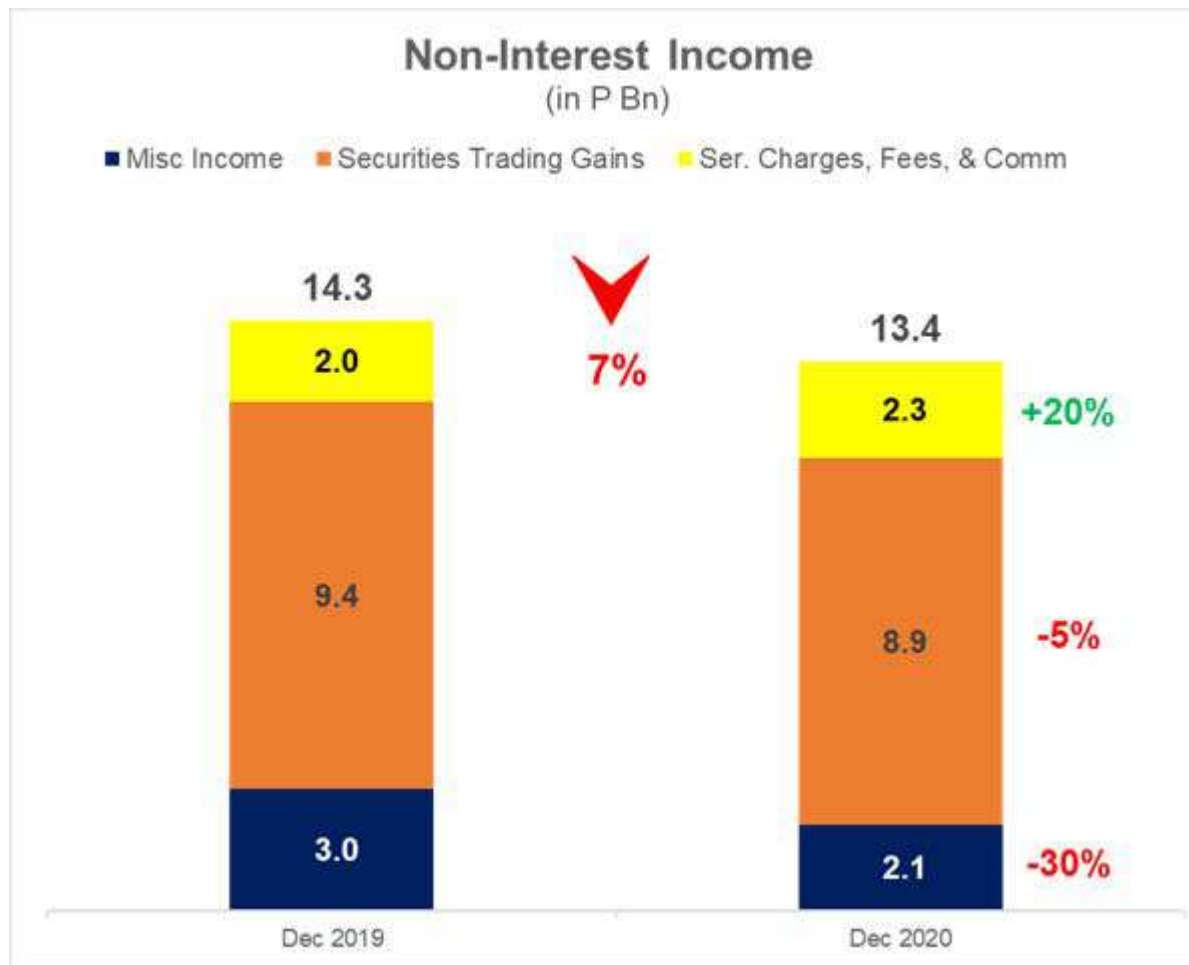


# Record high growth in CASA deposits



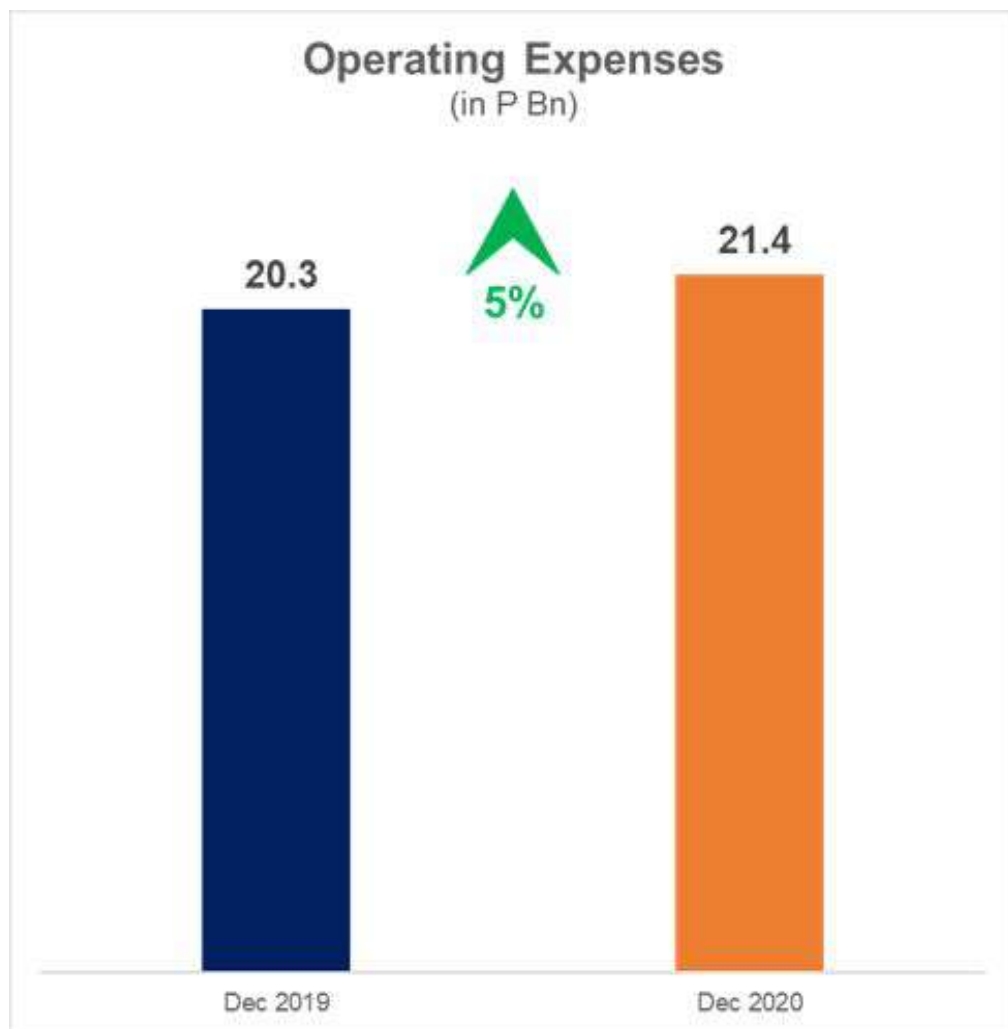


# Fee income and trading gains boost non-interest income





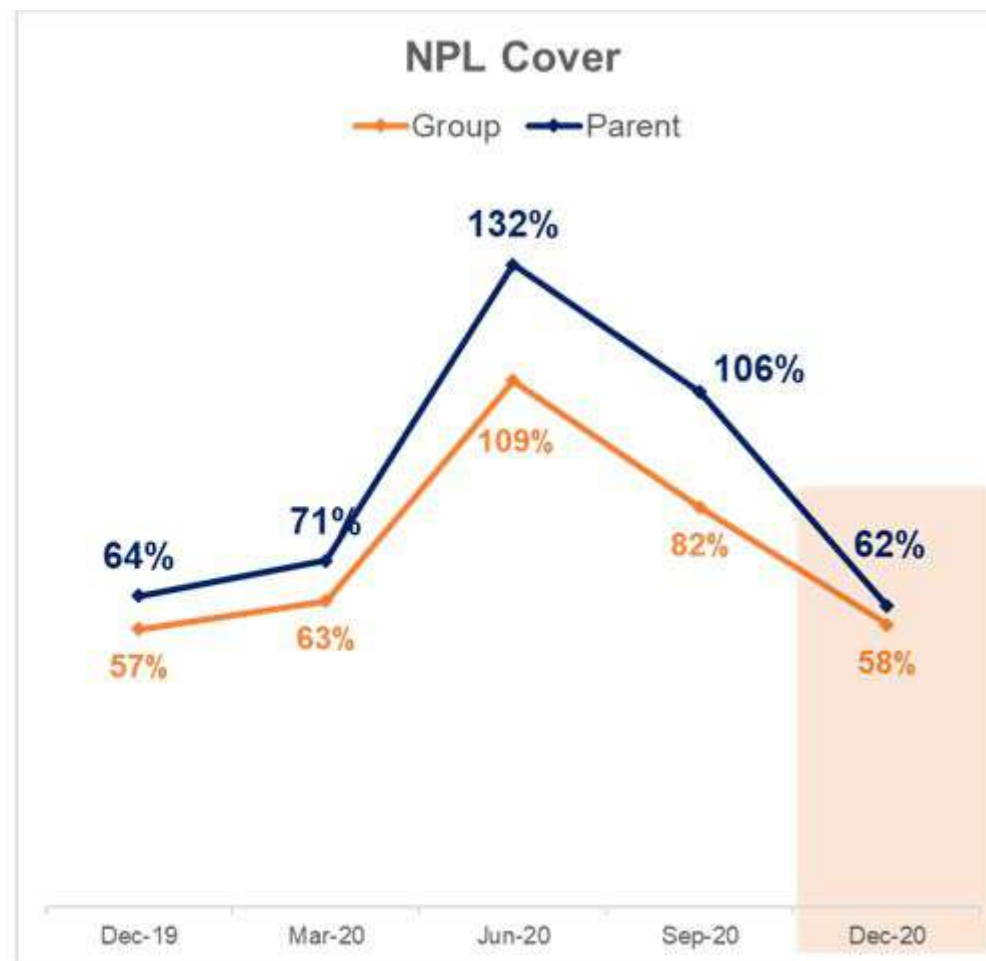
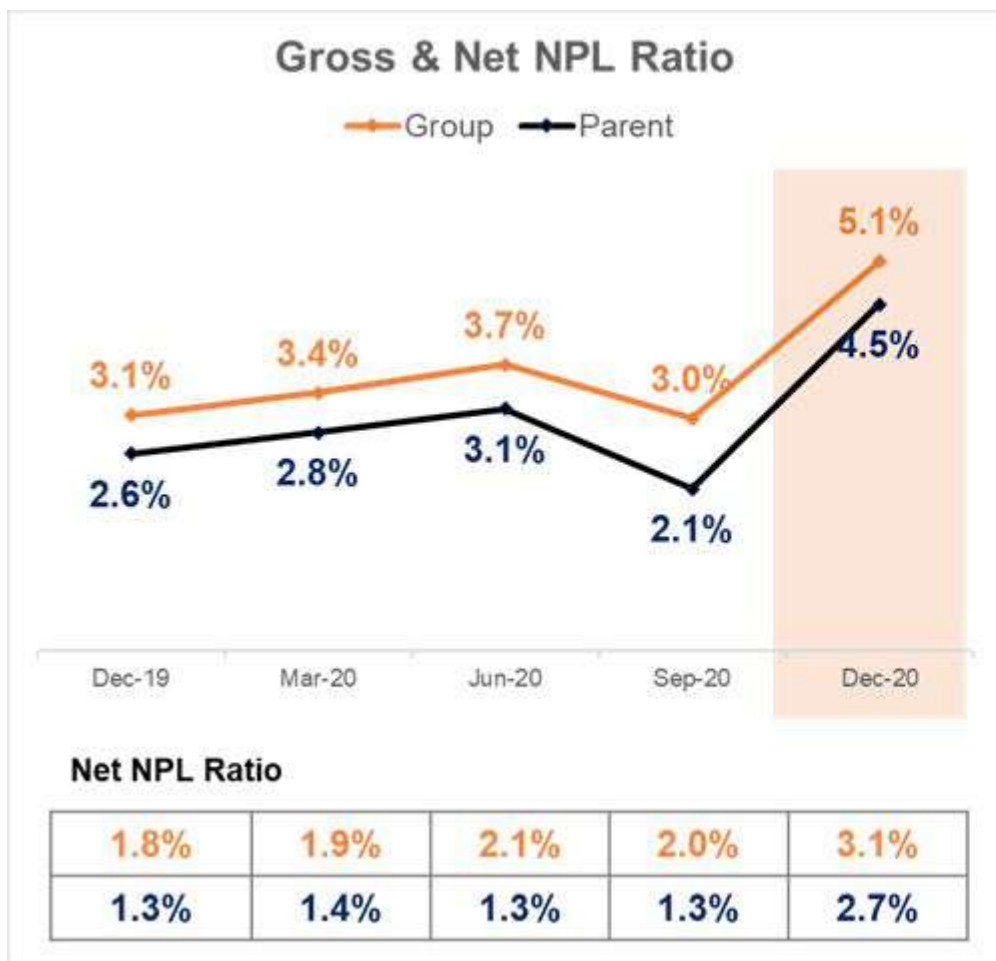
# Single-digit opex growth driven by controllable expenses



In P Bn	Dec 2019	Dec 2020	Growth
<b>Volume-Related</b>	<b>3.62</b>	<b>4.36</b>	<b>21%</b>
Gross Receipt Taxes	1.55	2.02	30%
Documentary Stamp Taxes	1.20	1.33	10%
PDIC Insurance	0.86	1.02	18%
<b>Other Opex</b>	<b>16.71</b>	<b>17.01</b>	<b>2%</b>

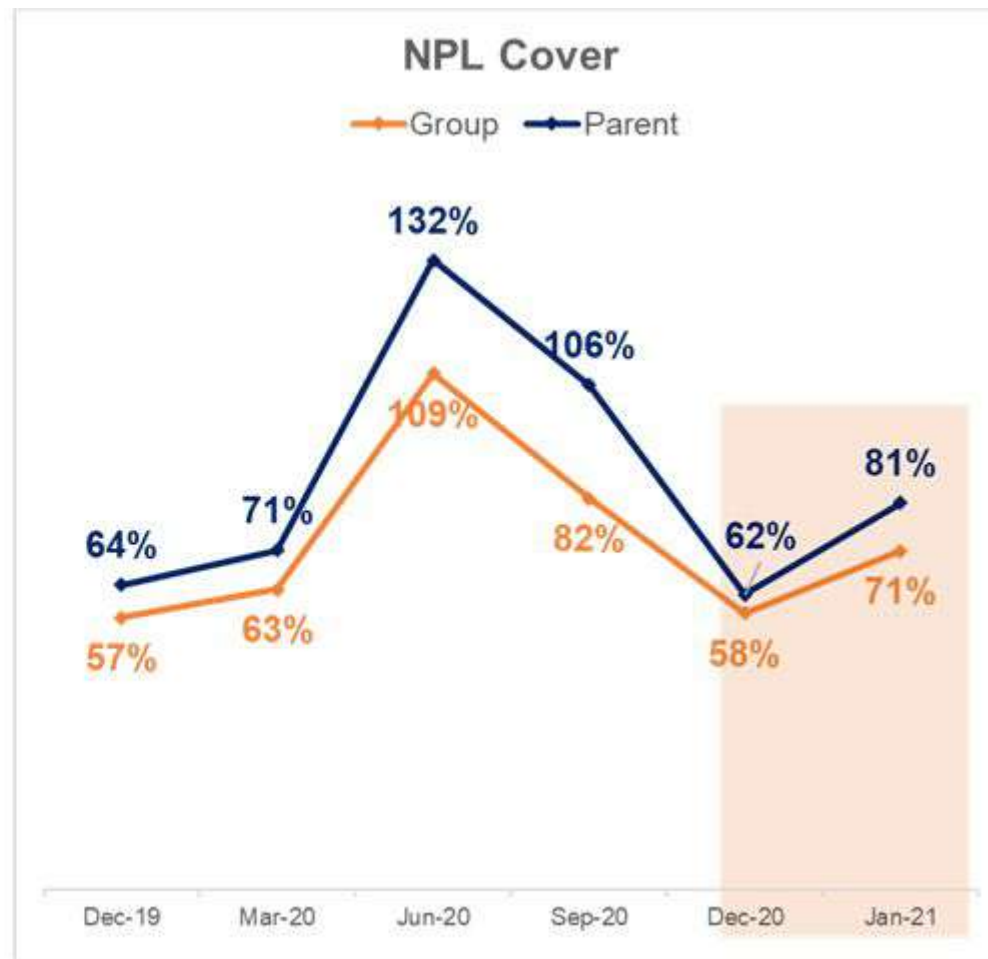
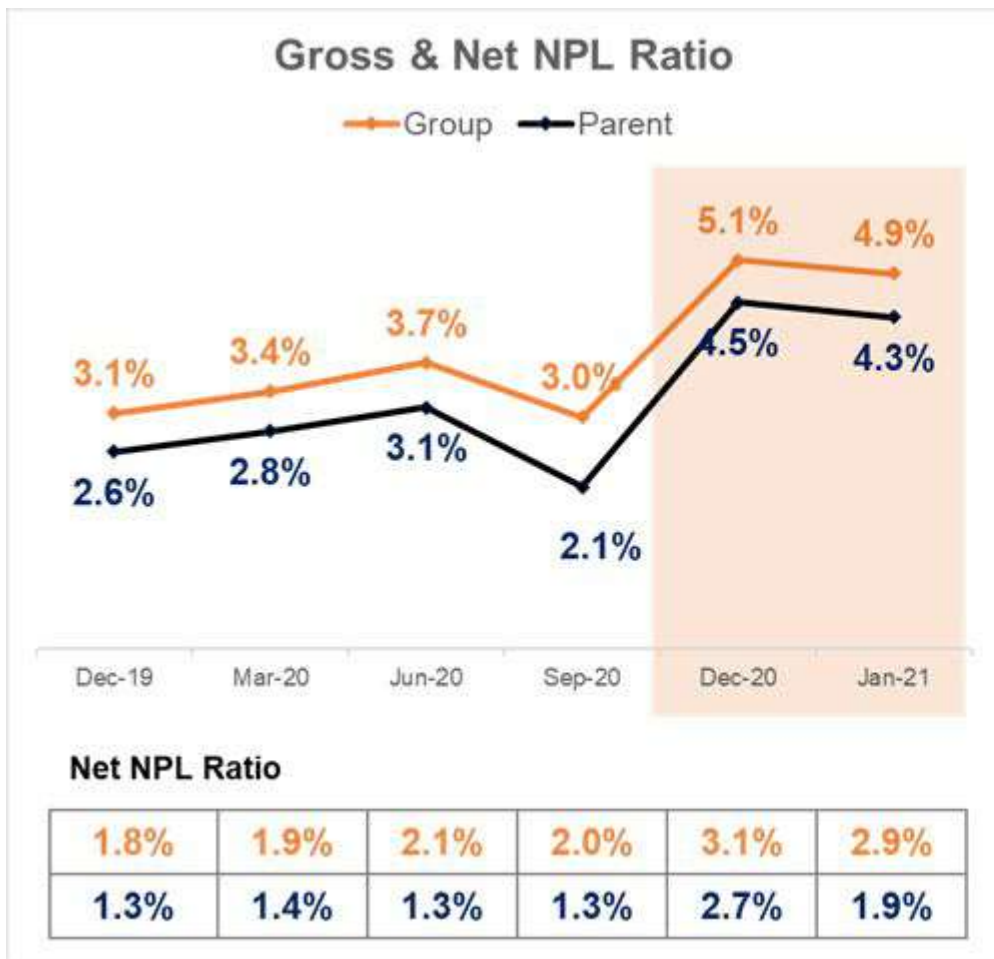


# Increase in NPL Ratio driven by retail segment and decline in total loans





# Declining NPLs and better coverage ratios in 2021

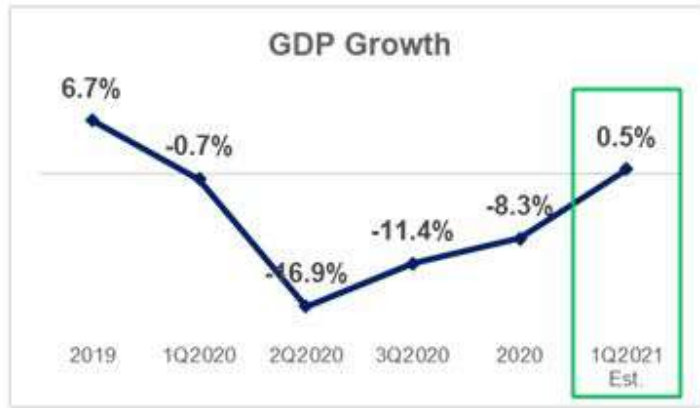






# Outlook

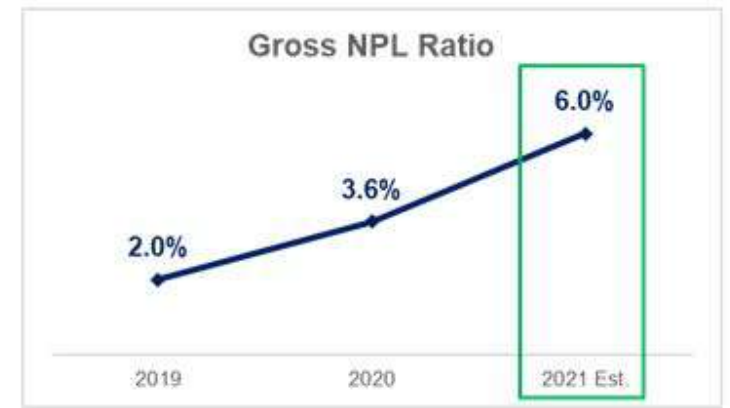
## Gradual economic recovery



## Low interest rate environment to persist



## NPLs to increase in 2021



*\*2021 estimate based on S&P forecast*

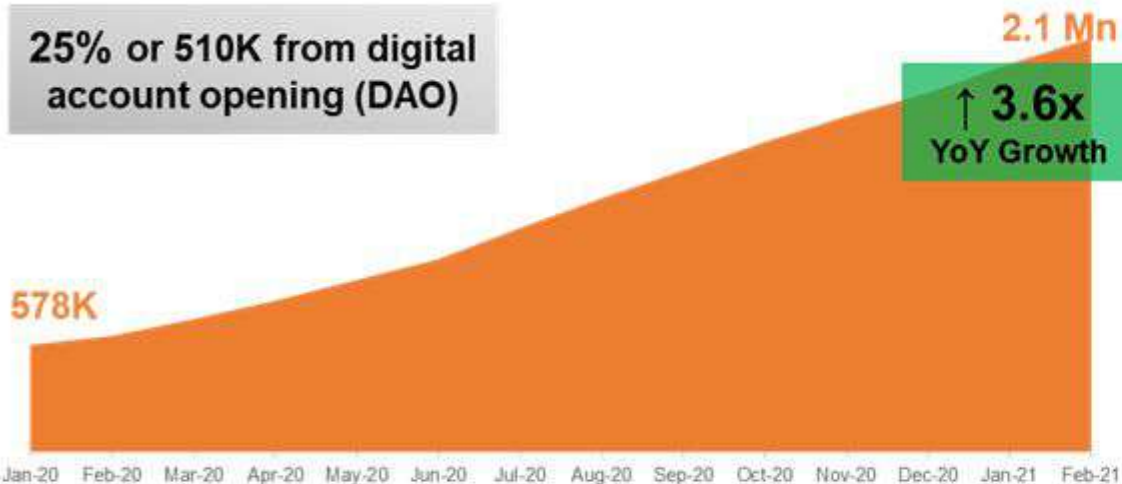




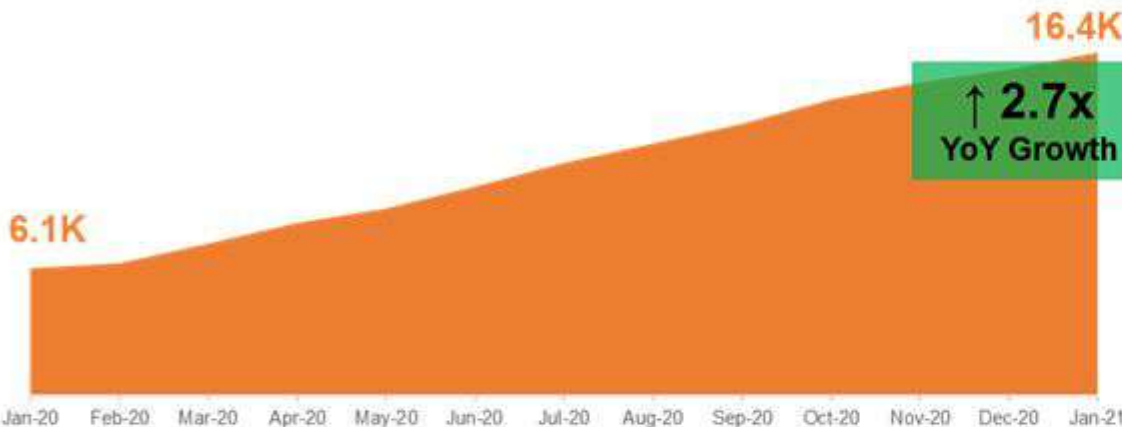
# Sustained increase in digital adoption

### No. of UnionBank Online App Users

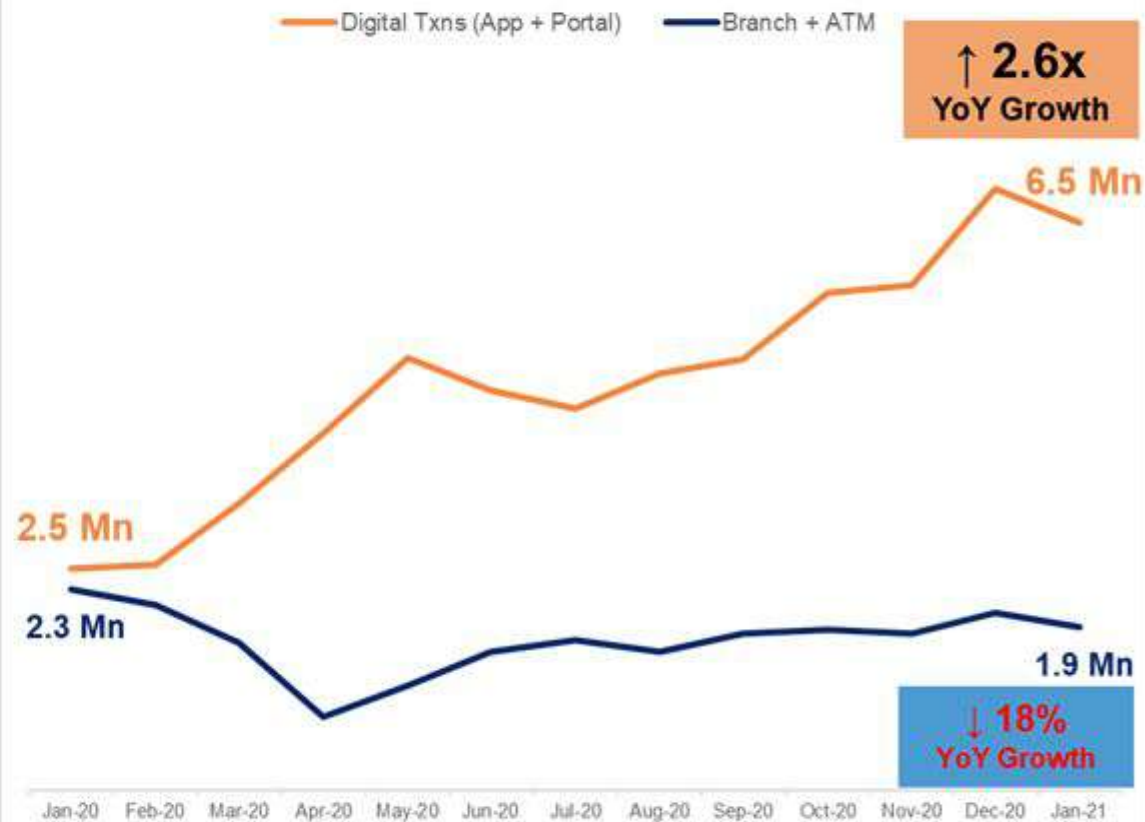
25% or 510K from digital account opening (DAO)



### No. of The Portal Users



### Digital vs. Physical Channels (Monthly Txn Count)



Digital Txns: Fund Transfer, Bills Payment, Load Purchase, and Mobile Check Deposits from UB Online App and The Portal

Branch Txns: Fund Transfer, Bills Payment, Cash Deposit, Check Deposit, Cash Withdrawal, Encashment, Remittance

ATM Txns: Fund Transfer, Bills Payment, Cash Withdrawal





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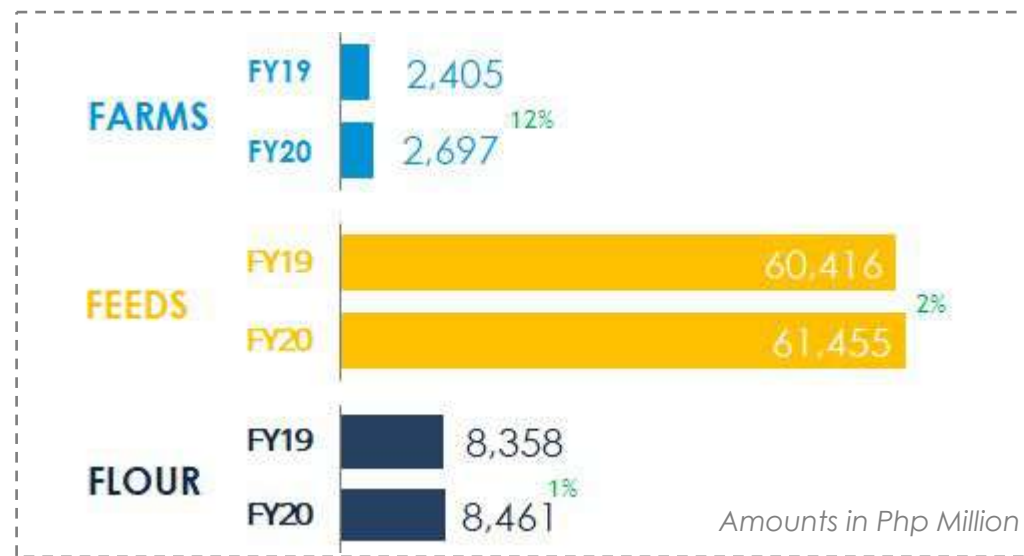
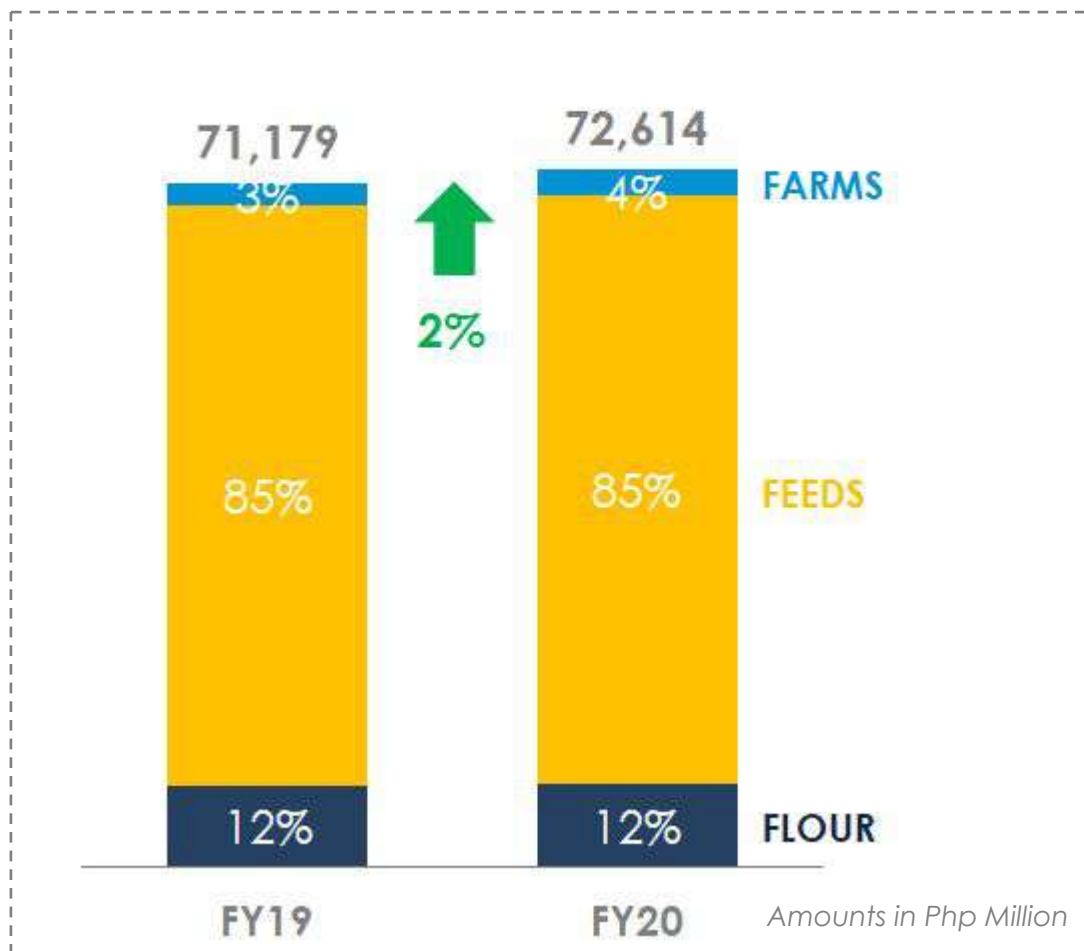


## FY2020 Financial Highlights

FOOD GROUP  	FY 2020 Financials		vs. FY 2019 Financials		
	PHP (Million)	USD (Million)	PHP (Million)	USD (Million)	% Movement
Revenue	72,614	1,464	+1,435	+29	+2%
EBITDA	6,030	122	+647	+13	+12%
NIAT	2,495	50	+440	+9	+21%
EBITDA Margin	8%		+74 BPS		



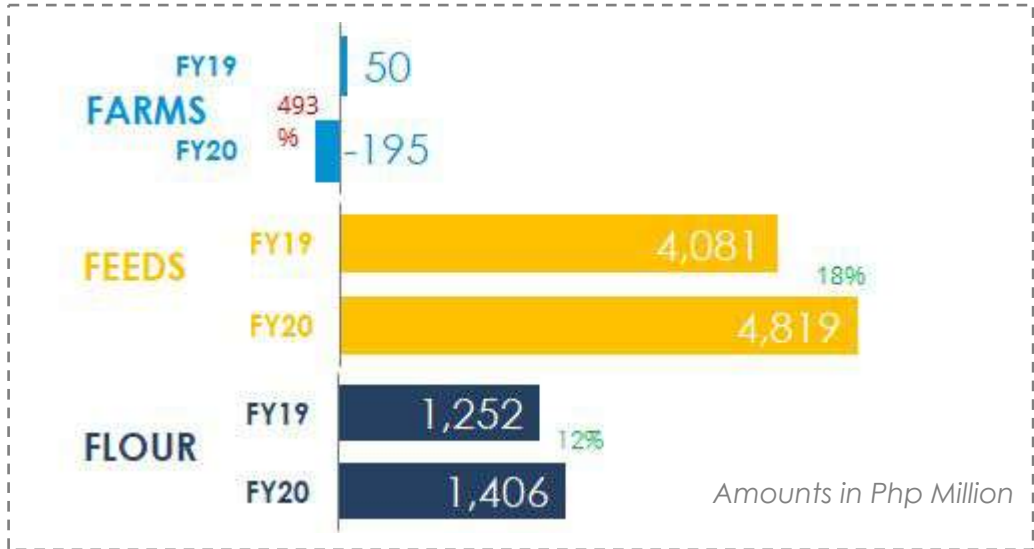
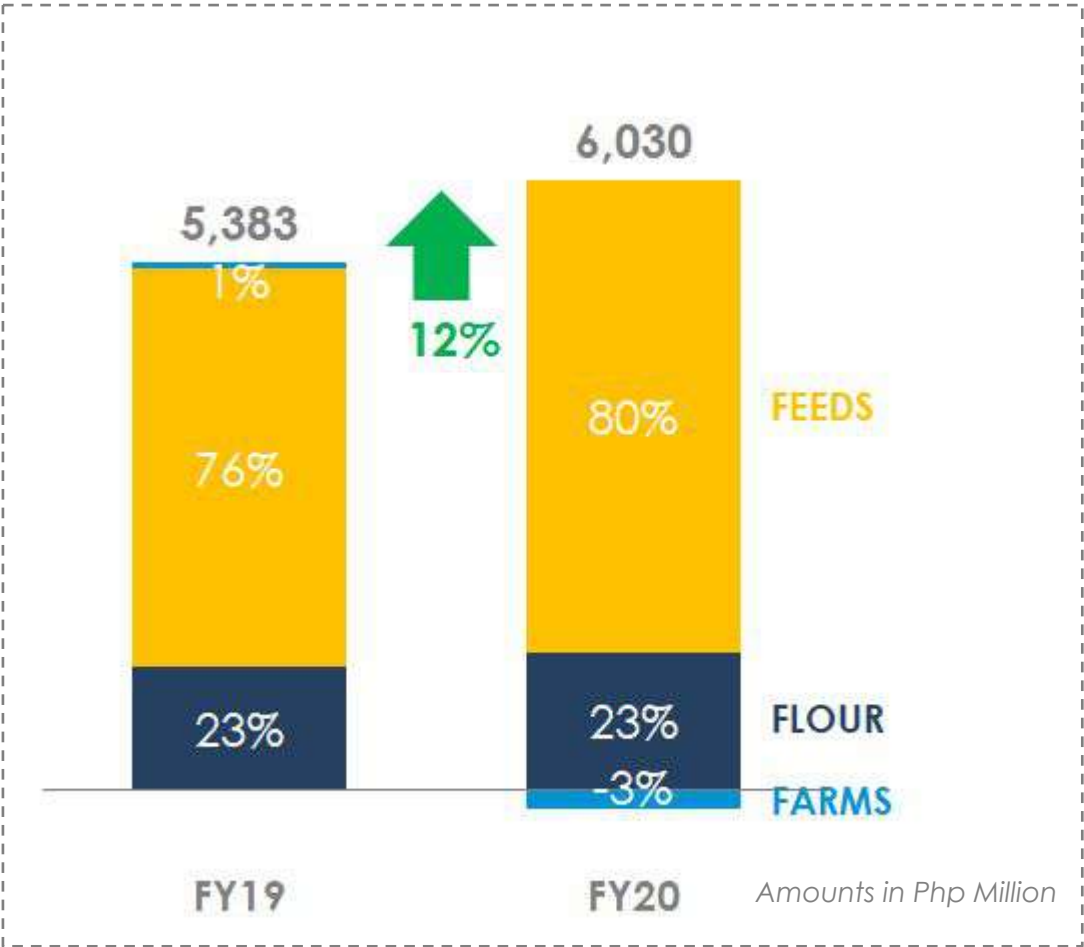
# FY2020 Financial Highlights: Revenue



DIVISIONS	IN USD MILLION		VARIANCE	
	FY19	FY20	Year on Year	
Farms	48	54	+ 6	+ 12%
Feeds	1,218	1,239	+ 21	+ 2%
Flour	168	171	+ 2	+ 1%
<b>Total Food Group</b>	<b>1,435</b>	<b>1,464</b>	<b>+ 29</b>	<b>+ 2%</b>



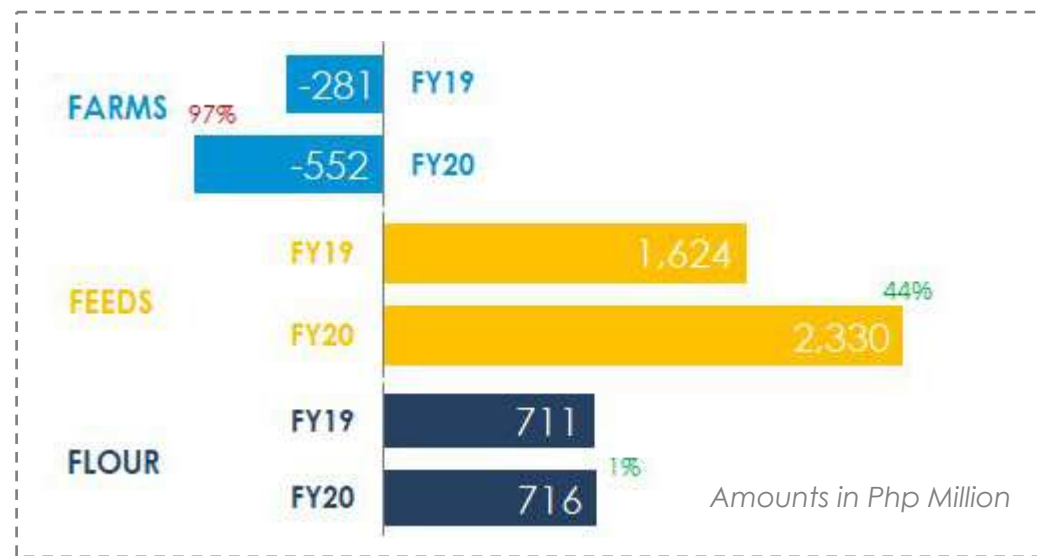
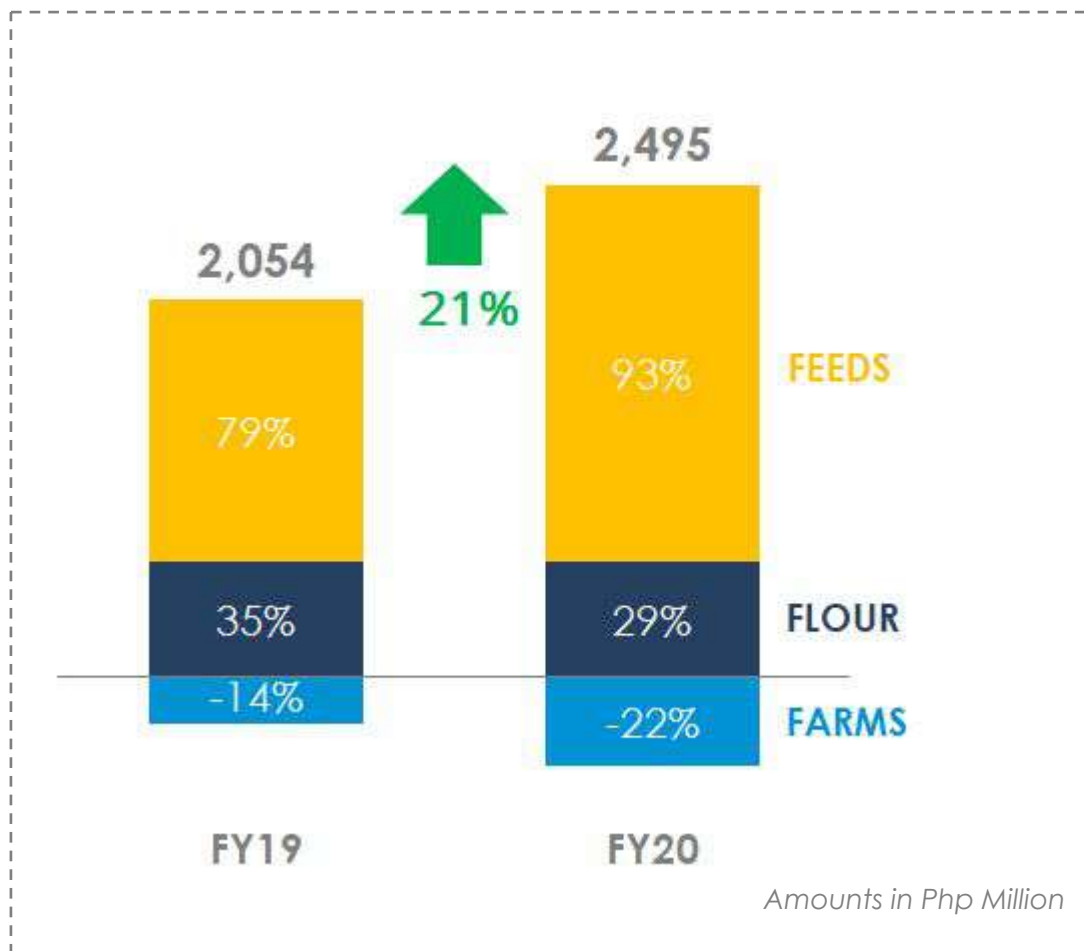
# FY2020 Financial Highlights: EBITDA



DIVISIONS	IN USD MILLION		VARIANCE	
	FY19	FY20	Year on Year	
Farms	1	-4	-5	-493%
Feeds	82	97	+15	+18%
Flour	25	28	+3	+12%
<b>Total Food Group</b>	<b>108</b>	<b>122</b>	<b>+13</b>	<b>+12%</b>



# FY2020 Financial Highlights: NIAT



DIVISIONS	IN USD MILLION		VARIANCE	
	FY19	FY20	Year on Year	
Farms	-6	-11	-5	-97%
Feeds	33	47	+14	+44%
Flour	14	14	+0	+1%
<b>Total Food Group</b>	<b>41</b>	<b>50</b>	<b>+9</b>	<b>+21%</b>



## 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 Milestones

LOCATION	PROJECT	CAPACITY	DATE OF COMPLETION
Indonesia	Feeds Depot	50 MT p.m.	1Q 2020
China	Floating Fish Line	57TPH	2Q 2020
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





# 2021 Project Pipeline

LOCATION	PROJECT	CAPACITY	DATE OF COMPLETION
Malaysia	Fish Feed Line	5TPH	1Q 2021
China	Pea Cleaning & Pigeon Feed Mixing System	N/A	1Q 2021
China	Guang Xi Mill (Leased)	15TPH	1Q 2021
Philippines	The Good Meat	2TPD	2Q 2021





**Mar 2021**

**Fish Feed Line**

+5TPH capacity in West Port, Malaysia  
Completion rate: 80%





**Mar 2021**

**Pea Cleaning & Pigeon Feed Mixing System**

*Dong Guan, China  
Completion rate: 80%*





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

**June 2021**

**The Good Meat**  
Forward Integration of Farms Business  
Completion rate: 26%





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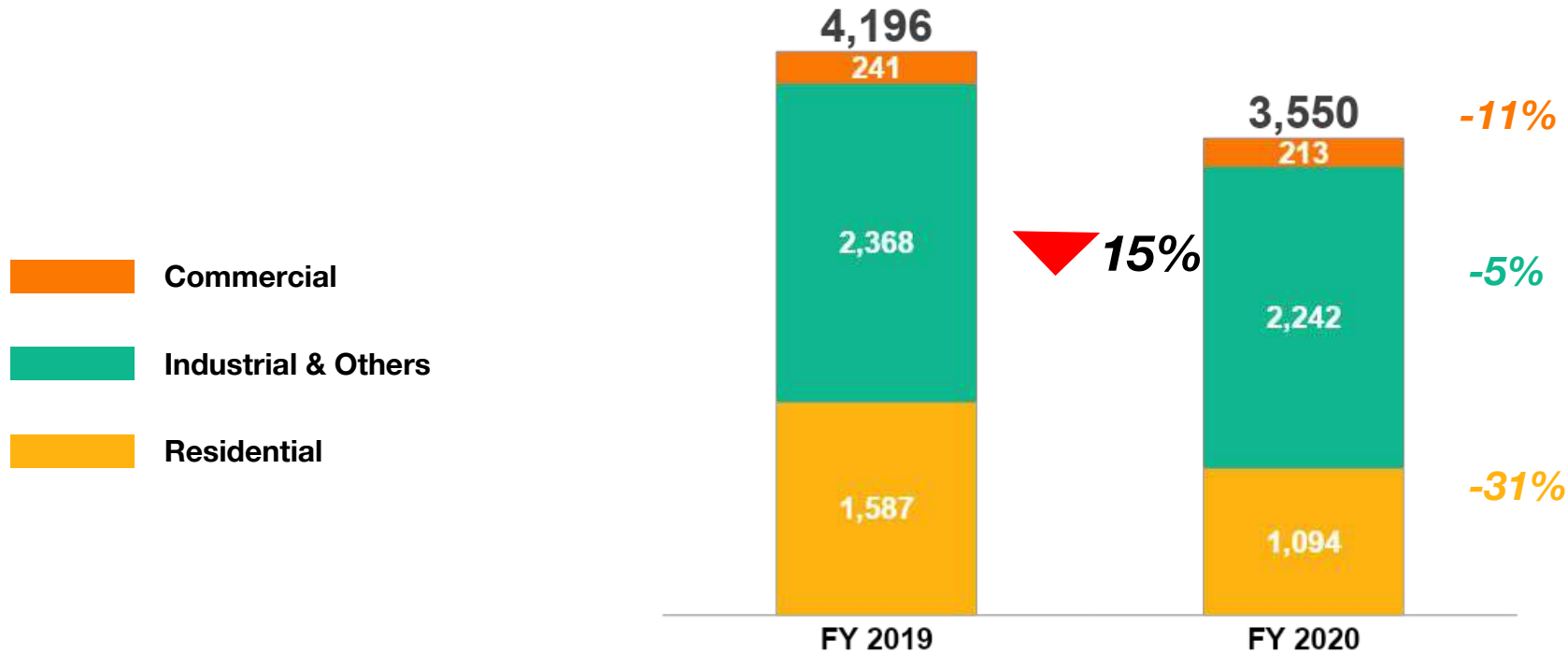
## FY 2020 Financial Performance

	<u>FY 2020</u>	vs <u>FY 2019</u>
Revenues	3,550M	 <b>15%</b>
Gross Profit	1,412M	 <b>5%</b>
NIAT	327M	 <b>65%</b>
<i>Residential Sales</i>	3,034M	 <b>38%</b>



# FY2020 Revenues

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

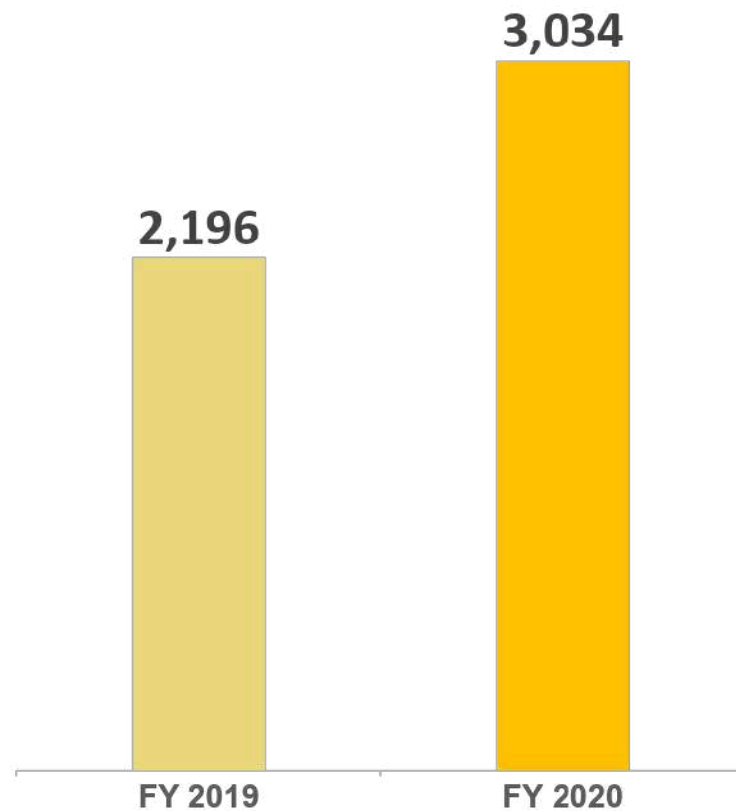
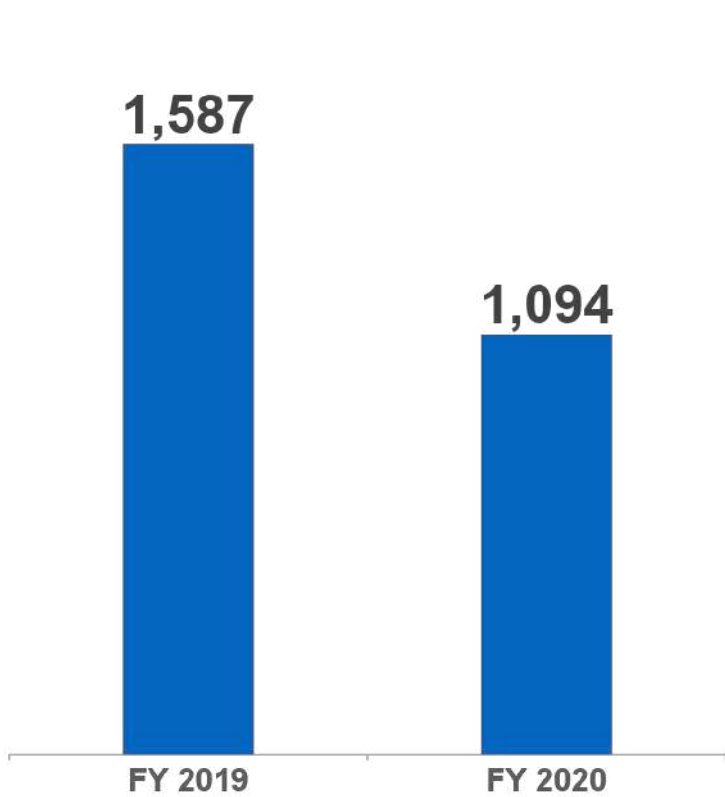




## FY2020 Residential Performance

 **Revenues**  
by **31%** vs. 2019

 **Sales**  
by **38%** vs. 2019



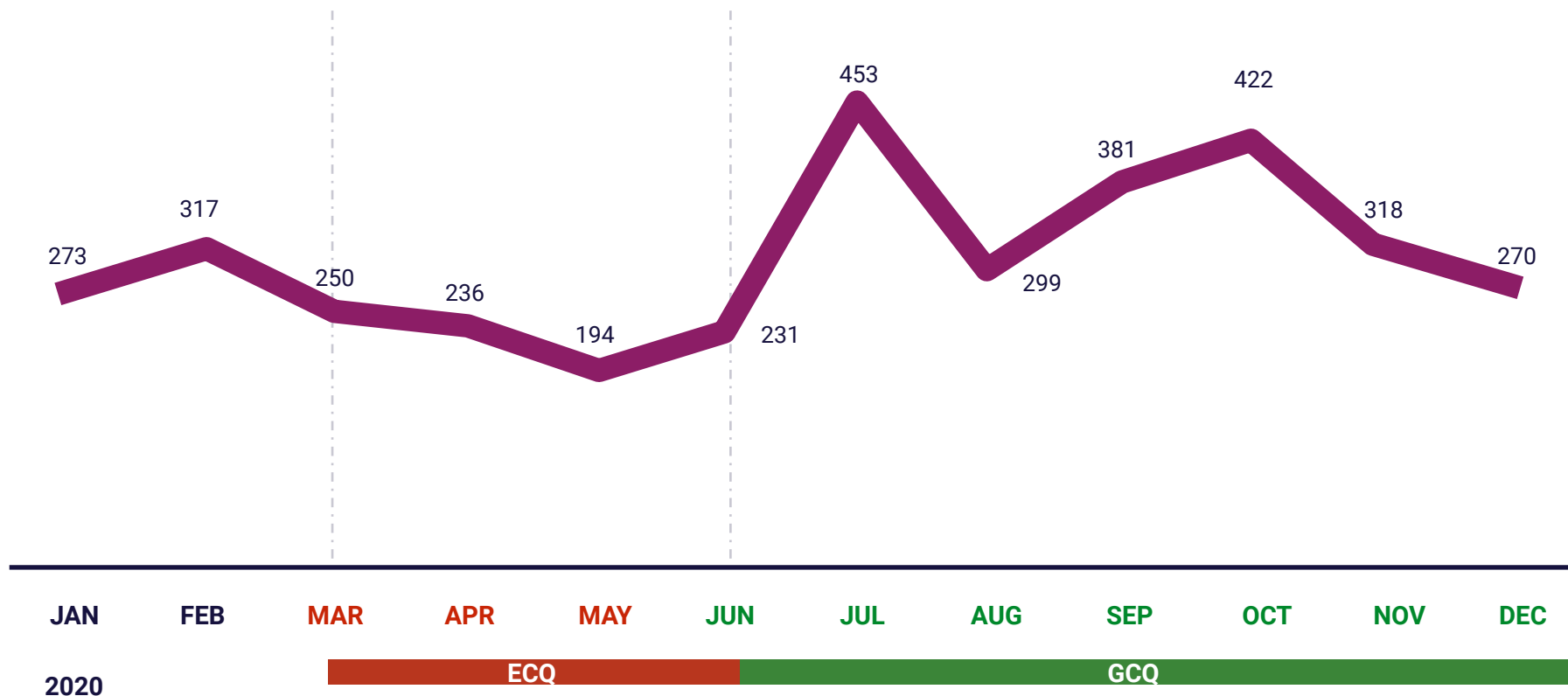


# COVID-19 Impact - Residential

Sales were negatively impacted due to the quarantine, but trended upwards after it was lifted

## CONSOLIDATED RESERVATIONS (PMn)

● Gross Reservations





● ■

# FY2020 Business Highlights

**2H 2020 sales were stronger compared to before the pandemic.**

**Digital activations continue to help in sustaining sales momentum and brand visibility.**

**Construction activities are back in full swing.**



**AboitizLand**  
**WEBCASTS**  
SEASON 2

**FORESSA MOUNTAIN TOWN:**  
The 7Cs of Resilient Communities

**DECEMBER 2, 2020**  
2:00PM TO 3:00PM (PHT)

**SPEAKERS**

 <b>SETH ANTONIO</b> SVP, Corporate Dev.	 <b>PAUL CRADY</b> President, Dev. & Inv.	 <b>MATTHEW JAMBERT</b> SVP, Corporate Dev.
 <b>ERIC SPOON</b> Senior Project Manager	 <b>JAY WINNY AUSTRIAN</b> Marketing Director	 <b>TRINIDAD SANTOS</b> Marketing Director

**HOSTED BY:**  
 **KEALA LITTON**

**Tune in**  **ForessaMountainTown**  
 **AboitizLand, Inc.**

  
SCAN TO REGISTER

**Ajoya** **LIVE!**

**AJOYA CAPAS MODEL UNIT FIRST PREVIEW**

**DECEMBER 12, 2020 | SATURDAY | 3PM - 4PM**

 **AjoyaOfficial**

  
**GET INTERIOR DESIGN TIPS FROM**  
**IDR. HANNAH ACAB-FAUSTINO**  
Principal Designer, iDeal Interior Design Services

**AboitizLand**



# 2021 Outlook

## Digital Initiatives

- End-to-end digital home buying platform
- Automation of back-end activities

## Aggressive marketing

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

## Increased Construction Activity

- Expanded Contractor Pool





## Review of Business Units

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

**Aboitiz InfraCapital**

**TOP INDUSTRIAL PARK DEVELOPER WITH  
PLATFORMS FOR SMART DEVELOPMENTS**



**EXPANDING WATER FOOTPRINT**



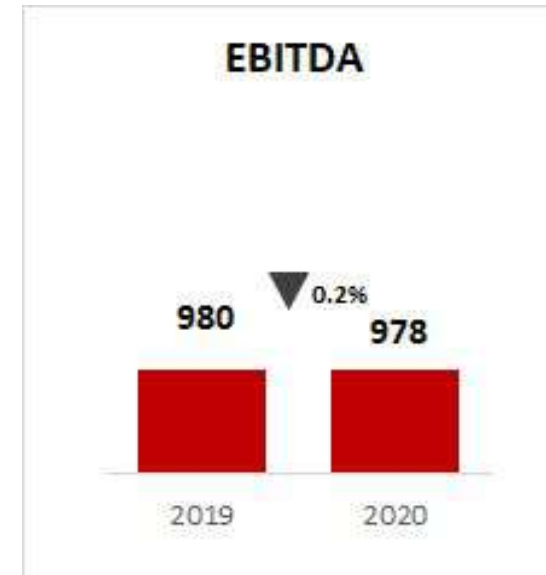
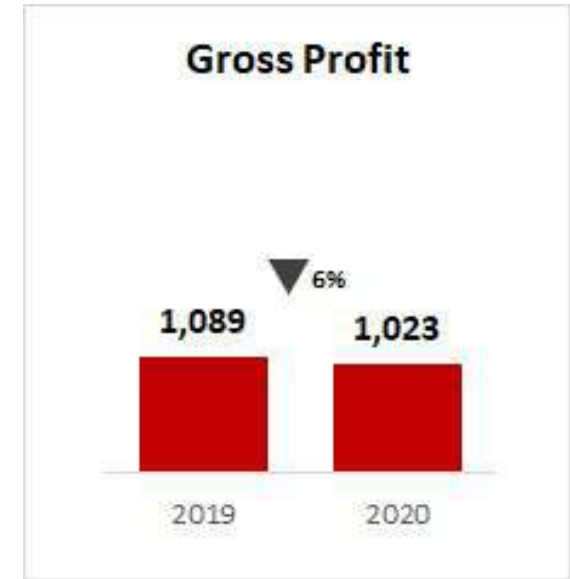
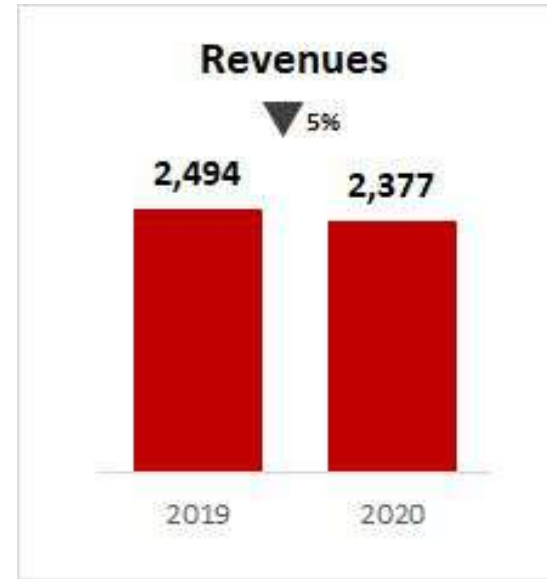
**CONTINUOUS SUPPORT OF GOVERNMENT'S INFRA PROGRAM**

# INTEGRATED ECONOMIC CENTERS

**Resilient industrial performance**

**Minimal disruption** to industrial operations

**Continuous expansion** to solidify presence in existing footprints



*\*Numbers shown in this slide are beneficial and are in PhP millions*



**Acquisition and expansion on track**  
to sustain value from the sale and lease of  
industrial and commercial lots

Transforming industrial zones into  
**fully integrated and smart economic centers**

- **LIMA Estate**, Calabarzon's next leading economic center
- Opportunity for masterplan update in **MEZ II**
- Additional 30 hectares in **WCIP** for mixed use development

**Stable industrial operations and improved commercial sales** expected in 2021, continuing safety precautions

- Regular disinfections and safety protocols
- On-site accommodations for construction workers; sequencing of work and breaks for social distancing
- Open-air format and innovative shopping experiences



# LIMA WATER

Billed volume rebounded by Q3  
**and further increased in Q4,**  
averaging **7.1MLD** in 2020

Full-year EBITDA of **PhP42.4M**

**Additional savings** from  
operating efficiency programs

**Robust** business continuity plan



# APO AGUA

**Construction in full swing for  
300 MLD bulk water supply**

**To achieve first drop of water:**

- Manpower-ramp up
- Simultaneous work and extended hours
- Subcontracting works

**Proper safety protocols  
implemented onsite**



# SMALL CELL SITES

Close to 300 poles with small cells of **Globe and Dito**

Rolled out **Globe's KonnekTayo Wifi access points**

Small cells will play a key role in **5G deployment**



Small Cell Sites



# **COMMON TOWERS**

**Finalizing discussions with MNOs**



# **BOHOL & LAGUINDINGAN AIRPORTS**

**Ongoing negotiations with the government**



# BUILDING FOUNDATIONS FOR GROWTH

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**PhP 13.0  
Billion**

CONSOLIDATED  
CAPEX IN 2021



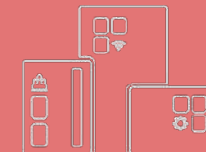
**PhP 6.5  
Billion**

WATER



**PhP 2.8  
Billion**

INTEGRATED  
ECONOMIC CENTERS



**PhP 2.5  
Billion**

DIGITAL INFRA



**PhP 1.2  
Billion**

OTHER PROJECTS



**RCBM**



## Resiliency and performance despite COVID-19 pandemic

- Cement demand contracted in 2020 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 PhP190M in Q4 2020, bringing FY total to PhP596M (PhP605M in 2019)\*



\*Like-for-like FY contribution is PhP703M vs PhP530M in 2019

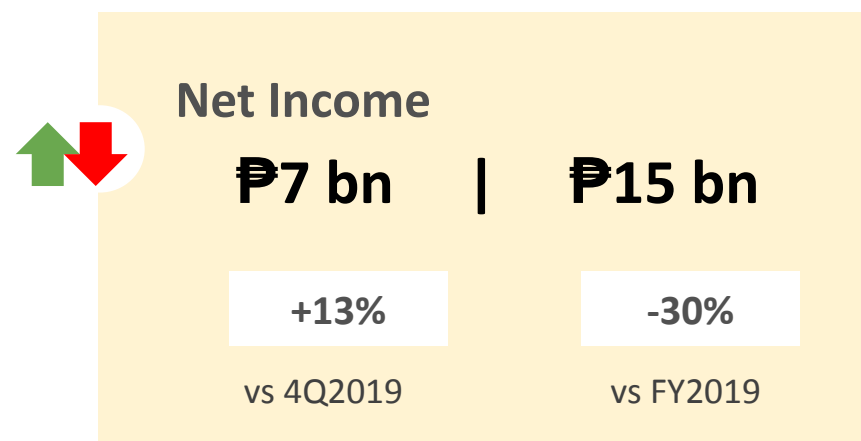
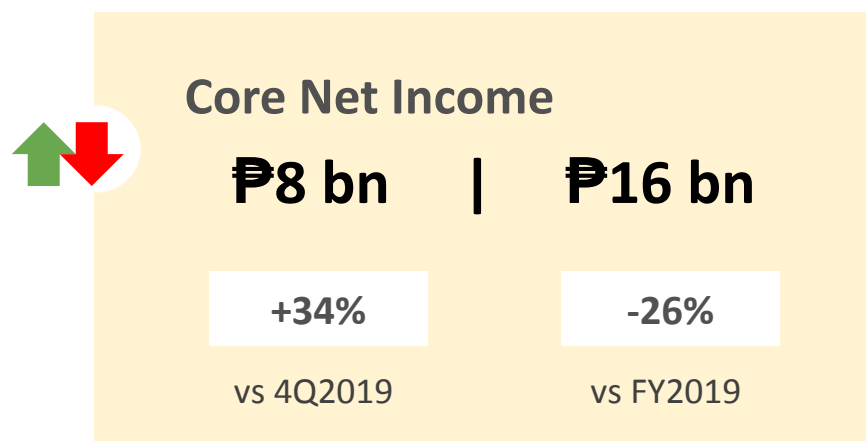
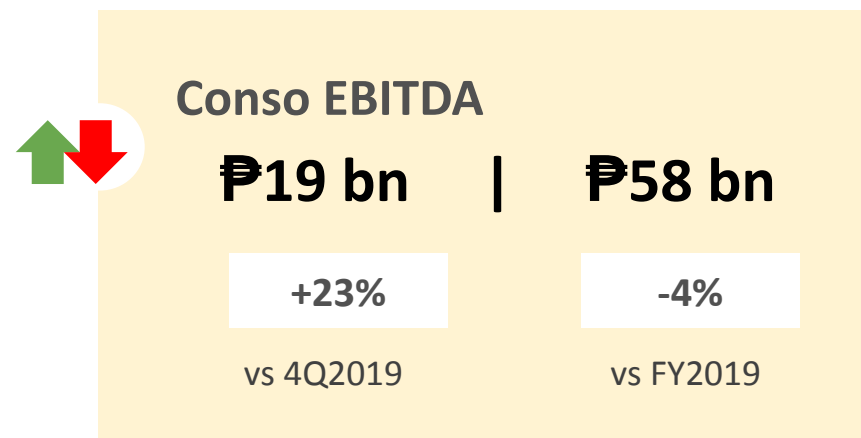
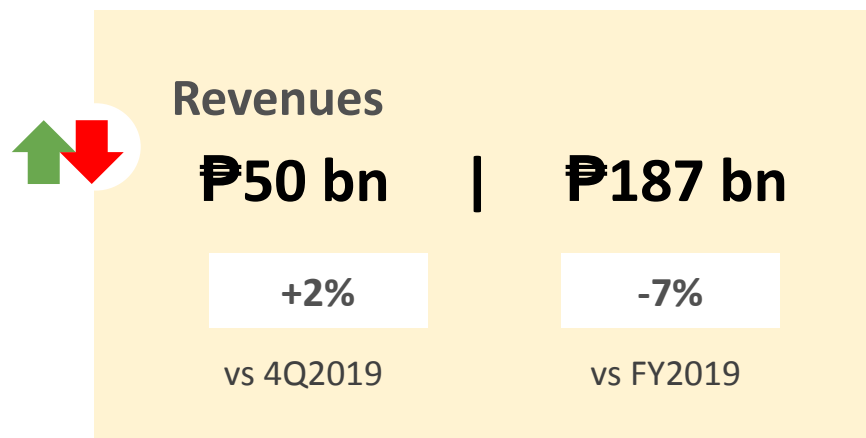


## Review of Business Units

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

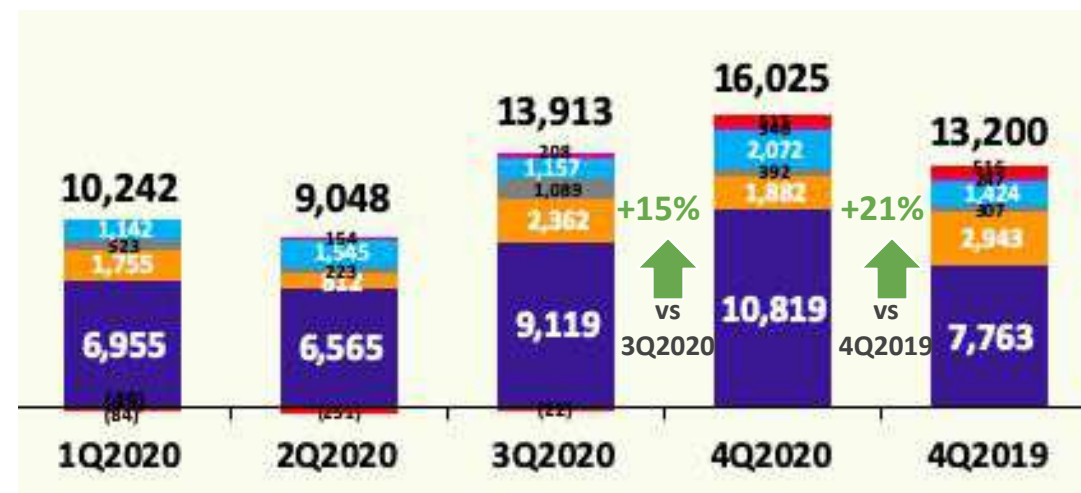
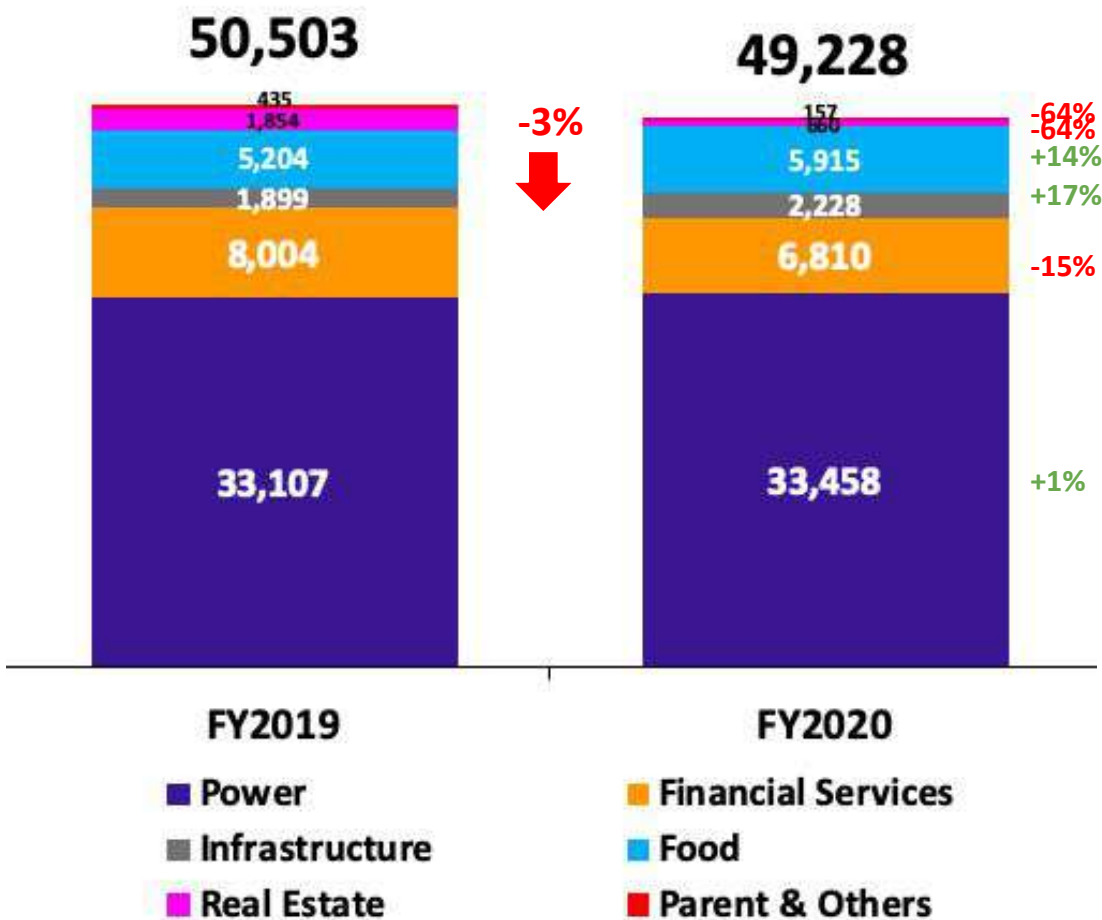


## FY2020 Financial Performance





## FY2020 Beneficial EBITDA



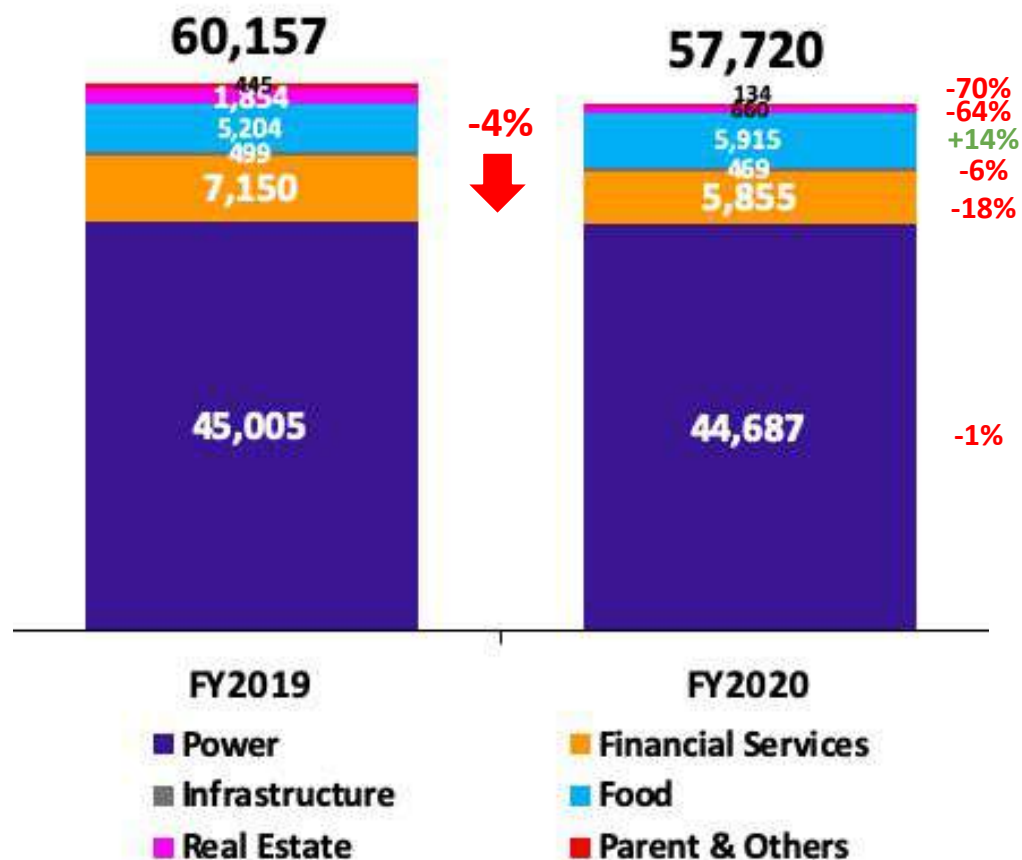
-3% decline vs FY2019:

- -5% from Financial Services and Real Estate due to higher provisions for loan losses and fair valuation gains on investment properties
- +1% from Food due to better margins on Feeds and Flour
- +1% from Power due to higher availability and recognition of other income



# FY2020 Consolidated EBITDA

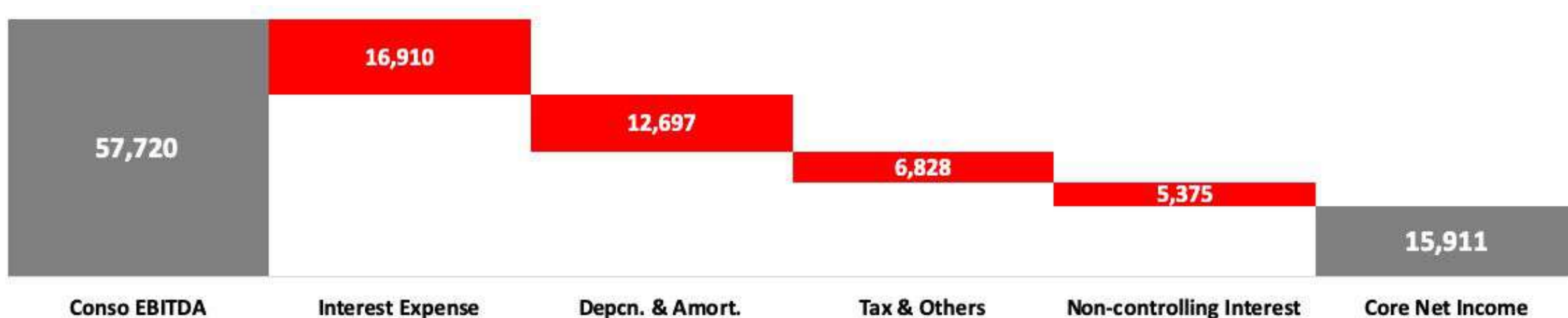
In PHP Millions





## FY2020 Core Income

In PHP Millions



	FY2019	FY2020	Change
Conso EBITDA	60,157	57,720	-4%
Less: Interest Expense	15,474	16,910	9%
Depcn. & Amort.	11,537	12,697	10%
Tax & Others	4,219	6,828	62%
Non-controlling Interest	7,406	5,375	-27%
Core Net Income	21,521	15,911	-26%
EPS	3.82	2.83	



## FY2020 Net Income

In PHP Millions



Core Net Income

Non-recurring Income/(Loss)

Net Income

EPS

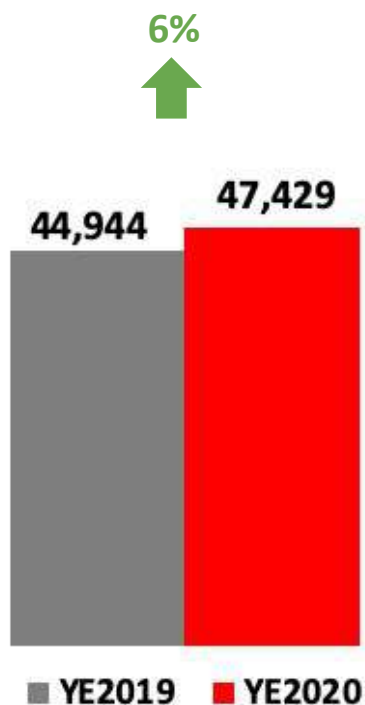
	FY2019	FY2020	Change
Core Net Income	21,521	15,911	-26%
Non-recurring Income/(Loss)	516	(477)	-193%
Net Income	22,036	15,434	-30%
EPS	3.91	2.74	



# Balance Sheet Highlights

In PHP Millions, except for ratios

## Parent Net Debt



ND/E

0.3x

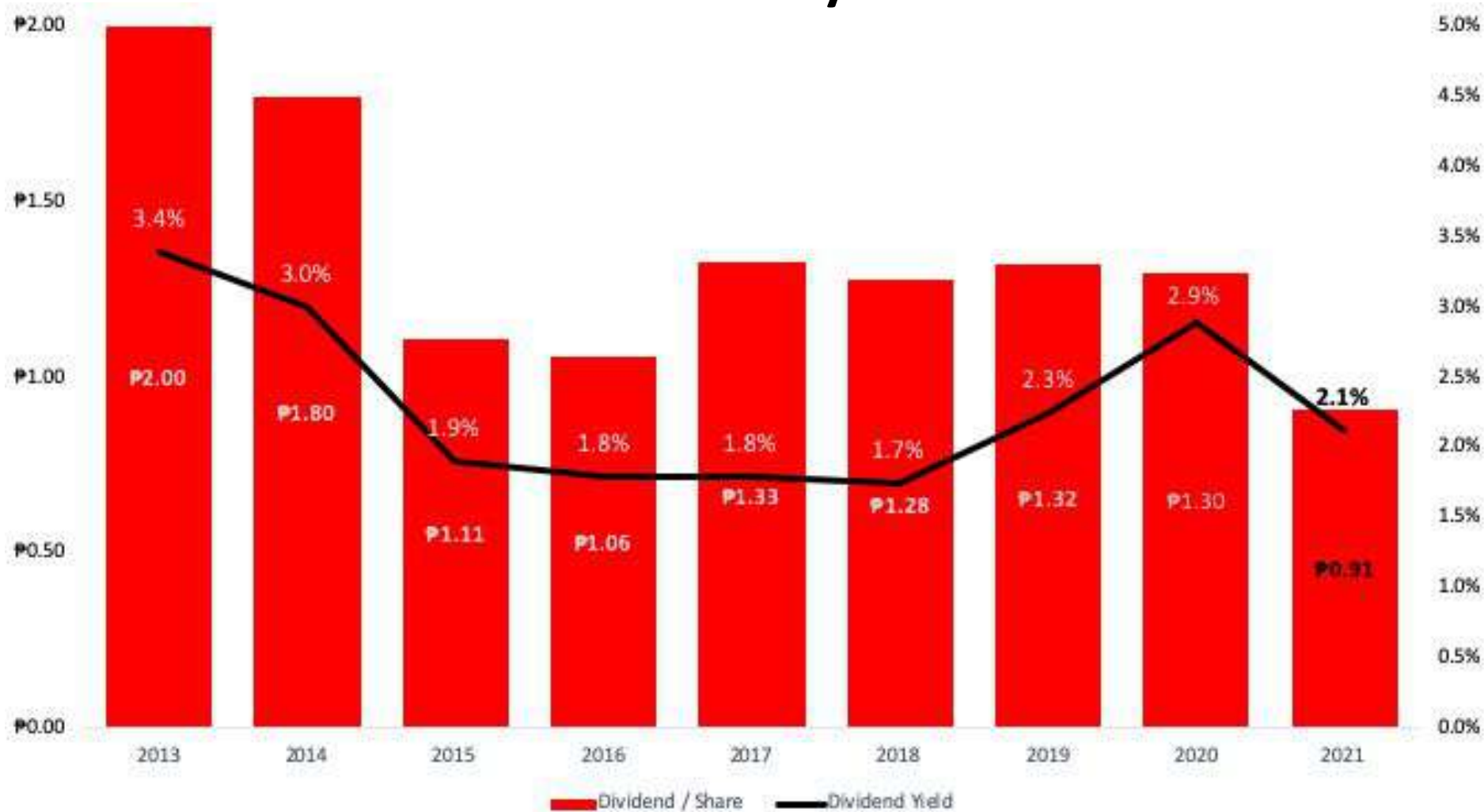
0.3x

## Consolidated Balance Sheet/Key Ratios

	YE2019	YE2020
Cash and Cash Equivalents	46,425	66,927
Total Assets	588,386	609,156
Total Liabilities	371,191	385,556
Total Equity	217,195	223,600
Equity Attributable to Parent	176,481	183,062
Book Value Per Share	31.33	32.51
Current Ratio	1.3x	1.6x
Debt to Equity	1.7x	1.7x
Net Debt to Equity	1.2x	1.1x



## Dividend Payment



Payout Ratio: 1/3 of previous year's consolidated net income

2021 Dividend Yield: Computed based on March 05, 2021 closing price (P42.75)



## Key Take Aways

- ☐ Improving operational performance to continue into 2021.*
- ☐ Strong balance sheet and cash management practices to sustain our businesses in a prolonged community quarantine.*
- ☐ Businesses are ready to support gradual economic recovery, despite lingering risks.*



## Review of Business Units

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**END**