



March 4, 2022

via electronic mail

SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC
Complex Roxas Boulevard,
Pasay City, 1307

ATTENTION : **DIR. VICENTE GRACIANO P. FELIZMENIO, JR.**
Markets and Securities Regulation Department

via PSE EDGE

PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 28th Street, cor. 5th Avenue,
Bonifacio Global City, Taguig City

ATTENTION : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

via electronic mail

PHILIPPINE DEALING & EXCHANGE CORP.

Market Regulatory Services
Group 29th Floor BDO Equitable
Tower 8751 Paseo de Roxas,
Makati City

ATTENTION : **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**
Head - Issuer Compliance and Disclosures Department

Gentlemen:

Please see attached the SEC Form 17-C (Current Report) on the Full Year 2021 Financial and Operating Results of Aboitiz Equity Ventures Inc., filed in compliance with the Securities Regulation Code, its 2015 Implementing Rules and Regulations, the Revised Disclosure Rules of the Philippine Stock Exchange (PSE), and the Issuer Disclosure Operating Guidelines of the Philippine Dealing Exchange Corp. (PDEX).

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ EQUITY VENTURES INC.

By:


SAMMY DAVE A. SANTOS
Assistant Corporate Secretary

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City / Town / Province)

MANUEL ALBERTO R. COLAYCO																			
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Contact Person

(02) 8886-2338									
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Company Telephone Number

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Month Day

Fiscal Year

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FORM TYPE

4th Monday of April

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Month Day

Annual Meeting

N/A

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc

N/A

Amended Articles Number/Section

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Total No. of Stockholders

x

Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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SECURITIES & EXCHANGE COMMISSION


SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE (SRC)
AND SRC RULE 17.2(c) THEREUNDER

1. **March 4, 2022**
Date of Report (Date of earliest event reported)

2. SEC Identification Number **CE02536**
3. BIR TIN **003-828-269-V**

4. **ABOITIZ EQUITY VENTURES INC.**
Exact name of registrant as specified in its charter

5. **Philippines**
Province, country or other jurisdiction of incorporation
6. 
Industry Classification Code

7. **32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines** **1634**
Address of principal office Postal Code

8. **(02) 8886-2800**
Registrant's telephone number, including area code

9. **N/A**
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<u>Common Stock ₱1 Par Value</u>	<u>5,630,225,457</u>
<u>Amount of Debt Outstanding (September 30, 2021)</u>	<u>₱319,600,694,000.00</u>

11. Indicate the item numbers reported herein: **9**

Item 9: Other Events

Aboitiz Equity Ventures Inc. ("AEV" or "the Company") recorded consolidated net income of ₱7.8 billion (bn) for the fourth quarter of 2021, a 9% increase from the ₱7.1 bn reported during the corresponding period in 2020. The Company recognized non-recurring gains of ₱444 million (mn) during the period, primarily due to foreign exchange gains from the revaluation of dollar-denominated assets, compared to the ₱472 mn in non-recurring losses for the corresponding period in 2020. Without these one-off gains, the Company's core net income for the fourth quarter of 2021 was ₱7.3 bn, a 3% decrease year-on-year (YoY). For the relevant period, AEV recorded consolidated earnings before interest, tax, depreciation and amortization (EBITDA) of ₱17.6 bn, which was 7% lower YoY.

AEV's net income for the full year 2021, was ₱27.3 bn, 77% higher than the ₱15.4 bn recorded in 2020. The Company recognized non-recurring gains of ₱527 mn during 2021, primarily due

to the revaluation of dollar-denominated assets, compared to the ₱477 mn in non-recurring losses recorded in 2020. Without these one-off gains, AEV's core net income for 2021 was ₱26.8 bn, a 68% increase YoY. AEV recorded consolidated EBITDA of ₱67.1 bn in 2021, a 16% increase from the ₱57.7 bn recorded in 2020.

Power accounted for 57% of the total income contributions from AEV's Strategic Business Units (SBU) in 2021, while Financial Services accounted for 23%. Income contributions from Real Estate, Food, and Infrastructure SBUs were at 9%, 7%, and 5%, respectively.

"Two years into the pandemic, the Philippines is now reopening borders, easing restrictions, and stepping boldly into 'the better normal' on the path to economic recovery. Through it all, the Aboitiz Group has worked closely with the government, civic organizations, and our partners in the private sector to help strengthen programs under the national pandemic response. At the end of 2021, the Aboitiz Group's performance trajectory continues to substantially improve, posting steadily rising figures. Our investments in digital transformation and innovation, matched by a strong culture of agility and resilience have paid off handsomely as we powered through the pandemic with strong performance indicators. We approach the coming year with balanced optimism as COVID begins to abate, vaccinations increase and our new strategic partnership with Jera kicks into full gear. As always, our main priority and driving force remains to be our team members, whose health, safety and well being always come first. As we did with the current government, we look forward to working closely with the new administration in keeping our country on the steady path of economic development," said Sabin M. Aboitiz, Aboitiz Group President and CEO.

Strategic Business Units

Power

Aboitiz Power Corporation's ("AboitizPower") income contribution to AEV for 2021 amounted to ₱16.0 bn, 66% higher than the ₱9.7 bn recorded in 2020.

On a stand-alone basis, AboitizPower's net income for 2021, was ₱20.8 bn, 66% higher than the ₱12.6 bn recorded last year. The AboitizPower recognized non-recurring losses of ₱228 mn during 2021, primarily due to the impairment losses of Therma Power Visayas, Inc. and Redondo Peninsula Energy, Inc. partially offset by net foreign exchange gains on the revaluation of dollar denominated liabilities, compared to the non-recurring gains of ₱45 mn in 2020. Without these one-off gains, AboitizPower's core net income for 2021 was ₱21.1 bn, 68% higher than the ₱12.5 bn recorded in 2020. This was primarily due to commissioning revenue from GNP Unit 1, higher water inflow for AboitizPower's hydro plants, higher availability of AboitizPower's Therma Luzon, Inc. (TLI), Therma South, Inc. (TSI) and Therma Visayas, Inc. (TSI) facilities, and higher WESM dispatch in compliance with the must-offer rule. During 2021, AboitizPower was also able to claim liquidated damages for the delay in the construction of GNP Units 1 and 2, and also received the final payment for business interruption claims resulting from GNP Mariveles Energy Center Ltd. Co. (GMEC) and APRI outages in previous years.

For 2021, the income contribution from the generation and retail electricity supply businesses, which accounted for 85% of total income contribution from AboitizPower's business segments, totaled ₱21.9 bn, 84% higher YoY. Consolidated EBITDA for the generation and retail electricity supply business recorded in 2021 was ₱43.4 bn, a 15% increase YoY. As noted above, this was due to commissioning revenue from GNP Unit 1, higher availability of our TLI, TSI and TVI facilities, higher water inflow, and higher WESM dispatch in compliance with the must-offer rule. These gains were partially offset by lower margins resulting from the GMEC outage.

Capacity sold for 2021 increased by 10% to 3,753 megawatts (MW), compared to 3,417 MW last year. Energy sold increased by 14% to 26,031 gigawatt-hours (GWh) for 2021, compared to 22,754 GWh last year.

AboitizPower's distribution business recorded an income share of ₱4.0 bn for 2021, a 13% increase YoY, and accounted for 15% of income contributions from AboitizPower's business segments. Consolidated EBITDA for the distribution business in 2021 was ₱7.5 bn, 5% higher YoY. This was driven by higher energy consumption resulting from recoveries in demand.

Energy sales from the Residential, Commercial and Industrial customer segments increased due to less stringent community quarantines during 2021 and the resumption of operations of commercial and industrial customers. Energy sales increased by 4% to 5,584 GWh for 2021, compared to 5,368 GWh in 2020.

Banking & Financial Services

Union Bank of the Philippines' ("UnionBank" or "the Bank") income contribution to AEV in 2021 amounted to ₱6.4 bn, 9% higher than the ₱5.9 bn recorded in 2020.

On a stand-alone basis, UnionBank and its subsidiaries recorded net income of ₱12.6 bn in 2021, 9% higher YoY. Net interest income grew to ₱29.8 bn, 4% higher YoY, due to the sustained increase in net interest margins, which improved to 4.6% from 4.5% YoY. Non-interest income in 2021 was ₱15.3 bn, up 14% YoY, due to higher fees, service charges, foreign exchange income and trading gains.

Loan loss provisions were recorded at ₱5.8 bn, 31% lower YoY, due to the stabilization of credit risk compared to 2020. The Bank's non-performing loans (NPL) ratio improved to 5.0% as of end-December 2021, from 5.1% as of year-end 2020.

UnionBank's earnings performance for 2021 resulted in a return on equity of 12%, a return on assets of 1.6%, and a revenue-to-expense ratio of 1.9x.

As of December 31, 2021, UnionBank's total assets amounted to ₱831.1 bn, 7% higher than the year-end 2020 level. Total loans and receivables were up 6% YoY to ₱359.8. Total Current Account and Savings Account (CASA) deposits, on other hand, sustained its record YoY growth of 32% to ₱341bn.

Food

AEV's non-listed food subsidiaries' (Pilmico Foods Corporation, Pilmico Animal Nutrition Corporation, and Pilmico International Pte. Ltd. - which includes Gold Coin Management Holdings Pte. Ltd.) income contribution to AEV amounted to ₱2.0 bn in 2021, 10% lower than the ₱2.2 bn recorded in 2020.

The Agribusiness segment, which consists of the regional animal nutrition businesses (feed, petfood, and specialty nutrition), reported net income of ₱1.3 bn in 2021, 44% lower than the ₱2.3 bn in 2020. This is due to a decline in margins resulting from the sharp increase in raw material costs.

The Food and Nutrition segment, which consists of the flour, farms, meats, and trading divisions, recorded net income of ₱934 mn in 2021, 365% higher YoY. This was primarily due to increased income from the Farm business as pork prices increased due to lack of supply in the market during 2021, supported by incremental income coming from commodity trading. These offset the decline in income from the Flour business stemming from the increase in raw material costs, in addition to decreased by-product margins.

Real Estate

AEV's non-listed real estate businesses, comprising of Aboitiz Land, Inc. ("AboitizLand") and its subsidiaries, reported a consolidated net income of ₱2.6 bn in 2021, 658% higher than the ₱338 mn recorded in 2020.

AboitizLand contributed ₱5.3 bn in revenues for 2021, 47% higher than revenue contributions in 2020. This increase was primarily due to increased construction activities across most of its projects and increased sales performance, with spot payments in its high value properties.

Out of AboitizLand's revenue for 2021, the residential business unit contributed ₱3.2 bn, the commercial business unit contributed ₱499 mn, while the industrial business unit and others contributed the remaining ₱1.6 bn, equivalent to 60%, 9%, and 31%, respectively.

Infrastructure

For the Infrastructure group, Republic Cement & Building Materials, Inc.'s ("Republic Cement") income contribution to AEV in 2021 amounted to ₱1.6 bn, 164% higher than the ₱590 mn recorded in 2020. This was primarily due to stronger market demand from the residential and infrastructure segments during 2021, as well as increased overall efficiency resulting from capital investments. Republic Cement also benefited in 2021 from a one-time gain brought about by the CREATE bill which reduced its deferred tax liabilities. Excluding the one-time impact of the new CREATE Law, the contribution to AEV for 2021 amounted to PhP1.02B, 73% higher YoY.

Financial Condition

As of December 31, 2021, the Company's consolidated assets totaled ₱733.6 bn, a 20% increase from end-2020's ₱609.2 bn. Cash and cash equivalents stood at ₱147.5 bn, 124% higher than the ₱66.0 bn as of end-2020. Consolidated liabilities totaled ₱405.8 bn, a 5% increase from the year-end 2020 level of ₱385.6 bn, while equity attributable to equity holders of the parent increased by 34% to ₱244.7 bn. AEV's current ratio as of December, 31 2021 stood at 2.3x while its net debt-to-equity ratio was 0.6x.

SIGNATURE (S)

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ABOITIZ EQUITY VENTURES INC.

By:


Sammy Dave A. Santos
Assistant Corporate Secretary

Date: March 4, 2022