



March 7, 2023

*via electronic mail*

**SECURITIES AND EXCHANGE COMMISSION**

SEC Headquarters, 7909 Makati Avenue  
Salcedo Village, Bel-Air, Makati City

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

*via PSE EDGE*

**PHILIPPINE STOCK EXCHANGE, INC.**

PSE Tower, 28<sup>th</sup> Street, cor. 5<sup>th</sup> Avenue,  
Bonifacio Global City, Taguig City

ATTENTION : **MS. ALEXANDRA D. TOM WONG**  
Office-in-Charge, Disclosure Department

*via electronic mail*

**PHILIPPINE DEALING & EXCHANGE CORP.**

Market Regulatory Services  
Group 29<sup>th</sup> 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 2022 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

C E O 2 5 3 6

S.E.C. Registration Number

A B O I T I Z E Q U I T Y V E N T U R E S I N C .

( Company's Full Name )

3 2 N D S T R E E T , B O N I F A C I O G L O B A L

C I T Y , T A G U I G C I T Y , M E T R O M A N I L A

P H I L I P P I N E S

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

MANUEL ALBERTO R. COLAYCO

Contact Person

(02) 8886-2338

Company Telephone Number

1 2 3 1

Month Day

Fiscal Year

1 7 - C

FORM TYPE

4<sup>th</sup> Monday of April

0 4 2 4

Month Day

Annual Meeting

N/A

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc

N/A

Amended Articles Number/Section

Total No. of Stockholders

x

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier


STAMPS

Remarks = Pls. use black ink for scanning purposes

**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 7, 2023**  
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. **32<sup>nd</sup> 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><b>Common Stock ₱1 Par Value</b></u>	<u><b>5,630,225,457</b></u>
<u><b>Amount of Debt Outstanding (September 30, 2022)</b></u>	<u><b>₱339,398,149,000.00</b></u>
  
11. Indicate the item numbers reported herein: 9

**Item 9: Other Matters**

Aboitiz Equity Ventures Inc. ("AEV" or "the Company") recorded consolidated net income of ₱3.5 billion (bn) for the fourth quarter of 2022, a 55% decrease from the ₱7.8 bn reported during the corresponding period in 2021. The Company recognized non-recurring losses of ₱2.0 bn during the period, primarily due to foreign exchange losses from the revaluation of US dollar cash and liquid financial instruments, compared to the ₱444 million (mn) in non-recurring gains for the corresponding period in 2021. Without these one-off gains, the Company's core net income for the fourth quarter of 2022 was ₱5.2 bn, a 29% decrease year-on-year (YoY). For the relevant period, AEV recorded consolidated earnings before interest, tax, depreciation and amortization (EBITDA) of ₱17.1 bn, which was 3% lower YoY.

AEV's net income for 2022 was ₱24.8 bn, 9% lower than the ₱27.3 bn recorded in 2021. The Company recognized non-recurring gains of ₱3.5 bn in 2022, primarily due to foreign exchange gains from the revaluation of US dollar cash and liquid financial instruments, compared to the ₱527 mn in non-recurring gains recorded in 2021. Without these one-off gains, AEV's core net income for 2022 was ₱21.3 bn, a 21% decrease YoY. AEV recorded consolidated EBITDA of ₱71.1 bn in 2022, 6% higher than the ₱67.2 bn recorded in 2021.

As part of its transformation strategy, in late 2021 AEV entered into a strategic partnership with JERA Asia Private Limited ("JERA") for Aboitiz Power Corporation ("AboitizPower"). AEV's equity ownership in AboitizPower was reduced from 77% to 52% effective end of 2021, resulting in a lower share in AboitizPower's earnings, as reflected in the full-year results of 2022. If AEV retained the same ownership of AboitizPower, AEV's normalized core net income for 2022 would have been higher by 5% compared to 2021.

Power accounted for 62% of the total income contributions from AEV's Strategic Business Units (SBU) in 2022, while Financial Services accounted for 27%. Income contributions from Real Estate, Food, and Infrastructure SBUs were at 11%, 0%, and -1%, respectively.

"As we closed another transformative year for the Aboitiz Group, our techglomerate continues to take shape, not just in our financial reports, but also in the major culture shifts taking place within our organization. We will continue to focus our energy and resources on strategic innovation and, more importantly, on people and talent," said Aboitiz Group President and CEO Sabin M. Aboitiz.

## **Strategic Business Units**

### *Power*

AboitizPower's income contribution to AEV for 2022 amounted to ₱14.3 bn, 11% lower than the ₱16.0 bn recorded in 2021. As discussed above, this was primarily due to AEV's reduced ownership of AboitizPower from its strategic partnership with JERA.

On a stand-alone basis, AboitizPower's net income for 2022, was ₱27.5 bn, 32% higher than the ₱20.8 bn recorded in 2021. AboitizPower recognized non-recurring gains of ₱1.0 bn during 2022 compared to the ₱57 mn in non-recurring gains recorded in 2021. This relates to the portion of commodity hedge gains which were not recognized in fuel costs. Without these one-off gains, AboitizPower's core net income for 2022 was ₱26.5 bn, 27% higher than the ₱20.8 bn recorded in 2021. If AboitizPower excluded the impact of Typhoon Odette, liquidated damages and business interruption claims that AboitizPower collected in 2022 and 2021, this would have resulted in a 47% gain in AboitizPower's core net income and a 52% gain in its net income in 2022 compared to 2021. The increase in AboitizPower's net income during 2022 was primarily due to fresh contributions from GNPD and higher availability across its portfolio, gains from commodity hedges, and higher water inflows.

For 2022, the income contribution from AboitizPower's generation and retail electricity supply businesses, which accounted for 87% of total income contribution from AboitizPower's business segments, totaled ₱28.5 bn, 30% higher YoY.

Consolidated EBITDA for the generation and retail electricity supply business was ₱51.2 bn in 2022, 18% higher than the ₱43.4 bn recorded in 2021. As discussed above, this was primarily due to fresh contributions from GNPD and higher availability across its portfolio, gains from commodity hedges and higher water inflows. Capacity sold in 2022 increased by 7% to 4,034 megawatts (MW), compared to 3,743 MW in 2021. Energy sold increased by 16% to 30,251 gigawatt-hours (GWh) for the full year 2022, compared to 26,031 GWh in 2021.

AboitizPower's distribution business recorded an income share of ₱4.2 bn in 2022, a 6% increase YoY, and accounted for 13% of income contributions from AboitizPower's business segments. Consolidated EBITDA for the distribution business in 2022 was ₱8.0 bn, 6% higher YoY. Energy sales increased by 4% to 5,785 GWh in 2022, compared to 5,583 GWh in 2021. Energy sales from the Residential customer segment were flat YoY. Commercial and Industrial energy sales were higher by 5% YoY due to recovering demand.

### *Banking & Financial Services*

Union Bank of the Philippines' ("UnionBank", or "the Bank") income contribution to AEV in 2022 amounted to ₱6.3 bn, which is flat YoY.

On a stand-alone basis, UnionBank and its subsidiaries recorded net income of ₱12.7 bn in 2022, which is flat YoY. UnionBank sustained the same net income level YoY due to the strong growth of its core revenues in 2022, which offset that fact that the Bank experienced extraordinary non-recurring trading gains during the first half of 2021. Net revenues (excluding revenues from trading) grew to ₱52.2 bn in 2022, 16% higher YoY. Net interest income grew to ₱38.9 bn, 31% higher YoY, due to higher margins and volume. Fees-based income grew to ₱13.4 bn, largely due to the consolidation of the acquired Citi consumer business, as well as growing digital customer transactions.

Loan loss provisions were recorded at ₱4.1 bn, 30% lower YoY, and non-performing loans ratio improved to 4.4% as of end-December 2022.

Taking into consideration the impact of the ₱40.0 bn additional capital coming from the Stock Rights Offer in May 2022, UnionBank's earnings performance for 2022 resulted in a return on average equity of 9.7%, a return on assets of 1.3%, and a cost-to-income ratio of 60.4%.

As of December 31, 2022, UnionBank's total assets amounted to ₱1.1 trillion, 31% higher than year-end 2021 level. Total loans and receivables are up 42% YoY to ₱479.2 bn, while total deposits are 25% higher at ₱711.3 bn.

### *Real Estate*

AEV's non-listed real estate businesses (Aboitiz Land, Inc. ("AboitizLand") and its subsidiaries, and Lima Land, Inc.) reported a consolidated net income of ₱2.6 bn in 2022, which is flat YoY. AboitizLand contributed ₱4.0 bn in revenues for 2022, 23% higher than revenue contributions in 2021. The residential business had a significant increase in its revenue contribution year-on-year due to increased house construction activity, significant site development completion, and strong sales with spot cash payments.

## *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 a loss of ₱14 mn in 2022, 101% lower than the ₱2.0 bn recorded in 2021. The food group recorded an EBITDA of ₱4.6 bn in 2022, 6% lower YoY.

The Food and Nutrition segment, which consists of the flour, farms, meats, and trading divisions, recorded a net loss of ₱416 mn in 2022, 153% lower YoY. The decrease was primarily due to (i) the impact of the African Swine Fever to the farms division, (ii) lower income tax holiday incentives recognized by the farms division in 2022 compared to the previous year, (iii) weaker margins in the flour division, and (iv) higher foreign exchange losses due to the depreciation of the Peso impacting its US Dollar denominated payables from raw material purchases.

The Agribusiness segment, which consists of the regional animal nutrition businesses (feed, petfood, and specialty nutrition), reported a net loss of ₱78 mn in 2022, 107% lower YoY. The decrease was due to the recognition of unrealized foreign exchange losses from the devaluation of the Sri Lankan Rupee and goodwill impairment of the Sri Lanka and Thailand operations. Excluding the one-off events from the Thailand and Sri Lankan operations and the foreign exchange losses from the deprecation of the Peso, the food group would have recorded a net income of ₱ 1.3 bn, which would have been only lower by 44% YoY.

## *Infrastructure*

For the Infrastructure group, Republic Cement & Building Materials, Inc.'s ("Republic Cement") income contribution to AEV in 2022 amounted to a loss of ₱323 mn, 121% lower than the ₱1.6 bn income recorded in 2021. This was due to lower market demand for cement caused by the pre-election construction ban and post-election transition, global commodity price increase of steel, other construction materials and higher input costs of fuel and electricity. Republic Cement also benefited in 2021 from a one-time gain brought about by the CREATE bill which reduced its deferred tax liabilities.

## **Financial Condition**

As of December 31, 2022, the Company's consolidated assets totaled ₱808 bn, a 10% increase from end-2021's ₱733.6 bn. Cash and cash equivalents stood at ₱101.5 bn, 31% lower than the ₱147.5 bn as of end-2021. Consolidated liabilities totaled ₱455.8 bn, a 12% increase from the year-end 2021 level of ₱405.8 bn, while equity attributable to equity holders of the parent increased by 5% to ₱256.2 bn. AEV's current ratio as of December 31, 2022 stood at 1.9x while its net debt-to-equity ratio was 0.7x.

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 7, 2023