



July 28, 2023

**SECURITIES AND EXCHANGE COMMISSION**

SEC Headquarters, 7907 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**  
Officer-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 second quarter 2023 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:

**CONNIE G. CHU**  
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 )

CONNIE G. CHU
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Contact Person

(02) 8 886-2800
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Company Telephone Number

1	2		3	1
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Month Day

Fiscal Year

1	7	-	C	
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FORM TYPE

4th Monday of April

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Month Day

Annual Meeting

N/A
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Secondary License Type, if Applicable

SEC
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Dept. Requiring this Doc

N/A
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Amended Articles Number/Section

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Total No. of Stockholders

x
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Domestic

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Foreign

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To be accomplished by SEC Personnel concerned

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File Number

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**SECURITIES AND 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. **July 28, 2023**  
Date of Report (Date of earliest event reported)
  
2. SEC Identification Number: **CEO2536**                      3. BIR TIN: **003-828-269-V**
  
4. **ABOITIZ EQUITY VENTURES INC.**  
Exact name of registrant as specified in its charter
  
5. **Philippines**                      6.   
Province, country or other jurisdiction of                      Industry Classification Code  
incorporation
  
7. **32<sup>nd</sup> Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines**                      **1634**  
Address of principal office                      Postal Code
  
8. **(02) 8 886-2800**  
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
 

<p>Title of Each Class</p>  <p><u><b>Common Stock P1 Par Value</b></u></p> <p><u><b>Amount of Debt Outstanding (As of March 31, 2023)</b></u></p>	<p>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</p>  <p><u><b>5,630,225,457</b></u></p> <p><u><b>P 372,946,436,000.00</b></u></p>
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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 ₱6.5 billion (bn) for the second quarter of 2023, a 18% decrease from the ₱7.9 bn recorded during the corresponding period in 2022. The Company recognized non-recurring losses of ₱62 million (mn) during the period, primarily due to foreign exchange losses from the revaluation of US dollar cash and liquid financial instruments, compared to the ₱2.0 bn in non-recurring gains for the corresponding period in 2022. Without these one-off items, the Company's core net income for the second quarter of 2023 was ₱6.5 bn, an 11% increase year-on-year (YoY). For the relevant period, AEV recorded consolidated earnings before interest, tax, depreciation and amortization (EBITDA) of ₱22.6 bn, which was 14% higher YoY.

On a year to date (YTD) basis, the Company's net income for the first half of 2023 was ₱10.5 bn, 11% lower than the ₱11.8 bn recorded during the same period in 2022. The Company recognized non-recurring losses of ₱656 mn, primarily due to foreign exchange losses from the revaluation of US dollar cash and liquid financial instruments, compared to the ₱2.7 bn in non-recurring gains recorded during the same period in 2022. Without these one-off losses, the Company's core net income for the first half of 2023 was ₱11.1 bn, a 23% increase YoY.

Power accounted for 72% of the total income contributions from AEV's Strategic Business Units (SBU) in the first half of 2023, while Financial Services accounted for 25%. Income contributions from Real Estate, Food, and Infrastructure SBUs were at 3%, 1%, and -1%, respectively.

"In our Q2 2023 performance, you see not just the numbers but the dedication and hard work of the Aboitiz team. This momentum is not just about the figures, it's about our Great Transformation to become a much more resilient and agile organization. As we continue to navigate a very dynamic landscape, AEV remains steadfast in our commitment to deliver value to our shareholders, support our communities, and contribute to the nation's economic recovery. We have a firm eye on the future, capitalizing on new opportunities and facing challenges with innovation and sustainability at our core." said Aboitiz Group President and CEO Sabin M. Aboitiz.

### **Strategic Business Units**

#### *Power*

Aboitiz Power Corporation's ("AboitizPower") income contribution to AEV for the first half of 2023 amounted to ₱9.3 bn, 79% higher than the ₱5.2 bn recorded in the same period in 2022.

On a stand-alone basis, AboitizPower's net income for the first half of 2023, was ₱17.8 bn, 79% higher than the ₱10.0 bn recorded in the same period in 2022. AboitizPower recognized non-recurring gains of ₱37 mn during the first half of 2023, primarily due to derivative gains from commodity hedging compared to the ₱853 mn in non-recurring gains recorded in the same period in 2022. Without these one-off gains, AboitizPower's core net income for the first half of 2023 was ₱17.8 bn, 95% higher YoY. This was primarily due to fresh contributions from GNPow Dingin Ltd. Co. (GNPD) and higher plant availability across AboitizPower's portfolio.

For the first half of 2023, the income contribution from AboitizPower's generation and retail electricity supply businesses, which accounted for 85% of total income contribution from AboitizPower's business segments, totaled ₱17.6 bn, 65% higher YoY. Consolidated EBITDA for the generation and retail electricity supply businesses was ₱30.2 bn during the first half of 2023, 31% higher than the ₱23.1 bn recorded in the same period in 2022. As previously mentioned, the increase was primarily due to fresh contributions from GNPD and higher availability across AboitizPower's portfolio. Capacity sold in the first half of 2023 increased by 25% to 4,718 megawatts (MW), compared to 3,785 MW in the same period in 2022. Energy sold increased by 29% to 17,736 gigawatt-hours (GWh) for the first half of 2023, compared to 13,762 GWh in the same period in 2022.

AboitizPower's distribution business recorded an income share of ₱3.2 bn in the first half of 2023, a 107% increase YoY, which accounted for 15% of the total income contributions from AboitizPower's business segments. Consolidated EBITDA for the distribution business during the first half of 2023

was ₱6.0 bn, 101% higher YoY. Energy sales from the Residential, and Commercial and Industrial customers increased by 7% to 2,983 GWh during the first half of 2023, compared to 2,780 GWh in the same period in 2022 primarily due to recoveries in demand in the areas affected from Typhoon Odette.

#### *Banking & Financial Services*

Union Bank of the Philippines' ("UnionBank", or the "Bank") income contribution to AEV during the first half of 2023 amounted to ₱3.2 bn, 4% higher than the ₱3.1 bn for the corresponding period in 2022.

On a stand-alone basis, UnionBank and its subsidiaries recorded a net income of ₱6.4 bn in the first half of 2023, which was 6% higher YoY. Net revenues grew to ₱34.4bn in the first half of 2023, 60% higher YoY. Net interest income grew to ₱24.0 bn, 41% higher YoY, largely due to the 43% growth in loans and higher net interest margin. The Bank's net interest margin increased by 60 bps to 5.2% primarily due to the robust expansion of its consumer banking business.

Fees and other income more than doubled to ₱10.5 bn in the first half of 2023 compared to the same period in 2022 driven by card-related fee income generated by the acquired Citi business, digital transactions and the growing base of the Bank's key subsidiaries.

As of June 30, 2023, UnionBank's total assets amounted to ₱1.1 trillion. Net loans and receivables grew 43% YoY to ₱522.0 bn, while total deposits were 25% higher at ₱693.0 bn.

#### *Real Estate*

AEV's non-listed real estate businesses consisting of Aboitiz Land, Inc. ("AboitizLand") and its subsidiaries reported a consolidated net income of ₱389 mn in the first half of 2023, 19% lower than the ₱479 mn recorded during the same period in 2022. AboitizLand contributed ₱1.8 bn in revenues for the first half of 2023, 7% lower than revenue contributions for the same period in 2022. This was largely due to construction-related delays, particularly in *The Villages at Lipa* and *Seafront Residences* projects.

#### *Food*

AEV's non-listed food subsidiaries' (consisting of 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 ₱181 mn in the first half of 2023, 7% lower than the ₱194 mn recorded during the same period in 2022. The Food Group was able to fully recover from its ₱534 mn net loss in the first quarter of 2023 primarily due to better margins from its Agribusiness and Flour segments primarily due to the decrease in raw material costs, better pricing strategy, and higher volumes.

#### *Infrastructure*

Aboitiz InfraCapital, Inc.'s ("AIC") income contribution to AEV in the first half of 2023 amounted to ₱334 mn, 63% lower than the ₱900 mn recorded in the same period in 2022. This was primarily due

to an increase in expenditures to provide long-term support for AIC's expanded asset portfolio, as well as a one-time gain in the first half of 2022 from the sale of the small cells/poles business to Unity Digital Infrastructure, Inc.

Republic Cement & Building Materials, Inc.'s ("Republic Cement") income contribution to AEV in the first half of 2023 amounted to a loss of ₱452 mn, a ₱629 mn reversal from the ₱177 mn income recorded in the first half of 2022. This was due to lower market demand for cement primarily due to higher inflation, delays in authorization of government projects and unfavorable weather conditions in the Visayas and Mindanao regions at the beginning of the year.

### **Financial Condition**

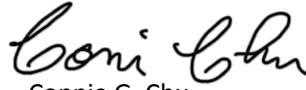
As of June 30, 2023, the Company's consolidated assets totaled ₱810.7 bn, which is flat from end-2022 level. Cash and cash equivalents stood at ₱95.5 bn, which was 6% lower from year end-2022 level of ₱101.5 bn. Consolidated liabilities totaled ₱450.8 bn, which was 1% lower from the year-end 2022 level of ₱457.6 bn, while equity attributable to equity holders of the parent increased by 2% at ₱261.4 bn from end-2022 level of ₱255.1 bn. AEV's current ratio as of June 30, 2023 stood at 1.8x 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:

A handwritten signature in black ink, appearing to read "Connie G. Chu".

Connie G. Chu  
Corporate Secretary

Date: July 28, 2023