

GT2025[∞]

THE GREAT TRANSFORMATION BEGINS WITH YOU AND ME

aboitiz

Equity Ventures

First Half 2023 Financial & Operating Results

Tuesday, August 2, 2023

Analysts'

Briefing

August 2, 2023
5:00 PM PHT



Together we are building the PH's first **techglomerate**

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Review of Business Units

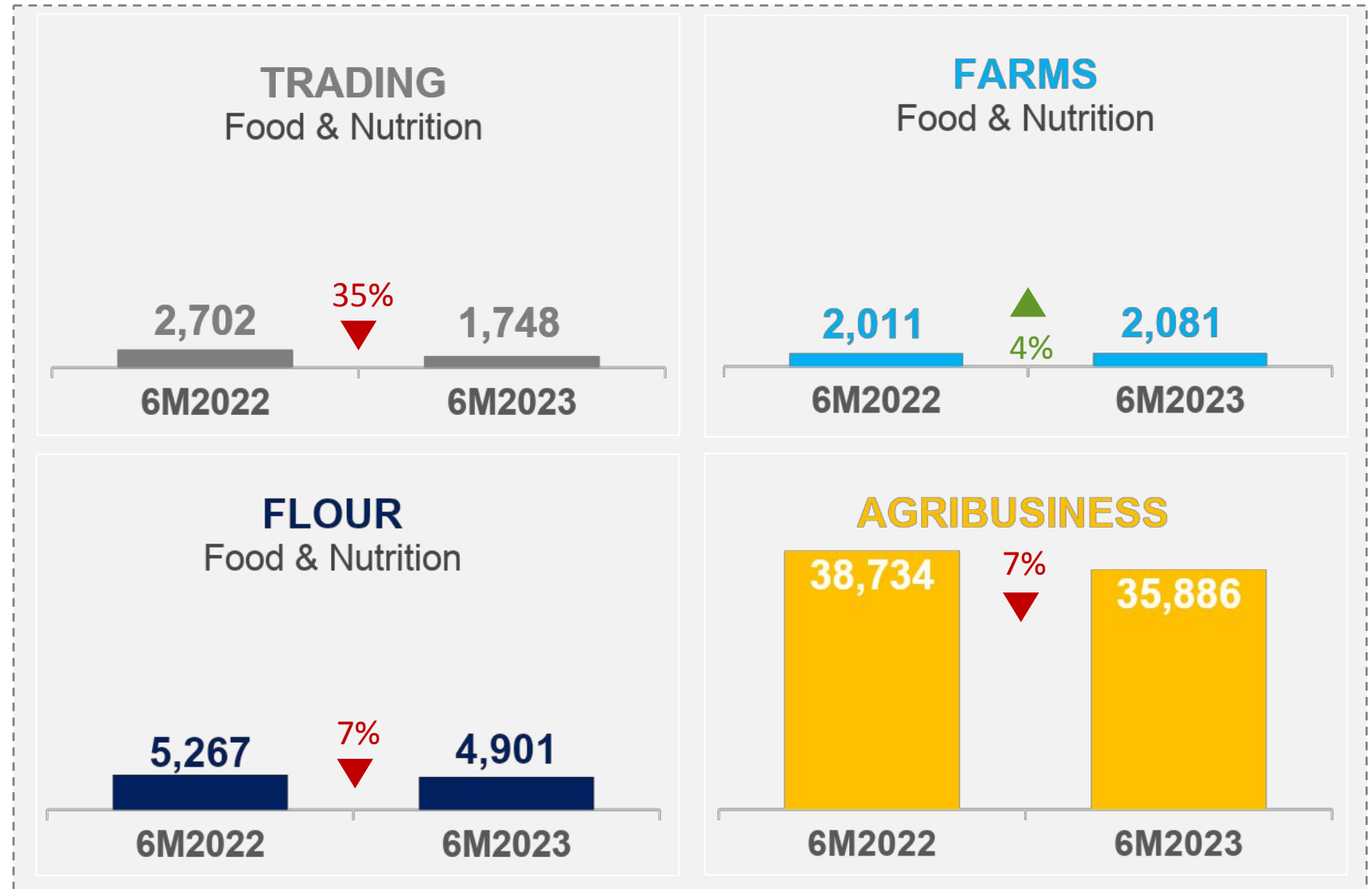
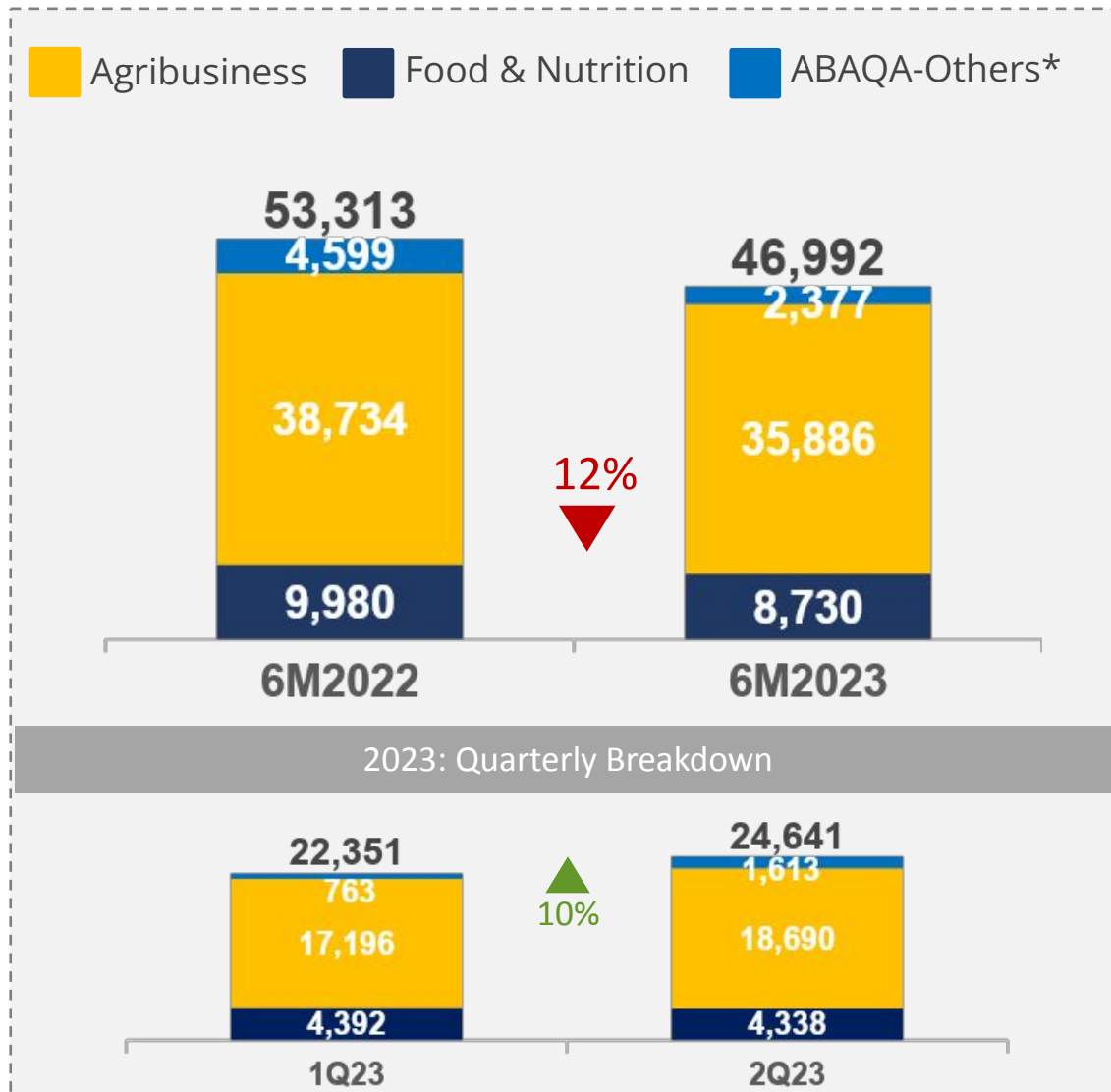
- **Food**
- Infrastructure
- Land
- AEV Financials
- Proposed Acquisition of CCBPI
- Q&A

- Food Group 1H 2023 revenue was down 12% YoY on the decreased contribution of Food & Nutrition (-13%) and Agribusiness (-7%).
- Food Group reported a Net Income of P181M in 1H 2023, fully reversing the losses incurred in Q1 of P534M.
- Improvement in the second quarter of 2023 were driven by better margins both from Agribusiness and Flour.

FINANCIAL SUMMARY (in PHP Millions)	6M22A	6M23A			vs Last Year	
		1Q23A	2Q23A	6M23A	Amount	%
REVENUE	53,313	22,351	24,641	46,992	(6,321)	- 12%
EBITDA	3,296	272	1,756	2,028	(1,268)	- 38%
NIAT	194	(534)	715	181	(13)	- 7%
EBITDA MARGIN	6.2%	1.2%	7.1%	4.3%	-187 BPS	

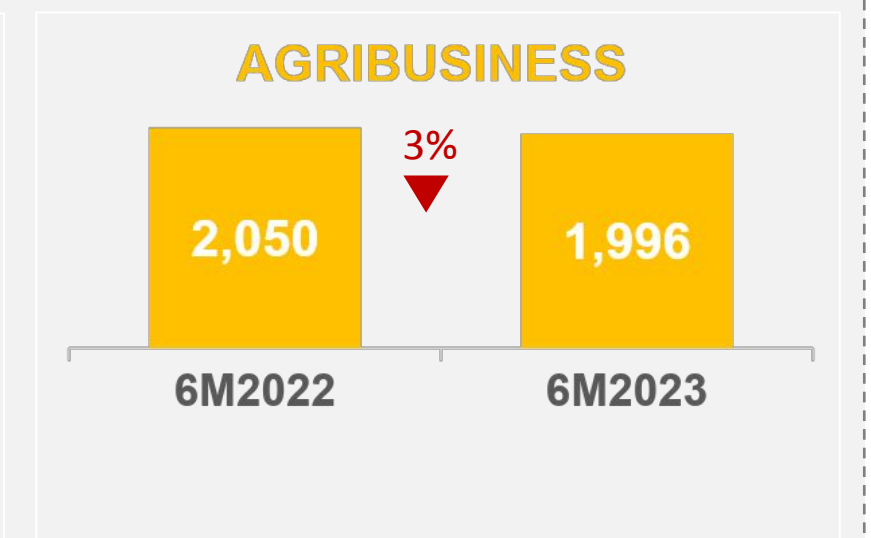
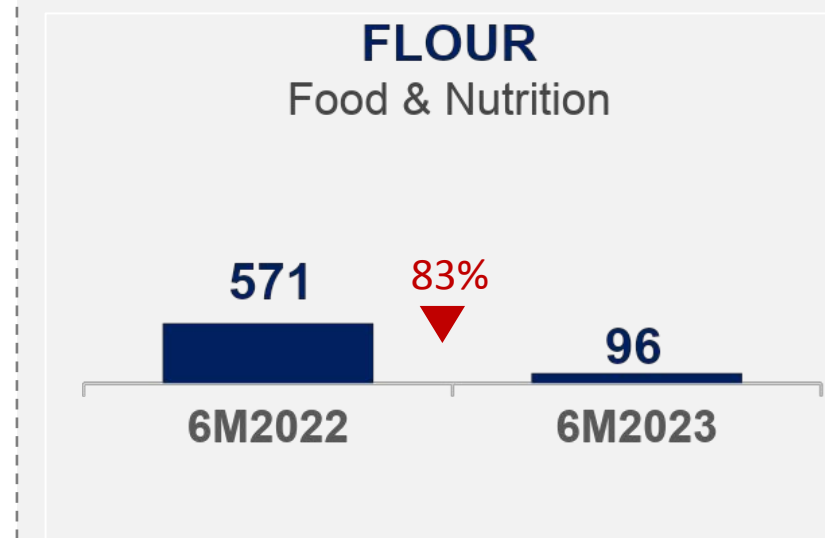
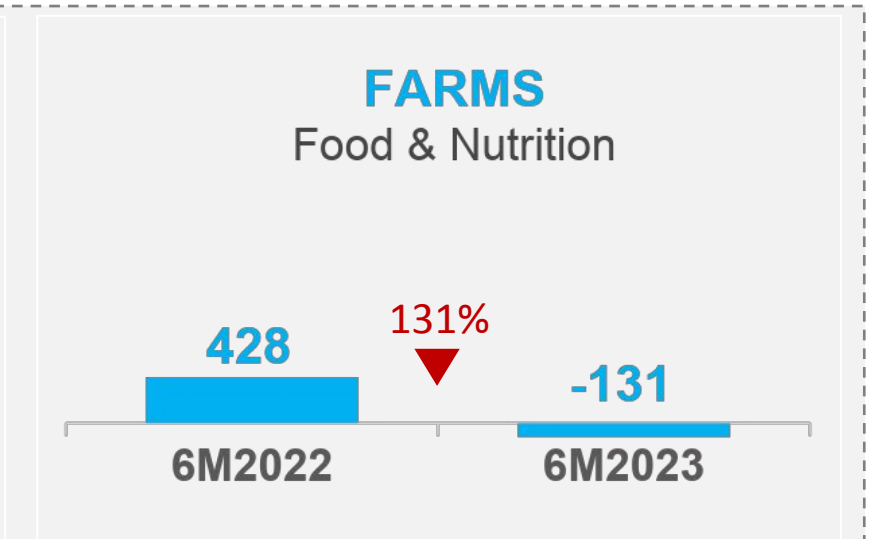
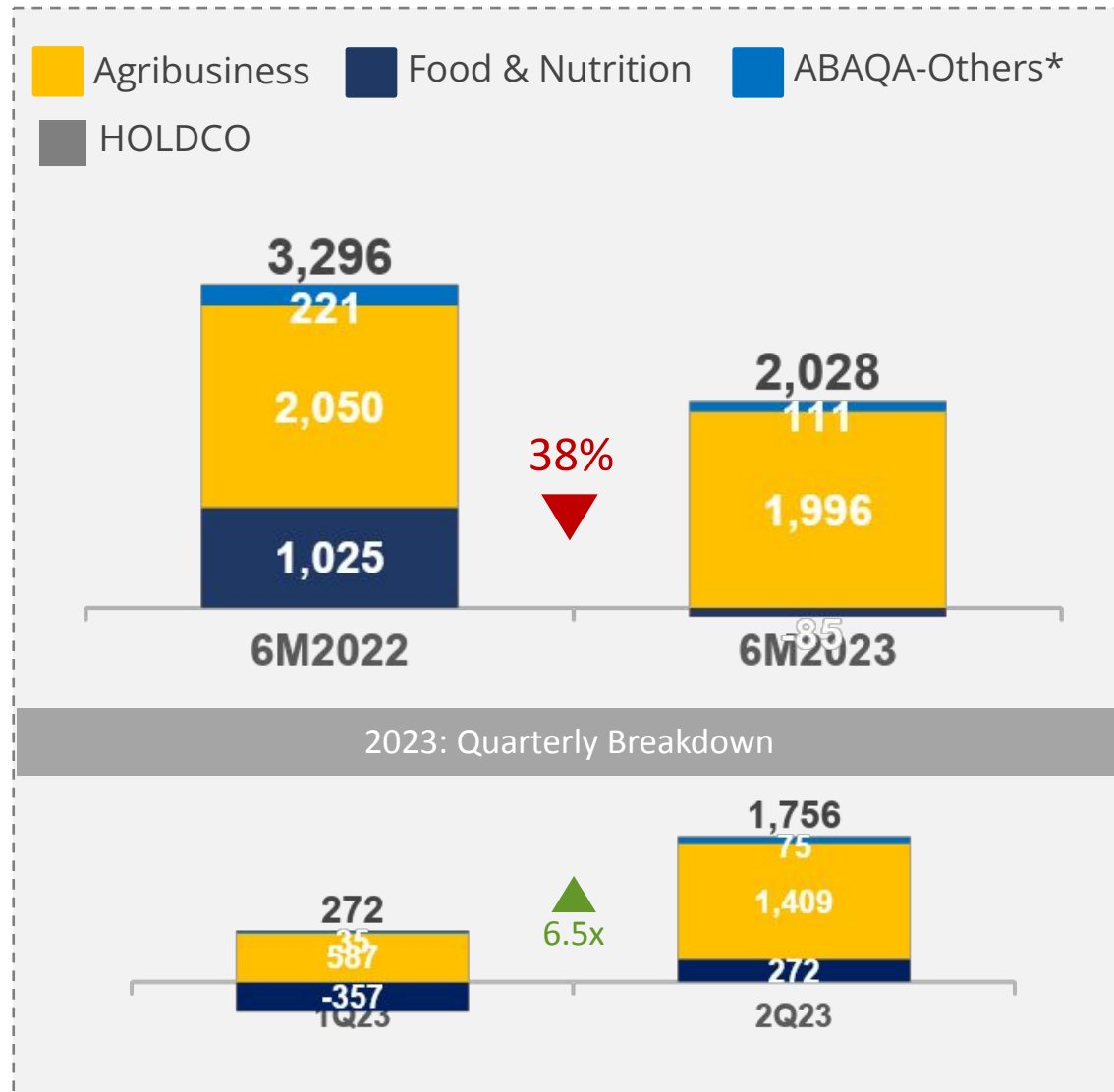
REVENUE: Lower by 12% compared with 1H2022 on volume contraction

1H2023 revenue decreased 12% YoY to P47B, with only Farms showing revenue growth compared to last year. However, Flour (+24%) and Agribusiness (+9%) continues to show uptrend in revenue compared to prior quarter.



EBITDA: Lags 38% YoY, pulled down mainly by Farms and Flour

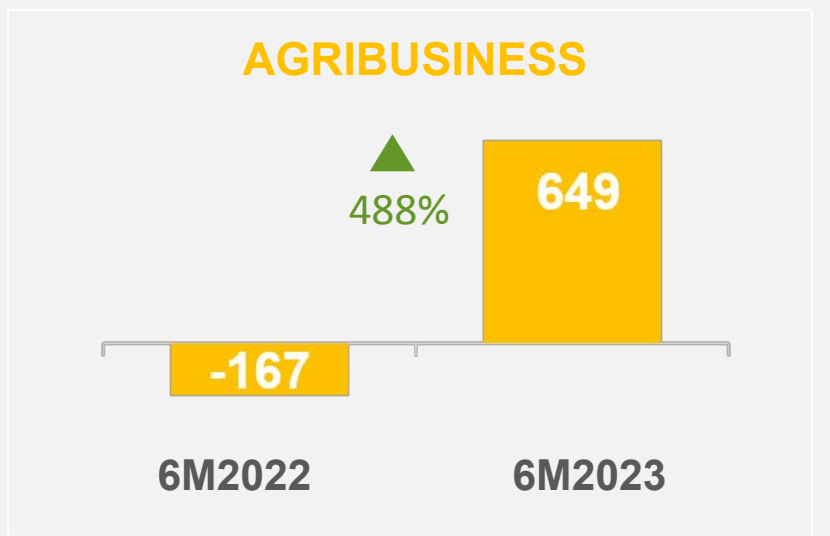
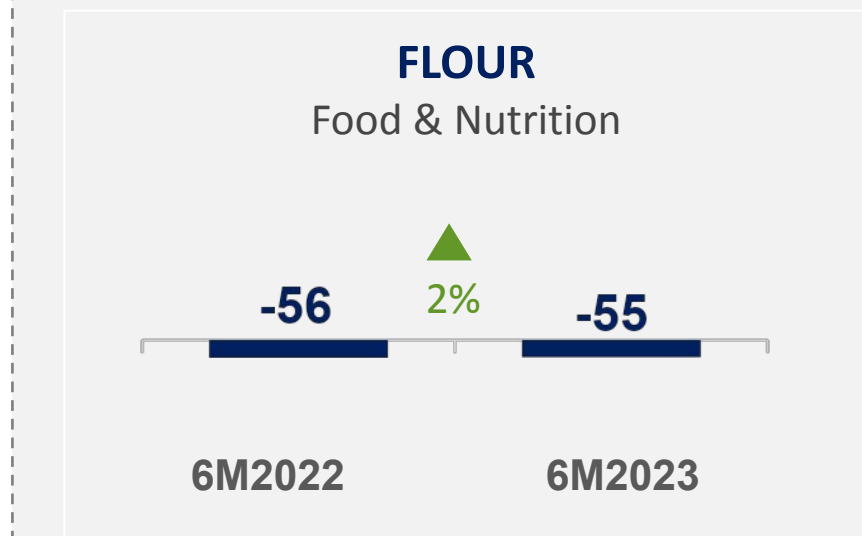
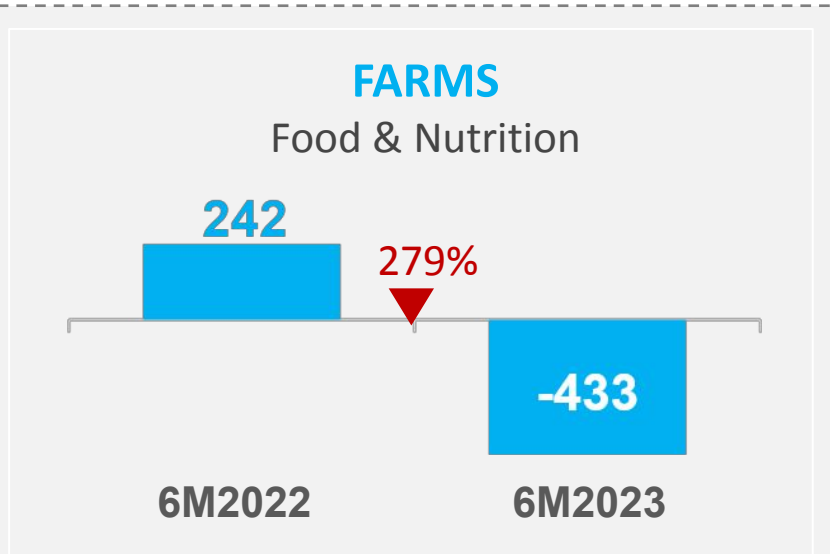
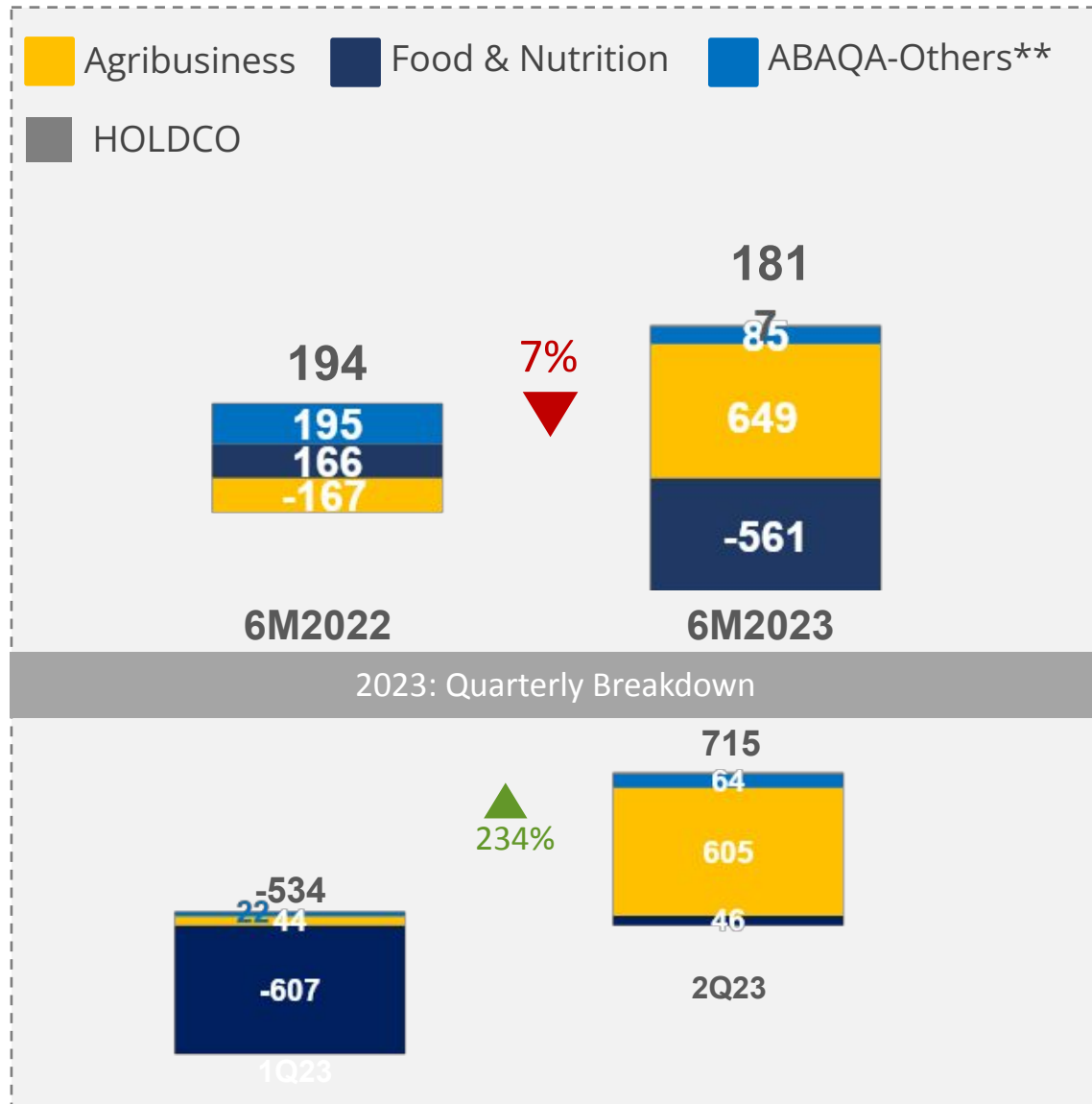
Food Group EBITDA slid 38% YoY on the unfavorable performance of both business units (-108% decline in Food & Nutrition and -3% in Agribusiness) attributable to lower sales volume and profit margin. Compared to the prior quarter, EBITDA Margin significantly improved owing to better margins from Agribusiness and Flour with Q1 EBITDA Margin at 1.2% vs. Q2 Margins of 7.1%.



NIAT: First half of 2023 ended at a Net Income of PHP 181M;

Complete reversal of 1Q23 losses

Food Group reported a Net Income of P181M, slightly lower by 7% YoY driven by the slump in Farms and Trading divisions' performance despite the surge in Agribusiness' bottomline brought by margin improvement. Financing costs continue to be a challenge for the group; versus the same period last year this has grown 2.2x (or PHP 440M) coming from higher interest rates and loan borrowings) on both PH and International operations.





1H 2023 Project Milestone

LOCATION	PROJECT	CAPACITY	% OF COMPLETION	TARGET COMPLETION
Philippines	The Good Meat Stores (6 Stand-alone Stores)	2K MT Day	97%	3Q23
China	Yunnan Mill	30TPH	35%	2Q24
Vietnam	Long An Mill	30TPH	48%	4Q23



Agribusiness: China Yunnan Mill

150k MT-capacity feedmill, with a potential to expand capacity up to 270k MT



COMPLETION RATE: 35%
TARGET DATE OF COMPLETION: 2Q2024



Agribusiness: Vietnam Long An Mill



200k MT-capacity feedmill, with a potential to expand capacity up to 300k MT



COMPLETION RATE: 48%

TARGET DATE OF COMPLETION: 4Q2023



Food & Nutrition: The Good Meat (TGM) Expansion

With more than 250 store presence in 2023



LIMA Estate, Batangas



*Binan, Laguna



Tomas Morato



COMPLETION RATE: **97%**

TARGET DATE OF COMPLETION: **3Q2023**

Key Takeaways

- Food Group revenue is still challenged by lower volume compared to last year in spite of maintaining a higher level of selling prices.
- 1H2023 EBITDA down by 38% YoY due to demand challenges and higher input costs. However, significant improvement is seen quarter on quarter due to better margins of Agribusiness and Flour from lower raw material costs and better pricing strategy.
- From a loss of P534M in Q1, the Group's bottomline ended at an income of P 181M.
- The Feedmill expansion in China and Vietnam is on track. The first half of this year will focus mostly on the final design and construction, while the second half will include equipment installation.



WE ARE **ABOITIZ INFRA CAPITAL.**



Review of Business Units

- Food
- **Infrastructure**
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ECONOMIC ESTATES

WATER FACILITIES

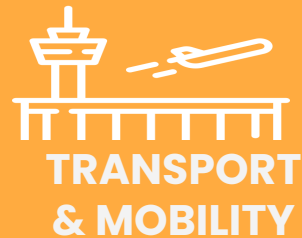
DIGITAL INFRASTRUCTURE

TRANSPORT and MOBILITY

**ENABLING BUSINESSES.
UPLIFTING COMMUNITIES.**



AIC focused on optimizing its expanded asset portfolio during 1H 2023



More than **doubled pax traffic** YoY to 4.8M

New routes being established for key airlines



Continues to **deliver point of service connections** to all telcos in the market

Unity focused on **transitioning acquired towers** from PLDT-Smart as well as Globe



Economic Estates continues its **transformation into smart, sustainable** estates

Marked **30th year for WCE** and helping drive **economic progress in Balamban**

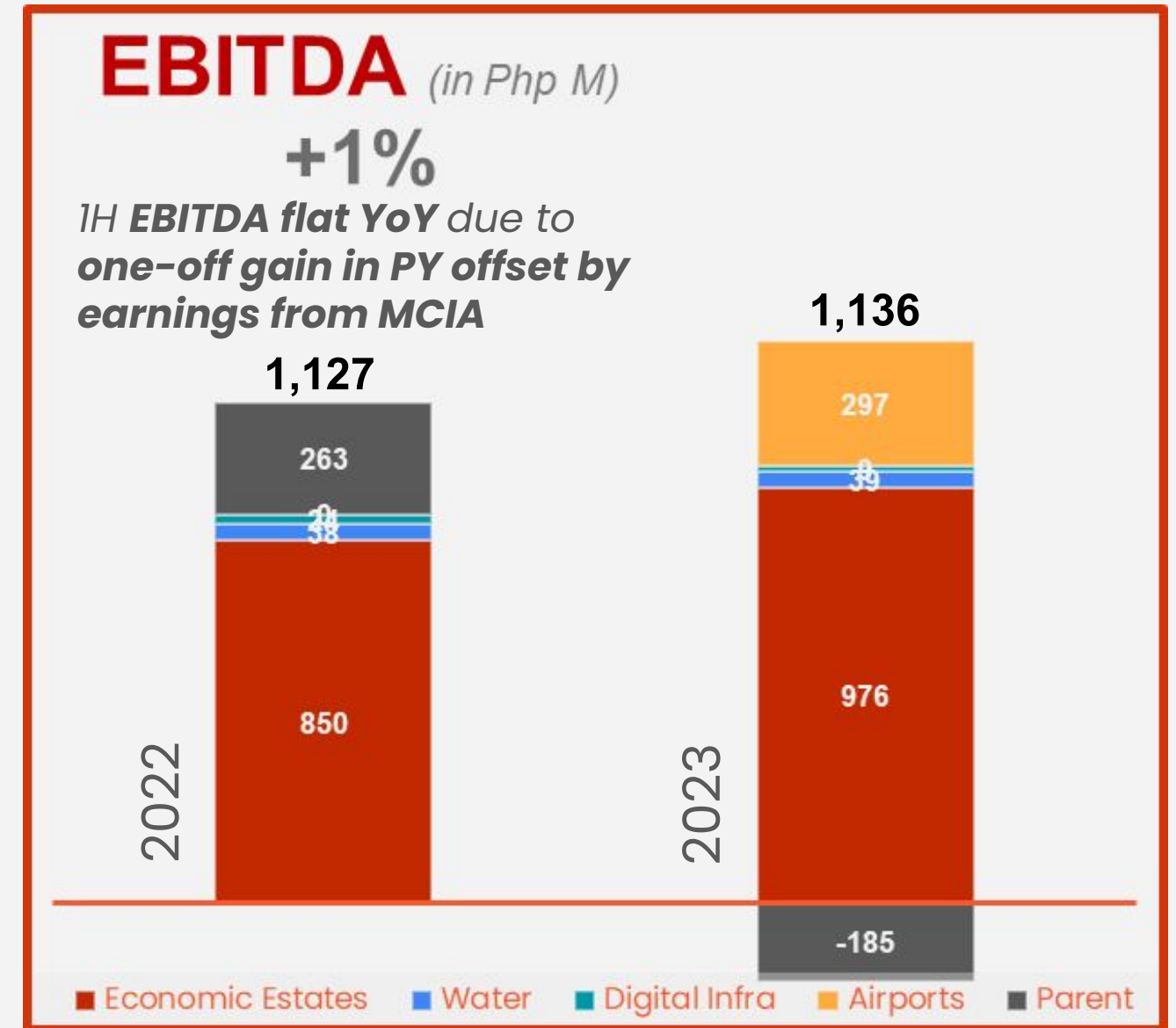
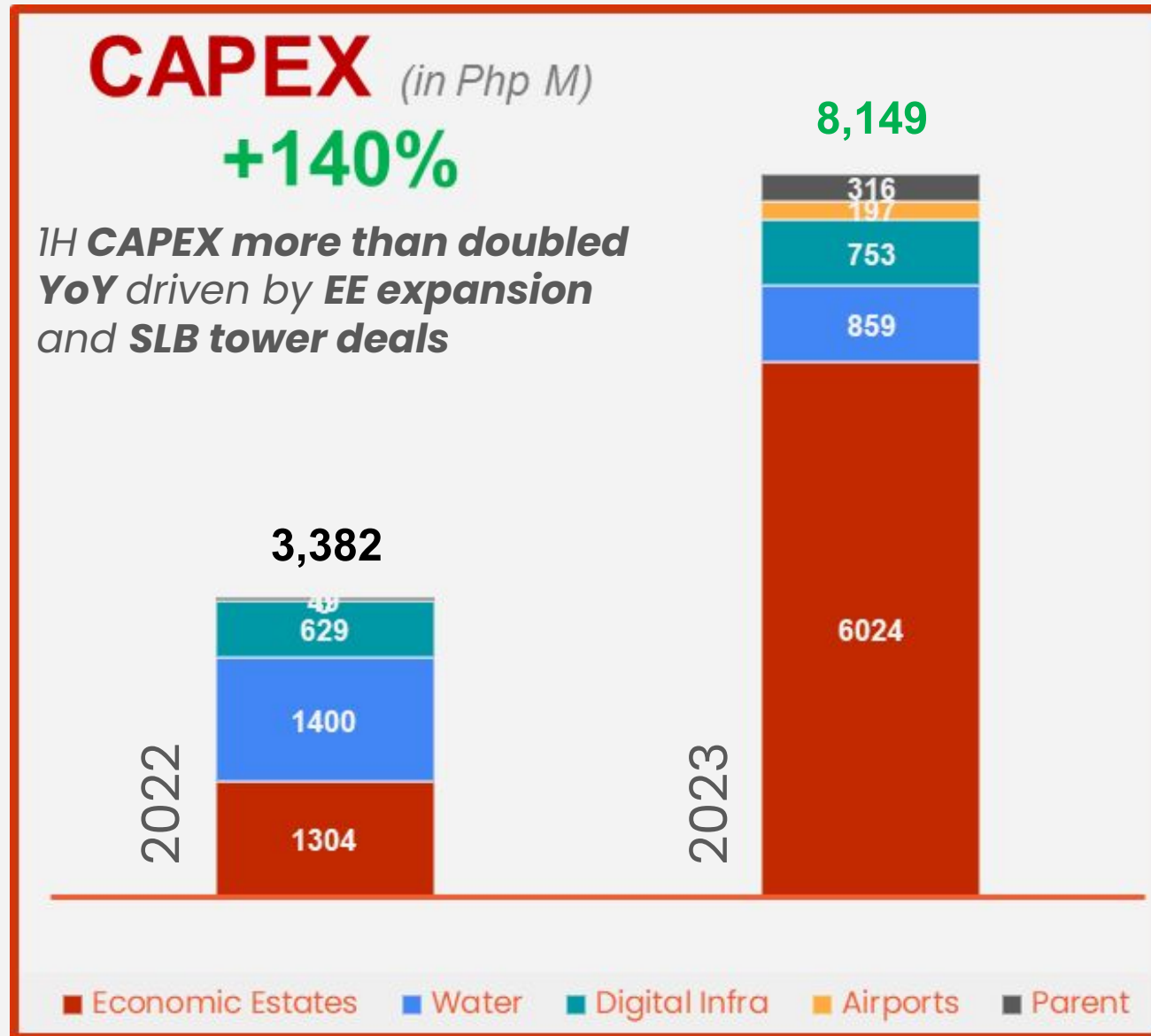


Apo Agua laboratory secures DOH **safety & quality certification**

Lima Water completed **expanded scope of recognition** from DENR

AIC capex at more than 2x vs PY, while EBITDA is flat

1H 2023 Aboitiz InfraCapital Financials



Business Performance

MCIA making strides on post-pandemic recovery path

4.8Mn+ PAX in 1H 2023
+129% YoY
-24% vs pre-pandemic (2019)



- **New routes** established for Air Asia (Japan) and Cebu Pacific (Taipei) in June 2023
- Resumption of **direct flights to Shanghai**, China in July 2023



Unity expands footprint across the country

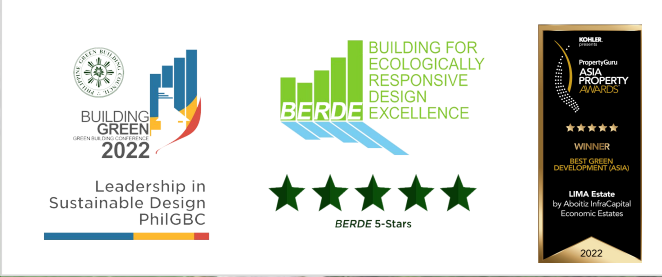


- **Globe SLB deal signed** in May 2023 for 447 towers in Luzon and 200 future sites in VisMin
- **Completed 1st closing and turnover** of 135 PLDT-Smart towers (May 2023) and 115 Globe towers (July 2023)
- Unity now with its **first 3-tenant tower** (Globe+Smart+Dito)



Economic Estates transforming to smart, sustainable estates

- LIMA the largest and only industrial park to achieve a BERDE District Certification with a 5-star rating, the highest rating Philippine Green Building Council (PhilGBC)



Enerzone Group (of Aboitiz Power) partially **sources from renewables**, e.g. geothermal, hydroelectric, and solar to power LIMA



Reduced water loss across economic estates by responsibly managing water resources; leveraged technology to reduce fuel and repair costs



West Cebu Estate celebrates 30 years of driving economic progress



- ~P32Bn in investments to date
- 12 locators with 14k+ employees driving countryside development and job creation in Balamban
- Ongoing progress towards **BERDE-District Registration** to ensure alignment with global sustainability standards
- To **transform into a smart, sustainable mixed-use estate** with commercial areas and central business district

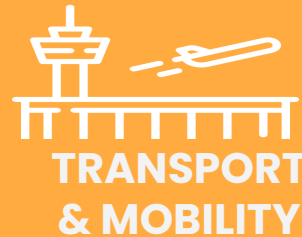
Apo Agua and LWC remain committed to providing safe, sustainable water



- Apo Agua's laboratory **accredited by DOH**, with the **highest classification** for Drinking Water Analysis
- Lima Water completed expanded scope of **recognition from DENR**, including nutrient parameters from the latest effluent standards



TAKEAWAY AND OUTLOOK



- Expecting **acceleration in 2H** of this year as airlines restart major international routes and aircraft availability improves
- With 3 Regional Airport submissions now with the government, AIC on track to build **first Philippine Airport Platform**



- Unity Digital Infrastructure poised to reach **1,000+ macro towers and over 600+ poles** for small cells by year end



- **Completion of facilities** going as planned, e.g. LIMA Tower 1, The Satellite, The Pods (dormitories)
- Looking to continue **developing new projects** as well as acquiring new ones to expand its portfolio



- Apo Agua gearing up for **full operations by Q4 2023**
- Estate Water aim to complete the hydrogeology or aquifer study covering the expansion areas of Economic Estates

RCBM

Leading in sustainability and innovation

- H1 market contraction but country fundamentals remain promising for a rebound particularly on infrastructure. RCBM capacity and product portfolio is poised to serve the potential growing demands.
- Sustainability is embedded in our operations. RCBM is geared to use AF ranging from 250,000 to 500,000 tons annually.
- H1 2023 contribution to AEV at - PhP0.44B, lower by PhP0.62B vs H1 2022.



Inauguration of the New AF Shredder Platform in Republic Batangas Plant



AboitizLand



THE
VILLAGES
AT LIPA

Review of Business Units

- Food
- Infrastructure
- **Land**
- AEV Financials
- Proposed Acquisition of CCBPI
- Q&A

Aboitiz Land continues to navigate headwinds as of 1H 2023 indicated by its key operational and financial metrics



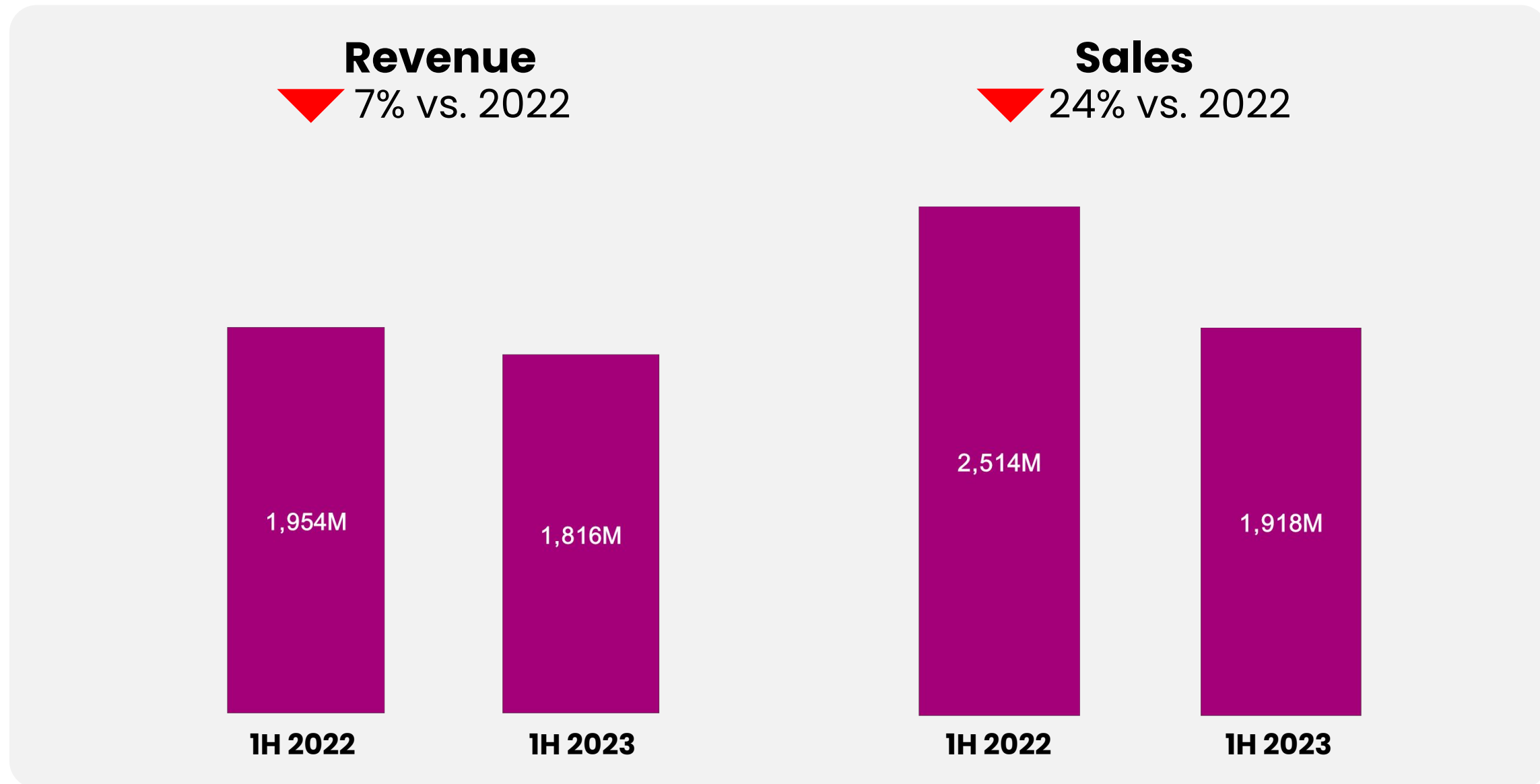
RESIDENTIAL SALES 1H 2023
1,918M  1H 2022
24%

REVENUES 1H 2023
1,816M  1H 2022
7%

GROSS PROFIT 1H 2023
759M  1H 2022
8%

CORE EBITDA 1H 2023
445M  1H 2022
13%

Catch up plans are in motion to meet year-end targets



Driving recovery with expanded horizons and impactful strategies



Sales

- Successful post-pandemic international sales deployments in Dubai and Singapore achieved **421 Mn** in reservation sales
- High booking conversion at **92%**



Marketing Campaigns

- “Phygital” approach to marketing resulting to steady yields in leads generation, currently 6% above target as of 1H
- Land Your Future campaign increasing Lot Only sales by **15%** year-on-year



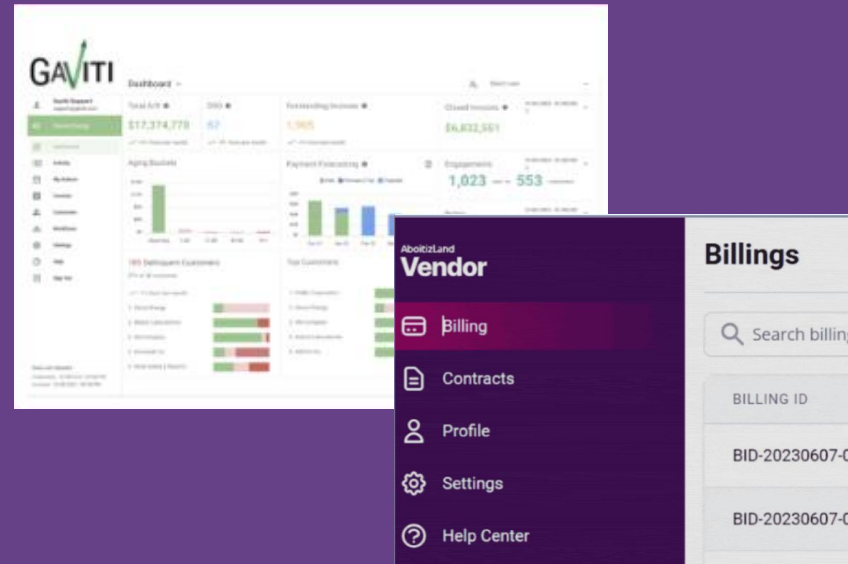
Embracing innovative solutions for business growth



Vecino App Vecino Pay Vecino Properties Vecino Support

OneVecino

- Aboitiz Land's **digital ecosystem** comprising of digital services that guide buyers from pre-purchase to property experience
- Booking efficiency at **16 days**



Finance & Collections

- **VENDOR PORTAL**: enables streamlined payment processing for vendors with **real-time** status monitoring
- **GAVITI**: automated A/R collections solution



Artificial Intelligence Tools

- Utilizing generative AI tools to automate **content creation** in various areas such as instructional videos, marketing collaterals, and project launches materials

New project phases to be launched in 2H 2023



Priveya Hills Phase 5B
Mandaue City, Cebu
Q3 2023



The Strides at LIMA
Lipa and Malvar, Batangas
Q3 2023

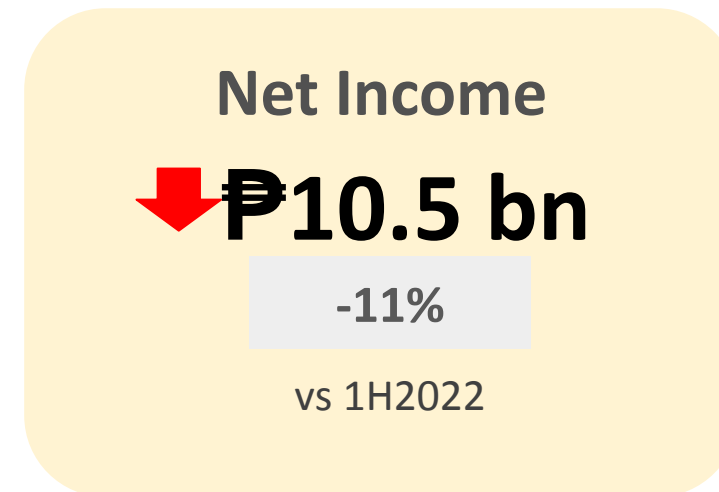
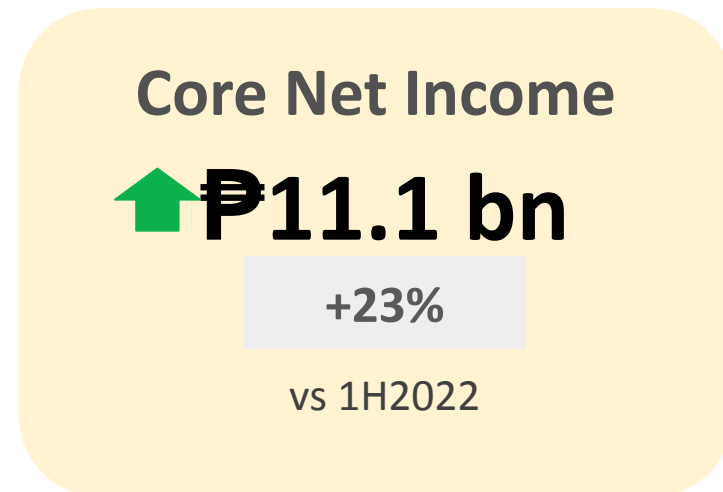
Land SBU Key Takeaways

- **Progressing with Resolve:** Aboitiz Land confronted challenges in 1H 2023, notably construction delays affecting revenues and collections. However, resolute action plans are underway, reinforcing our commitment to catching up and restoring performance on track.
- **Driving Innovation Forward:** Aboitiz Land continues to lead the charge in driving innovation within core operations, exemplified not only by the recent launch of OneVecino but also by the successful implementation of our internal digital solutions that are revolutionizing the way we do our work.
- **Anticipating Promising Phases:** In 2H 2023, we are set to launch a new phase in Priveya Hills (Cebu), and a new product in The Strides at LIMA (Batangas).
- **Positive Outlook on Residential Demand:** Amidst challenges arising from the interest rate environment and surging inflation, Aboitiz Land maintains a confident outlook for Philippine residential demand in 2H 2023. We are seeing a robust, steady demand for our mid market inventory, and the interest rate environment becoming less of an issue to our buyers.

Review of Business Units

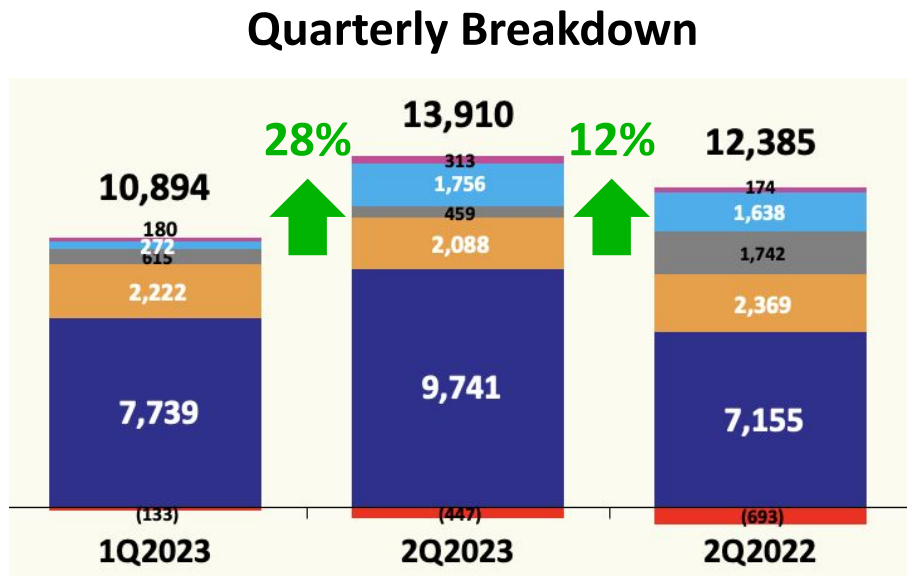
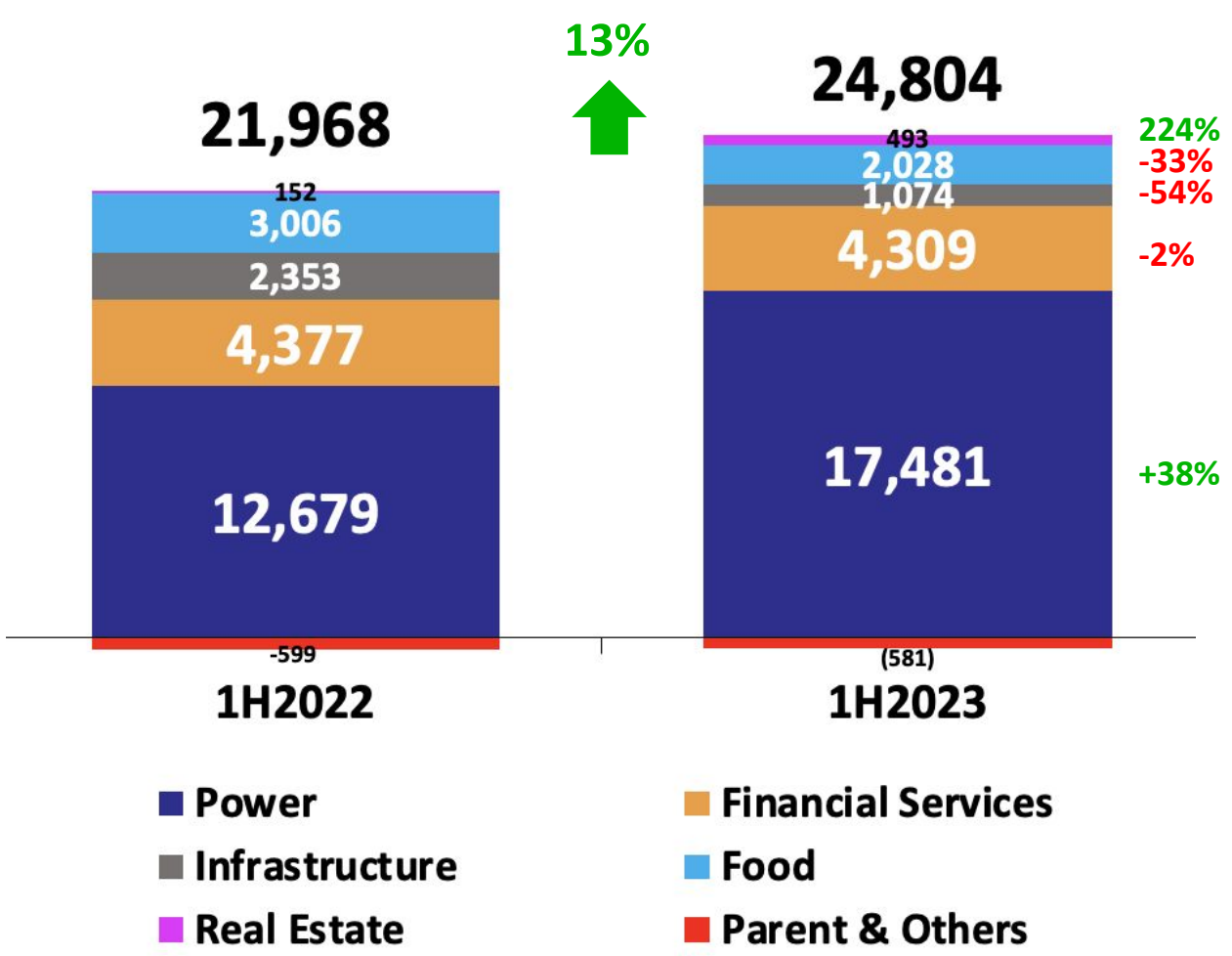
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Revenues up 17% driven by strong performance of AboitizPower



Beneficial EBITDA up by 13%

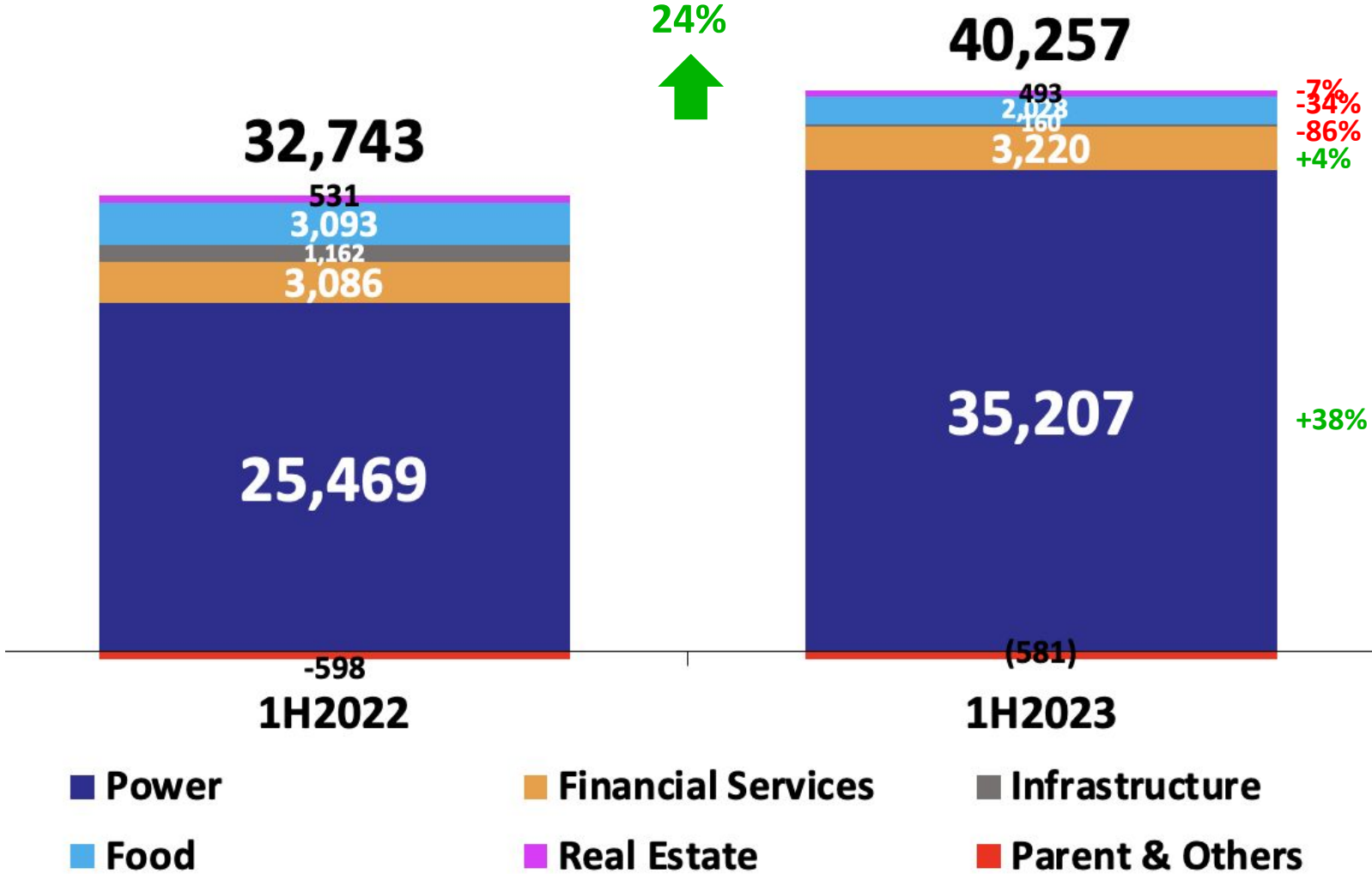
In PHP Millions



- +13% vs LY:
- +22% from Power due to fresh contributions from GNPD and higher plant availability
 - +1% from Real Estate due to higher percentage of completion
 - -4% from Food Group due to lower demand and profit margins
 - -6% from Infrastructure due to lower cement market demand

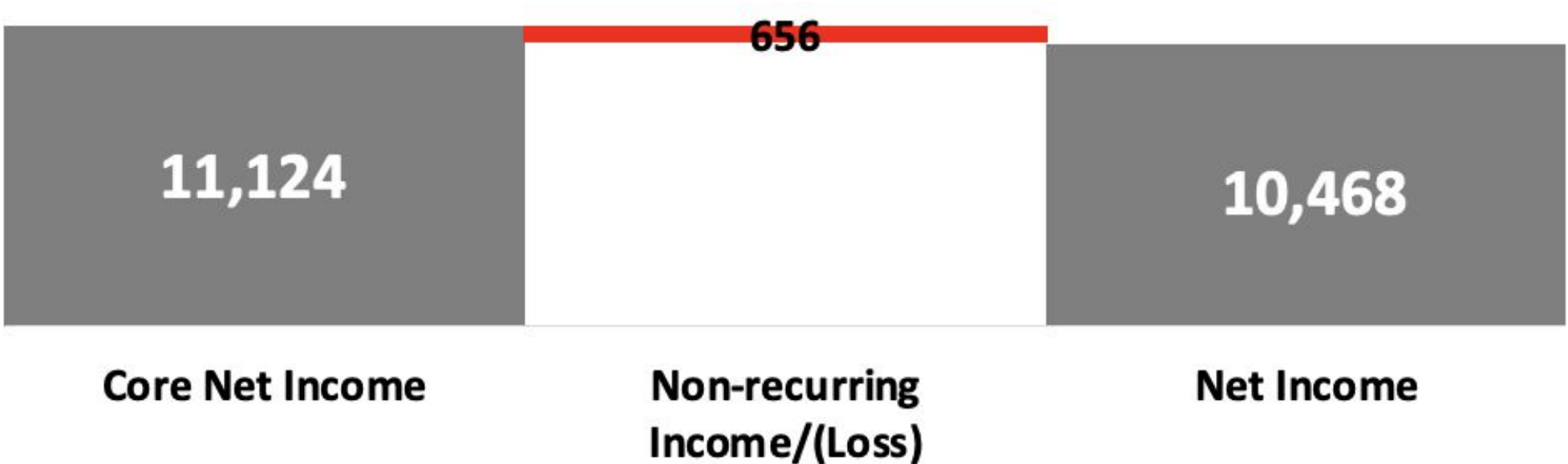
Consolidated EBITDA up by 24%

In PHP Millions



Net Income down by 11%, Core Income up 23%

In PHP Millions

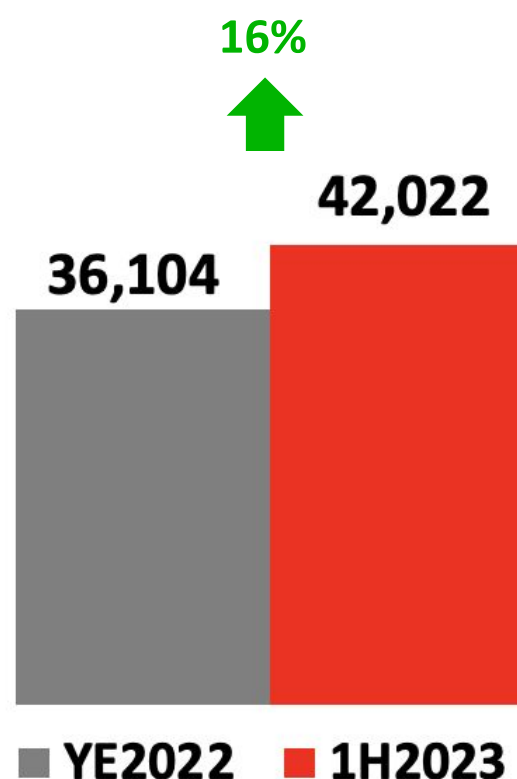


	1H2022	1H2023	Change
Core Net Income	9,070	11,124	23%
Non-recurring Income/(Loss)	2,726	(656)	(3,382)
Net Income	11,796	10,468	-11%
EPS	2.10	1.86	

Balance sheet remains strong, poised for more growth

In PHP Millions, except for ratios

Parent Net Debt



Consolidated Balance Sheet/Key Ratios

	December 31, 2022	June 30, 2023
Cash and Cash Equivalents	128,465	108,098
Total Assets	807,982	810,656
Total Liabilities	457,596	450,791
Total Equity	350,182	359,865
Equity Attributable to Parent	255,144	261,406
Book Value Per Share	45.58	46.50
Current Ratio	1.9x	1.8x
Debt to Equity	1.3x	1.3x
Net Debt to Equity	0.7x	0.7x

ND/E 0.1x 0.2x

*includes AEV international

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aboitiz



Together we are building the Philippines' first **techglomerate**



We may have been operating in the Philippines for over 100 years, but our journey is just beginning



Various Family Companies

1958
Flour-Milling
1975
Real Estate
1978
Hedcor Incorporated

2014
Animal Feeds in Vietnam
(1st Offshore investment)
2015
Cement (AEV-CRH)

2018
Expanded Animal Feeds
Business to Asia Pacific

2023
Coca-Cola
Beverages
Philippines

1800s

1900s

1950

1990

2010

2020



2023



1920
Aboitiz y Compania
Incorporation

1918
Integrated Power

1914-1916
Financial Services



1994
AEV IPO

1992
UBP IPO



2007
AboitizPower IPO



2021
JERA Asia
Partnership

Established
Aboitiz Data
Innovation



2022
Citibank Acquisition



Airport Platform

Strategic Rationale:

Increasing shareholder value by acquiring an iconic and profitable global brand



1



2



3



4



5

Transaction Overview



- Acquiring a minority stake
- EV^[1] of **\$1.8bn** on a debt free cash free basis
- Attractive & growing profitability:
FY22 PBT ~**\$90m**^[2]

Great deal for our shareholders, best use of our cash

Immediately EPS accretive

Enabled by our strong & flexible balance sheet

Modest impact on our leverage

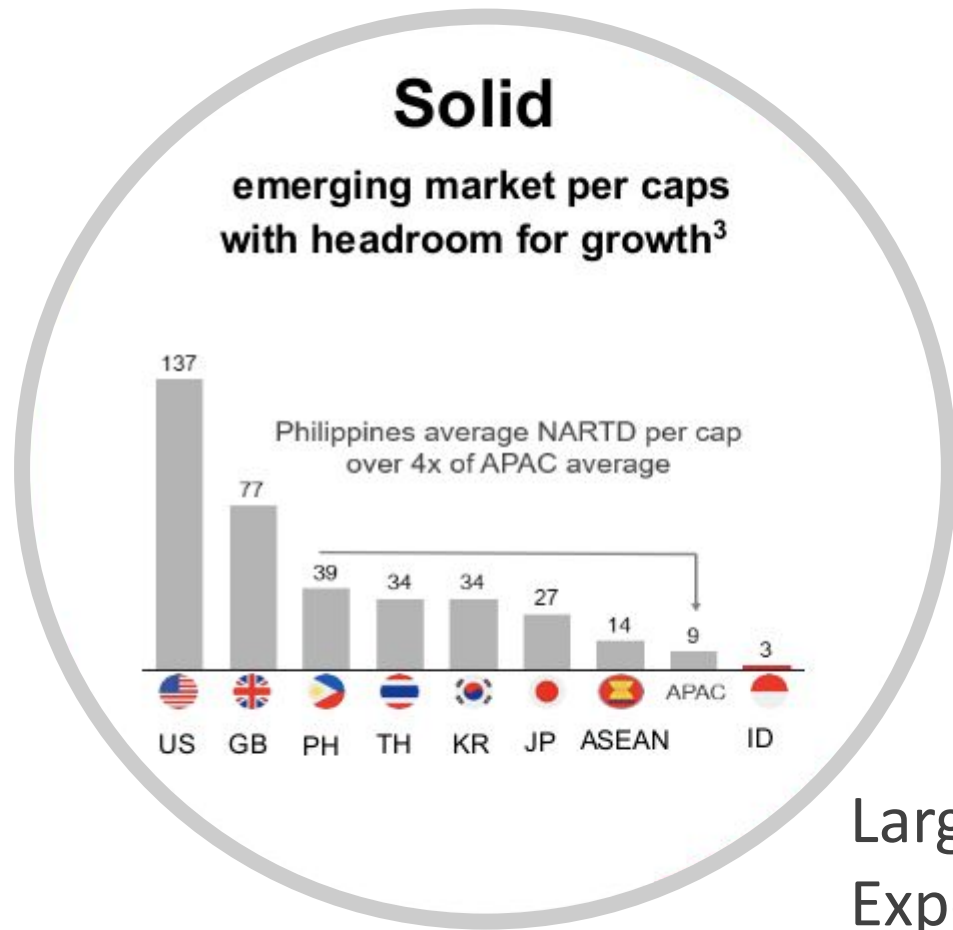
Strong growth plans aligned with TCCC

[1] Enterprise Value

[2] Profit Before Tax is based on CCBPI management information prepared on the basis of US GAAP, average 2022 USD/PHP FX rate of 54.40

Coca-Cola Beverages Philippines

High attractive & growing NARTD category with strong long-term macros



Large market¹ ~\$8bn
Expected to grow² ~10% p.a.



~6%
5-year GDP CAGR⁴

2nd largest
market in South East Asia after Indonesia

~1.5%p.a.
Population growth⁴ & fast-growing middle class

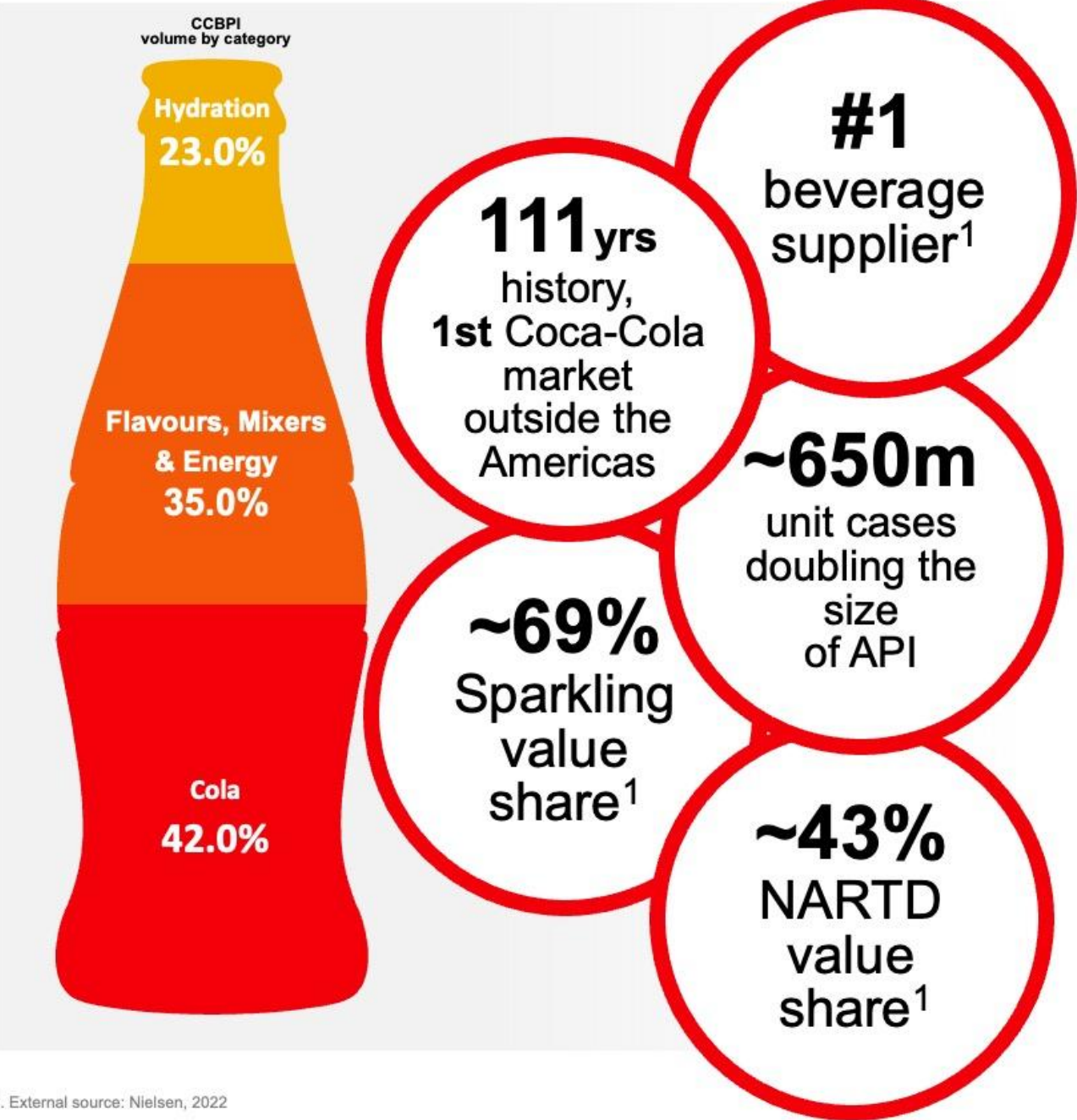
~115m
Population⁴

Established
Sparkling category¹
~55%

1. External source: Euromonitor, 2022; 2. External source: Euromonitor, 2022-2027 CAGR; 3. External source: Euromonitor, 2021 litres per cap; 4. External source: Philippine Statistics Authority

Coca-Cola Beverages Philippines

A Well-Run Business With a Solid Track Record



- Solid financial performance**
- Large supply chain footprint**
19 manufacturing plants
- ~1m** outlets
- ~9k** highly engaged colleagues
- Solid sustainability credentials**

1. External source: Nielsen, 2022

JV Partner - Coca Cola Euro Pacific Partners (CCEP)

- Largest Coca-Cola Bottler in the World

CCEP has a presence in the region and track record for successful expansion:

- ✓ Precursor business formed in 1904
- ✓ One of the world's largest consumer goods companies and the world's largest Coca-Cola bottler by revenue
- ✓ Operates in 29 countries across Western Europe, Australia, the Pacific and Indonesia, with 33,000 employees, serving ~2 million customers and ~600 million consumers
- ✓ Category share of ~27% in NARTD and ~61% in sparkling
- ✓ Listed on 4 stock exchanges

CCEP has a focus on people, culture, innovations and sustainability:

- ✓ Robust people strategy
- ✓ Access to TCCC's second-largest innovation center
- ✓ Clear ambition to be net zero by 2040
- ✓ MSCI ESG AAA Rated

Aboitiz - What We Bring to the Table

- ✓ Publicly listed (~\$5B market cap)
- ✓ Well-respected business with >100 years experience across multiple sectors and with multinationals
- ✓ Solid focus on governance and corporate social responsibility
- ✓ Strong local connections
- ✓ Heightens credibility with local stakeholders
- ✓ Knowledge of local market and cultural dynamics
- ✓ Shared long-term investment mindset with large family ownership

Next Steps



Satisfactory completion of due diligence (well underway)



Transaction subject to regulatory approvals



All parties concluding definitive agreements



Looking to complete the transaction around the end of the year

Updates to be provided in due course

Here are AEV's key takeaways

- ❑ Our first half results showed good growth in our recurring income with CORE NIAT up 23%
- ❑ We have deployed capital in Aboitiz Infra and UnionBank to execute on our consumer market strategy
- ❑ Our investment in Coke's bottling business will further increase our consumer market presence and is expected lift synergies to a different level within the Aboitiz ecosystem

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