



March 5, 2024

via electronic mail

SECURITIES AND EXCHANGE COMMISSION

SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Bel-Air, Makati City

ATTENTION : **DIR. OLIVER O. LEONARDO**
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. ALEXANDRA D. TOM WONG**
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 : **MR. ANTONIO A. NAKPIL**
President and Chief Executive Officer

Gentlemen:

Please see attached the SEC Form 17-C (Current Report) 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)

CONNIE G. CHU

Contact Person

(02) 8 886-2800

Company Telephone Number

1 2 3 1

Month Day Fiscal Year

1 7 - C

FORM TYPE

4th Monday of April

0 4 2 2

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

million during the period, which was mainly attributable to foreign exchange gains arising from the revaluation of US dollar cash and liquid financial instruments, the Company's core net income for the fourth quarter of 2023 was ₱4.8 billion, which was 10% higher year-on-year (YoY). For the relevant period, AEV recorded consolidated earnings before interest, tax, depreciation and amortization (EBITDA) of ₱19.3 billion, which was 12% higher YoY.

Power accounted for 67% of AEV's total net income in 2023, while Financial Services accounted for 18%. Net income contributions from Infrastructure, Food, and Real Estate Strategic Business Units (SBUs) were at 6%, 5%, and 4%, respectively.

"Building on our resilience and steady core performance, we are ready for another exciting phase of growth and innovation. Our acquisition of Coke's bottling operations with our partner Coca Cola European Partners (CCEP) accelerates our diversification into the consumer market. And the recently announced investment of AboitizPower in gas projects with Metro Pacific Investments Corporation (MPIC) and San Miguel Global Power (SMGP) diversifies our energy mix as we transition to cleaner energy. We are confident that 2024 will be a transformative year for AEV and its business units," said Aboitiz Group President and CEO Sabin M. Aboitiz.

Strategic Business Units

Power

Net income contribution of Aboitiz Power Corporation ("AboitizPower") to AEV in 2023 amounted to ₱17.3 billion, 28% higher than the ₱13.5 billion in 2022.

On a stand-alone basis, the core net income of AboitizPower grew by 29% YoY to ₱32.0 billion in 2023, from ₱24.8 billion in 2022. Its reported net income for the full year 2023 was ₱33.1 billion, 27% higher than the ₱26.0 billion in 2022.

AboitizPower's generation and retail supply business recorded an EBITDA of ₱61.3 billion in 2023, 20% higher than the ₱51.2 billion in 2022. This was primarily due to fresh contributions from GNPowerr Dinginin Ltd. Co. and higher availability across AboitizPower's power generation portfolio. Energy volume sold in 2023 increased by 17% to 35,372 gigawatt-hours (GWh), compared to 30,251 GWh in 2022.

For the full year 2023, AboitizPower's distribution business recorded EBITDA of ₱8.7 billion, 8% higher than the ₱8.0 billion in 2022. Energy sales volume increased by 6% to 6,157 GWh in 2023, from 5,785 GWh in 2022. Energy sales to residential customers increased by 8% YoY, while sales to commercial and industrial customers also increased by 6% YoY, primarily due to recoveries in demand in the areas affected by Typhoon Odette and resurgence of energy sold back to pre-pandemic level.

Banking & Financial Services

Net income contribution from Union Bank of the Philippines (“UnionBank”, or “the Bank”) to AEV in 2023 amounted to ₱4.5 billion, 29% lower than the ₱6.3 billion in 2022.

On a stand-alone basis, UnionBank and its subsidiaries reported a net income of ₱9.2 billion in 2023. Net revenues were ₱70.8 billion in 2023, 36% higher YoY. Net income margin increased to 5.5% in 2023, from 4.8% in 2022, primarily due to growth in consumer lending. This translated to net interest income of ₱52.0 billion, which was 34% higher YoY. Non-interest income was ₱18.8 billion, 41% higher YoY, driven by fee-based income, which grew by 54% to ₱10.4 billion. The growth in fees was mainly a result of growing customer transactions such as bills payments, funds transfers, interchange, and other card-related fees.

These were offset by higher credit loss provision in 2023, which more than doubled to ₱14.0 billion, from ₱4.1 billion in 2022, and the 43% YoY growth in operating expenses of ₱44.9 billion in 2023. Higher operating expenses were due to the full-year impact of the costs associated with the integration of Citibank Philippines’ consumer business and UnionDigital Bank, which only became part of Unionbank in the second half of 2022. As such, UnionBank’s consolidated net income in 2023 was 28% lower, at ₱9.1 billion, compared to ₱12.6 billion in 2022.

As of December 31, 2023, UnionBank’s total assets amounted to ₱1.1 trillion, reflecting a 5% increase from December 31, 2022. Net loans and receivables grew by 10% YoY to ₱526.1 billion, while total deposits remained stable at ₱712.6 billion.

Infrastructure

Net income contribution from Aboitiz InfraCapital, Inc. (“AIC”) to AEV in 2023 amounted to ₱2.4 billion, 26% higher than the ₱1.9 billion in 2022. This was the result of higher land sales and lease income from AIC’s Economic Estates and incremental contributions from the airports business segment.

AEV’s share in Republic Cement & Building Materials, Inc.’s (“Republic Cement”) loss in 2023 amounted to ₱789 million, more than double the ₱323 million loss recorded in 2022. This was due to lower sales volume attributed to weak market demand for cement primarily due to higher inflation, delays in the rollout of government projects, and unfavorable weather conditions in the Visayas and Mindanao regions at the beginning of 2023.

Food

Net income contribution from AEV’s food subsidiaries, which include Pilmico Foods Corporation, Pilmico Animal Nutrition Corporation, and Pilmico International Pte. Ltd. (which houses Gold Coin Management Holdings Pte. Ltd.), was ₱1.3 billion in 2023, a reversal from the ₱14 million loss recorded in 2022. This reversal was primarily due to

better margins from its Flour and Agribusiness segments driven by the decrease in raw material costs and better pricing strategy. These gains were partially offset by the lower contributions from the Farms and Meats segments, which was dragged down by the lower selling prices for both live hogs and meats combined with higher production costs pertaining to the carrying costs of underutilized farms.

Real Estate

AEV's real estate businesses, consisting of Aboitiz Land, Inc. ("AboitizLand") and its subsidiaries, reported a consolidated net income of ₱1.0 billion in 2023, 19% higher than the ₱865 million recorded in 2022. This was attributable to higher revenues from higher sales performance and construction activity, coupled with gains from sale of properties.

Financial Condition

As of December 31, 2023, AEVs consolidated assets totaled ₱827.5 billion, 2% higher from year end-2022 level. Cash and cash equivalents was ₱112.3 billion, 11% higher from year end-2022 level of ₱101.5 billion. Consolidated liabilities totaled ₱452.1 billion, 1% lower from the year-end 2022 level of ₱457.6 billion, while equity attributable to equity holders of the parent increased by 7% at ₱272.0 billion from year end-2022 level of ₱255.1 billion. AEV's current ratio as of December 31, 2023 stood at 2.2x 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 5, 2024