

PhilRatings Maintains Highest Credit Rating to AEV's Outstanding Bonds

Philippine Rating Services Corporation (PhilRatings) has maintained an Issue Credit Rating of **PRS Aaa**, with a **Stable Outlook**, to Aboitiz Equity Ventures, Inc.'s (AEV; the Company) total outstanding bonds amounting to ₱34.3 billion.

Obligations rated **PRS Aaa** are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. **PRS Aaa** is the highest rating assigned by PhilRatings. A **Stable Outlook**, on the other hand, indicates that the rating is likely to be maintained or to remain unchanged in the next 12 months.

PhilRatings considered the following key factors in the assignment of the rating and Outlook: a) AEV's experienced shareholders and management, with a strong track record; b) its highly diversified investment portfolio, with recent consolidated results led by the Power segment; c) the Company's healthy cash flows and liquidity; and d) its manageable leverage position.

PhilRatings' ratings are based on available information and projections at the time that the rating review was performed. PhilRatings shall continuously monitor developments relating to AEV and may change the rating and Outlook at any time, should circumstances warrant a change.

AEV is the publicly listed holding and management company of the Aboitiz family. As of September 30, 2025, the Company was 49.27%-owned by Aboitiz & Co., Inc. (ACO), the family's private holding company. ACO traces its roots to the late 1800s and is reportedly the second oldest family-led business group in the Philippines. The fourth- and fifth-generation members of the Aboitiz family hold key board and management positions in AEV, complemented by seasoned non-family executives. The Company is chaired by Mr. Enrique M. Aboitiz, with Mr. Sabin M. Aboitiz serving as President and Chief Executive Officer, and Mr. Jose Emmanuel U. Hilado acting as Chief Financial Officer, Corporate Information Officer, and Chief Risk Officer.

AEV has built a diversified investment portfolio across power, food manufacturing, financial services, infrastructure, and real estate. Within this portfolio, the Power segment has consistently been the largest contributor to recent consolidated results. It generated 65.2% of total revenues in 2024 and 63.5% in the first nine months of 2025 (9M2025). This is supported by AboitizPower's integrated presence across generation, distribution, and retail electricity supply (RES), with its RES business reported as the largest in the Philippines by market share as of end-2024, holding 1,181.98 megawatts (MW) of contracted capacity or 29.3% of the market. Food Manufacturing and Financial Services delivered moderate contributions to recent consolidated results, while Infrastructure and Real Estate segments accounted for a smaller share over these periods.

AEV continued to record strong cash flows from its operations. Operating cash amounted to ₱55.1 billion in 2024, marginally lower by 4.7% than in 2023. In 9M2025, net cash from operating activities amounted to ₱42.9 billion, slightly down by 9.5% year-on-year (YoY) but was augmented by net cash from financing activities of ₱24.2 billion. Net cash used in investing activities jumped to ₱41.2 billion and ₱58.1 billion in 2024 and 9M2025, respectively. The Company ended 2024 with a cash balance of ₱81.8 billion. Cash and cash equivalents subsequently grew by 11.1% to ₱90.8 billion as of end-September 2025, on the back of AEV's continued strong cash generation capacity.

Supported by the Company's cash levels, current ratio remained adequate despite slipping to 1.6x as of end-2024 and 1.3x as of end-September 2025. Satisfactory interest coverage ratios were also kept.

AEV's leverage remained manageable, with debt-to-equity ratio at 1.0x as of end-2024 and 1.2x as of end-September 2025, as additional borrowings were mainly used to fund Aboitiz Power Corporation's acquisition of Chromite Gas Holdings, Inc. through Therma NatGas Power, Inc. Going forward, AEV expects its debt-to-equity ratio to remain manageable.