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CREDIT RATING REPORT

A BROWN COMPANY, INC.

Date: May 4, 2026
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NEW ISSUE CREDIT RATING

Amount	Details	Tenor	Assigned Rating and Outlook
₱3.0 billion, with an Oversubscription Option of up to ₱2.0 billion	First Tranche from the ₱12.0 billion shelf Registration	Series A - 3 years Series B - 5 years	**PRS A plus** **Stable Outlook**

Obligations rated **PRS A plus** have favorable investment attributes and are considered as upper-medium grade obligations. Although these obligations are somewhat more susceptible to the adverse effects of changes in economic conditions, the obligor's capacity to meet its financial commitments on the obligation is still **strong**. The plus sign further qualifies the rating.

A **Stable Outlook** is defined as: "The rating is likely to be maintained and or to remain unchanged in the next 12 months."

Use of proceeds:

- To fund equity subscription requirements for the renewable energy projects undertaken through A Brown Company, Inc.'s (ABCI; the Company) subsidiary, ABC Energy Inc. (ABCEI). This will support initiatives including co-investments in Alternergy Tanay and Alternergy Alabat Wind projects, as well as the pre-development of the Manolo Fortich Solar Project and Misor Wind Project.
- To partially finance development costs for the Company's identified pipeline residential real estate projects
- To fund the optional redemption of the outstanding Series A Preferred Shares amounting to ₱1.34 billion, with an optional redemption date in November 2026.
- To support general corporate purposes, including working capital requirements in the ordinary course of business and refinancing short-term corporate debt aimed at extending debt maturity profile and achieving interest cost savings.

The allocation of the net proceeds is summarized in the table below:

Use of Proceeds	Allocation Base Offer (in ₱ Billion)	Allocation Exercise of Full Oversubscription Option (in ₱ Billion)
Renewable Energy Investments	1.0	1.8
Residential Project Development	0.8	1.2
Redemption of Series A Preferred Shares	1.0	1.32
General Corporate Purposes	0.2	0.68
Total Maximum Proceeds (Gross)	3.0	5.0

RATIONALE

1. **Strong real estate presence in Mindanao, with expansion into Luzon**

A Brown Company, Inc. (ABCI; the Company) is primarily engaged in residential and mixed-use developments, with projects largely concentrated in Mindanao, particularly in Cagayan de Oro City and Initao, Misamis Oriental; Valencia City, Bukidnon; and Butuan City, Agusan del Norte. As of December 31, 2025, the Company has completed a total of 15 estate and housing developments, consisting mostly of horizontal subdivisions. Several developments were implemented in phases under established project brands.

Most of the Company's completed projects are fully sold, with only a limited number of projects carrying remaining inventory. Ongoing developments, meanwhile, continue to register high levels of unit take-up. As of the same period, ABCI has 19 ongoing residential and mixed-use projects, largely consisting of additional phases of its existing developments in Mindanao. The Company also has 10 pipeline projects with a combined land area of 172.8 hectares (ha) and a total of 2,548 units, a portion of which has already been sold.

As of the report writing date, ABCI maintains a land bank of 897.9 ha which are located in Mindanao and Luzon. ABCI expanded into Luzon, particularly in Tanay, Rizal, with projects under the Adelaida brand, as well as pipeline developments such as Trinidad Homes and Epic Leisure Farm.

2. **Experienced management team supporting expansion across real estate, palm oil, and power**

ABCI is led by a management team with experience across real estate, agribusiness, and energy, supported by long tenures within the Company and its related businesses. Mr. Walter Brown, who currently serves as Chairman Emeritus and Director, has extensive experience in the mining, energy, and natural resources sectors and continues to provide strategic direction to the Company and its subsidiaries. His involvement spans several listed and non-listed companies across various industries.

Mr. Robertino Pizarro, Chairman and Chief Executive Officer (CEO), has held various leadership roles, including serving as President for a cumulative period of 23 years, prior to his appointment as CEO. He has been involved in the Company's real estate developments and expansion initiatives across its operating segments. Mr. Pizarro concurrently serves as President of ABCI's subsidiaries, A Brown Energy and

Resources Development, Inc. (ABERDI) and Nakeen Corporation (NC), and is a Director of the Philippine Palmoil Development Council, Inc. (PPDCI).

Mr. Paul Francis Juat, who was appointed President in January 2026, has been part of the Company since 2019 and previously served as Vice President. Prior to joining ABCI, he was a business development analyst in a renewable energy company and served as Assistant to the President and CEO of a mining company. Mr. Juat is also the President of various subsidiaries of the Group, namely, ABCEI, Irradiation Solutions Inc. (ISI), Vires Energy Corporation (VEC), and Northmin Renewables Corporation (NRC).

3. **Sustained recovery in revenues, supported by growing real estate sales, although bottom line fluctuated**

In 2019, ABCI's recorded revenues of ₱1.0 billion, supported by expansions in high-end developments (The Terraces, Ventura Residences, Ignatius Enclave in Xavier Estates and West Highlands Phase 2A) launched in the previous years. Top line decreased by 15.9% to ₱764.0 million in 2020, attributed to lower high-end and economic sales relative to 2019. In 2019 and 2020, ABCI had no new project launches. Total revenues further decreased by 17.8% to ₱710.3 million in 2021, primarily due to lower real estate sales (-17.5% to ₱628.5 million), driven by lower high-end and economic unit sales. The Company also recorded lower sales of agricultural goods (-28.0% to ₱57.0 million), on the back of lower sales volume of crude palm oil.

Starting 2021, the Company launched new projects which mainly focused on further expansion of completed high-end and economic offerings. These launches, in turn, supported revenue expansion from 2022 to 2024. In 2022, the Company posted a 114.0% surge in revenues, lifted by the 119.4% jump in real estate revenues. Real estate revenues grew due to higher sales of high-end and economic units as well as higher percentage of completion. Sale of agricultural goods likewise contributed to the increase, with its more than twofold growth to ₱116.1 million, spurred by higher volume sold and higher selling price of crude palm oil. Beginning 2022, top line increased by a compound annual growth rate (CAGR) of 9.1% to ₱1.8 billion in 2024. Top line growth was mainly driven by higher real estate sales, given increased demand for house and lot properties and higher completion rates. Sale of agricultural goods as well as water and other service revenues marginally contributed to the uptick

Bottom line grew from ₱294.1 million in 2020 to ₱635.5 million in 2022. Net income notably grew by 35.2% in 2021 despite lower revenues and surged by 59.9% in 2022, bolstered by higher earnings contributions from energy associates, Peakpower Energy, Inc. (PEI) and Palm Concepcion Power Corporation (PCPC). Net profit margins (NPM) remained robust, increasing from 34.0% in 2020 to 41.8% in 2022. Return on average assets (ROAA) improved from 4.7% in 2020 to 6.8% in 2022, while return on average equity (ROAE) increased from 7.1% to 10.1%.

In 2023 and 2024, net income went down by 14.0% and 38.9%, from ₱546.5 million in 2023 to ₱334.1 million, primarily attributable to lower equity earnings of associates. NPM likewise fell from 33.6% in 2023 to 18.5% in 2024. ROAA and ROAE were also lower at 2.6% and 4.3%, respectively.

In 2025, the Company's revenues and earnings improved. Consolidated revenues went up by 4.6% to ₱1.9 billion, supported by higher revenues across all operating segments. Bottom line more than doubled to ₱866.7 million in 2025, substantially lifted by the growth in other income. Higher earnings for the year translated to a notably higher NPM of 45.8%. ROAA and ROAE also improved to 5.7% and 9.9%, respectively. Excluding non-recurring items (₱1.8 billion gain on sale of PCPC shares, ₱348.3 million capital gains tax, and ₱854.7 million impairment loss), net income would have been lower at ₱227.1 million in 2025. NPM will likewise decrease to 14.2%, while ROAA will inch down to 1.5% and ROAE will slightly decrease to 2.6%.

While ABCI has limited recurring income from its real estate operations, it is to be noted that the Company's equity in net earnings of energy subsidiaries consistently provided additional income.

4. Ample liquidity and conservative capital structure

The Company's current ratio remained at a minimum of 2.0x since 2020. In 2020, cash used in financing activities amounted to ₱50.4 million before reversing to a high net cash inflow of ₱1.4 billion in 2021. Financing cash inflow then decreased to ₱39.4 million in 2022 and further to ₱599.7 million in 2023, before ballooning to ₱1.6 billion in 2024. It is to be noted that in both 2021 and 2024, the Company issued preferred shares to raise additional capital. As a result of the foregoing, ABCI's ending cash balance grew by 193.1%, albeit fluctuating, from ₱231.3 million as of end-2020 to ₱678.0 million as of end-2024. Current ratio stood at 2.5x as of end-2020 and inched down to 2.1x as of end-2024.

In 2025, cash mainly came from investing activities, primarily from the ₱3.2 billion cash proceeds from the sale of ABCI's equity stake in PCPC[1]. Net cash used in financing activities amounted to ₱352.2 million in 2025, a reversal from the cash inflow recorded in the previous year. The movement was mainly due to the absence of the proceeds from the issuance of preferred shares in the prior year, coupled by the additional cash spent on debt servicing and the acquisition of treasury shares. Year-end cash balance increased to ₱1.1 billion as of end-2025. Current ratio further improved to 2.3x as of the same period.

The Company maintained a conservative leverage position, with debt-to-equity ratio remaining at 0.3x from as of end-2020 to as of end-2022. This had marginally increased to 0.4x as of end-2023 and continued at this level until end-2025. Total debt increased by a CAGR of 23.4% from ₱1.2 billion as of end-2020 to ₱3.5 billion as of end-2025. Of the total debt as of end-2025, 41.3% or ₱1.5 billion was classified as current and 58.7% or ₱2.1 billion was considered noncurrent. On the other hand, total equity grew at a slower CAGR of 16.4% to ₱9.1 billion as of end-2025. The increase in total equity was mainly attributed to the Company's continued plowback of earnings. In relation to the preferred shares issued in 2021 and 2024, recomputed debt-to-equity ratios were higher at 0.6x as of end-2021 (from 0.3x) and 1.1x as of end-2024 (from 0.4x).

[1] ABCI previously had a 20% ownership in PCPC. PCPC is engaged in power generation and operator of a 270-megawatt (MW) coal-fired power plant in Panay Island. According to their annual report, the divestment was undertaken in July 2025 to enable the Company to access additional capital, strengthen its core business segments, accelerate green energy initiatives, and reduce debt levels.

ABCEI completed the sale of its investment in PCPC for a total consideration of ₱3.2 billion. This resulted in the derecognition of the related carrying amount of ₱1.4 billion and the recognition of a gain from the sale arising from the ₱1.8 billion gain on the shares sold. Total capital gains tax paid on the sale amounted to ₱348.3 million.

BUSINESS REVIEW

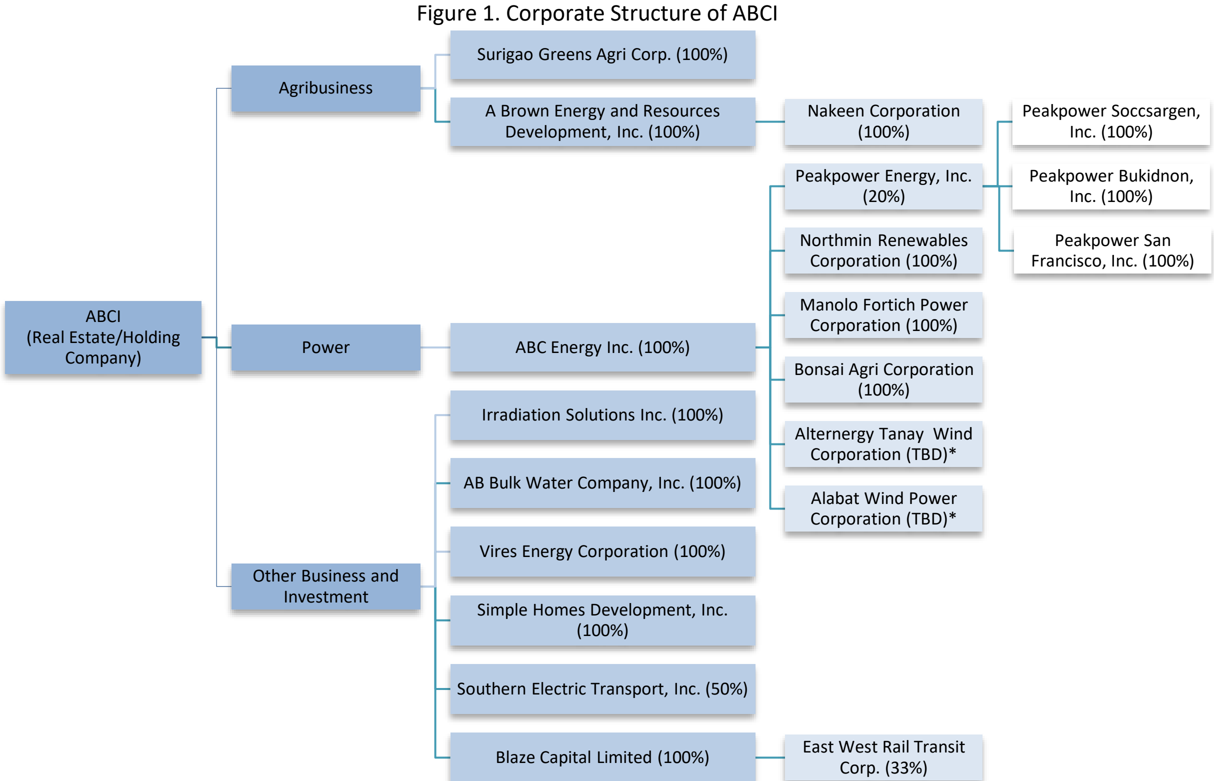
Company Background

ABCI was originally incorporated with the Securities and Exchange Commission (SEC) on December 21, 1966, under the name Bendana, Brown, Pizarro & Associates, Inc., and was later renamed Epic Holdings Corporation in October 1992. In June 1993, the SEC approved the plan of merger between Brown Chemical Corporation and Brown Chemical Sales Corporation into Epic Holdings Corporation as the surviving entity. The merged company adopted its current corporate name in July 1993 and was listed on the Philippine Stock Exchange (PSE) in February 1994, and became the holding company of the Brown Group of Companies.

The Company is primarily engaged in real estate development, with residential and mixed-use projects located in Cagayan de Oro City and Initao, Misamis Oriental; Valencia City, Bukidnon; Butuan City, Agusan del Norte; and Cainta and Tanay, Rizal. Through its subsidiaries, the Company has also ventured into palm oil milling, power generation, and holdings of other investments.

Figure 1 presents the ownership structure of the Company and its major operating subsidiaries and associates as of end-2025.

Figure 1. Corporate Structure of ABCI



*Ownership stakes are to be disclosed (TBD). As of December 2025, Alternergy Holdings Corporation (ALTER) and ABCEI signed the partnership in October 2025 subject to regulatory review and approval by the Philippine Competition Commission (PCC). In December 2025, application to PCC was submitted.

Operations

Real estate remains the core business of ABCI, consistently accounting for the bulk of its revenues, representing an average of 87.7% of total revenues from 2020 to 2025. Real estate sales grew at a compound annual growth rate (CAGR) of 16.0%, increasing from ₱761.5 million in 2020 to ₱1.6 billion in 2025. The sale of agricultural goods, which pertains to palm oil operations, was the second-largest revenue contributor, accounting for an average of 10.2% of total revenues over the same period. Revenues from agricultural goods increased from ₱79.1 million in 2020 to ₱259.3 million in 2025, equivalent to a CAGR of 27.0%. Water and other services, meanwhile, accounted for an average of 2.1% of total revenues. Revenues from this segment grew at a CAGR of 5.5%, from ₱23.4 million in 2020 to ₱30.7 million in 2025. Overall, total revenues were generally on an uptrend, increasing from ₱864.0 million in 2020 to ₱1.9 billion in 2025, and posting a CAGR of 17.0%.

Table 1A. Revenue Contribution per Segment

Amounts in PHP Millions	2020	2021	2022	2023	2024	2025	Average % to Total
Real estate sales	761.5	628.5	1,378.7	1,454.8	1,528.0	1,601.0	87.7%
Sale of agricultural goods	79.1	57.0	116.1	142.6	250.6	259.3	10.2%
Water and other services	23.4	24.8	25.3	27.4	29.5	30.7	2.1%
TOTAL	**864.0**	**710.3**	**1,520.2**	**1,624.8**	**1,808.0**	**1,891.0**	**100.0%**

While ABCI has limited recurring income from its real estate operations, the Company's equity in the net earnings of associates has consistently provided additional income. ABCI's equity investments in its operating associates: power (PEI and PCPC) and construction (East West Rail Transit Corporation or EWRTC), entitle the Company to a portion of the associates' annual net income or loss.

Table 1B. Income from Net Earnings of Associates

Amounts in PHP Millions	2020	2021	2022	2023	2024	2025
Equity in net earnings of associates	175.9	273.5	316.4	339.9	140.9	240.6
PCPC (20%)	*61.8*	*147.0*	*185.6*	*217.5*	*65.7*	*167.4**
PEI (20%)	*114.2*	*126.7*	*130.9*	*122.5*	*75.3*	*73.3*
EWRTC (33.3%)	*(0.1)*	*(0.2)*	*(0.1)*	*(0.1)*	*(0.1)*	*(0.1)*
% to Net Income	**59.8%**	**68.8%**	**49.8%**	**62.2%**	**42.2%**	**27.8%**

*Share in net earnings is for the seven months ended July 31, 2025.

Share in equity earnings grew, although dipped in 2024, by 36.8% from ₱175.9 million in 2020 to ₱240.6 million in 2025. Its share was significant to ABCI's bottom line, peaking at 68.8% in 2021. There was a notable decline in the recognized equity in net earnings of associates in 2024, mainly attributed to PCPC's lower net income due to plant breakdown from March 2024 to August 2024. On the other hand, the subsequent net loss of EWRTC since 2020 was due to the non-moving status of the proposed railway project in coordination with the national government. In July 2025, ABCI fully divested its shares in PCPC, mainly to focus on green energy initiatives. Consequently, ABCI recognized a share in PCPC's net income equivalent to seven months from January to July 2025. Moreover, in 2025, the consortium (including EWRTC) decided to abandon the plans and developments related to the railway project. ABCI, in turn, recorded an impairment loss equivalent to the full carrying amount of its investment in EWRTC. As of December 31, 2025, the Investments in Associates account carried ABCI's remaining investment in PEI amounting to ₱434.5 million, after the divestment of PCPC and the total impairment on the investment in EWRTC.

Real Estate

Completed Projects

ABCI has completed a total of 15 estate and housing developments, primarily located in Mindanao and some developments in Luzon, specifically in Rizal. Several of these completed developments fall under the same project brand and were implemented in multiple phases. Notably, Xavier Estates accounts for a significant portion of the Company's completed portfolio. The completed projects cover a mix of high-end, economic, and socialized housing, with high-end accounting for 77.4% of total sales. This is followed by economic at 20.4% and socialized at 2.2%.

Table 2. Details of Completed Projects

Project	Location	Type	Area (sqm)	No. of units	Year Completed
Xavier Estates - Phase 1	Cagayan de Oro City	High-end	445,697	731	1998
Xavier Estates - Phase 2	Cagayan de Oro City	High-end	321,318	630	2004
Xavier Estates - Phase 3	Cagayan de Oro City	High-end	86.984	115	2004
Xavier Estates - Phase 4	Cagayan de Oro City	High-end	407,097	1,110	2011
Xavier Estates Phase 5A – Ventura Residences	Cagayan de Oro City	Economic	90,957	121	2011
Xavier Estates Phase 5A – Ventura Lane	Cagayan de Oro City	Economic	8,898	30	2013
Xavier Estates Phase 5A – Ventura B&C	Cagayan de Oro City	Economic	86,663	148	2017
Xavierville Homes	Cagayan de Oro City	Economic	48,396	131	2008
Teakwood Hills – Phase 2	Cagayan de Oro City	High-end	52,675	59	2013
Saint Therese Subdivision	Cagayan de Oro City	Socialized	16,720	155	2013
Mountain View Homes - Phase 1	Cagayan de Oro City	Socialized	23,180	217	2015
Coral Resort Estates Phase 1A	Initao, Misamis Oriental	High-end	25,300	42	2016
Coral Resort Estates Phase 1B	Initao, Misamis Oriental	High-end	28,780	40	2016
Valencia Estates	Valencia City	High-end	117,244	348	2010
East Cove Village	Cainta, Rizal	Economic	26,383	139	2009

Analysts' Note: Projects that have been issued a Certificate of Completion.

Xavier Estates

Xavier Estates is the prime real estate development of ABCI, located along Fr. Masterson Avenue, Upper Balulang, Cagayan de Oro City. The development has been implemented in multiple phases over several years and consists primarily of horizontal residential subdivisions catering to the high-end, middle-market, and economic segments, with selected house-and-lot developments integrated into later phases. The earlier completed phases of Xavier Estates include Phases 1 to 4, which were completed between 1998 and 2011 and collectively comprise 1.3 million square meters (sqm) of land area with 2,586 units. These phases established Xavier Estates as a large-scale residential community within Cagayan de Oro City, supported by internal road networks, centralized utilities, open spaces, and proximity to educational institutions and commercial establishments.

Subsequent developments within the Xavier Estates brand include Ventura Residences and Ventura Lane, which expanded the product offering to include middle-market house-and-lot packages and prime residential lots. These projects were developed within or adjacent to the original estate and cater to a broader range of buyers, while maintaining integration with the larger Xavier Estates community. More recent ongoing developments under the Xavier Estates brand include Ignatius Enclave and Ignatius Enclave Phase 2, Ventura Residences II (Phase 5B), and The Terraces, which feature a mix of single-detached house-and-lot units and residential lots. As of December 31, 2025, these phases were fully sold.

Xavierville Homes

Xavierville Homes is an economic housing development located adjacent to Xavier Estates in Cagayan de Oro City. Developed under Batas Pambansa Blg. 220,[2] the project consists of 131 lots delivered in two phases and caters to the economic housing segment.

Teakwood

The Teakwood brand covers both high-end and economic residential developments in Cagayan de Oro City. Teakwood Hills is a high-end residential subdivision located in Barangay Agusan. Such is situated on elevated terrain overlooking Macajalar Bay and was developed as a gated residential estate intended for the high-end housing market. Completed development under the Teakwood Hills brand includes Teakwood Hills Phase 2, which was completed in 2013 and comprised of 59 residential units. As of December 31, 2025, a majority of these units have been sold.

Further expansion of the Teakwood Hills estate was undertaken through Phases 1 and 3, both forming part of the same residential community. Phase 1 will add 484 high-end residential lots and is 81.0% complete as of December 31, 2025, with a significant portion of units already sold. Phase 3, occupying approximately three ha in the northern portion of the estate, offers 42 residential lots with sizes ranging from 180 to 316 sqm, all of which have been sold.

Complementing the Teakwood Hills development is Teakwood Crest Subdivision, an economic housing subdivision being developed under the same brand. Teakwood Crest is located about one kilometer (km) from Teakwood Hills and is classified under open market housing. The project will have a minimum 150-sqm lot cut, covering a total area of 3.7 ha. As of December 31, 2025, Teakwood Crest was 86.0% complete, with most units already sold.

Saint Therese Subdivision

Saint Therese Subdivision is a socialized housing project located in Mid-Balulang, Cagayan de Oro City. The completed development covers 1.67 ha with 155 lots, composed of row houses, duplexes, and single-attached units.

Mountain View Homes

Mountain View Homes is another socialized housing project located in Mid-Balulang, Cagayan de Oro City. Phase 1, completed in 2015, consists of 216 house-and-lot units, while Phase 2, completed in 2016, added 83 units. Both phases include row house units with lot areas of 50 sqm and floor areas of 26 sqm, as well as single-detached economic housing units with lot areas ranging from 75 to 143 sqm and floor areas of 36 to 38 sqm.

[2] Batas Pambansa Blg. 220 establishes the standards and technical requirements for the development of economic and socialized housing projects in the Philippines.

Coral Resort Estates

Coral Resort Estates is a mixed-use residential resort development located in Barangay Pagahan, Initao, Misamis Oriental, situated between Cagayan de Oro City and Iligan City and is 27 km from Laguindingan International Airport. The initial completed development included Phase 1A and Phase 1B, which collectively comprise 82 residential lots.

The estate was further expanded through Phase 2 and Phase 3, which added 97 and 69 lots, respectively, with lot sizes generally ranging from 180 sqm to 398 sqm. As of December 31, 2025, Phase 2 achieved a high level of sales, while Phase has recorded moderate sales take-up.

Valencia Estates

Valencia Estates is a residential subdivision located in Barangay Lumbo, Valencia City, Bukidnon. The project was launched in October 2008 and completed in 2010. It covers approximately 11.7 ha and comprised of 348 residential units, with lot sizes generally ranging from 150 sqm to 293 sqm, primarily catering to the high-end residential segment. As of December 31, 2025, a substantial portion of these units have been sold.

East Cove Village

East Cove Village is an economic housing development located in Barangay Sto. Domingo, Cainta, Rizal, near Ortigas Extension and adjacent to Robinsons shopping center. The project covers 2.6 ha and includes 139 residential lots. Such was opened to the market in 2005 and was fully sold within two years, with completion certified in 2009.

Ongoing Projects

As of December 31, 2025, ABCI has 19 ongoing residential and mixed-use projects at various stages of development. These projects largely consist of succeeding phases and expansions of the Company’s established real estate brands. The ongoing projects span different housing segments, with construction progress and unit take-up varying across projects.

Table 3. Ongoing Projects

Project	Location	Type	Area (sqm)	No. of units	Date Started
Teakwood Hills – Phase 1	Cagayan de Oro City	High-end	400,036	484	Nov-26
Teakwood Hills – Phase 3	Cagayan de Oro City	High-end	21,512	42	Oct-21
Teakwood Crest	Cagayan de Oro City	Economic	76,600	210	Mar-23
Mountain View Homes – Phase 2	Cagayan de Oro City	Economic	12,875	83	Feb-21
Adelaida Park Residences	Cagayan de Oro City	Economic	43,672	215	Jun-16
Mangoville	Cagayan de Oro City	Economic	35,834	235	Sep-17
The Terraces	Cagayan de Oro City	High-end	28,763	38	Mar-18
Xavier Estates Phase 5B – Ventura Residences II	Cagayan de Oro City	High-end	20,852	74	Mar-18
Xavier Estates Phase 6 – Ignatius Enclave	Cagayan de Oro City	High-end	90,573	250	Mar-18
Xavier Estates Phase 6 – Ignatius Enclave 2	Cagayan de Oro City	High-end	59,388	126	Mar-21
West Highlands – Phase 1	Butuan City	High-end	259,325	322	Nov-12
West Highlands – Phase 2A	Butuan City	High-end	84,698	156	Oct-17
West Highlands – Phase 2B	Butuan City	High-end	15,237	176	Feb-23
Adelaida Meadow Residences	Bancasi, Butuan	High-end	97,262	286	Oct-21
Coral Resort Phase 2	Initao, Misamis Oriental	High-end	42,215	97	Jan-21
Coral Resort Phase 3	Initao, Misamis Oriental	High-end	16,772	69	Jan-22
Mountain Pines Farm 2	Manolo Fortich, Bukidnon	Farm Lots	200,737	123	Nov-21
Adelaida Homes	Tanay, Rizal	Economic	7,152	137	May-21
Adelaida Mountain Residences – Phase 1	Tanay, Rizal	Economic	49,153	191	Jul-21

Analysts' Note: Projects that have received a License to Sell (LTS) but have not yet obtained a Certificate of Completion.

West Highlands

West Highlands is a high-end residential estate located in Barangay Bonbon, Butuan City, Agusan del Norte. West Highlands Phase 1 occupies 25.9 ha of elevated land and comprises 322 residential lots, with nearly all units already sold as of December 31, 2025. The development was further expanded through West Highlands Phase 2A and Phase 2B, which form part of the same residential estate and include additional residential lots. West Highlands Phase 2A was launched in October 2017 and offers 156 residential lots, with a similarly high level of sales take-up as of December 31, 2025. Phase 2B, on the other hand, consists of 176 lots, with sizes ranging from 120 sqm to 472 sqm. As of the same period, Phase 2B recorded a substantial level of sales.

Adelaida

The Adelaida brand comprises several residential developments across Cagayan de Oro City, Tanay, Rizal, and Butuan City, covering socialized, economic, and high-end housing segments. Adelaida Park Residences, located in the area below Xavier Estates, is a socialized and economic housing project consisting of 215 house-and-lot units, with lot areas ranging from 90 sqm to 161 sqm, all of which have been sold. The project was 97.7% complete as of December 31, 2025.

Adelaida Homes, located in Barangay Sampaloc, Tanay, Rizal, represents ABCI's first socialized housing project in Luzon and comprises 137 house-and-lot units with lot areas starting at 40 sqm.

Also located in Tanay, Rizal, Adelaida Mountain Residences is an economic residential development. The project comprises 191 units with lot sizes ranging from 252 sqm to 834 sqm and was 99.9% complete as of December 31, 2025. As of the same date, nearly all units already sold.

Adelaida Meadow Residences, located in Bancasi, Butuan, is a high-end residential development consisting of 286 house-and-lot units, generally offered on 120 sqm lots. The project was 77.6% complete, with strong sales take-up as of December 31, 2025.

Mangoville

Mangoville is a socialized housing project located in Barangay Agusan, Cagayan de Oro City. The project covers 3.6 ha and includes 235 duplex housing units. It was 98.1% complete, with all units sold as of December 31, 2025.

Mountain Pines Farm 2

Mountain Pines Farm 2 is a residential farm-lot development located in Manolo Fortich, Bukidnon. The project caters to the farm-lot market segment and comprises 123 lots within a development area of 200,737 sqm. Lot sizes are significantly larger compared to traditional residential subdivisions, with lot cuts reaching up to 1,600 sqm. As of December 31, 2025, the project is 99.8% done, with strong sales take-up.

Pipeline Projects

The Company's projects in the pipeline span high-end, economic, and socialized housing segments and include both horizontal and vertical developments, as well as farm-lot estates and commercial projects. Several of these projects are succeeding phases or new developments in areas where ABCI already has an operating presence. The implementation of the projects are scheduled to commence from 2026 onwards. The pipeline includes 10 projects with a combined land area of 172.8 ha and a total of 2,548 units, a portion of which have already been sold as of end-December 2025.

Operating Segments

Table 5. Sales per Market

Amounts in PHP Billions	2020	2021	2022	2023	2024	2025	Average % to Total
High End	0.69	0.58	0.76	0.91	1.06	1.12	77.4%
Economic	0.07	0.05	0.26	0.44	0.32	0.44	20.4%
Socialized	0.01	0.00	0.07	0.02	0.02	0.04	2.2%
TOTAL	**0.76**	**0.63**	**1.09**	**1.37**	**1.40**	**1.60**	**100.0%**

Sales from the high-end market accounted for the majority of ABCI's real estate revenues, representing an average of 77.4% of total sales from 2020 to 2025. High-end sales increased from ₱687.1 million in 2020 to ₱1.1 billion in 2025, posting a CAGR of 10.2%. Such is driven by sustained demand across the Company's established developments.

Economic housing segment was the second largest contributor, accounting for an average of 20.4% of total sales over the same period. Sales from this segment rose by a CAGR of 45.6%, from ₱67.4 million in 2020 to ₱441.5 million in 2025. Socialized housing, meanwhile, contributed a smaller portion, with an average share of 2.2% of total sales from 2020 to 2025. Sales increased from ₱7.0 million in 2020 to ₱42.3 million in 2025, equivalent to a CAGR of 43.2%, attributable to the completion and take-up of socialized housing projects.

Customers

ABCI's customer base is primarily composed of individuals across various age groups, educational backgrounds, and employment classifications.

Over the last three years, buyers aged 36 to 45 years old accounted for the largest share, comprising 39% in 2023, 32% in 2024, and 41% in 2025. This was followed by customers aged 46 years and above, which represented 37% in 2023, 36% in 2024, and 39% in 2025. The 20 to 35 years old segment, meanwhile, accounted for 24% in 2023, increased to 32% in 2024, and declined to 20% in 2025.

In terms of educational background, ABCI's buyers are predominantly college graduates and licensed professionals, accounting for 93% in 2023 and 2024, and increased to 95% in 2025.

By employment classification, businessmen accounted for 30% in 2023, 31% in 2024, and 40% in 2025, representing the largest segment in 2025. Professionals comprised 34% in both 2023 and 2024, declining to 23% in 2025. Overseas Filipinos (OFs) remained a notable segment, with shares of 26%, 28%, and 30% over the same period. Government employees accounted for a smaller portion, from 6% in 2023 to 3% in 2025. Other customer segments include those married to foreigners, which accounted for 3% in 2023, 2% in 2024, and 4% in 2025, as well as a minimal share from retirees.

Land Bank

As of the report writing date, ABCI has a total land bank of 897.9 ha. Mindanao accounts for bulk of the total, mainly located in Misamis Oriental, Agusan del Norte, and Bukidnon. The Company also has land bank in Luzon, largely concentrated in Tanay and Binangonan, Rizal, with smaller parcels in Laguna, Batangas, and Quezon City.

<u>Agribusiness</u>

ABCI's agribusiness segment mainly pertains to its palm oil operations, which are undertaken through its wholly owned subsidiaries, Surigao Greens Agri Corp. (SGAC) and ABERDI.

SGAC

Incorporated in February 2023, SGAC operates a palm oil milling plant in Tambis, Barobo, Surigao del Sur, with a rated capacity of six metric tons (MT) per hour. The facility sources fresh fruit bunches from plantations in Surigao del Sur and nearby provinces. In 2024, SGAC processed 22,334 MT of fresh fruit bunches, higher than the 14,565 MT processed in 2023. Crude palm oil output reached 4,310 MT in 2024, with an oil extraction rate of 19.30%, compared with 2,774 MT and an oil extraction rate of 19.04% in the prior year. Sales are made to domestic palm oil buyers, with revenues concentrated among a limited number of regular customers.

ABERDI

ABERDI is a 100%-owned subsidiary of ABCI and has been involved in palm oil–related activities since 2002. ABERDI owns palm oil processing assets located in Impasugong, Bukidnon, consisting of a crude palm oil (CPO) mill with a rated capacity of 10 MT per hour and a refinery with a capacity of 40 tons per day. As of the report writing date, ABERDI's Bukidnon facilities are non-operating and remain under care and maintenance. The assets are being preserved to maintain condition and asset quality, with no set timeline for reactivation, while remaining available for potential future reactivation or partnership.

Power

ABCEI

ABCEI is a 100%-owned subsidiary of ABCI and serves as its energy holding company. ABCEI holds and manages the Company's power-related investments across operating power assets and renewable energy projects at various stages of development.

Originally incorporated as Palm Thermal Consolidated Holdings Corp. in November 2010, the entity initially held a 20% equity interest in Palm Concepcion Power Corporation (PCPC), a coal-fired power plant in Panay Island. In July 2025, ABCEI divested its stake in PCPC, monetizing a mature asset and redeploying capital toward renewable energy investments. Subsequently, ABCI consolidated its energy assets under ABCEI in September 2025.

As of the report writing date, ABCEI's portfolio consists of operating power assets, renewable energy subsidiaries, and investments under development, as shown in Table 6.

Table 6. Subsidiaries and Affiliates

Company	Ownership	Project Sites	Total Capacity (MW)	Technology	Status
Peakpower Energy Inc. (PEI)	20%	General Santos City; San Francisco, Agusan del Sur; Manolo Fortich, Bukidnon	55	Diesel	Operating
NRC	100%	Misamis Oriental; Bukidnon	336	Onshore wind	Pre-development
Manolo Fortich Power Corporation (MFPC)	100%	Manolo Fortich, Bukidnon	180	Solar	Pre-development
Bonsai Agri Corporation (BAC)	100%	TBD	TBD	TBD	Pending
Alterenergy Tanay Wind Corporation (ATWC)	TBD	Tanay, Rizal	128	Onshore wind	Under construction
Alabat Wind Power Corporation (AWPC)	TBD	Alabat Island, Quezon Province	64	Onshore wind	Under construction

PEI, incorporated in 2013, operates diesel-fired peaking power plants located in Mindanao. These projects are implemented through its subsidiaries under Build-Operate-Maintain-and-Transfer arrangements and supply peaking power to distribution utilities and electric cooperatives.

NRC, formerly Hydro Link Projects Corporation, is managing wind energy projects in Bukidnon and Misamis Oriental, namely the Bukidnon Wind Project and the Misor Wind Project. NRC is currently undertaking pre-development activities for both projects in line with the approved Department of Energy (DOE) work program.

MFPC, established in March 2025, is engaged in the development of the Manolo Fortich Solar Project in Bukidnon and related power generation activities.

BAC is a clean special purpose vehicle. The entity is intended to be repurposed into Bonsai Energy Corp., positioning it to pursue opportunities in the energy sector as they arise.

For ATWC and AWPC, are project companies under ALTER, a listed renewable energy company in the Philippines engaged in renewable energy development. ATWC is developing the 128 MW Tanay Wind Power Project in Rizal, while AWPC is developing the 64 MW Alabat Wind Power Project in Quezon Province. Both projects were awarded under the DOE's Green Energy Auction Program 2 (GEA-2) and will sell electricity under 20-year offtake agreements at tariff rates of ₱5.3088 per kilowatt-hour (kWh) for ATWC and ₱5.28/kWh for AWPC.

In October 2025, ABCEI executed the Share Purchase Agreement and Shareholders' Agreement for the acquisition of a 40% equity interest in each of ATWC and AWPC. Prior to ABCEI's entry, ALTER, through its wholly owned subsidiary Alternergy Wind Holdings Corporation (AWHC), held 100% economic and voting interest in both companies. Following the transaction, ALTER will retain a 60% majority stake, while ABCEI will hold the remaining 40% stake in each entity. In March 2026, the transactions received clearance from the PCC), allowing the acquisitions to proceed.[3]

<u>Electron beam (E-beam) Services</u>

ISI

A wholly owned subsidiary of ABCI, ISI, was incorporated in January 2021 to develop ionizing sterilization facilities in the Philippines. Construction of the Tanay E-Beam and Cold Storage Facility in Tanay, Rizal commenced in April 2022 and was completed in 2Q2024. ISI commenced commercial operations in August 2024 following the issuance of its License to Operate from the Food and Drug Administration's (FDA) Center for Device Regulation, Radiation Health, and Research.

ISI operates the country's first private commercial e-beam contract sterilization facility,[4] providing sterilization and phytosanitary treatment services to food, agricultural, nutraceutical, and healthcare product manufacturers. The facility houses a 10 mega-electron volt e-beam accelerator and temperature-controlled warehouses. ISI is also a member of the International Irradiation Association, supporting adherence to international sterilization standards.

<u>Other Investment</u>

AB Bulk Water Company, Inc. (ABBWCI)

ABBWCI is a wholly owned subsidiary of ABCI, formed in March 2015, to hold and provide water rights to public utilities, cooperatives, and other distribution entities. Since incorporation, ABBWCI has not started commercial operations. Its initial project involves sourcing water from the Lumayagan River in Opol,

[3] https://www.bworldonline.com/corporate/2026/03/11/735382/pcc-clears-a-brown-alternergy-wind-project-investment/

[4] E-beam technology uses high-energy electrons to reduce or eliminate microorganisms. It enables non-contact sterilization and allows treatment in final packaging, resulting in faster processing and improved logistics. Compared with gamma radiation and ethylene oxide methods, it offers greater operational flexibility and shorter turnaround times.

Misamis Oriental and nearby areas, with a planned capacity of 40 million liters per day (MLD), for which key permits and engineering studies have been completed. The Company is also pursuing the New CDO Bulk Water Project in Cagayan de Oro City, with a planned capacity of up to 100 MLD. The project is currently under pre-development, with engineering and permitting targeted for completion by 2026.

Simple Homes Development, Inc. (SHDI)

Another wholly owned subsidiary of the Company is SHDI. It was previously known as Andesite Holdings Corporation and was acquired by ABCI in December 2014 to engage in investment, acquisition, holding, and disposition of real and personal properties, including securities. SHDI holds a 25-year renewable land lease over 400 ha in Misamis Oriental awarded by the PHIVIDEC Industrial Authority (PIA), with an option to purchase. The property is intended for the development of a planned steel mill complex, for which SHDI has identified a potential partnership with Huili Investment Fund Philippines. As of April 14, 2026, SHDI has not yet started commercial operations.

VEC

VEC was established to develop liquefied natural gas (LNG) power projects. The company was initially intended to develop a floating LNG terminal with an associated power plant in Batangas City, which was later reconfigured into a proposed onshore 2 x 450 MW LNG combined cycle power plant. As of end-December 2025, pre-development activities have been suspended due to challenges in securing grid connection capacity and gas supply, with no commercial operations to date.

Blaze Capital Limited (BCL)

Another subsidiary of ABCI that has not commenced commercial operations is BCL, a British Virgin Islands company acquired in May 2017. The company holds a 33.33% equity interest in EWRTC, part of the consortium for the proposed East-West Rail Project, a planned 9.7-km railway line along the España Blvd.–Quezon Ave. corridor from Manila to Quezon City. As of December 31, 2025, project implementation remains uncertain, and BCL has recognized an impairment on capitalized project costs.

Southern Electric Transport, Inc. (SETI)

SETI is a joint venture between ABCI and GET Philippines, Inc., which is a provider of electric public transport solutions, to develop and operate the ABC Electric Shuttle Service in Cagayan de Oro City. The project intends to provide a clean, efficient, and modern mass transport system using electric vehicles. Under the joint venture structure, the parties each hold a 50% ownership interest in SETI.

Ownership

Table 7 shows the Company's outstanding capital stock as of March 31, 2026:

Table 7. Outstanding Capital Stock

Share Class	Issued	Outstanding	Treasury
Common	2,477,668,925	2,287,468,000	190,200,925
Preferred Shares – Series A	13,264,900	13,264,900	-
Preferred Shares – Series B	7,432,750	7,431,750	-
Preferred Shares – Series C	6,941,000	6,941,000	-
TOTAL	**2,505,306,575**	**2,315,105,650**	**190,200,925**

As of March 31, 2026, the Company is listed under the ticker "BRN" and had 2,287,468,000 outstanding common shares., with Brownfield Holdings Incorporated (BHI) as the largest shareholder at 49.9%, followed by Mr. Walter Brown at 9.5% and, Ms. Annabelle P. Brown at 9.3%.

BHI is a holding company incorporated on January 20, 2017, whose primary purpose is to hold and manage investments in shares of stock and other securities. It participates in the strategic direction of ABCI through board representation. BHI does not engage in direct operating activities. Its financial performance is derived primarily from its share in the net income of ABCI.

BHI's total income fluctuated from ₱129.3 million in 2019 to ₱60.3 million in 2024. Income declined by 39.5% to ₱78.3 million in 2020, driven by lower equity earnings, before increasing by more than threefold to ₱294.4 million in 2021 on the back of the recognition of excess equity in net assets of ABCI over cost of investment and higher share in net income. Income then declined by 22.9% to ₱227.0 million in 2022 and further by 14.5% to ₱194.1 million in 2023, following lower equity earnings from ABCI. In 2024, income decreased by 68.9%, due to a significant drop in ABCI's earnings. Net income followed a similar trend, fluctuating from ₱128.9 million in 2019 to ₱59.7 million in 2024. Net income declined by 39.5% to ₱78.0 million in 2020, increased by 78.2% to ₱138.9 million in 2021 and peaked at ₱226.6 million in 2022, before decreasing by 14.5% to ₱193.7 million in 2023 and further by 69.2% to ₱59.7 million in 2024.

As of March 31, 2026, ABCI also had 13,264,900 issued and outstanding Series "A" preferred shares, 7,431,750 issued and outstanding Series "B" preferred shares, and 6,941,000 issued and outstanding Series "C" preferred shares. *(Please refer to Annex A for complete details of ABCI's preferred shares).*

Management

Table 8 shows ABCI's key officers as of January 2026.

Table 8. Key Officers

Name	Designation
Walter W. Brown	Chairman Emeritus & Director
Robertino E. Pizarro	Chairman
Paul Francis B. Juat	President
Marie Antonette U. Quinito	Chief Finance Officer (CFO)

Mr. Walter W. Brown, 86, currently serves as the Chairman Emeritus & Director of the Company. He previously served as the Chairman of ABCI until December 2025, as well as Chairman Emeritus in September 2016, before he was re-elected as Chairman in December 2018. He concurrently holds chairmanship positions in the Company's subsidiaries namely, ABERDI, PEI, and ABCEI. He is also the Chairman of Monte Oro Resources and Energy, Inc. (MORE) and the Director and Executive Vice-President of Atok-Big Wedge Co., Inc., which is listed in the PSE.

Mr. Brown was formerly associated with the following companies either as its Chairman, President, or as Director: Apex Mining Co. Inc., Philex Mining Corporation, National Grid Corporation of the Philippines (NGCP), Atlas Consolidated Mining Co., Philodrill Corporation, Petroenergy, Philippine Realty & Holdings Corporation, Dominion Asia Equities, Inc., Palawan Oil & Gas Exploration (Vantage Equities), 7 Seas Oil Company, Inc. (Abacus), Universal Petroleum (Universal Rightfield), Sinophil Corporation, Asian Petroleum Corporation, Acoje Mining Corporation, Semirara Coal Corporation, Surigao Consolidated Mining Inc., Vulcan Industrial and Mining Corporation, San Jose Oil, Seafront Petroleum, and Basic Petroleum. He was also the Technical Director of Dragon Oil.

Mr. Brown is currently the Chairman and Director of Family Farm School, Chairman and President of Studium Theologiae Foundation, President of Philippine Mine Safety & Environment Association, and a lifetime member of the Geological Society of the Philippines. He was a member of the Board of Trustees of Xavier University from 2003 to 2014, where he served as its Vice Chairman from 2006 to 2014.

Mr. Brown holds two undergraduate degrees, Bachelor of Science in Physical Science (1959) and BS Geology (1960), both from the University of the Philippines. He also has postgraduate degrees from Stanford University, namely, Master of Science in Economic Geology (1963) and Doctor of Philosophy (PhD) in Geology, Major in Geochemistry (1965). He was also a candidate for Master of Business Economics from the University of Asia & Pacific in 1980, formerly Center for Research & Communications.

Mr. Robertino E. Pizarro, 72, was recently appointed as Chairman, effective January 1, 2026.. Prior to his current designations, he had already served as the Company's President for 23 years (from August 2003 to September 2016, and December 7, 2018 to December 2025), and Executive Chairman for almost one year (from September 2016 until March 2017, when the title was changed to Chairman). He is also the President of Brown Resources Corporation, as well as ABCI's subsidiaries ABERDI and NC, with the latter since February 26, 1997.

Mr. Pizarro is concurrently the President and Member of the Board of Cagayan de Oro Chamber of Commerce and Industry and is the President of the following companies: Xavier Sports and Country Club (since 1999), SHDI, Bonsai Agricultural Corporation, and Minpalm Agricultural Co., Inc. (since 2004). He was also the former President and now Director of PPDCI. Mr. Pizarro finished the course on Strategic Business Economic Program at the University of Asia and the Pacific. He is also the brother-in-law of Mr. Brown.

Mr. Paul Francis B. Juat, 33, was also recently appointed as President, effective January 1, 2026. He was formerly the Executive VP of ABCI since July 3, 2023, and VP starting January 1, 2019. He is concurrently the President of various subsidiaries of the Group, namely, ABCEI, ISI, VEC and NC. He is also a Director of Atok-Big Wedge Co., BHI, North Kitanglad Agricultural Company, Inc., PBJ Corporation, and Pine Mountain Properties Holdings Corporation.

Mr. Juat started his career as a Business Development Analyst under the Wind Business Unit of Energy Development Corporation (EDC). He also served as Assistant to President & CEO of Apex Mining Co., Inc. from 2016 to 2023. He obtained his Bachelor's degree in Industrial Engineering from the University of the Philippines Diliman in 2015. Mr. Juat is the grandson of Mr. Brown.

Atty. Marie Antonette U. Quinito, 48, joined the A Brown Group of Companies in November 2013 as a Comptroller. She was then appointed as CFO, effective on September 1, 2015, until December 31, 2017. Thereafter, she was appointed as VP-Comptroller, starting on January 1, 2018, and assumed the CFO role beginning on March 1, 2019.

Atty. Quinito finished BS in Accountancy at the University of San Carlos in 1997, where she graduated as Cum Laude. She became a Certified Public Accountant in December of the same year. She finished her Master's in Business Administration at Southwestern University in May 2003, and finished her Bachelor in Laws at Xavier University Ateneo de Cagayan in May 2009. She passed the bar examination in November 2011. She is a candidate for Doctor in Education Planning and Supervision and has also taken courses with institutions such as the Asian Institute of Management and American Management Association.

Atty. Quinito started as a Staff Auditor of Sycip, Gorres Velayo and Company, CPAs in November 1997. She joined the Multi Stores Corporation, Operator of SM Department Store Cebu in July 1998. After almost five years, she was promoted to Finance and Admin Manager and was transferred to Shopping Center Management Corporation - CDO, the operator of SM Mall Cagayan de Oro. She then spent 15 years working under the SM Group of Companies.

As of December 31, 2025, the Company has 339 personnel across its various offices in the Philippines. PhilRatings notes that there is no existing Collective Bargaining Agreement (CBA).

Strategies

Moving forward, ABCI aims to sustain growth by strengthening its core real estate business, while expanding its agribusiness and power investments. The Company focuses on improving cash generation, enhancing margins, and optimizing the use of its existing land bank, while supporting emerging businesses that can contribute to recurring income over the medium to long term.

- **Real Estate**

  Real estate strategy centers on sustaining the Company's market position in Mindanao while gradually expanding its presence in Luzon. ABCI plans to: (1) focus on cash generation through the development of projects with higher margins and faster take-out; (2) maintain its current order book from prior reservation sales while improving product offerings; and (3) maximize the utilization of its land bank through planned project launches.

  In the near term, ABCI intends to capitalize on continued demand in its established developments, particularly in Cagayan de Oro City. Projects such as Xavier Estates, Teakwood, Coral Resort Estates, and Adelaida developments are expected to support revenue generation, driven by their established brand presence, location advantages, and product offerings across high-end, economic, and socialized segments.

Over the medium to long term, focus will be on the expansion of its development portfolio to address rising housing demand, particularly for middle-income, starter families, and single buyers. This includes the planned development of socialized and economic housing projects, as well as mixed-use and master-planned communities such as the proposed Uptown Metropolis in Cagayan de Oro City. The Company is also exploring entry into vertical developments, with condominium projects in the pipeline in Cagayan de Oro City, Misamis Oriental, and Butuan City, alongside further expansion in Tanay, Rizal.

- **Agribusiness**

ABCI's agribusiness strategy focuses on scaling operations, improving efficiency, and strengthening its palm oil platform through its subsidiaries. The Company intends to: (1) expand SGAC's milling capacity to improve scale and profitability, and (2) enhance operational efficiency through by-product processing and better utilization of existing assets, while prioritizing SGAC as its main operating platform and maintaining flexibility for the potential reactivation or repurposing of ABERDI's assets.

To address the gap in domestic palm oil production, ABCI plans to expand its plantation footprint through a growership program, targeting the development of 2,000 ha in Bukidnon and Misamis Oriental. As of end-2025, a substantial portion of the target area was already acquired for development, with ongoing planting and expansion initiatives. The Company is also pursuing partnerships with local communities to support further expansion. In addition, ABCI continues to strengthen its presence in the Surigao and Agusan regions through SGAC's operational milling plant, which provides access to fresh fruit bunch supply from nearby plantations.

- **Power**

Its power strategy is anchored on building a portfolio of investments that can generate recurring income, while gradually transitioning toward renewable energy. The Company aims to: (1) leverage its experience in the power sector through selective investments; (2) partner with established industry players for targeted and de-risked projects; and (3) focus on renewable energy developments that are expected to contribute to earnings within the next few years.

ABCI is prioritizing renewable energy projects, including its participation in wind and solar developments. These include equity investments in wind projects currently in advanced stages, as well as joint development of large-scale solar projects. The Company also focuses on projects with clear development timelines and visibility of returns, particularly those expected to commence operations within the near term.

In relation to the ongoing conflict in the Middle East, management believes the Company is a good position to manage the possible effects to the business through prudent cost and supply management strategies.

Environment, Social, and Governmental (ESG)

ABCI strives to contribute to economic growth by providing jobs and decent workplaces, enhancing infrastructure with adequate, safe, and affordable housing, and promoting technological sustainability and innovation, particularly in food and medical industries. The Company remains committed to energy consumption reduction and resource consumption efficiency. Water recycling systems were integrated into operations, and vehicles and equipment are regularly monitored to ensure fuel-efficiency. Through its Compliance Department, ABCI ensures strict compliance with environmental compliance certificates (ECC), environmental laws, and local ordinances.

In 2025, some of the Company's Corporate Social Responsibility (CSR) initiatives included vaccination drives; a health and wellness webinar series; the "A Brown's 10K Steps Challenge" promoting physical activity; mandatory safety and health training programs for employees and trainees; donation of sports and fitness equipment to the Department of Social Welfare and Development (DSWD) CARAGA; the "A Brown Goes Green" tree growing activity; and the implementation of its work immersion and on-the-job training (OJT) program.

ABCI also ensures that its policies such as the Code of Business Conduct and Ethics, Conflict-of-Interest Policy, Related Party Transaction Policy, Insider Trading Policy, and Whistle-blower Policy as well as the Revised Manual on Corporate Governance are continuously upheld through established internal controls.

The Company aligns itself with eight UN Sustainable Developments Goals (SDG) namely, Goal 2 - Zero Hunger, Goal 6 – Clean Water and Sanitation, Goal 8 – Decent Work and Economic Growth, Goal 9: Industry, Innovation and Infrastructure, Goal 11 – Sustainable Cities and Communities, Goal 13: Climate Action, Goal 13: Climate Action, and Goal 5 – Gender Equality.

ABCI was recognized as a 1-Golden Arrow Awardee three times (January 20, 2023, September 28, 2023, and October 23, 2025) and a 2-Golden Arrow Awardee on September 19, 2024, by the Institute of Corporate Directors (ICD). At these events, ICD awards the top Philippine publicly listed companies in corporate governance based on the ASEAN Corporate Governance Scorecard (ACGS)[5] and Corporate Governance Scorecard (CGS) Assessment Results, respectively.

ECONOMY

Gross Domestic Product (GDP)[6]

The Philippine GDP expanded by 3.0% in the fourth quarter of 2025 (4Q2025). This was the slowest quarterly growth recorded since 3Q2011, excluding the contractions during the height of the COVID-19 pandemic. The foregoing brought the country's GDP growth rate for full-year 2025 to 4.4%, which was below the government's target of 5.5%–6.5%. This marked the third straight year that GDP growth fell short of the target.

On the supply side, drivers of growth in 2025 were the following industries: Wholesale and retail trade; repair of motor vehicles and motorcycles, 4.6%; Financial and insurance activities, 5.6%; and Public administration and defense; compulsory social security, 7.9%. At the aggregate sector level, Agriculture, forestry and fishing (AFF), Industry, and Services grew by 3.1%, 1.5%, and 5.9%, respectively.

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[5] The ACGS measures the performance of the companies in the areas of facilitating the rights and the equitable treatment of shareholders, how they relate to their different stakeholders, ensuring transparency and accountability through timely disclosure of material information, and how the board guides the company strategically, monitors the management, and ensures the board's accountability to the company and the shareholders.

[6] Philippine Statistics Authority
https://business.inquirer.net/571342/philippine-gdp-growth-down-to-3-in-q4-2025

Department of Economy, Planning, and Development (DEPDev) Secretary Arsenio Balisacan cited as reasons for the missed growth target the impact of weather-related disturbances for the year and the corruption scandal surrounding flood control projects. The latter reportedly dampened investments and consumer confidence.

On the demand side, HFCE grew by 4.6% in 2025, slower than the 4.9% recorded in 2024. Government Final Consumption Expenditure (GFCE) likewise increased by 9.1%, quicker than the 7.3% posted in 2024. Gross capital formation (GCF), on the other hand, declined by 2.1% in 2025, from a 7.7% growth in 2024, driven by the contraction in the government's spending for infrastructure during the last quarter of the year.

***Inflation*[7]**

Headline inflation in March 2026 accelerated to 4.1%, surging from 2.4% inflation in February and 1.8% a year ago. This brings the average inflation rate for the first three months of 2026 to 2.8%. According to the Philippine Statistics Authority (PSA), the uptrend was primarily driven by the annual increment of the transport index at 9.9%, a reversal from an annual decrease of 0.3% in February 2026. Additionally, food and non-alcoholic beverages also contributed to the growth. Meanwhile, core inflation, which excludes selected volatile food and energy items, posted another increase to 3.2%, from 2.8% in January 2026 and 2.9% in February 2026.

The accelerated domestic inflation in March, marginally breached the central bank's target range of 2% to 4%. Notwithstanding this, the BSP decided to maintain the policy rate at 4.25% during its off-cycle Monetary Board Meeting held on March 26, 2026. While the central bank acknowledged the effects of the ongoing conflict in the Middle East on global oil and fertilizer prices, as well as the impact to higher domestic fuel prices and transportation fares, it sees the upside risks to inflation as largely supply-driven for which the monetary policy has "limited effectiveness". The BSP will continue to assess how these developments will impact inflation and growth dynamics.

Since the beginning of 2025, the BSP has reduced policy rates by a total of 175 basis points to support economic growth amid low inflation and softer domestic demand. In its recent monetary meeting on April 23, 2026, the BSP raised its policy rate by 25 basis points to 4.50% following the deterioration in the inflation outlook amid rising global oil prices and geopolitical tensions.

Latest BSP projections indicate that inflation in 2026 will reach 4.0% but will recover by 2027. The central bank has also raised its average inflation forecast for the year from 3.6% to 5.1%, while lowering its GDP growth forecast to 4.4% from around 5%. Looking ahead, the BSP sees continued weak economic growth in 2026.

[7] https://business.inquirer.net/577609/breaking-philippine-inflation-rises-to-2-4-in-february
https://www.gmanetwork.com/news/money/economy/978827/inflation-picks-up-to-12-month-high/story/
https://business.inquirer.net/586825/bsp-hikes-policy-rate-by-25-bps-to-fight-inflation-surge

Outlook[8]

On April 9, 2026, S&P Global Ratings (S&P), downgraded the Philippines' outlook from "Positive" to "Stable", signaling that the country's "BBB+" investment-grade rating is unlikely to change over the next one to two years. The global credit rating agency explained that the outlook was revised "because the war in the Middle East has increased risks for the trajectory of the country's external and fiscal metrics," and "it is unlikely that external and fiscal support will improve sufficiently over the next two to three years."[9] Moving forward, S&P forecasts that the ongoing energy developments will further temper economic activity in the country in the first half of 2026 but expects a recovery in the second half of 2026, with GDP forecasted at 5.8% for the whole year. Over 2027-2029, S&P's GDP projection is at 6.2%.[10]

On April 20, 2026, Fitch Ratings affirmed the Philippines' long-term foreign-currency issuer default rating (IDR) at "BBB", maintaining its investment-grade status. The outlook however was revised from "stable" to "negative", signaling a potential downgrade within the next 18 to 24 months. Such revision, if occurs in the future, would be the first credit rating downgrade for the country in more than two decades.[11] According to Fitch Ratings, the Outlook revision reflects rising risks to the Philippines' strong medium-term growth due to recent disruptions to public investment, elevated exposure to the ongoing global energy shock. Looking ahead, forecast inflation for 2026 was revised to 4.1%, from 1.7% in 2025, citing higher energy prices. GDP growth is also projected at 4.6% in 2026, attributed to gradual public capex recovery and lower household consumption given higher energy costs.[12]

On April 14, 2026, both the International Monetary Fund (IMF) and Moody's Ratings reduced their 2026 GDP growth forecasts for the Philippines. The IMF revised its initial GDP forecast of 5.6% to 4.1%, citing lower-than-expected growth in the latter part of 2025, rooted in dampened investor confidence due to the negative impact of the flood control corruption scandal, as well as the ongoing Middle East conflict. Notwithstanding this, the IMF retained its GDP forecast for 2027 at 5.8%.

Moody's Ratings also cut its previous GDP forecast for 2026 from 5.5% to 4.9%, and its GDP growth estimates for 2027 from 5.6% to 5.3%. The credit rating agency stated that "domestic demand and industrial activity should remain subdued as elevated energy costs and fuel shortages, along with trade uncertainty and climate risks, weigh on economic activity." Moody's Ratings also raised its inflation forecast from 3.0% to 3.7% in 2026 and 3.2% to 3.5% in 2027.[13]

The Asian Development Bank's (ADB) likewise cut its GDP forecasts for the Philippines for 2026, from 5.3% in its December 2025 forecast to 4.4%. For 2027, the initial GDP estimate was set to 5.5%. Inflation, on the other hand, is projected to rise to 4.0% in 2026, primarily due to high global commodity prices, before easing to 3.5% in 2027.[14]

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[8] https://www.philstar.com/business/2026/01/30/2504386/gdp-growth-slows-44-2025
https://business.inquirer.net/569528/imf-sees-sub-6-growth-for-ph-through-2027
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https://www.philstar.com/business/2026/02/03/2505285/bsp-chief-rate-cut-remains-option
[9] https://business.inquirer.net/584358/a-credit-rating-dream-stalled-sp-outlook-on-philippines-lowered-to-stable-from-positive#
[10] https://www.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3542352
[11] https://business.inquirer.net/586269/ph-may-face-first-credit-downgrade-in-decades-as-fitch-turns-negative
[12] https://www.fitchratings.com/research/sovereigns/fitch-revises-philippines-outlook-to-negative-affirms-at-bbb-20-04-2026
[13] https://manilastandard.net/business/314726875/imf-moodys-cut-2026-philippine-growth-outlook.html
[14] https://www.adb.org/news/philippine-gdp-growth-remain-subdued-amid-global-uncertainty

***Mindanao Economy*[15]**

Analysts' Note: As of report writing date, the latest available data is 2024.

In 2024, several major subregions in Mindanao reported economic expansion. Northern Mindanao's economy grew by 6.0% in 2024, with its gross regional domestic product (GRDP) reaching ₱1.04 trillion. The region's Industry sector recorded the fastest growth at 7.5%, followed by Services at 7.4%, while Agriculture, forestry, and fishing expanded by 0.1% during the year. Among local economies in Northern Mindanao, Iligan City's GRDP grew by 8.8%, Camiguin by 8.6%, and Misamis Occidental by 7.5%, while Cagayan de Oro City posted a 6.8% expansion in 2024.

On the other hand, Davao Region's economy expanded by 6.3% in 2024, slower than the 6.7% growth recorded in the prior year, with total output valued at ₱1.08 trillion. Services accounted for a 61.1% share of total output, followed by Industry at 25.3% and Agriculture, forestry, and fishing at 13.6% of the region's GRDP. In Davao City, gross domestic product reached ₱574.72 billion in 2024 from ₱532.5 billion in 2023, with the city's economy growing by 7.9%.

***OFs Remittances*[16]**

In February 2026, remittances from OFs fell to a nine-month low. Cash transfers through banks and other formal channels declined, from US$3.02 billion in January 2026 to US$2.79 billion in February, reflecting a 7.6% decrease. This figure, however, was higher by 2.6% than the US$2.72 billion recorded in February of the previous year.

Concurrently, personal remittances, which include transfers sent in kind or in cash via informal channels, also dropped by 8.8%, from US$3.4 billion in January 2026 to US$3.1 billion the following month, although, such was higher than February 2025 which amounted to US$3.0 billion, reflecting a 2.5% year-on-year increase.

Cash remittances from land-based workers rose by 2.7% to US$2.3 billion in February 2026, while those sent by sea-based workers increased by 2.0% to US$530.0 million. The United States continued to be the largest source of remittances during the period, accounting for approximately 40.0% of total inflows, followed by Singapore at 7.6%, Saudi Arabia at 6.1%, Japan at 5.3%, and the United Arab Emirates (UAE) at 4.2%. The BSP, however, noted that its data might not fully reflect the true origin of inflows, as remittances sent via informal channels and those done through money couriers are recorded based on the courier's main office location, which is commonly in the United States.

According to Moody's Ratings, a prolonged conflict in the Middle East would severely impact remittance inflows to the Philippines. Data from the Department of Migrant Workers (DMW) shows that around 2.4 million OFs are based in the Middle East, particularly in the UAE, Saudi Arabia, and Qatar. Similarly,

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[15] https://rsso10.psa.gov.ph/statistics/grdp
https://psa.gov.ph/content/all-provinces-and-hucs-northern-mindanao-post-gdp-growth-2024-bukidnon-only-agriculture
https://rsso11.psa.gov.ph/content/davao-regions-economy-posts-63-percent-growth-2024
https://davaocity.gov.ph/economy/davao-city-leads-regional-economic-growth-at-7-9-in-2024

[16] https://www.gmanetwork.com/news/money/economy/983964/remittances-fall-to-9-month-low-in-february/story/
https://www.bworldonline.com/top-stories/2026/04/10/741952/ofw-remittances-at-risk-as-mideast-war-drags-on
https://businessmirror.com.ph/2026/03/17/ofw-remittances-rise-but-future-uncertain
https://www.bworldonline.com/the-nation/2026/03/09/735116/over-400-filipinos-returned-home-amid-middle-east-war-dmw-says

Jeremiah Opiniano, Executive Director of the Institute for Migration and Development Issues (IMDI), pointed out that increases in remittances may not necessarily indicate real growth, as they could be influenced by factors such as peso-dollar exchange rate movements. Nonetheless, Jonathan Ravelas of Tacandong & Co. mentioned that unless the conflict leads to massive job losses or payment disruptions, remittances are still likely to maintain positive growth.

Impact of the ongoing conflicts in the Middle East

In light of the recent geopolitical tensions in the Middle East, Finance Secretary Frederick Go stated that the ongoing conflict will have a modest, albeit temporary, effect on the Philippine economy. The closure of the Strait of Hormuz is seen to be among the key headwinds affecting the country's inflation, and as such will drive the projected spike in oil prices globally. ING Think claimed that a 0.4 ppt increase to the Philippines' inflation print may be triggered for every 10% increase in oil prices.

Fuel prices have climbed since the last week of February 2026. According to Dr. Alicor Panao, an associate professor at the University of the Philippines, diesel prices and gasoline prices in the Philippines have risen by 111% and 71.6%, respectively, based on GlobalPetrolPrices data as of March 30, 2026. As of April 7, 2026, after the latest round of oil price hikes, diesel was sold at ₱172.90 per liter, gasoline at ₱119.90, and kerosene at ₱178.29.[17]

Higher fuel prices increase the cost of production for manufacturing firms, the energy costs of households, and transportation costs. The DOE emphasized that it can only monitor prices, not regulate them, under the 1998 Downstream Oil Industry Deregulation Act.

Remittances from OFs in the Middle East are also likely to be affected by the ongoing situation. Philippine Institute for Development Studies (PIDS) mentioned, however, that remittances remained resilient even amid tensions. Short-term precautionary remittances also recorded increases even amid past uncertainties. The Philippine Peso, on the other hand, may also expect some downward pressure against the US dollar. China Bank Corporation's chief economist Domin Velasquez mentioned that during conflicts in the Middle East, global markets historically responded with risk aversion, which supports the US dollar.

On March 24, 2026, President Marcos Jr. declared a State of National Energy Emergency through the Executive Order No. 110, citing oil supply risks from Middle East tensions, particularly the U.S.-Israel-Iran conflict. "The declaration of a state of national energy emergency will enable the government… to implement responsive and coordinated measures under existing laws to address the risks posed by disruptions in the global energy supply and the domestic economy," the President added. He also stated that a committee has been formed to ensure the orderly movement, supply, distribution and availability of fuel, food, medicine, agricultural products, and other essential goods. The emergency declaration will remain in force for one year and will allow the government to procure fuel and petroleum products to ensure timely and sufficient supply and, if necessary, pay part of the contract amount in advance.[18]

On April 7, 2026, US President Donald Trump announced a two-week ceasefire between Washington and Tehran, two hours prior to his deadline for Tehran to reopen the Strait of Hormuz, and a stark contrast to

[17] https://newsinfo.inquirer.net/2209348/ph-no-longer-southeast-asias-worst-in-oil-price-hikes-but-pain-persists
[18] https://www.aljazeera.com/news/2026/3/25/philippine-president-declares-energy-emergency-as-impact-of-iran-war-felt

his threat of devastating attacks on its Iran's civilian infrastructure. The war, in its sixth week, resulted to more than 5,000 deaths in nearly a dozen countries, including more than 1,600 civilians in Iran.[19]

The ceasefire talks sparked decreases in oil prices in the world market. As a result, after consecutive fuel price hikes, oil prices are expected to decrease the week of April 12, 2026. DOE Secretary Sharon Garin said however, that global factors, including damaged oil infrastructure and rising delivery costs, will continue to keep pump prices elevated. The department also communicated that "Filipinos should not expect fuel prices to return to pre-war levels anytime soon, even if the ongoing conflict in major oil-producing regions were to stop."[20]

On April 12, 2026, Secretary Garin confirmed that oil companies will reduce diesel prices by ₱20 per liter, gasoline prices by ₱4.23 per liter, and kerosene by ₱8.5 per liter starting on April 13, 2026.[21] On April 21, 2026, prices are further cut by ₱24.94 per liter for diesel, ₱3.41 per liter for gasoline. According to Secretary Garin, "oil companies are now mandated to comply with the minimum and maximum amounts that the government would set regarding the adjustments in the price of petroleum products amid the state of national energy emergency".[22]

Industry

Real Estate

The recent spike in fuel prices could have mixed implications for the property sector. On one hand, higher gasoline and diesel prices may encourage people to live closer to their workplaces to save on transportation costs, supporting demand for properties in CBDs and highly accessible locations. On the other hand, rising fuel costs contribute to inflation, which increases commodity prices and the cost of borrowing. This may prompt middle-income buyers—who form the core market for many developers—to delay or cancel big ticket purchases such as houses or condos, adversely impacting midmarket and affordable segments. Luxury and high-end properties may remain relatively resilient, as the market for this segment is expected to be less affected by price increases compared to other market segments. Overall, while oil prices do not directly drive real estate investments, their domino effects on inflation, consumer behavior, and financing costs could influence market activity, particularly amid ongoing geopolitical uncertainty.

Additionally, LPC stated in its first quarter report in 2026 that the interest rate-sensitive real estate industry is challenged by pressures from the ongoing Middle East Conflict, particularly citing rapid fuel price spikes which hamper monetary easing and economic recovery. Further, it shared that when economic growth slowed to 4.4% in 2025, real estate price growth nearly flattened. It noted that the Philippine Stock Exchange Index (PSEi) has dropped by 23% from 2019 levels, while the PSE property counter has fallen 45% over the same period.[23]

[19] https://www.reuters.com/world/iran-war-live-tehran-rejects-ceasefire-deal-trumps-deadline-reopen-strait-hormuz-2026-04-
[20] https://www.abs-cbn.com/news/business/2026/4/10/adb-predicts-slowing-asia-growth-as-mideast-war-takes-toll-1327
[21] https://www.abs-cbn.com/news/business/2026/4/13/doe-confirms-p20-rollback-for-diesel-1003
[22] https://www.gmanetwork.com/news/money/companies/984601/oil-price-rollback-april-21-2026/story/
[23] https://business.inquirer.net/584234/middle-east-shockwaves-hitting-property-industry-leechiu

Residential[24]

According to LPC Director Roy Golez, the middle-income segment, or houses priced from ₱2.3 million to ₱4 million, grew by 488%, while the upscale segment, or units priced from ₱7 million to ₱12 million, increased by 117%. On the other hand, the upper-middle-income and the high-end and luxury segments declined by 7% to 25%. He added that while the residential sector posted early signs of recovery in early 2026, the sector remains vulnerable to external shocks and Middle East tensions. Mr. Golez explained that job losses of overseas Filipinos in the Middle East, coupled with slow economic growth and higher interest rates due to rising inflation rates will temper home purchases. Given this, sales are expected to slow down in the next quarters, and property developers may opt to soften the decline through price cuts and flexible payment terms. LPC added that it is a good time for developers to start looking into the lower-end or economic segment given that buyer demand is those segments is present, even higher than the demand for the higher-end segments.

Housing Backlog

The Philippines' housing crisis reportedly persists as a central economic and social issue as of early 2026. According to the Department of Human Settlements and Urban Development (DHSUD) and independent researchers, the housing backlog was estimated at 8.25 million units as of March 2025.[25]

During the 2025 budget deliberation of the DHSUD, Senator Jinggoy Ejercito Estrada expressed his concern regarding the growing housing backlog in the country. He raised a question about the actual completion of housing units under the Pambansang Pabahay Para sa Pilipino Program (4PH), given target revisions, from six million housing units to 3.2 million housing units. Senator Win Gatchalian answered that total housing accomplishments amounted to 428,000 units, and target was revised to 1.1 million housing units by 2028, given budget constraints.

Senator Estrada shared an independent study claiming that estimated housing needs stood at 6.9 million units for 2022 to 2028, with 819,000 units in the National Capital Region (NCR), 2.7 million in Luzon, 1.38 in Visayas, and 1.96 in Mindanao. He added, that if left unaddressed, demand for housing could balloon to 22 million by 2040, according to United Nations Habitat. [26]

Real Estate in Mindanao[27]

According to the Mindanao Development Authority (MinDA), Mindanao's real estate sector is experiencing significant growth, spurred by urban expansion and infrastructure development.MinDa Secretary Leo Tereso Magno stated that "demand for residential and commercial properties has reached unprecedented levels amid increasing business activities in the region, particularly in Davao City." Data from the agency showed that occupancy rates for condominiums in Davao City range from 95% to 100%, with high-end developments gaining traction and interest from buyers outside Mindanao.

Further real estate growth in Mindanao is supported by the substantial infrastructure budget set for 2026, increasing demand across the region particularly in Davao. Key infrastructure developments include a

[24] https://bilyonaryo.com/2026/04/12/middle-east-conflict-risks-dampening-philippine-property-recovery-leechiu/property/
[25] https://businessmirror.com.ph/2026/02/24/megawide-raises-the-bar-in-pbbms-socialized-housing-program/
[26] https://senate.gov.ph/media/photo-release/housing-backlog-at-alarming-level
[27] https://www.pna.gov.ph/articles/1246640

major terminal expansion at Davao International Airport, the Samal Island-Davao City Connector (SIDC) bridge, and the new Davao City bypass road, featuring the country's first long-distance mountain tunnel.[28]

With Northern Mindanao remaining as the second-largest regional economy in the island, benefitting from the "Metropolization" of adjacent municipalities, along with the strong agribusiness performance of Bukidnon, ABCI's continues to focus in said market, particularly with CDO as its anchor market. The Company had also expanded to Misamis Oriental, an industrial corridor that enjoys demand for worker housing and affordable subdivisions, such as in municipalities of Tagoloan and Villanueva. Furthermore, cities such as Valencia and Malaybalay in Bukidnon are seeing increased commercialization driven by agribusiness supply improvements, likewise heightening demand for mid-market residential development.

Power

As defined in the National Renewable Energy Program (NREP) 2020-2040, the Philippine government aims to increase the share of renewable energy in power generation to 35% in 2030 and 50% in 2040. To achieve this, the country will need to install another 102 GW of electricity capacity by 2040, including: 27 GW solar, 17 GW wind, 6 GW hydro, 2.5 GW geothermal, and 364 MW biomass.[29] To further reach this goal, the government banned the construction of coal-fired power generation facility projects in 2020.

Based on the issued Moratorium on New Coal Power Plants in 2020, the country will no longer accept new proposals for coal-based power projects. The move is part of the country's transition from fuel-based technology utilization to cleaner energy sources, in order to ensure more sustainable growth moving forward. Existing coal-fired power plants, committed power projects, and indicative power projects with substantial permitting accomplishments, however, were still allowed to expand their facilities. Under the current DOE leadership, Energy Secretary Sharon Garin has reiterated that the moratorium remains in effect, while noting that flexibility is retained to allow additional coal-fired capacity under exceptional circumstances, particularly in cases involving power supply adequacy concerns or the risk of an imminent power shortage. She further indicated that any such developments would remain subject to stringent regulatory review and alignment with the government's objective of increasing renewable energy penetration and improving overall energy security. [30]

In April 2026, DEPDev Secretary Arsenio Balisacan proposed lifting the coal moratorium, citing the need to ensure energy security amid rising electricity demand and delays in the development of alternative energy sources. He noted that the current pace of renewable energy expansion and infrastructure development may not be sufficient to meet near-term baseload requirements, raising concerns over potential supply constraints.[31]

Power Generation Mix

As of end-2024, coal remained the dominant power source in the country, accounting for 63% of the total generation mix, unchanged from 2023. Similarly, renewable energy's total contribution was unchanged at 22% in 2024.

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[28] https://www.asiapropertyawards.com/en/cebu-and-davao-projects-power-vismins-rise-ahead-of-the-14th-propertyguru-philippines-property-awards/

[29] https://www.philstar.com/business/2022/10/21/2218102/philippines-poised-next-success-story-renewable-energy

[30] https://www.bworldonline.com/corporate/2025/10/17/706162/doe-clarifies-coal-moratorium-rules-allows-new-capacity-only-in-exceptional-cases

[31] https://www.rappler.com/philippines/lift-coal-moratorium-proposal-balisacan-april-2026/

Generation and Consumption

Total electricity generation and consumption reached 126,941 GWh in 2024, a 7.6% increase compared to 118,004 GWh in 2023. The residential segment continued to be the main driver of electricity consumption, accounting for 32.5% of the total consumption. It was followed by the industrial and commercial segments, with 24.5% and 22.1% shares, respectively.

Peak Demand

The country's total peak demand grew by 11.5% to 19,274 MW in 2024, higher than the peak demand of 17,331 MW in 2023. In 2024, the Luzon grid accounted for 72.7% of the total demand, while Visayas and Mindanao had shares of 13.9% and 13.4%, respectively. Compared to the previous year, the peak demand of Luzon increased by 11.7%, while Visayas and Mindanao recorded increases of 9.1% and 10.9%, respectively.

Installed and Dependable Capacity[32]

The increase in power demand was supplemented by the growth in the country's supply base. The country's power supply, in terms of total installed capacity, increased by 5.0% from 28,282 MW in 2023 to 29,706 MW in 2024. A total of 1,414 MW was added to the country's supply base in 2024. Of the total additions, 600 MW was coal-fired, 1,057 MW was solar, and 10 MW was biomass.

In terms of dependable capacity, the Philippines had 26,086 MW in 2024, up by 5.8% from 24,653 MW in 2023. Additional renewable energy sources contributed a record high 894 MW of the 1,433 MW increase in 2024. Nonetheless, coal-fired power plants still accounted for the bulk of total dependable capacity with a share of 45.5%, followed by renewable energy sources which contributed 31.2%. Power supply from the latter predominantly came from hydropower plants, accounting for 42.8% of the dependable capacity from renewable energy sources. Solar, which drove the growth in renewable energy capacity, came in second and made up a quarter (26.5%) of the total dependable capacity from renewable energy sources. Solar's dependable capacity in 2024 was at 2,154 MW. Such surpassed geothermal's dependable capacity which was at 1,708 MW in 2024, unchanged from 2023. Geothermal accounted for 21.0% of the total renewable energy capacity in 2024.

Palm Oil[33]

In 2025, the Philippine palm oil market reached a volume of 1.26 million MT, driven by demand from food manufacturing, household consumption, and industrial applications such as cosmetics, cleaning products, and biofuels, as reported by Claight Corporation. The same source projects market volume to grow at a CAGR of 6.70% from 2026 to 2035, reaching 2.41 MT by 2035. However, Claight Corporation noted that

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[32] Installed Capacity refers to the amount of power a facility can generate in ideal conditions. Dependable Capacity, on the other hand, is the actual reliable output that can be expected considering other factors such as maintenance and downtime, load factors, environmental conditions, etc.

[33] https://www.expertmarketresearch.com/reports/philippines-palm-oil-market
https://www.imarcgroup.com/philippines-palm-oil-market
https://www.pna.gov.ph/articles/1270011
https://mb.com.ph/2026/02/27/da-seeks-to-scale-oil-palm-sector-amid-rising-domestic-demand
https://www.bworldonline.com/agribusiness/2026/03/02/733438/palm-oil-expansion-raises-concerns-over-environment-coconut-industry-impact/

despite rising demand, domestic production remains insufficient, resulting in continued reliance on imports.

In value terms, IMARC Group reported that the country's palm oil market reached US$1.2 billion in 2025. IMARC Group also expects the market to grow at a CAGR of 3.31% from 2026 to 2034, reaching US$1.6 billion by 2034, supported by its lower cost relative to other vegetable oils and its widespread use in food processing, food service, and consumer goods manufacturing.

As of February 2026, oil palm plantations cover approximately 100 thousand ha, mainly in Mindanao, with average yields of about 3.8 MT per ha. Oil palm offers higher returns, with estimated annual farmer income of ₱180.0 thousand, compared to ₱90 thousand for coconut farming. Nonetheless, expansion remains constrained by limited government funding and the need for continued investment in planting, processing, and logistics. Department of Agriculture (DA) Secretary Francisco Tiu Laurel Jr. noted that the proposed ₱1.0 billion budget for the oil palm program was reduced to ₱79.0 million, while the Department is seeking ₱1.2 billion for 2027 to support production expansion, improve yields, and reduce import dependence.

At the same time, expansion of oil palm plantations has raised concerns among industry stakeholders. Mr. Dexter R. Buted of the Philippine Coconut Authority emphasized the need to balance oil palm development with support for the coconut industry, while addressing environmental risks such as land conversion and deforestation.

Profitability

<u>2019-2020</u>

In 2020, consolidated revenues decreased by 15.9%, from ₱1.0 billion in 2019 to ₱864.0 million, attributable to lower real estate sales, partly counterbalanced by the growths in sale of agricultural goods (+24.1% to ₱79.1 million) and revenues from water and other services (+9.7% to ₱23.4 million). Real estate sales declined by 19.2% to ₱761.5 million, due to lower high-end and economic units sales.

Total cost of sales slightly increased by 0.6% from ₱416.9 million to ₱419.3 million, on the back of the proportional increase of the costs of agricultural goods sold (+21.0% to ₱60.1 million), marginally offset by lower cost of real estate sales as well as cost of water and other services.

As a result of the above, gross profit notably decreased by 27.2% to ₱444.7 million in 2020, translating to a lower gross profit margin (GPM) of 51.5%.

General, administrative and selling expenses inched down by 4.8%, primarily due to lower personnel and marketing expenses.

On the other hand, other income fell by 42.3% from ₱302.6 million in 2019 to ₱174.6 million in 2020, attributable to lower equity in net earnings of associates.

While ABCI has limited recurring income from its real estate operations, it is to be noted that the Company's equity in net earnings from energy subsidiaries consistently provided an additional source of income. In 2020, share in equity earnings decreased by 53.8%, from ₱380.3 million in 2019 to ₱175.9

billion, attributable to lower contributions from PCPC and PEI, as well as the 33.3% share in the net loss of EWRTC.

Given the foregoing, net income declined by 40.6% from ₱498.8 million in 2019 to ₱294.1 million in 2020. NPM likewise went down from 48.1% to 34.0%.

2021-2023

Total revenues decreased by 17.8% to ₱710.3 million in 2021, attributed to lower real estate sales (-17.5% to ₱628.5 million) and sale of agricultural goods (-28.0% to ₱57.0 million). The former was due to a higher base in the previous year as mostly high-end and economic units were sold in 2020. The latter was mainly due to lower sales volume of crude palm oil.

In 2022, the Company posted a 114.0% surge in revenues, lifted by the 119.4% jump in real estate revenues. Real estate revenues grew on the back of higher sales of high-end and economic units as well as higher percentage of completion. Sale of agricultural goods likewise contributed to the increase, with its more than twofold growth to ₱116.1 million, primarily attributed to higher volume sold and selling price of crude palm oil.

In 2023, top line inched up by 6.9% to ₱1.6 billion, mainly driven by higher real estate sales, supported by the increased demand for house and lot properties and higher completion rates. Higher sales of agricultural products also contributed to the uptrend.

Cost of sales decreased by 35.3% to ₱271.3 million in 2021, mainly driven by lower cost of real estate sales from lower unit sales. In 2022, costs and expenses grew in line with the movement in revenues to ₱579.9 million. In 2023, costs of sales grew at a faster rate relative to top line (+20.4% to ₱698.1 million), mainly driven by higher cost of sales of house and lot units as well as higher production of crude palm oil given higher demand. As a result of the foregoing, gross profit went down by 1.3% in 2021 to ₱439.0 million, before hiking by 114.3% ₱940.5 million in 2022, then down by 1.5% to ₱926.6 million in 2023. GPM declined from 61.8% in 2021 to 57.0% in 2023.

General, administrative and selling expenses registered CAGR of 34.4% to ₱513.9 million in 2023. Bulk of the increase was due to personnel expenses with the increase in compensation, benefits, and manpower count.

Other income increased by 7.8%, from ₱266.4 million in 2021 to ₱287.1 million in 2023, primarily driven by higher equity in net earnings. Additionally, interest expense ballooned by 175.6% to ₱67.1 million, attributed to increased loan availments.

Share in equity earnings grew at a CAGR of 11.5%, from ₱273.5 million in 2021 to ₱339.9 million in 2023, driven by higher contributions of energy associates, PEI and PCPC.

Net income consistently grew for two years by 35.2% and 59.9% in 2021 and 2022, growing from ₱294.1 million in 2020 to ₱635.5 million in 2022. This dropped by 14.0% in 2023 to ₱546.5 million. NPM deteriorated from 56.0% in 2021 to 33.6% in 2023, although still robust. Nonetheless, ROAA and ROAE were relatively maintained from 4.7% in 2020 to 5.0% in 2023 and from 7.1% to 8.0%, respectively.

2024

Total revenues increased by 11.3%, from ₱1.6 billion in 2023 to ₱1.8 billion in 2024. While real estate sales continue to account for bulk of the Company's revenues, the sale of agricultural goods contributed the majority of the growth in revenues. Real estate sales increased by 5.0%, given the higher completion of ongoing real estate projects. Revenues from agricultural goods increased by 75.7%, mainly from higher sales of crude palm oil. Revenues from water and other services likewise increased by 7.4%, with higher water consumption by residents who have moved in. The Company likewise earned additional income from irradiation service during the year.

Cost of sales grew faster by 34.0%, from ₱698.1 million in 2023 to ₱935.7 million in 2024. Cost of real estate sales accounted for bulk of the increase, growing by 21.9% to ₱681.5 million. Such growth is primarily attributed to higher real estate sales. Gross profit declined by 5.9% to ₱872.3 million. GPM, nonetheless, slightly improved to 48.2%.

General, administrative and selling Expenses in 2024 inched down by 3.2% to ₱497.6 million in 2024. Other income, on the other hand, was notably lower by 73.7%, primarily due to lower contributions from associates and higher interest expense.

In 2024, share in equity earnings fell by 58.5% to ₱140.9 million, driven by lower PCPC contributions due to plant breakdown from March 2024 to August 2024.

As a result, net income declined by 38.9%, from ₱546.5 million in 2023 to ₱334.1 million in 2024. NPM likewise decreased from 33.6% to 18.5%. Similarly, ROAA and ROAE were lower at 2.6% and 4.3%, respectively.

2025

In 2025, consolidated revenues went up by 4.6%, to ₱1.9 billion, supported by higher revenues across all operating segments. Real estate sales increased by 4.8% to ₱1.6 billion, attributed to higher percentage completion of ongoing real estate projects. Sales of agricultural products also inched up by 3.5% to ₱259.3 million. Revenue from water and other services likewise grew by 4.2% to ₱30.7 million, on the back of increased turnover and actual unit move-in rate, as well as higher water consumption of residents. Additional income was also contributed by the Company's irradiation service.

Costs of sales posted a slower decrease relative to revenues (+1.3% to ₱947.5 million), mainly driven by lower costs in production of agricultural goods (-8.4% to ₱221.7 million), counterbalanced by the growth in cost of water and other services (+37.3% to ₱16.5 million). Cost of water and other service income grew due to increased fuel usage given higher pump utilization and higher water volume sold. As a result, gross profit increased by 8.2% to ₱943.5 million and GPM slightly improved to 49.9%.

General, administrative and selling expenses increased by 17.0% from ₱497.6 million in 2024 to ₱582.0 million in 2025. The increase was due mainly to higher depreciation recognized and professional fees, slightly counterbalanced by lower personnel costs, and taxes and licenses.

Other income significantly grew by 647.9% from ₱75.6 million in 2024 to ₱565.4 million in 2025, primarily attributed to the ₱1.8 billion gain on sale of the Company's 20% equity stakes on PCPC, coupled by the increase in share in equity earnings. The growth in other income, however, was partly counterbalanced

by impairment loss, capital gains tax, and provision for expected credit loss. ABCI recorded impairment loss of ₱854.7 million, 1,761% higher than the ₱45.9 million in 2024. The impairment loss consisted of the impairment on investment in associate – EWRTC (₱53.1 million) and PPE (₱684.3 million).[34]
Share in equity earnings surged by 70.1% to ₱240.6 million, attributable to higher contributions from PEI as well as PCPC prior to its deconsolidation.

Given the foregoing, net income more than doubled to ₱866.7 million, which translated to a notably higher NPM of 45.8%. ROAA and ROAE also improved to 5.7% and 9.9%, respectively.

Excluding non-recurring items (₱1.8 billion gain on sale of PCPC shares, ₱348.3 million capital gains tax, and ₱854.7 million impairment loss), net income would have been lower at ₱227.1 million in 2025. NPM will likewise decrease to 14.2%, while ROAA and ROAE will inch down to 1.5% and 2.6%, respectively.[35]

<u>Projected Period</u>

Analysts' Note: ABCI utilized Parent-level financial statements as the basis for the submitted financial projections. According to management, the Parent-level financial reports already reflect the Company's core business as the Parent is the primary entity. ABCI's power investments, specifically PEI and the Alternergy wind projects, are minority holdings and are therefore not consolidated in their financial reporting. As such, the following discussions of the projected period consider the Audited 2025 Parent-level Financial Statements as the base year for the 2026-2031 forecast.

ABCI forecasts healthy profitability over the projected period. Top line is projected to increase supported by the growth in both real estate sales and water service income. Costs and expenses are expected to be well managed, attributable to the Company's focus on managing a higher-margin sales mix. Dividend income will recover and strengthen, further augmenting net income.

Cashflow and Liquidity

<u>2020-2023</u>

The Company recorded net cash from operations of ₱0.7 million in 2020. From 2021 to 2023, however, net cash from operations reversed to outflows ranging from ₱243.2 million to ₱635.1 million. Cash from operations were mainly allocated to build real estate inventories and fund contract assets.

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[34]ABCI has a 33.33% investment in EWRTC, which is part of a consortium with Malaysian infrastructure conglomerate Alloy MTD Group (represented by MTD Philippines Inc.) The Consortium submitted an unsolicited proposal to the Philippine National Railways (PNR) to build and then operate and maintain the East-West Rail Project. The East-West Rail Project is an integrated light rail mass transportation system that would connect Light Rail Transit Line 1 (LRT1) and Metro Rail Transit Line 7 (MRT7).

As of December 31, 2024, the Consortium has been granted the Original Proponent Status (OPS) by the PNR and is endorsed to the National Economic and Development Authority (NEDA) for evaluation and approval by the Investment Coordination Committee (ICC).
https://www.rappler.com/business/152249-a-brown-mtd-pnr-east-west-rail-project-proposal/

The investment impairment loss in relation to EWRTC, the Company assessed that the carrying value of its capitalized costs related to EWRTC is no longer recoverable as the project has remained inactive, with no significant progress or advancement in its development pipeline. For PPE's investment impairment loss, on the other hand, consisted of bearer plants (₱199.3 million), construction-in-progress (₱187.5 million), Refined, Bleached, and Deodorized (RBD) and Fractionation machinery (₱171.1 million), machinery and equipment (₱51.0 million), leasehold improvements (₱26.8 million), other equipment (₱25.7 million), right-of-use assets (₱17.6 million), and buildings and improvements (₱5.3 million).
[35] Recomputed net income for 2024 was ₱380.0 million, which excluded ₱45.9 million in impairment loss. In 2024, recomputed NPM, ROAA, and ROAE were 24.4%, 2.9%, and 4.9%, respectively.

Cash from investing activities was ₱203.0 million in 2020, bolstered by dividends received from associates. From 2021 to 2023, ABCI recorded net cash outflows for investing activities, ranging from ₱143.0 million to ₱472.4 million. These years saw net additions to property, plant, and equipment as well as other noncurrent assets.

Most of the Company's cash from financing activities came from loans and borrowings, except in 2020 where there was a net repayment of debt. Funds from financing activities ranged from a high of ₱1.4 billion in 2021 to ₱599.7 million in 2023. In 2021, the Company issued preferred shares to raise additional capital, receiving net cash proceeds of ₱1.3 billion.

Given the foregoing, cash balance recorded a volatile trend. Year-end cash leaped by 1,604% as of end-2021 to ₱1.3 billion, before easing by 83.6% and 43.7% as of end-2022 and 2023, respectively, and stood at ₱118.1 million.

Current ratio was 2.5x as of end-2020 and dropped to 2.0x as of end-2023. Current ratio, nonetheless, remained more than ample at a minimum of 2.0x throughout the period.

2024

In 2024, ABCI recorded net cash outflow from operations of ₱681.3 million, as the Company continued to spend on real estate inventories. Additionally, receivables more than doubled to ₱955.3 million as of end-2024, driven by higher recognition of real estate sales.

With the continued addition of property, plant, and equipment as well as the acquisition of noncurrent assets, net cash used for investing activities ended at ₱379.5 million in 2024, 84.4% higher than the previous year.

The Company issued additional preferred shares in 2024, raising additional cash proceeds of ₱1.4 billion. Such drove net cash from financing activities to ₱1.6 billion.

Net cash balance for the year stood at ₱678.0 million, with current ratio slightly improving to 2.1x.

2025

In 2025, the Company had net cash outflow from operations of ₱837.7 million, mainly attributed to the ₱1.8 billion gain on sale of PCPC equity stakes which offset higher profitability. Cash used in operations was also partly counterbalanced by the faster increase in accounts and other payables.

Investing activities provided funds of ₱1.6 billion, with the sale of the Company's investments in PCPC in July 2025, partly counterbalanced by the increase in loan receivables and other noncurrent assets (deposits for land acquisition).[36]

Net cash used in financing activities amounted to ₱352.2 million in 2025, a reversal from the ₱1.6 billion cash inflow in 2024. The movement was mainly due to the absence of the ₱1.4 billion in proceeds from

[36] As of December 31, 2025, ABCEI has ₱600.0 million unsecured, non-interest-bearing loan receivable from a third party which is payable on October 31, 2026.

the issuance of preferred shares in the prior year, coupled by the additional cash spent on debt servicing and the acquisition of treasury shares.

Year-end cash balance increased to ₱1.1 billion as of end-2025. Current ratio further improved to 2.3x as of the same period.

Table 11. Aging of Receivables

	2023	2024	2025
1-30 days	4.7	6.9	10.7
31-60 days	3.4	3.1	1.4
61-90 days	2.8	2.2	3.8
Over 90 days	92.2	16.5	175.6
Total past due but not impaired receivables	**103.1**	**28.6**	**191.6**
Total receivables (TR)	366.8	955.3	1,728.5
% of total past due but not impaired receivables to TR	28.1%	3.0%	11.1%
% of 61 days to over 90 days past due but not impaired receivables to TR	25.9%	2.0%	10.4%

As of end-2025, total past due but not impaired receivables were at ₱191.6 million, or 11.1% of the Company's total receivables. This was notably higher than the ₱28.6 million recorded as of end-2024. Total past due but not impaired receivables accounted for 1.2% of the Company's total assets**.**

<u>Projected Period</u>

Operating cash flow is forecast to increase over the projected period, attributed to the estimated uptrend in profitability. ABCI expects the continuous expansion of its land bank and additional investments in its subsidiaries. Dividend income is seen to augment the Company's cash flows. Current ratio will be more than sufficient throughout the period.

Capital Structure

<u>Historical</u>

The Company maintained a conservative leverage position, with debt-to-equity ratio remaining at 0.3x from as of end-2020 to as of end-2022. This had marginally increased to 0.4x as of end-2023 and continued at this level as of end-2025. Total debt gradually increased given net additional loan availments from ₱1.2 billion as of end-2020 to ₱3.5 billion as of end-2025. Of the total debt as of end-2025, 41.3% or ₱1.5 billion was classified as current and the balance of 58.7% or ₱2.1 billion was considered non-current.

Stockholders' equity was on an uptrend, posting a CAGR of 18.5% from ₱4.6 billion as of end-2020 to ₱8.4 billion as of end-2024. The growth was driven by the expansion of retained earnings. As of end-2025, stockholders' equity stood at ₱9.1 billion, up by 8.4% from as of end-2024. The increase was due to higher retained earnings, slightly offset by the increase in treasury shares. In both 2021 and 2024, the Company issued preferred shares to raise additional capital. Recomputed debt-to-equity ratios were slightly higher at 0.6x as of end-2021 (from 0.3x) and 1.1x as of end-2024 (from 0.4x).

Projected Period

ABCI's interest-bearing debt is forecast to increase over the projected period as the Company aims to fund several strategic expansion initiatives. Similarly, total equity is seen to grow, attributed to the continuous plowback of earnings to operations. Leverage, nonetheless, will remain manageable over the period.

Financial Flexibility

A Brown Company, Inc. (using the ticker symbol BRN) is publicly listed in the PSE and the option of tapping the equities market may be another source of financial flexibility. As of April 23, 2026, the Company had a market capitalization of ₱1.8 billion.

In addition, the Company had ample unavailed credit facilities from various major local banks.

ANNEX A

ABCI's Preferred Shares

Offering

The Company issued preferred shares under its ₱50.0 billion shelf registration, with the following tranches:

- Series A (2021) – up to 15,000,000 shares at ₱100 per share
- Series B & C (2024) – up to 15,000,000 shares at ₱100 per share

Series	Dividend Rate	Dividend Payment Dates
Series A	7.00%	March 1, May 29, August 29, November 29
Series B	8.25%	Quarterly (May 23, Aug 23, Nov 23, Feb 23)
Series C	8.75%	Quarterly (May 23, Aug 23, Nov 23, Feb 23)

Proceeds were used to fund project development, land acquisition, funding requirements of ISI, and general corporate purposes.

Terms

Redemption

ABCI's preferred shares are perpetual in nature and do not have a fixed maturity date. The Company, however, has the option to redeem the shares at specified call dates, depending on the series.

Dividends

The preferred shares have fixed dividend rates ranging from 7.00% to 8.75% per annum. These may be adjusted based on prevailing benchmark rates, subject to floor rates of 9.75% for Series A and B, and 11.50% for Series C. Dividends are cumulative.

Shareholders

As of March 31, 2026, the Company's preferred shares are primarily lodged under PCD Nominee Corporation – Filipino and Non-Filipino, which holds shares on behalf of beneficial owners through the Philippine Depository & Trust Corporation (PDTC) system.

For Series A, there is also a minimal direct holding by G.D. Tan & Co., Inc.

Amounts in ₱	Series A	% of Total	Series B	% of Total	Series C	% of Total
PCD Nominee – Filipino	13,148,750	99.12%	7,399,800	99.57%	6,819,040	98.24%
PCD Nominee – Filipino	111,150	0.84%	31,950	0.43%	121,960	1.76%
G.D. Tan & Co., Inc.	5,000	0.04%	-	-	-	-
Total	**13,264,900**	**100.0%**	**7,431,750**	**100.0%**	**6,941,000**	**100.0%**