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**MONITORING**

Amount	Interest Rates	Issue Date	Maturity Date	Assigned Rating and Outlook
₱5.07135 billion	6.0169%	August 6, 2015	August 6, 2027	<b>PRS Aaa Stable Outlook</b>
₱1.65 billion	6.3210%	June 18, 2019	June 18, 2029	
₱5.00 billion	4.1018%	August 9, 2021	August 9, 2028	
₱10.90 billion	7.5321%	December 7, 2022	December 7, 2029	
₱5.82562 billion	6.4762%	September 21, 2023	September 21, 2028	
₱5.80791 billion	6.8032%	September 21, 2023	September 21, 2033	
<b>Total Outstanding Bond Issuances - ₱34.25488 billion</b>				

Obligations rated '**PRS Aaa**' are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. **PRS Aaa** is the highest rating assigned by PhilRatings.

On the other hand, a **Stable Outlook** is defined as: "The rating is likely to be maintained or to remain unchanged in the next 12 months."

**OUTSTANDING PRS-RATED BOND ISSUANCES OF A RELATED COMPANY**

Aboitiz Power Corporation (AboitizPower) – 53.09% owned by Aboitiz Equity Ventures, Inc. (AEV) as of end-September 2025

Amount	Interest Rates	Issue Date	Maturity Date	Assigned Rating and Outlook
₱3.00 billion	5.3367%	July 03, 2017	July 03, 2027	<b>PRS Aaa Stable Outlook</b>
₱7.25 billion	5.2757%	October 14, 2019	October 14, 2026	
₱8.00 billion	3.8224%	March 16, 2021	March 16, 2026	
₱7.20 billion	5.0283%	December 02, 2021	December 02, 2028	
₱3.00 billion	5.3066%	March 17, 2022	March 17, 2027	
₱7.00 billion	5.7388%	March 17, 2022	March 17, 2029	
₱11.29254 billion	5.8846%	July 14, 2025	July 14, 2027	
₱9.46866 billion	6.2934%	July 14, 2025	July 14, 2030	
₱9.2388 billion	6.8572%	July 14, 2025	July 14, 2035	
<b>Total Outstanding Bond Issuances - ₱65.45 Billion</b>				

## **RATIONALE**

### **Experienced shareholders and management, with a strong track record**

AEV is the publicly-listed holding and management company of the Aboitiz family.

As of September 30, 2025, AEV was 49.27%-owned by Aboitiz & Co., Inc. (ACO). ACO was established by Paulino Aboitiz in the late 1800s as an abaca trading and general merchandise business in Ormoc, Leyte. Formally incorporated in 1920, ACO serves as the private holding company of the Aboitiz Family. Given its long-standing history, ACO is reportedly the second oldest family-led business group in the Philippines.

The fourth- and fifth-generation members of the Aboitiz family currently hold directorship and key management positions in AEV, while other senior roles are filled by non-family professionals with extensive experience and proven track records.

Mr. Enrique M. Aboitiz, the eldest of the seven siblings in the fourth generation of the Aboitiz Family, is the Chairman of the Board of Directors of AEV. He has been a Director of the Company since May 1999 and concurrently serves as Vice Chairman of ACO. He previously held the position of Chairman of AboitizPower.

Mr. Sabin M. Aboitiz, the younger brother of Mr. Enrique Aboitiz, is the Company's President and Chief Executive Officer (CEO). He served as AEV's Chief Operating Officer (COO) from 2015 to 2019 prior to his current appointment. He concurrently serves as Chairman of AboitizPower, Aboitiz Foundation, Inc., AboitizLand, Inc. (AboitizLand), and CRH Aboitiz Holdings, Inc., while also holding the position of President and CEO of ACO.

Both Mr. Enrique Aboitiz and Mr. Sabin Aboitiz earned a degree in Business Administration from Gonzaga University in Spokane, Washington, US.

Supporting the leadership team is Mr. Jose Emmanuel U. Hilado, who serves as AEV's Senior Vice President (SVP), Chief Financial Officer (CFO), Corporate Information Officer, and Chief Risk Officer (CRO). He brings extensive experience in banking and finance, having held various senior roles at Union Bank of the Philippines (UBP) since 2017. Prior to joining the Group, Mr. Hilado spent 16 years in senior management positions across several major Philippine banks. He earned a Bachelor of Science in Business Economics degree from the University of the Philippines – Diliman and a Master's in Business Administration degree from the joint program of the Kellogg School of Management at Northwestern University and The Hong Kong University of Science and Technology.

### **Highly diversified investment portfolio, with recent consolidated results led by Power segment**

AEV has built a diversified portfolio across power, food manufacturing, financial services, infrastructure, and real estate. Within this portfolio, the Power segment has consistently been the largest contributor to recent consolidated results. It generated 65.2% of total revenues in 2024 and 63.5% in the first nine months of 2025 (9M2025). This is supported by AboitizPower's integrated presence across generation, distribution, and retail electricity supply (RES), with its RES business reported as the largest in the Philippines by market share as of end-2024, holding 1,181.98 megawatts (MW) of contracted capacity or 29.3% of the market. The same trend was observed in net income, with the Power business contributing 99.6% in 2024 and 83.2% in 9M2025. Food Manufacturing and Financial Services delivered moderate

contributions to recent consolidated results, while Infrastructure and Real Estate segments accounted for a smaller share over these periods.

### **Healthy cash flows and liquidity**

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

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

### **Manageable leverage position**

AEV's debt-to-equity ratio was flat at 1.0x as of end-2024. The ratio increased to 1.2x as of end-September 2025, as total debt grew by 15.3%, from ₱404.3 billion as of end-2024 to ₱466.2 billion. Additional debt was drawn mainly to finance AboitizPower's, through its subsidiary, Therma NatGas Power, Inc. (TNGP), acquisition of Chromite Gas Holdings, Inc. (CGHI). Total equity, on the other hand, inched up by 2.4% to ₱405.8 billion, as the Company continued to reinvest its earnings into its operations. Going forward, AEV expects its debt-to-equity ratio to remain manageable.

## **BUSINESS RISK**

### **Company Background**

AEV is the publicly-listed holding and management company of the Aboitiz family. The Company has major interests in power distribution, generation, and RES; financial services; food manufacturing; infrastructure; and real estate. It has also ventured into the data science and artificial intelligence (DSAI) space with Aboitiz Data Innovation (ADI).

The major business units of AEV, along with its corresponding ownership interests, as of September 30, 2025, are shown in Figure 1.

Figure 1 Condensed Conglomerate Map of AEV

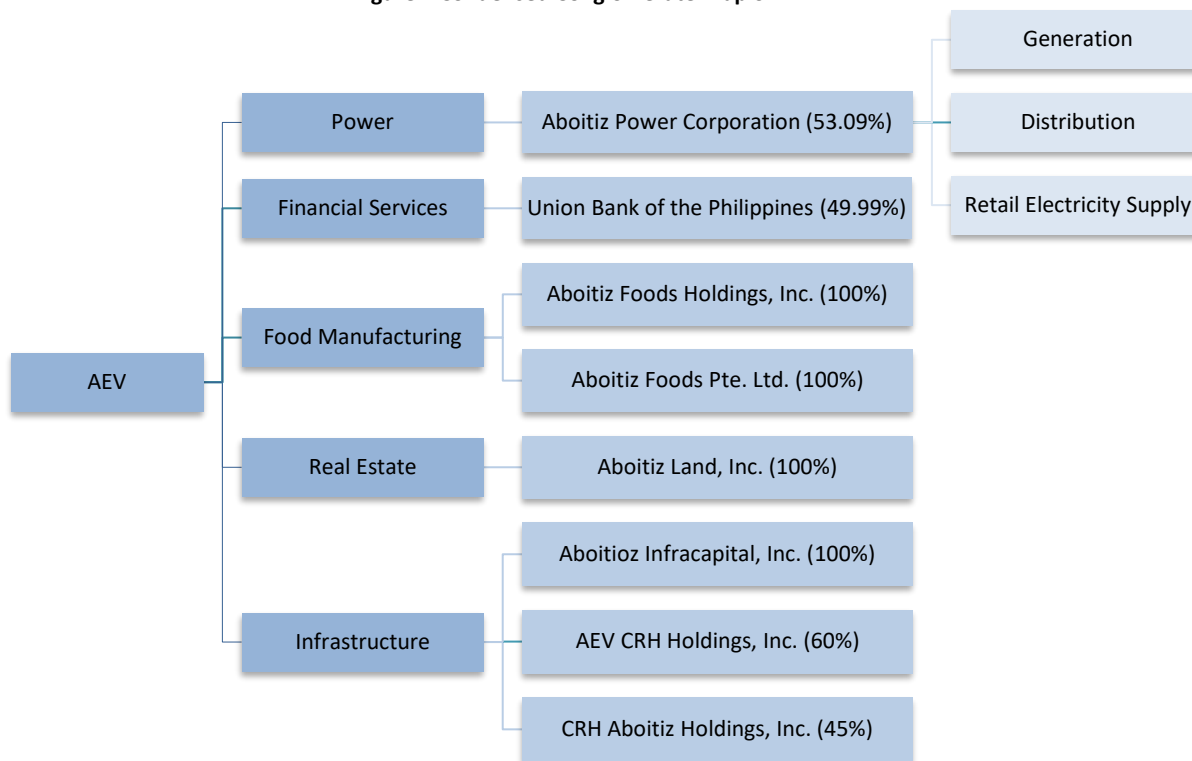


Table 1 Breakdown of Revenues (2023 – 2024 and 9M2024 – 9M2025)

	Revenues (in billions PhP)				Percentage Share			
	2023	2024	9M2024	9M2025	2023	2024	9M2024	9M2025
AEV Parent & Others	2.75	2.18	1.44	1.46	0.89	0.72	0.65	0.64
Power	207.10	197.49	148.32	144.33	66.67	65.21	67.14	63.53
Food Manufacturing	103.79	109.19	81.42	85.24	33.41	36.06	36.85	37.52
Financial Services	-	-	-	-	-	-	-	-
Infrastructure	6.55	8.92	3.22	9.76	2.11	2.95	1.46	4.30
Real Estate	3.59	4.28	3.10	2.74	1.16	1.41	1.40	1.21
Less: Eliminations	-13.16	-19.23	-16.58	-16.33	-4.24	-6.35	-7.50	-7.19
<b>Total</b>	<b>310.62</b>	<b>302.83</b>	<b>220.92</b>	<b>227.19</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Accounting for 65.2% and 63.5% of the total consolidated revenues in 2024 and in 9M2025, respectively, the Power segment remained to be AEV’s largest revenue contributor. PhilRatings notes, however, that revenues from the Power segment have been on a downward trend. This was primarily attributable to lower spot market prices, brought about by reduced plant availability and a lower contribution from GN Power Dinginin Ltd. Co. (GNPD) as it began recognizing depreciation and interest expense. Meanwhile, Food Manufacturing was the Company’s second largest revenue contributor, with its share consistently increasing from 33.4% in 2023 to 37.5% in 9M2025.

The top two revenue contributors of AEV have been its Power and Food businesses since PhilRatings assigned an Issue Credit Rating to the Company’s issuances.

PhilRatings notes that revenues derived from the Financial Services business are recognized as shared in net earnings of associates and joint ventures (JVs) and are therefore not included in AEV's consolidated revenues.

**Table 2 Breakdown of Net Income (2023 – 2024 and 9M2024 – 9M2025)**

	Net Income (in billions PhP)				Percentage Share			
	2023	2024	9M2024	9M2025	2023	2024	9M2024	9M2025
AEV Parent & Others	19.62	18.54	13.73	13.24	45.70	48.92	40.10	43.27
Power	36.47	37.73	29.94	25.45	84.95	99.55	87.44	83.17
Food Manufacturing	1.25	5.95	4.20	5.91	2.91	15.70	12.27	19.31
Financial Services	4.50	5.96	4.19	3.20	10.48	15.73	12.24	10.46
Infrastructure	1.44	-8.32	-1.09	-0.95	3.35	-21.95	-3.18	-3.10
Real Estate	1.39	1.26	0.71	0.78	3.24	3.32	2.07	2.55
Less: Eliminations	-21.74	-23.22	-17.44	-17.03	-50.64	-61.27	-50.93	-55.65
<b>Total</b>	<b>42.92</b>	<b>37.90</b>	<b>34.24</b>	<b>30.61</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

In terms of net income, the Power segment remained the Company's main contributor, accounting for 84.95% in 2023 and 99.6% in 2024, before declining to 83.2% in 9M2025 due to AboitizPower's softer performance during the latest period. This was followed by the Food Manufacturing business, which increased its share from 2.9% in 2023 to 19.3% in 9M2025. Net income from the Financial Services segment, meanwhile, accounted for 10.5% in 2023 and 15.7% in 2024, and declined to 10.5% in 9M2025 as UnionBank posted lower earnings for the period.

## Operations

### Power

AEV's power business is primarily conducted through AboitizPower, which was incorporated in 1998 as the holding company for the Aboitiz Group's power investments. AboitizPower is a vertically integrated company engaged in power generation, power distribution, and RES. Similar to AEV, AboitizPower is a publicly-listed company, with a market capitalization of ₱318.5 billion, as of January 14, 2026.

At present, AboitizPower is a well-positioned leader in the Philippine power industry, operating 49 generation facilities. Its portfolio of power generating plants consists of both renewable (hydro, geothermal, solar, and wind) and non-renewable (coal and oil) facilities. In addition, the company also operates battery energy storage systems (BESS) that provide grid support and ancillary services. As of end-June 2025, AboitizPower had a total net sellable capacity of 8,484 MW, of which 5,284 MW was attributable to the company. Of the total, renewable energy accounted for 1,187 MW (22.5% of total), while thermal assets had 4,097 MW (77.5% of total). As part of its 10-year energy transition strategy, AboitizPower aims to achieve a balanced 50:50 portfolio mix between its thermal and renewable energy assets.

The company's renewable energy business is largely managed by Aboitiz Renewables, Inc. (ARI). On the other hand, thermal capacity is held mainly through Therma Power, Inc. (TPI), which operates coal- and oil-fired plants nationwide, while BESS are deployed across both renewable and thermal facilities.

AboitizPower's generation companies sell their capacities and energy through bilateral power supply agreements (PSAs) with private distribution utilities (DUs), electric cooperatives (ECs), retail electricity

services, other large end-users, and through the wholesale electricity spot market (WESM). The company also has subsidiaries and affiliates that sell ancillary services through ancillary service procurement agreements (ASPAs) with the National Grid Corporation of the Philippines (NGCP).

Table 3 outlines the key information on the company's power generating plants as of end-February 2025.

Table 3 AboitizPower's Power Generation Assets

Plant Name	Project Type	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Generation Company	Offtakers
<b>RENEWABLES</b>					
Ambuklao	Hydro (large)	112.5	56.3	SNAP (SN Aboitiz Power) – Benguet	Bilateral/WESM/ASPA/Reserves Market (RM)
Bakun	Hydro (run-of-river)	74.8	74.8	Luzon Hydro Corporation (LHC)	National Power Corporation (NPC) (2026)
Benguet 1-11	Hydro (run-of-river)	52.7	52.7	Hedcor, Inc. (Hedcor)	Feed-in-Tariff (FIT)/Bilaterals/WESM
Binga	Hydro (large)	140	70	SNAP – Benguet	Bilateral/WESM/ASPA/RM
Cayanga and Laoag	Solar	205.3	205.3	PV Sinag	Bilateral/WESM
Davao 1-5	Hydro (run-of-river)	4.5	4.5	Hedcor	Bilateral
Magat	Hydro (large)	388	194	SNAP – Magat	WESM/ASPA/RM/Bilaterals
Magat BESS	Battery energy storage	24	12	SNAP – Magat	RM
Manolo Fortich	Hydro (run-of-river)	68.8	68.8	Hedcor	FIT
Maris Main Canal 1	Hydro (run-of-river)	8.5	4.3	SNAP – Magat	FIT
Sabangan	Hydro (run-of-river)	14	14	Hedcor Sabangan	FIT
Sacasun	Solar	46.8	46.8	San Carlos Sun Power, Inc. (SacaSun)	FIT
Sibulan (A, B, and Tudaya A)	Hydro (run-of-river)	49.1	49.1	Hedcor Sibulan	DU
Tudaya (B)	Hydro (run-of-river)	7	7	Hedcor Tudaya	FIT
Tiwi – Makban	Geothermal	290	290	AP Renewables, Inc. (APRI)	Bilaterals/WESM
<b>Subtotal</b>		<b>1,486.0*</b>	<b>1,149.6*</b>		
<b>NON-RENEWABLES</b>					
BESS	Hybrid BESS	49	49	Therma Marine, Inc. (TMI)	ASPA
Bunker Cotabato	Oil (Bunker-C)	4.45	4.45	Cotabato Light and Power Company (Cotabato Light)	DU
Cebu Energy	Coal (Circulating Fluidized Bed or CFB)	216	57	Cebu Energy Development Corporation (CEDC)	Bilaterals/WESM
EAUC Plant	Oil (Bunker-C)	43.5	43.5	East Asia Utilities Corporation (EAUC)	RM/WESM
GNPD	Coal	1,336.0	935.2	GNPD	Bilaterals/WESM/ASPA
Mariveles Project	Coal	632	495	GNPower Mariveles Energy Center Ltd. Co. (GMEC) <sup>1</sup>	Bilaterals/WESM/ASPA
Minanado Coal-Fired Power Plant/SPI Power Plant	Coal	210.0	178.5	SPI Power Incorporated	NPC/PSLAM (2031)/Bilaterals
Pagbilao	Coal	700	700	Therma Luzon, Inc. (TLI)	Bilaterals/WESM/ASPA
Pagbilao 3	Coal	388.4	194.0	Pagbilao Energy Corporation (PEC)	Bilaterals/WESM/RM
Power Barge Mobile 1	Oil (Barge-mounted)	96	96	TMI	ASPA/WESM/PSA
Power Barge Mobile 2	Oil (Barge-mounted)	96	96	TMI	ASPA/WESM/PSA
Power Barge Mobile 3-6	Oil (Barge-mounted)	102	102	Therma Mobile, Inc. (TMO)	WESM/ASPA/RM
SPPC Plant	Oil (Bunker-C)	55	11	Southern Philippine Power Corporation (SPPC)	N/A
TSI Plant	Coal	272.6	272.6	Therma South, Inc. (TSI)	Bilaterals/WESM
TPVI Plant	Oil (Bunker-C)	33	33	Therma Power-Visayas, Inc. (TPVI)	WESM/RM
TVI Plant	Coal (CFB)	300	240	Therma Visayas, Inc. (TVI)	Bilaterals/WESM/ASPA
WMPC	Oil (Bunker-C)	100	20	Western Mindanao Power Corporation (WMPC)	Bilaterals/WESM/ASPA
<b>Subtotal</b>		<b>4,634.0*</b>	<b>3,527.3*</b>		
<b>Total</b>		<b>6,120.0*</b>	<b>4,676.9*</b>		

<sup>1</sup> Formerly GNPower Mariveles Coal Plant Ltd. Co. or GMCP

\*Summed figures will differ due to rounding effect

Through its nine DUs across the country, AboitizPower supplies electricity to franchise areas covering 18 cities and municipalities, as well as five economic zones. Major DUs included in its portfolio are Visayan Electric Company, Inc. (Visayan Electric) and Davao Light and Power Company, Inc. (Davao Light), the second- and third-largest privately owned DUs in the country in terms of customer base and annual sales, respectively. As of end-2024, AboitizPower's DUs served 1,200,987 customers, up from 1,169,606 as of end-2023.

Table 4 summarizes AboitizPower's interests in DUs, as well as their franchise periods as of end-2024.

**Table 4 AboitizPower's Power Distribution Assets**

Distribution Company	AboitizPower % Ownership	Valid Until
Subic Enerzone Corporation (Subic Enerzone)	65.00%	-
Malvar Enerzone Corporation (Malvar Enerzone)	100%	December 25, 2025
Lima Enerzone Corporation (Lima Enerzone)	100%	July 25, 2027
Cotabato Light	99.94%	August 25, 2028
San Fernando Electric Light & Power Co., Inc. (SFELAPCO)	43.78%	December 25, 2028
Davao Light	99.93%	January 25, 2029
Visayan Electric	55.26%	January 25, 2029
Mactan Enerzone Corporation (Mactan Enerzone)	100%	May 26, 2030
Balamban Enerzone Corporation (Balamban Enerzone)	100%	May 26, 2030

In the RES segment, AboitizPower, through its seven RES companies, participates in the contestable market under the Retail Competition and Open Access (RCOA) scheme,<sup>2</sup> as well as in the Green Energy Option Program (GEOP).<sup>3</sup> As of end-2024, its RES business was reportedly the largest in the country by market share, with 1,181.98 MW of contracted capacity, representing 29.3% of the market.

As of end-2024, AboitizPower held seven RES licenses as seen in Table 5.

**Table 5 RES Licenses**

	Percentage of Ownership	Validity of RES
SN Aboitiz Power – Magat*	60%	December 17, 2025
SN Aboitiz Power – RES, Inc.	40%	2026
Mazzaraty Energy Corporation	44.87%	June 2028
Aboitiz Energy Solutions, Inc.	100%	October 28, 2028
Prism Energy, Inc.	60%	November 21, 2028
Adventenergy, Inc.	100%	December 17, 2028
Thermal Luzon, Inc. (TLI)	100%	August 11, 2030

\*Renewal application has already been submitted

<sup>2</sup> Allowing contestable customers to choose their electricity supplier

<sup>3</sup> Enabling end-users to directly source power from renewable energy suppliers

### Major Updates Since The Last Rating Review

In February 2024, AboitizPower signed a Share Purchase Agreement with STEAG GmbH (STEAG) for the acquisition of an additional 15.6% equity stake in STEAG State Power Inc. (SPI).

In September 2024, through AboitizPower International, the company invested in Abaqa International Pte. Ltd. (Abaqa), a Singapore-based commodity trading firm. AboitizPower now holds a 40% ownership interest in Abaqa, with the remaining 60% held by Aboitiz Foods Pte. Ltd.

In January 2025, Therma Northern Grid Phils., Inc. and Meralco PowerGen Corporation (MGen), through CGHI, completed investments in South Premiere Power Corp. (SPPC), Excellent Energy Resources Inc. (EERI), and Ilijan Primeline Industrial Estate Corp. (IPIEC). Concurrently, they finalized a co-investment deal with San Miguel Global Power Corporation (SMGP) in Linseed Field Corporation via a 40% equity stake in CGHI. Under this arrangement, the portfolio includes SPPC's 1,278-megawatt combined-cycle gas power plant in Ilijan, Batangas, which is one of the largest natural gas facilities in the Philippines, and EERI's 1,320-megawatt combined-cycle gas power plant under construction, both supported by the acquisition of the Linseed Field Corporation's import and regasification LNG terminal in Batangas, which will process and deliver liquefied natural gas to the gas-fired power plants.

In April 2025, the company broke ground on a 48-MW hybrid BESS in Nasipit, Agusan del Norte. The facility, integrated into its oil-fired power barge, is expected to be completed in the second quarter of 2026 (2Q2026). These hybrid systems are designed to enable rapid-response ancillary services that support grid stability, especially in island grids like those in Mindanao.

In July 2025, AboitizPower's subsidiary, EAUC, commenced construction on a 30-MW hybrid BESS at its thermal power facility in the Mactan Economic Zone, Cebu.

In November 2025, ARI energized the 92.55-megawatt peak (MWp) San Manuel Solar Power Plant in Pangasinan. This is the third solar facility operated in the province, joining the 94-MWp Cayanga-Bugallon and the 159-MWp Laoag projects.

### Financial Performance

In 2024, AboitizPower posted ₱197.5 billion in operating revenues, a 4.6% decrease from ₱207.1 billion in 2023, primarily due to lower spot prices. The company's share in net earnings of associates and JVs amounted to ₱15.7 billion, down by 20.8% from ₱19.8 billion in 2023, as GNPD recorded higher depreciation and interest expense, along with planned outages. Other income also declined to ₱1.7 billion, 63.7% lower than ₱4.6 billion registered in 2023, largely due to the absence of non-recurring insurance gains recognized in the prior year. Despite these declines, AboitizPower posted a net income of ₱37.7 billion for the period, a 3.5% increase from ₱36.5 billion in 2023.

In 9M2025, the company generated ₱144.3 billion in operating revenues, a 2.7% decrease from ₱148.3 billion in 9M2024, on account of lower WESM prices and scheduled plant outages. Operating expenses increased by 0.9% to ₱118.0 billion from ₱117.0 billion in the same period last year, driven by higher fuel costs, plant operating expenses, and depreciation. As a result, operating profit declined by 15.9% to ₱26.3 billion from ₱31.3 billion in 9M2024. Share in net earnings of associates and joint ventures increased by 14.7% to ₱14.6 billion from ₱12.7 billion, due to contributions from CGHI beginning January 2025 and higher earnings from Manila-Oslo Renewable Enterprise, Inc. (MORE). Other income declined by 18.9% to

₱1.2 billion from ₱1.5 billion in 9M2024, attributable to the absence of prior-year coal sales and insurance gains. As a result, the Company's net income declined by 14.7% to ₱25.5 billion in 9M2025, from ₱29.9 billion in the same period last year.

### Financial Services

AEV's financial services business is consolidated under its associate, UBP. As of end-September 2025, the bank's principal stockholders were AEV (49.99%), the Social Security System (18.35%), and Insular Life Assurance Company, Inc. (12.42%). The bank's leadership exhibits its strong ties to AEV, with Erramon Aboitiz serving as Chairman and Ana Maria Delgado, who also sits as a Director of AEV, serving as President and CEO. UBP is also a publicly listed company, with a market capitalization of ₱89.5 billion, as of January 14, 2026.

As of end-September 2025, UBP was the country's tenth largest bank among the universal and commercial bank group in terms of total assets, with ₱978.6 billion in total assets. Table 6 shows its ranking in key metrics based on Bangko Sentral ng Pilipinas (BSP) data. It should be noted that the sector's resources remain concentrated in the top five banks, which together hold more than half of total assets. These banks are BDO Unibank, Inc., Land Bank of the Philippines, Bank of the Philippine Islands, Metropolitan Bank & Trust Company, and China Banking Corporation.

As of end-September 2025, UBP accounted for 3.7% of total assets of the country's universal and commercial banks, 3.0% of its total deposit liabilities, and 2.7% of its total loans (net).

**Table 6 UBP's Industry Rankings (Universal and Commercial Bank Group) as of September 30, 2025**

Key Metrics	UBP's Rank
Total Assets	10
Total Stockholders' Equity	6
Total Deposit Liabilities	10
Total Loans and Receivables, net	10

UBP is a universal bank that considers its technology and innovation, sales and service culture, and centralized backroom operations as key strengths. It offers a broad range of products and services, including deposit and related services; consumer finance such as credit cards, mortgages, auto, and personal loans; micro, small and medium-sized enterprises (MSME) banking; cash management; trust and investment services; treasury products distribution; and funding and trading. It also provides estate planning solutions, a global multi-asset fund through Lombard Odier & Co., and life insurance products via its bancassurance partnership with Insular Life.

UBP leverages its broad mass market reach to promote financial inclusion through its various subsidiaries. City Savings Bank, Inc. (CitySavings) offers salary and motorcycle loans, along with deposit products, and maintains equity interests in Bangko Kabayan and PETNET. UBP Investments Corporation (UIC) serves as a holding company for First Union Plans, Inc., First Union Direct Corporation, and First Union Insurance and Financial Agencies. UBX Philippines (UBX PH) develops apps and blockchain solutions, invests in startups, and manages digital platforms such as Vinne. UnionBank Investment Management and Trust Corporation (UBIMTC) provides trust and investment management solutions and oversees ten Unit Investment Trust Funds (UITFs). UnionDigital Bank, UBP's digital banking arm, provides digital savings, lending, payments, insurance, micro-investments, and digital asset services to the unbanked and underbanked segments. As of end-June 2025, UnionDigital Bank ranked third among the country's six

licensed digital banks in terms of total assets, accounting for 14.7% of the sector's asset base. It also placed third in total deposit liabilities with a 13.8% share, and sixth in total loans (net), representing 2.2% of the sector's total loan portfolio.

### Major Updates Since The Last Rating Review

In May 2024, UBP concluded a stock rights offering, raising ₱10.0 billion through the issuance of 327.12 million shares at ₱30.57 each. The net proceeds will be used to fund the capital infusion to UnionDigital Bank, supporting retail loan growth and general corporate needs.

In March 2025, UBP announced plans for a significant \$800.0 million debt issuance to fund the expansion of its digital banking operations, signaling a major investment in scaling up its digital infrastructure.

### Financial Performance

In 2024, UBP reported a net interest income of ₱58.0 billion, up by 11.6% from ₱52.0 billion in 2023, due to expanding net interest margins and higher volumes of consumer loans. Non-interest income increased by 14.5% to ₱21.5 billion, driven by higher gains on trading and investment securities, as well as increased service charges, fees, and commissions. Total expenses slightly improved to ₱44.3 billion, as lower miscellaneous expenses helped partially offset increases in salaries, taxes, and depreciation. Provision for credit losses rose by 39.6% to ₱19.6 billion, attributable to the growing share of consumer loans. Consequently, net income grew by 30.7%, from ₱9.2 billion in 2023 to ₱12.0 billion in 2024.

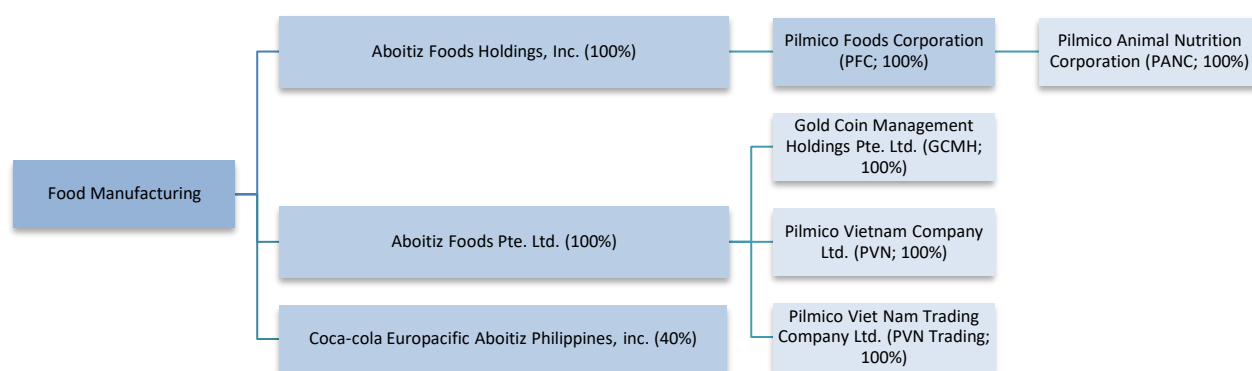
As of December 31, 2024, the bank's asset quality remained sound, with a net non-performing loan (NPL) ratio of 4.0%, slightly higher than 3.7% in 2023. UBP's capital position also remained strong, with a capital adequacy ratio (CAR) of 17.3%, well above regulatory minimum of 10.0%.

In 9M2025, net interest income increased by 11.6% to ₱47.5 billion, from ₱42.6 billion in 9M2024, supported by higher interest earnings from investment securities. Non-interest income, however, declined by 6.5% to ₱12.9 billion, mainly due to lower gains from trading and investment securities and a drop in miscellaneous income, though this was partly offset by higher service charges, fees, and commissions. On the other hand, total operating expenses rose by 7.3% to ₱35.5 billion, primarily attributable to increased salaries and employee benefits and miscellaneous expenses. Provision for credit losses jumped by 27.2% to ₱15.6 billion, driven by the bank's consumer focused portfolio. Given the aforementioned, net income fell by 24.4% to ₱6.5 billion in 9M2025, from ₱8.6 billion in the same period in 2024.

### **Food Manufacturing**

The Company conducts its integrated agribusiness and food operations in the Philippines through Aboitiz Foods Holdings, Inc. and its subsidiaries, while its international feeds business is managed by Aboitiz Foods Pte. Ltd. (formerly Pilmico International Pte. Ltd.) along with its subsidiaries and associates. Collectively, these companies comprise the "Food Group."

**Figure 2 Companies under the Food Group**



The Food Group is organized into two main business units: (a) the Food and Nutrition division, which serves the consumer segment in the Philippines, and (b) the Agribusiness division, which comprises regional animal nutrition operations in the Philippines, China, Vietnam, Thailand, Malaysia, Brunei, and Indonesia.

The Food and Nutrition business covers flour, farms and meats, and beverages.

- The flour segment is operated by Pilmico Foods Corporation (PFC), a wholly owned subsidiary engaged in manufacturing and selling premium hard wheat flour for bread, soft wheat flour for cookies and crackers, and specialty flours under well-known brands like Sun Moon Star, Sunshine, Glowing Sun, Kutitap, Gold Star, Mega Star, and Wooden Spoon. As one of the country’s largest flour manufacturers, PFC operates a wide distribution network across major cities including Metro Manila, Cebu, Davao, Iloilo, Bacolod, and Cagayan. It also exports products to international markets—such as Hong Kong, Vietnam, Myanmar, Thailand, Malaysia, and Indonesia—through its representative office in Ho Chi Minh City, Vietnam.
- The farms and meats segment is undertaken by Pilmico Animal Nutrition Corporation (PANC), a wholly owned subsidiary of AEV through PFC and Filagri Holdings, Inc. PANC operates hog and layer farms in Capas, Tarlac. As of February 28, 2025, its swine operations had a sow level of 8,399, with plans for further expansion. Its farm facility also has a capacity of 173,000 egg-laying chickens, producing around four million eggs per month. In addition, PANC runs feed mill plants that support both its commercial feed sales and the requirements of its livestock operations.
- The beverages segment is part of the Food and Nutrition business through AEV’s 40% beneficial equity interest in Coca-Cola Europacific Aboitiz Philippines, Inc. (CCEAP), a JV with Coca-Cola Europacific Partners that holds the remaining 60%. In February 2024, AEV and Coca-Cola Europacific Partners completed the acquisition of then Coca-Cola Beverages Philippines, Inc., which was rebranded as CCEAP in 2025. Since then, CCEAP has served as the exclusive bottler and distributor of Coca-Cola products in the Philippines, with a diverse portfolio that includes Coca-Cola, Royal, Sprite, Wilkins, Schweppes, Minute Maid, Nutri Boost, Predator, and Lemon Dou. It also operates a nationwide production and distribution network that supplies products to nearly one million micro-retailers.

On the other hand, the Agribusiness unit oversees the Food Group’s regional animal nutrition operations, which include feeds, pet food, specialty nutrition products, and trading. In the Philippines, PFC and PANC offer animal healthcare products and produce feeds for swine, poultry, rabbits, pets, and aquatic species such as pangasius and tilapia. Internationally, operations are conducted through Aboitiz Foods Pte. Ltd. and its subsidiaries: PVN, PVN Trading, and GCMH, the parent company of the Gold Coin Group.

- PVN, based in Dong Thap Province, Vietnam, is one of the country's largest aqua feed producers, with an annual capacity of 345,000 metric tons (MT).
- PVN Trading facilitates the importation, distribution, and wholesale of food products, beverages, and agricultural raw materials within Vietnam.
- GCMH, headquartered in Singapore, manages the Gold Coin Group, a leading animal nutrition provider with more than 21 livestock and aqua feed mills across six Asia-Pacific countries. It has a total installed milling capacity of 4.2 million MT per year and operates two research facilities in China and Malaysia. Its product portfolio includes livestock feeds, aqua feeds for shrimp and fish, as well as specialty nutrition products such as premixes and specialty concentrates.

### Major Updates Since The Last Rating Review

In August 2024, Pilmico and Gold Coin merged and rebranded under the single corporate name Aboitiz Foods, consolidating the Aboitiz Group's food and agribusiness operations into an integrated food value chain platform.

### Financial Performance

Aboitiz Foods Holdings, Inc.'s total revenue reached ₱47.4 billion in 2024, primarily generated from service fees. Total expenses amounted to ₱45.6 billion, mainly attributed to salaries and bonuses, IT and employee-related costs, professional fees, and other operating expenses. The company reported a net income of ₱1.9 billion, a significant turnaround from the ₱234.4 million net loss recorded in 2023.

Aboitiz Foods Pte. Ltd., meanwhile, registered a total income of \$19.7 million in 2024, which included dividend income of \$16.0 million, service income of \$3.3 million, and other income of \$442.0 thousand. Despite this, increased total expenses (i.e., administrative, finance, and other operating costs) led to a net loss of \$3.7 million for the year, compared to a net profit of \$5.6 million in 2023.

In 6M2025, Aboitiz Foods Holdings, Inc. posted a total revenue of ₱602.2 million, a sharp increase from ₱16.2 million in the same period in 2024. The surge was mainly attributable to the recognition of ₱565.7 million in dividend income. Service fees more than doubled to ₱36.5 million, while interest income nearly quadrupled to ₱6.5 thousand. Total expenses reached ₱33.7 million, up by 88.0% from ₱17.9 million in 6M2024, largely due to higher salaries and bonuses. As a result, the company recorded a net income of ₱567.8 million, a turnaround from the ₱1.7 million net loss in 6M2024.

On the other hand, Aboitiz Foods Pte. Ltd.'s total income went down by 14.4%, from \$14.0 billion in 6M2024 to \$12.0 billion in 6M2025, on account of lower service income. Administrative expenses decreased markedly by 77.9% to \$474.1 thousand from \$2.1 million, while other expenses were nearly unchanged at \$51.4 thousand. Net income was slightly lower by 3.0% at \$11.4 million in 6M2025, compared with \$11.8 million in the prior period.

### **Real Estate**

AboitizLand, the real estate arm of AEV, was established in 1994 and is engaged in the development of residential projects. It offers three main products, namely: lot only, house and lot, and condominiums. These are marketed to a broad range of customers, ranging from the middle- to upper-income segments.

In addition, AboitizLand provides property management services for both its own developments and those of other companies within the Aboitiz Group.

As of February 28, 2025, AboitizLand had 13 residential projects across Cebu, Batangas, Pampanga, Tarlac, and Nueva Ecija.

The company's portfolio includes master-planned and lifestyle communities such as Pristina North, Kishanta, and The Persimmon in Cebu; the Ajoya series of mid-market communities in Central Luzon and the Visayas; large-scale estates such as Seafront Residences in Batangas and Foressa Mountain Town in Cebu; and township-support projects like The Villages at Lipa in Batangas, which complements Aboitiz InfraCapital, Inc.'s (AIC) LIMA Technology Center.

AboitizLand continues to prioritize the launch of mid-market residential projects to address the growing demand for provincial house-and-lot developments. It also aims to expand its industrial and residential footprint through strategic land acquisitions in key growth areas, seeking to build integrated communities that support township development and long-term project sustainability.

While its core business remains on horizontal residential communities, AboitizLand is also expanding into vertical housing. Its wholly owned subsidiary, Point Blue, Inc., has pioneered the microstudio rental category in the Philippines. It is currently developing projects strategically located near Metro Manila's central business districts and are designed to cater to young urban professionals seeking affordable and accessible housing close to major employment hubs.

### Financial Performance

In 2024, AboitizLand posted revenues of ₱4.1 billion, up by 20.1% from ₱3.4 billion in 2023. The increase was mainly driven by higher sales of lot only, house and lot, and condominium units, which rose from ₱2.6 billion in 2023 to ₱3.1 billion in 2024 due to improved property sales and the continued progress of project completions. Rental income also grew by 24.8% to ₱864.6 million, up from last year's ₱692.6 million, supported by higher occupancy levels and additional lease contracts. Service fees income, however, slightly declined, from ₱146.8 million in 2023 to ₱132.1 million in 2024, attributed to lower industrial and commercial service take-up.

The cost of real estate inventories sold and services totaled ₱2.1 billion in 2024, up by 18.9% from ₱1.8 billion in 2023. The increase was largely due to higher amortization of capitalized commissions for real estate sales and rising costs from rental services, including the share to the Mactan Cebu International Airport Authority (MCIAA). Costs of other services also grew moderately due to higher contracted services, and utilities expenses. Unlike in 2023, when the company recognized a ₱688.5 million gain from the sale of property and equipment, no such gain was recorded in 2024, adversely affecting overall profitability. Given the foregoing, net income decreased by 36.4% to ₱964.9 million in 2024, from ₱1.5 billion in the prior year.

AboitizLand's revenues declined by 54.7%, from ₱1.7 billion in 6M2024 to ₱782.7 million in 6M2025. The decrease was accompanied by a 49.2% reduction in the cost of real estate inventories sold and services to ₱437.6 million from last year's ₱862.3 million, in line with the contraction in revenues. General and administrative expenses also fell by 17.9%, from ₱439.4 million in 6M2024 to ₱360.6 million in 6M2025.

Interest expense and other financing charges slightly went down by 3.2% to ₱22.2 million from ₱22.9 million. Other income – net rose by 19.8% to ₱74.1 million from ₱61.9 million, while interest income went down by 21.2% to ₱9.5 million from ₱12.1 million. As a result, the company posted a net income of ₱18.2 million in 6M2025, significantly lower by 95.8% compared with ₱433.1 million in 6M2024.

## Infrastructure

AEV undertakes its infrastructure and related investments primarily through AIC and AEV CRH Holdings, Inc. (AEV CRH). AIC serves as the Aboitiz Group's investment vehicle for infrastructure, while AEV CRH functions as the holding company of Republic Cement & Building Materials, Inc. (RCBM).

AIC's portfolio spans four segments: (a) economic estates, (b) water infrastructure, (c) transport and mobility, and (d) digital infrastructure.

AIC's economic estates are designed as integrated centers that combine industrial, commercial, and residential components to support sustainable community development. In the water sector, the company is pursuing bulk water supply and utility projects aimed at addressing long-term demand in urban and growth areas. Its transport and mobility business focuses on the operation and development of regional airports. Meanwhile, AIC's digital infrastructure initiatives include the development of telecommunications towers and data centers to enhance nationwide connectivity.

Through AEV CRH, the group also holds its investment in RCBM, a leading cement manufacturer in the Philippines. Acquired in 2015, RCBM is engaged in the manufacture, development, and sale of cement and other building materials. It markets its products under the brands *Republic*, *Fortune*, *RapidSET*, *Kapit-Balay*, *Mindanao*, and *wallMASTER*, through seven strategically located plants across the country.

### Major Updates Since The Last Rating Review

In July 2025, Global Infrastructure Partners (GIP),<sup>4</sup> the infrastructure investment arm of BlackRock, moved closer to acquiring a 40% stake in AIC. This proposed transaction is regarded as one of the most significant foreign equity investments in Philippine infrastructure in recent years. The finalization of the partnership is still subject to the signing of definitive documents, satisfactory due diligence, and applicable regulatory approvals.

### *AIC Operations – Integrated Economic Centers*

In October 2024, AIC and House of Investments, the non-bank holding company of the Yuchengco Group of Companies, executed a term sheet for a strategic JV to expand the TARI Estate in Tarlac City by integrating a 184-hectare mixed-use development through Tarlac Terra Ventures, Inc. (TTVI). Subject to the finalization of definitive agreements and regulatory approvals, House of Investments will hold a 51% stake in the JV, while AIC will retain 49%.

At present, AIC's LIMA Estate in Batangas and West Cebu Estate continue to undergo expansion, with developments covering industrial, commercial, residential, and smart city features.

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<sup>4</sup> GIP is a global infrastructure-investment platform with more than US\$183 billion in assets under management and a track record in energy, transport, digital infrastructure, and water/waste management sectors.

### *AIC Operations – Water Infrastructure*

In February 2024, Apo Agua Infraestructura, Inc. (Apo Agua) commenced full commercial operations of its bulk water treatment facility in Davao City, marking a significant milestone for the ₱12.6-billion Davao City Bulk Water Supply Project. The facility now delivers treated bulk water to the Davao City Water District (DCWD).

As of report writing date, AIC owns a 70.0% equity interest in Apo Agua.

### *AIC Operations – Transport and Mobility*

On October 28, 2024, AIC signed a 30-year concession agreement for the Laguindingan International Airport Public-Private Partnership (PPP) project. With an estimated cost of ₱12.75 billion, the project involves the upgrade, expansion, operation, and maintenance of the airport in two phases to accommodate increasing passenger traffic. AIC took over the airport's operations around April 2025.

On October 30, 2024, AIC officially assumed full ownership of Aboitiz GMR Megawide Cebu Airport Corporation (AGMCAC), the developer and operator of Mactan-Cebu International Airport (MCIA).

On December 18, 2024, AIC entered into another 30-year concession agreement for the Bohol-Panglao International Airport (BPIA) PPP project. With an estimated cost of ₱4.53 billion, AIC is expected to modernize, expand, operate, and maintain the BPIA. Once the project is complete, the modernized airport is projected to accommodate 3.9 million passengers and 35,000 air traffic movements per year by 2030. AIC took over the management and operations of BPIA in June 2025.

### *RCBM Operations – Cement*

In January 2025, Aboitiz Upgrade Solar Inc. (AUSI), a JV between AboitizPower and Upgrade Energy Philippines, signed a long-term solar power purchase agreement with RCBM. Under the agreement, AUSI will build and operate a ground-mounted solar project at RCBM's facility in Bulacan, while RCBM will purchase the clean energy generated. This project is scheduled for completion in the second half of 2025 (2H2025).

### Infrastructure Group Financial Performance

In 2024, AIC's total revenue decreased by 18.8% to ₱405.7 million, from ₱499.6 million in 2023. This was mainly due to lower service-related revenues, with technical fees falling from ₱137.4 million to ₱72.5 million, and general service fees dropping from ₱57.7 million to ₱36.9 million. Interest income also fell by 66.2% to ₱12.1 million, from ₱35.8 million, as placements with banks were lower. On the positive note, dividend income rose to ₱284.2 million from ₱268.7 million, supported by higher contributions from subsidiaries and associates.

Cost of services, meanwhile, significantly declined to ₱98.5 million in 2024, from ₱164.8 million in 2023, which partly cushioned the decrease in revenues. General and administrative expenses, however, rose by 25.0%, from ₱435.5 million to ₱544.2 million, driven by higher personnel costs, contracted services, and other corporate expenses.

A major boost to the company's profitability came from a ₱1.9 billion gain on fair value change of financial assets at fair value through profit or loss (FVPL), arising from the conversion of AIC's exchangeable notes into shares of AGMCAC. This was a substantial increase compared to the ₱82.2 million gain recorded in 2023. As a result of the foregoing, AIC reversed its ₱57.7 million net loss in 2023 and posted a net income of ₱1.6 billion in 2024.

In 6M2025, the company posted total revenues of ₱239.4 million, more than triple the ₱79.2 million registered in the same period in 2024. The significant increase was largely driven by higher dividend income of ₱234.9 million, up from ₱19.8 million a year prior. Technical fees declined by 98.6% to ₱485.1 thousand, and no general service fees were recognized during the period, compared with ₱18.5 million in 6M2024. Interest income likewise decreased by 23.0%, from ₱5.2 million in 6M2024 to ₱4.0 million in 6M2025.

The cost of real estate sales sharply dropped by 99.1% to ₱436.6 thousand in 6M2025, from ₱48.8 million in 6M2024, resulting in a nearly eightfold increase in gross profit to ₱238.9 million. General and administrative expenses eased slightly by 2.8% to ₱277.9 million. Foreign exchange gains totaled ₱64.6 thousand, reversing the ₱1.1 million loss in the prior year. Interest expense on lease liabilities decreased by 46.4% to ₱344.4 thousand, while AIC incurred a ₱2.1 million loss on disposal of property and equipment. Consequently, the company reported a net loss of ₱37.9 million in 6M2025, an 85.3% improvement from the ₱258.2 million net loss in 6M2024.

## **DSAI**

In 2021, AEV established ADI as its DSAI arm. ADI leverages data-driven solutions across the Aboitiz Group to improve operational efficiency, strengthen risk management, increase revenue opportunities, and support sustainability initiatives. Over time, it also aims to offer its services to external clients as an additional revenue source.

Since its inception, ADI has launched several initiatives that underscore its role in the Group's digital transformation. In 2024, it partnered with Cloudera to strengthen its generative AI and machine learning capabilities for business applications. It also signed a memorandum of agreement with the National Privacy Commission to test privacy-enhancing technologies within regulatory sandbox environments, demonstrating its commitment to responsible AI use. In addition, ADI has announced plans to expand its AI solutions to markets across Asia, showing its intent to pursue opportunities beyond the Aboitiz Group.

## **Ownership & Management**

As of end-September 2025, AEV was 49.27%-owned by ACO.

ACO was established by Paulino Aboitiz in the late 1800s as an abaca trading and general merchandise business in Ormoc, Leyte. It later ventured into inter-island shipping to transport its goods across the Visayas Region. Formally incorporated in 1920, ACO serves as the private holding company of the Aboitiz Family. Given its long-standing history, ACO is reportedly the second oldest family-led business group in the Philippines. In addition to AEV, ACO also has shareholdings in privately held construction and shipbuilding companies.

As of report writing date, the fourth- and fifth-generation members of the Aboitiz Family hold directorship and top management positions in the Group, with other key posts held by non-related professionals with solid experience and track records.

Table 7 Key Officers

Name	Position
Enrique M. Aboitiz	Chairman of the Board
Sabin M. Aboitiz	President and CEO
Jose Emmanuel U. Hilado	SVP, CFO, Corporate Information Officer, and CRO

Mr. Enrique Aboitiz, the eldest of the seven siblings in the fourth generation of the Aboitiz family, is the Chairman of the Board of Directors of AEV. He has been a Director of the Company since May 1999 and concurrently serves as Vice Chairman of ACO. He previously held the position of Chairman of AboitizPower. Mr. Enrique Aboitiz earned his Bachelor of Science degree in Business Administration, Major in Economics, from Gonzaga University in Spokane, Washington, US.

Mr. Sabin Aboitiz, the younger brother of Mr. Enrique Aboitiz, is the Company's President and CEO. Prior to his appointment, he served as AEV's COO from 2015 to 2019. He is concurrently the Chairman of AboitizPower, Aboitiz Foundation, Inc., AboitizLand, and CRH Aboitiz Holdings, Inc., while holding the position of President and CEO of ACO. Mr. Sabin Aboitiz obtained his degree in Business Administration, Major in Finance, from Gonzaga University in Spokane, Washington, US.

Mr. Jose Emmanuel U. Hilado is the Company's SVP, CFO, Corporate Information Officer, and CRO. He brings extensive experience in banking and finance, having previously held the roles of Senior Executive Vice President and CFO of UBP, in addition to other leadership positions in other major Philippine banks. Mr. Hilado holds a Bachelor of Science degree in Business Economics from the University of the Philippines – Diliman, and a Master's degree in Business Administration, jointly conferred by the Kellogg School of Management at Northwestern University in Evanston, Illinois, US, and The Hong Kong University of Science and Technology in Clear Water Bay Peninsula, New Territories, Hong Kong.

As of end-February 2025, AEV had a total of 152 employees on the parent company level, consisting of executives, managers, supervisors, and rank-and-file employees. PhilRatings notes that there is no existing Collective Bargaining Agreement (CBA) covering any of AEV's employees.

## Strategy

AEV is continuing its Great Transformation, a long-term initiative launched in 2022, that positions the Company to become the Philippines' first Techglomerate. This transformation involves integrating technology, data science, and innovation across its businesses. Guided by four strategic pillars— (1) business growth; (2) stakeholder engagement; (3) human capital development; and (4) operating excellence—AEV is committed to driving sustainable growth and creating long-term value. In line with these pillars, its core businesses have adopted the following strategies:

- **Power**

AboitizPower remains focused on expanding its generation portfolio to support long-term business growth and maintain its competitiveness edge. The company's strategy is anchored on the energy trilemma—balancing the three pillars of energy security, energy equity, and environmental sustainability. To achieve this, AboitizPower pursues a balanced mix of renewable

energy and thermal technologies to ensure reliable and cost-efficient supply while maintaining operational flexibility.

As of February 28, 2025, the company has energized over 500 MW of renewable capacity under its initial phase of expansion, which forms part of a pipeline of up to 1,200 MW. The second phase is expected to add around 2 GW of solar and wind capacity in the coming years. Alongside this, AboitizPower continues to responsibly operate its existing thermal assets, which enables it to meet energy demand and mitigate the variability of renewable energy sources.

- **Banking**

UBP is enhancing its ability to serve its growing customer base of 17.3 million by delivering innovative, digitally enabled financial solutions. Its strategy is built on two key pillars: (1) customer-centricity, through developing tailored products, integrating services into daily banking experiences, and maximizing cross-selling opportunities; and (2) high-tech and high-touch operations, through scaling efficiently, optimizing costs, and ensuring seamless service delivery.

UBP also strives to strengthen its presence among underserved and underbanked segments via its subsidiaries, while offering a wide range of digital and traditional banking solutions to retail, middle-market, and institutional clients.

- **Food Manufacturing**

The Food Group is pursuing strategies that consolidate and enhance its operations across agribusiness, food & nutrition, and beverages. In Agribusiness, initiatives are directed toward expanding feed milling capacity in the Philippines, particularly in Visayas and Mindanao, while also broadening its footprint regional markets such as China and Vietnam. These efforts are expected to meet rising demand in livestock and aquaculture nutrition, complemented by investments in pet food and specialty nutrition.

In the Food & Nutrition segment, growth is being anchored on the flour division's geographic expansion and product diversification, alongside the continued integration of farms and meat processing to improve efficiencies. *The Good Meat* brand also plays a key role in deepening consumer reach through a combination of physical retail outlets and digital distribution channels.

Meanwhile, in the Beverages segment, CCEAP is committed to sustaining market leadership by strengthening its presence in core product categories and adapting to evolving consumer preferences.

- **Infrastructure**

AIC continues to pursue growth across its five key platforms: airports, digital infrastructure, water, economic estates, and cement. In airports, the company is positioning itself to capture the increasing demand for domestic and international air travel by expanding existing operations and pursuing new concessions. Its digital infrastructure unit, Unity Digital, is scaling up its nationwide footprint by constructing additional tower sites and strengthening colocation services to support the rising need for reliable connectivity. In water, AIC targets to double its billed output from 320 million liters per day (MLD) to 650 MLD over the next decade. This will be achieved through investments in bulk water projects, desalination facilities, and distribution networks serving high-growth urban centers. The economic estates business is diversifying its portfolio by developing

new locations and integrated estates, while also enhancing its leasing platforms for offices, dormitories, warehouses, and retail spaces. These efforts are reinforced by synergies within the Aboitiz Group, enabling greater competitiveness and resilience. In cement, RCBM maintains a production capacity of around 9.7 million MT and continues to focus on improving operational efficiency, managing costs, and staying competitive amid import pressures.

- **Real Estate**

AboitizLand has identified three core strategies to drive its growth: (1) fostering sustainable growth and delivering stakeholder value; (2) playing a pivotal role in the development of Aboitiz Economic Estates; and (3) leveraging synergies across the Aboitiz Group. The company focuses on sustainable residential growth through projects in CALABARZON,<sup>5</sup> Central Luzon, Cebu, and within Aboitiz Economic Estates. AboitizLand also aims to meet the rising demand for horizontal housing outside Metro Manila, while also expanding into mid-rise, high-rise, and rental housing developments. It continues to strengthen its role in supporting the growth of Aboitiz Economic Estates in Batangas, Tarlac, and Cebu, with projects such as The Villages at LIMA Estate.

## **FINANCIAL RISK**

### **Profitability**

#### **2024**

In 2024, consolidated revenues slightly decreased by 2.5%, from ₱310.6 billion in 2023 to ₱302.8 billion. This was primarily due to the 4.9% drop in revenues from the sale of power, partly offset by the 9.1% growth in real estate revenues and 71.0% hike in service fees. Revenues from the sale of power marginally declined to ₱195.7 billion given lower spot prices. Revenues from the sale of goods were also minimally down by 0.7% to ₱91.7 billion. In contrast, real estate revenues increased by 9.1% to ₱10.3 billion, attributed to Lima Land's sales and lease income. Revenues from service fees and other sources jumped by 71.0% to ₱5.1 billion on the back of fresh contributions from Apo Agua and revenues from AGMCAC.

Total costs and expenses decreased by 7.5% in 2024, from ₱272.6 billion in 2023 to ₱252.2 billion. This was a result of the 14.9% dip in the cost of generated and purchased power due to lower fuel costs, as well as the 6.5% decline in cost of goods sold given lower raw materials costs for the food business. These were slightly offset by the 19.6% growth in cost of real estate sales driven by higher sales and the 8.1% increase in operating expenses. AEV's operating profit in 2024 jumped by 33.0%, from ₱38.0 billion in 2023 to ₱50.6 billion. Operating margin likewise considerably improved, from 12.2% to 16.7%.

Pre-tax profit went down by 5.8%, however, from ₱51.5 billion in 2023 to ₱48.5 billion in 2024. Such was mainly due to lower equity earnings, higher interest expense, and lower other income. The Group registered a 9.8% increase in interest expense, from ₱20.5 billion to ₱22.4 billion. This was a result of the full-year interest expense for the Company's ₱17.5 billion bonds issued in September 2023, as well as the AboitizInfraCapital's increased debt availments in 2024. Share in net earnings of associates and joint ventures fell by 38.5%, from ₱23.6 billion to ₱14.5 billion, on account of: (a) higher losses of RCBM due to weak demand for cement; (b) impairment loss on the RCBM investment; and (c) lower earnings of GNPD. Other income also plummeted by 59.7%, from ₱6.1 billion to ₱2.4 billion, following the absence of non-recurring gains recorded in 2023.

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<sup>5</sup> CALABARZON stands for Cavite, Laguna, Batangas, Rizal, and Quezon

Bottom line went down by 11.7%, from ₱42.9 billion in 2023 to ₱37.9 billion in 2024. Net income attributable to equity holders of AEV similarly slipped by 23.0% to ₱18.1 billion. Similar to 2023, the Power business accounted for majority of the Group's net income attributable to equity holders, further growing its share to 78.9% in 2024. Financial Services followed with its increased share of 26.1%. Infrastructure, however, was replaced by the Food and Beverages segment (25.9%) in the third spot. Excluding one-off items (non-recurring gains of ₱1.4 billion in 2023 and non-recurring losses of ₱7.4 billion in 2024), core net income for 2024 was ₱25.5 billion, 15% higher from the previous year.

Net profit margin (NPM) decreased from 13.8% in 2023 to 12.5% in 2024. Return on average assets (ROAA) and return on average equity (ROAE) also went down to 4.4% and 9.8%, respectively.

PhilRatings notes that recomputed profitability ratios using core net income, which excluded one-off items, were as follows: NPM went up from 7.1% in 2023 to 8.4% in 2024; ROAA decreased from 5.2% to 4.4%; and ROAE dipped from 11.8% to 9.8%.

### 9M2025

Top line marginally increased by 2.8% YoY, from ₱220.9 billion in 9M2024 to ₱227.2 billion in 9M2025. While revenues from the sale of power inched down by 4.5% YoY to ₱141.3 billion due to lower availability (given scheduled outages) and spot prices, revenues from the sale of goods went up by 6.6% YoY to ₱70.2 billion, owed to the growth in sales volume of the food segment. Revenues from real estate also registered a hike of 44.5% YoY to ₱7.0 billion, on the back of higher lot sales. Furthermore, revenues from service fees and other sources grew almost fourfold to ₱8.7 billion, driven by the full nine-month contribution from Apo Agua and the consolidation of ACAC's (formerly GMCAC) revenues beginning October 2024.

In 9M2025, total costs and expenses grew at a slightly faster pace of 4.3% YoY, from ₱183.7 billion in 9M2024 to ₱191.6 billion. Cost of generated and purchased power as well as cost of goods sold still accounted for the bulk, with shares of 44.1% and 30.1%, respectively. The former went down by 4.2% YoY to ₱84.5 billion due to lower fuel and other generated power costs, while the latter increased by 5.7% YoY to ₱57.6 billion attributable to higher raw material costs due to increased production of the food segment. AEV's operating expenses surged by 20.0% YoY to ₱45.9 billion, on account of the consolidation of ACAC's operating expenses. Given the foregoing, OPM decreased from 16.9% to 15.7%.

Pre-tax profit declined by 10.4%, from ₱41.9 billion in 9M2024 to ₱37.6 billion in 9M2025. The decline was a result of lower operating profit (-4.4% YoY), which amounted to ₱35.6 billion, and the increase in interest expense (+19.3% YoY) recorded during the period. These were slightly offset by the improvement in share in net earnings of associates and joint ventures (+4.7% YoY).

Share in net earnings of associates and joint ventures increased to ₱18.0 billion in 9M2025, attributed to the fresh contributions of CGHI, MORE, and CCEP Aboitiz Beverages Philippines, Inc. (CABPI). Interest expense went up to ₱20.0 billion, on the back of interest expenses related to the CGHI acquisition and ARI's loans, as well as the consolidation of ACAC's interest expense.

Net income for 9M2025 slipped by 10.6% YoY, from ₱34.2 billion to ₱30.6 billion. Net income attributable to equity holders of AEV was also down by 7.7% YoY to ₱17.3 billion. Top net income contributors remained the same as in 9M2024 with Power (60.0%), Food and Beverage (25.0%), and Financial Services

(15.4%). It is worth noting however that Food and Beverage increased its share from 18.6% to 25.0%, spurred by gains across all divisions of Aboitiz Foods, along with the full nine-month revenues of CAPBI.

With the decrease in the Company's bottom line, net profit margin for 9M2025 was 13.5%, lower than its counterpart of 15.5% in 9M2024. Similarly, ROAA inched down from 5.4% to 4.3%, while ROAE decreased from 11.6% to 9.9%.

### Projected Period

AEV expects improvement in its profitability over the medium-term. Higher earnings will be backed by the increased revenue contributions of the Company's operating segments. Higher revenues will also be coupled with well-controlled costs and expenses, resulting in improved margins.

### **Cash Flow and Liquidity**

#### 2024

Operating cash in 2024 was slightly lower by 4.7%, from ₱57.8 billion in 2023 to ₱55.1 billion. Such decrease was mainly attributable to higher working capital requirements in 2024 despite higher operating profit.

On the other hand, net cash used in investing activities jumped from ₱2.2 billion in 2023 to ₱41.2 billion in 2024. Cash was mostly used for new investments (₱36.1 billion) and additional PPE and investment properties (₱25.2 billion). These were partly offset by the ₱15.2 billion in cash dividends that were received by the Company.

Net cash used in financing activities inched up by 2.8%, from ₱44.3 billion to ₱45.5 billion. Cash during the year was largely used for payments of dividends and interest.

Given the foregoing, cash and cash equivalents fell by 27.2%, from ₱112.3 billion as of end-2023 to ₱81.8 billion as of end-2024. Current ratio and acid test ratio declined to 1.6x (from 2.2x) and 1.1x (from 1.5x), respectively, but nevertheless remained adequate. EBITDA interest coverage also dropped from 4.0x in 2023 to 3.7x in 2024, but was still more than sufficient.

#### 9M2025

In 9M2025, cash generated from operating activities decreased by 9.5%, from ₱47.4 billion in 9M2024 to ₱42.9 billion. Such was mainly due to lower pre-tax income and higher income taxes paid.

Net cash flow used in investing activities jumped by 55.4%, from ₱37.4 billion in 9M2024 to ₱58.1 billion in 9M2025. Such change could be traced to the higher outlay for investments in and advances to associates in 9M2025, primarily for the acquisition of CGHI, as well as for additions to PPE.

Cash from financing activities amounted to ₱24.2 billion in 9M2025, a reversal from the net cash outflow of ₱40.4 billion in 9M2024. Cash mainly came from the availment of long-term debt (+9.1% to ₱391.3 billion as of end-September 2025) and proceeds from bank loans (+69.5% to ₱69.4 billion). PhilRatings notes that AEV's ₱5.0 billion and ₱696.7 million bonds matured in September and November 2025,

respectively, and the Company successfully settled these through a combination of internally generated funds and proceeds from new loan availed earlier in the year.

Given the foregoing, cash and cash equivalents increased by 11.1%, from ₱81.8 billion as of end-2024 to ₱90.8 billion as of end-September 2025. With the faster increase in current liabilities, however, current ratio decreased from 1.6x as of end-2024 to a still ample 1.3x as of end-September 2025. Acid test ratio slipped from 1.1x to 0.9x. EBITDA interest coverage also dropped from 3.8x in 9M2024 to 3.4x in 9M2025 but remained more than sufficient.

Of AEV's gross trade receivables as of end-September 2025, 68.0% were not more than 30 days past due, while 25.9% were over 90 days past due. Trade receivables (net) accounted for 6.5% of total assets. The allowance for expected credit losses was at ₱5.2 billion or 7.6% of the Company's gross trade receivables.

### Projected Period

Solid operating cash flows are seen to be sustained over the projected period, supporting healthy cash flows overall. Liquidity ratios as well as interest coverage ratio will also be ample throughout.

## **Capital Structure**

### 2024

Total assets further expanded by 7.2% from ₱833.9 billion as of end-2023 to ₱893.7 billion as of end-2024. Asset expansion was primarily on account of the 69.7% jump in intangible assets to ₱138.9 billion, driven by the consolidation of the service concession assets of AGMCAC.

Total debt likewise increased by 7.5%, from ₱376.0 billion as of end-2023 to ₱404.3 billion as of end-2024. Such was mainly a result of the 8.1% or ₱26.9 billion increase in total long-term debt.

Equity also went up by 5.6%, from ₱375.3 billion as of end-2023 to ₱396.4 billion as of end-2024. The increase was on account of higher retained earnings, which grew by 4.5% to ₱237.5 billion. Hence, debt-to-equity ratio was unchanged at 1.0x as of end-2024.

### 9M2025

Total assets stood at ₱971.1 billion as of end-September 2025, up by 8.7% from end-2024. Total debt went up by 15.3%, from ₱404.3 billion as of end-2024 to ₱466.2 billion as of end-September 2025. Higher debt was mainly attributed to the substantial growth in bank loans (+69.5%), largely to finance the acquisition of CGHI. Total equity, on the other hand, inched up by 2.4%, from ₱396.4 billion as of end-2024 to ₱405.8 billion as of end-September 2025. With this, debt-to-equity ratio increased from 1.0x as of end-2024 to 1.2x as of end-September 2025.

### Projected Period

AEV expects its debt-to-equity ratio to remain manageable over the projected period. While total debt will steadily grow in the next two years, equity is likewise forecasted to increase, as the Company will continue to reinvest earnings into operations.

## Financial Flexibility

AEV is a publicly listed company in the Philippine Stock Exchange (PSE). As of January 14, 2026, the Company has a market capitalization of ₱169.6 billion. AboitizPower and UBP are likewise publicly listed, with market capitalizations of ₱318.5 billion and ₱89.5 billion, respectively.

As of June 30, 2025, AEV had available credit facilities from local banks. PhilRatings notes that these credit lines are on a “clean basis,” indicative of the strong confidence of its creditor-banks on AEV’s capacity to pay its debts.

## ECONOMY

### 2024<sup>6</sup>

The country’s Gross Domestic Product (GDP) grew by 5.2% in 4Q2024, unchanged from the previous quarter. The expected boost in economic activity in 4Q2024 due to the holiday season was dampened by the impact of destructive storms and other climate-related disruptions. Such brought the full-year 2024 GDP growth to 5.6%, lower than the government’s revised full-year target of 6.0%-6.5%. Nonetheless, the Philippines remained one of the fastest-growing economies in the Asia Pacific region, trailing Vietnam (7.5%) and China (5.4%).<sup>7</sup>

The Industry and Services sectors grew by 5.6% and 6.7%, respectively. In contrast, Agriculture, Forestry and Fisheries contracted by 1.6%, and which was attributed to the record-breaking typhoon season – six typhoons struck the country from the end of October until the middle of November.

Household final consumption expenditure (HFCE) expanded by 4.8% in 2024, slower compared with the 5.6% growth recorded in 2023. Government final consumption expenditure (GFCE), on the other hand, grew by 7.2%, notably higher than its marginal 0.6% growth in 2023.

### 3Q2025<sup>8</sup>

In 3Q2025, the Philippine GDP grew by 4.0%, slower than the 5.5% growth in the previous quarter and the 5.2% growth in 3Q2024. This marked the slowest growth recorded since the 3.8% contraction in 1Q2021. This brought the country’s year-to-date economic growth to 5.0%, falling below the lower end of the government’s 5.5% to 6.5% target range. Growth was driven by the following industries: Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles, 5.0%; Financial and Insurance Activities, 5.5%; and Professional and Business Services, 6.2%. Among major economic sectors, Industry, Services, and Agriculture, forestry and fishing grew by 0.7%, 5.5%, and 2.8%, respectively.

HFCE growth was 4.1% in 3Q2025, down from 5.3% in 2Q2025 and 5.2% in 3Q2024. The growth for the period was supported by the increase in the following: Food and Non-Alcoholic Beverages, 4.2%; Health, 11.3%; Miscellaneous Goods and Services, 3.7%; Restaurants and Hotels, 5.9%; and Transport, 4.4%. Gross Capital Formation (GCF), or Investments, reduced by 2.8% in 3Q2025, from 12.8% in the same period last

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<sup>6</sup> <https://psa.gov.ph/content/gdp-expands-52-percent-fourth-quarter-2024-brings-full-year-2024-gdp-year-year-growth-rate>

<sup>7</sup> <https://www.philstar.com/headlines/2025/01/30/2417970/philippines-ends-2024-56-economic-growth-missing-govt-target>

<sup>8</sup> <https://psa.gov.ph/statistics/national-accounts>

year. This was driven by the 0.5% decline in construction activity. This was amid the reported corruption issues surrounding public infrastructure projects.

### **Inflation<sup>9</sup>**

Inflation in the Philippines quickened to 1.8% in December 2025, up from 1.5% recorded in the prior month, due to higher food prices. Average inflation for 2025 settled at 1.7%, the slowest annual rate in nine years, lower than the 3.2% average in 2024. December's inflation rate stayed within the BSP' forecast range for the month while marking the tenth consecutive month that inflation remained below the central bank's 2% to 4% target range.

Inflation for the food and non-alcoholic beverages index accelerated to 1.4% in December 2025 from 0.1% in November 2025, with vegetables and cereal products showing larger price increases compared with the prior month. Onion prices rose 79.0%, broad beans increased by 41.0%, eggplants climbed 29.4%, okra went up 28.0%, string beans rose 24.0%, and tomatoes increased 20.1% in December. Rice deflation eased from negative 15.4% in November 2025 to negative 12.3% in December 2025, representing the slowest decline in eight months. On the other hand, inflation for housing, water, electricity, gas, and other fuels slowed from 2.9% to 2.5%, with the Manila Electric Co. (Meralco) lowering electricity rates by ₱0.3557 per kilowatt-hour. Meanwhile, pump price adjustments in December 2025 recorded mixed changes, including a net gasoline increase of ₱0.80 per liter and net decreases of ₱3.80 per liter for diesel and ₱4.40 per liter for kerosene. Core inflation, which excludes volatile food and fuel items, stood at 2.4% in December 2025 and averaged 2.4% for 2025, lower than the 3.0% average in 2024.

At the regional level, inflation in the National Capital Region (NCR) cooled from 2.8% in November 2025 to 2.3% in December 2025, bringing NCR's full-year average to 2.4% in 2025 from 2.6% in the prior year. Outside NCR, inflation picked up to 1.7% in December 2025 from 1.2% in November 2025, with a full-year average of 1.5%. Among regions, Central Visayas recorded the highest inflation rate at 3.8%, while the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) posted a negative 1.0% deflation in December 2025.

### **Outlook<sup>10</sup>**

According to Mr. Arsenio Balisacan, Secretary of the Department of Economy, Planning and Development, the Philippine economy likely grew by 4.8% to 5.0% last year, below the government's 5.5% to 6.5% growth target for 2025. Mr. Balisacan said economic growth weakened toward the latter part of the year, while government spending and investment activity slowed. He noted that public infrastructure implementation moved at a slower pace after agencies adopted a more cautious approach in approving and awarding contracts. The slower rollout of public projects reduced support to overall economic activity and affected business confidence. Some firms delayed investment plans, which limited economic momentum and kept growth below the government's target range.

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<sup>9</sup> <https://www.bworldonline.com/top-stories/2026/01/07/722652/inflation-eases-to-1-7-in-2025-slowest-in-9-years/>  
<https://www.abs-cbn.com/news/business/2026/1/6/inflation-quickens-to-1-8-percent-in-december-0906>

<sup>10</sup> <https://business.inquirer.net/557613/underwhelming-q3-growth-souring-2025-ph-outlook>  
<https://www.bworldonline.com/top-stories/2025/11/05/710067/inflation-to-pick-up-until-early-2026/>

Other institutions also revised down their GDP growth forecasts for the Philippines following the weaker performance in 2025. The International Monetary Fund (IMF) lowered its GDP growth forecast to 5.1% for 2025 and cut its 2026 GDP growth forecast to 5.6%, citing slower government spending and softer domestic demand. The World Bank also revised down its outlook for the Philippines, cutting its 2025 GDP growth forecast to 5.1%, while lowering its 2026 growth forecast to 5.3% and its 2027 projection to 5.4%, following weaker investment activity and slower fiscal spending.

The Development Budget Coordination Committee (DBCC) revised the government's medium-term growth assumptions and lowered the 2026 GDP growth target to 5.0% to 6.0%. The DBCC projects GDP growth to stay in 5.5% to 6.5% in 2027, then move closer to the 6.0% to 7.0% range in 2028, while noting risks from global trade uncertainties and possible delays in public sector implementation.

In 2025, the BSP cut its policy rate for five straight meetings, bringing the benchmark rate down to 4.5%, a three-year low. BSP Governor Eli Remolona said the central bank is not inclined to cut rates further for now, noting that the policy rate is already very close to the level the BSP considers appropriate. He added that any further easing would be limited and guided by incoming data, although a GDP growth outturn below 5.0% could still justify additional adjustment. The BSP's average inflation forecast shows slightly higher projections of 3.2% in 2026, before easing to 3.0% in 2027.

## **INDUSTRIES**

### **Power**

#### *Power Demand*

**Table 8 System Peak Demand (in MW)**

	2020	2021	2022	2023	2024
Luzon	11,103	11,640	12,113	12,550	14,016
Visayas	2,201	2,252	2,316	2,458	2,681
Mindanao	1,978	2,144	2,167	2,323	2,577
<b>Total</b>	<b>15,282</b>	<b>16,036</b>	<b>16,596</b>	<b>17,331</b>	<b>19,274</b>

The country's total peak demand increased by 11.2%, from 17,331 MW in 2023 to 19,274 MW in 2024. The Luzon grid accounted for 72.7% share of the total, with 14,016 MW. This was followed by Visayas and Mindanao, with a share of 13.9% (2,681 MW) and 13.4% (2,577 MW), respectively.

#### *Installed and Dependable Generating Capacity*

Table 9 Installed Capacity by Plant Type (in MW)

	Capacity					Percentage Share				
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
Non-Renewable	18,634	18,969	19,994	19,875	20,186	70.89	70.56	70.76	70.25	67.95
Coal	10,944	11,669	12,428	12,406	13,006	41.63	43.41	43.98	43.85	43.78
Oil-Based	4,237	3,847	3,834	3,737	3,448	16.12	14.31	13.57	13.21	11.61
Natural Gas	3,453	3,453	3,732	3,732	3,732	13.14	12.85	13.21	13.19	12.56
Renewable	7,653	7,914	8,264	8,417	9,520	29.11	29.44	29.24	29.75	32.05
Geothermal	1,928	1,928	1,952	1,952	1,952	7.33	7.17	6.91	6.90	6.57
Hydro	3,779	3,752	3,745	3,799	3,836	14.38	13.96	13.25	13.43	12.91
Biomass	484	489	611	585	595	1.84	1.82	2.16	2.07	2.00
Solar	1,019	1,317	1,530	1,653	2,710	3.88	4.90	5.41	5.84	9.12
Wind	443	427	427	427	427	1.69	1.59	1.51	1.51	1.44
<b>Total</b>	<b>26,286</b>	<b>26,882</b>	<b>28,258</b>	<b>28,291</b>	<b>29,706</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Table 10 Dependable Capacity by Plant Type (in MW)

	Capacity					Percentage Share				
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
Non-Renewable	16,585	16,849	16,445	17,411	17,950	70.85	70.63	69.69	70.62	68.81
Coal	10,245	10,913	11,504	11,335	11,863	43.76	45.75	48.75	45.98	45.47
Oil-Based	3,054	2,650	2,860	2,795	2,806	13.05	11.11	12.12	11.34	10.76
Natural Gas	3,286	3,286	2,081	3,281	3,281	14.04	13.77	8.82	13.31	12.58
Renewable	6,825	7,005	7,151	7,242	8,136	29.15	29.36	30.30	29.37	31.19
Geothermal	1,753	1,753	1,763	1,708	1,708	7.49	7.35	7.47	6.93	6.55
Hydro	3,527	3,500	3,444	3,499	3,485	15.07	14.67	14.59	14.19	13.36
Biomass	285	291	382	374	378	1.22	1.22	1.62	1.52	1.45
Solar	817	1,034	1,150	1,249	2,154	3.49	4.33	4.87	5.07	8.26
Wind	443	427	412	412	412	1.89	1.79	1.75	1.67	1.58
<b>Total</b>	<b>23,410</b>	<b>23,855</b>	<b>23,598</b>	<b>24,654</b>	<b>26,087</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

The country's supply base increased by 5.0% in 2024, with total installed capacity of 29,706 MW, from 28,291 MW in 2023. This was mainly driven by additional capacities from coal and solar power plants.

On the other hand, dependable generating capacity in 2024 grew by 5.8% to 26,087 MW, from 24,654 MW in 2023. This was primarily attributable to the 894 MW and 528 MW growth in renewable energy and coal, respectively.

Coal-fired power plants still accounted for the bulk of total installed capacity with a share of 43.8%, followed by renewable energy sources which contributed 32.0% share. Hydropower plants remained the top renewable resource, accounting for 40.3% of total installed capacity from renewable energy.

### Power Generation

Table 11 Power Generation by Source (in GWh)

	Generation					Percentage Share				
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
Non-Renewable	80,147	82,728	86,833	91,726	98,748	78.76	77.96	77.87	77.73	77.79
Coal	58,176	62,052	66,430	73,754	79,359	57.17	58.48	59.57	62.50	62.52
Oil-Based	2,474	1,616	2,519	1,304	1,342	2.43	1.52	2.26	1.11	1.06
Natural Gas	19,497	19,060	17,884	16,668	18,047	19.16	17.96	16.04	14.12	14.22
Renewable	21,609	23,386	24,684	26,278	28,193	21.24	22.04	22.13	22.27	22.21
Geothermal	10,757	10,016	10,425	10,730	10,789	10.57	9.44	9.35	9.09	8.50
Hydro	7,192	9,185	10,085	10,287	10,909	7.07	8.66	9.04	8.72	8.59
Biomass	1,261	1,445	1,322	1,409	1,446	1.24	1.36	1.19	1.19	1.14
Solar	1,373	1,470	1,822	2,544	3,811	1.35	1.39	1.63	2.16	3.00
Wind	1,026	1,270	1,030	1,308	1,239	1.01	1.20	0.92	1.11	0.98
<b>Total</b>	<b>101,756</b>	<b>106,115</b>	<b>111,516</b>	<b>118,004</b>	<b>126,941</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Gross power generation in 2024 stood at 126,941 gigawatts hour (GWh), 7.6% higher than the 118,004 GWh recorded in 2023. Coal remained the major source of power generation in the country, maintaining its share at 62.5%. Despite the government's efforts in promoting the development and utilization of renewable energy, the share of such to total energy marginally fell to 22.2% in 2024, from 22.3% in 2023.

### Power Consumption

Table 12 Power Consumption by Sector (in GWh)

	Consumption					Percentage Share				
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
Electricity Sales	83,243	87,417	91,333	95,808	103,908	81.81	82.38	81.90	81.19	81.86
Residential	34,292	34,981	35,324	36,968	41,205	33.70	32.97	31.68	31.33	32.46
Commercial	20,727	21,119	24,294	26,236	28,033	20.37	19.90	21.79	22.23	22.08
Industrial	25,566	27,623	28,844	29,493	31,074	25.12	26.03	25.87	24.99	24.48
Others	2,658	3,695	2,871	3,112	3,596	2.61	3.48	2.57	2.64	2.83
Utilities Own Use	8,771	8,729	9,490	10,403	10,558	8.62	8.23	8.51	8.82	8.32
System Losses	9,742	9,968	10,693	11,793	12,475	9.57	9.39	9.59	9.99	9.83
<b>Total</b>	<b>101,756</b>	<b>106,115</b>	<b>111,516</b>	<b>118,004</b>	<b>126,941</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

The country's power consumption increased by 7.6% in 2024 to 126,941 GWh, from 118,004 GWh in 2023. The residential segment continued to be the main driver of electricity consumption, accounting for 32.5% of total. Such was followed by the industrial and commercial segments, with 24.5% and 22.1% shares, respectively.

### Banking<sup>11</sup>

The Philippine banking system saw a robust credit growth in 1Q2025, backed by improving economic conditions and the BSP's reductions in policy rates and reserve requirements. Total loans increased by 14.2% to ₱15.6 trillion, surpassing pre-pandemic levels and the average growth recorded from 2020 to 2024. Lending grew across major productive sectors, including real estate, electricity, wholesale and retail trade, and manufacturing, while household lending also expanded. Universal and commercial banks remained dominant, accounting for 92.6% of total loans.

<sup>11</sup> [https://www.bsp.gov.ph/Media\\_And\\_Research/Publications/QUBS-2025-Q1.pdf](https://www.bsp.gov.ph/Media_And_Research/Publications/QUBS-2025-Q1.pdf)

Asset quality remained generally stable, with the NPL ratio at 3.30% in 1Q2025. This was slightly higher compared to 3.27% in the previous quarter but lower than 3.39% in the same period last year. Consumer loans grew by 18.1%, maintaining a faster pace than in previous years, driven mainly by credit card receivables, motor vehicle loans, and residential real estate lending. Household credit reached 11.8% of GDP. Consumer NPLs increased slightly but remained manageable and below earlier peaks.

Real estate exposures grew by 7.8% in 1Q2025, mainly coming from real estate loans, which made up about 88.9% of total exposures. Lending to commercial properties increased in response to demand from key industries, while residential lending slowed in areas with rising supply. NPL ratio for real estate loans increased slightly but stayed below pandemic levels and figures from the same period in 2024.

Banks' investment portfolios increased by 11.1% as liquidity improved after the reserve requirement cuts. Most investments remained in government securities, which accounted for 72.9% of total holdings, showing a continued preference for safer and more liquid instruments. Capital and liquidity positions remained above regulatory requirements. CAR stood at 16.6% on a consolidated basis and 16.2% on a solo basis. Liquidity coverage and net stable funding ratios also stayed comfortably above minimum requirements.

## Food Manufacturing

### *Feeds*<sup>12</sup>

In 2024, the Philippine animal feed industry continued its steady growth, driven by stronger demand for animal protein and ongoing improvements in feed production technologies. The market reached around 13.5 million MT, with analysts projecting a compound annual growth rate (CAGR) of 2.0% toward 2034, potentially reaching 16.48 million MT. Poultry production remains a key driver of feed demand, while government programs focused on modernizing the animal protein sector are enhancing feed quality and production practices across both livestock and poultry operations.

Globally, the animal feed industry also showed positive growth. In 2024, global feed production increased by 1.2% to 1.4 billion MT. The market is projected to reach \$605.3 billion by 2025, at a CAGR of 3.2%. The Asia-Pacific region remains a growth hub of the industry, propelled by urbanization and shifting dietary preferences toward protein-rich foods.

Looking ahead, the Philippine feed industry is expected to maintain its growth momentum. Factors such as rising livestock and poultry production, increasing consumer demand for protein, and gradual improvements in feed formulation are likely to support continued progress. Challenges, however, such as fluctuating raw material costs and the need for more sustainable production practices may influence the pace of expansion.

### *Flour*<sup>13</sup>

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<sup>12</sup> <https://www.expertmarketresearch.com/reports/philippines-animal-feed-market>  
<https://www.futuremarketinsights.com/reports/animal-feed-market>  
<https://www.feedstuffs.com/agribusiness-news/global-feed-production-rebounds-in-2024>

<sup>13</sup> <https://www.fortunebusinessinsights.com/wheat-flour-market-106313>  
<https://www.expertmarketresearch.com/reports/wheat-flour-market>  
<https://business.inquirer.net/498874/wheat-imports-rising-as-philipinos-diversify-diet>

The global wheat flour market was valued at approximately \$179.7 billion in 2024 and is projected to reach \$250.2 billion by 2032, translating to a CAGR of 4.2%. In terms of volume, the market reached 409.9 million MT in 2024 and is expected to increase to 448.4 million MT by 2034, growing at a CAGR of 0.9%. The Asia-Pacific region holds a significant share of the global wheat flour market, with a value of \$89.01 billion in 2023.

In the Philippines, wheat consumption is projected to rise from 7.05 million MT in marketing year (MY) 2024-2025 to 7.15 million MT in MY 2025-2026, as reported by the U.S. Department of Agriculture's Foreign Agricultural Service (USDA-FAS). Total wheat imports are forecasted at 7.20 million MT in MY 2024-2025, with growing domestic demand driving growth in milling wheat imports.

The Philippine Association of Flour Millers (PAFMIL) has highlighted challenges arising from elevated global wheat prices. To help stabilize the local market, PAFMIL has advocated maintaining a 7.0% tariff on wheat flour and a zero tariff on milling wheat from 2024 to 2028.

### *Hog<sup>14</sup>*

In 1Q2025, the Philippine Statistics Authority (PSA) reported that domestic hog production totaled 403,789 MT (liveweight), reflecting a 3.7% decline from the 419,369 MT recorded in the same period in 2024. CALABARZON remained the leading producer, contributing 13.3% of the national output. Northern Mindanao, Western Visayas, Central Luzon, and Central Visayas followed, collectively accounting for over 60% of the country's total production.

As of July 2025, the Department of Agriculture confirmed that African Swine Fever (ASF) remained present in six provinces: Benguet, Pangasinan, Nueva Ecija, Batangas, Iloilo, and Davao del Norte.

To combat ASF, the Philippine government has initiated the importation of ASF vaccines from Vietnam. The Bureau of Animal Industry (BAI) is awaiting regulatory approval from the Food and Drug Administration to proceed with the commercial rollout of the vaccine, aiming for deployment by the end of 2025.

On pork imports, the USDA forecasts that volumes will reach 510,000 MT (carcass weight equivalent) in 2025, up from 480,000 MT in 2024, due to persistent domestic production issues and strong market demand. In 1Q2025, the average farmgate price of hogs for slaughter was ₱212.58 per kilogram (liveweight).

### *Layer<sup>15</sup>*

<https://malaya.com.ph/business/shipping-transportation/millers-see-tariffs-on-flour-wheat-to-stay>

<sup>14</sup><chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.da.gov.ph/wp-content/uploads/2025/07/Clippings-for-July-31-2025.pdf>

<https://www.bworldonline.com/economy/2025/05/22/674264/hog-production-down-3-7-in-q1>

<chromeextension://efaidnbmnnnibpcajpcglclefindmkaj/https://psa.gov.ph/system/files/technicalnotes/Q1%202025%20Livestock%20and%20Poultry%2C%20May2025.pdf>

<sup>15</sup><https://psa.gov.ph/system/files/technicalnotes/Q1%202025%20Livestock%20and%20Poultry%2C%20May2025.pdf>

<chromeextension://efaidnbmnnnibpcajpcglclefindmkaj/https://rso06.psa.gov.ph/sites/default/files/article/SR2025-63%20-%20Poultry%20Q1%202025.pdf>

<https://rso02.psa.gov.ph/infographics/layer-chicken-inventory-classification-april-1-2025>

Chicken egg production in the Philippines saw a significant upswing in 1Q2025, totaling 256.44 thousand MT, which was a 10.2% increase from the same period in 2024. CALABARZON remained the top-producing region, contributing 62.99 thousand MT, or 31.2% of the national output. Despite this growth, the industry continues to face challenges. Rising feed and input costs have put pressure on farmgate prices, while retail prices remain relatively high due to supply chain adjustments. These factors have made profitability increasingly difficult, particularly for small- and medium-scale layer farms.

Avian influenza also remains a concern, with active cases reported in several barangays in Pampanga and Kalinga. In response, the government is taking steps to procure and distribute vaccines to curb potential outbreaks.

Meanwhile, advancements in farm technology, including automated layer cage systems and improved management practices, are helping commercial farms maintain efficiency and productivity. With continued government support and the wider adoption of modern farming methods, the Philippine layer industry may sustain growth and meet domestic demand in the coming months.

## Cement<sup>16</sup>

The Philippine cement market is projected to grow by 4.8% to \$1.46 billion in 2025, from \$1.39 billion in 2024. Market value is expected to expand at a 4.5% CAGR from 2025 to 2029, reaching \$1.74 billion by end-2029. This will be supported by government-backed residential, non-residential, and infrastructure projects. According to the Cement Manufacturers Association of the Philippines (CeMAP), the domestic cement industry has an annual production capacity of at least 50 million tons. In 2024, local demand stood at 35 million tons, while cement imports rose 10.0% YoY to 7.6 million tons. As a result, effective domestic capacity utilization was only 55.0%.

To address competitive pressures and rising operating costs, major local producers are realigning operational strategies through localization initiatives, digital upgrades, and waste co-processing to sustain competitiveness. Elevated energy and logistic costs, intensified import competition, and volatility in private construction activity, however, continue to pressure margins and volumes.

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<sup>16</sup><https://www.globenewswire.com/news-release/2025/10/28/3175741/0/en/Philippines-Cement-Industry-Report-2025-Major-Players-are-Realigning-Operational-Strategies-Through-Localization-Waste-Co-processing-and-Digital-Upgrades-to-Sustain-Competitiveness>  
<https://tribune.net.ph/2025/02/24/interim-cement-tariff-takes-effect>  
<https://www.businesswire.com/news/home/20251029280766/en/Philippines-Cement-Industry-Report-2025-Market-to-Expand-by-4.8-to-Reach-%241.46-Billion-this-Year---Products-Distribution-Channel-Market-Share-ImportExport-End-Markets-to-2029---ResearchAndMarkets.com>