

March 9, 2020

SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City, 1307

ATTENTION : **DIR. VICENTE GRACIANO P. FELIZMENIO JR.**
Markets and Securities Regulation Department

via PSE EDGE

PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 28th Street cor. 5th Avenue,
Bonifacio Global City, Taguig City

ATTENTION : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

via electronic mail

PHILIPPINE DEALING & EXCHANGE CORP.
Market Regulatory Services Group
29th Floor BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

ATTENTION : **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**
Head – Issuer Compliance and Disclosures Department

Gentlemen:

Attached is the SEC Form 17-C (Current Report) of Aboitiz Power Corporation filed in compliance with the Securities Regulation Code, its 2015 Implementing Rules and Regulations, the Revised Disclosure Rules of the Philippine Stock Exchange (PSE), and the Issuer Disclosure Operating Guidelines of the Philippine Dealing Exchange Corp. (PDEX).

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION

By:


MAILENE M. DE LA TORRE
Assistant Corporate Secretary

COVER SHEET

C 1 9 9 8 0 0 1 3 4

S.E.C. Registration Number

A B O I T I Z P O W E R C O R P O R A T I O N

(Company's Full Name)

3 2 N D S T R E E T , B O N I F A C I O G L O B A L

C I T Y , T A G U I G C I T Y , M E T R O M A N I L A

P H I L I P P I N E S

(Business Address: No. Street City / Town / Province)

MANUEL ALBERTO R. COLAYCO

Contact Person

(02) 8886-2338

Company Telephone Number

1 2 3 1

Month Day Fiscal Year

1 7 - C

FORM TYPE

4th Monday of April

0 4 2 7

Month Day Annual Meeting

N/A

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc

N/A

Amended Articles Number/Section

Total No. of Stockholders

x

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier


STAMPS

Remarks = Pls. use black ink for scanning purposes

SECURITIES & EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE (SRC)
AND SRC RULE 17.2(c) THEREUNDER

1. March 9, 2020
Date of Report (Date of earliest event reported)
2. SEC Identification Number C199800134 3. BIR TIN 200-652-460-000
4. ABOITIZ POWER CORPORATION
Exact name of registrant as specified in its charter
5. Philippines 6. 
Province, country or other jurisdiction of incorporation Industry Classification Code
7. 32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines 1634
Address of principal office Postal Code
8. (02) 8886-2800
Registrant's telephone number, including area code
9. N.A.
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding |
|--|--|
| <u>Common Stock ₱1 Par Value</u> | <u>7,358,604,307</u> |
| <u>Amount of Debt Outstanding (As of September 30, 2019)</u> | <u>₱232,070,550,000.00</u> |
11. Indicate the item numbers reported herein: 9

Item 9: Other Matters

Aboitiz Power Corporation (AboitizPower or the "Company") recorded consolidated net income of ₱3.9 billion (bn) for the fourth quarter of 2019, 23% lower than the ₱5.0 bn recorded in the corresponding period in 2018. The Company recognized non-recurring gains of ₱922 million (mn) during the period, higher than the ₱361 mn in non-recurring losses recorded during the same period the previous year. Without these one-off gains, core net income for the fourth quarter of 2019 was ₱2.9 bn, 45% lower year-on-year (YoY). This was mostly due to lower earnings before interest, tax, depreciation and amortization (EBITDA), as well as increased interest and depreciation expenses. Interest expense increased due to the bonds issued by the Company in October 2019 and the recognition of interest expense from Therma Visayas (TVI) and Hedcor Bukidnon, Inc. (Hedcor Bukidnon). Depreciation and amortization also increased due to the take up of Hedcor Bukidnon and TVI's new plants.

AboitizPower's net income for 2019 was ₱17.3 bn, 20% lower compared to the ₱21.7 bn recorded during 2018. The Company recognized non-recurring gains of ₱702 mn, versus 2018's losses of ₱2.1 bn; due to net foreign exchange gains from the revaluation of dollar denominated debts and derivatives, Aseagas, Inc.'s VAT recoveries and gains on land appraisal. Without these one-off gains, the Company's core net income for 2019 was ₱16.6 bn, 30% lower than the ₱23.8 bn recorded during 2018. This was mostly due to the outages experienced during 2019, higher replacement power costs, lower spot market sales, increased interest expense, and increased depreciation expense.

Results of Operations

Generation and Retail Electricity Supply

AboitizPower's generation and retail supply business recorded EBITDA of ₱36.2 bn in 2019, 16% lower than the ₱43.0 bn recorded for 2018. This was primarily due to the outages experienced by the Company's coal facilities during 2019, and exacerbated by the need to purchase replacement power at higher spot market prices. Replacement power was also purchased from the spot market as the Company had contracted ahead in anticipation of TVI's incoming capacity. Decreased spot market sales further eroded YoY earnings.

Capacity sold for 2019 increased by 1%, from 3,154 megawatts (MW) in 2018 to 3,184 MW in 2019.

Distribution

For 2019, AboitizPower's distribution business recorded EBITDA of ₱8.2 bn, which was flat YoY. The Company saw energy sales increase during 2019 to 5,851 gigawatt-hours (GWh), 6% higher than the 5,540 GWh recorded in 2018. The increase in earnings, however, was mitigated by lost margins from the decommissioning of Davao Light & Power Co., Inc.'s Bajada power plant.

Financial Condition

As of December 31, 2019, AboitizPower's total consolidated assets stood at ₱410.5 bn, 5% higher than the year-end 2018 amount of ₱389.7 bn. Total cash and cash equivalents as of the end of 2019 was ₱37.4 bn, while total consolidated interest bearing liabilities was ₱233.1 bn. Equity attributable to holders of the parent was ₱125.5 bn. As of December 31, 2019, the Company's current ratio was at 1.5x, versus year-end 2018's 1.9x, while its net-debt-to-equity ratio was at 1.4x, versus year-end 2018's 1.2x.

SIGNATURE (S)

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ABOITIZ POWER CORPORATION

By:



Mailene M. de la Torre
Assistant Corporate Secretary

Dated: March 9, 2020