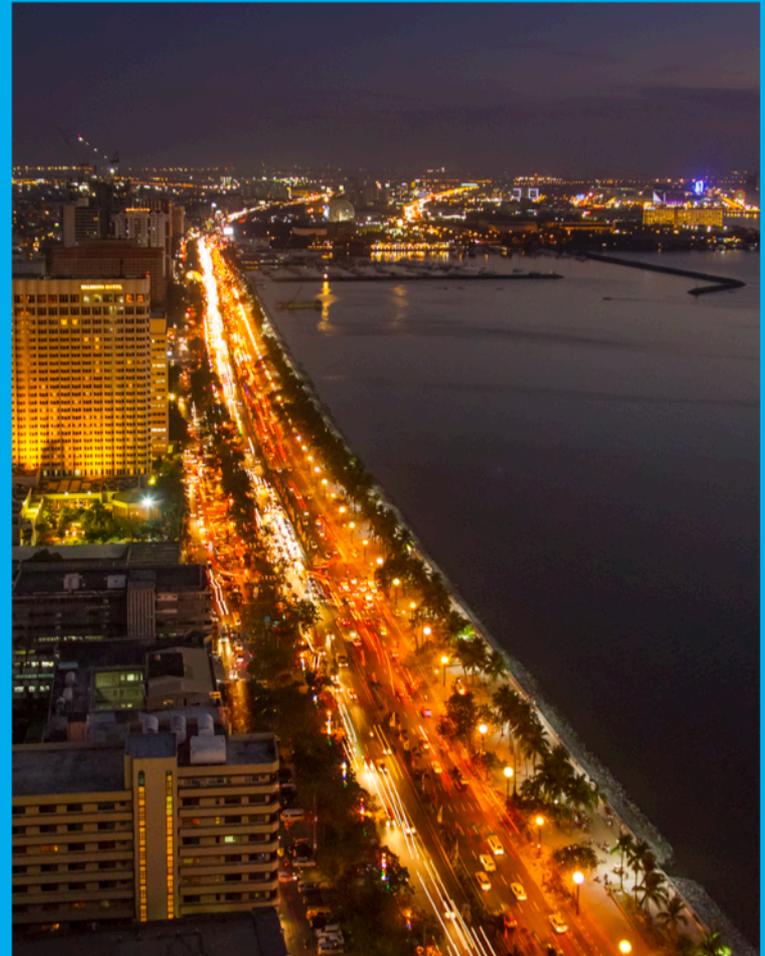


# Third Quarter | September 2017 Results

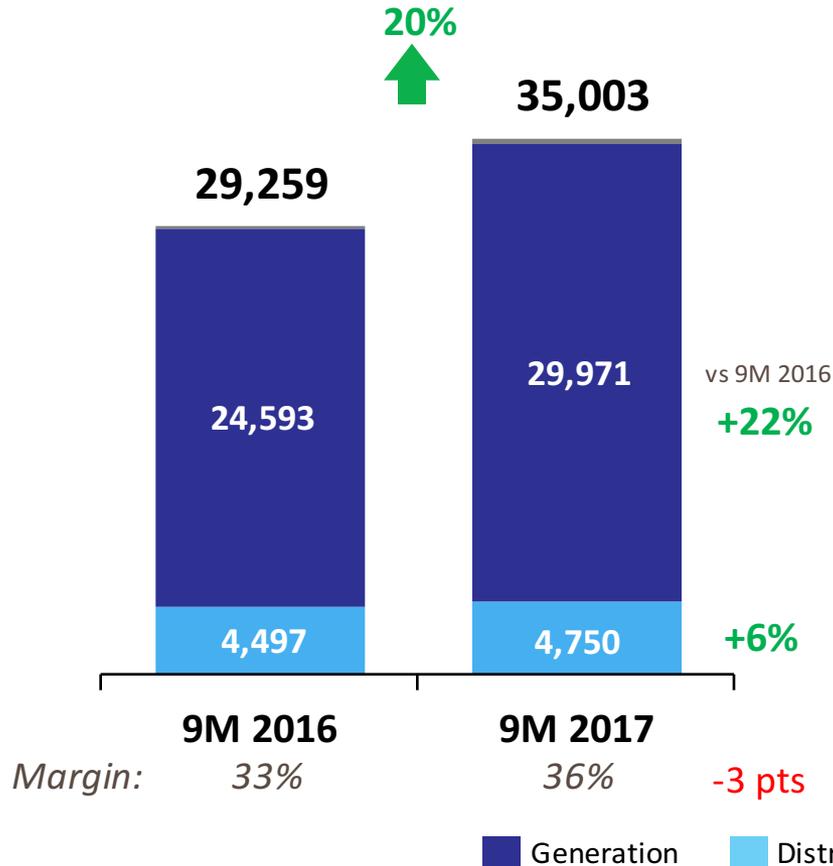
8 November 2017



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# 3Q/9M2017 EBITDA

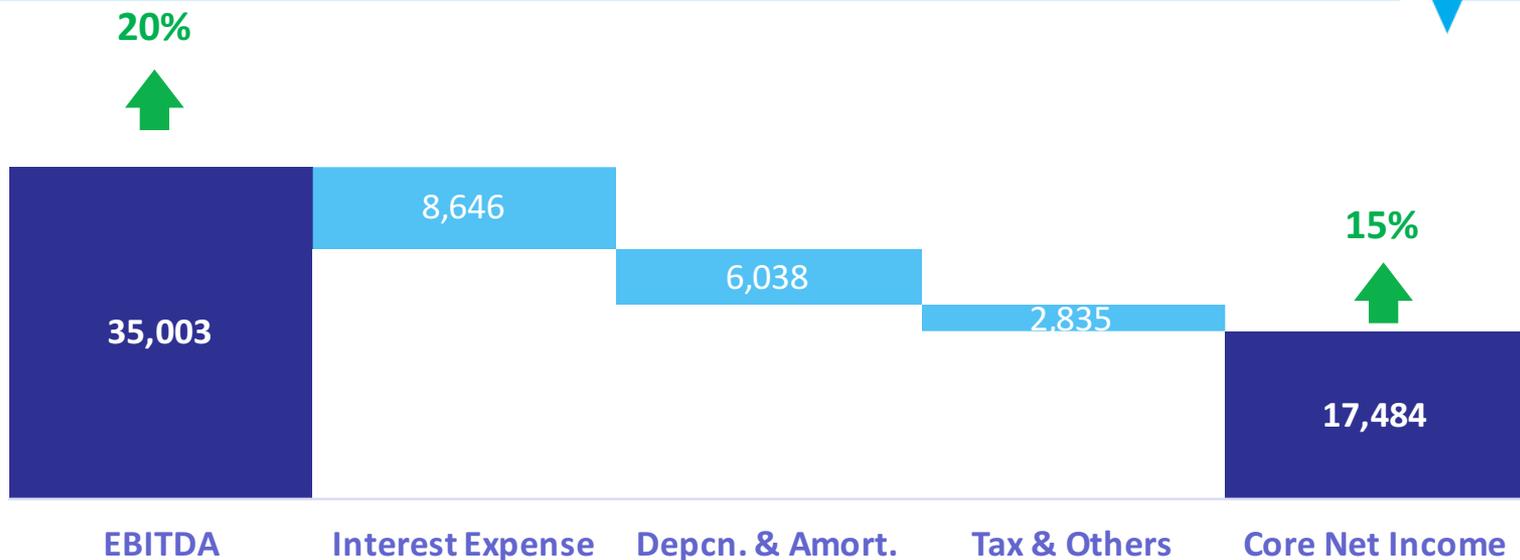


## 20% growth vs 9M2016, of which...

- +14% from coal group (+18% from GMCP addition, narrowed by -2% from TSI supplier settlement in 2016)
- +8% from hydro group driven by better hydrology
- +1% from distribution group on higher margins
- 3% from geothermal group on higher purchased power due to lower steam and maintenance outages

Note: All numbers represent beneficial share.

# 3Q/9M 2017 Core Net Income

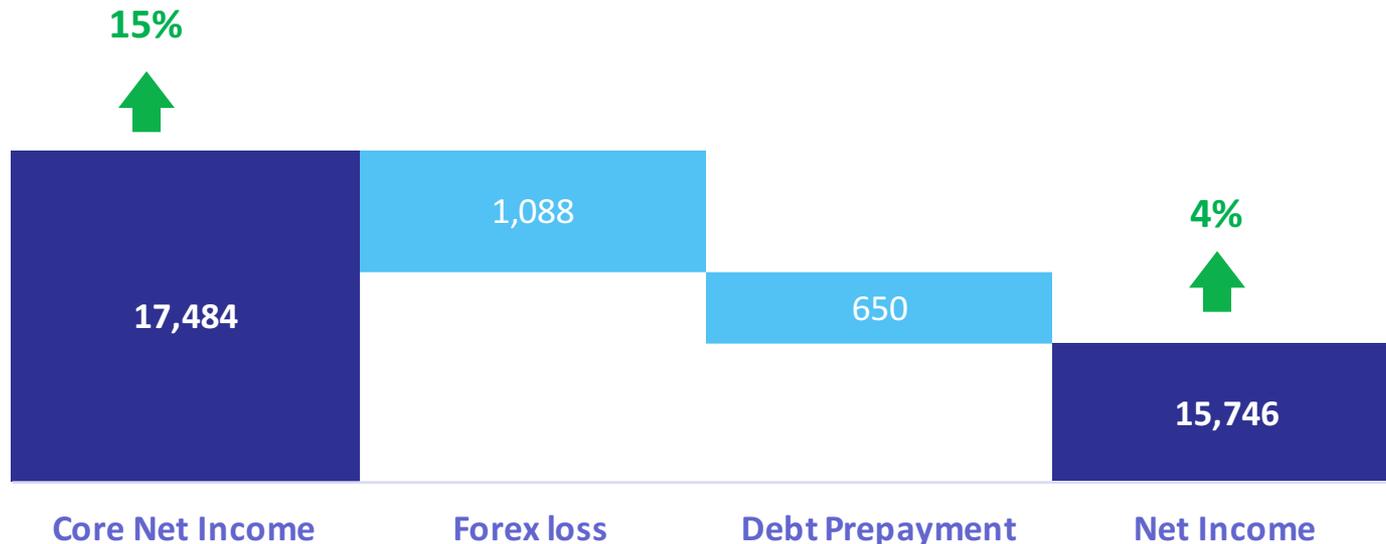


Php mn	9M2016	9M2017	Change
<b>EBITDA</b>	29,259	35,003	<b>20%</b>
-Interest Expense	5,499	8,646	<b>57%</b>
-Depcn. & Amort.	5,040	6,038	<b>20%</b>
-Tax & Others	3,525	2,835	<b>-20%</b>
<b>Core Net Income</b>	<b>15,195</b>	<b>17,484</b>	<b>15%</b>
<i>EPS</i>	2.06	2.38	

### Interest expense increased...

- Initial take up of share in GMCP interest expense
- Interest expense on TPI Loan
- **Depcn & Amort** increased due to first time take up of GMCP and first full year of TSI Unit 2 D&A

# 3Q/9M 2017 Net Income



## Net Income

Php mn

	9M2016	9M2017	Change
Core Net Income	15,195	17,484	15%
Non-recurring gains/(losses)	(303)	(1,738)	-473%
Debt prepayment costs	-	(650)	N/A
Gain on acquisition & redemption	201	-	N/A
Net Income	15,093	15,746	4%
EPS	2.05	2.14	

## Non-core items decreased...

- Forex losses on revaluation of US dollar denominated liabilities
- Pre-termination costs on refinancing of GMCP

FX in September 2017: 50.82 vs 48.50 in 2016

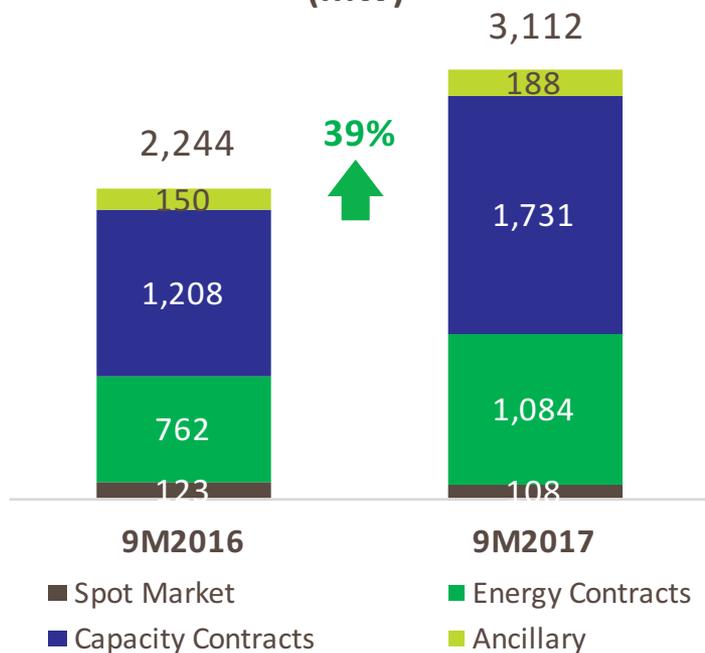
# 9M2017 Balance Sheet

(Php mn)	CONSOLIDATED	
	YE2016	9M2017
Cash and Cash Equivalents	47,095	48,610
Investments and Advances	30,596	31,330
Property, Plant and Equipment	192,634	200,340
<b>Total Assets</b>	<b>354,776</b>	<b>370,814</b>
<b>Total Liabilities</b>	<b>243,147</b>	<b>251,999</b>
<b>Total Equity</b>	<b>111,629</b>	<b>118,815</b>
<b>Total Interest Bearing Debt</b>	<b>214,217</b>	<b>222,294</b>
<b>Net Debt</b>	<b>165,022</b>	<b>171,178</b>
<b>Net Debt to Equity</b>	<b>1.5x</b>	<b>1.4x</b>
<b>Debt to Equity*</b>	<b>1.9x</b>	<b>1.9x</b>

\*Interest bearing debt/Total equity

# Operating Highlights: Generation

## Capacity Sales Breakdown (MW)



- Increased capacity sales driven by GN Power Mariveles and hydro units

## Capacity Sold Factor

Fuel Group	9M2016	9M2017	Change pts
Mini Hydro	42%	51%	9
Large Hydro	67%	92%	25
SNAP Magat	49%	81%	32
SNAP Benguet	94%	109%	15
Geothermal	95%	111%	16
Coal	104%	115%	11
Therma Luzon	107%	133%	26
Therma South	100%	99%	(1)
GN Power Mariveles	-	104%	
Oil	96%	93%	(2)
Others	11%	12%	1
AP Generation	91%	104%	13

Capacity Sales: Capacity Contracts (MW) + Energy Contracts (MW) + [(Spot (MWh) + Ancillary (MWh))/Days\_Year/Hours\_Day]

Capacity Sold Factor: Capacity Sales (MW) / Net Sellable Capacity (MW)

# Operating Highlights: Generation

	Beneficial Energy Dispatch (GWh)		
	9M2016	9M2017	Change
Mini Hydro	504	611	21%
Large Hydro	1,335	1,826	37%
SNAP Magat	577	954	65%
SNAP Benguet	758	872	15%
Geothermal	2,020	2,000	-1%
Coal	6,082	8,460	39%
Therma Luzon	4,048	4,044	0%
Therma South	1,296	1,185	-9%
GN Power Mariveles	-	2,581	-
Oil	1,367	554	-59%
Others	13	16	18%
<b>AP Generation</b>	<b>11,322</b>	<b>13,467</b>	<b>19%</b>

- Higher energy dispatched
- The decrease in dispatch of Therma South and Therma Marine don't impact our EBITDA as these have capacity contracts

# Operating Highlights: Generation

## Average Revenue

Fuel Group	Capacity Contracts (P/kW-h)		Energy Contracts (P/kWh)	
	Capacity based and AS		Energy based and Spot	
	9M2016	9M2017	9M2016	9M2017
Hydro	2.05	<b>2.22</b>	4.44	<b>4.37</b>
Oil	2.23	<b>1.78</b>	6.09	<b>5.69</b>
Coal	3.42	<b>3.61</b>	3.92	<b>4.93</b>
Geothermal & Solar	-	-	3.87	<b>4.42</b>
Biomass	-	-	-	<b>5.34</b>
AP Generation	2.90	<b>3.06</b>	4.05	<b>4.61</b>

- Total average price increased from **P4.05/kWh** to **P4.77/kWh** primarily on account of higher indices.

Notes:

Capacity contracts include ancillary; energy contracts include spot

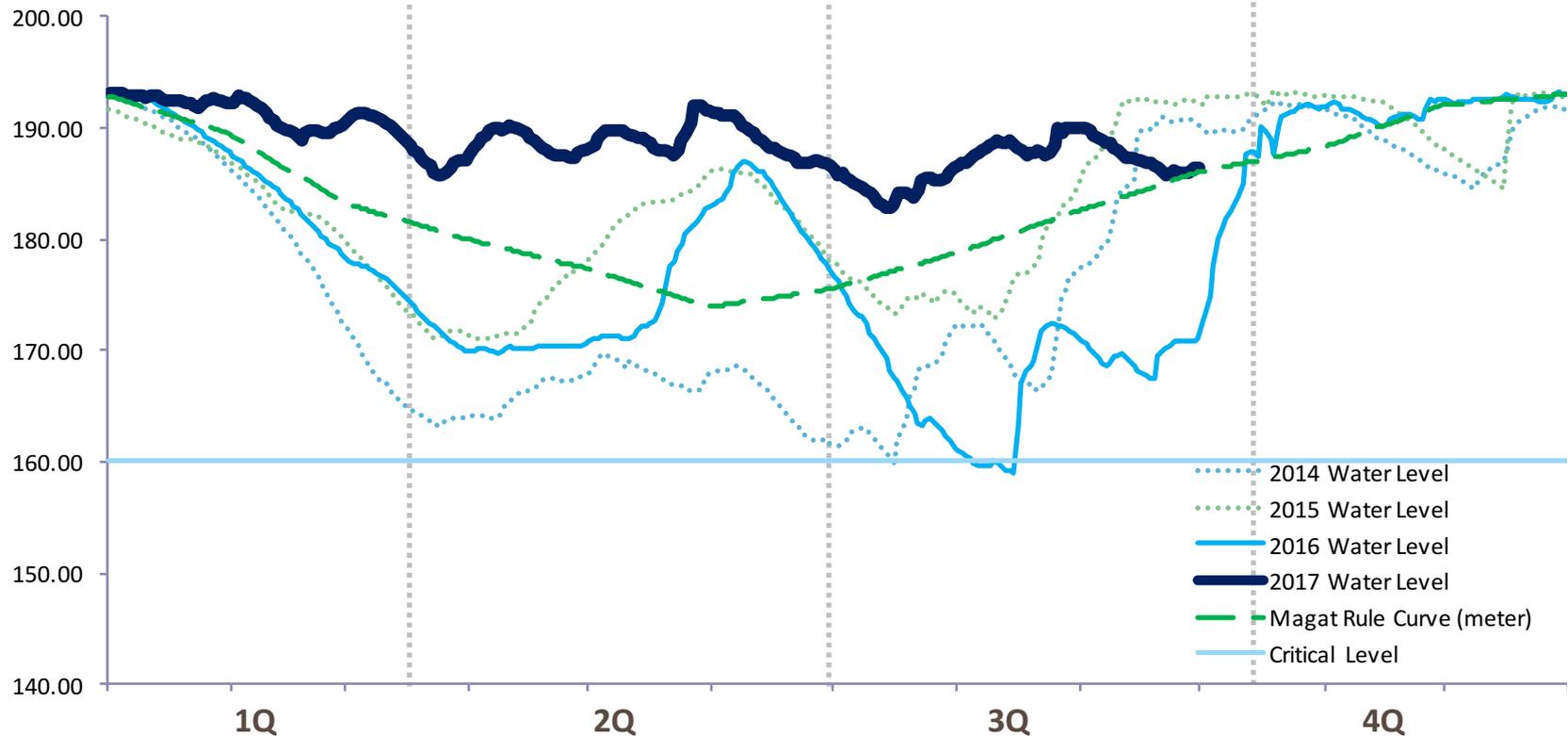
kWh: Based on total energy sold

kW-h: Based on Contracted\_capacity \*Days\_year\*Hours\_days



# Operating Highlights: Generation

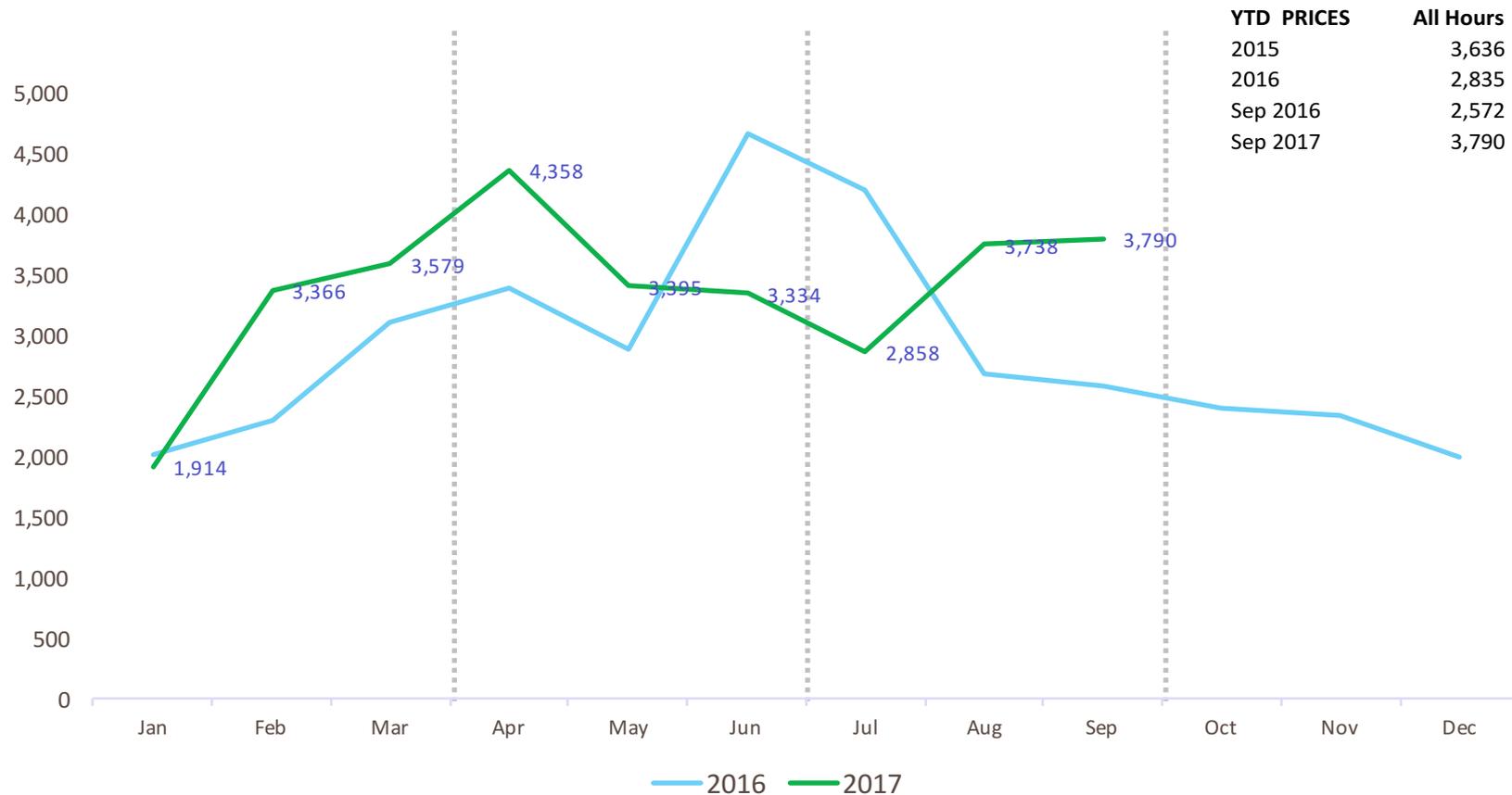
## Magat's Water Level vs. Rule Curve (in MASL)



- Water levels remained above the rule curve throughout summer

# Operating Highlights: Generation

WESM TIME WTD AVERAGE PRICES (P/MWh) – Luzon Grid



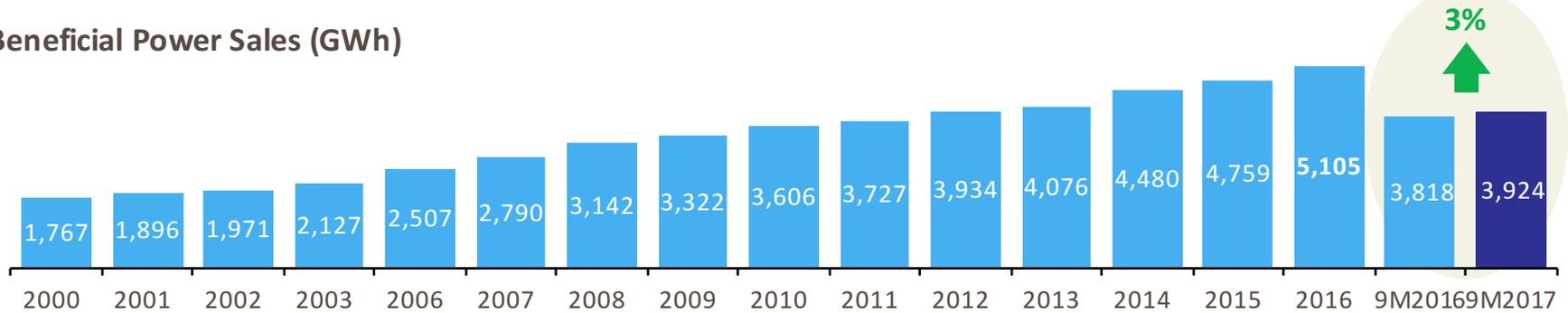
YTD PRICES	All Hours
2015	3,636
2016	2,835
Sep 2016	2,572
Sep 2017	3,790

Source: WESM, SNAP

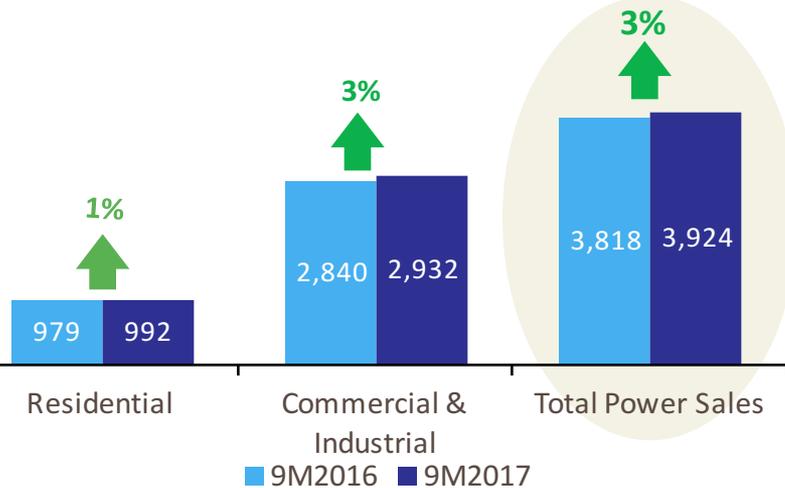
# Operating Highlights: Distribution

- Almost flat growth in distribution sales

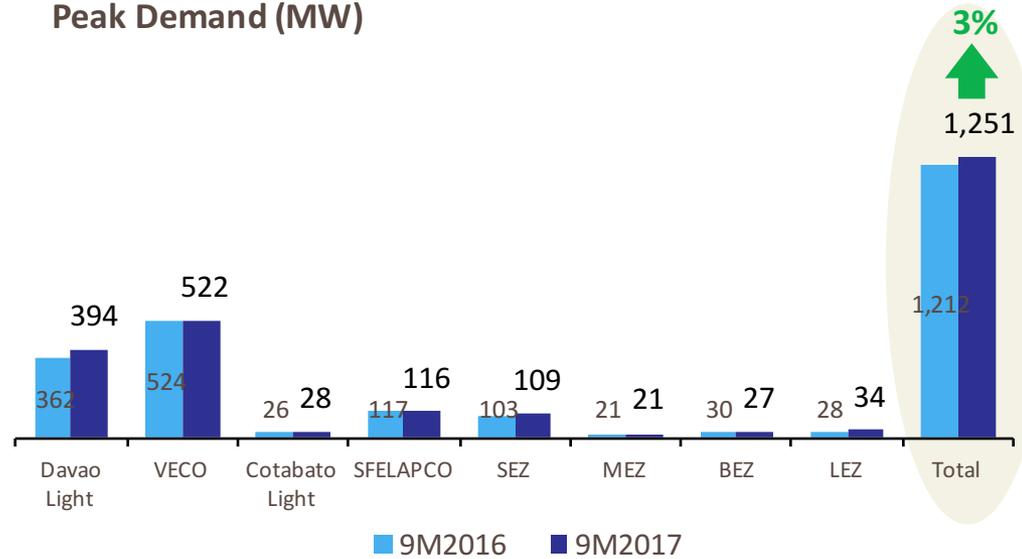
## Beneficial Power Sales (GWh)



## Beneficial Power Sales By Customer Type (GWh)

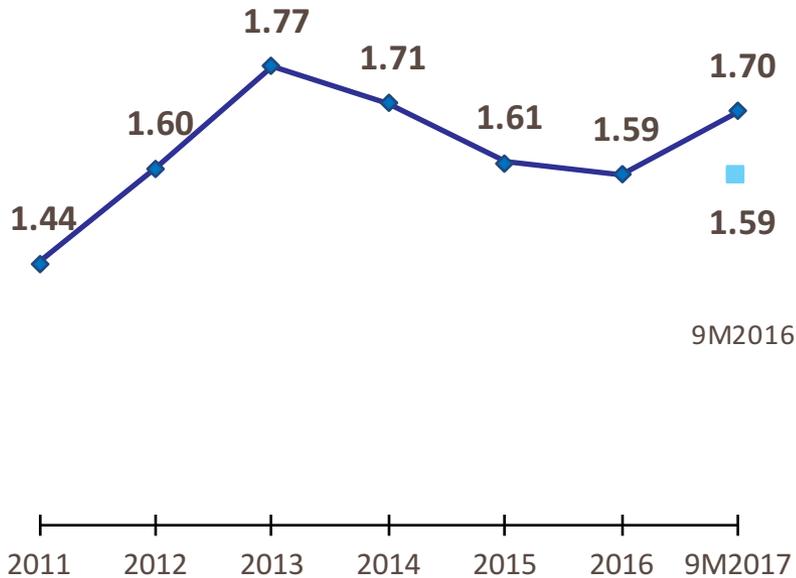


## Peak Demand (MW)

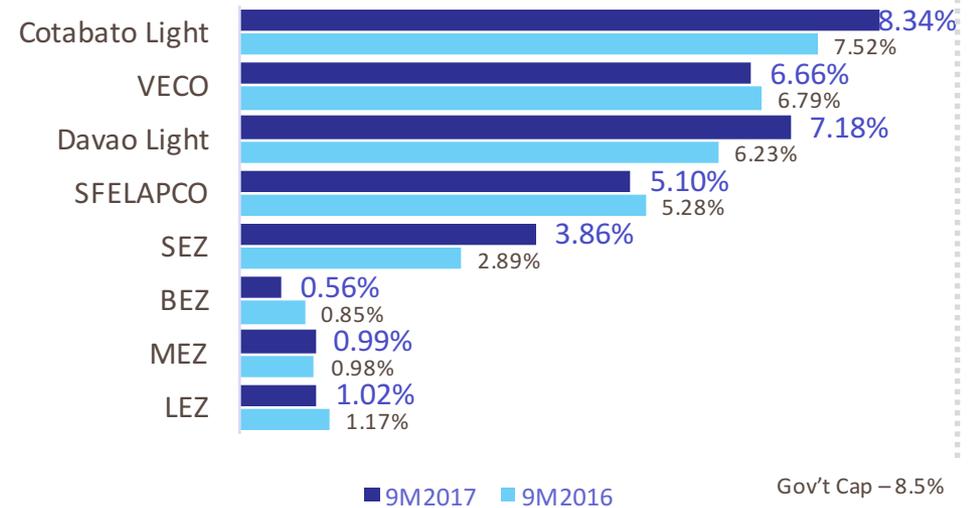


# Operating Highlights: Distribution

## Gross Margin/kWh



## System Loss



# Project Update

- Pipeline on track to track to reach our target of 4,000 MW by 2020

GRID	Project	Capacity (Net)	% Ownership	Attributable Net Capacity	Estimated Completion
LUZON	<b>Pagbilao 3</b> (Coal – Pagbilao Energy)	400 MW	50%	200 MW	Jan 2018
	<b>Maris</b> (Hydro – SNAP Magat)	8.5 MW	50%	4.3 MW	Nov 2017
	<b>Dinginin Unit 1</b> (Coal – GNPDP)	668 MW	40%	267 MW	2019
	<b>Subic</b> (Coal – RP Energy)	300 MW	25%	75 MW	2020
VISAYAS	<b>Cebu</b> (Coal – Therma Visayas)	300 MW	80%	240 MW	2018
MINDANAO	<b>Manolo Fortich</b> (Hydro – Hedcor Bukidnon)	68 MW	100%	68 MW	Dec 2017
<b>2,045 MW</b>				<b>929 MW</b>	

# Project Update

## Maris – 8.5 MW of Hydro



# Project Update

## Manolo Fortich – 68 MW of Hydro



## Pagbilao 3 – 400 MW of Coal power

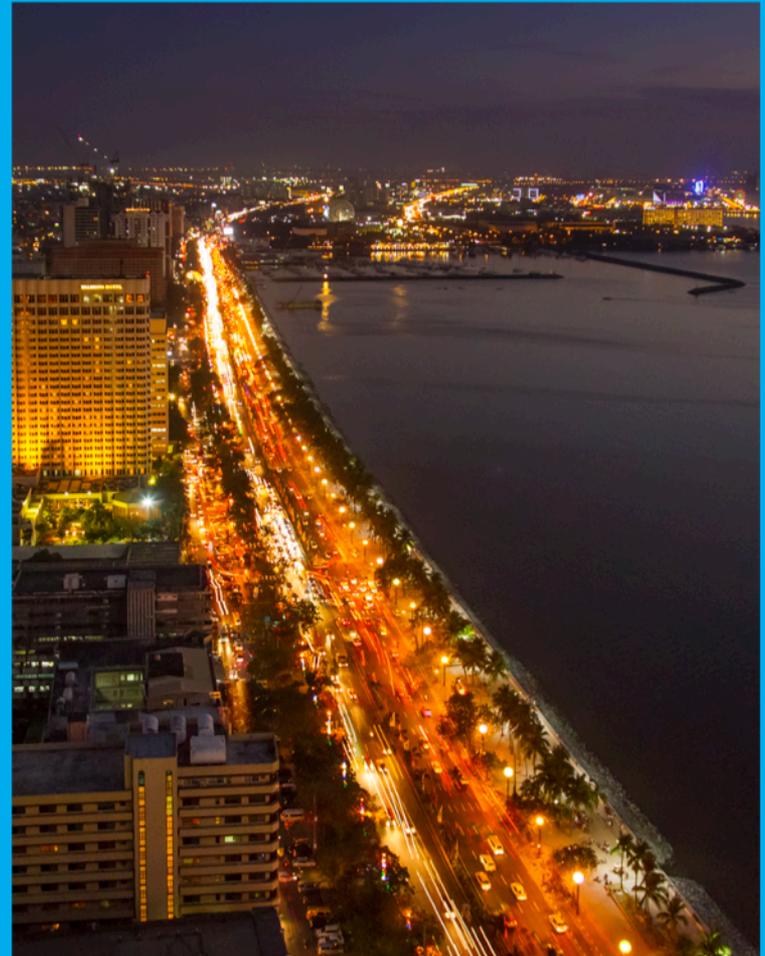


# Project Update

## Therma Visayas Inc – 300 MW of Coal power



Thank you



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