

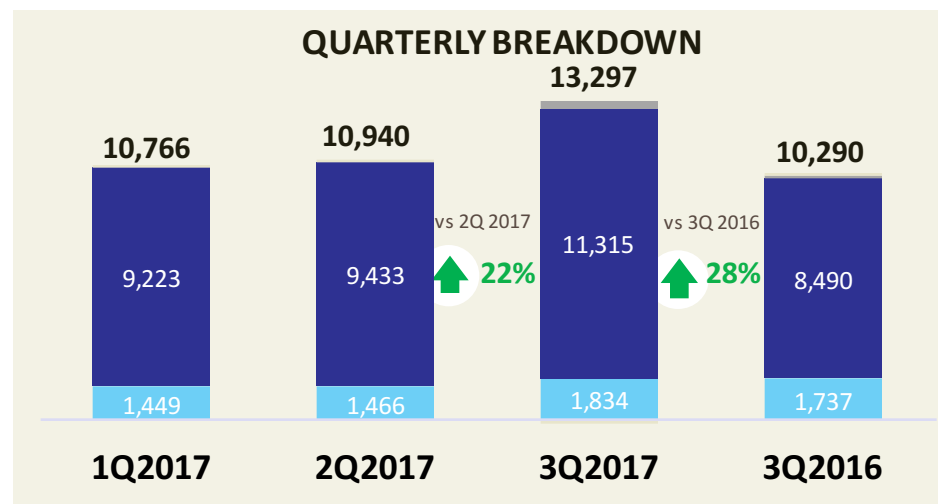
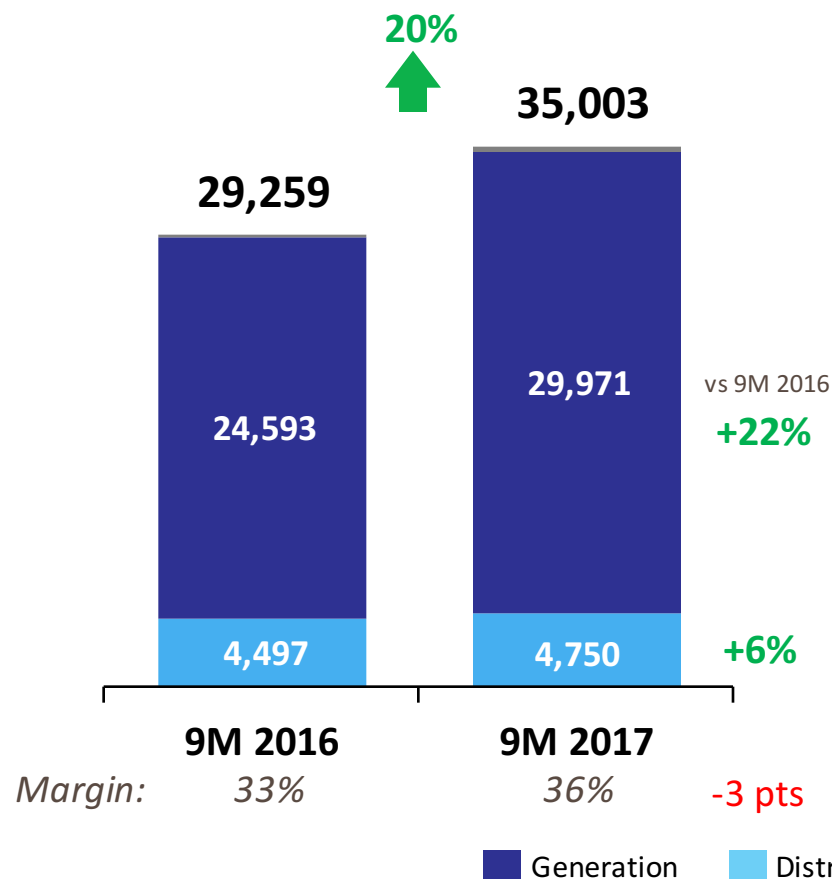
# Third Quarter | September 2017 Results

8 November 2017



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# 3Q/9M2017 EBITDA

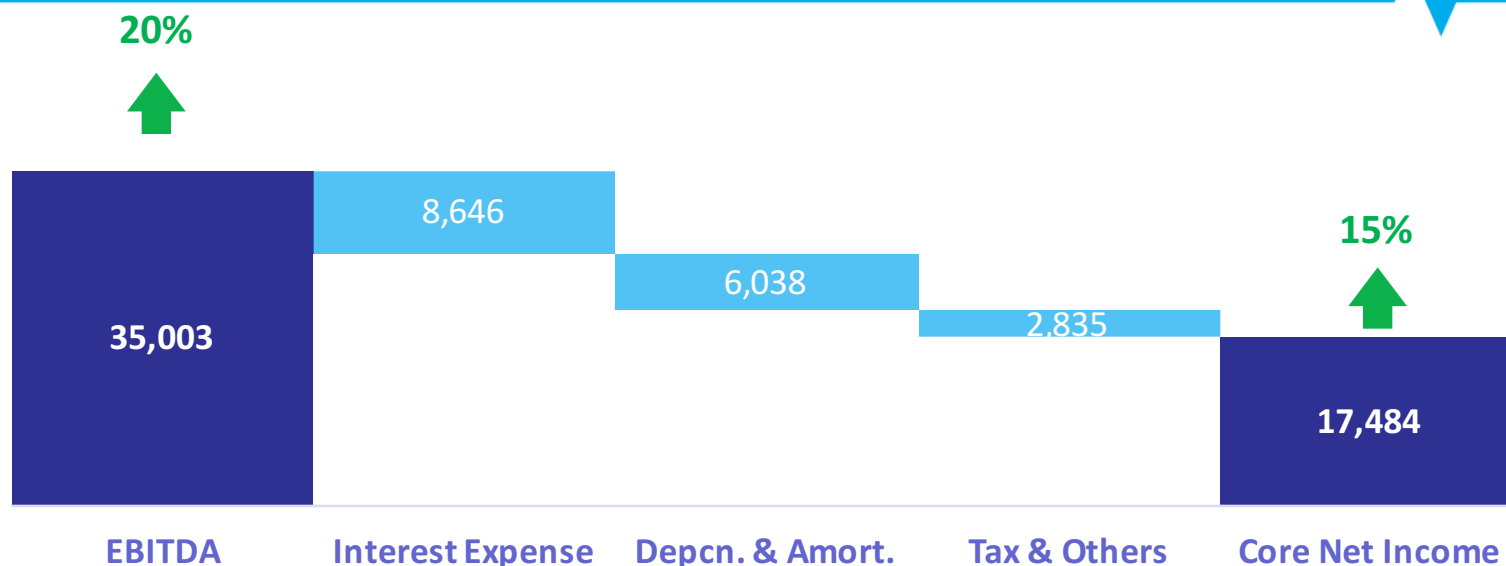


## 20% growth vs 9M2016, of which...

- +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

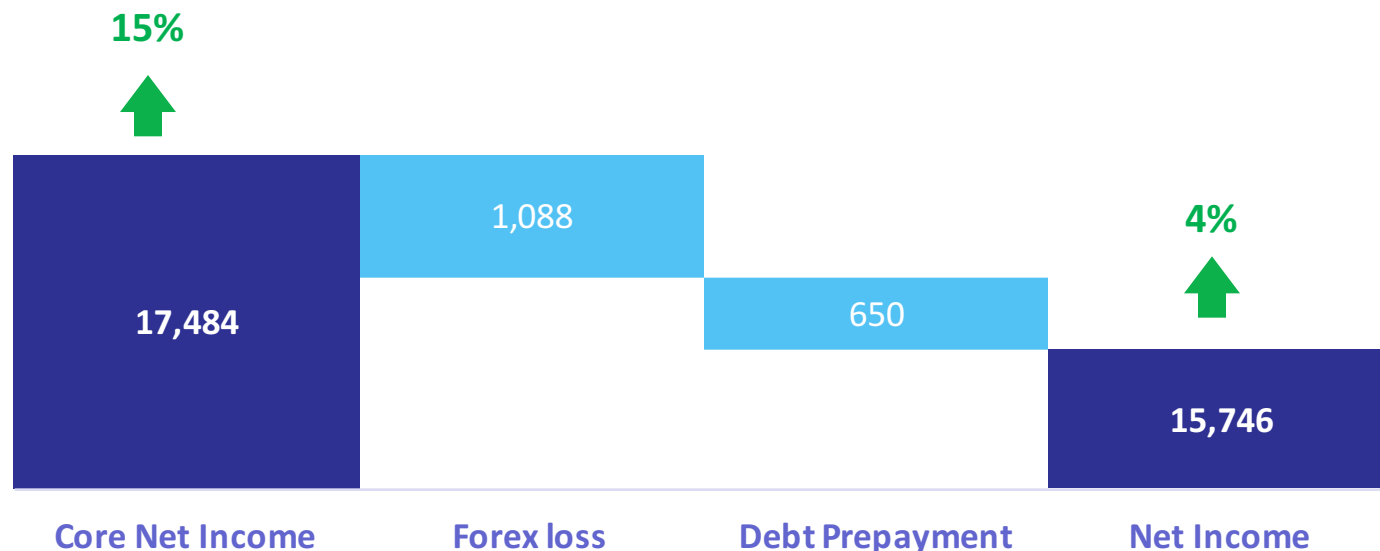


Php mn	9M2016	9M2017	Change
<b>EBITDA</b>	29,259	35,003	20%
-Interest Expense	5,499	8,646	57%
-Depcn. & Amort.	5,040	6,038	20%
-Tax & Others	3,525	2,835	-20%
<b>Core Net Income</b>	15,195	17,484	15%
<b>EPS</b>	2.06	2.38	

## 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



Php mn

Core Net Income

Non-recurring gains/(losses)

Debt prepayment costs

Gain on acquisition & redemption

Net Income

EPS

Net Income			
	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



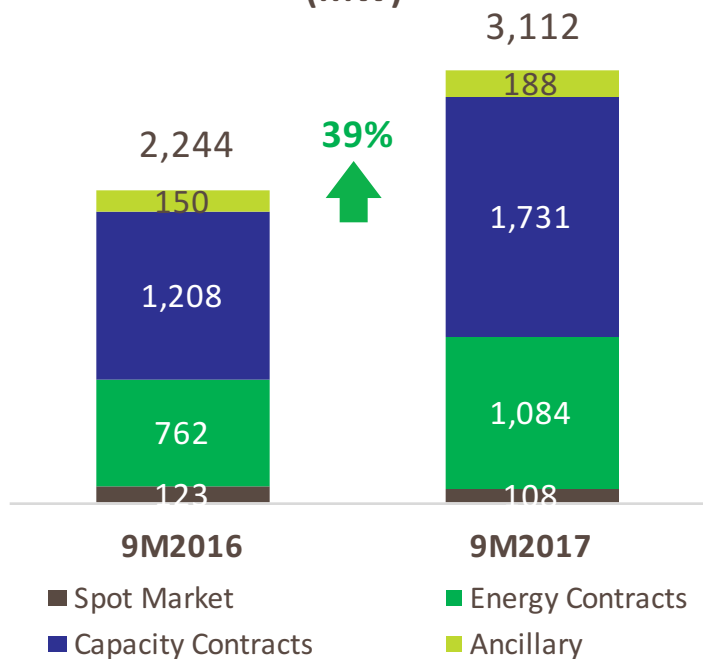
# 9M2017 Balance Sheet

(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
Total Assets	354,776	370,814
Total Liabilities	243,147	251,999
Total Equity	111,629	118,815
Total Interest Bearing Debt	214,217	222,294
Net Debt	165,022	171,178
Net Debt to Equity	1.5x	1.4x
Debt to Equity*	1.9x	1.9x

\*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%
AP Generation	11,322	13,467	19%

- 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:

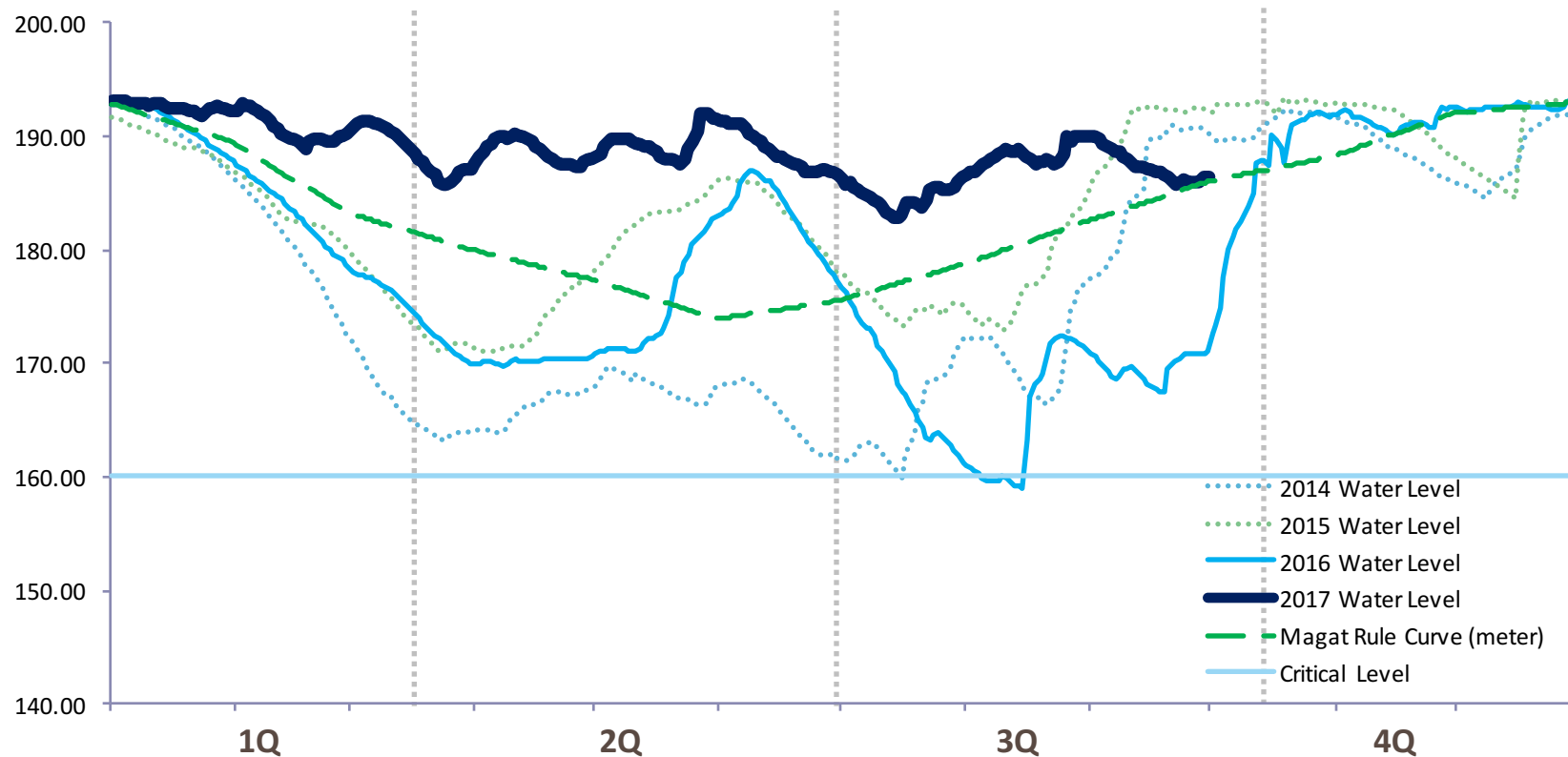
Capacity contracts include ancillary; energy contracts include spot

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)

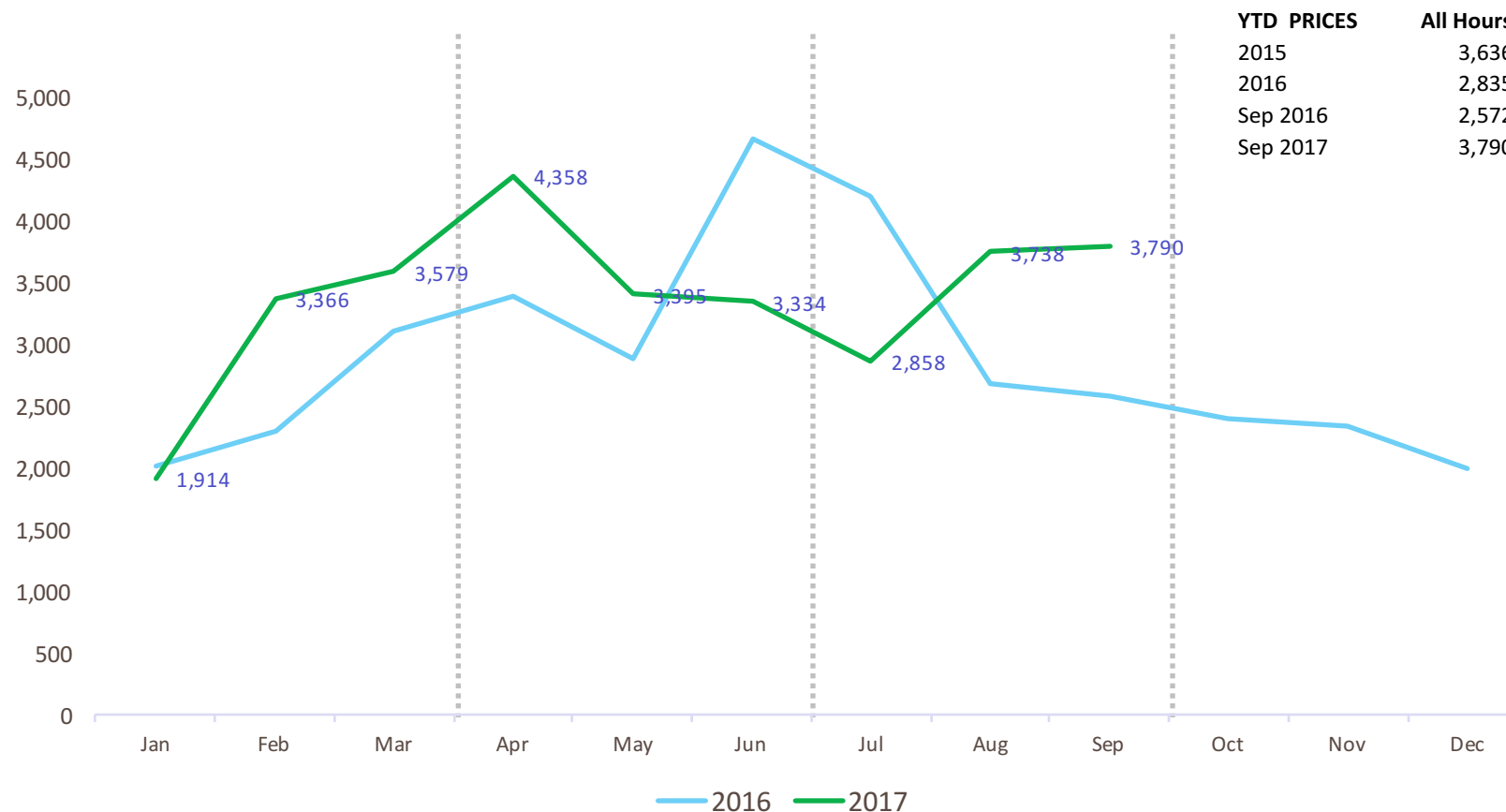


- Water levels remained above the rule curve throughout summer



# Operating Highlights: Generation

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

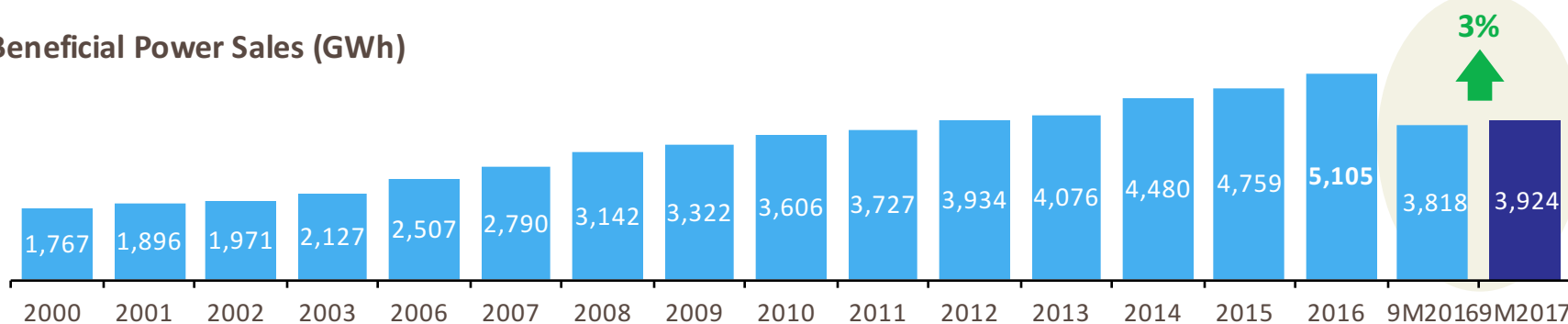


Source: WESM, SNAP

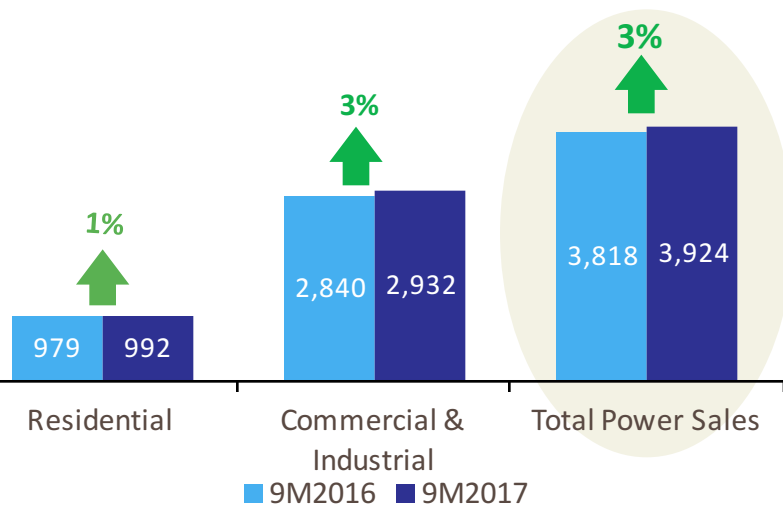
# Operating Highlights: Distribution

- Almost flat growth in distribution sales

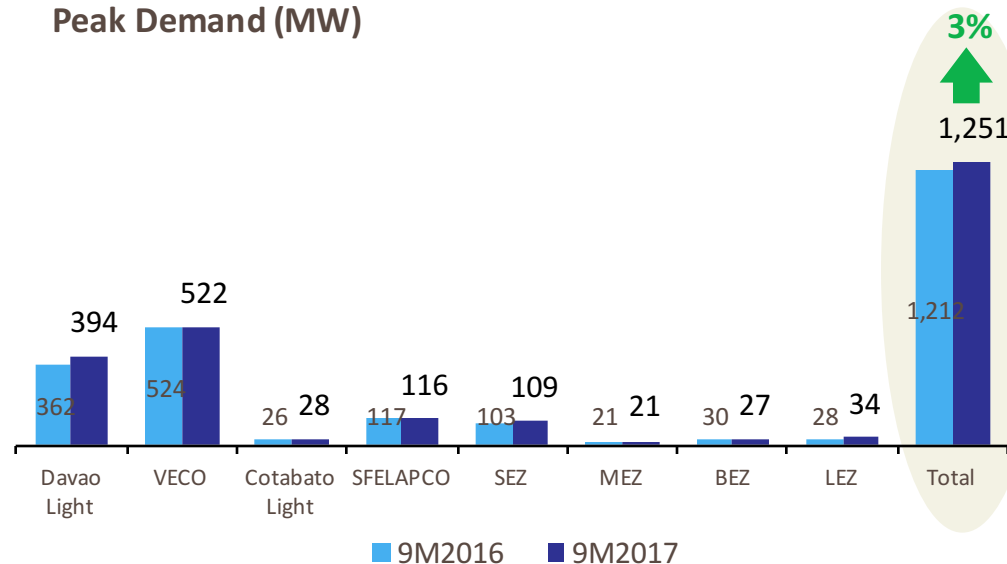
## Beneficial Power Sales (GWh)



## Beneficial Power Sales By Customer Type (GWh)

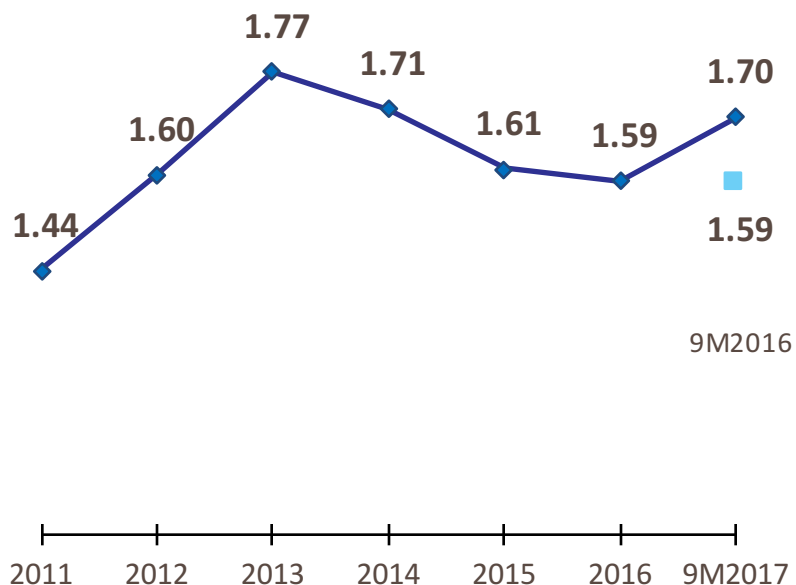


## Peak Demand (MW)

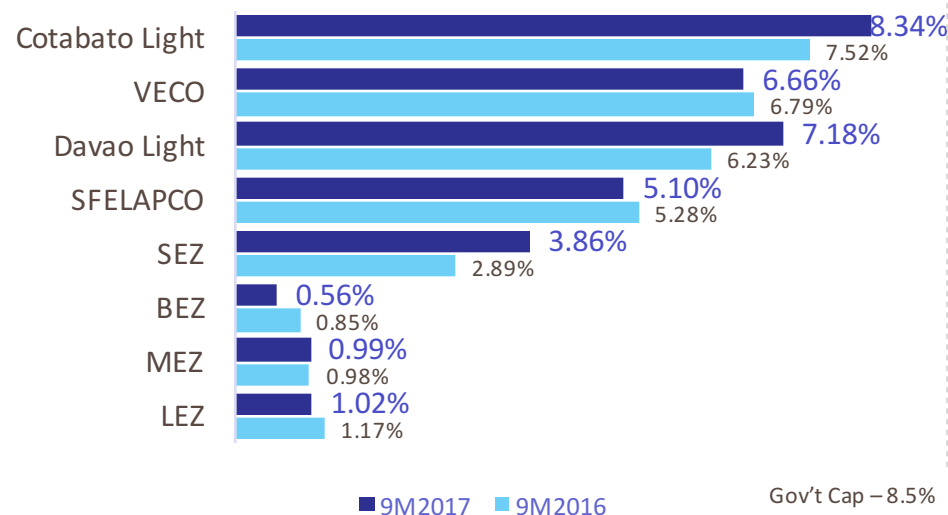


# Operating Highlights: Distribution

## Gross Margin/kWh



## System Loss





# Project Update

- Pipeline on track to 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





# Project Update

## Pagbilao 3 – 400 MW of Coal power



# Project Update

## Therma Visayas Inc – 300 MW of Coal power



# Thank you



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