

July 27, 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  
29<sup>th</sup> 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

4<sup>th</sup> 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. July 27, 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. 32<sup>nd</sup> 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<br>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 March 31, 2020)</u> | <u>₱239,436,537,000.00</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 ₱1.7 billion (bn) for the second quarter of 2020, 67% lower than the ₱5.0 bn recorded in the corresponding period in 2019. The Company recognized non-recurring gains of ₱251 million (mn) during the period, compared to the ₱560 mn in non-recurring gains recorded during the same period last year. Without these one-off gains from the revaluation of dollar denominated liabilities, core net income for the second quarter of 2020 was ₱1.4 bn, 68% lower year-on-year (YoY). This was due to the decline in EBITDA stemming from decreased demand due to the enforcement of COVID-related community quarantines and outages. The Company also had additional tax expenses following the expiration of the Income Tax Holiday (ITH) incentives of Therma South, Inc. (TSI) and GN Power Mariveles Coal Plant Ltd. Co. (GMCP), and additional

interest expense from the Company's bond and loan that were availed during the fourth quarter of 2019.

On a year-to-date (YTD) basis, AboitizPower's net income for the first half of 2020 was ₱3.7 bn, 57% lower than the ₱8.6 bn recorded last year. The Company recognized non-recurring gains of ₱224 mn during the relevant period, compared to non-recurring gains of ₱121 mn during the same period, due to net foreign exchange gains on the revaluation of dollar denominated liabilities. Without these one-off gains, the Company's core net income for the first half of 2020 was ₱3.5 bn, 59% lower than the ₱8.5 bn recorded during the same period last year. This was also the result of lower EBITDA due to lower demand resulting from the enforcement of COVID-related community quarantines and outages. The Company also had additional tax expenses following the expiration of the ITH incentives of TSI and GMCP, and additional interest expense from the Company's bond and loan that were availed during the fourth quarter of 2019.

## **Results of Operations**

### *Generation and Retail Electricity Supply*

AboitizPower's generation and retail supply business recorded EBITDA of ₱14.8 bn during the first six months of 2020, 17% lower than the ₱17.8 bn recorded during the corresponding period last year. The variance was primarily due to reduced demand resulting from the enforcement of COVID-related community quarantines, as well as forced outages during the first half of 2020 involving Pagbilao units 1-3, TSI Unit 2, and GMCP Unit 2. These reductions offset the decrease in purchased power costs during the first half of 2020, and revenues from Therma Visayas, Inc. (TVI) and Therma Mobile, Inc. (TMO), which were both online since January of this year, as opposed to the second quarter of last year. Moreover, EBITDA for the first quarter of 2019 also included income from the Generation Rate Adjustment Mechanism (GRAM) and Incremental Currency Exchange Rate Adjustment (ICERA), which were not available as income during the first half of 2020.

Capacity sold for the first half of 2020 increased by 12% to 3,388 megawatts (MW) from 3,035 MW in the same period last year. This was due to increased contracting levels driven by the new capacity of TVI and TMO. Due to the lower demand brought about by the pandemic and forced outages, energy sold in the first half of 2020 declined by 6% to 10,764 gigawatt-hours (GWh) from 11,460 GWh.

### *Distribution*

For the first half of 2020, AboitizPower's distribution business recorded EBITDA of ₱3.7 bn, 0.5% lower than the ₱3.7 bn recorded during the same period last year. Energy sales decreased by 7% to 2,629 GWh during the first six months of 2020 from 2,842 GWh in the first half of 2019. This was driven by lower energy consumption from the Commercial and Industrial customer segments due to the enforcement of the COVID-related community quarantines.

## **Financial Condition**

As of June 30, 2020, AboitizPower's total consolidated assets stood at ₱416.6 bn, 1% higher than the year-end 2019 amount of ₱410.5 bn. Total cash and cash equivalents was ₱39.8 bn, while total consolidated interest bearing liabilities was ₱239.9 bn. Equity attributable to holders of the parent was ₱119.5 bn. As of June 30, 2020, the Company's current ratio was at 1.2x, versus year-end 2019's 1.5x, while its net-debt-to-equity ratio was at 1.5x, versus year-end 2019's 1.4x.

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: July 27, 2020



## PRESS RELEASE

27 July 2020

### **AboitizPower posts P3.7 billion in first-half earnings**

Aboitiz Power Corporation reported a net income of ₱3.7 billion for the first half of 2020, 57% lower versus ₱8.6 billion recorded last year.

The company recognized non-recurring gains of ₱224 million during the relevant period, compared to non-recurring gains of ₱121 million during the same period last year, due to net foreign exchange gains on the revaluation of dollar denominated liabilities.

Without these one-off gains, the company's core net income for the first half of 2020 was ₱3.5 billion, 59% lower than the ₱8.5 billion recorded during the same period in 2019. This was also the result of lower earnings before interest, taxes, depreciation, and amortization (EBITDA) due to lower demand resulting from the enforcement of COVID-related community quarantines and outages.

The company also had additional tax expenses following the expiration of the income tax holiday incentives of Therma South, Inc. (TSI), and GNPowder Mariveles Coal Plant Ltd. Co. (GMCP) and additional interest expense from the company's bond and loan that were availed during the fourth quarter of 2019.

"As the nation continues to face challenges posed by the pandemic, we are optimistic about our growth strategy and we remain fully committed to supporting economic recovery and delivering value to our customers and stakeholders, now and for the longer term," said Emmanuel V. Rubio, AboitizPower president and chief executive officer.

#### *Generation and Retail Electricity Supply*

AboitizPower's generation and retail supply business recorded EBITDA of ₱14.8 billion in the first half of 2020, 17% lower than the ₱17.8 billion recorded last year.

This is mainly due to the reduced demand resulting from COVID-related community quarantines, as well as forced outages in the first half of the year involving Pagbilao units 1-3, TSI Unit 2, and GMCP Unit 2.

These reductions offset the decrease in purchased power costs during the first half of 2020, and revenues from Therma Visayas, Inc. (TVI) and Therma Mobile, Inc. (TMO), which were both online since January of this year, as opposed to the second quarter of last year. Moreover, EBITDA for the first quarter of 2019 also included income from the Generation Rate Adjustment Mechanism and Incremental Currency Exchange Rate Adjustment, which were not available as income during the first half.

Capacity sold increased by 12% to 3,388 megawatts (MW) from 3,035 MW in the same period last year. This was due to increased contracting levels driven by the new capacity of TVI and TMO. Because of the lower demand brought by the pandemic and forced outages, energy sold declined by 6% to 10,764 gigawatt-hours (GWh) from 11,460 GWh.

## *Distribution*

AboitizPower's distribution business recorded EBITDA of ₱3.7 billion, 0.5% lower versus the same period last year. Energy sales also decreased by 7% to 2,629 GWh from 2,842 GWh. This was driven by lower energy consumption from the commercial and industrial customer segments because of community quarantines.

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## **About AboitizPower**

AboitizPower is the holding company for the Aboitiz Group's investments in power generation, distribution, and retail electricity services. It advances business and communities by providing reliable and ample power supply at a reasonable and competitive price, and with the least adverse effects on the environment and host communities.

The company is one of the largest power producers in the Philippines with a balanced portfolio of assets located across the country. It is a major producer of Cleanergy, its brand for clean and renewable energy with several hydroelectric, geothermal, and solar power generation facilities. It also has thermal power plants in its generation portfolio to support the baseload and peak energy demands of the country.

The company also owns distribution utilities that operate in high-growth areas in Luzon, Visayas, and Mindanao, including the second and third largest private utilities in the country.

In the next 10 years, AboitizPower looks to significantly expand its Cleanergy portfolio, in support of the government's efforts to promote renewable energy in the country and as the company's contribution to the global renewable energy targets. Sixty-five percent (65%) of AboitizPower's new capacities will be sourced from renewables, resulting in an almost 50:50 Cleanergy and thermal capacity mix by 2029.

The Aboitiz Group continues to contribute to the country's COVID-19 response efforts. To date, the Aboitiz Group has contributed nearly P2.2 billion for its COVID-19 response efforts. This excludes various payments waived, reduced, extended, or restructured to help customers cope with the impact of COVID-19.

For further queries on this Press Release, please contact:

### **MARIA LEENE CAMO**

Corporate Communication

ABOITIZ POWER CORPORATION

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