



August 30, 2019

**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, 28<sup>th</sup> Street, cor. 5<sup>th</sup> 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:

  
**JOANNE L. RANADA**  
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) 886-2338

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 2

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



requirements; (2) adequate capital structure supported by healthy growth in retained earnings; (3) diversified portfolio with good growth prospects; and (4) experienced management team.

AboitizPower's outstanding Php10.2 billion bonds issued last September 10, 2014 also maintained its PRS Aaa and Stable Outlook rating.

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:

  
Joanne L. Ranada  
Assistant Corporate Secretary

Dated: August 30, 2019

**Aboitiz Power Corporation's Proposed Bonds of up to P10 billion, with an Oversubscription Option of up to P2 billion, Rated PRS Aaa**

Philippine Rating Services Corporation (PhilRatings) assigned an Issue Credit Rating of **PRS Aaa**, with a **Stable Outlook**, for Aboitiz Power Corporation's (AboitizPower) proposed P10 billion bonds, with an Oversubscription Option of up to P2 billion. The bonds will have a tenor of 7 years. This will be the third issuance of AboitizPower in relation to its three-year Shelf Registration of up to P30 billion.

The proceeds will be used for the repayment of the company's short-term loan obligations and for general corporate purposes.

PhilRatings likewise maintained the Issue Credit Rating of **PRS Aaa** and a **Stable Outlook** for AboitizPower's outstanding P23.2 billion bonds.

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.

Outlook is an indication of the possible direction of any rating change within a one-year period and serves as a further refinement to the assigned credit rating for the guidance of investors, regulators, and the general public. Specifically, a **Stable Outlook** is defined as: "The rating is likely to be maintained or to remain unchanged in the next twelve months."

The corresponding rating and Outlook were assigned given the following key considerations: (1) significant levels of cash flows and financial flexibility in relation to debt service requirements; (2) adequate capital structure, supported by the healthy increase in retained earnings; (3) diversified portfolio, with good growth prospects and; (4) its experienced management team

PhilRatings' ratings are based on available information and projections at the time that the rating review was performed. PhilRatings shall continuously monitor developments relating to AboitizPower and may change the rating at any time, should circumstances warrant a change.

AboitizPower is one of the leading power generation, power distribution, and retail energy supply companies in the Philippines. Through the years, the company has accumulated interests in hydroelectric, geothermal, solar, coal-fired and oil-fired power plants. The attributable net sellable capacity of the company as of end June 2019 was at 3,349.7 megawatts (MW). AboitizPower also has interests in some distribution utilities (DU), including the second and third largest DUs in the country. Likewise, it is reportedly the second largest retail energy supplier.

The company's operations consistently produce strong levels of cash flows, particularly in relation to debt service requirements. The continuously growing and inelastic demand for power likewise serves to temper the volatility in the company's cash flows. Earnings before interest, taxes, depreciation and amortization (EBITDA) interest cover and debt service coverage ratios as of end 2018 were at 3.7x and 1.2x, respectively. Current ratio was at 1.89x. Cash levels as of end 2018 remained high at P46.3 billion

As of end 2018, the company maintained adequate capitalization levels, with its debt to equity ratio and capitalization ratio at 1.59x and 64.9%, respectively. On the other hand, solvency ratio remained stable at 1.5x.

AboitizPower is reportedly set to add 133 MW and 935 MW of attributable net sellable capacity in the remainder of 2019 and in 2020, respectively, through its ongoing projects. Such will bring AboitizPower closer to its 2020 target of having 4,000 MW of attributable net sellable capacity.

In the first half of 2019, the company's total operating revenues declined by 2% year-on-year, driven by lower earnings from Therma Mobile, Inc. (TMO) and GNPower Mariveles Coal Plant Ltd. Co. (GMCP). Such was partly offset by higher contributions from the distribution group.

On the other hand, operating expenses grew by 4% given the higher cost of purchased power and the higher cost of generation and other operating expenses related to the start of operations of Therma Visayas, Inc. and given full first half operations of Hedcor Bukidnon and Pagbilao Energy Corporation (PEC). It is also worth noting that spot market prices were higher during the first half of 2019.

Lower income contributions from SN Aboitiz Power-Magat, Inc. and GNPower Dinginin Ltd. Co. (GNPD) were also recorded. This translated to a decrease in the share in net earnings of associates by 46%, from P1.92 billion to P1.04 billion.

The company likewise recorded other income of P2.06 billion, a change from other expenses of P1.15 billion in the same period last year. This was mainly from unrealized foreign exchange movements.

Taking these results into account, net income decreased from P10.85 billion to P10.13 billion, with net profit margins declining from 16.7% to 15.8% in the same period last year.