

December 18, 2020

*via electronic mail*

**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:

  
**MARLENE 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

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( 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) 8 886-2338

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 7

Month Day

Annual Meeting

N/A

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc

N/A

Amended Articles Number/Section

[Empty box]

Total No. of Stockholders

x

Domestic

[Empty box]

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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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. **December 18, 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) 8 886-2800**  
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 |
|---|--|
| <b>Common Stock ₱1 Par Value</b>                        | <b>7,358,604,307</b>   |
| <b>Amount of Debt Outstanding (As of Sept 30, 2020)</b> | <b>₱232,747,382,000.00</b>   |
11. Indicate the item numbers reported herein: 9

**Item 9: Other Matters**

Aboitiz Power Corporation (AboitizPower) filed today with the Securities and Exchange Commission (SEC) a Registration Statement for the registration of its proposed fixed rate retail bonds in the aggregate principal amount of Php30 billion, to be registered under the shelf registration program of the SEC. The first tranche of the Bonds - with a base issue size of up to Php4 billion and an oversubscription of up to Php4 billion (the "First Tranche Bonds") - is expected to be offered to the general public during the first quarter of 2021. AboitizPower expects to issue subsequent tranches of the Bonds under this shelf registration statement, as the need arises and as market conditions permit.

Philippine Ratings Services Corporation ("PhilRatings") assigned an issue credit rating of "PRS Aaa", with Stable Outlook for the First Tranche Bonds. According to PhilRatings, obligations rated "PRS Aaa" are of the highest quality with minimal credit risk, an indication of the extremely strong capacity of the Company to meet its financial commitment on the obligation.

AboitizPower intends to use the proceeds from the First Tranche Bonds for refinancing and/or for other general corporate purposes.

For the First Tranche Bonds, AboitizPower appointed BDO Capital & Investment Corporation, BPI Capital Corporation, China Bank Capital Corporation and First Metro Investment Corporation as Joint Lead Underwriters and BDO - Unibank, Inc. – Trust and Investments Group as the Trustee.

AboitizPower intends to list the First Tranche Bonds with the Philippine Dealing and Exchange Corp.

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: December 18, 2020

**Aboitiz Power Corporation's Initial Issuance of up to P8 billion from Its New P30 billion Shelf Registration gets PRS Aaa Issue Rating**

Philippine Rating Services Corporation (PhilRatings) assigned an Issue Credit Rating of **PRS Aaa**, with a **Stable Outlook**, for Aboitiz Power Corporation's (AboitizPower or the "Company") proposed bond issuance of up to ₱4 billion, with an Oversubscription Option of up to ₱4 billion (Total – Up to ₱8 billion). This is the initial tranche in relation to its new three-year Shelf Registration of up to ₱30 billion.

The proceeds will be used primarily to refinance the Company's corporate debts and/or for other general corporate purposes.

PhilRatings likewise maintained the Issue Credit Rating of **PRS Aaa** and a **Stable Outlook** for AboitizPower's outstanding ₱40 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.

On the other hand, an Outlook is an indication as to 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. A **Stable Outlook** is defined as: "The rating is likely to be maintained or to remain unchanged in the next twelve months."

The 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; (4) experienced management team; and (5) given that electricity is an essential need, the power industry is seen to be relatively more stable amidst increasing economic uncertainty caused by the COVID-19 pandemic.

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 September 2020 was at 3,499 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.

With over 33 years of experience in the development, financing and operation of power generation facilities, AboitizPower's senior management is adept in identifying growth prospects at an early stage. It also has extensive knowledge of the power industry's business and regulatory environment as seen in its ability to maximize opportunities and respond well to challenges, particularly the ongoing pandemic.

The lockdown imposed by the national government to mitigate the spread of the virus caused a sizable drop in the demand for electricity in the Philippines. According to the Department of Energy (DOE), there was a 30% decline in demand for electricity at the onset of the community quarantines imposed since mid-March, compared to the level recorded in the same period last year. Furthermore, electricity generation fell by 20% in April and by 15% in May as operation of industrial facilities and commercial establishments slowed, particularly in areas under Enhanced Community Quarantine (ECQ). Given the lockdown restrictions, coupled with work-from-home (WFH) arrangements implemented by several firms, there was a shift in demand from commercial and industrial to residential consumers.

The country's long lockdown measures have led to a substantial slowdown in economic activity. For the third quarter of 2020, Philippine Gross Domestic Product (GDP) had a slower decline of 11.5% as lockdown restrictions were slowly relaxed since July 2020. Such brought the country's year-to-date GDP contraction to 9.6%.

As a result of the above, the Company's total operating revenues declined by 15.1%, from ₱94.7 billion in the first nine months in 2019 to ₱80.36 billion in same period in 2020. On the other hand, operating expenses declined by 14.2% from ₱72.4 billion to ₱62.2 billion, in line with the drop in revenues. Share in net earnings of Associates were also affected by the pandemic, registering a 39.2% decline from ₱2.8 billion to ₱1.7 billion. Net income thus dropped by 44.8% from ₱15.6 billion to ₱8.6 billion.

Despite the above, the Company's operations continue to produce significant levels of cash flows, particularly in relation to debt service requirements. The relatively stable demand for power likewise serves to temper the volatility in the Company's cash flows. As of end September 2020, earnings before interest, taxes, depreciation and amortization (EBITDA) interest cover and current ratio were at 2.48x and 1.28x, respectively. Cash levels remained high at ₱38.0 billion.

The Company's growth in 2021 will be supported by the start of commercial operations of Units 1 and 2 of GNPower Dinginin (GNPD), the operator of a 668 MW (net) supercritical coal-fired power plant located in Bataan.

In October 2020, the Energy Regulatory Commission (ERC) declared that it is no longer accepting new applications for greenfield coal power plants, in favor of more sustainable sources of power to balance the country's energy mix. Coal power plant projects that are already under construction or have already secured the needed permits are not affected by this new ruling. AboitizPower would be in a good position to take advantage of this given its substantial experience in renewable energy sources such as hydropower and geothermal. It likewise is reportedly the second largest renewable energy generator in the country.