



November 13, 2019

**THE PHILIPPINE STOCK EXCHANGE, INC.**

The Philippine Stock Exchange, Inc.

6<sup>th</sup> Floor PSE Tower

28<sup>th</sup> corner 5<sup>th</sup> Avenue

Bonifacio Global City

Taguig City

Attention: **Ms. Janet A. Encarnacion**  
*Head, Disclosure Department*

Gentlemen:

Please find attached a press statement pertaining to the financial results of First Gen Corporation for the period ended September 30, 2019. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Rachel R. Hernandez', written in a cursive style.

**RACHEL R. HERNANDEZ**  
Corporate Secretary

**First Gen recurring earnings increases by 21% to US\$217million  
in the first three quarters of 2019**

First Gen Corporation (First Gen) continues to trailblaze the path of leading the Philippines into a decarbonized future. The Lopez Group's energy company reported a recurring net income attributable to equity holders of US\$217 million (Php11.3 billion) in the first three quarters of 2019 from the operations of its 3,492 MW clean and renewable portfolio. This was a 21% or US\$37 million (Php1.9 billion) jump from its US\$180 million (Php9.4 billion) in earnings from the same period in 2018.

Energy Development Corporation (EDC) contributed recurring earnings from its geothermal, wind, and solar platform of US\$67 million (Php3.5 billion) in the first nine months of 2019, better by US\$14 million (Php0.7 billion) in comparison to US\$52million (Php2.7 billion) in 2018. EDC's Leyte and Negros geothermal plants performed better due to lower outages and higher average selling prices. Recall that a portion of EDC's operating assets in Leyte was damaged by Typhoon Urduja in December 2017, which was fully restored in the third quarter of 2018.

First Gen's natural gas-fired power plants delivered increased recurring earnings for the period. While the two newer gas plants – the 420 MW San Gabriel and 97 MW Avion – generated higher electricity sales from their respective customers, it was Avion that provided a larger increase in earnings as the merchant plant enjoyed higher dispatch and higher selling prices in 2019. The two older plants -- the 1,000 MW Santa Rita and 500 MW San Lorenzo -- continue to perform steadily. From a recurring attributable net income to parent of US\$142 million (Php7.4 billion) in the first nine months of 2018, the gas platform generated US\$151 million (Php7.9 billion) for the same period in 2019, which was an increase of 7% or US\$9 million (Php0.5 billion).

The hydro platform continued to perform positively with a recurring earnings contribution higher by US\$8 million (Php0.4 billion) at US\$13 million (Php0.7 billion) for the period due to higher sales to the Wholesale Electricity Spot Market (WESM) and ancillary services.

First Gen's net income attributable to equity holders in the first three quarters of 2019 was US\$220 million (Php11.5 billion). This was US\$69 million (Php3.6 billion) or 46% better than the earnings in the same period in 2018 of US\$151 million (Php7.9 billion) due to higher electricity sales of its clean fuel platforms, foreign exchange gains, lower interest expense, and benefits from deferred income taxes.

First Gen's consolidated revenues from the sale of electricity increased by US\$154 million (Php8.0 billion) or 11% to US\$1,616 million (Php84.2 billion), compared to US\$1,462 million (Php76.2 billion) in the first nine months of 2018. The natural gas portfolio accounted for 63% of First Gen's total consolidated revenues. Their revenues were 10% higher in the first three quarters of 2019 mainly due to higher average natural gas prices coupled with improved plant dispatch.

EDC's geothermal, wind and solar revenues accounted for US\$547 million (Php28.5 billion) or 34% of First Gen's total consolidated revenues in the first three quarters of 2019. Of the US\$547 million, 94% can be attributed to the geothermal platform while the remainder is from the wind and solar projects. From US\$476 million (Php24.8 billion) in the first nine months of 2018, EDC's revenues improved by US\$71 million (Php3.7 billion) mainly due to the performance of its Leyte and Negros plants. This was supplemented by higher Bacman revenues in the first three quarters of 2019, though partially offset by lower revenues from its Mindanao and Burgos plants.

First Gen Hydro Power Corporation, owner of the 132 MW Pantabangan-Masiway hydroelectric power plants, delivered better revenues by US\$9 million (Php0.5 billion) or 31% higher from US\$28 million (Php1.5 billion) to US\$37 million (Php2.0 billion) due to increased sales to WESM in terms of volume and price. Moreover, there was an absence of ancillary service revenues in the first quarter of 2018, during which it was awaiting the approval of its Ancillary Services Procurement Agreement. The hydro plants account for 2% of First Gen's total consolidated revenues.

"We are pleased to report that First Gen's thrust of clean, low carbon and renewable power continues to result in laudable earnings for the first nine months of 2019. We fully expect to end the year with milestone earnings," First Gen President and COO Francis Giles B. Puno remarked.

Puno added "As for the country's first LNG Terminal that will unlock the natural gas industry in the Philippines, JGC Corporation of Japan has been selected as the tenderer for the engineering, procurement, and construction of the FGEN Batangas LNG Terminal Project. JGC is currently completing a study focused on modifying FGEN's existing jetty that would allow us to receive large and small scale LNG vessels. Another major benefit to completing this work is that, given the attractiveness of LNG prices today, it will allow FGEN to bring in a Floating Storage Regasification Unit (FSRU) on an interim basis to enable us to deliver LNG supply earlier."

*\*U.S. Dollar balances were translated to Philippine Peso using the weighted average rate of US\$1.00:Php52.133 for the period ended September 30, 2019 and US\$1.00:Php52.107 for the period ended September 30, 2018.*

## **About First Gen**

First Gen is a leading independent power producer in the Philippines that primarily utilizes clean and indigenous fuels such as natural gas, geothermal energy from steam, hydro-electric, wind, and solar power. The Company has 3,492MW of installed capacity in its portfolio which accounts for 21% of the country's gross generation. First Gen is a subsidiary of First Philippine Holdings Corporation, one of the most established conglomerates in the Philippines, and has over 20 years of experience in power development. It is part of the Lopez Group of Companies.