

**First Gen Corporation**  
**Press Statement**

**First Gen's 2019 recurring earnings up by 17% to Php14.8 billion**

First Gen Corporation (First Gen), the Lopez Group's power generation company, reported a recurring net income attributable to equity holders of Php14.8 billion (US\$284 million) in 2019 from the operations of its 3,492 MW clean low carbon and renewable portfolio. This was a 17% or Php2.1 billion (US\$42 million) jump from its Php12.7 billion (US\$242 million) in earnings in 2018.

"Our steady financial results for 2019 we hope demonstrates to our shareholders that our strategy to catalyze the country's movement towards a decarbonized future is feasible and continues to pay off. We will continue to focus on advancing decarbonization by constructing the country's first Liquefied Natural Gas delivery terminal. This will be completed before our contract from the Malampaya natural gas field expires in 2024, and provide for the continuing reliable operations and expansion of our gas-fired power plants. First Gen will play a catalyzing role to unlock the use of clean, low carbon natural gas for the power and other industries in the Philippines. This will certainly complement the feasibility for more variable renewable energy projects throughout the Philippine archipelago." First Gen President and COO Francis Giles B. Puno stated.

First Gen's natural gas-fired power plants delivered increased recurring earnings for the year. The two newer gas plants – the 420 MW San Gabriel and 97 MW Avion – generated higher electricity sales from their respective customers; however, 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 -- performed steadily. From a recurring attributable net income to parent of Php9.7 billion (US\$186 million) in 2018, the gas platform generated Php10.1 billion (US\$195 million) in 2019, an increase of 5%.

Energy Development Corporation (EDC) contributed recurring earnings from its geothermal, wind, and solar platform of Php5.1 billion (US\$98 million) in 2019, higher by Php1.2 billion (US\$24 million) in comparison to Php3.9 billion (US\$74 million) in 2018. Most of EDC's geothermal plants performed better due to lower outages and higher average selling prices, particularly in the Wholesale Electricity Spot Market (WESM). 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.

The hydro platform outperformed with a recurring earnings contribution higher by 118% or Php0.4 billion (US\$7 million) at Php0.7 billion (US\$13 million) for 2019 from Php0.3 billion (US\$6 million) in 2018 mainly due to higher sales to the WESM and ancillary services of First Gen Hydro Power Corporation (FG Hydro).

First Gen's net income attributable to equity holders in 2019 was Php15.4 billion (US\$296 million). This was Php3.8 billion (US\$75 million) or 34% better than the 2018 earnings of Php11.6 billion (US\$221 million) 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 Php8.0 billion (US\$173 million) or 8% to Php111.8 billion (US\$2,151 million), compared to Php103.8 billion (US\$1,979 million) in 2018. The natural gas portfolio accounted for 62% of First Gen's total consolidated revenues. Their revenues were 8% higher in 2019 mainly due to higher average natural gas prices coupled with improved plant dispatch.

EDC's geothermal, wind, and solar revenues accounted for (US\$743 million) or 35% of First Gen's total consolidated revenues in 2019. Of the Php38.6 billion, 92% can be attributed to the geothermal platform while the remainder is from the wind and solar projects. From Php34.2 billion (US\$652 million) in 2018, EDC's revenues improved by Php4.4 billion (US\$91 million) mainly due to the performance of its Leyte and Negros plants. This was supplemented by higher Bacman revenues in 2019, though partially offset by lower revenues from its Mindanao and Burgos plants.

FG Hydro, owner of the 132 MW Pantabangan-Masiway hydroelectric power plants, delivered better revenues by Php0.5 billion (US\$10 million) or 28% higher from Php1.9 billion (US\$35 million) in 2018 to Php2.4 billion (US\$46 million) in 2019 due to its higher 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.

*\*U.S. Dollar balances were translated to Philippine Peso using the weighted average rate of US\$1.00:Php51.956 for the year ended December 31, 2019 and US\$1.00:Php52.472 for the year ended December 31, 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.