



May 18, 2020

**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 March 31, 2020. 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's 1Q20 recurring earnings down by 15% to Php3.3 billion**

First Gen Corporation (First Gen), the Lopez Group's power generation company, reported a recurring net income attributable to equity holders of Php3.3 billion (US\$65 million) in the first quarter of 2020 from the operations of its 3,492 MW clean, low-carbon, and renewable portfolio. This was a 15%, or Php0.7 billion (US\$12 million), dip from its Php4.0 billion (US\$77 million) in earnings from the first quarter of 2019.

"With this unforeseen pandemic, 2020 will be challenging for all. Though electricity is an essential need, First Gen has not been spared from the difficulties. The lockdown imposed in March has translated to lower electricity demand. We are now more than ever strengthened in our strategy to catalyze the country's movement towards a decarbonized future. We believe that we should leave this place better than when we found it, and First Gen will play a catalyzing role producing more clean and renewable energy projects throughout the Philippines," First Gen President and COO Francis Giles B. Puno stated.

First Gen's natural gas-fired power plants delivered a decrease in recurring earnings for the period. The gas plants suffered from lower electricity sales resulting from depressed demand with the commencement of the Enhanced Community Quarantine (ECQ) in the latter part of March, as well as higher operating expenses as it booked expenses to aid employees and third parties for ECQ. From a recurring attributable net income to parent of Php2.4 billion (US\$45 million) in the first quarter of 2019, the gas platform generated Php2.0 billion (US\$39 million) for the same period in 2020, a decrease of 13%.

Energy Development Corporation (EDC) contributed flat recurring earnings from its geothermal, wind, and solar platform of Php1.3 billion (US\$26 million) in the first quarter of 2020, almost unchanged in comparison to the Php1.4 billion (US\$26 million) it earned during the same period last year. Despite lower electricity sales, the geothermal company was able to achieve savings in its operating and interest expenses as an outcome of its continuous improvement initiatives.

The hydro platform's recurring earnings contribution dropped by 51% or Php0.3 billion (US\$5 million) at Php0.2 billion (US\$5 million) for the first quarter of 2020 from Php0.5 billion (US\$10 million) in 2019 mainly due to lower prices at the Wholesale Electricity Spot Market (WESM), though partially offset by higher ancillary service sales.

First Gen's net income attributable to equity holders in 1Q20 was Php3.3 billion (US\$65 million). This was Php0.9 billion (US\$16 million) or 20% less than the 2019 earnings of Php4.2 billion (US\$81 million) due mainly to lower electricity sales across all platforms, though partially offset by lower interest expenses and taxes.

First Gen's consolidated revenues from the sale of electricity in the first quarter of 2020 declined by Php3.6 billion (US\$52 million) or 10% to Php24.4 billion (US\$481 million) compared to Php28.0 billion (US\$534 million) in 2019. The natural gas portfolio accounted for 60% of First Gen's total consolidated revenues. Their revenues were 13% lower in the first quarter of 2020 mainly due to lower average natural gas prices coupled with a decline in the plants' dispatch.

EDC's geothermal, wind, and solar revenues accounted for Php9.0 billion (US\$178 million) or 37% of First Gen's total consolidated revenues in the first quarter of 2020. From Php9.4 billion (US\$180 million) in 2019, EDC's revenues were slightly less by Php0.4 billion (US\$2 million) mainly due to the lower prices at the WESM.

First Gen Hydro Power Corporation, owner of the 132-MW Pantabangan-Masiway hydroelectric power plants, generated weaker revenues by Php0.4 billion (US\$8 million) or 37% less than the Php1.1 billion (US\$21 million) it generated in the first quarter of 2019 to Php0.7 billion (US\$13 million) in 2020 due to poor WESM sales in terms of volume and price. The hydro plants account for 3% 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:Php50.786 for the period ended March 31, 2020 and US\$1.00:Php52.466 for the period ended March 31, 2019.*

## **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.