



November 12, 2021

**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

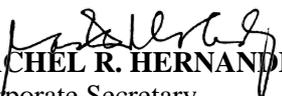
Taguig City

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

Gentlemen:

Please find attached a press statement on the financial results of First Gen Corporation for the period ended September 30, 2021. Thank you.

Very truly yours,

  
**RACHEL R. HERNANDEZ**  
Corporate Secretary

## First Gen 9M21 Attributable Recurring Net Income Up 11%

First Gen Corporation (First Gen), the Lopez Group's power generation company, concluded the first nine months of 2021 with an 11% improvement to Php10.3 billion (US\$212 million) in recurring net income attributable to equity holders from the operations of its 3,495 MW clean, low-carbon, and renewable portfolio. The company benefited from higher electricity sales, led by the 97MW Avion natural gas-fired power plant (Avion). This was supplemented by lower interest expenses and taxes due to the recently enacted CREATE law. First Gen had Php9.6 billion (US\$190 million) in recurring earnings from the same period in 2020.

"Our clean and renewable energy platforms generated higher revenues for the nine months of 2021 as power demand recovered to pre-pandemic levels. Revenue growth also reflected the higher fuel commodity prices experienced all over the world. We likewise witnessed our gas-fired plants increasingly running on liquid fuel due to gas supply restrictions from the Malampaya field. We expect to address this volatility and uncertainty once our LNG import terminal operates in the last quarter of next year," First Gen President and COO Francis Giles B. Puno stated.

The natural gas platform delivered a 20% increase in recurring earnings for 9M21 to Php7.9 billion (US\$163 million) from Php6.8 billion (US\$135 million) in 9M20. The Avion power plant benefitted from high electricity sales in the early part of the year as it supplied the grid with supplemental power during constraint periods. However, one of its units was discovered to have incurred a damage in its gas compressor last August after a routine inspection. The unit was quickly replaced and restored to full commercial operation by late October. The older natural gas-fired plants, the 1,000 MW Santa Rita and the 500 MW San Lorenzo, reaped the benefits of lower income tax rates under the CREATE law. These were partially offset by higher taxes paid by San Gabriel as its Income Tax Holiday expired in March 2020. From an attributable net income to parent of Php6.9 billion (US\$137 million) in the first three quarters of 2020, the gas platform increased to Php7.7 billion (US\$159 million) for the past nine months of 2021.

Energy Development Corporation (EDC) contributed recurring attributable earnings from its geothermal, wind, and solar platform amounting to Php3.0 billion (US\$62 million) as of September 30, 2021, 6% lower than its recurring income last year of Php3.3 billion (US\$66 million). Despite generating higher revenues, EDC incurred higher power plant and steamfield maintenance expenses in 9M21. These were partly offset by lower interest expenses and income taxes. The renewable energy company's attributable net income to parent of Php3.4 billion (US\$70 million) for the first nine months of 2021 was little changed from the same period in 2020 due to the collection of insurance claims in 2021.

The hydro platform's recurring earnings contribution grew to Php0.3 billion (US\$6 million) for 9M21. The 132.8 MW Pantabangan-Masiway power plants generated higher revenues as the commencement of its contract with Meralco was augmented by merchant sales. The hydro platform's attributable earnings in 9M21 was likewise higher at Php0.3 billion (US\$6 million) from Php0.2 billion (US\$3 million) in the same period last year.

First Gen's consolidated revenues from the sale of electricity in 9M21 was higher at Php78.1 billion (US\$1,606 million), an 18% positive change of Php9.6 billion (US\$243 million) from Php68.6 billion (US\$1,363 million) in the first three quarters of 2020. The natural gas portfolio accounted for 59% of First Gen's total consolidated revenues. EDC's geothermal, wind, and solar revenues accounted for 35% of First Gen's total consolidated revenues in 9M21. The hydro plants accounted for 4% 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:Php48.634 for the period ended September 30, 2021 and US\$1.00:Php50.316 for the period ended September 30, 2020.*

## **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 3,495MW of installed capacity in its portfolio, which accounts for 19% 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.