

# PSE SPOTLIGHT

## FEATURING:



ACEN is the listed energy platform of the Ayala Group with a fast-growing presence in the Philippines, Australia, Vietnam, India, Indonesia, Lao PDR and the U.S.A. With about 4.8 GW of attributable renewables capacity in operation and under construction, as well as signed agreements and won competitive tenders worth over 1 GW, the company has already effectively surpassed its original goal of reaching 5 GW of renewables by 2025.

ACEN aims to provide clean, reliable and affordable energy in the Asia Pacific and grow its renewables capacity to 20 GW by 2030. The company is committed to achieving 100% renewable energy in its generation portfolio by 2025 and becoming a Net Zero greenhouse gas emissions company by 2050.

## ACEN CORPORATION

<b>Stock Code</b>	ACEN
<b>Listing Board</b>	Main Board
<b>Sector – Subsector</b>	Industrial – Electricity, Energy, Power & Water
<b>Listing Date</b>	January 05, 1970
<b>Outstanding Shares</b>	39,677,394,773
<b>Free Float Level</b>	24.41%
<b>Market Capitalization</b>	P195,212,782,283
<b>P/E Ratio</b>	24.13x
<b>Dividend Yield</b>	0.81%

As of 19 July 2024  
Source: PSE Data

[Company Profile](#)

### 1. What makes ACEN an attractive investment for potential investors?

ACEN is positioned to capitalize on the global transition to renewable energy. We have a strong track record of executing on our strategy to expand our renewables capacity to 20 GW by the end of the decade, which has allowed us to grow our portfolio more than three-fold over the past five years.

ACEN also aims to diversify its portfolio across multiple markets within Asia-Pacific with positive macroeconomics and where the appetite for renewables is mostly strong.

As it expands, ACEN is supported by strong primary shareholders in Ayala Corporation and GIC.

### 2. What challenges has ACEN encountered, and what strategies were employed to overcome them effectively?

Transmission remains one of the key issues faced by the power industry in the Philippines, though the government remains committed to addressing this infrastructure gap. ACEN is doing its part by building high voltage lines from some of its renewable energy plants in order to supply electrons to the grid.

Finding the right locations is also critical. Ideal renewable energy sites, with optimal solar irradiance and wind speed, are limited, coupled with the general remoteness of such locations to the grid. However, ACEN has been able to effectively identify and develop such sites both in the Philippines and overseas.

Rising interest rates pose a risk to ACEN's growth aspirations. However, this has not been as significant of an issue due to the tighter spreads and longer-duration funding available through project financing, which ACEN is increasingly prioritizing to fund its developments. In addition, there is strong interest to finance renewable energy projects globally, ensuring that ACEN is able to access capital at favorable rates for both corporate and project levels.

### 3. **What sustainability initiatives does ACEN have in place? How do they align with your long-term goals?**

Sustainability is integral to ACEN's strategy. The company's business and operations themselves are direct positive contributors to a cleaner world.

In addition to growing our renewables capacity, our key sustainability initiatives are to (1) achieve Net Zero by 2050, and (2) play a leading role in early coal retirement in the region and helping other countries transition to cleaner technology in the fight against climate change:

#### **Commitment to net zero by 2050**

- ACEN was the first energy company in Southeast Asia to complete a Net Zero roadmap
- Four emissions reduction targets by 2030 (near-term) and 2040 (long-term) that are aligned with a 1.5°C pathway for the power sector

#### **Pioneer in energy transition and early coal retirement**

- Implemented the world's first market-based Energy Transition Mechanism which involved the divestment and early retirement of the 246 MW SLTEC coal plant
- Collaborating with The Rockefeller Foundation and Monetary Authority of Singapore to pilot the use of Transition Credits for early retirement of coal plants
- Working on a Just Energy Transition roadmap to leverage the profound impact of energy transition on our communities and workforce

### 4. **What recent trends or external developments pose significant risks to your company and how have they specifically affected the business? What risk-mitigating measures is your company taking or planning to implement to address said risks?**

Apart from the aforementioned challenges in transmission and rising interest rates, favorable policy landscapes – where transition to clean energy incentivized and investment into renewable generation is encouraged – are needed in order for ACEN and other renewable energy players to maximize growth potential in the markets where it operates.

It is also essential to ensure that ACEN's supply chain is sustainably compliant through closer oversight of procurement and accreditation of suppliers. This is done in tandem with efforts to diversify our renewables technology sourcing, balancing the drive to improve the economics of our operations with the need to minimize our supply risks.

Finally, firming our renewable generation capacity is key to maximizing the potential of our wind and solar assets. Complementing these with battery energy storage systems (BESS) and other behind-the-grid technologies will enable the delivery of renewable energy beyond the hours when these are generated, allowing our plants to serve mid-merit demand.

**5. What are your company's strategic priorities for the next two to three years?**

With our aggressive growth aspirations, our focus remains on execution – bringing as many plants as possible online and on schedule, while increasing our participation in our priority markets in Australia and India.

ACEN is also committed to staying abreast of developments in battery storage and in other emerging energy storage technologies. We aim to deploy these advanced solutions as soon as they can demonstrate their economic feasibility, allowing for increased and more efficient generation of affordable renewable energy.

**PSE Spotlight** is a short feature about listed companies that are part of PSE STAR Investor Day. The report, which offers a quick overview of a company, includes a description of its business, stock information, as well as answers to five interview questions provided by the company's management team. The interview questions typically revolve around the company's value proposition, business operations and landscape, challenges and opportunities, and strategic initiatives.

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