

April 2024

PSE SPOTLIGHT

FEATURING:



Alternergy is a Philippine pioneer in renewable energy (RE). With a proven track record of developing, building, and operating groundbreaking renewable power projects in the country, we strive to create a more sustainable future for the next generation. We are one of a few RE developers with a diversified “Triple Play” renewable energy portfolio that currently covers most of the key RE resources, particularly in solar, wind, and run-of-river hydro and battery storage plants.

Alternergy Holdings Corporation

Stock Code	ALTER
Listing Board	Main Board
Sector – Subsector	Industrial – Electricity, Energy, Power and Water
Listing Date	Mar 24, 2023
Outstanding Shares	3,933,840,480
Free Float Level	33.93%
Market Capitalization	P2,596,334,717
P/E Ratio	16.40x
Dividend Yield	0.00%

As of 26 April 2024
Source: PSE Data

[Company Profile](#)

1. What makes Alternergy an attractive investment for potential investors?

Alternergy presents a compelling investment opportunity due to its pioneering leadership in the renewable energy industry, proven track record as developers, the mandatory rise of the RE industry trend, and seasoned management. Alternergy emerges as a compelling investment opportunity, particularly appealing to investors pursuing growth and stability within the green investment space. The Company stands out as an attractive investment especially at its current hyper growth stage.

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

As a renewable energy developer, we encounter significant challenges in navigating the intricate permitting processes required for each of our projects. These processes are widely recognized as arduous, time-consuming, and fraught with bureaucracy, often stretching over several years. To address this, our team includes individuals with substantial experience in government permitting, thus enhancing our capabilities in this area. By aligning ourselves with these experts, we have effectively transformed what could be perceived as a weakness into a core strength.

This approach has allowed us to achieve remarkable efficiency, streamlining a traditionally challenging aspect of the infrastructure and energy industry. Our ability to expeditiously navigate the permitting landscape while adhering to all laws and regulations sets us apart, enabling us to focus more resources on the development and execution of our projects.

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

At its core, Alternergy is firmly rooted in sustainability, operating as a pure-play energy developer with a steadfast commitment to renewable energy. In June 2022, we have made a deliberate choice not to engage in any non-renewable development activities.

Our dedication to sustainability is not just a statement but a demonstrated commitment. Highlighted in our 2023 Sustainability Report, we are proud to have aligned our efforts with all 17 UN Sustainable Development Goals (SDGs). This achievement is a result of our company philosophy, known as the Quadruple Bottom Line,

which encompasses four key pillars: Profitability, Carbon Reduction, Community Benefits, and Employee Fulfillment. With our overarching Quadruple Bottom Line Philosophy, we are able to contribute to all 17 UN SDGs by providing clean and affordable energy to the local community while reducing greenhouse gas emissions.

Not only do we generate electricity that reduces emissions, but our electric production provides clean electricity to an equivalent of 74,730 households. We do our best to conduct project activities that are in harmony with nature, including planting 151,000 trees to date. Among our 41 host communities, all of whom are integral stakeholders in our business, we extend financial support focused on livelihood improvement, education, healthcare, environmental conservation, and disaster preparedness, with a special emphasis on benefiting the local indigenous populations.

Our mission is to develop power projects from renewable energy resources and as an RE pioneer, we are forging the path to a sustainable future and committing to socio-economic advancement through our business practices that prioritize social and environmental responsibility.

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?

One of the significant challenges we face as a power developer is effectively communicating the long gestation period inherent in our projects to current and prospective investors. This timeline, from pre-development to project commerciality, spans several years, mirroring the trajectory of traditional energy or utility companies.

It's crucial for investors to understand that while our projects may take time to reach fruition, they offer the promise of sure, steady, and consistent revenues once operational. However, the sensitivity of developers like us to government regulations poses a considerable risk. Any shifts in energy policy directly impact the continuity and viability of our projects.

Our close partnership with the government exposes us to regulatory changes, potentially placing us at their mercy. However, this relationship also presents an opportunity. By working closely with regulatory bodies, we actively participate in shaping policies that benefit our company and the industry at large. Actively engaging in industry associations and policy dialogues allows us to advocate for favorable policies and stay informed.

These risk-mitigating measures are integral to our business strategy, ensuring that we can weather external changes while continuing to progress towards our long-term goals of sustainable and profitable project development.

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

The key strategic priority for the next two to three years is to accelerate our project development. We are set to start construction for our 164 MW onshore wind capacity this year with the GEA 2 win serving as a catalyst. We are diligently securing permits and clearances, ensuring timely ground mobilization in the coming weeks.

With our pipeline of projects coming online in quick succession in the next couple of years, we will see an increased and stable revenue stream that will be a boost not only to the company's financial performance, but also to shareholder value. In the near term, revenues from the newly inaugurated Palau Solar and Battery Energy Storage System Project which reached energization in 2023, have materialized and hit our topline.

Alternergy's first Run-of-River Hydro project, Dupinga Hydro, is expected to reach commercial operations in 2025. The Apulid Solar Project, the Philippines' first aquavoltaic venture that integrates solar and aquaculture farming, and reflects the Company's commitment to innovative and sustainable solutions, is looking to start construction in the next year. Apulid Solar is expected to generate revenues by 2026 along with the Solana Solar Project.

Meanwhile, the GEA-winning 164MW Tanay and Alabat Wind Projects, to which we reallocated a portion of the IPO proceeds, along with the Kiangnan Run-of-River Project, are all slated for completion by end-2025. Only accounting for its shovel-ready projects, the Company aims to reach around 490MW in its Gross Installed Capacity by 2027.

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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