

COVER SHEET

1 7 5 2 2 2
S.E.C. Registration Number

P.S.E. Control Number

V I V A N T C O R P O R A T I O N

(Company's Full Name)

9 T H F L R . O A K R I D G E I T C E N T E R 3

O A K R I D G E B U S I N E S S P A R K A . S .

F O R T U N A S T M A N D A U E C I T Y , C E B U

(Business Address: No. Street City/Town Province)

Joan A. Giduquio-Baron
Contact Persons

(032) 232-0283, 234-2256 and 234-2285
Telephone Number of the Contact Person

0 3 3 1
Month Day
Fiscal Year

SEC FORM 17-Q

0 3 3 1
Month Day

FORM TYPE

N/A

Secondary license Type, If Applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number/Section

1,418

1,023,262,004

194,694

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

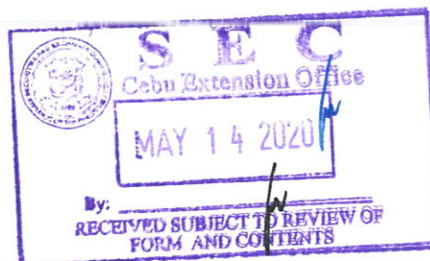
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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: **March 31, 2020**

2. Commission identification number: **175222**

3. BIR Tax Identification No.: **242-603-734-000**

Vivant Corporation

4. Exact name of issuer as specified in its charter

City of Mandaluyong

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

**9th Floor, Oakridge IT Center 3, Oakridge Business Park, A.S. Fortuna Street,
Brgy. Banilad, Mandaue City, Cebu**

7. Address of issuer's principal office **6014**
Postal Code

(032) 234-2256; (032) 234-2285

8. Issuer's telephone number, including area code

**907-908 Ayala Life-FGU Center, Mindanao Avenue corner Biliran Road, Cebu Business Park,
Mindanao Ave. cor Biliran Road, Brgy. Luz, Cebu City**

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the SRC

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares at Php 1.00 per share	Php 1,023,456,698
Amount of debt outstanding	Php 5,774,401,338

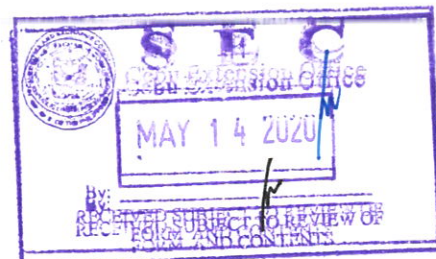
11. Are any or all of the securities listed on a Stock Exchange?

Yes No

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange

Common Stock



12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Company Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes No

- (b) has been subject to such filing requirements for the past ninety (90) days.

Yes No

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to attached financial statements and schedules.

Item 2. Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of the Company's consolidated financial condition and results of operations for the interim period ended March 31, 2020 compared with the interim period ended March 31, 2019. This report should be read in conjunction with the consolidated financial statements and the notes thereto.

KEY PERFORMANCE INDICATORS

Management uses the following key performance indicators to evaluate the performance of the Company and its investee companies:

1. **Equity in Net Earnings (or Loss) of Associates.** Equity in net earnings (or loss) of associates is the Company's share in the income or loss of associates, or investee companies accounted for under the equity method. It indicates the profitability of the associates and measures their contribution to the profitability of the parent.
2. **Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA).** EBITDA is calculated by taking operating income and adding back to it the interest, depreciation and amortization expenses. Since EBITDA eliminates the effects of financing and accounting decisions, it can provide a relatively good comparison of the performance of the Company with other players in the industry. It also provides a good measure of the Company's ability to generate cash from operations to cover financial charges and income taxes.

3. **Cash Flow Generated.** Cash flow generated indicates the ability of the Company to generate enough cash for operating, investing and financing activities.
4. **Debt-to-Equity Ratio (DER).** DER gives an indication of the Company's leverage position and is computed by dividing total liabilities with total stockholders' equity.
5. **Current Ratio.** Current ratio is computed by dividing current assets by current liabilities. This indicates the liquidity of the Company in the short term and measures the peso amount of current asset available to cover a peso amount of current liability.

Year-to-Date (YTD) March 31, 2020 versus YTD March 31, 2019

The table below shows the comparative figures of the key performance indicators for the period in review.

Key Performance Indicators <i>Amounts in Php '000, except for ratios</i>	YTD March 2020	YTD March 2019	YE 2019 Audited
Equity in Net Earnings of Associates and Joint Ventures	493,673	473,395	
EBITDA	423,578	581,040	
Cash Flows From / (Used)	514,654	569,679	
Net cash flows from (used in) operating activities	(118,067)	203,090	
Net cash flows from investing activities	833,122	460,696	
Net cash flows used in financing activities	(200,401)	(94,107)	
Debt-to-Equity Ratio (x)	0.38	0.43	0.41
Current Ratio (x)	1.42	6.08	3.42

The Company's share in net earnings of associates and joint ventures as of end-March 2020 amounted to Php 493.7 mn, representing a 4% year-on-year (YoY) increase from Php 473.4 mn. This was a result of the following:

1. Visayan Electric Company (VECO), the Company's distribution utility, recorded a 5% YoY growth in its bottomline contribution, from Php 202.6 mn to Php 212.5 mn. This was on the back of higher volume sold during the quarter in review (up by 8% YoY).
2. 40%-owned Minergy Power Corporation (MPC) brought in contributions of Php 146.7 mn during the period in review, a 5% YoY increase from Php 140.4 mn. This can be mainly attributed to the rise in the volume of energy sales (up by 8% YoY) and lower repairs. Reduction in interest expense, which resulted from debt repayments in 2019, also contributed to the positive variance.
3. 40%-owned Abovant Holdings, Inc. (AHI) posted a 7% YoY improvement in its income contribution to Php 77.3 mn from Php 71.9 mn. This was driven by the enhanced profitability of its associate, Cebu Energy Development Corporation (CEDC). The enhancement in CEDC's performance during the period in review was mainly on account of a 9% YoY rise in energy sales volume and lower interest expense.
4. 50%-owned Delta P, Inc. (DPI) shored in an income contribution of Php 25.0 mn as of end-March 2020, a 59% YoY rise from Php 15.8 mn. This strong showing was attributed to the 44% YoY expansion in energy sales volume. One unit of the company's old plant facility caught fire in February 2019, which resulted to a temporary shutdown of said unit during the same quarter last year.

5. 50%-owned Calamian Islands Power Corp (CIPC) saw a 131% YoY expansion in its income contribution. This was mainly attributed to higher volume sold (up by 14% YoY), coupled with the deferral of scheduled maintenance work and lower operating expenses.

The above enhancements in earnings contributions were tempered by the following:

1. 40%-owned Cebu Private Power Corporation (CPPC) recorded a 5% YoY drop in earnings contribution to Php 42.6 mn from Php 45.0 mn, resulting from lower revenues generated from the sale of its excess capacity to the Wholesale Electricity Spot Market (WESM).
2. 20%-owned Therma Visayas, Inc. (TVI) posted a 226% increase in net loss contribution during the period in review. TVI incurred costs of replacement power during its scheduled maintenance work in the first quarter of 2020. Adding to this was the incurrence of interest expense on its debt. In the same period last year, interest expense was capitalized prior to the start of commercial operations of Unit 1 in April 2019.
3. 40%-owned Prism Energy, Inc. (Prism Energy), a Retail Electricity Supplier (RES) saw a 55% YoY decline in its income contribution to Php 2.5 mn from Php 5.5 mn. This was attributed to the drop in contracted capacities and lower price per kilowatt hour.

EBITDA for the period dropped by 27% YoY to Php 423.6 mn from Php 581.0 mn. This was mainly an outcome of the 29% YoY decrease in operating income, which stemmed from:

1. A 45% reduction in the sale of power, which mainly resulted from the 17% YoY contraction of energy sales in 55.2%-owned 1590 Energy Corporation (1590 EC). Also, wholly owned Vivant Energy Corporation (VEC) had no energy sales during the quarter in review after the termination of its Independent Power Producer Administrators (IPPA) Agreement with the Power Sector Assets and Liabilities Management (PSALM) in October 2019.

The reduction in energy sales was mitigated by the 17% YoY increase in energy sales of wholly owned Corenergy, Inc. (Corenergy), a RES, and 27% YoY rise in energy sales of 60%-owned ET-Energy Island, Inc. (ETEI), the special purpose vehicle where all rooftop solar projects of the Company are currently housed.

2. Timing difference resulting from the non-implementation of some management contracts and service level agreements during the quarter-in-review.
3. 45% YoY drop in interest income given lower rates from short term investments.
4. 95% YoY rise in operating expenses.

However, the contraction in EBITDA was mitigated by a subsidiary's revenues from its water engineering service contracts and 38% YoY drop in cost of services.

The Company ended the quarter in review with a net increase in cash before considering the effect of changes in the foreign exchange rates in the amount of Php 514.7 mn, which was 10% lower than the net increase in cash in the amount of Php 569.7 mn as of end-March 2019. This was a result of the use of cash for operating activities, a reversal of the net cash inflow as of end-March 2019, and increased net cash outflow for financing activities as of the first three months of 2020.

Operating activities showed a net cash outflow of Php 118.1 mn during the quarter in review, recording a reversal of the net cash inflow of Php 203.1 as of end-March 2019. This was mainly due to the payment of trade and other payables and accrued expenses (mostly in VEC and 1590 EC). The advance

payment made by 65%-owned Isla Norte Energy Corporation (INEC) for the supply of equipment during the quarter in review also contributed to the use of cash. In the same period last year, the Company's net cash inflows were generated from collection of trade receivables and increase of trade payables.

Investing activities generated cash in the amount of Php 833.1 mn, which was 81% higher than the net cash inflow of Php 460.7 mn as of end-March 2019. The significant increase in dividends received from VECO (up by 71% YoY) and receipt of dividends from CPPC, DPI, Prism Energy and CIPC during the quarter in review mainly accounted for the improved cashflows. These were tempered by the Company's new investment in a waste-water treatment project, additional investment in a joint venture and an associate, and increased capital expenditures for the acquisition of property and equipment (properties as future project sites by VEC and INEC and construction costs for solar projects in ETEI) during the quarter in review.

Financing activities for the quarter recorded a cash usage of Php 200.4 mn, posting a 113% YoY rise vis-à-vis last year's Php 94.1 mn. The Company's interest-bearing advances related to the waste-water treatment project of an associate and 1590's payment of a 2019 dividend declaration during the quarter in review mainly accounted for the significant increase in net cash outflow against the end-March 2019 level. This was tempered by the receipt of cash as advances from a minority shareholder of a subsidiary for its share in a one-off expense, and infusions from a minority shareholder of another subsidiary for a new power plant project in the Visayas.

Debt-to-Equity ratio went down to 0.38x as of end-March 2020 vis-à-vis end-December 2019 level of 0.41x. This was attributed to the 2% increase in total equity and 5% drop in total liabilities, which mainly stemmed from the payment of trade payables and accrued expenses (mostly by VEC and 1590 EC), 1590 EC's payment of dividends to its minority shareholder for a 2019 declaration, purchase of inventories and drop in deferred output VAT on the back of collections of trade receivables.

The Company's current ratio dropped to 1.42x as of end-March 2020 from year-end 2019 level of 3.42x. Current liabilities posted a significant increase of 156% from end-2019 level, while current assets only recorded a growth of 7%. The Company's outstanding FRCN in the amount of Php 2.8 bn, which is maturing in February 2021, has been recognized as a current liability. Moreover, advances from a minority shareholder for a new power plant project in the Visayas also contributed to the rise in current liabilities for quarter-end March 2020.

Material Changes in Line Items of Registrant's Income Statement
(YTD March 2020 vs. YTD March 2019)

As of end-March 2020, the Company's total revenues amounted to Php 860.0 mn, recording a 22% YoY decline from Php 1.1 bn in the same period last year.

1. Sale of power went down by 45% YoY. This mainly resulted from the 17% YoY contraction of energy sales in 1590 EC. Also, VEC had no energy sales during the quarter in review after the termination of its IPPA Agreement with PSALM in October 2019. The reduction in energy sales was mitigated by the 17% YoY increase in energy sales of Corenergy and 27% YoY rise in energy sales of ETEI.
2. The Company's share in net earnings of associates and joint ventures as of end-March 2020 amounted to Php 493.7 mn, representing a 4% YoY increase from Php 473.4 mn. This was a result of the following:

- VECO, the Company's distribution utility, recorded a 5% YoY growth in its bottomline contribution, from Php 202.6 mn to Php 212.5 mn. This was on the back of higher volume sold during the quarter in review (up by 8% YoY).
- 40%-owned MPC brought in contributions of Php 146.7 mn during the period in review, a 5% YoY increase from Php 140.4 mn. This can be mainly attributed to the rise in the volume of energy sales (up by 8% YoY) and lower repairs. Reduction in interest expense, which resulted from debt repayments in 2019, also contributed to the positive variance.
- 40%-owned AHI posted a 7% YoY improvement in its income contribution to Php 77.3 mn from Php 71.9 mn. This was driven by the enhanced profitability of its associate, CEDC. The enhancement in CEDC's performance during the period in review was mainly on account of a 9% YoY rise in energy sales volume and lower interest expense.
- 50%-owned DPI shored in an income contribution of Php 25.0 mn as of end-March 2020, a 59% YoY rise from Php 15.8 mn. This strong showing was attributed to the 44% YoY expansion in energy sales volume. One unit of the company's old plant facility caught fire in February 2019, which resulted to a temporary shutdown of said unit during the same quarter last year.
- 50%-owned CIPC saw a 131% YoY expansion in its income contribution. This was mainly attributed to higher volume sold (up by 14% YoY), coupled with the deferral of scheduled maintenance work and lower operating expenses.

The above enhancements in earnings contributions were tempered by the following:

- 40%-owned CPPC recorded a 5% YoY drop in earnings contribution to Php 42.6 mn from Php 45.0 mn, resulting from lower revenues generated from the sale of its excess capacity to WESM.
 - 20%-owned TVI posted a 226% increase in net loss contribution during the period in review. TVI incurred costs of replacement power during its scheduled maintenance work in the first quarter of 2020. Adding to this was the incurrence of interest expense on its debt. In the same period last year, interest expense was capitalized prior to the start of commercial operations of Unit 1 in April 2019.
 - 40%-owned Prism Energy saw a 55% YoY decline in its income contribution to Php 2.5 mn from Php 5.5 mn. This was attributed to the drop in contracted capacities and lower price per kilowatt hour.
3. There was a timing difference in the implementation of some management contracts and service level agreements during the period in review. As of end-March 2019, the Company recognized management fees of Php 3.2 mn.
 4. 60%-owned Watermatic Philippines Corporation (WMP)¹ earned revenues of Php 20.1 mn from its water engineering service contracts.
 5. Interest income dropped by 45% YoY to Php 22.0 mn, which was attributed to lower interest rates on short-term placements.

Total cost of services and operating expenses for the first quarter of 2020 contracted by 17% YoY, from Php 591.8 mn to Php 493.6 mn. Said movement can be accounted for by the following:

¹ Registered with the Securities and Exchange Commission on July 23, 2019

1. Total cost of services dropped by 38% to Php 306.2 mn from Php 495.9 mn. This can be attributed to the 41% contraction in generation cost to Php 294.5 mn as of end-March 2020 from Php 495.9 as of end-March 2019. 1590 EC's lower energy sales during the quarter mainly accounted for this decline. Higher cost of sales in Corenergy on the back of higher sales volume during the quarter in review tempered the cost reduction.

Meanwhile, WMP incurred technical consultancy and materials costs in the amount of Php 11.8 mn for its water engineering services during the quarter in review.

2. Salaries and employee benefits significantly grew by 94% to Php 67.7 mn from Php 34.9 mn. A change in the timing of accrual for employee benefits mainly accounted for this increase. Manpower headcount and an upward adjustment in salaries and benefits were also higher during the quarter in review.
3. Taxes and licenses were higher by 95% to Php 38.8 mn from Php 19.9 mn. The improved revenues of the Company, 1590 EC and VEC resulted to higher local business taxes. Additional business taxes were incurred due to the change of business address by the Company and its subsidiaries. Payment of documentary stamp taxes (DST) were made during the quarter as a result of the share issuance by a subsidiary and booking of advances from shareholders by another subsidiary that is developing a new power plant project.
4. Professional fees went up by 81% to Php 26.1 mn from Php 14.4 mn. This was mainly due to the engagement of a legal consultant by a subsidiary.
5. Depreciation and amortization grew by 46% YoY to Php 10.9 mn from Php 7.5 mn. The increase was attributable to higher depreciation expense due to purchase of new assets and the depreciation of the right-of-use asset for a lease that was contracted in the fourth quarter of 2019.
6. Outside services was up by 58% YoY to Php 6.8 mn from Php 4.3 mn, which could be attributed to the hosting and support fees incurred for the Company's enterprise resource planning (ERP) system and the spot market trading software used by VEC.
7. Travel expenses saw a rise of 28% to Php 4.3 mn from Php 3.3 mn. This can be attributed to increased travel frequency on the back of more projects during the year in review.
8. Rent and association dues was significantly higher by 280% at Php 1.2 mn from Php 0.3 mn. This was attributed to the increase in association dues for the Company's principal office.
9. Representation expenses were higher by 144% to Php 0.4 mn from Php 0.2 mn. This variance is attributed to the increased initiatives for customer, partners, and stakeholder relations.
10. Other operating expenses rose by 324% YoY to Php 26.3 mn from Php 6.2 mn. This resulted substantially from the timing of donations to Vivant Foundation Inc (VFI). New memberships in business organizations and higher repairs expense also contributed to the increase in cost.

Vivant booked Php 56.6 mn in other charges as of end-March 2020, recording a 6% decrease from previous year's other charges of Php 60.4 mn. The following account for the movement:

1. Finance costs on the Company's FRCN was lower by 1% YoY to Php 41.3 mn from Php 41.7 mn. This reduction is attributed to the partial principal payment made in February 2020.

2. Finance costs on lease liabilities dropped by 8% YoY to Php 20.1 mn from Php 21.7 mn resulting from the amortization of the finance lease under PFRS 16.
3. An unrealized foreign exchange gain of Php 2.7 mn was taken up during the period in review. This pertains to the restatement of the US Dollar and Euro cash balances of the Company and three subsidiaries. This was against an unrealized foreign exchange loss of Php 0.10 mn recorded for the same period last year.
4. Other income of Php 2.0 mn was booked as of end-March 2020, which was 36% lower than the Php 3.2 mn booked in the same period last year. As of end-March 2019, a subsidiary earned revenue from technical services rendered which did not recur during the period in review.

The Company booked an income tax benefit of Php 5.2 mn on account of the deferred income tax on the lease of 1590 EC. This is a reversal of the accrued consolidated tax expense booked by the Company in the amount of Php 15.2 as of end-March 2019.

Taking all of the above into account, the Company recorded a total net income of Php 314.9 mn for the period ending March 31, 2020, which is 28% lower than last year's Php 437.4 mn. Net income attributable to parent amounted to Php 321.3 mn, down by 25% YoY.

Changes in Registrant's Consolidated Resources, Liabilities and Shareholders' Equity
(End-March 2020 vs. Year-end 2019)

The Company's total assets marginally grew by 0.1%, from end-2019's level of Php 20.87 bn to Php 20.89 bn. The following are the material movements in the consolidated assets of the Company as of end-March 2020.

1. Cash and cash equivalents expanded by 12% to Php 4.9 bn as of end-March 2020 from Php 4.4 mn as of end-2019. This is attributed to the net cash generated from investing activities, which was mostly from the receipt of dividends from three associates and two joint ventures. These were offset by the use of cash for operating and financing activities.
2. Trade and other receivables went down by 52% to Php 377.9 mn as of end-March 2020. This decrease was mainly attributable to the collection of trade receivables by 1590 EC and receipt of dividends for declarations made in 2019 by DPI, Prism Energy and CIPC.
3. Advances to associates and stockholders was higher by 164% at Php 242.2 mn as of end-March 2020. The increase was mainly a result of an extension of interest-bearing advances related to a waste-water treatment project that the Company invested in.
4. Inventories rose by 9% to Php 110.7 mn as of end-March 2020. This was attributed to the purchase of fuel by 1590 EC.
5. Prepayments and other current assets were higher by 66% YoY at Php 265.0 mn as of end-March 2020. The advance payment to a supplier of equipment for a subsidiary's new power plant project in the Visayas mainly accounted for the rise.
6. Investments in associates and joint ventures slightly dropped by 3% at Php 10.9 bn as of end-March 2020. The new investment of a subsidiary in a joint venture for a waste-water treatment

project, additional investment by another subsidiary to an associate, and the Company's equitized share in net earnings of its associates and joint ventures were outweighed by dividend declarations and payments made by two associates.

7. Right-of-use assets was lower by 6% at Php 866.8 mn, which was due to the amortization as of end-March 2020.

Total consolidated liabilities declined by 5% YoY to Php 5.8 bn as of first quarter 2020 from end-2019's Php 6.1 bn. This was mainly brought by the following:

1. Trade and other payables were lower by 23% to Php 921.8 mn from Php 1.2 bn. This was attributed to the settlement of trade payables and accrued expenses (mostly by VEC and 1590 EC) and 1590 EC's payment of dividends to its minority shareholder for a 2019 declaration. The drop in deferred output VAT on the back of collections of trade receivables also contributed to the drop in payables during the period in review.
2. Current portion of lease liabilities decreased by 10% to Php 323.3 mn from Php 360.1 mn, which was on account of its amortization over the term of the lease.

These contraction in liabilities were offset by the following:

1. Advances from related parties grew by 325% to Php 77.9 mn. This was a result of the advances received by a subsidiary from its minority shareholder for a new power plant project, and advances from a minority shareholder of another subsidiary for its share in a one-off expense.
2. Income tax payable increased by 6% to Php 17.0 mn, which was attributed to the earnings of 1590 EC during the quarter in review.

As a result of net income generated during the period in review, total stockholders' equity slightly increased by 2%, from Php 14.8 bn as of year-end 2019 to Php 15.1 bn as of end-March 2020. Meanwhile, equity attributable to parent ended up marginally higher by 2% at Php 14.4 bn as of end-March 2020.

*Material Changes in the Consolidated Liquidity and Cash Reserves of Registrant
(End-March 2020 vs. End-March 2019)*

Cash and cash equivalents were higher by 13% YoY, from Php 4.4 bn as of end-March 2019 to Php 4.9 bn as of end-March 2020.

The Company ended the quarter in review with a net increase in cash before considering the effect of changes in the foreign exchange rates in the amount of Php 514.7 mn, which was 10% lower than the net increase in cash in the amount of Php 569.7 mn as of end-March 2019. This was a result of the use of cash for operating activities, a reversal of the net cash inflow as of end-March 2019, and increased net cash outflow for financing activities as of the first three months of 2020.

Operating activities showed a net cash outflow of Php 118.1 mn during the quarter in review, recording a reversal of the net cash inflow of Php 203.1 as of end-March 2019. This was mainly due to the payment of trade and other payables and accrued expenses (mostly in VEC and 1590 EC). The advance payment made by 65%-owned INEC for the supply of equipment during the quarter in review also

contributed to the use of cash. In the same period last year, the Company's net cash inflows were generated from collection of trade receivables and increase of trade payables.

Investing activities generated cash in the amount of Php 833.1 mn, which was 81% higher than the net cash inflow of Php 460.7 mn as of end-March 2019. The significant increase in dividends received from VECO (up by 71% YoY) and receipt of dividends from CPPC, DPI, Prism Energy and CIPC during the quarter in review mainly accounted for the improved cashflows. These were tempered by the Company's new investment in a waste-water treatment project, additional investment in a joint venture and an associate, and increased capital expenditures for the acquisition of property and equipment (properties as future project sites by VEC and INEC and construction costs for solar projects in ETEI) during the quarter in review.

Financing activities for the quarter recorded a cash usage of Php 200.4 mn, posting a 113% YoY rise vis-à-vis last year's Php 94.1 mn. The Company's interest-bearing advances related to the waste-water treatment project of an associate and 1590's payment of a 2019 dividend declaration during the quarter in review mainly accounted for the significant increase in net cash outflow against the end-March 2019 level. This was tempered by the receipt of cash on advances from a minority shareholder of a subsidiary for its share in a one-off expense, and infusions from a minority shareholder of another subsidiary for a new power plant project in the Visayas.

Financial Ratios

Debt-to-Equity ratio went down to 0.38x as of end-March 2020 vis-à-vis end-December 2019 level of 0.41x. This was attributed to the 2% increase in total equity and 5% drop in total liabilities, which mainly stemmed from the payment of trade payables and accrued expenses (mostly by VEC and 1590 EC), 1590 EC's payment of dividends to its minority shareholder for a 2019 declaration, purchase of inventories and drop in deferred output VAT on the back of collections of trade receivables.

The Company's current ratio dropped to 1.42x as of end-March 2020 from year-end 2019 level of 3.42x. Current liabilities posted a significant increase of 156% from end-2019 level, while current assets only recorded a growth of 7%. The Company's outstanding FRCN in the amount of Php 2.8 bn, which is maturing in February 2021, has been recognized as a current liability. Moreover, advances from a minority shareholder for a new power plant project in the Visayas also contributed to the rise in current liabilities for quarter-end March 2020.

Material Events and Uncertainties

- Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way. The following conditions shall be indicated: whether or not the registrant is having or anticipates having within the next twelve (12) months any cash flow or liquidity problems; whether or not the registrant is in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments; whether or not a significant amount of the registrant's trade payables have not been paid within the stated trade terms.

The Company does not expect any liquidity problems and is not in default of any financial obligations.

- Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

None.

- Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

The Company does not have material off-balance sheet transactions, arrangements obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons entities or other persons created during the period in review.

- Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.

The Company has projects in the pipeline, at varying degrees of development.

POWER GENERATION

These projects are being undertaken through wholly owned subsidiary, VEC.

- Vivant Malogo Hydropower Inc. (VMHI) is a joint venture that will serve as the project proponent for the development and implementation of a greenfield power plant project, which will involve the construction and operation of a series of run-of-river hydropower facilities in Barangay Kapitan Ramon in Silay City, Negros Occidental. VMHI will implement the project in phases, where Phase 1 will involve the construction and operation of a 6 MW power plant facility along the Malogo river. The company has finalized the detailed engineering plans of the facility. Vivant, however, has decided to put the project on hold given the prevailing transmission constraint in the Negros grid, which is expected to be resolved by 2020 upon the completion of the Cebu-Negros-Panay 230kV backbone project of NGCP. VEC holds an effective equity stake of 67% in VMHI.
- Culna Renewable Energy Corporation (CREC) is the project proponent for the construction and operation of hybrid facilities to supply Culion Island with a guaranteed dependable capacity of 1.96 MW and to supply Linapacan Island with guaranteed dependable capacity of 0.358 MW. The Culion Power Station will have a configuration of 2.42 MW Diesel Genset, 2.80 MWp Solar PV and a battery storage system while the Linapacan Power Station's installed capacity will be composed of 540 kW Diesel Gensets and 325 kWp Solar PV. A Joint Application for the approval of the PSA was filed by CREC and BISELCO with the ERC on July 17, 2017, which is pending resolution.
- Global Energy Development Corporation (GLEDC) is a special purpose vehicle that was set up to undertake the construction and operation of a 2x335 MW coal fired power plant in La Union. In December 2017, Vivant, through wholly owned subsidiary Vivant Integrated Generation Corporation (VIGC), and Global Business Power Corporation signed a Pre-Development Agreement to jointly participate in this project. Vivant has an effective ownership of 42.5% in GLEDC.
- In November 2019, the Bantayan Electric Cooperative (BANELCO) concluded a successful competitive selection process by awarding a 15-year contract to supply 15 MW of the island's energy requirements to Isla Norte Energy Corporation (INEC), the joint-venture of Vivant Integrated Diesel Corporation (VIDC), a wholly owned subsidiary of VEC, and Gigawatt Power

Inc. In February 2020, INEC and BANELCO signed the PSA. Vivant owns 65% equity in INEC through wholly-owned subsidiaries, VIDC and Vivant Energy.

- The Company, through its Business Development Group, continuously looks for opportunities in the power generation business, whether it be via greenfield, brownfield or acquisition. The Company conducts an extensive evaluation process before any proposed project is undertaken. Several factors are assessed and considered, which include but not limited to, the project's land use requirements, access to the grid, fuel supply availability and arrangements, permits and licenses, competitiveness of the plant and presence of potential offtakers. The Company intends to bankroll these projects via a combination of equity (30%) and debt (70%), where debt will be booked at the project company.

WATER INFRASTRUCTURE

These projects are being undertaken through wholly owned subsidiary, Vivant Infracore Holdings Inc. (VIHI).

- Watermatic Philippines Corporation (WMP) was established in July 2019 as the joint venture company of Vivant, through VHHI, and its Israeli partner WMI. Vivant's 60%-owned subsidiary specializes in providing solutions for water treatment for a variety of needs including for industry, drinking water, and agriculture. WMP's services include the design, engineering, construction, installation and operations and maintenance of water and wastewater treatment systems. It also assists clients in the project pre-development stage by providing the necessary technical studies and assessment and designing systems that are tailor-fit to the client's specific needs.

Vivant is in the process of evaluating and developing projects for this business.

- Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described.

The overall economic performance of the Philippines is a key factor in the sale of electricity. Thus, the performance of the Company, including its subsidiaries and associates, is affected by the economic state of the country.

Given the uncontracted portion of the Company's attributable generation capacity, any movement in the spot market price of electricity could have a significant impact on the Company's overall financial performance. Spot price of electricity is mostly determined by the supply and demand situation prevailing in the market.

- Any significant elements of income or loss that did not arise from the registrant's continuing operations

None.

- Any material changes in estimates of amounts reported in prior interim period of the current financial year and interim period of the prior financial year, respectively.

None.

- Any seasonal aspects that had a material effect on the financial condition or results of operations
None.
- Any material events subsequent to the end of the interim period that have not been reflected in the financial statements of the interim period

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region. On March 14, 2020, the Office of the Governor of the province of Cebu implemented similar response through issuance of Executive Order Nos. 5-E, 5-F and 5-G. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and enjoined all government agencies and local government units to render full assistance and cooperation to curtail and eliminate the threat of COVID-19. These measures have caused disruptions to businesses and economic activities, and its impact on businesses continue to evolve.

The Company considers the events surrounding the outbreak as non-adjusting events, which do not impact its financial position and performance as of and for the quarter ended March 31, 2020. However, the outbreak could impact the financial results for periods thereafter. Considering the evolving nature of this outbreak, the Company cannot determine at this time the impact to its financial position, performance and cash flows. The Company continues to monitor the situation.

PART II--OTHER INFORMATION

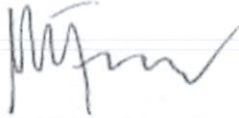
Other than what has been reported, no event has since occurred.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VIVANT COMPANY

By:



MINUEL CARMELA N. FRANCO
SVP – Corporate and Shared Services;
Chief Finance Officer; Compliance Officer



MARIA VICTORIA E. SEMBRANO
SAVP – Controllership

May 13, 2020