



HALF YEAR JUNE 30, 2021 FINANCIAL AND OPERATING RESULTS

July 26, 2021





HALF YEAR JUNE 30, 2021 FINANCIAL RESULTS

July 26, 2021



FINANCIAL SUMMARY

Amounts in million pesos

NET INCOME & EBITDA

Core Net Income

Php 11,399

▲ 8%

Reported Net Income

Php 9,949

▲ 45%

Core EBITDA

Php 23,287

▲ 52%

Reported EBITDA

Php 22,839

▲ 100%

REVENUES

Gross Revenues

Php 149,097

▲ 8%

Distribution Revenues

Php 31,486

▲ 7%

Generation and
pass-through charges

Php 108,457

▲ 3%

Energy Fee

Php 4,897

Non-electric revenues

Php 4,257

▲ 17%

COSTS & EXPENSES, CAPEX

Purchased Power Cost

Php 106,043

▲ 2%

Operating Expenses

Php 15,713

▲ 14%

CAPEX

Php 13,087

▲ 91%

Coal and Fuel

Php 2,415

Power Plant O&M Cost

Php 319

CASH & BORROWINGS

Cash and Cash
Investments

Php 110,410

▲ 27%

Borrowings

Php 91,662

▲ 125%

MGEN & SUBSIDIARIES

MGen

Php 327

▲ 3%

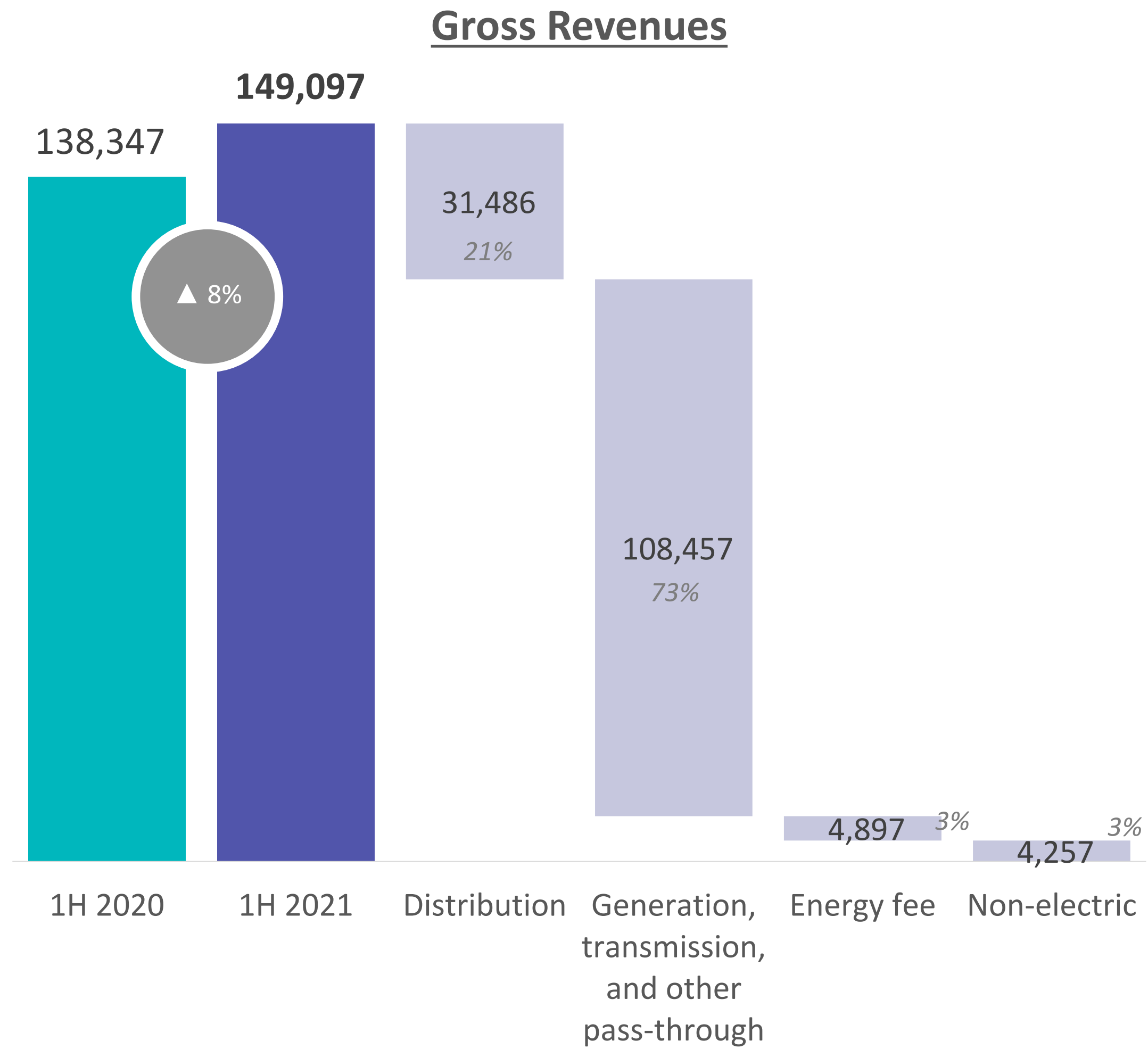
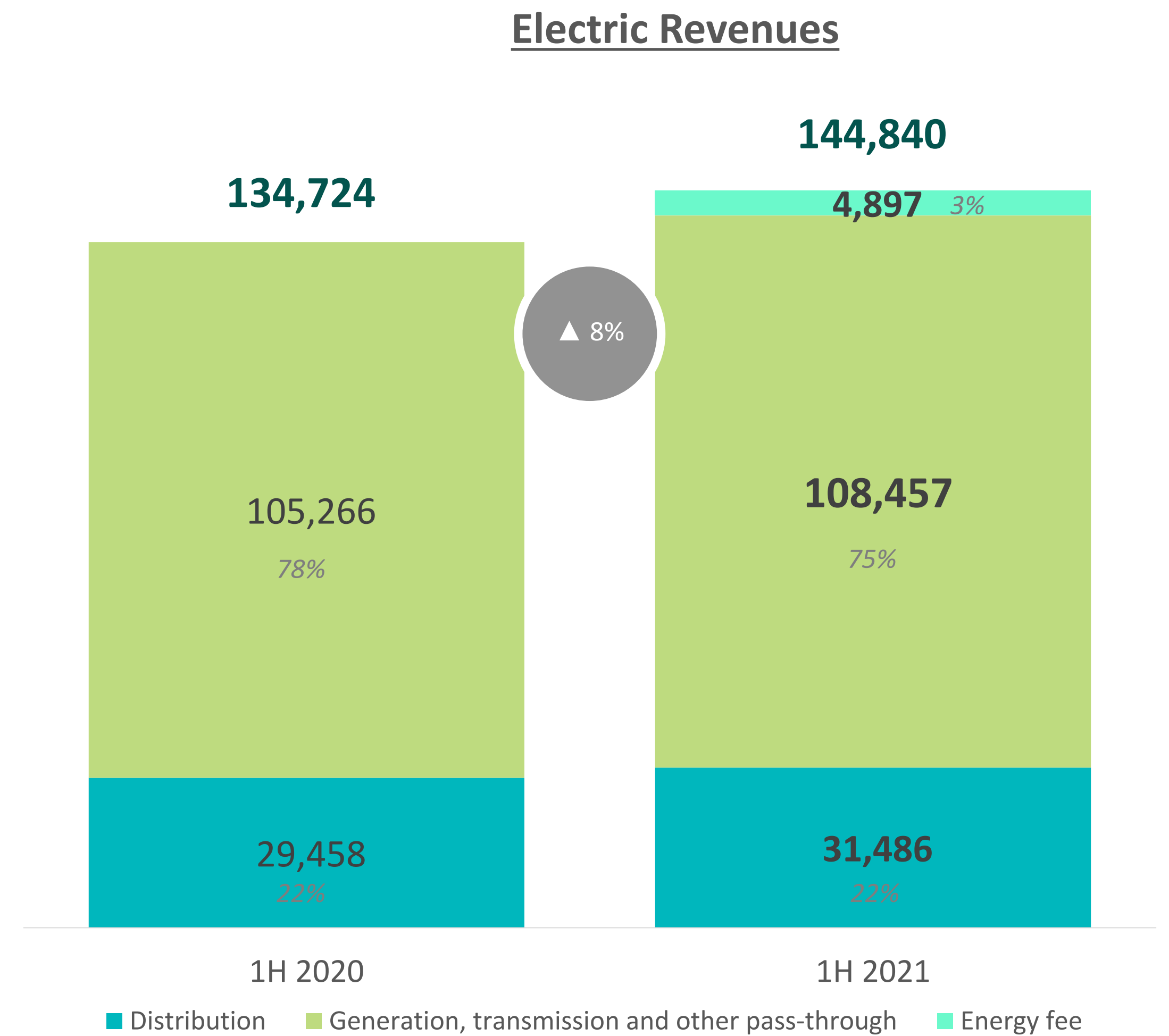
Other Subsidiaries

Php 482

▲ 31%

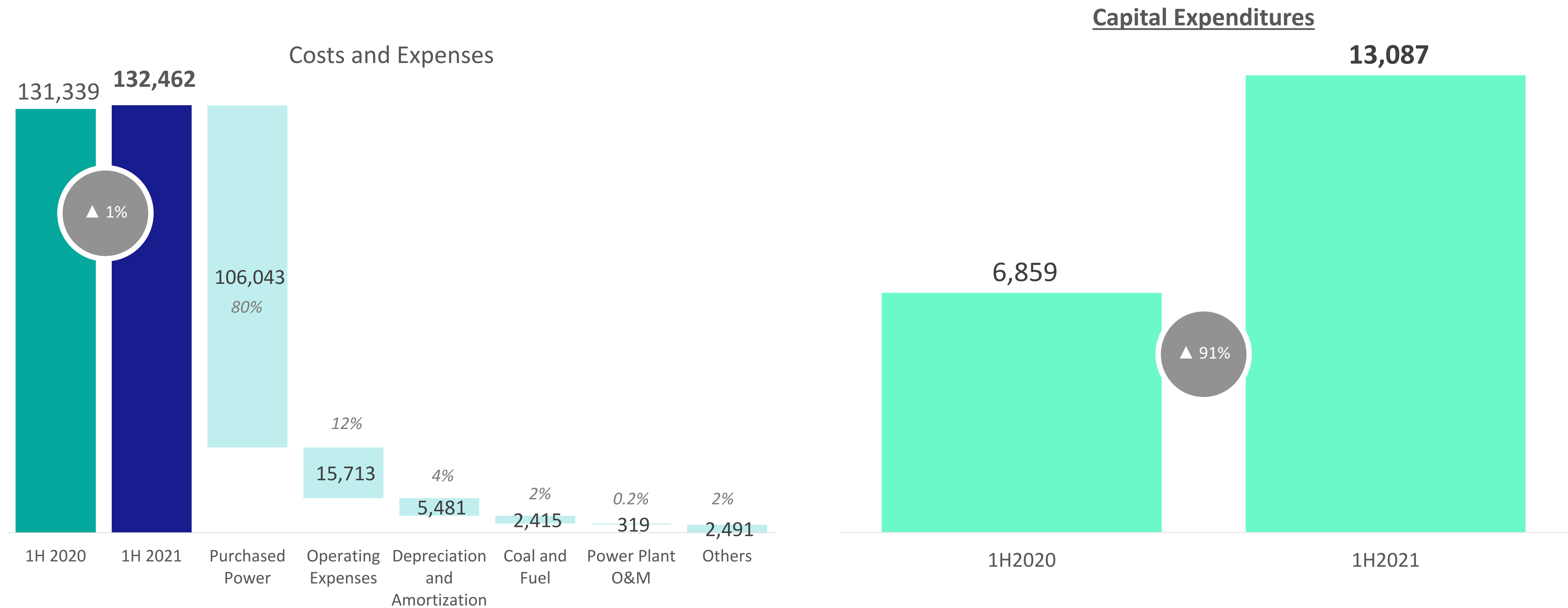
REVENUES

Amounts in million pesos



COSTS AND EXPENSES, CAPITAL EXPENDITURES

Amounts in million pesos

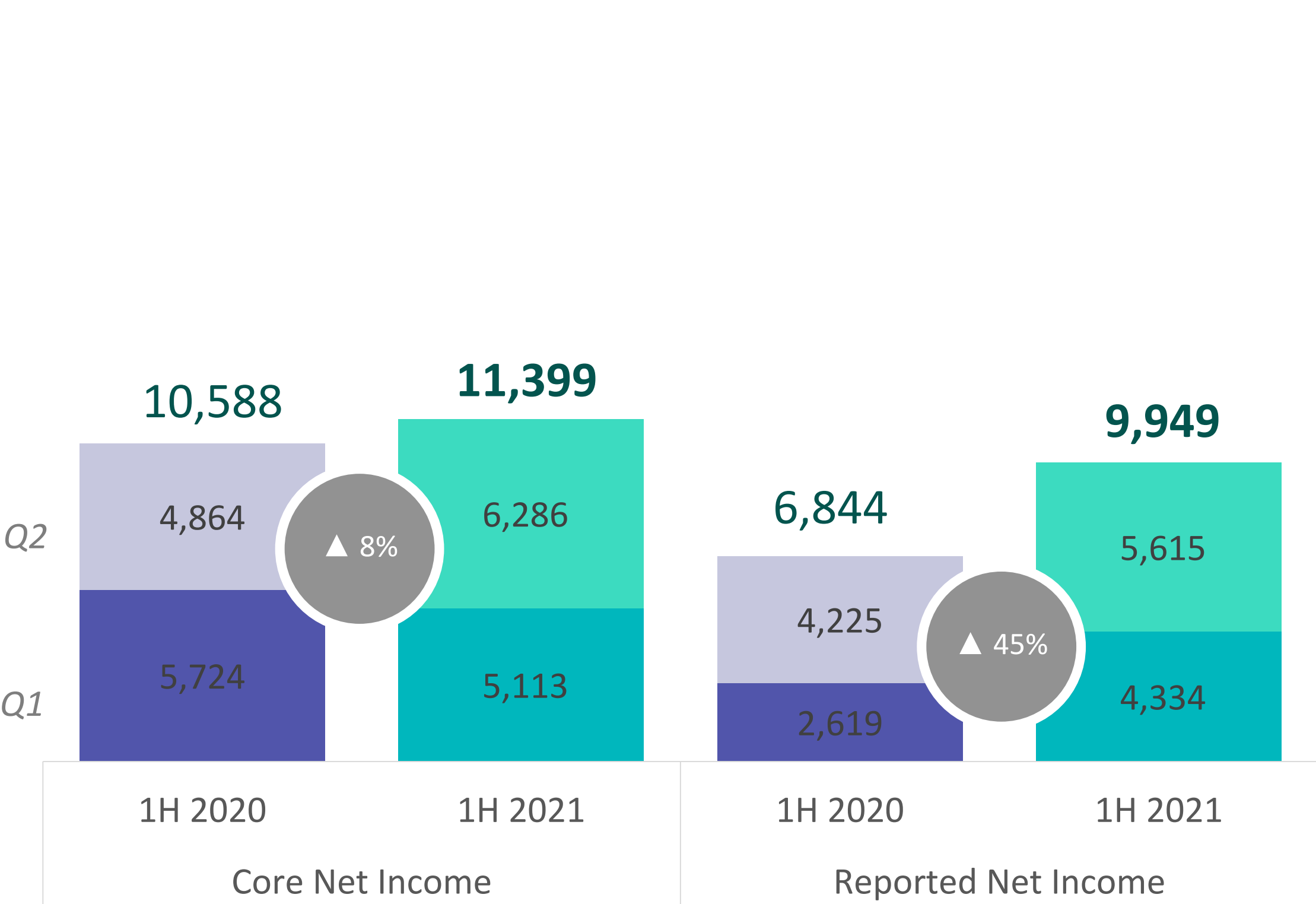
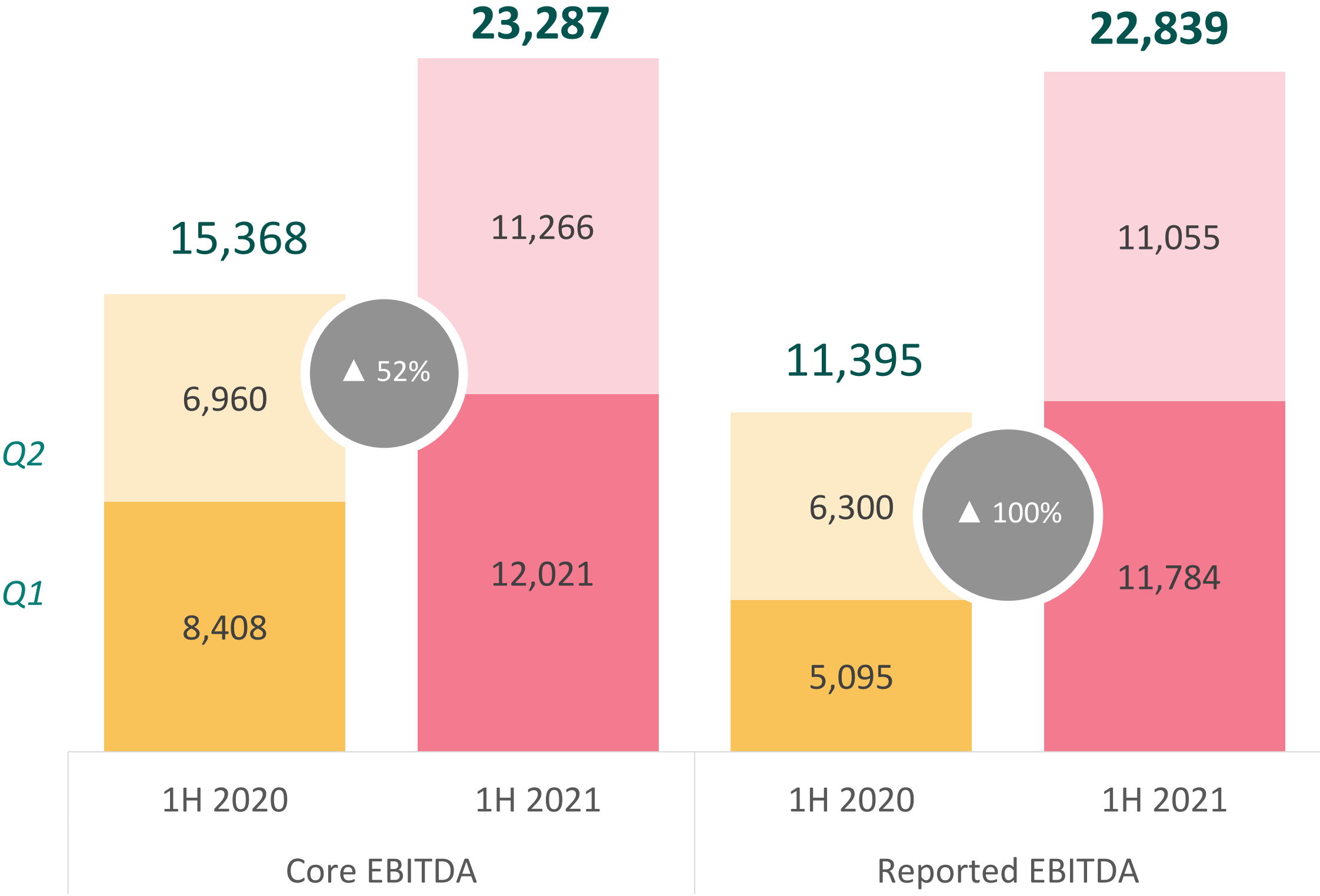


NET INCOME AND EBITDA

Amounts in million pesos

Core and Reported Net Income

Core and Reported EBITDA



Margins	8%	8%	5%	7%	11%	16%	8%	15%
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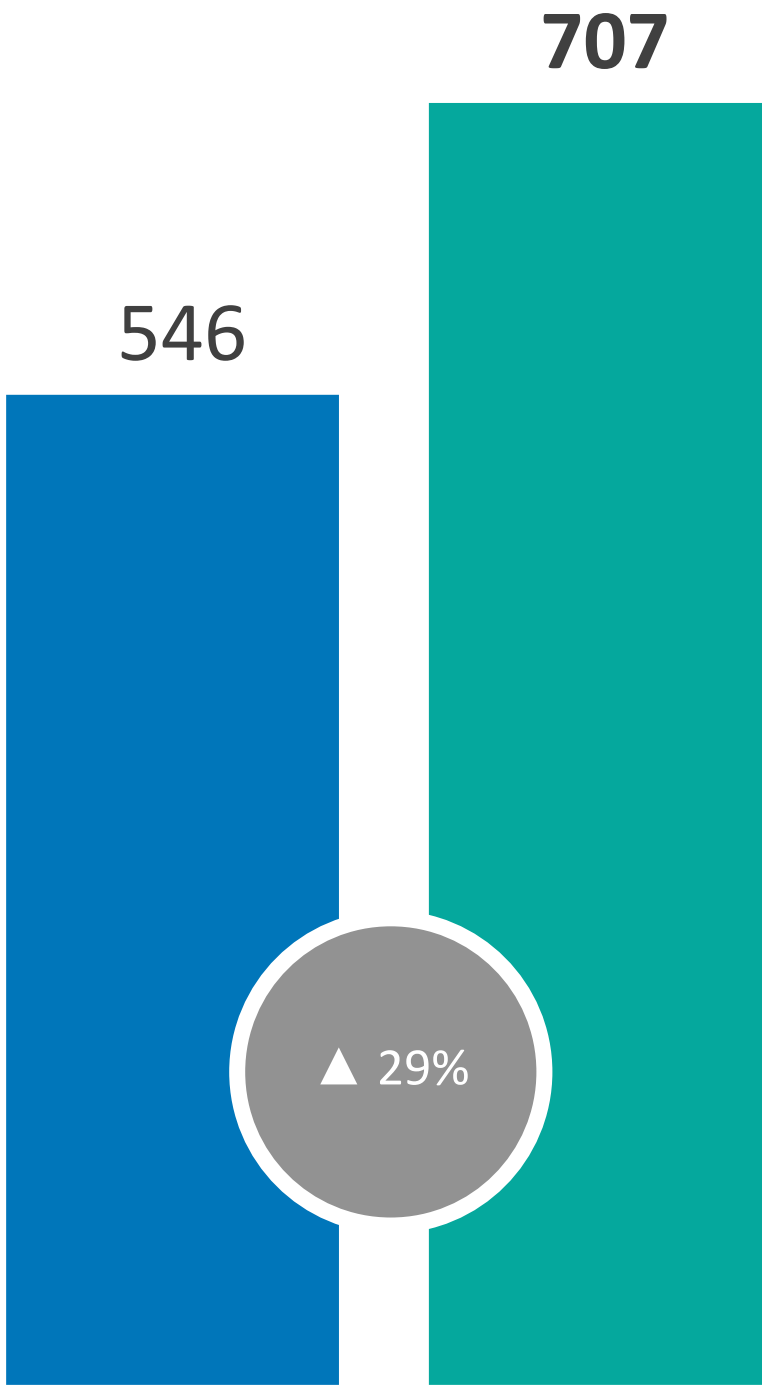
POWER GENERATION

Amounts in million pesos except power plant capacity in MW

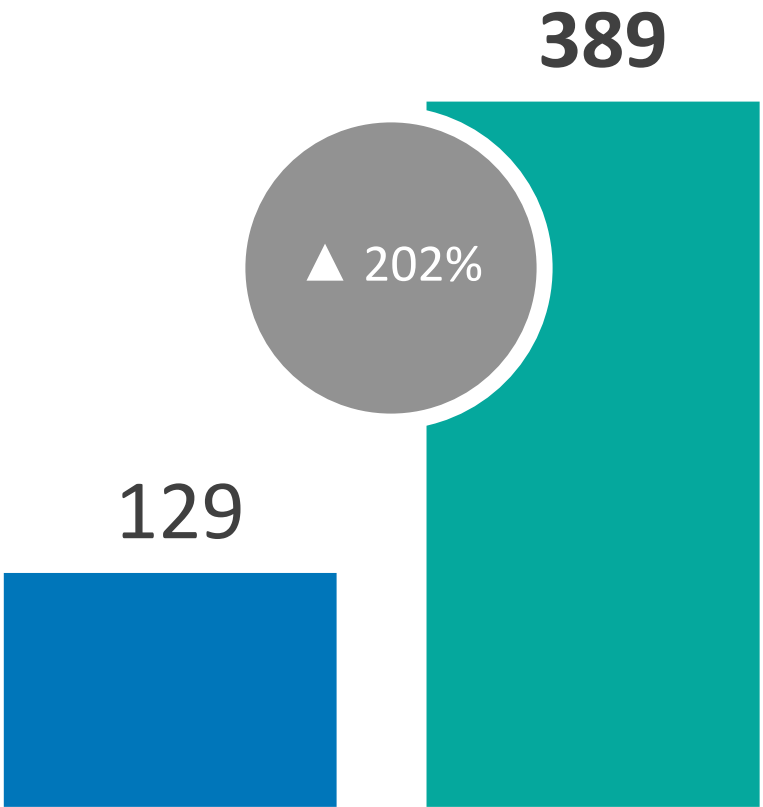


Core net income (loss)

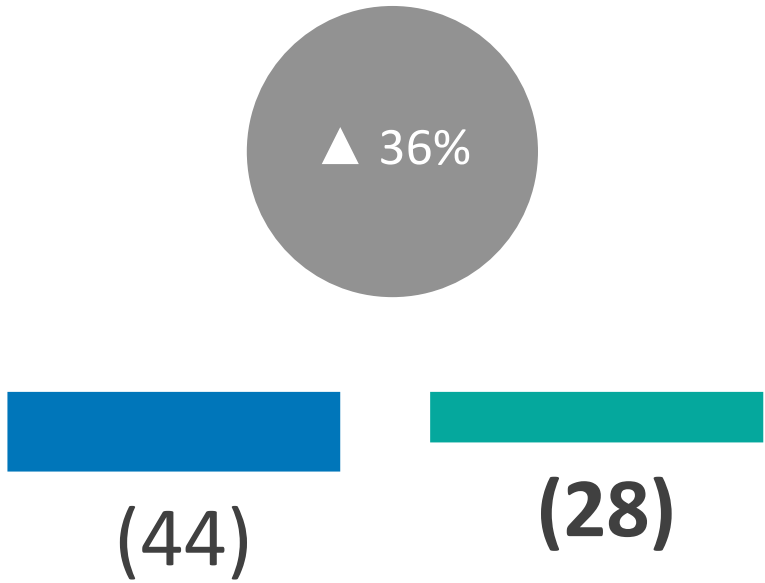
■ 1H 2020 ■ 1H 2021



455MW



961
MW



50
MWac



771
MW

CIS BAYAD CENTER, INC.



57 million payment transactions in 1H 2021, the highest in history

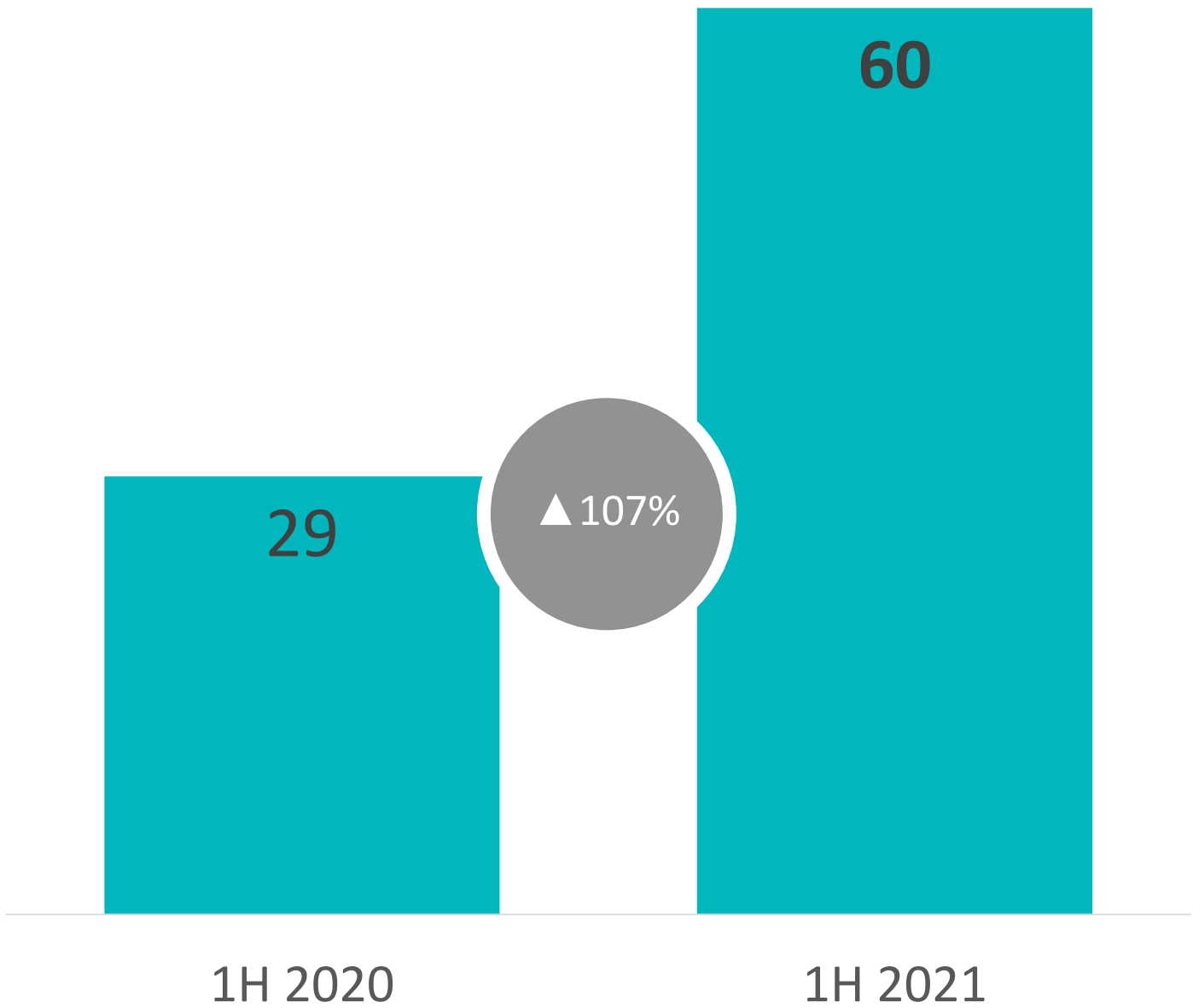
Added 58 new billers to reach 415 billers covering water utilities, telco, cable and internet, finance and insurance, electric utilities, government institutions, and others

90.5 million digital users across its Digital Partner platforms and its own Bayad channels

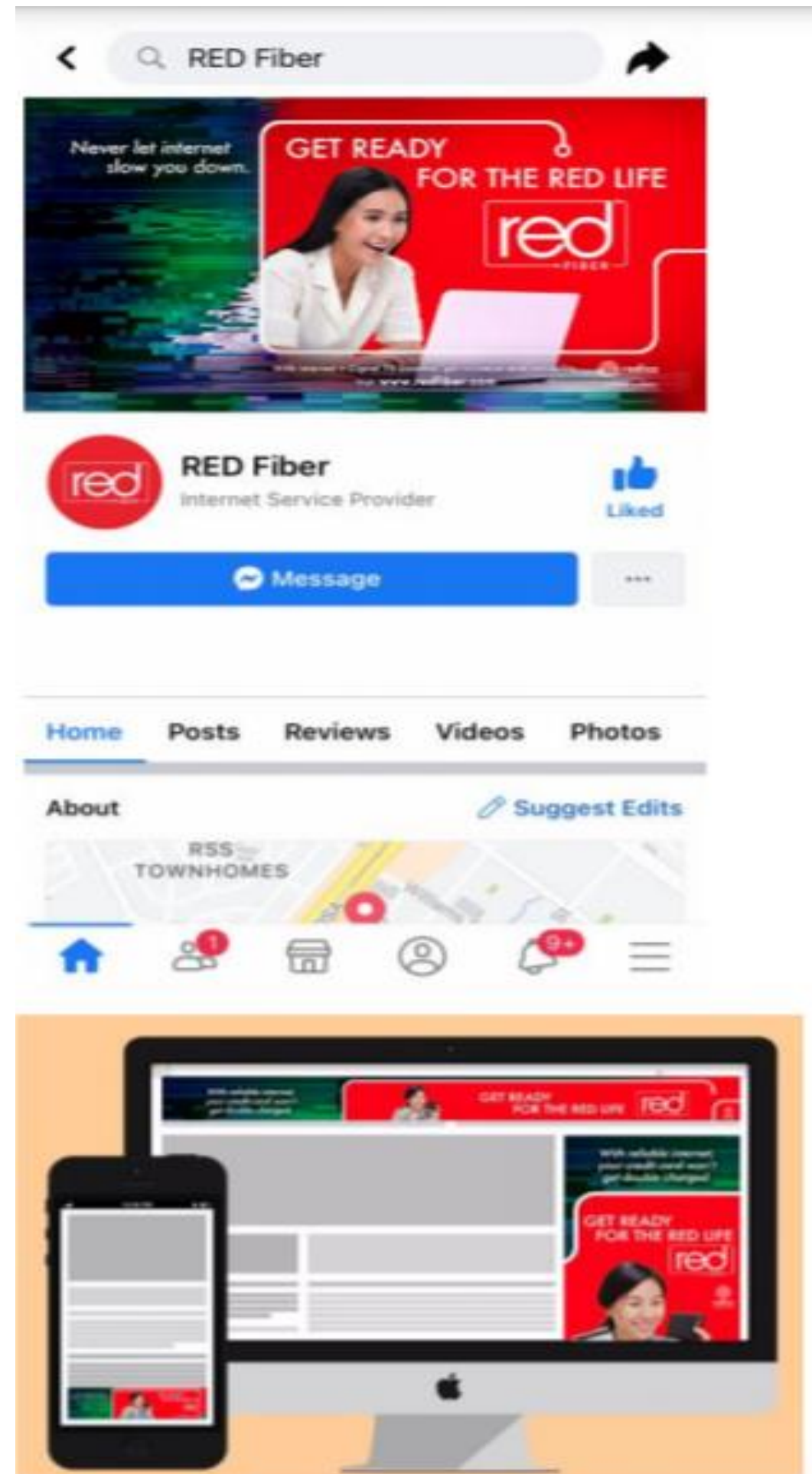
On-site or physical **touchpoints totaling 63,800**

Bayad CCNI Contribution

Amounts in million pesos



RADIUS TELECOMS, INC.



Serving a total of **3,171 corporate circuits** and a growing number of **Red Fiber** broadband internet subscribers

99.97% service level availability performance with the reduced downtime

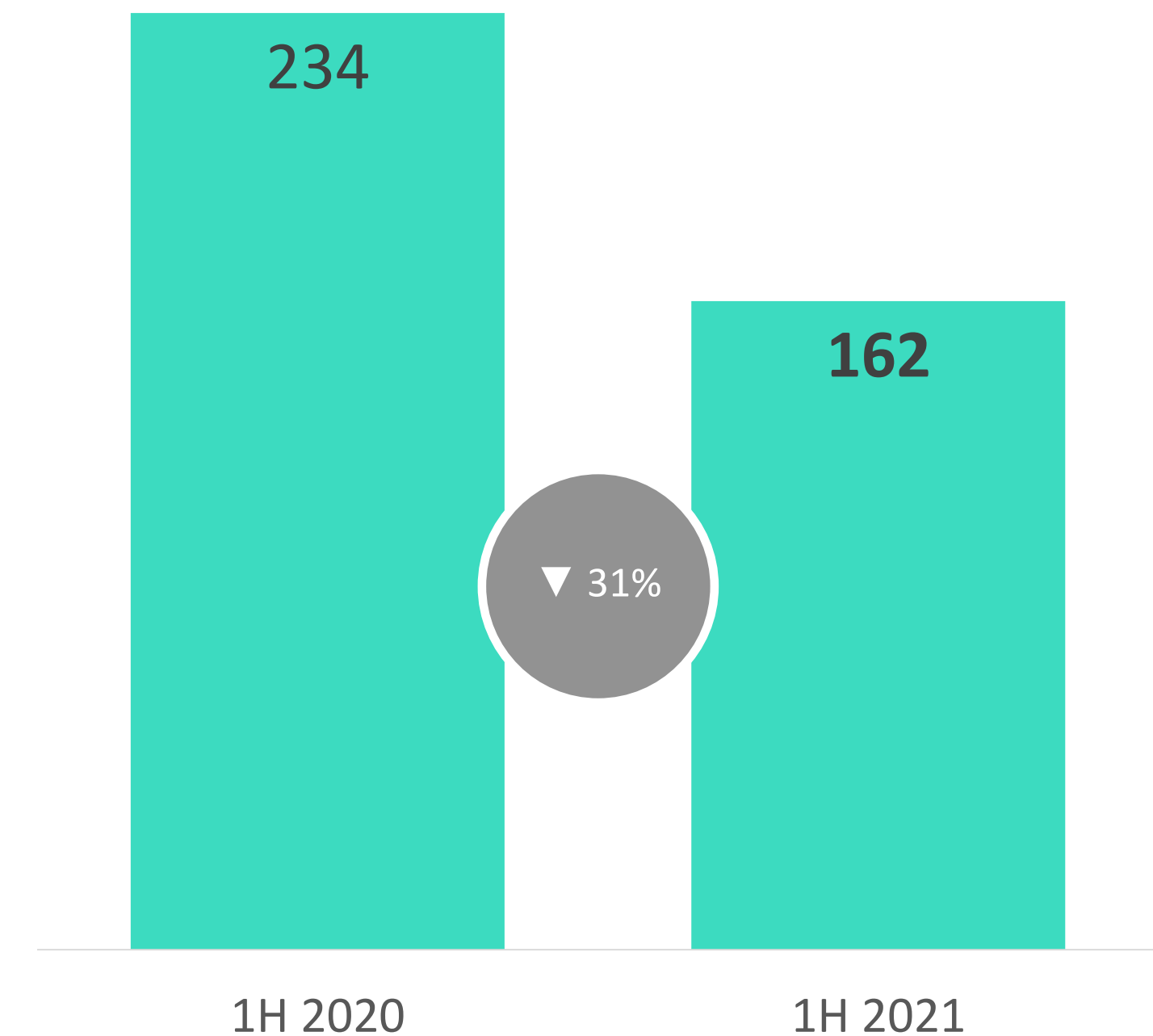
Owns 5,965 kilometers of Fiber Optic Cable (FOC) including those in Clark and Cebu City

FOC network currently serves all of **Metro Manila**, the provinces of **Bulacan, Rizal, Cavite, Laguna, Clark, Cebu** and some parts of **Batangas Province**

Established its **RED Fiber** presence in **41 villages** and **69 multi-dwelling units** with at least **29,000 potential subscribers**

Radius CCNI Contribution

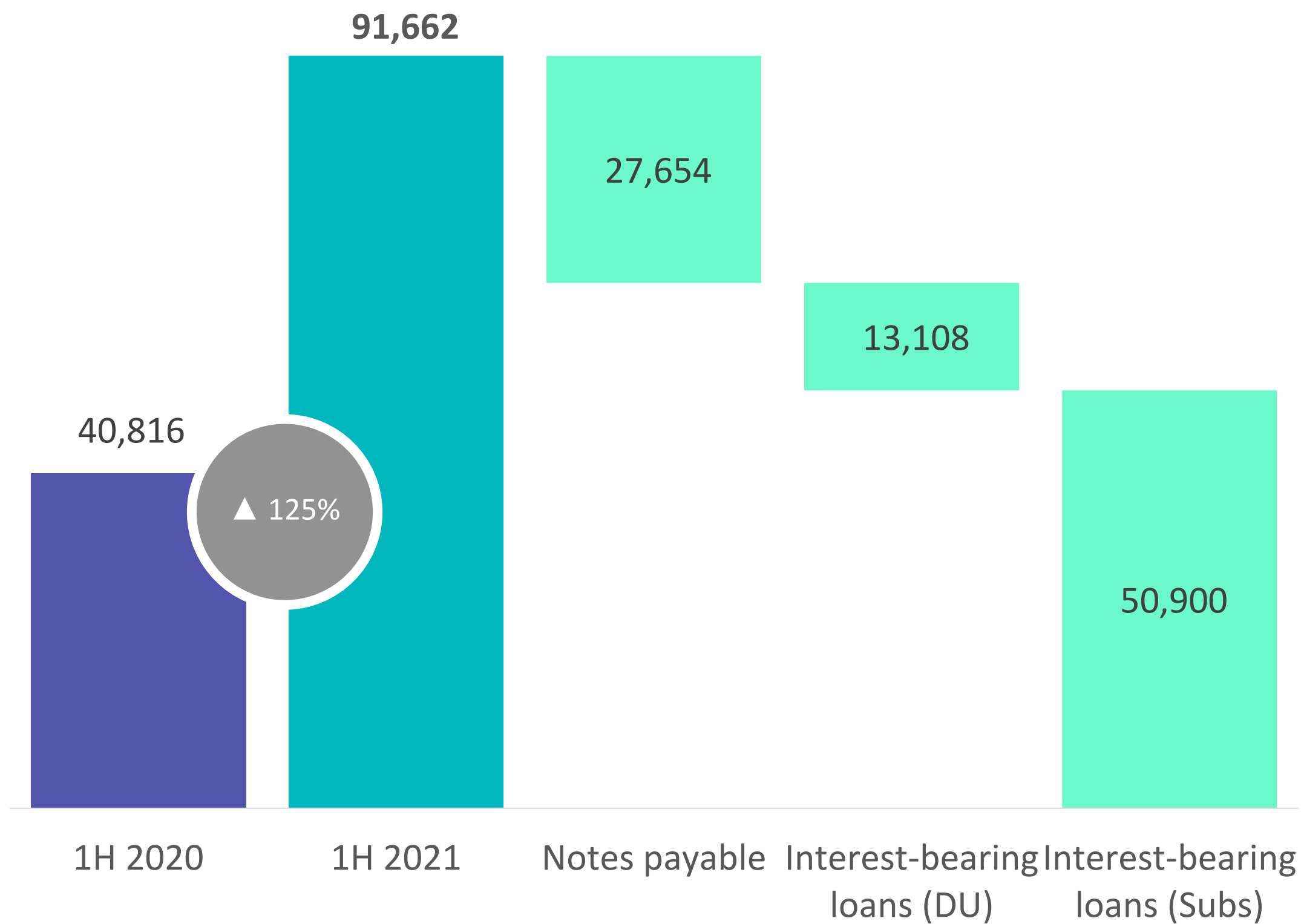
Amounts in million pesos



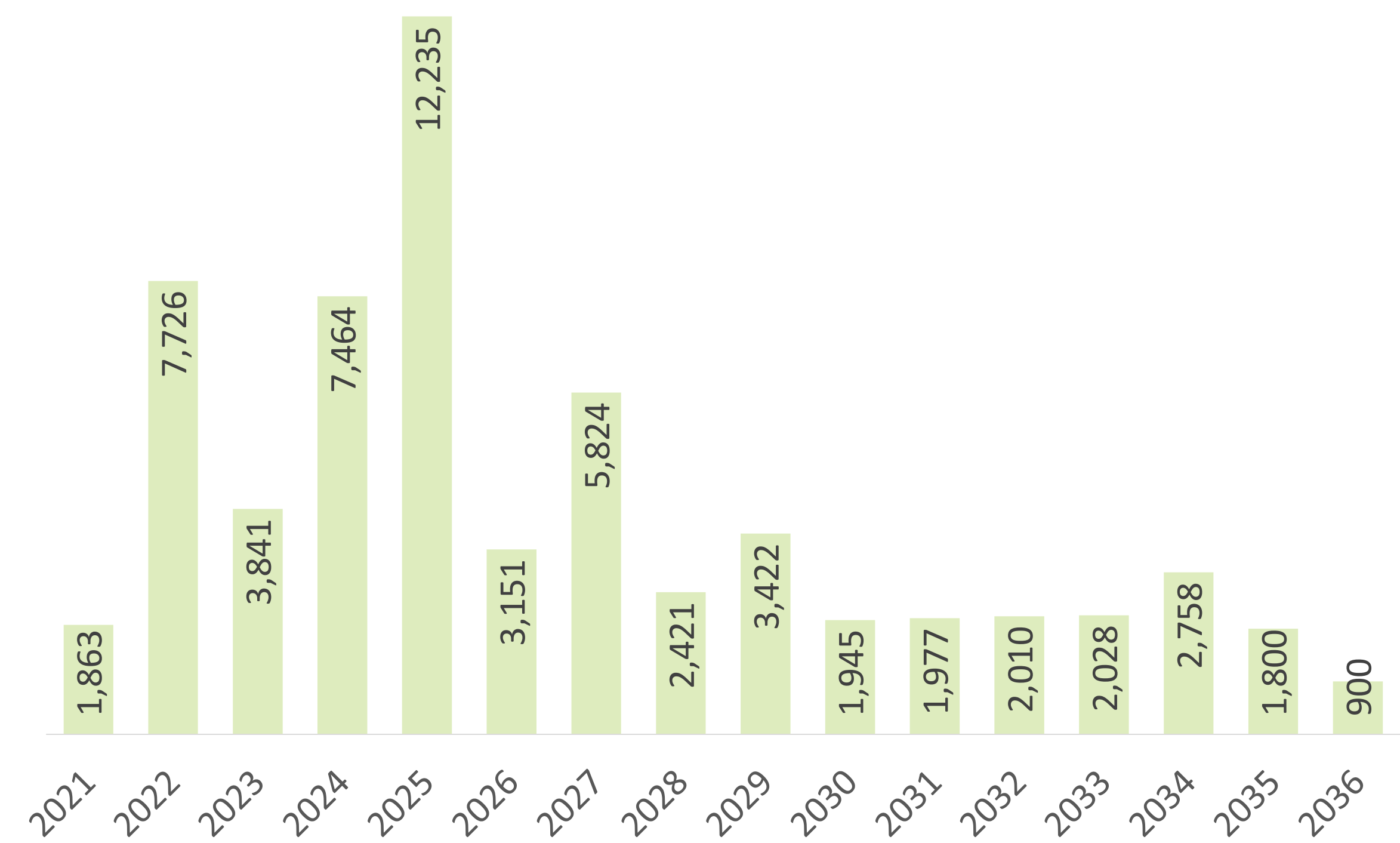
CREDIT AND DEBT PROFILE

Amounts in million pesos

Total Debt Breakdown



Long Term Debt Repayment Schedule

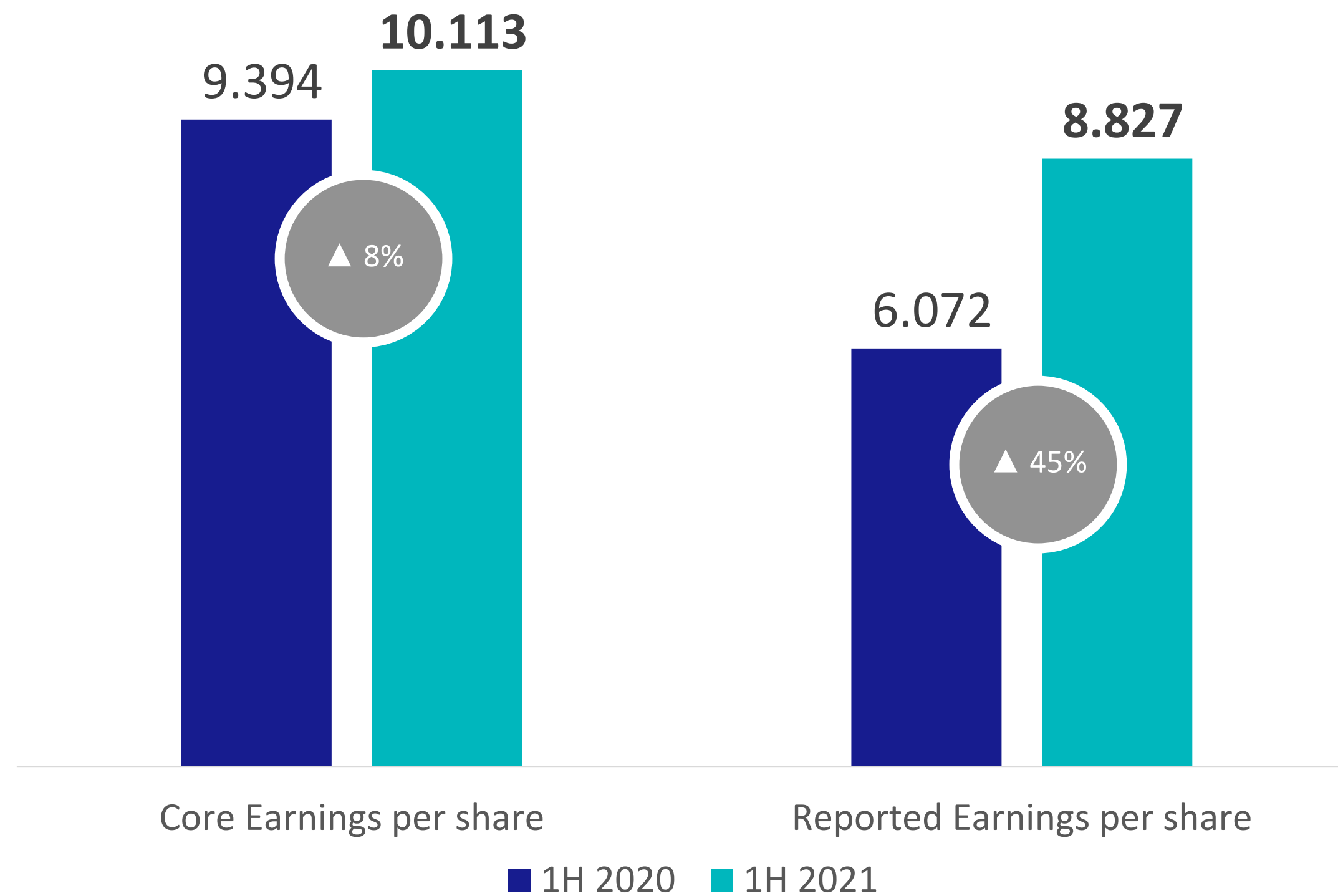


	1H 2021	1H 2020		1H 2021	1H 2020
Cash & Cash Investments	110,410	86,882	Net Debt to EBITDA	0.87	0.58
Gross Debt	91,662	40,816	Gearing Ratio	0.50	0.17
Net Debt	39,850	13,326	Interest Expense	1,554	821
Gross Debt to EBITDA	2.01	1.79	Interest Income	1,137	1,388

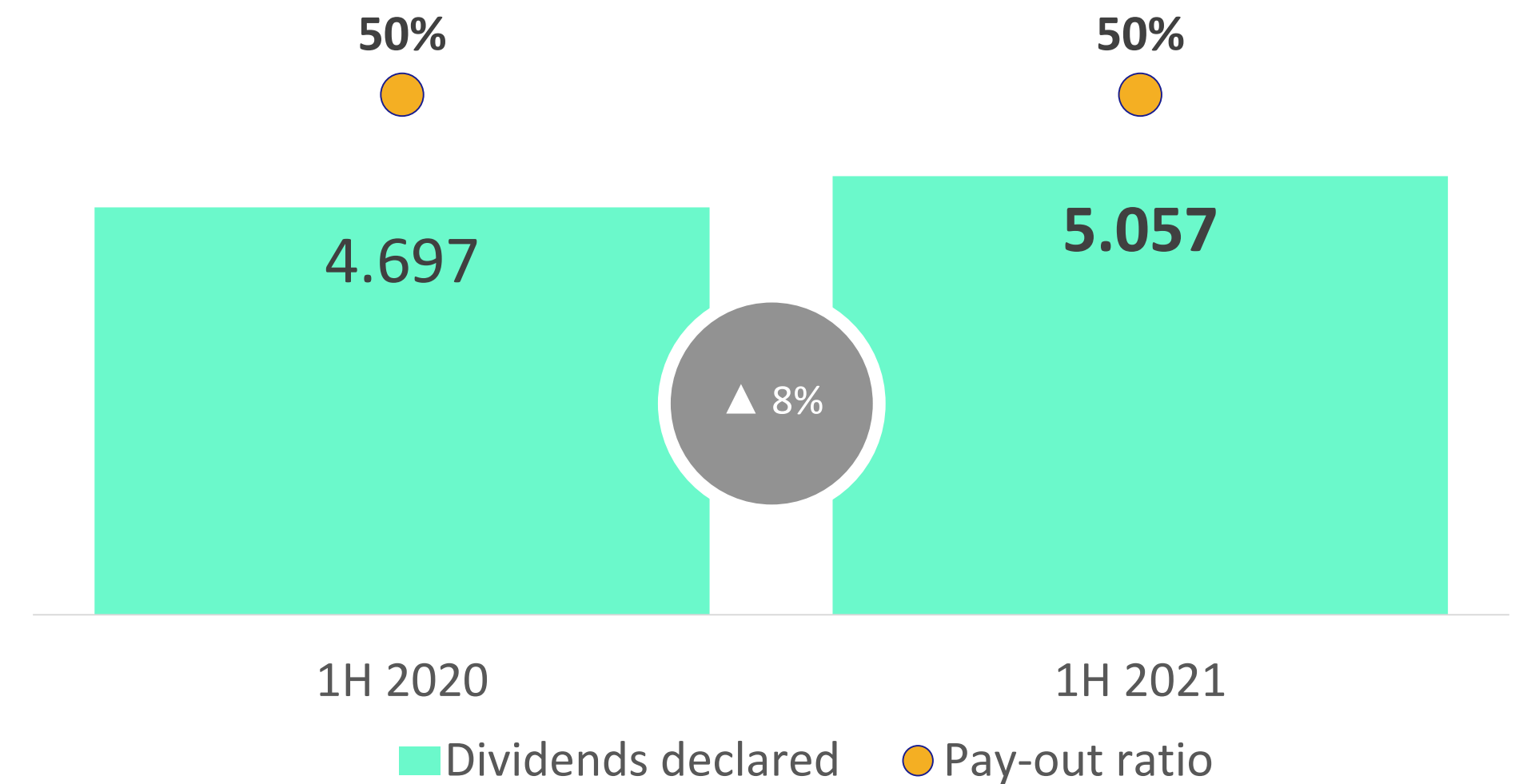
EARNINGS PER SHARE AND DIVIDENDS

Amounts in pesos per share

Core and Reported Earnings per Share



Dividends per Share and Pay-out Ratio





HALF YEAR JUNE 30, 2021 OPERATING RESULTS

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First Half (1H) 2021 Operational Highlights

BUSINESS DRIVERS

Energy Sales

22,663 GWh

▲ 7% vs. 2020

Customer Count

7.274 M

▲ 4% vs. 2020

Net System Input

23,868 GWh

▲ 6% vs. 2020

Meralco Peak Demand

7,808 MW

▲ 3%
May 27, 2021

SERVICE PERFORMANCE

System Loss

5.83%

▲ 0.17%PT, 12-MMA

SAIFI

0.655 times

▼ 0.4% vs. 2020

SAIDI

64.906 minutes

▼ 11% vs. 2020

Time to Connect

1.72 days

▲ 2% vs. 2020

ELECTRICITY RATE per kWh

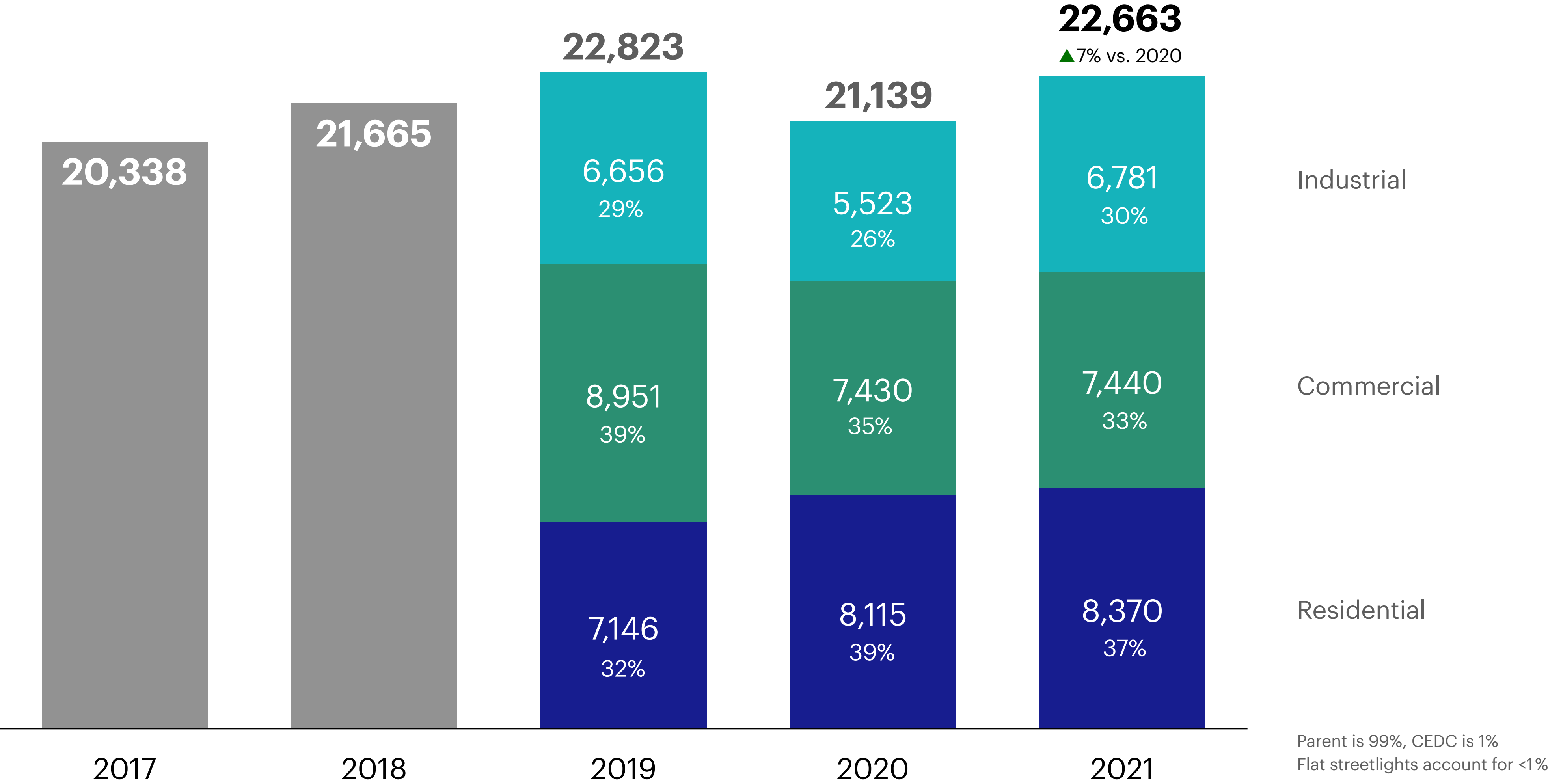
Average Retail Rate

PhP 7.92

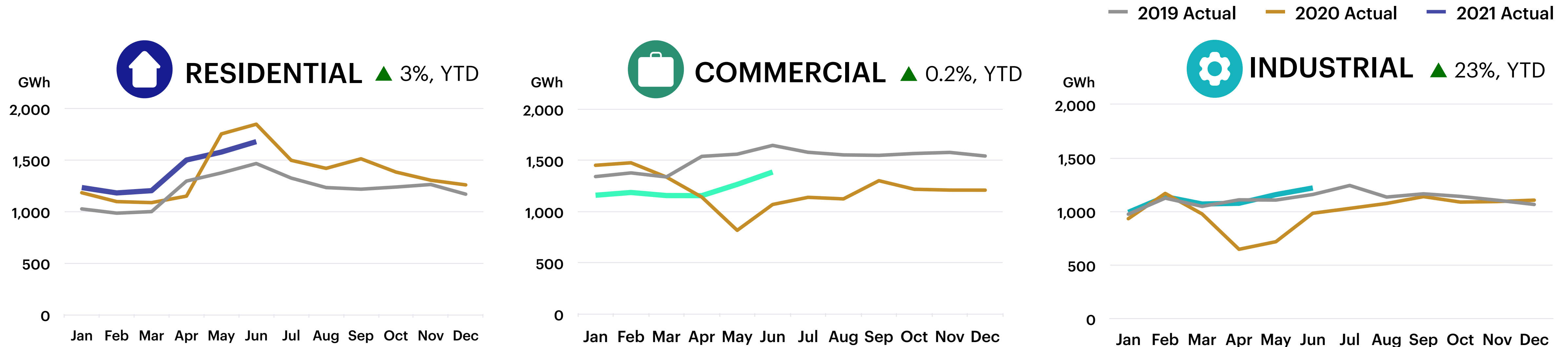
▼ 3%, vs. 2020

1H 2021 Consolidated Energy Sales in GWh

Improvement by 7% versus last year with Industrial back to pre-pandemic level



1H 2021 DU Energy Sales Profile and Drivers



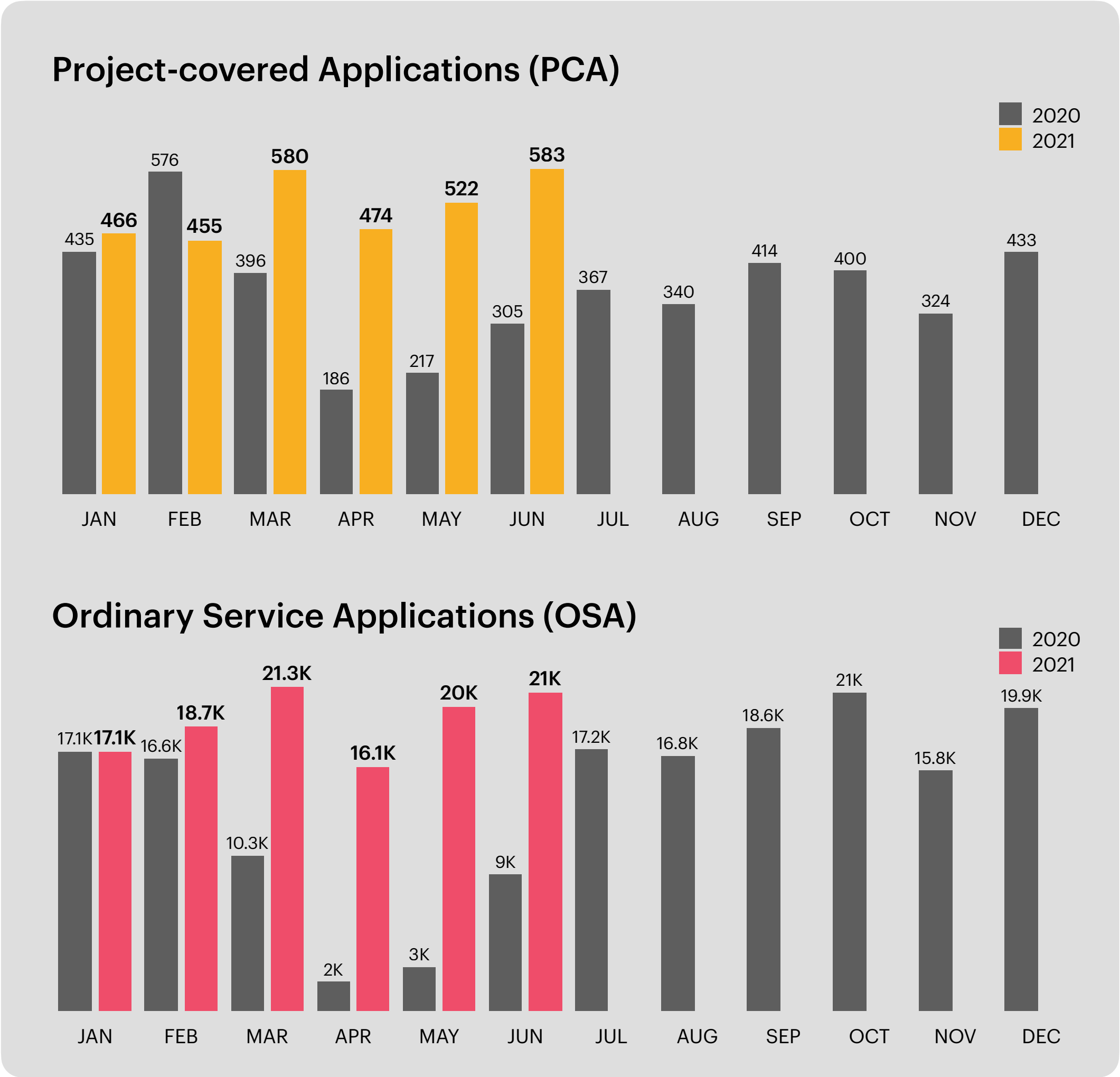
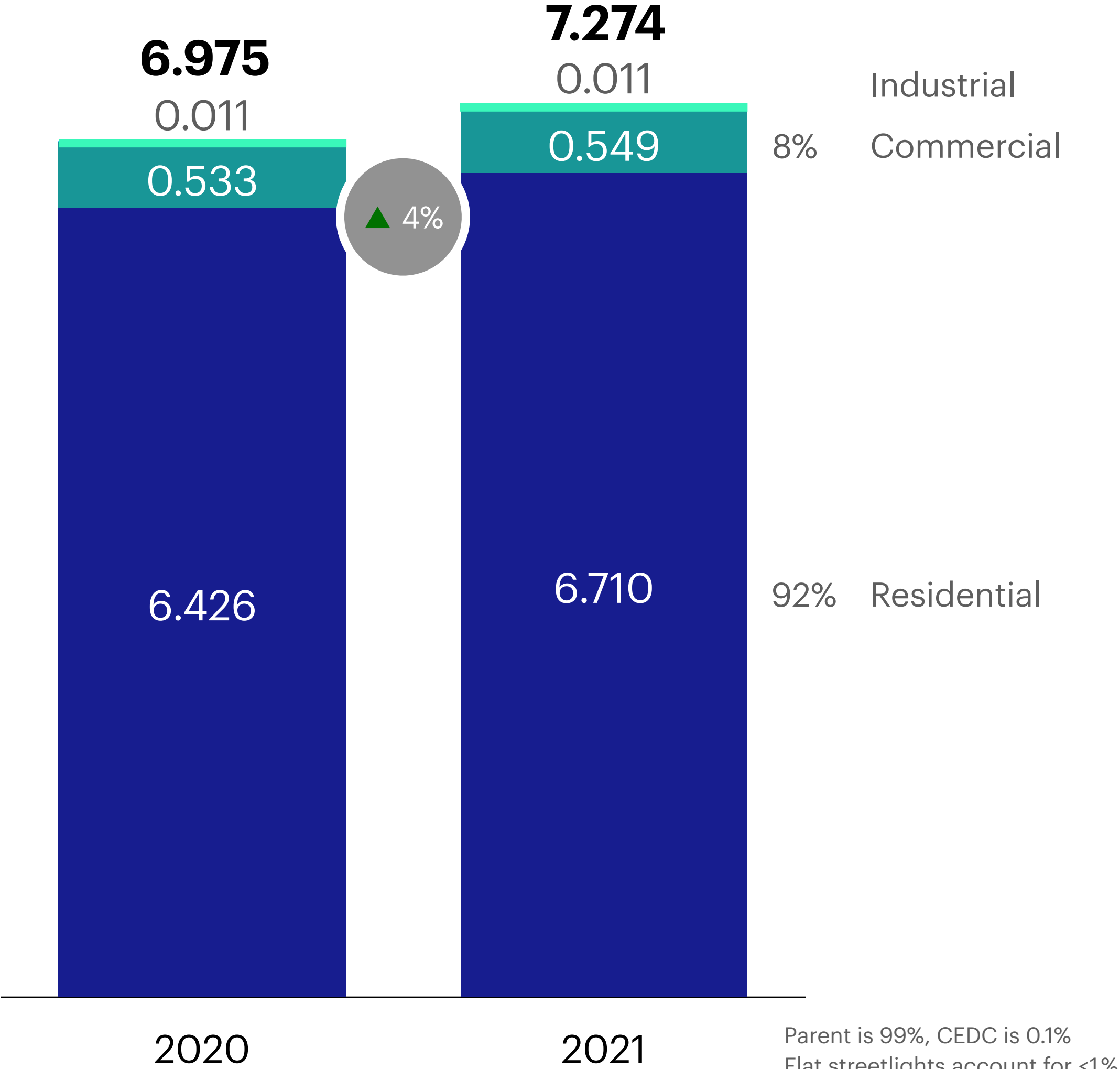
- Residential with 3% growth as sales stabilized and followed 2019 seasonal trend
- Increase in Residential, despite easing of mobility and cooler weather vs. 1H 2020, showed households still prefer to stay/work at home
- Socialized and mass-housing (as well as service applications energized beginning 2H 2020) also contributed to sales increase

- Commercial started slow but ramped up towards end of 1H, exceeding 2020 sales by 0.2%
- Mobility played key role in recovery, particularly in Retail, Quick Serve Restaurants, and Public Transport sectors as restrictions were more relaxed vs. 2020
- Ramp-up in vaccination and GCQ during Q2 drove demand and activities in Retail, Restaurants, and Business sectors
- Hotels benefitted from ease in restrictions during Q2 for staycation, dine-in, and casino

- Industrial posted 23% growth, with sales returning to 2019 levels
- Semicon continued to thrive as companies race to close gap on global chip shortage driven by consumer electronics used in distance learning and WFH arrangements
- Steady growth in Construction-related industries, such as Cement and Steel, boosted by BBB and private construction projects
- Manufacturing plants, especially for essential goods such as F&B and plastic products, operated at significantly higher capacity compared with 2020

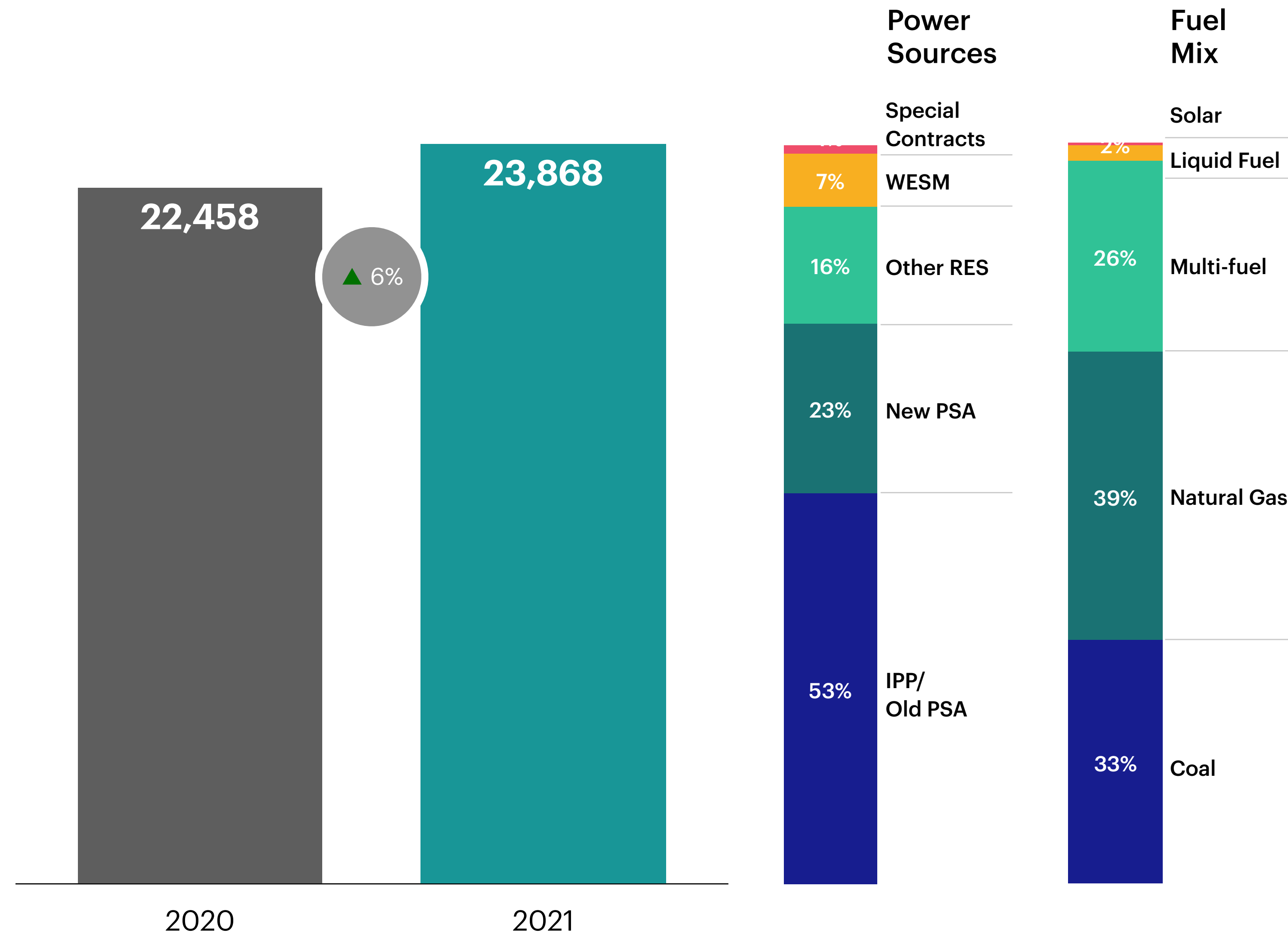
1H 2021 Consolidated Customer Count in M

Increase in customer base driven by higher PCA and OSA energization



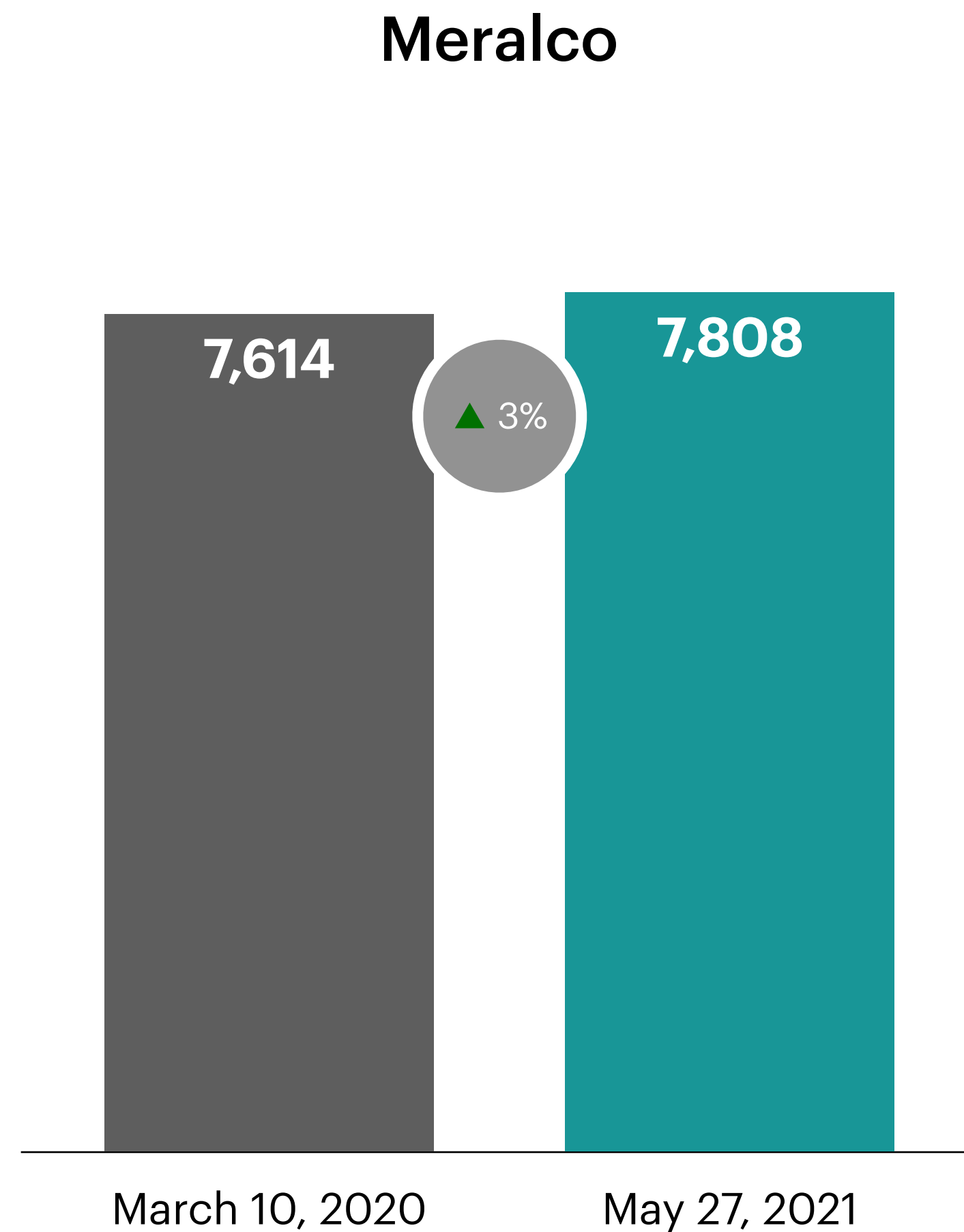
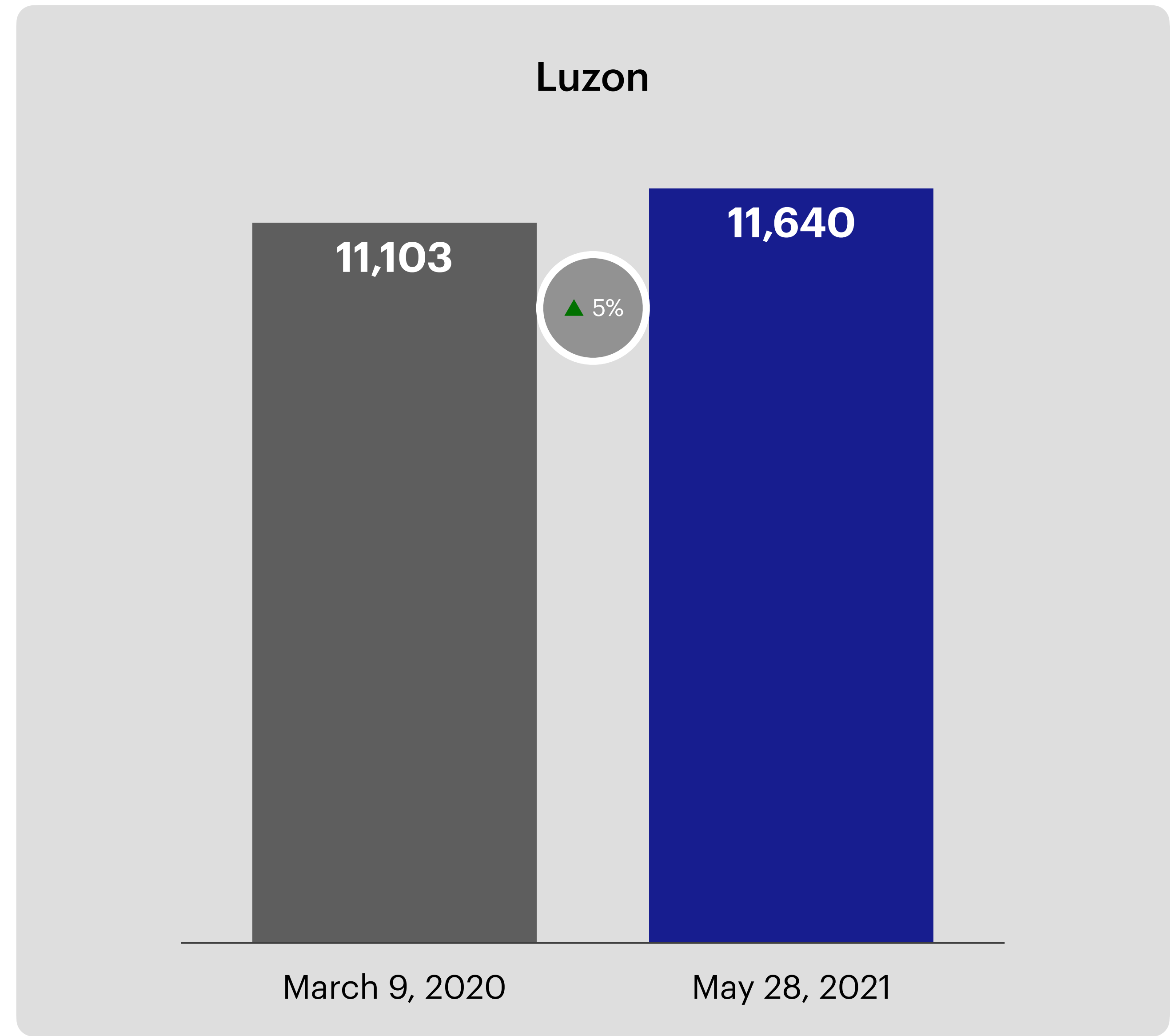
1H 2021 Consolidated NSI in GWh

Higher vs. 2020 due to recovery of Industrial and Commercial segments



1H 2021 **Peak Demand** in MW

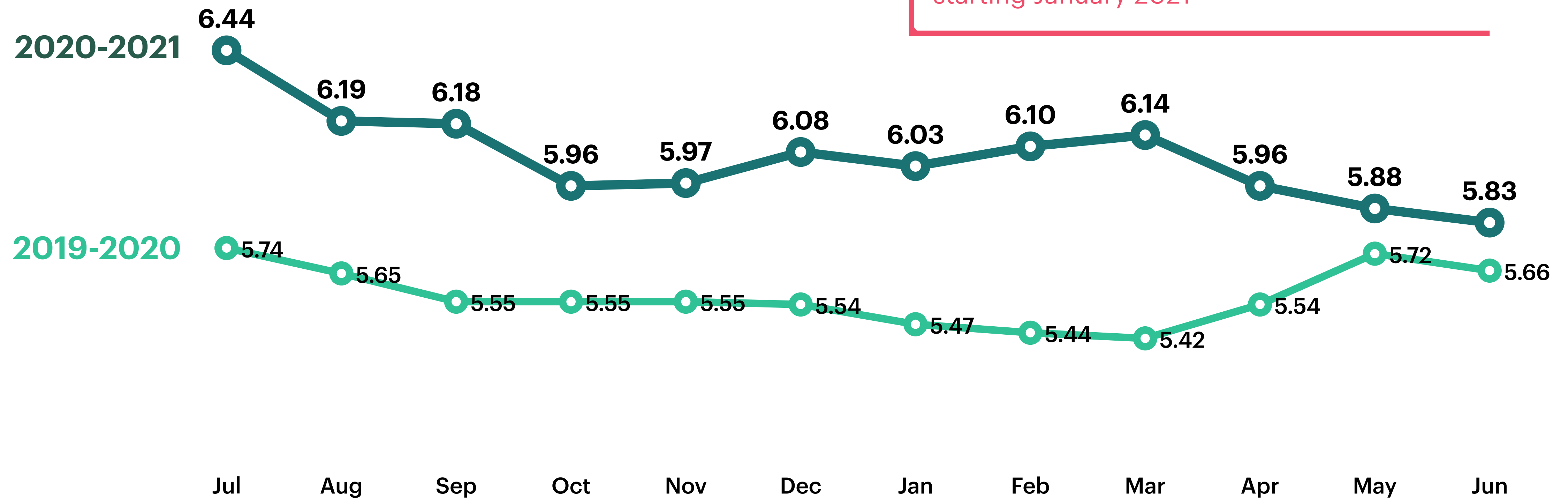
Meralco and Luzon peaks higher vs. 2020 due to easing community quarantine restrictions



1H 2021 **System Loss** in %, 12-MMA

Higher by 0.17% points vs. 2020 due to shift in sales mix towards higher loss-to-serve Residential segment

6.5% SYSTEM LOSS CAP
starting January 2021

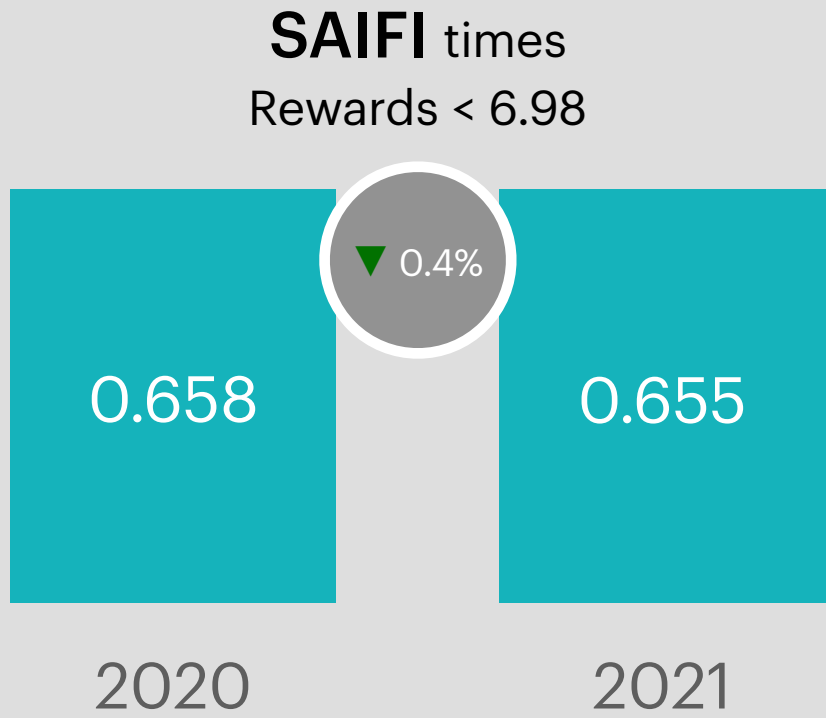
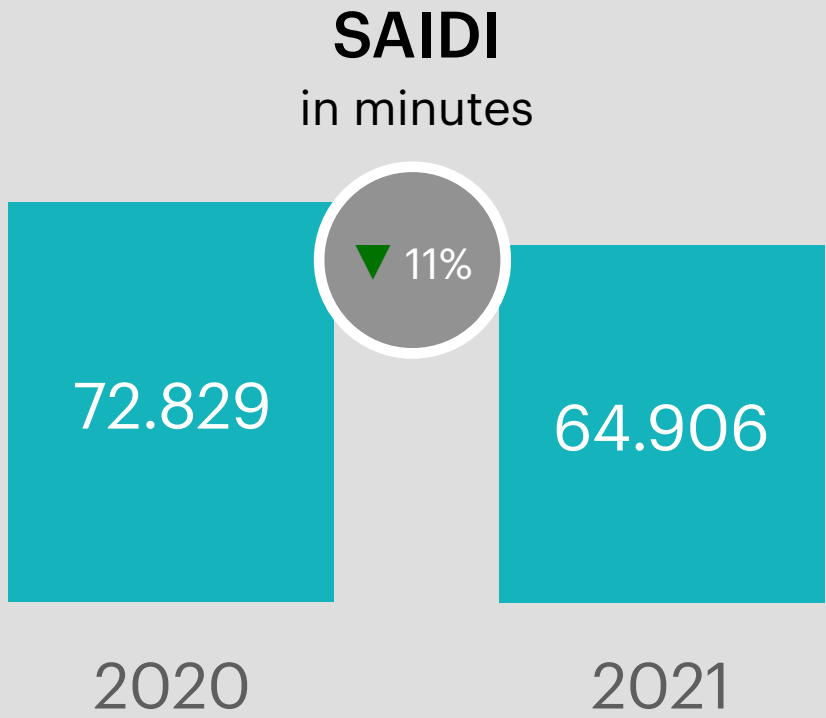
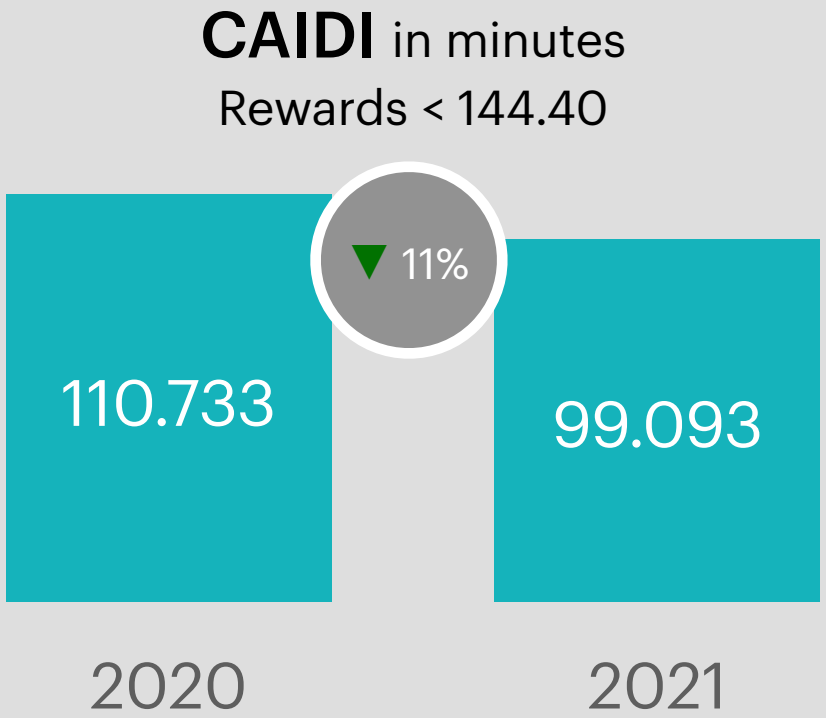


1H 2021 S-Factor Performance and Guaranteed Service Levels (GSL)

Continued to deliver well within performance ceilings for most indicators

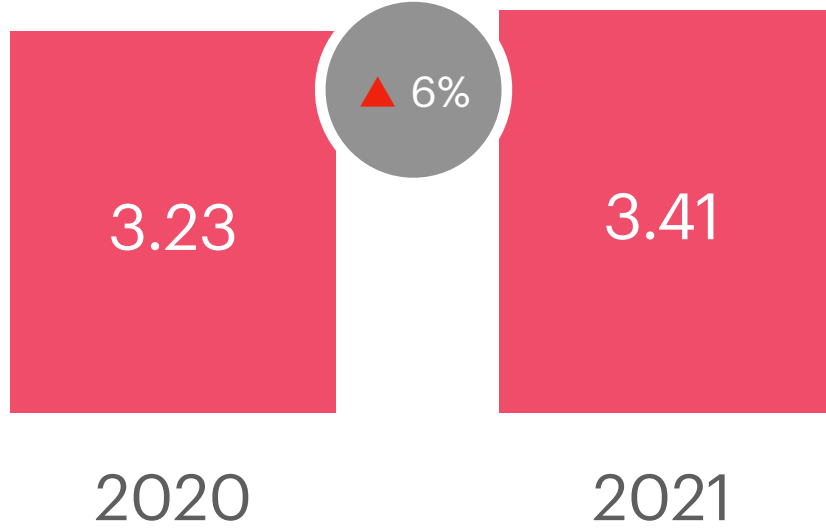
Network

- % Probability of Voltage Violation at 0.12 (within rewards level of <0.86)
- Pre-arranged SAIDI at 30.435 minutes (within rewards level of <126.57)

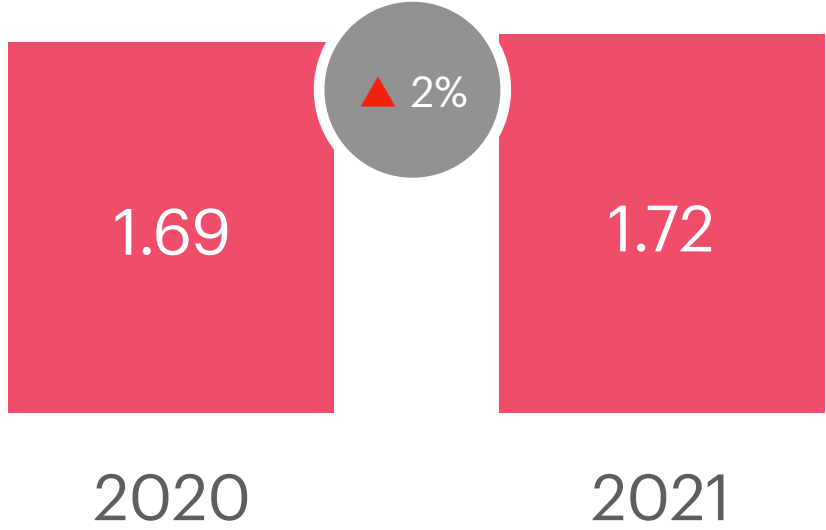


Customer

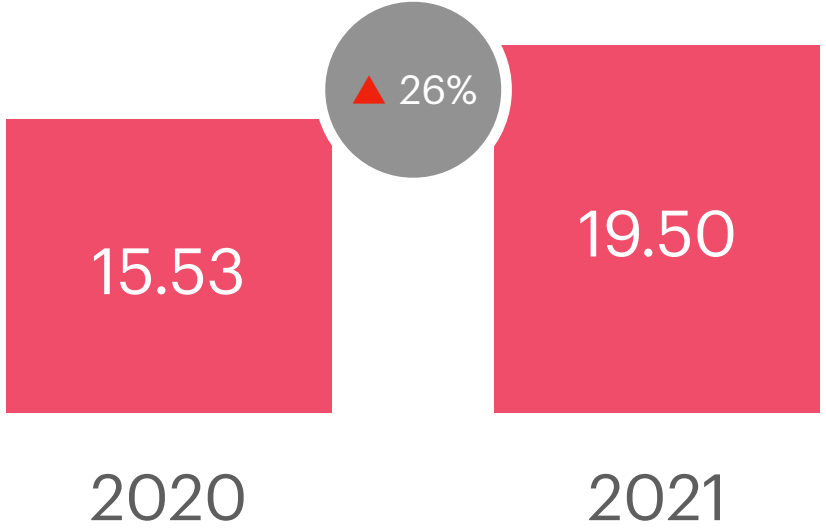
Average Time to Process Applications
in days | Rewards < 7.90



Average Time to Connect
in days | Rewards < 3.55



Call Center Performance
in seconds | Rewards < 13.55



RY2021

GSL 1

658 customers

experiencing cumulative duration of sustained interruptions up to 373,658 violations

GSL 2

129 customers

experiencing a number of sustained interruptions up to 18,989 violations

GSL 3

690 incidents

restoration of supply to a customer after a fault on secondary line up to 234,439 violations

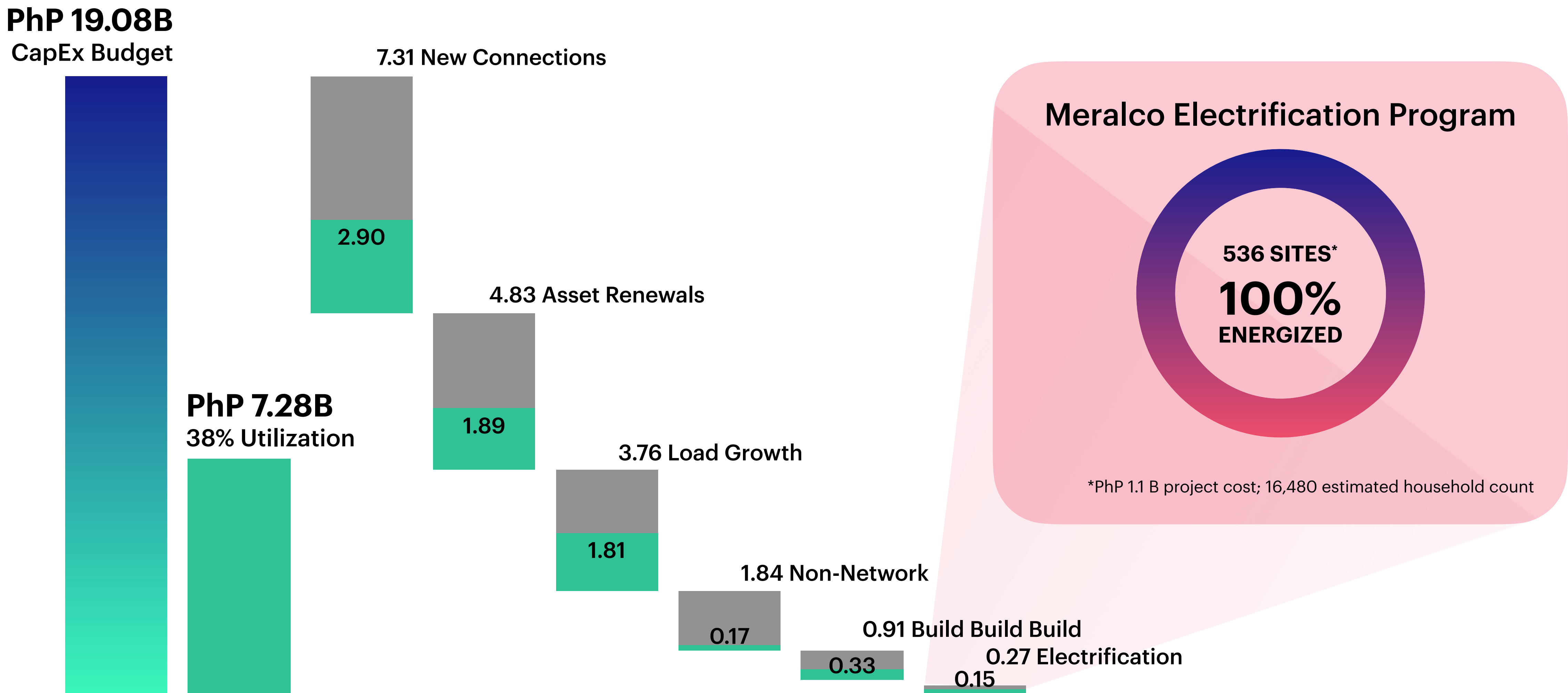
GSL 4

99,185 days-delay

connection not provided agreed with the customer up to 163,995 violations

1H 2021 Networks CapEx in PhP, B

38% of full year CapEx utilized with Meralco Electrification Program achieving 100% energization



Networks Project Update

Interconnection of BulacanSol (PFBSI)

55 MW Solar Power Plant

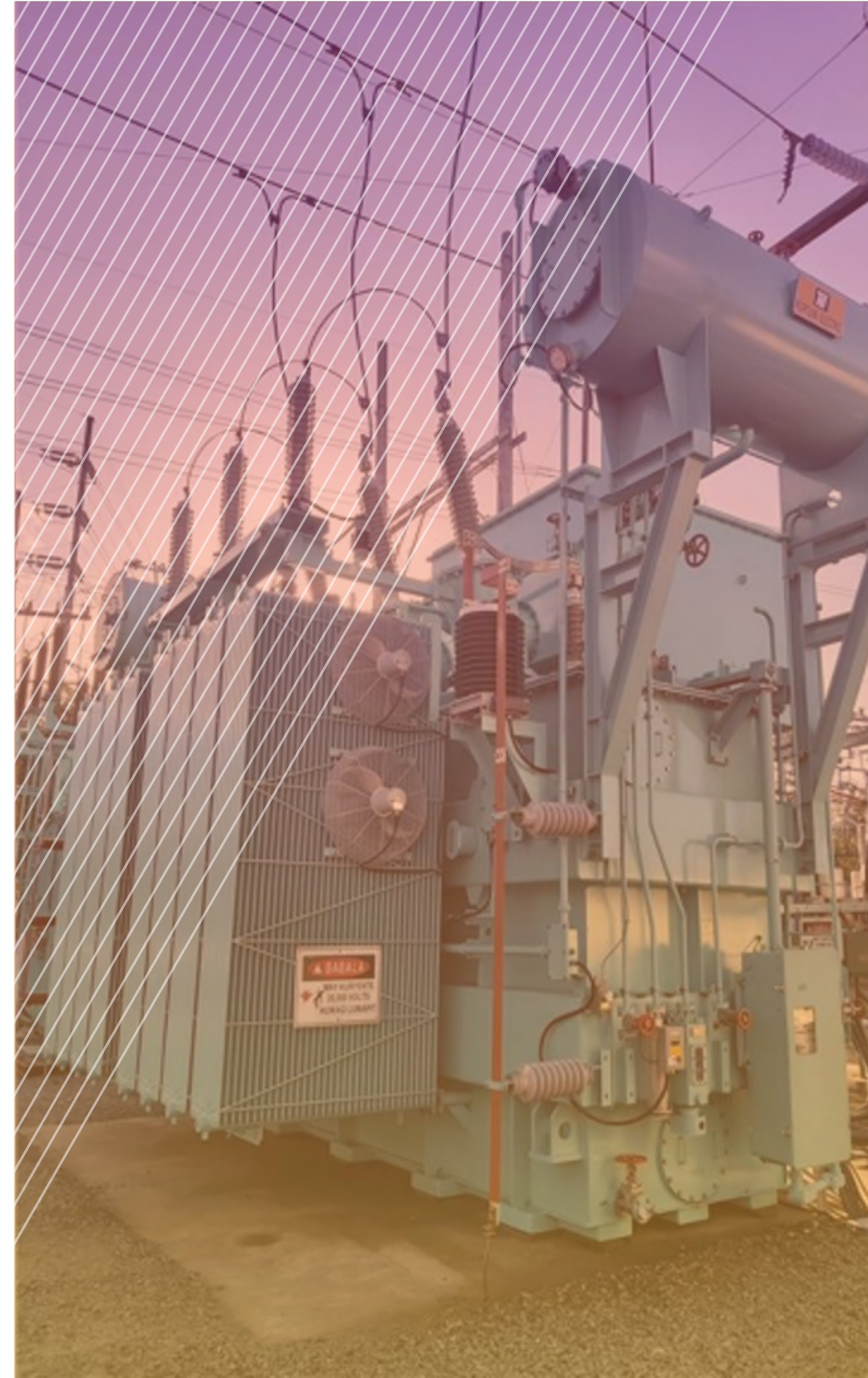
- Commissioned on April 24, 2021
- 55 MWac, Large VRE Embedded Generator
- Located in Barangays Labne, San Jose, and Tibagan, San Miguel, Bulacan
- 4.3 km 69 kV line from San Miguel Substation to SMSPP; Terminating at San Miguel PCB 66YN4



Networks Project Update

Replacement of Dolores Power Transformer Bank No. 1

- Commissioned on May 16, 2021
- CAPEX filing of PhP 77.33M in RY2021
- Implemented to replace deteriorating 41-year-old transformer bank at Dolores Substation with new 100-MVA transformer bank with On-Load Tap Changer (OLTC)
- Improves flexibility, system reliability, and voltage regulation in Antipolo City, and municipalities of Binangonan, Taytay, and Cardona, Rizal



Networks Project Update

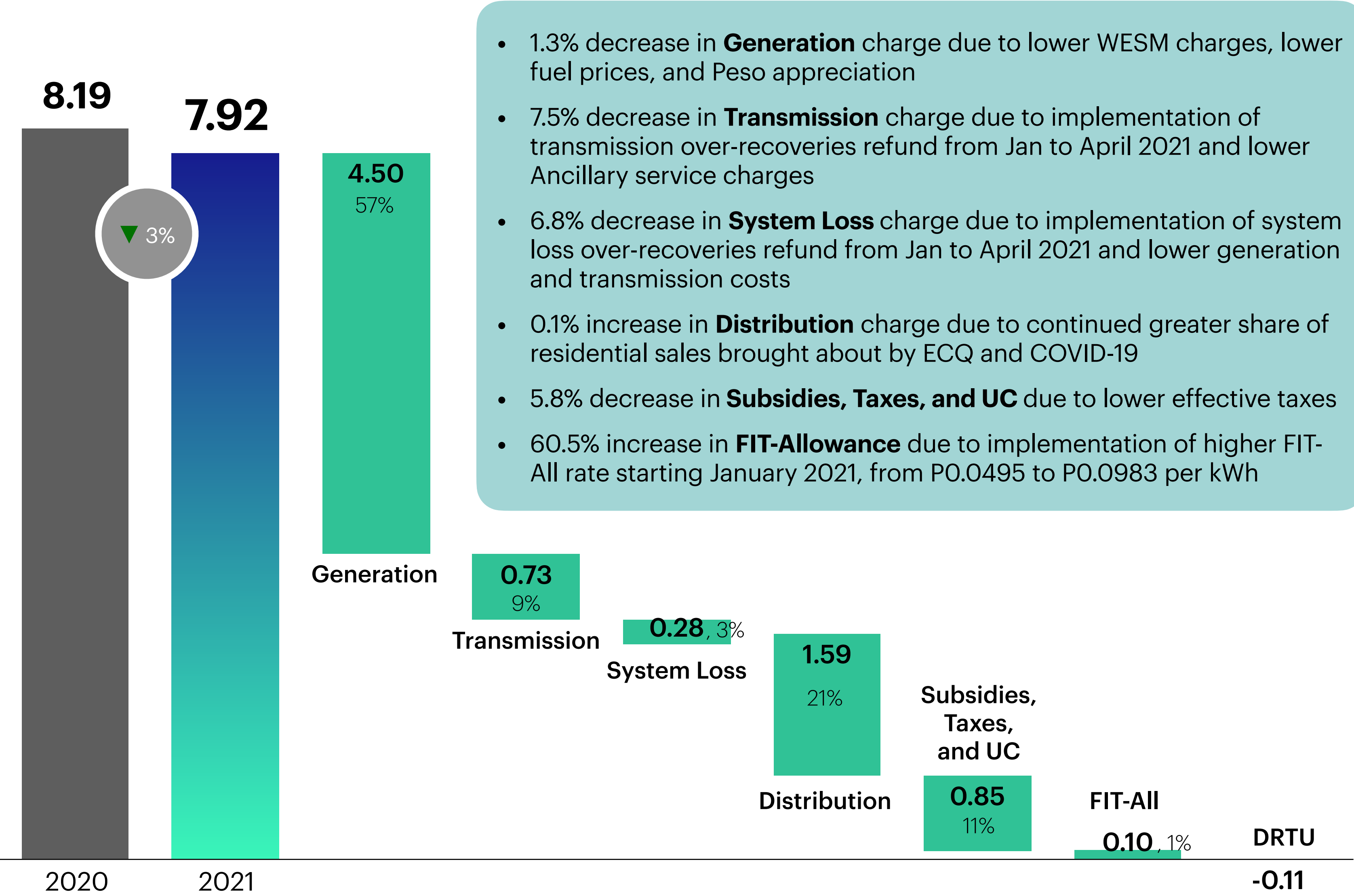
Expansion of Banawe 115-34.5 kV GIS Substation, Bank 2

- Commissioned on June 29, 2021
- CAPEX filing of PhP 192.94M in RY2021
- Implemented to solve projected critical loading of Banawe Bank 1 and Balintawak Bank 5
- Provides additional capacity to accommodate load applications in Quezon City including Breakthrough and Milestones Productions International (BMPI) Inc., and Globe Telecom's Roosevelt Data Center, among others

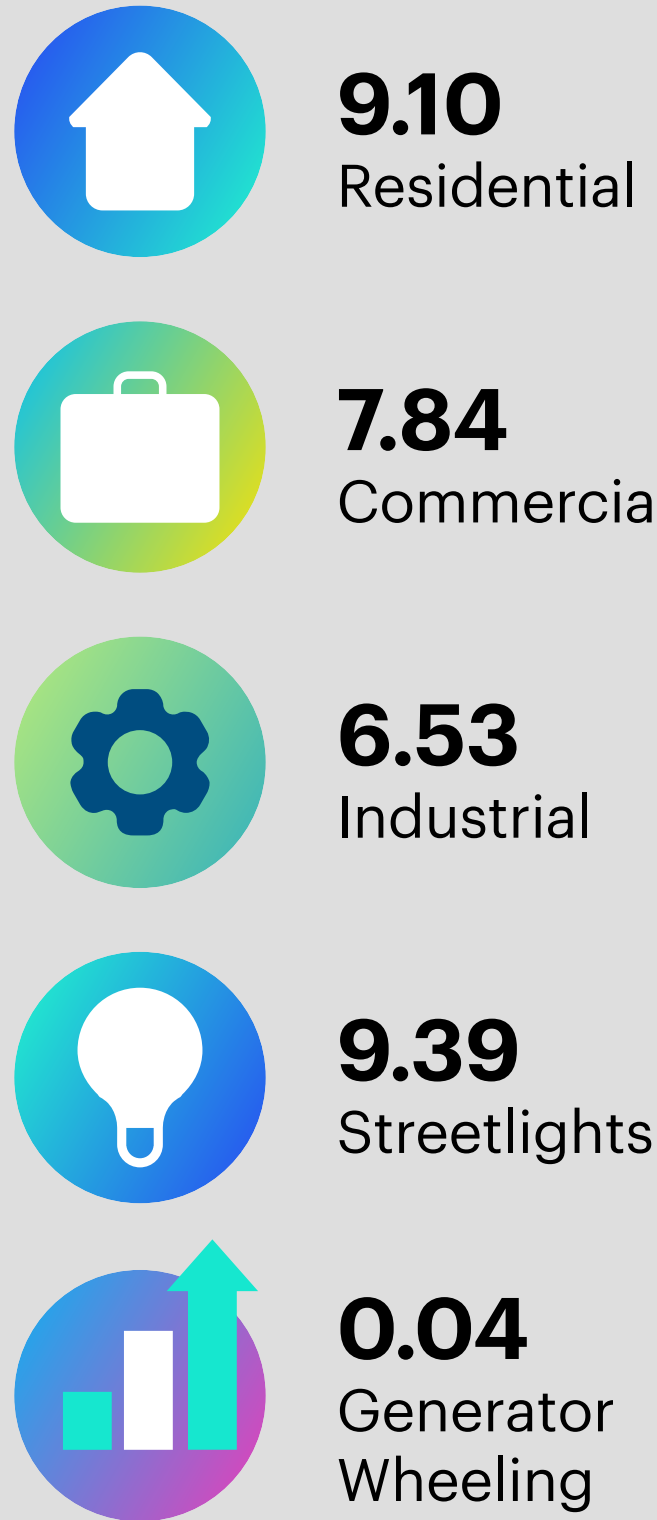


1H 2021 Average Retail Rate in PhP per kWh

3% lower due to lower generation, transmission and system loss charges



Average Rate per Customer Segment



Regulatory Updates

Philippine Competition Commission (PCC) Preliminary Inquiry on 1,800 MW greenfield baseload CSP, COD 2024-2025

Complaint filed by BUKLURAN NG MANGGAGAWANG FILIPINO, et. al. (“BUKLURAN”)

- **March 25, 2021:** MERALCO and TPBAC received PCC’s preliminary inquiry and meeting request
- PCC inquired about (i) TOR’s approval; (ii) CSP’s tariff structure; and (iii) reasons for DQ of RE-technology bidders in CSP; also requested for all bid documents and communications with DOE for TOR’s approval

PCC sent BUKLURAN Notice to Terminate its preliminary inquiry on June 23, 2021

- PCC found no discriminatory behavior by MERALCO/TPBAC for following reasons:
 1. DOE reviewed and approved TOR, finding it reasonable and competitive;
 2. RE plants are not technically qualified to supply baseload capacity;
 3. 150 MW minimum offered capacity is necessary to mitigate risk of failed bidding and operational reliability;
 4. 2-part tariff structure is consistent with full fuel cost recovery under EPIRA and was in consideration of greenfield capacity requirement and physical type of contract contemplated

MERALCO received Motion for Reconsideration (MR) filed by BUKLURAN on July 15, 2021

- MERALCO and TPBAC to prepare comments on MR and closely monitor updates

Regulatory Updates

Power for People (P4P) Coalition's Petition for Certiorari with Application for issuance of TRO and/or Preliminary Injunction against 1,800 MW CSP

Petition for Certiorari dated February 17, 2021

P4P's Allegations and Grounds

- DOE and MERALCO's TPBAC acted with grave abuse of discretion by its inaction and denial, respectively, of P4P's protest letter against 1,800 MW; CSP alleging unfavorable TOR terms against consumers; and that TOR would not result in least cost electricity. P4P's key arguments on TOR include:
 1. minimum offered contract capacity of 150 MW unduly favors fossil fuel bidders;
 2. requires a 2-part tariff pricing structure instead of straight energy price;
 3. allows pass through of fuel costs for contract years 11 to 20;
 4. allows for take-or-pay provisions and does not provide for force majeure and dispute settlement procedure;
 5. grants outage allowances; and
 6. contract term is 20 years

Supreme Court's Resolution (dated March 18, 2021) dismissing Petition

- Supreme Court's First Division dismissed Petition for violating doctrine of hierarchy of courts
 1. Issues raised are factual in nature, which requires SC to inquire into wisdom of TOR;
 2. Premature – P4P itself admitted that DOE has yet to act on its protest letter; and
 3. CSP does not conclude upon awarding of PSA; ERC has to determine reasonableness of rates that resulted in CSP. Given ERC has not done this yet, it is premature for SC to take cognizance.

2019 Meralco Sustainability Report (SR) recognized with GOLD Stevie



- Gold Award for Innovation in Annual Reports
- 3rd international award by maiden 2019 SR
- Only Filipino SR to win in 2021 Asia-Pacific Stevies



Silver Stevie

Fitting The Bill: Meralco Makes Paying Bills Easier With The Customer Account Number (CAN)



Silver Stevie

Safeguard the Economy at All Costs: Meralco Waives Energy Demand Charge



Bronze Stevie

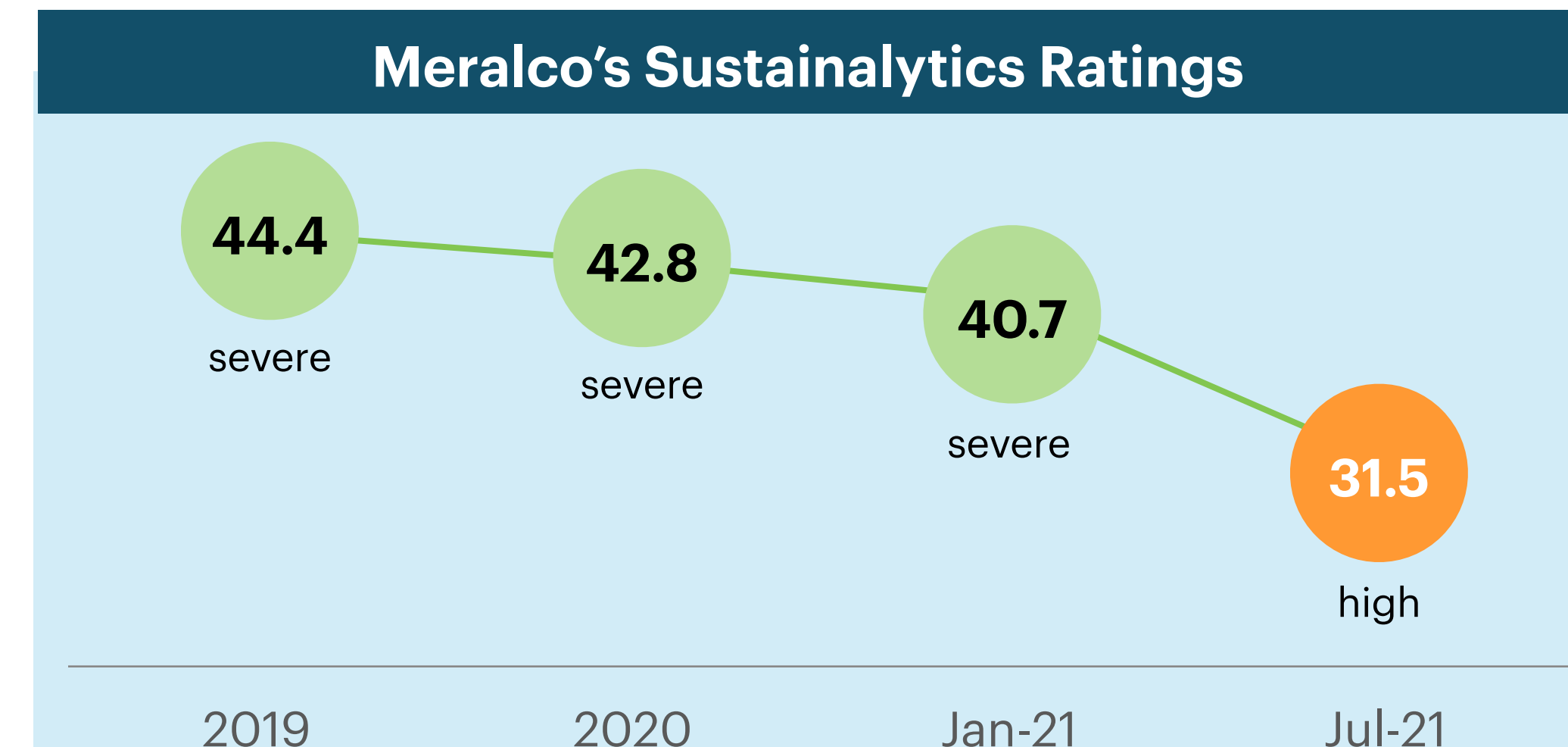
Safety first: Empowering Enterprises to fight an invisible enemy (MServ's Air Quality Monitoring Service)

Significant improvements in Meralco's 2021 ESG ratings ^{1/2}



Sustainalytics ESG Risk Ratings

- **12,000+ companies** assessed on material Environmental, Social, and Governance risks and on how these impact long-term performance
- **Significant rating improvement** from severe to low-end of high risk
- Meralco now part of:
 - **Top 23%** of global electric utilities sector
 - **Top 34%** of global utilities sector



Severe	High	Medium	Low	Negligible
40+	30-40	20-30	10-20	0-10

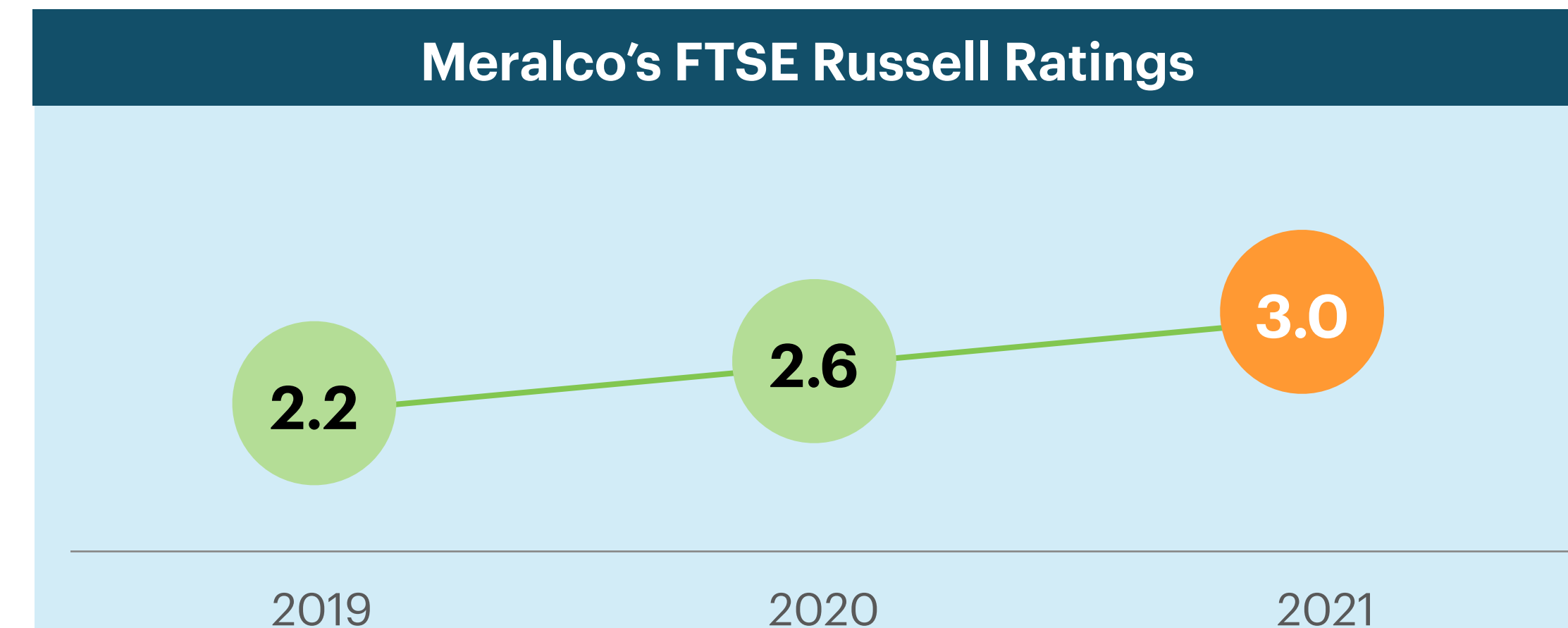
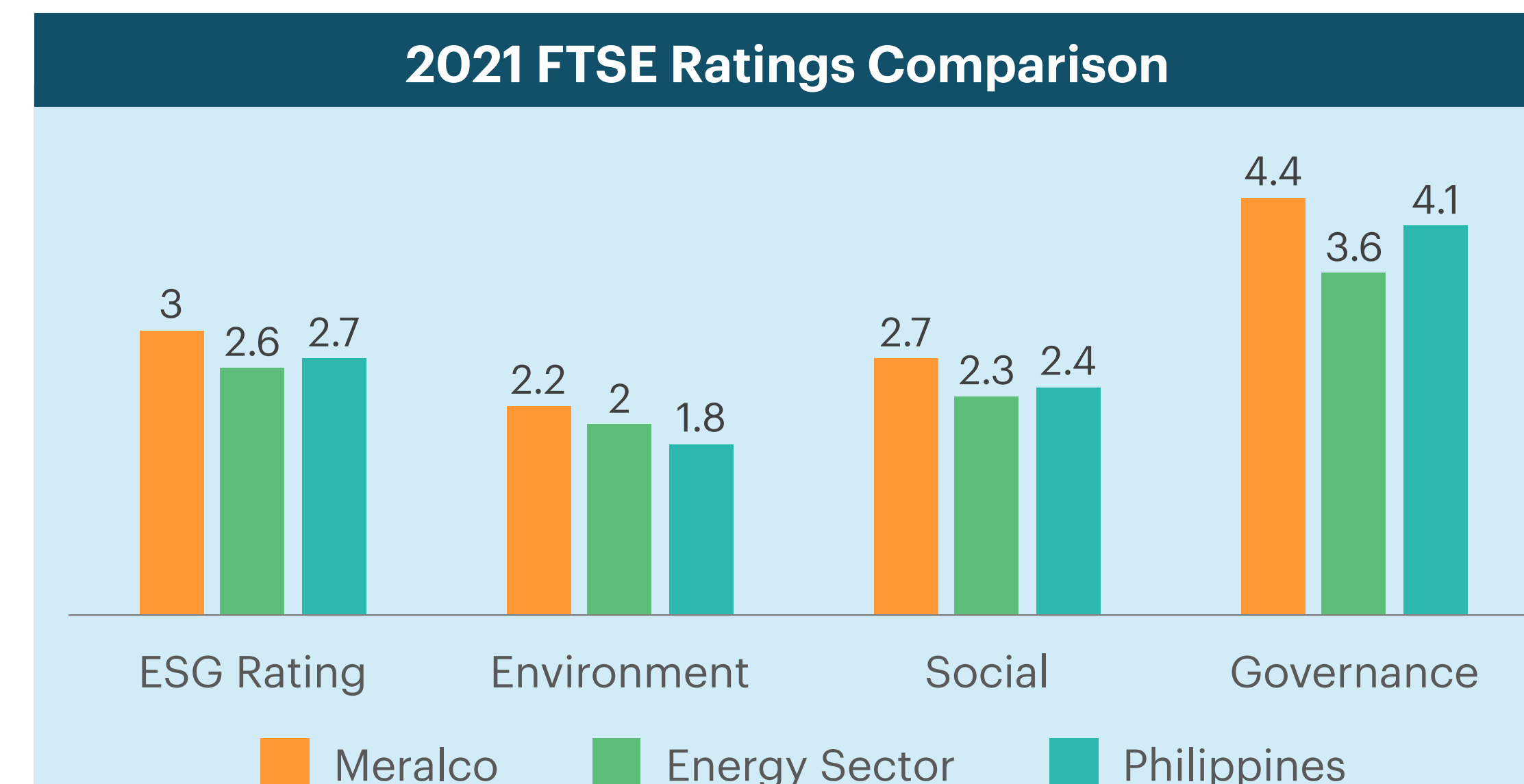
2021 Philippines		2021 Electric Utilities Sector	
MPIC	12.8	Acciona	20.5
Ayala	13.0	Enel	23.5
PLDT	26.0	MERALCO	31.5
MERALCO	31.5	Aboitiz Power	32.6
Metrobank	32.0	Korea Electric	33.8
Aboitiz Power	32.6	Tenaga Nasional	36.2
URC	37.7	China Power	44.9
		Tokyo Electric	67.5

Significant improvements in Meralco's 2021 ESG ratings 2/2



Financial Times Stock Exchange (FTSE) Russell ESG Ratings

- **Helps investors of over 7,200 companies** understand exposure to and management of ESG issues across multiple dimensions including:
 - Climate change
 - Labor standards
 - Customer responsibility
- Meralco outperformed average on overall basis and across all ESG criteria:
 - **Higher than global energy sector average (3.0 vs. 2.6)**
 - **Higher than Philippine average (3.0 vs 2.7)**





HALF YEAR JUNE 30, 2021 POWER GENERATION OPERATING RESULTS

July 26, 2021



San Buenaventura Power Limited Co. (SBPL)

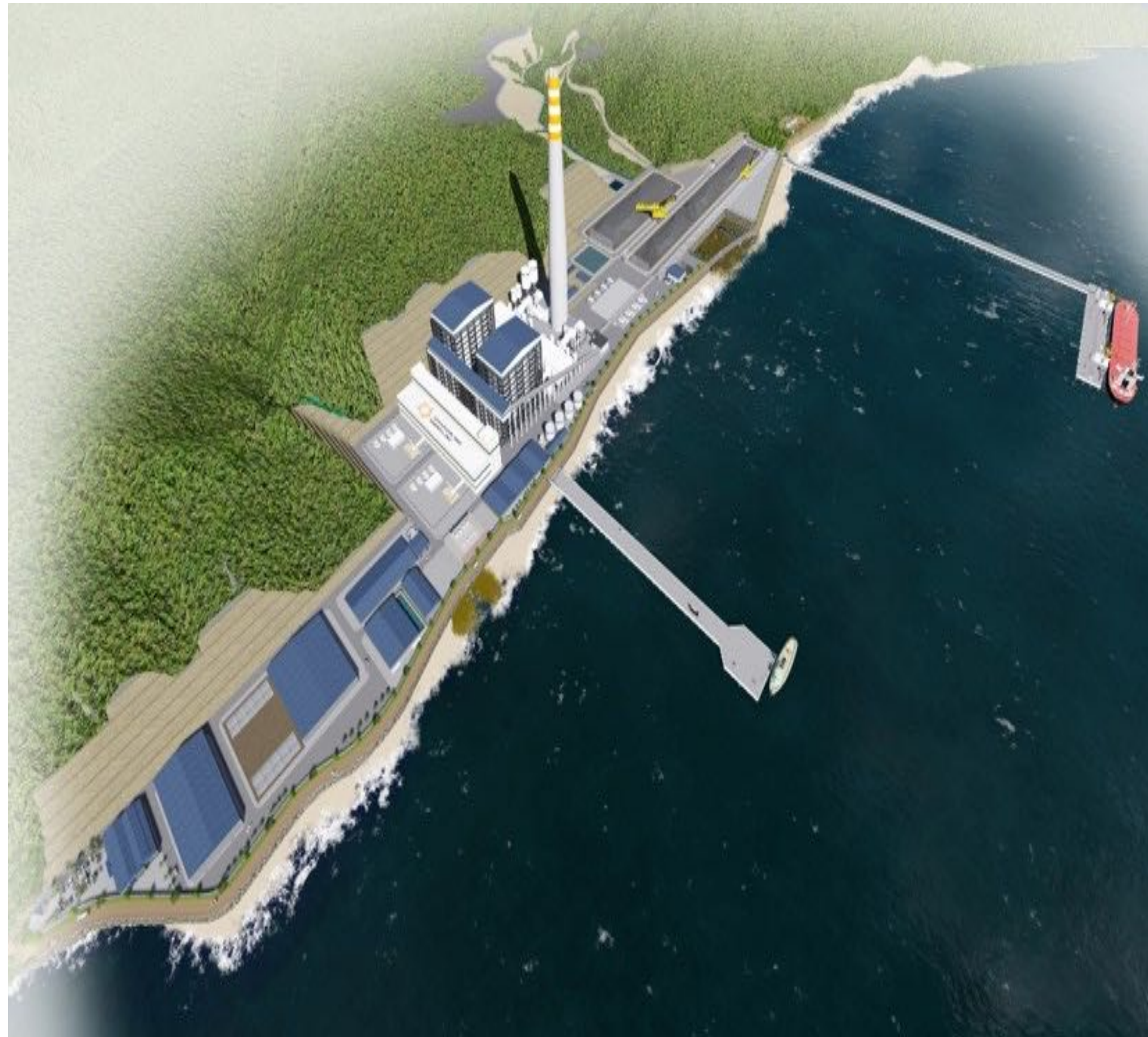
500MW (gross) Supercritical Coal-Fired Power Plant in Mauban, Quezon

- Joint venture of MGen with New Growth B.V., a wholly owned subsidiary of Thailand's Electricity Generating Public Co. Ltd. (EGCO)
- First operational supercritical coal plant in the Philippines, which commercial operations started on September 26, 2019
- Net generation at **1,733.8 GWh** from January to June 2021
- Contributed about **PhP 709M** (unaudited) to MERALCO CCNI in H1 2021



Atimonan One Energy, Inc. (A1E)

2x600 MW (net) Supercritical Coal-Fired Power Plant in Atimonan, Quezon



- Other offtake options for plant's capacity are currently being explored, including participation in next round of MERALCO's Competitive Selection Process and/or a tie-up with MPower
- **Site preparation activities** are continuing with target completion by **Q1 2022**
- Continued implementation of stringent health and safety protocols to protect construction workers from COVID-19

Powersource First Bulacan Solar, Inc. 50MWac/80.9MWdc Solar Power Plant in San Miguel, Bulacan



- In January, MGreen **increased its shareholding in PFBSI to 60%** following the buyout of Sunseap's shares
- MGen's first solar power plant commenced commercial operations on **May 12, 2021**
- Net generation at **14.94 GWh** since start of commercial operations until **June 30, 2021**

Global Business Power Corporation (GBP)

- On December 23, 2020, MGen acquired holdings of Beacon Power Holdings, Inc. (56%) and JG Summit Holdings, Inc. (30%) in GBPC through separate Share Purchase Agreements
- Transactions closed on March 31, 2021; MGen presently owns 100% of GBP
- GBP, a leading independent power producer in Visayas and with operations in fast-growing Mindanao market, has an existing portfolio totaling 1,091 MW (coal and diesel plants)
 - ▶ This includes GBP's 50% interest in Alsons Thermal Energy Corporation that has 75% equity interest in Sarangani Energy Corporation, which owns 210-MW (net) coal plant in Maasim, Sarangani
- GBP posted **PhP 904M Net Income** in H1 2021

PH Renewables, Inc.

115 MWdc Solar Power Plant in Baras, Rizal

- GBP subsidiary PH Renewables, Inc. conducted groundbreaking ceremony for its solar power plant on **June 30, 2021**
- Solar project, with a capacity of 115 MWdc, is GBP's **first foray into renewable energy and Luzon market**
- Targets to commence **commercial operations in 2022**

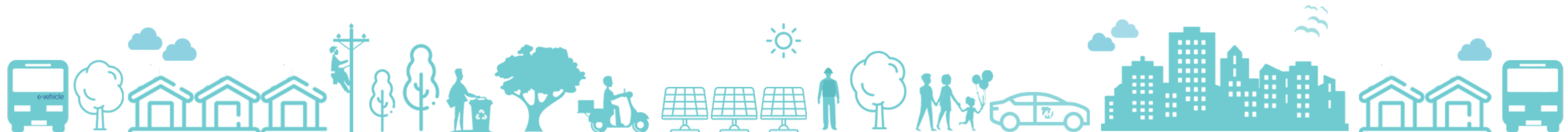


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