

COVER SHEET

P	W	-	1	0	2				
---	---	---	---	---	---	--	--	--	--

S.E.C Registration Number

M	A	N	I	L	A		E	L	E	C	T	R	I	C		C	O	M	P	A	N	Y								

(Company's Full Name)

L	O	P	E	Z		B	U	I	L	D	I	N	G	,	O	R	T	I	G	A	S		A	V	E	N	U	E	,	
B	R	G	Y		U	G	O	N	G	,	P	A	S	I	G		C	I	T	Y										

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

ATTY. WILLIAM S. PAMINTUAN

Contact Person

8632-8014

Company Telephone Number

1	2	-	3	1
---	---	---	---	---

Month Day
Fiscal Year

	1	7	-	C	
--	---	---	---	---	--

FORM TYPE

0	5	3	0
---	---	---	---

Month Day
Annual Meeting

--

Secondary License Type, if Applicable

--	--	--

Dept. Requiring this Doc.

--

Amended Articles Number/Section

--

Total No. of Stockholders

Total Amount of Borrowings

--

Domestic

--

Foreign

To be accomplished by SEC Personnel concerned

--	--	--	--	--	--	--	--	--	--

File Number

--

LCU

--	--	--	--	--	--	--	--	--	--

Document I.D.

--

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. **Date of Report:** *April 24, 2023*
2. **SEC Identification Number:** *PW-102*
3. **BIR Tax Identification Code:** *000-101-528-000*
4. **Name of Issuer as specified in its Charter:** *Manila Electric Company*
5. **Country of Incorporation:** *Philippines*
6. **Industry Classification:** *(SEC use only)*
7. **Address of principal office:** *Lopez Building, Ortigas Avenue, Barangay Ugong,
Pasig City*
8. **Issuer's telephone numbers:** *(02) 8632-8014* **Area Code:** *1605*
9. **Former name or former address:** *Not Applicable*
10. **Securities registered pursuant to Sections 18 and 12 of the SRC or Sections 4 and 8 of the RSA:**

*Number of Shares of
Common Stock Outstanding*

1,127,098,705
(As of March 31, 2023)

Debt Securities: Php 7.0 Billion Bonds

11. Item Number reported: Item 9 (Other Events)

The Company's Board of Directors, in its regular meeting held today, April 24, 2023, approved the Company's Financial and Operating Results for the First Quarter of 2023 with comparatives for 2022.

	MANILA ELECTRIC COMPANY Consolidated Financial Highlights (In Million Pesos, except per share data)		
	For the Three (3) Months Ended March 31		% Change
	2023	2022	
REVENUES			
Electricity	102,356	83,272	23
Non-electricity	3,286	2,633	25
	105,642	85,905	23
COSTS AND EXPENSES	98,383	79,421	24
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	3,915	2,115	85
OTHER EXPENSES – net	1,452	395	268
INCOME BEFORE INCOME TAX	9,722	8,204	19
PROVISION FOR INCOME TAX	1,517	1,728	(12)
NET INCOME	8,205	6,476	27
NET INCOME – REPORTED	8,071	6,381	26
CORE NET INCOME	9,047	6,442	40
EARNINGS PER SHARE			
On Reported Net Income			
Basic	7.161	5.661	26
Diluted	7.161	5.661	26
On Core Net Income ¹			
Basic	8.027	5.715	40
Diluted	8.027	5.715	40

¹ Reported net income, adjusted to exclude the effect of foreign exchange gains or losses, impairment charges, mark-to-market adjustments, and other one-time, exceptional transactions.

**FINANCIAL AND OPERATING RESULTS
FOR THE THREE (3) MONTHS ENDED MARCH 31, 2023
WITH COMPARATIVES FOR 2022**

- **CONSOLIDATED CORE NET INCOME (“CCNI”) ROSE 40% TO PESOS 9.047 BILLION, WHILE CONSOLIDATED REPORTED NET INCOME GREW 26% TO PESOS 8.071 BILLION**
 - **CORE EARNINGS PER SHARE (“EPS”) AT PESOS 8.027 PER SHARE, UP BY 40%; REPORTED EPS AT PESOS 7.161 PER SHARE, UP BY 26%**
 - **CONSOLIDATED REVENUES IMPROVED BY 23% TO PESOS 105.6 BILLION, DRIVEN BY INCREASE IN PASS-THROUGH CHARGES, HIGHER CONTRIBUTION FROM POWER GENERATION, AND GROWTH IN VOLUMES SOLD**
 - **DISTRIBUTION-RELATED REFUNDS BY MERALCO FOR 2023 AMOUNTING TO PESOS 5.8 BILLION LOWERED AVERAGE RETAIL RATE FOR THE PERIOD, WHICH ROSE BY ONLY 17% MAINLY DUE TO HIGHER PASS-THROUGH CHARGES.**
 - **CONSOLIDATED DISTRIBUTION UTILITY ENERGY SALES VOLUMES REACHED 11,287 GWH ON THE BACK OF 11% GROWTH FROM THE COMMERCIAL SEGMENT**
 - **PACIFICLIGHT POWER PTE. LTD. ADDED PESOS 3.1 BILLION TO THE TOTAL POWER GENERATION CONTRIBUTION OF PESOS 3.7 BILLION TO THE CCNI**
-
- **A NEW 68 MWAC SOLAR PLANT IN ILOCOS NORTE WAS FULLY ENERGIZED BY MID-FEBRUARY**
 - **MERALCO SPENT PESOS 5.1 BILLION IN CAPITAL EXPENDITURES FOR NETWORK UPGRADE AND POLE RELOCATION PROGRAM OF THE DISTRIBUTION UTILITY, COMMUNICATION FACILITIES BUILD-OUT OF TELECOMMUNICATIONS UNIT, AND DEVELOPMENT EXPENSES RELATING TO A SOLAR POWER GENERATION PROJECT**
 - **MERALCO EMERGED AS ONE OF THE TOP COMPANIES AT THE 58TH ANVIL AWARDS AS IT RECEIVED RECOGNITIONS FOR ITS COMMUNICATIONS CAMPAIGNS ON SUSTAINABILITY, ENERGY EDUCATION, AND CORPORATE SOCIAL RESPONSIBILITY**
-

The Company will disclose the First Quarter Results using SEC Form 17-Q once available. For more information, please refer to the attached Press release.

SIGNATURE

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 hereunto duly authorized.

MANILA ELECTRIC COMPANY
Issuer



WILLIAM S. PAMINTUAN

Senior Vice President
Assistant Corporate Secretary &
Information Disclosure Officer

Date: April 24, 2023

**Cc: Disclosure Department
Listings and Disclosure Group
Philippine Stock Exchange
Issuer Compliance and Disclosure Department
Philippine Dealing & Exchange Corp.**



PRESS RELEASE

**FINANCIAL AND OPERATING RESULTS
FOR THE THREE (3) MONTHS ENDED MARCH 31, 2023
WITH COMPARATIVES FOR 2022**

- **CONSOLIDATED CORE NET INCOME (“CCNI”) ROSE 40% TO PESOS 9.047 BILLION, WHILE CONSOLIDATED REPORTED NET INCOME GREW 26% TO PESOS 8.071 BILLION**
- **CORE EARNINGS PER SHARE (“EPS”) AT PESOS 8.027 PER SHARE, UP BY 40%; REPORTED EPS AT PESOS 7.161 PER SHARE, UP BY 26%**
- **CONSOLIDATED REVENUES IMPROVED BY 23% TO PESOS 105.6 BILLION, DRIVEN BY INCREASE IN PASS-THROUGH CHARGES, HIGHER CONTRIBUTION FROM POWER GENERATION, AND GROWTH IN VOLUMES SOLD**
- **DISTRIBUTION-RELATED REFUNDS BY MERALCO FOR 2023 AMOUNTING TO PESOS 5.8 BILLION LOWERED AVERAGE RETAIL RATE FOR THE PERIOD, WHICH ROSE BY ONLY 17% MAINLY DUE TO HIGHER PASS-THROUGH CHARGES.**
- **CONSOLIDATED DISTRIBUTION UTILITY ENERGY SALES VOLUMES REACHED 11,287 GWH ON THE BACK OF 11% GROWTH FROM THE COMMERCIAL SEGMENT**
- **PACIFICLIGHT POWER PTE. LTD. ADDED PESOS 3.1 BILLION TO THE TOTAL POWER GENERATION CONTRIBUTION OF PESOS 3.7 BILLION TO THE CCNI**
- **A NEW 68 MWAC SOLAR PLANT IN ILOCOS NORTE WAS FULLY ENERGIZED BY MID-FEBRUARY**
- **MERALCO SPENT PESOS 5.1 BILLION IN CAPITAL EXPENDITURES FOR NETWORK UPGRADE AND POLE RELOCATION PROGRAM OF THE DISTRIBUTION UTILITY, COMMUNICATION FACILITIES BUILD-OUT OF TELECOMMUNICATIONS UNIT, AND DEVELOPMENT EXPENSES RELATING TO A SOLAR POWER GENERATION PROJECT**
- **MERALCO EMERGED AS ONE OF THE TOP COMPANIES AT THE 58TH ANVIL AWARDS AS IT RECEIVED RECOGNITIONS FOR ITS COMMUNICATIONS CAMPAIGNS ON SUSTAINABILITY, ENERGY EDUCATION, AND CORPORATE SOCIAL RESPONSIBILITY**

MANILA, Philippines, April 24, 2023 – Manila Electric Company (“*Meralco*”) today reported that Consolidated Core Net Income (“*CCNI*”) in the first three (3) months of 2023 rose by 40% to Pesos 9.0 billion from Pesos 6.4 billion in the same quarter in 2022 with the significant increase in *CCNI* contribution of power generation, which grew three (3) times versus the same period last year.

Consolidated Reported Net Income meanwhile increased by 26% to Pesos 8.1 billion from Pesos 6.4 billion.

Core earnings per share amounted to Pesos 8.027, up by 40% versus last year, while reported earnings per share increased by 26% to Pesos 7.161.

Consolidated revenues were up by 23% at Pesos 105.6 billion from Pesos 85.9 billion in 2022 mainly due to (i) higher pass-through charges resulting from the increase in natural gas prices, depreciation of the Peso against the US dollar which averaged at Pesos 54.813 during the first three (3) months of 2023 vs. Pesos 51.573 during the same period last year, and increase in purchases from the Wholesale Electricity Spot Market (“*WESM*”); (ii) higher power generation charges due to increase in fuel prices; and (iii) growth in volumes sold.

Meralco’s average retail rate increased by 17% to Pesos 10.41 per kWh from Pesos 8.89 per kWh. Generation charge, which accounted for about 68% of the total retail rate, went up by 33%; while transmission charge, comprising 8% of the retail rate, increased by 6%. With a 10% share in the total retail rate, subsidies and taxes, which are calculated based on the amount of generation and transmission charges climbed by 13%.

On the other hand, *Meralco’s* average distribution charge of Peso 0.93 per kWh, which accounted for 9% of the retail rate, dropped by 30% following the implementation of distribution rate true-up (“*DRTU*”) adjustments which averaged Peso 0.53 per kWh during the quarter. About 93% or a total of Pesos 44.6 billion of the Pesos 48.3 billion total *DRTU* adjustments ordered by the Energy Regulatory Commission (“*ERC*”) for refund have already been credited to the customers’ bills as of end-March and the remaining refund amount is expected to be settled by May 2023.

Purchased power cost (“*PPC*”) increased by 28% to Pesos 78.6 billion from Pesos 61.7 billion due to the increase in Malampaya gas prices, depreciation of the Peso, and increase in purchases from the Wholesale Electricity Spot Market (“*WESM*”) following the suspension by South Premiere Power Corporation (“*SPPC*”) since December 2022 of its Power Supply Agreement (“*PSA*”) with *Meralco*.

The average Malampaya natural gas price increased to US\$ 10.08 per GJ versus US\$ 8.71 per GJ a year ago. Due to persisting Malampaya gas supply restrictions that began in March 2021 and the 15-day Malampaya maintenance shutdown in February 2023, First Gas natural gas plants were compelled to continue using more expensive alternative fuel to ensure continued supply to *Meralco*. The depreciation of the Peso against the US dollar also contributed to the higher *PPC*.

Average Wholesale Electricity Spot Market (“*WESM*”) prices, on the other hand, which peaked at Pesos 37.97 per kWh on March 21, 2023, averaged at Pesos 6.58 per kWh. Peak demand recorded

during the three-month period was lower by 151 MW compared with a year ago due to relatively cooler temperatures.

In the first quarter, *Meralco* spent Pesos 5.1 billion for capital expenditures (“CAPEX”), of which Pesos 4.5 billion went to Networks projects consisting of new connections, asset renewals, and load growth projects, among others.

Operating expenses (“OPEX”) increased by 15% to Pesos 9.5 billion driven by higher bills management-related expenses, information technology (“IT”) licenses and maintenance, and higher manpower and cybersecurity costs of subsidiaries with increasing digitalization and work accomplishments for the construction unit.

Consolidated interest-bearing debt stood at Pesos 102.2 billion, including debts of subsidiaries totaling Pesos 52.0 billion. Of the total amount, Pesos 33.9 billion are maturing within one (1) year.

Commercial activities boost energy sales volumes

Consolidated distribution utility energy sales volumes in the first quarter rose to 11,287 GWh from 11,069 GWh, as volumes of *Meralco* and Clark Electric Distribution Corporation (“*Clark Electric*”) increased by 2% and 9%, respectively.

Sales mix continues to shift towards pre-pandemic levels with the continued recovery of business operations and resumption of social activities. Share of commercial segment increased to 37% from 34% in 2022. Share of Residential was down to 33% from 35% a year ago, while the Industrial segment’s share was at 30% from 31%.

Commercial sales volumes recorded a double-digit growth of 11% to 4,213 GWh in the first quarter of 2023 from 3,781 GWh in the same period a year ago. Energy demand from educational institutions continued to increase as face-to-face classes resumed. Hotels, restaurants, and real estate sectors likewise grew with the improvement in room occupancy, foot traffic, and consumer spending as leisure travel, social events, and business conventions went on full swing.

Residential sales volumes slipped by 3% to 3,701 GWh from 3,808 GWh last year, coming from a high base due to an Omicron-stricken first quarter 2022 when self-imposed home quarantine was observed. Thereafter, higher mobility and greater public confidence in conducting face-to-face classes, business, and social activities, as well as longer time spent in traffic and revenge travel, further reduced the time spent at home by customers. Cooler temperature compared with last year also contributed to lower household consumption. Average temperature was at 26.7°C during the first three (3) months this year, compared with 27.5°C during the same period last year. The March 2023 average temperature, which was below 27.0°C, was also the coldest in the last five (5) years and the dry season was declared a week later compared with 2022.

The impact of global economic headwinds and inflation was felt by the Industrial segment as sales declined 3% from 3,443 GWh to 3,336 GWh. Slower demand for consumer electronics globally continued to dampen growth of the semiconductor industry, while plant shutdowns due to

maintenance activities and lower production due to high input cost negatively impacted sales of plastics and cement industries.

Meralco ended the first quarter of 2023 with consolidated customer count of 7.7 million, up 3% from 7.5 million a year ago as energization of new customers for both ordinary service and project-covered applications further continued.

Meralco's 12-month moving average ("12-MMA") system loss improved by 0.40 percentage point to 5.62% from 6.02%, still outperforming the regulatory cap of 6.5%. *Clark Electric's* 12-MMA system loss, meanwhile, was at 1.79%.

Continuing efforts to boost distribution network and support infrastructure development

Anchored on its commitment to support the Government's nation-building efforts and improve customer experience, *Meralco* continued to invest in the expansion and upgrading of its distribution network facilities and pole relocation program.

Among the major projects completed by *Meralco* in the first quarter of 2023 were the energization of STMicroelectronics, Inc.'s Gas-Insulated Switchgear Substation, which shall accommodate projected increase in demand as well as improve power reliability and quality, and the development of Real 115 kV – 34.5 kV Substation – both in the province of Laguna.

In addition, a total of 298 poles were relocated for road widening projects of the Department of Public Works and Highways ("DPWH") and various Local Government Units ("LGUs"), while a total of 168 poles were relocated for the Government's Build Better More infrastructure program, including for the recently inaugurated North Luzon Expressway – South Luzon Expressway ("NLEX-SLEX") Connector Road C3 and España Boulevard segment.

Continuing efforts to ensure sufficient and cost-competitive supply

Competitive Selection Process ("CSP")

Consistent with its approved Power Supply Procurement Plan ("PSPP"), *Meralco* has conducted several CSPs to ensure continued delivery of sufficient and cost-competitive supply and to comply with the Government's Renewable Portfolio Standards ("RPS") policy, which requires distribution utilities to include renewable energy ("RE") among their sources of power.

To recall, *Meralco* received in 2022 unsolicited proposals ("USPs") for 850 MW mid-merit, 200 MW baseload, and another 500 MW mid-merit capacity requirements – each of which had been subjected to two (2) rounds of biddings. However, no competing offers were received.

Pursuant to the *Revised CSP Rules* and as recommended by the Third-Party Bids and Awards Committee ("TPBAC"), *Meralco* proceeded with negotiations for PSAs with the three (3) proponents. The PSAs are either currently undergoing public hearings or subject of further negotiations.

On March 17, 2023, *Meralco* received Notices of Termination for its 1,800-MW requirement, which went through *CSP* in 2021 for supply beginning 2024 and 2025. The then winning bidder cited a contract provision allowing the termination absent *ERC*'s final approval for the *PSAs*. *Meralco* is currently exploring options that include the possible conduct of another round of *CSP* for the baseload requirement.

In February 2023, *Meralco*'s two (2) *CSPs* for a total of 480 MW supply were concluded. Both failed after the 180-MW baseload requirement received only one offer, and the 300-MW peaking requirement did not get any offer. The total capacity was intended to cover the expected increase in demand as the economy recovers from the pandemic. The 180-MW baseload supply was to cover the reduced capacity of natural gas-fired power plants under its existing supply contracts affected by the continued Malampaya gas supply restriction.

Emergency Power Supply Agreements ("EPSAs")

Meralco secured certifications from the Department of Energy ("*DOE*") exempting certain *EPSAs* from *CSP*, thereby allowing their immediate implementation that helped in ensuring least-cost supply for customers.

To partially replace the capacity covered by *Meralco*'s 2019 *PSA* with *SPPC* which was subjected to a Court of Appeals-issued Writ of Preliminary Injunction, *Meralco* executed an *EPSA* with GNPowder Dinginin Ltd. ("*GNPD*") covering 300 MW of baseload supply up to February 25, 2023.

Subsequently, *Meralco* executed a new *EPSA* with *SPPC* valid until March 25, 2024. The contract provided an initial 300 MW baseload capacity starting March 26, 2023 that increased to 480 MW beginning April 1, 2023. The *EPSA* with *SPPC* also covers the 180-MW baseload requirement that was subjected to a recently concluded *CSP*.

"The growth in our energy sales volume, particularly the strong performance of the commercial segment, signifies that public confidence has returned and demand for power will certainly continue to increase. With this, we will pursue strategic energy sourcing activities for our medium- and long-term requirements as we work to secure supply to ensure sufficient and cost-competitive power for our customers," *Meralco President and CEO Ray C. Espinosa* said.

"We are also cognizant of this year's critical dry season when the Government anticipates a tight supply situation in Luzon with the possibility of Yellow Alerts and peak demand greater than 13,000 MW, more than 8% higher versus last year. We are one with the Government and the private sector in pushing for demand-side management efforts, which include boosting our available capacity under the Interruptible Load Program — a collective effort among private sector players to help spare households and small businesses from power interruptions. We will likewise continue our proactive implementation of energy conservation measures and empower our customers to embrace energy efficiency as a way of life," *Mr. Espinosa* added.

Business units and subsidiaries' performance

Retail Electricity Supply ("RES")

- MPower, the local *RES* unit of *Meralco*, *Clark Electric's* Cogent, and three (3) other affiliate retail electricity suppliers, sold 1,718 GWh of energy to the contestable market as of end-March.
- *WESM* prices hit a high of Pesos 37.97 per kWh during peak demand hours on March 21, 2023. The *RES* segment contributed minimally to the *CCNI* of *Meralco* with the lower volume sold and higher price of power.

Power Generation

- Wholly-owned subsidiary Meralco PowerGen Corporation ("*MGen*") contributed Pesos 3.7 billion to *Meralco's* *CCNI* in the first three (3) months of the year, significantly higher than Pesos 1.2 billion in the same period in 2022 due to the significantly higher contribution of PacificLight Power Pte. Ltd. ("*PacificLight*") and San Buenaventura Power Ltd. Co. ("*SBPL*"). Global Business Power Corporation ("*GBP*") was a turnaround from a core net loss of Pesos 517.6 million in 2022 to *CCNI* contribution of Pesos 294.6 million this year. *MGen* currently has combined net sellable capacity of 2,177 MW in the Philippines and in Singapore.
- Singapore-based *PacificLight* recorded a *CCNI* of S\$131.1 million (Pesos 5.4 billion) as of end-March, up from S\$79.3 million (Pesos 3.0 billion) in the same period last year. This was primarily driven by higher blended non-fuel margins in Singapore, averaging S\$104.8 per MWh from S\$73.8 per MWh the previous year. *PacificLight's* 771 MW (net) liquefied natural gas facility in Jurong Island, Singapore delivered a total of 1,464 GWh of energy in the first quarter. *MGen* currently has combined direct and indirect interest of 58% in *PacificLight*.
- *SBPL's* 455 MW (net) supercritical coal-fired plant in Mauban, Quezon delivered 610 GWh of energy with 100% plant availability during the period. *SBPL's* *CCNI* was Pesos 910.9 million. *MGen* holds a 51% interest in *SBPL*.
- *GBP* booked *CCNI* of Pesos 294.6 million and delivered 1,473 GWh of energy from its portfolio of coal and oil plants with a net sellable capacity of 896 MW, of which 782 MW are contracted under *PSAs* with captive and contestable customers, with the resolution of its issues on previously contracted fixed rate *PSAs*. In addition, the Ancillary Services Procurement Agreements ("*ASPAs*") also provided additions to *CCNI*.
- The 55 MWac (net) power plant of Powersource First Bulacan Solar, Inc. ("*BulacanSol*") in San Miguel, Bulacan had an average plant availability of 98.32% and delivered 30 GWh to *Meralco* under a 20-year *ERC*-approved *PSA*. *CCNI* in the first quarter of 2023 was at Pesos 44.0 million, slightly lower than 2022 with the two (2) day-outage this year.
- Nuevo Solar Energy Corporation ("*NSEC*"), a joint venture between *MGen Renewable Energy, Inc. ("MGreen")* and Vena Energy Solar PH Pte Ltd., is a 68 MWac-solar plant in

Currimao, Ilocos Norte, and was fully energized by mid-February. As of end-March, the project has delivered a total of 36 GWh of commissioning energy to MPower and the WESM.

- *MGreen's* 75 MWac solar plant in Baras, Rizal in partnership with Mitsui & Co., Ltd.'s local unit, Mit-Renewables Philippine Corporation is currently undergoing testing and commissioning and is expected to be fully energized by the second quarter of 2023.

Meralco exemplifies communication excellence

Meralco once again exhibited communication excellence, emerging as one of the finalists for the Company of the Year and taking home one (1) Gold and eight (8) Silver Anvils for its communications programs centered on sustainability, energy education, diversity and inclusion, and corporate social responsibility.

The campaign *"Powering the Good Life: Meralco communicates its multi-faceted sustainability agenda"* won a Gold Anvil for effectively highlighting how the power distributor positioned itself at the forefront of the important drive towards sustainability. Recognized with Silver Anvils, meanwhile, were *"#Mbrace - Meralco's Gender Diversity and Inclusion Program"*, *"Kalinga: 2021 Meralco Sustainability Report"*, *"Meralco 2022 Hybrid Rates Press Conferences: Effectively Communicating and Managing the Monthly Adjustments in Power Rates"*, *"Project No One Left Behind: Meralco Typhoon Odette Bayanihan Restoration Program"*, *"Emergency Preparedness & Disaster Response Program: One Meralco Foundation Typhoon 'Odette'"*, *"Energizing off-grid Island and Mountain Schools from Far-Flung Communities during the continuation of face-to-face learning in the country"*, *"Teacher Frontliner"*, and the *"Household Electrification Program"*.

Conclusion

"Meralco's operational and financial performance in this first quarter indicate that we are off to a good start. In its latest Economic Outlook, the Asian Development Bank expects the Philippine economy to continue on its expansion track with 6% growth this year, and deceleration of inflation starting the second half of 2023. However, we recognize that supply challenges in the energy sector, which include the depletion of the Malampaya gas field, the country's reliance on volatile imported fuel, and Peso depreciation, will put continuing upward pressure on power prices. The critical need to bring more power generation capacities online to ease the tightness that we continue to experience – as well as its long-term goal of energy independence with indigenous source of fuel including renewables – must be acted upon with urgency," Chairman **Manuel V. Pangilinan** said.

“Throughout the year, *Meralco* will continue its unceasing efforts to deliver uninterrupted supply and invest in new plants - conventional and green – which can help the country with supply issues. As part of our commitment to the clean energy transition, we recently started operating a new solar project in Ilocos Norte, and within the next few months, we will inaugurate a larger one in Rizal. Our power generation projects in the pipeline will inject additional capacity to the grid and contribute to addressing the country’s growing supply needs thereby helping ease power prices. We remain optimistic that private sector efforts that are aligned with the Government’s will significantly help in addressing the economic threats and headwinds,” **Mr. Pangilinan** concluded.

- oOo -

	MANILA ELECTRIC COMPANY Consolidated Financial Highlights (In Million Pesos, except per share data)		
	For the Three (3) Months Ended March 31		% Change
	2023	2022	
REVENUES			
Electricity	102,356	83,272	23
Non-electricity	3,286	2,633	25
	105,642	85,905	23
COSTS AND EXPENSES	98,383	79,421	24
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	3,915	2,115	85
OTHER EXPENSES – net	1,452	395	268
INCOME BEFORE INCOME TAX	9,722	8,204	19
PROVISION FOR INCOME TAX	1,517	1,728	(12)
NET INCOME	8,205	6,476	27
NET INCOME – REPORTED	8,071	6,381	26
CORE NET INCOME	9,047	6,442	40
EARNINGS PER SHARE			
On Reported Net Income			
Basic	7.161	5.661	26
Diluted	7.161	5.661	26
On Core Net Income ¹			
Basic	8.027	5.715	40
Diluted	8.027	5.715	40

¹ Reported net income, adjusted to exclude the effect of foreign exchange gains or losses, impairment charges, mark-to-market adjustments, and other one-time, exceptional transactions.

This press release may contain some statements, which constitute “forward-looking statements” that are subject to a number of risks and uncertainties that may affect the business and results of operations of *Meralco*. Although the management of *Meralco* believes that expectations reflected in any of the forward-looking statements are reasonable, it cannot guarantee any future performance, action, or events.

For further information, please contact:

Betty C. Siy-Yap
Senior Vice President –
Chief Finance Officer
Tel. No. (632) 1622 1571

Joe R. Zaldarriaga
Vice President –
Head, Corporate Communications
Tel. No. (632) 8 632 8603