



FIRST QUARTER ENDED MARCH 31, 2022 FINANCIAL AND OPERATING RESULTS

April 25, 2022





FIRST QUARTER ENDED MARCH 31, 2022 FINANCIAL RESULTS

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Q1 2022 Financial Highlights in PhP, Mn

With Q1 2021 comparative figures

NET INCOME AND EBITDA

CCNI

5,624

▲ **10%** **5,113**

Reported Net Income

5,564

▲ **28%** **4,334**

Core EBITDA

8,956

▼ **25%** **12,021**

REVENUES

Gross Revenues

85,905

▲ **33%** **64,712**

Distribution Revenue

15,272

▲ **6%** **14,447**

Generation,
Transmission and other
pass-through

62,588

▲ **30%** **48,037**

EXPENSES

Purchased Power Cost

61,657

▲ **30%** **47,482**

Coal and Fuel

3,466

▲ **41%** **4,242**

Capital Expenditures

5,969

▲ **41%** **4,242**

CASH AND BORROWINGS

Cash & Cash Equivalents

58,034

▼ **8%** **63,011**

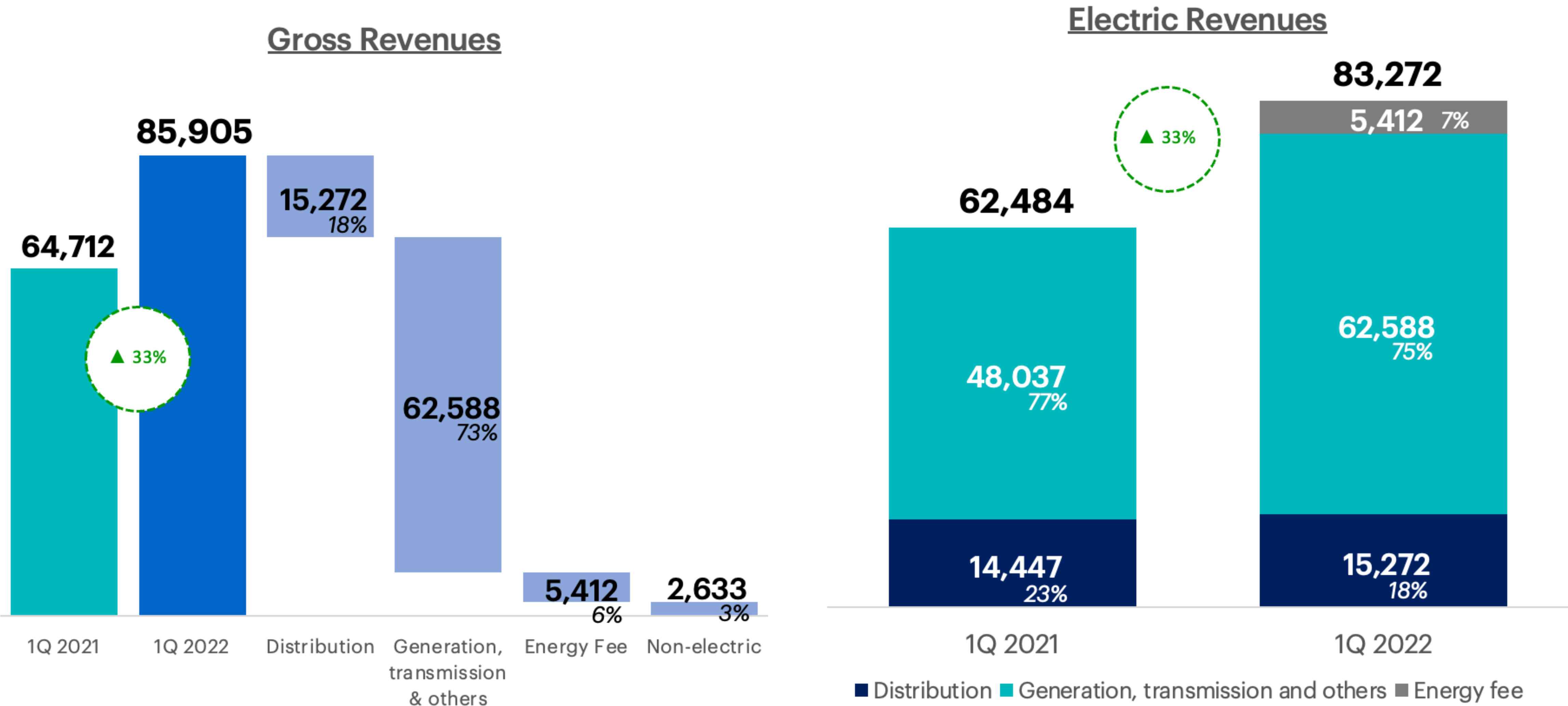
Borrowings

86,049

▼ **4%** **89,172**

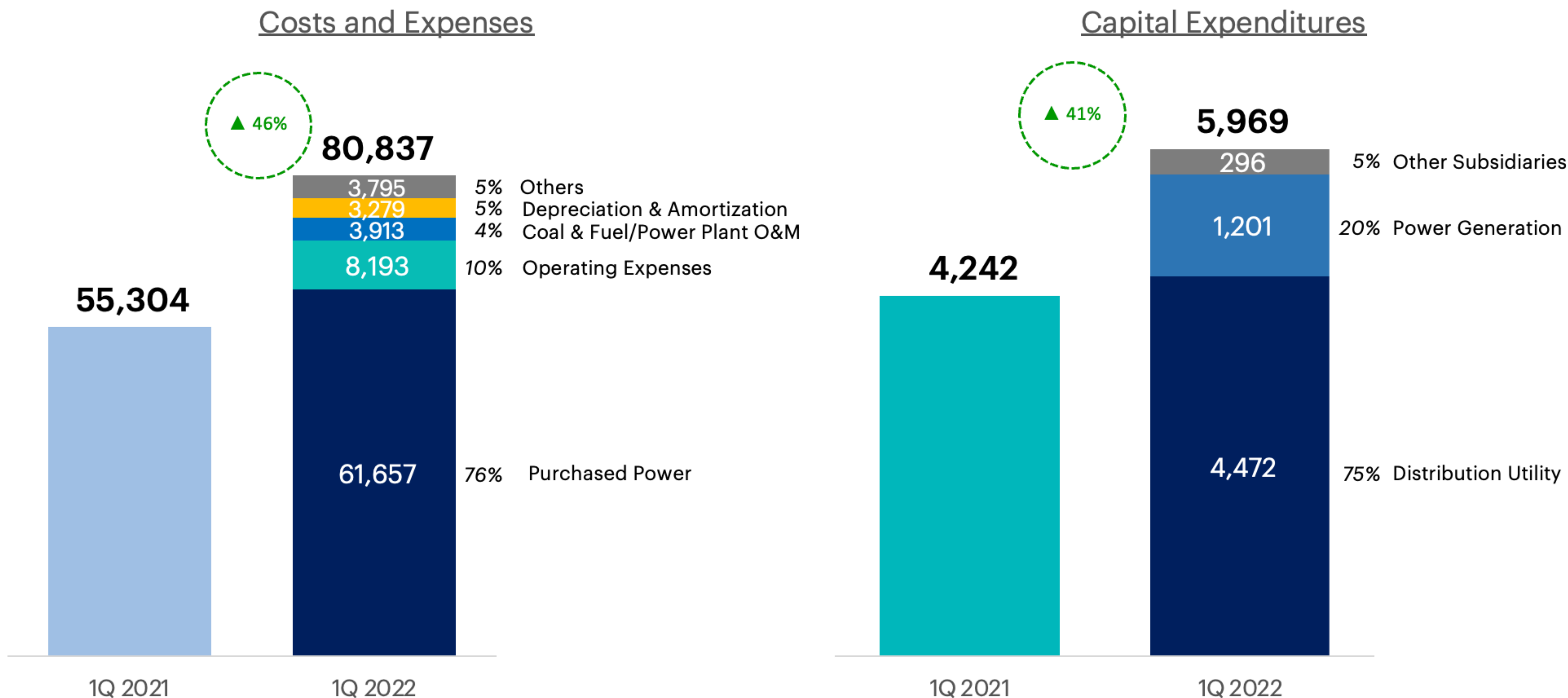
Q1 2022 Revenues in PhP, Mn

Driven by growth in power generation, uptick in DU energy sales, and increase in pass-through charges with the global increase in fuel prices.

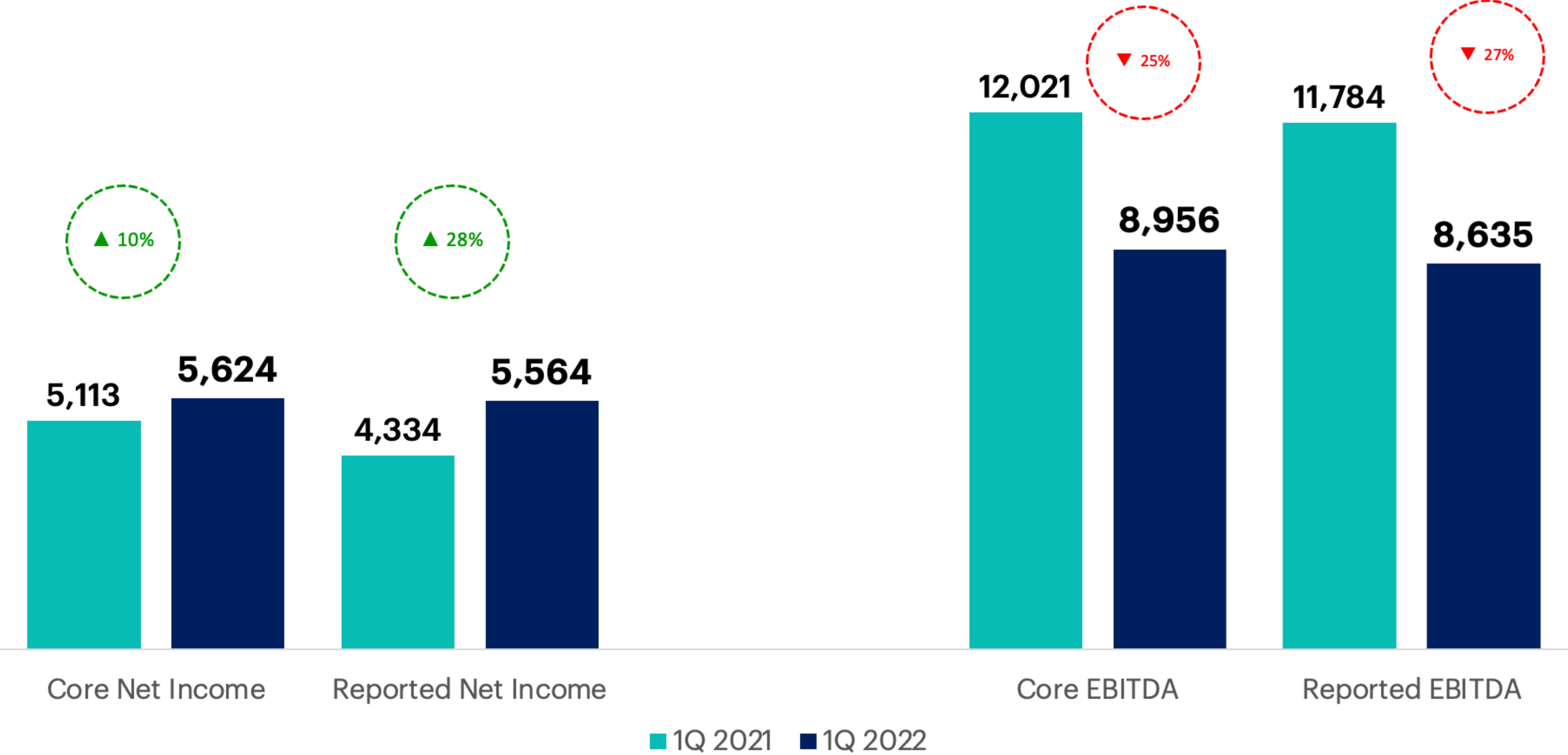


Q1 2022 Cost and Expenses, Capital Expenditures in PhP, Mn

Purchased power cost accounts for the bulk of total costs and expenses, representing 76%.
CAPEX spent on new connections, asset renewals, load growth projects, and support for BBB program.



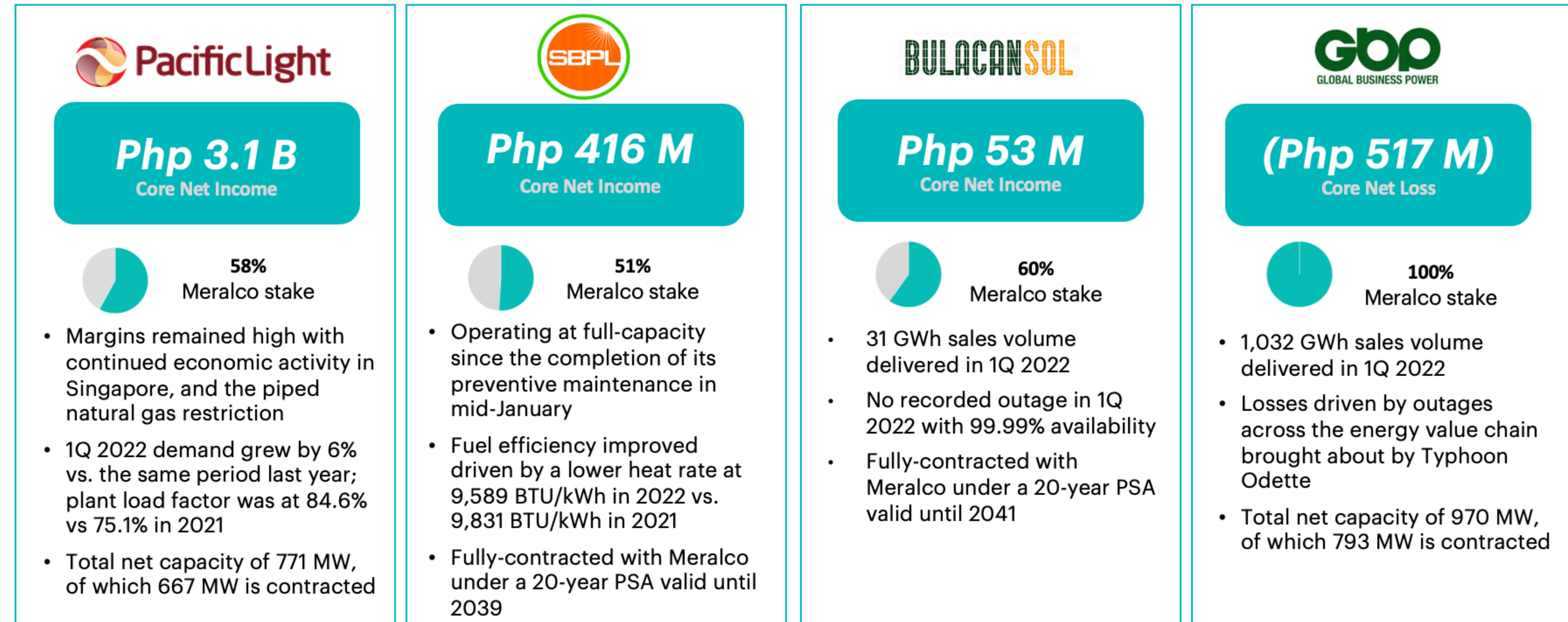
Q1 2022 Net Income and EBITDA in PhP, Mn



Margin	8%	7%	7%	6%								
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Q1 2022 Power Generation Stand-Alone Core Net Income

PacificLight's performance and contribution are due to the increasing demand in SG and the improved pool margin. San Buenaventura improved heat rate and 99.92% plant availability provided the positive contribution. BulacanSol added to the CCNI with its 99.99% availability.



Q1 2022 Subsidiaries CCNI Contribution and Performance

Strong contribution from subsidiaries as Meralco continuously expands its non-regulated businesses.



Php 26 M
CCNI Contribution

- Added **27 new billers** in 1Q 2022, bringing its total number of serviced billers to 505
- Gross transactions value of bills payments reached **Php 73 billion**, up by 30% vs. last year
- The Bayad App has recorded over **220,500 downloads** and booked **Php 54.0 million** in bills payment transactions in 1Q 2022



Php 65 M
CCNI Contribution

- **8,381 kilometers** (56% increase from prior year) of fiber optic cable, serving wholesale, enterprise and residential requirements
- **Red Fiber has 37,012 subscribers** in Metro Manila, Bulacan, Cavite, Laguna, Cebu and Pampanga
- Maintained **99.92% service level availability performance** in 1Q 2022

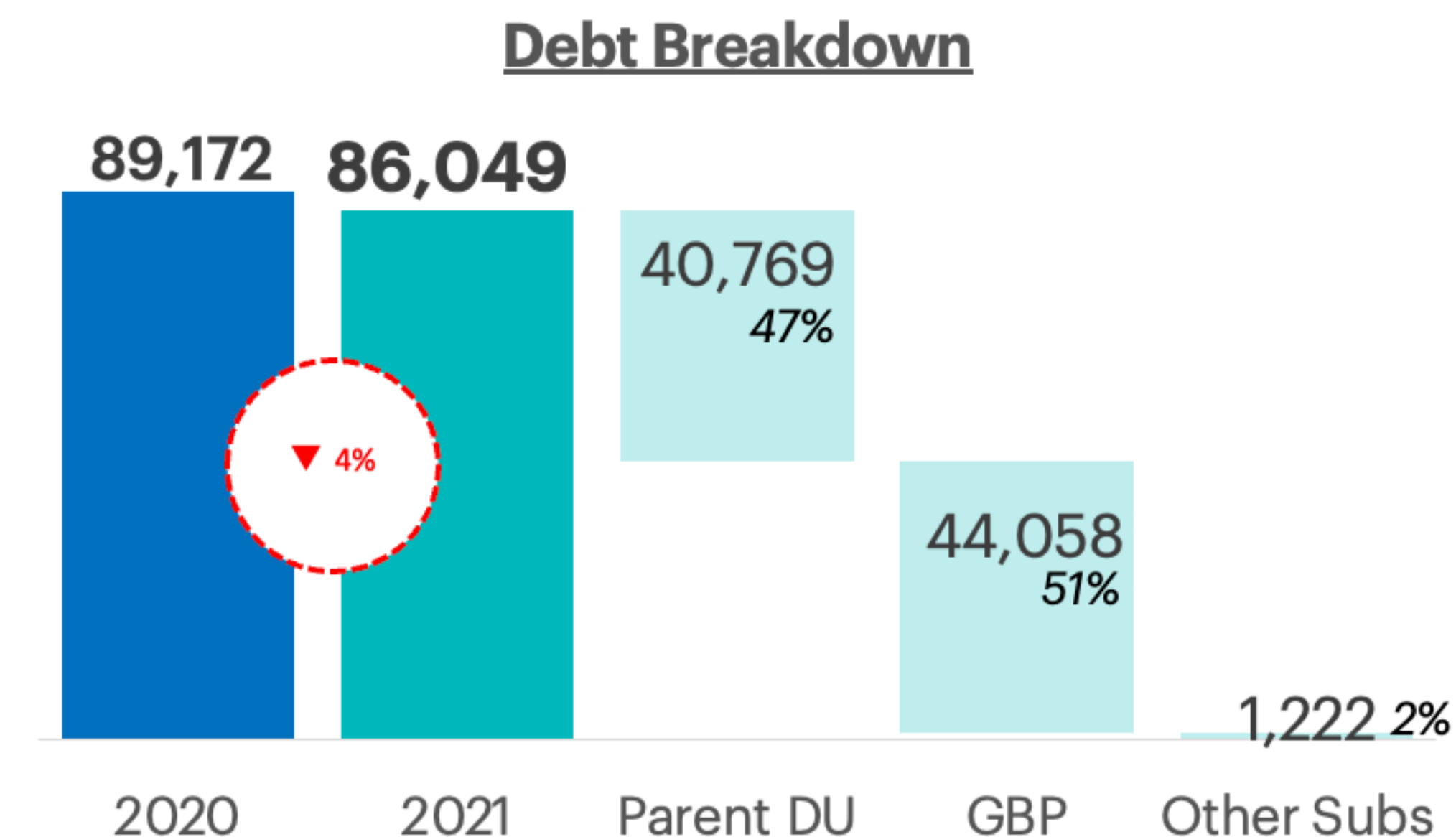
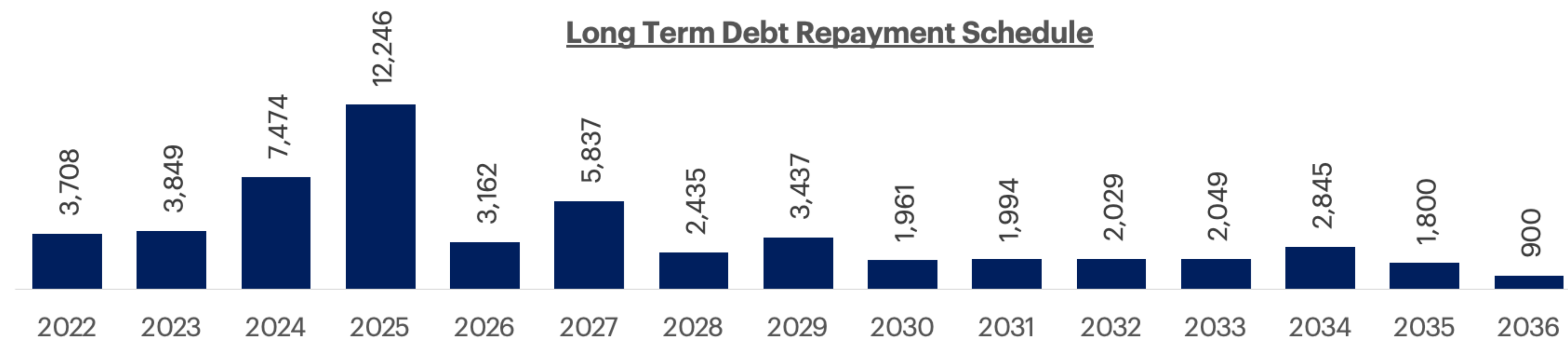


Php 36 M
CCNI Contribution

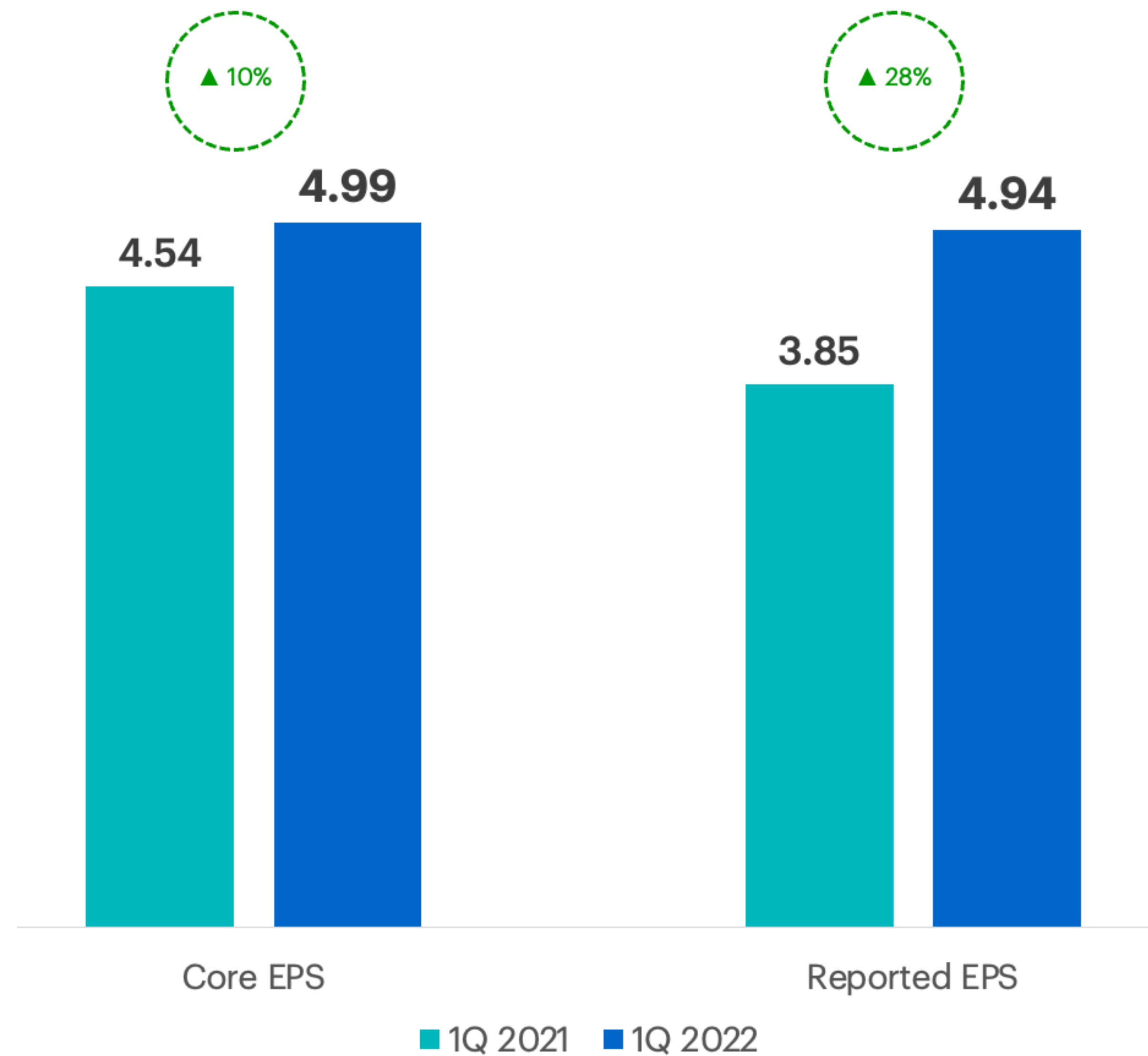
- **Higher revenue generated** from EPC contracts and telecoms business, MIESCOR Builders and MIESCOR Logistics

Q1 2022 Credit and Debt Profile in PhP, Mn

	1Q 2022	1Q 2021	Change
Cash & Cash Equivalents	58,034	63,011	-8%
Short-Term Investments	15,974	14,154	13%
Gross Debt	86,049	89,172	-4%
Net Debt	12,041	12,007	0%
Gross Debt to EBITDA	2.49	1.89	32%
Net Debt to EBITDA	0.35	0.25	37%
Gearing Ratio	0.13	0.16	-16%
Interest Expense	1,019	463	120%
Interest Income	432	481	-10%



Q1 2022 **Earnings per Share** in PhP per share





FIRST QUARTER ENDED MARCH 31, 2022 OPERATING RESULTS

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Q1 2022 Operational Highlights

BUSINESS DRIVERS

Energy Sales

11,069 GWh

▲ 6% vs. 2021

Customer Count

7.463 M

▲ 4% vs. 2021

Net System Input

11,690GWh

▲ 6% vs. 2021

Meralco Peak Demand

7,816 MW

▲ 10% vs. 2021

SERVICE PERFORMANCE

System Loss

6.02%

▼ 0.12%PT, 12-MMA vs. 2021

System Average Interruption Frequency Index

0.274 times

▲ 16% vs. 2021

System Average Interruption Duration Index

25.265 minutes

▲ 7% vs. 2021

Time to Connect

1.63 days

▼ 6% vs. 2021

ELECTRICITY RATE per kWh

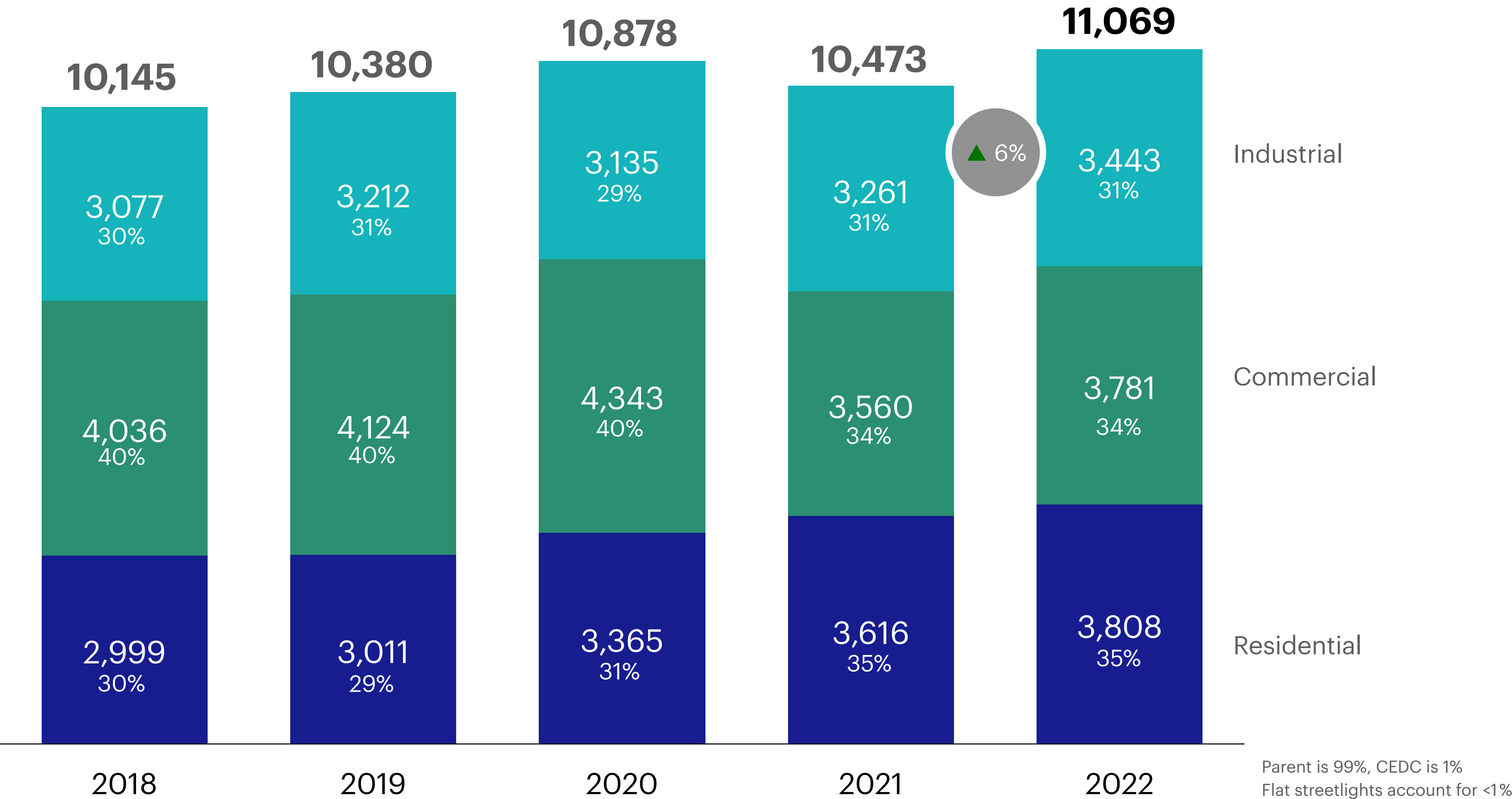
Average Retail Rate

PhP 8.89

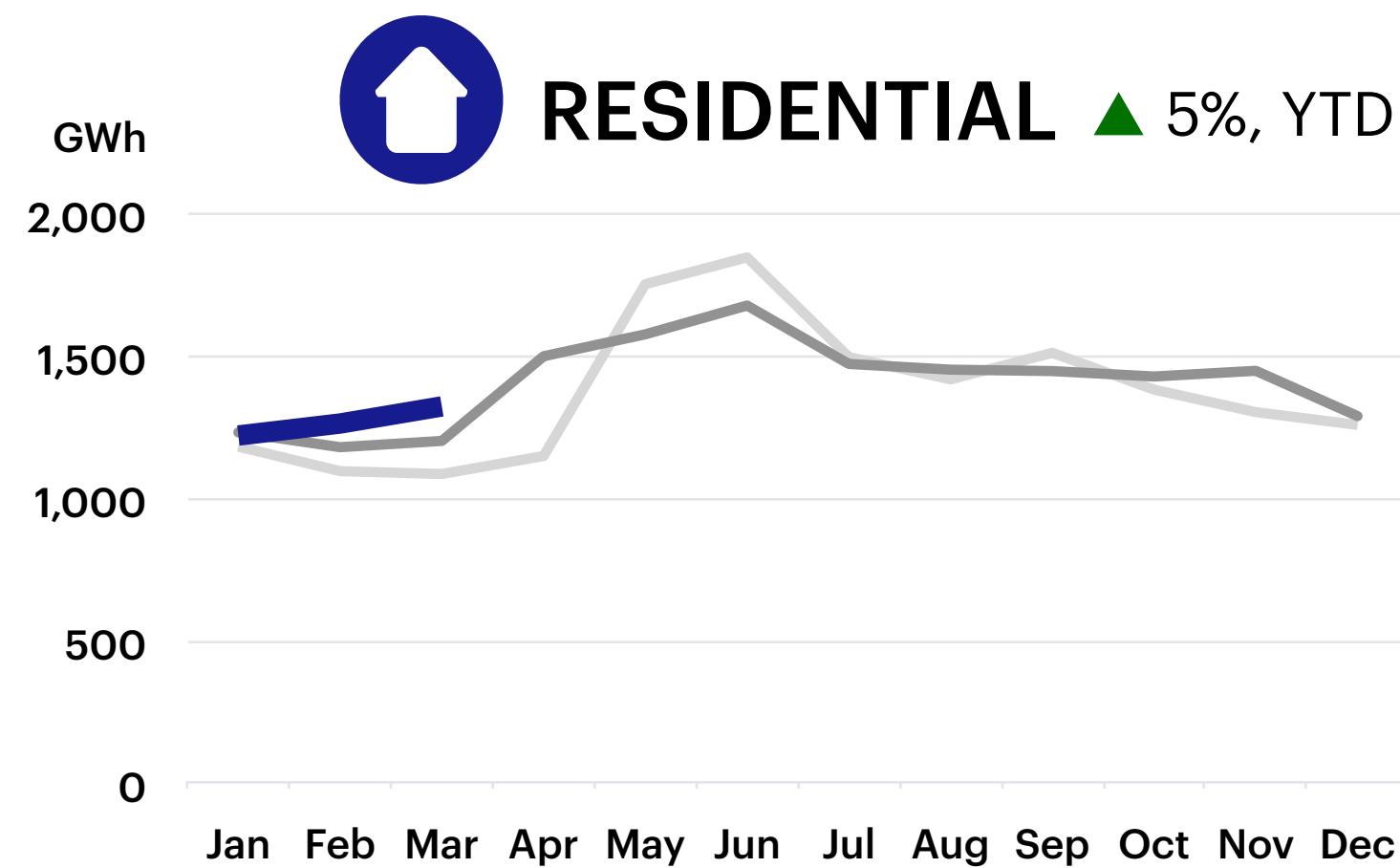
▲ 14%, vs 2021

Q1 2022 Consolidated Energy Sales in GWh

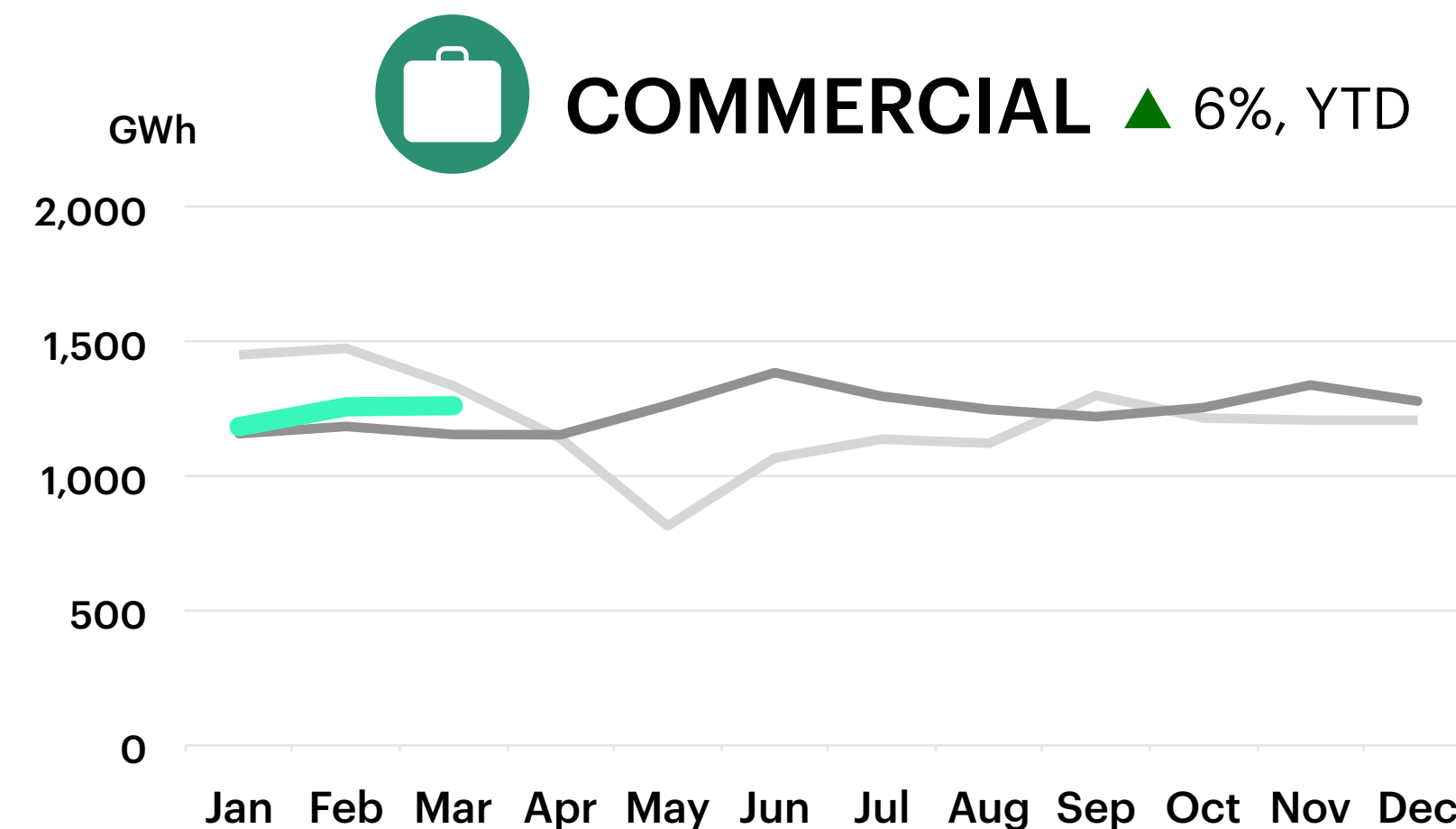
Surpassed pre-pandemic levels as energy sales grew 6% driven by recovery across all customer segments



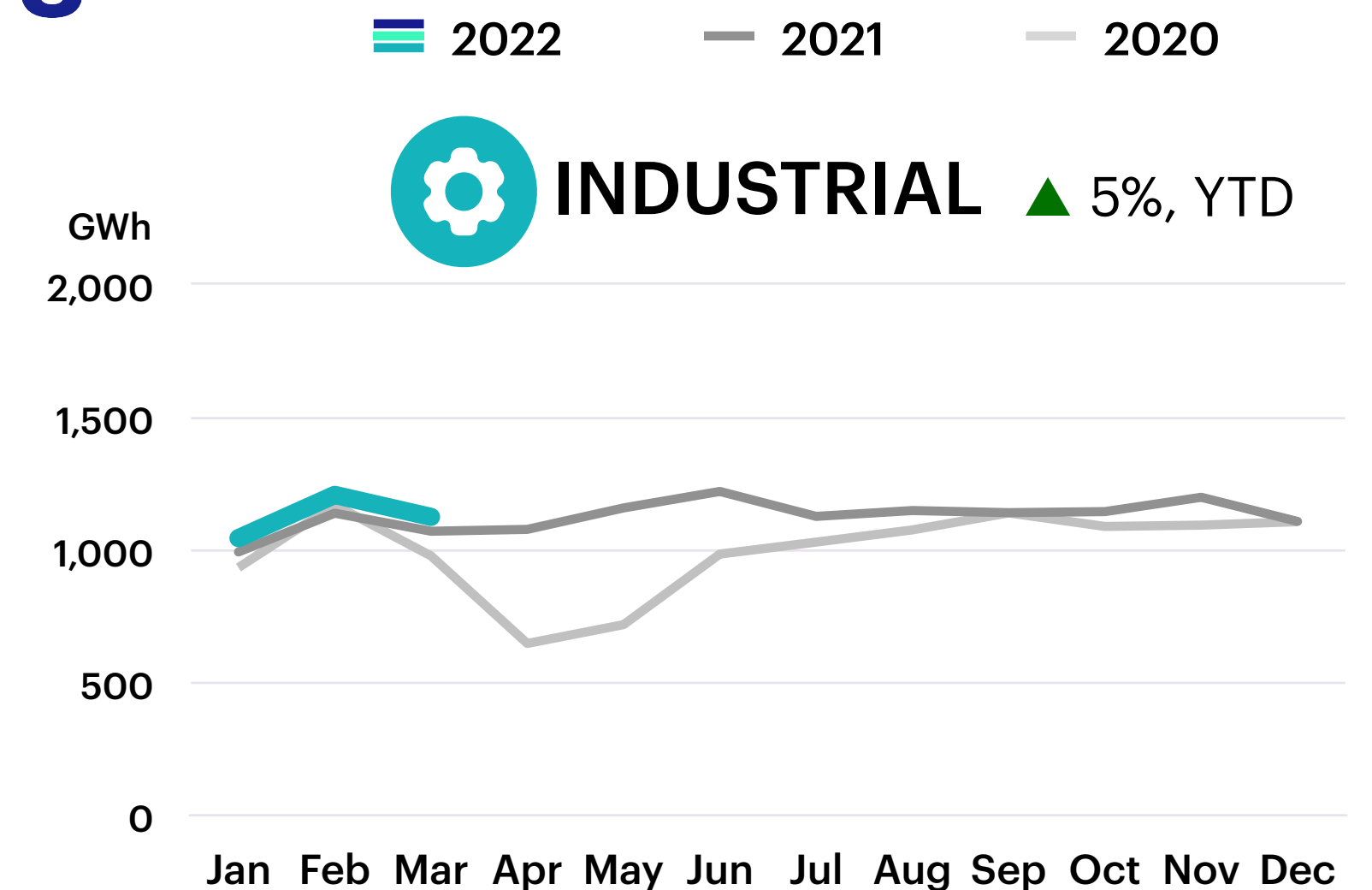
Q1 2022 DU Energy Sales Profile and Drivers



- Grew 5% driven by continuous strong household energizations and warmer temperature (27.5°C vs. 27.1°C in 2021)
- Metro Manila registered higher sales due to increased condominium occupancy as on-site work resumed
- Mass housing projects in Cavite and Bulacan contributed to sales ramp-up



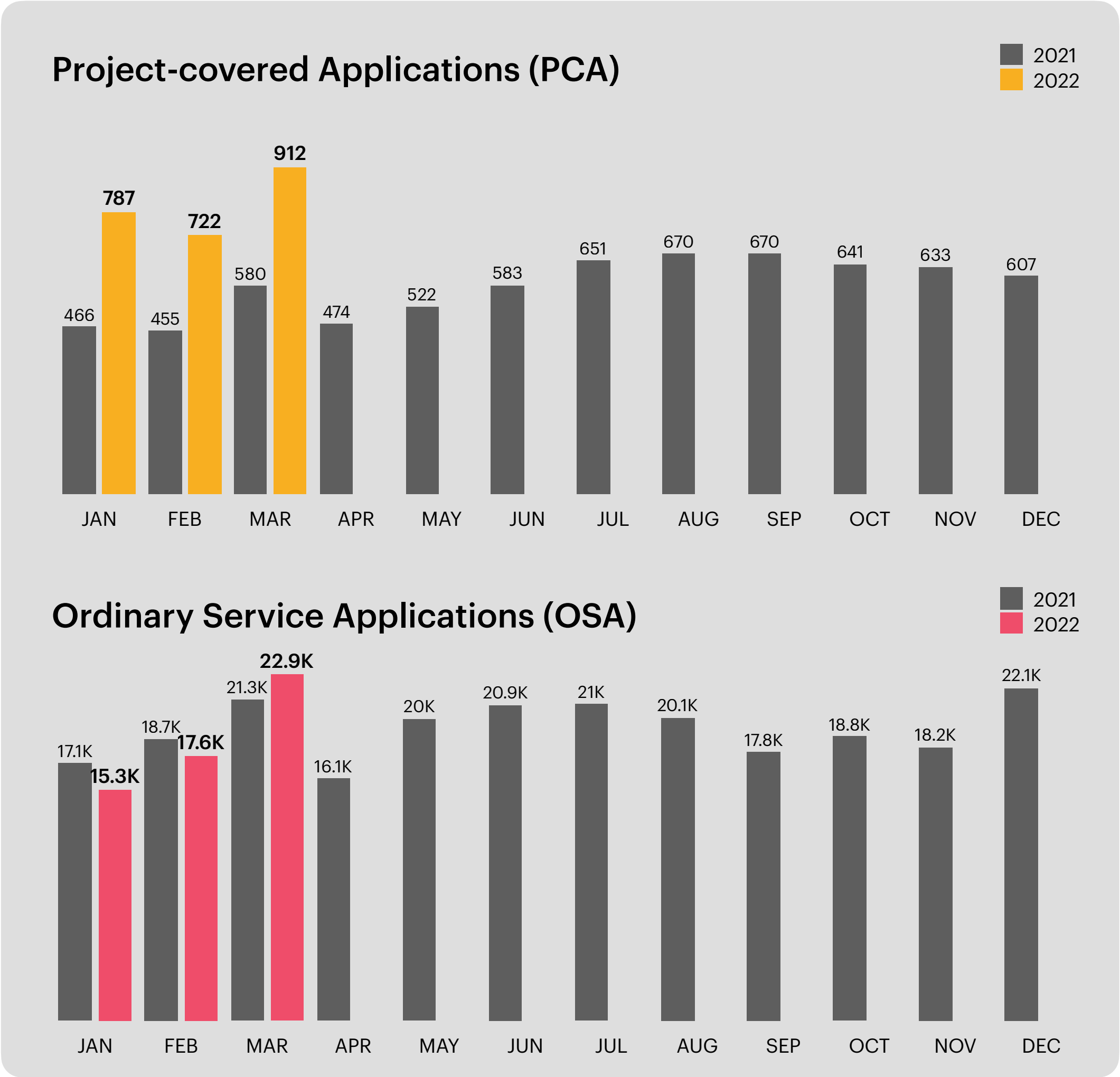
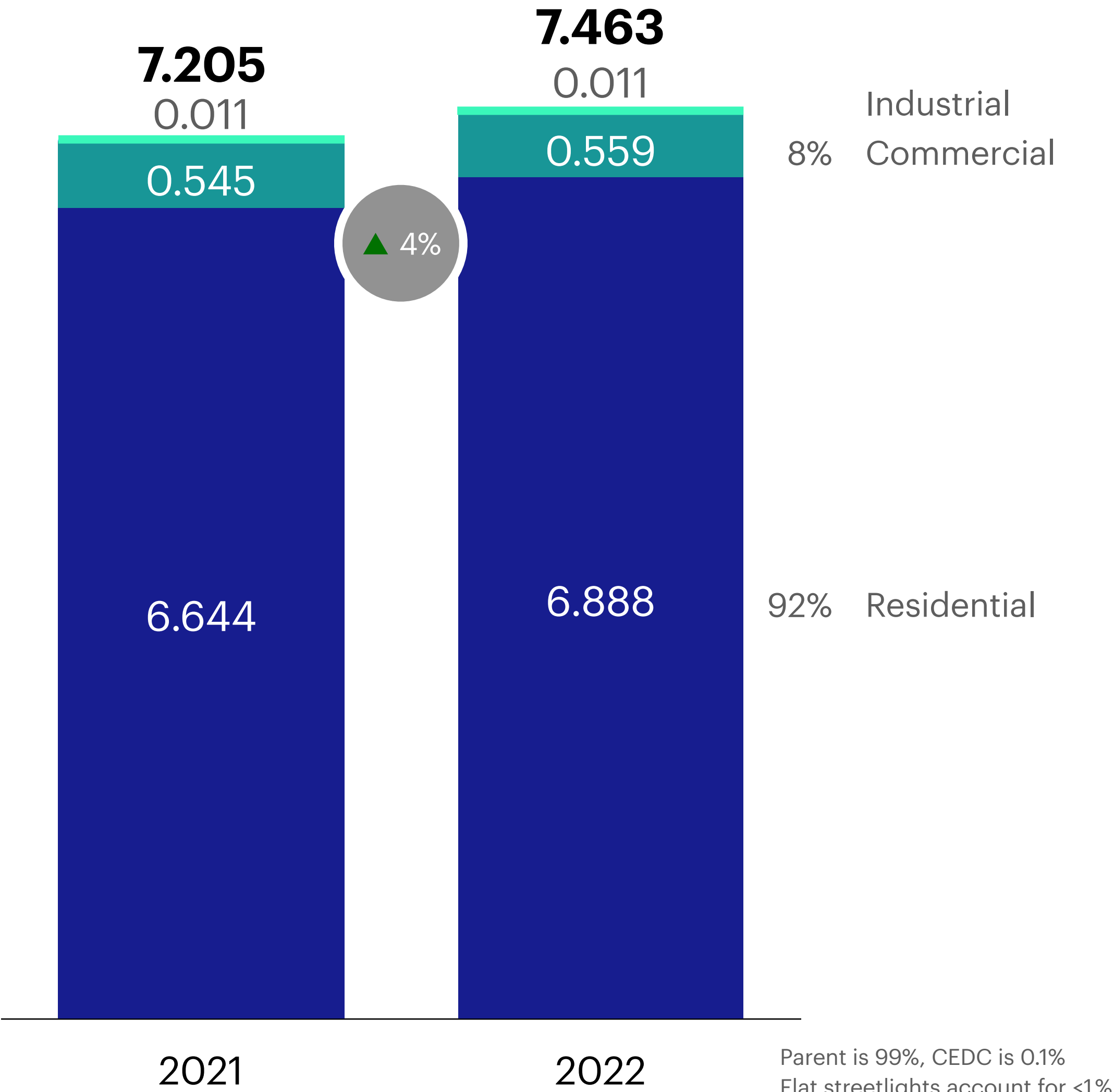
- Grew 6% driven by heightened activities in NCR and CALABARZON, as public confidence increased with relaxed restrictions
- Real Estate (i.e., offices and rentable spaces) back to pre-pandemic levels
- Retail, Restaurants, and Hotels operated at full capacity
- Storage and warehouse benefitted from vaccination activities and growth in F&B industry
- Education recovered as school began hybrid and face-to-face classes



- Grew 5% driven by increase in demand from easing restrictions
- Semicon continued to grow given global demand for chips; Cement caught up on construction activities; and F&B increased production to support consumer demand
- Plastics posted growth as demand for F&B and chemicals packaging increased
- Major growth areas in Batangas and Laguna (industrial parks), as well as Bulacan (manufacturing plants)

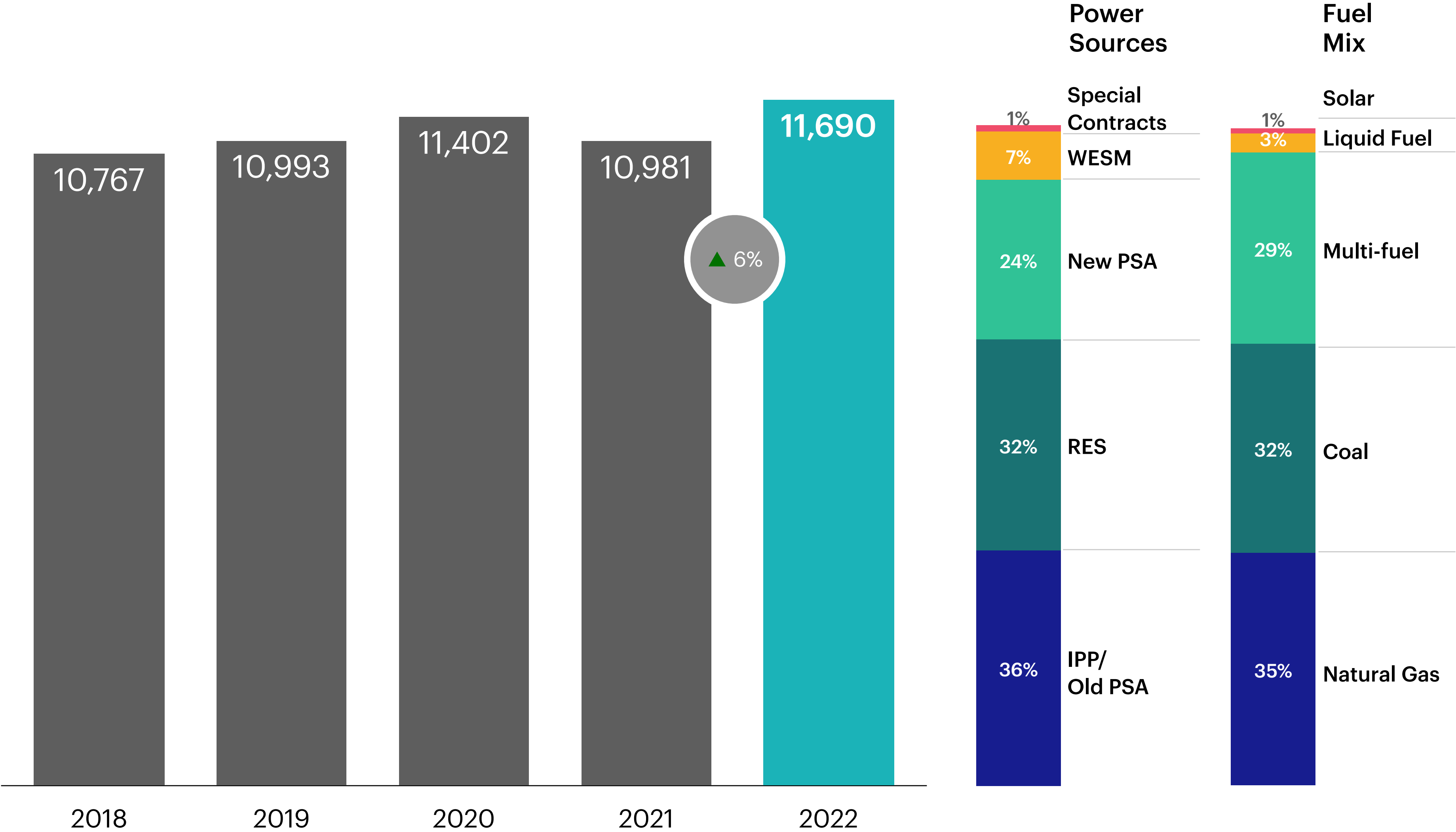
Q1 2022 Consolidated Customer Count in M

Increase in customer base driven by strong energization performance on PCA and OSA as LGUs and developers cleared backlog and operated at full capacity



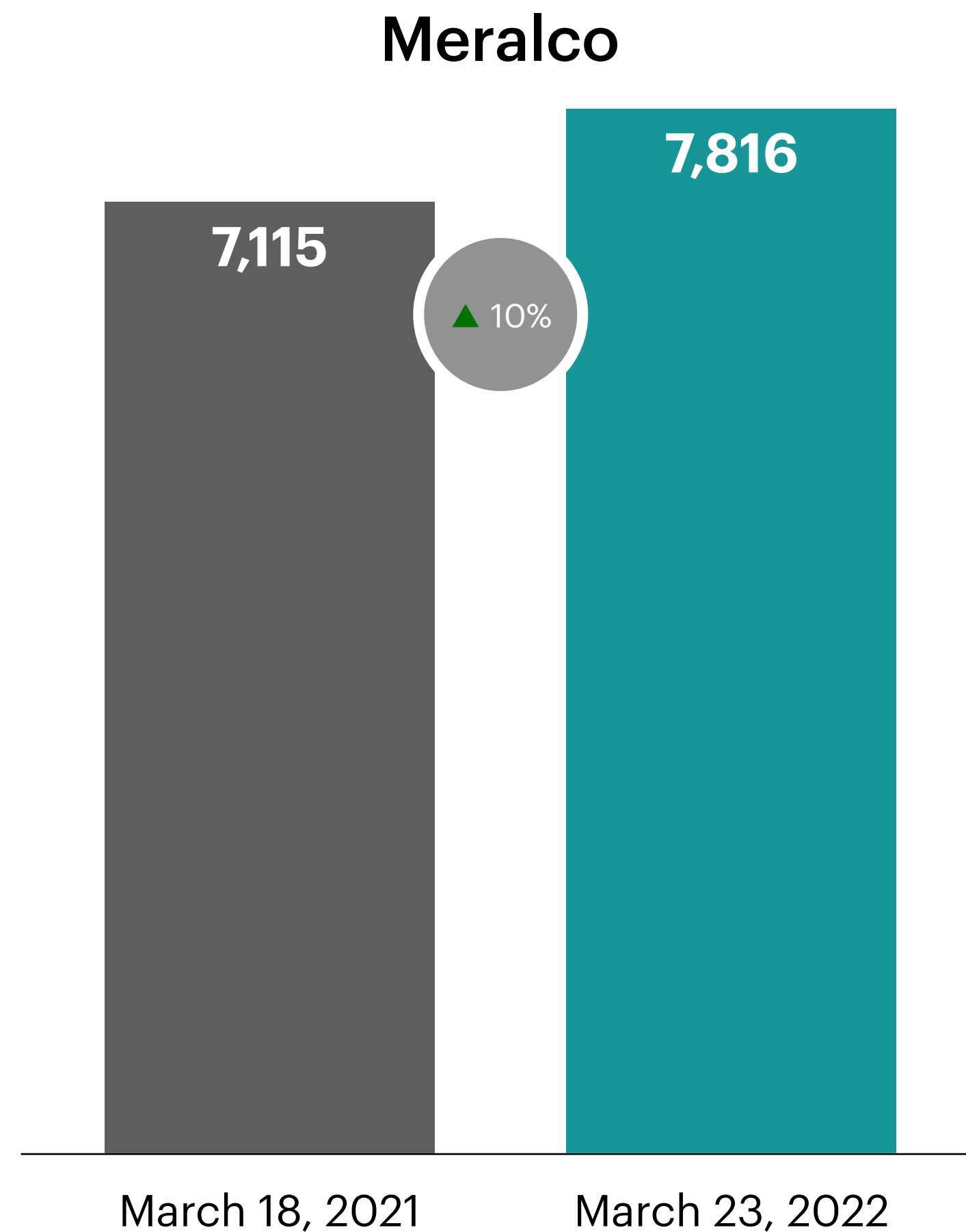
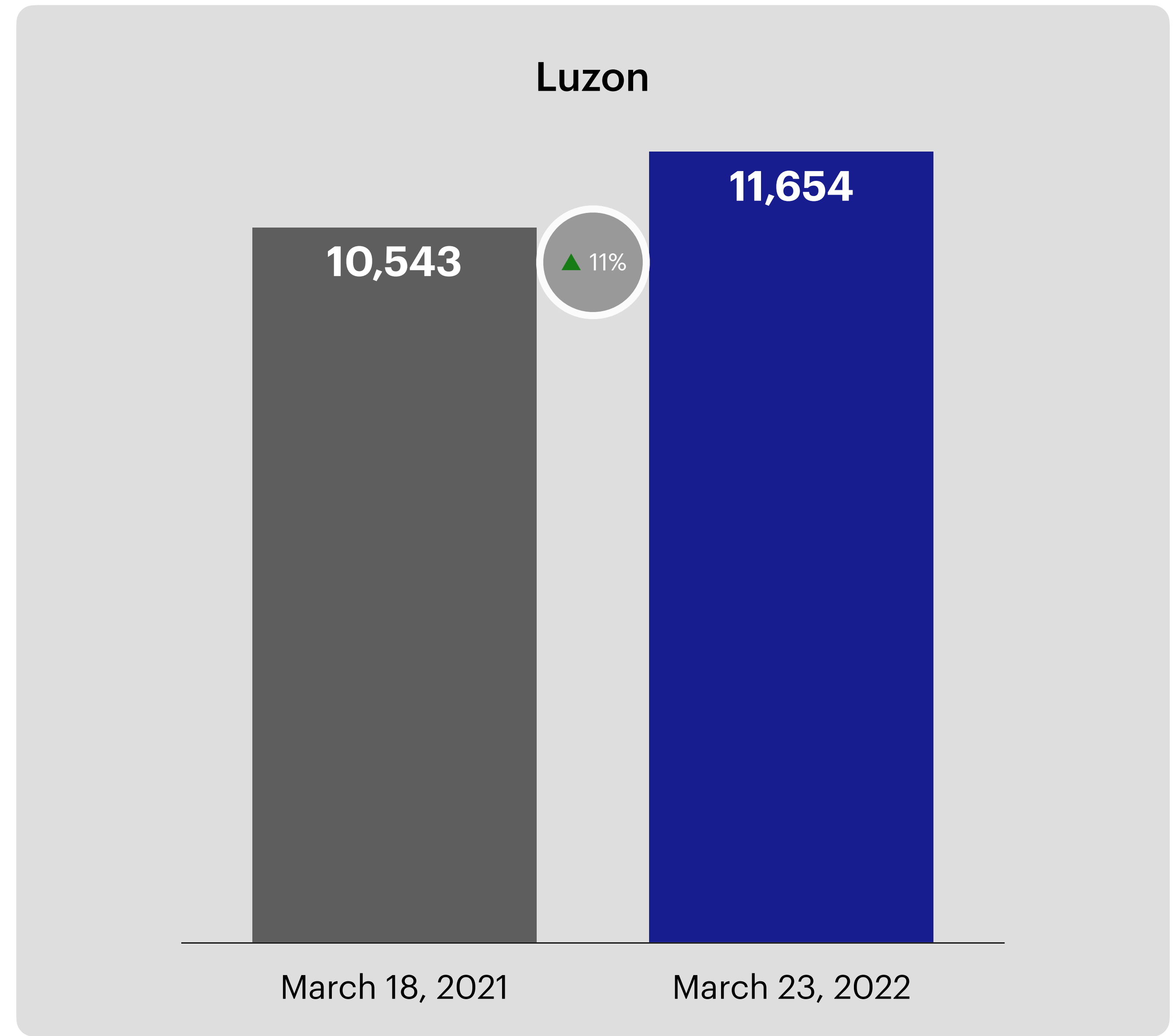
Q1 2022 Consolidated NSI in GWh

Higher vs. pre-pandemic Q1 2020 performance driven by recovery across all customer segments



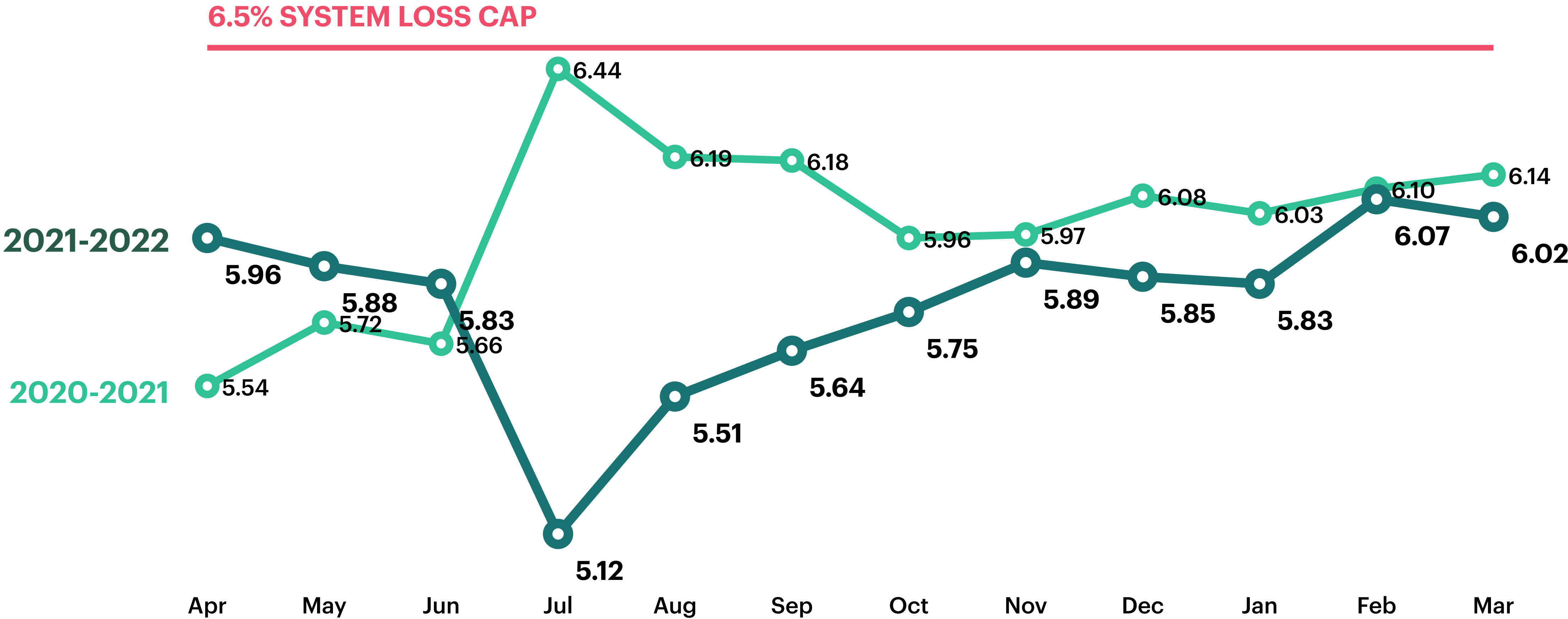
Q1 2022 **Peak Demand** in MW

Meralco and Luzon peaks above 2021 due to heightened activities amid Alert Level 1



Q1 2022 System Loss in %, 12-MMA

Improvement (0.12% points) vs. 2021 due to sales approaching pre-pandemic mix (i.e., higher C&I) and driven by initiatives to reduce system loss and unbilled energy sales

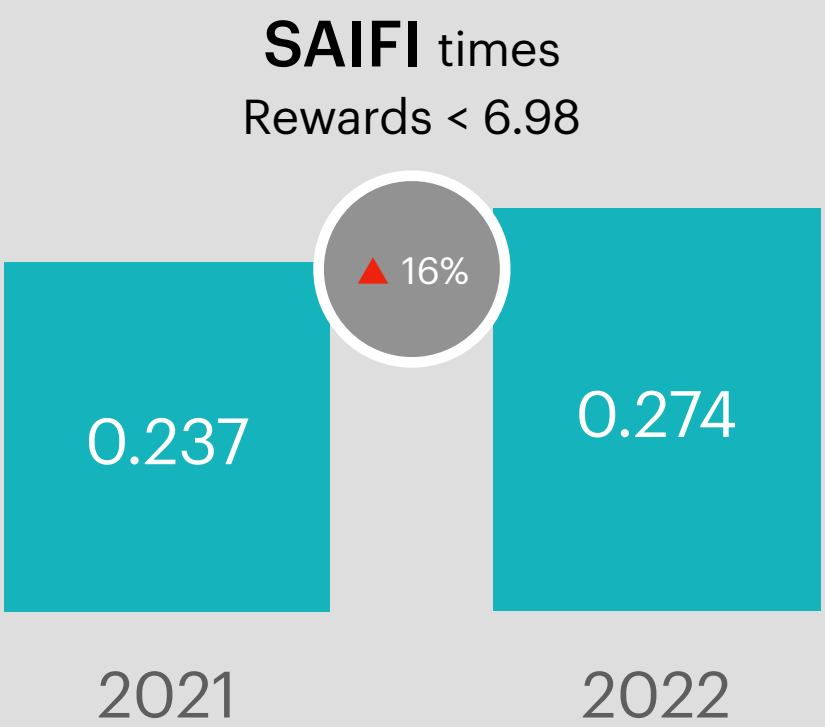
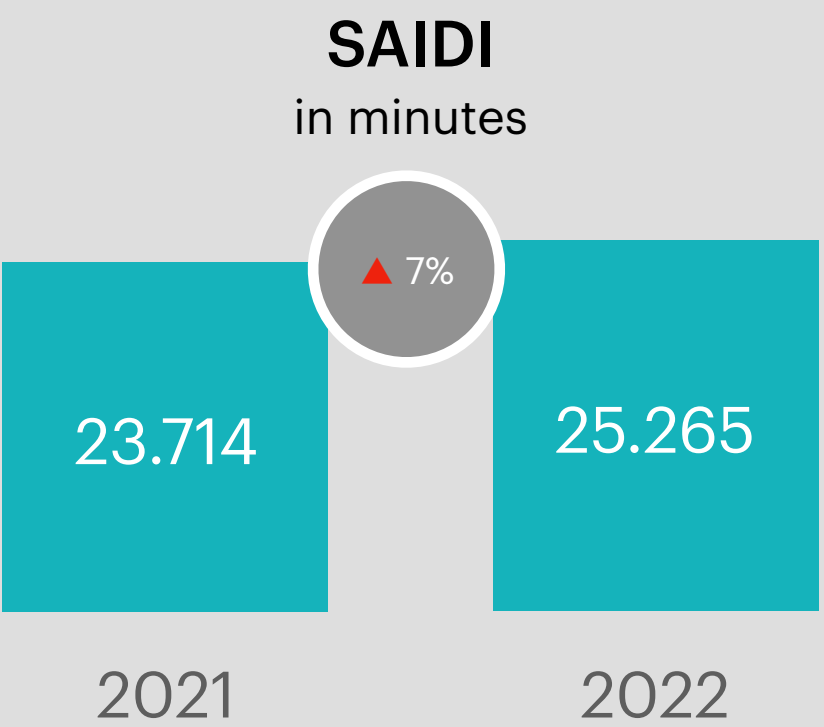
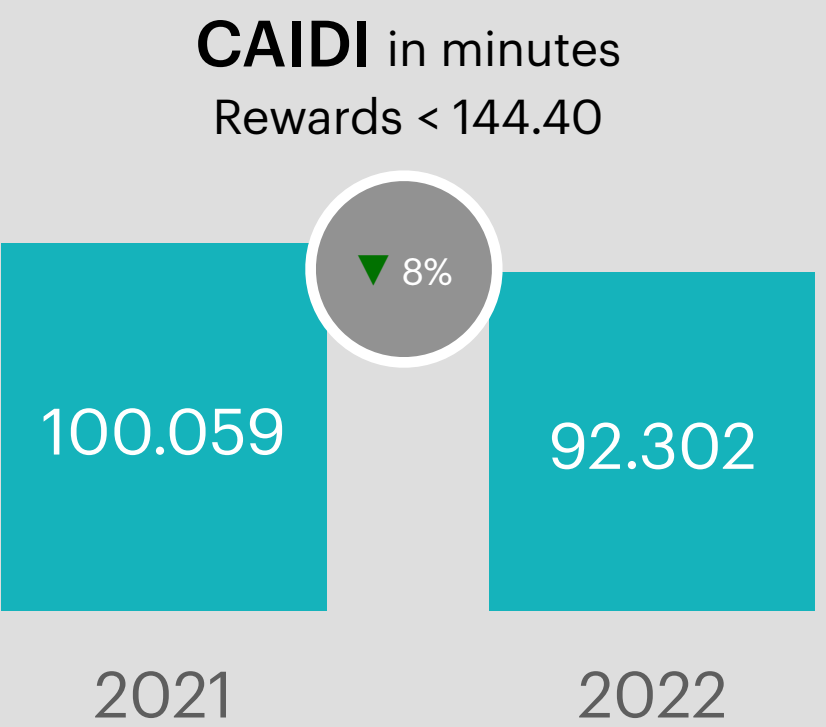


Q1 2022 S-Factor Performance and Guaranteed Service Levels (GSL)

Continued to deliver within performance ceilings despite increase in SAIFI and SAIDI

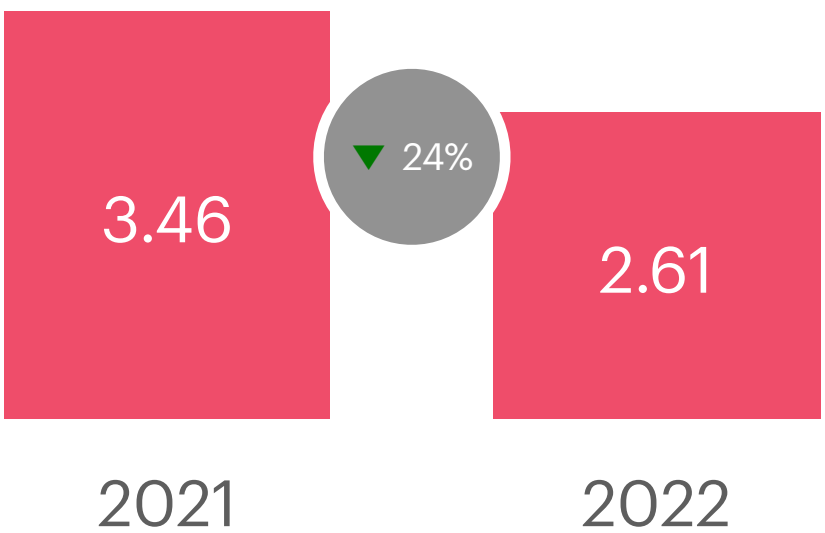
Network

- % Probability of Voltage Violation at 0 (within rewards level of <0.85)
- Planned SAIDI at 13.352 minutes (within rewards level of <126.57)

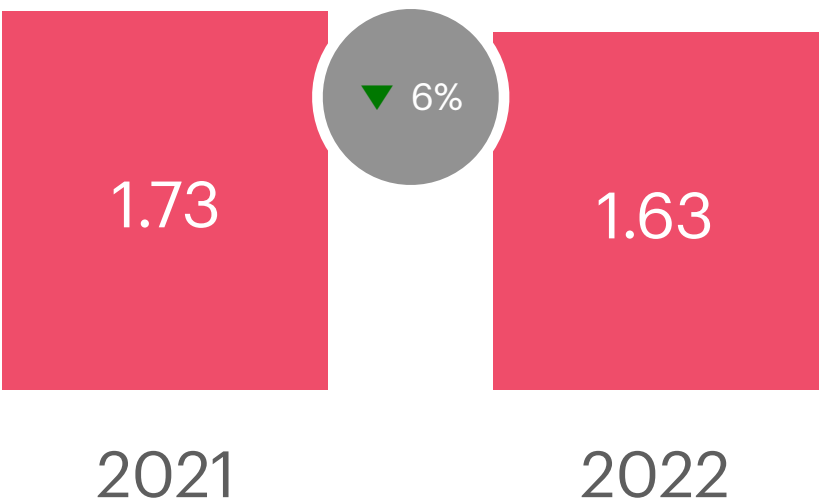


Customer

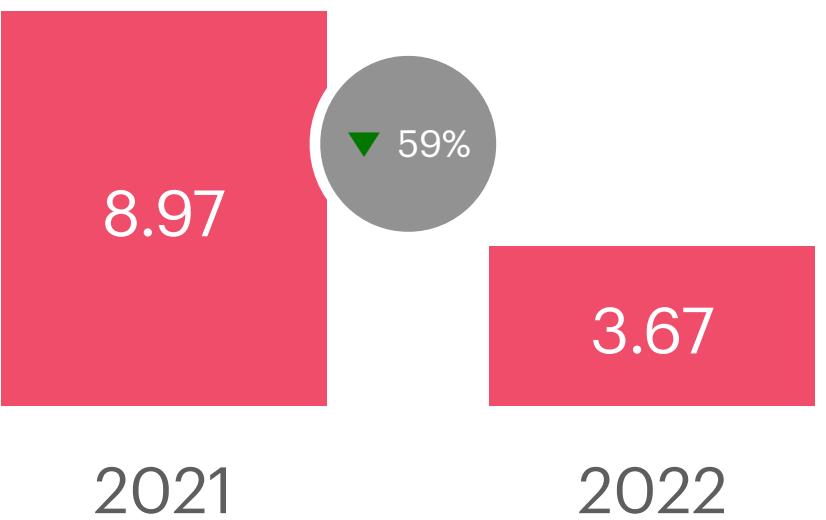
Average Time to Process Applications
in days | Rewards < 7.90



Average Time to Connect
in days | Rewards < 3.55



Call Center Performance
in seconds | Rewards < 13.55



RY2022

GSL 1

Zero customers

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

GSL 2

Zero customers

experiencing number of sustained interruptions up to 18,989 violations

GSL 3

9 incidents

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

GSL 4

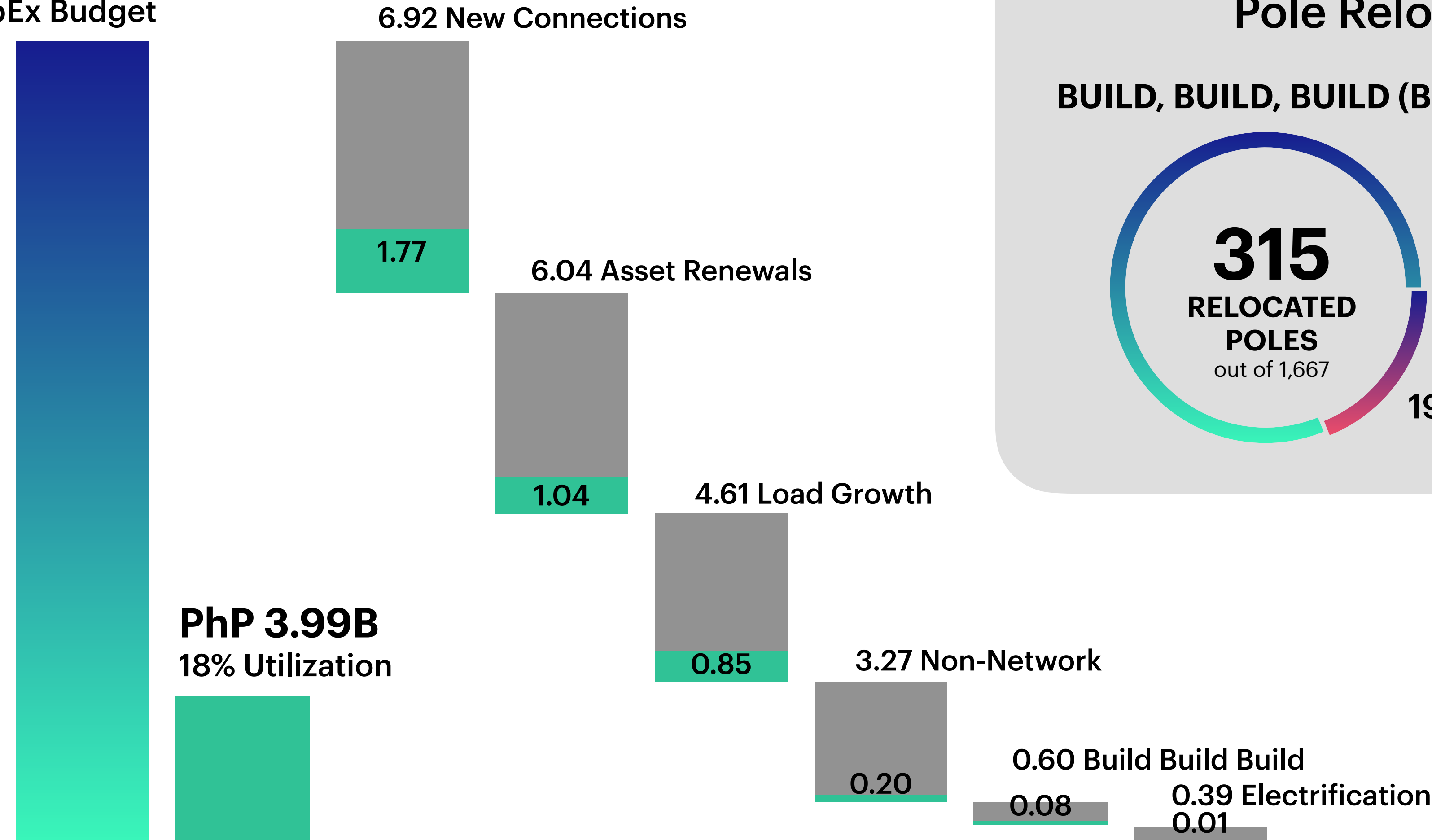
30,100 days-delay

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

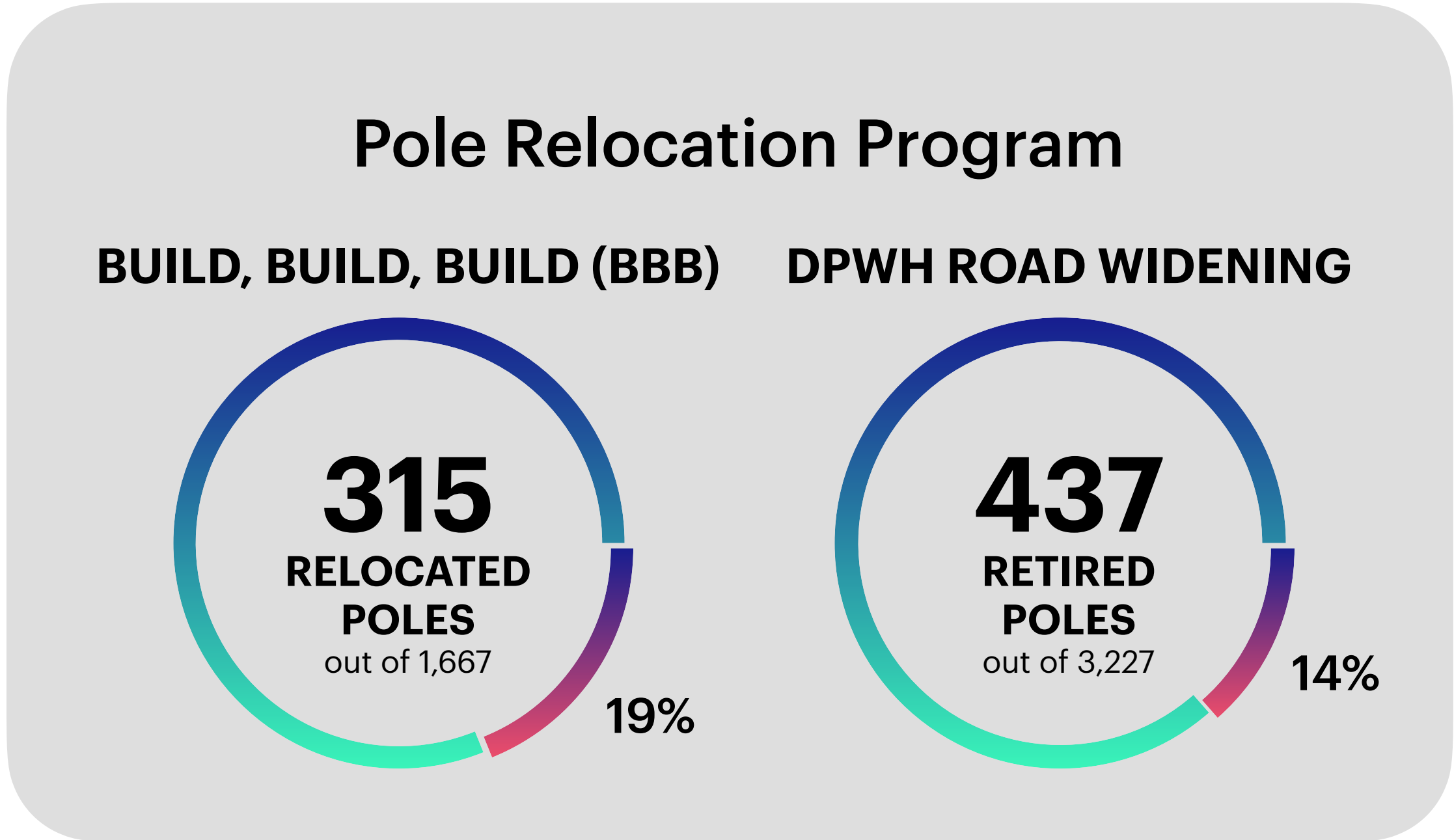
Q1 2022 Networks CapEx in PhP, B

18% of CapEx budget utilized with majority of spend in new connections, while continuing to support BBB and DPWH projects

PhP 21.91B
CapEx Budget



PhP 3.99B
18% Utilization



Utilization
Budget

Networks Project Update

Upgrading of Calumpit Power Transformer Banks 1 and 2 to 1-50 MVA

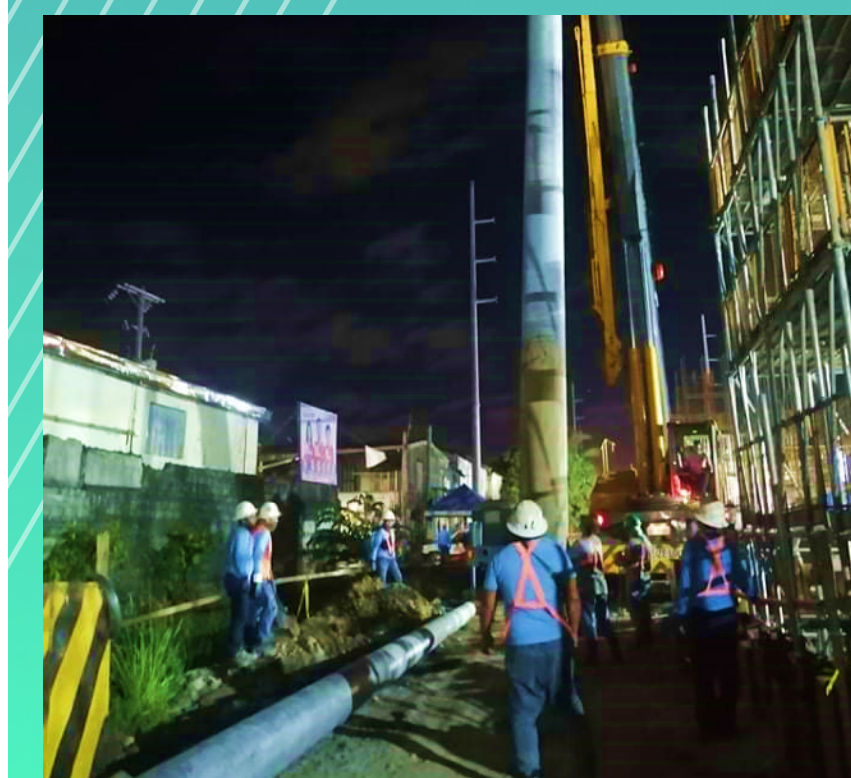
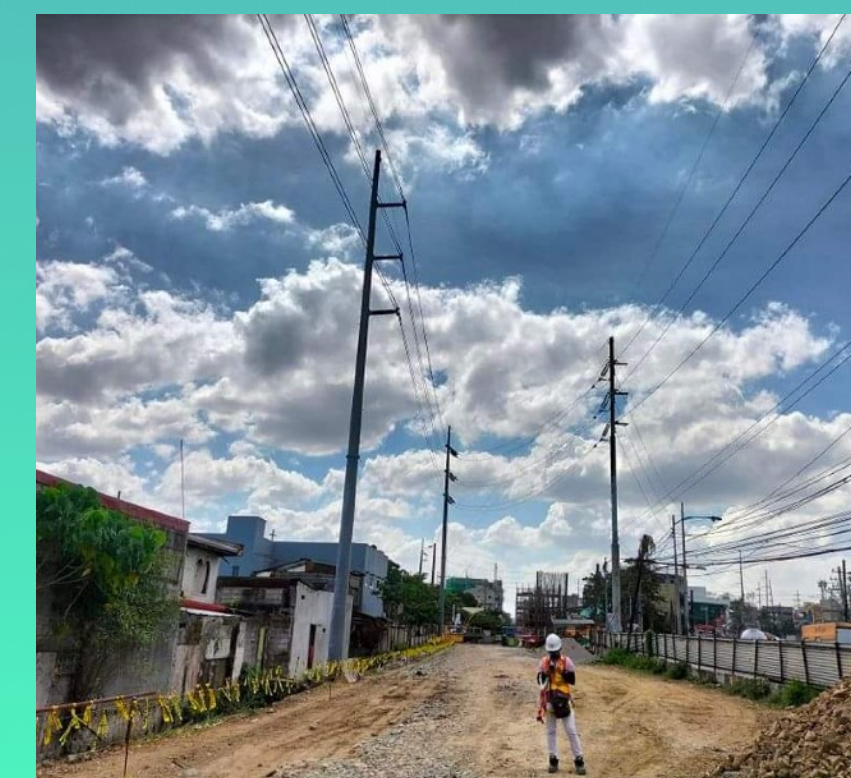
- Commissioned on January 25 to replace 25-MVA power transformer banks with new 50-MVA transformer as part of RY2019 CAPEX filing (PhP 195M)
- Implemented to improve system adequacy and reliability in areas of Calumpit, Hagonoy, Paombong, Pulilan, and portions of Malolos in Bulacan
- Benefitting industrial customers such as Fisher Farms Inc., Premium Feeds Corp., Foster Foods, Glacier Pulilan Refrigeration Services Corp., and Teh Hsin Ent. Phils. Corp, and R.M. Foods Inc., with total contracted capacity of 7.89 MW



BBB/PPP Pole Relocation Project Updates

PNR North 1 Rail Transit

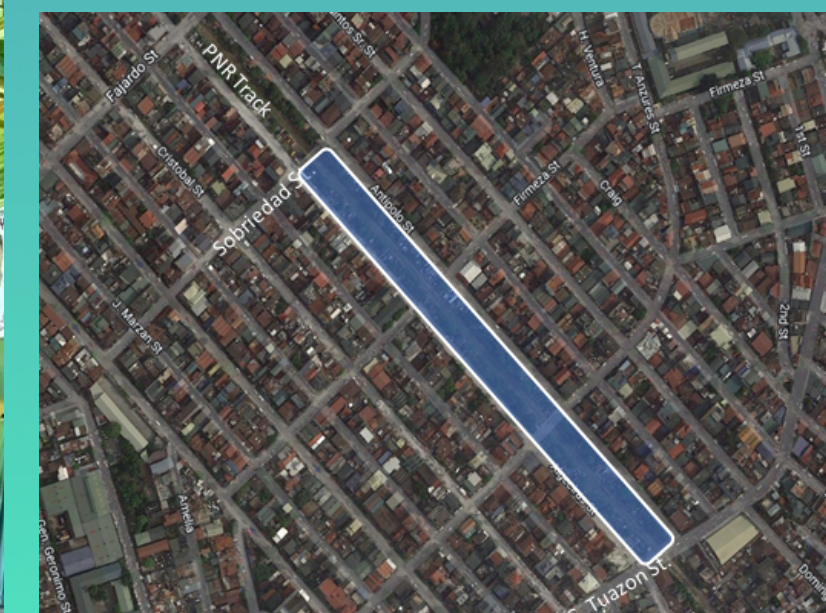
- 38-km urban rail transit
 - Part of North-South Commuter Railway (NCSR)
 - Connects Malolos City, Bulacan with Tutuban, Manila
 - Consists of 6 stations for construction
- Relocated 368 poles
 - In March: Relocated 27 poles for 3 temporary and 2 permanent relocation works in Meycauayan, Guiguinto, and Malolos, Bulacan



BBB/PPP Pole Relocation Project Updates

NLEX-SLEX Connector Road

- 8-km, 4-lane, all-elevated expressway
 - C3 Road Caloocan Interchange to PUP Sta. Mesa, Manila
 - Connects to Skyway Stage 3 and mostly traverses PNR Rail Track
- March 31: Retired 396 poles and installed 584 poles allowing NLEX Corporation to execute bored piling, crosshead erection, and girder launching activities



BBB/PPP Pole Relocation Project Updates

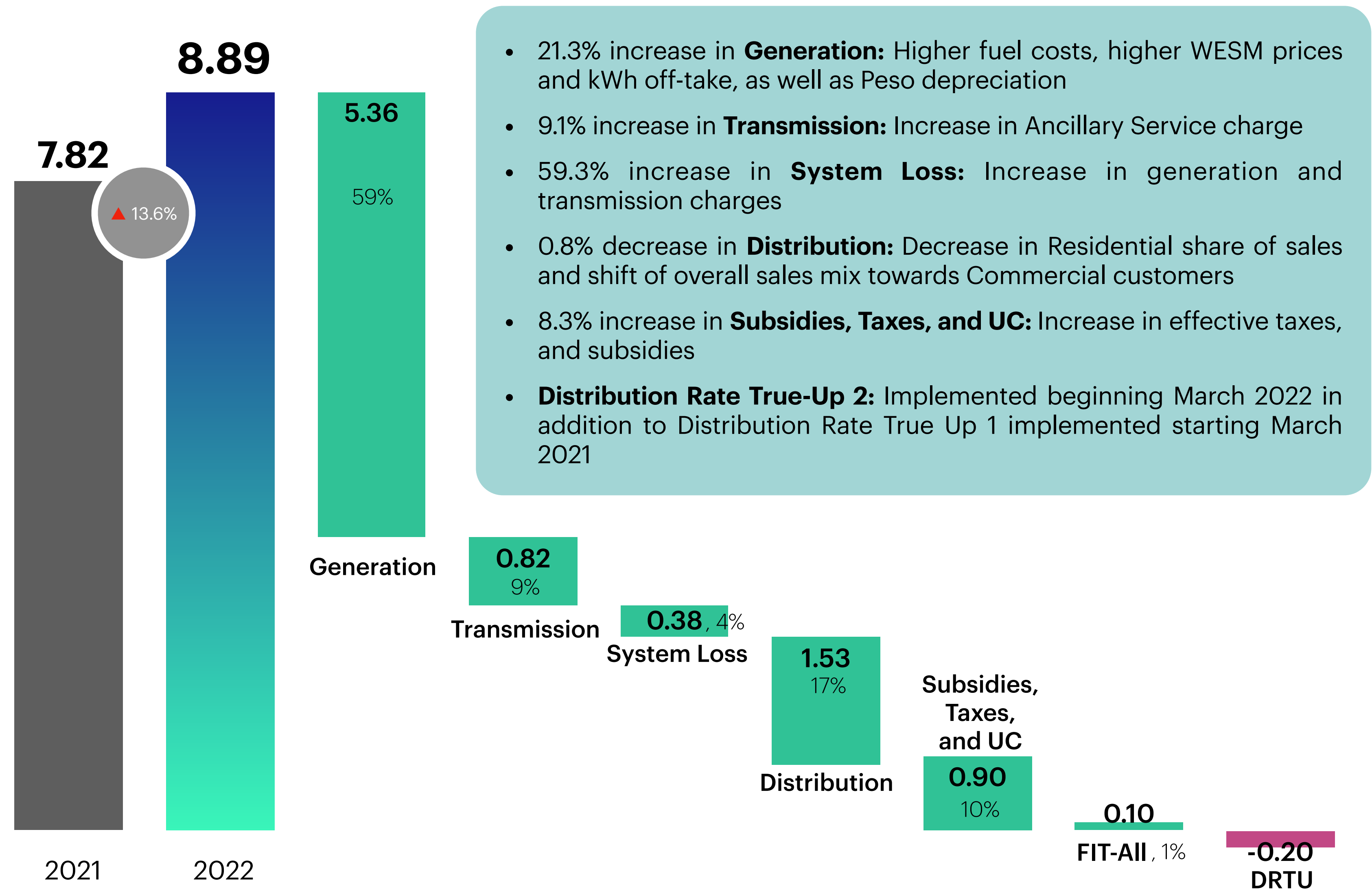
Intramuros-Binondo Bridge

- 680-meter, 4-lane steel arch bridge over Pasig River in City of Manila
 - Connects Intramuros (at Solana Street and Riverside Drive) and Binondo (at Rentas Street, Plaza del Conde Street and Muelle dela Industria) with viaduct over Estero de Binondo
 - Accommodates over 30,000 motorists daily, improving traffic conditions in Metro Manila
 - Inaugurated on April 5, 2022
- Retired 44 poles and installed 48 new ones to support project



Q1 2022 Average Retail Rate in PhP per kWh

13.6% higher than Q1 2021 average rate mainly due to higher generation charge



Average Rate per Customer Segment

	10.02 Residential
	8.92 Commercial
	7.55 Industrial
	10.46 Streetlights
	0.49 Generator Wheeling

Performance Based Regulation (PBR) Updates

5RP Reset Application filed March 16, 2022

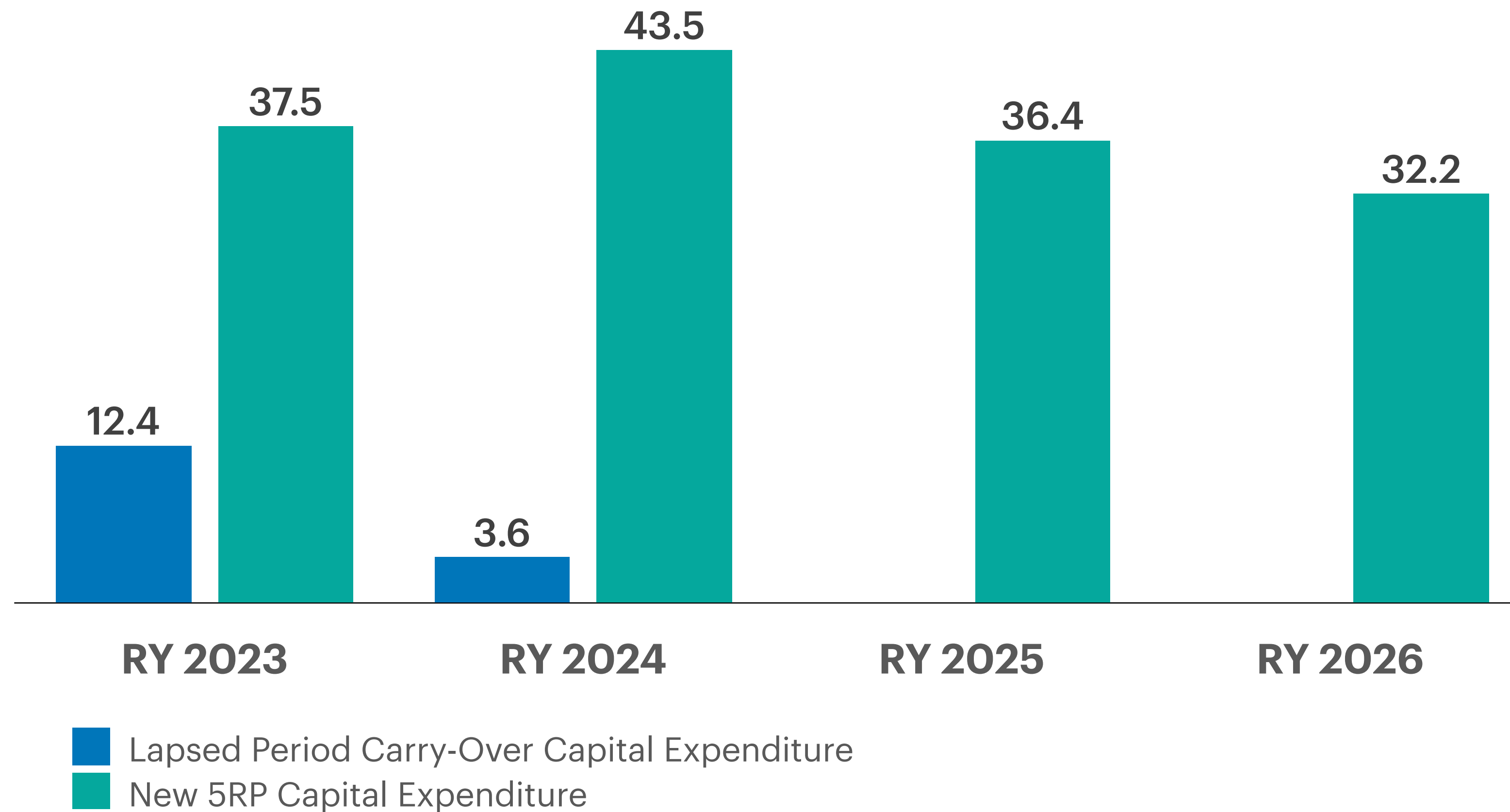
<i>in PhP, B</i>	RY 2023	RY 2024	RY 2025	RY 2026
Return on Capital (RAB x 13.2% WACC)	25.9	30.6	34.1	36.4
Return of Capital (Depreciation)	11.9	14.9	17.1	18.9
OPEX (nominal)	27.8	28.9	31.0	33.2
Other Taxes	0.5	0.5	0.5	0.5
Net Efficiency Adj	1.9	3.3	1.5	0.2
3RP under-recovery	0.3	0.3	0.3	0.3
GSL	0.3	0.4	0.4	0.4
Annual Rev Reqt Total	68.5	78.7	84.9	89.9
Sales	48.5	49.9	51.6	53.5
Smoothed Price	1.5663	1.5702	1.5695	1.5664
Average MAP	1.57			

- 5RP covers July 1, 2022 to June 30, 2026 (RY 2023 to 2026) and comes after seven-year Lapsed Period (July 1, 2015 to June 30, 2022)
- All Group A utilities (CEPALCO, DECORP, and Meralco) submitted applications last March 11, 2022

PBR Updates

5RP Reset CAPEX Application

Forecasted CAPEX (in PhP, B)



Rate Update

Distribution Rate True Up (DRTU) ERC Case No. 2020-043 RC

True-Up Period	Interim Average Rate (IAR)	AWAT	Excess Rate from IAR	Refund Amount
Jul 2015 – Nov 2020	1.3810	1.4414	0.0604	DRTU 1 = 13.9B
Jul 2015 – Dec 2021	1.3810	1.4422	0.0612	DRTU 1 + DRTU 2 = 18.7B
			Difference	DRTU 2 = 4.8B

Customer Class	DRTU 1 Implemented since March 2021	DRTU 2 Implemented since March 2022	DRTU 1 and 2 as Reflected in March 2022 Bills
Residential & General Service A	(0.2761)	(0.1923)	(0.4684)
General Service B	(0.1811)	(0.1262)	(0.3073)
General Power	(0.0789)	(0.0549)	(0.1338)
GHMSCI	(0.1165)	(0.0812)	(0.1977)
Flat Streetlights	(0.2870)	(0.1999)	(0.4869)
Generator Wheeling	(0.0366)	(0.0255)	(0.0621)
AVERAGE	(0.1528)	(0.1064)	(0.2592)

- Shown as separate line item called “Distribution Rate True-up” since March 2021
- For March 2022, bills will reflect total of DRTU 1 and 2
- By April 2022, DRTU 1 and 2 will be split into two line items

Competitive Selection Process (CSP) Updates

850 MW Unsolicited Proposal from Terra Solar Philippines, Inc. (Terra Solar)

- **February 21, 2022:** SMC Global Light and Power Corp. submitted letter informing TPBAC of its withdrawal of participation from CSP
- **April 5, 2022:** On Bid Submission Deadline, SunAsia Energy Inc. did not submit bid but instead submitted “Notice of Non-Submission of Bid”. Since no comparative bid was received, TPBAC declared failure of Bidding
- **April 6, 2022:** Meralco submitted Final Invitation to Bid and Bid Requirements for conduct of second round of CSP
- **April 17, 2022:** Final Invitation to Bid and Bid Requirements was approved by DOE and posted in CSP E-Portal. Newspaper publication was made on April 19, 2022 and deadline for submission of Expressions of Interest (EOI) is on May 2, 2022.

CSP Updates

180 MW covering contract period from February 26, 2022 to July 25, 2022

- **March 31, 2022:** On Expression of Interest (EOI) Deadline, TPBAC did not receive EOI from any prospective bidder and declared failure of bidding
- **April 4, 2022:** Meralco submitted Final Invitation to Bid and Bid Requirements for conduct of second round of CSP. Meralco proposed allowance for possible extension of contract period for up to 5 months to mitigate indefinite exposure of MERALCO's customers to higher generation costs associated with running SPEX-Malampaya gas-reliant plants on liquid fuel, given continuous rise of fuel prices.
- **April 17, 2022:** Final Invitation to Bid and Bid Requirements was approved by DOE and posted in CSP E-Portal. Newspaper publication was made on April 19, 2022 and deadline for submission of Expressions of Interest (EOI) is on April 29, 2022.

Meralco's 2020 Annual Reports recognized at 57th Anvil Awards



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Annual Report
Gold Anvil

Gold Stevie Winner, IBA 2021



Sustainability Report
Silver Anvil

Silver Stevie Winner, IBA 2021
 Gold Rank Awardee, ASRRAT 2021



OMF Annual Report
Silver Anvil

#MBRACE Diversity & Inclusion Program

Women Technician Scholarship in Partnership with Don Bosco



- **Women Technician Scholarship Program** among key initiatives under Meralco's Gender Diversity and Inclusion (D&I) Program, **#MBRACE**
- **Objective:** Develop and nurture pool of Female Technicians and Engineering Graduates to increase women representation in Meralco (target of 40% by 2030)
- School Year 2022-2023 scholarship will cover:
 - **15 female students** to undergo 1-year TESDA Accredited Vocational Program for Technicians
 - Full scholarship, allowances, board, and lodging
 - 4-month internship in Meralco and opportunity to join workforce upon graduation

MOA Signing Event: February 3, 2022

#MBRACE Diversity & Inclusion Program

Meralco puts in place Diversity and Inclusion Policy



Statement

- Meralco is committed to **advancing workforce diversity** and to nurturing an inclusive and safe workplace for its employees
- The Policy ensures **equal employment opportunities** for all

Commitments

Meralco respects all individual and value differences across:

- | | |
|-----------------------|-----------------------------|
| - Gender | - Family status |
| - Age | - Religion |
| - Ethnicity | - Sexual orientation |
| - Physical appearance | - Socio-economic background |
| - Health | |

Policy Highlights

- Aligned with **UN SDG 5: Gender Equality** and **UN SDG 10: Reduced Inequalities**
- Supports principles of:
 - United Nations Women's Empowerment Principles (UN WEPs)
 - Philippine Business Coalition for Women Empowerment (PBCWE)
- Upholds Meralco's commitment to **UN Global Compact's Principle 6: Elimination of Discrimination in Employment**



**WOMEN'S
EMPOWERMENT
PRINCIPLES**





FIRST QUARTER ENDED MARCH 31, 2022 POWER GENERATION OPERATING RESULTS

April 25, 2022



Q1 2022 Highlights



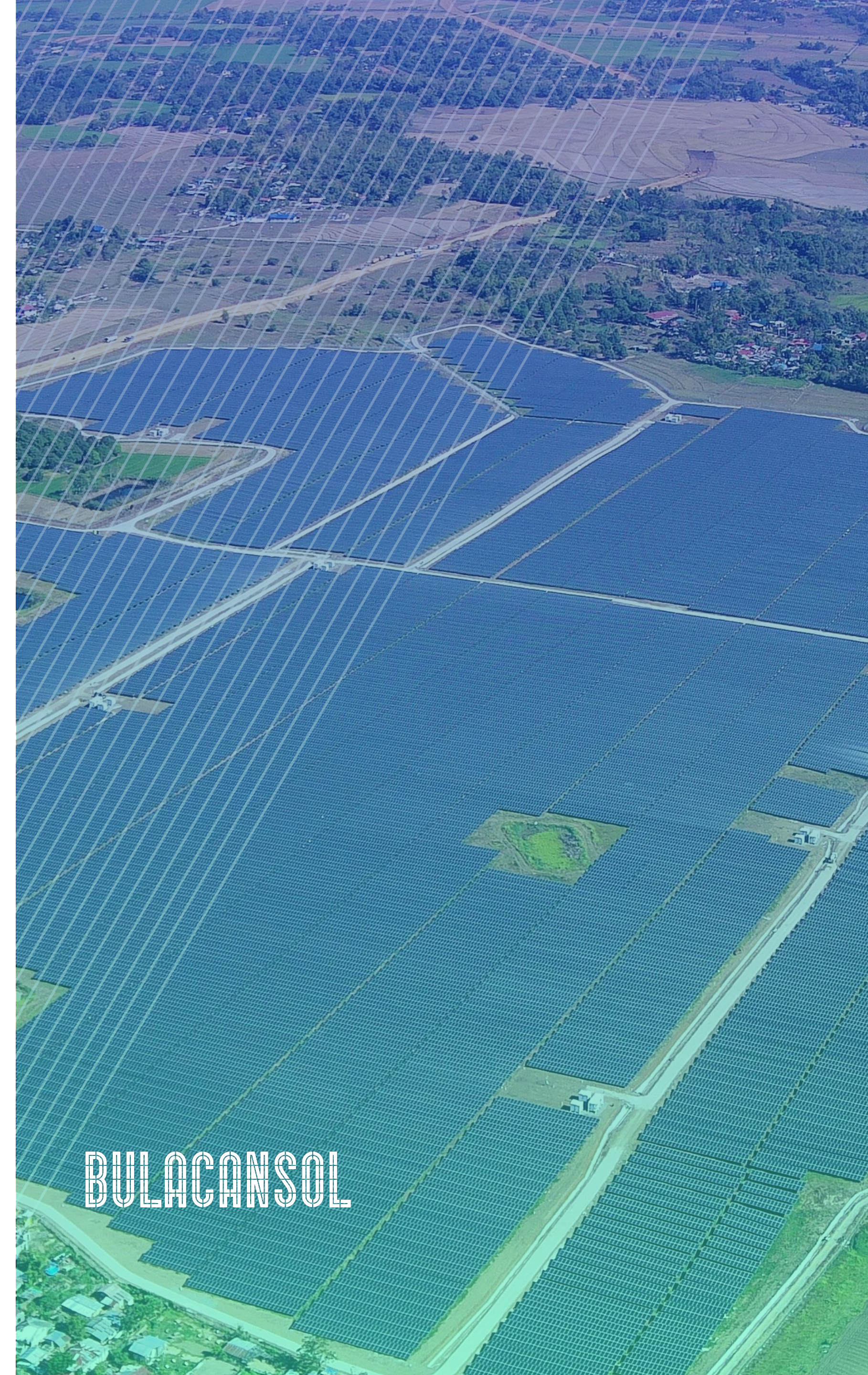
- MGEN Group YTD energy delivered at 3,011 GWh, an 8% decrease vs. 3,288 GWh from same period 2021 due to impact of Typhoon Odette, coupled with scheduled maintenance activities of PLP and SBPL. Month-on-month, however, total energy delivered in March increased by 3% to 1,172 GWh from 1,140 GWh in February.
- GBP's energy delivered at 1,032 GWh, down 16% vs. 1,226 GWh from same period 2021. This is driven by forced outages in January at 16 days and 12 days for CEDC and TPC, respectively.
- SBPL's energy delivered dipped due to plant maintenance activities in January resulting in 24.5-days planned outage. YTD average plant availability declined to 72.95% vs. 77.77% from same period 2021. Plant availability in March, however, increased to 99.95% from 97.99% in February.
- PacificLight posted increase in energy delivered as plant fully operated in March. YTD availability settled at 68% vs. 76% from same period 2021 as 2 plant units underwent inspection in January.
- First Bulacan's energy delivered at 31 GWh as plant availability as of March remained at 99.99%, with no outage recorded in last 6 months

Energy Delivered in GWh

	YTD 2022	YTD 2021	% change
	1,032	1,226	▼ 16%
	624	743	▼ 16%
	1,324	1,319	▲ 0.4%
	31	-	-
TOTAL	3,011	3,288	▼ 8%

Renewable Energy Development

- Target of **1,500 MW** renewable energy (RE) capacity in next 5-7 years
- **RE Projects under construction:**
 - 75 MWac solar in Baras, Rizal (in partnership with Mitsui)
 - 68 MWac solar in Ilocos Norte (in partnership with Vena)
 - 45 MWac solar in Cordon, Isabela (in partnership with Mitsui)
- **Other RE Projects under Pre-Development:**
 - Construction of first large-scale wind farm
 - Solar/Storage developments that can compete in mid-merit space





FIRST QUARTER ENDED MARCH 31, 2022 FINANCIAL AND OPERATING RESULTS

April 25, 2022





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