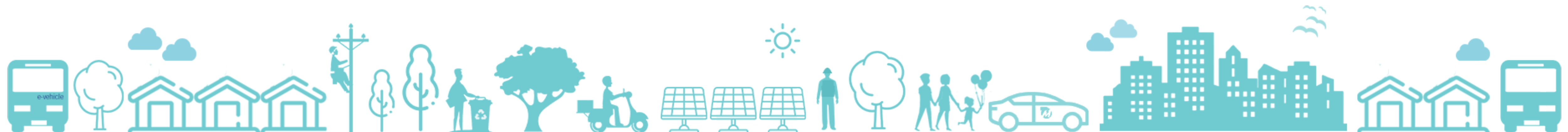




NINE MONTHS ENDED SEPTEMBER 30, 2022

FINANCIAL AND OPERATING RESULTS

Investors and Analysts Briefing
Media Briefing
October 28, 2022





CAUTIONARY STATEMENTS

This presentation is prepared for the parties presently invited for the purpose of discussion. This presentation has consequential limitations and is not a comprehensive discussion about

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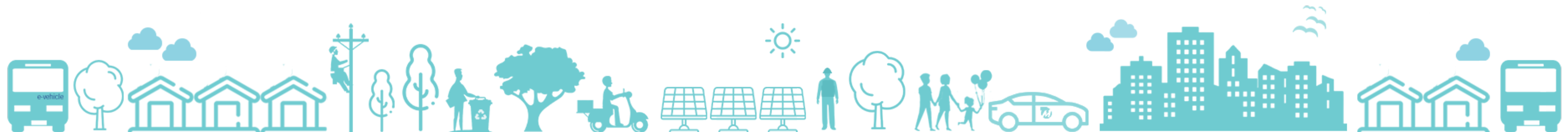
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NINE MONTHS ENDED SEPTEMBER 30, 2022

FINANCIAL RESULTS

October 28, 2022

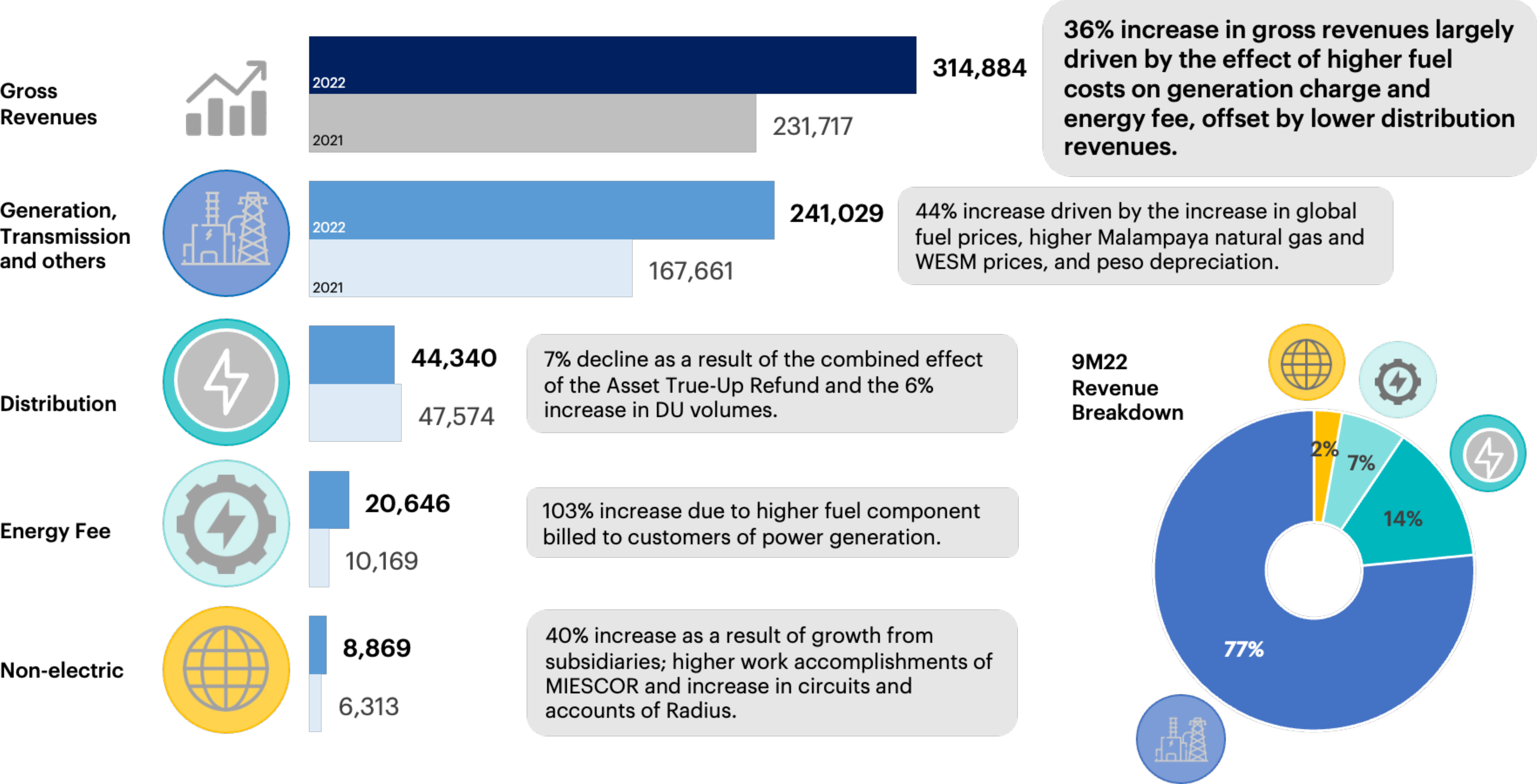


September 2022 YTD **Financial Summary** in PhP, Mn

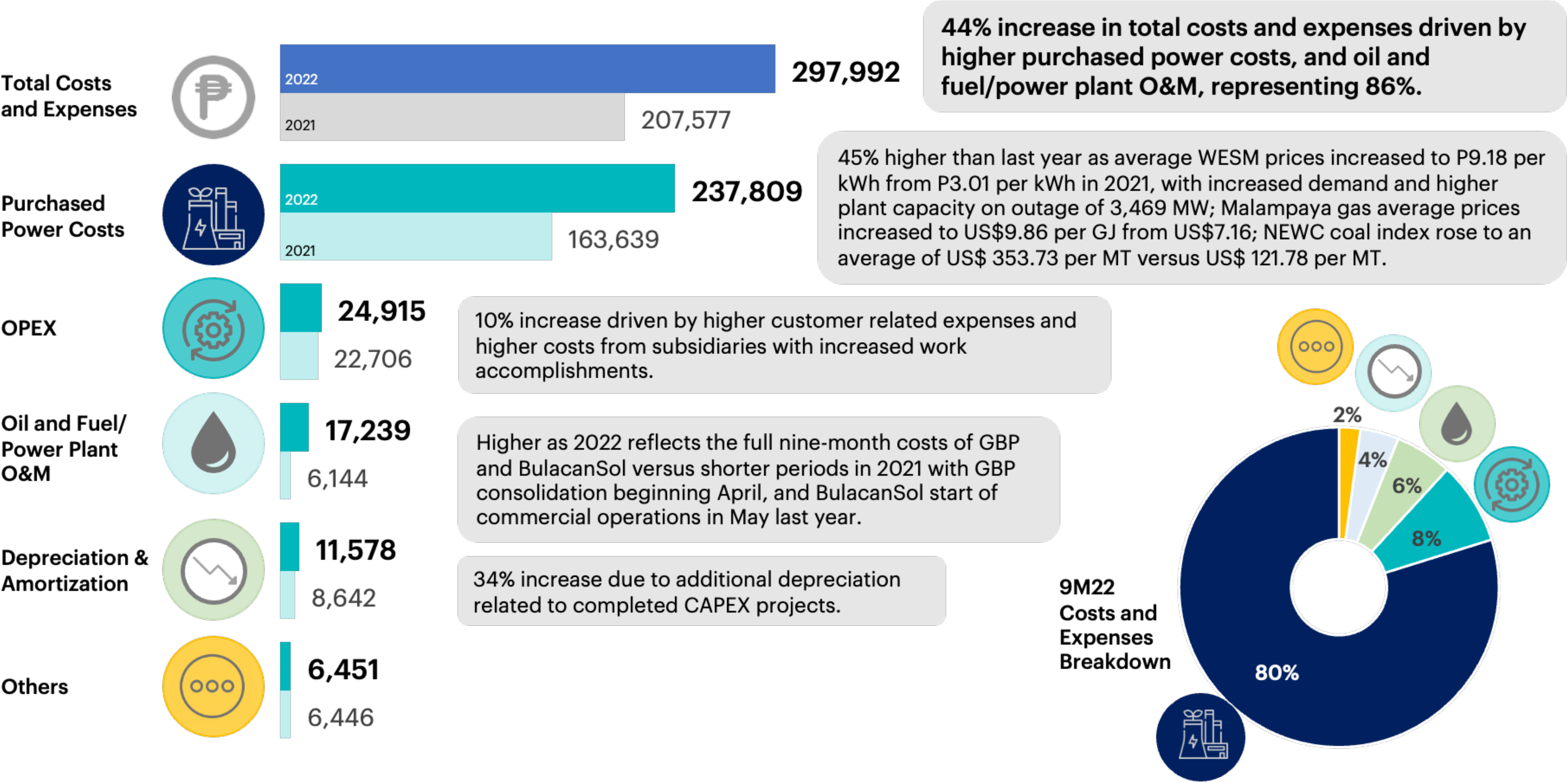
With 2021 comparative figures

NET INCOME AND EBITDA		REVENUES		EXPENSES		CASH AND BORROWINGS	
CCNI		Gross Revenues		Costs and Expenses		Cash & Cash Equivalents	
19,605		314,884		297,992		39,618	
▲ 9%		▲ 36%		▲ 44%		▼ 9%	
18,062		231,717		207,577		43,620	
Reported Net Income		Distribution Revenue		Purchased Power Cost		Borrowings	
19,758		44,340		237,809		90,239	
▲ 20%		▼ 7%		▲ 45%		▼ 0.3%	
16,522		47,574		163,639		90,507	
Core EBITDA		Generation, Transmission and other pass-through		Coal and Fuel/ Power Plant O&M			
37,223		241,029		17,239			
▲ 1%		▲ 44%		▲ 181%			
36,742		167,661		6,144			
		Energy Fee		Capital Expenditures			
		20,646		20,771			
		▲ 103%		▲ 12%			
		10,169		18,525			
		Non-Electric Revenues					
		8,869					
		▲ 40%					
		6,313					

September 2022 YTD Revenues in PhP, Mn

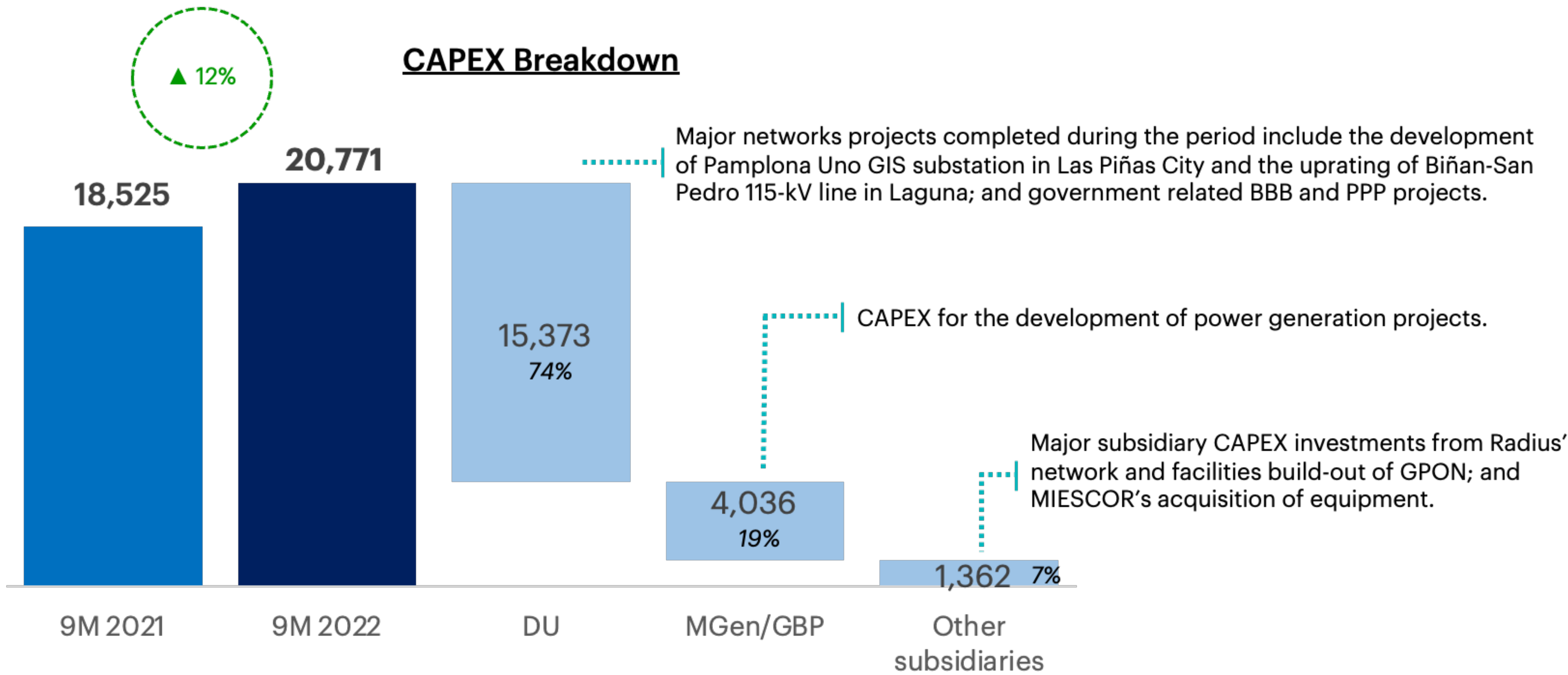


September 2022 YTD **Costs and Expenses** in PhP, Mn



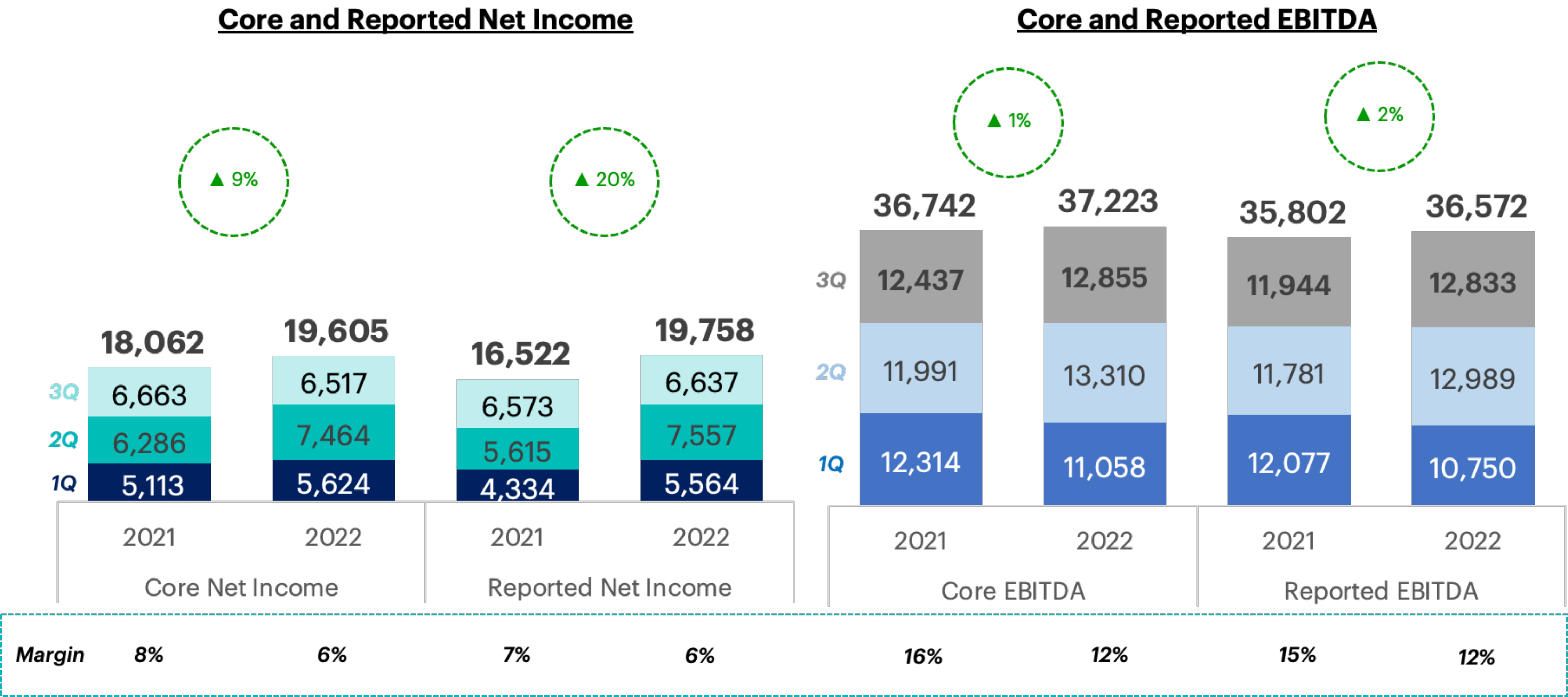
September 2022 YTD **Capital Expenditures** in PhP, Mn

Consolidated CAPEX grew 12% largely driven by DU-related electric capital projects to support new connections, asset renewals, and load growth.



September 2022 YTD **Net Income and EBITDA** in PhP, Mn

Increase in CCNI driven by strong contribution from power generation and recovery of DU volumes.



September 2022 YTD Power Generation Results of Operations

Continued CCNI contribution from power generation as a result of PacificLight’s strong performance, SBPL and BulacanSol’s continued delivery to Meralco under 20-year PSAs, offset by losses from GBP.

Core Net Income	<div></div> <div>PhP 8,971 M</div> <div><div></div>58%</div>	<div></div> <div>PhP 2,631 M</div> <div><div></div>51%</div>	<div></div> <div>PhP 200 M</div> <div><div></div>60%</div>	<div></div> <div>(PhP 1,896 M)</div> <div><div></div>100%</div>
	Meralco Stake			
	Highlights of Operations			
	<ul style="list-style-type: none">• 4,162 GWh of energy delivered in 2022 with average plant availability of 95%• Strong contribution driven by increase in demand in Singapore, and higher margin on spot prices• Total net capacity of 771 MW, of which 646 MW is contracted	<ul style="list-style-type: none">• 2,078 GWh of energy delivered in 2022 with average plant availability of 87%• Higher net income despite lower energy sold in 2022 due to lower unrecovered fuel costs as a result of lower dispatch rate; and lower interest expense• Fully-contracted with Meralco under a 20-year PSA valid until 2039	<ul style="list-style-type: none">• 88 GWh of energy delivered in 2022 with average plant availability of 97%• Remains the single largest solar plant in the country to date; began commercial operations on May 12, 2021• Fully-contracted with Meralco under a 20-year PSA valid until 2041	<ul style="list-style-type: none">• 3,601 GWh of energy delivered in 2022• Losses due to higher fuel costs combined with the implementation of fixed rate contracts, expiration of the MORE contract, and impact of Typhoon Odette in January• Total net capacity of 970 MW, of which 798 MW is contracted

MIESCOR Infrastructure Development Corporation (MIDC)

Milestones reached in common tower business with signing of agreement and initial handover of acquired towers from Globe

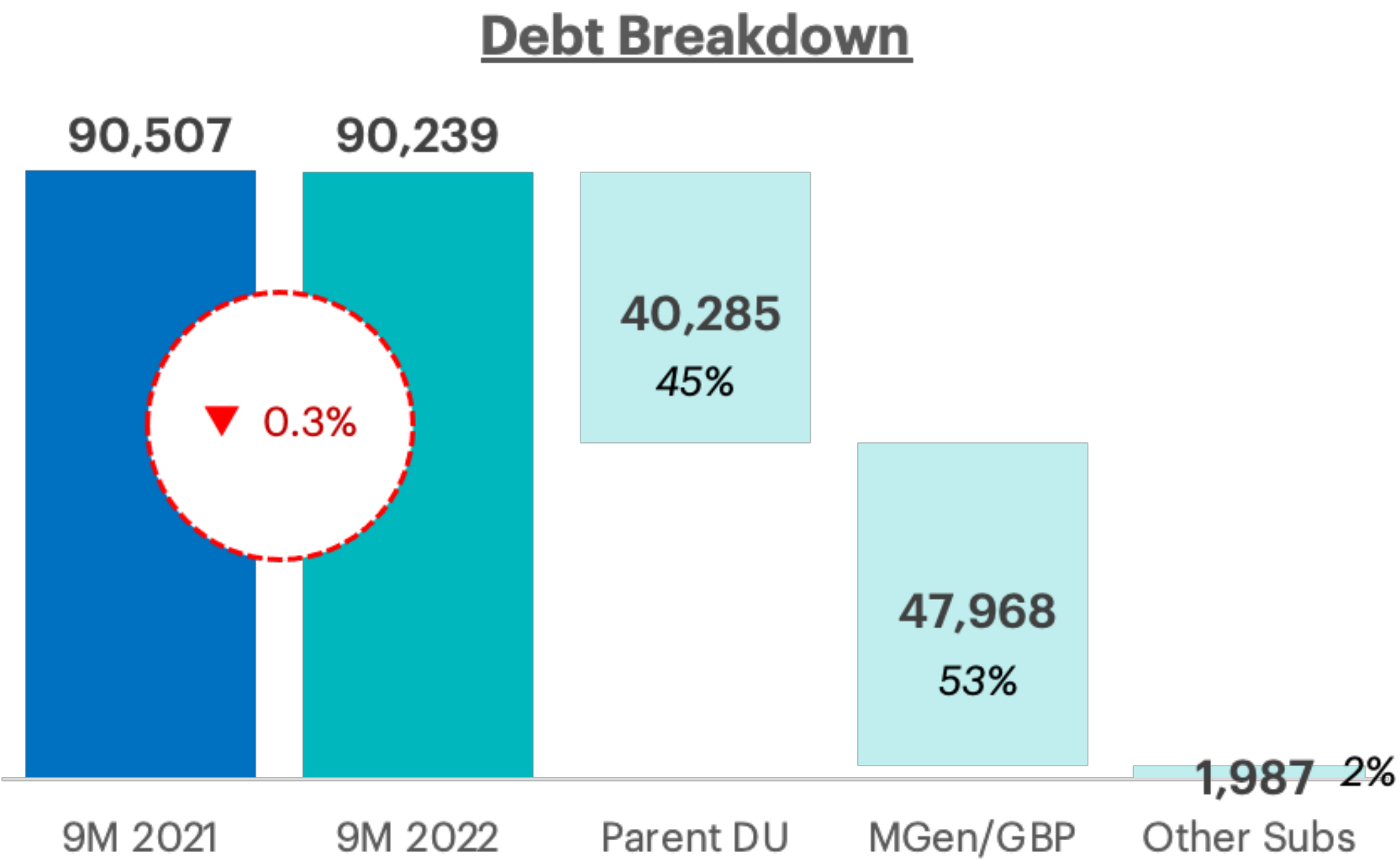
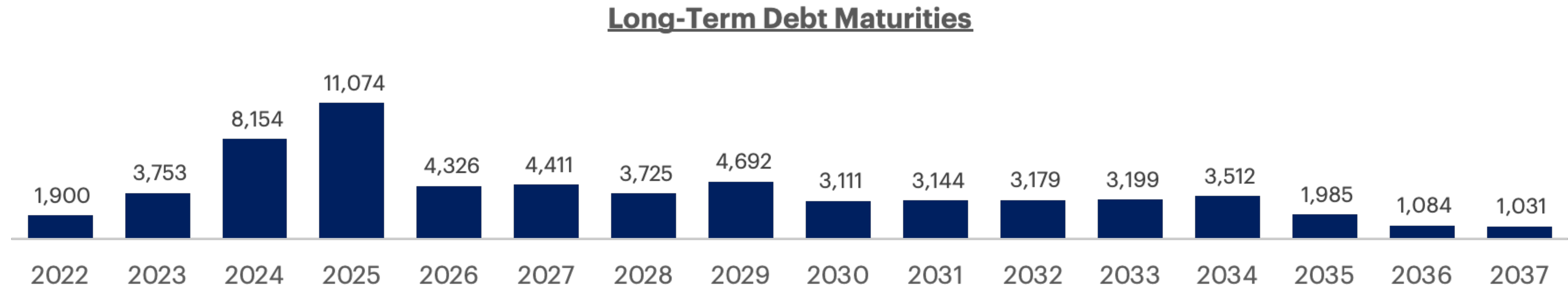


- A 51-49% JV tower company between MIESCOR and US-based Stonepeak Infrastructure Partners;
- November 29, 2021: MIDC was incorporated and registered with the SEC to provide services related to communication infrastructure, systems and lines;
- August 11, 2022: MIDC signed a sale and leaseback agreement with Globe Telecoms, Inc. (Globe), to acquire 2,180 telecom towers and related passive infrastructure for a total consideration of Php 26.2B;
- October 13, 2022: MIDC and Globe achieved the first closing milestone with the handover-takeover of an initial 701 towers valued at Pesos 8.4 billion.



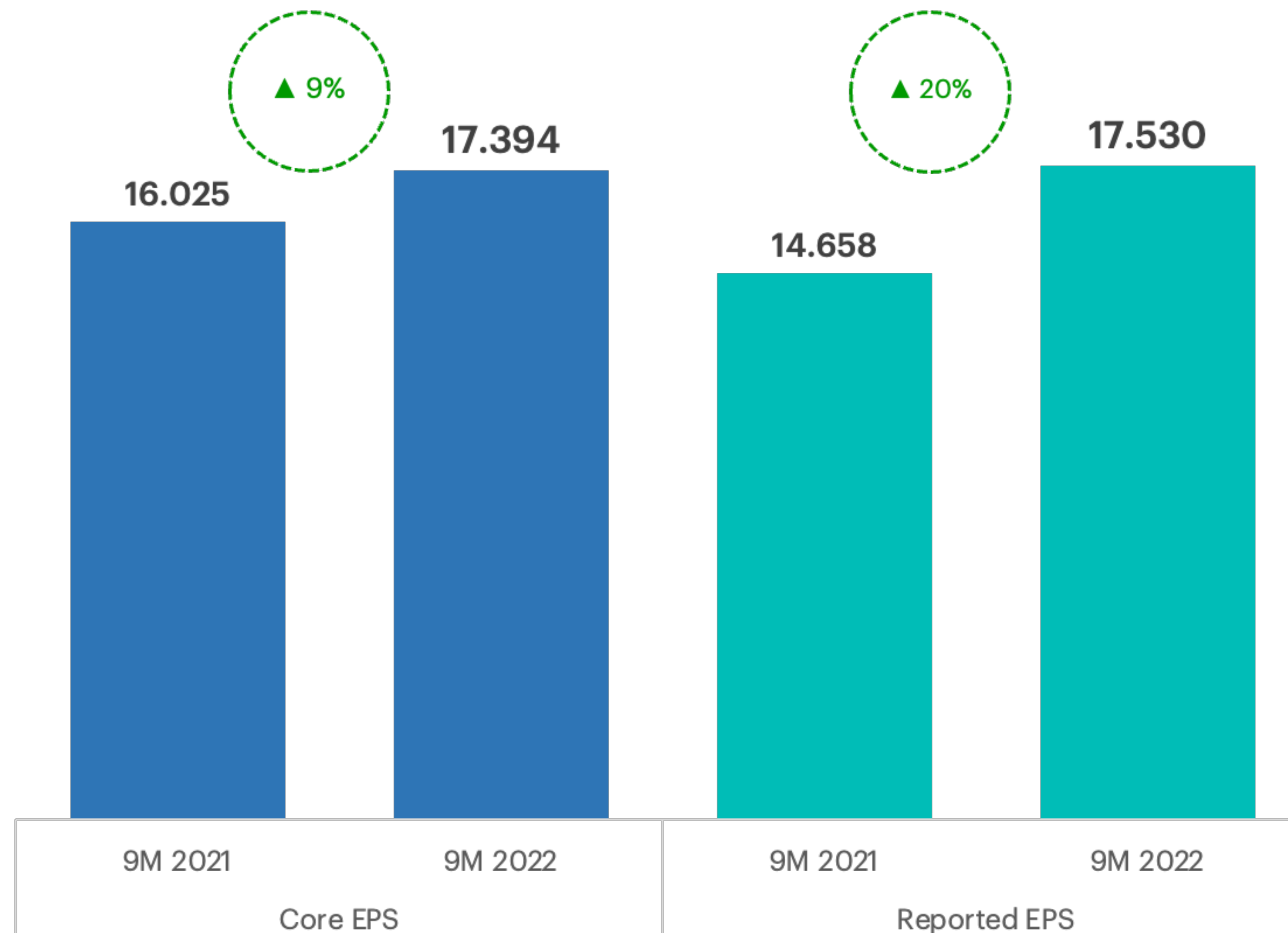
September 2022 YTD **Credit and Debt Profile** in PhP, Mn (except ratios)

	9M 2022	9M 2021	Change
Cash & Cash Equivalents	39,618	43,620	-9%
Short-Term Investments	22,784	19,989	14%
Gross Debt	90,239	90,507	-0.3%
Net Debt	27,837	26,898	3%
Gross Debt to EBITDA	1.85	1.90	-2%
Net Debt to EBITDA	0.57	0.56	1.3%
Gearing Ratio	0.29	0.33	-13%
Interest Expense	3,179	2,665	19%
Interest Income	1,465	1,686	-13%



September 2022 YTD **Earnings per Share** in Php per share

Core and reported Earnings per share grew to Php 17.394 and Php 17.530 respectively

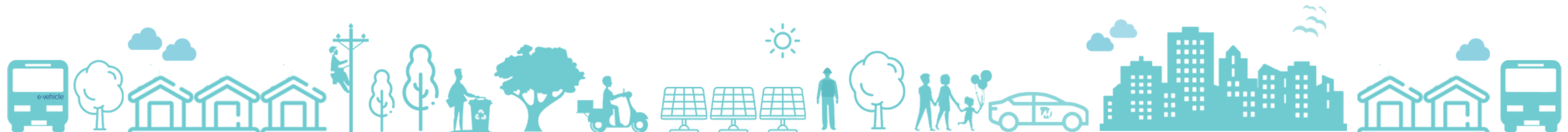




NINE MONTHS ENDED SEPTEMBER 30, 2022

OPERATING RESULTS

October 28, 2022



September 2022 YTD Operational Highlights

BUSINESS DRIVERS

Energy Sales

36,553 GWh

▲ 6% vs. 2021

Customer Count

7.572 M

▲ 3% vs. 2021

Net System Input

38,004 GWh

▲ 6% vs. 2021

Meralco Peak Demand

8.11 GW

▲ 4% vs. 2021

May 13, 2022

SERVICE PERFORMANCE

System Loss

5.88%

▲ 0.24%PT, 12-MMA vs. 2021

System Average Interruption Frequency Index

1.052 times

▼ 9% vs. 2021

System Average Interruption Duration Index

102.507 minutes

▼ 7% vs. 2021

Time to Connect

1.65 days

▼ 6% vs. 2021

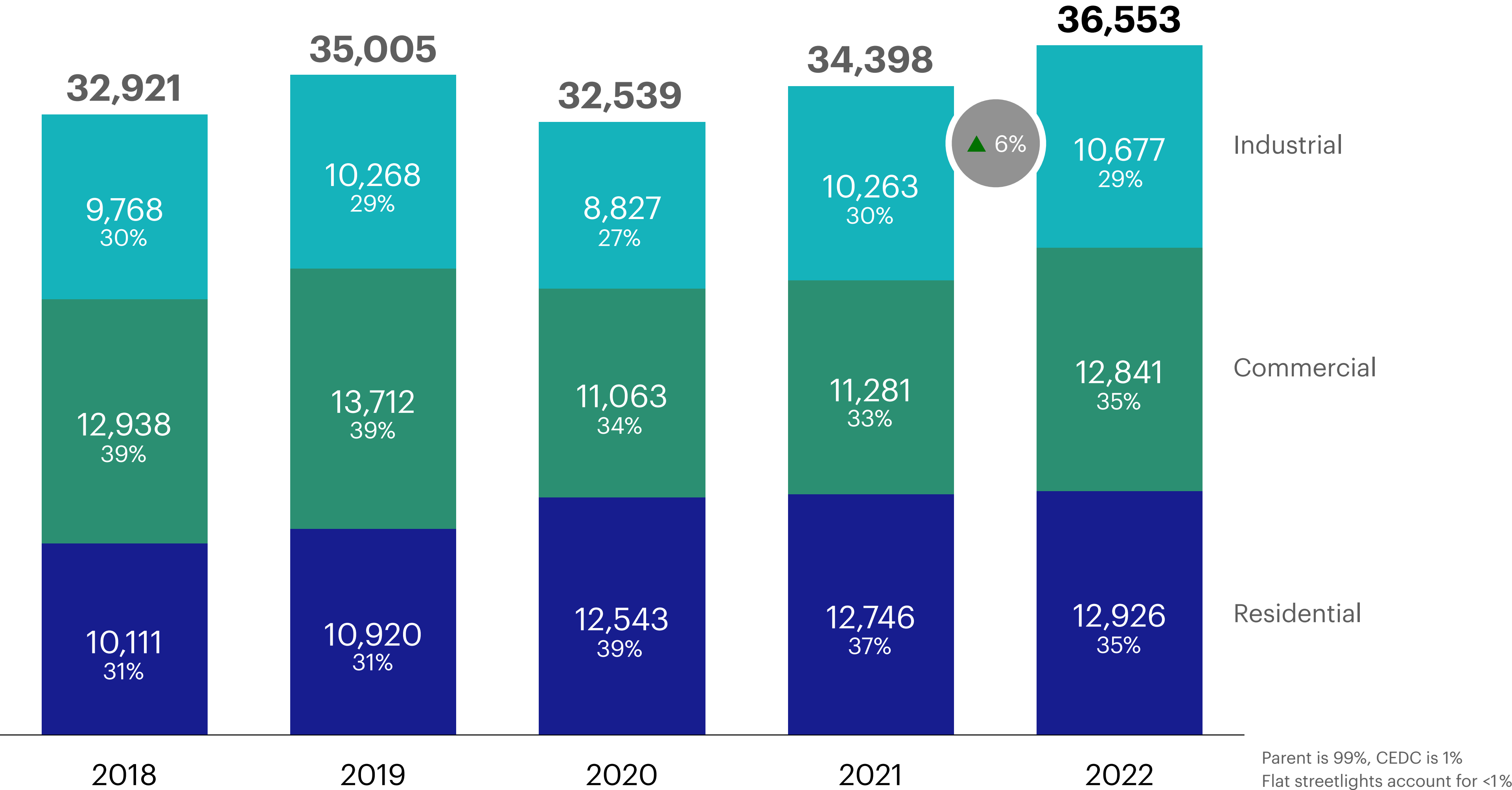
ELECTRICITY RATE per kWh

Average Retail Rate

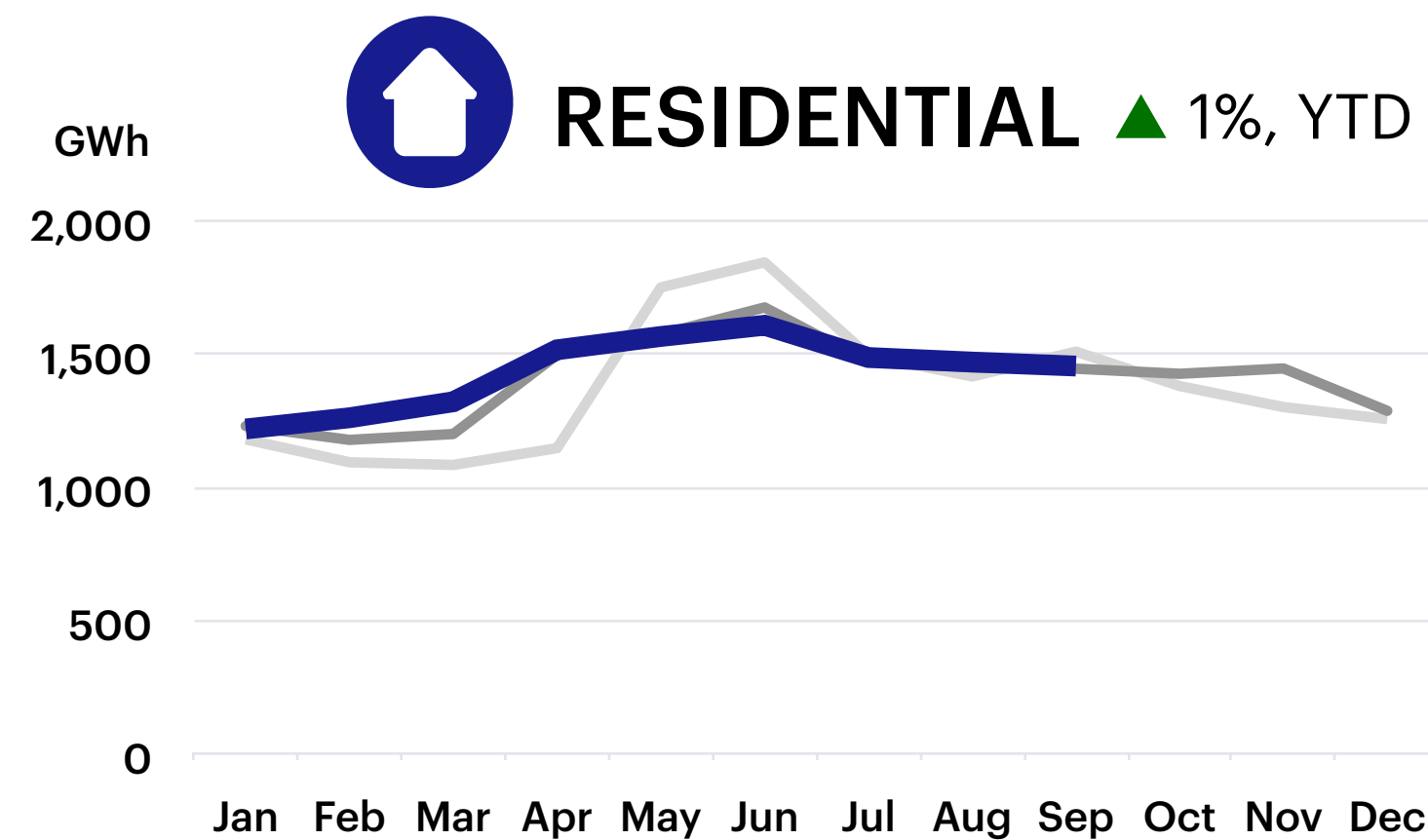
PhP 9.43

▲ 17%, vs 2021

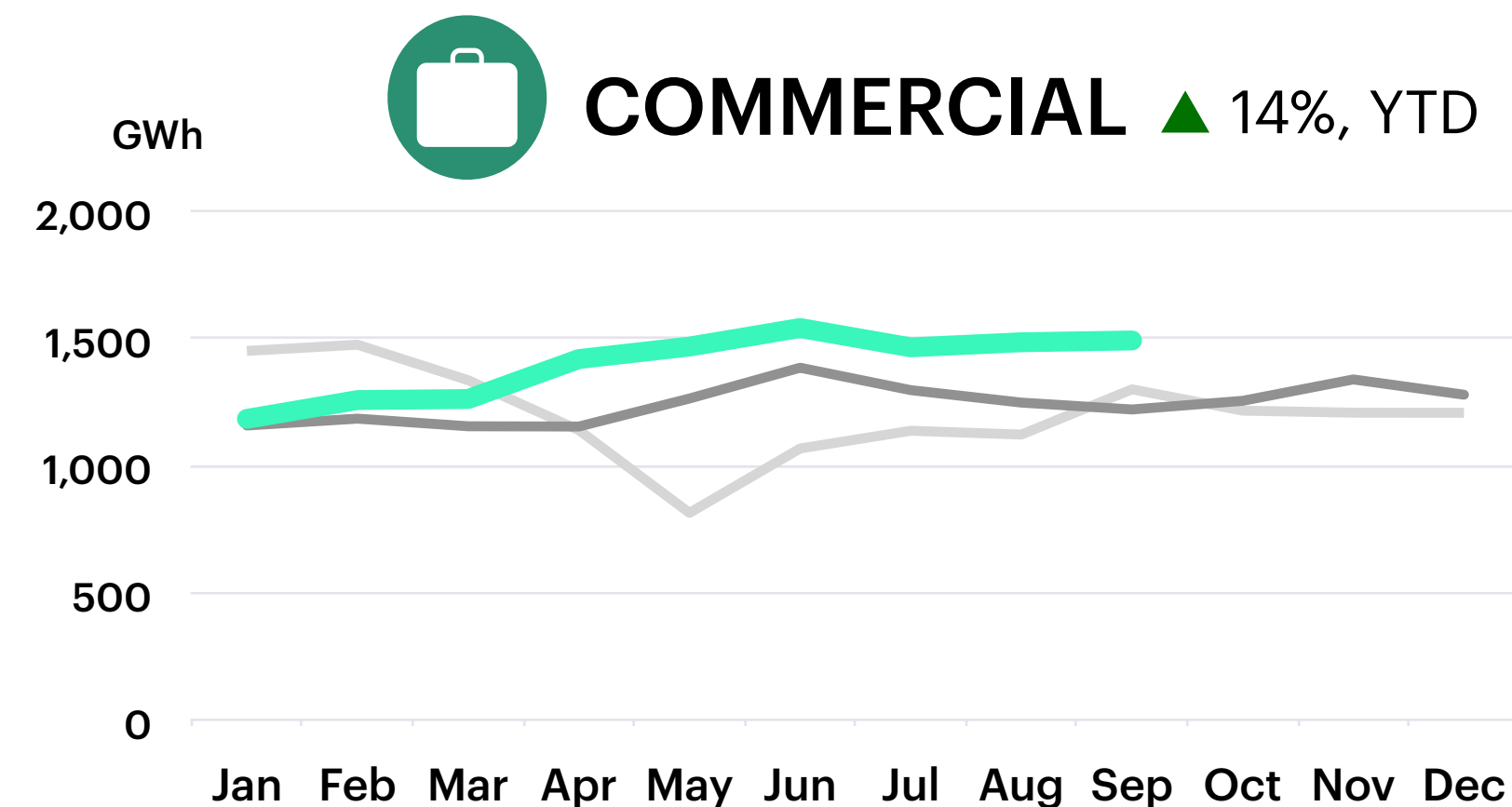
September 2022 YTD **Consolidated Energy Sales** in GWh
Surpassed pre-pandemic levels as total energy sales increased 6% vs. 2021 driven by sustained double-digit growth from Commercial segment



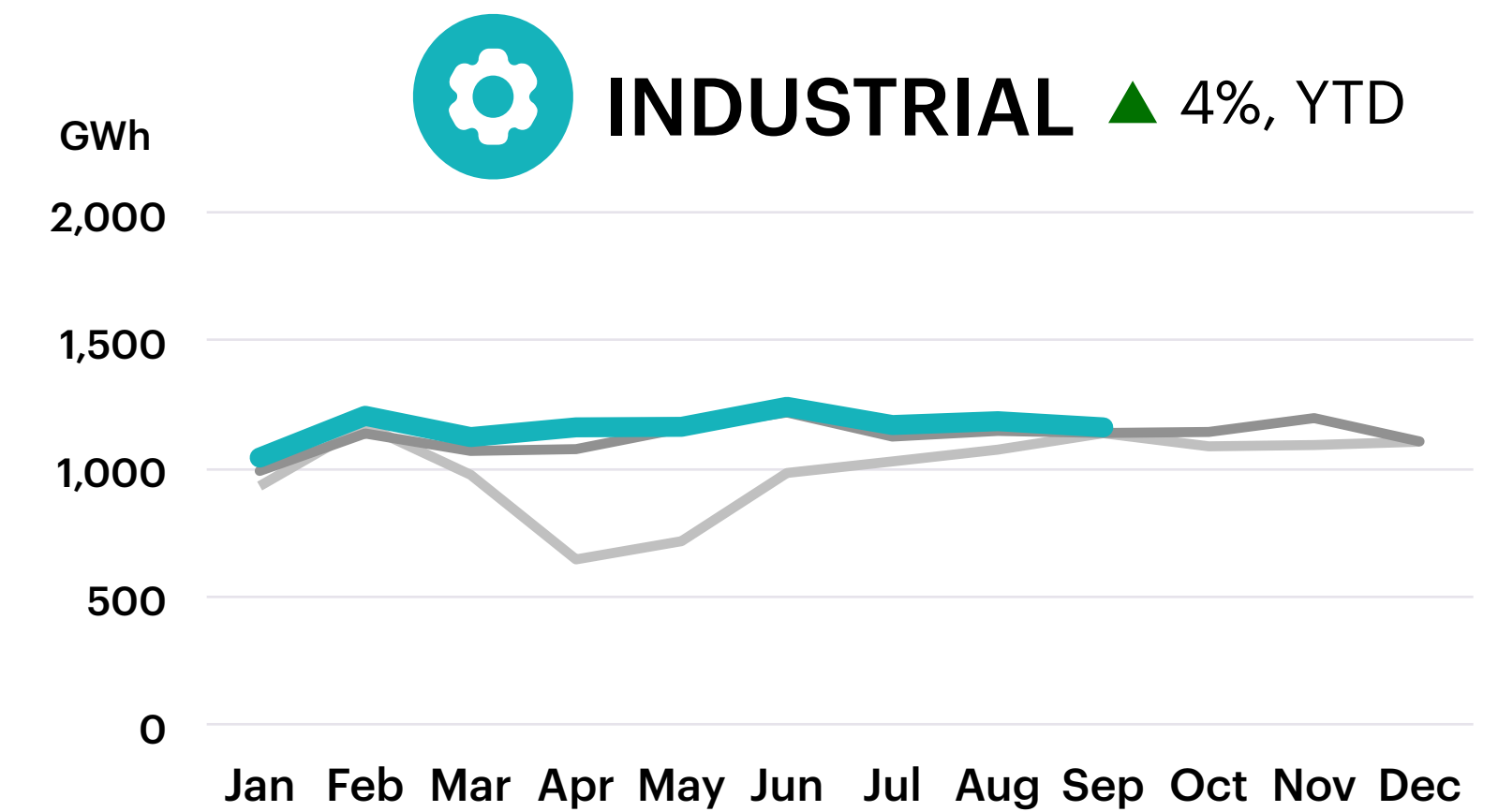
September 2022 YTD DU Energy Sales Profile and Drivers



- Grew 1% despite resumption of face-to-face (F2F) classes and greater mobility
- Increase driven by:
 - Sales from newly energized services, particularly in provinces
 - Improved condominium and dormitory usage as on-site work continued and as F2F resumed
 - Higher consumption from Low segment
- Monsoon rains and typhoons Florita and Karding tempered household consumption



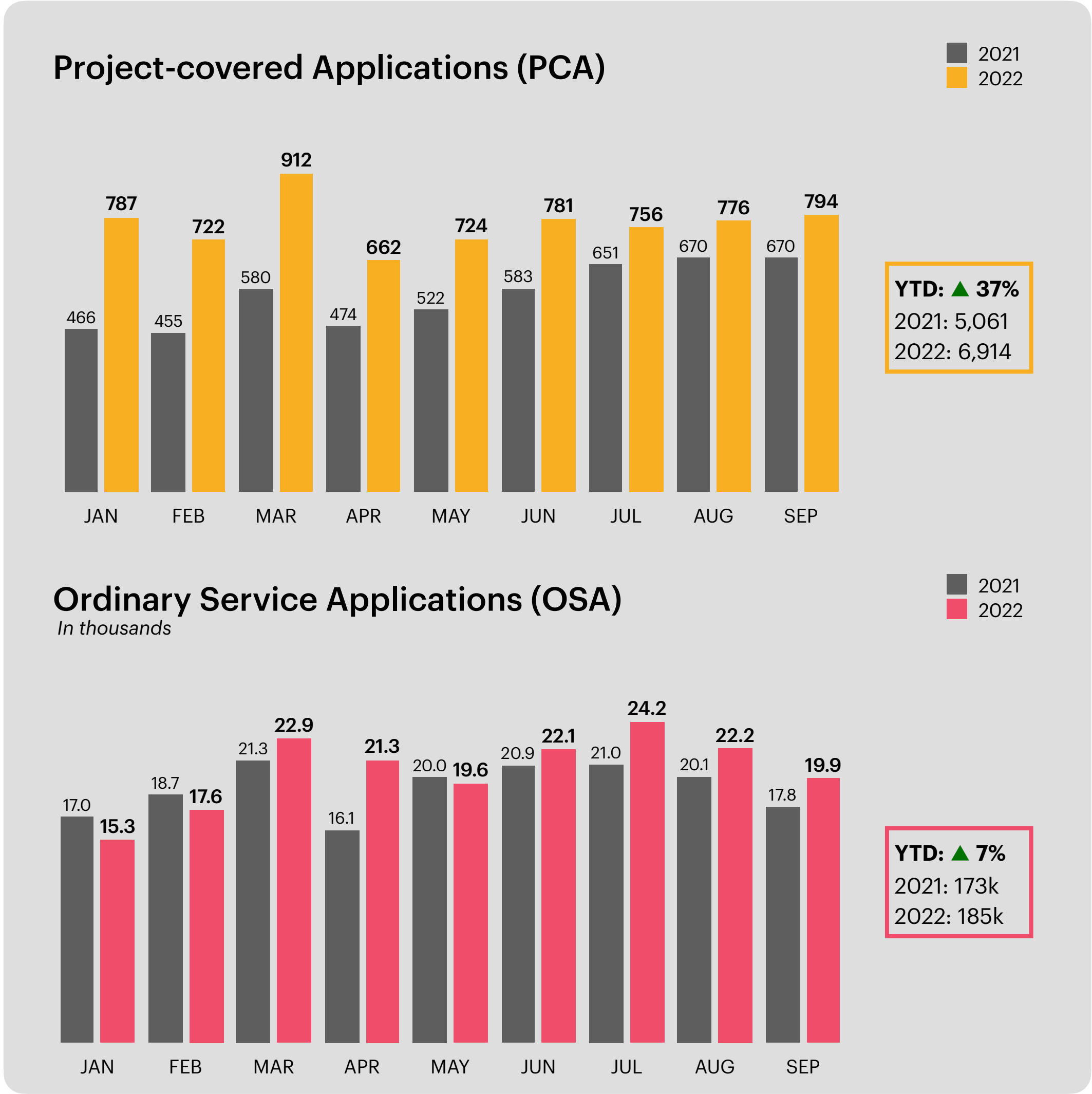
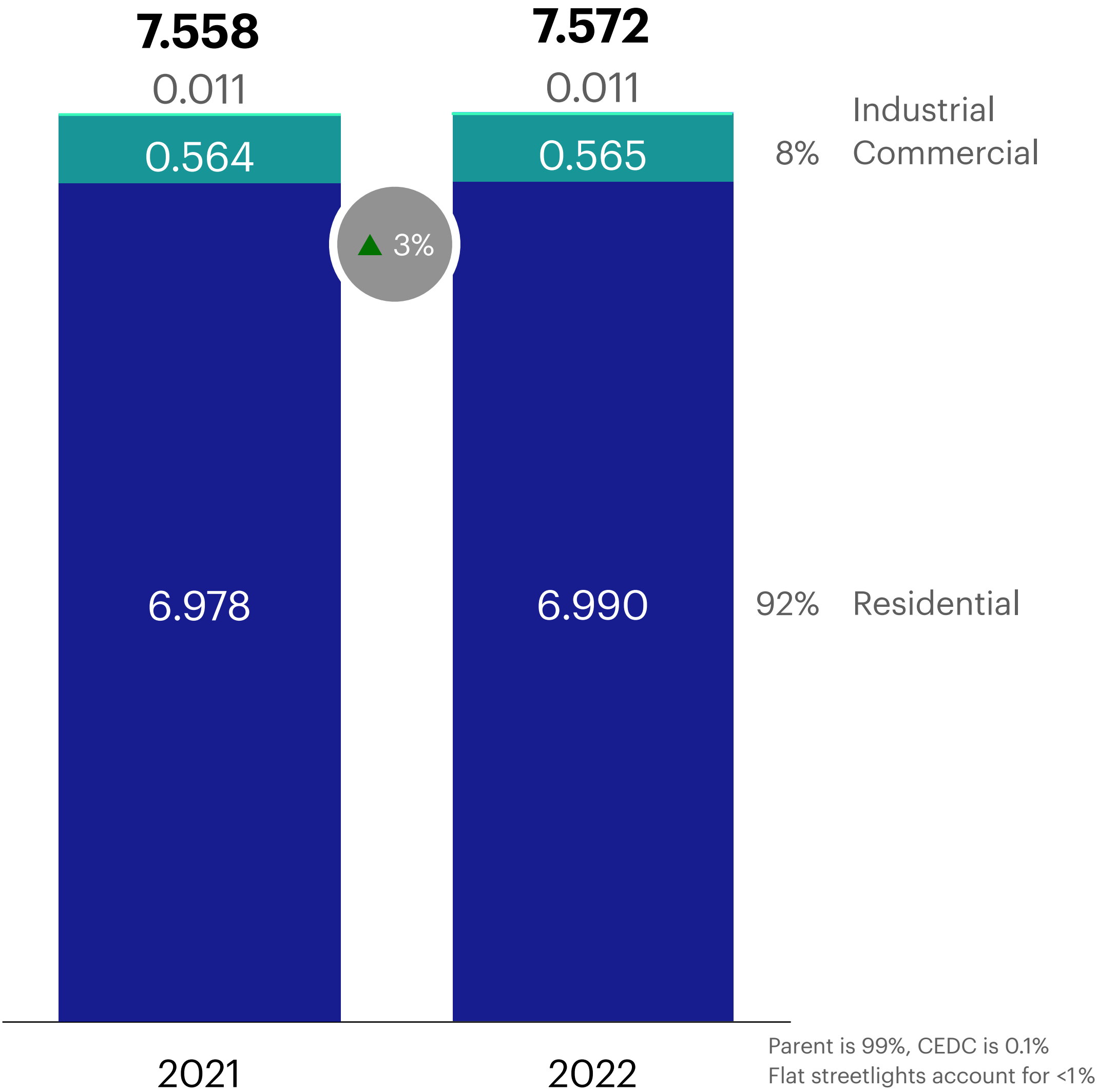
- Grew 14% with continued economic recovery and less restrictions:
 - Education posted highest growth as F2F classes resumed in mid-August
 - Retail, Restaurants, and Storage benefitted from on-site classes and commercial activities
 - Real Estate (e.g., rentable spaces) benefitted from continued on-site work
 - Hotels boosted by domestic tourism, business travel, and opening of Asian borders



- Grew 4% amid high fuel prices and supply chain concerns
- Food & Beverage and Plastics continued to grow with demand from re-opening of schools and return to work
- Steel increased as plants operated at full capacity and with demand from government projects
- Semicon declined in Q3 as global demand slowed due to inflation

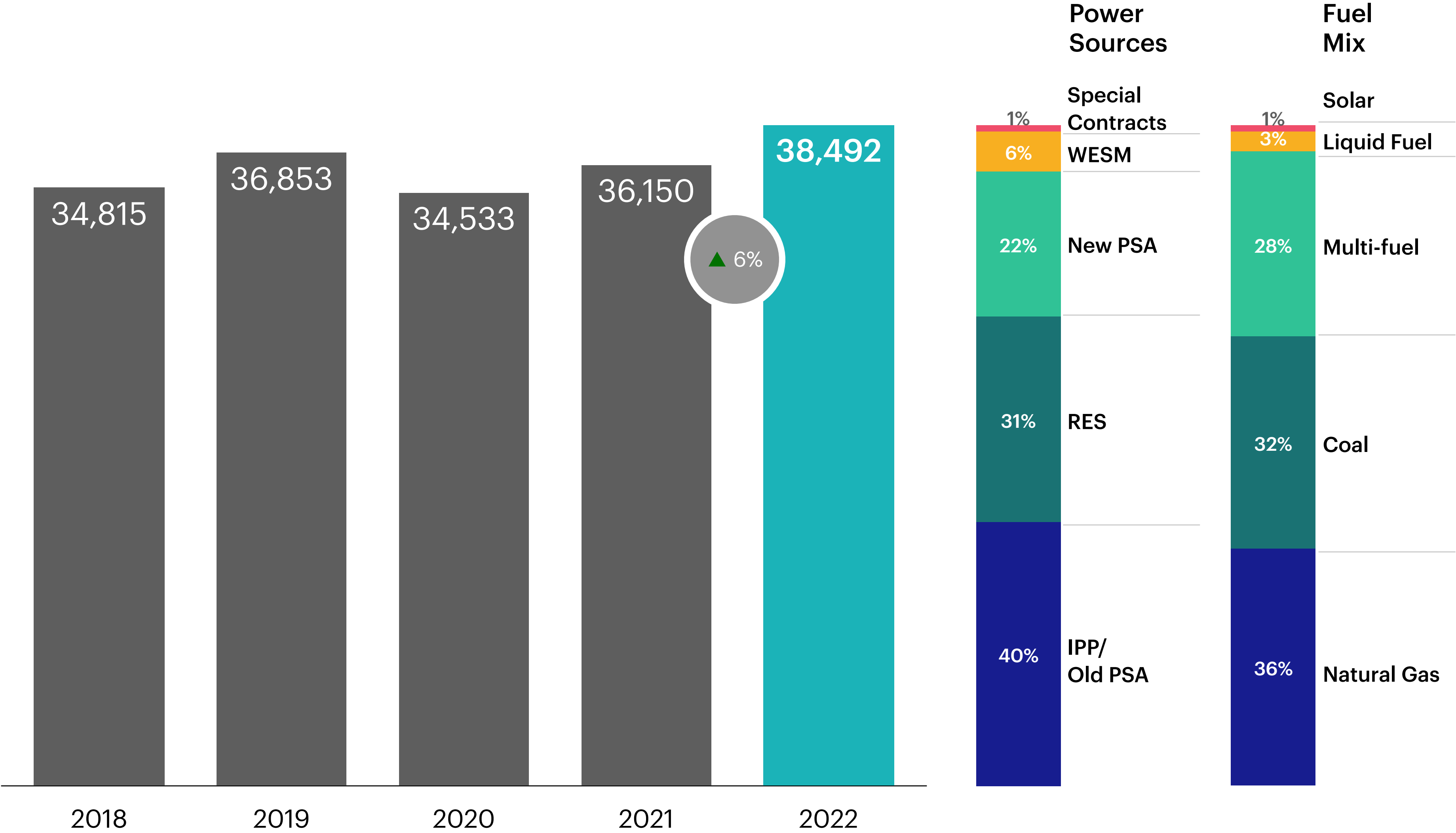
September 2022 YTD Consolidated Customer Count in M

Sustained OSA and PCA performance driven by energizations of mixed-use buildings, condominiums, subdivisions, and retail and telecoms customers



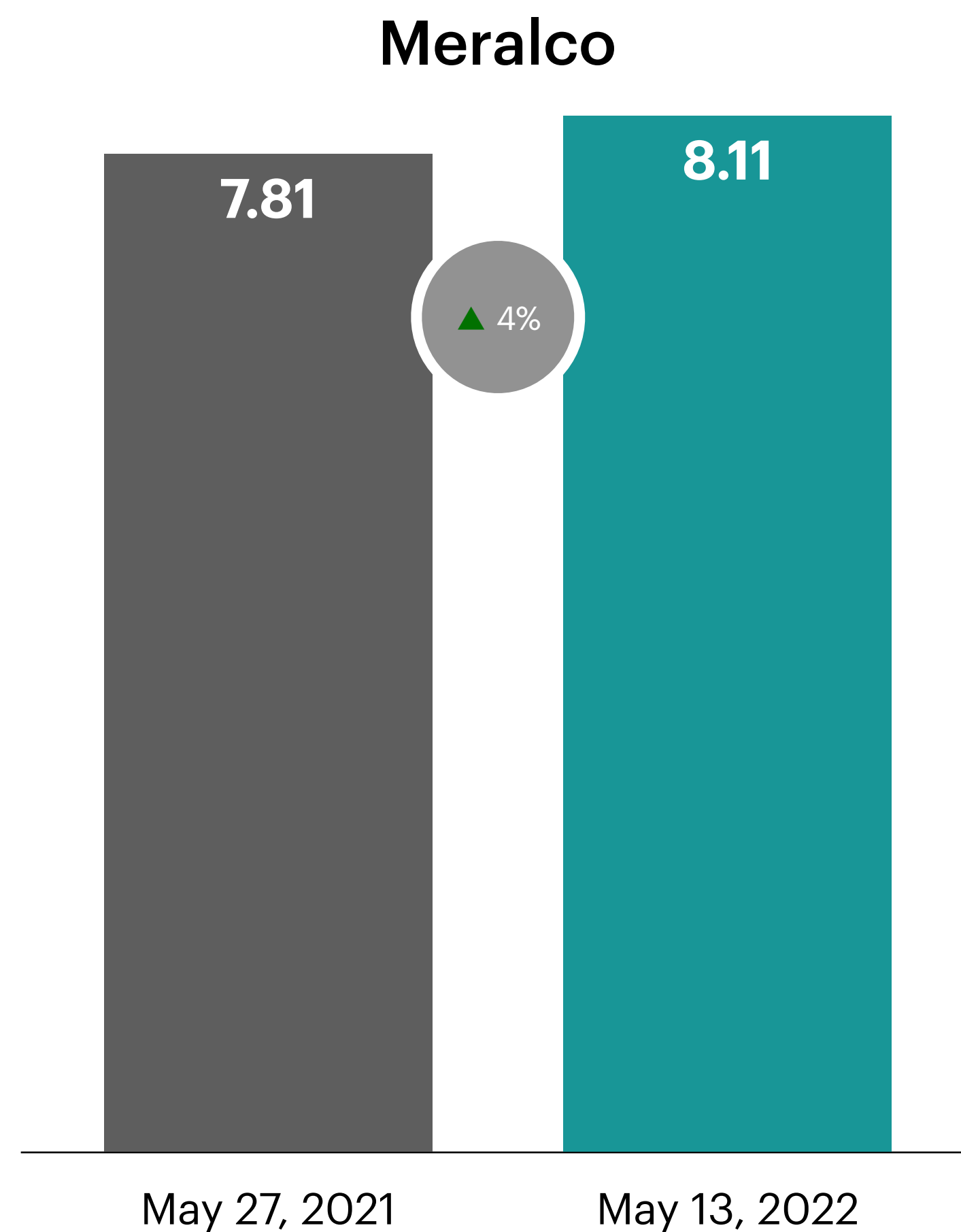
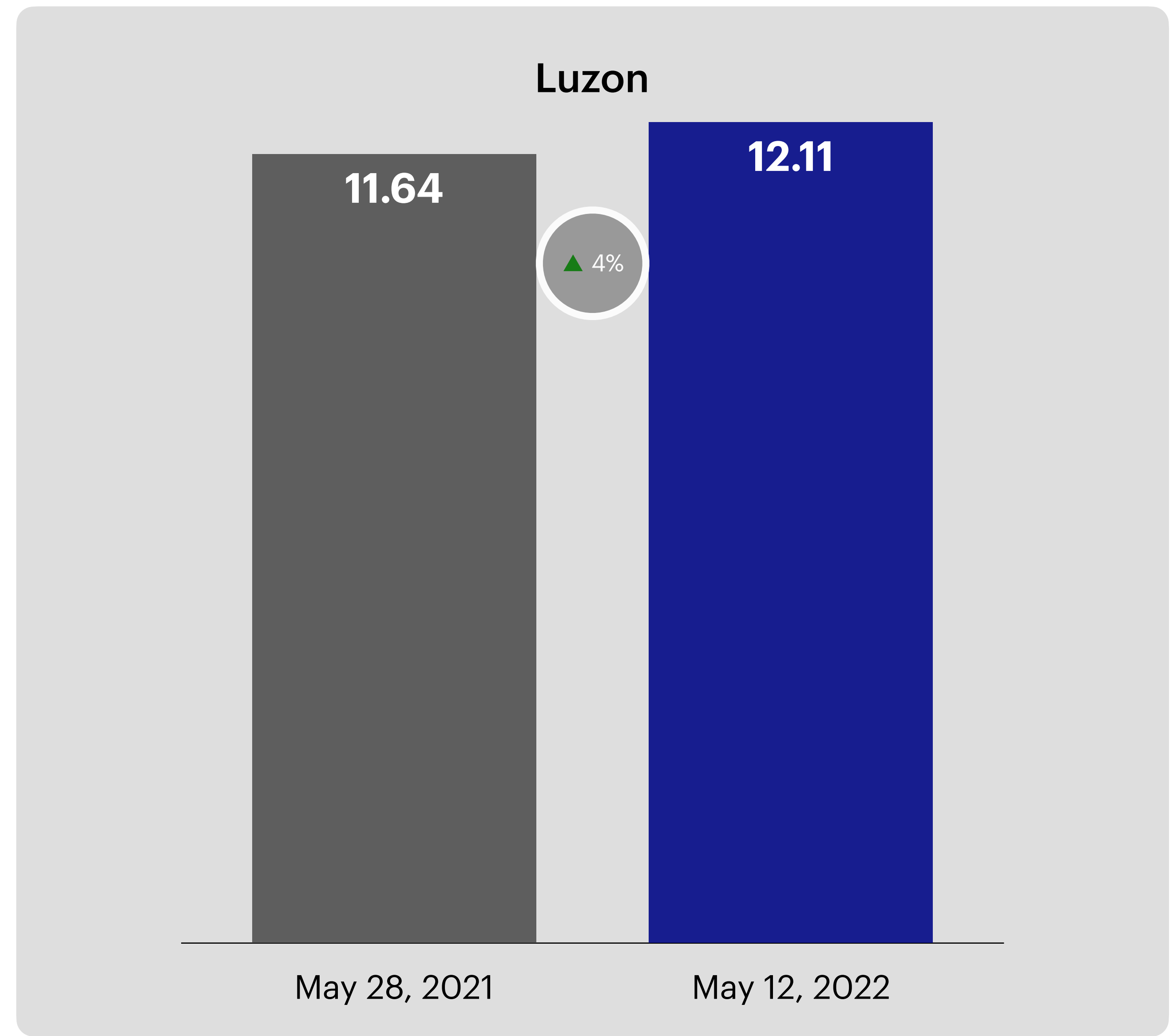
September 2022 YTD **Consolidated NSI** in GWh

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



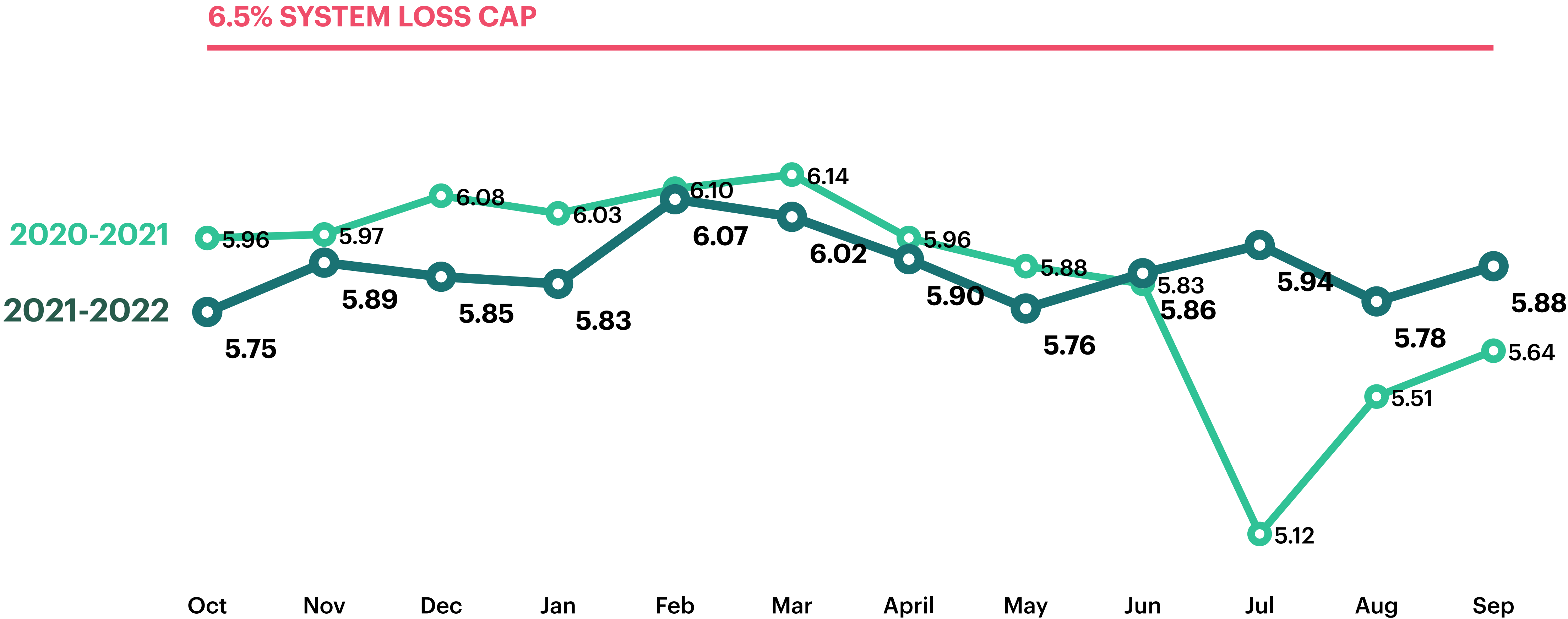
September 2022 YTD **Peak Demand** in GW

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



September 2022 YTD **System Loss** in %, 12-MMA

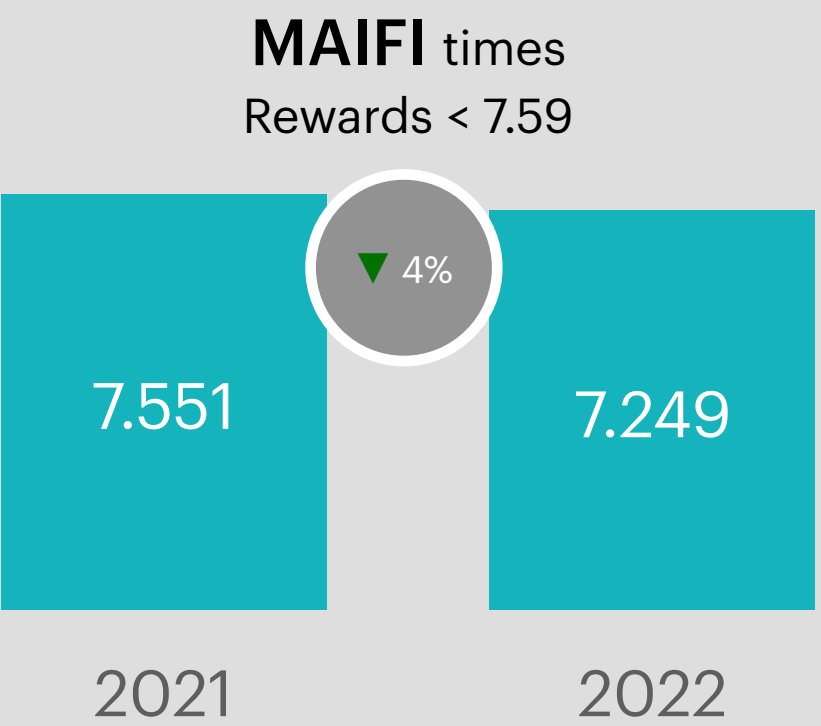
Higher due to low base in July 2021 12-MMA; Performance still well within cap



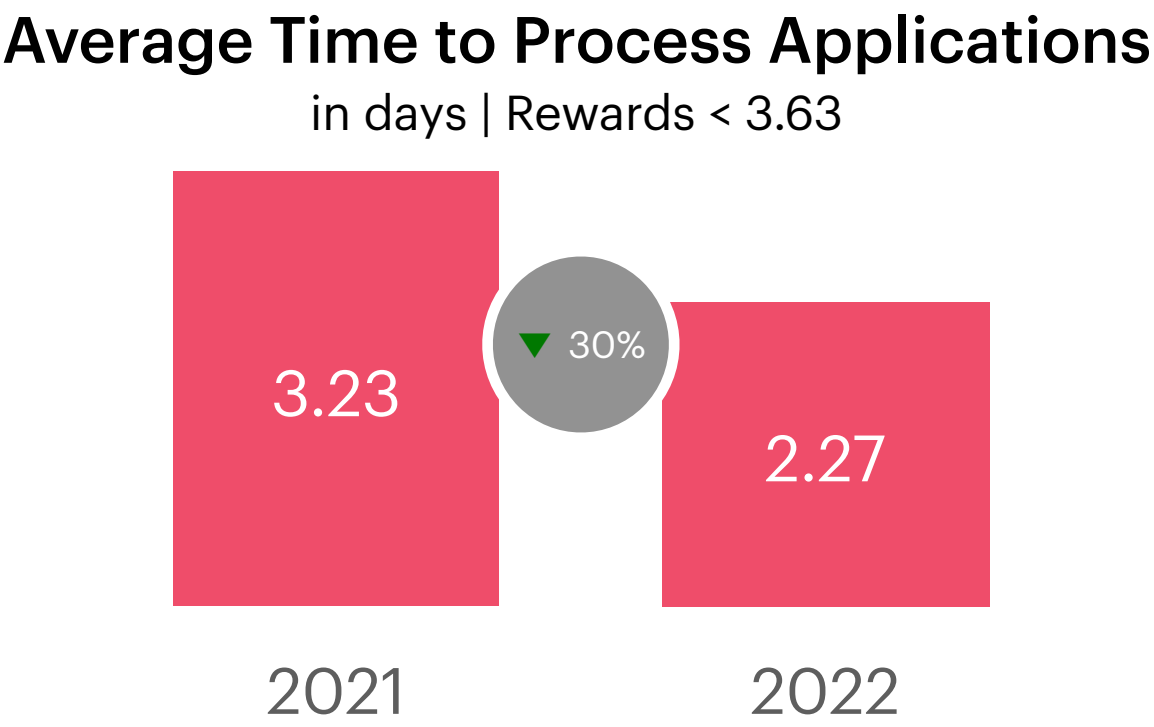
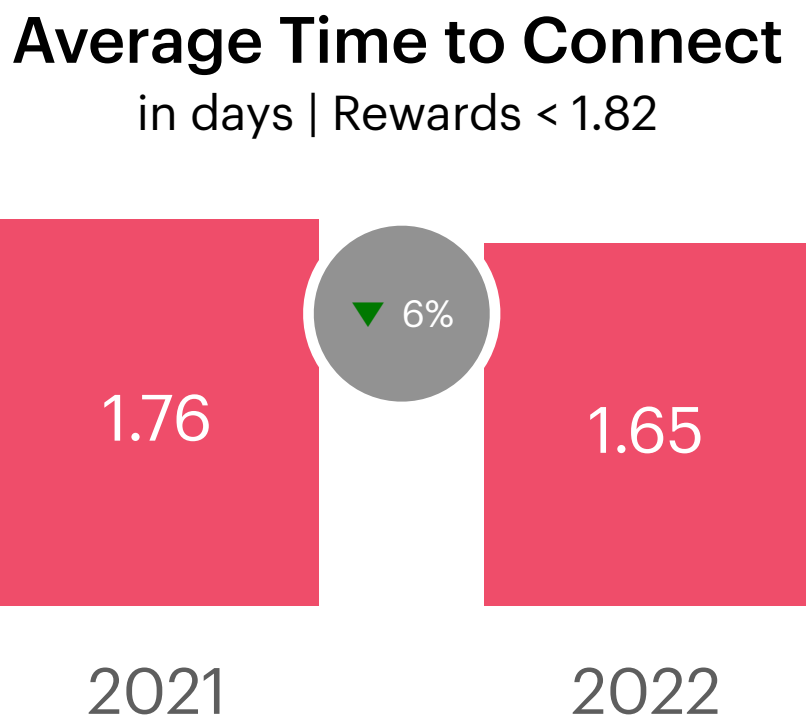
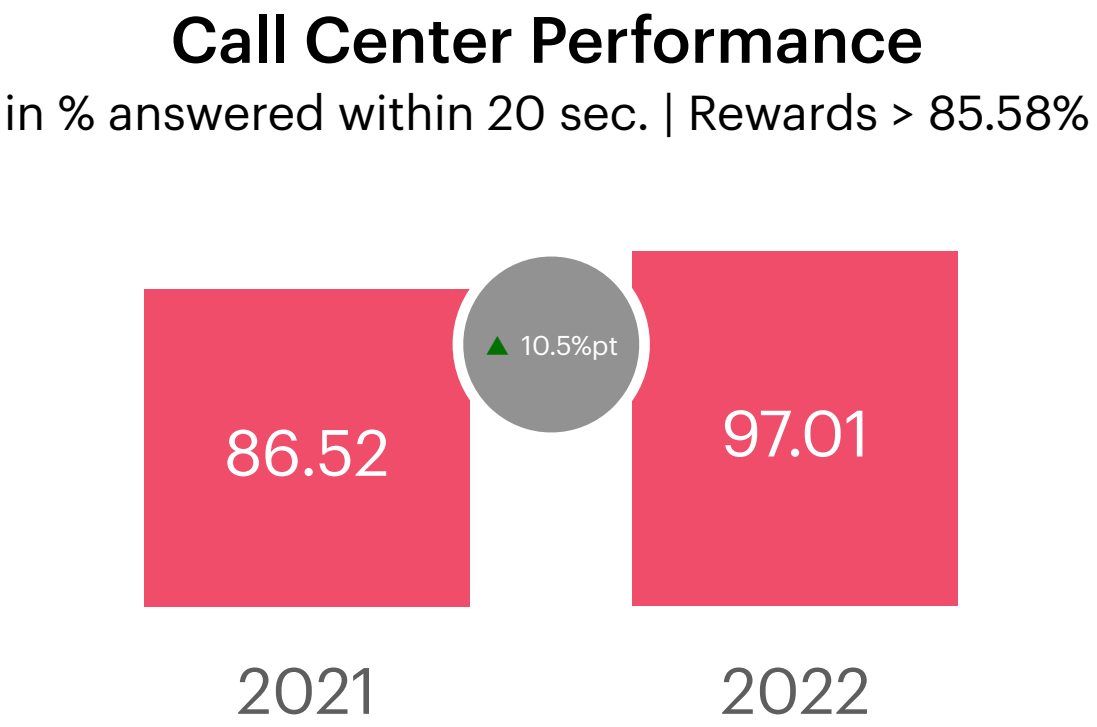
September 2022 S-Factor Performance and Guaranteed Service Levels (GSL)

Continued to deliver within performance ceilings

Network



Customer



RY2023

GSL 1
1,262 customers
experiencing cumulative duration of sustained interruptions

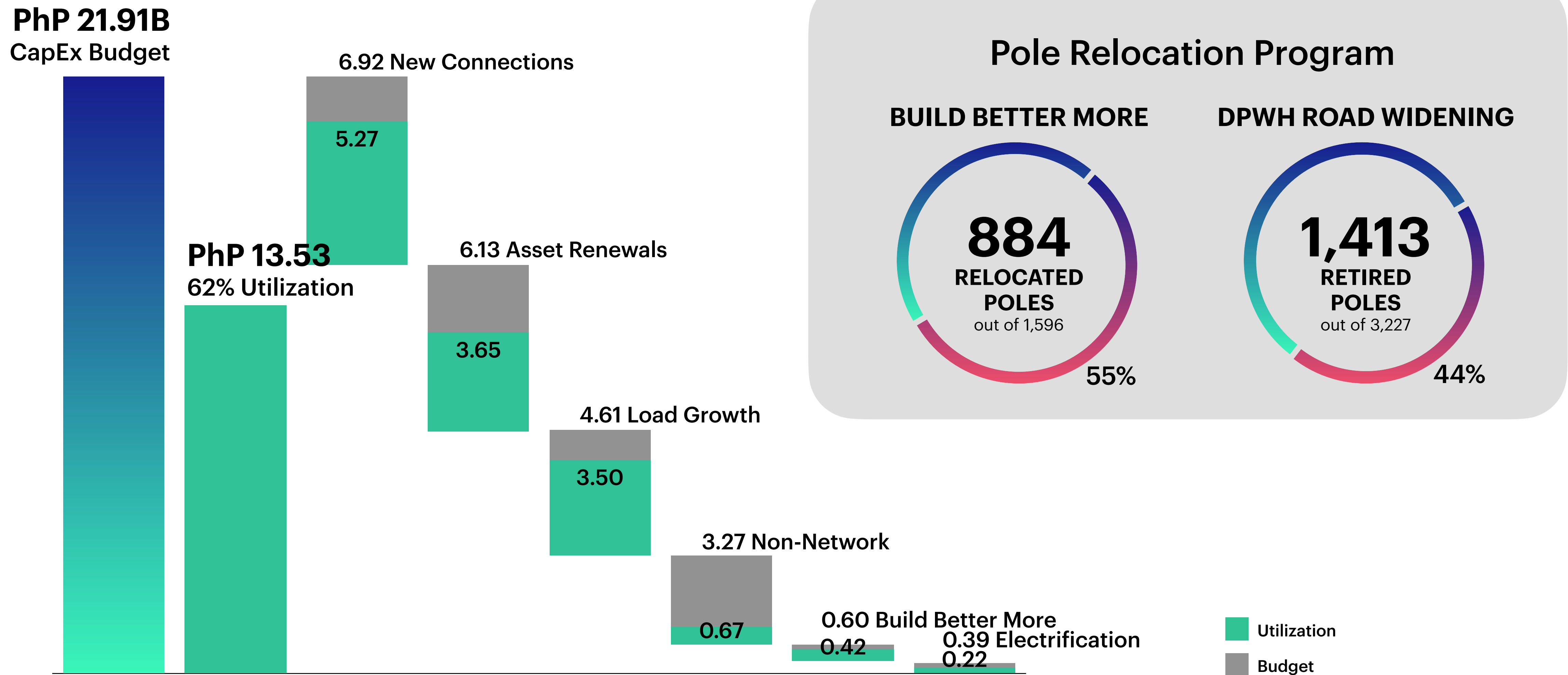
GSL 2
Zero customers
experiencing number of sustained interruptions

GSL 3
12 incidents
restoration of supply to customer after fault on secondary line

GSL 4
6,524 days-delay
connection not provided agreed with customer

September 2022 YTD Networks CapEx in PhP, B

62% of CapEx budget utilized with ~90% of spend in new connections, asset renewals, and load growth, while continuing to support government projects



Network Project Update

Development of Pamplona Uno 115-34.5 kV GIS Substation

- Commissioned 1-83 MVA power transformer bank, 1-115 kV, and 1-34.5 kV GIS on July 12, 2022 as part of RY2020 CAPEX filing (PhP 383M)
- Implemented to:
 - Replace retired Las Piñas 34.5-6.24 kV substation
 - Relieve critical loading of nearby Pamplona power transformer banks 1 and 2
 - Provide needed capacity to accommodate increasing power requirements in Las Piñas and Parañaque cities



Network Project Update

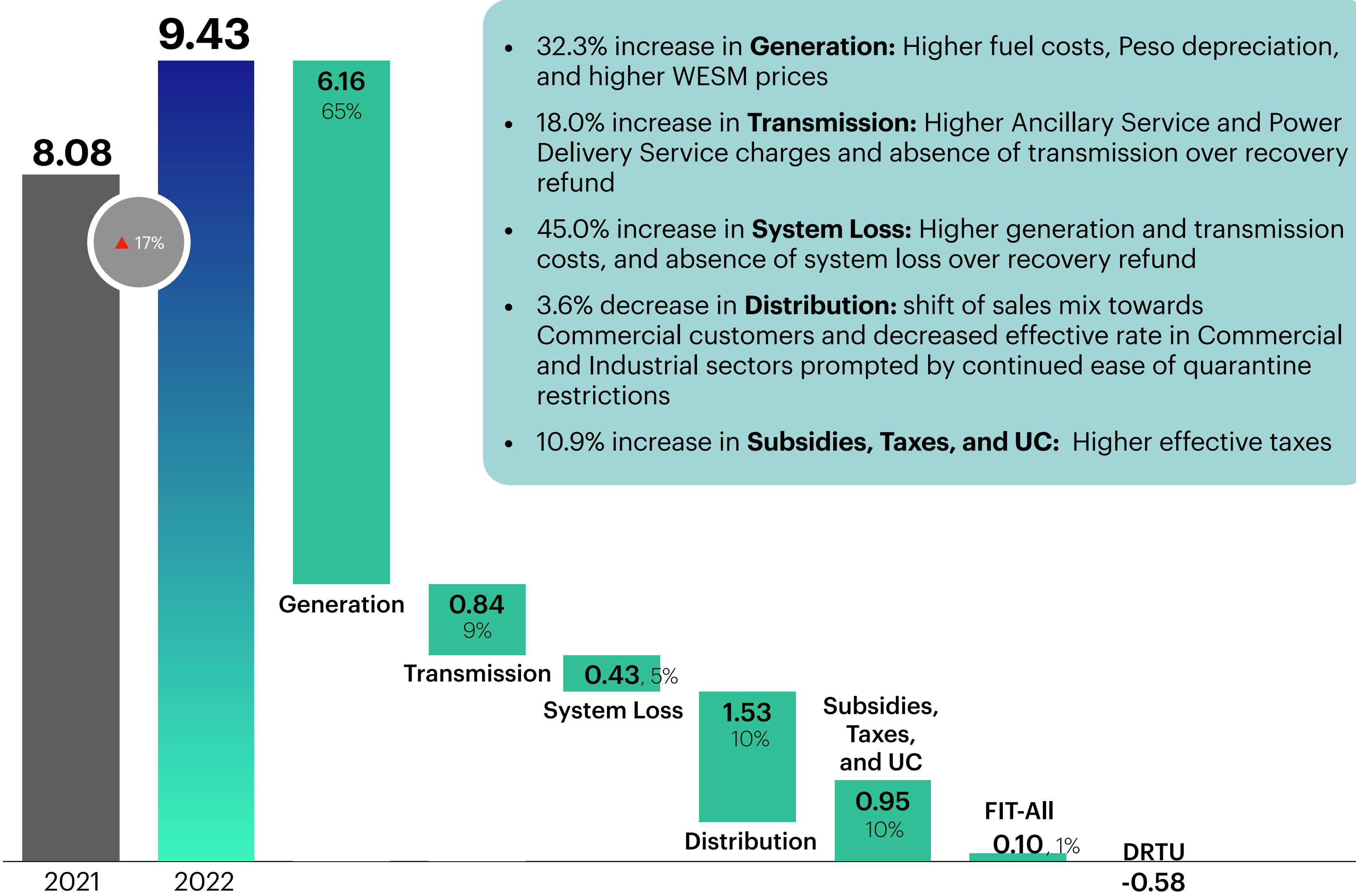
Upgrading of Biñan-San Pedro 115 kV Line

- Completed upgrading of 4.3-km line from 1-795 MCM ACSR to 1-497 SQ MM STACIR on September 16, 2022 as part of RY2022 CAPEX filing (PhP 68.5M)
- Implemented to:
 - Increase line capacity from 900 A to 1,800 A
 - Address capacity and N-1 deficiency in Laguna
 - Improve load shifting flexibility of sub-transmission system from Sector 3 to Laguna Sector



September 2022 YTD **Average Retail Rate** in PhP per kWh

17% higher vs. 2021 mainly due to higher generation charge



- 32.3% increase in **Generation**: Higher fuel costs, Peso depreciation, and higher WESM prices
- 18.0% increase in **Transmission**: Higher Ancillary Service and Power Delivery Service charges and absence of transmission over recovery refund
- 45.0% increase in **System Loss**: Higher generation and transmission costs, and absence of system loss over recovery refund
- 3.6% decrease in **Distribution**: shift of sales mix towards Commercial customers and decreased effective rate in Commercial and Industrial sectors prompted by continued ease of quarantine restrictions
- 10.9% increase in **Subsidies, Taxes, and UC**: Higher effective taxes

Average Rate per Customer Segment

	10.38 Residential
	9.45 Commercial
	8.16 Industrial
	10.66 Streetlights
	0.49 Generator Wheeling

September 2022 **DRTU Refund**

Refunded 57% (PhP 27.3B of PhP 48.3B)

	DRTU 1	DRTU 2	DRTU 3	DRTU 4
Nature of Refund	True Up of IAR vs. AWAT from Jul 2015-Nov 2020	True Up of IAR vs. AWAT from Dec 2020-Dec 2021	True Up of 3RP RAB via Jul 2011-Jun 2015 rates	True Up of IAR vs. AWAT from Jul 2015-Jun 2022 (remaining balance and interest)
Approved Refund Amount	PhP 13.9B	PhP 4.8B	PhP 7.8B	PhP 21.8B
Approved Average Refund Rate PhP/kWh	(0.1528)	(0.1064)	(0.2583)	(0.4790)
Refund Period	Mar 2021-Feb 2023 24 months or until fully refunded	Mar 2022-Feb 2023 12 months or until fully refunded	May 2022-Apr 2023 12 months or until fully refunded	July 2022-June 2023 12 months or until fully refunded
Refunded	PhP 12.1B	PhP 3.2B	PhP 5.7B	PhP 6.2B
% Refunded	87.2%	67.1%	74.0%	28.7%
Remaining Balance	PhP 1.8B	PhP 1.6B	PhP 2.0B	PhP 15.5B
Estimated End/Period	Dec 2022 3 months to go	Jan 2023 4 months to go	Nov 2022 2 months to go	May 2023 8 months to go

Regulatory Update

ERC Orders Denying the Price Adjustment 1/2

- **April 18, 2022:** South Premier Power Corp. (SPPC) and San Miguel Energy Corp. (SMEC) sent Notices of Change in Circumstances (CIC) to MERALCO. On **May 11, 2022**, MERALCO joined SPPC and SMEC's Motions for Price Adjustment that was filed with ERC on same date.
- **September 29, 2022:** ERC, voting 3-2, issued Orders denying Joint Motions for Price Adjustment filed for SPPC and SMEC PSAs, ERC Case Nos. 2019-081 RC and 2019-083 RC, respectively.
- Reasons cited by majority decision to deny claims are:
 1. As financial contracts, PSAs do not require SPPC or SMEC to exclusively supply from its Ilijan Gas Plant or Sual Coal Plant, respectively.
 2. Fixed price nature of PSAs are meant to protect consumers from market volatilities, such risks being assumed by SPPC/SMEC.
 3. Grounds invoked do not fall within definition of CIC as contemplated in PSAs – NPC's Notices of Gas Restrictions are not considered "Laws" and there are no Laws enacted by government in response to Indonesian coal exportation ban and Ukraine-Russia conflict.
 4. Article 1267 of the Civil Code is misplaced – said provision is only applicable for obligations "to do", not for obligations "to give."
 5. MERALCO should exhaust all remedies available to it under the PSAs in case it seeks to dispute termination, or ground cited for termination, or in case SPPC/SMEC fails or refuses to supply contracted energy, or otherwise commits a breach of its obligations, in accordance with PSAs.

Regulatory Update

ERC Orders Denying the Price Adjustment 2/2

- ***Dissenting opinion*** (of Commissioners Lumbatan and Fuentes) viewed that claims should be granted based on following grounds:
 1. PSAs allow parties to claim a temporary price adjustment for specific period based on CIC – as CIC provision in PSA was included/subjected to CSP and already provisionally approved by ERC without modifying subject CIC provisions.
 2. In SMEC Order, it was discussed that proposed rate during CSP only covers prudent and reasonable costs, which contemplated only reasonable levels of risks at the time of PSA execution; and contemplated 3.5% escalation rate excludes changes or variations that have gone far beyond its contemplation and have become so highly iniquitous and disadvantageous.
 3. Based on matters submitted and admitted in evidence, CIC is satisfactorily found to exist to warrant price adjustment – CIC definition's clarificatory clause excludes variations over time of factors affecting costs of operation and usual and normal parameters of market volatility, such that it captures changes or variations that are abrupt and extraordinary. Also, NPC's Notices of Gas Restrictions qualify as CIC as defined in PSA.
 4. Based on rate impact simulations presented by parties and evaluation made by ERC's Regulatory Operations Service (ROS), denial of claims would expose consumers to unknown higher rates than granting the same, not only in near term but until 2029 – as ERC's Chief of Tariffs and Rates Division confirms that granting price adjustment remains to be cheapest option.

Regulatory Update

Supreme Court (SC) Updates: Staggered Recovery of Nov. 2013 Supply Month

G.R. Nos. 210245, 210255, and 210502

- **August 3, 2021:** The SC, voting 6-5 with two (2) Justices abstaining, issued Decision affirming the December 9, 2013 letter approval of ERC which granted MERALCO authority to stagger implementation of December 2013 generation charges, also voided the March 3, 2014 ERC Order which imposed regulated WESM prices.
- **October 11, 2022:** Resolution (signed by Clerk of Court) denying Motions for Reconsideration and Partial Reconsideration filed by (a) NASECORE; (b) Bayan Muna; and (c) ERC [represented by Office of the Solicitor General (OSG)] on the ground that the basic issues raised therein have already been passed upon. No further pleadings or motions will be entertained, and that entry of judgment will be made immediately.
- **Next steps:** Coordination with ERC on implementation of SC Decision.

Regulatory Update

Supreme Court (SC) Updates: NPC-MERALCO Settlement Agreement (SA) 1/3

G.R.No.212268

Background

- **November 21, 1994:** MERALCO and NPC entered into a Contract for the Sale of Electricity (CSE) effective for a period of ten years (January 1, 1995 to December 31, 2005). CSE included a Minimum Energy Quantity (MEQ) provision that requires MERALCO to purchase minimum volume of power and energy from NPC, and pay a minimum monthly charge if actual volume of power and energy drawn fell below MEQ.
- **2002 to 2004:** Due to various economic reasons, MERALCO failed to draw MEQ and was billed by NPC. MERALCO argued that NPC committed breaches of its obligations to it under the CSE.
- **July 15, 2003:** After undergoing mediation proceedings, MERALCO and NPC executed SA with settlement amount of approximately PhP 20.05B.
 - Mediation proceedings conducted by Amb. Sedfrey Ordonez and Antonio V. del Rosario
 - Original NPC claim of PhP 42.9B reduced by: (a) non-inclusion of variable costs, or costs **not** incurred in generating electricity; and (b) offsetting of MERALCO's PhP 7.465B claim against NPC based on delayed completion of transmission facilities and NPC's sale to directly connected customers in MERALCO's franchise area, which directly resulted in lost revenues to MERALCO.
 - Settlement amount reduced to around PhP 14.3B when MERALCO took more electricity from NPC than parties had expected.
 - SA allows MERALCO to pay NPC net settlement amount from collections from MERALCO's customers upon ERC's approval.

Regulatory Update

Supreme Court (SC) Updates: NPC-MERALCO Settlement Agreement (SA) 2/3

G.R.No.212268

Background

- **April 15, 2004:** Joint Application for approval of pass-through provision in SA filed with ERC
 - Proceedings completed but remains suspended
 - OSG questioned validity of SA
- **November 23, 2009:** MERALCO filed Petition for Declaratory Relief on validity of SA with the Regional Trial Court (RTC)
- **May 29, 2012:** After trial on merits, RTC rendered a Decision
 - Granted MERALCO's Petition for Declaratory Relief
 - Declaring SA (except for the pass-through provision which is to be decided by ERC) to be VALID and BINDING
- **June 25, 2012:** OSG appealed RTC Decision to Court of Appeals (CA)
- **April 15, 2014:** CA rendered Decision affirming RTC Decision on validity of SA
- **May 26, 2014:** OSG filed Petition to SC to set aside CA Decision
- **September 28, 2022:** SC posted in its website a Resolution issued by First Division (signed by Division Clerk of Court)
 - Denied Petition and affirmed CA's Decision dated April 15, 2014

Regulatory Update

Supreme Court (SC) Updates: NPC-MERALCO Settlement Agreement (SA) 3/3

G.R.No.212268

Resolution dated September 28, 2022:

- **CA correctly upheld jurisdiction of RTC over the Petition for Declaratory Relief.**
 - Parties are not precluded from resorting to alternative modes of resolution and not just resort to arbitration.
- **SA remains valid without authorization from Office of the President, COA and Congress.**
 - SA does not constitute a “settled claim or liability” requiring approval.
 - SA still subject to ERC approval belies settled nature.
- **SA is not grossly disadvantageous and prejudicial to the government, contrary to law, morals, public interest, and public policy.**
 - Mere offsetting of valid claims against government does not render SA grossly disadvantageous and prejudicial.
 - Implementation of SA will infuse cash to government infusing its budget situation.
 - MERALCO waived a sizable portion of its valid claims against NPC, shielding latter from exposure to liability of full extent of claims and costs of protracted litigation.
 - SA safeguarded interests of consumers as well as in terms of reduction in electricity rates.
- **SA remains valid even when executed without intervention and guidance by OSG.**
 - OSG participation and legal guidance not prerequisites for NPC Board to enter into a settlement agreement. No law requires such.
- **NPC cannot repudiate SA which is a product of parties’ mutual resolution to submit dispute to mediation. Cannot simply renege obligations because of change of mind. NPC bound by terms of SA and must comply in good faith.**

One Meralco recognized with 7 Stevie Awards

2 Gold Stevies in Corporate Social Responsibility (CSR) and Use of Social Media Categories 1/2



THE INTERNATIONAL
BUSINESS AWARDS

The Stevie Awards are the world's premier business awards honoring achievements and positive contributions of companies worldwide.



GOLD

OMF School Electrification Program:
Energizing the Country's Off-Grid
Public Schools during the Pandemic
CSR PROGRAM OF THE YEAR



GOLD

Meralco Corporate Partners
Viber Community: Engagement when
Connectivity is a Must
BEST USE OF SOCIAL MEDIA

One Meralco recognized with 7 Stevie Awards

4 Silvers and 1 Bronze in Annual Report, CSR, and Non-Profit Categories 2/2



THE INTERNATIONAL
BUSINESS AWARDS

The Stevie Awards are the world's premier business awards honoring achievements and positive contributions of companies worldwide.



SILVER

Meralco 2021 Annual Reports:
Bayanihan, Malasakit, and Kalinga
ANNUAL REPORT



SILVER

OMF Household Electrification Program:
Powering-Up Communities in the
Pandemic
CSR PROGRAM



SILVER

One for Trees: Empowering People and
Communities to Nurture our Forests
CSR PROGRAM



SILVER

Jeffrey Tarayao, OMF President
THOUGHT LEADER OF THE YEAR
(NON-PROFIT)



BRONZE

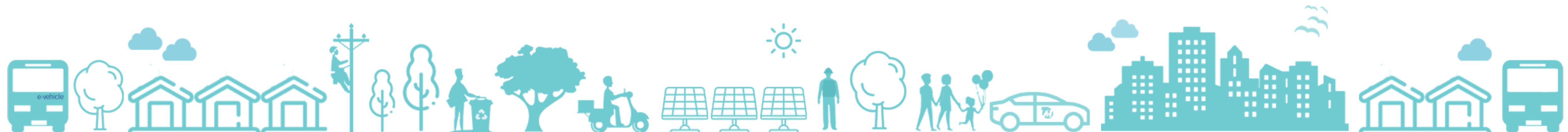
OMF From Farmers to Pantries: Inspire
Hope Amid the Pandemic and Economic
Crisis in the Philippines
NON-PROFIT RESPONSE



NINE MONTHS ENDED SEPTEMBER 30, 2022

POWER GENERATION OPERATING RESULTS

October 28, 2022



September 2022 YTD Highlights



- MGen-GBP Group delivered 9,929 GWh, a 6% decline from previous year's 10,515 GWh largely due to outages
- GBP's energy delivered stood at 3,601 GWh, lower than 3,802 GWh in 2021 on account of the impact of Typhoon Odette and planned outages
- SBPL's plant availability for the month settled at 68% due to scheduled preventive maintenance from September 15 to 24. Average plant availability YTD stood at 87.1%
- PacificLight's September YTD energy delivered settled at 4,162 GWh higher by 2% against last year's 4,077 GWh
- BulacanSol delivered 88 GWh through September 2022

Energy Delivered in GWh

	YTD 2022	YTD 2021	% change
 GLOBAL BUSINESS POWER	3,601	3,802	▼ 5%
	2,078	2,598	▼ 20%
 PacificLight	4,162	4,077	▲ 2%
 BULACANSOL	88	38	▲ 132%
TOTAL	9,929	10,515	▼ 6%

Renewable Energy Development 1/2

- 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 Energy)



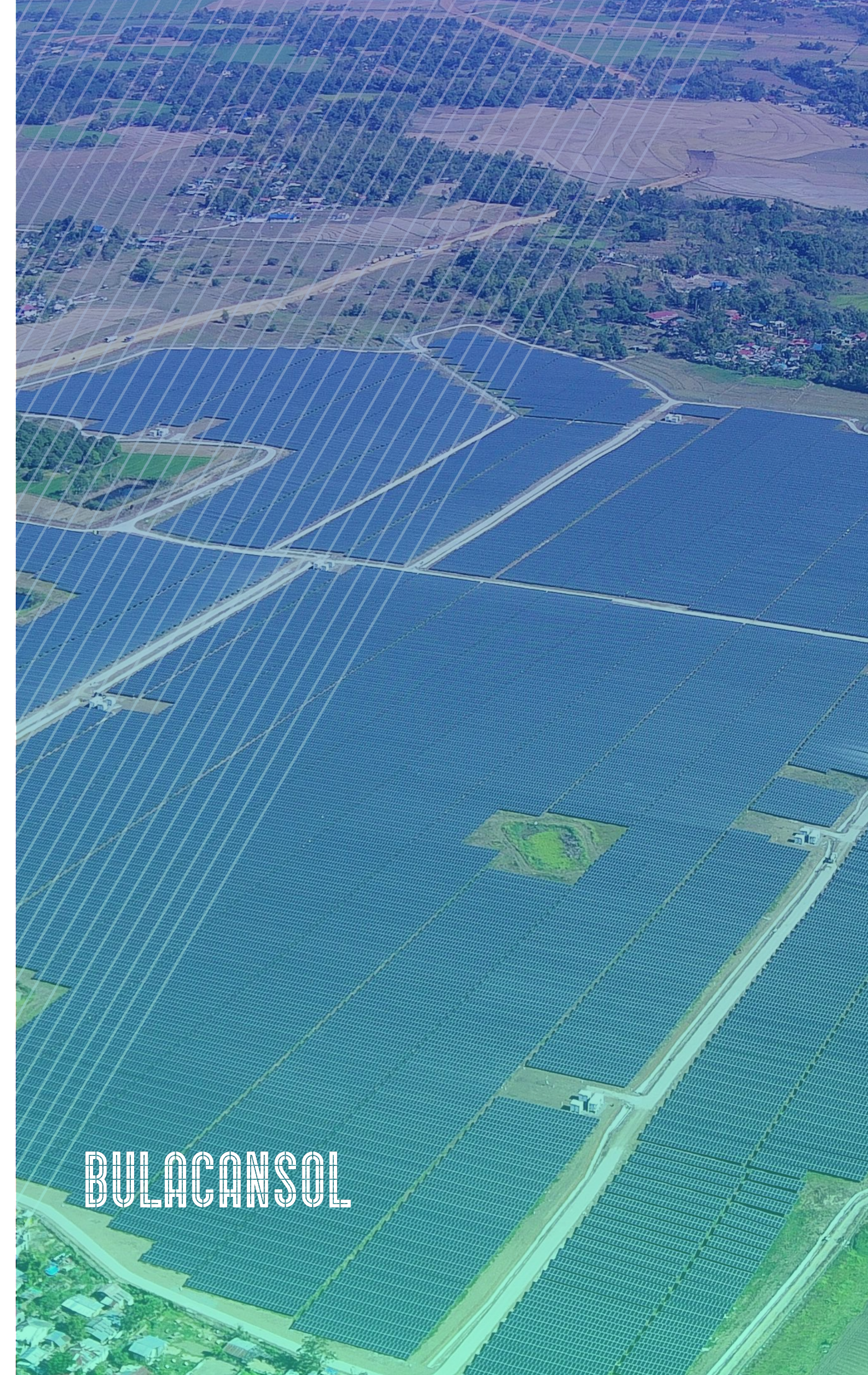
PH Renewables, Inc. (PHRI) secures PhP2.65B, 15-year term project financing facility from RCBC (August 2022)



Laying of Time Capsule (August 2022)
68 MWac Solar Project in Ilocos Norte

Renewable Energy Development 2/2

- **RE Projects under Development:**
 - 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



THANK YOU

