

An aerial night photograph of a city. In the foreground, a large, modern building with a grid-like facade of windows is illuminated. A tall radio tower with red and white segments stands behind it. To the right, a multi-lane highway is visible with long-exposure light trails from cars, showing red and white streaks. The city lights and distant mountains are visible in the background under a twilight sky.

FINANCIAL AND OPERATING RESULTS

Investors and Analysts Briefing
Half Year Ended June 30, 2019

July 29, 2019

FINANCIAL HIGHLIGHTS

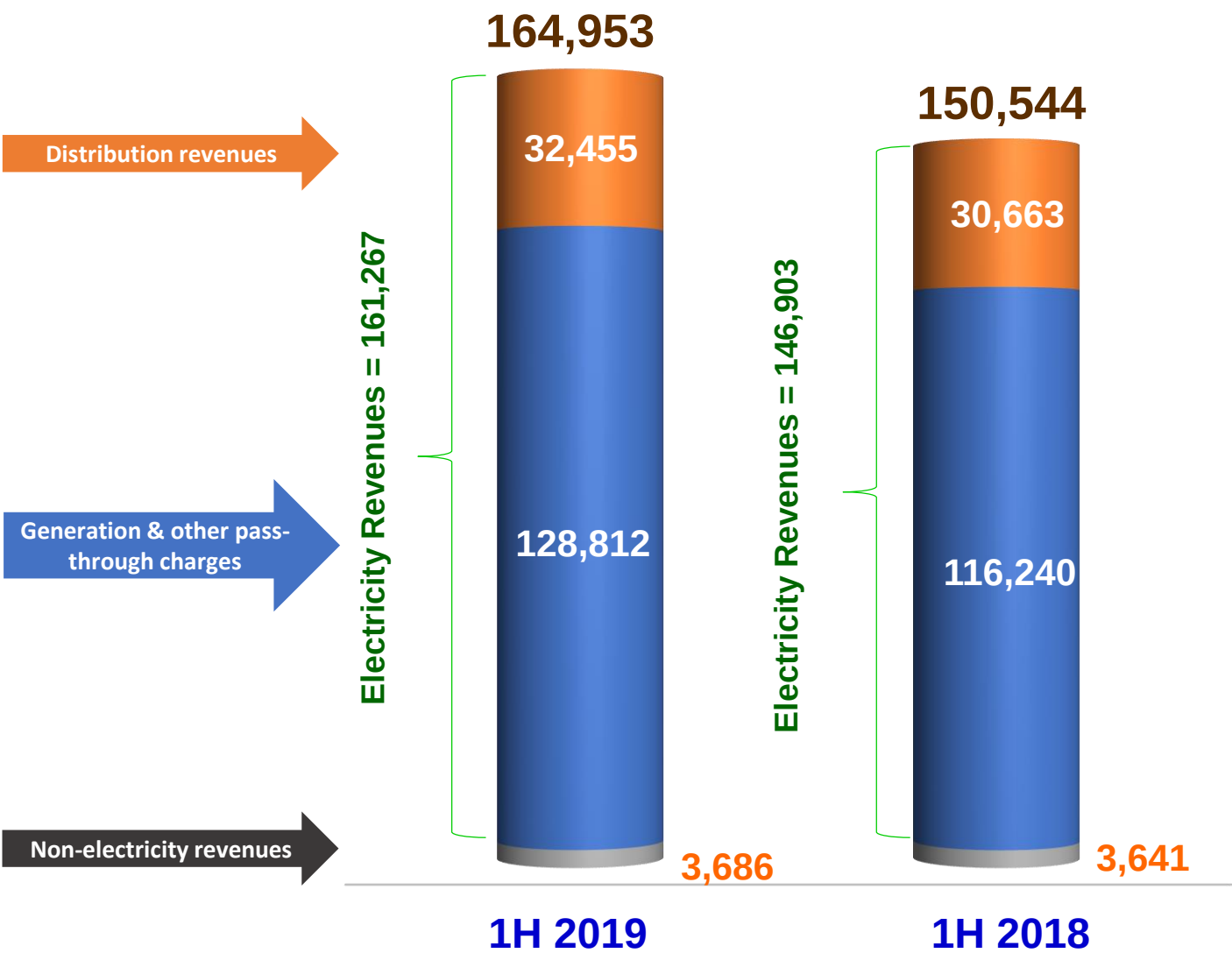
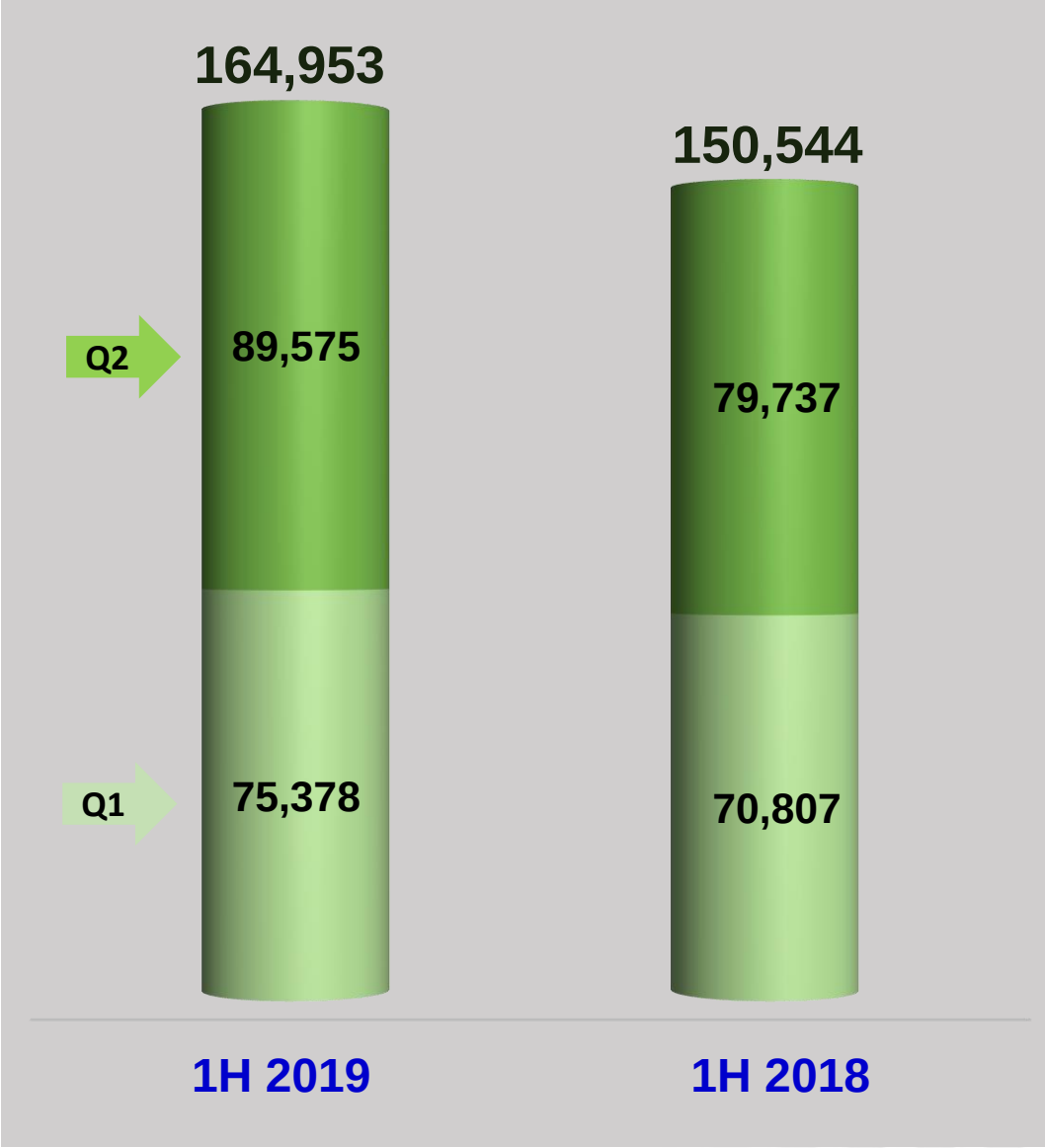
1H 2019



Quarterly Highlights (in Million PhP)

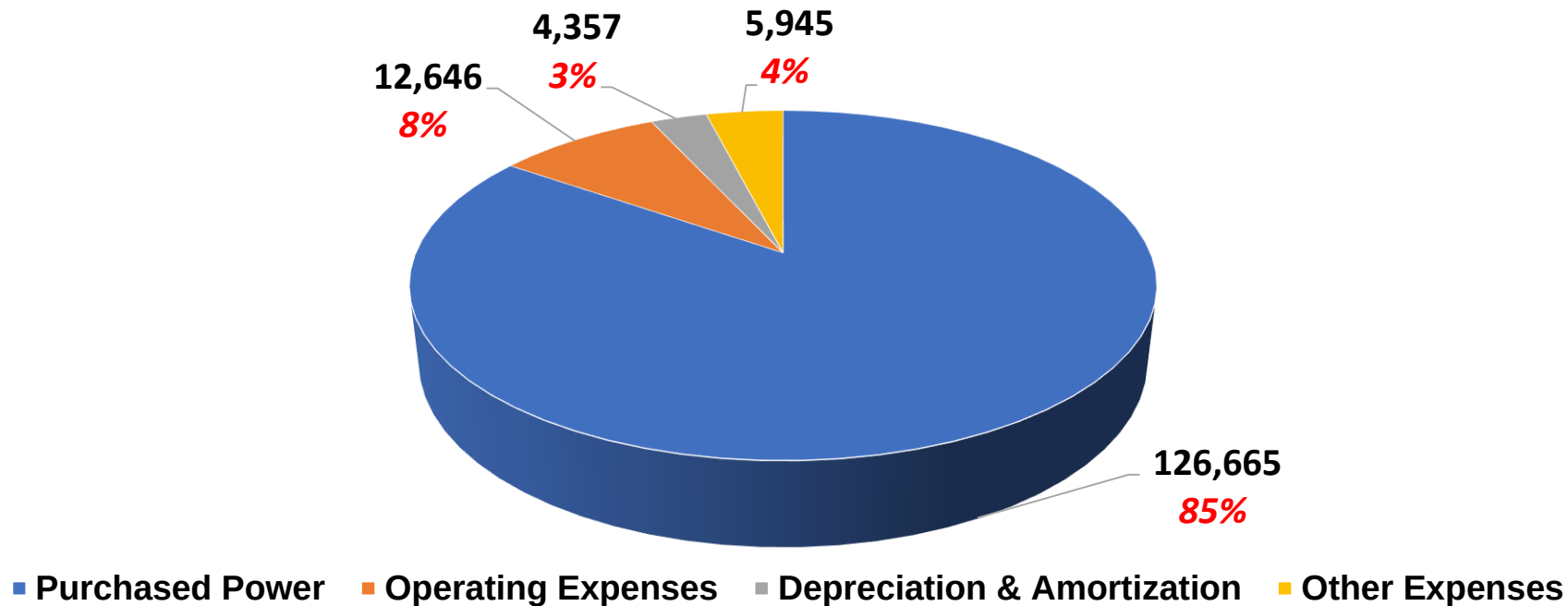
	2019		2018		% Inc (Dec)	
	Q1	Q2	Q1	Q2	Q1	Q2
Sales Volume (GWh)	10,381	12,442	10,145	11,520	2%	8%
Revenues	75,378	89,575	70,807	79,737	6%	12%
Electric	73,632	87,635	69,009	77,894	7%	13%
Distribution	14,273	18,182	14,081	16,582	1%	10%
Generation and other pass-through	59,359	69,453	54,928	61,312	8%	13%
Non-electricity	1,746	1,940	1,798	1,843	-3%	5%
Core Income	5,598	6,719	4,917	5,934	14%	13%
Reported Income	5,671	6,336	5,312	6,661	7%	-5%
Core EBITDA	8,828	11,051	8,688	8,897	2%	24%
Reported EBITDA	8,828	11,051	8,688	8,897	2%	24%

Consolidated Revenues (in Million PhP)

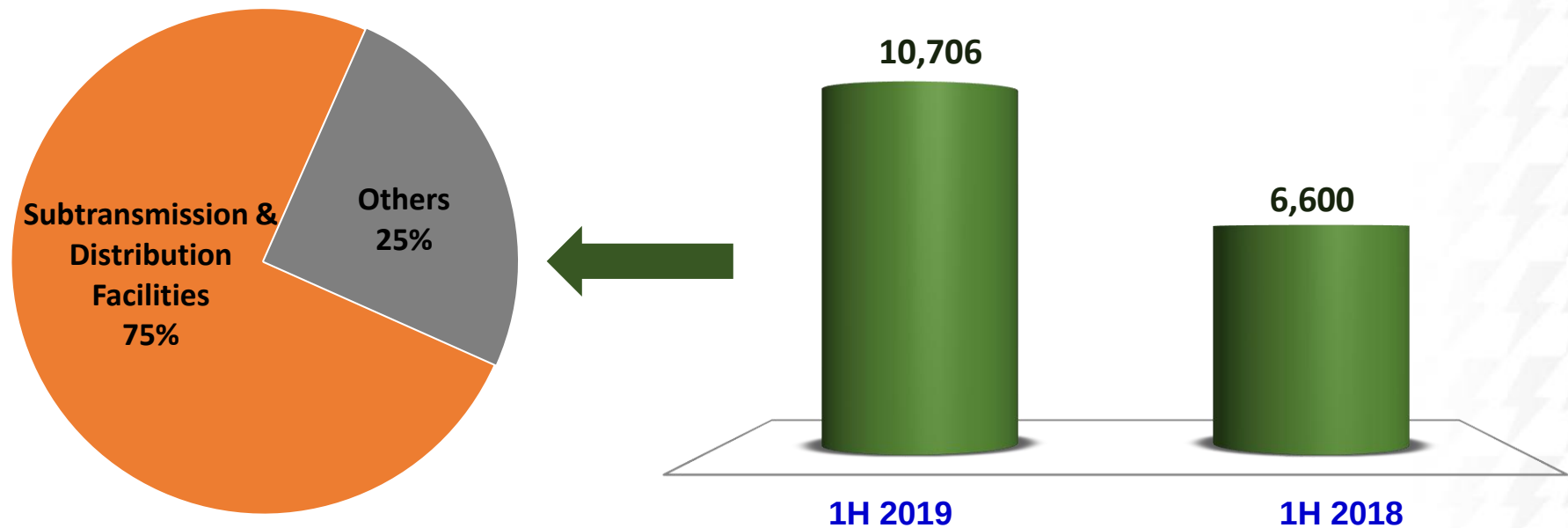


Costs and Expenses/Capital Expenditures (in Million PhP)

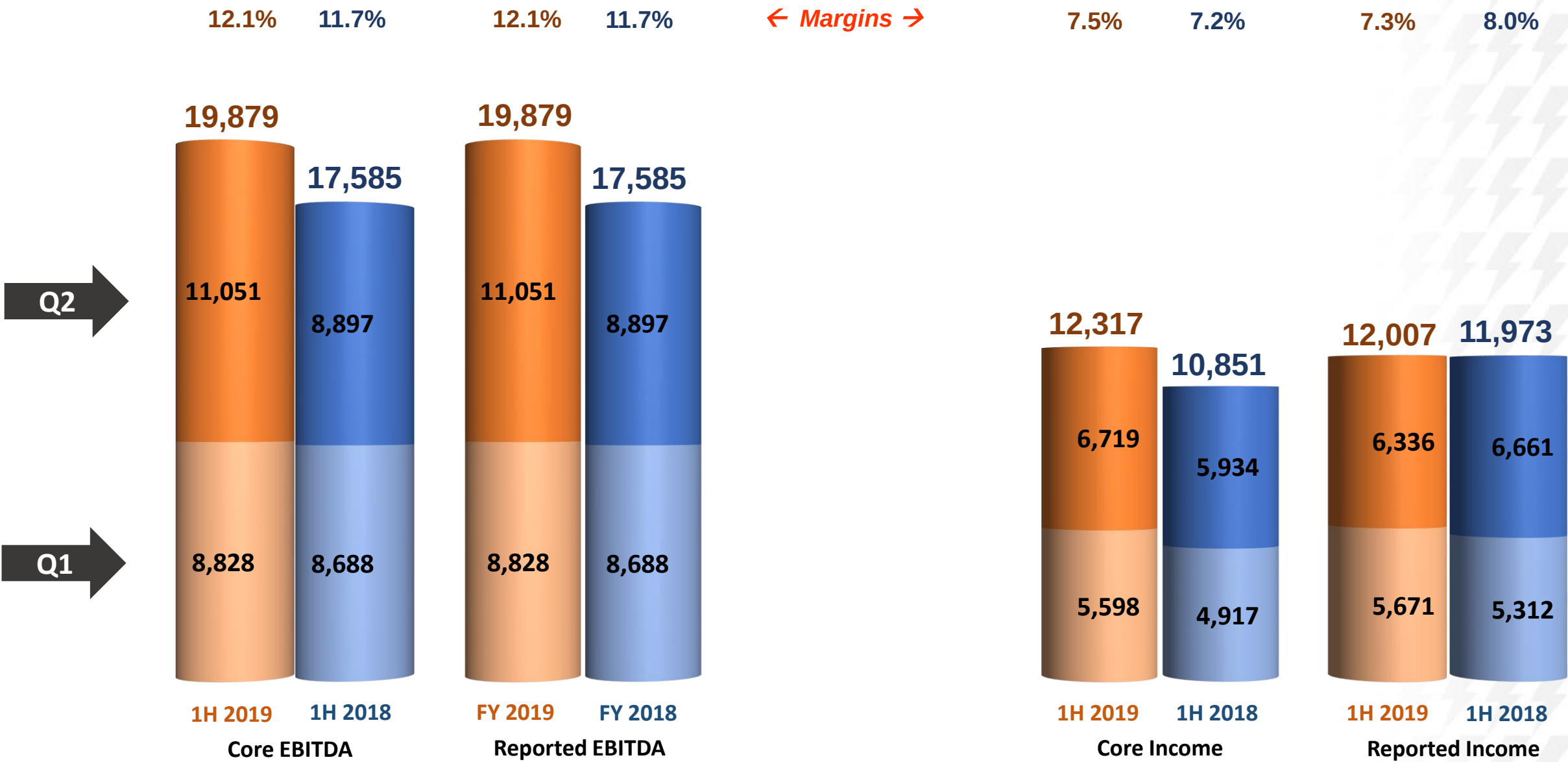
Costs and Expenses



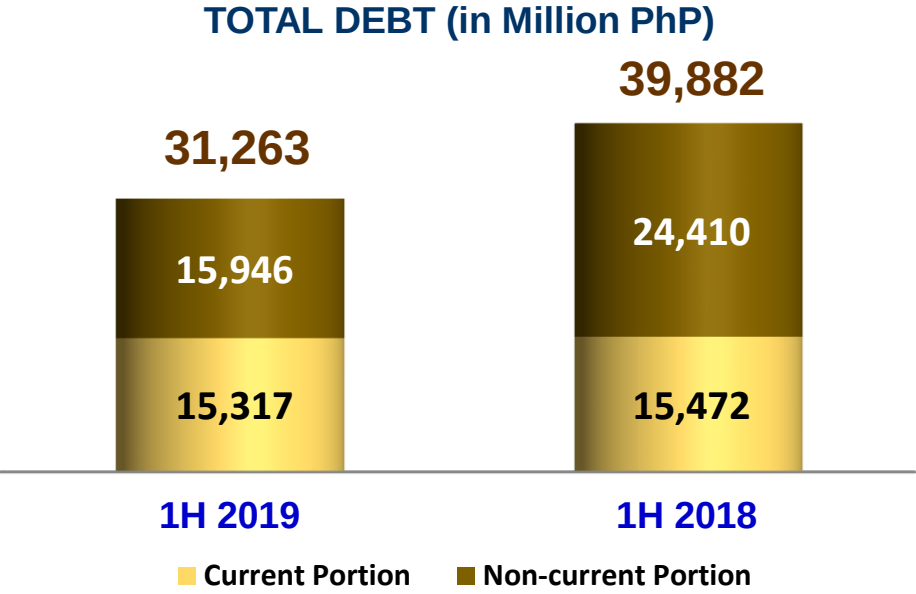
Capital Expenditures



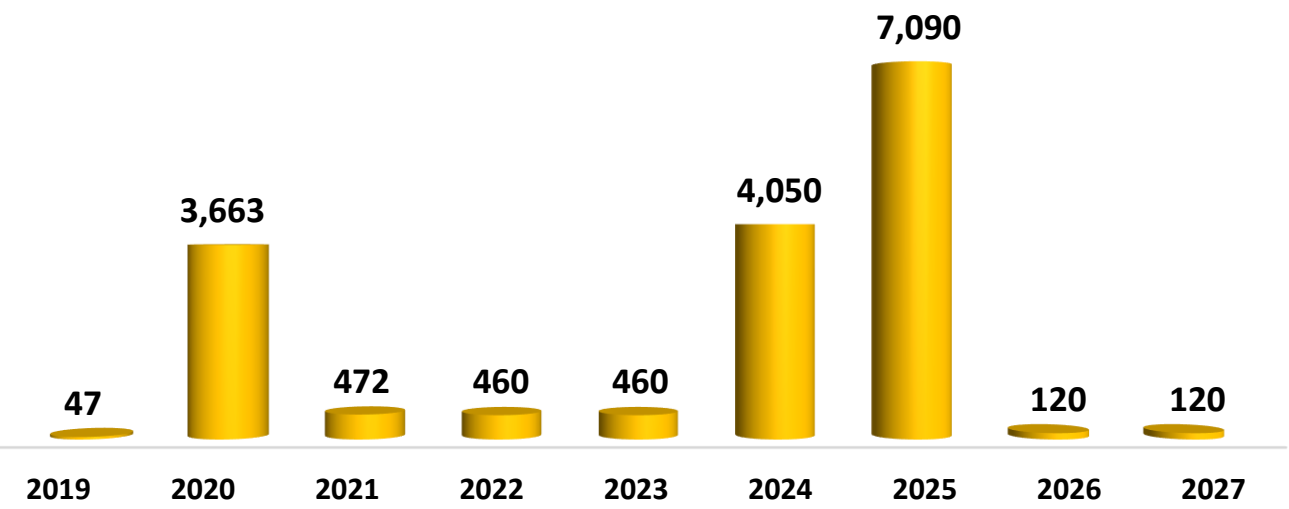
Consolidated EBITDA and Net Income (in Million PhP)



Credit and Debt Profile



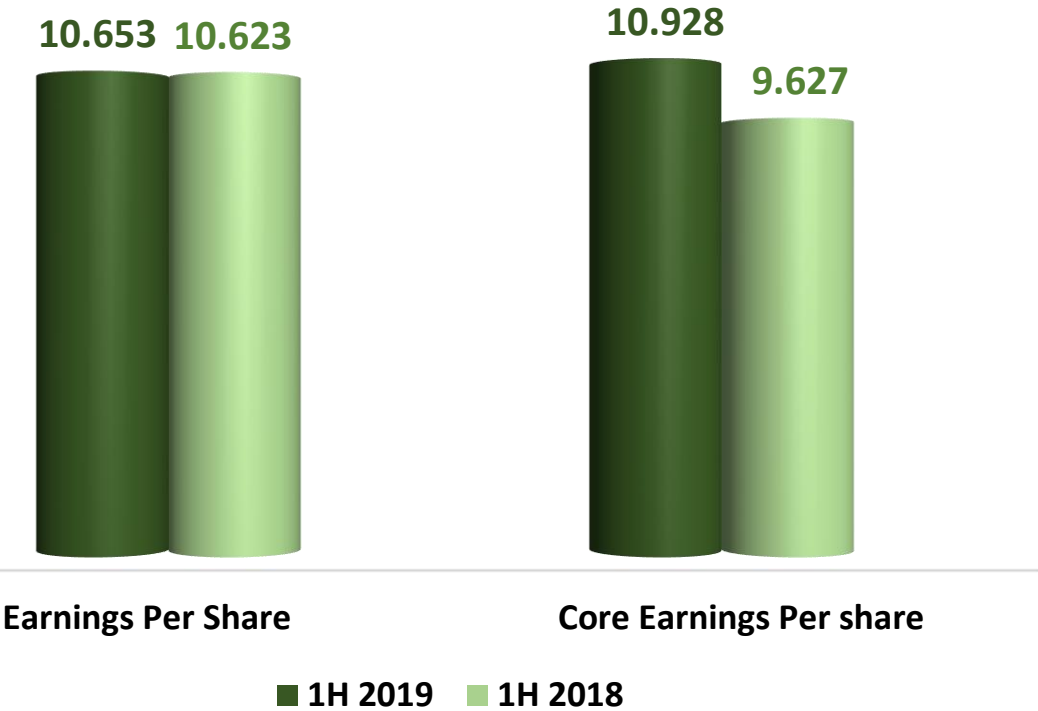
LONG-TERM DEBT REPAYMENT SCHEDULE (in Million PhP)



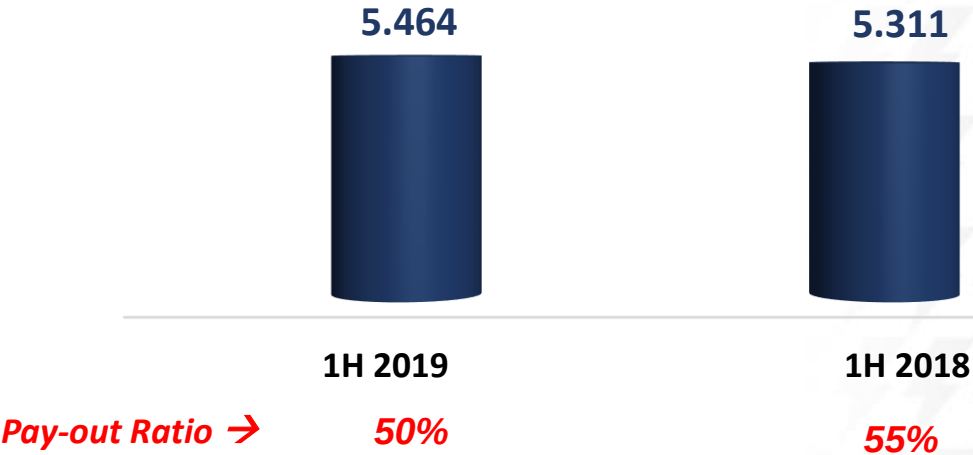
(in Million PhP, Except Ratios)	1H 2019	1H 2018
Cash	27,319	50,778
Gross Debt	31,263	39,882
Net Debt	3,944	(10,896)
Gross Debt/EBITDA	0.79	1.13
Net Debt/EBITDA	0.10	(0.31)
Gearing Ratio	0.05	(0.15)
Interest Expense	801	1,034

Earnings per Share and Cash Dividends

REPORTED AND CORE EARNINGS PER SHARE
(in PhP Per Share)



DIVIDENDS DECLARED
(in PhP Per Share)





REPORT OF THE CHIEF EXECUTIVE

Performance ended June 2019

Operating Highlights

1H 2019

Energy
Sales

↑5.3%*
22,823 GWh

Customer
Count

↑4.3%*
6.74 million

Peak
Demand

↑4.6%*
7,740 MW

Net System
Input (NSI)

↑5.9%*
24,299 GWh

Ave. Retail
Rates

↑4.8%*
P9.25/kWh

S-Factor
& GSL**

Sustained
Service
Improvement

Business
Updates

CONSOLIDATED NUMBERS FOR ENERGY SALES, CUSTOMER COUNT & NET SYSTEM INPUT

*vs. same period, previous year

**For GSL, RY2019 Period (July 1, 2018-June 30, 2019); compared with past levels (in the absence of 4RP standards/ reset)



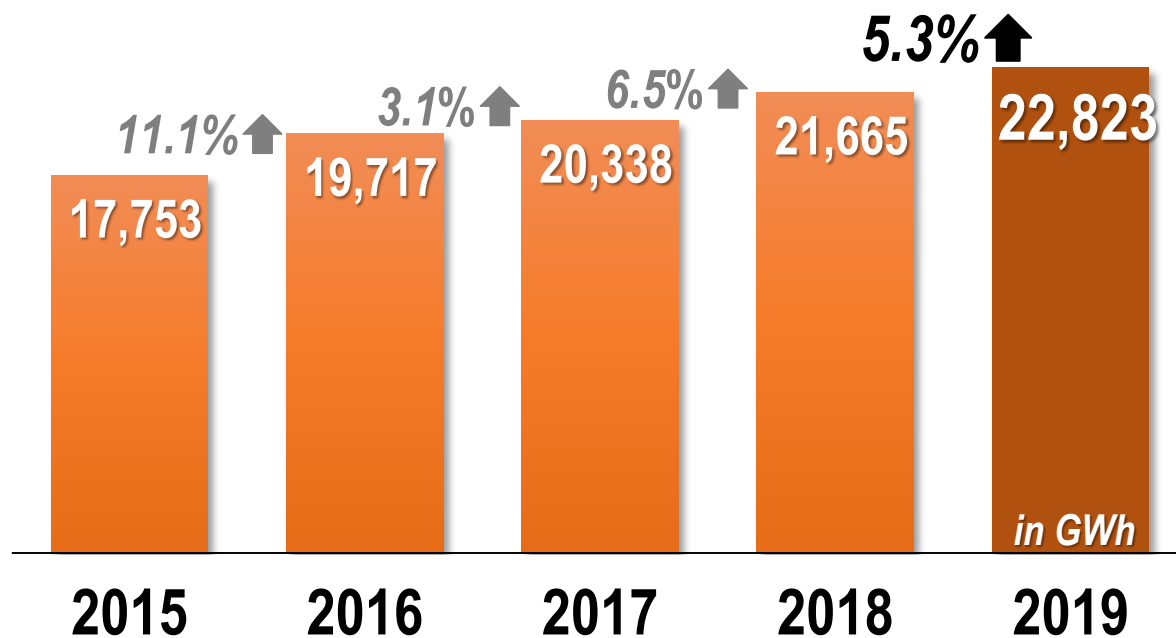
Details

1H
2019



Energy Sales: 1H 2019

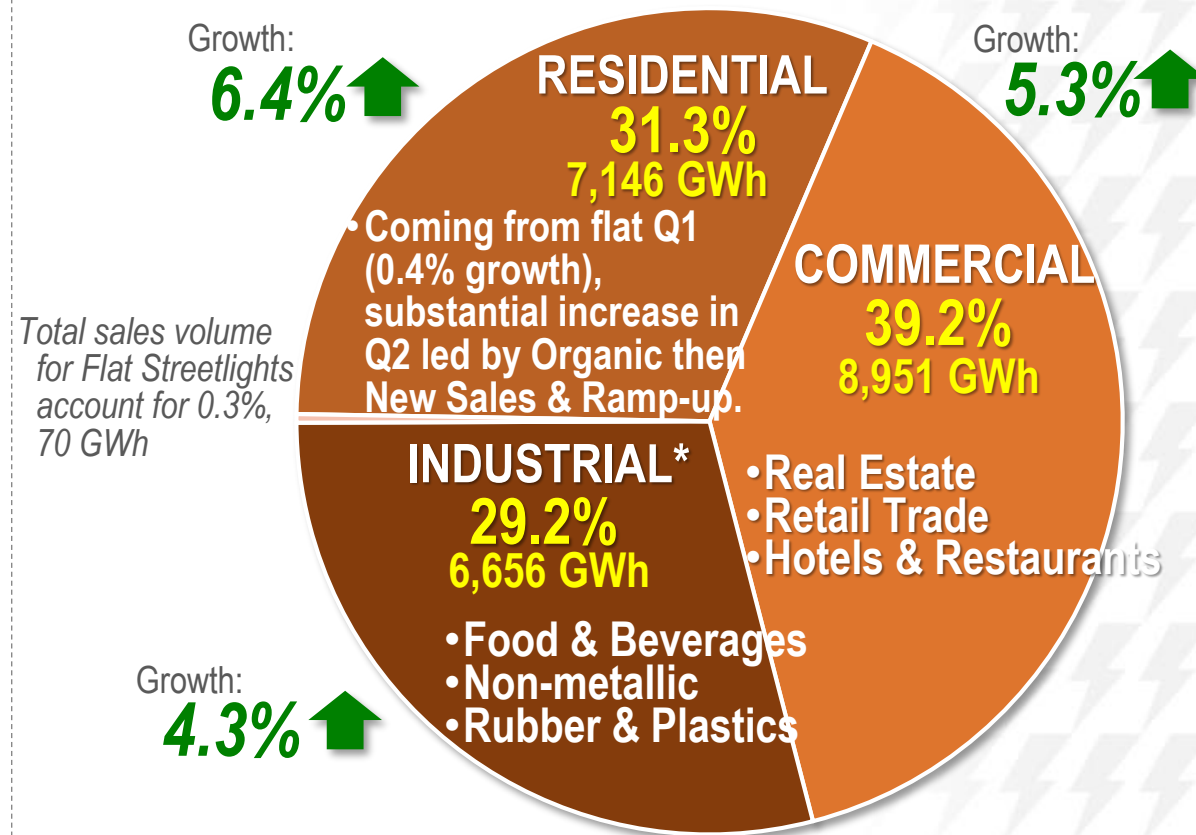
➤ Up 5.3% vs. 2018 (+1,158 GWh)



Details (2019):

Parent: 98.8% (22,539 GWh); CEDC 1.2% (284 GWh)

Share / Δ for 1H 2019:

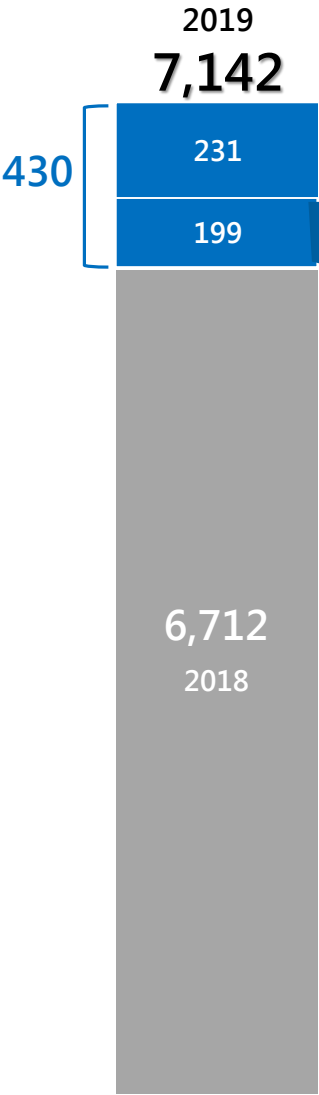


*incl. Generator Wheeling



Energy Sales: 1H 2019, Residential

Residential sales continued its growth recovery coming from flat 1Q 2019 (0.4%) improved substantially in 2Q (11.3%). For 1H 2019, Organic led the way with 231 GWh. New contributed 29 GWh from 127,130 newly energized customers, Ramp-up contributed 170 GWh.



NEW

NEW GWH: [29 GWh or ▼ 0.31%]
NEW ACCOUNTS: 127,130 [▼ 8.9%]

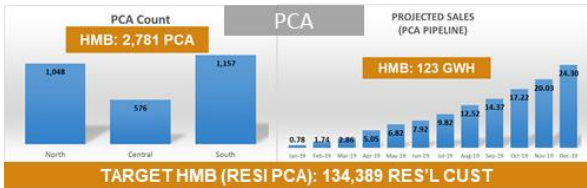
NEW: Consumption of New accounts at a slower rate due to lower new accounts YTD compared to same period 2018. It is expected to increase in succeeding months due to energization programs (OSA, PCA, MEP) and handling of backlog with Networks partners.

RAMP-UP

RAMP-UP GWH* [170 GWh or ▲ 5.02%]
**Ramp-up GWh coming from 286,122 energized in 2018.*

RAMP-UP: Sales contributed 170 GWh to Resi growth. This signifies a increase of 9 GWh or 5.02% vs. 2018 ramp-up.

North is driving growth for ramp-up at 8.72 GWh ramp-up due to developments in Novaliches, Commonwealth-Balintawak & Baliwag areas. South is a close 2nd owing it to increased move-in and occupancy of both horizontal and vertical projects as well as areas near POGOs.



Meralco Electrification Program				
BC	NORTH	CENTRAL	SOUTH	TOTAL HMB
Balik-Liwanag	4,789	3,098	13,180	21,067
NHA	3,927	3,160	6,144	13,231
ISC Areas	6,942	7,326	4,045	18,313
EMC Area	14,029	9,197	2,083	25,309
LGU Housing	1,601	201	2,299	4,101
RAISE	1,658	2,311	5,923	9,892
Off-Grid			805	805
DOE Projects	15	360	557	932
TOTAL	32,962	25,653	35,036	93,651
TARGET HMB (MEP Growth): 62 GWh				

Energy Sales: 1H 2019, Residential

Residential sales continued its growth recovery coming from flat 1Q 2019 (0.4%) improved substantially in 2Q (11.3%). For 1H 2019, Organic led the way with 231 GWh. New contributed 29 GWh from 127,130 newly energized customers, Ramp-up contributed 170 GWh.

2019
7,142

430

231

199

6,712
2018

ORGANIC

[▲3.46%.-6,913 1st Half 2019 vs. 6,683 1st Half 2018]

- 1) YTD Average Real Feel Temp: 33.72 °C [▲ 0.34 °C vs. 1st Half 2018]
- 2) YTD Average Temp: 28.42 °C [▲ 0.40°C vs. 1st Half 2018]
- 3) Average Inflation: 3.4 [▼0.90 vs. 1st Half 2018]
- 4) Generation Charge:

MAY: 5.55 [▲0.50 vs. May 2018] JUNE: 5.41 [▲ 0.43 vs. June 2018]
[▼0.08 vs. Apr 2019] [▼ 0.14 vs. May 2019]

OTHER POSITIVE CONTRIBUTORS

OCCUPANCY BOOM DUE TO INFLUX OF CHINESE WORKERS (POGOS)



▲160% in Condo ESales from 1H 2018

*Major growth areas near Bay Area & high concentration of POGOs:
Pque, Taguig, Malate, Tutuban, Pasay (e.g. SMDC, DMCI, Federal Land,
Century Properties)*

ELECTION IMPACT



Increased consumption due to active campaigns and election-related activities were observed during the height of the campaign season.

SUMMER VACATION



Reliance on cooling devices were observed during the summer period, heightened by El Nino

Energy Sales: 1H 2019, Commercial & Industrial

Both Commercial & Industrial continued growth trajectory similar to 1Q 2019 (1.9% for Commercial; 5.0% for Industrial)*



COMMERCIAL

8,803 GWh

▲ 5.1%



INDUSTRIAL

(Excl. Generator Wheeling)

6,397 GWh

▲ 5.2%

REAL ESTATE

The industry is forecasted to maintain its growth and remain resilient in 2019 (Growth from China investments, Expansion of flexible workspace operations and OFW remittances)

- **MM Current Office Space supply (SQM):** 8M (current) at 6% Vacancy rate for Q1 2019; 2.6M (upcoming)
- **Largest demand for Office space:** BPO 51% followed by Gaming (POGOs)
(Source: JLL 1Q Report & Colliers Report)

TOP 3: FILINVEST CYBERZONE R7, DD MERIDIAN PARK, VISTA MALL 2 BPO

RETAIL TRADE

Growth is driven by ramp-up of existing mixed-use malls mostly with BPO/POGOs/office spaces.

- **Retail supply (SQM):** 6.5M (current) at 3.5% vacancy rate; 0.62M (upcoming)
(Source: JLL 1Q Report)

TOP 3: ALPHALAND SOUTH, AYALA FELIZ, SM FAIRVIEW

HOTELS & RESTAURANTS

Continuous growth in the Hotel industry brought by steady increase of foreign tourists (7.1M tourists or 7.7% growth in 2018; 8.2M forecast for 2019) as well as local tourism (travel & staycation)

- **Current supply:** 37,100 rooms (+520 rooms in Q1) at 70-80% occupancy
- **Estimates for 2019-2021** hotel outlook remain bullish (Upcoming supply: 10,200 rooms)
(Source: JLL 1Q Report)

TOP 3: OKADA, HILTON HOTEL, LUCKY STAR HOTEL

FOOD & BEVERAGE

Factors influencing growth

- Strong household consumption influenced by low inflation rate in H1
- Increasing incomes from young workers employed by outsourcing and offshoring firms

TOP 3: ZENITH FOODS, SAN MIGUEL, MONDE NISSIN

NON-METALLIC

- Increased cement production aligned with growing demand from “Build Build Build” and Real Estate projects
- Under “Build Build Build”, 46 out of 75 were already implemented
- Cement consumption is forecasted to grow 8% or +3MT in 2019
- ECC is gearing up for the big ticket projects of SMC Construction like the proposed Bulacan Airport and MRT 7 access road
- SMC to acquire Holcim in Q4 2019, resulting to 46% share of market

TOP 3: EAGLE CEMENT(ECC), SAN MIGUEL YAMAMURA, JAMES HARDIE

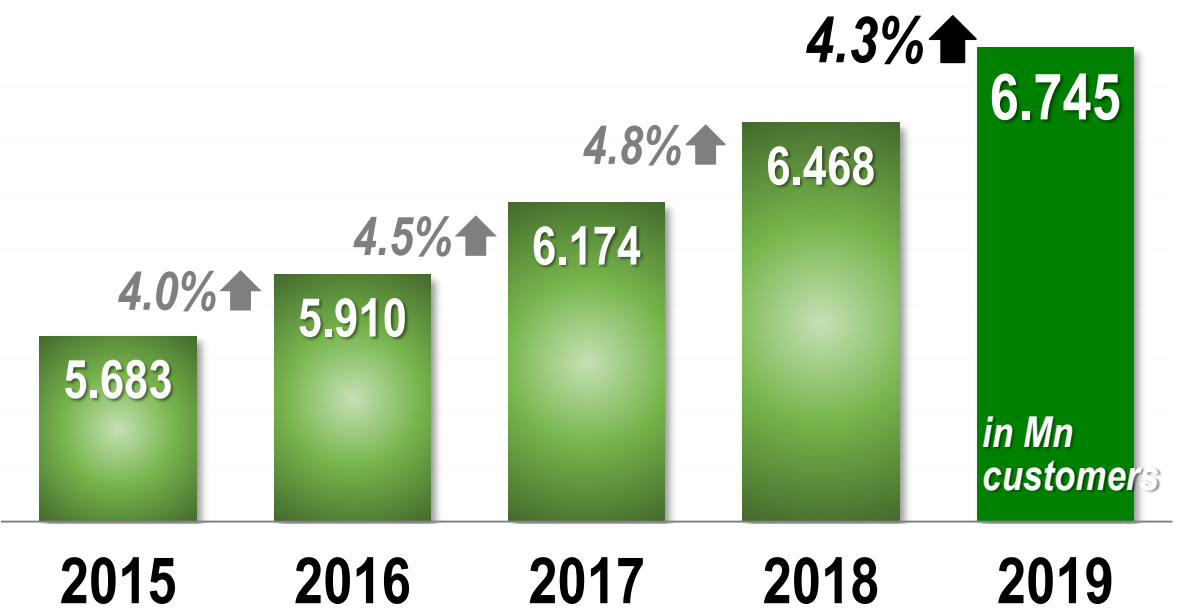
RUBBER AND PLASTIC

- Domestic packaging industry, which is slowly transitioning into more environment-friendly materials, expects a steady 6 % growth in 2019
- Key to growth are innovations and diversification of application plastics used in other industries (automotive, electronics and construction)

TOP 3: JG SUMMIT PETROCHEM, MANLY PLASTIC, FIBC GREENBAG

Customer Count: 1H 2019

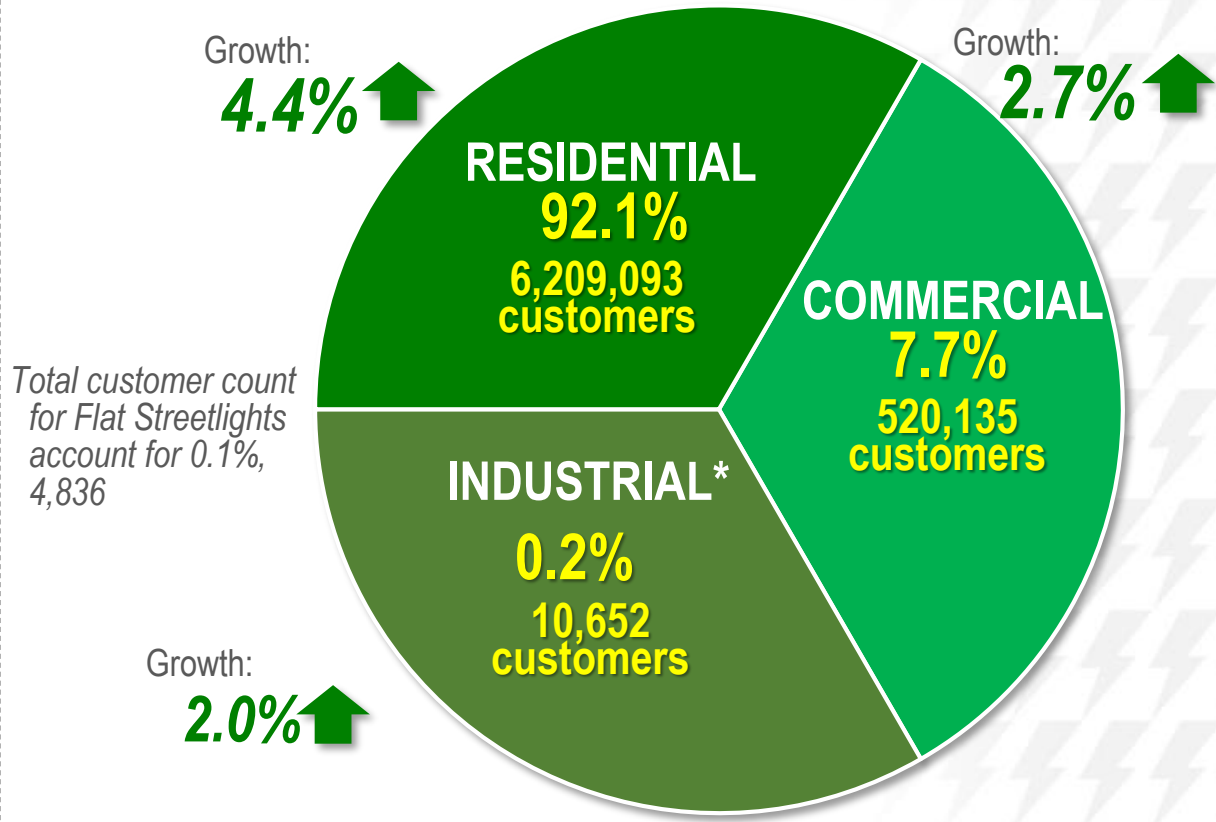
➤ Up 4.3% vs. 2018 (+276,420 customers)



Details (2019):

Parent: 99.9% (6,742,327 Cust.); CEDC 0.1% (2,389 Cust.)

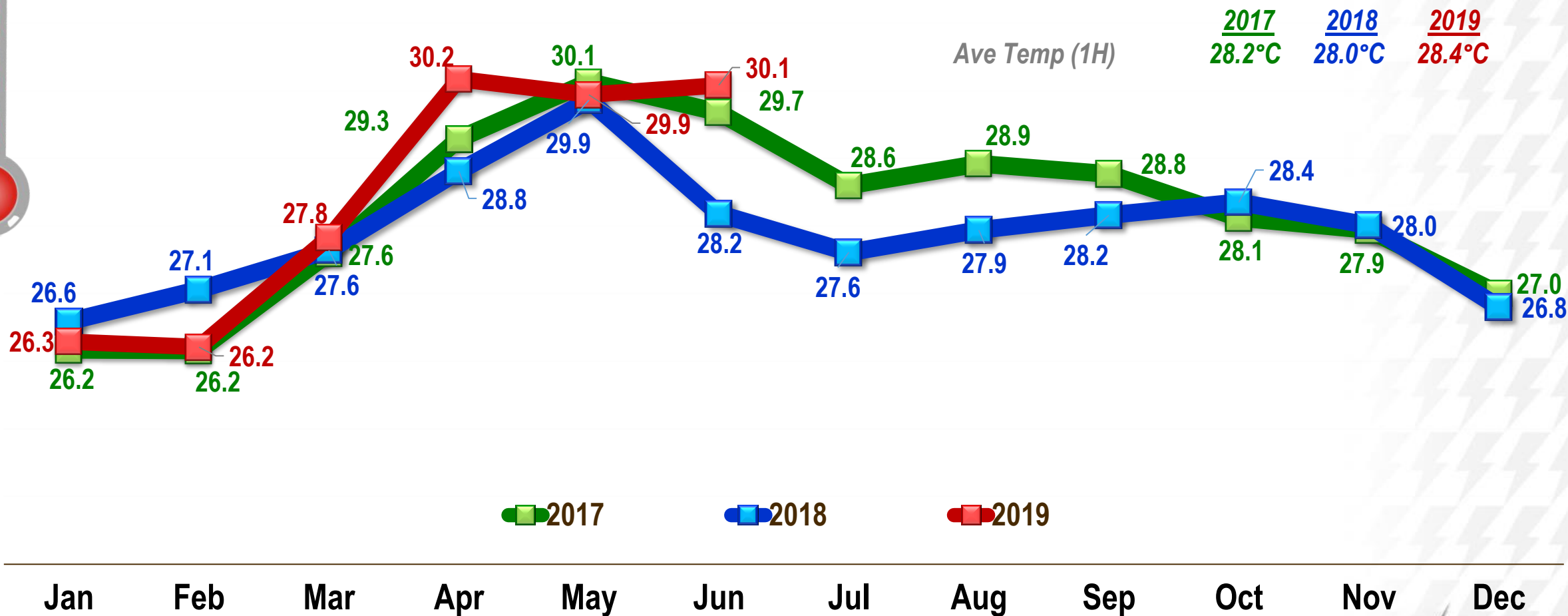
Share / Δ for 1H 2019:



*incl. Generator Wheeling

Ave. Temperature(°C): 1H 2019

➤ Ave. Temp for 1H 2019 higher vs. 2018

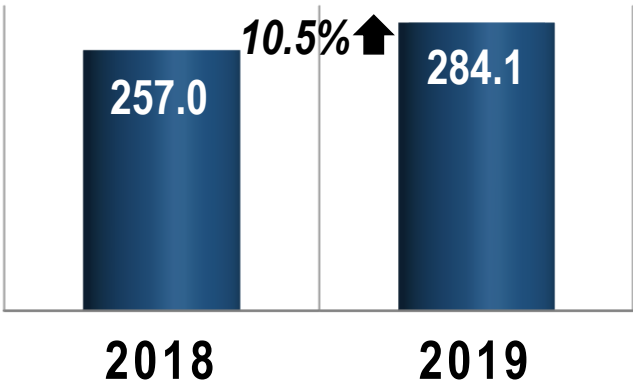


Ave Max Temp (1H) 2017 34.9°C 2018 34.9°C 2019 34.9°C



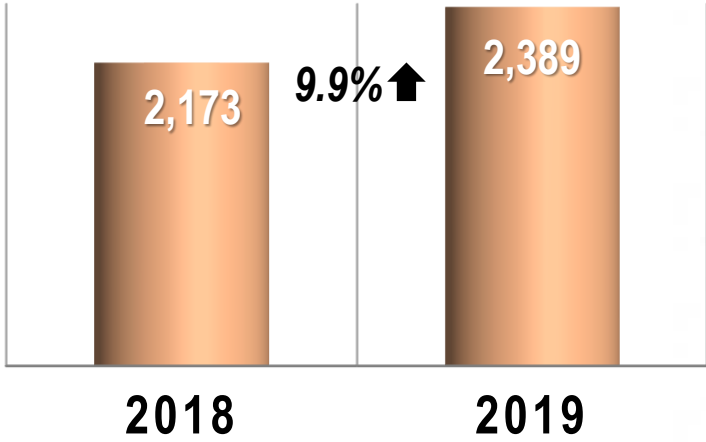
Clark Electric (CEDC): 1H 2019

ENERGY SALES, in GWh

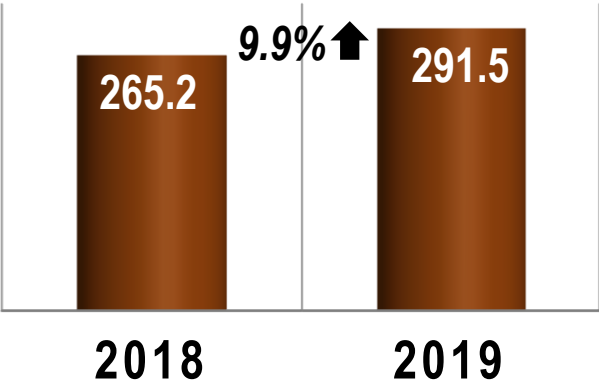


CEDC's top 5 sales contributors for June 2019 include Advent Energy (Yokohama Tire Phils.), SN Aboitiz Power (Taiyo Nippon Sanso Clark Inc.), Phinma Energy Corp. (Mall), SN Aboitiz Power (Nanox 2), Advent Energy, Inc. (Widus)

CUSTOMER COUNT

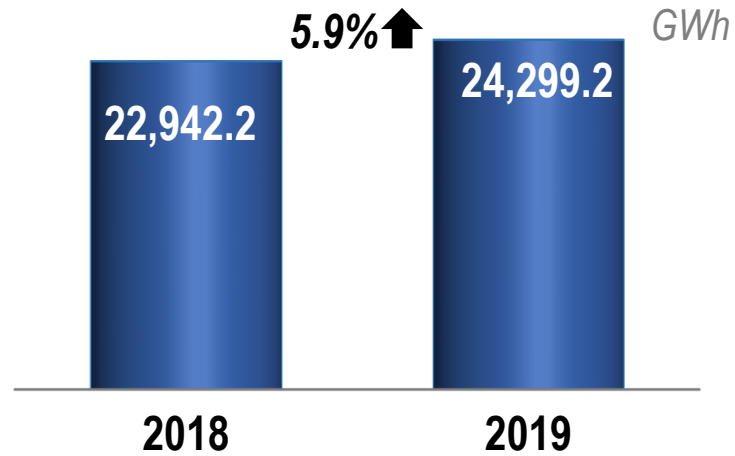


NSI, in GWh



NSI*: 1H 2019

➤ Up 5.9% (+1,357 GWh)



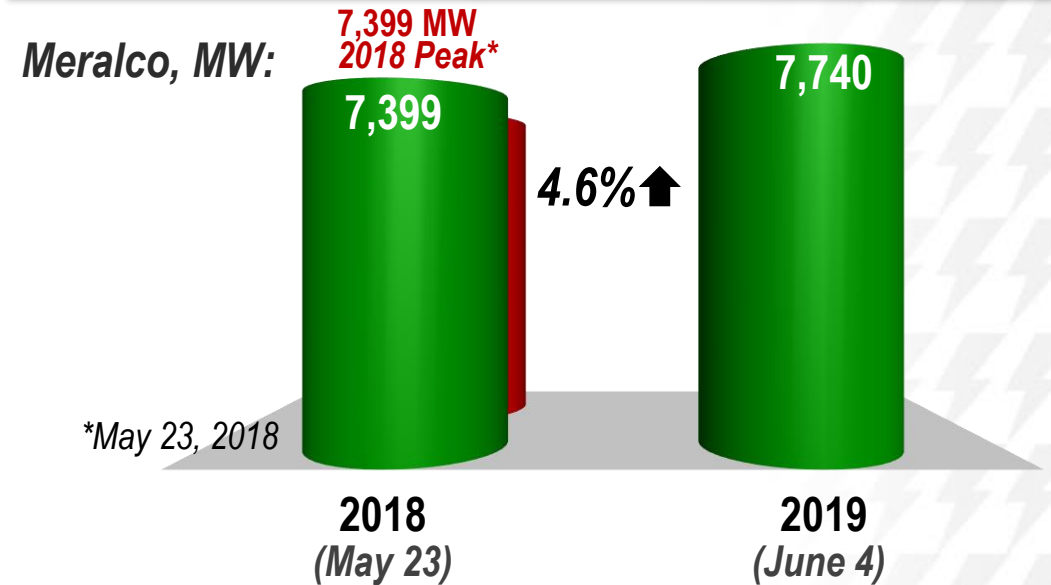
*Net System Input (NSI) includes:

- Power purchases of D.U. (for Captive Customers), its Local RES (for Contestable Customers)
- Other RESs (for Contestable Customers including SDC)
- Volumes for CEZ, Sunpower, Cocomchem Agro-Industrial Park (CAIP)
- Export Energy from Net Metering customers

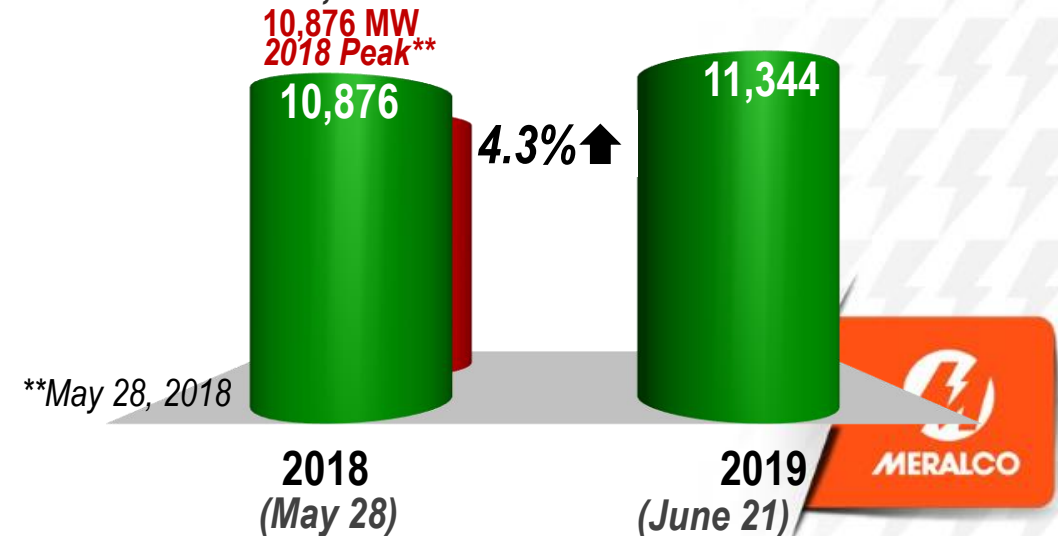
CONSOLIDATED

Peak Demand: 1H 2019

➤ Meralco Peak Demand at 7,740 MW, 4.6% up vs. 2018 YTD, breaching 2018 Peak (7,399 MW)

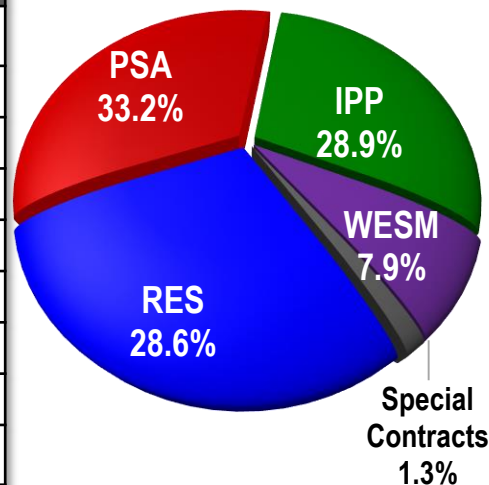


Luzon Peak Demand, MW:



Energy Sources: 1H 2019

SOURCE	1H 2019	
	GWh	Share
PSAs-Total	8,074.9	33.2%
<i>MPPC-Masinloc</i>	<i>898.9</i>	<i>3.7%</i>
<i>TLI-Pagbilao</i>	<i>678.0</i>	<i>2.8%</i>
<i>SMEC-Sual + CEDC</i>	<i>1,390.1</i>	<i>5.7%</i>
<i>SPPC-Ilijan</i>	<i>3,284.0</i>	<i>13.5%</i>
<i>Panay Energy</i>	<i>175.9</i>	<i>0.7%</i>
<i>San Gabriel</i>	<i>1,437.0</i>	<i>5.9%</i>
<i>Others*</i>	<i>211.1</i>	<i>0.9%</i>
IPPs-Total	7,018.1	28.9%
<i>QPPL-Mauban</i>	<i>1,462.8</i>	<i>6.0%</i>
<i>Sta. Rita</i>	<i>3,635.0</i>	<i>15.0%</i>
<i>San Lorenzo</i>	<i>1,920.2</i>	<i>7.9%</i>
WESM	1,920.5	7.9%
Special Contracts**	327.5	1.3%
RESSs***	6,958.2	28.6%
TOTAL SOURCE (NSI Equivalent)	24,299.2	100%



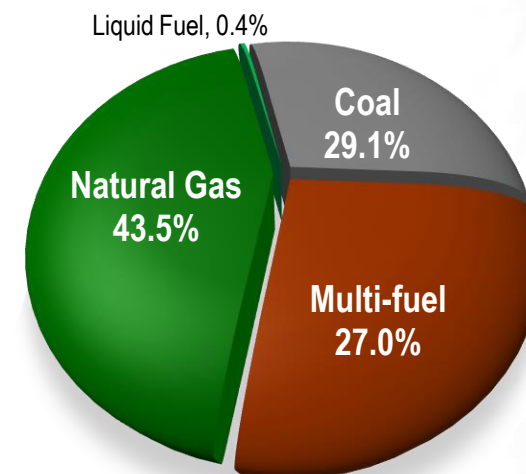
*Include volumes from SBPL, Millennium Energy, Therma Mobile & Renewables

**Include volumes for Cavite Economic Zone (CEZ), Sunpower and Coccochem Agro-Industrial Park (CAIP)

***Include volumes for MPower + Vantage and Other Retail Electricity Suppliers

CONSOLIDATED

Fuel Mix: 1H 2019



TYPE OF FUEL	1H 2019	
	GWh	Share
Natural Gas	10,563.3	43.5%
Liquid Fuel*	93.0	0.4%
Coal	7,077.4	29.1%
Multi-fuel**	6,565.5	27.0%
TOTAL FUEL MIX (NSI Equivalent)	24,299.2	100.0%

*As replacement due to SPEX gas restriction of Sta. Rita & San Lorenzo plants (Apr. 13-18, 21-27, May 4-8, Jun. 7-8 and 19-24)

**Coal, Hydro, Biomasss, Geothermal, et. al.; includes also WESM, CAIP, Other RESs

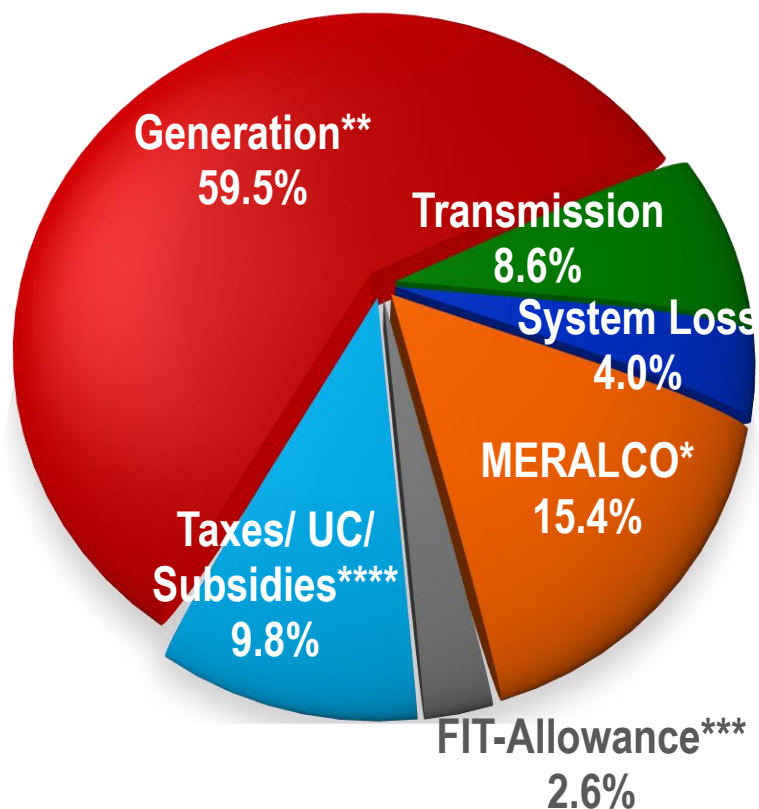


Average Retail Rates: 1H 2019

(Reflects Generator Wheeling adjustments)

➤ 4.8% higher than 2018 average rates (+42¢/kWh); mainly due to Generation and FIT-Allowance charges

- Lower Transmission and Taxes/ UC/ Subsidies Charges mitigated impact;
- Generation Charge is largest component in customer's bill at 59.5%; Meralco 15.4%; NGCP 8.6%



BILL COMPONENT	1H 2018 Overall Ave, P/kWh	1H 2019 Overall Ave, P/kWh	Δ P/kWh
Generation Charge*	4.94	5.50	0.57
Distribution Charge** (MERALCO)	1.42	1.43	0.01
Transmission Charge** (NGCP)	0.84	0.80	-0.04
System Loss Charge**	0.36	0.37	0.01
Taxes, Univ Charge**	1.07	0.91	-0.16
FIT-All***	0.20	0.24	0.04
TOTAL (includes generator wheeling customers who are only charged Distribution, Supply, and Metering charges)	8.83	9.25	0.42 (4.8%↑)

*Generation Retail Rate applies to customers supplied by Meralco only

**Other Charges are based on total captive and contestable customers in Meralco Franchise Area

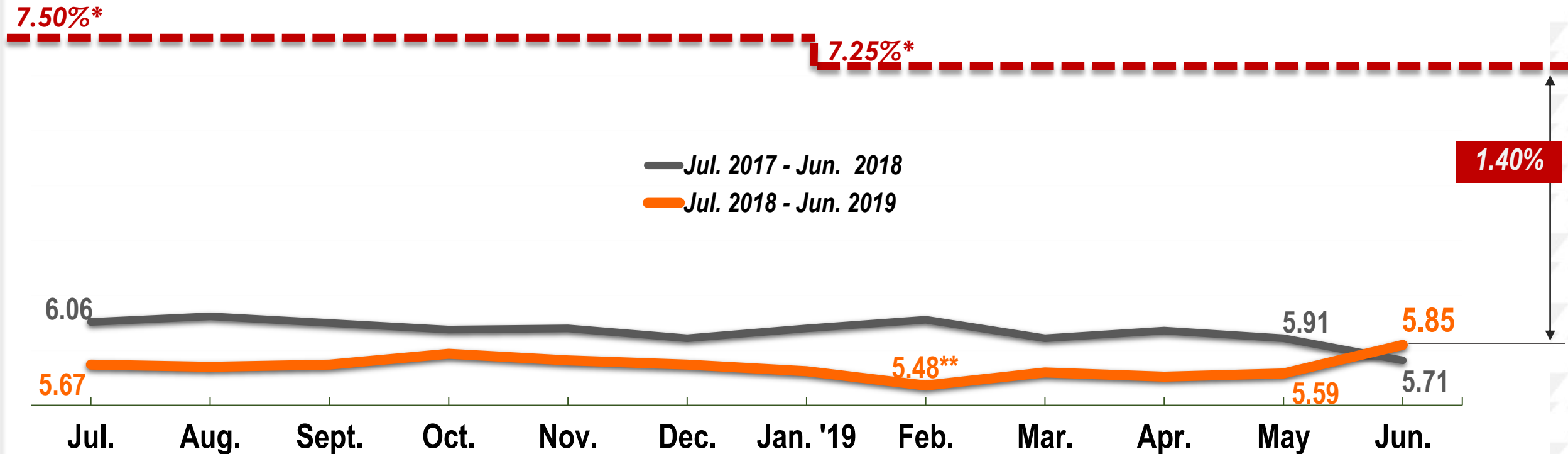
***Increase from P0.1830 to P0.2563/ kWh was implemented starting June 2018 billing;
Excludes contestable customers and Cavite Ecozone (CEZ)- started February 2015



System Loss Performance: June 2019, 12-MMA

➤ 12-MMA ending June 2019 at 5.85%

- Although declined by 2.5% vs. June 2018's 5.71%, still within Rewards level and below cap
- Lower by 1.40% pts. vs. newly-set SL cap of 7.25%



*Total Allowable System Loss Cap: 7.50%, Jun. – Dec. 31, 2018; 7.25%, Jan. 1 – Dec. 31, 2019; includes 1% assumed typical Subtransmission + Substation technical losses

**All-time low in 115 years

S-Factor & GSL Performance: 1H 2019 & RY2019 (for GSL)

➤ **Sustained service improvements** vs. past levels*

SAIFI, Forced and PAI (Times)

TARGET LEVEL	REWARDS (<6.98)	DEADBAND (6.98 – 8.24)	PENALTY (>8.24)
1H 2019 ACTUAL	0.908		

Ave. Time to Process App. (Days)

TARGET LEVEL	REWARDS (<7.91)	DEADBAND (7.91 – 12.28)	PENALTY (>12.28)
1H 2019 ACTUAL	2.980		

GSL1 : Customer experiencing a cumulative duration of sustained service interruptions in a Regulatory Year that exceeds the threshold

RY2019 NO. OF INCIDENTS ALLOWED	(CEILING) 373,658 Customers
RY2019 ACTUAL ***	6,669

SAIDI, Pre-arranged (Minutes)

TARGET LEVEL	REWARDS (<126.57)	DEADBAND (126.57 – 198.40)	PENALTY (>198.40)
1H 2019 ACTUAL	29.030		

Ave. Time to Connect (Days)

TARGET LEVEL	REWARDS (<3.56)	DEADBAND (3.56 – 5.77)	PENALTY (>5.77)
1H 2019 ACTUAL	1.540		

GSL2 : Customer experiencing a total number of sustained interruption in a Regulatory Year that exceeds the threshold

RY2019 NO. OF INCIDENTS ALLOWED	(CEILING) 18,989 Customers
RY2019 ACTUAL ***	0

CAIDI, Forced and PAI (Minutes)

TARGET LEVEL	REWARDS (<144.40)	DEADBAND (144.40 – 168.72)	PENALTY (>168.72)
1H 2019 ACTUAL	112.413		

Call Center performance (Secs.)

TARGET LEVEL	REWARDS (<13.56)	DEADBAND (13.56 – 21.03)	PENALTY (>21.03)
1H 2019 ACTUAL	5.740		

GSL3: Restoration of supply to a customer after a fault on the secondary distribution network taking longer that the threshold time

RY2019 NO. OF INCIDENTS ALLOWED	(CEILING) 234,439 Incidents
RY2019 ACTUAL ***	5,743

Prob. of Voltage Level (% not falling within limits)

TARGET LEVEL	REWARDS (<0.86)	DEADBAND (0.86 – 1.44)	PENALTY (>1.44)
1H 2019 ACTUAL	0.060		

System Loss (%) -12MMA

TARGET LEVEL	REWARDS (< 7.50)	DEADBAND (>7.50)
1H 2019 ACTUAL	5.850	

GSL4 : Connection not provided on the day agreed with the customer

RY2019 NO. OF INCIDENTS ALLOWED	(CEILING) 163,995 Days Delay
RY2019 ACTUAL ***	88,786

Note: All actual performances are indicative

*Based on 3RP Targets (4RP standards not yet available).

**With exclusions

*** July 1, 2018 – June 30, 2019

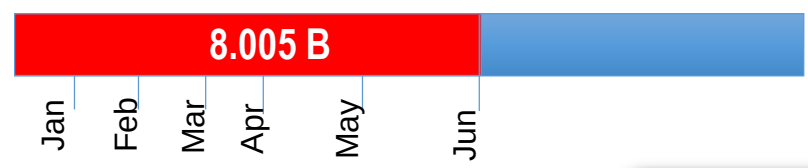
Business Updates & Other Events of Interest

1H
2019



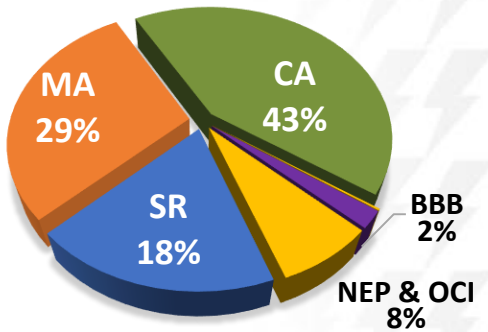
Business Updates: Strengthening the Core Business

CY2019 UPDATES ON NETWORKS CAPEX



NETWORKS 2019 CAPEX
PhP 12.026 B

Utilization as of June 2019
PhP 8.005 B (67%)



New Customer Connections / CA

- Installed meters 157,945
- CA projects energized 3,263
- Replaced overloaded DT 1,214



P 5.14B

Asset Renewals / MA

- Replaced poles 5,018
- Shielded conductors 34,150
- Replaced meters 109,633
- Replaced substation equipment 289
- Poles relocated (DPWH-related) 566



P 3.51B

Addressing Load Growth / SR

- Filinvest s/s 60% (switchyard and feeder)
- TMC s/s 53% (switchyard and feeder)
- Bridgetowne s/s 37% (switchyard)



P 2.22B

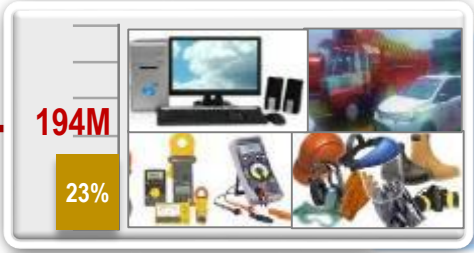
P 250M



Build Build Build / PPP

- C5-Southlink 19 poles
- SKYWAY 165 poles

P 858M



Movable Non-Network Assets

- Information Technology & Software 96M
- Tools & work equipment 66 M
- Testing Equipment 27 M

P 46M



Immovable Non-Network Assets

- Construction of Meter Warehouse (ongoing design)
- Construction of roof deck at Valenzuela Sector



“BUILD, BUILD, BUILD!”

Support to Government Priority Projects



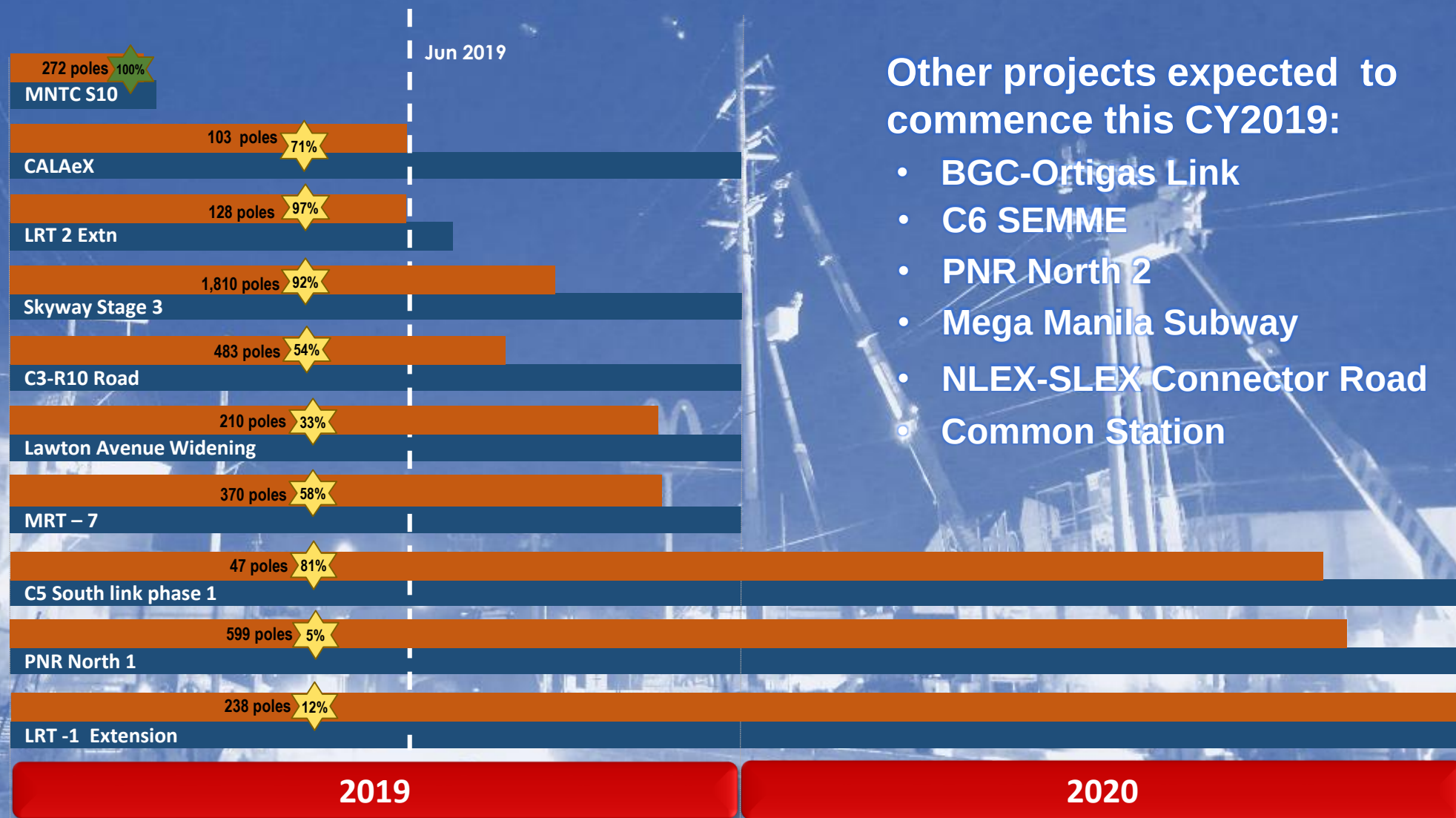
A TOTAL OF

2,780

out of

4,260*

affected poles were
relocated as of
June 30, 2019



Other projects expected to
commence this CY2019:

- BGC-Ortigas Link
- C6 SEMME
- PNR North 2
- Mega Manila Subway
- NLEX-SLEX Connector Road
- Common Station



MERALCO Relocation Status



MERALCO Relocation
Timeline



Timeline of BBB project

*Running total

Business Updates: Strengthening the Core Business

Development of Southwoods 115 kV-34.5 kV Substation

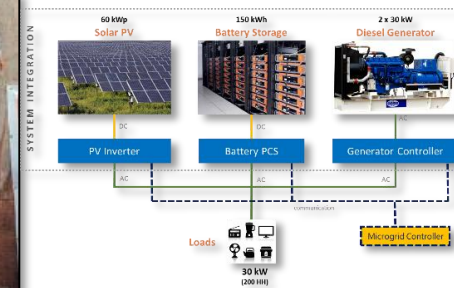
Energized on April 18, 2019



- Initial capacity of 83 MVA and pilot use of a 34.5 kV indoor modular switchgear housed in a building for higher reliability
- Will address the critical loading of the nearby GMA Substation, and will provide additional capacity to meet the increasing demand in Biñan and San Pedro in Laguna, and Carmona and General Mariano Alvarez in Cavite

Cagbalete Microgrid Pilot Project

Energized on May 2, 2019



- Situated in Cagbalete 1 in Mauban, Quezon (887 households; 13 km or 1-hour boat ride from Mauban port)
- Composed of integrated systems of solar photovoltaic (60 kWp), diesel generator (2 x 30 kW), and battery energy storage (150 kWh)
- Energized on May 2, 2019 with initial 10 customers; increased to 65 last June 30; and to increase further to 100 this month.

Business Updates: Strengthening the Core Business

❑ Construction of New San Jose – Novaliches 115 kV Line (Ph1) Energized on May 26, 2019



- First leg of the SR Project –
“Construction of San Jose Delivery
Point’s Additional 115 kV Line”

- Increased the system capacity of MERALCO's Sub-transmission Sector 1 by 358.5 MVA
- Part of DOE's priority projects to address the expected low voltage at Araneta (Doña Imelda) Substation
- Project was implemented using the first ever EPC contracting arrangement in MERALCO

❑ Commissioning of Lucky Nine Properties Inc.'s 115 kV SCF Energized on June 17, 2019

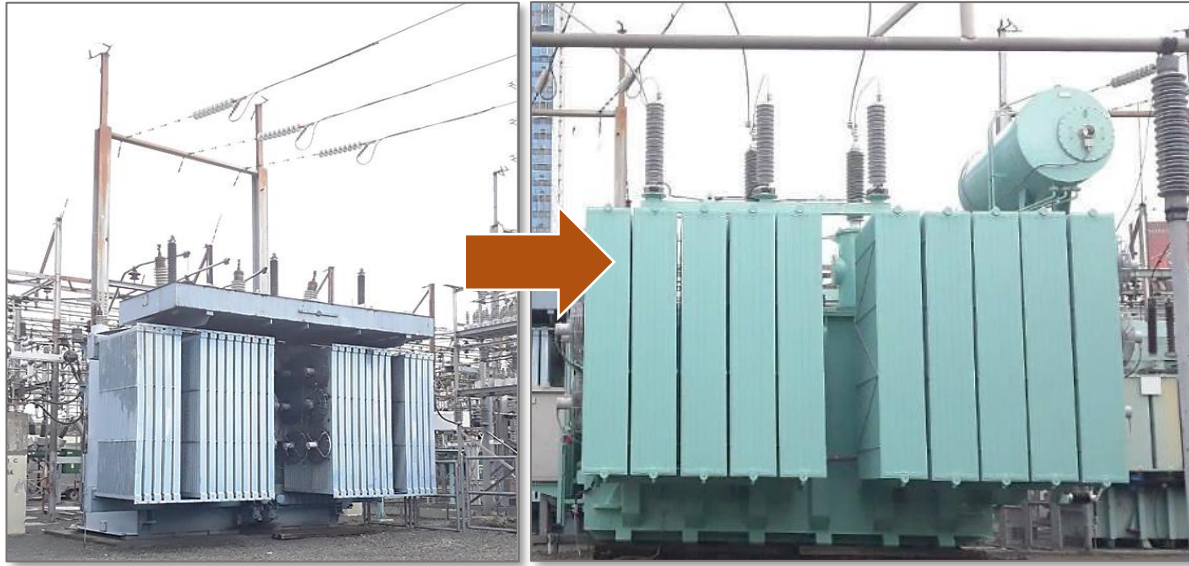


- The project transfers the service of Lucky Nine Properties Inc. (LNPI) located in Pulong Sta. Cruz, Sta. Rosa, Laguna from 34.5 kV to 115 KV to accommodate its 9.3 MW additional power requirement
- The new 115 kV line energized the 25 MVA, 115 kV - 6.6 kV Power Transformer Bank of LNPI, which will serve the increased loads of its locators (i.e., Magnolia Inc., San Miguel Brewery Inc., and Grade Food Solutions - Ready-to-Eat)



Business Updates: Strengthening the Core Business

❑ Replacement of Power Transformer No. 2 at Marikina Substn. Energized on June 28, 2019



- A new 100 MVA power transformer equipped with an OLTC was commissioned last June 28, 2019 at Marikina Substation
- The 41-year old, 133 MVA, GE brand Marikina power transformer bank no. 2 is covered by our replacement program filed and approved under RY2017 CAPEX projects

❑ Commissioning of 115 kV Switchyard of Calamba 230 kV-115 kV Substation Energized on June 30, 2019



- Part of the RP3 approved project “Development of Calamba 230 kV - 115 kV Delivery Point Substation”
- Completed the following substation and line works:
 - Construction of 4 x 115kV lines with some portion using special cable-type High Tension Low Sag (HTLS) as pilot installation
 - Installation of 2 x 300MVA transformers and associated substation equipment
 - Construction of a new Control House for the protection, control, SCADA and telecommunications system
- Pending completion of NGCP’s 230 kV switchyard for the ultimate power dropdown in Laguna area, the new 115 kV switchyard will provide switching flexibility in the 115 kV south sub-transmission system, and alternate direct link between Sta Rosa and Calauan delivery points

Significant Event: Recognition

❑ Meralco legal group awarded at In-House Community Counsels of the Year Awards



- Meralco Legal and Corporate Governance and Compliance Group awarded the **“In-House Community Practice Team of the Year for Integration,”** besting in-house counsels across Asia, the Middle East and Africa.
- Recognized for
 - Making itself an integral and valued part of the organization at a decision-making level with its in-house team
 - Dedication to deliver more than and beyond the usual legal support services to the company
 - Efforts of the team in information dissemination through roadshows, ensuring the implementation of new laws and regulations and policies that effect changes in the structure of the company and its subsidiaries, as well as the team’s different projects such as Legal Online, Project Kapatid, Project Keep It Private, Project Balikatan, and Good Corporate Governance were highlighted in the award.

In-House Community Counsels of the Year Awards 2019 aims to honor both individual counsels and legal teams that have pursued excellence in their roles within their organizations.

Business Updates: Significant Events

July 23, 2019 CAGBALETE MICROGRID Inauguration

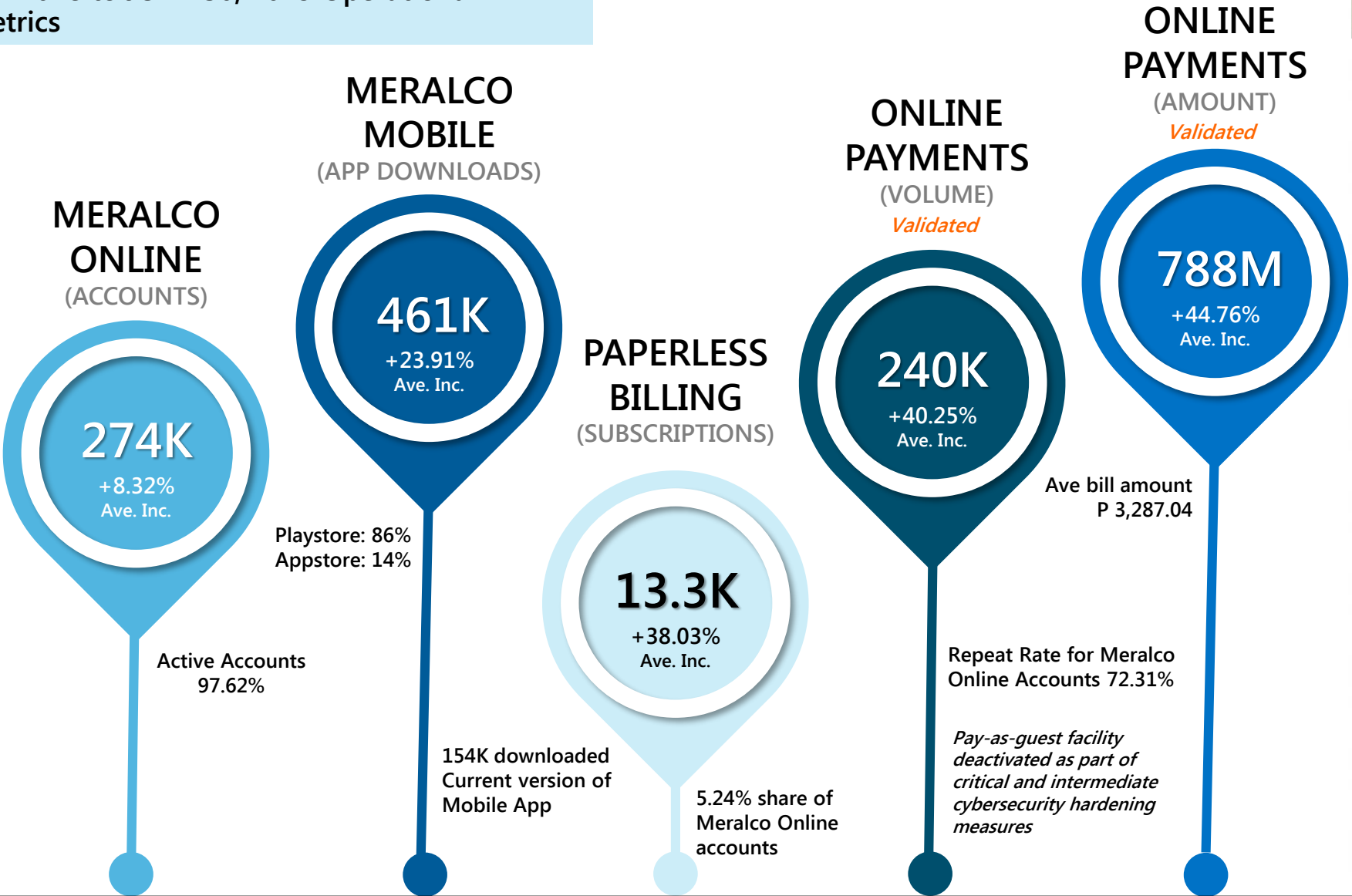


- Simultaneous opening ceremonies were done in Cagbalete Island and Grand Hyatt Manila in Bonifacio Global City in Taguig and were attended by DOE Sec. Alfonso G. Cusi, ERC Chairperson Agnes VST Devanadera, Mauban, Quezon Vice Mayor Marivel Trinidad, Meralco's top management led by Meralco Chairman Manny V. Pangilinan, & President and CEO Ray C. Espinosa.
- Meralco inaugurated the first phase of its power microgrid at Cagbalete Island, Quezon Province as part of its continuing initiatives of rural energization using sustainable energy. The microgrid is a hybrid generating plant that features a 60 kWp solar PV system, 150 kWh battery energy storage, and two units of 30 kW diesel generators and will be able to provides 24/7 power for the residents of the island. To date, Meralco, together with One Meralco Foundation, will be energizing 100 household and targets 600 more and all the resorts by end of the year.

Business Updates: Customer Engagements, Products & Services and Initiatives

Meralco Online is continually growing and has remained stable from any major issues.

SEP 2018 to JUNE 30, 2019 Operational Metrics



Business Updates: Customer Engagements, Products & Services and Initiatives

❑ FOR OUR CORPORATE CUSTOMERS

POWER UP
FORUM SERIES

What: Gearing Up for the Energy Efficiency and Conservation Law

When: June 28, 2019, 1:30pm – 5:00pm

Where: The Grand Hyatt Manila, BGC, Taguig



92
ATTENDEES

74
COMPANIES

Energy experts explained how to comply and benefit from the newly signed Energy Efficiency and Conservation Law

- PE2 President Alexander Ablaza as SME on the law
- MSERV's Philip Roxas presented how MSERV can help customers prepare for compliance
- Customer testimonials from San Bida VP Fr. Red Nilo and LANDEV President Mario Paguio



Business Updates: Customer Engagements, Products & Services and Initiatives

FOR OUR BIZ CUSTOMERS

We implemented a multimedia campaign featuring customer testimonials to inform Biz customers about our energy solutions for businesses and encourage them to partner with us. Website users rose to 8,151 from 3,950, showing interest for what Meralco Biz had to offer



Jun 2-30
ANC & Youtube



DZMM, DZBB, DZRH



Search Engine Mktg



Bill ad



Business Updates: Customer Engagements, Products & Services and Initiatives

FOR OUR BIZ CUSTOMERS



Objective: Open doors to unengaged customers by introducing services from Biz Partners Group and Meralco subsidiaries



Quezon City Zone
4 Jun, Seda Vertis North



52
ATTENDEES

37
COMPANIES



Leads generated for Contract Right Sizing, POP and Energy Consultancy



Business Updates: Customer Engagements, Products & Services and Initiatives

FOR OUR RESIDENTIAL CUSTOMERS

RATES INFO CAMPAIGN



Public Service Announcement –
The DOE has warned the public against the use of **Energy Saving Devices**. Based on Power Lab tests, ESDs do not save help you save on your electric bill -- this can make you spend even more due to its stand-by power consumption.

RATES: DECREASED by P0.19 /kWh
**residential customer consuming 200kWh / mo*



June 10 - 11



June 11



June 9



1,600 Views
Average Watch
Time: 46secs



33,657 Reached
ER: 1.11% VIEWS: 4,227



Business Updates: Customer Engagements, Products & Services and Initiatives

FOR OUR RESIDENTIAL SERVICE PARTNERS

CONTRACTOR PROGRAM

Construction Safety and Health Seminar

- Date** June 24 – 27, 2019
- Highlights** COSH Seminar, a requirement for the PCAB license application, was held for CBM contractors to encourage and kickstart their application process
- Results** 36 individuals from **30** companies **Certified by Meralco** attended the seminar



JUNE 2019 PERFORMANCE

- **36% of Total HMB service applications** were coursed through CBM contractors
- **120,213 kWh were contributed** by services energized in May

Area	2018			2019		
	CBM	SA	% of SA	CBM	SA	% of SA
North	2,111	8,543	25%	1,833	6,665	28%
Central	762	5,144	15%	904	4,944	18%
South	6,321	12,153	52%	5,100	10,317	49%
Total HMB	9,194	25,840	36%	7,837	21,926	36%



Meralco PowerGen Corporation Overview of Operations

29 July 2019



Meralco PowerGen Corporation Updates on Growth and Expansion

San Buenaventura Power Limited Co. (SBPL)

455MW (net) Supercritical Coal-Fired Power Plant in Mauban, Quezon

Total Project Cost: PhP 56.2 Billion

- First supercritical coal power plant in the Philippines
- Over-all EPC progress at 99.79% as of June 30, 2019
- On track for project completion in September 2019
- EPC contract with the Consortium of Daelim Industrial Co., Ltd. and Mitsubishi Corporation
- Joint venture of MGen with New Growth, B.V., a wholly-owned subsidiary of Electricity Generating Public Company Limited (EGCO) of Thailand



SBPL Plant (foreground)



Boiler, Pulverizer, and Main Control Building

Meralco PowerGen Corporation Updates on Growth and Expansion

Atimonan One Energy, Inc. (A1E)

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

Total Project Cost: <PhP160 Billion (<USD 3.0 Billion)



- **Committed Project and Certified Energy Project of National Significance** with the Department of Energy (DOE)
- Registered as **Preferred Pioneer Enterprise** with the Board of Investments (BOI)
- All **Environmental Clearances and Permits** secure; **Interconnection agreement** in place
- **Selected EPC contractor** is awaiting issuance of the **Notice to Proceed** and is engaged in **early preparatory works** in the interim
- **All-peso record debt project financing** (PhP107.5 Billion)
- A **regulatory-approved Power Supply Agreement (PSA)** is required prior to construction
- Will participate in Meralco's **Competitive Selection Process**

Meralco PowerGen Corporation Updates on Growth and Expansion

- The company believes renewable energy will play a significant role in the Philippine energy mix going forward.
- Through recently incorporated MGEN Renewable Energy, Inc. (MGreen), the company targets around **1,000 MW of renewable energy projects** over the next 5-7 years.
- The focus is on the development of a portfolio of **utility scale solar, wind and hydro power projects** to supply Luzon grid and electricity consumers with competitive tariff.
- Discussions are ongoing with a number of existing project developers for potential partnerships.



Meralco PowerGen Corporation

Other Investments

GLOBAL BUSINESS POWER CORPORATION (GBPC)

- MGen holds 14% equity interest in GBPC, the largest independent power producer in the Visayas with an existing portfolio totaling 854 MW (coal and diesel plants).
 - GBPC has a 50% interest in Alsons Thermal Energy Corporation (ATEC).
 - ATEC holds a 75% interest in a 105-MW net CFB plant in Maasim, Sarangani that started operations in 2016; Another 105-MW CFB unit is currently under commissioning with **target Commercial Operations Date of H2 2019.**

PACIFICLIGHT POWER PTE LTD (PLP)

- PLP has been operating a 2x400 MW natural gas facility in Jurong Island, Singapore since February 2014. The facility supplies electricity to industrial and retail customers in Singapore.
- MGen holds an effective 28% equity interest in PLP.

Cautionary Statements

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