

An aerial night photograph of a city. In the center-left is a large, modern building with a grid-like facade of vertical slats, illuminated from within. Above it is a tall, slender radio tower with red and white segments. To the right, a multi-lane highway shows long, bright red light trails from cars. The background shows a cityscape with other buildings and distant mountains under a twilight sky.

# FINANCIAL AND OPERATING RESULTS

**INVESTORS & ANALYSTS BRIEFING**

**Year Ended December 31, 2019**

**February 24, 2020**



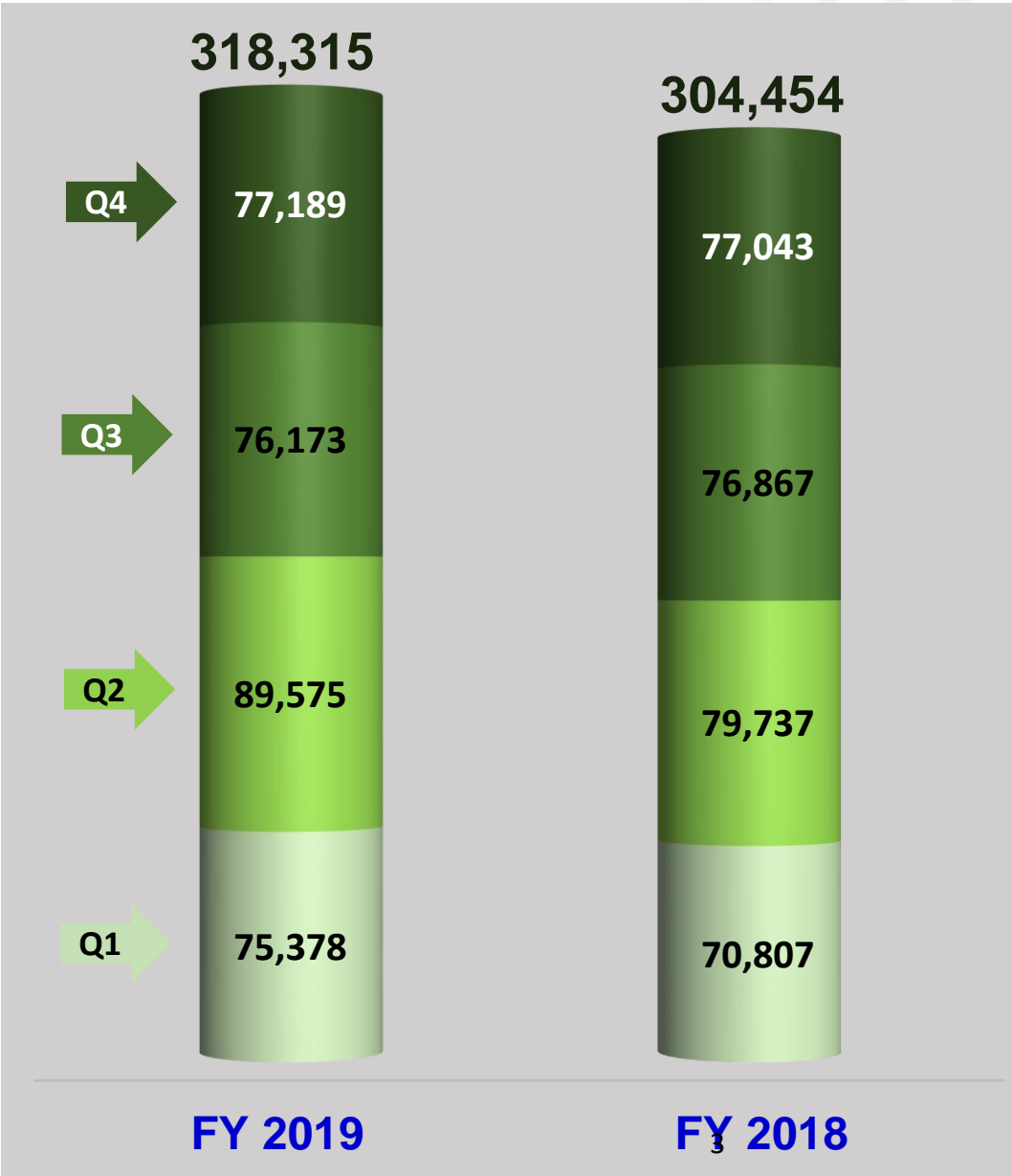
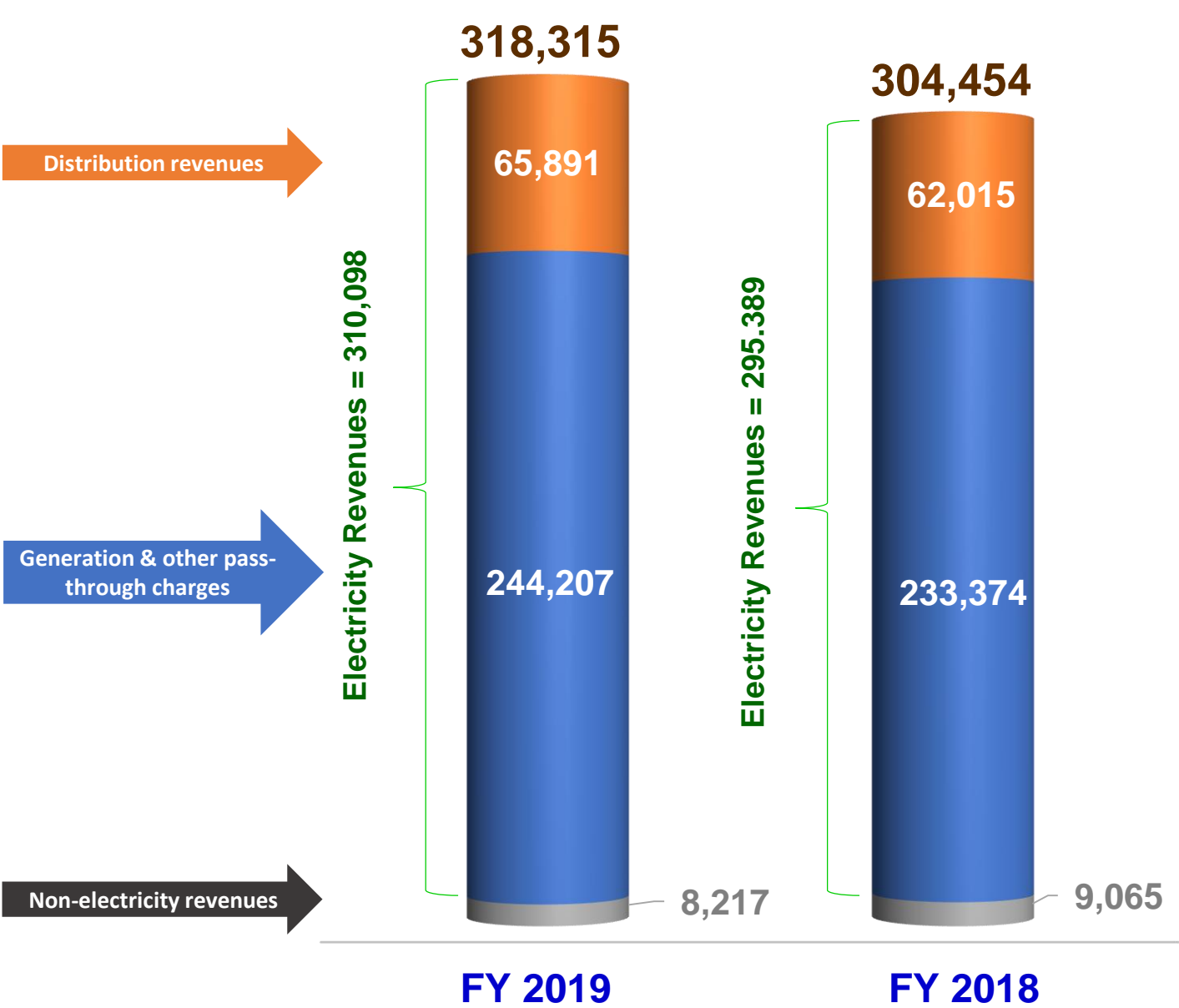
# FINANCIAL HIGHLIGHTS

## FY 2019



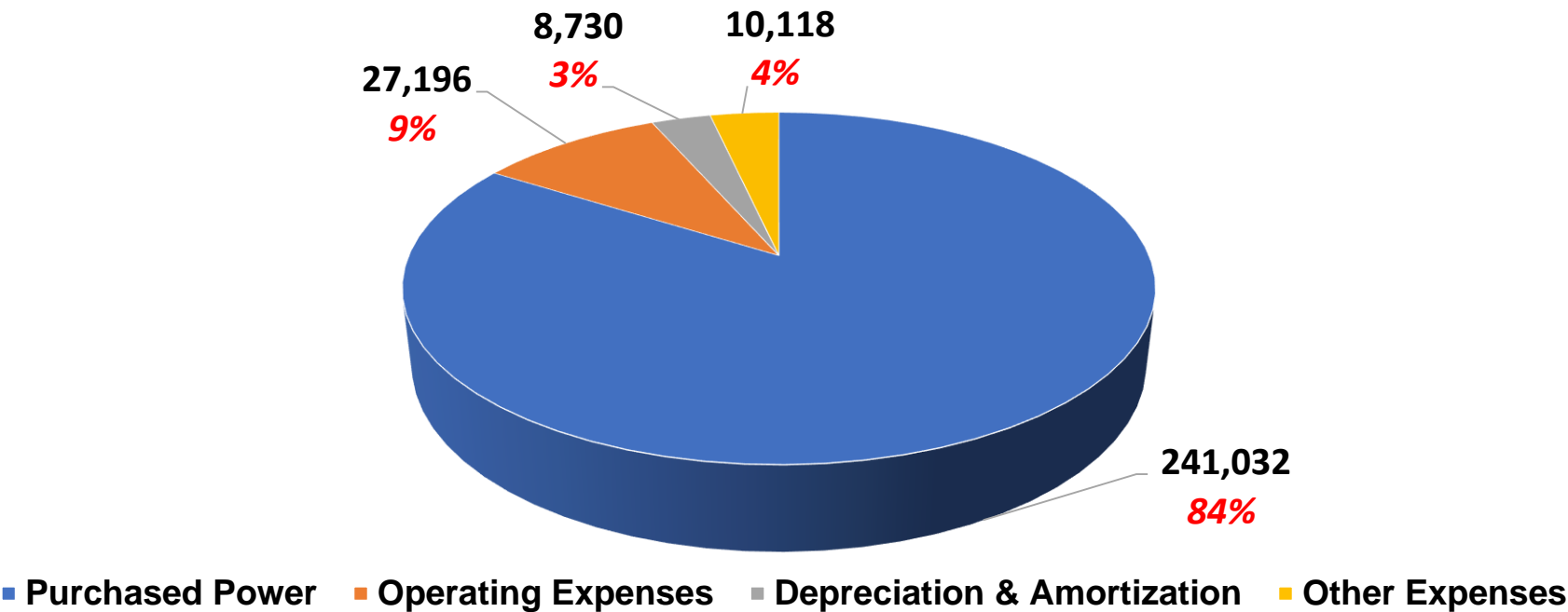


# Consolidated Revenues (in Million PhP)

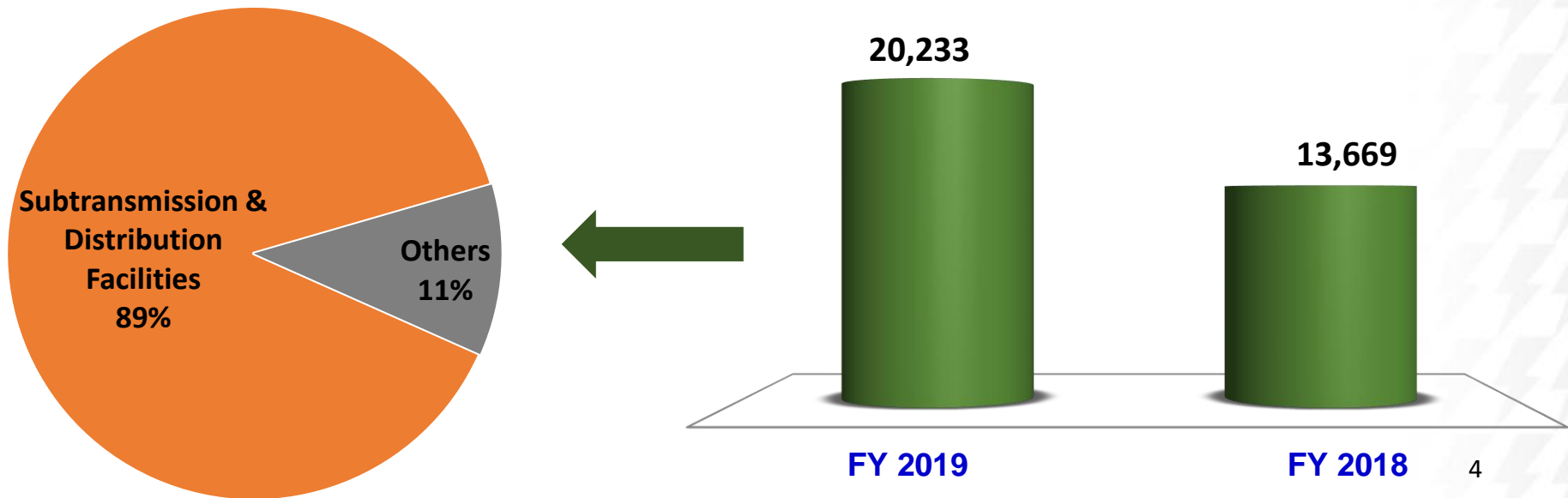


# Costs and Expenses/Capital Expenditures (in Million PhP)

Costs and Expenses

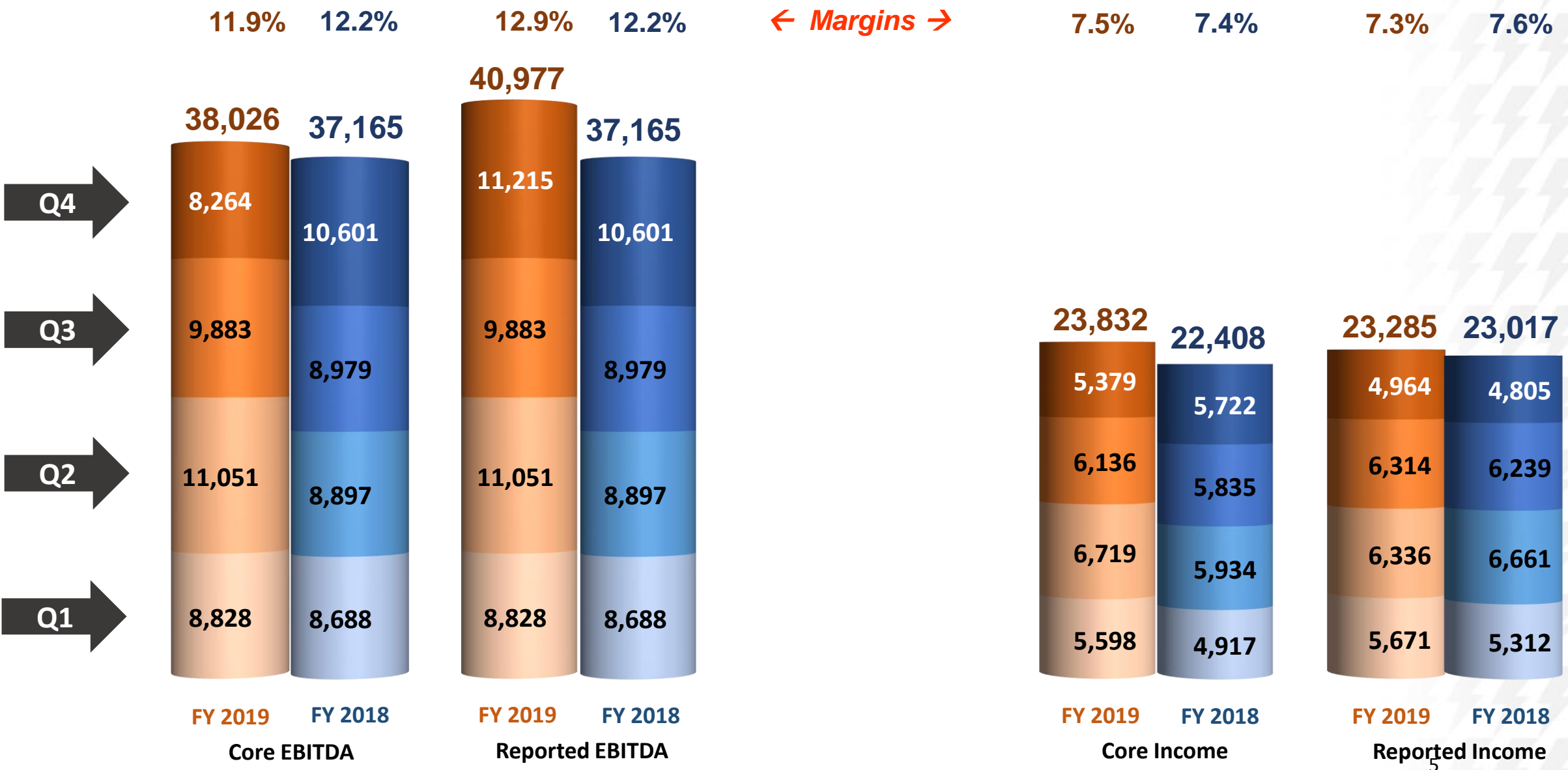


Capital Expenditures



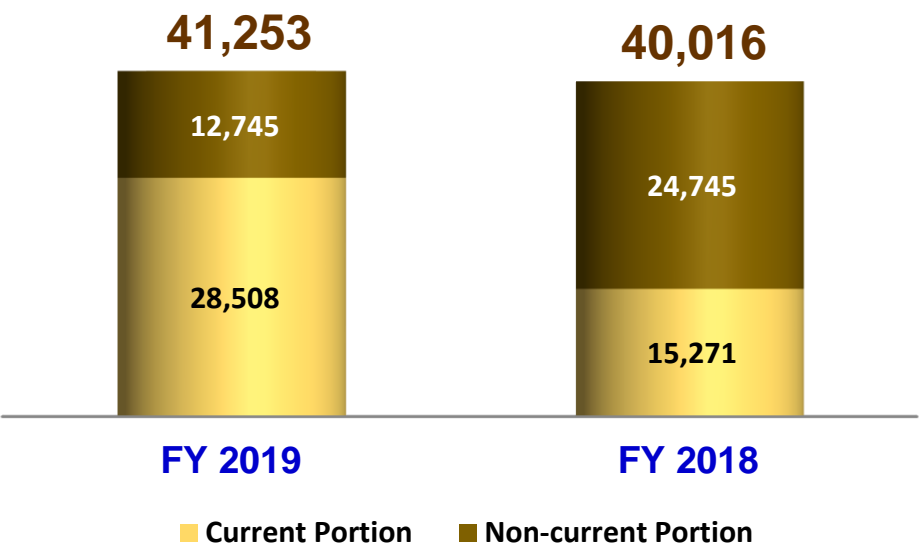


# Consolidated EBITDA and Net Income (in Million PhP)

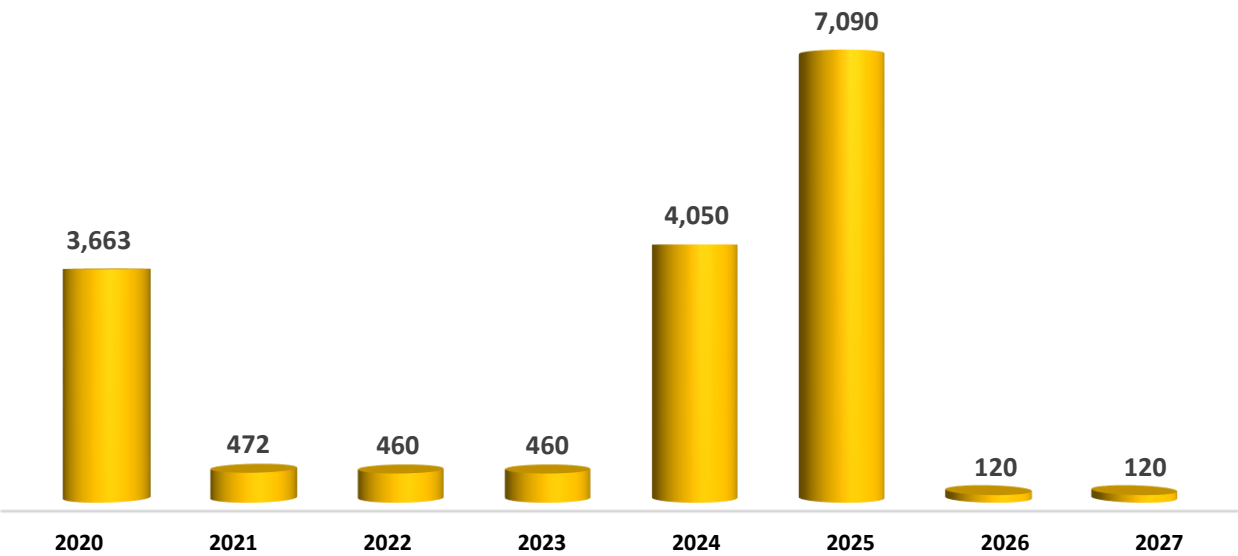


# Credit and Debt Profile

TOTAL DEBT (in Million PhP)



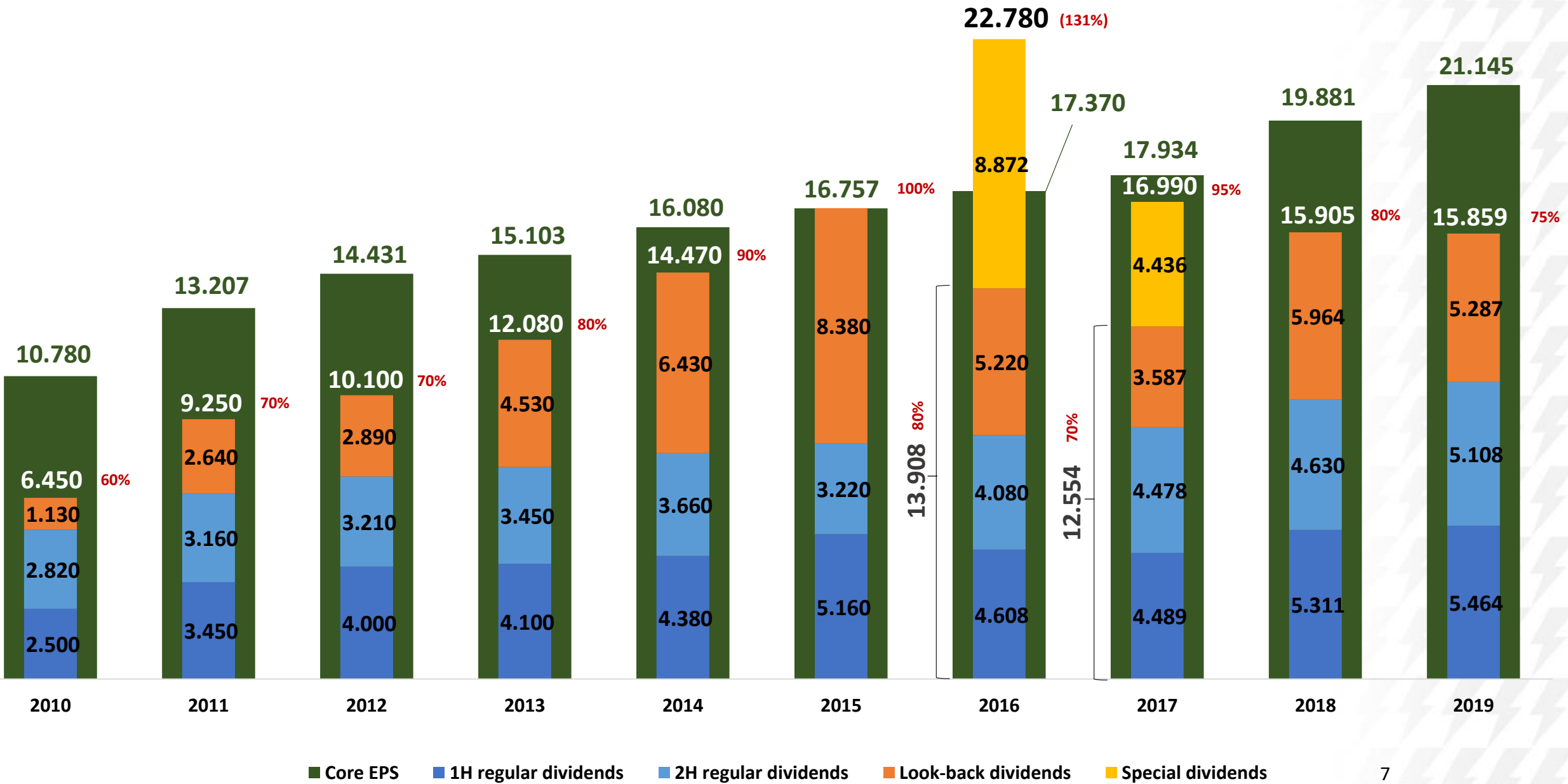
LONG-TERM DEBT REPAYMENT SCHEDULE (in Million PhP)



(in Million PhP, Except Ratios)	FY 2019	FY 2018
Cash	38,262	36,471
Gross Debt	41,253	40,016
Net Debt	2,991	3,545
Gross Debt/EBITDA	1.01	1.08
Net Debt/EBITDA	0.07	0.10
Gearing Ratio	0.04	0.04
Interest Expense	1,607	2,033



# Core Earnings and Cash Dividends Per Share (in PhP)



# REPORT OF THE CHIEF EXECUTIVE

Performance FY2019



# Operating Highlights

# FY 2019

Energy  
Sales

↑**5.8%\***  
46,871 GWh

Customer  
Count

↑**4.1%\***  
6.88 million

Peak  
Demand

↑**4.6%\***  
7,740 MW

Net System  
Input (NSI)

↑**5.4%\***  
49,251 GWh

Ave. Retail  
Rates

↓**0.9%\***  
P8.87/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, RY2020 Period (July 1, 2019- June 30, 2020); compared with past levels (in the absence of 4RP standards/ reset)





Details

FY  
2019

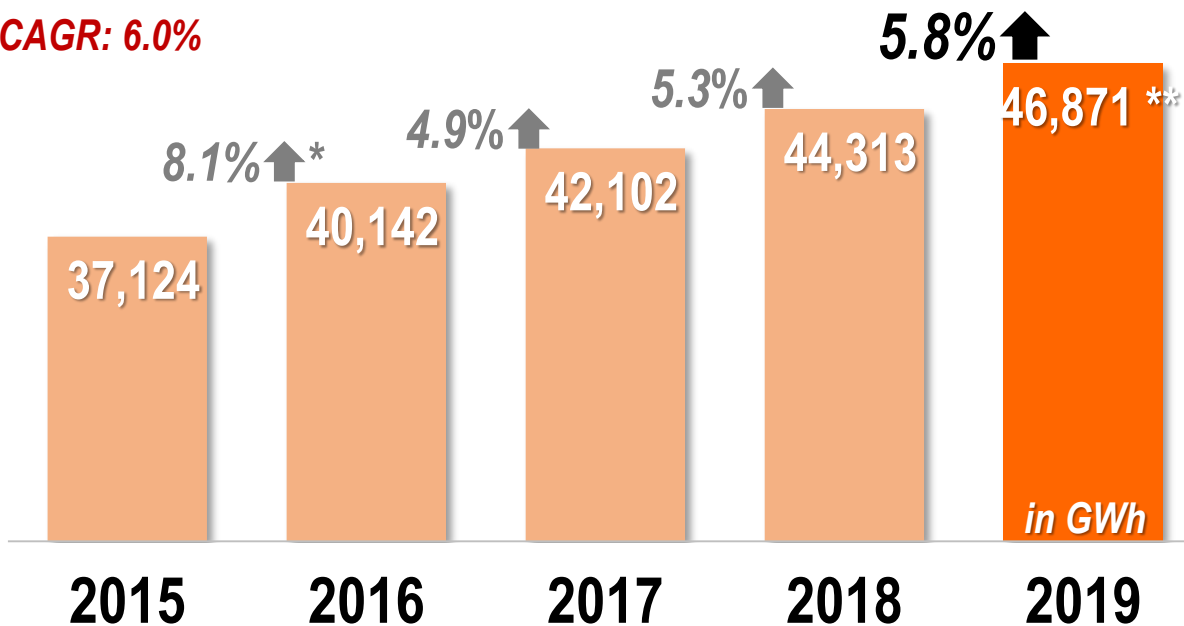




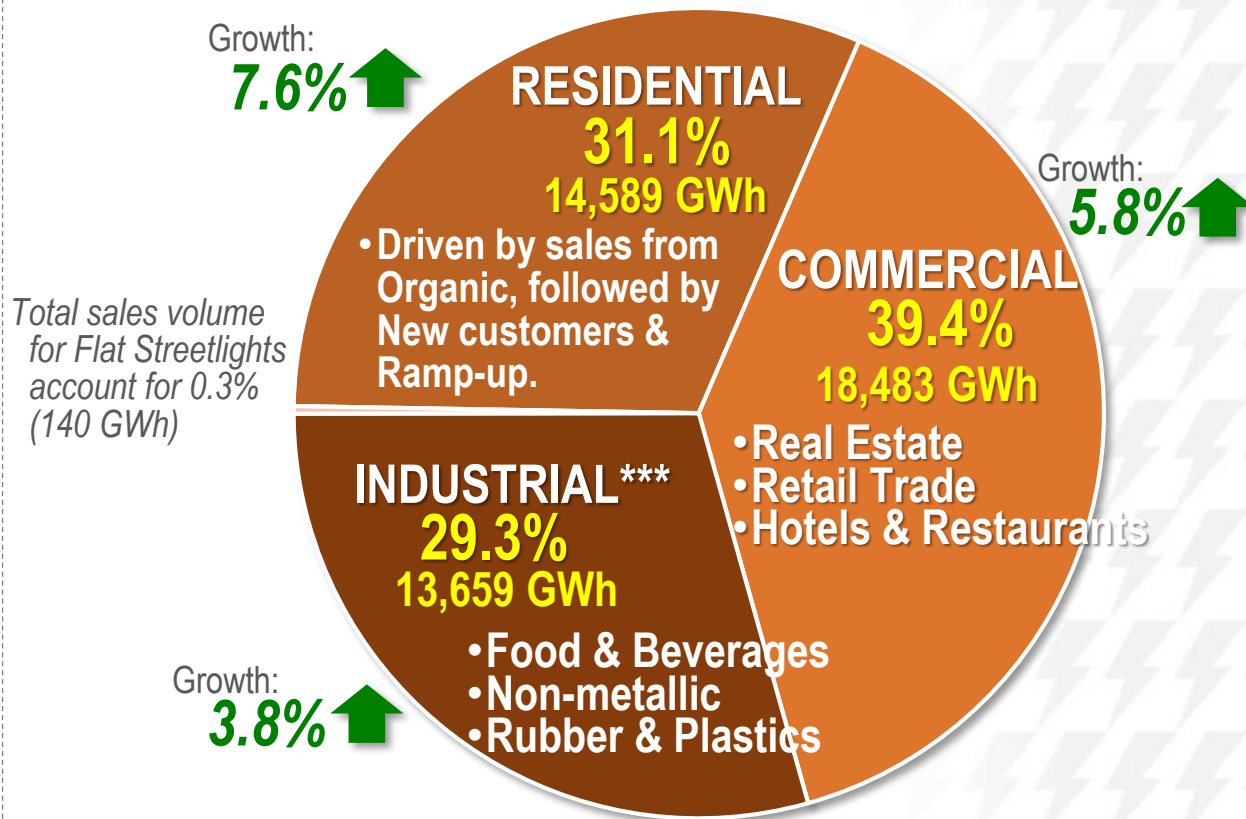
# Energy Sales: **FY2019**

➤ Up 5.8% to 46,871 GWh vs. 2018 (+2,558 GWh)

**CAGR: 6.0%**



Share / Δ for FY2019:



\*Strong growth in 2016 was result of combined effect of warmer weather due to “El Nino”, strong growth economy (6.9% GDP vs. 6.1% previous), low inflation, lower electricity prices throughout the year (9.2% lower vs. previous) and minimal power outages.

\*\*Details (2019): Parent: 98.8% (46,286 GWh); CEDC 1.2% (585 GWh)

\*\*\*Including Generator Wheeling

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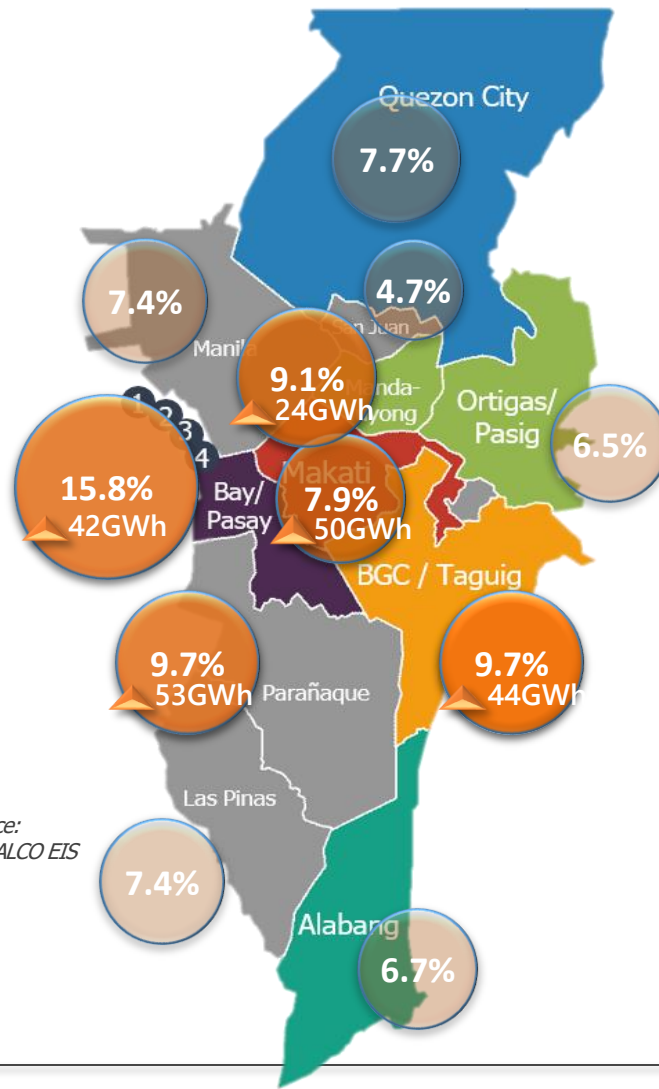
# Energy Sales Driver: **FY2019, Residential**

PARENT-DU

➤ **RESIDENTIAL** finished the year strong, growing 7.6% to 14,581 GWh

- **POGO and BPO** sector is creating a new breed of condominium dwellers, growing customer base outside MM is also contributing to the growth; **RESI**, in 2019, added 1,031 GWh

Province	2019 GWh △	% △
METRO MANILA	▲ 568	7.3%
CAVITE	▲ 141	8.5%
BULACAN	▲ 99	7.9%
RIZAL	▲ 92	7.5%
LAGUNA	▲ 85	7.3%
QUEZON	▲ 25	8.7%
BATANGAS	▲ 21	9.5%
PAMPANGA	▲ 2	7.8%



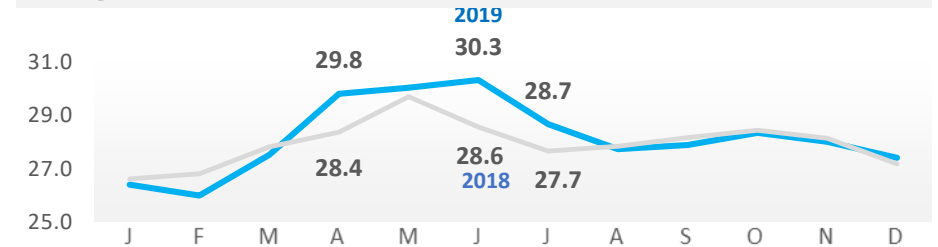
Source:  
MERALCO EIS

## KEY INSIGHTS & TRENDS



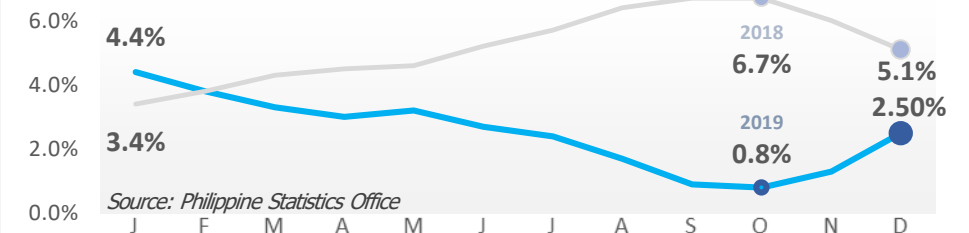
**28.2** ave. temperature in 2019

is higher than the 27.9 ave. in 2018



**2.5%** ave. inflation Rate in 2019

is way lower than the 5.2% ave. in 2018



Source: Philippine Statistics Office



# Energy Sales Driver: **FY2019, Commercial**

PARENT-DU

➤ **COMMERCIAL** had a healthy growth of 5.6% reaching 18,172 GWh

- Supported by positive business outlook and POGO/BPO; COMM'L, in 2019, added 961 GWh



## COMMERCIAL

18,172 GWh

▲ 5.6%

### Top 3 Commercial Sectors

2019 YTD (in GWh)



### REAL ESTATE : 8.5%

- Meridian Park, currently has 100% occupancy, of which 60% are leased by POGOs. Full occupancy in 2019 contributed 22 GWh
- R7 is now at 100% occupancy with key tenants identified as POGOs, consumed about 22 GWh

TOP 2 : FILINVEST CYBERZONE R7 , MERIDIAN PARK

### RETAIL TRADE : 4.8%

- Growth is driven by ramp-up of existing mixed-use malls mostly with BPO/office spaces.
- Malls near POGO areas saw uptick in sales

TOP 3: RLC GALLERIA SOUTH, SM BPO, MASTERPIECE ASIA PROPERTIES

### HOTELS & RESTAURANTS : 6.0%

- For Okura Hotel, the second level for gaming was opened last August
- Okada opened its North Wing which almost doubled its capacity to 993 rooms from 500 rooms last year.

TOP 2: OKURA, OKADA

## KEY INSIGHTS & TRENDS

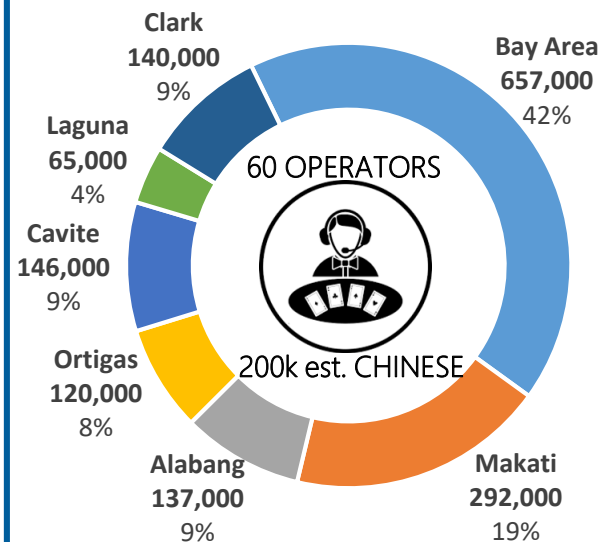


**67% surge in POGO office space demand** (44% share) reached 738k sqm(2019) vs 443ksqm(2018)

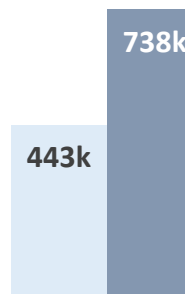
Source: Leechiu

### LOCATION OF POGO OPERATORS

(square meters)



DEMAND  
2019 vs 2018  
(square meters)



Sustained retail space absorption from **F&B retailers** which accounts for **40%**

Source: Colliers

# Energy Sales Driver: **FY2019, Industrial**

PARENT-DU

➤ **INDUSTRIAL** moderately grew 3.1% to 13,006 GWh

- Driven by construction and consumer-driven industries; IND'L, in 2019, added 396 GWh

## KEY INSIGHTS & TRENDS



**GDP growth ended at 5.9% in 2019**

Projected to be 6.1% in 2020

Source: PSA, World Bank

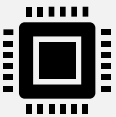


**4 BBB Projects provided additional sales**

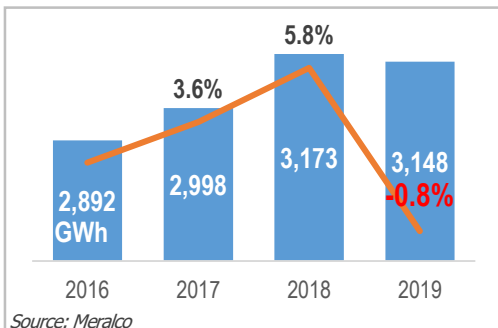
Projects targeted to open in 2020

(NLEX-SLEX ROAD 2, CALAX, C5 SOUTH LINK, LRT2 EXTENSION)

Source: Leechiu



**Semicon which was a growth driver** in past years, for the 1<sup>st</sup> time, showed a slight YoY decline



Source: Meralco

*"With all these uncertainties, we talked to our members... in our estimation, we've lost about a billion dollars in expansion investment that have gone to other countries,"* **SEIPI President and Chief Executive Officer Dan C. Lachica** said in a press conference.

Dept. of Finance had designed a tax reform package to consist of:

1. Cut in corporate income tax from 30% to 20%
2. Removal of 5% tax rate incentive from gross income earned (GIE)

Imposing the regular CIT instead of the GIE tax will entail on the average about 60-80% increase in operating cost

Source: Businessworld



## INDUSTRIAL

Excluding Gen. Wheeling

13,006 GWh

▲ 3.1%

### Top 3 Industrial Sectors

2019 YTD (in GWh)

FOOD & BEVERAGE

2,596

132

▲ 5.4%

NON-METALLIC

1,007

79

▲ 8.5%

PLASTICS & RUBBER

1,772

57

▲ 3.3%

### FOOD & BEVERAGE : 5.4%

- One factor influencing growth is the strong household consumption influenced by low inflation rate in 2019
- Election and summer months also drove the sales this year
- Zenith Foods plant, commissioned in June 2018, contributed 19GWh

TOP 3: ZENITH FOODS, SUMAINTA IND., ATLANTIC GRAINS

### NON-METALLIC : 8.5%

- With Gov't expenditure picking up, we saw Eagle Cement increase its consumption to 120GWh
- San Miguel saw an increase in leading brands, Red Horse and Pilsen, which led to an additional assembly lines, contributing 19GWh

TOP 2: EAGLE CEMENT, SAN MIGUEL YAMAMURA

### PLASTIC & RUBBER : 3.3%

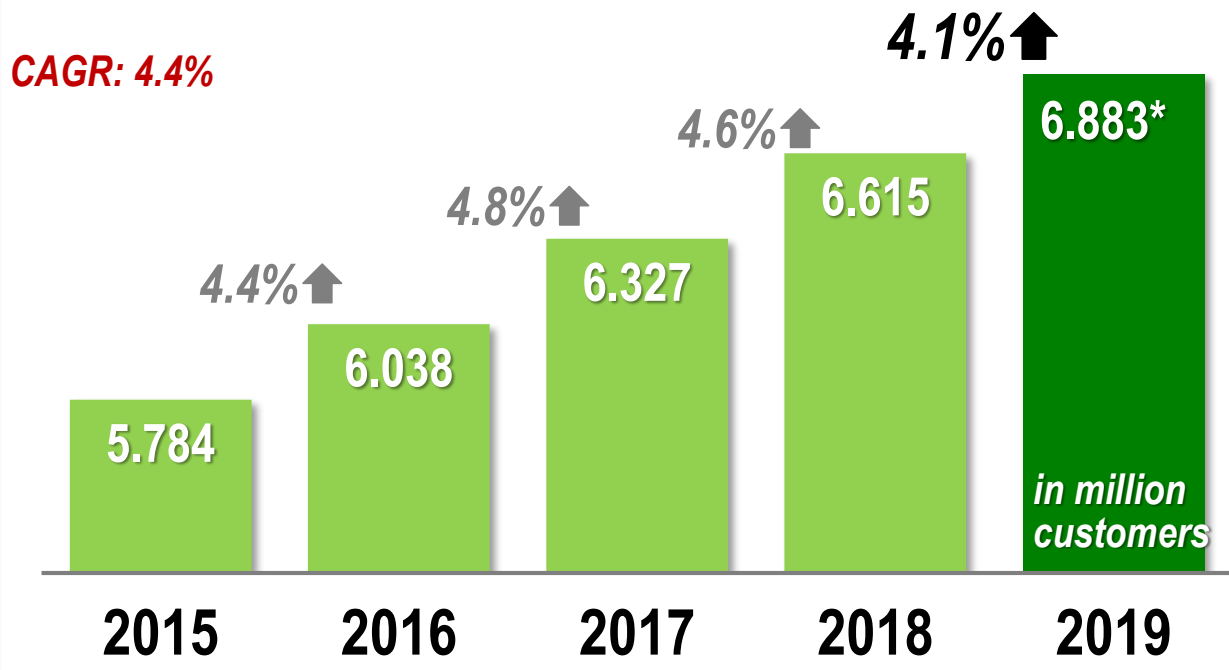
- Plastic industry also grew with its allied industry, F & B
- Key also are innovations and diversification of application plastics used in other industries (automotive, electronics and construction)

TOP 3: JG SUMMIT PETROCHEM, Q C STYROPACK, PHILPACKAGING

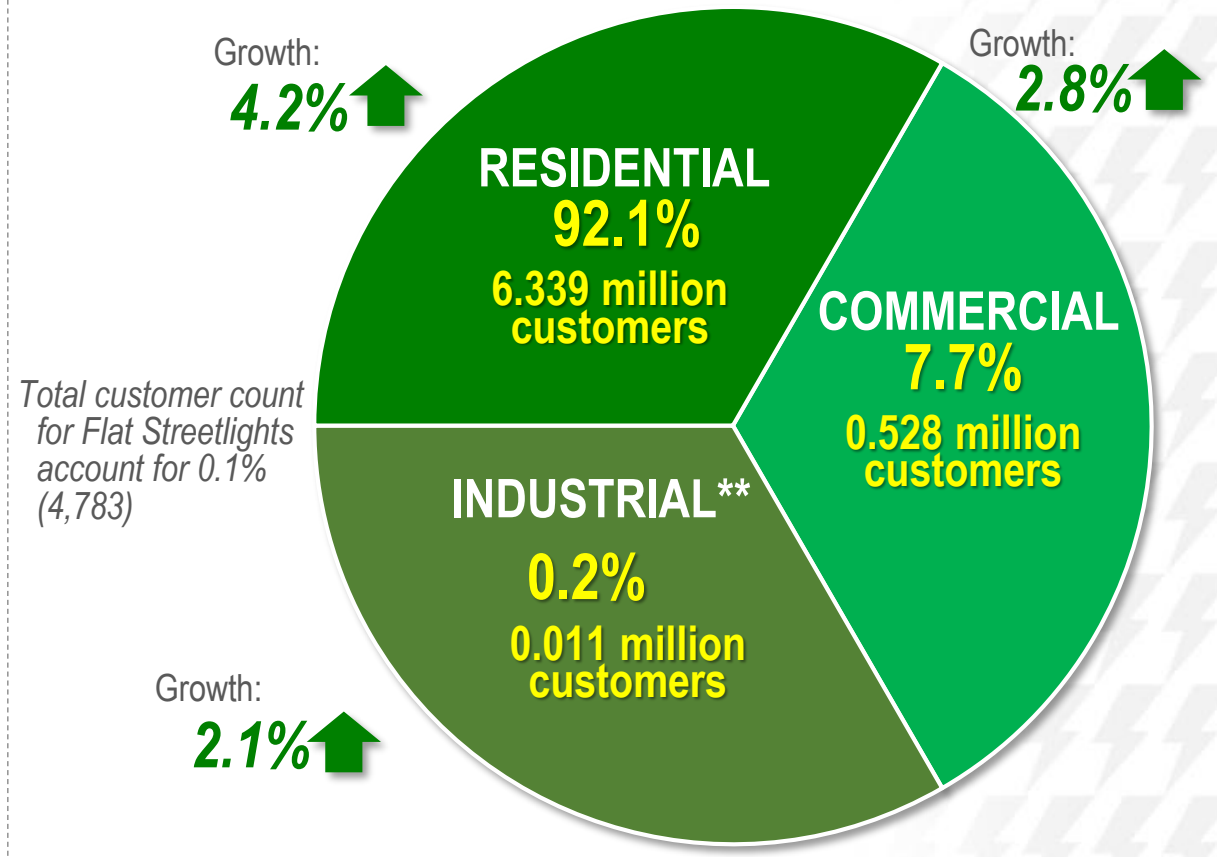


# Customer Count: **FY2019**

➤ Up 4.1% to 6.883 million vs. 2018 (+267,970 customers)



Share / Δ for FY2019:



\*Details (2019): Parent: >99.9% (6.880 million customers); CEDC <0.1% (0.003 million customers)

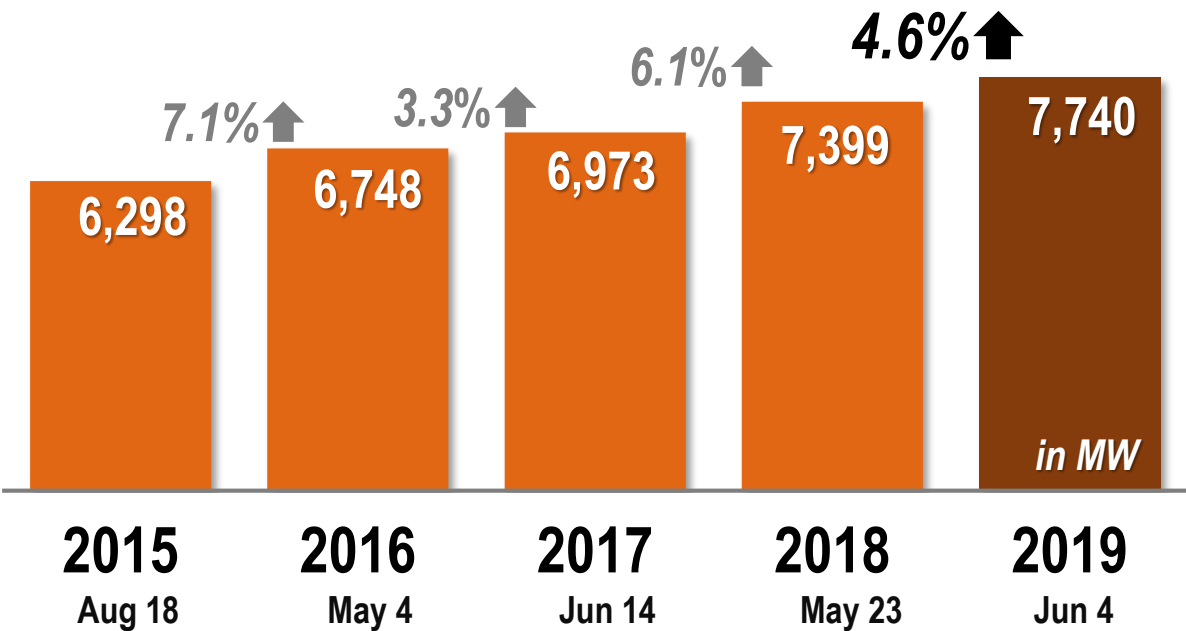
\*\*Including Generator Wheeling

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# Meralco Peak Demand: FY2019

➤ Up 4.6% vs. 2018 (+341 MW)

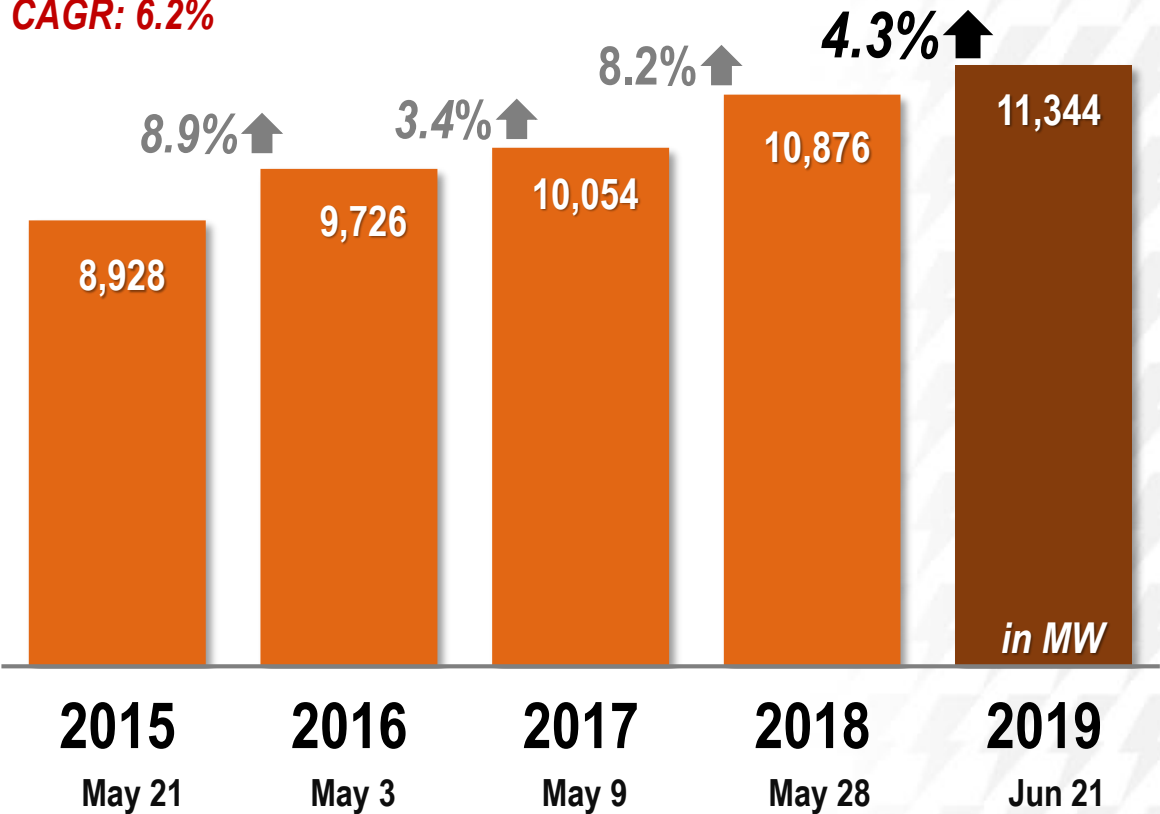
CAGR: 5.3%



# Luzon Peak Demand: FY2019

➤ Up 4.3% vs. 2018 (+468 MW)

CAGR: 6.2%

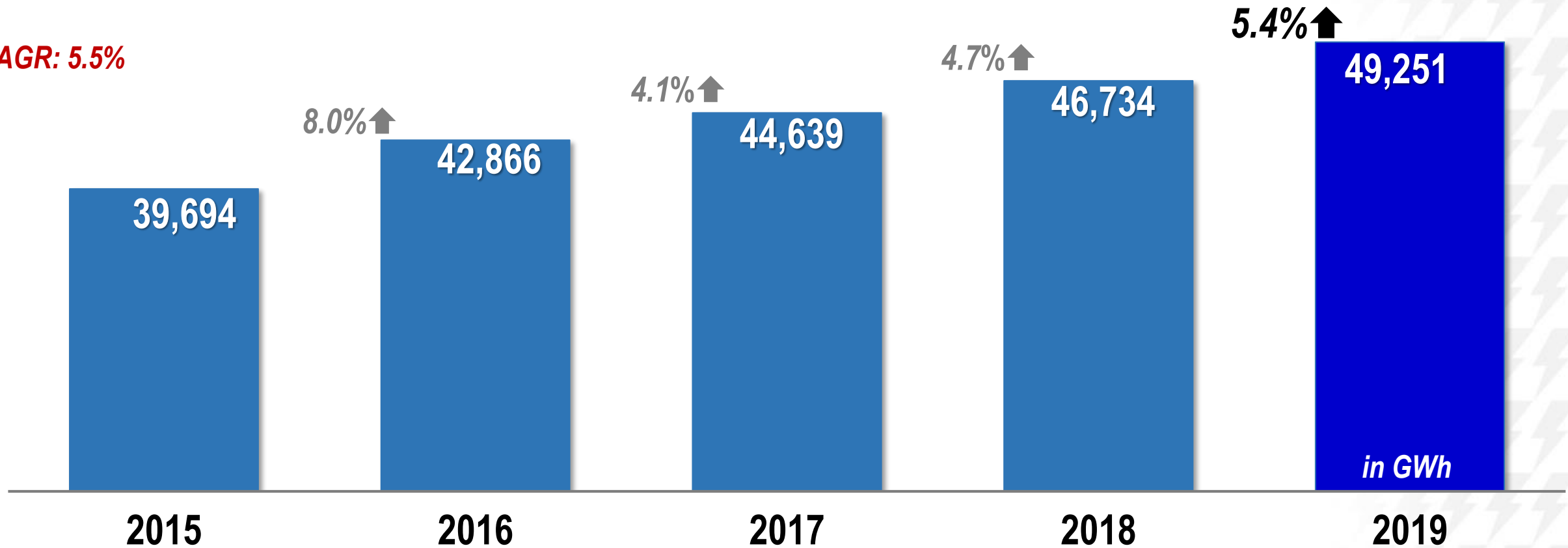




# Net System Input (NSI): FY2019

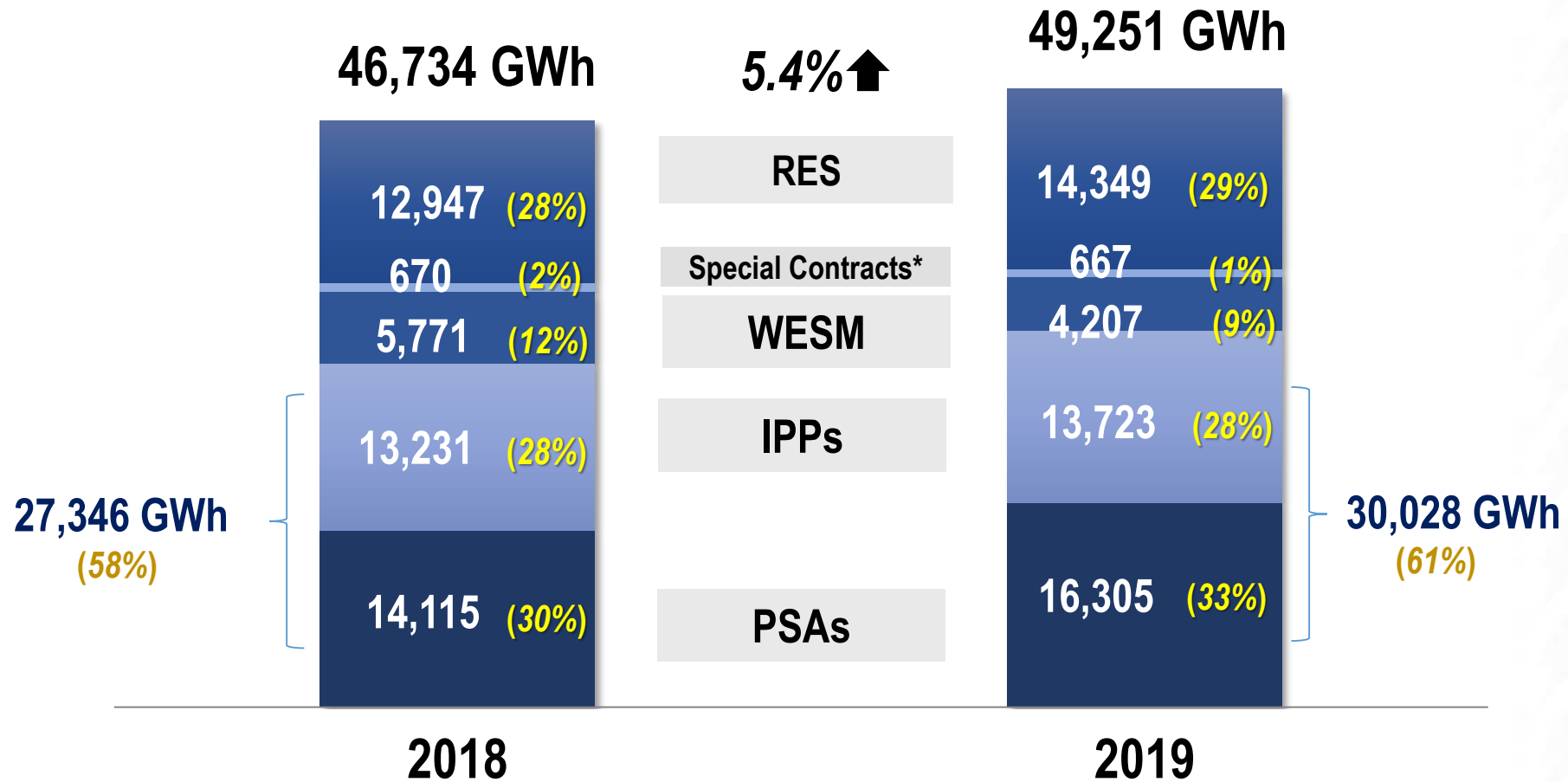
➤ Up 5.4% vs. 2018 (2,517 GWh)

**CAGR: 5.5%**



# Energy Sources: FY2019

- Contracted supply contracts (PSAs and IPPs) delivered total volume of 30,028 GWh (or 61%) in 2019
  - Contestable volume grew to 14,349 GWh (29% share) in 2019



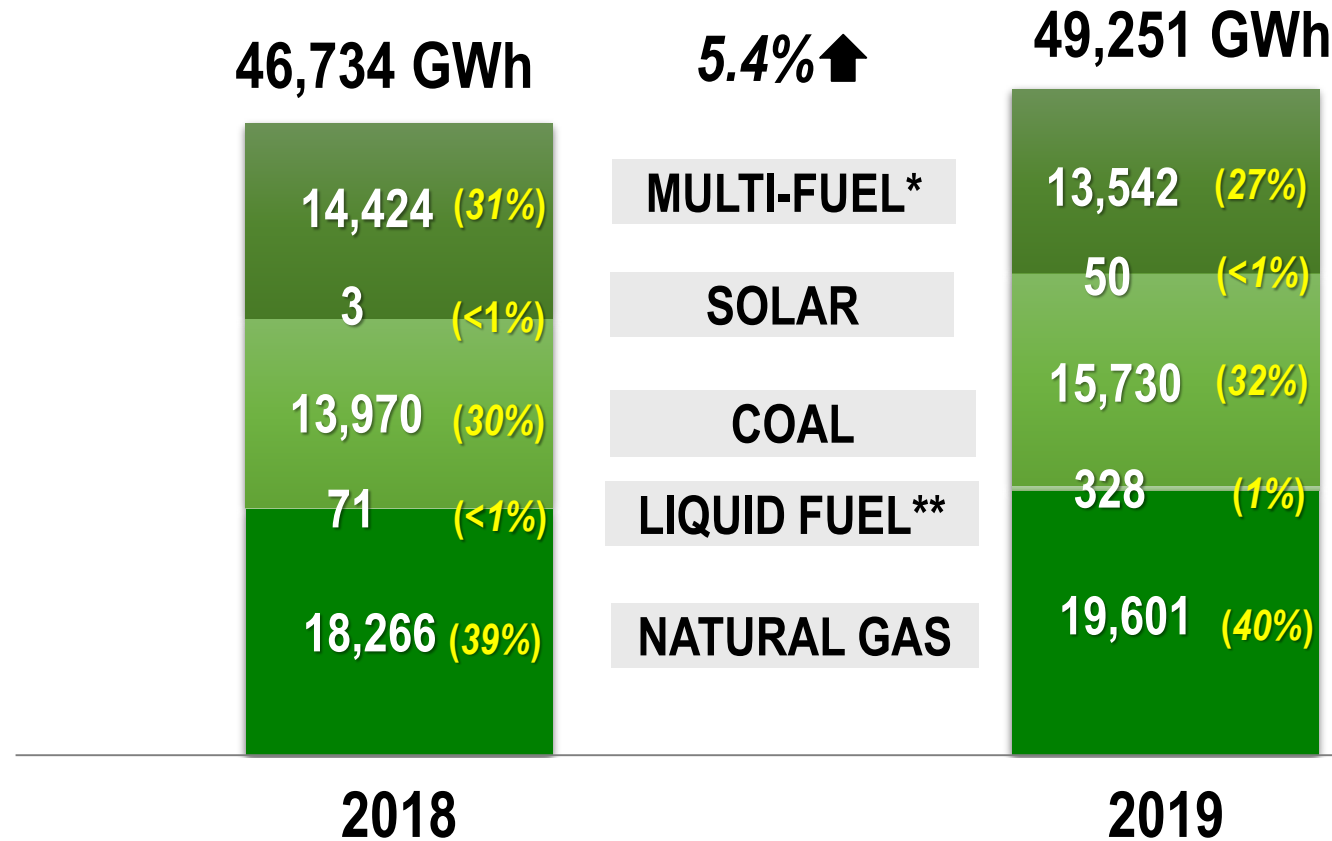
\*Includes volumes for Cavite Economic Zone (CEZ), Sunpower and Cocomchem Agro-Industrial Park (CAIP)

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# Fuel Mix: FY2019

- Nat. Gas led fuel source in 2019 at 19,601 GWh (40%) followed by Coal at 15,730 GWh (32%) with balance, Multi-fuel
  - Solar power source gradually increased in 2019 at 50 GWh



In percentage share

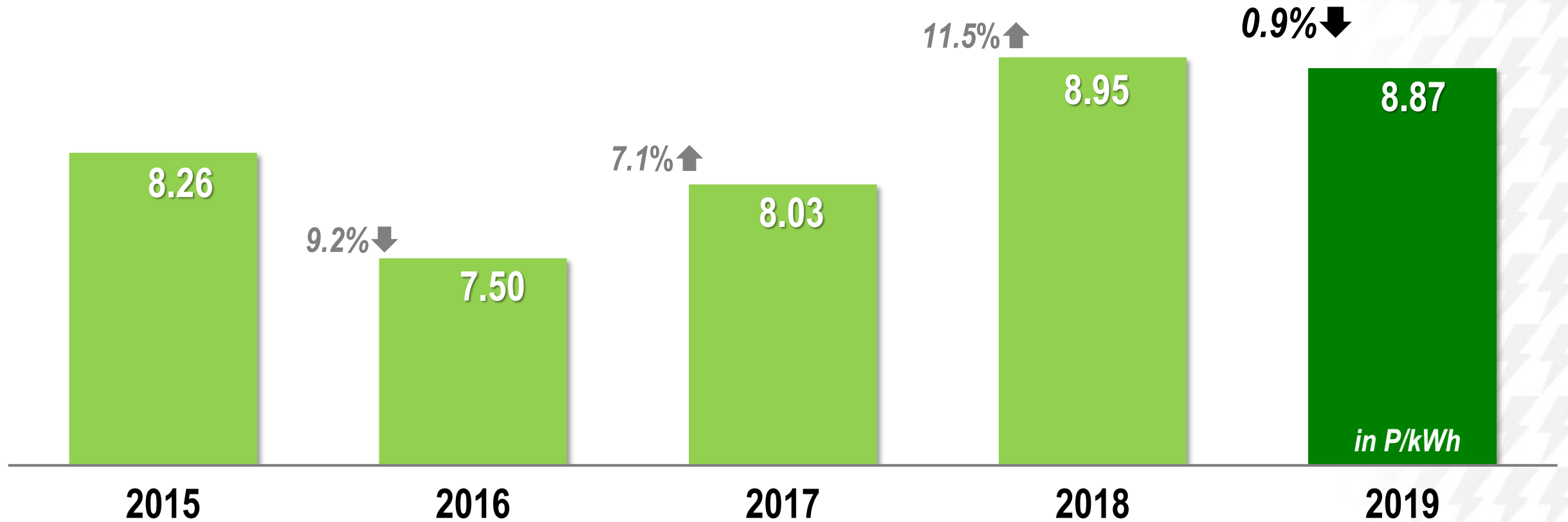
\*Coal, Hydro, Biomasss, Geothermal, et. al.; includes also WESM, CAIP, Other RESs

\*\*Used as substitute during unavailability of Malampaya gas supply or plant maintenance (Sta. Rita and San Lorenzo)

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# Average Retail Rate: **FY2019**

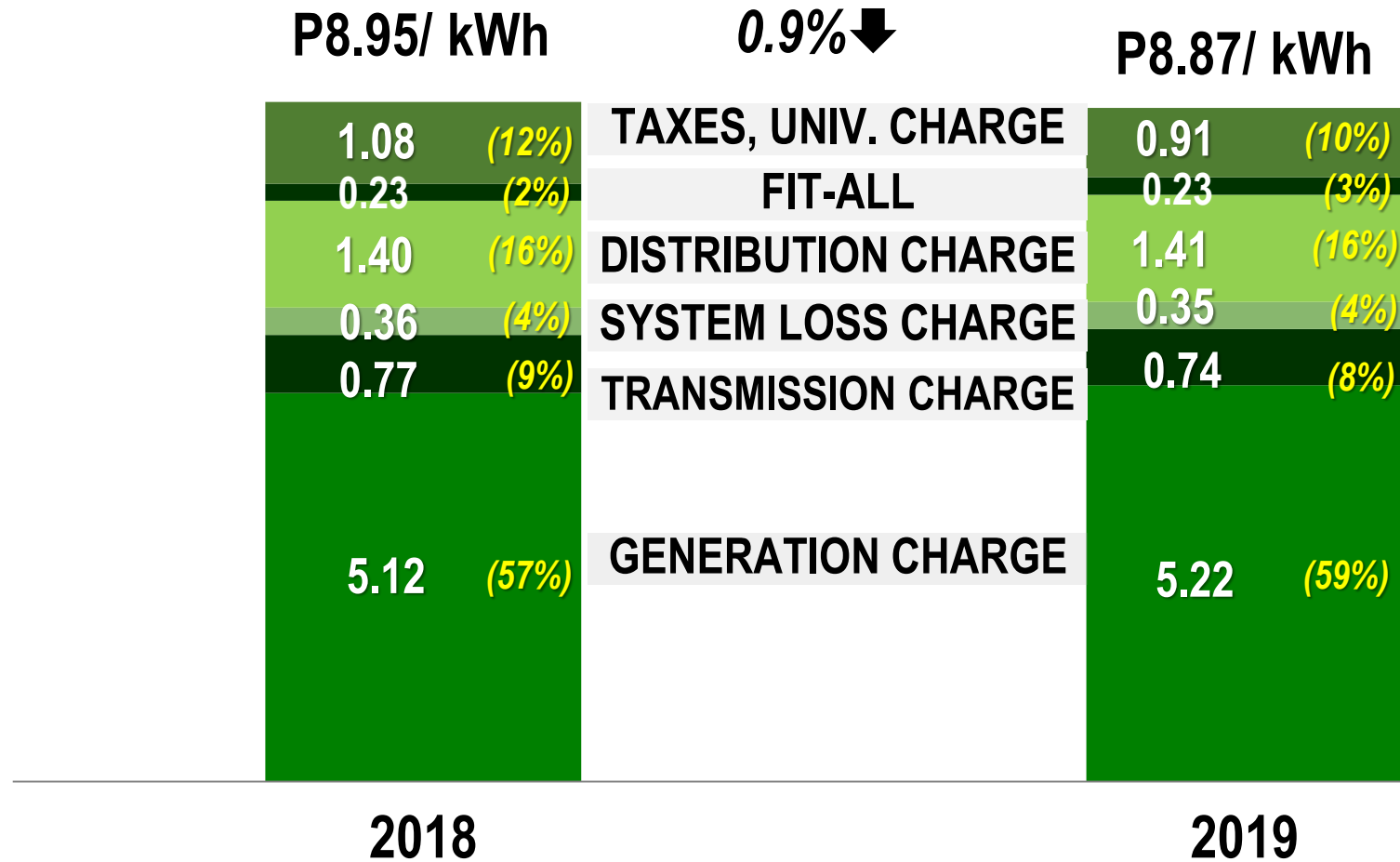
➤ Total Average Rate is ~1% lower vs. 2018 at P8.87kWh





# Average Retail Rate: **FY2019**

- Total Average Rate is ~1% lower vs. 2018 at P8.87kWh due to decreased Transmission Charge and Taxes/ UC
  - Generation Charge\* is the largest component in customer's bill at 59%, followed by Distribution at 16%



In percentage share

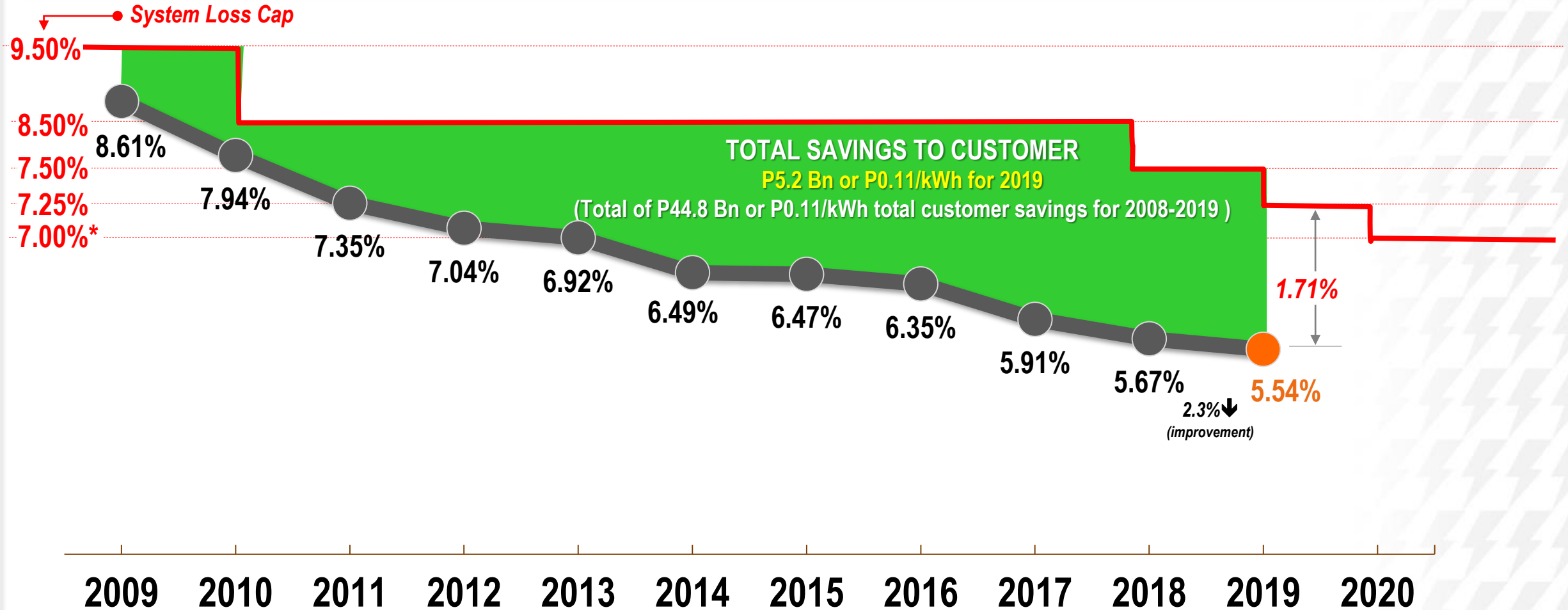


\*Generation Retail Rate (applies to captive customers only); other Charges are based on total captive and contestable customers in Meralco Franchise Area

# System Loss Performance: FY2019

➤ 2019 performance, **lowest ever at 5.54%**

- Improved by 2.3% vs. 2018's 5.67%; lower by 1.71 pts. vs. current System Loss cap of 7.25%\*
- Customer savings of P5.2 Bn or 11¢/kWh in 2019



\*Total Allowable System Loss Cap: 7.50%, Jun. – Dec. 31, 2018; 7.25%, Jan. 1 – Dec. 31, 2019; starting Jan. 1, 2020, System Loss Cap will become 7.00%.

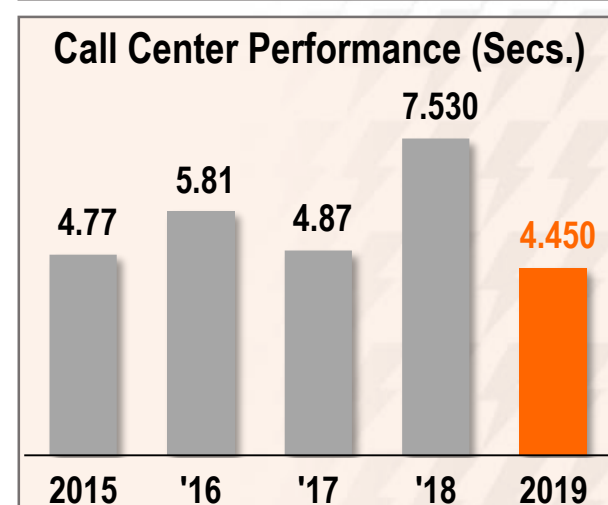
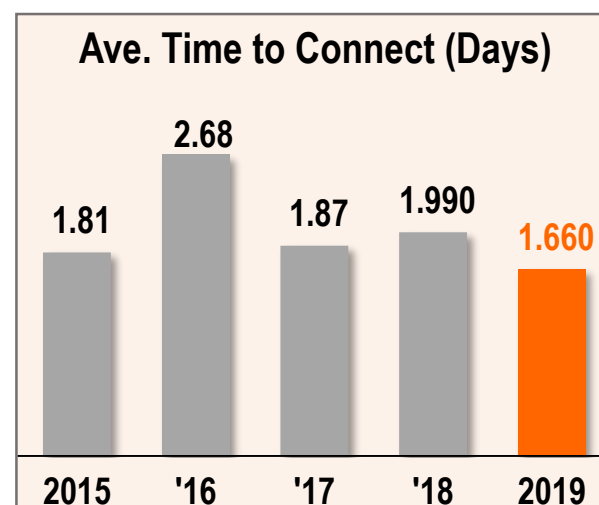
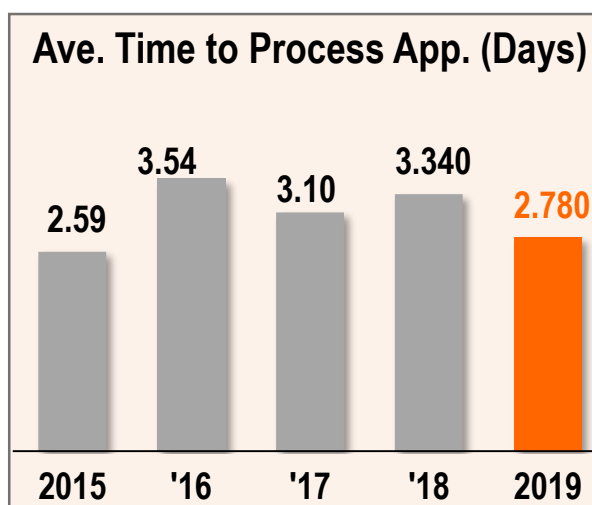
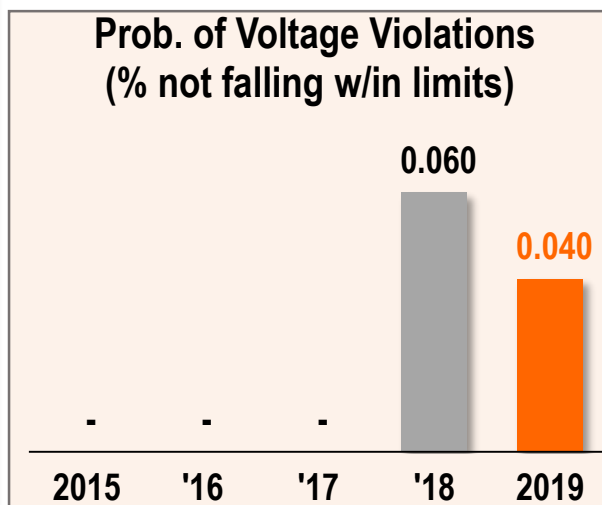
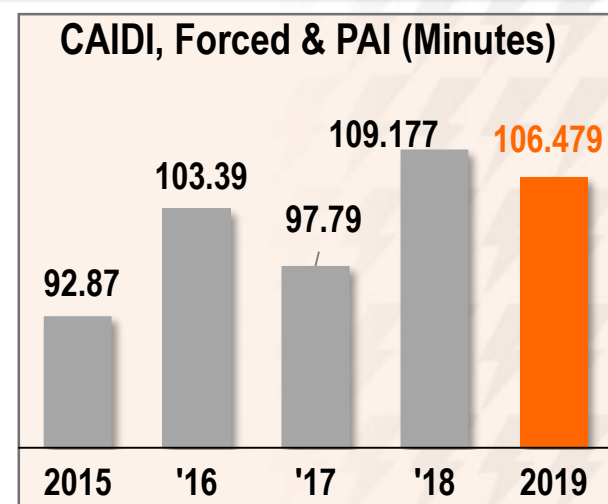
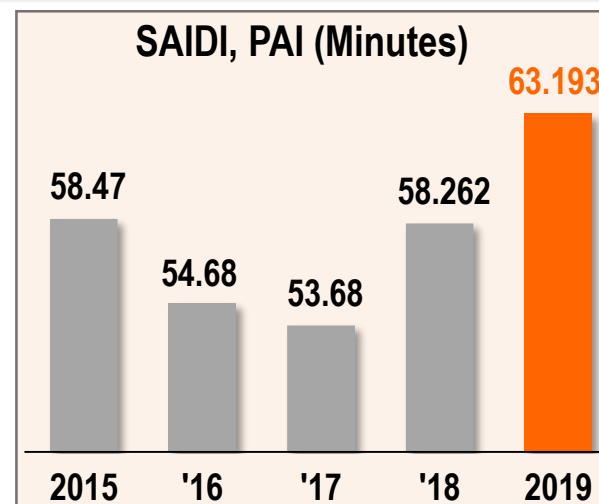
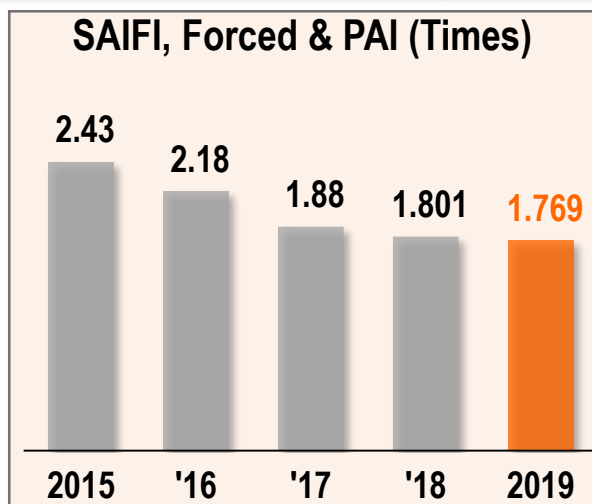
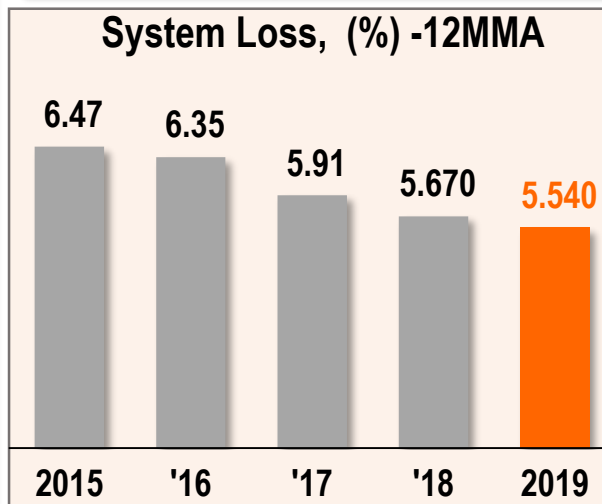
Includes 1% assumed typical Subtransmission + Substation technical losses

PARENT



# S-Factor Operating Performance: FY2019

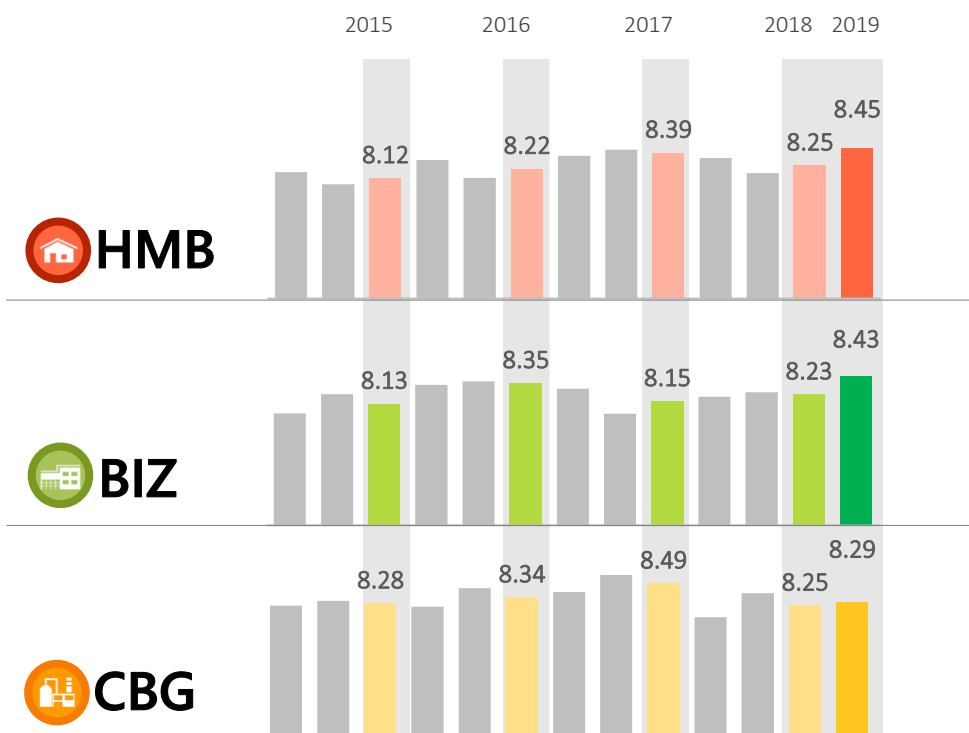
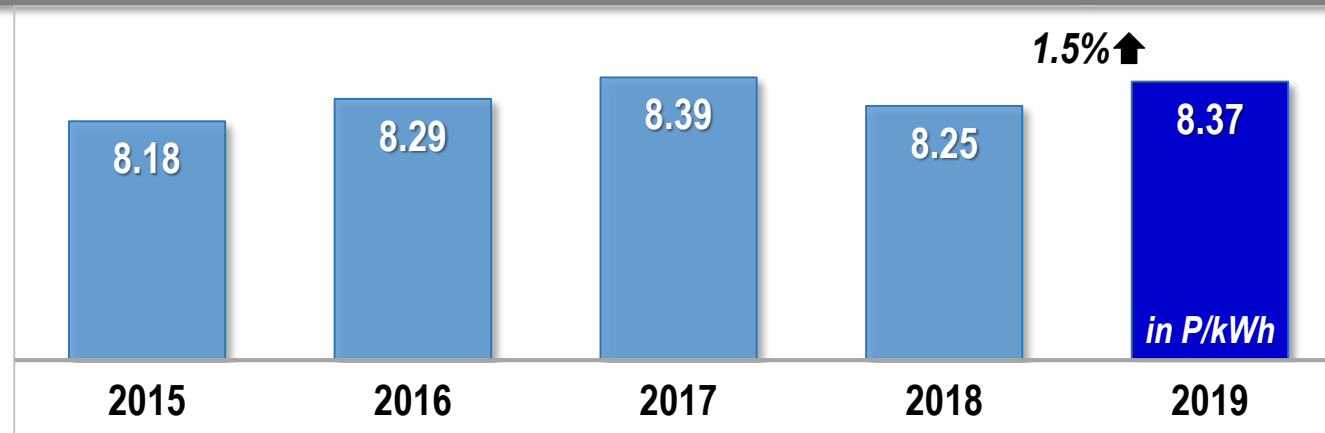
- ALL S-Factor Indicators are WELL-WITHIN REWARDS\* range in 2019; all indicators improved vs. 2018
- Except for SAIDI which is a result of numerous preventive maintenance and 'BBB'/'PPP' relocation works



\*Using ERC-imposed performance band in the available 3RP data / standards

# Customer Satisfaction Index (CSI): FY2019

➤ With a total CSI score of 8.37 for 2019, recovered from 2018 decline and is now at par with 2017's all-time high score



1. Total Meralco CSI improved by 1.5% to 8.37 (vs 8.25, 2018)
2. 2019 CSI surpassed the stretch goal of 8.34 and is at par with 2017 of 8.39.
3. CSI of HMB and BIZ mainly drove the increase in total CSI.  
CBG's CSI directionally increased compared to 2018.
  - HMB – 8.45 (vs 8.25, 2018)
  - BIZ – 8.43 (vs 8.23, 2018)
  - CBG – 8.29 (vs. 8.25, 2018)



# Business Updates & Other Events of Interest

# FY 2019



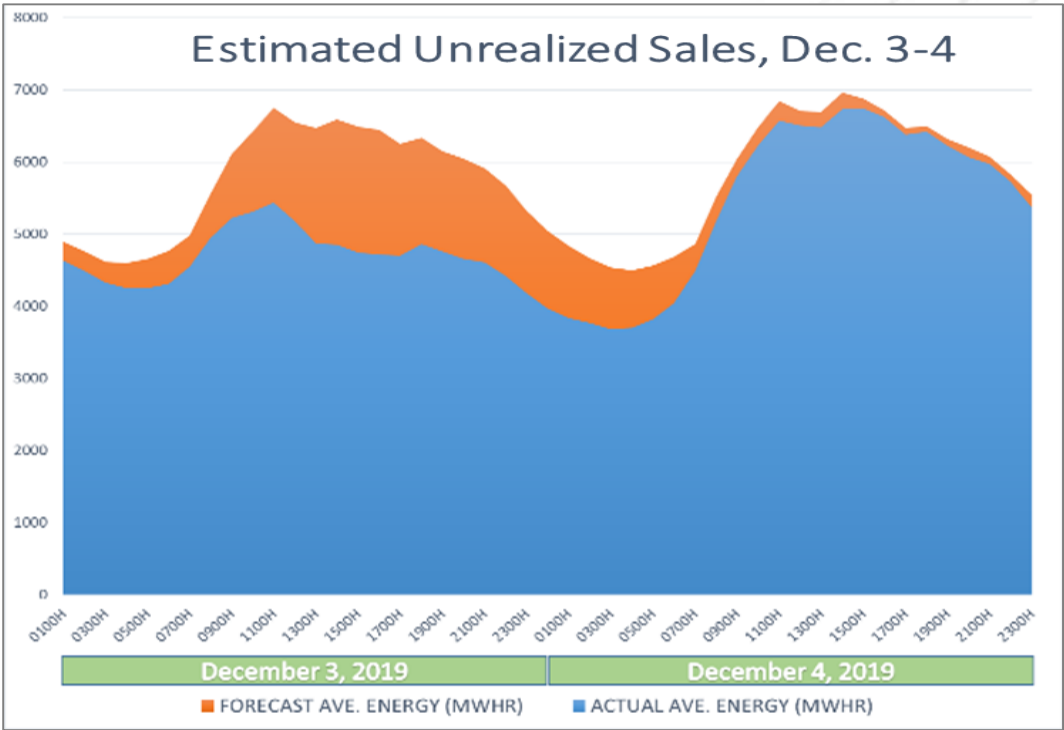
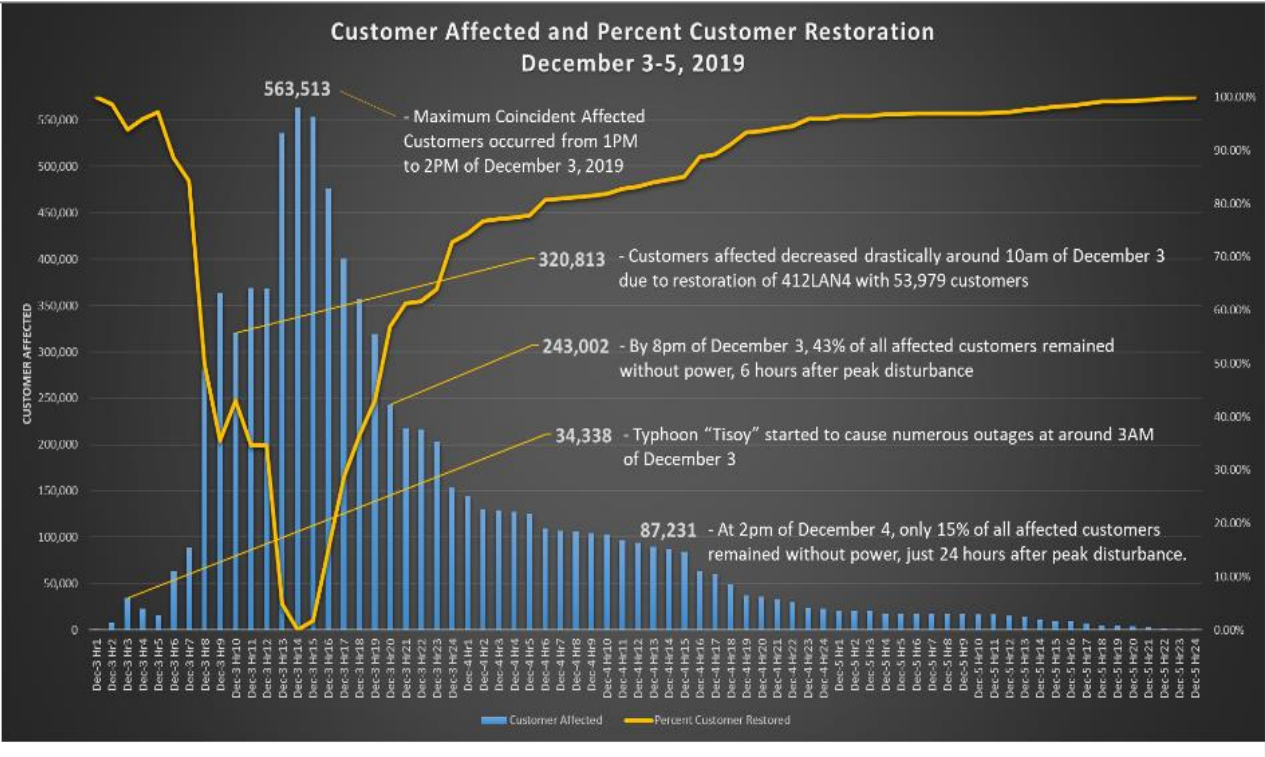


# Business Updates: Strengthening the Core Business

## Typhoon “Tisoy” Impact to Meralco (December 3-5, 2019 )

Circuit-Segment Tripping	
Unique Circuits Affected	119
Momentary Interruption incidents	121
Sustained Interruption incidents	79

- 119 circuits **or 16%** of Meralco’s 722 operational circuits were affected
- **1.62 million customers** or 24.4% - affected by sustained interruptions – last affected customers restored December 5, 2019
- Dec. 3 Forced-SAIDI (82.07 mins) breached the Threshold for Major Event Day (TMED)
- **23.5 GWh – ESTIMATED UNREALIZED SALES**





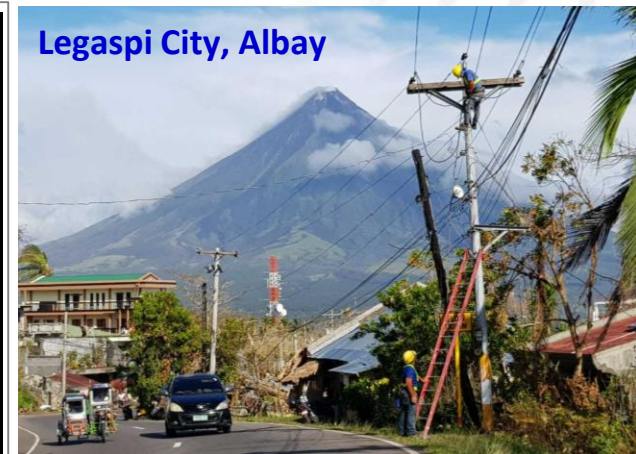
**❑ Typhoon “Tisoy”: Meralco Sends Contingent to Bicol to Help ALECO in Restoration (Dec. 8-22)**



TOTAL (Networks)	Vehicle Count		Manpower Count	
	Regular	Contractor	Regular	Contractor
Stake with HIAB	0	2	0	10
Basket Truck	3	0	13	0
Auger Truck	1	1	2	4
Pick-Up	3	0	4	1
L300 Utility	0	1	0	3
<b>Total</b>	<b>7</b>	<b>4</b>	<b>19</b>	<b>18</b>
<b>Networks Total</b>	<b>11</b>		<b>37</b>	

Other Offices	Vehicle Count		Manpower Count	
	Regular	Contractor	Regular	Contractor
OS&BCM	1		4	
OMF			1	
Security	1		1	2
Sub-Total	2	0	6	2
Other Offices Total	2		8	

Grand Total	Vehicle Count		Manpower Count	
	Regular	Contractor	Regular	Contractor
Contingent	9	4	25	20
All	13		45	



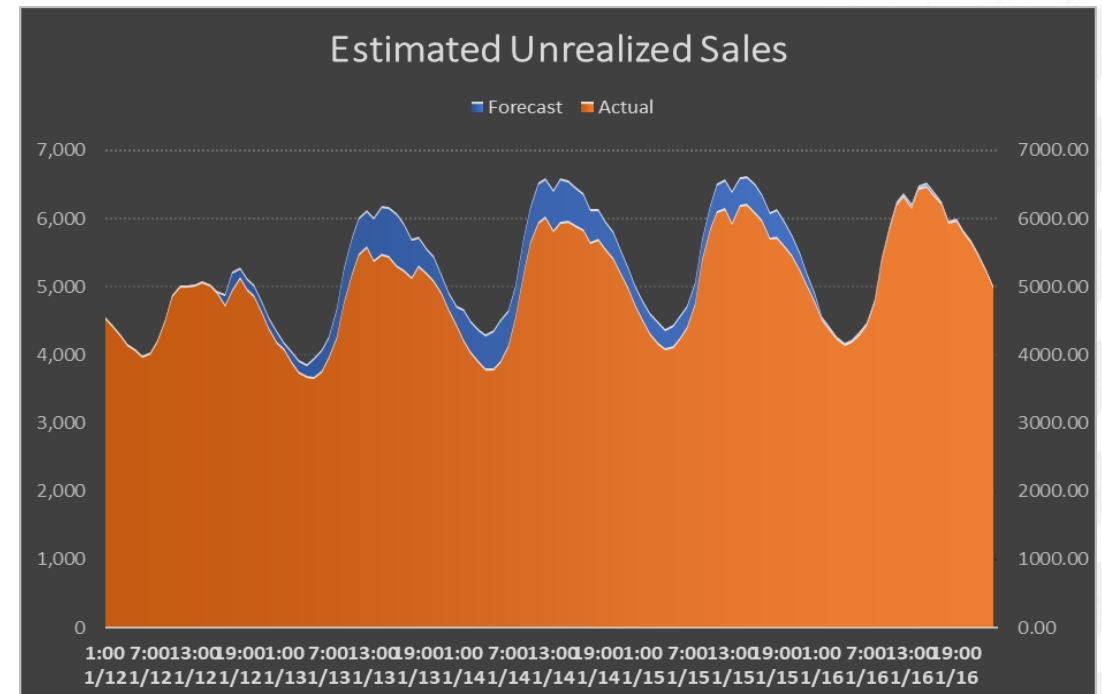
## Business Updates: Strengthening the Core Business

## ❑ Taal Eruption Impact to Meralco (January 12 to 19, 2020)

Distribution Circuits/Segments Affected	
Momentary Interruption incidents	16
Sustained Interruption incidents	29
Sub-transmission Line Outage	5
Substation Outage	4

Province	City/Municipality	Affected Customers
CAVITE	ALFONSO	13,019
	GENERAL EMILIO AGUINALDO	314
	INDANG	4,694
	MARAGONDON	824
	MENDEZ	7,348
	SILANG	29,414
	TAGAYTAY CITY	22,482
LAGUNA	CABUYAO	23,300
	CALAMBA	48,590
	SAN PEDRO	23,003
	STA. ROSA	10,550
<b>TOTAL</b>		<b>183,538</b>

- 45 circuits or **6.2%** of Meralco's 727 operational circuits were affected
- **183,538 customers** or 3% were affected by sustained interruptions – last affected customers restored after 1 week (Sunday, Jan. 19, 2020)
- Jan. 12 (77.59 mins) and Jan. 13 (25.12 mins) Forced-SAIDI breached the Threshold for Major Event Day (TMED)
- **29.37 GWh – ESTIMATED UNREALIZED SALES**



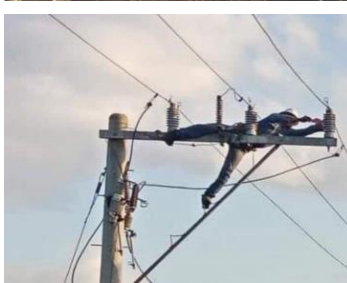


# Business Updates: Strengthening the Core Business

## ❑ Taal Eruption Impact to Meralco (January 12 to 19, 2020)

### ▪ Meralco Rapid Response:

- Management meeting for the restoration activities
- Mobilized the existing insulator washer basket truck from NDS
- Purchased 30 power washers to be retrofitted on basket trucks
- Coordinated with BFP, MMDA and Maynilad for assistance
- Mobilized all available basket truck crew within the franchise area





# Business Updates: Strengthening the Core Business

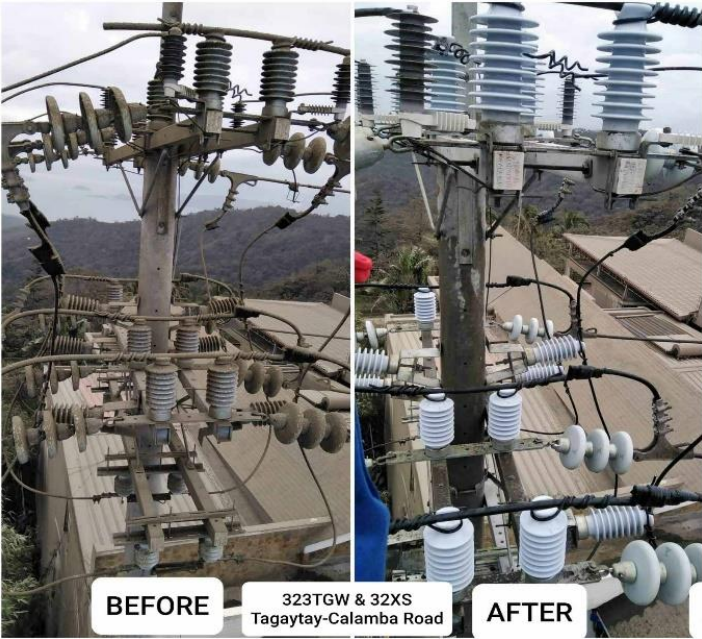
## ❑ Taal Eruption Impact to Meralco (January 12 to 19, 2020)

### ▪ Meralco Restoration Crew Compliment

Personnel Count	Regular	Vendor	Total
Sta. Rosa / Dasmarinas	244	354	598
SDS	297	484	781
NDS	37	44	81
CDS	14	46	60
STS	114	0	114
Total	462	574	1,036

Vehicle	Regular	Vendor	Total
Pick-up	63	8	71
Basket Truck	44	-	44
Stake Truck	15	-	15
Trucks	2	132	134
Car/Van	15	-	15
Total	156	140	296

### ▪ Sample pictures of affected Meralco facilities



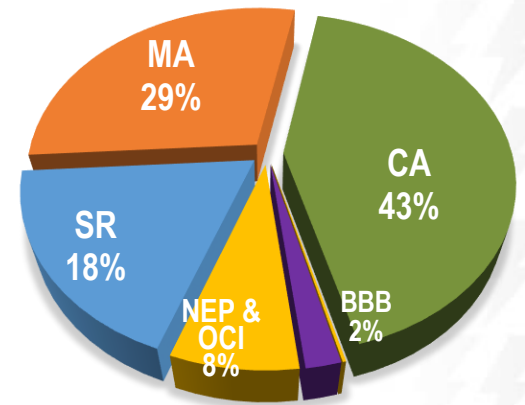


# Business Updates: Strengthening the Core Business

## CY2019 Networks CapEx

**PhP 12.026 B**  
**NETWORKS 2019 CAPEX**

Utilization as of December 2019  
**PhP 14.706 B** (122%)



**New Customer Connections / CA**

- Installed meters 331,562
- CA projects energized 6,299
- Replaced overloaded DT 1,429

5,255M  
102%

**P 5.14B**

**Asset Renewals / MA**

- Replaced poles 7,803
- Shielded conductors 56,611
- Replaced meters 206,938
- Replaced substation equipment 393
- RCLR 651
- Poles relocated (DPWH-related) 1,114

4,562M  
130%

**P 3.51B**

**Addressing Load Growth / SR**

- Substation projects 9
- 115 kV Subtransmission line projects 2
- Residual Projects 51

4,017M  
181%

**P 2.22B**

**Build Build Build / PPP**

- MRT-7 97 poles
- SKYWAY 448 poles
- C3-R10 Rd. 521 poles
- PNR North 1 74 poles
- BGC-Ortigas Link 56 poles

186M  
74%

**P 250M**

**Movable Non-Network Assets**

- Information Technology & Software 220M
- Laboratory Tools & Office Furniture 220 M
- Transportation Equipment 90M

531M  
62%

**P 858M**

**Immovable Non-Network Assets**

- Construction of New Sta. Rosa Sector Serv Bldg
- Construction of Wire Shed, Concreting Pavement & Kamias Pole yard

155M  
323%

**P 48M**

# Business Updates: Strengthening the Core Business

## ❑ CY2019 Completed ECPs

Increased substation capacity by 598 MVA and circuit length by 108 km

9

### SUBSTATION PROJECTS

1. Development of Southwoods (1-83 MVA, Apr. 18)
2. Development of Calamba 230kV-115kV (Jun. 30)
3. Expansion of Filinvest (1-83 MVA, Jul. 31)
4. Development of Bridgetowne (1-83 MVA, Sep. 30)
5. Expansion of TMC- 2 (1-83 MVA, Oct. 4)
6. Development of Eton-Centris (1-83 MVA, Oct. 26)
7. Development of Makati (1-83 MVA, Dec. 8)
8. Expansion of Sta Rosa 2 (1-83 MVA, Dec. 16)
9. Expansion of Tagaytay West (1-50 MVA, Dec. 17)

2

### 115 KV SUBTRANSMISSION LINE PROJECTS

1. San Jose 115 kV Lines (Novaliches Leg) (May 6)
2. Teresa-Tagbac 115 kV Line (Dec. 27)

51

### RESIDUAL PROJECTS

1

### OTHER SIGNIFICANT PROJECTS

1. Replacement of Marikina Bank 2 (Jun. 28)





# Business Updates: Strengthening the Core Business

“Build, Build, Build!”



A TOTAL OF  
**3,473**  
out of  
**4,949\***  
affected poles were  
relocated as of  
December 31, 2019



Other projects expected to commence this 1Q of CY2020:

- PNR North 2
- Mega Manila Subway
- NLEX-SLEX Connector Road
- Unified Common Station
- Skyway Stage 2 Extension

\*Running total

★ MERALCO Relocation Status    ■ MERALCO Relocation Timeline    ■ Timeline of BBB project

## Business Updates: Strengthening the Core Business

- ❑ Expansion of Sta. Rosa 2 115 kV – 34.5 kV Substation (3rd 83 MVA Power Transformer Bank)
  - December 16, 2019



- The project provides an additional 83 MVA Power Transformer bank, 34.5 kV GIS and new Control Room in Sta. Rosa 2 Substation
- This will provide the needed capacity to accommodate the increasing power requirement in the cities of Sta. Rosa and Biñan in Laguna
- Likewise, this project will provide switching flexibility during contingencies, as well as reduce the technical system losses of the primary distribution system in the area



# Business Updates: Strengthening the Core Business

- ❑ Expansion of Tagaytay West 115 kV – 13.8 kV Substation (2nd Power Transf. Bank, 50 MVA)
  - December 17, 2019



- The project provides an additional 50 MVA Power Transformer Bank and 13.8 kV Metalclad Switchgear in Tagaytay West Substation
- This will help address the increasing power demand in the municipalities of Mendez, Alfonso, Aguinaldo, Indang, Amadeo and Silang in Cavite, and will also relieve the forecasted critical loading of Tagaytay West Substation's 33 MVA Bank No. 1 and of Silang Substation's 33 MVA Bank



# Business Updates: Strengthening the Core Business

- ❑ Construction of New Teresa-Tagbac 115 kV Line
  - December 27, 2019



- This project will address the 37 MVA additional power requirements of the new cement plant of Solid Cement Corporation located in Sitio Tagbac, Antipolo Rizal
- It will also relieve the forecasted overloading of the New Teresa Bank No. 1 (107%) brought about by the additional load of Solid Cement Corporation



# Business Updates: Strengthening the Core Business

## ❑ Meralco Electrification Program Projects (Priority 1)

Area	Number of Sites	Count of Energized Households	Estimated Project Cost	Status Update
Metro Manila	58	2,011		
North*	30	906	45,007,174	27 energized; 1 for energization*; 2 ongoing construction
Central	3	247	2,146,012	3 energized
South	25	858	40,021,574	25 energized
Batangas				
Batangas City/ San Pascual	36	367	128,592,674	35 energized; 1 ongoing construction
Total	94	2,378	215,767,434	90 Energized; 1 for energization*; 3 ongoing construction

*\*This project (Horizon Ville Homeowners Assoc. Inc.) is already completed as designed but the requisite conjunctive project (Greenhouse Ville) is still ongoing construction.*





# Business Updates: **OMF Assistance to Taal Volcano victims**

## ❑ Provided assistance:

- Nearly 3,000 families/ 14,600 individuals benefited
- Covered 44 Evacuation Centers
- Solar Powered Charging Station Deployment
- Relief Goods Distribution
- Sleeping Mats
- Feeding
- Medicines
- Packed Food





# Business Updates: Customer Engagements, Products & Services and Initiatives

With Meralco's commitment to provide Energy For All, in 2019, we continued our initiatives to deliver the same quality of service to far-flung areas and urban growth centers.

We adopted renewable technologies and Battery Energy Storage Systems (BESS) to energize communities in far-flung areas.



Isla Verde Inauguration  
Feb 15, 2019



Photo courtesy of Power Philippines

Cagbalete Microgrid Phase 1 Inauguration  
July 23, 2019



Battery Energy Storage System (BESS)  
Inauguration Event in Bulacan  
Sept 6, 2019

We also sustained partnerships with the private sectors and the LGUs to facilitate the development of substations.



Meralco-Lancaster Substation Inauguration  
May 18, 2019



Meralco-Bridgetowne Substation Inauguration  
Nov 21, 2019



# Business Updates: Customer Engagements, Products & Services and Initiatives

## FOR OUR CORPORATE CUSTOMERS



Cecille Domingo and Vicoy Risma, with City of Dreams executives Kevin Benning (SVP and COO), Paul Bruce (Director for Engineering), and Michael Ziemer (VP for Hotels and F&B)



Cecille Domingo, with DLSAU president Dr. Bjorn Santos and eSakay president and CEO Raymond Ravelo

We engaged our Corporate Partners with relevant solutions via:



TRADE SHOWS & POWER UP FORUMS

7 FORUMS

767 REPRESENTATIVES REPRESENTING  
518 CUSTOMERS REACHED

88% AVERAGE SATISFACTION RATING

We aim to fulfill our promise to be their **end-to-end solutions partner**.

We offer **Power Ideas**: energy consultation and diagnostics for customized energy solutions for loadside services which we endorse to our subsidiaries.

### Ceremonial Signings and PR Activations:

- a. **City of Dreams** (1.2MWp solar installation worth P70M)
- b. **DLSAU** (5 EV units purchase with O&M worth P18M)




Sustainability Forum attended by: Head of TV5 News and Information, Luchi Cruz-Valdes,, former Finance Secretary and Global Reporting Initiative (GRI) Board Member Bobby de Ocampo, DOE Senior Usec. Jesus Posadas, GRI Chairman Eric Hespenheide, and Senator Sherwin Gatchalian


# Business Updates: Customer Engagements, Products & Services and Initiatives


FOR OUR CORPORATE and LGU CUSTOMERS

To add credibility to what we offer, we feature successful partnerships with customers who were able to leverage on these power ideas. All these we communicate through various channels.


- 

WEBSITES  
& PCO
- 

SOCIAL  
MEDIA
- 


FORUMS
- 

RM SALESKIT



PHILSTAR HOME | THE PHILIPPINE STAR | PHILSTAR STAR NAVIGATOR | THE FREEMAN | PHILSTAR

HOME | HEADLINES | OPINION | NATION | WORLD | BUSINESS | SPORTS | ENTERTAINMENT | LIFESTYLE | TECHNOLOGY | BUSINESS AS USUAL | BANKING | MOTORING | SCIENCE AND ENVIRONMENT



From left to right: Antonio Dixon, Director for Engineering, Shangri-La at the Fort Manila; Galle Moreno, Property Director, Horizon Homes; Bernice Garcia, Lead Relationship Manager for the Leisure & Entertainment Group, Meralco; and Arnold De Guzman, Relationship Manager for the Leisure & Entertainment Group, Meralco

### Horizon Homes fast-charging EV facility is future-ready

Angie O. Aguila (Philstar.com) - May 5, 2019 - 9:37pm

Electric vehicles are wonders of automotive technology. They are generally cleaner and cheaper to drive, saving in fuel cost and greatly reducing the amount of carbon emissions that hasten global warming. Here in the Philippines, stakeholders of the fledgling electric vehicle industry are working together in pushing for further investments in clean vehicle technology.

Toward a transportation EVolution

FEATURE ARTICLES

### Is it time for our transportation system to go full electric? One company is paving the way for it

Businesses & projects are taking place in the region.

May 15, 2019

BY JESSICA M. PABLO FOR PHILSTAR.COM



ATENEO

**MERALCO**  
36,185 followers now

Batangas Medical Center (BatMC) and Meralco are working together to bring world-class healthcare in the Calabarzon and the Mimaropa areas. <https://lnkd.in/fFnRSC5>



EMERGENCY

BATANGAS MEDICAL CENTER

For 14 Million People, Batangas Medical Center Promises World-Class Medical Care

powerclub.com.ph

### Imperial (Net Metering) Home Launch at Via Verde, Sto. Tomas Batangas



This economic home is powered by Meralco Net Metering enabling you to save on electricity bills.

Qualified End-User Certificate of Completion

#### Objective

To support ERC's launch of NM amended rules & Consumer Welfare Month

Showcase Meralco NM set-up

#### Highlights:

Ceremonial turnover of Meralco NM set-up for an "economic" home

#### Attendees:

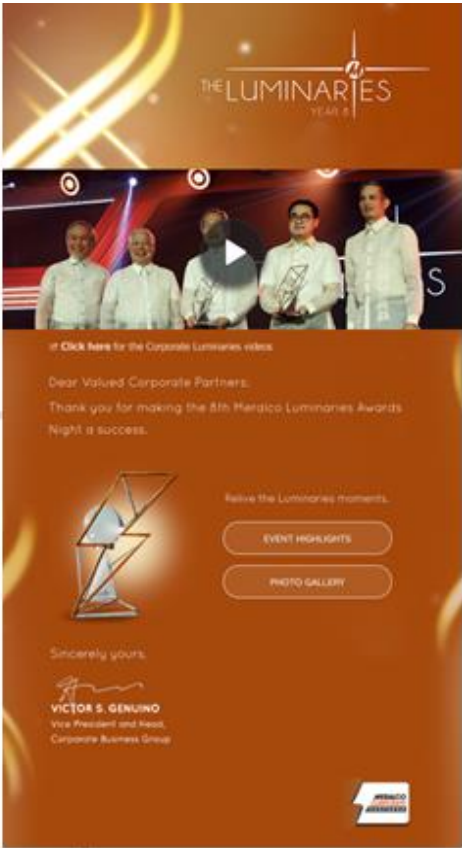
ERC Chair Agnes, Devanadera  
ERC Comm Asirit, ERC Comm Lumbatan, ERC Comm Maceda  
ERC Comm Cervantes, Imperial Homes CEO Emma Imperial  
Sto. Tomas Vice Mayor Silva



# Business Updates: Customer Engagements, Products & Services and Initiatives

## FOR OUR CORPORATE CUSTOMERS

Resulting partnership stories were communicated across several touchpoints, with special focus on our **Luminaries**. We utilize broadsheets, e-DMs, the website, Meralco LinkedIn & Power Club Online.



**MERALCO**  
36,572 followers  
1w

In recognition of its partnership with Meralco that upgrades and transforms offices and schools into productive, sustainable work and learning environment, Landev Corporation, a member of the Yuchengco Group of Companies (YGC), was recognized as a Meralco Corporate Luminary for 2018.

By leveraging on MServ's (Meralco's wholly owned energy services company) managed services, Landev is leading all initiatives for YGC to ensure that all of its building structures and its occupants are energy efficient as YGC pursues the ultimate goal of being LEED certified.

Receiving the award on behalf of Landev Corporation is its COO, Mario Paguio.

Established in 2011, the Meralco Luminaries is a program that honors large and small enterprises as well as Local Government Units whose projects with Meralco have contributed to building a progressive Philippines.



- Verbatim event feedback from CBG customers:
- a. **Alfamart:** "The Luminaries Awards Night seems to get better every year!"
  - b. **City of Dreams:** "I am blown away. You guys did a great job."
  - c. **Aristocrat Group:** "Encouraging/inspirational. Excellent customer relationship by Meralco's leadership and MVP, one of a kind."
  - d. **Sta. Lucia Corp:** "Interested in design of underground facilities for new development. Also possible smart city project"



# Business Updates: Customer Engagements, Products & Services and Initiatives

**MERALCO CORPORATE**  
PARTNERS

FOR OUR CORPORATE CUSTOMERS

Understanding that B2B partnerships are sometimes best formed in a casual environment, we continued the Golf Cup



Sta. Elena Golf Club | 19 Nov. 2019

**193** Customers participated  
(including MER employees)

**Php173k** Donations for  
OMF



# Business Updates: Customer Engagements, Products & Services and Initiatives

## FOR OUR BIZ CUSTOMERS

For 2019, Biz Partners continued to leverage on the successful partnerships with customers by **promoting their stories** in forums, customer engagements, digital articles and ads, and in our TVC and RC.



We position Meralco Biz Partners as an end-to-end energy solutions partner that can help customers achieve business sustainability and grow their business.



**Operational savings** is the primary benefit we highlight when offering the services of Meralco and its subsidiaries – savings that can be reinvested into the business.



"Meralco helped us save  
1 Million pesos in overhead!"

-Dr. Robert Lu  
Director  
Foshan Optics Meeting



Join us on Wednesday, October 16, 2019, 9am-12nn  
at 8 Waves Waterpark & Hotel, San Rafael, Bulacan!

Featuring guest speaker



"With Meralco's free  
energy consultancy, my  
company's manufacturing  
output grew to cater to  
a global demand!"

For more information:

☎ Call 16210

🌐 Visit [www.meralco.com.ph/biz](http://www.meralco.com.ph/biz)



# Business Updates: Customer Engagements, Products & Services and Initiatives

## FOR OUR BIZ CUSTOMERS

The Power Up Forum series remained to be the primary channel that allowed Biz Partner Managers to offer services to unengaged customers. It also provided a chance for customers to meet and seal business deals with other customers in attendance.



\*Chocovron and Jolliant are 2018 Luminaries, we also have Expresswash and Farmrich Foods  
\*\*Resulted to 2 closed deals (Radius and Spectrum) worth Php3.6M, and 6 deals still being negotiated (worth Php15.62M)



# Business Updates: Customer Engagements, Products & Services and Initiatives

## FOR OUR LGU CUSTOMERS

For our LGU Partners and Property Developers, we staged **12 Power-Up Forums** with a total of **1,466 attendees**.



We were able to generate a total of **988 leads** for MERALCO and its subsidiaries.

Programs and Services	Count of Leads
MSERV	35
Spectrum	96
E-Sakay	101
CBM	63
OMF Partnership Project	28
Tree Pruning	173
Meralco Streetlight concerns	298
Meralco Pole concerns	194
TOTAL	988

# Business Updates: Customer Engagements, Products & Services and Initiatives

FOR OUR LGU PARTNERS

In 2019, 12 Barangay fora were hosted by the three different areas (North, Central and South Business Areas) for Barangay Officials, City and Municipal Councilors.

Also, we conducted 595 Info Campaigns.

Last December, Meralco and QC held a MOU ceremonial signing.



## Energizing Partnerships

### Quezon City And Meralco MOU signing

- Date:** December 3, 2019
- Venue:** Bulwagang Hall, Quezon City Hall
- Key Attendees:** Mayor Joy Belmonte, Quezon City LGU officials and Meralco Executives
- Key Collaboration** Electronic transmission of CFEI in support of the improvement of PHL's EODB ratings



Meralco and Quezon City officials



# Business Updates: Customer Engagements, Products & Services and Initiatives

## FOR OUR RESIDENTIAL CUSTOMERS



To ensure ease and speed in energizing their homes, we encouraged our Residential customers to work with electrical contractors Certified by Meralco.

A GMM for the contractors was held on May 27, 2019 to cascade important changes such as *PCAB license requirements, borderless certification, schedule of trainings and recognition for exemplary performance.*



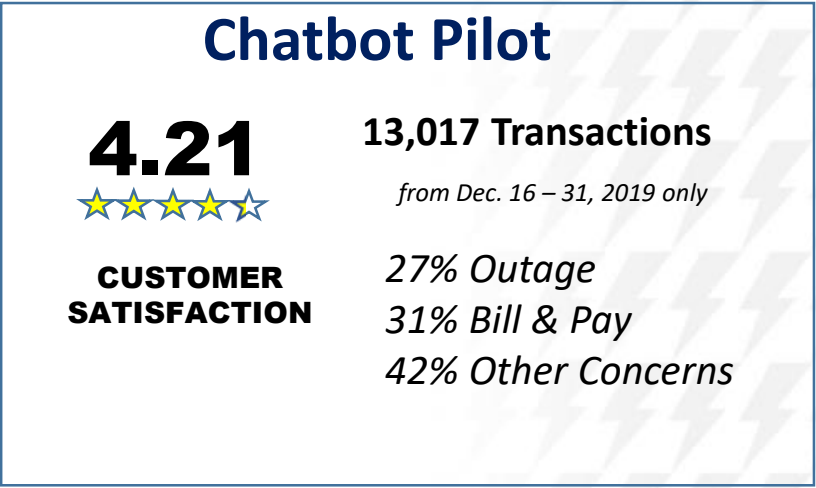
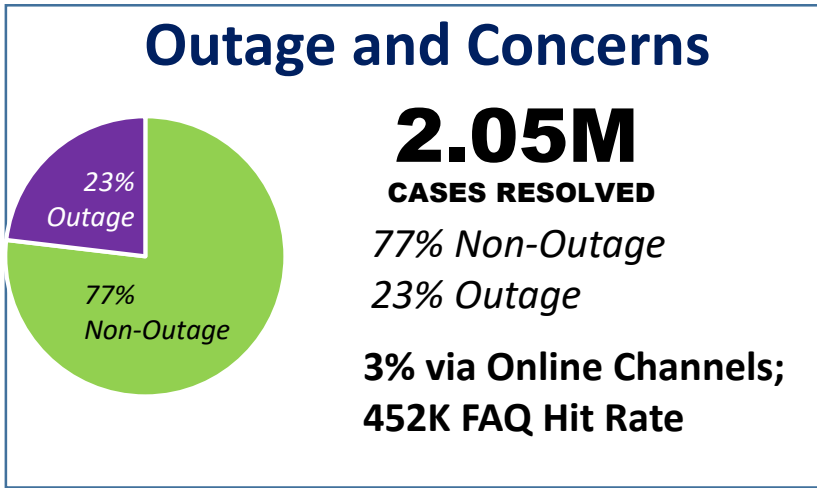
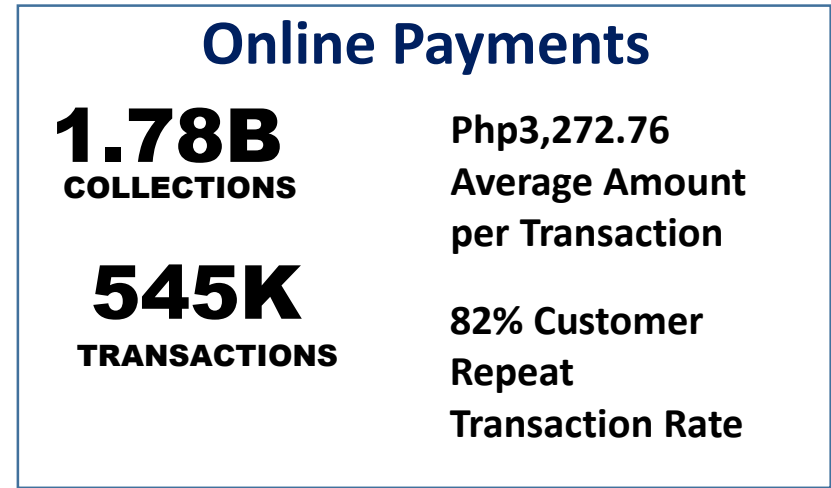
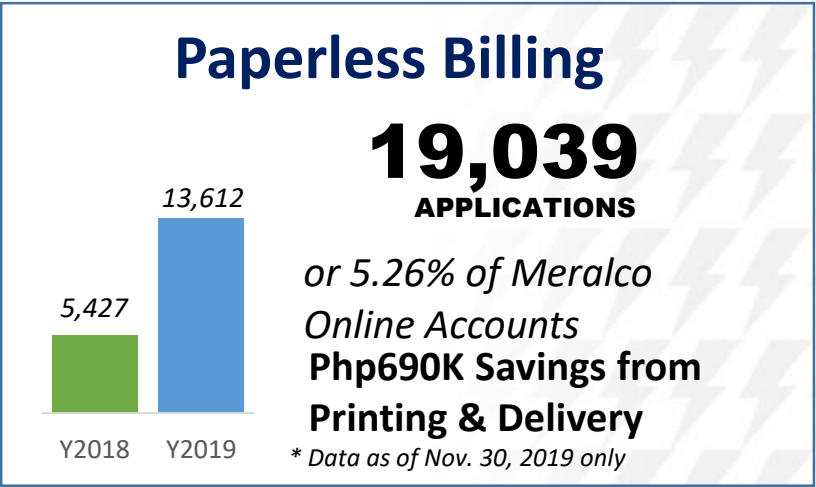
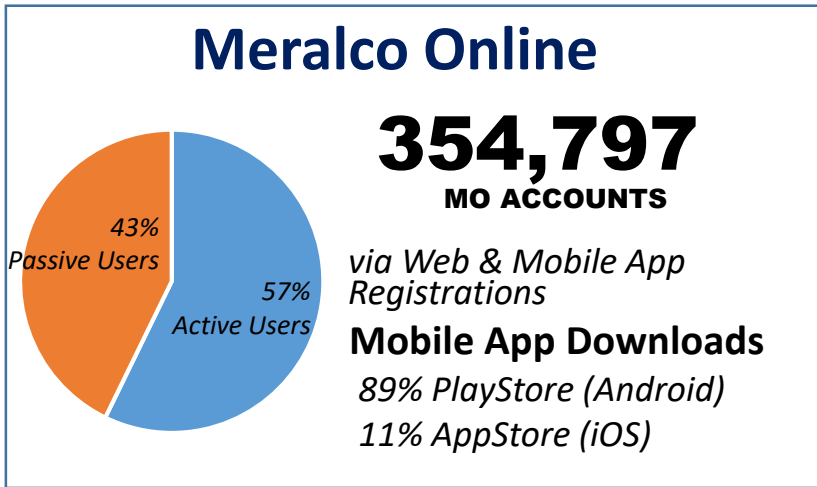
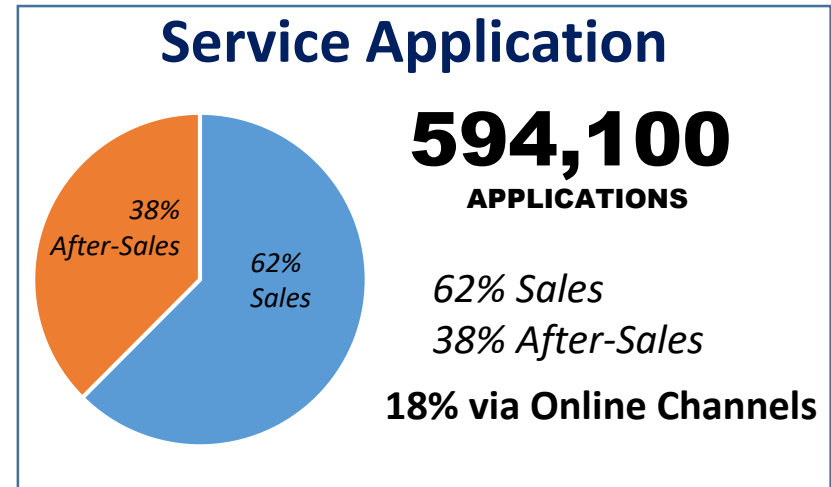
2019 YE

2019		
CBM	SA	% of SA
21,261	82,812	26%
8,613	60,533	14%
55,358	122,193	45%
85,232	265,538	32%

- Total 2019 HMB take-up (as of November\*) is **85,232 services**
- **32%** of service applications were coursed through CBM contractors

# Business Updates: Customer Engagements, Products & Services and Initiatives

After the launch of Meralco Online in 2018,  
Operational metrics from September 12, 2018 to December 31, 2019 showed good results





# Business Updates: **One Meralco Sustainability Agenda**

- We will operationalize our sustainability strategy, addressing 4 focus areas



## **PLANET**

Embedding  
environmental  
stewardship in all we do



## **PEOPLE**

Internalizing a  
sustainability mindset  
and fostering a culture  
of inclusivity



## **POWER**

Electricity for all,  
always



## **PROSPERITY**

Balancing corporate initiatives with ESG principles

# Business Updates: **One Meralco Sustainability Agenda**

- Our initiatives will be driven through an overarching sustainability campaign



**POWERING**  
*the Good Life*



**Direct Emission Reduction**



**Resource Efficiency**



**Waste Management**



**Community Electrification**



**Workplace Excellence**

**#PoweringTheGoodLife**



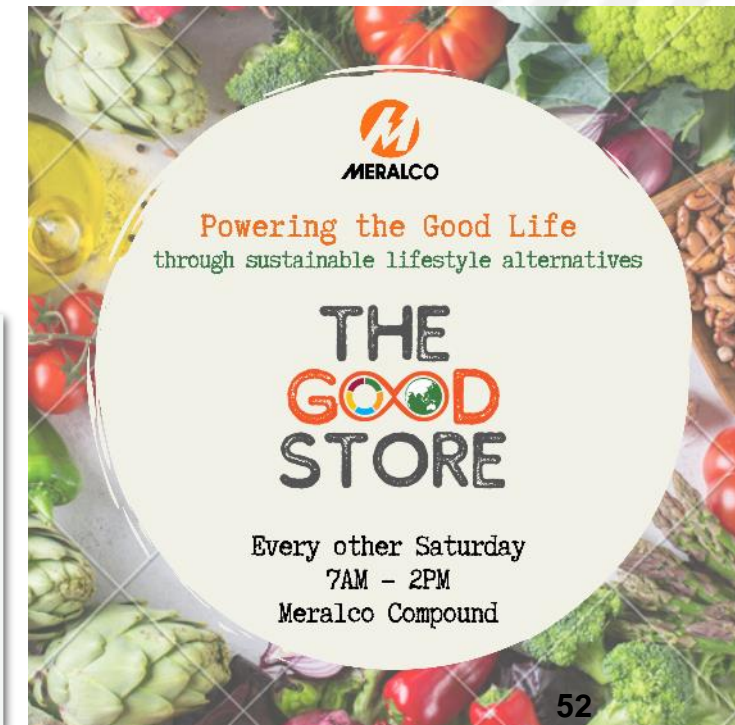


# Business Updates: One Meralco Sustainability Agenda

## The Good Store is...



- Marketplace for plastic alternatives, locally-farmed organic produce, and food products.
- Promotes zero-waste, ethically made, and cause-driven products and local business.
- Platform for workshops and talks that advocate sustainable lifestyle.
- Once a month, Sat and Sun, 7am-2pm, Meralco Compound
- **February 29 | 9:00 – 4:00pm**



# Meralco PowerGen Corporation Overview of Operations





# Meralco PowerGen Corporation Updates on Growth and Expansion

## San Buenaventura Power Limited Co. (SBPL)

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

Total Project Cost: PhP 56.2 Billion

- First operational supercritical coal power plant in the Philippines
- Commercial operations started on **September 26, 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



# 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)



- **Community engagement and social development programs** for host communities are continuing.

- Awaiting final terms of reference and will participate in Meralco's **Competitive Selection Process**.
- Selected EPC contractor is awaiting issuance of Notice to Proceed; **site preparation activities** are ongoing.





# Meralco PowerGen Corporation Updates on Growth and Expansion

In 2019, MGEN Renewable Energy, Inc. (MGreen) was established to serve as MGEN's subsidiary for its renewable energy investments.

- MGreen targets around **1,000 MW of renewable energy projects** over the next 5-7 years.
- MGreen secured equity funding amounting to **PhP424 Million** for various solar projects under development in September 2019.
  - These projects – to be undertaken with partners -- have **combined capacity of 210MW** and **total combined project cost of PhP10 Billion**.
- 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.



# Meralco PowerGen Corporation Updates on Growth and Expansion

## PowerSource First Bulacan Solar, Inc.

50MWac Solar Power Plant in San Miguel, Bulacan

Total Project Cost: PhP4.25 Billion

- 40%-owned by MGEN Renewable Energy, Inc. (MGreen)
- MGreen's **first solar investment**
- Signed an **engineering, procurement and construction contract** with SUMEC Complete Equipment & Engineering Co. Ltd. on October 18, 2019.
- Construction **commencement notice** issued on December 3, 2019; with target **commercial operations date** by end 2020.





# 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 completed commissioning and started commercial operations in September 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

This presentation is prepared for the participants of the MERALCO **Investors and Analysts Briefing & Teleconference** held on **February 24, 2020**. This presentation has consequential limitations and is not a comprehensive discussion about **Manila Electric Company and Subsidiaries (MERALCO)**. The same materials are restricted to the participants and may only be used in conjunction with the meeting held on such date.

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