

# COVER SHEET

P W - 1 0 2

S.E.C Registration Number

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

(Company's Full Name)

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

B R G Y U G O N G , P A S I G C I T Y

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

ATTY. WILLIAM S. PAMINTUAN

Contact Person

8632-8014

Company Telephone Number

1 2 - 3 1

Month Day

Fiscal Year

1 7 - C

FORM TYPE

0 5 2 5

Month Day

Annual Meeting

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

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Document I.D.

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Cashier

STAMPS

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-C

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

1. **Date of Report:** *April 26, 2021*
2. **SEC Identification Number:** *PW-102*
3. **BIR Tax Identification Code:** *000-101-528-000*
4. **Name of Issuer as specified in its Charter:** *Manila Electric Company*
5. **Country of Incorporation:** *Philippines*
6. **Industry Classification:** *(SEC use only)*
7. **Address of principal office:** *Lopez Building, Ortigas Avenue, Barangay Ugong, Pasig City*
8. **Issuer's telephone numbers:** *(02) 8632-8014 Area Code: 1605*
9. **Former name or former address:** *Not Applicable*
10. **Securities registered pursuant to Sections 18 and 12 of the SRC or Sections 4 and 8 of the RSA:**

*Number of Shares of  
Common Stock Outstanding*

**1,127,098,705**  
*(As of March 31, 2021)*

**Debt Securities: Php 7.0 Billion Bonds**

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

The Company's Board of Directors, in its regular meeting held today, April 26, 2021, approved the following matters:

1. The Company's Financial and Operating Results for the First Quarter of 2021 with comparatives for 2020 (refer to the attached Press release); and
2. The amendment of Article I of the Company's By-Laws summarized in the attached Annex A.

**SIGNATURE**

**Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.**

**MANILA ELECTRIC COMPANY**  
**Issuer**



**WILLIAM S. PAMINTUAN**  
Senior Vice President  
Assistant Corporate Secretary &  
Information Disclosure Officer

**Date: April 26, 2021**

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



PRESS RELEASE  
FINANCIAL AND OPERATING RESULTS  
FOR THE THREE (3) MONTHS ENDED MARCH 31, 2021  
WITH COMPARATIVES FOR 2020

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**OUR SOCIAL CONTRIBUTIONS AND SUSTAINABILITY AGENDA**

*Meralco* heightened its efforts to alleviate the burden of the *Coronavirus* (“*COVID-19*”) pandemic as it –

- Continued to waive convenience fees charged by third party digital payment service providers to consumers totaling Pesos 23.5 million for the first quarter of 2021 or a cumulative Pesos 98.4 million since March 16, 2020.
- Provided personal protective equipment, disinfecting materials and supplies to all employees and contractors in the field of Pesos 5.2 million.
- Supported medical institutions and *COVID-19* facilities, through the One Meralco Foundation, by donating medical equipment, care packages and packed meals for medical frontliners, and by shouldering a portion of the electricity bill totaling Pesos 27.6 million.
- Energized four (4) proposed *COVID-19* isolation facilities within the first quarter of 2021.

Also, in support of its sustainability agenda, *Meralco* established a Sustainability Committee in March 2021 to ensure oversight by its Board of Directors of its sustainability program and performance. This committee shall primarily be responsible for overseeing the sustainability strategy, policies and programs of *Meralco* and its subsidiaries. It will also monitor the *Company's* environmental, social, and governance (“*ESG*”) performance in alignment with the United Nations Sustainable Development Goals (“*UNSDG*”) with the aim of delivering long-term value to all stakeholders.

As well, *Meralco* received an Excellence Award for its maiden Sustainability Report, “Sustaining the Future” at the 18<sup>th</sup> Philippine Quill Awards. The Excellence Award is the Quill’s highest accolade for outstanding initiatives.

## MERALCO'S DIGITAL TRANSFORMATION JOURNEY

With the population becoming extremely technology savvy and dependent, accelerated by the continuing restrictions on mobility and general concern of infection as a result of the *COVID-19* pandemic, *Meralco* is driving excellence in Customer Centricity and Experience through digital innovation with the following initiatives –

- To ensure reliable service delivery, *Meralco* expanded its private network for resilient links to substations and Business Centers with 64 kilometers of new fiber, bringing the total to 1,499 kilometers of fiber. A new repeater station was also commissioned to provide wireless link resiliency in case of fiber cuts.
- Use of data models to predict overloaded distribution transformers and secondary lines that needed uprating or replacement.
- Embarked on a “Meter to Cash” Customer Centricity Transformation program, with initiatives such as (i) the Meter Reading App, which ensures that readings are complete, timely and accurate; (ii) the Universal Customer Account Number (“CAN”) that makes billing and payment inquiries easy with just one reference number; (iii) proactive SMS notifications for billing and payment reminders; and (iv) the Real-time Payment Validation App, which field agents use to check the status of Disconnection Field Orders right before implementation.
- Expanded payment channels by leveraging CIS Bayad Center, Inc. (“*Bayad*”) to make digital payments easier for customers through the Bayad App and enabled real time payment posting of customers’ payments via *Bayad* and other third-party agents.
- Enhanced the Business Centers’ customer frontline through the deployment of more than 100 virtual customer assistants (“VCAs”), a self-service video call facility that can address customer concerns through contactless engagement; as well as through the launch of the online customer appointment (“OCA”) facility, which allows customers to reserve a slot to minimize waiting time and to limit the queue in Business Centers.
- Enabled digitalization of customer touchpoints by developing platforms such as Live Chat, where agents can answer customers’ queries on outage, billing, and service applications; and the Meralco Online App, an online billing and payment app that was enhanced during the pandemic where it saw remarkable growth in terms of customer registrations and transactions. To date, the Meralco Online app already has more than two (2) million registered customers, or around a third of the total customer count.
- Recently migrated more than 100 thousand prepaid customers to a new and more robust rating and charging prepaid platform, providing customers better and reliable service and quicker customer response. This new platform is scalable and ready to support the Advance Metering Infrastructure (“AMI”) roll out of *Meralco*.

“To deliver its operating results and keep the lights on during the pandemic, *Meralco* accelerated its digital transformation to enhance its operational and organizational capabilities. Digital transformation initiatives were implemented across all units of the *Meralco* organization, particularly in the areas of networks operation, billing and

collection including meter reading, bill payment, customer care, and employee healthcare and wellness.

*“Meralco’s wide ranging digital transformation program will further bolster and strengthen the resilience of Meralco in meeting the needs of its customers with the highest quality of service. And this resilience will be underpinned by a sustainability program that embodies Meralco’s sustainability goals that are aligned with the Philippine and global community goals,”* said **Atty. Ray C. Espinosa**, President and Chief Executive Officer.

### **OPERATIONS HIGHLIGHTS**

- Consolidated energy sales volume shrunk by 4% to 10,473 GWh, which includes volume distributed by Clark Electric Distribution Corporation (*“Clark Electric”*) of 128 GWh. *Clark Electric* volumes dropped by 6% from 137 GWh in 2020.
- The General Community Quarantine (*“GCQ”*) and the re-imposition of the Enhanced Community Quarantine (*“ECQ”*) beginning March 29 saw residential volumes taking a bigger share in the total volumes sold as work-from-home (*“WFH”*) arrangement and stay-at-home policies prevailed throughout the first quarter of 2021. The combined contributions of *Meralco* and *Clark Electric* Residential customers accounted for almost 35% of consolidated sales volumes at 3,616 GWh.
- Residential units continue to account for most of the increase in energized services. This was driven by mass housing developments coming from private sector real estate developers, the National Housing Authority/Local Government Units’ (*“NHA/LGUs”*) housing projects as well as the Meralco Electrification Program (*“Project Zero Unserved”*). Real estate development activities were less restrictive during 1Q2021 with the easing of the community lockdown to *GCQ* within the National Capital Region (*“NCR”*) and modified *GCQ* (*“MGCQ”*) in the rest of the franchise area. This enabled *Meralco* to catch up on the energization of both horizontal and vertical housing developments.
- The share of Industrial sales volumes was at 31%, representing 3,261 GWh in the first quarter of 2021, two (2) percentage points higher than the share during the same period in 2020. Industrial sales volumes bounced back, reflecting a 4% quarter-on-quarter growth with the increased demand for (i) steel and cement as the Government *“Build Build Build”* (*“BBB”*) projects are being fast-tracked; (ii) essential goods, primarily that of food and beverages to provide for a predominantly consumption-driven economy; and (iii) semiconductor components with the increasing use of gadgets for *WFH* arrangements, online distance learning (*“ODL”*) and telecommuting.
- Combined Commercial sales volumes were at 34% of the total in 2021 compared with 40% in 2020 with total volume at 3,560 GWh or 18% lower. Mobility is a key driver of commercial activities. Commercial volumes from the retail and recreation sectors showed some improvements during 1Q2021 as mobility was eased for supermarkets and pharmacies, until prior to the re-imposition of *GCQ* towards the end of March

2021. Recovery of business of hotels, restaurants and education sectors is not expected until further easing in community restrictions, which is expected only when herd immunity is achieved.

- Overall customer count grew at a steady 4% to 7.2 million for a total year-on-year addition of 249 thousand net new accounts with Residential, Commercial and Industrial segments growing at 4%, 2% and 1%, respectively.
- The *Meralco* Peak Demand for 1Q2021 was lower by 7% at 7,115 MW with Commercial demand still not at par with pre-pandemic volumes.
- Average daily Net System Input (“*NSI*”) in the *Meralco* franchise area ranged from a low of 81 GWh to a high of 145 GWh, which was registered on March 18, 2021.
- The 12-month moving average (“*12-MMA*”) system loss (“*SL*”) as at March 31, 2021 was at 6.14%, 0.72 percentage point higher than the *12-MMA* as at March 31, 2020. The continuing *WFH* arrangements throughout the *GCQ* and reversion to *ECQ* meant a shift of the sales mix to higher “loss-to-serve” residential customers.
- Combined Retail Electricity Sales (“*RES*”) volumes of *MPower* (“*MPower*”, *Meralco*’s local *RES*), *Vantage Energy Solutions and Management, Inc.* (“*Vantage*”, affiliate *RES*), *Cogent Energy* (“*Cogent*”, *Clark Electric*’s local *RES* arm) and *MeridianX, Inc.* (“*MeridianX*”, *Comstech*’s affiliate *RES*) declined by 3% amidst these challenges although customer count grew 11%.
- For the first quarter of 2021, a total of Pesos 4.2 billion of capital expenditure (“*CAPEX*”) projects have been implemented. Of this amount, Pesos 3.4 billion represented electric capital projects (“*ECP*”) with the commissioning of five (5) substation projects, namely the (i) Expansion of San Pablo 2 115 kV-34.5 kV Substation, which will provide additional capacity, the much-needed flexibility and reliability in the areas of San Pablo and Alaminos in Laguna as well as Dolores, Tiaong, Candelaria, and San Antonio in Quezon Province; (ii) Expansion of Pulilan 69 kV-13.8 kV Substation, which will provide additional capacity, switching flexibility during maintenance and contingencies, improve voltage regulation, and reduce technical system loss in the areas of Pulilan, Bustos, Baliuag and Plaridel in Bulacan; (iii) Expansion of LISP 115 kV-34.5 kV GIS Substation, which will provide additional capacity to accommodate new load requirements of locators inside the Light Industry and Science Park (“*LISP*”) and the increasing power demand in the City of Cabuyao in Laguna; (iv) Replacement of Tagaytay 115 kV-13.8 kV Power Transformer Bank No. 1, which will improve system reliability and flexibility in Tagaytay and portions of Indang, Silang, Alfonso, Mendez, Amadeo, and Trece Martires in Cavite; and (v) Uprating of the Cruz na Daan 69 kV-13.8 kV Substation to 50 MVA, which will provide additional capacity and improve the voltage regulation in San Rafael, San Ildefonso, and Baliuag in the province of Bulacan. In addition, 78,840 meters were installed and 1,950 overloaded distribution transformers were replaced during the period. Also, several projects consisting of pole

replacements, conductor shielding, meter replacements and substation equipment replacements were executed to ensure uninterrupted power supply to customers.

- Amidst the restrictions in mobility, *Meralco* continued with its commitment to support the Government's *BBB* projects by relocating a total of 225 poles. In addition, 128 poles have been relocated, in relation to the implementation of several road-widening projects of the Department of Public Works and Highways ("*DPWH*"), almost 10% of the committed quantity for the full year of 2021.
- The lower consolidated purchased power cost in 2021 is directly related to the 4% decline in energy sales volumes coupled with the effect of the appreciation of the peso to Pesos 48.311 to US\$1 (Pesos 50.819 to US\$1 in 2020) and lower fuel costs of oil-indexed Malampaya gas to US\$6.53 per Giga Joule ("*GJ*") in 2021 (US\$7.86 per GJ in 2020).
- Prices in the Wholesale Electricity Spot Market ("*WESM*") increased as more plants went on forced outages with their respective scheduled maintenance deferred by the travel restrictions during the different phases of community quarantine. *WESM* prices went up to a high of Pesos 27.00 per kWh and ranged from Peso 1.00 per kWh to Pesos 27.00 per kWh during peak hours.
- In March 2021, alone, a daily average of 3,481 MW of plant capacities were unavailable.

With the approval by the *ERC* of *Meralco's* application for the refund of the difference between the Actual Weighted Average Rate ("*AWAR*") and the Interim Average Rate ("*IAR*") for the period July 2015 to November 2020, *Meralco* has since begun recognizing distribution charge of Pesos 1.3810 per kWh.

Gross revenues for the three (3) months ended March 31, 2021 was at Pesos 64.7 billion, 7% lower than the Pesos 69.5 billion in 2020 mainly due to the lower volumes distributed and overall lower generation and transmission pass-through charges. Electricity revenues amounting to Pesos 62.5 billion were at 97% of gross revenues and 7% lower compared with 2020. Generation and other pass-through components as a percentage of total electricity revenues was slightly lower at 77% in 2021 (78% in 2020) mainly due to the appreciation of the peso vis-à-vis the U.S. dollar and the overall lower gas prices, although offset by the higher prices at the *WESM*. For the first quarter of 2021, average electric revenue exclusive of taxes and pass-through universal charges was at Pesos 6.72 per kWh compared with Pesos 6.97 per kWh in 2020.

#### **FINANCIAL HIGHLIGHTS – LIQUIDITY STAYS STRONG**

- With the *ERC* approval of the Pesos 13.9 billion refund of distribution over-recoveries, the effective distribution rate recognized as revenue by *Meralco* was at Pesos 1.3789 per kWh. Meanwhile, cash collections are net of refund of Pesos 0.1575 per kWh for the month of March or an equivalent Pesos 541 million.



- Cash refund of Pesos 1.3 billion covering transmission, system loss, lifeline subsidy, and senior citizen discount over-recoveries and collection of Pesos 0.3 billion for generation cost under-recoveries, for a net cash refund of Pesos 1.0 billion across all customers during the first three (3) months of 2021.
- The implementation of the applicable provisions of the Corporate Recovery and Tax Incentives for Enterprises (“*CREATE*”) Act resulted in the reduction of 2020 income tax payable of *Meralco* and subsidiaries by Pesos 841.2 million. Offsetting this are adjustments made related to the recovery of future tax benefits booked as net deferred tax assets at a 25% tax rate, which resulted in additional income tax expense of Pesos 4.5 billion.
- On March 31, 2021, MERALCO PowerGen Corporation (“*MGen*”) completed the acquisition of the 86% combined equity in Global Business Power Corporation (“*GBPC*”) from Metro Pacific Investments Corporation (“*MPIC*”) and JG Summit Holdings, Inc. (“*JG Summit*”).
- *Meralco* and *MGen* drew a five (5) year term loan amounting to Pesos 5.0 billion and a Pesos 17.0 billion bridge loan, respectively, to cover the first installment of the *GBPC* purchase price of Pesos 19.6 billion. The balance of the installments is payable up to September 2022.
- *Meralco’s* balance sheet and liquidity position remain strong with Net Debt to EBITDA at 0.6x. Total debt including the debt of *GBPC*, amounted to Pesos 89.2 billion as at March 31, 2021. Total principal debt repayments, customer refunds, and financing charges paid amounted to Pesos 134 million in 2021.
- Total *CAPEX* implemented in the first quarter of 2021 amounted to Pesos 4.2 billion, almost the same as the amount in 2020. Implementation of all *CAPEX* projects were carried out with much caution and in full compliance with mobility and access policies imposed by the *COVID-19* Inter-Agency Task Force for the Management of Emerging Infectious Diseases (“*IATF*”). As such, the value of completed projects was lower than pre-pandemic numbers. *Meralco* and *Clark Electric* continued to implement *CAPEX* based on their respective manifestations of such projects as “Emergency”.
- Consolidated Core Net Income (“*CCNI*”) for the first quarter of 2021 was at Pesos 5.1 billion, 11% lower compared with Pesos 5.7 billion in 2020.
- Core Earnings per Share was at Pesos 4.536.
- Consolidated Reported Net Income in 1Q2021 was 66% higher at Pesos 4.3 billion versus Pesos 2.6 billion in 2020 due to the recognition of the *Company’s* share in impairment of the investment in PacificLight Power Pte Ltd. (“*PacificLight Power*”) of Pesos 2.7 billion then.
- Total interest-bearing debt was higher at Pesos 89.2 billion at the end of 1Q2021 with the additional Pesos 22.0 billion debt related to the acquisition of *GBPC* and the consolidation of *GBPC* debt of Pesos 27 billion.

## **BUSINESS UNITS AND SUBSIDIARIES**

### *Retail Electricity Supply (“RES”)*

The year started with much promise for the *RES* segment. However, the unexpected behavior of *WESM* prices with the unplanned plant outages of Calaca Unit 2, GN Power 1, and the extended outage of Sual Unit 2, among others, coupled with the increased system demand peak brought the *WESM* price to a high of Pesos 5.94 per kWh, similar to the 2020 price level. The average price for the month of March 2021 alone was at Pesos 4.16 per kWh compared with the average January and February 2021 prices of Pesos 2.63 and Pesos 2.22 per kWh, respectively.

With the foregoing, the combined *RES* contribution to the *Meralco CCNI* was down to 3% for 2021 from 6% in 2020.

In December 2020, the *ERC* further expanded the coverage of the Retail Competition and Open Access (“*RCOA*”) to Phase III, which covers end-users with an average monthly peak demand of at least 500 kW for the preceding 12 months on a voluntary basis effective February 26, 2021. Hence, all qualified end-users considered contestable customers under the Phase III threshold level, or those consuming 500 kW to 749 kW a month, shall be allowed to switch to the competitive retail electricity market.

### *Power Generation*

#### *San Buenaventura Power Limited (“SBPL”)*

*SBPL*, a 455 MW-net supercritical coal-fired plant in Mauban, Quezon, has been in operations since September 2019. For the first three (3) months of 2021, the plant delivered 743 GWh of energy to *Meralco* compared with 670 GWh in 2020. *SBPL* continues to be a source of low-cost energy for *Meralco*.

The operation of *SBPL* contributed Pesos 0.2 billion of contribution to the 1Q2021 *Meralco CCNI*.

*SBPL* is a joint venture of *Meralco PowerGen Corporation (“MGen”)* with New Growth B.V., a subsidiary of Electricity Generating Company Limited of Thailand (“*EGCO*”).

### *PacificLight Power*

As seen elsewhere in the world, electricity demand contracted as a result of the pandemic. Overall electricity demand was down by more than 2% compared with the same period last year. Margins, however, in the wholesale market improved significantly. In terms of operations, the *PacificLight Power* plant achieved average availability of 100% with a capacity factor of approximately 75%

With the conclusion of the refinancing of close to S\$1.0 billion in secured loan facilities, including term loan, credit support, working capital facilities, and restructuring of key contracts with suppliers, *PacificLight Power* achieved EBITDA of S\$14.5 million in 1Q2021, higher than the S\$2.5 million in 1Q2020.

#### *Clark Electric*

Similar to *Meralco*, major locators in the *Clark Electric* franchise area, mainly Business Process Outsourcing (“BPO”) companies, malls and retail shops, and leisure and entertainment establishments are not yet operating at full capacity as the modified GCQ continues to be in effect in the franchise area. For the first quarter of 2021, total energy sales volumes were at 128 GWh, 6% lower than in 2020. The peak demand within the *Clark Electric* franchise area was at 90.1 MW in 2021, 9% lower than the 98.7 MW in 2020.

Average retail rate of *Clark Electric* was at Pesos 5.2397 per kWh while average distribution rate was at Pesos 0.8581 per kWh, using the last ERC-approved rate for the Second Regulatory Period (“2RP”).

#### CIS Bayad Center, Inc. (“Bayad”)

A year into the *COVID-19* pandemic, *Bayad* has regained strength having serviced over 29 million payment transactions for the first quarter of 2021. This is the highest ever Q1 count in the last five (5) years and is 17% higher year-on-year. For March 2021 alone, *Bayad* processed 10.6 million transactions, the highest single month count since it began operations, and achieved amid the continuing quarantine restrictions. This is testament to the paying public’s trust and confidence in the “*Bayad*” brand and the level of service it provides.

*Bayad’s* aggressive onboarding of new digital payment collection partners, alongside the activation of its own digital channels, significantly contributed to achieving its record-high transaction count, with positive expectations of further growth as mobility restrictions continue to drive the increase in digital transactions.

Since the launch of the Bayad App in January 2021, 35 thousand downloads have been recorded by the end of March 2021, contributing a total of Pesos 3.6 million bills payment transactions. Meanwhile, Bayad Online recorded close to 12 thousand registered users since its commercial launch in December 2020, with bills payment transactions amounting to Pesos 8.2 million for the three (3) months ended March 31, 2021.

*Bayad* kicked off 2021 with four (4) new digital partners, bringing in about 4.0 million mobile app and online subscribers. It also introduced Pay Bills in the Smart mobile app of its retailers/Ka-Partners and, other credit card issuers.

Even with the slowdown in economic activities during this pandemic, *Bayad* continued to expand its biller universe, adding 13 new billers, bringing the total number of serviced billers to 370. *Bayad* also expanded its network of channels with the addition of new partnerships reaching close to 50,000 touchpoints nationwide.

Consolidated revenues of *Bayad* for the first three (3) months of 2021 amounted to Pesos 467.4 million, 3% higher than 2020. *CCNI* was at Pesos 32.6 million.

Radius Telecoms, Inc. ("*Radius*")

*Radius* registered a 6% decline in corporate circuits compared to 2020 as the pandemic and continuous implementation of community quarantines resulted in lower demand from the existing client base and dampened new business opportunities. As at March 31, 2021, *Radius* served a total of 3,097 corporate circuits (3,286 in 2020), generating revenues of Pesos 337.6 million (Pesos 353.5 million in 2020). Cost of services increased at a faster pace of 7% mainly due to (i) depreciation and rentals for facilities and infrastructure with the continuous roll-out and expansion of the fiber optic cable ("*FOC*") network, co-location, and nodes; (ii) additional warranties of the core network equipment; and (iii) increase in manpower count specific to the gigabit passive optic network ("*GPON*") team.

Throughout 1Q2021, *Radius* maintained (i) 99.95% service level availability performance, 0.05 percentage point above the target 99.9% as a result of proactive scheduling of regular and preventive maintenance activities that led to reduced downtimes; and (ii) increased capacity to serve internet requirements for upstreaming and local peering. As at March 31, 2021, *Radius* owns 5,358 kilometers of *FOC*, including 40 kilometers in Clark and 70 kilometers in Cebu.

The *Radius FOC* currently serves all of Metro Manila, the provinces of Bulacan, Rizal, Cavite, Laguna, Batangas, Pampanga and Cebu. Ongoing infrastructure investments include the establishment of Optical Line Terminals in key cities and the acceleration of the *GPON FOC* expansion of an additional 336 kilometers by the end of 2021 to cater to broadband service needs of residential customers and small and medium enterprises ("*SMEs*") broadband services.

## **CONCLUSION**

"While 2021 began with hopes for a restart in the economy, the recent surge in the number of infections and its toll on the country's healthcare system, as well as delay in the arrival of vaccines, pushes back expectations of an early economic recovery.

"As such, we continue to revisit and recalibrate our strategies, priorities and plans. As we do so, we re-affirm our commitment to our customers to keep the lights on. While doing so, we recognize that our people remain to be our single most important asset and will continue to ensure their well-being.

“I am proud to say that the reversion to *ECQ* has not daunted the spirit and commitment of our people. We honor the women and men of *Meralco* and its subsidiaries for their courage and dedication through a year of unimaginable uncertainty. Moreover, we will be forever grateful to the 10 men and women we lost to the virus and will ensure that their families are taken care of by the benefits made available to them.

“We cannot lose to the virus and this is not the time to give up. *Meralco’s* strong financial position amidst regulatory challenges has allowed it to sustain the much-needed investments for a resilient and reliable networks infrastructure. Digitization and digitalization have likewise allowed us to improve our processes and provided opportunities to re-tool our people so that our service remains responsive and relevant.

“We will continue to be agile and look at these challenges as opportunities for us to emerge as a better and even stronger organization,” concluded **Mr. Manuel V. Pangilinan**, Chairman.

	<b>MANILA ELECTRIC COMPANY</b>		
	<b>Consolidated Financial Highlights</b>		
	<b>(in Million Pesos, except per share data)</b>		
	<b>For the Quarter Ended</b>		<b>%</b>
	<b>March 31</b>		
	<b>2021</b>	<b>2020</b>	<b>Change</b>
<b>REVENUES</b>			
Electricity	62,484	67,348	(7.2)
Non-electricity	2,228	2,118	5.2
	64,712	69,466	(6.8)
<b>COSTS AND EXPENSES</b>	55,304	66,652	(17.0)
<b>OTHER INCOME – net</b>	707	955	(26.0)
<b>INCOME BEFORE INCOME TAX</b>	10,115	3,769	168.4
<b>PROVISION FOR INCOME TAX</b>	5,758	1,116	415.9
<b>NET INCOME</b>	4,357	2,653	64.2
<b>NET INCOME – REPORTED</b>	4,334	2,619	65.5
<b>CORE NET INCOME</b>	5,113	5,724	(10.7)
<b>EARNINGS PER SHARE</b>			
On Reported Net Income			
Basic	3.846	2.323	65.5
Diluted	3.846	2.323	65.5
On Core Net Income <sup>1</sup>			
Basic	4.536	5.078	(10.7)
Diluted	4.536	5.078	(10.7)

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

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

For further information, please contact:

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## About MERALCO

*Meralco* is the largest electric power distribution company and the largest private sector utility in the Philippines. Through a Consolidated Certificate of Public Convenience and Necessity, *Meralco* provides electric service within its franchise coverage. Its subsidiaries are engaged in engineering and consulting, construction, bills payments and other electricity-related services. A subsidiary is in the process of developing the Company's power generation portfolio.

*Meralco* is listed on the Philippine Stock Exchange (PSE: MER). *Meralco* has the largest market capitalization among the Philippine listed utility and power sector companies.

Further information is available at [www.meralco.com.ph](http://www.meralco.com.ph).





Annex A:  
**Proposed Amendment of Manila Electric Company By-Laws**  
 April 26, 2021

Article and Section Nos.	FROM	TO
Article I, Sec. 1	<p><b>ANNUAL MEETING.</b> – The annual meeting of the stockholders shall be held on the last Tuesday of May in each year at the principal office of the Company, or at <b>such other places in Metro Manila</b> as may be fixed by the Board of Directors or the Chairman of the Board and specified in the notice, at such day and hour as the Board or the Chairman shall direct.</p>	<p><b>ANNUAL MEETING.</b> – The annual meeting of the stockholders shall be held on the last Tuesday of May in each year at the principal office of the Company, or at <b><u>any place in the city where the principal office of the Corporation is located</u></b> as may be fixed by the Board of Directors or the Chairman of the Board and specified in the notice, at such day and hour as the Board or the Chairman shall direct.</p>
Article I, Sec. 2	<p><b>SPECIAL MEETINGS.</b> – Special meetings of the stockholders may be called by the Chairman of the board or by order of the Board of Directors whenever he or they may deem it necessary, and shall be so called whenever persons holding of record at least one-fourth of _outstanding stock of the Company entitled to vote shall in writing request the same. Special meetings shall be held at the principal office of the Company or at <b>such other place in Metro Manila</b> as may be specified in the call.</p>	<p><b>SPECIAL MEETINGS.</b> – Special meetings of the stockholders may be called by the Chairman of the board or by order of the Board of Directors whenever he or they may deem it necessary, and shall be so called whenever persons holding of record at least one-fourth of outstanding stock of the Company entitled to vote shall in writing request the same. Special meetings shall be held at the principal office of the Company or at <b><u>any place in the city where the principal office of the Corporation is located as may be specified in the call.</u></b></p>
Article I, Sec. 3	<p><b>VOTING.</b> – At all meetings of the stockholders, each stockholder entitled to vote thereat shall be entitled to one vote for each share held of record by him, which vote may be given personally or by attorney or proxy authorized in writing. The instrument authorizing an attorney or proxy to act shall be filed with the Office of the Corporate Secretary of the Company not later than <b>twenty (20) business</b> days prior to the scheduled stockholders meeting. In the election of directors each stockholder entitled to vote for directors may accumulate and distribute his votes in</p>	<p><b>VOTING.</b> – At all meetings of the stockholders, each stockholder entitled to vote thereat shall be entitled to one vote for each share held of record by him, which vote may be given personally or by attorney or proxy authorized in writing. <b><u>The right to vote of stockholders or members may be exercised in person, through remote communication or in absentia.</u></b> The instrument authorizing an attorney or proxy to act shall be filed with the Office of the Corporate Secretary of the Company not later than <b>eighteen (18)</b> days prior to the scheduled stockholders meeting. In the</p>

	accordance with provision of law applicable in such case.	election of directors each stockholder entitled to vote for directors may accumulate and distribute his votes in accordance with provision of law applicable in such case.
Article I, Sec. 5	<p><b><u>NOTICE OF MEETING.</u></b> – Written notice of the annual and of any special meeting of stockholders shall be given to each stockholder entitled to vote thereat by posting the same in a postage prepaid letter, addressed to each such stockholder at his last known address or at the address last left by him with the Secretary of the Company, or by delivering the same to him personally, at least twenty <b>eight (28) working</b> days before the meeting.</p> <p style="text-align: center;">x x x</p> <p>The Board of Directors shall fix the record date which will determine the stockholders entitled to notice and attend a scheduled stockholders meeting.</p>	<p><b><u>NOTICE OF MEETING.</u></b> – Written notice of the annual and of any special meeting of stockholders shall be given to each stockholder entitled to vote thereat by posting the same in a postage prepaid letter, addressed to each such stockholder at his last known address or at the address last left by him with the Secretary of the Company, or by delivering the same to him personally, <b><u>or by electronic transmission,</u></b> at least twenty <b><u>one (21)</u></b> days before the meeting.</p> <p style="text-align: center;">x x x</p> <p>The Board of Directors shall fix the record date which will determine the stockholders entitled to notice and attend a scheduled stockholders meeting.</p> <p><b><u>As used herein, electronic transmission means the delivery or transfer of documents, data or information by electronic mail to the electronic address of the stockholders registered in the books of the Corporation, posting in the Philippine Stock Exchange, posting in the Corporation’s website or such other recognized means of electronic transfer of data or information.</u></b></p>
Article I, Sec. 7 (NEW)		<b><u>VIRTUAL MEETING. The Corporation may opt to hold fully virtual stockholders’ meetings, subject to applicable laws, rules and regulations of the Securities and Exchange Commission, as may be amended from time to time.</u></b>