

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: *July 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 June 30, 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, July 26, 2021, approved the following matters:

1. The Company's Financial and Operating Results for the First half of 2021 with comparatives for 2020 (refer to the attached Press release); and
2. The declaration of cash dividends of Pesos 5.057 per share to all shareholders of record as at August 23, 2021, payable on September 15, 2021 representing interim regular cash dividend from the first half 2020 Consolidated Core Net Income. This is 50% of Core Earnings for the period.

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: July 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 SIX (6) MONTHS ENDED JUNE 30, 2021
WITH COMPARATIVES FOR 2020

POWERING THE GOOD LIFE: Our Sustainability Agenda

- *Meralco's* second Sustainability Report (“SR”), entitled “*Live Life*”, published in May 2021 presents the *Company's* efforts and progress across the four pillars of its sustainability agenda, namely: Power, Planet, People, and Prosperity. It articulates how *Meralco* provides life-giving energy to its customers and communities during an extraordinary year of calamities and crises, keeping the lights on for millions of Filipinos and helping them overcome the adverse impact not only of climate change and the COVID-19 pandemic. It also outlines the *Company's* long-term sustainability aspirations and strategies through 2030 and beyond.
- In support of its People Pillar, in June 2021, *Meralco* launched #Mbrace, the *Company's* gender diversity and inclusion program. #Mbrace embeds the United Nations’ Women’s Empowerment Principles in *Meralco's* strategy and operations to build a gender-balanced workplace. Being part of *Meralco's* sustainability program, #Mbrace is included among *Meralco's* corporate Key Performance Indicators.
- In June 2021, the Financial Times Stock Exchange Russell (“*FTSE Russell*”) increased the Environmental, Social, and Governance (“*ESG*”) rating of *Meralco*. From scores of 2.2 in 2019 and 2.6 in 2020, *FTSE Russell* gave the *Company* an overall score of 3.0 in its latest *ESG* assessment. This places *Meralco* higher than the Philippine and global energy sector averages, not only on an overall basis but also across all areas of *ESG*. The higher score is attributable to *Meralco's* enhanced *ESG* disclosures in 2020. *FTSE Russell's* *ESG* Ratings allow investors of over 7,200 companies around the world to understand their exposure to and management of *ESG* issues across multiple dimensions, including climate change, labor standards, and customer responsibility.

- In addition, Sustainalytics significantly improved its most recent *ESG* risk assessment of *Meralco* – from severe risk in the last three rating periods (44.4, 42.8, and 40.7 in 2019, 2020, and January 2021, respectively) to the low-end of high risk in July 2021 with a score of 31.5. This ranks *Meralco* in the top 23% of the global electric utilities sector with regard to *ESG* risk rating. Sustainalytics' *ESG* Risk Ratings are designed to help investors of more than 12,000 of the world's largest companies in identifying and understanding financially material *ESG* risks at the security and portfolio level and how these might affect long-term performance for equity and fixed income investments.
- *Meralco's* 2019 Sustainability Report (*Sustaining the Future*) was recently recognized by the Asia-Pacific Stevie Awards with a Gold Stevie for Innovation in Annual Reports. This is the third international recognition for the *Company's* maiden *SR*, following a Bronze Stevie by the International Business Awards and a Gold Rank by Asia Sustainability Reporting Rating ("*ASRRAT*") in 2020.

KEEPING THE WORKFORCE SAFE AND HEALTHY

- In April 2021, *Meralco* repurposed over 3,000 square meters of its premises to be a full vaccination facility adopting the Department of Health ("*DOH*") administration protocols from registration, education on the vaccine and vaccination process, screening, administration, documentation to post-vaccine recovery monitoring. The vaccination site is supported by 42 health frontliners and 161 *Meralco* volunteers. The *Meralco* facility got *DOH* approval and accreditation on the first site inspection and audit conducted on June 1, 2021, with zero exception.
- In less than 24 hours from delivery of the initial 320 vials of the Moderna vaccine on July 2, 2021, close to 3,300 employees were administered their first dose, representing more than 3% of the total number vaccinated which includes personnel of the wider MVP Group.
- With the arrival of the succeeding batches of vaccines procured by the *Company* and the efficiency of the administration process together with access to vaccines from the different Local Government Units ("*LGUs*"), *Meralco* expects 46% of its workforce to be fully vaccinated by mid-August.
- The *Meralco* Electrification Program ("*MEP*"), which aims to provide electricity to remote area dwellings, has in the first six (6) months of 2021 energized 13,083 households, representing 46% of the total energized under the program in the last two and a half years. The number is the highest achieved amidst a health-challenged work environment, allowing *MEP* to reach 100% electrification of the targeted households in June 2021. Separately, *Meralco* energized 38 COVID-19 quarantine and vaccination facilities.

“In June 2021, *Meralco* achieved a historic milestone as it reached 100% electrification of target households identified by the Department of Energy (“*DOE*”). This achievement represents *Meralco*’s single-minded determination, even in the midst of a challenging environment, to provide power for all within its franchise area. The achievement was made possible through the tireless efforts of a highly dedicated workforce whose motivation springs from having the interest and wellbeing of *Meralco*’s customers in their hearts and minds. As we celebrate this milestone, we give special recognition to the heroic and unstinting efforts of 14 fallen colleagues who succumbed to the effects of the COVID-19 virus.

“In support of our long-term sustainability strategy, which is aligned with the United Nations Sustainable Development Goals, we are dedicating significant resources in order to deliver and achieve the milestones embedded in the strategy. To this end, we are also working closely with all stakeholders, including the Government, to develop a portfolio of renewable energy generation projects to serve our power requirements. Our goal is to build and invest in at least 1,500 MW of attributable renewable energy capacities over the next five to seven years,” said **Atty. Ray C. Espinosa**, President and Chief Executive Officer.

OPERATIONS HIGHLIGHTS

- Consolidated energy sales volumes, which include 270 GWh of energy distributed by Clark Electric Distribution Corporation (“*Clark Electric*”) were at 22,663 GWh, 7% higher than 2020. The *Meralco* volume was 7% higher while *Clark Electric*’s volume was about 12% higher in 2021. The increase in consolidated volumes of 7% in 2021 was a complete reversal of the 7% decline in 2020.
- As most of the franchise area transitioned from almost two (2) months of Enhanced Community Quarantine (“*ECQ*”) or Modified *ECQ* to General Community Quarantine (“*GCQ*”) with heightened restrictions starting on May 15, 2021, Commercial volumes began a gradual rebound as retail sales in malls, restaurants and the like, began to pick up.
- The average daily Net System Input (“*NSI*”), which represents the energy purchased to serve demand, rose to 144 GWh in the months of May and June 2021 compared with the average *NSI* of only 133 GWh in 2019 and 124 GWh in 2020.
- While the share of Residential sales volumes dipped to 37% (38% in 2020) of total sales, the consolidated volumes of 8,370 GWh were 3% higher than 2020 volume. The growth remains to be from the continuing work-from-home (“*WFH*”) and online distance learning (“*ODL*”) arrangements, although tempered slightly by cooler temperature beginning June, with the onset of the rainy season.
- Commercial sales volumes were at 7,440 GWh for the first half of 2021. Although only 0.1% better than the volumes in the same period of 2020, consolidated volumes in the months of May and June 2021 grew 54% and 29% to 1,290 and 1,411 GWh, respectively.

- The growing public confidence with the gradual increase in the number of people vaccinated and first full month of *GQC* in June 2021 resulted in the uptick in business activities and foot traffic to malls, restaurants, hotels and other retail outlets. Food and beverage commissaries also resumed operations. The second quarter of 2021 also saw increasing onsite work activities, which contributed to the rise in Commercial sales volumes.
- Year-to-date Industrial sales volumes grew 23% to 6,781 GWh with much of the consumption from the electronics, construction and construction-related industries. The gradual opening of the global economy is reflected in the increasing demand for semiconductor and electronic components. Construction, steel and cement industries' demand is on account of project backlogs and a race to substantial completion before any major weather disturbance hits the franchise area.
- In 1H2021, the franchise area also broke the 4,000 GWh sales volume-mark in May as volumes remained below 4,000 GWh in the first four (4) months of the year.
- May 27, 2021 saw a new peak demand of 7,808 MW from 7,614 MW in March 2020. In 1H2020, peak demand was at 7,614 MW on March 10, prior to community quarantine.
- Customer count continues to grow as *Meralco* and *Clark Electric* catch up on energization of new customers. New customer accounts grew by close to 300,000 or over 4% in 1H2021 with *Meralco* Residential customers dominating the increase.
- Sales mix in the comparative period was as follows: 37% Residential, 33% Commercial and 30% Industrial versus 38%, 35% and 26%, respectively in 2020.
- The pandemic continues to bear on *Meralco's* 12-month moving average ("*12-MMA*") system loss ("*SL*"), which was at 5.83%, 0.17 percentage point higher than 2020 as the sales mix remains skewed towards higher loss-to-serve Residential customers.
- Consolidated capital expenditures ("*CAPEX*") amounted to Pesos 13.1 billion in 1H2021. Of the total Networks *CAPEX* of Pesos 7.3 billion in 1H2021, 65% covered new connections and load growth, 26% went to asset renewals and the balance was spent to support the Government's Build, Build, Build ("*BBB*") projects and the *MEP*.
- Major *CAPEX* projects completed in 1H2021 were the (i) expansion of the Banawe 115 kV-34.5 kV GIS Substation which immediately solved the expected critical loading of the Banawe Bank 1 and Balintawak Bank 5 substations and will provide additional capacity to accommodate new and additional load applications in Quezon City; (ii) reliability improvement of LIIP Substation, which converted LIIP substation's 115 kV conventional single bus configuration into double bus GIS configuration for greater reliability with three (3) looped 115 kV lines and three (3) 83 MVA power transformers, providing more reliable power supply to the customers served by LIIP Substation even during contingencies – benefitting many industrial customers in the areas of Sta. Rosa and Biñan in Laguna; (iii) development of Metpark 115 kV-34.5 kV GIS Substation, which will relieve the critical loadings of PAGCOR-1 and CBP-1A substations and provide

additional capacity to meet the increasing demand in Pasay City; (iv) replacement of Dolores Power Transformer Bank No. 1 with a new 100 MVA transformer bank with On-Load Tap Changer (“*OLTC*”), which will improve the flexibility, system reliability, and voltage regulation in portions of Antipolo City and the municipalities of Binangonan, Taytay and Cardona in Rizal; and (v) development of Alagao 69 kV Switching Station, which will improve service reliability and provide additional capacity to existing load customers in San Ildefonso, Bulacan.

- In support of the Government *BBB* projects, 923 electric poles have been relocated, while the rest are for release of design and right-of-way permits from the appropriate government agencies. In addition, as of June 30, 2021, a total of 449 poles have been retired for the road widening projects of the Department of Public Works and Highways (“*DPWH*”).
- With respect to the Competitive Selection Process (“*CSP*”) concluded in February 2021 for 1,800 MW baseload capacity from greenfield power plants conducted by *Meralco’s* Third Party Bids and Awards Committee (“*TPBAC*”), (i) the Philippine Competition Commission (“*PCC*”) terminated its preliminary inquiry thereto, finding no discriminatory behavior by *Meralco* and its *TPBAC*; and (ii) the Supreme Court dismissed a petition alleging grave abuse of discretion on the part of *DOE* and *Meralco’s TPBAC*, for being filed prematurely and violating the doctrine of hierarchy of courts, in July 2021.

FINANCIAL HIGHLIGHTS – Strong and Stable

- Consolidated Core Net Income (“*CCNI*”) for the first half of 2021 was at Pesos 11.4 billion, 8% higher compared with Pesos 10.6 billion in 2020 on account of higher volume and contribution from San Buenaventura Power Limited (“*SBPL*”).
- Consolidated Reported Net Income in 1H2021 was at Pesos 9.9 billion versus Pesos 6.8 billion in the same period last year due to the impairment of an equity investment in the first quarter of 2020.
- Consolidated revenues for the first six (6) months of 2021 stood at Pesos 149.1 billion, almost 8% higher than in 2020. Consolidated distribution revenue, which represented 22% of total electricity revenues grew by 7% to Pesos 31.5 billion, consistent with the increase in volume.
- *Meralco’s* average retail rate was at Pesos 7.92 per kWh, 3% lower than the Pesos 8.19 per kWh in 2020. Generation and transmission charges, which accounted for 66% of the total retail price were lower by 2%. Feed-in-Tariff Allowance (“*FIT-All*”) increased by more than 60% due to implementation of a higher *FIT-All* rate starting January 2021 from Peso 0.0495 to Peso 0.0983 per kWh.
- With the *ERC* approval of the Pesos 13.9 billion refund of distribution over-recoveries, the effective distribution rate recognized as revenues by *Meralco* was at Pesos 1.3945 per kWh.

- Consolidated purchased power costs (“PPC”) were higher due to higher volume purchased and increase in Wholesale Electricity Spot Market (“WESM”) prices. Also, in 2020, *Meralco* claimed Force Majeure against suppliers, which resulted in lower PPC. Average generation cost for 1H2021 was higher than in 2020 at Pesos 4.38 per kWh. The increase was offset by lower transmission charge due to lower ancillary service charges. Despite recent increases in international crude oil prices, average Malampaya natural gas price for the six (6) months ended June 2021 is still lower compared with the same period in 2020 (US\$6.72/GJ in 2021 vs. US\$7.23/GJ in 2020).
- WESM prices averaged Pesos 5.43 per kWh in 1H2021 with the secondary price cap of Pesos 6.245 per kWh triggered 55 times in May and 102 times in June.
- While the Philippine Peso weakened vis-à-vis the U.S. dollar to Pesos 48.80 to U.S.\$1 at the end of 1H2021, depreciating by Pesos 1.14 within 17 business days, *Meralco* managed the negative impact of a weaker peso on the dollar component of purchased power cost as it had purchased U.S. dollars at an average of Pesos 48.407 to U.S.\$1 in June 2021 alone, the benefit of which inured to consumers.
- Operating expenses (“OPEX”) were higher by 14% with labor and contracted services costs accounting for 71% of the total. The increased business activities in the franchise area necessitated *Meralco* and *Clark Electric* to fast track maintenance work on distribution facilities.
- Depreciation amounted to Pesos 5.5 billion in 2021.
- As *Meralco*’s digital transformation gains traction, daily cash collections via *Meralco* Online rose by 19%, now averaging Pesos 971.0 million per month.
- While disconnection activities related to uncollected bills resumed, *Meralco* also continued to provide extended credit under individual installment payment terms ranging from four (4) to six (6) months for past due accounts. As at June 30, 2021, total accounts receivables under installment arrangements amounted to Pesos 2.9 billion.
- Total CAPEX implemented for the first six (6) months of 2021 was at Pesos 13.1 billion, with Networks CAPEX accounting for more than 50% of the total. Total CAPEX implemented in 2021 was 91% higher than 2020 largely due to catch up CAPEX implementation efforts. To date, a total of Pesos 109.0 billion of CAPEX for Regulatory Years (“RY”) 2016 onwards have been filed with the ERC for approval. Of the total amount filed, the ERC partially approved a total of Pesos 24.2 billion for RY 2016 and RY 2017 while Pesos 51.3 billion have been manifested (as of March 31, 2021) as “urgent” to allow *Meralco* to implement such CAPEX proposals immediately.
- Consolidated interest-bearing debt stood at Pesos 91.7 billion (including debt of subsidiaries totaling Pesos 50.9 billion) at the end of 1H2021, of which Pesos 38.4 billion are maturing within one (1) year.
- Core earnings per share was Pesos 10.113.

- Today, the *Board* approved the declaration of an interim cash dividend amounting to Pesos 5.057 per share to all shareholders of record as of August 23, 2021, payable on September 15, 2021. This represents 50% of core earnings per share.

BUSINESS UNITS AND SUBSIDIARIES

Retail Competition and Open Access (“RCOA”)

- The local *Retail Electricity Supply (“RES”)* units of *Meralco* and *Clark Electric* and three (3) affiliate retail electricity suppliers sold over 3,500 GWh of energy to the contestable market. While this combined volume was higher, reflecting the easing of restrictions and increasing business activities, the contribution to *CCNI* was 4% lower in 2021 due to higher *WESM* prices and NewCastle (“*NEWC*”) coal index versus last year.
- The period saw *NEWC* index of coal rising to an average of US\$ 98.40 per MT in the first half of 2021 versus US\$ 61.50 per MT in the same period last year. Average *WESM* prices for 1H2021 also rose to Pesos 4.58 per kWh from an average of Pesos 2.50 per kWh in the same period last year. *WESM* prices spiked as high as Pesos 9.97 per kWh during peak demand hours in May 2021, affecting margins of the different *RES* units.

Clark Electric

- *Clark Electric’s* energy sales volume grew by 12% to 270 GWh in the first six (6) months of 2021 compared with 241 GWh in 2020. The increase was driven mainly by the industrial sector as most of the locators in the semiconductor, tire manufacturing and industrial gas production industries, among others, inside the freeport zone continue to fully operate. Commercial sales volumes remained low as the retail and leisure businesses still had limited operations and patronage. Overall distribution revenues were up 5% to Pesos 258.4 million. *Clark Electric’s* local *RES*, *Cogent*, provided an additional Pesos 4.3 million to the *CCNI*.

Power Generation

The Power Generation segment contributed Pesos 340.3 million to *CCNI* for the first six (6) months of 2021. This is from a total combined capacity of 1,466 MW (net).

MERALCO PowerGen Corporation (“*MGen*”) acquired the entire 86% interest of Metro Pacific Investments Corporation (“*MPIC*”, 56%) and JG Summit Holdings, Inc. (“*JG Summit*”, 30%) in Global Business Power Corporation (“*GBPC*”) on March 31, 2021. Thereafter, *GBPC* became a wholly-owned subsidiary of *MGen*.

GBPC

- *GBPC* owns total attributable capacity of 961 MW of coal and oil plants, of which 724 MW are contracted under Power Supply Agreements (“*PSAs*”) for captive and contestable customers and 102 MW of oil and coal capacities are covered by Ancillary Services Procurement Agreements (“*ASPA*”). *GBPC* delivered 2,533.2 GWh in the first six months of 2021 and contributed Pesos 389.2 million to the *MGen CCNI*, before any acquisition-related adjustments.
- On June 30, 2021, *GBPC* broke ground for its first renewable project – a 115 MW_{dc} solar plant in Baras, Rizal. The plant is expected to start commercial operations in 2022.

SBPL

- *SBPL*’s supercritical coal-fired plant in Mauban, Quezon has been in full operations delivering 1,733.8 GWh of energy from January to June 2021 with an average plant availability of close to 89%, except during its 19.5 days of forced outage in February and March.
- The standalone operation of *SBPL* contributed more than Pesos 700 million to the *MGen CCNI*.
- *SBPL* is a joint venture of *MGen* with New Growth B.V., a subsidiary of Electricity Generating Company Limited of Thailand (“*EGCO*”).

Powersource First Bulacan Solar, Inc. (“BulacanSol”)

- *BulacanSol* owns and operates a 50 MW_{ac} solar farm in San Miguel, Bulacan, which is currently the largest single operating solar plant in the country. *BulacanSol* was synchronized to the grid on May 12, 2021 and has since delivered close to 14 GWh of solar energy to *Meralco*, under an ERC-approved *PSA*. The *PSA* is for a period of 20 years from commercial operation date (“*COD*”) of May 12, 2021.

Non-electric Subsidiaries

CIS Bayad Center, Inc. (“Bayad”)

- Over a year into the COVID-19 pandemic, *Bayad* has further gained momentum as it serviced over 57 million payment transactions in 1H2021, the highest first half count in the last five (5) years and is 48% higher than the same period in 2020. This count has exceeded the pre-pandemic volume by 3%. *Bayad*’s consolidated revenues for the first six (6) months of 2021 amounted to Pesos 925.4 million, representing a 30%

growth over 2020. *CCNI* of Bayad stood at Pesos 60.4 million. This is testament to the paying public's trust and confidence in the *Bayad* brand and the level of service it provides.

- Since the launch of the *Bayad* App in January, over 72,000 downloads have been recorded as of 1H2021, contributing a total of Pesos 16.0 million of bills payment transactions in the same period. Meanwhile, Bayad Online recorded over 20,000 registered users since its commercial launch in December 2020.
- In the first six (6) months of 2021, *Bayad* (i) added 15 new digital, bank and corporate partners; (ii) introduced PayBills in the Smart mobile app of its retailers/Ka-Partners; and (iii) launched *Meralco* real-time payment for Maybank.
- *Bayad* has expanded its network of channels, reaching 90.5 million digital users across its Digital Partner platforms and its own *Bayad* channels for an equivalent 9% increase during the first six (6) months of 2021. On-site or physical touchpoints totaling 63,800 across Partner Channel outlets and *Bayad* branches grew by a significant 37%.
- Even with the slowdown in economic activities during this pandemic, *Bayad* added 58 new billers in its biller universe in 1H2021, bringing the total number of serviced billers to 415. These new additions have bested *Bayad's* 2020 level.

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

- *Radius* posted a 3% decline in consolidated revenues in 1H2021 at Pesos 689.8 million (Pesos 712.3 million in 2020) serving a total of 3,171 corporate circuits (3,242 in 2020) and a growing number of "RED Fiber" broadband internet subscribers during the period. Cost of services increased at a faster pace of 8% mainly due to costs related to the expansion of the fiber optic cable ("*FOC*") network and manpower count specific to the expansion of the Gigabit Passive Optical Network ("*GPON*") team.
- Throughout the first six (6) months of 2021, *Radius* maintained (i) 99.97% service level availability performance, 0.07 percentage point above the target of 99.90%, with the reduced downtime resulting from proactive scheduling of regular and preventive maintenance activities; and (ii) the re-engineering of its local and international IP backbone to improve the streaming experience of its customers.
- *Radius* owns 5,965 kilometers of *FOC*, including those in Clark and Cebu City. This *FOC* currently serves all of Metro Manila, the provinces of Bulacan, Rizal, Cavite, Laguna, Clark, Cebu and some parts of Batangas Province. It has already rolled out 205 km of its targeted 336 km additional *GPON FOC* backbone and established its "RED fiber" presence in 41 villages and 69 multi-dwelling units with at least 29,000 potential subscribers.

CONCLUSION

“18 months through various quarantine restrictions, health concerns especially with new virus variants, significant pressure on the entire workforce including our facilities (with the shift to Residential consumption) and occasional challenges on the generation and supply side, the entire *Meralco* team, especially, those on-site, continue to devote time and energy to deliver the best service to customers across all classes and participate in corporate initiatives to contain this pandemic.

“Their immeasurable sacrifices and dedication, commitment and unwavering effort—oftentimes to the point of risk—in the name of service make us all proud of, and grateful to our people.

“The arrival and dispensation of vaccines should pave the way for a gradual opening of the economy. It is my ardent hope that we carry on with fortitude until we win the battle.

“Despite the challenges we face today, we are also mindful of our responsibility to our shareholders and to future generations as we pursue operational excellence and heighten sustainability initiatives,” said **Mr. Manuel V. Pangilinan**, *Chairman*.

	MANILA ELECTRIC COMPANY Consolidated Financial Highlights (in Million Pesos, except per share data)		
	For the Six (6) Months Ended June 30		% Change
	2021	2020	
REVENUES			
Electricity	144,840	134,724	8
Non-electricity	4,257	3,623	17
	149,097	138,347	8
COSTS AND EXPENSES	132,462	131,339	1
OTHER INCOME – net	656	1,434	(54)
INCOME BEFORE INCOME TAX	17,291	8,442	105
PROVISION FOR INCOME TAX	7,096	1,541	360
NET INCOME	10,195	6,901	48
NET INCOME – REPORTED	9,949	6,844	45
CORE NET INCOME	11,399	10,588	8
EARNINGS PER SHARE			
On Reported Net Income			
Basic	8.827	6.072	45
Diluted	8.827	6.072	45
On Core Net Income ¹			
Basic	10.113	9.394	8
Diluted	10.113	9.394	8

¹ 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.

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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.