

# COVER SHEET

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S.E.C Registration Number

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(Company's Full Name)

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

**ATTY. WILLIAM S. PAMINTUAN**

Contact Person

**8632-8014**

Company Telephone Number

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Month Day

Fiscal Year

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Annual Meeting

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Secondary License Type, if Applicable

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Foreign

To be accomplished by SEC Personnel concerned

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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:** *October 28, 2022*
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 September 30, 2022)*

**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, October 28, 2022, approved the Company's Financial and Operating Results for the Nine Months of 2022 with comparatives for 2021.

|                          | <b>MANILA ELECTRIC COMPANY</b><br><b>Consolidated Financial Highlights</b><br><b>(In Million Pesos, except per share data)</b> |             |                           |
|--------------------------|--|-------------|---------------------------|
|                          | <b>For the Nine (9) Months Ended</b><br><b>September 30, 2022</b>  |             | <b>%</b><br><b>Change</b> |
|                          | <b>2022</b>  | <b>2021</b> |                           |
| REVENUES                 |  |             |                           |
| Electricity              | 306,015  | 225,404     | 36                        |
| Non-electricity          | 8,869  | 6,313       | 40                        |
|                          | 314,884  | 231,717     | 36                        |
|                          |  |             |                           |
| COSTS AND EXPENSES       | 297,992  | 207,577     | 44                        |
|                          |  |             |                           |
| OTHER INCOME – net       | 7,232  | 1,735       | 317                       |
|                          |  |             |                           |
| INCOME BEFORE INCOME TAX | 24,124   | 25,875      | (7)                       |
|                          |  |             |                           |
| PROVISION FOR INCOME TAX | 4,151  | 8,732       | (52)                      |
|                          |  |             |                           |
| NET INCOME               | 19,973   | 17,143      | 17                        |
|                          |  |             |                           |
| NET INCOME – REPORTED    | 19,758   | 16,522      | 20                        |
|                          |  |             |                           |
| CORE NET INCOME          | 19,605   | 18,062      | 9                         |
|                          |  |             |                           |
| EARNINGS PER SHARE       |  |             |                           |
| On Reported Net Income   |  |             |                           |
| Basic                    | 17.530   | 14.658      | 20                        |
| Diluted                  | 17.530   | 14.658      | 20                        |
|                          |  |             |                           |
| On Core Net Income       |  |             |                           |
| Basic                    | 17.394   | 16.025      | 9                         |
| Diluted                  | 17.394   | 16.025      | 9                         |

**FINANCIAL AND OPERATING RESULTS  
FOR THE NINE (9) MONTHS ENDED SEPTEMBER 30, 2022  
WITH COMPARATIVES FOR 2021**

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- **CONSOLIDATED CORE NET INCOME ROSE 9% TO PESOS 19.6 BILLION, WHILE CONSOLIDATED REPORTED NET INCOME GREW 20% TO PESOS 19.8 BILLION**
- **CONSOLIDATED REVENUES WENT UP 36% TO PESOS 314.9 BILLION DUE TO SUSTAINED ENERGY SALES AND INCREASE IN PASS-THROUGH CHARGES**
- **CONTINUING DISTRIBUTION-RELATED REFUNDS TEMPERED AVERAGE RETAIL RATE, WHICH STILL INCREASED 17% DUE TO HIGHER FUEL PRICES AND PESO DEPRECIATION**
- **CONSOLIDATED DISTRIBUTION UTILITY ENERGY SALES VOLUMES GREW 6% TO 36,553 GWH, SURPASSING PRE-PANDEMIC LEVELS AS COMMERCIAL SEGMENT CONTINUED TO RECOVER**
- **MERALCO SPENT PESOS 20.8 BILLION IN CAPITAL EXPENDITURES TO FURTHER STRENGTHEN ITS DISTRIBUTION NETWORK AND IMPROVE CUSTOMER SERVICE, AND FOR DEVELOPMENT OF POWER GENERATION PROJECTS**
- **POWER GENERATION BUSINESS ENDED THE PERIOD WITH PESOS 3.6 BILLION INCOME CONTRIBUTION, SIGNIFICANTLY HIGHER THAN THE PREVIOUS YEAR, AS IT CONTINUED TO REALIZE GAINS FROM OPERATIONAL POWER PLANTS IN SINGAPORE AND THE PHILIPPINES**
- **MIESCOR INFRASTRUCTURE DEVELOPMENT CORPORATION ENTERED INTO PESOS 26.2 BILLION SALE AND LEASEBACK AGREEMENT FOR 2,180 TOWERS OF GLOBE TELECOM; FINAL CLOSING TARGETED IN Q3 2023**
- **MERALCO RECOGNIZED BY INTERNATIONAL AND LOCAL AWARD-GIVING BODIES FOR CUSTOMER SERVICE, SUSTAINABILITY, CORPORATE SOCIAL RESPONSIBILITY, AND COMMUNICATIONS INITIATIVES**

The Company will disclose the Third Quarter Results using SEC Form 17-Q once available. For more information, please refer to the attached Press release.

## **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: October 28, 2022**

*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 NINE (9) MONTHS ENDED SEPTEMBER 30, 2022  
WITH COMPARATIVES FOR 2021**

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- **CONSOLIDATED REVENUES WENT UP 36% TO PESOS 314.9 BILLION DUE TO SUSTAINED ENERGY SALES AND INCREASE IN PASS-THROUGH CHARGES**
- **CONTINUING DISTRIBUTION-RELATED REFUNDS TEMPERED AVERAGE RETAIL RATE, WHICH STILL INCREASED 17% DUE TO HIGHER FUEL PRICES AND PESO DEPRECIATION**
- **CONSOLIDATED DISTRIBUTION UTILITY ENERGY SALES VOLUMES GREW 6% TO 36,553 GWH, SURPASSING PRE-PANDEMIC LEVELS AS COMMERCIAL SEGMENT CONTINUED TO RECOVER**
- **MERALCO SPENT PESOS 20.8 BILLION IN CAPITAL EXPENDITURES TO FURTHER STRENGTHEN ITS DISTRIBUTION NETWORK AND IMPROVE CUSTOMER SERVICE, AND FOR DEVELOPMENT OF POWER GENERATION PROJECTS**
- **POWER GENERATION BUSINESS ENDED THE PERIOD WITH PESOS 3.6 BILLION INCOME CONTRIBUTION, SIGNIFICANTLY HIGHER THAN THE PREVIOUS YEAR, AS IT CONTINUED TO REALIZE GAINS FROM OPERATIONAL POWER PLANTS IN SINGAPORE AND THE PHILIPPINES**
- **MIESCOR INFRASTRUCTURE DEVELOPMENT CORPORATION ENTERED INTO PESOS 26.2 BILLION SALE AND LEASEBACK AGREEMENT FOR 2,180 TOWERS OF GLOBE TELECOM; FINAL CLOSING TARGETED IN Q3 2023**
- **MERALCO RECOGNIZED BY INTERNATIONAL AND LOCAL AWARD-GIVING BODIES FOR CUSTOMER SERVICE, SUSTAINABILITY, CORPORATE SOCIAL RESPONSIBILITY, AND COMMUNICATIONS INITIATIVES**

MANILA, Philippines, October 28<sup>th</sup>, 2022 – Manila Electric Company (“*Meralco*”) today reported that Consolidated Core Net Income (“*CCNI*”) for the nine (9) months ended September 2022 rose by 9% to Pesos 19.6 billion from Pesos 18.1 billion in the same period last year with the sustained growth

in energy sales and higher earnings of its power generation business from projects both locally and in Singapore.

Reported net income, meanwhile, increased by 20% to Pesos 19.8 billion from Pesos 16.5 billion in 2021. Core earnings per share amounted to Pesos 17.394, up by 9% over the comparative period last year while reported earnings per share increased by 20% to Pesos 17.530.

Consolidated revenues were at Pesos 314.9 billion, 36% higher than from Pesos 231.7 billion mainly due to higher pass-through charges on account of persisting increases in global fuel prices.

*Meralco's* average retail rate increased by 17% to Pesos 9.43 per kWh from Pesos 8.08 per kWh as generation charges, which accounted for about 65% of the total retail rate, went up by 32% due to higher fuel costs, peso depreciation and higher spot market prices. Transmission charges, comprising 9% of the retail rate, increased by 18% due to higher ancillary service and power delivery service charges. Subsidies and taxes, 10% of the retail rate, similarly went up by 11%.

Meanwhile, the average distribution charge of Pesos 1.53 per kWh, which accounted for 10% of the retail rate, went down by 4% with the implementation of lower distribution, supply and metering charges following the reduction in *Meralco's* interim average rate that was reflected beginning August 2022.

The impact on average retail price of the increase in pass-through charges was partly mitigated by the Pesos 0.58 per kWh average refund covering the distribution rate true-up ("*DRTU*") adjustments equivalent to Pesos 21.0 billion for the nine-month period. Of the Pesos 48.3 billion total *DRTU* adjustments ordered by the Energy Regulatory Commission ("*ERC*"), Pesos 27.3 billion has already been refunded to customers as of end-September. The entire refund amount is expected to be settled by May 2023.

Purchased power cost ("*PPC*") increased by 45% to Pesos 237.8 billion from Pesos 163.6 billion due to the spike in global fuel prices and persisting peso depreciation.

The average Malampaya natural gas price increased to US\$ 9.86 per GJ in the nine-month period versus US\$ 7.16 per GJ the previous year. The Malampaya gas supply restrictions, which began in March 2021, compelled First Gen's natural gas plants to continue using the more expensive alternative fuel. Meanwhile, Newcastle ("*NEWC*") coal index rose to an average of US\$ 353.73 per MT versus US\$ 121.78 per MT in the same comparative nine-month period.

Average Wholesale Electricity Spot Market ("*WESM*") prices rose to Pesos 9.18 per kWh from an average of Pesos 3.31 per kWh last year amid the tight supply condition that was triggered by the increase in demand and higher average plant capacity on outage. Luzon grid demand peaked at 12,113 MW in May of this year versus 11,640 MW last year. The grid was placed under Yellow Alert for seven (7) days and on Red Alert for two (2) days as of year-to-date compared to three (3) days of Yellow Alert and three (3) days of Red Alert during the same period last year.

The continued depreciation of the Peso, which was at Pesos 58.625 versus the dollar as of end-September from Pesos 51.00 a year ago, also continued to weigh on the *PPC*. During the nine-month period, the local currency recorded its weakest closing price of Pesos 58.99 on September 27, 2022. It slipped to an all-time low of Pesos 59.00 four (4) times so far in October 2022.

*Meralco's* consolidated capital expenditures ("*CAPEX*") amounted to Pesos 20.8 billion, of which Pesos 13.5 billion went to Networks *CAPEX*, which consisted of new connections, asset renewals, and load growth projects, among others.

Operating expenses ("*OPEX*"), meanwhile, went up by 10% to Pesos 24.9 billion due to higher customer-related expenses and increase in spending of subsidiaries.

Consolidated interest-bearing debt stood at Pesos 90.2 billion, including Pesos 50.0 billion debt of subsidiaries. Of the total amount, Pesos 33.5 billion are maturing within one (1) year.

### **Consolidated energy sales surpassed pre-pandemic levels**

*Meralco's* year-to-date consolidated distribution utility energy sales volumes increased by 6% to 36,553 GWh from 34,398 GWh in the same nine (9) months last year. *Meralco's* volume was 6% higher, while that of Clark Electric Distribution Corporation ("*Clark Electric*") increased by 16%.

Monthly sales volumes continued to stay above the 4,000-GWh level during the third quarter, resulting in a 7% growth for the period compared with last year. The resumption of face-to-face schooling, improvement in employment rates, and less restrictions in commercial and social activities given the most relaxed Alert Level 1 vis-à-vis the stricter Enhanced Community Quarantine ("*ECQ*") and Modified *ECQ* ("*MECQ*") implemented between August to October last year provided more legroom for businesses to recover and expand in the quarter.

Sales mix continued to shift towards the commercial segment, whose share to the total sales increased to 35% from 33% a year ago. Residential accounted for 35% from 37%, while industrial segment's contribution was retained at 30%.

Commercial sales volumes grew by 14% to 12,841 GWh from 11,281 GWh, with the months of August and September hovering at growth levels of around 20%. With less restrictions this year compared with Delta variant-stricken 2021, demand continued to recover and grow towards pre-pandemic levels in high-performing sectors such as retail, real estate, hotels, and restaurants. Onsite schooling also boosted sales volume in the education and transport sectors.

As household demand slowed down, with customers returning to work onsite and schools shifting back to face-to-face set-up, growth in residential sales volumes was tempered at 12,926 GWh from 12,746 GWh last year. The aggressive energization activities and renewed demand from university dormitories and condominiums in central business districts ("*CBDs*") helped offset the decline in organic volume.

Customers in the industrial segment remained resilient amid high inflation and rising foreign exchange levels. Increase in year-to-date sales volumes was maintained at the 4% level at 10,677 GWh from 10,263 GWh last year. Further reopening of the economy pushed sales up for food and beverage and, plastics and packaging industries. Steel plants, meanwhile, operated at full capacity and contributed to higher sales. The semiconductors industry, on the other hand, saw a decline due to lower global demand for consumer electronics.

As of end-September, consolidated customer count grew 3% to 7.6 million from 7.4 million the previous year as energization activities, particularly for mixed-use buildings, condominiums, subdivisions, and retail and telecoms customers, continued.

*Meralco's* 12-month moving average ("*12-MMA*") system loss at end-September was at 5.88%, 0.62 percentage point below the 6.50% indicative regulatory cap. *Clark Electric's* 12-MMA system loss was at 1.83%.

### **More resilient distribution network**

*Meralco* continued with the expansion and upgrading of its distribution facilities and pole replacement activities in a bid to build a more resilient network as it worked to deliver safe, reliable, and adequate electricity service.

Major networks projects completed during the period include the development of Pamplona Uno Gas-Insulated Switchgear ("*GIS*") substation in Las Piñas City and the uprating of Biñan-San Pedro 115-kV line in Laguna.

In support of the road widening projects of the Department of Public Works and Highways ("*DPWH*") and various Local Government Units ("*LGUs*"), *Meralco* relocated a total of 1,413 poles in the first nine (9) months of 2022. In addition, 884 poles were relocated for various Build, Build, Build ("*BBB*") and Public-Private Partnership ("*PPP*") projects, including the NLEX-SLEX Connector Road, PNR North 1 Railway, MRT Line 7, and NAIA Expressway-EDSA Tramo projects.

On September 25, 2022, Super Typhoon Karding (international name: Noru), the strongest tropical cyclone to hit the country this year so far, caused momentary and sustained power interruptions across the franchise area. *Meralco* was on full alert and worked round the clock to immediately restore power to over 1.2 million customers in Metro Manila, Cavite, Quezon, Laguna, Rizal, Pampanga, and Bulacan who were affected by the weather disturbance within 24 hours.

### **Continuing transparency in the conduct of business**

#### *Competitive Selection Process ("CSP")*

In line with the Department of Energy's ("*DOE*") plan to increase the minimum level of electricity that distribution utilities should source from renewable energy ("*RE*") to 2.52% starting 2023 from the current 1% under the Renewable Portfolio Standards ("*RPS*") policy, *Meralco* has been

conducting various *CSPs* to help meet its commitment to source up to about 1,500 MW of its supply requirements from renewables.

Following two (2) failed rounds of competitive challenge and pursuant to the Revised *CSP* Rules, the Company negotiated with Terra Solar Philippines, Inc. for its unsolicited proposal ("*USP*") to supply 850 MW renewable energy to cover *Meralco's* mid-merit requirement starting 2026. The Power Supply Agreement ("*PSA*") has been signed on October 24, 2022 and will be submitted for review and approval of the *ERC*.

*Meralco* is currently conducting two (2) more *CSPs* for its *RPS* compliance. The *CSP* via competitive challenge for Ahunan Power, Inc.'s ("*API*") *USP* for 500 MW renewable energy to cover *Meralco's* mid-merit requirement starting March 2026 is on the second round of the bidding process. The Bid Submission Deadline has been set for November 8, 2022.

Meanwhile, the competitive challenge for the *USP* of Solar Philippines Batangas Baseload Corporation ("*SPBBC*") involving 200 MW renewable energy to cover *Meralco's* baseload requirement starting March 2024 will undergo another round of bidding process after the first one failed due to lack of challengers during the Bid Submission Deadline on October 25, 2022.

#### *Meralco and San Miguel Joint Motions for Price Adjustment*

In its Orders dated September 29, 2022, the *ERC*, voting 3 – 2, denied the joint motions of *Meralco* with South Premiere Power Corporation ("*SPPC*") and San Miguel Corporation ("*SMEC*") for price adjustments to serve as temporary relief covering a combined Pesos 5.2 billion losses incurred by *SPPC* and *SMEC* from January to May 2022 due to the unprecedented spike in fuel prices.

*SPPC* and *SMEC* sent notices dated October 5, 2022, to *Meralco* stating that they would continue to supply at the rates provided under the *PSAs* executed in 2019, albeit under protest.

As ordered by the *ERC*, termination of the *PSAs* could only take place after 60 days from the receipt of the *ERC* Orders and *Meralco* should exhaust all remedies under the contracts to preserve them and ensure the least-cost supply for its customers.

"Surpassing pre-pandemic levels in our consolidated sales volumes signifies that demand for power, particularly from the commercial segment, will continue to grow as we recover and move forward from the pandemic," *Meralco President and CEO Ray C. Espinosa* said.

"However, we recognize that elevated fuel prices coupled with the depreciation of the Peso, which is already nearing Pesos 60 to a dollar, continued to put upward pressure on *Meralco's* retail rates. While we seek ways to cushion the impact of these challenges, our customers can expect that *Meralco* will continue to energize more households and more businesses, while powering our economy with stable, reliable, and cost-competitive electricity," *Mr. Espinosa* added.

## Business units and subsidiaries' performance

### *Retail Electricity Supply ("RES")*

- MPower, the local *RES* unit of *Meralco*, *Clark Electric's* Cogent, and three (3) other affiliate retail electricity suppliers, sold 6,419 GWh of energy to the contestable market as of end-September.
- Combined volumes went up by 18% amid increased business activities and customer growth in the highly competitive *RES* market. However, the contribution to *Meralco CCNI* was adversely affected by higher *PPC* as a result of higher fuel prices and peso depreciation.
- Also affecting margins of the different *RES* units was the elevated *WESM* prices, which spiked as high as Pesos 38.79 per kWh during peak demand hours on September 8, 2022. Its highest for the year was still on June 13, 2022, when it reached Pesos 40.51 per kWh.

### *Power Generation*

- Wholly-owned subsidiary, Meralco PowerGen Corporation ("*MGen*") contributed Pesos 3.6 billion to *Meralco's CCNI* as of end-September, significantly higher than the Pesos 893 million the previous year, largely driven by the earnings of Singapore-based PacificLight Power Pte. Ltd. ("*PacificLight*"). *MGen* currently has a total power generation capacity of 2,251 MW (net) in the Philippines and in Singapore.
- *PacificLight's CCNI* reached S\$ 230.0 million (Pesos 9.0 billion) as of end-September, a significant increase from the S\$ 6.3 million (Pesos 241.0 million) net income the previous year. This was primarily attributable to higher margins on spot prices which averaged S\$ 182 per MWh, as well as the 3.1% growth in demand. *PacificLight's* 800 MW liquefied natural gas facility in Jurong Island, Singapore delivered a total of 4,162 GWh of energy during the period. *MGen* currently has combined direct and indirect interest of 58% in *PacificLight*.
- San Buenaventura Power Ltd. Co. ("*SBPL*") 455-MW (net) supercritical coal-fired plant in Mauban, Quezon, which underwent 35 days of preventive maintenance shutdown in the first nine (9) months of 2022, delivered 2,078 GWh of energy with an average plant availability of 87%. *SBPL's CCNI* was Pesos 2.6 billion.
- The 55 MWac plant of PowerSource First Bulacan Solar, Inc. ("*BulacanSol*") in San Miguel, Bulacan had an average plant availability of 97.1% and delivered 88 GWh to *Meralco* under a 20-year *ERC*-approved *PSA*. *CCNI* was at Pesos 200 million.
- Global Business Power Corporation ("*GBP*") delivered 3,601 GWh of energy during the nine-month period. *GBP* has ownership in coal and oil plants with a net capacity of 970 MW, of which 798 MW are contracted under *PSAs* with captive and contestable customers and Ancillary Services Procurement Agreements ("*ASPAs*").

- MGen Renewable Energy, Inc. (“*MGreen*”) is currently constructing a 75 MWac solar plant in Baras, Rizal through PH Renewables, Inc., a joint venture with Mitsui’s local unit Mit-Renewables Philippine Corporation. In August, the project company secured a Pesos 2.65 billion, 15-year term project financing facility from Rizal Commercial Banking Corporation to fund the ongoing construction of the solar plant. Also under construction is a 68 MWac solar plant in Ilocos Norte of *MGreen* in partnership with Vena Energy. These two (2) projects are expected to commence operations in the first quarter of 2023.

#### *Meralco Industrial Engineering Services Corporation (“MIESCOR”)*

- *MIESCOR*, the engineering and construction arm of *Meralco*, and its subsidiaries contributed Pesos 225.8 million to *Meralco*’s CCNI as of end-September as revenues grew by 51% to Pesos 5.3 billion, driven by its Engineering, Procurement, and Construction (“*EPC*”) and Telecoms contracts.
- *MIESCOR* Infrastructure Development Corporation (“*MIDC*”), a joint venture between *MIESCOR* and Stonepeak Infrastructure Partners that operates as a licensed independent tower company, signed a sale and leaseback agreement on August 11 with Globe Telecom, Inc. (“*Globe*”) for the acquisition of 2,180 towers and passive telecom infrastructure for a total consideration of Pesos 26.2 billion. On October 13, *MIDC* and *Globe* achieved the first closing milestone with the handover-takeover of an initial 701 towers valued at Pesos 8.4 billion. Completion of the tower transfers and final closing are targeted in the third quarter of 2023.

#### **One Meralco recognized for business and communication excellence**

*Meralco* and its subsidiaries (“*One Meralco*”) continued to exemplify excellence in customer service, sustainability, corporate social responsibility (“*CSR*”), and communications.

Last August, *One Meralco* bagged seven (7) awards at the 2022 International Business Awards (“*The Stevies*”), which honors achievements and positive contributions of companies worldwide. One Meralco Foundation’s (“*OMF*”) School Electrification Program and Meralco Corporate Partners’ Viber Community took home Gold Stevies, winning the CSR Program of the Year and Best Use of Social Media Awards, respectively. In addition, *Meralco* earned four (4) Silver Stevies and one (1) Bronze Stevie through its entries under the Annual Report Category (for the Company’s 2021 Annual, Sustainability, and OMF Reports) as well as under the CSR Program, and Non-Profit Response Categories.

In the field of business communications, *One Meralco* clinched 22 awards and was feted as the Company of the Year 1<sup>st</sup> Runner - Up at the 19<sup>th</sup> Philippine Quill Awards organized by the International Association of Business Communicators (“*IABC*”), Philippines also last August. *Meralco* was likewise recognized by *IABC* International with two (2) Gold Quill Awards for excellence in strategic communications.

## Conclusion

“Despite the challenges the country is currently facing, including elevated food and energy prices, *Meralco* expects power demand to continue growing, which makes the energy sector maintain its critical role in supporting economic growth and progress. As we anticipate robust pandemic recovery efforts, there is good indication that *Meralco* will surpass our 2021 *CCNI*,” *Meralco* Chairman **Manuel V. Pangilinan** said.

“*Meralco* remains one with the government and the private sector in ensuring long-term energy security, while fully supporting the government’s push to advance the country’s low-carbon energy transition with strengthened policies that include higher *RPS* requirements, foreign ownership liberalization of *RE* projects, and priority dispatch of *RE* plants. As we approach the end of another year, *Meralco* reiterates its commitment to develop more renewable energy projects, explore opportunities to expand our services, and contribute to the country’s inclusive and sustainable economic growth,” **Mr. Pangilinan** concluded.

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|                                 | <b>MANILA ELECTRIC COMPANY</b><br><b>Consolidated Financial Highlights</b><br><b>(In Million Pesos, except per share data)</b> |             |                           |
|---------------------------------|--|-------------|---------------------------|
|                                 | <b>For the Nine (9) Months Ended</b><br><b>September 30, 2022</b>  |             | <b>%</b><br><b>Change</b> |
|                                 | <b>2022</b>  | <b>2021</b> |                           |
| REVENUES                        |  |             |                           |
| Electricity                     | 306,015  | 225,404     | 36                        |
| Non-electricity                 | 8,869  | 6,313       | 40                        |
|                                 | 314,884  | 231,717     | 36                        |
| COSTS AND EXPENSES              | 297,992  | 207,577     | 44                        |
| OTHER INCOME – net              | 7,232  | 1,735       | 317                       |
| INCOME BEFORE INCOME TAX        | 24,124   | 25,875      | (7)                       |
| PROVISION FOR INCOME TAX        | 4,151  | 8,732       | (52)                      |
| NET INCOME                      | 19,973   | 17,143      | 17                        |
| NET INCOME – REPORTED           | 19,758   | 16,522      | 20                        |
| CORE NET INCOME                 | 19,605   | 18,062      | 9                         |
| EARNINGS PER SHARE              |  |             |                           |
| On Reported Net Income          |  |             |                           |
| Basic                           | 17.530   | 14.658      | 20                        |
| Diluted                         | 17.530   | 14.658      | 20                        |
| On Core Net Income <sup>1</sup> |  |             |                           |
| Basic                           | 17.394   | 16.025      | 9                         |
| Diluted                         | 17.394   | 16.025      | 9                         |

<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.

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