

COVER SHEET

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S.E.C Registration Number

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(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

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Month Day
Fiscal Year

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FORM TYPE

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Month Day
Annual Meeting

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Secondary License Type, if Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

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:** July 29, 2024
- 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
Postal Code: 1605
- 8. Issuer's telephone numbers including area code:** (02) 8632-8014
- 9. Former name, former address and former fiscal year, if changed since last report:** 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

Debt Securities

PhP2.868 Billion

11. Item 9 (Other Events)

The Company's Board of Directors, in its regular meeting held today, July 29, 2024, approved the following:

1. The Company's Financial and Operating Results for the First Six (6) Months of 2024 with comparatives for 2023. The Company will disclose the First Six (6) Month Financial and Operating Results using the SEC Form 17-Q once available.

	MANILA ELECTRIC COMPANY Consolidated Financial Highlights (In Million Pesos, except per share data)		
	For the Six (6) Months Ended June 30		% Change
	2024	2023	
REVENUES			
Electricity	230,978	218,314	6
Non-electricity	6,499	6,506	-
	237,477	224,820	6
COSTS AND EXPENSES	212,473	206,982	3
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	5,048	6,695	(25)
OTHER EXPENSES – net	1,408	2,308	(39)
INCOME BEFORE INCOME TAX	28,644	22,225	29
PROVISION FOR INCOME TAX	5,527	3,879	42
NET INCOME	23,117	18,346	26
NET INCOME – REPORTED	22,441	17,853	26
CORE NET INCOME	23,207	19,205	21
EARNINGS PER SHARE			
On Reported Net Income			
Basic	19.911	15.840	26
Diluted	19.911	15.840	26
On Core Net Income ¹			
Basic	20.590	17.039	21
Diluted	20.590	17.039	21

¹ Reported net income, adjusted to exclude the effect of foreign exchange gains or losses, and other one-time, exceptional transactions.


For more information, please refer to the attached press release.

2. The declaration of cash dividends of Php 10.295 per share to all shareholders of record as of August 28, 2024, and payable on September 23, 2024. This represents 50% of Meralco's Core EPS.

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 and
Information Disclosure Officer

Date: July 29, 2024

*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, 2024
WITH COMPARATIVES FOR 2023**

- **CONSOLIDATED CORE NET INCOME (“CCNI”) ROSE 21% TO PESOS 23.2 BILLION; CONSOLIDATED REPORTED NET INCOME GREW 26% TO PESOS 22.4 BILLION**
- **CORE EARNINGS PER SHARE (“EPS”) AT PESOS 20.590 PER SHARE; REPORTED EPS AT PESOS 19.911 PER SHARE**
- **THE BOARD OF DIRECTORS (“BOD”) APPROVED INTERIM CASH DIVIDENDS OF PESOS 10.295 PER SHARE PAYABLE TO SHAREHOLDERS OF RECORD AS OF AUGUST 28, 2024; DIVIDEND PAYOUT AT 50% OF CORE EPS**
- **CONSOLIDATED REVENUES WENT UP 6% TO PESOS 237.5 BILLION, MAINLY DRIVEN BY HIGHER SALES VOLUMES OF THE DISTRIBUTION UTILITY**
- **TOTAL ENERGY SALES VOLUMES ON OUR ELECTRIC POWER INFRASTRUCTURE REACHED A RECORD-HIGH OF 33,477 GWH ON THE BACK OF 13% AND 10% GROWTH FROM THE RESIDENTIAL AND COMMERCIAL SEGMENTS, RESPECTIVELY**
- **MERALCO SPENT PESOS 19.9 BILLION IN CAPITAL EXPENDITURES FOR IMPROVEMENT AND EXPANSION OF DISTRIBUTION FACILITIES, LAND PURCHASES AND DEVELOPMENT COSTS RELATING TO SOLAR POWER PLANT FACILITIES, AND ACQUISITION AND CONSTRUCTION OF TELECOM TOWERS**
- **MERALCO CONTINUED TO REALIZE GAINS FROM POWER GENERATION INVESTMENTS; WITH THE BUSINESS SEGMENT CONTRIBUTING PESOS 6.2 BILLION TO CCNI**
- **MERALCO SENDS PILOT BATCH OF NUCLEAR ENGINEERING SCHOLARS TO US, CHINA**

MANILA, Philippines, July 29, 2024 – Manila Electric Company (“Meralco”) today reported that CCNI in the first six (6) months of 2024 increased by 21% to Pesos 23.2 billion from Pesos 19.2 billion in the same period last year driven by higher sales volumes of the distribution utility (“DU”), and increased sales in the 2nd quarter due to higher availability of power generation plants.

Of the total CCNI, the distribution business continued to account for the biggest share of 55% or Pesos 12.8 billion. Power generation contributed 27% or Pesos 6.2 billion, while the retail electricity supply (“RES”) and non-electricity businesses brought in a combined Pesos 4.2 billion or 18%.

Consolidated Reported Net Income rose by 26% to Pesos 22.4 billion from Pesos 17.9 billion last year.

Core *EPS* amounted to Pesos 20.590, up 21% versus last year. Reported *EPS* increased by 26% to Pesos 19.911.

Consolidated revenues grew by 6% to Pesos 237.5 billion from Pesos 224.8 billion in 2023, mainly due to higher volumes distributed by the *DU*.

Meralco's average retail rate decreased by close to 4% to Pesos 10.27 per kWh from Pesos 10.68 per kWh.

The generation charge, which accounted for about 62% of the total retail rate, went down by 12% with the combined effect of the implementation of the Energy Regulatory Commission's ("*ERC*") Order dated June 13, 2024, directing all *DUs* and electric cooperatives to stagger the collection of certain generation charges, decrease in international coal prices with the Newcastle ("*NEWC*") coal index falling to an average of US\$ 130.66 per MT versus US\$ 204.27 per MT, and lesser Emergency Power Supply Agreement ("*EPSA*") charges offset by the impact of Peso depreciation, higher Malampaya natural gas prices and the use of liquefied natural gas by First Gas-Sta. Rita and San Lorenzo.

The *ERC* Order to *Meralco* directed the deferral of billing of the entire *WESM* charge and a portion of the billings of three (3) generation companies for the May 2024 supply month, to be billed in installments from June to September 2024. The Order also required *Meralco* to share in the reduction of generation charges by Pesos 200.0 million using the same installment billing period.

Meanwhile, the transmission charge, which accounted for 7% of the retail rate, decreased by 2% with the *ERC's* Order on the National Grid Corporation of the Philippines ("*NGCP*") to discontinue the pass through of the National Franchise Tax to customers of *DUs* beginning August 2023.

Meralco's average distribution charge of Pesos 1.52 per kWh, which accounted for 15% of the retail rate, increased by 2%, as a result of the increased share of residential sales volume. Subsidies and taxes, which comprise 11% share of the total retail rate, went up by 3%.

The overall purchased power cost ("*PPC*") for the first half of 2024 increased by 4% to Pesos 174.4 billion from Pesos 167.5 billion as a result of the higher volume purchased and the effect of the depreciation of the peso, which weakened to Pesos 58.61 per US Dollar at the end of June this year, versus Pesos 55.20 in the same period last year.

The average Malampaya natural gas price increased to US\$ 9.99 per GJ as of end-June, 2% more than US\$ 9.78 per GJ a year ago due to higher oil price indices. The pass-through eligibility of the higher Malampaya pricing under the new Gas Sale and Purchase Agreement ("*GSPA*") between First Gas – Sta. Rita plant and Prime Resources Development B.V., et.al., is pending regulatory approval. The new pricing would have further increased average Malampaya gas price by US\$0.78 per GJ or an effective Peso 0.11 per kWh on the average generation charge.

Despite more Red and Yellow alerts in the Luzon grid in the first semester of 2024, the average *WESM* price went down to Pesos 5.81 per kWh from an average of Pesos 7.13 per kWh mainly due to the availability of Ilijan Natural Gas Plant, which was on shutdown from June 2022 to May 2023, following the end of its cooperation period with the suppliers of Malampaya gas. Further, the secondary price cap was triggered less frequently at close to 9% of the time compared with 13% in 2023. Meanwhile, peak demand in Luzon reached a record 14,016 MW, higher by 1,585 MW compared with 12,431 MW a year ago, with the higher heat index brought about by the El Niño phenomenon.

Meralco spent Pesos 19.9 billion in capital expenditures (“*CAPEX*”) in the first semester. Pesos 10.0 billion were used for the distribution networks projects that included new connections, asset renewals, and load growth projects. The balance was spent on the development of solar projects of MGen Renewable Energy, Inc. (“*MGreen*”), acquisition of additional 475 telecommunication towers, and the construction of build-to-suit (“*BTS*”) towers by Miescor Infrastructure Development Corporation (“*MIDC*”).

Operating expenses (“*OPEX*”) increased by 8% to Pesos 19.5 billion mainly due to (i) rigorous maintenance activities of *DU* facilities, including those related to overloaded transformers during high heat index periods; (ii) higher cost of software maintenance and subscriptions; and (iii) inclusion of expenses of SP New Energy Corporation (“*SPNEC*”) this year, following *Meralco PowerGen Corporation’s* (“*MGen*”) acquisition of a controlling stake in December 2023.

Consolidated interest-bearing debt stood at Pesos 99.6 billion, including the Pesos 58.3 billion total debt of subsidiaries. *Meralco’s* debt maturities are well spread through 2039. Net debt as at June 30, 2024 was at Pesos 9.7 billion and net debt to EBITDA stood at 0.13x.

On July 29, 2024, the *Meralco BOD* approved the declaration of interim cash dividends amounting to Pesos 10.295 per share to all shareholders of record as at August 28, 2024, payable on September 23, 2024. This represents 50% of *Meralco’s* Core *EPS*.

Record high quarter sales from residential and commercial segments

Consolidated *DU* energy sales volumes in the first half of the year rose to 26,954 GWh from 24,792 GWh, as volumes of *Meralco* and Clark Electric Distribution Corporation (“*Clark Electric*”) went up by 9% and 7%, respectively.

The six-month sales volumes got a boost from second-quarter sales which hit a new record – with monthly volumes breaching the 5,000 GWh-level in May, largely driven by the double-digit growth in Residential and Commercial segments. Demand in the *Meralco* franchise area peaked at 9,323 MW in April, up by 10% from the 8,438 MW peak demand experienced in May of 2023.

As of end-June, the Commercial segment had the biggest share of 37% in the energy sales mix, while Residential and Industrial accounted for 36% and 26%, respectively. Flat streetlights accounted for the balance.

Commercial sales volumes climbed 10% to 10,068 GWh from 9,162 GWh last year, with the real estate sector accounting for majority of the sales, owing to higher office space demand in business districts and a boost in commercial activities. Retail and restaurants saw a rise in sales from mall expansions and foot traffic, which required increased activities of heating, ventilation, and air conditioning (“*HVAC*”) systems to manage the humid conditions. Hotels, and leisure and entertainment venues benefitted from the influx of tourists during the dry season, as well as increased demand from newly built establishments post-pandemic.

Residential sales experienced a notable surge of 13%, reaching 9,715 GWh from 8,629 GWh in 2023, fueled by warmer temperatures that hit 28.66°C from 27.91°C in the previous year. Consumers also spent more time at home influenced by the shift in the academic calendar, and the transition to hybrid classes as a precaution to extreme heat conditions.

Industrial sales continued to rebound, increasing by 2% to 7,097 GWh from 6,928 GWh during the first half of 2023. Continued recovery of plastics and cement industries offset the impact of a decline from steel. Meanwhile, strong performance from food and beverage and sustained growth in the semiconductor sector pulled sales up in the second quarter.

By the end of June 2024, consolidated customer count was at 7.9 million, 3% more than the 7.7 million reported last year, with sustained efforts to energize new customers.

The southwest monsoon with heavy rains from intensified by Super Typhoon Carina (international name: “*Gaemi*”) caused massive flooding which started affecting *Meralco*’s service area on July 24. *Meralco*’s crews and personnel worked round the clock to restore services immediately in vital facilities including hospitals and Government offices despite high floodwaters. By the end of the week, services of 662,412 affected customers have been fully restored.

Meralco employee-volunteers, including *Meralco Rescue*, helped in the disaster response of local government units. One *Meralco Foundation* (“*OMF*”) immediately started distribution of thousands of relief packages to the hardest hit barangays in Quezon City, Pasay City, Valenzuela Malabon, Cainta to the farthest ends of Rizal and Bulacan.

“In the second quarter of 2024, we faced Yellow and Red Alerts as Luzon grid’s peak demand surged beyond initial expectations due to the extreme heat brought about by the El Niño. The southwest monsoon enhanced by the onslaught of Super Typhoon Carina brought intense rainfall to several localities within our franchise area, affecting thousands of homes and businesses. The massive flooding did not just trigger service interruptions but also posed threats to safety of our customers and employees. Our committed employees, line crew and personnel worked hand-in-hand to restore power to affected customers at the soonest possible time, “*Meralco Executive Vice President and Chief Operating Officer Ronnie L. Aperocho* said.

“The event highlighted the growing importance of strengthening and improving the resiliency of our distribution system for it to withstand the impact of stronger weather disturbances throughout the rainy season, especially with the forecasted La Niña phenomenon. To this end, we assure our customers that we have been proactively conducting upgrading and maintenance activities and will continue to ramp up projects and initiatives that will bolster our distribution network and ensure the availability of sufficient, safe, reliable and least-cost power supply,” **Mr. Aperocho** added.

The *BOD*, in its meeting today, approved interim cash dividends of Pesos 10.295 per share payable to shareholders of record as of August 28, 2024, and payable on September 23, 2024. This represents a dividend payout of 50% of Core *EPS*, or an implied yield of approximately 6%.

Anticipating future needs of its customers

Among the major distribution network projects completed by *Meralco* in the first half of the year are the new gas-insulated switchgear (“*GIS*”) Pallocan West Substation in Batangas City; and the expansion of the Eton Centris 115 kV – 34.5 kV *GIS* Substation in Quezon City. *Meralco* also completed the development of a new control house with switchgear room at the Novaliches Substation; the replacement of the 34.5 kV Switchgear No. 1 at Meycauayan Substation in Bulacan; and the development of the Napindan 115 kV switching station in Taguig City.

Consistent with its approved Power Supply Procurement Plan (“PSPP”), *Meralco* has been conducting separate Competitive Selection Processes (“CSPs”) to ensure continued delivery of sufficient and least-cost supply. Earlier this year, *Meralco* completed the CSPs for its 1,200 MW, 1,800 MW and 400 MW baseload power supply requirements.

For the 1,200 MW CSP, the ERC issued a Provisional Authority (“PA”) to *Meralco* and South Premiere Power Corporation (“SPPC”) allowing them to start implementing the 15-year Power Supply Agreement (“PSA”) covering the supply of 910 MW from the Ilijan Natural Gas Plant at a Levelized Cost of Electricity (“LCOE”) rate of Pesos 7.0718 per kWh (line rental and VAT inclusive). The remaining 290-MW capacity, however, continues to be supplied to *Meralco* at Pesos 5.1363 per kWh under an earlier contract which expires at the end of December 2024.

For the 1,800 MW CSP, three (3) winning bidders shall provide the capacity under distinct 15-year PSAs at LCOE ranging from Pesos 6.8580 per kWh to Pesos 7.1094 per kWh (line rental and VAT inclusive). An initial 1,200 MW would be supplied by December 2024 supply month, and the remaining 600 MW by May 2025 supply month.

With respect to the 400 MW CSP, the resulting PSA, which is still being reviewed by the ERC shall supply the total requirement at a headline rate of Pesos 6.2708 per kWh (line rental and VAT inclusive). The PSA shall end on February 25, 2025.

On top of these PSAs, *Meralco* also signed a Contract for Sale of Electric Energy (“CSEE”) with the Power Sector Assets and Liabilities Management Corporation (“PSALM”) for a capacity of 90 MW to cover its peaking requirements for a period of six (6) months beginning May 26.

As part of its compliance with the Government’s Renewable Portfolio Standards (“RPS”) policy that requires DUs to source a portion of their supply from renewable energy (“RE”), *Meralco* recently conducted a CSP for its 10-year, 500 MW RE mid-merit power supply requirement beginning March 2025 supply month for the first 350 MW, and the remaining 150 MW beginning March 2026 supply month. The three (3) offers to supply the bid capacity, which are going through post-qualification evaluation of the best bids had headline rates ranging from Pesos 7.1000 per kWh to Pesos 8.1998 per kWh (inclusive of line rental and VAT). Thereafter, it shall be submitted for review and approval of the ERC.

Business segments continue to progress

As another major earnings contributor, *Meralco*’s wholly-owned power generation unit, *MGen*, delivered 7,633 GWh of energy in the six-month period. As of end-June, *MGen* had a total power generation capacity of 2,404 MW (net) through its diversified power generation portfolio in the Philippines and in Singapore.

While the contribution of the Power Generation unit semester stood at 93% of last year’s achievement, the decline in the CCNI of PacificLight Power Limited (“*PacificLight*”) was much less than expected. As of June 30, 2024, *PacificLight* delivered CCNI of S\$148.7 million (Pesos 6.4 billion) and is expected to achieve only slightly lower than the full year 2023.

San Buenaventura Power Limited (“*SBPL*”) has achieved 99% plant availability with the completion of its first ever major maintenance, and has delivered a total of 1,544 GWh of energy during the first six (6) months of 2024 compared with 1,244 GWh in the same period last year.

Global Business Power Corporation (“GBPC”) generated CCNI of Pesos 1.5 billion for the six (6) months, a 78% improvement over 2023. The higher availability of Panay Energy Development Corporation (“PEDC”) resulted in better margins from the spot and reserve markets, which offset the lower revenues from the expiration of Ancillary Services Procurement Agreement (“ASPA”).

MGreen delivered Pesos 131.0 million, 68% better than last year with total installed capacity of 318.5 MW_{ac}. Total energy delivered was 344 GWh, 106% more than 2023. The volumes were from PowerSource First Bulacan Solar, Inc. (“BulacanSol”, 50 MW_{ac}, 99.5% availability), Nuevo Solar Energy Corporation (“NuevoSolar”, 68 MW_{ac}, 96.9% availability), PH Renewables, Inc. (“PHRI”, 67.5 MW_{ac}, 99.4% availability), Solar Philippines Tarlac Corporation (“SP Tarlac”, 78 MW_{ac}, 95.1% availability) and Solar Philippines Calatagan Corporation (“SP Calatagan”, 50 MW_{ac}, 99.8% availability).

SPNEC, through Terra Solar Philippines, Inc. (“Terra Solar”), is developing a 3,500 MW_{dc} utility scale solar with 4,500 MWhr Battery Energy Storage System in Nueva Ecija and Bulacan spanning five (5) municipalities and 11 barangays and has acquired a total of 2,620.8 hectares of land, of which 1,932.9 hectares are for Phase 1 with the balance for Phase 2. Terra Solar is due to issue a Limited Notice to Proceed (“LNTP”) to Meralco Industrial Engineering Services Corporation (“Miescor”) for the construction of the connection assets for the collector substation and transmission line by July 31, 2024. The Engineering, Procurement and Construction (“EPC”) contract for the 500kV transmission line is expected to be signed by July 31, 2024 while bids for the EPC of the plant are being evaluated with Notice of Award targeted by August 31, 2024.

To further grow its portfolio, MGreen closed an investment agreement with Vena Energy for the development, construction, and operation of a 450-MW_{ac} solar project in Bugallon, Pangasinan.

“MGen is continuously on the lookout for investment opportunities in line with its aspiration to be a major player in the power generation sector. To drive sustainable growth, our strategic pursuit is anchored on building a diversified and balanced portfolio that includes utility scale projects using renewable and advance technologies,” MGen President and CEO **Emmanuel V. Rubio** said.

“Through Terra Solar, we are also ramping up pre-development activities for the world’s largest single-site solar farm, with construction slated to begin by the end of this year. We are looking forward to bring into reality more projects to provide cost-competitive supply for consumers, while also contributing to the development of our host communities across the country. We are working to soon enter the local liquefied natural gas (“LNG”) space through our investment in the country’s first integrated LNG facility through Chromite Gas Holdings,” **Mr. Rubio** added.

Meralco continued to deliver competitively priced power to contestable customers through its local RES unit MPower, Clark Electric’s Cogent Energy (“Cogent”), MGen’s Global Energy Supply Corporation (“GES”) and two (2) other affiliate retail electricity suppliers namely Vantage Energy Solutions and Management, Inc. (“Vantage Energy”) and MeridianX Inc. As at end-June, total energy delivered by the RES business stood at 3,343 GWh.

Advancing energy security and sustainability

In support of the Government’s campaign to accelerate the attainment of energy security, Meralco progressed with its pursuit to explore the adoption of nuclear energy. Under its Filipino Scholars and Interns on Nuclear Engineering (“FISSION”) program, Meralco recently sent three (3) engineers to Harbin Engineering University in China and two (2) engineers to University of Illinois Urbana-Champaign in the United States.

On the social development front, *OMF* continued its thrust to support communities within and beyond *Meralco's* franchise area. In the first half of 2024 alone, 475 low-income households benefitted from the Foundation's household electrification program, two (2) island public schools in the Calaguas Islands in Vinzons, Camarines Norte, benefiting over 900 students were energized, 630 solar lamps were distributed to indigent families in Butuan City in Agusan del Norte; and fisherfolks, teachers, and soldiers in Pag-asa Island in Palawan, Batanes, and Cagayan; and supported a total of 4,635 families through its disaster response initiatives.

The One for Trees ("*OFT*") program has planted 17,633 new mangroves and trees in reforestation sites in Panay and Cebu as well as in the Del Carmen Mangrove Sanctuary in Siargao Islands, Surigao Del Norte. To date, the *OFT* program has nurtured 2,345,803 trees in various reforestation sites nationwide and has provided livelihood for 2,386 tree farmers who are taking care of these trees and are benefiting from the fruits and other products derived from them.

Meralco also continued to garner international and local acclaim from various organizations and award-giving bodies for its programs and thought leadership on sustainability. In the 11th edition of the Asia-Pacific Stevie Awards, *Meralco* received a Gold Stevie for its "Meralco Supplier Sustainability Scorecard" in the Building Sustainable Supply Chains category. Additionally, the Meralco Power Academy's "Giga Summit on Sustainable Energy, Energy Efficiency, and Future Grid" earned a Gold Stevie as the Thought Leadership Campaign of the Year. *Meralco's* "Race to Zero Waste Program" won a Silver Stevie in the Reuse and Recycle category, while *Meralco* First Vice President and Chief Sustainability Officer Raymond B. Ravelo was recognized with a Bronze Stevie as Climate Hero of the Year.

Meralco was also recognized by the Philippine Business Coalition for Women Empowerment for successfully completing the Gender Equality Assessment Results and Strategies, and for diligently implementing its Workplace Gender Equality action plans under its Gender Diversity and Inclusion Program #Mbrace.

Conclusion

"Due to *Meralco's* strong operational and financial performance in the first half of the year, we are prepared to upgrade our initial guidance of Pesos 40.0 billion *CCNI* to Pesos 43.0 billion *CCNI* for the full year 2024. In terms of dividend, our policy will stay at 50% payout of Core *EPS* with a lookback to assess and determine if warranted by the then circumstances, if such payout can be improved.

"With the steady growth trajectory of the economy, we are satisfied that *Meralco* will sustain its robust performance throughout the year. Beyond the core distribution business, we continue to invest in more generation capacity which will help address, if not eliminate, instances of supply insufficiency in the country's power grid, and support the growing demand for power," *Chairman and Chief Executive Officer Manuel V. Pangilinan* said.

"Our plans are well aligned with the country's pursuit to develop more energy infrastructure and sustainable energy solutions that can promote energy security that can benefit not just consumers in our franchise area, but also cater to the power needs of our unserved and underserved communities. As an active partner of the Government in nation-building, we will also endeavor to further contribute to the aggressive infrastructure development and economic missions and support such policies that will attract more investments and create jobs for more Filipinos," concluded *Mr. Pangilinan*.

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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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