

PLDT AGM: 8TH JUNE 2021
REMARKS: ANABELLE LIM-CHUA

2020 FINANCIAL HIGHLIGHTS

Good afternoon, fellow stockholders. This afternoon, my role is to discuss PLDT's financial highlights for 2020 and the first quarter of 2021.

2020 was a year like no other. I am pleased to share with you that notwithstanding all the challenges posed by the pandemic, your Company performed well in 2020.

Our consolidated service revenues rose 9% to P171.5 billion – the highest full year revenue ever posted by PLDT, overtaking the previous 2019 historical high.

Revenues from data and broadband services propelled top-line growth, registering an 18% year-on-year increase to P124.5 billion, and accounting for 73% of total service revenues. Demand for home broadband was fueled by work from home and study from home, while mobile data usage grew by 79% driven by our customers pursuing their various passions.

On a business segment basis, our Individual Wireless business posted a strong 15% increase in service revenues to P82.7 billion, registering another year of double digit growth.

Our Home business saw a break-out growth of 11% to P41.4 billion, while our Enterprise business grew by 5% to P41.2 billion.

On a combined basis, these businesses grew by 11% year-on-year.

Our Consolidated EBITDA hit an all-time high of P88.8 billion, with a 7% rise from 2019, driven by robust service revenue growth. EBITDA margin stood at 51%.

Despite the challenges from the pandemic, telco core income, excluding gains from asset sales and the impact of Voyager, was higher by 4% at P28.1 billion. Our Reported net income also rose by 8% to P24.3 billion.

In line with our dividend policy, we paid dividends amounting to P78 per share, or a 60% payout of our Telco core earnings. This translated to a dividend yield of 5.8% for our shareholders, based on the 2020 year-end share price.

Moving on to other financial highlights, PLDT invested P71.9 billion in capital expenditures in 2020. This was almost at par with our 2019 capex despite the limitations imposed by the covid related lockdowns that hampered mobility.

This brought total capex for the last 10 years to P460.8 billion. As a result of our significant investments, our fixed and mobile networks have been recognized by various third parties as the fastest and widest in the country. At the end of 2020, PLDT had the nation's most extensive fiber footprint with about 429,300 kilometers of fiber; and we covered 96% of the country's population with our 3G and LTE mobile network.

Our capex investments are supported by a combination of internally generated cashflows as well as external borrowings. As at the end of 2020, PLDT's net debt stood at US\$3.8 billion, with net-debt-to-EBITDA ratio at 2.05x. In June 2020, PLDT made a successful return to the dollar bond market after 18 years. Our 600 million USD bond issue was 17x oversubscribed and was recognized by the International Financing Review (IFR) as the Philippines' Capital Deal of the Year.

PLDT's international credit ratings remain investment grade.

LATEST VIEWS ON 2021

For 2021, despite an uncertain economic outlook due to the continuing impact of COVID-19, we are confident that PLDT will continue to experience growth in our service revenues. Demand for data and home broadband remains unabated. We expect our topline to rise by high single digit, enabled by our powerful fixed and wireless networks that allow us to deliver superior customer experience.

To support the growing data traffic and the expansion of our home broadband business, as well as the build out of our 5G network, we expect to invest between P88 – 92 billion this year in capital expenditures. This will allow us to maintain our network advantage – which is our best defense against competition – and continue to offer excellent CX.

We anticipate telco core income of between P29 – P30 billion in 2021. In addition to our commitment to pay 60% of our telco core earnings as

dividends, we are happy to note that PLDT is prepared to consider paying an additional 5% special dividend for 2021 if all goes according to our plans.

First Quarter 2021

The challenging operating environment brought on by the pandemic persisted into the first quarter of 2021, with limited mobility and people mainly confined to their homes. These, however, underpinned continued demand for data and broadband services.

Our topline remained strong with consolidated service revenues rising 8% to P44.8 billion in the first quarter of 2021. Among our business segments, Home has taken the lead with a 19% surge in revenues to P10.9 billion. The Individual Wireless segment rose by 7% to P22.1 billion while Enterprise recorded a 4% year-on-year increase to P10.3 billion.

EBITDA registered a new all-time quarter high of P23.3 billion, a 7% year-on-year growth. EBITDA Margin stood at 51%.

Telco core income was higher by 9% at P7.5 billion, the highest quarter average since 2015, and on-track to hit our guidance of between P29 – 30 billion for the full year 2021.

These are early indications that we may see another remarkable year for PLDT as we do our best to try to harness the opportunities and to conquer the challenges brought about by the pandemic.

Thank you.