



November 4, 2021

Securities & Exchange Commission
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City

Attention: Mr. Vicente Graciano P. Felizmenio, Jr.
Director – Markets and Securities Regulation Dept.

Gentlemen:

In accordance with Section 17.1(b) of the Securities Regulation code and SRC Rule 17.1.1.1.2, we submit herewith a copy of SEC Form 17-Q with Management's Discussion and Analysis and accompanying unaudited consolidated financial statements for the nine (9) months ended September 30, 2021.

Very truly yours,

A handwritten signature in black ink, appearing to read "L. Rausa-Chan".

MA. LOURDES C. RAUSA-CHAN
Corporate Secretary

SEC Number
File Number

PW-55

PLDT Inc.

(Company's Full Name)

**Ramon Cojuangco Building
Makati Avenue, Makati City**

(Company's Address)

(632) 8816-8556

(Telephone Number)

Not Applicable

(Fiscal Year Ending)
(month & day)

SEC Form 17-Q

Form Type

Not Applicable

Amendment Designation (if applicable)

September 30, 2021

Period Ended Date

Not Applicable

(Secondary License Type and File Number)

COVER SHEET

SEC Registration Number								
P	W	-	5	5				

Company Name

P	L	D	T																

Principal Office (No./Street/Barangay/City/Town/Province)

R	A	M	O	N																				
C	O	J	U	A	N	G	C	O																
M	A	K	A	T	I																			
A	V	E	N	U	E																			

Form Type

1	7	-	Q
---	---	---	---

Department requiring the report

M	S	R	D
---	---	---	---

Secondary License Type, If Applicable

--	--	--	--

COMPANY INFORMATION

Company's Email Address

gdgarcia@pldt.com.ph

Company's Telephone Number/s

(02) 8816-8056

Mobile Number

No. of Stockholders

**11,523
as at September 30, 2021**

Annual Meeting
Month/Day

Every 2nd Tuesday in June

Fiscal Year
Month/Day

December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

Gil Samson D. Garcia

Email Address

gdgarcia@pldt.com.ph

Telephone Number/s

(02) 8816-8056

Mobile Number

Contact Person's Address

12/F Ramon Cojuangco Bldg. Makati Ave., Makati City

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE ("SRC") AND
SRC 17 (2) (b) THEREUNDER

1. For the quarterly period ended **September 30, 2021**
2. SEC Identification Number **PW-55**
3. BIR Tax Identification No. **000-488-793-000**
4. **PLDT Inc.**
Exact name of registrant as specified in its charter
5. **Republic of the Philippines**
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. **Ramon Cojuangco Building, Makati Avenue, Makati** **0721**
City Postal Code
Address of registrant's principal office
8. **(632) 8816-8556**
Registrant's telephone number, including area code
9. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Capital Stock, Php5 par value	216,055,775 shares as at September 30, 2021
11. Are any or all of these securities listed on the Philippine Stock Exchange?
Yes [] No []
12. Check whether the registrant
 - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports):
Yes [] No []
 - (b) has been subject to such filing requirements for the past 90 days.
Yes [] No []

TABLE OF CONTENTS

PART I –	<u>FINANCIAL INFORMATION</u>	1
Item 1.	<u>Consolidated Financial Statements</u>	1
Item 2.	<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	1
	<u>Financial Highlights and Key Performance Indicators</u>	2
	<u>Performance Indicators</u>	3
	<u>Overview</u>	4
	<u>Management’s Financial Review</u>	4
	<u>Results of Operations</u>	6
	<u>Wireless</u>	12
	<u>Revenues</u>	12
	<u>Service Revenues</u>	12
	<u>Non-Service Revenues</u>	16
	<u>Expenses</u>	16
	<u>Other Income (Expenses) – Net</u>	17
	<u>Provision for Income Tax</u>	18
	<u>Net Income</u>	18
	<u>EBITDA</u>	18
	<u>Core Income</u>	18
	<u>Fixed Line</u>	18
	<u>Revenues</u>	18
	<u>Service Revenues</u>	18
	<u>Non-Service Revenues</u>	20
	<u>Expenses</u>	20
	<u>Other Income (Expenses) – Net</u>	21
	<u>Provision for Income Tax</u>	21
	<u>Net Income</u>	21
	<u>EBITDA</u>	21
	<u>Core Income</u>	21
	<u>Others</u>	22
	<u>Revenues</u>	22
	<u>Expenses</u>	22
	<u>Other Income (Expenses) – Net</u>	22
	<u>Net Income (Loss)</u>	22
	<u>Core Income (Loss)</u>	22
	<u>Liquidity and Capital Resources</u>	23
	<u>Operating Activities</u>	24
	<u>Investing Activities</u>	24
	<u>Financing Activities</u>	24
	<u>Changes in Financial Conditions</u>	26
	<u>Off-Balance Sheet Arrangements</u>	27
	<u>Equity Financing</u>	27
	<u>Contractual Obligations and Commercial Commitments</u>	27
	<u>Quantitative and Qualitative Disclosures about Market Risks</u>	27
	<u>Impact of Inflation and Changing Prices</u>	28
PART II –	<u>OTHER INFORMATION</u>	29
	<u>Related Party Transactions</u>	32
ANNEX –	<u>Aging of Accounts Receivable</u>	A-1
	<u>Financial Soundness Indicators</u>	A-2
	<u>SIGNATURES</u>	S-1



PART I – FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

Our consolidated financial statements as at September 30, 2021 (unaudited) and December 31, 2020 (audited) and for the nine months ended September 30, 2021 and 2020 (unaudited) and related notes (pages F-1 to F-182) are filed as part of this report on Form 17-Q.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

In the following discussion and analysis of our financial condition and results of operations, unless the context indicates or otherwise requires, references to “we,” “us,” “our” or “PLDT Group” mean PLDT Inc. and its consolidated subsidiaries, and references to “PLDT” mean PLDT Inc., not including its consolidated subsidiaries (please see Note 2 – Summary of Significant Accounting Policies to the accompanying unaudited consolidated financial statements for the list of these subsidiaries, including a description of their respective principal business activities and PLDT’s direct and/or indirect equity interest).

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the accompanying unaudited consolidated financial statements and the related notes. Our unaudited consolidated financial statements, and the financial information discussed below, have been prepared in accordance with Philippine Financial Reporting Standards, or PFRS, which is virtually converged with International Financial Reporting Standards as issued by the International Accounting Standards Board. PFRS differs in certain significant respects from generally accepted accounting principles, or GAAP, in the U.S.

The financial information appearing in this report and in the accompanying unaudited consolidated financial statements is stated in Philippine pesos. Unless otherwise indicated, translation of Philippine peso amounts into U.S. dollars in this report and in the accompanying unaudited consolidated financial statements were made based on the exchange rate of Php50.88 to US\$1.00, the exchange rate as at September 30, 2021 quoted through the Bankers Association of the Philippines.

Some information in this report may contain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” “will” or other similar words.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We have chosen these assumptions or bases in good faith. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risk factors. When considering forward-looking statements, you should keep in mind the description of risks and other cautionary statements in this report. You should also keep in mind that any forward-looking statement made by us in this report or elsewhere speaks only as at the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the statements in this report after the date hereof. In light of these risks and uncertainties, you should keep in mind that actual results may differ materially from any forward-looking statement made in this report or elsewhere.



Financial Highlights and Key Performance Indicators

	Nine months ended September 30,		Increase (Decrease)	
	2021	2020	Amount	%
(amounts in million Php, except for EBITDA margin and earnings per common share)				
Consolidated Income Statement				
Revenues	143,856	133,222	10,634	8
Expenses	113,006	99,473	13,533	14
Other expenses – net	6,419	6,168	251	4
Income before income tax	24,431	27,581	(3,150)	(11)
Net income	19,069	19,900	(831)	(4)
Core income	23,025	19,629	3,396	17
Telco core income	23,095	20,965	2,130	10
EBITDA	70,816	65,864	4,952	8
EBITDA margin ⁽¹⁾	51%	52%	—	—
Reported earnings per common share:				
Basic	87.03	90.92	(3.89)	(4)
Diluted	87.03	90.92	(3.89)	(4)
Core earnings per common share ⁽²⁾ :				
Basic	106.36	90.65	15.71	17
Diluted	106.36	90.65	15.71	17

	September 30, December 31,		Increase (Decrease)	
	2021	2020	Amount	%
(amounts in million Php, except for net debt to equity ratio)				
Consolidated Statements of Financial Position				
Total assets	612,319	575,846	36,473	6
Property and equipment	290,676	260,868	29,808	11
Cash and cash equivalents and short-term investments	18,831	41,226	(22,395)	(54)
Total equity attributable to equity holders of PLDT	112,970	115,408	(2,438)	(2)
Long-term debt, including current portion	245,959	222,765	23,194	10
Net debt ⁽³⁾ to equity ratio	2.00x	1.56x	—	—

	Nine months ended September 30,		Change	
	2021	2020	Amount	%
(amounts in million Php, except for operational data)				
Consolidated Statements of Cash Flows				
Net cash provided by operating activities	69,941	65,440	4,501	7
Net cash used in investing activities	(83,749)	(59,022)	(24,727)	(42)
<i>Payment for purchase of property and equipment, including capitalized interest</i>	<i>(84,530)</i>	<i>(63,075)</i>	<i>(21,455)</i>	<i>(34)</i>
Net cash provided by (used in) financing activities	(8,573)	3,858	(12,431)	(322)
Operational Data				
Number of mobile subscribers	70,564,976	72,372,163	(1,807,187)	(2)
<i>Prepaid</i>	<i>68,524,765</i>	<i>70,027,763</i>	<i>(1,502,998)</i>	<i>(2)</i>
<i>Postpaid</i>	<i>2,040,211</i>	<i>2,344,400</i>	<i>(304,189)</i>	<i>(13)</i>
Number of broadband subscribers	3,777,410	2,841,761	935,649	33
<i>Fixed Line broadband</i>	<i>2,768,978</i>	<i>2,194,931</i>	<i>574,047</i>	<i>26</i>
<i>Fixed Wireless broadband</i>	<i>1,008,432</i>	<i>646,830</i>	<i>361,602</i>	<i>56</i>
Number of fixed line subscribers	3,441,847	2,999,174	442,673	15
Number of employees:	18,906	19,232	(326)	(2)
<i>Fixed Line</i>	<i>13,391</i>	<i>13,321</i>	<i>70</i>	<i>1</i>
<i>LEC</i>	<i>11,509</i>	<i>11,065</i>	<i>444</i>	<i>4</i>
<i>Others</i>	<i>1,882</i>	<i>2,256</i>	<i>(374)</i>	<i>(17)</i>
<i>Wireless</i>	<i>5,515</i>	<i>5,911</i>	<i>(396)</i>	<i>(7)</i>

⁽¹⁾ EBITDA margin for the period is measured as EBITDA divided by service revenues.

⁽²⁾ Core earnings per common share, or EPS, for the period is measured as core income divided by the weighted average number of outstanding common shares for the period.

⁽³⁾ Net debt is derived by deducting cash and cash equivalents, short-term investments and debt instruments at amortized cost from total debt (long-term debt, including current portion).

Exchange Rates – per US\$	Month end rates	Weighted average rates during the year
September 30, 2021	50.88	48.89
December 31, 2020	48.02	49.63
September 30, 2020	48.42	50.06
December 31, 2019	50.80	51.79

Performance Indicators

We use a number of non-GAAP performance indicators to monitor financial performance. These are summarized below and discussed later in this report.

EBITDA

EBITDA for the period is measured as net income excluding depreciation and amortization, amortization of intangible assets, asset impairment on noncurrent assets, financing costs – net, interest income, equity share in net earnings (losses) of associates and joint ventures, foreign exchange gains (losses) – net, gains (losses) on derivative financial instruments – net, provision for (benefit from) income tax and other income – net. EBITDA is monitored by management for each business unit separately for purposes of making decisions about resource allocation and performance assessment. EBITDA is presented because our management believes that it is widely used by investors in their analysis of the performance of PLDT and can assist them in their comparison of PLDT's performance with those of other companies in the technology, media and telecommunications sector. We also present EBITDA because it is used by some investors as a way to measure a company's ability to incur and service debt, make capital expenditures and meet working capital requirements. Companies in the technology, media and telecommunications sector have historically reported EBITDA as a supplement to financial measures in accordance with PFRS. EBITDA should not be considered as alternative to net income as an indicator of our performance, nor should EBITDA be considered as an alternative to cash flows from operating activities, as a measure of liquidity or as an alternative to any other measure determined in accordance with PFRS. Unlike net income, EBITDA does not include depreciation and amortization, and financing costs and, therefore, does not reflect current or future capital expenditures or the cost of capital. We compensate for these limitations by using EBITDA as only one of several comparative tools, together with PFRS-based measurements, to assist in the evaluation of operating performance. Such PFRS-based measurements include income before income tax, net income, and operating, investing and financing cash flows. We have significant uses of cash flows, including capital expenditures, interest payments, debt principal repayments, taxes and other non-recurring charges, which are not reflected in EBITDA. Our calculation of EBITDA may be different from the calculation methods used by other companies and, therefore, comparability may be limited.

Core Income and Telco Core Income

Core income for the period is measured as net income attributable to equity holders of PLDT (net income less net income attributable to noncontrolling interests), excluding foreign exchange gains (losses) – net, gains (losses) on derivative financial instruments – net (excluding hedge costs), asset impairment on noncurrent assets, non-recurring gains (losses), net of tax effect of aforementioned adjustments, as applicable, and similar adjustments to equity share in net earnings (losses) of associates and joint ventures. Core income results are monitored by management for each business unit separately for purposes of making decisions about resource allocation and performance assessment.

Meanwhile, telco core income for the period is measured as net income attributable to equity holders of PLDT (net income less net income attributable to noncontrolling interests), excluding foreign exchange gains (losses) – net, gains (losses) on derivative financial instruments – net (excluding hedge costs), asset impairment on noncurrent assets, non-recurring gains (losses), net of tax effect of aforementioned adjustments, as applicable, and similar adjustments to equity share in net earnings (losses) of associates and joint ventures, adjusted for the effect of the share in Voyager Innovations Holdings, Pte. Ltd., or VIH, losses, asset sales, and accelerated depreciation. Telco core income is used by the management as a basis for determining the level of dividend payouts to shareholders and one of the bases for granting incentives to employees.

Core income and telco core income should not be considered as alternatives to income before income tax or net income determined in accordance with PFRS as an indicator of our performance. Unlike net income, core income and telco core income do not include certain items, among others, foreign exchange gains and losses, gains and losses on derivative financial instruments, asset impairments and non-recurring gains and losses. We compensate for these limitations by using core income and telco core income as few of several comparative tools, together with PFRS-based measurements, to assist in the evaluation of operating performance. Such PFRS-based measurements include income before income tax and net income. Our calculation of core income may be different from the calculation methods used by other companies and, therefore, comparability may be limited.

Overview

We are one of the leading telecommunications and digital services providers in the Philippines, in terms of both subscribers and revenues, serving the fixed line, wireless and broadband markets. Through our three principal business segments, Wireless, Fixed Line and Others, we offer a diverse range of telecommunications and digital services across our extensive fiber optic backbone and wireless and fixed line networks.

As at September 30, 2021, we serve 77.8 million customers through the provision of mobile, fixed line and data services. In addition to the business units discussed below, PLDT has found it beneficial to view its business from a customer-served perspective. Accordingly, we also assign metrics along the following marketing verticals: Home, Individual, Enterprise and International.

Our three business units are as follows:

- *Wireless* — Our wireless business focuses on driving the growth of our data services while managing our legacy business of voice and short messaging services, or SMS. We generate data revenues across all segments of our wireless business, whether through the access of mobile internet via smartphones or broadband using mobile or fixed wireless broadband routers and other similar devices. We provide the following mobile telecommunications services through our wireless business: (i) mobile services, (ii) fixed wireless broadband services, and (iii) MVNO and other services.
- *Fixed Line* — We are the leading provider of fixed line telecommunications services throughout the Philippines, servicing retail, corporate and SME clients. Our fixed line business group offers data, voice and ICT solutions.
- *Others* — Our other business consists primarily of our interests in digital platforms and other technologies, including our interests in VIH and Multisys.

Management's Financial Review

In addition to consolidated net income, we use EBITDA, core income and telco core income to assess our operating performance. Set forth below are reconciliation of our consolidated net income to our consolidated EBITDA, and reconciliation of our consolidated net income to our consolidated core income and consolidated telco core income for the nine months ended September 30, 2021 and 2020.



The following table shows the reconciliation of our consolidated net income to our consolidated EBITDA for the nine months ended September 30, 2021 and 2020:

	2021	2020
	(amounts in million Php)	
Consolidated net income	19,069	19,900
Add (deduct) adjustments:		
Depreciation and amortization	37,193	31,587
Financing costs – net	7,598	7,517
Provision for income tax	5,362	7,681
Foreign exchange losses (gains) – net	3,799	(1,324)
Amortization of intangible assets	2,773	528
Equity share in net losses of associates and joint ventures	371	1,698
Impairment/derecognition of investments	60	659
Interest income	(535)	(911)
Losses (gains) on derivative financial instruments – net	(1,119)	341
Other income – net	(3,755)	(1,812)
Total adjustments	51,747	45,964
Consolidated EBITDA	70,816	65,864

The following table shows the reconciliation of our consolidated net income to our consolidated core income and telco core income for the nine months ended September 30, 2021 and 2020:

	2021	2020
	(amounts in million Php)	
Consolidated net income	19,069	19,900
Add (deduct) adjustments:		
Foreign exchange losses (gains)– net	3,799	(1,324)
Sun Trademark amortization	2,628	—
Accelerated depreciation	832	—
Manpower rightsizing program	265	86
Impairment/derecognition of investments	60	659
Losses from changes in fair value of financial assets at FVPL	13	112
Core income adjustment on equity share in net income of associates and joint ventures	(71)	(48)
Gain on debt modification	(202)	—
Net income attributable to noncontrolling interests	(222)	(213)
Corporate Recovery and Tax Incentives for Enterprises, or CREATE, Act impact on deferred taxes – net	(355)	—
Losses (gains) on derivative financial instruments – net, excluding hedge costs	(1,305)	289
Net tax effect of aforementioned adjustments	(1,486)	168
Total adjustments	3,956	(271)
Consolidated core income	23,025	19,629
Add (deduct) adjustments:		
Share in VIH losses	1,334	1,307
Loss on sale of Rocket Internet shares	—	269
Gain on asset sales – net	(562)	(240)
VIH gain on dilution – net	(702)	—
Total adjustments	70	1,336
Telco core income	23,095	20,965

Results of Operations

The following table shows the contribution by each of our business segments to our consolidated revenues, expenses, other income (expense), income (loss) before income tax, provision for (benefit from) income tax, net income (loss)/segment profit (loss), EBITDA, EBITDA margin, core income and telco core income for the nine months ended September 30, 2021 and 2020. In each of the nine months ended September 30, 2021 and 2020, majority of our revenues are derived from our operations within the Philippines. Our revenues derived from outside the Philippines consist primarily of revenues from incoming international calls to the Philippines.

	Wireless	Fixed Line	Others	Inter-segment Transactions	Consolidated
(amounts in million Php, except for EBITDA margin)					
For the nine months ended September 30, 2021					
Revenues	79,821	84,779	—	(20,744)	143,856
Expenses	65,379	68,337	7	(20,717)	113,006
Other income (expenses) – net	(4,747)	5,079	460	(7,211)	(6,419)
Income (loss) before income tax	9,695	21,521	453	(7,238)	24,431
Provision for (benefit from) income tax	2,861	2,444	(151)	208	5,362
Net income (loss)/Segment profit (loss)	6,834	19,077	604	(7,446)	19,069
EBITDA	45,469	32,120	(7)	(6,766)	70,816
EBITDA margin ⁽¹⁾	61%	38%	—	—	51%
Core income (loss)	11,375	19,544	(459)	(7,435)	23,025
Telco core income	11,375	18,982	173	(7,435)	23,095
For the nine months ended September 30, 2020					
Revenues	76,716	72,031	—	(15,525)	133,222
Expenses	56,642	58,101	7	(15,277)	99,473
Other income (expenses) – net	(3,182)	(684)	(2,309)	7	(6,168)
Income (loss) before income tax	16,892	13,246	(2,316)	(241)	27,581
Provision for (benefit from) income tax	4,037	3,662	(349)	331	7,681
Net income (loss)/Segment profit (loss)	12,855	9,584	(1,967)	(572)	19,900
EBITDA	44,248	26,475	(7)	(4,852)	65,864
EBITDA margin ⁽¹⁾	61%	37%	—	—	52%
Core income (loss)	12,795	8,871	(1,455)	(582)	19,629
Telco core income	12,795	8,631	121	(582)	20,965
Increase (Decrease)					
Revenues	3,105	12,748	—	(5,219)	10,634
Expenses	8,737	10,236	—	(5,440)	13,533
Other income (expenses) – net	(1,565)	5,763	2,769	(7,218)	(251)
Income (loss) before income tax	(7,197)	8,275	2,769	(6,997)	(3,150)
Provision for (benefit from) income tax	(1,176)	(1,218)	198	(123)	(2,319)
Net income (loss)/Segment profit (loss)	(6,021)	9,493	2,571	(6,874)	(831)
EBITDA	1,221	5,645	—	(1,914)	4,952
Core income (loss)	(1,420)	10,673	996	(6,853)	3,396
Telco core income	(1,420)	10,351	52	(6,853)	2,130

⁽¹⁾ EBITDA margin for the period is measured as EBITDA divided by service revenues.

On a Consolidated Basis

Revenues

We reported consolidated revenues of Php143,856 million for the nine months ended September 30, 2021, an increase of Php10,634 million, or 8%, as compared with Php133,222 million in the same period in 2020, primarily due to higher revenues from broadband and data services in our Wireless and Fixed Line business segments, and higher revenues from voice services in our Fixed Line business segment, partially offset by lower revenues from voice and SMS services in our Wireless business segment.

Our consolidated service revenues of Php138,460 million for the nine months ended September 30, 2021, increased by Php10,611 million, or 8%, from Php127,849 million in the same period in 2020. Our consolidated non-service revenues of Php5,396 million for the nine months ended September 30, 2021, increased by Php23 million from Php5,373 million in the same period in 2020.

Consolidated service revenues, net of interconnection costs, amounted to Php135,894 million for the nine months ended September 30, 2021, an increase of Php9,305 million, or 7%, from Php126,589 million in the same period in 2020.

In 2019, R.A. 11202, otherwise known as the Mobile Number Portability, or MNP, Act, was enacted. This Act provides that a customer can retain his mobile number when he moves from one mobile service provider to another or, changes the type of subscription from postpaid to prepaid or vice versa. The Act also provides that no interconnection fee or charge shall be imposed by any mobile service provider for domestic calls and SMS made by a subscriber. Thus, effective January 2, 2020, the mobile interconnection fees for domestic calls and SMS, which were priced at Php0.50 per minute for voice calls and Php0.05 per message for SMS, were removed.

Availment of MNP core services was made available to Smart, Globe and Dito subscribers starting September 30, 2021. The Smart MNP program allows internal porting wherein a subscriber moves from postpaid to a prepaid subscription, or vice versa, within the Smart network, while it also allows external porting wherein a Globe or Dito subscriber switches to Smart or vice versa.

MNP is free of charge to the subscriber but there are basic requirements for the subscriber to comply in order for the application to proceed. External porting requires a unique subscriber code, or USC, to be issued by the subscriber's existing network provider. The USC serves as a clearance that the account is free from unpaid fees and balances. There is no limit to the number of times that a subscriber may apply for the MNP. However, a subscriber may only be allowed to apply again after 60 days from the last successful porting activation.

On January 29, 2021, PLDT and Smart entered into a Sale/Purchase Agreement for the transfer of PLDT's Prepaid Home WiFi, or PHW, subscribers to Smart to consolidate fixed wireless services under Smart. The transfer of PHW subscribers took effect on March 1, 2021 after complying with the NTC's required 30-day notice to subscribers.



The following table shows the breakdown of our consolidated revenues by services for the nine months ended September 30, 2021 and 2020:

	Wireless	Fixed Line	Inter-segment Transactions	Consolidated
	(amounts in million Php)			
For the nine months ended September 30, 2021				
Service Revenues				
Wireless	74,811		(903)	73,908
Mobile	72,443		(731)	71,712
Fixed Wireless broadband	2,192		—	2,192
MVNO and others	176		(172)	4
Fixed Line		84,392	(19,840)	64,552
Voice		26,804	(11,819)	14,985
Data		57,015	(7,774)	49,241
Home broadband		29,384	(37)	29,347
Corporate data and ICT		27,631	(7,737)	19,894
Miscellaneous		573	(247)	326
Total Service Revenues	74,811	84,392	(20,743)	138,460
Non-Service Revenues				
Sale of computers, phone units, mobile handsets and broadband data modems	5,010	334	—	5,344
Point-product sales	—	53	(1)	52
Total Non-Service Revenues	5,010	387	(1)	5,396
Total Revenues	79,821	84,779	(20,744)	143,856
For the nine months ended September 30, 2020				
Service Revenues				
Wireless	72,287		(1,721)	70,566
Mobile	71,790		(1,353)	70,437
Fixed Wireless broadband	33		—	33
MVNO and others	464		(368)	96
Fixed Line		71,087	(13,804)	57,283
Voice		21,156	(6,823)	14,333
Data		49,419	(6,724)	42,695
Home broadband		23,934	(65)	23,869
Corporate data and ICT		25,485	(6,659)	18,826
Miscellaneous		512	(257)	255
Total Service Revenues	72,287	71,087	(15,525)	127,849
Non-Service Revenues				
Sale of computers, phone units, mobile handsets and broadband data modems	4,429	842	—	5,271
Point-product sales	—	102	—	102
Total Non-Service Revenues	4,429	944	—	5,373
Total Revenues	76,716	72,031	(15,525)	133,222

The following table shows the breakdown of our consolidated revenues by business segment for the nine months ended September 30, 2021 and 2020:

	2021	%	2020	%	Change	
					Amount	%
(amounts in million Php)						
Wireless	79,821	55	76,716	58	3,105	4
Fixed Line	84,779	59	72,031	54	12,748	18
Inter-segment transactions	(20,744)	(14)	(15,525)	(12)	(5,219)	(34)
Consolidated	143,856	100	133,222	100	10,634	8

Our consolidated revenues are further segmented by market, based on the type of customers served. “Home” refers to household subscribers, “Individual” covers mobile wireless individual customers, “Enterprise” encompasses business-based customers, corporate or small businesses, and “International” refers to international carrier customers.

The following table shows our consolidated revenues by market segment for each of our business segments for the nine months ended September 30, 2021 and 2020:

	2021	%	2020 ⁽¹⁾	%	Change	
					Amount	%
	(amounts in million Php)					
Wireless	74,811	52	72,287	55	2,524	3
<i>Individual</i>	64,815	45	62,222	47	2,593	4
<i>Home</i>	301	—	344	—	(43)	(13)
<i>Enterprise</i>	6,601	5	5,968	5	633	11
<i>International</i>	3,094	2	3,753	3	(659)	(18)
Fixed Line	84,392	59	71,087	53	13,305	19
<i>Individual</i>	557	—	1,951	1	(1,394)	(71)
<i>Home</i>	35,389	25	28,420	21	6,969	25
<i>Enterprise</i>	32,966	23	31,760	24	1,206	4
<i>International</i>	15,416	11	8,884	7	6,532	74
<i>Others</i>	64	—	72	—	(8)	(11)
Inter-segment Transactions	(20,743)	(14)	(15,525)	(12)	(5,218)	(34)
Total Service Revenues	138,460	97	127,849	96	10,611	8
Wireless	5,010	3	4,429	3	581	13
<i>Individual</i>	4,002	3	3,153	2	849	27
<i>Enterprise</i>	997	—	1,271	1	(274)	(22)
<i>International</i>	11	—	5	—	6	120
Fixed Line	387	—	944	1	(557)	(59)
<i>Individual</i>	64	—	368	—	(304)	(83)
<i>Home</i>	192	—	139	—	53	38
<i>Enterprise</i>	131	—	437	1	(306)	(70)
Inter-segment Transactions	(1)	—	—	—	(1)	—
Total Non-Service Revenues	5,396	3	5,373	4	23	—
Total Revenues	143,856	100	133,222	100	10,634	8

(1) Certain amounts for the nine months ended September 30, 2020 were reclassified to conform with the current presentation.

Expenses

Consolidated expenses increased by Php13,533 million, or 14%, to Php113,006 million for the nine months ended September 30, 2021 from Php99,473 million in the same period in 2020, primarily due to higher depreciation and amortization, selling, general and administrative expenses, and interconnection costs in our Fixed Line and Wireless business segments, as well as higher cost of sales and services in our Wireless business segment.

The following table shows the breakdown of our consolidated expenses by business segment for the nine months ended September 30, 2021 and 2020:

	2021	%	2020	%	Change	
					Amount	%
	(amounts in million Php)					
Wireless	65,379	58	56,642	57	8,737	15
Fixed Line	68,337	60	58,101	58	10,236	18
Others	7	—	7	—	—	—
Inter-segment transactions	(20,717)	(18)	(15,277)	(15)	(5,440)	(36)
Consolidated	113,006	100	99,473	100	13,533	14

Other Income (Expenses) – Net

Consolidated other expenses – net amounted to Php6,419 million for the nine months ended September 30, 2021, an increase of Php251 million, or 4%, from Php6,168 million in the same period in 2020, primarily due to the combined effects of the following: (i) higher foreign exchange losses across our business segments; (ii) lower equity share in net losses from our Other business segment; (iii) higher gains on derivative financial instruments from our Fixed Line and Wireless business segments; and (iv) higher other income – net mainly due to gain on asset sales in 2021 and lower losses on fair value of investments.

The following table shows the breakdown of our consolidated other income (expenses) – net by business segment for the nine months ended September 30, 2021 and 2020:

	2021	2020	Change	
			Amount	%
	(amounts in million Php)			
Wireless	(4,747)	(3,182)	(1,565)	(49)
Fixed Line	5,079	(684)	5,763	843
Others	460	(2,309)	2,769	120
Inter-segment transactions	(7,211)	7	(7,218)	(103,114)
Consolidated	(6,419)	(6,168)	(251)	(4)

Net Income (Loss)

Consolidated net income decreased by Php831 million, or 4%, to Php19,069 million for the nine months ended September 30, 2021 from Php19,900 million in the same period in 2020, primarily due to lower net income from our Wireless business segment, partially offset by higher net income from our Fixed Line and Other business segments. Our consolidated basic and diluted EPS decreased to Php87.03 for the nine months ended September 30, 2021 from Php90.92 in the same period in 2020. Our weighted average number of outstanding common shares was approximately 216.06 million in each of 2021 and 2020.

The following table shows the breakdown of our consolidated net income (loss) by business segment for the nine months ended September 30, 2021 and 2020:

	2021		2020		Change	
	Amount	%	Amount	%	Amount	%
	(amounts in million Php)					
Wireless	6,834	36	12,855	65	(6,021)	(47)
Fixed Line	19,077	100	9,584	48	9,493	99
Others	604	3	(1,967)	(10)	2,571	131
Inter-segment transactions	(7,446)	(39)	(572)	(3)	(6,874)	(1,202)
Consolidated	19,069	100	19,900	100	(831)	(4)

EBITDA

Our consolidated EBITDA amounted to Php70,816 million for the nine months ended September 30, 2021, an increase of Php4,952 million, or 8%, as compared with Php65,864 million in the same period in 2020, primarily due to higher EBITDA from our Fixed Line and Wireless business segments.

The following table shows the breakdown of our consolidated EBITDA by business segment for the nine months ended September 30, 2021 and 2020:

	2021		2020		Change	
	Amount	%	Amount	%	Amount	%
	(amounts in million Php)					
Wireless	45,469	64	44,248	67	1,221	3
Fixed Line	32,120	45	26,475	40	5,645	21
Others	(7)	—	(7)	—	—	—
Inter-segment transactions	(6,766)	(9)	(4,852)	(7)	(1,914)	(39)
Consolidated	70,816	100	65,864	100	4,952	8

Our consolidated EBITDA excluding manpower rightsizing program, or MRP, amounted to Php71,081 million for the nine months ended September 30, 2021, an increase of Php5,131 million, or 8%, as compared with Php65,950 million in the same period in 2020.

Core Income

Our consolidated core income amounted to Php23,025 million for the nine months ended September 30, 2021, an increase of Php3,396 million, or 17%, as compared with Php19,629 million in the same period in 2020, mainly on account of higher EBITDA, lower provision for income tax, lower equity share in net losses of associates and joint ventures, and higher other miscellaneous income, partly offset by higher depreciation and amortization and financing costs. Our consolidated basic and diluted core EPS increased to Php106.36 for the nine months ended September 30, 2021 from Php90.65 in the same period in 2020.

The following table shows the breakdown of our consolidated core income by business segment for the nine months ended September 30, 2021 and 2020:

	2021	%	2020	%	Change	
					Amount	%
	(amounts in million Php)					
Wireless	11,375	49	12,795	65	(1,420)	(11)
Fixed Line	19,544	85	8,871	45	10,673	120
Others	(459)	(2)	(1,455)	(7)	996	68
Inter-segment transactions	(7,435)	(32)	(582)	(3)	(6,853)	(1,177)
Consolidated	23,025	100	19,629	100	3,396	17

Our consolidated telco core income amounted to Php23,095 million for the nine months ended September 30, 2021, an increase of Php2,130 million, or 10%, as compared with Php20,965 million in the same period in 2020, mainly due to higher EBITDA, lower provision for income tax and lower equity share in net losses of associates and joint ventures, partially offset by higher depreciation and amortization, and financing costs.

The following table shows the breakdown of our consolidated telco core income by business segment for the nine months ended September 30, 2021 and 2020:

	2021	%	2020	%	Change	
					Amount	%
	(amounts in million Php)					
Wireless	11,375	49	12,795	61	(1,420)	(11)
Fixed Line	18,982	82	8,631	41	10,351	120
Others	173	1	121	1	52	43
Inter-segment transactions	(7,435)	(32)	(582)	(3)	(6,853)	(1,177)
Consolidated	23,095	100	20,965	100	2,130	10

On a Business Segment Basis

Wireless

Revenues

We generated revenues of Php79,821 million from our Wireless business segment for the nine months ended September 30, 2021, an increase of Php3,105 million, or 4%, from Php76,716 million in the same period in 2020.

The following table summarizes our total revenues by service from our Wireless business segment for the nine months ended September 30, 2021 and 2020:

	2021	%	2020	%	Increase (Decrease)	
					Amount	%
(amounts in million Php)						
Service Revenues:						
Mobile	72,443	91	71,790	93	653	1
Fixed Wireless broadband ⁽¹⁾	2,192	3	33	—	2,159	6,542
MVNO and others ⁽²⁾	176	—	464	1	(288)	(62)
Total Wireless Service Revenues	74,811	94	72,287	94	2,524	3
Non-Service Revenues:						
Sale of mobile handsets and broadband data modems	5,010	6	4,429	6	581	13
Total Wireless Revenues	79,821	100	76,716	100	3,105	4

⁽¹⁾ Includes service revenues from PHW beginning February 2021.

⁽²⁾ Includes service revenues generated by MVNOs of PLDT Global subsidiaries and facility service fees.

Service Revenues

Our wireless service revenues increased by Php2,524 million, or 3%, to Php74,811 million for the nine months ended September 30, 2021 as compared with Php72,287 million in the same period in 2020, primarily due to higher mobile and fixed wireless broadband revenues, partly offset by lower revenues from MVNO and other services. As a percentage of our total wireless revenues, service revenues accounted for 94% in each of the nine months ended September 30, 2021 and 2020.

Wireless service revenues, net of interconnection costs, amounted to Php74,310 million for the nine months ended September 30, 2021, an increase of Php2,392 million, or 3%, from Php71,918 million in the same period in 2020.

Mobile Services

Our mobile service revenues amounted to Php72,443 million for the nine months ended September 30, 2021, an increase of Php653 million, or 1%, from Php71,790 million in the same period in 2020. Mobile service revenues accounted for 97% and 99% of our wireless service revenues for the nine months ended September 30, 2021 and 2020, respectively.

The following table shows the breakdown of our mobile service revenues for the nine months ended September 30, 2021 and 2020:

	2021	%	2020	%	Increase (Decrease)	
					Amount	%
(amounts in million Php)						
Mobile Services:						
Data	52,840	73	48,413	68	4,427	9
Voice	13,587	19	16,448	23	(2,861)	(17)
SMS	4,872	7	5,320	7	(448)	(8)
Inbound roaming and others ⁽¹⁾	1,144	1	1,609	2	(465)	(29)
Total	72,443	100	71,790	100	653	1

⁽¹⁾ Refers to other non-subscriber-related revenues consisting primarily of inbound international roaming fees and facility service fees.

Data Services

Mobile revenues from our data services, which include mobile internet, mobile broadband and other data services, increased by Php4,427 million, or 9%, to Php52,840 million for the nine months ended September 30, 2021 from Php48,413 million in the same period in 2020 due to sustained growth in mobile internet usage that was driven mainly by an increased demand for data connectivity. This was further boosted by enhanced data products, and continuous network improvement and LTE migration.

Smart also launched brand campaigns to promote 5G network usage with the aggressive roll-out of nearly 6,000 5G sites during the year. Moreover, Smart continues to drive GigaLife App adoption through exclusive offerings such as Unli 5G via Gigapoints.

Data services accounted for 73% and 68% of our mobile service revenues for the nine months ended September 30, 2021 and 2020, respectively.

The following table shows the breakdown of our mobile data service revenues for the nine months ended September 30, 2021 and 2020:

	2021	%	2020	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Data Services:						
Mobile internet ⁽¹⁾	49,818	94	45,266	93	4,552	10
Mobile broadband	2,033	4	2,260	5	(227)	(10)
Other data	989	2	887	2	102	11
Total	52,840	100	48,413	100	4,427	9

⁽¹⁾ Includes revenues from web-based services, net of discounts and content provider costs.

Mobile Internet

Mobile internet service revenues increased by Php4,552 million, or 10%, to Php49,818 million for the nine months ended September 30, 2021 from Php45,266 million in the same period in 2020, primarily due to the following: (i) increase in the use of video, gaming and social media data usage by our subscribers driven by the enhanced product offerings, marketing promotions and content partnerships; (ii) increase in digital productivity requirements from work-from-home and study-from-home environment; (iii) expansion of distribution channels, particularly digital platforms like GigaLife App with notable growth acquiring over 10 million users as of end of September 2021; and (iv) LTE migration initiatives that further increased the number of LTE device and data users. Smart is embarking on migrating more data subscribers to its new 5G network with even faster speeds and lower latency to open new usage possibilities.

Beyond data connectivity services, Smart also launched the GigaPlay App, which provides its subscribers exclusive video access to Kpop content, international music festivals and live sports streaming such as PBA, PVL and NBA TV Philippines channel.

Mobile internet services accounted for 69% and 63% of our mobile service revenues for the nine months ended September 30, 2021 and 2020, respectively.

Mobile Broadband

Mobile broadband revenues amounted to Php2,033 million for the nine months ended September 30, 2021, a decrease of Php227 million, or 10%, from Php2,260 million in the same period in 2020, primarily due to subscribers' shift to fiber and fixed wireless solutions due to the prolonged pandemic and subsequent extension of community quarantine restrictions.

In August 2021, Smart launched the Smart Bro Rocket SIM aimed at the heavy wireless broadband users. Smart Bro Rocket SIM provides unlimited data valid for 30 days at an introductory price of Php499. Mobile broadband services accounted for 3% of our mobile service revenues in each of the nine months ended September 30, 2021 and 2020.

Other Data

Revenues from our other data services, which include value-added services, or VAS, and domestic leased lines, increased by Php102 million, or 11%, to Php989 million for the nine months ended September 30, 2021 from Php887 million in the same period in 2020. The increase was primarily due to higher revenues from VAS via direct carrier billing, driven by various online activities and transactions, including mobile gaming in-app purchases.

Voice Services

Mobile revenues from our voice services, which include all voice traffic, decreased by Php2,861 million, or 17%, to Php13,587 million for the nine months ended September 30, 2021 from Php16,448 million in the same period in 2020, due to subscribers' shift to alternative calling options, digital teleconferencing solutions, and other OTT services. In view of these new digital solutions and to improve its voice service, Smart has been provisioning its mobile users for Voice over LTE, or VoLTE, and Voice over Wifi, or VoWiFi, services which routes the voice calls through digital channels. VoLTE and VoWiFi offer better voice quality. Over four million subscribers with high-end mobile devices have been provisioned for this new digital voice services. Mobile voice services accounted for 19% and 23% of our mobile service revenues for the nine months ended September 30, 2021 and 2020, respectively.

Domestic voice service revenues decreased by Php2,385 million, or 17%, to Php12,010 million for the nine months ended September 30, 2021 from Php14,395 million in the same period in 2020, mainly due to lower traffic from domestic outbound and inbound voice services.

International voice service revenues decreased by Php476 million, or 23%, to Php1,577 million for the nine months ended September 30, 2021 from Php2,053 million in the same period in 2020 resulting from lower traffic, partially offset by revenues from international voice agreement with Orange International Carriers.

SMS Services

Mobile revenues from our SMS services, which include all SMS-related services, decreased by Php448 million, or 8%, to Php4,872 million for the nine months ended September 30, 2021 from Php5,320 million in the same period in 2020, mainly due to the decline in SMS volumes arising from the increased adoption of alternative messaging solutions, such as OTT services, social media, and messenger application. Mobile SMS services accounted for 7% of our mobile service revenues in each of the nine months ended September 30, 2021 and 2020.

Inbound Roaming and Others

Mobile revenues from inbound roaming and other services decreased by Php465 million, or 29%, to Php1,144 million for the nine months ended September 30, 2021 from Php1,609 million in the same period in 2020, mainly due to lower facility service fees related to fixed wireless business and lower revenues from inbound roaming services, partly offset by higher other subscriber-related income.

The following table shows the breakdown of our mobile service revenues by service type for the nine months ended September 30, 2021 and 2020:

	2021	2020	Increase (Decrease)	
			Amount	%
Mobile service revenues	72,443	71,790	653	1
<i>By service type</i>				
Prepaid	57,468	55,588	1,880	3
Postpaid	13,831	14,593	(762)	(5)
Inbound roaming and others	1,144	1,609	(465)	(29)

Prepaid Mobile Revenues

Revenues generated from our mobile prepaid services amounted to Php57,468 million for the nine months ended September 30, 2021, an increase of Php1,880 million, or 3%, as compared with Php55,588 million in the same period in 2020. Mobile prepaid service revenues accounted for 79% and 78% of mobile service revenues for the nine months ended September 30, 2021 and 2020, respectively. The increase in revenues from our mobile prepaid services was attributed to higher average daily top-ups driven by the sustained growth in mobile internet usage.

In October 2020, we implemented the rebranding of Sun Prepaid to Smart Prepaid. Subscribers retained their existing Sun numbers while having access to expanded retail and customer care channels, data-centric Giga offers alongside existing select Sun top-up offers. With this development, Sun subscribers can already avail of the GigaLife bundles using Smart's LTE network.

Postpaid Mobile Revenues

Revenues generated from our mobile postpaid services amounted to Php13,831 million for the nine months ended September 30, 2021, a decrease of Php762 million, or 5%, as compared with Php14,593 million in the same period in 2020, primarily due to a decline in the postpaid subscriber base. Mobile postpaid service revenues accounted for 19% and 20% of mobile service revenues for the nine months ended September 30, 2021 and 2020, respectively.

Subscriber Base, ARPU and Churn Rates

The following table shows our mobile subscriber base as at September 30, 2021 and 2020:

	2021	2020	Increase (Decrease)	
			Amount	%
Mobile subscriber base				
Smart ⁽¹⁾	27,411,153	25,441,381	1,969,772	8
Prepaid ⁽²⁾	25,966,496	23,983,929	1,982,567	8
Postpaid	1,444,657	1,457,452	(12,795)	(1)
TNT	42,558,269	40,446,221	2,112,048	5
Sun ⁽¹⁾	595,554	6,484,561	(5,889,007)	(91)
Prepaid ⁽²⁾	—	5,597,613	(5,597,613)	(100)
Postpaid	595,554	886,948	(291,394)	(33)
Total mobile subscribers	70,564,976	72,372,163	(1,807,187)	(2)

⁽¹⁾ Includes mobile broadband subscribers.

⁽²⁾ Beginning October 2020, Sun Prepaid was rebranded as Smart Prepaid.

Our current policy is to recognize a prepaid subscriber as active only when the subscriber activates and uses the SIM card. A prepaid mobile subscriber is considered inactive if the subscriber does not reload within 90 days after the full usage or expiry of the last reload.

The average monthly churn rates for Smart Prepaid subscribers were 5.1% and 5.2% for the nine months ended September 30, 2021 and 2020, respectively, while the average monthly churn rates for TNT subscribers were 4.1% and 4.2% for the nine months ended September 30, 2021 and 2020, respectively.

The average monthly churn rates for Smart Postpaid subscribers were 1.8% and 2.2% for the nine months ended September 30, 2021 and 2020, respectively. The average monthly churn rates for Sun Postpaid subscribers were 2.0% and 1.5% for the nine months ended September 30, 2021 and 2020, respectively.



The following table summarizes our average monthly ARPUs for the nine months ended September 30, 2021 and 2020:

	Gross ⁽¹⁾		Increase (Decrease)		Net ⁽²⁾		Increase (Decrease)	
	2021	2020	Amount	%	2021	2020	Amount	%
(amounts in Php)								
Prepaid								
Smart ⁽³⁾	123	133	(10)	(8)	104	113	(9)	(8)
TNT	98	88	10	11	84	77	7	9
Sun ⁽³⁾	—	80	(80)	(100)	—	70	(70)	(100)
Postpaid								
Smart	857	840	17	2	822	808	14	2
Sun	425	384	41	11	413	375	38	10

⁽¹⁾ Gross monthly ARPU is calculated by dividing gross mobile service revenues for the month, including interconnection income, but excluding inbound roaming revenues, gross of discounts, and content provider costs, by the average number of subscribers in the month.

⁽²⁾ Net monthly ARPU is calculated by dividing gross mobile service revenues for the month, including interconnection income, but excluding inbound roaming revenues, net of discounts, and content provider costs, by the average number of subscribers in the month.

⁽³⁾ Beginning October 2020, Sun Prepaid was rebranded as Smart Prepaid.

Fixed Wireless Broadband

Revenues from our Fixed Wireless Broadband services amounted to Php2,192 million for the nine months ended September 30, 2021, an increase of Php2,159 million from Php33 million in the same period in 2020, primarily due to the transfer of PHW subscribers to Smart beginning February 2021. In March 2021, the GigaLife App was opened to PHW, which allowed the linking of accounts between mobile and home devices and enabled a convergent solution to simplify account management and cross-selling of products.

MVNO and Others

Revenues from our MVNO and other services amounted to Php176 million for the nine months ended September 30, 2021, a decrease of Php288 million, or 62%, from Php464 million in the same period in 2020, primarily due to lower facility service fees.

Non-Service Revenues

Our wireless non-service revenues consist of sale of mobile handsets, broadband data routers, tablets and accessories. Our wireless non-service revenues increased by Php581 million, or 13%, to Php5,010 million for the nine months ended September 30, 2021 from Php4,429 million in the same period in 2020, primarily due to a higher number of units issued for mobile handsets, as well as for the PHW broadband routers issued in 2021.

Expenses

Expenses associated with our Wireless business segment amounted to Php65,379 million for the nine months ended September 30, 2021, an increase of Php8,737 million, or 15%, from Php56,642 million in the same period in 2020. The increase was attributable to higher depreciation and amortization, selling, general and administrative expenses, cost of sales and services, interconnection costs and asset impairment, partially offset by lower provisions. As a percentage of our total wireless revenues, expenses associated with our Wireless business segment accounted for 82% and 74% for the nine months ended September 30, 2021 and 2020, respectively.



The following table summarizes the breakdown of our total wireless-related expenses for the nine months ended September 30, 2021 and 2020 and the percentage of each expense item in relation to the total:

	2021	%	2020	%	Increase (Decrease)	
					Amount	%
	(amounts in million Php)					
Selling, general and administrative expenses	28,261	43	24,618	43	3,643	15
Depreciation and amortization	28,254	43	23,646	42	4,608	19
Cost of sales and services	7,182	11	5,859	10	1,323	23
Provisions	1,008	2	2,053	4	(1,045)	(51)
Interconnection costs	501	1	369	1	132	36
Asset impairment	173	—	97	—	76	78
Total	65,379	100	56,642	100	8,737	15

Selling, general and administrative expenses increased by Php3,643 million, or 15%, to Php28,261 million, primarily due to higher expenses related to amortization of intangible assets mainly on account of trademark amortization, repairs and maintenance, selling and promotions, rent, compensation and employee benefits, and professional and other contracted services, partly offset by lower taxes and licenses, and communication, training and travel expenses.

Depreciation and amortization charges increased by Php4,608 million, or 19%, to Php28,254 million, mainly on account of higher depreciable asset base, higher depreciation due to shortened life of certain network, technology and other equipment resulting from the migration to LTE and 5G technologies, and other transformation and cost reengineering initiatives, combined with higher depreciation of right-of-use asset.

Cost of sales and services increased by Php1,323 million, or 23%, to Php7,182 million, primarily due to a higher number of units issued, higher average cost per unit for mobile handsets, and cost of PHW broadband routers issued in 2021.

Provisions decreased by Php1,045 million, or 51%, to Php1,008 million, mainly on account of lower provision for expected credit losses, partly offset by higher provision for trade inventories, mainly for mobile handsets.

Interconnection costs increased by Php132 million, or 36%, to Php501 million, primarily due to higher interconnection costs on Application-to-Person, or A2P, messaging transactions and international data services.

Asset impairment, consisting mainly of impairment of contract assets, increased by Php76 million, or 78%, to Php173 million.

Other Income (Expenses) – Net

The following table summarizes the breakdown of our total wireless-related other income (expenses) – net for the nine months ended September 30, 2021 and 2020:

	2021	2020	Change	
			Amount	%
	(amounts in million Php)			
Other Income (Expenses) – Net:				
Financing costs – net	(5,291)	(5,188)	(103)	(2)
Foreign exchange gains (losses) – net	(1,523)	296	(1,819)	(615)
Interest income	285	441	(156)	(35)
Gains (losses) on derivative financial instruments – net	465	(95)	560	589
Other income – net	1,317	1,364	(47)	(3)
Total	(4,747)	(3,182)	(1,565)	(49)

Our Wireless business segment's other expenses – net amounted to Php4,747 million for the nine months ended September 30, 2021, an increase of Php1,565 million, or 49%, from Php3,182 million in the same period in 2020, primarily due to the combined effects of the following: (i) foreign exchange losses of Php1,523 million in 2021 as against foreign exchange gains of Php296 million in 2020, mainly on account of revaluation of net foreign currency-denominated liabilities due to the depreciation of the Philippine peso relative to the U.S. dollar in 2021 as against the appreciation of the Philippine peso relative to the U.S. dollar in 2020; (ii) lower interest income by Php156 million; (iii) higher net financing costs by Php103 million; (iv) lower other income – net by Php47 million;

and (v) net gains on derivative financial instruments of Php465 million in 2021 as against net losses on derivative financial instruments of Php95 million in 2020 due to the depreciation of the Philippine peso relative to the U.S. dollar in 2021 as against the appreciation of the Philippine peso relative to the U.S. dollar in 2020.

Provision for Income Tax

Provision for income tax amounted to Php2,861 million for the nine months ended September 30, 2021, a decrease of Php1,176 million, or 29%, from Php4,037 million in the same period in 2020, mainly due to lower taxable income and lower corporate income tax rate under the CREATE Act, partly offset by the net unfavorable impact of CREATE adjustments for prior year deferred tax assets booked in the first quarter of 2021.

Net Income

As a result of the foregoing, our Wireless business segment's net income decreased by Php6,021 million, or 47%, to Php6,834 million for the nine months ended September 30, 2021 from Php12,855 million in the same period in 2020.

EBITDA

Our Wireless business segment's EBITDA increased by Php1,221 million, or 3%, to Php45,469 million for the nine months ended September 30, 2021 from Php44,248 million in the same period in 2020. EBITDA margin remained at 61% for the nine months ended September 30, 2021 and 2020.

Core Income

Our Wireless business segment's core income decreased by Php1,420 million, or 11%, to Php11,375 million for the nine months ended September 30, 2021 from Php12,795 million in the same period in 2020, mainly on account of higher depreciation and amortization, partially offset by higher EBITDA and lower provision for income tax.

Fixed Line

Revenues

Revenues generated from our Fixed Line business segment amounted to Php84,779 million for the nine months ended September 30, 2021, an increase of Php12,748 million, or 18%, from Php72,031 million in the same period in 2020.

The following table summarizes our total revenues by service from our Fixed Line business segment for the nine months ended September 30, 2021 and 2020:

	2021	%	2020	%	Increase (Decrease)	
					Amount	%
(amounts in million Php)						
Service Revenues:						
Data	57,015	67	49,419	69	7,596	15
Voice	26,804	32	21,156	29	5,648	27
Miscellaneous	573	1	512	1	61	12
	84,392	100	71,087	99	13,305	19
Non-Service Revenues:						
Sale of computers, phone units and point-product sales	387	—	944	1	(557)	(59)
Total Fixed Line Revenues	84,779	100	72,031	100	12,748	18

Service Revenues

Our fixed line service revenues increased by Php13,305 million, or 19%, to Php84,392 million for the nine months ended September 30, 2021 from Php71,087 million in the same period in 2020, primarily due to higher revenues from our data and voice services.

Fixed Line service revenues, net of interconnection costs, amounted to Php70,498 million for the nine months ended September 30, 2021, an increase of Php7,112 million, or 11%, from Php63,386 million in the same period in 2020.

Data Services

Our data services, which include Home broadband, corporate data, and ICT portfolio with data center, cloud, cyber security, and managed IT offerings, posted revenues of Php57,015 million for the nine months ended September 30, 2021, an increase of Php7,596 million, or 15%, from Php49,419 million in the same period in 2020, primarily due to higher revenues from home broadband, corporate data and leased lines, and ICT services. The percentage contribution of this service segment to our fixed line service revenues accounted for 67% and 69% for the nine months ended September 30, 2021 and 2020, respectively.

The following table shows information of our data service revenues for the nine months ended September 30, 2021 and 2020:

	2021	2020	Increase	
			Amount	%
	(amounts in million Php)			
Data service revenues	57,015	49,419	7,596	15
Home broadband	29,384	23,934	5,450	23
Corporate data and ICT	27,631	25,485	2,146	8

Home Broadband

Home broadband data revenues amounted to Php29,384 million for the nine months ended September 30, 2021, an increase of Php5,450 million, or 23%, from Php23,934 million in the same period in 2020. This growth is driven by increasing demand for broadband services, including fixed wired (PLDT Home Fibr), which the company is providing through the nationwide roll-out of its fiber-to-the-home, or FTTH, network and its existing copper network, which is progressively being upgraded to fiber. Home broadband revenues accounted for 51% and 48% of total data service revenues for the nine months ended September 30, 2021 and 2020, respectively. PLDT's FTTH nationwide network roll-out has reached over 12.7 million homes passed as of September 30, 2021, while the number of ports has grown to 5.3 million.

Corporate Data and ICT

Corporate data services amounted to Php22,649 million for the nine months ended September 30, 2021, an increase of Php1,635 million, or 8%, as compared with Php21,014 million in the same period in 2020, mainly due to the sustained demand for broadband internet and data networking services. Corporate data revenues accounted for 40% and 43% of total data services for the nine months ended September 30, 2021 and 2020, respectively.

ICT revenues increased by Php511 million, or 11%, to Php4,982 million for the nine months ended September 30, 2021 from Php4,471 million in the same period in 2020, mainly due to higher revenues from data center, cloud, cyber security and managed IT services. The percentage contribution of this service segment to our total data service revenues accounted for 9% in each of the nine months ended September 30, 2021 and 2020.

Voice Services

Revenues from our voice services increased by Php5,648 million, or 27%, to Php26,804 million for the nine months ended September 30, 2021 from Php21,156 million in the same period in 2020, primarily due to higher revenues from international services of PLDT Global, partly offset by lower revenues from local exchange services. The decline in local exchange services was partly due to the continued popularity of services such as Skype, Viber, Line, Facebook Messenger, Google Talk and WhatsApp, offering free OTT calling services, and other similar services, as well as subscribers' shift to mobile services. The percentage contribution of voice service revenues to our fixed line service revenues accounted for 32% and 30% for the nine months ended September 30, 2021 and 2020, respectively.

Miscellaneous Services

Miscellaneous service revenues are derived mostly from rentals and management fees. These service revenues increased by Php61 million, or 12%, to Php573 million for the nine months ended September 30, 2021 from Php512 million in the same period in 2020. The percentage contribution of miscellaneous service revenues to our total fixed line service revenues accounted for 1% in each of the nine months ended September 30, 2021 and 2020.

Non-service Revenues

Non-service revenues decreased by Php557 million, or 59%, to Php387 million for the nine months ended September 30, 2021 from Php944 million in the same period in 2020, primarily due to lower sale of PHW broadband routers, managed ICT equipment, and computer bundles, partially offset by sale of Home WiFi mesh in 2021.

Expenses

Expenses related to our Fixed Line business segment totaled Php68,337 million for the nine months ended September 30, 2021, an increase of Php10,236 million, or 18%, as compared with Php58,101 million in the same period in 2020. The increase was primarily due to higher interconnection costs, depreciation and amortization, and selling, general and administrative expenses, partly offset by lower provisions, cost of sales and services, and asset impairment. As a percentage of our total fixed line revenues, expenses associated with our Fixed Line business segment accounted for 81% in each of the nine months ended September 30, 2021 and 2020.

The following table shows the breakdown of our total fixed line-related expenses for the nine months ended September 30, 2021 and 2020 and the percentage of each expense item in relation to the total:

	2021	%	2020	%	Increase (Decrease)	
					Amount	%
(amounts in million Php)						
Selling, general and administrative expenses	33,108	48	30,337	52	2,771	9
Depreciation and amortization	15,678	23	12,536	22	3,142	25
Interconnection costs	13,894	20	7,701	13	6,193	80
Provisions	3,186	5	4,209	7	(1,023)	(24)
Cost of sales and services	2,460	4	3,258	6	(798)	(24)
Asset impairment	11	—	60	—	(49)	(82)
Total	68,337	100	58,101	100	10,236	18

Selling, general and administrative expenses increased by Php2,771 million, or 9%, to Php33,108 million primarily due to higher expenses related to compensation and employee benefits, repairs and maintenance, and selling and promotions, partly offset by lower rent, and professional and other contracted services.

Depreciation and amortization charges increased by Php3,142 million, or 25%, to Php15,678 million mainly on account of higher depreciable asset base, combined with higher depreciation of right-of-use asset.

Interconnection costs increased by Php6,193 million, or 80%, to Php13,894 million, primarily due to higher international interconnection costs of PLDT Global.

Provisions decreased by Php1,023 million, or 24%, to Php3,186 million, primarily due to lower provision for expected credit losses mainly due to the improvement in collection rate, partly offset by higher provision for inventory obsolescence.

Cost of sales and services decreased by Php798 million, or 24%, to Php2,460 million, primarily due to lower cost of PHW broadband routers, managed ICT equipment, and computer bundles, partially offset by the cost of Home WiFi mesh in 2021.

Asset impairment, consisting mainly of impairment of contract assets, decreased by Php49 million, or 82%, to Php11 million.

Other Income (Expenses) – Net

The following table summarizes the breakdown of our total fixed line-related other income (expenses) – net for the nine months ended September 30, 2021 and 2020:

	2021	2020	Change	
			Amount	%
	(amounts in million Php)			
Other Income (Expenses) – Net:				
Gains (losses) on derivative financial instruments – net	654	(246)	900	366
Interest income	229	429	(200)	(47)
Equity share in net earnings of associates and joint ventures	52	81	(29)	(36)
Foreign exchange gains (losses) – net	(2,358)	932	(3,290)	(353)
Financing costs – net	(4,391)	(4,343)	(48)	(1)
Other income – net	10,893	2,463	8,430	342
Total	5,079	(684)	5,763	843

Our Fixed Line business segment's other income amounted to Php5,079 million for the nine months ended September 30, 2021, a change of Php5,763 million as against other expenses of Php684 million in the same period in 2020, primarily due to the combined effects of the following: (i) higher other income – net by Php8,430 million mainly due to PLDT's higher dividend income from Smart and gain on sale of PHW subscribers in 2021; (ii) net gains on derivative financial instruments of Php654 million in 2021 as against net losses on derivative financial instruments of Php246 million in 2020 due to the depreciation of the Philippine peso relative to the U.S. dollar in 2021 as against the appreciation of the Philippine peso relative to the U.S. dollar in 2020; (iii) lower equity share in net earnings of associates and joint ventures by Php29 million; (iv) higher net financing costs by Php48 million; (v) lower interest income by Php200 million; and (vi) net foreign exchange losses of Php2,358 million in 2021 as against net foreign exchange gains of Php932 million in 2020 mainly on account of revaluation of net foreign currency-denominated liabilities due to the depreciation of the Philippine peso relative to the U.S. dollar in 2021 as against the appreciation of the Philippine peso relative to the U.S. dollar in 2020.

Provision for Income Tax

Provision for income tax amounted to Php2,444 million for the nine months ended September 30, 2021, a decrease of Php1,218 million, or 33%, from Php3,662 million in the same period in 2020, mainly due to the impact of lower corporate income tax under the CREATE Act, as well as the net favorable impact of 2020 income tax retroactive adjustment, per Revenue Regulations (RR) No. 5-2021, recognized in the first quarter of 2021, partly offset by higher taxable income.

Net Income

As a result of the foregoing, our Fixed Line business segment registered a net income of Php19,077 million for the nine months ended September 30, 2021, an increase of Php9,493 million, or 99%, as compared with Php9,584 million in the same period in 2020.

EBITDA

Our Fixed Line business segment's EBITDA increased by Php5,645 million, or 21%, to Php32,120 million for the nine months ended September 30, 2021 from Php26,475 million in the same period in 2020. EBITDA margin increased to 38% for the nine months ended September 30, 2021 from 37% in the same period in 2020.

Core Income

Our Fixed Line business segment's core income increased by Php10,673 million to Php19,544 million for the nine months ended September 30, 2021 from Php8,871 million in the same period in 2020, primarily due to higher

EBITDA and other miscellaneous income, partially offset by higher depreciation and amortization, and net financing costs.

Others

Revenues

Revenues generated from our Other business segment amounted to nil in each of the nine months ended September 30, 2021 and 2020.

Expenses

Expenses related to our Other business segment amounted to Php7 million in each of the nine months ended September 30, 2021 and 2020.

Other Income (Expenses) – Net

The following table summarizes the breakdown of other income (expenses) – net for Other business segment for the nine months ended September 30, 2021 and 2020:

	2021	2020	Change Amount	%
			(amounts in million Php)	
Other Income (Expenses) – Net:				
Foreign exchange gains – net	47	96	(49)	(51)
Interest income	21	429	(408)	(95)
Equity share in net losses of associates and joint ventures	(423)	(1,779)	1,356	76
Other income (expenses) – net	815	(1,055)	1,870	177
Total	460	(2,309)	2,769	120

Our Other business segment's other income amounted to Php460 million for the nine months ended September 30, 2021, a change of Php2,769 million from other expenses of Php2,309 million in the same period in 2020, primarily due to the combined effects of the following: (i) other income – net of Php815 million in 2021 as against other expenses of Php1,055 million in 2020 mainly due to derecognized investment in iflix and losses on fair value of Rocket Internet investment in 2020, as well as gain on VIH dilution in 2021; (ii) lower equity share in net losses of associates and joint ventures by Php1,356 million mainly due to higher equity share in net earnings in Vega Telecom Inc. on account mainly of the favorable impact of CREATE adjustment on the unamortized deferred tax liability component of the investment; (iii) lower net foreign exchange gains by Php49 million; and (iv) lower interest income by Php408 million due to lower cash balance and lower accretion of interest on the Metro Pacific Investments Corporation, or MPIC, receivables.

Net Income (Loss)

As a result of the foregoing, our Other business segment registered a net income of Php604 million for the nine months ended September 30, 2021, an increase of Php2,571 million from a net loss of Php1,967 million in the same period in 2020.

Core Income (Loss)

Our Other business segment's core loss amounted to Php459 million for the nine months ended September 30, 2021, a decrease of Php996 million, or 68%, from Php1,455 million in the same period in 2020.

Liquidity and Capital Resources

The following table shows our consolidated cash flows for the nine months ended September 30, 2021 and 2020, as well as our consolidated capitalization and other consolidated selected financial data as at September 30, 2021 and December 31, 2020:

	Nine months ended September 30,	
	2021	2020
	(amounts in million Php)	
Cash Flows		
Net cash flows provided by operating activities	69,941	65,440
Net cash flows used in investing activities	(83,749)	(59,022)
<i>Payment for purchase of property and equipment, including capitalized interest</i>	(84,530)	(63,075)
Net cash flows provided by (used in) financing activities	(8,573)	3,858
Net increase (decrease) in cash and cash equivalents	(22,149)	9,302
Capitalization		
Long-term portion of interest-bearing financial liabilities – net of current portion:		
Long-term debt	235,465	205,195
Current portion of interest-bearing financial liabilities:		
Long-term debt maturing within one year	10,494	17,570
Total interest-bearing financial liabilities	245,959	222,765
Total equity attributable to equity holders of PLDT	112,970	115,408
	358,929	338,173
Other Selected Financial Data		
Total assets	612,319	575,846
Property and equipment	290,676	260,868
Cash and cash equivalents	18,088	40,237
Short-term investments	743	989

Our consolidated cash and cash equivalents and short-term investments totaled Php18,831 million as at September 30, 2021. Principal sources of consolidated cash and cash equivalents in 2021 were cash flows from operating activities amounting to Php69,941 million, proceeds from availment of long-term debt of Php37,000 million, proceeds from maturity of short-term investments of Php1,941 million, proceeds from disposal of property and equipment of Php1,149 million, and interest received of Php605 million. These funds were used principally for: (1) purchase of property and equipment, including capitalized interest, of Php84,530 million; (2) long-term debt principal and interest payments of Php15,798 million and Php6,407 million, respectively; (3) cash dividend payment of Php17,717 million; (4) settlement of obligations under lease liabilities of Php4,971 million; (5) payment for acquisition of investments in associates and joint ventures of Php1,727 million, mainly PCEV's additional investment in VIH's preferred shares; and (6) payment for purchase of short-term investments of Php1,615 million.

Our consolidated cash and cash equivalents and short-term investments totaled Php33,680 million as at September 30, 2020. Principal sources of consolidated cash and cash equivalents for the nine months ended September 30, 2020 were cash flows from operating activities amounting to Php65,440 million, proceeds from availment of long-term and short-term debts of Php47,541 million and Php10,000 million, respectively, proceeds from maturity of short-term investments of Php4,375 million, collection of MPIC receivables of Php2,826 million, proceeds from disposal of Rocket Internet shares of Php1,508 million and interest received of Php1,055 million. These funds were used principally for: (1) purchase of property and equipment, including capitalized interest, of Php63,075 million; (2) long-term debt principal and interest payments of Php14,963 million and Php6,046 million, respectively; (3) cash dividend payments of Php17,020 million; (4) payment of short-term debt of Php10,000 million; (5) payment for purchase of short-term investments of Php4,685 million; (6) settlement of obligations under lease liabilities of Php4,313 million; and (7) payment for purchase of investment in debt securities of Php1,194 million.

Operating Activities

Our consolidated net cash flows provided by operating activities increased by Php4,501 million, or 7%, to Php69,941 million for the nine months ended September 30, 2021 from Php65,440 million in the same period in 2020, primarily due to lower level of settlement of accounts payable, higher level of collection of receivables and higher operating income, partially offset by higher prepayments, higher level of settlement of accrued expenses and other current liabilities, and higher pension and other employee benefits.

Cash flows provided by operating activities of our Wireless business segment increased by Php238 million, or 1%, to Php46,509 million for the nine months ended September 30, 2021 from Php46,271 million in the same period in 2020, primarily due to lower level of settlement of accounts payable, higher level of collection of receivables, higher operating income, and lower inventories, partially offset by higher prepayments and higher level of settlement of accrued expenses and other current liabilities. Cash flows provided by operating activities of our Fixed Line business segment increased by Php12,986 million, or 49%, to Php39,412 million for the nine months ended September 30, 2021 from Php26,426 million in the same period in 2020, primarily due to lower level of settlement of accounts payable, higher level of collection of receivables, and higher operating income, partially offset by higher prepayments, higher level of settlement of accrued expenses and other current liabilities, and higher pension and other employee benefits. Cash flows used in operating activities of our Other business segment amounted to Php68 million for the nine months ended September 30, 2021 as against cash flows provided by operating activities of Php956 million in the same period in 2020, primarily due to higher level of settlement of accounts payable, partially offset by higher level of collection of receivables.

Investing Activities

Consolidated net cash flows used in investing activities amounted to Php83,749 million for the nine months ended September 30, 2021, an increase of Php24,727 million, or 42%, from Php59,022 million in the same period in 2020, primarily due to the combined effects of the following: (1) higher payment for purchase of property and equipment, including capitalized interest, by Php21,455 million; (2) lower level of collection of MPIC receivables by Php2,656 million; (3) higher payment for acquisition of investments in associates and joint ventures by Php1,667 million, mainly PCEV's additional investment in VIH's preferred shares; (4) proceeds from disposal of Rocket Internet shares of Php1,508 million in 2020; (5) lower net payment for purchase of investment in debt securities by Php936 million; and (6) higher proceeds from disposal of property and equipment by Php1,088 million.

Our consolidated payment for purchase of property and equipment, including capitalized interest, for the nine months ended September 30, 2021 totaled Php84,530 million, an increase of Php21,455 million, or 34%, as compared with Php63,075 million in the same period in 2020. Smart's payment for purchase of property and equipment, including capitalized interest, increased by Php8,466 million, or 27%, to Php40,076 million for the nine months ended September 30, 2021 from Php31,610 million in the same period in 2020. Smart's capex spending was primarily focused on expansion of LTE (4G) coverage and capacity, and rollout of 5G base stations in key business districts of Metro Manila, and key cities in Visayas and Mindanao. PLDT's payment for purchase of property and equipment, including capitalized interest, increased by Php12,163 million, or 39%, to Php43,001 million for the nine months ended September 30, 2021 from Php30,838 million in the same period in 2020. PLDT's capex spending was used to finance the fixed line expansion, modernization and upgrade of transport network, continuous expansion of fiber optic footprint nationwide, and expansion of our international submarine cable network. The balance represents other subsidiaries' capital spending.

As part of our growth strategy, we may from time to time, continue to make acquisitions and investments in companies or businesses.

Financing Activities

On a consolidated basis, cash flows used in financing activities amounted to Php8,573 million for the nine months ended September 30, 2021, as against cash flows provided by financing activities of Php3,858 million in the same period in 2020, primarily due to the combined effects of the following: (1) lower proceeds from availment of long term debt by Php10,541 million; (2) higher payment of long-term debt by Php835 million; (3) higher cash dividends paid by Php697 million; (4) higher settlement of obligations under lease liabilities by Php658 million; and (5) higher interest paid by Php585 million.

Debt Financing

Proceeds from availment of long-term debt for the nine months ended September 30, 2021 amounted to Php37,000 million, mainly from PLDT's and Smart's drawings related to refinancing of maturing loan obligations and financing of capital expenditure requirements. Payments of principal and interest on our total debt amounted to Php15,798 million and Php6,407 million, respectively, for the nine months ended September 30, 2021.

Our consolidated long-term debt increased by Php23,194 million, or 10%, to Php245,959 million as at September 30, 2021 from Php222,765 million as at December 31, 2020, primarily due to drawings from our long-term facilities, partially offset by debt amortizations. As at September 30, 2021, PLDT's long-term debt level increased by Php7,019 million, or 5%, to Php151,020 million from Php144,001 million as at December 31, 2020, while Smart's long-term debt level increased by Php16,175 million, or 21%, to Php94,939 million from Php78,764 as at December 31, 2020.

See *Note 21 – Interest-bearing Financial Liabilities – Long-term Debt* to the accompanying unaudited consolidated financial statements for a more detailed discussion of our long-term debt.

Debt Covenants

Our consolidated debt instruments contain restrictive covenants, including covenants that require us to comply with specified financial ratios and other financial tests, calculated in conformity with PFRS, at relevant measurement dates, principally at the end of each quarterly period. We have complied with all of our maintenance financial ratios as required under our loan covenants and other debt instruments.

As at September 30, 2021 and 2020, we are in compliance with all of our debt covenants.

See *Note 21 – Interest-bearing Financial Liabilities – Compliance with Debt Covenants* to the accompanying unaudited consolidated financial statements for a more detailed discussion of our debt covenants.

Financing Requirements

We believe that our available cash, including cash flows from operations, will provide sufficient liquidity to fund our projected operating, investment, capital expenditures and debt service requirements for the next 12 months; however, we may finance a portion of these from external sources if we consider it prudent to do so.



The following table shows the dividends declared to shareholders for the nine months ended September 30, 2021 and 2020:

Class	Approved ⁽¹⁾	Date		Payable	Amount	
		Record			Per Share	Total
(in million Php, except per share amount)						
2021						
Common						
Regular Dividend	March 4, 2021	March 18, 2021	April 6, 2021	40	8,642	
	August 5, 2021	August 19, 2021	September 3, 2021	42	9,075	
Preferred						
Series IV Cumulative Non-convertible Redeemable Preferred Stock ⁽¹⁾	January 26, 2021	February 22, 2021	March 15, 2021	—	12	
	May 6, 2021	May 21, 2021	June 15, 2021	—	13	
	August 5, 2021	August 20, 2021	September 15, 2021	—	12	
Voting Preferred Stock	March 4, 2021	March 24, 2021	April 15, 2021	—	3	
	June 8, 2021	June 24, 2021	July 15, 2021	—	2	
	August 26, 2021	September 13, 2021	October 15, 2021	—	2	
Charged to Retained Earnings						17,761
2020						
Common						
Regular Dividend	March 5, 2020	March 19, 2020	April 3, 2020	39	8,426	
	August 6, 2020	August 20, 2020	September 4, 2020	38	8,210	
Preferred						
Series IV Cumulative Non-convertible Redeemable Preferred Stock ⁽¹⁾	January 28, 2020	February 24, 2020	March 15, 2020	—	12	
	May 7, 2020	May 21, 2020	June 15, 2020	—	13	
	August 6, 2020	August 20, 2020	September 15, 2020	—	12	
Voting Preferred Stock	March 5, 2020	March 25, 2020	April 15, 2020	—	3	
	June 9, 2020	June 24, 2020	July 15, 2020	—	2	
	September 29, 2020	October 13, 2020	October 15, 2020	—	2	
Charged to Retained Earnings						16,680

⁽¹⁾ Dividends were declared based on total amount paid up.

Our dividends declared after September 30, 2021 are as follows:

Class	Date		Payable	Amount	
	Approved	Record		Per Share	Total
(in million Php, except per share amount)					
Preferred					
Series IV Cumulative Non-convertible Redeemable Preferred Stock ⁽¹⁾	November 4, 2021	November 19, 2021	December 15, 2021	—	12
Charged to Retained Earnings					12

⁽¹⁾ Dividends were declared based on total amount paid up.

See Note 20 – Equity to the accompanying unaudited consolidated financial statements for further details.

Changes in Financial Conditions

Our total assets amounted to Php612,319 million as at September 30, 2021, an increase of Php36,473 million, or 6%, from Php575,846 million as at December 31, 2020, primarily due to higher property and equipment, and prepayments, partly offset by lower cash and cash equivalents.

Our total liabilities amounted to Php495,094 million as at September 30, 2021, an increase of Php38,913 million, or 9%, from Php456,181 million as at December 31, 2020, primarily due to higher interest-bearing financial liabilities and accounts payable.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements that have or are reasonably likely to have any current or future effect on our financial position, results of operations, cash flows, changes in stockholders' equity, liquidity, capital expenditures or capital resources that are material to investors.

Equity Financing

On August 2, 2016, the PLDT Board of Directors approved the amendment of our dividend policy, reducing our dividend payout rate to 60% of our core earnings per share as regular dividends. This was in view of the elevated capital expenditures to support the build-out of a resilient and reliable data network, lower EBITDA primarily due to higher subsidies to grow the data business and defend market share, and the resources required to support the acquisition of San Miguel Corporation's telecommunications business. In declaring dividends, we take into consideration the interest of our shareholders, as well as our working capital, capital expenditures and debt servicing requirements. The retention of earnings may be necessary to meet the funding requirements of our business expansion and development programs. However, in the event that no investment opportunities arise, we may consider the option of returning additional cash to our shareholders in the form of special dividends of up to the balance of our core earnings or to undertake share buybacks. We were able to pay out approximately 100% of our core earnings for seven consecutive years from 2007 to 2013, approximately 90% of our core earnings for 2014, 75% of our core earnings for 2015, 60% of our core earnings for 2016 to 2018, and 60% of our telco core income for 2019 and 2020. The accumulated equity in the net earnings of our subsidiaries, which form part of our retained earnings, are not available for distribution unless realized in the form of dividends from such subsidiaries. Dividends are generally paid in Philippine pesos. In the case of shareholders residing outside the Philippines, PLDT's transfer agent in Manila, Philippines, as the dividend-disbursing agent, converts the Philippine peso dividends into U.S. dollars at the prevailing exchange rate and remits the dollar dividends abroad, net of any applicable withholding tax.

Our subsidiaries pay dividends subject to the requirements of applicable laws and regulations and availability of unrestricted retained earnings, without any restriction imposed by the terms of contractual agreements. Notwithstanding the foregoing, the subsidiaries of PLDT may, at any time, declare and pay such dividends depending upon the results of operations and future projects and plans, the respective subsidiary's earnings, cash flow, financial condition, capital investment requirements and other factors.

Consolidated cash dividend payments amounted to Php17,717 million for the nine months ended September 30, 2021 as compared with Php17,020 million paid to shareholders in the same period in 2020.

Contractual Obligations and Commercial Commitments

Contractual Obligations

For a detailed discussion of our consolidated contractual undiscounted obligations as at September 30, 2021 and December 31, 2020, see *Note 28 – Financial Assets and Liabilities* to the accompanying unaudited consolidated financial statements.

Commercial Commitments

We have no outstanding commercial commitments, in the form of letters of credit, as at September 30, 2021 and December 31, 2020.

Quantitative and Qualitative Disclosures about Market Risks

The main risks arising from our financial instruments are liquidity risk, foreign currency exchange risk, interest rate risk and credit risk. The importance of managing those risks has significantly increased in light of the considerable change and volatility in both the Philippine and international financial markets. Our Board of Directors reviews and approves policies for managing each of these risks. We also monitor the market price risk arising from all financial instruments.

For further discussions of these risks, see *Note 28 – Financial Assets and Liabilities* to the accompanying unaudited consolidated financial statements.

The following table sets forth the estimated consolidated fair values of our financial assets and liabilities recognized as at September 30, 2021 and December 31, 2020 other than those whose carrying amounts are reasonable approximations of fair values:

	Fair Values	
	September 30,	December 31,
	2021	2020
	(amounts in million Php)	
Noncurrent Financial Assets		
Debt instruments at amortized cost	100	1,163
Other financial assets – net of current portion	2,553	2,561
Total noncurrent financial assets	2,653	3,724
Noncurrent Financial Liabilities		
Interest-bearing financial liabilities	241,544	213,908
Customers' deposits	1,706	1,821
Deferred credits and other noncurrent liabilities	483	1,562
Total noncurrent financial liabilities	243,733	217,291

The following table sets forth the amount of gains (losses) recognized for the financial assets and liabilities for the nine months ended September 30, 2021 and the six months ended June 30, 2021:

	September 30,	June 30,
	2021	2021
	(amounts in million Php)	
Profit and Loss		
Interest income	535	392
Gains on derivative financial instruments – net	1,119	141
Accretion on financial liabilities	(880)	(582)
Interest on loans and other related items	(7,791)	(5,074)
Other Comprehensive Income		
Net fair value losses on cash flow hedges – net of tax	(559)	(155)

Impact of Inflation and Changing Prices

Inflation can be a significant factor in the Philippine economy, and we are continually seeking ways to minimize its impact. The average inflation rate in the Philippines for the nine months ended September 30, 2021 and 2020 were 4.5% and 2.5%, respectively. We expect inflation to breach the upper end of the 2% to 4% target range of the BSP.

PART II – OTHER INFORMATION

Sale of Phunware Shares

On October 25, 2021, PLDT Capital sold all of its PHUN common shares for an aggregate amount of US\$9.5 million, or Php482 million, resulting in the full divestment of the investment in Phunware.

Corporate Recovery and Tax Incentives for Enterprises Act

On March 26, 2021, CREATE was enacted into law as Republic Act, or R.A., 11534. It took effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation, or on April 11, 2021.

CREATE provides for the following reduction in corporate income tax rates, among others:

- Lower corporate income tax from 30% to 25%, retroactive to July 1, 2020, for both domestic and foreign corporations;
- Lower corporate income tax of 20% for small and medium domestic corporations (with net taxable income of Php5 million and below, and with total assets of not more than Php100 million excluding land); and
- Lower MCIT from 2% to 1% effective July 1, 2020 until June 30, 2023.

Under CREATE, we are entitled to avail ourselves of a lower corporate income tax.

Amendments to the By-Laws of PLDT

On March 25, 2021, the Board of Directors approved the amendments to the By-Laws of PLDT to conform with the provisions of R.A. 11232, known as the Revised Corporation Code of the Philippines.

On July 9, 2021, the application for the amendment of the By-Laws of PLDT was submitted to the Philippine SEC for review and approval.

Sale of PLDT Prepaid Home WiFi, or PHW, Subscribers to Smart

On January 29, 2021, PLDT and Smart entered into a Sale/Purchase Agreement for the transfer of PLDT's PHW subscribers to Smart to consolidate fixed wireless services under Smart in order to optimize shared resources for wireless broadband, undertake seamless upgrades, cross-sell products for a simplified customer experience, and better manage network costs and wireless network capacity.

The transfer of PHW subscribers took effect on March 1, 2021 after complying with the NTC's required 30-day notice to subscribers. The initial purchase price for the transfer, together with the Prepaid Home WiFi inventories and unearned revenues, amounted to Php1,338 million, exclusive of value-added tax, subject to subsequent purchase price adjustment. Smart used its internally generated cashflow to fund the purchase. This transaction is eliminated in our consolidated financial statements.

Commitment of New Investments in Voyager Innovations Holdings, Pte. Ltd., VIH

On April 16, 2020, PLDT, through PCEV, KKR, Tencent, IFC and IFC Emerging Asia Fund, or the Subscribers, entered into a new subscription agreement with VIH to commit up to US\$120 million of new funding. The Notes Subscription Agreement covers the issuance of VIH's Convertible Loan Notes, or the VIH Notes, with an aggregate principal amount of US\$65 million and issuance of Warrants with an aggregate subscription amount of US\$55 million.

On May 14, 2020, VIH issued the Convertible Loan Note Instruments and Warrant Certificates to the Subscribers. PCEV paid US\$10.8 million for the VIH Note and received a Warrant Certificate amounting to US\$9.2 million. The investments in VIH Note and warrant are both measured at FVPL. PCEV recognized Php90 million and Php18 million gain on revaluation of the VIH Note and warrant, respectively, for the year ended December 31, 2020.

On December 31, 2020, the VIH Note held by PCEV was converted in full into 7.9 million Class A2 Convertible Preference Shares of VIH at US\$1.3685 per share. Thereafter, PCEV's ownership was diluted from 48.74% to 43.97%. The reduction in equity interest, referred to as a deemed disposal, resulted in the recognition of Php394 million dilution gain, which is equivalent to the difference between the fair value of the equity interest given up and its carrying value.

On March 12, 2021, PCEV, KKR and Tencent exercised their right to subscribe for additional Class A2 Convertible Preference Shares of VIH in accordance with the warrant instrument issued by VIH. PCEV paid a total exercise price of US\$9.2 million on March 29, 2021. As a result, PCEV's ownership was diluted from 43.97% to 41.87% and a gain on deemed disposal amounting to Php324 million was recognized.

On June 11, 2021, PCEV, KKR, Tencent, and IFC Financial Institutions Growth Fund, a fund managed by IFC Asset Management Company, entered into a new subscription agreement with VIH to subscribe for US\$120.75 million Class B Convertible Preference Shares of VIH. PCEV paid a total consideration of US\$25 million on June 25, 2021. As a result, PCEV's ownership was diluted from 41.87% to 38.45% and an additional gain on deemed disposal amounting to Php503 million was recognized.

VIH will use the funds to support PayMaya's rapid growth as it pursues its plan to accelerate digital and financial inclusion in the Philippines which will enable the wider Filipino population to participate in the digital economy. VIH is now leveraging this unique ecosystem to expand into digital banking for the next phase of its mission to improve financial inclusion in the Philippines.

On September 20, 2021, PayMaya obtained the approval of the Monetary Board of the BSP, to establish a digital bank to be known as Maya Bank. Maya Bank will provide a mobile-first digital banking services on the back of PayMaya's e-wallet and technology platforms. Its primary focus will be the largely unbanked and underserved population of consumers and micro, small, and medium-sized enterprises, as well as the other underbanked segments.

Service Agreement between PLDT and Dito Telecommunity, or Dito

In February 2021, PLDT and Dito entered into an agreement for the construction of a transmission facility that will serve as the point of interconnection for their subscribers. Under the agreement, PLDT will establish and manage the interconnection facility that will operate as the primary physical interface for both companies.

The planned facility was completed in March 2021.

Smart, Globe and Dito Joint Venture on Mobile Number Portability

In 2019, Smart, Globe and Dito established a joint venture company, Telecommunications Connectivity, Inc., or TCI, to provide number porting services in compliance with the MNP requirement of the MNP Act. Smart subscribed to Php10 million representing 33.3% equity interest in TCI, which is equivalent to 10 million shares at a subscription price of Php1.00 per share.

In 2020, Smart subscribed to additional Php30 million representing its 33.33% equity interest, equivalent to 30 million shares at a subscription price of Php1.00 per share. The subscription price was settled in July 2021, upon TCI's capital call.

MNP core services were made available by TCI starting September 30, 2021. This allows subscribers to change their subscription plans or service providers while allowing the subscribers to retain their current mobile numbers.

Measures We Have Taken in Light of the COVID-19 Pandemic

In light of the ongoing COVID-19 pandemic, we continue to assess PLDT's risks, and implement measures to protect our employees, customers and trade partners.

People

The travel ban on our employees and limited access to our corporate premises which were instituted in 2020 remain in effect. We continue to implement the "work from home" policy. To ensure minimal disruption to our

operations, we have taken steps to ensure that employees working from home are properly equipped with the appropriate digital equipment, including internet connection. For the employees that continue to work on-site, we have taken steps to try and minimize their risk of exposure to the COVID-19 disease.

Among others, the following measures remain to be in place to protect our employees:

- We have already started the vaccination roll-out for our employees. After our employees are vaccinated, we will schedule the dependents and household members who are enrolled in our vaccination program.
- A coronavirus online form is required to be completed by employees daily which would allow the company to monitor if an employee is experiencing symptoms or has been exposed to a COVID-19 patient or someone suspected to be infected.
- We have issued instructions and guidelines to our trade partners on how to best deal with the COVID-19 pandemic.
- Our premises have been retrofitted to ensure social distancing for those who report to the office. In addition, we have equipped facilities with HEPA filtering devices to improve air quality.
- PLDT Medical Services provides maintenance medicines and multivitamins through our in-house clinics nationwide, and in partnership with several pharmacies. Internal channels for 24/7 COVID-19-related assistance are also available for our workforce.
- Our employees can reach out to advisers on questions related to internal guidelines, safety protocols, rapid testing and the like through the COVID-19 Employee Hotline from Mondays to Fridays from 8AM to 5PM, and on weekends starting May 1, 2021.

Moreover, our arrangement with the First Pacific Leadership Academy whose campus located in Antipolo, Rizal has been converted into an isolation and quarantine facility, to accommodate our employees who are asymptomatic and those with mild COVID-19 symptoms remains in place.

Network and IT

Since the beginning of the COVID-19 outbreak in the Philippines, we have been closely monitoring our network traffic for usage spikes and possible congestion. As at the date of this report, we have sufficient capacity to serve the increased needs of all our subscribers. We have added international and domestic internet capacity, upgraded our local content delivery network, and refarmed our 2G frequencies to LTE. We have taken steps to enhance physical security for premises in which our critical network and IT systems are kept. We have also reinforced our cyber security to protect the network from intrusion and malicious attacks. We have also moved essential spare parts and supplies from our remote warehouses to Metro Manila to help us undertake maintenance and repairs more efficiently.

Customer Service

We continue to provide zero-rated access to certain Government agencies and emergency hotlines, boosted minimum speeds for our eligible PLDT Home subscribers, increased data allocations for prepaid customers, equipped our corporate customers with telecommuting solutions, and for our Overseas Filipino Workers, or OFWs, extended the duration of free calls through our Free Bee app. Members of our service teams have also been trained in the proper health protocols for before, during, and after site visits, including maintaining proper social distances with customers at all times.

Precautionary measures at our stores such as provision for foot bath, regular sanitization and disinfection, temperature check, wearing of face masks and face shields, installation of commercial-grade air filters, and other observance of social distancing remain to be in effect. We also made available to our customers the virtual booking appointment.

Impact of COVID-19 Outbreak on our Operations

While work-from-home arrangements for businesses and their employees boosted demand for corporate fixed broadband and fixed wireless data services, corporate revenue growth in this period was constrained by the slump in commercial activities resulting from the imposition of various community quarantines. During the imposition of community quarantines, network traffic grew significantly, with traffic shifting from the commercial business districts to residential areas. To further ensure that we could handle the increased volume of data traffic, Smart reallocated its assigned 1,800 MHz frequencies from 2G to 4G/LTE.

The various community quarantines highlighted a distinct advantage of PLDT's fully integrated fixed and wireless network architecture which allowed the seamless and efficient delivery of quality services to fixed and wireless customers. In general, we were not significantly impacted by COVID-19 and have benefited from an increase in demand for our broadband and mobile data services. We cannot predict whether this increase in business activity will continue during and after the pandemic, especially with the emergence of new variants of the COVID-19.

Amidst this uncertainty, new opportunities for future growth have arisen. Life under the community quarantine has pushed the rapid adoption of online and digital services as people forced to stay at home have turned to web-based collaboration tools, distance learning, online shopping and payment and e-health services, among others. We believe our superior network and digital infrastructure has driven more data usage to both our mobile and fixed networks. PLDT Home is ramping up its installation and repair levels and rolling out fixed wireless in areas with no fixed line or fiber connections. Telecommunications is one of the businesses given exemption by the Inter-Agency Task Force, or IATF, on COVID-19, allowing our installation and repair teams mobility despite the quarantine lockdowns. Smart is gearing to capitalize on e-payments and further leverage its online distribution channels and our Enterprise vertical is driving opportunities in e-health, e-learning, telemedicine and other collaboration solutions while seeing renewed demand for data center services. PLDT Enterprise has partnered with the national and local government units in the vaccination program by providing connectivity in vaccination centers.

Attys. Baquiran and Tecson vs. NTC, et al.

This is a Petition for Mandamus filed on October 23, 2018 by Attys. Joseph Lemuel Baligod Baquiran and Ferdinand C. Tecson against the Respondents NTC, the PCC, Liberty, BellTel, Globe, PLDT and Smart. Briefly, the case involves the 700 MHz frequency, among others, or Subject Frequencies, that was originally assigned to Liberty and which eventually became subject of the Co-Use Agreement between Globe, on the one hand, and PLDT and Smart, on the other.

For updates relating to the above discussion, please see *Note 27 – Provisions and Contingencies* to the accompanying unaudited consolidated financial statements.

For updates on matters relating to the (1) Department of Labor and Employment, or DOLE, Compliance Order to PLDT, see *Note 27 – Provisions and Contingencies*; and (2) Petition against the Philippine Competition Commission, see *Note 11 – Investment in Associates and Joint Ventures*, to the accompanying unaudited consolidated financial statements.

Related Party Transactions

For a detailed discussion of the related party transactions, see *Note 25 – Related Party Transactions* to the accompanying unaudited consolidated financial statements.



ANNEX I – AGING OF ACCOUNTS RECEIVABLE

The following table shows the aging of our consolidated receivables as at September 30, 2021:

Type of Accounts Receivable	Total	Current	31-60 Days	61-90 Days	Over 91 Days
			(amounts in million Php)		
Retail subscribers	19,894	9,006	715	304	9,869
Corporate subscribers	12,783	2,864	3,586	1,682	4,651
Foreign administrations	1,452	620	170	51	611
Domestic carriers	206	90	19	8	89
Dealers, agents and others	5,718	2,923	323	139	2,333
Total	40,053	15,503	4,813	2,184	17,553
Less: Allowance for expected credit losses	18,548				
Total Receivables - net	21,505				

ANNEX II – FINANCIAL SOUNDNESS INDICATORS

The following table shows our financial soundness indicators as at September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
Current Ratio ⁽¹⁾	0.33:1.0	0.41:1.0
Acid Test Ratio ⁽²⁾	0.18:1.0	0.30:1.0
Solvency Ratio ⁽³⁾	0.35:1.0	0.37:1.0
Net Debt to Equity Ratio ⁽⁴⁾	2.00:1.0	1.56:1.0
Net Debt to EBITDA Ratio ⁽⁵⁾	2.48:1.0	2.09:1.0
Total Debt to EBITDA Ratio ⁽⁶⁾	2.70:1.0	2.59:1.0
Asset to Equity Ratio ⁽⁷⁾	5.42:1.0	4.99:1.0
Interest Coverage Ratio ⁽⁸⁾	3.81:1.0	4.14:1.0
Profit Margin ⁽⁹⁾	12%	14%
Return on Assets ⁽¹⁰⁾	4%	5%
Return on Equity ⁽¹¹⁾	21%	22%
EBITDA Margin ⁽¹²⁾	49%	50%

(1) Current ratio is measured as current assets divided by current liabilities (including current portion – LTD, unearned revenues and mandatory tender option liability.)

(2) Acid test ratio is measured as total of cash and cash equivalents, short-term investments and trade and other receivables divided by total current liabilities.

(3) Solvency ratio is measured as adding back non-cash expenses to the net income after tax divided by total debt (long-term debt, including current portion.)

(4) Net Debt to equity ratio is measured as total debt (long-term debt, including current portion) less cash and cash equivalents and short-term investments divided by total equity attributable to equity holders of PLDT.

(5) Net Debt to EBITDA ratio is measured as total debt (long-term debt, including current portion) less cash and cash equivalents, short-term investments and debt instruments at amortized cost divided by EBITDA for the last 12-month period.

(6) Total Debt to EBITDA ratio is measured as total debt (long-term debt, including current portion) divided by EBITDA for the last 12-month period.

(7) Asset to equity ratio is measured as total assets divided by total equity attributable to equity holders of PLDT.

(8) Interest coverage ratio is measured by EBIT, or earnings before interest and taxes for the period, divided by total financing cost for the last 12-month period.

(9) Profit margin is derived by dividing net income for the period with total revenues for the last 12-month period.

(10) Return on assets is measured as net income for the last 12-month period divided by average total assets.

(11) Return on Equity is measured as net income for the last 12-month period divided by average total equity attributable to equity holders of PLDT.

(12) EBITDA margin for the period is measured as EBITDA divided by service revenues for the last 12-month period.

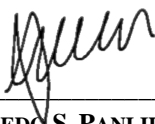
EBITDA for the period is measured as net income for the period excluding depreciation and amortization, amortization of intangible assets, asset impairment on noncurrent assets, financing cost, interest income, equity share in net earnings (losses) of associated and joint ventures, foreign exchange gains (losses) – net, gains (losses) on derivative financial instruments – net, provision for (benefit from) income tax and other income (expenses) – net for the period.





SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report for the third quarter of 2021 to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: **PLDT Inc.**

Signature and Title: _____

ALFREDO S. PANLILIO
President and Chief Executive Officer

Signature and Title: _____

ANABELLE LIM-CHUA
Senior Vice President
(Principal Financial Officer)

Signature and Title: _____

GIL SAMSON D. GARCIA
First Vice President
(Principal Accounting Officer)

Date: November 4, 2021