



**Management Report
Pursuant To SRC Rule 20 (4)**

INCORPORATED HEREIN ARE THE AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025 OF DMCI HOLDINGS, INC. (“The Corporation”).

II. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There has been no changes or disagreements with certifying accountants.

III. MANAGEMENT’S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Full Year 2025 vs Full Year 2024

I. RESULTS OF OPERATIONS

The table below summarizes the performance of DMCI Holdings, Inc. (PSE: DMC), its subsidiaries and associates, collectively referred to as “the DMCI Group”, for the periods ended December 31, 2025 and 2024.

- D.M. Consunji, Inc. (DMCI), a wholly-owned subsidiary, is one of the leading engineering-based integrated construction firms in the country. It operates in two construction segments: building and infrastructure. It also has separate business units for joint ventures and allied services (i.e., concrete production, and equipment rental).
- DMCI Project Developers, Inc. (DMCI Homes), a wholly-owned subsidiary, is one of the leading mid-segment developers in the Philippines, offering best-in-class amenities and value-for-money properties in Metro Manila and other key urban areas. The company has also started to expand its portfolio into leisure and the high-end market.
- Semirara Mining and Power Corporation (SMPC), a majority-owned subsidiary (56.65%), is the largest and most modern coal producer in the Philippines. It is a vertically integrated power generation company in the country that runs on its own fuel (coal). Its two wholly-owned operating subsidiaries—Sem-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC)—provide baseload power to the national grid through bilateral contract quantity (BCQ) and the Wholesale Electricity Spot Market (WESM).
- DMCI Power Corporation (DMCI Power), a wholly-owned subsidiary, is the largest off-grid energy supplier in the Philippines. It currently operates and maintains thermal, bunker and diesel power plants in parts of Masbate, Oriental Mindoro and Palawan.
- DMCI Mining Corporation (DMCI Mining), a wholly owned subsidiary, extracts nickel ore through surface mining and ships directly to China and other markets. The company currently operates two mines in Santa Cruz, Zambales, through Zambales Diversified Metals Corporation (ZDMC) and Zambales Chromite Mining Company (ZCMC), and is actively developing new mining sites in Palawan to expand its operations through Berong Nickel Corporation.

- Maynilad Water Holdings Company, Inc. , a 27%-owned associate, owns 67% of Maynilad Water Services, Inc. (Maynilad). The largest private water service provider in the Philippines, Maynilad holds a 25-year franchise to establish, operate and maintain the waterworks system and sewerage and sanitation services in the West Zone service area of Metro Manila and the Province of Cavite.
- Concreat Asian South East Corporation (CASEC), a 56.75%-owned subsidiary, holds 89.86% of Concreat Holdings Philippines, Inc. (Concreat), a major cement manufacturer in the country. CHP produces high-quality cement under the brands APO, Rizal and Island, including Ordinary Portland Cement (OPC), widely used in large-scale construction projects. The company operates through its wholly owned subsidiaries, APO Cement Corporation and Solid Cement Corporation. Following the acquisition on December 2, 2024, DMC gained an effective 51% economic interest in Concreat.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

<i>in Php millions except EPS</i>	January to December (FY)		
	2025	2024	Change
I. SMPC (56.65%)	7,324	11,013	-33%
II. Maynilad (18.16%)	3,681	3,313	11%
III. DMCI Homes	3,073	2,467	25%
IV. DMCI Power	1,257	1,241	1%
V. DMCI Mining	924	246	276%
VI. D.M. Consunji Inc.	284	247	15%
VII. Parent and others	273	198	38%
VIII. Concreat (50.75%)	(1,947)	50	-3,994%

Core Net Income	14,869	18,775	-21%
Nonrecurring Items	225	201	12%
Reported Net Income	15,094	18,976	-20%
EPS (reported)	1.14	1.43	-20%

FY 2025 vs FY 2024 Consolidated Highlights

- The DMCI Group posted a net income of Php 15.09 billion in 2025, down 20% from Php 18.98 billion in 2024, mainly reflecting normalizing contributions from the integrated energy business and losses from the cement segment during its integration phase.

These were partly offset by stronger contributions from the real estate, construction, water, nickel mining and off-grid power businesses, which benefited from improved operating performance during the year.

Consequently, earnings per share stood at Php 1.14, compared with Php 1.43 last year, equivalent to return on equity of 13%.

- EBITDA decreased by 9%, from Php 39.80 billion to Php 36.12 billion, while EBITDA margin softened to 33% from 39%, mainly due to higher operating costs cushioned by lower government share contribution.

To elaborate:

Total revenues increased by 6%, from Php 102.38 billion to Php 108.65 billion, driven by improved contributions from full year contributions of cement, increased construction accomplishments and real estate revenue recognition and nickel contribution.

Meanwhile, total cash costs rose by 16%, from Php 69.74 billion to Php 81.07 billion, reflecting higher cost of sales and operating expenses. This was partly offset by a significant decline in government share (coal), which fell by 69%, from Php 6.38 billion to Php 1.96 billion, due to lower coal prices and reduced shipments.

The cash component of cost of sales increased by 21%, from Php 52.34 billion to Php 63.39 billion, driven by higher coal production costs, increased fuel and purchased power costs, and higher construction and real estate project costs, as well as the consolidation of cement operations.

Operating expenses grew by 43%, from Php 11.02 billion to Php 15.72 billion, mainly due to higher personnel expenses, repairs and maintenance, marketing costs, and administrative expenses across business units and the consolidation of cement operations.

Equity earnings, including contributions from Maynilad, Subic Water and other joint venture projects, increased by 11%, from Php 3.35 billion to Php 3.71 billion, tempered by the dilution of the Group's effective ownership in Maynilad following its initial public offering in November 2025, which reduced DMCI's indirect stake from 25.26% to 18.16%.

Other income (net) rose by 27%, from Php 3.81 billion to Php 4.82 billion, driven by higher rental and forfeitures income from DMCI Homes, as well as the recognition of a partial insurance claim in the on-grid power segment amounting to Php 256 million.

Depreciation and amortization increased by 23%, from Php 8.93 billion to Php 11.01 billion due to addition of cement, acquisition of new mining equipment, amortization of SMPC's Narra mine stripping asset, new off-grid plant investments and major activities in on-grid power plants.

Net finance costs (finance costs net of finance income) stood at Php 2.14 billion, compared with Php 245 million in the same period last year, largely due to the consolidation of Concreat's finance costs (Php 1.64 billion).

- Income tax expense increased by 15%, from Php 3.12 billion to Php 3.57 billion, reflecting changes in taxable income across operating segments.

- SMPC, Maynilad and DMCI Homes accounted for 95% of the group net income.
- 2025 nonrecurring item mostly pertains to claim settlement involving the company's former investment in a railway project made in 2006 and written off in 2007.
- 2024 nonrecurring item refers gain from land sale (Php 195 million) and Maynilad's net foreign exchange gain (Php 6 million)
- On November 21, 2025, the company declared special dividends of Php 0.48 per share, amounting to Php 6.37 billion, sourced from unrestricted retained earnings.
- Including the Php 0.60 per share regular and special dividends paid in April 2025, total dividends declared for the year reached Php 14.34 billion, equivalent to 76% of 2024 core net income of Php 18.78 billion, well above the company's minimum dividend payout policy of 25%.
- This translated to a dividend yield of 10%, based on the 2025 volume-weighted average share price of Php 10.7993.
- The current ratio declined slightly to 243% from 262%, while the quick ratio eased to 82% from 99%, mainly reflecting the dividend payouts in April and November.
- Total debt decreased by 3%, from Php 68.13 billion to Php 66.31 billion, as loan amortizations at DMCI Homes and SMPC more than offset new borrowings at DMCI Mining, DMCI Power and Concreat.
- The net debt-to-equity ratio stood at 25.0%, compared with 22.6% last year, reflecting the combined impact of lower cash balances—down 15% from Php 34.30 billion to Php 29.08 billion—lower overall debt levels, and a relatively stable equity base (Php 148.45 billion from Php 149.64 billion).

FY 2025 vs FY 2024 Subsidiaries Performance

I. Semirara Mining and Power Corporation (SMPC)

Integrated energy business Semirara Mining and Power Corporation remained the Group's largest contributor with Php 7.32 billion, down 33% from Php 11.01 billion last year, following softer energy prices, reduced shipments and higher production costs. Record coal production, power generation and energy sales helped temper the impact of normalizing prices.

At the standalone level, the SMPC recorded a net income of Php 13.06 billion, a 33% decline from Php 19.63 billion in the same period last year.

Total revenues decreased by 20%, from Php 65.19 billion to Php 52.23 billion, primarily due to lower average selling prices in both the coal and power segments and reduced coal sales volumes. These were partly offset by record-high electricity sales during the period.

Total cash costs amounted to Php 30.56 billion, 18% lower than Php 37.44 billion last year, as disciplined cost management, lower government share, and operating efficiencies helped offset the impact of higher production and generation activities.

Drilling down, the cash component of cost of sales declined by 11% to Php 23.44 billion, from Php 26.26 billion in the prior year, reflecting lower coal shipments and improved generation efficiencies, lower fuel costs in the power segment, which tempered the effect of higher power sales.

Meanwhile, government share dropped by 69%, from Php 6.38 billion to Php 1.96 billion, in line with the decline in coal revenues.

Operating expenses rose by 8%, from P4.81 billion to P5.17 billion, mainly due to higher taxes and insurance premiums, and increased ICT-related expenditures.

As a result, core EBITDA reached Php 21.67 billion, down 22% from Php 27.75 billion in the previous year, with EBITDA margin slightly narrowing to 41%, compared with 43% last year.

Net income margin declined to 25%, from 30%, mainly due to higher depreciation and amortization, the Php 347 million equity in net loss from the cement associate, and lower finance income. No nonrecurring items were recorded during the period.

Coal

At the standalone level, coal revenues declined by 25%, from Php 47.07 billion to Php 35.51 billion, due to weaker selling prices and lower shipment volumes, alongside a higher share of lower-quality coal sold during the year.

Reported net income decreased by 42% to Php 7.93 billion, from Php 13.74 billion previously, reflecting softer topline and higher noncash costs.

After intercompany eliminations, net income attributable to the coal segment likewise fell by 42%, from Php 11.13 billion to Php 6.41 billion. Intercompany eliminations declined by 42%, from Php 2.60 billion to Php 1.52 billion, mainly due to lower coal and electricity selling prices and reduced coal sales, which compressed gross margins.

These eliminating entries represent the gross margins arising from intercompany transactions between the coal and power segments.

Further details on the segment's financial and operational performance below:

- **Normalizing prices.** The average selling price (ASP) of Semirara coal declined by 19%, from Ph2,853/MT to P2,302/MT, reflecting stabilizing global coal benchmarks and a higher proportion of lower-quality shipments.

The average Newcastle Index (NEWC) dropped by 22%, from US\$135.2 to US\$105.6, while the Indonesian Coal Index 4 (ICI4) declined by 15%, from US\$53.9 to US\$46.1, indicating a milder correction relative to NEWC.

Despite the pullback, average 2025 NEWC and ICI4 prices remained well above pre-pandemic (2019) levels, at US\$77.8 (+36%) and US\$35.0 (+32%), respectively.

- **Lower shipments.** Total coal shipments declined by 6%, from 16.5 MMT to 15.4 MMT, due to lower export sales.

Foreign shipments fell by 17%, from 8.4 MMT to 7.0 MMT, mainly due to the low beginning inventory of commercial-grade coal (0.5 MMT as of December 2024) and a mismatch between Narra mine coal quality and demand conditions in the export market.

China accounted for 91% of export sales, followed by South Korea (3%), Brunei (2%), Vietnam (2%), India (1%) and Indonesia (1%).

Meanwhile, domestic shipments increased by 5%, from 8.0 MMT to 8.4 MMT, on higher shipments to the Calaca plants.

- **Margins moderated.** Core EBITDA declined by 27%, from Php 18.54 billion to Php 13.47 billion, reflecting weaker selling prices, lower shipments, and higher operating costs. As a result, EBITDA margin eased to 38% from 39%.

Net income margin declined to 22%, from 29%, primarily due to higher depreciation and lower finance income.

To elaborate, total revenues dropped by 25% on reduced shipments and weaker selling prices. In line with topline, total cash costs fell by 23%, from Php 28.54 billion to Php 22.05 billion, due to the combined impact of reduced shipments, lower government share, partly offset by higher operating expenses.

The cash component of cost of sales declined by 10%, slower than topline, from Php 21.37 billion to Php 19.16 billion, mainly attributable to lower shipments, partly offset by higher fuel, labor and mine site overhead costs.

Meanwhile, operating expenses increased by 19%, from Php 788 million to Php 937 million, on higher ICT-related expenditures, additional provisions for spare parts obsolescence, higher personnel costs, and catch-up billings in rent .

Government share dropped by 69%, from Php 6.40 billion to Php 1.96 billion, reflecting the lower topline and thinner margins.

- **Increased noncash charges.** Depreciation and amortization expenses rose by 16%, from Php 4.85 billion to Php 5.60 billion, due to the acquisition of new mining equipment over the past twelve months and the continued amortization of the Narra mine stripping asset. In 2024, Php 1.36 billion was capitalized for Narra mine stripping.

- **Other income improved.** Other income reverted to Php 173 million in income, from Php 107 million in expense, mainly due to foreign exchange gain (Php 35 million) and higher miscellaneous income, including receipt of insurance claim (Php 106 million).
- **Lower income tax provisions.** Income tax expense declined by 48%, from Php 246 million to Php 128 million, largely due to the high base effect in 2024 when the company recognized tax expense related to shipments exceeding the 16 MMT Environmental Compliance Certificate (ECC) limit, which were outside the scope of the income tax holiday granted to the Narra Mine by the Board of Investments (BOI). In 2025, tax expenses were mainly related to other income and deferred tax provisions.

The segment also reported the following operational highlights:

- **Record production.** Full-year production reached an all-time high of 19.9 MMT, up 24% from 16.0 MMT, following the increase in the Environmental Compliance Certificate (ECC) limit to 20 MMT, approved by the Department of Environment and Natural Resources (DENR). The improvement was supported by better access to coal seams at Narra North Block 5 and West Block 2.

Material movement increased by 2%, from 237.4 million bank cubic meters (MBCM) to 242.0 MBCM, supported by higher mining capacity.

The effective strip ratio (expensed) improved to 10.7, from 12.2, reflecting the benefit of prior-year pre-stripping activities.

Meanwhile, the aggregate strip ratio (including Narra and Acacia) declined more significantly to 11.5, from 14.1, driven by lower stripping requirements in Narra as the mine approaches depletion.

- **Inventory build-up.** Ending total coal inventory rose fivefold (456%), from 0.9 MMT to 5.0 MMT, while commercial-grade inventory increased by 244%, from 0.5 MMT to 1.7 MMT, driven by stronger production.

Power

At the standalone level, power revenues were largely stable, down 1% from Php 23.49 billion to Php 23.17 billion, as higher electricity sales were offset by weaker spot selling prices.

Core EBITDA declined by 5%, from Php 9.91 billion to Php 9.42 billion, mainly due to higher operating expenses. Reported net income decreased by 6%, from Php 5.81 billion to Php 5.47 billion, reflecting higher depreciation and amortization, lower net finance income, and lower income tax provisions.

Net of intercompany eliminations, net income contribution to the Group declined by 17% to Php 6.99 billion, from Php 8.44 billion previously. No nonrecurring items were recorded in either period.

The segment's results are attributable to the following:

- **Better plant availability.** Overall availability increased to 82% from 80% on improved SCPC Unit 2 and SLPGC performance. Total outage days decreased to 265 from 296.

SCPC availability eased to 79% from 81%, as Unit 1 experienced extended downtime, including an unplanned trip on September 19, a 70-day planned maintenance beginning October 7, and a subsequent unplanned outage starting December 16 due to a high-intermediate pressure turbine rotor bending incident.

Meanwhile, SLPGC availability improved to 84% from 79%, reflecting fewer outage days (114 versus 155). In the prior year, Unit 2 underwent a 68-day planned maintenance starting November 14.

- **Higher running capacity.** Average capacity during running days increased by 4%, from 764 MW to 793 MW, primarily due to the uprating of SCPC.

SCPC average capacity rose by 8% to 517 MW, from 477 MW, following the uprating of Unit 1 and Unit 2 dependable capacity to 250 MW and 310 MW, respectively (from 240 MW and 300 MW).

SLPGC average capacity declined by 4%, from 287 MW to 276 MW, due to occasional derations of Unit 2.

- **Record-high generation and electricity sales.** Gross generation increased by 6%, from 5,358 GWh to 5,695 GWh, on improved reliability and higher running capacity.

SCPC generation grew by 8% to 3,655 GWh, while SLPGC output increased by 3% to 2,040 GWh.

As a result, total electricity sales improved by 7%, from 4,945 GWh to 5,296 GWh, driven by higher sales to bilateral contracts.

- **Growth in contracted volumes.** Sales to bilateral contract quantities (BCQ) increased by 17%, from 2,097 GWh to 2,462 GWh, reflecting the increase in contracted capacity from 251.9 MW to 362.9 MW (December 2024 vs. December 2025).

Correspondingly, spot market sales were broadly flat at 2,834 GWh, from 2,848 GWh, as a greater share of generation was allocated to bilateral contracts.

- **Lower overall selling prices.** Overall average selling price (ASP) weakened by 8%, from Php 4.75/kWh to Php 4.38/kWh.

BCQ ASP rose by 11%, from Php 4.66/kWh to Php 5.17/kWh, driven by new and renegotiated contracts.

Meanwhile, spot ASP decreased by 23%, from Php 4.81/kWh to Php 3.68/kWh, amid softer conditions in the Wholesale Electricity Spot Market (WESM).

- **Contained cash costs.** Total cash costs were broadly flat, up 1% from Php 13.58 billion to Php 13.75 billion, as increased dispatch was offset by efficient fuel management.

The cash component of cost of sales remained steady at Php 9.52 billion, from Php 9.57 billion, reflecting fuel efficiency and lower generation costs.

Operating expenses increased by 5%, from Php 4.02 billion to Php 4.23 billion, mainly due to higher taxes and insurance premiums.

- **Higher D&A.** Depreciation and amortization expenses rose by 8%, from Php 2.88 billion to Php 3.12 billion, in line with capital expenditures for SCPC Unit 2's generator replacement in 2024 and upgrades to the fuel and feed systems.
- **Other income steady.** Other income was broadly stable at Php 616 million, from Php 613 million. This included partial insurance claims related to SLPGC Unit 1's axial rotor displacement incident in June 2023 (Php 256 million recognized in 2025 versus Php 186 million in 2024), partly offset by lower fly ash sales.
- **Lower net finance income.** Net finance income declined to Php 87 million from Php 98 million, reflecting reduced interest income from placements as average cash balances and interest rates decreased.

Beginning cash balances declined by 44%, from Php 6.64 billion to Php 3.73 billion, while loans payable dropped by 65%, from Php 6.00 billion to Php 2.13 billion, as the segment continued deleveraging.

The segment also reported the following operational updates:

- **Growing contracted capacity.** As of December 31, 2025, the power segment had 362.9 MW of contracted capacity, representing 46% of its net selling capacity of 785.2 MW. Of this total, 7% included a fuel pass-through clause.

SCPC accounted for 272.5 MW (75%) of the contracted volume, while SLPGC contributed 90.4 MW.

After excluding station service requirements of 74.8 MW, the segment maintained 422.3 MW of net spot exposure.

Station service refers to the electricity produced by the plant that is used within the facility to power lights, motors, control systems, and other auxiliary electrical loads necessary for plant operation.

- **Upgrading approval.** The Philippine Electricity Market Corporation, through the Independent Electricity Market Operator of the Philippines (IEMOP), approved the upgrading of SCPC Unit 1 and 2's dependable capacity to 250MW and 310MW, respectively (from 240MW and 300MW) on September 4.

- **Increased spot purchases.** Spot purchases increased by 15%, from Php 382 million to Php 440 million, mainly due to simultaneous forced outages of SCPC Units 1 and 2 in the fourth quarter and station service requirements.

Despite this, the segment remained a net seller to the spot market at 2,705 GWh, compared to 2,771 GWh in 2024.

II. DMCI Project Developers Inc. (DMCI Homes)

The real estate segment posted a net income contribution of Php 3.30 billion, up 25% from Php 2.67 billion in the comparable period last year, supported by stronger residential revenue recognition and higher other income.

On a standalone basis, net income reached Php 3.37 billion, representing a 20% increase from Php 2.80 billion previously.

Excluding non-recurring items, core net income grew by 20% to Php 3.14 billion, from Php 2.61 billion last year.

The 2025 non-recurring gain relates to the settlement of a claim involving the company's former investment in North Luzon Railways Corporation (NorthRail). The investment had been fully written off in 2007 due to uncertainties surrounding the project. Following a court ruling, the company reached a settlement with the concerned parties, resulting in the receipt of approximately Php 380 million in December 2025.

The following provides additional insights into the financial performance of DMCI Homes:

- Total revenues grew by 10% to Php 13.56 billion from Php 12.36 billion a year earlier, driven by higher revenue recognition from accounts that reached the required completion threshold, as well as sustained demand across key projects.

Other revenues rose by 15% to Php 1.42 billion from Php 1.24 billion, largely attributable to increased construction revenues from joint venture developments.

- Total cash costs increased by 13%, from Php 10.59 billion to Php 11.94 billion, reflecting higher operating expenses.

The cash component of cost of sales (COS) rose by 8% to Php 7.99 billion, growing at a slower pace than revenues. This indicates improved cost efficiency and a more favorable project mix, particularly from newer developments in prime locations that carry relatively higher margins.

Operating expenses increased by 23%, mainly due to higher association dues for ready-for-occupancy units, increased software-related costs, and higher taxes and licenses.

- As a result, core EBITDA declined modestly to Php 1.62 billion, down 9% from Php 1.77 billion in previous year. However, net income margin improved to 25%, from 23%, in the prior year, supported by stronger contributions from other income and lower financing costs.

Other income increased by 20% to Php 3.61 billion from Php 3.01 billion, driven by higher forfeitures and rental income, including contributions from rent-to-own units.

Net finance costs decreased by 27% to Php 757 million from Php 1.04 billion, primarily due to lower interest expense following the capitalization of borrowing costs and higher income from in-house financing activities.

Meanwhile, the average borrowing rate increased to 6.09% from 5.43%, reflecting the prevailing higher interest rate environment.

Provision for income tax rose by 15% to Php 1.15 billion, in line with higher taxable earnings during the period.

V. DMCI Power Corporation (DMCI Power)

Net income contribution from the off-grid energy business inched up by 1% to Php 1.26 billion, from Php 1.24 billion in 2024, reflecting steady operating performance despite lower selling prices.

On a standalone basis, net income increased by 6% to Php 1.34 billion, from Php 1.26 billion previously, supported by higher energy sales and improved operating margins.

No non-recurring items were recorded during the period.

Key highlights of DMCI Power's performance are as follows:

- Revenues increase modestly. Total revenues grew by 2% to Php 7.76 billion, from Php 7.62 billion in the prior year, as higher energy sales volume offset the impact of lower average selling prices.
- Energy sales expand. Total energy sales rose by 6% to 522.2 GWh, from 491.2 GWh, driven by capacity expansion in Palawan and new contributions from Antique.

By service area, Palawan remained the largest market, accounting for 43% of total sales, followed by Masbate (31%), Oriental Mindoro (20%), and Antique (6%).

Sales in Palawan increased by 4% to 224.0 GWh, supported by additional capacity. Antique contributed 32.4 GWh following the start of a new power supply agreement in February 2025 and the commissioning of the Semirara Wind Project in the second quarter.

Meanwhile, sales in Masbate declined by 5% to 163.8 GWh, following the impact of Typhoon Opong in September 2025, which damaged parts of the grid. Meanwhile, sales to Oriental

Mindoro contracted by 3% to 101.9 GWh, from 104.8 GWh, due to limited operations following a forced outage of its transformer beginning August 31, 2025.

By fuel type, bunker-fired dispatch jumped by 19%, from 153.4 GWh to 182.2 GWh, while diesel-based generation was flat, from 125.6 GWh to 126.1 GWh. Coal-based generation declined by 7%, from 212.2 GWh to 196.9 GWh, largely due to the disruption in Masbate following Typhoon Opong. Wind power contributed 17.0 GWh during the period.

- **Lower ASP.** The average selling price (ASP) decreased by 4% to Php 14.9/kWh, from Php 15.5/kWh, reflecting lower fuel costs across thermal and liquid fuel-based generation.

Thermal (coal) fuel prices dropped by 17%, from Php 4.9 per kilogram to Php 4.0 per kilogram, while bunker fuel costs fell by 6%, from Php 48.0 to Php 45.0 per liter, and diesel prices decreased by 2%, from Php 52.4 to Php 51.3 per liter.

- **Costs remain manageable.** Total cash costs were broadly stable at Php 5.59 billion, compared to Php 5.61 billion in the previous year, as the impact of higher volumes and expanded operations was offset by lower fuel costs.
- **EBITDA improved.** Core EBITDA increased by 8% to Php 2.17 billion, from Php 2.01 billion, with margins supported by cost efficiencies and favorable fuel inputs.

Depreciation and amortization rose by 15% to Php 515 million, from Php 446 million, following the commercial operations of the 16MW bunker fired plant in Palawan and the 12.5MW wind project.

As a result, EBIT grew by 6% to Php 1.66 billion, from Php 1.56 billion in the prior year.

- **Higher financing and tax adjustments.** Finance costs increased by 5% to Php 214 million, from Php 203 million, due to higher borrowings used to fund capacity expansion.

Provision for income tax rose by 9% to Php 107 million, from Php 99 million, following the expiration of the income tax holiday (ITH) for the Masbate thermal plant in September 2024.

Meanwhile, the 8MW Masbate hybrid diesel plant's six-year ITH will remain in effect until January 2029, and the Palawan thermal plant has a four-year ITH set to expire in July 2027. New ITH grants include the two units of 8.8MW Aborlan expansion, both of which are exempt until 2031, and the 12.5 MW Semirara wind farm, which will benefit from the ITH until 2032.

The company also reported the following results:

- **Expanded installed capacity.** Total installed capacity grew by 18%, from 159.8 MW to 188.3 MW, driven by the commercial operations of new power plants. These include the 8 MW Palawan Bunker expansion plant in Aborlan (March 2025), the second 8 MW bunker unit in Aborlan (May 2025) and the 12.5 MW Semirara Wind in Antique (June 2025).

- **Higher generation output.** Total gross generation rose by 5%, from 544.0 GWh to 569.8 GWh, as the expanded capacities in Palawan and Antique offset lower output from Masbate and Oriental Mindoro.

Generation in Palawan increased by 2%, from 247.7 GWh to 253.5 GWh, while Antique contributed 32.4 GWh.

Meanwhile, Masbate's output declined by 5%, from 187.5 GWh to 179.1 GWh, while Oriental Mindoro output fell by 4%, from 108.7 GWh to 104.9 GWh, due to operational disruptions.

- **Resilient market coverage.** DMCI Power maintained 100% market share in Masbate, increasing its share in Palawan to 55%, from 51% previously. Market share in Oriental Mindoro improved to 24%, compared to 23% in the previous year.
- **Financial position remains healthy.** Net debt-to-equity ratio rose modestly to 125%, from 106% at December 2024, on increased borrowings to support capacity expansion projects.

Cash balance increased by 5%, from Php 257 million to Php 270 million, following Php 700 million cash dividends paid to parent company (DMCI Holdings), partly offset by strong operating performance.

Loans payable expanded 28%, from Php 5.55 billion to Php 7.08 billion, to fund 2026 capital requirements.

Total equity book value grew by 10%, from Php 4.97 billion to Php 5.48 billion, supported by retained earnings and continued financial performance, partially offset by dividend payments to the parent company.

- **Lower Capital Spending.** For the full year 2025, capital spending declined by 22%, from Php 1.56 billion to Php 1.22 billion, following completion of these two major projects. Remaining expenditures were primarily spent on plant maintenance and sustaining capital requirements.

IV. DMCI Mining Corporation (DMCI Mining)

Contribution from the nickel business increased to Php 924 million, up 276% from Php 246 million in the same period last year, driven by higher nickel prices, increased output from Zambales operations, and initial contributions from the Long Point mine. The company also recorded its highest annual nickel ore production, reaching 2.0 million wet metric tons during the year.

On a standalone basis, net income rose by 312% to Php 882 million, from Php 214 million previously, supported by improved operating performance.

Core EBITDA expanded by 135% to Php 1.66 billion, from Php 706 million, with no non-recurring items recorded during the period. EBITDA margin improved to 41%, from 29% in the prior year.

Key highlights of DMCI Mining's full-year performance are as follows:

- **Stronger revenues.** Total revenues increased by 65% to Php 4.09 billion, from Php 2.48 billion, driven by higher shipment volumes and improved average selling prices.

Total shipments rose by 31% to 1.93 million WMT, from 1.48 million WMT, supported by full year operations in Zambales Chromite Mining Corporation (ZCMC) and initial operations of Berong Nickel Corporation's (BNC) Long Point mine, which offset lower shipments from Zambales Diversified Metals Corporation (ZDMC).

- Shipments from ZCMC surged to 781,000 WMT (from 53,000 WMT), while ZDMC shipments declined by 25% to 1.07 million WMT, from 1.42 million WMT. BNC contributed 82,000 WMT during its initial operations, including 21,000 WMT from beginning inventory. Selling prices improved. The average selling price (ASP) surged by 31%, from US\$29/WMT to US\$36/WMT, mainly due to better market conditions, tempered by lower nickel grade sold.

The average LME nickel price declined by 12%, from US\$17,156/ton to US\$15,159 /ton, the Philippine FOB price for 1.30% nickel ore increased by 15%, from US\$27/WMT to US\$31/WMT, supported by stronger demand across Asia—particularly from China and Indonesia for mid-grade saprolite ore (1.30%–1.60%)—as well as reports of potential supply cuts from Indonesia. Meanwhile, average nickel grade declined to 1.34% from 1.38%.

- **Increased cash costs.** Total cash costs increased by 37% to Php 2.43 billion, from Php 1.77 billion, largely in line with higher shipment volumes and expanded operations.

The cash component of cost of sales rose by 37% to Php 1.25 billion, from Php 910 million, reflecting increased mining, hauling, and shiploading activities.

Operating expenses likewise increased by 37%, from Php 861 million to Php 1.18 billion, mainly due to higher excise taxes and royalties from increased shipments, as well as higher environmental and Social Development and Management Program (SDMP) expenditures and continued development activities at BNC.

- **Earnings improved significantly.** Core EBITDA increased by 135% to Php 1.66 billion, from Php 706 million, driven by higher revenues.

Depreciation and amortization by 8% to Php 429 million, mainly due to the use of fully depreciated mining equipment in Zambales and changes in depletion rates following upward revisions in reserve estimates.

As a result, EBIT rose sharply to Php 1.27 billion, from Php 264 million in the prior year.

- **Higher financing and tax expenses.** Finance costs increased by 117% to Php 89 million, reflecting higher borrowings to support capital expenditures.

Provision for income tax rose to Php 328 million, from Php 23 million, in line with improved profitability.

The company also reported the following operational and financial results:

- Production expands. Total production increased by 38% to 1.99 million WMT, from 1.45 million WMT, supported by full-year contributions from ZCMC and the initial operations of BNC's Long Point mine, which offset lower output from ZDMC.

ZCMC production reached 775,000 WMT, up from 63,000 WMT, while ZDMC output declined by 17% to 1.15 million WMT, from 1.38 million WMT. BNC contributed 66,000 WMT during its initial operations.

- Larger stockpile. Ending inventory increased by 66%, from 96,000 WMT to 159,000 WMT, mainly driven by ZDMC, which accounted for 150,000 WMT or 94% of total stockpile.

ZCMC's stockpile declined to 4,000 WMT (from 9,000 WMT) due to increased shipments, while BNC reported remaining inventory of 5,000 WMT as of period-end.

- Healthy balance sheet. As of December 31, 2025, the nickel mining business' net debt-to-equity ratio increased to 13.3%, from 1.2% as of December 31, 2024, following higher borrowings to fund capital expenditures.

Total cash balance increased by 6%, from Php 848 million to Php 901 million, supported by strong operating cash flows, despite Php 621 million in capital expenditures and Php 1.0 billion in dividend payments to the parent company.

Loans payable increased by 6%, from Php 900 million to Php 1.45 billion, mainly to finance capital investments.

- Moderating capital expenditures. Full-year capital spending decreased by 12%, from Php 706 million to Php 621 million, following the completion of major development works in Palawan and ZCMC.

VI. D.M. Consunji, Inc. (DMCI)

The construction business contributed Php 284 million, 15% higher than P247 million, on improved construction driven by higher construction accomplishments from new projects, partly offset by increased costs associated to project delays.

- Higher revenues. Total revenues increased by 23%, from Php 15.02 billion to Php 18.48 billion, driven by higher accomplishments across the Building, Infrastructure and Joint Venture (JV) segments.

Revenues from the Building segment rose by 8%, from Php 9.62 billion to Php 10.38 billion, supported by peak construction activities of recently awarded projects, partly offset by the near completion of some projects.

Infrastructure revenues surged by 149%, from Php 1.23 billion to Php 3.05 billion, following the acceleration of works on a major project nearing completion.

Revenues from Joint Ventures and billables increased by 34%, from Php 3.20 billion to Php 4.29 billion, largely driven by project accomplishments in the Metro Manila Subway Project (CP102 with Nishimatsu Construction) and South Commuter Railway Project (CP S02 with Acciona Construction Philippines).

Meanwhile, Allied Services revenues declined by 20%, from Php 971 million to Php 772 million, due to fewer contracts with third parties.

The Building segment remained the largest contributor, accounting for 56% of total revenues, followed by Joint Ventures (23%), Infrastructure (17%), and Allied Services (4%).

- Stable margins. Total cash costs increased by 24%, in line with revenue growth, rising from Php 14.01 billion to Php 17.33 billion.

The cash component of cost of sales grew by 24%, from Php 13.48 billion to Php 16.72 billion, driven by higher project accomplishments and increased manpower and material costs.

Operating expenses rose by 17%, from Php 521 million to Php 608 million, mainly due to higher spending on ICT-related upgrades, personnel, permits and licenses and other administrative costs.

Depreciation and amortization declined by 7%, from Php 538 million to Php 501 million, reflecting lower capital spending over the past twelve months.

Net finance income decreased by 38%, from Php 115 million to Php 71 million, due to lower average cash balances and reduced interest rates.

As a result, EBITDA margin remained broadly stable at 6%, from 7%, while core net income margin held steady at 3% in both periods.

The company also reported the following operational and financial results for the periods ending December 31, 2025, and December 31, 2024:

- Healthy backlog. Total order book stood at Php 38.5 billion, slightly lower by 5% from Php 40.6 billion, as booked revenues excluding non-project related (Php 15.5 billion) exceeded new project awards (Php 13.9 billion) and change orders (-Php 0.6 billion).

Joint Venture projects accounted for 55% of the order book, followed by Building (43%) and Infrastructure (2%).

Notable project awards in 2025 included the Metro Manila Subway Project Contract Package 105, Amani Tower and La Salle Greenhills Senior High School and Innovation Building and Moonwalk Pipelaying .

- Prudent Capital Spending. Full year capital expenditures grew sixfold (550%), from Php 125 million to Php 812 million, driven by equipment and project requirements for new and ongoing projects.

- Strong balance sheet. The company has remained debt-free since December 2023.

Cash balance increased by 26%, from Php 4.27 billion to Php 5.39 billion, supported by major project collections and downpayments.

Consequently, the net debt-to-equity ratio remained negative at -0.67, compared with -0.59 previously.

VII. Concreat Holdings Philippines (Concreat)

The cement business recorded a net loss of Php 1.9 billion, primarily due to higher financing costs and weaker revenues during the first full year of operations following DMCI Management's acquisition on December 2, 2024. This compares to a Php 50 million net income in the prior year, which was largely driven by the recognition of deferred tax assets.

Excluding non-recurring items, core net loss narrowed by 4% to Php 3.5 billion, from Php 3.7 billion, mainly due to improved EBITDA.

Core EBITDA loss amounted to Php 131 million from Php 670 million a year ago, a reduction of 80% supported by the cessation of royalties and management fees previously paid to Cemex, lower fuel and logistics costs, and synergies from the DMCI Group.

Reported net loss amounted to Php 4.0 billion, significantly lower than the Php 23.4 billion reported in the same period last year. The prior year's figure included a non cash goodwill revaluation of Php 19.6 billion based on the DMCI Group's purchase price of CHP.

Further information on Concreat's financial results:

- **Sustained revenues.** Total revenues were down by 5% to Php 15.1 billion from Php 15.9 billion, mainly due to lower average selling price, which was down by 5% year-over-year as a result of soft domestic demand, heightened by the presence of imported cement, while cement volume remained flat.
- **Improved cash cost.** Total cash cost per ton decreased by 8%, from Php 4,171 to Php 3,824, driven by savings in operating expenses and operational improvements, which include the utilization of Semirara coal as primary fuel and logistics optimization.
- **Increased finance cost.** Net finance cost amounted to Php 1.6 billion, up from Php 663 million last year, reflecting higher bank borrowings and the lower base from capitalized interest on the Solid Cement New Line, which began commercial operations in April 2025.
- **Continued capital spending.** Capital expenditures amounted to Php 2.2 billion compared with Php 3.9 billion, with the difference mainly attributable to the Solid Cement New Line which was completed in April 2025.

CAPEX

For 2025, Group capex declined by 4% to Php 22.2 billion, mainly due to the deferral of DMCI Homes' project launches to 2026. This was partly offset by Concreat's investments in Solid Cement's new 1.5-million-ton kiln, which began commercial operations in April 2025, as well as SMPC's equipment refleet and mining equipment acquisitions, and project-related capital spending at DMCI.

in Php bn	FY 2025	FY 2024	Change	FY 2026F	FY 2025	Change
DMCI	0.8	0.1	700%	0.7	0.8	-13%
DMCI Homes	11.5	14.7	-22%	15.5	11.5	35%
SMPC	5.9	5.3	11%	1.9	5.9	-68%
DMCI Power	1.2	1.6	-25%	3.3	1.2	175%
DMCI Mining	0.6	0.7	-14%	0.3	0.6	-50%
Concreat	2.2	0.2*	1000%	2.9	2.2	32%
Total	22.2	22.6	-4%	24.6	22.2	11%

**under DMCI Holdings management as of December 2, 2024*

For 2026, Group capex is expected to increase by 11% to around Php 24.6 billion, from Php 21.6 billion in 2025.

To elaborate

D.M. Consunji, Inc. (DMCI) will continue investing in equipment refleet and construction equipment to support new and ongoing projects.

DMCI Homes has allocated up to Php 15.5 billion in capital expenditures in 2026. About 90% of the budget will be allocated to ongoing and new project construction, subject to market conditions, while the balance is earmarked for land banking and equipment acquisitions.

Semirara Mining and Power Corporation (SMPC) expects capital expenditures to decline significantly to around Php 1.9 billion, reflecting the absence of major equipment refleet activities, as management continues to implement prudent capital management measures.

Coal segment capex is projected at around Php 0.8 billion, primarily for ICT-related investments, maintenance of the 2x7.5 MW power plant generator in Semirara Island, and mobile equipment support.

Meanwhile, power segment capex is expected to reach about Php 1.1 billion, mainly allocated for plant maintenance, assurance spares, and ICT investments to support operational reliability.

DMCI Power plans to invest approximately Php 3.3 billion to fund about 44 MW of new capacity additions across Palawan, Masbate, and Oriental Mindoro. Projects expected to commence operations

in 2026 include the Roxas bunker-fired power plant in Palawan, the Mobo bunker-fired power plant and a solar facility in Masbate, and the deployment of modular high-speed diesel generating units across Palawan, Oriental Mindoro, and Masbate.

In addition, DMCI Power recently won and awarded the competitive selection process for a 17 MW bunker-fired power plant in Occidental Mindoro, with the Power Supply Agreement signed on February 25, 2026, and is targeted to commence operations in the first half of 2027.

DMCI Mining has allocated about Php 300 million for mine development and equipment acquisitions in Palawan and Zambales.

Concreat Holdings Philippines expects capex to reach Php 2.9 billion, with about 56% allocated to plant capacity efficiency improvements, operational upgrades, while the balance will be used for annual plant maintenance.

Outlook and Updates

Looking ahead, the DMCI Group remains focused on operational efficiency, prudent capital management and expanding its market reach across its diversified businesses.

At the same time, management continues to monitor global market volatility and geopolitical developments, including tensions in the Middle East, which have already influenced fuel, coal and nickel prices and may have broader implications for economic activity.

- **DMCI** continues to participate in major infrastructure and transport projects, including rail developments, while selectively pursuing private sector building and negotiated contracts as opportunities arise. The company remains focused on maintaining a diversified project portfolio and disciplined bidding strategy to sustain its order book.
- **DMCI Homes** will continue to prioritize the sale of ready-for-occupancy (RFO) units in 2026 through rent-to-own schemes and flexible payment terms, while strengthening its international sales network. Upcoming launches include One South Drive in Baguio City, a high-end residential development, and Moriyama Nature Park, a leisure-oriented project. Other planned developments will feature mid-income transit-oriented communities, while the redevelopment of the flagship Acacia Estates township is also underway this year.
- **SMPC** remains focused on efficient operations while preparing for the upcoming bid round for the Semirara Coal Operating Contract (COC), with applications scheduled for submission on April 28, 2026. Proponents will be evaluated based on legal qualifications, technical capability, financial capacity and a five-year mine work program covering development, production, safety, community relations and rehabilitation.

Operationally, the opening of the Acacia mine, improved mine access and higher inventories are expected to support coal production and shipments as the company expands markets for mid-to low-calorific coal, although water seepage conditions at the Acacia mine remain under close monitoring. In the power segment, SMPC will continue to prioritize strategic contracting and fuel cost management.

- **DMCI Power** commissioned an 8.8 MW bunker-fired plant in Masbate in March 2026. A total of about 40 MW of additional capacity is expected to come online this year, as the company continues to participate in competitive selection processes (CSPs) in support of the government’s rural electrification program.
- **DMCI Mining** is expected to benefit from stronger nickel demand in Asia. The Long Point mine in Palawan began commercial operations in March 2026, increasing the company’s number of active mines to three and bringing total operating capacity to around 3 million WMT in 2026.
- **Concreat** enters the year in a stronger position to recover, following operational improvements implemented in 2025. These include the expanded capacity of the Solid Cement plant, use of Semirara coal, and streamlined logistics. Plant facilities were also upgraded to increase storage, loading and packing capacity at both Solid and APO Cement, as well as port capabilities at APO Cement.
- **Maynilad** continues to focus on meeting its 2026 service obligations, while sustaining efforts to reduce non-revenue water and improve network reliability.

Explanation of movement in consolidated income statement accounts

Revenue

Consolidated revenue for 2025 increased by 6% from P102.4 billion to P108.7 billion driven by the full year integration of cement business, higher nickel sales, construction accomplishments and real estate account breaching the recognition threshold. This is partially negated by lower coal sales.

Cost of Sales and Services

From P60.7 billion in 2024, cost of sales and services increased by 22% on the back of full year cement operations integration and higher cost of sales related to real estate and construction segments but softened by lower costs related to coal business. As a result, gross profit margin declined to 32% in 2025 from 41% of the previous year.

Operating Expenses

Government royalties for the year amounted to P2.0 billion, a 69% drop from P6.4 billion the previous year due to lower profitability of the coal business. Excluding government royalties, operating expenses incurred increased by 39% to P16.2 billion due mainly to higher repairs and maintenance, outside services, and marketing and advertising expenses coupled with the full year operating expenses of cement business.

Equity in Net Earnings

Equity in net earnings of associates increased by 11%, from P3.4 billion to P3.7 billion in 2025 and 2024, respectively, as a result of higher income take up from Maynilad.

Finance costs - net

Consolidated finance costs grew to P2.1 billion from P0.3 billion of the previous year. Increase is the net impact of cement business finance costs and the paydown of other businesses’ debt.

Other Income (Expense) - net

Other income (net) increased by 26% due to the higher sales forfeitures and cancellation fees and insurance and other claims during the year.

Provision for Income Tax

Despite lower taxable income, provision for income tax increased by 15% due to higher net income contribution of nickel, construction, and real estate businesses.

II. CONSOLIDATED FINANCIAL CONDITION

December 31, 2025 (Audited) vs December 31, 2024 (Audited)

The Group's total assets reached P281.7 billion, a 2% decrease from December 31, 2024. Meanwhile, consolidated stockholders' equity is flat at P148.4 billion following the dividend declaration during the year.

Consolidated cash balance decreased by 15% from P34.3 billion in December 31, 2024 to P29.1 billion in December 31, 2025 mainly resulting from the impact of lower coal and cement sales and dividend payout during the year. This is cushioned by improved collections and receipt of down payment from real estate and construction customers.

Receivables decreased by 6% from P23.6 billion to P22.1 billion in 2025 mainly due to lower coal sales during the year and improved collection from real estate customers.

Contract assets (current and non-current) amounting to P12.5 billion in 2025 is lower by 34% versus the previous year due to lower accomplishments on the real estate business.

Consolidated inventories increased by 18% in 2025 from P67.2 billion to P79.3 billion mainly due to higher coal, materials and spare parts inventory coupled with higher project development of real estate business.

Other current assets decreased by 14% to P13.1 billion which comprised mainly of creditable withholding taxes, prepaid expenses and recoverable deposit.

Investments in associates and joint ventures grew flat by 1%, reflecting the net impact of the income take-up and dividends received from Maynilad.

Right-of-use assets decreased by 10% to P3.5 billion following the annual amortization during the year.

Property, plant and equipment stood at P79.2 billion from P82.0 billion last year as depreciation offset the acquisition during the year.

Exploration and evaluation assets decreased by 60% following the reclassification of previously recognized deferred mining costs to stripping activity asset following the start of production stage of Acacia mine pit.

Other noncurrent assets expanded by 5% due mainly to the long-term advances and deposits to suppliers and increased pension asset.

Accounts and other payables, which includes income tax payables, decreased by 4% to P31.2 billion due to payment of suppliers during the year.

Contract liabilities (current and non-current) decreased by 9% from last year to P22.3 billion due to the recoupment of deposits from customers.

Liabilities for purchased land increased by 6% in 2025 versus the previous year as the real estate segment acquired new land for project development.

Total debt (under short-term and long-term debt) from 2024 amounting to P68.1 billion decreased by 3% to P66.3 billion resulting from the net impact of the additional loan of the off-grid power, nickel mining and cement businesses cushioned by the loan payment of on-grid power, coal and real estate segments.

Other noncurrent liabilities increased by 5% mainly coming from higher pension liability and commission payable.

Consolidated retained earnings stood at P91.8 billion at the end of December 2025, almost at par with P91.5 billion at the close of 2024 after generating P15.1 billion of net income and payment of P14.7 billion in cash dividends (both to common and preferred shareholders).

Non-controlling interest decreased by 6%, from P29.7 billion in 2024 to P28.0 billion in 2025, as a result of the lower minority share in profits of SMPC and full year net loss recognition of CHP.

III. KEY RESULT INDICATORS

The Company and its Subsidiaries (the "Group") use the following key result indicators to evaluate its performance:

- (a) Segment Revenues
- (b) Segment Net Income (after Non-controlling Interests)
- (c) Earnings Per Share
- (d) Return on Common Equity
- (e) Net Debt to Equity Ratio

<i>(in Php Millions)</i>	For the Year		Variance	
	2025	2024	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P50,445	P64,247	(P13,802)	(21%)
D.M. CONSUNJI, INC.	17,904	14,273	3,631	25%
CONCREAT	14,720	1,064	13,656	1283%
DMCI HOMES	13,557	12,324	1,233	10%
DMCI POWER	7,601	7,620	(19)	0%
DMCI MINING	4,093	2,477	1,616	65%
PARENT & OTHERS	333	374	(41)	-11%
TOTAL REVENUE	P108,653	P102,379	P6,274	6%

The initial indicator of the Company's gross business results is seen in the movements of revenue in each business segment. As shown above, consolidated revenue increased by 6% driven by the full year integration of cement business, higher nickel sales, construction accomplishments and real estate account breaching the recognition threshold. This is partially negated by lower coal sales.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

<i>(in Php Millions)</i>	For the Period		Variance	
	2025	2024	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P7,324	P11,013	(P3,689)	(33%)
MAYNILAD	3,681	3,313	368	11%
DMCI HOMES	3,073	2,467	606	25%
DMCI POWER	1,257	1,241	16	1%
D.M. CONSUNJI, INC.	284	247	37	15%
DMCI MINING	924	246	678	276%
PARENT & OTHERS	273	198	75	38%
Concreat	(1,947)	50	(1,997)	(3,994%)
CORE NET INCOME	14,869	18,775	(3,906)	(21%)
NON-RECURRING ITEMS	225	201	24	12%
REPORTED NET INCOME	P15,094	P18,976	(P3,882)	(20%)

The net income (after non-controlling interest) of the Group declined due to lower contributions from its coal business and the full year integration of cement business. These is cushioned by improved contributions of nickel mining, real estate, construction and water segments. The non-recurring item mostly pertains to claim settlement involving the Group's former investment in a railway project made in 2006 and written off in 2007.

EARNINGS PER SHARE

Earnings per share (EPS) pertains to how much profits a company makes for each of its common shares. EPS is one of the most common ways to gauge a company's profitability attributable to common shareholders.

The Company's consolidated basic and diluted EPS was P1.14/share for the year ended December 31, 2025, a 20% decline from P1.43/share EPS year-on-year.

RETURN ON COMMON EQUITY

Return on common equity is defined as the amount of net income a company earns relative to the book value of common equity. It is a primary financial metric used by equity investors to determine whether management is efficiently and effectively utilizing the capital that shareholders have provided to generate profits. It is calculated by dividing the net income attributable to common equity shareholders of the parent company divided by the average book value of equity attributable to the equity holders of the parent company. The Company's return on common equity stood at 13% and 17% for the year ended December 31, 2025 and 2024, respectively.

NET DEBT TO EQUITY RATIO

The net debt-to-equity ratio measures the amount of debt financing relative to the equity capital. The ratio tells the Company the amount of risk associated with the way its capital structure is set up. The ratio highlights the amount of debt a company is using to run their business and the financial leverage that is available to the Company. The net debt-to-equity ratio is calculated by dividing the interest-bearing loans less cash and cash equivalents by total shareholders' equity.

Total borrowings in 2025 stood at P66.3 billion from P68.1 billion in the previous year, which resulted to a net debt-to-equity ratio of 0.25:1 as of December 31, 2025 and 0.23:1 as of December 31, 2024.

FINANCIAL SOUNDNESS RATIOS

	December 31, 2025	December 31, 2024
Gross Margin	32%	41%
Net Profit Margin	18%	27%
Return on Assets	7%	10%
Return on Common Equity	13%	17%
Current Ratio	243%	262%
Net Debt to Equity Ratio	25%	23%
Asset to Equity Ratio	190%	193%
Interest Coverage Ratio	6 times	9 times

PART II--OTHER INFORMATION

1. The Company's operation is a continuous process. It is not dependent on any cycle or season.
2. Economic and infrastructure developments in the country may affect construction business. Interest rate movements may affect the performance of the real estate industry. Mining activities are generally hinged on the commodities market and affected by weather conditions. Businesses not affected by known cycle, trends or uncertainties are power and water.
3. On October 21, 2025, the BOD of the Parent Company approved the declaration of special cash dividends of Php 0.48 per common share or a total of Php 6.37 billion, in favor of the common stockholders of record as of November 5, 2025 and will be paid on November 21, 2025.
4. On March 25, 2025, the BOD of the Parent Company approved the declaration of (1) regular cash dividends in the amount of Php 0.35 per common share or a total of Php 4.69 billion; and (2) special cash dividends of Php 0.25 per common share or a total of Php 3.27 billion, or a grand total of Php 7.97 billion in favor of the common stockholders of record as of April 10, 2025, and was paid on April 24, 2025.
5. On October 16, 2024 the BOD of the Parent Company approved the declaration of special cash dividends in the amount of Php 0.48 per common share or a total of Php 6.37 billion in favor of the common stockholders of record as of October 30, 2024 and was paid on November 15, 2024.

6. On April 4, 2024 the BOD of the Parent Company approved the declaration of regular cash dividends in the amount of Php 0.46 per common share or a total of Php 6.11 billion and special cash dividends of Php 0.26 per common share or a total of Php 3.45 billion, or a grand total of Php 9.56 billion in favor of the common stockholders of record as of April 22, 2024 and was paid on May 3, 2024.
7. There are no undisclosed material subsequent events and transferring of assets not in the normal course of business that have not been disclosed for the period that the Company has knowledge of.
8. There are no material contingencies during the interim period; events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation has been disclosed in the notes to financial statements.
9. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
10. Except for interest payments on loans, which the Company can fully service, the only significant commitment that would have a material impact on liquidity are construction guarantees. These are usually required from contractors in case of any damage/ destruction to a completed project.
11. Any known trends or any known demands, commitments, events or uncertainties that will result in or that will have a material impact on the registrant's liquidity. – None
12. The Group does not have any offering of rights, granting of stock options and corresponding plans therefore.
13. All necessary disclosures were made under SEC Form 17-C.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD DECEMBER 31, 2024

Full Year 2024 vs Full Year 2023

I. RESULTS OF OPERATIONS

The table below summarizes the performance of DMCI Holdings, Inc. (PSE: DMC), its subsidiaries and associate, also collectively referred to as “the DMCI Group”, for the periods ended December 31, 2024 and 2023.

- D.M. Consunji, Inc. (DMCI), a wholly-owned subsidiary, is one of the leading engineering-based integrated construction firms in the country. It operates in two construction segments: building and infrastructure. It also has separate business units for joint ventures and allied services (i.e., concrete production, steel fabrication and equipment rental).
- DMCI Project Developers, Inc. (DMCI Homes), a wholly-owned subsidiary, is one of the leading mid-segment developers in the Philippines, offering best-in-class amenities and value-for-money properties in Metro Manila and other key urban areas. The company has also started to expand its portfolio into leisure and the high-end market.
- Semirara Mining and Power Corporation (SMPC), a majority-owned subsidiary (56.65%), is the largest and most modern coal producer in the Philippines. It is the only vertically integrated power generation company in the country that runs on its own fuel (coal). Its two wholly-owned operating subsidiaries—Sem-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC)—provide baseload power to the national grid through bilateral contract quantity (BCQ) and the Wholesale Electricity Spot Market (WESM).
- DMCI Power Corporation (DMCI Power), a wholly-owned subsidiary, is the largest off-grid energy supplier in the Philippines. It currently operates and maintains thermal, bunker and diesel power plants in parts of Masbate, Oriental Mindoro and Palawan.
- DMCI Mining Corporation (DMCI Mining), a wholly owned subsidiary, extracts nickel ore through surface mining and ships directly to China and other markets. The company currently operates two mines in Santa Cruz, Zambales, through Zambales Diversified Metals Corporation (ZDMC) and Zambales Chromite Mining Company (ZCMC). The company is actively developing new mining sites in Palawan to expand its operations through Berong Nickel Corporation.
- Maynilad Holdings Corporation, a 27%-owned associate, owns 93% of Maynilad Water Services, Inc. (Maynilad). The largest private water service provider in the Philippines, Maynilad holds a 25-year franchise to establish, operate and maintain the waterworks system and sewerage and sanitation services in the West Zone service area of Metro Manila and the Province of Cavite.
- Cemex Asian South East Corporation (CASEC), a 56.75%-owned subsidiary, holds 89.86% of Cemex Holdings Philippines, Inc. (CHP), a major cement manufacturer in the country. CHP produces high-quality cement under the brands APO, Rizal, Island, and Palitada King, including Ordinary Portland

Cement (OPC), widely used in large-scale construction projects. The company operates through its wholly owned subsidiaries, APO Cement Corporation and Solid Cement Corporation. Following the acquisition on December 2, 2024, DMC gained a 51% economic stake in CHP.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

<i>in Php millions</i> <i>except EPS</i>	January to December (FY)		
	2024	2023*	Change
I. SMPC (56.65%)	11,013	15,780	-30%
II. Maynilad (25%)	3,313	2,090	59%
III. DMCI Power	1,241	959	29%
IV. DMCI Homes	2,467	3,822	-35%
V. DMCI Mining	246	655	-62%
VI. CHP (51%)	50	-	100%
VII. D.M. Consunji Inc.	247	573	-57%
VIII. Parent and others	198	51	288%
Core Net Income	18,775	23,930	-22%
Nonrecurring Items	201	46	337%
Reported Net Income	18,976	23,976	-21%
EPS (reported)	1.43	1.81	-21%

**Restated 2023 figures following DMCI Homes' implementation of PFRS 15 (paragraphs 60 to 65) effective January 1, 2024*

FY 2024 vs FY 2023 Consolidated Highlights

- The DMCI Group posted a net income of Php 18.98 billion, reflecting a 21% decline from Php 23.98 billion in the previous year. The decline is mainly due to weaker contributions from the integrated energy, real estate, construction and nickel businesses.

Partially offsetting the decline were stronger contributions from Maynilad and DMCI Power, increased interest income from DMC's placements, and income recognition from the cement segment's first operating month under DMCI Group management in December.

Consequently, earnings per share fell from Php 1.81 to Php 1.43, translating to a 17% return on common equity over the period.

Despite the decline, consolidated net income remains above normalized levels—80% higher than the pre-pandemic level of Php 10.53 billion in 2019 and 3% above the pre-global energy crisis level of Php 18.40 billion in 2021.

- EBITDA contracted by 20%, from Php 49.69 billion to Php 39.80 billion, with margins slightly narrowing from 40% to 39%. To further explain:

Total revenues fell by 17%, from Php 122.83 billion to Php 102.38 billion, driven by weaker commodity and power prices, reduced construction accomplishments in both the construction and real estate segments, and lower real estate revenue recognition. This decline was partially offset by higher coal shipments, increased on-grid and off-grid power generation and the addition of CHP's December 2024 revenues.

Total cash costs dropped by 11%, from Php 78.31 billion to Php 69.74 billion, mainly due to reduced construction accomplishments, lower government share, and reduced energy generation fuel costs for both on-grid and off-grid operations, as well lower replacement power costs for on-grid power. However, the decline was slower than the topline drop, driven by higher coal shipments, increased nickel shiploading costs, rising operating expenses and the consolidation of CHP's cash costs.

Meanwhile, operating expenses grew by 16%, from Php 9.51 billion to Php 11.02 billion, primarily due to higher personnel costs, increased taxes and licenses (real estate and on-grid power), association dues from ready-for-occupancy units (real estate), higher sales and marketing expenses (real estate), elevated insurance and maintenance costs (on-grid power), increased information and communication technology expenses (DMCI) and higher spending on environmental and social development programs (DMCI Mining).

- Equity in net earnings surged by 56%, from Php 2.15 billion to Php 3.35 billion, driven by improved Maynilad contribution. Meanwhile, other income (net) grew by 26%, from Php 3.03 billion to Php 3.81 billion, on the back of increased income from forfeitures and rentals in DMCI Homes.
- Depreciation and amortization increased by 4%, from Php 8.63 billion to Php 8.93 billion, on higher coal shipments, recent acquisition of new mining equipment, increased amortization of the capitalized stripping asset for Narra mine (SMPC) and commercial operations of a 15MW thermal plant in Palawan (DMCI Power).

Net finance costs (net of finance income) plunged by 71%, from Php 834 million to Php 245 million, following simultaneous debt repayments by SMPC and DMCI Homes totaling Php 6.36 billion. The decline was further supported by finance income from cash placements by DMC and SMPC, as well as DMCI Homes' in-house financing activities.

- 2024 nonrecurring items include a gain from the sale of land by DMCI Homes (Php 195 million) and forex gain by Maynilad (Php 6 million).

In contrast, 2023 nonrecurring items comprised of gain from sale of land by DMCI Homes (Php 106 million), additional loss incurred from the sale SLPGC 2x25MW gas turbines (Php 32 million) and Maynilad donations and miscellaneous expenses (Php 28 million).

- SMPC, Maynilad and DMCI Homes contributed 89% of core net income, slightly down from 91% last year.

- Following the Consunji group's acquisition of an indirect majority stake in Cemex Holdings Philippines (CHP), effective December 2, 2024, the company's standalone financial performance for the period under DMCI Group management is summarized as follows:

Total revenues declined by 5%, from Php 1.16 billion to Php 1.10 billion, primarily due to lower cement prices. Meanwhile, total cash costs rose by 2%, from Php 1.37 billion to Php 1.39 billion, driven by IT system subscriptions related to the transition. As a result, core EBITDA loss widened from Php 213 million to Php 297 million.

Despite some operational challenges, core net income turned positive, shifting from a Php 460 million loss to an Php 83 million net income, primarily due to capitalized finance costs related to ongoing capital expenditures and the recognition of deferred tax assets.

Additionally, CHP recognized a Php 19.60 billion goodwill revaluation, reflecting the difference between its equity book value and lower purchase price of US\$ 272 million at time of transactions, for the 89.86% interest.

Consequently, CHP's reported net loss reached Php 19.51 billion, compared to a Php 460 million loss during the same period last year.

This revaluation aligns with current market conditions and is consistent with the transaction's purchase price. It is a customary, non-cash accounting adjustment in line with Philippine Financial Reporting Standards (Business Combinations) and was recorded at the CHP level. It has no impact on DMC's consolidated or parent-level income statement, nor the cash flow position of either CHP and DMC.

This underscores DMC's commitment to prudent financial management, ensuring a clearer balance sheet that accurately reflects the purchase price.

In line with PFRS 3 (Business Combinations), the goodwill revaluation will not affect DMC's consolidated income statement.

- As of December 31, 2024, the Group maintained healthy financial position compared to December 31, 2023 despite increased capital expenditures, dividend payouts and debt servicing:

The current ratio declined slightly from 277% to 261%, while the quick ratio dipped to 98% from 99%, reflecting significant cash outflows for capital spending (Php 22.39 billion), regular and special dividends (Php 15.93 billion), and debt servicing (Php 6.36 billion).

Total debt surged by 38%, from Php 49.47 billion to Php 68.13 billion, mainly due to the consolidation of CHP's Php 23.58 billion debt, along with new debt availments by DMCI Power (Php 881 million) and DMCI Mining (Php 550 million).

Net debt-to-equity ratio increased to 22.6% from 12.6%, as net debt nearly doubled (+95%), from Php 17.31 billion to Php 33.83 billion.

In October 2024, the company issued Php 10 billion in preferred shares via private placement to Dacon Corporation to support the acquisition of a 56.75% stake in Cemex Asian South East Corporation. The acquisition was completed on December 2, 2024.

- Last October 16, DMC's board of directors declared an additional special cash dividend of Php 0.48 per share, amounting to Php 6.37 billion, to be sourced from the company's unrestricted retained earnings. This dividend was paid out on November 15, 2024.

This October declaration brings DMC's total dividend payments for 2024 to Php 1.20 per share or Php 15.93 billion, representing a 65% payout— significantly above the company's dividend policy of distributing at least 25% of the previous year's core net income.

Based on DMC's full-year volume-weighted average price of Php 11.19 per share, the dividend yield stood at 10.7%.

FY 2024 vs FY 2023 Subsidiaries and Associate Performance

II. Semirara Mining and Power Corporation (SMPC)

Net income contribution from the integrated energy business reached Php 11.01 billion, down 39% from Php 15.75 billion in the previous year as energy markets continued to normalize. The effect of weaker selling prices was cushioned by record-high coal shipments and power generation, increased electricity sales and lower government share.

Standalone revenues contracted by 15%, from P76.96 billion to P65.19 billion, mainly due to lower selling prices for both coal and electricity, while increased sales volume provided some relief.

Meanwhile, total cash costs decreased at a slower pace (9%) than topline, from P41.21 billion to P37.44 billion, on the combined effect of relatively stable cash component of COS, higher operating expenses, and reduced government share.

The cash component of COS remained largely unchanged (0%), at P26.26 billion, from P26.24 billion, owing to higher costs associated with increased coal shipments, such as materials, parts and contracted services. This has been partially offset by improved coal blending, lower generation fuel costs and reduced replacement power purchase in the power segment. Conversely, operating expenses rose by 12%, from P4.30 billion to P4.81 billion, due to higher taxes, insurance premiums, maintenance, and office renovation costs.

Government share plunged by 40%, from P10.68 billion to P6.38 billion, due to lower coal revenues and narrower margins.

Consequently, core EBITDA contracted by 22%, from P35.75 billion to P27.75 billion, with the core EBITDA margin narrowing from 46% to 43%.

Net income margin compressed from 36% to 30%, owing to reduced core EBITDA, higher D&A costs, lower other income and net finance income, and a marginal rise in income tax provisions. Despite this, it

remained consistent with the 31% level recorded in 2021 (pre-energy crisis) and well above the 22% pre-pandemic benchmark in 2019.

A detailed overview of the performance across SMPC's segments

Coal

Standalone revenues dropped by 21%, from P59.82 billion to P47.07 billion, due to weaker selling prices, partially mitigated by record-high shipments.

Core EBITDA fell by 28%, from P25.83 billion to P18.54 billion, declining faster than revenues, stemming from increased shipments, rising costs of materials, labor and contracted services and operating expenses.

With increased depreciation, lower net finance income, foreign exchange losses, and higher income taxes, standalone net income declined by 37%, from P21.90 billion to P13.74 billion.

After intercompany eliminations, net income contracted by 38%, from P17.99 billion to P11.14 billion. Eliminating entries shrank by 34%, from P3.91 billion to P2.60 billion, primarily due to lower selling prices.

Further details on the segment's performance:

- **Best-ever shipments.** Total coal shipments hit an all-time high of 16.5 million metric tons (MMT), up 4% from 15.8 MMT, on the back of increased demand from China, own power plants and cement plants, along with a larger beginning stockpile.

Foreign shipments increased by 5%, from 8.1 MMT to 8.5 MMT, mainly due to a 46-percent surge in exports to China, which rose from 5.2 MMT to 7.6 MMT. In contrast, exports to South Korea fell by 73%, from 2.2 MMT to 0.6 MMT, due to high sulfur content in some commercial-grade coal. Consequently, China accounted for 91% of total exports, followed by South Korea (7%) and Brunei (2%).

Meanwhile, domestic shipments grew by 4%, from 7.7 MMT to 8.0 MMT, on stronger demand from own power plants. Shipment to own power plants jumped by 14%, from 3.6 MMT to 4.1 MMT, while external sales slightly contracted by 5%, from 4.1 MMT to 3.9 MMT, due to weaker demand from other power and industrial plants. However, this decline was partially offset by a 117% surge in shipments to cement plants from 0.6 MMT to 1.3 MMT. Notably, 20% of the cement sales were supplied to plants owned by associate company Cemex Holdings Philippines.

- **Normalizing prices.** The average selling price (ASP) of Semirara coal receded by 25%, from P3,796 per metric ton (MT) to P2,853 per MT. The drop was largely due to stabilizing market indices and a higher proportion of lower-grade coal shipments, which increased from 16% to 26% of total sales.

Among the benchmark indices, the average Newcastle Index (NEWC) fell by 22% from US\$173.0 to US\$134.8, while the Indonesian Coal Index 4 (ICI4) declined by 15%, from US\$63.2 to US\$53.9, showing less volatility.

- **Margins remained healthy.** Despite some contraction, margins remained at strong levels. Core EBITDA margin narrowed from 43% to 39%, impacted by lower topline. Meanwhile, standalone net income margin thinned from 37% to 29%, with elevated D&A expenses, net foreign exchange loss and increased income taxes.

Total cash costs fell by 39%, from P11.04 billion to P6.72 billion, outpacing the 21% revenue drop. This was due to the combined effect of higher shipments, which helped offset lower government share and operating expenses.

The cash component of COS decreased by 5%, from P22.50 billion to P21.37 billion, mainly due to lower production costs. This was partially mitigated by higher material, labor and contracted services costs associated with increased shipments. Meanwhile, operating expenses slid by 3%, from P810 million to P788 million, reflecting a high base effect from tax payments made in the previous year.

Government share dropped by 40% from P3.32 billion on lower selling prices and shipments.

While margins tightened year-on-year, they remained above pre-pandemic levels. Core EBITDA margin (39%) remained higher than both the 2021 onset of global energy crisis (35%) and pre-pandemic (38%) levels. Similarly, the net income margin (29%) remained stronger than pre-pandemic levels of 23% in 2019.

- **Higher D&A expenses.** Depreciation and amortization expenses saw a 7-percent increase, from P4.54 billion to P4.85 billion, driven by record-high shipments, recent equipment acquisitions under the company's ongoing capital investment program and amortization of capitalized stripping asset.
- **Shift to other expense.** Other income of P46 million in the previous year turned to expense of P107 million, primarily due to absence of a one-time refund of P206 million in wharfage fees from the Philippine Ports Authority in 2023.

As a background, under Executive Order No. 226 (Omnibus Investments Code), a BOI-registered enterprise is exempt from paying wharfage dues. SMPC became a BOI-registered enterprise on September 26, 2008.

On January 31, 2020, the Commission on Audit granted SMPC's petition to claim a refund of the wharfage export dues it erroneously paid to the PPA from September 26, 2008 up to December 31, 2014.

Meanwhile, net foreign exchange loss receded by 16%, from P 159 million to P130 million, owing to 4% depreciation of the Philippine Peso against the US dollar (from 55.6 to 58.0 versus 1% appreciation in 2023 from 56.1 to 55.6), lower export sales, and higher import payments from re-fleeting activities.

- **Higher income tax.** Income tax expense surged by 130%, from P107 million to P246 million, as shipments exceeded the 16 MMT Environmental Compliance Certificate (ECC) limit which were

outside the scope of the income tax holiday granted to Narra mine by the Board of Investments (BOI).

In contrast, income tax last year were mainly from previously recognized foreign exchange gain.

- **Lower net finance income.** Net finance income dropped by 41%, from P675 million to P397 million, largely due to lower cash balances and normalizing interest rates. The decline was tempered by reduced finance costs following decline in loans payable.

The coal segment also reported the following operational highlights:

- **Maximum production for third year.** Total production remained at its Environmental Compliance Certificate (ECC) limit of 16.0 MMT for the third consecutive year.

Meanwhile, total materials moved grew by 7%, from 220.9 million Bank Cubic Meters (BCM) to 237.4 million BCM, following mining activities across five mining blocks in Narra mine (North Blocks 1, 2 and 3; West Block 1; and South Block 1).

Full-year strip ratio (effective) fell by 7%, from 13.1 (in 2023) to 12.2, as operations have been consolidated in Narra mine, aligning with prior guidance. Meanwhile, the aggregate strip ratio increased by 8%, from 13.1 to 14.1, leading to capitalized costs of P1.36 billion for Narra mine. This investment is expected to benefit the company until 2026, coinciding with the depletion of Narra mine. Additionally, P994 million was capitalized for the exploration costs incurred for Acacia mine.

The aggregate strip ratio reflects the actual strip ratio for all materials moved in Narra mine.

- **Lower stockpiles.** Total coal inventory dropped by 50%, from 1.8 MMT to 0.9 MMT, mainly due to record shipments in 2024 and lower quarterly production. Meanwhile, commercial-grade coal inventory jumped by 150%, from 0.2 MMT to 0.5 MMT, following catch-up shipments last year.

Power

Standalone power segment revenues slid by 4%, from P24.40 billion to P23.49 billion, because of weaker selling prices. The effect has been partially mitigated by record-high gross generation and increased power sales.

Total cash costs slipped by 2%, from P13.90 billion to P13.58 billion, but at a slower pace than topline decline, as higher operating expenses countered savings from lower generation costs and reduced replacement power purchases. Operating expenses increased by 15%, from P3.48 billion to P4.02 billion, due to higher taxes, insurance premiums and plant maintenance costs.

Consequently, core EBITDA margin slightly narrowed from 43% to 42%, while standalone net income margin remained steady at 25% for both periods.

Standalone net income fell by 3%, from P5.98 billion to P5.81 billion. No nonrecurring item recorded in 2024, while a P57 million loss was recognized in 2023 related to the sale of 2x25MW gas turbines.

Net of intercompany eliminations, reported net income dropped by 15%, from the segment's record-high of P9.90 billion to P8.44 billion. Eliminating entries contracted by 33%, from P3.92 billion to P2.63 billion, during the period, mainly due to lower coal prices and continuous fuel blending.

The segment's financial results were influenced by the following factors:

- **Improved average capacity.** Total average capacity during running days grew by 14%, from 672 MW to 764 MW, following the restoration of SCPC Unit 2's dependable capacity to 300 MW on May 27, and less deration of the SLPGC plants.
- **Steady plant availability.** Overall plant availability stood at 80%, slightly lower than 81%, as improved SLPGC availability offset the decline in SCPC availability.

SCPC plant availability dropped from 91% to 81%, due to an increase in outage days from 68 to 141. This was largely due to Unit 2's 77-day planned maintenance, which began on March 6 to restore dependable capacity back to 300 MW.

Meanwhile, SLPGC plant availability improved from 71% to 79%, benefitting from fewer outage days, which fell from 211 to 155.

- **Record-high generation.** With stable plant availability and expanded average capacity, gross generation grew by 10%, from 4,890 GWh to 5,358 GWh, marking the segment's highest-ever output. This growth was driven by improved generation from both SCPC and SLPGC.

Consequently, total power sales jumped by 10%, from 4,515 GWh to 4,945 GWh.

- **Shift to BCQ sales.** Sales to bilateral contracts (BCQ) surged by 46% from 1,439 GWh to 2,097 GWh, supported by expanded average capacity and a higher contracted capacity at the start of the period (238.2 MW in December 2023 versus 189.15 MW in December 2022).

This strategic shift led to a 7% decline in spot sales, from 3,076 GWh to 2,848 GWh, reducing the proportion of power sales sold to the spot market from 68% to 58%, as the company prioritized more contracted sales and reduced exposure to spot.

- **Decline in ASP.** Overall average selling price (ASP) dropped by 12% from P5.40/KWh, from P4.75/kWh last year, mainly attributable to lower spot ASP.

BCQ ASP increased by 6%, from P4.41/KWh to P4.66/KWh, benefitting from new contracts with more favorable terms over the past year. Meanwhile, Spot ASP fell by 18% from P5.87/KWh to P4.81/KWh on weaker prices in the wholesale electricity spot market (WESM).

- **Expanded contracted and dependable capacity.** Contracted capacity grew by 6%, reaching 251.9 MW as of December 31, 2024, up from 238.2 MW in 2023. This translates to 30% of total dependable capacity (840 MW) being contracted, with approximately 10% of these contracts including a fuel pass-through provision.

Dependable capacity expanded by 18%, increasing from 710 MW to 840 MW, driven by the synchronization of SCPC Unit 2 after a 77-day planned maintenance, which restored its dependable capacity to 300 MW from 170 MW, effective May 27.

SCPC accounted for the majority (82%) of the total contracted capacity, following the expiry of a 100-MW SLPGC supply contract on December 25. In terms of contract maturities, 22% of the contracted capacity is set to expire within the year, 60% will end in 2026, and the remaining 18% will expire from 2030 onwards.

Excluding station service requirements (84 MW), which fluctuate periodically, the segment has 504.10 MW available for spot sales.

- **Reduced spot purchases.** Total spot purchases dropped significantly by 47%, from P721 million to P382 million, largely attributable to improved average capacity and strategic shift toward contracted sales.

The power segment was a net seller to the spot market by 2,771 GWh (vs 2,973 GWh in 2023), with the decline mainly due to lower spot exposure.

II. Maynilad Water Services, Inc. (Maynilad)

Associate Maynilad's reported net income contribution surged by 61%, from Php 2.06 billion to Php 3.32 billion. This was driven by a combination of higher average effective tariff, increased billed volume and lower direct costs.

At the standalone level, core EBITDA rose by 25%, reaching Php 22.03, from 17.61 billion. Meanwhile, reported net income increased 42%, from Php 9.01 billion to a record-high of Php 12.78 billion. Excluding nonrecurring items, core net income grew by 40%, from Php 9.12 billion to Php 12.77 billion.

A closer look into Maynilad's standalone performance:

- **Stronger topline.** Total revenues grew by 23%, from Php 27.32 billion to Php 33.50 billion, mainly driven by higher billed volume from water and wastewater services, adjusted tariffs, and re-opening fees for previously disconnected services.
- **Controlled cost growth.** Total cash costs grew by 5%, significantly slower than topline (23%), from Php 10.18 billion to Php 10.70 billion. This is primarily due to lower cross-border water purchases and reduced light and power (attributed to lower fuel cost recovery adjustment or FCRA per kWh).

- **Provision reversals.** Allowance for credit losses saw a reversal to Php 112 million, compared to a Php 601 million provision last year, reflecting improved collection efficiency. These provisions account for potential losses from unpaid debts deemed uncollectible during the period.
- **Other expense shift.** Other income of Php 1.02 billion in prior period shifted to an expense of Php 629 million, due to a high-base effect from previous year's provision reversals related to water service interruptions in 2022. For the current period, other income is primarily attributed to reversals of provisions for potential tax liabilities.
- **Higher noncash costs.** Total noncash costs grew by 9%, from Php 3.27 billion to Php 3.56 billion, largely due to the combined effect of additional capex projects completed during the year and increased amortization of concession assets.
- **Reduced finance costs.** Net finance cost (net of finance income) decreased by 12%, from Php 2.28 billion to Php 2.01 billion, supported by higher finance income (from Php 222 million to Php 405 million) and the capitalization of borrowing costs associated with ongoing capital projects.

Ending cash balance more than doubled (115%), from Php 4.90 billion to Php 10.52 billion, largely due to the issuance of Php 15.0 billion in maiden blue bonds.

Finance costs fell by 4%, from Php 2.50 billion to Php 2.41 billion, as interest expenses related to ongoing capital expenditure were capitalized. Meanwhile, loans payable jumped by 35%, from Php 61.80 billion (December 2023) to Php 83.65 billion, following the issuance of blue bonds.

- **Expanding margins.** Core EBITDA margin improved slightly from 64% to 66%, while net income margin increased from 33% to 38%, driven by revenue growth, lower provisions and reduced net finance costs, partially offset by higher income tax provisions.
- **Higher tax expense.** Provision for income taxes soared by 27%, from Php 2.91 billion to Php 3.69 billion, as a result of higher taxable income.
- **Record volume uptick.** Billed volume rose by 3%, from 538.4 million cubic meters (MCM) to 553.5 MCM, marking an all-time high for the company. The uptick is primarily attributable to overall demand growth and the addition of 31,970 new water service connections over the past year.

Meanwhile, consumption per connection grew by 2% from 0.97 cubic meter (cu.m.) per day to 0.98 cu.m. per day, in line with higher billed volume.

- **Steady customer mix.** Customer mix shifted slightly more towards non-domestic users, with their billed volume increasing from 18.4% to 18.5%. Conversely, the share of billed volume from domestic customers decreased from 81.6% to 81.5%.
- **Adjusted tariff.** Average effective tariff increased by 20%, from Php 49.49 to Php 59.22, following the staggered implementation (second tranche) of the Metropolitan Waterworks and Sewerage System (MWSS)-approved basic rate adjustment effective January 1, 2024.

The company also reported the following operational results:

- **Water production increase.** Total water production at the DMA level declined by 2%, from 774.8 9.1 million cubic meters (MCM) to 758.160.4 MCM, primarily due to supply optimization efforts and nonrevenue water-reduction initiatives, resulting to reduced output from the La Mesa and Putatan treatment plants, as well as lower cross-border purchases.
- **Better water efficiency.** Average non-revenue water (NRW) improved by 12%, from 30.5% to 27.0%. Meanwhile, end-of-period NRW is likewise better by 16%, from 30.4% to 25.7%.

These improvements were largely due to increased water demand, reduced water production and the ongoing NRW-reduction initiatives.

- **Expanding coverage and availability.** Water service connections (WSCs) grew by 1.3%, from 1,532,463 to 1,551,904, supported by rising demand, population growth and the reconnection of previously disconnected customers. Meanwhile, 24-hour water availability improved from 97.5% to 98.1%.

Water service coverage slightly expanded from 94.8% to 94.9%, as the served population grew by 1%, from 10.3 million to 10.4 million.

Sewer service coverage saw significant growth, rising from 30.7% to 34.9%, marking an all-time high for the company. This was driven by a 15% expansion in the served population, from 3.1 million to 3.6 million, as a result of the company's ongoing aggressive infrastructure investments.

III. DMCI Project Developers Inc. (DMCI Homes)

Starting in 2024, DMCI Homes has implemented changes in line with PFRS 15 (paragraphs 60 to 65) concerning the treatment of financing costs. Previously, finance costs associated with accounts pending recognition were capitalized. Under the new treatment, these finance costs are now expensed directly in the income statement. The 2023 figures (both consolidated and standalone) in this discussion have been restated to facilitate a direct comparison of the operating and financial results.

Furthermore, the company adopted the accounting for the Significant Financing Component (SFC), resulting in the full-year impact being recognized in the fourth quarter. Since DMCI Homes offers various payment schemes, the SFC adjustment accounts for timing differences between cash collection from buyers and construction progress.

The real estate business delivered Php 2.66 billion in reported net income contribution, a 32% decline from Php 3.93 billion in the previous year. This was largely due to weaker real estate revenues and higher operating expenses, partly mitigated by increased contributions from other revenues, rental income, forfeitures, finance income, and reduced income tax provisions.

At the standalone level, reported net income dropped by 31% to Php 2.77 billion, from Php 4.00 billion, although net income margin slightly improved from 21% to 22%.

Excluding nonrecurring items, core net income contribution fell by 35%, from Php 3.82 billion to Php 2.47 billion. 2024 nonrecurring item pertains to gain from land sale for a joint venture project (The Valeron Tower), while the 2023 nonrecurring item pertains to Php 106 million gain from land sale in favor of a joint venture project (Fortis Residences).

To provide further insights into the financial performance of DMCI Homes:

- **Weaker revenues.** Total revenues declined by 36%, from Php 19.25 billion to Php 12.32 billion, primarily due to a sharp drop in real estate revenues. This was partly offset by increased contract revenues from joint ventures and higher contributions from property management and elevator maintenance.

Real estate revenues fell by 42%, from Php 3.81 billion to Php 2.20 billion, mainly due to lower recognition of ongoing projects and increased reversals from sales cancellations. These challenges stemmed from slow sales take-up and limited project launches during the pandemic (2020-2021), as well as reduced construction activity following the completion of more buildings this year (11 vs. 7 in 2023).

Revenues from ongoing projects (net of cancellations) accounted for 55% of total revenues, down from 67% last year, while revenues from newly recognized accounts jumped to 83% of total real estate revenues, compared to 51% in the previous year.

Reversals from sales cancellations rose by 21%, from Php 3.43 billion to Php 4.15 billion, following the turnover of three additional projects in the fourth quarter. These reversals are largely attributable to cancellations that typically occur as projects near completion, mainly due to buyers' financial circumstances and challenges in securing financing.

As context, real estate revenues are recognized based on construction progress, provided customer accounts meet the collection threshold. DMCI Homes maintains a 14.5% collection threshold, higher than the industry standard of 10%, typically requiring 4 to 5 years before revenue recognition begins. Extended down payment schemes also contributed to fewer new projects qualifying for revenue recognition.

The top revenue contributors from ongoing projects include Alder Residences (2020), Allegra Garden Place (2019), Aston Residences (2018), The Cresmont (2019) and Satori Residences (2018).

Newly recognized projects contributing the most revenue were Alder Residences (2020), Allegra Garden Place (2019), Satori Residences (2018), Kai Garden Residences (2017) and Infina Towers (2016).

Contract revenues from joint venture projects grew by 40%, from Php 557 million to Php 781 million, driven by construction progress in joint venture projects, namely The Valeron Tower (2024), Fortis Residences (2022) and One Delta Terraces (2024).

Revenues from property management, hotel operations, and elevator maintenance rose by 19%, from Php 384 million to Php 458 million, on the back of increase in completed projects, from 66 to 74, by period-end.

- **Narrower margins.** Total cash costs declined by 28%, from Php 14.70 billion to Php 10.57 billion, at a slower pace than revenues (36%), largely due to higher operating expenses.

Meanwhile, cost of sales (COS) fell by 37%, from Php 11.76 billion to Php 7.37 billion, in line with the lower topline. Operating expenses rose by 9%, from Php 2.93 billion to Php 3.20 billion, driven by higher association dues from increased ready-for-occupancy units, as well as increased selling and marketing and personnel costs. This was partially offset by lower taxes and licenses expenses.

As a result, core EBITDA plunged by 62%, from Php 4.55 billion to Php 1.75 billion, with margins contracting from 24% to 14%.

Despite weaker core operations, net income margin slightly improved from 21% to 22%, aided by higher other income, lower net finance costs, and reduced tax provisions.

Other income grew to Php 3.00 billion from Php 2.26 billion, buoyed by higher income from forfeitures and rentals, including units under the rent-to-own program.

Net finance costs dropped by 23%, from Php 1.39 billion to Php 1.07 billion, driven by higher interest income from in-house financing, alongside lower debt levels and reduced financing costs.

Provision for income tax fell by 31%, from Php 1.39 billion to Php 952 million, reflecting both lower taxable income and the expensing of financing costs in compliance with PFRS 15.

- **Minimal SFC impact.** The recognition of the full year Significant Financing Component (SFC) had a modest effect on the income statement, resulting to the following adjustments:

Revenues	+ Php 77 million
Interest income	+ Php 73 million
Interest expense	+ Php 14 million
Deferred tax expense	+ Php 34 million

The company also reported the following operational results:

- **Anemic sales and reservations.** Total units sold (including residential units and parking slots) dropped by 22%, from 8,282 to 6,461, mainly due to weak market conditions.

Sales of residential units contracted by 20%, from 5,385 to 4,289, while parking unit sales fell by 25%, from 2,897 to 2,172. Parking sales were further affected by the lack of inventory in leisure projects, Solmera Coast (2023) and Moncello Crest (2024).

The top projects with the most units sold during the year were The Valeron Tower, The Oriana, Moncello Crest, Anissa Heights and One Delta Terraces.

- **Higher selling prices driven by prime projects.** While average selling price (ASP) per unit rose by 18%, from Php 6.24 million to Php 7.37 million, ASP per square meter increased slower (8%), from Php 139,000 to Php 150,000. The lower base last year was partly due to the strong take-up of smaller units (18–20 sqm) in Anissa Heights.

This ASP per square meter growth was driven by higher construction costs and the sale of projects in prime locations, including Kalea Heights (Cebu City), The Valeron Tower (Pasig City), One Delta Terrace (Quezon City) and the transit-oriented development The Oriana (Quezon City).

- **Lower sales value.** Total sales value contracted by 8%, from Php 35.89 billion to Php 33.43 billion, on fewer units sold, partially offset by higher ASP due to premium developments.
- **Elevated cancellations on anemic sales.** Sales cancellations for residential units awaiting revenue recognition (those below the 14.5% threshold) surged to 25%, from 13% last year, primarily due to the combined effect of increased building turnovers and weaker residential units sold during the period.

For the full year period, 11 buildings were delivered to customers with full down payment, a 57-percent increase from 7 buildings last year.

- **Unbooked revenues growth.** Unbooked revenues increased by 7%, from Php 69.9 billion to Php 74.6 billion, supported by steady sales and reservations over the past year. The unbooked revenues can sustain the company for three years.

For the trailing 12-months (Q1 2024 to Q4 2024), total sales value reached Php 33.4 billion, reflecting a 7-percent decline from Php 35.9 billion in the previous period (Q1 2023 to Q4 2023).

- **Increased inventory levels.** Total inventory of residential and parking units expanded by 23%, from Php 74.9 billion to Php 92.0 billion, driven by a combination of new project launches, project completions and higher cancellation rates. Pre-selling units account for 67% of total inventory, while the remaining 33% consists of ready-for-occupancy (RFO) units. Notably, 22% of RFO inventory were leased through the rent-to-own program, on both periods.

Pre-selling inventory grew by 9%, from Php 56.5 billion to Php 61.4 billion, following the launches of The Valeron Tower, Moncello Crest, One Delta Terraces and Kalea Heights. Kalea Heights, the company's largest project to date, recently launched its first tower with a total sales value of Php 5.14 billion.

RFO inventory surged by 66%, from Php 18.4 billion to Php 30.6 billion, following the completion of The Crestmont, Sonora Garden Residences, Alder Residences, Prisma Residences and Kai Garden.

- **Ample land bank.** Total land bank contracted by 5% over the past twelve months, from 196.9 hectares to 187.4 hectares, due to recent project launches, including Moncello Crest in Luzon and Kalea Heights in Visayas. Additionally, the company sold a small undeveloped parcel in Metro Manila, while making minor acquisitions in the Visayas.

Metro Manila holds the largest share of the land bank (59%), followed by Luzon (38%), Mindanao (2%) and Visayas (1%).

- **Reduced CAPEX.** Full year CAPEX decreased by 8%, from Php 15.9 billion to Php 14.7 billion, primarily due to fewer expenditures on construction, land acquisitions and equipment purchases.
- **Healthy financial position.** Since December 2023, net debt declined by 23%, decreasing from Php 33.0 billion to Php 25.4 billion, leading to an improvement in net debt-to-equity ratio from 99% to 73%.

Total cash balance more than doubled (122%), from Php 4.4 billion to Php 9.7 billion, driven by stronger collections from both ongoing projects and project turnovers. Meanwhile, loans payable slid by 6%, from Php 37.4 billion to Php 35.1 billion, due to regular amortization and the maturity of the Php 1.3 billion corporate notes in Q1.

The improved liquidity was partially offset by cash investments in DMCI MC Property Ventures (Php 1.6 billion), additional subscription in DMC Estate Development Ventures (Php 1.2 billion), capital expenditures (Php 1 billion), and dividend payments to the parent company (Php 1.1 billion).

The interest coverage ratio (net of finance income), while decreasing from 4.8x to 4.3x, remains at a healthy level.

III. DMCI Power Corporation (DMCI Power)

Net income contribution from the off-grid energy business jumped by 29%, from Php 959 million to Php 1.24 billion, driven by increased energy sales and lower fuel costs.

At the standalone level, net income surged by 33% to Php 1.26 billion, its highest on record, up from Php 946 million in the previous year.

Core EBITDA likewise improved by 26%, reaching Php 2.01 billion from Php 1.59 billion, with margins expanding from 21% to 26%. No nonrecurring items were reported during the period.

The following details provide further insight into DMCI Power's results:

- **Revenues uptick.** Total revenues recorded a modest 3-percent growth, from Php 7.41 billion to Php 7.62 billion, on the back of increased energy sales, tempered by a decline in average selling price.
- **Record-high generation.** Total gross generation rose by 13%, from 598.8 GWh to 678.3 GWh, as demand and output rose across all key service areas—Masbate, Palawan and Oriental Mindoro

Palawan led the growth with a 20-percent jump to 308.4 GWh, up from 257.31 GWh, followed by Oriental Mindoro, which grew by 10%, from 122.7 GWh to 135.4 GWh. Masbate recorded a modest 7% increase, generating 234.5 GWh compared to 218.8 GWh last year.

- **Best-ever dispatch.** Total energy sales volume reached an all-time high of 614.5 GWh, a 9% increase from 561.7 GWh in 2023, supported by growing demand across all service areas and the full year operation of the Palawan thermal plant.

Palawan remained the largest market, contributing 44% of total sales, followed by Masbate (35%) and Oriental Mindoro (21%).

Sales in Palawan rose by 9%, from 247.4 GWh to 269.7 GWh, aided by dispatches under emergency power supply agreements (EPSAs), which made up 15% of total Palawan sales. Sales in Oriental Mindoro grew by 11%, from 117.0 GWh to 130.4 GWh, while Masbate saw a 9% rise to 214.5 GWh, from 197.4 GWh.

- **Shift in fuel mix.** Energy dispatch from thermal plants surged 57%, rising from 173.3 GWh to 271.7 GWh. Meanwhile, bunker fuel dispatch remained relatively stable, inching up 1% to 192.2 GWh from 190.4 GWh. In contrast, sales from diesel plants contracted by 24%.

As a result, the overall dispatch mix shifted in favor of thermal and bunker fuel plants, with thermal accounting for 44% of total energy sold, followed by bunker (31%), and diesel (25%). This transition was largely driven by the commercial operation of the 15 MW Palawan thermal plant in August 2023, which significantly reduced dependence on more expensive diesel-based generation. By comparison, the previous year's mix was more diesel-heavy at 35%, followed by bunker at 34% and thermal at 31%.

- **Lower selling prices.** Average selling prices (ASP) slid by 6%, from Php 16.3/kWh to Php 15.3/kWh, largely due to lower fuel prices.

Coal fuel costs dropped by 27%, from Php 6.7 per kg to Php 4.9 per kg, while diesel costs declined by 7%, from Php 56.2 to Php 52.4 per liter. In contrast, bunker fuel costs rose by 7% from Php 45.0 to Php 48.0 per liter, driven by geopolitical tensions and supply disruptions in the Red Sea.

- **Decline in cash costs.** Total cash costs decreased by 4% to Php 5.61 billion, from Php 5.82 billion, primarily due to lower thermal fuel costs and increased share of energy sales from thermal plants.
- **Higher finance costs.** Net finance costs (net of finance income) rose by 32%, from Php 154 million to Php 203 million, reflecting the full year impact of financing costs associated with the Palawan Thermal plant. This was partially mitigated by Php 1.72 billion in debt repayments over the past year and the capitalization of interest expenses from new debt availment (Php 1.99 billion) for ongoing capital expenditure projects.
- **Lower tax provision.** Provision for income taxes contracted by 22% from Php 125 million to Php 98 million, largely due to the higher contribution of sales from the Palawan thermal plant, which is eligible for income tax holiday (ITH) incentives. The reduction was partially offset by the expiration of the income tax holiday (ITH) for the Masbate thermal plant in September 2024.

Meanwhile, the 8MW Masbate hybrid diesel plant's six-year ITH will remain in effect until January 2029, and the Palawan thermal plant has a four-year ITH set to expire in July 2027.

The company also reported the following results:

- **Flattish installed capacity.** Total installed capacity remained at 159.8 MW at the end of both periods. The 15 MW thermal plant in Palawan synchronized with the Palawan grid on June 26, 2023, and began supplying reliable electricity to the local community on August 15, 2023.
- **Broader market share.** Palawan market share expanded significantly from 51.9% to 64.4%, on full year operations of the 15MW Palawan thermal plant. In Oriental Mindoro, market share also improved, rising from 22.1% to 28.3%, due to reduced availability of renewable and conventional generation sources in the area. DMCI Power continues to be the exclusive power provider in Masbate.
- **Healthier financial position.** Net debt-to-equity ratio improved slightly from 198% at the end of December 2023 to 177% at the end of December 2024, supported by higher cash levels and an increase in equity book value, which helped offset the impact of higher debt.

Loans payable grew by 19%, from Php 4.67 billion to Php 5.55 billion, as the company secured funding for ongoing pipeline projects. Meanwhile, cash levels increased 20%, rising from Php 214 million to Php 256 million, due to strong operating cashflow, tempered by the Php 500 million dividend payment to the parent company in Q4.

Total equity book value expanded by 17%, from Php 4.26 billion to Php 4.97 billion, on the back of higher retained earnings from strong operating and financial performance.

- **Expansionary CAPEX.** Capital investments rose sharply by 81%, reaching Php 1.56 billion, from Php 860 million, due to increased investments in strategic expansion projects, including the 12MW Semirara wind project and the construction of two 8MW Palawan bunker plants.

Expansion projects accounted for 72% of total spending, with the remainder spent on plant maintenance activities.

V. DMCI Mining Corporation (DMCI Mining)

Net income contribution from the nickel mining business dropped by 62%, from Php 655 million to Php 246 million, primarily due to lower shipment volumes and a decline in average selling prices.

At the standalone level, core EBITDA fell by 49%, from Php 1.38 billion to Php 707 million, largely reflecting the weaker topline and higher shiplading costs. No nonrecurring items were recorded in either period.

Notably, the company's fourth-quarter performance accounted for more than 100% of its full-year net income of Php 214 million, following the commencement of commercial operations at Zambales Chromite Mining Company (ZCMC) in December 2024.

The following section provides a detailed breakdown of DMCI Mining's standalone performance:

- **Weaker topline.** Total revenues declined by 27%, from Php 3.39 billion to Php 2.48 billion, on reduced shipments and lower average selling prices.
- **Lower cash costs.** Total cash costs decreased by 21%, from Php 2.00 billion to Php 1.77 billion, but at a slower pace than the topline. This was mainly due to lower shipment volumes, partially offset by higher shiploading expenses stemming from a shift in the billing method—from time-based to weight-based.

Operating expenses also declined by 13%, from Php 985 million to Php 861 million, driven by lower excise taxes amid weaker shipments, as well as reduced spending on environmental programs, the Social Development and Management Program (SDMP), and mine development for Berong Nickel Corporation (BNC) in Palawan. Elevated operating costs last year were also influenced by Php 38 million in wharfage dues incurred by BNC, which were not repeated in 2024.

- **Reduced non-cash costs.** Depreciation and amortization expenses fell by 26%, in line with topline, from Php 628 million to Php 466 million, mainly due to decreased shipments. The decline was partially offset by additional depreciation from newly acquired mining equipment.
- **Thinner margins.** Core EBITDA margin contracted from 41% to 29%, reflecting the impact of weaker revenues and rising per-unit costs. With lower EBIT, increased finance costs, and lower tax expenses, net margin narrowed from 18% to 9%.

The company also reported the following operational and financial results:

- **Lower production levels.** Total production dropped by 15%, from 1,705,000 WMT to 1,445,000 WMT, primarily due to permitting delays and the near depletion of ore at Zambales Diversified Metals Corporation (ZDMC).

The decline was partially offset by the start of commercial operations at Zambales Chromite Mining Company (ZCMC) in December, which contributed 63,000 WMT. ZDMC's output declined by 19%, from 1,705,000 WMT to 1,382,000 WMT.

- **Reduced shipments.** Total shipments declined by 12%, from 1,680,000 WMT to 1,477,000 WMT, with lower production volumes.
- **Lower stockpile.** Total ending inventory contracted by 26%, from 130,000 WMT to 96,000 WMT, as the company accelerated shipments in December 2024. Meanwhile, BNC's stockpile remained at 21,000 WMT, below the standard shipment size of 50,000 WMT.
- **Better selling prices.** Average selling price (ASP) declined by 21%, from US\$36/WMT to US\$29/WMT, mainly due to softer Philippine FOB nickel prices. However, average nickel grade sold slightly improved by 2%, from 1.35% to 1.38%.

While the 2024 average LME nickel price dropped by 22%, from US\$21,505/ton to US\$16,817/ton, the Philippine FOB price for 1.30% grade nickel declined at a slower pace of 19%, from US\$27/WMT to US\$22/WMT, supported by stronger Asian demand in the fourth quarter. In Q4 alone, the average FOB price improved by 8%, from US\$25/WMT to US\$27/WMT.

- **Healthy financial position.** As of December 31, 2024, net debt-to-equity ratio remained sound at 1.2%, compared to a net cash of -12.3% as of December 31, 2023, due to increased loans payable.

Total cash balance slightly declined by 1%, from Php 853 million to Php 848 million, following a Php 550 million dividend payment to the parent company and Php 641 million in capital spending, partially offset new loans.

Consequently, loans payable more than doubled (157%), from Php 350 million to Php 900 million, to support capital expenditures for new mine development.

Despite higher debt levels, interest coverage ratio (net of finance income) remained strong at 6.4x in 2024.

- **Increased capital expenditures.** For the full year capital spending increased by 149%, from Php 283 million to Php 706 million, with investments directed toward the expansion of the BNC Long Point and ZCMC mining fleets, construction of a new Palawan port, and ongoing exploration activities in Palawan.

VI. D.M. Consunji, Inc. (DMCI)

The construction segment contributed Php 247 million in net income, down by 57% from previous year, largely due to lower construction accomplishments caused by delays in key infrastructure projects and fewer ongoing infrastructure projects.

At the standalone level, core EBITDA dropped by 36%, from Php 1.59 billion to Php 1.01 billion, while reported net income plunged 40%, from Php 783 million to Php 467 million.

The following provides a more detailed explanation of DMCI's results:

- **Lower topline.** Total revenues receded by 9%, from Php 16.51 billion to Php 15.02 billion, mainly due to lower recognition from the Infrastructure unit and Allied Services due to fewer projects.

The Building unit remained the largest revenue contributor (64%), followed by Joint Ventures and other billables (21%), and Infrastructure (8%).

Revenue from the Building unit saw a 5-percent uptick, from Php 9.19 billion to Php 9.62 billion, driven by significant progress in new projects and improved margins from finalized contract.

Conversely, the Infrastructure unit's contribution reached Php 1.23 billion, down by 50% from Php 2.43 billion, on fewer ongoing and prolonged duration of key projects.

Revenue movement from JV and billables remain flat at 1% with Php 3.2 billion in both periods, mainly reflecting progress in the Metro Manila Subway Project Contract Package 102 (with Nishimatsu Construction) and the South Commuter Railway Project Contract Package S02 (with Acciona Construction Philippines), cushioning the impact of the Solaire North project completion in 2023 and delays in North-South Commuter Railway Project Contract Package 01 (with Taisei Corporation).

Meanwhile, Allied Services revenue declined by 43%, from Php 1.71 billion to Php 971 million, due to a decrease in third-party projects.

- **Thinner margins.** Total cash costs slid by 6%, from Php 14.92 billion to Php 14.01 billion, due to slowdown in construction activity, tempered by increased operating expenses.

The cash component of the cost of sales (COS) fell by 7%, from Php 14.48 billion to Php 13.48 billion, slower than topline the decline of 9%, due to project delays, leading to extended labor expenses, and additional overhead costs.

In contrast, operating expenses jumped by 18%, from Php 441 million to Php 521 million, due to higher personnel costs, permits and licenses, repairs and maintenance and other miscellaneous expenses.

Meanwhile, noncash items contracted by 23%, from Php 698 million to Php 538 million, as capital spending slowed following fewer project requirements over the past year.

Net finance income climbed twelvefold (1,050%), from Php 10 million to Php 115 million, benefitting from the absence of debt payables and higher interest income from joint ventures.

Provisions for income tax declined by 31%, from Php 232 million to Php 161 million, due to lower taxable income for the year.

With higher costs weighing on profitability, EBITDA and core net income margins contracted to 7% and 3%, respectively, down from 10% and 5% in the previous year.

The company also reported the following operational and financial results for the periods ending December 31, 2024, and December 31, 2023:

- **Stabilizing order book.** Total order book slid by 3%, from Php 41.9 billion (December 2023) to Php 40.6 billion (December 2024), as booked project revenues (Php 13.3 billion) outpaced new project awards (Php 10.8 billion) and change orders (Php 1.3 billion).
- New projects awarded in 2024 include Segment 3B of the C5 Link Expressway Project for CAVITEX Infrastructure Corporation, Laya by Shang Properties, the De La Salle Medical and Health Sciences Institute Academic Complex, the Design and Build of Long Point Causeway for Berong Nickel Corporation, the Las Piñas Pipelaying Project, a 16MW bunker-fired power plant for DMCI Power, Pioneer Cold Storage Warehouse and St. Luke's Quezon City – New Hospital Building (Mechanical works)

- **Minimal capital expenditures.** Full year capex plummeted by 67%, from Php 382 million to Php 125 million, largely spent on construction equipment.
- **Net cash position.** The company maintained its debt-free status since December 2023. While total cash balance dipped by 6% from Php 4.55 billion to Php 4.27 billion, the net debt-to-equity ratio remained stable at -0.59, compared to -0.60.

CAPEX

In line with our previous guidance of Php 48.2 billion, the Group's full-year capital expenditures (CAPEX) remained steady at Php 48.3 billion. Higher spending by SMPC, DMCI Power, and DMCI Mining offset lower investments from DMCI, DMCI Homes, and Maynilad. Excluding Maynilad, total CAPEX from subsidiaries grew by 4%, reaching Php 22.4 billion from Php 21.6 billion.

The increase in spending was primarily driven by SMPC's refueling activities and SCPC's investment in replacing Unit 2's generator. This restoration, which returned its dependable capacity to 300 MW following the completion of a 77-day planned outage on May 22, led to a 75% jump in SCPC's CAPEX, from Php 800 million to Php 1.4 billion.

Meanwhile, DMCI Power spent 78% of its Php 1.56 billion full-year CAPEX to expansion projects, including the 17MW Palawan bunker plant, 12MW Semirara wind project, and 8MW Masbate bunker plant.

In Php billions	FY 2024	FY 2023	Change
DMCI	0.1	0.4	-75%
DMCI Homes	14.7	15.9	-8%
SMPC	5.3	4.1	29%
DMCI Power	1.6	0.9	78%
DMCI Mining	0.7	0.3	133%
Maynilad	25.7	26.0	-1%
CHP*	0.2	0.0	100%
Total	48.3	47.6	1%

*under DMCI Holdings management

Looking ahead, the Group's CAPEX are projected to grow by 47% to Php 70.0 billion, primarily driven by Maynilad's continued investments in water (76% of its Php 41.2 billion allocation) and wastewater (18%) infrastructure.

Excluding Maynilad, subsidiaries' CAPEX is expected to expand by 29%, from Php 22.4 billion to Php 28.8 billion, as DMCI Homes, CHP, SMPC, and DMCI ramp up their spending.

In Php billions	2025F	2024	Change
DMCI	0.5	0.1	400%
DMCI Homes	17.9	14.7	22%
SMPC	6.4	5.3	21%
DMCI Power	1.6	1.6	0%
DMCI Mining	0.5	0.7	-29%
Maynilad	41.2	25.7	60%
CHP	1.9	0.2*	400%
Total	70.0	48.3	45%

**under DMCI Holdings management*

DMCI Homes' plans to allocate Php 17.9 billion in CAPEX for 2025, with 89% dedicated to construction and 10% to land acquisition. Meanwhile, DMCI intends to invest in new equipment to support the requirements of newly awarded projects.

CHP will distribute its Php 1.9 billion CAPEX across key initiatives: 55% is earmarked for the remaining costs of Solid Cement's new Kiln 4, which is scheduled to commence commercial operations in Q1 2025, while the remainder will cover plant maintenance, process optimization and equipment upgrades.

SMPC expects a 21% increase in CAPEX to Php 6.4 billion, primarily due to the deferral of re-fleeting initiatives in the coal segment and the acquisition of mining and support equipment. Meanwhile, the on-grid power segment's CAPEX will decline by 39%, from Php 1.8 billion to Php 1.1 billion, due to the completion of SCPC Unit 2 generator replacement in H1 2024. Moving forward, the power segment will focus on maintenance activities and enhancements to fuel and feed systems.

DMCI Power will maintain its capex at Php 1.6 billion, with 50% allocated to the development of an 8MW bunker plant in Roxas, Palawan, and 12% for the 12MW Semirara wind project. The remaining budget will be used for pipeline projects and plant maintenance.

DMCI Mining has allocated 68% of its capex toward fleet and equipment acquisition for BNC and ZCMC operations. Additionally, 21% will be dedicated to infrastructure improvements, while 11% is earmarked for exploration activities in Zambales.

Outlook and Updates

The DMCI Group operates in a dynamic business landscape, balancing both opportunities and challenges across its construction, real estate, energy, mining, cement, and utilities sectors. While rising construction demand presents growth prospects, potential delays in funding, permitting, and right-of-

way acquisitions could impact project timelines. In real estate, high inventory levels in the Philippine market will continue to pose challenges for DMCI Homes.

Meanwhile, coal and power prices are expected to remain stable in the coming year, while nickel prices are projected to rebound gradually, providing greater predictability for DMCI Group's businesses. However, policy shifts, cost pressures, and evolving market conditions remain key areas to monitor.

To navigate these uncertainties, management is strengthening the Group's ecosystem, enhancing operational efficiencies, and implementing strategic initiatives to drive long term growth while protecting margins.

Subsidiary-level outlooks

DMCI remains cautiously optimistic about expanding its order book, having secured Php 2.7 billion in new contracts in Q1 2025, with key infrastructure bids pending award. However, funding constraints, administrative bottlenecks, and permitting delays could impact project execution. To mitigate these risks and enhance competitiveness, the company is leveraging its technical expertise and financial strength to pursue large-scale industrial and commercial projects. It is also integrating design-and-build solutions and early contractor involvement alongside traditional bidding to improve results.

Despite high inventory levels in the Philippine market, **DMCI Homes** is proactively addressing slower absorption rates through flexible payment terms, restructuring options, and a rent-to-own strategy to drive both sales and leasing income. Additionally, the company is expanding its sales channels, particularly in the upscale market, by enhancing in-house and international sales efforts.

With coal prices expected to remain stable, **SMPC** is focused on sustaining production and shipment targets while expanding its customer base in both local and export markets. To maintain annual production levels and enhance coal quality, the company is advancing exploration at the Acacia mine. Additionally, SMPC is transitioning to wind energy in its mining operations to lower production costs and protect margins.

In the on-grid power segment, SMPC aims to secure contracts for approximately 50% of its 756 MW net selling capacity by offering competitive rates and a reliable power supply.

Meanwhile, **DMCI Power** is responding to rising energy demand in off-grid areas with 43 megawatts of expansion projects, including new plants in Palawan, Semirara Island, and Masbate. The 12MW Semirara wind project and 8MW Palawan bunker plant remain on schedule for completion, reinforcing the company's commitment to reliable and cost-efficient power generation.

DMCI Mining is expanding its operations from a single mine to three active sites this year, with the Long Point mine in the final stages of securing its Mineral Production Sharing Agreement (MPSA). Furthermore, its memorandum of understanding with Nickel Asia Corporation to explore value added processing could unlock greater value from low-grade ore while mitigating regulatory risks in the medium to long term.

Maynilad implemented the third tranche of its five-year staggered rate adjustment at the start of 2025. The company remains committed to improving service reliability through significant investments in

water and wastewater infrastructure. To fulfill its service obligations and reduce non-revenue water, Maynilad is intensifying efforts in pipe replacements, leak repairs, and digitization initiatives.

Following DMCI Group's takeover on December 2, turnaround efforts at **Cemex Holdings Philippines (CHP)** are in full swing, with key priorities focused on streamlining production, strengthening distribution, and executing the capacity expansion plans. The company's 1.5 million-ton capacity expansion in Solid Cement, is set to commence commercial operations in Q2.

To accelerate recovery, CHP is focusing on underserved markets, particularly in the institutional segment and retail markets in Visayas and Mindanao, where supply is less saturated than in Luzon and the distribution network is closer to the Cebu plant.

Explanation of movement in consolidated income statement accounts

Revenue

Consolidated revenue for 2024 decline by 17% from P122.8 billion to P102.4 billion driven by weaker commodity and power prices, reduced construction accomplishments in both the construction and real estate segments, and lower real estate revenue recognition. This decline was partially offset by higher coal shipments, increased on-grid and off-grid power generation and the addition of CHP's December 2024 revenues.

Cost of Sales and Services

From P67.2 billion in 2023, cost of sales and services decreased by 10% as cost of sales related to real estate and construction softened coupled with lower off-grid energy costs. As a result, gross profit margin declined to 41% in 2024 from 45% of the previous year.

Operating Expenses

Government royalties for the year amounted to P6.4 billion, a 40% drop from P10.7 billion the previous year due to lower profitability of the coal business. Excluding government royalties, operating expenses incurred increased by 16% to P11.6 billion due mainly to higher repairs and maintenance, outside services, and marketing and advertising expenses.

Equity in Net Earnings

Equity in net earnings of associates increased by 56%, from P2.1 billion to P3.4 billion in 2024 and 2023, respectively, as a result of higher income take up from Maynilad.

Finance costs - net

Consolidated finance cost (net) turned into a loss of P0.2 billion from a finance income of P1.0 billion due to the adoption of PFRS 15 of the real estate segment. Finance costs are no longer capitalized as part of inventory. The impact on the prior period is adjusted in the beginning retained earnings.

Other Income (Expense) - net

Other income (net) increased by 26% due to the higher sales forfeitures and cancellation fees and fly ash sales during the year.

Provision for Income Tax

Lower taxable income resulted to a 28% drop in the consolidated provision for income tax (both current and deferred) during the year.

II. CONSOLIDATED FINANCIAL CONDITION

December 31, 2024 (Audited) vs December 31, 2023 (Audited)

The Company's financial condition for the year improved as total assets reached P288.4 billion, a 14% increase from December 31, 2023. Meanwhile, consolidated stockholders' equity increased by 9% to P149.8 billion following the dividend declaration during the year. This is also on the back of the business acquisition completed during the year.

Consolidated cash balance increased by 7% from P32.2 billion in December 31, 2023 to P34.3 billion in December 31, 2024 as a result of collection of real estate down payment from customers and higher dividend collection from subsidiaries during the year. The Parent company also issued preferred shares in private placement to its Ultimate Parent Company amounting to Php 10 billion. These were offset by the settlement of the business acquisition and dividend payment during the year.

Receivables slightly decreased by 1% from P23.3 billion to P23.0 billion in 2024 mainly due to lower coal sales during the year. The impact was negated by the addition of CHP's outstanding receivables in 2024.

Contract assets (current and non-current) amounting to P18.9 billion in 2024 is lower by 37% versus the previous year due to lower accomplishments on the real estate and construction businesses.

Consolidated inventories slightly decreased by 1% in 2024 from P67.9 billion to P67.2 billion following lower coal inventory and spare parts. This was offset by the addition of cement inventory from the recently completed business acquisition.

Other current assets increased by 26% to P15.2 billion which comprised mainly of creditable withholding taxes, prepaid expenses and recoverable deposit.

Investments in associates and joint ventures grew by 27%, reflecting the net impact of the income take-up and dividends received from Maynilad and additional capital infusion to real estate joint ventures.

Right-of-use assets grew to P3.8 billion following the acquisition of the cement business.

Property, plant and equipment stood at P82.5 billion from P53.7 billion last year as depreciation following the recent completion of the acquisition of the cement business.

Exploration and evaluation assets increased by 174% due to the relevant engineering studies conducted for the nickel mining segment and stripping activities for new coal mining area.

Deferred tax assets increased by 75% versus the previous year, from P0.92 billion to P1.6 billion due to the reversal of deferred tax liability arising from the taxable temporary difference on unrealized foreign exchange gains and the deferred tax asset recognized from NOLCO of the newly acquired business.

The recent acquisition give rise to the recognition of trademark and goodwill amounting to P5.5 billion and P1.9 billion, respectively. These will be tested annually for impairment.

Other noncurrent assets expanded by 18% due mainly to the long-term advances and deposits to suppliers and increased pension asset.

Accounts and other payables, which includes income tax payables, increased by 6% to P32.2 billion mainly due to the accrual of production related expenses and carried payable from the newly acquired cement business.

Contract liabilities (current and non-current) grew by 27% from last year to P24.6 billion due to the additional advances and down payment from customers.

Liabilities for purchased land declined by 16% in 2024 versus the previous year as the real estate segment pay down the related liabilities.

Total debt (under short-term and long-term debt) from 2023 amounting to P49.5 billion increased by 38% to P68.1 billion as the net impact of the additional loan of the cement business cushioned by the loan payment of coal and real estate segments.

Other noncurrent liabilities increased by 130% mainly coming from the lease liabilities of the newly acquired cement business.

Net accumulated unrealized gains on equity investments designated at FVOCI grew by 39% as fair market value of quoted securities during the year increased.

Consolidated retained earnings stood at P91.5 billion at the end of December 2024, 1% higher from P90.8 billion at the close of 2023 after generating P19 billion of net income and payment of P15.9 billion in cash dividends. As the Group applied a modified retrospective approach in the adoption of PFRS 15, the beginning retained earnings were adjusted by P2.4 billion.

Non-controlling interest increased by 5%, from P28.4 billion in 2023 to P29.9 billion in 2024, as a result of the lower minority share in profits of SMPC and the completion of the cement business acquisition where in the Group has an effective ownership of around 63.06%.

III. KEY RESULT INDICATORS

The Company and its Subsidiaries (the “Group”) use the following key result indicators to evaluate its performance:

- (f) Segment Revenues
- (g) Segment Net Income (after Non-controlling Interests)
- (h) Earnings Per Share
- (i) Return on Common Equity
- (j) Net Debt to Equity Ratio

<i>(in Php Millions)</i>	For the Year		Variance	
	2024	2023	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P64,247	P76,326	(P12,079)	(16%)
D.M. CONSUNJI, INC.	14,273	16,117	(1,844)	(11%)
DMCI HOMES	12,324	19,248	(6,924)	(36%)
DMCI POWER	7,620	7,414	206	3%
DMCI MINING	2,477	3,386	(909)	(27%)
CEMEX	1,064	-	1,064	100%
PARENT & OTHERS	374	337	37	11%
TOTAL REVENUE	P102,379	P122,829	(P20,450)	(17%)

The initial indicator of the Company's gross business results is seen in the movements of revenue in each business segment. As shown above, consolidated revenue decreased by 17% primarily due to normalizing commodity and electricity prices and lower construction accomplishments and real estate projects percentage of completion.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

<i>(in Php Millions)</i>	For the Period		Variance	
	2024	2023*	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P11,013	P15,780	(P4,767)	(30%)
MAYNILAD	3,313	2,090	1,223	59%
DMCI HOMES	2,467	3,822	(1,355)	(35%)
DMCI POWER	1,241	959	282	29%
D.M. CONSUNJI, INC.	247	573	(326)	(57%)
DMCI MINING	246	655	(409)	(62%)
PARENT & OTHERS	198	51	147	288%
Cemex	50	-	50	100%
CORE NET INCOME	18,775	23,930	(5,155)	(22%)
NON-RECURRING ITEMS	201	46	155	337%
REPORTED NET INCOME	P18,976	P23,976	(5,000)	(21%)

*Restated for comparative purposes to reflect adoption of PFRS 15

The net income (after non-controlling interest) of the Group declined due to lower contributions from its coal, nickel mining, real estate and construction segments due to normalizing commodity prices which is cushioned by higher income take up from Maynilad and contribution by the off grid power segment. The non-recurring items primarily pertain to the gain on sale of land.

EARNINGS PER SHARE

Earnings per share (EPS) pertains to how much profits a company makes for each of its common shares. EPS is one of the most common ways to gauge a company's profitability attributable to common shareholders.

The Company's consolidated basic and diluted EPS was P1.43/share for the year ended December 31, 2024, a 21% decline from P1.81/share EPS year-on-year.

RETURN ON COMMON EQUITY

Return on common equity is defined as the amount of net income a company earns relative to the book value of common equity. It is a primary financial metric used by equity investors to determine whether management is efficiently and effectively utilizing the capital that shareholders have provided to generate profits. It is calculated by dividing the net income attributable to common equity shareholders of the parent company divided by the average book value of equity attributable to the equity holders of the parent company. The Company's return on common equity stood at 17% and 23% for the year ended December 31, 2024 and 2023, respectively.

NET DEBT TO EQUITY RATIO

The net debt-to-equity ratio measures to amount of debt financing relative to the equity capital. The ratio tells the Company the amount of risk associated with the way its capital structure is set up. The ratio highlights the amount of debt a company is using to run their business and the financial leverage that is available to the Company. The net debt-to-equity ratio is calculated by dividing the interest-bearing loans less cash and cash equivalents by total shareholders' equity.

Total borrowings in 2024 stood at P68.1 billion from P49.5 billion in the previous year, which resulted to a net debt-to-equity ratio of 0.23:1 as of December 31, 2024 and 0.13:1 as of December 31, 2023.

FINANCIAL SOUNDNESS RATIOS

	December 31, 2024	December 31, 2023
Gross Margin	41%	45%
Net Profit Margin	27%	30%
Return on Assets	10%	15%
Return on Common Equity	17%	23%
Current Ratio	261%	277%
Net Debt to Equity Ratio	23%	13%
Asset to Equity Ratio	193%	180%
Interest Coverage Ratio	9 times	13 times

PART II--OTHER INFORMATION

1. The Company's operation is a continuous process. It is not dependent on any cycle or season.
14. Economic and infrastructure developments in the country may affect construction business. Interest rate movements may affect the performance of the real estate industry. Mining activities are generally hinged on the commodities market and affected by weather conditions. Businesses not affected by known cycle, trends or uncertainties are power and water.
15. On October 16, 2024 the BOD of the Parent Company approved the declaration of special cash dividends in the amount of Php 0.48 per common share or a total of Php 6.37 billion in favor of the common stockholders of record as of October 30, 2024 and was paid on November 15, 2024.

16. On April 4, 2024 the BOD of the Parent Company approved the declaration of regular cash dividends in the amount of Php 0.46 per common share or a total of Php 6.11 billion and special cash dividends of Php 0.26 per common share or a total of Php 3.45 billion, or a grand total of Php 9.56 billion in favor of the common stockholders of record as of April 22, 2024 and was paid on May 3, 2024.
17. On October 10, 2023, the BOD of the Parent Company approved the declaration of special cash dividends of Php 0.72 per common share or a total of Php 9.56 billion in favor of the common stockholders of record as of October 24, 2023, and was paid on November 9, 2023.
18. On March 29, 2023, the BOD of the Parent Company approved the declaration of (1) regular cash dividends in the amount of Php 0.61 per common share or a total of Php 8.10 billion; and (2) special cash dividends of Php 0.11 per common share or a total of Php 1.46 billion, or a grand total of Php 9.56 billion in favor of the common stockholders of record as of April 17, 2023, and was paid on April 28, 2023.
19. There are no undisclosed material subsequent events and transferring of assets not in the normal course of business that have not been disclosed for the period that the Company has knowledge of.
20. There are no material contingencies during the interim period; events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation has been disclosed in the notes to financial statements.
21. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
22. Except for interest payments on loans, which the Company can fully service, the only significant commitment that would have a material impact on liquidity are construction guarantees. These are usually required from contractors in case of any damage/ destruction to a completed project.
23. Any known trends or any known demands, commitments, events or uncertainties that will result in or that will have a material impact on the registrant's liquidity. – None
24. The Group does not have any offering of rights, granting of stock options and corresponding plans therefore.
25. All necessary disclosures were made under SEC Form 17-C.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD DECEMBER 31, 2023

Full Year 2023 vs Full Year 2022

I. RESULTS OF OPERATIONS

The table below summarizes the performance of DMCI Holdings, Inc. (PSE: DMC), its subsidiaries and associate, also collectively referred to as “the DMCI Group”, for the periods ended December 31, 2023 and 2022.

- D.M. Consunji, Inc. (DMCI), a wholly-owned subsidiary, is one of the leading engineering-based integrated construction firms in the country. It operates in two construction segments: building and infrastructure. It also has separate business units for joint ventures and project support (i.e., concrete production, steel fabrication and equipment rental).
- DMCI Project Developers, Inc. (DMCI Homes), a wholly-owned subsidiary, is one of the leading mid-segment developers in the Philippines, focused on Metro Manila and other key urban areas. It has expanded into luxury, leisure and microflat projects, in addition to providing property management, elevator maintenance, and construction services (to its joint venture project projects).
- Semirara Mining and Power Corporation (SMPC), a majority-owned subsidiary (56.65%), is the largest and most modern coal producer in the Philippines. It is the only vertically integrated power generation company in the country that runs on its own fuel (coal). Its two wholly-owned operating subsidiaries—Sem-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC)—provide baseload power to the national grid through bilateral contract quantity (BCQ) and the Wholesale Electricity Spot Market (WESM).
- DMCI Power Corporation (DMCI Power), a wholly-owned subsidiary, is the largest off-grid energy supplier in the Philippines. It currently operates and maintains thermal, bunker and diesel power plants in parts of Masbate, Oriental Mindoro and Palawan. It has also diversified into renewable energy, particularly in solar and wind farms.
- DMCI Mining Corporation (DMCI Mining), a wholly owned subsidiary, extracts nickel ore through surface mining and ships these directly to China and other markets. Currently a single-mine operator, it has nickel assets in Palawan (Berong Nickel Corporation) and Zambales (Zambales Diversified Metals Corporation).
- Maynilad Holdings Corporation, a 27%-owned associate, owns 93% of Maynilad Water Services, Inc. (Maynilad). The largest private water service provider in the Philippines, Maynilad holds a 25-year franchise to establish, operate and maintain the waterworks system and sewerage and sanitation services in the West Zone service area of Metro Manila and the Province of Cavite.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

<i>in Php millions except EPS</i>	January to December (FY)		
	2023	2022	Change
I. SMPC (56.65%)	15,780	22,661	-30%
II. DMCI Homes	4,569	4,469	2%
III. Maynilad (25%)	2,090	1,467	42%
IV. DMCI Power	959	742	29%
V. DMCI Mining	655	1,285	-49%
VI. D.M. Consunji Inc.	573	587	-2%
VII. Parent and others	51	(28)	281%
Core Net Income	24,677	31,183	-21%
Nonrecurring Items	46	(93)	149%
Reported Net Income	24,722	31,090	-20%
EPS (reported)	1.86	2.34	-20%

FY 2023 vs FY 2022 Consolidated Highlights

- Reported net income fell by 20% from Php 31.09 billion to Php 24.72 billion, largely because of high base effect resulting from last year's soaring commodity prices. Lower contributions from the coal, nickel and construction subsidiaries more than offset gains in the power (on and off-grid), water and real estate businesses.

Earnings per share declined from Php 2.34 to Php 1.86, while return on equity reached 23.4%, the highest among publicly listed conglomerates in the Philippines.

Despite the notable decline in earnings, the group's performance secured the second-highest spot on record, soaring 134% above its pre-pandemic net income of Php 10.53 billion.

- Core EBITDA declined by 23% from Php 56.71 billion to Php 43.59 billion, as margin narrowed from 43% to 40% because of softer topline partially offset by lower government share in profits.

Total revenues dropped by 14% from Php 142.60 billion to Php 122.83 billion, largely on normalizing prices (commodities and electricity), lower construction accomplishments and higher revenue reversals from cancelled real estate sales. These effects were partially offset by an increase in commodity shipments, higher electricity dispatch and the addition of new real estate accounts eligible for recognition.

Total cash costs retreated by 8% to Php 79.24 billion from Php 85.89 billion, primarily due to a 33-percent reduction in government share from Php 15.96 billion to Php 10.68 billion.

Cash costs (COS and opex) was relatively flat at Php 68.56 billion, a 2-percent decrease from Php 69.93 billion. The slight reduction resulted from the combined impact of lower construction accomplishments, higher direct costs owing to record volumes of commodity and power sales, and increased expenses in plant maintenance, insurance, real estate marketing, personnel and taxes.

- Including net earnings from equity stake and other income, EBITDA declined by 20% from Php 61.13 billion to Php 48.76 billion. Equity in net earnings surged by 42% from Php 1.51 billion to Php 2.14 billion, buoyed by a stronger contribution from Maynilad.
- Other income grew by 4% from Php 2.91 billion to Php 3.02 billion on higher income from real estate forfeitures and rental, coupled with the sale of fly ash.
- Depreciation and amortization rose by 12% from Php 7.68 billion to Php 8.63 billion on account of higher commodity shipments, new mining equipment and accelerated amortization of Molave mine.
- Net finance income soared to Php 1.03 billion, a marked turnaround from last year's net finance cost of Php 252 million. This improvement was primarily driven by higher interest rates, ongoing loan amortization and increased income from in-house real estate financing.
- 2023 nonrecurring items relate to DMCI Homes' gain from sale of land to its joint-venture company (Php 106 million), share in loss from the final sale price of SLPGC's two 25MW gas turbines (Php 32 million) and Maynilad's donations and net foreign exchange gain (Php 28 million).
- 2022 nonrecurring items pertain to DMCI's gain from land and equipment sale (Php 43 million), share in asset write-down of SLPGC gas turbines (Php 88 million) and Maynilad severance pay, loan prepayment fees, donations and net foreign exchange loss (Php 47 million).
- SMPC, DMCI Homes and Maynilad accounted for 91% of core net income. Maynilad and DMCI Power set new contribution records following their stellar performances.
- Cash and cash equivalents increased by 13% to Php 32.16 billion from Php 28.41 billion (as of December 31, 2022), bolstered by DMCI's collection of construction retention receivables and new loan availments by DMCI Homes.
- Debt receded by 6% to Php 49.47 billion from Php 52.56 billion, attributed to regular loan repayments by DMCI, SMPC and DMCI Power. As a result, net debt (loans payable less cash) plunged by 28% from Php 24.15 billion to Php 17.31 billion. In turn, net debt-to-equity ratio went down from 18% to 13%.
- Key liquidity, leverage and book value per share all improved, even after a record dividend payout of Php 1.44 per share, totalling Php 19.12 billion.

This payout translates to a dividend yield of 13.2% against the 2023 volume-weighted average price of Php 10.9180, and a payout ratio of 61% of the previous year's core net income, which is well above the company's dividend policy of 25%.

FY 2023 vs FY 2022 Subsidiaries and Associate Performance

I. Semirara Mining and Power Corporation (SMPC)

The integrated energy business posted a 30-percent reduction in its contribution, from a record Php 22.57 billion to Php 15.75 billion. The decrease was due to a significant adjustment in market prices, which overshadowed the effects of record coal shipments and higher electricity dispatch.

Excluding nonrecurring items, core net income contribution declined by 30% from Php 22.66 billion to Php 15.78 billion. SLPGC recognized an additional loss of Php 57 million based on the final selling price for its two 25MW gas turbines. In 2022, SLPGC recorded a loss of Php 156 million in relation to the reclassification of the said turbines as Assets Held for Sale based on the estimated selling price at the time.

Coal

Standalone coal revenues dropped by 21% from Php 76.18 billion to Php 59.82 billion on the combined effect of lower average selling prices (-26%) and higher coal shipments (+7%).

Core EBITDA fell by 35% to Php 39.44 billion from Php 25.83 billion, as total cash costs declined at a slower pace (-7%). Meanwhile, net income dropped by 39% from Php 35.99 billion to Php 21.90 billion because of higher depreciation, absence of net foreign exchange gain, improved net finance income and normalized tax expense.

Net of intercompany eliminations, net income plunged by 44% from Php 32.40 billion to Php 17.99 billion. Eliminating entries rose by 9% from Php 3.59 billion to Php 3.91 billion on lower selling prices and thinner gross margins, muted by improved plant availability.

Eliminating entries reflect gross margins from intercompany transactions between the coal and power segments.

The following provides additional context on the segment's financial performance:

- **Highest-ever shipments.** Total shipments reached a record 15.8 million metric tons (MMT) from 14.8 MMT (+7%), exceeding the 2019 high of 15.6 MMT by 1%. Record exports and higher internal sales accounted for the spectacular results.

Exports expanded by 14% from 7.1 MMT to 8.1 MMT on higher fourth-quarter China demand (up 218% from 1.1 MMT to 3.5 MMT) and availability of commercial-grade coal.

China shipments surged by 31% from 4.0 MMT to 5.2 MMT, accounting for the export sales growth (+1.2 MMT). Coal deliveries to South Korea was unchanged at 2.2 MMT. The two countries accounted for 92% of total exports, followed by Brunei (4%), Japan (2%), India (1%) and Vietnam (1%).

Domestic sales was flat at 7.7 MMT, as higher shipments to SMPC-owned plants offset weaker sales to external local customers. High sulfur content in some commercial-grade coal curbed external sales.

Improved overall plant availability led to a 38-percent surge in internal sales from 2.6 MMT to 3.6 MMT, while sale to other power plants, cement and industrial plants contracted by 20% from 5.1 MMT to 4.1 MMT.

- **Stabilizing prices.** Semirara coal average selling price (ASP) declined by 26% from Php 5,136 per metric ton (MT) to Php 3,796 per MT, in line with the Indonesian Coal Index 4 (ICI4).

Full-year average Newcastle index (NEWC) plummeted by 52% from a historic high of US\$360.2 to US\$173.0, while average ICI4 fell at a slower pace (26%) from peak US\$85.9 to US\$63.2. Market differences and heightened geopolitical risks drove index price divergence and volatility last year.

For 2023, strong industrial activity and increased demand for lower-grade coal in Asia sustained the ICI4, while high coal stockpiles, slowing economic growth and increased renewable energy capacity in developed countries translated to elevated NEWC volatility.

- **Normalizing margins.** Core EBITDA margin declined from 52% to 43%, and standalone net income margin fell from 47% to 37%, primarily due to last year's record topline, which created a high base effect.

Strong profit margins were maintained, with the net income margin significantly exceeding both 2021 (35%) and pre-pandemic 2019 (23%) levels.

Revenues declined by 21% from Php 76.18 billion to Php 59.82 billion due to lower selling prices, but total cash costs fell slower (-7%) from Php 36.75 billion to Php 33.99 billion.

Cash component of the cost of sales (COS) went up by 13% from Php 19.96 billion to Php 22.50 billion owing to higher coal sales and carried-over production costs from beginning inventory.

Elevated fuel costs, accounting for 33% of cash costs in 2022, drove up COS due to the sale of high-cost inventory (beginning balance: 2.0 MMT). Opex remained flat year-on-year at Php 810 million.

Government share declined by 33% from Php 15.96 billion to Php 10.68 billion because of lower topline and higher costs. In effect, government share of the topline slipped from 21% to 18%.

- **Higher noncash items.** Depreciation and amortization accelerated by 38% from Php 3.29 billion to Php 4.54 billion, driven by higher shipment volumes, new mining equipment purchases and accelerated amortization of Molave mine due to its early closure (Php 247 million).
- **Absence of net forex gain.** Net forex gain reversed from Php 1.02 billion to a net forex loss of Php 159 million on stabilizing US\$:PHP forex market. As of December 31, 2023, Php 195 million of gross forex loss remained unrealized.

- **Better net finance income.** Finance income (net of finance costs) expanded 22x from Php 31 million to Php 675 million on the back of healthy cash levels, elevated interest rates, prudent treasury management and lower debt levels.

The segment also reported the following operational highlights:

- **Production at maximum capacity.** For the second straight year, coal production reached 16 MMT, which is the annual limit set by the company's Environmental Compliance Certificate (ECC).

Effective strip ratio rose by 30% to 12.5 from 9.6 because of higher rainfall (243.0 millimeter in 2023 vs 227.7 millimeter in 2022), resumption of Narra mine operations and low base effect from the near-depletion of Molave mine. In turn, materials moved jumped by 31% from 169.2 million bank cubic meters (MBCM) to 220.9 MBCM.

Total production was almost evenly split between Molave (51%) and Narra (49%) mines.

Molave's slightly higher average strip ratio (13.4 vs Narra's 12.8) stemmed from increased activity across more coal blocks.

Full-year actual strip ratio (13.1) was slightly higher than the initial 2023 guidance of 12.83, as mudflow in Molave South Block 6 prevented the full stripping of materials in the area.

- **Low inventory.** Total coal inventory dropped by 10% from 2.0 MMT to 1.8 MMT on lower third-quarter production and stronger China demand in the fourth quarter.

With record exports, commercial-grade coal inventory plummeted by 78% from 1.1 MMT to 0.2 MMT.

Power

Standalone power segment revenues jumped by 20% from Php 20.40 billion to Php 24.40 billion on improved plant availability. Core EBITDA climbed faster than topline from Php 8.22 billion to Php 10.50 billion (+28%), mostly from lower replacement power purchases.

Net income grew by 55% from Php 3.86 billion to Php 5.98 billion on higher gross generation and sales volume amid normalizing market prices.

Excluding nonrecurring items, core net income accelerated by 50% from Php 4.02 billion to Php 6.04 billion. Nonrecurring items pertain to an additional loss of Php 57 million, which was recognized in relation to the planned sale of the two 25MW gas turbines in 2023, while the Php 156 million pertains to asset write-down for said turbines, which were previously reclassified as Assets Held for Sale.

Net of intercompany eliminations, reported net income went up by 31% from Php 7.46 billion to Php 9.90 billion.

To further elaborate on the segment's results:

- **Better plant availability.** Overall plant availability improved from 62% to 81% on reduced outage days (279 days vs 552 days), following the commercial operations of SCPC Unit 2 on October 9, 2022.

SCPC and SLPGC reported contrasting results, with the former more than doubling (107%) its plant availability (from 44% to 91%) because of fewer outage days (from 411 to 68). Meanwhile, SLPGC plant availability contracted from 81% to 71% on increased outage days (from 141 to 211).

Total average capacity, based on running days, slipped by 5% from 706 MW to 672 MW on the occasional deration of SCPC Unit 2 and SLPGC Unit 1.

- **Improved output and sales.** With higher plant availability, total gross generation surged by 31% from 3,735 gigawatt hours (GWh) to 4,890 GWh. SCPC accounted for 65% of total output (versus 46% last year).

Increased plant output led to a 26~~5~~-percent expansion in total power sales from 3,596 GWh to 4,515 GWh. Bulk (68%) of the volume sold went to the spot market, from 52% last year.

Total spot sales soared to a record high of 3,076 GWh, up by 64% from 1,881 GWh because of higher plant output and uncontracted capacity. Combined spot market exposure (excluding variable station service) grew by 61% from 298.85 MW (beginning-2022) to 480.75 MW (beginning-2023).

Station service pertains to the electricity produced by the plant that is used within the facility to power the lights, motors, control systems and other auxiliary electrical loads that are necessary for plant operation.

Conversely, BCQ sales declined by 16% from 1,715 GWh to 1,439 GWh, as contracted capacity at the beginning of the periods slightly declined from 194.35 MW (beginning-2022) to 189.15 MW (beginning-2023).

- **Normalizing selling price.** Overall average selling price (ASP) dipped by 5% from Php 5.67/kilowatt hour (kWh) to Php 5.40/kWh mainly due to lower WESM prices, cushioned by better ASP for BCQ sales.

BCQ ASP rose by 19% from Php 3.71/KWh to Php 4.41/KWh, driven by a new SLPGC contract with higher pricing, and 2022 SCPC contracts with fuel pass-through provisions (covering 13% of its contracted capacity). Meanwhile, spot market ASP declined by 21% (Php 7.46/KWh to Php 5.87/kWh) due to wider grid supply margins and lower fuel costs.

- **Better contracted capacity.** As of December 31, 2023, more than a third (34% or 238.2 MW) of the power segment's dependable capacity (710MW) has been contracted. Contracted capacity grew by 26% over the twelve-month period, from 189.15 MW.

Majority (53%) of the contracted capacity is under SCPC, aligning with Management's guidance to contract approximately half of the dependable capacity.

Excluding variable station service requirements (58.7 MW), the segment has 413.10 MW available for spot sales.

- **Lower spot purchases.** Total spot purchases dropped by 59% from Php 1.76 billion to Php 721 million, owing to improved plant availability and lower spot prices.

The power segment was a net seller to the spot market by 2,973 GWh (vs 1,656 GWh in 2022).

SMPC's standalone net income decreased by 30% from Php 39.87 billion to Php 27.93 billion.

II. DMCI Project Developers Inc. (DMCI Homes)

Profit contribution from the real estate business increased by 5% to Php 4.68 billion from Php 4.47 billion because of higher forfeitures, rentals and finance income. A one-time gain from the sale of land for the Fortis Residences joint venture project also bolstered results.

Excluding the nonrecurring gain, DMCI Homes' core net income edged higher (+2%) from Php 4.47 billion to Php 4.57 billion.

The following further explains the company's results:

- **Double-digit topline decline.** Total revenues declined by 12% from Php 21.92 billion to Php 19.25 billion on slower revenue recognition for real estate projects, cushioned by higher revenues from construction services (for joint venture projects), property management and elevator maintenance. Real estate development accounted for 95% of total revenues (versus 97% last year).

Revenues from ongoing accounts (net of previously cancelled accounts) dropped to 67% of total revenues (versus 72% last year), owing to a slowdown in sales since the COVID-19 pandemic began. Among ongoing projects, Kai Garden Residences (2017), Aston Residences (2018), Fairlane Residences (2018), Prisma Residences (2017) and The Crestmont (2019) were the top revenue contributors.

Revenue reversals attributable to sales cancellations grew by 24% from Php 2.75 billion to Php 3.41 billion, after bulk buyers from Mainland China cancelled their Prisma Residences unit purchases. Reversals from cancellations significantly decreased each quarter: Php 1.19 billion in Q1 2023, Php 881 million in Q2 2023, Php 773 million in Q3 2023 and Php 572 million in Q4 2023.

Meanwhile, revenues from newly-recognized accounts improved to 51% (versus 41% last year) amid sales recovery. Top revenue contributors under newly-recognized accounts are: Allegra Garden Place (2019), Satori Residences (2018), Alder Residences (2020) and Prisma Residences (2018).

Construction revenues from joint venture projects accelerated by 32% from Php 420 million to Php 557 million, with the addition of Fortis Residences to Sonora Garden Residences. Revenues from property management, hotel operations and elevator maintenance expanded by 12% from Php 344 million to Php 384 million.

- **Cash costs aligned with revenue decline.** Total cash costs receded by 11% from Php 17.62 billion to Php 15.64 billion, mirroring a similar drop in revenues. This reduction was driven by lower direct costs (COS), which fell by 15% from Php 14.95 billion to Php 12.69 billion on slower construction progress.

The COS decline was partially offset by a 10% increase in operating expenses (from Php 2.68 billion to Php 2.95 billion), which was mostly the result of higher digital marketing spending, personnel costs, taxes and licensing fees.

With lower revenue and cash costs, Core EBITDA decreased by 16% from Php 4.29 billion to Php 3.60 billion. Consequently, core EBITDA margin saw a slight decrease from 20% to 19%.

- **Improved net margin.** Although Core EBITDA margin slightly thinned, core net income margin improved from 20% to 24% and reported net income (RNI) margin expanded from 21% to 25% because of higher contributions from other and finance incomes.

Other income jumped by 37% from Php 1.65 billion to Php 2.26 billion because of increased forfeitures and rentals, driven by the company's rent-to-own (RTO) program ("Home Ready"). Full-lease payments from Home Ready transactions were booked in other income.

Net finance income (net of finance costs) soared by 81% from Php 259 million to Php 471 million, owing to higher interest earnings from in-house financing. In compliance with IFRS 15, finance costs from accounts that are pending recognition are capitalized.

A nonrecurring gain of Php 106 million was also recognized from the sale of land to JV company DMC Estate Development Ventures, Inc. (EDVI) for the development of Fortis Residences.

The company also reported the following operational highlights:

- **Continued sales recovery.** Total units sold (including closed sales and reservations) increased by 8% from 7,701 to 8,284. While this marks the highest level since the pandemic, it remains 22% below the pre-pandemic level of 10,628 (2019).

The year-on-year sales recovery was driven by a 25-percent increase in residential unit sales (from 4,326 to 5,387 units). However, this growth was partially offset by a 14% contraction in parking unit sales (from 3,375 to 2,897), as the Solmera Coast project does not offer parking slots. Top-selling projects included Solmera Coast, Anissa Heights, Sage Residences and Allegra Garden Place.

Newly-launched projects Solmera Heights (August 2023) and Anissa Heights (November 2023) accounted for 37% of total residential sales. By the end of the period, 75% of Anissa Heights and 80% of Solmera Coast's inventories had been sold.

- **Better selling prices.** Average selling price (ASP) per square meter went up by 12% from Php 125,000 to Php 139,000, while ASP per unit moderated by 9% from Php 6.82 million to Php 6.24 million, following the company's entry to the microflat segment (Anissa Heights) and sale of smaller-cut units (Solmera Coast and Sage Residences).

Located in Pasay City, Anissa Heights provides affordable, compact units (16 sqm to 27.5 sqm) in the Php 3 million to Php 3.4 million range. Sage Residences is for urban professionals seeking a prime location (Mandaluyong City), while Solmera Coast serves as a leisure condotel investment opportunity.

- **Higher sales value.** Increased unit sales and better selling prices translated to a 12-percent increase in total sales value, from Php 32.1 billion to Php 35.9 billion – the highest in four years.
- **New project formats launched.** Four projects were launched in 2023: Calinea Tower (Caloocan City), Mulberry Place 2 (Taguig City), Solmera Coast (San Juan, Batangas) and Anissa Heights (Pasay City). These projects had a combined sales value of Php 35.6 billion, slightly below (-7%) the Php 38.2 billion generated from projects launched the previous year.

Solmera Coast offers a beachfront leisure experience, while Anissa Heights targets first-time buyers, young professionals, students, investors and downsizers with its microflats.

- **Slowing sales cancellations.** Sales cancellations for residential units (closed sale over total units sold) awaiting revenue recognition (threshold less than 14.5%) declined from 18% to 13%, owing to higher sales and fewer cancellations. At 13%, it fared slightly above pre-pandemic (2019) level of 12%, mainly because of less residential units sold (5,387 units vs. 6,283 units in 2019).
- **More unbooked revenues.** Unbooked revenues rose by 8% from Php 64.9 billion to Php 69.9 billion, fueled by a rebound in total sales value and the launch of seven projects over the past two years. The seven projects had a combined sales value of Php 73.8 billion.
- **Higher inventory.** Total inventory expanded by 30% from Php 57.4 billion to Php 74.9 billion because of double-digit increases in both pre-selling and Ready-for-Occupancy (RFO) units. Bulk (75%) of the total inventory are pre-selling units, which include residential and parking.

Excluding joint venture projects, inventory went up by 42% from Php 43.4 billion to Php 61.5 billion.

Pre-selling inventory surged by 35% from Php 41.8 billion to Php 56.5 billion, following the launch of Calinea Tower, Mulberry Place 2, Solmera Coast and Anissa Heights.

RFO inventory rose by 19% from Php 15.5 billion to Php 18.4 billion due to the completion of The Atherton, Satori Residences, The Orabella, Infina Towers, Brixton Place, Prisma Residences and Verdon Parc.

- **Ample land bank.** Total land bank shrunk by 10% from 217.9 hectares to 196.9 hectares due to the development of a leisure project in Batangas, coupled with the acquisition of a 2.3- hectare property in Mindanao.

Land bank in Luzon declined by 24% or 23.3 hectares following the launch of Solmera Coast, while land bank in Mindanao grew threefold (209%) from 1.1 hectares to 3.4 hectares. Metro Manila and Visayas land bank were unchanged at 111.9 hectares and 3.4 hectares, respectively.

Total land bank remains concentrated in Metro Manila (57%) and Luzon (38%), with smaller portions in Visayas (3%) and Mindanao (2%).

- **Flattish CAPEX.** Capital spending was largely unchanged (+1%) from Php 15.80 billion to Php 15.90 billion, majority (92%) of which was spent on construction activities. Construction spending grew by 5% from Php 13.96 billion to Php 14.63 billion, whereas expenditures on land banking activities contracted by 41% from Php 1.53 billion to Php 906 million.
- **Healthy financial position.** Net debt-to-equity ratio slightly declined from 1.03x to 0.93x, as net debt rose by 3% from Php 32.21 billion to Php 33.02 billion to finance capital expenditures. Meanwhile, balance sheet remained robust with an interest coverage ratio of 3.0x, down from 3.6x.

At the standalone level, reported net income increased by 4% from Php 4.55 billion to Php 4.73 billion. Excluding nonrecurring gain from land sale to EDVI, core net income was mostly stable (+2%) from Php 4.55 billion to Php 4.63 billion.

III. **Maynilad Water Services, Inc. (Maynilad)**

Reported net income contribution from the water business rose by 42% from Php 1.42 billion to Php 2.06 billion, buoyed by stronger operating results, increased rates and the recognition of other income.

Excluding nonrecurring items, core net income contribution strengthened by 45% from 1.47 billion to Php 2.09 billion. DMC's share in nonrecurring items amounted to a Php 28 million loss in 2023, owing to foreign exchange fluctuations and donations. Meanwhile, loan prepayment fees, severance pay, donations and miscellaneous items amounted to a nonrecurring loss of Php 47 million in 2022.

To explain the company's standalone performance:

- **Double-digit topline growth.** Total revenues swelled by 19% from Php 22.88 billion to Php 27.32 billion on the back of improved billed volume, customer mix and average effective tariff, boosted by government tax collection.
- **Better EBITDA margins.** Core EBITDA rallied by 32% from Php 13.32 billion to Php 17.61 billion, with margin expanding from 58% to 64%. This was mainly attributable to improved topline, slower growth in total cash costs and recognition of other income, muted by higher provisioning for credit losses.

Total cash costs grew slower (+17%) than topline (+19%) from Php 8.62 billion to Php 10.09 billion, primarily from lower light and power expenses and milder increase in personnel costs, tempered by

higher outside services, water treatment chemical costs, repairs and maintenance and cross-border water purchases.

Provisions accelerated by 281% from Php 170 million to Php 648 million on increased provisioning for potential losses from unpaid debts deemed uncollectible during the period.

Meanwhile, other income reversed from an expense of Php 771 million to an income of Php 1.02 billion owing to higher interest income and provision reversals for water service interruption penalties in 2022.

- **Record billed volume.** Billed volume went up by 2% from 526.9 million cubic meters (MCM) to 538.5 MCM, marking the highest level in the company's history. The uptick was driven by record water production and higher non-domestic demand, along with the reactivation and reconnection of delinquent accounts.
- **Improving customer mix.** Non-domestic billed volume increased from 17.3% to 18.4%, driven by accelerating economic activity. In contrast, the share of domestic billed volume declined from 82.7% to 81.6%. This represents the most favorable customer mix in four years, following the achievement of a 20.0% non-domestic share in 2019.
- **Adjusted tariff.** Average effective tariff rose by 14% from Php 42.11 to Php 48.12 because of the staggered implementation of the Metropolitan Waterworks and Sewerage System (MWSS) – approved basic rate adjustment last January 1, 2023 and more favorable customer mix.
- **Higher noncash items.** Depreciation and amortization expenses increased by 11% from Php 2.95 billion to Php 3.27 billion owing to additional capex projects completed during the year. Capex disbursements reached Php 26.0 billion in 2023, up by 87% from last year.
- **Wider profit margin.** Net income margins expanded from 26% to 33% on faster EBITDA growth amid slower rise in noncash items, net finance costs and income tax provisions.

The company also reported the following operational and financial highlights:

- **Best-ever water production.** Total water production increased by 2% from 756.2 million cubic meters (MCM) to a record-breaking 774.8 MCM. Higher raw water supply from Angat Dam, increased cross-border water purchases, the activation of the "NEW WATER" treatment plant in Parañaque and the use of deep wells accounted for the uptrend.
- **Stable water losses.** Average non-revenue water (NRW) stood at 30.5%, slightly higher than last year (30.4%) because of improved production. End-of-period NRW dropped by 5% from 32.1% to 30.4%, largely attributable to higher billed volume and continuous NRW-reduction initiatives and projects, i.e. leak repairs and pipe replacement.
- **Expanded coverage and availability.** Water service coverage slightly grew from 94.6% to 94.8%, as the number of water service connections (WSCs) increased from 1,522,992 to 1,532,463. In

effect, served population widened by 3% from 10.0 million to 10.3 million. 24-hour availability likewise improved from 92.7% to 97.5% because of higher water production.

Sewer service coverage rose to its highest level on aggressive infrastructure spending, expanding from 22.6% to 30.7%. This translated to a 40-percent increase in served population from 2.3 million to 3.1 million.

At the standalone level, Maynilad set a new profit record of Php 9.01 billion, 53-percent higher than the Php 5.88 billion net income reported last year. Excluding nonrecurring items, core net income surged by 51% from Php 6.05 billion to Php 9.12 billion.

For 2023, nonrecurring items included net foreign exchange losses (Php 39 million) and donations (Php 95 million). Meanwhile, 2022 nonrecurring items largely pertain to loan prepayment fees (Php 138 million), miscellaneous expenses (Php 47 million), severance pay (Php 45 million), donations (Php 29 million) and foreign exchange gains (Php 23 million).

IV. DMCI Power Corporation (DMCI Power)

The off-grid energy business delivered its highest-ever net income contribution, surging by 29% from Php 742 million to Php 959 million on the back of record sales volume and wider profit margins.

The synchronization of the Palawan thermal plant, which used more affordable fuel, resulted to lower topline, yet wider profit margins. Consequently, core EBITDA surged by 25% from Php 1.27 billion to Php 1.59 billion.

Key drivers behind its remarkable financial performance include:

- **Record capacity, output and dispatch.** The additional of an 8MW diesel plant in Masbate (January 2023) and a 15 MW thermal plant in Palawan (July 2023) boosted total installed capacity by 17% from 136.4 gigawatt hours (GWh) to an all-time high of 159.8 GWh.

With this, total gross generation climbed by 7% from 447.3 GWh to a record 479.7 GWh, fueling a 6-percent increase in sales volume from 426.0 GWh to a historic high of 452.6 GWh.

Palawan sales represented 79% of the total sales increase, after recording a dispatch growth of 12% from 178.8 GWh to 200.2 GWh. This upswing was driven by stronger economic activities and expanded capacity in the area. Meanwhile, Masbate saw a 6-percent rise in sales from 147.7 GWh to 156.1 GWh, supported by similar factors. On the other hand, sales in Oriental Mindoro slipped by 3% from 99.4 GWh to 96.2 GWh, amid higher availability of renewable energy and conventional power sources.

While Palawan continued to lead in sales, its contribution to total sales edged up from 42% to 44%. Contributions from Masbate and Oriental Mindoro adjusted slightly, moving to 34% (from 35%) and 21% (from 23%), respectively.

- **Normalizing selling prices.** Overall ASP slipped by 7% from Php 17.5/KWh to Php 16.4/KWh, reflecting the cumulative impact of lower coal, bunker, and diesel costs amid stabilizing global energy prices. This downtrend was magnified by the August 15 commercial operations of the 15MW Palawan thermal plant, which charged a lower tariff.

In line with market indices, coal expenses plummeted by 43% from Php 11.8 to Php 6.7 per kilogram. Bunker fuel prices dipped by 3% from Php 46.1 to Php 45.0 per liter, while diesel prices remained relatively stable (-1%) at Php 56.2 from Php 56.9 per liter.

- **Flat topline and healthier margins.** Total revenues was mostly flat (-1%) from Php 7.47 billion to Php 7.41 billion, as higher dispatch offset the effect of weaker ASP.

Total cash costs declined at a faster pace (-6%) than topline from Php 6.20 billion to Php 5.82 billion because of lower fuel costs, which was significantly influenced by the operations of the Palawan thermal plant.

Income tax provisions dropped by 12% from Php 142 million to Php 125 million, with the granting of income tax holidays (ITH) to the Masbate hybrid diesel plants, as well as the Palawan 15MW thermal plant.

The Masbate thermal plant's ITH will expire in September 2024, while the 8MW hybrid diesel plant's ITH will run until January 2029. The Palawan thermal plant's four-year ITH will end in August 2027.

As a result, the core EBITDA margin improved from 17% to 21%, and the net margin increased from 10% to 13%.

- **Higher noncash items and finance costs.** Depreciation and amortization increased by 10% from Php 337 million to Php 370 million, following the synchronization of the 8MW Masbate diesel plant and the 15MW Palawan thermal plant.

Meanwhile, net finance costs (net of income) more than tripled (208%) from Php 49 million to Php 152 million on the combined effect of elevated interest rates and higher borrowing costs associated with the additional 23MW capacity installed in Palawan and Masbate. As of December 31, 2023, 70% of the total loans payable were subject to floating interest rates.

The company also reported the following operational and financial highlights:

- **Stable market share.** Market shares in Masbate and Palawan stayed the same at 100% and 52%, respectively. The company remains the sole power provider in Masbate while slower demand in Palawan limited its diesel plant operation. Oriental Mindoro market share fell from 26% to 22% on better availability of both the renewable and conventional plants in the area.
- **Healthy financial position.** Net debt-to-equity ratio decreased from 139% (end of December 2022) to 105% (end of December 2023), as net debt contracted by 17% from Php 5.37 billion to Php 4.45 billion on continuing loan amortization without additional availment.

- **Less capital expenditures.** Capital investments plunged by 54% from Php 1.89 billion to Php 860 million, following the completion of two expansion plants.

The 15MW Palawan thermal plant and 8MW Masbate diesel plant accounted for 66% of the 2023 capex, a decrease from 81% the previous year. The rest of the capex was spent on regular plant maintenance activities and downpayment for the purchase of additional generating units.

At the standalone level, DMCI Power recorded a 28-percent upturn in reported net income from Php 742 million to Php 946 million, its highest-ever. No nonrecurring items were recognized in either period.

V. DMCI Mining Corporation (DMCI Mining)

The nickel mining business posted weaker results, with net income contribution declining by 49% from Php 1.29 billion to Php 655 million because of lower selling prices and increased costs stemming from record-high shipments.

Standalone core EBITDA plunged by 37% from Php 2.19 billion to Php 1.38 billion, reducing margins from 58% to 41%.

Further details on the results include:

- **Weaker topline.** Total revenues dropped by 11% from Php 3.79 billion to Php 3.39 billion, as lower selling prices muted the impact of record shipments.
- **Elevated cash costs.** Total cash costs accelerated by 25% from Php 1.60 billion to Php 2.00 billion, resulting from higher production cash costs (COS).

COS expanded by 36% from Php 749 million to Php 1.02 billion on higher expenses related to shiploading, fuel consumption and labor as a result of increased shipments.

Operating expenses grew by 15% from Php 854 million to Php 985 million on higher BNC spending on environmental, mechanical and administrative support, and excise taxes, along with increased ZDMC spending for environmental and social development activities.

In turn, total cash costs per wet metric ton (WMT) rose by 4% from US\$ 20.5 to US\$ 21.3.

- **Higher noncash items.** Increased nickel ore shipments led to a 29-percent rise in amortization costs from Php 488 million to Php 628 million, boosted by higher depreciation costs from the acquisition of additional mining equipment. Under Philippine Accounting Standards (PAS) 16, shipments are amortized based on a mine's available reserves.
- **Thinner margins.** Net income margin narrowed from 36% to 18% on the combined effect of a weaker topline, elevated cash and non-cash expenses, lack of net foreign exchange gains, and a reduced provision for income taxes.

Additionally, other income fell by 27% from Php 122 million to Php 89 million on account of a stabilizing US\$:Philippine Peso exchange rate. This year, the company reversed a Php 90 million provision for long-outstanding operating costs incurred as a mining operator for another company from 2007 to 2014.

Provision for income tax dropped by 52% from Php 444 million to Php 211 million on lower taxable income.

The company also reported the following operational and financial highlights:

- **Expanded production.** Total production advanced by 65% from 1,031,000 WMT to 1,705,000 WMT, following an expansion in ZDMC's mining capacity and the acquisition of additional mining equipment in 2022.

ZDMC secured the necessary Environmental Compliance Certificate (ECC) to boost its nickel ore production from 1 million metric tons to 2 million metric tons, effective January 2023.

- **More stockpile.** Total ending inventory more than doubled (141%) from 54,000 WMT to 130,000 WMT, owing to a 230-percent increase in ZDMC stockpile from 33,000 WMT to 109,000 WMT. BNC stockpile remained at 21,000 WMT, which is below the standard shipment size of 50,000 WMT.

With improved production capacity, ZDMC was able to sustain its stockpile above 100,000 WMT this year (157,000 WMT in Q1, 110,000 WMT in Q2 and 153,000 WMT in Q3).

- **Record shipments.** Total shipments rallied by 16% from 1,449,000 wet metric tons (WMT) to a historic level of 1,680,000 WMT, driven by improved ZDMC production and stockpile.
- **Lower selling prices.** Average selling price (ASP) tapered by 14% from US\$ 42/WMT to US\$36/WMT on weak market prices. While this aligned with the LME nickel price decline, it significantly outperformed the Philippine FOB trend.

Average yearly LME Nickel price contracted by 15% from US\$ 25,638/ton to US\$ 21,733/ton, while the Philippine FOB price for 1.30% grade ore declined even faster (-31%) from US\$39/WMT to US\$27/WMT.

- **Net cash position.** The company maintained its net cash position despite its weaker performance this year. Net debt-to-equity ratio improved from -0.17 to -0.12 after paying Php 667 million in dividends to shareholders and capital spending of Php 169 million. Debt level was unchanged at Php 350 million for both periods.
- **Reduced capital expenditures.** Committed capital spending fell by 38% from Php 459 million to Php 283 million owing to lower mining equipment requirements amid ongoing permitting of mining assets.

At the standalone level, reported net income plunged by 54% from Php 1.36 billion to Php 623 million. No nonrecurring item was recognized during both periods.

VI. D.M. Consunji, Inc. (DMCI)

The construction business contributed Php 573 million in reported net income, 9% lower than Php 630 million last year mostly from reduced construction activity. Excluding nonrecurring items, core net income contribution slipped by 2% from Php 587 million to Php 573 million.

To further explain its performance:

- **Weaker topline.** Total revenues declined by double-digits (15%) from Php 19.50 billion to Php 16.51 billion owing to the near-completion of major projects and fewer new infrastructure contracts.

Revenues from Building contracts rose by 7% from Php 8.59 billion to Php 9.20 billion, mainly coming from Maynilad projects. Joint Venture project revenues increased by 4% from Php 3.04 billion to Php 3.17 billion on improved construction accomplishments and low base effect following delays and re-scoping of North South Commuter Railway Project Contract Package 01 (NSCR CP-01) project last year.

Meanwhile, revenues from the Infrastructure unit plunged by 62% from Php 6.38 billion to Php 2.43 billion with the absence of new major contracts. Project support revenues grew by 15% from Php 1.49 billion to Php 1.71 billion because of increased activity in NSCR CP-01.

The Building unit, which includes buildings, energy, plant and utilities projects, accounted for 56% of the revenues (versus 44% last year), followed by Joint Venture projects at 19% (from 16% last year), Infrastructure unit at 15% (from 33% last year) and Project Support at 10% (from 8% last year).

- **Cash costs mirror topline.** Total cash costs moved in line with revenues, dropping by 15% from Php 17.62 billion to Php 14.92 billion on reduced activity from fewer ongoing projects.

Operating expenses fell by 14% from Php 514 million to Php 441 million, attributable to lower retirement expense caused by a realignment of the projection rate, along with lower business permit expenses tied to decreased taxable revenue.

- **Lower noncash expenses.** Noncash items decreased by 12% from Php 794 million to Php 698 million, largely driven by a rise in fully depreciated assets, resulting from reduced project requirements in prior years.
- **Stable margins.** EBITDA margin was unchanged during both periods (10%), as a proportionate decline in both revenue and cash costs offset each other. Standalone net income margin saw a slight increase from 4% to 5% on the combined effect of higher other income, improved net finance income and reduced income tax provisions.

Other income surged by 347% from Php 19 million to Php 87 million, propelled by a foreign currency adjustment after the revaluation of joint venture financial statements (Php 39 million). This increase was further supported by management fees (Php 17 million) and rental income (Php 1.7 million).

Net finance cost of Php 22 million shifted to net finance income (Php 10 million) on debt pay-down and increase in cash position.

The company also reported the following operational and financial highlights:

- **Order book recovery.** Total order book expanded by 19% from Php 35.2 billion to Php 41.9 billion, following the awarding of Php 20.2 billion in new projects.

These projects include the South Commuter Railway Project Contract Package 02 (a joint venture with Acciona Construction Philippines), St. Luke's Medical Center (New Hospital Building), pipelaying works in Muntinlupa, University Hall and Razon Hall in the De La Salle University Laguna Campus, an 88 MLD Water Reclamation Facility in Las Piñas City, the Levi Mariano Pumping Station and Reservoir in Taguig City among others.

- **Higher capital expenditures.** Capital spending surged by 68% from Php 227 million to Php 382 million due to the acquisition of new heavy equipment to support ongoing projects.
- **Net cash position.** Debt-to-equity ratio improved from -0.2x to -0.6x after a reduction in debt (from Php 222 million to zero), the collection of retention receivables from infrastructure projects (Php 1.59 billion), and a down payment from a new project (Php 2.93 billion).

At the standalone level, reported net income fell by 9% from Php 863 million to Php 783 million. Excluding nonrecurring items, core net income declined by 7% from Php 815 million to Php 757 million. Nonrecurring items pertain to gain on sale of equipment, which amounted to Php 26 million in 2023 and Php 48 million in 2022.

Intercompany eliminations slowed by 12% from Php 294 million to Php 258 million, associated largely with the construction of various water projects for Maynilad, a DMCI Holdings affiliate.

CAPEX

In 2023, total committed capital spending increased by 8% from Php 38.0 billion to Php 41.2 billion, mostly the result of increased Maynilad spending on water and wastewater projects.

Excluding Maynilad, the DMCI Group capex contracted by 5% from Php 22.7 billion to Php 21.5 billion because of lower DMCI Power spending, following the completion and synchronization of its 15MW Palawan thermal plant in August 2023.

In Php billions	2023	2022	Change	2024F	2023	Change
DMCI	0.4	0.2	100%	0.3	0.4	-25%
DMCI Homes	15.9	15.8	1%	17.0	15.9	7%
SMPC	4.0	4.3	-7%	7.0	4.0	75%
DMCI Power	0.9	1.9	-53%	2.3	0.9	156%
DMCI Mining	0.3	0.5	-40%	1.1	0.3	267%
Maynilad*	19.7	15.3	29%	31.4	26.0	21%
Total	41.2	38.0	8%	59.1	47.5	24%

**Maynilad 2024F vs 2023 based on capex disbursement*

Looking ahead to 2024, total capital expenditures are expected to expand to Php 59.1 billion, as Maynilad earmarks P31 billion to meet its water and wastewater service obligations. This is the biggest capital investment for the company since the 1997 privatization of water services in Metro Manila.

Excluding Maynilad, the DMCI Group capex is expected to increase by 29% from Php 21.5 billion to Php 27.7 billion. This growth is attributed to a series of strategic initiatives, including refueling and exploration activities in the coal and nickel businesses, the construction of a 2x8MW bunker power plant in Palawan, wind power projects on Semirara Island, and the completion of ongoing DMCI Homes projects.

Outlook and Updates

For 2024, the DMCI Group expects market conditions to be challenging as slowing global economic growth, particularly in China, could dampen demand, and ultimately the commodity prices, for coal and nickel.

Elevated interest rates and high inventories will keep construction and real estate demand subdued, as buyers and developers adopt a more cautious approach in their investment decisions.

Utilities, specifically power and water, should benefit from a controlled inflation rate and a gradual stabilization in fuel and raw material costs, which can strengthen operating profit margins.

To counter market headwinds, the DMCI Group intends to optimize costs, improve productivity and generate value from its integrated operations, shared expertise and strong financial position.

Additionally, the DMCI Group is setting its sights on strategic investments such as renewable energy, leisure properties and joint ventures in its core businesses to diversify its revenue streams and address changing consumer preferences. To elaborate:

DMCI: With the demand for office and commercial spaces continuing to show sluggish growth, the company will shift its focus towards resilient and emerging areas such as infrastructure and industrial projects.

These include Overseas Development Assistance (ODA)-funded contracts, public-private partnership projects, government infrastructure initiatives and private sector industrial projects.

DMCI Homes: Sales and reservations are unlikely to return to pre-pandemic levels owing to steep loan rates, market oversupply and weak consumer confidence. However, new product formats like leisure (Solmera Coast) and microflats (Anissa Heights) could drive demand from underserved markets.

More joint venture (JV) projects are in the pipeline to maximize partner synergies and reduce financial risks. In February 2024, the company launched The Valeron Tower with Marubeni Corporation, a transit-oriented mixed-use development poised to transform the urban landscape of Pasig City.

SMPC: With coal and electricity prices stabilizing at what appears to be their "new normal," the company is concentrating on achieving its production (16 MT), shipment (15.5 MMT) and plant availability (83%) targets for the year.

The power segment could provide some upside once SCPC Unit 2's dependable capacity returns to 300MW by the second quarter of 2024. This increase is contingent on the successful rewinding and swapping of its generator in the first quarter of the year.

DMCI Power: The company is expected to reach a new earnings milestone (Php 1 billion) this year on the back of increased demand and additional capacity (42.48 MW), which would increase its total installed capacity by 27% to 202.2 MW.

Upcoming projects include a 12MW wind energy project on Semirara Island, a 16.6MW bunker power plant in Palawan, an 8.8MW bunker power plant in Masbate, and a 4MW solar project also in Masbate. The growth of its renewable energy portfolio will depend on the success of its wind and solar projects with an aggregate capacity of 16MW.

DMCI Mining: Despite increased investments in clean energy, global demand and prices are expected to decline due to sluggish global trade, challenges in China's property sector, a slowdown in the electric vehicle market and rising production in Indonesia, combined with increased supply of the metal worldwide.

Amid this slowdown in demand, the company is focusing on increasing its shipments to 2 million metric tons and securing the required permits to open a new mine in Palawan by the second half of 2024. Preparations are also underway to open a new site in Zambales by the second quarter of 2024.

Maynilad: Declining inflation and the rebound of tourist arrivals to pre-pandemic levels could bolster both residential and commercial demand, while supply should continue to improve on the back of aggressive infrastructure spending and supply augmentation measures.

Average effective tariff is likewise expected to improve given the shift in customer mix towards non-domestic customers and the approval of a rate hike by the Metropolitan Waterworks and Sewerage System (MWSS) effective January 1, 2024.

Explanation of movement in consolidated income statement accounts

Revenue

Consolidated revenue for 2023 decline by 14% from P142.6 billion to P122.8 billion due to lower commodity prices coupled with fewer construction projects and lower percentage-of-completion of its real estate developments.

Cost of Sales and Services

From P68.5 billion in 2022, cost of sales and services decreased marginally by 2% cost of sales related to real estate and construction softened. As a result, gross profit margin declined to 45% in 2023 from 52% of the previous year.

Operating Expenses

Government royalties for the year amounted to P10.7 billion, a 33% drop from P16.0 billion the previous year due to lower profitability of the coal business. Excluding government royalties, operating expenses incurred increased by 10% to P10.0billion due mainly to higher repairs and maintenance, outside services, and marketing and advertising expenses.

Equity in Net Earnings

Equity in net earnings of associates increased by 42%, from P1.5 billion to P2.1 billion in 2023 and 2022, respectively, as a result of higher income take up from Maynilad.

Finance Income - net

Consolidated finance income (net) income increased by 511% due mainly to higher amount of placements during the period with better interest rates.

Other Income (Expense) - net

Other income (net) slightly increased by 4% due to the higher sales forfeitures and cancellation fees and fly ash sales during the year.

Provision for Income Tax

Lower taxable income resulted to a 9% drop in the consolidated provision for income tax (both current and deferred) during the year. Income tax in 2022 includes the accrual of the income tax expense amounting to P897 million for 2020 is in relation to the deferral of the Molave mine's income tax holiday.

II. CONSOLIDATED FINANCIAL CONDITION

December 31, 2023 (Audited) vs December 31, 2022 (Audited)

The Company's financial condition for the year improved as total assets reached P248.0 billion, a 3% increase from December 31, 2022. Meanwhile, consolidated stockholders' equity increased by 4% to Php 137.4 billion following the dividend declaration during the year.

Consolidated cash balance increased by 13% from P28.4 billion in December 31, 2022 to P32.2 billion in December 31, 2023 as a result of collection of construction receivables and net loan availment which was offset by the higher dividend payment during the year.

Receivables decreased by 13% from P26.8 billion to P23.3 billion in 2023 mainly due to lower coal sales and collection of construction receivables.

Contract assets (current and non-current) amounting to P30.1 billion in 2023 is higher by 4% versus the previous year due to higher accomplishments on the real estate and construction businesses.

Consolidated inventories increased by 10% in 2023 from P61.5 billion to P67.9 billion following higher construction costs incurred on ongoing residential projects, as well as higher coal inventory and spare parts.

Other current assets increased by 17% to P12.8 billion which comprised mainly of creditable withholding taxes, prepaid expenses and recoverable deposit.

Investments in associates and joint ventures grew by 5%, reflecting the net impact of the income take-up and dividends received from Maynilad.

Right-of-use assets grew by 20% due to the additional office space leased during the year.

Property, plant and equipment stood at P53.7 billion from P57.6 billion last year as depreciation expense more than offset the capital expenditures in 2023.

Exploration and evaluation assets increased by 29% due to the relevant engineering studies conducted for the nickel mining segment.

Pension assets and remeasurements on retirement plans (under equity) decline by 2% and 8%, respectively. Meanwhile, pension liabilities grew by 125% in 2023. The movements in these accounts were mainly due to the effects of the differences between the actual results and previous actuarial assumptions.

Deferred tax assets increased by 66% versus the previous year, from P0.55 billion to P0.92 billion due to the reversal of deferred tax liability arising from the taxable temporary difference on unrealized foreign exchange gains.

Other noncurrent assets expanded by 11% due mainly to the long-term advances and deposits to suppliers.

Accounts and other payables, which includes income tax payables, increased by 9% to P31.0 billion mainly due to the accrual of production related expenses and higher government share in profits payable to DOE.

Contract liabilities (current and non-current) grew by 22% from last year to P19.4 billion due to the additional advances from customers.

Liabilities for purchased land declined by 28% in 2023 versus the previous year as the real estate segment pay down the related liabilities.

Total debt (under short-term and long-term debt) from 2022 amounting to P52.6 billion decreased by 6% to P49.5 billion following net loan payments during the year.

Other noncurrent liabilities decreased by 6% due amortization of deferred rent income.

Net accumulated unrealized gains on equity investments designated at FVOCI grew by 33% as fair market value of quoted securities during the year increased.

Consolidated retained earnings stood at P90.8 billion at the end of December 2023, 7% higher from P85.2 billion at the close of 2022 after generating P24.7 billion of net income and payment of P19.2 billion in cash dividends.

Non-controlling interest decreased by 3%, from P29.2 billion in 2022 to P28.4 billion in 2023, as a result of the lower minority share in profits of SMPC.

III. KEY RESULT INDICATORS

The Company and its Subsidiaries (the “Group”) use the following key result indicators to evaluate its performance:

- (k) Segment Revenues
- (l) Segment Net Income (after Non-controlling Interests)
- (m) Earnings Per Share
- (n) Return on Common Equity
- (o) Net Debt to Equity Ratio

SEGMENT REVENUES

<i>(in Php Millions)</i>	For the Year		Variance	
	2023	2022	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P76,326	P90,382	(P14,056)	(16%)
DMCI HOMES	19,248	21,911	(2,663)	(12%)
D.M. CONSUNJI, INC.	16,117	18,656	(2,539)	(14%)
DMCI POWER	7,414	7,470	(56)	(1%)
DMCI MINING	3,386	3,789	(403)	(11%)
PARENT & OTHERS	337	392	(55)	(14%)
TOTAL REVENUE	P122,829	P142,600	P19,771	(14%)

The initial indicator of the Company’s gross business results is seen in the movements of revenue in each business segment. As shown above, consolidated revenue decreased by 14% primarily due to normalizing commodity and electricity prices and lower construction accomplishments.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

<i>(in Php Millions)</i>	For the Period		Variance	
	2023	2022	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P15,780	P22,661	(P6,881)	(30%)
DMCI HOMES	4,569	4,469	100	2%

MAYNILAD	2,090	1,467	623	42%
DMCI POWER	959	742	217	29%
DMCI MINING	655	1,285	(630)	(49%)
D.M. CONSUNJI, INC.	571	587	(16)	(3%)
PARENT & OTHERS	53	(28)	81	289%
CORE NET INCOME	24,677	31,183	(6,506)	(21%)
NON-RECURRING ITEMS	46	(93)	130	149%
REPORTED NET INCOME	P24,722	P31,090	(6,367)	(20%)

The net income (after non-controlling interest) of the Group declined due to lower contributions from its coal and nickel mining segments due to normalizing commodity prices which is cushioned by higher income take up from Maynilad and contribution by the off grid power segment. The non-recurring items primarily pertain to the gain on sale of land, negated by the additional write down of the on-grid power segment's gas turbines.

EARNINGS PER SHARE

Earnings per share (EPS) pertains to how much profits a company makes for each of its common shares. EPS is one of the most common ways to gauge a company's profitability attributable to common shareholders.

The Company's consolidated basic and diluted EPS was P1.86/share for the year ended December 31, 2023, a 20% decline from P2.34/share EPS year-on-year.

RETURN ON COMMON EQUITY

Return on common equity is defined as the amount of net income a company earns relative to the book value of common equity. It is a primary financial metric used by equity investors to determine whether management is efficiently and effectively utilizing the capital that shareholders have provided to generate profits. It is calculated by dividing the net income attributable to common equity shareholders of the parent company divided by the average book value of equity attributable to the equity holders of the parent company. The Company's return on common equity stood at 27% and 33% for the year ended December 31, 2023 and 2022, respectively.

NET DEBT TO EQUITY RATIO

The net debt-to-equity ratio measures to amount of debt financing relative to the equity capital. The ratio tells the Company the amount of risk associated with the way its capital structure is set up. The ratio highlights the amount of debt a company is using to run their business and the financial leverage that is available to the Company. The net debt-to-equity ratio is calculated by dividing the interest-bearing loans less cash and cash equivalents by total shareholders' equity.

Total borrowings in 2023 stood at P49.5 billion from P52.6 billion in the previous year, which resulted to a net debt-to-equity ratio of 0.13:1 as of December 31, 2023 and 0.18:1 as of December 31, 2022.

FINANCIAL SOUNDNESS RATIOS

	December 31, 2023	December 31, 2022
Gross Margin	45%	52%
Net Profit Margin	30%	34%
Return on Assets	15%	22%
Return on Common Equity	27%	33%
Current Ratio	277%	290%
Net Debt to Equity Ratio	13%	18%
Asset to Equity Ratio	180%	181%
Interest Coverage Ratio	14 times	20 times

PART II--OTHER INFORMATION

1. The Group's operation is a going concern and is expected to remain in business indefinitely.
2. Economic and infrastructure developments in the country may affect construction business; interest rate movements may affect the performance of the real estate industry; mining activities are generally hinged on the demand and supply of the commodities market and is also affected by weather conditions. Businesses that are not affected by known business cyclicity, trends, or other uncertainties would include power generation and water utility.
3. On October 10, 2023, the BOD of the Parent Company approved the declaration of special cash dividends of Php 0.72 per common share or a total of Php 9.56 billion in favor of the common stockholders of record as of October 24, 2023, and was paid on November 9, 2023.
4. On March 29, 2023, the BOD of the Parent Company approved the declaration of (1) regular cash dividends in the amount of Php 0.61 per common share or a total of Php 8.10 billion; and (2) special cash dividends of Php 0.11 per common share or a total of Php 1.46 billion, or a grand total of Php 9.56 billion in favor of the common stockholders of record as of April 17, 2023, and was paid on April 28, 2023.
5. On October 18, 2022, the BOD of the Parent Company declared cash dividends amounting to Php 0.72 special dividends per common share totaling Php 9.56 billion in favor of the stockholders of record as of November 2, 2022, and was paid on November 16, 2022.
6. On April 1, 2022, the BOD of the Parent Company declared cash dividends amounting to Php 0.34 regular dividends per common share and Php 0.14 special dividends per common share totaling Php 6.37 billion in favor of the stockholders of record as of April 19, 2022, and was paid on April 29, 2022.
7. There are no undisclosed material subsequent events and transfer of assets not in the normal course of business that have not been disclosed for the period that the Group has knowledge of;
8. There are no known material contingencies during the interim period; events that will trigger direct or contingent financial obligations that are material to the Group, including any default or acceleration of an obligation has been disclosed in the notes to financial statements.
9. There are no known material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

10. Except for interest payments on loans, which the Group can fully service, the only significant commitment that would have a material impact on liquidity would be construction guarantees. These are usually required from contractors in case of any damage and/or destruction on a completed project.
11. There are no known trend or demand, commitment, event or uncertainty that will result in or have a material impact on the Group's liquidity.
12. The Group does not have any rights offering, issuance of primary shares, granting of stock options, and corresponding plans at this time.
13. All necessary disclosures were made under SEC Form 17-C.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD DECEMBER 31, 2022

Full Year 2022 vs Full Year 2021

I. RESULTS OF OPERATIONS

The table below summarizes the performance of DMCI Holdings, Inc. (PSE: DMC), its subsidiaries and associate, also collectively referred to as “the DMCI Group”, for the periods ended December 31, 2022 and 2021.

- D.M. Consunji, Inc. (DMCI), a wholly owned subsidiary, is one of the leading engineering-based integrated construction firms in the country. It operates in two construction segments: buildings and infrastructure. It also has separate business units for joint ventures and project support (i.e., concrete production, steel fabrication and equipment rental).
- DMCI Project Developers, Inc. (DMCI Homes), a wholly owned subsidiary, is one of the leading mid-market segment developers in the Philippines, offering best-in-class amenities and value-for-money properties in Metro Manila and other key urban areas. The company has two ongoing joint venture projects namely, Robinsons Land Corporation (RLC) - DMCI Property Ventures and DMC Estate Development Ventures.
- Semirara Mining and Power Corporation (SMPC), a majority-owned subsidiary (56.65%), is the largest and most modern coal producer in the Philippines. It is the only power generation company in the country that is vertically integrated and runs on its own fuel (coal). Its two wholly owned operating subsidiaries—Sem-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC)—provide baseload power to the Luzon and Visayas grids through bilateral contract quantity (BCQ) and the Wholesale Electricity Spot Market (WESM).
- DMCI Power Corporation (DMCI Power), a wholly owned subsidiary, is the largest off-grid energy supplier in the Philippines. It currently operates and maintains thermal, bunker and diesel power plants in parts of Masbate, Oriental Mindoro and Palawan.
- DMCI Mining Corporation (DMCI Mining), a wholly owned subsidiary, extracts nickel ore through surface mining and transports these directly to China and other markets. Currently a single-mine operator, it has nickel assets in Palawan (Berong Nickel Corporation) and Zambales (Zambales Diversified Metals Corporation).
- Maynilad Holdings Corporation, a 27%-owned associate, owns 93% of Maynilad Water Services, Inc. (Maynilad). The largest private water concessionaire in terms of customer base in the Philippines, Maynilad holds a 25-year franchise to establish, operate and maintain the waterworks system and sewerage and sanitation services in the West Zone service area of Metro Manila and the Province of Cavite.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

<i>in Php millions except EPS</i>	January to December (FY)		
	2022	2021	Change
I. SMPC (57%)	22,661	9,234	145%
II. DMCI Homes	4,469	4,397	2%
III. Maynilad (27%)	1,467	1,559	-6%
IV. DMCI Mining	1,285	1,206	7%
V. DMCI Power	742	580	28%
VI. D.M. Consunji, Inc.	587	378	55%
VII. Parent and others	-28	11	-355%
Core Net Income	31,183	17,365	80%
Nonrecurring Items	(93)	1,031	-109%
Reported Net Income	31,090	18,396	69%
EPS (reported)	2.34	1.39	69%

FY 2022 vs FY 2021 Consolidated Highlights

- The DMCI Group set a new record as reported net income expanded by 69% from Php 18.40 billion to Php 31.09 billion, translating to an earnings per share (EPS) of Php 2.34. Its 2022 net income is 65% higher than its longstanding profit record of Php 18.94 billion from 2013.

Moreover, the group registered its best-ever topline as consolidated revenues accelerated by 32% to Php 142.60 billion, from its previous high of Php 108.34 billion. This was mainly driven by elevated coal, power and nickel average selling prices, which was tempered by lower revenue recognition from construction activities and real estate sales.

Cash costs—together with royalties, interest expense and income tax—grew by 14% from Php 77.56 billion to Php 88.62 billion largely due to the accrual of 2020 tax expense, increased power plant maintenance expenses and higher insurance costs under SMPC, coupled with higher association dues of unsold ready-for-occupancy (RFO) real estate units and digital marketing spending under DMCI Homes.

Excluding dividends paid out during the year, its return on equity (ROE) of 33% is the highest among mid- and large-cap conglomerate peers in the Philippines.

Other income and finance income boosted earnings by Php 1.41 billion, which stemmed from foreign exchange gains and higher cash balance. However, income taxes more than doubled

(169%) from Php 1.76 billion to Php 4.72 billion on higher operating income, accrual of SMPC's 2020 tax expense and expiry of SLPGC's income tax holiday (ITH).

- Excluding nonrecurring items, core net income accelerated by 80% from Php 17.34 billion to Php 31.18 billion.
- 2022 nonrecurring loss includes the write-down of SLPGC's 2x25MW gas turbines (Php 88 million) and miscellaneous Maynilad payments (Php 47 million), partially offset by DMCI gain on land sale (Php 43 million).
- 2021 nonrecurring gain primarily due the combined effect of gain from deferred tax remeasurement under CREATE Act (Php 955 million) and land sale (Php 203 million), as well as Maynilad's severance and other expenses (Php 127 million).
- SMPC, DMCI Homes and DMCI Mining accounted for 92% of core net income.
- All subsidiaries reported core net income growth.
- Financial credit health remained strong as key liquidity, solvency and book value per share (BVPS) ratios all significantly improved. Even after record high dividend payout (Php 15.93 billion), current ratio increased by 29% from 2.25x to 2.90x, while BVPS expanded by 18% from 6.61 to 7.80. Net debt to equity ratio improved to 18% in 2022 versus the previous year's 32% owing to the prepayment of debt by SMPC and DMCI.
- Ending consolidated cash balance stood at Php 28.41 billion, 55% higher than Php 18.34 billion in 2021. The group delivered strong cash growth even after its capital expenditures (Php 22.81 billion), net loan payment (Php 491 million) and all-time high cash dividend payout (Php 1.20 per share or Php 15.93 billion).

FY 2022 vs FY 2021 Subsidiaries and Associate Performance

I. Semirara Mining and Power Corporation (SMPC)

From a historic high of Php 9.23 billion in 2021, SMPC more than doubled (+145%) its contribution, setting a new record of Php 22.66 billion. Its exceptional performance was primarily driven by all-time high coal production, strategic coal and power market pivots, elevated market prices, and favorable foreign exchange movement.

The coal segment's contribution to the DMCI group surged by 151% from Php 8.13 billion to Php 20.39 billion, representing 65% of the total core net income in 2022. Meanwhile, the power segment's contribution doubled (+105%) from Php 1.11 billion to Php 2.27 billion, accounting for 7% of the group's total core net income.

Additionally, the Board of Investments (BOI) recently approved the correction of the ITH availment period of Molave mine, which was originally set to expire in October 2022. The approval effectively extends SMPC's ITH status up to October 2023, subject to the payment of its 2020 tax due (without the ITH incentive) of P897 million and P184 million to cover related interest.

The following elaborates more on the performance of the two segments:

Coal

Standalone revenues advanced by 86% from P40.86 billion to P76.18 billion on higher selling prices, and further boosted by favorable forex rates. Reported net income more than doubled (+149%) owing to better operating margins.

The above results are due to the combined results of the following:

- **Elevated selling prices.** Semirara coal average selling price (ASP) sizzled by 91% from P2,695 per metric ton (MT) to P5,136 per MT on elevated market indices and the company's strategic pivot to domestic and other Asian markets.

Average Newcastle index (NEWC) surged by 162% from US\$137.3 to US\$360.2 per metric ton (MT), peaking at US\$452.8/MT on September 9 before ending the year at US\$398.50/MT. Average Indonesian Coal Index (ICI4) grew at a slower pace (32%) from US\$65.3/MT to US\$85.9/MT, closing the year at US\$90.45.

- **Lower sales.** Shipments slightly declined (-3%) from 15.2 MMT to 14.8 MMT, mainly due to weaker demand from Chinese buyers.

Semirara coal exports dropped by 24% from 9.4 MMT to 7.1 MMT as China sales cratered by 55% from 8.9 MMT to 4.0 MMT. However, sale to other foreign buyers improved more than 6x (520%) from 0.5 MMT to 3.1 MMT.

China accounted for 56% of foreign shipments, followed by South Korea (31%), Thailand (7%), Cambodia (2%), Vietnam (2%), Brunei (1%) and India (1%).

Domestic sales climbed by 33% from 5.8 MMT to 7.7 MMT mainly due to the company's strategic pivot away from China and stronger demand from SLPGC.

Coal shipments to other power plants skyrocketed by 83% from 1.8 MMT to 3.3 MMT while sale to own plants rose by 13% from 2.3 MMT to 2.6 MMT. Sale to industrial and cement plants stood at 1.8 MMT in 2022, 6% higher than 1.7 MMT in 2021.

- **Better EBITDA margin.** Core EBITDA more than doubled (+115%) from P18.35 billion to P39.44 billion, which translated to higher Core EBITDA margin from 45% to 52%.

The margin expansion was due to the cumulative impact of stronger topline, slower growth in cost of sales (COS) – cash component and higher government share.

COS – cash increased by 27% from P15.67 billion to P19.96 billion largely due to a 71-percent increase in fuel costs from P5.31 billion in 2021 to P9.05 billion in 2022. Fuel costs accounted for 48% of total COS-cash costs, versus 36% the previous year.

Government share surged by 151% from P6.36 billion to an all-time high of P15.96 billion.

- **Favorable foreign exchange rate.** The segment booked P1.02 billion in net foreign exchange gain following an 11-percent jump in average US\$/PHP exchange rate from US\$: Php 49.3 to US\$: Php 54.5.
- **Higher tax expenses.** Tax expense multiplied more than 20x (+1,918%) from Php 60 million to Php 1.21 billion owing to the accrual of income tax expense of Php 897 million for year 2020 in relation to the deferral of Molave mine's ITH.

The coal segment also reported the following operational highlights:

- **All-time high production.** Production rose by 12% from 14.3 MMT to 16 MMT, which is the maximum allowable volume under the company's Environmental Compliance Certificate. Good weather conditions, sustained water seepage management and better-than-expected strip ratio led to the record high production.
- **Better strip ratio.** Strip ratio was at 9.9, 10% lower than last year (11.0) and 8% below the expected level for 2022 (10.8). The improved strip ratio was attributable to the near-depletion of East Block 4 and South Block 5 (both in Molave mine), together with the reduced water seepage level in the area.
- **Double-digit inventory growth.** Ending high-grade coal inventory grew by 22% from 0.9 MMT to 1.1 MMT on robust production and slightly lower shipments. Including lower grade coal, inventory increased by 67% from 1.2 MMT to 2.0 MMT.

Power

Standalone net income of the power segment more than doubled (+117%) from Php 1.78 billion to Php 3.86 billion as a result of better average selling prices, higher spot sales volume, and lower replacement power purchases.

Net of intercompany eliminations, the segment's net income contribution rose by 56% from Php 4.78 billion to Php 7.46 billion on better margins.

The above financial results are due to the combined impact of the following:

- **Reduced plant availability, average capacity and gross generation.** Overall plant availability dipped from 63% to 62%, as the 54-day increase in SCPC outage days (412 days vs 358 days in 2021) was moderated by the 34-day decrease in SLPGC outage days (143 days from 177 days in 2021). In turn, better SLPGC availability (from 76% to 80%) cushioned the effect of lower SCPC availability (from 51% to 44%).

Total average capacity fell by 5% from 749 MW to 708 MW because of the deration of SCPC Unit 2 from 230 MW to 190 MW (average dependable capacity).

Gross generation dropped by 6% from 3,959 GWh to 3,729 GWh following lower plant availability and average capacity. SLPGC contributed the bulk (54%) of total generation (versus 48% last year) on better operating performance.

- **Muted power sales.** Reduced power generation led to an 11-percent decline in total power sales from 4,032 GWh to 3,596 GWh. BCQ sales sustained a 43-percent drop from 3,004 GWh to 1,715 GWh, cushioned by an 83-percent upsurge in spot sales from 1,028 GWh to 1,881 GWh. Spot sales accounted for 52% of power sales (vs. 25% last year) due to lower contracted capacity.
- **Higher spot exposure.** At the beginning of 2022, the segment had 345.65MW or 64% of running dependable capacity (540MW) uncontracted and available for spot selling.

By the end of 2022, spot exposure widened by 56% to 540.85 MW due to the commercial operation of SCPC Unit 2 on October 9. This represents 74% of the segment's total dependable capacity (730MW).

- **Robust selling prices.** Overall ASP increased by 38% from Php 4.11/KWh to Php 5.67/KWh mainly due to elevated spot prices.

Persistent red and yellow alerts, elevated fuel prices and thin supply margins led to a 53-percent jump in average spot prices in the Luzon-Visayas grid, from Php 4.83/KWh to Php 7.39/KWh.

BCQ ASP firmed up by 2% from Php 3.64/KWh to Php 3.71/KWh owing to fixed prices in the companies' power supply agreements, while spot ASP rose by 35% from Php 5.51/KWh to Php 7.46/KWh.

At the standalone level, SMPC set a new annual profit record after more than doubling (+146%) its bottom line from Php 16.2 billion to Php 39.9 billion. This translated to a return on equity of 73%, the highest among power and mining peers for the year.

II. DMCI Project Developers Inc. (DMCI Homes)

Core net income contribution from DMCI Homes improved by 2% from Php 4.40 billion to Php 4.47 billion largely due to better earnings from income-generation activities. The following provides more substantiation on the net income drivers:

- **Lower revenue recognition.** Total revenues fell by 11% from Php 24.66 billion to Php 21.91 billion as fewer prior-year sales qualified for recognition and sales cancellations continued to trend higher. Revenue contribution from newly-recognized accounts (out of total) declined from 47% to 41% while cancellations rose from 6% to 13% .

Helping offset these results were higher construction accomplishment and better selling prices from qualified accounts.

- **Proportional cash costs decline.** Total cash costs dropped by 12% from Php 19.94 billion to Php 17.62 billion. This was mainly driven by a 15-percent decline in cost of sales (COS) from Php 17.67 billion to Php 14.94 billion, following lower revenues.

Operating expenses, on the other hand, increased by 18% from Php 2.27 billion to Php 2.68 billion owing to higher association dues related to unsold RFO units, sales incentives and digital marketing spending.

- **Higher other income.** Other income increased (+30%) from Php 1.27 billion to Php 1.65 billion on higher forfeitures from cancelled accounts.
- **Better margins.** While EBITDA margin remained flattish at 19%, core net income margin rose from 18% to 21% on higher other income and net finance income earned during the period.

The company also reported the following operational highlights:

- **Sales recovery.** Total units sold soared by 49% from 5,180 units to 7,701 units, driven by more project launches. Residential units sold expanded by 46% from 2,959 units to 4,326 units, while parking slot sales surged by 52% from 2,221 units to 3,375 units. Residential units accounted for 56% of total sales (versus 57% the previous year).
- **Double-digit ASP growth.** ASP per unit improved by 12% from Php 6.10 million to Php 6.82 million, while ASP per square meter similarly grew by 12% from Php 111,000 to Php 125,000. The value appreciation was attributable to the prime locations (Makati City and Mandaluyong City) of its project launches, coupled with new amenities and features introduced in the launched projects, i.e. full water reuse capabilities and e-charging stations.
- **Increased sales value.** With better sales volume and ASP, total sales value rallied by 63% from Php 19.65 billion to Php 32.09 billion.
- **More project launches.** Three projects were launched during the year, versus just one in 2021. Consequently, sales value more than doubled (+130%) from Php 16.1 billion to Php 37.0 billion.
- **Sufficient inventory.** Total inventory swelled by 25% from Php 45.8 billion to Php 57.4 billion, driven by the increase in pre-selling units. Pre-selling inventory rose by 32% from Php 31.6 billion to Php 41.8 billion, following the launch of The Erin Heights, Fortis Residences (a joint venture project) and Sage Residences. Pre-selling units accounted for 73% of fourth-quarter inventory.

RFO inventory moderately increased (+9%) from Php 14.2 billion to Php 15.5 billion due to the completion of several projects namely, Infina Towers, Brixton Place, Prisma Residences and Verdon Parc.

- **Land bank for new product/s.** Total land bank expanded by 17% from 186.5 hectares to 217.9 hectares because of land banking activities for a new product formats. Luzon land bank ramped up by 52% from 64.9 hectares to 98.4 hectares, mostly for a soon-to-be launched leisure projects. Project launches for the year trimmed Metro Manila land bank by 2% from 114.0 hectares to 111.9 hectares.

Standalone net income declined by 12% from Php 5.19 billion to Php 4.55 billion mainly due to high base effect from CREATE Act.

Excluding 2021 nonrecurring gain of Php 649 million pertaining to deferred tax remeasurement under CREATE act, core net income was flat at Php 4.55 billion (versus Php 4.54 billion).

III. Maynilad Water Services, Inc. (Maynilad)

Attributable income from associate Maynilad decreased by 6% from Php 1.56 billion to Php 1.47 billion largely due to higher cash costs, tempered by lower noncash expenses. The following provides more context:

- **Flat billed volume.** The company reported flattish billed volume growth (+1%) from 519.6 million cubic meters (MCM) to 526.9 MCM, still below (-1.6%) the pre-pandemic level of 535.3 MCM.

Easing pandemic restrictions boosted commercial consumption by 10% from 59.3 MCM to 65.3 MCM while industrial and semi-business accounts both showed improvements.

Industrial consumption grew by 5% from 24.5 MCM to 25.8 MCM while semi-business accounts posted a 4-percent uptick in billed volume from 35.9 MCM to 37.4 MCM. Domestic consumption was mostly flat at 398.5 MCM compared to 399.9 MCM last year.

Served population also inched up (+1%) from 9.9 million to 10.0 million as the company continued its network expansion program.

- **Flat tariff.** Average effective tariff showed a slight improvement (1%) from Php 41.7 per cubic meter to Php 42.1 per cubic meter owing to non-domestic consumption recovery and absence of inflationary tariff adjustment.
- **Narrower margins.** While total revenue rose by 4% from Php 21.95 billion to Php 22.88 billion, core EBITDA margin compressed from 67% to 58% due to higher cash costs (+29%) and booked provisions (+2,557%).

Revenue increased from collected government tax, recovering billed volume and average effective tariff uptick.

The government tax pertains to other percentage tax implemented on March 21 in lieu of the 12-percent value-added tax. It consists of the national and local franchise taxes.

- **Elevated cash costs.** Total cash costs expanded by 29% from Php 6.69 billion to Php 8.62 billion largely due to higher electricity spending, increased chemical expenses, franchise tax and crossborder water purchases.

Higher electricity spending is mainly attributable to a supplier-imposed fuel cost recovery adjustment (FCRA), while additional chemical costs were incurred to treat the raw water from Laguna Lake.

- **More booked provisions.** The company accrued Php 170 million for credit losses and inventory obsolescence.

- **Lower noncash items.** Noncash items dropped by 36% from Php 4.58 billion to Php 2.95 billion mainly due to depreciation adjustments following the January 2022-effectivity of the company's legislative franchise under Republic Act 11600, which extended its service concession assets by ten years (from 2037 to January 2047).
- **Higher income taxes.** Provisions for income taxes increased by 36% from Php 1.60 billion to Php 2.17 billion on higher taxable income brought by lower noncash expenses.

The company also reported the following operational highlights:

- **Reduced water losses.** Average non-revenue water (NRW) improved from 44.9% to 43.4% brought about by growth in service connection, better supply-demand management and continuing network diagnostic activities.
- **Downscaled production.** Water production edged lower (-1%) from 762.3 million cubic meters (MCM) to 756.2 MCM as algal bloom and high turbidity in Laguna lake curbed Putatan plant production.
- **Expanded sewer coverage.** With aggressive capital spending, sewer coverage improved from 21.6% to 23.0%, while served population increased by 1% from 2.1 million to 2.3 million.

Standalone reported net income contracted by 4% from Php 6.14 billion to Php 5.88 billion. Excluding nonrecurring items, core net income fell by 7% from Php 6.53 billion to Php 6.05 billion. 2022 and 2021 nonrecurring losses pertain to , the impact of change in method of deduction for deferred tax liability and COVID-19 expenses.

IV. DMCI Mining Corporation (DMCI Mining)

Despite operating a single mine, DMCI Mining achieved a 7-percent increase in core net income which rose from Php 1.21 billion to Php 1.29 billion. The growth can be attributed to improved selling prices and favorable foreign exchange rates. To elaborate:

- **Reduced production and shipments.** Total production retreated by 42% from 1,788,000 wet metric tons (WMT) to 1,031,000 WMT following the depletion of its Palawan mine in Q4 2021. Consequently, total shipments dropped by 26% from 1,945,000 WMT to 1,449,000 WMT.

ZDMC production expanded by 10% from 934,000 WMT to roughly 1,000,000 WMT, its maximum allowable production volume under its Environmental Compliance Certificate (ECC). In turn, Zambales shipments grew by 22% from 894,000 WMT to 1,088,000 WMT.

- **Higher selling prices.** While average nickel grade sold declined from 1.36% to 1.33%, ASP increased by 14% from US\$ 42/WMT to US\$ 48/WMT on rallying global nickel prices. Average LME Nickel index surged by 39% from US\$18,478 per metric ton (MT) to US\$25,638 per MT, while the Philippine FOB prices for 1.50%-grade rose by 22% from US\$49 per tonne to US\$60 per tonne.

- **Favorable foreign exchange rates.** Average US\$/Php exchange rate rose by 10% from US\$ 1: Php 49 to US\$ 1: Php 54 driven by currency market volatility, global inflationary environment and central banks' hawkish policy stance.
- **Flat profit margins.** Core EBITDA margin declined modestly from 59% to 58% as revenues fell steeper (-6%) than cash costs (-3%) on higher costs including environment spending. Core net income margins stood at around 35% following lower noncash expenses and higher foreign exchange gains (other income).

Noncash expenses dropped by 17% from Php 584 million to Php 488 million mainly due to lower shipments, which led to lower amortizations.

The company also reported the following operational and financial highlights:

- **Lower stockpile.** Total ending inventory slumped by 86% from 389,000 WMT to 54,000 WMT due to the 93-percent decline in BNC inventory. From 287,000 WMT, Palawan stockpile fell to 21,000 WMT. Zambales stockpile receded by 68% from 102,000 WMT to 33,000 WMT with the resumption of shipment season in the fourth quarter. Both mines ended the year with stockpiles less than the standard shipping volume of 50,000 WMT.
- **Higher cash and flat debt level.** Cash levels increased by 38% from Php 800 million to Php 1.10 billion, even after paying cash dividends (Php 1.0 billion) to the parent company and capital expenditures (Php 590 million). Debt level remained at Php 350 million.
- **More Capital expenditures.** Committed capital expenditures climbed by 43% from Php 322 million to Php 459 million on BNC exploration activities and heavy equipment purchases of ZDMC. Explorations have started in the Dangla and Longpoint sites, while ZDMC ramped up its production capacity to sustain shipments amid BNC depletion.

Standalone reported net income decreased by 18% from Php 1.65 billion to Php 1.36 billion mainly on high base from nonrecurring gains from deferred tax remeasurement under CREATE law amounting to Php 247 million in 2021.

V. DMCI Power Corporation (DMCI Power)

Core net income contribution from DMCI Power jumped by 28% from Php 580 million to a historic high of Php 742 million mainly due to record breaking operating performance of the business. The following elaborates on the highlights:

Historic revenue. Revenue increased by 61% from Php 4.65 billion to an all-time high of Php 7.47 billion due to record generation, dispatch and average selling prices.

Record output. Total gross generation grew by 15% from 388.0 GWh to 447.3 GWh, as all service areas posted notable growth. Oriental Mindoro generation surged by 42% from 72.8 GWh to 103.5 GWh while Palawan generation went improved by 10% from 162.7 GWh to 178.9 GWh. Masbate generation also grew (+8%) from 152.5 GWh to 165.0 GWh.

Best-ever dispatch. Total power sales rose by 16% from 367.6 GWh to 426.0 GWh, as all three locations posted record-high dispatch. Palawan remained as the top contributor, accounting for 42% of total sales, followed by Masbate (35%) and Oriental Mindoro (23%).

Record selling prices. ASP climbed by 39% from Php 12.6/KWh to Php 17.5/KWh, mainly due to elevated fuel prices. Diesel prices accelerated by 44% from Php 39.6/liter to Php 56.9/liter, while bunker prices advanced by 31% from Php 35.31/liter to Php 46.1/liter.

COS growth. COS grew (+73%) from Php 3.58 billion to Php 6.17 billion due to the Masbate plant maintenance in Q1 and higher fuel costs.

The company also reported the following operational matters:

Higher market share in Oriental Mindoro. Oriental Mindoro market share grew by 25% mainly due the unavailability of the renewable energy plant, coupled with tourism demand recovery.

Changes in Masbate and Palawan market shares were flat (0% and -1%) at 100% and 52%, respectively.

More infrastructure spending. Capital spending rose by 35% from Php 1.40 billion to Php 1.89 billion largely from the construction of the 15MW power plant in Palawan.

Higher debt. Total debt swelled by 45% from Php 3.8 billion to Php 5.6 billion primarily due to the development of the 15MW Masbate plant, 15MW Palawan thermal plant (targeted for commercial operation on Q2 2023) and 8.34MW hybrid diesel plant in Masbate (targeted for commercial operation in 2023).

VI. D.M. Consunji, Inc. (DMCI)

DMCI profit improved by 55% from Php 378 million to Php 587 million mainly due to steeper decline in cash (-6%) and noncash costs (-11%), relative to topline (-4%). The following provides more elaboration on the performance:

- Lower revenue. Construction revenue decreased by 4% from Php 20.26 billion to Php 19.50 billion on fewer projects and demand for project support, coupled with rescoping of North South Commuter Railway (NSCR) contract package (CP) 01. Slower revenue recognition was cushioned by the completion of major projects such as the CCLEX and IKEA MOA.
- Lower costs. Cost of sales slipped by 6% due to construction accomplishment slowdown and high base effect, which resulted from conservative revenue recognition in 2021 and absence of COVID-19 related expenses.
- Better profit margins. EBITDA margin improved from 7.3% to 9.6% partly due to relatively fast decline costs versus sales drop. Core net income margin also widened from 1.6% to 4.2% following an 11-percent decline in depreciation from Php 886 million to Php 790 million, stemming from capital expenditure rationalization.

- Higher intercompany accounting eliminations. Intercompany eliminations grew by 303% from Php 73 million to Php 294 million largely attributable to the Poblacion Water Treatment Plant and Camana Water Reclamation Facility projects of DMCI Holdings associate Maynilad.
- Lower debt and cash balances. Ending cash balance dropped by 30% as debt was paid down. Consequently, loan balance decreased by 71% from Php 700 million to Php 200 million.

The company also reported the following operational highlights:

- **Order book reduction.** Order book declined by 29% from Php 49.3 billion to Php 35.2 billion due to weak construction demand and rescoping of the North South Commuter Rail Contract Package 01 (Taisei-DMCI Joint Venture).

Current obstructions prevented access, possession and delivery of the NSCR CP 01 project site, resulting in the omission of Section 1 (amounting to Php 7.0 billion) from the order book.

Cushioning the impact of the omission, the company bagged Php 10.7 billion worth of new projects, which included Pioneer BGC and Metro Manila Subway Project contract package 102.

Standalone net income increased by 61% from Php 535 million to Php 863 million. Excluding nonrecurring items pertaining to gain from equipment and land sale, core net income expanded roughly 2.5x (+146%) from Php 331 million to Php 815 million.

Outlook

The DMCI Group expects mixed results in 2023 owing to coal and nickel market volatility, cost inflation, high interest rates and lingering impact of the pandemic. Bright spots would be the power and water businesses, which are expected to benefit from resilient consumption and elevated pricing.

Global coal price indices are seen to pull back on easing energy security risk, high fuel stockpiles, mild winter, slow economic recovery and influx of steeply-discounted Russian coal.

With Semirara coal pricing mostly derived from the Indonesian Coal Index, SMPC expects its ASP to be more stable, hovering below the 2022-level but still above pre-pandemic level.

Global nickel supply surplus is set to push average selling prices down but should remain supported during the year owing to strong demand from the stainless steel and electric vehicle sectors.

To counter the price volatility, SMPC and DMCI Mining are focusing on optimizing their production, which could go up to as much as 16 MMT and 2 MMT, respectively.

On-grid power (SCPC and SLPGC) has around 540 MW of uncontracted capacity for dispatch to the Wholesale Electricity Spot Market (WESM). For 2023, WESM prices are forecasted to remain elevated (~P7.10/kWh), with some upside potential given growing demand and limited baseload capacity entering the market in 2023 (~300MW).

Off-grid power (DMCI Power) is projected to grow with the commissioning of the 15 MW thermal plant in Palawan and the 12 MW hybrid plant (diesel and solar) in Masbate at various periods during the year.

The water business (Maynilad) expects a marked improvement in its financial performance on the combined effect of billed volume recovery, improved customer mix and implementation of its basic rate adjustment starting January 1.

Construction (DMCI) and real estate (DMCI Homes) should continue to face headwinds as high interest rates and hybrid work models nip demand and inflated raw materials cost gnaw at margins. New product formats (leisure and premium segment), value engineering and alternative business models (joint ventures and partnerships) should help both businesses weather these challenges.

Explanation of movement in consolidated income statement accounts:

Revenue

Consolidated revenue for 2022 grew by 32% from P108.3 billion to P142.6 billion primarily driven by stronger coal, electricity, and nickel markets.

Cost of Sales and Services

From P69.7 billion in 2021, cost of sales and services decreased marginally by 2% in spite of the surge in revenue as cost of sales related to real estate and construction softened. As a result, gross profit margin improved to 57% in 2022 from 43% of the previous year.

Operating Expenses

Government royalties for the year amounted to P16.0 billion, a 151% surge from P6.4 billion the previous year due to higher profitability of the coal business. Excluding government royalties, operating expenses incurred increased by 17.7% to P9.1 billion due mainly to higher salaries and wages, repairs and maintenance, and association dues.

Equity in Net Earnings

Equity in net earnings of associates decreased by 7%, from P1.61 billion to 1.51 billion in 2022 and 2021, respectively, as a result of lower income take up from Maynilad.

Finance Costs - net

Consolidated finance costs (net) declined by 66% as cash placements generated higher returns during the year.

Other Income (Expense) - net

Other income (net) increased by 48% due to the higher sales forfeitures and cancellation fees coupled with the higher foreign exchange gain owing to favorable foreign exchange rates and higher dollar-denominated short-term placements rates.

Provision for Income Tax

Higher taxable income amounted to P4.7 billion, which is a 169%-percent year-on-year increase in consolidated provision for income tax (both current and deferred) during the year. The accrual of the income tax expense amounting to P897 million for 2020 is in relation to the deferral of the Molave mine's income tax holiday, which contributed to the increase in tax provisions for the year.

II. CONSOLIDATED FINANCIAL CONDITION

December 31, 2022 (Audited) vs December 31, 2021 (Audited)

The Company's financial condition for the year improved as total assets reached P240.8 billion, a 12% increase from December 31, 2021. Meanwhile, consolidated stockholders' equity increased by 22% to P132.7 billion following the dividend declaration during the year.

Consolidated cash balance increased by 55% from P18.3 billion in December 31, 2021 to P28.4 billion in December 31, 2022 as a result higher coal and nickel earnings, which was offset by the higher dividend payment during the year.

Receivables rose by 14% from P23.5 billion to P26.8 billion in 2022 mainly due to the bulk of coal sales that transpired in the latter part of 2022 and timing difference of the collection from the government.

Contract assets (current and non-current) amounting to P29.4 billion in 2022 is higher by 11% versus the previous year due to higher accomplishments on the real estate and construction businesses.

Consolidated inventories increased by 13% in 2022 from P54.2 billion to P61.5 billion following higher construction costs incurred on ongoing residential projects, as well as higher coal inventory and spare parts.

Other current assets decreased by 7% to P10.2 billion due mainly to the application of tax credits to income tax payables during the year.

Investments in associates and joint ventures grew by 4%, reflecting the net impact of the income take-up and dividends received from Maynilad.

Right-of-use assets declined by 20% due to the amortization recognized in 2022.

Property, plant and equipment stood at P57.6 billion from P59.4 billion last year as depreciation expense more than offset the capital expenditures in 2022. The reclassification of gas turbine to "Asset held for sale" further pulled down the balance of the account.

Exploration and evaluation assets increased by 66% due to the relevant engineering studies conducted for the nickel mining segment.

Pension assets and remeasurements on retirement plans (under equity) grew by 24% and 60%, respectively. Meanwhile, pension liabilities slipped by 51% in 2022. The movements in these accounts were mainly due to the effects of the differences between the actual results and previous actuarial assumptions.

Deferred tax assets decreased by 7% versus the previous year, from P0.60 billion to P0.55 billion, following the realization of previous year tax benefit.

Other noncurrent assets expanded by 107% due mainly to the retention receivables which are expected to be collected after the completion of construction projects.

Accounts and other payables, which includes income tax payables, increased by 1% to P28.3 billion mainly due to the accrual of production related expenses and higher government share in profits payable to DOE.

Contract liabilities (current and non-current) declined by 3% from last year to P15.9 billion due to the recoupment of advances from customers.

Liabilities for purchased land rose by 15% in 2022 versus the previous year due to acquisition of land for real estate development.

Total debt (under short-term and long-term debt) from 2021 amounting to P53.0 billion slightly decreased by 1% to P52.6 billion following net loan prepayments during the year.

Other noncurrent liabilities increased by 75% due mainly to noncurrent portion of retention payables which are expected to be paid to suppliers and subcontractors after the completion of projects.

Net accumulated unrealized gains on equity investments designated at FVOCI grew by 31% as fair market value of quoted securities during the year increased.

Consolidated retained earnings stood at P85.2 billion at the end of December 2022, 22% higher from P70.0 billion at the close of 2021 after generating P31.2 billion of net income and payment of P15.9 billion in cash dividends.

Non-controlling interest increased by 139%, from P21.09 billion in 2022 to P29.22 billion in 2021, as a result of the higher minority share in profits of SMPC.

III. KEY RESULT INDICATORS

The Company and its Subsidiaries (the “Group”) use the following key result indicators to evaluate its performance:

- (p) Segment Revenues
- (q) Segment Net Income (after Non-controlling Interests)
- (r) Earnings Per Share
- (s) Return on Common Equity
- (t) Net Debt to Equity Ratio

SEGMENT REVENUES

<i>(in Php Millions)</i>	For the Year		Variance	
	2022	2021	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P90,382	P52,424	P37,958	72%
DMCI HOMES	21,911	24,657	(2,746)	(11%)
D.M. CONSUNJI, INC.	18,656	22,233	(3,577)	(16%)
DMCI POWER	7,470	4,640	2,830	61%
DMCI MINING	3,789	4,022	(233)	(6%)
PARENT & OTHERS	392	367	25	7%
TOTAL REVENUE	P142,600	P108,343	P34,257	32%

The initial indicator of the Company's gross business results is seen in the movements of revenue in each business segment. As shown above, consolidated revenue increased by 32% primarily driven by higher coal and energy sales volume and average selling prices.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

<i>(in Php Millions)</i>	For the Period		Variance	
	2022	2021	Amount	%
SEMIRARA MINING AND POWER CORPORATION	P22,661	P9,234	P13,427	145%
DMCI HOMES	4,469	4,395	74	2%
MAYNILAD	1,467	1,559	(92)	(6%)
DMCI MINING	1,285	1,206	79	7%
DMCI POWER	742	580	162	28%
D.M. CONSUNJI, INC.	587	378	209	55%
PARENT & OTHERS	(28)	11	(39)	(355%)
CORE NET INCOME	31,183	17,363	13,820	80%
NON-RECURRING ITEMS	(93)	1,031	(1,124)	(109%)
REPORTED NET INCOME	P31,090	P18,394	12,696	69%

The net income (after non-controlling interest) of the Group was driven by the stronger performance of its coal, power, and construction segments arising from higher commodity prices and completion of various developmental projects. The non-recurring items primarily pertain to the write down of the on-grid power segment's gas turbines.

EARNINGS PER SHARE

Earnings per share (EPS) pertains to how much profits a company makes for each of its common shares. EPS is one of the most common ways to gauge a company's profitability attributable to common shareholders.

The Company's consolidated basic and diluted EPS was P2.34/share for the year ended December 31, 2022, a 69% jump from P1.39/share EPS year-on-year.

RETURN ON COMMON EQUITY

Return on common equity is defined as the amount of net income a company earns relative to the book value of common equity. It is a primary financial metric used by equity investors to determine whether management is efficiently and effectively utilizing the capital that shareholders have provided to generate profits. It is calculated by dividing the net income attributable to common equity shareholders of the parent company divided by the average book value of equity attributable to the equity holders of the parent company. The Company's return on common equity stood at 33% and 22% for the year ended December 31, 2022 and 2021, respectively.

NET DEBT TO EQUITY RATIO

The net debt-to-equity ratio measures to amount of debt financing relative to the equity capital. The ratio tells the Company the amount of risk associated with the way its capital structure is set up. The ratio highlights the amount of debt a company is using to run their business and the financial leverage that is available to the Company. The net debt-to-equity ratio is calculated by dividing the interest-bearing loans less cash and cash equivalents by total shareholders' equity.

Total borrowings in 2022 stood at P52.6 billion from P53.0 billion in the previous year, which resulted to a net debt-to-equity ratio of 0.18:1 as of December 31, 2022 and 0.32:1 as of December 31, 2021.

FINANCIAL SOUNDNESS RATIOS

	December 31, 2022	December 31, 2021
Gross Margin	52%	36%
Net Profit Margin	34%	24%
Return on Assets	22%	13%
Return on Common Equity	33%	22%
Current Ratio	290%	225%
Net Debt to Equity Ratio	18%	32%
Asset to Equity Ratio	181%	198%
Interest Coverage Ratio	20 times	10 times

PART II--OTHER INFORMATION

14. The Group's operation is a going concern and is expected to remain in business indefinitely.
26. Economic and infrastructure developments in the country may affect construction business; interest rate movements may affect the performance of the real estate industry; mining activities are generally hinged on the demand and supply of the commodities market and is also affected by weather conditions. Businesses that are not affected by known business cyclicalities, trends, or other uncertainties would include power generation and water utility.
27. On October 18, 2022, the BOD of the Parent Company declared cash dividends amounting to Php 0.72 special dividends per common share totaling Php 9.56 billion in favor of the stockholders of record as of November 2, 2022, and was paid on November 16, 2022.
28. On April 1, 2022, the BOD of the Parent Company declared cash dividends amounting to Php 0.34 regular dividends per common share and Php 0.14 special dividends per common share totaling Php 6.37 billion in favor of the stockholders of record as of April 19, 2022, and was paid on April 29, 2022.
29. On October 12, 2021, the BOD of the Parent Company declared cash dividends amounting to Php 0.48 special dividends per common share totaling Php 6.37 billion in favor of the stockholders of record as of October 26, 2021 and was paid on November 10, 2021.
30. On March 29, 2021, the BOD of the Parent Company declared cash dividends amounting to Php 0.13 regular dividends per common share and Php 0.35 special dividends per common share totaling Php 6.37 billion in favor of the stockholders of record as of April 15, 2021 and was paid on April 26, 2021.
31. There are no undisclosed material subsequent events and transfer of assets not in the normal course of business that have not been disclosed for the period that the Group has knowledge of;
32. There are no known material contingencies during the interim period; events that will trigger direct or contingent financial obligations that are material to the Group, including any default or acceleration of an obligation has been disclosed in the notes to financial statements.

33. There are no known material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
34. Except for interest payments on loans, which the Group can fully service, the only significant commitment that would have a material impact on liquidity would be construction guarantees. These are usually required from contractors in case of any damage and/or destruction on a completed project.
35. There are no known trend or demand, commitment, event or uncertainty that will result in or have a material impact on the Group's liquidity.
36. The Group does not have any rights offering, issuance of primary shares, granting of stock options, and corresponding plans at this time.
37. All necessary disclosures were made under SEC Form 17-C.

INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

- a. The external auditors of the Company and its subsidiaries is the accounting firm Sycip, Gorres, Velayo and Co. (SGV & Co.). Pursuant to the General Requirements of SRC Rule 68, paragraph 3 (Qualifications and Reports of Independent Auditors), the Board of Directors of the Company, upon recommendation of its Audit Committee, approved the engagement of the services of SGV & Co. as external auditor and Ms. Jennifer D. Ticlao as the Partner-in-Charge starting 2022 audit period given the required audit partner rotation every five years.

The re-appointment of the external auditor SGV & Co. will be presented to the stockholders for their approval at the annual stockholders' meeting.

Representatives of SGV & Co. are expected to be present at the stockholders' meeting. They will have the opportunity to make a statement if they desire to do so and they are expected to be available to respond to appropriate questions.

- b. The Company's Audit Committee reviews and discusses with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management. It also reviews the external auditor's audit plans that increase the credibility and objectivity of the Company's financial reports and public disclosure.

The Company's Audit Committee reviews the external auditor's fee schedules and any related services proposals for Board approval.

External audit fees and services

Below are the External Audit Fees of the Company and its subsidiaries for two fiscal years:

	2025	2024
Audit and audit related fees	P 33,061,839	P25,732,245
Non-audit*	P8,229,708	2,867,500

SGV & Co. was engaged by the Group to audit its annual financial statements in connection with the statutory and regulatory filings or engagements for the years ended 2025 and 2024. The audit-related fees include assurance services that are reasonably related to the performance of the audit of the Group's financial statements pursuant to the regulatory requirements.

Tax fees

Included in non-audit fees is the Tax Compliance Review, Transfer Pricing Study and Income Tax Compliance Training provided to the Group.

Non-audit fees

Other non audit fees pertain to Climate Change Advisory Services, Agreed Upon Procedure Services and PFRS 18 Training provided to the Group.

Changes in and disagreements with accountants on accounting and financial disclosure

The Company has engaged the services of SGV & Co. during the two most recent fiscal years. There were no disagreements with SGV & Co. on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedure.

IV. BUSINESS AND GENERAL INFORMATION

DMCI Holdings, Inc. (the “Company”) was incorporated on March 8, 1995 as a holding company to extract greater value from the engineering expertise and construction resources of D.M. Consunji, Inc., the pioneering contractor behind some of the biggest and most complex infrastructures in the Philippines. It was listed on the Philippine Stock Exchange on December 18, 1995.

In only a few years after incorporation, the Company has expanded its business organization to include five major subsidiaries, namely: **D.M. Consunji, Inc., DMCI Project Developers, Inc., Semirara Mining and Power Corporation, DMCI Power Corporation** and **DMCI Mining Corporation**. In addition, the Company has an indirect ownership in Maynilad Water Services, Inc. through a 27 percent stake in **Maynilad Water Holding Company, Inc.**, which owns 93 percent of the water concessionaire.

D. M. Consunji, Inc. (DMCI), a wholly owned subsidiary, is engaged in general construction services. It is also engaged in various construction component businesses such as the production and trading of concrete products and electrical and foundation works. Incorporated and founded in 1954, DMCI is currently one of the leading engineering and construction firms in the country. It operates in four key construction segments: building, energy, infrastructure, and utilities. Over the years, its pioneering methodologies and expertise have allowed it to complete high-rise buildings, toll roads, bridges, power plants and water facilities of varying scale and complexity. DMCI is at the forefront of building important and technically challenging structures that will improve lives, sustain communities and enable growth in the Philippines.

DMCI Project Developers, Inc. (PDI), a wholly owned subsidiary incorporated in 1995 initially as a housing division under DMCI. Subsequently in 1999, DMCI Homes was spun off to address the surge in demand for urban homes. Since then, the Company has made high-quality living available to average Filipino families through its innovative designs, proprietary technologies and cost-efficient methodologies. Its core products include residential condominium units with resort-inspired amenities in mid-rise and high-rise developments in Metro Manila and other key areas in Luzon, as well as in Cebu and Davao City.

Semirara Mining and Power Corporation (SMPC), was established in 1980 and is engaged in the exploration, mining, development and sales of coal resources on Semirara Island in Caluya, Antique. It is the largest coal producer in the country. In 1997, the Company purchased 40% interest in SMPC. Currently, SMPC is 56.65% owned by the Company. SMPC has two wholly owned operating subsidiaries, Sem-Calaca Power Corporation (2x300 MW) and Southwest Luzon Power Generation Corporation (2x150 MW). The two companies provide baseload power through bilateral contracts with distribution utilities. Excess generation is sold to the Wholesale Electricity Spot Market (WESM).

DMCI Power Corporation (DPC) is a wholly-owned subsidiary of the Company incorporated in 2006 and is engaged in the business of a generation company which designs, constructs, invest in, and operate power plants. DPC provides off-grid power to missionary areas through long-term power supply agreements with local electric cooperatives. It currently operates and maintains thermal power plant, bunker-fired power plants and diesel generating sets in parts of Masbate, Oriental Mindoro and Palawan.

DMCI Mining Corporation (DMC) incorporated in 2007 to engage in ore and mineral mining and exploration. It has two nickel mining assets, namely Berong Nickel Corp (BNC) and Zambales Diversified Metals Corp (ZDMC). The former is located in Berong, Long Point, Moorsom and Ulugan, all in the province of Palawan, while the latter is located in Acoje, Zambales. Both mining companies use open pit technique to extract nickel, chromite and iron laterite.

Maynilad Water Holding Company, Inc. (Maynilad) (formerly *DMCI-MPIC Water Co.*) is a consortium with Metro Pacific Investments Corporation and Marubeni Philippines Corp. which owns 93% equity at Maynilad Water Services, Inc. (MWSI). The Company's economic interest in MWSI decreased to 25% from 41%, after Marubeni acquired 20% of economic interest in Maynilad in February 2013.

Cemex Asian South East Corporation (CASEC). On April 25, 2025, the Parent Company, Semirara Mining and Power Corporation (SMPC) and Dacon Corporation entered into a share purchase agreement with Cemex Asia B.V. (Cemex) for the sale and purchase of its 100% interest in Cemex Asian Sout East Corporation (CASEC), equivalent to a total of 42,140,266 shares. CASEC owns 89.86% of Cemex Holdings Philippines, Inc. (CHP), a cement company listed in the Philippine Stock Exchange under the ticker name, CHP. The Parent Company acquired 56.75% or 23,914,601 shares of CASEC.

Competition. – Among the publicly listed companies, DMCI Holdings, Inc. is the only holding company which has construction for its primary investment, its construction business is primarily conducted by wholly-owned subsidiary, D.M. Consunji, Inc. (DMCI), which has, for its competitors, numerous construction contracting companies, both local and foreign, currently operating in the country. It has been an acknowledged trend that the state of construction industry depends mainly on prevailing economic conditions. To optimize its resources and profitability, DMCI has been focusing on selected markets where construction demand has remained relatively strong, particularly, in more complex building structures and civil works. The Company's coal mining is the largest coal producer in the country. Competition is coming from imported coal. The real estate business, DMCI Homes, is well-positioned to capture the end-user market with much lower price for the same market with that of its competitor.

Dependence on a few customers. – Not applicable

Transactions with and/or dependence on related parties. - All transactions with related companies are done on market terms and arm's length basis. See Note 20 (Related Party Disclosures) of the Notes to the Consolidated Financial Statements.

Need for governmental approval of products and services. – Not applicable to DMCI Holdings, Inc. The operating subsidiaries and affiliate comply with all existing and applicable requirements to secure government approvals on its products/services.

Effect of existing or probable governmental regulations to the business. – Not applicable to DMCI Holdings, Inc. but only to its operating subsidiaries and affiliate. The operating subsidiaries and affiliate comply with all existing and applicable government regulations and secure all government approvals for its registered activities. For DMCI and PDI, it is required under Philippine laws to secure construction permits and environmental clearances from appropriate government agencies prior to actually undertaking each project. Meanwhile, SMPC and DMC are required under Philippine laws to secure mining and exploration permits, as well as environmental clearances from appropriate government agencies for

its continuing operations. The power businesses under SMPC and DPC, on the other hand, is required to comply with the provisions of the Electric Power Industry Reform Act (EPIRA) that was passed in June 2001. For Maynilad, any tariff rate adjustments require the approval of the Metropolitan Waterworks and Sewerage System (MWSS) and regulatory office.

Estimate of amount spent for research and development activities. Research and development activities of DMCI Holdings, Inc. and its subsidiaries are done on a per project basis. DMCI Holdings, Inc. and its subsidiaries do not allocate fixed percentages or specific amounts as the costs of research and development varies depending on the nature of the project.

Costs and effects of compliance with environmental laws. - Not directly applicable to DMCI Holdings, Inc., but only to its operating subsidiaries. Costs vary depending on the size and nature of a construction project for the construction and real estate businesses. SMPC and DMC must comply with the environmental standards in accordance to their respective Environmental Compliance Certificate (ECC). Meanwhile, the power businesses are required to be compliant with certain environmental laws such as the Clean Air Act (RA 9275). For Maynilad, wastewater facilities are required to be maintained in compliance with environmental standards set primarily by the Department of Environment and Natural Resources (DENR) regarding effluent quality. DMCI Holdings, Inc. and its subsidiaries has made continuous efforts to meet and exceed all statutory and regulatory standards.

Total number of employees and number of full-time employees.

Total No. of Employees (full-time employees) 12

V. DIRECTORS AND EXECUTIVE OFFICERS

Identify Directors, Including Independent Directors, and Executive Officers

Name	Position	Age	Citizenship
Isidro A. Consunji	Chairman of the Board President/Chief Executive Officer	77	Filipino
Maria Cristina C. Gotianun	Vice Chairman/Treasurer	71	Filipino
Ma. Edwina C. Laperal	Director/Asst. Treasurer	64	Filipino
Luz Consuelo A. Consunji	Director	72	Filipino
Jorge A. Consunji	Director	74	Filipino
Roberto L. Panlilio	Director (Independent)	71	Filipino
Bernardo M. Villegas	Director (Independent)	87	Filipino
Cynthia R. Del Castillo	Director (Independent)	73	Filipino
Erlaster C. Sotto	Director (Independent)	68	Filipino
Herbert M. Consunji	Director/Executive Vice President & Chief Finance Officer/Chief Compliance Officer/Chief Risk Officer	73	Filipino
Noel A. Laman	Corporate Secretary	86	Filipino
Ma. Pilar P. Gutierrez	Asst. Corporate Secretary	49	Filipino

Joseph Adelbert V. Legasto	Deputy Chief Finance Officer/ Chief Strategy and Sustainability Officer	48	Filipino
Hannah Cecille L. Chan	Asst. Vice President and Investor Relations Head	37	Filipino

V.1 REGULAR DIRECTORS

Isidro A. Consunji – is 77 years old; has served the Corporation as a regular director for thirty one (31) years since March 1995; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corp., Concreat Holdings Philippines, Inc., Dominion Holdings, Inc., Maynilad Water Services, Inc. and Atlas Consolidated Mining and Development Corp.; **(Non-listed)** D. M. Consunji, Inc., DMCI Project Developers, Inc., DMCI Mining Corp., DMCI Power Corp., DMCI Masbate Corp., Maynilad Water Holdings, Co. Inc., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem-Calaca Res Corp., Sem-Cal Industrial Park Developers, Inc., Semirara Claystone, Inc., Dacon Corp., DFC Holdings, Inc., Beta Electric Corp. and Crown Equities, Inc., Wire Rope Corporation of the Philippines, Philippine Overseas Construction Board (Chairman), Construction Industry Authority of the Phils. **Education.** Bachelor of Science in Engineering (University of the Philippines), Master of Business Economics (Center for Research and Communication), Master of Business Management (Asian Institute of Management), Advanced Management (IESE School, Barcelona, Spain). **Civic Affiliations.** Philippine Overseas Construction Board, *Chairman*, Construction Industry Authority of the Philippines, *Board Member*, Philippine Constructors Association, *Past President*, Philippine Chamber of Coal Mines, *Past President*, Asian Institute of Management Alumni Association, *Member*, UP Alumni Engineers, *Member*, UP Aces Alumni Association, *Member*.

Jorge A. Consunji – is 74 years old; has served the Corporation as a regular director for thirty one (31) years since March 1995; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corp., Concreat Holdings Philippines, Inc. and Maynilad Water Services, Inc.; **(Non-listed)** D.M. Consunji Inc., DMCI Project Developers, Inc., DMCI Mining Corp., DMCI Power Corp., DMCI Masbate Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Maynilad Water Holdings, Co. Inc., , Dacon Corp., DFC Holdings, Inc., Beta Electric Corporation, Wire Rope Corporation of the Phils., Manila Herbal Corporation, Sirawai Plywood & Lumber Co., M&S Company, Inc. **Education.** Bachelor of Science in Industrial Engineering (De La Salle University); Advanced Management Program Seminar at the University of Asia and the Pacific and Top Management Program at the Asian Institute of Management. **Civic Affiliations.** PLDT-Smart Foundation, *Trustee*, Construction Industry Authority of the Phils, *Board Member*, Asean Constructors Federation, *Former Chairman*, Phil. Constructors Association, *Past President/Chairman*, Phil. Contractors Accreditation Board, *Former Chairman*, Association of Carriers & Equipment Lessors, *Past President*.

Ma. Edwina C. Laperal - is 64 years old; has served the Corporation as a regular director from March 1995 to July 2006 (11years and 4 months) and from July 2008 to present (18 years); is a regular Director of the following: **(Listed)** Semirara Mining and Power Corporation; **(Non-listed)** D.M. Consunji, Inc., DMCI Project Developers, Inc., Dacon Corporation, DMCI Urban Property Developers, Inc, Sem-Calaca Power Corp., DFC Holdings, Inc. **Education.** BS Architecture (University of the Philippines), Masters in Business Administration (University of the Philippines), Certificate in Strategic Business Economics, Center for

Research and Communication. **Civic Affiliations.** UP College of Architecture Alumni Foundation Inc., *Member*; United Architects of the Philippines, *Member*; Guild of Real Estate Entrepreneurs And Professionals (GREENPRO) formerly Society of Industrial-Residential-Commercial Realty Organizations, *Member*; Institute of Corporate Directors, *Fellow*.

Luz Consuelo A. Consunji – is 72 years old; has served the Corporation as a regular director for ten (10) years since 2016. She is a regular director of the following: **(Listed)** Semirara Mining and Power Corporation; **(Non-listed)** South Davao Development Corp., Dacon Corp. and Zanorte Palm-Rubber Plantation, Inc.; **Education.** Bachelor’s Degree in Commerce, Major in Management (Assumption College), Master’s in Business Economics (University of Asia and the Pacific). **Civic Affiliations.** Missionaries of Mary Mother of the Poor, Treasurer (May 2012 – present).

Maria Cristina C. Gotianun is 71 years old; has served the Corporation as a regular director for seven years since 2019 and as Assistant Treasurer for thirty one (31) years. She was recently appointed as Vice Chairman and Treasurer effective March 16, 2026. She is a regular director of the following positions: **(Listed)** Semirara Mining and Power Corporation and Concreat Holdings Philippines, Inc.; **(Non-listed)** D.M. Consunji, Inc., DMCI Project Developers, Inc., DMCI Power Corporation, DMCI Masbate Power Corp., Sem-Calaca Power Corp., Sem-Cal Industrial Park Development Corp., Semirara Claystone, Inc., Semirara Training Center, Inc., Southwest Luzon Power Generation Corp., Southeast Luzon Power Corp., St. Raphael Power Generation Corp., Dacon Corporation, DFC Holdings, Inc., Sirawan Food Corporation, **Education.** Bachelor of Science in Business Economics (University of the Philippines), and Strategic Business Economics Program, University of Asia & the Pacific. **Civic Affiliations.** Institute of Corporate Directors, *Fellow*.

INDEPENDENT DIRECTORS

Roberto L. Panlilio, is 71 years old and an Independent Director of the company for five (5) years. He served previously as J.P. Morgan’s Country Chairman (2019-2022) and as Senior Country Officer (SCO) for the Philippines (1999-2019). He led the management, governance and control of J.P. Morgan’s franchise in the Philippines across all lines of business and the bank’s Corporate Centers in the Philippines. He is also director of the following: **(Listed)** Semirara Mining and Power Corporation (Independent Director); Lopez Holdings Corporation (Independent Director); **(Non-listed)** Maya Bank, Philippine Association of Securities Brokers and Dealers, Inc., Endeavor Philippines. He is president of L&R Corporation. Prior to joining J.P. Morgan, he was the Senior Executive Vice President & Chief Operating Officer for non-commercial banking activities of PCIBank in Manila. He held various Treasury and Investment Banking posts in Manila, Hong Kong and Kuala Lumpur in Citibank from 1979 to 1993. **(Education)** He holds a Master’s Degree in Business Administration and International Finance from the University of Southern California and a bachelor of science degree in Business Management from the Ateneo de Manila University.

Dr. Bernardo M. Villegas is 87 years old and an Independent Director of the company for five (5) years. He is a Visiting Professor of IESE Business School in Barcelona, Professor at the University of Asia and the Pacific (UA&P) and Research Director of the Center for Research and Communication, Manila. He is currently a member of the boards of directors or advisory boards of leading national and multinational firms, such as the; **(Listed)** Benguet Corporation, Filipino Fund, Inc., First Metro Philippine Equity Exchange

Traded Fund, Inc.; **(Non-listed)** Cuervo Appraisers, Inc., PHINMA Education, and Transnational Diversified, Inc. He served in the boards of Bank of the Philippine Islands, Alaska Milk Corporation, AES, Globe Telecom, Insular Life, McDonalds and IBM. **(Education)** Doctor of Philosophy in Economics, Harvard University; Master of Arts in Economics, Harvard University, Bachelor of Arts in Humanities and Bachelor of Science in Commerce, De La Salle University (Summa Cum Laude). He is a Certified Public Accountant, having been one of the CPA board topnotchers. At Harvard, at the age of 21, he was one of the youngest ever to be a teaching fellow in the College of Arts and Sciences. His special fields of study are development economics, social economics, business economics and strategic management.

Atty. Cynthia R. Del Castillo is 73 years old and Independent Director of the company for five (5) years. She is currently a Senior Partner and member of the Executive Board of Romulo Mabanta Buenaventura Sayoc and De Los Angeles since 1977. **(Directorship in Listed Companies)** Shang Properties, Inc. **(Professional Affiliations)** Senior Partner, Romulo Mabanta Buenaventura Sayoc & delos Angeles; Dean of the Ateneo de Manila University School of Law (May 1990-June 2000); Professor of Law at the Ateneo de Manila University School of Law (April 1977-Present); Admitted to the Philippine Bar in March 1977, placing 11th in the Philippine Bar Examinations given November 1976. **(Education)** Bachelor of Laws, Ateneo de Manila School of Law, 1976. Graduated Valedictorian. Recipient of Gold Medal for Academic Excellence and Golden Leaf Awards for academics. Editor-in-Chief of the Ateneo Law Journal. Member of the Board of Editors of the school paper; Bachelor of Arts, Major in Political Science. University of Santo Tomas, 1972. President of Arts & Letters Student Council, Section Editor of the official student organ and Quezon Leadership Awardee for 1972. **(Other Affiliations)** Bar Examiner in Civil Law, 2008 and 2019 Philippine Bar Examinations; Member, Audit Committee of the International School, Inc. (2012-Present); Member, Supreme Court of the Philippines Legal Education Committee for Bar Reforms (May 2019 – Present); Amicus Curiae in Supreme Court Cases (2019-Present).

Atty. Erlaster C. Sotto is 68 years old; Effective March 16, 2026, he was first appointed as Independent Director of the Company. He is also currently the Independent Director of Concreat Holdings Phils. Inc. since 2025. He also holds the following positions: Independent Director of PDS Group Market Governance Board, Director of Property Company of Friends, Inc., President of Maplecrest Group, Inc., and Trustee of PDS Academy for Market Development Corp. He previously served as President of BDO Securities Corporation and Chief Operating Officer of BDO Capital Corporation (2008-2013), President of PCIB Securities Corporation and PCI Capital Corporation (2001-2007), and President of Investment House Association of the Philippines (2001). He also held positions at the Ayala Investments and Development Corporation as Legal Officer (1983-1987) and Guerero and Torres Law Office (Baker and Mckenzie) as Legal Apprentice (1978-1982). A graduate of Ateneo de Manila University, Mr. Sotto earned his Bachelor of Arts in Political Science in 1978 and his Bachelor of Laws in 1982.

VI. MARKET PRICE OF AND DIVIDENDS ON REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

1. Market Information

Both common and preferred shares of DMCI Holdings, Inc. are traded on the Philippine Stock Exchange.

The high and low sales prices of the Company's equity at the Philippine Stock Exchange for each quarter of the last two fiscal years are set forth below.

Common Share Prices

		High	Low
2023	First Quarter	13.06	10.50
	Second Quarter	9.47	9.34
	Third Quarter	10.68	10.42
	Fourth Quarter	9.84	9.65
2024	First Quarter	12.16	11.36
	Second Quarter	11.38	11.14
	Third Quarter	11.74	11.32
	Fourth Quarter	10.82	10.64
2025	First Quarter	11.48	11.24
	Second Quarter	11.60	10.26
	Third Quarter	11.62	10.00
	Fourth Quarter	11.62	9.86

Preferred Share Prices

		High	Low
2023	First Quarter	–	–
	Second Quarter	–	–
	Third Quarter	–	–
	Fourth Quarter	–	–
2024	First Quarter	–	–
	Second Quarter	–	–
	Third Quarter	–	–
	Fourth Quarter	–	–
2025	First Quarter	–	–
	Second Quarter	–	–
	Third Quarter	–	–
	Fourth Quarter	–	–

Price information as of the latest practicable trading date: As of **March 26, 2026**:

	High	Low	Close	Volume
Common Shares	10.10	9.80	9.80	4,281,800
Preferred Shares	–	–	–	–

If the information called for by the aforementioned paragraph is being presented in a registration statement relating to a class of common equity for which at the time of filing there is no established public trading market in the Philippines, indicate the amounts of common equity – **Not applicable**

2. Holders

As of **February 28, 2026** the Company had a total of 785 shareholders of which 774 were holders of a total of 13,277,470,000 common shares and 11 were holders of a total of 960 preferred shares. The following table sets forth the list of the Top 20 common shareholders of the Corporation as of March 17, 2026 indicating the number of shares held by each and the percentage to the total outstanding shares.

	NAME	No. Of Shares	PERCENTAGE
1.	DACON CORPORATION	6,638,822,915	50.00%
2.	PCD NOMINEE CORPORATION (FILIPINO)	2,841,481,437	21.40%
3.	DFC HOLDINGS, INC.	2,379,799,910	17.92%
4.	PCD NOMINEE CORPORATION (FOREIGN)	615,738,822	4.64%
5.	DFC HOLDINGS, INC.	169,026,900	1.27%
6.	HENFELS INVESTMENTS CORPORATION	164,312,700	1.24%
7.	BERIT HOLDINGS CORPORATION	117,573,568	0.89%
8.	AUGUSTA HOLDINGS, INC.	108,297,072	0.82%
9.	DMCI RETIREMENT PLAN	99,900,000	0.75%
10.	MERU HOLDINGS, INC.	18,689,266	0.14%
11.	GREAT TIMES HOLDINGS CORP.	15,803,015	0.12%
12.	DMCI RETIREMENT FUND	13,000,000	0.10%
13.	DAVEPRIME HOLDINGS, INC.	7,487,377	0.06%
14.	ARTREGARD HOLDINGS, INC.	6,580,776	0.05%
15.	JOSEFA CONSUNJI REYES	5,650,000	0.04%
16.	JAIME B. GARCIA	3,300,000	0.02%
17.	WINDERMERE HOLDINGS, INC.	2,905,715	0.02%
18.	LAPERAL, MA. EDWINA/MIGUEL DAVID C.	2,750,000	0.02%
19.	YNTALCO REALTY DEVT. CORPORATION	2,500,000	0.02%
20.	BENIGNO DELA VEGA	2,050,000	0.02%
	TOTAL	13,215,669,473	99.53%

3. Dividends

Set forth below are cash dividends declared on each class of its common equity by the Company for the two most recent fiscal years and any subsequent interim period for which financial statements are required to be presented by SRC Rule 68:

- (1) On April 4, 2024 the BOD of the Parent Company declared regular cash dividends amounting to Php 0.46 per common share and special cash dividends of P0.26 per common share or a total of P9,559,778,400.00 out of the unrestricted retained earnings of the Corporation as of March 31, 2024 in favor of the common stockholders of record as of April 22, 2024 and was paid on May 3, 2024.
- (2) On October 16, 2024, the BOD of the Parent Company declared special cash dividends of P0.48 per common share or a total of P6,373,185,600.00 out of the unrestricted retained earnings of the Corporation as of October 15, 2024 in favor of the common stockholders of record as of October 30, 2024 and was paid on November 15, 2024.
- (3) On March 25, 2025, the BOD of the Parent Company declared a regular cash dividends amounting to Php0.35 per outstanding common share and special cash dividends of Php0.25 per outstanding common share or a total of Php7,966,482,000.00 out of the unrestricted earnings of the Corporation as of March 24, 2025, in favor of the common stockholders of record as of April 10, 2025, and was paid on April 24, 2025.
- (4) On October 21, 2025, the BOD of the Parent Company declared special cash dividends of P0.48 per common share or a total of P6,373,185,600.00 out of the unrestricted retained earnings of the Corporation as of October 20, 2025 in favor of the common stockholders of record as of November 5, 2025 and was paid on November 21, 2025.

There are no contractual or other restrictions on the Company's ability to pay dividends. However, the ability of the Company to pay dividends will depend upon the amount of distributions, if any, received from the Company's operating subsidiaries and joint venture investments and the availability of unrestricted retained earnings. The Company's operating subsidiaries however are sometimes restricted on the declaration and payment of dividends, as limited by negative covenants entered into by the operating subsidiaries with outside parties.

4. Recent Sales of Unregistered or Exempt Securities Including Recent Issuance of Securities Constituting an Exempt Transaction - **NONE**

VII. DISCUSSION ON COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

1. The Company amended its Manual on Corporate Governance and Board Charter on March 7, 2022.
2. The Independent Directors of the Company have submitted their Certificate of Qualifications as required by Securities and Exchange Commission in the promotion of meaningful compliance with Section 38 of the Securities Regulation Code (SRC);

3. The Corporation has adapted the following policies to adhere with the best practices of Corporate Governance – Anti-Sexual Harassment Policy, Alternative Dispute Resolution, Anti-Corruption and Bribery, Biodiversity, Board Diversity, Climate Change Policy, Community Interaction, Compensation and Remuneration Policy, Company Rewards and Compensation Program for Employees, Conflict of Interest, Customer Welfare, Cybersecurity and Information Security Policy, Data Privacy, Disclosure Policy, Diversity, Environmental Policy, Equality and Inclusion Policy, Dividend Policy, Eco-Design Policy, Environmentally Friendly Value Chain, Enterprise Risk Management, Executive Succession, Health and Safety Policy for Contractors, Health, Safety and General Welfare of the Employees, Health and Safety Policy for Contractors, Human Rights Policy, Insider Trading, Investor Relations Policy, Nomination and Election Policy, Onboarding Program for First-time Directors, Material Related Party Transactions (revised), Product and Service Safety Policy, Safeguarding Creditors Rights, Supplier and Contractor Relations, Training Policy for Directors, and Whistle Blower Policy. Likewise, the Board developed its Charter in accordance with the Corporation Code, Manual on Corporate Governance and other applicable laws.
4. The Board also created the following committees: Audit & Related Party Transaction, Corporate Governance (with functions of the nomination & election and the compensation & remuneration), Board Risk Oversight, and Strategy and Sustainability. The Board likewise established the Executive Committee (ExCom) composed of five members to be elected by the Board from among its members. The Presidents and Chief Executive Officers of the Corporation's subsidiaries were appointed by the Board as ex-officio members of the Excom.
5. The Board conducts an annual review of the Corporation's Vision, Mission, Corporate Strategy, and Corporate Values. The most recent review was undertaken during the Board meeting held on November 6, 2025, and was duly disclosed to both the PSE and SEC.
6. The Corporation has set up all committees set forth under the Manual of Corporate Governance to adhere with the rules governing the Manual.
7. The Corporation has developed a corporate website (www.dmciholdings.com) wherein corporate information and updates, disclosures, and financial information are being uploaded for investors' and shareholders' information.
8. There are no major deviations from the adopted Manual on Corporate Governance

VIII. UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE CORPORATION WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE CORPORATION'S ANNUAL REPORT IN SEC FORM 17-A AND THE CORPORATION'S LATEST QUARTERLY REPORT IN SEC FORM 17-Q DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.