COVER SHEET

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SEC Registration Number

D M C I H O L D I N G S , I N C .

(Company's Full Name)

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C H I N O R O C E S A V E . M A K A T I C I T Y

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

HERBERT M. CONSUNJI	8888-3000
Contact Person	Company Telephone Number

1 2	3 1	**SEC Form 17-Q** **First Quarter Interim Report 2024**	0 5	2 1
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

N.A.

Secondary License Type, If Applicable

C F D	
Dept Requiring this Doc	Amended Articles Number / Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarter ended **March 31, 2024**

2. SEC Identification No. AS095-002283 3. BIR Tax Identification No. 004-703-376

DMCI Holdings, Inc.
4. Exact name of issuer as specified in its charter

5. Philippines 6. (SEC Use Only)

Province, Country or other jurisdiction of incorporation or organization Industry Classification Code:

7. 3rd Floor, Dacon Building, 2281 Pasong Tamo Ext., Makati city1231
Address of principal office Postal Code

8. Tel. (632) 8888-3000 Fax : None
Issuer's telephone number, including area code

9. Not applicable
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	No. of Shares Outstanding	Amount
Common Shares	Php13,277,470,000.00	Php13,277,470,000.00
Preferred Shares	960.00	960.00
TOTAL	Php13,277,470,960.00	Php13,277,470,960.00

11. Are any or all of these securities listed on a Stock Exchange.

Yes [X] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange Class “A” Shares
Preferred Shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the

Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [X] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [X] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

The Financial Statements as of and for the period ended **March 31, 2024** are contained herein.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF CONSOLIDATED OPERATIONS AND CONSOLIDATED FINANCIAL CONDITION AS OF AND FOR THE PERIODS ENDED June 30, 2023 AND 2022

March 31, 2024 (Unaudited) vs March 31, 2023 (Unaudited)

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 March 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 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, 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 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

in Php millions except EPS	**January to March (Q1)**		
	2024	**2023**	**Change**
I. SMPC (56.65%)	3,691	5,114	-28%
II. DMCI Homes	684	994	-31%
III. Maynilad (25%)	663	523	27%
IV. DMCI Power	264	134	97%
V. D.M. Consunji Inc.	98	273	-64%
VI. Parent and others	30	(1)	3,100%
VII. DMCI Mining	(22)	473	-105%
Core Net Income	**5,408**	**7,510**	**-28%**
Nonrecurring Items	196	(4)	5,000%
Reported Net Income	**5,604**	**7,506**	**-25%**
EPS (reported)	**0.42**	**0.57**	**-25%**

Q1 2024 vs Q1 2023 Consolidated Highlights

- The DMCI Group saw a 25-percent decline in reported net income at Php 5.60 billion, from Php 7.51 billion the previous year. The effect is mainly due to weaker contributions from the mining, on-grid power generation, real estate and construction subsidiaries, tempered by strong operating results from water and off-grid businesses.

  Consequently, earnings per share fell from Php 0.57 to Php 0.42 and translated to a return on equity of 5% over the three-month period.

  Excluding nonrecurring items, core net income receded by 28% to Php 5.41 billion from Php 7.51 billion.

  Quarter-over-quarter, consolidated net income grew by 19% from Php 4.70 billion (Q4 2023), 37% from Php 4.09 billion (Q3 2023) and 95% compared to pre-COVID (Q1 2019) level of Php 2.87 billion.

- Core EBITDA sank by 32% from Php 14.11 billion to Php 9.62 billion as margin thinned from 43% to 35%. The reduction was due to weaker revenues, which muted the impact of flattish cash costs (COS and operating expenses) and lower government share.

  Total revenues dropped by 17% from Php 33.03 billion to Php 27.43 primarily due to declines in commodity and electricity prices, reduced construction accomplishments, and fewer ongoing and new real estate accounts qualifying for recognition.

Excluding government share, cash costs stood at Php 13.40 billion in both periods as lower construction accomplishments and off-grid fuel costs offset higher costs associated with increased coal and nickel sales.

Government share declined by 37% from Php 3.22 billion to Php 2.03 billion on lower coal revenues and elevated production costs.

Equity in net earnings swelled by 24% from Php 536 million to Php 664 million, mostly due to improved Maynilad results.

- Other income (net) jumped by 282% from Php 328 million to Php 1.25 billion, mainly driven by DMCI Homes forfeitures, rental income and gain from land sale (Php 1.03 billion), and boosted by SMPC's net foreign exchange gain and fly ash sale (Php 210 million).

- Depreciation and amortization grew by 17% from Php 1.88 billion to Php 2.20 billion, mostly attributable to SMPC because of its increased coal shipments, recent acquisition of new mining equipment and increased amortization of the capitalized stripping asset for Narra mine.

- Net finance costs (net of finance income) plunged by 69% from Php 294 million to Php 91 million, as SMPC and DMCI improved their net finance income positions. DMCI Homes likewise reported higher finance income from its in-house financing activities.

  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.

- Income tax provision plunged by 41% from Php 1.38 billion to Php 811 million on lower taxable income for DMCI Homes, SMPC and DMCI Mining.

- 2024 nonrecurring items include a gain from the sale of land by DMCI Homes (Php 195 million) and a slight forex gain (Php 1 million) by Maynilad. 2023 nonrecurring items pertain to Maynilad donations and miscellaneous expenses (Php 4 million).

- SMPC, DMCI Homes and Maynilad accounted for 93% of core net income.

- As of March 31, 2024, the Group reported a stronger financial position compared to December 31, 2023:

  - Total debt slid by 3% from Php 49.47 billion to Php 48.01 billion mainly due to regular loan amortizations of DMCI Homes (Php 551 million) and SMPC (Php 1.01 billion).

  - Group net debt position receded by 46% from Php 17.31 billion to Php 9.35 billion on strong cash generation and repayment of loans. Consequently, net debt to equity plunged to 6.7% (from 12.6%).

- On April 4, the Board of Directors declared regular (Php 0.46/share) and special (Php 0.26/share) dividends, totaling Php 0.72/share or Php 9.56 billion in dividend payout. This translated to a cash dividend yield of 6.5% over the Q1 2024 volume weighted average price of Php 11.0308. The said dividends were paid out on May 3, 2024.

Q1 2024 vs Q1 2023 Subsidiaries and Associate Performance

I. Semirara Mining and Power Corporation (SMPC)

Net income contribution from the integrated energy business fell by 28% from Php 5.11 billion to Php 3.69 billion on normalizing selling prices and higher coal expenses, tempered by higher sales volume (coal and electricity) and other income.

To further elaborate on SMPC's performance:

Coal

At the standalone level, coal revenues slipped by 8% to Php 14.30 billion from Php 15.49 billion on the combined effect of lower selling prices and higher shipments.

Reported net income showed a sharper decline (29%), falling from Php 6.96 billion to Php 4.98 billion owing to lower revenues and higher costs (cash and noncash).

Net of intercompany eliminations, net income dropped by 19% from Php 5.27 billion to Php 4.26 billion. Eliminating entries plummeted by 57% from Php 1.69 billion to Php 720 million, influenced by the power segment's efficient coal blending, lower selling prices and narrower gross margins.

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

The coal segment's financial performance was mostly the result of notable shifts in shipments, prices and margins:

- **Higher shipments.** Total coal shipments expanded by 37% from 3.5 million metric tons (MMT) to 4.8 MMT, boosted by strong Chinese and internal demand.

  Foreign shipments jumped by 78% from 1.5 MMT to 2.7 MMT as China sales more than doubled (109%) from 1.1 MMT to 2.3 MMT. Deliveries to South Korea and Brunei were unchanged at 0.3 MMT and 0.1 MMT, respectively. China accounted for 87% of total export sales, followed by South Korea (11%) and Brunei (2%).

  The sharp increase in China exports was mostly due to low base effect as the company chose to hold back on foreign shipments last year due to heightened price volatility, which led to better-than-expected selling prices but lower export sales.

Domestic shipments rose by 6% from 2.0 MMT to 2.1 MMT, largely driven by a 22-percent increase in internal sales. Shipments to own plants increased from 0.9 MMT to 1.1 MMT following improved availability of SLPGC plants.

External sales (other power plants, industrial facilities and cement plants) fell by 9% from 1.1 MMT to 1.0 MMT because of high sulfur content in some commercial-grade coal.

- **Normalizing prices.** The average selling price (ASP) of Semirara coal dropped by 33% from Php 4,427 per metric ton (MT) to Php 2,978 per MT on the combined impact of stabilizing market indices and a higher proportion of non-commercial grade coal shipments.

  Average Newcastle index (NEWC) plunged by 49% from US$247.8 to US$126.0 while average Indonesian Coal Index 4 (ICI4) declined at a slower pace (25%) from US$76.5 to US$57.2. Quarter-over-quarter, NEWC fell by 7% from US$135.6 while ICI4 declined by 3% from US$58.9.

  Despite these declines, average 2024 NEWC and ICI4 prices remained substantially above pre-pandemic (2019) levels at US$95.9 (+31%) and US$35.2 (+62%), respectively.

  Shipments of lower priced non-commercial grade coal surged by 133% from 0.6 MMT to 1.4 MMT, accounting for 17% (in 2023) and 29% (in 2024) of total quarterly sales.

- **Thinner margins.** Core EBITDA dropped by 25% from Php 7.93 billion to Php 5.97 billion while margin narrowed from 51% to 42%. The downward movements were mainly attributable to lower selling prices and higher production costs. Standalone net income margin also thinned from 45% to 35% following a spike in depreciation and amortization expenses.

  While topline fell by 8% from Php 15.49 billion to Php 14.30 billion, cash component of COS surged by 47% from Php 4.10 billion to Php 6.04 billion. The significant increase was due to a 37-percent increase in shipments, carried-over production costs from beginning inventory, and higher costs associated with materials and parts, lubricants and labor.

  Coal production costs rose in both the previous quarter (Q4 2023) and the current quarter due to an increased strip ratio of 13.3 and 12.5, respectively, up from 8.4 last year. The Q4 2023 escalation is attributed to the near-depletion of Molave mine, which previously allowed easier access to coal seams, effectively lowering the strip ratio. Meanwhile, the high stripping ratio for the current quarter is due to the near-depletion of North Block 1 and stripping of North Block 2 (both in Narra mine).

  Government share receded by 37% from Php 3.22 billion to Php 2.03 billion on lower coal revenues and elevated production costs, while operating expenses grew by 8% from Php 244 million to Php 263 million due to ICT-related expenses.

- **Higher noncash items.** Depreciation and amortization expenses surged by 75% from Php 681 million to Php 1.19 billion amid increased shipments, new mining equipment and increased amortization of the Narra mine stripping asset, which was capitalized in 2023.

- **Net forex gain.** Net foreign exchange gains hit Php 70 million versus a net forex loss of Php 425 million last year, driven by a favorable average PHP:US$ exchange rate of P55.9. Around 81% of these gains are unrealized.

- **Net finance income.** Finance income (net of finance costs) stood at Php 176 million, up by 1% from Php 174 million last year as stable interest rates muted the impact of prudent cash management.

The segment also reported the following operational highlights:

- **Lower production.** Coal production decreased by 20% from 6.1 MMT to 4.9 MMT due to the consolidation of operations to a single mine (Narra) and increased stripping activities. Last year, Molave mine accounted for 89% of total production.

  Simultaneous stripping activities in three Narra mine blocks (North Blocks 1, 2 and West Block 1) led to an 18-percent increase in total volume of materials moved from 55.2 million bank cubic meters (MBCM) to 65.2 MBCM.

  These activities, coupled with the near-depletion of Molave mine last year, drove up effective strip ratio by 49% from 8.4 to 12.5.

  Full-year strip ratio remains at 13.2, 8-percent higher than FY2023 of 13.1 (actual).

- **Low inventory.** Total coal inventory decreased by 57% from 4.4 MMT to 1.9 MMT on high base effect as the company curbed shipments because of price volatility. Consequently, commercial-grade coal inventory plunged by 80% (YoY) from 3.1 MMT to 0.6 MMT.

  Quarter-over-quarter, total coal inventory grew slightly (+5%) from 1.8 MMT to 1.9 MMT, while commercial-grade coal inventory tripled (200%) from 0.2 MMT to 0.6 MMT.

<u>Power</u>

Standalone segment revenues declined by 25% from Php 7.66 billion to Php 5.73 billion largely due to a 28-percent drop in average selling prices (ASP) amid an uptick in sales volume. Consequently, core EBITDA contracted by 26% from Php 3.46 billion to Php 2.55 billion, with margin slightly thinning from 45.2% to 44.5%.

In line with topline, reported net income decreased by 27% from Php 2.09 billion to Php 1.53 billion while net margin slightly narrowed from 27.3% to 26.7%.

The impact of a lower topline was partially offset by a steeper drop (-31%) in the cash component of COS (from Php 3.33 billion to Php 2.31 billion), flattish operating costs (Php 871 million) and D&A expenses (Php 709 million), a net finance gain (Php 2 million from Php 79 million expense) and lower tax provisions (-35%).

Net of intercompany eliminations, reported net income plunged by 39% from Php 3.75 billion to Php 2.27 billion. No nonrecurring item was recorded during both periods.

The power segment's results are attributable to the following:

- **Better plant availability.** A reduction in outage days (from 51 to 31) boosted overall plant availability from 87% to 92%, marking the highest level since the DMCI Group entered the power business.

  SCPC plant availability declined from 99% to 86% largely due to the 80-day planned maintenance activities in Unit 2, which commenced on March 6. In effect, SCPC outage days rose from 1 to 25. Upon completion, dependable capacity is expected to return to 300 MW.

  SLPGC plant availability jumped from 72% to 97% on fewer outage days (from 50 to 6).

- **Uptick in average capacity.** Total average capacity increased by 2%, from 688 MW to 702 MW, as SLPGC plants operated closer to their design capacity.

- **Improved generation and sales.** Improvements in overall plant availability and average capacity translated to a 7-percent increase in total gross generation from 1,316 gigawatt hours (GWh) to 1,408 GWh.

  Consequently, total power sales grew by 3% from 1,241 GWh to 1,281 GWh. Though the spot market remained as the primary sales channel (61%), there was a decline compared to last year (71%) owing to a growth in contracted capacity.

- **Lower spot sales.** Spot market sales posted an 11% decrease from 880 GWh to 782 GWh due to lower exposure. To elaborate, beginning spot market exposure (net of variable station service) declined by 14% from 480.75 MW (end-December 2022) to 413.1 MW (end-December 2023), as the company moved to secure more bilateral contracts (BCQ).

  BCQ sales grew by 38% from 361 GWh to 499 GWh as a result of higher contracted capacity. To illustrate, contracted capacity at the beginning of the periods rose by 26% from 189.15MW (end-December 2022) to 238.2 MW (end-December 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.

- **Better BCQ prices.** Overall average selling price (ASP) experienced a significant decline (-28%) from Php 6.17/kWh to Php 4.47/kWh. This drop was primarily driven by lower prices in both spot sales and bilateral contracts. However, BCQ ASP surpassed spot ASP by 7%, largely due to new contracts at higher fixed rates.

  Within these trends, spot ASP showed a sharper decrease of 35% (from Php 6.69/kWh to Php 4.35/kWh), influenced by wider supply margins and decreasing fuel costs. BCQ ASP also declined, but by a lesser 5% (from Php 4.90/kWh to Php 4.66/kWh). This was attributed to new contracts negotiated over the past twelve months with more favorable terms.

  Compared to the previous quarter (Q4 2023), BCQ ASP (Php 4.09/kWh) was 7% lower than spot BCQ (Php 4.38/KWh).

- **Growing contracted capacity.** As of March 31, 2024, more than a third (34% or 238.2MW) of the power segment's dependable capacity (710MW) has been contracted. Around 10% of its contracted capacity has fuel pass-through provision.

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

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

- **Minimal spot purchases.** Total spot purchases plummeted by 81% from Php 331 million to Php 62 million owing to better plant availability.

  The power segment was a net seller to the spot market by 781 GWh (vs 834 GWh in Q1 2023).

At the standalone level, SMPC's reported net income dropped by 28% from Php 9.03 billion to Php 6.54 billion. No nonrecurring item was recorded during both periods.

II. 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.

Reported net income contribution stood at Php 879 million, a 12-percent decline from Php 994 million owing to the cumulative effect of slower topline recognition from ongoing and new accounts, reduced reversals from cancellations, improved other and finance income, and a gain from land sale.

Excluding nonrecurring income, core net income contribution declined by 31% from Php 994 million to Php 684 million. The company recognized Php 195 million in gain from land sale to DMCI MC Property Ventures, Inc., the joint venture company of DMCI Homes and Marubeni Corporation. The land will be developed for The Valeron Tower project.

To further elaborate:

- **Weaker topline.** Total revenues sank by 27% from Php 4.85 billion to Php 3.06 billion on lower contributions from real estate sales and construction revenues from joint venture projects.

  Revenues from ongoing accounts (net of previously cancelled accounts) dropped to 75% of total revenues (versus 79% last year) mainly due to anemic sales and elevated cancellations during and post-pandemic. Meanwhile newly-recognized accounts increased to 45% (versus 39% last year) on recovering demand. Stretched downpayment schemes also resulted to less new accounts qualified for revenue recognition.

Revenue reversals due to sales cancellations fell by 28%, moving from Php 1.19 billion to Php 850 million. Quarter-over-quarter, reversals grew by 48% from Q4 2023 (Php 572 million) and 10% from Q3 2023 (Php 773 million), but 4% lower than in Q2 2023 (Php 881 million).

Top revenue contributors from ongoing projects include: Aston Residences (2018), Allegra Garden Place (2019), Kai Garden Residences (2017) and Alder Residences (2020).

Meanwhile, top revenue contributors from newly-recognized accounts were: Satori Residences (2018), Allegra Garden Place (2019), Alder Residences (2020) and Kai Garden Residences (2017).

Contract revenues from the joint venture projects dropped by 30% from Php 212 million to Php 149 million on lower construction accomplishments. Revenues from property management, hotel operations and elevator maintenance grew by 5% from Php 94 million to Php 99 million.

- **Lower Core EBITDA.** Core EBITDA plunged by 63% from Php 1.17 billion to Php 434 million on slowing revenues and even slower drop in cash costs. Consequently, EBITDA margin thinned from 24% to 14%.

  Total cash costs declined by 29% (vs. topline 37%) from Php 3.68 billion to Php 2.63 billion primarily due to higher operating expenses (opex). Excluding opex, cash costs declined by 38%, in line with revenues.

  COS plunged by 38% from Php 2.91 billion to Php 1.82 billion on lower construction accomplishments for both ongoing and newly-recognized accounts.

  Opex grew by 6% from Php 762 million to Php 807 million following an increase in personnel expenses, sales incentives (due to higher sales) and digital marketing initiatives.

- **Improved margins.** Core net income margin stood at 23%, up from 22% last year, on the back of higher other and finance income. Meanwhile, reported net income margin widened from 22% to 29%, owing to a gain from land sale.

  Other income jumped by 23% from Php 634 million to Php 783 million on higher rental income. Meanwhile, net finance costs (net of finance income) declined by 23% from Php 376 million to Php 288 million, owing to higher interest earnings from in-house financing.

  Provision for income taxes plunged by 46% from Php 358 million to Php 193 million on lower taxable income (due to lower topline) and expensing of financing costs (due to IFRS 15).

  Additionally, a nonrecurring gain of Php 195 million was also recognized from the sale of land to DMCI MC Property Ventures Inc. (JV with Marubeni Corporation) for the development of The Valeron Tower.

The company also reported the following operational highlights:

- **Residential sales recovery.** Total units sold (residential units and parking slots) slipped by 4% from 2,478 to 2,391 as buyers remained cautious amid high interest rates.

  Sale of residential units jumped by 11% from 1,417 to 1,568 while parking units dropped by 22% from 1,061 to 823. The latter was mainly due to the non-availability of parking slots in top-selling project Solmera Coast.

  Top projects with most units sold during the period include: The Valeron Tower (2024), Anissa Heights (2023), The Oriana (2021), Solmera Coast (2023) and Prisma Residences (2017).

- **Better selling prices**. Average selling price (ASP) per unit fell by 6% from Php 7.26 million to Php 6.82 million due to the launch of Anissa Heights. However, ASP per square meter rose by 9% from Php 134,000 to Php 146,000 with the launch of The Valeron Tower, which is situated in a prime location (Pasig City).

  Anissa Heights offers smaller-cut units, ranging from 16.0 sqm to 27.5 sqm, with a more affordable price range of Php 3.0 million to Php 3.4 million.

- **Sales value uptick.** Total sales value increased by 2% from Php 11.14 billion to Php 11.39 billion on higher residential unit sales and ASP per square meter.

- **Normalizing cancellations.** Sales cancellations for residential units awaiting revenue recognition (threshold less than 14.5%) stood at 13%, up slightly from 11% last year.

  However, quarter-over-quarter and compared to FY2023, sales cancellations was constant at 13%. In contrast, sales cancellation was at 11% in Q3 2023 and 20% in Q2 2023. FY 2019 cancellation rate was at 13%.

- **Increasing unbooked revenues.** Unbooked revenues advanced by 11% from Php 65.88 billion to Php 73.15 billion because of recovering sales. Trailing 12-months (Q2 2023 to Q1 2024) sales value reached Php 36.14 billion, slightly above the Php 35.10 total from Q2 2022 to Q1 2023.

- **Higher inventory.** Total inventory expanded by 17% from Php 65.50 billion to Php 76.71 billion driven by strong growth in pre-selling (+17%) and Ready-for-Occupancy units (+17%). Pre-selling units, which include residential and parking, accounted for 75% of the total inventory on both periods.

  Pre-selling inventory grew by 17% from Php 49.00 billion to Php 57.36 billion, following launches of Mulberry Place 2 and The Valeron Tower. As of March 31, 2024, inventory of launched Solmera Coast and Anissa Heights units stood at 15% and 3%, respectively.

  RFO inventory jumped by 17% from Php 16.50 billion to Php 19.35 billion due to the completion of The Atherton, Satori Residences, The Orabella, Fairlane Residences, Brixton Place, Prisma Residences and Verdon Parc.

- **Ample land bank.** Total land bank declined by 10% from 217.4 hectares to 196.1 hectares, following the launch of Solmera Coast (Luzon) and the sale of undeveloped land (Metro Manila) over the past twelve months.

  Metro Manila accounted for majority of the land bank (56%), followed by Luzon (38%), Visayas (3%) and Mindanao (2%).

- **Flattish CAPEX.** Quarterly capital expenditure (CAPEX) stood at Php 4.28 billion, a 1-percent uptick from Php 4.25 billion. Higher construction spending (from Php 3.92 billion to Php 4.1 billion) muted the effect of reduced land and equipment acquisitions (from Php 328 million to 185 million).

- **Healthy financial position.** Despite cash investment to DMCI MC Property Ventures (Php 1.64 billion), net debt-to-equity ratio slightly improved from 0.94x to 0.92x, mainly due to debt pare down (from Php 33.02 billion to Php 32.42 billion). Additionally, interest coverage ratio remained healthy at 2.84x (from 4.43x).

At the standalone level, reported net income fell by 15% from Php 1.05 billion to Php 893 million. Excluding nonrecurring gain from land sale, core net income plunged by 34% from Php 1.05 billion to Php 699 million.

III. Maynilad Water Services, Inc. (Maynilad)

Reported net income contribution from associate Maynilad soared by 28% from Php 519 million to Php 664 million mainly due to higher billed volume and adjusted tariff.

Net of nonrecurring items, core net income contribution climbed by 27% from Php 523 million to Php 663 million. 2024 nonrecurring item pertains to net foreign exchange gain (Php 1 million), while 2023 nonrecurring items (Php 4 million) were attributable to net foreign exchange loss and income tax effect.

To further elaborate:

- **Higher revenues.** Total revenues jumped by 29% from Php 6.22 billion to Php 8.03 billion on the combined effect of higher billed volume and adjusted tariff.

- **Slower growth in costs.** Total cash costs grew at a slower pace than topline from Php 2.23 billion to Php 2.61 billion (+17%) on the back of increased cross-border water purchases, personnel costs, outside services and local business tax, cushioned by lower light and power (due to lower fuel cost recovery adjustment or FCRA charged per kwh) and chemical costs.

  Total noncash costs went up by 12% from Php 740 million to Php 829 million owing to additional capex projects completed during the year and increased amortization of the concession asset.

  Additionally, the company provisioned an additional Php 310 million as allowance for credit losses, to account for debts deemed uncollectible during the period.

- **Stable margins.** Core EBITDA grew by 26% from Php 4.00 billion to Php 5.05 billion, while net income likewise increased by 28% from Php 2.11 billion to Php 2.69 million. EBITDA and net income margins slightly dipped to 63% and 33%, respectively (from 64% and 34% last year) on higher costs.

- **Increased finance costs and taxes.** Net finance costs (net of finance income) grew by 18% from Php 502 million to 592 million in line with loans payable growth (+15%) from Php 61.80 billion to Php 71.07 billion.

  Meanwhile, provision for income taxes surged by 50% from Php 636 million to Php 952 million mainly due to higher taxable income.

- **Improved billed volume.** Billed volume expanded by 6% from 127.6 million cubic meters (MCM) to 134.7 MCM, surpassing the company's pre-pandemic levels of 128.5 MCM (Q1 2019) and 132.3 MCM (Q1 2020). The uptick was attributable to increased demand and additional water service connections, coupled with higher water production and improved supply availability.

- **Slight shift in customer mix.** Customer mix tilted more towards domestic users, with their billed volume increasing from 81.5% to 81.6%. As a result, the share of billed volume from non-domestic customers decreased from 18.5% to 18.4%.

  Despite the slight shift in customer mix towards domestic users, billed volume for non-domestic customers notably grew by 5% from 23.6 million cubic meters (MCM) to 24.8 MCM.

- **Adjusted tariff.** Average effective tariff surged by 20% from Php 46.72 to Php 56.01 owing to the second tranche of the staggered implementation of the Metropolitan Waterworks and Sewerage System (MWSS) – approved basic rate adjustment effective January 1, 2024.

The company also reported the following operational and financial highlights:

- **Increased water production.** Total water production climbed by 3% from 187.1 million cubic meters (MCM) to 192.2 MCM, the highest-ever production for the period.

  The uptrend was due to increased raw water supply from Angat Dam, the partial energization (50 MLD) of the 150MLD Poblacion Water Treatment Plant in December 2023 and aggressive water augmentation initiatives of the company.

  These initiatives include cross-border purchases, return of Putatan Water Treatment Plant 2, the activation of the "NEW WATER" treatment plant in Parañaque and the use of deep wells.

- **Reduced water losses.** Average non-revenue water (NRW) dropped by 6% from 31.8% to 29.9%, while end-of-period NRW likewise declined by 6% from 30.5% to 28.5%. The downward movements were largely attributable to the continuous NRW-reduction initiatives of the company and increased water demand. Additionally, consumption per connection increased by 4% from 0.93 cubic meter per day (cu.m.) to 0.97 cu.m.

- **Wider coverage and availability.** Water service connections (WSCs) increased by 1% from 1,526,344 to 1,538,321 while 24-hour availability significantly improved from 86.7% to 97.0% on improved water production.

  Water service coverage and served population remained at 94.6% and 10.3 million, respectively, during both periods.

  Sewer service coverage expanded from 23.2% to an all-time high of 30.7% because of aggressive infrastructure spending. Consequently, served population grew by 34% from 2.4 million to 3.2 million.

At the standalone level, reported net income soared by 28% from Php 2.11 billion to Php 2.69 billion. Excluding nonrecurring items, core net income grew by 26% from Php 2.12 billion to Php 2.68 billion.

2024 nonrecurring item pertains to net foreign exchange gain (Php 4 million), while 2023 nonrecurring items pertain to foreign exchange loss (Php 6 million) and donations (Php 13 million).

IV. DMCI Power Corporation (DMCI Power)

Net income contribution from the off-grid energy business nearly doubled (97%) from Php 134 million to Php 264 million, largely driven by increased dispatch and lower fuel costs.

The details below further explain these results:

- **Flattish topline.** Total revenues slightly declined (-1%) from Php 1.71 billion to Php 1.70 billion as lower overall average selling price (ASP) muted the impact of higher dispatch.

- **Drop in selling prices.** Average selling price (ASP) receded by 11% from Php 17.9/KWh to Php 16.0/KWh on lower fuel costs. The August 15 activation of the 15MW Palawan thermal plant, which charges a lower tariff, contributed to the ASP decline.

  Coal expenses plunged by 64% from Php 13.71 per kg to Php 4.93 per kg, while diesel costs fell by 3% from Php 58.2 to Php 56.3 per liter. However, bunker costs jumped by 11% from Php 42.8 to Php 47.3 per liter, amid geopolitical tensions in the Red Sea.

- **Double-digit generation and sales growths.** Total gross generation grew by 17% from 99.7 GWh to 116.2 GWh, following the synchronization of the 15MW Palawan thermal plant in August 2023.

  Total energy sales jumped by 11% from 95.5 GWh to 105.9 GWh on growing installed capacity and stronger demand across all markets.

  Sales in Masbate accelerated by 18% from 33.0 GWh to 38.9 GWh while sales in Palawan strengthened by 7% from 45.7 GWh to 49.1 GWh. Meanwhile, Oriental Mindoro sales likewise posted a 7-percent uptrend from 16.8 GWh to 17.9 GWh.

  Palawan remained as the top market, accounting for 46% of total sales, followed by Masbate (37%) and Oriental Mindoro (17%).

In terms of fuel type, coal plants generated 40% of the total dispatch, followed by bunker (30.1%) and diesel (29.7%).

- **Lower sales cost.** Despite higher dispatch, total cash costs fell by 13% from Php 1.44 billion to Php 1.24 billion as 40% of total energy sales came from the Masbate and Palawan thermal plants, which ran on more affordable fuel.

  Sales from thermal plants grew threefold (229%) from 12.9 GWh to 42.5 GWh.

  With lower COS, core EBITDA swelled by 66% from Php 270 million to Php 449 million. In turn, core EBITDA margin expanded from 16% to 26%. Consequently, net profit margin doubled from 8% to 16%.

- **Higher noncash items and finance costs.** Depreciation and amortization rose by 35% from Php 82 million to Php 111 million due to the August 15 operations of the 15MW Palawan thermal plant.

  Net finance costs (net of income) grew by 2.7x from Php 22 million to Php 57 million due to higher loans payable (from Php 4.67 billion to Php 4.75 billion) resulting from capacity expansion, cushioned by lower average finance costs (from 5.50% to 5.23%).

- **Reduced tax provision.** Provision for income taxes fell by 49% from Php 33 million to Php 17 million with the application of income tax holidays (ITH) for the Masbate thermal and hybrid diesel plants and the Palawan 15MW thermal plant.

  The ITH for the Masbate thermal plant will expire in September 2024 while the 8MW hybrid diesel plant's six-year ITH will last until January 2029. Meanwhile, the Palawan thermal plant has a four-year ITH that will expire in August 2027.

The company also reported the following operational and financial highlights:

- **Growing installed capacity.** Total installed capacity grew by 10% from 144.76 MW to 159.8 MW, following the synchronization of a 15MW thermal plant in Palawan (July 2023). The latter began supplying affordable, reliable electricity to the local community last August 15.

- **Reduced market share.** Market share in Palawan declined from 52.2% to 48.8% due to constrained diesel plant operation. Oriental Mindoro market share slightly thinned from 16.9% to 16.7% because of better availability of both the renewable and conventional plants in the area. The company remains the sole power provider in Masbate.

- **Healthy financial position.** Net debt-to-equity ratio improved from 105% (end of December 2023) to 101% (end of March 2024) on higher equity book value.

- **Minimal capital expenditures.** Capital investments fell by 14% from Php 290 million to Php 248 million, mainly due to timing factor, as bulk of expansionary expenditure is scheduled for the latter part of the year. First quarter capex mostly went to the 26MW Palawan and Masbate bunker plants.

For the full year period, the company is set to spend Php 2.08 billion for a total 40MW in expansion capacity.

At the standalone level, reported net income surged by 97% from Php 134 million to Php 264 million. No nonrecurring items were recognized in either period.

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

Net income contribution from the construction business plunged by 64% from Php 273 million to Php 98 million mainly due to weaker topline stemming from fewer ongoing projects. To further explain:

- **Lower construction revenues.** Topline contracted by 18% from Php 4.51 billion to Php 3.69 billion on reduced construction activity, mostly attributable to project delays and less ongoing projects.

  Bulk (56%) of the revenues came from the Building unit (includes buildings, energy, plant and utilities projects), which registered a 12-percent decline in booked revenues from Php 2.35 billion to Php 2.07 billion.

  The Infrastructure unit saw a 60-percent decline in booked revenues from Php 1.12 billion to Php 446 million on fewer ongoing projects.

  Revenues from Joint Venture and billables increased by 69% from Php 514 million to Php 867 million mostly from the North South Commuter Railway Contract package (JV with Taisei Corporation).

  Project Support revenues fell by 41% from Php 529 million to Php 312 million on fewer projects.

- **Narrower margins.** Core EBITDA sank by 41% from Php 512 million to Php 301 million due to cash costs declining by only 15% compared to an 18% reduction in the topline.

  Excluding operating expenses (opex), cost of sales fell by 17% from Php 3.90 billion to Php 3.24 billion, in line with the topline (18%). Meanwhile, opex jumped by 45% from Php 106 million to Php 149 million owing to the procurement of a telephone system and program and higher personnel costs.

  Standalone core net income margin tapered from 7% to 4% because of increased net finance income on higher time deposits (from Php 1 million cost to Php 28 million income) and lesser provision for income tax.

- **Lower noncash expenses.** Noncash items slumped by 24% from Php 189 million to Php 143 million due to reduced capex stemming from fewer project requirements.

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

- **Sluggish order book.** Total order book receded by 7% from Php 41.9 billion (December 2023) to Php 38.9 billion (March 2024) as booked revenues (Php 3.2 billion) exceeded awarded projects (Php 0.5 billion) and change order (Php 0.2 billion reduction).

  Newly-awarded projects in Q1 2024 include the Design and Build of Long Point Causeway (for Berong Nickel Corporation) and a 16MW bunker-fired power plant (for DMCI Power).

- **Marginal capital expenditures.** Quarterly capex plunged by almost 100% from Php 216 million to Php 10 million due to a decrease in project requirements.

- **Net cash position.** The company maintained its net cash position from Php 4.55 billion to Php 4.39 billion, with zero debt in both periods. Consequently, net debt-to-equity ratio stood at 57% (vs 60% as of December 31, 2023).

At the standalone level, reported net income more than halved (53%) from Php 317 million to Php 148 million.

Excluding nonrecurring items, core net income dropped by 51% from Php 302 million to Php 148 million. No nonrecurring item was recorded in 2024, while the nonrecurring item in 2023 pertained to a gain from sale of equipment (Php 15 million).

VI. DMCI Mining Corporation (DMCI Mining)

The nickel business recorded a net loss of Php 22 million from a net income of Php 473 million mainly due to lower selling prices and higher costs.

To provide more detail on the company's standalone performance:

- **Weaker revenues.** Total revenues plunged by 55% from Php 1.31 billion to Php 591 million because of anemic selling prices and reduced shipments.

- **Flatter cash costs.** Total cash costs decreased by 8% from Php 524 million to Php 481 million. Meanwhile, the cash component of Cost of Sales (COS) rose by 8% from Php 258 million to Php 279 million due to a change in the methodology for calculating ship loading costs from time-based to weight-based.

  Operating expenses decreased by 24% from Php 266 million to Php 202 million primarily due to reduced excise taxes and royalties from lower revenues.

  As a result, core EBITDA tumbled by 86% from Php 790 million to Php 110 million, and the margin narrowed significantly from 60% to 19%.

- **Flattish noncash costs.** Depreciation and amortization slighly increased (+2%) from Php 142 million to Php 145 million. This was mainly due to higher depreciation costs associated with the acquisition of additional mining equipment, amid a decrease in shipments.

The company also reported the following operational and financial highlights:

- **Reduced production.** Total production receded by 24% from 599,000 wet metric tons (WMT) to 454,000 WMT, primarily due to permit delays in a new mine site and the near-depletion of ZDMC.

- **Lower shipments and stockpile.** Total ending inventory fell by 38% from 178,000 WMT to 110,000 MWT because of lower production.

  ZDMC stockpile decreased by 43% from 157,000 WMT to 89,000 WMT, while BNC stockpile remained at 21,000 WMT, which is below the standard shipment size of 50,000 WMT.

  Consequently, total shipments slipped by 3% from 487,000 wet metric tons (WMT) to 473,000 WMT.

- **Weaker selling prices.** Average selling price (ASP) more than halved (-55%) from US$ 49/WMT to US$22/WMT due to an oversupply of Indonesian nickel.

  Average LME Nickel price plunged by 36% from US$ 26,079/ton to US$ 16,611/ton, while the Philippine FOB price for 1.30% grade experienced a steeper drop (-49%) from US$ 37/WMT from US$ 19/WMT.

- **Healthy financial position.** As of March 31, 2024, net debt-to-equity ratio remained healthy at 1.7% (versus -12.3% net cash as of December 31, 2023). Cash balance dropped by 55% from Php 853 million to Php 381 million after paying dividends (Php 550 million) to the parent company.

  Additionally, loans payable grew by 29% from Php 350 million to Php 450 million, following the availment of Php 100 million to fund the infrastructure and equipment spending in Palawan.

- **Minimal capital expenditures.** Committed capital spending shrank by 77% from Php 145 million to Php 34 million on timing effect. Bulk of the company's capital spending are scheduled for the latter half of the year.

At the standalone level, the company recorded a net loss of Php 31 million versus a reported net income of Php 463 million. No nonrecurring item was recognized during both periods.

CAPEX

Group capital expenditures in the first quarter increased by 14% to Php 9.7 billion, primarily due to re-fleeting, mine exploration activities and the ongoing rewinding of SCPC Unit 2 by SMPC.

DMCI Homes saw a modest rise in spending (+2%) for its ongoing projects, while the other subsidiaries and affiliate experienced a decrease in their capital spending.

In Php billions	Q1 2024	Q1 2023	Change		2024F	2023	Change
DMCI	-	0.2	-100%		0.2	0.4	-50%
DMCI Homes	4.2	4.1	2%		17.6	15.9	11%
SMPC	1.8	0.8	125%		7.0	4.0	75%
DMCI Power	0.2	0.3	-33%		2.1	0.9	133%
DMCI Mining	-	0.1	-100%		1.1	0.3	267%
Maynilad*	3.5	3.0	17%		31.4	26.0	21%
Total	**9.7**	**8.5**	**14%**		**59.4**	**47.5**	25%

Consolidated capex for FY2024 remain in line with the guidance provided in the March 2024 MD&A.

However, both DMCI and DMCI Power have revised their capex forecasts downward. DMCI now expects its capital spending to decrease from Php 0.3 billion to Php 0.2 billion. Similarly, DMCI Power has trimmed its capex budget from Php 2.3 billion to Php 2.1 billion. These funds will be used to add 42MW of capacity to its existing operations.

Meanwhile, DMCI Homes has raised its capex forecast from Php 17.0 billion to Php 17.6 billion to support its land banking activities. Majority (88%) of the budget is earmarked for the construction of ongoing projects, while the remaining funds will be used for land acquisitions.

For the remainder of the year, total capital expenditures are expected to hit Php 59.4 billion, with the bulk allocated to Maynilad. The company plans to invest Php 31.4 billion to meet its water and wastewater service obligations. This expenditure represents the largest capital investment by the company since the privatization of Metro Manila's water services in 1997.

Excluding Maynilad, the DMCI Group's capital spending is projected to increase by 30% from Php 21.5 billion to Php 28.0 billion. Most of the budget will go to DMCI Homes (63%), followed by SMPC (25%), DMCI Power (8%), DMCI Mining (4%) and DMCI (1%).

Outlook and Updates

Coal, nickel and electricity prices continued to normalize in the first quarter due to weak demand and robust supply. Meanwhile, elevated interest rates and inflation kept demand for real estate and private construction sluggish.

The DMCI Group expects the current market conditions to remain largely unchanged throughout the year, with potential price spikes triggered by elevated temperatures and geopolitical events. High interest rates and elevated inflation will likely suppress private construction and real estate demand until late in the year.

To navigate the challenging macroeconomic environment, the DMCI Group is focused on enhancing its operational efficiency and marketing strategies to generate the most value from its products and services.

As for our businesses—

DMCI: The construction business is targeting big-ticket industrial and infrastructure projects to rebuild its order book.

DMCI Homes: In February, the company launched The Valeron Tower, its second mixed-use project. A second leisure project, Moncello Crest, will be introduced to the market within the month of May.

SMPC: The return of SCPC Unit 2 to its full 300MW capacity is expected by the end of May. Mine exploration activities are also ongoing to secure higher-quality coal.

DMCI Power: The company is set to expand its installed capacity with the completion of a 17.65MW bunker power plant in Palawan this year and the commercial operation of a 12MW wind facility on Semirara Island next year.

DMCI Mining: To expand its operations, the company is working to obtain permits for new mines in Zambales and Palawan. Additionally, explorations are underway to determine the viability of constructing a nickel processing plant (HPAL).

Maynilad: To meet increased water demand, particularly during the El Niño season, the Poblacion water treatment plant has been energized and is already contributing significantly to the water supply (120MLD by end of March 2024). The facility is expected to be fully operational within Q2 2024.

Explanation of movement in consolidated income statement accounts:

Revenues
Consolidated revenues for the first three months of 2024 declined by 17% from Php 33.0 billion to Php 27.4 billion due to lower commodity prices, coupled with fewer construction projects, lower percentage of completion (POC) and and accounts qualifying for revenue recognition of real estate projects.

Cost of Sales and Services
Cost of sales and services during the period slightly increased by 2% compared to the same period of last year due to higher production cost per unit sold of coal cushioned by lower cost of construction and real estate sales. This resulted to lower gross profit margin.

Operating Expenses
Government royalties for the period amounted to Php 2.0 billion, 37% lower from Php 3.2 billion last year as the coal business recorded lower profits. Excluding government royalties, operating expenses incurred during the three-month period increased by 4% to Php 2.4 billion due mainly to higher repairs and maintenance, taxes and licenses, and advertising and marketing expenses.

Equity in Net Earnings
Equity in net earnings of associates increased by 24% as a result of higher income take up from Maynilad.

Finance Income
Consolidated finance income increased by 51% due mainly to higher amount of placements during the period with better interest rates.

Finance Cost
Consolidated finance costs slightly decreased by 1%, as net impact of loan payments and availment during the period.

Other Income-net
Other income increased by 280% due to the net forex gain as Philippine peso depreciated against the US dollar.

Provision for Income Tax
Income tax declined due to the lower taxable income by all the business units except the off-grid power business.

II. CONSOLIDATED FINANCIAL CONDITION

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

The Company's financial condition for the period improved as total assets reached P251.6 billion, a 2% increase from December 31, 2023. Meanwhile, consolidated total equity slightly increased by 1% to Php 139.4 billion.

Consolidated cash increased by 20% from Php 32.2 billion to Php 38.7 billion owing to collection of coal and real estate sales.

Receivables flat at Php 23.2 billion due mainly to the collection from customers and dividend receivable from associate.

Contract assets (current and non-current) decreased by 7% to Php 28.0 billion due to lower construction accomplishments.

Consolidated inventories flat at Php 67.9 billion as lower project accomplishments of real estate segment is cushioned by higher coal inventory and power plant spare parts of SMPC.

Other current assets decreased by 22% to Php 9.5 billion from Php 12.1 billion of last year due mainly to reclassification of deposits for investment to its appropriate investment account. Other current assets consist advances made to suppliers of fuel, spare parts and mining equipment and prepaid taxes.

Investments in associates and joint ventures increased to Php 21.3 billion from Php 19.1 billion of last year as a result of the net impact of the income take up and dividend received from Maynilad and additional investment to real estate joint ventures.

Property, plant and equipment stood at Php 52.7 billion from Php 53.7 billion as depreciation and depletion more than offset capital expenditures for the three-month period.

Right-of-use assets decreased by 34% due to amortization.

Other noncurrent assets grew by 17% due mainly to higher refundable deposits and noncurrent prepayments.

The increase in accounts and other payables is mainly attributable to the dividend payable to the minority shareholders of SMPC.

Contract liabilities (current and non-current) slightly declined by 2% to Php 19.0 billion due to recoupment of customers' deposits.

From Php 49.5 billion, total debt (under short-term and long-term debt) stood at Php 48.0 billion on the back of the debt payment made by SMPC, DMCI Homes and DMCI, and availment of DMCI Mining.

Liabilities for purchased land decreased by 11% as a result of payment of previously acquired land for development.

Deferred tax liabilities decreased by 10% on lower booked income compared to taxable income of real estate sales.

Pension liabilities decrease by 13% due to higher interest rate used.

Consolidated retained earnings stood at Php 96.4 billion at the end of March 2024, 7% increase from the restated retained earnings of 2023 at Php 90.2 billion after generation of Php 5.6 billion net income.

Non-controlling interest decrease by 13% as a result of the non-controlling share in net income reduced by dividends to non-controlling interest of SMPC.

III. KEY PERFORMANCE INDICATORS

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

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

SEGMENT REVENUES

(in Php Millions)	For the Period		Variance	
	2024	2023	Amount	%
Semirara Mining and Power Corporation	18,426	20,708	(2,282)	-11%
D.M. Consunji, Inc.	3,571	4,367	(796)	-18%
DMCI Homes	3,061	4,849	(1,788)	-37%
DMCI Power	1,699	1,716	(17)	-1%
DMCI Mining	591	1,314	(723)	-55%
Parent and Others	82	78	4	5%
Total Revenues	**27,430**	**33,032**	**(5,602)**	**-17%**

The initial indicator of the Company's gross business results is seen in the movements in the different business segment revenues.

As shown above, consolidated revenues decreased by 17% as lower commodity prices offset the impact of higher commodity sales volume, coupled with softer real estate and construction sales

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

(in Php Millions)	For the Period		Variance	
	2023	2023 As Restated*	Amount	%
Semirara Mining and Power Corporation	3,691	5,114	(1,423)	-28%
DMCI Homes	684	994	(310)	-31%
Maynilad	663	523	140	27%
DMCI Mining	(22)	473	(495)	-105%
D.M. Consunji, Inc.	98	273	(175)	-64%
DMCI Power	264	134	130	97%
Parent and Others	30	(1)	31	3100%
Core Net Income	**5,408**	**7,510**	**(2,102)**	**-28%**
Non-recurring Items	196	(4)	200	5000%
Reported Net Income	**5,604**	**7,506**	**(1,902)**	**-25%**

**Restated for comparative purposes to reflect the adoption of PFRS 15 provision on significant financing component*

The decline in net income (after non-controlling interest) of the Group is attributed to the lower commodity prices, fewer construction projects and fewer real estate accounts which qualify for revenue recognition. These are cushioned by higher off-grid power sales and better performance of its associate.

EARNINGS PER SHARE

Earnings per share (EPS) pertains to the company's income allocated to each outstanding share of common stock. It serves as an indicator of the company's profitability.

The Company's consolidated basic and diluted EPS was Php 0.52/share for the three-month period ended March 31, 2024, a 25% decline from Php 0.57/share EPS year-on-year.

RETURN ON COMMON EQUITY
Return on common equity is defined as the amount of net income a company earns per amount of shareholders equity. It is one of the common metrics used by investor to determine how effectively their capital is being reinvested. It is arrived at by dividing the net income share of the parent company over the average parent equity. The Company's return on common equity stood at 5% and 7% for the three-month period of 2023 and 2022, respectively.

NET DEBT TO EQUITY RATIO
As a stockholder/investor, financial position and stability would be an important aspect. The Company tests its solvency and leverage exposure through the net debt to equity ratio. This test indicates the Company's ownership of creditors vs. owners/investors. Net debt to equity ratio is computed by dividing the interest-bearing loans net of cash and cash equivalents over total equity.

Total borrowings stood at Php 48.0 billion, which resulted to a net debt to equity ratio of 0.7:1 and 0.13:1 as of March 31, 2024 and December 31, 2023, respectively.

FINANCIAL SOUNDNESS RATIOS

	March 31, 2024	**December 31, 2023**
Current Ratio	2.74 times	2.77 times
Net Debt to Equity Ratio	0.07 times	0.13 times
Asset to Equity Ratio	1.81 times	1.80 times
	March 31, 2024	**March 31, 2023 As Restated**
Return on Assets	4%	5%
Return on Common Equity	5%	7%
Interest Coverage Ratio	15 times	20 times
Gross Profit Margin	43%	54%
Net Profit Margin	31%	35%

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 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. 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.
6. 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.
7. 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.
8. 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.
9. 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
10. The Group does not have any offering of rights, granting of stock options and corresponding plans therefore.
11. All necessary disclosures were made under SEC Form 17-C.

SIGNATURES

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

Issuer DMCI Holdings, Inc.

Signature and Title **Herbert M. Consunji**
Executive Vice President and CFO

Signature and Title **Joseph Adelbert V. Legasto**
Deputy Chief Financial Officer

Date May 7, 2024

DMCI HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	**₱38,665,489**	₱32,158,078
Receivables - net (Note 9)	**23,179,922**	23,265,106
Current portion of contract assets	**18,854,555**	19,304,451
Inventories	**67,943,027**	67,902,205
Other current assets	**9,458,128**	12,088,585
	158,101,121	154,718,425
Asset held-for-sale	**713,218**	713,218
Total Current Assets	**158,814,339**	155,431,643
Noncurrent Assets		
Property, plant and equipment	**52,669,993**	53,673,801
Investments in associates and joint ventures (Note 6)	**21,260,368**	19,091,633
Contract asset - net of current portion	**9,145,755**	10,839,030
Pension assets - net	**909,744**	992,028
Deferred tax assets - net	**985,061**	922,891
Exploration and evaluation asset	**516,081**	505,513
Right-of-use assets	**92,758**	140,629
Investment properties	**82,950**	86,739
Other noncurrent assets	**7,373,726**	6,311,316
Total Noncurrent Assets	**93,036,436**	92,563,580
	₱251,850,775	₱247,995,223
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt	**₱1,436,004**	₱1,547,386
Accounts and other payables	**35,523,124**	30,495,688
Income tax payable	**56,880**	488,465
Current portion of liabilities for purchased land	**615,893**	753,046
Current portion of long-term debt	**5,886,886**	6,660,721
Current portion of contract liabilities and other customers' advances and deposits	**14,369,796**	16,151,576
Total Current Liabilities	**57,888,583**	56,096,882

(Forward)

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Noncurrent Liabilities		
Long-term debt - net of current portion	**₱40,688,098**	₱41,261,215
Deferred tax liabilities - net	**5,768,074**	6,434,245
Contract liabilities - net of current portion	**4,624,430**	3,199,429
Liabilities for purchased land - net of current portion	**539,506**	538,221
Pension liabilities - net	**291,033**	334,982
Other noncurrent liabilities	**2,627,524**	2,693,099
Total Noncurrent Liabilities	**54,538,665**	54,461,191
Total Liabilities	**112,427,248**	110,558,073
Equity (Note 3)		
Equity attributable to equity holders of the Parent Company:		
Paid-in capital	**17,949,868**	17,949,868
Treasury shares - Preferred	**(7,069)**	(7,069)
Retained earnings	**96,401,508**	90,797,032
Premium on acquisition of non-controlling interests	**(817,958)**	(817,958)
Remeasurements on retirement plans - net of tax	**899,283**	899,283
Net accumulated unrealized gains on equity investments designated at FVOCI	**174,698**	174,698
Share in other comprehensive income of associates	**25,385**	25,385
	114,625,715	109,021,239
Non-controlling interests	**24,797,812**	28,415,911
Total Equity	**139,423,527**	137,437,150
	₱251,850,775	₱247,995,223

DMCI HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

For the Period and Quarter Ended March 31, 2024 and 2023
(Amounts in Thousands, except for Earnings Per Share figures)

	For the period		For the quarter	
	Jan to Mar 2024	Jan to Mar 2023 As Restated	**Jan to Mar 2024**	Jan to Mar 2023 As Restated
REVENUE (Notes 4 and 8)				
Coal mining	**₱12,638,522**	₱12,983,107	**₱12,638,522**	₱12,983,107
Electricity sales	**7,486,097**	9,440,511	**7,486,097**	9,440,511
Real estate sales	**3,060,965**	4,848,525	**3,060,965**	4,848,525
Construction contracts	**3,571,120**	4,367,114	**3,571,120**	4,367,114
Nickel mining	**591,371**	1,313,841	**591,371**	1,313,841
Merchandise sales and others	**82,290**	79,167	**82,290**	79,167
	27,430,365	33,032,265	**27,430,365**	33,032,265
COSTS OF SALES AND SERVICES				
Coal mining	**6,283,780**	3,959,223	**6,283,780**	3,959,223
Electricity sales	**3,664,623**	3,943,493	**3,664,623**	3,943,493
Real estate sales	**1,819,785**	2,912,259	**1,819,785**	2,912,259
Construction contracts	**3,290,359**	3,965,817	**3,290,359**	3,965,817
Nickel mining	**417,054**	393,443	**417,054**	393,443
Merchandise sales and others	**60,765**	58,991	**60,765**	58,991
	15,536,366	15,233,227	**15,536,366**	15,233,227
GROSS PROFIT	**11,893,999**	17,799,038	**11,893,999**	17,799,038
OPERATING EXPENSES (Note 5)	**4,474,399**	5,577,404	**4,474,399**	5,577,404
	7,419,600	12,221,634	**7,419,600**	12,221,634
OTHER INCOME (EXPENSES)				
Equity in net earnings of associates (Note 6)	**664,402**	535,527	**664,402**	535,527
Finance income	**578,262**	382,951	**578,262**	382,951
Finance costs	**(668,763)**	(677,054)	**(668,763)**	(677,054)
Other income - net	**1,252,969**	328,930	**1,252,969**	328,930
INCOME BEFORE INCOME TAX	**9,246,470**	12,791,988	**9,246,470**	12,791,988
PROVISION FOR INCOME TAX	**811,391**	1,377,811	**811,391**	1,377,811
NET INCOME	**₱8,435,080**	₱11,414,176	**₱8,435,080**	₱11,414,176
NET INCOME ATTRIBUTABLE TO				
Equity holders of the Parent Company (Note 4)	**₱5,604,476**	₱7,506,313	**₱5,604,476**	₱7,506,313
Non-controlling interests	**2,830,604**	3,907,863	**2,830,604**	3,907,863
	₱8,435,080	₱11,414,176	**₱8,435,080**	₱11,414,176
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY-BASIC AND DILUTED (Note 7)	**₱0.42**	₱0.57	**₱0.42**	₱0.57

DMCI HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Period and Quarter Ended March 31, 2023 and 2022
(Amounts in Thousands)

	For the period		For the quarter	
	Jan to Mar 2024	Jan to Mar 2023 As Restated	**Jan to Mar 2024**	Jan to Mar 2023 As Restated
NET INCOME	**₱8,435,080**	₱11,414,176	**₱8,435,080**	₱11,414,176
OTHER COMPREHENSIVE INCOME (LOSS)				
Items to be reclassified subsequently to profit or loss				
Changes in fair values of investments in equity instruments designated at FVOCI	**–**	–	**–**	–
	–	–	**–**	–
Items not to be reclassified to profit or loss in subsequent periods				
Remeasurement gains on retirement plans	**–**	–	**–**	–
Income tax effect	**–**	–	**–**	–
	–	–	**–**	–
OTHER COMPREHENSIVE INCOME	**–**	–	**–**	–
TOTAL COMPREHENSIVE INCOME	**₱8,435,080**	₱11,414,176	**₱8,435,080**	₱11,414,176
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company (Note 4)	**₱5,604,476**	₱7,506,313	**₱5,604,476**	₱7,506,313
Non-controlling interests	**2,830,604**	3,907,863	**2,830,604**	3,907,863
	₱8,435,080	₱11,414,176	**₱8,435,080**	₱11,414,176

DMCI HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Period Ended March 31, 2024 and 2023
(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company											
	Capital Stock (Note 3)	Additional Paid-in Capital (Note 3)	Total Paid-in Capital (Note 3)	Treasury Shares - Preferred (Note 3)	Unppropriated Retained Earnings (Note 3)	Premium on Acquisition of Non-controlling Interest	Remeasurements on Retirement Plans	Net Accumulated Unrealized Gain on equity investments designated at FVOCI	Other Equity	Parent Equity	Non controlling Interests	Total Equity
						For the Period Ended March 31, 2024						
Balances as of January 1, 2024	**₱13,277,474**	**₱4,672,394**	**₱17,949,868**	**(₱7,069)**	**₱90,797,032**	**(₱817,958)**	**₱899,283**	**₱174,698**	**₱25,385**	**₱109,021,239**	**₱28,415,911**	**₱137,437,150**
Comprehensive income												
Net income	–	–	–	–	**5,604,476**	–	–	–	–	**5,604,476**	**2,830,604**	**8,435,080**
Other comprehensive income	–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	**5,604,476**	–	–	–	–	**5,604,476**	**2,830,604**	**8,435,080**
Cash dividends declared (Note 3)	–	–	–	–	**0**	–	–	–	–	**0**	**(6,448,703)**	**(6,448,703)**
Balances at March 31, 2024	**₱13,277,474**	**₱4,672,394**	**₱17,949,868**	**(₱7,069)**	**₱96,401,508**	**(₱817,958)**	**₱899,283**	**₱174,698**	**₱25,385**	**₱114,625,715**	**₱24,797,812**	**₱139,423,527**
						For the Period Ended March 31, 2023 As Restated						
Balances as of January 1, 2023	₱13,277,474	₱4,672,394	₱17,949,868	(₱7,069)	₱85,194,218	(₱817,958)	₱975,442	₱131,613	₱25,290	₱103,451,404	₱29,218,230	₱132,669,634
Effective of change in accounting policy	–	–	–	–	(110,032)	–	–	–	–	(110,032)	–	(110,032)
Balances as of January 1, 2023, as restated	13,277,474	4,672,394	17,949,868	(7,069)	85,084,186	(817,958)	975,442	131,613	25,290	103,341,372	29,218,230	132,559,602
Comprehensive income												
Net income	–	–	–	–	7,616,345	–	–	–	–	7,616,345	3,907,863	11,524,208
Other comprehensive income	–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	7,616,345	–	–	–	–	7,616,345	3,907,863	11,524,208
Cash dividends declared (Note 3)	–	–	–	–	(9,559,778)	–	–	–	–	(9,559,778)	(6,449,143)	(16,008,921)
Balances at March 31, 2023	₱13,277,474	₱4,672,394	₱17,949,868	(₱7,069)	₱83,140,753	(₱817,958)	₱975,442	₱131,613	₱25,290	₱101,397,939	₱26,676,950	₱128,074,889

DMCI HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Period Ended March 31, 2023 and 2022

(Amounts in Thousands)

	March 31	
	2024	2023 As Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱9,246,471**	₱12,791,988
Adjustments for:		
Depreciation, depletion and amortization	**2,204,052**	1,883,314
Finance cost	**668,763**	275,219
Movement in net retirement liability	**38,334**	(10,300)
Equity in net earnings of associates and joint ventures	**(664,402)**	(535,527)
Finance income	**(578,262)**	(382,951)
Gain on sale of undeveloped land	**(194,560)**	–
Net unrealized foreign exchange loss (gain)	**(75,335)**	394,751
Gain on sale of property, plant and equipment	**–**	(15,070)
Operating income before changes in working capital	**10,645,061**	14,401,424
Decrease (increase) in:		
Receivables and contract assets	**3,374,468**	665,310
Other current assets	**1,917,237**	(2,354,913)
Inventories	**(1,619,226)**	(3,690,555)
Increase (decrease) in:		
Accounts and other payables	**(674,587)**	4,223,312
Contract liabilities and other customer advances and deposits	**(356,778)**	(809,101)
Liabilities for purchased land	**(135,868)**	(247,790)
Cash generated from operations	**13,150,307**	12,187,687
Interest received	**578,262**	382,951
Income taxes paid	**(1,971,317)**	(1,595,017)
Interest paid and capitalized as cost of inventory	**–**	(401,835)
Net cash provided by operating activities	**11,757,252**	10,573,786
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to : property, plant and equipment		
Investments in associates, joint ventures and others	**(2,683,908)**	–
Property, plant and equipment	**(1,200,113)**	(2,096,668)
Proceeds from disposal of :		
Undeveloped land	**1,820,500**	–
Property, plant and equipment	**–**	24,545
Increase in other noncurrent assets	**(1,068,984)**	(1,363,740)
Interest paid and capitalized as part of property, plant and equipment	**–**	(1,188)
Net cash used in investing activities	**(3,132,505)**	(3,437,051)

(Forward)

	March 31	
	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Long-term debt	**₱1,104,556**	₱2,987,151
Short-term debt	**1,641**	178,000
Payments of:		
Long-term debt	**(2,456,089)**	(3,375,773)
Short-term debt	**(113,023)**	(43,291)
Interest	**(664,181)**	(280,045)
Increase (decrease) in other noncurrent liabilities	**(65,576)**	415,061
Net cash used in financing activities	**(2,192,672)**	(118,897)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**75,335**	(394,751)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**6,507,410**	6,623,087
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**32,158,079**	28,408,474
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱38,665,489**	₱35,031,561

DMCI HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

DMCI Holdings, Inc. (the Parent Company) was incorporated on March 8, 1995 with a corporate life of 50 years from and after the date of incorporation and is domiciled in the Philippines. The Parent Company's registered office address and principal place of business is at 3rd Floor, Dacon Building, 2281 Chino Roces Avenue, Makati City.

The Parent Company and its subsidiaries (collectively referred to herein as the Group) is primarily engaged in general construction, coal and power generation, real estate development, water concession, nickel mining and manufacturing.

The Parent Company's shares of stock are listed and are currently traded at the Philippine Stock Exchange (PSE).

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors (BOD) on May 7, 2024

2. Summary of Significant Accounting Policies

Basis of Preparation
The interim unaudited condensed consolidated financial statements of the Group have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited condensed consolidated financial statements do not include all of the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2023.

The interim financial statements have been prepared using the historical cost basis, except for financial assets at fair value through profit or loss (FVPL) and at fair value through comprehensive income (FVOCI) financial assets that have been measured at fair value. The Group's functional and presentation currency is the Philippine Peso (₱). All amounts are rounded to the nearest thousand (₱000), unless otherwise indicated.

Statement of Compliance
The interim unaudited condensed consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs), which include availment of the relief granted by the Securities and Exchange Commission (SEC) under Memorandum Circular No. 14, Series of 2018, Memorandum Circular No. 3, Series of 2019 and Memorandum Circular No. 4, Series of 2020. PFRS include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by Philippine Interpretations Committee (PIC).

Basis of Consolidation
The interim unaudited condensed consolidated financial statements comprise the financial statements of the Group as of March 31, 2024 and December 31, 2023.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated inancial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the noncontrolling interests (NCI), even if this results in the NCI having a deficit balance. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other similar events. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any noncontrolling-interests and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnigns, as appropriate.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries (which are all incorporated in the Philippines). The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

	Nature of Business	2024 Direct	2024 Indirect	2024 Effective Interest	2023 Direct	2023 Indirect	2023 Effective Interest
		(In percentage)					
General Construction:							
D.M. Consunji, Inc. (DMCI)	General Construction	**100.00**	**–**	**100.00**	100.00	–	100.00
Beta Electromechanical Corporation (Beta Electric) [1]	General Construction	**–**	**53.20**	**53.20**	–	53.20	53.20
Raco Haven Automation Philippines, Inc. (Raco) [1*]	Non-operating	**–**	**50.14**	**50.14**	–	50.14	50.14
Oriken Dynamix Company, Inc. (Oriken) [1*]	Non-operating	**–**	**89.00**	**89.00**	–	89.00	89.00
DMCI Technical Training Center (DMCI Training) [1]	Services	**–**	**100.00**	**100.00**	–	100.00	100.00
Real Estate:							
DMCI Project Developers, Inc. (PDI)	Real Estate Developer	**100.00**	**–**	**100.00**	100.00	–	100.00
DMCI-PDI Hotels, Inc. (PDI Hotels) [2]	Hotel Operator	**–**	**100.00**	**100.00**	–	100.00	100.00
DMCI Homes Property Management Corporation (DPMC) [2]	Property Management	**–**	**100.00**	**100.00**	–	100.00	100.00
Zenith Mobility Solutions Services, Inc. (ZMSSI) [2]	Services	**–**	**100.00**	**100.00**	–	100.00	100.00
Riviera Land Corporation (Riviera) [2]	Real Estate Developer	**–**	**100.00**	**100.00**	–	100.00	100.00
Hampstead Gardens Corporation (Hampstead) [2*]	Real Estate Developer	**–**	**100.00**	**100.00**	–	100.00	100.00
DMCI Homes, Inc. (DMCI Homes) [2*]	Marketing Arm	**–**	**100.00**	**100.00**	–	100.00	100.00
L & I Development Corporation (LIDC) [2*]	Real estate Developer	**–**	**100.00**	**100.00**	–	100.00	100.00
Coal Mining:							
Semirara Mining and Power Corporation (SMPC)	Mining	**56.65**	**–**	**56.65**	56.65	–	56.65
On-Grid Power:							
Sem-Calaca Power Corporation (SCPC) [3]	Power Generation	**–**	**56.65**	**56.65**	–	56.65	56.65
Southwest Luzon Power Generation Corporation (SLPGC) [3]	Power Generation	**–**	**56.65**	**56.65**	–	56.65	56.65
Sem-Calaca RES Corporation (SCRC) [3]	Retail	**–**	**56.65**	**56.65**	–	56.65	56.65
SEM-Cal Industrial Park Developers, Inc. (SIPDI) [3]	Non-operational	**–**	**56.65**	**56.65**	–	56.65	56.65
Semirara Energy Utilities, Inc. (SEUI) [3]	Non-operational	**–**	**56.65**	**56.65**	–	56.65	56.65
Southeast Luzon Power Generation Corporation (SeLPGC) [3]	Non-operational	**–**	**56.65**	**56.65**	–	56.65	56.65
Semirara Materials and Resources Inc. (SMRI) [3]	Non-operational	**–**	**56.65**	**56.65**	–	56.65	56.65
St. Raphael Power Generation Corporation (SRPGC) [3]	Non-operational	**–**	**56.65**	**56.65**	–	56.65	56.65
Sem-Calaca Port Facilities, Inc. (SCPFI) [3 & 6]	Non-operational	**–**	**56.65**	**56.65**	–	56.65	56.65
Off-Grid Power:							
DMCI Power Corporation (DPC)	Power Generation	**100.00**	**–**	**100.00**	100.00	–	100.00
DMCI Masbate Power Corporation (DMCI Masbate) [4]	Power Generation	**–**	**100.00**	**100.00**	–	100.00	100.00

(Forward)

		2024			2023		
	Nature of Business	**Direct**	**Indirect**	**Effective Interest**	Direct	Indirect	Effective Interest
				(In percentage)			
Nickel Mining:							
DMCI Mining Corporation (DMC)	Holding Company	**100.00**	**–**	**100.00**	100.00	–	100.00
Berong Nickel Corporation (BNC) [5]	Mining	**–**	**74.80**	**74.80**	–	74.80	74.80
Ulugan Resouces Holdings, Inc. (URHI) [5]	Holding Company	**–**	**30.00**	**30.00**	–	30.00	30.00
Ulugan Nickel Corporation (UNC) [5]	Holding Company	**–**	**58.00**	**58.00**	–	58.00	58.00
Nickeline Resources Holdings, Inc. (NRHI) [5]	Holding Company	**–**	**58.00**	**58.00**	–	58.00	58.00
TMM Management, Inc. (TMM) [5]	Services	**–**	**40.00**	**40.00**	–	40.00	40.00
Zambales Diversified Metals Corporation (ZDMC) [5]	Mining	**–**	**100.00**	**100.00**	–	100.00	100.00
Zambales Chromite Mining Company Inc. (ZCMC) [5]	Non-operational	**–**	**100.00**	**100.00**	–	100.00	100.00
Fil-Asian Strategic Resources & Properties Corporation (FASRPC) [5]	Non-operational	**–**	**100.00**	**100.00**	–	100.00	100.00
Montague Resources Philippines Corporation (MRPC) [5]	Non-operational	**–**	**100.00**	**100.00**	–	100.00	100.00
Montemina Resources Corporation (MRC) [5]	Non-operational	**–**	**100.00**	**100.00**	–	100.00	100.00
Mt. Lanat Metals Corporation (MLMC) [5]	Non-operational	**–**	**100.00**	**100.00**	–	100.00	100.00
Fil-Euro Asia Nickel Corporation (FEANC) [5]	Non-operational	**–**	**100.00**	**100.00**	–	100.00	100.00
Heraan Holdings, Inc. (HHI) [5]	Holding Company	**–**	**100.00**	**100.00**	–	100.00	100.00
Zambales Nickel Processing Corporation (ZNPC) [5]	Non-operational	**–**	**100.00**	**100.00**	–	100.00	100.00
Zamnorth Holdings Corporation (ZHC) [5]	Holding Company	**–**	**100.00**	**100.00**	–	100.00	100.00
ZDMC Holdings Corporation (ZDMCHC) [5]	Holding Company	**–**	**100.00**	**100.00**	–	100.00	100.00
Manufacturing:							
Semirara Cement Corporation (SemCem)	Non-operational	**100.00**	**–**	**100.00**	100.00	–	100.00
Wire Rope Corporation of the Philippines (Wire Rope)	Manufacturing	**45.68**	**16.02**	**61.70**	45.68	16.02	61.70

*Ongoing liquidation.
[1] DMCI's subsidiaries.
[2] PDI's subsidiaries.
[3] SMPC's subsidiaries. SMRI was formerly known as Semirara Claystone, Inc, (SCI)
[4] DPC's subsidiaries.
[5] DMC's subsidiaries.
[6] Wholly owned subsidiary of SCPC. Incorporated on December 20, 2022.

Noncontrolling Interests

Noncontrolling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group.

Noncontrolling interests are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from parent shareholder's equity. Any losses applicable to the noncontrolling interests are allocated against the interests of the noncontrolling interest even if this results to the noncontrolling interest having a deficit balance. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the noncontrolling interest is recognized in equity of the parent in transactions where the noncontrolling interest are acquired or sold without loss of control.

The proportion of ownership interest held by noncontrolling interests on the consolidated subsidiaries are presented below. The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

	(In Percentage)
Beta Electromechanical Corporation (Beta Electromechanical)	46.80
Raco Haven Automation Philippines, Inc. (Raco)	49.86
Oriken Dynamix Company, Inc. (Oriken)	11.00
Semirara Mining and Power Corporation (SMPC)	43.35
Sem-Calaca Power Corporation (SCPC)	43.35
Southwest Luzon Power Generation Corporation (SLPGC)	43.35
Sem-Calaca RES Corporation (SCRC)	43.35
SEM-Cal Industrial Park Developers, Inc. (SIPDI)	43.35
Semirara Energy Utilities, Inc. (SEUI)	43.35
Southeast Luzon Power Generation Corporation (SeLPGC)	43.35
Semirara Claystone, Inc. (SCI)	43.35
St. Raphael Power Generation Corporation (SRPGC)	43.35
Sem-Calaca Port Facilities, Inc. (SCPFI)	43.35
Berong Nickel Corporation (BNC)	25.20
Ulugan Resouces Holdings, Inc. (URHI)	70.00
Ulugan Nickel Corporation (UNC)	42.00
Nickeline Resources Holdings, Inc. (NRHI)	42.00
TMM Management, Inc. (TMM)	60.00
Wire Rope Corporation of the Philippines (Wire Rope)	38.30

The voting rights held by the Group in the these subsidiaries are in proportion to their ownership interests, except for URHI and TMM.

Adoption of New and Amended Accounting Standards and Interpretations
The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial year, except for the adoption of the following new accounting pronouncements starting January 1, 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of these new standards did not have a significant impact on the consolidated financial statements of the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments have had an impact on the Group’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group’s consolidated financial statements.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

  The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

  The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

  The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

  Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after January 1, 2023.

  The amendments had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules.

<u>Standards Issued but not yet Effective</u>
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2024
- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.

- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The Group is currently assessing the impact of adopting these amendments.

- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

  This amendment has no impact to the Group's consolidated financial statements.

- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*

  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier adoption is permitted and that fact must be disclosed.

  These amendments are not expected to have a material impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

This standard is not applicable to the Group.

- Amendments to PAS 21*, Lack of exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

  These amendments are not expected to have a material impact on the Group's consolidated financial statements

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an asso=ciate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  These amendments are not expected to have a material impact on the Group's consolidated financial statements.

3. **Equity**

Capital Stock
As of March 31, 2024 and December 31, 2023, the Parent Company's capital stock consists of:

Authorized capital stock

	No. of shares
Common stock, ₱1 par value	19,900,000,000
Preferred stock - ₱1 par value	100,000,000

Outstanding capital stock

	No. of shares
Common shares	13,277,470,000
Preferred shares	3,780
Less: treasury shares	2,820
	960

The preferred stock is redeemable, convertible, non-voting, non-participating and cumulative with par value of ₱1.00 per share. The preferred shareholders' right of converting the preferred shares to common shares expired in March 2002.

On October 1, 2018, the Board authorized the Parent Company to make an offer (the "Redemption Offer") to the outstanding preferred shareholders for the Parent Company to acquire the remaining outstanding 3,780 preferred shares at the purchase price of ₱2,500 per preferred share from October 8 to November 29, 2018. The Redemption Offer is intended to provide the preferred shareholders a final chance to divest of their preferred shares in view of their previous inability to avail of the Exchange Offer in 2002. On November 29, 2018, the Parent Company has redeemed a total of 2,820 preferred shares for a total cost of ₱7.07 million.

On May 21, 2019, the Stockholders approved the amendment of Articles of Incorporation to increase the Par Value of Preferred Shares from ₱1.00 to ₱1,000 per Preferred Share.

Retained Earnings

On October 10, 2023, the BOD approved the declaration of special cash dividends of ₱ 0.72 per common share or a total of ₱9,559.77 million in favor of the common stockholders of record as of October 24, 2023, and was paid on November 9, 2023.

On March 29, 2023, the BOD approved the declaration of (1) *regular cash dividends* in the amount of ₱0.61 per common share or a total of ₱8,099.27 million; and (2) *special cash dividends* of ₱0.11 per common share or a total of ₱1,460.52 million, or a grand total of ₱9,559.78 million out of the unrestricted retained earnings of the Parent Company as of March 28, 2023, in favor of the common stockholders of record as of April 17, 2023, and was paid on April 28, 2023.

On October 18, 2022, the BOD approved the declaration of *special cash dividends* in the amount of ₱0.72 per common share or a total of ₱9,559.77 million out of the unrestricted retained earnings of the Parent Company as of October 17, 2022, in favor of the common stockholders of record as of November 2, 2022, and was paid on November 16, 2022.

On April 1, 2022, the BOD approved the declaration of (1) *regular cash dividends* in the amount of ₱0.34 per common share or a total of ₱4,514.34 million; and (2) *special cash dividends* of ₱0.14 per common share or a total of ₱1,858.85 million, or a grand total of ₱6,373.19 million out of the unrestricted retained earnings of the Parent Company as of March 31, 2022, in favor of the common stockholders of record as of April 19, 2022, and was paid on April 29, 2022

Capital Management

The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.
The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. There were no changes made in the Group's capital management objectives, policies or processes. The Group considers total equity attributable to equity holders of the Parent Company less net accumulated unrealized gain or loss on equity investments designated at FVOCI as capital.

The Group is not subject to any externally imposed capital requirements.

4. Business Segments

The following tables present the net income of the specific business segments for the period ended March 31, 2024 and 2023:

Segment Revenues

	For the period		Variance	
(in PHP Millions)	**March 2024**	March 2023	Amount	%
Semirara Mining and Power Corporation	18,426	20,708	(2,282)	-11%
D.M. Consunji, Inc.	3,571	4,367	(796)	-18%
DMCI Homes	3,061	4,849	(1,788)	-37%
DMCI Power	1,699	1,716	(17)	-1%
DMCI Mining	591	1,314	(723)	-55%
Parent and Others	82	78	4	5%
Total Revenues	27,430	33,032	(5,602)	-17%

Net income after non-controlling interests

	For the period		Variance	
	March	March		
(in PHP Millions)	**2024**	2023	Amount	%
Semirara Mining and Power Corporation	3,691	5,114	(1,423)	-28%
DMCI Homes	684	994	(310)	-31%
Maynilad	663	523	140	27%
DMCI Mining	(22)	473	(495)	-105%
D.M. Consunji, Inc.	98	273	(175)	-64%
DMCI Power	264	134	130	97%
Parent and Others	30	(1)	31	3100%
Core Net Income	5,408	7,510	(2,102)	-28%
Non-recurring Items	196	(4)	200	5000%
Reported Net Income	5,604	7,506	(1,902)	-25%

5. **Operating Expenses**

The following tables present the consolidated operating expenses for the period ended March 31, 2024 and 2023:

	2024	2023
Government share	**₱2,031,208**	₱3,216,899
Salaries, wages and employee benefits	**616,491**	576,057
Taxes and licenses	**453,335**	502,473
Outside services	**169,271**	324,154
Repairs and maintenance	**408,504**	381,722
Insurance	**153,925**	115,676
Advertising and marketing	**139,032**	112,580
Supplies	**104,092**	62,038
Depreciation, depletion and amortization	**62,027**	45,507
Entertainment, amusement and recreation	**45,199**	39,465
Transportation and travel	**41,114**	42,523
Communication, light and water	**28,450**	23,275
Association dues	**24,688**	39,675
Rent	**18,500**	11,059
Miscellaneous expense	**178,564**	84,301
	₱4,474,399	₱5,577,404

6. **Summarized Financial Information of Interests in Related Entities**

Financial information as of and for the period ended March 31, 2024 and December 31, 2023 on the Group's subsidiary with material non-controlling interest (NCI) follows:

Semirara Mining and Power Corporation and Subsidiaries (SMPC)

(in millions)	**March 31, 2024**	December 31, 2023
Statements of Financial Position		
Current assets	**₱50,858**	₱46,135
Noncurrent assets	**38,299**	38,993
Current liabilities	**32,311**	19,396
Noncurrent liabilities	**2,807**	3,354
Equity	**54,039**	62,378

(in millions)	**March 31, 2024**	March 31, 2023
Statements of Comprehensive Income		
Revenue	**₱18,426**	₱20,708
Net income	**6,538**	9,029
Other comprehensive income	**–**	–
Total comprehensive income	**6,538**	9,029

Financial information as of and for the period ended March 31, 2024 and December 31, 2023 on the Group's material interest in associate follows:

Maynilad Water Holdings Company, Inc. and Subsidiaries

(in millions)	**March 31, 2024**	December 31, 2023
Statements of Financial Position		
Current assets	**₱19,774**	₱10,388
Noncurrent assets	**166,458**	153,315
Current liabilities	**31,897**	24,560
Noncurrent liabilities	**80,848**	70,973
Equity	**73,487**	68,170

(in millions)	**March 31, 2024**	March 31 2023
Statements of Comprehensive Income		
Revenue	**₱8,027**	₱6,223
Net income	**2,443**	1,908
Other comprehensive income	**–**	–
Total comprehensive income	**2,443**	1,908

Investment in Maynilad Water Holdings Company, Inc. (MWHCI) is accounted for using the equity method. Equity in net earnings in the three months ended March 31 amounted to ₱664.38 million in 2024 and ₱518.77 million in 2023.

Financial information as of and for the period ended March 31, 2024 and December 31, 2023 on the Group's immaterial interest in associate and joint ventures follows:

Subic Water
On January 22, 1997, PDI subscribed to 3.26 million shares at the par value of ₱10 per share for an aggregate value of ₱32.62 million in Subic Water, a joint venture company among Subic Bay Metropolitan Authority (SBMA), a government-owned corporation, Olongapo City Water District, and Cascal Services Limited (a company organized under the laws of England).

The Group owns a total of 30% of Subic Water's outstanding capital stock after the sale of 10% share to the City of Olongapo on March 23, 2016.

The investment in Subic Water is accounted for as an investment in an associate using the equity method. The carrying amount of the investment in associate amounted to ₱296.89million as of March 31, 2024 and December 31, 2023. The unaudited share in net earnings amounted to ₱2.12 million for the period ended March 31, 2023.

RLC DMCI Property Ventures Inc (RDPVI).
In March 2019, the RLC DMCI Property Ventures Inc., a joint venture agreement with Robinsons Land Corporation, was incorporated to purchase, acquire and develop into a residential condominium project a portion of the parcels of land situated in Las Pinas City with an area of fourteen thousand four hundred ninety-two (14,492) square meters or less. Initial capitalization to the joint venture from DMCI PDI amounted to ₱500 million. The carrying amount of the investment amounted to ₱536.34 million and ₱518.77 million as of March 31, 2024 and December 31, 2023, respectively.

DMC Estate Development Ventures, Inc. (DMC EDVI)
In June 2021, the Group and DMC Urban Property Developers Inc. (UPDI) entered into a joint venture agreement to purchase, acquire and develop parcels of land into condominium project for residential and commercial uses. Each party holds a 50% ownership interest in the joint venture. In 2024, the Group infused additional capital of ₱1,225 million to the joint venture on top of its.initial capitalization of ₱125 million.

DMCI MC Property Ventures Inc. (DMPVI)
In 2024, the Group and Marubeni Corporation (MC) entered into a joint venture agreement to purchase, acquire and develop parcels of land into condominium project for residential and commercial uses. The Group holds 60% ownership interst in the joint venture with initial capitalization of ₱1,641 million.

7. Earnings Per Share

The following table presents information necessary to calculate basic and diluted earnings per share on net income attributable to equity holders of the Parent Company (in thousands except basic earnings per share):

Basic/diluted earnings per share

	For the period (2024)	For the period (2023) As Restated	**For 1st Quarter (2024)**	For 1st Quarter (2023) As Restated
Net income attributable to equity holders of Parent Company	**₱5,604,476**	₱7,506,313	**₱5,604,476**	₱7,506,313
Divided by weighted average number of common shares	**13,277,470**	13,277,470	**13,277,470**	13,277,470
Basic and diluted earnings per share	**₱0.42**	₱0.57	**₱0.57**	₱0.42

8. Related Party Transactions

Related parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making the financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Transactions entered into by the Group with related parties are at arm's length and have terms similar to the transactions entered into with third parties. In the regular course of business, the Group's significant transactions with related parties include the following:

a. Engineering and construction works of the water business is contracted to the construction segment of the Group. These projects are bid out to various contractors and are awarded on arm's length transactions. Booked revenues from these contracts amounted to ₱287.95 million and ₱308.03 million for the period ended March 31, 2024 and 2023, respectively.

b. An affiliate had transactions with the Group for services rendered relating to the Group's coal operations. These include services for the confirmatory drilling for coal reserve and evaluation of identified potential areas, exploratory drilling of other minerals within the Island, dewatering well drilling along the mine and fresh water well drilling for industrial and domestic supply under an agreement.

   The affiliate also provides to the group marine vessels for use in the delivery of coal to its various customers. The coal freight billing is on a per metric ton basis plus demurrage charges when delay will be incurred in the loading and unloading of coal cargoes.

c. An affiliate of the Group transports visitors and employees from point to point in relation to the Group's ordinary course of business and vice versa and bills the related party for the utilization costs of the aircrafts.

9. **Financial Risk Management Objectives and Policies**

The Group's principal financial instruments comprise interest-bearing loans and borrowings. The main purpose of these financial instruments is to raise financing for its operations and capital expenditures. The Group has various other financial assets and liabilities, such as receivables and payables which arise directly from its operations.

The main risks arising from the use of financial instruments are liquidity risk, market risk and credit risk. The Group's BOD reviews and approves policies for managing each of these risks and they are summarized below.

a. *Liquidity Risk*
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations.

A significant part of the Group's financial assets that are held to meet the cash outflows include cash equivalents and accounts receivables. Although accounts receivables are contractually collectible on a short-term basis, the Group expects continuous cash inflows. In addition, although the Group's short-term deposits are collectible at a short notice, the deposit base is stable over the long term as deposit rollovers and new deposits can offset cash outflows.

Moreover, the Group considers the following as mitigating factors for liquidity risk:

- It has available lines of credit that it can access to answer anticipated shortfall in sales and collection of receivables resulting from timing differences in programmed inflows and outflows.
- It has very diverse funding sources.
- It has internal control processes and contingency plans for managing liquidity risk. Cash flow reports and forecasts are reviewed on a weekly basis in order to quickly address liquidity concerns. Outstanding trade receivables are closely monitored to avoid past due collectibles.
- The Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues both on-shore and off-shore which is included in the Group's corporate planning for liquidity management.

b. *Market Risk*
Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in equity prices, market prices, interest rates and foreign currency exchange rates.

The sensitivity analyses have been prepared on the following bases:

- Equity price risk - movements in equity indices
- Market price risk - movements in one-year historical coal and nickel prices
- Interest rate risk - market interest rate on unsecured bank loans
- Foreign currency risk - yearly movement in the foreign exchange rates

The assumption used in calculating the sensitivity analyses of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and December 31, 2023.

Equity Price Risk
The Group's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, equity securities classified as Equity investment designated at FVOCI.

Quoted securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. The Group's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each industry or sector.

Commodity Price Risk
Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Coal
The price that the Group can charge for its coal is directly and indirectly related to the price of coal in the world coal market. In addition, as the Group is not subject to domestic competition in the Philippines, the pricing of all of its coal sales is linked to the price of imported coal. World thermal coal prices are affected by numerous factors outside the Group's control, including the demand from customers which is influenced by their overall performance and demand for electricity. Prices are also affected by changes in the world supply of coal and may be affected by the price of alternative fuel supplies, availability of shipping vessels as well as shipping costs.

As the coal price is reset on a periodic basis under coal supply agreements, this may increase its exposure to short-term coal price volatility.

There can be no assurance that world coal prices will be sustained or that domestic and international competitors will not seek to replace the Group in its relationship with its key customers by offering higher quality, better prices or larger guaranteed supply volumes, any of which would have a materially adverse effect on the Group's profits.

To mitigate this risk, the Group continues to improve the quality of its coal and diversify its market from power industry, cement industry, other local industries and export market. This will allow flexibility in the distribution of coal to its target customers in such manner that minimum target average price of its coal sales across all its customers will still be achieved. Also, in order to mitigate any negative impact resulting from price changes, it is the Group's policy to set minimum contracted volume for customers with long term supply contracts for each given period (within the duration of the contract) and pricing is negotiated on a monthly basis to even out the impact of any fluctuation in coal prices, thus, protecting its target margin. The excess volumes are allocated to spot sales which may command different price than those contracted already since the latter shall follow pricing formula per contract.

Nevertheless, on certain cases temporary adjustments on coal prices with reference to customers following a certain pricing formula are requested in order to recover at least the cost of coal if the resulting price is abnormally low vis-à-vis cost of production (i.e., abnormal rise in cost of fuel, foreign exchange).

Below are the details of the Group's coal sales to the domestic market and to the export market (as a percentage of total coal sales volume):

	March 31, 2024	December 31, 2023
Domestic market	**27.82%**	33.59%
Export market	**72.18%**	66.41%

The following table shows the effect on income before income tax should the change in the prices of coal occur based on the inventory of the Group as of March 31, 2024 and December 31, 2023 with all other variables held constant. The change in coal prices used in the simulation assumes fluctuation from the lowest and highest price based on one-year historical price movements in 2024 and 2023.

	Effect on income before income tax	
Change in coal price (in thousands)	**March 31, 2024**	December 31, 2023
Based on ending coal inventory		
Increase by 32% in 2024 and 29% in 2023	**₱1,024.935**	₱774,424
Decrease by 32% in 2024 and 29% in 2023	**(1,024.935)**	(774,424)
Based on coal sales volume		
Increase by 73% in 2024 and 33% in 2023	**3,029,456**	9,880,538
Decrease by 73% in 2024 and 33% in 2023	**(3,029,456)**	(9,880,538)

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term debt obligations. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt.

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates, with all variables held constant, through the impact on floating rate borrowings:

	Effect on income before income tax	
Basis points (in thousands)	**March 31, 2024**	December 31, 2023
+100	**(₱73,320)**	(₱108,537)
-100	**73,320**	108,537

The sensitivity analyses shown above are based on the assumption that the interest movements will be more likely be limited to hundred basis points upward or downward fluctuation in both 2024 and 2023. The forecasted movements in percentages of interest rates used were derived based on the Group's historical changes in the market interest rates on unsecured bank loans.

There was no effect on the equity other than those affecting the income before tax.

Foreign Currency Risk
Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group does not have any foreign currency hedging arrangements.

Information on the Group's foreign currency-denominated monetary assets and liabilities and their Philippine peso equivalents follows (amounts in thousands):

	March 31, 2024				
	U.S. Dollar	Japanese Yen	UK Pounds	Euro	Equivalent in PHP
Financial assets					
Cash and cash equivalents	**\$83,447**	**¥921,410**	**£5**	**€863**	**₱5,678,843**
Receivables	**44,463**	**–**	**–**	**–**	**2,502,440**
	127,910	**921,410**	**5**	**863**	**8,181,283**
Financial liabilities					
Accounts payable and accrued expenses	**(111,994)**	**–**	**–**	**–**	**(6,303,153)**
	\$15,916	**¥921,410**	**£5**	**€863**	**₱1,878,130**

The following tables demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) as of March 31, 2024 (amounts in thousands):

	Exchange rate movement	Effect on profit before tax
In Peso per US Dollar		
Increase	**1.74%**	**₱15,623**
Decrease	**(1.74%)**	**(15,623)**
In Peso per Japanese Yen		
Increase	**0.70%**	**2,388**
Decrease	**(0.70%)**	**(2,388)**
In Peso per UK Pound		
Increase	**1.16%**	**4**
Decrease	**(1.16%)**	**(4)**
In Peso per Euro		
Increase	**0.90%**	**475**
Decrease	**(0.90%)**	**(475)**

There is no impact on the Group's equity other than those already affecting profit or loss. The movement in sensitivity analysis is derived from current observations on movement in dollar average exchange rates.

c. *Credit Risk*
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's maximum exposure to credit risk for the components of the statement of financial position at March 31, 2024 and December 31, 2023 is the carrying amounts except for real estate receivables. The Group's exposure to credit risk arises from default of the counterparties which include certain financial institutions, real estate buyers, subcontractors, suppliers and various electric companies. Credit risk management involves dealing only with recognized, creditworthy third parties. It is the Group's policy that all counterparties who wish to trade on credit terms are subject to credit verification procedures. The

Treasury Department's policy sets a credit limit for each counterparty. In addition, receivable balances are monitored on an ongoing basis. The Group's financial assets are not subject to collateral and other credit enhancement except for real estate receivables. As of March 31, 2024 and December 31, 2023, receivables that are doubtful of collection had been provided with allowance.

Real estate contracts
Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (using incurred loss model prior to adoption of PFRS 9). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another CTS to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Given this, based on the experience of the Group, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default (i.e., recovery rate is more than 100%). The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Electricity sales
The Group earns substantially all of its revenue from bilateral contracts, WESM and from various electric companies. WESM and the various electric companies are committed to pay for the energy generated by the power plant facilities.

Under the current regulatory regime, the generation rate charged by the Group to WESM is determined in accordance with the WESM Price Determination Methodology (PDM) approved by the ERC and are complete pass-through charges to WESM. PDM is intended to provide the specific computational formula that will enable the market participants to verify the correctness of the charges being imposed. Likewise, the generation rate charged by the Group to various electric companies is not subject to regulations and are complete pass-through charges to various electric companies.

Mining
The Group evaluates the financial condition of the local customers before deliveries are made to them. On the other hand, export sales are covered by sight letters of credit issued by foreign banks subject to the Group's approval, hence, mitigating the risk on collection.

The Group generally offers 80% of coal delivered payable within thirty (30) days upon receipt of billing and the remaining 20% payable within 15 days after receipt of final billing based on final analysis of coal delivered.

Construction contracts
The credit risk for construction receivables is mitigated by the fact that the Group can resort to carry out its contractor's lien over the project with varying degrees of effectiveness depending on the jurisprudence applicable on location of the project. A contractor's lien is the legal right of the Group to takeover the projects-in-progress and have priority in the settlement of contractor's receivables and claims on the projects-in-progress and have priority in the settlement of contractor's receivables and claims on the projects in progress is usually higher than receivables from and future commitments with the project owners. Trade and retention receivables from project owners are normally high standard because of the creditworthiness of project owners and collection remedy of contractor's lien accorded contractor in certain cases.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

Generally, trade receivables are writtenoff when deemed unrecoverable and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

With respect to the credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group transacts only with institutions or banks that have proven track record in financial soundness.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

Cash and Cash Equivalents
Cash and cash equivalents are short-term placements and working cash fund placed, invested or deposited in foreign and local banks belonging to top 10 banks in the Philippines in terms of resources and profitability. These financial assets are classified as Grade A due to the counterparties' low probability of insolvency.

Equity investment designated at FVOCI
The Group's Equity investment designated at FVOCI are classified as Grade B because these assets are susceptible to untoward consequences due to the current financial positions of counterparties.

Receivables
Included under Grade A are accounts considered to be of high value and are covered with coal supply, power supply, and construction contracts. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits. Grade B accounts are active accounts with minimal to regular instances of payment default, due to collection issues or due to government actions or regulations. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly. The

Group determines financial assets as impaired when probability of recoverability is remote and in consideration of lapse in period which the asset is expected to be recovered.

For real estate receivables, and other receivables, Grade A are classified as financial assets with high credit worthiness and probability of default is minimal. While receivables under Grade B and C have favorable and acceptable risk attributes, respectively, with average credit worthiness.

Receivable from related parties are considered Grade A due to the Group's positive collection experience.

Impairment analysis (using incurred loss model prior to adoption of PFRS 9) is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of customer segments with similar loss patterns (i.e., by geographical region, payment scheme, type of customers, etc.). The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Security and Refundable Deposits
Security and refundable deposits are classified as Grade A since these are to be refunded by the lessor and utility companies at the end of lease term and holding period, respectively, as stipulated in the agreements.

As of March 31, 2024, the aging analysis of the Group's receivables presented per class follows:

	March 31, 2024							
	Neither past	Past due but not impaired					Impaired	
	nor impaired	<30 days	30-60 days	61-90 days	91-120 days	>120 days	assets	Total
Receivables								
Trade								
Real estate	**₱2,424,734**	**₱378,072**	**₱351,883**	**₱76,380**	**₱147,243**	**₱798,223**	**₱26,185**	**₱4,202,722**
General construction	**2,824,763**	**361,914**	**163,633**	**–**	**117,547**	**349,197**	**7,719**	**3,824,774**
Electricity sales	**4,225,007**	**248,422**	**163,759**	**40,501**	**663,318**	**795,915**	**1,584,616**	**7,721,538**
Coal mining	**4,394,418**	**–**	**619**	**–**	**97,081**	**–**	**36,113**	**4,528,231**
Nickel mining	**61,455**	**–**	**–**	**–**	**–**	**–**	**–**	**61,455**
Merchandising and others	**27,044**	**–**	**18,330**	**8,081**	**3,293**	**48,272**	**8,495**	**113,516**
Receivables from related parties	**2,781,392**	**–**	**–**	**–**	**–**	**–**	**–**	**2,781,392**
Other receivables	**426,641**	**6,184**	**42,746**	**178,587**	**550,999**	**405,954**	**120,422**	**1,731,532**
	₱17,165,455	**₱994,592**	**₱740,971**	**₱303,549**	**₱1,579,480**	**₱2,397,561**	**₱1,783,551**	**₱24,965,159**

Financial assets
The fair values of cash and cash equivalents and receivables (except installment contract receivables) approximate their carrying amounts as of reporting dates due to the short-term nature of the transactions.

The fair values of installment contracts receivables are based on the discounted value of future cash flows using the applicable rates for similar types of loans and receivables.

Refundable deposits are carried at cost since these are mostly deposits to a utility company as a consequence of its subscription to the electricity services of the said utility company needed for the Group's residential units.

Financial assets
In the absence of a reliable basis of determining fair values due to the unpredictable nature of future cash flows and the lack of suitable methods in arriving at a reliable fair value, security deposits other than those pertaining to operating leases and unquoted equity investment designated at FVOCI are carried at cost less impairment allowance, if any.

Financial liabilities
The fair values of accounts and other payables and accrued expenses and payables to related parties approximate their carrying amounts as of reporting dates due to the short-term nature of the transactions.

Estimated fair value of long-term fixed rate loans and liabilities for purchased land are based on the discounted value of future cash flows using the applicable rates for similar types of loans with maturities consistent with those remaining for the liability being valued. For floating rate loans, the carrying value approximates the fair value because of recent and regular repricing (quarterly) based on market conditions.

Fair values of receivables, long-term debt, liabilities for purchased land and investment properties are based on level 3 inputs while that of quoted Equity investment designated at FVOCI and financial assets at FVTPL are from level 1 inputs.

There has been no reclassification from Level 1 to Level 2 or 3 category as of March 31, 2024 and December 31, 2023.