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 17-C**	0 5	1 7
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-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. March 6, 2023
   Date of Report (Date of earliest event reported)

2. SEC Identification Number ASO95-002283   3. BIR Tax Identification No. 004-703-376

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

5. Philippines
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. 3/F Dacon Building, 2281 Don Chino Roces Avenue, Makati City   1231
   Address of principal office   Postal Code

8. (632) 8888-3000
   Issuer's telephone number, including area code

9. Not applicable
   Former name or former address, if changed since last report

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

Title of Each Class	No. of Shares Outstanding	Amount
Common Shares	13,277,470,000	Php13,277,470,000.00
Preferred Shares	960	960.00
TOTAL	13,277,470,960	Php13,277,470,960.00

11. Indicate the item numbers reported herein: Item 9

Item 9. Other Matters

This is to inform the investing public that at the meeting of the Board of Directors held today, March 6, 2023, the Board approved the following:

1. Consolidated Audited Financial Statements for the period December 31, 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF CONSOLIDATED OPERATIONS AND CONSOLIDATED FINANCIAL CONDITION AS OF AND FOR THE PERIOD ENDED DECEMBER 31, 2022 AND 2021

December 31, 2022 (Audited) vs December 31, 2021 (Audited)

I. RESULTS OF OPERATIONS

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

- D.M. Consunji, Inc. (DMCI), a wholly owned subsidiary, is one of the leading engineering-based integrated construction firms in the country. It operates in two construction segments: 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 two ongoing joint venture projects namely, Robinsons Land Corporation (RLC) - DMCI Property Ventures and DMC Estate Development Ventures.

- Semirara Mining and Power Corporation (SMPC), a majority-owned subsidiary (56.65%), is the largest and most modern coal producer in the Philippines. It is the only power generation company in the country that runs on its own fuel (coal). Its two wholly owned operating subsidiaries—Sem-Calaca Power Corporation (SCPC) and Southwest Luzon Power Generation Corporation (SLPGC)—provide baseload power to the Luzon and Visayas grids through bilateral contract quantity (BCQ) and the Wholesale Electricity Spot Market (WESM).

- DMCI Power Corporation (DMCI Power), a wholly owned subsidiary, is the largest off-grid energy supplier in the Philippines. It currently operates and maintains thermal, bunker and diesel power plants in parts of Masbate, Oriental Mindoro and Palawan.

- DMCI Mining Corporation (DMCI Mining), a wholly owned subsidiary, extracts nickel ore through surface mining and 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 concessionaire in terms of customer base in the Philippines, Maynilad holds a 25-year franchise to establish, operate and maintain the waterworks system and sewerage and sanitation services in the West Zone service area of Metro Manila and the Province of Cavite.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

in Php millions except EPS	October to December (Q4)			January to December (FY)		
	2022	**2021**	**Change**	**2022**	**2021**	**Change**
I. SMPC (57%)	2,280	3,286	-31%	22,661	9,234	145%
II. DMCI Homes	616	1,172	-47%	4,469	4,397	2%
III. Maynilad	359	435	-17%	1,467	1,559	-6%
IV. DMCI Mining	198	223	-11%	1,285	1,206	7%
V. DMCI Power	193	153	26%	742	580	28%
VI. Parent and others	(1)	(4)	75%	-28	11	-355%
VII. D.M. Consunji, Inc.	(89)	(208)	57%	587	378	55%
Core Net Income	**3,556**	**5,057**	**-30%**	**31,183**	**17,365**	**80%**
Nonrecurring Items	(95)	(136)	30%	(93)	1,031	-109%
Reported Net Income	**3,461**	**4,921**	**-30%**	**31,090**	**18,396**	**69%**
EPS (reported)	**0.26**	**0.37**	**-30%**	**2.34**	**1.39**	**69%**

Q4 2022 vs Q4 2021 Consolidated Highlights

- The DMCI Group reported a 30-percent decline in reported net income (RNI) from Php 4.92 billion to Php 3.46 billion owing to flatrevenues (Php -19M) and accelerated cash costs (7%). Earnings per share (EPS) closed at Php 0.26.

  Consolidated revenues stood at Php 28.30 billion, largely unchanged from 2021 sales. Lower real estate accounts that qualified for recognition, coupled with weaker on-grid power and nickel sales accounted for the tepid results, propped up by resilient coal sales.

  Meanwhile, cash costs trended upward from Php 18.55 billion to Php 19.92 billion primarily due to higher fuel, shipping, stripping and marketing costs.

  While operating profit (EBIT) declined by 21% from Php 8.50 billion to Php 6.75 billion, taxes doubled (107%) from Php 796 million to Php 1.65 billion, primarily due to the accrual of year 2020 tax expense for the deferral of Molave mine's income tax holiday (ITH) and expiry of SLPGC's ITH.

- Contributions from SMPC and DMCI Homes accounted for 81% of total core net income. With the exception of DMCI Power, the businesses generally performed softer coming from Q4 earnings the prior year.

- Excluding nonrecurring items, core net income likewise fell by 30% from Php 5.06 billion to Php 3.56 billion. Nonrecurring items (NRI) in 2022 mostly pertain to the writedown of SLPGC's 2x25MW gas turbines, while 2021 NRI mainly relate to Maynilad's donations, severance pay and loan prepayment fees.

FY 2022 vs FY 2021 Consolidated Highlights

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

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

The stellar group performance was largely attributable to better selling prices for its coal, nickel, power and residential projects, tempered by lower revenue recognition from its construction and real estate businesses.

Other income and finance income boosted earnings by Php 1.43 billion, which stemmed from forex gains and higher cash balance. However, income taxes more than doubled (169%) from Php 1.76 billion to Php 4.72 billion on higher operating income, accrual of SMPC's 2020 tax expense and expiry of SLPGC's ITH.

- Excluding nonrecurring items, core net income accelerated by 80% from Php 17.34 billion to Php 31.18 billion.

- 2022 nonrecurring loss pertains to write-down of SLPGC's 2x25MW gas turbines (Php 88 million) and miscellaneous Maynilad payments,tempered by DMCI gain on land sale (Php 43 million).

- 2021 nonrecurring gain primarily due the combined effect of gain from deferred tax remeasurement under CREATE Act (Php 993 million) and land sale (Php 203 million), as well as Maynilad's severance and donations expenses.

- SMPC, DMCI Homes and DMCI Mining accounted for 92% of core net income.

- Financial position remained healthy as key liquidity, solvency and book value per share (BVPS) ratios all significantly improved. Even after record high dividend payout (Php 15.93 billion), current ratio went up by 29% from 2.25x to 2.90x, while BVPS expanded by 18% from 6.61 to 7.80. Net debt to equity ratio declined by 43% from 32% to 18%, as SMPC and DMCI have net cash position.

- Ending consolidated cash balance stood at Php 28.41 billion, 55% higher than Php 18.34 billion in 2021. The group generated strong growth in cash even after capital expenditures (Php 22.81 billion), net loan payment (Php 491 million) and all-time high cash dividend payout (Php 1.20 per share or Php 15.93 billion).

Q4 2022 vs Q4 2021 Subsidiaries and Associate Performance

I. Semirara Mining and Power Corporation (SMPC)

Coming from a record-high fourth quarter in 2021, SMPC core net income contribution fell double-digits (31%) from Php 3.28 billion to Php 2.28 billion mainly due to higher cash costs, forex losses and taxes. To explain:

Coal Segment

- **Price uptick.** Semirara coal ASP improved by 9% from P4,452/metric ton (MT) to P4,861/MT on the back of better prices for its higher-grade coal (5,600 and 5,300 kcal), which was moderated by an increase in lower-grade coal sales from 0.2 MMT to 0.7 MMT.

- **Robust sales.** Shipments increased by 20% from 2.5 MMT to 3.0 MMT, largely driven by strong domestic sales. Export sales fell by 21% from 1.4 MMT to 1.0 MMT on weaker China demand.

  While China shipments dropped by 43% from 1.4 MMT to 0.8 MMT, it was still the dominant foreign market during the period, accounting for 75% of exports. The rest of the foreign shipments (25%) went to South Korea.

Domestic transactions quickened by 73% from 1.1 MMT to 1.9 MMT, as external sales more than doubled (117%) from 0.6 MMT to 1.3 MMT. Sale to own plants rose by 20% from 0.5 MMT to 0.6 MMT on higher SLPGC plant availability.

- **Higher cash cost – COS.** Cash component of cost of sales skyrocketed by 128% from P2.51 billion to P5.72 billion largely due to higher shipments, strip ratio, fuel expenses and shipping cost.

  Half of cash costs – COS came from fuel spending, which swelled by 104% from P1.31 billion to P2.67 billion.

- **Other expense.** While average US$:PHP exchange rate increased by 13% from US$: PHP50.7 to US$:PHP 57.1, Coal booked forex losses of P648 million due to US$/PHP exchange rate fluctuation, particularly in October and November.

  Higher tax expenses. Tax expense expanded more than 20x (1,979%) from P57 million to P1.19 billion due to the accrual of income tax expense of P897 million for year 2020 in relation to the deferral of Molave mine's ITH and movement in deferred taxes.

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

- **Lower profit margins.** Core EBITDA margin tightened from 56% to 42% on the back of higher costs, while net profit margin deteriorated from 47% to 25% owing to the above-mentioned income tax expense accrual for year 2020 and weaker US dollar.

The segment also reported the following operational highlights:

- **Lower production.** Production decelerated by 34% from 3.5 million metric tons (MMT) to 2.3 MMT as effective strip ratio advanced by 13% from 10.8 to 12.2 due to stripping activities in Narra mine and a new area in South Block 5 of Molave mine.

- **Strong inventory.** Despite higher Q4 sales, ending high-grade coal inventory increased by 22% from 0.9 MMT to 1.1 MMT due to higher Q3 ending inventory (1.7 MMT). Including low-grade coal, inventory at the end of the period was at 2.0 MMT.

<u>Power</u>

Standalone net income of the power segment shrank by 54% from P761 million to P349 million due to the following:

- **Lower plant availability.** Overall plant availability receded by 21% from 77% to 61% on the mixed results of SCPC and SLPGC.

  SCPC availability declined from 79% to 30%, while SLPGC availability improved from 75% to 91%.

  Total average capacity fell by 4% from 732 MW to 706 MW, following the deration of SCPC Unit 2 from 230 MW to 190 MW average dependable capacity.

- **Subdued gross generation and power sales.** Reduced plant availability and average capacity clipped gross generation by 34% from 1,253 GWh to 832 GWh. SLPGC accounted for bulk (69%) of total generation (versus 36% last year).

  Total power sales weakened by 33% from 1,217 GWh to 818 GWh with both BCQ and spot sales registering lower year-on-year dispatch. BCQ sales receded by 29% from 679 GWh to 483 GWh, while spot sales subsided by 38% from 538 GWh to 335 GWh. BCQ accounted for bulk (59%) of power sales compared to 56% last year.

- **Higher uncontracted capacity.** At the end of Q3 2022, 57% of running dependable capacity (540MW) was uncontracted and available for spot selling.

  With the commercial operation of SCPC Unit 2 on October 9, total dependable capacity reached 730MW by year-end. Only 26% of which is contracted, leaving 540.85MW ready for dispatch to the spot market.

- **Elevated selling prices.** Overall ASP improved by 29% from P4.53/KWh to P5.84/KWh on higher WESM and BCQ prices.

  In the last quarter, average WESM prices spiked by 45% from P5.79/KWh to P8.41/KWh due to thin power reserves and high fuel costs.

  Consequently, spot ASP of the power segment escalated by 42% from P5.69/KWh to P8.06/KWh. BCQ ASP grew by 19% from P3.60/KWh to P4.29/KWh.

- **Flattish spot buys.** Total spot purchases ebbed (- 2%) from P541 million to P530 million due to lower contractual obligations. The segment was a net seller to the market by 271 GWh (vs 448 GWh in Q4 2021).

- **Asset write-down**. Management has ongoing negotiations to sell the GTs, and has received approvals from the Department of Energy and other regulatory agencies for the asset decommissioning.

  In accordance with PFRS 5, the equipment was revalued to reflect the price difference between its book value and estimated net selling price. This resulted in a write-down (nonrecurring loss) of P156 million and a reclassification of the long-term asset as Assets Held for Sale.

At the standalone level, SMPC reported net income declined by 34% from Php 5.91 billion to Php 3.92 billion, in line with DMCI Group consolidated results.

II. DMCI Project Developers Inc. (DMCI Homes)

DMCI Homes contribution shrank by 47% from Php 1.17 billion to Php 616 million due to topline weakness and narrower margins, as detailed below:

- **Lower revenue recognition.** Total revenues downshifted by 29% from Php 5.80 billion to Php 4.09 billion as fewer new accounts qualified for recognition given the 14.5-percent threshold. This was cushioned by higher construction accomplishments from qualified accounts and better average selling prices. Revenue contribution from newly-recognized accounts (out ot total) declined to 30% (versus 57% in 2021).

- **Proportionate COS.** Cost of sales dropped by 29% from Php 3.94 billion to Php 2.79 billion, in line with revenue recognition slowdown.

- **Higher OPEX.** Operating expenses rose double digits (19%) from Php 642 million to Php 762 million because of association dues payment for unsold ready-for-occupancy (RFO) units and higher digital marketing spending.

- **Lower Other Income.** Other income subsided by 15% from Php 353 million to Php 300 million due to declining income from forfeitures.

- **Reduced margins**. EBITDA margins thinned from 21% to 13% owing to weaker revenues and higher opex. Consequently, net income margin contracted from 21% to 15%, as less tax provision cushioned the impact of lower operating profit.

The company also reported the following operational highlights:

- **Sales rebound.** Total units sold recovered by 28% from 1,210 to 1,550 on improving market conditions and launch of Sage Residences in Mandaluyong City. Residential sales picked up by 27% from 701 units to 892 units, while parking slot sales quickened by 29% from 509 units to 658 units.

- **Selling price uptick.** Average selling price (ASP) increased by 19% from Php 112,000 to Php 132,000 per square meter, while ASP per unit sold grew equivalently (19%) from Php 5.69 million to Php 6.79 million, following project launches in prime locations (Makati City and Mandaluyong City).

- **Sales value uptrend.** With more units sold at better prices, total sales value surged by 50% from Php 4.37 billion to Php 6.57 billion.

- **Sufficient inventory.** Total inventory swelled by 25% from Php 45.8 billion to Php 57.4 billion, driven by the increase in pre-selling units. Pre-selling inventory rose by 32% from Php 31.6 billion to Php 41.8 billion after the launches of The Erin Heights, Fortis Residences (a joint venture project) and Sage Residences. Pre-selling units accounted for 73% of fourth-quarter inventory.

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

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

DMCI Homes recorded a 47 percent-decline in its standalone core net income from Php 1.19 billion to Php 629 million. No nonrecurring item was booked during both periods.

III. Maynilad Water Services, Inc. (Maynilad)

Associate Maynilad contributed Php 359 million, 17% lower from Php 435 million because of the following:

- **Compressed margin.** EBITDA margin declined from 65% to 29% as cash costs accelerated faster than revenues.

  Total revenues increased by 8% from Php 5.33 billion to Php 5.75 billion on recovering billed volume, better average effective tariff and collected government tax. However, cash costs more than doubled (110%) from Php 1.39 billion to Php 2.93 billion due to crossborder water purchases, higher electricity spending, increased chemical expenses and input vat.

  Electricity spending rose due to a supplier-imposed fuel cost recovery adjustment (FCRA), while additional chemical costs were incurred to treat the raw water from Laguna Lake. Provisions for credit losses and inventory absolescence amounting to Php 170 million and higher other expense further dampened margins.

- **Billed volume recovery.** Billed volume grew by 3% from 129.0 million cubic meters (MCM) to 133.2 MCM on improving demand and low base effect from aggressive disconnection in 2021.

- **Tariff uptick.** Average effective tariff slightly improved (2%) from Php 41.6 to Php 42.6 on better customer mix. From 16.5%, commercial customers accounted for 18% of billed volume. Conversely, domestic billed volume contribution declined from 83.5% to 82.0%.

- **Depreciation adjustment.** Depreciation and amortization swung from an expense of Php 1.16 billion to an income of Php 705 million, mainly due to the adjustments made in the fourth quarter to reflect lower amortizations. This resulted from the effectivity of the company's legislative franchise under Republic Act 11600, which extended its service concession assets by ten years (from 2037 to January 2047), beginning January 2022.

The company also reported the following operational highlights:

- **Reduced water losses**. Average non-revenue water (NRW) fell from 31.8% to 30.9% owing to higher demand, better supply-demand management and network diagnostic activities.

- **Stable production.** Water production was mostly unchanged (1%) from 190.8 million cubic meters (MCM) to 192.8 MCM.

- **Expanded sewer coverage.** Sewer service coverage rose from 21.6% to 23.0%, while served population rose by 7% from 2.1 million to 2.2 million. The improvements were mainly due to aggressive capital spending.

Standalone reported net income was flat (-1%) from Php 1.37 billion to Php 1.35 billion. Excluding nonrecurring items, core net income dropped by 23% from Php 1.80 billion to Php 1.38 billion. 2022 and 2021 nonrecurring losses pertain to donations, the impact of change in method of deduction for deferred tax liability and COVID-19 expenses.

IV. DMCI Power Corporation (DMCI Power)

DMCI Power core net income contribution advanced by 26% from Php 153 million to Php 193 million due to the combined effect of higher generation, robust demand and record prices. To elaborate:

- **Higher generation.** Total gross generation climbed by 19% from 93.8 GWh to 111.3 GWh on higher outputs across its operations. Oriental Mindoto power generation spiked by 47% from 15.6 GWh to 22.9 GWh, while Palawan recorded a 24-percent upturn from 38.6 GWh to 47.9 GWh. Masbate delivered a 2-percent uptick in electricity output from 39.6 GWh to 40.5 GWh.

- **Robust demand.** Total energy sales improved by 20% from 88 GWh to 106.3 GWh on robust Masbate demand, and higher Palawan and Oriental Mindoro sales.

  Palawan dispatch strengthened by 24% from 39 GWh to 47.9 GWh, while Oriental Mindoro reported a 46-percent upturn from 15GWh to 21.9 GWh. Masbate sales went up by 5% from 34.8 GWh to 36.5 GWh.

  Masbate and Palawan accounted for 79% of total dispatch—lower compared to last year (83%)—due to higher demand in Oriental Mindoro.

- **Record selling prices.** Average selling price (ASP) jumped by 35% from Php 13.8/KWh to Php 18.6/KWh on surging fuel prices. ASP was highest in the fourth quarter, second only to Q3 2022 ASP of Php 19.0/KWh.

- **Revenues outpaced by COS.** Revenues went up by 60% from Php 1.24 billion to Php 1.98 billion but was outpaced by COS, which grew by 71% from Php 958 million to Php 1.64 billion.

The COS upswing was due to plant maintenance costs for the 15MW Masbate thermal plant, which went on its first major outage in Q1 2022. The costs for which were amortized throughout the year.

V. DMCI Mining Corporation (DMCI Mining)

DMCI Mining core net income contribution contracted by 11% from Php 223 million to Php 198 million, primarily due to the depletion of its Palawan mine in Q4 2021. To further explain:

- **Lower production and shipments.** Total production decelerated by 27% from 433,000 wet metric tons (WMT) to 315,000 WMT, while total shipments retreated by 28% from 494,000 WMT to 357,000 WMT.

  ZDMC production ramped up by 22% from 258,000 WMT to 315,000 WMT, which allowed a 25-percent expansion in its shipments from 265,000 WMT and 357,000 MWT. BNC had insufficient stockpile to fulfill a shipment.

- **Better selling prices.** Average selling price (ASP) edged higher (10%) from US$ 40/WMT to US$ 44/WMT largely due to shipments of higher grade nickel ore. From zero shipments, ZDMC shipped 51,400 WMT of 1.60% grade ore in November, effectively pulling up ASP.

- **Favorable forex rates.** Average US$/Php exchange rate widened by 16% from US$ 1: Php 51 to US$ 1: Php 59 due to currency market volatility in October and November.

- **Better profit margins.** While revenues and cash costs declined proportionally (11% and 12%, respectively), core net income margin improved from 19% to 21% due to lower tax provisions.Tax provisions declined by 60% from Php 172 million to Php 69 because of the depletion of Berong mine.

  Tempering the margin was the rise in noncash expenses, which jumped by 36% from Php 89 million to Php 121 million due to higher depletion of mining assets in Zambales and depreciation of mining equipment.

The company also reported the following operational and financial highlights:

- **Lower stockpile.** Total ending inventory slumped by 86% from 389,000 WMT to 54,000 WMT due to a 93-percent decline in BNC inventory. From 287,000 WMT, Palawan stockpile fell to 21,000 WMT, which is less than the standard shipping volume of 50,000 WMT. Zambales stockpile receded by 68% from 102,000 WMT to 33,000 WMT with the resumption of shipment season in the fourth quarter.

- **Higher cash and flattish debt.** Cash levels stepped up by 38% from Php 800 million to Php 1.10 billion, even after paying cash dividends (Php 1.0 billion) to the parent company and capex spending (Php 590 million). Debt level remained at Php 350 million.

- **Fourfold capex growth.** Committed capex more than quadrupled (355%) from Php 47 million to Php 214 million because of exploration activities and heavy equipment purchases of ZDMC.

At the standalone level, reported net income slipped by 3% from Php 199 million to Php 193 million.

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

DMCI narrowed its losses from Php 208 million to Php 89 million owing to the following:

- Better revenue recognition. Construction revenues went up by 10% from Php 3.78 billion to Php 4.17 billion, mostly on low-base effect.

- Lower costs. Cost of sales grew slower (5%) than the topline, from Php 3.54 billion to Php 3.71 billion, due to a slowdown in construction accomplishments.

- Higher Core EBITDA margin. EBITDA margin improved from 1.0% to 7.1% because of revenue upturn.

- Higher intercompany accounting eliminations. Intercompany eliminations grew from gain Php 26 million to Php 126 million in eliminations because of the Poblacion Water Treatment Plant and Camana Water Reclamation Facility projects of DMCI Holdings associate Maynilad.

The company also reported the following operational highlights:

- **Order book reduction.** Order book declined by 29% from Php 49.3 billion to Php 35.2 billion on weak construction demand and descoping of North South Commuter Rail Contract Package 01 (Taisei-DMCI Joint Venture).

  Current obstructions prevented access, possession and delivery of the project site, resulting in the omission of Section 1 (amounting to Php 7.0 billion) from the order book.

  Cushioning the impact of the omission, the company bagged Php 10.7 billion worth of new projects, which include Pioneer BGC and Metro Manila Subway Project contract package 102.

At the standalone level, DMCI broke even with a new income of Php 67 million, versus a net loss of Php 250 million the prior year.

Outlook

The DMCI Group expects mixed results in 2023 owing to coal and nickel market volatility, cost inflation, high interest rates and lingering impacts of the pandemic. Bright spots would be the power and water businesses, which are expected to benefit from resilient consumption and elevated pricing.

Global coal price indices are seen to pull back on easing energy insecurity, high fuel stockpiles, mild winter, slow economic recovery and influx of steeply-discounted Russian coal.

With Semirara coal pricing mostly derived from the Indonesian Coal Index, SMPC expects its ASP to be more stable, hovering below the 2022-level but still above pre-pandemic level.

Global nickel market surplus is set to push selling prices down but should remain elevated during the year owing to strong demand from the stainless steel and electric vehicle sectors.

To counter the price volatility, SMPC and DMCI Mining are focusing on optimizing their production, which could go up to as much as 16 MMT and 2 MMT, respectively.

On-grid power (SCPC and SLPGC) has around 540 MW of uncontracted capacity for dispatch to the Wholesale Electricity Spot Market (WESM). For 2023, WESM prices are forecasted to remain elevated (~P7.10/kWh), with some upside potential given growing demand and limited baseload capacity entering the market in 2023 (~300MW).

Off-grid power (DMCI Power) is projected to grow with the commissioning of a 15 MW thermal plant in Palawan and a 12 MW hybrid plant (diesel and solar) in Masbate at various points during the year.

The water business (Maynilad) expects a marked improvement in its financial performance on the combined effect of billed volume recovery, improved customer mix and implementation of its basic rate adjustment starting January 1.

Construction (DMCI) and real estate (DMCI Homes) should continue to face headwinds as high interest rates and hybrid work models nip demand and inflated raw materials cost gnaw at margins. New product formats (leisure and premium), value engineering and alternative business models (joint ventures) should help both businesses weather these challenges.

2. Annual Stockholders' Meeting

The Corporation will hold its Annual Stockholders' Meeting (ASM) on **May 17, 2023, Wednesday, at 9:30 a.m. via remote communication**. The Record Date for the ASM is set on April 4, 2023. The Board has appointed Castillo Laman Tan Pantaleon and San Jose Law Offices (CLTPSJ) and Stock Transfer Service, Inc. (STSI) as Committee of Inspectors while the audit firm, Punongbayan & Araullo (P&A) was appointed as Board of Canvassers.

The Board likewise approved the following:

1. Filing of the application to the Securities Exchange Commission (SEC) to authorize the distribution of Annual Stockholders meeting materials using the Quick Response (QR) Code.
2. Distribution of Notice of Annual Stockholders' Meeting through publication in the business section of two (2) newspapers of general circulation in print and online format for two (2) consecutive days. Provided that the last publication of the Notice of ASM shall be made not later than twenty-one (21) days prior to scheduled ASM

3. Re-appointment of the external and internal auditors and Lead Internal Audit Coordinator

Upon recommendation of the Audit Committee, the Board approved, subject to stockholders' ratification, the reappointment of Sycip, Gorres, Velayo & Co. (SGV) as the Corporation's external auditor for the current year (2023). Likewise, Punongbayan & Araullo (P&A) was appointed as the Company's internal auditor. The Board also appointed Mr. Joseph Adelbert V. Legasto as the Lead Internal Audit Coordinator.

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 hereunto duly authorized.

DMCI Holdings, Inc.
Issuer

JOSEPH ADELBERT V. LEGASTO
Deputy Chief Financial Officer

March 6, 2023