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

S T A M P S

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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. May 9, 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, May 9, 2023, the Board approved the following:

Consolidated Financial Statements for the period ended March 31, 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF CONSOLIDATED OPERATIONS AND CONSOLIDATED FINANCIAL CONDITION AS OF AND FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022

March 31, 2023 (Unaudited) vs March 31, 2022 (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, 2023 and 2022.

- D.M. Consunji, Inc. (DMCI), a wholly-owned subsidiary, is one of the leading engineering-based integrated construction firms in the country. It operates in two construction segments: building and infrastructure. It also has separate business units for joint ventures and project support (i.e., concrete production, steel fabrication and equipment rental).

- DMCI Project Developers, Inc. (DMCI Homes), a wholly-owned subsidiary, is one of the leading mid-segment developers in the Philippines, 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 transports these directly to China and other markets. Currently a single-mine operator, it has nickel assets in Palawan (Berong Nickel Corporation) and Zambales (Zambales Diversified Metals Corporation).

- Maynilad Holdings Corporation, a 27%-owned associate, owns 93% of Maynilad Water Services, Inc. (Maynilad). The largest private water 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)		
	2023	**2022**	**Change**
I. SMPC (57%)	5,114	8,520	-40%
II. DMCI Homes	1,104	1,414	-22%
III. Maynilad	523	319	64%
IV. DMCI Mining	473	499	-5%
V. D.M. Consunji, Inc.	273	367	-26%
VI. DMCI Power	134	132	2%
VII. Parent and others	(1)	8	-113%
Core Net Income	**7,620**	**11,259**	**-32%**
Nonrecurring Items	(4)	1	-500%
Reported Net Income	**7,616**	**11,260**	**-32%**
EPS (reported)	**0.57**	**0.85**	**-32%**

Q1 2023 vs Q1 2022 Consolidated Highlights

- The DMCI Group (DMC) posted a 32-percent decline in reported net income (RNI) from Php 11.26 billion to Php 7.62 billion mainly due to the high base effect, as it generated its best-ever quarterly profit during the same period of the previous year. Consequently, earnings per share (EPS) and return on equity resulted to Php 0.57 and 7.4%, respectively.

  When comparing quarterly performances, RNI more than doubled (120%) from Php 3.46 billion and grew even faster (178%) versus its pre-pandemic (Q1 2019) bottom line of Php 2.74 billion.

  Revenues fell by 25% from Php 43.77 billion to Php 33.03 billion due to lower commodity shipments, easing coal prices, reduced construction accomplishments, and fewer real estate accounts that qualified for revenue recognition.

  Cash costs declined by 19% from Php 23.79 billion to Php 19.18 billion as government share, coal and nickel production, and construction accomplishments all declined during the period. Cash costs declined slower than revenues (19% versus 25%) owing to exceptional coal selling prices last year and higher plant repairs and maintenance expenses.

  Other income-net plunged by 59% from Php 802 million to Php 329 million primarily due to the net foreign exchange losses recognized by SMPC, tempered by higher fly ash sales and income from forfeitures by DMCI Homes.

  Consequently, core EBITDA margin contracted from 45.6% to 41.9%, while net income margin (attributable to parent equity shareholders) shrank from 40.7% to 34.9%.

- Top profit contributors were SMPC, DMCI Homes and Maynilad, which accounted for 88% of total core net income.

- Excluding nonrecurring items, core net income receded by 32% from Php 11.26 billion to Php 7.62 billion. Nonrecurring items (NRI) in 2022 and 2023 pertain to Maynilad's donations, as well as foreign exchange gains and losses.

- Last March 29, DMC declared regular and special cash dividends totalling to Php 0.72 per share or Php 9.56 billion. Payout was made on April 28.

  In effect, current ratio dropped from 2.90x to 2.38x. Net debt to equity ratio went down from 18% to 13% as dividend payout reduced equity capital. This, combined with strong operating results, resulted in a 2-percent dip in book value per share from 7.79 to 7.65. Financial position remained healthy as of March 31.

Q1 2023 vs Q1 2022 Subsidiaries and Associate Performance

I. Semirara Mining and Power Corporation (SMPC)

Core net income contribution from SMPC shrank by 40% from Php 8.52 billion to Php 5.11 billion primarily due to high base effect as the company recorded all-time high quarterly earnings during the same period last year.

The weak performance of the coal segment was offset by the record-breaking results of the power segment. To further explain:

Coal Segment

- **Weaker topline and profits.** Standalone revenue sank by 40% from Php 25.72 billion to Php 15.49 billion on lower shipments and selling prices. Meanwhile, reported net income slumped by 51% from Php 14.22 billion to Php 6.96 billion on topline weakness and slower decline in cash costs.

- **Lower shipments.** Total shipments dropped by 31% from 5.1 million metric tons (MMT) to 3.5 MMT as the company pulled back on exports due to price volatility. Foreign shipments contracted by 52% from 3.1 MMT to 1.5 MMT, while domestic sales was unchanged year-on-year (2.0 MMT).

  China shipments shrank by 52% from 2.2 MMT to 1.1 MMT, and accounted for 72% of exports. South Korea was a steady market at 0.3 MMT, accounting for one-fifth of foreign sales. The rest of the exports went to Japan (5%) and Brunei (3%).

  Sales to owned plants soared by 80% from 0.5 MMT to 0.9 MMT on higher SCPC and SLPGC plant availability. Higher internal utilization offset slower external sales, which declined by 27% from 1.5 MMT to 1.1 MMT.

- **Softening coal prices.** Semirara coal average selling prices (ASP) decelerated by 14% from Php 5,125 per metric ton (MT) to Php 4,427 per MT on sluggish external sales and higher shipments of non-commercial grade coal, which doubled from 0.3 MMT to 0.6 MMT.

  Average Newcastle prices slipped by 6% from US$263.7 to US$247.8, while average Indonesian Coal Index 4 (ICI4) dropped by 7% from US$82.3 to US$76.8.

  Quarter-over-quarter, the declines were more pronounced due to higher China production, milder-than-expected winter season and receding natural gas prices. NEWC subsided by 35% from US$379.5 while ICI4 contracted by 15% from US$90.5.

- **Slower COS-cash decline.** The cash component of cost of sales (COS) fell by 9% (versus 40% topline decline) from Php 4.50 billion to Php 4.10 billion mainly due to lower shipments and exceptionally high selling prices last year.

- **Increased operating and other expenses.** Operating expenses grew by 48% from Php 165 million to Php 244 million on higher labor costs, acquisition and renewal of system licenses and office renovation expenses.

  The company recognized Php 426 million in net forex losses in other expenses (from Php 185 million in net foreign exchange gains last year) as the Philippine peso appreciated versus the US dollar. As of end of Q1 2023, 64% of net foreign exchange losses remained unrealized.

- **Reduced margins.** Core EBITDA margin narrowed from 58% to 51% on weaker topline, balanced out by lower government share. Consequently, net income margin slimmed from 55% to 45% due to the combined effect of higher other expenses, lower noncash items and higher finance income. Finance income expanded by 35x from Php 6 million to Php 208 million following robust cash balances and higher investment yields from marketable securities.

The segment also reported the following operational highlights:

- **Production slowdown.** Production declined by 9% due to the depletion of South Block 5, advance stripping activities in South Block 6 (a new area in Molave mine) and resumption of operations in Narra mine.

  In effect, total materials moved rose by 31% from 42.1 million bank cubic meters (BCM) to 55.2 BCM. Strip ratio surged by 50% from 5.6 to 8.4 largely driven by higher Narra mine strip ratio, which stood at 24.51. Accounting for 89% of total production, Molave mine had a strip ratio of 7.47.

  Full-year average strip ratio guidance is 12.32, a slight improvement from the previous guidance of 12.75.

- **Inventory growth.** Robust production and slower exports led to a 63-percent upsurge in total coal ending inventory from 2.7 MMT to 4.4 MMT. High-grade coal inventory also rose by double-digits (55%) from 2.0 MMT to 3.1 MMT.

<u>Power</u>

At the standalone level, power revenues expanded by 59% from Php 4.81 billion to Php 7.66 billion, the highest for any given quarter. Standalone net income, on the other hand, more than doubled (170%) from Php 774 million to Php 2.09 billion, the highest for a Q1 period.

The outstanding results were attributable to the following:

- **Improved plant availability.** Overall plant availability improved from 58% to 86% largely driven by improved SCPC availability following the commercial operation of Unit 2 on October 9, 2022.

  SCPC availability nearly doubled from 50% to 99%, while SLPGC availability likewise improved from 65% to 72%.

  Total average capacity surged by 32% from 520 MW to 688 MW as SCPC Unit 2 was down from January to March last year.

- **Higher gross generation and sales.** Total gross generation recovered by 44% from 914 GWh to 1,316 GWh as both SCPC and SLPGC recorded better plant availability and average capacity.

  Consequently, total power sales accelerated by 37% from 908 GWh to 1,241 GWh, bulk (71%) of which was sold to the spot market. Spot sales swelled by 69% from 522 GWh to 880 GWh on higher overall output and lower contracted capacity.

BCQ sales declined by 6% from 386 GWh to 361 GWh following a slight drop (2%) in contracted capacity from 190.35 MW to 189.15 MW in January 2022 and January 2023.

- **Double-digit ASP growth.** While average selling prices to WESM (spot) subsided by 2% from P6.84/KWh to P6.69/KWh, higher spot sales and BCQ prices boosted overall ASP, which grew by 17% from P5.29/KWh to P6.17/KWh.

  BCQ ASP jumped by 53% from P3.20/KWh to P4.90/KWh owing to the fuel pass-through provisions and renegotiated contracts with better pricing.

- **High uncontracted capacity.** At the end of Q1 2023, only 26% of the 720MW dependable capacity was tied to contracts (188.7 MW), which were mostly under SLPGC (76% or 143.7MW).

  Net of station service (59.4MW), which varies from time to time, the segment had 471.9MW capacity exposed to the spot market. 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.

- **Lower replacement power purchases.** Total spot purchases contracted by 33% from Php 493 million to Php 331 million because of better plant availability and capacity, coupled with slightly lower contracted capacity. The segment was a net seller to the market by 834 GWh (vs 453 GWh in Q1 2022)

At the standalone level, SMPC reported net income dropped by 40% from Php 15.03 billion to Php 9.03 billion.

II. DMCI Project Developers Inc. (DMCI Homes)

Contribution from DMCI Homes contracted by 22% from Php 1.41 billion to Php 1.10 billion due to weaker topline and higher operating expenses, cushioned by higher other income. To elaborate:

- **Lower revenues.** Revenues fell by 18% from Php 5.95 billion to Php 4.85 billion because of higher sales cancellations and fewer prior-year sales that qualified for recognition given the 14.5-percent threshold. These were cushioned by higher construction accomplishments from qualified accounts and better average selling prices.

  Revenue reversals from cancellations soared by 31% from Php 789 million to Php 1.14 billion while revenue contribution from newly-recognized accounts (out ot total) declined to 41% (versus 51% in 2022).

  Top revenue contributors include Aston Residences (2018), Prisma Residences (2017), Satori Residences (2018) and Allegra Garden Place (2019)—all in Pasig City.

- **Faster COS decline.** Cost of sales decelerated by 20% from Php 3.98 billion to Php 3.17 billion, when coupled with higher selling prices, resulted to healthier gross profit margins.

- **Operating expense growth.** Operating expenses grew by 19% from Php 643 million to Php 762 million owing to higher personnel expenses, sales incentives and allowances—driven by higher sales—and association dues payment for unsold RFO (ready for occupancy) units.

- **Higher Other Income.** Other income rose by 12% from Php 569 million to Php 634 million on higher income from forfeitures.

- **Thinner margins**. EBITDA margin narrowed from 22% to 18% mainly due to lower topline and higher operating expenses, despite faster COS decline. Net income margin was unchanged at 24%, as lower tax provisions, higher other income and increased finance income cushioned the impact of reduced operating profit.

The company also reported the following operational highlights:

- **Sales recovery.** Total units sold grew by 22% from 2,026 to 2,478 mostly from Sage Residences, Allegra Garden Place and the newly-launched projects. Residential sales swelled by 24% from 1,145 units to 1,417 units, while parking slot sales improved by 20% from 881 units to 1,061 units.

- **Double-digit ASP growth.** Average selling price (ASP) climbed by 15% from Php 117,000 to Php 134,000 per square meter, while ASP per unit sold jumped by 11% from Php 6.52 million to Php 7.26 million. The launch of smaller-cut units in prime locations (Makati City and Mandaluyong City) accounted for the ASP growth.

- **Higher sales value.** Total sales value rose by 37% from Php 8.13 billion to Php 11.14 billion due to the combined effect of higher units sold and better selling prices.

- **Two projects launched.** Calinea Tower (Caloocan City) and Mulberry Place 2 (Taguig City) have a total sales value of Php 21.9 billion, 79% higher than the Php 12.2 billion sales value of The Erin Heights (Quezon City).

- **Cancellation slowdown.** Sales cancellation rates in terms of number of residential units decreased from 12.5% to 10.8% on recovering demand and buyer confidence.

- **Flat unbooked revenues.** Unbooked revenues stood at Php 65.9 billion, largely unchanged from Php 66.0 billion on the same period last year. Quarter-over-quarter, unbooked revenues slightly increased (2%) from Php 64.9 billion.

- **Rising inventory.** Total inventory increased by 29% from Php 50.6 billion to Php 65.5 billion, most (75%) of which are pre-selling units.

  Pre-selling inventory soared by 35% from Php 36.2 billion to Php 49.0 billion following the launch of Fortis Residences (a joint venture project), Sage Residences, The Calinea Tower and Mulberry Place 2.

  RFO inventory rose by 15% from Php 14.4 billion to Php 16.5 billion with the completion of Infina Towers, Brixton Place, Prisma Residences and Verdon Parc.

- **Land bank for new format.** Total land bank expanded by 16% from 186.9 hectares to 217.4 hectares because of land banking activities for a new product format.

  Luzon land bank surged 49% from 65.1 hectares to 96.9 hectares, mostly for future leisure projects. Metro Manila land bank decreased by 1% from 114.2 hectares to 112.8 hectares owing to recent project launches, while Visayas and Mindanao land inventories were unchanged.

Standalone reported net income declined by 20% from Php 1.45 billion to Php 1.16 billion. No nonrecurring item was booked during both periods.

III. Maynilad Water Services, Inc. (Maynilad)

Attributable core net income from Maynilad surged by 64% from Php 319 million to Php 523 million mainly due to better topline, profit margins and finance income. To elaborate:

- **Higher billed volume.** Billed volume rose by 3% from 124.0 million cubic meters (MCM) to 127.6 MCM due to increased water production, recovering demand and reactivation/reconnection of deliquent accounts.

However, billed volume was still below prepandemic levels of 128.5 MCM (Q1 2019) and 132.3 MCM (Q1 2020).

- **Better customer mix.** Non-domestic customers accounted for 18.5% of billed volume (from 16.7%) while domestic customers stood at 81.5% (from 83.3%).

- **Adjusted tariff.** Average effective tariff improved by 15% from Php 40.50 to Php 46.70 due to better customer mix and the staggered implementation of the Metropolitan Waterworks and Sewerage System (MWSS) – approved basic rate adjustment last January 1, 2023.

- **Profit margin recovery.** While core EBITDA margin slipped from 67% to 64% on higher cash costs, net income margin widened from 26% to 34% following lower depreciation and amortization.

  Total revenues accelerated by 18% from Php 5.29 billion to Php 6.22 billion on billed volume recovery, better average effective tariff due to new tariff rates effective January 1, 2023.

  Total cash costs grew faster (27%) than topline (18%) from Php 1.75 billion to Php 2.23 billion due to the franchise tax, higher utilities spending and increased chemical costs for its Putatan water treatment plant.

  Steep decline (36%) in depreciation and amortization from Php 1.16 billion to Php 740 million mainly attributable to 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 adjusted the concession asset effective in Q4 2022 following acceptance of franchise in March 2022.

The company also reported the following operational highlights:

- **Reduced water losses**. Average non-revenue water (NRW) fell from 32.7% to 31.8% owing to higher billed volume, better supply-demand management and intensified network diagnostic activities in the primary distribution system.

- **Improved production.** Water production rose by 2% from 184.3 million cubic meters (MCM) to 187.1 MCM, mostly on low base effect from the water service interruptions in Q1 2022.

- **Expanded customer base.** Water service coverage grew from 94.4% to 94.6%, while its served population grew by 3% from 9.9 million to 10.3 million. Meanwhile, sewer coverage expanded from 21.5% to 23.2%, raising served population by 11% from 2.1 million to 2.4 million. The expansion was mainly due to aggressive capital spending.

At the standalone level, wider profit margins translated to a 55-percent uptrend in Maynilad's reported net income from Php 1.36 billion to Php 2.11 billion. Excluding nonrecurring items, core net income grew by 57% from Php 1.35 billion to Php 2.12 billion.

Nonrecurring items were minimal (less than 1%), and pertain to net foreign loss (Php 6 mn) and donations (Php 16 mn).

IV. DMCI Mining Corporation (DMCI Mining)

DMCI Mining core net income contribution decreased by 5% from Php 499 million to Php 473 million due to the combined effect of the following:

- **Revenue slowdown.** Total revenues dropped by 8% from Php 1.42 billion to Php 1.31 billion mainly due to lower shipments, cushioned by better selling prices.

- **Lower shipments.** Total shipments retreated by 21% from 620,000 wet metric tons (WMT) to 487,000 WMT, with BNC accounting for 41% of prior-year shipments. ZDMC shipments accelerated by 33% from 365,000 WMT to 487,000 WMT.

- **Better selling prices.** Average selling price (ASP) climbed by 11% from US$ 44/WMT to US$ 49/WMT due to shipments of higher grade nickel ore. Average nickel grade sold went up from 1.30% to 1.35%.

- **Reduced profit margins.** Net income margin tightened from 38% to 35% as topline (-8%) fell more sharply than cash costs (-2%), cushioned by lower noncash items and tax provisions.

  Depreciation and amoritization fell by 17% from Php 186 million to Php 155 million owing to lower shipments.

The company also reported the following operational and financial highlights:

- **Expanded production.** ZDMC production expanded by 88% from 318,000 WMT to 599,000 WMT on heavy equipment capacity expansion and Environmental Compliance Certificate (ECC) approval. Its ECC now allows annual production of up to two million metric tons (effective January 2023).

- **More stockpile.** Total ending inventory increased by 16% from 154,000 WMT to 178,000 WMT. ZDMC inventory soared by 178% from 56,000 WMT to 157,000 WMT while BNC inventory plunged by 79% from 98,000 WMT to 21,000 WMT, as the latter's ending inventory is less than the standard shipment size of 50,000 WMT.

- **Higher cash balance.** Ending cash balance soared by 27% from Php 1.10 billion to PHp 1.42 billion on robust operations. Debt level stood at Php 350 million, same as last year.

- **Capital expenditure growth.** Committed capital expenditures more than tripled (237%) from Php 43 million to Php 145 million owing to Palawan exploration activities, heavy machinery and site equipment.

At the standalone level, reported net income dropped by 15% from Php 543 million to Php 463 million. No nonrecurring item was recognized during both periods.

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

Contribution from DMCI slumped by 26% from Php 367 million to Php 273 million as a result of the following:

- Lower revenues. Construction revenues slumped by 24% from Php 5.94 billion to Php 4.51 billion primarily due to construction accomplishment slowdown and fewer projects.

- Proportional cash cost decline. Total cash costs dropped by 24% from Php 5.25 billion to Php 4.00 billion, in line with the topline.

- Narrower profit margins. EBITDA margin slightly decreased from 11.5% to 11.4%, while standalone net income margin went down from 6.0% to 5.8%

- Higher intercompany accounting eliminations. Intercompany eliminations grew from Php 31 million to Php 56 million 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 upturn.** Order book jumped by 20% from Php 35.2 billion to Php 42.2 billion mainly due to Php 10.2 billion in awarded projects. These include the South Commuter Railway Project Contract Package 02 with Acciona Construction Philippines, Dinapigue Causeway and other building projects.

- Shift to joint ventures. Bulk (56%) of the order book are joint venture projects, in line with the company's risk management and post-pandemic recovery strategies.

- Higher capital spending. Capex is expected to double to Php 400 million, which will be used to acquire equipment mostly for newly-awarded infrastructure projects

At the standalone level, DMCI's reported net income receded by 26% from Php 355 million to Php 263 million.

IV. DMCI Power Corporation (DMCI Power)

DMCI Power core net income contribution rose by 2% from Php 132 million to Php 134 million primarily on account of the following:

- **Stronger topline.** Total revenues surged by 24% from Php 1.38 billion from Php 1.71 billion on slightly higher electricity dispatch and better selling prices.

- **Output and dispatch uptick.** Total gross generation rose by 1% from 98 GWh and 99.7 GWh, respectively, driven by Palawan and Oriental Mindoro. Output from Palawan grew by 5% from 43.4 GWh to 45.7 GWH, while Oriental Mindoro went up by 3% from 17.0 GWh to 17.6 GWh. Masbate's output declined by 4% from 38.1 GWh o 36.5 GWh due to the 30-day preventive maintenance of the 15MW thermal plant.

  Consequently, total energy sales grew by 1% from 94.3 GWh to 95.5 GWh. Palawan accounted for 48% of total dispatch, followed by Masbate (34%) and Oriental Mindoro (18%).

  Palawan dispatch increased by 5% from 43.4 GWh to 45.7 GWH, while Oriental Mindoro improved by 3% from 16.3 GWh to 16.8GWh. Masbate dispatch retreated by 4% from 34.5 GWh to 33.0 GWh due to slower overall demand and higher outage days.

- **Higher selling prices.** Average selling price (ASP) climbed by 23% from Php 14.6/KWh to Php 17.9/KWh on elevated fuel prices, as diesel prices advanced by 27% from Php 45.8 per liter to Php 58.2 per liter.

- **Narrower margins.** Total cash costs grew faster than revenues, expanding by 28% from Php 1.13 billion to Php 1.44 billion. Consequently, EBITDA margin declined from 18% to 16%, while net income margin fell from 10% to 8%.

  The contractions were mainly due to preventive plant maintenance activities for the 15MW Masbate thermal plant (30 days) and Palawan bunkers units (12 days).

- **Installed capacity growth.** Installed capacity expanded by 6% from 136.4MW to 144.76MW, following the commercial operation of the 2x4.17MW hybrid diesel plant in Masbate. As of March 31, 2023, bulk (61%) of the company's capacity is diesel-fired, followed by bunker (29%) and coal (10%).

Outlook

The DMCI Group anticipates mixed results across its portfolio owing to challenging macroeconomic conditions, slowing global growth, and operating headwinds.

Government-initiated construction projects are slowly gaining traction, offering a cautiously optimistic outlook for the industry. DMCI is hopeful that these projects will help replenish its order book and support business growth. While private-led construction remains limited, the company is seeing some signs of recovery.

DMCI Homes plans to launch eight projects this year, with a combined sales value of Php 89 billion. Venturing beyond Metro Manila, the company aims to introduce new product formats in different locations, such as the Solmera Coast leisure project.

The coal mining segment could benefit from increased demand for thermal coal in Asia due to rising temperatures and reduced hydropower capacity in China. DMCI anticipates that Chinese and Indian buyers may boost their stockpiles, potentially sustaining ICI prices at higher levels.

For the on-grid power business, the Wholesale Electricity Spot Market (WESM) spot price for 2023 is expected to remain relatively stable, hovering slightly above the 2022 average of P7.39/KWh. Peak prices might surpass P8.42/KWh during summer months due to the anticipated El Niño season. The segment plans to focus on operational efficiency to make the most of the spot market, given its limited uncontracted capacity.

DMCI Power is working on 19MW of pipeline projects for commercial operations in Palawan and Masbate this year, which is expected to coincide with improved tourism and industrial demand in the off-grid market.

Although LME nickel prices have declined by 15% since the beginning of 2023, the long-term outlook remains positive, influenced by the global electric vehicle (EV) boom and energy transition initiatives. DMCI Mining is focusing on securing permits for its other assets to meet the demand upsurge.

Finally, Maynilad is projected to experience moderate growth in 2023, due to the tariff adjustment implemented in January and reduced noncash expenses. The water business could benefit from economic recovery, which might stimulate consumption and industrial demand.

###

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

HERBERT M. CONSUNJI
Executive Vice Presidnet & Chief Finance Officer

May 9, 2023