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	2 1
Month	Day	FORM TYPE	Mont h	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. May 7, 2024
   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 on May 7, 2024, the Board approved the following:

1. First Quarter Interim Financial Statements for the period March 31, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF CONSOLIDATED OPERATIONS AND CONSOLIDATED FINANCIAL CONDITION AS OF AND FOR THE PERIODS ENDED MARCH 31, 2024 AND 2023

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	**January to March (Q1)**		
except EPS	**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:

<u>Coal</u>

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.

Power

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.

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 President & CFO

May 7, 2024