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. August 5, 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 August 5, 2024, the Board approved the following:

1. **Second Quarter Interim Financial Statements for the period June 30, 2024.**

The Financial Statements as of and for the period ended **June 30, 2024** are contained herein.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF CONSOLIDATED OPERATIONS AND CONSOLIDATED FINANCIAL CONDITION AS OF AND FOR THE PERIODS ENDED June 30, 2024 AND 2023

June 30, 2024 (Unaudited) vs June 30, 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 June 30, 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	**April to June (Q2)**			**January to June (H1)**		
except EPS	**2024**	**2023***	**Change**	**2024**	**2023***	**Change**
I. SMPC (56.65%)	3,419	5,765	-41%	7,110	10,879	-35%
II. DMCI Homes	737	1,255	-41%	1,421	2,248	-37%
III. Maynilad (25%)	732	474	54%	1,395	997	40%
IV. DMCI Power	355	231	54%	619	365	70%
V. D.M. Consunji Inc.	240	139	73%	338	412	-18%
VI. Parent and others	94	9	933%	124	9	1278%
VII. DMCI Mining	(43)	250	-117%	(65)	723	-109%
Core Net Income	**5,534**	**8,123**	**-32%**	**10,942**	**15,633**	**-30%**
Nonrecurring Items	2	(13)	117%	198	(17)	1200%
Reported Net Income	**5,536**	**8,110**	**-32%**	**11,140**	**15,616**	**-29%**
EPS (reported)	**0.42**	**0.61**	**-32%**	**0.84**	**1.18**	**-29%**

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

Q2 2024 vs Q2 2023 Consolidated Highlights

- The DMCI Group reported a consolidated net income of Php 5.54 billion, a 32-percent decline from Php 8.11 billion, largely due to weaker contributions from its integrated energy and real estate subsidiaries, along with a net loss of Php 43 million from its nickel mining company. Improved performances from its water utility, off-grid power generation and construction businesses partially offset the downturn.

  As a result, earnings per share decreased from Php 0.61 to Php 0.42.

  Excluding non-recurring items, core net income declined by 32%, falling to Php 5.53 billion from Php 8.12 billion.

Quarter-over-quarter, consolidated earnings remained stable, with a slight decrease of 1% from Php 5.60 billion. Compared to the pre-pandemic level of Php 3.74 billion in Q2 2019, the group's bottom line was 48% higher.

- Core EBITDA dropped by 33%, from Php 15.04 billion to Php 10.03 billion, due to a lower topline and a slower decline in total cash costs. Consequently, core EBITDA margin narrowed from 41% to 36%.

- Total revenues declined by 24%, from Php 36.96 billion to Php 28.09 billion, because of softer commodity and electricity prices, reduced construction accomplishments, increased reversals from real estate sales cancellations, and fewer ongoing and new real estate accounts qualifying for recognition. Increased sales volume of coal and electricity (both on-grid and off-grid) partially mitigated the impact of the weaker non-utilities markets.

  Total cash costs decreased by 18%, from Php 21.92 billion to Php 18.06 billion, on the combined effects of a lower government share, increased total coal production costs, lower fuel costs (on-grid and off-grid), reduced construction accomplishments (in construction and real estate), and higher shiploading costs (nickel).

  The government's share dropped by 48%, from Php 3.32 billion to Php 1.73 billion, primarily due to lower coal revenues and increased total production costs.
  Equity in net earnings rose by 57%, from Php 482 million to Php 759 million, mainly driven by improved results from Maynilad.

- Other income (net) slid by 3%, from Php 889 million to Php 865 billion, owing to the absence of net foreign exchange gain and lower income from fly ash sales under SMPC. Last year, SMPC recognized Php 165 million in net forex gain, which shifted to a net forex loss of Php 61 million this year.

  This impact was mitigated by higher forfeitures and rental income from DMCI Homes, which increased by 36%, from Php 592 million to Php 808 million.

- Depreciation and amortization decreased by 10% from Php 1.27 billion to Php 2.05 billion, mostly owing to lower SMPC direct costs following increased quarterly production, less nickel shipments and impact of fully depreciated assets.

- Net finance costs (net of finance income) decreased by 21%, from Php 214 million to Php 169 million, due to a lower contribution from SMPC and higher finance costs for DMCI Power. This decrease was cushioned by increased finance income from DMCI's cash placements and DMCI Homes' 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 slid by 9%, from Php 1.40 billion to Php 1.28 billion, on lower taxable income for DMCI Homes and DMCI Mining, partially offset by higher tax provisions in SMPC's power segment.

- 2024 nonrecurring items pertain to a Php 2 million forex gain by Maynilad, while nonrecurring items for 2023 comprised Maynilad donations and miscellaneous expenses totaling Php 13 million.

- SMPC, DMCI Homes and Maynilad contributed for 88% of core net income.

H1 2024 vs H1 2023 Consolidated Highlights

- Reported net income declined by 29%, from Php 15.62 billion to Php 11.14 billion, primarily due to reduced contributions from the on-grid power generation, real estate and construction businesses, as well as a Php 65 million net loss in the nickel mining business. However, stronger contributions from the water utility and off-grid power generation segments partially mitigated these impacts.

  Consequently, earnings per share decreased from Php 1.18 to Php 0.84, translating to a 10% return on common equity over the six-month period.

  Consolidated net income was 72% higher than the pre-pandemic level of Php 6.48 billion (H1 2019).

- Total revenues declined by 21%, from Php 69.99 billion to Php 55.52 billion, primarily due to anemic coal, nickel and power prices, lower construction accomplishments and reduced recognitions from real estate accounts. Record-high coal shipments and increased electricity sales volume (on-grid and off-grid) helped mitigate the decline.

- Total cash costs declined by 12%, a slower pace than the topline, decreasing from Php 40.85 billion to Php 35.87 billion. This reduction was driven by lower construction accomplishments and government share, combined with higher shipments of coal and nickel, increased coal production and materials handling costs, higher nickel shiploading expenses and elevated operating expenses. Improved coal blending and lower generation fuel costs (both on-grid and off-grid) helped temper the impact of higher cash cost of sales.

  Operating expenses increased by 8%, from Php 4.23 billion to Php 4.55 billion, primarily due to higher personnel costs, taxes and licenses (real estate and on-grid power), sales and marketing expenses (real estate), insurance and maintenance costs (on-grid power), and expenses for environmental and social development programs (DMCI Mining).

  Consequently, the core EBITDA margin narrowed but remained at a healthy level, declining from 42% to 35%.

- Depreciation and amortization saw a 3-percent uptick from Php 4.15 billion to Php 4.26 billion on higher coal shipments, recent acquisition of new mining equipment, increased amortization of

the capitalized stripping asset for Narra mine (SMPC) and commercial operations of a 15MW thermal plant in Palawan (DMCI Power).

- Net finance costs nearly halved (-49%), from Php 508 million to Php 260 million, following a reduction in total debt payable from Php 51.46 billion (end-H1 2023) to Php 46.64 billion. Total debt payable declined due to the simultaneous debt pare-down of SMPC, DMCI Homes, DMCI and DMCI Power, boosted by higher finance income from DMCI Homes' in-house financing.

Net income margin decreased to 30% from 34% last year, influenced by a 40-percent increase in equity in net earnings, primarily from Maynilad, which rose from Php 1.02 billion to Php 1.42 billion.

- 2024 nonrecurring items pertain to a gain from the sale of land by DMCI Homes (Php 195 million) and forex gain (Php 3 million) by Maynilad. 2023 nonrecurring items pertain to Maynilad donations and miscellaneous expenses (Php 17 million).

- SMPC, DMCI Homes and Maynilad accounted for 91% of core net income.

- As of June 30, 2024, the Group reported a stronger financial position compared to December 31, 2023:

    - Current and quick ratios improved to 298% and 105%, respectively, up from 277% and 99%, despite Php 9.56 billion in cash dividend payments last April.

    - Total debt decreased by 6%, from Php 49.47 billion to Php 46.64 billion, primarily due to regular loan amortizations by SMPC (Php 2.13 billion), DMCI Homes (Php 980 million) and DMCI Power (Php 71 million). Meanwhile, DMCI Mining secured an additional Php 300 million in long-term debt to fund the development of new mines.

    - The group's net debt to equity ratio slightly improved to 12.3%, down from 12.6%, as net debt declined by 2%, from Php 17.31 billion to Php 16.94 billion.

    - 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.

Q2 2024 vs Q2 2023 Subsidiaries and Associate Performance

I. Semirara Mining and Power Corporation (SMPC)

Net income contribution from the integrated energy business declined by 41% to Php 3.42 billion, from Php 5.77 billion last year, owing to normalizing energy markets. Higher coal and electricity sales volume cushioned the impact of softer selling prices.

At the standalone level, SMPC's reported net income decreased by 41%, from Php 10.19 billion to Php 6.05 billion. Core EBITDA dropped by 32%, from Php 12.41 billion to Php 8.43 billion, resulting in a reduction of the core EBITDA margin from 52% to 46%.

This decline was primarily driven by a weaker topline and increased cash costs, due to the combined effects of higher sales volumes, lower coal production costs, fuel costs, and replacement power purchases.

Additionally, the net income margin narrowed from 43% to 33% due to higher tax provisions and reduced other and net finance income, although this was partially cushioned by lower depreciation and amortization. No nonrecurring items were recorded during the period.

To further explain the company's results, below is a discussion of the financial and operating performance of its coal and power segments:

Coal

Standalone revenues decreased by 32%, from Php 18.82 billion to Php 12.81 billion, due to weaker selling prices, cushioned by higher sales volume. Meanwhile, core EBITDA decreased by 45%, from Php 8.93 billion to Php 4.90 billion, due to a slower decline in cash costs (-6%).

Reported net income posted a sharper decline (-53%), from Php 7.94 billion to Php 3.73 billion, largely the result of lower revenues, a slight reduction in direct costs (cash component of COS) and higher operating expenses.

Net of intercompany eliminations, net income decreased by 54%, from Php 6.89 billion to Php 3.14 billion. The power segment's efficient coal blending and reduced gross margin, driven by lower selling prices, led to a 43% decrease in eliminating entries, from Php 1.05 billion to Php 593 million.

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

To further explain the segment's results:

- **Uptick in sales volume.** Total coal shipments rose by 2% from 4.5 million metric tons (MMT) to 4.6 MMT on stronger domestic demand.

  Domestic shipments accelerated by 16%, from 1.9 MMT to 2.2 MMT, largely due to higher internal consumption. Sales to own plants grew by 25%, from 0.8 MMT to 1.0 MMT, driven by improved average capacity and generation.

  External domestic sales increased by 7%, from 1.1 MMT to 1.2 MMT, boosted by sales to cement and industrial plants.

  Foreign shipments decreased by 8%, from 2.6 MMT to 2.4 MMT, mostly due to a 90% drop in deliveries to South Korea, from 1.0 MMT to 0.1 MMT, caused by high sulfur content in some commercial-grade coal. This decline was partially offset by a 64% increase in shipments to China, which rose from 1.4 MMT to 2.3 MMT.

  China accounted for 95% of total export sales, followed by South Korea (3%) and Brunei (2%).

Year-to-date, total shipments reached 9.4 MMT, the highest ever for the first half (H1) period. This represents an 18% jump from 8.0 MMT last year, fueled by stronger exports and increased domestic demand.

- **Stabilizing prices.** The average selling price (ASP) of Semirara coal dropped by 33%, from Php 4,151 per metric ton (MT) to Php 2,780 per MT, due to stabilizing market indices and growing demand for non-commercial grade coal.

  Market indices have converged due to the stabilization of global supply chains. Both the average Newcastle Index (NEWC) and Indonesian Coal Index 4 (ICI4) decreased by 16%.

  Average NEWC declined from US$160.7 to US$135.6, while ICI4 dropped from US$65.1 to US$55.0. Quarter-over-quarter, NEWC rose by 8% from US$125.8, while ICI4 fell by 4% from US$57.2.

  The ASP decline is largely due to a 167% increase in shipments of lower-priced non-commercial grade coal, which rose from 0.6 MMT to 1.6 MMT. This coal variant accounted for 13% of total quarterly sales volume in 2023 versus 35% in 2024.

  Demand for non-commercial grade coal increased due to efficient coal blending in the power segment, along with robust demand from several Chinese power plants.

- **Slim but strong margins.** Core EBITDA margin decreased from 47% to 38%, and the standalone net income margin declined from 42% to 29%, primarily due to a weaker topline, increased operating expenses and net foreign exchange losses.

  Total cash costs decreased by 20%, from Php 9.89 billion to Php 7.91 billion, a slower rate than the 32% decline in topline revenue. This was due to a combination of a slight reduction in the cash component of the cost of sales (COS), higher operating expenses, and a reduced government share.

  The cash component of COS declined by 6%, from Php 6.45 billion to Php 6.04 billion, mainly due to increased coal production and higher coal production cost per MT in Q2 2023.

  Operating expenses increased by 17%, from P125 million to Php 146 million, driven by ICT-related expenses and office renovation costs. Meanwhile, government share dropped by 48%, from Php 3.32 billion to Php 1.73 billion, due to a weaker topline and increased total coal production costs.

- **Lower noncash costs.** Depreciation and amortization expenses contracted by 12%, from Php 1.26 billion to Php 1.11 billion, due to lower production cost on a per unit basis.

- **Net foreign exchange (forex) loss.** Net forex loss stood at Php 74 million, from Php 165 million net forex gain last year, due to lower export sales and higher import payments for refleeting activities.

- **Reduced net finance income.** Net finance income declined by 37%, from Php 139 million to Php 87 million, due to lower cash balances following dividend payments and reduced loans payable.

The coal segment also reported the following highlights:

- **Strong production recovery.** Coal production surged by 73%, from 3.0 MMT to 5.2 MMT, primarily due to lower rainfall levels (640.7 mm compared to 817.6 mm in 2023) and the near depletion of Molave mine last year, which created a low base effect.

  For 2024, full-year strip ratio is expected to fall by 5%, from 13.2 to 12.3, as operations will only be in Narra mine.

  From January to June, total production reached 10.2 MMT, 12% higher than the 9.1 MMT produced last year and the highest ever for this period.

- **Lower inventory.** Total coal inventory stood at 2.4 MMT, a 14% decline from 2.8 MMT last year. Meanwhile, commercial grade coal contracted by 25% from 1.6 MMT to 1.2 MMT.

  Amid record-setting first half production and sales, ending coal inventory decreased by 14%, from 2.8 MMT to 2.4 MMT. Of this, 1.2 MMT are commercial-grade coal, 24% lower than last year's 1.6 MMT.

<u>Power</u>

Standalone revenues from the power segment remained largely unchanged, increasing by 1% from Php 6.82 billion to Php 6.86 billion, as lower ASP offset improved generation and sales.

Total cash costs decreased by 3%, from Php 3.28 billion to Php 3.19 billion, due to lower generation costs and replacement power purchase, although this was tempered by higher operating expenses from increased taxes, insurance and maintenance costs.

As a result, core EBITDA margin slightly increased from 52% to 53%, while the standalone net income margin improved from 32% to 34%. This improvement was mainly due to the following:

In Php Millions	**2024**	**2023**	**Change**
Depreciation and Amortization	714	708	1%
Other Income	101	117	-14%
Net Finance Income	18	(28)	164%
Tax Expense Provisions	773	740	4%

Net of intercompany eliminations, reported net income decreased by 11%, from Php 3.28 billion to Php 2.91 billion, due to lower eliminating entries resulting from efficient coal blending, reduced fuel costs and narrower coal segment margins. No nonrecurring items were recorded during either period.

The segment’s financial results are attributable to the following:

- **Higher average capacity.** Total average capacity during running days increased by 17%, from 685 MW to 801 MW, due to the restoration of SCPC Unit 2's dependable capacity to 300 MW on May 27, along with reduced deration in SLPGC plants.

- **Uptick in plant availability.** Overall plant availability slightly improved from 80% to 81% on fewer outage days (69 days vs 74 days).

  SCPC plant availability deteriorated from 84% to 71%, largely due to the commencement of Unit 2's 77-day planned maintenance activities on March 6. This led to an increase in SCPC's total outage days from 29 to 53.

  Meanwhile, SLPGC plant availability dramatically improved from 75% to 91%, as outage days dropped from 45 to 16.

- **Better generation and sales.** The double-digit improvement in average capacity and the increase in average plant availability led to a 12% rise in gross generation, from 1,212 GWh to 1,352 GWh, largely driven by SLPGC.

  Correspondingly, total power sales expanded by 12%, from 1,097 GWh to 1,228 GWh. While majority (59%) of total power sales were directed to the spot market, bulk (94%) of the growth (131 GWh) came from BCQ sales due to higher contracted capacity.

- **Growth in BCQ sales.** Sales to the spot market rose by 1%, from 720 GWh to 728 GWh, as the segment secured more bilateral contracts (BCQ) for additional average capacity.

  Net of variable station service, initial exposure to the spot market declined by 12%, from 471.90 MW at the end of March 2023 to 413.1 MW at the end of March 2024.

  Conversely, BCQ sales jumped by 33%, from 377 GWh to 500 GWh, due to higher contracted capacity. The initial contracted capacity expanded by 26%, from 188.70 MW at the end of March 2023 to 238.2 MW at the end of March 2024.

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

- **Stabilizing prices.** Overall ASP decreased by 10%, from Php 6.22/kWh to Php 5.58/kWh, primarily due to a 12% decline in spot market ASP, which fell from Php 7.11/kWh to Php 6.25/kWh, and generally lower fuel costs for baseload plants.

  However, the higher BCQ ASP and increased proportion of BCQ sales (rising from 34% to 41%) provided some relief. The BCQ ASP increased by 2%, from Php 4.52/kWh to Php 4.62/kWh, following the negotiation of new contracts with more favorable terms over the past twelve months.

- **More contracted and dependable capacity.** As of June 30, 2024, over a third (33% or 274.4 MW) of total dependable capacity (840 MW) has been contracted, with approximately 9% of this contracted capacity including a fuel pass-through provision.

Quarter-over-quarter, dependable capacity increased by 18%, from 710 MW to 840 MW, following the synchronization of SCPC Unit 2 after a 77-day planned maintenance, restoring its dependable capacity to 300 MW from 170 MW.

Majority (62%) of the total contracted capacity is under SCPC, aligning with Management's guidance to contract approximately half of the dependable capacity. Additionally, 84% of the contracted capacity is set to expire within the year, with the remainder expiring from 2030 onwards.

Excluding station service requirements (84 MW), which vary periodically, the segment has 481.60 MW available for spot sales.

- **Minimal spot purchases.** Total spot purchases plunged by 72%, from Php 47 million to Php 13 million, due to increased plant availability, average capacity and strategic contracting of capacity.

  The power segment was a net seller to the spot market by 726 GWh (vs 715 GWh in Q2 2023).

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.

The real estate business reported Php 737 million in net income contribution, down by 41% from Php 1.26 billion last year. This decline was largely attributed to lower real estate revenues and higher operating expenses, which were partially offset by increased contributions from construction revenues from joint venture projects, rentals and forfeitures.

At the standalone level, the company's net income declined by 38%, from Php 1.28 billion to Php 791 million, with the net income margin slightly increasing from 22% to 23%.

Meanwhile, core EBITDA contracted by 54%, falling from Php 1.49 billion to Php 681 million, resulting in a reduced EBITDA margin from 25% to 20%. No nonrecurring items were recorded during the period.

The following provides additional details on the financial performance of DMCI Homes:

- **Weaker revenues.** Total revenues declined by 41%, from Php 5.89 billion to Php 3.46 billion, owing to a significant drop in real estate revenue, which was partially offset by increased contract revenues from joint venture projects and steady contributions from property management, hotel operations and elevator maintenance.

  Real estate revenues decreased by 44%, from Php 5.73 billion to Php 3.19 billion. This decline resulted from lower recognition of ongoing projects, fewer new projects qualifying for revenue recognition, and increased reversals because of sales cancellations. These factors were

primarily attributable to slower sales and a surge in cancellations during the pandemic (2020-2021), along with lower construction output following the completion of several projects.

To further explain, revenues from ongoing projects (net of cancellations) fell to 50% of total revenues, compared to 64% last year. Newly recognized projects grew to 78% of total revenues (versus 48% last year), largely due to the overall decrease in total revenues.

Reversals from sales cancellations increased by 40%, from Php 881 million to Php 1.24 billion, as more projects reached turnover stage this year. This reflects the reversal of previously recognized revenue, attributable to cancellations that occurred after units were ready for delivery. These cancellations were mainly the result of changes in the buyers' financial circumstances and challenges in securing financing.

As a background, real estate revenues are recognized based on construction progress, provided the customer account meets the collection threshold. DMCI Homes has a 14.5% collection threshold (higher than the industry standard of 10%), which typically takes 4 to 5 years before revenue recognition begins. Additionally, extended down payment schemes resulted in fewer new projects qualifying for revenue recognition.

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

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

Contract revenues from joint venture projects more than doubled (162%), from Php 68 million to Php 178 million, on the back of increased construction progress.

Revenues from property management, hotel operations, and elevator maintenance remained at Php 92 million for both periods.

- **Thinner core EBITDA margins.** Core EBITDA declined by 54%, from Php 1.49 billion to Php 681 million, on topline weakness. This resulted in a narrower EBITDA margin, which contracted from 25% to 20%.

  Total cash costs decreased at a slower rate than revenue (37% vs. 41%), falling from Php 4.40 billion to Php 2.78 billion. The slower decline was due to a 20% increase in operating expenses, from Php 589 million to Php 709 million, because of higher business permit payments and personnel costs.

  Cost of sales (COS) decreased by 46%, from Php 3.81 billion to Php 2.07 billion, reflecting a decline in construction activity and fewer projects reaching the threshold for revenue recognition.

- **Better net margins.** Partially offsetting the weakness in EBITDA margin, net income margin slightly expanded from 22% to 23%, mostly the result of higher other income.

Other income surged by 36%, from Php 592 million to Php 808 million, driven by income from forfeitures and rentals (mostly from the rent-to-own program).

Net finance costs (net of finance income) decreased by 3%, from Php 327 million to Php 318 million, because of higher interest earnings from in-house financing and lower debt payable.

Meanwhile, the provision for income taxes dropped by 21%, from Php 431 million to Php 342 million, owing to lower taxable income and the expensing of financing costs (in accordance with IFRS 15).

DMCI Homes also reported the following operational highlights:

- **Higher sales and reservations.** Total units sold (including residential units and parking slots) increased by 33%, from 1,289 to 1,718, owing to strong sales take-up of residential units in Moncello Crest (2024), Solmera Coast (2023) and The Valeron Tower (2024), as well as low-base effect given the absence of project launches during the same period last year.

  Sales of residential units expanded by 77%, from 711 to 1,260. In contrast, sales of parking units declined by 21%, from 578 to 458, largely due to the unavailability of parking slots in the Moncello Crest and Solmera Coast projects.

  The top projects with the most units sold during the period were Moncello Crest (MCC), The Oriana (ORI), The Valeron Tower (VAL), Solmera Coast (SLC) and Allegra Garden Place (2019). As of the end of June, 94% of the total launched units in SLC had already been sold.

- **Better selling prices**. Average selling price (ASP) per unit grew by 8%, from Php 6.92 million to Php 7.45 million, driven by strong sales take-up in SLC, VAL and ORI, which are being sold at higher prices. Additionally, ASP per square meter soared by 20%, from Php 130,000 to Php 156,000.

  This significant increase was due to the top projects being offered in different product formats and prime locations, including a mountain resort condotel in Benguet (MCC), beachfront condotel in San Juan, Batangas (SLC), a prime location in Pasig (VAL), and a transit-oriented development in Quezon City (ORI).

- **Sales value surge.** Total sales value rallied by 82%, from Php 5.37 billion to Php 9.76 billion, on combined effect of higher ASP and units sold.

- **Rising cancellations amid project turnovers.** Sales cancellations for residential units awaiting revenue recognition (those below the 14.5% threshold) increased to 21%, up slightly from 20% last year.

  Quarter-over-quarter, sales cancellations rose significantly from 13% to 21%, mainly due to less residential units sold in the previous quarters. Year-on-year, Q2 cancellation rate was roughly the same.

2023				2024	
Q1	Q2	Q3	Q4	Q1	Q2
11%	20%	11%	13%	13%	21%

From January to June, units from seven projects were delivered to customers with full down payment, compared to five projects last year.

- **Increased unbooked revenues.** Unbooked revenues swelled by 18%, from Php 67.80 billion to Php 80.20 billion, on the back of robust sales over the past year. Trailing 12-months (Q3 2023 to Q2 2024) sales value reached Php 40.53 billion, higher by 17% year-on-year from Php 34.77 (Q3 2022 to Q2 2023).

  Unbooked revenues, while still below pre-pandemic levels, reached their highest point since 2020.

- **Higher inventory.** Total inventory expanded by 20%, from Php 64.20 billion to Php 77.00 billion, buoyed by double-digit growths in pre-selling and ready-for-occupancy (RFO) units. Bulk (74%) of total inventory were pre-selling units, which include residential and parking.

  Pre-selling inventory surged by 22%, from Php 46.90 billion to Php 57.00 billion, following the launch of Mulberry Place 2, The Valeron Tower and Moncello Crest. Solmera Coast and Anissa Heights are nearing sellout, with only 6% and 3% of units remaining, respectively.

  RFO inventory grew by 16%, from Php 17.30 billion to Php 20.00 billion, with the completion of Alder Residences, The Atherton, Satori Residences, The Orabella, Fairlane Residences, Prisma Residences and Kai Garden.

- **Ample land bank.** Total land bank decreased by 13%, from 221.0 hectares to 192.1 hectares, over the past twelve months following the launch of Solmera Coast in Luzon, the transfer of a 4-hectare property for development in Luzon, the sale of undeveloped land in Metro Manila, and minor land acquisitions in Visayas.

  Metro Manila currently accounts for the majority of the land bank (58%), followed by Luzon (37%), Visayas (3%), and Mindanao (2%).

- **Lower CAPEX.** Quarterly capital expenditure (CAPEX) decreased by 6%, from Php 3.66 billion to Php 3.43 billion, on account of timing differences.

  For the first half of the year, CAPEX dipped by 2% to Php 7.71 billion, compared to Php 7.90 billion in the previous year. Majority (52%) of the full-year 2024 CAPEX budget (Php 16.11 billion) is projected to be spent in the second half of the year.

- **Healthy financial position.** Compared to December 2023, net debt improved by 9%, decreasing from Php 33.02 billion to Php 30.03 billion. This improvement is primarily attributed to a 46% increase in total cash (from Php 4.36 billion to Php 6.34 billion) following increased project turnovers (from seven to 5 projects) and a 3% reduction in loans payable on regular amortization and maturity of Php 1.3 billion corporate notes (from Php 37.37 billion to Php 36.39 billion).

While improved operating cash flow contributed to this decrease, the impact was partially offset by cash investments in DMCI MC Property Ventures (Php 1.64 billion), capital expenditures (Php 7.59 billion), and dividend payments to the parent company (Php 500 million).

As a result, the net debt-to-equity ratio improved from 1.15x to 1.03x. The interest coverage ratio, although slightly lower than before, remains healthy at 2.88x (compared to 4.24x previously).

III. Maynilad Water Services, Inc. (Maynilad)

Reported net income contribution from associate Maynilad surged by 59%, from Php 462 million to Php 735 million, on the back of increased billed volume, higher average effective tariff and slower growth in cash, noncash and finance costs.

Excluding nonrecurring items, core net income contribution swelled by 54%, from Php 474 million to Php 732 million. 2024 nonrecurring item pertains to net foreign exchange gain (Php 2 million), while 2023 nonrecurring loss (Php 13 million) was largely due to donations, net forex loss and other miscellaneous losses.

At the standalone level, reported net income jumped by 36%, from Php 2.18 billion to Php 2.96 billion. Excluding nonrecurring items, core net income expanded by 32%, from Php 2.23 billion to Php 2.95 billion.

To further explain the quarterly performance of Maynilad:

- **Higher revenues.** Total revenues increased by 19%, from Php 7.09 billion to Php. 8.41 billion, fueled by higher billed volume, adjusted tariffs, and re-opening fees for previously disconnected services.

- **Slower growth in costs.** Total cash costs increased by 10%, from Php 2.55 billion to Php 2.82 billion, due to higher expenses for light, power, chemicals and personnel, partially offset by reduced cross-border water purchases.

  Total noncash costs grew by 15% from Php 754 million to Php 864 million on the combined effect of additional capex projects completed during the year and increased amortization of the concession asset.

  Other income reversed from a Php150 million expense to a Php 5 million income, primarily attributable to the reversal of provisions in 2023 and the recovery of written-off accounts in 2024.

- **Improved margins.** Core EBITDA increased by 29% to Php 5.62 billion, driven by higher revenues and slower growth in cash costs. This resulted in improved EBITDA margins of 67% (up from 61%) and net income margins of 35% (up from 31%).

- **Lower finance costs.** Net finance cost (net of finance income) fell by 17%, from Php 643 million to Php 536 million, primarily due to the capitalization of finance costs amid increased capital expenditures and a 13% growth in loans payable from Php 61.80 billion (as of December 2023) to Php 70.07 billion.

- **Higher income tax provisions.** Higher taxable income resulted to a 75-percent surge in income tax provisions, from Php 724 million to Php 1.27 billion.

- **Increased billed volume.** Billed volume grew by 3%, from 137.5 million cubic meters (MCM) to 141.9 MCM, exceeding the pre-pandemic level of 139.2 MCM (Q2 2019) by 2%. Higher demand from non-domestic customers and additional water service connections (+14,877) accounted for the growth.

  In line with billed volume growth, consumption per connection increased by 3% from 0.96 cubic meter per day (cu.m.) to 0.99 cu.m.

- **Better customer mix.** Customer mix shifted slightly more towards non-domestic users, with their billed volume increasing from 18.2% to 18.3%. Conversely, the share of billed volume from domestic customers decreased from 81.8% to 81.7%.

- **Adjusted tariff.** Average effective tariff improved by 21%, from Php 48.55 to Php 58.55, following the staggered implementation (second tranche) of the Metropolitan Waterworks and Sewerage System (MWSS) – approved basic rate adjustment effective January 1, 2024.

The company also reported the following highlights:

- **Dip in water production.** Total water production decreased by 1%, from 194.8 million cubic meters (MCM) to 193.0 MCM, due to lower raw water supply from Angat Dam and reduced cross-border purchases.

  Operating the 150 MLD Poblacion Treatment Plant at full capacity, along with other aggressive water augmentation initiatives (i.e., increased extraction from deep wells and activation of Anabu and Laguna Lake Nanostone modular plants), helped mitigate the impact of the reduced raw water and cross-border supply.

- **Reduced water losses.** Average non-revenue water (NRW) improved by 10%, from 29.4% to 26.5%. Meanwhile, end-of-period NRW is likewise better by 14%, from 30.2% to 26.5%.

  The declines were largely due to increased water demand, reduced water production and the company's ongoing NRW-reduction initiatives.

- **Expanding coverage and availability.** Water service connections (WSCs) increased by 1%, from 1,528,269 to 1,542,045, driven by rising demand and population growth. Meanwhile, 24-hour water availability improved from 94.7% to 95.3%, due to reduced water losses.

  Water service coverage remained steady at 94.7% for both periods, while served population grew by 1%, from 10.3 million to 10.4 million.

  Sewer service coverage continued to expand, accelerating from 25.7% to 31.0%, marking an all-time high for the company. This rapid expansion is highlighted by a 22% increase in the served population, from 2.6 million to 3.2 million, as a result of the company’s ongoing aggressive infrastructure investments.

IV. DMCI Power Corporation (DMCI Power)

Net income contribution from the off-grid energy business soared to Php 355 million, marking the highest for any given quarter, and representing a 54% increase from Php 231 million last year. The impressive growth is mainly attributable to double-digit increases in power dispatch and lower direct costs as some plants operated on more affordable fuel.

At the standalone level, net income rose by 54%, from Php 231 million to Php 354 million. Core EBITDA increased by 41%, from Php 385 million to Php 541 million, with margins improving from 19% to 25%. No nonrecurring items were recorded for either period.

The following details provide further explanation of DMCI Power's results:

- **Higher Revenues.** Total revenues increased by 5%, from Php 2.06 billion to Php 2.16 billion, because of higher generation and sales volume amid declining selling prices.

- **Increased Generation.** Overall gross generation increased by 13%, rising from 132.0 GWh to 149.7 GWh, driven by double-digit growth across all service areas.

  Palawan recorded the highest growth with an 18% increase, from 55.3 GWh to 65.3 GWh, while Masbate posted a 10% upturn, from 46.0 GWh to 50.8 GWh. Oriental Mindoro also improved by 10%, increasing from 30.6 GWh to 33.6 GWh.

- **More Sales.** Total energy sales volume increased by 10%, from 126.3 GWh to 138.8 GWh, on strong organic growth in all service areas, together with the execution of emergency power supply agreements (EPSAs) in Palawan and Oriental Mindoro. EPSAs accounted for 13% of total sales.

  Palawan remained the top market, accounting for 43% of total sales, followed by Masbate (34%) and Oriental Mindoro (23%).

  Sales in Masbate grew the fastest, increasing by 12% from 41.4 GWh to 46.6 GWh. Sales in Palawan rose by 8%, from 55.3 GWh to 59.8 GWh, and sales in Oriental Mindoro surged by 10%, from 29.5 GWh to 32.4 GWh, boosted by EPSA sales.

  In terms of fuel type, coal plants generated 41% of the total dispatch, while diesel and bunker fuels each accounted for 29%.

- **Stabilizing selling prices.** Average selling prices (ASP) decreased by 5%, from Php 16.3/KWh to Php 15.5/KWh, primarily due to lower fuel costs in the thermal plants. The activation of the 15MW Palawan thermal plant on August 15, which charges a lower tariff, also contributed to the ASP decline.

  Coal expenses dropped by 44%, from Php 8.4 per kg to Php 4.7 per kg, while diesel costs remained relatively stable, decreasing slightly by 1% from Php 53.6 to Php 53.3 per liter. In contrast, bunker costs increased by 12%, from Php 44.4 to Php 49.8 per liter, due to geopolitical tensions in the Red Sea.

- **Lower cash costs.** Despite increased energy sales, total cash costs decreased by 4%, from Php 1.68 billion to Php 1.60 billion, due to lower fuel costs as power sales predominantly came from thermal plants.

  Sales from thermal plants expanded by 2.5x, from 22.5 GWh to 57.4 GWh. Meanwhile, sales from diesel and bunker plants contracted by 27% and 16%, respectively, with diesel sales decreasing from 55.5 GWh to 40.7 GWh and bunker sales declining from 48.3 GWh to 40.7 GWh.

- **Increased noncash items and finance costs.** Depreciation and amortization soared by 34%, from Php 84 million to Php 112 million, because of the August 15 activation of the 15MW Palawan thermal plant.

  Net finance costs (net of finance income) increased 2.3x, from Php 23 million to Php 53 million. This growth was driven by higher average finance cost (interest rate), which rose from 7.03% to 7.29%. However, this increase was partially offset by a reduction in loans payable, which decreased from Php 5.10 billion in June 2023 to Php 4.60 billion in June 2024.

- **Reduced tax provision.** Provision for income taxes more than halved (-55%) from Php 48 million to Php 21 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 July 2027.

The company also reported the following highlights:

- **Flattish installed capacity.** Total installed capacity remained at 159.8 MW at the end of both periods. The 15 MW thermal plant in Palawan synchronized with the Palawan grid on June 26, 2023, and began supplying reliable electricity to the local community on August 15, 2023.

- **Reduced market share.** Palawan market share decreased from 55.1% to 52.0% due to constrained diesel plant operations. Similarly, Oriental Mindoro's market share narrowed from 27.2% to 23.8% due to higher availability of renewable and conventional plants in the area. The company continues to be the sole power provider in Masbate.

  Despite the reduced market shares, power sales increased across all areas due to overall growing demand.

- **Healthier financial position.** Net debt-to-equity ratio improved from 105% at the end of December 2023 to 90% at the end of June 2024, owing to lower total debt and a higher equity book value. Loans payable decreased slightly (-2%), from Php 4.67 billion to Php 4.60 billion, while cash levels remained relatively stable, rising by 1% from Php 214 million to Php 216 million.

  Total equity book value expanded by 14%, from Php 4.26 billion to Php 4.86 billion, due to growth in retained earnings following strong operating and financial performance.

- **Minimal capital expenditures.** Capital investments contracted by 12%, from Php 431 million to Php 381 million, as bulk of the expenditures for the Semirara wind project and expansionary plants in Palawan and Masbate, were deferred to the second semester.

  Second quarter capex were mostly (60%) used for plaint maintenance activities, while the rest were spent on the Palawan bunker and Semirara wind plants.

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

Net income contribution from the construction business surged by 73%, from Php 139 million to Php 240 million, primarily due to lower cash and noncash costs, reduced tax provisions, and higher finance income.

At the standalone level, reported net income grew by 25%, from Php 216 million to Php 269 million, while core EBITDA decreased by 11%, from Php 439 million to Php 392 million.

Excluding nonrecurring items, core net income increased by 34%, from Php 201 million to Php 269 million. No nonrecurring items were recorded in 2024, while the company recognized a Php 15 million gain from equipment sales in 2023.

To provide a more detailed explanation of DMCI's results:

- **Lower topline.** Total revenues receded by 14%, from Php 4.21 billion to Php 3.62 billion, as project delays and fewer ongoing projects reduced construction activity.

  Majority (65%) of the revenues came from the Building unit, followed by Joint Ventures (JV) and billables (19%), the Infrastructure unit (9%), and Allied services (6%).

  Contribution from the Building unit, which includes buildings, energy, plant, and utilities projects, declined by 6%, from Php 2.51 billion to Php 2.35 billion, due to lower construction accomplishments amid project delays.

  Meanwhile, the Infrastructure unit's contribution fell by 54%, from Php 747 million to Php 343 million, due to fewer ongoing projects and the completion of key projects.

  Revenues from JV and billables advanced by 37%, from Php 509 million to Php 699 million, on account of higher recognitions from the North South Commuter Railway Project Contract Package 01 (with Taisei Corporation) and the commencement of recognitions from the Metro Manila Subway Project Contract Package 102 (with Nishimatsu Construction) and the South Commuter Railway Project Contract Package S02 (with Acciona Construction Philippines). Both JV projects were consolidated into the company's financial statements effective Q2 2023 and Q4 2023, respectively.

  Revenues from Allied Services decreased by 50%, from Php 447 million to Php 225 million, on fewer ongoing third-party projects.

- **Better margins.** Total cash costs declined by 15%, from Php 3.77 billion to Php 3.22 billion, due to the slowdown in construction activity and reduced operating expenses.

  The cash component of the cost of sales (COS) fell by 14%, from Php 3.64 billion to Php 3.12 billion, while operating expenses decreased by 17%, from Php 127 million to Php 105 million, mainly the result of lower repairs and maintenance and earlier payment of software subscriptions in Q1 2024

  Noncash items dropped by 18%, from Php 170 million to Php 139 million, on reduced capital spending following fewer project requirements. Meanwhile, other income grew thirteenfold, from Php 3 million to Php 40 million, driven by increased management fees.

  Net finance cost shifted from Php 6 million to a net finance gain of Php 33 million, with the absence of debt payable (reduced from Php 611 million to Php 0).

  Provisions for income tax decreased by 13%, from Php 65 million to Php 57 million, due to lower taxable income.

  Consequently, EBITDA and net income margins improved to 11% and 7%, respectively, up from 10% and 5%.

The company also reported the following operational and financial highlights for the periods ending June 30, 2024, and December 31, 2023:

- **Lighter order book.** Total order book edged lower (-2%), from Php 41.9 billion (December 2023) to Php 41.0 billion (June 2024), as construction demand remained sluggish. Newly awarded projects totaling Php 4.6 billion and change orders amounting to Php 0.9 billion partially offset the Php 6.4 billion in booked revenues.

  New projects awarded in H1 2024 include Segment 3B of the C5 Link Expressway Project for CAVITEX Infrastructure Corporation, the De La Salle Medical and Health Sciences Institute Academic Complex, 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 surged by 208%, from Php 10 million to Php 31 million, following the acquisition of a construction equipment for new projects.

- **Net cash position.** Total cash balance dropped by 26%, from Php 4.55 billion to Php 3.38 billion, following a Php 700 million cash dividend payment to the parent company. Despite the cash outflow, the company retained its net cash position and debt-free status (since December 31, 2023). Consequently, the net debt-to-equity ratio improved to 42%, down from 60% as of December 31, 2023.

  Meanwhile, equity book value (including share in joint venture projects) expanded by 6%, from Php 7.57 billion to Php 7.99 billion, on the back of higher retained earnings.

VI. DMCI Mining Corporation (DMCI Mining)

Net of eliminating entries, the nickel business swung to a Php 43 million net loss from Php 250 million in income last year, as a result of weak market prices, reduced shipments and costs incurred at the Palawan mine.

At the standalone level, net income plunged from Php 245 million to a net loss of Php 54 million. Core EBITDA fell by 93%, from Php 530 million to Php 38 million. No nonrecurring items were recorded in either period.

The following explains in detail the standalone performance of DMCI Mining:

- **Weaker revenues.** Total revenues plunged by 60%, from Php 1.08 billion to Php 437 million, due to cooling index prices, lower average nickel grade sold and reduced shipments.

- **Elevated cash costs.** Total cash costs dropped by 27% to Php 399 million from Php 550 million, lagging behind the topline decline. The reduction was largely due to a 35% decrease in the cost of sales, which fell from Php 317 million to Php 206 million, following a shift in the methodology for calculating ship loading costs from time-based to weight-based.

  Operating expenses fell by 17%, from Php 233 million to Php 193 million, because of lower excise taxes amid decreased shipments. However, expenses remained elevated due to commitments to the environmental, social development and management program (SDMP) and the costs associated with setting up new mines for Berong Nickel Corporation in Palawan.

  As a result, the core EBITDA margin narrowed significantly from 49% to 9%.

- **Reduced noncash costs.** Depreciation and amortization fell by 57%, from Php 220 million to Php 95 million, on the combined effect of lower shipments and increased depreciation from the acquisition of additional mining equipment.

The company also reported the following operational and financial highlights:

- **Reduced production.** Total production dropped by 37%, from 523,000 wet metric tons (WMT) to 323,000 WMT, as a result of permit delays and the near-depletion of its sole operating mine.

- **Lower shipments and stockpile.** Total ending inventory fell by 11%, from 131,000 WMT to 116,000 WMT, on lower production and a 14% reduction in ZDMC's stockpile to 95,000 WMT from 110,000 WMT. BNC's stockpile remained at 21,000 WMT.

  Meanwhile, total shipments dropped 34% to 322,000 WMT from 487,000 WMT, due to reduced demand from China for Philippine nickel ore amid global oversupply.

- **Anemic selling prices.** Average selling price (ASP) more than halved (-53%) from US$ 49/WMT to US$23/WMT on weak market indices and sale of lower-grade nickel.

  Average nickel grade sold slipped by 3%, from 1.35% to 1.31%, reflecting management's strategy to hold higher-grade nickel amid depressed global prices.

Average LME Nickel price retreated by 18%, from US$ 22,393/ton to US$ 18,401/ton, while the Philippine FOB price for 1.30% grade corrected by 14%, from US$ 21/WMT to US$ 18/WMT.

Quarter-over-quarter, both indices exhibited reduced volatility. The average LME nickel price rebounded by 10% to US$16,610/ton from Q1 2024, buoyed by a weakening US dollar and supply disruption concerns in Europe. Conversely, Philippine FOB prices (1.30% grade) dropped 5% to US$19/WMT due to Indonesian oversupply.

- **Healthy financial position.** As of June 30, 2024, net debt-to-equity ratio remained healthy at 0.1% (versus -12.3% net cash as of December 31, 2023), as cash balance almost equaled loans payable (Php 646 million vs Php 650 million).

  Total cash balance dropped by 24%, from Php 853 million to Php 646 million, following a Php 550 million dividend payment to the parent company and Php 209 million in capital spending, partially offset by Php 300 million in new loans.

  Consequently, loans payable increased by 86%, from Php 350 million to Php 650 million, to fund capital expenditures for new mine development.

- **Increased capital expenditures.** Committed capital spending surged by 125%, from Php 83 million to Php 187 million, largely due to Palawan exploration activities, the expansion of the BNC and ZCMC fleets, and the construction of a Palawan port.

CAPEX

Total capital spending in the second quarter fell by 8%, from Php 10.6 billion to Php 9.8 billion, primarily due to the timing of Maynilad's infrastructure investments, which are concentrated in the second half of 2024.

Excluding Maynilad, DMCI group capex decreased by 2%, from Php 5.2 billion to Php 5.1 billion, as higher expenditures from SMPC and DMCI Mining offset reduced spending by DMCI Homes on ongoing project construction and equipment acquisition.

In the first half of the year, total capex slightly rose (3%) to Php 19.7 billion, with Maynilad (42%) and DMCI Homes (39%) accounting for most of the spending. Excluding Maynilad, DMCI group capex grew by 6% to Php 11.5 billion.

For the first semester, SMPC spent Php 3.2 billion for refleeting, ongoing exploration and plant maintenance activities. Meanwhile, 67% of DMCI Power's capex was dedicated to developing the 16MW Palawan bunker, Semirara wind, and 8MW Masbate bunker plants.

DMCI Mining's capex for the first half was focused entirely on fleet expansion, exploration, and site development activities at pipeline mines in Zambales and Palawan. DMCI also invested Php 41 million in procuring equipment for a new project.

In Php billions	Q2 2024	Q2 2023	Change		H1 2024	H1 2023	Change
DMCI	0.0	0.0	0%		0.0	0.2	-100%
DMCI Homes	3.4	3.7	-8%		7.7	7.9	-3%
SMPC	1.4	1.3	8%		3.2	2.1	52%
DMCI Power	0.1	0.1	0%		0.4	0.4	0%
DMCI Mining	0.2	0.1	100%		0.2	0.2	0%
Maynilad	4.7	5.4	-13%%		8.2	8.4	-2%
Total	**9.8**	**10.6**	**-8%**		**19.7**	**19.2**	**3%**

For the full year 2024, total capex was revised downwards from the May 2024 guidance of Php 59.4 billion to Php 56.5 billion. This adjustment reflects reductions from DMCI Homes (-9%), SMPC (-9%), DMCI Power (-24%) and DMCI Mining (-36%). DMCI's capex forecast was adjusted by Php 0.1 billion, while Maynilad's projection remained unchanged.

In Php billions	2024F	2023	Change
DMCI	0.3	0.4	-25%
DMCI Homes	16.1	15.9	1%
SMPC	6.4	4.0	60%
DMCI Power	1.6	0.9	78%
DMCI Mining	0.7	0.3	133%
Maynilad	31.4	26.0	21%
Total	**56.5**	**47.5**	**19%**

For the remainder of the year, total capital expenditures are expected to hit Php 56.5 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, 2024F group capex is projected to grow by 17%, from Php 21.5 billion to Php 25.1 billion. Majority (64%) of which is allocated for DMCI Homes, followed by SMPC (25%), DMCI Power (6%), DMCI Mining (3%) and DMCI (1%).

DMCI Homes has earmarked 91% of its capex forecast for the construction of ongoing and planned project launches, with the company targeting two additional project launches this year. The remaining budget is allocated for land banking activities and the acquisition of new construction equipment.

SMPC has allocated 73% of its budget for the coal segment's refleeting and mine exploration activities, with the rest expected to be spent on the power segment's maintenance activities and acquisition of assurance spares.

DMCI Power has revised its 2024F capex downward from Php 2.1 billion to Php 1.6 billion, after deferring its spending for the 4MW Masbate solar plant to 2025, pending tariff approval from the Energy Regulatory Commission.

Outlook and Updates

The Philippines recorded moderate inflation in the first half of 2024, averaging 3.5% and falling comfortably within the Bangko Sentral ng Pilipinas' (BSP) target range of 2-4%. However, elevated electricity rates and food prices are projected to push July inflation between 4.0% and 4.8%.

This anticipated surge in inflation, compounded by the lagged effects and damages from Super Typhoon Carina on agricultural products, could delay the much-anticipated 25 bps rate cut by the BSP in August.

Adding to the complexity, the Philippine peso has weakened significantly against the US dollar, closing at Php 58.645 last July 30 compared to Php 55.37 at the end of 2023. This depreciation could increase the cost of imported goods, particularly operating equipment and construction materials.

These macroeconomic challenges present both risks and opportunities for the DMCI group:

DMCI is focusing on securing large-scale industrial and infrastructure projects to sustain its order book, while managing potential profit margin pressures through effective cost management and leveraging its strong cash position.

DMCI Homes plans to launch two projects in prime locations in the second half of the year to mitigate inflationary pressures. With interest rates set to taper soon, the company’s high inventory is well-positioned to meet recovering residential demand.

SMPC's robust dollar earnings from coal exports and cost savings from fuel blending can help offset inflationary pressures. Strategic investments in coal exploration, plant reliability and brownfield power projects can also bolster its long-term growth prospects.

DMCI Power remains focused on the 17.7 MW Palawan Bunker plant (Q3 2024) and the 12 MW Semirara wind plant (Q1 2025), which will address growing energy demand from commercial and industrial customers in those areas.

DMCI Mining is securing permits for new mines in Zambales and Palawan to boost production and shipments. Despite global nickel oversupply, demand for mid-to-high-grade nickel ore is expected to recover, especially with notable demand from Indonesia.

Maynilad is prioritizing NRW reduction and meeting its 2024 service obligations, aided by the Poblacion facility and La Niña. While inflation and elevated interest rates pose a challenge, prudent spending and efficiency measures could mitigate their impacts.

2. **New Policies (attached)**
    a. Environmental Policy
    b. Cybersecurity and Information Security Policy

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

August 5, 2024

Environmental Policy

This policy outlines DMCI Holdings' (the "Company", "Group", "We") commitment to environmental protection, sustainability and responsible resource management. We aim to integrate sustainability into our operations, ensuring that the environmental impact of our companies, products and services comply with Philippine environmental laws, standards and regulations to contribute to a more sustainable future.

All directors, officers, employees, suppliers and business partners involved in our value chain shall adhere to the principles laid out in this policy. Subsidiary companies are encouraged to appoint individuals who will be responsible for overseeing and monitoring compliance with this policy.

Environmental Commitment

We recognize our responsibility as environmental stewards and pledge to actively promote environmentally friendly practices throughout our entire value chain. We are dedicated to minimizing and/or offsetting our ecological impact and promoting sustainability.

We will implement measures to prevent pollution and manage our environmental impact through the responsible management of air emissions, water and effluents, waste, energy consumption, land use, biodiversity impact and carbon footprint.

We will comply with all relevant environmental laws and regulations in all locations where we operate.

Sustainable Procurement

The Company will prioritize engaging suppliers who share our environmental values and demonstrate robust sustainability practices. Collaboration with suppliers will be essential to fostering mutually beneficial environmental initiatives.

Environmental Education and Awareness

We will provide regular environmental training to our employees, fostering awareness and promoting environmentally responsible practices.

DMCI Holdings will actively collaborate with stakeholders, including customers, suppliers, NGOs, and government agencies, to collectively promote sustainability and environmental awareness across the value chain. We will engage in multi-stakeholder initiatives and partnerships to address environmental challenges effectively.

Monitoring and Reporting
The Group is committed to identifying targets to reduce our environmental impacts. We will define and track specific environmental key performance indicators (KPI) across the value chain to measure our progress and facilitate accountability in achieving our sustainability goals.

To foster accountability and transparency, DMCI Holdings will regularly publish reports on our environmental performance that adhere to international environmental, social and governance (ESG) reporting standards. These reports will highlight our successes, challenges, and future action plans.

Continuous Improvement
DMCI Holdings will foster a culture of continuous improvement, learning, and innovation. We will continue to invest in research and development to discover and implement eco-friendly technologies and processes to enhance our environmental performance.

Commitment to Sustainability
The DMCI Group is dedicated to implementing and upholding this environmental policy. By integrating sustainability into every aspect of our operations, we aim to minimize our environmental impact and actively contribute to a more sustainable future for the environment and our host communities.

Cybersecurity and Information Security Policy

DMCI Holdings recognizes the critical importance of cybersecurity and information security in safeguarding our business, employees, customers, and partners. This policy outlines the governance processes and best practices to ensure the protection of our information technology (IT) infrastructure, data, and systems from threats, disruptions, and disasters.

It is applicable to all directors, officers, employees, contractors and suppliers who interact with our information technology resources.

Governance and Responsibility

The Company and its subsidiaries will maintain an IT risk management team responsible for identifying and assessing all IT-related risks. This team should include representatives from IT, cybersecurity, legal, compliance, and other relevant departments.

The Chief Strategy and Sustainability Officer shall be responsible for the overall management and implementation of this policy. They will lead the IT risk management team, coordinate security measures and report to senior management on security issues and improvements.

Risk Management and Assessment

Regular risk assessments will be conducted to identify and prioritize potential threats and vulnerabilities. Mitigation strategies will be implemented based on these assessments.

Vendors handling sensitive data or providing critical services shall undergo security assessments before engagement and will be monitored regularly for compliance.

Information Security Measures

Information security measures include strict access controls based on a "need-to-know" basis and unique login credentials. We enforce a strong password policy and implement Multi-Factor Authentication (MFA) for critical systems. Sensitive data is encrypted during transmission and at rest.

Our network security utilizes firewalls, intrusion detection systems, and other protective measures. Regular security testing will be enforced, as well as the timely application of security patches to address known vulnerabilities. These measures ensure the protection of our IT infrastructure and data, enhancing cybersecurity and safeguarding our business, employees, customers, and partners.

Employees should promptly report any security incidents or vulnerabilities to the IT department.

Incident Response and Disaster Recovery
A detailed incident response plan will be maintained, outlining the steps to be taken in the event of a security breach or incident.

All security incidents, whether suspected or confirmed, must be reported immediately to the IT department, who will follow the incident response plan.

Regular data backups will be performed, and a disaster recovery plan will be in place to ensure business continuity in the event of a catastrophic event.

Training and Awareness
All employees will undergo periodic cybersecurity training to stay informed about emerging threats and best security practices. Employees will be educated on identifying and reporting phishing attempts to prevent data breaches.

Compliance and Audit
Regular audits will be conducted to assess compliance with this policy and relevant regulations.

We will comply with all applicable laws, regulations, and industry standards concerning information security.

Continuous Improvement
This policy will be reviewed periodically and updated to reflect the evolving threat landscape and business requirements. After each security incident, a post-incident review will be conducted to identify lessons learned and improve security measures.

Reporting Concerns
The active involvement of all employees is crucial in maintaining a safe and secure environment. If you become aware of any suspicious or potentially harmful activities, incidents, vulnerabilities or violations to this policy, we encourage you to report such activities to the hotline below:

Helpdesk and Reporting Hotline:
Chief Strategy and Sustainability Officer
Tel (632) 888 3000
Fax (632) 816 7362
Email: dmciholdings@dmcinet.com