COVER SHEET

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SEC Registration Number

DMCI HOLDINGS, INC.

(Company's Full Name)

3RD FLR. DACON BLDG. 2281

CHINO ROCES AVE. MAKATI CITY

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

HERBERT M. CONSUNJI

Contact Person

8888-3000

Company Telephone Number

Month	Day	FORM TYPE	Month	Day
12	31	**SEC 17-C**	05	21

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. November 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 November 7, 2024, the Board approved the following:

1. **Third Quarter Interim Financial Statements for the period September 30, 2024.**

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

September 30, 2024 (Unaudited) vs September 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 September 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 allied services (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	**July to September (Q3)**			**January to September (9M)**		
except EPS	**2024**	**2023***	**Change**	**2024**	**2023***	**Change**
I. SMPC (56.65%)	1,756	1,925	-9%	8,866	12,804	-31%
II. Maynilad (25%)	922	605	52%	2,317	1,678	38%
III. DMCI Homes	768	1,155	-34%	2,189	3,404	-36%
IV. DMCI Power	328	267	23%	947	632	50%
V. D.M. Consunji Inc.	129	47	174%	467	459	2%
VI. Parent and others	49	38	29%	173	47	268%
VII. DMCI Mining	48	(154)	131%	(17)	569	-103%
Core Net Income	**4,000**	**3,883**	**3%**	**14,942**	**19,593**	**-24%**
Nonrecurring Items	(1)	(9)	89%	197	(27)	830%
Reported Net Income	**3,999**	**3,874**	**3%**	**15,139**	**19,566**	**-23%**
EPS (reported)	**0.30**	**0.29**	**3%**	**1.14**	**1.47**	**-23%**

**Restated 2023 figures following DMCI Homes' implementation of PFRS 15* (paragraphs 60 to 65) *effective January 1, 2024*

Q3 2024 vs Q3 2023 Consolidated Highlights

- The DMCI Group's reported net income reached Php 4.00 billion, a 3% rise from Php 3.87 billion in the same period last year. The increase was driven by stronger contributions from the water utility, power generation, construction and nickel businesses, mitigating the impact of weaker results in coal mining and real estate. Consequently, earnings per share increased from Php 0.29 to 0.30.

  Excluding non-recurring items, core net income also grew by 3%, from Php 3.88 billion to Php 4.00 billion.

  Quarter-over-quarter, group earnings declined by 28%, from Php 5.54 billion, mainly due to seasonality factors such as softer coal and power selling prices and reduced coal shipments.

- Core EBITDA saw a 3-percent uptick, from Php 6.61 billion to Php 6.79 billion, as lower topline was offset by a faster decline of total cash costs. As a result, core EBITDA margin widened from 29% to 31%. To further explain:

Total revenues slid by 2%, from Php 22.41 billion to Php 21.85 billion, impacted by reduced construction accomplishments, weaker coal and on-grid power selling prices and higher reversals from real estate sales cancellations. This decline was partially offset by increased sales volume of coal, electricity (both on-grid and off-grid) and nickel.

Total cash costs fell by 5%, from Php 15.80 billion to Php 15.06 billion, owing to lower government share, fuel costs (on-grid and off-grid), reduced construction accomplishments (in construction and real estate), despite higher coal and nickel shipments and increased power dispatch.

Meanwhile, operating expenses rose by 13% from Php 2.07 billion to Php 2.35 billion, due to plant maintenance, higher taxes, insurance premiums, and office renovation costs in SMPC. The government's share dropped by 24%, from Php 824 million to Php 630 million, primarily due to lower coal selling prices.

- Equity in net earnings jumped by 54%, from Php 624 million to Php 959 million, mainly driven by improved results from Maynilad.

- Other income (net) declined by 25%, from Php 1.33 billion to Php 997 million, owing to the absences of one-time items in 2023, such as the refund in wharfage fees from the Philippine Ports Authority (Php 206 million) and SLPGC insurance claim for its 2x25MW gas turbine (Php 31 million). Additionally, SMPC's net foreign exchange gain fell significantly, from Php 248 million to Php 7 million, mainly due to the appreciation of the Philippine Peso against the US dollar. Income from fly ash sales also decreased.

  Partially offsetting these declines, SLPGC received a partial insurance claim of Php 170 million (US$3 million) related to the Unit 1 turbine rotor incident in June 2023. DMCI Homes reported a 3% increase in other income, rising from Php 729 million to Php 751 million, largely due to higher forfeitures and rental income.

- Depreciation and amortization climbed by 11% from Php 2.24 billion to Php 2.48 billion, largely driven by higher coal and nickel shipments.

- Net finance costs (net of finance income) plunged by 65%, from Php 213 million to Php 74 million, mostly due to reduced finance costs at DMCI Homes and SMPC, along with higher 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 increased by 10%, from Php 777 million to Php 854 million, owing to higher taxable income of SMPC's power segment, DMCI, DMCI Mining and DMCI Power, cushioned by lower provisioning in DMCI Homes.

- 2024 nonrecurring item pertain to a Php 1 million forex loss by Maynilad, while 2023 nonrecurring items comprised of Maynilad donations and miscellaneous expenses totaling Php 10 million.

- SMPC, DMCI Homes and Maynilad contributed for 86% of core net income, down from 95% last year.

9M 2024 vs 9M 2023 Consolidated Highlights

- The DMCI Group recorded a net income of Php 15.14 billion, marking a 23% drop from Php 19.57 billion in the same period last year. The decline is attributable to weaker contributions from the integrated energy, real estate, and nickel businesses, partially offset by stronger contributions from the water utility, off-grid power generation, and construction segments.

  As a result, earnings per share declined from Php 1.47 to Php 1.14, representing a 14% return on common equity over the nine-month period.

  Despite the decline, consolidated net income remains above normalized levels—63% higher than the pre-pandemic level of Php 9.31 billion (9M 2019) and 12% above the pre-global energy crisis level of Php 13.44 billion (9M 2021).

- Core EBITDA contracted by 26%, from Php 35.75 billion to Php 26.44 billion, with the core EBITDA margin narorwing from 39% to 34%, impacted by a lower topline and slower reduction in cash costs. Here is a deeper look at the factors:

  Total revenues declined by 16%, from Php 92.40 billion to Php 77.37 billion, primarily due to weaker commodity and power prices, as well as reduced construction progress and real estate revenue recognitions. This decline was partially offset by higher coal shipments and increased on-grid and off-grid power generation.

  Total cash costs declined by 10%, from Php 56.65 billion to Php 50.93 billion, driven by reduced construction accomplishments, lower government share, energy generation fuel costs (both on-grid and off-grid) and replacement power costs (on-grid power). However, the drop was slower than the topline, due to increased coal shipments, higher nickel shiploading costs and increased operating expenses.

  Meanwhile, operating expenses grew by 9%, from Php 6.30 billion to Php 6.90 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), information and communication technology expenses (DMCI) and environmental and social development programs (DMCI Mining) costs.

- Equity in net earnings jumped by 39%, from Php 1.72 billion to Php 2.38 billion, owing to improved Maynilad contribution.

- Depreciation and amortization rose by 5%, from Php 6.39 billion to Php 6.73 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 (net of finance income) more than halved (-54%), from Php 721 million to Php 334 million, due to a 9% reduction in total debt payable from Php 49.47 billion (September 2023) to Php 44.94 billion. This reduction was achieved through simultaneous debt repayment by SMPC, DMCI Homes, and DMCI Power. The decrease was further supported by finance income from cash placements by DMCI and SMPC, as well as DMCI Homes' in-house financing activities.

- 2024 nonrecurring items include a gain from the sale of land by DMCI Homes (Php 195 million) and forex gain (Php 2 million) by Maynilad. 2023 nonrecurring items consisted of Maynilad donations and miscellaneous expenses (Php 27 million).

- SMPC, Maynilad and DMCI Homes contributed 89% of core net income, slightly down from 91% last year.

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

    - Current and quick ratios improved to 299% and 117%, respectively, up from 277% and 99%, despite significant outflows for capital spending (Php 16.52 billion), April dividends (Php 9.56 billion) and debt servicing (Php 4.53 billion).

    - Total debt decreased by 9%, from Php 49.47 billion to Php 44.94 billion, primarily due to regular loan amortizations by SMPC (Php 3.11 billion), DMCI Homes (Php 1.82 billion) and DMCI Power (Php 72 million). Meanwhile, DMCI Mining secured an additional Php 400 million in long-term debt to fund new mine developments.

    - The group's net debt to equity ratio improved to 3.9%, down from 12.6%, as net debt dropped by 68%, from Php 17.31 billion to Php 5.54 billion.

- Last October 16, DMC's board of directors declared an additional special cash dividend of Php 0.48 per share, amounting to Php 6.47 billion, to be sourced from the company's unrestricted retained earnings. This dividend is scheduled for payment on November 15, 2024.

  This October declaration brings DMC's total dividend payments for 2024 to Php 1.20 per share or Php 15.93 billion, representing a 65% payout— significantly above the company's dividend policy of distributing at least 25% of the previous year's core net income.

  Last May 3, the company paid out regular (Php 0.46/share) and special (Php 0.26/share) cash dividends, totaling Php 0.72 per share or Php 9.56 billion.

- On October 15, DMC's common shareholders approved a Php 10 billion issuance of preferred shares via private placement to Dacon Corporation. This funding is intended to support the company's acquisition of a 56.75% stake in Cemex Asian South East Corporation. The transaction is expected to be completed in Q4 2024.

Q3 2024 vs Q4 2023 Subsidiaries and Associate Performance

I. Semirara Mining and Power Corporation (SMPC)

Net income contribution from the integrated energy business declined by 9% to Php 1.76 billion, down from Php 1.93 billion last year, mainly due to weaker performance in the coal segment. This was partially offset by improved contributions from the power segment and higher coal sales volumes.
At the standalone level, SMPC's reported net income fell by 8%, from Php 3.40 billion to Php 3.12 billion. While core EBITDA margin slightly narrowed from 37% to 36%, core EBITDA grew by 10% from P4.30 billion to P4.75 billion, driven by higher topline. Increased non-cash expenses, along with lower net foreign exchange gains, reduced net finance income, and higher income taxes, resulted in a narrower net income margin. No nonrecurring items were recorded during the period.

Below is a detailed discussion of the financial and operational performance of SMPC's coal and power segments:

<u>Coal</u>
Standalone revenues remained steady (0%), slightly rising from P8.13 billion to P8.15 billion, as increased shipments balanced the impact of weaker selling prices.

Core EBITDA saw a marginal decline of 2%, from P2.63 billion to P2.58 billion, on flat topline and cash costs, with reduced government share offsetting the effect of higher COS (cash cost) and operating expenses.

Meanwhile standalone net income sank by 31%, from P2.44 billion to P1.67 billion, because of elevated D&A expenses, along with reduced other income and net finance income.

After intercompany eliminations, net income dropped by 36%, from P1.80 billion to P1.16 billion, following 19-percent decline in eliminating entries from P638 million to P516 million. The reduction in eliminating entries is mainly attributable to lower coal selling prices.

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

To further explain the segment's results:

- **Increased shipments.** Total coal sales volume grew by double digits (16%) from 2.5 million metric tons (MMT) to 2.9 MMT, driven by higher foreign shipments. This follows a low-base effect from previous year, when commercial grade supply was insufficient to meet demand from South Korea.

  Foreign shipments surged by 2.2x (120%) from 0.5 MMT to 1.1 MMT, propelled by stronger demand from China. Shipments to China jumped fivefold (400%) from 0.2 MMT to 1.0 MMT, while shipments to South Korea dropped by 67% from 0.3 MMT to 0.1 MMT, because of high sulfur content in some commercial-grade coal.

  Consequently, China represented 88% of total export sales, followed by South Korea (7%) and Brunei (5%).

Meanwhile, domestic shipments contracted by 10%, from 2.0 MMT to 1.8 MMT, mainly due to a 20 percent drop in external shipments, from 1.0 MMT to 0.8 MMT. This was cushioned by shipments to cement plants which doubled (100%) from 0.2 MMT to 0.4 MMT. Shipment to own plants remained flat at 1.0 MMT for both periods.

- **Stabilizing prices.** The average selling price (ASP) of Semirara coal receded by 15%, from P3,315 per metric ton (MT) to P2,811 per MT, on the combined effect of normalizing market indices and increased shipments of lower-grade coal.
  Average Newcastle Index (NEWC) saw a 5-percent decline from US$147.8 to US$140.3 while Indonesian Coal Index 4 (ICI4) was flat (-1%) from US$52.0 to US$51.7. Quarter-over-quarter, NEWC posted a 4-percent uptick from US$135.6, while ICI4 fell by 6% from US$55.0.

  Shipments of lower-priced non-commercial grade coal rose by 17%, from 0.6 MMT to 0.7 MMT, with this coal variant comprising 24% of total quarterly sales volume in both periods. Demand for non-commercial grade coal increased due to efficient coal blending in power generation, particularly from the power segment and several Chinese power plants.

  Quarter-over-quarter, ASP has slightly stabilized, inching up by 1% from P2,780 per MT in Q2 2024, but is still down 6% from P2,978 per MT (Q1 2024) and 15% lower than P3,305 per MT (Q4 2023).

- **Slimmer net margin.** While core EBITDA margin remained steady at 32% for both periods, the standalone net income margin thinned from 30% to 21%, mainly due to a lower core EBITDA, increased D&A expenses and reduced other income and net finance income.

  Total cash costs were flat (+1%), from P5.50 billion to P5.57 billion, and in line with topline revenues (+0%), as lower government share mitigated the impact of higher COS (cash component) and operating expenses.

  The cash component of COS rose by 5%, from P4.54 billion to P4.76 billion, mainly due to higher coal shipments. Meanwhile, operating expenses surged by 40%, from P132 million to P185 million, attributed mainly to ICT-related expenses and office rental and renovation costs.

  Government share sank by 24%, from P824 million to P630 million, as a result of lower selling prices.

- **Elevated noncash costs.** Depreciation and amortization expenses expanded by 23%, from P850 million to P1.05 billion, driven by increased shipments and recent equipment acquisitions, in line with the company's continuous capital investment program.

- **Reduced other income.** Other income plunged by 95% from P452 million to P24 million on absence of a one-time refund in wharfage fees from the Philippine Ports Authority (P206 million in 2023) and lower net foreign exchange gain.
  As a background, under Executive Order No. 226 (Omnibus Investments Code), a BOI-registered enterprise is exempt from paying wharfage dues. SMPC became a BOI-registered enterprise on September 26, 2008.

On January 31, 2020, the Commission on Audit granted SMPC's petition to claim a refund of the wharfage export dues it erroneously paid to the PPA from September 26, 2008 up to December 31, 2014.

Meanwhile, from P246 million net forex gain last year, net forex gain fell to P18 million, following Philippine Peso:US$ appreciation (+5%), cushioned by higher import payments for re-fleeting activities.

- **Lower net finance income.** Net finance income shrank by 59%, from P245 million to P100 million, primarily impacted by lower cash balances and declining interest rates.

The coal segment also reported the following operational highlights:

- **Rise in output.** Coal production saw a 7-percent uptick, from 2.8 MMT to 3.0 MMT, driven by low-base effect from the near depletion of Molave mine last year and pre-stripping activities in Narra mine, despite increased rainfall levels (606.7 mm vs. 516.9 mm in 2023).

  Quarterly strip ratio improved from 18.1 to 15.2 due to more accessible coal seams in Narra mine West Block 1, South Block 1, North Blocks 2 and 3. Meanwhile, total materials moved decreased by 8% from 51.7 million Bank Cubic Meters (BCM) to 47.4 million BCM.

  For 2024, full-year strip ratio is projected to fall by 5%, from 13.2 (in 2023) to 12.3, as operations has been consolidated in Narra mine, in line with prior guidance.

- **Lower inventory levels.** Total coal inventory dropped by 20% to 2.4 MMT from 3.0 MMT last year. Meanwhile, commercial grade coal contracted by 26% from 1.9 MMT to 1.4 MMT, amid increased shipments this year.

<u>Power</u>

Standalone power segment revenues rose by 10% from P5.29 billion to P5.82 billion, on the back of improved generation and sales, amid flattish average selling prices (ASP).

Total cash costs grew slower than topline (3%), from P3.40 billion to P3.48 billion, owing to lower generation costs and reduced replacement power purchase. The effect was partially offset by higher operating expenses related to increased taxes, insurance premiums and maintenance costs. Meanwhile, core EBITDA margin improved from 36% to 40% mainly due to expanded average capacity. Standalone net income margin improved from 19% to 24%, driven by higher core EBITDA, other income and net finance income. Consequently, standalone net income surged by 43% from P994 million to P1.42 billion. No non-recurring items were recorded during either period.

Net of intercompany eliminations, reported net income grew by 23%, from P1.59 billion to P1.96 billion, due to lower eliminating entries resulting from efficient coal blending, reduced fuel costs and narrower coal segment margins. Eliminating entries receded by 10% from P596 million to P539 million.

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

- **Higher average capacity.** Total average capacity during running days jumped by 23%, from 613 MW to 755 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.

- **Lower plant availability.** Overall plant availability dipped from 79% to 75% on increased outage days (91 days vs 78 days in 2023).

  SCPC plant availability deteriorated from 99% to 83%, following total forced outage days of 32 (vs 2 in 2023).

  Meanwhile, SLPGC plant availability improved from 59% to 68%, as outage days reduced from 76 to 59. Unit 1 went on a 46-day plant maintenance starting July 27.

- **Double-digit growths in output and sales.** With the 23-percent growth in average capacity offsetting the impact of lower plant availability, gross generation grew by 12%, from 1,167 GWh to 1,308 GWh. In turn, total power sales soared by 10%, from 1,099 GWh to 1,213 GWh, largely driven by SLPGC.

  Bulk (54%) of power sales were sold to the spot market, with a marked decline from 68% last year, on build-up of contracted capacity over period.

- **Pivot to BCQ sales.** Sales to bilateral contracts (BCQ) surged by 60% from 353 GWh to 564 GWh on the combined effect of expanded average capacity and higher contracted capacity at the beginning of the periods (274.4MW in June 2024 versus 188.7MW in June 2023).

  Net of station service capacity, which varies from time to time, spot market exposure rose by 4%, from 462.60 MW at the end of June 2023 to 481.60 MW at the end of June 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.

- **Flattish prices.** Overall average selling price (ASP) stood at P4.80/KWh, from P4.81/kWh last year, as higher BCQ ASP offset impact of lower spot ASP.

  BCQ ASP jumped by 13% from P4.13/KWh to P4.66/KWh, owing to the negotiation of new contracts with more favorable terms over the past twelve months. Meanwhile, Spot ASP receded by 4% from P5.14/KWh to P4.92/KWh.

- **Broader contracted and dependable capacity.** As of September 30, 2024, over a third (33% or 273.4 MW) of total dependable capacity (840 MW) has been contracted, with approximately 9% of this contracted capacity including a fuel pass-through provision. Dependable capacity expanded 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, effective May 27.

  SCPC contributed the majority (63%) of the total contracted capacity, consistent with Management's guidance to contract around half of the dependable capacity. Notably, 83% 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 may fluctuate periodically, the segment has 482.60 MW available for spot sales.

- **Reduced spot purchases.** Total spot purchases dropped by 40%, from P289 million to P172 million, due to increased average capacity and strategic contracting of capacity. Replacement power was largely used by SCPC during a 5-day forced outage by both Units 1 and 2 (July 28 to August 2).

  The power segment was a net seller to the spot market by 623 GWh (vs 699 GWh in Q3 2023).

II. Maynilad Water Services, Inc. (Maynilad)

Reported net income contribution from associate Maynilad jumped by 55%, from Php 596 million to Php 921 million, largely driven by higher billed volume, increased average effective tariff and lower cash costs.

Excluding nonrecurring items, core net income contribution grew by 52%, from Php 605 million to Php 922 million. 2024 nonrecurring item includes a net foreign exchange loss of Php 4 million, while 2023 nonrecurring loss of Php 33 million was mainly due to net forex loss, donations and income tax.

At the standalone level, core EBITDA grew by 20% from Php 4.72 billion to Php 5.66 billion. Meanwhile, reported net income surged by 53%, from Php 2.42 billion to Php 3.70 billion. Excluding nonrecurring items, core net income expanded by 51%, from Php 2.45 billion to Php 3.70 billion.

To further break down Maynilad's quarterly performance:

- **Higher revenues.** Total revenues rose by 22%, from Php 6.96 billion to Php 8.49 billion, on the back of higher billed volume, adjusted tariffs, and re-opening fees for previously disconnected services.

- **Lower cash costs.** Total cash costs fell by 11%, from Php 2.21 billion to Php 1.96 billion, attributable to reduced light and power (due to lower fuel cost recovery adjustment or FCRA charged per kwh), as well as lower donations, local business taxes, cross-border water purchases. These reductions were partially offset by higher expenses for personnel, outside services, transportation and chemicals.

- **Slower growth noncash costs.** Total noncash costs grew by 15%, slower than topline (22%), from Php 788 million to Php 910 million, due to additional capex projects completed during the year and increased amortization of concession asset.

- **Other expense.** Other expense surged from Php 2 million to Php 874 million mainly attributable to provisioning for potential tax liabilities.

- **Lower finance costs.** Net finance cost (net of finance income) fell by 24%, from Php 614 million to Php 466 million, mainly due to higher finance income (from Php 45 million to Php 186 million) and the capitalization of finance costs for ongoing capital projects.

  Ending cash balance grew nearly fourfold, reaching Php 19.58 billion, from Php 4.90 billion in December 2023, following the issuance of maiden blue bonds with an offer size of Php 15.0 billion.

  Finance costs (net of the capitalized portion) reflected increased capital expenditures and a 37% growth in loans payable, from Php 61.80 billion (December 2023) to Php 84.94 billion, largely driven by the issuance of blue bonds.

- **Better net margin.** While core EBITDA margin slightly thinned from 68% to 67%, the net income margin widened from 25% to 44%, on lower net finance costs and reduced income tax provisions.

- **Lower income tax provisions.** Provision for income taxes declined by 33% from Php 866 million to Php 581 million mainly due to timing factors, following a 75-percent surge in Q2 from from Php 724 million to Php 1.27 billion.

  For the nine-month period, income taxes provisions rose by 26% from Php 2.23 billion to Php 2.80 billion, owing to higher taxable income.

- **Higher billed volume.** Billed volume rose by 2%, from 137.7 million cubic meters (MCM) to 139.9 MCM, reaching its highest level for the period. The growth is primarily driven by increased demand from non-domestic customers and additional water service connections (+13,470) over the past year.

  In line with billed volume growth, consumption per connection increased by 2% from 0.97 cubic meter (cu.m.) per day to 0.99 cu.m. per day.

- **Better customer mix.** Customer mix remained stable, with non-domestic users accounting for 18.4% of the billed volume in both periods. On the other hand, domestic users' billed volume contribution stood at 81.6%.

- **Adjusted tariff.** Average effective tariff improved by 20%, from Php 48.64 to Php 58.19, 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:

- **Lower water production.** Total water production at the DMA level fell by 5%, from 198.1 million cubic meters (MCM) to 189.0 MCM, largely due to reduced output from La Mesa and Putatan treatment plants, as well as lower cross-border purchases. This reduced output in plants was attributable to lower demand during rainy season, as well as a 2-day maintenance shutdown in Putatan treatment plants in August.

- **Reduced water losses.** Average non-revenue water (NRW) improved by 15%, from 30.5% to 26.0%. Meanwhile, end-of-period NRW is likewise better by 14%, from 30.3% to 26.1%.

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) grew by 1.2%, from 1,530,295to 1,548,439, supported by rising demand and population growth and re-opening of previously disconnected customers. Meanwhile, 24-hour water availability improved from 96.4% to 97.1%.

  Water service coverage slightly expanded from 94.7% to 94.8%, with the served population grew by 1%, from 10.3 million to 10.4 million.

  Sewer service coverage saw significant growth, rising from 28.7% to 31.4%, marking an all-time high for the company. This rapid expansion is highlighted by an 11% increase in served population, from 2.9 million to 3.3 million, as a result of the company's ongoing aggressive infrastructure investments.

III. 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.

Net income from the real estate business amounted to Php 768 million, a 34% decrease from Php 1.16 billion, primarily due to lower real estate revenues and a reduced core EBITDA margin. This decline was partially offset by increased contributions from other revenues, rental income, forfeitures, finance income, and lower income tax provisions.

At the standalone level, net income fell 33%, from Php 1.17 billion to Php 781 million, with the net income margin narrowing slightly from 26% to 25%. No nonrecurring items were recorded during this period.

To further elaborate on the financial performance of DMCI Homes:

- **Weaker revenues.** Total revenues dropped by 30%, from Php 4.45 billion to Php 3.10 billion, largely due to a sharp decrease in real estate revenue, cushioned by increased contract revenues from joint ventures and added contributions from property management, and elevator maintenance.

  Real estate revenues plunged by 34%, from Php 4.22 billion to Php 2.81 billion, mainly due to lower recognition of ongoing projects and increased reversals from sales cancellations. These factors were primarily attributable to slower sales take-up and limited project launches during the pandemic (2020-2021), as well as reduced construction output with more building completions this year (11 vs. 7 in 2023). Partially offsetting the decline were increased recognitions from newly-qualified accounts.

To elaborate, revenues from ongoing projects (net of cancellations) fell to 45% of total revenues, down from 64% last year. Revenues from newly recognized accounts rose to 91% of total real estate revenues, up from 54% last year, on the combined effect of overall decrease in total revenues and slower revenue recognition.

Reversals from sales cancellations increased by 28%, from Php 792 million to Php 1.01 billion, following more projects reaching 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 Alder Residences (2020), The Cresmont (2019), Allegra Garden Place (2019), Satori Residences (2018) and Cameron Residences (2019).

Newly recognized projects contributing the most revenue were Alder Residences (2020), Allegra Garden Place (2019), Satori Residences (2018), Infina Towers (2016) and Aston Residences (2018).

Contract revenues from joint venture projects rose by 17%, from Php 133 million to Php 155 million, driven by construction activities in The Valeron Tower, a joint venture with Marubeni Corporation.

Revenues from property management, hotel operations, and elevator maintenance grew by 41%, from Php 99 million to Php 140 million, driven by an increase in completed projects, from 66 to 71, by period-end.

- **Thinner margins.** Total cash costs declined at a slower pace than topline (30%), down 20% from Php 3.13 billion to Php 2.50 billion, mainly due to a more gradual reduction in cost of sales (COS) and operating expenses.

  Cost of sales (COS) fell by 25%, from Php 2.39 billion to Php 1.79 billion, owing to high-base effect from accrual of sales commission in 2023. Meanwhile, operating expenses slid by 4%, from Php 737 million to Php 707 million, due to lower business permit payments, taxes and licenses.

  This resulted to a 55% contraction in core EBITDA, from Php 1.33 billion to Php 600 million, reducing margins from 30% to 19%.

Conversely, net income margin remained relatively stable, slipping from 26% to 25%, as higher other income, alongside reduced net finance cost and provision for income taxes, cushioned the impact of lower core EBITDA.

Other income posted a 3 uptick, from Php 729 million to Php 751 million, because of higher income from forfeitures and rentals, including units under the rent-to-own program.

Net finance costs (net of finance income) dropped by 44%, from Php 456 million to Php 257 million, because of higher interest income from in-house financing, lower financing costs and debt levels.

Provision for income taxes dropped by 30%, from Php 390 million to Php 273 million, reflecting the combined effect of lower taxable income and the expensing of financing costs (in accordance with PFRS 15).

The company also reported the following operational highlights:

- **Reduced sales and reservations.** Total units sold (including residential units and parking slots) dropped by 38%, from 2,223 to 1,378, following strong sales take-up from the launch of top project Solmera Coast in August 2023.

  Sales of residential units plunged by 47%, from 1,605 to 848, while sales of parking units slipped by 13%, from 618 to 539, largely due to the unavailability of parking slots in the Solmera Coast (2023) and Moncello Crest (2024) leisure projects.

  The top projects with the most units sold during the period were One Delta Terrace (ODT), Moncello Crest (MCC), The Oriana (ORI), The Valeron Tower (VAL), Allegra Garden Place (2019) and Sonora Garden Residences (SON).

- **Higher unit prices.** Average selling price (ASP) per unit rose by 15%, from Php 7.12 million to Php 8.12 million, driven by sales in prime locations in ODT and VAL, where units command higher prices. Meanwhile, average selling price (ASP) per square meter slid by 2%, from Php 159,000 to Php 156,000, on high-base effect from previous period, as higher-value projects comprised a larger proportion of sold units in 2023.

  This double-digit increase in ASP per unit is attributed to new projects offered in different product formats and prime locations, including a mountain resort condotel in Benguet (MCC launched 2024), beachfront condotel in San Juan, Batangas (SLC launched 2023), a prime location in Pasig (VAL launched 2024), and a transit-oriented development in Quezon City (ORI launched 2021).

- **Lower sales value.** Total sales value contracted by 38%, from Php 11.91 billion to Php 7.39 billion, on fewer units sold, cushioned by higher ASP per unit.

- **Elevated cancellations amid building turnovers.** Sales cancellations for residential units awaiting revenue recognition (those below the 14.5% threshold) surged to 35%, from 11% last year, primarily due to a rise in building turnovers and fewer residential units sold during the period

2023				2024				9M 2023	9M 2024
Q1	Q2	Q3	Q4	Q1	Q2	Q3			
11%	20%	11%	13%	13%	21%	35%		13%	21%

From January to September, 11 buildings were delivered to customers with full down payment, a 57-percent increase from 7 buildings last year. As a result, year-to-date cancellation rates rose from 13% to 21%.

- **Rise in unbooked revenues.** Unbooked revenues jumped by 14%, from Php 66.0 billion to Php 75.4 billion, supported by steady sales and reservations over the past year. Trailing 12-months (Q4 2023 to Q3 2024) sales value reached Php 36.0 billion, a 3% year-on-year increase from Php 35.0 billion (Q4 2022 to Q3 2023).

- **Increased inventory levels**. Total inventory of residential and parking units expanded by 36%, from Php 65.5 billion to Php 89.0 billion, driven by recovering project launches, project completions and higher cancellation rates. The majority (67%) of total inventory consists of pre-selling units, with the remainder being ready-for-occupancy (RFO) units.

  Pre-selling inventory grew by 24%, from Php 47.8 billion to Php 59.3 billion, supported by the launch of Mulberry Place 2, The Valeron Tower, Moncello Crest and One Delta Terraces.

  RFO inventory surged by 68%, from Php 17.7 billion to Php 29.7 billion, following the completion of Alder Residences, The Atherton, Satori Residences, The Orabella, Fairlane Residences, Prisma Residences and Kai Garden.

- **Ample land bank.** Total land bank contracted by 13% over the past twelve months, from 221.0 hectares to 192.5 hectares, due to recent project launches, including Solmera Coast and Moncello Crest in Luzon, the transfer of a 4-hectare property for development, the launch of One Delta Terraces, and the sale of undeveloped land in Metro Manila. Minor land acquisitions were made in the Visayas.

  Metro Manila comprises the largest share of the land bank (58%), followed by Luzon (37%), Visayas (3%), and Mindanao (2%).

- **Reduced CAPEX.** Quarterly capital expenditure (CAPEX) decreased by 8%, from Php 4.1 billion to Php 3.8 billion. For the January to September period, CAPEX also declined by 4%, from Php 12.0 billion to Php 11.5 billion. This reduction in both periods was primarily due to fewer land and equipment acquisitions.

- **Healthy financial position**. Since December 2023, net debt has declined by 19%, decreasing from Php 33.0 billion to Php 26.6 billion, with net debt to equity ratio improving from 120% to 92%.

  Total cash balance more than doubled (106%), from Php 4.4 billion to Php 9.0 billion, primarily due to stronger collections from both ongoing projects and project turnovers. Meanwhile, loans payable slipped by 5%, from Php 37.4 billion to Php 35.6 billion on regular amortization and maturity of Php 1.3 billion corporate notes.

The improved liquidity was partially offset by cash investments in DMCI MC Property Ventures (Php 1.6 billion), additional subscription in DMC Estate Development Ventures (Php 1.2 billion), capital expenditures (Php 11.5 billion), and dividend payments to the parent company (Php 900 million).

The interest coverage ratio (net of finance income) also strengthened, increasing from 4.7x to 5.6x, and remains healthy.

IV. DMCI Power Corporation (DMCI Power)

Net income contribution from the off-grid energy business jumped by 23%, from Php 267 million to Php 328 million, on the combined effect of energy sales growth and average selling price uptick, along with reduced cash costs.

At the standalone level, net income rose by 23%, from Php 267 million to Php 329 million. Core EBITDA increased by 21%, from Php 426 million to Php 515 million, with margins improving from 23% to 27%. No nonrecurring items were recorded during the period.

The following details provide further insight into DMCI Power's results:

- **Improved Revenues.** Total revenues grew by 4%, from Php 1.86 billion to Php 1.94 billion, on upticks in sales volume and average selling price.

- **Increased Generation.** Total gross generation expanded by 10%, from 130.5 GWh to 143.8 GWh, largely due to higher output in Masbate and increased station service requirements at the Palawan thermal plant.

  As a result, Palawan recorded the highest growth with a 20% surge from 55.0 GWh to 66.2 GWh, while Masbate grew by 5 percent, from 45.2 GWh to 47.6 GWh. Meanwhile, Oriental Mindoro saw a slight decrease of 1%, from 30.3 GWh to 30.0 GWh.

- **Sales uptick.** Total energy sales volume grew slightly by 1% from 121.7 GWh to 123.2 GWh, mainly driven by Masbate offsetting the reduced dispatch in Palawan and Oriental Mindoro.

  Palawan remained the largest market, accounting for 41% of total sales, followed by Masbate (35%) and Oriental Mindoro (23%).

  Sales in Masbate rose by 8%, from 40.4 GWh to 43.6 GWh. Conversely, sales in Palawan slipped by 3%, from 52.1 GWh to 50.7 GWh, while sales in Oriental Mindoro slightly declined by 1% from 29.2 GWh to 28.9 GWh. The decline in sales was partly cushioned by dispatch executed through emergency power supply agreements (EPSAs) in Palawan and Oriental Mindoro, which contributed 5.6 GWh or 5% of total energy sales.

  Sales from thermal plants grew by 31%, from 40.3 GWh to 52.9 GWh. Meanwhile, sales from bunker and diesel plants contracted by 5% and 24%, respectively, with bunker sales dropping from 44.0 GWh to 42.0 GWh and diesel sales decreasing from 37.4 GWh to 28.3 GWh.

Coal plants contributed 43% of the total dispatch, while bunker and diesel plants accounted for 34% and 23%, respectively. This marks a shift from the previous year, where bunker plants were the largest contributor at 36%, followed by thermal (33%) and diesel (31%).

- **Rise in selling prices.** Average selling prices (ASP) slightly rose by 3%, from Php 15.3/kWh to Php 15.7/kWh, largely due to the inflation component of the tariff, tempered by lower thermal and diesel fuel costs.

  Year-on-year, the average Philippine Consumer Price index for July to September rose by 3%, from 123.2 to 126.5.

  Meanwhile, coal fuel costs declined by 40%, from Php 8.4 per kg to Php 5.0 per kg, while diesel costs slipped by 2% from Php 53.6 to Php 52.5 per liter. In contrast, bunker fuel costs rose by 10%, from Php 44.4 to Php 48.7 per liter, influenced by geopolitical tensions in the Red Sea.

- **Stable cash costs.** Total cash costs slid by 1%, from Php 1.44 billion to Php 1.42 billion despite higher energy sales, due to lower fuel costs and full-quarter operation of the Palawan thermal plant.

- **Increased noncash items.** Depreciation and amortization increased by 18%, from Php 95 million to Php 112 million, due to the activation of the 15MW Palawan thermal plant in August 15, 2023.

- **Higher finance costs.** Net finance costs (net of finance income) grew by 14%, from Php 44 million to Php 49 million, driven by a rise in average finance cost (interest rate), from 6.93% to 7.32%.

  However, this increase was partially offset by a reduction in loans payable, from Php 4.91 billion in September 2023 to Php 4.59 billion in September 2024.

  Larger tax provision. Provision for income taxes grew by double digits (26%) from Php 20 million to Php 25 million, following the 21% increase in the core EBITDA.

  Meanwhile, the 8MW Masbate hybrid diesel plant's six-year ITH will remain in effect until January 2029, and the Palawan thermal plant has a four-year ITH set to 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.

- **Marginal drop in market share**. Palawan market share declined from 53.6% to 51.1% due to lower overall demand and limited operations of the diesel plant. Meanwhile, Oriental Mindoro market share narrowed from 26.6% to 25.9% due to higher availability of renewable and conventional plants in the area. The company continues to be the sole power provider in Masbate.

- **Healthier financial position.** Net debt-to-equity ratio improved from 105% at the end of December 2023 to 87% at the end of September 2024, driven by lower total debt, higher cash levels and an increase in equity book value.

  Loans payable slid by 2%, from Php 4.67 billion to Php 4.59 billion, while cash levels more than doubled (up 143%), from Php 214 million to Php 520 million.

  Total equity book value grew by 10%, from Php 4.26 billion to Php 4.68 billion, supported by higher retained earnings from strong operating and financial performance.

- **Modest capital expenditures.** Quarterly capital investments jumped by 67%, from Php 229 million to Php 382 million, driven by spending for expansion projects, including the 12MW Semirara wind project and 2x8MW Palawan bunker plants.

  Expansion projects accounted for 54% of third-quarter spending, with the remainder allocated to plant maintenance activities.

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

Net income contribution from the construction business jumped by 174%, from Php 47 million to Php 129 million, primarily due to lower cash and noncash costs, along with higher finance income.

At the standalone level, core EBITDA grew by 9%, from Php 268 million to Php 293 million, while reported net income surged by 94%, from Php 82 million to Php 158 million.

The following provides a more detailed explanation of DMCI's results:

- **Weaker topline**. Total revenues contracted by 15%, from Php 4.14 billion to Php 3.50 billion, due to project delays and fewer ongoing projects which reduced construction activity.

  Majority (62%) of the revenues came from the Building unit, followed by Joint Ventures (JV) shares and other billables (19%), the Infrastructure unit (12%), and Allied services (7%).

  The Building unit, encompassing buildings, energy, plant, and utilities projects, saw its contribution decline by 3%, from Php 2.22 billion to Php 2.16 billion. This drop was primarily due to reduced construction accomplishments as major projects neared completion, though partially offset by progress on new projects.

  Infrastructure unit's contribution grew by 13%, from Php 385 million to Php 436 million, largely due improved margin following finalization of a project last year.

  Revenues from JV and billables plunged by 48%, from Php 1.27 billion to Php 664 million, mainly due to reduced recognitions from the North South Commuter Railway Project Contract Package 01 (with Taisei Corporation) owing to project delays.

JV projects Metro Manila Subway Project Contract Package 102 (with Nishimatsu Construction) and the South Commuter Railway Project Contract Package S02 (with Acciona Construction Philippines) were consolidated into the company's financial statements effective Q2 2023 and Q4 2023, respectively, and are currently in the preliminary works stage.

Revenues from Allied Services decreased by 7%, from Php 264 million to Php 245 million, on fewer ongoing third-party projects.

- **Improved margins.** Total cash costs dropped by 17%, from Php 3.87 billion to Php 3.21 billion, due to the slowdown in construction activity, partially offset by increased operating expenses.

  The cash component of the cost of sales (COS) fell by 18%, outpacing the topline, from Php 3.76 billion to Php 3.07 billion. Meanwhile, operating expenses rose by 26%, from Php 112 million to Php 141 million, due to higher personnel costs, repairs and maintenance and other miscellaneous adjustments.

  Noncash items contracted by 27%, from Php 178 million to Php 131 million, as capital spending was reduced following fewer project requirements over the past year. Other income improved to Php 16 million from a net expense of Php 2 million, driven by net foreign exchange gains and management fees.

  Net finance cost shifted from Php 1 million to a net finance gain of Php 28 million with the absence of debt payable (reduced from Php 56 million to Php 0) and higher interest income on increased cash levels (from Php 2.92 billion to Php 4.31 billion).

  Provisions for income tax grew by 126%, from Php 21 million to Php 48 million, due to higher taxable income for the quarter.

  As a result, EBITDA and core net income margins improved to 8% and 5%, respectively, up from 5% and 2%.

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

- **Stable order book.** Total order book slightly declined by 1%, from Php 41.9 billion (December 2023) to Php 41.6 billion (September 2024), as newly-awarded projects (Php 8.1 billion) and change orders (Php 1.1 billion) nearly offset booked revenues (Php 9.4 billion).

  New projects awarded in the first nine months of 2024 include Segment 3B of the C5 Link Expressway Project for CAVITEX Infrastructure Corporation, Laya by Shang Properties, the De La Salle Medical and Health Sciences Institute Academic Complex, the Design and Build of Long Point Causeway for Berong Nickel Corporation, the Las Piñas Pipelaying Project, and a 16MW bunker-fired power plant for DMCI Power.

- **Marginal capital expenditures.** Quarterly capex declined by 59%, from Php 133 million to Php 54 million, on fewer project requirements.

- **Net cash position.** The company has retained its debt-free status since December 2023. While total cash balance dipped by 5% from Php 4.55 billion to Php 4.31 billion, net debt-to-equity ratio improved from -60% to -53%, driven by higher equity book value.

Equity book value (including share in joint venture projects) grew by 8%, from Php 7.57 billion to Php 8.15 billion, supported by higher retained earnings on net income earned during the period.

VI. DMCI Mining Corporation (DMCI Mining)

Net income from the nickel business returned to profitability, moving from a net loss of Php 154 million to a net income of Php 48 million, owing to increased shipments and higher selling prices.

At the standalone level, core EBITDA improved from a loss of Php 139 million to an income of Php 174 million. Despite higher non-cash costs, the company achieved a net income of Php 38 million, reversing a previous loss of Php 171 million.

No nonrecurring items were recorded in either period.

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

- **Improved revenues.** Total revenues grew 258%, from Php 158 million to Php 565 million, on the back of recovery in shipments, higher selling price and improved nickel grade sold.

- **Moderate cash cost growth.** Total cash costs increased by 32%, slower than topline growth, from Php 297 million to Php 391 million. This was due to a high base effect, as last year's shiploading cost calculation method resulted in a higher cost of sales (COS).

  The cash component of COS surged by 94%, from Php 100 million to Php 194 million, primarily due to higher shipments, which led to increased shiploading, fuel consumption, labor costs, and excise taxes. This increase was partially offset by a shift from a time-based to a weight-based method for calculating shiploading costs.

  Operating expenses stood at Php 197 million for both periods, 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 (BNC) in Palawan. Last year, BNC also incurred wharfage dues amounting to Php 38 million, contributing to elevated operating expenses in 2023.

- **Better margins.** With improved topline and slower growth in cash costs, core EBITDA margin increased from a loss to 31%, while net income margin rose from -108% to 7%.

- **Higher noncash costs**. Depreciation and amortization increased by 36%, from Php 72 million to Php 98 million, driven by higher shipments, coupled by additional depreciation from new mining equipment acquisitions.

The company also reported the following operational and financial highlights:

- **Improved production levels.** Total production expanded by 41%, from 190,000 wet metric tons (WMT) to 268,000 WMT, following the start of operations at ZDMC's Lot 4 mine in Q2 2024.

- **Higher shipments.** With increased production and growing Indonesian demand for Philippine nickel ore, total shipments more than doubled (112%), from 147,000 WMT to 312,000 WMT.

- **Reduced stockpile.** Total ending inventory plunged by 59%, from 174,000 WMT to 72,000 WMT, due to higher shipments. BNC's stockpile remained at 21,000 WMT, below the standard shipment size of 50,000 WMT.

- **Better selling prices.** Average selling price (ASP) rose by 57%, from US$ 20/WMT to US$31/WMT, primarily due to sale of higher-grade nickel.

  Average nickel grade sold jumped by 13%, from 1.25% to 1.42%, as management opted to hold higher-grade nickel last year amid depressed global prices.

  Average LME nickel price receded by 19%, from US$ 20,342/ton to US$ 16,391/ton, while the Philippine FOB price for 1.30% grade fell by 15%, from US$ 27/WMT to US$ 23/WMT.

- **Healthy financial position.** As of September 30, 2024, net debt-to-equity ratio remained solid at -0.5% net cash position (versus -12.3% net cash as of December 31, 2023), with cash balance matching loans payable (Php 772 million vs Php 750 million)

  Total cash balance decreased by 9%, from Php 853 million to Php 772 million, following a Php 550 million dividend payment to the parent company and Php 396 million in capital spending, partially offset by Php 400 million in new loans.

  As a result, loans payable more than doubled (up 114%), from Php 350 million to Php 750 million, to support capital expenditures for new mine development.

  Interest coverage ratio (net of finance income) remained strong at 9.5x in the third quarter.

- **Increased capital expenditures.** Capital spending grew by 23-times, from Php 8 million to Php 187 million, largely due to the expansion of the BNC Long Point and Zambales Chromite Mining Company (ZCMC) fleets, construction of a Palawan port and Palawan exploration activities. Year to date (9M) capital spending surged by 64%, from Php 242 million to Php 396 million.

CAPEX

From January to September (9M), group capital spending grew by 6%, rising from Php 29.5 billion to Php 31.4 billion. This increase was mainly driven by expanded infrastructure investments by Maynilad, which accounted for 47% of the total spending, with DMCI Homes contributing 37%.

Excluding Maynilad, DMCI Group's capex increased by 4%, from Php 16.0 billion to Php 16.6 billion, largely due to investments in on-grid and off-grid power as well as nickel mining. This growth was slightly offset by reduced real estate land banking and lower equipment needs in the construction business.

In the on-grid power segment (under SMPC), 9M capex rose significantly by 133%, from Php 600 million to Php 1.4 billion, primarily to replace Unit 2's generator, restoring its dependable capacity to 300 MW after a 77-day planned outage completed on May 22. Meanwhile, DMCI Power allocated 70% of its Php 764 million 9M capex to expansion projects, including the 17MW Palawan bunker plant, 12MW Semirara wind, and 8MW Masbate bunker plants.

In Php billions	Q3 2024	Q3 2023	Change	9M 2024	9M 2023	Change
DMCI	0.1	0.1	0%	0.1	0.4	-75%
DMCI Homes	3.8	4.1	-7%	11.5	12.0	-4%
SMPC	0.6	0.9	-33%	3.8	3.0	27%
DMCI Power	0.4	0.2	100%	0.8	0.4	100%
DMCI Mining	0.2	0.0	100%	0.4	0.2	100%
Maynilad	6.6	5.1	29%	14.9	13.5	10%
Total	**11.6**	**10.4**	**12%**	**31.4**	**29.5**	**6%**

The full-year 2024 capex forecast has been revised downward from the August 2024 guidance of Php 56.5 billion to Php 48.0 billion. This adjustment primarily reflects reduced spending by Maynilad (-23%), DMCI Homes (-5%), and DMCI Power (-36%). Conversely, SMPC's capex has been revised upward by 2% to support projected investments aimed at enhancing the fuel and feed systems of its power plants.

In Php billions	2024F	2023	Change
DMCI	0.3	0.4	-25%
DMCI Homes	15.3	15.9	-4%
SMPC	6.5	4.0	63%
DMCI Power	1.0	0.9	11%
DMCI Mining	0.8	0.3	167%
Maynilad	24.1	26.0	-7%
Total	**48.0**	**47.5**	1%

The total capex for 2024 is expected to remain steady at Php 48.2 billion, with Maynilad accounting for the largest share (50%) to fulfill its water and wastewater service obligations. Excluding Maynilad, DMCI Group's capex is projected to grow by 11%, from Php 21.5 billion to Php 23.9 billion.

The majority (96%) of DMCI Homes' capital expenditures have been allocated to the construction of ongoing projects, with the remaining funds distributed equally for land banking (2%) and equipment acquisitions (2%).

For the remainder of the year, SMPC's coal segment plans to allocate approximately Php 2.2 billion for re-fleeting and exploration activities at the Acacia mine. Additionally, the on-grid power segment is set to invest Php 500 million in fuel and feed system enhancements, as well as in the annual maintenance of its plants.

DMCI Mining has earmarked 53% of its 2024 capex for the fourth quarter, primarily for the expansion of the BNC Long Point and ZCMC fleets, construction of a port in Palawan, and exploration activities in the region.

DMCI Homes has allocated 96% of its capex toward the construction of ongoing and new project launches, with four projects launched in 2024. The remaining budget is designated for land banking and acquiring new construction equipment. Meanwhile, DMCI Power has revised its 2024F capex downward from Php 1.6 billion to Php 1.0 billion, after deferring its spending for the 12MW Semirara wind project to March 2025 and the 4MW solar plant in Masbate pending tariff approval from the Energy Regulatory Commission.

Outlook and Updates

Since August 2024, the Bangko Sentral ng Pilipinas (BSP) has implemented two key policy rate cuts, totaling 50 basis points, reducing rates from 6.50% to 6.00%. Additionally, the BSP has lowered banks' reserve requirement ratios by up to 200 basis points. With more rate cuts anticipated in the coming months and into 2025, the BSP has indicated that inflation pressures remain manageable.

This anticipated monetary easing, alongside the Php 1.5 trillion allocated budget for infrastructure spending in 2025 and the upcoming elections, is expected to drive positive demand growth for the Philippine economy, particularly in the construction, real estate, and utilities sectors. However, this growth may have a varied impact across our businesses.

While construction demand is likely to increase, potential delays could arise from dependencies on funding, permits, right-of-way, and other administrative factors. In the real estate sector, high inventory levels in the Philippine market will continue to pose challenges for DMCI Homes. Additionally, coal, nickel, and power prices are expected to remain stable in the coming year.

Management is focused on strengthening the group's ecosystem, improving operational efficiencies, and implementing targeted marketing strategies to mitigate the impact of macroeconomic challenges and softer commodity prices, while also protecting margins.

For the DMCI Group, these macroeconomic conditions present both challenges and opportunities for growth:

DMCI anticipates a rise in project bid opportunities going into 2025 and is focused on rebuilding its order book by actively pursuing large-scale industrial and infrastructure projects. With a strong balance sheet and prudent cost management, DMCI is well-positioned to capitalize on recovering construction demand while effectively managing margin pressures.

DMCI Homes recently launched One Delta Place, a premium development in West Avenue, Quezon City. Meanwhile,Kalea Residences, its first venture in Cebu City is set to be launched this month. Looking ahead to 2025, the company aims to drive sales of its existing inventory by offering flexible payment terms and leveraging lower real interest rates alongside improving economic conditions.

SMPC is prioritizing initiatives to sustain its shipment and production targets, meeting increased demand from the industrial and cement sectors. In the on-grid power segment, management aims to secure contracts for half of its 756 MW net selling capacity to mitigate pricing risks, with a focus on efficient fuel management and enhancing plant availability.

DMCI Power is working to meet rising energy demand from commercial and industrial customers in off-grid areas through its upcoming expansion projects: a 17.7 MW bunker plant in Palawan (Q4 2024), a 12 MW wind plant in Semirara Island (Q1 2025), an 8 MW bunker plant in Masbate (Q2 2025), and a 4 MW solar plant in Masbate (TBD).

DMCI Mining plans to open new mines with Zambales Chromite Mining Company in Q4 2024 and in Long Point (Palawan) in Q1 2025 to sustain production and shipments. Although nickel prices are projected to remain soft in 2025, the company will prioritize operational efficiency and strategic marketing to maintain its margins.

Maynilad views stable inflation and steady demand growth as positive for its operations, with the rainy season helping to mitigate production risks. The company remains cautiously optimistic about meeting its 2024 service obligations through continuous supply augmentation, capex investments, and non-revenue water (NRW) reduction initiatives.

2. **Review and approval of the Company's Vision, Mission, Company Values and Corporate Strategy (attached)**
    a. The Board reviewed the existing Vision, Mission and Company Values
    b. The Board approved the proposed revisions in Corporate Strategy

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

November 7, 2024

VISION	CORPORATE STRATEGY
We are the leading integrated engineering and management conglomerate in the Philippines. Through our investments, we are able to do the following: Deliver exceptional shareholder value Motivate and provide employees with opportunities and just rewards to achieve their full potential Cultivate progress in remote areas, unserved markets and growth industries Integrate sustainable development with superior business results through principled contracting and innovative engineering	➢ Deploy resources in industries that allow us to leverage our engineering and management expertise, as well as our core businesses while promoting economic development. ➢ Engage, develop and recruit talented employees by investing in relevant training and providing career opportunities. ➢ Unlock value on businesses through the use of engineering and management competencies that can drive operating synergies within the group. ➢ **Develop world-class businesses and systems through strategic partnerships and alliances.** ➢ Manage businesses in accordance with appropriate government standards on environment, safety, quality, and corporate governance practices.
MISSION To invest in engineering and construction-related businesses that bring real benefits to people and the country.	**COMPANY VALUES** ➢ Integrity ➢ Fairness ➢ Customer Focus ➢ Teamwork ➢ Accountability ➢ Innovation ➢ Sustainability