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	8888-3000
Contact Person	Company Telephone Number

1 2	3 1	**SEC Form 17-Q** **Third Quarter Interim Report 2024**	0 5	2 1
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

N.A.

Secondary License Type, If Applicable

C F D

Dept Requiring this Doc

Amended Articles Number / Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarter ended **September 30, 2024**

2. SEC Identification No. AS095-002283 3. BIR Tax Identification No. 004-703-376

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

5. Philippines 6. [ ] (SEC Use Only)

Province, Country or other jurisdiction of incorporation or organization

Industry Classification Code:

7. 3rd Floor, Dacon Building, 2281 Pasong Tamo Ext., Makati city1231
Address of principal office Postal Code

8. Tel. (632) 8888-3000 Fax : None
Issuer's telephone number, including area code

9. Not applicable
Former name, former address, and former fiscal year, if changed since last report.

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

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

11. Are any or all of these securities listed on a Stock Exchange.

Yes [X] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange — Class "A" Shares, Preferred Shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the

Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [X] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [X] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements

The Financial Statements as of and for the period ended **September 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 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 except EPS	**July to September (Q3)**			**January to September (9M)**		
	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:

Coal
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.

Power

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.

Explanation of movement in consolidated income statement accounts:

Revenues
Consolidated revenues for the first nine months of 2024 declined by 16% from Php 92.4 billion to Php 77.4 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.

Cost of Sales and Services
Cost of sales and services during the period decline by 6% compared to the same period of last year primarily attributable to lower construction costs, energy generation fuel costs and replacement power costs. These was offset by higher production cost per unit sold of coal and nickel ship loading costs. This resulted to lower gross profit margin.

Operating Expenses
Government royalties for the period amounted to Php 4.4 billion, 40% lower from Php 7.4 billion last year as the coal business recorded lower profits. Excluding government royalties, operating expenses incurred during the first nine months of the year increased by 9% to Php 7.1 billion due mainly to higher repairs and maintenance, insurance premiums, personnel costs, information and communication and technology, environment and social development programs and advertising and marketing expenses.

Equity in Net Earnings
Equity in net earnings of associates increased by 39% as a result of higher income take up from Maynilad.

Finance Income
Consolidated finance income increased by 14% due mainly to higher amount of placements during the period with better interest rates.

Finance Cost
Consolidated finance costs slightly decreased by 8%, as net impact of loan payments and availment during the period.

Other Income-net

Other income increased by 22% primarily attributable to higher forfeitures and rental income of the real estate business.

Provision for Income Tax
Income tax declined due to the lower taxable income contributed by the real estate, and nickel mining businesses.

II. CONSOLIDATED FINANCIAL CONDITION

September 30, 2024 (Unaudited) vs December 31, 2023 (Audited)

The Company's total assets as of the period reached P246.9 billion, almost at par with December 31, 2023. Meanwhile, consolidated total equity increased by 4% to Php 143.4 billion.

Consolidated cash increased by 23% from Php 32.2 billion to Php 39.4 billion due to collection of coal receivables and down payment from customers.

Receivables decreased by 8% to Php 21.5 billion due mainly to collection of coal receivables.

Contract assets (current and non-current) decreased by 29% to Php 21.4 billion due to lower construction accomplishments.

Consolidated grew slightly by 2% to Php 69.4 billion as higher project accomplishments of real estate segment is negated by lower spare parts inventory.

Other current assets decreased by 19% to Php 9.8 billion from Php 12.1 billion of last year due mainly to reclassification of deposits for investment to its appropriate investment account. Other current assets consist advances made to suppliers of fuel, spare parts and mining equipment and prepaid expenses.

Investments in associates and joint ventures increased to Php 22.8 billion from Php 19.1 billion of last year as a result of the net impact of the income take up and dividend received from Maynilad and additional investment to real estate joint ventures.

Property, plant and equipment stood at Php 52.1 billion from Php 53.7 billion as depreciation and depletion more than offset capital expenditures for the first nine months of the period.

Right-of-use assets decreased by 40% due to amortization.

Other noncurrent assets grew by 26% due mainly to higher refundable deposits and noncurrent prepayments.

Accounts and other payables decrease by 13% from Php 30.5 billion to Php 26.6 billion due to lower payable to government as a result of lower coal sales.

Contract liabilities (current and non-current) increased by 17% to Php 22.6 billion due to higher down payment from real estate customers.

From Php 49.5 billion, total debt (under short-term and long-term debt) stood at Php 44.9 billion on the back of the debt payment made by SMPC, DMCI Homes and DMCI Power and availment of DMCI Mining.

Liabilities for purchased land decreased by 15% as a result of payment of previously acquired land for development.

Deferred tax liabilities decreased by 14% on lower booked income compared to taxable income of real estate sales.

Consolidated retained earnings stood at Php 96.4 billion at the end of September 2024, 6% increase from the retained earnings of 2023 at Php 90.8 billion after generation of Php 15.1 billion net income and dividend declaration of Php 9.6 billion.

Non-controlling interest decrease by 1% as a result of the non-controlling share in net income reduced by dividends to non-controlling interest of SMPC.

III. KEY PERFORMANCE INDICATORS

The Company and its Subsidiaries (the "Group") use the following key performance indicators to evaluate its performance:

a) Segment Revenues
b) Segment Net Income (after Noncontrolling Interests)
c) Earnings Per Share
d) Return on Common Equity
e) Net Debt to Equity Ratio

SEGMENT REVENUES

	For the Period		Variance	
(in Php Millions)	**2024**	**2023**	**Amount**	**%**
Semirara Mining and Power Corporation	49,671	56,200	(6,529)	-12%
D.M. Consunji, Inc.	10,437	12,568	(2,131)	-17%
DMCI Homes	9,619	15,189	(5,570)	-37%
DMCI Power	5,793	5,642	151	3%
DMCI Mining	1,594	2,552	(958)	-38%
Parent and Others	253	244	9	4%
Total Revenues	**77,367**	**92,395**	**(15,028)**	**-16%**

The initial indicator of the Company's gross business results is seen in the movements in the different business segment revenues.

As shown above, consolidated revenues decreased by 16% 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.

CONSOLIDATED NET INCOME AFTER NON-CONTROLLING INTERESTS

(in Php Millions)	For the Period		Variance	
	2024	**2023 As Restated***	**Amount**	**%**
Semirara Mining and Power Corporation	8,866	12,804	(3,938)	-31%
DMCI Homes	2,189	3,404	(1,215)	-36%
Maynilad	2,317	1,678	639	38%
DMCI Power	947	632	315	50%
D.M. Consunji, Inc.	467	459	8	2%
Parent and Others	173	47	126	268%
DMCI Mining	(17)	569	(586)	-103%
Core Net Income	**14,942**	**19,593**	**(4,651)**	**-24%**
Non-recurring Items	197	(27)	224	830%
Reported Net Income	**15,139**	**19,566**	**(4,427)**	**-23%**

**Restated for comparative purposes to reflect the adoption of PFRS 15 provision on borrowing costs*

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.

EARNINGS PER SHARE

Earnings per share (EPS) pertains to the company's income allocated to each outstanding share of common stock. It serves as an indicator of the company's profitability.

The Company's consolidated basic and diluted EPS was Php 1.14/share for the first nine months ended September 30, 2024, a 23% decline from Php 1.47/share EPS year-on-year.

RETURN ON COMMON EQUITY

Return on common equity is defined as the amount of net income a company earns per amount of shareholders equity. It is one of the common metrics used by investor to determine how effectively their capital is being reinvested. It is arrived at by dividing the net income share of the parent company over the average parent equity. The Company's return on common equity stood at 14% and 18% for the first nine months of 2024 and 2023, respectively.

NET DEBT TO EQUITY RATIO

As a stockholder/investor, financial position and stability would be an important aspect. The Company tests its solvency and leverage exposure through the net debt to equity ratio. This test indicates the Company's ownership of creditors vs. owners/investors. Net debt to equity ratio is computed by dividing the interest-bearing loans net of cash and cash equivalents over total equity.

Total borrowings stood at Php 44.9 billion, which resulted to a net debt to equity ratio of 0.4:1 and 0.13:1 as of September 30, 2024 and December 31, 2023, respectively.

FINANCIAL SOUNDNESS RATIOS

	September 30, 2024	**December 31, 2023**
Current Ratio	2.99 times	2.77 times
Net Debt to Equity Ratio	0.4 times	0.13 times
Asset to Equity Ratio	1.72 times	1.80 times
	September 30, 2024	**September 30, 2024 As Restated**
Return on Assets	10%	13%
Return on Common Equity	14%	18%
Interest Coverage Ratio	14 times	16 times
Gross Profit Margin	40%	47%
Net Profit Margin	28%	32%

PART II--OTHER INFORMATION

1. The Company's operation is a continuous process. It is not dependent on any cycle or season;
2. Economic and infrastructure developments in the country may affect construction business; Interest rate movements may affect the performance of the real estate industry; Mining activities are generally hinged on the commodities market and affected by weather conditions. Businesses not affected by known cycle, trends or uncertainties are power and water.
3. On April 4, 2024 the BOD of the Parent Company approved the declaration of regular cash dividends in the amount of Php 0.46 per common share or a total of Php 6.11 billion and special cash dividends of Php 0.26 per common share or a total of Php 3.45 billion, or a grand total of Php 9.56 billion in favor of the common stockholders of record as of April 22, 2024 and was paid on May 3, 2024.
4. On October 10, 2023, the BOD of the Parent Company approved the declaration of special cash dividends of Php 0.72 per common share or a total of Php 9.56 billion in favor of the common stockholders of record as of October 24, 2023, and was paid on November 9, 2023.
5. On March 29, 2023, the BOD of the Parent Company approved the declaration of (1) regular cash dividends in the amount of Php 0.61 per common share or a total of Php 8.10 billion; and (2) special cash dividends of Php 0.11 per common share or a total of Php 1.46 billion, or a grand total of Php 9.56 billion in favor of the common stockholders of record as of April 17, 2023, and was paid on April 28, 2023.
6. There are no undisclosed material subsequent events and transferring of assets not in the normal course of business that have not been disclosed for the period that the Company has knowledge of.
7. There are no material contingencies during the interim period; events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation has been disclosed in the notes to financial statements.

8. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
9. Except for interest payments on loans, which the Company can fully service, the only significant commitment that would have a material impact on liquidity are construction guarantees. These are usually required from contractors in case of any damage/ destruction to a completed project.
10. Any known trends or any known demands, commitments, events or uncertainties that will result in or that will have a material impact on the registrant's liquidity. - None
11. The Group does not have any offering of rights, granting of stock options and corresponding plans therefore.
12. All necessary disclosures were made under SEC Form 17-C.

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 thereunto duly authorized.

Issuer	DMCI Holdings, Inc.
Signature and Title	**Herbert M. Consunji** Executive Vice President and CFO
Signature and Title	**Joseph Adelbert V. Legasto** Deputy Chief Financial Officer
Date	November 7, 2024

DMCI HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	**₱39,394,656**	₱32,158,078
Receivables - net (Note 9)	**21,494,672**	23,265,106
Current portion of contract assets	**15,126,585**	19,304,451
Inventories	**69,361,069**	67,902,205
Other current assets	**9,777,334**	12,088,585
	155,154,316	154,718,425
Asset held-for-sale	**–**	713,218
Total Current Assets	**155,154,316**	155,431,643
Noncurrent Assets		
Property, plant and equipment	**52,135,132**	53,673,801
Investments in associates and joint ventures (Note 6)	**22,774,344**	19,091,633
Contract asset - net of current portion	**6,315,891**	10,839,030
Pension assets - net	**908,450**	992,028
Deferred tax assets - net	**881,969**	922,891
Exploration and evaluation asset	**542,385**	505,513
Right-of-use assets	**83,798**	140,629
Investment properties	**181,487**	86,739
Other noncurrent assets	**7,958,222**	6,311,316
Total Noncurrent Assets	**91,781,678**	92,563,580
	₱246,935,994	₱247,995,223
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt	**₱1,410,761**	₱1,547,386
Accounts and other payables	**26,626,156**	30,495,688
Income tax payable	**56,246**	488,465
Current portion of liabilities for purchased land	**552,720**	753,046
Current portion of long-term debt	**5,633,195**	6,660,721
Current portion of contract liabilities and other customers' advances and deposits	**17,628,220**	16,151,576
Total Current Liabilities	**51,907,298**	56,096,882

(Forward)

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Noncurrent Liabilities		
Long-term debt - net of current portion	**₱37,892,141**	₱41,261,215
Deferred tax liabilities - net	**5,513,953**	6,434,245
Contract liabilities - net of current portion	**4,931,051**	3,199,429
Liabilities for purchased land - net of current portion	**547,619**	538,221
Pension liabilities - net	**362,387**	334,982
Other noncurrent liabilities	**2,420,316**	2,693,099
Total Noncurrent Liabilities	**51,667,467**	54,461,191
Total Liabilities	**103,574,765**	110,558,073
Equity (Note 3)		
Equity attributable to equity holders of the Parent Company:		
Paid-in capital	**17,949,868**	17,949,868
Treasury shares - Preferred	**(7,069)**	(7,069)
Retained earnings	**96,376,386**	90,797,032
Premium on acquisition of non-controlling interests	**(817,958)**	(817,958)
Remeasurements on retirement plans - net of tax	**902,329**	899,283
Net accumulated unrealized gains on equity investments designated at FVOCI	**174,698**	174,698
Share in other comprehensive income of associates	**25,385**	25,385
	114,603,639	109,021,239
Non-controlling interests	**28,757,590**	28,415,911
Total Equity	**143,361,229**	137,437,150
	₱246,935,994	₱247,995,223

DMCI HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

For the Period and Quarter Ended September 30, 2024 and 2023
(Amounts in Thousands, except for Earnings Per Share figures)

	For the period		For the quarter	
	Jan to Sep 2024	Jan to Sep 2023 As Restated*	**Jul to Sep 2024**	Jul to Sep 2023 As Restated*
REVENUE (Notes 4 and 8)				
Coal mining	**₱30,417,716**	₱36,207,208	**₱6,535,711**	₱6,267,416
Electricity sales	**25,046,074**	25,635,049	**8,478,983**	7,223,025
Real estate sales	**9,619,105**	15,188,783	**3,101,217**	4,452,773
Construction contracts	**10,437,253**	12,567,587	**3,095,102**	4,214,011
Nickel mining	**1,593,784**	2,552,050	**565,045**	158,335
Merchandise sales and others	**253,407**	244,046	**73,864**	90,153
	77,367,339	92,394,723	**21,849,922**	22,405,713
COSTS OF SALES AND SERVICES				
Coal mining	**17,141,122**	15,005,337	**4,693,199**	4,166,296
Electricity sales	**12,683,051**	12,173,974	**4,879,778**	4,272,611
Real estate sales	**5,680,356**	9,113,429	**1,794,143**	2,390,164
Construction contracts	**9,488,116**	11,637,211	**2,788,614**	4,019,287
Nickel mining	**995,922**	1,084,428	**284,187**	162,781
Merchandise sales and others	**190,037**	180,877	**53,681**	64,437
	46,178,604	49,195,256	**14,493,602**	15,075,576
GROSS PROFIT	**31,188,735**	43,199,467	**7,356,320**	7,330,137
OPERATING EXPENSES (Note 5)	**11,479,816**	13,839,906	**3,041,623**	2,958,238
	19,708,919	29,359,561	**4,314,697**	4,371,899
OTHER INCOME (EXPENSES)				
Equity in net earnings of associates (Note 6)	**2,381,952**	1,717,683	**958,963**	624,498
Finance income	**1,646,805**	1,442,655	**562,907**	576,765
Finance costs	**(1,980,521)**	(2,163,913)	**(636,061)**	(789,538)
Other income - net	**3,116,381**	2,546,425	**997,387**	1,329,236
INCOME BEFORE INCOME TAX	**24,873,536**	32,902,411	**6,197,893**	6,112,860
PROVISION FOR INCOME TAX	**2,943,255**	3,554,126	**853,979**	777,322
NET INCOME	**₱21,930,281**	₱29,348,285	**₱5,343,914**	₱5,335,538
NET INCOME ATTRIBUTABLE TO				
Equity holders of the Parent Company (Note 4)	**₱15,139,132**	₱19,565,766	**₱3,999,239**	₱3,874,233
Non-controlling interests	**6,791,149**	9,782,519	**1,344,675**	1,461,306
	₱21,930,281	₱29,348,285	**₱5,343,914**	₱5,335,539
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY-BASIC AND DILUTED (Note 7)	**₱1.14**	₱1. 47	**₱0.30**	₱0.29

**Restated for comparative purposes*

DMCI HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Period and Quarter Ended September 30, 2024 and 2023
(Amounts in Thousands)

	For the period		For the quarter	
	Jan to Sep 2024	Jan to Sep 2023 As Restated	**Jul to Sep 2024**	Jul to Sep 2023 As Restated
NET INCOME	**₱21,930,281**	₱29,348,285	**₱5,343,914**	₱5,335,538
OTHER COMPREHENSIVE INCOME (LOSS)				
Items to be reclassified subsequently to profit or loss				
Changes in fair values of investments in equity instruments designated at FVOCI	–	2,048	–	–
	–	2,048	–	–
Items not to be reclassified to profit or loss in subsequent periods				
Remeasurement loss on retirement plans	**3,046**	–	–	–
Income tax effect	–	–	–	–
	3,046	–	–	–
OTHER COMPREHENSIVE INCOME	–	–	–	–
TOTAL COMPREHENSIVE INCOME	**₱21,933,327**	₱29,350,333	**₱5,343,914**	₱5,335,538
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of the Parent Company (Note 4)	**₱15,142,178**	₱19,567,814	**₱3,999,239**	₱3,874,232
Non-controlling interests	**6,791,149**	9,782,519	**1,344,675**	1,461,306
	₱21,933,327	₱29,350,333	**₱5,343,914**	₱5,335,539

DMCI HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Period Ended September 30, 2024 and 2023
(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company											
	Capital Stock (Note 3)	Additional Paid-in Capital (Note 3)	Total Paid-in Capital (Note 3)	Treasury Shares - Preferred (Note 3)	Unppropriated Retained Earnings (Note 3)	Premium on Acquisition of Non-controlling Interest	Remeasurements on Retirement Plans	Net Accumulated Unrealized Gain on equity investments designated at FVOCI	Other Equity	Parent Equity	Non controlling Interests	Total Equity
For the Period Ended September 30, 2024												
Balances as of January 1, 2024	**₱13,277,474**	**₱4,672,394**	**₱17,949,868**	**(₱7,069)**	**₱90,797,032**	**(₱817,958)**	**₱899,283**	**₱174,698**	**₱25,385**	**₱109,021,239**	**₱28,415,911**	**₱137,437,150**
Comprehensive income												
Net income	–	–	–	–	**15,139,132**	–	–	–	–	**15,139,132**	**6,791,149**	**21,930,281**
Other comprehensive income	–	–	–	–	–	–	**3,046**	–	–	**3,046**	–	**3,046**
Total comprehensive income	–	–	–	–	**15,139,132**	–	**3,046**	–	–	**15,142,178**	**6,791,149**	**21,933,327**
Cash dividends declared (Note 3)	–	–	–	–	**(9,559,778)**	–	–	–	–	**(9,559,778)**	**(6,449,470)**	**(16,009,248)**
Balances at June 30, 2024	**₱13,277,474**	**₱4,672,394**	**₱17,949,868**	**(₱7,069)**	**₱96,376,386**	**(₱817,958)**	**₱902,329**	**₱174,698**	**₱25,385**	**₱114,603,639**	**₱28,757,590**	**₱143,361,229**

For the Period Ended September 30, 2023												
Balances as of January 1, 2023	₱13,277,474	₱4,672,394	₱17,949,868	(₱7,069)	₱85,194,218	(₱817,958)	₱975,442	₱131,613	₱25,290	₱103,451,404	₱29,218,230	₱132,669,634
Comprehensive income												
Net income	–	–	–	–	19,565,766	–	–	–	–	19,565,766	9,782,519	29,348,285
Other comprehensive income	–	–	–	–	–	–	–	2,048	–	2,048	–	2,048
Total comprehensive income	–	–	–	–	19,565,766	–	–	2,048	–	19,567,814	9,782,519	29,350,333
Cash dividends declared (Note 3)	–	–	–	–	(9,559,779)	–	–	–	–	(9,559,779)	(6,449,143)	(16,008,922)
Balances at September 30, 2023	₱13,277,474	₱4,672,394	₱17,949,868	(₱7,069)	₱95,200,205	(₱817,958)	₱975,442	₱133,661	₱25,290	₱113,459,439	₱32,551,606	₱146,011,045

DMCI HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Period Ended September 30, 2024 and 2023
(Amounts in Thousands)

	September 30	
	2024	2023 As Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱24,873,536**	₱32,902,411
Adjustments for:		
Depreciation, depletion and amortization	**6,733,146**	6,388,281
Finance cost	**1,980,521**	1,300,147
Movement in net retirement liability	**110,981**	–
Equity in net earnings of associates and joint ventures	**(2,381,952)**	(1,717,683)
Finance income	**(1,646,805)**	(1,442,655)
Gain on sale of undeveloped land	**(194,560)**	–
Net unrealized foreign exchange loss (gain)	**(41,880)**	(80,051)
Movement in net retirement asset	**–**	52,870
Gain or loss on sale property, plant and equipment	**–**	(65,187)
Operating income before changes in working capital	**29,432,987**	37,338,133
Decrease (increase) in:		
Receivables and contract assets	**10,471,440**	6,655,257
Other current assets	**3,024,467**	(23,445)
Inventories	**(3,075,709)**	(4,948,843)
Increase (decrease) in:		
Accounts and other payables	**(3,776,836)**	(1,028,493)
Contract liabilities and other customer advances and deposits	**3,208,267**	493,820
Liabilities for purchased land	**(190,927)**	(305,694)
Cash generated from operations	**39,093,689**	38,180,735
Income taxes paid	**(4,254,843)**	(3,716,999)
Interest received	**1,646,805**	1,442,655
Interest paid and capitalized as cost of inventory	**–**	(1,462,207)
Net cash provided by operating activities	**36,485,651**	34,444,184
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to : property, plant and equipment		
Property, plant and equipment	**(5,174,777)**	(3,587,922)
Investments in associates, joint ventures and others	**(2,536,520)**	–
Exploration and evaluation asset	**(36,872)**	(85,330)
Proceeds from disposal of :		
Undeveloped land	**1,820,500**	–
Property, plant and equipment	**–**	76,604
Dividends received	**1,146,113**	915,551
Increase in other noncurrent assets	**(1,713,618)**	(1,895,761)
Interest paid and capitalized as part of property, plant and equipment	**–**	(74,143)
Net cash used in investing activities	**(6,495,174)**	(4,651,001)

(Forward)

	September 30	
	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Long-term debt	**₱1,534,539**	₱3,473,750
Short-term debt	**–**	–
Payments of:		
Dividends paid to equity holders of parent company	**(9,559,778)**	(9,559,778)
Dividends to non-controlling interests	**(6,449,470)**	(6,449,143)
Long-term debt	**(5,955,430)**	(5,862,439)
Interest	**(1,956,231)**	(697,705)
Short-term debt	**(136,625)**	(699,471)
Increase (decrease) in other noncurrent liabilities	**(272,785)**	108,321
Net cash used in financing activities	**(22,795,780)**	(19,686,465)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**41,880**	82,099
NET INCREASE IN CASH AND CASH EQUIVALENTS	**7,236,577**	10,188,817
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**32,158,079**	28,408,474
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱39,394,656**	₱38,597,291

DMCI HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

DMCI Holdings, Inc. (the Parent Company) was incorporated on March 8, 1995 with a corporate life of 50 years from and after the date of incorporation and is domiciled in the Philippines. The Parent Company's registered office address and principal place of business is at 3rd Floor, Dacon Building, 2281 Chino Roces Avenue, Makati City.

The Parent Company and its subsidiaries (collectively referred to herein as the Group) is primarily engaged in general construction, coal and power generation, real estate development, water concession, nickel mining and manufacturing.

The Parent Company's shares of stock are listed and are currently traded at the Philippine Stock Exchange (PSE).

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors (BOD) on November 7, 2024

2. Summary of Significant Accounting Policies

Basis of Preparation
The interim unaudited condensed consolidated financial statements of the Group have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited condensed consolidated financial statements do not include all of the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2023.

The interim financial statements have been prepared using the historical cost basis, except for financial assets at fair value through profit or loss (FVPL) and at fair value through comprehensive income (FVOCI) financial assets that have been measured at fair value. The Group's functional and presentation currency is the Philippine Peso (₱). All amounts are rounded to the nearest thousand (₱000), unless otherwise indicated.

Statement of Compliance
The interim unaudited condensed consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs), which include availment of the relief granted by the Securities and Exchange Commission (SEC) under Memorandum Circular No. 14, Series of 2018, Memorandum Circular No. 3, Series of 2019 and Memorandum Circular No. 4, Series of 2020. PFRS include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by Philippine Interpretations Committee (PIC).

Basis of Consolidation
The interim unaudited condensed consolidated financial statements comprise the financial statements of the Group as of September 30, 2024, and December 31, 2023.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the noncontrolling interests (NCI), even if this results in the NCI having a deficit balance. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other similar events. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any noncontrolling-interests and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnigns, as appropriate.

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries (which are all incorporated in the Philippines). The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

	Nature of Business	2024 Direct	2024 Indirect	2024 Effective Interest	2023 Direct	2023 Indirect	2023 Effective Interest
				(In percentage)			
General Construction:							
D.M. Consunji, Inc. (DMCI)	General Construction	**100.00**	**–**	**100.00**	100.00	–	100.00
Beta Electromechanical Corporation (Beta Electric) [1]	General Construction	**–**	**53.20**	**53.20**	–	53.20	53.20
Raco Haven Automation Philippines, Inc. (Raco) [1*]	Non-operating	**–**	**50.14**	**50.14**	–	50.14	50.14
Oriken Dynamix Company, Inc. (Oriken) [1*]	Non-operating	**–**	**89.00**	**89.00**	–	89.00	89.00
DMCI Technical Training Center (DMCI Training) [1]	Services	**–**	**100.00**	**100.00**	–	100.00	100.00
Real Estate:							
DMCI Project Developers, Inc. (PDI)	Real Estate Developer	**100.00**	**–**	**100.00**	100.00	–	100.00
DMCI-PDI Hotels, Inc. (PDI Hotels) [2]	Hotel Operator	**–**	**100.00**	**100.00**	–	100.00	100.00
DMCI Homes Property Management Corporation (DPMC) [2]	Property Management	**–**	**100.00**	**100.00**	–	100.00	100.00
Zenith Mobility Solutions Services, Inc. (ZMSSI) [2]	Services	**–**	**100.00**	**100.00**	–	100.00	100.00
Riviera Land Corporation (Riviera) [2]	Real Estate Developer	**–**	**100.00**	**100.00**	–	100.00	100.00
Hampstead Gardens Corporation (Hampstead) [2*]	Real Estate Developer	**–**	**100.00**	**100.00**	–	100.00	100.00
DMCI Homes, Inc. (DMCI Homes) [2*]	Marketing Arm	**–**	**100.00**	**100.00**	–	100.00	100.00
L & I Development Corporation (LIDC) [2*]	Real estate Developer	**–**	**100.00**	**100.00**	–	100.00	100.00
Coal Mining:							
Semirara Mining and Power Corporation (SMPC)	Mining	**56.65**	**–**	**56.65**	56.65	–	56.65
On-Grid Power:							
Sem-Calaca Power Corporation (SCPC) [3]	Power Generation	**–**	**56.65**	**56.65**	–	56.65	56.65
Southwest Luzon Power Generation Corporation (SLPGC) [3]	Power Generation	**–**	**56.65**	**56.65**	–	56.65	56.65
Sem-Calaca RES Corporation (SCRC) [3]	Retail	**–**	**56.65**	**56.65**	–	56.65	56.65
SEM-Cal Industrial Park Developers, Inc. (SIPDI) [3]	Non-operational	**–**	**56.65**	**56.65**	–	56.65	56.65
Semirara Energy Utilities, Inc. (SEUI) [3]	Non-operational	**–**	**56.65**	**56.65**	–	56.65	56.65
Southeast Luzon Power Generation Corporation (SeLPGC) [3]	Non-operational	**–**	**56.65**	**56.65**	–	56.65	56.65
Semirara Materials and Resources Inc. (SMRI) [3]	Non-operational	**–**	**56.65**	**56.65**	–	56.65	56.65
St. Raphael Power Generation Corporation (SRPGC) [3]	Non-operational	**–**	**56.65**	**56.65**	–	56.65	56.65
Sem-Calaca Port Facilities, Inc. (SCPFI) [3 & 6]	Non-operational	**–**	**56.65**	**56.65**	–	56.65	56.65
Off-Grid Power:							
DMCI Power Corporation (DPC)	Power Generation	**100.00**	**–**	**100.00**	100.00	–	100.00
DMCI Masbate Power Corporation (DMCI Masbate) [4]	Power Generation	**–**	**100.00**	**100.00**	–	100.00	100.00

(Forward)

		2024			2023		
	Nature of Business	**Direct**	**Indirect**	**Effective Interest**	Direct	Indirect	Effective Interest
				(In percentage)			
Nickel Mining:							
DMCI Mining Corporation (DMC)	Holding Company	**100.00**	**–**	**100.00**	100.00	–	100.00
Berong Nickel Corporation (BNC) [5]	Mining	**–**	**74.80**	**74.80**	–	74.80	74.80
Ulugan Resouces Holdings, Inc. (URHI) [5]	Holding Company	**–**	**30.00**	**30.00**	–	30.00	30.00
Ulugan Nickel Corporation (UNC) [5]	Holding Company	**–**	**58.00**	**58.00**	–	58.00	58.00
Nickeline Resources Holdings, Inc. (NRHI) [5]	Holding Company	**–**	**58.00**	**58.00**	–	58.00	58.00
TMM Management, Inc. (TMM) [5]	Services	**–**	**40.00**	**40.00**	–	40.00	40.00
Zambales Diversified Metals Corporation (ZDMC) [5]	Mining	**–**	**100.00**	**100.00**	–	100.00	100.00
Zambales Chromite Mining Company Inc. (ZCMC) [5]	Non-operational	**–**	**100.00**	**100.00**	–	100.00	100.00
Fil-Asian Strategic Resources & Properties Corporation (FASRPC) [5]	Non-operational	**–**	**100.00**	**100.00**	–	100.00	100.00
Montague Resources Philippines Corporation (MRPC) [5]	Non-operational	**–**	**100.00**	**100.00**	–	100.00	100.00
Montemina Resources Corporation (MRC) [5]	Non-operational	**–**	**100.00**	**100.00**	–	100.00	100.00
Mt. Lanat Metals Corporation (MLMC) [5]	Non-operational	**–**	**100.00**	**100.00**	–	100.00	100.00
Fil-Euro Asia Nickel Corporation (FEANC) [5]	Non-operational	**–**	**100.00**	**100.00**	–	100.00	100.00
Heraan Holdings, Inc. (HHI) [5]	Holding Company	**–**	**100.00**	**100.00**	–	100.00	100.00
Zambales Nickel Processing Corporation (ZNPC) [5]	Non-operational	**–**	**100.00**	**100.00**	–	100.00	100.00
Zamnorth Holdings Corporation (ZHC) [5]	Holding Company	**–**	**100.00**	**100.00**	–	100.00	100.00
ZDMC Holdings Corporation (ZDMCHC) [5]	Holding Company	**–**	**100.00**	**100.00**	–	100.00	100.00
Manufacturing:							
Semirara Cement Corporation (SemCem)	Non-operational	**100.00**	**–**	**100.00**	100.00	–	100.00
Wire Rope Corporation of the Philippines (Wire Rope)	Manufacturing	**45.68**	**16.02**	**61.70**	45.68	16.02	61.70

*Ongoing liquidation.
[1] DMCI's subsidiaries.
[2] PDI's subsidiaries.
[3] SMPC's subsidiaries. SMRI was formerly known as Semirara Claystone, Inc, (SCI)
[4] DPC's subsidiaries.
[5] DMC's subsidiaries.
[6] Wholly owned subsidiary of SCPC. Incorporated on December 20, 2022.

Noncontrolling Interests

Noncontrolling interests represent the portion of profit or loss and net assets not owned, directly or indirectly, by the Group.

Noncontrolling interests are presented separately in the consolidated statement of income, consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from parent shareholder's equity. Any losses applicable to the noncontrolling interests are allocated against the interests of the noncontrolling interest even if this results to the noncontrolling interest having a deficit balance. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the noncontrolling interest is recognized in equity of the parent in transactions where the noncontrolling interest are acquired or sold without loss of control.

The proportion of ownership interest held by noncontrolling interests on the consolidated subsidiaries are presented below. The voting rights held by the Group in these subsidiaries are in proportion of their ownership interest.

	(In Percentage)
Beta Electromechanical Corporation (Beta Electromechanical)	46.80
Raco Haven Automation Philippines, Inc. (Raco)	49.86
Oriken Dynamix Company, Inc. (Oriken)	11.00
Semirara Mining and Power Corporation (SMPC)	43.35
Sem-Calaca Power Corporation (SCPC)	43.35
Southwest Luzon Power Generation Corporation (SLPGC)	43.35
Sem-Calaca RES Corporation (SCRC)	43.35
SEM-Cal Industrial Park Developers, Inc. (SIPDI)	43.35
Semirara Energy Utilities, Inc. (SEUI)	43.35
Southeast Luzon Power Generation Corporation (SeLPGC)	43.35
Semirara Claystone, Inc. (SCI)	43.35
St. Raphael Power Generation Corporation (SRPGC)	43.35
Sem-Calaca Port Facilities, Inc. (SCPFI)	43.35
Berong Nickel Corporation (BNC)	25.20
Ulugan Resouces Holdings, Inc. (URHI)	70.00
Ulugan Nickel Corporation (UNC)	42.00
Nickeline Resources Holdings, Inc. (NRHI)	42.00
TMM Management, Inc. (TMM)	60.00
Wire Rope Corporation of the Philippines (Wire Rope)	38.30

The voting rights held by the Group in the these subsidiaries are in proportion to their ownership interests, except for URHI and TMM.

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial year, except for the adoption of the following new accounting pronouncements starting January 1, 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of these new standards did not have a significant impact on the consolidated financial statements of the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments have had an impact on the Group’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group’s consolidated financial statements.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

  The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

  The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

  The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

  Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after January 1, 2023.

  The amendments had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules.

<u>Standards Issued but not yet Effective</u>
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.

- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The Group is currently assessing the impact of adopting these amendments.

- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

  This amendment has no impact to the Group's consolidated financial statements.

- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*

  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier adoption is permitted and that fact must be disclosed.

  These amendments are not expected to have a material impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

This standard is not applicable to the Group.

- Amendments to PAS 21*, Lack of exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

  These amendments are not expected to have a material impact on the Group's consolidated financial statements

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  These amendments are not expected to have a material impact on the Group's consolidated financial statements.

3. **Equity**

Capital Stock

As of September 30, 2024 and December 31, 2023, the Parent Company's capital stock consists of:

Authorized capital stock

	No. of shares
Common stock, ₱1 par value	19,900,000,000
Preferred stock - ₱1 par value	100,000,000

Outstanding capital stock

	No. of shares
Common shares	13,277,470,000
Preferred shares	3,780
Less: treasury shares	2,820
	960

The preferred stock is redeemable, convertible, non-voting, non-participating and cumulative with par value of ₱1.00 per share. The preferred shareholders' right of converting the preferred shares to common shares expired in March 2002.

On October 1, 2018, the Board authorized the Parent Company to make an offer (the "Redemption Offer") to the outstanding preferred shareholders for the Parent Company to acquire the remaining outstanding 3,780 preferred shares at the purchase price of ₱2,500 per preferred share from October 8 to November 29, 2018. The Redemption Offer is intended to provide the preferred shareholders a final chance to divest of their preferred shares in view of their previous inability to avail of the Exchange Offer in 2002. On November 29, 2018, the Parent Company has redeemed a total of 2,820 preferred shares for a total cost of ₱7.07 million.

On May 21, 2019, the Stockholders approved the amendment of Articles of Incorporation to increase the Par Value of Preferred Shares from ₱1.00 to ₱1,000 per Preferred Share.

Retained Earnings

On April 4, 2024 the BOD approved the declaration of (1) *regular cash dividends* in the amount of ₱0.46 per common share or a total of ₱6,107.64 million; and (2) *special cash dividends* of ₱0.26 per common share or a total of ₱3,452.14 million, or a grand total of ₱9,559.78 million out of the unrestricted retained earnings of the Parent Company as of March 31, 2024, in favor of the common stockholders of record as of April 22, 2024 and was paid on May 3, 2024.

On October 10, 2023, the BOD approved the declaration of special cash dividends of ₱ 0.72 per common share or a total of ₱9,559.77 million in favor of the common stockholders of record as of October 24, 2023, and was paid on November 9, 2023.

On March 29, 2023, the BOD approved the declaration of (1) *regular cash dividends* in the amount of ₱0.61 per common share or a total of ₱8,099.27 million; and (2) *special cash dividends* of ₱0.11 per common share or a total of ₱1,460.52 million, or a grand total of ₱9,559.78 million out of the unrestricted retained earnings of the Parent Company as of March 28, 2023, in favor of the common stockholders of record as of April 17, 2023, and was paid on April 28, 2023.

On October 18, 2022, the BOD approved the declaration of *special cash dividends* in the amount of ₱0.72 per common share or a total of ₱9,559.77 million out of the unrestricted retained earnings of the Parent Company as of October 17, 2022, in favor of the common stockholders of record as of November 2, 2022, and was paid on November 16, 2022.

On April 1, 2022, the BOD approved the declaration of (1) *regular cash dividends* in the amount of ₱0.34 per common share or a total of ₱4,514.34 million; and (2) *special cash dividends* of ₱0.14 per common share or a total of ₱1,858.85 million, or a grand total of ₱6,373.19 million out of the unrestricted retained earnings of the Parent Company as of March 31, 2022, in favor of the common stockholders of record as of April 19, 2022, and was paid on April 29, 2022

Capital Management

The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.
The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. There were no changes made in the Group's capital management objectives, policies or processes. The Group considers total equity attributable to equity holders of the Parent Company less net accumulated unrealized gain or loss on equity investments designated at FVOCI as capital.

The Group is not subject to any externally imposed capital requirements.

4. Business Segments

The following tables present the net income of the specific business segments for the period ended September 30, 2024 and 2023:

Segment Revenues

	For the period		Variance	
(in PHP Millions)	**September 2024**	September 2023	Amount	%
Semirara Mining and Power Corporation	**49,671**	56,200	(6,529)	-12%
D.M. Consunji, Inc.	**10,437**	12,568	(2,131)	-17%
DMCI Homes	**9,619**	15,189	(5,570)	-37%
DMCI Power	**5,793**	5,642	151	3%
DMCI Mining	**1,594**	2,552	(958)	-38%
Parent and Others	**253**	244	9	4%
Total Revenues	**77,367**	92,395	(15,028)	-16%

Net income after non-controlling interests

(in PHP Millions)	For the period **September 2024**	 September 2023 As Restated*	Variance Amount	 %
Semirara Mining and Power Corporation	**8,866**	12,804	(3,938)	-31%
DMCI Homes	**2,189**	3,404	(1,215)	-36%
Maynilad	**2,317**	1,678	639	38%
DMCI Power	**947**	632	315	50%
D.M. Consunji, Inc.	**467**	459	8	2%
Parent and Others	**173**	47	126	268%
DMCI Mining	**(17)**	569	(586)	-103%
Core Net Income	**14,942**	19,593	(4,651)	-24%
Non-recurring Items	**197**	(27)	224	830%
Reported Net Income	**15,139**	19,566	(4,427)	-23%

**Restated for comparative purposes*

5. **Operating Expenses**

The following tables present the consolidated operating expenses for the period ended September 30, 2024 and 2023:

	2024	2023
Government share	**₱4,389,087**	₱7,360,002
Salaries, wages and employee benefits	**1,814,452**	1,688,977
Repairs and maintenance	**1,237,797**	845,219
Taxes and licenses	**1,207,361**	1,290,374
Outside services	**656,649**	949,473
Insurance	**549,547**	373,616
Advertising and marketing	**297,071**	305,627
Supplies	**217,257**	162,365
Depreciation, depletion and amortization	**188,238**	176,968
Entertainment, amusement and recreation	**127,711**	106,900
Transportation and travel	**123,398**	110,101
Association dues	**92,974**	112,135
Communication, light and water	**82,861**	73,953
Rent	**59,079**	39,923
Miscellaneous expense	**436,334**	244,273
	₱11,479,816	₱13,839,906

6. **Summarized Financial Information of Interests in Related Entities**

Financial information as of and for the period ended September 30, 2024 and December 31, 2023 on the Group's subsidiary with material non-controlling interest (NCI) follows:

Semirara Mining and Power Corporation and Subsidiaries (SMPC)

(in millions)	**September 30, 2024**	December 31, 2023
Statements of Financial Position		
Current assets	**₱40,983**	₱46,135
Noncurrent assets	**37,404**	38,993
Current liabilities	**13,129**	19,396
Noncurrent liabilities	**2,049**	3,354
Equity	**63,209**	62,378

(in millions)	**September 30, 2024**	September 30, 2023
Statements of Comprehensive Income		
Revenue	**₱30,418**	₱56,200
Net income	**15,708**	22,615
Other comprehensive income	**–**	–
Total comprehensive income	**15,708**	22,615

Financial information as of and for the period ended September 30, 2024 and December 31, 2023 on the Group's material interest in associate follows:

Maynilad Water Holdings Company, Inc. and Subsidiaries

(in millions)	**September 30, 2024**	December 31, 2023
Statements of Financial Position		
Current assets	**₱25,475**	₱10,388
Noncurrent assets	**179,392**	153,315
Current liabilities	**29,917**	24,560
Noncurrent liabilities	**94,978**	70,973
Equity	**79,972**	68,170

(in millions)	**September 30, 2024**	September 30, 2023
Statements of Comprehensive Income		
Revenue	**₱24,932**	₱20,269
Net income	**9,185**	6,542
Other comprehensive income	**–**	–
Total comprehensive income	**9,185**	6,542

Investment in Maynilad Water Holdings Company, Inc. (MWHCI) is accounted for using the equity method. Equity in net earnings in the nine months ended September 30 amounted to ₱2,318.74 million in 2024 and ₱1,651.64 million in 2023.

Financial information as of and for the period ended September 30, 2024 and December 31, 2023 on the Group's immaterial interest in associate and joint ventures follows:

Subic Water
On January 22, 1997, PDI subscribed to 3.26 million shares at the par value of ₱10 per share for an aggregate value of ₱32.62 million in Subic Water, a joint venture company among Subic Bay Metropolitan Authority (SBMA), a government-owned corporation, Olongapo City Water District, and Cascal Services Limited (a company organized under the laws of England).

The Group owns a total of 30% of Subic Water's outstanding capital stock after the sale of 10% share to the City of Olongapo on March 23, 2016.

The investment in Subic Water is accounted for as an investment in an associate using the equity method. The carrying amount of the investment in associate amounted to ₱321.51 million and ₱276.02 million as of September 30, 2024 and December 31, 2023. The unaudited share in net earnings amounted to ₱45.49 million and ₱14.00 million for the period ended September 30, 2024 and 2023, respectively.

RLC DMCI Property Ventures Inc (RDPVI).
In March 2019, the RLC DMCI Property Ventures Inc., a joint venture agreement with Robinsons Land Corporation, was incorporated to purchase, acquire and develop into a residential condominium project a portion of the parcels of land situated in Las Pinas City with an area of fourteen thousand four hundred ninety-two (14,492) square meters or less. Initial capitalization to the joint venture from DMCI PDI amounted to ₱500 million. The carrying amount of the investment amounted to ₱570.79 million and ₱518.77 million as of September 30, 2024 and December 31, 2023, respectively.

DMC Estate Development Ventures, Inc. (DMC EDVI)
In June 2021, the Group and DMC Urban Property Developers Inc. (UPDI) entered into a joint venture agreement to purchase, acquire and develop parcels of land into condominium project for residential and commercial uses. Each party holds a 50% ownership interest in the joint venture. In 2024, the Group infused additional capital of ₱1,225 million to the joint venture on top of its initial capitalization of ₱125 million.

DMCI MC Property Ventures Inc. (DMPVI)
In 2024, the Group and Marubeni Corporation (MC) entered into a joint venture agreement to purchase, acquire and develop parcels of land into condominium project for residential and commercial uses. The Group holds 60% ownership interst in the joint venture with initial capitalization of ₱1,641 million.

7. **Earnings Per Share**

The following table presents information necessary to calculate basic and diluted earnings per share on net income attributable to equity holders of the Parent Company (in thousands except basic earnings per share):

Basic/diluted earnings per share

	For the period (2024)	For the period (2023) As Restated	**For 3rd Quarter (2024)**	For 3rd Quarter (2023) As Restated
Net income attributable to equity holders of Parent Company	**₱15,139,132**	₱19,565,766	**₱3,999,238**	₱3,874,233
Divided by weighted average number of common shares	**13,277,470**	13,277,470	**13,277,470**	13,277,470
Basic and diluted earnings per share	**₱1.14**	₱1.47	**₱0.30**	₱0.29

8. **Related Party Transactions**

Related parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making the financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Transactions entered into by the Group with related parties are at arm's length and have terms similar to the transactions entered into with third parties. In the regular course of business, the Group's significant transactions with related parties include the following:

a. Engineering and construction works of the water business is contracted to the construction segment of the Group. These projects are bid out to various contractors and are awarded on arm's length transactions. Booked revenues from these contracts amounted to ₱944.26 million and ₱946.14 million for the period ended September 30, 2024 and 2023, respectively.

b. An affiliate had transactions with the Group for services rendered relating to the Group's coal operations. These include services for the confirmatory drilling for coal reserve and evaluation of identified potential areas, exploratory drilling of other minerals within the Island, dewatering well drilling along the mine and fresh water well drilling for industrial and domestic supply under an agreement.

   The affiliate also provides to the group marine vessels for use in the delivery of coal to its various customers. The coal freight billing is on a per metric ton basis plus demurrage charges when delay will be incurred in the loading and unloading of coal cargoes.

c. An affiliate of the Group transports visitors and employees from point to point in relation to the Group's ordinary course of business and vice versa and bills the related party for the utilization costs of the aircrafts.

9. **Financial Risk Management Objectives and Policies**

The Group's principal financial instruments comprise interest-bearing loans and borrowings. The main purpose of these financial instruments is to raise financing for its operations and capital expenditures. The Group has various other financial assets and liabilities, such as receivables and payables which arise directly from its operations.

The main risks arising from the use of financial instruments are liquidity risk, market risk and credit risk. The Group's BOD reviews and approves policies for managing each of these risks and they are summarized below.

a. *Liquidity Risk*
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations.

A significant part of the Group's financial assets that are held to meet the cash outflows include cash equivalents and accounts receivables. Although accounts receivables are contractually collectible on a short-term basis, the Group expects continuous cash inflows. In addition, although the Group's short-term deposits are collectible at a short notice, the deposit base is stable over the long term as deposit rollovers and new deposits can offset cash outflows.

Moreover, the Group considers the following as mitigating factors for liquidity risk:

- It has available lines of credit that it can access to answer anticipated shortfall in sales and collection of receivables resulting from timing differences in programmed inflows and outflows.
- It has very diverse funding sources.
- It has internal control processes and contingency plans for managing liquidity risk. Cash flow reports and forecasts are reviewed on a weekly basis in order to quickly address liquidity concerns. Outstanding trade receivables are closely monitored to avoid past due collectibles.
- The Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues both on-shore and off-shore which is included in the Group's corporate planning for liquidity management.

b. *Market Risk*
Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in equity prices, market prices, interest rates and foreign currency exchange rates.

The sensitivity analyses have been prepared on the following bases:

- Equity price risk - movements in equity indices
- Market price risk - movements in one-year historical coal and nickel prices
- Interest rate risk - market interest rate on unsecured bank loans
- Foreign currency risk - yearly movement in the foreign exchange rates

The assumption used in calculating the sensitivity analyses of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at September 30, 2024 and December 31, 2023.

Equity Price Risk
The Group's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, equity securities classified as Equity investment designated at FVOCI.

Quoted securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. The Group's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each industry or sector.

Commodity Price Risk
Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Coal
The price that the Group can charge for its coal is directly and indirectly related to the price of coal in the world coal market. In addition, as the Group is not subject to domestic competition in the Philippines, the pricing of all of its coal sales is linked to the price of imported coal. World thermal coal prices are affected by numerous factors outside the Group's control, including the demand from customers which is influenced by their overall performance and demand for electricity. Prices are also affected by changes in the world supply of coal and may be affected by the price of alternative fuel supplies, availability of shipping vessels as well as shipping costs.

As the coal price is reset on a periodic basis under coal supply agreements, this may increase its exposure to short-term coal price volatility.

There can be no assurance that world coal prices will be sustained or that domestic and international competitors will not seek to replace the Group in its relationship with its key customers by offering higher quality, better prices or larger guaranteed supply volumes, any of which would have a materially adverse effect on the Group's profits.

To mitigate this risk, the Group continues to improve the quality of its coal and diversify its market from power industry, cement industry, other local industries and export market. This will allow flexibility in the distribution of coal to its target customers in such manner that minimum target average price of its coal sales across all its customers will still be achieved. Also, in order to mitigate any negative impact resulting from price changes, it is the Group's policy to set minimum contracted volume for customers with long term supply contracts for each given period (within the duration of the contract) and pricing is negotiated on a monthly basis to even out the impact of any fluctuation in coal prices, thus, protecting its target margin. The excess volumes are allocated to spot sales which may command different price than those contracted already since the latter shall follow pricing formula per contract.

Nevertheless, on certain cases temporary adjustments on coal prices with reference to customers following a certain pricing formula are requested in order to recover at least the cost of coal if the resulting price is abnormally low vis-à-vis cost of production (i.e., abnormal rise in cost of fuel, foreign exchange).

Below are the details of the Group's coal sales to the domestic market and to the export market (as a percentage of total coal sales volume):

	September 30, 2024	December 31, 2023
Domestic market	**32.90%**	33.59%
Export market	**67.10%**	66.41%

The following table shows the effect on income before income tax should the change in the prices of coal occur based on the inventory of the Group as of September 30, 2024 and December 31, 2023 with all other variables held constant. The change in coal prices used in the simulation assumes fluctuation from the lowest and highest price based on one-year historical price movements in 2024 and 2023.

	Effect on income before income tax	
Change in coal price (in thousands)	**September 30, 2024**	December 31, 2023
Based on ending coal inventory		
Increase by 129% in 2024 and 29% in 2023	**₱1,776,493**	₱774,424
Decrease by 129% in 2024 and 29% in 2023	**(1,776,493)**	(774,424)
Based on coal sales volume		
Increase by 25% in 2024 and 33% in 2023	**9,911,977**	13,164,053
Decrease by 25% in 2024 and 33% in 2023	**(9,911,977)**	(13,164,053)

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term debt obligations. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt.

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates, with all variables held constant, through the impact on floating rate borrowings:

	Effect on income before income tax	
Basis points (in thousands)	**September 30, 2024**	December 31, 2023
+100	**(₱99,835)**	(₱108,537)
-100	**99,835**	108,537

The sensitivity analyses shown above are based on the assumption that the interest movements will be more likely be limited to hundred basis points upward or downward fluctuation in both 2024 and 2023. The forecasted movements in percentages of interest rates used were derived based on the Group's historical changes in the market interest rates on unsecured bank loans.

There was no effect on the equity other than those affecting the income before tax.

Foreign Currency Risk
Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group does not have any foreign currency hedging arrangements.

Information on the Group's foreign currency-denominated monetary assets and liabilities and their Philippine peso equivalents follows (amounts in thousands):

	September 30, 2024				
	U.S. Dollar	**Japanese Yen**	**UK Pounds**	**Euro**	**Equivalent in PHP**
Financial assets					
Cash and cash equivalents	**$55,916**	**¥934,622**	**£5**	**€910**	**₱3,611,434**
Receivables	**14,137**	**–**	**–**	**–**	**792,097**
	70,053	**934,622**	**5**	**910**	**4,403,531**
Financial liabilities					
Accounts payable and accrued expenses	**(84,382)**	**–**	**–**	**–**	**(4,727,946)**
	($14,329)	**¥934,622**	**£5**	**€910**	**(₱324,415)**

The following tables demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) as of September 30, 2024 (amounts in thousands):

	Exchange rate movement	**Effect on profit before tax**
In Peso per US Dollar		
Increase	**1.43%**	**(₱11,413)**
Decrease	**(1.43%)**	**11,413**
In Peso per Japanese Yen		
Increase	**5.92%**	**20,659**
Decrease	**(5.92%)**	**(20,659)**
In Peso per UK Pound		
Increase	**2.11%**	**7**
Decrease	**(2.11%)**	**(7)**
In Peso per Euro		
Increase	**0.96%**	**528**
Decrease	**(0.96%)**	**(528)**

There is no impact on the Group's equity other than those already affecting profit or loss. The movement in sensitivity analysis is derived from current observations on movement in dollar average exchange rates.

c. *Credit Risk*
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's maximum exposure to credit risk for the components of the statement of financial position at September 30, 2024 and December 31, 2023 is the carrying amounts except for real estate receivables. The Group's exposure to credit risk arises from default of the counterparties which include certain financial institutions, real estate buyers, subcontractors, suppliers and various electric companies. Credit risk management involves dealing only with recognized, creditworthy third parties. It is the Group's policy that all

counterparties who wish to trade on credit terms are subject to credit verification procedures. The Treasury Department's policy sets a credit limit for each counterparty. In addition, receivable balances are monitored on an ongoing basis. The Group's financial assets are not subject to collateral and other credit enhancement except for real estate receivables. As of September 30, 2024 and December 31, 2023, receivables that are doubtful of collection had been provided with allowance.

Real estate contracts
Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (using incurred loss model prior to adoption of PFRS 9). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another CTS to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Given this, based on the experience of the Group, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default (i.e., recovery rate is more than 100%). The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Electricity sales
The Group earns substantially all of its revenue from bilateral contracts, WESM and from various electric companies. WESM and the various electric companies are committed to pay for the energy generated by the power plant facilities.

Under the current regulatory regime, the generation rate charged by the Group to WESM is determined in accordance with the WESM Price Determination Methodology (PDM) approved by the ERC and are complete pass-through charges to WESM. PDM is intended to provide the specific computational formula that will enable the market participants to verify the correctness of the charges being imposed. Likewise, the generation rate charged by the Group to various electric companies is not subject to regulations and are complete pass-through charges to various electric companies.

Mining
The Group evaluates the financial condition of the local customers before deliveries are made to them. On the other hand, export sales are covered by sight letters of credit issued by foreign

banks subject to the Group's approval, hence, mitigating the risk on collection.

The Group generally offers 80% of coal delivered payable within thirty (30) days upon receipt of billing and the remaining 20% payable within 15 days after receipt of final billing based on final analysis of coal delivered.

Construction contracts
The credit risk for construction receivables is mitigated by the fact that the Group can resort to carry out its contractor's lien over the project with varying degrees of effectiveness depending on the jurisprudence applicable on location of the project. A contractor's lien is the legal right of the Group to takeover the projects-in-progress and have priority in the settlement of contractor's receivables and claims on the projects-in-progress and have priority in the settlement of contractor's receivables and claims on the projects in progress is usually higher than receivables from and future commitments with the project owners. Trade and retention receivables from project owners are normally high standard because of the creditworthiness of project owners and collection remedy of contractor's lien accorded contractor in certain cases.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

Generally, trade receivables are writtenoff when deemed unrecoverable and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

With respect to the credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group transacts only with institutions or banks that have proven track record in financial soundness.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

Cash and Cash Equivalents
Cash and cash equivalents are short-term placements and working cash fund placed, invested or deposited in foreign and local banks belonging to top 10 banks in the Philippines in terms of resources and profitability. These financial assets are classified as Grade A due to the counterparties' low probability of insolvency.

Equity investment designated at FVOCI
The Group's Equity investment designated at FVOCI are classified as Grade B because these assets are susceptible to untoward consequences due to the current financial positions of counterparties.

Receivables
Included under Grade A are accounts considered to be of high value and are covered with coal supply, power supply, and construction contracts. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits. Grade B accounts are active accounts with minimal to regular instances of payment default, due to collection issues or due to government actions or regulations. These accounts are typically not impaired as the

counterparties generally respond to credit actions and update their payments accordingly. The Group determines financial assets as impaired when probability of recoverability is remote and in consideration of lapse in period which the asset is expected to be recovered.

For real estate receivables, and other receivables, Grade A are classified as financial assets with high credit worthiness and probability of default is minimal. While receivables under Grade B and C have favorable and acceptable risk attributes, respectively, with average credit worthiness.

Receivable from related parties are considered Grade A due to the Group's positive collection experience.

Impairment analysis (using incurred loss model prior to adoption of PFRS 9) is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of customer segments with similar loss patterns (i.e., by geographical region, payment scheme, type of customers, etc.). The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Security and Refundable Deposits
Security and refundable deposits are classified as Grade A since these are to be refunded by the lessor and utility companies at the end of lease term and holding period, respectively, as stipulated in the agreements.

As of September 30, 2024, the aging analysis of the Group's receivables presented per class follows:

September 30, 2024

	Neither past	Past due but not impaired					Impaired	
	nor impaired	<30 days	30-60 days	61-90 days	91-120 days	>120 days	assets	Total
Receivables								
Trade								
Real estate	₱2,541,487	₱2,739,182	₱4,915	₱3,131	₱7,008	₱62,247	₱48,562	₱5,406,533
General construction	3,114,632	70,402	209,143	91,286	41,214	186,103	15,184	3,727,963
Electricity sales	3,047,995	723,872	208,701	219,342	622,136	1,000,527	1,584,615	7,407,187
Coal mining	1,782,180	266,838	23,366	–	65,286	–	36,113	2,173,783
Nickel mining	135,677	–	–	–	–	–	–	135,677
Merchandising and others	22,907	–	18,194	5,842	3,597	64,542	8,495	123,577
Receivables from related parties	2,675,801	–	–	–	–	–	–	2,675,801
Other receivables	980,484	45,488	32,844	21,931	4,888	443,985	99,731	1,629,350
	₱14,301,163	₱3,845,782	₱ 497,163	₱341,532	₱744,129	₱1,757,404	₱1,792,700	₱23,279,871

Financial assets
The fair values of cash and cash equivalents and receivables (except installment contract receivables) approximate their carrying amounts as of reporting dates due to the short-term nature of the transactions.

The fair values of installment contracts receivables are based on the discounted value of future cash flows using the applicable rates for similar types of loans and receivables.

Refundable deposits are carried at cost since these are mostly deposits to a utility company as a consequence of its subscription to the electricity services of the said utility company needed for the Group's residential units.

Financial assets
In the absence of a reliable basis of determining fair values due to the unpredictable nature of future cash flows and the lack of suitable methods in arriving at a reliable fair value, security deposits other than those pertaining to operating leases and unquoted equity investment designated at FVOCI are carried at cost less impairment allowance, if any.

Financial liabilities
The fair values of accounts and other payables and accrued expenses and payables to related parties approximate their carrying amounts as of reporting dates due to the short-term nature of the transactions.

Estimated fair value of long-term fixed rate loans and liabilities for purchased land are based on the discounted value of future cash flows using the applicable rates for similar types of loans with maturities consistent with those remaining for the liability being valued. For floating rate loans, the carrying value approximates the fair value because of recent and regular repricing (quarterly) based on market conditions.

Fair values of receivables, long-term debt, liabilities for purchased land and investment properties are based on level 3 inputs while that of quoted Equity investment designated at FVOCI and financial assets at FVTPL are from level 1 inputs.

There has been no reclassification from Level 1 to Level 2 or 3 category as of September 30, 2024 and December 31, 2023.