

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Mar 5, 2020
2. SEC Identification Number
ASO95002283
3. BIR Tax Identification No.
004-703-376-000
4. Exact name of issuer as specified in its charter
DMCI Holdings Inc.
5. Province, country or other jurisdiction of incorporation
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
3/F Dacon Bldg. 2281 Chino Roces Avenue, Makati City
Postal Code
1231
8. Issuer's telephone number, including area code
632 88883000
9. Former name or former address, if changed since last report
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	13,277,470,000
Preferred	960

11. Indicate the item numbers reported herein
Item no. 9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



DMCI Holdings, Inc.

DMC

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure
DMCI Holdings nets P10.5B in 2019
Background/Description of the Disclosure

Diversified engineering conglomerate DMCI Holdings, Inc. recorded P10.5 billion in consolidated net income in 2019, a 27-percent drop from P14.5 billion the year before. The decline was mainly attributable to lower contributions from Semirara Mining and Power Corporation (SMPC) and a one-time goodwill impairment charge for a mining investment.

Excluding the non-recurring loss of P1.9 billion in 2019, mostly coming from the non-cash goodwill impairment, core net income decreased 14 percent year-on-year from P14.5 billion to P12.4 billion.

For the fourth quarter alone, consolidated earnings plunged 70 percent year-on-year from P4.1 billion to P1.2 billion, primarily due to a 47-percent reduction in earnings contribution from SMPC and a non-cash goodwill impairment charge of P1.6 billion for the Acoje mine assets of Zambales Diversified Metals Corporation (ZDMC) and Zambales Chromite Mining Company (ZCMC).

Excluding non-recurring items, core net income of DMCI Holdings for the last quarter stood at P3.1 billion, down 25 percent from P4.2 billion during the same period in 2018.

“Market conditions and regulatory restrictions no longer support our original valuation of ZDMC and ZCMC so the Board decided to write-off the goodwill associated with these investments,” explained DMCI Holdings Chairman and President Isidro A. Consunji.

DMCI Holdings bought the two companies in 2014 when mid-grade nickel prices averaged US\$49. In 2019, the average selling price of mid-grade nickel plunged 45 percent to US\$27, effectively reducing the saleable resource.

ZCMC was non-operational in 2019 as it lacked the requisite permits to commence operation. Meanwhile, ZDMC was unable to resume full commercial production due to the absence of ancillary permits in other areas.

Contribution Breakdown

Full year core net income contributions from SMPC fell 23 percent from P7.4 billion to P5.7 billion as power generation and average coal prices both decreased by 22 percent.

DMCI Homes experienced a marked slowdown in project construction, resulting in a 4-percent slide in earnings contribution from P3.2 billion to P3 billion.

Net income contributions from affiliate Maynilad Water Services, Inc. went down by 4 percent to P1.8 billion owing to higher amortization and depreciation expenses for its capital expenditure program.

D.M. Consunji, Inc. posted a 25-percent drop in net income share from P1.2 billion to P906 million due to the absence of significant realized claims and savings from projects nearing completion compared to last year.

Earnings contribution from DMCI Power Corporation grew by 31 percent from P465 million to P611 million, following the approval of a P1.13 per kwh adjustment on its non-fuel tariff for its Aborlan power plant in Palawan.

An 82-percent increase in nickel shipment pushed DMCI Mining core earnings to rise 56 percent from P117 million to P182 million.

Contributions from DMCI Holdings and other investments slipped 6 percent to P223 million due to lower interest income.

###

Other Relevant Information

None

Filed on behalf by:

Name	Herbert Consunji
Designation	Executive Vice President & Chief Finance Officer



DMCI Holdings nets P10.5B in 2019

Diversified engineering conglomerate DMCI Holdings, Inc. recorded P10.5 billion in consolidated net income in 2019, a 27-percent drop from P14.5 billion the year before. The decline was mainly attributable to lower contributions from Semirara Mining and Power Corporation (SMPC) and a one-time goodwill impairment charge for a mining investment.

Excluding the non-recurring loss of P1.9 billion in 2019, mostly coming from the non-cash goodwill impairment, core net income decreased 14 percent year-on-year from P14.5 billion to P12.4 billion.

For the fourth quarter alone, consolidated earnings plunged 70 percent year-on-year from P4.1 billion to P1.2 billion, primarily due to a 47-percent reduction in earnings contribution from SMPC and a non-cash goodwill impairment charge of P1.6 billion for the Acoje mine assets of Zambales Diversified Metals Corporation (ZDMC) and Zambales Chromite Mining Company (ZCMC).

Excluding non-recurring items, core net income of DMCI Holdings for the last quarter stood at P3.1 billion, down 25 percent from P4.2 billion during the same period in 2018.

“Market conditions and regulatory restrictions no longer support our original valuation of ZDMC and ZCMC so the Board decided to write-off the goodwill associated with these investments,” explained DMCI Holdings Chairman and President Isidro A. Consunji.

DMCI Holdings bought the two companies in 2014 when mid-grade nickel prices averaged US\$49. In 2019, the average selling price of mid-grade nickel plunged 45 percent to US\$27, effectively reducing the saleable resource.

ZCMC was non-operational in 2019 as it lacked the requisite permits to commence operation. Meanwhile, ZDMC was unable to resume full commercial production due to the absence of ancillary permits in other areas.

Contribution Breakdown

Full year core net income contributions from SMPC fell 23 percent from P7.4 billion to P5.7 billion as power generation and average coal prices both decreased by 22 percent.

DMCI Homes experienced a marked slowdown in project construction, resulting in a 4-percent slide in earnings contribution from P3.2 billion to P3 billion.

Net income contributions from affiliate Maynilad Water Services, Inc. went down by 4 percent to P1.8 billion owing to higher amortization and depreciation expenses for its capital expenditure program.

D.M. Consunji, Inc. posted a 25-percent drop in net income share from P1.2 billion to P906 million due to the absence of significant realized claims and savings from projects nearing completion compared to last year.

Earnings contribution from DMCI Power Corporation grew by 31 percent from P465 million to P611 million, following the approval of a P1.13 per kwh adjustment on its non-fuel tariff for its Aborlan power plant in Palawan.

An 82-percent increase in nickel shipment pushed DMCI Mining core earnings to rise 56 percent from P117 million to P182 million.

Contributions from DMCI Holdings and other investments slipped 6 percent to P223 million due to lower interest income.

###