



SEMIRARA
MINING & POWER
CORPORATION

Q1 2018 Results Briefing

16 May 2018

CONSOLIDATED FINANCIAL HIGHLIGHTS

In million Php, except ratios



	Q1 2018	Q1 2017	Variance
Revenues	11,430	10,351	10%
Coal	8,354	6,778	23%
Power	3,076	3,572	-14%
Depreciation	1,774	1,208	47%
Coal	871	723	20%
Power	903	485	86%
EBITDA	6,562	6,032	9%
<i>EBITDA Margin</i>	<i>57%</i>	<i>58%</i>	<i>-1%</i>
NIAT	4,574	4,423	3%
<i>EPS</i>	<i>1.07</i>	<i>1.04</i>	<i>4%</i>
CAPEX	2,531	2,013	26%
Coal	1,662	942	76%
SCPC	748	729	3%
SLPGC	122	342	-64%
Cash	6,589	9,506	-31%
Free Cash Flow	2,225	1,603	39%
Net Debt	12,887	8,125	59%
<i>Net Debt/EBITDA</i>	<i>1.96</i>	<i>1.35</i>	<i>46%</i>
<i>ROE (YoY)</i>	<i>12%</i>	<i>11%</i>	<i>9%</i>
<i>DE Ratio</i>	<i>0.87</i>	<i>0.81</i>	<i>7%</i>
<i>Current Ratio</i>	<i>1.46</i>	<i>1.71</i>	<i>-15%</i>

SEGMENT FINANCIAL HIGHLIGHTS

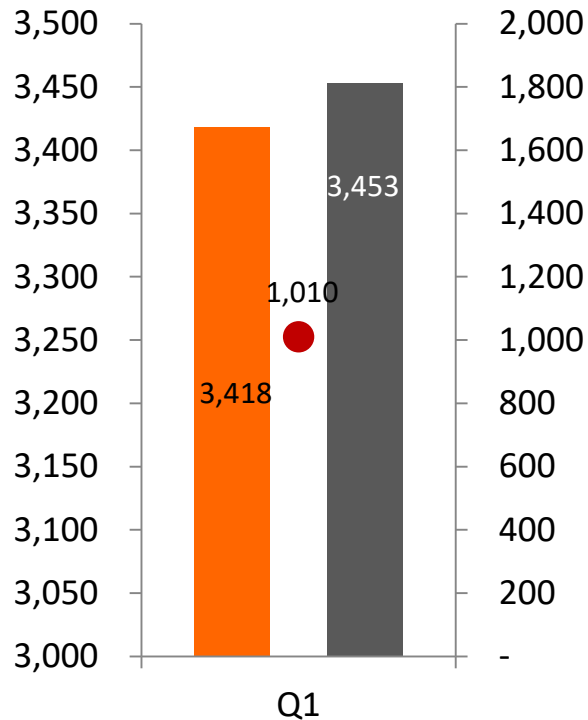
Operating businesses



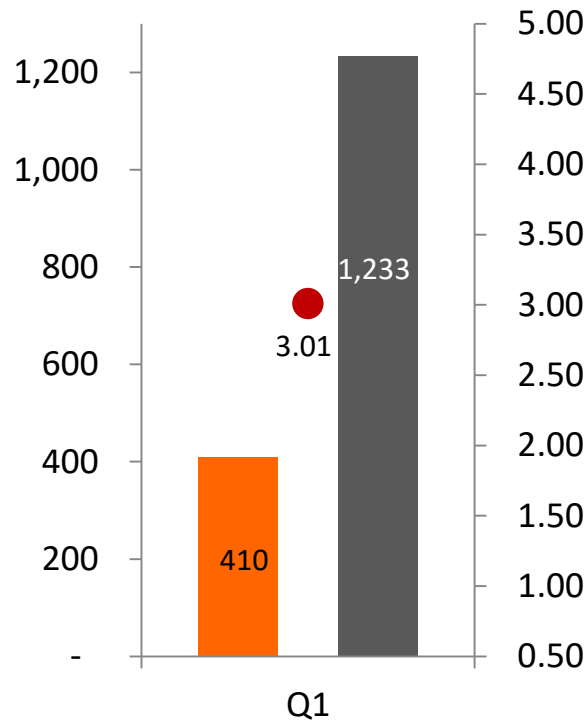
	Coal			SCPC			SLPGC		
	Q1 2018	Q1 2017	Variance	Q1 2018	Q1 2017	Variance	Q1 2018	Q1 2017	Variance
Revenues (In M Php)	9,523	8,135	17%	2,102	2,422	-13%	974	1,148	-15%
Ave. Price (In Php)	2,786	2,250	24%	5.13	4.13	24%	5.90	4.80	23%
Cost of Sales - MT/Kwhr (In M Php)	1,010	890	14%	3.01	2.00	51%	3.49	2.72	28%
Gross Margin/Unit (In Php)	1,776	1,360	31%	2.12	2.13	-1%	2.41	2.08	16%
Core NIAT (In M Php)	4,248	3,369	26%	65	667	-90%	148	357	-59%
Cash Balance End (In M Php)	5,181	6,380	-19%	345	1,302	-74%	1,005	1,797	-44%
Interest Bearing Loans (In M Php)	9,269	7,049	31%	3,000	1,664	80%	7,222	8,918	-19%
Retained Earnings, End (In M Php)	16,835	22,122	-24%	5,647	5,917	-5%	4,433	3,538	25%
Net Working Capital (In M Php)	5,780	9,705	-40%	1,221	(2,320)	-153%	1,052	2,380	-56%
EBITDA (In M Php)	5,169	4,161	24%	797	1,172	-32%	485	714	-32%

Q1 2018 VOLUME SOLD vs COST OF SALES

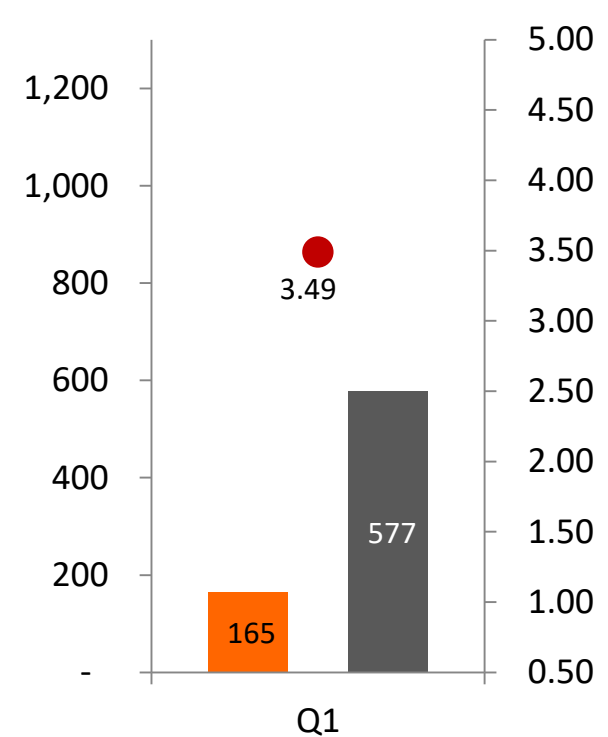
COAL



SCPC



SLPGC



Volume Sold ('000 MTs)

Cost of Sales (million Php)

Cost of Sales/ton

Volume Sold (GWh)

Cost of Sales (million Php)

Cost of Sales/KWh

Volume Sold (GWh)

Cost of Sales (million Php)

Cost of Sales/KWh

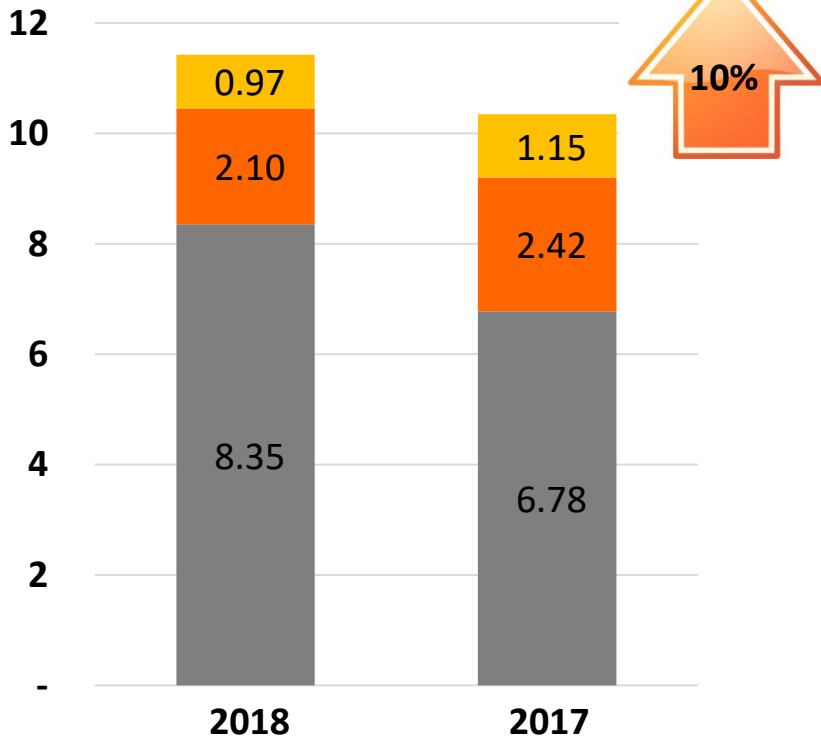
Coal COS is at a normal level, given Q1 Strip ratio of 9.12:1. Higher global NewCastle coal index pushed up power COS; SLPGC's fixed cost component is allocated over low sales volume, thus cost of sales/KWh is higher than SCPC.

CONSOLIDATED REVENUES AND NIAT

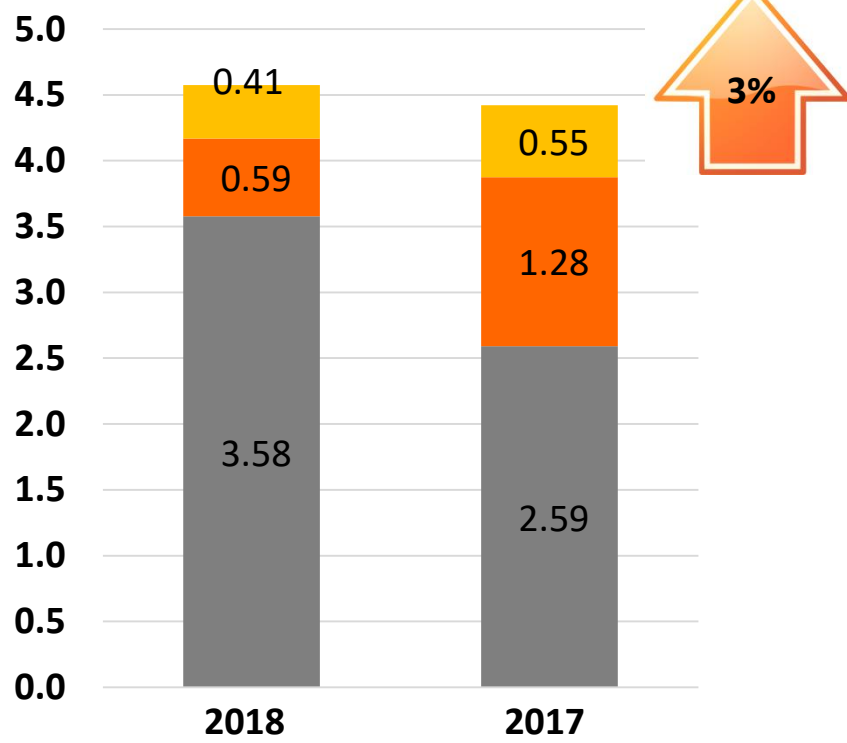


Q1 2018 vs Q1 2017 – in billion Php

Gross Revenues



NIAT

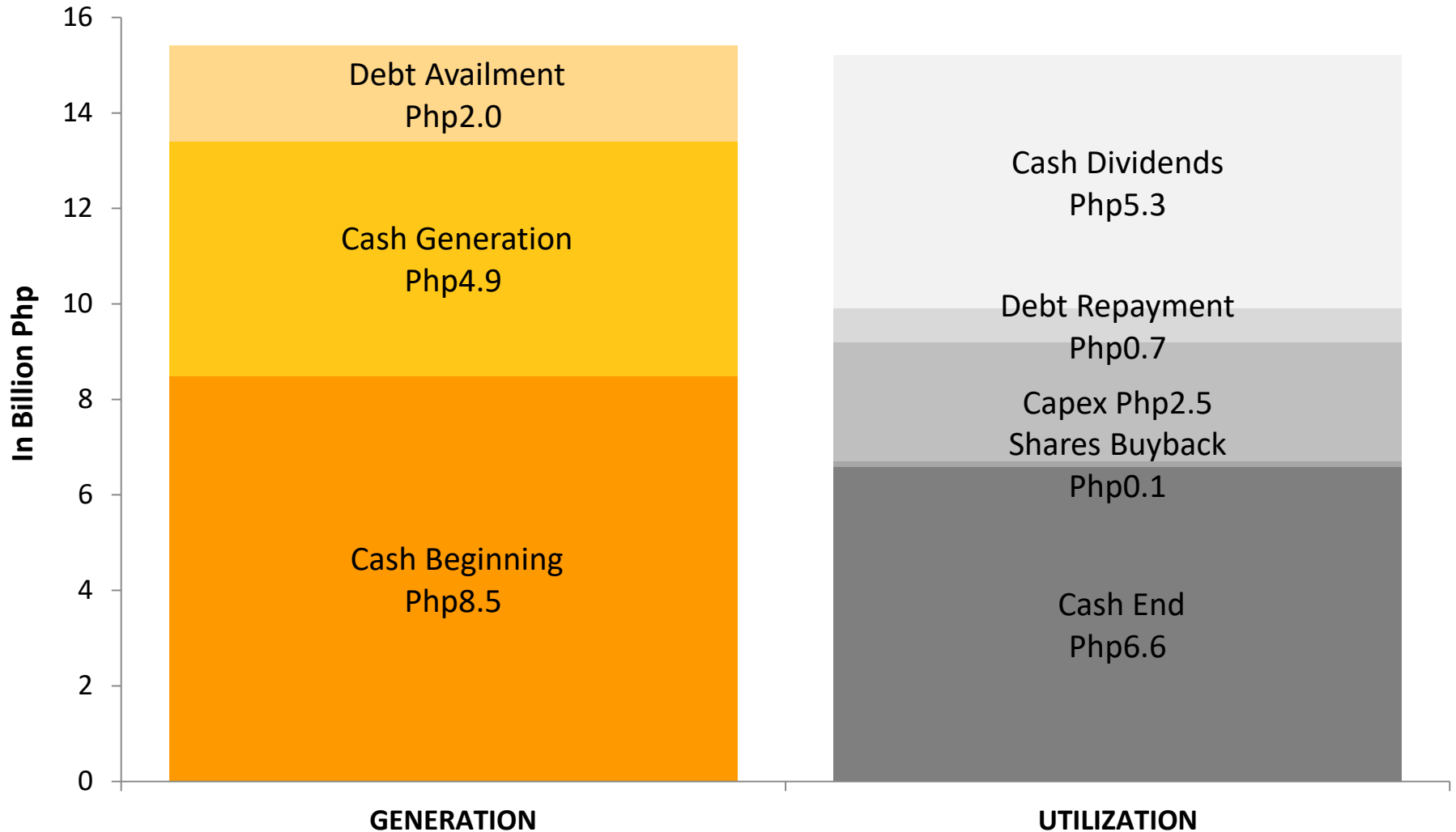


■ Coal ■ SCPC ■ SLPGC

10% ↑ in revenues, 3% ↑ in NIAT. Strong coal segment results offset drop in power generation business.

CASH GENERATION & UTILIZATION - CONSOLIDATED


Q1 2018 – in billion

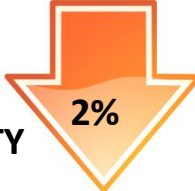


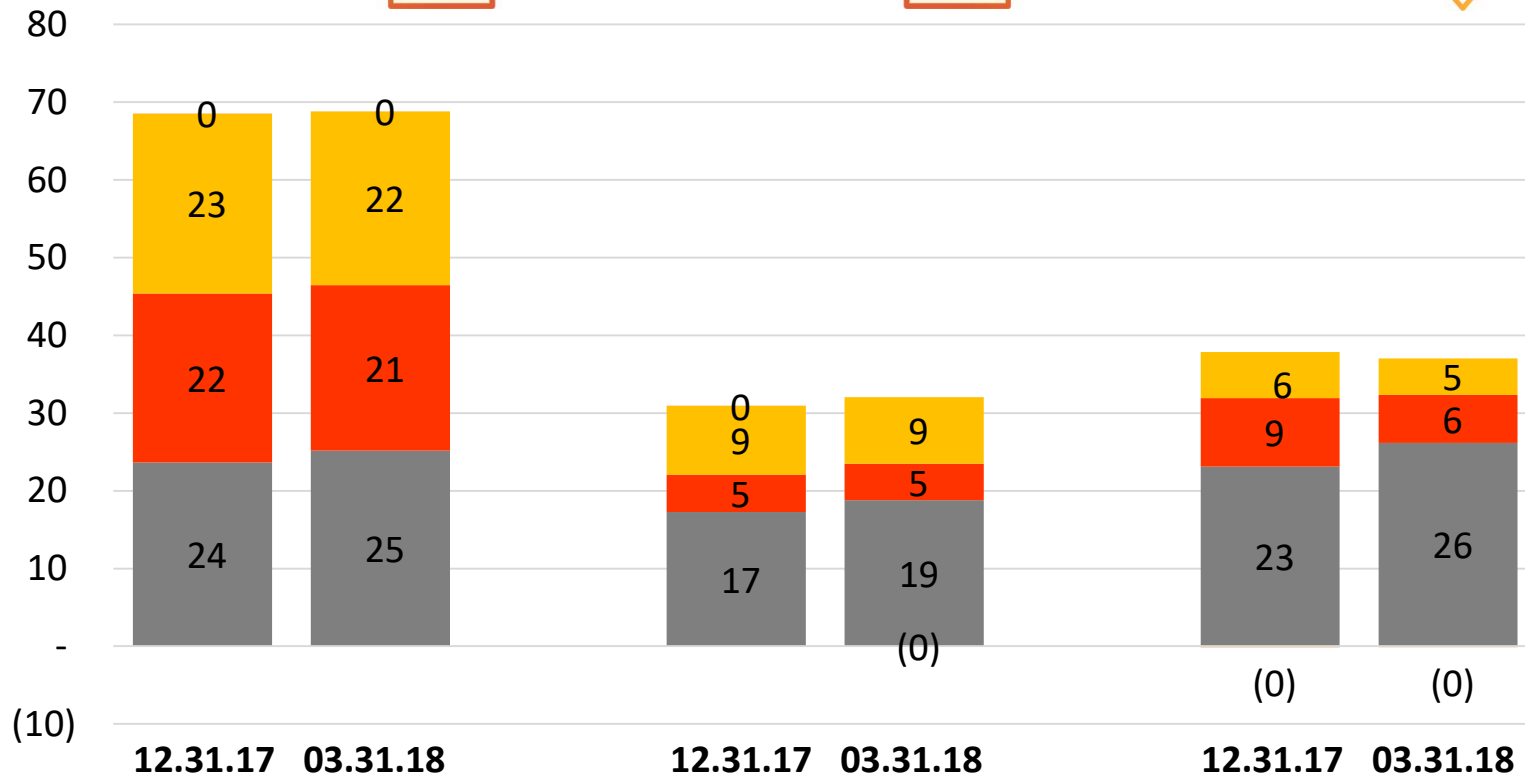
CONSOLIDATED ASSETS, LIABILITIES, & EQUITY

FY 2017 (Audited) vs Q1 2018 (Unaudited) – in billion Php

ASSETS  **0.4%**

LIABILITIES  **4%**

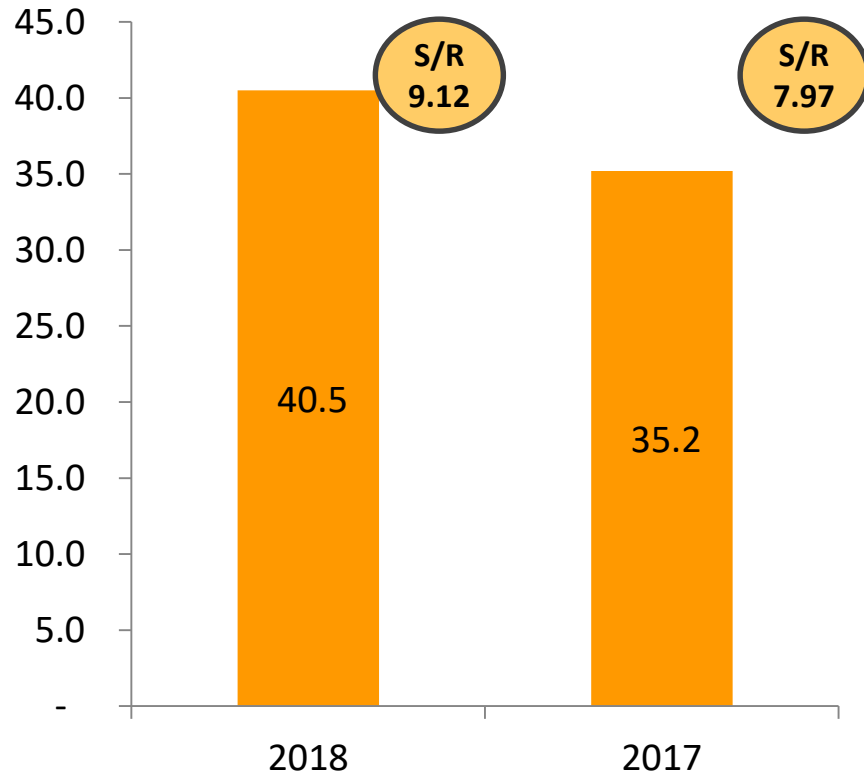
EQUITY  **2%**



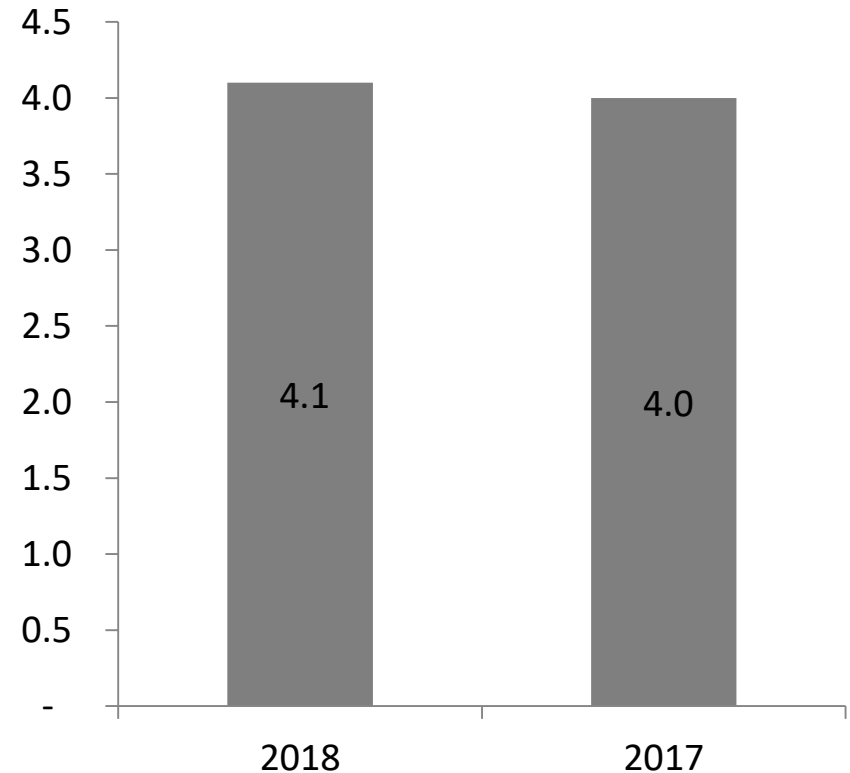
COAL PRODUCTION

Q1 2018 vs Q1 2017

Materials Moved
in million bcm



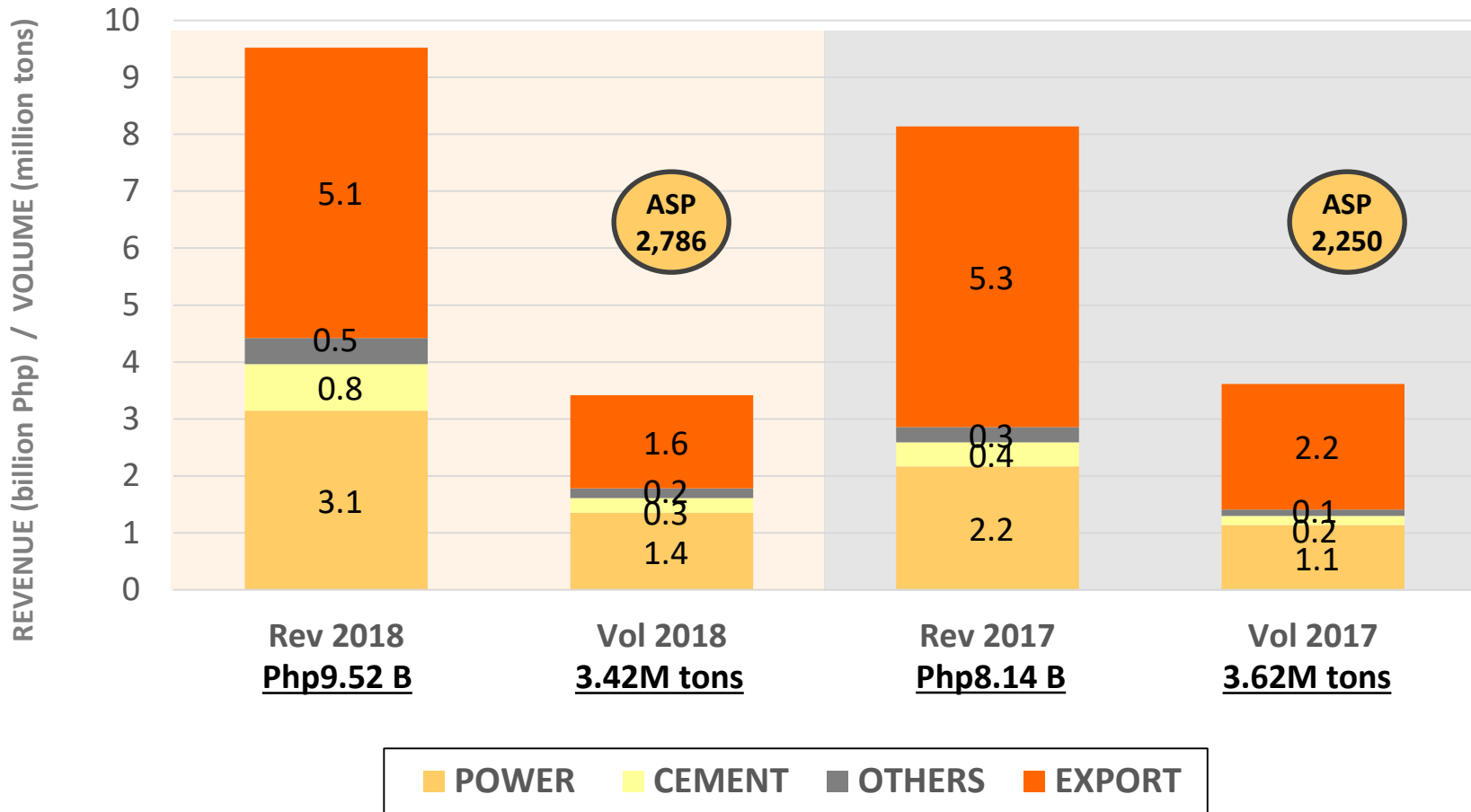
Coal Production
in million tons



15% ↑ in materials moved, 3% ↑ in coal production. Increase in materials moved is due to increase in excavating capacity, which resulted to corresponding increase in production. Coal production is inclusive of low-grade coal of 401K tons and 272K tons in Q1 2018 and Q1 2017, respectively.

COAL SALES

Q1 2018 vs Q1 2017

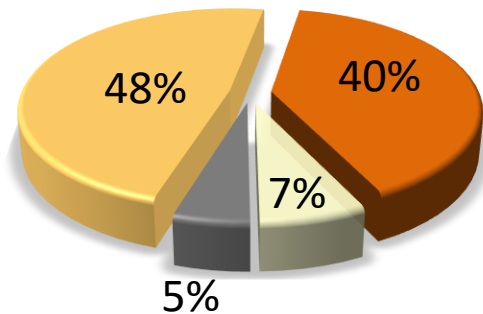


5% ↓ in volume sold, 24% ↑ ASP. Drop in sales volume is mainly due to 26% drop in export sales; local deliveries increased by 27%. Q1 2018 and Q1 2017 coal sales are inclusive of low-grade coal sold to own power plants of 460 thousand tons and 326 thousand tons, respectively.

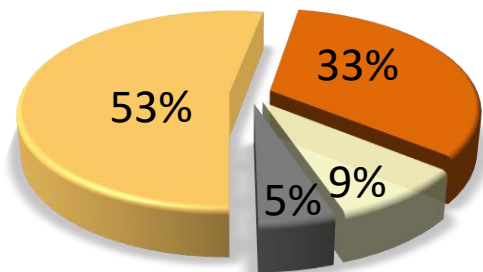
COAL SALES MIX

Q1 2018 vs Q1 2017

Q1 2018

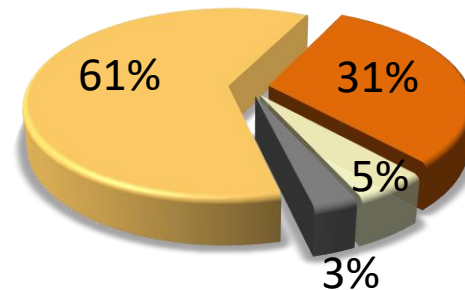


3.42 M tons

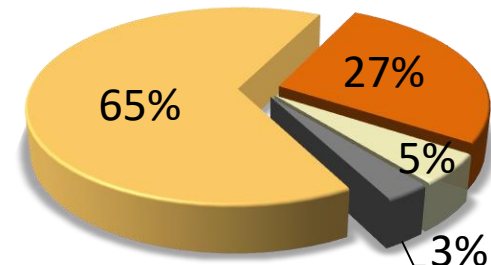


Php 9.52 B

Q1 2017



3.62 M tons



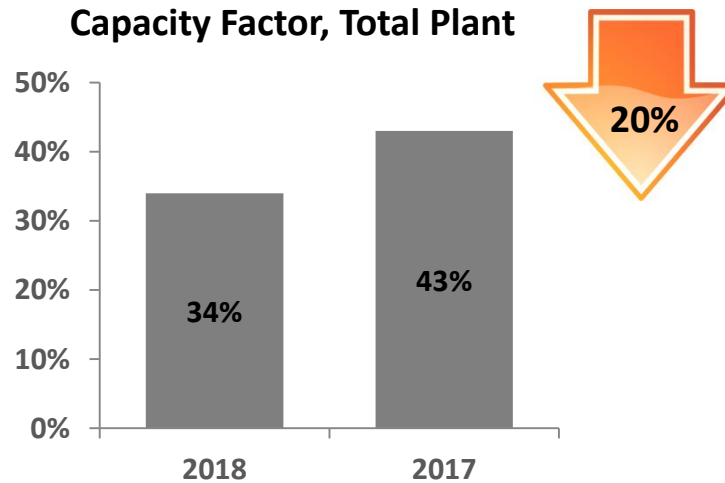
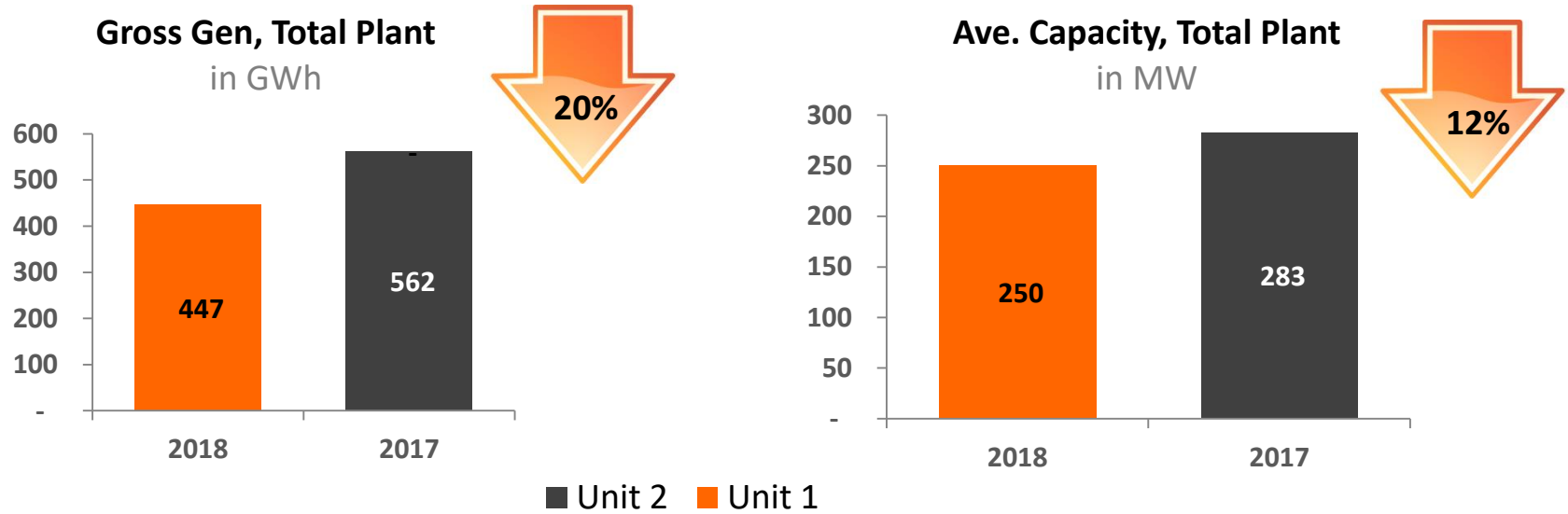
Php 8.14 B

■ Power ■ Cement ■ Others ■ Export

20% ↑ off-take of power plants, 58% ↑ Cement, 51% ↑ Other Plants, 26% ↓ exports. Slight drop in sales volume is offset by more significant increase in ASP, thereby increasing coal revenues by 17%.

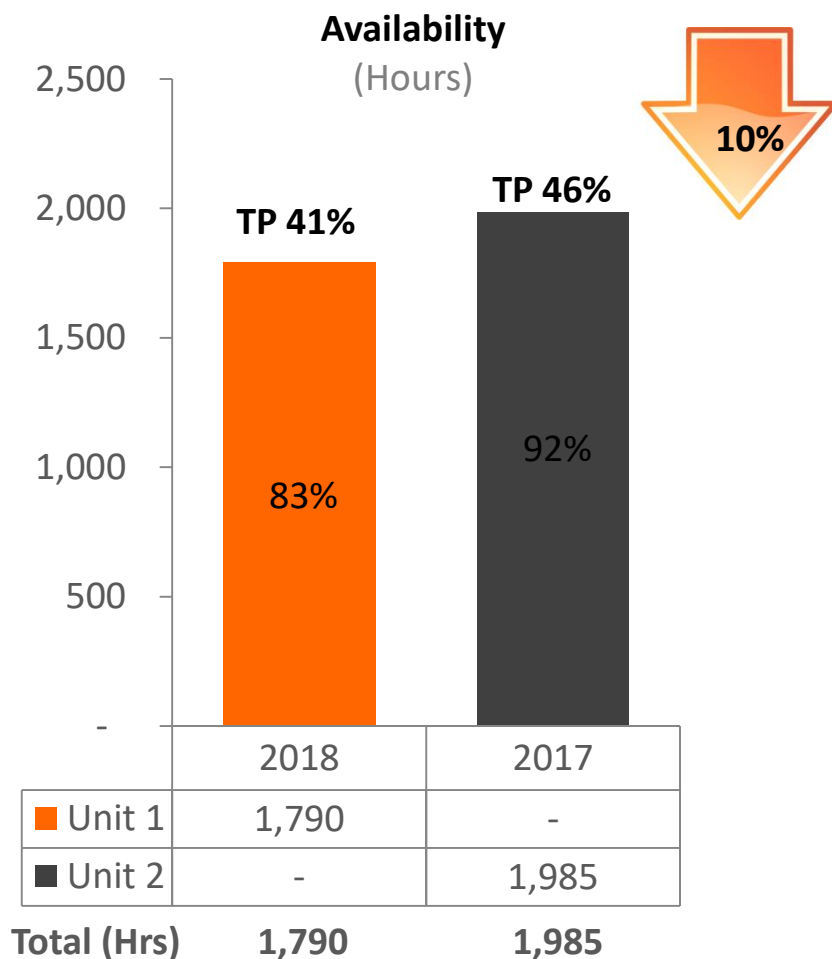
SCPC POWER PLANTS' PERFORMANCE

Q1 2018 vs Q1 2017



SCPC POWER PLANTS' AVAILABILITY & OUTAGES

Q1 2018 vs Q1 2017



Planned Outage, Hrs	2018	2017	Variance
Unit 1	-	1,536	100%
Unit 2	1,824	-	-
Total Plant	1,824	1,536	119%

Unplanned Outage, Hrs	2018	2017	Variance
Unit 1	370	624	41
Unit 2	336	175	-92%
Total Plant	706	799	12%

SCPC ENERGY SALES

Q1 2018 vs Q1 2017

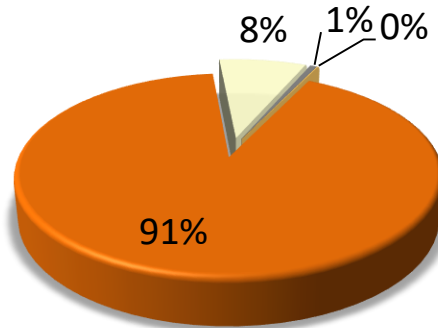
	2018	2017	Variance
BCQ Revenue, Net (in M Php)	2,071	2,418	-14%
BCQ Volume Sold (GWh)	408	586	-30%
BCQ, Ave Price (in Php)	5.08	4.13	23%
Spot Sale (in M Php)	31	4	761%
Spot Volume Sold (GWh)	3	1	281%
Spot Sales, Ave Price (in Php)	12.24	5.41	126%
Total Revenue (in M Php)	2,102	2,422	-13%
Total Volume Sold (GWh)	410	586	-30%
Composite Ave. Price (in Php)	5.13	4.13	24%

24% ↑ in ASP, 30% ↓ volume sold. Unit 2 is on maintenance shutdown the whole of Q1 2018, while Unit 1 was on maintenance shutdown in Q1 2017. Increase in ASP is due to higher global Newcastle benchmark coal prices.

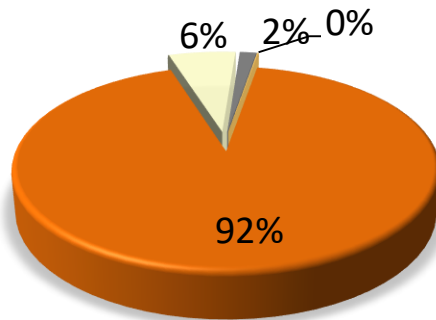
SCPC ENERGY SALES MIX

Q1 2018 vs Q1 2017

2018

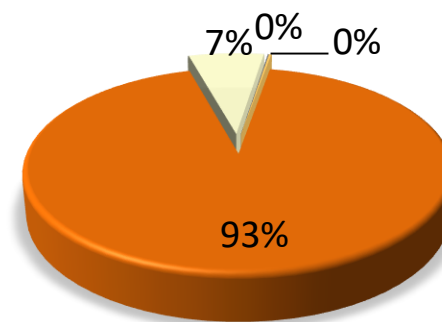


410 GWh

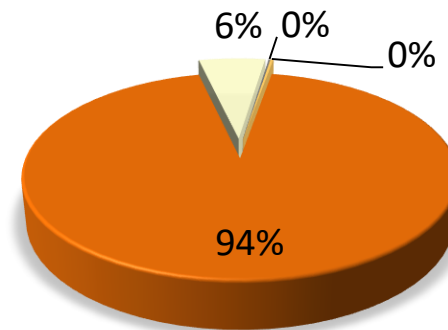


Php 2.10 B

2017



586 GWh



Php 2.42 B

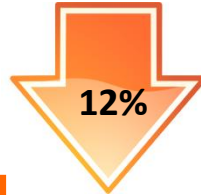
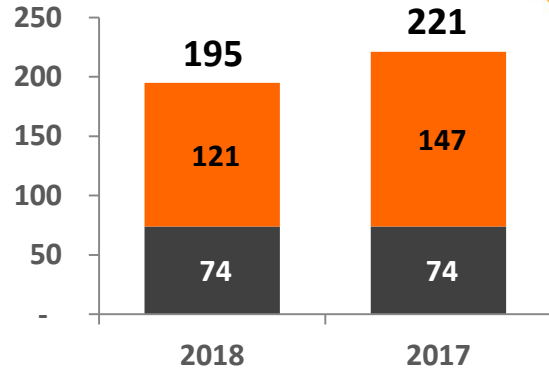
■ Meralco
 ■ Batelec I
 ■ Spot
 ■ Others

Meralco remains to be the single biggest customer of the Company, accounting for 91% of sales volume and 92% of revenues. Power supply contracts total to 440.45 MW - Meralco (250 MW), MPower (170MW), Batelec (20MW) and ECSCO (0.45 MW).

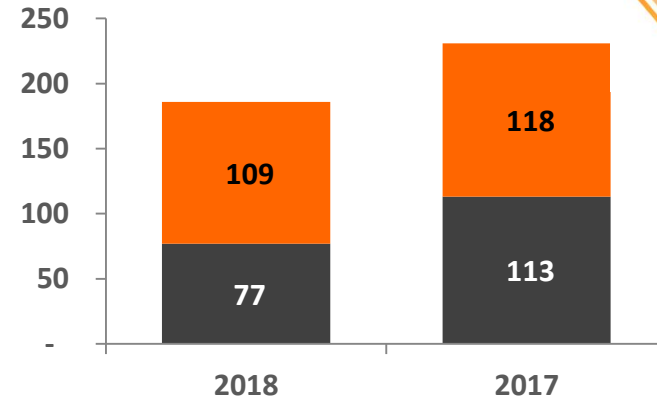
SLPGC POWER PLANTS' PERFORMANCE

Q1 2018 vs Q1 2017

Gross Gen, Total Plant in GWh

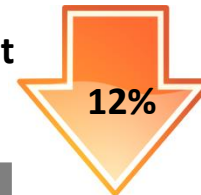
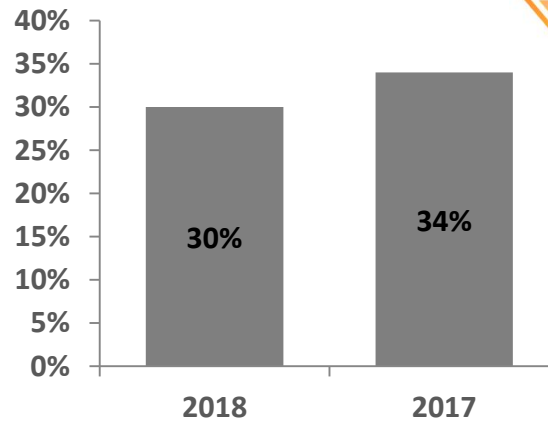


Ave. Capacity, Total Plant in MW



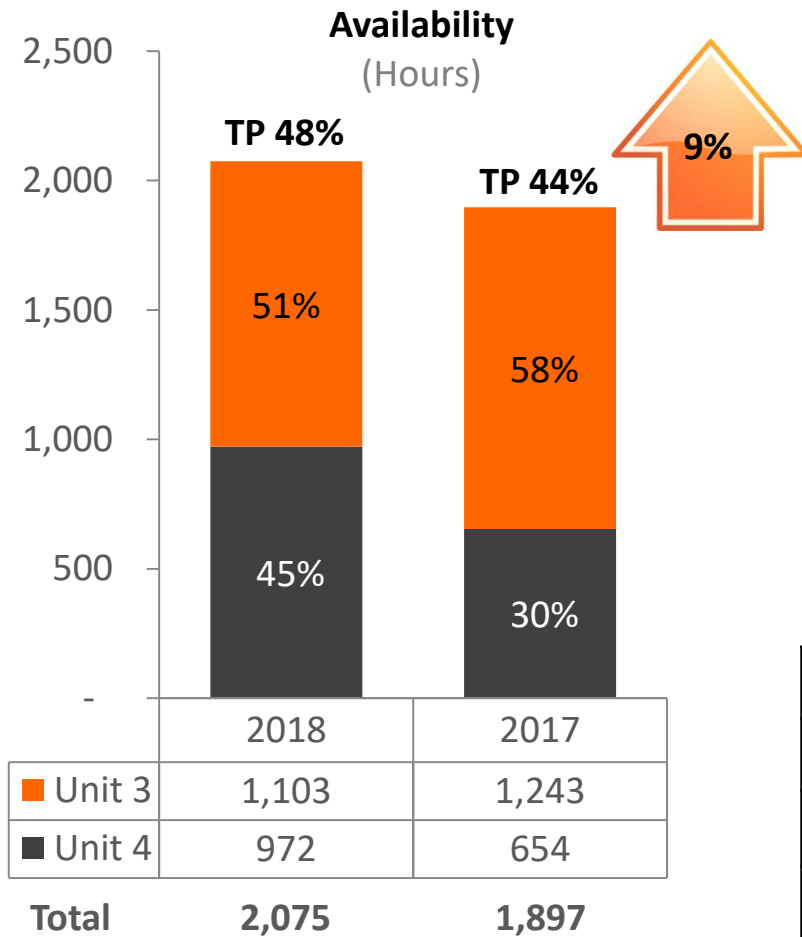
■ Unit 4 ■ Unit 3

Capacity Factor, Total Plant



SLPGC POWER PLANTS' AVAILABILITY & OUTAGES

Q1 2018 vs Q1 2017



Planned Outage, Hrs	2018	2017	Variance
Unit 3	-	744	-100%
Unit 4	600	1,080	-44%
Total Plant	600	1,824	-67%

Unplanned Outage, Hrs	2018	2017	Variance
Unit 3	1,057	173	510%
Unit 4	588	426	38%
Total Plant	1,645	599	174%

SLPGC ENERGY SALES

Q1 2018 vs Q1 2017

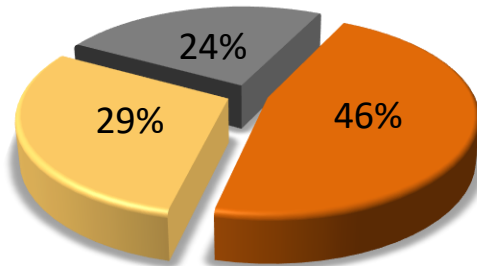
	2018	2017	Variance
BCQ Revenue, Net (in M Php)	858	932	-8%
BCQ Volume Sold (GWh)	125	177	-29%
BCQ, Ave Price (in Php)	6.87	5.27	30%
Spot Sale (in M Php)	116	216	-46%
Spot Volume Sold (GWh)	40	62	-35%
Spot Sales, Ave Price (in Php)	2.88	3.46	-17%
Total Revenue (in M Php)	974	1,148	-15%
Total Volume Sold (GWh)	165	239	-31%
Composite Ave. Price (in Php)	5.90	4.80	23%

23% ↑ in ASP, 31% ↓ volume sold. Higher ASP slightly offset drop in volume sold; revenues dropped by 15%.

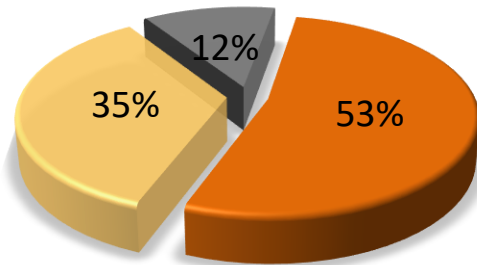
SLPGC ENERGY SALES MIX

Q1 2018 vs Q1 2017

2018

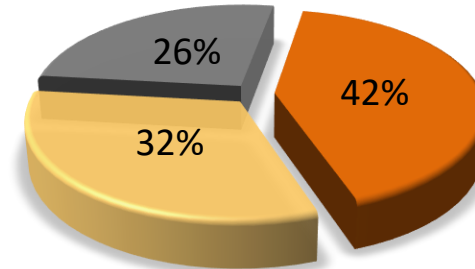


165 GWh

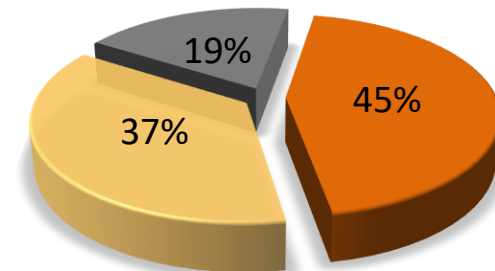


Php 974 M

2017



239 GWh



Php 1.15 B

 MPower

 VECO

 Spot

MPower is the single biggest customer of SLPGC, accounting for 46% of sales volume and 53% of revenues. Power supply contracts total to 142.51 MW - VECO (42.51 MW) and MPower (100 MW).

KEY TAKEAWAYS

- Coal strong performance offset drop in power profitability
- Newcastle coal prices remain strong in Q1 2018
- South Panian mine rehab shortened to 2 years from original plan of 10 years, per DOE directive
- SCPC: Unit 2 down in whole of Q1 2018
- SLPGC: Unit 3 down for repairs, estimated to be up by August – September; the plant is covered by insurance on machinery breakdown and business interruption
- SLPGC: ERC issued on 1 March Certificate of Compliance for 2x25 MW Gas Turbine for ancillary services
- Shares buyback: SCC brought back 2.28 million shares amounting to P85 million in Q1 2018. No buyback transactions during block-off periods as the Securities Regulations Act includes Issuer in its definition of “insider” (Sec 3.8)
- SCC declared and paid regular cash dividends amounting to P5.3 billion in Q1 2018
- Coal excise tax: Coal Operating Contract #5 with government provides a contractual exemption protected by the non-impairment clause of the Constitution

APPENDIX

COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME - COAL

For the period ending March (in million Php)

	Q1 2018	Q1 2017	Variance	
Revenue	9,523	8,135	1,388	17%
Costs of Sales	3,453	3,206	248	8%
Gross Margin	6,069	4,929	1,140	23%
<i>Gross Profit Ratio</i>	<i>64%</i>	<i>61%</i>		5%
Govt Share	1,510	1,274	235	18%
Gen & Admin Exp	134	104	30	29%
OPEX	1,644	1,378	266	19%
	4,426	3,551	874	25%
Other Exp/(Inc)	173	152	21	14%
Income bef tax	4,252	3,399	853	25%
Income Tax	5	2	3	118%
Core Income	4,248	3,397	851	25%
<i>Profitability Ratio</i>	<i>45%</i>	<i>42%</i>		7%

*Before eliminating entries

COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME - SCPC

For the period ending March (in million Php)



	Q1 2018	Q1 2017	Variance	
Revenue	2,102	2,422	(320)	-13%
Contracted Energy	2,076	2,423	(347)	-14%
Spot Sales	31	4	27	761%
PPD	(5)	(5)	(0)	5%
Cost of Energy Sales	1,233	1,169	64	5%
Generation Cost	874	828	46	6%
Depreciation and Amortization	284	185	99	54%
Replacement Power Cost	71	151	(80)	-53%
Marketing Cost	4	6	(2)	-28%
Gross Profit	869	1,253	(384)	-31%
<i>GP Ratio</i>	<i>41%</i>	<i>52%</i>		<i>-20%</i>
Other Cost/Expense/Income	(774)	(297)	(477)	160%
General, Admin. and Other OPEX	688	293	396	135%
Finance Income/(Costs)	69	7	62	911%
Foreign Exchange Gains/(Losses)	27	21	5	24%
Other Income	10	24	(14)	-59%
Net Income Before Tax	95	956	(861)	-90%
Provision for Taxes	29	287	(258)	-90%
Net Income After Tax	65	668	(603)	-90%
<i>Profitability Ratio</i>	<i>3%</i>	<i>28%</i>		<i>-89%</i>

*Before eliminating entries

COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME - SLPGC

For the period ending March (in million Php)



	Q1 2018	Q1 2017	Variance	
Revenue	974	1,148	(174)	-15%
Contracted Energy	858	933	(75)	-8%
Spot Sales	116	216	(99)	-46%
PPD	-	(0)	0	-100%
Cost of Energy Sales	577	650	(74)	-13%
Generation Cost	246	215	31	15%
Depreciation & Amortization	292	291	1	0%
Replacement Power Cost	39	145	(106)	-73%
Gross Profit	397	498	(100)	-496%
<i>GP Ratio</i>	<i>41%</i>	<i>43%</i>		
Other Cost/Expense/Income	(247)	(138)	(108)	78%
General, Admin. and Other OPEX	(216)	(81)	(135)	167%
Finance Income/(Costs)	(36)	(61)	26	-42%
Foreign Exchange Gains/(Losses)	0	-	0	
Other Income	5	4	1	22%
Net Income Before Tax	151	360	(209)	-58%
Provision for Taxes	3	2	1	33%
Net Income After Tax	148	357	(210)	-59%
<i>Profitability Ratio</i>	<i>15%</i>	<i>31%</i>		

*Before eliminating entries

COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME - CONSOLIDATED

For the period ending March (in million Php)



	SMC	SCPC	SLPGC	Q1 2018
Coal	8,354	-	-	8,354
Power	-	2,102	974	3,076
REVENUE	8,354	2,102	974	11,430
Coal	2,954	-	-	2,954
Power	-	709	317	1,027
COST OF SALES	2,954	709	317	3,981
GROSS PROFIT	5,400	1,392	657	7,449
<i>GP Ratio</i>	<i>65%</i>	<i>66%</i>	<i>67%</i>	<i>65%</i>
G/S & admin expenses	1,644	688	216	2,548
Interest expense	98	74	50	222
Interest (income)	(26)	(5)	(14)	(45)
Forex (gain) losses	102	27	(0)	128
Other (income) exp	(0)	(10)	(5)	(15)
Total	1,817	774	247	2,838
Income before tax	3,583	618	410	4,611
Income tax	5	29	3	37
NET INCOME	3,579	589	407	4,574
<i>NP Ratio</i>	<i>43%</i>	<i>28%</i>	<i>42%</i>	<i>40%</i>

	SMC	SCPC	SLPGC	Q1 2017
Coal	6,778	-	-	6,778
Power	-	2,422	1,148	3,570
REVENUE	6,778	2,422	1,148	10,348
Coal	2,654	-	-	2,654
Power	-	554	460	1,014
COST OF SALES	2,654	554	460	3,668
GROSS PROFIT	4,124	1,868	688	6,680
<i>GP Ratio</i>	<i>61%</i>	<i>77%</i>	<i>60%</i>	<i>65%</i>
G/S & admin expenses	1,378	293	81	1,752
Interest expense	56	8	72	137
Interest (income)	(15)	(2)	(11)	(28)
Forex (gain) losses	113	21		135
Other (income) exp	(2)	(24)	(4)	(30)
Total	1,530	287	138	1,966
Income before tax	2,594	1,570	550	4,714
Income tax	2	287	2	291
NET INCOME	2,591	1,283	548	4,423
<i>NP Ratio</i>	<i>38%</i>	<i>53%</i>	<i>48%</i>	<i>43%</i>

*After eliminating entries

COMPARATIVE STATEMENTS OF FINANCIAL POSITION - CONSOLIDATED



As of March 2018 (Unaudited) vs December 2017 (Audited) – *In million Php*

	SMC	SCPC	SLPGC	SBPG	SCS	SEU	SCRC	SCIP	CONSOLIDATED	
	PARENT	100% DIRECT	100% DIRECT	100% DIRECT	100% DIRECT	100% DIRECT	100% INDIRECT	100% DIRECT	03.31.2018	12.31.2017
ASSETS										
Current assets										
Cash & Cash Equivalents	5,181	345	1,005	3	37	3	12	3	6,589	8,471
Receivables - net	2,355	2,457	583	-	-	-	-	-	5,395	6,475
Inventories - net	4,237	1,856	1,366	-	-	-	-	-	7,460	5,914
Investment in JV	51								51	51
Other current assets	1,523	1,618	803	-	-	-	0	-	3,944	3,423
Total Current Assets	13,348	6,257	3,758	3	37	3	12	3	23,439	24,334
Non current assets										
PPE – net	11,555	14,715	17,296	-	-	-	-	-	43,567	43,014
Other noncurrent assets	202	72	1,131	-	-	-	-	-	1,406	798
Deferred tax asset	85	365	-	-	-	0	-	-	450	450
Total Noncurrent Assets	11,843	15,153	18,427	-	-	0	-	-	45,423	44,263
TOTAL ASSETS	25,190	21,428	22,185	3	37	3	12	3	68,862	68,596

**After eliminating entries*

COMPARATIVE STATEMENTS OF FINANCIAL POSITION - CONSOLIDATED



As of March 2018 (Unaudited) vs December 2017 (Audited) – *In million Php*

	SMC	SCPC	SLPGC	SBPG	SCS	SEU	SCRC	SCIP	CONSOLIDATED	
	PARENT	100% DIRECT	100% DIRECT	100% DIRECT	100% DIRECT	100% DIRECT	100%INDIRECT	100% DIRECT	03.31.2018	12.31.2017
LIABILITIES										
Current Liabilities										
Accounts payables	7,667	1,678	1,151	0	(2)	0	0	0	10,495	10,851
Short-term loans	1,988	-	-	-	-	-	-	-	1,988	-
Long-term debt – current	1,906	-	1,704	-	-	-	-	-	3,609	3,556
Total Current Liabilities	11,561	1,678	2,855	-	(2)	0	0	0	16,092	14,407
Noncurrent Liabilities										
LT - net of current	5,375	2,986	5,518	-	-	-	-	-	13,879	14,469
Pension liability	174	26	36	-	-	-	-	-	236	234
Provision for site rehab	1,687	14	4	-	-	-	-	-	1,705	1,706
Deferred Tax Liabilities	-	-	55	-	-	-	-	-	55	55
Other LT Liabilities	-	-	47	-	-	-	-	-	47	46
Total Noncurrent Liabilities	7,236	3,025	5,661	-	-	-	-	-	15,922	16,510
TOTAL LIABILITIES	18,796	4,704	8,516	(0)	(2)	-	0	-	32,014	30,917
EQUITY										
Capital stock	4,265	-	-	-	-	-	-	-	4,265	4,265
Additional paid-in capital	6,676	-	-	-	-	-	-	-	6,676	6,676
Retained earnings	15,881	6,172	4,693	(0)	(177)	(0)	(1)	0	26,568	27,313
Remeasurement gains and losses	(81)	(1)	(4)	-	-	-	-	-	(86)	(86)
Treasury Shares	(574)	-	-	-	-	-	-	-	(574)	(488)
Total SHE	26,167	6,171	4,689	(0)	(177)	(0)	(1)	0	36,848	37,679
LIABILITIES & EQUITY	44,963	10,875	13,205	(0)	(179)	(0)	(0)	0	68,862	68,596

*After eliminating entries

CONSOLIDATED LOAN PROFILE

In Millions



Business Segment	Dec 2017	Jan-Mar		Mar 2018
		Availment	Payment	
Coal (USD)	68.2			68.2
Coal (Php Equivalent)	3,412			3,555
Coal (Php)	3,988	1,988		5,714
<i>Total Coal (Php)</i>	<i>7,400</i>	<i>1,988</i>	<i>263</i>	<i>9,269</i>
SCPC (Php)	3,000		-	3,000
SLPGC (Php)	7,640	-	426	7,214
TOTAL (Php)	18,040	1,988	688	19,483

DISCLAIMER

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