



SEMIRARA
MINING & POWER
CORPORATION

H1 2018 Results Briefing
15 August 2018



CONSOLIDATED FINANCIAL HIGHLIGHTS



In million Php, except ratios

	Q1 2018	Q2 2018	2018	Q1 2017	Q2 2017	2017	Variance
Revenues	11,430	12,529	23,959	10,351	9,477	19,827	21%
Coal	8,354	7,484	15,838	6,778	4,342	11,120	42%
Power	3,076	5,045	8,121	3,572	5,135	8,707	-7%
Depreciation	1,774	2,156	3,929	1,208	1,518	2,727	44%
Coal	871	1,229	2,100	723	827	1,550	35%
Power	903	927	1,829	485	691	1,176	56%
EBITDA	6,562	6,032	12,594	6,032	5,342	11,373	11%
<i>EBITDA Margin</i>	<i>57%</i>	<i>48%</i>	<i>53%</i>	<i>58%</i>	<i>56%</i>	<i>57%</i>	<i>-8%</i>
NIAT	4,574	3,560	8,135	4,423	3,441	7,864	3%
<i>EPS</i>	<i>1.07</i>	<i>0.84</i>	<i>1.92</i>	<i>1.04</i>	<i>0.81</i>	<i>1.85</i>	<i>4%</i>
CAPEX	2,531	2,003	4,535	2,013	2,050	4,063	12%
SMC	1,662	1,232	2,893	942	1,591	2,533	14%
SCPC	748	621	1,369	729	307	1,036	32%
SLPC	122	150	272	342	152	494	-45%
Cash	6,589	2,306	2,306	9,506	5,271	5,271	-56%
Free Cash Flow	2,225	(315)	1,910	1,603	1,778	3,382	-44%
Net Debt	12,887	13,429	13,429	8,518	11,694	11,694	15%
Net Debt/EBITDA	1.96	2.23	1.07	1.41	2.19	1.03	4%
ROE (YoY)	12%	9%	20%	12%	9%	21%	-5%
DE Ratio	0.87	0.67	0.67	0.82	0.80	0.80	-17%
Current Ratio	1.46	1.89	1.89	1.69	1.69	1.69	12%

SEGMENT FINANCIAL HIGHLIGHTS

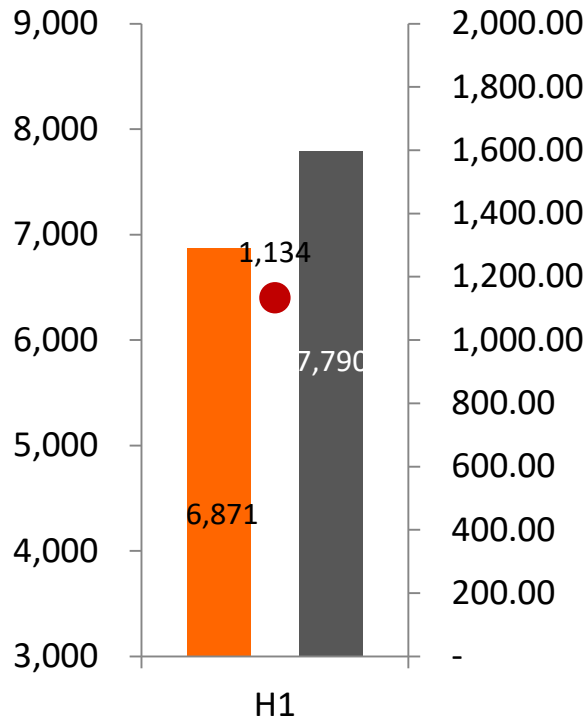
Operating businesses



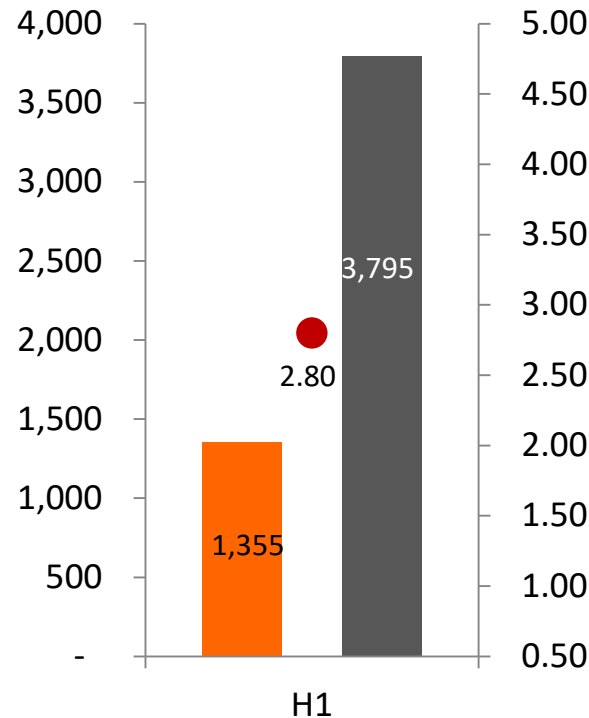
	Coal			SCPC			SLPGC		
	H1 2018	H1 2017	Variance	H1 2018	H1 2017	Variance	H1 2018	H1 2017	Variance
Revenues (In M Php)	18,631	13,454	38%	5,691	5,365	6%	2,430	3,342	-27%
Ave. Price (In Php)	2,711	2,135	27%	4.20	3.83	10%	5.36	4.33	24%
Cost of Sales - MT/Kwhr (In M Php)	1,134	890	27%	2.80	2.17	29%	3.26	1.94	68%
Gross Margin/Unit (In Php)	1,577	1,245	27%	1.40	1.66	-16%	2.20	2.45	-10%
Core NIAT (In M Php)	7,192	5,263	37%	373	1,154	-68%	478	1,395	-66%
Cash Balance End (In M Php)	1,281	1,355	-5%	301	1,472	-80%	665	2,417	-72%
Interest Bearing Loans (In M Php)	5,952	6,873	-13%	3,000	1,600	88%	6,796	8,492	-20%
Retained Earnings, End (In M Php)	16,835	22,122	-24%	5,955	6,404	-7%	4,764	4,576	4%
Net Working Capital (In M Php)	7,734	6,724	15%	1,423	(1,763)	181%	1,119	3,501	-68%
EBITDA (In M Php)	9,440	6,969	35%	1,880	2,323	-19%	1,237	2,145	-42%

H1 2018 VOLUME SOLD vs COST OF SALES

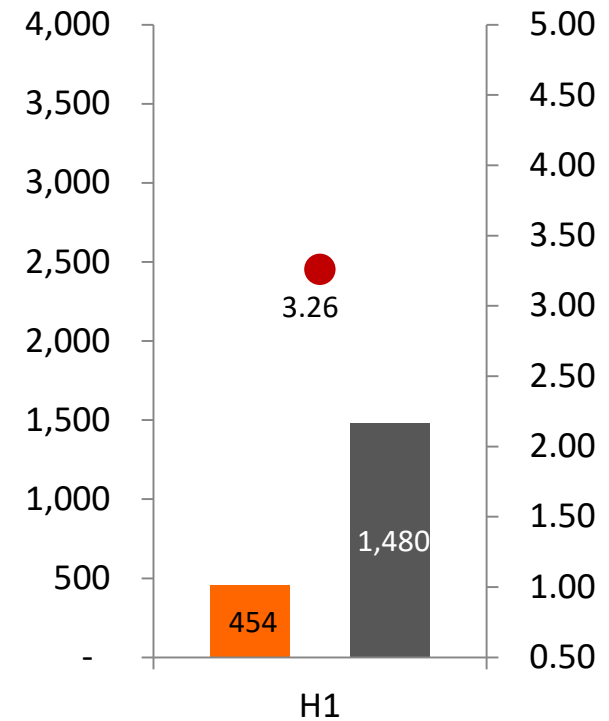
COAL



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

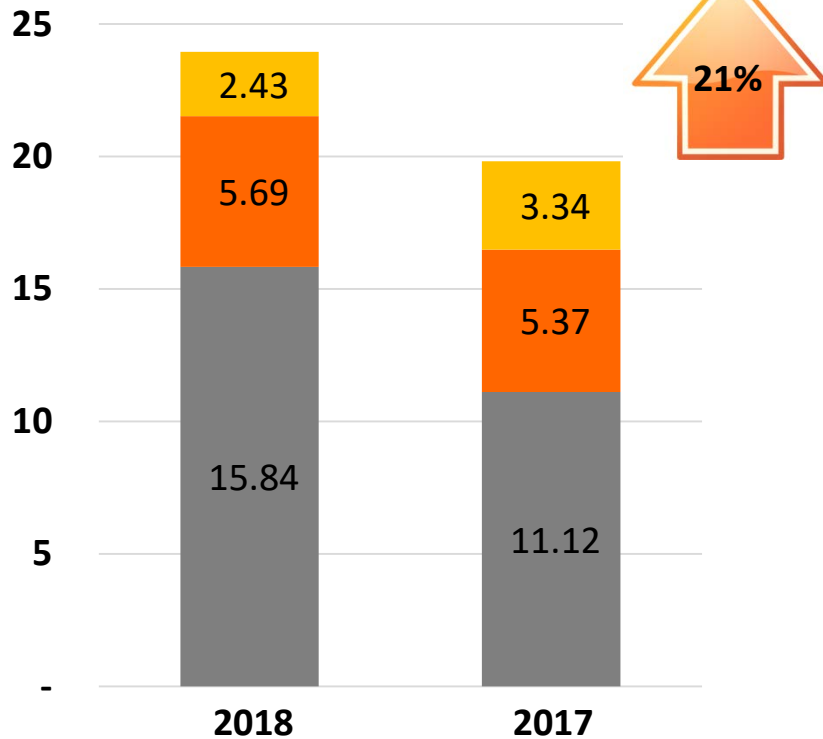
Coal COS is at a normal level, given H1 Strip ratio of 10.7:1. Higher global Newcastle coal index pushed up power COS; SLPGC's fixed cost component is allocated over low sales volume, thus cost of sales/KWh is higher than SCPC.

CONSOLIDATED REVENUES AND NIAT

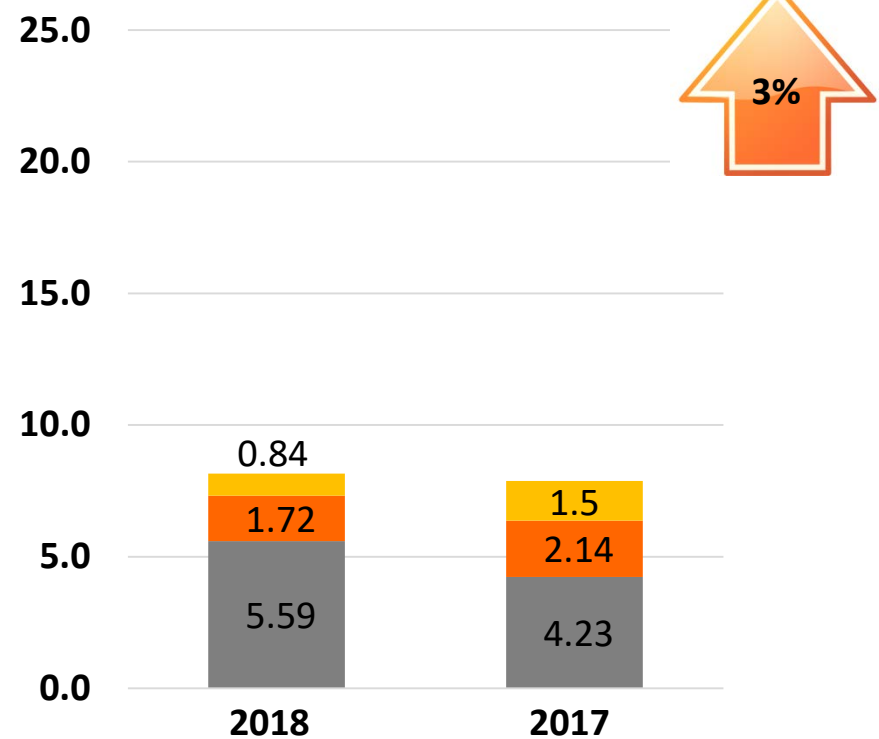
H1 2018 vs H1 2017 – in billion Php



Gross Revenues



NIAT

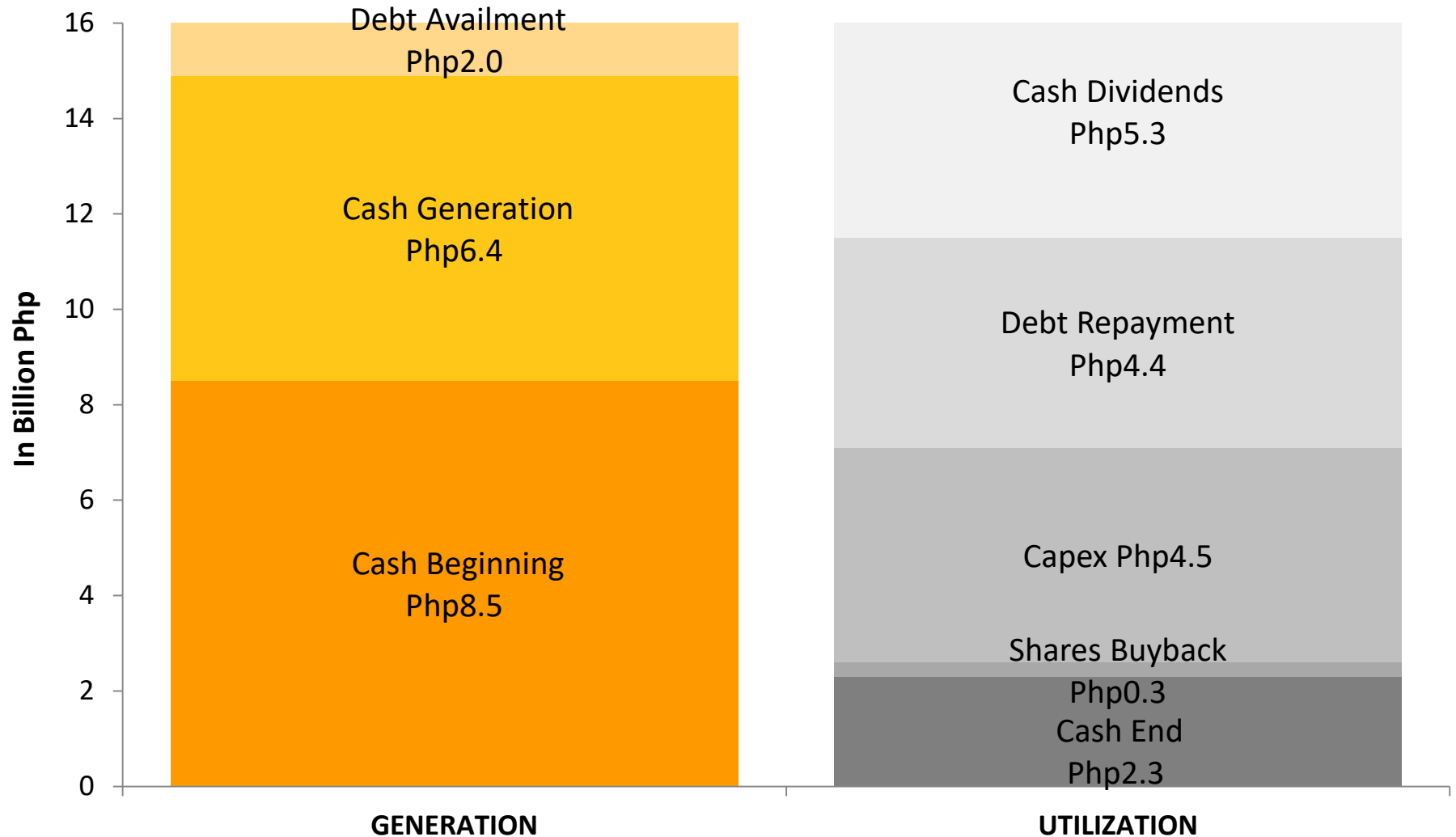


■ Coal ■ SCPC ■ SLPGC

21% ↑ in revenues, 3% ↑ in NIAT. Strong coal segment results offset drop in power generation business.

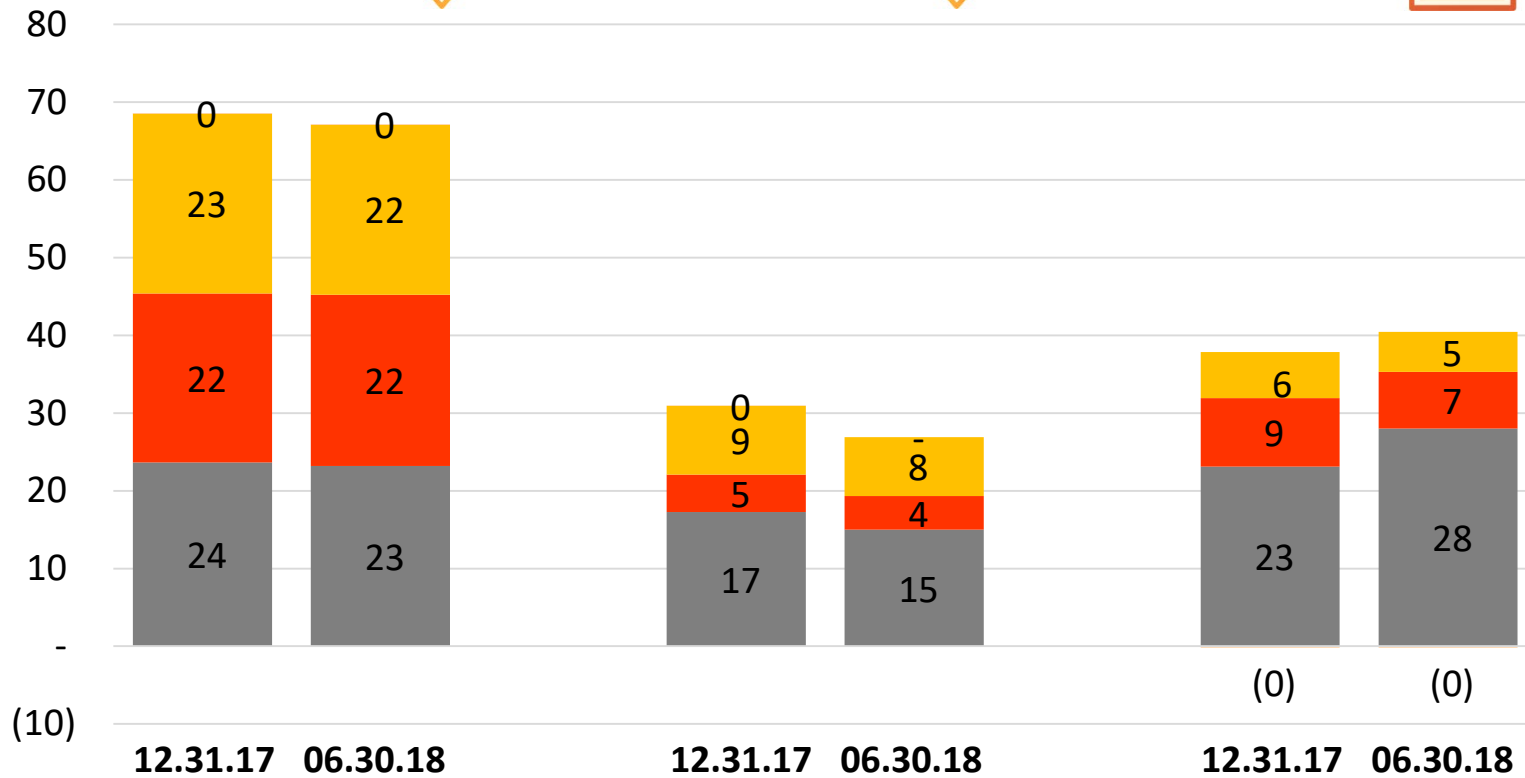
CASH GENERATION & UTILIZATION - CONSOLIDATED

H1 2018 – in billion



CONSOLIDATED ASSETS, LIABILITIES, & EQUITY

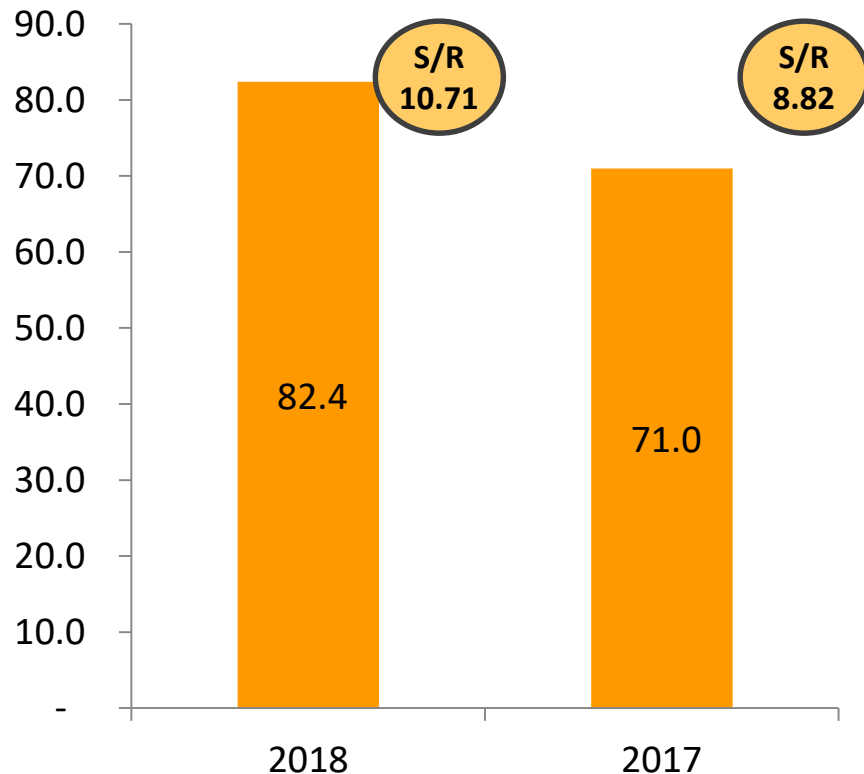
FY 2017 (Audited) vs H1 2018 (Unaudited) – in billion Php



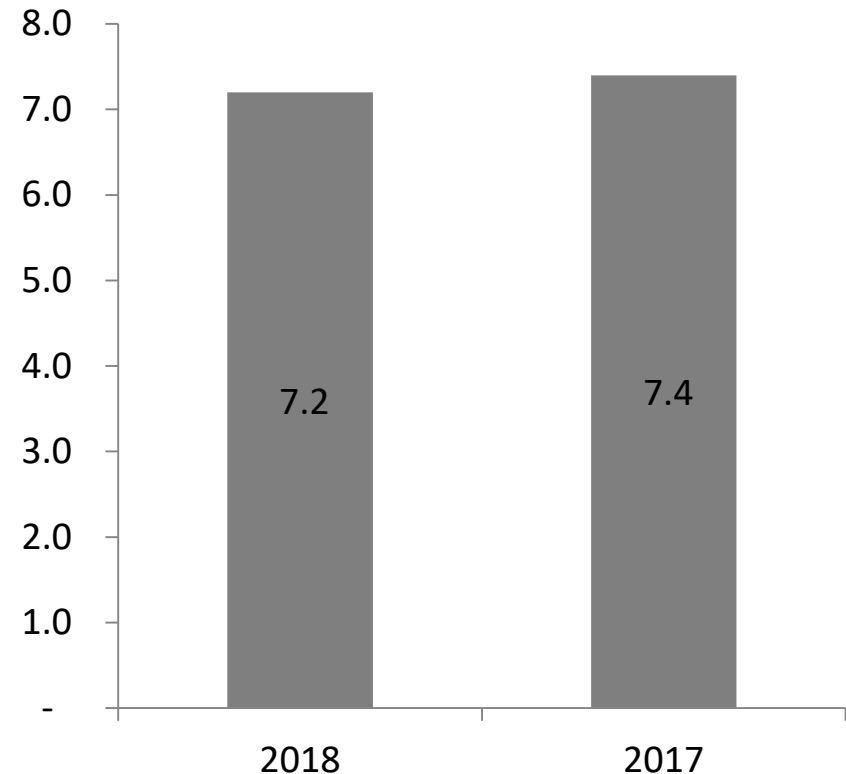
COAL PRODUCTION

H1 2018 vs H1 2017

Materials Moved
in million bcm



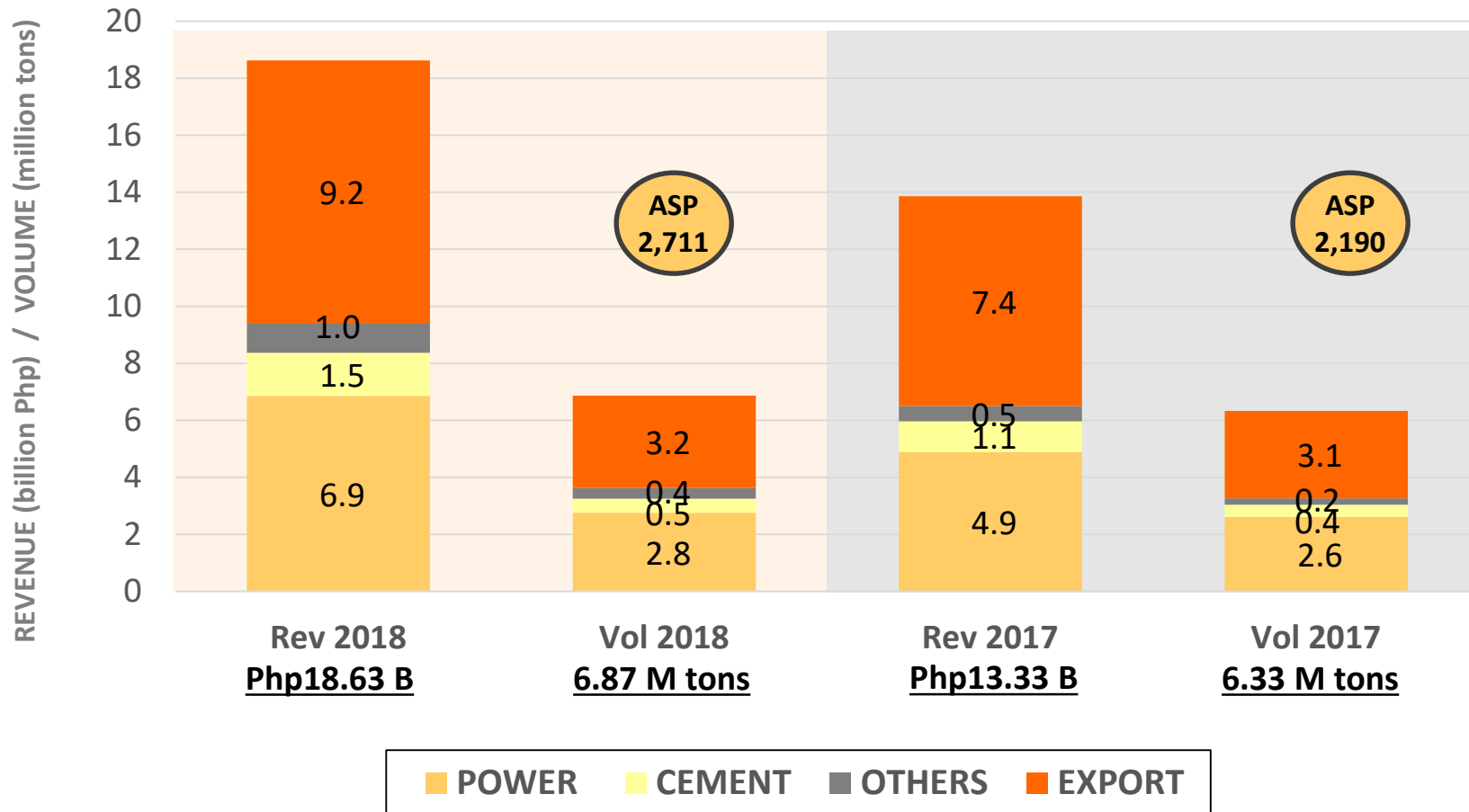
Coal Production
in million tons



15% ↑ in materials moved, 2% ↓ 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 680K tons and 934K tons in H1 2018 and H1 2017, respectively.

COAL SALES

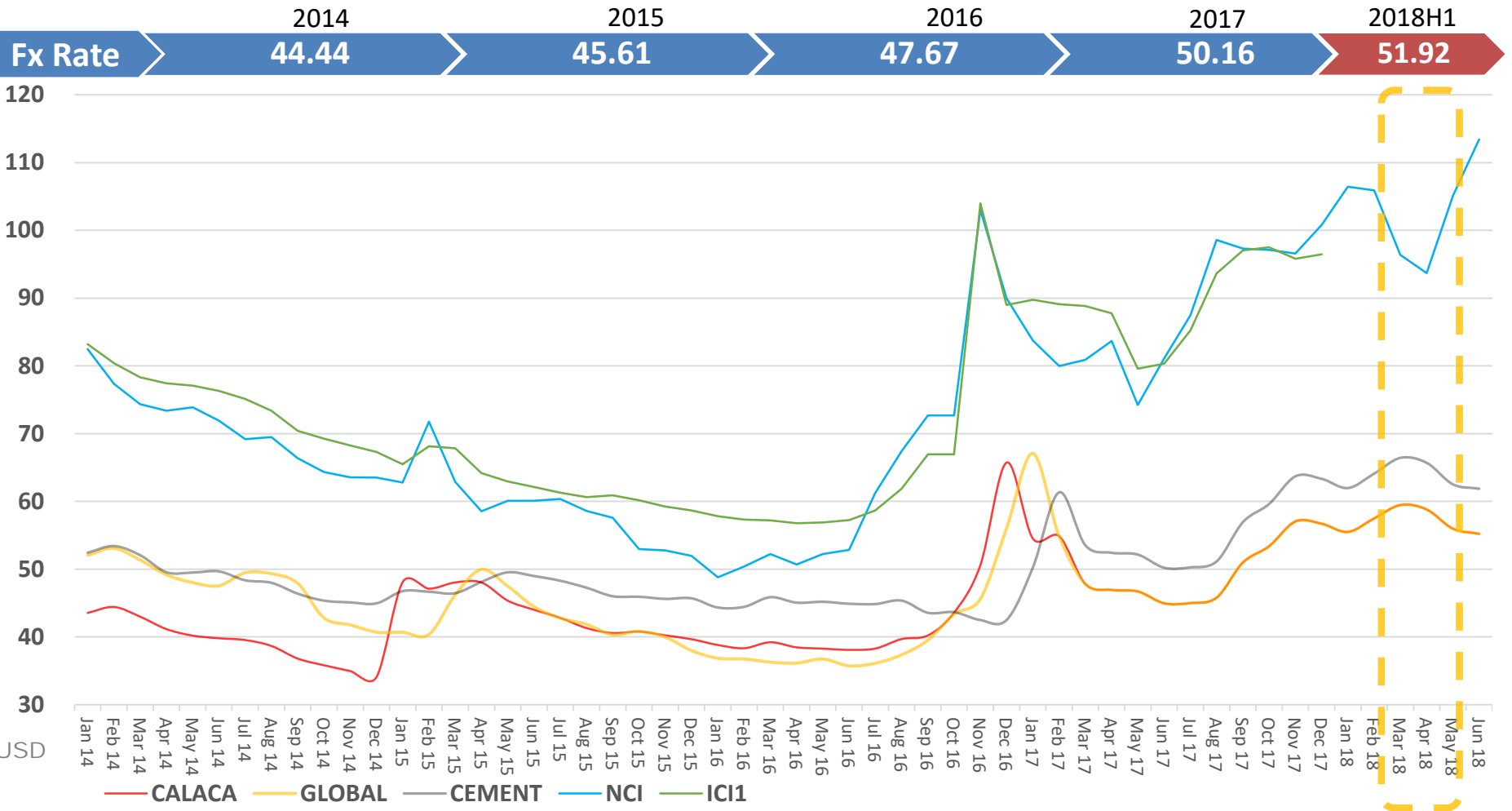
H1 2018 vs H1 2017



9% ↑ in volume sold, 24% ↑ ASP. High demand pushed sales volume up in the current period; local sales increased by 11% while exports rose 6% YoY. H1 2018 and H1 2017 coal sales are inclusive of low-grade coal sold to own power plants of 663 thousand tons and 743 thousand tons, respectively.

HISTORICAL COAL PRICES (IN USD)

NewCastle Index vs Domestic FOB Prices

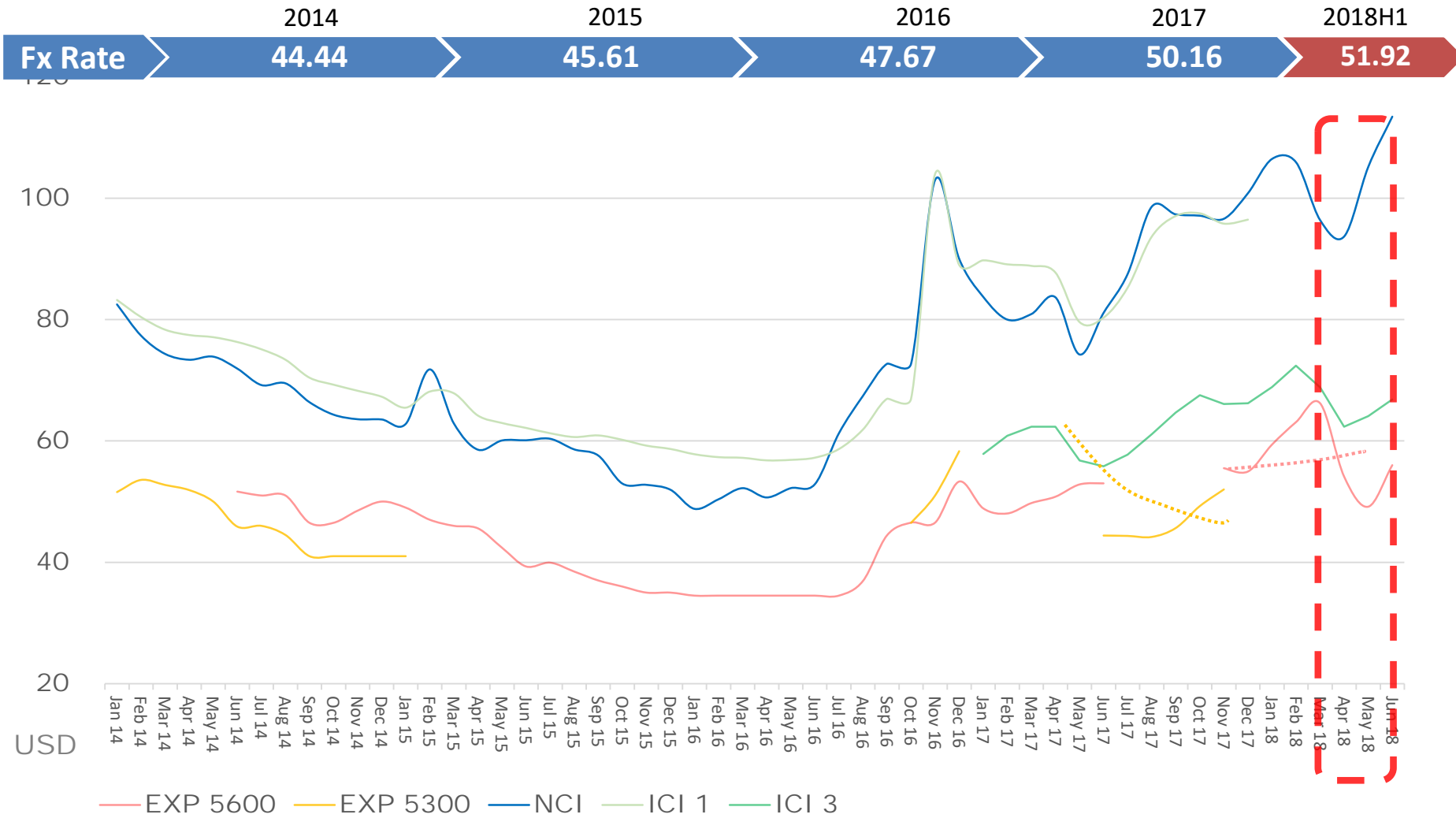


Based on average monthly Fx rate

HISTORICAL COAL PRICES (IN USD)



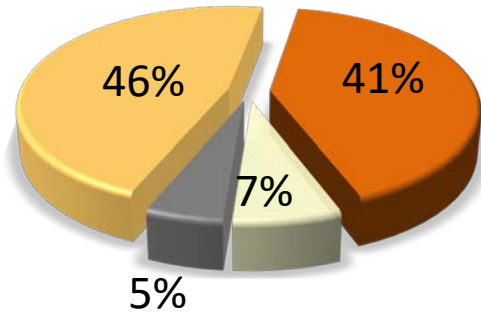
NewCastle Index vs Export FOB Prices



COAL SALES MIX

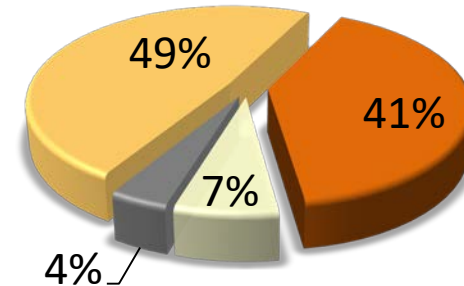
H1 2018 vs H1 2017

H1 2018

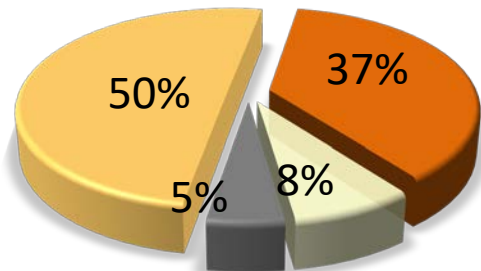


6.87 M tons

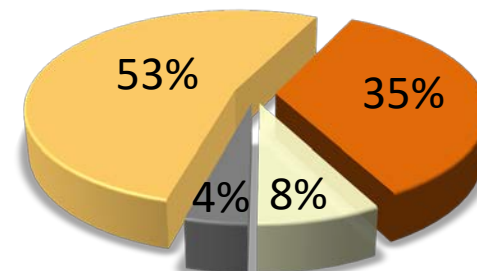
H1 2017



6.33 M tons



Php 18.63 B



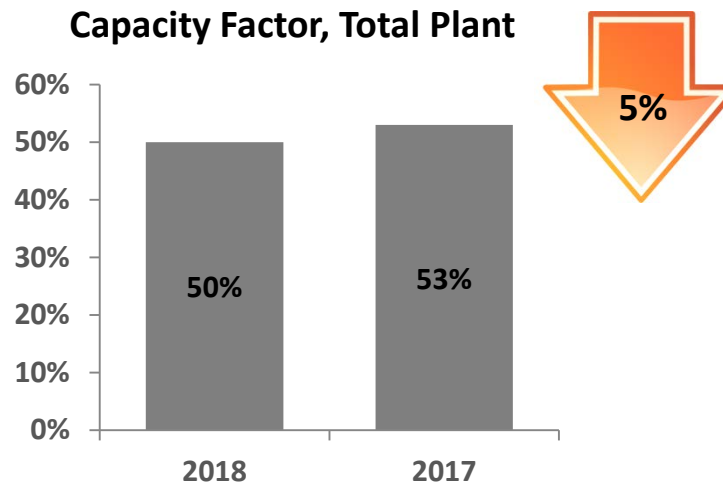
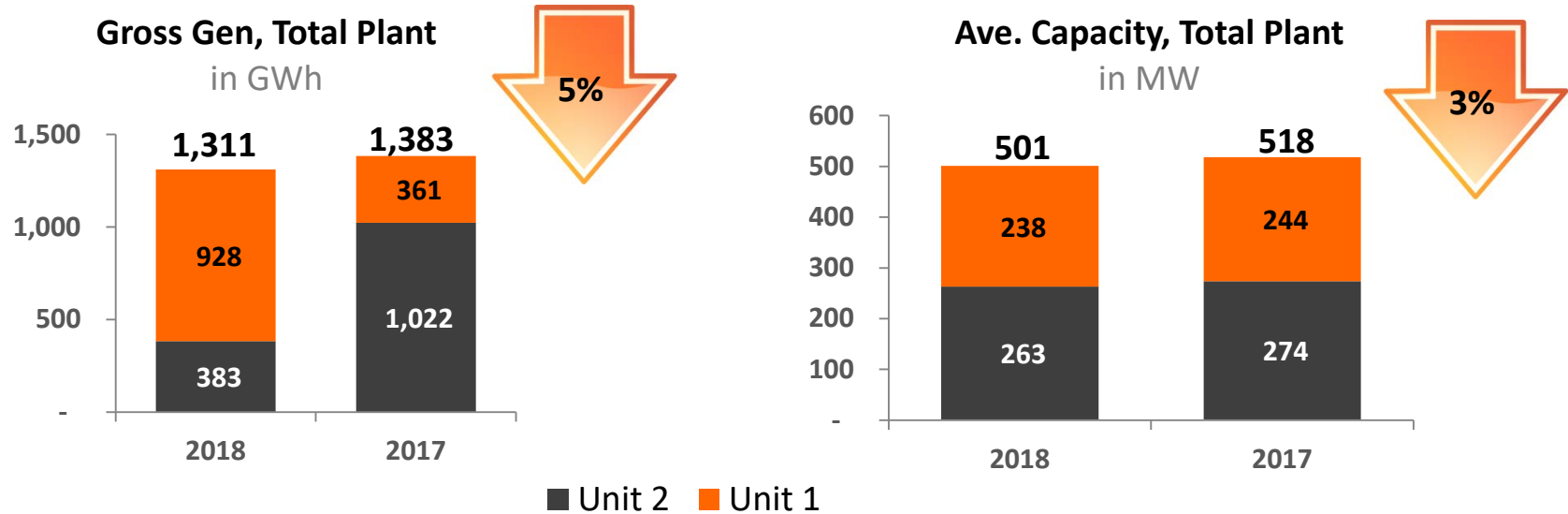
Php 13.33 B

■ Power
 ■ Cement
 ■ Others
 ■ Export

6% ↑ off-take of Power Plants, 14% ↑ Cement, 68% ↑ Other Plants, 6% ↑ exports. 9% increase in total sales volume and 24% increase in ASP resulted to rise in coal revenues by 34%.

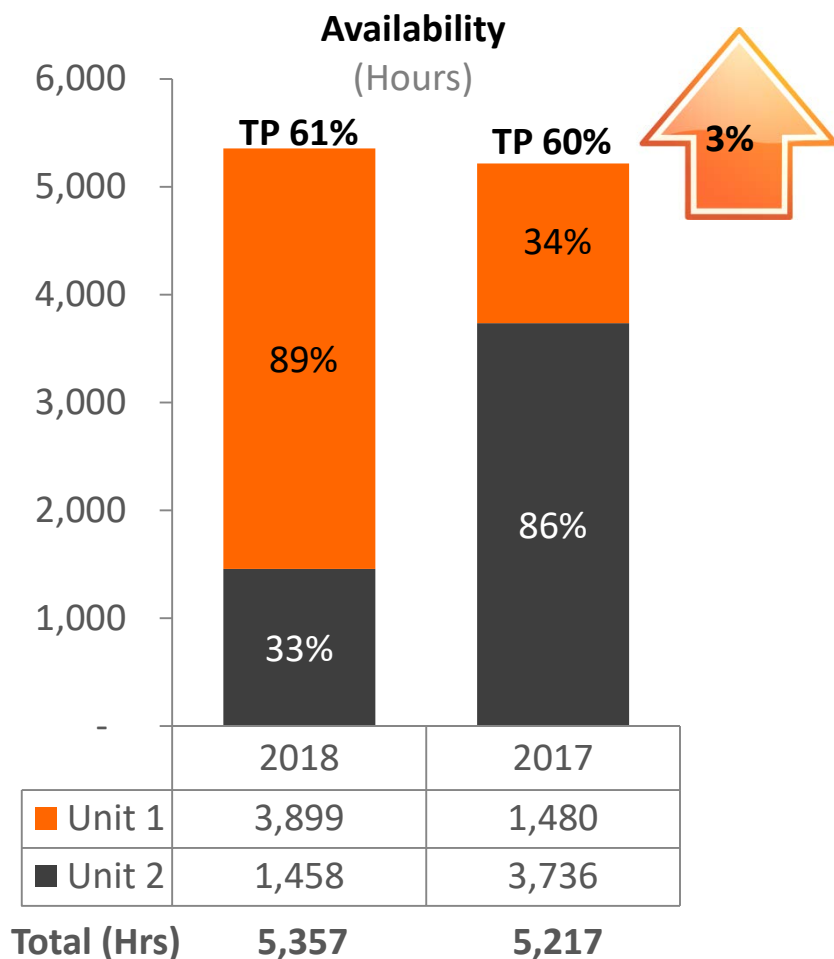
SCPC POWER PLANTS' PERFORMANCE

H1 2018 vs H1 2017



SCPC POWER PLANTS' AVAILABILITY & OUTAGES

H1 2018 vs H1 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	469	1,352	-65
Unit 2	1,086	632	72%
Total Plant	1,555	1,983	-22%

SCPC ENERGY SALES

H1 2018 vs H1 2017

	2018	2017	Variance
BCQ Revenue, Net (in M Php)	5,351	5,112	5%
BCQ Volume Sold (GWh)	1,273	1,321	-4%
BCQ, Ave Price (in Php)	4.20	3.87	9%
Spot Sale (in M Php)	340	253	34%
Spot Volume Sold (GWh)	82	79	3%
Spot Sales, Ave Price (in Php)	4.15	3.18	30%
Total Revenue (in M Php)	5,691	5,365	6%
Total Volume Sold (GWh)	1,355	1,401	-3%
Composite Ave. Price (in Php)	4.20	3.83	10%

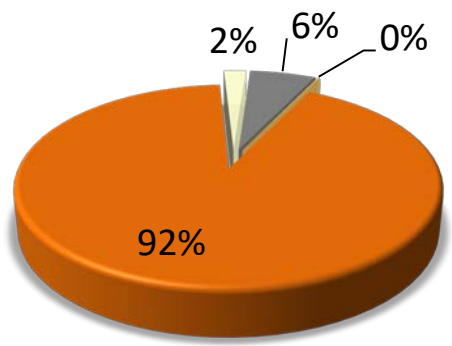
10% ↑ in ASP, 3% ↓ volume sold. Unit 2 is on maintenance shutdown the whole of Q1 2018, while Unit 1 was on maintenance shutdown in Q1 2017. Increase in ASP is due to higher global Newcastle benchmark coal prices.

SCPC ENERGY SALES MIX

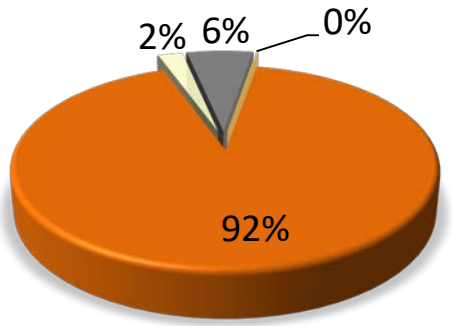


H1 2018 vs H1 2017

2018

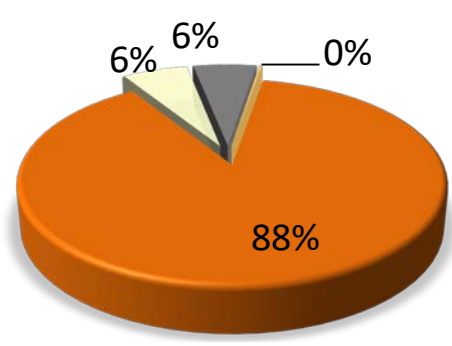


1,355 GWh

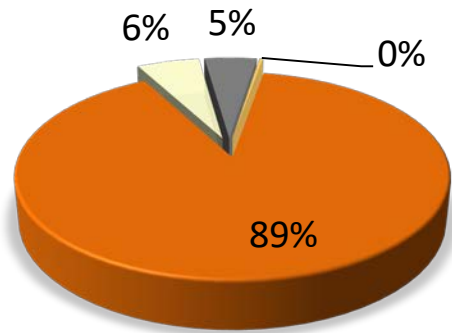


Php 5.69 B

2017



1,401 GWh



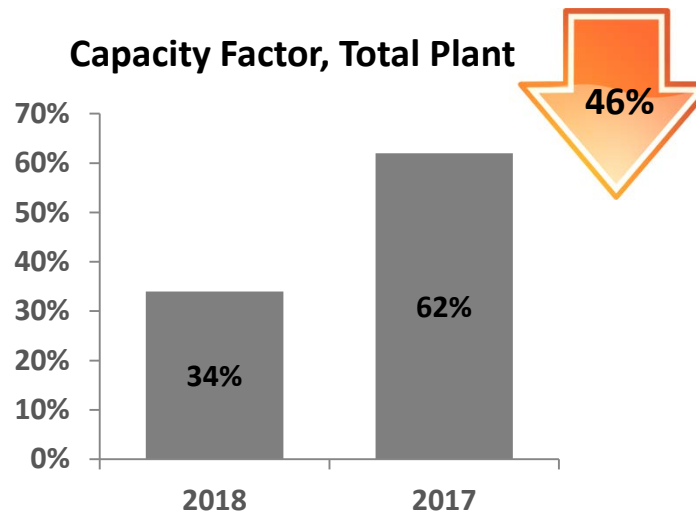
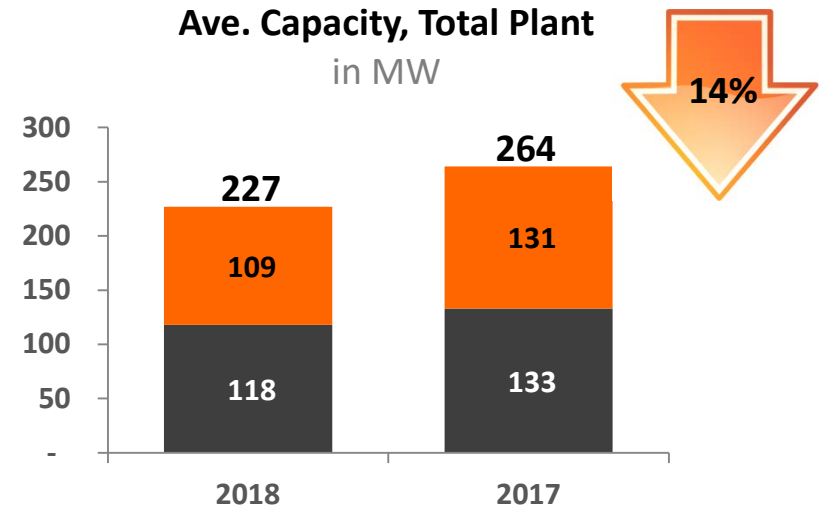
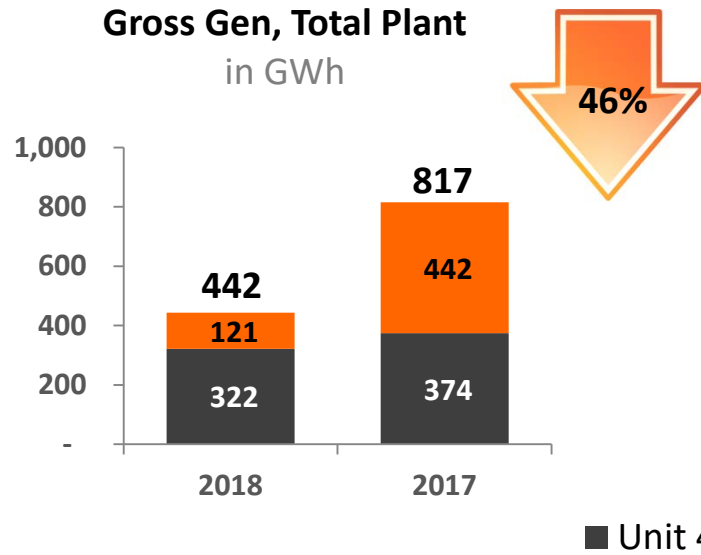
Php 5.37 B



Meralco remains to be the single biggest customer of the Company, accounting for 92% of sales volume and revenues. Power supply contracts total to 420.45 MW - Meralco (250 MW), MPower (170MW), and ECSCO (0.45 MW).

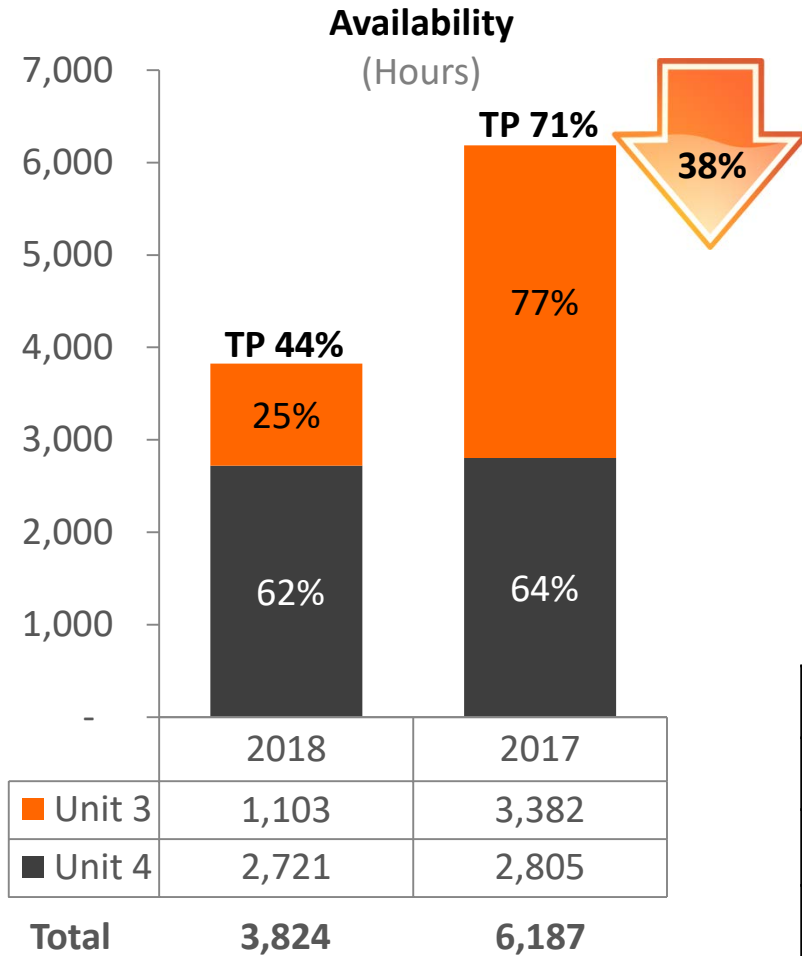
SLPGC POWER PLANTS' PERFORMANCE

H1 2018 vs H1 2017



SLPGC POWER PLANTS' AVAILABILITY & OUTAGES

H1 2018 vs H1 2017



Planned Outage, Hrs	2018	2017	Variance
Unit 3	-	744	-100%
Unit 4	876	1,080	-81%
Total Plant	876	1,824	-48%

Unplanned Outage, Hrs	2018	2017	Variance
Unit 3	3,265	242	1,348%
Unit 4	771	483	160%
Total Plant	4,035	725	557%

SLPGC ENERGY SALES

H1 2018 vs H1 2017

	2018	2017	Variance
BCQ Revenue, Net (in M Php)	2,113	2,304	-8%
BCQ Volume Sold (GWh)	356	443	-20%
BCQ, Ave Price (in Php)	5.93	5.20	14%
Spot Sale (in M Php)	318	1,038	-69%
Spot Volume Sold (GWh)	98	328	-70%
Spot Sales, Ave Price (in Php)	3.25	3.16	3%
Total Revenue (in M Php)	2,430	3,342	-27%
Total Volume Sold (GWh)	454	771	-41%
Composite Ave. Price (in Php)	5.36	4.33	24%

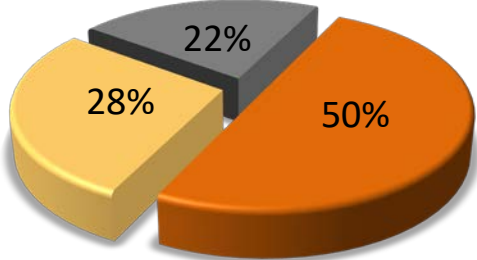
24% ↑ in ASP, 41% ↓ volume sold. Higher ASP slightly offset drop in volume sold; revenues dropped by 27%.

SLPGC ENERGY SALES MIX



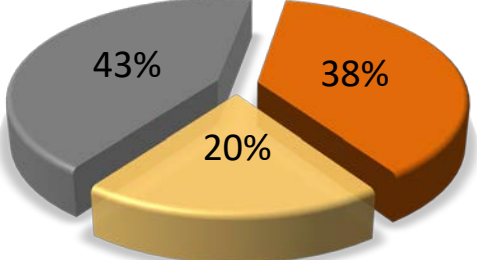
H1 2018 vs H1 2017

2018

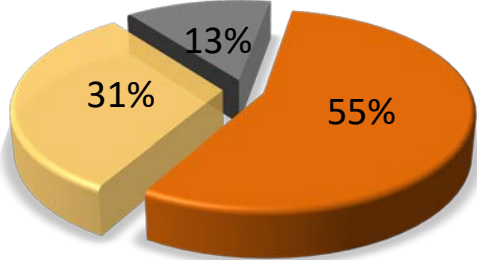


454 GWh

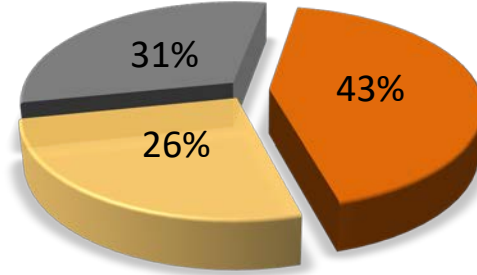
2017



771 GWh



Php 2.43 B



Php 3.34 B



MPower is the single biggest customer of SLPGC, accounting for 50% of sales volume and 55% 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 H1 2018
- South Panian mine rehab shortened to 2 years from original plan of 10 years, per DOE directive – rehab on track as of H1 2018
- SCPC: Unit 2 down in whole of Q1 2018, came back online first week of April
- 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; Unit 4 operating continuously at 150MW since April
- SLPGC: ERC issued on 1 March Certificate of Compliance for 2x25 MW Gas Turbine for ancillary services; Ancillary Service Contract for approval by ERC
- Shares buyback: SCC brought back 7.86 million shares amounting to P252 million in H1 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
- Coal Operating Contact: Amended designated coal blocks to cover areas more relevant to current and future operations

APPENDIX

COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME - COAL

For the period ending June (in million Php)



	Q1 2018	Q2 2018	H1 2018	Q1 2017	Q2 2017	H1 2017	Variance
Revenue	9,523	9,108	18,631	8,135	5,319	13,454	38%
Costs of Sales	3,453	4,337	7,790	3,206	2,524	5,730	36%
Gross Margin	6,069	4,772	10,841	4,929	2,794	7,724	40%
<i>Gross Profit Ratio</i>	<i>64%</i>	<i>52%</i>	<i>58%</i>	<i>61%</i>	<i>53%</i>	<i>57%</i>	
Govt Share	1,510	1,355	2,865	1,274	688	1,962	46%
Gen & Admin Exp	134	201	335	104	102	206	63%
OPEX	1,644	1,556	3,199	1,378	789	2,168	48%
	4,426	3,216	7,642	3,551	2,005	5,556	38%
Other Exp/(Inc)	173	267	440	152	85	237	86%
Income bef tax	4,252	2,949	7,201	3,399	1,920	5,319	35%
Income Tax	5	4	9	2	2	4	122%
Core Income	4,248	2,944	7,192	3,397	1,918	5,315	35%
<i>Profitability Ratio</i>	<i>45%</i>	<i>32%</i>	<i>39%</i>	<i>42%</i>	<i>36%</i>	<i>40%</i>	-2%

*Before eliminating entries

COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME - SCPC

For the period ending June (in million Php)



	Q1 2018	Q2 2018	H1 2018	Q1 2017	Q2 2017	H1 2017	Variance
Revenue	2,102	3,589	5,691	2,422	2,943	5,365	-6%
Contracted Energy	2,076	3,281	5,357	2,423	2,698	5,121	-4%
Spot Sales	31	309	340	4	249	253	-26%
PPD	(5)	(1)	(6)	(5)	(4)	(9)	47%
Cost of Energy Sales	1,233	2,562	3,795	1,169	1,869	3,038	-20%
Generation Cost	874	1,906	2,780	829	1,373	2,202	-21%
Depreciation and Amortization	284	306	590	185	391	576	-2%
Replacement Power Cost	71	340	411	151	96	247	-40%
Marketing and NGCP Cost	4	9	14	4	9	13	-3%
Gross Profit	869	1,027	1,896	1,253	1,074	2,327	23%
<i>GP Ratio</i>	<i>41%</i>	<i>29%</i>	<i>33%</i>	<i>52%</i>	<i>36%</i>	<i>43%</i>	<i>30%</i>
Other Cost/Expense/Income	774	587	1,361	297	379	676	-50%
General, Admin. and Other OPEX	688	606	1,294	293	355	647	-50%
Finance (Income)/Costs	69	(2)	67	7	11	18	-74%
Foreign Exchange Gains/(Losses)	27	16	43	21	46	68	58%
Other Income	(10)	(34)	(43)	(24)	(32)	(56)	
Net Income Before Tax	94	441	535	955	695	1,650	209%
Provision for Taxes	29	133	162	286	210	496	206%
Net Income After Tax	65	308	373	669	485	1,154	210%
<i>Profitability Ratio</i>	<i>3%</i>	<i>9%</i>	<i>7%</i>	<i>28%</i>	<i>16%</i>	<i>22%</i>	<i>228%</i>

*Before eliminating entries

COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME - SLPGC

For the period ending June (in million Php)

	Q1 2018	Q2 2018	H1 2018	Q1 2017	Q2 2017	H1 2017	Variance
Revenue	974	1,456	2,430	1,148	2,194	3,342	-27%
Contracted Energy	858	1,255	2,113	933	1,372	2,305	-8%
Spot Sales	116	201	318	216	822	1,038	-69%
PPD	-	-	-	(0)	-	(0)	-100%
Cost of Energy Sales	583	896	1,480	655	840	1,495	-1%
Generation Cost	246	302	548	215	517	732	-25%
Depreciation & Amortization	292	295	586	291	291	582	1%
Replacement Power Cost	39	292	330	145	27	172	93%
Marketing Cost	7	8	15	4	5	9	66%
Gross Profit	391	560	951	494	1,354	1,848	-49%
<i>GP Ratio</i>	<i>40%</i>	<i>38%</i>	<i>39%</i>	<i>43%</i>	<i>62%</i>	<i>55%</i>	
Other (Cost)/Income	(240)	(212)	(452)	(134)	(283)	(417)	8%
General, Admin. and Other OPEX	(209)	(117)	(326)	(77)	(239)	(316)	3%
Finance Income/(Costs)	(36)	(97)	(133)	(61)	(68)	(129)	3%
Foreign Exchange Gains/(Losses)	0	(1)	(1)	-	-	-	
Other Income	5	3	8	4	24	28	-71%
Net Income Before Tax	151	347	498	360	1,071	1,430	-65%
Provision for Taxes	3	17	20	2	34	36	-45%
Net Income After Tax	148	330	478	357	1,037	1,395	-66%
<i>Profitability Ratio</i>	<i>15%</i>	<i>23%</i>	<i>20%</i>	<i>31%</i>	<i>47%</i>	<i>42%</i>	

*Before eliminating entries

COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME - CONSOLIDATED

For the period ending June (in million Php)



	SMC	SCPC	SLPGC	H1 2018
Coal	15,838	-	-	15,838
Power	-	5,691	2,430	8,121
REVENUE	15,838	5,691	2,430	23,959
Coal	6,596	-	-	6,596
Power	-	2,444	1,117	3,562
COST OF SALES	6,596	2,444	1,117	10,157
GROSS PROFIT	9,242	3,246	1,313	13,801
<i>GP Ratio</i>	<i>58%</i>	<i>57%</i>	<i>54%</i>	<i>58%</i>
G/S & admin expenses	335	1,294	326	1,997
Government share	2,865			2,865
Interest expense	188	75	154	417
Interest (income)	(49)	(8)	(21)	(78)
Forex (gain) losses	300	43	1	345
Other (income) exp	1	(43)	(8)	(50)
Total	3,640	1,361	452	5,476
Income before tax	5,602	1,885	861	8,326
Income tax	9	160	20	191
NET INCOME	5,593	1,718	841	8,135
<i>NP Ratio</i>	<i>35%</i>	<i>30%</i>	<i>35%</i>	<i>34%</i>

	SMC	SCPC	SLPGC	H1 2017
Coal	11,120	-	-	11,120
Power	-	5,365	3,342	8,707
REVENUE	11,120	5,365	3,342	19,827
Coal	4,482	-	-	4,482
Power	-	2,055	1,391	3,446
COST OF SALES	4,482	2,055	1,381	7,929
GROSS PROFIT	6,638	3,309	1,951	11,898
<i>GP Ratio</i>	<i>60%</i>	<i>62%</i>	<i>58%</i>	<i>60%</i>
G/S & admin expenses	206	648	316	1,169
Government share	1,962			1,962
Interest expense	129	22	149	300
Interest (income)	(29)	(4)	(20)	(53)
Forex (gain) losses	144	68		212
Other (income) exp	(6)	(56)	(28)	(91)
Total	2,405	676	417	3,499
Income before tax	4,233	2,633	1,534	8,400
Income tax	4	496	36	536
NET INCOME	4,229	2,137	1,498	7,864
<i>NP Ratio</i>	<i>38%</i>	<i>40%</i>	<i>45%</i>	<i>40%</i>

*After eliminating entries

COMPARATIVE STATEMENTS OF FINANCIAL POSITION - CONSOLIDATED



As of June 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	06.30.2018	12.31.2017
ASSETS										
Current assets										
Cash & Cash Equivalents	1,281	301	665	3	37	3	12	3	2,306	8,471
Receivables - net	3,405	3,676	1,029	-	-	-	-	-	8,110	6,475
Inventories - net	4,435	1,718	1,328	-	-	-	-	-	7,481	5,914
Investment in JV	59								59	51
Other current assets	1,699	1,110	1,507	-	-	-	0	-	4,317	3,423
Total Current Assets	10,879	6,805	4,530	3	37	3	12	3	22,273	24,334
Non current assets										
PPE – net	12,041	14,790	17,148	-	-	-	-	-	43,979	43,014
Other noncurrent assets	203	72	180	-	-	-	-	-	454	798
Deferred tax asset	85	365	-	-	-	0	-	-	450	450
Total Noncurrent Assets	12,329	15,227	17,327	-	-	0	-	-	44,884	44,263
TOTAL ASSETS	23,208	22,033	21,857	3	37	3	12	3	67,157	68,596

**After eliminating entries*

COMPARATIVE STATEMENTS OF FINANCIAL POSITION - CONSOLIDATED



As of June 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	06.30.2018	12.31.2017
LIABILITIES										
Current Liabilities										
Accounts payables	7,833	1,279	715	0	-	0	0	0	9,828	10,851
Short-term loans	-	-	-	-	-	-	-	-	-	-
Long-term debt – current	262	-	1,704	-	-	-	-	-	1,966	3,556
Total Current Liabilities	8,096	1,279	2,419	-	-	0	0	0	11,794	14,407
Noncurrent Liabilities										
LT - net of current	5,690	2,986	5,092	-	-	-	-	-	13,769	14,469
Pension liability	173	25	37	-	-	-	-	-	236	234
Provision for site rehab	1,043	14	4	-	-	-	-	-	1,061	1,706
Deferred Tax Liabilities	-	-	55	-	-	-	-	-	55	55
Other LT Liabilities	-	-	0	-	-	-	-	-	0	46
Total Noncurrent Liabilities	6,903	3,025	5,189	-	-	-	-	-	15,120	16,510
TOTAL LIABILITIES	15,002	4,304	7,608	(0)	-	-	0	-	26,914	30,917
EQUITY										
Capital stock	4,265	-	-	-	-	-	-	-	4,265	4,265
Additional paid-in capital	6,676	-	-	-	-	-	-	-	6,676	6,676
Retained earnings	17,895	7,306	5,126	(15)	(185)	(0)	(1)	0	30,128	27,313
Remeasurement gains and losses	(81)	(1)	(4)	-	-	-	-	-	(86)	(86)
Treasury Shares	(740)	-	-	-	-	-	-	-	(740)	(488)
Total SHE	28,015	7,305	5,122	(15)	(185)	(0)	(1)	0	40,242	37,679
LIABILITIES & EQUITY	43,017	11,609	12,730	(0)	(185)	(0)	(0)	0	67,157	68,596

*After eliminating entries

CONSOLIDATED LOAN PROFILE

In Millions



Business Segment	Dec 2017	Jan-Jun		Jun 2018
		Availment	Payment	
Coal (USD)	68.2		23.9	44.2
Coal (Php Equivalent)	3,412		1,198	2,356
Coal (Php)	3,988	1,988	2,381	3,594
<i>Total Coal (Php)</i>	<i>7,400</i>	<i>1,988</i>	<i>3,580</i>	<i>5,950</i>
SCPC (Php)	3,000		-	3,000
SLPGC (Php)	7,640	-	844	6,796
TOTAL (Php)	18,040	1,988	4,424	15,746

DISCLAIMER



- Semirara Mining and Power Corporation (the “Company”) and its advisors assumes no responsibility or liability regarding actions or decision that may be taken regarding any information resulting from unintentional errors or omissions contained in this document.
- In addition, this document contains financial information and results of operation, and may also contain certain projections, plans, strategies, and objectives of the Company, that are not statements of historical fact which would be treated as forward looking statements within the meaning of applicable law. Forward looking statements are subject to risks and uncertainties that may cause actual events and the Company’s future results to be materially different than expected or indicated by such statements. No assurance can be given that the results anticipated by the Company, or indicated by any such forward looking statements, will be achieved.
- This document is not an offer to sell securities or a solicitation of an offer to buy securities.