



**SEMIRARA
MINING & POWER
CORPORATION**

Q2/H1 2020 Analysts' Briefing

August 10, 2020

Makati City

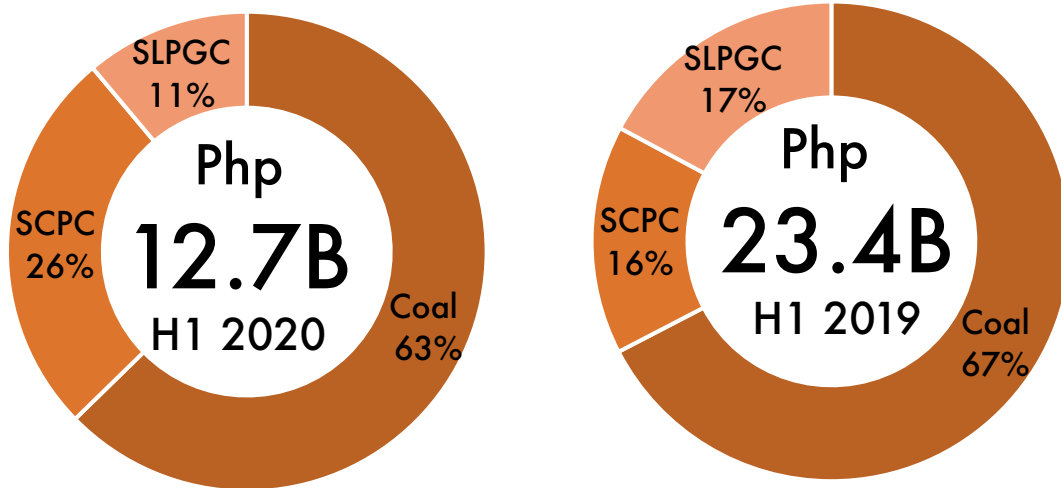
 **SEM-CALACA POWER CORPORATION**

 **SEM-CALACA RES
CORPORATION**

 **SOUTHWEST LUZON
Power Generation Corporation**

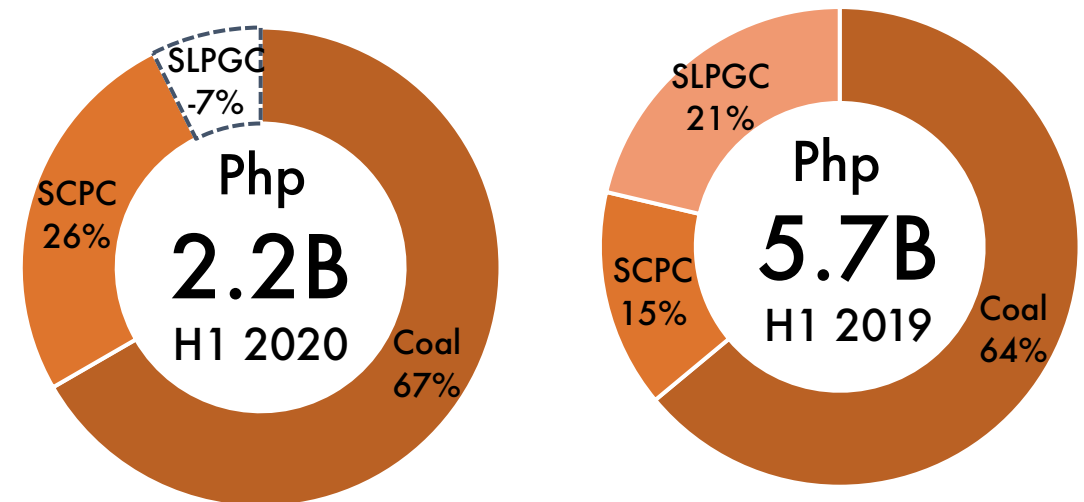
Coal and SLPGC contributions declined; SCPC recovered

Consolidated Revenues - 46% YoY



Q2 2020	Q2 2019	Variance
Php 5.4 bn	Php 13.6 bn	- 60%

Consolidated Net Income After Tax - 61% YoY



Q2 2020	Q2 2019	Variance
Php 1.0 bn	Php 3.6 bn	- 71%

Demand and average selling prices of coal and electricity plunged due to COVID-19 pandemic

COAL	
SALES VOLUME	AVERAGE SELLING PRICE
-27%	-21%

POWER	
SALES VOLUME	AVERAGE SELLING PRICE
-10%	-32%

Consolidated Balance Sheet

Balance Sheet (in million)	SMPC	SCPC	SLPC	JUN 2020	DEC 2019	variance %
Current assets						
Cash and Cash Equivalents	1,763	1,136	775	3,768	6,457	-42%
Receivables - net	1,392	1,896	1,103	4,401	3,642	21%
Inventories - net	7,853	2,612	2,152	12,617	10,220	23%
Other current assets	750	301	114	1,177	1,285	-8%
Total Current Assets	11,759	5,945	4,144	21,963	21,603	2%
Non current assets						
Property, plant and equip	10,143	21,177	15,352	46,688	47,631	-2%
Investments	45	-	-	45	45	0%
Other noncurrent assets - net	175	984	203	1,367	2,042	-33%
Deferred tax asset	197	677	13	887	888	0%
Total Noncurrent Assets	10,559	22,838	15,567	48,986	50,606	-3%
TOTAL ASSETS	22,317	28,783	19,712	70,950	72,209	-2%

Balance Sheet (in million)	SMPC	SCPC	SLPC	JUN 2020	DEC 2019	variance %
Current Liabilities						
Accounts and other payables	5,002	1,348	764	7,119	8,451	-16%
Short-term loans	2,000	3,650	-	5,650	2,070	100%
Long-term debt - current	956	985	659	2,600	3,459	-25%
Other Current Liabilities	11	4	-	14	14	0%
Total Current Liabilities	7,969	5,986	1,423.2	15,383	13,995	10%
Noncurrent Liabilities						
Long-term debt - net of current	3,869	6,530	3,024	13,423	13,068	3%
Pension liability	339	10	16	365	295	24%
Provision for site rehabilitation	500	18	5	523	523	0%
Other Long-Term Liabilities	62	31	-	93	93	0%
Total Noncurrent Liabilities	4,770	6,589	3,045	14,404	13,979	3%
TOTAL LIABILITIES	12,739	12,575	4,468	29,787	27,973	6%
STOCKHOLDERS' EQUITY						
Total stockholders' equity	28,673	6,795	5,904	41,162	44,236	-7%
LIABILITIES & EQUITY	41,412	19,370	10,372	70,950	72,209	-2%
D/E RATIO				0.72	0.63	-14%
CURRENT RATIO				1.43	1.54	-8%

- Notable decline in Groupwide Cash following dividend payments last March
- Increase in Receivables for power rendered during the ECQ/MECQ
- Increase in Inventories due to decline in coal demand
- Decrease in accounts payable and long-term debt (current) as debts were paid and restructured to save on finance costs.
- Financial position remains strong amid the pandemic

Consolidated Income Statement

Amounts (in PHP Billions)	H1 2020							H1 2019							Variance %		
	COAL		SCPC		SLPGC		TOTAL	COAL		SCPC		SLPGC		TOTAL			
Coal		7,904		-		-		7,904		15,678		-		-	15,678	▼ -50%	
Power		-		3,304		1,429		4,762		-		3,647		4,050	7,698	▼ -38%	
Revenue	100%	7,904	100%	3,304	100%	1,429	100%	12,666	100%	15,678	100%	3,647	100%	4,050	100%	23,376	▼ -46%
Coal		3,212		-		-		3,212		6,613		-		-	6,613	▲ 51%	
Power		-		1,116		442		1,585		-		2,772		887	3,659	▲ 57%	
COS - Cash Cost	41%	3,212	34%	1,116	31%	442	38%	4,796	42%	6,613	76%	2,772	22%	887	44%	10,272	▲ 53%
Coal		1,119		-		-		1,119		2,211		-		-	2,211	▲ 49%	
Govt Share	14%	1,119	0%	-	0%	-	9%	1,119	14%	2,211	0%	-	0%	-	9%	2,211	▲ 49%
Coal		269		-		-		269		262		-		-	262	▼ -3%	
Power		-		499		478		981		-		553		452	1,011	▲ 3%	
Gen & Admin Exp	3%	269	15%	499	33%	478	10%	1,251	2%	262	15%	553	11%	452	5%	1,273	▲ 2%
Core EBITDA	42%	3,303	1	1,688	0	510	0	5,500	42%	6,592	9%	322	67%	2,711	41%	9,620	▼ -43%
Noncash items		1,417		748		724		2,889		2,072		628		656	3,356	▲ 14%	
Finance cost		185		268		99		552		273		153		212	639	▲ 14%	
Finance income		(15)		(1)		(20)		(36)		(3)		(2)		(22)	(27)	▼ -35%	
Forex (gain) losses		(37)		(2)		5		(34)		(30)		2		(1)	(29)	▼ -15%	
Other expense(Inc)		(0)		(38)		(20)		(57)		(22)		(70)		(33)	(126)	▲ 54%	
Taxes		3		(13)		18		8		1		(297)		7	(290)	▲ 103%	
Core net income	22%	1,751	22%	726	-21%	(297)	17%	2,178	27%	4,302	-3%	(92)	47%	1,891	26%	6,096	▼ -64%
Income from Fin'l Contracts		-		-		61		61		-		-		(275)	(275)		
Receivable (PSALM)		-		-		-		-		-		180		-	180		
Accelerated Depreciation		-		-		-		-		-		(330)		-	(330)		
One time gain (loss)		-		-		61		61		-		(150)		(275)	(425)	▲ 114%	
NET INCOME	22%	1,751	22%	726	-17%	(236)	18%	2,239	27%	4,302	-7%	(242)	40%	1,616	24%	5,671	▼ -61%

Net Income variance segment ▼ -59% ▲ 400% ▼ 115%

Coal

- Lower fuel costs dragged down COS and in turn, supported the EBITDA Margin at approx. 40%.
- Initiatives to pay off debts has helped ease the pressure to our bottom-line by the decreasing finance costs

SCPC

- Strong recovery seen in Q2 as Unit 1 has started to operate again.
- Additional capacity and generation of Unit 1 reflected in earnings as it pulled up Core EBITDA margin to 34% in Q2, ending H1 at 9% YoY EBITDA

SLPGC

- SLPGC has taken a hit from fixed COS as it increased to the 39% levels, from 25% last year. This is due to low generation from Unit 4's extended outage.

H1 2020 Standalone Performance: Coal

Revenues ↓ 42% YoY

Php
10.2B
H1 2020

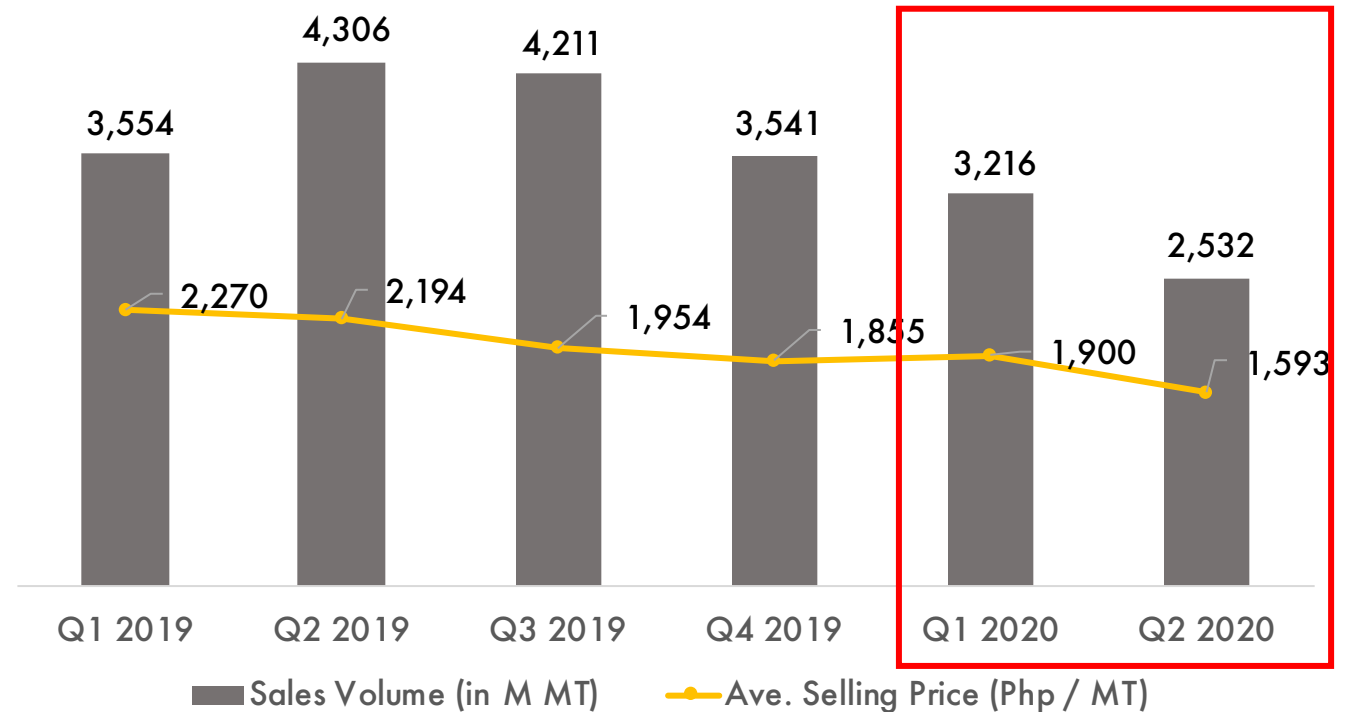
Php
17.5B
H1 2020

Net Income ↓ 46% YoY

Php
2.6B
H1 2020

Php
5.2B
H1 2020

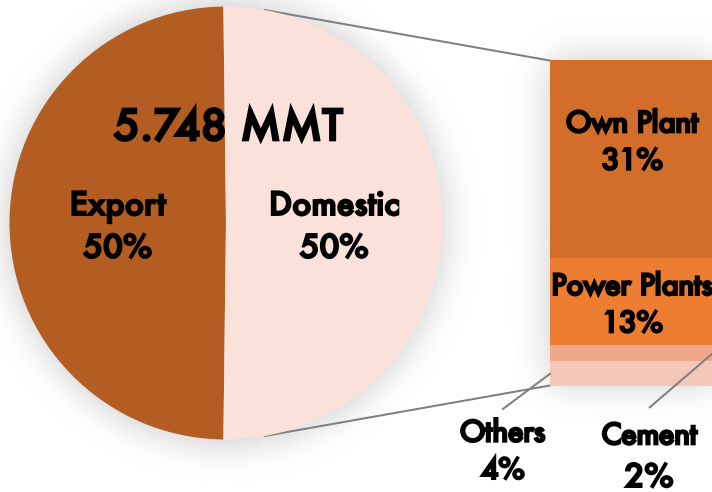
Sales Volume (in MMT) & Ave. Selling Price (Php '000/ MT)



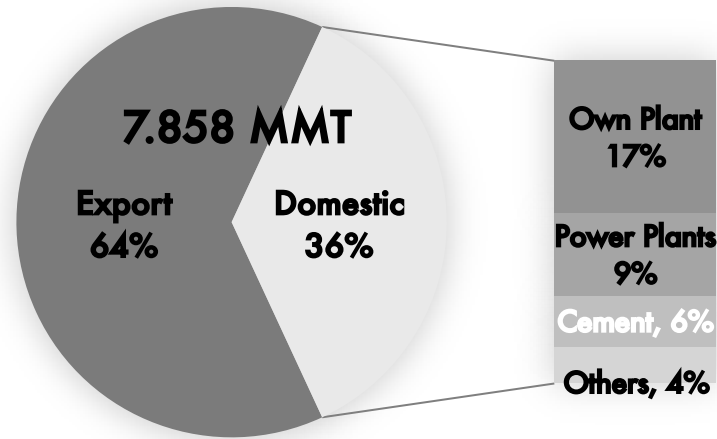
- Various Covid-19 related reasons dragged H1 sales volume to 5.748 MMT (-27% YoY): Trade restrictions, lower demand from power & cement plants
- Lower demand dragged H1 average selling price by 21% to Php 1,765

Coal Sales

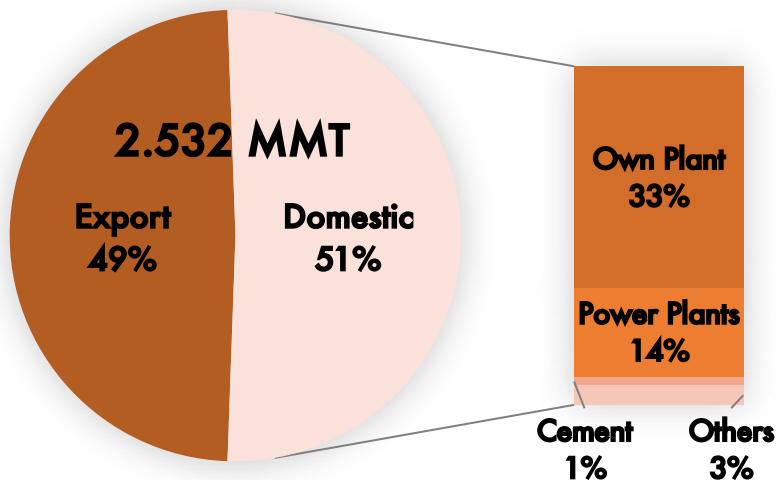
H1 2020



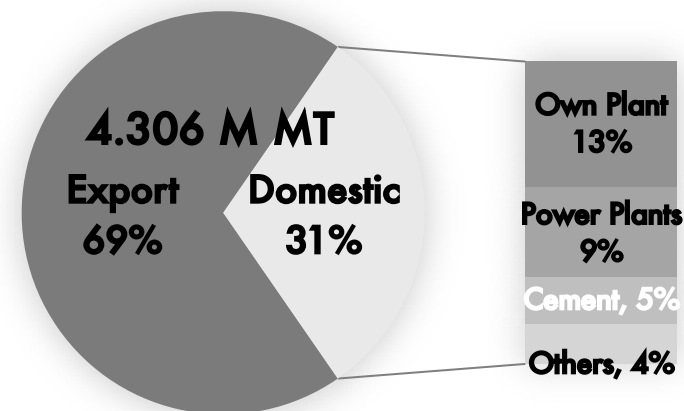
H1 2019



Q2 2020



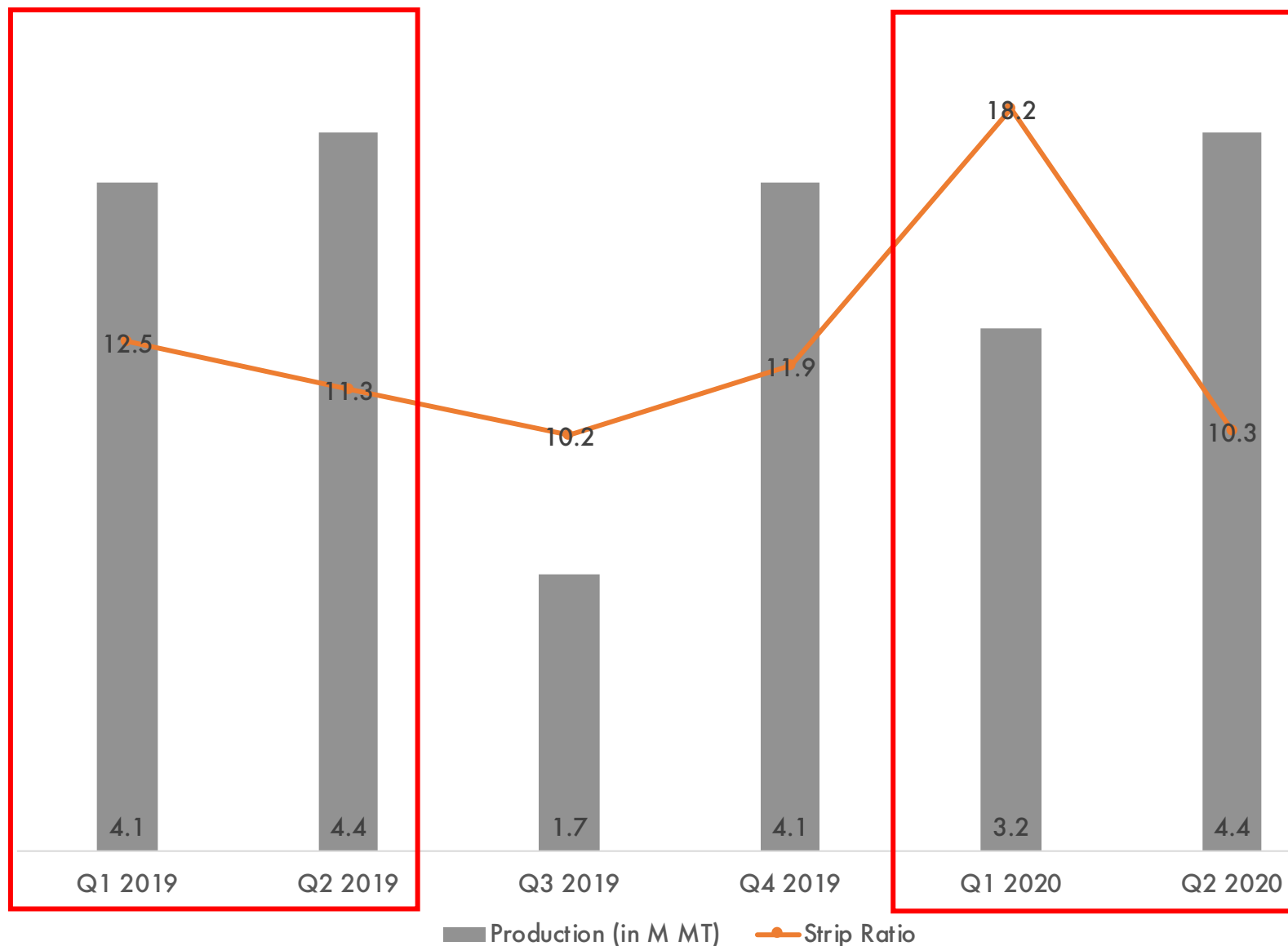
Q2 2019



	Decline
H1 YoY	2.110 M MT 27%
Q2 YoY	1.774 M MT 41%

- Major decline of sales volume, especially in Q2, due to lockdown and slower demand.
- Exports used to be the major contributor of our sales mix last year at 64%, export has declined to 50% or by 2,155 M MT H1 YoY.
- Revenues stability and growth as we supply locally, especially to our own power plants, i.e. SCPC & SLPGC
- Coal powerplants remain as a dominant player in the energy sector.

Coal Production (in MMT)

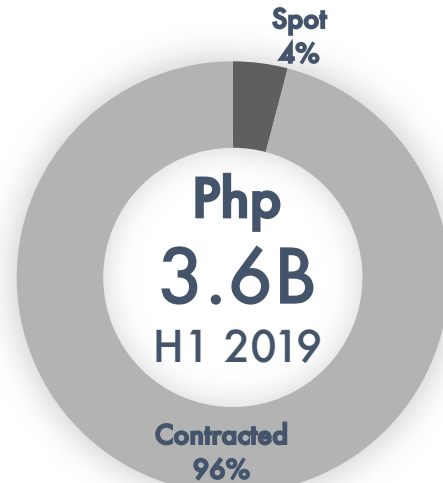
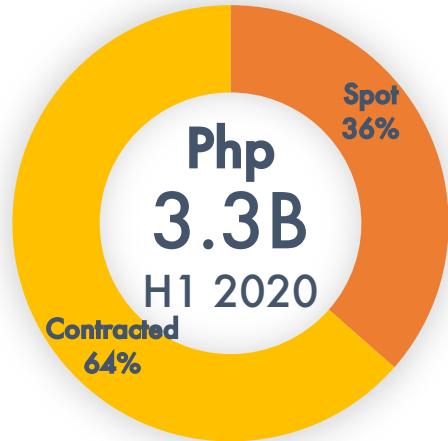


- Coal production declined by 10.6% YoY to 7.6 MMT from 8.5 MMT due to higher strip ratio in Q1.
- Ave. Strip ratio for the H1 2020 is at 13.6 vs. H1 2019's 11.9
- The standard strip ratio is 12.2*

*Subject to periodic evaluation

H1 2020 Performance: SEM Calaca Power Corp. (SCPC)

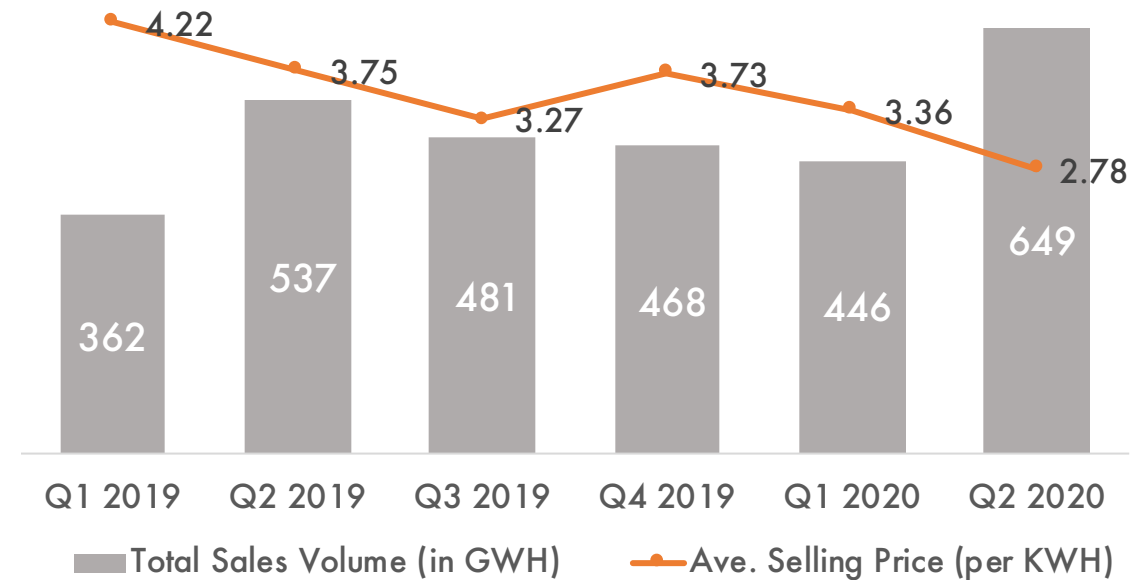
Revenues ↓ 9% YoY



Net Income* ↑ 400% YoY



Sales Volume (in GWH) & Ave. Selling Price (Php / KWH)



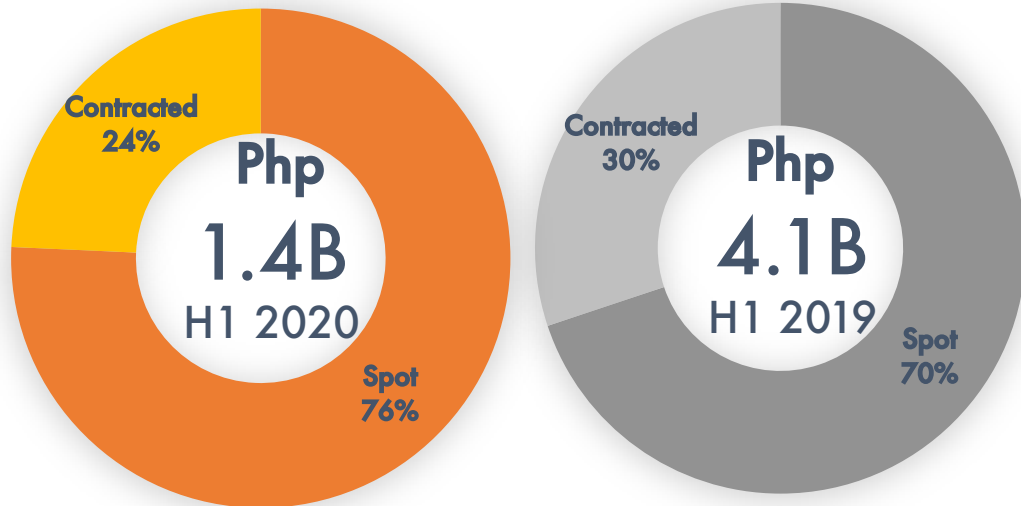
Sales Volume increased by 21% to 1,095 GWH; however Ave. Selling Price has also steadily declined by 26% to 3.02/KWH from H1 2019's 4.06/KWH.

Improvements in SCPC's bottomline is attributable to the growth of sales volume from Unit 1 which compensated for the decline in market prices.

*Based on Consolidated Income Statement (after eliminations)

H1 2020 Performance: Southwest Luzon Power Generation Corp. (SLPGC)

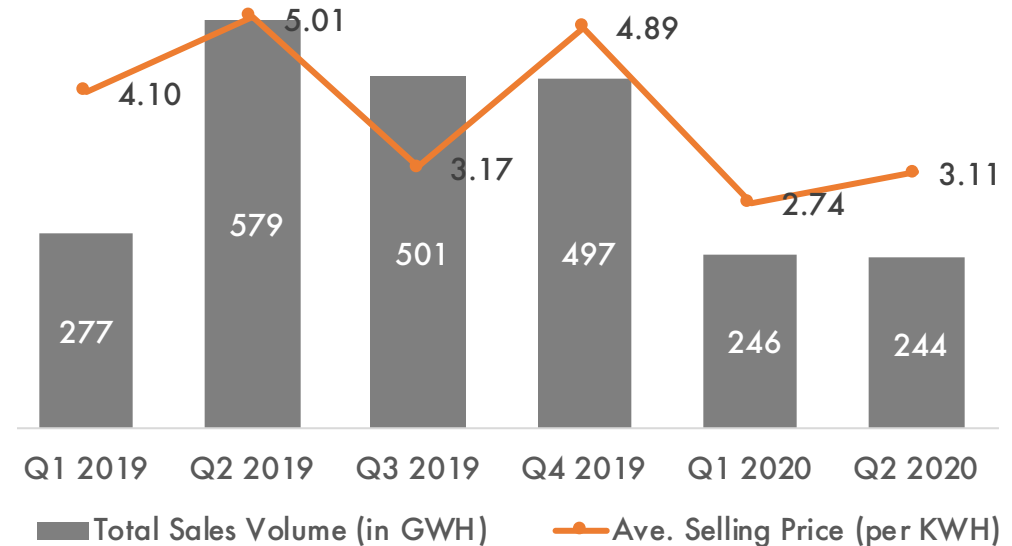
Revenues ↓ 74% YoY



Net Income* ↓ 115% YoY



Sales Volume (in GWH) & Ave. Selling Price (Php / KWH)



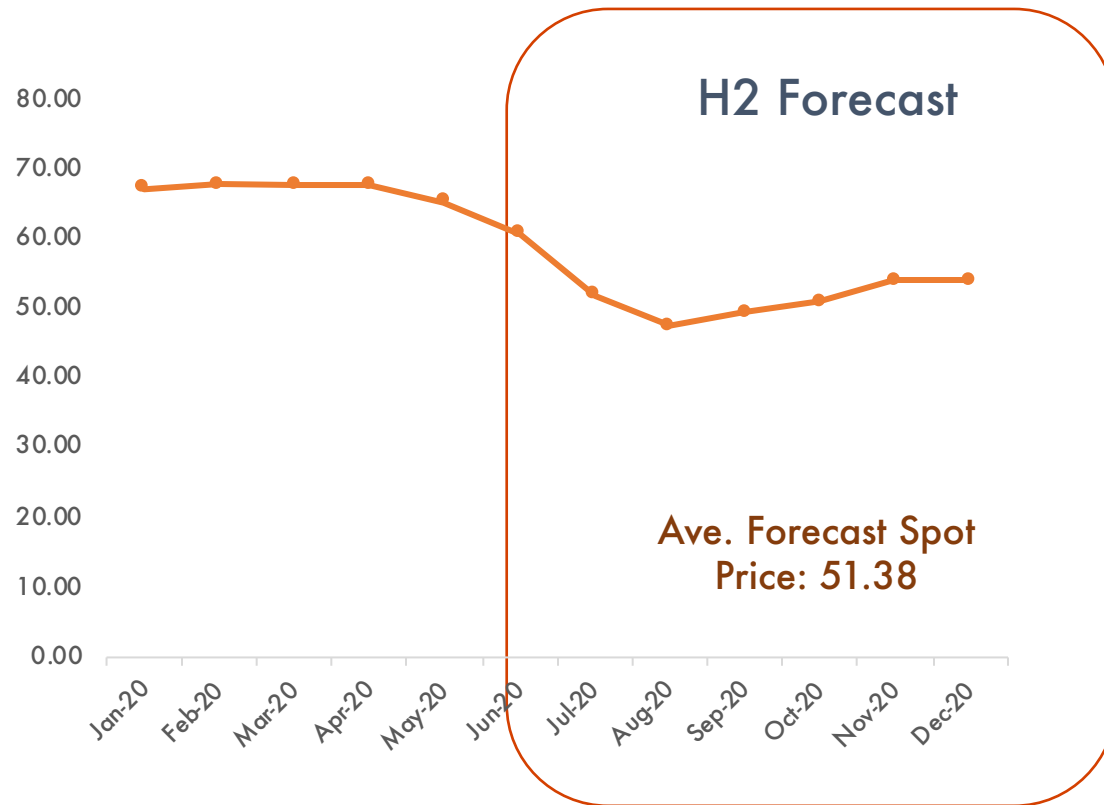
Sales volume declined by 42% due to impacts from the Taal Volcano eruption and limited the plant's gross generation. This was coupled with the lower Ave. selling price to 2.92/KWH for h1, from last year's 4.73, 62% YoY drop.

H2 contract with another power generator is expected to pull up revenues to recovery as we lessen exposure to spot market volatility.

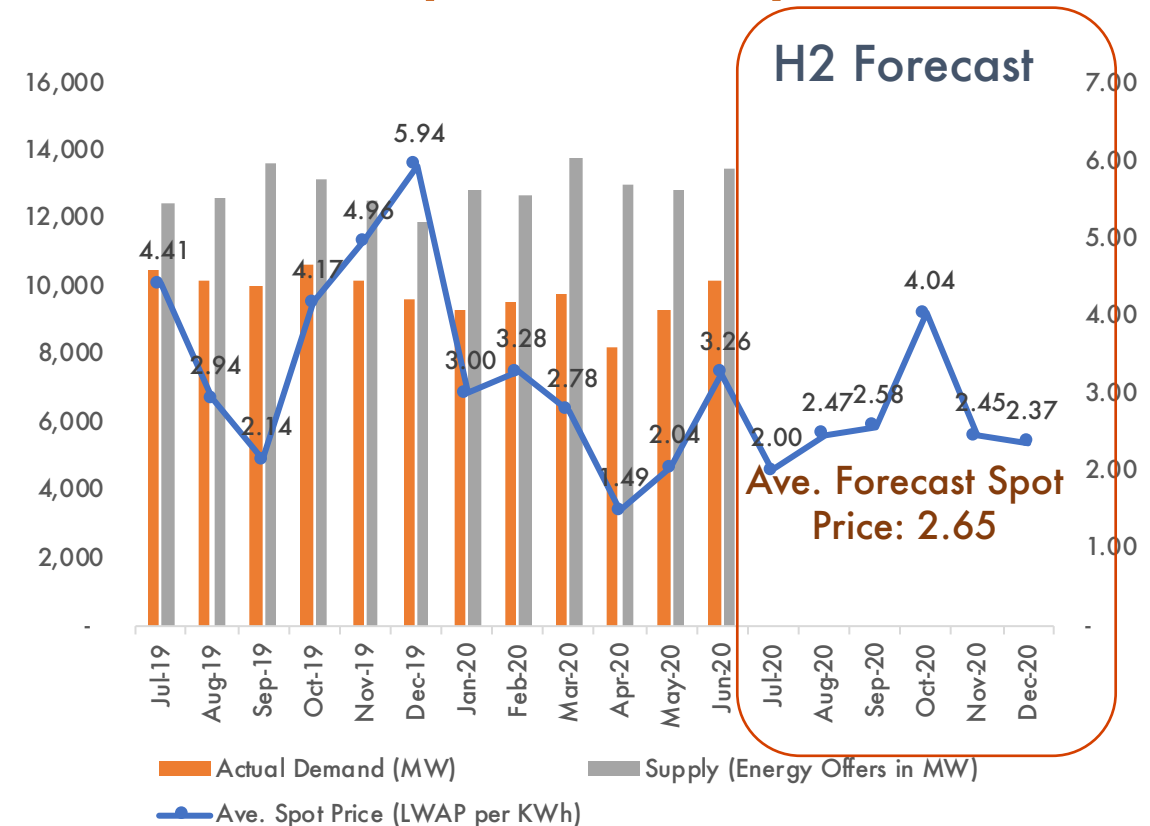
*Based on Consolidated Income Statement (after eliminations)

Outlook for the Coal Market and WESM Spot Prices

Monthly New Castle Prices (in USD/MT)



Monthly Chart of Spot Prices and Demand vs. Supply (Spot Price in Php/KWH)



Note: Monthly New Castle Prices as of July 29, 2020

COVID-19 and Beyond

RESILIENCY

- Essential business
- Operations located outside COVID-19 epicenters
- Workforce largely unchanged

OPPORTUNITY

- Low-cost power producer
- Replacement power contracts
- Retail electricity supply contracts



APPENDIX

- SCC Overview
- Standalone Income Statements (SMPC, SCPC and SLPGC)
- Other Business Updates

SCC Overview



OUR MARKET PRESENCE

- **Power Market**
(Luzon-Visayas Grid)
- **Coal Market**
(Domestic and Export)

We export to

- China including Taiwan
- India
- Thailand



Coal Standalone Income Statement

- Lower fuel costs dragged down COS and in turn, supported the EBITDA Margin at approx. 40%.
- Initiatives to pay off debts has helped easing the pressure to our bottom-line by the decreasing finance costs

(in PHP Millions)	Q2 2020		Q2 2019		%	1H 2020		1H 2019		%
Revenue	100%	4,024	100%	9,444	-57%	100%	10,163	100%	17,516	-42%
COS - Cash Cost	46%	1,844	45%	4,240	-57%	45%	4,610	43%	7,593	-39%
Govt Share	10%	404	12%	1,170	-65%	11%	1,119	13%	2,211	-49%
Gen & Admin Exp	3%	121	1%	114	6%	3%	269	1%	262	3%
Core EBITDA	41%	1,656	42%	3,919	-58%	41%	4,165	43%	7,450	-44%
Noncash items		577		1,077	-46%		1,417		2,072	-32%
Finance cost		89		136	-34%		185		273	-32%
Finance income		(1)		(2)	-63%		(15)		(3)	395%
Forex (gain) losses		(19)		(21)	-12%		(37)		(30)	22%
Other expense(Inc)		(0)		(1)	-100%		(0)		(22)	-100%
Taxes		0		0	-57%		3		1	387%
Core net income	25%	1,008	29%	2,731	-63%	26%	2,612	29%	5,160	-49%

SCPC Standalone Income Statement

Strong recovery seen in Q2 as Unit 1 has started to operate again, generated 954 GWH in H1. The additional capacity is reflected in our earnings as it pulled up Core EBITDA margin to 34% in Q2.

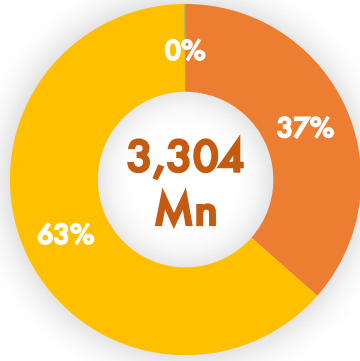
Amounts (in PHP Billions)	Q2 2020		Q2 2019		%	H1 2020		H1 2019		%
Revenue	100%	1,807	100%	2,032	-11%	100%	3,304	100%	3,648	-9%
COS - Cash Cost	56%	1,010	98%	1,989	-49%	57%	1,873	88%	3,225	-42%
Gen & Admin Exp	10%	183	14%	285	-36%	15%	499	15%	553	-10%
Core EBITDA	34%	614	-12%	(243)	-353%	28%	931	-4%	(131)	-813%
Noncash items		376		313	20%		748		628	19%
Finance cost		139		93	49%		268		153	75%
Finance income		(1)		(1)	-30%		(1)		(2)	-45%
Forex (gain) losses		(2)		0			(2)		2	-184%
Other expense(Inc)		(15)		(55)	-72%		(38)		(70)	-46%
Taxes		35		(173)	-120%		(13)		(297)	-96%
Core net income	5%	82	-21%	(420)	-120%	-1%	(31)	-15%	(545)	-94%
One time gain (loss)		-		15	-100%		-		(150)	-100%
NET INCOME	5%	82	-20%	(405)	-120%	-1%	(31)	-19%	(695)	-96%

Sales Breakdown

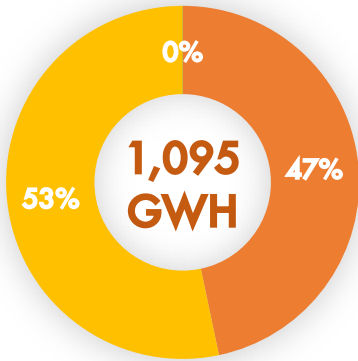
SCPC
2020H1

SLPGC
2020H1

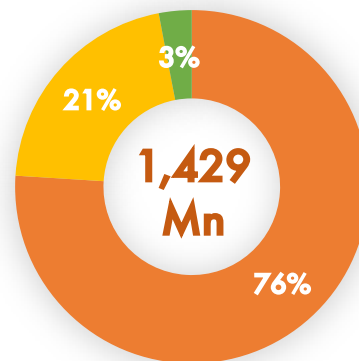
Revenues



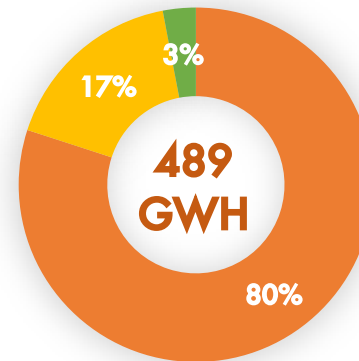
Volume



Revenues



Volume



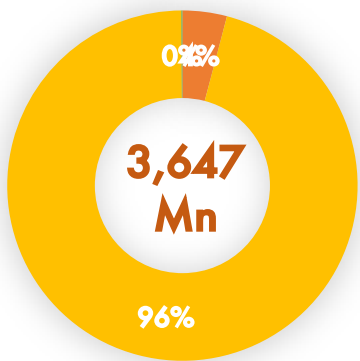
- Spot
- Mpower
- Others

- Spot
- AC Energy
- Others

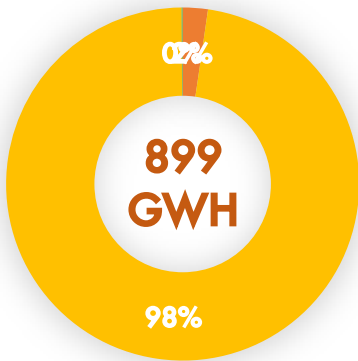
2019H1

2019H1

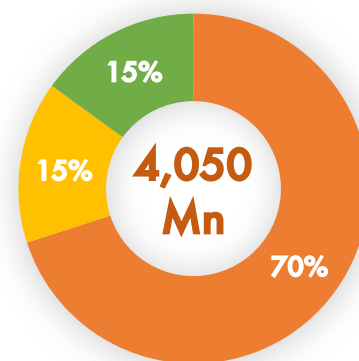
Revenues



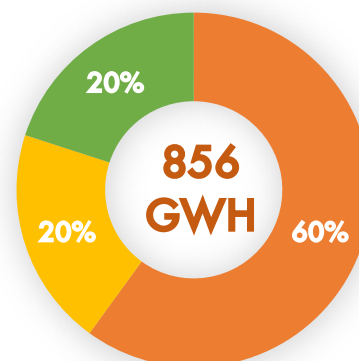
Volume



Revenues

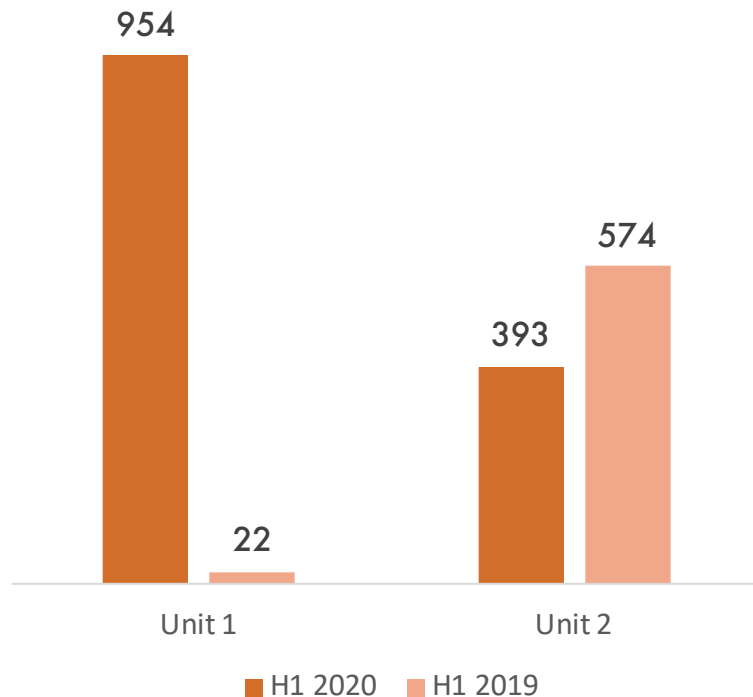


Volume

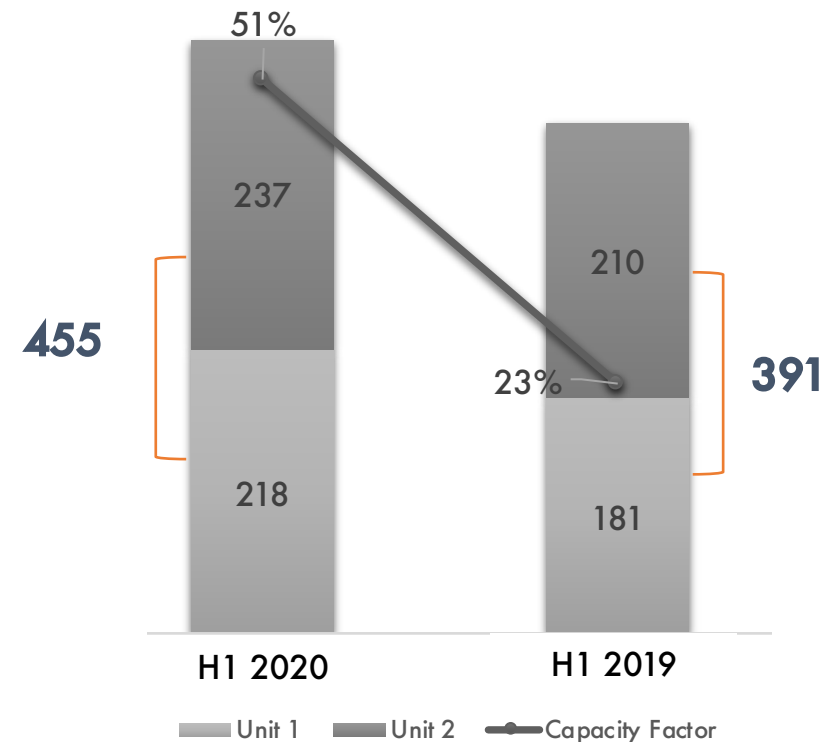


SCPC Operational Highlights

Generated Power per Unit
(in GWH)



Average Capacity per Unit (in MWH)
and Capacity Factor (in %)



SLPGC Standalone Income Statement

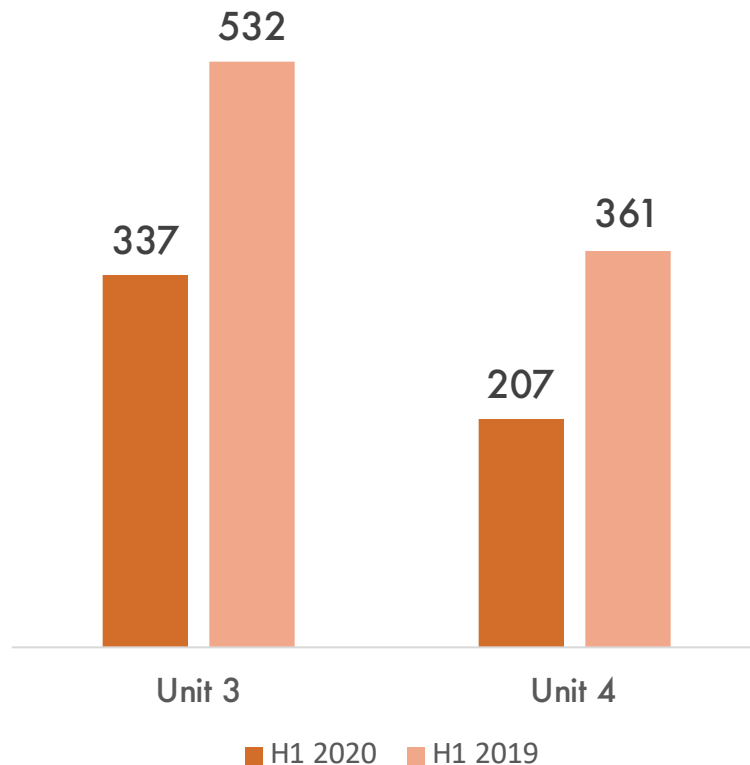
SLPGC has taken a hit from fixed COS as it increased to the 39% levels, from 25% last year. This is due to low generation for Unit 4's extended outage.

However, effective debt management initiatives has provided cushion by decreasing finance costs.

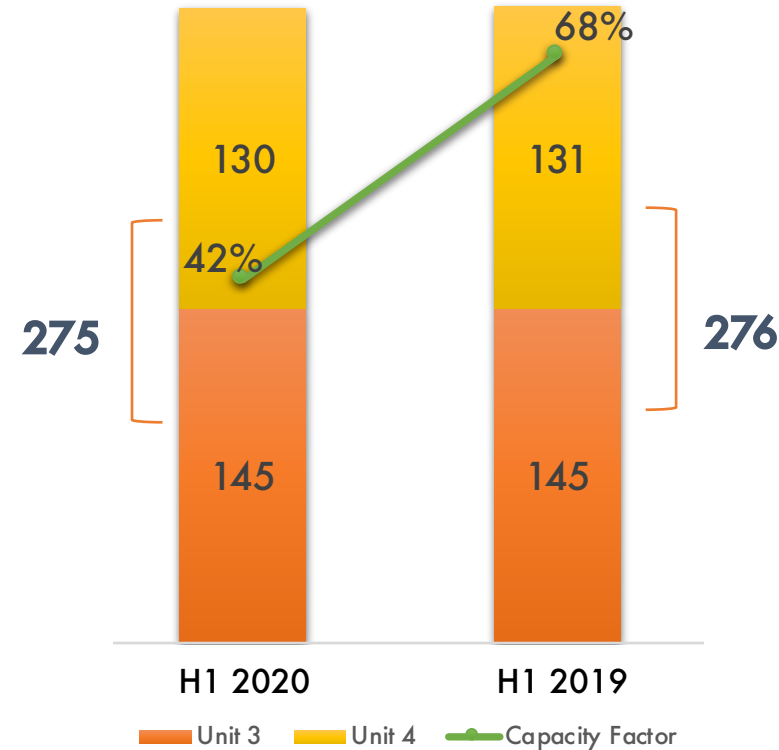
(in PHP Millions)	Q2 2020		Q2 2019		%	H1 2020		H1 2019		%
Revenue	100%	755	100%	2,914	-74%	100%	1,429	100%	2,914	-51%
COS - Cash Cost	39%	294	25%	717	-59%	39%	562	25%	717	-22%
Gen & Admin Exp	15%	112	8%	234	-52%	33%	478	8%	234	104%
Core EBITDA	46%	350	67%	1,964	-82%	27%	390	67%	1,964	-80%
Noncash items		373		330	13%		724		330	120%
Finance cost		49		130	-62%		99		130	-24%
Finance income		0		(9)	-103%		(20)		(9)	120%
Forex (gain) losses		5		(1)			5		(1)	
Other expense(Inc)		(5)		(26)	-79%		(20)		(26)	-23%
Taxes		14		5	194%		18		5	278%
Core net income	-11%	(87)	53%	1,535	-106%	-29%	(417)	53%	1,535	-127%
One time gain (loss)		(55)		(283)	-81%		61		(283)	-122%
NET INCOME	-19%	(142)	43%	1,252	-111%	-25%	(356)	43%	1,252	-128%

SLPGC Operational Highlights

Generated Power per Unit
(in GWH)



Average Capacity per Unit (in MWH)
and Capacity Factor (in %)



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