



Q1 2021 Analysts' Briefing

06 May 2021
Makati City



Q1 2021 Consolidated Highlights



- Net income grew by 93% to Php 2.3 bn on improved operations and sales of coal and SLPGC
- Coal accounted for 73% of consolidated net income
- Php 5.3 bn (Php 1.25/share) in regular dividends declared last March 25; payout ratio at 163%

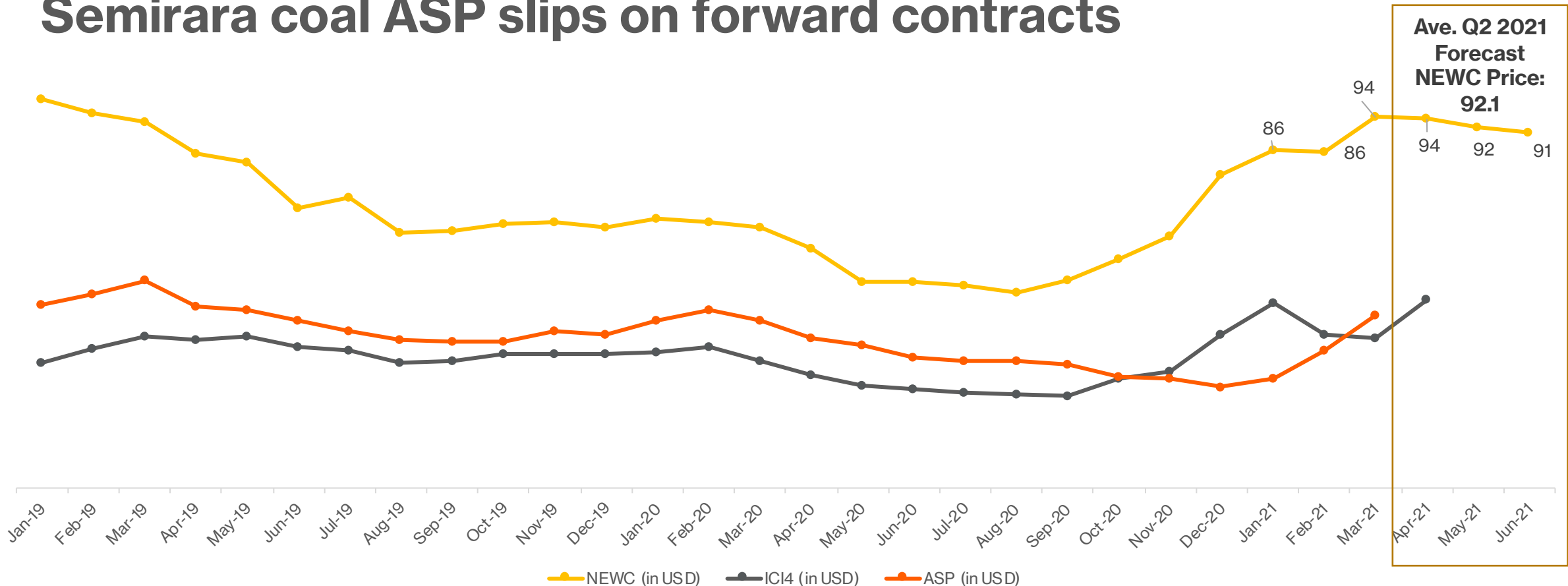


- Coal segment net income up by 34% to Php 1.7 bn due to higher export sales
- Sales volume rallied by 21% to 3.9 MMT as production surged by 42% to 4.5 MMT
- ASP fell by 4% to Php 1,829/MT owing to forward contracts of deferred exports



- SCPC net income plunged by 96% to Php 5 mn because of lower plant availability
- SLPGC reversed net loss of Php 179 mn to Php 620 mn net income on the back of higher sales and ASP
- Total power sales improved by 15% to 796 GWh; ASP recovered by 12% to Php 3.52/KWh; 81% of power sold via BCQ

Index coal prices post strong recovery; Semirara coal ASP slips on forward contracts



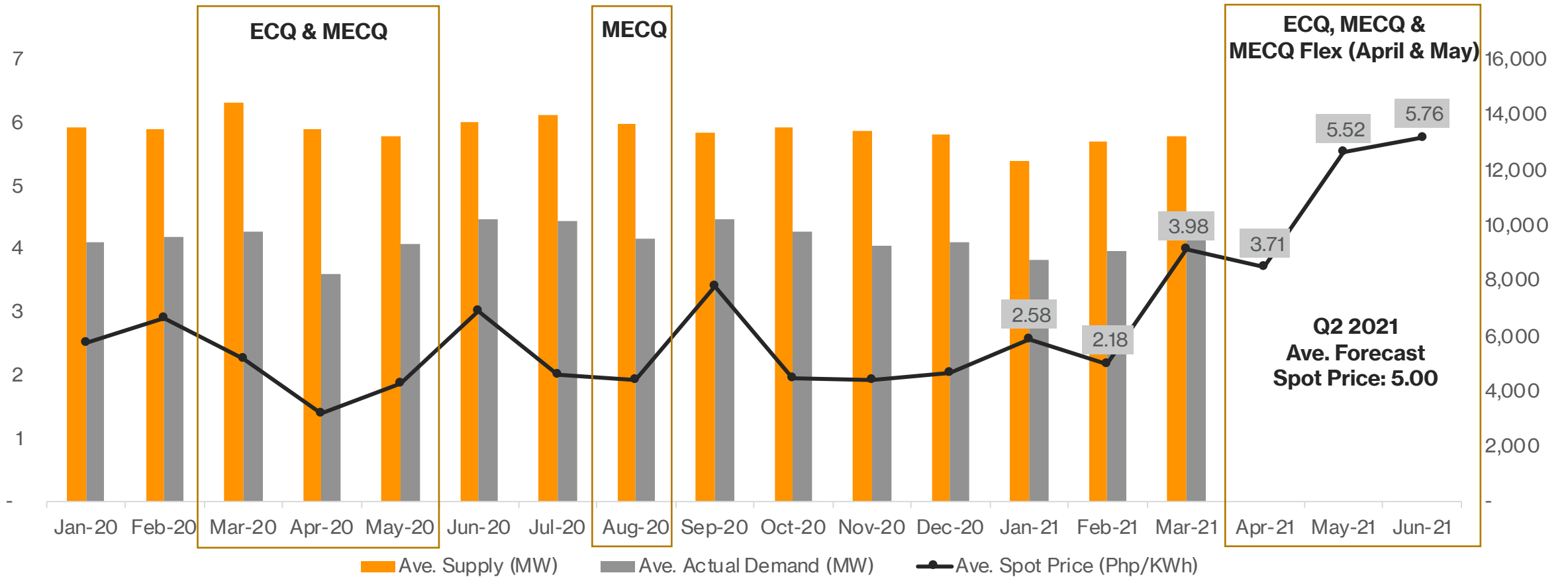
Note: Monthly New Castle Prices as of April 27, 2021

*ASP Conversion:

USD/PHP = 51.78 (2019 ave.), 49.61 (2020 ave.) and 48.30 (Q1 2021 ave.)

	Q1 2021	Q1 2020	%
Ave. NEWC Price	USD 88.7	USD 67.6	31%
Ave. ICI4	USD 41.4	USD 34.4	20%

Increased demand drives spot prices; Q2 price upturn amid quarantine restrictions due to plant outages



	Q1 2021	Q1 2020	%
Ave. Spot Price	2.91	2.56	14%

Strong topline growth on recovering market

<i>in Php mn</i>	Q1 2021	Q1 2020	% Change
Revenues	9,271	7,272	27%
COS – Cash Cost	3,764	2,940	28%
Core EBITDA	3,875	2,782	39%
Core Net Income	2,305	1,075	114%
Non-Recurring Items	-	116	-100%
Reported Net Income	2,305	1,191	93%
Capex (in Php bn)	1.1	1.9	-42%

<i>in Php bn</i>	Mar 2021	Dec 2020	% Change
Debt	17.2	19.9	-14%
Short-Term	3.4	5.4	-37%
Long-Term	13.8	14.5	-5%
Ending Cash Balance	5.5	8.1	-32%

Key Takeaways

- Reported net income soared by 93% to Php 2.3 bn on strong topline growth
- Double-digit increase in COS – Cash Cost in line with revenues
- EBITDA and reported net income margins grew to 42% and 25%, respectively.
- Timely payments cut debt by 14% from December 2020
- Capex dropped with completion of SCPC LEP

Coal bolsters earnings resilience; SLPGC forges strong profit bounce-back

Reported Net Income Breakdown	Q1 2021	Q1 2020	% Change
Coal	1,674	1,248	34%
SCPC	5	124	-96%
SLPGC	620	(179)	446%
Others	6	(2)	492%
Total	2,305	1,191	93%

Key Takeaways

- Coal accounted for a big majority (73%) of consolidated reported net income; SLPGC contributions increased more than fourfold while SCPC break-even
- SCPC results plunged due to 12-day forced outage of Unit 1 and ongoing forced outage of Unit 2
- SLPGC turnaround attributable to better plant performance and market conditions

<i>In Php millions</i>	Q1 2021	Q1 2020	% Change
Revenues	7,104	6,139	16%
COS – Cash Cost	3,346	2,766	21%
Core EBITDA	2,710	2,509	8%
Reported Net Income (RNI)	1,950	1,603	22%
Eliminations	276	355	-22%
RNI - after elims	1,674	1,248	34%

Key Metrics	Q1 2021	Q1 2020	% Change
Strip Ratio			
Aggregate*	9.3	18.2	-49%
Effective**	9.3	12.2	-23%
Production (in MMT)	4.5	3.2	42%
Sales Volume (in MMT)	3.9	3.2	21%
Exports	2.1	1.6	31%
Domestic	1.8	1.6	11%
Own Power Plants	0.7	0.9	-26%
Other Power Plants	0.6	0.4	49%
Industrial Plants	0.2	0.1	3%
Cement	0.3	0.1	179%
ASP (in Php / MT)	1,829	1,900	-4%
High-grade Coal			
Ending Inventory (in MMT)	1.6	0.9	80%

*Actual S/R for Narra and Molave during the period; ** Expensed S/R,

Note: Projected FY2021 S/R at 10.3 but subject to yearend evaluation

Coal Standalone Highlights

- RNI rose by 22% due to 16-percent revenue growth; consolidated RNI grew faster due to lower eliminations
- Eliminations down by 22% on lower sales to own plants and higher external coal sales
- Reduced Molave NB7 water seepages allowed higher production in 3 other active mining blocks, which had significantly lower strip ratios
- Sales higher on stronger exports; SCPC plant outages dampened internal sales
- ASP slipped as December 2020 shipments deferred to Q1 were based on forward contracts
- Dramatic increase in high-grade coal inventory due to higher production

<i>In Php millions</i>	Q1 2021	Q1 2020	% Change
Revenues	1,048	1,497	-30%
COS – Cash Cost	475	869	-45%
Core EBITDA	238	338	-30%
Non-Recurring Items	-	-	-
Reported Net Income	(163)	(113)	-44%
Eliminations	168	237	-29%
RNI after elims	5	124	-96%

Key Metrics	Q1 2021	Q1 2020	% Change
Plant Availability	32%	50%	-35%
Unit 1	64%	99%	-35%
Unit 2	0%	0%	0%
Average Capacity (in MW)	215	311	-31%
Gross Generation (in GW)	297	492	-40%
Sales Volume (in GW)	286	445	-36%
BCQ	243	337	-28%
Spot	43	108	-60%
ASP (in Php/KW)	3.66	3.36	9%
BCQ	3.82	3.50	9%
Spot	2.77	2.96	-6%

SCPC Standalone Highlights

- Lackluster results due to lower plant availability of both generation units
- Unit 1 had a planned outage until January 15 and a forced outage from February 2 to 13; Unit 2 has been on forced outage since December 03
- Power sales cut by 36% as gross generation fell by 40%
- Bulk of generated electricity sold via BCQ (85%); ASP improved by 9% to Php 3.66/KWh
- Minimal replacement power purchases despite plant outages (Php 32 mn)
- 35% (190.45 MW) of dependable capacity already contracted

<i>In Php millions</i>	Q1 2021	Q1 2020	% Change
Revenues	1,750	674	160%
COS – Cash Cost	521	273	91%
Core EBITDA	994	40	2355%
Non-Recurring Items	-	116	-100%
Reported Net Income	553	(214)	358%
Eliminations	67	35	91%
RNI after elims	620	(179)	446%

Key Metrics	Q1 2021	Q1 2020	% Change
Plant Availability	91%	51%	80%
Unit 1	100%	44%	127%
Unit 2	82%	57%	44%
Average Capacity (in MW)	287	274	5%
Gross Generation (in GW)	563	301	87%
Sales Volume (in GW)	510	246	107%
BCQ	405	8	4808%
Spot	105	238	-56%
ASP (in Php/KW)	3.43	2.74	25%
BCQ	3.43	3.31	4%
Spot	3.43	2.72	26%

SLPGC Standalone Highlights

- Revenues more than doubled as higher plant availability translated to higher sales amid a market recovery
- Strong topline and lower operating expenses boosted RNI and consolidated RNI by 358% and 446%, respectively
- Combined gross generation rose dramatically as both plants recorded higher availability; SLPGC unit 1 showed the most improvement among all SMPC plants with zero outages
- Power sales expanded by 107% with bulk (79%) sold via BCQ; ASP recovered by 25% to Php 3.43/KWh
- 73% (218.9MW) of dependable capacity already contracted

Three Bright Spots in 2021



- Higher demand and prices
- Higher China coal import quota (estimate)
- Lifting of EO 79

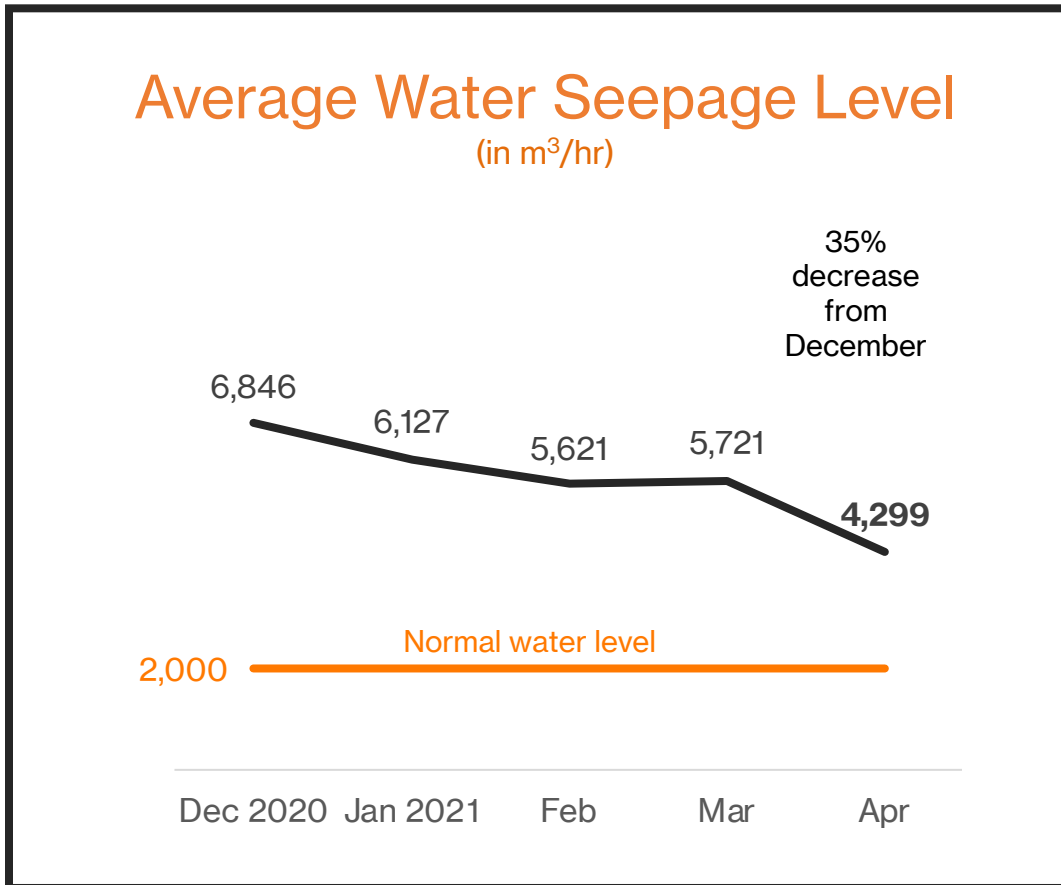


- Unit 2 online by Q3 2021
- Upcoming CSPs for over 1,600MW
- 20MW CEDC contract starting March 12



- 2-month 150MW replacement power supply contract with another IPP to start in September
- 50MW-worth of retail supplier contracts since December 26, 2020 and 100MW MPower contract beginning March 26
- Ongoing NGCP negotiations for ancillary services

Molave North Block 7



Water Seepage Remedial Program

- Drilling and grouting using clay and cement-based materials
- Construction of drainages and canals
- Expansion of sea barrier
- Construction of second cut-off wall

Coal Production Target

- 13 MMT

Plant Outages and Supply Contracts

SCPC Unit 2

Q3 2021

target commercial operation

Supply Contracts under Negotiation

290MW

Renewal	New Contracts	
170MW under SCPC	20MW retail	100MW replacement power

SLPGC Planned Outages

90 days

unit 1	unit 2
45 days* from June 15, 2021	45 days from August 15, 2021

Upcoming CSPs

1,636MW

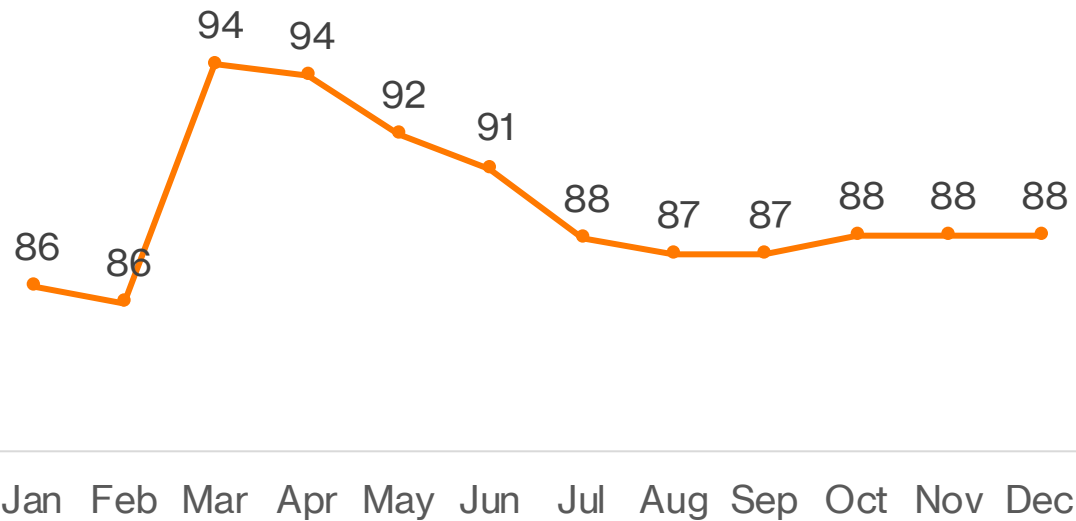
MW	Term (in years)	Start	DU	CSP Date
36	10	Oct 2022	PELCO	June 16
1,600	20	Jul 2024	Meralco	TBA

*subject to change

Market Outlook



2021 Monthly New Castle Prices (in USD/MT)

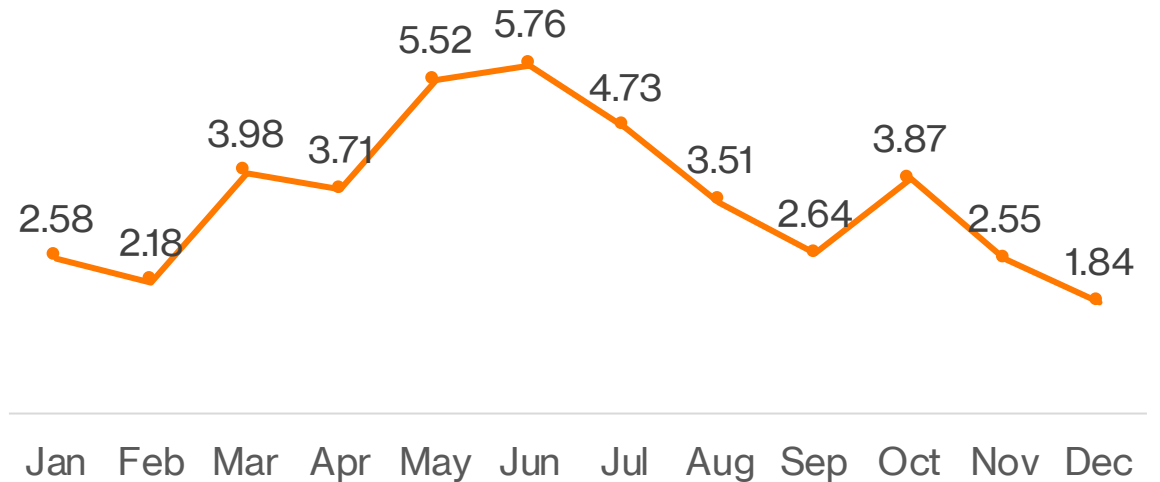


Note: Monthly New Castle Prices as of April 27, 2021

Year	ASP
2019	77.8
2020	60.4
2021F	89.1



2021 Forecast WESM Spot Prices (in Php/KWh)



Year	ASP
2019	4.66
2020	2.27
2021F	3.57

Key Takeaways



- Improved market conditions and record performances from coal and SLPGC drove topline and bottom line; market recovery expected to continue despite PH quarantine restrictions
- Coal prices stage comeback; Semirara coal ASP lower on forward contracts of deferred shipments
- Manageable water seepage level at NB7 allowed ATH monthly coal production and shipments in March
- Disappointing SCPC results due to forced plant outages; Unit 2 targeted to go back online in Q3 2021
- SLPGC posted strong turnaround on the back of higher plant availability, contracted capacity and ASP

Annex

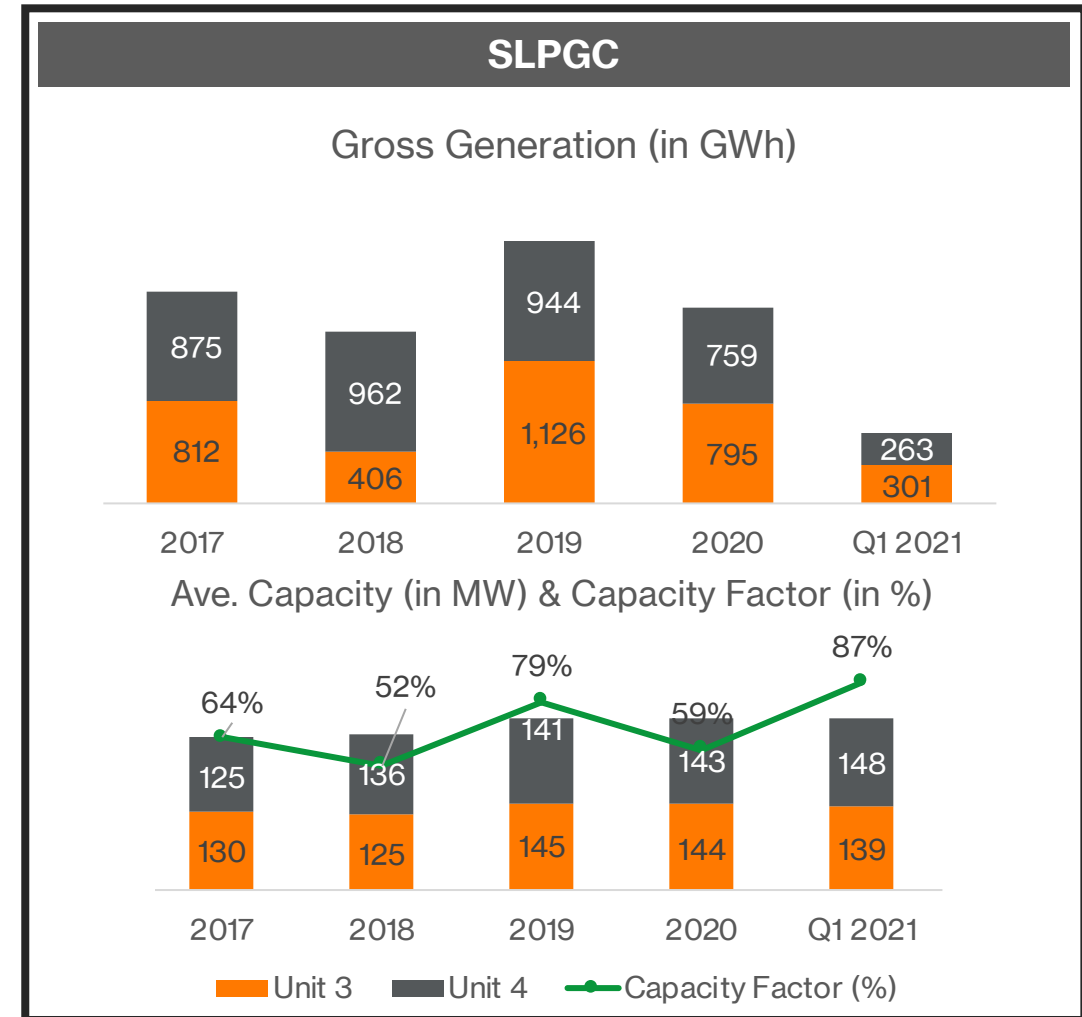
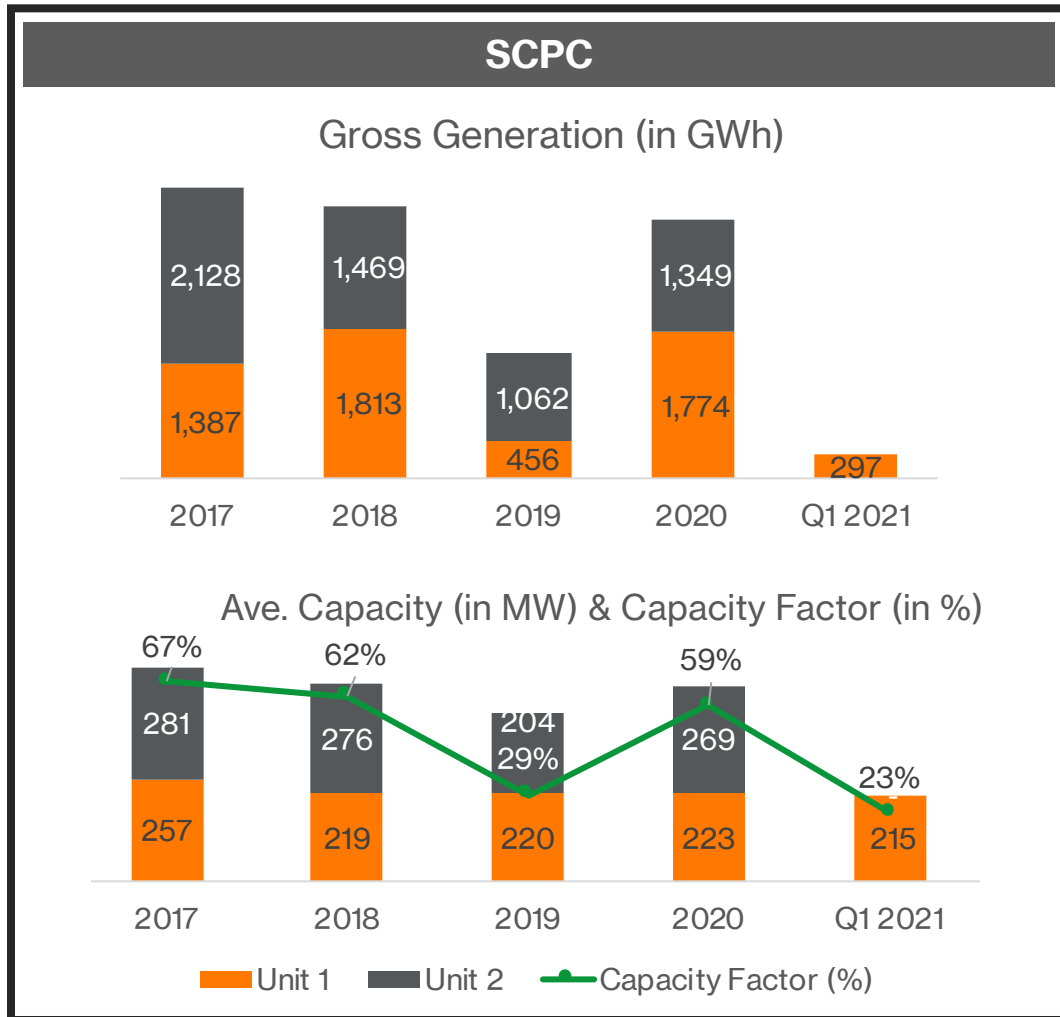
- Consolidated Debt and Capex
- Power Segment Highlights
- Q1 2021 Plant Outages Summary
- Q1 2021 Statement of Income and Financial Position

Consolidated Debt and Capex (in Php bn)

Debt			
	Mar 2021	Dec 2020	% Change
Coal	3.8	5.9	-36%
SCPC	10.4	10.7	-3%
SLPGC	3.1	3.3	-6%
Total	17.2	19.9	-14%

Capex			
	Q1 2021	Q1 2020	% Change
Coal	0.8	0.8	-5%
SCPC	0.3	0.9	-72%
SLPGC	0.1	0.1	-4%
Total	1.1	1.9	-39%

Power Segment Highlights



Q1 2021 Plant Outage Summary



Unit 1		Unit 2	
Planned	Unplanned	Planned	Unplanned
<ul style="list-style-type: none"> November 26, 2020 to January 15, 2021 	<ul style="list-style-type: none"> January 15 to 16 February 2 to 13 March 27 to April 5 	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> December 3, 2020 (ongoing)



Unit 1		Unit 2	
Planned	Unplanned	Planned	Unplanned
<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> May 2 to 18, 2021 (expected) 	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> December 30, 2020 to January 14, 2021 April 21 to May 14, 2021 (expected)

STANDALONE STATEMENTS OF INCOME

<i>In Php millions</i>	<u>Q1 2021</u>					<u>Q1 2020</u>					<i>%</i>
	COAL	SCPC	SLPGC	Others	Combined	COAL	SCPC	SLPGC	Others	Combined	
Revenues	7,104	1,048	1,750	69	9,971	6,139	1,497	674	29	8,339	20%
COS	(3,346)	(475)	(521)	(62)	(4,404)	(2,766)	(869)	(273)	(26)	(3,934)	12%
Govt Share	(885)	-	-	-	(885)	(715)	-	-	-	(715)	24%
OPEX	(163)	(336)	(236)	(1)	(735)	(149)	(290)	(361)	(4)	(804)	-9%
Cash cost	(4,394)	(811)	(756)	(63)	(6,024)	(3,630)	(1,159)	(634)	(31)	(5,454)	10%
Core EBITDA	2,710	238	994	6	3,947	2,509	338	40	(2)	2,885	37%
Depreciation and amortization	(732)	(344)	(411)	-	(1,486)	(840)	(393)	(351)	-	(1,584)	-6%
Other income (expense)	40	14	15	-	69	19	22	15	-	56	24%
EBIT	2,017	(92)	598	6	2,530	1,688	(33)	(296)	(2)	1,357	86%
Finance cost	(72)	(125)	(41)	-	(238)	(96)	(129)	(50)	-	(275)	-13%
Finance income	6	0	2	0	8	14	0	21	0	35	-77%
Tax benefit (provision)	(1)	54	(6)	(0)	47	(2)	48	(4)	(0)	42	11%
Core net income	1,950	(163)	553	6	2,346	1,603	(113)	(330)	(2)	1,158	103%
Nonrecurring items	-	-	-	-	-	-	-	116	-	116	-100%
Net Income	1,950	(163)	553	6	2,346	1,603	(113)	(214)	(2)	1,274	84%

CONSOLIDATED STATEMENTS OF INCOME

<i>In Php millions</i>	Q1 2021					Q1 2020					%
	COAL	SCPC	SLPGC	Others	Conso	COAL	SCPC	SLPGC	Others	Conso	
Revenues	6,403	1,048	1,750	69	9,271	5,072	1,497	674	29	7,272	27%
COS	(2,921)	(271)	(509)	(62)	(3,764)	(2,053)	(627)	(234)	(26)	(2,940)	28%
Govt Share	(885)	-	-	-	(885)	(715)	-	-	-	(715)	24%
OPEX	(163)	(343)	(240)	(1)	(747)	(149)	(316)	(366)	(4)	(835)	-11%
Cash cost	(3,969)	(614)	(749)	(63)	(5,396)	(2,918)	(943)	(599)	(31)	(4,490)	20%
Core EBITDA	2,434	434	1,001	6	3,875	2,154	554	75	(2)	2,782	39%
Depreciation and amortization	(732)	(372)	(351)	-	(1,456)	(840)	(372)	(351)	-	(1,564)	-7%
Other income (expense)	40	14	15	-	69	19	22	14	-	55	25%
EBIT	1,741	76	665	6	2,488	1,333	204	(262)	(2)	1,273	95%
Finance cost	(72)	(125)	(40)	-	(238)	(96)	(129)	(50)	-	(275)	-13%
Finance income	6	0	2	0	8	14	0	21	0	35	-77%
Tax benefit (provision)	(1)	54	(6)	(0)	47	(2)	48	(4)	(0)	42	12%
Core net income	1,674	5	620	6	2,305	1,248	124	(295)	(2)	1,075	114%
Nonrecurring items	-	-	-	-	-	-	-	116	-	116	-100%
Net Income	1,674	5	620	6	2,305	1,248	124	(179)	(2)	1,191	93%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In Php millions</i>	SMPC	SCPC	SLPGC	Others	Mar 2021	SMPC	SCPC	SLPGC	Others	Dec 2020	%
Cash and cash equivalents	2,974	536	1,711	234	5,456	5,663	952	1,213	257	8,085	-33%
Receivables	4,467	1,166	1,186	35	6,854	1,610	960	1,052	47	3,669	87%
Inventories	6,903	2,365	1,563	-	10,831	6,856	2,444	1,440	-	10,740	1%
Fixed assets	9,174	21,435	14,326	251	45,185	9,238	21,604	14,700	251	45,793	-1%
Others	772	1,992	467	71	3,301	697	1,933	154	75	2,859	15%
Total Assets	24,290	27,493	19,253	591	71,627	24,064	27,893	18,559	630	71,146	1%
Accounts and other payables	12,332	1,297	711	3	14,343	6,224	1,366	475	243	8,308	73%
Loans payable	3,782	10,335	3,113	-	17,229	5,853	10,699	3,322	-	19,874	-13%
Others	744	71	64	-	878	646	71	63	-	780	13%
Total Liabilities	16,858	11,702	3,888	3	32,450	12,723	12,135	3,860	243	28,961	12%
Total Equity	26,670	6,099	6,619	(212)	39,177	26,722	7,374	8,207	(118)	42,185	-7%
Total Liabilities and Equity	43,528	17,801	10,507	(209)	71,627	39,445	19,510	12,067	125	71,146	1%
Current Ratio					1.18					1.41	-16%
DE Ratio					0.83					0.69	21%
Book value per share					9.22					9.92	-7%

*Figures are net of consolidated eliminations

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