

#### **COMPANY PROFILE**

# **VISION, MISSION AND VALUES**



**Our Vision:** COAL Towards An Energy-Sufficient Philippines

**Our Mission:** To fulfill its commitment to provide affordable power to the Filipino people through the responsible use of coal as energy source, Semirara Mining and Power Corporation will continue to remain as:

•The undisputed leader in the coal mining industry and vertically integrated coal-based power producer in the Philippines

•Playing a vital role in the energy sector & working in harmony with the government to promote the use of coal as a reliable and economical power source.

•Supplying its customer s with quality coal that meets their stringent specifications

- •Providing reasonable economic returns to its investors & business partners
- •Empowering its employees to prosper in a climate of integrity & excellence
- •Working in partners with its host communities to improve their sustainability while

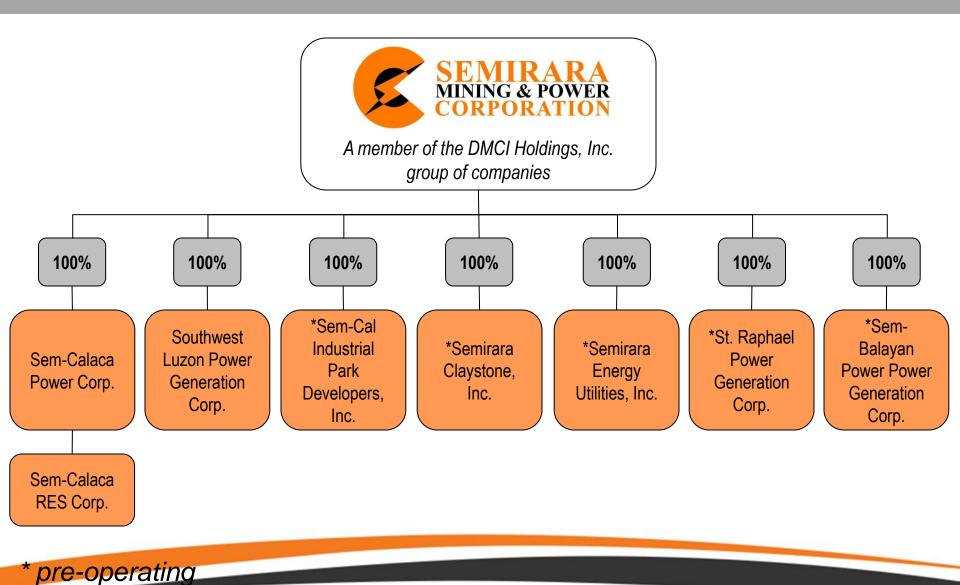
engaging in the judicious use and rational conservation of the country's natural resources.

**Our Values:** In fulfilling our vision, we are guided by :

**Teamwork** that enables us to work toward common goals; **Excellence** that drives us to deliver outstanding results; **Loyalty** that keeps us steadfast over challenges and time; **Integrity** that upholds the cornerstone of our business ethics; **Commitment** that fuels realization of our mission; and **Professionalism** that embodies our work quality.

## **ORGANIZATIONAL STRUCTURE**





### MARKETS WE SERVE





## **INVESTMENT THESIS**



### The only vertically integrated coal-fired power plants in the Philippines

- operates the biggest coal mine in the country that accounts for 97% of the total domestic production
- low-cost power producer
- stable supply of coal fuel for power plants

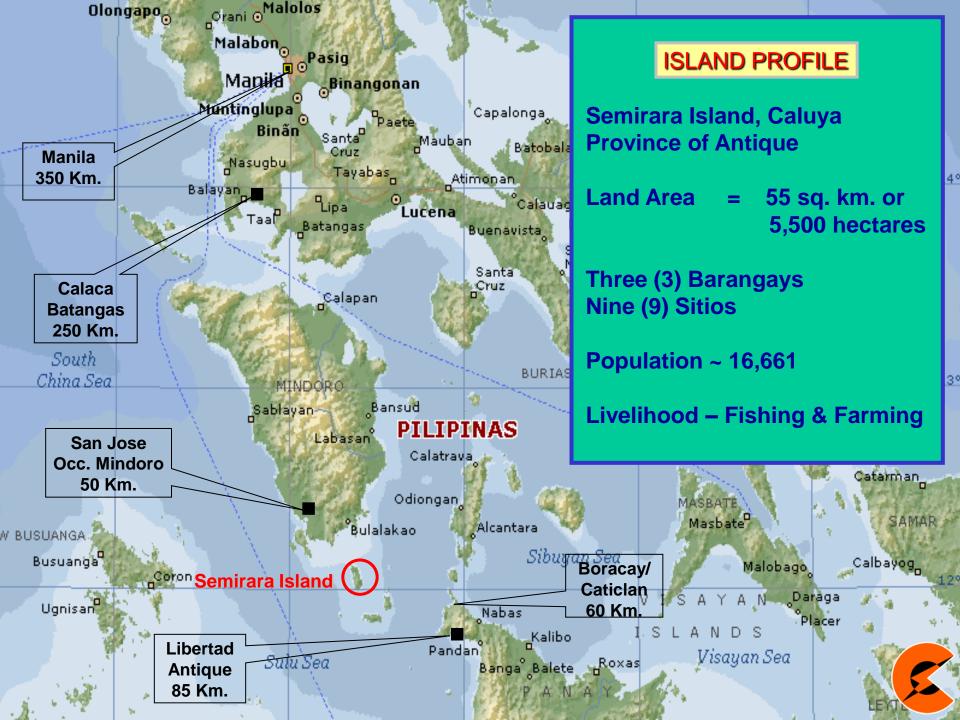
#### Low coal production cost

- controls the biggest deposit of open pit mineable coal assets in the country, with over 200 million tons of mineable reserves
- mining operations done inhouse
- exempt from all taxes except income tax and government royalties

#### Strong engineering core competence

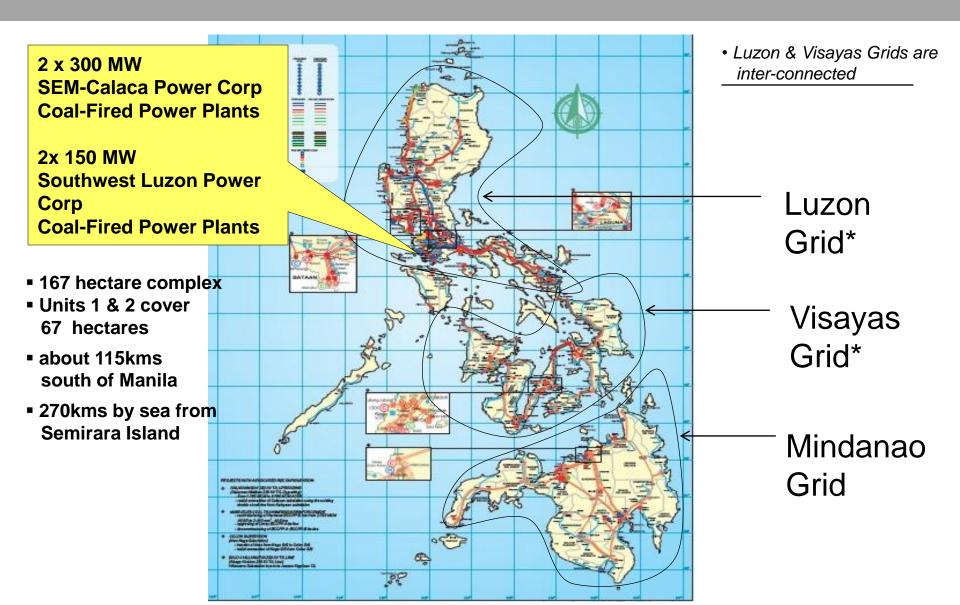
- established leading DMCI brand of engineering that provides innovative engineering solutions
- experienced management team
- stable supply of local talent

sustainable robust long-term earnings
 strong dividends
 huge growth potential in power expansion



# **CALACA PLANTS LOCATION**





# MILESTONES



•	<u>1940</u>	Pres. Quezon through Proclamation # 649 declared the islands of Semirara, Sibay,
•		and Caluya of Antique as coal mining reservation
•	<u>1980</u>	Incorporated in the Philippines as a limited liability company
•	<u>1983</u>	Initial public offering, listing on the Philippines Stock Exchange
•	1984	Commercial production at the Unong mine commenced
•	1997	DMCI Holdings, Inc. (DMCI-HI) purchased 40% interest in Semirara
•	<u>1998</u>	Debt to equity conversion increased DMCI-HI's interest to 74%
		Installation of coal washing plant
•	<u>1999</u>	New management team installed by DMCI-HI
•	<u>1999-2000</u>	Unong mine depleted, operations commenced at Panian; Full shift from continuous to conventional mining system;
•	<u>2004</u>	Capital restructuring increased DMCI-HI's interest to 94.5%; Declared stock dividend of PHP225m, consisting of 225m common shares; Authorized capital increased to 1b shares
•	<u>2005</u>	International and Domestic Offering of 105.046m shares, comprising of 46.875m primary shares and 58.171m secondary offering, increased outstanding common shares to 296.875m; DMCI-HI's interest reduced to 60%
•	<u>2007</u>	Maiden voyage carrying 28.8K MTs of coal to Xiamen, China SEC's Top 20 PLCs for Corporate Governance
•	<u>2008</u>	Coal Operating Contract is extended up to 14 July 2027 BOI Registration as expanding coal producer ISO Certifications – ISO 9001:2000, ISO14001:2004, OHSAS 18001:2007 Exploratory drilling activities indicated substantial coal deposits Silver Awardee for SEC's Top PLCs for Corporate Governance

## MILESTONES



•	<u>2009</u>	Acquisition of 2 x 300 MW Calaca power plants (Sem-Calaca Power Generation Corp.) Silver Awardee for SEC's Top PLCs for Corporate Governance
•	<u>2010</u>	Stock Rights Offering of 59.375m shares increased outstanding common shares to 356.25m
		Silver Awardee for SEC's Top PLCs for Corporate Governance
		Most Committed to a Strong Dividend Policy, Finance Asia Magazine's 10th Annual
		Best Managed Company's Poll
•	<u>2012</u>	Financial close of PHP 11.5 billion project debt facility to finance Phase 1 expansion Commence Phase I power expansion of 2x150 MW in Calaca (Southwest Luzon Power
		Generation Corp.)
		BOI Registration of Narra Mine under non-pioneer status, maximum of 8 years
•	<u>2013</u>	2nd Runner Up, ASEAN Best Practices in Coal Projects – CSR category,
		2013 ASEAN Coal Energy Awards
		6 <sup>th</sup> among Most Committed to a Strong Dividend Policy, Finance Asia Magazine's 13 <sup>th</sup> Annual Best Managed Company's Poll
		Among the top 10 finalists (out of 289 PLCs) in 2013 PSE Bell Awards for
		Corporate Governance
		Awarded 2 new mining areas (Mindoro and Mindanao)
		Incorporated 2 new corporations for power capacity expansion
•	<u>2014</u>	Issued 200% stock dividend
		4 <sup>th</sup> among Most Committed to a Strong Dividend Policy and
		9 <sup>th</sup> Best Corporate Social Responsibility, Finance Asia Magazine's
		14 <sup>th</sup> Annual Best Managed Company's Poll

# MILESTONES



Started commissioning of SLPGC's 2 x 150 MW Plants 2015 Among the top 50 publicly listed companies in the ASEAN Titanium Awardee for Excellence in Corporate Governance and Investor Relations, 2015 The Asset Corporate Awards Awarded Best Corporate Governance, 10<sup>th</sup> Finance Asia's Best Philippine Companies Awarded 1<sup>st</sup> Runner Up for Corporate Social Responsibility, ASEAN Energy Awards SCPC was awarded as Top 1 Corporate Tax Payer in the province of Batangas BOI Registration of Molave Mine under non-pioneer status, maximum of 10 years 2016 Amendment of ECC to increase mining capacity to maximum of 16 million tons Commercial operations of SLPGC 2 x 150 MW CFB plants Titanium Awardee for Excellence in Corporate Governance and Investor Relations, 2016 The Asset Corporate Awards Silver Awardee for Public Relations Tool (2014 IAR), Anvil Awards SLPGC received Certificate of Compliance from the Energy Regulatory Commission, 2017 allowing the plants to run at full capacity of 150 MW each Gold Awardee for Public Relations Tool (2014 IAR), Anvil Awards

### **MILESTONES** Investment in Sem-Calaca Power Generation Corp.





The 2 x 300 MW coal-fired power plants in Calaca, Batangas were acquired by the Company in 2 December 2009 for \$361.7 M

### **MILESTONES** Investment in Southwest Luzon Power Generation Corp.





The 2 x 150 MW CFB coal-fired power plants were declared on commercial operations on 26 August 2016.

### SEMIRARA RESOURCES Coal and Other Reserves As of December 31, 2016



Coal

Remaining Resources288 million tonsReserve219 million tons

Remaining As of Jan.1, 2017

#### Other Minerals

Limestone ...... 1.2 Billion Mt Clay..... 2.9 Million Mt

In-house Drilling (2006-present) 743 Exploration & confirmatory drill holes

Seismic Reflection Survey

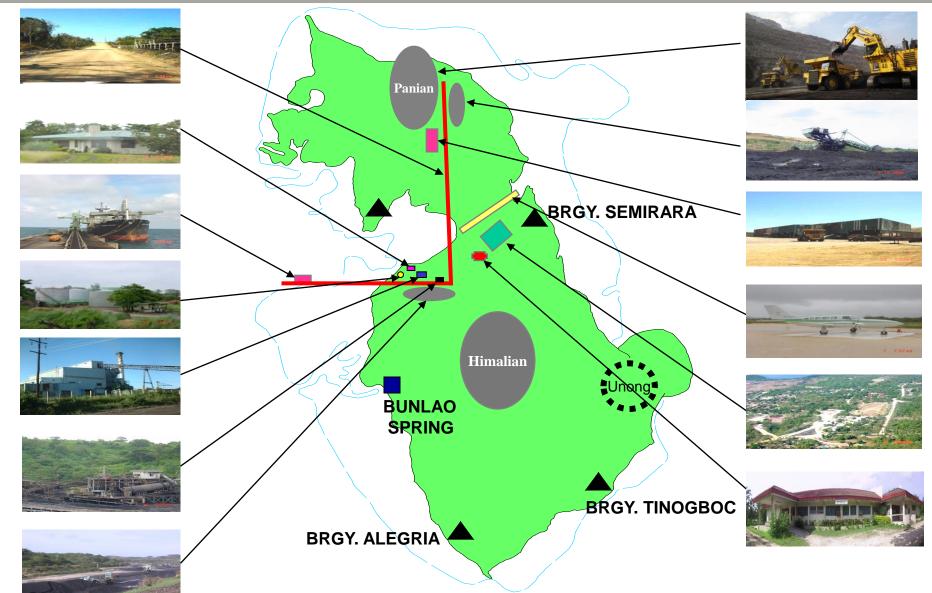
 (Ongoing around the Island)



# SEMIRARA RESOURCES

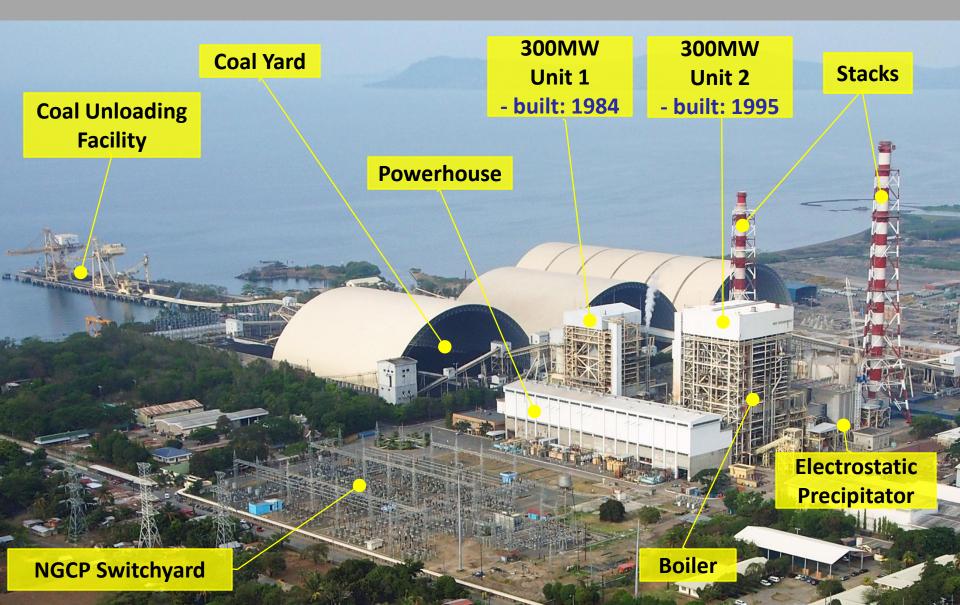


#### **Facilities**



## **SEM-CALACA FACILITIES**





### **SEM-CALACA FACILITIES**





### **SEM-CALACA OEM / EPC**



EQUIPMENT	UNIT 1	UNIT 2		
Steam Generator	Foster Wheeler (FWEC), USA	Asea Brown Boveri/ Combustion Eng'g (ABB-CE), USA		
Steam Turbine	Toshiba, Japan	GEC-Alsthom, France		
Electric Generator	Toshiba, Japan	GEC-Alsthom, France		
Condenser	Toshiba, Japan	GEC-Alsthom, France		
EPC	Mitsui and Co., Japan	Mitsubishi, Japan		

#### PRODUCTION

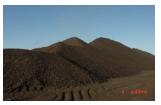


#### **& OPERATIONS**

### **COAL PRODUCTION FLOW DIAGRAM**









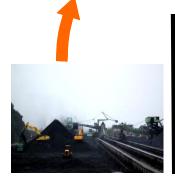
Washing



**Blending & Pre-acceptance** 



7 Shiploading





#### Washable

Coal









**Coal Extraction** 





## **COAL SPECIFICATIONS**



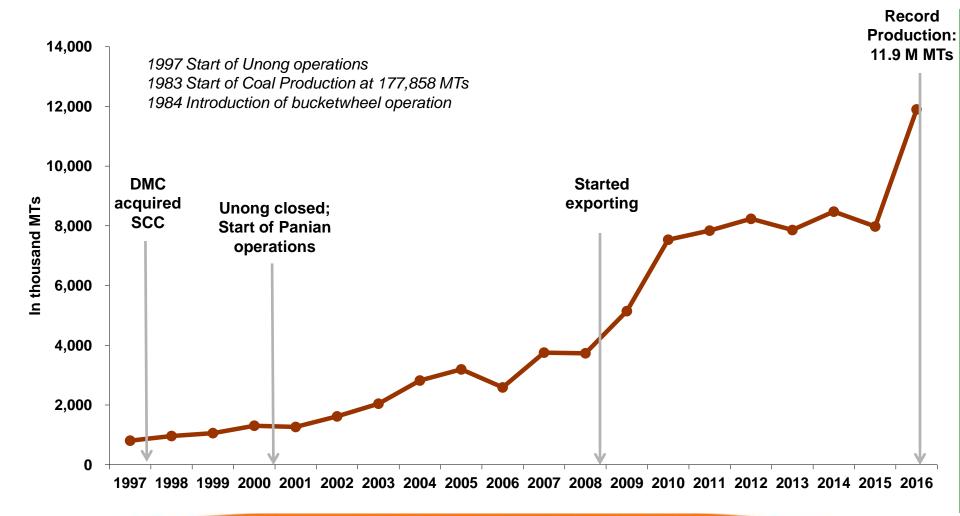
PARAMETER	יד	YPIC/	AL
Gross Calorific Value, Btu/lb (Air Dried)	8,700	-	10,000
Gross Calorific Value, Btu/lb (As Received)	7,300	-	9,000
Proximate Analysis		-	
Ash %	6	-	17
Fixed Carbon %	33	-	44
Volatile Combustible Matter	34	-	40
Total Sulfur, % (Air Dried, ASTM D2015)	0.20	-	1.00
Total Moisture, % (As Received)	21	-	29
Residual Moisture, % (Air Dried)	8	-	18
Hardgrove Grindability Index	40	-	50
Size, mm	50	-	200

### COAL MINING EQUIPMENT Capacity



FOUIDMENT				# O		S			
EQUIPMENT	2009	2010	2011	2012	2013	2014	2015	2016	2017
LOADING									
16 m <sup>3</sup> Excavators	7	7	8	16	2	4	4	4	5
15 m <sup>3</sup> Excavators	2	5	5	5	8	8	9	9	11
12 m <sup>3</sup> Excavators	4	4	4	4	8	8	11	15	15
7 m <sup>3</sup> Excavators	4	2	2	2	2	1	1	1	0
TOTAL	17	18	19	27	20	21	25	29	31
HAULING									
100-tonne Dump Tr	102	121	121	120	107	120	112	141	155
OUDDODT									1
SUPPORT								Test	ALC: NO.
Dozers (Crawler/WI	19	29	26	25	25	25	21	23	30
Motor Graders	6	6	6	6	5	5	6	7	7
Water Trucks	4	6	6	7	4	4	4	5	4
Small Power Shovels	10	12	15	12	14	14	10	11	17
Crusher	2	2	-	-	-	-	<u>-</u> 1		0
Crane			2	2	4	4	4	5	5
Lube Trucks								4	4
Small Backhoe								1	
Drilling Machine / Eq	pt		1	21	21	20	26	26	26
Drilling Machine / Eqpt							1	1	
TOTAL	41	55	55	52	52	<b>52</b>	<b>46</b>	57	93
FLEET CAPACITY (	62	80	85	80	82	82	88	130	155

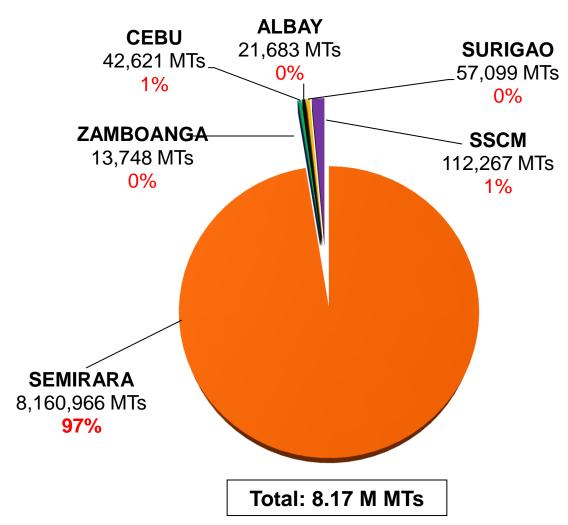
### HISTORICAL COAL PRODUCTION Unong and Panian Annual Coal Production





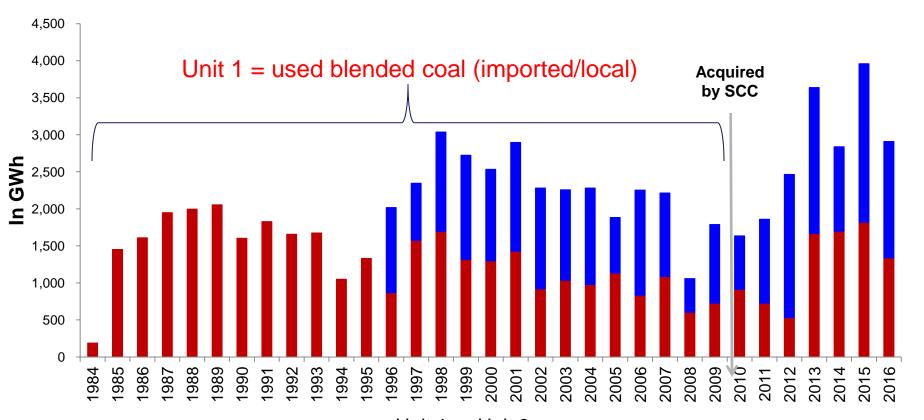
#### 2015 PHILIPPINE ROM COAL PRODUCTION In metric tons





Source: DOE

### SCPC HISTORICAL **GROSS ENERGY GENERATION**



Unit 2 Unit 1

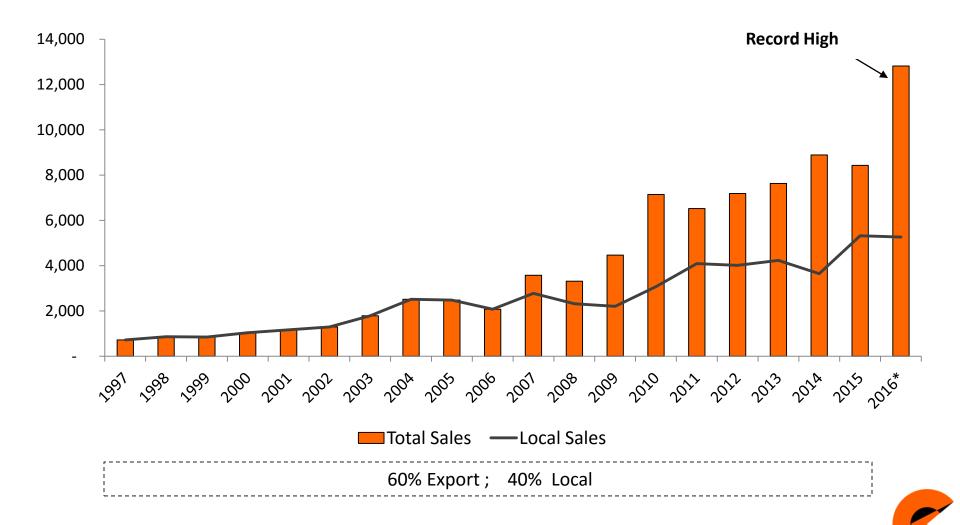




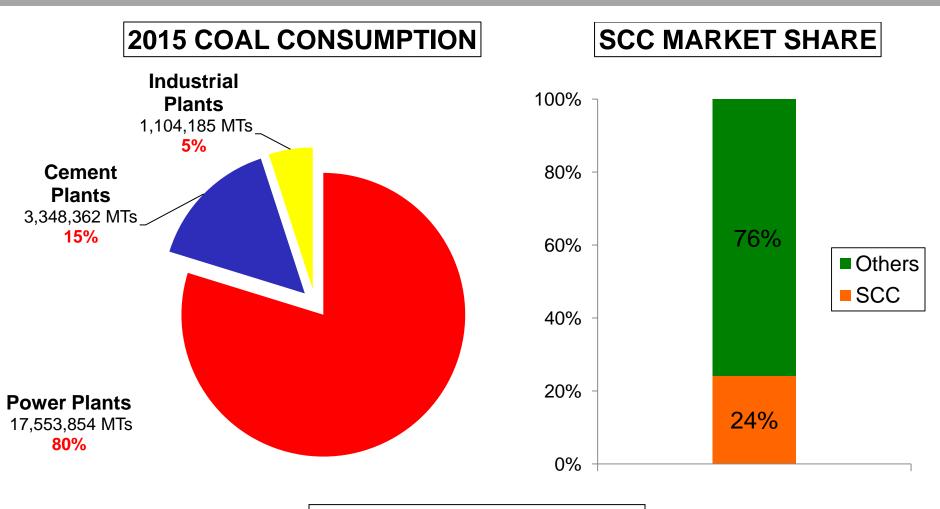
#### & MARKETING

### COAL SALES VOLUME In '000 MTs





## **SCC PHILIPPINE MARKET SHARE**

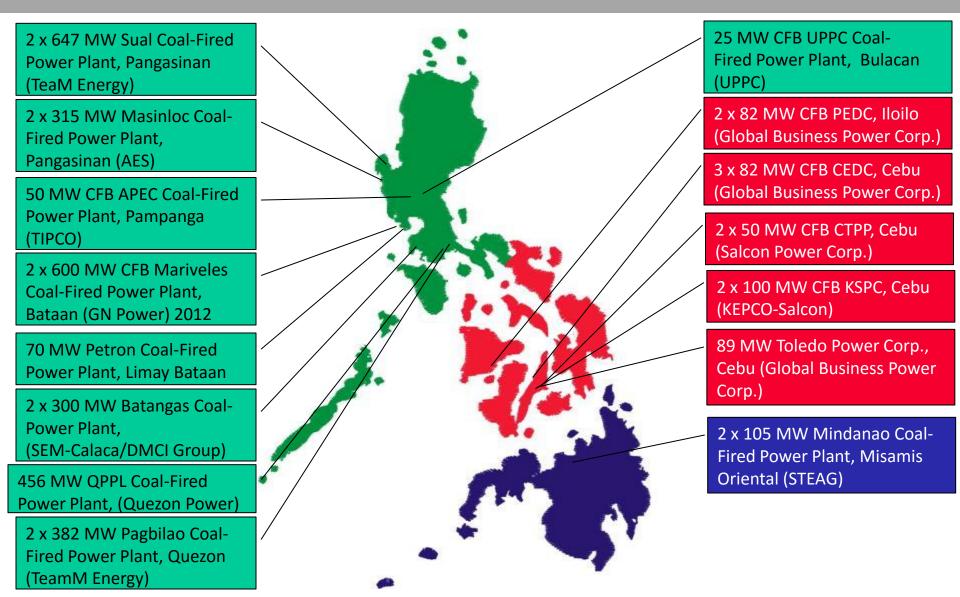


Total Local Consumption: 22.01 M MTs

#### Source: DOE

### EXISTING COAL-FIRED POWER PLANTS





### **2016 GROSS POWER GENERATION** In GWh (As of 27 March 2017)



SOURCE	2015	%	2016	%
Coal	36,686	45%	43,303	48%
Oil-based	5 <i>,</i> 886	7%	5,661	6%
Nat Gas	18,878	23%	19,854	22%
Geothermal	11,044	13%	11,070	12%
Hydro	8,665	11%	8,111	9%
Wind	748	1%	975	1%
Solar	139	0%	1,097	1%
Biomass	367	0%	726	1%
TOTAL	82,413	100%	90,798	100%

#### Source: DOE

48% of Philippine power supply is generated by coal-fired plants in 2016. The share is expected to increase, as 70% of nearly 5,000 MW of new power plants being built in PH until 2020 are coal-fired.

#### **INSTALLED CAPACITY & DEPENDABLE CAPACITY** In MW (As of 27 March 2017)



Fuel Ture	Installed Capacity			Dependable Capacity			Total	
Fuel Type	Luzon	Visayas	Mindanao***	Luzon	Visayas	Mindanao	Installed	Dependable
Coal	5,294	1,054	1,070	4,970	1,050	959	7,418	6,979
Natural Gas	3,430	1	0	3,291	0	0	3,431	3,291
Oil-Based	2,133	655	828	1,655	434	733	3,616	2,822
Renewable Energy	4,120	1,574	1,264	3,684	1,329	993	6,958	6,06
Geothermal	843	965	108	777	813	100	1,916	1,690
Hydro	2,537	20	1,061	2,323	18	840	3,618	3,181
Biomass, Solar, Wind	740	590	95	584	498	53	1,425	1,135
Total Capacity	14,977	3,284	3,162	13,600	2,813	2,684	21,423	19,097

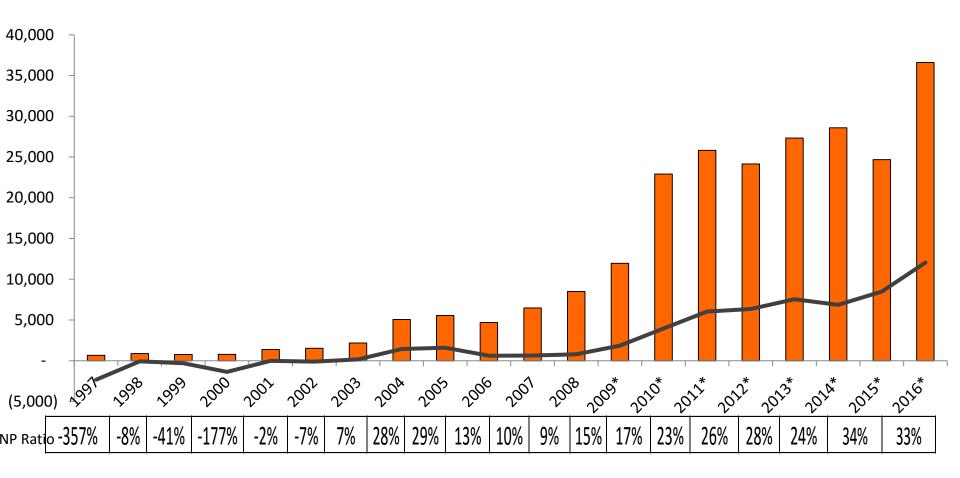
Source: DOE

#### **FINANCIAL**



#### **HIGHLIGHTS**

### CONSOLIDATED REVENUES AND NIAT In Million Pesos

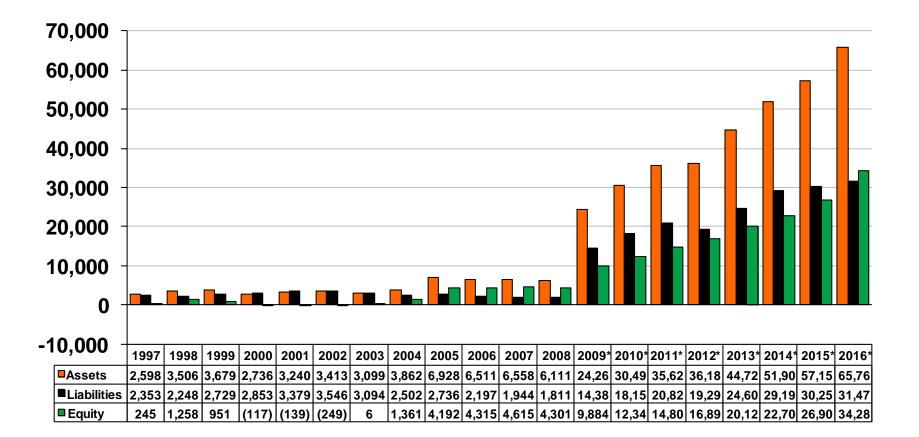


Revenues —NIAT

\*Consolidated

### BALANCE SHEET In Million Pesos

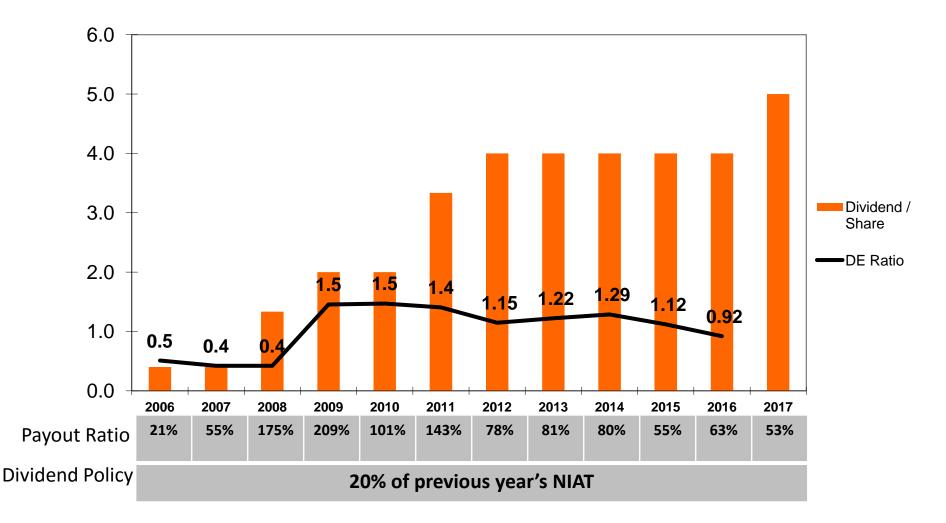




\*Consolidated

### **HISTORICAL DIVIDENDS**

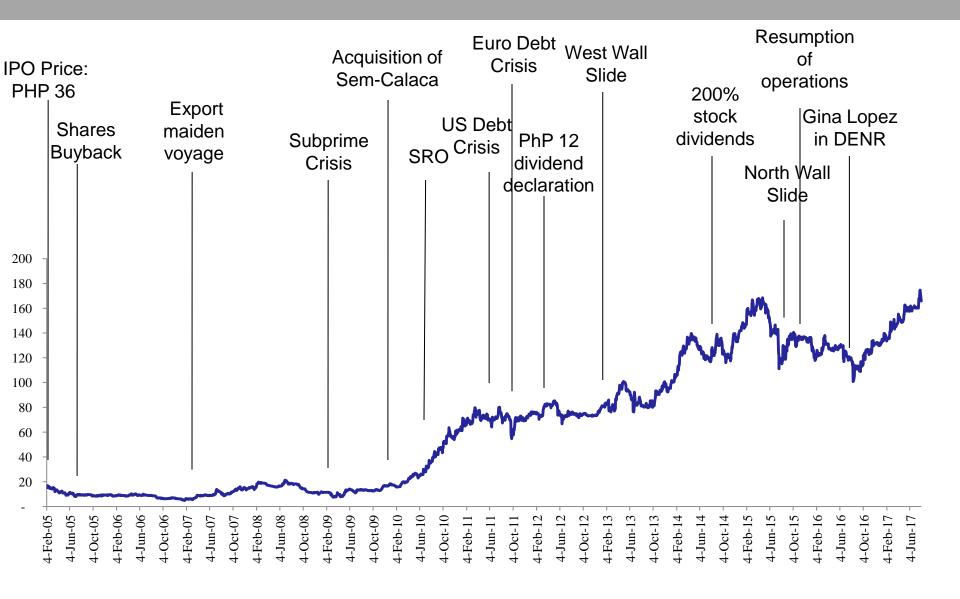




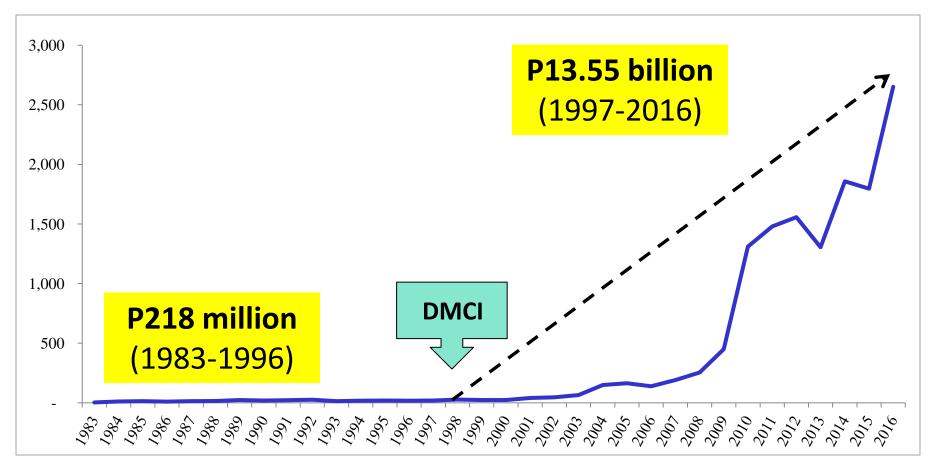
#### \* restated to 2014 post-stock dividend outstanding shares

# **STOCK PRICE MOVEMENT**





### GOVERNMENT ROYALTIES In million PHP



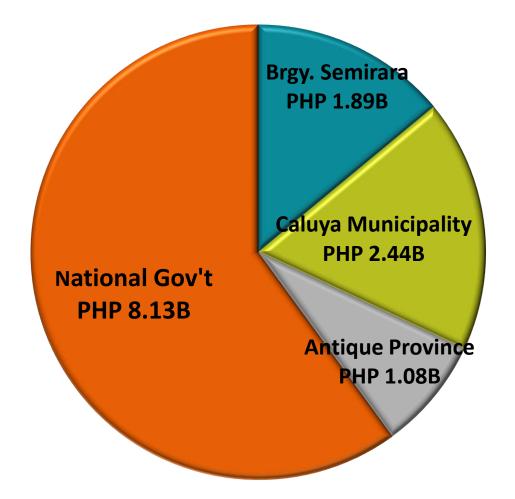
Royalties paid to the government since the DMCI group bought into the company and took over management and operations totaled to PHP13.55 billion as of 2016.



### **GOVERNMENT ROYALTIES** In million PHP



#### 1997-2016 Gov't Royalties: PHP13.55B



## 2015 GOV'T COLLECTION FROM ENERGY RESOURCES



Region	Collection	40% LGU share	
CAR	966.18	386.47	
RO I	12,766.63	5,106.65	
RO IV-A	47,082.04	18,832.82	
RO V	51,782.59	20,713.04	
RO VI	1,812,099.52	724,839.81	
RO VII	83,877.65	33,551.06	
RO VIII	123,030.33	49,212.13	
RO IX	791.80	316.72	
RO X	297.80	119.12	
RO XI	4,083.25	1,633.30	
RO XII	17,278.23	6,911.29	
RO XIII	4,138.57	1,655.43	
Total	2,158,194.58*	863,277.83	

SCC 2015 Government Royalties payment:

### P1.796 Billion

83% of total royalty collections by the government

\*proceeds from petroleum, coal, geothermal,

hydrothermal, and wind resources

Source: http://www.gov.ph/2016/06/15/lgus-shares-national-wealth/

# **OPPORTUNITIES**



	Current Market	Market Share	Market Growth	Opportunities
Coal	Annual Production: 12 M MTs 2015 Annual Domestic Consumption: 22.01 M MTs	97% in production 24% in consumption	8% annual growth rate in domestic coal consumption	<ul> <li>SCC's ECC allows maximum production of 16 M MTs</li> <li>SCC's coal qualities are acceptable to new coal-fired plants</li> <li>Expansion in power creates a captured market for coal</li> </ul>
Power	National Installed Capacity at 18.7 GW and Dependable Capacity at 13.8 GW	600 MW or 12.7% of coal-fired power plants	5% annual demand growth expected 2.9GW of capacity coming online up to 2019	<ul> <li>SCC has the ECC to expand its power business to up to 1,800 MW.</li> <li>As the only integrated operator of coal-fired power plants, SCC is the lowest cost producer, thereby making it competitive in a tight market.</li> </ul>

## CSR RE-DEFINED from 5Es\* to COMMUNITY SELF-SUFFICIENCY



### CORPORATE SUSTAINABILITY and RESPONSIBILITY

#### **Towards Self-Sufficient Communities**

Semirara Island, Caluya, Antique Province



Electrification; Economic Empowerment; Education & Skills Training; Environmental Protection; Emergency Preparedness





#### **ECONOMIC : VALUE ADDED**

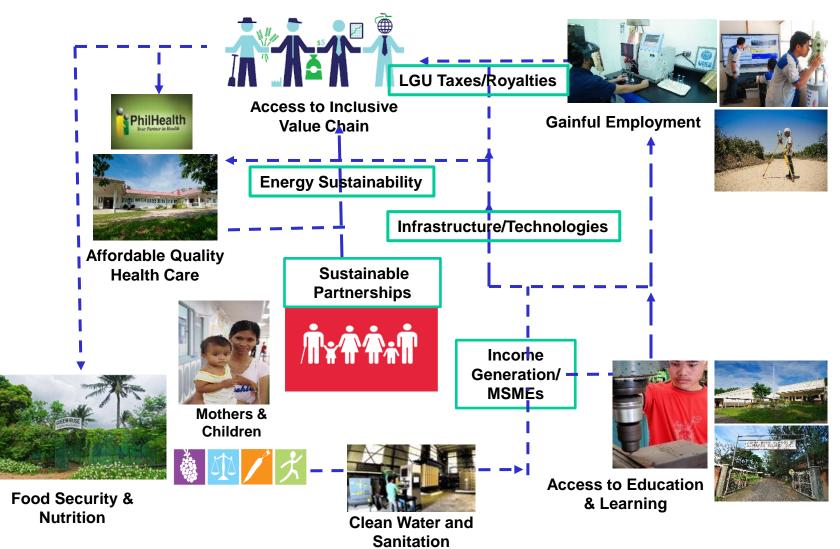
#### **BRAND VALUE**

#### **REPUTATIONAL VALUE**

#### □ SOCIETAL VALUE

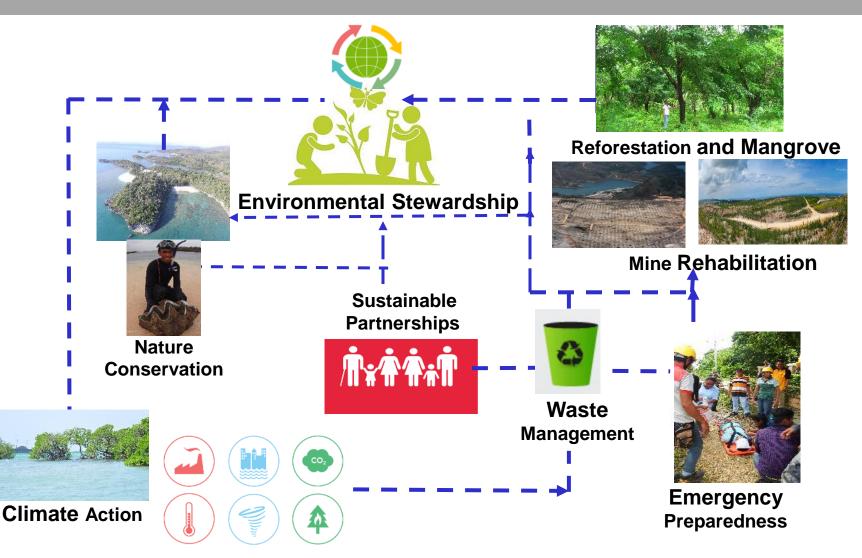
# SOCIAL DEVELOPMENT/ ECONOMIC: VALUE ADDED





## **ENVIRONMENTAL STEWARDSHIP**





#### **COMMITMENT TO ENVIRONMENTAL STEWARDSHIP**

## **UN 17 SUSTAINABLE DEV'T GOALS**





Our corporate sustainability and social programs and initiatives are, and will continue to be aligned to the United Nations' 17 Sustainable Development Goals (SDGs) in close collaboration with the LGU.

# END OF PRESENTATION Thank you!

# DISCLAIMER

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•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.

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