

2026 Annual Stockholders' Meeting

President's Report



20 Years of
Driving Progress

Good afternoon, Dear Shareholders.

We are pleased to share with you the performance of the SM Group for 2025.

Despite a more challenging macro environment last year, the Group delivered solid results.

Let me walk you through the key milestones.

Another Year of Solid Performance



PHP90.5bn
Earnings ↑10%

PHP681.7bn
Revenues ↑4%

PHP1.8tn
Total Assets ↑7%

30:70
Debt-Equity Ratio (Net)

Financially, SM Investments delivered another year of solid growth, despite trade uncertainty, domestic political noise and unusually bad weather in the second half.

Our consolidated earnings grew by 10% to PHP90.5 billion, while revenues increased by 4% to PHP682 billion.

Banking remained the largest earnings contributor at 49%, followed by property at 27%, retail at 18% and portfolio investments at 6%.

Our balance sheet remains conservative, with a net debt-to-equity ratio of 30:70 even as our consolidated assets grew by 7% to PHP1.8 trillion

2025 Highlights



Among our operational highlights were:

SM Prime opened two new malls in Laoag and La Union, extending our footprint in Northern Luzon. We also opened SM City Xiamen Haicang in China.

SM Prime also introduced the Signature Series by SM Residences for premium homes and completed sand placement in its 360-hectare Pasay reclamation project.

SM Retail opened 490 new stores, with minimart chain Alfamart adding 280 to reach 2,309 locations nationwide. We also added 2 SM Stores, 16 supermarkets and 192 specialty stores, led by Dyson, Miniso and Crocs. Our network stands at 4,831 SM-owned stores today.

In banking, Chinabank rejoined the PSE Index.

BDO expanded its loans faster than the industry average and raised USD500 million in five-year senior notes, plus PHP115 billion in ASEAN Sustainability Bonds – both of which were oversubscribed.

In our portfolio businesses, 2GO Group launched its Manila-Siargao route and delivered good profitability in all of its business lines as it focused on driving growth momentum.

Philippine Geothermal Production Company continued to explore geothermal opportunities in six

additional sites beyond its two operating steam fields.

Alongside business growth, we advanced environmental and sustainability initiatives, pushing ahead on carbon reduction, water recycling, plastics reuse and waste management. We adopted IFRS Sustainability Standards earlier than required for clear reporting at international best standards.

Our foundations granted 870 new scholarships and built or upgraded several new schools, health and wellness centers nationwide to deliver practical community impact in 2025.

20 Years of Growth



2005

19



MALLS

55

RETAIL
STORES

361

BANK
BRANCHES

₱169bn

GROUP
ASSETS

2025

89 in PH, 9 in China

4,831

2,545

₱1.8tn



Last year also marked our 20th anniversary as a public company.

In 2005, when we listed, we had 19 malls. As of end-2025, we had 89 malls in the Philippines and 9 in China.

From 55 retail stores we have grown to 4,831.

We had 361 bank branches when we listed and 2,545 today.

And we have grown total Group assets from PHP169 billion to PHP1.8 trillion.

This growth came from steady planning and execution. The numbers prove that our model works over time and has lasting impact.

Markets change, but our businesses stay entrepreneurial and work closely together, with a focus on long-term impact – and that's our edge.



1

We are a conglomerate with **deliberate** and **unique synergies**.

SM's strategy rests on 5 clear strengths:

First, we are a conglomerate that operates with deliberate and unique synergies.

Our retail, banking, and property businesses work closely together to serve Filipino customers.

Our malls house our retail businesses, which help ensure high mall occupancy and allow retail to operate with minimal capital needs. Our banks support our mall tenants and also the suppliers of our retailers. All our businesses work together to understand and deliver the evolving needs of our millions of customers and the community.

These synergies are built into our operations, creating entrenched advantages. They boost each business and deliver strong, diversified and recurring cash flows as a group.

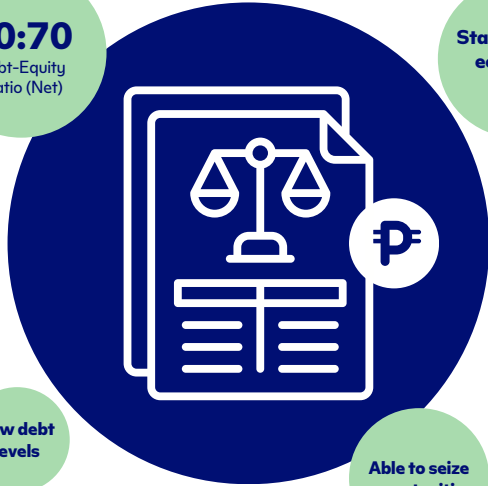
30:70

Debt-Equity
Ratio (Net)

Stable across
economic
cycles

Low debt
levels

Able to seize
opportunities



2

We keep a **conservative** and
resilient balance sheet.

Second, we keep a conservative and resilient balance sheet.

Our low debt levels allow us to operate with stability across economic cycles.

This lets us handle downturns and seize opportunities – as we did during the pandemic when we continued to grow our portfolio and expanded our footprint because we had the resources to do so.



3

We ensure **high standards** of **governance** and **sustainability**.

Third, we ensure high standards of governance and sustainability.

These are embedded in how we think and run our businesses. Being responsible helps us manage risks, build trust and support our long-term results.

We regularly win international awards in these areas, validating our high standards both in Asia and globally.

Our Board is majority composed of independent directors, led by an independent Chair. This is a rarity in Asia. Their experience and independent oversight pair well with our entrepreneurial and hands-on management, together strengthening the Group.

Our Strength as a Group



4

We are a **long-term value compounder.**

Fourth, we are a long-term value compounder.

We build value steadily.

We build businesses that are recurring income generators, whether in malls, in core banking or in retail. Even our newer businesses such as high-end office buildings, geothermal renewable energy and logistics contribute to 90% of our Group earnings coming from recurring sources.

These generate strong cash flows that we reinvest back into the businesses for long-term gains, true to the approach of our founder, Henry Sy, Sr.

And the value of our businesses compounds over time as we reinvest.

Our Strength as a Group



5

We are **committed** to the **Philippines**.

Fifth, we are committed to the Philippines.

And we see huge room to grow due to an underpenetrated market, young favorable demographics, rising incomes and expanding financial inclusion. These provide a long runway for future growth for all our businesses.

Our Strength as a Group



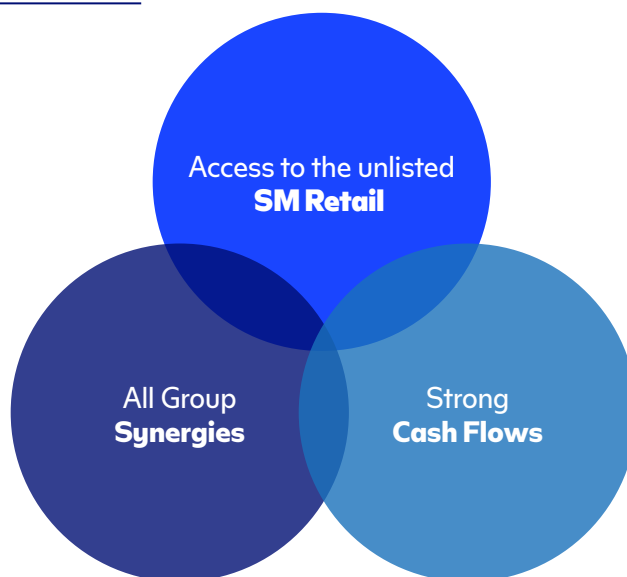
- 1 We are a conglomerate with **deliberate** and **unique synergies**.
- 2 We keep a **conservative** and **resilient** balance sheet.
- 3 We ensure **high standards** of **governance** and **sustainability**.
- 4 We are a **long-term value compounder**.
- 5 We are **committed** to the **Philippines**.

These five points sum up our edge.

We continue to learn and adapt, but we do so while sticking to what works.

Our Unique Proposition as the Parent

SM INVESTMENTS



As the parent company, SM Investments has a distinct role in our Group and unique proposition to investors. We own controlling stakes in all the businesses in our ecosystem.

But SM Investments is more than just the sum of the parts. This is because of our access to the unlisted SM Retail business, our upside from all the Group synergies and our strong cash flow generation.

The Biggest and Most Diverse Retail Business in PH

SM INVESTMENTS 



First, we own direct exposure to the largest and most diverse Retail business in the country.

SM Retail caters to the many needs of Filipinos in all segments of society, across a wide range of price points and categories of goods.

Its formats include grocery stores that range from small neighborhood minimarts to large destination hypermarkets, as well as SM department stores and leading retailers in household, electronics, fashion, sports, beauty, toys, babies, pets and more.

Foreign partners work with SM because we can help them serve the Filipino consumer and our retail partnerships include ACE Hardware, Watsons, Uniqlo, Dyson, Crate & Barrel, Levi's, Crocs, Miniso, Fitflop and Disney Store to name a few.

SM Retail serves millions of Filipino consumers, whose consumption spending delivers over two-thirds of the country's GDP.

Our retail arm delivers consistent high returns and cash.

Capturing the Group Benefits



Second, we capture all the Group benefits.

Each of our subsidiary businesses benefits from some of the Group synergies.

At the parent we also invest in new ventures like logistics and renewable energy that add to the ecosystem and make it stronger.

Our Cash Flow Engines



PHP42.7bn
2025 Parent Revenues

↑22%

PHP5.1bn
2021 Dividends

32%
Compounded
Dividend per Share
Growth

PHP16.0bn
2025 Dividends

PHP148.9bn
Total Dividends Distributed
Since Listing

Third, we churn out reliable cash across cycles.

Listed units like SM Prime, BDO and Chinabank drive most of the Group's earnings – and will keep doing so.

But most of the cash flows come from our non-listed assets, especially retail. And investors can only access this cash engine room through the parent company, on top of the dividends we also regularly receive from the listed subsidiaries.

Last year, at the parent, we generated total revenues of close to PHP43 billion, up 22% on 2024.

In the last 5 years, our parent dividends grew from PHP5 billion in 2021 to PHP16 billion in 2025. This is a compound growth of over 32% year on year.

And since listing we have delivered PHP149 billion in dividends to shareholders in total.

What Our Cash Flows Allow Us To Do

Keep debt low
and maintain a
strong balance
sheet

Buy assets when
there are good
opportunities

Invest in
growth without
financial strain



↑44%

Dividends per Share

Return cash to
shareholders

>10M

Shares Bought
Back to date

This strong cash flow gives us the ability to do several things:

Invest in growth without financial strain;

Keep debt low and maintain a strong balance sheet. Indeed, in recent years we have brought down our debt levels;

Buy assets when there are good opportunities;

And return cash to shareholders – via higher dividends, which on a per share basis were up 44% last year, and share buybacks, where we have bought back over 10 million shares as of today.

These are possible because of our strong position of cash generation that flows uniquely to the parent.

The Next 20 Years



As a conglomerate, we are clear on how we create significant long-term value.

We will continue as an owner of growing, synergistic businesses; to nurture them; and to bring focus as an operator – not only as an armchair financial investor.

Our approach builds strong businesses and those businesses deliver strong financial results.

At the same time, we stay disciplined on costs and focused on investments and the use of our capital.

We reward investors with cash returns in the near term, and with considerable earnings growth, asset growth and value creation in the long term.

We plan far ahead: with greater reach into more provinces in all our businesses, and with the upside from big generational asset-creating projects like our Manila Bay reclamation.

**WE
ARE**



**Our Group is solid.
Growth plans are clear.
Our approach and focus are disciplined.**

Let me summarize:

We are SM.

Our group is solid. Growth plans are clear. Our approach and focus are disciplined.

And as the parent company, SM Investments has a distinct position based on our unlisted assets, our full group synergies and our reliable, growing cash – plus the growth benefits from our listed subsidiaries.

Thank You!



Last year was another solid year for us, marked by record earnings and continued expansion.

I'd like to thank all our stakeholders – our suppliers, partners, shareholders, customers and employees.

We believe the next 20 years will match the strong story of the last 20.

Thank you.



20 Years of
Driving Progress

For more information about the Group and our performance, you can download our

2025 Integrated Report

