



SM INVESTMENTS

3M 2022 Earnings Briefing
May 11, 2022

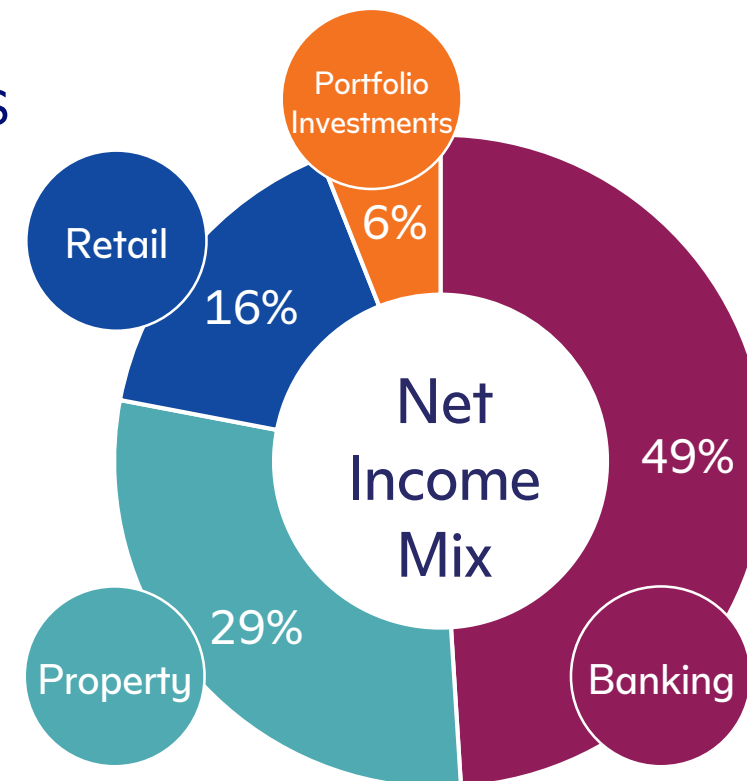


SMIC 3M 2022 Consolidated Results

- Strong 3M22 rebound in consumer spending in Retail and Malls
- Banks continued to drive earnings
- Portfolio Investments contributed 6% of earnings

SM Investments	3M 2022	Chg
Revenues	112.1	16%
Earnings	12.0	27%
Assets	1,353.7	1%
Net Debt:Total Equity	38 : 62	

Figures in PHP B except percentages



Above Pre-Pandemic Performance

- Revenues and Net Income surpassed 2019 levels

In Php bn	3M 2022	3M 2019	Chg
Revenues	112.1	109.0	↑2.8%
Net Income	12.0	10.7	↑12.1%



Retail

- Positive 3M22 consumer spending sentiment
- Retail at 94% of pre-pandemic revenues
- Net income growth of 61% driven by sustained Non-Food sales
- New channels represent 10.7% of Non-Food sales

<u>SM Retail</u>	<u>Revenue</u>	<u>Chg</u>	<u>NI</u>	<u>Chg</u>
Total Retail	74.5	6%	2.6	61%
SM Store	15.8	25%	0.0	104%
Specialty	16.3	11%	1.1	52%
Food Group	47.0	0%	1.8	5%

Figures in PHP B except percentages



Banking – BDO

- Sustained momentum driven by strong core business
- CASA ratio at 86% on 11% growth in CASA deposits
- NPL ratio improved and NPL coverage increased to 121%
- Strong capital ratios maintained
- P1.00 special cash and 20% stock dividends declared

BDO	3M 2022	Chg
Net Income	11.7	13%
Net Interest Inc.	33.9	6%
Other Income	16.7	9%
Loans	2,383.0	7%
Deposits	2,817.8	7%
NIM	4.0%	
NPL	2.7%	
CET 1	13.5%	
CAR	14.6%	

Figures in PHP B except percentages



Banking – China Bank

China Bank	3M 2022	Chg
Net Income	4.9	37%
Net Interest Inc.	10.8	15%
Other Income	1.7	-50%
Loans	616.0	11%
Deposits	879.3	8%
NIM	4.3%	
NPL	2.5%	
CET 1	15.5%	
CAR	16.3%	

Figures in PHP B except percentages

- Growth driven by sustained core business growth with effective cost management
- Above industry loan growth
- Provisions lower by 65% YoY with NPL Coverage raised to 119%
- Cost-to-income ratio improved to 46%
- Capital adequacy strengthened
- Declared P1.00 regular dividend and P0.50 special dividend



Property

- Stronger rebound delivered on improved mobility restrictions and local economy reopening
- Philippine mall rental income up 34%
- China Malls delivered positive growth
- Residential revenues similar to 1Q21
- Office revenues improved 11%
- Hotels and Convention centers revenues up 104%

SM Prime	3M 2022	Chg
Total Revenues	23.9	15%
Philippine Malls	8.2	40%
China Malls (in RMB B)	0.2	3%
Residential	12.0	1%
Other Businesses	2.0	30%
Reservation Sales	31.1	-4%
Net Income	7.4	15%

Figures in PHP B except percentages





Mr. Steven Tan
President of SM Supermalls



SM Supermalls Road to Recovery



Drivers of recovery for SM Supermalls

External



Increased vaccination levels



Relaxed mobility restrictions particularly for children & seniors



Pent-up demand and revenge spending

Internal



Focus on Safe Malling



Constant innovation of tenancy mix and customer experience



Macro mobility is approaching pre-pandemic levels

Google COVID-19 Community Mobility Reports

Retail and recreation: How did the number of visitors change since the beginning of the pandemic?



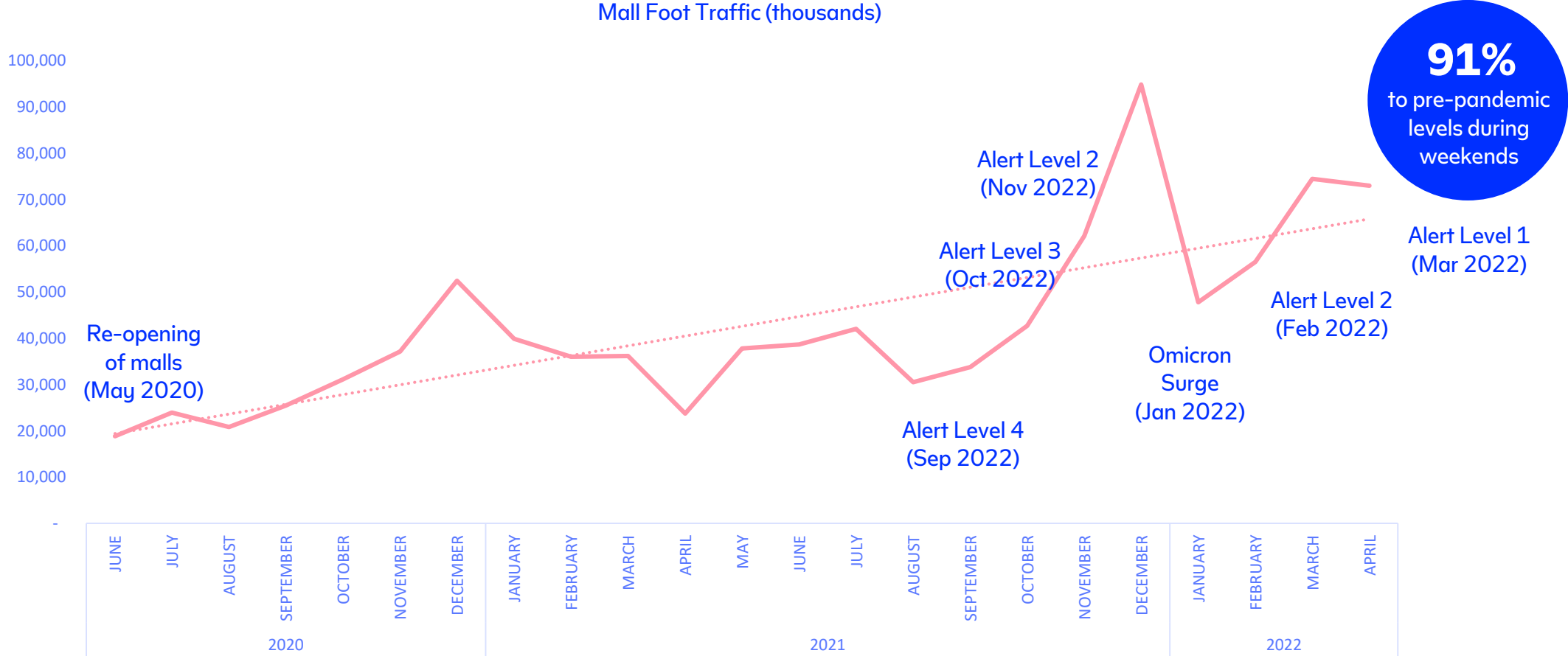
This data shows how the number of visitors to places of retail and recreation has changed relative to the period before the pandemic. This includes places like restaurants, cafés, shopping centers, theme parks, museums, libraries, movie theaters.



Source: Google COVID-19 Community Mobility Trends – Last updated 20 April 2022
OurWorldInData.org/coronavirus • CC BY
Note: It's not recommended to compare levels across countries; local differences in categories could be misleading.



Mall foot traffic has been steadily recovering



Tenant sales have been steadily recovering as well

May 2020



Dec 2020



Dec 2021



Mar 2022



Apr 2022



Our eCommerce platform, SM Malls Online, continues to grow alongside the recovery of the mall



- Multi-brand checkout, one delivery fee
- Trusted mall brands
- Delivery or in-store pickup from your preferred SM mall



Our eCommerce platform, SM Malls Online, continues to grow alongside the recovery of the mall

P708M

Gross Merchandise Value

+39% month-on-month growth since Jan 2022

250k

Monthly Active Users

+20% month-on-month growth since Jan 2022

P3,369

Average Basket Size

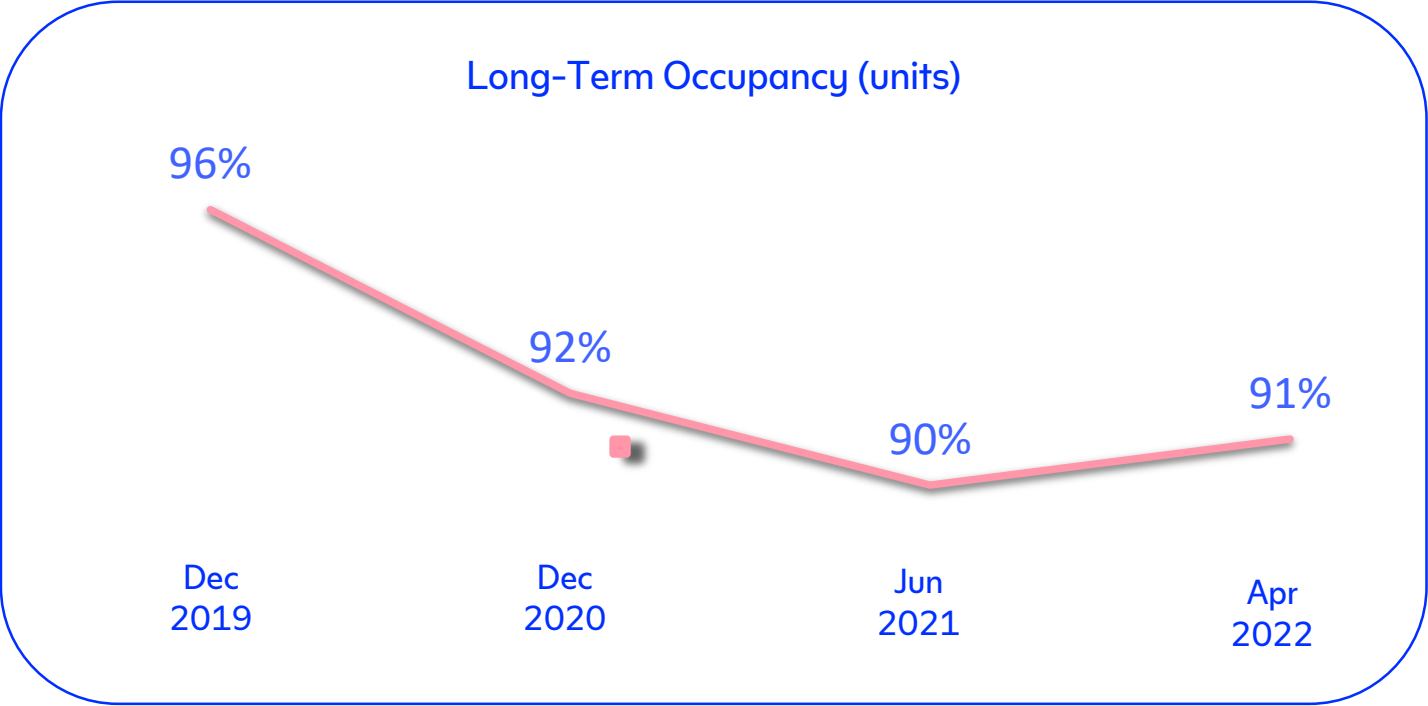
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Malls Online by end 2022

*For the period of Jan 2021 – March 2022



Occupancy of our mature malls has been resilient throughout the pandemic



Continued market entry and sustained expansion of global and national brands in SM Malls

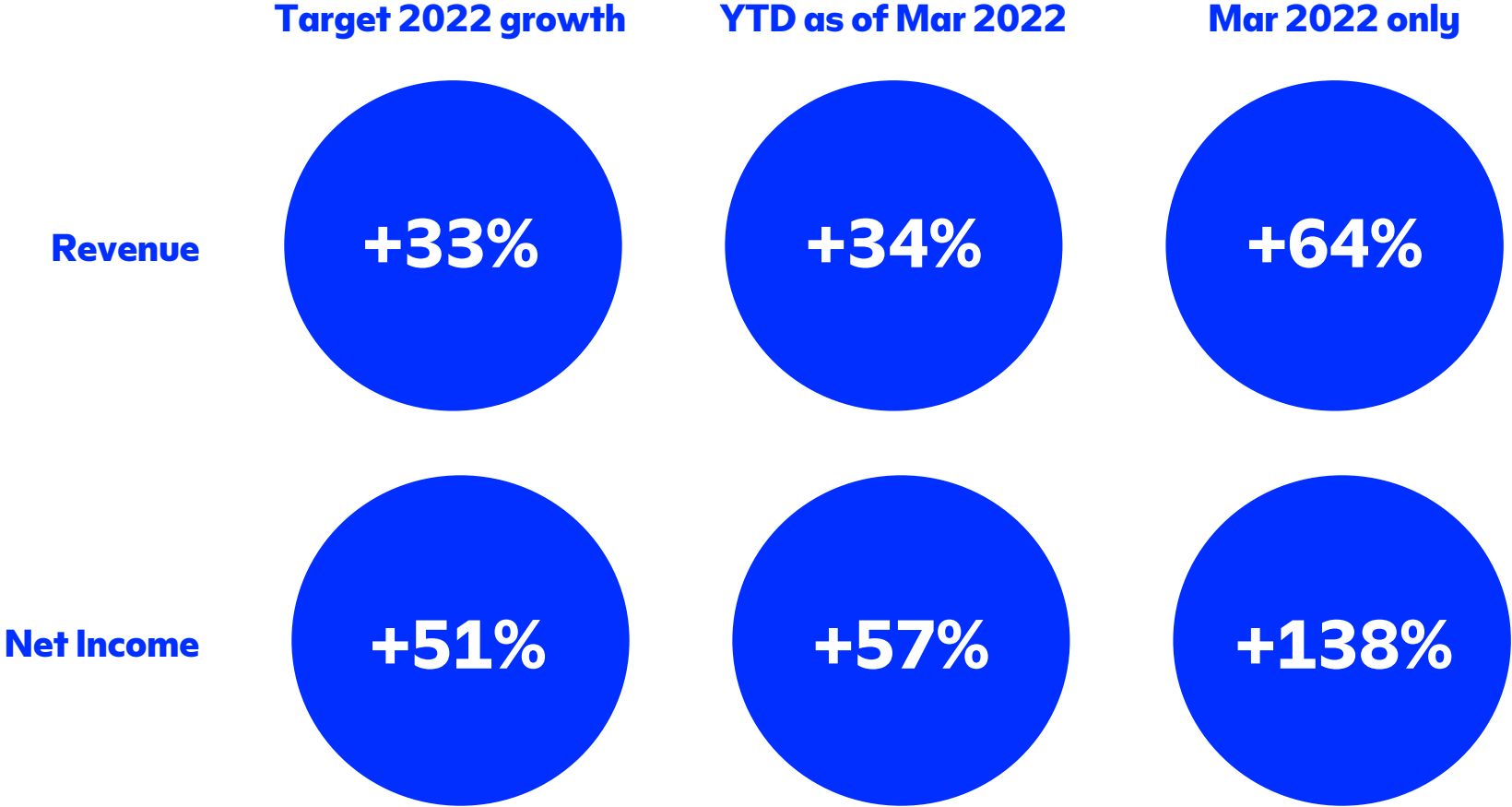
Market entry



Continued expansion



We are bullish about business recovery in 2022



We are on-track to open 4 new malls in 2022



SM City Roxas



SM City Sorsogon



SM City Tanza



SM City Tuguegarao





SM malls are an ecosystem of businesses and people.

Our recovery is also the recovery of businesses, livelihoods and communities.



Portfolio Investments

- Portfolio companies delivered 6% of consolidated net income
- Atlas Mining was a major contributor with net income up 191% on higher production and metal prices
- Improved operational performance across portfolio
- Inflationary risks being monitored
- We continue to look for additional high growth opportunities



SM Investments to acquire 100% of PGPC



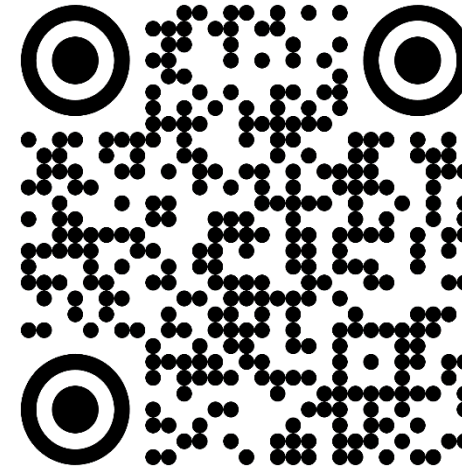
- Shareholders approved acquisition of PGPC at 2021 ASM
- Independent appraisal affirms valuation
- Issuance of 17.4 million SMIC shares based on a 60-day VWAP of Php 903.88/share
- PGPC will be included in SMIC's portfolio investments when acquisition completed, expected 3Q



2021 Integrated Report available



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3M 2022 Results Key Messages

- Continued recovery momentum across the Group driven by improved mobility
- Pre-pandemic revenue and net income delivered in Q1
- Retail benefited from rebound in Q1 consumer spending, especially in Non-Food
- Banks delivered strong core business growth, NPL coverage and balance sheet
- Property saw Philippine rebound and revenue growth, especially in Malls
- Portfolio Investments driven by Atlas Mining on higher production and metal prices
- Conservative gearing and strong balance sheet maintained
- Optimistic about consumer outlook, while watching geopolitical risks driving inflation

