



SM INVESTMENTS

3M 2023 Earnings Briefing

May 10, 2023

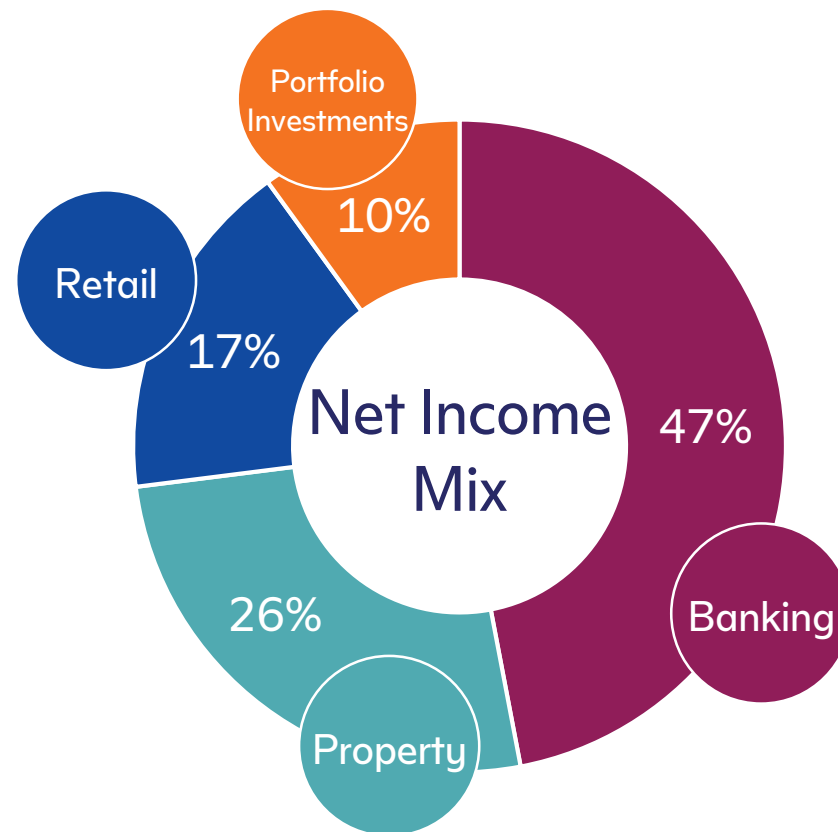


SMIC 3M 2023 Consolidated Results

- Strong consumer demand momentum carrying over from Q4 2022
- Conservative gearing and strong balance sheet maintained
- Optimistic on consumer outlook, while watching macro economic risks

SM Investments	3M 2023	Chg
Revenues	138.2	21%
Earnings	17.3	33%
Assets	1,462.3	-1%
Net Debt:Total Equity	35 : 65	

Figures in PHP B except percentages



Banking – BDO

- Healthy growth across core businesses
- 3M 2023 ROCE at 14.5%
- Improving asset quality
 - NPL ratio improved
 - NPL Cover at 170%
- Comfortable capital position

BDO	3M 2023	Chg
Net Income	16.5	41%
Net Interest Inc.	43.4	28%
Other Income	18.9	13%
Gross Loans	2,579.1	8%
Deposits	3,222.0	14%
NIM	4.58%	
NPL Ratio	1.98%	
CET 1	13.7%	
CAR	14.8%	

Figures in PHP B except percentages



Banking – China Bank

China Bank	3M 2023	Chg
Net Income	5.0	3%
Net Interest Inc.	12.7	18%
Other Income	0.5	-72%
Gross Loans	727.0	15%
Deposits	1,086.0	24%
NIM	4.2%	
NPL Ratio	2.30%	
CET 1	15.4%	
CAR	16.3%	

Figures in PHP B except percentages

- Growth driven by robust asset base expansion, strong net interest income and lower credit provisions
- 3M 2023 ROE of 14.7%
- Healthy asset quality
 - NPL at 2.3%
 - NPL coverage at 118%
- Strong capital ratios



Property

- Philippine mall rental income up 72% due to increase in tenant sales, foot traffic, and normalization of rental fees
- Cinemas, event ticket sales and other revenues up 288%
- Reservation sales up 15%
- Offices improved 25%
- Hotels and Convention centers revenues up 129%, as MICE and tourism activities returned

SM Prime	3M 2023	Chg
Total Revenues	28.7	20%
Philippine Malls	15.4	88%
Residential	8.5	-29%
Other Businesses	3.2	59%
Reservation Sales	35.8	15%
Net Income	9.4	27%

Figures in PHP B except percentages



Retail

SM Retail	Revenue	Chg	NI	Chg
Total Retail	91.2	22%	3.9	51%
SM Store	23.2	46%	0.7	3217%
Specialty	20.7	27%	1.7	56%
Food Group	53.6	14%	2.2	28%

Figures in PHP B except percentages

- Strong consumer demand boosted by improving employment, drove revenues
- Net income grew by 51% driven by Non-Food sales, both in SM Store and Specialty Stores
- Non-food sales through other channels at 9.0%, led by Call-to-Deliver



SMDC



2010 - 2018 Annual Data

Average Demand
620,414 units

Average Supply
190,386 units

Average Surplus(Deficit)
(430,029) units

Housing Backlog
~6 Mn units

Growing opportunity in the Economic + Low-Cost Segments

Economic + Low Cost
(price range: PHP0.8Mn to PHP3.0Mn)

Total Backlog as of 2018:
~1Mn units

Est. Housing Need by 2030
~7Mn units

EST. VALUE
PHP12.8Tn

Mid-Cost
(price range: PHP3.0Mn to PHP6.0Mn)

Est. Housing Need by 2030
~200K units

EST. VALUE
PHP0.7Tn

Source: Clearing the Housing Backlog: An Updated Supply and Demand on Unserved Owner-Driven Construction Segment in the Philippines, Habitat for Humanity, Sept. 2020



Joy Residences
(Bulacan)

MRB



Lane Residences
(Davao)

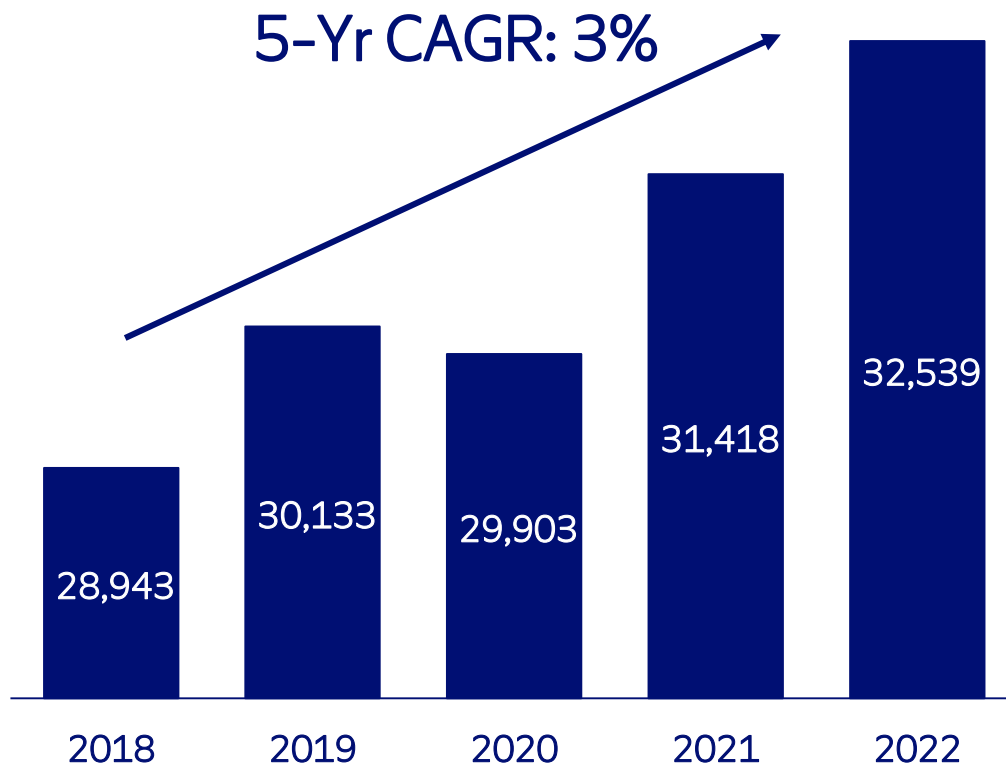
MRB



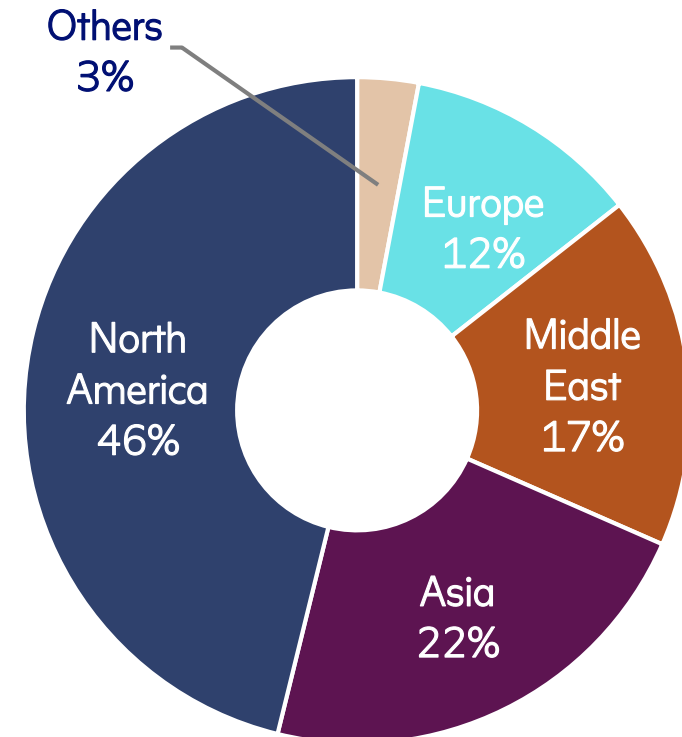
Cheerful Homes
(Pampanga)

ECO

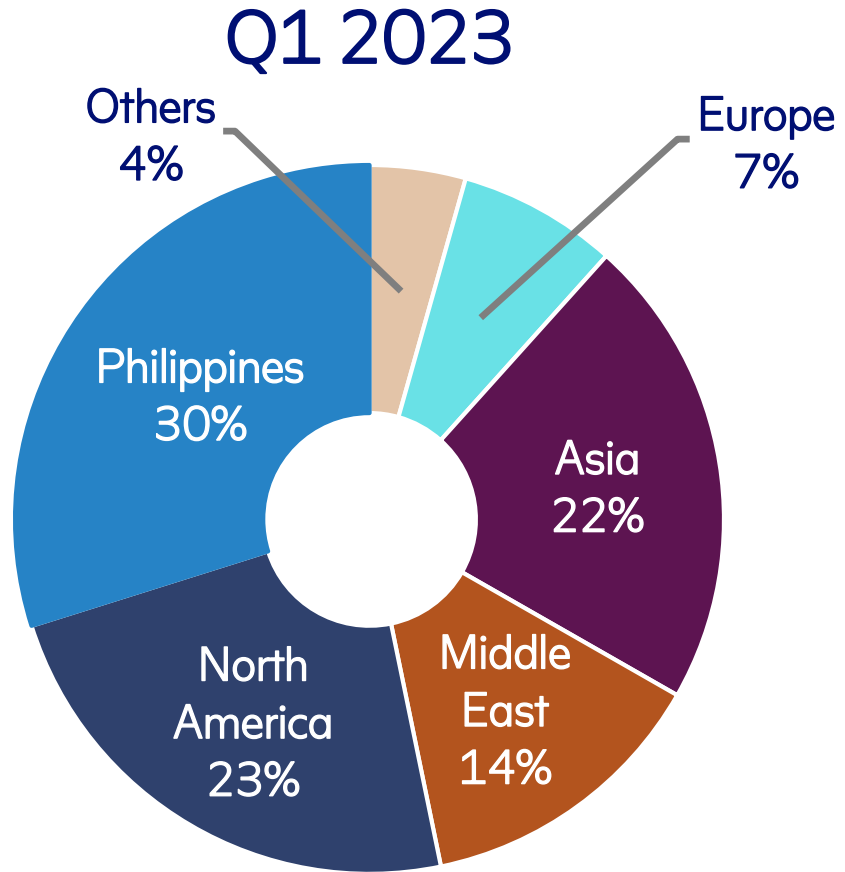
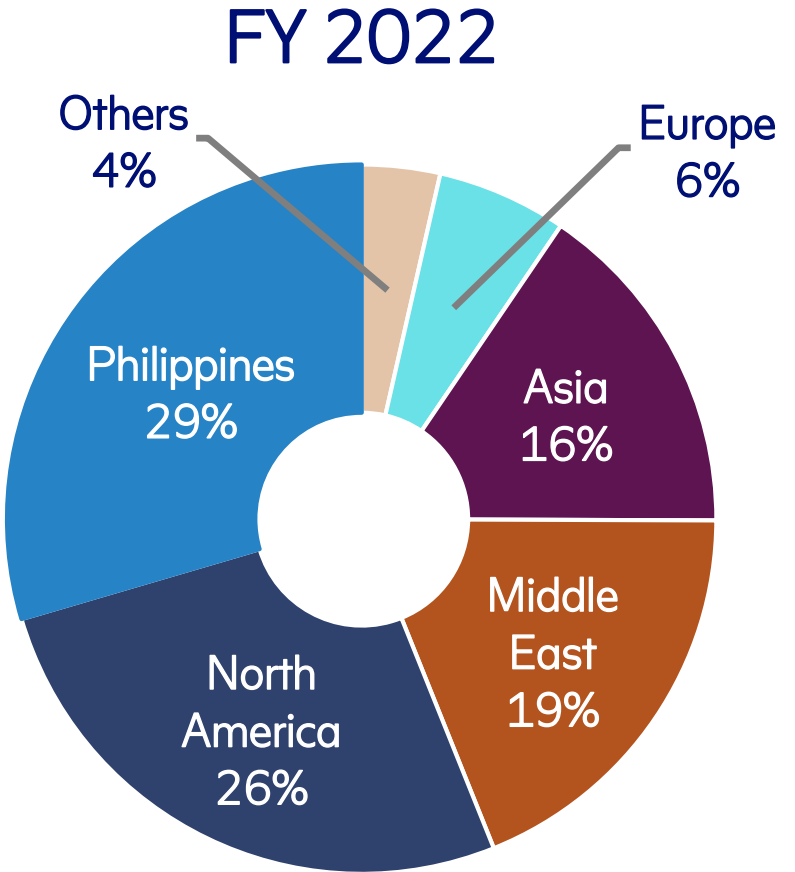
Annual OFW Remittances (in Mn USD)



Sources of Remittances (FY 2022)



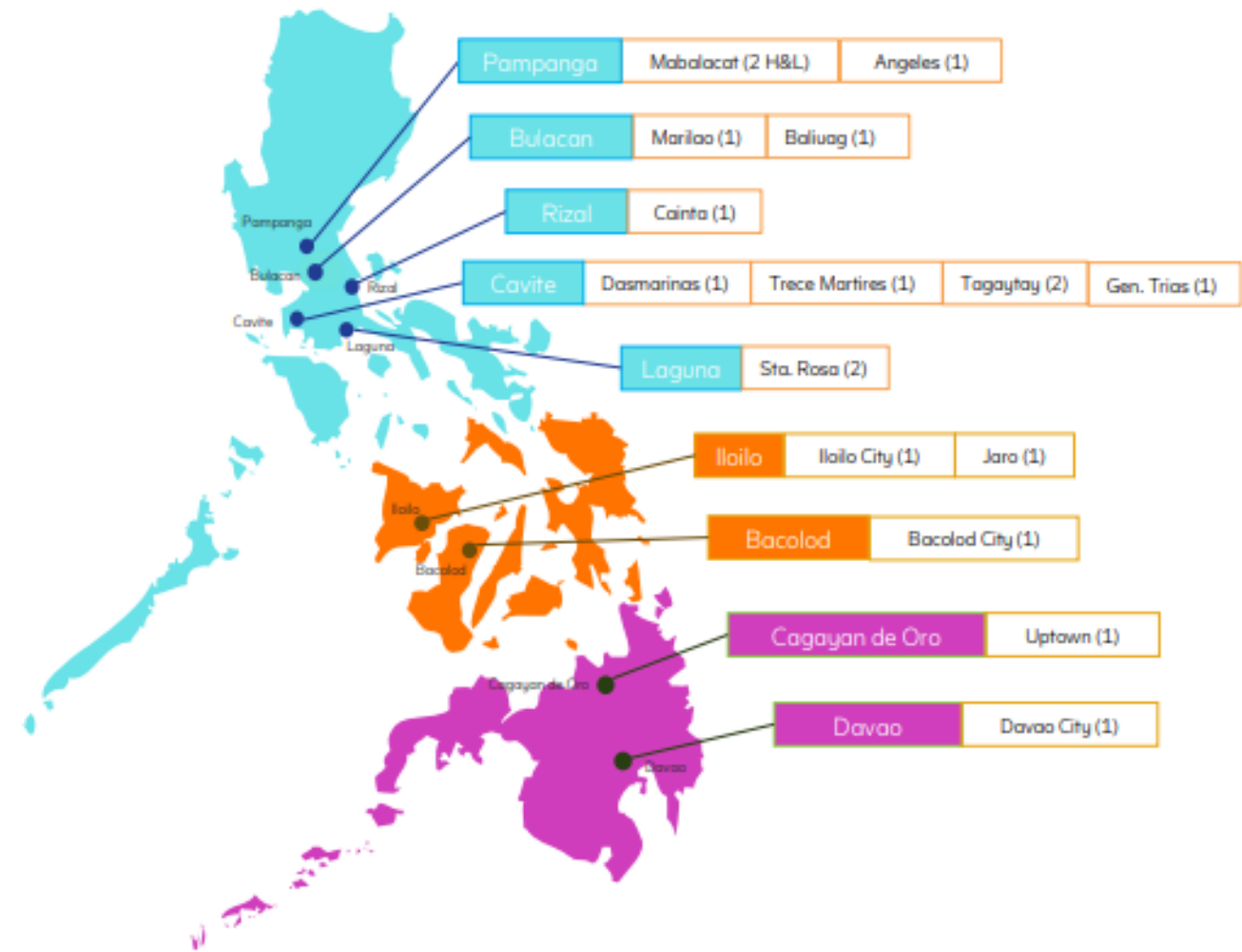
SMDC Origin of Sale



Metro Manila (46 Projects)



Provinces (18 Projects)

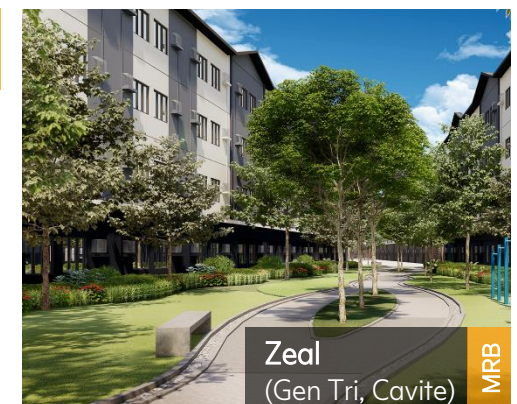


Continuous launch of new projects across all product types

SMDC

Number of Units : 15,000+

Price Range : PHP2.1Mn – PHP6.7Mn

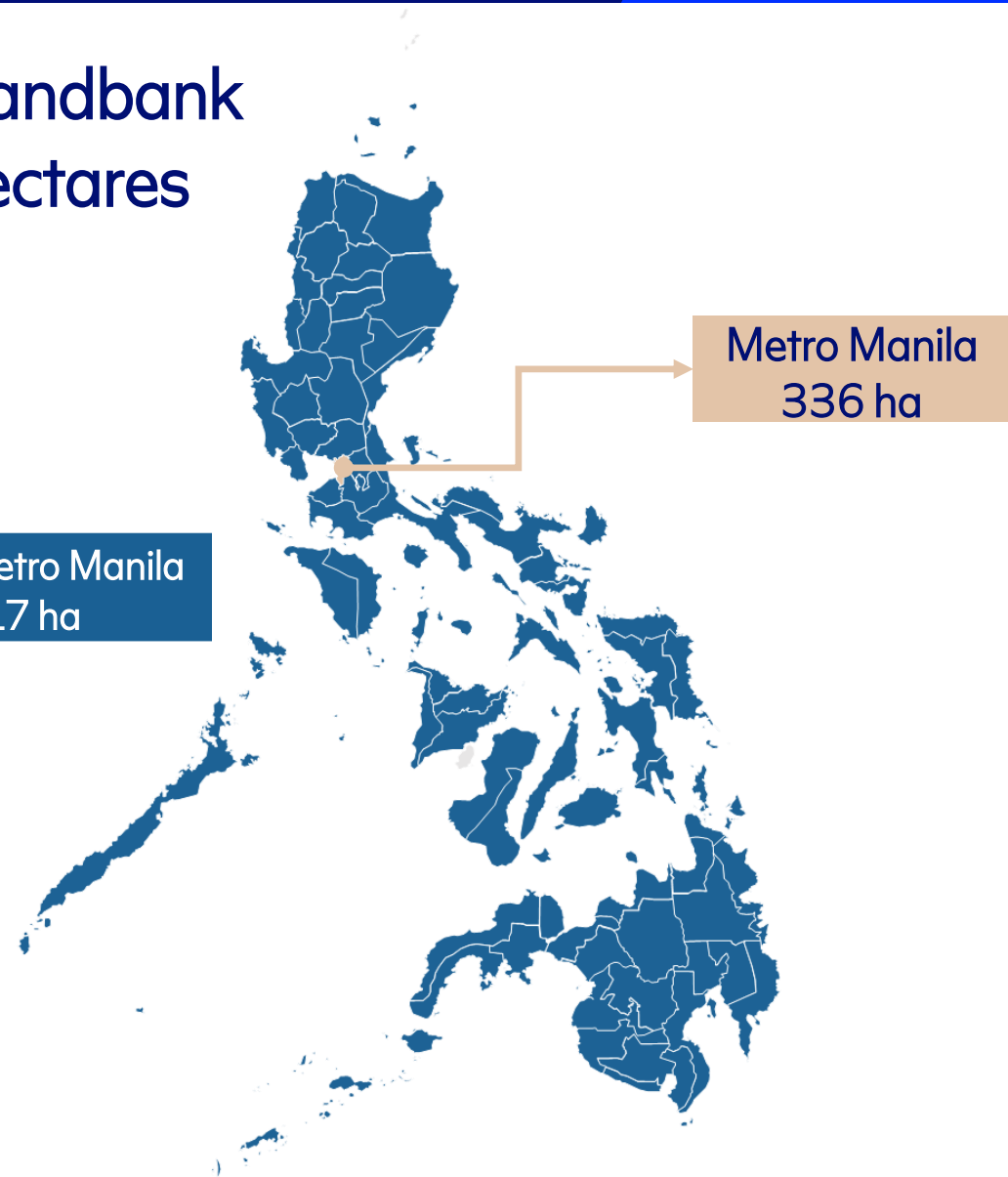


**Conceptual designs are not final and are subject to change*



SMDC Landbank
2,053 hectares

Outside Metro Manila
1,717 ha



Metro Manila
336 ha



Embarking on Township Development

Cavite

Taguig

Batangas



- The housing backlog persists, largely in the mass-housing segments (socialized, economic and low-cost)
- SMDC is in-line with addressing the deficit and fulfill future demand of its target market
- SMDC further expands its product line by way of township development

2GO Tender Offer

SMIC as the majority shareholder will capture greater exposure to long-term growth and financial success of 2GO

- 352.7 million or 14.3% of 2GO common outstanding shares issued to SMIC
 - SMIC ownership at 67.2%
- Archipelago Capital stake at 31.7%
- Payment and settlement: May 10, 2023



3M 2023 Results Key Messages

- Strong consumer demand momentum carrying over from Q4 2022
- Retail driven by non-food sales, both in SM Store and Specialty Stores
- Bank growth robust across core businesses, improving asset quality and strong balance sheets
- Property benefitted from increased tenant sales, foot traffic, and normalization of rental fees
- Portfolio Investments at 10% of earnings
- Conservative gearing and healthy balance sheet
- Group remains optimistic on consumer outlook, well positioned for any macroeconomic risks



Annex



SM Retail Consolidated

Financials	3M 2023	3M 2022	Chg
Revenue	91.2	74.5	22%
SSSG	18.9%	4.4%	
EBIT Margin	6.8%	6.1%	
Net Income	3.9	2.6	51%

Figures in PHP B except percentages

Profile			
Store Count	3,590	3,278	10%
Selling Area	3.26	3.07	6%

Gross Selling Area in M sqm.

- Strong consumer demand boosted by improving employment, drove revenues
- Net income grew by 51% driven by Non-Food sales, both in SM Store and Specialty Stores
- Non-food sales through other channels at 9.0%, led by Call-to-Deliver



SM Retail – The SM Store

Financials	3M 2023	3M 2022	Chg
Revenue	23.2	15.8	46%
SSSG	44.3%	24.8%	
EBIT Margin	4.2%	0.7%	
Net Income	0.7	0.0	3217%

Figures in PHP B except percentages

Profile

Store Count	72	68	6%
Selling Area	0.84	0.79	7%

Gross Selling Area in M sqm.

- Broad based growth across categories in the SM Store
- Net income and margins positive as sales grew 46%



Data as of 3M 2023

SM Retail – Food Group

Financials	3M 2023	3M 2022	Chg
Revenue	53.6	47.0	14%
SSSG	10.0%	-2.2%	
EBIT Margin	6.0%	5.9%	
Net Income	2.2	1.7	28%

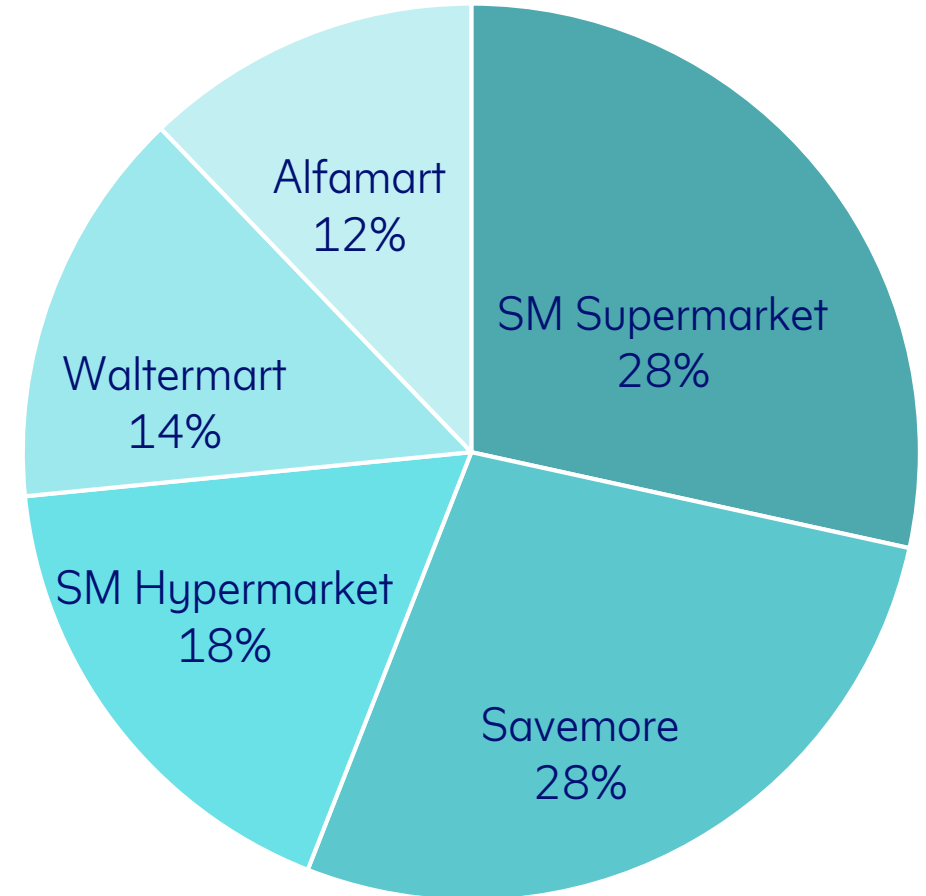
Figures in PHP B except percentages

Profile

Store Count	1,885	1,669	13%
Selling Area	1.75	1.64	7%

Gross Selling Area in M sqm.

Revenue by Format



Data as of 3M 2023

SM Retail – Specialty

Financials	3M 2023	3M 2022	Chg
Revenue	20.7	16.3	27%
SSSG	20.8%	8.9%	
EBIT Margin	11.1%	9.8%	
Net Income	1.7	1.1	56%

Figures in PHP B except percentages

Profile

Store Count	1,633	1,541	6%
Selling Area	0.66	0.63	4%

Gross Selling Area in M sqm.

- Healthy growth across specialty brands
- Net income grew by 56%

