



INVESTMENTS
CORPORATION

3M 2021 Earnings Report

5 May 2021, 2PM



SMIC 3M 2021 Consolidated Results

- Q1 earnings up 5% driven by Banks and Retail
- Lower revenues in Retail and Property vs. pre-pandemic Q1 2020
- Conservative gearing maintained

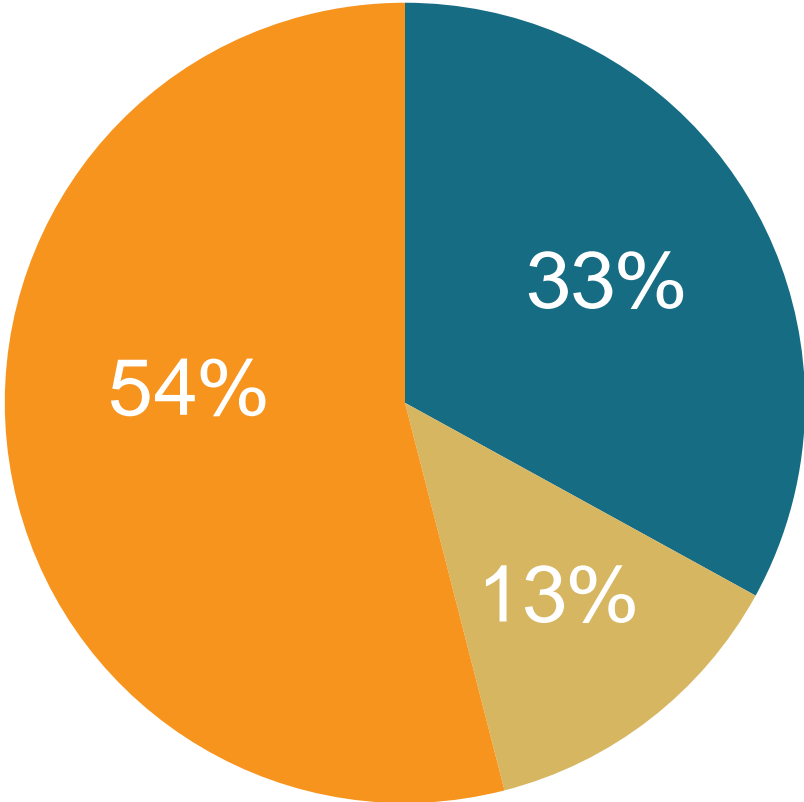
| SM Investments | 3M 2021 | Chg |
|-----------------------|----------------|------------|
| Revenues | 96.9 | -13% |
| Earnings | 9.5 | 5% |
| Assets | 1,221.1 | 0% |
| Net Debt:Total Equity | 38 : 62 | |

Figures in PHP B except percentages

**Asset growth compares 3M2021 vs FY2020*

Net Income Mix

- Banking and Property provided majority of earnings



■ Property ■ Retail ■ Banking

Note: Excludes SMIC Parent and other subsidiaries

Retail

- Strong cost reduction programs across Retail helped improve net income, including energy efficient investments in Food
- Mall-based stores also benefitted from rental relief
- Lower revenues vs. Q1 last year due to less pantry loading
- New channels represent 9.4% of total Non-Food sales

| SM Retail | Revenue | Chg | NI | Chg |
|------------------|----------------|------------|-----------|------------|
| Total Retail | 70.0 | -14% | 1.6 | 36% |
| SM Store | 12.6 | -29% | -0.5 | -47% |
| Specialty | 14.6 | -11% | 0.7 | 58% |
| Food Group | 46.8 | -7% | 1.7 | 27% |

Figures in PHP B except percentages

Banking – BDO

| Banking | BDO | |
|-------------------|---------|-----|
| | 3M 2021 | Chg |
| Net Income | 10.4 | 19% |
| Net Interest Inc. | 32.0 | -3% |
| Other Income | 15.4 | 21% |
| Loans | 2,217.9 | -1% |
| Deposits | 2,631.4 | 2% |
| NIM | 4.1% | |
| NPL | 2.8% | |
| CET 1 | 13.6% | |
| CAR | 14.7% | |

Figures in PHP B except percentages

- Net income growth driven by robust service fee income
- Weaker loan demand
- CASA ratio at 83% on 11% growth in CASA deposits
- NPLs within expectations and NPL coverage at 107% is more than adequate
- Capital ratios further strengthened

Banking – China Bank

| Banking | CHIB | |
|-------------------|---------|------|
| | 3M 2021 | Chg |
| Net Income | 3.6 | 61% |
| Net Interest Inc. | 9.2 | 16% |
| Other Income | 3.6 | 210% |
| Gross Loans | 572.3 | -3% |
| Deposits | 816.6 | 4% |
| NIM | 4.2% | |
| NPL | 3.8% | |
| CET 1 | 14.5% | |
| CAR | 15.4% | |

Figures in PHP B except percentages

- Strong net income growth
- Higher net interest income on 52% lower interest expense
- Three-fold growth in fee income
- NPLs rose to 3.8%, still below industry average
- Further strengthened capital adequacy

Property

- Lower revenues and earnings vs. Q1 2020
- Residential reservation sales surged 31% vs. Q1 2020
- China Malls returning to normal, revenues up 53% vs. last year
- Good momentum on Q4 2020 with Philippine Malls revenues up 10% and 78% earnings growth

| SM Prime | 3M 2021 | YoY | QoQ |
|-------------------------------------|----------------|------------|------------|
| Revenues | 20.8 | -19% | -2% |
| Earnings | 6.5 | -22% | 78% |
| Philippine Mall Revenue | 5.9 | -48% | 10% |
| China Mall Revenue (in RMB million) | 199.0 | 53% | 5% |
| Residential Revenue | 11.9 | 5% | -11% |
| Residential Reservation Sales | 32.4 | 31% | 1% |
| Other Business Revenue | 1.6 | -27% | 17% |

Figures in PHP B except percentages

The image features a bright yellow rectangular box in the upper center containing the letters 'SMDC' in a bold, red, sans-serif font. Below this box, the phrase 'The good guys!' is written in a black, handwritten-style script. The background of the entire image is a wide-angle photograph of a modern city skyline with numerous high-rise apartment buildings under a blue sky with scattered white clouds.

SMDC

The good guys!

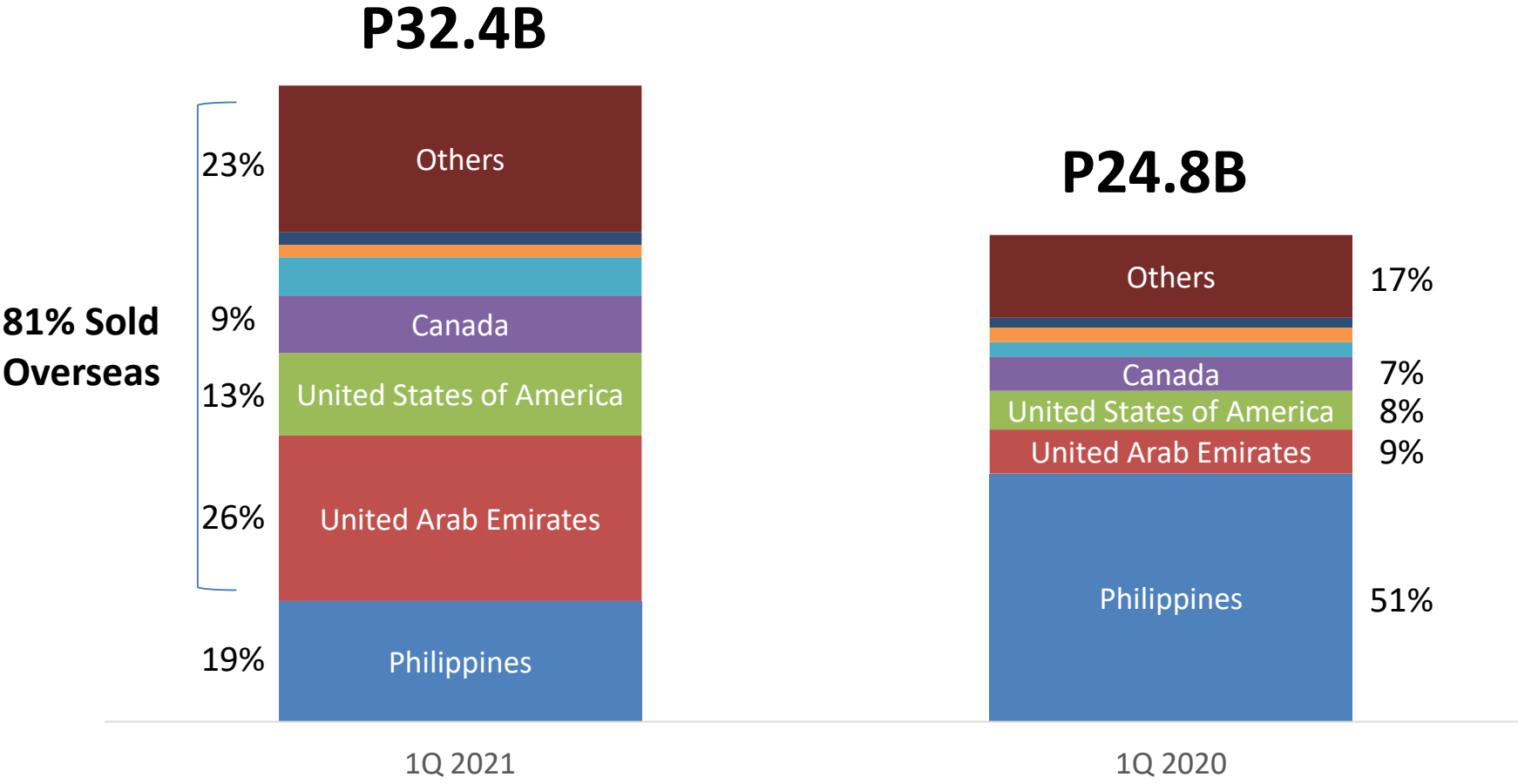
1Q Financial Highlights

| <i>Amounts in PHP Billions</i> | 1Q 2021 | 1Q 2020 | Growth |
|--------------------------------|---------|---------|--------|
| Revenue | 11.9 | 11.4 | 5% |
| Operating Income | 5.1 | 4.6 | 9% |
| Net Reservation Sales | 32.4 | 24.8 | 31% |

Net Reservation Sales

| <i>In Value</i> <i>In PHP Billions</i> | 1Q 2021 | 1Q 2020 | Growth |
|---|---------|---------|--------|
| High-Rise Building (HRB) | 24.3 | 16.1 | 51% |
| Mid-Rise Building (MRB) | 8.0 | 8.6 | -7% |
| Ecohomes | 0.1 | 0.1 | 0% |
| Total | 32.4 | 24.8 | 31% |
| <i>in Units w/out Parking</i> | 1Q 2021 | 1Q 2020 | Growth |
| High-Rise Building (HRB) | 3,109 | 1,995 | 56% |
| Mid-Rise Building (MRB) | 1,885 | 2,252 | -16% |
| Ecohomes | 82 | 74 | 11% |
| Total | 5,076 | 4,321 | 17% |

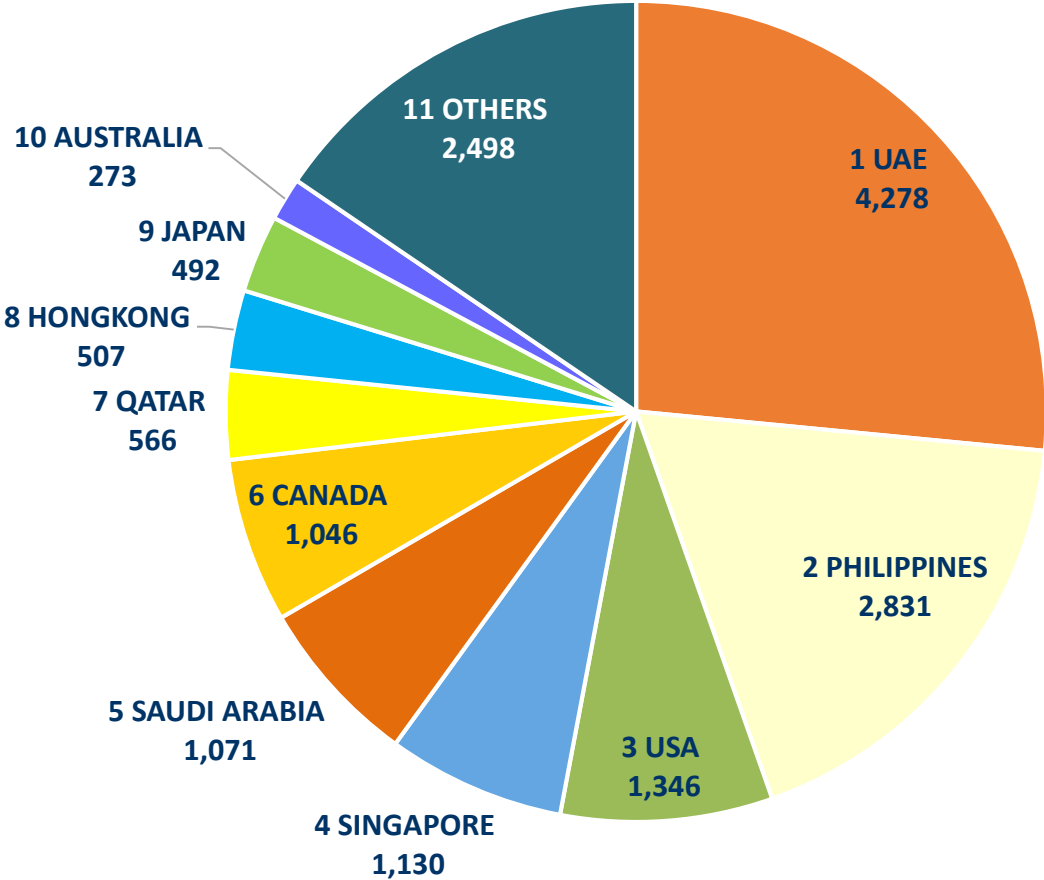
Origin of Sales



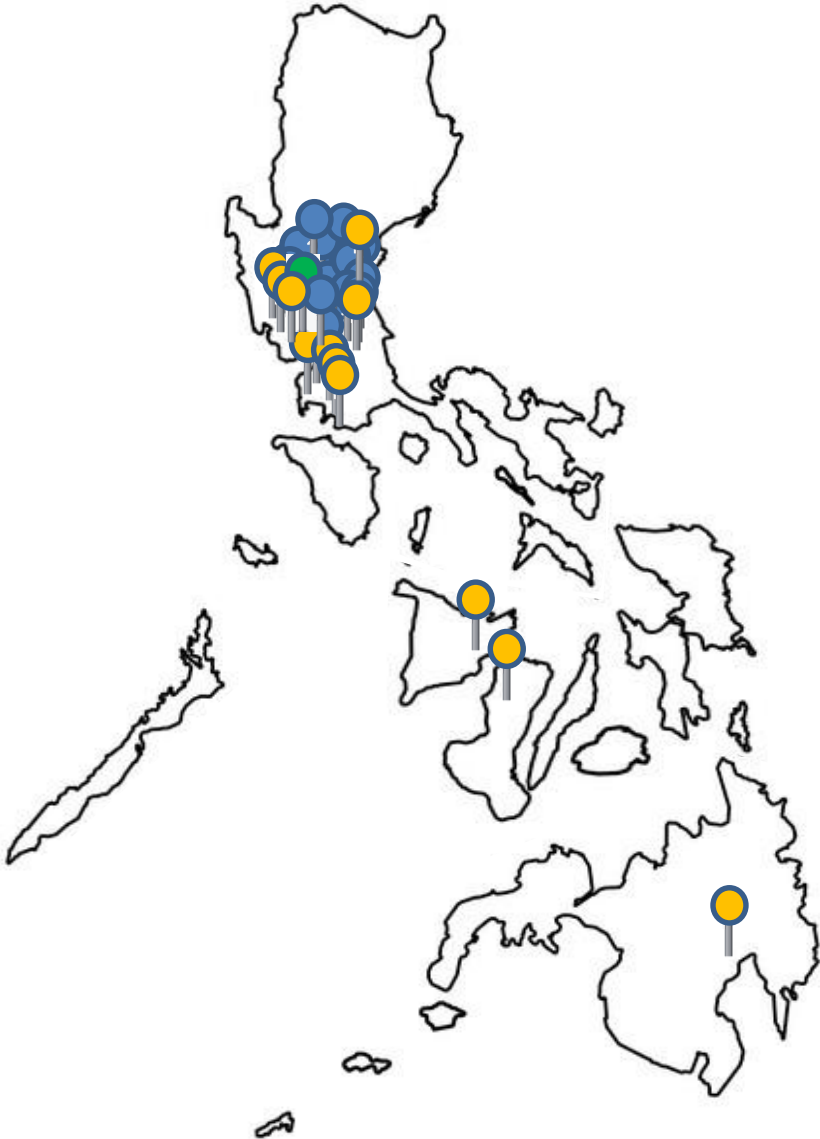
Sellers Deployment

| Sellers | Based Abroad | Local | Total |
|------------------|---------------|--------------|---------------|
| In-House Sellers | 629 | 1,172 | 1,801 |
| Brokers | 12,867 | 2,831 | 15,698 |
| Total | 13,496 | 4,003 | 17,499 |

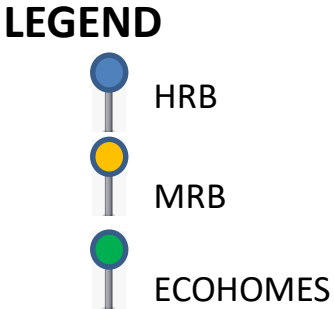
Top 5 locations of brokers are: Middle East, Asia, USA, & Canada



Completed and Ongoing Projects



| Areas | Units |
|--------------------|----------------|
| NCR | 136,173 |
| LUZON | 13,879 |
| VISAYAS | 4,127 |
| MINDANAO | 3,712 |
| Grand Total | 157,891 |



Housing Demand in the Philippines

| Segments | Housing Package Price Range | Unmet housing need 2001-2015 | Est. housing demand 2016-2030 | Est. housing need by 2030 |
|--------------|-----------------------------|------------------------------|-------------------------------|---------------------------|
| Can't Afford | | 786,984 | 1,134,986 | 1,921,970 |
| Socialized | < P580k | 1,275,921 | 1,369,180 | 2,645,101 |
| Economic | P580k to P1.7m | 3,686,430 | 2,509,719 | 6,196,149 |
| Low Cost | P1.7m to P3m | 918,280 | 611,816 | 1,530,096 |
| Mid Cost | P3m to P4m | 0 | 78,705 | 78,705 |
| High End | > P4m | 0 | 11,766 | 11,766 |
| Need | | 6,667,615 | 5,716,172 | 12,383,787 |

Source: SHDA Roadmap report

Thank you

Covid-19 Vaccination Response

- Free vaccination program offered for all employees
- SM Malls working with LGUs to provide vaccination centers nationwide



Sustainability Recognition



a Morningstar company

ESG
INDUSTRY
TOP RATED



50 SUSTAINABILITY & CLIMATE LEADERS
A RACE WE CAN WIN 



We invite you to watch the full video at www.sminvestments.com/media/multimedia

Q1 Results Key Messages

- All businesses continue to adapt to economic uncertainties
- Q1 revenues lower than pre-pandemic Q1 2020, earnings up 5%
- Cost focus across Retail drove earnings growth
- Banking delivered strong earnings growth on higher fee income and lower interest expenses, despite weaker loan demand
- Bank provisioning remains more than adequate
- Property earnings supported by strong Residential reservation sales
- Conservative gearing and strong balance sheets maintained across the Group
- SM Group is committed to support vaccination efforts and our sustainability advocacies

Contact Information and Disclaimer

Investor Relations Office

| | |
|----------------------------|-----------------------------------|
| Office Number: | +63 2 8857-0100 |
| Email Address: | ir@sminvestments.com |
| Official Facebook Account: | www.facebook.com/sminvestments.ir |
| Official Twitter Account: | @SM_INVESTMENTS |
| PSE Ticker | SM |
| Bloomberg Ticker | SM PM Equity |
| Reuters Ticker | SM.PS |

SM Official Website:



www.sminvestments.com

Disclaimer

Statements contained herein, which may be spoken or written, are “forward looking statements”. Any such forward looking statement is not a guarantee of future performance and involves a number of known and unknown risks, uncertainties, and other factors that could cause the actual performance, financial condition or results of operation of SM and its subsidiaries to be materially different from any future performance, financial condition or results of operation implied by such forward looking statement. These statements are not updated retrospectively and are only valid on the date of publication and can be changed as new information arises.

SMIC accepts no responsibility from any consequence that may arise from the use of the information or data found within this presentation.

This presentation is for informational purposes only and does not constitute an offer to sell or solicitation of an offer to buy.



INVESTMENTS
CORPORATION

3M 2021 Earnings Report

5 May 2021, 2PM

