



SM INVESTMENTS

Investor Presentation
October 2023



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We are SM

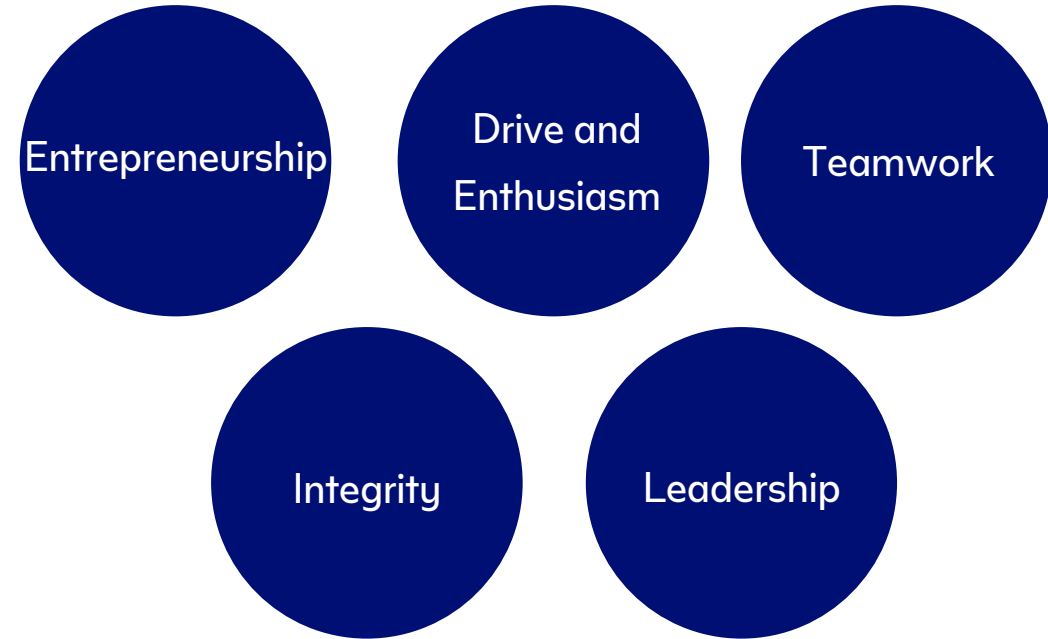
Our Vision

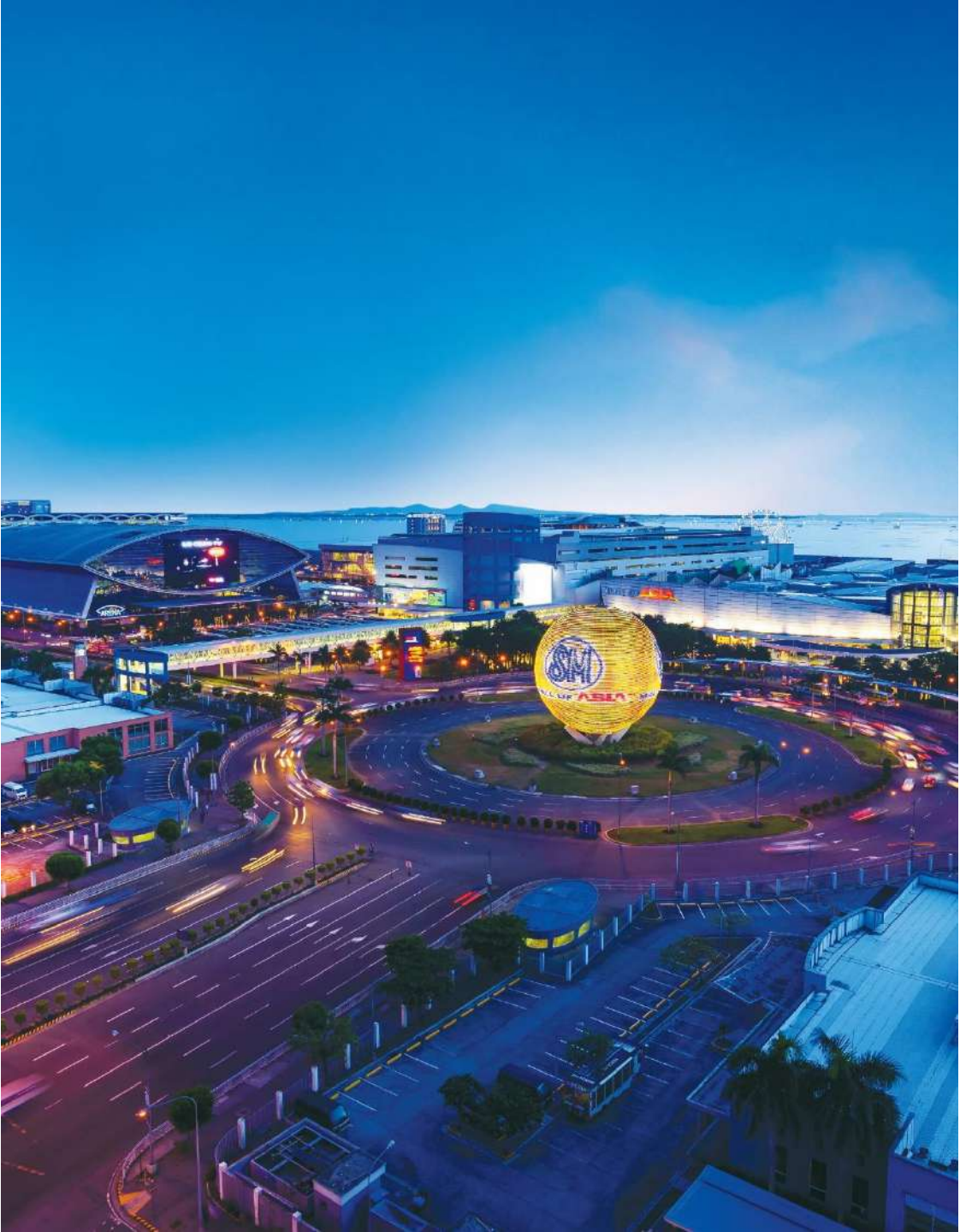
To build an ecosystem of sustainable businesses that are catalysts for responsible development in the communities we serve.

Our Mission

We will provide a consistently high standard of service to our customers, look after the welfare of our employees and deliver sustainable returns to our shareholders, at all times upholding the highest standards of corporate governance and environmental stewardship in all our businesses.

What We Stand For





About SM Investments

SM Investments is a leading Philippine conglomerate that is invested in market leading businesses in retail, banking and property. It also invests in ventures that can capture high growth opportunities in the emerging Philippine economy

Strong Proxy for Philippine Recovery and Long Term Growth

- Market leading consumer-centric businesses
- Strong brand franchise
- Extensive group synergies

Business Enabler

- Partner of choice
- Access to capital and SM's extensive network of businesses, customers, tenants and suppliers
- Strong management commitment to partner success

Culture of Sustainability

- Creates shared value for all our stakeholders with focus on material UN SDGs
- Catalyst for responsible development in the communities we serve
- Environmental responsibility and disaster resilience
- Strong governance and prudent financial management



Our Leadership Team



**Amando
Tetangco Jr.**
Chairman



Teresita T. Sy
Vice Chairperson



Henry T. Sy, Jr.
Vice Chairman



**Frederic C.
DyBuncio**
President/CEO



Harley T. Sy
Director



Ramon M. Lopez
Independent
Director



**Tomasa H.
Lipana**
Lead Independent
Director



**Robert G.
Vergara**
Independent
Director

We are a purpose driven company with the fundamental belief that business growth and social development go together. To make this happen, we have established strong governance principles that ensure fairness and transparency in our dealings with third parties and protect the rights of our minority partners



Our Businesses

Retail



77.3%
SM Retail

Property



49.7%
SM Prime

Portfolio Investments

26.6%
Belle Corp

34.1%
Atlas Mining

34.0%
Neo Associates

95.0%
Neo Subsidiaries

67.2%
2GO Group

51.0%
Airspeed

71.3%
MyTown

74.1%
Goldilocks

34.0%
CityMall

100.0%
Philippine Geothermal

Banking



45.3%
BDO



22.5%
China Bank

Leading Philippine Conglomerate

Our three largest companies – SMIC, SM Prime and BDO – comprise ~30% of the value of the Philippine Index

Philippine Conglos

Market Cap (\$ bn)

SMIC	19.6
Golden MV Holdings	9.7
Ayala Corp	6.9
JG Summit	5.3
Aboitiz Equity	5.0
SMC	4.4
Metro Pacific	2.6
DMCI	2.3
Alliance Global	2.1
LT Group	1.8

Source: Bloomberg;
As of August 9, 2023

Philippine Retailers

Total Sales (\$ mn)

SM Retail	3.2
Puregold	1.6
RRHI	1.6

Philippine Retailers

Store Count

SM Retail	3,677
RRHI*	4,408
Puregold	543

Source: As of latest available
company data
*Including TGP
Data as of YTD

Philippine Banks

Total Assets (\$ bn)

BDO	71.4
LBP	55.8
MBT	52.3
BPI	48.0
CHIB	26.4
RCBC	21.4
PNB	20.6
UBP	19.5
DBP	17.4
SECB	15.5

Source: Consolidated statements
of condition (SOC), Mar 2023

Property Developers

Market Cap (\$ bn)

SM Prime	16.9
Ayala Land	7.8
Robinsons Land	1.3
Megaworld	1.2
Vistaland	0.4
Double Dragon	0.3
Filinvest	0.3

Source: Bloomberg; As of August 9, 2023



Our Business Footprint

Philippines

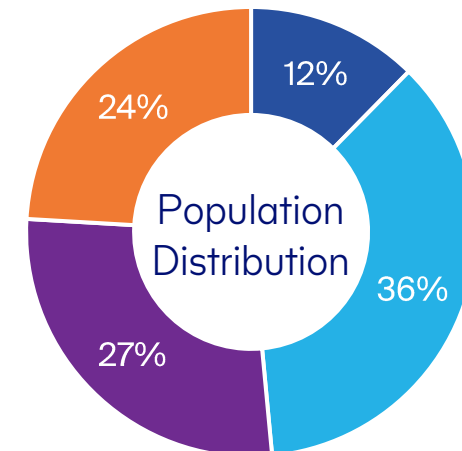
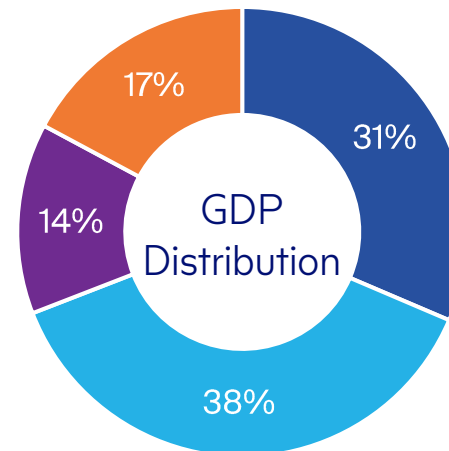
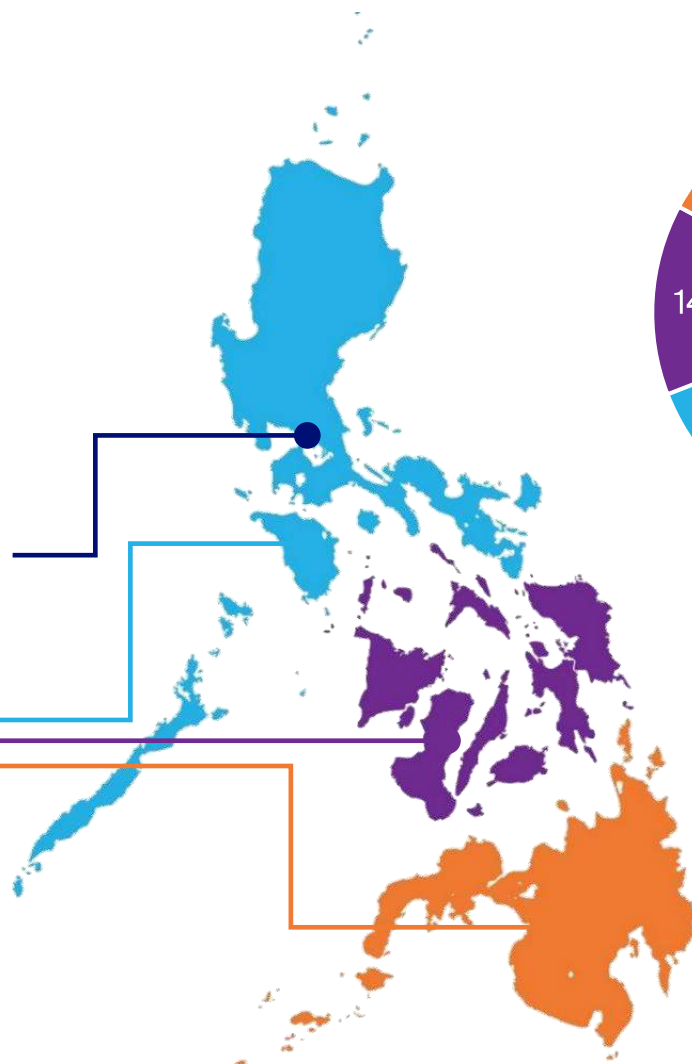
3,677 retail outlets
83 malls
2,332 bank branches

Luzon (ex-NCR)
2,255 retail outlets
45 malls
805 bank branches

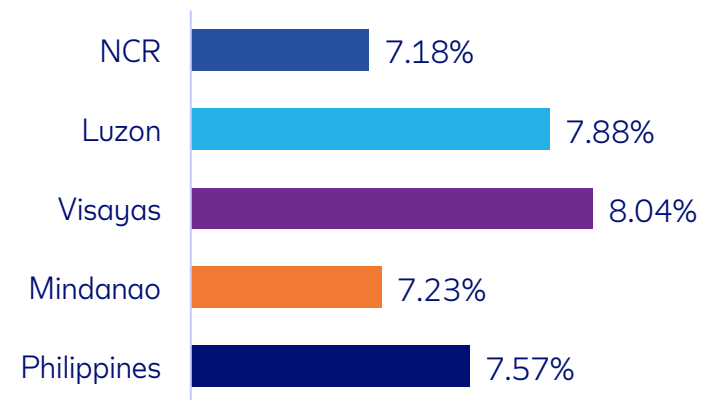
Metro Manila (NCR)
985 retail outlets
24 malls
969 bank branches

Visayas
268 retail outlets
7 malls
286 bank branches

Mindanao
169 retail outlets
7 malls
286 bank branches



2022 Regional GDP Growth



Data as of 1H 2023

How We Create Shared Value

+ Our Valued Resources

Our ability to operate is based on our access to several capitals that provide our financial, non-financial and critical relationship assets.

+ What We Do

These enable our businesses to work together as an ecosystem of related activities to achieve their collective goals. This makes us quite unique

+ Our Impact

And we think we are having a real impact on our important stakeholders in the following areas

How we Operate

As a retail centered group, our customer focus is key to our operations. In a high growth market, it's also important we remain focused on our expansion to serve more Filipinos. As a long-term thinking group, financial prudence and good governance are also essential for us to stay the course



Our Brand



Our Connection to Our Customers



Our Empowered the People



Our Integrated Developments



Our Relationship with Our Communities



Our Inclusive Supply Chain Network



Our Natural Resources



Our Financial Resources



We Create Socio-Economic Opportunities

140,029
Jobs Created

68%
Mall Tenants that
are MSMEs

PHP62.72bn
Loans Released
to MSMEs

Diversity
62% Women

We Facilitate Responsible Urbanization and Development

3 Marine
Protected Areas

42.5mm m³
Total Water
Recycled

58 Renewable
Projects Funded
with 2,252 MW
Capacity

at least 50% of
SMPH Energy use
from Renewable
sources

We Promote Natural Habitats and Environmental Stewardship

PHP22.7bn
Payment to the
government

PHP56.7bn
BDO financing for
national projects

WWF x SM
Climate Summit
for Climate
Alliance

UN WEPs signatory

over 2.6mm seedlings
and trees planted and
maintained

We Create Positive Community Impact

11,750
Scholars to date

317 Health Centers
and Medical Facilities
built and renovated to
date

1.24mm Patients
served in 1,874
Medical Missions

10.5mm+ vaccine
doses administered in
SM Malls

We advocate for National Growth and Partnership

10% CapEx for
Disaster Resiliency &
Sustainability

84 SMDC
Residential Units

18
Office Buildings

22
Total Integrated
Lifestyle Cities
Nationwide

We Generate Sustained Returns

PHP61.7bn
Net Income

PHP7.5bn
Total dividends
paid in 2022

Awarded Industry
Top Rated,
Regional Top
Rated by
Sustainalytics

6
SM companies
awarded by
ASEAN CG Awards

External Recognitions



Recent Developments

- 12 1H 2023 Financial Performance
- 13 Retail Discretionary Categories
- 14 Recent Events
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- 16 BDO's Sustainable Financing
- 17 Digital Innovation



1H 2023 Financial Performance

Figures in PHP billion except percentages

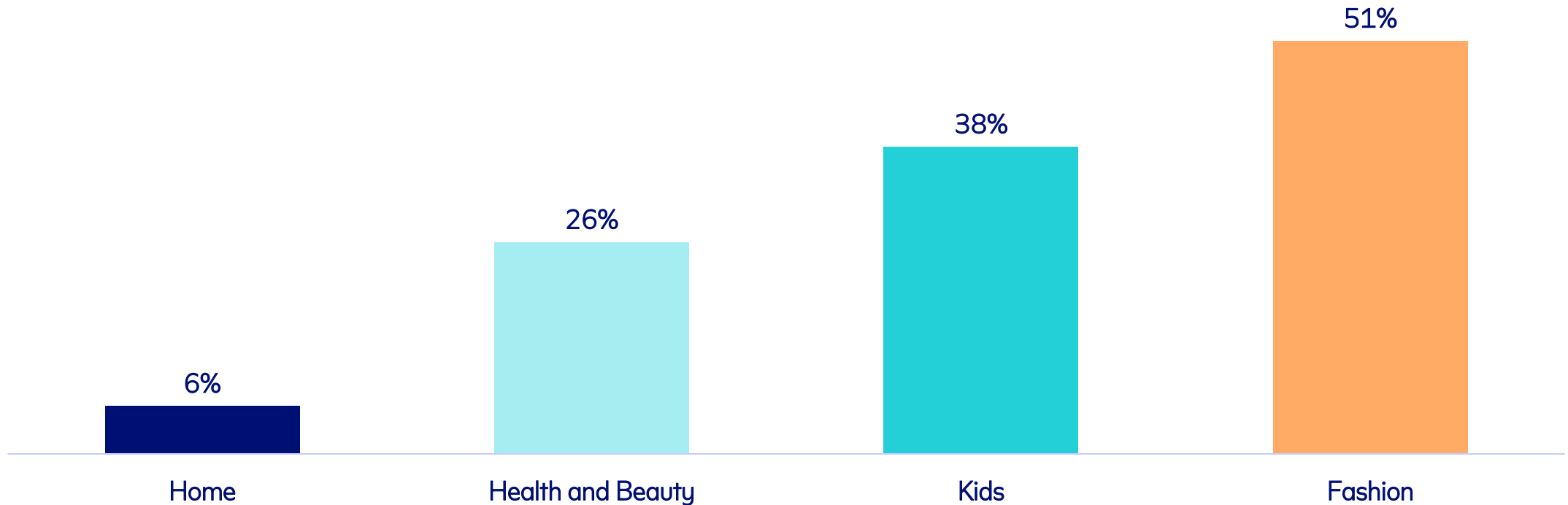
SM Investments	1H 2023	1H 2022	% Chg
Revenues	286.3	242.6	18%
Net Income	36.5	27.7	32%
Net Margin (inc-NCI)	17.5%	15.5%	-
ROE	14.1%	13.1%	-
Net Debt:Equity	36 : 64	35 : 65	-
SM Retail	1H 2023	1H 2022	% Chg
Gross Revenues	188.9	164.3	15%
Net Income	8.4	7.0	21%
Net Margin (inc-NCI)	5.0%	4.7%	-
BDO	1H 2023	1H 2022	% Chg
Net Interest Income	89.5	69.4	29%
Non Interest Income	38.2	34.3	11%
Net Income	35.2	23.9	47%
SM Prime	1H 2023	1H 2022	% Chg
Revenues	59.9	46.3	29%
Net Income	19.4	14.1	38%
Net Margin	32.0%	30.0%	-
ROE	11.0%	9.0%	-
Net Debt:Equity	47 : 53	47 : 53	-

- Retail Revenues driven by strong consumer demand especially in discretionary
- Banks saw robust core business growth, improving asset quality and strong balance sheets
- Property benefitted from increased tenant sales and normalized rent. Improved foot traffic, and growth in activity-based businesses and F&B



Strong Growth Across Discretionary Categories

Specialty Retail Category Revenue Growth YoY



Note: Represents total category growth, does not reflect ownership % in individual formats



Recent Events

Parent/Group

- Previous BSP Governor Amando Tetangco appointed as SMIC Independent Chairman
- ESG recognitions from:
 - Sustainalytics: Top-Rated ESG Industry and Regional Performer
 - Forbes: World's Best Employer

Retail

- Alfamart operating over 1,500 stores, celebrating 8 years
- 187 new stores, over 80% outside of Metro Manila
- New channels continue contribute ~8-9% of non-food sales

Portfolio Investments

- PGPC merged with SMIC
- 2GO successfully delisted from the PSE

Property

- SM City Bataan opened in 2Q
- SM City San Pedro and SM City Sto. Tomas for the rest of the year,
- SM City Baliwag, SM City Bacolod, SM City Iloilo to be expanded
- Weekend foot traffic above 100% of pre-covid level, operational occupancy at ~92%, average tenant sales at 120%
- SMPH committed to Net Zero by 2040, malls renewable power use over 50% today

Banking

BDO

- Double digit ROE achieved at 15.1%
- Healthy asset quality
 - NPL ratio below 2.0%
 - NPL coverage at 174.5%

China Bank

- Digital transactions rose 51% YoY, with a 37% increase in gross transaction value



Together against Climate Change



Leading in financing **58**
renewable energy projects

No new coal loans policy - reduce
exposure by **50% by 2033**



SM Prime aims to reach **net zero**
greenhouse gas (GHG) emissions by
2040, surpassing the global target of
achieving net zero by 2050

TCFD

TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

50 SUSTAINABILITY & CLIMATE LEADERS


A RACE WE CAN WIN 



BDO's Sustainable Financing




As of 2022	No. of Projects	Installed Capacity (MW)
Biodiesel	1	60 ML/Y
Bioethanol	2	4.1 ML/Y
Solar	16	380
Wind	4	96
Hydro	13	433
Biomass	16	169
Geothermal	6	1,179



2,252 MW
Total installed renewable energy capacity in megawatts



71,142,786
Equivalent tree seedlings grown over 10 years



913,491
Equivalent passenger vehicles taken off roads yearly



4,302,786
Tonnes Carbon dioxide avoided per year



PHP781 bn
Total sustainable finance projects funded to date



58
Renewable Energy projects funded to date



Digital Innovations

We continue to work hard to develop innovative online and offline delivery channels that are integrated into our business and enhance our customer service

Retail



Multi-channel Ordering and High Touch Service

Malls



Banking



Payments

Logistics



Last Mile

Our Businesses

19	Retail
24	Property
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35	Portfolio Investments



SM RETAIL

Our group was born out of retailing. With more than 30 brands, both food and non-food, we serve as a platform for local and international brands to be more accessible to the Filipino market

77.3%

Effective Interest

PHP188.9bn

Revenues

PHP8.4bn

Net Income

Store Network	GSA
73 THE SM Store	852
1,655 Brand Affiliates	663
64 SM Supermarket	380
54 SM Hypermarket	340
218 Savemore	570
84 Waltermart	216
1,528 Alfamart	265
1 MindPro	2



Data as of 1H 2023, Gross Selling Area (GSA) in '000s sqm



Retail Investment Thesis

Huge Potential for Largely Underpenetrated Retail Sector

- PH GDP is over 70% driven by consumer spending
- Low, conservative household debt-to-GDP at 10%
- Estimates are ~30% of food being sold in a modern retail format
- Areas outside NCR growing faster due to Government-led inclusive growth programs

Market Leader in Philippine Retailing

- Largest footprint with 3.3Mn sqm Gross Selling Area
- Leading grocer with multiple formats to address the market
- Diverse product offerings with over 30 brands within the portfolio
- Growing outside Metro Manila with over 80% of new stores are being opened

Strong Synergies within the SM Ecosystem

- Anchor tenant in the SM malls in the Philippines
- Long leases at market determined rates
- Low operating costs due to SM malls' operational excellence
- Strong membership card program with over 4mn active users



Our Retail Brands

We stand by our tagline, “We’ve got it all for you”. Our brands provide a wide selection of best local products and in-demand global brands for every member of the family

Department Stores



Athleisure and Fashion



LifeWear

FOREVER 21® UNDER ARMOUR



Philippine Crafts

KULTURA
UNIQUELY FILIPINO

Foot wear

crocs™ ECCO®

Health, Beauty and Wellness



watsons

innisfree

LANEIGE



THE BODY SHOP

Food Retail



SM MARKETS

Home and Family



SM HOME
Crate&Barrel



Food Retail

Format	Description	SKUs
Supermarkets	Large format anchor tenant in SM malls	>50k
Hypermarkets	Stand-alone large format destinations with 60/40 food/non-food mix	45k-50k
WalterMart	Mid-sized format tenant located in WalterMart Malls expanding in Luzon	30k-45k
Savemore	Stand-alone mid-sized format expanding nationwide	30k-45k
Savemore Express	Stand-alone small format neighborhood supermarket	4k-9k
Alfamart	Minimart format providing supermarket goods and prices in neighborhood locations	<5k



Non-Food Retail

Department Stores – The SM STORE

- Anchor tenants in SM malls
- Wide range of merchandise and price points
- Targets all customer segments
- Pioneering digital shopping platforms

Specialty Retailers

- Leading local category specialist
- Aspirational but affordable foreign brands
- High margin, high growth
- Key tenants in malls, selective expansion outside malls





SM Prime

We build integrated lifestyle cities with malls serving as meeting centers, residential developments, hotels, convention centers and office spaces, helping facilitate the rapid urbanization of local communities

49.7%

Effective Interest

PHP59.9bn

Revenues

PHP19.4bn

Net Income

Developments

- 22 Integrated Lifestyle Cities
- 83 Malls in the Philippines
- 7 Malls in China
- 65 Residential Projects
- 18 Office Buildings
- 9 Hotels
- 6 Convention Centers
- 2 Trade Halls

SM Malls

PHILIPPINES

CHINA



SM City Zibo,
China



SM City Cebu



SM City
Sorsogon



83



Malls

7

9.1mn



Total GFA in SQM

1.4mn

19,919



Tenants

1,952

3.4mn



Average Daily
Pedestrian Count

0.3mn

Data as of 1H 2023, GFA (Gross Floor Area)

SM Malls Philippines

- In terms of GFA, Metro Manila malls account for 42%, Luzon (ex NCR) is 38%, Visayas is 12% and Mindanao is 8%
- SMPH mall expansion is geared towards the provinces. The focus is to cover most of Northern Luzon, Visayas and the progressive cities in Mindanao



*SM CDO
Downtown*

SM Aura



*SM City
Tanza*



SM Malls China



SM City, Zibo



SM Tianjin



SM City, Zibo

- Operating in China since 2001 and became part of SM Prime in 2007
- Operates 7 malls with a total GFA of 1.4m sqm



SM Residences

A leading residential developer of high-rise buildings (HRBs), mid-rise buildings (MRBs) and single-detached house and lots

Projects Overview (as of 1H 2023)

SMDC Projects to date	65 (47 in NCR)
Ready-for-Occupancy (RFO) (Unsold Units)	4,557
Ongoing Construction (Unsold Units)	15,390
Estimated Inventory Value	P135.28bn
1H 2023 Reservation Sales (Value)	P68.51bn
1H 2023 CAPEX	P8.04bn

Landbank (hectares)

Metro Manila	351
Outside Metro Manila	1,072



SM Commercial Properties



*Three E-com
Center*



ICE Tower



*Four E-com
Center*



- Have 18 office buildings with a combined GFA of almost 1.5 sqm
- Five of these 18 offices are located in the Mall of Asia Complex in Pasay City, which provide a combined GFA of 657,000 sqm
- Have an available landbank of 97 hectares for future development

SM Hotels and Convention Centers

- Operating 9 hotels with over 2,200 rooms; 6 Convention Centers, and 2 Trade Halls with approximately 42,000 sqm of leasable space as of June 2022
- Scheduled to open Lanson Place in Mall of Asia Complex this 2023

Hotels	Rooms	Convention Centers	GLA (sqm)
Taal Vista, Tagaytay	261	SMX Manila	17,170
Radisson Blu, Cebu	400	SMX Davao	5,200
Pico Sands, Hamilo Coast	154	SMX Aura Premier	3,136
Park Inn, Davao	204	SMX Bacolod	4,269
Park Inn, Clark	255	SMX Clark	10,963
Conrad Manila, Pasay	348	Olongapo City Convention Center	2,043
Park Inn, Iloilo	200	Megatrade Hall	4,226
Park Inn, North EDSA	239	SM Seaside Skyhall	1,857
Park Inn, Bacolod	150	Mall of Asia Arena	20,000 seats
Total	2,211	Total	48,864



Conrad Manila



SMX Manila, Pasay City

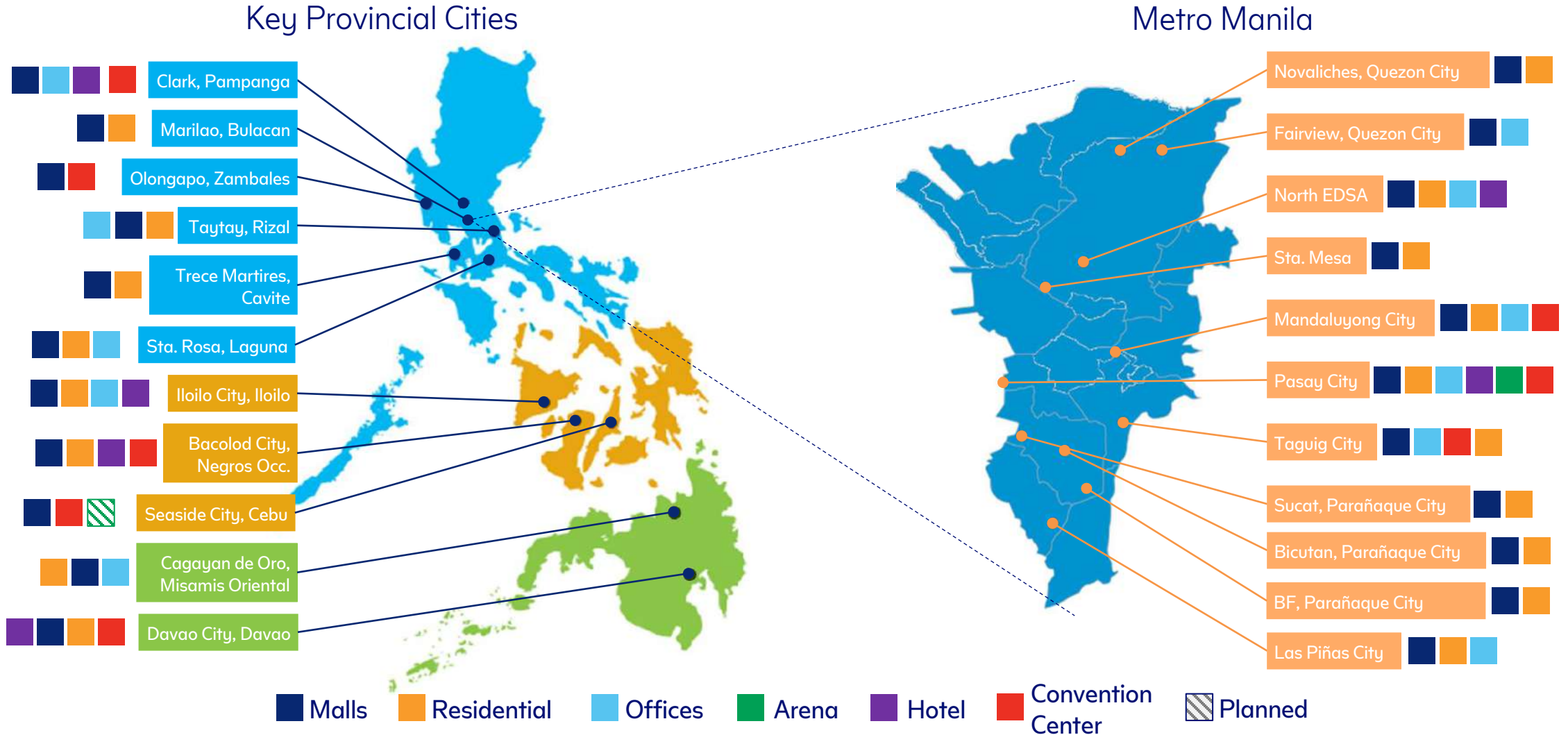


Conrad Manila, Main Lobby

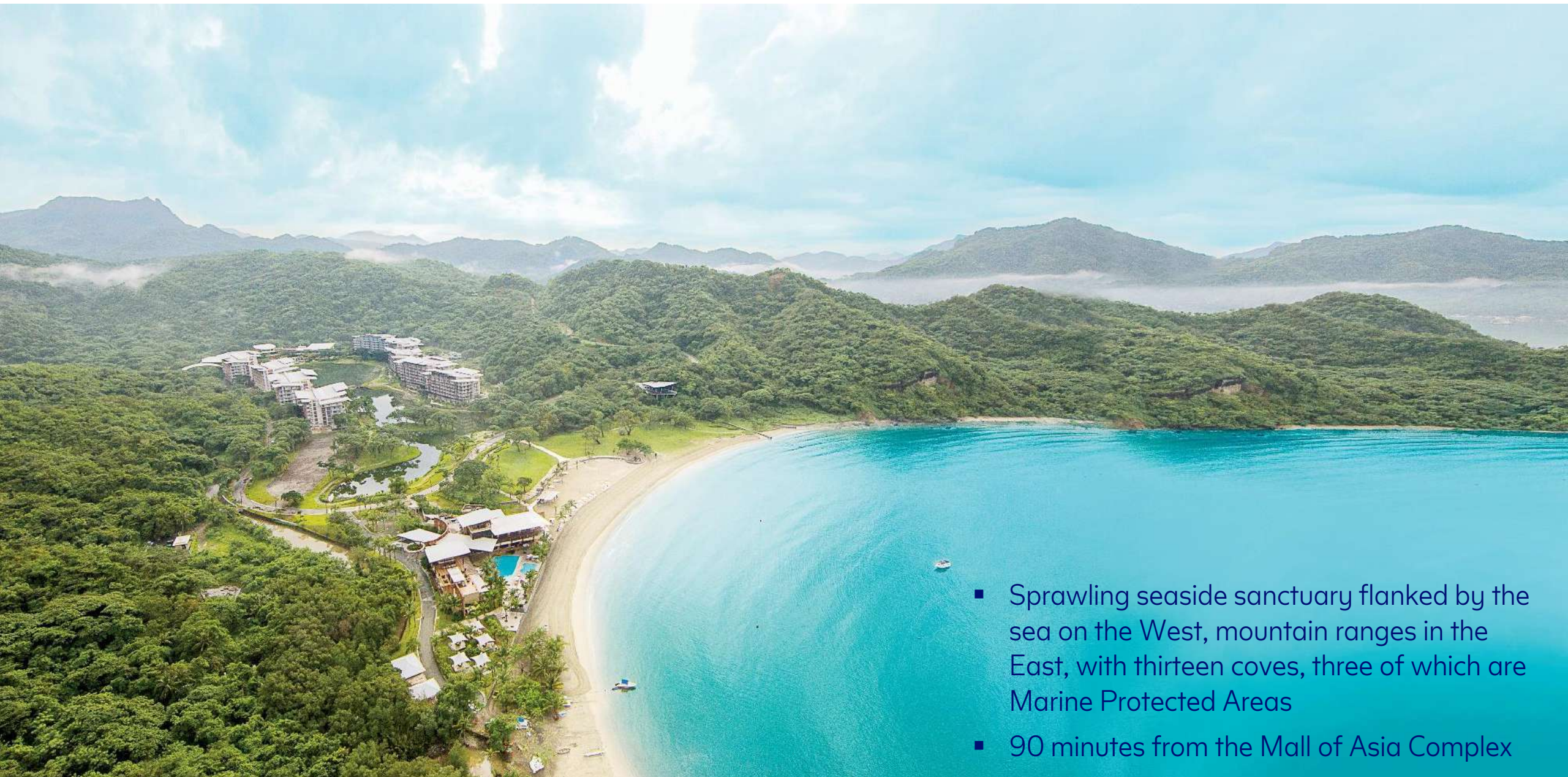


SM Prime Integrated Lifestyle Cities

SM Prime has integrated property developments in Metro Manila and in key provincial cities in the Philippines



Pico de Loro Development, Batangas



- Sprawling seaside sanctuary flanked by the sea on the West, mountain ranges in the East, with thirteen coves, three of which are Marine Protected Areas
- 90 minutes from the Mall of Asia Complex

BDO Unibank, Inc.



BDO is a leader and investor in banking products and services, making financial services more accessible to Filipinos

45.3%

Effective Interest

PHP89.5bn

Net Interest Income

PHP38.2bn

Other Income

PHP35.2bn

Net Income

1,692

Branches in the Philippines

2

Foreign branches

4,752

ATMs



China Banking Corporation



China Bank has over a hundred years of banking heritage anchored on good governance. The bank has been instrumental in building generations of enterprises in the country

22.5%

Effective Interest

PHP25.5bn

Net Interest Income

642

Branches

PHP1.7bn

Other Income

1,062

ATMs

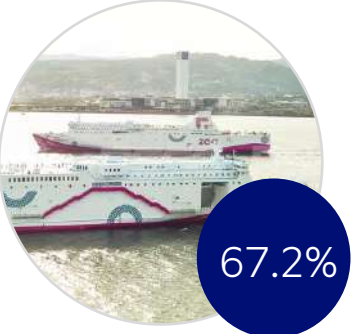
PHP10.8bn

Net Income



Portfolio Investments

2GO Group



Airspeed



Atlas Mining



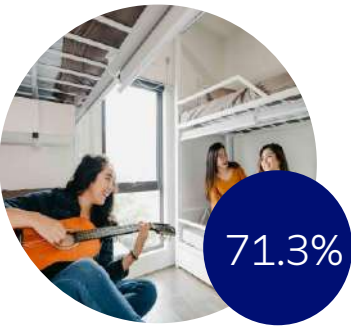
Belle Corp.



Goldilocks



MyTown



Neo Group



Philippine Geothermal



- We invest in new and related sectors that help capture high growth opportunities in the Philippines
- We build market leaders through access to the synergies and expertise of our SM ecosystem
- We ensure global best practices in their operations and corporate governance

2GO Group

The largest and broadest transportation solutions provider with complete end-to-end assets

Sea Solutions

- Reliable 9 vessel fleet focused on ROPAX that carries passengers and freight, serving 17 ports of call

Special Containers and Project Logistics

- Sizeable fleet of temperature-controlled container vans, and isotanks for handling special liquids
- Provides niche capabilities in moving oversized cargo for various projects

Express, Forwarding and Logistics

- 46 warehouse facilities nationwide
- Multi-modal transport capabilities via sea, land and air
 - Forwarding: LCL and FCL domestic forwarding
 - Express: Courier and Last-mile delivery
- Close to 3,000 own stores and agency network

Largest local partner of FedEx in the Philippines



Airspeed

Airspeed is a reliable end-to-end logistics solutions and express courier. Aiming to provide support to help clients build and grow their businesses

- Tailor fit services that are based on the client's logistics needs so that their shipment will be transported without any issue.
- Operating in 90+ countries, 80+ local partners, and over 200 vehicles
- Over 20 offices, hubs, warehouse facilities in the Philippines



Atlas Consolidated Mining

Atlas Mining is one of the largest copper concentrate producers in the Philippines

- Copper mine with 22 years mine life
- Over 408m tonnes of proven and probable reserves

Operating Information 3M 2023

Daily Milling Avg <i>(In dmt per day)</i>	46,464
Ore Grade	25.6%
Cu Metal Gross <i>(In mn lbs)</i>	19.88
Shipped Cu concentrate <i>(in '000s dmt)</i>	35



*Mahogany
Plantation at
Lower Danawan,
Biga*



*2.67 Mn
saplings planted
To date*



*Biga Pit
51% of water
consumed per
year is
recycled*





Belle Corporation

Belle Corporation is a developer of premium resort destinations and leisure properties

City of Dreams Manila

- Award-winning integrated resort operated by partner, Melco
- Total gross floor area: 315,531 sqm
- Gaming floor area: 21,324 sqm
- ~2,333 electronic gaming tables and 295 gaming tables
- Three hotel brands with 940 rooms: NÜWA Manila, Nobu Manila and Hyatt Regency



Tagaytay Highlands

- Award-winning luxury mountain resort
- 25 year history of developing and operating a 1,564 ha. complex of exclusive themed residential communities, golf courses and clubs
- Amenities include restaurants, sports venues, and facilities for outdoor activities





Goldilocks

Goldilocks is a well-loved Filipino heritage brand trusted by customers for over 55 years

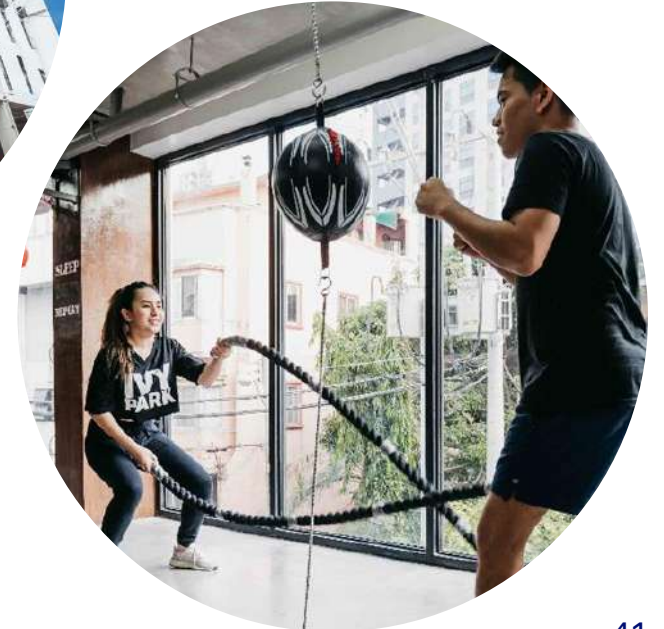
- 11 manufacturing facilities serving an extensive retail footprint of over 800 company owned and franchise stores in the Philippines
- Resilient amidst the pandemic, Goldilocks pivoted to cater to changing customer needs by expanding sales channels online and through aggregator partnerships and be where the customers are
- Product and service delivery innovations contributed towards a dynamic and fresh brand for customers



MyTown (PULS)

A leading developer and operator of purpose-built co-living communities providing housing solutions for young urban professionals and corporations

- Pioneered the concept of urban dormitories as communities with amenities
- Scalable solution to metro traffic and lack of affordable housing
- Operating 16 buildings offering more than 3,341 beds to date
- Plans for more than 4,784 beds by 2022



NEO Buildings

The NEO Buildings consist of 7 office buildings located within the largest and only PEZA certified IT park in Bonifacio Global City, Metro Manila

- NEO is the first commercial property portfolio in the world to be certified as **Carbon Net Zero** under the EDGE program of the IFC.



*One/NEO,
Bonifacio
Global City*



*Seven/NEO,
Bonifacio
Global City*



*Six/NEO,
Bonifacio
Global City*



Office Building	GFA (sqm)
One/Neo	14,787
Two/Neo	18,258
Three/Neo	19,240
Four/Neo	36,000
Five/Neo	52,090
Six/Neo	53,367
Seven/Neo	62,965
Total	256,707

Philippine Geothermal Production Company (PGPC)



PGPC operates the Tiwi and Mak-Ban steam fields, in operation since 1979, generating geothermal steam sufficient to produce c.300MW of electricity. PGPC also has several other greenfield concession areas for geothermal steam development

- Total consideration paid for 81% of Allfirst, parent of PGPC, is P15.76bn
- Issuance of 17.4 million new shares, equivalent to 1.4% of shares outstanding in SMIC
- In 2021, PGPC revenues were equivalent to 1.2% of SMIC revenues and 5.5% accretive to SMIC Net Income

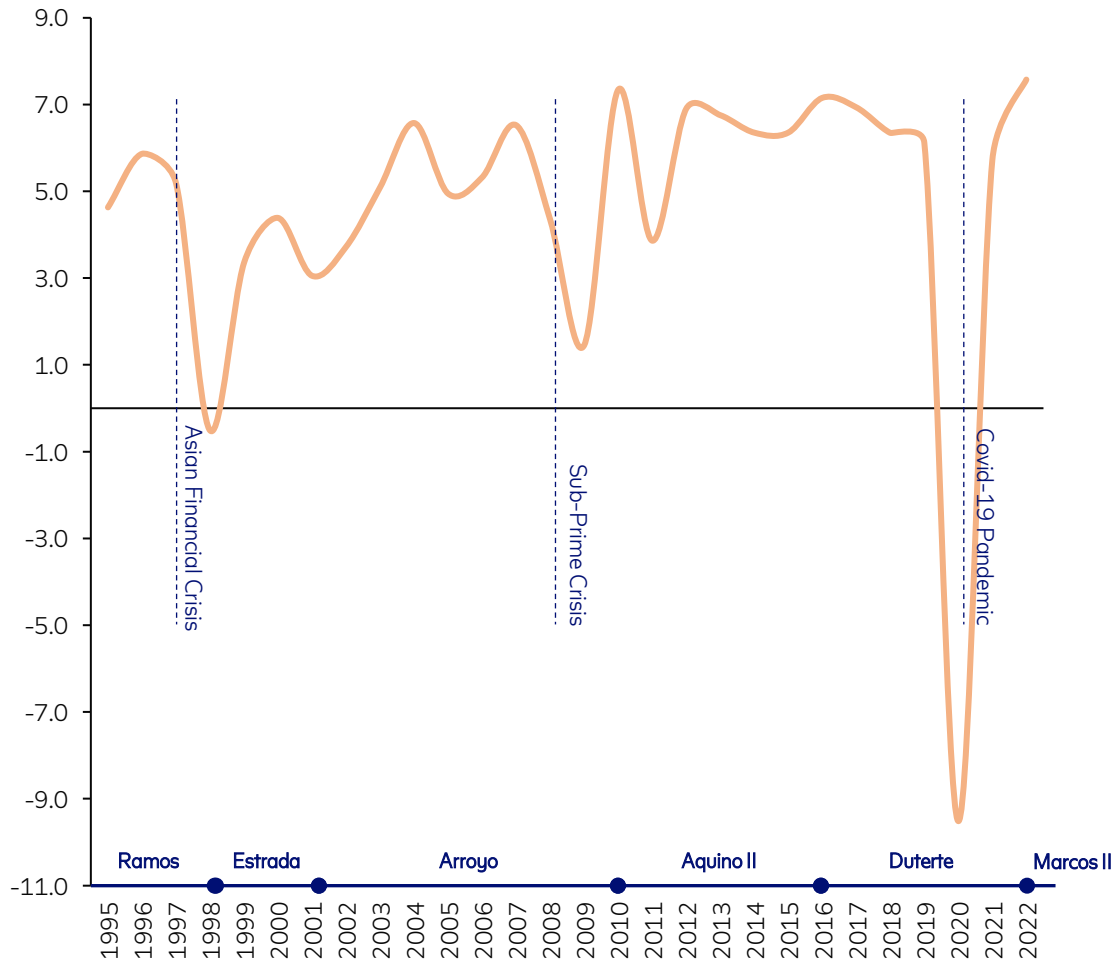


Philippine Macroeconomics

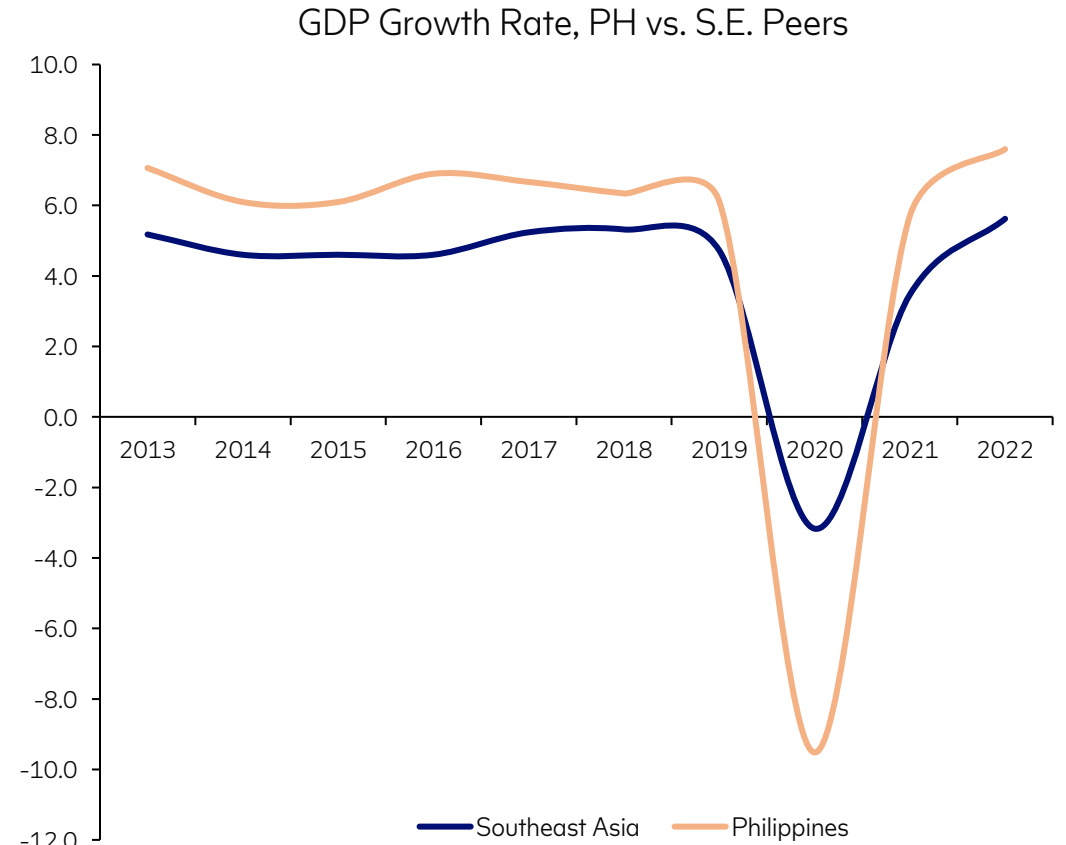


Philippine Growth Consistently Among Highest in SE Asia

GDP growth consistently 4.5% - 7.0%



GDP growth exceeds regional average

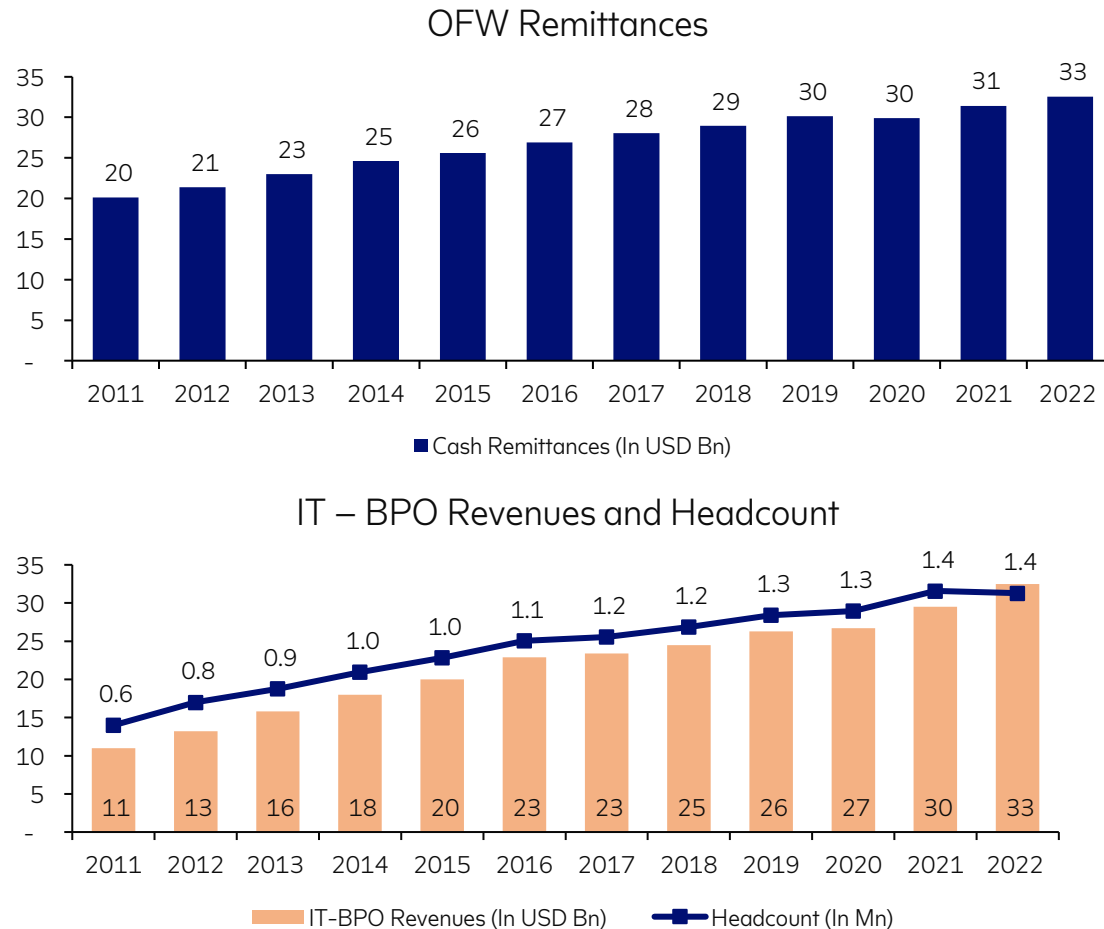


Southeast Asia: Brunei, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Timor-Leste, Vietnam

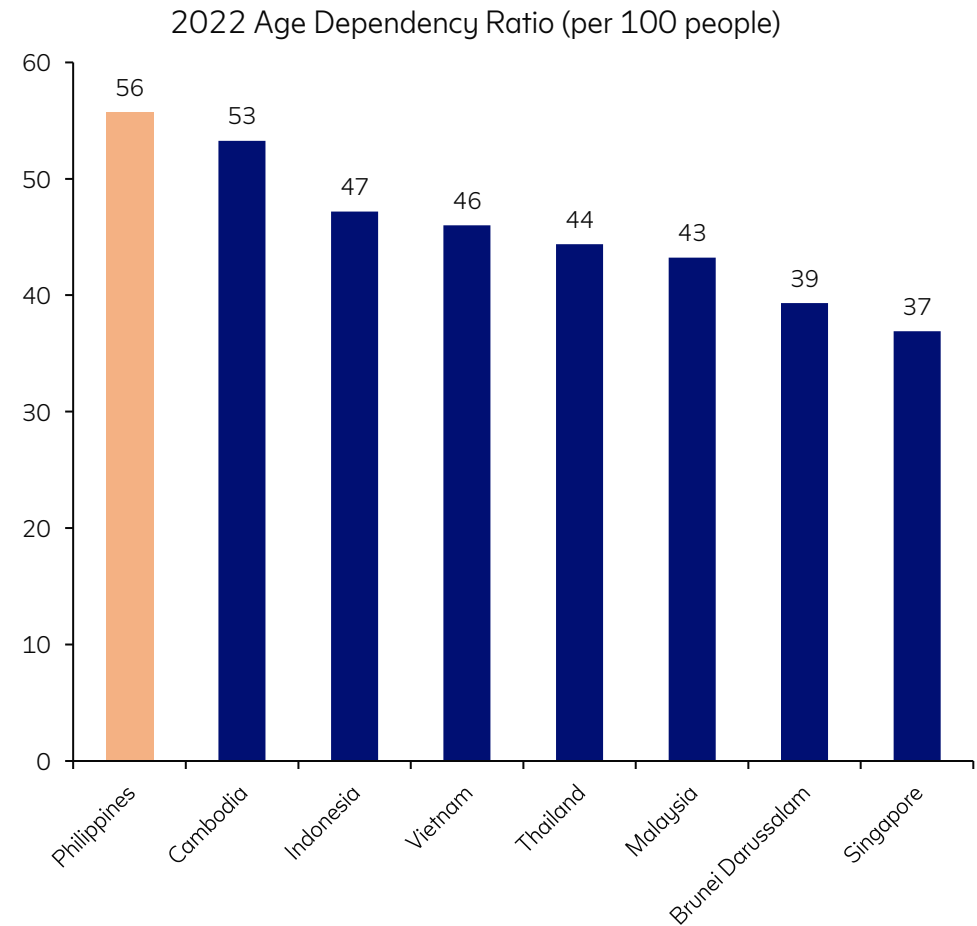
Source: PSA, BSP, Bloomberg, World Bank and ADB

Long Term Economic Growth Drivers

OFW Remittances & IT BPO revenues continue to grow

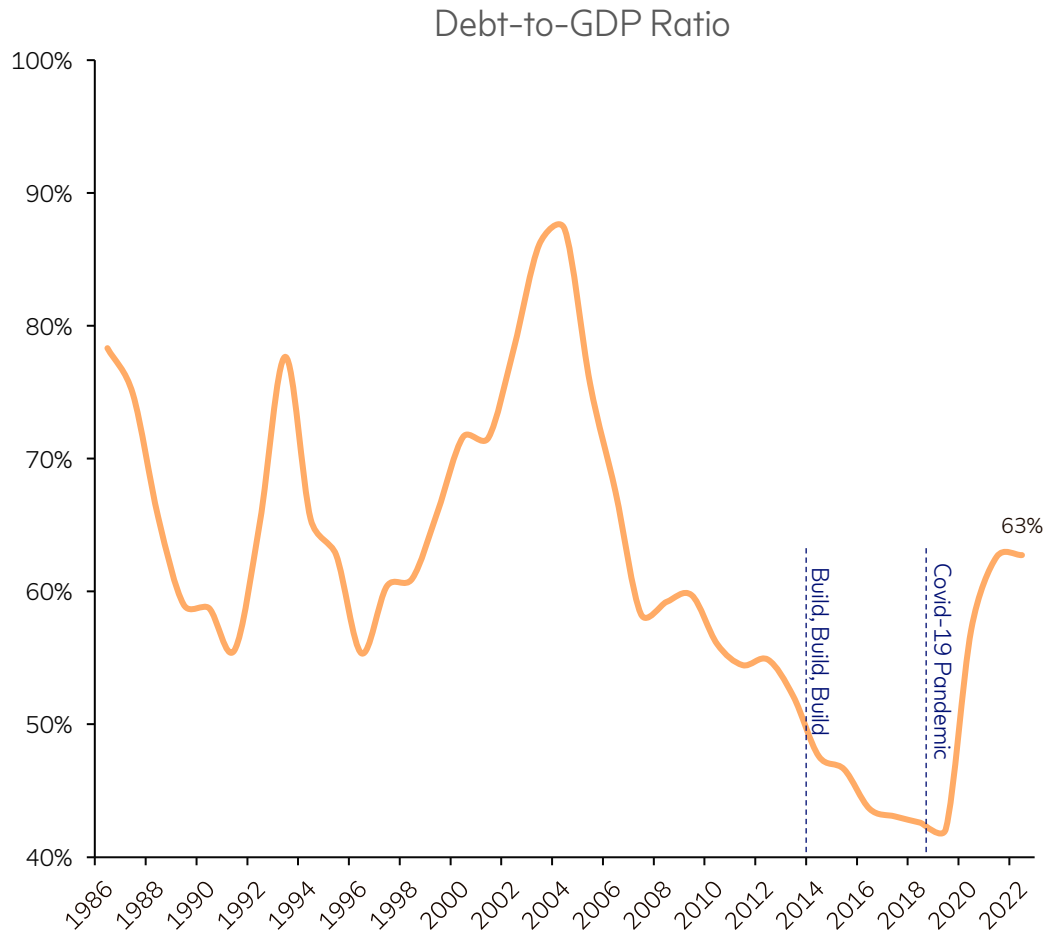


Highest % of population in the workforce in ASEAN (Average Age 26, Unemployment 4.6%)

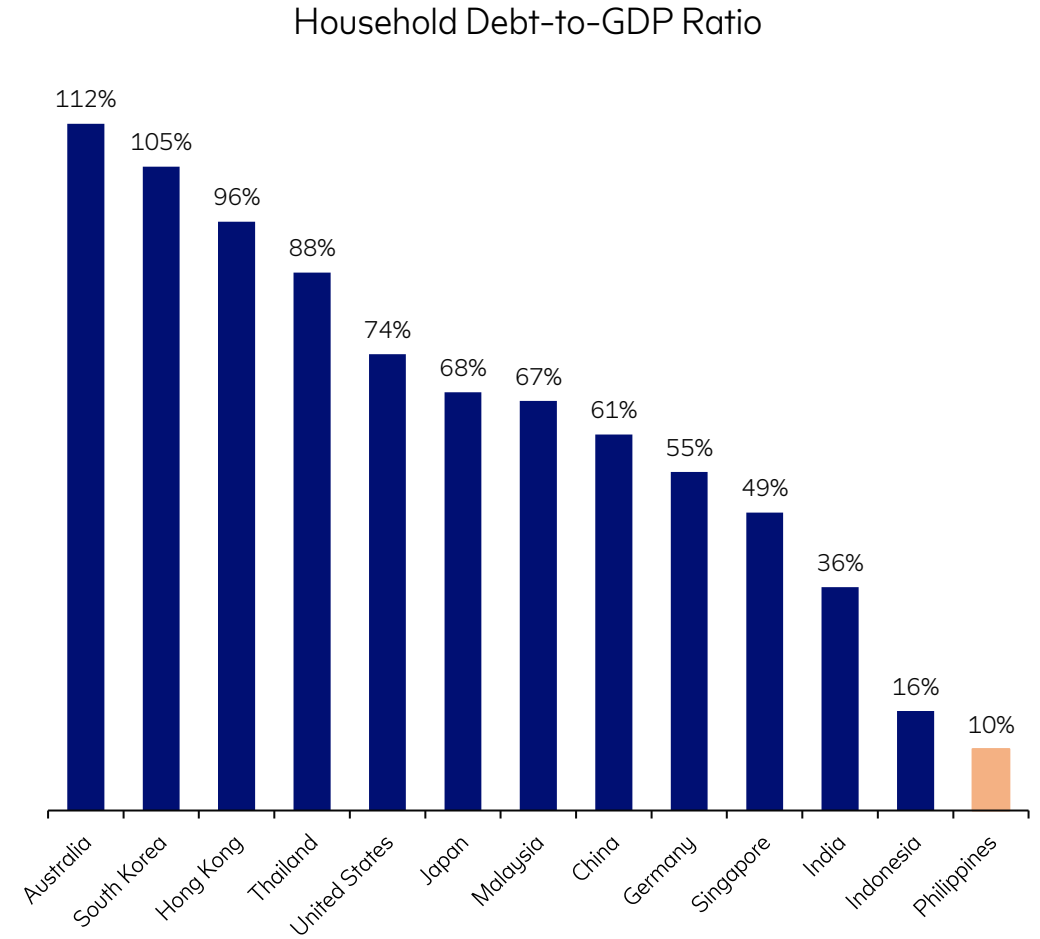


Conservative Debt Levels

Low Government Debt-to-GDP



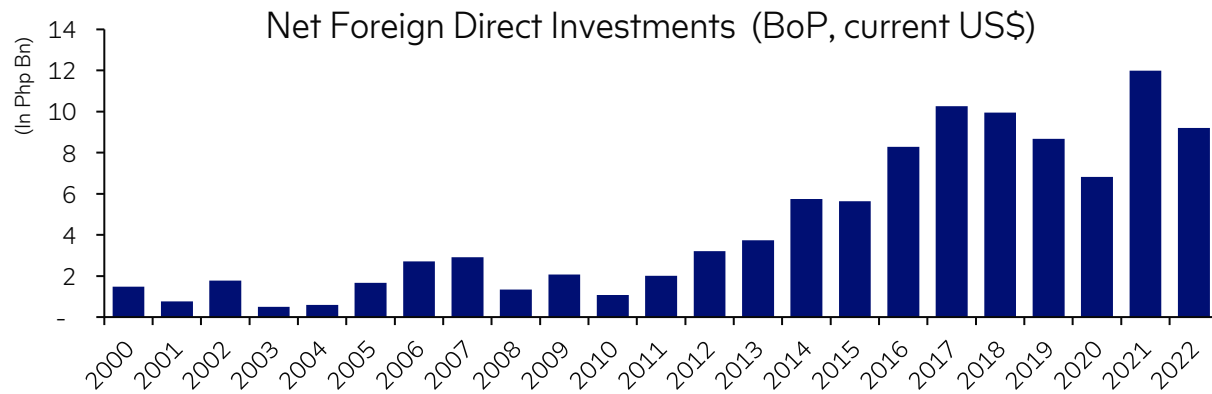
Low Household Debt



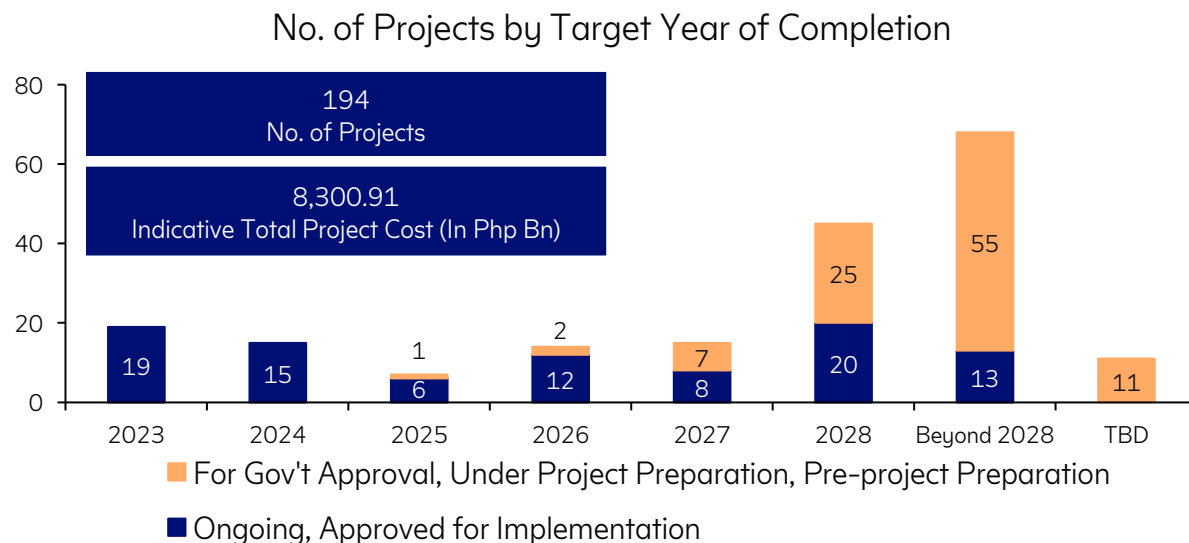
Source: PSA, BSP, Bloomberg, Trading Economics and CEIC

Growing Infrastructure Spending and Record Level FDIs








Rising FDIs



Strong Pipeline for Infrastructure Projects

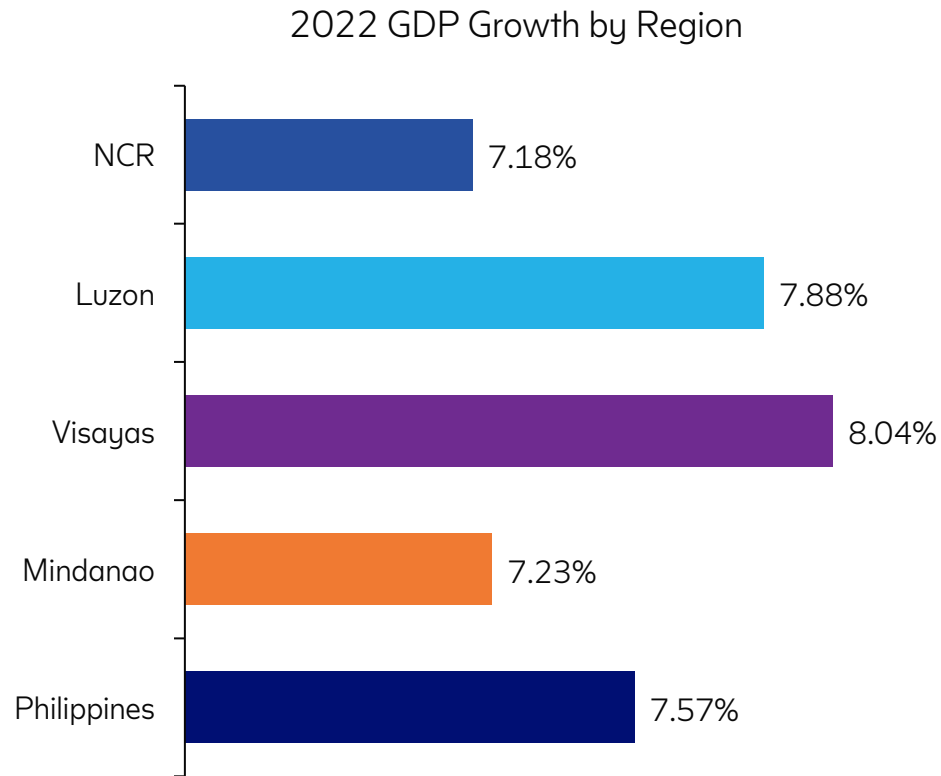


Sectors

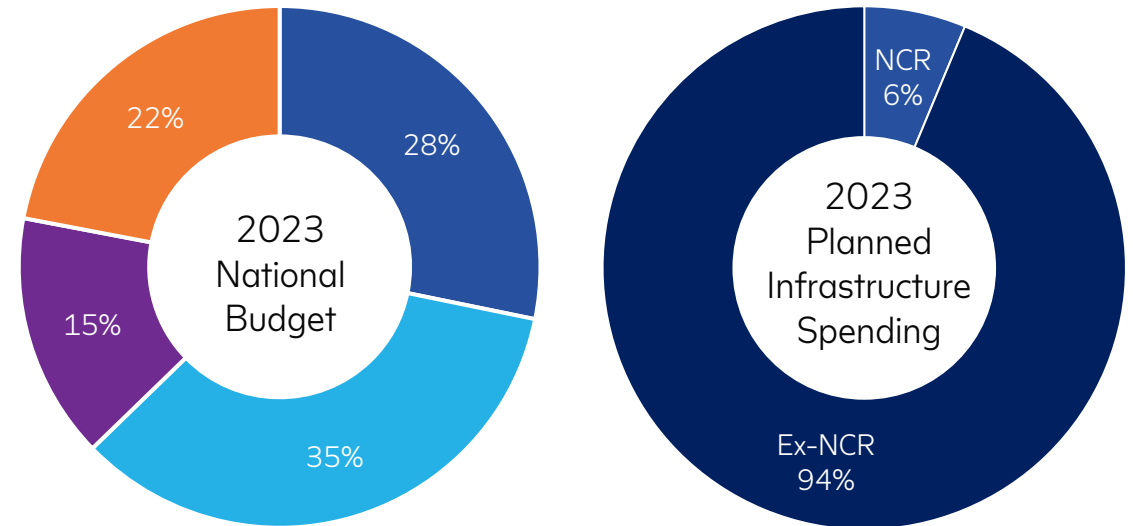
	Physical Connectivity	119
	Water Resources	44
	Agriculture	14
	Health	6
	Digital Connectivity	5
	Power and Energy	1
	Other Infra	5

Government Spending Supports Regional Growth

Economic growth faster outside the NCR



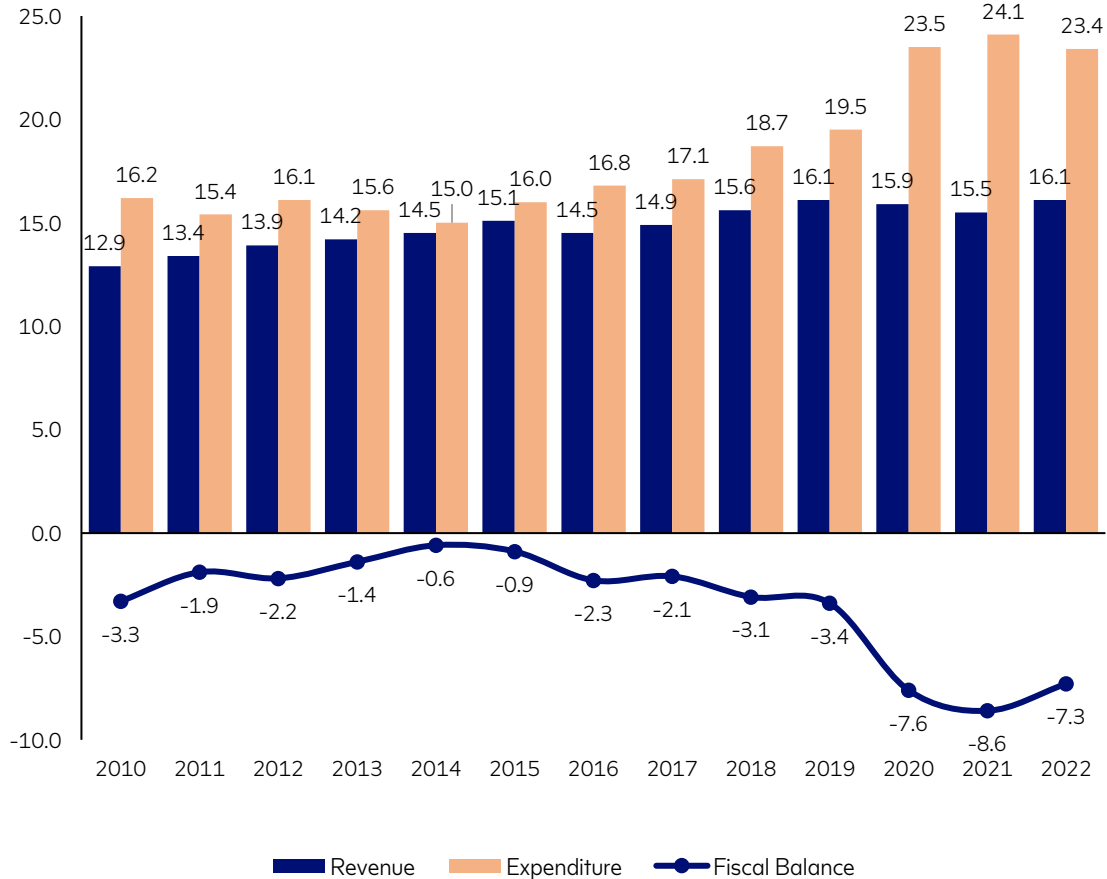
Budget and plans skewed toward provincial development



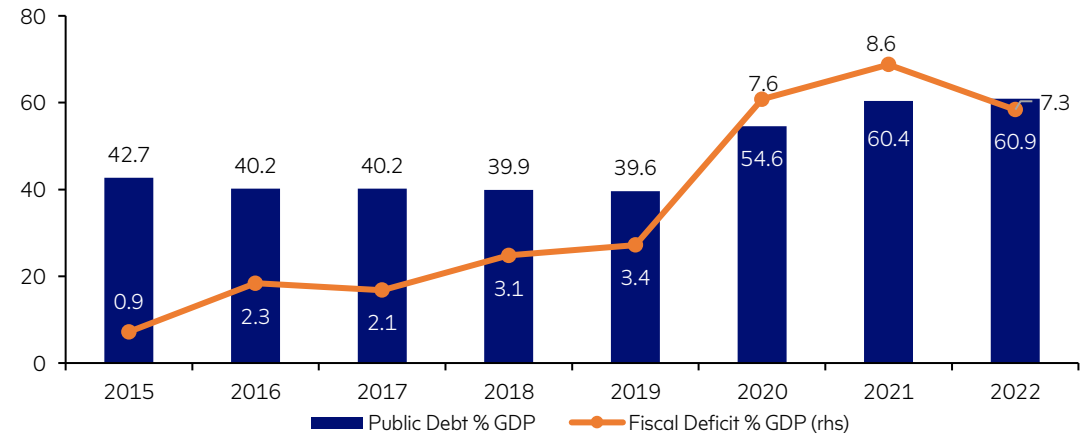
Government Balance Sheet Improving

Fiscal Position Recovery Underway

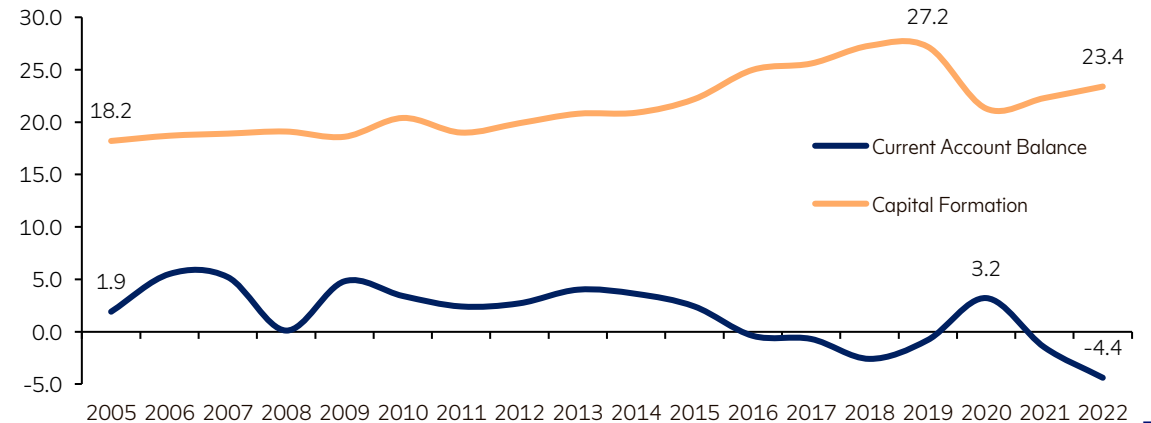
Revenues, Expenditure and Fiscal Balance (as % of GDP)



Public debt, fiscal deficit temporarily rose during the pandemic



Current account deficit driven by capital formation

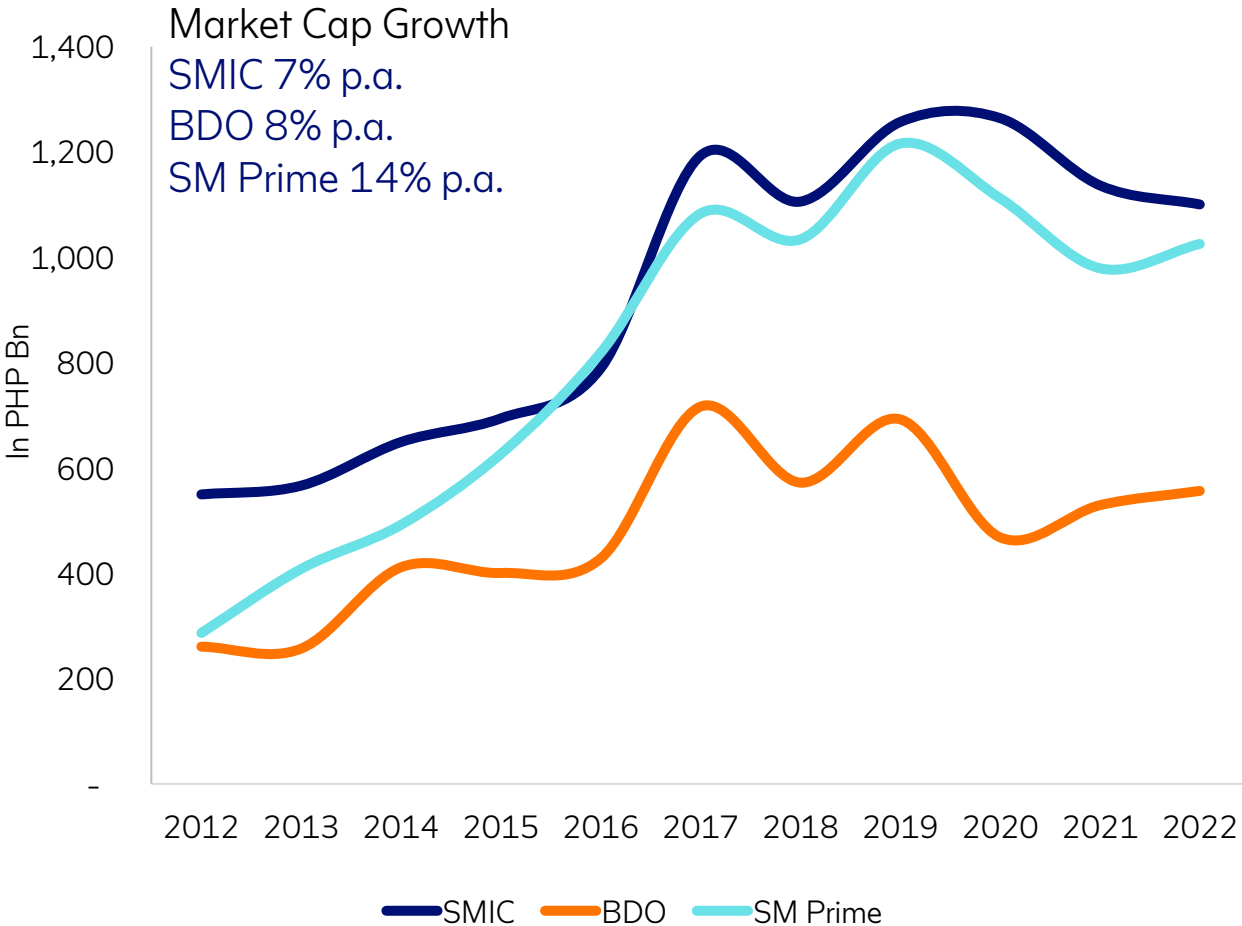


Annex

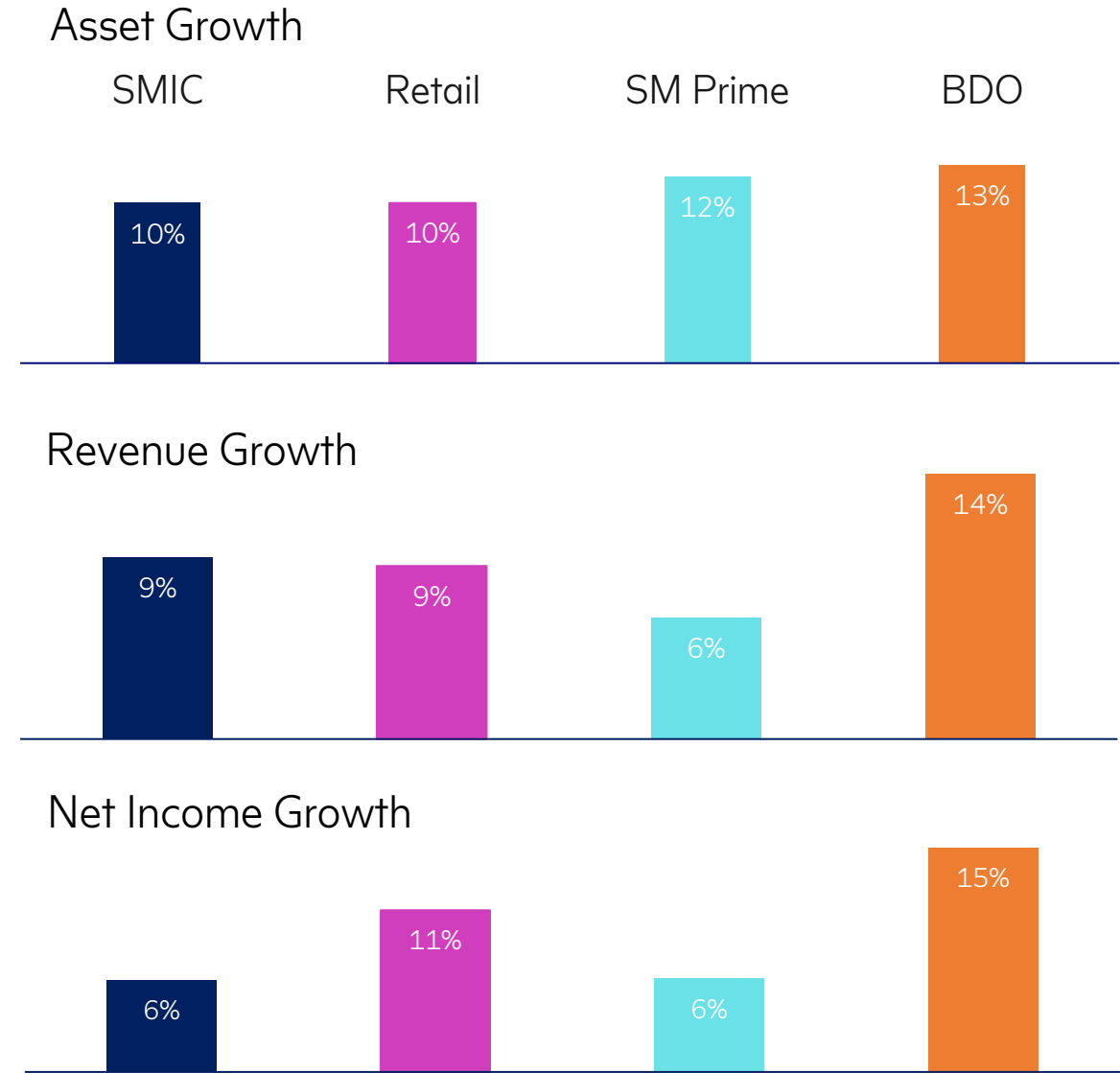
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SM Investments' 10-Year Performance



Growth rates expressed in CAGR



Growth rates expressed in CAGR

SM Investments Corporation

1H 2023 Consolidated Results

In PHP Billion

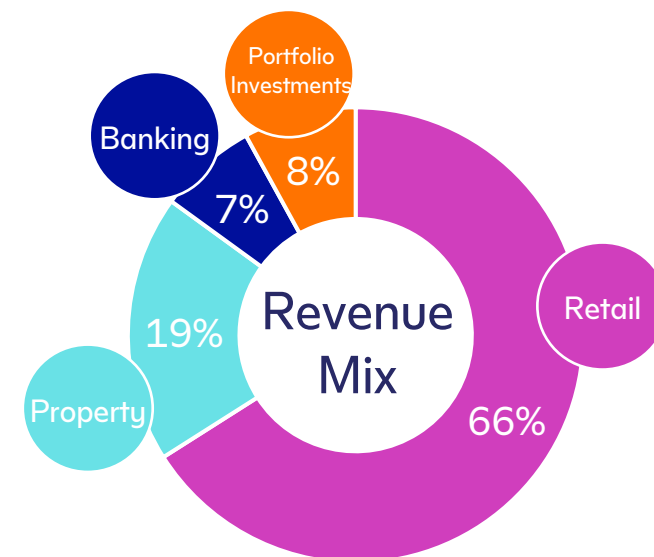
Particulars	1H 2023	1H 2022	% Chg	FY 2022	FY 2021	FY 2020
Revenue	286.3	242.6	18.0%	553.8	432.4	394.2
Net Income to Parent	36.5	27.7	31.8%	61.7	40.4	23.4
Net Margin (inc-NCI)	17.5%	15.5%	-	0.2	0.2	8.7%
Return on Equity	14.1%	13.1%	-	13.1%	-	6.0%

Total Capital	1H 2023	1H 2022	% Chg	FY 2022	FY 2021	FY 2020
Counterpart investments	110.6	137.5	-19.5%	137.5	91.8	78.2
Net Debt	92.6	110.0	-15.8%	368.2	380.7	336.8
Equity attrib to Parent	516.4	496.9	3.9%	496.9	447.6	403.8
Net Debt:Equity	36 : 64	35 : 65	-	35 : 65	38 : 62	37:63

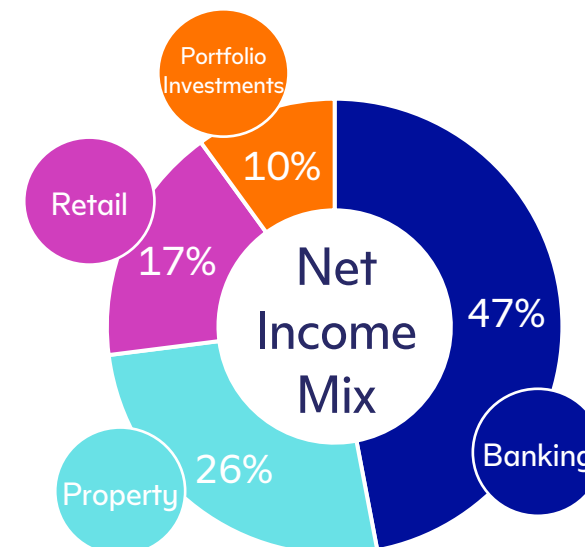
SMIC Parent Debt

Net Debt to Equity	39 : 61	Average Cost of Debt	4.55%
Peso-Foreign Currency Mix	64 : 36	Average Debt Tenure	2.62 years

Bonds Issued	Amount	Currency	Due Date	Coupon Rate
February 18, 2022	15 bn	PHP	Feb 2025/Feb 2027	3.5915%/4.7713%
October 2, 2020	10 bn	PHP	April 2024	3.3163%
June 10, 2014	350 mn	USD	June 2024	4.8750%



Banking business not consolidated



SM Retail Consolidated

Financials	1H 2023	1H 2022	Chg
Revenue	188.9	164.3	15%
SSSG	14.4%	16.0%	
EBIT Margin	7.0%	7.0%	
Net Income	8.4	7.0	21%

Figures in PHP B except percentages

Profile			
Store Count	3,677	3,336	10%
Selling Area	3.29	3.07	7%

Gross Selling Area in M sqm.

- Retail Revenues driven by strong consumer demand especially in discretionary
- Net income grew by 21% driven sales growth in Non-Food discretionary categories sales, both in SM Store and Specialty Stores
- Non-food sales through other channels at 8.6%, led by Call-to-Deliver



SM Retail – The SM Store

Financials	1H 2023	1H 2022	Chg
Revenue	48.2	38.0	27%
SSSG	26.5%	55.8%	
EBIT Margin	4.0%	4.1%	
Net Income	1.3	0.9	45%

Figures in PHP B except percentages

Profile

Store Count	73	69	6%
Selling Area	0.85	0.79	8%

Gross Selling Area in M sqm.

- Growth across discretionary categories in the SM Store
- Net income and margins positive as revenues grew 27%



SM Retail – Food Group

Financials	1H 2023	1H 2022	Chg
Revenue	110.3	100.2	10%
SSSG	9.4%	4.7%	
EBIT Margin	6.3%	6.4%	
Net Income	4.8	4.1	16%

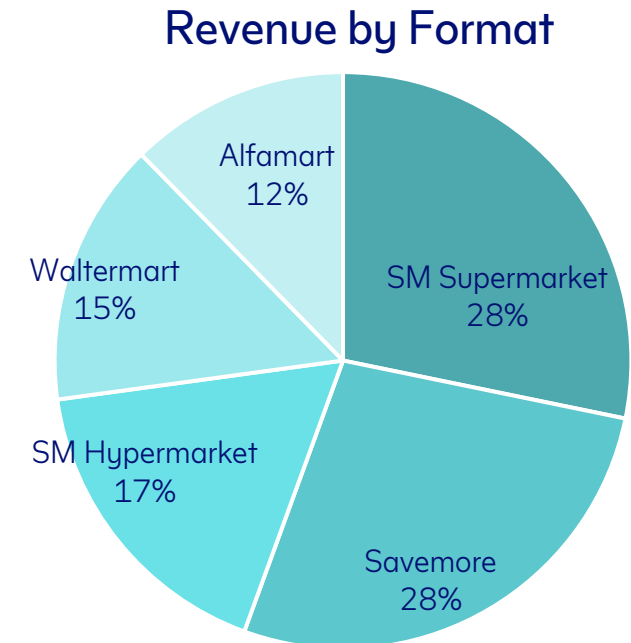
Figures in PHP B except percentages

Profile

Store Count	1,949	1,724	13%
Selling Area	1.77	1.64	8%

Gross Selling Area in M sqm.

- Sustained growth across all formats



SM Retail – Specialty

Financials	1H 2023	1H 2022	Chg
Revenue	42.7	36.3	18%
SSSG	15.8%	20.4%	
EBIT Margin	10.7%	10.2%	
Net Income	3.4	2.6	29%

Figures in PHP B except percentages

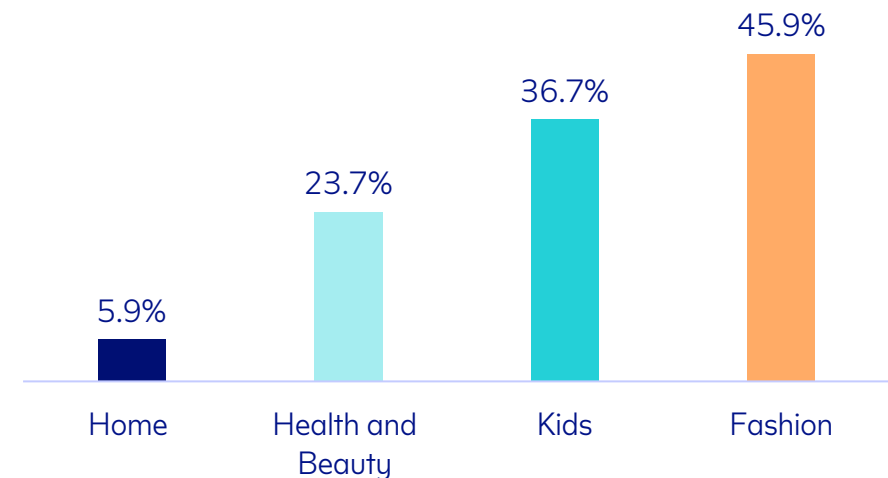
Profile

Store Count	1,655	1,543	7%
Selling Area	0.66	0.63	4%

Gross Selling Area in M sqm.

- Robust growth across discretionary categories fueled by improving macroeconomic conditions

SSSG per Category



SM Prime

1H 2023 Results

In PHP Billion

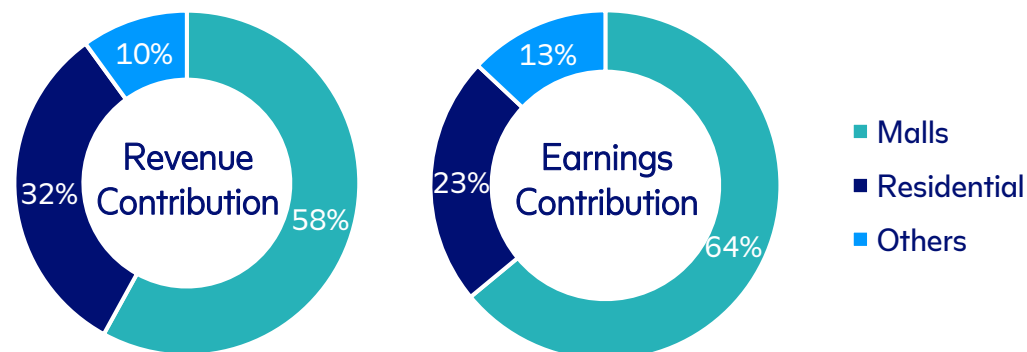
Consolidated	1H 2023	1H 2022	%Chg
Revenues	59.9	46.3	29%
Net Income	19.4	14.1	38%
Operating Income	29.0	21.4	36%
Return on Equity	11%	8%	-

Philippine Malls	1H 2023	1H 2022	% Chg
Revenues	31.5	20.6	53%
Operating Income	17.2	10.7	60%
EBITDA	21.4	14.5	48%
<i>EBITDA margin</i>	69%	69%	-

China Malls (In RMB Bn)	1H 2023	1H 2022	% Chg
Revenues	0.4	0.4	3%
Operating Income	0.2	0.2	-6%

Residences	1H 2023	1H 2022	% Chg
Revenues	19.0	18.2	4%
Operating Income	7.7	7.2	7%
EBITDA	7.8	7.3	7%
<i>EBITDA margin</i>	75%	78%	-

Other Businesses	1H 2023	1H 2022	% Chg
Revenues	6.23	4.5	40%
Operating Income	2.9	2.2	35%
EBITDA	4.0	3.0	31%
<i>EBITDA margin</i>	64%	68%	-



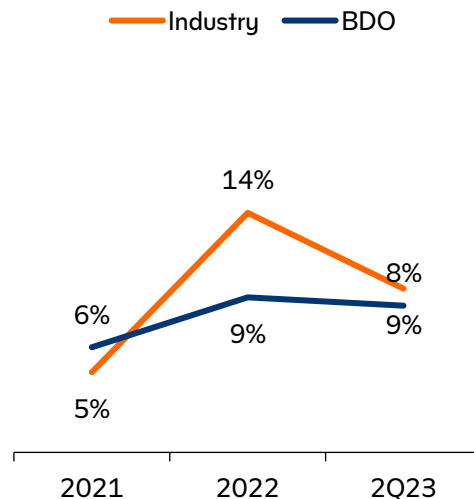
Financial Highlights

(In PHP Bn)	1H 2023	1H 2022	% Chg
Net Interest Income	89.5	69.4	28.9%
Other Income	38.2	34.3	11.3%
Net Income ¹	35.2	23.9	47.0%
Assets	4,158.3	3,801.0	9.4%
Deposits	3,295.8	2,954.8	11.5%
Gross Customer Loans	2,665.3	2,458.4	8.4%
Net Interest Margin	4.7%	4.0%	-
Cost to Income Ratio	58.9%	62.2%	-
Return on Ave. Common Equity ²	15.1%	11.3%	-
Gross Loans to Deposits Ratio	80.9%	83.2%	-
Gross NPL Ratio ³	1.95%	2.39%	-
Total CAR ⁴	15.0%	14.5%	-
Tier 1 Ratio	14.1%	13.6%	-
CET1	13.9%	13.4%	-

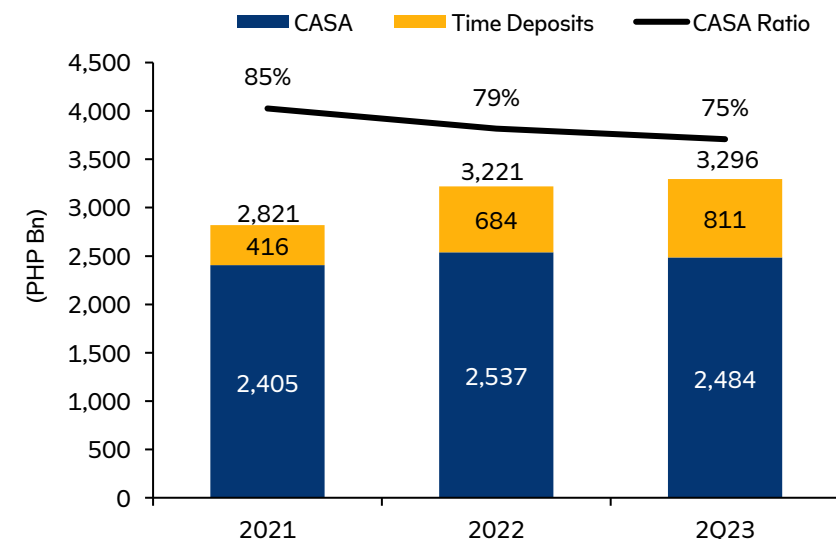
Notes:

1. Excludes net income attributable to minority interest
2. Return on Ave. Common Equity, defined as annualized NI to parent shareholders less preferred dividends / ave common
3. Per BSP Circular 941
4. Per BSP, consolidated basis, as seen in the published statements of condition

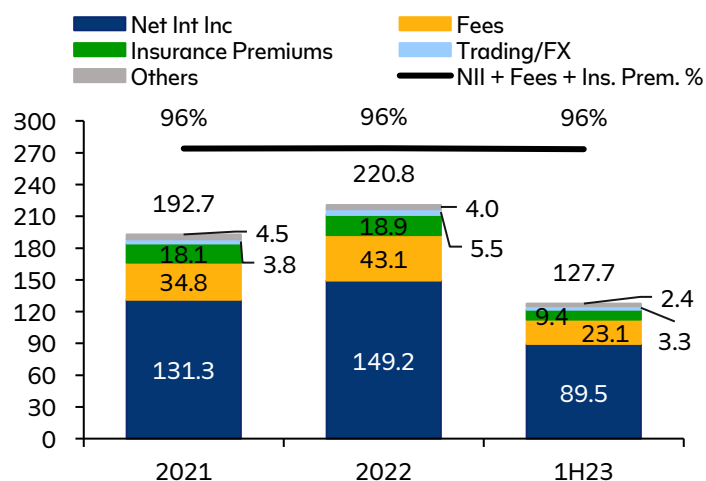
Loans Growth



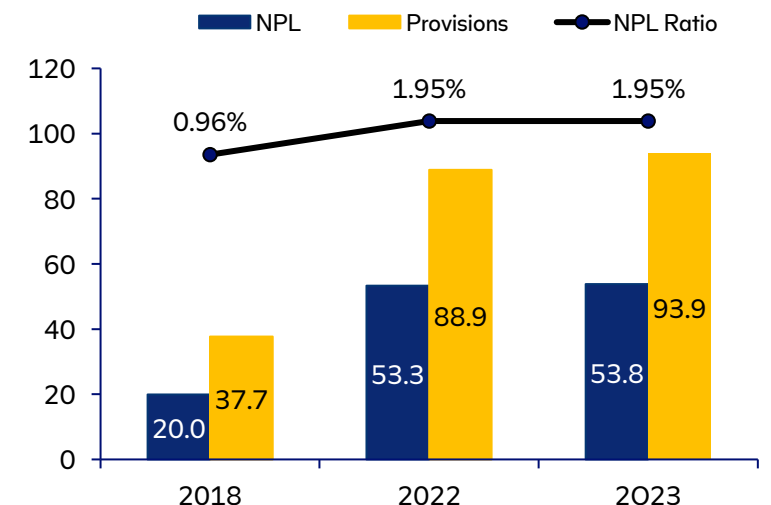
Deposits



Operating Income



Asset Quality



China Bank

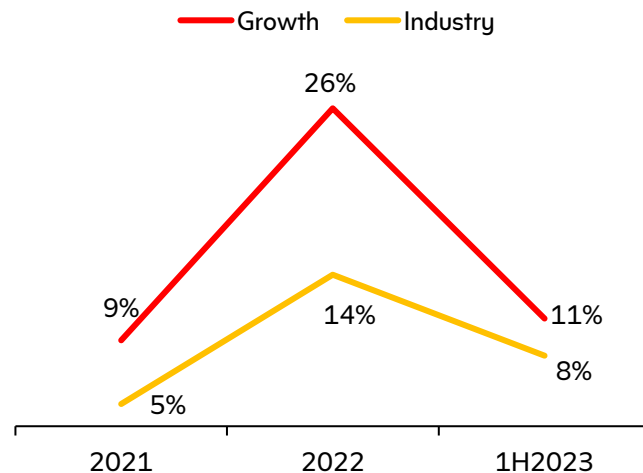
Financial Highlights (In PHP Bn)

	1H 2023	1H 2023	% Chg
Net Interest Income	25.5	22.0	15.9%
Other Income	1.7	3.2	-46.9%
Net Income ¹	10.8	10.1	6.9%
Assets	1,385.0	1,202.0	15.2%
Deposits	1,121.0	945.0	18.6%
Gross Customer Loans	745.0	673.0	10.7%
Net Interest Margin	4.2%	4.3%	-
Cost to Income Ratio	52.0%	46.0%	-
Return on Ave. Common Equity ²	15.9%	16.4%	-
Gross Loans to Deposits Ratio	66.5%	71.2%	-
Gross NPL Ratio ³	2.2%	2.3%	-
Total CAR ⁴	16.1%	15.7%	-
CET 1	15.2%	14.8%	-

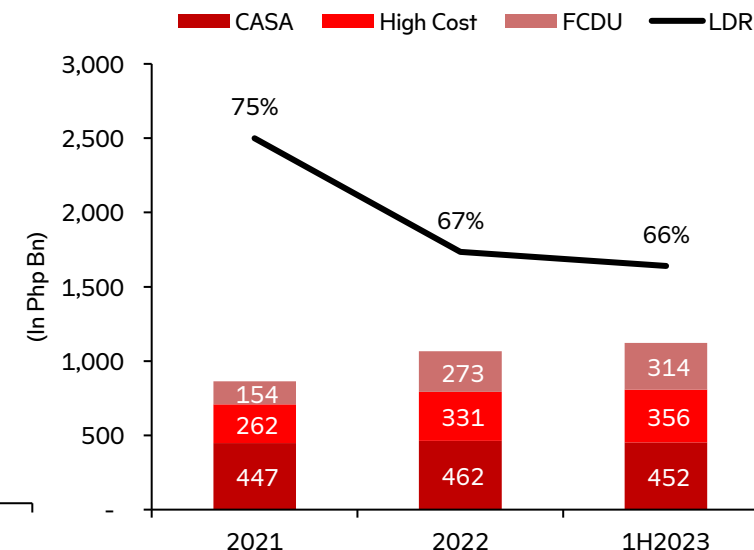
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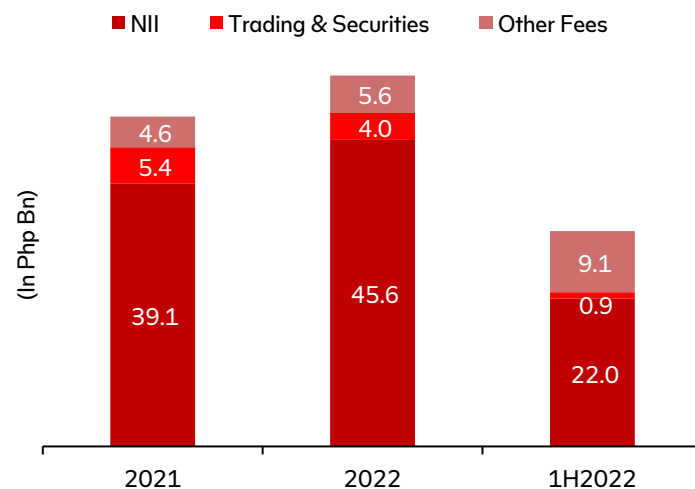
Loans Growth



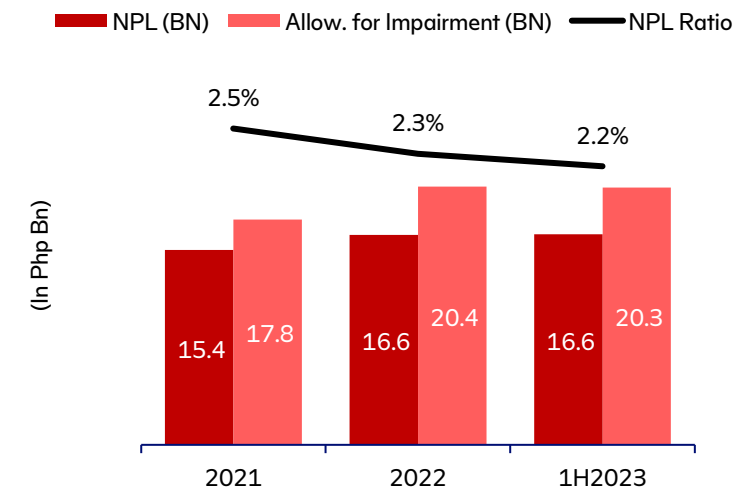
Deposits



Operating Income



Asset Quality



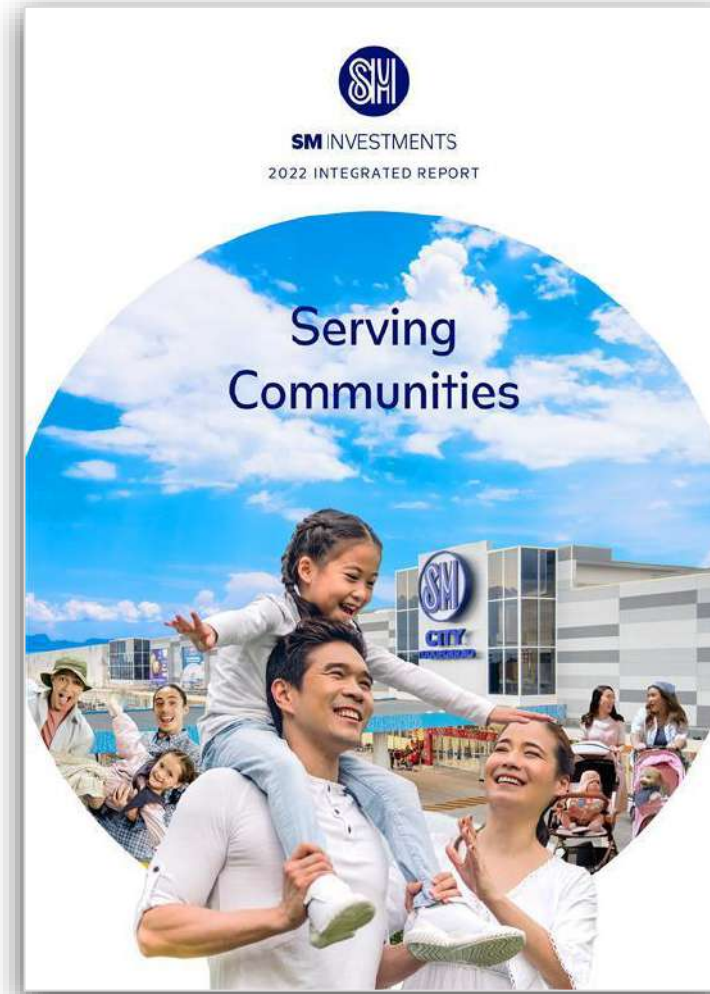
Our Integrated Report <IR> 2022

In 2020, SMIC adopted the Integrated Reporting Framework developed by the International Integrated Reporting Council (IIRC)

“Serving Communities”, the theme of our 2022 report, underscores our unwavering support to helping develop local economies through providing inclusive economic opportunities, while creating positive social impact.

From education, healthcare, and agriculture, to addressing the urgent need of the marginalized sectors, the report contains stories that highlight innovation, community support and our commitment to disaster resilience and sustainability

The report discloses our performance and actions on how we affect the commercial, social and environmental context within the areas where we operate



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