



SM INVESTMENTS

6M 2024 Earnings Briefing

August 7, 2024

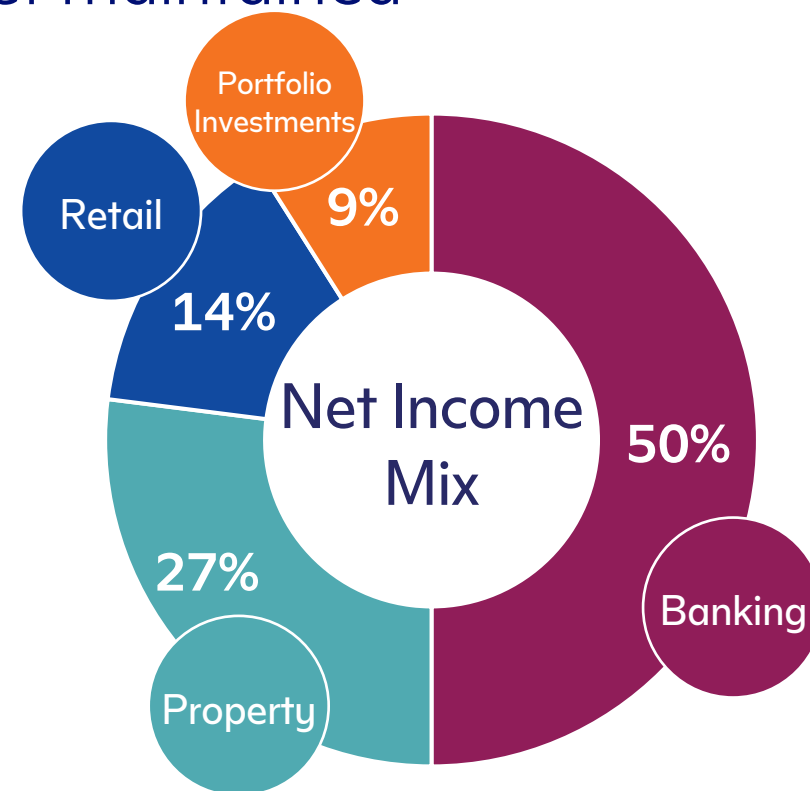


SMIC 6M 2024 Consolidated Results

- Double digit earnings growth reflects positive environment
- 2Q Retail recovery driven by improved consumer spending
- Portfolio investments contributed 9% of total earnings
- Conservative gearing and strong balance sheet maintained

SM Investments	6M 2024	Chg
Revenues	301.4	5%
Earnings	40.2	10%
Assets	1,603.2	1%
Net Debt:Total Equity	33 : 67	

Figures in PHP B except percentages



Banking – BDO

- Strong momentum from its core intermediation and fee-based businesses
- 1H 2024 ROCE at 15.1%
- Stable asset quality
 - NPL ratio at 2.06%
 - NPL Cover at 169%
- Solid capital position with Book Value up 12%
- Successful listing of 3rd ASEAN Sustainability Bonds

BDO	6M 2024	Chg
Net Income	39.4	12%
Net Interest Inc.	99.6	11%
Other Income	43.3	13%
Gross Loans	3,011.6	13%
Deposits	3,737.3	13%
NIM	4.64%	
NPL Ratio	2.06%	
CET 1	13.7%	
CAR	14.8%	

Figures in PHP B except percentages



Banking – China Bank

China Bank	6M 2024	Chg
Net Income	11.4	6%
Net Interest Inc.	30.4	19%
Gross Loans	817.0	10%
Deposits	1,283.3	14%
NIM	4.42%	
NPL Ratio	1.88%	
CET 1	14.5%	
CAR	15.3%	

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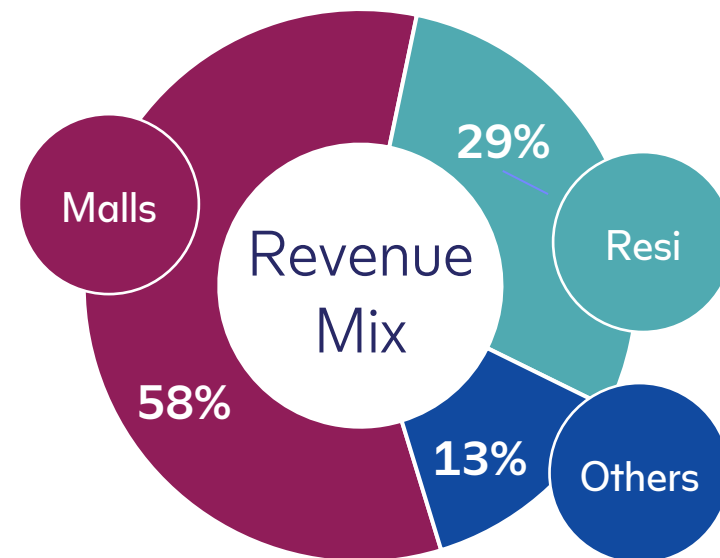
- Strong core lending and deposit-taking activities
- ROE of 15.1% among highest in the industry
- Asset quality remains stable
 - NPL ratio eased to 1.88%
 - NPL Cover at 141%
- Cost to income ratio at 49.0%
- Book value improved by 10%



Property

SM PRIME	6M 2024	Chg
Total Revenues	64.7	8%
Malls	37.5	8%
Residential (Primary)	18.9	8%
Other Businesses	7.0	13%
Net Income	22.1	13%

Figures in PHP B except percentages



- Mall revenues grew 8% driven by mall rental income higher by 9%
- Other businesses, which include Offices, Hotels and Convention centers, grew 13%
- Residential revenues also higher by 8%, reservation sales at Php40.2bn

Retail

SM RETAIL	1H 2024				Q1'24 vs.	Q2'24 vs.
	Revenue	Chg	NI	Chg	Q1 '23	Q2 '23
Total Retail	196.9	4%	7.6	-9%	2.8%	6.0%
SM STORE	48.2	0%	1.0	-23%	-3.8%	3.6%
Specialty	43.6	2%	3.2	-4%	-1.2%	5.1%
Food Group	117.4	7%	4.5	-7%	6.4%	7.0%

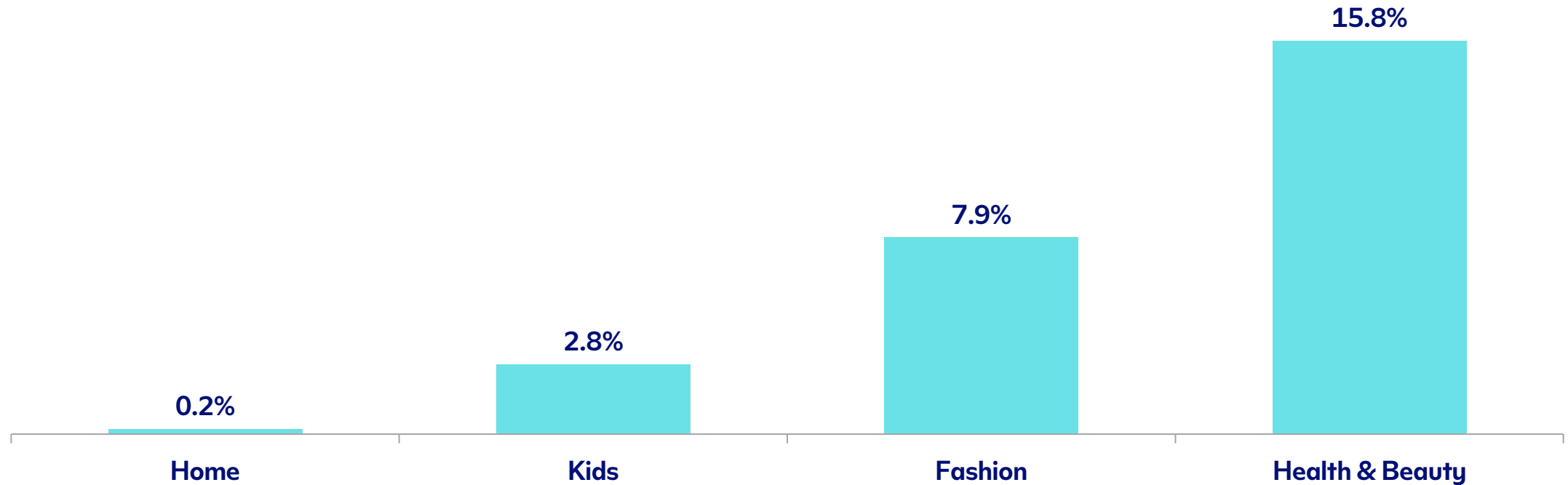
Figures in PHP B except percentages

- Store expansion and volume growth drove Food revenues higher by 7%
- Improved consumer spend lifted SM Store and Specialty Formats
- Q2 recovery of sales in Non-Food Retail



Improved Consumer Spending

Specialty Retail Category Sales Growth 1H2024 vs 1H2023

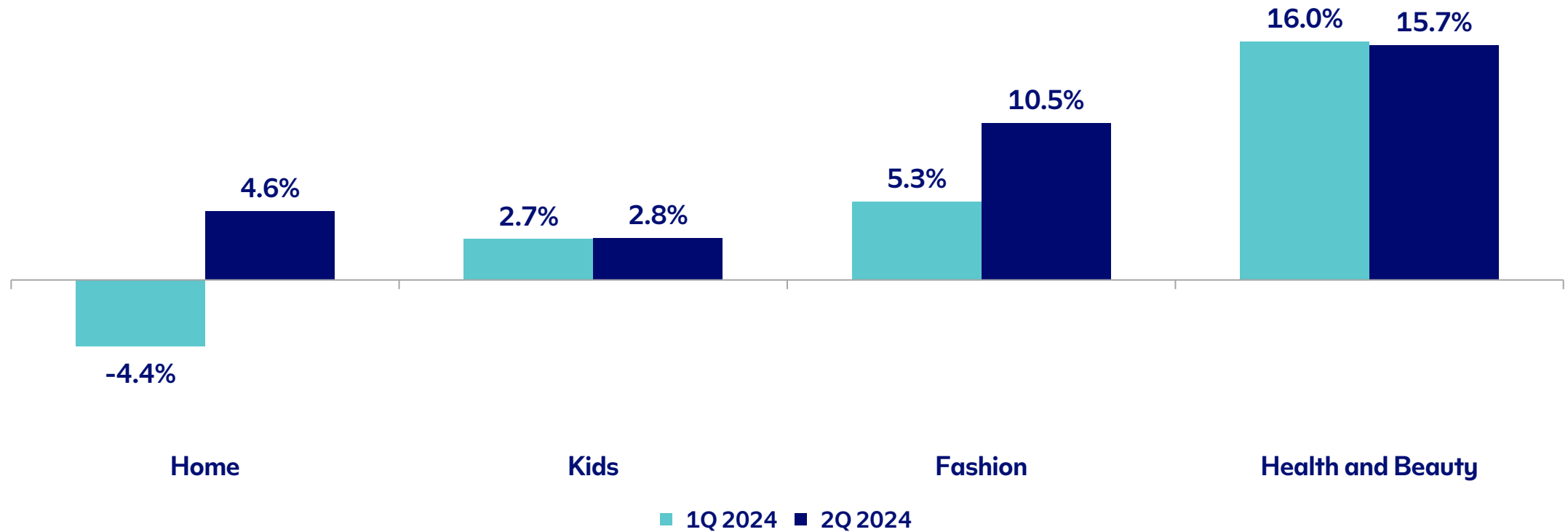


Note: Represents total category growth, does not reflect ownership % in individual formats



Improved Consumer Spending

Specialty Retail Category Sales Growth 1Q24 vs 1Q23, 2Q24 vs 2Q23



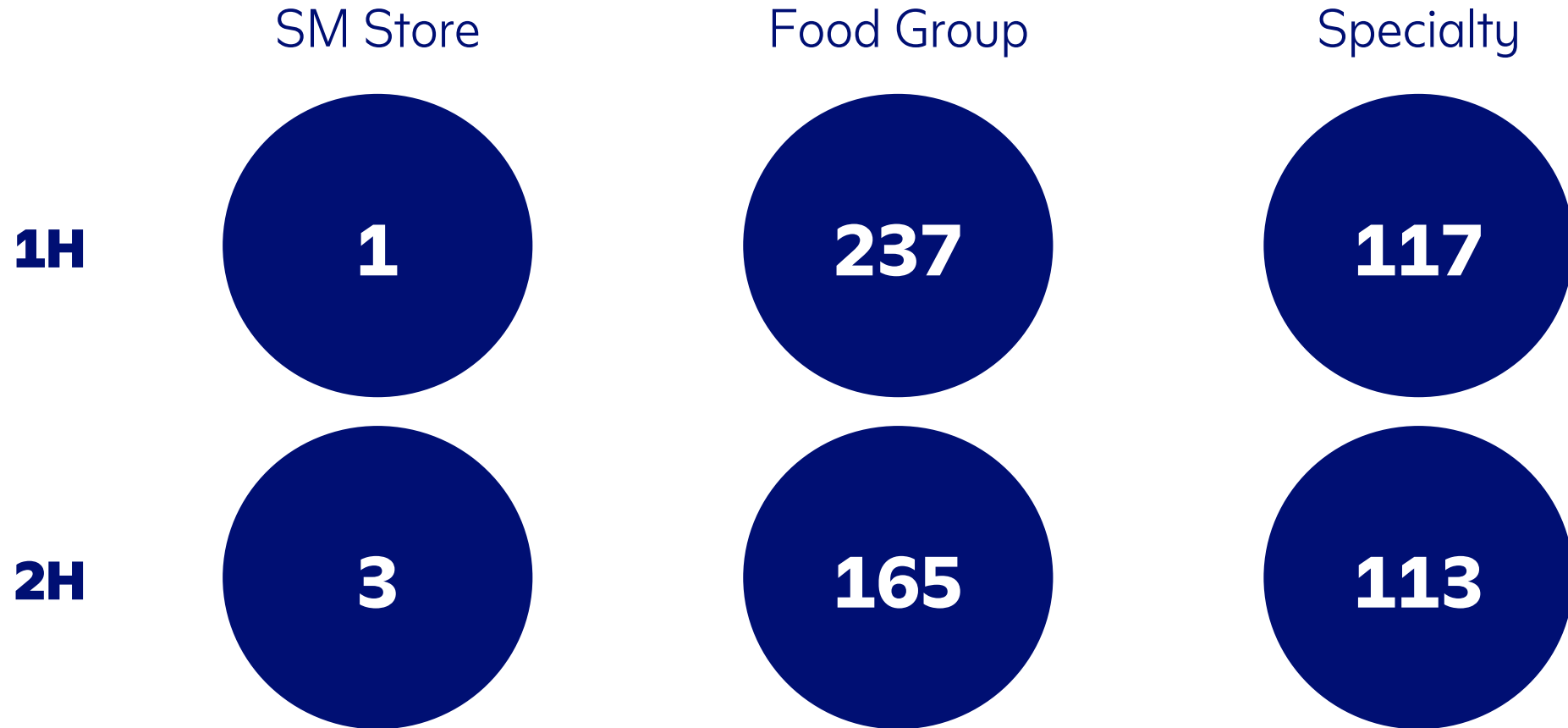
Note: Represents total category growth, does not reflect ownership % in individual formats



Operating Highlights

	1H 2024	FY 2023	Change
Store Count	4,208	3,853	+9.2%
GFA <i>in sqm</i>	3.42mn	3.36mn	+2.1%

2024 New Store Expansion



Note: Not including Retail Affiliates



Portfolio Investments Financials



PHILIPPINE GEOTHERMAL

NEO



goldilocks®

2GO

ATLAS

(As of 6M 2024)

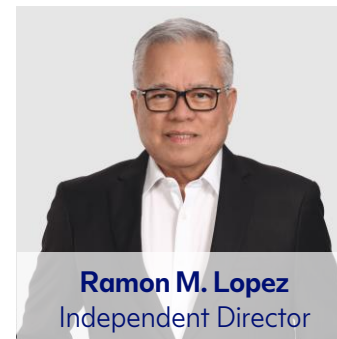
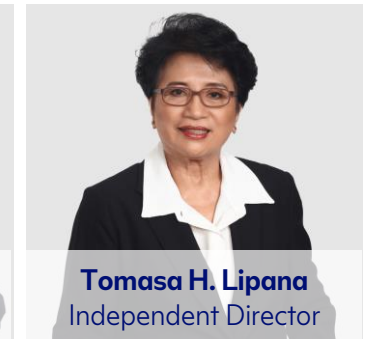
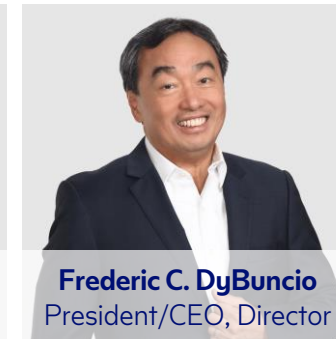
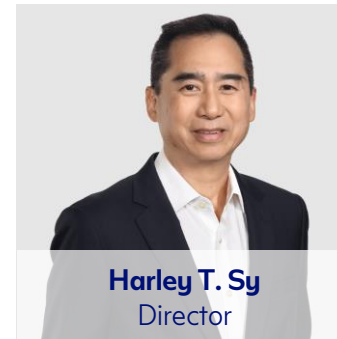
	PHILIPPINE GEOTHERMAL	NEO	goldilocks®	2GO	ATLAS
Revenue (Php Bn)	3.2	2.3	6.7	8.8	12.5
Revenue Growth (%)	-19%	15%	5%	15%	23%
Net Income (Php Bn)	1.5	1.1	0.45	0.34	2.0
Net Income Growth (%)	-37%	8%	293%	-8%	154%

EMTN Programme

- Issued the first tranche of our USD3bn EMTN Programme:
 - Size: USD500mn
 - Yield: 5.466%
 - Coupon: 5.375%
 - Tenor: 5 Years
 - Listed at the SGX
- Final demand reached USD1.6bn, oversubscribed by 3.2x
- Net proceeds will be allocated for general corporate purposes

Corporate Governance

- The SEC has approved the following changes to the SMIC Board:
 - Increase of board seats from 8 to 9
 - The appointment of Atty. Lily K. Gruba as Independent Director
- The Board composition is now majority independent
- 1/3 of the board seats held by women



6M 2024 Results Key Messages

- Consolidated results driven by continued underlying economic strength
- Strong Banking performance contributed 50% of net income
- Food Retailing continued growth and footprint expansion
- 2Q recovery in Non Food Retailing driven by improving consumer spending
- Property growth driven by Malls, with lower reservation sales in Residential
- Portfolio Investments contributed 9% of net income
- Conservative gearing and healthy balance sheet
- Majority independent and inclusive Board of Directors
- Successful listing of USD500mn bonds from our USD3bn EMTN programme
- Group remains cautiously optimistic for 2024

Annex

SMRETAIL Consolidated

Financials	6M 2024	6M 2023	Chg
Revenue	196.9	188.5	4%
SSSG	0.6%	14.4%	
EBIT Margin	6.0%	7.0%	
Net Income	7.6	8.4	-9%

Figures in PHP B except percentages

Profile	6M 2024	FY 2023	
Store Count	4,208	3,853	9%
Selling Area	3.43	3.36	2%

Gross Selling Area in M sqm.

- Food retailing revenues higher by 6%
- Improved consumer spend lifted SM Store and Specialty Formats
- Store expansion continues, 86% of openings outside Metro Manila



SMRETAIL – The SMSTORE

Financials	6M 2024	6M 2023	Chg
Revenue	48.2	48.2	0%
SSSG	-2.4%	26.5%	
EBIT Margin	3.0%	4.0%	
Net Income	1.0	1.3	-23%

Figures in PHP B except percentages

Profile	6M 2024	FY 2023	
Store Count	75	74	1%
Selling Area	0.90	0.89	1%

Gross Selling Area in M sqm.

- Broad based improvement in customer spending
- Spending uptick in Fashion and Home

SMRETAIL – Food Group

Financials	6M 2024	6M 2023	Chg
Revenue	117.4	110.0	7%
SSSG	2.6%	9.4%	
EBIT Margin	5.4%	6.3%	
Net Income	4.5	4.8	-7%

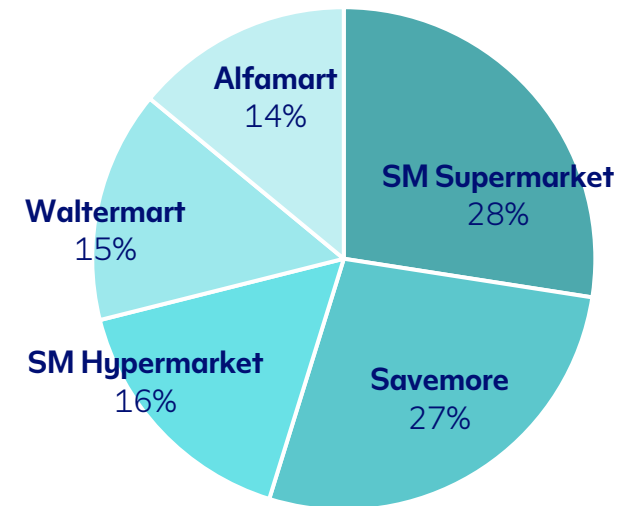
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Profile	6M 2024	FY 2023	
Store Count	2,356	2,119	11%
Selling Area	1.85	1.81	2%

Gross Selling Area in M sqm.

- Continued growth in Food categories
- Alfamart opened 243 stores YTD

Revenue by Format



SMRETAIL – Specialty

Financials	6M 2024	6M 2023	Chg
Revenue	43.6	42.7	2%
SSSG	-1.5%	15.8%	
EBIT Margin	9.9%	10.7%	
Net Income	3.2	3.4	-4%

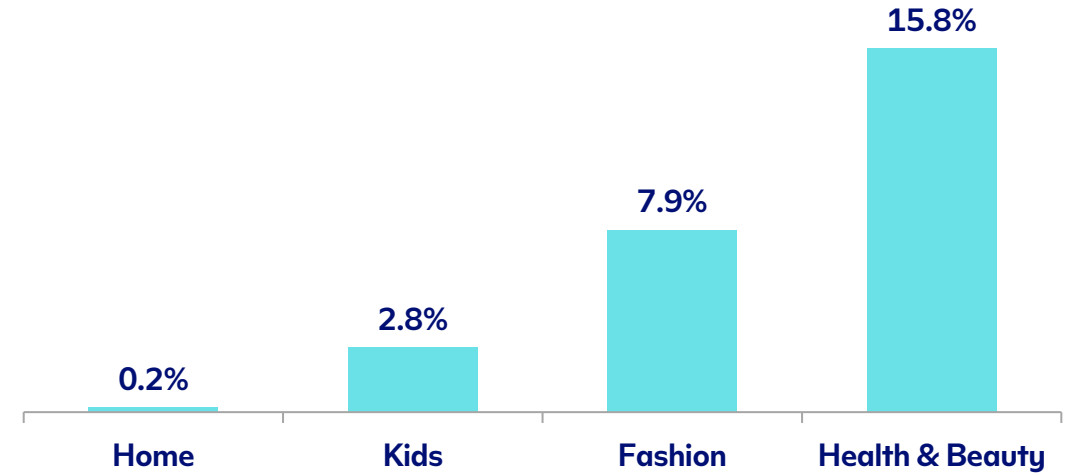
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Profile	6M 2024	FY 2023	
Store Count	1,777	1,660	7%
Selling Area	0.67	0.66	2%

Gross Selling Area in M sqm.

- Improved consumer spending boosted categories across the board, especially home

Specialty Retail Category Sales Growth
1H2024 vs 1H2023



Specialty Retail Category Sales Growth
1Q24 vs 1Q23, 2Q24 vs 2Q23

