



**SM** INVESTMENTS

# Investor Presentation

September 2024



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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**

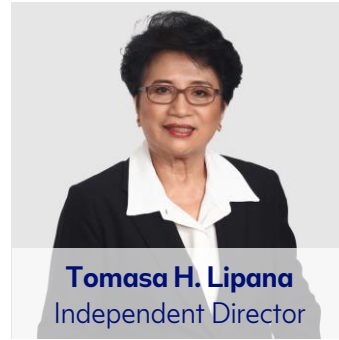
- Market leading consumer-centric businesses
- Strong brand franchise
- Extensive group synergies

## **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

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%  
**SMRETAIL**

## Property



49.7%  
**SMPRIME**

## 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**

64.1%  
**Goldilocks**

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 ~28% of the value of the Philippine Index

## Philippine Conglos

Market Cap (\$ bn)

<b>SMIC</b>	<b>19.4</b>
Golden MV Holdings	18.9
Ayala Corp	6.8
SMC	4.1
Aboitiz Equity	3.3
JG Summit	3.2
DMCI	2.8
GT Capital	2.5
LT Group	2.0

Source: Bloomberg;  
As of Sept 2, 2024

## Philippine Retailers

Total Sales (\$ mn)

<b>SM Retail</b>	<b>3,437</b>
Puregold	1,636
RRHI	1,720
<b>Philippine Retailers</b>	
Store Count	
<b>SM Retail</b>	<b>4,205</b>
RRHI*	4,549
Puregold	581

Source: As of latest available company data  
\*Including TGP

## Philippine Banks

Total Assets (\$ bn)

<b>BDO</b>	<b>79.7</b>
MBT	63.7
LBP	58.3
BPI	54.7
<b>CHIB</b>	<b>31.5</b>
RCBC	22.9
PNB	21.4
UBP	20.3
SECB	19.0
DBP	17.3

Source: Consolidated statements  
of condition (SOC), Mar '24

## Property Developers

Market Cap (\$ bn)

<b>SM Prime</b>	<b>15.6</b>
Ayala Land	9.1
Robinsons Land	1.3
Megaworld	1.1
Double Dragon	0.4
Vistaland	0.3
Filinvest	0.3

Source: Bloomberg;  
As of Sept 2, 2024



# Our Business Footprint

## Philippines

4,205 retail outlets  
86 malls  
2,377 bank branches

### Luzon (ex-NCR)

2,733 retail outlets  
47 malls  
835 bank branches

### Metro Manila (NCR)

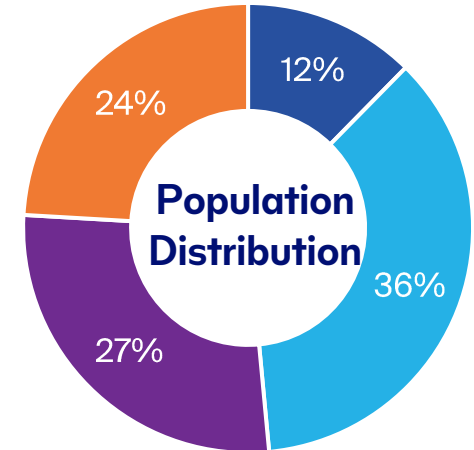
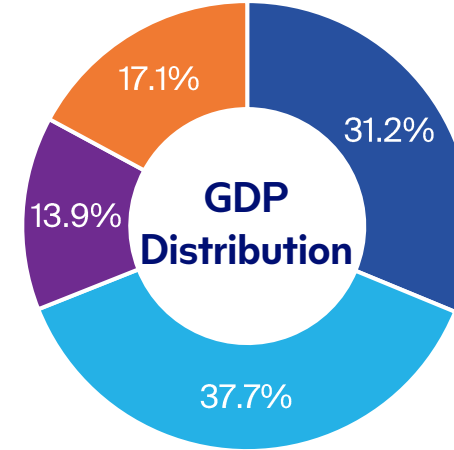
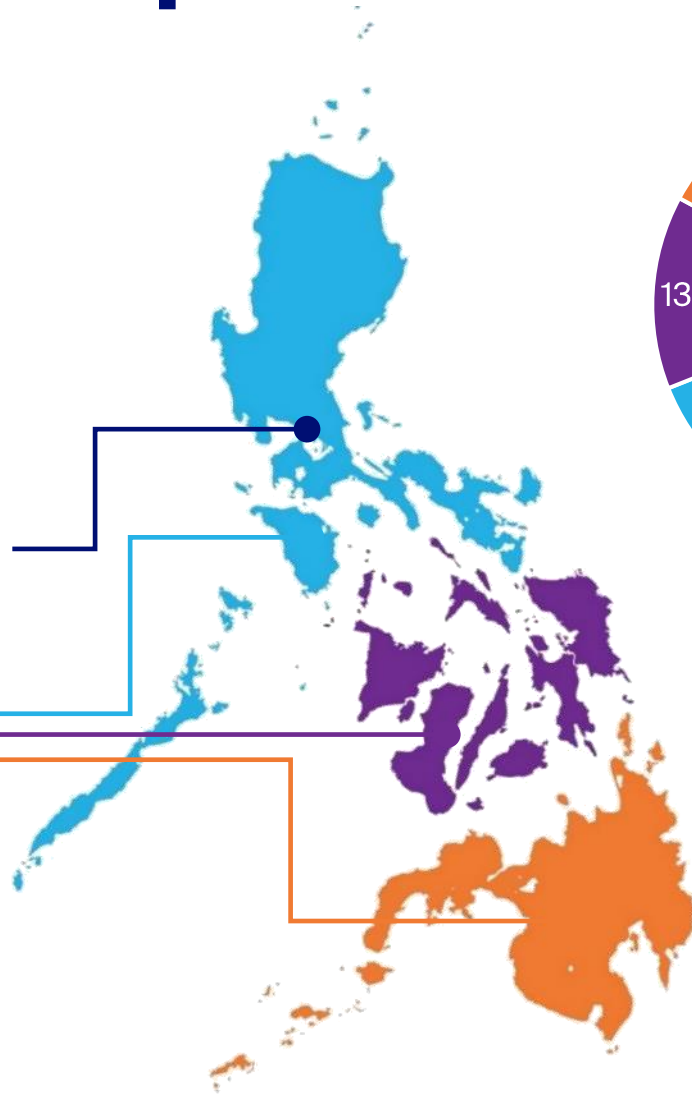
1,018 retail outlets  
25 malls  
968 bank branches

### Visayas

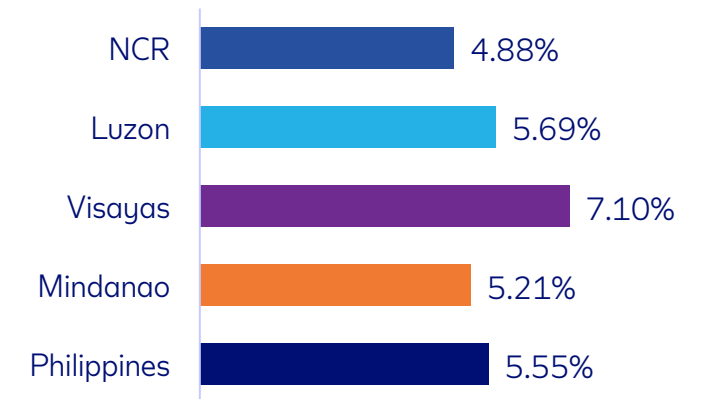
271 retail outlets  
7 malls  
301 bank branches

### Mindanao

183 retail outlets  
7 malls  
280 bank branches



## 2023 Regional GDP Growth



# 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

## 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 Impact

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



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



Investor Presentation



### 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

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# Financial Performance

*Figures in PHP billion except percentages*

<b>SM Investments</b>	<b>6M 2024</b>	<b>6M 2023</b>	<b>% Chg</b>
Revenues	301.4	286.7	5%
Net Income	40.2	36.5	10%
Net Margin (inc-NCI)	18.3%	17.4%	-
ROE	14.3%	14.5%	-
Net Debt:Equity	33 : 67	33 : 67	-

<b>SM Retail</b>	<b>6M 2024</b>	<b>6M 2023</b>	<b>% Chg</b>
Gross Revenues	196.9	188.5	4%
Net Income	7.6	8.4	-9%
Net Margin (inc-NCI)	4.4%	5.0%	-

<b>BDO</b>	<b>6M 2024</b>	<b>6M 2023</b>	<b>% Chg</b>
Net Interest Income	99.6	89.5	11%
Non Interest Income	43.3	38.2	13%
Net Income	39.4	35.2	12%

<b>SM Prime</b>	<b>6M 2024</b>	<b>6M 2023</b>	<b>% Chg</b>
Revenues	64.7	59.9	8%
Net Income	22.1	19.4	13%
Net Margin	34.0%	32.0%	-
ROE	11.0%	11.0%	-
Net Debt:Equity	46 : 54	47 : 53	-

- Food retailing revenues higher by 7% while improved consumer spend lifted SM Store and Specialty Formats
- BDO displayed strong momentum from its core intermediation and fee-based businesses
- Property benefitted from improved foot traffic and sustained tenant sales, especially in F&B and activities



# Recent Events

## Parent/Group

- Amando Tetangco, Jr., two term BSP Governor, appointed as SMIC Independent Chairman
- Appointed Lily K. Gruba as Independent Director, making the board comprised of majority independents
- Recognitions from:
  - International Business Awards: Gold Stevies for Company of the Year – Conglomerates
  - Sustainalytics: Top-Rated ESG Industry and Regional
  - Forbes: World's Best Employer
- Issued USD500mn as first tranche of USD3bn EMTN Programme, 3.2x oversubscribed

## Retail

- Alfamart operating 1.9k+ stores, +243 in 1H, targeting 400+ new stores by year-end
- 316 new stores, over 80% outside of Metro Manila
- New channels continue contribute ~8-9% of non-food sales

## Property

- To open 2 malls in 2H2024: SM City J Mall, SM City Laoag
- SMPH committed to Net Zero by 2040, malls power use now over 50% renewable

## Banking

### BDO

- 6M 2024 ROCE at 15.1%
- Stable asset quality
  - NPL ratio at 2.06%
  - NPL coverage at 169%

### China Bank

- Improving metrics:
  - ROE at 15.1%
  - NPL ratio at 1.88% with coverage at 141%
- Rebranded and changed ticker from CHIB to CBC

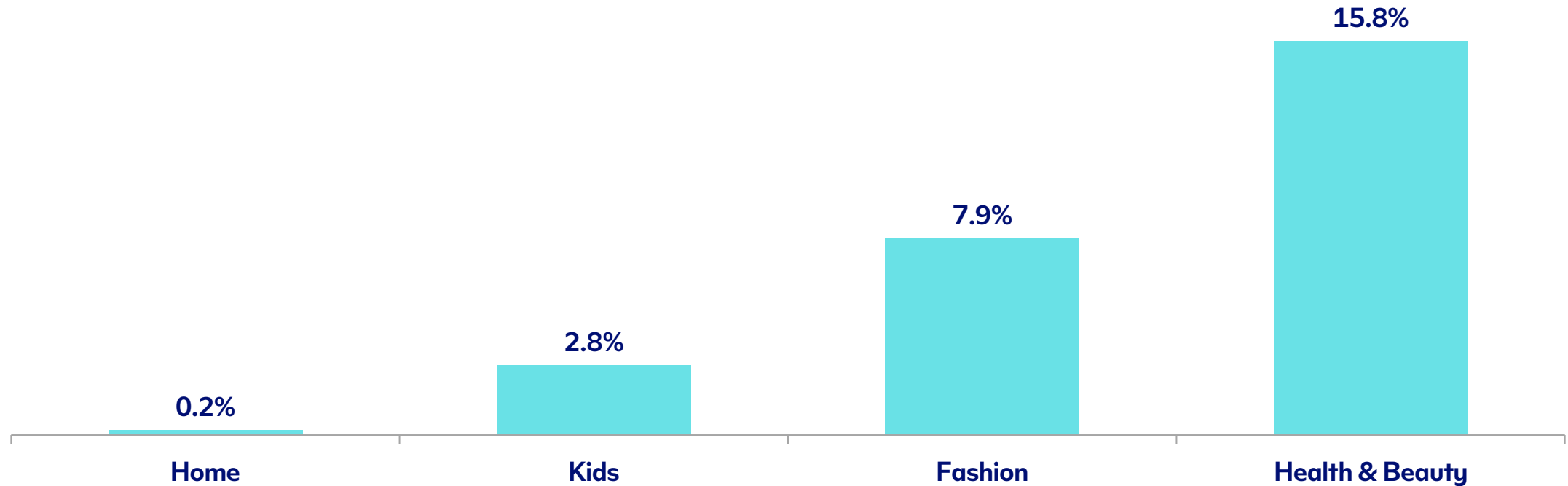
## Portfolio Investments

- PGPC exploring 5 new geothermal areas, to add 250-450MW capacity
- 2GO acquired 2 new ROPAX vessels, fleet at 10
- Goldilocks plans to open 60 stores
- Occupancy of NEO at 95% as of 6M2024



# Improved Consumer Spending

## Specialty Retail Category Sales Growth 1H2024 vs 1H2023



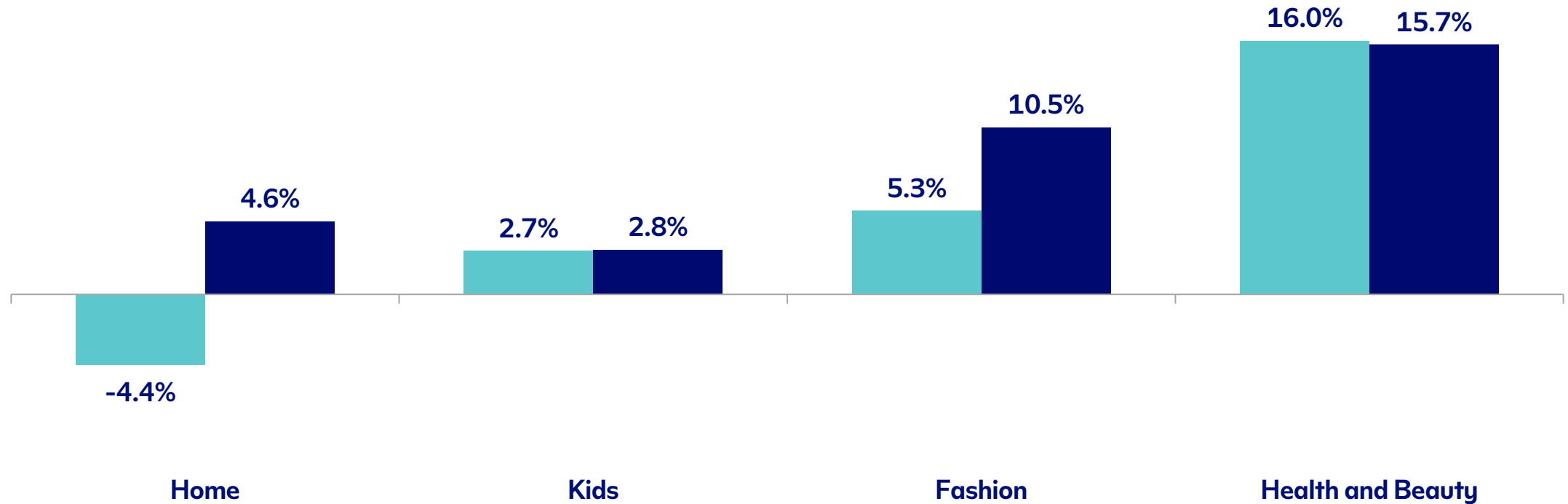
*Note: Represents total category growth, does not reflect ownership % in individual formats*



# Improved Consumer Spending

## Specialty Retail Category Sales Growth

■ 1Q 2024 vs 1Q 2023 ■ 2Q 2024 vs 2Q 2023



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



# 2024 Malls Expansion



SM City J Mall, Cebu

SM City Laoag



SM City San Fernando, La Union



SM City Caloocan



SM City J Mall (Mandaue City, Cebu)

- 123k GFA
- Target Launch 2H 2024

SM City Laoag

- 113k GFA
- Target Launch 2H 2024

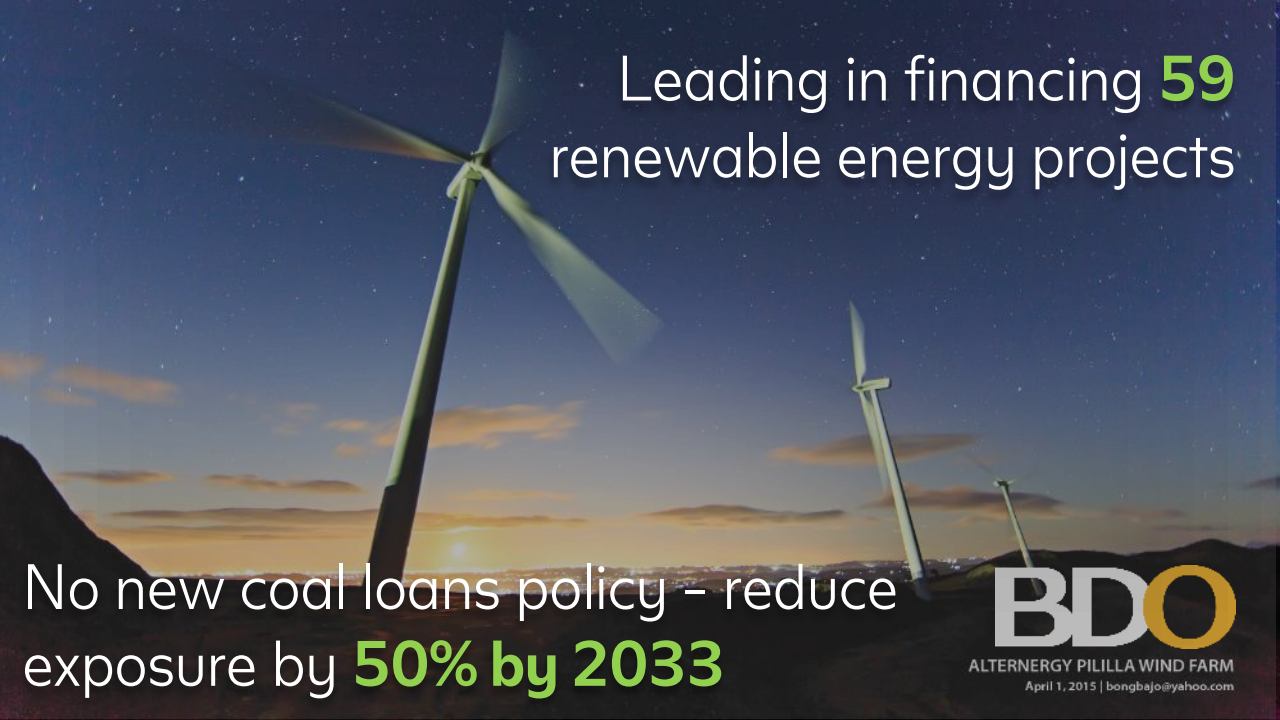
SM City Caloocan

- 94k GFA
- Opened in May 2024

SM City San Fernando La Union

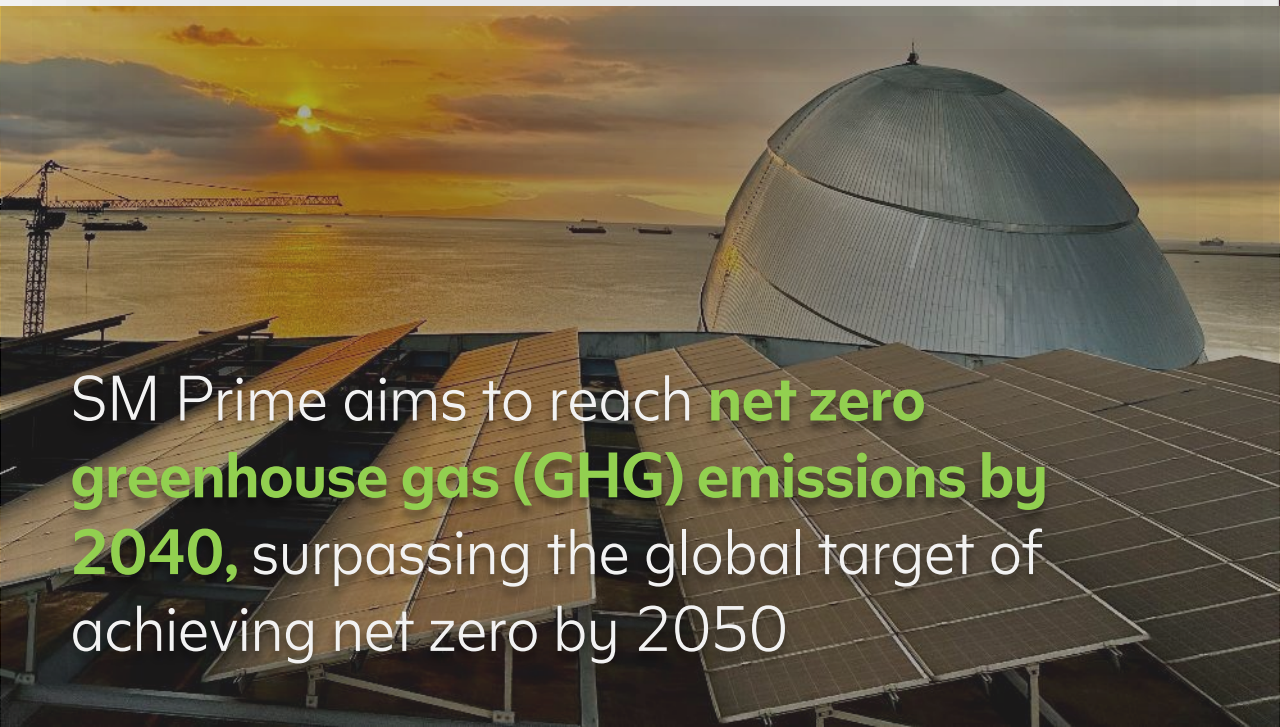
- 111k GFA
- Target Launch 2H 2024

# Together against Climate Change



Leading in financing **59** 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



50 **SUSTAINABILITY & CLIMATE LEADERS**  
A RACE WE CAN WIN 



# BDO's Sustainable Financing



As of 2023	No. of Projects	Installed Capacity (MW)
Biodiesel	1	60 ML/Y
Bioethanol	2	44 ML/Y
Solar	16	505
Wind	4	96
Hydro	13	433
Biomass	16	164
Geothermal	6	1,179



**2,377 MW**

Total installed renewable energy capacity in megawatts



**72,466,757**

Equivalent tree seedlings grown over 10 years



**930,491**

Equivalent passenger vehicles taken off roads yearly



**4,382,571**

Tonnes Carbon dioxide avoided per year



**PHP781 bn**

Total sustainable finance projects funded to date



**59**

Renewable Energy projects funded to date

Photo Credit: Sunwest Water and Electric Company, Solar Philippines and Rodel Diaz



# Our Businesses

20	Retail
26	Property
31	Banking
33	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

**PHP196.9bn**

Revenues

**PHP7.6bn**

Net Income

## Store Network

		GSA
75	THE SM Store	903
1,774	Brand Affiliates	673
66	SM Supermarket	386
54	SM Hypermarket	337
218	Savemore	571
88	Waltermart	223
1,929	Alfamart	331
1	MindPro	2

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 6mn 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



innisfree

LANEIGE



THE BODY SHOP

watsons

## Food Retail

SM MARKETS



WalterMart

Alfamart



## Home and Family



supplies station inc.

dyson

SM HOME  
Crate&Barrel



# SM MARKETS

## Large



**SMHYPERMARKET**

**SMSUPERMARKET**

**Stand-alone with 60:40 split on food/non-food**

**Food anchor tenant in SMSUPERMALLS**

Store Count, Avg. Size (sqm):

**54 Stores, 6.2k**

**66 Stores, 5.9k**

**~49-52k SKUs**

## Medium



**Stand-alone grocery expanding nationwide**

**Anchor tenant in WalterMart Malls**

Store Count, Avg. Size (sqm):

**218 Stores, 2.6k**

**88 Stores, 1.8k-2.5k**

**~44k SKUs**

**15-20k SKUs**

## Minimarts



**Accessible and convenient neighborhood grocery shopping**

Store Count, Avg. Size (sqm):

**1,929 Stores, ~172**

**<5k SKUs**



# Non-Food Retail

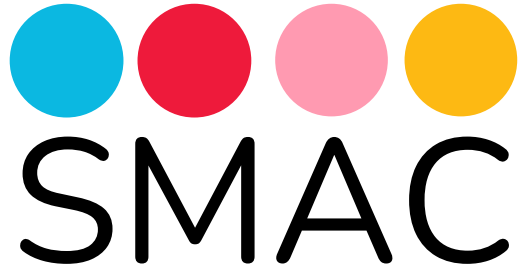
## Department Stores – The SM STORE

- 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's homegrown rewards and membership program
- Longest running rewards program in the country since 2004
- Can be used across SM Retail, SM Hotels and partners
- 10mn members with 60% active
  - Members have 3x higher spend vs. non-members
- Can be used in more than 4,000 stores and partner establishments nationwide:



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

**PHP64.7bn**

Revenues

**PHP22.1bn**

Net Income

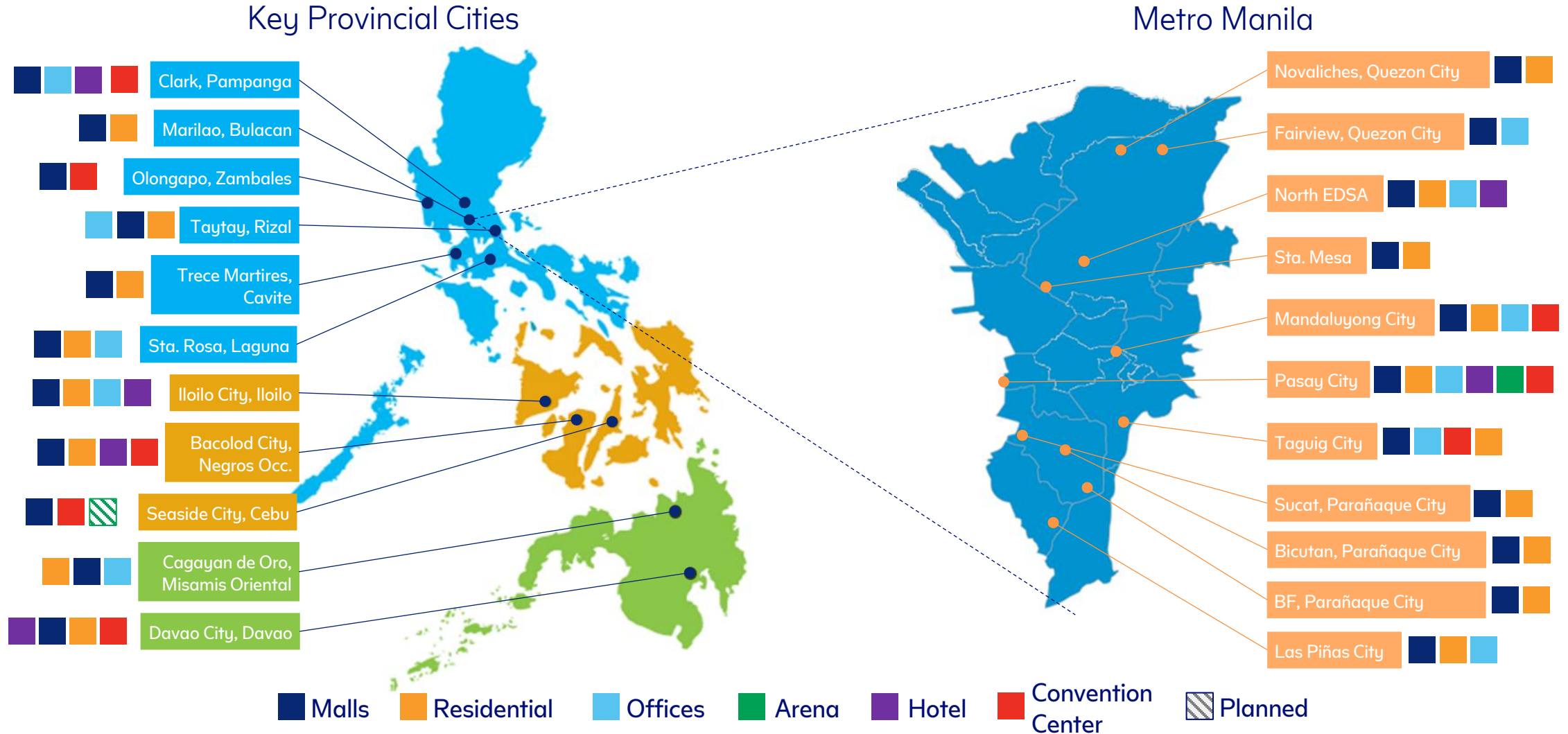
## Developments

- 22 Integrated Lifestyle Cities
- 86 Malls in the Philippines
- 8 Malls in China
- 67 Residential Projects
- 22 Office Buildings
- 10 Hotels
- 6 Convention Centers
- 2 Trade Halls



# SMPRIME Integrated Lifestyle Cities

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



# SMSUPERMALLS

PHILIPPINES

CHINA

86



Malls

8

9.3mn



Total GFA in SQM

1.6mn

23,307



Tenants

2,119

3.7mn



Average Daily  
Pedestrian Count

0.3mn

*GFA (Gross Floor Area)*



SM Seaside  
Cebu



SM City  
Yangzhou

- Largest mall operator in the Philippines
- Target to reach 100 malls by 2028, majority of new malls opening outside Metro Manila
- Anchor of SM Prime's Integrated Lifestyle Cities
- Bringing modern retailing and new experiences to cities
- Acts as the town's community center



# 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 6M 2024)

SMDC Projects to date	67 (47 in NCR)
Ready-for-Occupancy (RFO) (Unsold Units)	3,294
Ongoing Construction (Unsold Units)	20,520
Estimated Inventory Value	P150.22bn
6M 2024 Reservation Sales (Value)	P40.21bn
6M 2024 CAPEX	P10.73bn

## Landbank (hectares)

Metro Manila	341
Outside Metro Manila	1,022



# SMCOMMERCIAL PROPERTIES



*Four E-com  
Center*

Develops modern, green office buildings, focusing on technology-based companies and the growing BPO sector

- 22 office buildings in Makati, Pasay and Quezon City
- 1.6mn sqm of Gross Floor Area
- 2 buildings are LEED certified GOLD

# SMHOTELS AND CONVENTION CENTERS



*Lanson Place*

Operates local and foreign hotel brands in select locations aimed at capturing the growing tourism industry

- Operates 10 hotels with over 2,200 room keys
- Partnered with global brands such as Radisson, Conrad and Lanson's Place



*SMX Manila*

Offers upscale, event venues suitable for meetings, incentives, conventions, and exhibits

- 6 Convention Centers, and 2 Trade Halls with approximately 42,000 sqm of leasable space

# 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

**PHP99.6bn**

Net Interest Income

**PHP43.3bn**

Other Income

**PHP39.4bn**

Net Income

**1,738**

Branches in the Philippines

**2**

Foreign branches

**5,626**

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

**PHP30.4bn**

Net Interest Income

**648**

Branches

**PHP-1.4bn**

Other Income

**1,078**

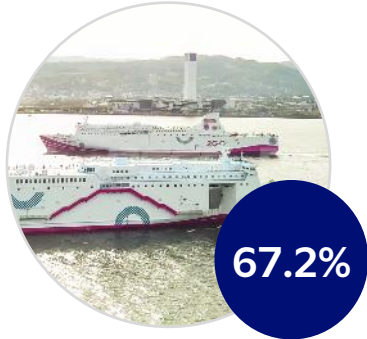
ATMs

**PHP11.4bn**

Net Income

# Portfolio Investments

2GO Group



Airspeed



Atlas Mining



Belle Corp.



MyTown



Neo Group



Philippine Geothermal



Goldilocks



# Portfolio Investments Strategy

**SM**INVESTMENTS makes investments in ventures that capture high growth opportunities in the emerging Philippine economy, looking for market leaders that offer synergies, attractive returns and cash flows

Invest in New  
and Related  
High Growth  
Sectors

Build Market  
Leaders through  
Synergies

Access to the  
SM Ecosystem

Ensure Global  
Best Practices in  
Operations and  
Governance





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

### Sea Solutions

- Reliable 10 vessel fleet focused on ROPAX that carries passengers and freight, serving 19 ports of call

### Special Containers and Project Logistics

- Sizeable fleet of temperature-controlled container vans, and isotanks to handle special liquids

### 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

### FedEx's local partner in the Philippines





**Enables the Movement of Goods and People throughout the Philippines**  
**Largest end-to-end Transportation and Logistics Solutions Provider in the Country**

**Largest, most modern ROPAX Operator with defined schedules and speed of service**

<b>19</b> Major Ports of Call	<b>9</b> ROPAX vessels for Freight and Travel	<b>1</b> Freighter vessel
<b>14,000+</b> TEU Containers	<b>600+</b> Reefers avg. age 6 years	<b>200+</b> ISO tanks avg. age 6 years

**Express and Forwarding for Time Definite Deliveries covering B2B, B2C and C2C**

<b>33,000+</b> Actively Serviced Barangays	<b>Last Mile</b> e-Commerce	<b>3,000+</b> Retail Network Owned and partner locations
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**Warehouse, Crossdock, and Trucking Direct to Stores**

<b>Nationwide Warehouse Coverage</b>	<b>Case pick and piece pick capability</b>	<b>LTL and FTL trucking services</b>
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# 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 **6M 2024**

Daily Milling Avg <i>(In dmt per day)</i>	50,848
Ore Grade	0.253%
Cu Metal Gross <i>(In mn lbs)</i>	45.19
Shipped Cu Concentrate <i>(in '000s dmt)</i>	93

*2.67 Mn  
saplings planted  
To date*



*Mahogany  
Plantation at  
Lower Danawan,  
Biga*



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





*City of Dreams  
Manila*



*Tagaytay  
Highlands*

# 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

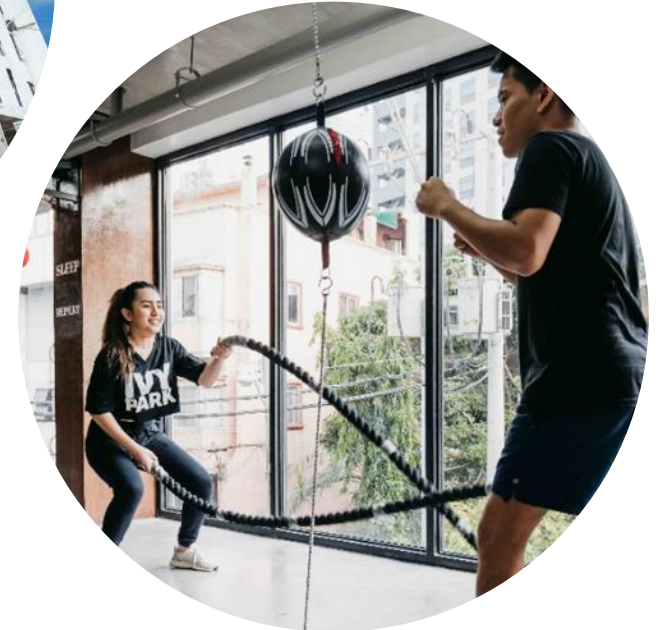
**Goldilocks is a well-loved Filipino heritage brand trusted by customers for over 57 years**

- 11 manufacturing facilities serving an extensive retail footprint of over 900 company owned and franchise stores in the Philippines
- Product innovations contributed towards a dynamic and fresh brand for customers
- Product and service delivery innovations contributed towards a dynamic and fresh brand for customers
- Efficiencies via Mechanization and better Material use
- 60 planned store openings

# 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





*One/NEO,  
Bonifacio  
Global City*



*Seven/NEO,  
Bonifacio  
Global City*



*Six/NEO,  
Bonifacio  
Global City*

# NEO Buildings

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

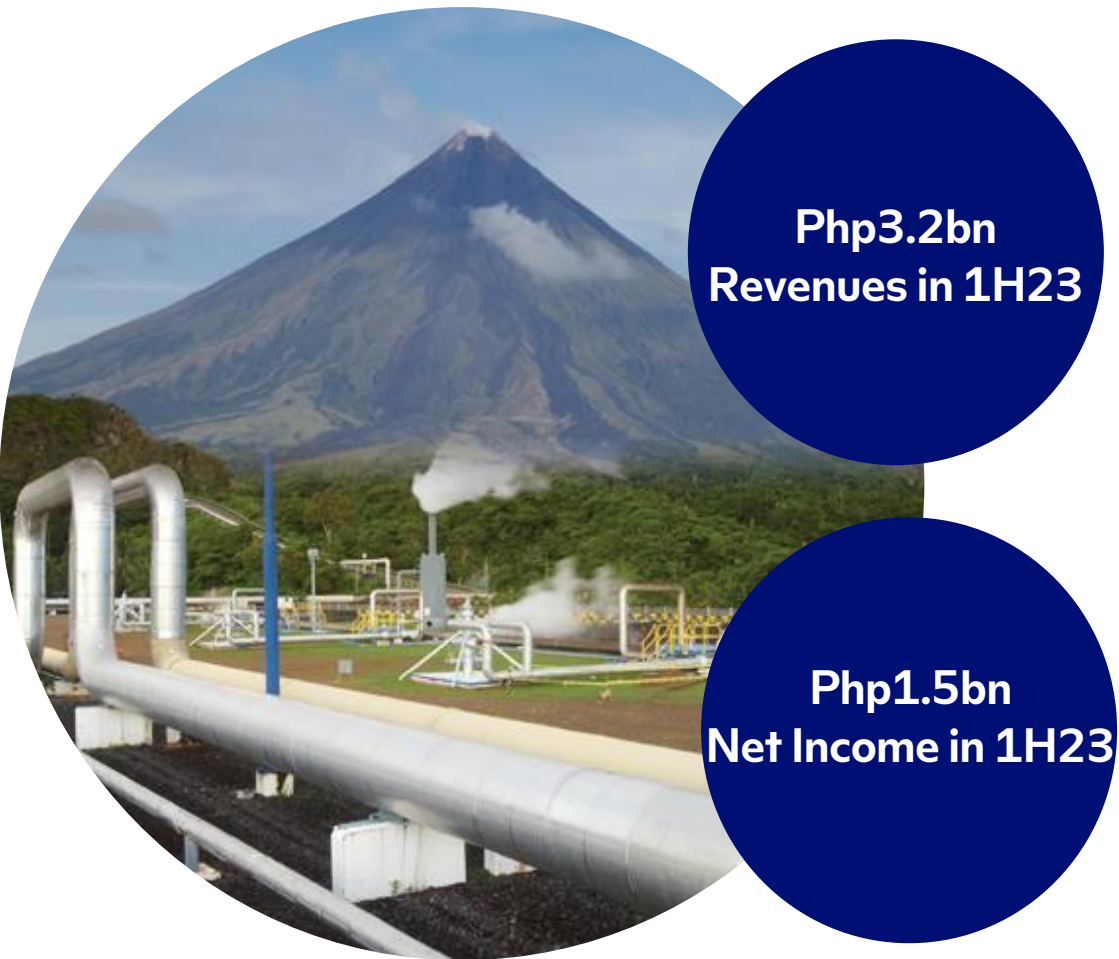
- NEO is the first commercial property portfolio in the world to be certified as **Carbon Net Zero** under the EDGE program of the IFC.



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
<b>Total</b>	<b>256,707</b>



# Philippine Geothermal Production Company (PGPC)

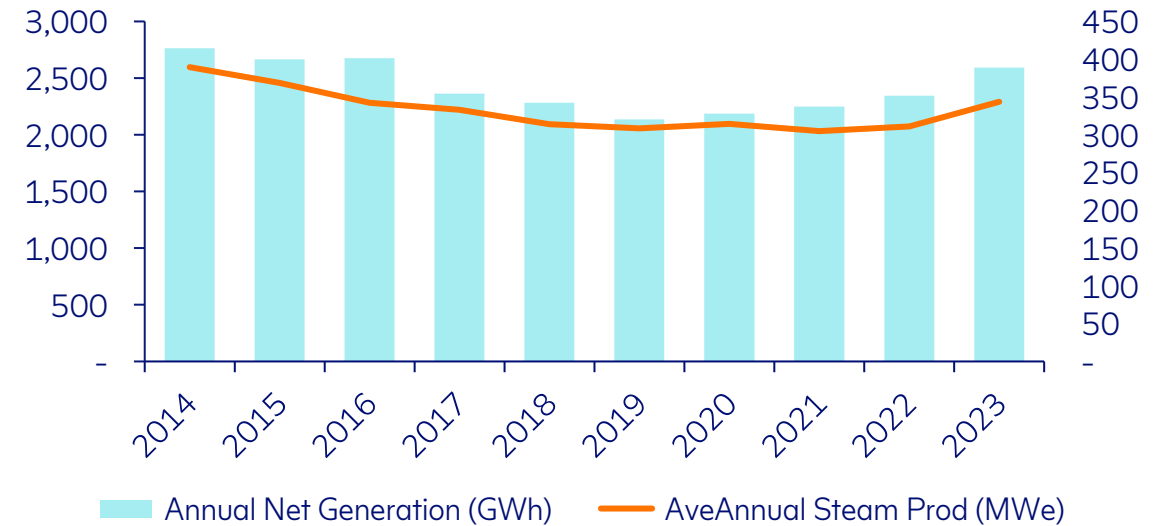


**Php3.2bn  
Revenues in 1H23**

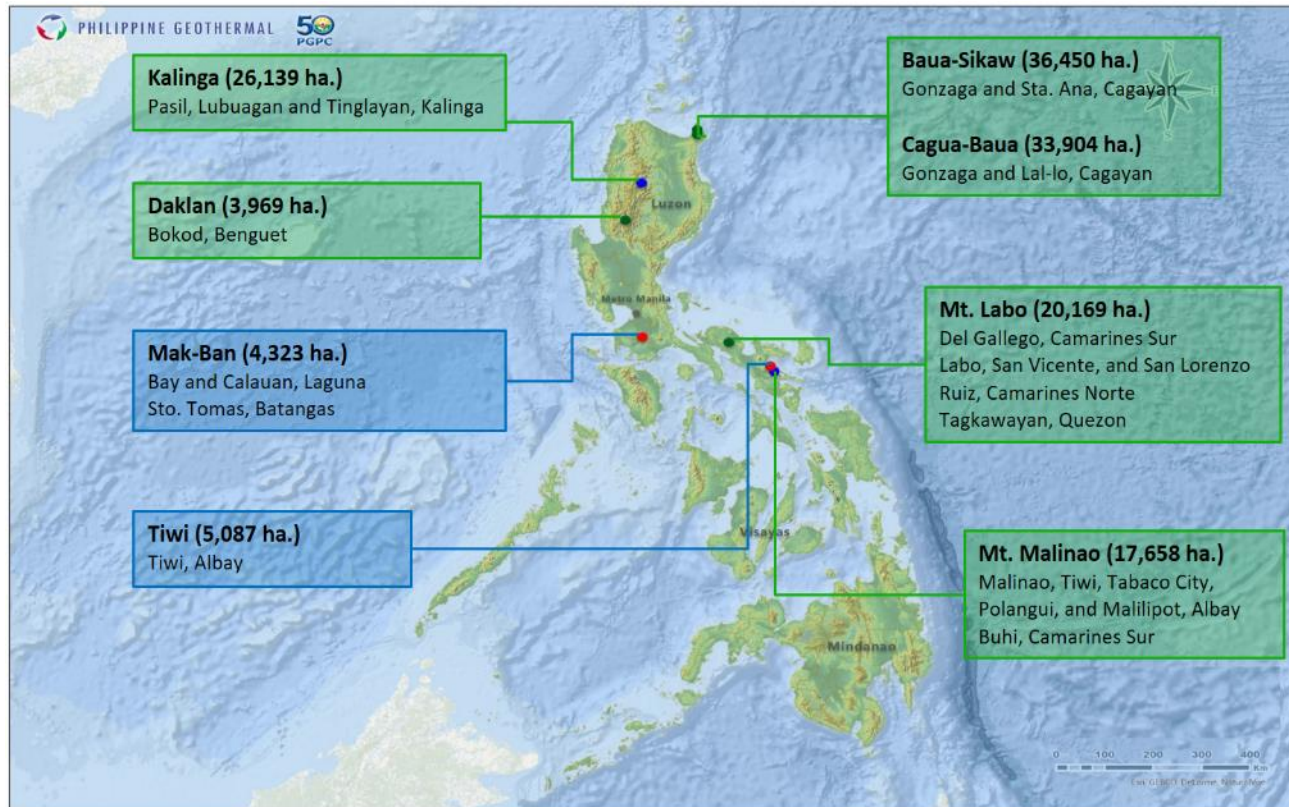
**Php1.5bn  
Net Income in 1H23**

PGPC operates the Tiwi and Mak-Ban steam fields, in operation since 1979 and has the rights until 2038, generating geothermal steam sufficient to produce c.300MW of electricity. PGPC also has several other greenfield concession areas for geothermal steam development

**PGPC Generation**



# Philippine Geothermal Production Company



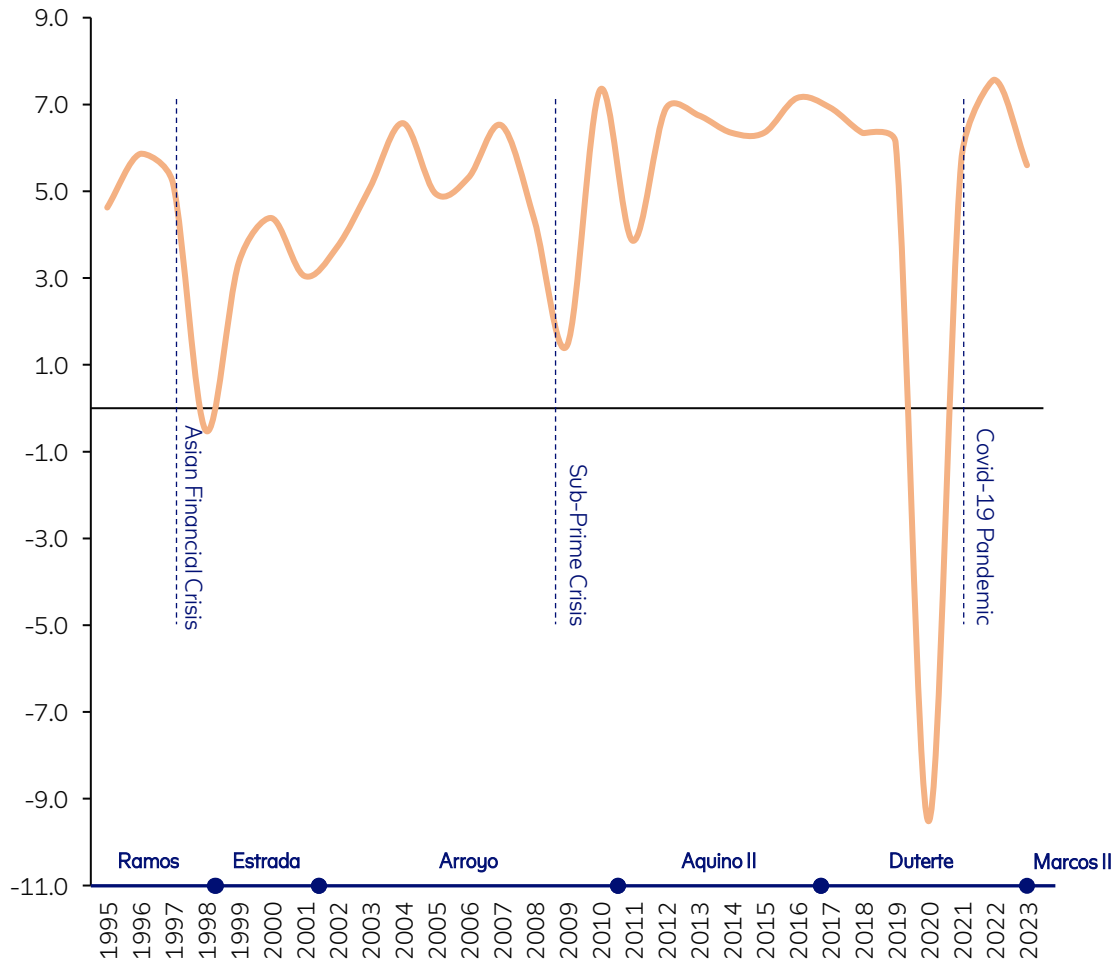
- PGPC has rights to operate the Tiwi & Mak-Ban steam fields until 2038
- PGPC targets to reach as much as **~420MW** of dependable capacity from its operated Tiwi and Mak-Ban steam fields currently in the next five years
  - Recent Steam Production Enhancement Campaign (SPEC) realized an additional **94.7MW** total incremental steam capacity and reached record-breaking well depths while utilizing new technology applications and well designs
- Ongoing exploration activities in five new geothermal contract areas can add up to 250-400 MW of capacity

# Philippine Macroeconomics

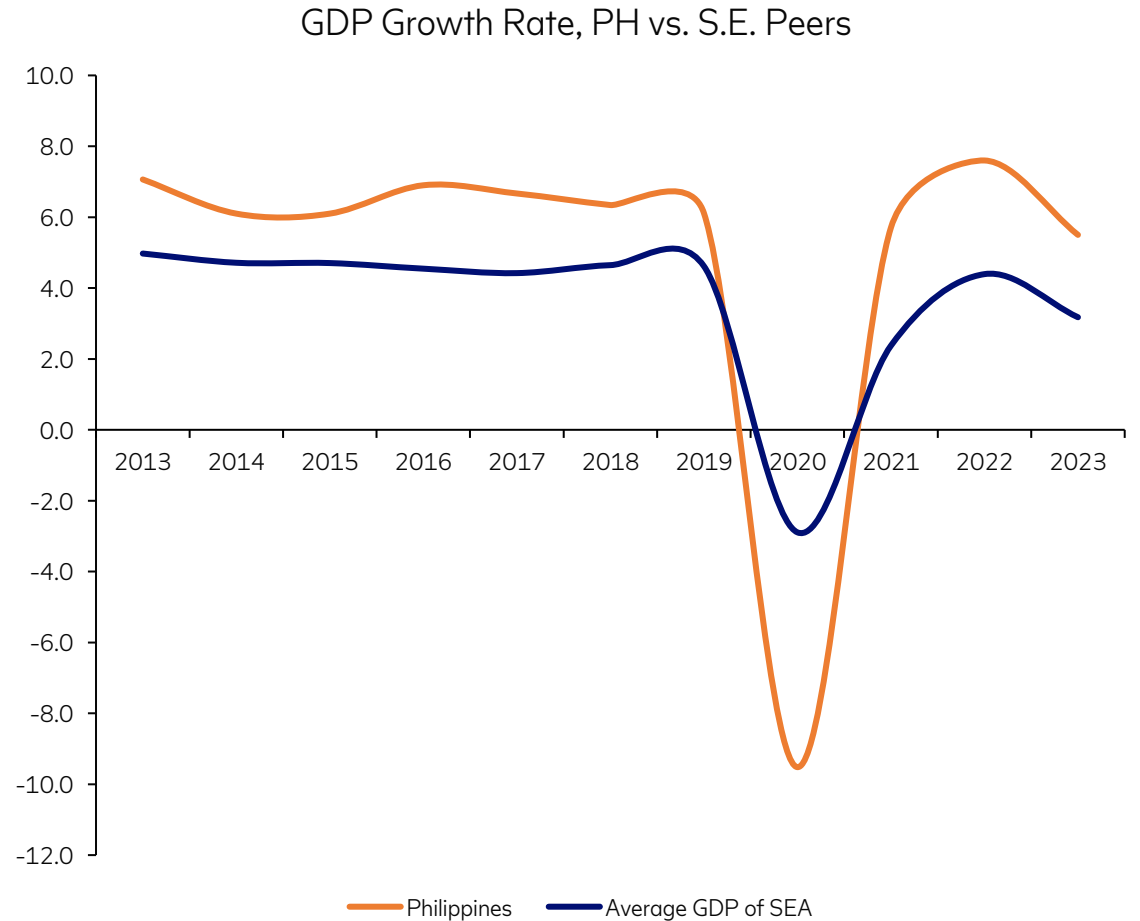


# Philippine Growth Consistently Among Highest in SE Asia

## GDP growth consistently 4.5% - 7.0%



## GDP growth exceeds regional average



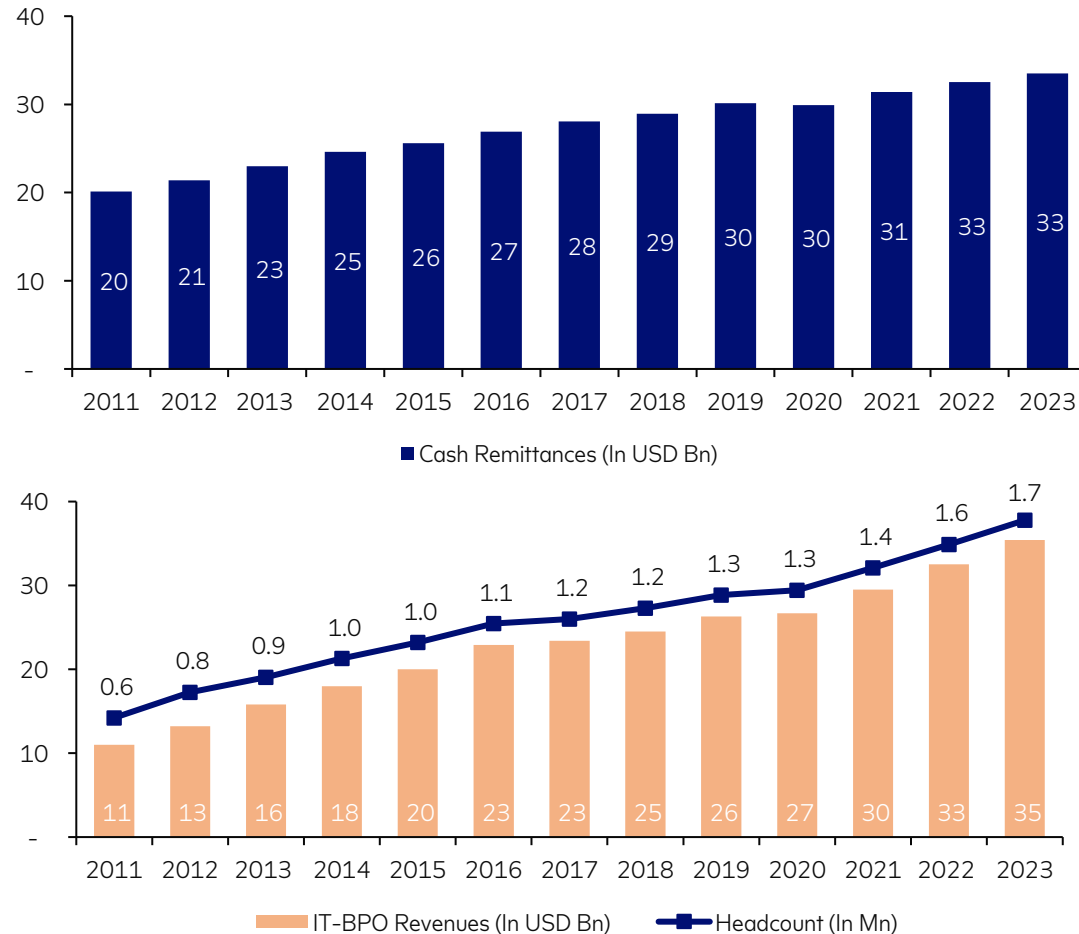
Southeast Asia: Brunei, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Timor-Leste, Vietnam

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

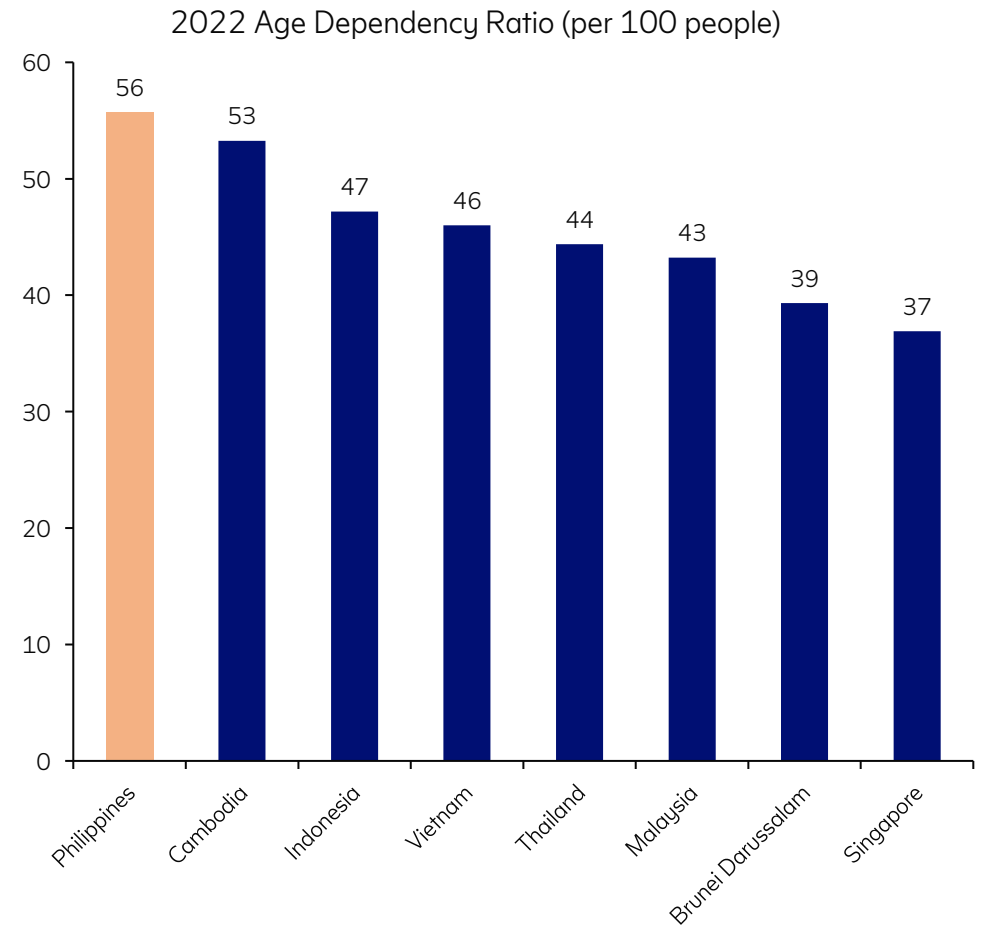


# Long Term Economic Growth Drivers

## OFW Remittances & IT BPO revenues continue to grow



## Highest % of population in the workforce in ASEAN (Average Age 26, Unemployment 3.9%)



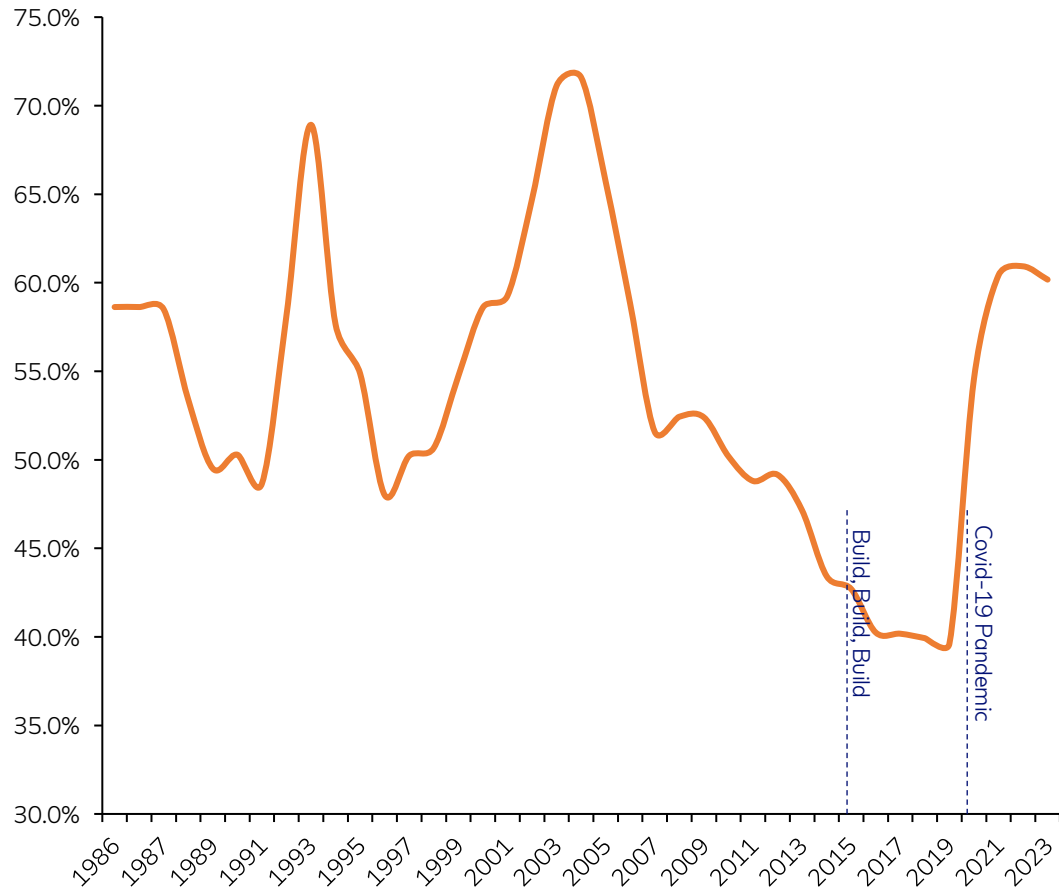
Source: PSA, BSP, Bloomberg, World Bank and BPAP



# Conservative Debt Levels

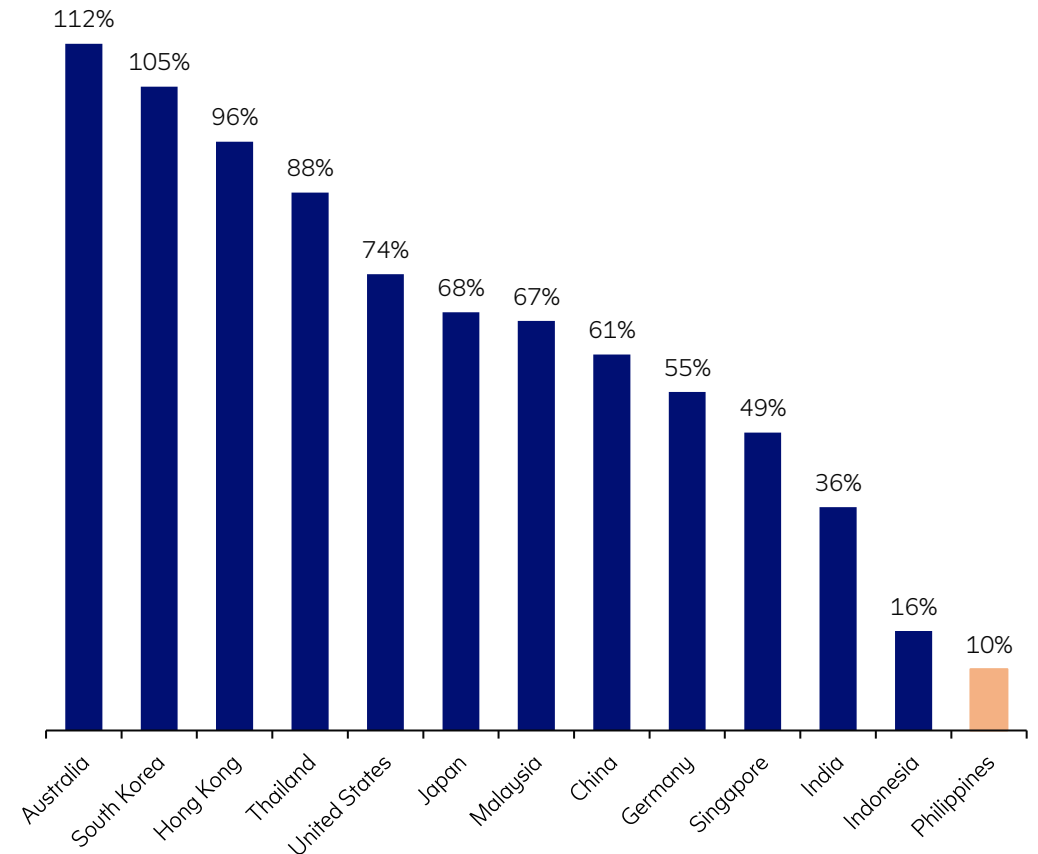
## Low Government Debt-to-GDP

Debt-to-GDP Ratio



## Low Household Debt

Household Debt-to-GDP Ratio



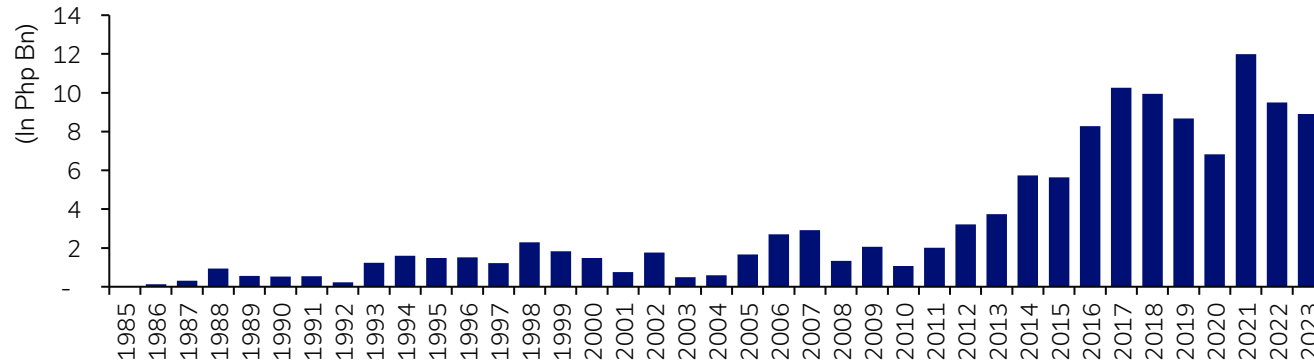
Source: PSA, BSP, Bloomberg, Trading Economics and CEIC



# Growing Infrastructure Spending and Record Level FDIs

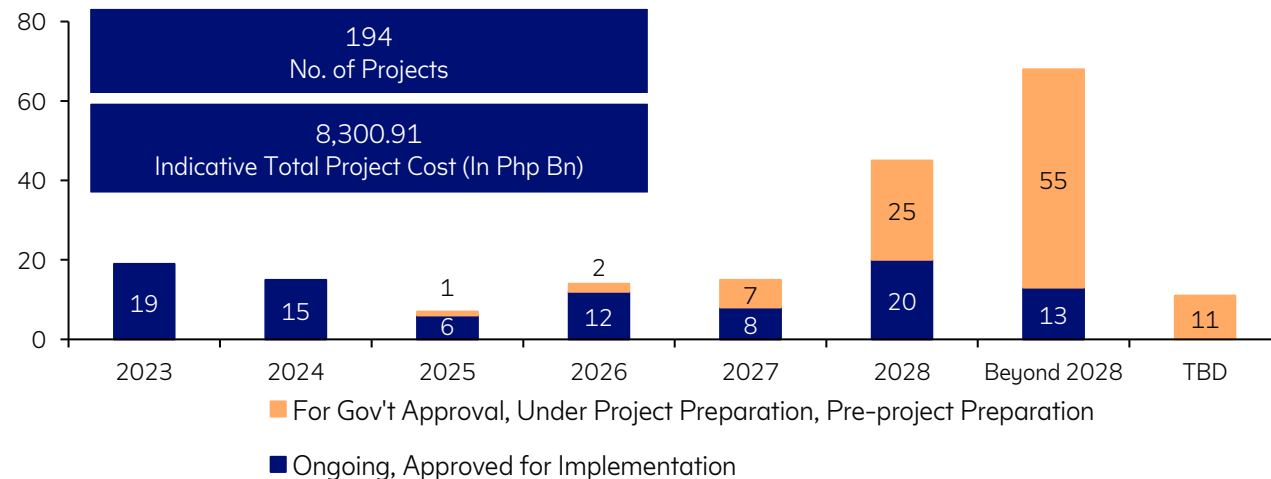
## Rising FDIs

Net Foreign Direct Investments (BoP, current US\$)



## Strong Pipeline for Infrastructure Projects

No. of Projects by Target Year of Completion



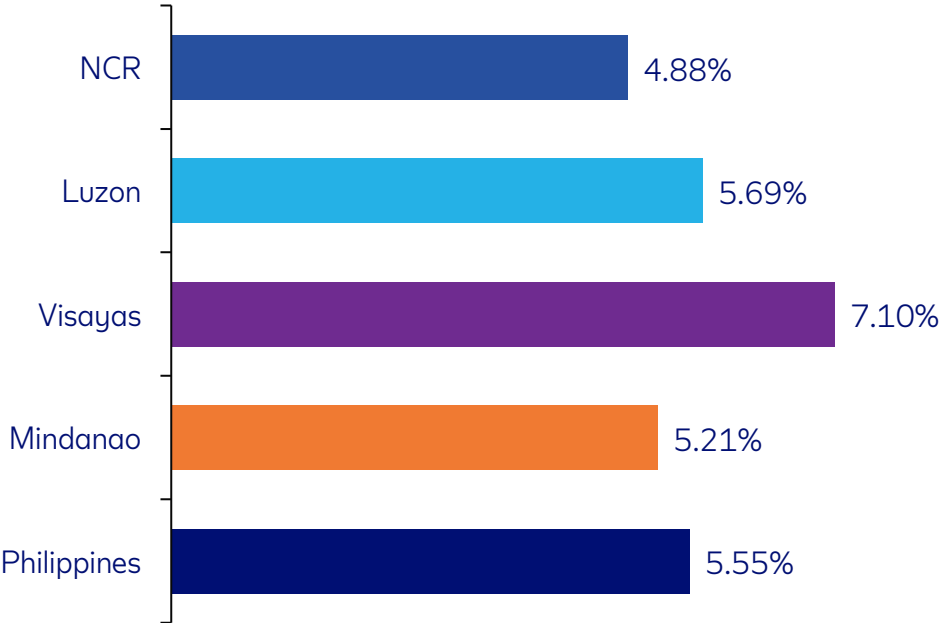
## Sectors

	Physical Connectivity	134
	Water Resources	29
	Agriculture	9
	Health	5
	Digital Connectivity	3
	Power and Energy	1
	Education	1
	Other Infra	4

# Government Spending Supports Regional Growth

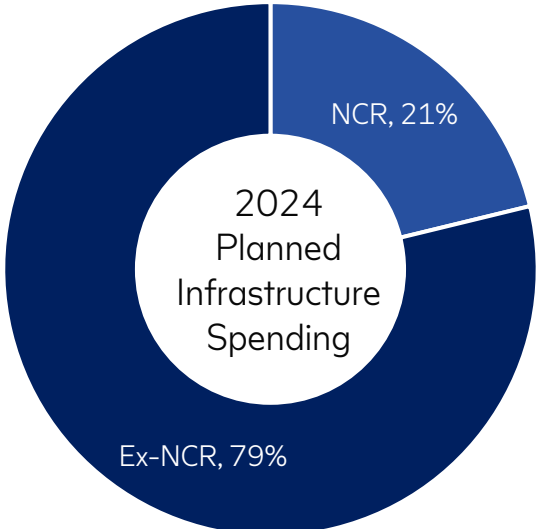
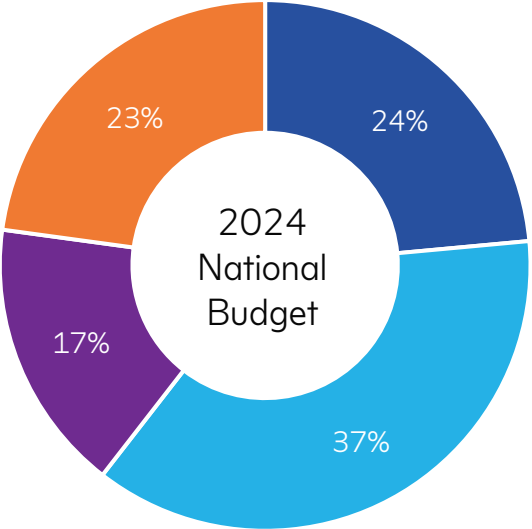
## Economic growth faster outside the NCR

2023 Regional GDP Growth



Source: PSA, NEDA and BSP

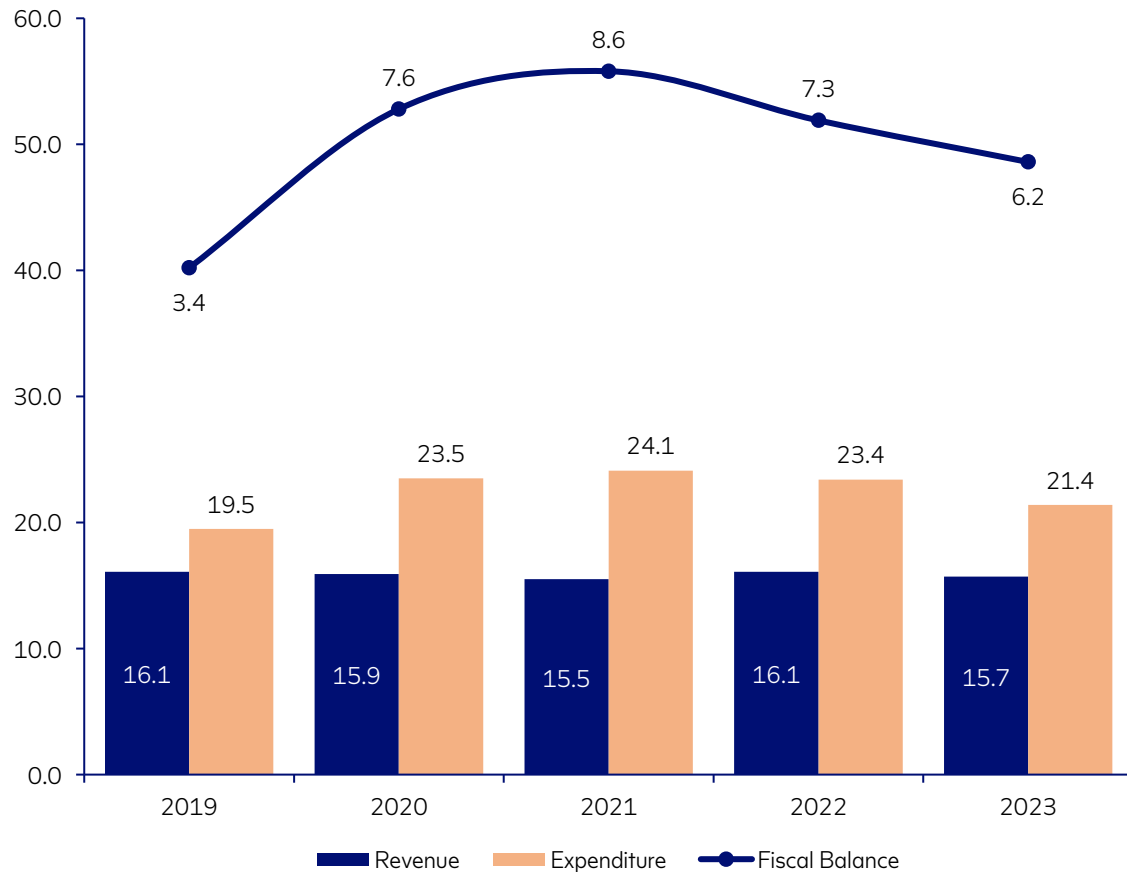
## Budget and plans skewed toward provincial development



# Government Balance Sheet Improving

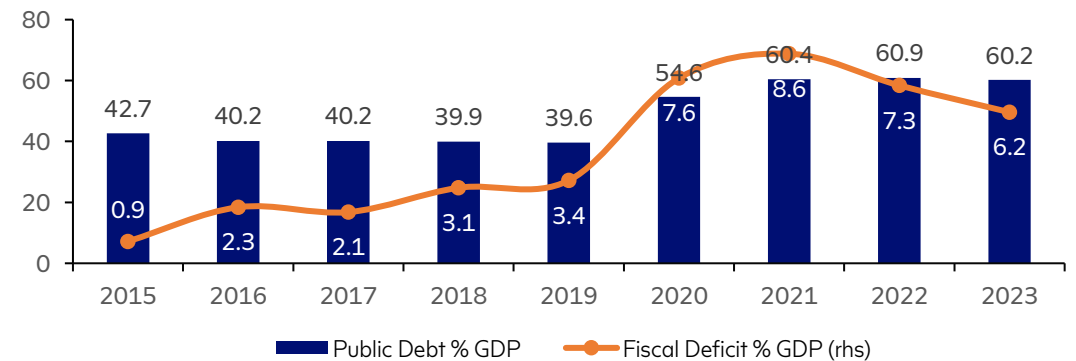
## Fiscal Position Recovery Underway

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

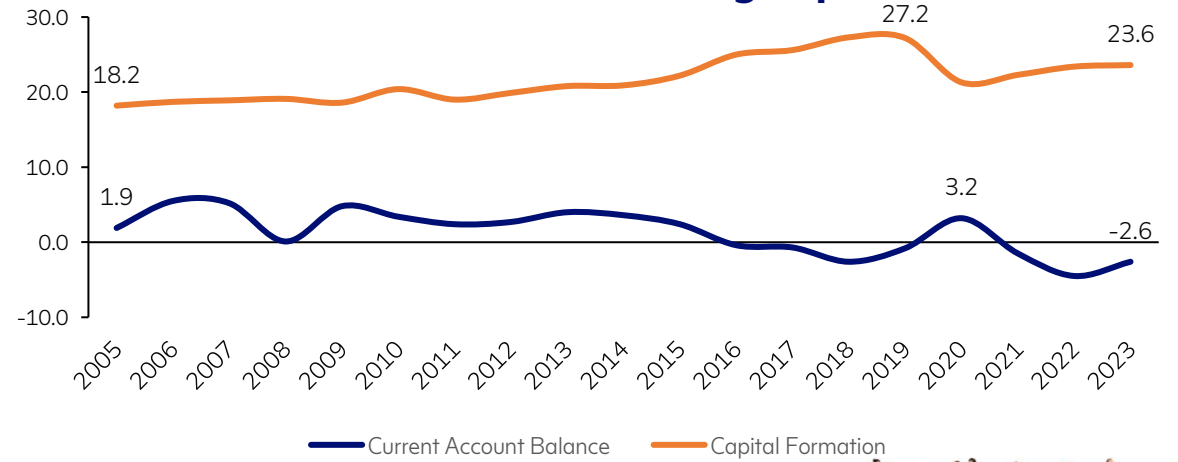


## Public debt, fiscal deficit temporarily rose during the pandemic

Public Debt, fiscal deficit rose during the pandemic



## Current account deficit driven by capital formation



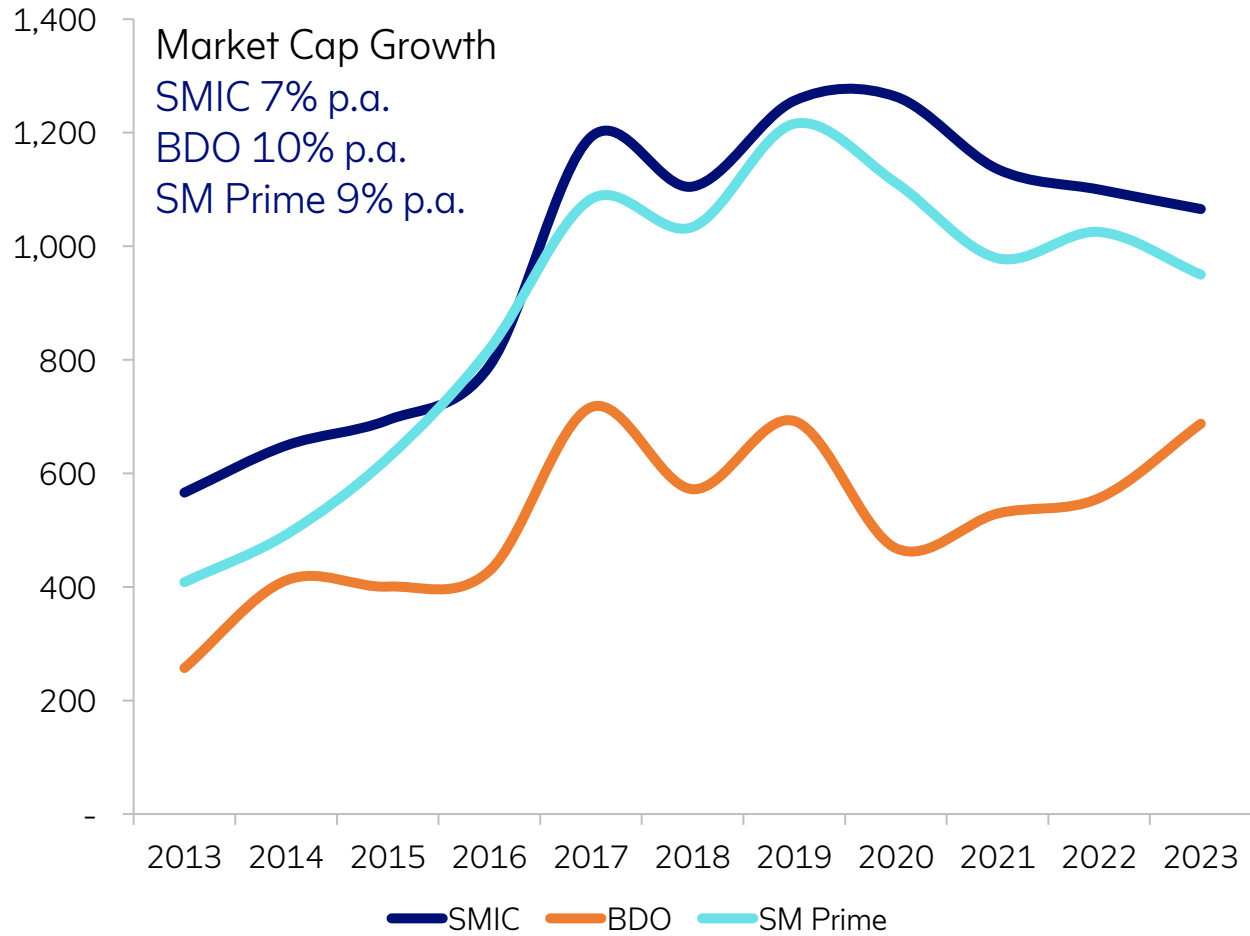
Source: PSA, BTr, BSP, Bloomberg, World Bank and ADB



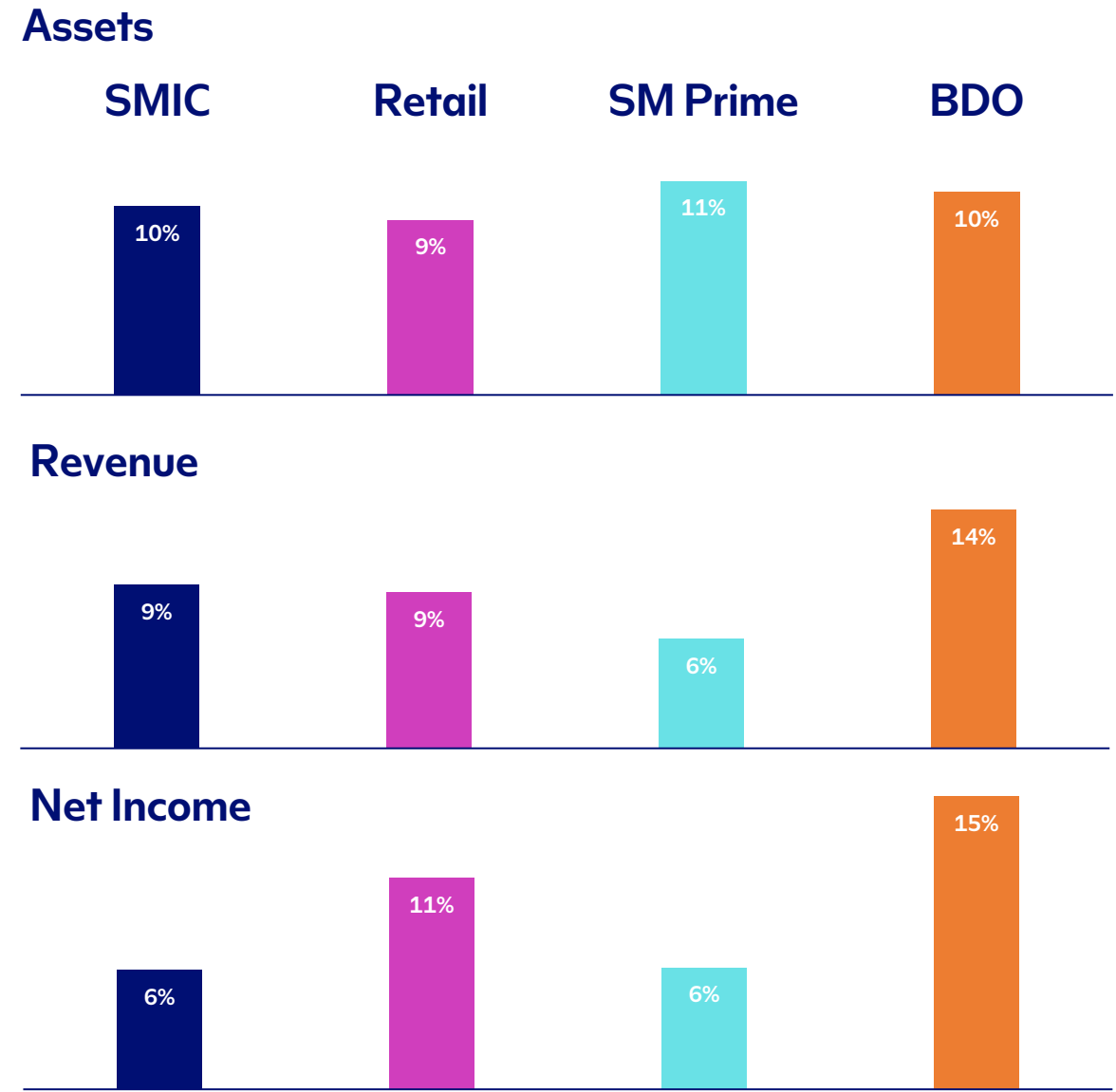
# Annex

- 53 SMIC 10-Year Performance
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  - Portfolio Investments
  - SM Prime
  - Retail
  - BDO
  - China Bank
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# SM INVESTMENTS' 10-Year Performance



Growth rates expressed in CAGR



Growth rates expressed in CAGR



# SM INVESTMENTS

## 6M 2024 Consolidated Results

In PHP Billion

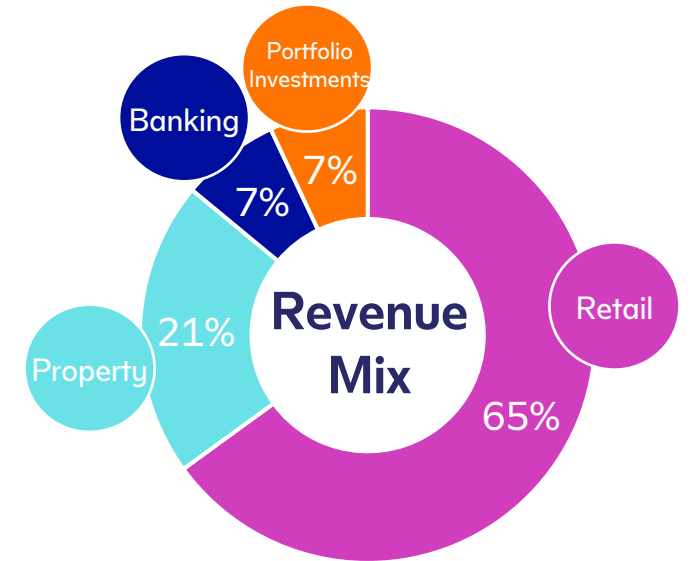
Particulars	6M 2024	6M 2023	% Chg	FY 2023	FY 2022	FY 2021
Revenue	301.4	286.7	5%	616.3	553.8	432.4
Net Income to Parent	40.2	36.5	10%	77.0	61.7	40.4
Net Margin (inc-NCI)	18.3%	17.4%	-	17.2%	17.2%	15.6%
Return on Equity	14.3%	14.5%	-	14.5%	13.1%	-

Total Capital	6M 2024	FY 2023	% Chg	FY 2022	FY 2021
Counterpart investments	86.1	124.6	-31%	137.5	91.8
Net Debt	404.4	377.1	7%	368.2	380.7
Equity attrib to Parent	584.5	556.6	5%	496.9	447.6
Net Debt:Equity	33 : 67	33 : 67	-	35 : 65	38 : 62

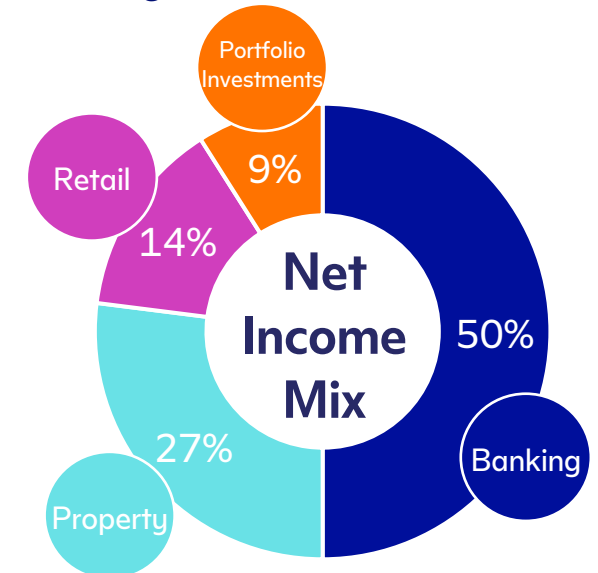
### SMIC Parent Debt

Net Debt to Equity	33 : 67	Average Cost of Debt	4.68%
Peso-Foreign Currency Mix	85 : 15	Average Debt Tenure	3.13 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*



# 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%

# SMPRIME

## 6M 2024 Results

*In PHP Billion*

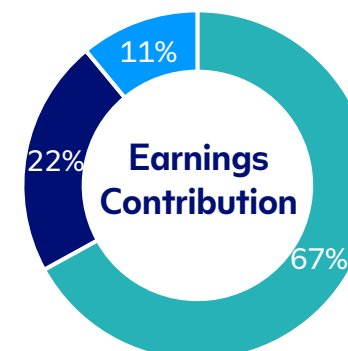
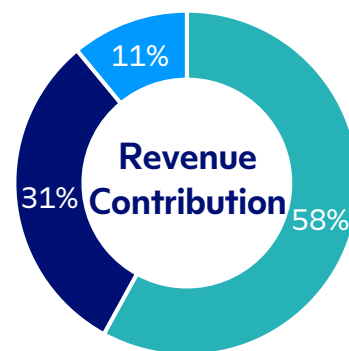
Consolidated	6M 2024	6M 2023	%Chg
Revenues	64.7	59.9	8%
Net Income	22.1	19.4	13%
Operating Income	31.1	28.9	7%
Return on Equity	11%	11%	-

Philippine Malls	6M 2024	6M 2023	% Chg
Revenues	34.2	31.5	8%
Operating Income	18.8	17.2	10%
EBITDA	23.3	21.4	9%
<i>EBITDA margin</i>	69%	69%	-

China Malls (In RMB Bn)	6M 2024	6M 2023	% Chg
Revenues	0.43	0.4	7%
Operating Income	0.180	0.178	1%

Residences	6M 2024	6M 2023	% Chg
Revenues	20.2	19.0	6%
Operating Income	8.0	7.7	4%
EBITDA	8.0	7.8	4%
<i>EBITDA margin</i>	75%	75%	-

Other Businesses	6M 2024	6M 2023	% Chg
Revenues	7.0	6.2	13%
Operating Income	3.1	2.9	7%
EBITDA	4.4	4.0	10%
<i>EBITDA margin</i>	63%	64%	-



- Malls
- Residential
- Others



# 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%

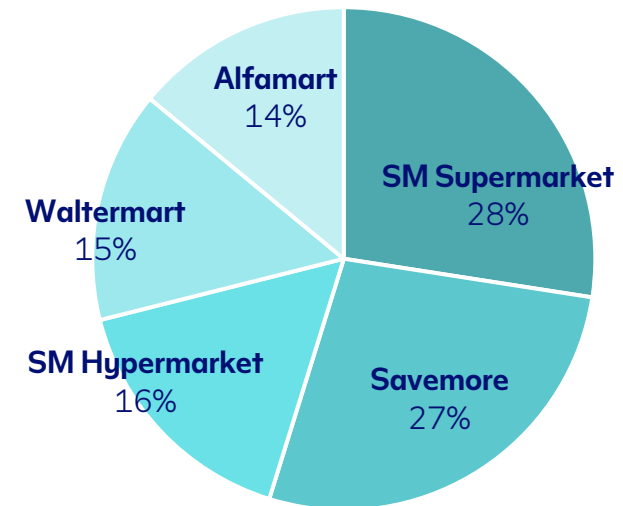
*Figures in PHP B except percentages*

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%

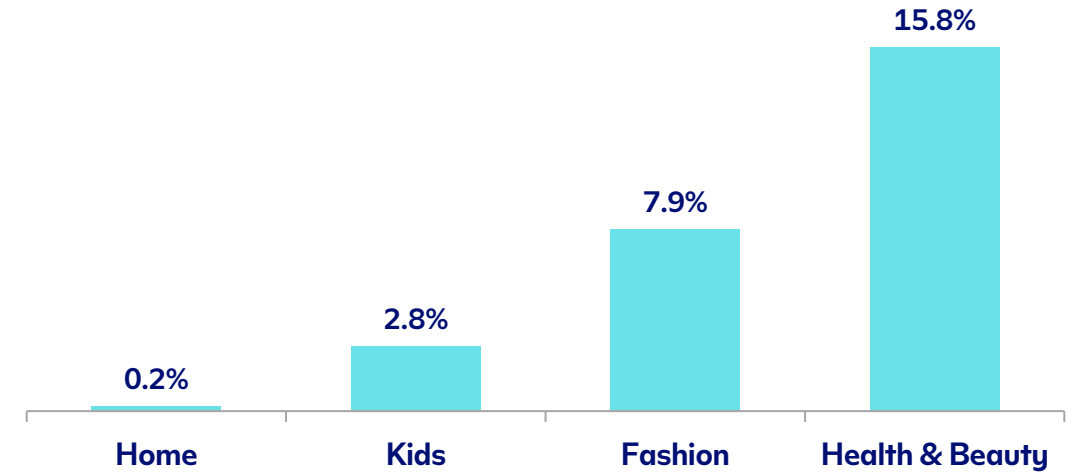
Figures in PHP B except percentages

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.

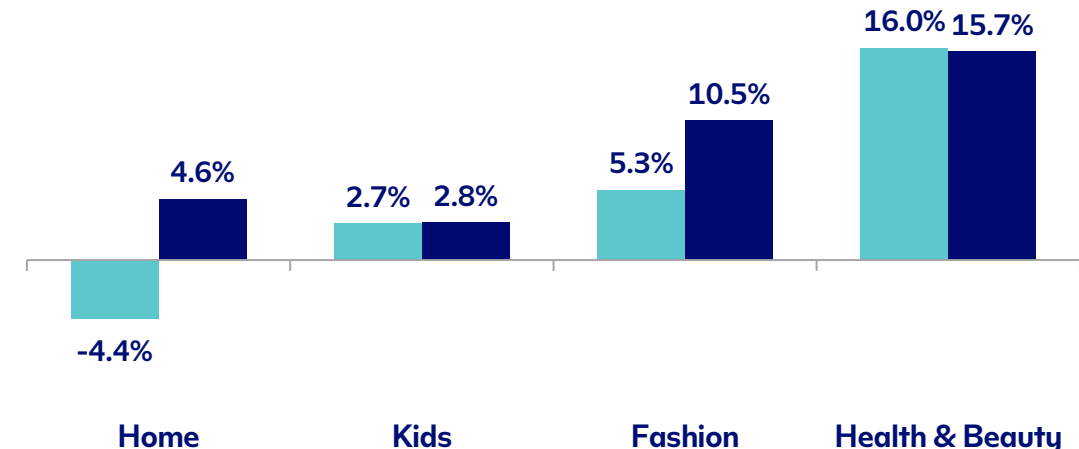
- Improved consumer spending boosted categories across the board, especially home

Specialty Retail Category Sales Growth  
1H2024 vs 1H2023



Specialty Retail Category Sales Growth

■ 1Q 2024 vs 1Q 2023 ■ 2Q 2024 vs 2Q 2023



## Financial Highlights

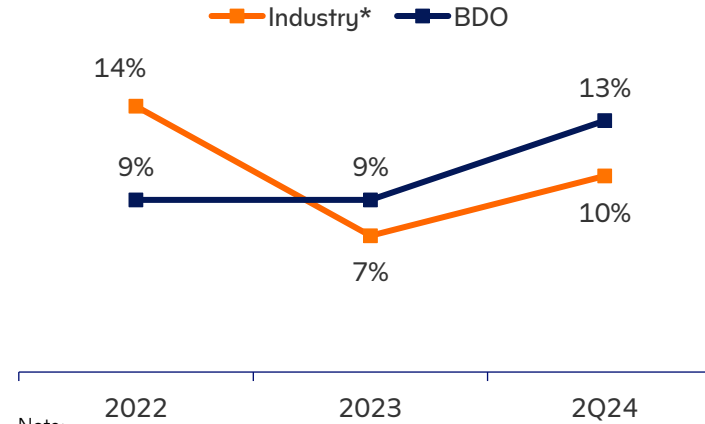
(In PHP Bn)

	6M 2024	6M 2023	% Chg
Net Interest Income	99.6	89.5	11.3%
Other Income	43.3	38.2	13.3%
Net Income <sup>1</sup>	39.4	35.2	12.1%
Assets	4,712.5	4,158.3	13.3%
Deposits	3,737.3	3,295.8	13.4%
Gross Customer Loans	3,011.6	2,665.3	13.0%
Net Interest Margin	4.6%	4.7%	-
Cost to Income Ratio	60.6%	58.9%	-
Return on Ave. Common Equity <sup>2</sup>	15.1%	15.1%	-
Gross Loans to Deposits Ratio	80.6%	80.9%	-
Gross NPL Ratio <sup>3</sup>	2.06%	1.95%	-
Total CAR <sup>4</sup>	14.8%	15.0%	-
Tier 1 Ratio	13.9%	14.1%	-
CET1	13.7%	13.9%	-

Notes:

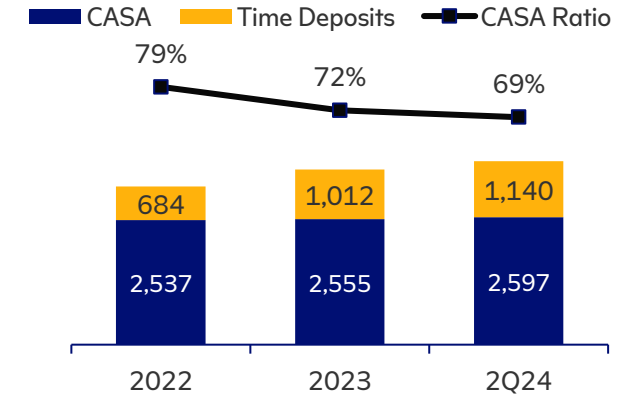
1. Excludes net income attributable to minority interest
2. Return on Ave. Common Equity, defined as annualized NI to parent shareholders less preferred dividends / ave
3. Per BSP Circular 941
4. Per BSP, consolidated basis, as seen in the published statements of condition

## Loans Growth

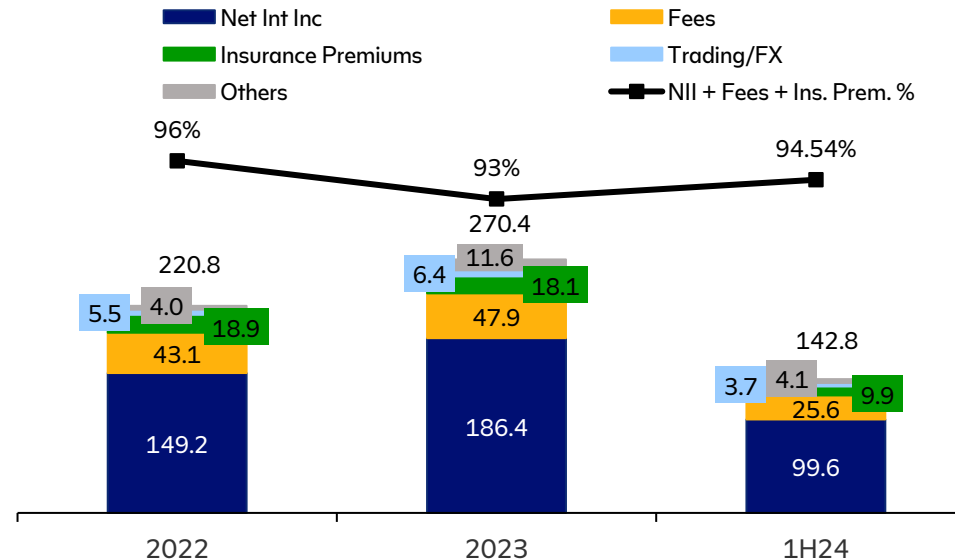


Note:  
\* U/KBs as of May 2022

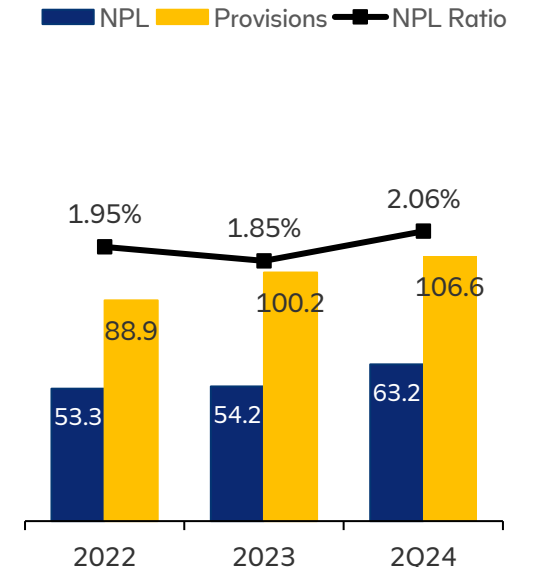
## Deposits



## Operating Income



## Asset Quality



# China Bank

## Financial Highlights

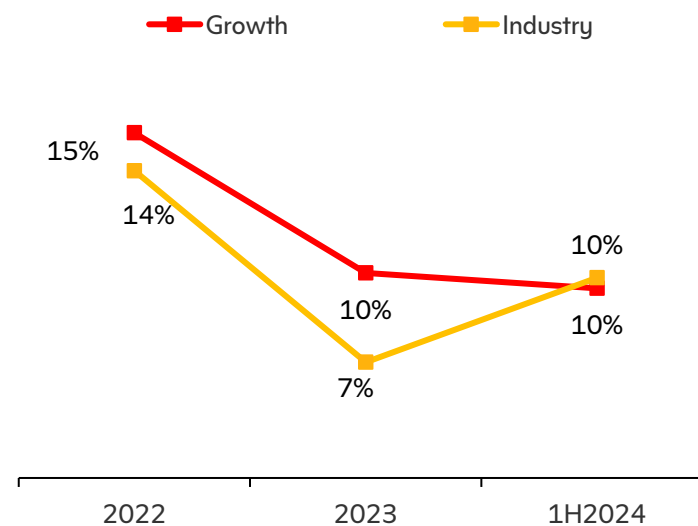
(In PHP Bn)

	6M 2024	6M 2023	% Chg
Net Interest Income	30.4	25.5	19.1%
Other Income	-1.4	1.5	-191.5%
Net Income <sup>1</sup>	11.4	10.8	5.5%
Assets	1,544.9	1,384.9	11.6%
Deposits	1,283.3	1,121.4	14.4%
Gross Customer Loans	817.0	745.0	9.7%
Net Interest Margin	4.4%	4.2%	-
Cost to Income Ratio	52.0%	46.0%	-
Return on Ave. Common Equity <sup>2</sup>	15.1%	15.9%	-
Gross Loans to Deposits Ratio	63.7%	66.4%	-
Gross NPL Ratio <sup>3</sup>	1.9%	2.2%	-
Total CAR <sup>4</sup>	15.3%	16.1%	-
CET 1	14.5%	15.2%	-

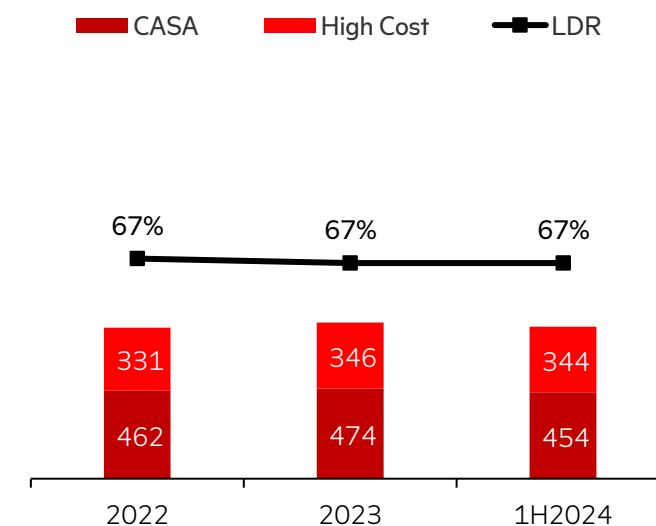
### Notes:

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 equity
3. Per BSP Circular 941
4. Per BSP, consolidated basis, as seen in the published statements of condition

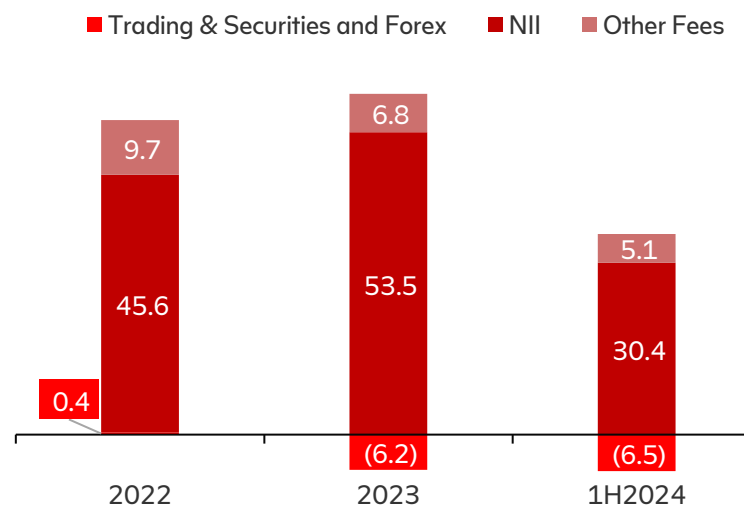
## Loans Growth



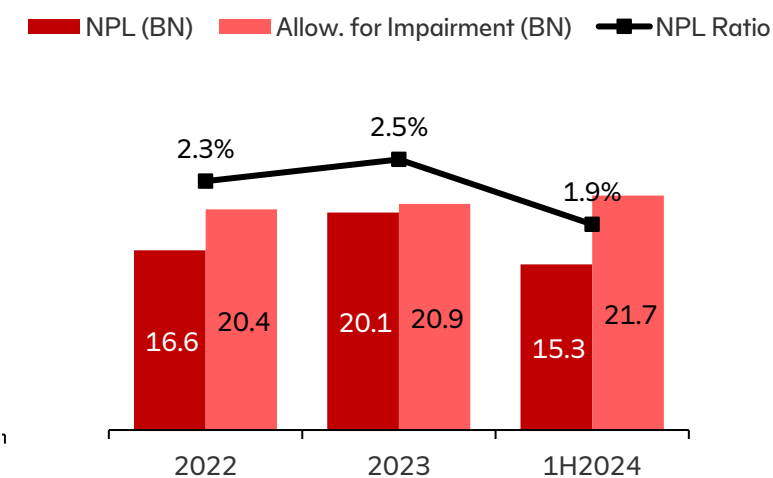
## Deposits



## Operating Income



## Asset Quality



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

“Committed to Our Customers”, the theme of our 2023 report, emphasizes how service customers has been at the heart of our business for 65 years. We are where we are today because of them.

Our success is based on understanding out customers’ wishes and then meeting their every expectation. SM’s many stores, wide range of products and dedicated staff all strive to live up to this standard.

The report discloses our performance and actions on how we affect the daily lives of our customers. We never take our customers’ loyalty lightly. Instead, we do everything we can to earn it.



# Our 2023 Integrated Report is now available for download!



Scan the QR code below and gain valuable insights into our company's performance and progress in the past year.



**Committed to**  
Our **Customers**



**SM INVESTMENTS**

# Contact Information and Disclaimer

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PSE Ticker: SM  
Bloomberg Ticker: SM PM Equity  
Reuters Ticker: SM.PS

SM Official Website



[www.sminvestments.com](http://www.sminvestments.com)

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