



SM INVESTMENTS

9M 2023 Earnings Briefing

November 8, 2023

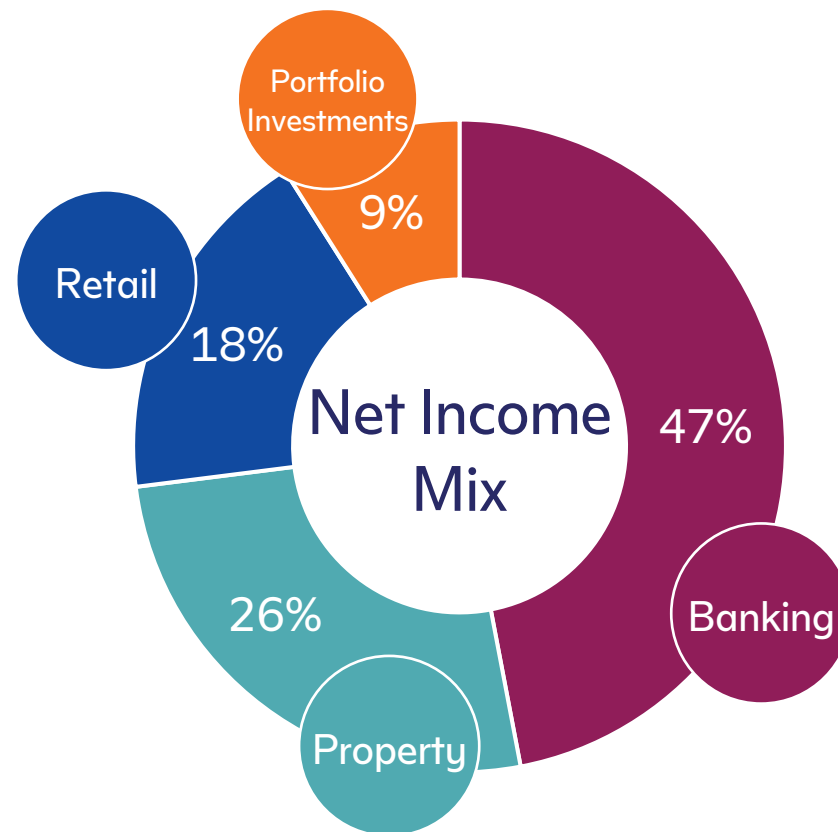


SMIC 9M 2023 Consolidated Results

- Sustained consumption growth driven by buoyant discretionary spending
- Conservative gearing and strong balance sheet maintained
- Portfolio investments contribute 9% of total earnings

SM Investments	9M 2023	Chg
Revenues	440.4	15%
Earnings	55.9	30%
Assets	1,537.9	4%
Net Debt:Total Equity	35 : 65	

Figures in PHP B except percentages



Banking – BDO

- Core businesses drove sustained earnings
- 9M 2023 ROCE at 15.1%
- Stable asset quality
 - NPL ratio stable
 - NPL Cover at 176%
- Capital continues to strengthen with 13% increase in Book Value
- Expansion in underserved / underpenetrated markets and investments in technology continue

BDO	9M 2023	Chg
Net Income	53.9	35%
Net Interest Inc.	137.4	27%
Other Income	57.9	9%
Gross Loans	2,720.4	7%
Deposits	3,408.1	12%
NIM	4.65%	
NPL Ratio	1.99%	
CET 1	14.5%	
CAR	15.6%	

Figures in PHP B except percentages



Banking – China Bank

China Bank	9M 2023	Chg
Net Income	16.2	10%
Net Interest Inc.	39.2	16%
Gross Loans	765.0	10%
Deposits	1,145.0	14%
NIM	4.20%	
NPL Ratio	2.20%	
CET 1	14.9%	
CAR	15.8%	

Figures in PHP B except percentages

- Sustained core business strength
- Stable asset quality
 - NPL Ratio at 2.2%
 - NPL cover at 126%
- Double digit ROE of 15.6%, ROA of 1.6%
- Healthy Cost-to-Income ratio at 50%, despite higher investments in technology and manpower



Property

- Philippine mall rental income up 29% due to increase in tenant sales, foot traffic, and normalization of rental fees
- Cinemas, event ticket sales and other revenues continued to do well
- Reservation sales up 6%
- Offices improved 14%
- Hotels and Convention centers revenues up 64%, as MICE and tourism activities returned

SM Prime	9M 2023	Chg
Total Revenues	92.6	26%
Malls	52.5	37%
Primary Residential	28.7	10%
Other Businesses	9.5	33%
Reservation Sales	89.3	6%
Net Income	30.1	37%

Figures in PHP B except percentages



Retail

SM Retail	Revenue	Chg	NI	Chg
Total Retail	290.6	12%	13.7	19%
SM Store	76.7	21%	2.7	33%
Specialty	65.9	15%	5.3	23%
Food Group	167.9	9%	7.4	17%

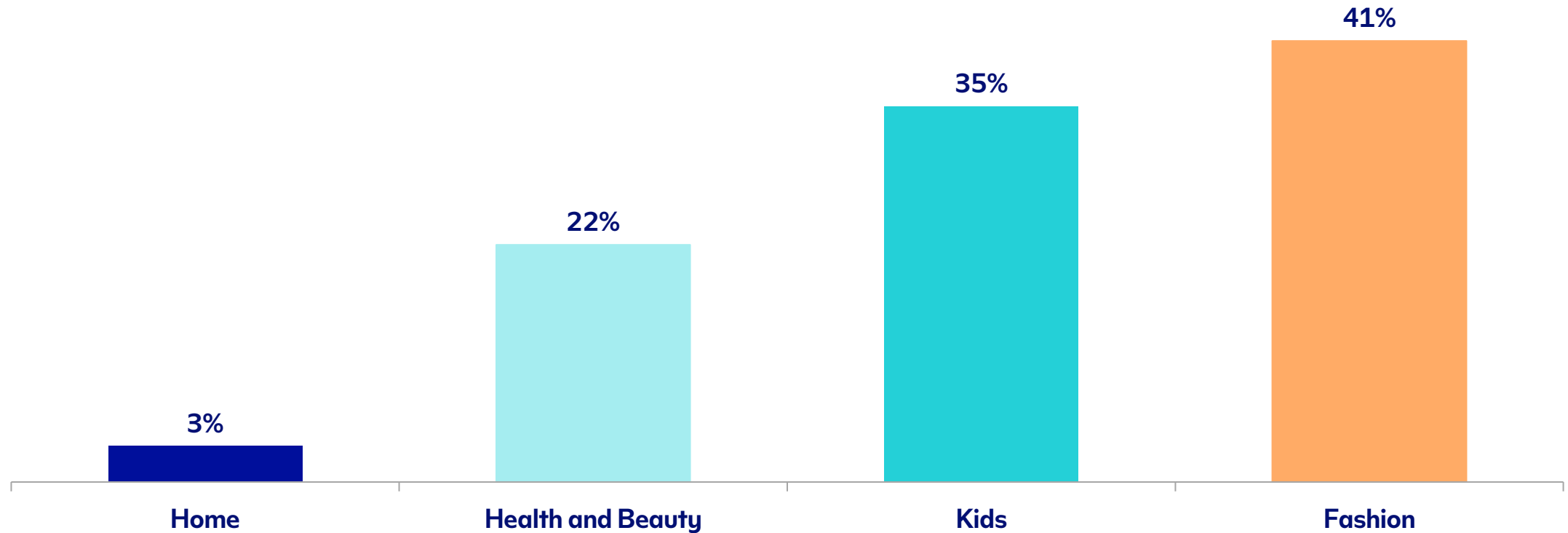
Figures in PHP B except percentages

- Strong consumer demand evidenced by sustained discretionary spending
- Net income grew by 19% driven by growth in Non-Food discretionary categories sales, both in SM Store and Specialty Stores
- Food driven by volume growth and footprint expansion



Strong Growth Across Discretionary Categories

Specialty Retail Category Sales Growth YoY



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



9M 2023 Results Key Messages

- Sustained consumer spending driven by the continued growth of discretionary spending
- Retail Revenues driven by strong consumer demand
- Banks saw sustained core business growth, stable asset quality and strong balance sheets
- Property benefitted from sustained tenant sales, normalized rent, improved foot traffic, and growth in activity-based businesses and F&B
- Portfolio Investments at 9% of earnings
- Conservative gearing and healthy balance sheet
- Group well positioned for Q4



Annex



SMRETAIL Consolidated

Financials	9M 2023	9M 2022	Chg
Revenue	290.6	258.4	12%
SSSG	9.0%	22.8%	
EBIT Margin	7.4%	7.5%	
Net Income	13.7	11.5	19%

Figures in PHP B except percentages

Profile			
Store Count	3,700	3,379	9%
Selling Area	3.30	3.09	7%

Gross Selling Area in M sqm.

- Strong consumer demand evidenced by sustained discretionary spending
- Net income grew by 19% driven by growth in Non-Food discretionary categories sales, both in SM Store and Specialty Stores

Data as of 9M 2023



SMRETAIL – The SMSTORE

Financials	9M 2023	9M 2022	Chg
Revenue	76.7	63.5	21%
SSSG	18.4%	78.5%	
EBIT Margin	4.9%	5.0%	
Net Income	2.7	2.0	33%

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
- Fashion category continues to be resilient with the resumption of face-to-face classes



SMRETAIL – Food Group

Financials	9M 2023	9M 2022	Chg
Revenue	167.9	154.2	9%
SSSG	5.1%	7.1%	
EBIT Margin	6.4%	6.4%	
Net Income	7.4	6.4	17%

Figures in PHP B except percentages

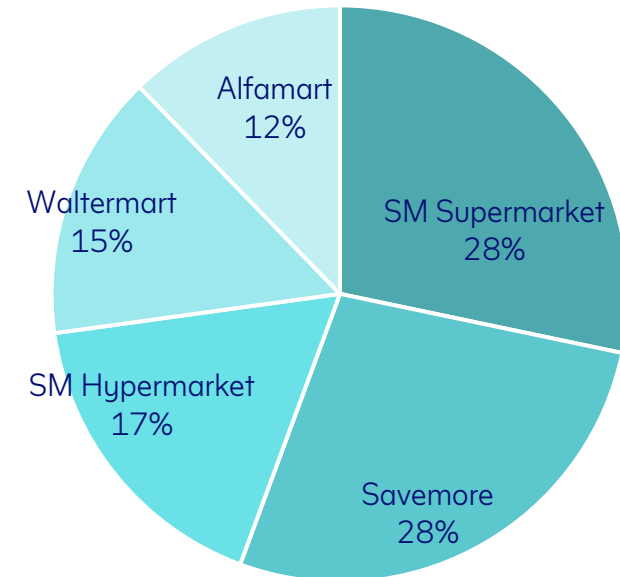
Profile

Store Count	2,024	1,774	14%
Selling Area	1.78	1.66	8%

Gross Selling Area in M sqm.

- Sustained volume growth
- Alfamart opened 196 stores YTD

Revenue by Format



Data as of 9M 2023



SMRETAIL – Specialty

Financials	9M 2023	9M 2022	Chg
Revenue	65.9	57.3	15%
SSSG	9.2%	29.9%	
EBIT Margin	11.0%	10.7%	
Net Income	5.3	4.3	23%

Figures in PHP B except percentages

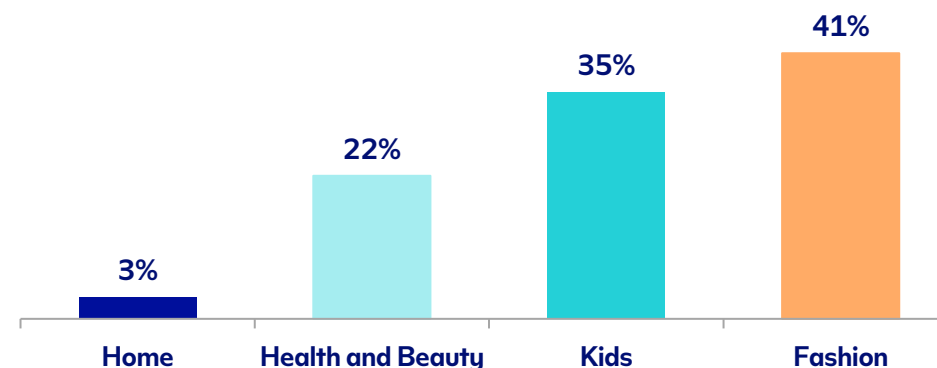
Profile

Store Count	1,603	1,536	4%
Selling Area	0.67	0.64	3%

Gross Selling Area in M sqm.

- Robust growth across discretionary categories fueled by improving macroeconomic conditions

Specialty Retail Category Sales Growth YoY



Data as of 9M 2023

