



**SM** INVESTMENTS

**Investor Presentation**

December 2023



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# We are SM

## Our Vision

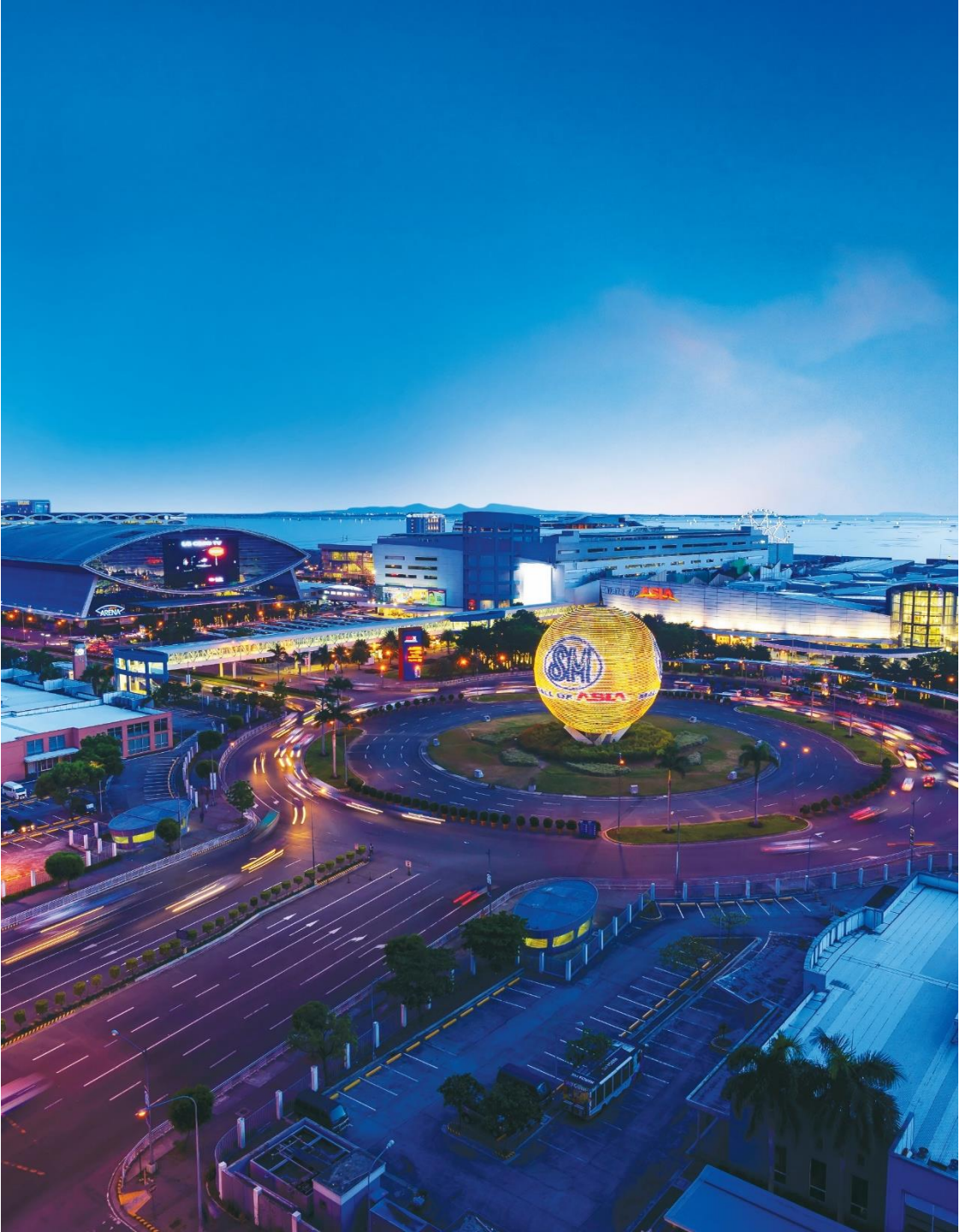
To build an ecosystem of sustainable businesses that are catalysts for responsible development in the communities we serve.

## 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%  
**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

74.1%  
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 ~30% of the value of the Philippine Index

## Philippine Conglos

Market Cap (\$ bn)

<b>SMIC</b>	<b>18.2</b>
Golden MV Holdings	9.4
Ayala Corp	6.9
JG Summit	5.0
Aboitiz Equity	4.6
SMC	4.4
DMCI	2.2
Alliance Global	1.7
LT Group	1.7

Source: Bloomberg;  
As of November 6, 2023

## Philippine Retailers

Total Sales (\$ mn)

<b>SM Retail</b>	<b>5.2</b>
Puregold	2.5
RRHI	2.5

## Philippine Retailers

Store Count

<b>SM Retail</b>	<b>3,677</b>
RRHI*	4,408
Puregold	543

Source: As of latest available company data

\*Including TGP  
Data as of YTD

## Philippine Banks

Total Assets (\$ bn)

<b>BDO</b>	<b>72.8</b>
LBP	54.3
MBT	52.3
BPI	47.9
<b>CHIB</b>	<b>27.4</b>
RCBC	21.8
PNB	21.1
UBP	19.7
DBP	17.2
SECB	16.1

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

## Property Developers

Market Cap (\$ bn)

<b>SM Prime</b>	<b>16.0</b>
Ayala Land	7.5
Robinsons Land	1.2
Megaworld	1.1
Vistaland	0.4
Double Dragon	0.3
Filinvest	0.3

Source: Bloomberg;  
As of November 11, 2023



# Our Business Footprint

## Philippines

3,686 retail outlets  
85\* malls  
2,347 bank branches

### Luzon (ex-NCR)

2,317 retail outlets  
47\* malls  
813 bank branches

### Metro Manila (NCR)

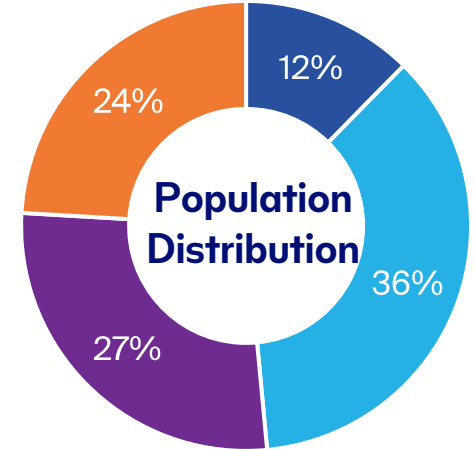
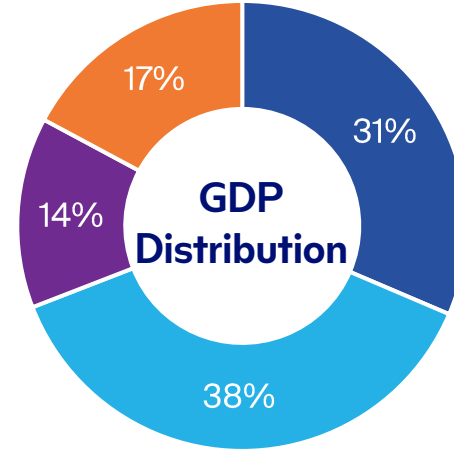
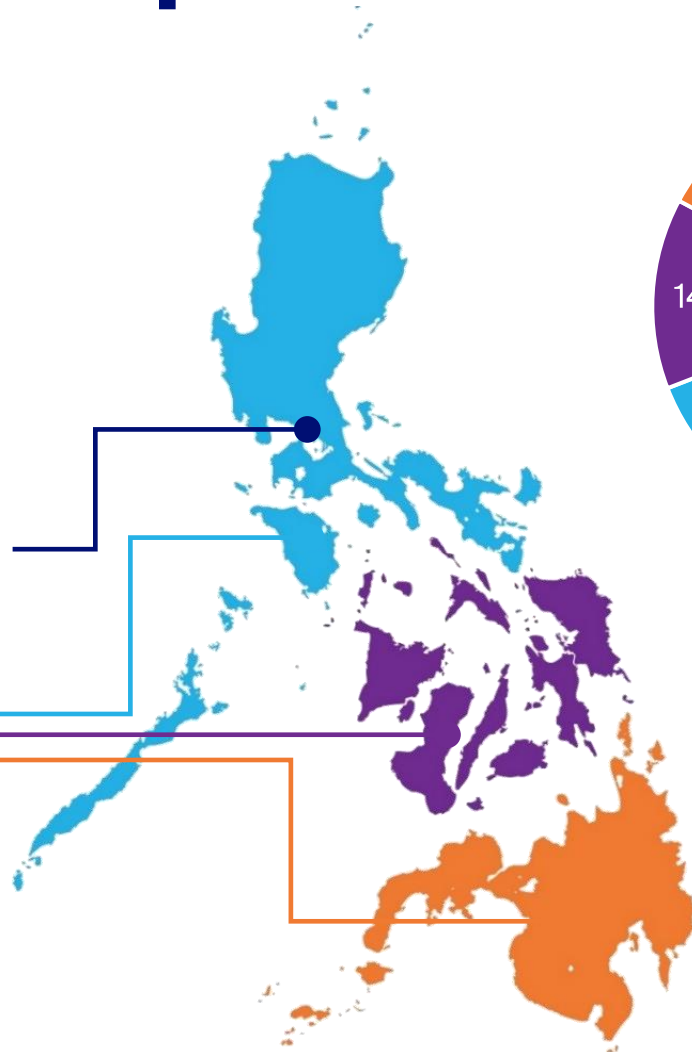
935 retail outlets  
24 malls  
966 bank branches

### Visayas

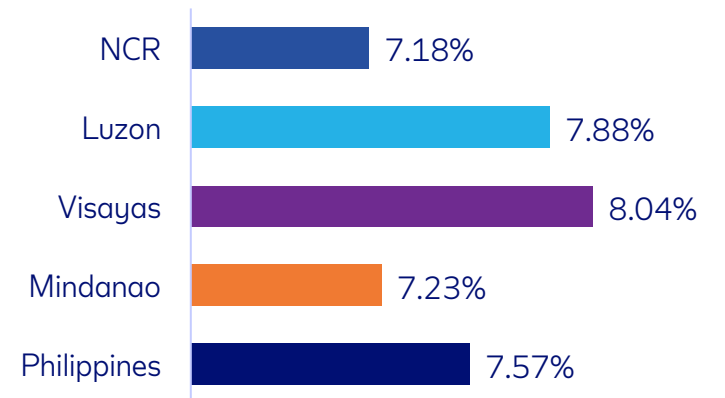
263 retail outlets  
7 malls  
293 bank branches

### Mindanao

171 retail outlets  
7 malls  
275 bank branches



## 2022 Regional GDP Growth



Data as of 9M 2023  
\* As of October 31, 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

**42.5mn 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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- 17 Digital Innovation



# 9M 2023 Financial Performance

*Figures in PHP billion except percentages*

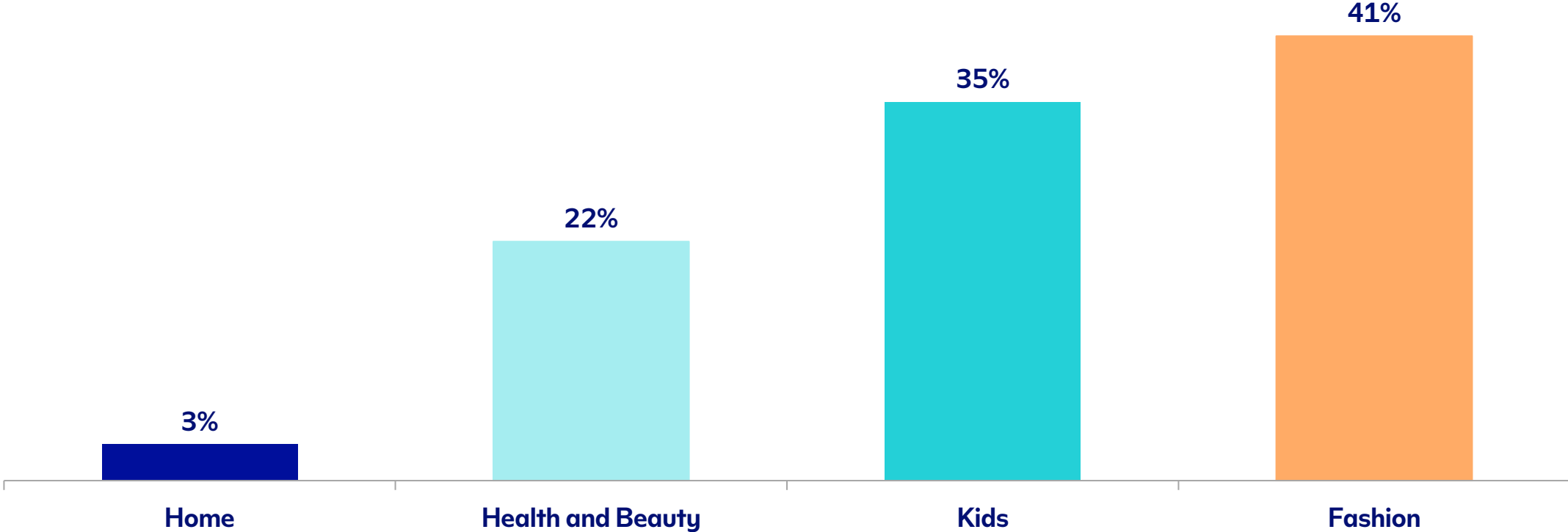
<b>SM Investments</b>	<b>9M 2023</b>	<b>9M 2022</b>	<b>% Chg</b>
Revenues	440.4	382.0	15%
Net Income	55.9	42.9	30%
Net Margin (inc-NCI)	17.5%	15.4%	-
ROE	14.5%	13.1%	-
Net Debt:Equity	35 : 65	35 : 65	-
<b>SM Retail</b>	<b>9M 2023</b>	<b>9M 2022</b>	<b>% Chg</b>
Gross Revenues	290.6	258.4	12%
Net Income	13.7	11.5	19%
Net Margin (inc-NCI)	5.4%	5.1%	-
<b>BDO</b>	<b>9M 2023</b>	<b>9M 2022</b>	<b>% Chg</b>
Net Interest Income	137.4	108.1	27%
Non Interest Income	57.9	53.2	9%
Net Income	53.9	40.0	35%
<b>SM Prime</b>	<b>9M 2023</b>	<b>9M 2022</b>	<b>% Chg</b>
Revenues	92.6	73.7	26%
Net Income	30.1	22.0	37%
Net Margin	33.0%	30.0%	-
ROE	11.0%	9.0%	-
Net Debt:Equity	46 : 54	47 : 53	-

- 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



# 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

## Property

- Opened 3 malls totalling 179k sqm: Sto. Tomas (110k), Bataan (46k), San Pedro (23k)
- Expansions: Bacolod (6k), Baliwag (5k), and Iloilo (2k)
- 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 power use now over 50% renewable

## 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

## Portfolio Investments

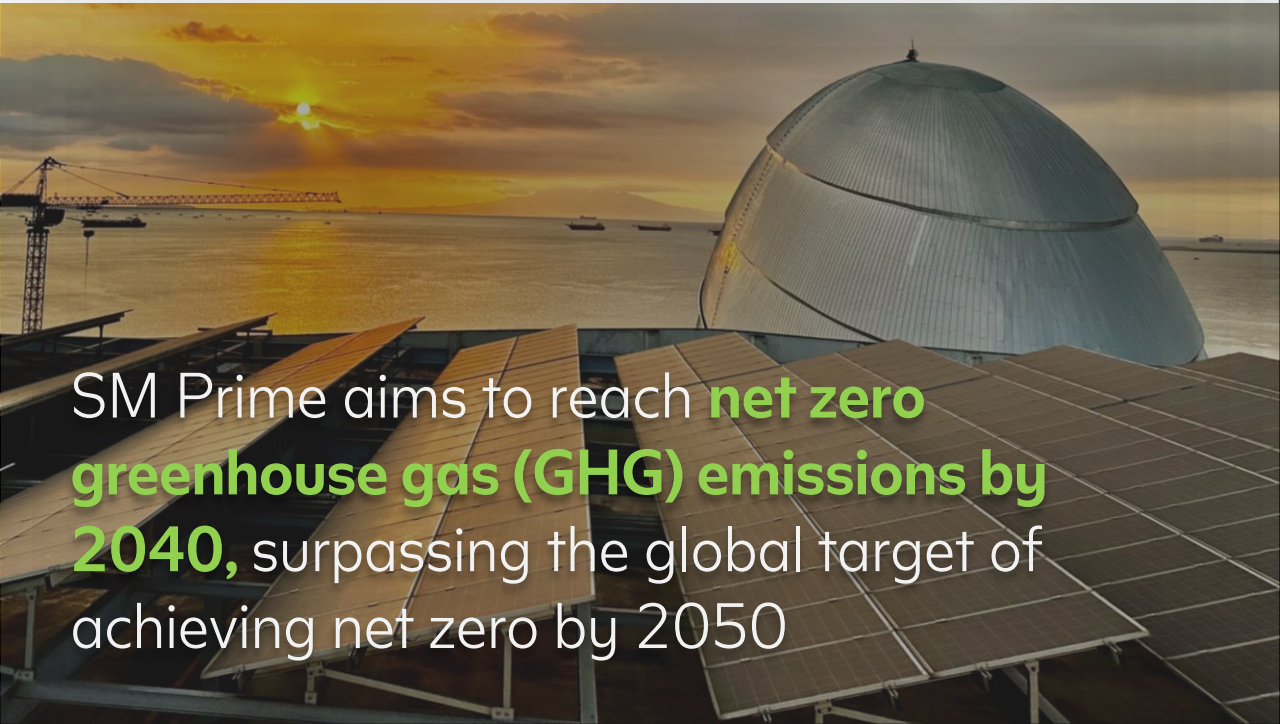
- PGPC merged with SMIC
- 2GO successfully delisted from the PSE

# Together against Climate Change



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

Leading in financing **58** renewable energy projects



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 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

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33	Banking
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

**PHP290.6bn**

Revenues

**PHP13.7bn**

Net Income

## Store Network

		GSA
73	THE SM Store	852
1,589	Brand Affiliates	666
64	SM Supermarket	380
54	SM Hypermarket	340
219	Savemore	571
85	Waltermart	215
1,601	Alfamart	277
1	MindPro	2



Data as of 9M 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



innisfree

LANEIGE



THE BODY SHOP

## Food Retail



Alfamart



## Home and Family



ACE  
Hardware

dyson



SM HOME  
Crate&Barrel



# Food Retail

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





# SMPRIME

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

**PHP92.6bn**

Revenues

**PHP30.1bn**

Net Income

Developments

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

*Data as of 9M 2023*

*\*As of October 31, 2023*

# SMMALLS

PHILIPPINES

CHINA



SM City Zibo,  
China



SM City Cebu



SM City  
Sorsogon



85\*



Malls

8

9.2mn\*



Total GFA in SQM

1.6mn

20,029



Tenants

2,165

3.5mn



Average Daily  
Pedestrian Count

0.3mn

Data as of 9M 2023, GFA (Gross Floor Area)  
\* As of October 31, 2023

# SMMALL 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*



# SMMALL China



*SM City, Zibo*



*SM Tianjin*



*SM City, Zibo*

- Operating in China since 2001 and became part of SM Prime in 2007
- Opened SM City Yangzhou last September 2023
- Operates 8 malls with a total GFA of 1.6m 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 9M 2023)

SMDC Projects to date	65 (47 in NCR)
Ready-for-Occupancy (RFO) (Unsold Units)	4,265
Ongoing Construction (Unsold Units)	17,473
Estimated Inventory Value	P141.94bn
9M 2023 Reservation Sales (Value)	P89.27bn
9M 2023 CAPEX	P20.80bn

## Landbank (hectares)

Metro Manila	343
Outside Metro Manila	1,079



# SMOFFICES

*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 105 hectares for future development



# SMHOTELS 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 September 2023
- Scheduled to open Lanson Place in Mall of Asia Complex this 2023

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

*Conrad Manila*



*SMX Manila, Pasay City*

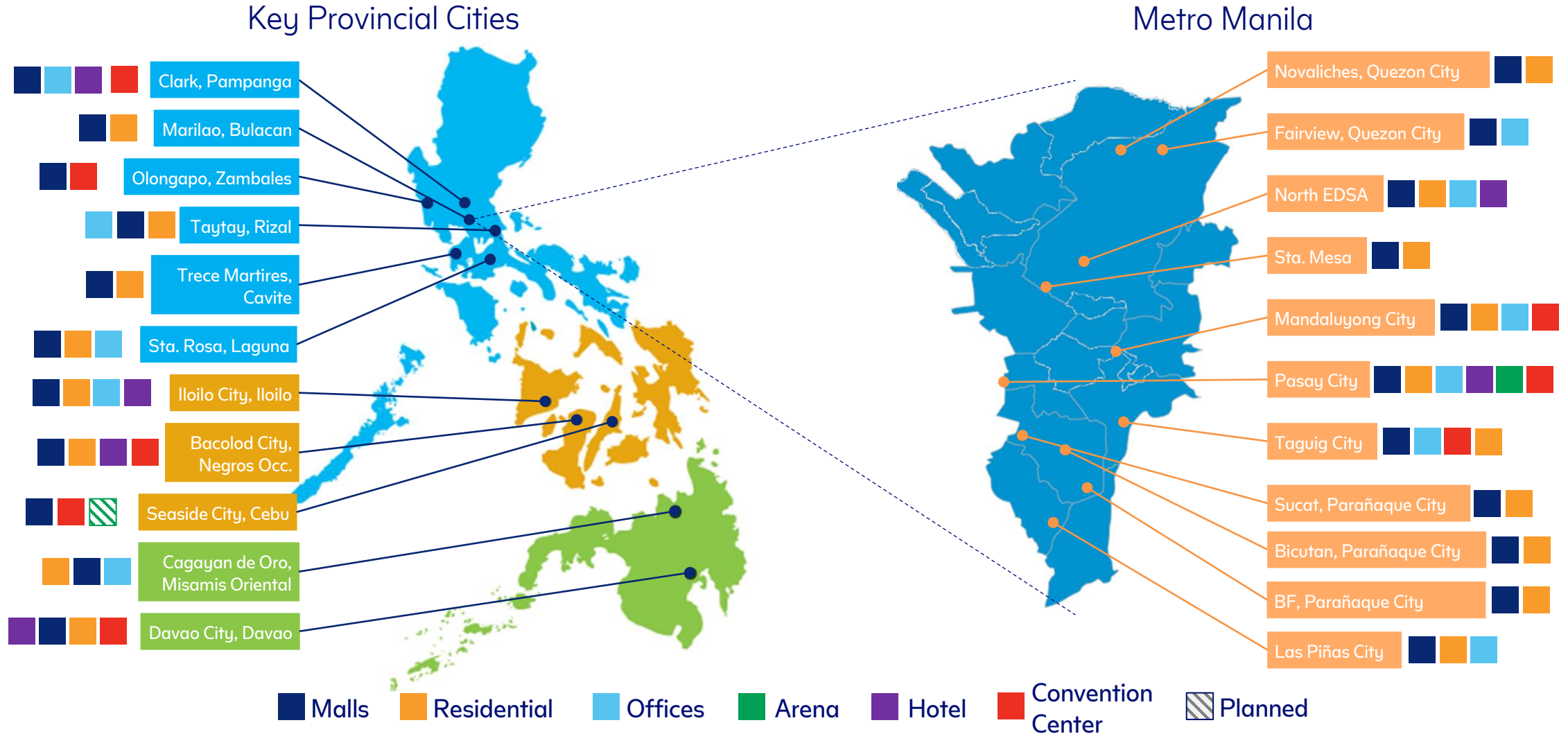


*Conrad Manila, Main Lobby*



# SMPRIME Integrated Lifestyle Cities

SMPRIME 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

**PHP137.4bn**

Net Interest Income

**PHP57.9bn**

Other Income

**PHP53.9bn**

Net Income

**1,705**

Branches in the Philippines

**2**

Foreign branches

**4,755**

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

**PHP39.2bn**

Net Interest Income

**642**

Branches

**PHP1.6bn**

Other Income

**1,064**

ATMs

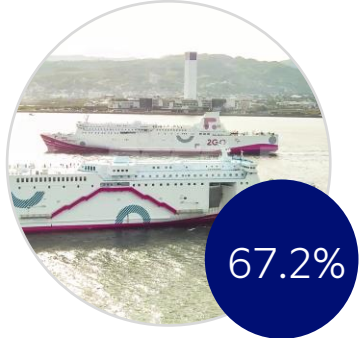
**PHP16.2bn**

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 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**



# 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

<b>Operating Information</b>	<b>9M 2023</b>
Daily Milling Avg <i>(In dmt per day)</i>	45,665
Ore Grade	0.262%
Cu Metal Gross <i>(In mn lbs)</i>	61.41
Shipped Cu concentrate <i>(in '000s dmt)</i>	110



*Mahogany  
Plantation at  
Lower Danawan,  
Biga*



*2.67 Mn  
saplings planted  
To date*



*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 55 years**

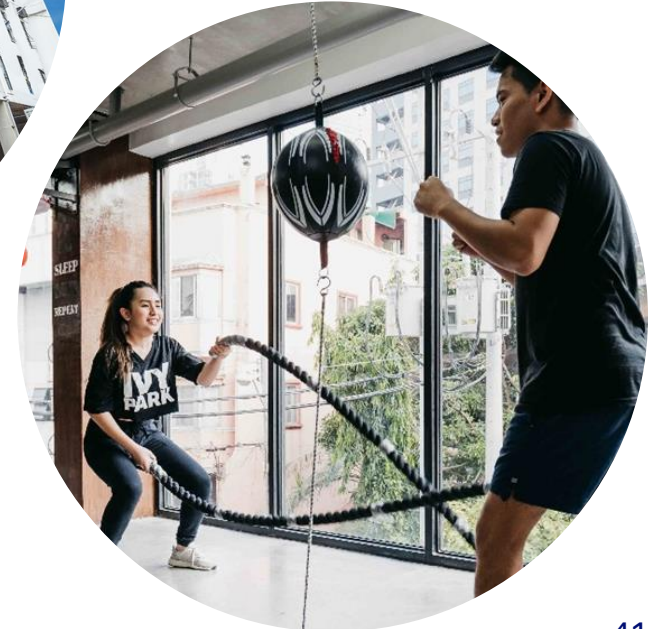
- 11 manufacturing facilities serving an extensive retail footprint of over 800 company owned and franchise stores in the Philippines
- Resilient amidst the pandemic, Goldilocks pivoted to cater to changing customer needs by expanding sales channels online and through aggregator partnerships and be where 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
<b>Total</b>	<b>256,707</b>



# 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

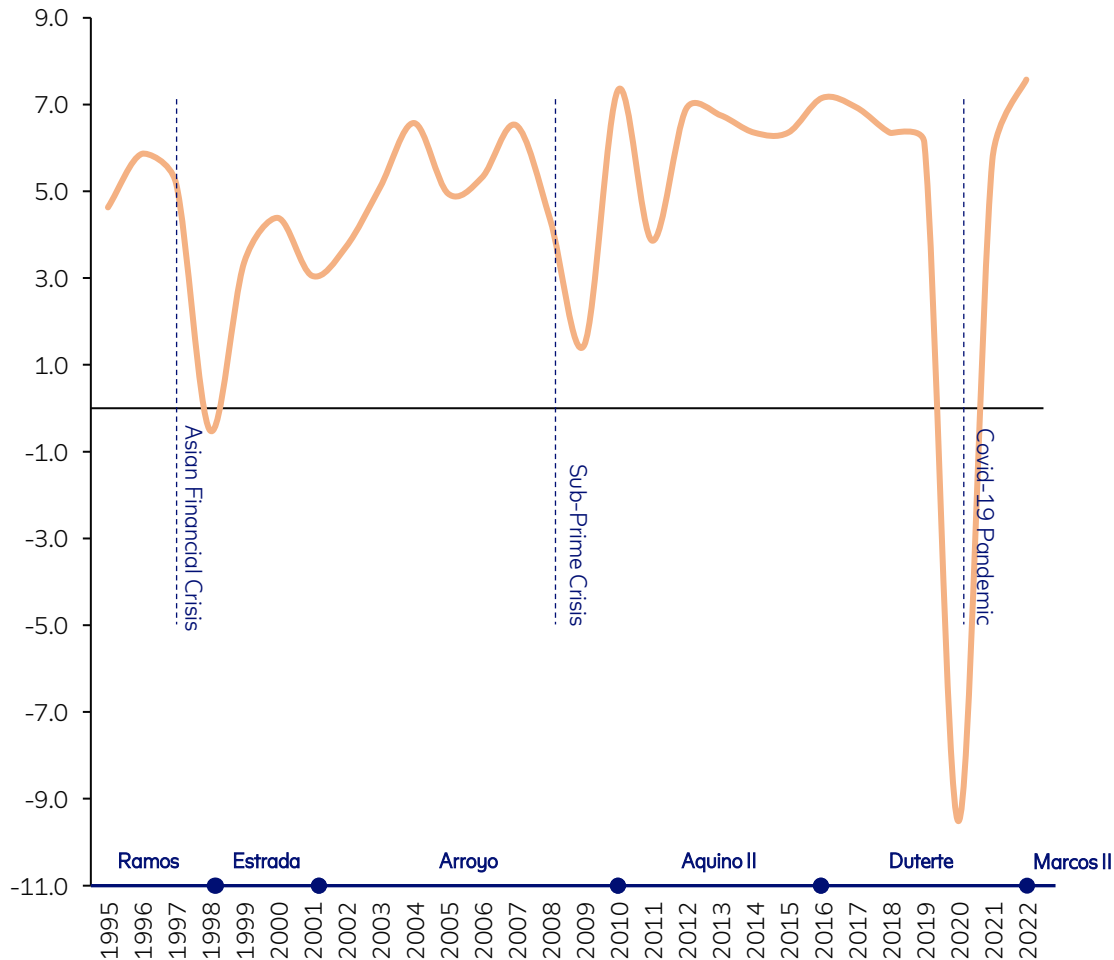


# Philippine Macroeconomics

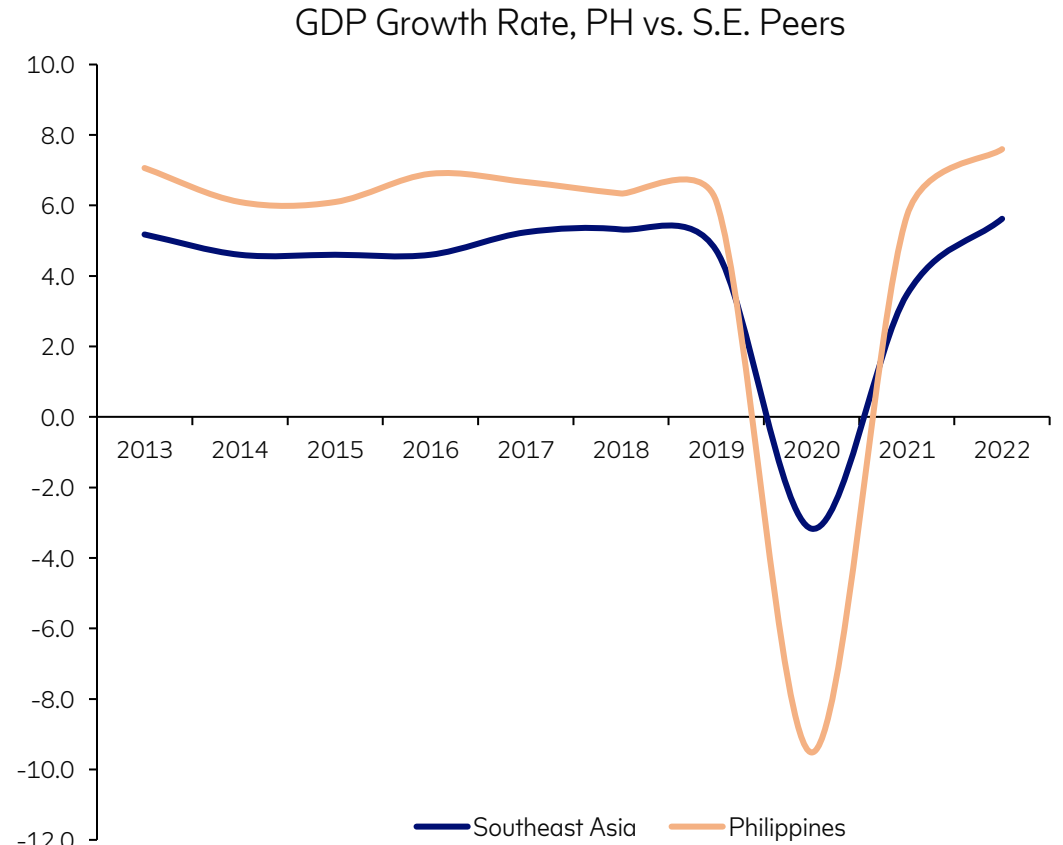


# Philippine Growth Consistently Among Highest in SE Asia

## GDP growth consistently 4.5% - 7.0%



## GDP growth exceeds regional average

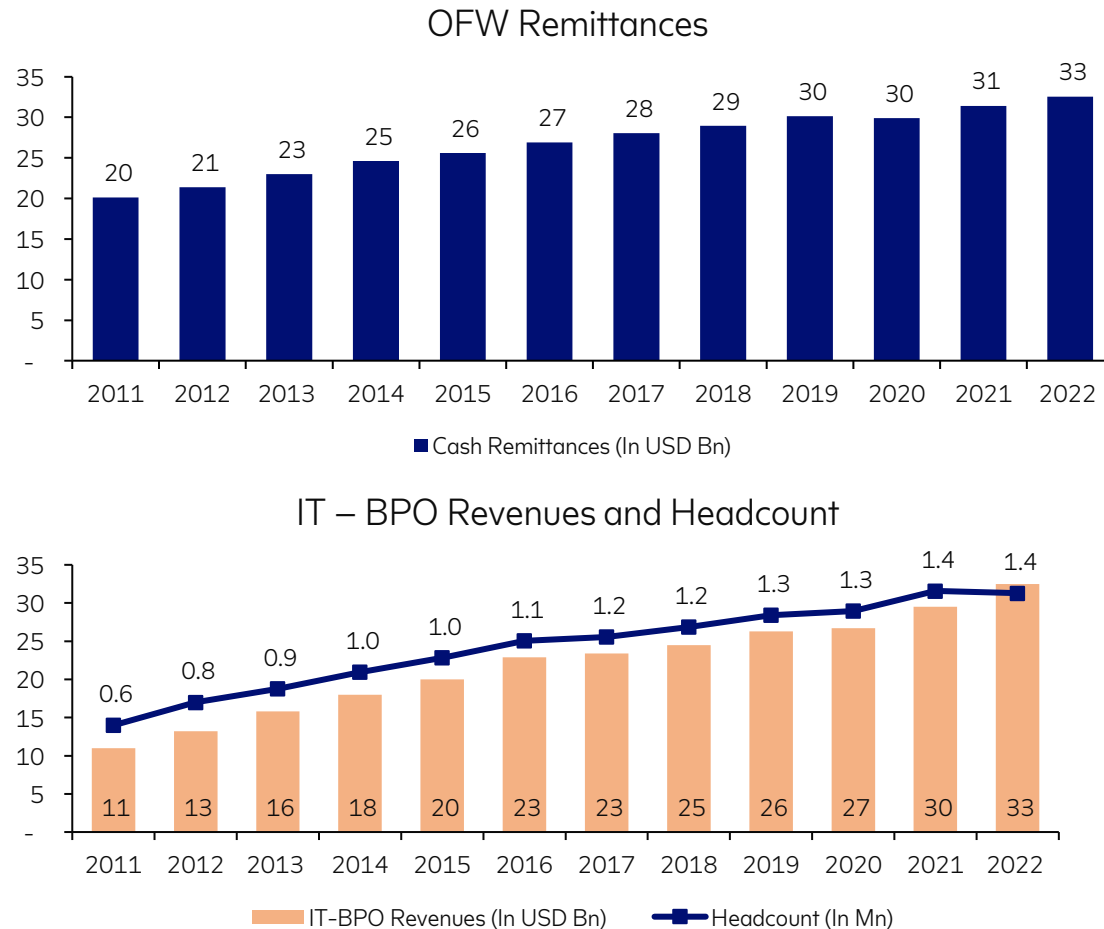


Southeast Asia: Brunei, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Timor-Leste, Vietnam

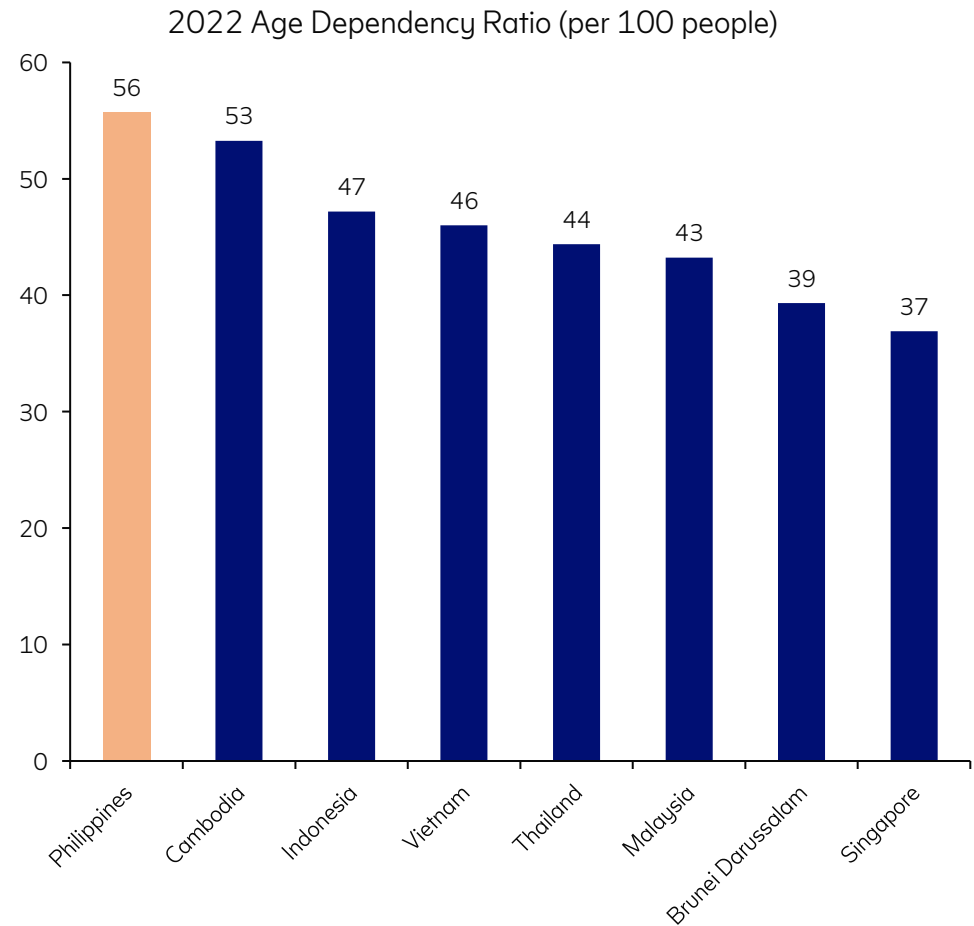
Source: PSA, BSP, Bloomberg, World Bank and ADB

# Long Term Economic Growth Drivers

## OFW Remittances & IT BPO revenues continue to grow

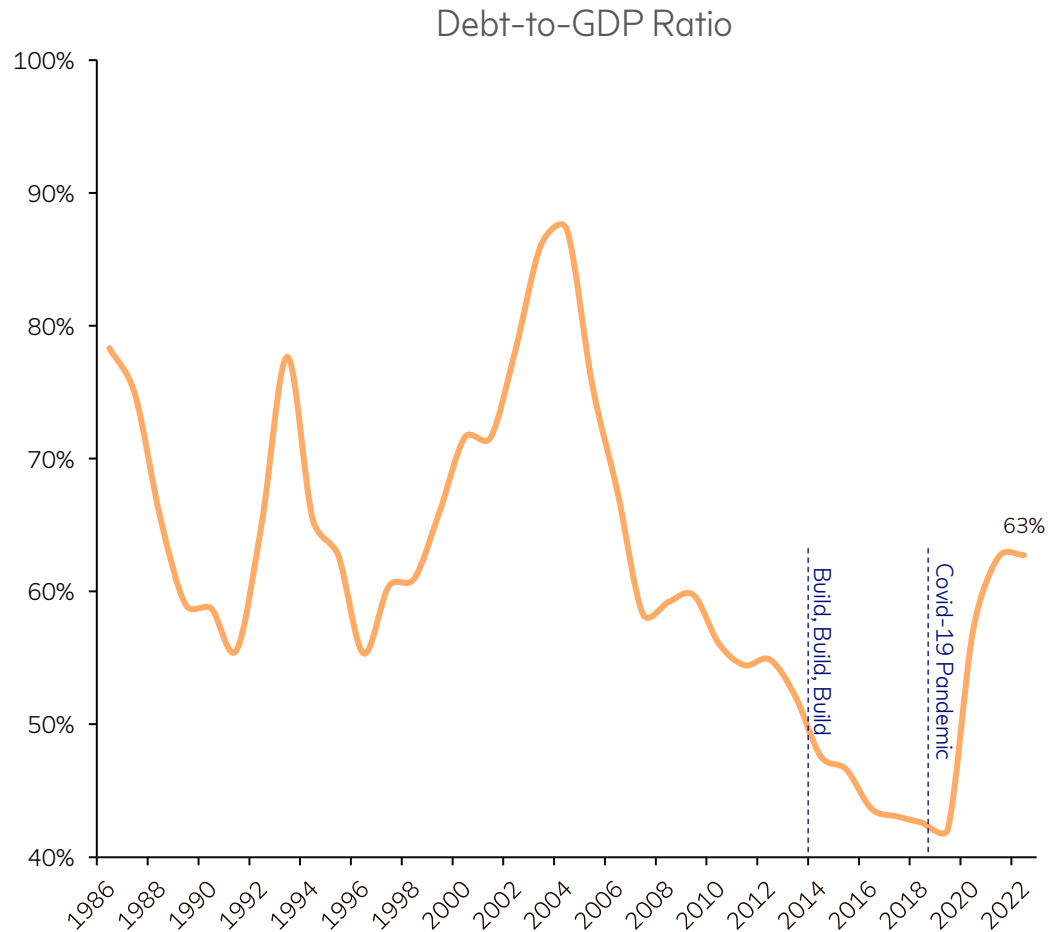


## Highest % of population in the workforce in ASEAN (Average Age 26, Unemployment 4.6%)

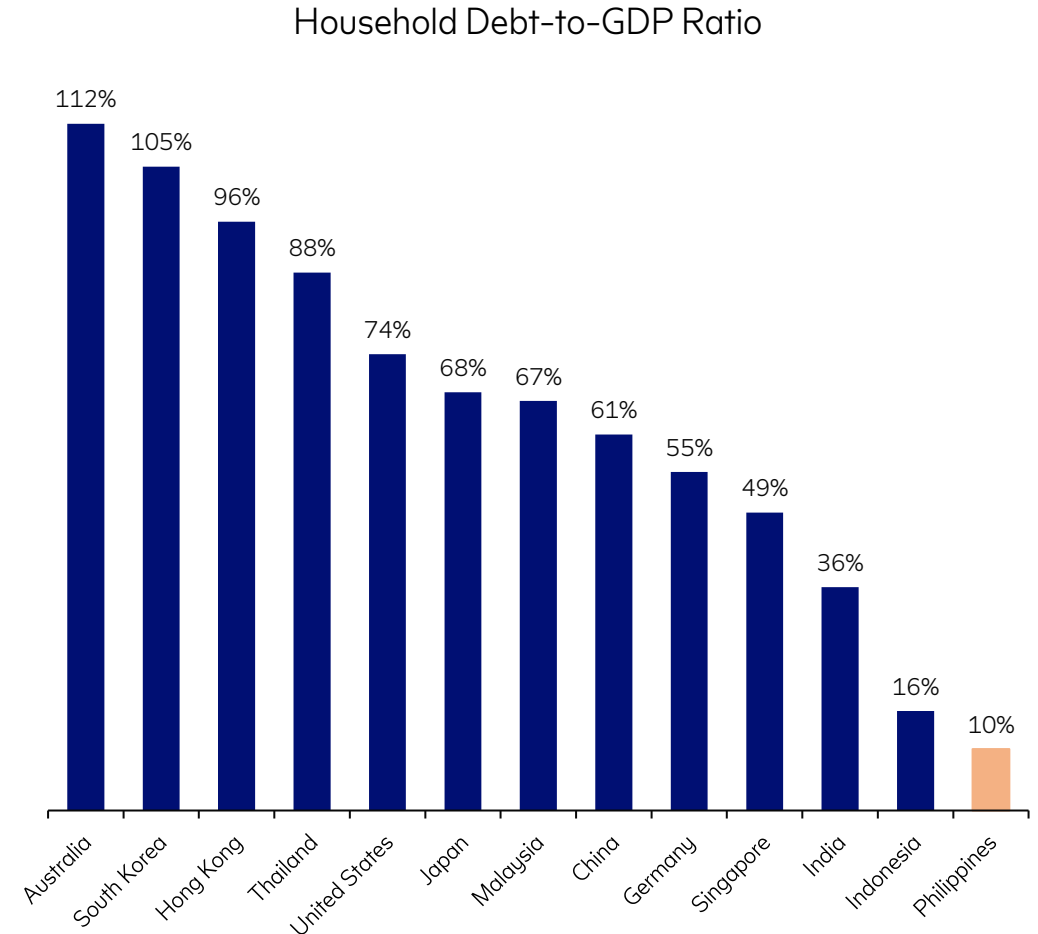


# Conservative Debt Levels

## Low Government Debt-to-GDP

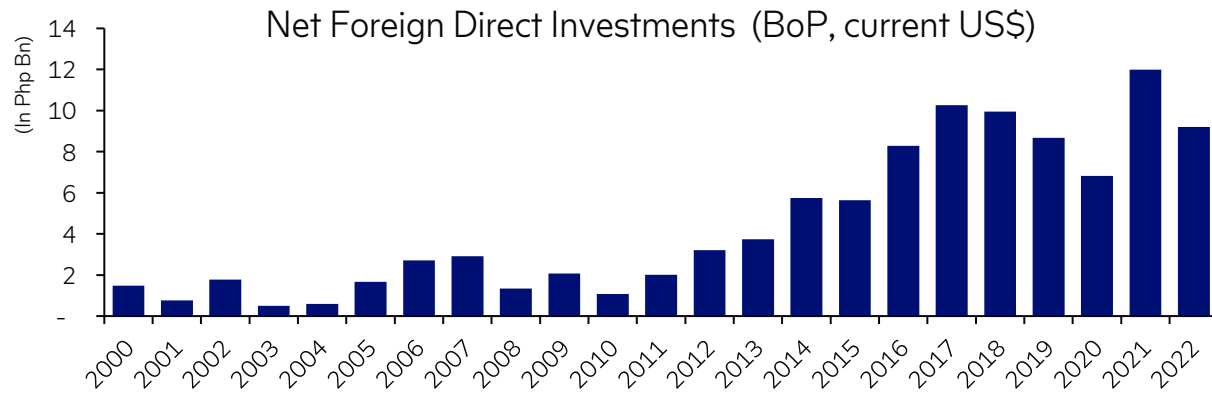


## Low Household Debt

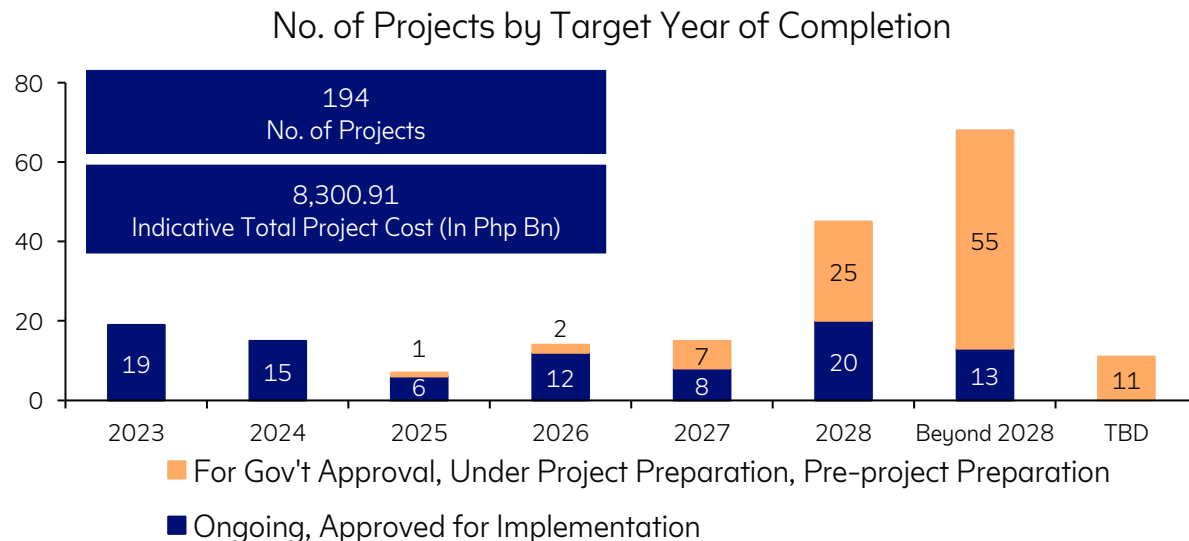


# Growing Infrastructure Spending and Record Level FDIs








## Rising FDIs



## Strong Pipeline for Infrastructure Projects

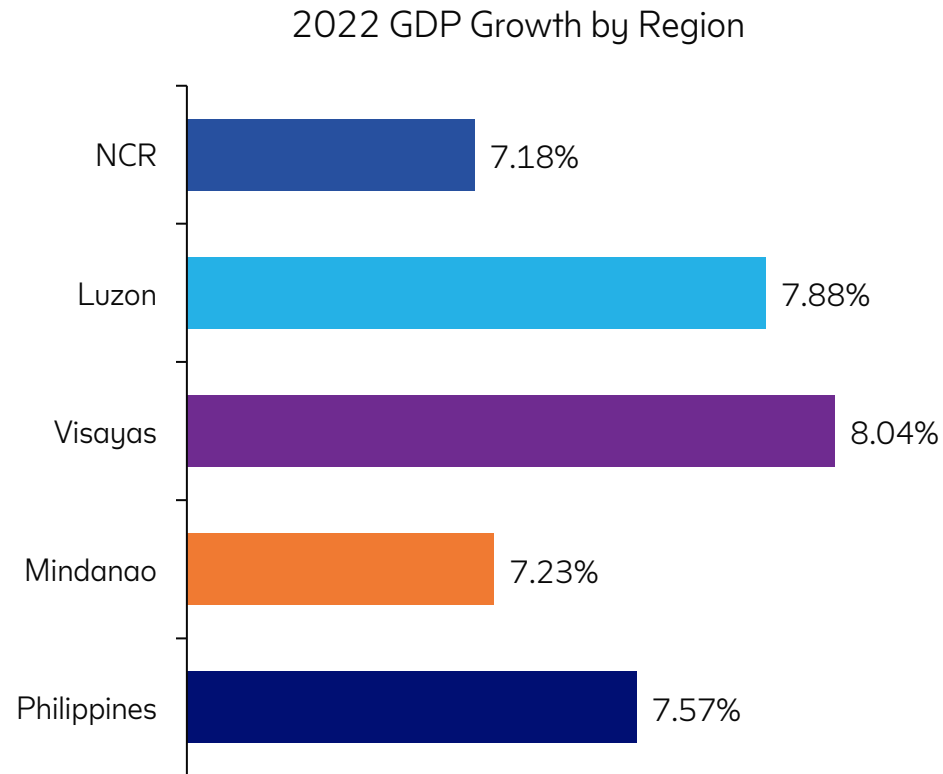


## Sectors

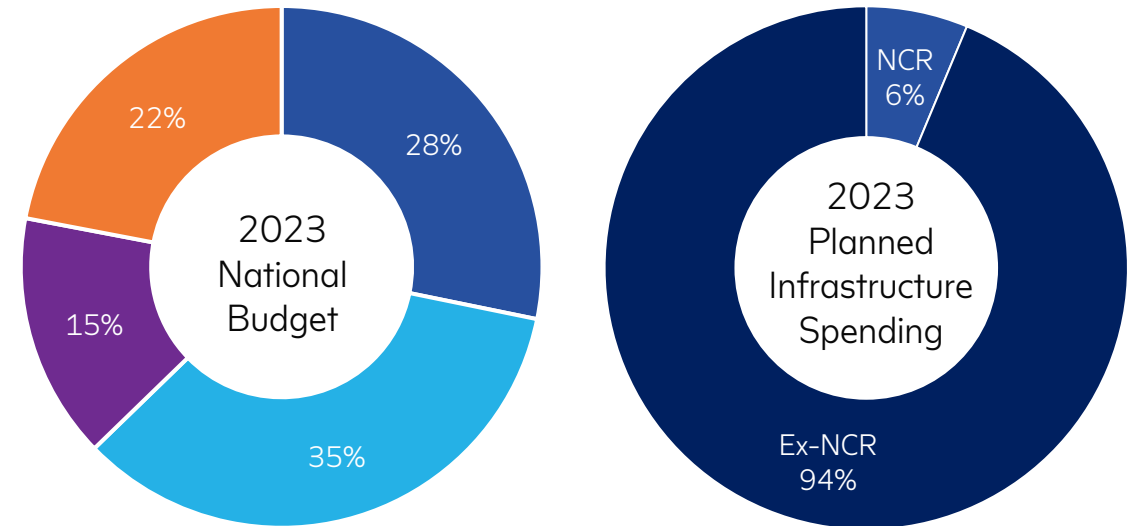
	Physical Connectivity	119
	Water Resources	44
	Agriculture	14
	Health	6
	Digital Connectivity	5
	Power and Energy	1
	Other Infra	5

# Government Spending Supports Regional Growth

## Economic growth faster outside the NCR

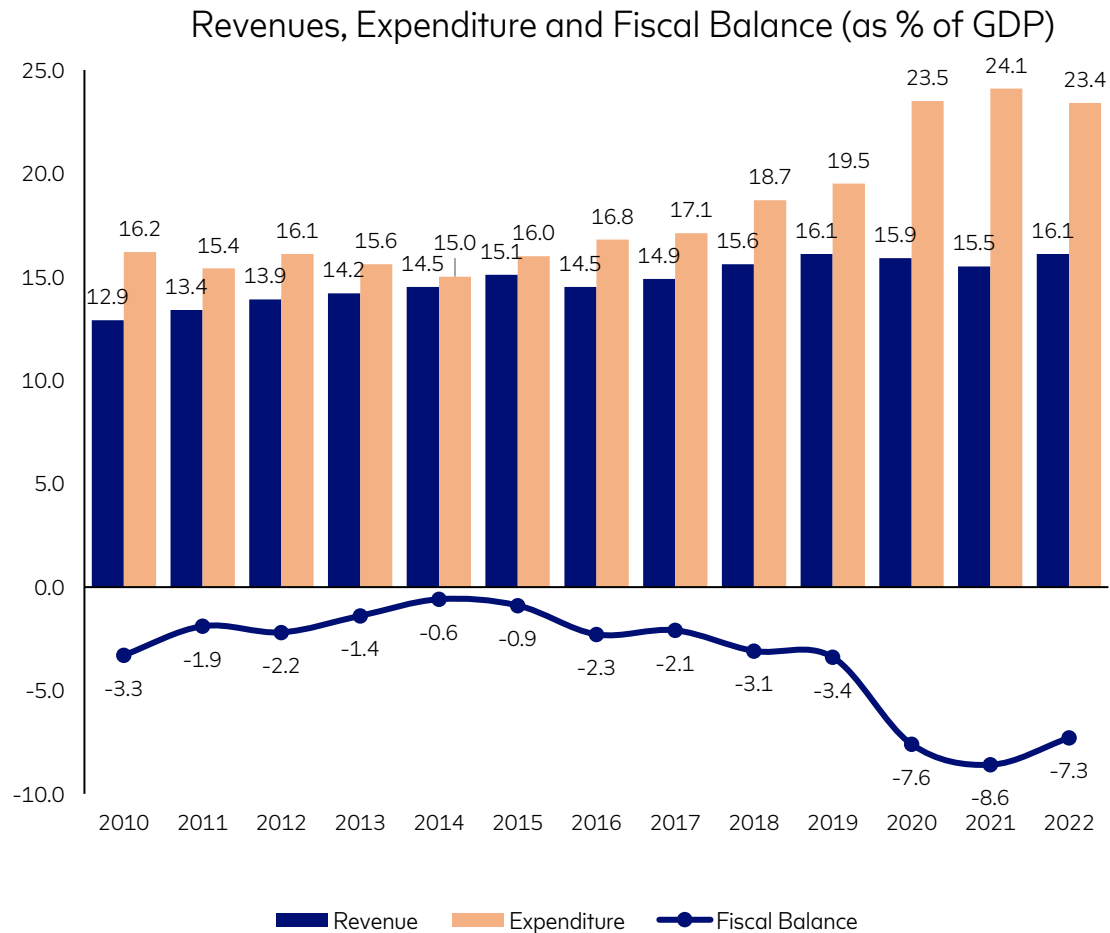


## Budget and plans skewed toward provincial development

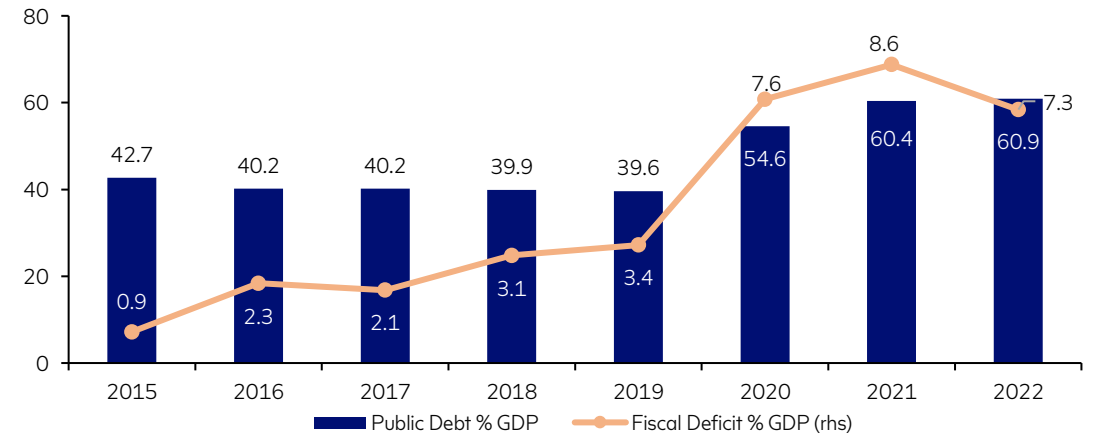


# Government Balance Sheet Improving

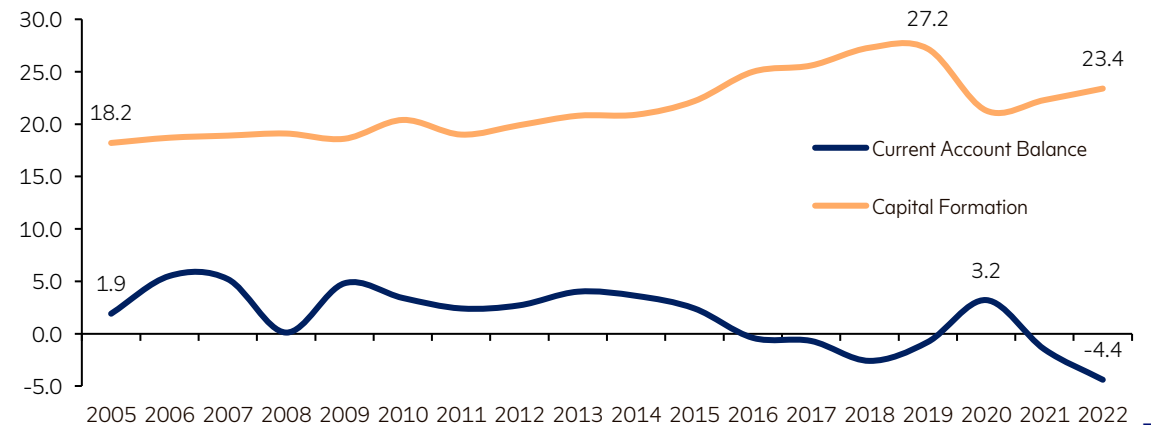
## Fiscal Position Recovery Underway



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



## Current account deficit driven by capital formation

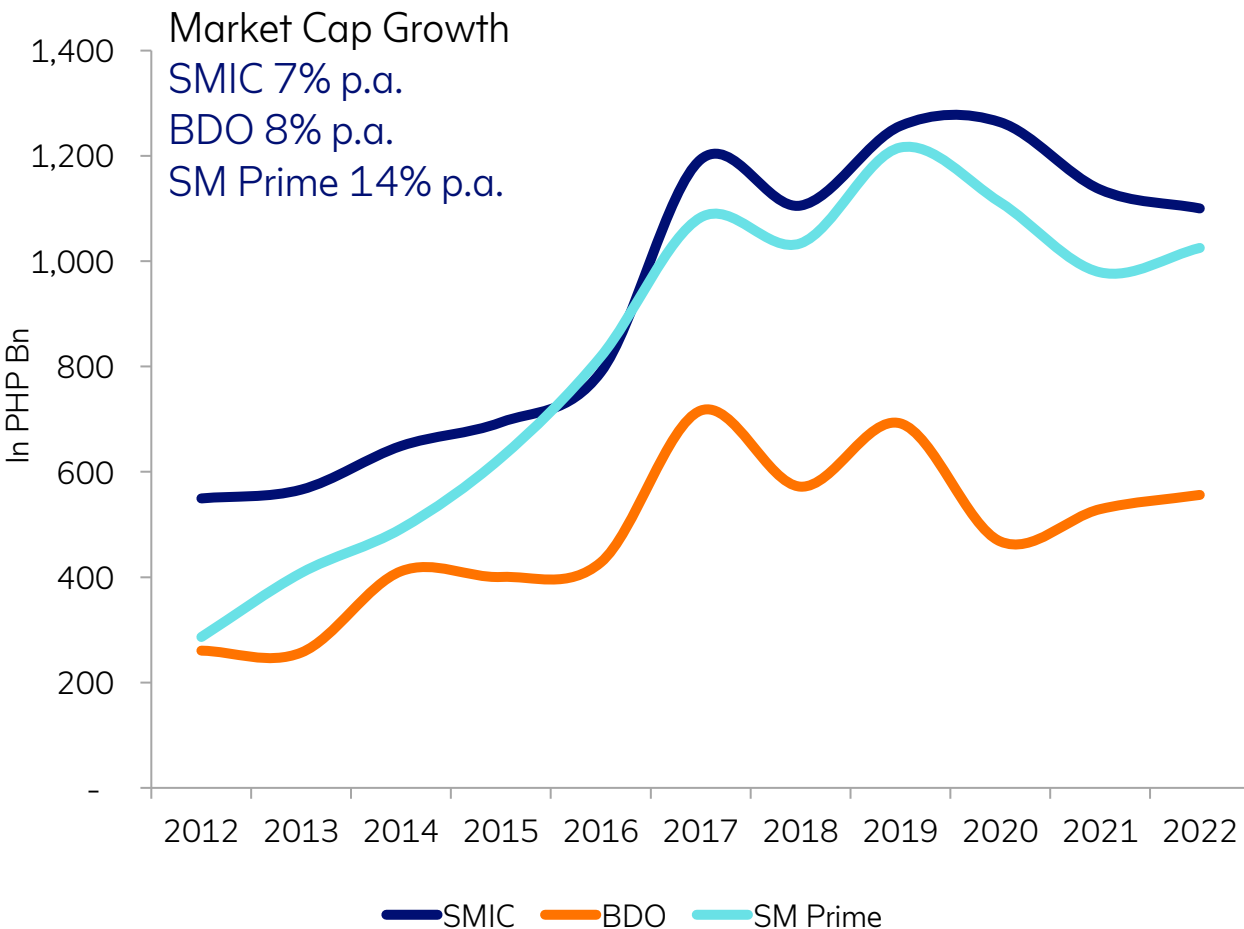


# Annex

- 52 SMIC 10-Year Performance
- 53 Financials
  - SM Investments
  - SM Prime
  - BDO
  - China Bank
- 61 Our 2022 Integrated Report
- 62 Contact Information



# SM INVESTMENTS' 10-Year Performance



Growth rates expressed in CAGR



Growth rates expressed in CAGR

# SM INVESTMENTS

## 9M 2023 Consolidated Results

In PHP Billion

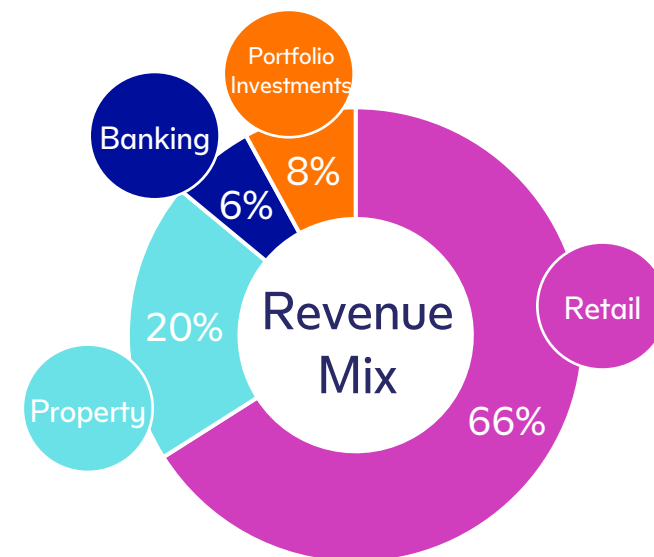
Particulars	9M 2023	9M 2022	% Chg	FY 2022	FY 2021	FY 2020
Revenue	440.4	382.0	15.3%	553.8	432.4	394.2
Net Income to Parent	55.9	42.9	30.4%	61.7	40.4	23.4
Net Margin (inc-NCI)	17.5%	15.4%	-	0.2	0.2	8.7%
Return on Equity	14.5%	13.1%	-	13.1%	-	6.0%

Total Capital	9M 2023	9M 2022	% Chg	FY 2022	FY 2021	FY 2020
Counterpart investments	106.4	137.5	-22.6%	137.5	91.8	78.2
Net Debt	398.3	368.2	8.2%	368.2	380.7	336.8
Equity attrib to Parent	535.8	496.9	7.8%	496.9	447.6	403.8
Net Debt:Equity	35 : 65	35 : 65	-	35 : 65	38 : 62	37:63

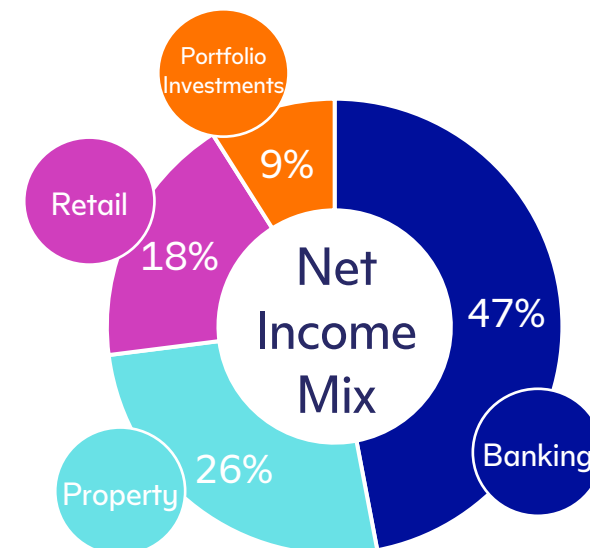
### SMIC Parent Debt

Net Debt to Equity	38 : 62	Average Cost of Debt	4.70%
Peso-Foreign Currency Mix	63 : 37	Average Debt Tenure	2.50 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*



# SMPRIME

## 9M 2023 Results

*In PHP Billion*

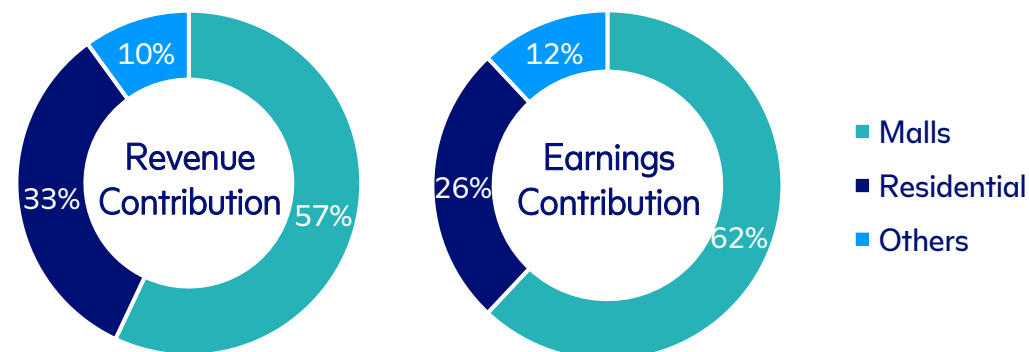
Consolidated	9M 2023	9M 2022	%Chg
Revenues	92.6	73.7	26%
Net Income	30.1	22.0	37%
Operating Income	44.5	34.6	29%
Return on Equity	11%	9%	-

Philippine Malls	9M 2023	9M 2022	% Chg
Revenues	47.9	33.9	41%
Operating Income	26.0	18.4	41%
EBITDA	32.3	24.1	34%
<i>EBITDA margin</i>	69%	69%	-

China Malls (In RMB Bn)	9M 2023	9M 2022	% Chg
Revenues	0.6	0.6	11%
Operating Income	0.3	0.2	7%

Residences	9M 2023	9M 2022	% Chg
Revenues	30.6	28.3	8%
Operating Income	12.5	11.2	11%
EBITDA	12.6	11.3	11%
<i>EBITDA margin</i>	14%	15%	-

Other Businesses	9M 2023	9M 2022	% Chg
Revenues	9.5	7.2	33%
Operating Income	4.5	3.4	30%
EBITDA	6.0	4.8	27%
<i>EBITDA margin</i>	63%	66%	-



# 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*

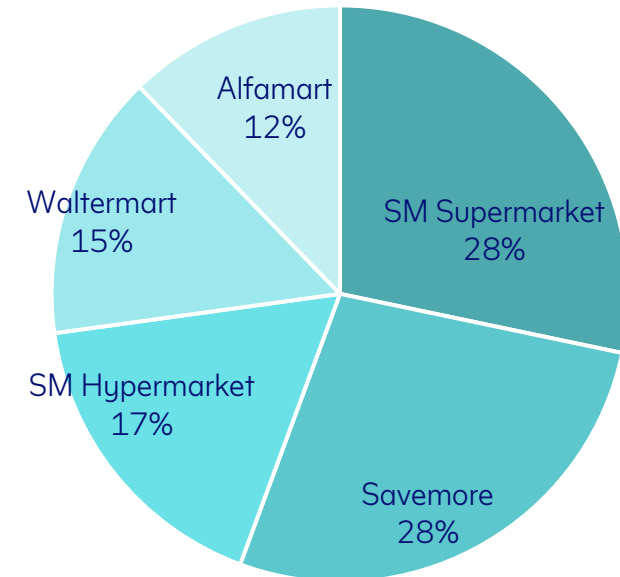
## Profile

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*

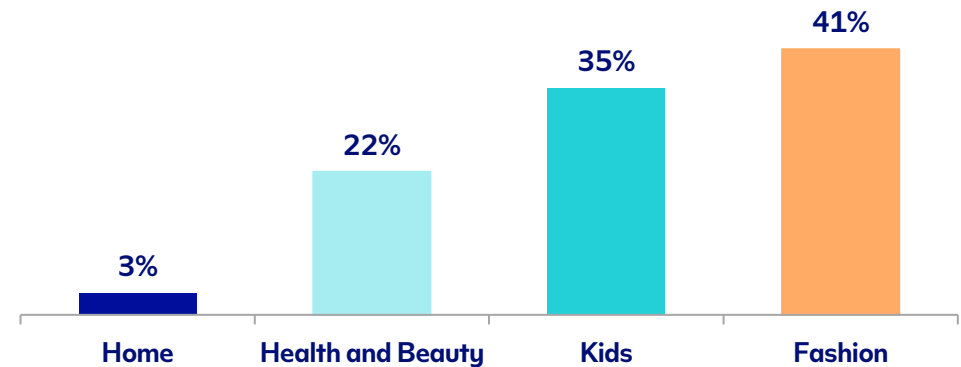
## Profile

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*



## Financial Highlights

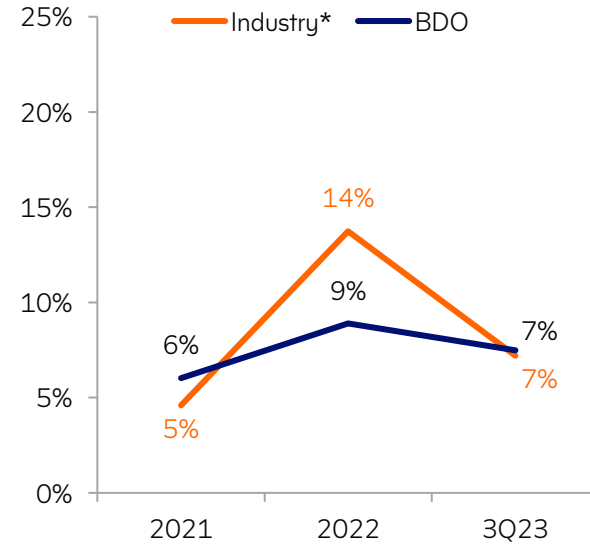
(In PHP Bn)

	9M 2023	9M 2022	% Chg
Net Interest Income	137.4	108.1	27.1%
Other Income	57.9	53.2	8.8%
Net Income <sup>1</sup>	53.9	40.0	34.8%
Assets	4,288.3	3,863.0	11.0%
Deposits	3,408.1	3,036.5	12.2%
Gross Customer Loans	2,720.4	2,531.0	7.5%
Net Interest Margin	4.7%	4.1%	-
Cost to Income Ratio	58.8%	60.8%	-
Return on Ave. Common Equity <sup>2</sup>	15.1%	12.4%	-
Gross Loans to Deposits Ratio	79.8%	83.4%	-
Gross NPL Ratio <sup>3</sup>	1.99%	2.23%	-
Total CAR <sup>4</sup>	15.6%	14.4%	-
Tier 1 Ratio	14.7%	13.5%	-
CET1	14.5%	13.3%	-

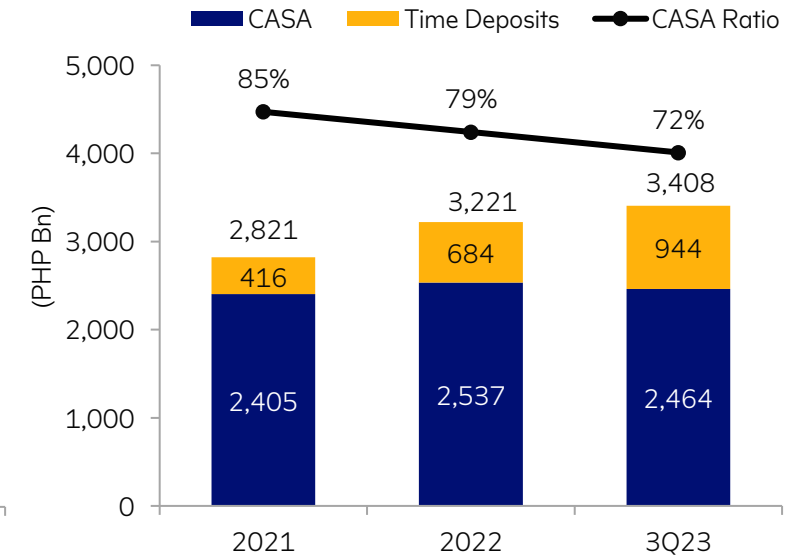
### Notes:

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

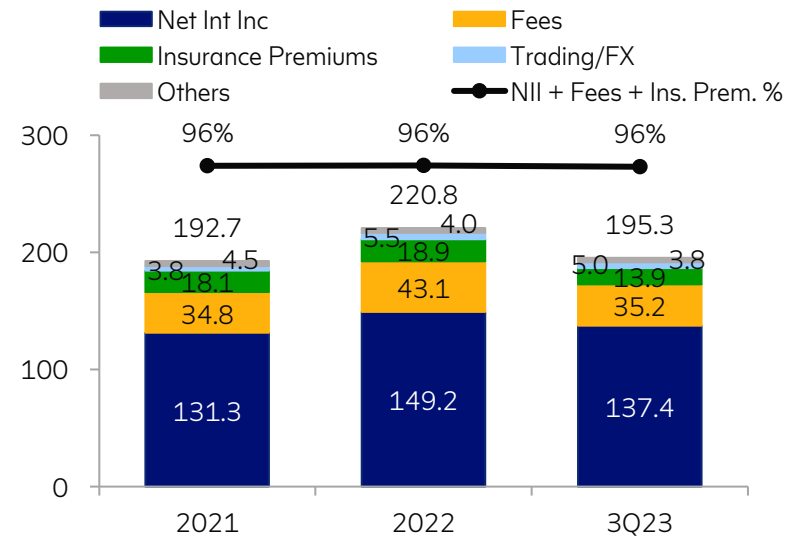
## Loans Growth



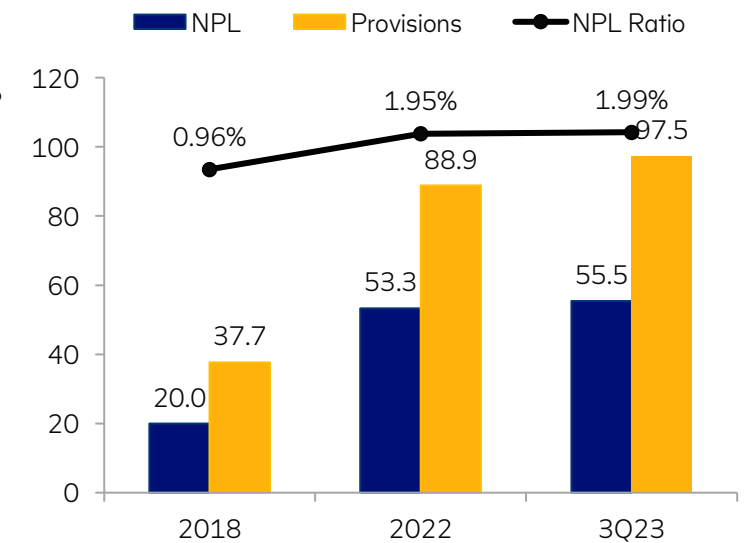
## Deposits



## Operating Income



## Asset Quality



# China Bank

## Financial Highlights

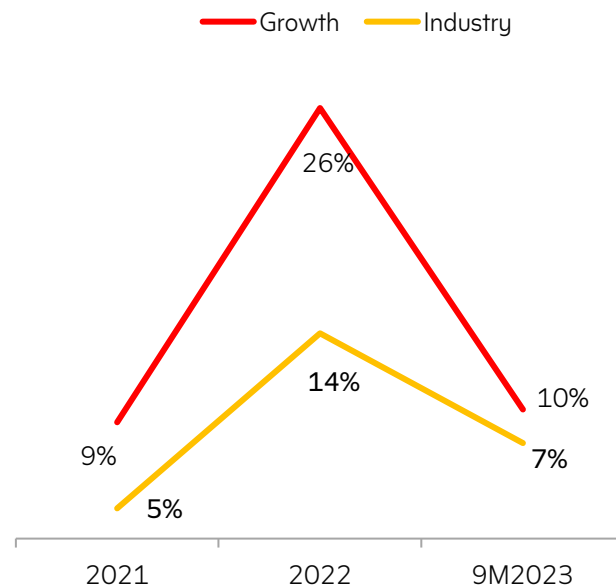
(In PHP Bn)

	9M 2023	9M 2022	% Chg
Net Interest Income	39.2	33.7	16.3%
Other Income	1.6	8.3	-80.5%
Net Income <sup>1</sup>	16.2	14.7	10.2%
Assets	1,411.0	1,274.0	10.8%
Deposits	1,145.0	1,001.0	14.4%
Gross Customer Loans	765.0	697.0	9.8%
Net Interest Margin	4.2%	4.2%	-
Cost to Income Ratio	52.0%	46.0%	-
Return on Ave. Common Equity <sup>2</sup>	15.6%	15.6%	-
Gross Loans to Deposits Ratio	66.8%	69.6%	-
Gross NPL Ratio <sup>3</sup>	2.2%	2.0%	-
Total CAR <sup>4</sup>	15.8%	15.7%	-
CET 1	14.9%	14.9%	-

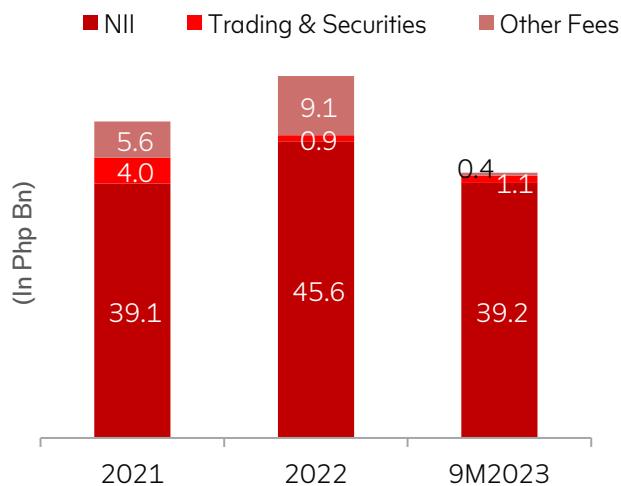
### Notes:

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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

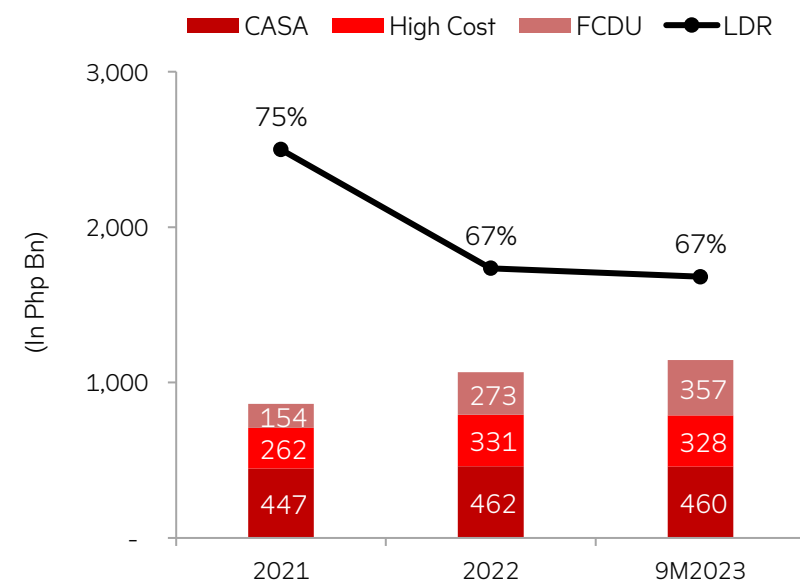
## Loans Growth



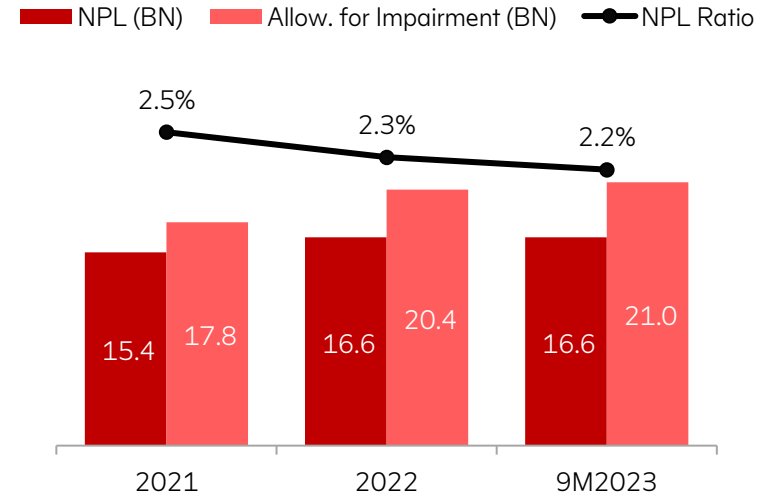
## Operating Income



## Deposits



## Asset Quality



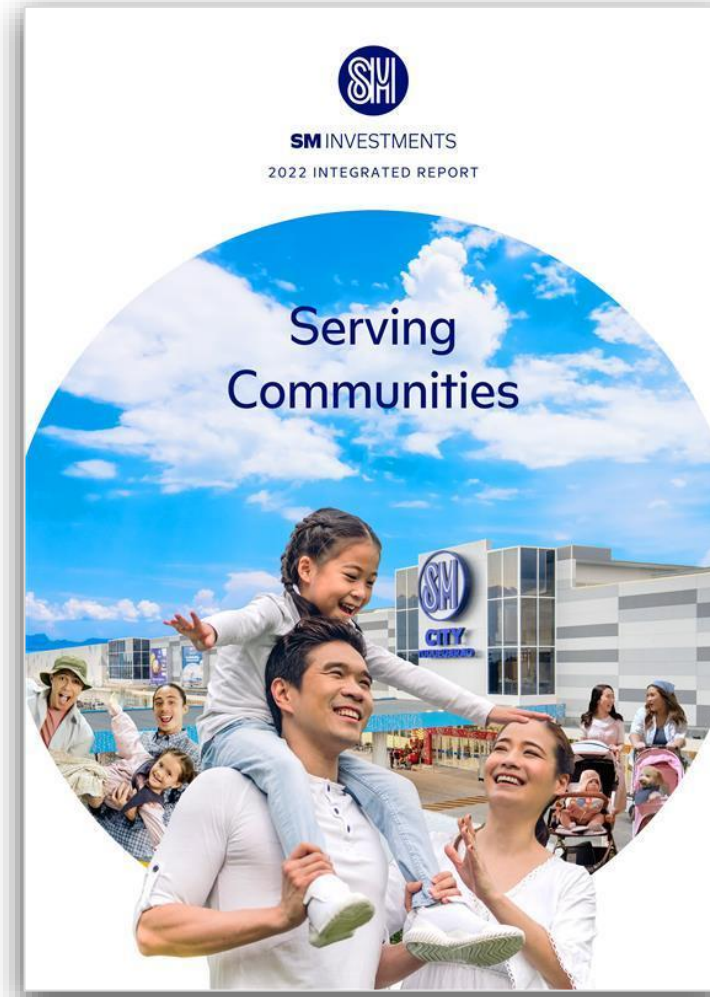
# Our Integrated Report <IR> 2022

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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