



FY 2021

# Analysts' and Investors' Briefing

February 28, 2022



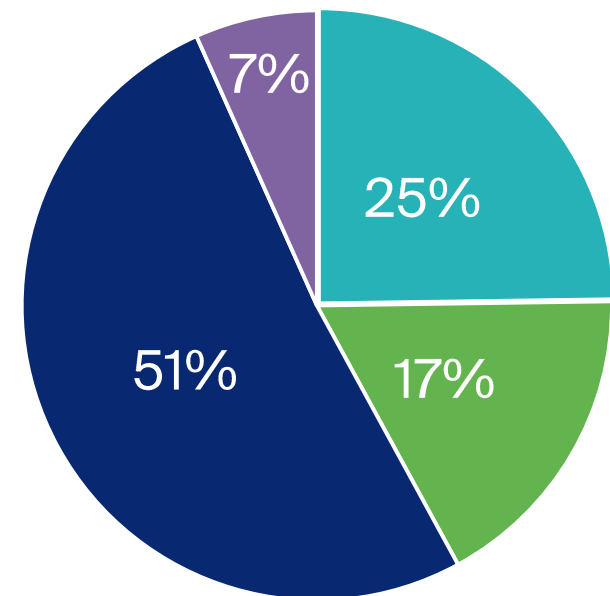
# SMIC FY 2021 Consolidated Results

- Strong Q4 rebound in consumer spending in Retail and Malls
- Banks continued to drive earnings growth
- Portfolio Investments contributed 7% of earnings

SM Investments	FY 2021	Chg
Revenues	428.1	9%
Earnings	38.5	65%
Assets	1,341.6	10%
Net Debt:Total Equity	38 : 62	

*Figures in PHP B except percentages*

Earnings Mix



■ Property ■ Retail ■ Banking ■ Portfolio Investments

# Retail

- Positive Q4 consumer spending sentiment
- Net income growth of 133% driven by sustained Non-Food sales
- Net margin expansion to 3.6%
- New channels represent 10.1% of Non-Food sales

<b>SM Retail</b>	<b>Revenue</b>	<b>Chg</b>	<b>NI</b>	<b>Chg</b>
Total Retail	303.9	2%	9.6	133%
SM Store	61.5	13%	-0.6	79%
Specialty	65.4	9%	4.4	77%
Food Group	196.2	-2%	6.7	31%

*Figures in PHP B except percentages*

# Banking – BDO

BDO	FY 2021	Chg
Net Income	42.8	51%
Net Interest Inc.	131.3	-2%
Other Income	61.4	11%
Loans	2,400.2	6%
Deposits	2,820.9	8%
NIM	4.1%	
NPL	2.8%	
CET 1	13.5%	
CAR	14.6%	

*Figures in PHP B except percentages*

- Net income returned to pre-pandemic levels on resilient core business and normalized provisions
- Loan growth picked up in late 2021
- CASA ratio at 85% on 13% growth in CASA Deposits
- NPL ratio improved and NPL coverage at 111%
- Capital ratios continue to be strong
- Ongoing investments in digital infrastructure

# Banking – China Bank

China Bank	FY 2021	Chg
Net Income	15.1	25%
Net Interest Inc.	38.3	13%
Other Income	10.4	3%
Gross Loans	609.0	9%
Deposits	862.9	3%
NIM	4.2%	
NPL	2.5%	
CET 1	14.9%	
CAR	15.7%	

*Figures in PHP B except percentages*

- Net income growth driven by sustained core business growth with effective cost management
- Above industry loan growth
- Better than industry NPLs at 2.5% with NPL cover of 116%
- Improving returns on equity at 13.6% and on assets at 1.5%
- Cost-to-income ratio improved to 46%
- Capital adequacy strengthened

# Property

SM Prime	FY 2021	YoY
Total Revenues	82.3	1%
Philippine Malls	24.1	2%
China Malls (in RMB B)	0.8	20%
Residential	45.9	-3%
Other Businesses	6.6	4%
Reservation Sales	98.9	0%
Earnings	21.8	21%

Figures in PHP B except percentages

- Q4 easing of mobility restrictions benefitted Philippine Malls
- Philippine mall rent income improved 6% vs 2020
- Launched 8 condominium buildings, 2 new malls and MOA Square commercial building which houses the biggest IKEA in the world
- China Malls returned to normalcy with 154% net income growth

# Expanding Footprint



**+294**  
Retail Stores



**+73**  
Bank Branches



**+305k sqm**  
Mall Gross Floor Area



**+11,995**  
Residential Units

*All figures are additions for 2021*

# Covid-19 Vaccination Efforts



**Over 8m**

Vaccine doses administered in 71 SM Malls



**~120k**

SM Employees vaccinated

# Disaster Relief Efforts



**Over 33k** Families assisted through Operation Tulong Express



**500 tons** Relief goods transported port-to-port free of charge

# Recent Commitments

SM Prime committed to leading in renewable energy use, exceeding Philippine goals

50% Renewable Energy by 2022

# Recent Commitments

NEO is the first portfolio in the world to be certified with the EDGE **Zero Carbon** by the International Finance Corporation.

NEO



**TOGETHER  
FOR OUR  
PLANET**

**#IntentToAction**



# Recent Commitments

**TCFD** | TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

 INVESTMENTS CORPORATION  PRIME

NEÓ



# Our Portfolio Investments

## Logistics



## Mining



## Specialist Property



## Food Manufacturing



## Recent Highlights

### 2GO Group Inc.

- Increased stake to 52.9%

### Goldilocks

- Increased stake to 74%

### MyTown

- Increased stake to 71.3%

### Atlas Mining

- Strong turnaround performance

### NEO Group

- Strong results

# FY Results Key Messages

- All businesses remain resilient and ready to take advantage of the economic reopening
- Strong topline and bottom line growth in Non-food retail
- Banking delivered sustained core earnings growth, improving NPLs and strong balance sheets
- Property continues to benefit from increased mobility
- Across the Group we continue to invest in footprint expansion
- Conservative gearing and strong balance sheets maintained
- Significant vaccination contributions nationwide
- SMIC, SMPH and NEO signed up for TCFD, strengthening our sustainability advocacy and Climate Change commitments



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