SM INVESTMENTS

FY 2023 Earnings Briefing

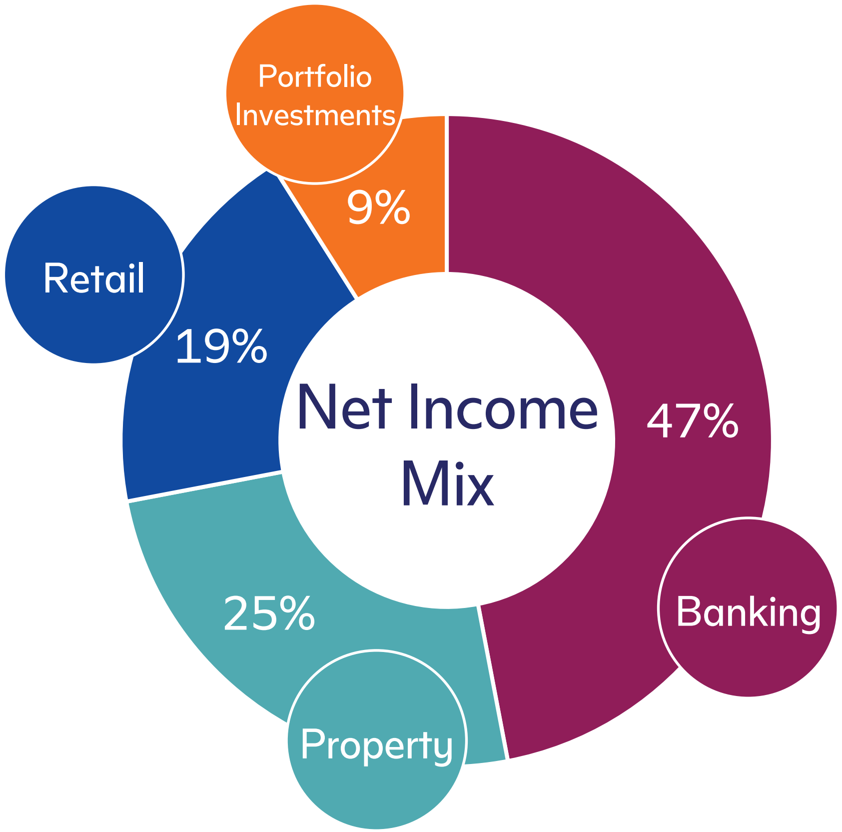
February 28, 2024

SMIC FY 2023 Consolidated Results

- Sustained Retail growth driven by healthy consumer spending
- Conservative gearing and strong balance sheet maintained
- Portfolio investments contribute 9% of total earnings

SM Investments	FY 2023	Chg
Revenues	616.3	11%
Earnings	77.0	25%
Assets	1,586.2	7%
Net Debt:Total Equity	33 : 67	

Figures in PHP B except percentages



Banking – BDO

- Earnings growth driven by core businesses
- FY 2023 ROCE at 15.2%
- Stable asset quality
  - NPL ratio lower at 1.85%
  - NPL Cover at 185%
- Capital continues to strengthen with 12% increase in Book Value
- Expansion in underserved / underpenetrated markets and investments in technology continue

BDO	FY 2023	Chg
Net Income	73.4	29%
Net Interest Inc.	186.4	25%
Other Income	84.0	17%
Gross Loans	2,851.4	9%
Deposits	3,567.6	11%
NIM	4.65%	
NPL Ratio	1.85%	
CET 1	13.8%	
CAR	14.9%	

Figures in PHP B except percentages

Banking – China Bank

China Bank	FY 2023	Chg
Net Income	22.0	15%
Net Interest Inc.	53.5	17%
Gross Loans	791.0	10%
Deposits	1,186.7	11%
NIM	4.24%	
NPL Ratio	2.50%	
CET 1	15.3%	
CAR	16.1%	

Figures in PHP B except percentages

- Sustained core business strength
- Stable asset quality
  - NPL ratio stable at 2.5%
  - NPL Cover at 104%
- Cost to income ratio at 50%
- Healthy ROE at 15.5%

Property

SMPRIME	FY2023	Chg
Total Revenues	128.1	21%
Malls	71.9	30%
Residential	43.1	8%
Other Businesses	13.1	26%
Reservation Sales	102.0	0%
Net Income	40.0	33%

Figures in PHP B except percentages

- Philippine mall rental income up 25% due to increase in tenant sales, foot traffic, and normalization of rental fees
- Other businesses, which includes Offices, Hotels and Convention centers grew 26%

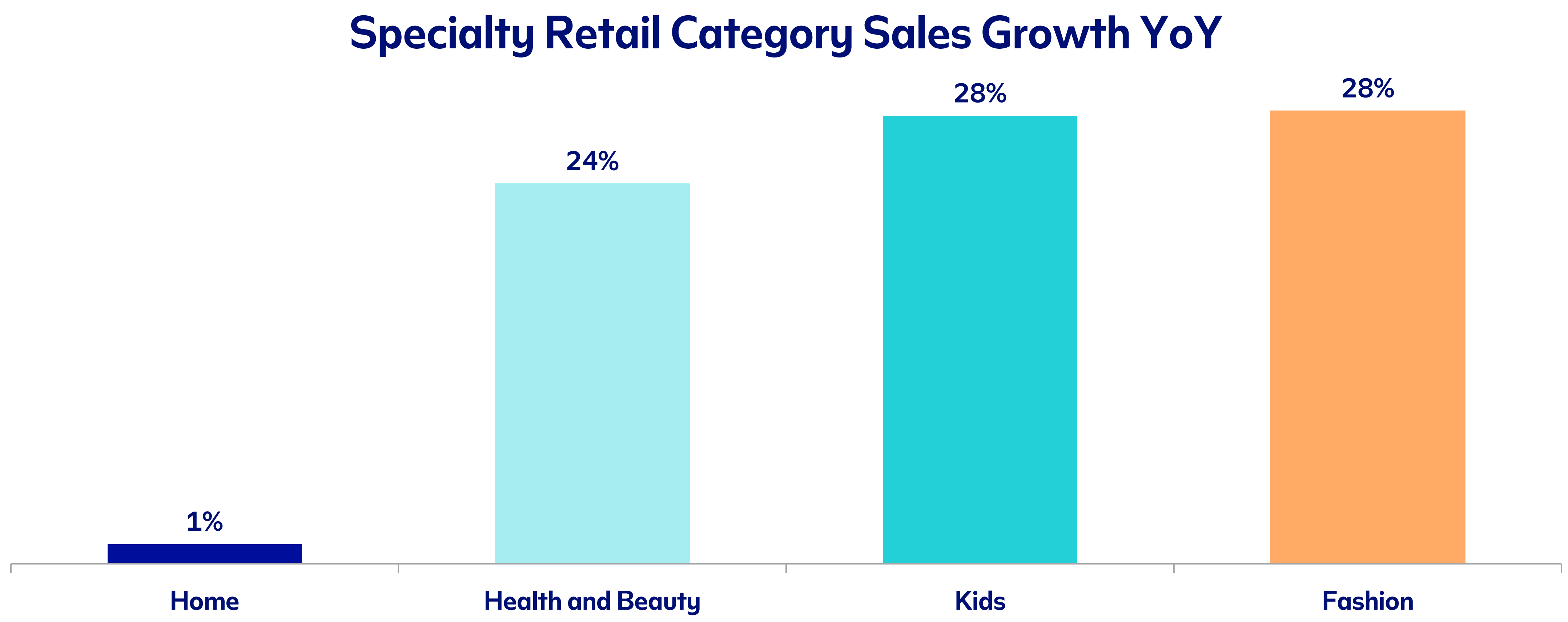
Retail

SMRETAIL	Revenue	Chg	NI	Chg
Total Retail	415.0	10%	19.9	11%
SMSTORE	114.2	16%	4.7	5%
Specialty	94.6	11%	8.0	13%
Food Group	235.3	7%	9.7	21%

Figures in PHP B except percentages

- Discretionary spending remained resilient in Q4
- Retail revenues grew 10% driven by strong growth in Non-food retailing both in the SM Store and Specialty
- Net income grew by 11% driven by margin expansion in Food Retailing

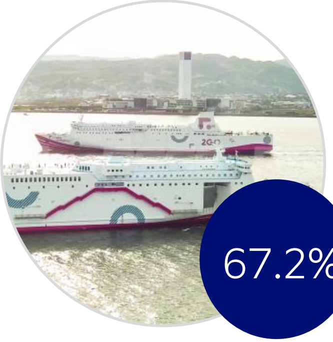
Strong Growth Across Discretionary Categories



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

Portfolio Investments

2GO Group



67.2%

Airspeed

51%

Atlas Mining

34.1%

Belle Corp.

26.6%

MyTown

71.3%

Neo Group

95%

Philippine Geothermal

100%

Goldilocks

64.1%

Portfolio Investments Strategy

SMINVESTMENTS 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

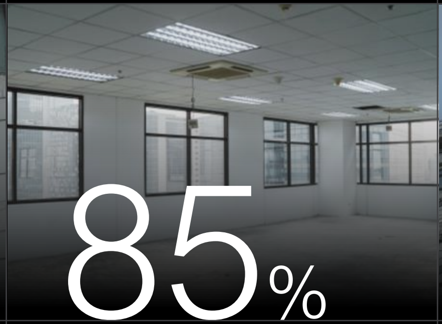
NEO | 2023 Performance

BUILDING PORTFOLIO

7

7 Buildings in BGC with a total gross leasable area of 266,936 sqm and a land area of 22,906 sqm

OCCUPANCY



85%

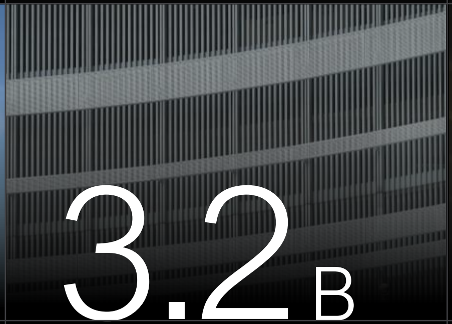
1% increase compared to 2022

PORTFOLIO REVENUE

3.9B

1% increase compared to 2022

PORTFOLIO EBITDA



3.2B

1% decrease compared to 2022

PORTFOLIO NET INCOME

2.2B

1% decrease compared to 2022

SUSTAINABILITY

Building Resilience Index

First portfolio in the world to be publicly verified with the International Finance Corporation's

NEO's Inaugural sustainability report

The Shell Recharge charging station at Seven/NEO is the first in the world to be fully powered by renewable geothermal energy

NEO | 2024 Outlook |

Office Leasing Outlook

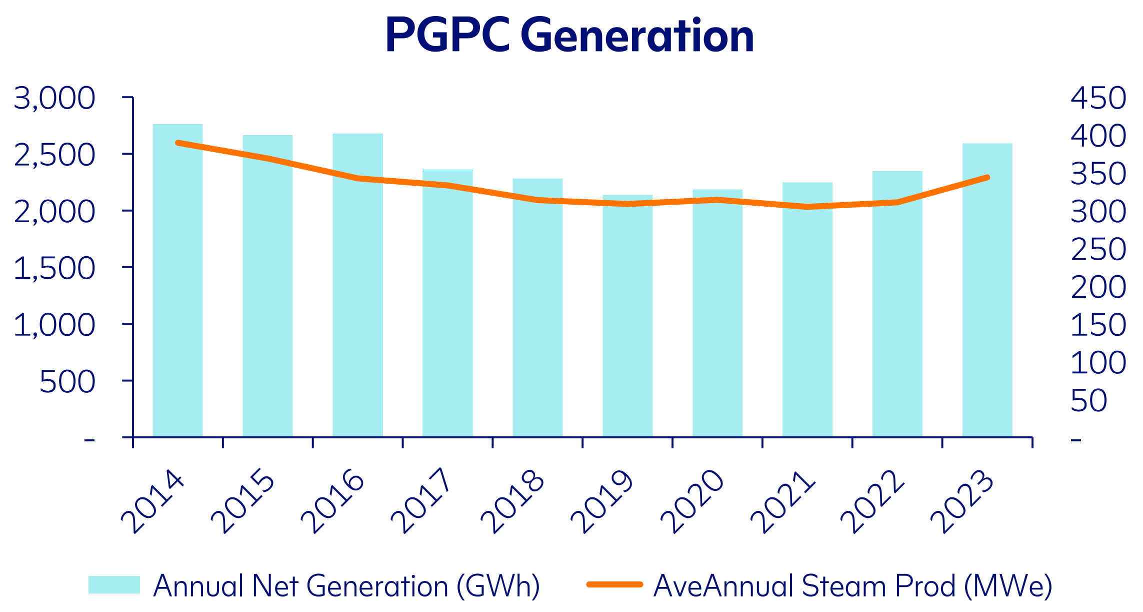
Office occupancy in the Philippines is being anticipated to improve starting 2024. Sustainability to remain as a key consideration of the potential tenants in choosing/leasing an office unit.

Sustainability Outlook

Diversity, Equity and Inclusion shall be prioritized in 2024 for NEO.

NEO achieved the WELL Equity Rating in February 2024. This underscores NEO's dedication to ensuring the well-being of the tenants and stakeholders, while also elevating industry standards for healthy building development in the region.

Philippine Geothermal Production Company



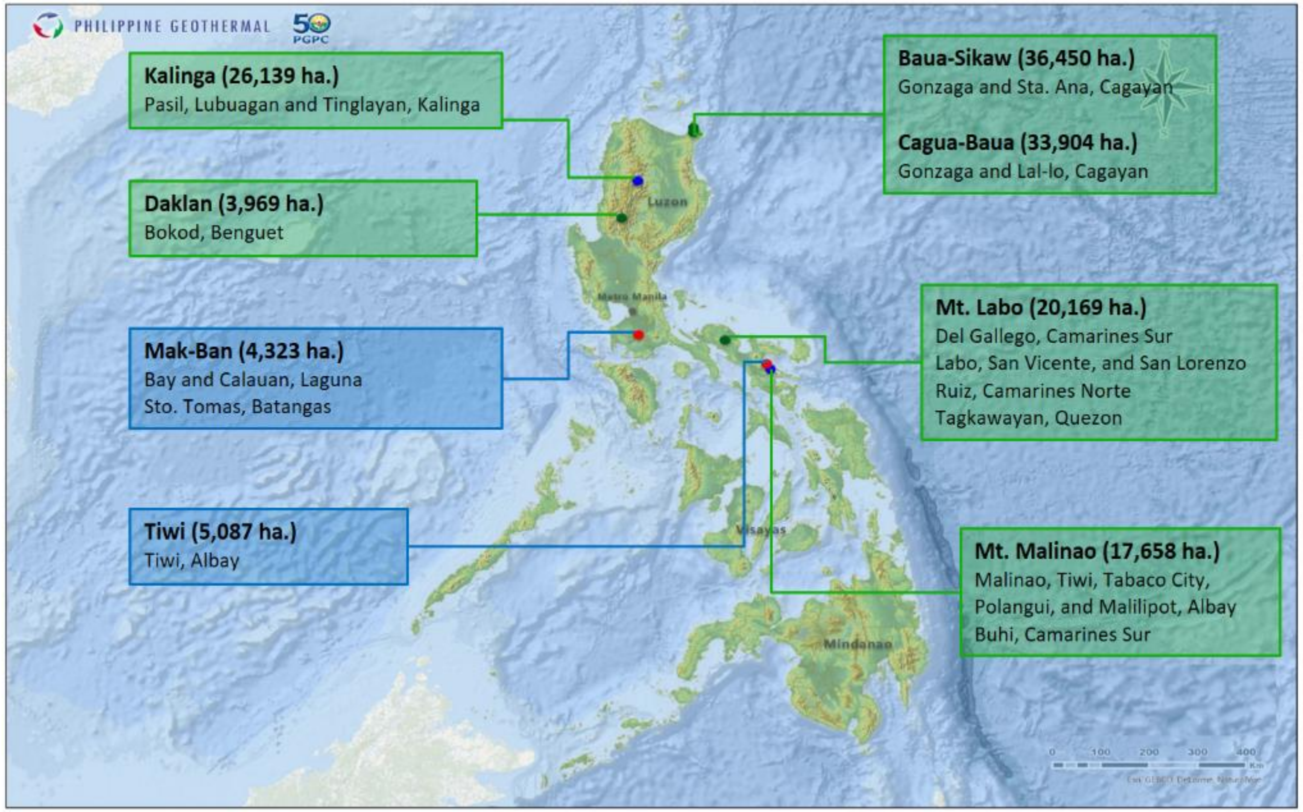
- Proven long-standing steam production track record due to good reservoir management and strong disaster management programs
- The 2018 Geothermal Resources Supply and Services Agreement (GRSSA) paved the way for drilling 15 new wells from 2019-2023, contributing approximately **95MW**

PGPC	2023	2022	Chg
Revenue	6.9	7.5	-7.6%
EBITDA	4.9	4.8	1.8%
Net Income	4.0	4.0	-1.3%

Balance Sheet	2023	2022	Chg
Total Assets	19.5	15.3	27.4%
Total Liabilities	2.8	2.1	32.4%
Debt	0.0	0.0	0%
Cash and cash equivalents	3.0	2.2	37.3%
Net Debt (Cash)	(3.0)	(2.2)	37.3%

Figures in PHP B except percentages

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

Goldilocks	2023	2022	Chg
Revenue	13.7	12.6	8.9%
EBITDA	1.3	1.0	24.6%
Net Income	0.4	0.3	60.0%

Balance Sheet	2023	2022	Chg
Total Assets	6.7	6.6	1.9%
Total Liabilities	4.5	4.3	5.9%
Debt	0.0	0.0	0.0%
Cash and cash equivalents	2.0	1.4	49.4%
Net Debt (Cash)	(2.0)	(1.4)	49.4%
Stores	926	928	-0.2%

Figures in PHP B except percentages

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
- Customer engagement with the brand continues to increase, outpacing our nearest competitor

Goldilocks

Higher Sales Growth led by Store Expansion and Product Innovation

Efficiencies via Mechanization and better Material use

60
Planned Openings

2GO

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

18
Major Ports of Call

10
ROPAX vessels for Freight and Travel

1
Freighter vessel

14,000+
TEU Containers

600+
Reefers avg. age 6 years

200+
ISO tanks avg. age 6 years

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

33,000+
Actively Serviced Barangays

Last Mile
e-Commerce

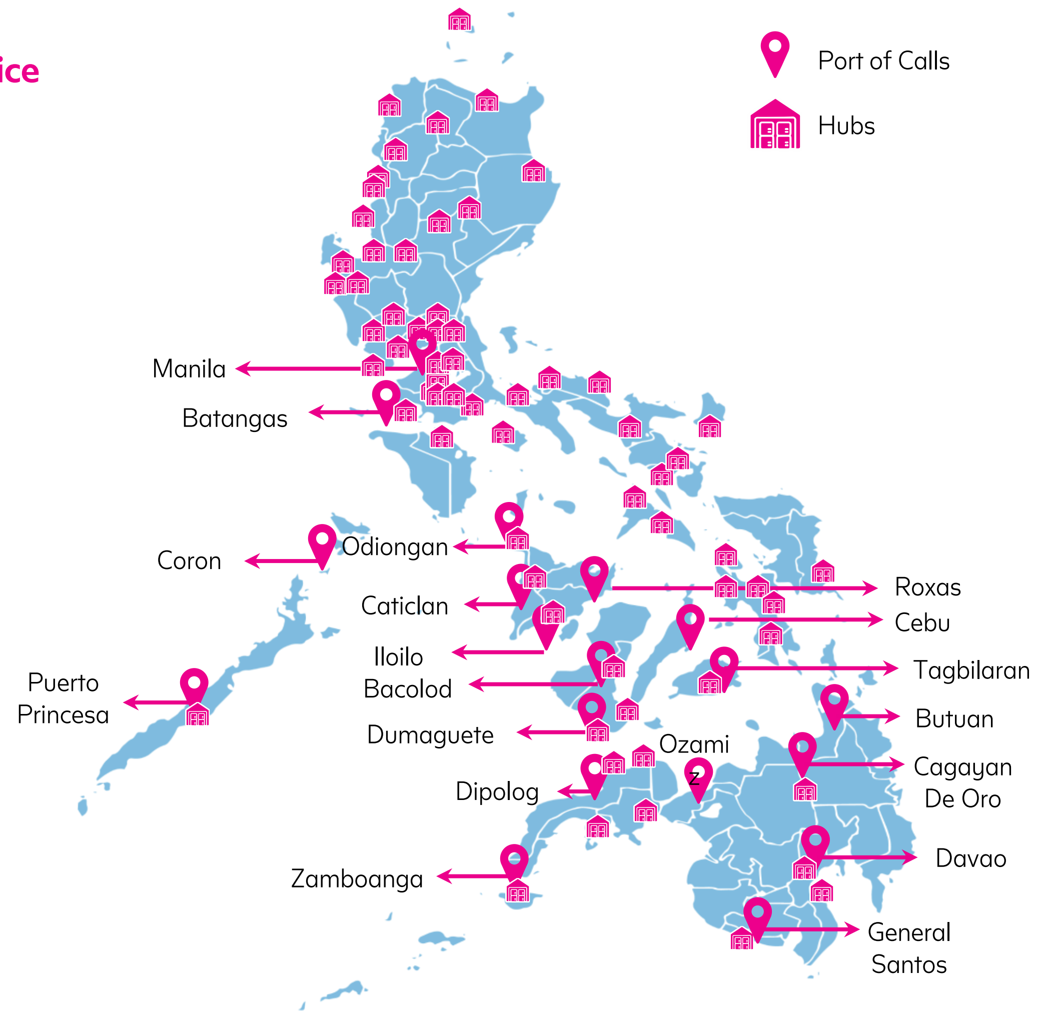
3,000+
Retail Network
Owned and partner locations

Warehouse, Crossdock, and Trucking Direct to Stores

Nationwide Warehouse Coverage

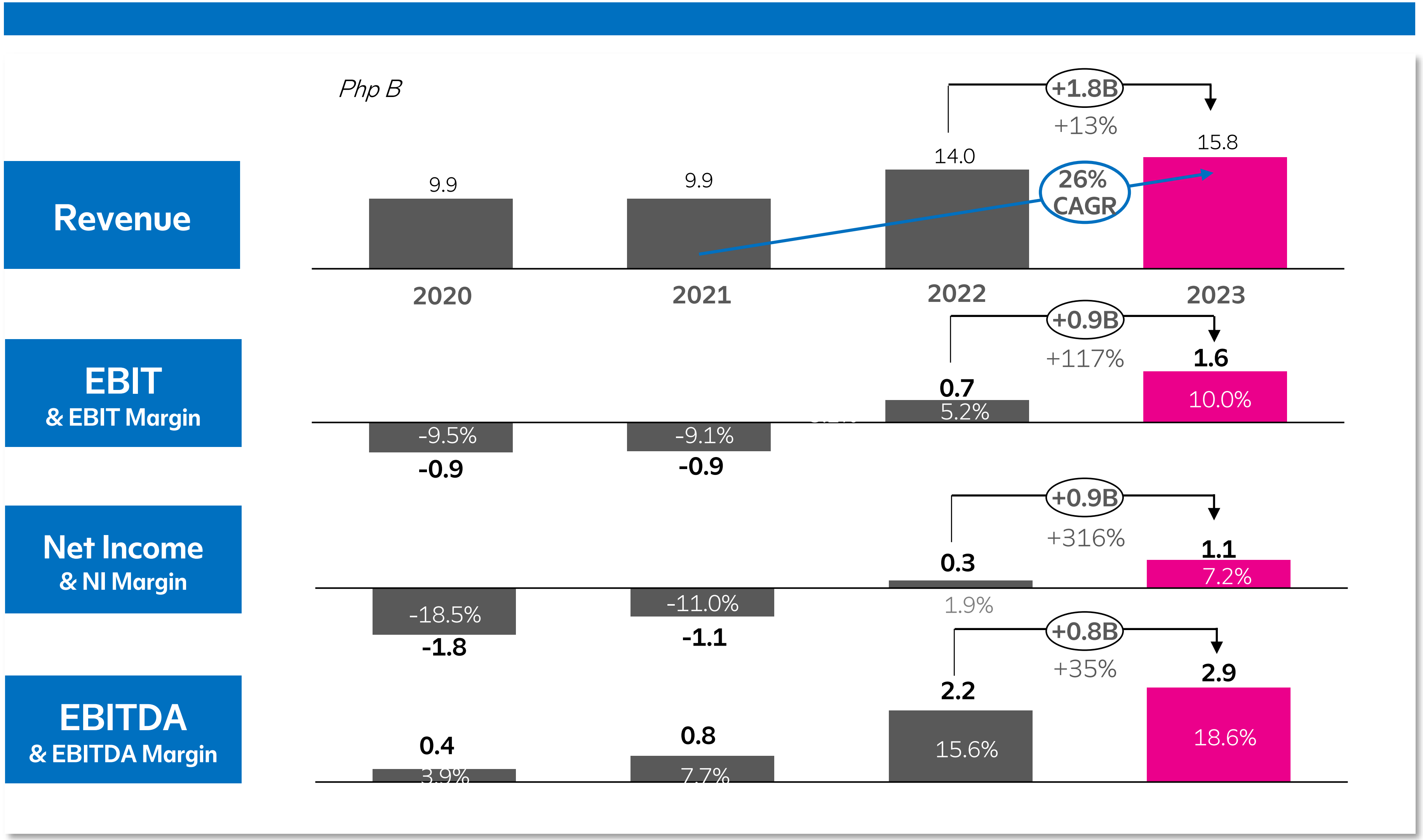
Case pick and piece pick capability

LTL and FTL trucking services



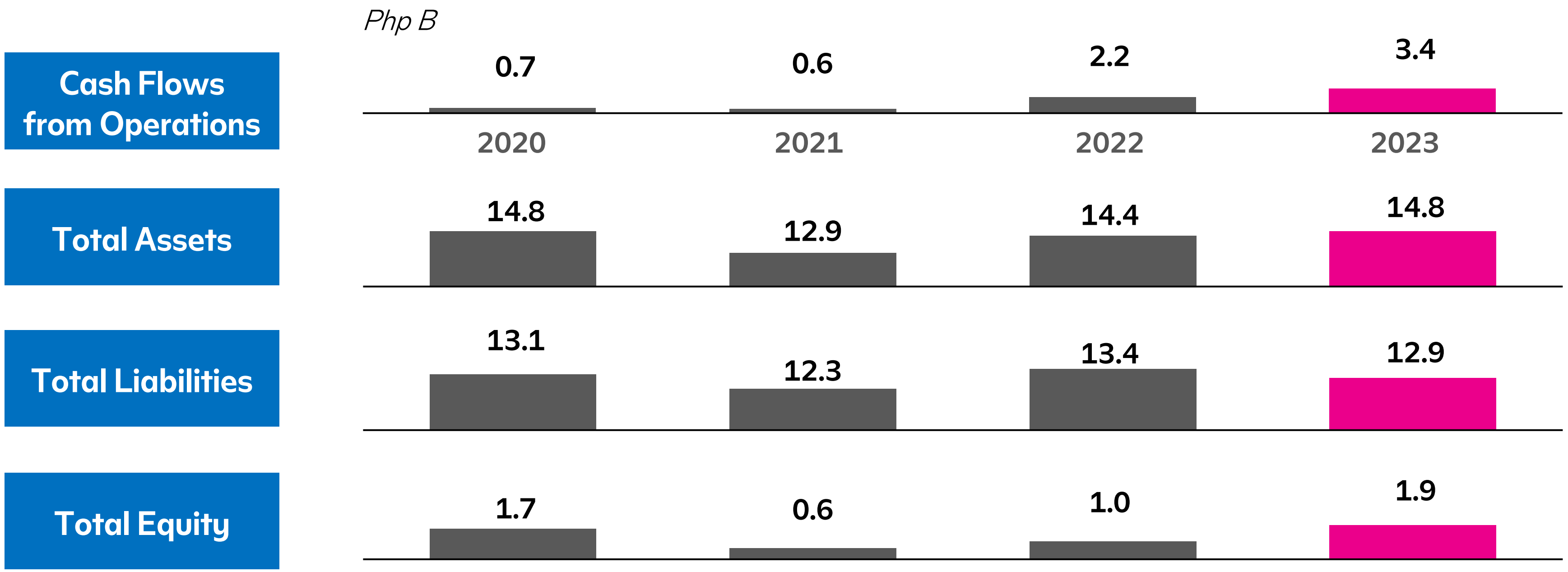
2023 Consolidated Performance

Growth driven by higher margin business, operational efficiencies and focus on controlling costs



2023 Consolidated Performance

Improved Cash Flows from Operations to Fund Expansion and Repay Debt Leading to Healthier Balance Sheet



	2020	2021	2022	2023
Total Bank Debt	5.6	7.1	6.3	5.7
Debt to EBITDA	12.9x	9.2x	2.8x	2.0x
DSCR	0.6x	1.0x	3.0x	3.8x
Debt to Equity	3.4x	11.1x	6.3x	3.0x

FY 2023 Results Key Messages

- FY results driven by healthy consumer demand seen across all businesses
- Discretionary Retail categories remained strong while Food Retail margins expanded
- 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 contributing 9% of earnings, strong growth plans across key businesses
- Conservative gearing and healthy balance sheet
- Group remains cautiously optimistic for 2024

Annex

SMRETAIL Consolidated

Financials	FY 2023	FY 2022	Chg
Revenue	415.0	378.2	10%
SSSG	6.3%	22.3%	
EBIT Margin	7.5%	7.6%	
Net Income	19.9	17.9	11%

Figures in PHP B except percentages

Profile			
Store Count	3,853	3,512	10%
Selling Area	3.36	3.24	4%

Gross Selling Area in M sqm.

- Retail Revenues sustained growth driven by strong consumer demand
- Discretionary categories remained resilient in Q4
- Net income grew by 11% driven by margin expansion in Food Retail

Data as of FY 2023

SMRETAIL – The **SM**STORE

Financials	FY 2023	FY 2022	Chg
Revenue	114.2	98.8	16%
SSSG	12.1%	59.9%	
EBIT Margin	5.8%	6.5%	
Net Income	4.7	4.5	5%

Figures in PHP B except percentages

Profile			
Store Count	74	72	3%
Selling Area	0.89	0.87	2%

Gross Selling Area in M sqm.

- Growth across discretionary categories in the SM Store
- Fashion and Health & Beauty categories continues to be resilient with the resumption of face-to-face classes

Data as of FY 2023

SMRETAIL – Food Group

Financials	FY 2023	FY 2022	Chg
Revenue	235.3	219.6	7%
SSSG	3.9%	9.5%	
EBIT Margin	6.0%	5.5%	
Net Income	9.7	8.1	21%

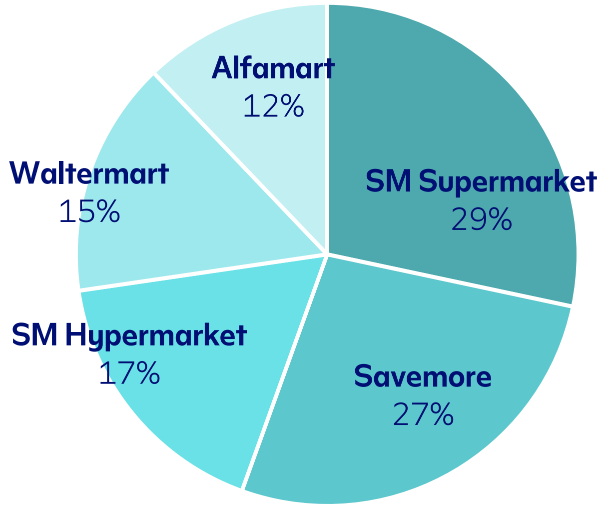
Figures in PHP B except percentages

Profile			
Store Count	2,119	1,829	16%
Selling Area	1.80	1.72	5%

Gross Selling Area in M sqm.

- Sustained volume growth and improved margins
- Alfamart opened 287 stores for the year

Revenue by Format



Data as of FY 2023

SMRETAIL – **Specialty**

Financials	FY 2023	FY 2022	Chg
Revenue	94.6	85.2	11%
SSSG	6.0%	26.0%	
EBIT Margin	11.4%	11.7%	
Net Income	8.0	7.1	13%

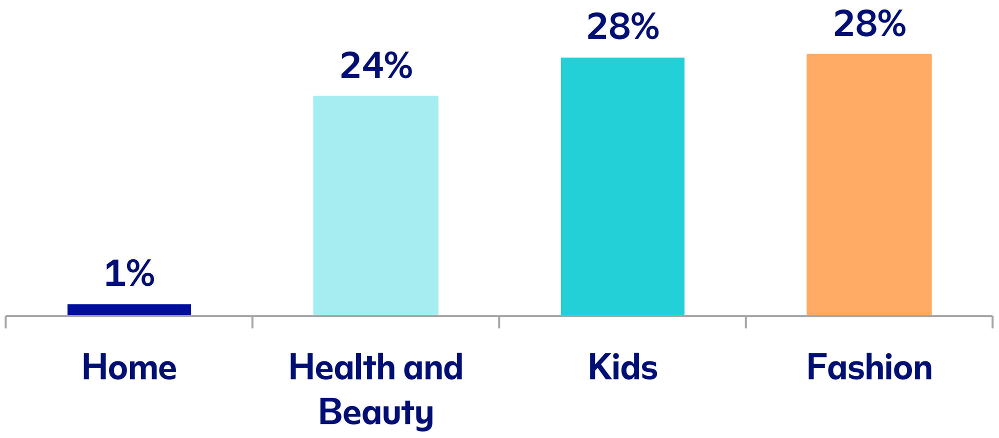
Figures in PHP B except percentages

Profile			
Store Count	1,660	1,611	3%
Selling Area	0.66	0.64	3%

Gross Selling Area in M sqm.

- Resilient growth across discretionary categories fueled by improving macroeconomic conditions

Specialty Retail Category Sales Growth



Data as of FY 2023