



**SM** INVESTMENTS

# FY2024 Earnings Briefing

February 28, 2025

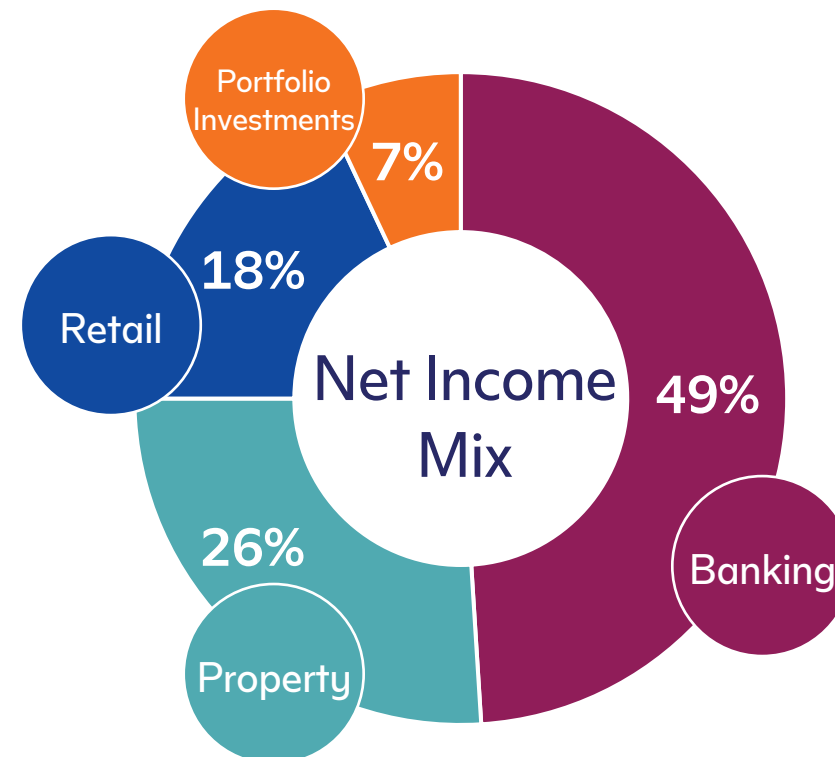


# SMIC FY 2024 Consolidated Results

- All core businesses grew healthily despite inflationary headwinds and high 2023 base
- Consolidated earnings driven by positive consumer sentiment
- Conservative gearing and strong balance sheet maintained

SM Investments	FY 2024	Chg
Revenues	654.8	6%
Earnings	82.6	7%
Assets	1,699.1	7%
Net Debt:Total Equity	31 : 69	

*Figures in PHP B except percentages*



# Banking – BDO

- Solid performance across core businesses
- Loans up 13% with growth across all segments, ahead of the industry
- FY 2024 ROCE at 15.1%
- Improved asset quality
  - NPL ratio at 1.83%
  - NPL Cover at 145%\*
- Solid capital position with Book Value up 11%

*\*Using revised guidelines which excludes provisions appropriated in Retained Earnings*

BDO	FY 2024	Chg
Net Income	82.0	12%
Net Interest Inc.	186.6	8%
Non-Interest Inc.	77.7	8%
Gross Cust. Loans	3,225.2	13%
Deposits	3,794.0	6%
NIM	4.35%	
NPL Ratio	1.83%	
CET 1	14.1%	
CAR	15.2%	

*Figures in PHP B except percentages*



# Banking – China Bank

China Bank	FY 2024	Chg
Net Income	24.8	13%
Net Interest Inc.	63.5	19%
Non-Interest Inc.	2.0	246%
Gross Cust. Loans	933.1	18%
Deposits	1,331.1	12%
NIM	4.5%	
NPL Ratio	1.6%	
CET 1	15.3%	
CAR	16.2%	

- Sustained strength of core businesses lifted earnings
- ROE of 15.6% among highest in the industry
- Asset quality remains stable
  - NPL ratio eased to 1.6%
  - NPL Cover at 139%
- Cost to income ratio at 47%

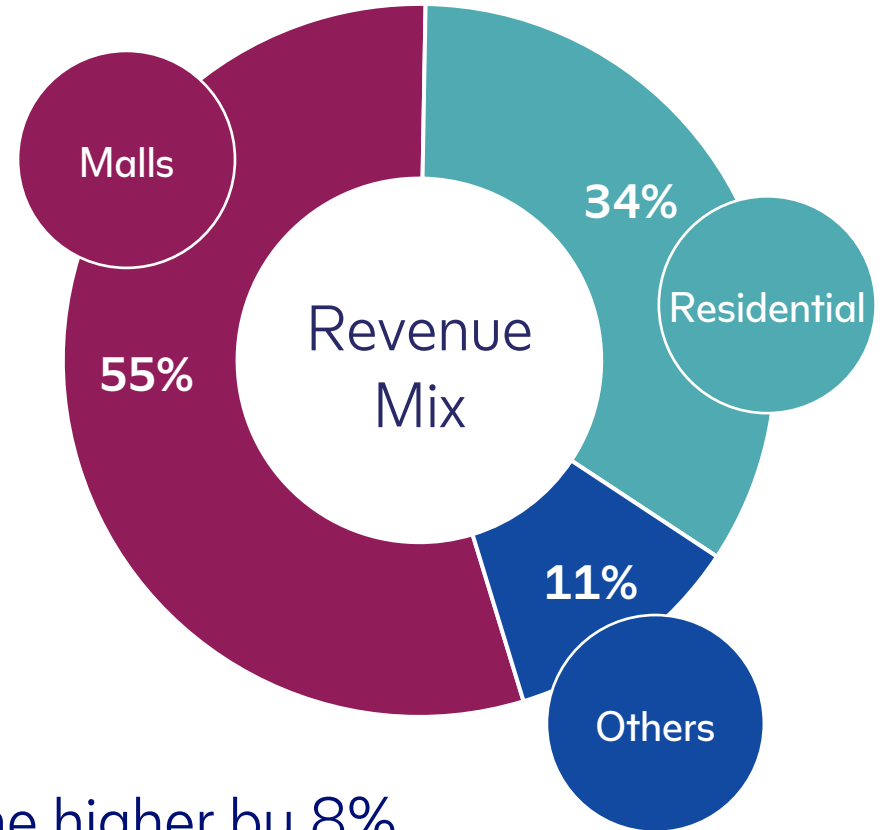
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# Property

<b>SM</b> PRIME	FY 2024	Chg
Total Revenues	140.4	10%
Malls	77.2	9%
Residential (Primary)	46.1	10%
Other Businesses	15.4	15%
Net Income	45.6	14%

*Figures in PHP B except percentages*



- Mall revenues grew 9% driven by mall rental income higher by 8%
- Other businesses, which include Offices, Hotels and Convention centers, grew 15%

# Retail

<b>SM</b> RETAIL	<b>FY 2024</b>				<b>Revenue '24 vs. '23</b>			
	<b>Rev</b>	<b>Chg</b>	<b>NI</b>	<b>Chg</b>	<b>1Q</b>	<b>2Q</b>	<b>3Q</b>	<b>4Q</b>
Total Retail	434.5	5%	20.9	5%	2.5%	5.7%	3.9%	8.0%
<b>SM</b> STORE	113.7	1%	3.9	-17%	-4.7%	2.4%	-2.7%	6.0%
Specialty	97.5	3%	7.7	-3%	-1.2%	5.1%	-1.1%	7.8%
Food Group	252.9	8%	11.2	16%	6.4%	7.0%	8.1%	9.2%

*Figures in PHP B except percentages*

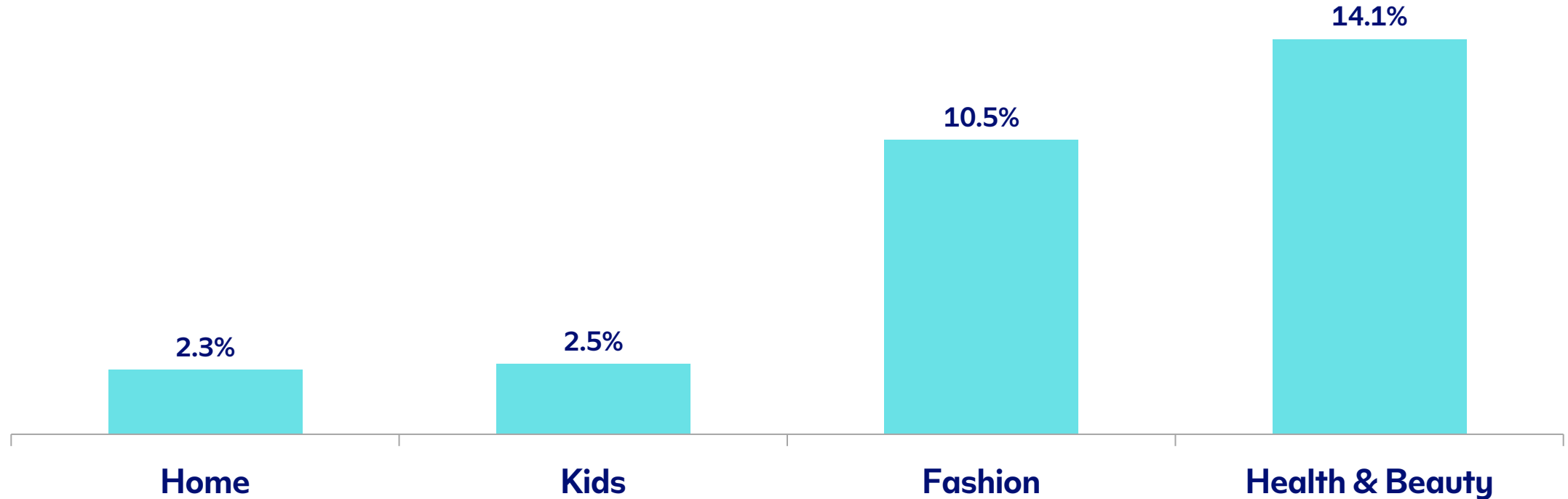
- Revenue growth across all formats, with strong holiday spending in Q4
- Food Retail growth driven by volumes, expansion and margin improvement
- Ongoing margin normalization for Non-Food businesses, remaining higher than pre-pandemic
- Specialty stores strong in Health & Beauty and Fashion, recovery of Kids and Home in Q4



# Consumer Spending by Category

## Specialty Retail Category Sales Change

FY 2024 vs FY 2023



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



# Portfolio Investments Financials



PHILIPPINE GEOTHERMAL

**NEO**



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(As of FY 2024)

Revenue (Php Bn)	5.7	4.8	14.0	18.0
Revenue Change (%)	-18%	9%	2%	13%
Net Income (Php Bn)	2.9	2.3	0.8	0.8
Net Income Change (%)	-26%	-4%	88%	-13%

# A Year of Recognitions



# SMIC Buyback Program

SM Investments Corporation	
Program Amount	PHP 60 Billion (approx. USD1 Billion)
Last Traded Price	PHP 780
Est. Shares to be Purchased	60 Million Shares
Total O/S Shares	1,222 Million
	~6% of Outstanding Shares

- First buyback in SMIC corporate history
- Company view that stock is very undervalued
- Buyback intended to help create and return value to shareholders



# FY 2024 Results Key Messages

- Consolidated results reflect robust growth across core businesses
- 4Q Retail performance driven by Food Retail and Discretionary
  - Discretionary categories boosted by the holiday season
  - Food Retailing driven by volume growth, continued expansion, improving margins
- Property growth driven by Malls, rental income up 8%
- Portfolio Investments contributed 7% of net income
- Banks solid growth across all business lines
- Conservative gearing and strong balance sheet maintained
- Revenue growth in Q4 provides good momentum into 2025, positive outlook

# SMIC Investment Merits

- 1. Strong Economic Growth Drivers:** Proxy for the consumer-led Philippine economy, with economic and consumer growth momentum
- 2. Nationwide Geographic Expansion:** Expanding in all core businesses, unlocking new market opportunities to provide nationwide access
- 3. Synergistic Business Portfolio:** A diverse, complementary range of businesses that fuel each other's growth
- 4. Stable, Recurring Income:** High-quality assets that generate consistent cash flow from core operations
- 5. High-Value Projects:** Significant developments underway, including Pasay Reclamation and multiple integrated property projects
- 6. Undervalued with High Growth Potential:** Despite doubling earnings since 2019, the company's market cap remains unchanged, pointing to significant upside



# *Annex*

# SMRETAIL Consolidated

<b>Financials</b>	<b>FY 2024</b>	<b>FY 2023</b>	<b>Chg</b>
Revenue	434.5	412.9	5%
SSSG	1.5%	6.3%	
EBIT Margin	7.2%	7.5%	
Net Income	20.9	19.9	5%

*Figures in PHP B except percentages*

<b>Profile</b>	<b>FY 2024</b>	<b>FY 2023</b>	<b>Chg</b>
Store Count	4,470	3,853	16%
Selling Area	3.49	3.36	4%

*Gross Selling Area in M sqm.*

- Store expansion and volume growth drove Food revenues higher by 8%
- SM Store margins normalized, remain higher than pre-pandemic
- Specialty store growth strong in Health & Beauty and Fashion, recovery by Kids and Home
- Over 80% of store openings outside Metro Manila



# SMRETAIL – The SMSTORE

<b>Financials</b>	<b>FY 2024</b>	<b>FY 2023</b>	<b>Chg</b>
Revenue	113.7	112.8	1%
SSSG	-1.7%	12.1%	
EBIT Margin	4.7%	5.8%	
Net Income	3.9	4.7	-17%

*Figures in PHP B except percentages*

<b>Profile</b>	<b>FY 2024</b>	<b>FY 2023</b>	<b>Chg</b>
Store Count	76	74	3%
Selling Area	0.90	0.89	1%

*Gross Selling Area in M sqm.*

- Ongoing margins normalization for the SM Store, levels above pre-pandemic



# SMRETAIL – Food Group

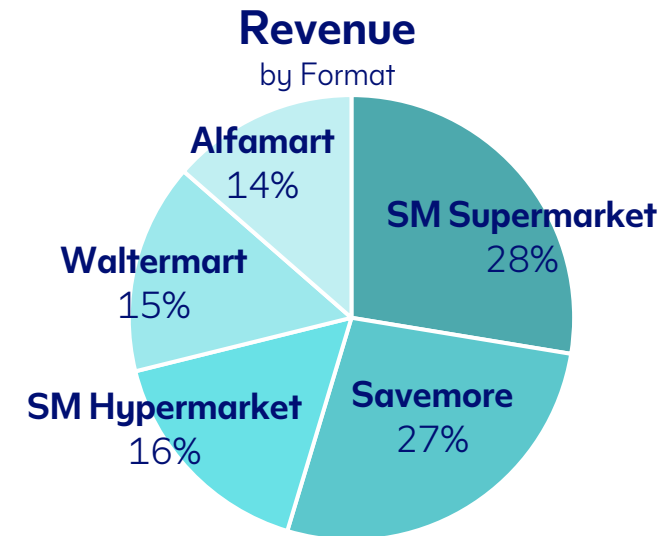
Financials	FY 2024	FY 2023	Chg
Revenue	252.9	234.6	8%
SSSG	3.6%	3.9%	
EBIT Margin	6.3%	6.0%	
Net Income	11.2	9.7	16%

*Figures in PHP B except percentages*

Profile	FY 2024	FY 2023	Chg
Store Count	2,526	2,119	19%
Selling Area	1.90	1.80	5%

*Gross Selling Area in M sqm.*

- Volume growth and footprint expansion driving revenues
- Improvement in margins
- Alfamart opened 417 stores, operating 2,092



# SMRETAIL – Specialty

Financials	FY 2024	FY 2023	Chg
Revenue	97.5	94.6	3%
SSSG	0.1%	6.0%	
EBIT Margin	10.6%	11.4%	
Net Income	7.7	8.0	-3%

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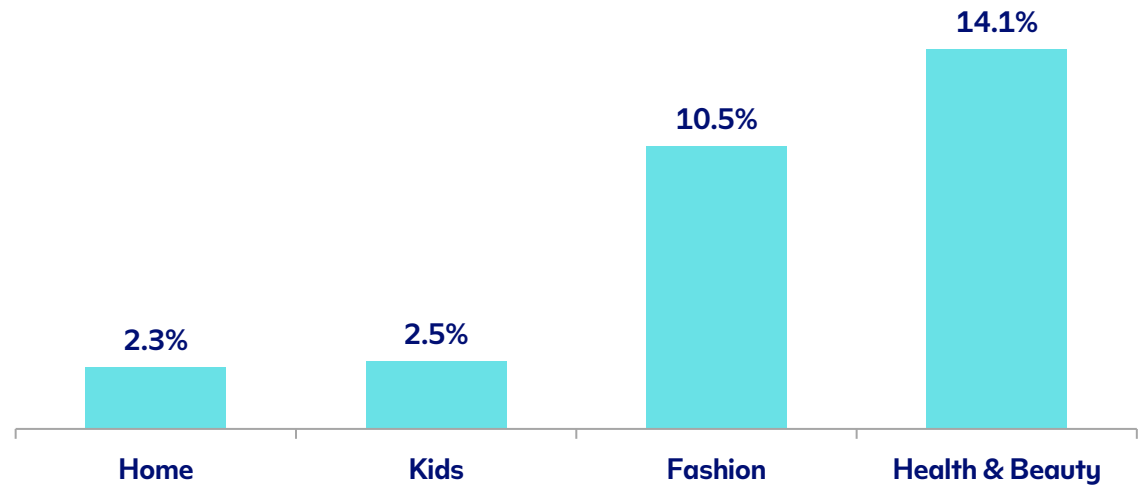
Profile	FY 2024	FY 2023	Chg
Store Count	1,868	1,660	13%
Selling Area	0.69	0.66	5%

Gross Selling Area in M sqm.

- Health & Beauty, Fashion leading
- Recovery by Kids and Home

## Sales Change

FY 2024 vs FY 2023



## Sales Change

By Trend

