



SM INVESTMENTS

February 28, 2023

**THE PHILIPPINE STOCK EXCHANGE, INC.**

6<sup>th</sup> Floor, PSE Tower  
28<sup>th</sup> St. corner 5<sup>th</sup> Ave.  
BGC, Taguig City

Attention: **Ms. Alexandra D. Tom Wong**  
*Officer-In-Charge, Disclosure Department*

**PHILIPPINE DEALING & EXCHANGE CORP.**

29<sup>th</sup> Floor, BDO Equitable Tower  
8751 Paseo de Roxas, Makati City

Attention: **Atty. Marie Rose M. Magallen-Lirio**  
*Head, Issuer Compliance and Disclosure Department*

Re: **Press Release – SM grows net income by 53% in 2022 in  
strong post pandemic recovery**

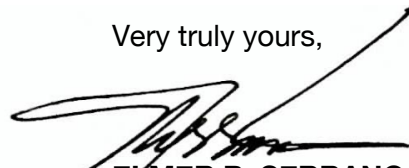
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Ladies and Gentlemen:

Please be informed that SM Investments Corporation is releasing to the press the attached statement entitled “SM grows net income by 53% in 2022 in strong post pandemic recovery.”

Thank you.

Very truly yours,



**ELMER B. SERRANO**  
Corporate Secretary

Encl. a/s

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)  
**February 28, 2023**
2. SEC Identification No. **16342**
3. BIR Tax Identification No. **000-169-020-000**
4. Exact name of issuer as specified in its charter  
**SM Investments Corporation**
5. Province, country or other jurisdiction of incorporation  
**Philippines**
6. Industry Classification Code (SEC Use Only)
7. Address of principal office  
**10th Floor, OneE-com Center, Harbour Drive, Mall of Asia Complex, Pasay City**  
  
Postal Code **1300**
8. Issuer's telephone number, including area code  
**(632) 8857-0105**
9. Former name or former address, if changed since last report  
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10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<b>Common</b>	<b>1,222,023,358</b>

11. Indicate the item numbers reported herein:

**Item 9. Other Events**

SM Investments Corporation (SMIC) will be releasing to the press the attached statement entitled "SM grows net income by 53% in 2022 in strong post pandemic recovery."

SMIC reports that its net income grew 53% to PHP61.7 billion in 2022 from PHP40.4 billion in 2021. Consolidated revenues hiked 28% to PHP553.8 billion compared with PHP432.4 billion last year.

Banking contributed 45% to net income with property accounting for 23%, retail contributing 21% and portfolio investments the remaining 11%.

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Among its portfolio investments, SMIC gained full ownership of Philippine Geothermal Production Company (PGPC) which pioneered the commercial development of geothermal resources in South East Asia in 1971. SMIC also increased its stake in its other logistics business, Airspeed to 51% from 35% to further support the movement of goods in a reopened economy.

#### SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SM Investments Corporation**

By:



**ELMER B. SERRANO**  
Corporate Secretary

Date: 28 February 2023



SM INVESTMENTS

PRESS RELEASE

## **SM grows net income by 53% in 2022 in strong post pandemic recovery**

(28 February 2023, Pasay City, Philippines) SM Investments Corporation reported its net income grew 53% to PHP61.7 billion in 2022 from PHP40.4 billion in 2021.

Consolidated revenues hiked 28% to PHP553.8 billion compared with PHP432.4 billion last year.

“All of our business units delivered strong results, reflecting the Philippines’ economic recovery last year and the actions we took during the pandemic. We are stronger today having prioritized our people, our tenants, our business partners and our communities during the difficult times. SM also innovated and improved efficiencies across the board, and today we are focused again on expanding our footprint across the regions to serve more Filipinos,” SM Investments President and Chief Executive Officer Frederic C. DyBuncio said.

Banking contributed 45% to net income with property accounting for 23%, retail contributing 21% and portfolio investments the remaining 11%.

Among its portfolio investments, SM gained full ownership of Philippine Geothermal Production Company (PGPC) which pioneered the commercial development of geothermal resources in South East Asia in 1971. SM also increased its stake in its other logistics business, Airspeed to 51% from 35% to further support the movement of goods in a reopened economy.

“We increased our stakes in a number of companies that are investments in the growing Philippine economy and a testament to our commitment to sustainability. These companies are all profitable and generating significant contributions to our group earnings,” Mr. DyBuncio added.

### **Retail**

SM Retail Inc., which consists of food and non-food stores, reported revenues of PHP378.2 billion, from PHP304.0 billion, up 24%. Net income increased 86% to PHP17.9 billion from PHP9.6 billion.

Retail’s robust performance was lifted by the return to face-to-face schooling and a strong last quarter due to vibrant holiday spending.

SM continued to expand its retail footprint. THE SM STORE opened four new stores in 2022 in Cubao, Makati, Quiapo and Delgado. The food group, which includes SM Supermarket, SM Hypermarket, Savemore, Alfamart and Waltermart added 231 new stores in 2022. By the end of the year, SM Retail added a total of

348 new stores across the entire portfolio for a total of 1,829 outlets, consisting of 72 The SM Stores, 1,611 specialty retail stores, 65 SM Supermarkets, 54 SM Hypermarkets, 215 Savemore, 82 WalterMart and 1,412 Alfamart stores.

## **Property**

SM Prime Holdings reported a PHP30.1 billion consolidated net income in 2022, 38% higher than PHP21.8 billion in the same period last year. This was supported by PHP105.8 billion in consolidated revenues, which increased 29% from last year's PHP82.3 billion.

Its Philippine mall business, which accounts for 47% consolidated revenues, more than doubled to PHP49.8 billion from PHP24.1 billion in the previous year. With the resumption of full rental fees in the second half of 2022, SM Prime's local mall rental income went up by 92% to PHP44.1 billion from PHP23.0 billion.

SM Prime's residential arm led by SM Development Corp. reported PHP40.1 billion in revenues, lower than the PHP45.9 billion in the previous year. SMDC's reservation sales reached PHP102.0 billion, slightly higher than PHP98.9 billion in 2021.

SM Prime's office and hotel and convention center businesses, which account for 10% of consolidated revenues, grew 59% in revenues to PHP10.5 billion from PHP 6.6 billion the previous year.

## **Banking**

BDO Unibank, Inc.'s net income increased to PHP57.1 billion compared with PHP42.8 billion in the previous year, driven by robust growth across its core businesses.

Gross customer loans went up by 9% year-on-year on broad-based growth due to the economic re-opening. Total deposits rose by 14%, with net interest income growing by 14% to PHP149.2 billion.

Asset quality improved further, with Non-Performing Loan (NPL) ratio dipping to 1.95% and NPL coverage strengthening to 167%.

China Banking Corporation posted better than expected financial results in 2022 on the back of robust operating income and effective cost management. Consolidated net income grew by 27% year-on-year to PHP19.1 billion. Total revenues increased by 14% to PHP55.7 billion, driven by the 17% jump in net interest income to PHP45.6 billion.

Net loans rose by 15% to PHP700 billion on brisk business and consumer lending. The bank recorded better than industry NPL ratio and NPL coverage ratio of 2.3% and 123%, respectively.

Total deposits reached PHP1.1 trillion, 24% higher on sustained growth across deposit products.

## **Balance Sheet**

The total assets of SM grew 9% to PHP1.5 trillion. SM maintains a healthy balance sheet with a conservative gearing ratio of 35% net debt to 65% total equity.

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**About SM Investments Corporation**

SM Investments Corporation is a leading Philippine company that is invested in market leading businesses in retail, banking and property. It also invests in ventures that capture high growth opportunities in the emerging Philippine economy.

SM's retail operations are the country's largest and most diversified with its food, non-food and specialty retail stores. SM's property arm, SM Prime Holdings, Inc., is the largest integrated property developer in the Philippines with interests in malls, residences, offices, hotels and convention centers as well as tourism-related property developments. SM's interests in banking are in BDO Unibank, Inc., the country's largest bank and China Banking Corporation, the 6th largest bank. For more about SM, visit <https://www.sminvestments.com/>

**Timothy Daniels**

Consultant, Investor Relations & Sustainability  
SM Investments Corporation  
Email: [smic\\_corpcomm@sminvestments.com](mailto:smic_corpcomm@sminvestments.com)