



SM INVESTMENTS

August 9, 2023

THE PHILIPPINE STOCK EXCHANGE, INC.

6th Floor, PSE Tower
28th St. corner 5th Ave.
BGC, Taguig City

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

PHILIPPINE DEALING & EXCHANGE CORP.

29th 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 Investments net income grows 32% to
PHP36.5bn in H1 on strong consumer confidence**

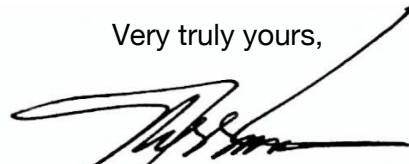
=====

Ladies and Gentlemen:

Please be informed that SM Investments Corporation is releasing to the press the attached statement entitled “SM Investments net income grows 32% to PHP36.5bn in H1 on strong consumer confidence.”

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)
August 9, 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
--
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
Common	1,222,023,358

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 Investments net income grows 32% to PHP36.5bn in H1 on strong consumer confidence."

SMIC reported a consolidated net income of PHP36.5 billion in the first six months, up 32% from PHP27.7 billion in the same period last year.

Consolidated revenues rose 18% to PHP286.3 billion in the January to June period from PHP242.6 billion in the same period last year.

Of total net earnings, retail accounted for 17%. Property contributed 26% while banking accounted for the largest share at 47% and portfolio investments contributed 10%.

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: 09 August 2023



SM INVESTMENTS

Press Release

SM Investments net income grows 32% to PHP36.5bn in H1 on strong consumer confidence

(9 August 2023, Pasay City, Philippines) SM Investments Corporation (SM Investments) reported a consolidated net income of PHP36.5 billion in the first six months, up 32% from PHP27.7 billion in the same period last year.

Consolidated revenues rose 18% to PHP286.3 billion in the January to June period from PHP242.6 billion in the same period last year.

“SM delivered strong results in the first half, driven by solid consumer sentiment on the back of a positive economic environment. Our performance was driven by fundamental demand, without the added benefit of post-pandemic ‘revenge spending’ that contributed to last year’s results. We experienced robust consumer confidence, consistent with the Philippines’ overall economic growth, record low unemployment and improving inflation environment. This provides us with a solid basis for the balance of the year, in which we typically see our strongest quarters,” SM Investments President and Chief Executive Office Frederic C. DyBuncio said.

Of total net earnings, retail accounted for 17%. Property contributed 26% while banking accounted for the largest share at 47% and portfolio investments contributed 10%.

Retail

SM Retail net income grew 21% to PHP8.4 billion from PHP7.0 billion. Revenues were up 15% to PHP188.9 billion from PHP164.3 billion.

Revenue growth mirrored vibrant shopping activity supported by improving employment. As a result, revenues for the department store grew 27% while specialty retail revenues increased 18%. Food retail revenues grew 10% with Alfamart as the fastest-growing food business, posting 26% revenue growth in the first half. As of June 2023, Alfamart had a total of 1,528 stores.

“Consumer spending was notably strong in discretionary categories such as fashion, dining out, and entertainment, reflecting increased spending power on lifestyle and experiences, underpinned by stronger consumer confidence,” Mr. DyBuncio said.

In the six months ended June 2023, SM Retail and its affiliates added 174 stores, bringing the total retail network to 3,677 stores.

Property

SM Prime Holdings, Inc.'s consolidated net income grew 38% to PHP19.4 billion in the first half from PHP14.1 billion in the same period last year. This was supported by a 29% growth in consolidated revenues to PHP59.9 billion from PHP46.3 billion in the same period last year.

SM Prime's Philippine mall business, which accounts for 53% of consolidated revenues, grew 53% to PHP31.5 billion from PHP20.6 billion. Malls' rental income grew by 42% to PHP26.3 billion due to improvement in tenant sales and foot traffic. SM Prime's local cinema, ticket sales, and other revenues increased 156% to PHP5.2 billion.

Revenues of SM Prime's primary residential business, led by SM Development Corp. (SMDC) in the first half amounted to PHP17.6 billion. SMDC's reservation sales grew 15% to PHP68.5 billion from PHP59.4 billion.

Revenues of SM Prime's other business segments, which include offices, hotels, and convention centers, grew 40% to PHP6.2 billion from PHP4.5 billion.

Banking

BDO Unibank, Inc. (BDO) posted earnings of PHP35.2 billion in the first half driven by broad-based growth across its core businesses.

Net interest income rose to PHP89.5 billion as Gross Customer Loans expanded 8% year-on-year to PHP2.7 trillion while Deposit Liabilities broadened 12% to PHP3.3 trillion.

Non-Performing Loan (NPL) ratio dipped quarter-on-quarter to 1.95% from 1.98% while NPL coverage improved to 174% with prudent credit and provisioning policies.

China Banking Corporation sustained its profitability on higher revenues and lower provisioning. Net profits were up 7% to PHP10.8 billion in the first six months. Net interest income was higher by 16% to PHP25.5 billion as the robust growth in top line revenues offset the rise in interest expense.

Net loans rose by 11% to PHP726 billion on stronger demand from the consumer sector, up 20%, and the business sector, up 8%. Despite the solid loans growth, asset quality remained stable, with NPL ratio easing to 2.23%, which was lower than the latest industry average. Total deposits grew by 19% to PHP1.1 trillion.

Non-performing loan (NPL) cover remained sufficient and above industry at 122%.

Portfolio Investments

Improving demand for tourism and transport, energy and consumer spending ensured a good performance by portfolio investments, which contributed 10% of consolidated net income.

Philippine Geothermal Production Company (PGPC) continues to lead in its advocacy for green energy with new projects slated to increase steam production located in Northern Luzon: Kalinga, Daklan, and Cagayan; and Southern Luzon: Mount Labo and Malinao.

Balance sheet

Total assets of SM Investments increased 2% to PHP1.5 trillion. Gearing ratio remained conservative with 36% net debt to 64% equity.

Awards

SM's commitment to sustainability, particularly good governance and risk management, was recognized earlier this year when it was awarded Top Rated status for sustainability in both its industry globally and among all companies in Asia Pacific by international ratings firm Morningstar Sustainalytics.

SM also won at the 13th Asian Excellence Award of Corporate Governance Asia for Best Corporate Social Responsibility (CSR), Best Corporate Communication and Best Investor Relations Company.

Across the SM Group, SM Investments, SM Prime and BDO also collectively won 9 awards in multiple categories at the FinanceAsia Best Managed Companies 2023 awards. China Bank Capital, for its part, received awards on sustainable finance for its fixed rate bonds from The Asset magazine.

###

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 fourth largest bank by total assets among private banks.

For more information, please visit www.sminvestments.com

For inquiries, please contact:

Timothy Daniels

Consultant, Investor Relations & Sustainability

SM Investments Corporation

Email: smic_corpcomm@sminvestments.com