

SM INVESTMENTS

SM PRIME

Company Presentation

March 2024



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Agenda

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Section 2: SMIC financials overview

Section 3: SMPH financials overview

Appendix A: Additional information on SMIC

Appendix B: Additional information on SMPH

Appendix C: Other business segments

Appendix D: Philippine macroeconomic overview





Section

1

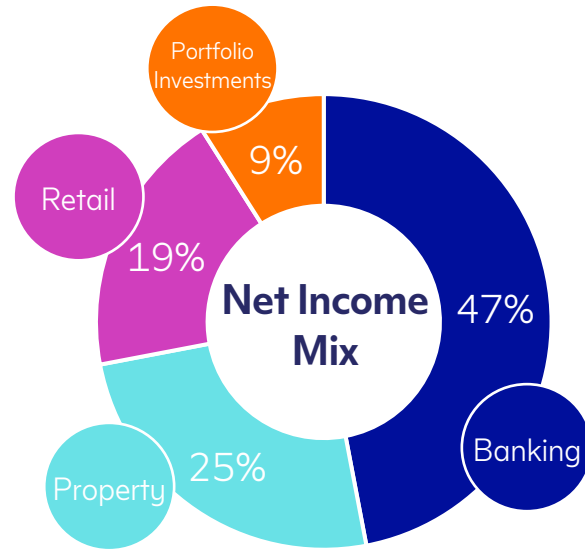
Overview of **SMIC** and **SMPH**

SM INVESTMENTS

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

PHP 616.3bn
Revenues

PHP 77.0bn
Net Income to Parent



SMIC businesses

Retail



77.3%
SMRETAIL

Property



49.7%
SMPRIME

Portfolio Investments

26.6%
Belle Corp

34.1%
Atlas Mining

34.0%
Neo Associates

95.0%
Neo Subsidiaries

67.2%
2GO Group

51.0%
Airspeed

71.3%
MyTown

64.1%
Goldilocks

100.0%
Philippine
Geothermal

Banking



45.3%
BDO



22.5%
China Bank

Source: Company information
Note: Percentages denote effective ownership as of 31 Dec 2023



SMPRIME

We build integrated lifestyle cities with malls serving as meeting centers, residential developments, hotels, convention centers and office spaces, helping facilitate the rapid urbanization of local communities

49.7%

Effective Interest

PHP 128.1bn

Revenues

PHP 40.0bn

Net Income

Developments

- 22 Integrated Lifestyle Cities
- 85 Malls in the Philippines
- 8 Malls in China
- 67 Residential Projects
- 18 Office Buildings
- 10 Hotels
- 6 Convention Centers
- 2 Trade Halls

Source: Company information
Note: As of 31 Dec 2023

Leading Philippine conglomerate

Our three largest companies, SMIC, SMPH, and BDO, comprise 33%⁽¹⁾ of the value of the Philippine Index

Philippine conglomerates Market cap (US\$bn) ⁽¹⁾		Philippine retailers FY2023 revenue (PHPbn) ⁽²⁾		Philippine banks Total assets (PHPbn) ⁽⁵⁾		Property developers Market cap (US\$bn) ⁽¹⁾	
SMIC	21.6	SM Retail	415.0	BDO + CHIB	5,576.4⁽⁶⁾	SM Prime	16.4
Golden MV Holdings	11.6	Puregold	196.0 ⁽³⁾	LBP	3,079.4	Ayala Land	8.7
Ayala Corp	7.4	RRHI	192.1	MBT	2,835.8	Robinsons Land	1.4
JG Summit	5.4			BPI	2,678.6	Megaworld	1.1
Aboitiz Equity	4.9	Store count (#)⁽⁴⁾		RCBC	1,252.2	Vistaland	0.4
SMC	4.8	SM Retail	3,853	PNB	1,198.8	Double Dragon	0.3
DMCI	2.7	RRHI	2,393	DBP	978.5	Filinvest	0.3
Alliance Global	1.7	Puregold	558 ⁽³⁾	UBP	977.6		
LT Group	1.9			SECB	925.6		

Source: Company information, BSP, FactSet

Note: USDPHP of 55.567 used for illustrative purposes; (1) As of 11 Mar 2024; (2) FYE 31 Dec for all entities; (3) Reflects LTM revenue as of 30 Sep 2023 and store count as of 30 Sep 2023; (4) As of 31 Dec 2023; (5) As of 30 Sep 2023; (6) Includes PHP4,106.7bn from BDO and PHP1,469.7bn from China Bank

Our business footprint

Philippines

3,686 retail outlets
85 malls
2,368 bank branches

Luzon (ex-NCR)

2,420 retail outlets
47 malls
828 bank branches

Metro Manila (NCR)

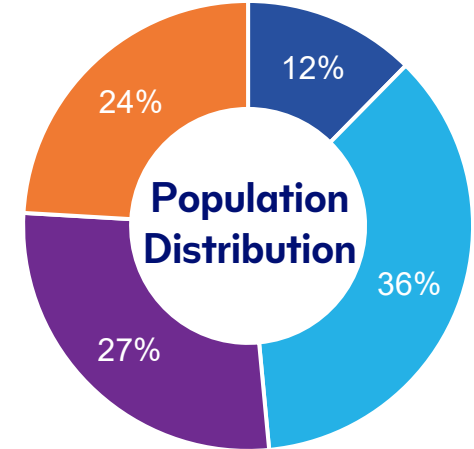
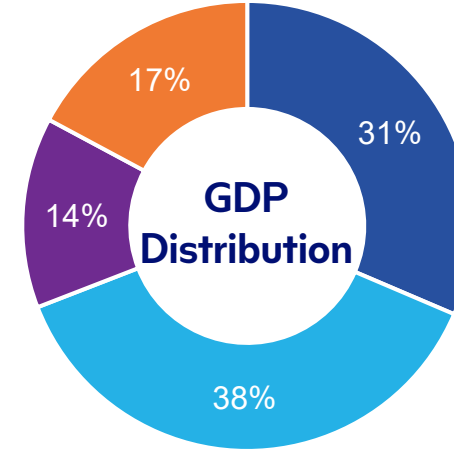
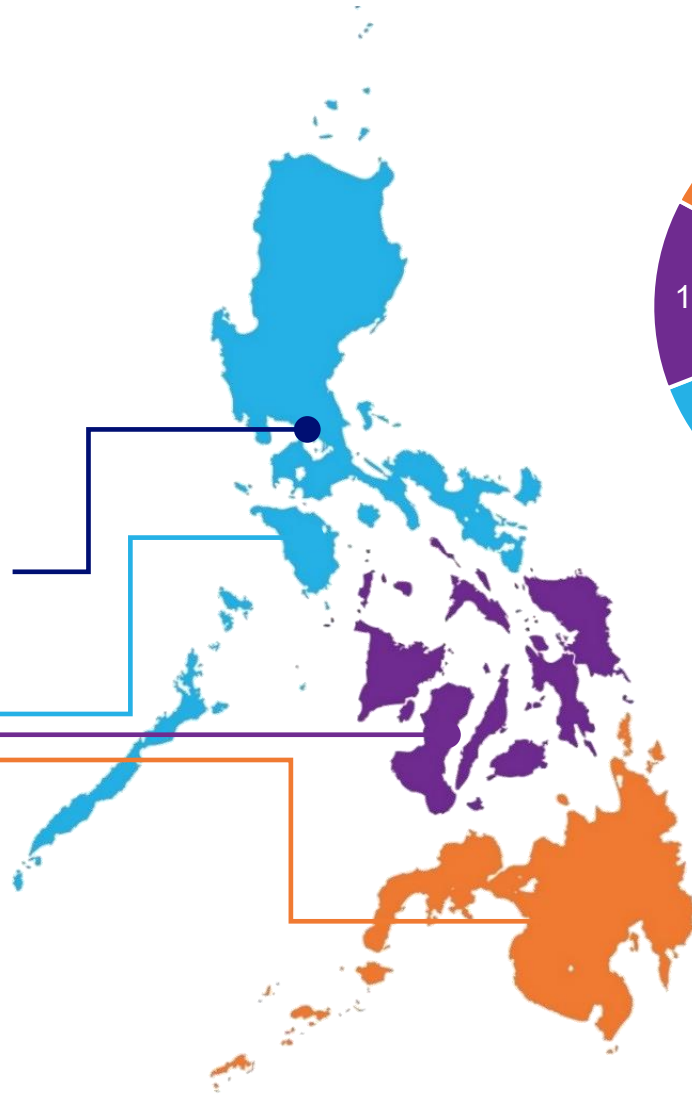
989 retail outlets
24 malls
967 bank branches

Visayas

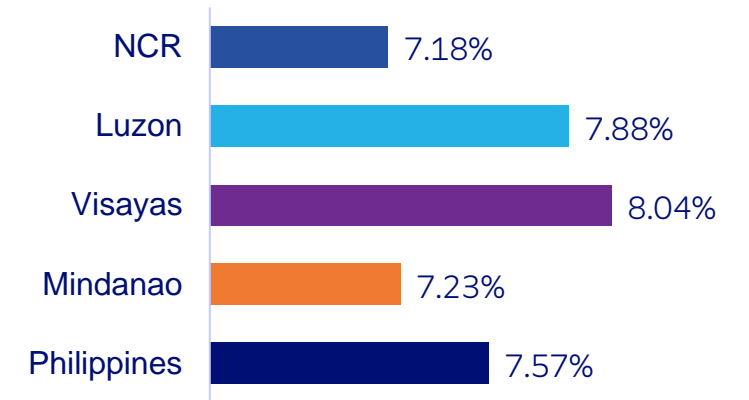
273 retail outlets
7 malls
295 bank branches

Mindanao

171 retail outlets
7 malls
278 bank branches



2022 Regional GDP Growth



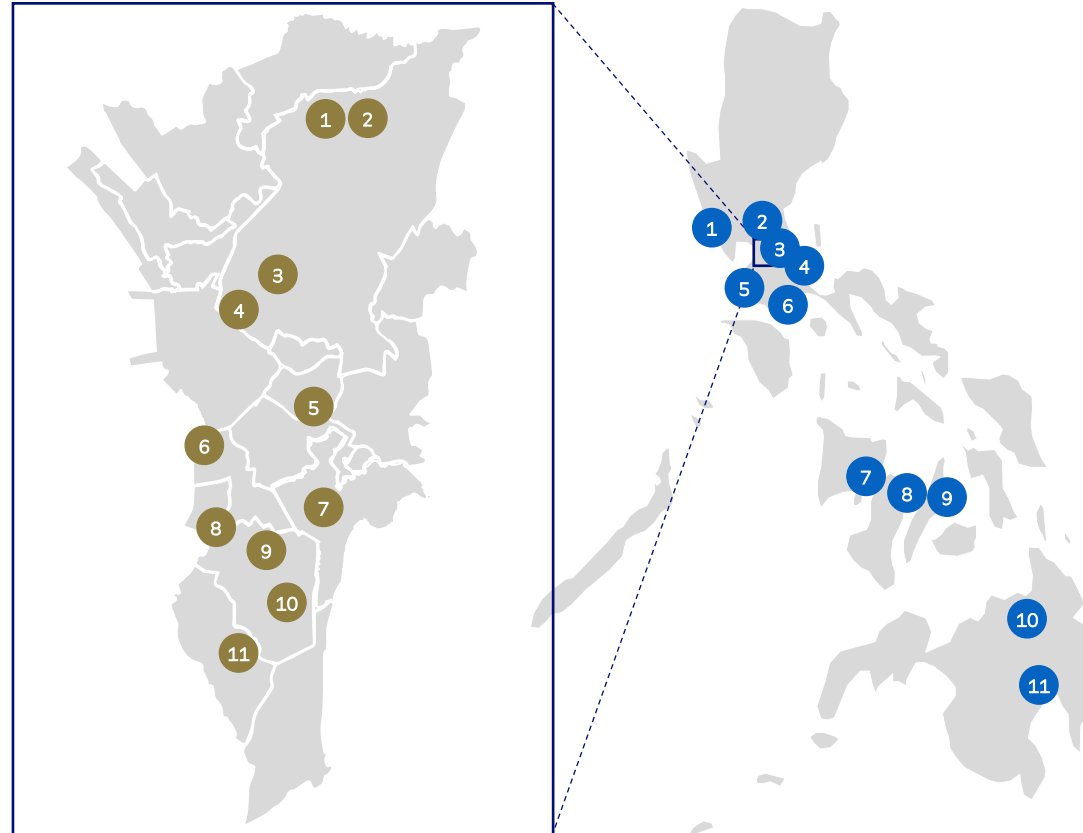
Source: Company information, PSA
Note: Data as of 31 Dec 2023

SMPRIME integrated lifestyle cities

SMPH has integrated property developments in Metro Manila and in key provincial cities in the Philippines

Metro Manila

- 1 Novaliches, Quezon City
- 2 Fairview, Quezon City
- 3 North EDSA, Quezon City
- 4 Sta. Mesa, Quezon City
- 5 EDSA, Mandaluyong City
- 6 Pasay City
- 7 Taguig City
- 8 Sucat, Parañaque City
- 9 Bicutan, Parañaque City
- 10 BF, Parañaque City
- 11 Las Piñas City



Key provincial cities

- 1 Olongapo, Zambales
- 2 Clark, Pampanga
- 3 Marilao, Bulacan
- 4 Taytay, Rizal
- 5 Trece Martires, Carmona, Gen. Trias, Cavite
- 6 Sta. Rosa, Laguna
- 7 Iloilo City, Iloilo
- 8 Bacolod City, Negros Occ.
- 9 Seaside City, Cebu
- 10 Cagayan de Oro, Misamis Oriental
- 11 Davao City, Davao

● Malls
 ● Residential
 ● Offices
 ● Hotels & Convention Center, Arenas
 ● Planned



Source: Company information
 Note: As of 31 Dec 2023

Best-in-class group leadership

SMIC and SMPH are led by highly credentialed management teams



- Appointed as Chairman of the Board in 2023
- Independent director of Belle Corporation, Converge ICT Solutions, Inc., and Pilipinas Shell Petroleum Corporation
- Previous Governor of the Bangko Sentral ng Pilipinas (“BSP”) and Chairman of the Monetary Board
- AB Economics at Ateneo de Manila University and Masters in Public Policy and Administration (Development Economics) at the University of Wisconsin-Madison



- Appointed as Chairman of the Board in 2014
- Vice Chairman of SMIC, Chairman and CEO of SM Development Corporation, Chairman of Pico de Loro Beach and Country Club Inc., Vice Chairman of The National Grid Corporation of the Philippines, and Chairman of the Board of Synergy Grid & Development Phils., Inc.
- Previous President and CEO of the National Grid Corporation of the Philippines
- Bachelor of Science Management at De La Salle University



- Appointed as President and CEO in 2017
- President and CEO of 2GO Group, Inc. and Vice Chairman of the Board of Atlas Mining
- Career banker who spent 20 years with JP Morgan Chase and predecessor institutions
- Bachelor of Science in Business Management at Ateneo de Manila University and Master of Business Administration at the Asian Institute of Management



- Appointed as President in 2016
- Also a member of SMPH’s Executive Committee and holds various board and executive positions in other subsidiaries of SMPH
- Previous President of SM Development Corporation and worked for a multinational company and for SGV & Co.
- Bachelor of Science in Accounting at the University of the East

Awards and accolades

SM INVESTMENTS

2023



Most Organized Investor Relations



Strongest Adherence to Corporate Governance



Best Corporate Social Responsibility



Best Investor Relations Company



Outstanding Corporate ESG Strategy



Top Rated Company in Industry (Diversified Financial)



Top Rated Company in the Asia Pacific

2022



4-Arrow Recognition



Platinum Award for Excellence in Corporate Sustainability



Top-Performing Company in the Philippines



Best Crisis Management



Five Golden Arrow Award



Most Outstanding Company in the Philippines – Real Estate Sector



Special Recognition in ESG – SMDC



Asia's Best Corporate Social Responsibility



Best Investor Relations Company



Most Organized Investor Relations



Strongest Adherence to Corporate Governance



Corporate Governance Hall of Famer



Best Township Development – Gold City



Best Mixed-Use Development – Air Residences



Best Mixed Use Development – Gold City



Best CBD Development – Air Residences

2021



Platinum Award



Best Investor Relations Team



Most Organized Investor Relations



Strongest Adherence to Corporate Governance



ESG Top Rated Company



Bloomberg Gender-Equality Index inclusion



Four Golden Arrow Award



Top 20 ASEAN PLC Award



ASEAN Asset Class PLC Award

SM PRIME



Best Company in the Philippines



Best Investor Relations in the Philippines



Best Diversity, Equity, and Inclusion in the Philippines



Best Real Estate Company in the Philippines



Best ESG Company in the Philippines



Best Environment Responsibility



Best Investor Relations Company



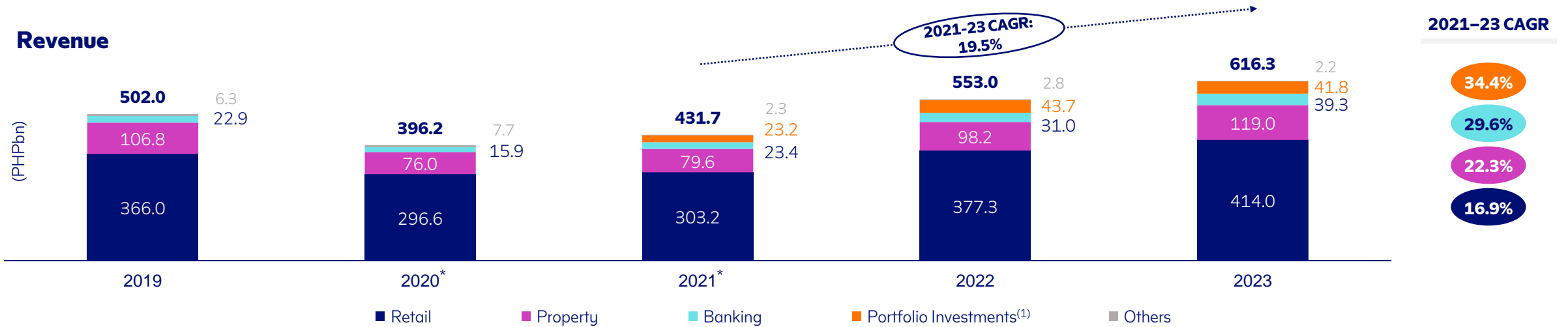
Section
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SMIC financials overview

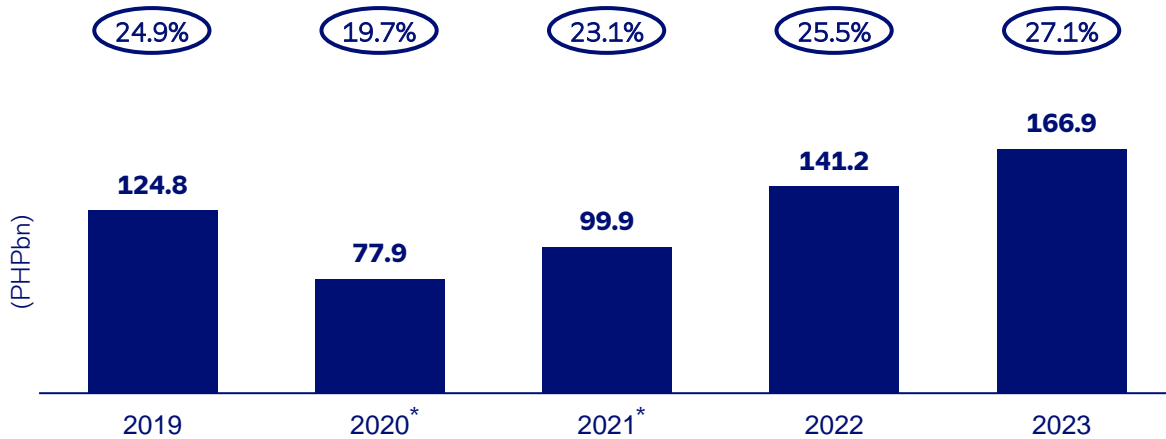
SMIC: key financial highlights

Resilient topline and earnings growth underpinned by strong brand franchise and healthy consumer spending

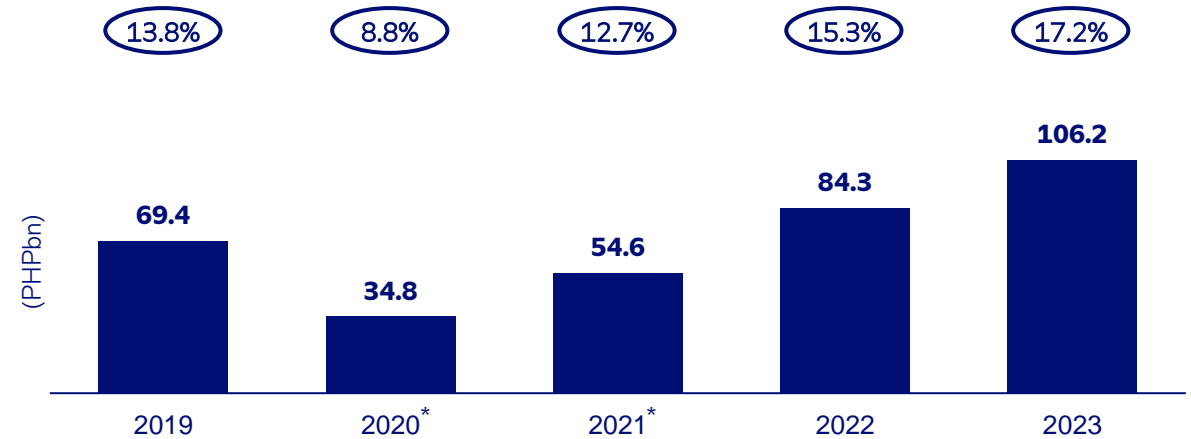
Revenue



EBITDA⁽²⁾ and EBITDA margin



Net income and net income margin



○ Net income margin (%)

Source: Company information

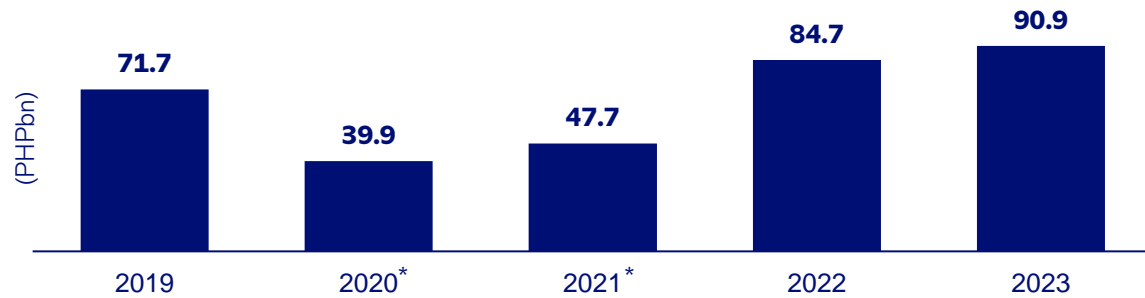
Note: FYE 31 Dec; (1) Portfolio Investments were considered as a separate segment beginning 2021; (2) Calculated as income from operations + depreciation & amortization

* As restated to take into account the acquisition of Allfirst/PGPC, which are part of SMIC's Portfolio Investments

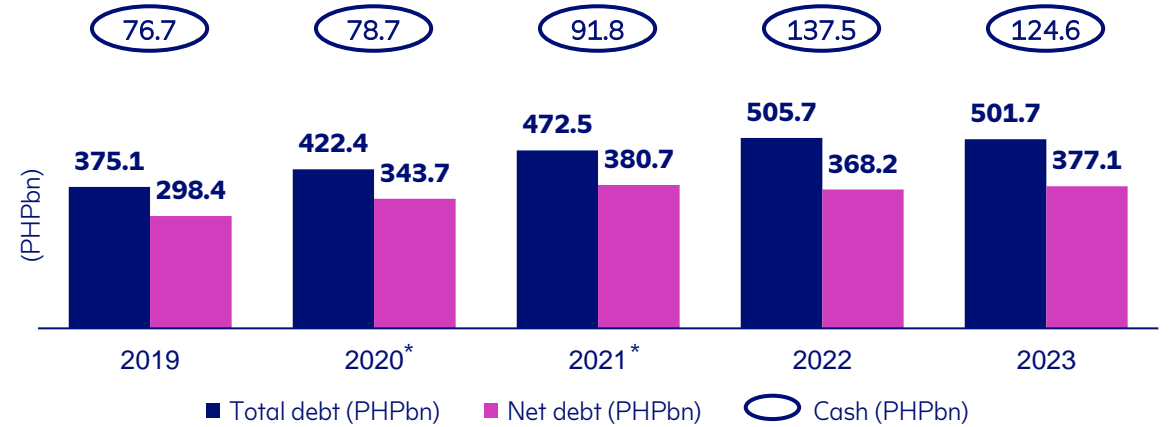
SMIC: key financial highlights (cont'd)

Strong operating cash flows and prudent balance sheet supports capex and debt servicing requirements

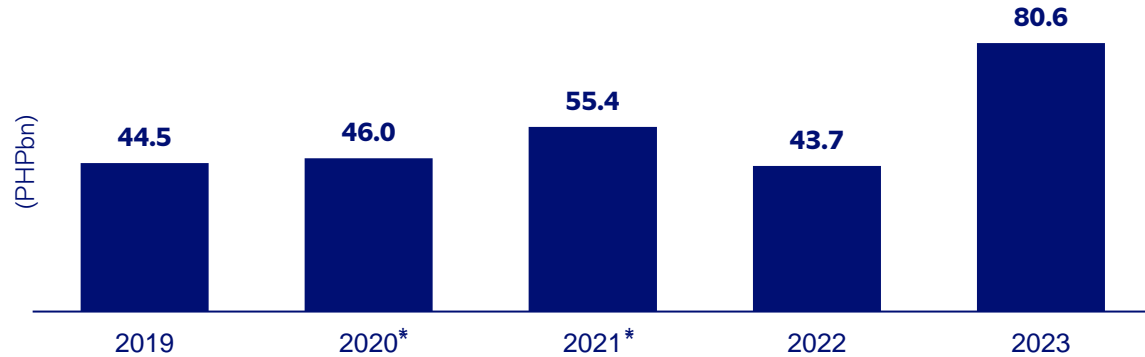
Operating cash flow



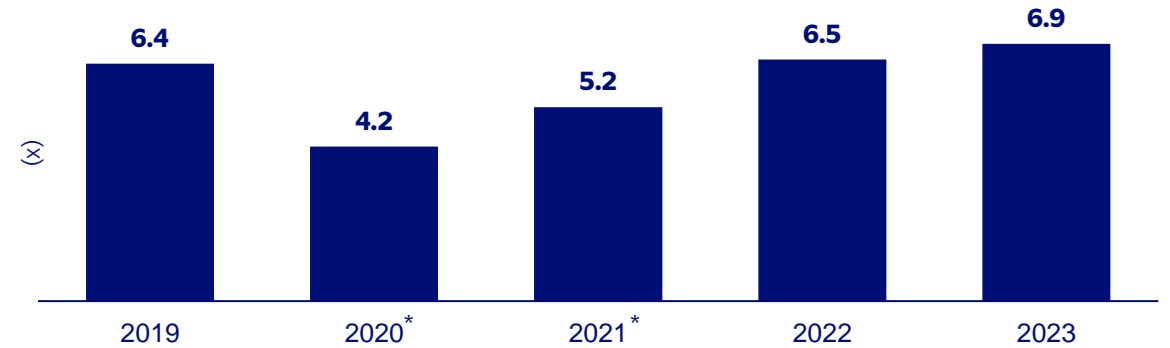
Total debt, net debt, and cash⁽¹⁾



Capex⁽²⁾



Interest rate coverage ratio⁽³⁾



Source: Company information

Note: FYE 31 Dec; (1) Total debt reflects total interest-bearing debt and is calculated as bank loans + long-term debt, cash excludes cash on hand and includes time deposits, and net debt is calculated as total debt - cash;

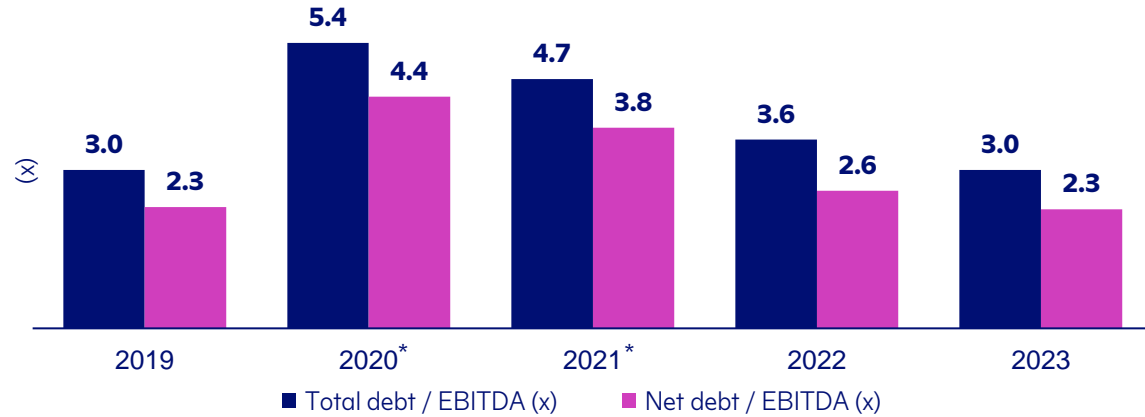
(2) Calculated as additions to investment properties + additions to property and equipment; (3) Calculated as EBITDA / interest expense

* As restated to take into account the acquisition of Allfirst/PGPC, which are part of SMIC's Portfolio Investments

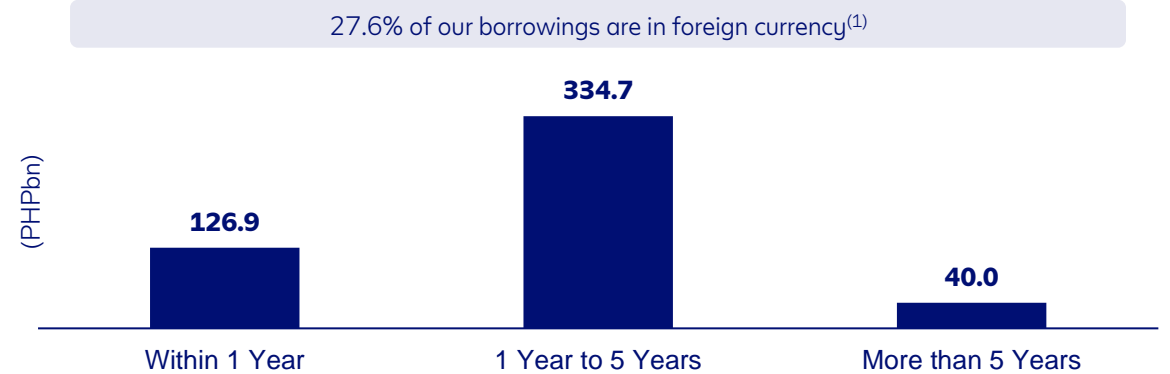
SMIC: key credit metrics

Robust credit metrics, with leverage ratios on downward trend

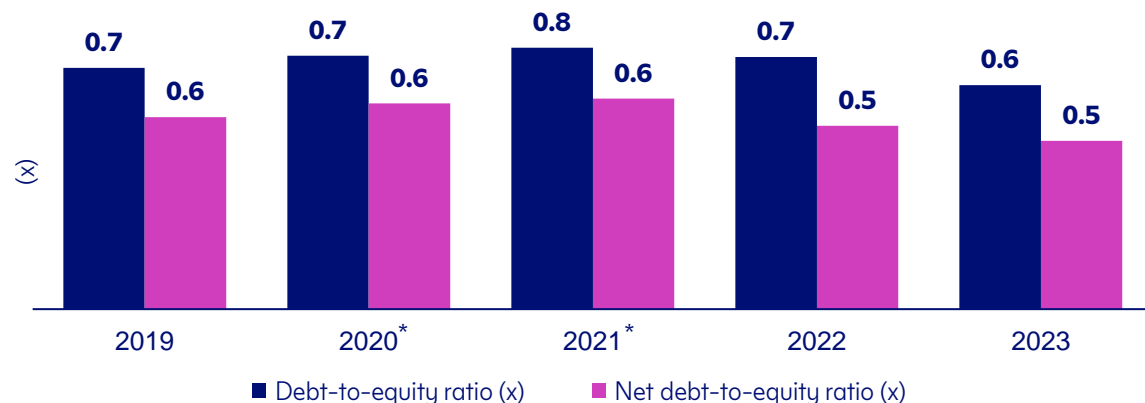
Total debt / EBITDA and net debt / EBITDA



SMIC group repayment schedule



Debt-to-equity ratio and net debt-to-equity ratio⁽²⁾



SMIC parent debt metrics

SMIC parent debt	Amount			
Peso-foreign currency mix	62:38			
Average cost of debt	4.76%			
Average debt tenure	2.26 years			
Bonds issued	Amount	Currency	Due date	Coupon rate
February 18, 2022	15bn	PHP	Feb 2025 / Feb 2027	3.5915% / 4.7713%
October 2, 2020	10bn	PHP	Apr 2024	3.3163%
June 10, 2014	350m	USD	Jun 2024	4.8750%



Source: Company information

Note: FYE 31 Dec; Total debt reflects total interest-bearing debt and is calculated as bank loans + long-term debt; (1) Net of debt issue cost and as of 31 Dec 2023; (2) Calculated as total debt / total equity and net debt / total equity, respectively

* As restated to take into account the acquisition of Allfirst/PGPC, which are part of SMIC's Portfolio Investments



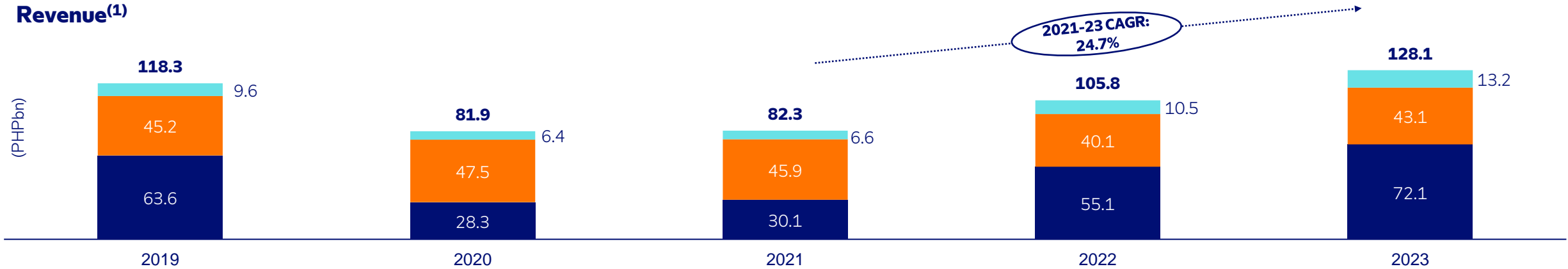
Section
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SMPH financials overview

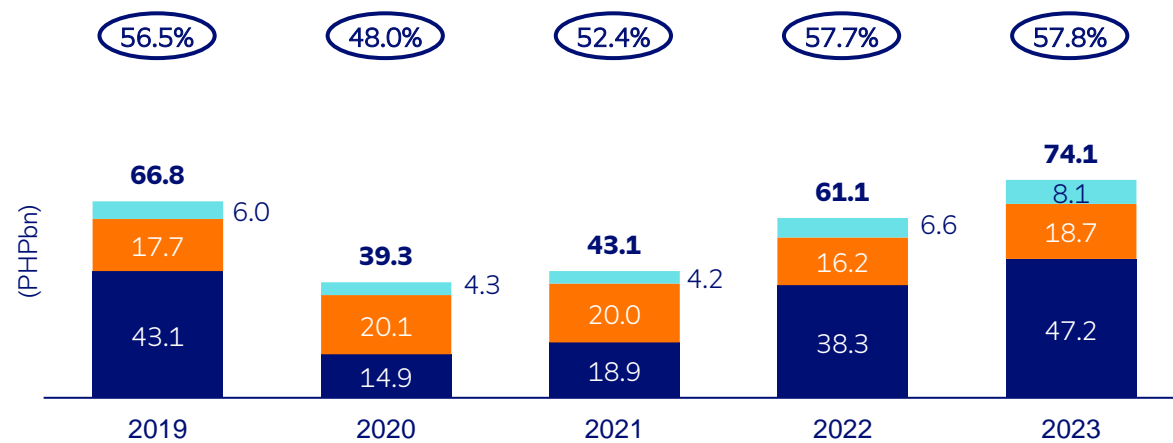
SMPH: key financial highlights

Strong revenue and earnings growth as the Philippines' largest mall operator/developer and leading residential developer

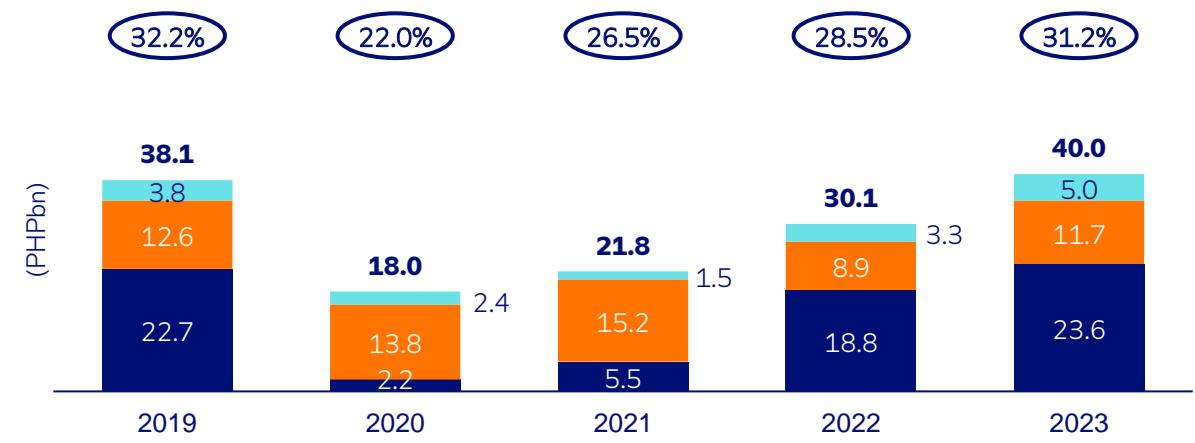
Revenue⁽¹⁾



EBITDA⁽¹⁾⁽²⁾ and EBITDA margin



Net income⁽¹⁾⁽³⁾ and net income margin



○ EBITDA margin (%)

■ Malls

■ Residential

■ Commercial, hotels & convention centers

○ Net income margin (%)

Source: Company information

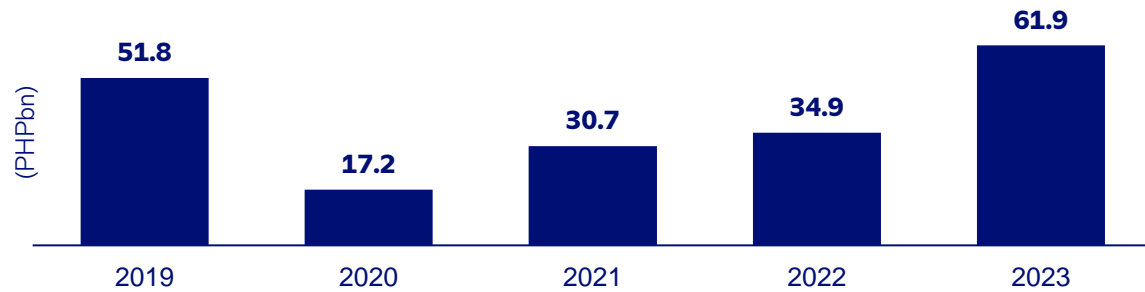
Note: FYE 31 Dec; (1) Total may differ from sum of individual segments due to eliminations; (2) Calculated as income from operations - net income attributable to non-controlling interest + depreciation and amortization;

(3) Pertains to net income attributable to equity holders of the parent

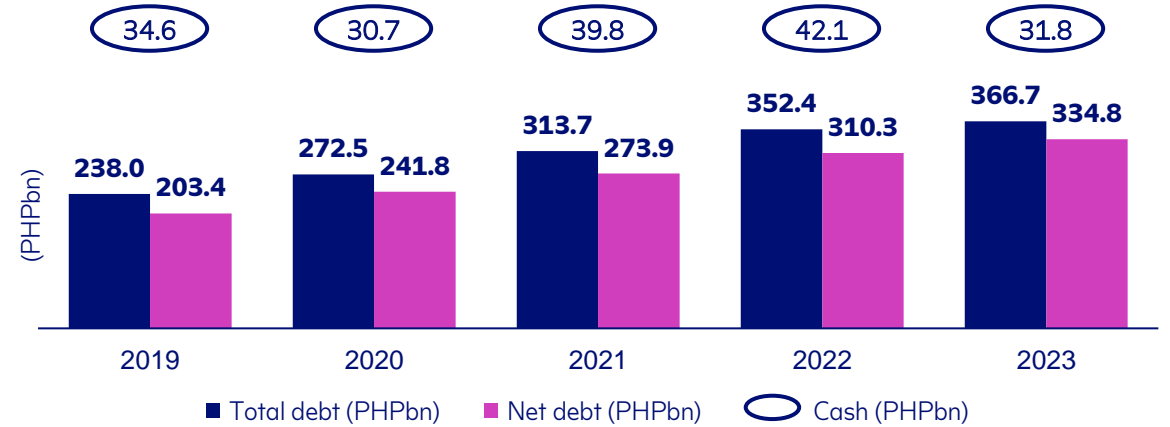
SMPH: key financial highlights (cont'd)

High visibility of cash flows supports capex requirements for sustained growth

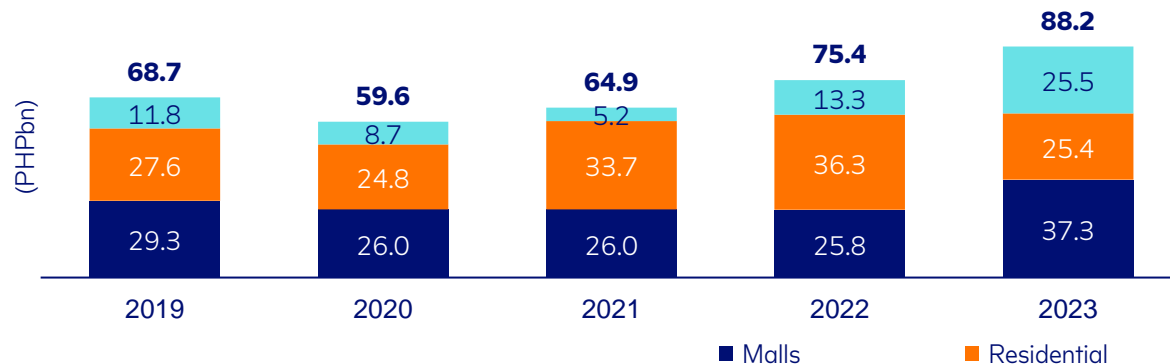
Operating cash flow



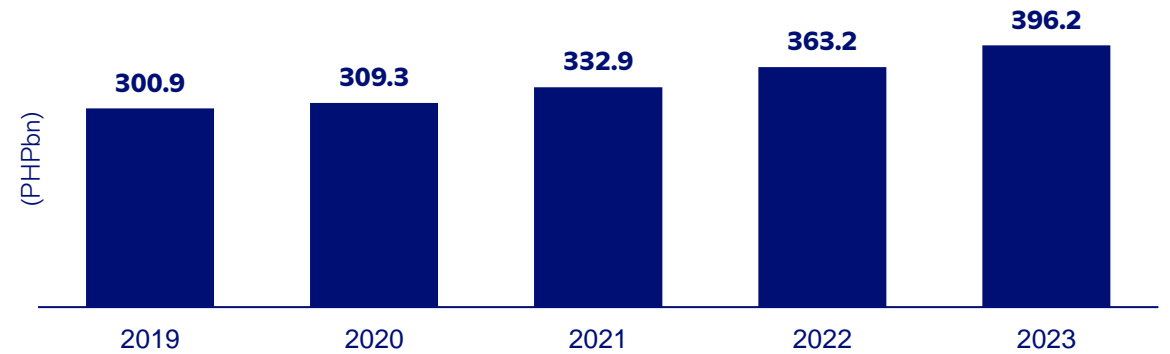
Total debt, net debt, and cash⁽¹⁾



Capex⁽²⁾



Total equity attributable to equity holders of the Parent



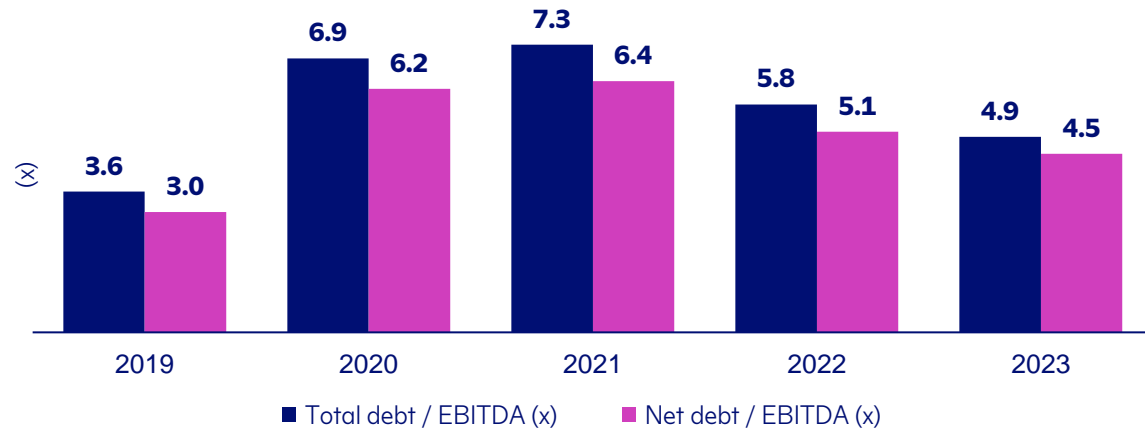
Source: Company information

Note: FYE 31 Dec; (1) Total debt reflects total interest-bearing debt and is calculated as loans payable + long-term debt and net debt is calculated as total debt - cash and cash equivalents; (2) Total may differ from sum of individual segments due to eliminations

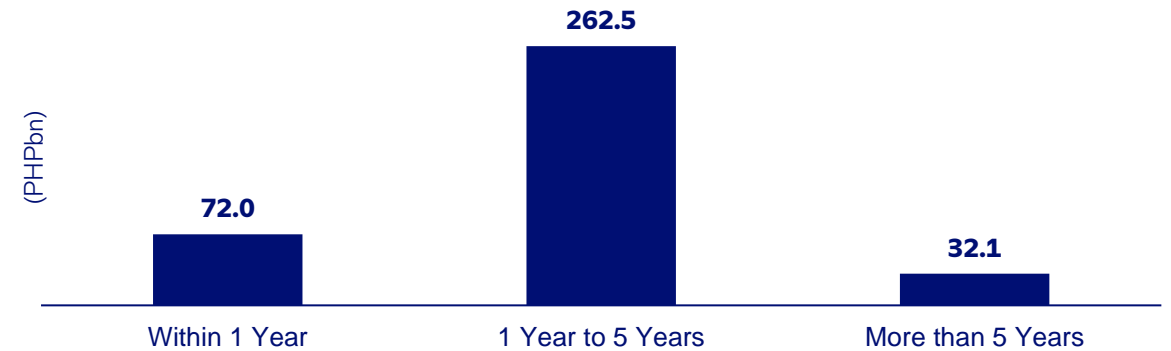
SMPH: key credit metrics

Continues to maintain a conservative balance sheet with leverage ratio consistently below 1.0x net debt/equity

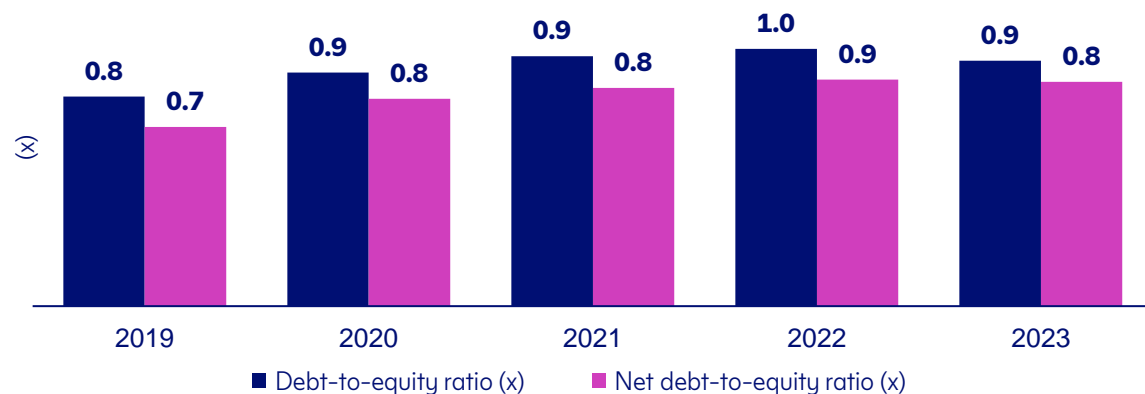
Total debt / EBITDA and net debt / EBITDA



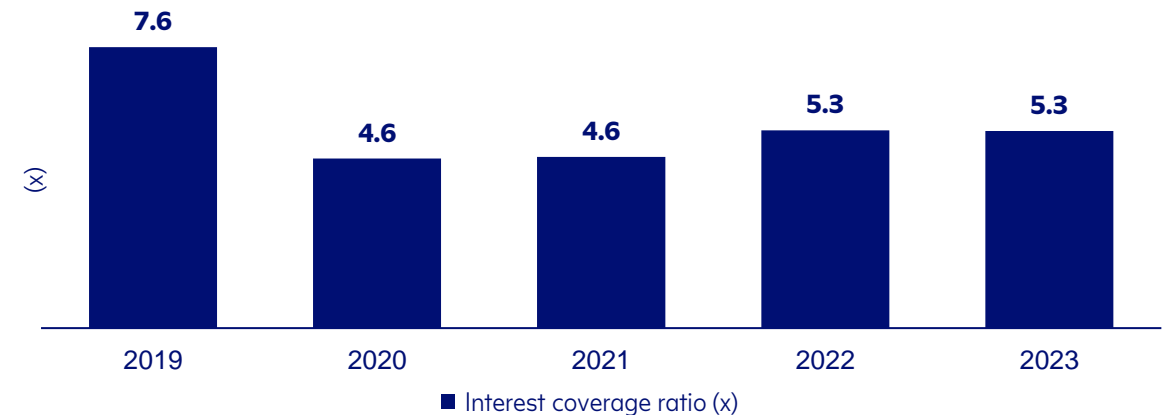
SMPH repayment schedule



Debt-to-equity ratio and net debt-to-equity ratio⁽¹⁾



Interest rate coverage ratio⁽²⁾



Source: Company information

Note: FYE 31 Dec; (1) Calculated as total debt / total equity attributable to equity holders of the parent and net debt / total equity attributable to equity holders of the parent, respectively; (2) Calculated as EBITDA / interest expense

Closing remarks and Q&A



Appendix
A

Additional information on SMIC

SMIC: a leading and dynamic conglomerate

SM INVESTMENTS

Market cap: PHP 1,201.9bn (US\$21.6bn)⁽¹⁾

Retail

SM RETAIL

77.3%

- Retailer with a nationwide portfolio of stores
- **Largest Philippine retailer** by sales⁽²⁾
- Store network includes⁽³⁾:
 - **74** under The SM Store
 - **65** under SM Supermarket
 - **54** under SM Hypermarket
 - **219** under Savemore
 - **1,660** Specialty Stores
 - **1,692** under Alfamart
 - **88** under Waltermart
 - **1** under MindPro

Property

SM PRIME

49.7%

Market cap: PHP 912.6bn (US\$16.4bn)⁽¹⁾

- Leading integrated property developer
- **One of the largest listed real estate developers** on the PSE by market cap and net income⁽²⁾
- Property portfolio includes⁽³⁾:
 - **93** malls⁽⁴⁾
 - **67** residential projects
 - **18** office buildings
 - **10** hotels
 - **6** convention centers
 - **2** trade halls

Banking

BDO

45.3%

Market cap: PHP 818.2bn (US\$14.7bn)⁽¹⁾

- Full-service universal bank providing corporate and retail banking services
- **Largest Philippine bank** in terms of total assets, loans, deposits, and trust funds under management⁽⁵⁾
- Distribution network includes⁽³⁾:
 - **1,720** operating branches
 - **4,803** ATMs

CHINABANK

22.5%

Market cap: PHP 93.8bn (US\$1.7bn)⁽¹⁾

- Leading private universal bank offering a full range of financial products and services
- **Fifth largest Philippine bank** in terms of total assets⁽⁵⁾
- Distribution network includes⁽³⁾:
 - **648** operating branches
 - **1,069** ATMs

Portfolio Investments

- Investments in key sectors in the Philippines with high growth potential, including:

Logistics	2GO Group, Airspeed
Geothermal and renewable energy	Philippine Geothermal
Bakeshops	Goldilocks
Leisure	Belle Corp.
Mining	Atlas Mining
Urban dormitories	MyTown
Green buildings	NEO Group
- Targets include market leaders that offer synergies, attractive returns and cash flows

 SMIC's effective ownership⁽³⁾ (%)

Source: Company information, FactSet
 Note: USDPHP of 55.567 used for illustrative purposes; (1) As of 11 Mar 2024; (2) As of latest available data; (3) As of 31 Dec 2023; (4) Includes 85 malls in the Philippines and 8 malls in China; (5) As of 30 Sep 2023

Diversified, integrated, and synergistic platform

As a conglomerate with market leading consumer-centric businesses, strong brand franchise, and extensive group synergies, we are a strong proxy for long-term growth in the Philippines

SM RETAIL



We **create modern retailing** to address the needs of millions of Filipinos

Nationwide Expansion



Responsible Development

SM PRIME



We **develop integrated properties** centered on our malls as community centers

We build our ecosystem by **developing synergies** across our businesses

Financial Prudence

Good Governance

BDO CHINABANK

We **deliver a full range of banking services** to corporates, SMEs, and individuals, enabling growth and financial inclusion

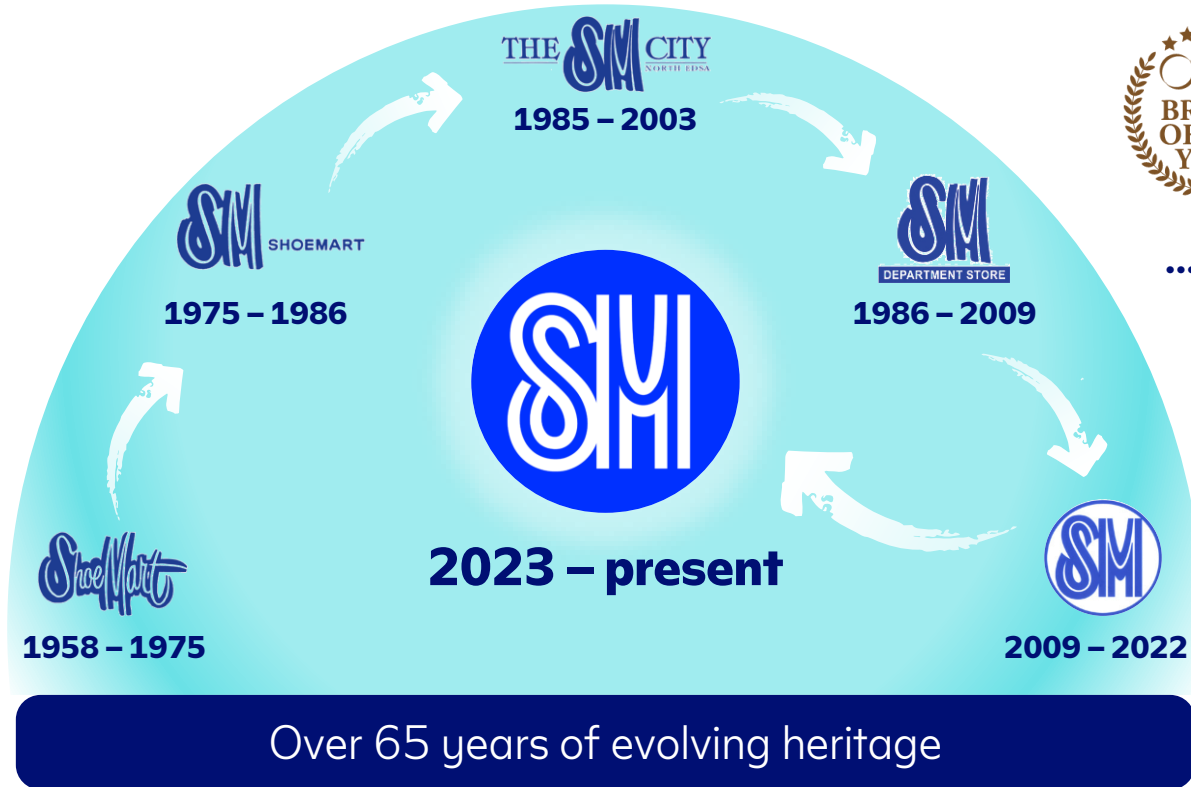


We **invest in new and related sectors** that help capture high growth opportunities



Established and reputable brand

Our distinctive logo and popular consumer brand are a fixture in the Philippines



The SM brand is widely recognized by the industry ...



World Branding Forum
2020 World Branding Awards



Reader's Digest
2020 Trusted Brands Awards

... and championed by various programs



SM FOUNDATION 

SM's **social outreach arm**, focused on social inclusion by **nurturing and caring for underserved communities where SM is present**



SM's **corporate social responsibility arm** partnering with advocates, communities, and organizations to **advance the best interests of SM's advocacies**

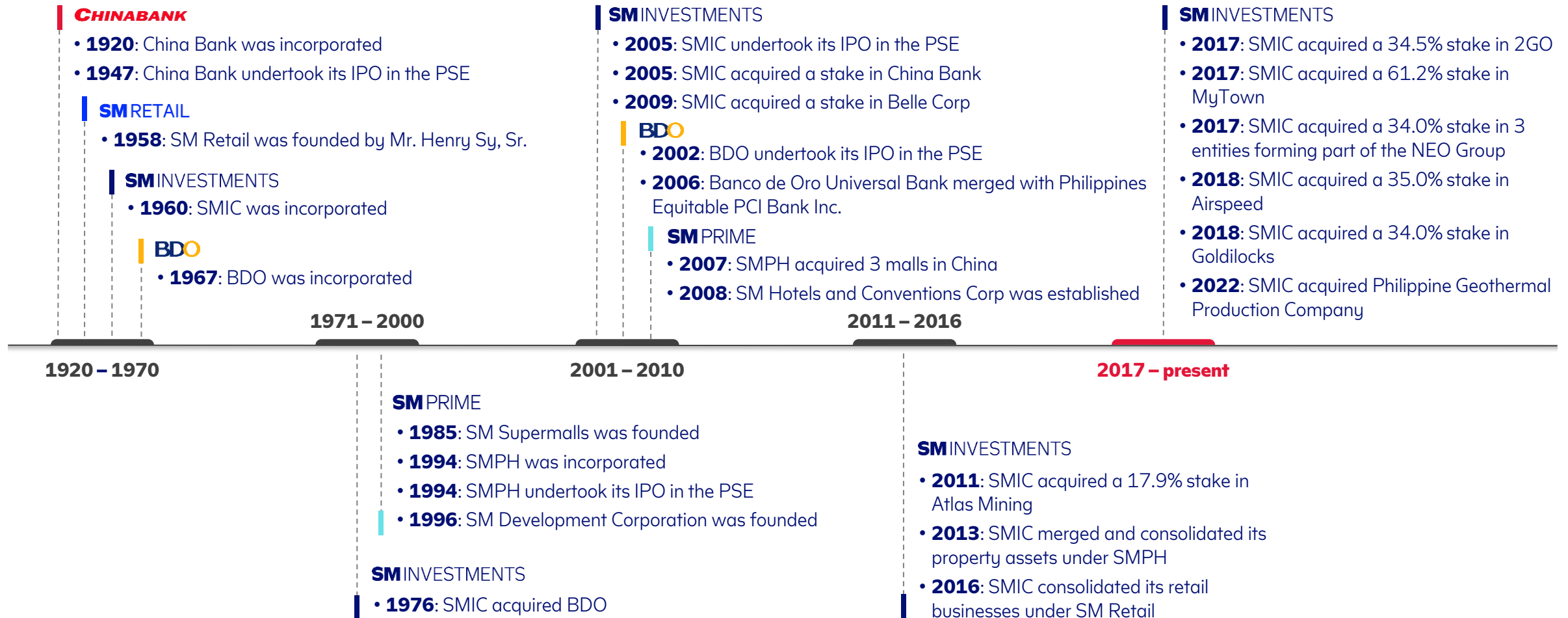




SM's **loyalty card**, which allows customers to shop with points, get discounts, and enjoy freebies with brands that fit their lifestyles

Track record of continued expansion

Our vision: to build an ecosystem of sustainable businesses that are catalysts for responsible development in the communities we serve



Source: Company information



ESG initiatives and credentials



Leading in financing **59** renewable energy projects

No new coal loans policy
- reduce exposure by **50% by 2033**



SMPH aims to reach **net zero greenhouse gas (GHG) emissions by 2040**, surpassing the global target of achieving net zero by 2050





Appendix
B

Additional information on SMPH

SMPH: largest mall-focused property developer

SM PRIME

Market cap: PHP 912.6bn (US\$16.4bn)⁽¹⁾

Malls



- **Largest mall operator and developer** in the Philippines⁽²⁾

Malls	85	8
Total GFA	9.2m sqm	1.6m sqm
Tenants	20,615	2,183
Average Daily Footfall	3.6m	0.3m
Land bank	353 ha	

Residential



- **Leading mid-high end residential developer** in the Philippines⁽²⁾

183,491 units launched (since 2003) ⁽²⁾
67 residential developments (47 in Metro Manila) ⁽²⁾
1,345 ha land bank: primary residential ⁽²⁾
508 ha land bank: leisure homes ⁽²⁾

Commercial



- Develops and leases office buildings across the Philippines
- Current portfolio comprises⁽²⁾:

18 office buildings
1.6m sqm Total GFA
118 ha land bank for future office development

Hotels & Convention Centers



- Develops and operates hotels and convention centers across Philippines
- Hotel brands include:

10 hotels⁽²⁾ (over 2,600 rooms)
6 convention centers and 2 trade halls (42k sqm NLA) ⁽²⁾



Source: Company information, FactSet

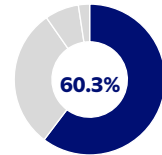
Note: USDPHP of 55.567 used for illustrative purposes; (1) As of 11 Mar 2024; (2) All data in this slide are as of 31 Dec 2023 except for market cap

SMPH: business segment overview

SMPH business segments by FY2023 operating income contribution (%)



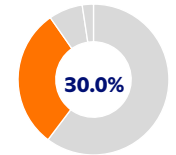
Malls



FY2023 revenue	PHP72.1bn
FY2023 operating income	PHP37.4bn
Gross floor area	10.8m sqm
Malls	85 in PH and 8 in CH



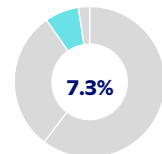
Residential



FY2023 revenue	PHP43.1bn
FY2023 operating income	PHP18.6bn
Reservation sales	PHP102.1bn
Launches since 2013	PHP713bn / 183,491 units



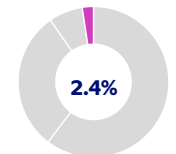
Offices



FY2023 revenue	PHP6.8bn
FY2023 operating income	PHP4.5bn
Gross floor area	1.6m sqm
Office buildings	18



Hotels & Convention Centers



FY2023 revenue	PHP6.3bn
FY2023 operating income	PHP1.5bn
Hotels / keys	10 / 2,600 rooms
Convention centers	8 (including 2 trade halls)

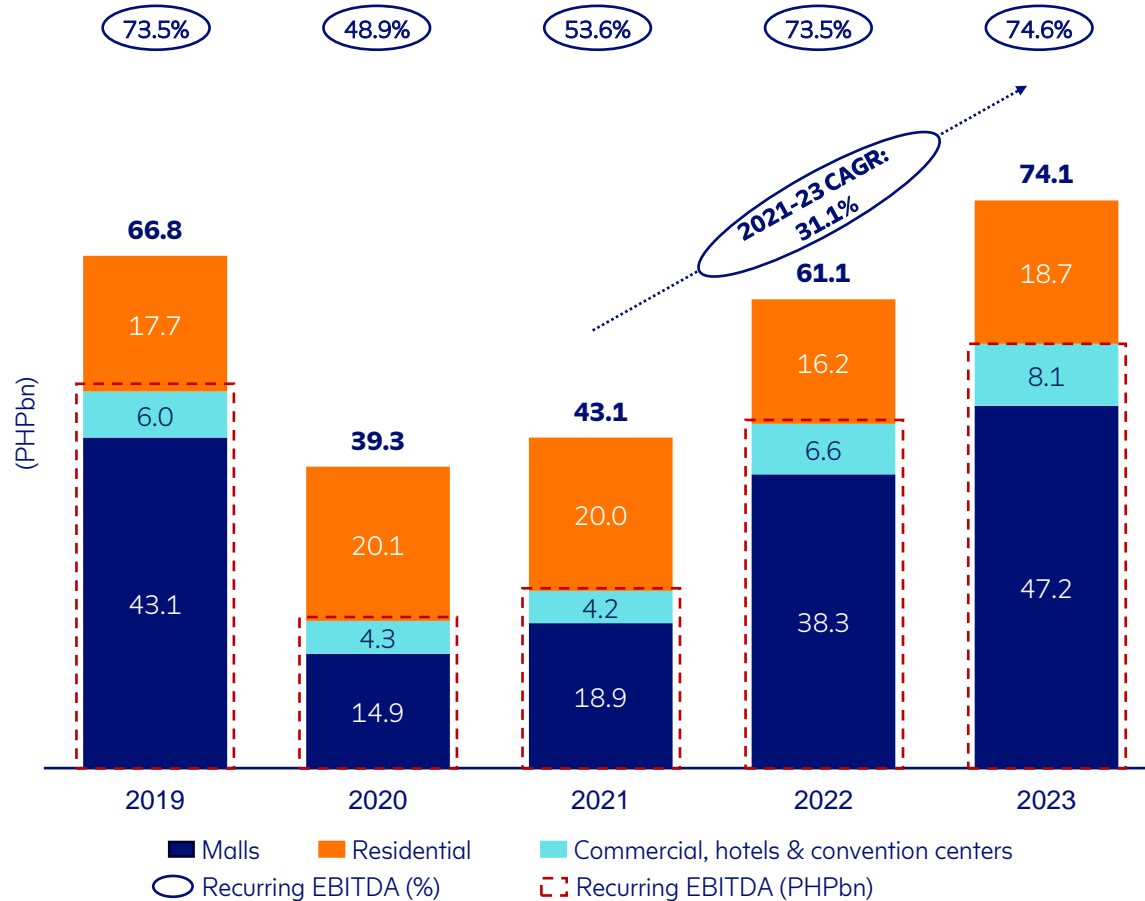


Source: Company information
Note: All data are as of 31 Dec 2023

75% of EBITDA from stable, recurring leasing segments...

...anchored by cashflows from the largest mall portfolio in the Philippines, with 90% overall occupancy

EBITDA⁽¹⁾ and recurring EBITDA



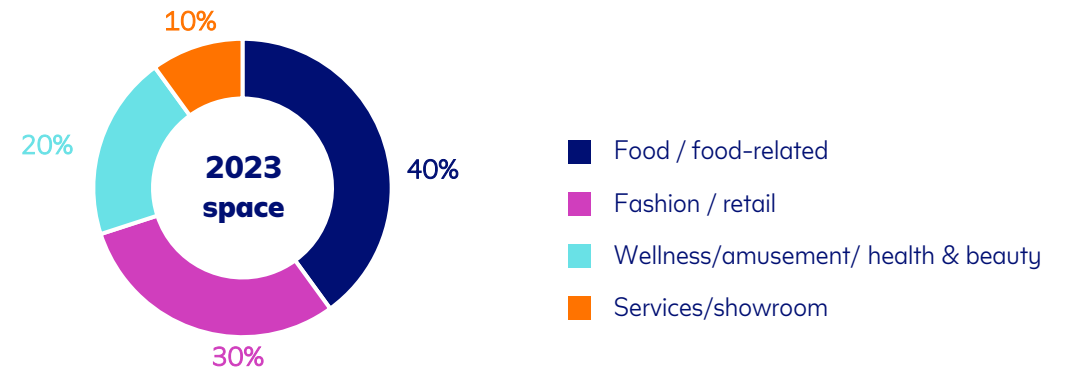
Geographically diversified mall portfolio across the Philippines...



Philippine population: 111m
GDP: PHP 22 trillion

Region	Malls	GFA (sqm)	GDP (PHP trillion)
1 - NCR	24	3.8m	7
2 - Luzon	47	3.6m	8
3 - Visayas	7	1.1m	3
4 - Mindanao	7	0.7m	4

...and diversified across tenant sectors



Source: Company information
Note: FYE 31 Dec; (1) Total may differ from sum of individual segments due to eliminations



Appendix
C

Other business segments



Retail

SM Retail business overview

Leading retailer in Philippines with a nationwide portfolio

 **77.3%**
effective interest held⁽¹⁾

 **PHP415bn**
FY2023 revenue

 **PHP20bn**
FY2023 net income

 **3,853**
stores^{(1),(2)} across Philippines

 **3,360**
gross selling area⁽¹⁾ ('000s sqm)

SM RETAIL

Food Group

- **Wide range** of retail formats
- Ranges from stand-alone **hypermarkets** and large **supermarkets** in malls, to **mid-sized stores** in neighborhoods and **small local minimarts**
- Product offering ranges from **c.5k SKUs** in Alfamart and Savemore Express, to **c.50k SKUs** in SM Supermarket and Hypermarket

Specialty Retail

- **Leading** local category specialist
- **Diverse array** of leading brands to capture growth in **various categories** of discretionary spending
- Aspirational but affordable **foreign brands**
- **High margin, high growth**
- Key tenants in malls, selective expansion outside malls

THE STORE

- The **largest department store chain** in the Philippines
- **Over 70 stores** across Philippines
- **Wide range** of merchandise and price points to target all customer segments
- Leverages the mall footprint of SMPH for **choice locations**

Retail business highlights

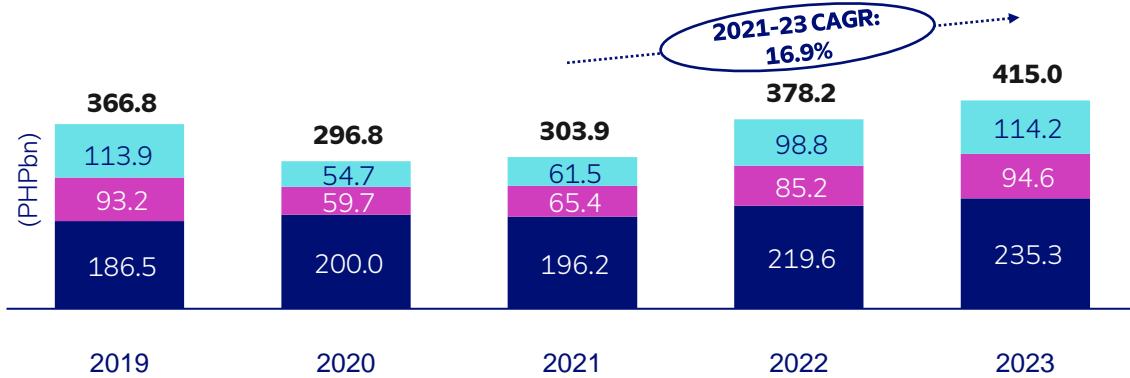


Source: Company information

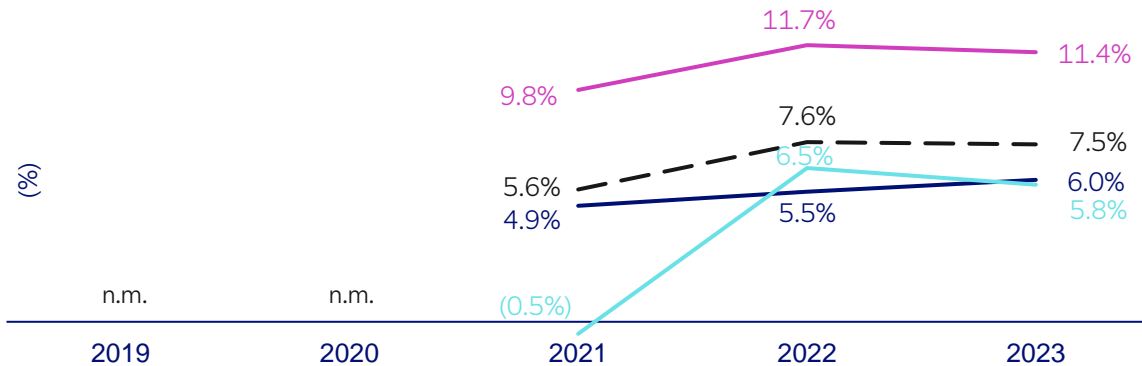
Note: (1) As of 31 Dec 2023; (2) As of latest available data; (3) Per management estimate

Retail business financials

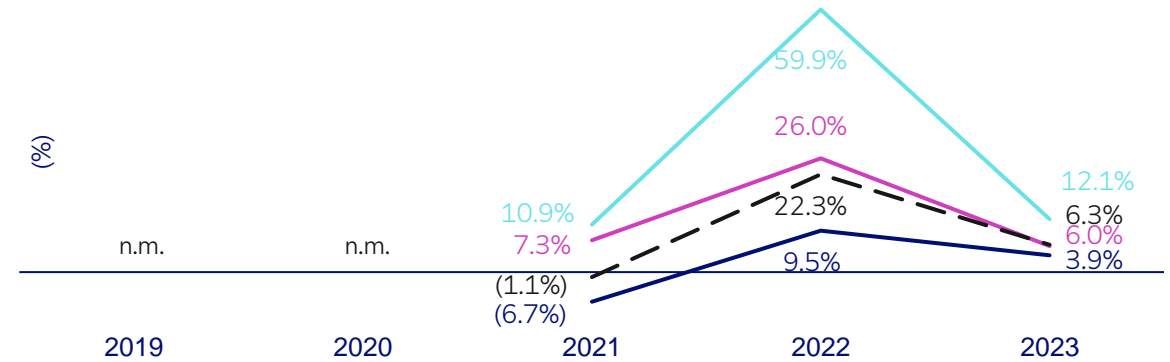
Revenue⁽¹⁾



EBIT margin



Same Store Sales Growth



Net profit⁽¹⁾



■ Food Group ■ Specialty Retail ■ The SM Store — SM Retail



Source: Company information
 Note: FYE 31 Dec; (1) SM Retail total figures are presented on a consolidated basis and includes inter-segment eliminations / group cost



Banking

Banking business overview – BDO Unibank

Leading Philippine bank offering a complete array of financial products and services

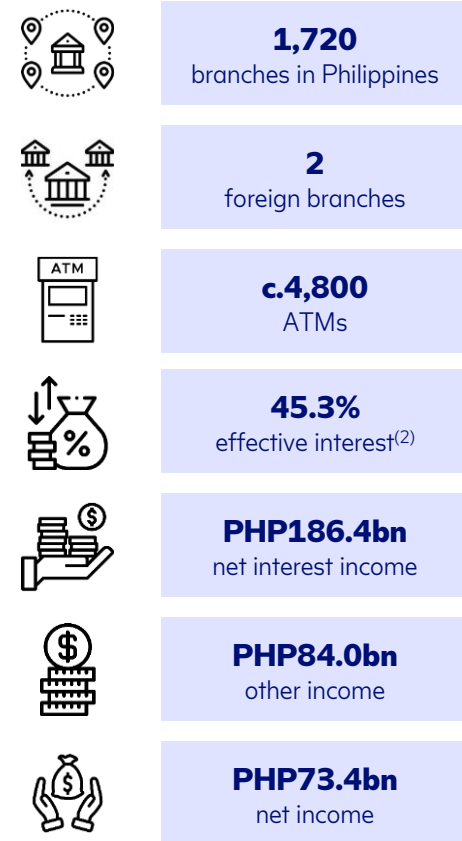
Business overview

- Founded in 1976, BDO Unibank is a full-service universal bank which provides a wide range of corporate and consumer banking services
- Listed on Philippine Stock Exchange with a market capitalization of PHP818.2bn (US\$14.7bn) as of 11 March 2024
- Operates branches across Philippines, Hong Kong & Singapore and manages 14 international offices in Asia, Europe, North America and the Middle East
- Ranked as the largest bank in terms of total assets, loans, deposits, and trust funds under management as of September 2023 among other listed banking peers in Philippines

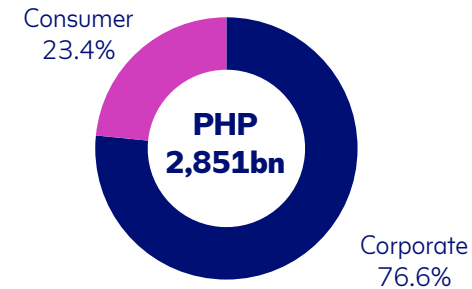
Geographical coverage in the Philippines⁽¹⁾



Key metrics⁽¹⁾



Loan portfolio (2023)



Products overview

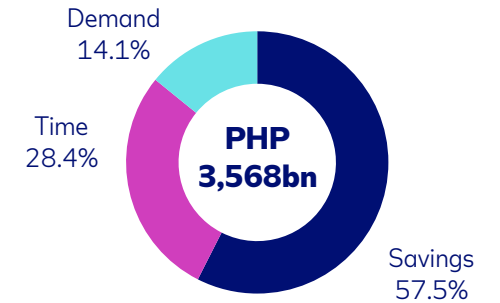
Consumer banking

- **Accounts** – savings, current, time deposit, FOREX
- **Cards** – credit, debit, BDO pay, reward
- **Digital** – BDO online, BDO pay
- **Loans** – home, auto, SME, personal loan
- **Insurance** – non-life insurance, life insurance
- **Investments** – funds, managed portfolio, stocks
- **Remittance** – Kabayan (services, loans, investments, insurance)
- **Assets for sale** – real estate, vehicles, club shares

Corporate banking

- **Financing** – loans, leasing, capital markets
- **Business services** – cash management, trade facilities, payment solutions, institutional trust management
- **Investments** – managed portfolio
- **International banking** – China desk, Europe & North America desks, Japan desk, Korea desk
- **Corporate insurance** – BDO insure business, BDO life group insurance
- **Corporate cards** – American express corporate card, Master corporate card, Visa corporate card, Diners club corporate card

Deposit breakdown (2023)



Source: Company information, FactSet

Note: USDPHP of 55.567 used for illustrative purposes; As of latest available information; (1) As of 31 Dec 2023; (2) Refers to effective shareholding owned by SMIC in BDO Unibank

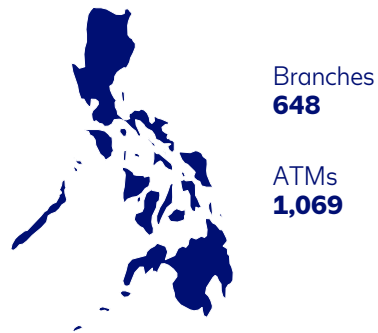
Banking business overview – China Bank

A trusted private universal bank delivering above-industry growth⁽¹⁾ consistently

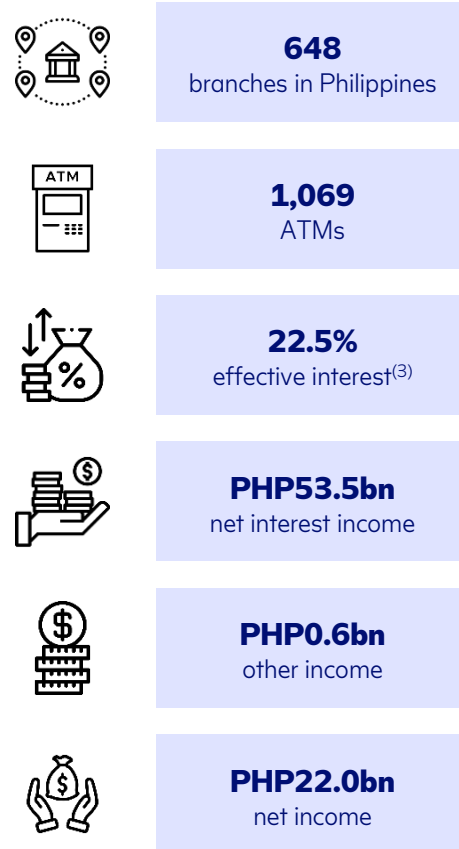
Business overview

- Founded in 1920, China Banking Corporation (China Bank) is a private universal bank providing range of banking products & services to institutions and individuals
 - Acquired by SM Group in 2005
- Listed on Philippine Stock Exchange with a market capitalization of PHP93.8bn (US\$1.7bn) as of 11 March 2024
- Operates branches across Philippines along with self-service and digital banking channels available 24/7
- Ranked among top 10⁽²⁾ in terms of total assets, loans, deposits, and trust funds under management among other listed banking peers in Philippines

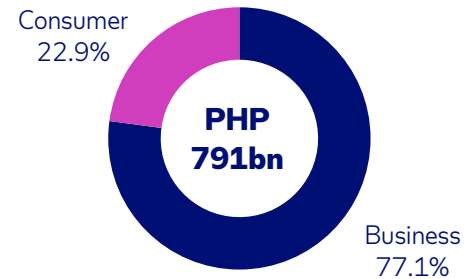
Geographical coverage in the Philippines⁽²⁾



Key metrics⁽²⁾



Loan portfolio (2023)



Products overview

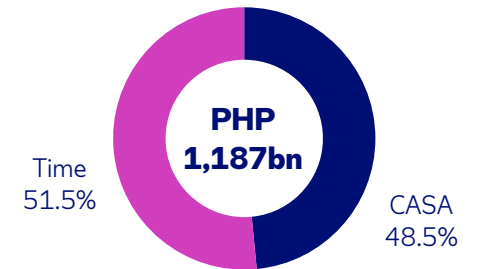
Consumer banking

- **Save** – savings, checking account, term deposits, remittance accounts, foreign currency savings accounts, foreign currency term deposits
- **Cards** – range of Mastercard
- **Borrow** – home loan, car loan, salary loan
- **Invest** – trust banking, treasury, trust banking, China Bank securities
- **Protect** – life & health insurance, non-life insurance
- **Channels** – online account opening, internet banking, mobile banking, phone banking

Corporate banking

- **Cash management** – receivables & liquidity management and POS solutions, among others
- **Loans** – corporate, commercial, trade
- **Investments** – trust, treasury
- **International banking** – remittance services
- **Investment banking** – fund raising solutions, capital advisory
- **Branch banking** – government payments, SSS pension credit, night depository
- **Stock brokerage** – Peso & Dollar securities, REIT
- **Insurance** – through Chinabank Insurance Brokers Inc and Manulife China Bank Life Insurance

Deposit breakdown (2023)



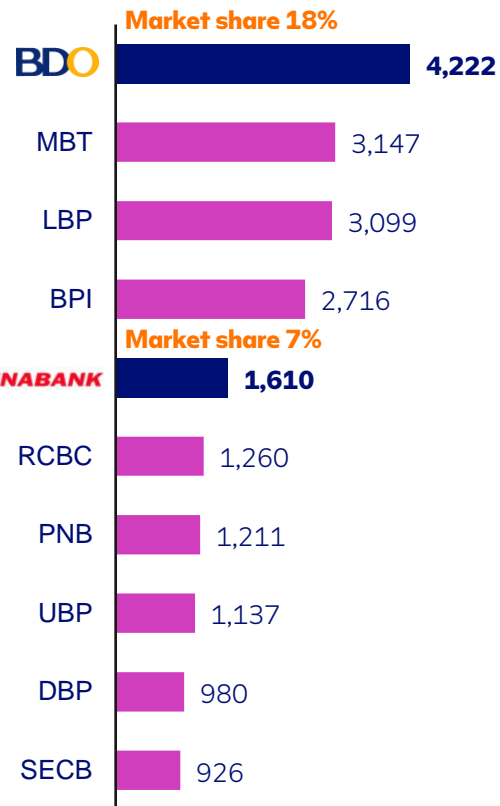
Source: Company information, FactSet

Note: USDPHP of 55.567 used for illustrative purposes; As of latest available information; (1) In terms of loan growth; (2) As of 31 Dec 2023; (3) Refers to effective shareholding owned by SMIC in China Bank

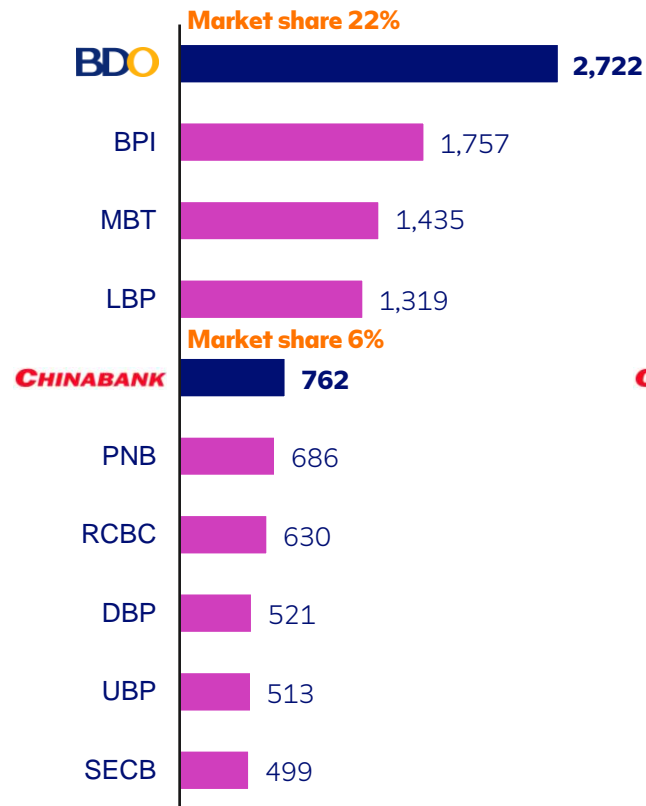
Banking business overview – Philippine banks benchmarking

BDO Unibank and China Bank are among the largest banks in the Philippines (Sep 2023)

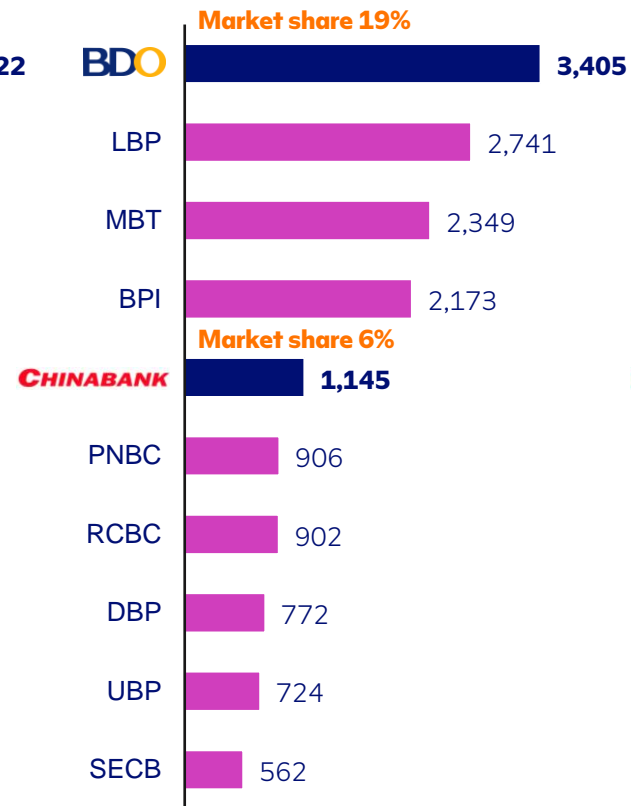
Total assets (PHPbn)



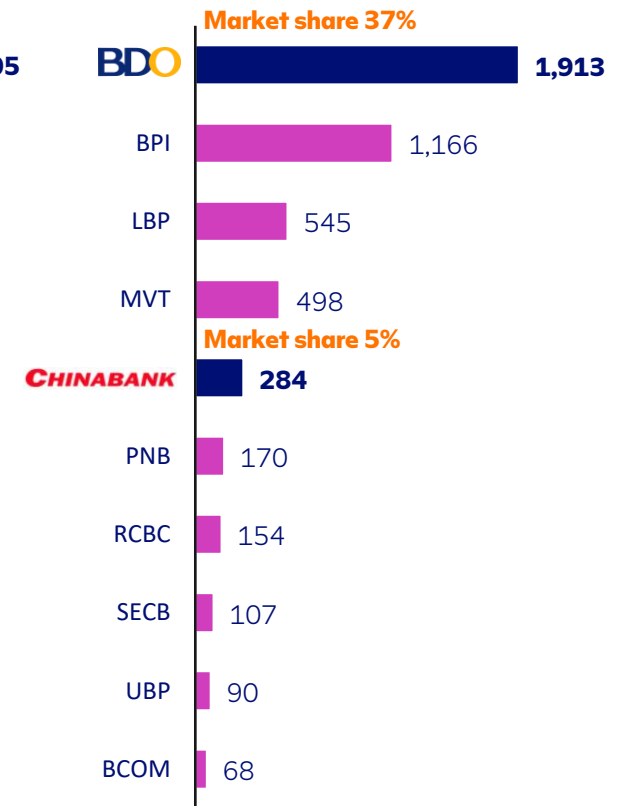
Gross customer loans (PHPbn)



Customer deposits (PHPbn)



Assets under management (PHPbn)



Source: Company information, FactSet

Note: Ranking and market share based on compilation of consolidated published statements of condition (SOC) of U/KBs as of Sep 2023; Financials prepared by banks under BSP's SOC requirements differ slightly from reported financials under SEC guidelines due to certain differences in accounting rules followed by the two authorities



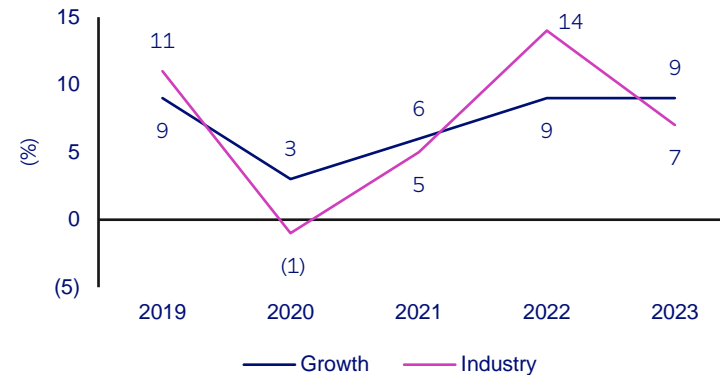
Banking business financials – BDO Unibank

BDO profit hit all-time high of PHP73bn in FY2023 on the back of a strong loan growth, higher fee-based income and improving cost efficiency

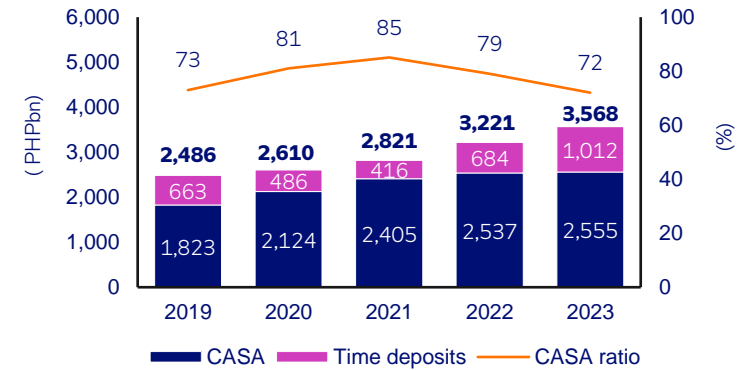
Financial highlights

(in PHPbn)	2023	2022	% Change
Net interest income	186	149	24.9
Other Income	84	72	17.4
Net income ⁽¹⁾	73	57	28.7
Assets	4,478	4,075	9.9
Deposits	3,568	3,221	10.8
Gross customer loans	2,851	2,614	9.1
Net interest margin	4.7%	4.1%	-
Cost to Income ratio	58.0%	59.4%	-
Return on Ave. common equity ⁽²⁾	15.2%	13.0%	-
Gross loan to deposits ratio (LDR)	79.9%	81.2%	-
Gross NPL ratio ⁽³⁾	1.85%	1.95%	-
Total CAR ⁽⁴⁾	14.9%	14.5%	-
Tier 1 ratio	14.0%	13.6%	-
CET 1	13.8%	13.4%	-

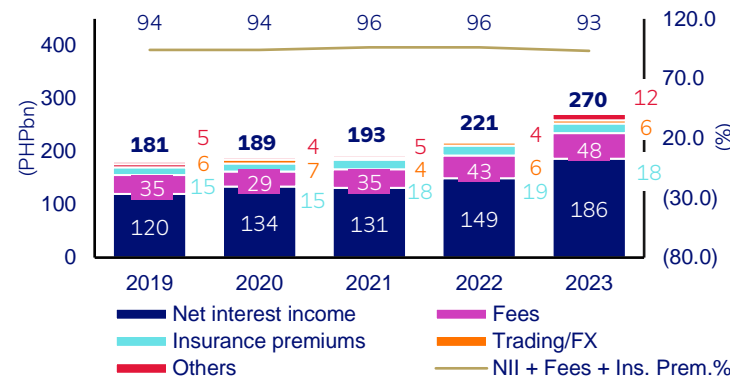
Loan growth



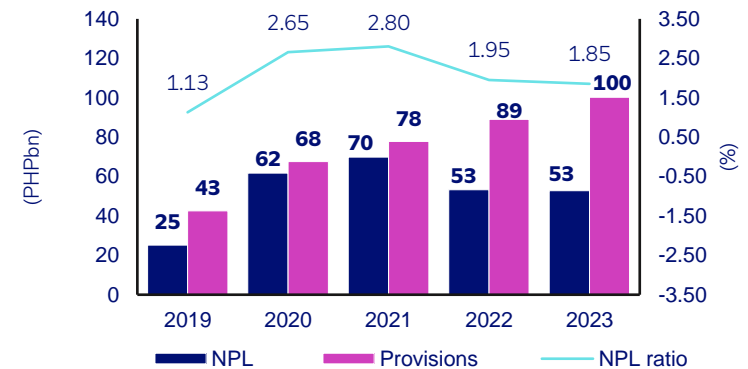
Deposits



Operating income



Asset quality



Source: Company information, FactSet

Note: (1) Excludes net income attributable to minority interest; (2) Return on Ave. common equity, defined as annualized NI to parent shareholders less preferred dividends/ave.; (3) Per BSP circular 941; (4) Per BSP, consolidated basis, as seen in the published statements of condition

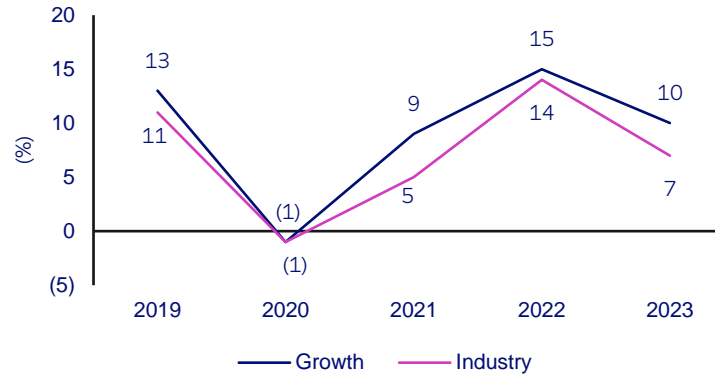
Banking business financials – China Bank

Decent loan book growth in FY2023 resulted in an improvement of net interest income and return on equity

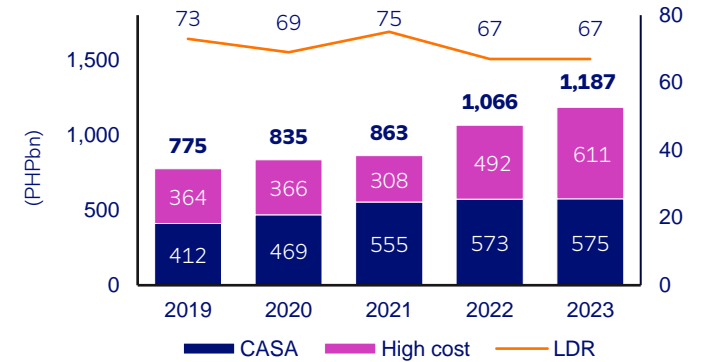
Financial highlights

(in PHPbn)	2023	2022	% Change
Net interest income	54	46	17.4
Other income	1	10	(94.4)
Net income ⁽¹⁾	22	19	15.1
Assets	1,478	1,330	11.2
Deposits	1,187	1,066	11.3
Gross customer loans	791	718	10.2
Net interest margin	4.2%	4.2%	-
Cost to income ratio	52.0%	46.0%	-
Return on Ave. common equity ⁽²⁾	15.5%	15.1%	-
Gross ratios loans to deposits (LDR)	66.7%	67.3%	-
Gross NPL ratio ⁽³⁾	2.5%	2.3%	-
Total CAR ⁽⁴⁾	16.1%	15.9%	-
CET 1	15.3%	15.1%	-

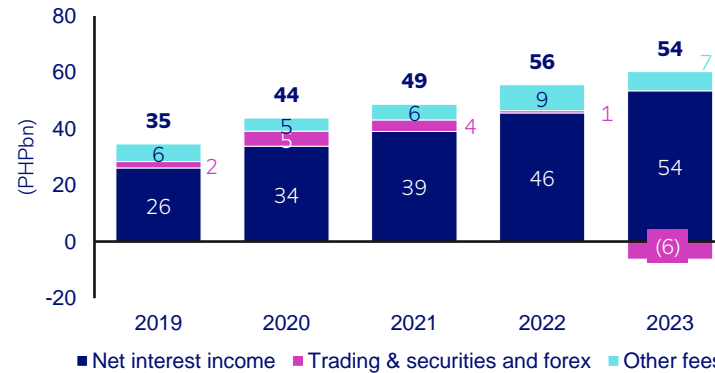
Loan growth



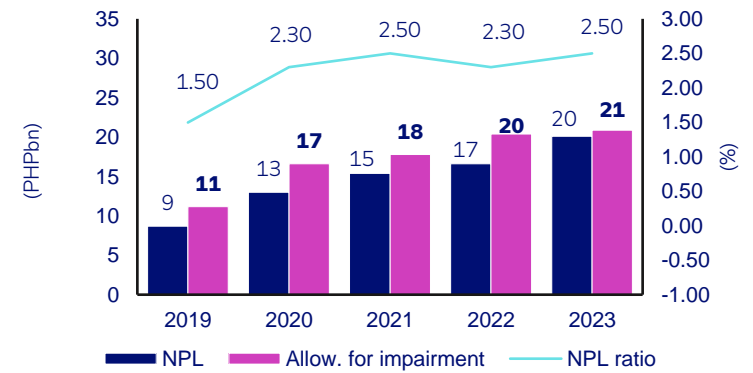
Deposits



Operating income



Asset quality



Source: Company information, FactSet

Note: (1) Excludes net income attributable to minority interest; (2) Return on Ave. common equity, defined as annualized NI to parent shareholders less preferred dividends/ave. common equity; (3) Per BSP circular 941; (4) Per BSP, consolidated basis, as seen in the published statements



Portfolio Investments

Portfolio Investments overview

100%



PHILIPPINE GEOTHERMAL

- Operates steam fields to supply third-party owned geothermal power plants, with exclusive rights to explore, develop, and utilize other geothermal resources in the Philippines
- Total contract area of **9,410 ha**, with enough geothermal steam to produce **c.300 MW**
- Stake acquired by SMIC in **2022**

95.0%⁽¹⁾

NEO

- Features a portfolio of 7 commercial office buildings green certified under the BERDE green building rating system
- **85%** occupancy and total GFA of **256,707 sqm**
- Initial stake acquired in **2017**

64.1%



- Largest bakeshop chain in the Philippines
- **11** manufacturing facilities and **926** stores
- Initial stake acquired by SMIC in **2018**

71.3%



- Dormitory developer and operator specializing in the development of rental housing communities
- **16** buildings in operation and **2** buildings under development
- Initial stake acquired in **2017**

67.2%

2GO

- Shipping and logistics provider that with businesses in shipping, freight forwarding, warehousing and express delivery services
- **18** major ports of calls, **10** ROPAX vessels for freight and travel, and over **14,000** TEU containers
- Initial stake acquired in **2017**

51.0%



- End-to-end logistics solutions and express courier company that provides freight solutions management via air, sea, and land
- Over **300** dedicated vehicles and presence in over **97** countries
- Initial stake acquired in **2018**

Effective stake (%)

Source: Company information

Note: (1) SMIC effectively owns 95.0% of the first five buildings, and 34% in the remaining two buildings in the NEO portfolio

Portfolio Investments overview (cont'd)

34.1%



- One of the largest copper concentrate producers in the Philippines
- **22 years** mine life and **408m tonnes** of proven and probable reserves
- Initial stake acquired in **2011**

26.6%



- One of the leading developers of sustainable resort destinations and leisure properties in the Philippines
- **2** premium destinations: City of Dreams Manila and Tagaytay Highlands
- Initial stake acquired in **2009**

● *Effective stake (%)*

Source: Company information



Portfolio Investments financials

(FYE 31 Dec 2023)



NEO



Revenue (PHPbn)	6.9	3.9	13.7	15.8	19.9	5.6
EBITDA (PHPbn)	4.9	3.2	1.3	2.9	6.7	4.1 ⁽¹⁾
EBITDA margin (%)	71.0%	82.1%	9.5%	18.6%	33.7%	73.3%
Net income (PHPbn)	4.0	2.2	0.4	1.1	1.1	2.4
Net income margin (%)	58.0%	56.4%	2.9%	7.2%	5.6%	43.3%

Source: Company information

Note: (1) Calculated as revenue - cost and expenses + depreciation and amortization

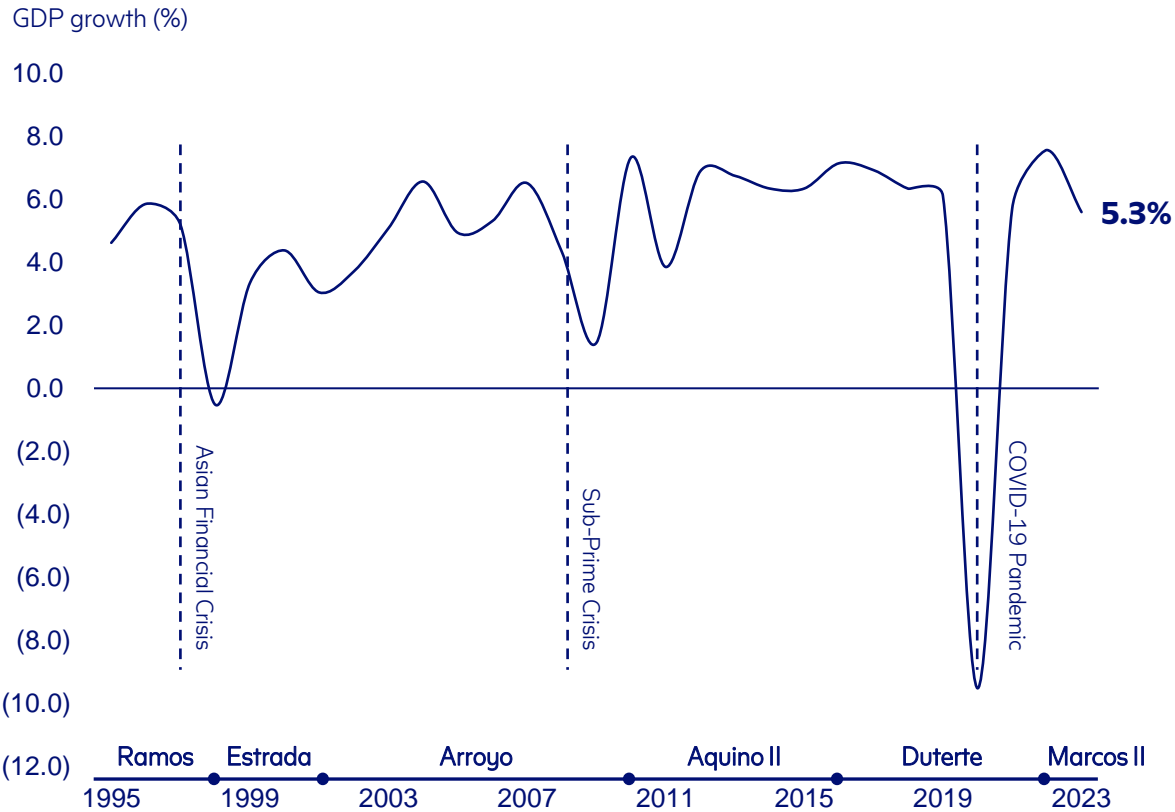


Philippine macroeconomic overview

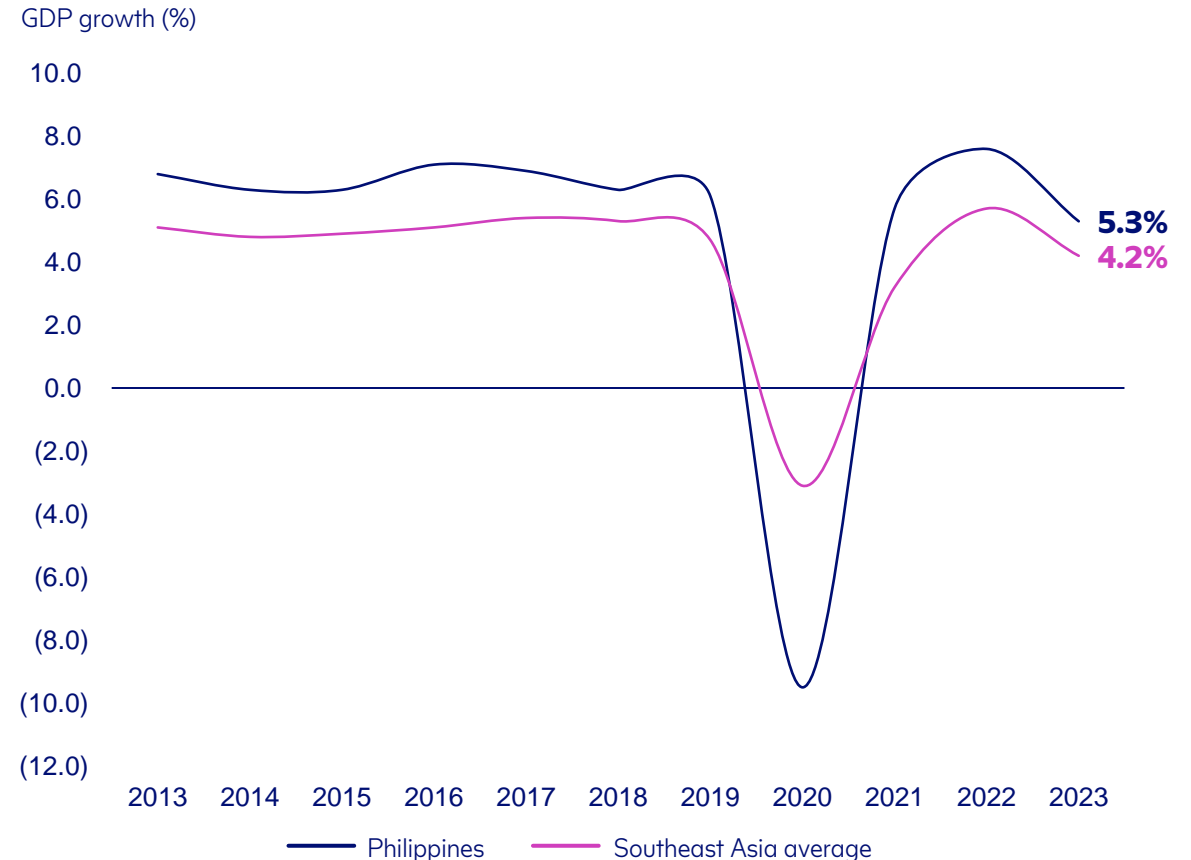
Philippine macroeconomic overview

The Philippine economy has consistently exhibited strong growth over the decades

GDP growth has consistently been 4.5% – 7.0%...



... and has outperformed Southeast Asia in the past decade

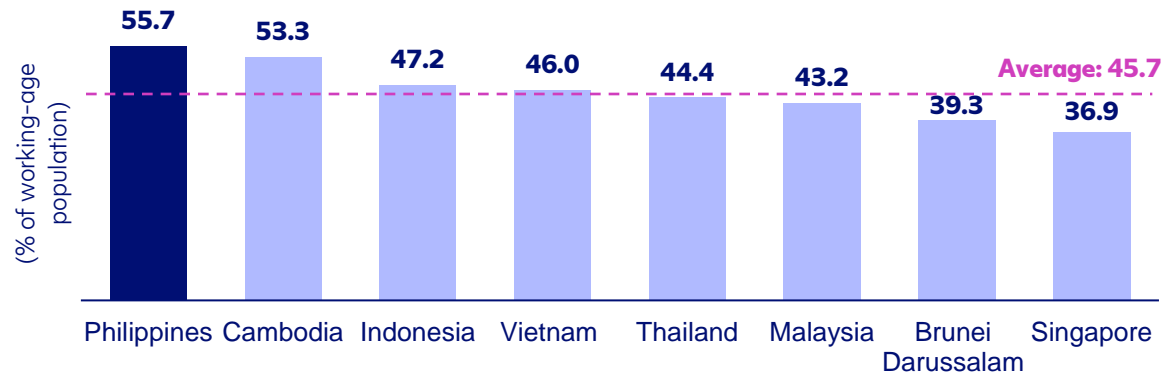


Source: PSA, IMF
Note: Southeast Asia includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste, Vietnam

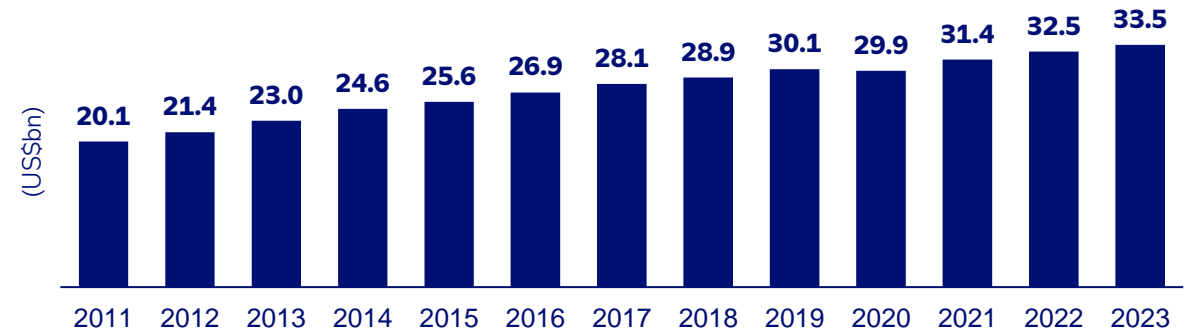
Philippine macroeconomic overview (cont'd)

Drivers for growth include a high dependency ratio, young labor force, and continued growth in OFW remittances & BPO revenues

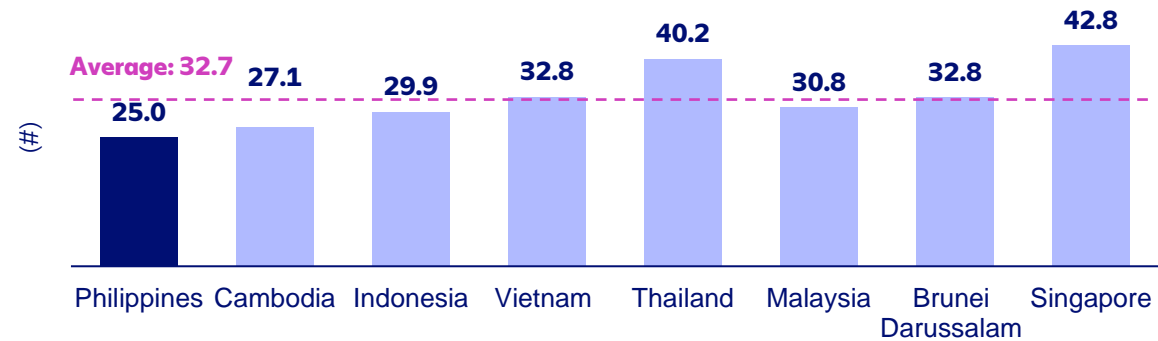
2022 age dependency ratio



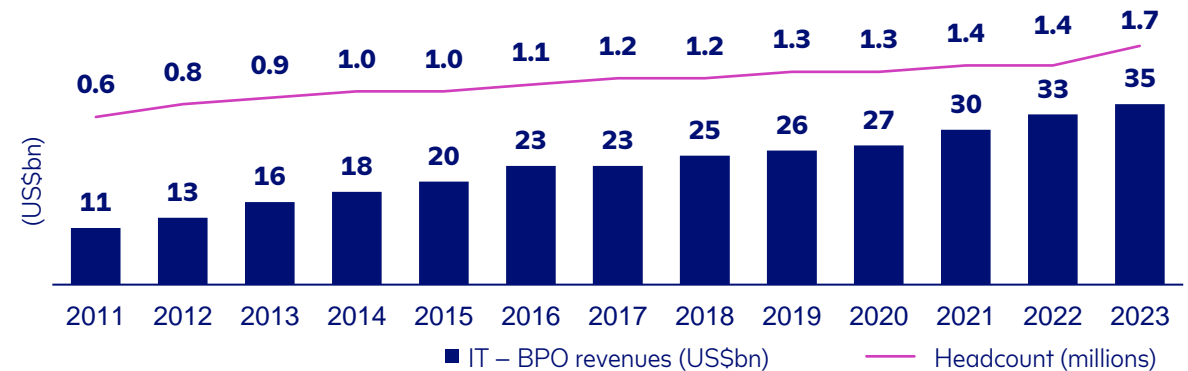
OFW cash remittances



2023E median age of population



IT – BPO revenues



Source: World Bank, UN, BSP, IBPAP

