



SM INVESTMENTS

June 29, 2023

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

Ladies and Gentlemen:

We reply to the request for clarification of Philippine Dealing & Exchange Corp. on the news article entitled “SM Investments CEO wants packages, renewables to boost earnings” posted in Business World on June 27, 2023, the pertinent portion of which reads:

“SM Investments Corp., already the Philippines’ biggest lender and retailer, wants to expand its presence in businesses from bakeries to geothermal power to diversify into fast-growing sectors.

While the conglomerate gets most of its revenue through its retail and property units, Chief Executive Officer Frederic DyBuncio wants non-core assets like logistics, renewables, mining and gaming to account for 15% of earnings within the next three to five years. The goal, the first explicit target to come from the CEO, compares with 11% of last year’s record P61.7-billion (\$1.1 billion) profit, and the low single-digit share when he took the helm in 2017.

‘There are still many areas for us to grow and expand into,’ Mr. DyBuncio, 63, said in an interview. The expansion will see excess capital redeployed to sectors that are fast growing and scalable, and the company is considering both acquisitions and asset sales, he said.

Still, Mr. DyBuncio cautioned the plan to hit 15% of earnings will be challenging as core businesses like banks, shopping malls, residential and property are also growing.

...”

We confirm the pertinent facts that have been disclosed and do not have anything further to add to said news report.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano', with a long, sweeping flourish extending upwards and to the right.

ELMER B. SERRANO
Corporate Secretary