



SM INVESTMENTS

November 9, 2022

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 sustains momentum, net
income grows 50% to PHP43 billion in nine months**

Ladies and Gentlemen:

Please be informed that SM Investments Corporation is releasing to the press the attached statement entitled “SM Investments sustains momentum, net income grows 50% to PHP43 billion in nine months.”

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano', written over a horizontal line.

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)
November 9, 2022
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 sustains momentum, net income grows 50% to PHP43 billion in nine months."

SM Investments Corporation reported a consolidated net income of PHP42.9 billion in the January to September period, higher by 50% from PHP 28.6 billion in the same period last year. Consolidated revenues rose 31% to PHP381.9 billion in the first nine months from PHP292.6 billion in the same period last year. Portfolio companies accounted for 13% of reported net earnings. Banking took the largest share at 45%, followed by property at 23%, and retail at 19%. Total assets were at PHP1.5 trillion. Gearing ratio stood at 38% net debt to 62% equity.

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: 9 November 2022



SM INVESTMENTS

Press Release

SM Investments sustains momentum, net income grows 50% to PHP43 billion in nine months

(09 November 2022, Pasay City, Philippines) SM Investments Corporation reported a consolidated net income of PHP42.9 billion in the January to September period, higher by 50% from PHP28.6 billion in the same period last year.

Consolidated revenues rose 31% to PHP381.9 billion in the first nine months from PHP292.6 billion in the same period last year.

“We continued to gain momentum in our growth this quarter, supported by increased economic activity and strong consumer sentiment. With encouraging results, we remain confident about sustained growth in the fourth quarter,” SM Investments President and Chief Executive Officer Frederic C. DyBuncio said.

“With the addition of Philippine Geothermal Production Company and profitable performance across our invested companies, our portfolio investments have also become a meaningful contributor to the group,” Mr. DyBuncio added.

SM Investments received approval from the Securities and Exchange Commission to acquire the 81% stake of related parties in Allfirst Equity Holdings Inc., the holding company for PGPC. This transaction brought SM Investments’ ownership in PGPC to 100%.

Portfolio companies accounted for 13% of reported net earnings. Banking took the largest share at 45%, followed by property at 23%, and retail at 19%. Total assets were at PHP1.5 trillion. Gearing ratio stood at 38% net debt to 62% equity.

Retail

SM Retail reported retail net income in the first nine months was at PHP11.5 billion from PHP4.8 billion in the previous period, up 138% and surpassing 2019 pre-pandemic levels.

With the resumption of face-to-face schooling, there was a pick-up in demand for school essentials - shoes, bags and other supplies as well as fashion items.

Retail revenues grew 26% to PHP258.1 billion from PHP204.9 billion in the previous period.

Notably, net income for specialty stores grew 139% and revenues were up 35% as discretionary spending continued to be strong.

“Increasing employment and higher OFW (Overseas Filipino Workers) remittances across the country helped fuel spending and we anticipate continued momentum towards the fourth quarter with the resumption of normalized holiday activities,” Mr. DyBuncio said.

Property

SM Prime Holdings, Inc. reported PHP22.0 billion in consolidated net income in the first nine months, 41% higher than last year’s PHP15.6 billion. This is supported by the PHP73.7 billion in consolidated revenues, a 30% growth from last year’s PHP56.8 billion.

Its Philippine mall revenues surged to PHP33.9 billion from PHP15.8 billion in the same period last year. In July 2022, SM Supermalls announced the resumption of charging full rental fees across its Philippines malls after more than two years of providing rent concessions to its tenants.

Its residential business group, led by SM Development Corp. (SMDC), reported revenues of PHP28.3 billion, 12% lower than the PHP32.1 billion in 2021. Reservation sales grew 10% to PHP83.9 billion from PHP76.3 billion in 2021.

Its other businesses, which include offices, hotels, and convention centers, generated PHP7.2 billion in revenues, up 56% increase from PHP4.6 billion in the same period a year ago.

Banking

BOO Unibank, Inc. grew its net income to PHP40.0 billion in the first nine months compared with PHP32.4 billion in the same period last year on solid results across its core businesses.

Gross customer loans went up by 10% year-on-year, largely funded by low-cost Current Account/Savings Account (CASA) deposits. Due to its high CASA base, net interest income increased to PHP108.1 billion.

The bank maintained its conservative provisioning policy by setting aside provisions of PHP12.2 billion, resulting in a higher Non-Performing Loan (NPL) coverage of 152%.

China Banking Corporation reported a net income of PHP14.7 billion in the first nine months, up 31% year-on-year, on higher top line revenues and core fee income.

Net interest income rose 17% to PHP33.7 billion from higher volume of earning assets, offsetting the higher interest expense amid a rising interest rate environment.

Stronger demand for corporate and consumer loans led to a 14% increase in gross loans to PHP697 billion. On the funding side, deposits breached the trillion-mark, increasing by 18%, driven by sustained CASA growth of 10%.

Even as gross NPL ratio eased to 2% from 3.4%, China Bank hiked its credit provisions by 7% to PHP6.9 billion for an NPL coverage of 161%, well above the industry average.

###

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 www.sminvestments.com

For further inquiries, please contact:

Timothy Daniels
Consultant, Investor Relations & Sustainability
SM Investments Corporation
Email: smic_corpcomm@sminvestments.com