



SM INVESTMENTS

FY 2022 Earnings Briefing

Feb 28, 2023

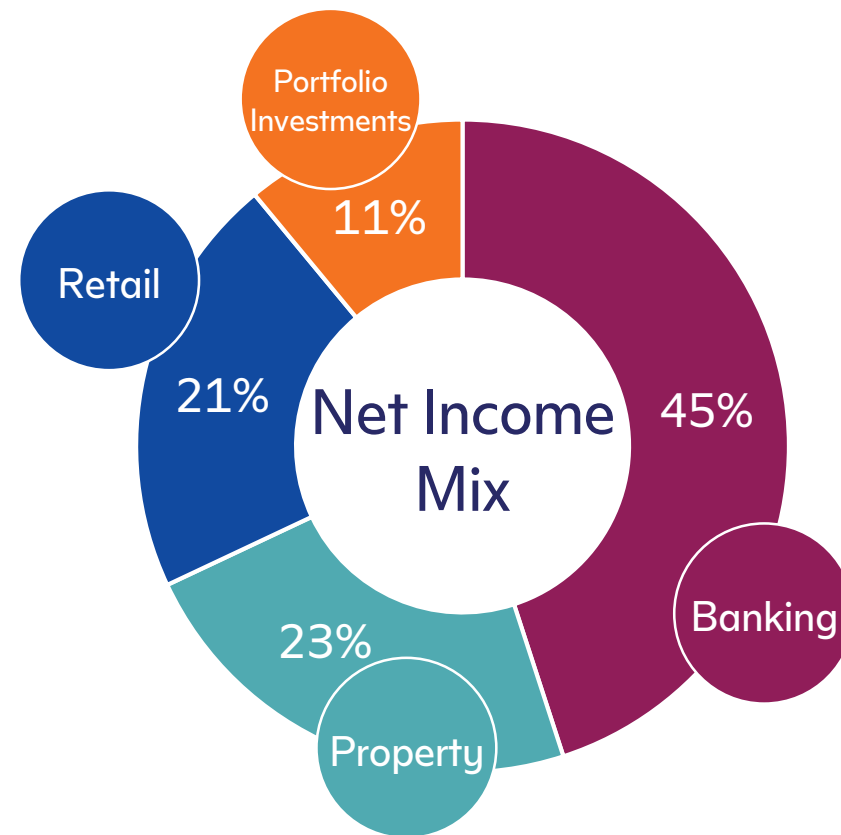


SMIC FY 2022 Consolidated Results

- Strong pandemic recovery, led by economic reopening and consumer activity
- All businesses contributed to growth
- Portfolio Investments positively contributing to earnings

SM Investments	FY 2022	Chg
Revenues	553.8	28%
Earnings	61.7	53%
Assets	1,481.9	9%
Net Debt:Total Equity	35 : 65	

Figures in PHP B except percentages



Banking – BDO

- Sustained momentum driven by robust growth across its core businesses
- Full-year ROE at 13% with 4Q ROE further improving to 15.3%
- Comfortable capital position with improving asset quality
 - NPL ratio improved to 1.95% and NPL Cover strengthening to 167%

BDO	FY 2022	Chg
Net Income	57.1	33%
Net Interest Inc.	149.2	14%
Other Income	71.5	17%
Gross Loans	2,613.8	9%
Deposits	3,220.9	14%
NIM	4.1%	
NPL Ratio	1.95%	
CET 1	13.4%	
CAR	14.5%	

Figures in PHP B except percentages



Banking – China Bank

China Bank	FY 2022	Chg
Net Income	19.1	27%
Net Interest Inc.	45.6	17%
Other Income	10.1	5%
Gross Loans	716.5	15%
Deposits	1,065.9	24%
NIM	4.2%	
NPL Ratio	2.30%	
CET 1	15.1%	
CAR	15.9%	

Figures in PHP B except percentages

- Growth driven by net interest income and core fee income growth
- Above industry NPL of 2.3% and NPL coverage at 123%
- Cost-to-income ratio improved to 44% from 46% YoY on robust operating income and effective cost management
- Strong capital ratios



Property

- Topline driven by robust consumer demand
- Philippine mall rental income up 92% as foot traffic returned to pre-pandemic levels, exceeding on weekends
- Cinemas, event ticket sales and other revenues up 433%
- Residential Reservation Units sold up 18%
- Offices improved 22% with the opening of Mega Tower and Four Ecom Center
- Hotels and Convention centers revenues up 59%, as MICE and tourism activities returned

SM Prime	FY 2022	Chg
Total Revenues	105.8	29%
Philippine Malls	49.8	107%
Residential	40.1	-13%
Other Businesses	10.5	59%
Reservation Sales	102.0	3%
Net Income	30.1	38%

Figures in PHP B except percentages



Retail

SM Retail	Revenue	Chg	NI	Chg
Total Retail	378.2	24%	17.9	86%
SM Store	98.8	61%	4.5	895%
Specialty	85.2	30%	7.2	51%
Food Group	219.6	12%	8.4	19%

Figures in PHP B except percentages

- Economic reopening, pent up consumer demand and strong last quarter, drove revenues
- Net income grew by 86% driven by Non-Food sales
- Improved margins across all formats due to structural operating changes
- Non-food sales through other channels at 8.8% from 9.6% as foot traffic increased in malls



SM Retail



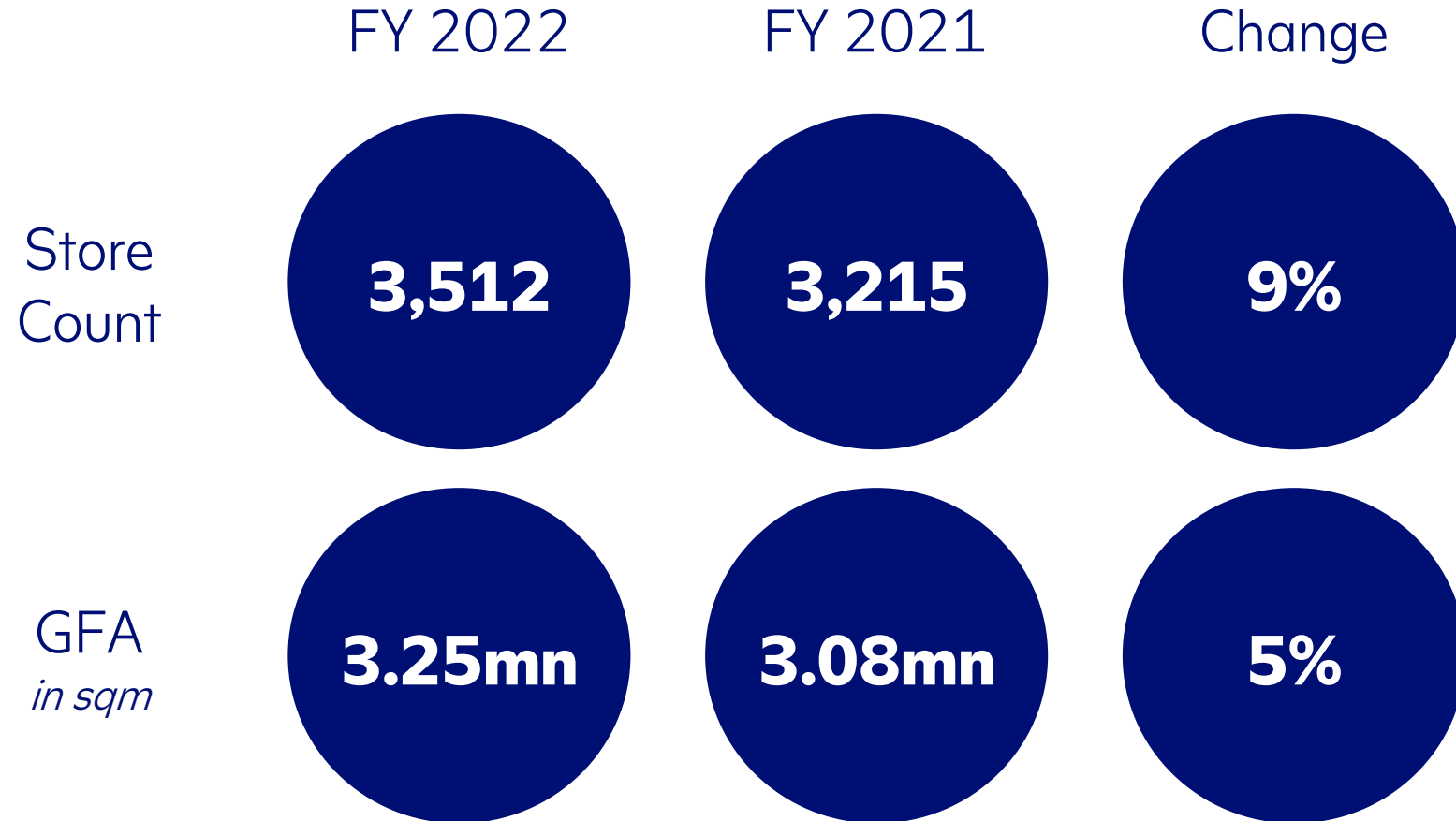
SM Retail Consolidated

Financials	2022	2021	Chg
Revenue	378.2	303.9	24%
SSSG	22.2%	-1.1%	
EBIT Margin	7.6%	5.6%	
Net Income	17.9	9.6	86%

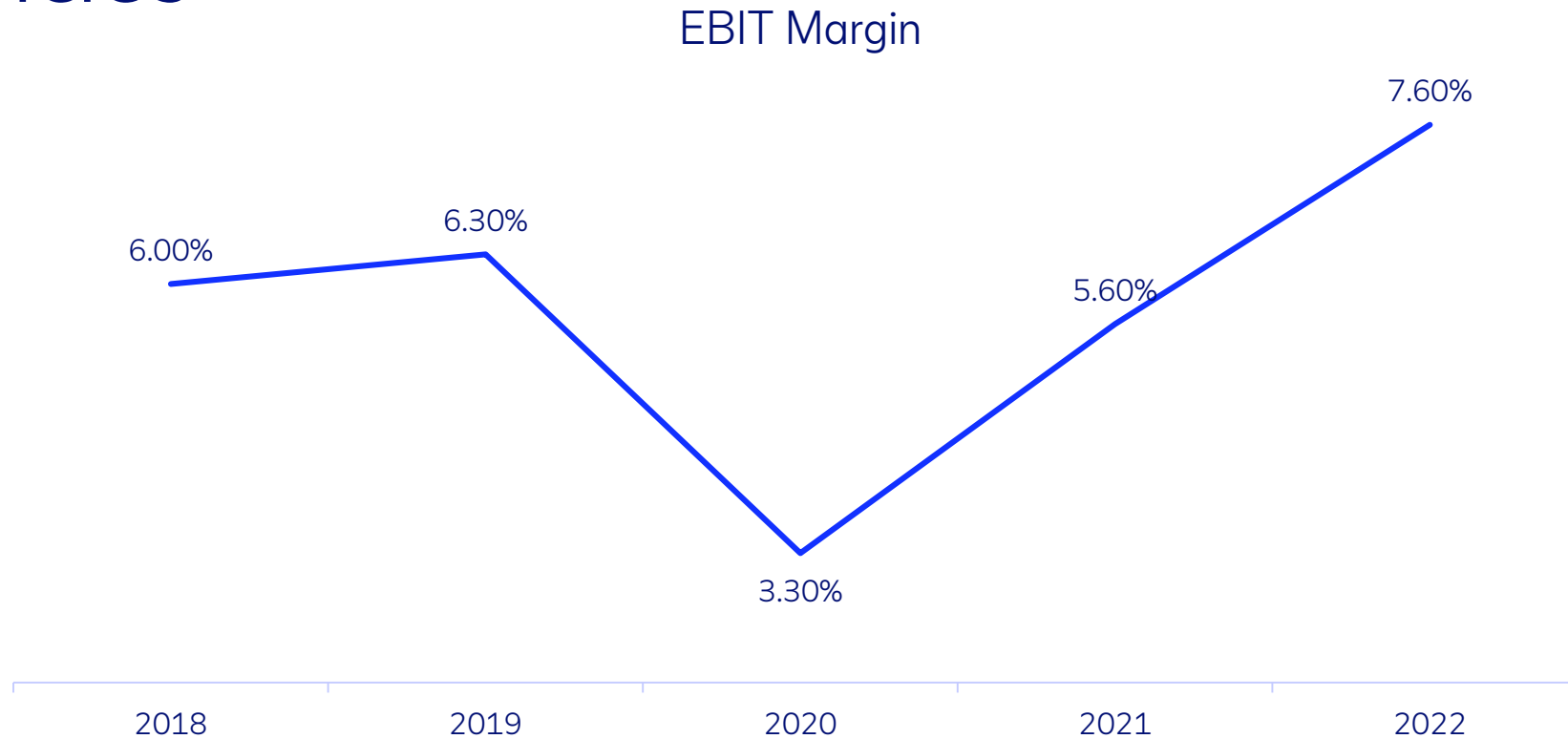
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Operating Highlights

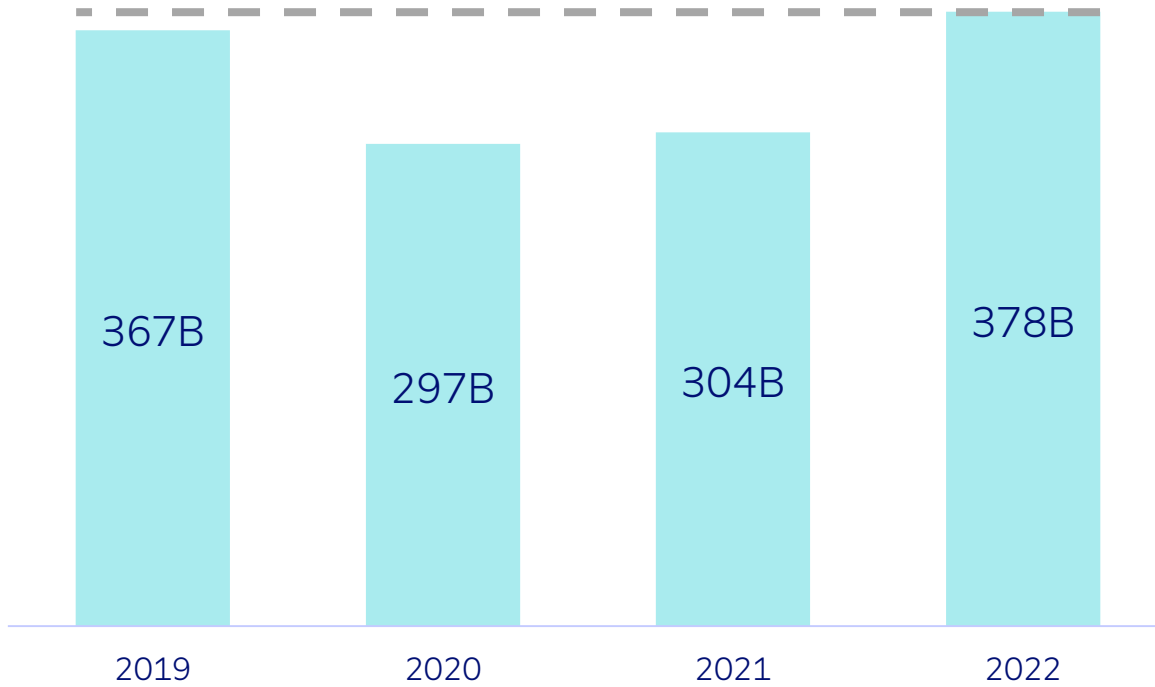


Realizing Structural Operating Efficiencies

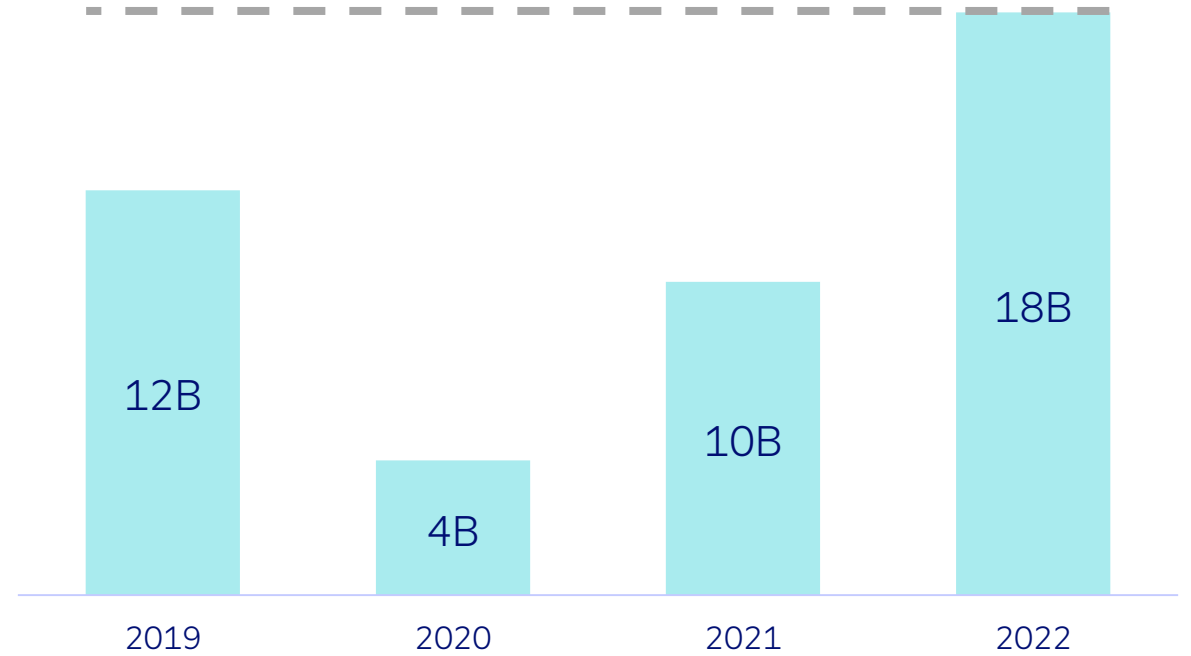


Retail has surpassed pre-pandemic levels

FY Revenues

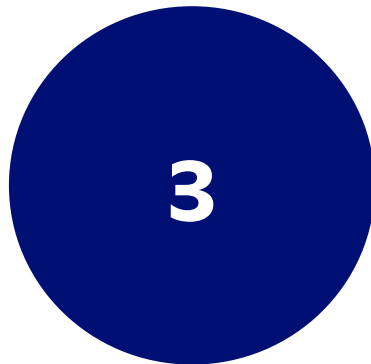


FY Net Income



We will continue to expand our retail footprint in 2023, adding:

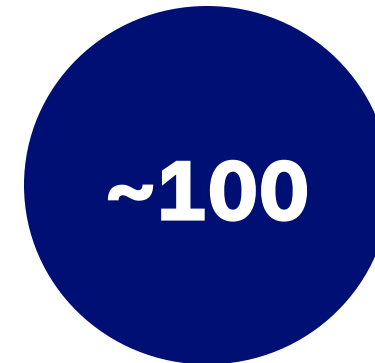
SM Store



Food Group



Specialty



2GO Tender Offer

SMIC, as the majority shareholder, will undertake a tender offer to take the company private

- To provide SMIC with greater exposure to the long-term growth and financial success of 2GO
- SMIC will engage BPI Capital to issue an Independent Valuation Report
- Price of the offer to be announced upon receipt of final valuation report
- Timing of the offer targeted for Q2 2023



SMIC Awards

Among the highest ratings for governance and sustainability in the region and globally



FY 2022 Results Key Messages

- FY growth across all businesses – strong recovery
- Retail driven by non-food sales and strong Q4 consumer activity
- Bank growth robust across core businesses, lower NPLs and strong balance sheets
- Property benefitted from return to full rental fees and robust consumer spending
- Portfolio Investments 11% of earnings, including recently acquired 100% of PGPC
- Leading awards in Sustainability and Corporate Governance in the last quarter
- Conservative gearing and strong balance sheet
- Group remains optimistic on consumer outlook



Annex



SM Retail Consolidated

Financials	2022	2021	Chg
Revenue	378.2	303.9	24%
SSSG	22.2%	-1.1%	
EBIT Margin	7.6%	5.6%	
Net Income	17.9	9.6	86%

Figures in PHP B except percentages

Profile

Store Count	3,512	3,215	9%
Selling Area	3.2	3.1	5%

Gross Selling Area in M sqm.

- Economic reopening, pent up consumer demand and strong mall foot traffic, drove revenues
- Net income grew by 86% driven by Non-Food sales
- Improved margins across all formats due to structural operating changes
- Non-food sales through other channels at 8.8% from 9.6% as foot traffic increased in malls



SM Retail – The SM Store

Financials	2022	2021	Chg
Revenue	98.8	61.5	61%
SSSG	59.9%	10.9%	
EBIT Margin	6.6%	-0.5%	
Net Income	4.5	-0.6	896%

Figures in PHP B except percentages

Profile			
Store Count	72	68	6%
Selling Area	0.8	0.8	7%

Gross Selling Area in M sqm.

- Fashion led growth in department stores as students returned to school and workers reported to offices
- Net income and margins positive as sales grew 61%
- Non-food sales through other channels at 8.8% from 9.6% as foot traffic increased in malls



SM Retail – Food Group

Financials	2022	2021	Chg
Revenue	219.6	196.2	12%
SSSG	9.4%	-6.7%	
EBIT Margin	5.0%	4.9%	
Net Income	8.4	7.1	19%

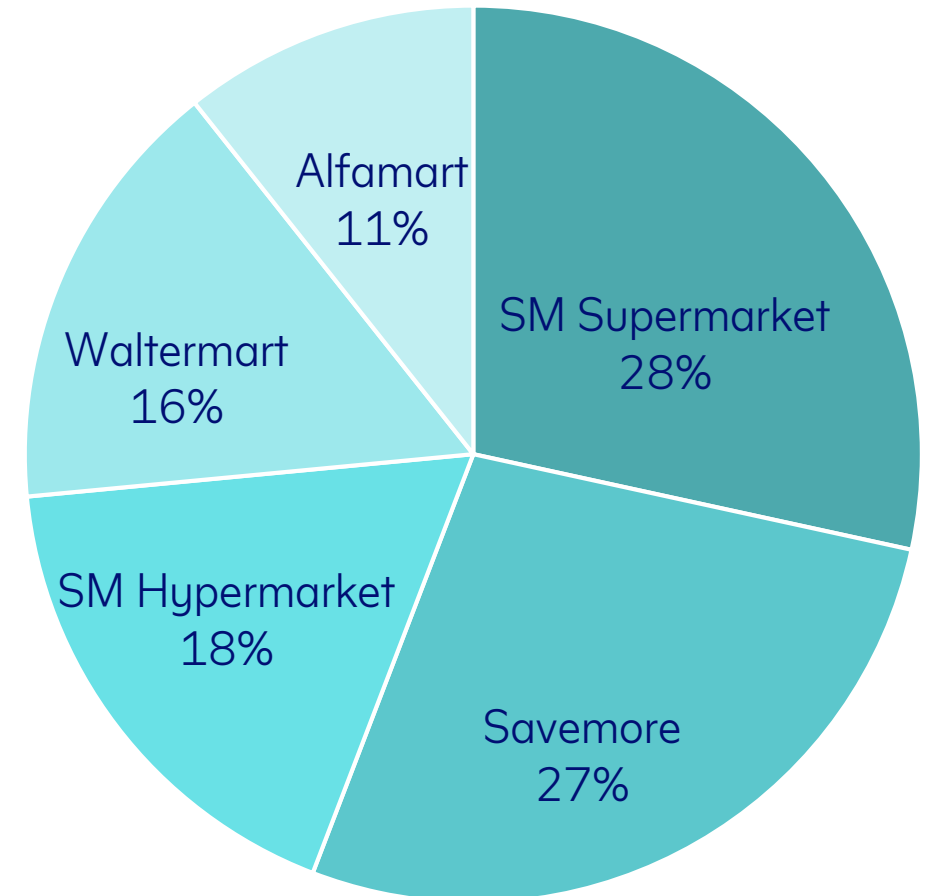
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Profile

Store Count	1,829	1,608	14%
Selling Area	1.8	1.7	5%

Gross Selling Area in M sqm.

Revenue by Format



Data as of FY2022

SM Retail – Specialty

Financials	2022	2021	Chg
Revenue	85.2	65.4	30%
SSSG	26.0%	7.3%	
EBIT Margin	11.2%	9.8%	
Net Income	7.2	4.7	51%

Figures in PHP B except percentages

Profile

Store Count	1,611	1,539	5%
Selling Area	0.7	0.6	4%

Gross Selling Area in M sqm.

- Healthy growth across specialty brands
- Net income grew by 51%

