



9M 2021

# Analysts' and Investors' Briefing

November 10, 2021



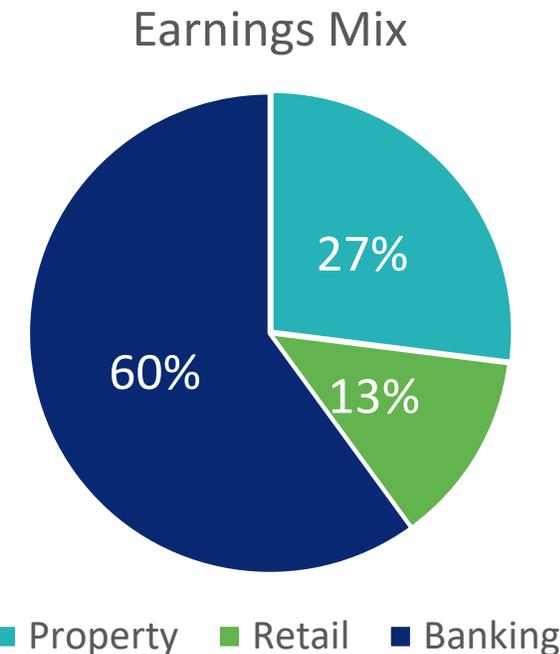
# SMIC 9M 2021 Consolidated Results

- Resilient performance in all core businesses
- Banks continued to drive earnings growth in Q3
- Conservative gearing maintained

SM Investments	9M 2021	Chg
Revenues	289.4	5%
Earnings	27.2	79%
Assets	1,288.1	5%
Net Debt:Total Equity	40 : 60	

Figures in PHP B except percentages

\*Asset growth compares 9M2021 vs FY2020



Note: Excludes SMIC Parent and other subsidiaries

# Retail

- 9% revenue growth in Non-Food
- Cost efficiencies and increased supplier activities in Food
- Net margin expansion
- New channels represent 10.9% of Non-Food sales

SM Retail	Revenue	Chg	NI	Chg
Total Retail	204.9	-1%	4.8	125%
SM Store	35.4	7%	-1.2	38%
Specialty	42.4	12%	1.9	78%
Food Group	138.8	-5%	5.0	25%

*Figures in PHP B except percentages*

# Banking – BDO

Banking	BDO	
	9M 2021	Chg
Net Income	32.4	95%
Net Interest Inc.	97.6	-2%
Other Income	44.5	13%
Loans	2,310.4	5%
Deposits	2,734.9	6%
NIM	4.1%	
NPL	3.1%	
CET 1	13.8%	
CAR	14.9%	

- Net income returned to pre-pandemic levels on resilient core business and normalized provisions
- CASA ratio at 85% on 14% growth in CASA Deposits
- Asset quality remains stable and NPL coverage at 101%
- Capital ratios continue to be strong

*Figures in PHP B except percentages*

# Banking – China Bank

Banking	CHIB	
	1H 2021	Chg
Net Income	11.2	35%
Net Interest Inc.	28.2	13%
Other Income	8.4	19%
Gross Loans	612.0	3%
Deposits	849.5	3%
NIM	4.2%	
NPL	3.4%	
CET 1	14.4%	
CAR	15.3%	

- Net income growth driven by sustained core business growth with effective cost management
- NPLs at 3.4% and credit buffers increased to provide NPL cover of 106%
- Cost-to-income ratio improved to 45%
- Capital adequacy strengthened

*Figures in PHP B except percentages*

# Property

SM Prime	9M 2021	YoY
Total Revenues	56.8	-6%
Philippine Malls	15.8	-14%
China Malls (in RMB B)	0.6	28%
Residential	32.1	-6%
Other Businesses	4.7	-7%
Reservation Sales	76.3	14%
Earnings	15.6	9%

*Figures in PHP B except percentages*

- Online and continued construction in Residential boosted sales take up YTD
- Philippine malls impacted by community quarantine restrictions in Q3
- China Malls continue to report return to normality

# Expanding Footprint



**+199**  
Retail Stores



**+38**  
Bank Branches



**+47k sqm**  
Mall Gross Floor Area



**+8,721**  
Residential Units

*All figures are additions for 2021*



MARKETS

2021



# SM MARKETS



SM Supermarket is the pioneer brand of SM Markets; first established in 1985. It features a wide range of offerings ranging from daily essentials to high-end, trendy, and hard-to-find merchandise.



Savemore Market delivers the same SM Supermarket shopping experience in a more compact and convenient format that's closer to home.



SM Hypermarket is a combination of a department store and a grocery store rolled into one providing shoppers with a holistic shopping experience that's complete, convenient, and budget friendly.



**60**  
stores



**215**  
stores



**53**  
stores



**388**  
Total stores

# Savemore Express



- Savemore Market introduced its first Savemore Express; a smaller store format that's more versatile in delivering basic essentials to customers.
- To date, there are 9 Savemore Express stores.

# SALES INITIATIVES:



	2020	2021 (as of Oct)	% increase
No. of sites	26 stores	70 stores	173%

- SM Markets Online services Metro Manila, North Luzon, Cebu, Iloilo, Bacolod, Cagayan De Oro, and Davao
- SM Markets Online currently offers over 5,000 SKUs
- Target of 100 stores by end of 2021 to bring the service to other regions such as Ilocos, Central Luzon and South Luzon
- Partnerships with  and  improve customer experience online.
- Additional payment options  and  now available.
-  adds more convenient shopping options to our customers.

# SALES INITIATIVES: Take Home Specials

helping businesses while satisfying cravings



- SM helped food businesses survive crippling lockdowns by becoming a venue for business.
- 22 food brands' Ready-to-Cook versions made available in 68 stores:



# SALES INITIATIVES: Trends

- People spending more time at home brought about new hobbies which SM Markets supported. Among the most popular additions are **Baking Ingredients, Live Plants, and Gardening Tools.**



## The best of UK, US, and Australia

SM Markets has already started bringing in goods from UK's Iceland, Costco's Kirkland, and, soon, Coles products by Dec.



# SALES INITIATIVES: In Season Specials

In-Season Specials feature produce fresh from farm to store and sold at super low prices in 10 SM Supermarkets, and 6 Savemore stores in NCR+.



Savemore Light Residence



SM Supermarket Bacoor



Savemore Festival Mall



SM Supermarket Southmall

# SALES INITIATIVES: Miniso

- Seven SM Markets branches serve as new homes for Miniso.
  - SM Supermarket Aura
  - Savemore Angono 2
  - SM Hypermarket Bicutan
  - SM Hypermarket Jmall
  - SM Hypermarket Marilao
  - SM Hypermarket Mall of Asia
  - SM Hypermarket Taytay



# SALES INITIATIVES: Christmas Mall Pop-up



Pop-up displays located in high traffic areas of 31 SM Malls feature Holiday items such as SM Christmas Baskets, small appliances, and Japanese home essentials from Watts Japan.

# Customer Safety

## SAFETY SEAL



We follow safety & health protocols against Covid-19

The DTI Safety Seal affirms that the establishment complies with all minimum public health standards.

99% of all stores have DTI Safety Seals

COVID-19 employee  
VACCINATION at 87%



# Upcoming Stores in 2022

SM Markets opened 8 Stores in 2021

SM Markets plans to open 20 stores in 2022



# Covid-19 Vaccination Efforts



**Over 5m**

Vaccine doses administered in 71 SM Malls



**Over 120k**

SM Employees vaccinated

# Sustainability Advocacy



## ASEAN Sustainability E-Summit 2021

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### Leaving No One Behind:

Private Sector in Solidarity for Sustainable  
COVID-19 Recovery and Delivering the SDGs

October 21-22, 2021

OFFICIAL MEDIA PARTNERS:



**Eco-Business**

**MANILA BULLETIN**

# Recent Commitments

# TCFD

TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

## SM Signatories

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INVESTMENTS  
CORPORATION



PRIME

# Recent Commitments

NEO is the first portfolio in the world to be certified with the EDGE **Zero Carbon** by the International Finance Corporation.

NEO



**TOGETHER  
FOR OUR  
PLANET**

**#IntentToAction**



# Recent Commitments

SM Prime committed to leading in renewable energy use, exceeding Philippine goals

50%

Renewable  
Energy by

2022

# 9M Results Key Messages

- All businesses remain resilient and positioned for economic recovery
- Topline growth in Non-food retail, margin improvements in Food
- Banking delivered sustained core earnings growth, NPLs within expectations and strong balance sheets
- Property supported by Residential sales, Malls impacted by Q3 restrictions
- Across the Group we continue to invest in footprint expansion
- Conservative gearing and strong balance sheets maintained
- Significant vaccination contributions nationwide
- Sustainability advocacy and Climate Change commitments in renewable energy and TCFD by key businesses



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