



9M 2021 Analysts' and Investors' Briefing

November 10, 2021



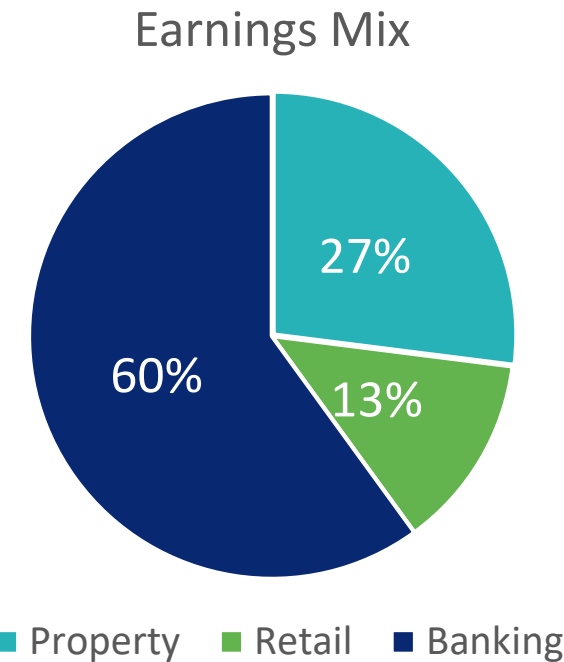
SMIC 9M 2021 Consolidated Results

- 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%	

Figures in PHP B except percentages

- 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

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: MARKETS ONLINE

	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

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



SM Signatories



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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