



**SAN MIGUEL
CORPORATION**

May 16, 2024

Philippine Dealing & Exchange Corp.
29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

Attention: Atty. Suzy Claire R. Selleza
Head – Issuer Compliance and Disclosure Department
Philippine Dealing & Exchange Corp.

Re: Press Release entitled: “SMC delivers revenue growth,
sustains solid performance in first quarter”

Gentlemen:

Please see attached disclosure of the Company.

Very truly yours,

MARY ROSE S. TAN
Assistant Corporate Secretary



**SAN MIGUEL
CORPORATION**

May 16, 2024

The Philippine Stock Exchange, Inc.
Disclosure Department 6th Floor,
Philippine Stock Exchange Tower
28th Street, corner 5th Avenue
Bonifacio Global City, Taguig

Attention: **Mr. Norberto T. Moreno**
OIC, Disclosure Department

Gentlemen:

Please see attached press statement of the Company entitled "SMC delivers 13% revenue growth, sustains solid performance in first quarter," which we will release to the press today.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer

News Release

SMC CORPORATE AFFAIRS OFFICE

40 San Miguel Avenue, Mandaluyong City,
1550 Metro Manila, Philippines



May 16, 2024

SMC delivers 13% revenue growth, sustains solid performance in first quarter

San Miguel Corporation (SMC) delivered a 13% increase in consolidated revenues to ₱392.7 billion for the first quarter of 2024. This strong start to the year is attributed to the performance of key businesses, including its Spirits, Food, Power, Fuels, and Infrastructure units, which reported significant volume growth due to higher demand.

Operational efficiencies and strategic cost management have led to a 15% rise in its operating income to ₱40.5 billion. EBITDA grew by 8% to ₱54.8 billion.

Despite some global economic challenges, SMC's net income grew 61% to ₱14.5 billion before accounting for foreign exchange adjustments. After these adjustments, net income remained steady at ₱8.9 billion.

"SMC's performance for the first quarter sets a solid foundation for the remainder of the year. Our strategic business decisions and market leadership continue to drive sustainable value creation for our shareholders. With our diversified business model, we are optimistic that 2024 will sustain our history of growth," SMC President and CEO Ramon S. Ang said.

FOOD AND BEVERAGE

San Miguel Food and Beverage Inc. (SMFB) posted strong financial results in the first quarter of 2024, with consolidated operating income climbing 13% to ₱13.1 billion, fueled by increased sales in its Food and Spirits divisions.

Consolidated revenues were up 2% to ₱95.4 billion from the same period in the previous year, while net income rose 1% to nearly ₱10.0 billion.

Its food business sustained top-line growth with consolidated sales reaching ₱43.0 billion, up 2%, driven by higher volumes across most segments.

Operating income surged 78% to ₱2.7 billion, buoyed by higher gross profits with the easing of key raw material prices, and improved efficiencies at company-owned facilities.

SMFB's spirits business also delivered strong first-quarter results, driven by the strength of its core brands and supply chain improvements developed over the years. This led to a 17% increase in revenues, fueled by an 8% rise in volumes and better selling prices. As a result, operating income grew 40% to ₱2.3 billion.

The Beer business reported consolidated revenues of ₱37.4 billion, 3% lower than the same period last year, due to reduced volume. The first quarter of 2023 had seen higher volumes due to a trade build-up in anticipation of a price increase in March.

Beer International also reported a slight decline in volumes due to market mix changes. However, global San Miguel brand volumes grew by 4% in the first quarter. Consolidated operating income for the Beer business decreased 4% to ₱8.1 billion.

POWER

San Miguel Global Power Holdings Corp. (SMGP) saw a 7% increase in consolidated revenues to ₱44.1 billion. This was underpinned by the 71% increase in off-take volumes with Meralco and a new retail electricity supplier (RES) of Limay Power Plant.

The completion of 10 battery energy storage system (BESS) facilities with a combined capacity of 330 MWh, boosted BESS' revenues from ancillary services rendered to NGCP. This was, however, tempered by lower average realization price due to the decline in GC Newcastle coal indexed price and average spot prices.

Operating income jumped 17% to ₱8.8 billion while net income ended lower at ₱1.5 billion, weighed by foreign exchange loss of ₱1.4 billion, a turnaround from last year's first quarter gain of ₱3.7 billion.

Without the recognized net foreign exchange loss/gain after tax impact in the first quarter of 2024 and 2023, net income would have grown by 15% to ₱2.7 billion.

FUEL AND OIL

Petron Corporation registered a 16% growth in net income to ₱3.9 billion across all business segments in its Philippine and Malaysian operations, bringing consolidated sales volume to 35.3 million barrels, 23% higher than the first quarter of 2023 which recorded 28.6 million barrels. Sales volume growth was supported by higher production at Petron's refinery in Bataan and Port Dickson in Malaysia.

Consolidated retail sales were up 11%, driven by the sustained market recovery and Petron's effective retail execution, while commercial volumes rose 11% on the substantial jump in jet fuel and LPG sales.

Export volumes also grew considerably by over 90% from the additional export volumes resulting from higher refinery production.

With Petron's strong volume growth, consolidated revenues for the first three months reached ₱227.6 billion, up 21% from the previous year's ₱188.8 billion. Operating income remained strong at ₱10.2 billion, a 21% improvement from last year's ₱8.4 billion.

INFRASTRUCTURE

San Miguel Infrastructure sustained its strong performance from last year, achieving a 9% revenue growth for the first quarter of 2024. This was supported by a 3% increase in daily average volumes of its combined tollways. Operating income, EBITDA and net income also saw healthy growth.

CEMENT

The Cement Business, which includes Eagle Cement Corporation, Northern Cement Corporation, and Southern Concrete Industries, Inc., reported consolidated revenues of ₱9.3 billion for the first quarter of 2024. This represents a 10% decline from the same period last year, due to a significant drop in the average selling price of cement driven by increased competition from imported cement.

However, lower cost of inputs and utilities helped cushion the impact of industry-wide aggressive pricing strategies.

EBITDA climbed 31% to ₱2.6 billion while operating income surged by 36% to ₱1.8 billion. Net income nearly doubled to ₱1.2 billion from ₱630.9 million in the comparable quarter last year, supported by lower net financing charges.

For media inquiries, please contact:

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