



SM INVESTMENTS

August 7, 2024

THE PHILIPPINE STOCK EXCHANGE, INC.

6th Floor, PSE Tower
28th St. corner 5th Ave.
BGC, Taguig City

Attention: **Atty. Stefanie Ann B. Go**
Officer-in-Charge, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City

Attention: **Atty. Suzy Claire R. Selleza**
Head, Issuer Compliance and Disclosure Department

Re: Press Release – SM consolidated net income up 10% in H1
to PHP40BN, Q2 growth at 13%

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Ladies and Gentlemen:

Please be informed that SM Investments Corporation is releasing to the press the attached statement entitled “SM consolidated net income up 10% in H1 to PHP40BN, Q2 growth at 13%.”

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano', written over a light blue rectangular background.

Elmer B. Serrano
Corporate Secretary

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)
August 7, 2024
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) 8857-0100
9. Former name or former address, if changed since last report
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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 will be releasing to the press the attached statement entitled "SM consolidated net income up 10% in H1 to PHP40BN, Q2 growth at 13%."

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: 7 August 2024



SM INVESTMENTS

SM consolidated net income up 10% in H1 to PHP40BN, Q2 growth at 13%

PASAY CITY, PHILIPPINES, 07 Aug. 2024—SM Investments Corporation (SM Investments) reported a 10% increase in consolidated net income in the first half of 2024 to PHP40.2 billion, up from PHP36.5 billion in the same period last year. This reflected a 13% growth in net income in the second quarter, reaching PHP21.8 billion.

Consolidated revenues rose by 5% in the first half to PHP 301.4 billion from PHP286.7 billion year-on-year. Second quarter revenues grew by 6% to PHP157.7 billion.

“SM’s double digit growth in the first half results reflects a positive environment for our businesses. Improved discretionary spending in the second quarter lifted retail sales, while our banks, property and portfolio investments continued to deliver. We remain cautiously optimistic for the balance of the year,” said SM Investments President and Chief Executive Office Frederic C. DyBuncio.

Of total net earnings, banking accounted for the largest share at 50%. Property contributed 27% while retail accounted for 14% and portfolio investments’ share was at 9%.

“We were also pleased with the demand and positive feedback on our recent maiden Euro Medium-Term Notes issuance, highlighting the quality of our financials and investability of strong Filipino companies,” Mr. DyBuncio added.

On July 18, SM Investments priced a USD500 million drawdown from its USD3 billion EMTN program, now listed on the Singapore Exchange Securities Trading Limited. The issuance, which was 3.2x times oversubscribed, with final demand reaching USD1.6 billion, marked SM Investments’ largest offshore bond issuance since 2014.

Retail

SM Retail net income stood at PHP7.6 billion in the first half from PHP8.4 billion last year, due to a high base effect from the impact of the lifting of mobility restrictions on consumption in 2023.

Revenues grew 4% in the first half to PHP196.9 billion from PHP188.5 billion.

The second quarter reflected higher growth by 6% in retail revenues and 2% in net income indicative of spending on discretionary items such as appliances, beauty and fashion. Specialty retail revenues increased 5%. Food retail revenues grew by 7%.

In the six months ended June 2024, SM Retail increased by 355 stores, bringing the total retail network to 4,208 stores.

Property

SM Prime Holdings, Inc. reported its consolidated net income increased 13% to PHP22.1 billion in the first half from PHP19.4 billion in the same period last year. Consolidated revenues grew 8% to PHP64.7 billion from PHP59.9 billion.

SM Prime's mall business, which accounted for 58% of consolidated revenues, grew 8% to PHP37.5 billion. Mall rental revenues increased 9% to PHP32.1 billion.

SM Prime's primary residential business accounted for 29% of consolidated revenues and registered growth of 8% in revenues to PHP18.9 billion. Reservation sales stood at PHP40.2 billion.

Other business segments composed of offices, hotels, and convention centers registered 13% in revenue growth to PHP7.0 billion.

Banking

BDO Unibank, Inc. (BDO) posted net earnings of PHP39.4 billion in the first half, 12% higher year-on-year, on the stronger momentum from its core intermediation and fee-based service businesses.

Net interest income rose 11% to PHP99.6 billion. Gross Customer Loans expanded by 13% across all market segments, while total deposits rose 13%.

Asset quality remained stable despite elevated interest rates. Non-Performing Loan (NPL) ratio settled at 2.06% while NPL coverage stood at 169%, better than the industry average.

The bank issued its third ASEAN Sustainability Bonds last July 24, 2024 raising PHP55.7 billion to finance and/or refinance eligible projects to further aid the country's sustainable development.

China Banking Corporation reported net income in the first half rose to a record PHP11.4 billion, up 6% compared to the same period last year on the back of stronger core lending and deposit-taking activities.

Net interest income was higher by 19% to PHP30.4 billion as higher interest income offset the rise in interest expense.

Gross loans rose by 10% to PHP817 billion on strong demand across market segments. Deposits grew faster than the industry average to PHP1.3 trillion, up 14%. Credit quality improved amid significant loan expansion, with a better-than-industry NPL ratio of 1.9%.

Portfolio Investments

Atlas Consolidated Mining and Development Corporation reported an increase in net income to PHP2.07 billion while revenues grew 23% to PHP12.5 billion as a result of higher copper metal prices.

The Philippine Geothermal Production Company, Inc. (PGPC) for its part recently embarked on the exploration and development of new geothermal energy sources in various parts of Luzon that will help bolster power security for that region and advance the country's renewable energy objectives.

2GO Group, Inc. (2GO) launched new passenger vessels, 2GO M/V Masigla and 2GO M/V Masikap in the second quarter which will sail from Manila to destinations in Visayas and Mindanao. In addition, both vessels will carry containerized freight and rolling cargo to businesses and consumers.

Balance sheet

Total assets of SM Investments increased 1% to PHP1.6 trillion. Gearing ratio remained conservative with 33% net debt to 67% equity.

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About SM Investments Corporation

SM Investments Corporation is one of the leading Philippine companies 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, consisting of grocery stores, department stores 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 fourth largest private domestic bank.

For more information, please visit www.sminvestments.com

For inquiries, please contact: smic_corpcomm@sminvestments.com