



SMINVESTMENTS

February 28, 2025

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 posts 7% growth in net earnings
to PHP82.6B in 2024

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Ladies and Gentlemen:

Please be informed that SM Investments Corporation is releasing to the press the attached statement entitled “SM posts 7% growth in net earnings to PHP82.6B in 2024.”

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)
February 28, 2025
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 posts 7% growth in net earnings to PHP82.6B in 2024."

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: 28 February 2025



SM posts 7% growth in net earnings to PHP82.6B in 2024

PASAY CITY, Philippines, 28 February 2025 — SM Investments Corporation (SM Investments) reported consolidated net income of PHP82.6 billion in 2024, a 7% increase from PHP77.0 billion in 2023. Consolidated revenues also grew by 6%, reaching PHP654.8 billion, up from PHP616.3 billion in the previous year.

“We ended 2024 with a strong performance, despite the high base of 2023 and inflationary headwinds during the year. Our core businesses all grew, supported by positive macroeconomic fundamentals and healthy consumer sentiment. The fourth quarter registered the highest revenue growth rate of 9.4%, giving us solid momentum into 2025,” said Frederic C. DyBuncio, President and CEO, SM Investments.

Of total net income, banking contributed the largest share at 49%, followed by property at 26%, retail at 18%, and portfolio investments at 7%.

Retail

SM Retail posted a net income of PHP20.9 billion, increasing from PHP19.9 billion in the previous year.

Retail revenues grew 5% to PHP434.5 billion, up from PHP412.9 billion in the previous year.

The food retail segment was the strongest performer, with 8% revenue growth, driven by expanded store networks and improved customer engagement. Specialty stores also saw solid performance, posting 3% revenue growth, while department store operations remained resilient.

“In retail, discretionary spending remained strong throughout the year, particularly in branded fashion, health and beauty, and household appliances. Meanwhile, food retailing gained momentum across all formats in the fourth quarter as inflation tapered,” Mr. DyBuncio said.

Property

SM Prime Holdings, Inc. (SM Prime) posted consolidated net income of PHP45.6 billion in 2024, up 14% from PHP40 billion the previous year driven by higher contributions from all its business segments.

Consolidated revenues during the same period rose 10% to PHP140.4 billion from PHP128.1 billion on higher rental income, real estate sales and revenues from services and experiential offerings.

Malls accounted for 55% of revenues, followed by residences at 34%, hotels and convention centers at 6% and offices and warehouses at 5%.

Banking

BDO reported PHP82.0 billion in net income, 12% higher than in 2023, supported by the solid performance across its core businesses. Net interest income increased 8% with the expansion in earnings assets and growth in the bank's service businesses. Gross customer loans grew by 13% to PHP3.2 trillion with double-digit growth across all market segments.

Total deposits increased 6% to PHP3.8 trillion, with CASA (Current Account/ Savings Account) ratio at 71%.

Asset quality remained steady with non-performing loan (NPL) ratio at 1.83% and NPL coverage at 145%.

Meanwhile, China Banking Corporation booked a 13% increase year-on-year in net income to PHP24.8 billion, supported by the sustained strength of core businesses. The bank generated 21% higher revenues of PHP65.5 billion mainly from net interest income which grew 19% to PHP63.5 billion on the back of asset base expansion and improvement in net interest margin.

Gross loans increased by 18% to PHP933 billion on higher loan demand across all customer segments. Total deposits grew by 12% to PHP1.3 trillion.

Taking a more proactive stance against portfolio risks despite the easing of its non-performing loans (NPL) ratio to 1.6%, the bank increased its credit provisions to PHP3.3 billion. The resulting NPL coverage was higher at 139%.

Portfolio Investments

Portfolio investments continued to perform positively with Philippine Geothermal Production Company contributing 46% of total portfolio net income, NEO at 22% and Belle Corporation at 10%.

Expansion

In 2024, SM expanded by an additional 619 retail stores, two malls and 73 bank branches, with over 85% of its footprint in the provinces. As SM expands, it continues to broaden access to different markets and enhance synergies across its businesses.

Balance Sheet

Total assets of SM Investments increased 7% to PHP1.7 trillion, while the group maintained a conservative 31% net debt to 69% equity ratio.

To support its growth strategy, SM successfully priced a USD500 million bond issuance under its USD3 billion Euro Medium-Term Notes (EMTN) program. This marked the group's largest bond issuance since 2014, providing greater flexibility amid market volatility.

The company was recognized as the "Philippines Capital Market Deal of the Year" by International Financing Review Asia (IFR Asia) for this USD500 million five-year bond issuance in 2024. The deal, the largest five-year issuance by a Philippine corporate in 2024, reopened the market amid volatile conditions. This recognition also underscored SM Investments' leadership in the capital markets and the strong confidence of global investors in the company's financial strength.

The bond was priced at 5.466% yield, or 135 basis points over US Treasuries, tightening by 35 basis points from initial guidance.

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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