



**SAN MIGUEL**  
FOOD AND BEVERAGE, INC.

November 14, 2025

**PHILIPPINE DEALING & EXCHANGE CORP.**

29<sup>th</sup> 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.

Gentlemen:

Please be informed that the disclosure sent herewith was submitted by San Miguel Food and Beverage, Inc. to the Philippine Stock Exchange, Inc. on November 14, 2025.

Very truly yours,

**ALEXANDRA VICTORIA B. TRILLANA**  
Corporate Secretary and Compliance Officer

**SAN MIGUEL FOOD AND BEVERAGE, INC.**

40 San Miguel Avenue, Mandaluyong City  
Metro Manila, Philippines  
Tel. No.: (632) 5 317-5000  
Website: [www.smb.com.ph](http://www.smb.com.ph)

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-Q

### QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended  
Sep 30, 2025
2. SEC Identification Number  
11840
3. BIR Tax Identification No.  
000-100-341-000
4. Exact name of issuer as specified in its charter  
SAN MIGUEL FOOD AND BEVERAGE, INC.
5. Province, country or other jurisdiction of incorporation or organization  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
40 San Miguel Avenue, Mandaluyong City, Metro Manila  
Postal Code  
1555
8. Issuer's telephone number, including area code  
(632) 5317-5000
9. Former name or former address, and former fiscal year, if changed since last report  
N/A
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 SHARES (FB)	5,909,220,090
SERIES B BONDS DUE MARCH 2027 (IN PESO)	7,000,000,000.00
TOTAL DEBT as of 30JUN25 (IN MIL PESO - CONSO)	186,421

11. Are any or all of registrant's securities listed on a Stock Exchange?

Yes       No

If yes, state the name of such stock exchange and the classes of securities listed therein:

PHILIPPINE STOCK EXCHANGE, INC. - COMMON SHARES PHILIPPINE DEALING  
& EXCHANGE CORP. - SERIES B BONDS DUE 2027

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

Yes       No

(b) has been subject to such filing requirements for the past ninety (90) days

Yes       No

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



**SAN MIGUEL**  
FOOD AND BEVERAGE, INC.

## San Miguel Food and Beverage, Inc. FB

**PSE Disclosure Form 17-2 - Quarterly Report**  
**References: SRC Rule 17 and**  
**Sections 17.2 and 17.8 of the Revised Disclosure Rules**

For the period ended	Sep 30, 2025
Currency (indicate units, if applicable)	PHP (In Millions)

### Balance Sheet

	Period Ended		Fiscal Year Ended (Audited)	
	Sep 30, 2025		Dec 31, 2024	
Current Assets	142,222		144,192	
Total Assets	380,113		377,106	
Current Liabilities	112,835		116,706	
Total Liabilities	187,152		196,917	
Retained Earnings/(Deficit)	113,169		102,926	
Stockholders' Equity	192,961		180,189	
Stockholders' Equity - Parent	126,484		116,111	

Book Value per Share	21.41	19.65
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#### Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	101,721	98,226	302,921	291,108
Gross Expense	87,094	84,953	258,253	251,194
Non-Operating Income	1,070	1,209	3,588	3,525
Non-Operating Expense	1,328	858	4,046	3,638
Income/(Loss) Before Tax	14,368	13,624	44,210	39,801
Income Tax Expense	3,633	3,191	10,511	9,391
Net Income/(Loss) After Tax	10,735	10,433	33,699	30,410
Net Income Attributable to Parent Equity Holder	7,141	6,911	22,089	19,302
Earnings/(Loss) Per Share (Basic)	1.21	1.17	3.74	3.27
Earnings/(Loss) Per Share (Diluted)	1.21	1.17	3.74	3.27

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	4.83	4.46
Earnings/(Loss) Per Share (Diluted)	4.83	4.46

#### Other Relevant Information

Please see attached SEC Form 17-Q (Quarterly Report) of the Company for the period ended September 30, 2025 submitted to the Securities and Exchange Commission via electronic filing and submission tool (SEC eFAST) on November 14, 2025.

#### Filed on behalf by:

Name	Alexandra Victoria Trillana
Designation	Corporate Secretary and Compliance Officer

**COVER SHEET**

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S. E. C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

**ALEXANDRA VICTORIA B. TRILLANA**

Contact Person

**(632) 5317-5450**

Company Telephone Number

**SEC Form**

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Month

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Day

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FORM TYPE

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Month

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Day

Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

**Total Amount of Borrowings**

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Domestic

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Foreign

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To be accomplished by SEC Personnel concerned

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SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND  
SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended September 30, 2025
2. SEC Identification Number 11840
3. BIR Tax Identification No. 000-100-341-000
4. Exact name of issuer as specified in its charter SAN MIGUEL FOOD AND BEVERAGE, INC.
5. Philippines Province, Country or other jurisdiction  
Of incorporation or organization
6. \_\_\_\_\_ SEC Use Only  
Industry Classification Code
7. 40 San Miguel Avenue, Mandaluyong City Address of issuer's principal office  
1555 Postal code
8. (02) 5317-5000 Issuer's telephone number, including area code
9. 100 E. Rodriguez Jr. Avenue (C5 Road), Address of issuer's principal office  
Barangay Ugong, Pasig City Former name, former address, and former fiscal year, if changed since last report  
1604 Postal code
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Section 4 and 8 of the RSA

Number of Shares Issued and Outstanding  
and Total Liabilities (As of September 30, 2025)

Common Shares - P1.00 par value 5,909,220,090

Series B Bonds Due March 2027 P7,000,000,000

Total Liabilities (in '000,000) P187,152

11. Are any or all these securities listed on the Philippine Stock Exchange?

Yes (✓) No ( )

12. Indicate by check mark whether the registrant:

a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports);

Yes (✓) No ( )

b) has been subject to such filing requirements for the past ninety (90) days.

Yes (✓) No ( )

## **PART I - FINANCIAL INFORMATION**

### **Item 1. Financial Statements.**

The unaudited consolidated financial statements of San Miguel Food and Beverage, Inc. ("SMFB" or the "Parent Company" and its subsidiaries (collectively, the "Group") as of and for the period ended September 30, 2025 (with comparative figures as of December 31, 2024 and for the period ended September 30, 2024) and Selected Notes to the Consolidated Financial Statements are hereto attached as **Annex "A"**.

### **Item 2. Management's Discussion and Analysis of Financial Position and Financial Performance.**

The information required by Part III, Paragraph (A)(2)(b) of "Annex C, as amended" is attached hereto as **Annex "B"**.

## **PART II - OTHER INFORMATION**

SMFB may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C, which would otherwise be required to be filed with respect to such information, or in a subsequent report on Form 17-Q.

**NONE**

**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 thereunto duly authorized.

Issuer **SAN MIGUEL FOOD AND BEVERAGE, INC.**

Signature and Title   
**MONICA L. ANG MERCADO**  
Chief Finance Officer

Date November 14, 2025

**SAN MIGUEL FOOD AND BEVERAGE, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
As at September 30, 2025 and December 31, 2024 and  
For the Periods Ended September 30, 2025 and 2024**

**SAN MIGUEL FOOD AND BEVERAGE, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2025 AND DECEMBER 31, 2024  
(In Millions)**

	<i>Note</i>	2025 Unaudited	2024 Audited
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8, 9	P62,444	P58,221
Trade and other receivables - net	6, 8, 9	23,951	29,456
Inventories		46,807	47,582
Current portion of biological assets - net		3,206	3,241
Prepaid expenses and other current assets	6, 8, 9	5,628	5,506
Assets held for sale		186	186
<b>Total Current Assets</b>		<b>142,222</b>	<b>144,192</b>
<b>Noncurrent Assets</b>			
Investments - net	6, 8, 9	18,593	17,388
Property, plant and equipment - net	4	133,767	128,590
Right-of-use assets - net		4,957	4,923
Investment property - net		3,599	3,576
Biological assets - net of current portion		2,734	2,652
Goodwill - net		996	996
Other intangible assets - net		39,738	39,665
Deferred tax assets		3,554	3,657
Other noncurrent assets - net	6, 8, 9	29,953	31,467
<b>Total Noncurrent Assets</b>		<b>237,891</b>	<b>232,914</b>
		<b>P380,113</b>	<b>P377,106</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Loans payable	6, 8, 9	P7,776	P17,103
Trade payables and other current liabilities	6, 8, 9	77,043	76,416
Lease liabilities - current portion	6, 8, 9	741	735
Income and other taxes payable		9,422	10,035
Dividends payable	5	506	89
Current maturities of long-term debt – net of debt issue costs	8, 9	17,347	12,328
<b>Total Current Liabilities</b>		<b>112,835</b>	<b>116,706</b>
<b>Noncurrent Liabilities</b>			
Long-term debt – net of current maturities and debt issue costs	8, 9	63,528	67,652
Deferred tax liabilities		25	23
Lease liabilities – net of current portion	6, 8, 9	5,070	4,864
Other noncurrent liabilities	6, 8, 9	5,694	7,672
<b>Total Noncurrent Liabilities</b>		<b>74,317</b>	<b>80,211</b>

Forward

CERTIFIED CORRECT:

*Monica*  
Monica L. Ang-Mercado  
Chief Finance Officer

	2025 Unaudited	2024 Audited
<b>Equity</b>		
<b>Equity Attributable to Equity Holders of the Parent Company</b>		
Capital stock	P6,251	P6,251
Additional paid-in capital	366,620	366,620
Equity adjustments from common control transactions	(327,793)	(327,793)
Equity reserves	(1,581)	(1,711)
Retained earnings:		
Appropriated	46,807	45,375
Unappropriated	66,362	57,551
Treasury stock	(30,182)	(30,182)
	<b>126,484</b>	116,111
<b>Non-controlling Interests</b>	<b>66,477</b>	64,078
<b>Total Equity</b>	<b>192,961</b>	180,189
	<b>P380,113</b>	P377,106

See Accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:

  
Monica L. Ang-Mercado  
Chief Finance Officer

**SAN MIGUEL FOOD AND BEVERAGE, INC.  
AND SUBSIDIARIES**

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**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024**  
(In Millions, Except Per Share Data)

	Note	For the Quarter Ended			
		2025 Unaudited	2024 Unaudited	2025 Unaudited	2024 Unaudited
<b>SALES</b>	3	<b>P302,921</b>	P291,108	<b>P101,721</b>	P98,226
<b>COST OF SALES</b>		<b>215,534</b>	211,503	<b>72,450</b>	71,347
<b>GROSS PROFIT</b>		<b>87,387</b>	79,605	<b>29,271</b>	26,879
<b>SELLING AND ADMINISTRATIVE EXPENSES</b>		<b>(42,719)</b>	(39,691)	<b>(14,644)</b>	(13,606)
<b>INTEREST EXPENSE AND OTHER FINANCING CHARGES</b>		<b>(3,776)</b>	(3,266)	<b>(1,164)</b>	(1,020)
<b>INTEREST INCOME</b>		<b>2,778</b>	2,839	<b>910</b>	972
<b>GAIN ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT</b>		<b>4</b>	15	<b>2</b>	14
<b>OTHER INCOME (CHARGES) - Net</b>	8, 9	<b>536</b>	299	<b>(7)</b>	385
<b>INCOME BEFORE INCOME TAX</b>		<b>44,210</b>	39,801	<b>14,368</b>	13,624
<b>INCOME TAX EXPENSE</b>		<b>10,511</b>	9,391	<b>3,633</b>	3,191
<b>NET INCOME</b>		<b>P33,699</b>	P30,410	<b>P10,735</b>	P10,433
<b>Attributable to:</b>					
Equity holders of the Parent Company		<b>P22,089</b>	P19,302	<b>P7,141</b>	P6,911
Non-controlling interests		<b>11,610</b>	11,108	<b>3,594</b>	3,522
		<b>P33,699</b>	P30,410	<b>P10,735</b>	P10,433
<b>Basic and Diluted Earnings Per Common Share Attributable to Equity Holders of the Parent Company</b>	7	<b>P3.74</b>	P3.27	<b>P1.21</b>	P1.17

See Accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:

  
Monica L. Arg-Mercado  
Chief Finance Officer

**SAN MIGUEL FOOD AND BEVERAGE, INC.  
AND SUBSIDIARIES**

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**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024**  
(In Millions)

	For the Quarter Ended			
	2025 Unaudited	2024 Unaudited	2025 Unaudited	2024 Unaudited
<b>NET INCOME</b>	<b>P33,699</b>	P30,410	<b>P10,735</b>	P10,433
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Net gain (loss) on financial assets at fair value through other comprehensive income	(1)	9	-	2
	(1)	9	-	2
<b>Items that may be reclassified to profit or loss</b>				
Gain (loss) on exchange differences on translation of foreign operations	231	753	877	(512)
	231	753	877	(512)
<b>OTHER COMPREHENSIVE INCOME (LOSS) - Net of tax</b>	<b>230</b>	762	<b>877</b>	(510)
<b>TOTAL COMPREHENSIVE INCOME - Net of tax</b>	<b>P33,929</b>	P31,172	<b>P11,612</b>	P9,923
<b>Attributable to:</b>				
Equity holders of the Parent Company	P22,219	P19,652	P7,553	P6,634
Non-controlling interests	11,710	11,520	4,059	3,289
	<b>P33,929</b>	P31,172	<b>P11,612</b>	P9,923

See Accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:

  
Monica L. Ang Mercado  
Chief Financial Officer

**SAN MIGUEL FOOD AND BEVERAGE, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024  
(In Millions)**

Equity Attributable to Equity Holders of the Parent Company

	Note	Capital Stock		Additional Paid-in Capital	Equity Reserves				Retained Earnings		Treasury Stock		Non-controlling Interests	Total Equity
		Common	Preferred		Reserve for Retirement	Fair Value Reserve	Translation Reserve	Other Equity Reserve	Appropriated	Unappropriated	Common	Preferred		
As at January 1, 2025 (Audited)		P5,951	P300	P366,620	(P3,275)	P1,600	(P77)	P45,375	P57,551	(P182)	(P30,000)	P116,111	P64,078	P180,189
Net loss on financial assets at fair value through other comprehensive income		-	-	-	-	(1)	-	-	-	-	-	(1)	-	(1)
Gain on exchange differences on translation of foreign operations		-	-	-	-	131	-	-	-	-	-	131	100	231
Other comprehensive income (loss)		-	-	-	-	131	-	-	-	-	-	130	100	230
Net income		-	-	-	-	-	-	-	22,089	-	-	22,089	11,610	33,699
Total comprehensive income (loss)		-	-	-	-	(1)	-	-	22,089	-	-	22,219	11,710	33,929
Share issuance costs		-	-	-	-	-	-	-	(28)	-	-	(28)	-	(28)
Appropriation – net		-	-	-	-	-	-	1,432	(1,432)	-	-	-	-	-
Cash dividends declared	5	-	-	-	-	-	-	-	(11,818)	-	-	(11,818)	(9,311)	(21,129)
As at September 30, 2025 (Unaudited)		P5,951	P300	P366,620	(P3,275)	P1,731	(P77)	P46,807	P66,362	(P182)	(P30,000)	P126,484	P66,477	P192,961

Forward

CERTIFIED CORRECT:

*Monica L. Andujar*  
Monica L. Andujar  
Chief Finance Officer

**Equity Attributable to Equity Holders of the Parent Company**

Note	Capital Stock		Additional Paid-in Capital	Equity Adjustments from Common Control Transactions	Reserve for Retirement	Equity Reserves			Retained Earnings - Appropriated	Treasury Stock - Common	Total	Non-controlling Interests	Total Equity
	Common	Preferred				Fair Value Reserve	Translation Reserve	Other Equity Reserve					
	P300	P300	P366,620	(P327,793)	(P3,117)	P34	P1,066	(P77)	P45,392	(P182)	P109,190	P59,925	P169,115
As at January 1, 2024 (Audited)	P5,951	P300	P366,620	(P327,793)	(P3,117)	P34	P1,066	(P77)	P45,392	(P182)	P109,190	P59,925	P169,115
Net gain on financial assets at fair value through other comprehensive income	-	-	-	-	-	9	-	-	-	-	-	9	9
Gain on exchange differences on translation of foreign operations	-	-	-	-	-	-	341	-	-	-	-	341	753
Other comprehensive income	-	-	-	-	-	9	341	-	-	-	-	350	762
Net income	-	-	-	-	-	-	-	-	19,302	-	19,302	11,108	30,410
Total comprehensive income	-	-	-	-	-	9	341	-	19,302	-	19,652	11,520	31,172
Appropriation - net	-	-	-	-	-	-	-	4,821	(4,821)	-	-	-	-
Cash dividends declared	-	-	-	-	-	-	-	-	(10,637)	-	(10,637)	(8,302)	(18,939)
As at September 30, 2024 (Unaudited)	P5,951	P300	P366,620	(P327,793)	(P3,117)	P43	P1,407	(P77)	P50,213	(P182)	P118,205	P63,143	P181,348

See Accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:  
  
 Monica L. Ang-Mexcado  
 Chief Finance Officer

**SAN MIGUEL FOOD AND BEVERAGE, INC.  
AND SUBSIDIARIES**

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**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024**  
(In Millions)

	<i>Note</i>	2025 Unaudited	2024 Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax		P44,211	P39,801
Adjustments for:			
Depreciation and amortization	4	13,224	11,603
Interest expense and other financing charges		3,776	3,266
Retirement costs		1,035	1,091
Impairment losses on receivables and write-down of inventories		453	239
Gain on sale of investments and property and equipment		(15)	(11)
Gain on fair valuation of agricultural produce		(9)	(25)
Dividend income		(106)	(107)
Interest income		(2,778)	(2,839)
Net other charges (gain) on derivative transactions		110	(37)
Operating income before working capital changes		59,901	52,981
Decrease (increase) in:			
Trade and other receivables		5,682	(964)
Inventories		700	(6,521)
Current portion of biological assets		(30)	300
Prepaid expenses and other current assets		(98)	724
Increase (decrease) in trade payables and other current liabilities		(516)	9,392
Cash generated from operations		65,639	55,912
Income taxes paid		(9,879)	(8,810)
Interest paid		(4,645)	(4,648)
Contributions paid		(961)	(739)
Net cash flows provided by operating activities		50,154	41,715
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment and investment property	4	(10,835)	(11,380)
Increase in biological assets, intangible assets and other noncurrent assets		(8,270)	(7,354)
Proceeds from sale of investments and property and equipment		36	22
Dividends received		107	107
Interest received		2,738	2,739
Net cash flows used in investing activities		(16,224)	(15,866)

*Forward*

CERTIFIED CORRECT:

  
Monica L. Ang-Mercado  
Chief Finance Officer

	2025 Unaudited	2024 Unaudited
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from:		
Short-term borrowings	P133,030	P232,411
Long-term borrowings	13,101	-
Payments of:		
Short-term borrowings	(142,357)	(229,656)
Long-term borrowings	(12,287)	(2,795)
Lease liabilities	(549)	(348)
Cash dividends paid	(20,712)	(18,769)
Share issuance costs	(28)	-
Net cash flows used in financing activities	(29,802)	(19,157)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	95	147
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>4,223</b>	<b>6,839</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>58,221</b>	<b>57,007</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>P62,444</b>	<b>P63,846</b>

See Accompanying Management Discussion and Analysis and Selected Notes to the Consolidated Financial Statements.

CERTIFIED CORRECT:

  
Monica L. Ang-Mercado  
Chief Finance Officer

**SAN MIGUEL FOOD AND BEVERAGE, INC.  
AND SUBSIDIARIES**

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**SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts in Millions, Except Per Share Data)

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**1. Reporting Entity**

San Miguel Food and Beverage, Inc. (SMFB or the “Parent Company”), a subsidiary of San Miguel Corporation (SMC or the “Intermediate Parent Company”), was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) in October 1956.

The Parent Company is a public company under Section 17.2 of the Securities Regulation Code. Its common and preferred shares are listed in the Philippine Stock Exchange (PSE) since 1973 and 2011, respectively. Top Frontier Investment Holdings, Inc. (“Top Frontier”) is the ultimate parent company of SMFB and its subsidiaries (SMFB and its subsidiaries collectively referred to as the “Group”). SMC and Top Frontier are both public companies under Section 17.2 of the Securities Regulation Code.

The accompanying consolidated financial statements comprise the financial statements of the Group.

The Group is engaged in various business activities, which as of reporting date include poultry operations, livestock farming and processing and selling of meat products, processing and marketing of refrigerated and canned meat products, manufacturing and marketing of feeds and flour products, spreads, and dairy-based products, importation and marketing of coffee and coffee-related products, and grain terminal handling. Following the corporate reorganization in June 2018, the Group is also engaged in manufacturing, selling and distribution of alcoholic and non-alcoholic beverages.

On August 7, 2024, the Board of Directors (BOD) of SMFB approved the amendment of the Company’s principal address from 100 E. Rodriguez Jr. Avenue (C-5 Road), Barangay Ugong, Pasig City to 40 San Miguel Avenue, Mandaluyong City. The change of the principal address was approved by the SEC on January 10, 2025. Accordingly, the Company filed an application for registration information with the Bureau of Internal Revenue (BIR) and BIR issued the updated certificate of registration dated January 31, 2025.

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**2. Material Accounting Policy Information**

The interim consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting* and do not include all the information required in the annual consolidated financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements as at December 31, 2024.

The interim consolidated financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) on November 10, 2025.

The interim consolidated financial statements are presented in Philippine Peso and all financial information is rounded off to the nearest million (000,000), except when otherwise indicated.

The principal accounting policies adopted in the preparation of the interim consolidated financial statements of the Group are consistent with those followed in the most recent annual audited consolidated financial statements, except for the changes in accounting policies as explained below.

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the adoption of a number of new and amendments to standards as part of Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### *Adoption of Amendments to Standards*

The Group has adopted the Lack of Exchangeability (Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates*) effective January 1, 2025. The amendments clarify that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, an entity needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the entity because the currency is not exchangeable.

The adoption of the amendments to standards did not have a material effect on the interim consolidated financial statements.

#### *New and Amendments to Standards Not Yet Adopted*

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2025 and have not been applied in preparing the interim consolidated financial statements. Unless otherwise indicated, none of these is expected to have a significant effect on the interim consolidated financial statements.

The Group will adopt the following new and amendments to standards on the respective effective dates:

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures*). The amendments clarify that financial assets and financial liabilities are recognized and derecognized on the settlement date, except for regular way purchases or sales of financial assets and financial liabilities that meet the conditions for an exception. The exception allows entities to elect to derecognize certain financial liabilities settled through an electronic payment system before the settlement date.

The amendments also provide guidelines for assessing the contractual cash flow characteristics of financial assets that include environmental, social, and governance-linked features and other similar contingent features.

Entities are required to disclose additional information about financial assets and financial liabilities with contingent features, and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to two standards:
  - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.
  - Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:
    - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss; and
    - replaced the term 'their transaction price (as defined in PFRS 15, *Revenue from Contracts with Customers*)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that's unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

The amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- PFRS 18, *Presentation and Disclosure in Financial Statements*, replaces PAS 1, *Presentation of Financial Statements*. The new standard introduces the following key requirements:
  - Entities are required to classify all income and expenses into five categories in the statement of income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss;

- Management-defined performance measures are disclosed in a single note to the financial statements; and
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities under the indirect method.

PFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

The Group continues to assess the impact of the above new and amendments to standards effective subsequent to 2025 on the interim consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the interim consolidated financial statements when these amendments are adopted.

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### 3. Segment Information

#### Operating Segments

The reporting format of the Group's operating segments is determined based on the Group's risks and rates of return which are affected predominantly by differences in the products and services produced. The operating businesses are organized and managed by SMC separately according to the nature of the products produced and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group has three reportable segments, namely: Food, Beer and Non-alcoholic Beverages (NAB), and Spirits. Management identified and grouped the operating units in its operating segments with the objective of transforming the Group into a more rationalized and focused organization. The structure aims to boost efficiencies across the Group and raise effectiveness in defining and meeting the needs of consumers in innovative ways.

The Food Segment is engaged in (i) the processing and marketing of branded value-added refrigerated processed meats and canned meats products, manufacturing and marketing of butter, margarine, cheese, milk, ice cream and salad aids, marketing of flour mixes, and the importation and marketing of coffee products (collectively known as "Prepared and Packaged Food"); (ii) the production and sale of feeds, veterinary medicine and pet care products ("Animal Nutrition and Health"); (iii) poultry and livestock farming, processing and selling of poultry and fresh meats ("Protein"); and (iv) the milling, production and marketing of flour and bakery ingredients, grain terminal handling, food services and international operations ("Others").

The Beer and NAB segment is engaged in the production, marketing and selling of fermented, malt-based and non-alcoholic beverages within the Philippines and several foreign markets.

The Spirits segment is engaged in the production of hard liquor in the form of gin, Chinese wine, brandy, rum, vodka and other hard liquor variants which are available nationwide, while some are exported to select countries.

#### Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist primarily of operating cash, receivables, inventories, biological assets, and property, plant and equipment, net of allowances, accumulated depreciation and amortization, and impairment. Segment liabilities include all operating liabilities and consist primarily of trade payables and other current liabilities, and other noncurrent liabilities, excluding interest and dividends payable. Segment assets and liabilities do not include deferred taxes.

#### Inter-segment Transactions

Segment revenues, expenses and performance include sales and purchases between operating segments. Such transactions are eliminated in consolidation.

Financial information about reportable segments follows:

	Food		Beer and NAB		Spirits		Others		Total Reportable Segments		Eliminations		Consolidated	
	September 2025	September 2024	September 2025	September 2024	September 2025	September 2024	September 2025	September 2024	September 2025	September 2024	September 2025	September 2024	September 2025	September 2024
<b>Sales</b>														
External	P143,514	P134,328	P110,742	P111,220	P48,661	P45,560	P4	P-	P302,921	P291,108	P-	P-	P302,921	P291,108
Inter-segment	1	1	-	-	2	2	34	34	37	3	(37)	(3)	-	-
<b>Total sales</b>	<b>P143,515</b>	<b>P134,329</b>	<b>P110,742</b>	<b>P111,220</b>	<b>P48,663</b>	<b>P45,562</b>	<b>P38</b>	<b>P-</b>	<b>P302,958</b>	<b>P291,111</b>	<b>(P37)</b>	<b>(P3)</b>	<b>P302,921</b>	<b>P291,108</b>
<b>Expenses</b>														
Inventories	P94,368	P90,408	P10,836	P12,075	P12,529	P12,646	P-	P-	P117,733	P115,129	(P3)	(P3)	P117,730	P115,126
Excise Taxes	-	-	51,025	52,411	21,707	20,068	-	-	72,732	72,479	-	-	72,732	72,479
<b>Total Expenses</b>	<b>P94,368</b>	<b>P90,408</b>	<b>P61,861</b>	<b>P64,486</b>	<b>P34,236</b>	<b>P32,714</b>	<b>P-</b>	<b>P-</b>	<b>P190,465</b>	<b>P187,608</b>	<b>(P3)</b>	<b>(P3)</b>	<b>P190,462</b>	<b>P187,605</b>
<b>Results</b>														
Segment operating result	P12,920	P9,805	P23,899	P23,433	P7,509	P6,336	P329	P336	P44,667	P39,910	P11	P4	P44,668	P39,914
Interest expense and other financing charges	-	-	-	-	-	-	-	-	-	-	-	-	(3,776)	(3,266)
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	2,778	2,839
Gain on sale of investments and property and equipment	-	-	-	-	-	-	-	-	-	-	-	-	4	15
Other income (charges) - net	-	-	-	-	-	-	-	-	-	-	-	-	536	299
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-	(10,511)	(9,391)
<b>Net income</b>													<b>P33,699</b>	<b>PP30,410</b>
<b>Other information</b>														
Segments assets	P152,009	P162,818	P123,016	P124,727	P33,011	P28,180	P1,095	P1,523	P309,131	P317,248	P4,799	(P4,434)	P313,930	P312,814
Investments	51	52	15,867	15,832	1,500	1,500	360,761	358,390	378,179	375,774	(359,586)	(358,386)	18,593	17,388
Right-of-use assets - net	-	-	-	-	-	-	-	-	-	-	-	-	4,957	4,923
Goodwill, trademarks and brand names	-	-	-	-	-	-	-	-	-	-	-	-	38,172	38,163
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	907	161
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	3,554	3,657
<b>Consolidated total assets</b>													<b>P380,113</b>	<b>P377,106</b>
Segment liabilities	P56,776	P55,800	P17,683	P21,518	P8,259	P6,669	P4,107	P4,089	P86,825	P88,096	(P4,422)	(P4,482)	P82,403	P83,614
Loans payable	-	-	-	-	-	-	-	-	-	-	-	-	7,776	17,103
Long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	80,875	79,980
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	5,811	5,599
Income and other taxes payable	-	-	-	-	-	-	-	-	-	-	-	-	9,422	10,034
Dividends and interest payable	-	-	-	-	-	-	-	-	-	-	-	-	840	564
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	25	23
<b>Consolidated total liabilities</b>													<b>P187,152</b>	<b>P196,917</b>

## Disaggregation of Revenue

The following table shows the disaggregation of revenue by timing of revenue recognition and the reconciliation of the disaggregated revenue with the Group's reportable segments:

	Food		Beer and NAB		Spirits		Others		Consolidated	
	September 2025	September 2024	September 2025	September 2024	September 2025	September 2024	September 2025	September 2024	September 2025	September 2024
<b>Timing of Revenue Recognition</b>										
Sales recognized at point in time	P143,501	P134,310	P110,742	P111,220	P48,661	P45,560	P-	P-	P302,904	P291,090
Sales recognized over time	13	18	-	-	-	-	4	-	17	18
<b>Total External Sales</b>	<b>P143,514</b>	<b>P134,328</b>	<b>P110,742</b>	<b>P111,220</b>	<b>P48,661</b>	<b>P45,560</b>	<b>P4</b>	<b>P-</b>	<b>P302,921</b>	<b>P291,108</b>

#### 4. Property, Plant and Equipment

The movements and balances of property, plant and equipment are as follows:

##### September 30, 2025 and December 31, 2024

	Cost	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Furniture, Other Equipment and Others	Leasehold Improvements	Capital Projects in Progress	Total
January 1, 2024 (Audited)	P18,676	P43,681	P101,124	P7,247	P2,152	P33,992	P206,872	
Acquisition of a subsidiary	121	-	-	-	-	-	121	
Additions	2	255	141	180	4	16,105	16,687	
Disposals	-	(19)	(483)	(200)	(1)	(3)	(706)	
Reclassifications	791	6,033	6,970	897	165	(13,938)	918	
Currency translation adjustments	61	330	775	21	-	7	1,194	
December 31, 2024 (Audited)	19,651	50,280	108,527	8,145	2,320	36,163	225,086	
Additions	2	30	124	118	2	9,385	9,661	
Disposals	-	(35)	(735)	(70)	-	-	(840)	
Reclassifications	1,517	6,849	5,548	1,029	1,307	(15,124)	1,126	
Currency translation adjustments	70	113	333	6	-	2	524	
<b>September 30, 2025 (Unaudited)</b>	<b>21,240</b>	<b>57,237</b>	<b>113,797</b>	<b>9,228</b>	<b>3,629</b>	<b>30,426</b>	<b>235,557</b>	
<b>Accumulated Depreciation</b>								
January 1, 2024 (Audited)	1,907	13,007	55,589	4,021	596	-	75,120	
Depreciation	198	1,364	4,196	783	108	-	6,649	
Disposals	-	(19)	(391)	(193)	(1)	-	(604)	
Reclassifications	-	1	(7)	(15)	-	-	(21)	
Currency translation adjustments	2	150	384	15	-	-	551	
December 31, 2024 (Audited)	2,107	14,503	59,771	4,611	703	-	81,695	
Depreciation	115	1,168	3,456	677	95	-	5,511	
Disposals	-	(25)	(705)	(66)	-	-	(796)	
Reclassifications	12	4	96	9	-	-	121	
Currency translation adjustments	1	49	184	5	-	-	239	
<b>September 30, 2025 (Unaudited)</b>	<b>2,235</b>	<b>15,699</b>	<b>62,802</b>	<b>5,236</b>	<b>798</b>	<b>-</b>	<b>86,770</b>	
<b>Accumulated Impairment Losses</b>								
January 1, 2024 (Audited)	-	3,301	10,384	66	1	-	13,752	
Impairment	-	460	168	45	-	-	673	
Disposals	-	-	(91)	(1)	-	-	(92)	
Currency translation adjustments	-	104	361	3	-	-	468	
December 31, 2024 (Audited)	-	3,865	10,822	113	1	-	14,801	
Disposals	-	(7)	(14)	(2)	-	-	(23)	
Reclassification	-	-	43	-	-	-	43	
Currency translation adjustments	-	56	142	1	-	-	199	
<b>September 30, 2025 (Unaudited)</b>	<b>-</b>	<b>3,914</b>	<b>10,993</b>	<b>112</b>	<b>1</b>	<b>-</b>	<b>15,020</b>	
<b>Carrying Amount</b>								
December 31, 2024 (Audited)	P17,544	P31,912	P37,934	P3,421	P1,616	P36,163	P128,590	
<b>September 30, 2025 (Unaudited)</b>	<b>P19,005</b>	<b>P37,624</b>	<b>P40,002</b>	<b>P3,880</b>	<b>P2,830</b>	<b>P30,426</b>	<b>P133,767</b>	

**September 30, 2024**

	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Furniture, Other Equipment and Others	Leasehold Improvements	Capital Projects in Progress	Total
<b>Cost</b>							
January 1, 2024 (Audited)	P18,676	P43,681	P101,124	P7,247	P2,152	P33,992	P206,872
Acquisition of a subsidiary	121	-	-	-	-	-	121
Additions	1	17	104	155	1	10,888	11,166
Disposals	-	(19)	(454)	(138)	(1)	(3)	(615)
Reclassifications	482	5,106	5,271	432	145	(10,458)	978
Currency translation adjustments	88	199	578	20	-	7	892
<b>September 30, 2024 (Unaudited)</b>	<b>19,368</b>	<b>48,984</b>	<b>106,623</b>	<b>7,716</b>	<b>2,297</b>	<b>34,426</b>	<b>219,414</b>
<b>Accumulated Depreciation</b>							
January 1, 2024 (Audited)	1,907	13,007	55,589	4,021	596	-	75,120
Depreciation	154	1,003	3,108	587	81	-	4,933
Disposals	-	(19)	(361)	(121)	(1)	-	(502)
Reclassifications	-	(1)	(10)	(12)	-	-	(23)
Currency translation adjustments	5	91	335	18	-	-	449
<b>September 30, 2024 (Unaudited)</b>	<b>2,066</b>	<b>14,081</b>	<b>58,661</b>	<b>4,493</b>	<b>676</b>	<b>-</b>	<b>79,977</b>
<b>Accumulated Impairment Losses</b>							
January 1, 2024 (Audited)	-	3,301	10,384	66	1	-	13,752
Disposals	-	-	(91)	(1)	-	-	(92)
Currency translation adjustments	-	73	215	1	-	-	289
<b>September 30, 2024 (Unaudited)</b>	<b>-</b>	<b>3,374</b>	<b>10,508</b>	<b>66</b>	<b>1</b>	<b>-</b>	<b>13,949</b>
<b>Carrying Amount</b>							
<b>September 30, 2024 (Unaudited)</b>	<b>P17,302</b>	<b>P31,529</b>	<b>P37,454</b>	<b>P3,157</b>	<b>P1,620</b>	<b>P34,426</b>	<b>P125,488</b>

Depreciation and amortization recognized in the consolidated statements of income amounted to P5,511 and P4,933 for the periods ended September 30, 2025 and 2024, respectively.

## 5. Dividends

The BOD of the Parent Company approved the declaration and payment of the following cash dividends to common stockholders:

### 2025

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common	February 5, 2025	February 19, 2025	March 6, 2025	P0.50
	May 7, 2025	May 22, 2025	June 6, 2025	0.50
	August 6, 2026	August 20, 2025	September 5, 2025	1.00

### 2024

Class of Shares	Date of Declaration	Date of Record	Date of Payment	Dividend Per Share
Common	February 1, 2024	February 16, 2024	March 1, 2024	P0.45
	May 8, 2024	May 23, 2024	June 7, 2024	0.45
	August 7, 2024	August 22, 2024	September 6, 2024	0.90

## 6. Related Party Disclosures

The Parent Company, certain subsidiaries and their shareholders, associates and joint ventures purchase products and services from one another in the normal course of business. The Parent Company requires approval of the BOD for related party transactions amounting to at least ten percent (10%) of the total consolidated assets based on its latest audited financial statements.

Amounts owed by/owed to related parties are collectible/will be settled in cash. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates.

The following are the transactions with related parties and the outstanding balances as at September 30, 2025 and December 31, 2024:

	Year	Revenues from Related Parties	Purchases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties	Terms	Conditions
Intermediate Parent Company	September 30, 2025	P295	P1,654	P6,020	P947	On demand except redeemable perpetual securities; non-interest bearing	Unsecured; no impairment
	December 31, 2024	302	1,827	5,986	1,026		
Entities under Common Control of the Intermediate Parent Company	September 30, 2025	633	31,534	2,280	18,289	On demand; non-interest bearing	Unsecured; no impairment
	December 31, 2024	1,142	44,372	2,481	22,220		
Joint Venture	September 30, 2025	14	-	621	-	On demand; interest bearing	Unsecured; with impairment
	December 31, 2024	13	-	622	5		
Associate of Intermediate Parent Company	September 30, 2025	202	-	3,595	-	Upon maturity; interest bearing	Unsecured; no impairment
	December 31, 2024	269	-	3,515	-		
Shareholders in Subsidiaries	September 30, 2025	91	3,481	106	60	On demand; non-interest bearing	Unsecured; no impairment
	December 31, 2024	72	2,773	118	60		
<b>Total</b>	<b>September 30, 2025</b>	<b>P1,235</b>	<b>P36,669</b>	<b>P12,622</b>	<b>P19,296</b>		
<b>Total</b>	<b>December 31, 2024</b>	<b>P1,798</b>	<b>P48,972</b>	<b>P12,722</b>	<b>P23,311</b>		

- a. Amounts owed by related parties consist of current and noncurrent receivables arising from sale of goods and services, deposits and share in expenses. It also includes investments in equity that pertains to subscription in redeemable perpetual securities and investments in debt securities under investment agreement with Bank of Commerce, both are presented as part of "Investments – net" account in the consolidated statement of financial position.
- b. The amounts owed by joint venture includes receivables from Thai San Miguel Liquor Company Limited included as part of "Amounts owed by related parties" under "Trade and other receivables - net" account in the consolidated statement of financial position amounting to P540 as at December 31, 2024.
- c. Amounts owed to related parties consist of trade and non-trade payables arising from purchases of materials, bottles, shells, cartons, fuel and power and non-trade payables arising from professional fees, insurance, lease of outdoor advertising spaces, lease of land and building, management fees, reimbursement of expenses, and other services rendered by related parties.
- d. The Group has entered into various lease agreements with related parties as a lessor and lessee.

There were no known transactions with parties that fall outside the definition "related parties" under PAS 24, Related Party Disclosures, but with whom SMC or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

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## 7. Basic and Diluted Earnings Per Share (EPS)

Basic EPS is computed by dividing the net income for the period attributable to equity holders of the Parent Company by the weighted average number of issued and outstanding common shares during the period, with retroactive adjustment for any stock dividends declared.

For the purpose of computing diluted EPS, the net income for the period attributable to equity holders of the Parent Company and the weighted-average number of issued and outstanding common shares during the period are adjusted for the effect of all potential dilutive debt or equity instruments.

Basic and diluted EPS is computed as follows:

	<b>September 30</b>	
	<b>2025</b>	2024
Net income attributable to common shareholders of the Parent Company (a)	<b>P22,089</b>	P19,302
Weighted average number of common shares issued and outstanding (in millions) (b)	<b>5,909</b>	5,909
Basic and diluted earnings per common share attributable to equity holders of the Parent Company – basic and diluted (a/b)	<b>P3.74</b>	P3.27

As at September 30, 2025 and 2024, the Parent Company has no dilutive debt or equity instruments.

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## 8. Financial Risk and Capital Management Objectives and Policies

### Objectives and Policies

The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Market Risk (Interest Rate Risk and Foreign Currency Risk)
- Liquidity Risk
- Credit Risk

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Group include cash and cash equivalents, investments in equity and debt instruments, restricted cash, noncurrent receivables and deposit, short-term and long-term loans, lease liabilities and derivative instruments. These financial instruments, except derivative instruments, are used mainly for working capital management purposes. The trade-related financial assets and financial liabilities of the Group such as trade and other receivables, trade payables and other current liabilities, excluding statutory liabilities, and other noncurrent liabilities arise directly from and are used to facilitate its daily operations.

The outstanding derivative instruments of the Group such as currency options and forwards are intended mainly for risk management purposes. The Group uses derivatives to manage its exposures to foreign currency risks arising from the operating activities.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Group.

The risk management policies of the Group are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The BOD constituted the Audit Committee to assist the BOD in fulfilling its oversight responsibility of the Group's corporate governance process relating to the: a) quality and integrity of the consolidated financial statements and financial reporting process and the systems of internal accounting and financial controls; b) performance of the internal auditors; c) annual independent audit of the consolidated financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; d) compliance with tax, legal and regulatory requirements, including the disclosure control and procedures; e) evaluation of management's process to assess and manage the enterprise risk issues; f) evaluation and monitoring of related party transactions; and g) fulfillment of the other responsibilities set out by the BOD. The Audit Committee shall also review the financial reports.

The Audit Committee shall prepare such reports as may be necessary to document the activities of the committee in the performance of its functions and duties. Such reports shall be included in the annual report of the Group and other corporate disclosures as may be required by the SEC and/or the PSE.

The Audit Committee also oversees how management monitors compliance with the risk management policies and procedures of the Group and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and special reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The BOD also constituted the Board Risk Oversight Committee to assist the BOD in fulfilling its oversight responsibility of the Group's enterprise risk management (ERM) system to ensure its functionality and effectiveness. The Board Risk Oversight Committee is tasked to develop and oversee the implementation of a formal ERM plan and annually review and advise the BOD of the Group's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework and external economic environment. It shall also assess the probability of each identified risk becoming a reality and estimate its possible financial impact and likelihood of occurrence, and oversee management's activities in identifying, monitoring, assessing and managing credit, market, liquidity, operational, legal and other risk exposures of the Group.

#### Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Group's exposure to changes in interest rates relates primarily to the long-term borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. On the other hand, borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group manages its interest cost by using an optimal combination of fixed and variable rate debt instruments. Management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up rates charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks.

On the other hand, the investment policy of the Group is to maintain an adequate yield to match or reduce the net interest cost from its borrowings pending the deployment of funds to their intended use in the operations and working capital management. However, the Group invests only in high-quality securities while maintaining the necessary diversification to avoid concentration risk.

In managing interest rate risk, the Group aims to reduce the impact of short-term fluctuations on the earnings. Over the longer term, however, permanent changes in interest rates would have an impact on profit or loss.

The management of interest rate risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various standard and non-standard interest rate scenarios.

## Interest Rate Risk Table

The terms and maturity profile of the interest-bearing long-term borrowings, together with its gross amounts, are shown in the following tables:

September 30, 2025	<1 Year	>1 - 3 Years	>3 - 5 Years	>5 Years	Total
<b>Fixed Rate</b>					
Philippine peso-denominated	P17,187	P24,018	P20,244	P7,900	P69,349
Interest rate	3.284%- 4.150%	3.284%- 6.925%	3.548%- 6.572%	6.157%- 6.572%	
<b>Floating Rate</b>					
Philippine peso-denominated	181	363	7,440	3,857	11,841
Interest rate		BVAL + margin or BSP TDF overnight rate, whichever is higher	BVAL + margin or BSP TDF overnight rate, whichever is higher	BVAL + margin or BSP TDF overnight rate, whichever is higher	
	P17,368	P24,381	P27,684	P11,757	P81,190

December 31, 2024	<1 Year	>1 - 3 Years	>3 - 5 Years	>5 Years	Total
<b>Fixed Rate</b>					
Philippine peso-denominated	P12,223	P29,318	P28,273	P3,000	P72,814
Interest rate	3.284%- 5.050%	3.284%- 5.751%	3.548%- 6.841%	6.572%	
<b>Floating Rate</b>					
Philippine peso-denominated	119	238	7,404	-	7,761
Interest rate		BVAL + margin or BSP TDF overnight rate, whichever is higher	BVAL + margin or BSP TDF overnight rate, whichever is higher	BVAL + margin or BSP TDF overnight rate, whichever is higher	
	P12,342	P29,556	P35,677	P3,000	P80,575

The sensitivity to a reasonably possible 1% increase in the interest rates, with all other variables held constant, would have decreased the Group's profit before tax (through the impact on floating rate borrowings) by P89 and P78 for the period ended September 30, 2025 and for the year ended December 31, 2024, respectively. A 1% decrease in the interest rate would have had the equal but opposite effect. These changes are considered to be reasonably possible given the observation of prevailing market conditions in those periods. There is no impact on the Group's other comprehensive income.

## Foreign Currency Risk

The functional currency is the Philippine Peso, which is the denomination of the bulk of the Group's revenues. The exposure to foreign currency risk results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Group. The risk management objective with respect to foreign currency risk is to reduce or eliminate earnings volatility and any adverse impact on equity. The Group enters into foreign currency hedges using derivative and non-derivative instruments to manage its foreign currency risk exposure.

Information on the Group's foreign currency-denominated monetary assets and monetary liabilities and their Philippine Peso equivalents is as follows:

	<b>September 30, 2025</b>		December 31, 2024	
	<b>US Dollar</b>	<b>Peso Equivalent</b>	US Dollar	Peso Equivalent
<b>Assets</b>				
Cash and cash equivalents	<b>US\$244</b>	<b>P14,218</b>	US\$220	P12,718
Trade and other receivables	<b>27</b>	<b>1,564</b>	30	1,738
Prepaid expenses and other current assets	<b>8</b>	<b>463</b>	9	534
Noncurrent receivables	<b>4</b>	<b>228</b>	-	-
	<b>283</b>	<b>16,473</b>	259	14,990
<b>Liabilities</b>				
Trade payables and other current liabilities	<b>119</b>	<b>6,941</b>	144	8,343
Lease liabilities	<b>1</b>	<b>81</b>	-	-
	<b>120</b>	<b>7,022</b>	144	8,343
<b>Net Foreign Currency-denominated Monetary Assets</b>	<b>US\$163</b>	<b>P9,451</b>	US\$115	P6,647

The Group reported net gain (loss) on foreign exchange amounting to P12 and (P76) for the periods ended September 30, 2025 and 2024, respectively, with the translation of its foreign currency-denominated assets and liabilities. These mainly resulted from the movements of the Philippine Peso against the US dollar as shown in the following table:

	<b>US Dollar to Philippine Peso</b>
<b>September 30, 2025</b>	<b>P58.196</b>
December 31, 2024	57.845
September 30, 2024	56.030
December 31, 2023	55.370

The management of foreign currency risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various foreign currency exchange rate scenarios.

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to translation of results and financial position of foreign operations):

September 30, 2025	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity (Net of Tax)	Effect on Income before Income Tax	Effect on Equity (Net of Tax)
Cash and cash equivalents	(P51)	(P231)	P51	P231
Trade and other receivables	(2)	(26)	2	26
Prepaid expenses and other current assets	(4)	(7)	4	7
Non-current receivables	-	(4)	-	4
	(57)	(268)	57	268
Trade payables and other current liabilities	50	107	(50)	(107)
Finance lease liabilities	-	1	-	(1)
	50	108	(50)	(108)
	(P7)	(P160)	P7	P160

December 31, 2024	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity (Net of Tax)	Effect on Income before Income Tax	Effect on Equity (Net of Tax)
Cash and cash equivalents	(P35)	(P211)	P35	P211
Trade and other receivables	(4)	(29)	4	29
Prepaid expenses and other current assets	(5)	(8)	5	8
	(44)	(248)	44	248
Trade payables and other current liabilities	57	130	(57)	(130)
	57	130	(57)	(130)
	P13	(P118)	(P13)	P118

Exposures to foreign exchange rates vary during the period depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

#### Liquidity Risk

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall due under normal and stress circumstances.

The Group's objectives to manage its liquidity risk are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; (c) to be able to access funding when needed at the least possible cost; and (d) to maintain an adequate time spread of refinancing maturities.

The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary.

The table below summarizes the maturity profile of the Group's financial assets and

financial liabilities based on contractual undiscounted receipts and payments used for liquidity management.

September 30, 2025	Carrying Amount	Contractual Cash Flow	1 Year or Less	>1 Year - 2 Years	>2 Years - 5 Years	Over 5 Years
<b>Financial Assets</b>						
Cash and cash equivalents	P62,444	P62,444	P62,444	P -	P -	P -
Trade and other receivables - net	23,951	23,951	23,951	-	-	-
Restricted cash (included under "Prepaid expenses and other current assets" account)	213	213	213	-	-	-
Derivative assets (included under "Prepaid expenses and other current assets" account)	37	37	37	-	-	-
Financial assets at FVOCI (included under "Investments" account)	5,923	5,923	-	-	-	5,923
Financial assets at amortized cost (included under "Investments" account)	11,500	13,907	779	841	12,287	-
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	451	451	-	35	90	326
<b>Financial Liabilities</b>						
Loans payable	7,776	7,757	7,757	-	-	-
Trade payables and other current liabilities (excluding derivative liabilities)	76,774	76,774	76,774	-	-	-
Derivative liabilities (included under "Trade payables and other current liabilities" account)	269	269	269	-	-	-
Long-term debt (including current maturities)	80,875	94,295	21,322	15,349	44,991	12,633
Lease liabilities (including current portion)	5,811	12,611	1,058	780	1,961	8,812
Other noncurrent liabilities	2	2	-	1	1	-

December 31, 2024	Carrying Amount	Contractual Cash Flow	1 Year or Less	>1 Year - 2 Years	>2 Years - 5 Years	Over 5 Years
<b>Financial Assets</b>						
Cash and cash equivalents	P58,221	P58,221	P58,221	P-	P-	P-
Trade and other receivables -net	29,456	29,456	29,456	-	-	-
Restricted cash (included under "Prepaid expenses and other current assets" account)	228	228	228	-	-	-
Derivative assets (included under "Prepaid expenses and other current assets" account)	85	85	85	-	-	-
Financial assets at FVOCI (included under "Investments - net" account)	5,888	5,888	-	-	-	5,888
Financial assets at amortized cost (included under "Investments - net" account)	11,500	14,537	757	841	12,621	318
Noncurrent receivables and deposit - net (included under "Other noncurrent assets - net" account)	244	244	-	24	81	139
<b>Financial Liabilities</b>						
Loans payable	17,103	17,065	17,065	-	-	-
Trade payables and other current liabilities (excluding derivative liabilities)	76,266	76,266	76,266	-	-	-
Derivative liabilities (included under "Trade payables and other current liabilities" account)	150	150	150	-	-	-
Long-term debt (including current maturities)	79,980	92,799	16,023	22,300	51,081	3,395
Lease liabilities (including current portion)	5,599	11,923	991	974	1,815	8,143
Other noncurrent liabilities	1,924	1,924	-	1,725	1	198

### Credit Risk

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade and other receivables and investment securities. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

#### Trade and Other Receivables

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on the credit risk.

The Group obtains collateral or arranges master netting agreements, where appropriate, so that in the event of default, the Group would have a secured claim.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Group ensures that sales on account are made to customers with appropriate credit history. The Group has detailed credit criteria and several layers of credit approval requirements before engaging a particular customer or counterparty. The review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer and are reviewed on a regular basis. Customers that fail to meet the benchmark creditworthiness may transact with the Group only on a prepayment basis.

#### Investment in Debt Instruments

The Group limits its exposure to credit risk by investing only in liquid debt instruments with counterparties that have high credit ratings. The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields.

#### Credit Quality

In monitoring and controlling credit extended to counterparty, the Group adopts a comprehensive credit rating system based on financial and non-financial assessments of its customers. Financial factors being considered comprised of the financial standing of the customer while the non-financial aspects include but are not limited to the assessment of the customer's nature of business, management profile, industry background, payment habit and both present and potential business dealings with the Group.

The credit quality of financial assets is being managed by the Group using internal credit ratings. Credit quality of the financial assets was determined as follows:

- High grade includes deposits or placements to reputable banks and companies with good credit standing. High grade financial assets include cash and cash equivalents, restricted cash, investment in debt instruments and derivative assets.
- Standard grade pertains to receivables from counterparties with satisfactory financial capability and credit standing based on historical data, current conditions and the Group's view of forward-looking information over the expected lives of the receivables. Standard grade financial assets include trade and other receivables and noncurrent receivables and deposits.

Receivables with high probability of delinquency and default were fully provided with allowance for impairment losses.

Financial information on the Group's maximum exposure to credit risk, without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	<b>September 30, 2025</b>	December 31, 2024
Cash and cash equivalents (excluding cash on hand)	<b>P61,943</b>	P54,655
Trade and other receivables - net	<b>23,951</b>	29,456
Restricted cash	<b>213</b>	228
Derivative assets	<b>37</b>	85
Financial assets at amortized cost	<b>11,500</b>	11,500
Noncurrent receivables and deposits - net	<b>232</b>	244
	<b>P97,876</b>	P96,168

The table below presents the Group's exposure to credit risk and shows the credit quality of the financial assets by indicating whether the financial assets are subjected to 12-month expected credit loss (ECL) or lifetime ECL. Assets that are credit-impaired are separately presented.

<b>September 30, 2025</b>	<b>Financial Assets at Amortized Cost</b>			Financial Assets at FVPL	Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired		
Cash and cash equivalents (excluding cash on hand)	<b>P61,943</b>	P -	P -	P -	<b>P61,943</b>
Trade and other receivables - net	<b>23,951</b>	-	<b>1,120</b>	-	<b>25,071</b>
Restricted cash	<b>213</b>	-	-	-	<b>213</b>
Derivative assets	-	-	-	<b>37</b>	<b>37</b>
Financial assets at amortized cost	<b>11,500</b>	-	-	-	<b>11,500</b>
Noncurrent receivables and deposits - net	-	<b>232</b>	-	-	<b>232</b>
<b>Total</b>	<b>P97,607</b>	<b>P232</b>	<b>P1,120</b>	<b>P37</b>	<b>P98,996</b>

December 31, 2024	<b>Financial Assets at Amortized Cost</b>			Financial Assets at FVPL	Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired		
Cash and cash equivalents (excluding cash on hand)	P54,655	P-	P-	P-	P54,655
Trade and other receivables -net	29,456	-	1,141	-	30,597
Restricted cash	228	-	-	-	228
Derivative assets	-	-	-	85	85
Financial assets at amortized cost	11,500	-	-	-	11,500
Noncurrent receivables and deposits -net	-	244	-	-	244
	P95,839	P244	P1,141	P85	P97,309

The aging of receivables is as follows:

<b>September 30, 2025</b>	<b>Amounts Owed by Related Parties</b>			Total
	Trade	Non-trade	Parties	
Current	<b>P17,591</b>	<b>P679</b>	<b>P241</b>	<b>P18,511</b>
Past due:				
1-30 days	<b>2,555</b>	<b>141</b>	<b>32</b>	<b>2,728</b>
31-60 days	<b>435</b>	<b>82</b>	<b>103</b>	<b>620</b>
61-90 days	<b>191</b>	<b>93</b>	<b>59</b>	<b>343</b>
Over 90 days	<b>475</b>	<b>550</b>	<b>1,844</b>	<b>2,869</b>
	<b>P21,247</b>	<b>P1,545</b>	<b>P2,279</b>	<b>P25,071</b>

December 31, 2024	Trade	Non-trade	Amounts Owed by Related Parties	Total
Current	P18,153	P568	P468	P19,189
Past due:				
1 - 30 days	6,502	82	281	6,865
31 - 60 days	1,206	74	82	1,362
61 - 90 days	226	22	210	458
Over 90 days	534	571	1,618	2,723
	P26,621	P1,317	P2,659	P30,597

Various collaterals for trade receivables such as bank guarantees, time deposits and real estate mortgages are held by the Group for certain credit limits.

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historical payment behavior and analyses of the underlying customer credit ratings. There are no significant changes in their credit quality.

The Group computes impairment loss on receivables based on past collection experience, current circumstances and the impact of future economic conditions, if any, available at the reporting period. There are no significant changes in the credit quality of the counterparties during the period.

The Group's cash and cash equivalents, derivative assets, restricted cash and investment in debt instruments at amortized cost are placed with reputable entities with high quality external credit ratings.

The Group's exposure to credit risk arises from default of counterparty. Generally, the maximum credit risk exposure of trade and other receivables and noncurrent receivables and deposits is its carrying amount without considering collaterals or credit enhancements, if any. The Group has no significant concentration of credit risk since the Group deals with a large number of homogenous counterparties.

The Group does not execute any credit guarantee in favor of any counterparty.

#### Financial and Other Risks Relating to Livestock

The Group is exposed to financial risks arising from the change in cost and supply of feed ingredients and the selling prices of chicken, hogs and related products, all of which are determined by constantly changing market forces such as supply and demand and other factors. The other factors include environmental regulations, weather conditions and livestock diseases for which the Group has little control. The mitigating factors are listed below:

- The Group is subject to risks affecting the food industry, generally, including risks posed by food spoilage and contamination. Specifically, the fresh meat industry is regulated by environmental, health and food safety organizations and regulatory sanctions. The Group has put into place systems to monitor food safety risks throughout all stages of manufacturing and processing to mitigate these risks. Furthermore, representatives from the government regulatory agencies are present at all times during the processing of dressed chicken, and hogs in all dressing and meat plants and issue certificates accordingly. The authorities, however, may impose additional regulatory requirements that may require significant capital investment at short notice.
- The Group is subject to risks relating to its ability to maintain animal health status

considering that it has no control over neighboring livestock farms. Livestock health problems could adversely impact production and consumer confidence. However, the Group monitors the health of its livestock on a daily basis and proper procedures are put in place.

- The livestock industry is exposed to risk associated with the supply and price of raw materials, mainly grain prices. Grain prices fluctuate depending on the harvest results. The shortage in the supply of grain will result in adverse fluctuation in the price of grain and will ultimately increase the Group's production cost. If necessary, the Group enters into forward contracts to secure the supply of raw materials at a reasonable price.

#### Other Market Price Risk

The Group's market price risk arises from its investments carried at fair value (financial assets at FVPL and FVOCI). The Group manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

#### Capital Management

The Group maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group manages its capital structure and makes adjustments, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, pay-off existing debts, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is defined as total current liabilities and total noncurrent liabilities, while equity is total equity as shown in the consolidated statements of financial position.

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Group's business, operation and industry.

The Group is not subject to externally-imposed capital requirements.

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## **9. Financial Assets and Financial Liabilities**

*Recognition and Initial Measurement.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument.

A financial asset (unless a trade receivable without a significant financing component) or financial liability is initially measured at the fair value of the consideration given or received. The initial measurement of financial instruments, except for those designated as at FVPL, includes transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

### Financial Assets

The Group classifies its financial assets, at initial recognition, as subsequently measured at amortized cost, FVOCI and FVPL. The classification depends on the contractual cash flow characteristics of the financial assets and the business model of the Group for managing the financial assets.

Subsequent to initial recognition, financial assets are not reclassified unless the Group changes the business model for managing financial assets. All affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

The business model refers to how the Group manages the financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. The Group considers the following information in assessing the objective of the business model in which a financial asset is held at a portfolio level, which reflects the way the business is managed and information is provided to management:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how employees of the business are compensated; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

The Group considers the contractual terms of the instrument in assessing whether the contractual cash flows are solely payments of principal and interest. For purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin. The assessment includes whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. The Group considers the following in making the assessment:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

For purposes of subsequent measurement, financial assets are classified in the following categories: financial assets at amortized cost, financial assets at FVOCI (with or without recycling of cumulative gains and losses) and financial assets at FVPL.

*Financial Assets at Amortized Cost.* A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model with the objective of holding financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the consolidated statements of income when the financial asset is derecognized, modified or impaired.

The Group's cash and cash equivalents, trade and other receivables, investment in debt instruments at amortized cost, noncurrent receivables and deposits, and restricted cash are included under this category.

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

*Financial Assets at FVOCI.* Investment in debt instruments is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in the fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Financial assets at FVOCI are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income.

Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment on investment in debt instruments are recognized in the consolidated statements of income. When investment in debt instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the consolidated statements of changes in equity are transferred to and recognized in the consolidated statements of income.

Dividends earned on holding an investment in equity instrument are recognized as dividend income in the consolidated statements of income when the right to receive the payment has been established, unless the dividend clearly represents a recovery of the part of the cost of the investment. When investment in equity instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the consolidated statements of changes in equity are never reclassified to the consolidated statements of income.

The Group's investments in equity and debt instruments at FVOCI are classified under this category.

*Financial Assets at FVPL.* All financial assets not classified as measured at amortized cost or FVOCI are measured at FVPL. This includes derivative financial assets that are not designated as cash flow hedge. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

At initial recognition, the Group may irrevocably designate a financial asset as at FVPL if the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on different bases.

The Group carries financial assets at FVPL using their fair values. Attributable transaction costs are recognized in the consolidated statements of income as incurred. Changes in fair value and realized gains or losses are recognized in the consolidated statements of income. Fair value changes from derivatives accounted for as part of an effective cash flow hedge are recognized in other comprehensive income. Any interest earned from investment in debt instrument designated as at FVPL is recognized in the consolidated statements of income. Any dividend income from investment in equity instrument is recognized in the consolidated statements of income when the right to receive payment has been established, unless the dividend clearly represents a recovery of the part of the cost of the investment.

The Group's derivative assets that are not designated as cash flow hedge and investments in equity instruments at FVPL are classified under this category.

#### Financial Liabilities

The Group determines the classification of its financial liabilities, at initial recognition, in the following categories: financial liabilities at FVPL and other financial liabilities. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

*Financial Liabilities at FVPL.* Financial liabilities are classified under this category through the fair value option. Derivative instruments (including embedded derivatives) with negative fair values, except those covered by hedge accounting relationships, are also classified under this category.

The Group carries financial liabilities at FVPL using their fair values and reports fair value changes in the consolidated statements of income. Fair value changes from derivatives accounted for as part of an effective accounting hedge are recognized in other comprehensive income and presented in the consolidated statements of changes in equity. Any interest expense incurred is recognized as part of "Interest expense and other financing charges" account in the consolidated statements of income.

The Group's derivative liabilities that are not designated as cash flow hedge are classified under this category.

*Other Financial Liabilities.* This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial measurement, other financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability. The effective interest rate amortization is included in “Interest expense and other financing charges” account in the consolidated statements of income. Gains and losses are recognized in the consolidated statements of income when the liabilities are derecognized as well as through the amortization process.

Debt issue costs are considered as an adjustment to the effective yield of the related debt and are deferred and amortized using the effective interest method. When a loan is paid, the related unamortized debt issue costs at the date of repayment are recognized in the consolidated statements of income.

The Group’s liabilities arising from its trade transactions or borrowings such as loans payable, accounts payable and accrued expenses, long-term debt, lease liabilities and other noncurrent liabilities are included under this category.

#### Derecognition of Financial Assets and Financial Liabilities

*Financial Assets.* A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; and either: (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognizes the associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group is required to repay.

*Financial Liabilities.* A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of income.

#### Impairment of Financial Assets

The Group recognizes allowance for ECL on financial assets at amortized cost and investments in debt instruments at FVOCI.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

The Group recognizes an allowance for impairment based on either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group recognizes lifetime ECLs for receivables that do not contain significant financing component. The Group uses provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the borrowers and the economic environment.

At each reporting date, the Group assesses whether these financial assets at amortized cost and investments in debt instruments at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the restructuring of a financial asset by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

The Group directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering the contractual cash flows on a financial asset, either partially or in full. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The ECLs on financial assets at amortized cost are recognized as allowance for impairment losses against the gross carrying amount of the financial asset, with the resulting impairment losses (or reversals) recognized in the consolidated statements of income. The ECLs on investments in debt instruments at FVOCI are recognized as accumulated impairment losses in other comprehensive income, with the resulting impairment losses (or reversals) recognized in the consolidated statements of income.

#### Classification of Financial Instruments between Liability and Equity

Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Interests, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

A financial instrument is classified as liability if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole or in part, the amount separately determined as the fair value of the liability component on the date of issue.

#### Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

The table below presents a comparison by category of the carrying amounts and fair values of the Group's financial instruments:

	September 30, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Cash and cash equivalents	P62,444	P62,444	P58,221	P58,221
Trade and other receivables - net	23,951	23,951	29,456	29,456
Restricted cash (included under "Prepaid expenses and other current assets" account)	213	213	228	228
Derivative assets (included under "Prepaid expenses and other current assets" account)	37	37	85	85
Financial assets at FVOCI (included under "Investments - net" account)	5,923	5,923	5,888	5,888
Financial assets at amortized cost (included under "Investments - net" account)	11,500	11,500	11,500	11,500
Noncurrent receivables and deposits - net (included under "Other noncurrent assets - net" account)	232	232	244	244
<b>Financial Liabilities</b>				
Loans payable	7,776	7,776	17,103	17,103
Trade payables and other current liabilities (excluding derivative liabilities)	76,774	76,774	76,266	76,266
Derivative liabilities (included under "Trade payables and other current liabilities" account)	269	269	150	150
Long-term debt (including current maturities)	80,075	79,976	79,980	78,615
Other noncurrent liabilities	2	2	1,924	1,924

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

*Cash and Cash Equivalents, Trade and Other Receivables, Restricted Cash, and Noncurrent Receivables and Deposits.* The carrying amount of cash and cash equivalents, trade and other receivables and restricted cash approximates fair value primarily due to the relatively short-term maturities of these financial instruments. In the case of noncurrent receivables and deposits, the fair value is based on the present value of expected future cash flows using the applicable discount rates based on current market rates of identical or similar quoted instruments.

*Derivatives.* The fair values of forward exchange contracts are calculated by reference to current forward exchange rates. In the case of freestanding commodity derivatives, the fair values are determined based on quoted prices obtained from active markets. Fair values for stand-alone derivative instruments that are not quoted from an active market and for embedded derivatives are based on valuation models used for similar instruments using both observable and non-observable inputs.

*Financial Assets at FVOCI.* The fair values of publicly traded instruments and similar investments are based on quoted market prices in an active market.

*Financial Assets at Amortized Cost.* The fair value of investment in debt instruments is estimated as the present value of all future cash flows discounted using prevailing market rate of interest for a similar instrument as of the end of the reporting period.

*Loans Payable, Trade Payables and Other Current Liabilities, and Other Noncurrent Liabilities.* The carrying amounts of loans payable and trade payables approximate fair value due to the relatively short-term maturities of these financial instruments. In the case of other noncurrent liabilities, the fair value is based on the present value of expected future cash flows using the applicable discount rates based on current market rates of identical or similar quoted instruments.

*Long-term Debt.* The fair value of interest-bearing fixed rate loans is based on the discounted value of expected future cash flows using the applicable market rates for

similar types of instruments as at reporting date. As at September 30, 2025 and December 31, 2024, discount rates used ranges from 4.26% to 6.44% and from 5.37% to 6.44% respectively.

#### Derivative Financial Instruments

The Group's derivative financial instruments according to the type of financial risk being managed and the details of freestanding and embedded derivative financial instruments are discussed below.

#### Derivative Instruments Not Designated as Hedges

The Group enters into certain derivatives as economic hedges of certain underlying exposures. These include freestanding commodity options and embedded currency forwards which are not designated as accounting hedges. Changes in fair value of these instruments are accounted for directly in the consolidated statements of income. Details are as follows:

#### *Embedded Derivatives*

The Group's embedded derivatives include currency forwards embedded in non-financial contracts. As at September 30, June 30, 2025 and December 31, 2024, the total outstanding notional amount of such embedded currency forwards amounted to US\$111, US\$132 and US\$128, respectively. These non-financial contracts consist mainly of foreign currency-denominated purchase orders, sales agreements and capital expenditures. The embedded forwards are not clearly and closely related to their respective host contracts. The net negative fair value of these embedded currency forwards amounted to (P232), (P39) and (P66) as at September 30, June 30, 2025 and December 31, 2024, respectively.

The Group recognized marked-to-market gains (losses) from freestanding and embedded derivatives amounting to (P143) and (P8), P73 and (P368), for the periods ended September 30, 2025 and 2024, and June 30, 2025 and 2024, respectively.

#### Fair Value Changes on Derivatives

The net movements in fair value of the derivative instruments are as follows:

	<b>September 30, 2025</b>	December 31, 2024
Balance at beginning of year	<b>(P66)</b>	(P30)
Net change in fair value of non-accounting hedges	<b>(143)</b>	(125)
	<b>(209)</b>	(155)
Less fair value of settled instruments	<b>(23)</b>	89
Balance at end of year	<b>(P232)</b>	(P66)

#### Fair Value Measurements

The Group measures financial and non-financial assets and liabilities at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

#### Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are categorized in accordance with the fair value hierarchy. This hierarchy groups financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The table below analyzes financial instruments carried at fair value by valuation method:

	<u>September 30, 2025</u>			<u>December 31, 2024</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Financial Assets</b>						
Derivative assets	P-	P37	P37	P-	P85	P85
Financial assets at FVOCI	5,923	-	5,923	5,850	38	5,888
Financial assets at amortized cost	11,500	-	11,500	11,500	-	11,500
<b>Financial Liabilities</b>						
Derivative liabilities	-	269	269	-	150	150

The Group has no financial instruments valued based on Level 3 as at September 30, 2025 and December 31, 2024. For the period ended September 30, 2025 and for the year ended December 31, 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

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**10. Other Matters****a. Commitments**

The outstanding purchase commitments of the Group amounted to P80,472 and P94,986 as at September 30, 2025 and December 31, 2024, respectively.

**b. There were no unusual items as to nature and amount affecting assets, liabilities, equity, net income or cash flows, except those stated in Management's Discussion and Analysis of Financial Position and Financial Performance.****c. There were no material changes in estimates of amounts reported in prior financial years.**

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**11. Event After the Reporting Date**

On November 10, 2025, the BOD of the Parent Company declared regular and special cash dividends to all common shareholders of record as of November 25, 2025, amounting to P0.50 and P0.55 per common share, respectively. Cash dividends for common shares, both for regular and special, are payable on December 10, 2025.



## Annex “B”

### **MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE**

#### **INTRODUCTION**

The following discussion should be read in conjunction with the attached unaudited consolidated financial statements of San Miguel Food and Beverage, Inc. (“SMFB” or the “Parent Company”) and its subsidiaries (collectively referred to as the “Group”) as at and for the period ended September 30, 2025 (with comparative figures as at December 31, 2024 and for the period ended September 30, 2024). All necessary adjustments to present fairly the consolidated financial position, financial performance, and cash flows of the Group as at September 30, 2025, and for all the other periods presented, have been made. Certain information and footnote disclosures normally included in the audited consolidated financial statements prepared in accordance with the Philippine Financial Reporting Standards have been omitted.

#### **Operating Segments**

The Group has three primary operating segments, namely, the Beer and Non-alcoholic Beverages (NAB) Segment, the Spirits Segment, and the Food Segment.

The Beer and NAB Segment is engaged in the production, marketing, and sale of fermented, malt-based, and non-alcoholic beverages in the Philippines and several foreign markets.

The Spirits Segment is engaged in the production of hard liquor in the form of gin, Chinese wine, brandy, rum, vodka, and other hard liquor variants. These products are available nationwide, while some are exported to select countries.

The Food Segment includes the following categories (i) the processing and marketing of branded value-added refrigerated processed meats and canned meat products, the manufacturing and marketing of butter, margarine, cheese, milk, ice cream, and salad aids, the marketing of flour mixes, and the importation and marketing of coffee products (collectively known as “Prepared and Packaged Food”); (ii) the production and sale of feeds, veterinary medicine, and pet care products (“Animal Nutrition and Health”); (iii) poultry and livestock farming, processing and sale of poultry and fresh meats (“Protein”); and (iv) the milling, production, and marketing of flour and bakery ingredients, grain terminal handling, foodservice, and international operations (“Others”).

## I. FINANCIAL PERFORMANCE

### Nine months ended September 30, 2025 compared to nine months ended September 30, 2024

<i>(in millions)</i>	SEPTEMBER		HORIZONTAL ANALYSIS		VERTICAL ANALYSIS	
	2025	2024	INCREASE (DECREASE) AMOUNT	%	2025	2024
SALES	302,921	291,108	11,813	4%	100%	100%
COST OF SALES	215,534	211,503	4,031	2%	71%	73%
GROSS PROFIT	87,387	79,605	7,782	10%	29%	27%
SELLING AND ADMINISTRATIVE EXPENSES	(42,719)	(39,691)	(3,028)	8%	(14%)	(14%)
OPERATING RESULTS	44,668	39,914	4,754	12%	15%	14%
INTEREST EXPENSE AND OTHER FINANCING CHARGES	(3,776)	(3,266)	(510)	16%	(1%)	(1%)
INTEREST INCOME	2,778	2,839	(61)	(2%)	1%	1%
GAIN ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT	4	15	(11)	(73%)	0%	0%
OTHER INCOME (CHARGES) - NET	536	299	237	79%	0%	0%
INCOME BEFORE INCOME TAX	44,210	39,801	4,409	11%	15%	14%
INCOME TAX EXPENSE	10,511	9,391	1,120	12%	3%	3%
<b>NET INCOME</b>	<b>33,699</b>	<b>30,410</b>	<b>3,289</b>	<b>11%</b>	<b>11%</b>	<b>10%</b>
<b>Attributable to:</b>						
Equity holders of the Parent Company	22,089	19,302	2,787	14%	7%	7%
Non-controlling interests	11,610	11,108	502	5%	4%	4%
	<b>33,699</b>	<b>30,410</b>	<b>3,289</b>	<b>11%</b>	<b>11%</b>	<b>10%</b>

The Group delivered strong results for the first three quarters of 2025.

Consolidated sales for the nine months ended September 30, 2025 reached P302,921 million, 4% higher compared to the same period in 2024, while the consolidated net income amounted to P33,699 million, an 11% increase over the same period in 2024.

#### Sales

Consolidated sales increased by 4%, from P291,108 million for the nine months ended September 30, 2024, to P302,921 million for the same period in 2025, mainly due to higher sales volumes and improved selling prices. Sales in the Beer and NAB Segment of P110,742 million in 2025, is at par with P111,220 million in 2024; sales in the Spirits Segment increased by 7%, from P45,562 million in 2024 to P48,663 million in 2025; and sales in the Food Segment increased by 7%, from P134,329 million in 2024 to P143,514 million in 2025.

#### Cost of Sales

The consolidated cost of sales increased by 2%, from P211,503 million for the nine months ended September 30, 2024, to P215,534 million for the same period in 2025. Cost of sales in the Beer and NAB Segment decreased by 4%, from P71,034 million in 2024 to P68,430 million in 2025; cost of sales in the Spirits Segment increased by 4%, from P34,386 million in 2024 to P35,809 million in 2025; and cost of sales in the Food Segment slightly increased by 5%, from P106,100 million in 2024 to P111,275 million in 2025.

The increase in costs was due to stronger sales volumes, higher manufacturing expenses, and higher excise tax rates in the Beer and NAB and Spirits Segments.

The following table summarizes the cost of sales for the nine months ended September 30, 2025:

<i>(in millions)</i>	Beer and NAB	Spirits	Food	Others/ Eliminations / Reclassifications	Total
Inventories	P10,836	P12,529	P94,368	(P3)	P117,730
Excise tax	51,025	21,707	-	-	72,732
Labor	1,725	359	2,196	9	4,289
Others	4,844	1,214	14,711	14	20,783
	<b>P68,430</b>	<b>P35,809</b>	<b>P111,275</b>	<b>P20</b>	<b>P215,534</b>

#### Gross profit

Consolidated gross profit increased by 10%, from P79,605 million for the nine months ended September 30, 2024, to P87,387 million for the same period in 2025, driven by improved sales volumes and favorable selling prices, despite higher excise taxes and manufacturing costs.

#### Selling and Administrative Expenses

Consolidated selling and administrative expenses rose by 8%, from P39,691 million for the nine months ended September 30, 2024, to P42,719 million for the same period in 2025. Selling and administrative expenses in the Beer and NAB Segment grew by 10%, from P16,753 million in 2024 to P18,413 million in 2025, selling and administrative expenses in the Spirits Segment likewise increased by 10%, from P4,840 million in 2024 to P5,345 million in 2025, while selling and administrative expenses in the Food Segment rose by a modest 5%, from P18,424 million in 2024 to P19,319 million in 2025. The overall increase was largely due to higher advertising and promotional spending, increased repairs and maintenance, warehouse rentals, utilities, distribution and handling costs, as well as higher depreciation and manpower expenses from new facilities.

#### Interest Expense and Other Financing Charges

Consolidated interest expense and other financing charges increased by 16%, from P3,266 million for the nine months ended September 30, 2024, to P3,776 million for the same period in 2025. The increase reflects new loan drawdowns at higher rates.

#### Interest Income

Consolidated interest income slightly decreased by 2%, from P2,839 million for the nine months ended September 30, 2024 to P2,778 million for the same period in 2025.

#### Gain on Sale of Investments and Property and Equipment

The Group recognized a net gain of P4 million from the disposal and sale of fixed assets for the first nine months of 2025.

#### Other Income (Charges) - Net

The Group recorded consolidated other income – net amounting to P536 million for the nine months ended September 30, 2025, compared to P299 million in the same period in 2024. This was primarily due to fewer casualty losses and facility closures, and higher tolling fees.

#### Net Income Before Income Tax

As a result, consolidated net income before income tax increased by 11%, from P39,801 million for the nine months ended September 30, 2024, to P44,210 million for the same period in 2025.

#### Income Tax Expense

The income tax expense rose by 12%, from P9,391 million for the nine months ended September 30, 2024, to P10,511 million for the same period in 2025, driven by higher taxable income.

#### Net Income

As a result of the aforementioned, SMFB's consolidated net income increased by 11%, from P30,410 million for the nine months ended September 30, 2024 to P33,699 million for the same period in 2025. The Beer and NAB Segment's net income increased by 1%, from P18,533 million in 2024 to P18,795 million in 2025, the Spirits Segment's net income increased by 17%, from P5,441 million in 2024 to P6,347 million in 2025, while the Food Segment's delivered a robust 33% increase, reaching to P8,920 million in 2025 compared to P6,701 million for the same period in 2024.

#### Net Income After Tax and Minority Interest

SMFB's consolidated net income after tax and minority interest rose by 14%, from P19,302 million for the nine months ended September 30, 2024, to P22,089 million for the same period in 2025. Net income after tax and minority interest slightly increased for the Beer and NAB Segment by 1%, from P18,229 million in 2024 to P18,485 million in 2025, increased for the Spirits Segment by 17%, from P5,441 million in 2024 to P6,347 million in 2025, while the Food Segment experienced a substantial increase of 34%, from P6,118 million in 2024 to P8,187 million in 2025.

### **Business Highlights for the period ended September 30, 2025**

#### Beer and NAB

The Beer and NAB Segment, under San Miguel Brewery Inc. (SMB), reported consolidated revenues of P110,742 million for the first nine months of 2025, at par with the same period last year. Growth in international operations helped offset softer domestic demand. Domestic revenues contributed P98,296 million, with international operations adding US\$218 million.

Cost of sales decreased by 4% as a result of the lower sales volume and lower cost of raw materials and supplies. Domestic operations accounted for P62,229 million, while international operations accounted for US\$109 million.

Selling and administrative expenses increased by 10% due to higher depreciation and amortization, personnel expenses, advertising and promotions, and provision for inventory losses. Domestic operations accounted for P15,341 million, while international operations accounted for US\$54 million.

Consequently, income from operations increased by 2%, from P23,433 million to P23,899 million. Domestic operations contributed P20,726 million, while international operations contributed US\$56 million.

Interest income increased by 3% to P1,932 million with higher money market placements for domestic operations.

Interest expense and other financing charges also increased by 10%, mainly due to the higher interest rates of new term loans drawn in December 2024 and May 2025.

Other income increased by 44% to P470 million, primarily due to foreign exchange gains from the favorable effect of the movement of New Taiwan Dollar, Vietnam Dong, and Indonesian Rupiah versus the United States (US) Dollar on the assets and liabilities of San Miguel Taiwan, San Miguel Brewery Vietnam Company Limited, and PT. Delta Jakarta Tbk., respectively.

Consolidated net income slightly increased to P18,795 million from last year's P18,533 million. Domestic operations contributed P18,540 million, while international operations contributed US\$51 million.

As a result of the foregoing, net income attributable to equity holders of SMB was higher by 1%, while net income attributable to non-controlling interests also increased by 2%.

The operating and financial highlights of each segment of SMB are as follows:

#### *Domestic Beer Operations*

The Beer and NAB Segment's domestic operations under SMB posted P98,296 million revenues as of September 30, 2025, accounting for 88.8% of SMB's total revenue. Year-to-date revenue was slightly lower by 1% from 2024 due to lower sales volume. The subdued performance was attributed to soft consumer demand, the impact of last year's pre-September price increase trade buildup, the onslaught of successive calamities affecting most regions, and a potential shift in consumer spending to online gaming.

Income from operations slightly improved to P20,726 million, as lower costs of materials and supplies cushioned the impact of the decline in volume. Net income was 20% lower compared to the same period last year.

#### *International Beer Operations*

San Miguel Brewing International Limited (SMBIL) recorded consolidated revenues of US\$ 218 million as of September 30, 2025, representing a 3% increase from the US\$ 212 million reported in the same period in 2024. This growth was primarily driven by a 4% increase in volumes, partially offset by an unfavorable market mix and the appreciation of the US Dollar against most local currencies.

SMBIL's global San Miguel brand volumes maintained their growth trajectory, registering a 6% increase from last year. Consequently, consolidated volumes, including local brands (i.e., beer brands owned by subsidiaries in the relevant international markets), were 4% higher than in 2024, partly offset by lower sales of local and partner brands. In South China, volumes rose by 3% year-on-year, outperforming the 4% industry decline in Guangdong, driven by increased penetration in online platforms and retail chain channels. Vietnam operations' global San Miguel brands increased by 12% from the same period in 2024, supported by higher volumes in the modern trade off-premise channel and increased number of draught outlets. In Thailand, volumes were 2% better than last year due to an increase in on-premise outlets. The Exports business continued to deliver robust growth, surpassing last year's volume by 7%, buoyed by higher shipments to the United Arab Emirates (UAE) and across key markets such as Australia, Canada, Singapore, Malaysia, Maldives, Oman, Pohnpei, and Rwanda. These gains were partly offset by lower volumes in Indonesia and Hong Kong operations. The Indonesia operations turned around the decline in

the first quarter with growth in the second and third quarters, resulting in volumes only slightly below last year's level. In Hong Kong, volumes were affected by a 4% contraction in the beer industry, stemming from sustained cross-border travel to China as well as shifting spending behaviors among local consumers and inbound tourists.

SMBIL's consolidated operating income for the first nine months of 2025 amounted to US\$ 56 million, a 15% increase from the US\$ 48 million profit registered in 2024, on the back of higher volumes, reduced production costs, and effective management of fixed expenses.

#### Spirits

The Spirits Segment, under Ginebra San Miguel Inc. (GSMI), achieved revenues of P48,663 million, marking a 7% year-on-year increase, primarily driven by higher selling prices. As a result, gross profit rose to P12,854 million, reflecting a 15% increase compared to the same period last year.

Selling and administrative expenses increased by 10%, from P4,840 million to P5,345 million, primarily due to higher costs related to advertising and promotions, as well as other administrative items.

Interest expense and other financing charges increased by 14%, from P53 million to P60 million, mainly due to interest costs associated with long-term employee benefit obligations, and bank charges.

Other income increased from P286 million to P356 million, primarily driven by net tolling revenues.

Consolidated net income for the nine-month period reached P6,347 million, representing a 17% increase compared to the P5,441 million recorded during the same period last year.

#### Food

The Food Segment sustained its growth momentum and posted P143,514 million in consolidated revenues for the first three quarters of 2025, 7% higher than same period in 2024. This was driven by strong volume growth in most businesses, sustained recovery of the Animal Nutrition and Health business, and favorable selling prices of chicken and Prepared and Packaged Food products.

The Protein business, comprising poultry and fresh meats businesses, led the Food Segment's topline growth as it registered revenues of P56,612 million, up by 11% year-on-year. Strong demand from the foodservice segment and supermarkets, backed by steady internal chicken supply, resulted in higher volume, while favorable selling prices complemented revenue growth. On the other hand, the fresh meats business continued to be challenged by the limited hog supply due to the prolonged impact of African Swine Fever (ASF).

The Animal Nutrition and Health business sustained its recovery momentum, boosted by double-digit volume growth of broiler and layer feeds, enabled by intensified on-ground marketing activities and new account openings gained from farm trials. Lower input costs helped in the implementation of purposive competitive pricing, preserving volume share. As a result, year-to-date September revenues were P31,699 million, narrowing the gap against last year's level to just -1%.

The Prepared and Packaged Food business, consisting of processed meats, ready-to-eat and plant-based food, dairy, spreads and coffee businesses, grew revenues to P42,862 million, up 9% from same period in 2024, on the back of higher sales volume, favorable selling prices, and a better sales mix. Magnolia's butter, Dari Crème, cheese, salad aids, and all-purpose cream, as well as the Coffee business' Original variant, recorded double-digit volume growth. Meanwhile, the company-owned canning facility sufficiently supported growing demand for canned processed meats, particularly corned meats and luncheon meats, enabling double-digit volume increase. Refrigerated meats such as hams, bacon and the Purefoods native line likewise grew sales volume from last year's level.

The Food Segment's cost of sales at P111,275 million grew by 5% compared to same period last year, in line with volume growth. Rising prices of imported meat and dairy materials, as well as higher fuel and power costs, among others, also contributed to the increase in cost of sales.

The Food Segment's gross profit at P32,239 million was up 14% compared to the first nine months of 2024, driven by volume gains, favorable selling prices, and cost breaks in some major raw materials of the Protein, and Animal Nutrition and Health businesses.

Selling and administrative expenses at P19,319 million went up by 5% from last year's level due to increases in manpower and logistics costs, depreciation of new facilities, and higher spending on advertising and promotion to support and drive volume growth.

Driven by the sustained strong performance of the Poultry business, coupled with enhanced efficiencies from company-owned facilities, the Food Segment's operating income rose to P12,920 million, 32% higher than same period in 2024.

### **Nine months ended September 30, 2024 compared to nine months ended September 30, 2023**

<i>(in millions)</i>	SEPTEMBER		HORIZONTAL ANALYSIS		VERTICAL ANALYSIS	
	2024	2023	INCREASE (DECREASE) AMOUNT	%	2024	2023
SALES	P291,108	P276,656	P14,452	5%	100%	100%
COST OF SALES	211,503	205,007	6,496	3%	73%	74%
GROSS PROFIT	79,605	71,649	7,956	11%	27%	26%
SELLING AND ADMINISTRATIVE EXPENSES	(39,691)	(36,964)	2,727	7%	(14%)	(13%)
OPERATING RESULTS	39,914	34,685	5,229	15%	14%	13%
INTEREST EXPENSE AND OTHER FINANCING CHARGES	(3,266)	(3,635)	369	(10%)	(1%)	(1%)
INTEREST INCOME	2,839	2,231	608	27%	1%	1%
GAIN ON SALE OF INVESTMENTS AND PROPERTY AND EQUIPMENT	15	6	9	150%	0%	0%
OTHER INCOME (CHARGES) - NET	299	2,905	(2,606)	(90%)	0%	1%
INCOME BEFORE INCOME TAX	39,801	36,192	3,609	10%	14%	13%
INCOME TAX EXPENSE	9,391	8,709	682	8%	3%	3%
NET INCOME	P30,410	P27,483	P2,927	11%	10%	10%
<b>Attributable to:</b>						
Equity holders of the Parent Company	P19,302	P16,048	P3,254	20%	7%	6%
Non-controlling interests	11,108	11,435	(327)	(3%)	4%	4%
	P30,410	P27,483	P2,927	11%	10%	10%

For the first three quarters of 2024, the Group reported strong performance, reflecting consistent growth across its business segments.

Consolidated sales for the nine months ended September 30, 2024 reached P291,108 million, 5% higher compared to the same period in 2023, while the consolidated net income amounted to P30,410 million, an 11% increase over the same period in 2023.

#### Sales

Consolidated sales increased by 5%, from P276,656 million for the nine months ended September 30, 2023, to P291,108 million for the same period in 2024, mainly due to higher sales volumes and improved selling prices. Sales in the Beer and NAB Segment increased by 3%, from P108,333 million in 2023 to P111,220 million in 2024; sales in the Spirits Segment increased by 17%, from P38,915 million in 2023 to P45,562 million in 2024; and sales in the Food Segment increased by 4%, from P129,412 million in 2023 to P134,329 million in 2024.

#### Cost of Sales

The consolidated cost of sales increased by 3%, from P205,007 million for the nine months ended September 30, 2023, to P211,503 million for the same period in 2024. Cost of sales in the Beer and NAB Segment increased by 4%, from P68,551 million in 2023 to P71,034 million in 2024; cost of sales in the Spirits Segment increased by 17%, from P29,453 million in 2023 to P34,386 million in 2024; and cost of sales in the Food Segment slightly decreased by 1%, from P107,013 million in 2023 to P106,100 million in 2024.

The overall increase in costs was due to stronger sales volumes, higher manufacturing expenses, and higher excise tax rates in the Beer and NAB and Spirits Segments.

The following table summarizes the cost of sales for the nine months ended September 30, 2024:

<i>(in millions)</i>	<b>Beer and NAB</b>	<b>Spirits</b>	<b>Food</b>	<b>Eliminations / Reclassifications</b>	<b>Total</b>
Inventories	P12,075	P12,646	P90,408	(P3)	<b>P115,126</b>
Excise tax	52,411	20,068	-	-	<b>72,479</b>
Labor	1,601	337	2,002	-	<b>3,940</b>
Others	4,947	1,335	13,690	(14)	<b>19,958</b>
	<b>P71,034</b>	<b>P34,386</b>	<b>P106,100</b>	<b>(P17)</b>	<b>P211,503</b>

#### Gross profit

Consolidated gross profit increased by 11%, from P71,649 million for the nine months ended September 30, 2023, to P79,605 million for the same period in 2024, driven by higher sales volumes and increased selling prices, despite higher excise taxes and manufacturing costs.

#### Selling and Administrative Expenses

Consolidated selling and administrative expenses rose by 7%, from P36,964 million for the nine months ended September 30, 2023, to P39,691 million for the same period in 2024. Selling and administrative expenses grew by 7% in the Beer and NAB Segment, from P15,668 million in 2023 to P16,753 million in 2024, increased by 9% in the Spirits Segment, from P4,428 million in 2023 to P4,840 million in 2024, and rose by 7% in the Food Segment, from P17,182 million in 2023 to P18,424 million in 2024. The increases were primarily attributed to higher handling costs, delivery, marketing, and personnel expenses, as well as increased amortization of deferred containers and costs related to outside manpower services.

#### Interest Expense and Other Financing Charges

Consolidated interest expense and other financing charges decreased by 10%, from P3,635 million for the nine months ended September 30, 2023, to P3,266 million for the same period in 2024. This reduction was due to the Food Segment's lower monthly average loan balance and the Beer and NAB Segment's redemption of fixed-rate bonds.

#### Interest Income

Consolidated interest income increased by 27%, from P2,231 million for the nine months ended September 30, 2023 to P2,839 million for the same period in 2024, mainly due to a higher average level of money market placements with longer maturities, higher interest rates, and interest earned from investments in debt instruments.

#### Gain on Sale of Investments and Property and Equipment

The Group recognized a gain of P15 million from the disposal and sale of fixed assets for the first nine months of 2024.

#### Other Income (Charges) - Net

The Group recorded consolidated other income – net amounting or P299 million for the nine months ended September 30, 2024, compared to P2,905 million in the same period in 2023. This difference was largely due to a one-time gain in 2023 from the Spirits Segment's assignment of product rights and the Beer Segment's Tax Credit Certificates issued by the Bureau of Internal Revenue (BIR) following tax refund cases.

#### Net Income Before Income Tax

As a result, consolidated net income before income tax increased by 10%, from P36,192 million for the nine months ended September 30, 2023, to P39,801 million for the same period in 2024.

#### Income Tax Expense

The income tax expense rose by 8%, from P8,709 million for the nine months ended September 30, 2023, to P9,391 million for the same period in 2024, driven by higher taxable income.

#### Net Income

As a result of the aforementioned, SMFB's consolidated net income increased by 11%, from P27,483 million for the nine months ended September 30, 2023 to P30,410 million for the same period in 2024. The Beer and NAB Segment's net income decreased by 5%, from P19,431 million in 2023 to P18,533 million in 2024, and the Spirits Segment's net income also slightly declined by 1%, from P5,491 million in 2023 to P5,441 million in 2024. In contrast, the Food Segment's net income surged by 131%, reaching P6,701 million in 2024 compared to P2,899 million for the same period in 2023.

### Net Income After Tax and Minority Interest

SMFB's consolidated net income after tax and minority interest rose by 20%, from P16,048 million for the nine months ended September 30, 2023, to P19,302 million for the same period in 2024. Net income after tax and minority interest for the Beer and NAB Segment decreased by 4%, from P19,017 million in 2023 to P18,229 million in 2024, while net income after tax and minority interest for the Spirits Segment saw a slight decrease of 1%, from P5,491 million in 2023 to P5,441 million in 2024. The Food Segment, however, experienced a substantial increase in net income after tax and minority interest of 145%, from P2,496 million in 2023 to P6,118 million in 2024.

### **Business Highlights for the period ended September 30, 2024**

#### Beer and NAB

The Beer and NAB Segment under SMB reported consolidated revenues of P111,220 million for the first nine months of 2024, representing a 3% increase compared to the same period in 2023. This growth was driven by volume gains and strategic price adjustments in domestic operations, with domestic revenues contributing P99,141 million and international operations adding US\$212 million.

Cost of sales rose by 4% to P71,034 million, primarily due to the P2/liter excise tax increase on fermented liquors in the Philippines, effective January 1, 2024. Domestic operations accounted for P64,770 million of the cost, while international operations accounted for US\$110 million.

Selling and administrative expenses increased by 7% to P16,753 million, mainly due to higher personnel, distribution, advertising, and promotional costs. Domestic operations contributed P13,682 million, while international operations accounted for US\$54 million.

As a result, income from operations declined by 3% from P24,114 million to P23,433 million, with domestic operations contributing P20,689 million and international operations contributing US\$48 million.

Interest income rose by 9%, driven by higher money market placements and improved interest rates in both domestic and international operations.

Other income was lower than in the first nine months of 2023, which had recognized a tax credit certificate issued by the BIR for the San Mig Light tax case of 2012.

Income tax expense decreased by 6% due to lower taxable income.

As a result of the foregoing, consolidated net income decreased by 5%, with domestic operations contributing P23,263 million and international operations contributing US\$47 million.

#### *Domestic Beer Operations*

The Beer and NAB Segment's domestic operations under SMB posted P99,141 million, a 3% increase from same period in 2023, driven by a strong third-quarter performance where beer sales volume grew by 4%. This growth offset earlier volume declines and was supported by effective sales and marketing initiatives along with price adjustments.

Operating income decreased slightly by 3% to P20,689 million, while net income rose by 38% to P23,263 million.

#### ***International Beer Operations***

SMBIL reported consolidated revenues of US\$212 million as of September 30, 2024, a slight decline from the US\$217 million in the same period in 2023. This decrease was primarily due to slightly lower volumes, an unfavorable sales mix, and the appreciation of the US Dollar against most local currencies.

SMBIL's global San Miguel brand volumes performed well, with a 7% increase over same period in 2023. However, consolidated volume, including local brands (i.e., beer brands owned by subsidiaries in relevant international markets) but excluding additional exports production allocated to the Philippines, was slightly below 2023. The growth in global San Miguel brands was offset by lower sales of local and partner brands. Including additional export volume allocated to the Philippines, consolidated SMBIL volume reflected a 2% improvement from 2023.

In South China, volumes rose by 4%, driven by expansion in the retail chains and online channels, along with effective promotion programs. In Vietnam, global San Miguel brands grew by 14% compared to same period in 2023, benefiting from increased on-premise outlets and stronger sales in modern trade off-premise channels. Exports operations also sustained growth, with volume up by 9% year-over-year due to higher sales in the UAE, Malaysia, and various markets across Asia and the Middle East. This growth was partially offset by volume declines in Hong Kong, Thailand, and Indonesia. In Thailand, volumes were impacted by lower sales in the modern trade channel and the Bangkok region. In Hong Kong, sales fell in line with a contraction in the beer industry and an increase in outbound tourism, especially to Mainland China. In Indonesia, Anker Bir volumes decreased due to intensified competition in the wholesaler channel.

SMBIL's consolidated operating income for the first nine months of 2024 was US\$48 million, a 2% decrease from the US\$49 million income registered in the first nine months of 2023. This decline was mainly due to lower volumes (excluding additional exports production allocated to the Philippines), lower average selling prices affected by the sales mix, unfavorable foreign exchange rate, and increased payroll and advertising and promotion expenses.

### Spirits

The Spirits Segment GSML achieved revenues of P45,562 million, a 17% increase over the first three quarters in 2023, driven by both volume growth and price adjustments. Gross profit reached P11,176 million, an 18% increase compared to same period in 2023, due to a price increase to offset higher excise taxes and other input costs.

Selling and marketing expenses rose by 13%, amounting to P2,959 million, primarily due to increased delivery and handling costs, along with higher advertising and promotional expenses.

Interest income surged by 75% to P645 million, driven by higher earnings from money market placements.

Other Income – Net declined to P287 million, mainly due to 2023's one-time income from the assignment of product rights.

The segment's net income stood at P5,441 million, nearly at par with same period in 2023's level of P5,491 million, showing only a 1% decrease.

### Food

The Food Segment sustained strong topline performance, posting consolidated revenues of P134,329 million for the first nine months of 2024, a 4% increase from the same period in 2023, as most businesses maintained steady sales volumes. Stable selling prices of chicken and Prepared and Packaged Food products also contributed to revenue growth.

The Protein business, comprising poultry and fresh meats, posted revenues of P50,879 million, 7% higher than the same period in 2023. Selling prices of chicken remained stable as inventory of imported frozen chicken tapered off, while strong demand from foodservice, wet markets, Manukang Bayan, and community resellers supported revenue growth in poultry. However, challenges related to the resurgence of ASF in several provinces continued to affect repopulation efforts, impacting fresh meats revenue.

The Animal Nutrition and Health business recorded revenues of P32,015 million, 6% below same period in 2023's level, largely due to competitive pricing strategies aimed at maintaining market leadership and passing on favorable cost of major raw materials. Hog feed sales remained affected by ASF-induced industry depopulation, and lower chicken prices in the first quarter led to reduced farm loading, resulting in decreased demand for broiler feeds.

The Prepared and Packaged Food business, which includes processed meats, ready-to-eat and plant-based foods, dairy, spreads, and coffee, led the Food Segment's revenue growth, achieving revenues of P39,452 million, an 11% increase from the same period in 2023. This growth was driven by better selling prices and higher sales volumes. Purefoods Luncheon Meat and Purefoods Corned Beef experienced strong double-digit volume growth, supported by additional production capacity from a company-owned cannery. Products like Tender Juicy® Hotdogs, SPAM®, sliced hams and Purefoods native line also exceeded 2023's volumes. Magnolia butter, cheese, margarine, salad aids, flour mixes, and ice cream, along with San Mig Coffee Original and

Sugarfree variants, performed well due to expansive consumer bundling promos, digital campaigns, and in-store activities.

The Food Segment's cost of sales was P106,100 million, down 1% from the same period in 2023, mainly due to sustained reductions in major raw material costs—such as corn, soybean meal, feed wheat, imported beef, chicken meat, pork fat, and cheese curds—along with operational efficiencies achieved through company-owned facilities.

Gross profit for the Food Segment rose to P28,229 million, 26% higher than in the first nine months of 2023, driven by higher volumes and lower raw material costs.

Selling and administrative expenses increased by 7% to P18,424 million, largely due to expanded manpower to support growth, government-mandated wage hikes, and increased spending on advertising and promotion to drive volume growth.

As a result, the Food Segment's operating income for the first nine months rose to P9,805 million, an 88% growth over the same period in 2023.

## II. FINANCIAL POSITION

### Financial Position as of September 30, 2025 vs December 31, 2024

(in millions)	September 2025	December 2024	Horizontal Analysis Increase (Decrease)		Vertical Analysis	
			Amount	%	2025	2024
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	62,444	58,221	4,223	7%	16%	15%
Trade and other receivables - net	23,951	29,456	(5,505)	(19%)	6%	8%
Inventories	46,807	47,582	(775)	(2%)	12%	13%
Current portion of biological assets - net	3,206	3,241	(35)	(1%)	1%	1%
Prepaid expenses and other current assets	5,628	5,506	122	2%	1%	1%
Assets held for sale	186	186	-	0%	0%	0%
<b>Total Current Assets</b>	<b>142,222</b>	<b>144,192</b>	<b>(1,970)</b>	<b>(1%)</b>	<b>37%</b>	<b>38%</b>
<b>Noncurrent Assets</b>						
Investments - net	18,593	17,388	1,205	7%	5%	5%
Property, plant and equipment - net	133,767	128,590	5,177	4%	35%	34%
Right-of-use assets - net	4,957	4,923	34	1%	1%	1%
Investment property - net	3,599	3,576	23	1%	1%	1%
Biological assets - net of current portion	2,734	2,652	82	3%	1%	1%
Goodwill - net	996	996	-	0%	0%	0%
Other intangible assets - net	39,738	39,665	73	0%	10%	11%
Deferred tax assets	3,554	3,657	(103)	(3%)	1%	1%
Other noncurrent assets - net	29,953	31,467	(1,514)	(5%)	8%	8%
<b>Total Noncurrent Assets</b>	<b>237,891</b>	<b>232,914</b>	<b>4,977</b>	<b>2%</b>	<b>63%</b>	<b>62%</b>
<b>Total Assets</b>	<b>380,113</b>	<b>377,106</b>	<b>3,007</b>	<b>1%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Loans payable	7,776	17,103	(9,327)	(55%)	2%	5%
Trade payables and other current liabilities	77,043	76,416	627	1%	20%	20%
Lease liabilities - current portion	741	735	6	1%	0%	0%
Income and other taxes payable	9,422	10,035	(613)	(6%)	2%	3%
Dividends payable	506	89	417	469%	0%	0%
Current maturities of long-term debt - net of debt issue costs	17,347	12,328	5,019	41%	5%	3%
<b>Total Current Liabilities</b>	<b>112,835</b>	<b>116,706</b>	<b>(3,871)</b>	<b>(3%)</b>	<b>30%</b>	<b>31%</b>
<b>Noncurrent Liabilities</b>						
Long-term debt – net of current maturities and debt issue costs	63,528	67,652	(4,124)	(6%)	17%	18%
Deferred tax liabilities	25	23	2	9%	0%	0%
Lease liabilities – net of current portion	5,070	4,864	206	4%	1%	1%
Other noncurrent liabilities	5,694	7,672	(1,978)	(26%)	1%	2%
<b>Total Noncurrent Liabilities</b>	<b>74,317</b>	<b>80,211</b>	<b>(5,894)</b>	<b>(7%)</b>	<b>20%</b>	<b>21%</b>
<b>Equity</b>						
Capital stock	6,251	6,251	-	0%	2%	2%
Additional paid-in capital	366,620	366,620	-	0%	96%	97%
Equity adjustments from common control transactions	(327,793)	(327,793)	-	0%	(86%)	(87%)
Equity reserves	(1,581)	(1,711)	130	(8%)	(0%)	(0%)
Retained earnings:						
Appropriated	46,807	45,375	1,432	3%	12%	12%
Unappropriated	66,362	57,551	8,811	15%	17%	15%
Treasury stock	(30,182)	(30,182)	-	0%	(8%)	(8%)
<b>Equity Attributable to Equity Holders of the Parent Company</b>	<b>126,484</b>	<b>116,111</b>	<b>10,373</b>	<b>9%</b>	<b>33%</b>	<b>31%</b>
<b>Non-controlling Interests</b>	<b>66,477</b>	<b>64,078</b>	<b>2,399</b>	<b>4%</b>	<b>17%</b>	<b>17%</b>
<b>Total Equity</b>	<b>192,961</b>	<b>180,189</b>	<b>12,772</b>	<b>7%</b>	<b>51%</b>	<b>48%</b>
<b>Total Liabilities and Equity</b>	<b>380,113</b>	<b>377,106</b>	<b>3,007</b>	<b>1%</b>	<b>100%</b>	<b>100%</b>

Consolidated total assets as of September 30, 2025 amounted to P380,113 million, slightly higher or a growth of P3,007 million from the December 31, 2024 level.

Consolidated total liabilities as of September 30, 2025 amounted to P187,152 million, lower by 5% or P9,765 million from the December 31, 2024 level. This decrease was primarily due to loan settlements and lower loan drawdowns.

Cash and cash equivalents increased by 7% or by P4,223 million, supported by stronger results and improved collections.

Trade and other receivables decreased by 19% or by P5,505 million, following collections from peak season sales and reduced credit sales.

Investments increased by 7% or by P1,205 million, mainly due to the equity investment of a subsidiary.

Loans payable decreased by 55% or by P9,372 million, primarily due to lower loan drawdowns during the period.

Income and other taxes payable decreased by 6% or by P613 million, attributed to the Group's lower income taxes and value-added tax (VAT) payable for the quarter.

Dividends payable increased by 469% or by P417 million, mainly due to higher dividends declared during the period and unclaimed dividends.

Consolidated total equity as of September 30, 2025 amounted to P192,961 million, reflecting a 7% or P12,772 million increase from the December 31, 2024 level. The increase was primarily due to net income of P33,699 million, offset by dividends declared by the Group amounting P21,129 million during the period.

## Financial Position as of September 30, 2024 vs December 31, 2023

(in millions)	September 2024	December 2023	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease) Amount	%	2024	2023
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	63,846	57,007	6,839	12%	17%	16%
Trade and other receivables - net	22,779	25,869	3,090	(12%)	6%	7%
Inventories	49,464	43,096	6,368	15%	13%	12%
Current portion of biological assets - net	3,215	3,515	(300)	(9%)	1%	1%
Prepaid expenses and other current assets	5,422	6,216	(794)	(13%)	1%	2%
Assets held for sale	186	186	-	0%	0%	0%
<b>Total Current Assets</b>	<b>144,912</b>	<b>135,889</b>	<b>9,023</b>	<b>7%</b>	<b>39%</b>	<b>38%</b>
<b>Noncurrent Assets</b>						
Investments - net	17,205	17,128	77	0%	5%	5%
Property, plant and equipment - net	125,488	118,000	7,488	6%	34%	33%
Right-of-use assets - net	4,286	4,633	347	(7%)	1%	1%
Investment property - net	3,521	3,537	(16)	(0%)	1%	1%
Biological assets - net of current portion	2,460	2,667	207	(8%)	1%	1%
Goodwill - net	996	996	-	0%	0%	0%
Other intangible assets - net	39,665	39,444	221	1%	11%	11%
Deferred tax assets	3,297	3,209	88	3%	1%	1%
Other noncurrent assets - net	31,905	30,272	1,633	5%	9%	9%
<b>Total Noncurrent Assets</b>	<b>228,823</b>	<b>219,886</b>	<b>8,937</b>	<b>4%</b>	<b>61%</b>	<b>62%</b>
<b>Total Assets</b>	<b>373,735</b>	<b>355,775</b>	<b>17,960</b>	<b>5%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Loans payable	17,439	14,684	2,755	19%	5%	4%
Trade payables and other current liabilities	73,261	65,288	7,973	12%	20%	18%
Lease liabilities - current portion	371	418	47	(11%)	0%	0%
Income and other taxes payable	8,616	9,668	1,052	(11%)	2%	3%
Dividends payable	249	79	170	215%	0%	0%
Current maturities of long-term debt - net of debt issue costs	22,313	12,871	9,442	73%	6%	4%
<b>Total Current Liabilities</b>	<b>122,249</b>	<b>103,008</b>	<b>19,241</b>	<b>19%</b>	<b>33%</b>	<b>29%</b>
<b>Noncurrent Liabilities</b>						
Long-term debt – net of current maturities and debt issue costs	57,794	69,939	12,145	(17%)	15%	20%
Deferred tax liabilities	23	26	(3)	(12%)	0%	0%
Lease liabilities – net of current portion	4,586	4,758	(172)	(4%)	1%	1%
Other noncurrent liabilities	7,735	8,929	(1,194)	(13%)	2%	3%
<b>Total Noncurrent Liabilities</b>	<b>70,138</b>	<b>83,652</b>	<b>13,514</b>	<b>(16%)</b>	<b>19%</b>	<b>24%</b>
<b>Equity</b>						
Capital stock	6,251	6,251	-	0%	2%	2%
Additional paid-in capital	366,620	366,620	-	0%	98%	103%
Equity adjustments from common control transactions	(327,793)	(327,793)	-	0%	(88%)	(92%)
Equity reserves	(1,744)	(2,094)	350	(17%)	(0%)	(1%)
Retained earnings:						
Appropriated	50,213	45,392	4,821	11%	13%	13%
Unappropriated	54,840	50,996	3,844	8%	15%	14%
Treasury stock	(30,182)	(30,182)	-	0%	(8%)	(8%)
<b>Equity Attributable to Equity Holders of the Parent Company</b>	<b>118,205</b>	<b>109,190</b>	<b>9,015</b>	<b>8%</b>	<b>32%</b>	<b>31%</b>
<b>Non-controlling Interests</b>	<b>63,143</b>	<b>59,925</b>	<b>3,218</b>	<b>5%</b>	<b>17%</b>	<b>17%</b>
<b>Total Equity</b>	<b>181,348</b>	<b>169,115</b>	<b>12,233</b>	<b>7%</b>	<b>49%</b>	<b>48%</b>
<b>Total Liabilities and Equity</b>	<b>373,735</b>	<b>355,775</b>	<b>17,960</b>	<b>5%</b>	<b>100%</b>	<b>100%</b>

Consolidated total assets as of September 30, 2024 amounted to P373,735 million, representing a 5% or P17,960 million increase from the December 31, 2023 level. The increase was mainly driven by higher cash generated from operations, increased inventory levels, and expansion projects of the Group. These gains were partially offset by lower receivables due to collections from peak season sales, lower feed costs, a decrease in prepaid expenses from amortized prepaid taxes, and a reduction in input VAT.

Consolidated total liabilities as of September 30, 2024 amounted to P192,387 million, up 3% or P5,727 million from the December 31, 2023 level. This increase was primarily due to additional loan availments and higher purchases of raw materials.

Cash and cash equivalents increased by 12% or by P6,839 million, mainly due to higher cash generated from operations, offset by dividend payments and funding of investing activities.

Trade and other receivables decreased by 12% or P3,090 million, attributed to collections from peak season sales and enhanced collection efforts.

Inventories increased by 15% or by P6,368 million, primarily due to higher levels of materials, supplies, and finished goods.

Biological assets decreased by 8% or by P507 million, mainly due to lower growing and feed costs and a decrease in the volume or flocks loaded compared to December 2023 levels.

Prepaid expenses and other current assets decreased by 13% or by P794 million, mainly due to a lower input tax balance, the transfer of previously purchased spare parts to inventory, and amortization of prepaid taxes.

Loans payable increased by 19% or by P2,755 million, due to additional availments during the period.

Income and other taxes payable decreased by 11% or by P1,052 million, resulting from lower VAT and withholding taxes payable.

Dividends payable increased by 215% or by P170 million, mainly due to higher dividends declared during the period and unclaimed dividends.

Consolidated total equity as of September 30, 2024 amounted to P181,348 million, reflecting a 7% or P12,233 million increase from the December 31, 2023 level. The increase was primarily due to net income of P30,410 million, offset by dividends declared by the Group amounting P18,939 million during the period.

### III. SOURCES AND USES OF CASH

A brief summary of cash flow movements for the periods ended September 30, 2025 and 2024 is shown below:

<i>(in millions)</i>	2025	2024
Net cash flows provided by operating activities	P50,154	P41,715
Net cash flows used in investing activities	(16,224)	(15,866)
Net cash flows used in financing activities	(29,802)	(19,157)

Net cash from operations primarily comprised income for the period, along with movements in non-cash current assets, certain current liabilities, and other related items.

Net cash used in investing activities include the following:

<i>(in millions)</i>	2025	2024
Additions to property, plant and equipment and investment property	(P10,835)	(P11,380)
Increase in biological assets, intangible assets and other noncurrent assets	(8,270)	(7,354)
Proceeds from sale of investments and property, and equipment	36	22
Dividends received	107	107
Interest received	2,738	2,739

Net cash used in financing activities consist of the following:

<i>(in millions)</i>	2025	2024
Proceeds from short-term and long-term borrowings	P146,131	P232,411
Payments of short-term and long-term borrowings	(154,644)	(232,451)
Cash dividends paid	(20,712)	(18,769)
Payment of lease liabilities	(549)	(348)
Payment of share issuance costs	(28)	-

The effect of exchange rate changes on cash and cash equivalents amounted to P95 million and P147 million for the periods ended September 30, 2025, and 2024, respectively.

#### IV. KEY PERFORMANCE INDICATORS

The following are the major performance measures that the Group uses. Analyses are employed by comparisons and measurements based on the financial data of the periods indicated below.

KPI	As of September 30, 2025	As of December 31, 2024
Liquidity: Current Ratio	1.26	1.24
Quick Ratio	0.77	0.75
Solvency: Debt to Equity Ratio	0.97	1.09
Asset to Equity Ratio	1.97	2.09
Profitability: Return on Average Equity Attributable to Equity Holders of the Parent Company	23.52%	22.85%
Interest Rate Coverage Ratio	12.71	12.16
Return on Assets	11.68%	11.17%

	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Operating Efficiency: Volume Growth	(1.60%)	2.90%
Revenue Growth	4.06%	5.22 %
Operating Margin	14.75%	13.71%

The manner by which the Group calculates the above indicators is as follows:

KPI	Formula
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Quick Ratio	$\frac{\text{Current Assets} - \text{Inventory} - \text{Current Portion of Biological Assets} - \text{Prepayments}}{\text{Current Liabilities}}$
Debt to Equity Ratio	$\frac{\text{Total Liabilities (Current + Noncurrent)}}{\text{Equity}}$
Asset to Equity Ratio	$\frac{\text{Total Assets (Current + Noncurrent)}}{\text{Equity}}$
Return on Average Equity Attributable to Equity Holders of the Parent Company	$\frac{\text{Net Income Attributable to Equity Holders of the Parent Company}^*}{\text{Average Equity Attributable to Equity Holders of the Parent Company}^{**}}$
Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interests and Taxes}}{\text{Interest Expense and Other Financing Charges}}$
Return on Assets	$\frac{\text{Net Income}^*}{\text{Average Total Assets}}$
Volume Growth	$\left( \frac{\text{Sum of all Businesses' Sales at Prior Period Prices}}{\text{Prior Period Net Sales}} \right)^{-1}$
Revenue Growth	$\left( \frac{\text{Current Period Net Sales}}{\text{Prior Period Net Sales}} \right)^{-1}$
Operating Margin	$\frac{\text{Income from Operating Activities}}{\text{Net Sales}}$

\* Annualized for quarterly reporting

\*\* Excluding preferred capital stock and related additional paid-in capital

## V. OTHER MATTERS

### a. Commitments

The Group's outstanding purchase commitments amounted to P80,472 million and P94,986 million as at September 30, 2025 and December 31, 2024, respectively.

- b. There were no known trends, demands, commitments, events, or uncertainties that will have a material impact on the Group's liquidity. The Group does not anticipate any cash flow or liquidity problems within the next 12 months. The Group was not in default or breach, in any material respect, of any note, loan, lease, or other indebtedness or financing arrangement requiring payments. There were no significant amounts of the Group's trade payables that have not been paid within the stated trade terms.
- c. There were no known events that would trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation, and there were no changes in contingent liabilities and contingent assets since the last annual reporting date. No material contingencies and any other events or transactions exist that are material to an understanding of the current interim period.
- d. There were no known trends, events, or uncertainties that have had or that are reasonably expected to have, a favorable or unfavorable impact on net sales, revenues, or income from continuing operations.
- e. There are no significant elements of income or loss that did not arise from continuing operations.
- f. Sales are affected by seasonality of customer purchase patterns. In the Philippines, food and alcoholic beverages, including those produced by the Group, generally experience increased sales during the Christmas holiday season. In addition, alcoholic beverages experience higher sales during the summer months and typically slow down in the third quarter during the rainy season. As a result, performance for any one quarter is not necessarily indicative of what is to be expected for any other quarter or for any year and the Group's financial condition and results of operations may fluctuate significantly from quarter to quarter.
- g. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

**SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES**

**TRADE AND OTHER RECEIVABLES**

**September 30, 2025**

*(In Millions)*

		Past Due				
	Total	Current	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days
Trade	P 21,247	P 17,591	P 2,555	P 435	P 191	P 475
Non-trade	1,545	679	141	82	93	550
Others	2,279	241	32	103	59	1,844
Total	25,071	P 18,511	P 2,728	P 620	P 343	P 2,869
Less allowance for impairment losses	1,120					
Net	P 23,951					

**SAN MIGUEL FOOD AND BEVERAGE, INC. AND SUBSIDIARIES**  
**FINANCIAL SOUNDNESS INDICATORS**

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Return on Assets	$\frac{\text{Net Income}^*}{\text{Average Total Assets}}$
Volume Growth	$\left( \frac{\text{Sum of all Businesses' Sales at Prior Period Prices}}{\text{Prior Period Net Sales}} \right) - 1$
Revenue Growth	$\left( \frac{\text{Current Period Net Sales}}{\text{Prior Period Net Sales}} \right) - 1$
Operating Margin	$\frac{\text{Income from Operating Activities}}{\text{Net Sales}}$

\* Annualized for quarterly reporting

\*\* Excluding preferred capital stock and related additional paid-in capital