

COVER SHEET

SEC Registration Number

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COMPANY NAME

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	S	U	B	S	I	D	I	A	R	I	E	S																	

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

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Form Type <table border="1" style="width: 100%; height: 20px;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>						Department requiring the report <table border="1" style="width: 100%; height: 20px;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>						Secondary License Type, If Applicable <table border="1" style="width: 100%; height: 20px;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>					

COMPANY INFORMATION

Company's Email Address <table border="1" style="width: 100%; text-align: center;"><tr><td>—</td></tr></table>	—	Company's Telephone Number <table border="1" style="width: 100%; text-align: center;"><tr><td>8857-0100</td></tr></table>	8857-0100	Mobile Number <table border="1" style="width: 100%; text-align: center;"><tr><td>—</td></tr></table>	—
—					
8857-0100					
—					
No. of Stockholders <table border="1" style="width: 100%; text-align: center;"><tr><td>1,253</td></tr></table>	1,253	Annual Meeting (Month / Day) <table border="1" style="width: 100%;"><tr><td> </td></tr></table>		Fiscal Year (Month / Day) <table border="1" style="width: 100%; text-align: center;"><tr><td>09/30</td></tr></table>	09/30
1,253					
09/30					

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person <table border="1" style="width: 100%;"><tr><td>Mr. Franklin C. Gomez</td></tr></table>	Mr. Franklin C. Gomez	Email Address <table border="1" style="width: 100%; text-align: center;"><tr><td>—</td></tr></table>	—	Telephone Number/s <table border="1" style="width: 100%; text-align: center;"><tr><td>8857-0100</td></tr></table>	8857-0100	Mobile Number <table border="1" style="width: 100%; text-align: center;"><tr><td>—</td></tr></table>	—
Mr. Franklin C. Gomez							
—							
8857-0100							
—							

CONTACT PERSON'S ADDRESS

10th Floor, OneE-Com Center, Harbor Drive, Mall of Asia Complex, CBP-1A, Pasay City 1300
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NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SEC Number 16342
PSE Disclosure Security Code _____

SM INVESTMENTS CORPORATION

(Company's Full Name)

**10th Floor, OneE-Com Center, Harbor Drive,
Mall of Asia Complex, CBP-IA, Pasay City 1300**

(Company's Address)

8857- 0100

(Telephone Number)

December 31

(Year Ending)
(month & day)

**SEC Form 17-Q
3rd Quarter Report**

Form Type

Amendment Designation (If applicable)

September 30, 2025

Period Ended Date

(Secondary License Type and File Number)

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 September 30, 2025
2. Commission Identification Number 016342
3. BIR Tax Identification No. 169-020-000
4. Exact name of registrant as specified in its charter SM INVESTMENTS CORPORATION
5. PHILIPPINES
Province, Country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. 10th Floor, OneE-Com Center, Harbor Drive, Mall of Asia Complex, CBP-IA, Pasay City 1300
Address of principal office Postal Code
8. 8857-0100
Registrant's telephone number, including area code
9. Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding	Amount of Debt Outstanding
COMMON STOCK P10 PAR VALUE	1,223,325,540	N.A.

11. Are any or all of 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 11 of the Securities Regulation Code (SRC) and SRC Rule 11(a)-1 thereunder and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 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 90 days.
Yes No

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PART I FINANCIAL INFORMATION

Item 1. Interim Condensed Consolidated Financial Statements

SM INVESTMENTS CORPORATION AND SUBSIDIARIES

Interim Condensed Consolidated Financial Statements

**As at September 30, 2025 (Unaudited), September 30, 2024 (Unaudited)
and December 31, 2024 (Audited)**

SM INVESTMENTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands)

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5, 20 and 23)	₱85,775,991	₱112,528,047
Time deposits (Notes 6, 20 and 23)	115,499	221,096
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 7 and 24)	791,589	794,433
Receivables and contract assets (Notes 8 and 20)	106,916,670	92,268,970
Inventories (Note 9)	121,672,998	119,676,110
Other current assets (Notes 10 and 20)	56,907,758	58,311,536
Total Current Assets	372,180,505	383,800,192
Noncurrent Assets		
Financial assets at FVOCI - net of current portion (Notes 7 and 24)	23,870,159	26,361,789
Investments in associate companies and joint ventures (Note 11)	429,383,947	399,483,760
Time deposits - net of current portion (Notes 6, 20, 23 and 24)	3,209,906	3,113,470
Property and equipment (Note 12)	58,448,231	57,356,628
Investment properties (Note 13)	641,542,790	592,949,802
Right-of-use assets (Note 22)	50,975,434	49,185,455
Intangibles (Note 14)	40,386,176	40,386,475
Other noncurrent assets (Notes 14, 22, 23 and 24)	141,843,928	146,414,611
Total Noncurrent Assets	1,389,660,571	1,315,251,990
	₱1,761,841,076	₱1,699,052,182
LIABILITIES AND EQUITY		
Current Liabilities		
Bank loans (Notes 15, 20 and 23)	₱18,995,300	₱24,074,356
Accounts payable and other current liabilities (Notes 16, 20, and 22)	196,585,099	210,372,577
Income tax payable	3,275,687	4,093,222
Current portion of long-term debt (Notes 17, 20, and 23)	126,039,512	104,627,839
Total Current Liabilities	344,895,598	343,167,994
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 17, 20, 23 and 24)	366,383,822	371,872,181
Lease liabilities - net of current portion (Note 22)	34,755,940	33,191,553
Deferred tax liabilities (Note 21)	20,576,499	19,444,899
Tenants' deposits and others (Notes 22 and 24)	68,853,116	64,950,764
Total Noncurrent Liabilities	490,569,377	489,459,397
Total Liabilities	835,464,975	832,627,391

(Forward)

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Equity Attributable to Owners of the Parent Company		
Capital stock (Note 18)	₱12,331,541	₱12,261,146
Additional paid-in capital	77,671,705	71,752,158
Treasury stock	(2,879,065)	(40,912)
Equity adjustments from common control transactions	(6,948,729)	(6,948,729)
Cost of Parent Company common shares held by subsidiaries	(6,225,386)	(25,386)
Cumulative translation adjustment	2,402,777	1,821,115
Fair value changes on cash flow hedges and others	484,181	557,052
Unrealized gain on financial assets at FVOCI (Note 7)	8,124,593	9,898,983
Remeasurement loss on defined benefit asset/obligation	(2,097,286)	(2,099,656)
Share in other comprehensive loss of associate companies and joint ventures - net	(9,020,485)	(11,772,684)
Retained earnings (Note 18):		
Appropriated	30,000,000	30,000,000
Unappropriated	571,014,740	521,900,993
Total Equity Attributable to Owners of the Parent Company	674,858,586	627,304,080
Non-controlling Interests	251,517,515	239,120,711
Total Equity	926,376,101	866,424,791
	₱1,761,841,076	₱1,699,052,182

See accompanying Notes to Condensed Consolidated Financial Statements.

SM INVESTMENTS CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands Except Per Share Data)

	Nine-Month Periods Ended		Three-Month Periods Ended	
	September 30		September 30	
	2025	2024	2025	2024
REVENUES				
Sales:				
Merchandise	₱308,670,116	₱292,630,649	₱103,236,594	₱102,316,382
Real estate	31,200,014	31,803,773	11,183,887	12,212,676
Rent (Notes 13, 20 and 22)	53,242,376	49,785,301	17,832,983	16,877,087
Equity in net earnings of associate companies and joint ventures (Note 11)	39,071,387	37,246,315	14,094,121	12,602,202
Others (Note 19)	50,099,054	50,989,159	16,736,274	17,014,590
	482,282,947	462,455,197	163,083,859	161,022,937
COST AND EXPENSES (Note 9)	368,688,638	353,536,395	125,044,896	122,525,334
OPERATING INCOME	113,594,309	108,918,802	38,038,963	38,497,603
OTHER INCOME (CHARGES)				
Interest expense (Note 20)	(15,560,794)	(16,757,288)	(4,926,134)	(5,836,958)
Interest income (Note 20)	3,132,504	3,350,447	916,973	947,632
Loss from fair value changes on derivatives - net (Note 24)	(83,299)	(262,705)	(49,675)	(162,769)
Foreign exchange gain (loss) - net and others (Note 23)	551,104	857,891	304,123	(23,290)
	(11,960,485)	(12,811,655)	(3,754,713)	(5,075,385)
INCOME BEFORE INCOME TAX	101,633,824	96,107,147	34,284,250	33,422,218
PROVISION FOR INCOME TAX (Note 21)				
Current	12,512,189	11,603,616	4,031,476	4,068,170
Deferred	331,723	392,727	250,688	349,239
	12,843,912	11,996,343	4,282,164	4,417,409
NET INCOME	₱88,789,912	₱84,110,804	₱30,002,086	₱29,004,809
Attributable to				
Owners of the Parent Company	₱64,390,625	₱60,889,457	₱21,825,587	₱20,687,651
Non-controlling interests	24,399,287	23,221,347	8,176,499	8,317,158
	₱88,789,912	₱84,110,804	₱30,002,086	₱29,004,809
Basic/Diluted Earnings Per Common Share				
Attributable to Owners of the Parent Company (Note 25)	₱52.73	₱49.83	₱17.89	₱16.93

See accompanying Notes to Condensed Consolidated Financial Statements.

SM INVESTMENTS CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME
(Amounts in Thousands)

	Nine-Month Periods Ended		Three-Month Periods Ended	
	September 30		September 30	
	2025	2024	2025	2024
NET INCOME	₱88,789,912	₱84,110,804	₱30,002,086	₱29,004,809
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will be reclassified to profit or loss in subsequent periods				
Cumulative translation adjustment	1,154,590	895,809	1,432,124	(231,358)
Fair value changes on cash flow hedges	(665,426)	(1,264,574)	307,074	(763,909)
	489,164	(368,765)	1,739,198	(995,267)
Items not to be reclassified to profit or loss in subsequent periods				
Remeasurement gain (loss) on defined benefit obligation	1,377	(48,424)	(4,999)	2,641
Net unrealized gain (loss) on financial assets at FVOCI	(1,608,186)	819,354	(992,968)	2,750,285
Income tax relating to items not to be reclassified to profit or loss in subsequent periods	(32,538)	(216,805)	(7,806)	63,570
	(1,639,347)	554,125	(1,005,773)	2,816,496
Share in other comprehensive income of associate companies and joint ventures - net	2,832,222	3,879,659	1,668,055	3,526,402
TOTAL COMPREHENSIVE INCOME	₱90,471,951	₱88,175,823	₱32,403,566	₱34,352,440
Attributable to				
Owners of the Parent Company	₱66,481,412	₱65,048,952	₱23,900,070	₱26,117,992
Non-controlling interests	23,990,539	23,126,871	8,503,496	8,234,448
	₱90,471,951	₱88,175,823	₱32,403,566	₱34,352,440

See accompanying Notes to Condensed Consolidated Financial Statements.

SM INVESTMENTS CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands Except Per Share Data)

	Equity Attributable to Owners of the Parent Company							
	Capital Stock	Additional Paid-in Capital	Treasury Stock	Equity Adjustments from Common Control Transactions	Cost of Parent Company Shares Held by Subsidiaries	Cumulative Translation Adjustment	Fair Value Changes on Cash Flow Hedges and Others	Unrealized Gain (Loss) on Financial Assets at FVOCI
As at December 31, 2024 (Audited)	₱12,261,146	₱71,752,158	(₱40,912)	(₱6,948,729)	(₱25,386)	₱1,821,115	₱557,052	₱9,898,983
Net income	-	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	581,662	(72,871)	(1,172,573)
Total comprehensive income	-	-	-	-	-	581,662	(72,871)	(1,172,573)
Realized gain on disposal of financial assets at FVOCI (Note 7)	-	-	-	-	-	-	-	(601,817)
Issuance of common shares (Note 18)	70,395	6,129,605	-	-	(6,200,000)	-	-	-
Purchase of treasury shares (Note 18)	-	-	(2,838,153)	-	-	-	-	-
Transactions with non-controlling interests	-	(210,058)	-	-	-	-	-	-
Cash dividends - ₱13.00 per share (Note 18)	-	-	-	-	-	-	-	-
Cash dividends paid to non-controlling interests	-	-	-	-	-	-	-	-
Net change in non-controlling interests	-	-	-	-	-	-	-	-
As at September 30, 2025	₱12,331,541	₱77,671,705	(₱2,879,065)	(₱6,948,729)	(₱6,225,386)	₱2,402,777	₱484,181	₱8,124,593
As at December 31, 2023 (Audited)	₱12,261,146	₱71,837,361	(₱40,912)	(₱6,660,472)	(₱25,386)	₱1,587,205	₱809,143	₱11,075,393
Net income	-	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	442,587	(655,903)	601,335
Total comprehensive income	-	-	-	-	-	442,587	(655,903)	601,335
Realized gain on disposal of financial assets at FVOCI (Note 7)	-	-	-	-	-	-	-	(353)
Transactions with non-controlling interests	-	(104,694)	-	-	-	-	-	-
Cash dividends - ₱9.00 per share (Note 18)	-	-	-	-	-	-	-	-
Cash dividends paid to non-controlling interests	-	-	-	-	-	-	-	-
Net change in non-controlling interests	-	-	-	-	-	-	-	-
As at September 30, 2024	₱12,261,146	₱71,732,667	(₱40,912)	(₱6,660,472)	(₱25,386)	₱2,029,792	₱153,240	₱11,676,375

Forward

Equity Attributable to Owners of the Parent Company

	Remeasurement Gain (Loss) on Defined Benefit Asset/ Obligation	Share in Other Comprehensive Income (Loss) of Associates - Net	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total	Non-controlling Interests	Total Equity
As at December 31, 2024 (Audited)	(₱2,099,656)	(₱11,772,684)	₱30,000,000	₱521,900,993	₱627,304,080	₱239,120,711	₱866,424,791
Net income	-	-	-	64,390,625	64,390,625	24,399,287	88,789,912
Other comprehensive income (loss)	2,370	2,752,199	-	-	2,090,787	(408,748)	1,682,039
Total comprehensive income	2,370	2,752,199	-	64,390,625	66,481,412	23,990,539	90,471,951
Realized gain on disposal of financial assets at FVOCI (Note 7)	-	-	-	601,817	-	-	-
Issuance of common shares (Note 18)	-	-	-	-	-	-	-
Purchase of treasury shares (Note 18)	-	-	-	-	(2,838,153)	-	(2,838,153)
Transactions with non-controlling interests	-	-	-	-	(210,058)	(118,111)	(328,169)
Cash dividends - ₱13.00 per share (Note 18)	-	-	-	(15,878,695)	(15,878,695)	-	(15,878,695)
Cash dividends paid to non-controlling interests	-	-	-	-	-	(11,478,640)	(11,478,640)
Net change in non-controlling interests	-	-	-	-	-	3,016	3,016
As at September 30, 2025	(₱2,097,286)	(₱9,020,485)	₱30,000,000	₱571,014,740	₱674,858,586	₱251,517,515	₱926,376,101
As at December 31, 2023 (Audited)	(₱3,150,991)	(₱11,376,601)	₱37,000,000	₱443,288,813	₱556,604,699	₱215,595,506	₱772,200,205
Net income	-	-	-	60,889,457	60,889,457	23,221,347	84,110,804
Other comprehensive income (loss)	(22,419)	3,793,895	-	-	4,159,495	(94,476)	4,065,019
Total comprehensive income	(22,419)	3,793,895	-	60,889,457	65,048,952	23,126,871	88,175,823
Realized gain on disposal of financial assets at FVOCI (Note 7)	-	-	-	353	-	-	-
Transactions with non-controlling interests	-	-	-	-	(104,694)	3,562	(101,132)
Cash dividends - ₱9.00 per share (Note 18)	-	-	-	(10,996,880)	(10,996,880)	-	(10,996,880)
Cash dividends paid to non-controlling interests	-	-	-	-	-	(6,913,227)	(6,913,227)
Net change in non-controlling interests	-	-	-	-	-	306,436	306,436
As at September 30, 2024	(₱3,173,410)	(₱7,582,706)	₱37,000,000	₱493,181,743	₱610,552,077	₱232,119,148	₱842,671,225

See accompanying Notes to Condensed Consolidated Financial Statements.

SM INVESTMENTS CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Nine-Month Periods Ended	
	September 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱101,633,824	₱96,107,147
Adjustments for:		
Equity in net earnings of associate companies and joint ventures	(39,071,387)	(37,246,315)
Depreciation and amortization (Notes 12, 13, 14 and 22)	20,419,989	19,438,080
Interest expense	15,560,794	16,757,288
Interest income	(3,132,504)	(3,350,447)
Dividend income	(671,222)	(591,103)
Loss from fair value changes on derivatives - net	83,299	262,705
Unrealized foreign exchange gain and others - net	(74,668)	(444,049)
Income before working capital changes	94,748,125	90,933,306
Decrease (increase) in:		
Receivables and contract assets	(11,008,747)	(11,859,568)
Inventories	(1,671,457)	(6,080,933)
Other current assets	3,473,962	4,912,152
Increase (decrease) in:		
Accounts payable and other current liabilities	(12,245,800)	(4,029,795)
Tenants' deposits and others	3,747,928	2,198,337
Net cash generated from operations	77,044,011	76,073,499
Income tax paid	(13,336,899)	(11,745,939)
Net cash provided by operating activities	63,707,112	64,327,560
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of:		
Financial assets at FVOCI	883,189	–
Investment properties	43,328	272,640
Property and equipment	36,021	312,345
Investments in associate companies and joint ventures	–	1,585,559
Additions to:		
Investment properties (Note 13)	(57,942,774)	(45,920,991)
Property and equipment (Note 12)	(7,753,533)	(8,835,351)
Financial assets at FVOCI	(13,328)	(929,788)
Investments in associate companies and joint ventures (Note 11)	–	(5,288,548)
Trademarks	–	(1,152)
Decrease (increase) in:		
Time deposits	9,161	19,611,112
Other noncurrent assets	(2,659,482)	(1,020,787)
Dividends received	13,867,869	11,388,573
Interest received	3,149,491	3,224,541
Net cash used in investing activities	(50,380,058)	(25,601,847)

(Forward)

	Nine-Month Periods Ended	
	September 30	
	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Availments of:		
Long-term debt	₱99,093,228	₱91,992,741
Bank loans	76,044,675	90,843,609
Payments of:		
Long-term debt	(84,171,108)	(111,022,244)
Bank loans	(81,139,329)	(74,685,527)
Dividends	(28,958,045)	(19,553,926)
Interest	(14,287,687)	(14,663,913)
Lease liabilities (Note 22)	(4,035,368)	(3,991,109)
Purchase of treasury shares (Note 18)	(2,838,153)	-
Proceeds from matured derivatives	199,377	2,305,970
Net cash used in financing activities	(40,092,410)	(38,774,399)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(26,765,356)	(48,686)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	13,300	(21,635)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 5)	112,528,047	103,745,558
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 5)	₱85,775,991	₱103,675,237

See accompanying Notes to Consolidated Financial Statements.

SM INVESTMENTS CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

1. Corporate Information

SM Investments Corporation (SMIC or Parent Company) was incorporated in the Philippines on January 15, 1960.

SMIC is one of the largest publicly listed companies in the Philippines with interests in market leading businesses in retail, banking and property. It also invests in ventures that capture high growth opportunities in the emerging Philippine economy.

The accompanying condensed consolidated financial statements were authorized for issue by the Board of Directors (BOD), as approved and recommended for approval by the Audit Committee on November 12, 2025.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The interim condensed consolidated financial statements of the Parent Company and its subsidiaries (the Group) are prepared on a historical cost basis, except for derivative financial instruments and financial assets at fair value through other comprehensive income (FVOCI) and liabilities which are measured at fair value. The consolidated financial statements are presented in Philippine Peso, the Parent Company's functional and presentation currency under Philippine Financial Reporting Standards (PFRSs) Accounting Standards. All values are rounded to the nearest thousand Pesos except when otherwise indicated.

The interim condensed consolidated financial statements have been prepared on the going concern assumption.

Statement of Compliance

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

Basis of Consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries. As at September 30, 2025, there were no significant changes in the Parent Company's ownership interest in its subsidiaries.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the interim condensed consolidated financial statements requires the use of judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

3. Summary of Material Accounting Policies, Changes and Improvements

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, the adoption of these new standards did not have a significant impact on the interim condensed consolidated financial statements.

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *Lack of exchangeability*

Provides guidance on how to determine the spot exchange rate when a currency is not exchangeable and how to assess exchangeability.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments include:

- A clarification that a financial liability is derecognized on 'settlement date' and introduce an accounting policy choice to derecognize settled financial liabilities using an electronic payment system before the settlement date.
- Guidance on the assessment of contingent features in order to classify financial assets with environmental, social and governance-linked features. The criteria 'solely payments of principal and interest' may still be met provided that the contingent feature gives rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change and that are not 'significantly different' from the cash flows for an identical financial asset without such a contingent feature.
- A clarification that a financial asset has non-recourse features provided the creditor's contractual right to receive cash flows is limited to the cash flows generated by specified assets. Contractually linked instruments can arise in non-recourse structures.

The amendments are effective on or after January 1, 2026 to be applied retrospectively, with early adoption permitted.

- Annual Improvements to PFRS Accounting Standards -Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

- Amendments to PFRS 7, *Gain or Loss on Derecognition*

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13, *Fair value measurement*.

- Amendments to PFRS 9

- a. Lessee Derecognition of Lease Liabilities

The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

- b. Transaction Price

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to ‘transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*’ with ‘the amount determined by applying PFRS 15’. The term ‘transaction price’ in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

- Amendments to PFRS 10, *Determination of a ‘De Facto Agent’*

The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

- Amendments to PAS 7, *Cost Method*

The amendments to paragraph 37 of PAS 7 replaced the term ‘cost method’ with ‘at cost’, following the prior deletion of the definition of ‘cost method’.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments clarify the application of ‘own-use’ requirements for nature-dependent electricity contracts, allow an entity to designate these contracts as hedging instruments, and add new disclosure requirements on the impact of these contracts on the financial performance and cash flows.

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

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*

PFRS 18 replaces PAS 1 and responds to investors’ demand for better information about the financial performance of corporate entities. Some of the new requirements include:

- Totals, subtotals and new categories in the statement of profit or loss. An entity will be required to assess whether it has a ‘specified main business activity’ of investing in assets or providing finance to customers, as there are specific requirements for such entities.

- Disclosure of management-defined performance measures or ‘MPMs’ which are subtotals of income and expenses that an entity uses in public communications outside financial statements, to communicate management’s view of an aspect of the financial performance of the entity as a whole.
- Guidance on aggregation and disaggregation within the primary financial statements and in the notes to financial statements.

The new standard is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors’ interests in the associates or joint ventures.

On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. Segment Information

The Group has identified four reportable operating segments as follows: retail, property, banking and portfolio investments.

The property segment is involved in the operation of malls, hotels and convention centers, residential and, commercial and integrated commercial developments.

The retail segment is engaged in the retail/wholesale trading of merchandise such as dry goods, wearing apparels, food and other merchandise.

The banking segment includes the Group’s equity in net earnings in BDO Unibank, Inc. (BDO) and China Banking Corporation (Chinabank).

The portfolio investments segment includes 2GO Group, Inc. (2GO), Philippine Geothermal Production Company, Inc., Neo subsidiaries and associates, Atlas Consolidated Mining and Development Corporation, Belle Corporation, Goldilocks Bakeshop, Inc. and others.

The BOD monitors the operating results of each of its business units for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with the operating profit or loss in the consolidated financial statements.

Operating Results by Segment

Nine-Month Period Ended September 30, 2025 (Unaudited)							
	Property	Retail	Banking	Portfolio Investments	Others	Eliminations	Consolidated
<i>(In Thousands)</i>							
Revenues:							
External customers	₱96,878,756	₱317,313,640	₱34,000,947	₱32,027,380	₱2,062,224	₱-	₱482,282,947
Revenues from contracts with customers	31,200,014	308,670,116	-	-	-	-	339,870,130
Merchandise sales	-	308,670,116	-	-	-	-	308,670,116
Real estate sales	31,200,014	-	-	-	-	-	31,200,014
Rent	50,142,247	1,189,608	-	1,909,419	1,102	-	53,242,376
Equity in net earnings of associate companies and joint ventures	2,172,586	1,818,729	34,000,947	1,076,073	3,052	-	39,071,387
Others	13,363,909	5,635,187	-	29,041,888	2,058,070	-	50,099,054
Inter-segment	12,049,640	506,832	-	546,906	3,479,897	(16,583,275)	-
	₱108,928,396	₱317,820,472	₱34,000,947	₱32,574,286	₱5,542,121	(₱16,583,275)	₱482,282,947
Segment results:							
Income before income tax	₱45,895,482	₱17,444,111	₱34,000,947	₱5,603,109	(₱1,309,825)	₱-	₱101,633,824
Provision for income tax	8,067,324	4,027,642	-	622,974	125,972	-	12,843,912
Net income after tax	₱37,828,158	₱13,416,469	₱34,000,947	₱4,980,135	(₱1,435,797)	₱-	₱88,789,912
Net income attributable to:							
Owners of the Parent Company	₱18,708,877	₱9,548,499	₱33,079,303	₱4,474,453	(₱1,420,507)	₱-	₱64,390,625
Non-controlling interests	19,119,281	3,867,970	921,644	505,682	(15,290)	-	24,399,287
Nine-Month Period Ended September 30, 2024 (Unaudited)							
	Property	Retail	Banking	Portfolio Investments	Others	Eliminations	Consolidated
<i>(In Thousands)</i>							
Revenues:							
External customers	₱94,283,937	₱300,830,029	₱32,453,013	₱32,876,191	₱2,012,027	₱-	₱462,455,197
Revenues from contracts with customers	31,803,773	292,630,649	-	-	-	-	324,434,422
Merchandise sales	-	292,630,649	-	-	-	-	292,630,649
Real estate sales	31,803,773	-	-	-	-	-	31,803,773
Rent	46,895,761	1,083,585	-	1,804,149	1,806	-	49,785,301
Equity in net earnings of associate companies and joint ventures	1,830,966	1,613,359	32,453,013	1,277,410	71,567	-	37,246,315
Others	13,753,437	5,502,436	-	29,794,632	1,938,654	-	50,989,159
Inter-segment	11,522,855	508,363	-	411,923	3,266,235	(15,709,376)	-
	₱105,806,792	₱301,338,392	₱32,453,013	₱33,288,114	₱5,278,262	(₱15,709,376)	₱462,455,197
Segment results:							
Income before income tax	₱41,990,432	₱18,180,479	₱32,453,013	₱6,076,959	(₱2,593,736)	₱-	₱96,107,147
Provision for income tax	7,241,683	4,060,802	-	574,114	119,744	-	11,996,343
Net income after tax	₱34,748,749	₱14,119,677	₱32,453,013	₱5,502,845	(₱2,713,480)	₱-	₱84,110,804
Net income attributable to:							
Owners of the Parent Company	₱17,193,230	₱9,688,833	₱31,566,647	₱5,129,783	(₱2,689,036)	₱-	₱60,889,457
Non-controlling interests	17,555,519	4,430,844	886,366	373,062	(24,444)	-	23,221,347

The disaggregation of revenues is as indicated in the interim consolidated statements of income and in the operating results by segment.

5. Cash and Cash Equivalents

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Cash on hand and in banks (Note 20)	₱27,288,756	₱30,550,319
Temporary investments (Note 20)	58,487,235	81,977,728
	₱85,775,991	₱112,528,047

Cash in banks and investments earn interest at the prevailing rates. The tenure of temporary investments varies depending on the immediate cash requirements of the Group.

6. Time Deposits

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Current	₱115,499	₱221,096
Noncurrent	3,209,906	3,113,470
	₱3,325,405	₱3,334,566

The time deposits bear interest ranging from 2.0% to 5.3% and 2.0% to 5.5% for the nine-month periods ended September 30, 2025 and 2024, respectively.

Time deposits with various maturities within one year were used as collateral for some credit lines.

7. Financial Assets at FVOCI

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Shares of stock		
Listed	₱21,581,099	₱24,027,269
Unlisted	3,051,649	3,100,303
Club shares	29,000	28,650
	24,661,748	27,156,222
Less current portion	791,589	794,433
Noncurrent portion	₱23,870,159	₱26,361,789

8. Receivables and Contract Assets

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Trade:		
Sales of real estate*	₱165,247,544	₱152,501,732
Rent from third-party tenants	10,569,483	11,844,430
Shipping and logistics**	3,731,808	3,360,120
Rent from related party tenants (Note 20)	535,440	586,247
Others	2,543,457	2,920,532
Royalty and service fees (Note 20)	1,790,692	2,205,401
Dividends (Note 20)	106,591	1,269,818
	184,525,015	174,688,280
Less allowance for expected credit loss (ECL)	3,306,736	3,355,289
	181,218,279	171,332,991
Less noncurrent portion of receivables from sales of real estate (Note 14)	74,301,609	79,064,021
Current portion	₱106,916,670	₱92,268,970

* Includes unbilled revenues from sales of real estate of ₱148.9 billion and ₱133.5 billion as at September 30, 2025 and December 31, 2024, respectively.

** Includes contract assets representing shipping and logistics services delivered but not yet invoiced of ₱1,059.8 million and ₱799.7 million as at September 30, 2025 and December 31, 2024, respectively.

An allowance for ECL is provided for receivables from sales of real estate, receivables from tenants, shipping and logistics, and other receivables identified as impaired based on specific and collective assessment.

As at September 30, 2025 and December 31, 2024, receivables from sales of real estate assigned to local banks on without recourse basis amounted to ₱7.7 billion and ₱7.0 billion, respectively (Note 20).

Receivables other than those identified as impaired, are assessed as good and collectible.

9. Inventories

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Real estate inventories	₱73,063,342	₱76,932,923
Merchandise inventories	47,882,230	41,998,432
Processed food and others	727,426	744,755
	₱121,672,998	₱119,676,110

Inventories are stated at cost as at September 30, 2025 and December 31, 2024.

Real Estate Inventories

The movements in this account follow:

	Land and Development	Condominium, Residential Units and Subdivision Lots for Sale	Total
	<i>(In Thousands)</i>		
Balance as at January 1, 2024	₱52,758,337	₱25,134,570	₱77,892,907
Development cost incurred	17,918,601	103,947	18,022,548
Cost of real estate sold	(11,962,498)	(7,178,085)	(19,140,583)
Transfers	(3,074,344)	3,074,344	-
Translation adjustment and others	142,699	15,352	158,051
Balance as at December 31, 2024 (Audited)	55,782,795	21,150,128	76,932,923
Development cost incurred	9,008,660	-	9,008,660
Cost of real estate sold	(7,538,682)	(6,023,700)	(13,562,382)
Transfers	(1,328,902)	1,328,902	-
Reclassifications from investment properties	297,415	-	297,415
Translation adjustment and others	213,455	173,271	386,726
Balance as at September 30, 2025 (Unaudited)	₱56,434,741	₱16,628,601	₱73,063,342

Contract fulfillment assets included in Land and development represent the unamortized portion of land cost of ₱2.7 billion and ₱2.0 billion as at September 30, 2025 and December 31, 2024, respectively.

The details of cost of sales and services follow:

	Nine-Month Periods Ended	
	September 30	
	2025	2024
	(Unaudited)	(Unaudited)
<i>(In Thousands)</i>		
Cost of sales:		
Merchandise	₱224,294,545	₱212,997,091
Real estate	13,562,382	13,653,238
Processed food and others	8,242,513	8,915,399
Cost of shipping, logistics and other services	12,069,588	12,252,595
	₱258,169,028	₱247,818,323

10. Other Current Assets

This account consists of:

	September 30,	December 31,
	2025	2024
	(Unaudited)	(Audited)
<i>(In Thousands)</i>		
Prepaid taxes and other prepayments	₱17,721,371	₱17,359,207
Bonds and deposits	12,385,240	11,704,812
Input tax	10,287,327	7,599,800
Nontrade receivables (Note 20)	7,974,936	8,495,167
Derivative assets	3,207,926	1,159,210
Uniform and supplies inventory	2,615,257	1,919,268
Receivables from banks	1,536,276	8,303,336
Accrued interest receivable (Note 20)	407,440	424,427
Others	771,985	1,346,309
	₱56,907,758	₱58,311,536

11. Investments in Associate Companies and Joint Ventures

The movements in this account follow:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Balance at beginning of year	₱399,483,760	₱361,324,800
Additions	4,011,172	5,336,879
Disposal	–	(1,386,440)
Equity in net earnings	39,071,387	50,001,804
Dividends received and others	(16,023,864)	(15,140,346)
Share in other comprehensive income (loss) of associate companies	2,832,222	(561,848)
Impairment reversal (provision)	–	(115,965)
Translation adjustment	9,270	24,876
Balance at end of period	₱429,383,947	₱399,483,760

* Investment in associate companies amounted to ₱417.2 billion and ₱388.1 billion as at September 30, 2025 and December 31, 2024, respectively.

12. Property and Equipment

The movements in this account follow:

	Land	Buildings and Improvements	Store Equipment and Improvements	Data Processing Equipment	Furniture, Fixtures and Office Equipment	Machinery and Equipment	Leasehold Improvements	Transportation Equipment	Vessels in Operation	Containers and Reefer Vans	Construction in Progress	Total
<i>(In Thousands)</i>												
Cost												
As at January 1, 2024	₱1,718,794	₱20,772,693	₱2,963,308	₱11,853,449	₱12,782,090	₱24,406,386	₱32,822,651	₱1,722,921	₱15,353,882	₱1,603,710	₱6,123,951	₱132,123,835
Additions	–	532,896	214,277	1,367,609	1,121,135	1,672,274	2,365,261	217,352	2,545,706	188,745	2,523,532	12,748,787
Reclassifications	–	1,519,108	165,369	83,670	(34,825)	1,640,154	(4,644)	(10,196)	–	–	(3,583,153)	(224,517)
Disposals/retirements	–	(73)	(84,424)	(231,183)	(246,295)	(200,099)	(623,278)	(94,638)	(2,439,808)	(22,163)	(9,666)	(3,951,627)
As at December 31, 2024 (Audited)	1,718,794	22,824,624	3,258,530	13,073,545	13,622,105	27,518,715	34,559,990	1,835,439	15,459,780	1,770,292	5,054,664	140,696,478
Additions	–	425,296	172,472	872,531	781,480	938,256	1,351,210	69,682	306,028	26,754	2,809,824	7,753,533
Reclassifications	354,317	638,722	27,505	54,959	(70,599)	1,361,201	119,508	(17,067)	2,395	–	(2,895,943)	(425,002)
Disposals/retirements	(4,731)	(7,513)	(12,748)	(438,193)	(192,205)	(369,086)	(188,460)	(18,010)	(14,043)	(239,542)	–	(1,484,531)
As at September 30, 2025 (Unaudited)	₱2,068,380	₱23,881,129	₱3,445,759	₱13,562,842	₱14,140,781	₱29,449,086	₱35,842,248	₱1,870,044	₱15,754,160	₱1,557,504	₱4,968,545	₱146,540,478
Accumulated Depreciation and Amortization												
As at January 1, 2024	₱–	₱8,154,403	₱2,121,935	₱9,010,930	₱10,207,267	₱13,489,312	₱24,822,293	₱1,308,054	₱8,721,642	₱1,436,366	₱–	₱79,272,202
Depreciation and amortization	–	1,061,691	243,288	942,794	814,053	1,673,424	1,874,220	94,411	987,764	56,040	–	7,747,685
Reclassifications	–	(14,154)	145,228	10,497	(75,810)	1,488	(51,050)	(13,215)	(5,112)	–	–	(2,128)
Disposals/retirements	–	(7)	(81,204)	(224,451)	(237,342)	(196,379)	(590,879)	(94,594)	(2,231,152)	(21,901)	–	(3,677,909)
As at December 31, 2024 (Audited)	–	9,201,933	2,429,247	9,739,770	10,708,168	14,967,845	26,054,584	1,294,656	7,473,142	1,470,505	–	83,339,850
Depreciation and amortization	–	886,670	176,148	911,610	670,523	1,397,648	1,419,006	66,001	585,517	43,878	–	6,157,001
Reclassifications	–	10,804	22,925	15,735	(77,195)	42,797	33,428	(56,314)	–	–	–	(7,820)
Disposals/retirements	–	(4,325)	(11,398)	(424,573)	(177,180)	(327,094)	(180,664)	(17,965)	(14,043)	(239,542)	–	(1,396,784)
As at September 30, 2025 (Unaudited)	₱–	₱10,095,082	₱2,616,922	₱10,242,542	₱11,124,316	₱16,081,196	₱27,326,354	₱1,286,378	₱8,044,616	₱1,274,841	₱–	₱88,092,247
Net Book Value												
As at September 30, 2025 (Unaudited)	₱2,068,380	₱13,786,047	₱828,837	₱3,320,300	₱3,016,465	₱13,367,890	₱8,515,894	₱583,666	₱7,709,544	₱282,663	₱4,968,545	₱58,448,231
As at December 31, 2024 (Audited)	1,718,794	13,622,691	829,283	3,333,775	2,913,937	12,550,870	8,505,406	540,783	7,986,638	299,787	5,054,664	57,356,628

To secure a ₱500.0 million term loan facility, 2GO used one of its passenger/cargo ships as collateral. The carrying value of this ship in the Group's consolidated balance sheets is ₱2.2 billion and ₱2.3 billion as at September 30, 2025 and December 31, 2024, respectively (see Note 17).

Gain and/or loss from disposal of certain properties and equipment as at September 30, 2025 and 2024 are recognized in the consolidated statements of income under “Foreign exchange gain - net and others”.

13. Investment Properties

The movements in this account follow:

	Land Held for Future Development	Land and Improvements	Buildings and Leasehold Improvements	Building Equipment, Furniture and Others	Construction in Progress	Total
<i>(In Thousands)</i>						
Cost						
As at January 1, 2024	₱88,195,475	₱101,659,155	₱338,934,803	₱60,247,366	₱83,503,331	₱672,540,130
Additions	2,000,404	3,191,982	4,129,942	3,632,904	54,613,557	67,568,789
Reclassifications	2,836,443	(1,275,292)	14,710,993	2,788,244	(16,223,945)	2,836,443
Translation adjustment	–	22,612	895,382	77,636	124,704	1,120,334
Disposals	(121,802)	(207,676)	(366,746)	(222,151)	–	(918,375)
As at December 31, 2024 (Audited)	92,910,520	103,390,781	358,304,374	66,523,999	122,017,647	743,147,321
Additions	1,766,835	3,606,248	1,209,264	2,106,047	49,219,364	57,907,758
Reclassifications	81,631	4,445,196	5,171,286	1,205,964	(10,649,393)	254,684
Translation adjustment	–	48,881	1,847,833	171,381	253,452	2,321,547
Disposals	–	(160,166)	(191,436)	(45,249)	–	(396,851)
As at September 30, 2025 (Unaudited)	₱94,758,986	₱111,330,940	₱366,341,321	₱69,962,142	₱160,841,070	₱803,234,459
Accumulated Depreciation, Amortization and Impairment Loss						
As at January 1, 2024	₱–	₱3,047,630	₱93,506,840	₱38,918,437	₱–	₱135,472,907
Depreciation and amortization	–	269,338	10,067,237	4,253,973	–	14,590,548
Provision for impairment loss	–	359,756	–	–	–	359,756
Reclassifications	–	–	49	–	–	49
Translation adjustment	–	15,353	196,752	45,221	–	257,326
Disposals	–	(32,359)	(250,505)	(200,203)	–	(483,067)
As at December 31, 2024 (Audited)	–	3,659,718	103,520,373	43,017,428	–	150,197,519
Depreciation and amortization	–	191,564	7,662,810	3,316,022	–	11,170,396
Reclassifications	–	18,355	(13,760)	(4,700)	–	(105)
Translation adjustment	–	37,137	488,889	93,154	–	619,180
Disposals	–	(158,378)	(94,813)	(42,130)	–	(295,321)
As at September 30, 2025 (Unaudited)	₱–	₱3,748,396	₱111,563,499	₱46,379,774	₱–	₱161,691,669
Net Book Value						
As at September 30, 2025 (Unaudited)	₱94,758,986	₱107,582,544	₱254,777,822	₱23,582,368	₱160,841,070	₱641,542,790
As at December 31, 2024 (Audited)	92,910,520	99,731,063	254,784,001	23,506,571	122,017,647	592,949,802

Rent income from investment properties, which is primarily attributable to SM Prime Holdings, Inc. (SM Prime), amounted to ₱52.0 billion and ₱48.6 billion for the nine-month periods ended September 30, 2025 and 2024, respectively. The corresponding direct operating expenses amounted to ₱25.8 billion and ₱26.8 billion for the nine-month periods ended September 30, 2025 and 2024, respectively.

Construction in progress includes construction costs incurred for integrated commercial development, new malls as well as redevelopment of existing malls amounting to ₱159.2 billion and ₱120.5 billion as at September 30, 2025 and December 31, 2024, respectively.

Portions of investment properties located in China amounting to ₱1.5 billion as at September 30, 2025 and December 31, 2024 are used as collateral to secure domestic borrowings (see Note 17).

The outstanding contracts with various contractors amounted to ₱40.7 billion and ₱63.4 billion as at September 30, 2025 and December 31, 2024, respectively, inclusive of overhead, labor, materials, and all other costs necessary for the proper execution of works.

Additions to investment properties include capitalized interest of ₱8.3 billion and ₱7.4 billion as at September 30, 2025 and December 31, 2024, respectively. Capitalization rates used range from 2.0% to 6.1% and 2.5% to 5.8% as at September 30, 2025 and December 31, 2024, respectively.

There is no restriction on the realizability of investment properties other than those used as collateral for certain borrowings.

Gain or loss from disposal of investment properties as of September 30, 2025 and 2024 are recognized in the consolidated statements of income under “Foreign exchange gain - net and others”.

14. Intangibles and Other Noncurrent Assets

Intangible Assets

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Goodwill	₱34,340,023	₱34,340,023
Less accumulated impairment loss	80,594	80,594
Net book value	34,259,429	34,259,429
Trademarks and brand names	6,126,747	6,127,046
	₱40,386,176	₱40,386,475

Other Noncurrent Assets

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Receivables from sales of real estate (Note 8)*	₱74,301,609	₱79,064,021
Bonds and deposits	46,873,903	46,127,306
Deferred exploration costs	6,975,815	5,568,965
Deferred tax assets (Note 21)	6,036,995	5,459,041
Deferred input VAT	1,295,442	1,461,087
Derivative assets (Note 24)	1,117,639	4,219,004
Escrow fund (Note 20)	975,417	822,019
Defined benefit asset	287,631	250,818
Others	3,979,477	3,442,350
	₱141,843,928	₱146,414,611

* Pertains to the noncurrent portion of unbilled revenues from sales of real estate (see Note 8).

15. Bank Loans

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<i>(In Thousands)</i>		
Subsidiaries:		
China yuan renminbi-denominated loans	₱1,036,300	₱1,282,356
Peso-denominated loans	17,959,000	22,792,000
	₱18,995,300	₱24,074,356

The Peso-denominated loans bear interest ranging from 5.0% to 6.6% and 5.8% to 7.0% for the nine-month periods ended September 30, 2025 and 2024, respectively. The China yuan renminbi-denominated loans bear the China Loan Prime Rate (LPR) in both periods.

These loans have maturities of less than one year.

16. Accounts Payable and Other Current Liabilities

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<i>(In Thousands)</i>		
Trade	₱106,563,874	₱125,209,282
Accrued expenses	30,559,669	26,937,423
Nontrade (Note 20)	21,610,861	18,687,078
Tenants' and customers' deposits*	15,292,815	12,907,302
Accrued interest (Note 20)	4,615,104	4,072,405
Payables to government agencies	4,105,291	6,397,844
Lease liabilities (Note 22)	3,366,958	3,196,427
Payable arising from acquisition of land	2,972,420	3,004,397
Subscriptions payable	1,966,534	1,966,477
Dividends payable	633,856	2,328,001
Others	4,897,717	5,665,941
	₱196,585,099	₱210,372,577

* Includes unearned revenues from shipping and logistics of ₱114.3 million and ₱154.3 million as at September 30, 2025 and December 31, 2024, respectively, and unearned revenues from sales of real estate of ₱8.0 billion and ₱9.0 billion as at September 30, 2025 and December 31, 2024, respectively.

17. Long-term Debt

This account consists of:

	September 30, 2025 (Unaudited)			December 31, 2024 (Audited)	
	Availment	Maturity	Interest Rate/Term	Amount	Amount
<i>(in Thousands)</i>					
Parent Company					
U.S. dollar-denominated*	April 2025	April 2032	Fixed 4.9%; quarterly	₱3,354,529	₱4,627,600
GBP-denominated*	July 2023	July 2028	Fixed 5.3%; quarterly	3,259,654	6,541,214
Peso-denominated	March 2021 - January 2023	June 2026 - May 2031	Fixed 4.0%-4.8%; Two-year PHP BVAL + margin; semi-annual and quarterly	31,540,000	45,574,500
Subsidiaries					
U.S. dollar-denominated*	January 2021 - September 2025	January 2026 - September 2030	Fixed 4.8%-5.4%; SOFR + spread; semi-annual and quarterly	114,354,994	104,978,877
China yuan renminbi-denominated**	May 2021 - August 2025	April 2026 - June 2037	Fixed 3.7%; LPR; annually	11,250,519	10,830,711
Peso-denominated***	November 2015 - September 2025	October 2025 - February 2035	Fixed 3.8%-7.0%; BVAL + margin	330,769,323	306,004,020
				494,529,019	478,556,922
Less debt issue cost				2,105,685	2,056,902
				492,423,334	476,500,020
Less current portion				126,039,512	104,627,839
				₱366,383,822	₱371,872,181

BVAL – Bloomberg Valuation

SOFR – Secured Overnight Financing Rate

LPR – Loan Prime Rate

*Includes loans hedged against foreign exchange and interest rate risks using derivative instruments and loans unconditionally and irrevocably guaranteed by the Parent Company.

**Secured by portions of investment properties located in China (see Note 13)

***Includes loans secured by portions of property and equipment (see Note 12)

Repayment Schedule

The repayment schedule of long-term debt as at September 30, 2025 follows:

	Gross Debt	Debt Issue Cost	Net
<i>(In Thousands)</i>			
Within 1 year	₱126,639,089	₱599,577	₱126,039,512
Over 1 year to 5 years	284,838,823	1,357,508	283,481,315
Over 5 years	83,051,107	148,600	82,902,507
		₱2,105,685	₱492,423,334

Covenants

The long-term debt of the Group is covered with certain covenants including adherence to financial ratios and certain restrictions with respect to material change in ownership or control. As at September 30, 2025 and December 31, 2024, the Group is compliant with the terms of its debt covenants.

18. Equity

Capital Stock

a. Common stock

	Number of Shares	
	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Authorized - ₱10 par value per share	2,790,000,000	2,790,000,000
Issued and subscribed	1,233,154,140	1,226,114,578

As at September 30, 2025 and December 31, 2024, the Parent Company is compliant with the minimum public float as required by the PSE.

In March 2025, the Parent Company issued 7.0 million new SMIC common shares to Intercontinental Development Corporation (ICDC) in exchange for land valued at ₱6.2 billion. This property-for-share swap transaction between the Parent Company and ICDC, a wholly-owned subsidiary, was approved by the BOD in August 2024. The valuation of subject properties was approved by the SEC in February 2025.

As at September 30, 2025 and December 31, 2024, the total number of shareholders of the Parent Company is 1,253.

b. Redeemable preferred shares

	Number of Shares	
	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Authorized - ₱10 par value per share	10,000,000	10,000,000

There are no issued and subscribed preferred shares as at September 30, 2025 and December 31, 2024.

Treasury Stock

In February 2025, the BOD approved the creation and implementation of a share buyback program involving up to ₱60.0 billion of the Parent Company's common shares.

As at September 30, 2025, the Parent Company has purchased a total of 3.7 million common shares at an average price of ₱764.08, totaling ₱2.8 billion. As at September 30, 2025 and December 31, 2024, the Parent Company held 7.8 million and 4.1 million treasury shares, respectively.

Retained Earnings

- Appropriated

Retained earnings appropriated as at September 30, 2025 is intended for new investments for the years 2025 to 2027.

- Unappropriated

The Parent Company's cash dividend declarations in 2025 and 2024 follow:

Declaration Date	Record Date	Payment Date	Per Share	Total
<i>(In Thousands)</i>				
<i>Regular</i>				
April 30, 2025	May 16, 2025	May 29, 2025	₱11.00	₱13,514,879
April 24, 2024	May 09, 2024	May 23, 2024	9.00	10,998,210
<i>Special</i>				
April 30, 2025	May 16, 2025	May 29, 2025	2.00	2,457,251

Unappropriated retained earnings include the accumulated equity in net earnings of subsidiaries, associates and joint ventures amounting to ₱486.6 billion and ₱454.4 billion as at September 30, 2025 and December 31, 2024, respectively, that is not available for distribution until such time that the Parent Company receives the dividends from the respective subsidiaries, associates and joint ventures.

19. Other Revenues

This account consists of:

	Nine-Month Periods Ended	
	September 30	
	2025	2024
	(Unaudited)	(Unaudited)
<i>(In Thousands)</i>		
Shipping, logistics and other services	₱14,638,378	₱14,678,271
Sales - processed food and others	13,107,667	14,216,679
Cinema and event ticket sales and others	7,078,784	6,939,011
Royalty and service fees	4,130,267	4,931,567
Food and beverage	2,212,753	1,857,899
Dividends	671,222	591,103
Others	8,259,983	7,774,629
	₱50,099,054	₱50,989,159

Others include membership revenues, sponsorship income and related items, commission income, as well as miscellaneous income from the various business operations of the Group.

20. Related Party Disclosures

Parties are considered to be related if one party has the ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. The Group has a policy that requires approval of related party transaction by the Related Party Transactions Committee of the BOD when these breach certain limits and/or when these are not of a usual nature.

The significant transactions with related parties follow:

- Rent

The Group has existing lease agreements for office and commercial spaces with related companies (banking group and retail and other related parties under common stockholders).

- Royalty and Service Fees

The Parent Company and SM Retail receive service fees from retail entities under common stockholders for management, consultancy, manpower and other services. In addition to service fees, the Parent Company also receives royalty fees from related parties.

- Dividend Income

The Group earns dividend income from related parties under common stockholders.

- Cash Placements and Loans

The Group has bank accounts and cash placements as well as bank loans and debts with BDO and Chinabank. Such accounts earn interest at prevailing market rates.

- Tenants' deposits

The Group holds lease security deposits from related parties for its leasable investment properties. These are refundable upon termination of the lease agreements.

- Others

The Group, in the normal course of business, has outstanding receivables from, and payables to related companies which are unsecured and normally settled in cash.

The related party transactions and outstanding balances follow:

	Transaction Amount		Outstanding Amount	
	Nine-Month Periods Ended			
	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>			
Banking Group				
Cash placement and investment in marketable securities ^{a, b}	₱—	₱—	₱78,341,609	₱100,089,605
Interest receivable	—	—	180,363	206,309
Interest income	2,717,620	2,921,289	—	—
Interest-bearing debt ^{a, b}	—	—	64,227,026	63,857,393
Interest payable	—	—	587,269	349,742
Interest expense	2,477,678	2,923,064	—	—
Rent receivable	—	—	171,545	169,052
Rent income	1,072,125	1,025,830	—	—
Receivable financed	7,695,948	1,177,783	—	—
Royalty and service fee receivable	—	—	24,984	8,523
Royalty and service fee income	83,482	27,724	—	—
Shipping, logistics and other service income	1,415	1,415	—	—
Escrow fund ^a	—	—	972,958	819,559
Dividends receivable	—	—	4,933	—
Tenants' deposits	—	—	685,695	731,713
Retail and Other Entities				
Rent receivable	—	—	363,895	417,195
Rent income	2,194,845	1,932,364	—	—
Rent payable	—	—	—	4,361
Royalty and service fee receivable	—	—	1,753,112	2,133,325
Royalty and service fee income	2,018,448	2,040,124	—	—
Shipping, logistics and other service income	89,978	70,732	—	—
Service fee payable	—	—	5,443	—
Service fee expense	46,458	—	—	—
Trade receivable	—	—	550	43,726
Nontrade receivable	—	—	57,298	247,131
Trade payable	—	—	19,633	109,847
Nontrade payable	—	—	10,893	1,003,461
Dividends receivable	—	—	97,267	973,044
Bonds and deposits	—	—	2,631	3,339
Tenants' deposits	—	—	902,457	841,517

^a Interest-bearing

^b Partially secured

Terms and Conditions of Transactions with Related Parties

Outstanding balances at the end of the period are normally settled in cash. No provision for impairment losses was recognized by the Group in relation to amounts due from related parties.

21. Income Tax

Deferred tax assets of ₱6.0 billion and ₱5.5 billion as at September 30, 2025 and December 31, 2024, respectively, consist of the tax effects of unrealized gain on intercompany sale of investment properties, unamortized past service cost and defined benefit liability, provision for doubtful accounts and others, accrued leases, minimum corporate income tax (MCIT), deferred rent expense and net operating loss carryover (NOLCO).

Deferred tax liabilities of ₱20.6 billion and ₱19.4 billion as at September 30, 2025 and December 31, 2024, respectively, consist of the tax effects of appraisal increment on investment property and property and equipment, trademarks and brand names, capitalized interest, unrealized gross profit on sales of real estate, accrued/deferred rent income and unamortized past service cost and defined benefit asset. The disproportionate relationship between income before income tax and the provision for income tax is due to various factors such as interest income already subjected to final tax, non-deductible interest expense, equity in net earnings of associates, and dividend income that are exempt from tax.

22. Lease Agreements

As Lessor. The Group's lease agreements with its tenants are generally granted for a term of one to twenty-five years. Upon inception of the lease agreement, tenants are required to pay certain amounts of deposits. Tenants likewise pay a fixed monthly rent which is calculated with reference to a fixed sum per square meter of area leased except for a few tenants which pay either a fixed monthly rent or a percentage of gross sales, whichever is higher.

As Lessee. The Group leases certain parcels of land where some of its malls are situated as well as retail store spaces, office spaces, warehouses, containers, reefer vans, ISO tanks, cargo handling equipment, transportation equipment and container yards. Lease terms range from one to 65 years, renewable for the same period under the same terms and conditions. Rental is generally computed based on a certain percentage of gross rental income or a fixed amount, whichever is higher.

There are also non-cancellable operating lease commitments with lease periods ranging from two to thirty years, mostly containing renewal options and those that provide for the payment of additional rental based on a certain percentage of sales of the sub-lessees.

The rollforward analysis of ROU assets follows:

September 30, 2025 (Unaudited)			
	Land Use Rights	Retail Store Spaces, Office Spaces, Warehouses and Others	Total
<i>(In Thousands)</i>			
Cost			
As at beginning of year	₱32,551,594	₱34,717,012	₱67,268,606
Additions	3,040	5,008,014	5,011,054
Translation and other adjustments	580,941	(519,754)	61,187
Retirements	(463,907)	(3,047,611)	(3,511,518)
As at end of period	32,671,668	36,157,661	68,829,329
Accumulated Depreciation and Amortization			
As at beginning of year	3,858,877	14,224,274	18,083,151
Depreciation and amortization	569,649	2,522,610	3,092,259
Translation and other adjustments	40,356	(454,101)	(413,745)
Retirements	(69,085)	(2,838,685)	(2,907,770)
As at end of period	4,399,797	13,454,098	17,853,895
Net Book Value	₱28,271,871	₱22,703,563	₱50,975,434

December 31, 2024 (Audited)			
	Land Use Rights	Retail Store Spaces, Office Spaces, Warehouses and Others	Total
<i>(In Thousands)</i>			
Cost			
As at beginning of year	₱32,165,006	₱32,820,909	₱64,985,915
Additions	98,291	4,540,387	4,638,678
Translation and other adjustments	288,297	146,073	434,370
Retirements	–	(2,790,357)	(2,790,357)
As at end of year	32,551,594	34,717,012	67,268,606
Accumulated Depreciation and Amortization			
As at beginning of year	3,064,465	13,381,038	16,445,503
Depreciation and amortization	789,958	3,378,723	4,168,681
Translation and other adjustments	4,454	(159,643)	(155,189)
Retirements	–	(2,375,844)	(2,375,844)
As at end of year	3,858,877	14,224,274	18,083,151
Net Book Value	₱28,692,717	₱20,492,738	₱49,185,455

The rollforward analysis of lease liabilities follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Balance at beginning of year	₱36,387,980	₱35,319,736
Additions	5,011,054	4,638,678
Interest expense	1,628,512	2,066,436
Terminations	(844,483)	(572,054)
Payments	(4,035,368)	(5,308,424)
Reclassification and others	(24,797)	243,608
Balance at end of period	38,122,898	36,387,980
Less current portion (Note 16)	3,366,958	3,196,427
Noncurrent portion	₱34,755,940	₱33,191,553

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased assets portfolio.

Management exercises significant judgment in determining whether these extension and termination options are reasonably certain to be exercised.

Included in “Tenants’ deposits and others” in the consolidated balance sheets are tenants’ deposits of ₱28.4 billion and ₱28.5 billion as at September 30, 2025 and December 31, 2024, respectively and deferred output VAT of ₱18.0 billion and ₱16.6 billion as at September 30, 2025 and December 31, 2024, respectively.

23. Financial Risk Management Objectives and Policies

The main risks arising from the Group’s financial instruments follow:

- *Interest rate risk.* Fixed rate financial instruments are subject to fair value interest rate risk while floating rate financial instruments are subject to cash flow interest rate risk. Repricing of floating rate financial instruments is mostly done at intervals of three months or six months.
- *Foreign currency risk.* The Group’s exposure to foreign currency risk arises as the Parent Company and SM Prime have significant investments and debt issuances which are denominated in U.S. Dollars and China yuan renminbi.
- *Liquidity risk.* Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet commitments from financial instruments.
- *Credit risk.* Refers to the risk that a borrower will default on any type of debt by failing to make the required payments.
- *Equity price risk.* The Group’s exposure to equity price risk pertains to its investments in quoted equity shares which are classified as equity investments at FVOCI in the consolidated balance sheets. Equity price risk arises from changes in the levels of equity indices and the value of individual stocks traded in the stock exchange.

The BOD reviews and approves the policies for managing these risks.

Interest Rate Risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term debt obligations (see Note 17).

The Group maintains a conservative financing strategy and has preference for longer tenor credit with fixed interest rate that matches the nature of its investments. To manage this mix in a cost-efficient manner, the Group enters into interest rate swaps and cross-currency swaps in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed notional amount.

After taking into account the effect of the swaps, approximately 61.0% and 72.8% of the Group's borrowings, net of debt issue cost, is kept at fixed interest rates as at September 30, 2025 and December 31, 2024, respectively.

Foreign Currency Risk

The Group aims to reduce foreign currency risks by employing on-balance sheet hedges and derivatives such as foreign currency swap contracts, foreign cross-currency swaps, foreign currency call options and non-deliverable forwards.

As at September 30, 2025, the Group's foreign currency-denominated assets and liabilities amounted to ₱0.7 billion (\$12.4 million) and ₱1.3 billion (\$22.7 million), respectively.

As at December 31, 2024, the Group's foreign currency-denominated assets and liabilities amounted to ₱1.3 billion (\$23.0 million) and ₱1.6 billion (\$28.1 million), respectively.

As at September 30, 2025 and December 31, 2024, approximately 25.9% and 25.5%, respectively, of the Group's borrowings, net of debt issue cost, are denominated in foreign currency.

The following exchange rates were used in translating foreign currency-denominated assets and liabilities into Pesos.

	September 30, 2025	December 31, 2024
Philippine Peso to U.S. Dollar	₱58.196	₱57.845

Liquidity Risk

The Group manages its liquidity to ensure adequate financing of capital expenditures and debt service. Financing consists of internally generated funds, proceeds from debt and equity issues, and/or sales of assets.

The Group regularly evaluates its projected and actual cash flow information and assesses conditions in the financial markets for opportunities to pursue fundraising initiatives including bank loans, export credit agency-guaranteed facilities, bonds and equity market issues.

Credit Risk

The Group trades only with recognized and creditworthy related and third parties. The Group policy requires customers who wish to trade on credit terms to undergo credit verification. In addition, receivable balances are monitored on a regular basis to keep exposure to bad debts at the minimum. Given the Group's diverse customer base, it is not exposed to large concentrations of credit risk.

With respect to credit risk arising from the other financial assets of the Group which consist of cash and cash equivalents, time deposits, and certain derivative instruments, the Group's credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Receivables from sales of real estate have minimal credit risk and are effectively collateralized by the respective units sold since title to the real estate properties are not transferred to the buyers until full payment is made.

Management considers the financial assets, except for some receivables, as at September 30, 2025 and December 31, 2024, as good and collectible. Past due or impaired financial assets are very minimal in relation to the Group's total financial assets.

Equity Price Risk

Management closely monitors the equity securities in its investment portfolio. Material equity investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by management.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes appropriate adjustments based on changes in economic conditions. Accordingly, the Group may adjust dividend payments to shareholders, secure new and/or pay off existing debts, return capital to shareholders or issue new shares.

The Group monitors its capital gearing by maintaining its net debt at no higher than 50% of the sum of net debt and equity.

The Group's gearing ratios follow:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Gross	36%	37%
Net	31%	31%

24. Financial Instruments

The Group's financial assets and liabilities by category and by class, except for those with carrying amounts that are reasonable approximations of fair values, follow:

September 30, 2025 (Unaudited)					
	Carrying Value	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>(In Thousands)</i>					
Assets Measured at Fair Value					
Financial assets at FVOCI					
Listed shares of stock	P21,581,099	P21,581,099	P21,581,099	P-	P-
Unlisted shares of stock	3,051,649	3,051,649	-	-	3,051,649
Club shares	29,000	29,000	-	29,000	-
Derivative assets	4,325,565	4,325,565	-	4,325,565	-
	28,987,313	28,987,313	21,581,099	4,354,565	3,051,649
Assets for which Fair Values are Disclosed					
Time deposits - noncurrent	3,209,906	3,221,714	-	3,221,714	-
	P32,197,219	P32,209,027	P21,581,099	P7,576,279	P3,051,649
Liabilities Measured at Fair Value					
Derivative liabilities	P162,629	P162,629	P-	P162,629	P-
Liabilities for which Fair Values are Disclosed					
Long-term debt - noncurrent	366,383,822	363,302,854	-	-	363,302,854
Tenants' deposits and others*	37,589,543	34,995,575	-	-	34,995,575
	403,973,365	398,298,429	-	-	398,298,429
	P404,135,994	P398,461,058	P-	P162,629	P398,298,429

*Excluding nonfinancial liabilities of P31.2 billion and noncurrent derivative liabilities of P107.6 million.

December 31, 2024 (Audited)					
	Carrying Value	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>(In Thousands)</i>					
Assets Measured at Fair Value					
Financial assets at FVOCI					
Listed shares of stock	P24,027,269	P24,027,269	P24,027,269	P-	P-
Unlisted shares of stock	3,100,303	3,100,303	-	-	3,100,303
Club shares	28,650	28,650	-	28,650	-
Derivative assets	5,378,214	5,378,214	-	5,378,214	-
	32,534,436	32,534,436	24,027,269	5,406,864	3,100,303
Assets for which Fair Values are Disclosed					
Time deposits - noncurrent	3,113,470	3,197,356	-	3,197,356	-
	P35,647,906	P35,731,792	P24,027,269	P8,604,220	P3,100,303
Liabilities Measured at Fair Value					
Derivative liabilities	P156,080	P156,080	P-	P156,080	P-
Liabilities for which Fair Values are Disclosed					
Long-term debt - noncurrent	371,872,181	364,608,918	-	-	364,608,918
Tenants' deposits and others*	42,863,199	36,741,071	-	-	36,741,071
	414,735,380	401,349,989	-	-	401,349,989
	P414,891,460	P401,506,069	P-	P156,080	P401,349,989

*Excluding nonfinancial liabilities of P22.0 billion and noncurrent derivative liabilities of P56.7 million.

There were no transfers into and out of Levels 1, 2 and 3 fair value measurements as at September 30, 2025 and December 31, 2024.

Long-term Debt. The fair value of long-term debt is estimated based on the following assumptions:

Debt	Fair Value Assumptions
Fixed Rate	Estimated fair value is based on the discounted value of future cash flows using the applicable rates for similar types of loans. Future cash flows were discounted using prevailing market rates.
Variable Rate	For variable rate loans that re-price every three months, the carrying value approximates the fair value because of recent and regular repricing based on current market rates. For variable rate loans that re-price every six months, the fair value is determined by discounting the principal amount plus the next interest payment amount using the prevailing market rate for the period up to the next repricing date. Future cash flows were discounted using prevailing market rates.

Derivative Instruments. The fair values are based on quotes obtained from counterparties. The rollforward analysis of the fair value changes of derivative instruments follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Balance at beginning of year	P5,222,134	P6,462,308
Net changes in fair value*	(398,653)	2,598,426
Fair value change from settled derivatives	(660,545)	(3,838,600)
Balance at end of period	P4,162,936	P5,222,134

* Includes fair value changes in OCI.

25. EPS Computation

	Nine-Month Periods Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)
	<i>(In Thousands Except Per Share Data)</i>	
Net income attributable to owners of the Parent Company (a)	P64,390,625	P60,889,457
Weighted average number of common shares outstanding (b)	1,221,242	1,222,023
EPS (a/b)	P52.73	P49.83

PART I FINANCIAL INFORMATION

Item 2. Aging of Accounts Receivable - Trade

As of September 30, 2025 (Unaudited)

In Thousands

Sales of real estate - current	₱	90,945,935
Rent from third-party tenants		10,569,483
Shipping and logistics		3,731,808
Rent from related party tenants		535,440
Others		<u>2,543,457</u>
Total	₱	<u><u>108,326,123</u></u>

Aging:

Neither past due nor impaired	₱	92,583,163
Less than 30 days		3,739,877
31-90 days		2,707,558
91-120 days		1,626,773
Over 120 days		4,362,016
Impaired		<u>3,306,736</u>
Total	₱	<u><u>108,326,123</u></u>

PART 1 FINANCIAL INFORMATION

Management’s Discussion and Analysis or Plan of Operation

Results of Operation

For the Nine Months Ended September 30, 2025 and 2024

(amounts in billion pesos)

	YTD September		% Change
	2025 (Unaudited)	2024 (Unaudited)	
Revenues	₱482.3	₱462.5	4.3%
Cost and Expenses	368.7	353.5	4.3%
Income from Operations	113.6	109.0	4.3%
Other Charges	12.0	12.9	-6.6%
Provision for Income Tax	12.8	12.0	7.1%
Net Income After Tax	88.8	84.1	5.6%
Non-controlling Interests	24.4	23.2	5.1%
Net Income Attributable to Owners of the Parent	₱64.4	₱60.9	5.8%

SM Investments Corporation and Subsidiaries (the Group) reported ₱64.4 billion Net Income Attributable to Owners of the Parent on ₱482.3 billion Revenues.

Following is the contribution of each of the major business segments to the consolidated revenues and net income:

	Revenues		Net Income	
	YTD Sep-25	YTD Sep-24	YTD Sep-25	YTD Sep-24
Retail	66%	66%	15%	15%
Property	20%	20%	28%	27%
Banks	7%	7%	50%	50%
Portfolio	7%	7%	7%	8%

Retail

SM Retail reported ₱12.2 billion *Net income* on *Revenues* of P318.1 billion.

Sales

- SM Stores: 3% sales growth, particularly in the fashion and kids categories.
- Specialty Stores: 4% sales growth, led by the kids and home categories.
- Food stores: 7% sales growth, supported by higher volumes, new store openings and stable margins.

Net results

- Both SM Stores and Specialty Stores were adversely affected by the frequent flooding in Quarter 3.
- In Specialty Stores, the Sports and athleisure category implemented promotions to boost demand which affected margins.

Property

SM Prime delivered ₱37.2 billion *Net income* on ₱103.4 billion in *Revenues*, representing increases of 10% and 4% growth from 2024, respectively.

- Malls, which account for 59% of revenues, reported a 7% growth in revenues to ₱61.0 billion, and 14% growth in net income after tax (NIAT) to P26.1 billion.
- Residential, which account for 32% of revenues, reported a 2% drop in revenues and NIAT due to slower revenue recognition from mid-segment developments.

Banking

Both BDO and Chinabank attribute their results to the strong performance of their core businesses.

- BDO with 4% net income growth to ₱63.1 billion.
- Chinabank with 10% net income growth to ₱20.2 billion.

Portfolio Investments

The Portfolio Investments Group contributed ₱4.5 billion to YTD September 2025 consolidated net income, 30% from PGPC, 26% from NEO, and 12% from 2GO.

Profit & Loss Statement - Account Analysis

Merchandise Sales, which increased 6% to ₱308.7 billion, accounted for 64% of total revenues in 2025. Bulk of the increase is from Food Stores with sales growth of 7% to ₱189.9 billion.

Real Estate Sales declined by 2% to ₱31.2 billion due to slower revenue recognition from mid-segment developments.

Rent Revenues, derived mainly from the mall operations of SM Prime, increased 6.9% to ₱53.2 billion.

Equity in Net Earnings of Associate Companies and Joint Ventures increased 4.9% to ₱39.1 billion. The increase is mainly with the banks.

Cost and Expenses increased 4.3% to ₱368.7 billion. *Cost of Sales and Services* increased 4.2% while *Selling, General and Administrative Expenses (SGAE)* increased 4.5%. Bulk of the increase in *SGAE* is attributable mainly to new retail stores.

Income from Operations increased 4.3% to ₱113.6 billion. *Operating Margin* and *Net Margin* in 2025 is at 23.6% and 18.4%, respectively.

Other Charges (net) decreased 6.6% to ₱12.0 billion: Net Interest Expense decreased 7.3% to ₱12.4 billion, primarily debt repayments in 2025. In 2024, a ₱0.3 billion gain from disposals of investments and properties was recognized.

Provision for Income Tax increased 7.1% to ₱12.8 billion attributable to SM Prime.

Non-controlling Interests increased 5.1% to ₱24.4 billion due to improved profitability of partly-owned subsidiaries.

Financial Position
(amounts in billion pesos)

	09 / 30 / 2025 (Unaudited)	12 / 31 / 2024 (Audited)	% Change
Current Assets	₱372.2	₱383.8	-3.0%
Noncurrent Assets	1,389.6	1,315.3	5.7%
Total Assets	₱1,761.8	₱1,699.1	3.7%
Current Liabilities	₱344.9	₱343.2	0.5%
Noncurrent Liabilities	490.5	489.5	0.2%
Total Liabilities	835.4	832.7	0.3%
Total Equity	926.4	866.4	6.9%
Total Liabilities and Equity	₱1,761.8	₱1,699.1	3.7%

Total *Assets* increased 3.7% to ₱1,761.8 billion while Total *Liabilities* increased 0.3% to ₱835.4 billion.

Assets

Current Assets decreased 3.0% to ₱372.2 billion.

Cash and Cash Equivalents decreased 24% to ₱85.8 billion: ₱50.4 billion used for investments in property and equipment, investment properties and others, ₱40.1 billion used for financing activities, partly offset by the ₱63.7 billion cash generated from operations.

Receivables and Contract Assets increased 15.9% to ₱106.9 billion attributable mainly to receivables from real estate sales.

Inventories increased 1.7% to ₱121.7 billion attributable mainly to Retail's merchandise inventory which increased 14.0% to ₱47.9 billion, partially offset by the 5.0% decrease in real estate inventory to ₱73.1 billion.

Other Current Assets decreased 2.4% to ₱56.9 billion due mainly to collections of Retail's receivables from banks for its sales on credit.

Noncurrent Assets increased 5.7% to ₱1,389.6 billion.

Financial assets at FVOCI (non-current) decreased by 9.5% to ₱23.9 billion, reflecting the decrease in market value of listed shares.

Investments in Associate Companies and Joint Ventures increased 7.5% to ₱429.4 billion. The increase mainly represents the Group's ₱39.1 billion equity in net earnings of its associate companies particularly the banks, partly offset by ₱16.0 billion dividends received.

Investment Properties increased 8.2% to ₱641.5 billion, primarily SM Prime's Smart City development, malls and commercial developments and land banking.

Other Noncurrent Assets decreased 3.1% to ₱141.8 billion representing mainly the decrease in noncurrent receivables from real estate sales and noncurrent derivative assets.

Liabilities

Interest-bearing Debt increased 2.2% to ₱511.4 billion, due mainly to SM Prime's ₱30.0 billion net availment, offset by the Parent Company's ₱19.0 billion net payment.

Accounts Payable and Other Current Liabilities decreased 6.6% to ₱196.6 billion due mainly to the payment of huge yearend 2024 trade payables of the Retail Group.

Tenants' Deposits and Others increased 6.0% to ₱68.9 billion. The increase is mainly on retention payable related to SM Prime's Smart City project and deferred output VAT on real estate sales.

Equity

Total *Equity* increased 6.9% to ₱926.4 billion.

Equity Attributable to Owners of the Parent increased 7.6% to ₱674.9 billion due mainly to the ₱49.1 billion addition in Retained Earnings representing the ₱64.4 billion net income for YTD September 2025, net of ₱15.9 billion dividend declaration.

Non-controlling Interests increased 5.2% to ₱251.5 billion representing the increase in net assets of subsidiaries that are not wholly owned.

The Group has no known direct or contingent financial obligation that is material to the Group operations, including any default or acceleration of an obligation. The Group has no off-balance sheet transactions, arrangements, and obligations during the reporting year and as of the balance sheet date.

There are no known trends, events, material changes, seasonal aspects or uncertainties that are expected to affect the Group's continuing operations.

Key Performance Indicators

The key financial ratios of the Group follow:

	09 / 30 / 2025 (Unaudited)	12 / 31 / 2024 (Audited)
Current Ratio	1.1	1.1
Acid Test Ratio	0.6	0.6
Solvency Ratio	17.6%	17.0%
Asset to Equity	1.9	2.0
Debt - Equity Ratios:		
On Gross Basis	36 : 64	37 : 63
On Net Basis	31 : 69	31 : 69
Return on Equity	13.2%	13.8%
Return on Assets	6.9%	7.0%

	Unaudited YTD September	
	2025	2024
Revenue Growth	4.3%	5.0%
Net Margin	18.4%	18.2%
Net Income Growth	5.8%	9.0%
EBITDA <i>(In Billions of Pesos)</i>	134.0B	128.4B
Interest Cover	8.6x	7.7x

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

		<u>09/30/2025 (Unaudited)</u>		<u>12/31/2024 (Audited)</u>	
		<i>(In thousand pesos)</i>		<i>(In thousand pesos)</i>	
1. Current Ratio	<u>Current Assets</u> Current Liabilities	<u>372,180,505</u> 344,895,598	1.1 : 1	<u>383,800,192</u> 343,167,994	1.1 : 1
2. Acid Test Ratio	<u>Current Assets less Inventories and Other Current Assets</u> Current Liabilities	<u>193,599,749</u> 344,895,598	0.6 : 1	<u>205,812,546</u> 343,167,994	0.6 : 1
3. Solvency Ratio	<u>Net Income After Tax (Annualized) + Depreciation and Amortization (Annualized)</u> Total Liabilities	<u>146,821,912</u> 835,464,975	17.6%	<u>141,160,894</u> 832,627,391	17.0%
4. Asset to Equity Ratio	<u>Total Assets</u> Total Equity	<u>1,761,841,076</u> 926,376,101	1.9	<u>1,699,052,182</u> 866,424,791	2.0
5. Debt - Equity Ratio					
a. Gross Basis	<u>Total Interest-Bearing Debt</u> Total Equity + Total Interest-Bearing Debt	<u>511,418,634</u> 1,437,794,735	36 : 64	<u>500,574,376</u> 1,366,999,167	37 : 63
b. Net Basis	<u>Total Interest-Bearing Debt less Cash and Cash Equivalents (excluding Cash on Hand), Time Deposits</u> Total Equity + Total Interest-Bearing Debt less Cash and Cash Equivalents (excluding Cash on Hand), Time Deposits,	<u>423,721,493</u> 1,350,097,594	31 : 69	<u>386,923,918</u> 1,253,348,709	31 : 69
6. Return on Equity	<u>Net Income Attributable to Owners of the Parent (Annualized)</u> Average Equity Attributable to Owners of the Parent	<u>86,109,876</u> 650,870,172	13.2%	<u>82,608,707</u> 599,257,047	13.8%
7. Return on Assets	<u>Net Income After Tax (Annualized)</u> Average Assets	<u>119,332,015</u> 1,725,647,486	6.9%	<u>114,652,906</u> 1,638,346,915	7.0%

		Unaudited YTD September 2025			Unaudited YTD September 2024
		<i>(In thousand pesos)</i>		<i>(In thousand pesos)</i>	
8. Revenue Growth	<u>Total Revenues (Current Period) -1</u>	482,282,947	- 1	4.3%	462,455,197
	Total Revenues (Prior Period)	462,455,197			440,377,415
9. Net Margin	<u>Net Income After Tax</u>	88,789,912		18.4%	84,110,804
	Total Revenues	482,282,947			462,455,197
10. Net Income Growth	<u>Net Income Attributable to Owners of the Parent (Current Period) -1</u>	64,390,625	- 1	5.8%	60,889,457
	Net Income Attributable to Owners of the Parent (Prior Period)	60,889,457			55,883,087
11. EBITDA	<u>Income from Operations</u>	113,594,309			108,918,802
	Add Depreciation and Amortization	20,419,989			19,438,080
		<u>134,014,298</u>			<u>128,356,882</u>
12. Interest Cover	<u>EBITDA</u>	134,014,298		8.6x	128,356,882
	Interest Expense	15,560,794			16,757,288

Expansion Plans / Prospects in 2025

As of September 30, 2025, SM Prime has incurred capital expenditures totaling ₱59 billion -- ₱23 billion for malls, ₱11 billion for residential, ₱1 billion for hotels and convention centers and ₱24 billion for commercial and integrated commercial developments. This is in line with SM Prime's full year CAPEX budget of ₱100 billion for 2025.

In October 2025, SM Prime opened SM City La Union, its 89th mall in the Philippines, located in San Fernando City, La Union. This new mall provided an additional GFA of 0.1 million square meters.

SM Retail has opened a total of 367 new stores as of September 30, 2025, comprising 254 stores under SM Markets, 112 under Specialty Retail, and 1 under SM Stores. In the last quarter of 2025, SM Retail plans to open 80 to 90 additional stores, with the bulk of the expansion coming from its Food and Specialty Retail formats.

Investments in new business ventures would be pursued as opportunities arise.

The above expenditures have been and will continue to be funded through cash generated from operations and other capital raising initiatives such as bond issuance and debt availments.

The Group has no material commitments for capital expenditures other than those disclosed in Note 13 for Investment Properties.

Results of Operations
For the Nine Months Ended September 30, 2024 and 2023
(amounts in billion pesos)

	YTD September		% Change
	2024 (Unaudited)	2023 (Unaudited)	
Revenues	₱462.5	₱440.4	5.0%
Cost and Expenses	353.5	337.8	4.6%
Income from Operations	109.0	102.6	6.2%
Other Charges	12.9	13.2	-2.7%
Provision for Income Tax	12.0	12.3	-2.7%
Net Income After Tax	84.1	77.1	9.2%
Non-controlling Interests	23.2	21.2	9.8%
Net Income Attributable to Owners of the Parent	₱60.9	₱55.9	9.0%

SM Investments Corporation and Subsidiaries (the Group) reported ₱60.9 billion *Net Income Attributable to Owners of the Parent* on ₱462.5 billion *Revenues* for YTD September 2024.

Following is the revenue and net income contribution by business segment:

	Revenues		Net Income	
	YTD Sep-24	YTD Sep-23	YTD Sep-24	YTD Sep-23
Retail	66%	66%	15%	18%
Property	20%	20%	27%	26%
Banks	7%	6%	50%	47%
Portfolio	7%	8%	8%	9%

Retail

SM Retail reported Revenues of ₱301.8 billion, 4% higher than YTD September 2023, and Net income of ₱12.8 billion, 7% lower than 2023.

The lower revenues of SM Stores is attributable to the impact of the high sales base in 2023, when mobility restrictions relative to the COVID pandemic was lifted.

Food Stores revenues increased 7% supported by better volumes and expansion.

Specialty Stores revenues was strong in discretionary categories such as health and beauty, and fashion.

Property

SM Prime reported Revenues of ₱99.8 billion, 8% higher than YTD September 2023, and Net income of ₱33.9 billion at 12% growth.

The mall business which accounts for 57% of consolidated *Revenues*, reported an 8% growth to ₱56.5 billion in 2024. Mall rental revenues increased 8% to ₱48.5 billion.

The primary residential business which accounts for 32% of consolidated Revenues, reported a 9% growth in *Revenues* to ₱31.2 billion in 2024, with reservation sales of ₱47.0 billion.

Other businesses, which include Offices, Hotels and Convention Centers, reported an 11% growth in Revenues to ₱11.0 billion in 2024.

Banking

BDO reported ₱60.6 billion *Net income*, 12% higher than YTD September 2023, driven by the sustained contribution of its core intermediation and fee-based service businesses.

Gross customer loans increased 13% on broad-based growth across all market segments. *Total Deposits* expanded 10%.

Non-interest income increased 16% with robust growth in fees and service charges, treasury and forex gains and income from insurance operations.

Asset quality improved with NPL ratio at 1.82% and NPL cover at 178%.

China Bank reported ₱18.4 billion *Net income*, 13% higher than YTD September 2023. *Net interest income* increased 19% to ₱46.5 billion as higher interest income offset the rise in interest expense.

Gross loans increased 14% to ₱871.6 billion as both business and consumer lending segments. *Total deposits* increased 13% to ₱1.3 trillion.

Asset quality improved with non-performing loan (NPL) ratio at 1.8% and NPL coverage at 141%.

Portfolio Investments

The Portfolio Investments Group contributed ₱5.1 billion of consolidated net income, 65% of which is from PGPC and Neo.

- PGPC revenues dropped 16% with lower steam prices that is pegged against Wholesale Electricity Spot Market (WESM).
- Neo revenues increased 13% with its high average occupancy rate.

Profit & Loss Statement - Account Analysis

Merchandise Sales of the Retail segment increased 4.0% to ₱292.6 billion, with Food Stores reporting 7% growth.

Real Estate Sales increased 6.4% to ₱31.8 billion, attributable to higher construction accomplishment of ongoing projects including *Now Residences* in Pampanga, *Bloom Residences* and *Gold Towers Residential-Offices* in Parañaque. Reservation sales is at ₱47.0 billion.

Rent Revenues, derived mainly from the mall operations of SM Prime, increased 10.1% to ₱49.8 billion. This is attributable to increased mall traffic and general improvement in tenant sales.

Equity in Net Earnings of Associate Companies and Joint Ventures increased 13.5% to ₱37.2 billion, mainly from the bank associates.

Costs and Expenses, which includes the impact of additional costs from newly-opened malls and retail stores as well as real estate projects, increased 4.6% to ₱353.5 billion.

Income from Operations increased 6.2% to ₱108.9 billion. *Operating Margin* and *Net Margin* in 2024 is at 23.6% and 18.2%, respectively.

Other Charges (net) decreased 2.7% to ₱12.9 billion. *Interest Expense* increased 2.0% to ₱16.8 billion and *Interest Income* increased 13.2% to ₱3.4 billion. *Foreign Exchange Gain - Net and Others* increased to ₱857.9 million. The increase includes ₱301.2 million gain on disposal of investments and properties.

Non-controlling Interests increased 9.8% to ₱23.2 billion due to the improved net income of partly-owned subsidiaries.

Financial Position
(amounts in billion pesos)

	09 / 30 / 2024 (Unaudited)	12 / 31 / 2023 (Audited)	% Change
Current Assets	₱361.1	₱359.5	0.4%
Noncurrent Assets	1,291.0	1,226.7	5.2%
Total Assets	₱1,652.1	₱1,586.2	4.2%
Current Liabilities	₱309.4	₱330.8	-6.4%
Noncurrent Liabilities	500.0	483.2	3.5%
Total Liabilities	809.4	814.0	-0.6%
Total Equity	842.7	772.2	9.1%
Total Liabilities and Equity	₱1,652.1	₱1,586.2	4.2%

Total *Assets* increased 4.2% to ₱1,652.1 billion while Total *Liabilities* decreased 0.6% to ₱809.4 billion.

Assets

Current Assets increased 0.4% to ₱361.1 billion.

Cash and Cash Equivalents decreased 0.1% to ₱103.7 billion: ₱38.8 billion used for financing activities, ₱25.6 billion used for investments in property, plant and equipment, investment properties and others, offset by ₱64.3 billion cash generated from operations.

Receivables and Contract Assets increased 4.2% to ₱82.5 billion, mainly receivables from real estate buyers and rent receivable.

Inventories increased 5.2% to ₱123.6 billion, mainly Retail's merchandise inventory which increased 15.2% to ₱44.8 billion.

Other Current Assets decreased 12.8% to ₱50.3 billion, mainly receivable from banks and prepaid expenses and others.

Noncurrent Assets increased 5.2% to ₱1,291.0 billion.

Financial Assets at FVOCI (current and noncurrent) increased 5.6% to ₱28.6 billion due mainly to new equity instruments and increase in market value of certain investments.

Investments in Associate Companies and Joint Ventures increased 9.5% to ₱395.7 billion. The increase represents the Group's equity in net earnings of its associate companies particularly the banks, partly offset by disposals and dividends received.

Time Deposits (current and noncurrent) decreased 86% to ₱3.3 billion. These time deposits were used to settle debt that matured during the period.

Investment Properties increased 6.7% to ₱573.1 billion due mainly to SM Prime's investments in landbanking and coastal development, ongoing new mall and commercial projects, and redevelopment of existing malls.

Other Noncurrent Assets increased 6.6% to ₱146.5 billion, mainly receivable from real estate buyers.

Liabilities

Interest-bearing Debt was maintained at ₱502 billion of which ₱115 billion is current.

Accounts Payable and Other Current Liabilities decreased 4.6% to ₱190.9 billion, mainly payments for trade, nontrade, land acquisitions and obligations to government agencies.

Tenants' Deposits and Others increased 4.9% to ₱60.9 billion. The increase represents deposits made for the opening and expansion of malls and offices and increase in retention payable and deferred output VAT.

Equity

Total *Equity* increased 9.1% to ₱842.7 billion.

Equity Attributable to Owners of the Parent increased 9.7% to ₱610.6 billion, mainly ₱60.9 billion net income for the period, offset by the ₱11.0 billion dividends.

Share in Other Comprehensive Loss of Associate Companies and Joint Ventures - net decreased 33% to ₱7.6 billion attributable mainly to the improved results of bank associates.

Non-controlling Interests increased 7.7% to ₱232.1 billion, mainly increases in net assets of subsidiaries that are not wholly owned.

The Group has no known direct or contingent financial obligation that is material to the Group operations, including any default or acceleration of an obligation. The Group has no off-balance sheet transactions, arrangements, and obligations during the reporting year and as of the balance sheet date.

There are no known trends, events, material changes, seasonal aspects or uncertainties that are expected to affect the Group's continuing operations.

Key Performance Indicators

The key financial ratios of the Group follow:

	09 / 30 / 2024 (Unaudited)	12 / 31 / 2023 (Audited)
Current Ratio	1.2	1.1
Acid Test Ratio	0.6	0.6
Solvency Ratio	17.2%	16.1%
Asset to Equity	2.0	2.1
Debt - Equity Ratios:		
On Gross Basis	37 : 63	39 : 61
On Net Basis	32 : 68	33 : 67
Return on Equity	14.1%	14.5%
Return on Assets	7.0%	7.0%

	Unaudited YTD September	
	2024	2023
Revenue Growth	5.0%	15.3%
Net Margin	18.2%	17.5%
Net Income Growth	9.0%	30%
EBITDA (<i>In Billions of Pesos</i>)	128.4B	120.4B
Interest Cover	7.7x	7.3x

Current Ratio slightly increased to 1.2 due to the 0.4% increase in *Current assets* vs. 6.4% decrease in *Current liabilities*.

Solvency Ratio increased to 17.2% due to the 6.6% increase in *Net Income After Tax* and depreciation vs. 0.6% decrease in *Total Liabilities*.

Asset to Equity slightly decreased to 2.0 due to the 4.2% increase in *Total Assets* vs. 9.1% increase in *Total Equity*.

Gross Debt - Equity and Net Debt - Equity Ratios improved to 37:63 and 32:68, respectively due to higher equity at 9.1%. Gross debt was constant and net debt increased only by ₱19.8 billion.

Return on Equity slightly decreased to 14.1% due to the 6.5% increase in net income attributable to owners of the parent vs. 9.6% increase in average equity.

Revenue Growth and *Net income Growth* for YTD September 2024 are lower than YTD September 2023 as 2023 reflects the high base effect, that is, very strong revenues due to the lifting of mobility restrictions in 2023 vs. YTD September 2022.

EBITDA increased 6.6% due to the 6.2% increase in income from operations and 8.6% increase in depreciation. Consequently, *Interest Coverage* increased to 7.7x with interest expense growing only by 2.0%.

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

1. Current Ratio $\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2. Acid Test Ratio $\frac{\text{Current Assets less Inventories and Other Current Assets}}{\text{Current Liabilities}}$
3. Solvency Ratio $\frac{\text{Net Income After Tax + Depreciation and Amortization}}{\text{Total Liabilities}}$
4. Asset to Equity Ratio $\frac{\text{Total Assets}}{\text{Total Equity}}$
5. Debt – Equity Ratio
 - a. Gross Basis $\frac{\text{Total Interest-Bearing Debt}}{\text{Total Equity + Total Interest-Bearing Debt}}$
 - b. Net Basis $\frac{\text{Total Interest-Bearing Debt less Cash and Cash Equivalents (excluding Cash on Hand), Time Deposits}}{\text{Total Equity + Total Interest-Bearing Debt less Cash and Cash Equivalents (excluding Cash on Hand), Time Deposits}}$
6. Revenue Growth $\frac{\text{Total Revenues (Current Period)} - 1}{\text{Total Revenues (Prior Period)}}$
7. Net Margin $\frac{\text{Net Income After Tax}}{\text{Total Revenues}}$
8. Net Income Growth $\frac{\text{Net Income Attributable to Owners of the Parent (Current Period)} - 1}{\text{Net Income Attributable to Owners of the Parent (Prior Period)}}$
9. Return on Equity $\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Average Equity Attributable to Owners of the Parent}}$
10. Return on Assets $\frac{\text{Net Income after Tax}}{\text{Total Assets}}$
11. EBITDA $\text{Income from Operations + Depreciation \& Amortization}$
12. Interest Cover $\frac{\text{EBITDA}}{\text{Interest Expense}}$

Expansion Plans / Prospects in 2024

In the last quarter of 2024, there will be several other new stores to be opened including Alfamart stores.

Land banking, construction and/or expansion of malls and commercial properties, as well as repairs and maintenance of existing property and equipment and investment properties will continue. In October 2024, SM Prime opened *SM City J Mall* in Mandaue City, Cebu, its 87th mall in the Philippines.

Investments in new business ventures would be pursued as opportunities arise.

The above expenditures will be funded with cash generated from operations and other capital raising initiatives such as bond issuance and debt availments.

PART II - SIGNATURE

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.

Registrant: **SM INVESTMENTS CORPORATION**



Franklin C. Gomez
Executive Vice President - Finance
Corporate Information Officer

Date: 11-14-2025