C O V E R   S H E E T

SEC Registration Number

						1	6	3	4	2

COMPANY NAME

S M   I N V E S T M E N T S   C O R P O R A T I O N   A N D
S U B S I D I A R I E S

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

1 0 t h   F l o o r ,   O n e E - C o m   C e n t e r ,
H a r b o r   D r i v e ,   M a l l   o f   A s i a   C o m
p l e x ,   C B P - 1 A ,   P a s a y   C i t y   1 3 0 0

Form Type	Department requiring the report	Secondary License Type, If Applicable

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
–	**8857-0100**	–

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,264 (as of June 30, 2026)	**Last Wednesday of April**	**12/31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
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

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
2nd Quarter Report
Form Type

Amendment Designation (If applicable)

June 30, 2026
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 **June 30, 2026**

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	**1,214,969,620** (as of August 14, 2026)	**N.A.**

11. Are any or all of these securities listed on the Philippine Stock Exchange.
    Yes [**X**] 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 [**X**] No [ ]

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

Yes [**X**] No [ ]

TABLE OF CONTENTS

PART I FINANCIAL INFORMATION

Item 1. Interim Condensed Consolidated Financial Statements

SM INVESTMENTS CORPORATION AND SUBSIDIARIES

Interim Condensed Consolidated Financial Statements
As at June 30, 2026 (Unaudited), June 30, 2025 (Unaudited) and December 31, 2025 (Audited)

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

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5, 20 and 23)	**₱73,759**	₱101,847
Receivables and contract assets (Notes 6 and 20)	**91,107**	94,099
Inventories (Note 7)	**124,502**	119,167
Other current assets (Notes 8, 9, 20, 23 and 24)	**42,052**	46,289
Total Current Assets	**331,420**	361,402
Noncurrent Assets		
Financial assets at FVOCI - net of current portion (Notes 9 and 24)	**24,606**	23,676
Investments in associate companies and joint ventures (Note 10)	**449,546**	437,230
Property and equipment (Note 11)	**59,853**	59,646
Investment properties (Note 12)	**681,371**	657,173
Right-of-use assets (Note 22)	**53,027**	51,702
Intangibles (Note 13)	**40,374**	40,386
Other noncurrent assets (Notes 13, 20, 22, 23 and 24)	**183,483**	180,586
Total Noncurrent Assets	**1,492,260**	1,450,399
Total Assets	**₱1,823,680**	₱1,811,801
LIABILITIES AND EQUITY		
Current Liabilities		
Bank loans (Notes 14, 20 and 23)	**₱49,996**	₱20,223
Accounts payable and other current liabilities (Notes 15, 20, and 22)	**204,649**	213,084
Income tax payable	**3,660**	3,550
Current portion of long-term debt (Notes 16, 20, and 23)	**59,343**	100,397
Total Current Liabilities	**317,648**	337,254
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 16, 20, 23 and 24)	**401,766**	390,839
Lease liabilities - net of current portion (Note 22)	**35,398**	35,172
Deferred tax liabilities (Note 21)	**20,555**	21,138
Tenants' deposits and others (Notes 17, 22 and 24)	**72,315**	71,763
Total Noncurrent Liabilities	**530,034**	518,912
Total Liabilities	**847,682**	856,166

(Forward)

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Equity Attributable to Owners of the Parent Company		
Capital stock (Note 18)	**₱12,331**	₱12,331
Additional paid-in capital	**74,597**	76,667
Treasury stock	**(9,002)**	(5,175)
Equity adjustments from common control transactions	**(6,949)**	(6,949)
Cost of Parent Company common shares held by subsidiaries	**(6,225)**	(6,225)
Cumulative translation adjustment	**4,554**	2,962
Fair value changes on cash flow hedges and others	**556**	183
Unrealized gain on financial assets at FVOCI (Note 9)	**6,361**	7,130
Remeasurement loss on defined benefit asset/obligation	**(1,826)**	(1,789)
Share in other comprehensive loss of associate companies and joint ventures - net	**(16,975)**	(11,107)
Retained earnings (Note 18):		
Appropriated	**30,000**	30,000
Unappropriated	**622,553**	597,230
Total Equity Attributable to Owners of the Parent Company	**709,975**	695,258
Non-controlling Interests	**266,023**	260,377
Total Equity	**975,998**	955,635
Total Liabilities and Equity	**₱1,823,680**	₱1,811,801

See accompanying Notes to Consolidated Financial Statements.

SM INVESTMENTS CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Millions Except Per Share Data)

	Six-Month Periods Ended June 30		Three-Month Periods Ended June 30	
	2026	2025	**2026**	2025
REVENUES				
Sales:				
Merchandise	**₱216,833**	₱205,434	**₱114,201**	₱108,335
Real estate	**19,511**	20,016	**11,754**	10,799
Rent (Notes 12, 20 and 22)	**38,482**	35,409	**19,432**	17,789
Equity in net earnings of associate companies and joint ventures (Note 10)	**27,157**	24,977	**14,362**	12,897
Others (Note 19)	**37,203**	33,363	**20,032**	17,365
	339,186	319,199	**179,781**	167,185
COSTS AND EXPENSES (Note 7)	**258,616**	243,644	**137,613**	127,684
OPERATING INCOME	**80,570**	75,555	**42,168**	39,501
OTHER INCOME (CHARGES)				
Interest expense (Note 20)	**(10,334)**	(10,635)	**(5,066)**	(4,926)
Interest income (Note 20)	**1,372**	2,216	**733**	1,057
Foreign exchange gain (loss) - net and others (Notes 23 and 24)	**(364)**	214	**103**	167
	(9,326)	(8,205)	**(4,230)**	(3,702)
INCOME BEFORE INCOME TAX	**71,244**	67,350	**37,938**	35,799
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 21)				
Current	**9,891**	8,481	**5,546**	4,448
Deferred	**(1,006)**	81	**(778)**	169
	8,885	8,562	**4,768**	4,617
NET INCOME	**₱62,359**	₱58,788	**₱33,170**	₱31,182
Attributable to				
Owners of the Parent Company	**₱45,856**	₱42,565	**₱24,343**	₱22,510
Non-controlling interests	**16,503**	16,223	**8,827**	8,672
	₱62,359	₱58,788	**₱33,170**	₱31,182
Basic/Diluted Earnings Per Common Share Attributable to Owners of the Parent Company (Note 25)	**₱37.82**	₱34.84	**₱20.10**	₱18.43

See accompanying Notes to Consolidated Financial Statements.

SM INVESTMENTS CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Millions)

	Six-Month Periods Ended June 30		Three-Month Periods Ended June 30	
	2026	2025	**2026**	2025
NET INCOME	**₱62,359**	₱58,788	**₱33,170**	₱31,182
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will be reclassified to profit or loss in subsequent periods				
Cumulative translation adjustment	**3,038**	(277)	**1,243**	(88)
Fair value changes on cash flow hedges	**(7)**	(972)	**(382)**	(271)
	3,031	(1,249)	**861**	(359)
Items not to be reclassified to profit or loss in subsequent periods				
Remeasurement gain (loss) on defined benefit obligation	**(64)**	6	**(163)**	12
Net unrealized loss on financial assets at FVOCI	**(933)**	(615)	**(1,199)**	(520)
Income tax relating to items not to be reclassified to profit or loss in subsequent periods	**16**	(24)	**24**	(13)
	(981)	(633)	**(1,338)**	(521)
Share in other comprehensive income (loss) of associate companies and joint ventures - net (Note 10)	**(6,007)**	1,164	**709**	(45)
TOTAL COMPREHENSIVE INCOME	**₱58,402**	₱58,070	**₱33,402**	₱30,257
Attributable to				
Owners of the Parent Company	**₱41,205**	₱42,583	**₱24,407**	₱21,879
Non-controlling interests	**17,197**	15,487	**8,995**	8,378
	₱58,402	₱58,070	**₱33,402**	₱30,257

See accompanying Notes to Consolidated Financial Statements.

SM INVESTMENTS CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Millions)

	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 Common 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, 2025 (Audited)	**₱12,331**	**₱76,667**	**(₱5,175)**	**(₱6,949)**	**(₱6,225)**	**₱2,962**	**₱183**	**₱7,130**
Net income	–	–	–	–	–	–	–	–
Other comprehensive income (loss)	–	–	–	–	–	**1,592**	**373**	**(711)**
Total comprehensive income	–	–	–	–	–	**1,592**	**373**	**(711)**
Realized gain on disposal of financial assets at FVOCI (Note 9)	–	–	–	–	–	–	–	**(58)**
Purchase of treasury shares (Note 18)	–	–	**(3,827)**	–	–	–	–	–
Transactions with non-controlling interests	–	**(2,070)**	–	–	–	–	–	–
Cash dividends - ₱17.00 per share (Note 18)	–	–	–	–	–	–	–	–
Cash dividends paid to non-controlling interests	–	–	–	–	–	–	–	–
Net change in non-controlling interests	–	–	–	–	–	–	–	–
As at June 30, 2026	**₱12,331**	**₱74,597**	**(₱9,002)**	**(₱6,949)**	**(₱6,225)**	**₱4,554**	**₱556**	**₱6,361**
As at December 31, 2024 (Audited)	₱12,261	₱71,752	(₱41)	(₱6,949)	(₱25)	₱1,821	₱557	₱9,899
Net income	–	–	–	–	–	–	–	–
Other comprehensive income (loss)	–	–	–	–	–	(148)	(426)	(523)
Total comprehensive income	–	–	–	–	–	(148)	(426)	(523)
Issuance of common shares (Note 18)	70	6,130	–	–	(6,200)	–	–	–
Purchase of treasury shares (Note 18)	–	–	(345)	–	–	–	–	–
Transactions with non-controlling interests	–	(120)	–	–	–	–	–	–
Cash dividends - ₱13.00 per share (Note 18)	–	–	–	–	–	–	–	–
Cash dividends paid to non-controlling interests	–	–	–	–	–	–	–	–
Net change in non-controlling interests	–	–	–	–	–	–	–	–
As at June 30, 2025	₱12,331	₱77,762	(₱386)	(₱6,949)	(₱6,225)	₱1,673	₱131	₱9,376

	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
	Equity Attributable to Owners of the Parent Company						
As at December 31, 2025 (Audited)	**(₱1,789)**	**(₱11,107)**	**₱30,000**	**₱597,230**	**₱695,258**	**₱260,377**	**₱955,635**
Net income	**–**	**–**	**–**	**45,856**	**45,856**	**16,503**	**62,359**
Other comprehensive income (loss)	**(37)**	**(5,868)**	**–**	**–**	**(4,651)**	**694**	**(3,957)**
Total comprehensive income	**(37)**	**(5,868)**	**–**	**45,856**	**41,205**	**17,197**	**58,402**
Realized gain on disposal of financial assets at FVOCI (Note 9)	**–**	**–**	**–**	**58**	**–**	**–**	**–**
Purchase of treasury shares (Note 18)	**–**	**–**	**–**	**–**	**(3,827)**	**–**	**(3,827)**
Transactions with non-controlling interests	**–**	**–**	**–**	**–**	**(2,070)**	**(1,457)**	**(3,527)**
Cash dividends - ₱17.00 per share (Note 18)	**–**	**–**	**–**	**(20,591)**	**(20,591)**	**–**	**(20,591)**
Cash dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**(10,098)**	**(10,098)**
Net change in non-controlling interests	**–**	**–**	**–**	**–**	**–**	**4**	**4**
As at June 30, 2026	**(₱1,826)**	**(₱16,975)**	**₱30,000**	**₱622,553**	**₱709,975**	**₱266,023**	**₱975,998**
As at December 31, 2024 (Audited)	(₱2,100)	(₱11,772)	₱30,000	₱521,901	₱627,304	₱239,121	₱866,425
Net income	–	–	–	42,565	42,565	16,223	58,788
Other comprehensive income (loss)	6	1,109	–	–	18	(736)	(718)
Total comprehensive income	6	1,109	–	42,565	42,583	15,487	58,070
Issuance of common shares (Note 18)	–	–	–	–	–	–	–
Purchase of treasury shares (Note 18)	–	–	–	–	(345)	–	(345)
Transactions with non-controlling interests	–	–	–	–	(120)	(150)	(270)
Cash dividends - ₱13.00 per share (Note 18)	–	–	–	(15,879)	(15,879)	–	(15,879)
Cash dividends paid to non-controlling interests	–	–	–	–	–	(9,965)	(9,965)
Net change in non-controlling interests	–	–	–	–	–	89	89
As at June 30, 2025	(₱2,094)	(₱10,663)	₱30,000	₱548,587	₱653,543	₱244,582	₱898,125

See accompanying Notes to Condensed Consolidated Financial Statements.

SM INVESTMENTS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Millions)

	Six-Month Periods Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱71,244**	₱67,350
Adjustments for:		
Equity in net earnings of associate companies and joint ventures	**(27,157)**	(24,977)
Depreciation and amortization (Notes 11, 12, 13 and 22)	**14,387**	13,449
Interest expense	**10,334**	10,635
Interest income	**(1,372)**	(2,216)
Loss from fair value changes on derivatives - net	**899**	34
Dividend income (Note 19)	**(374)**	(321)
Unrealized foreign exchange gain and others - net	**(262)**	(49)
Income before working capital changes	**67,699**	63,905
Decrease (increase) in:		
Receivables and contract assets	**4,358**	(6,434)
Inventories	**(5,264)**	(3,299)
Other current assets	**(1,023)**	3,474
Increase (decrease) in:		
Accounts payable and other current liabilities	**(13,013)**	(13,937)
Tenants' deposits and others	**(1,242)**	1,177
Net cash generated from operations	**51,515**	44,886
Income tax paid	**(9,795)**	(9,637)
Net cash provided by operating activities	**41,720**	35,249
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of:		
Financial assets at FVOCI	**134**	–
Investment properties	**55**	5
Property and equipment	**40**	28
Additions to:		
Investment properties (Note 12)	**(26,738)**	(35,545)
Property and equipment (Note 11)	**(5,257)**	(4,512)
Financial assets at FVOCI	**(1,745)**	(13)
Investments in associate companies and joint ventures (Note 10)	**–**	(21)
Decrease (increase) in:		
Time deposits	**6,239**	157
Other noncurrent assets	**(4,962)**	(2,803)
Dividends received	**8,809**	13,166
Interest received	**1,398**	2,268
Net cash used in investing activities	**(22,027)**	(27,270)

(Forward)

	Six-Month Periods Ended June 30	
	2026	**2025**
CASH FLOWS FROM FINANCING ACTIVITIES		
Availments of:		
Bank loans	**₱76,756**	₱47,849
Long-term debt	**52,690**	72,616
Payments of:		
Long-term debt	**(87,864)**	(70,766)
Bank loans	**(47,212)**	(43,538)
Dividends	**(29,414)**	(26,586)
Interest	**(9,835)**	(10,156)
Lease liabilities (Note 22)	**(2,884)**	(2,680)
Proceeds from matured derivatives - net	**3,726**	199
Purchase of treasury shares (Note 18)	**(3,827)**	(345)
Net cash used in financing activities	**(47,864)**	(33,407)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(28,171)**	(25,428)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**83**	(7)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Note 5)	**101,847**	112,528
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 5)	**₱73,759**	₱87,093

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. On December 27, 2019, the Philippine Securities and Exchange Commission (SEC) approved the amendment of the Parent Company's articles of incorporation to change its corporate life to perpetual. Its registered office address is 10th Floor, OneE-Com Center, Harbor Drive, Mall of Asia Complex, CBP-1A, Pasay City 1300.

SMIC is a Philippine listed holding company with interests in retail, banking, property, integrated supply chains, renewable energy development and mining.

The accompanying interim condensed consolidated financial statements were authorized for issue by the Board of Directors (BOD) on August 12, 2026, upon the recommendation of the Audit Committee.

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 the historical cost basis, except for financial instruments measured at fair value (including all derivatives and financial assets classified as FVOCI or fair value through profit or loss (FVTPL)). The consolidated financial statements are presented in Philippine Peso, which is the Parent Company's functional and presentation currency under Philippine Financial Reporting Standards (PFRS) Accounting Standards. Amounts are rounded to the nearest million pesos (₱ million), unless otherwise indicated.

Statement of Compliance
The accompanying interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. These 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, 2025.

Basis of Consolidation
The interim condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries. As at June 30, 2026, 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 and amended PFRS Accounting Standards and related pronouncements effective or adopted in 2026. 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 pronouncements did not have a material impact on the interim condensed consolidated financial statements.

Effective for annual periods beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7*, Classification and Measurement of Financial Instruments*
  The amendments clarify the timing of derecognition of financial liabilities, including those settled through electronic payment systems. The amendments also clarify the classification of financial assets with Environmental, Social and Governance-linked, other contingent, non-recourse or contractually linked features and add related disclosure requirements.

- Annual Improvements to PFRS Accounting Standards -Volume 11

  The amendments make limited wording clarifications and minor corrections to PFRS 1, PFRS 7, PFRS 9, PFRS 10 and PAS 7.

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

    The amendments clarify the hedge accounting references for first-time.

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

    The amendments update wording on unobservable inputs and related fair value references.

  - Amendments to PFRS 9

    a. Lessee Derecognition of Lease Liabilities

       The amendments clarify how a lessee recognizes gains or losses when a lease liability is extinguished.

    b. Transaction Price

       The amendments replace the reference to “transaction price” with “the amount determined by applying PFRS 15, *Revenue from Contracts with Customers*.

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

    The amendments clarify that paragraph B74 provides only one example of a de facto agency relationship.

  - Amendments to PAS 7, *Cost Method*

    The amendments replace the term ‘cost method’ with ‘at cost’.

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

  The amendments apply only to contracts and financial instruments that reference nature-dependent electricity and cannot be applied by analogy to other contracts or transactions. The amendments clarify the application of the ‘own-use’ requirements for in-scope contracts, permit hedge accounting when in-scope contracts are used as hedging instruments, and include new disclosure requirements.

Others adopted in 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 36 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

  The amendments add illustrative examples to several PFRS Accounting Standards to guide disclosures about climate-related and other uncertainties in the financial statements. The examples do not change recognition or measurement requirements.

<u>Future Changes in Accounting Policies and Disclosures</u>
New pronouncements issued but not yet effective are discussed below. Unless otherwise indicated, the Group does not expect the adoption of these pronouncements to materially affect its consolidated financial statements. The Group will adopt these pronouncements when these become effective.

Effective for annual periods beginning on or after January 1, 2027

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

  PFRS 18 replaces PAS 1, *Presentation of Financial Statements*, and introduces new requirements on presentation and disclosure in the financial statements, including new categories and defined subtotals in the consolidated statements of income, enhanced disclosure of management-defined performance measures, and guidance on aggregation and disaggregation. Early adoption is permitted. The Group is assessing the impact of PFRS 18 on the presentation and disclosures in its consolidated financial statements.

- Amendments to PAS 28, *Fair Value Option for Investments in Associates and Joint Ventures*

  The amendments clarify that entities whose main business activity is investing in particular types of assets, as described in PFRS 18, are eligible to elect the fair value option in PAS 28 for investments in associates and joint ventures. The amendments are effective when an entity first applies PFRS 18.

- PFRS 17, *Insurance Contracts*

  PFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. The Group does not issue insurance contracts. Accordingly, the adoption of PFRS 17 is not expected to have a material impact on the consolidated financial statements.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

  The amendments prescribe how financial statements are translated from a functional currency of a non-hyperinflationary economy to a presentation currency of a hyperinflationary economy. Early adoption is permitted.

- PFRS 19, *Subsidiaries without Public Accountability*

  PFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply the recognition, measurement and presentation requirements of other PFRS Accounting Standards. It is not expected to affect the Group’s consolidated financial statements but may apply to eligible subsidiaries' separate financial statements. Early adoption is permitted.

- IFRS

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, *Business Combinations*. 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 Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 until the International Accounting Standards Board completes its broader review of the equity method of accounting.

4. Segment Information

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

The property segment includes the operation of malls, hotels, and convention centers; leasing of commercial spaces; and the development of integrated communities comprising residential, lifestyle, retail, commercial, and leisure properties.

The retail segment is engaged in the retail and wholesale trading of merchandise, including dry goods, wearing apparel, food, and other consumer products.

The banking segment represents the Group's equity interest in BDO Unibank, Inc. (BDO) and China Banking Corporation (Chinabank).

The portfolio investments segment comprises investments in 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 other subsidiaries and associates.

The BOD monitors the operating results by reportable segment, including the major business units comprising each segment. Segment performance is assessed based on operating profit or loss, which is determined using the same accounting policies applied in preparing the consolidated financial statements.

Operating Results by Segment

	Six-Month Period Ended June 30, 2026 (Unaudited)						
	Property	**Retail**	**Banking**	**Portfolio Investments**	**Others**	**Eliminations**	**Consolidated**
				(In Millions)			
Revenues:							
External customers	**₱67,439**	**₱222,905**	**₱22,248**	**₱25,127**	**₱1,467**	**₱–**	**₱339,186**
Revenues from contracts with customers	**19,511**	**216,833**	**–**	**–**	**–**	**–**	**236,344**
Merchandise sales	**–**	**216,833**	**–**	**–**	**–**	**–**	**216,833**
Real estate sales	**19,511**	**–**	**–**	**–**	**–**	**–**	**19,511**
Rent	**36,296**	**872**	**–**	**1,313**	**1**	**–**	**38,482**
Equity in net earnings of associate companies and joint ventures	**1,544**	**1,111**	**22,248**	**2,285**	**(31)**	**–**	**27,157**
Others	**10,088**	**4,089**	**–**	**21,529**	**1,497**	**–**	**37,203**
Inter-segment	**8,366**	**341**	**–**	**468**	**2,501**	**(11,676)**	**–**
	₱75,805	**₱223,246**	**₱22,248**	**₱25,595**	**₱3,968**	**(₱11,676)**	**₱339,186**
Segment results:							
Income before income tax	**₱30,144**	**₱12,929**	**₱22,248**	**₱6,182**	**(₱259)**	**₱–**	**₱71,244**
Provision for income tax	**5,076**	**3,140**	**–**	**580**	**89**	**–**	**8,885**
Net income after tax	**₱25,068**	**₱9,789**	**₱22,248**	**₱5,602**	**(₱348)**	**₱–**	**₱62,359**
Net income attributable to:							
Owners of the Parent Company	**₱12,452**	**₱6,995**	**₱21,656**	**₱5,089**	**(₱336)**	**₱–**	**₱45,856**
Non-controlling interests	**12,616**	**2,794**	**592**	**513**	**(12)**	**–**	**16,503**

	Six-Month Period Ended June 30, 2025 (Unaudited)						
	Property	Retail	Banking	Portfolio Investments	Others	Eliminations	Consolidated
				(In Millions)			
Revenues:							
External customers	₱63,599	₱211,203	₱21,897	₱21,151	₱1,349	₱–	₱319,199
Revenues from contracts with customers	20,016	205,434	–	–	–	–	225,450
Merchandise sales	–	205,434	–	–	–	–	205,434
Real estate sales	20,016	–	–	–	–	–	20,016
Rent	33,304	794	–	1,309	2	–	35,409
Equity in net earnings of associate companies and joint ventures	1,450	1,180	21,897	447	3	–	24,977
Others	8,829	3,795	–	19,395	1,344	–	33,363
Inter-segment	8,033	326	–	367	2,335	(11,061)	–
	₱71,632	₱211,529	₱21,897	₱21,518	₱3,684	(₱11,061)	₱319,199
Segment results:							
Income before income tax	₱30,174	₱11,964	₱21,897	₱3,596	(₱281)	₱–	₱67,350
Provision for income tax	5,368	2,693	–	414	87	–	8,562
Net income after tax	₱24,806	₱9,271	₱21,897	₱3,182	(₱368)	₱–	₱58,788
Net income attributable to:							
Owners of the Parent Company	₱12,273	₱6,539	₱21,304	₱2,806	(₱357)	₱–	₱42,565
Non-controlling interests	12,533	2,732	593	376	(11)	–	16,223

The disaggregation of revenue required under PFRS 15 is presented by account type in the interim condensed consolidated statements of income and by business segment in the segment results above.

5. Cash and Cash Equivalents

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Millions)	
Cash on hand and in banks (Note 20)	**₱22,164**	₱33,154
Temporary investments (Note 20)	**51,595**	68,693
	₱73,759	₱101,847

Cash in banks and temporary investments earn interest at prevailing market rates. The maturities of temporary investments vary based on the Group's short-term liquidity requirements.

6. Receivables and Contract Assets

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Millions)	
Trade:		
Sales of real estate*	**₱165,379**	₱163,713
Rent from third-party tenants	**11,251**	11,155
Shipping and logistics**	**3,992**	4,367
Rent from related party tenants (Note 20)	**559**	620
Others	**4,850**	9,621
Royalty and service fees (Note 20)	**1,364**	1,799
Dividends (Note 20)	**868**	442
	188,263	191,717
Less allowance for expected credit loss (ECL)	**3,282**	3,316
	184,981	188,401
Less noncurrent portion of receivables from sales of real estate (Note 13)	**93,874**	94,302
Current portion	**₱91,107**	₱94,099

* *Includes unbilled revenue from sales of real estate of ₱148.7 billion and ₱137.8 billion as at June 30, 2026 and December 31, 2025, respectively.*

** *Includes contract assets representing shipping and logistics services delivered but not yet invoiced of ₱1.0 billion and ₱1.1 billion as at June 30, 2026 and December 31, 2025, respectively.*

An allowance for ECL is recognized for receivables from real estate sales, tenants, shipping and logistics, and other receivables identified as impaired based on individual and collective assessments.

As at June 30, 2026 and December 31, 2025, receivables from sales of real estate assigned to local banks on a without-recourse basis amounted to ₱5.2 billion and ₱13.2 billion, respectively (Note 20).

7. **Inventories**

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Millions)	
Real estate inventories	**₱74,105**	₱74,524
Merchandise inventories	**49,549**	43,737
Processed food and others	**848**	906
	₱124,502	₱119,167

Inventories are stated at cost as at June 30, 2026 and December 31, 2025.

Real Estate Inventories
The movements in this account follow:

	Land and Development	Condominium, Residential Units and Subdivision Lots for Sale	Total
		(In Millions)	
Balance as at January 1, 2025	₱55,783	₱21,150	₱76,933
Development cost incurred	14,049	–	14,049
Cost of real estate sold	(10,734)	(6,885)	(17,619)
Transfers	(2,043)	2,043	–
Reclassifications from investment properties (Note 12)	714	–	714
Translation adjustment and others	239	208	447
Balance as at December 31, 2025 (Audited)	58,008	16,516	74,524
Development cost incurred	**8,921**	**76**	**8,997**
Cost of real estate sold	**(5,391)**	**(4,198)**	**(9,589)**
Transfers	**(1,629)**	**1,629**	**–**
Translation adjustment and others	**–**	**173**	**173**
Balance as at June 30, 2026 (Unaudited)	**₱59,909**	**₱14,196**	**₱74,105**

Contract fulfillment assets included in land and development represent the unamortized portion of land cost of ₱2.1 billion and ₱2.4 billion as at June 30, 2026 and December 31, 2025, respectively.

Real estate sales amounted to ₱19.5 billion and ₱20.0 billion for the six-month periods ended June 30, 2026 and 2025, respectively, of which ₱4.7 billion and ₱7.6 billion pertain to the sale of completed projects.

Income from forfeitures, except accounts covered by Maceda Law, amounted to ₱1.0 billion and ₱0.7 billion for the six-month periods ended June 30, 2026 and 2025, respectively, and are presented under “Revenues - Others” in the consolidated statements of income.

The details of cost of sales and services follow:

	Six-Month Periods Ended June 30	
	2026 (Unaudited)	2025 (Unaudited)
	(In Millions)	
Cost of sales:		
Merchandise	**₱156,332**	₱149,593
Real estate	**9,589**	8,490
Processed food and others	**6,181**	5,445
Cost of shipping, logistics and other services	**8,501**	8,127
	₱180,603	₱171,655

8. Other Current Assets

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Millions)	
Bonds and deposits	**₱13,317**	₱12,805
Prepaid taxes and other prepayments	**10,582**	11,307
Nontrade receivables	**7,141**	7,160
Input tax	**4,940**	4,254
Uniform and supplies inventory	**2,853**	1,985
Derivative assets (Note 24)	**1,271**	3,372
Financial assets at FVOCI (Note 9)	**646**	717
Accrued interest receivable (Note 20)	**286**	312
Time deposits	**37**	3,217
Others	**979**	1,160
	₱42,052	₱46,289

9. Financial Assets at FVOCI

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Millions)	
Shares of stock		
Listed	**₱18,233**	₱20,741
Unlisted	**6,990**	3,622
Club shares	**29**	30
	25,252	24,393
Less current portion (Note 8)	**646**	717
Noncurrent portion	**₱24,606**	₱23,676

10. Investments in Associate Companies and Joint Ventures

The movements in this account follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Millions)	
Balance at beginning of year	**₱437,230**	₱399,485
Equity in net earnings	**27,157**	53,973
Dividends received and others	**(8,861)**	(16,561)
Share in other comprehensive income (loss) of associate companies	**(6,007)**	678
Translation adjustment	**27**	20
Impairment provision	–	(365)
Balance at end of period	**₱449,546**	₱437,230

** Investment in associate companies amounted to ₱436.8 billion and ₱425.0 billion as at June 30, 2026 and December 31, 2025, respectively.*

11. 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
						(In Millions)						
Cost												
As at January 1, 2025	₱1,719	₱22,825	₱3,258	₱13,074	₱13,622	₱27,518	₱34,560	₱1,835	₱15,460	₱1,771	₱5,055	₱140,697
Additions	83	627	298	1,162	1,058	1,321	2,321	124	487	27	3,111	10,619
Reclassifications	354	784	56	74	(83)	1,522	217	(19)	2	–	(2,605)	302
Disposals/retirements	(5)	(76)	(35)	(677)	(215)	(468)	(559)	(21)	(14)	(240)	–	(2,310)
As at December 31, 2025 (Audited)	2,151	24,160	3,577	13,633	14,382	29,893	36,539	1,919	15,935	1,558	5,561	149,308
Additions	**–**	**392**	**117**	**410**	**586**	**667**	**1,222**	**33**	**509**	**4**	**1,317**	**5,257**
Reclassifications	**–**	**(520)**	**17**	**186**	**(32)**	**1,136**	**1,172**	**–**	**–**	**–**	**(2,756)**	**(797)**
Disposals/retirements	**–**	**(38)**	**(8)**	**(198)**	**(126)**	**(330)**	**(255)**	**(10)**	**–**	**(2)**	**–**	**(967)**
As at June 30, 2026 (Unaudited)	**₱2,151**	**₱23,994**	**₱3,703**	**₱14,031**	**₱14,810**	**₱31,366**	**₱38,678**	**₱1,942**	**₱16,444**	**₱1,560**	**₱4,122**	**₱152,801**
Accumulated Depreciation and Amortization												
As at January 1, 2025	₱–	₱9,202	₱2,429	₱9,740	₱10,708	₱14,968	₱26,055	₱1,295	₱7,473	₱1,470	₱–	₱83,340
Depreciation and amortization	–	1,191	247	1,253	909	1,898	1,966	89	809	58	–	8,420
Reclassifications	–	11	23	22	(87)	49	36	(59)	6	–	–	1
Disposals/retirements	–	(41)	(34)	(631)	(192)	(393)	(533)	(21)	(14)	(240)	–	(2,099)
As at December 31, 2025 (Audited)	–	10,363	2,665	10,384	11,338	16,522	27,524	1,304	8,274	1,288	–	89,662
Depreciation and amortization	**–**	**591**	**131**	**550**	**476**	**1,083**	**1,016**	**53**	**384**	**27**	**–**	**4,311**
Reclassifications	**–**	**(332)**	**–**	**2**	**(9)**	**(3)**	**264**	**(1)**	**–**	**–**	**–**	**(79)**
Disposals/retirements	**–**	**(36)**	**(8)**	**(194)**	**(124)**	**(317)**	**(255)**	**(10)**	**–**	**(2)**	**–**	**(946)**
As at June 30, 2026 (Unaudited)	**₱–**	**₱10,586**	**₱2,788**	**₱10,742**	**₱11,681**	**₱17,285**	**₱28,549**	**₱1,346**	**₱8,658**	**₱1,313**	**₱–**	**₱92,948**
Net Book Value												
As at June 30, 2026 (Unaudited)	**₱2,151**	**₱13,408**	**₱915**	**₱3,289**	**₱3,129**	**₱14,081**	**₱10,129**	**₱596**	**₱7,786**	**₱247**	**₱4,122**	**₱59,853**
As at December 31, 2025 (Audited)	2,151	13,797	912	3,249	3,044	13,371	9,015	615	7,661	270	5,561	59,646

To secure a ₱500.0 million term loan facility, 2GO used one of its passenger/cargo ships as collateral. As at December 31, 2025, the carrying amount of the ship amounted to ₱2.2 billion (see Note 16). The term loan matured in April 2026 and the collateral has since been released.

Gains or losses on disposal of properties and equipment as of June 30, 2026 and 2025 are recognized in the consolidated statements of income under “Foreign exchange gain - net and others”.

12. 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
			(In Millions)			
Cost						
As at January 1, 2025	₱92,910	₱103,391	₱358,304	₱66,524	₱122,018	₱743,147
Additions	1,374	4,303	2,531	3,010	65,238	76,456
Reclassifications (Note 7)	(145)	4,296	16,887	3,716	(25,140)	(386)
Translation adjustment	–	97	3,666	338	503	4,604
Disposals	–	(240)	(305)	(78)	–	(623)
As at December 31, 2025 (Audited)	94,139	111,847	381,083	73,510	162,619	823,198
Additions	**607**	**3,443**	**1,331**	**2,362**	**18,632**	**26,375**
Reclassifications	**(241)**	**3,501**	**7,586**	**1,085**	**(10,830)**	**1,101**
Translation adjustment	–	**117**	**5,147**	**523**	**465**	**6,252**
Disposals	–	**(20)**	**(52)**	**(54)**	–	**(126)**
As at June 30, 2026 (Unaudited)	**₱94,505**	**₱118,888**	**₱395,095**	**₱77,426**	**₱170,886**	**₱856,800**
Accumulated Depreciation, Amortization and Impairment Loss						
As at January 1, 2025	₱–	₱3,660	₱103,520	₱43,018	₱–	₱150,198
Depreciation and amortization	–	256	10,318	4,485	–	15,059
Provision for impairment loss	–	18	(14)	(4)	–	–
Translation adjustment	–	74	975	183	–	1,232
Disposals	–	(238)	(155)	(71)	–	(464)
As at December 31, 2025 (Audited)	–	3,770	114,644	47,611	–	166,025
Depreciation and amortization	**–**	**133**	**5,462**	**2,293**	–	**7,888**
Translation adjustment	**–**	**82**	**1,288**	**234**	–	**1,604**
Disposals	**–**	**(20)**	**(17)**	**(51)**	–	**(88)**
As at June 30, 2026 (Unaudited)	**₱–**	**₱3,965**	**₱121,377**	**₱50,087**	**₱–**	**₱175,429**
Net Book Value						
As at June 30, 2026 (Unaudited)	**₱94,505**	**₱114,923**	**₱273,718**	**₱27,339**	**₱170,886**	**₱681,371**
As at December 31, 2025 (Audited)	94,139	108,077	266,439	25,899	162,619	657,173

Rent income from investment properties, primarily attributable to SM Prime Holdings, Inc. (SM Prime), amounted to ₱37.6 billion and ₱34.6 billion for the six-month periods ended June 30, 2026 and 2025, respectively. Related direct operating expenses amounted to ₱16.6 billion and ₱17.3 billion, respectively.

Construction in progress includes construction costs incurred for new shopping malls, commercial buildings, hotels and convention centers and the redevelopment of existing malls amounting to ₱169.2 billion and ₱160.9 billion as at June 30, 2026 and December 31, 2025, respectively.

Portions of investment properties located in China amounting to ₱1.6 billion and ₱1.5 billion as at June 30, 2026 and December 31, 2025, respectively, are pledged as collateral for domestic borrowings (see Note 16).

Outstanding construction contracts with various contractors amounted to ₱34.8 billion and ₱39.1 billion as at June 30, 2026 and December 31, 2025, respectively, inclusive of overhead, labor, materials, and other costs necessary for project execution.

Interest capitalized to the construction of investment properties amounted to ₱5.6 billion and ₱10.2 billion as at June 30, 2026 and December 31, 2025, respectively. Capitalization rates range from 2.0% to 6.2% and 1.9% to 6.6% as at June 30, 2026 and December 31, 2025, respectively.

The Group has no restrictions on the realizability of its investment properties.

Gains or losses on disposal of investment properties as of June 30, 2026 and 2025 are recognized in the consolidated statements of income under "Foreign exchange gain - net and others".

13. Intangibles and Other Noncurrent Assets

Intangible Assets
This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Millions)	
Goodwill	**₱34,248**	₱34,340
Less accumulated impairment loss	**–**	81
Net book value	**34,248**	34,259
Trademarks and brand names	**6,126**	6,127
	₱40,374	₱40,386

Other Noncurrent Assets
This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Millions)	
Receivables from sales of real estate (Note 6)*	**₱93,874**	₱94,302
Bonds and deposits	**47,133**	47,105
Creditable withholding tax	**12,194**	9,910
Input VAT	**8,964**	8,576
Deferred exploration costs	**7,836**	7,242
Deferred tax assets (Note 21)	**5,853**	5,413
Derivative assets (Note 24)	**3,173**	1,338
Time deposits	**1,119**	4,178
Escrow fund (Note 20)	**1,112**	1,035
Defined benefit asset	**515**	357
Others	**1,710**	1,130
	₱183,483	₱180,586

** Pertains to the noncurrent portion of unbilled revenue from sales of real estate (See Note 6).*

14. **Bank Loans**

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In millions)	
Parent:		
Peso-denominated loans	**₱1,150**	₱–
Subsidiaries:		
China yuan renminbi-denominated loans*	**3,288**	2,313
Peso-denominated loans	**45,558**	17,910
	₱49,996	₱20,223

**Secured by time deposits (see Note 13)*

Peso-denominated loans bear interest ranging from 4.3% to 5.6% and 5.2% to 6.6% for the six-month periods ended June 30, 2026 and 2025, respectively. Renminbi-denominated loans bear interest based on the China Loan Prime Rate (LPR).

These loans mature within one year.

15. **Accounts Payable and Other Current Liabilities**

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Millions)	
Trade	**₱110,566**	₱125,481
Accrued expenses	**33,532**	25,853
Nontrade (Note 20)	**20,850**	22,381
Tenants' and customers' deposits*	**14,308**	14,427
Payables to government agencies	**7,031**	7,218
Accrued interest (Note 20)	**4,285**	4,179
Lease liabilities (Note 22)	**3,393**	3,377
Payable arising from acquisition of land	**2,228**	2,591
Subscriptions payable	**1,966**	1,967
Dividends payable	**1,751**	476
Others	**4,739**	5,134
	₱204,649	₱213,084

* *Includes unearned revenues from shipping and logistics of ₱180.1 million and ₱233.7 million as at June 30, 2026 and December 31, 2025, respectively, and unearned revenues from sales of real estate of ₱6.7 billion and ₱7.0 billion as at June 30, 2026 and December 31, 2025, respectively.*

16. **Long-term Debt**

This account consists of:

	June 30, 2026 (Unaudited)				December 31, 2025 (Audited)
	Availment	**Maturity**	**Interest Rate/Term**	**Amount**	Amount
				(In Millions)	
Parent Company					
U.S. dollar-denominated*	April 2025	April 2032	Fixed 4.9%; quarterly	**₱3,502**	₱3,389
GBP-denominated*	July 2023	July 2028	Fixed 5.3%; quarterly	**3,381**	3,304
Peso-denominated	March 2021 - February 2022	February 2027 - May 2031	Fixed 4.2%-4.8%; semi-annual and quarterly	**24,134**	28,236
Subsidiaries					
U.S. dollar-denominated*	June 2022 - April 2026	June 2027 - April 2031	Fixed 4.7%-5.4%; SOFR + spread; semi-annual and quarterly	**98,098**	115,518
China yuan renminbi-denominated**	July 2021 - June 2026	July 2026 - June 2037	Fixed 3.7%; LPR, SOFR; annually	**12,675**	10,834
Peso-denominated***	July 2016 - June 2026	July 2026 - November 2035	Fixed 3.8%-7.0%; BVAL + margin	**321,494**	332,091
				463,284	493,372
Less debt issue cost				**2,175**	2,136
				461,109	491,236
Less current portion				**59,343**	100,397
				₱401,766	₱390,839

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.*
*** Hedged against foreign exchange and interest rate risks using derivative instruments and secured by portions of investment properties located in China (see Note 12)*
****Includes loans secured by portions of property and equipment (see Note 11)*

Repayment Schedule

The repayment schedule of long-term debt as at June 30, 2026 follows:

	Gross Debt	Debt Issue Cost	Net
		(In Millions)	
Within 1 year	₱59,916	₱573	₱59,343
Over 1 year to 5 years	315,231	1,433	313,798
Over 5 years	88,137	169	87,968
	₱463,284	₱2,175	₱461,109

Covenants

The Group's long-term debt is subject to certain covenants, including compliance with specified financial ratios and restrictions on material changes in ownership or control. As at June 30, 2026 and December 31, 2025, the Group is in compliance with all debt covenants.

17. Tenants' Deposits and Others

This account consists of:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Millions)	
Tenants' deposits	**₱29,157**	₱27,650
Deferred output VAT payable	**15,921**	18,182
Retention payable	**12,142**	10,350
Defined benefit liability	**5,078**	5,052
Derivative liabilities (Note 24)	**1,765**	288
Customers' deposits	**1,263**	1,576
Asset retirement liability	**348**	421
Others	**6,641**	8,244
	₱72,315	₱71,763

18. Equity

Capital Stock

a. Common stock

	Number of Shares	
	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Authorized - ₱10 par value per share	**2,790,000,000**	2,790,000,000
Issued and subscribed	**1,233,154,140**	1,233,154,140

As at June 30, 2026 and December 31, 2025, the Parent Company is compliant with the minimum public float as required by the PSE.

In February 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.

The total number of shareholders of the Parent Company is 1,264 and 1,253 as at June 30, 2026 and December 31, 2025, respectively.

b. Redeemable preferred shares

	Number of Shares	
	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Authorized - ₱10 par value per share	**10,000,000**	10,000,000

There are no issued and subscribed preferred shares as at June 30, 2026 and December 31, 2025.

Treasury Stock

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

For the six-month period ended June 30, 2026, the Parent Company has purchased a total of 6.1 million common shares at an average price of ₱628.57, totaling ₱3.8 billion. As at June 30, 2026 and December 31, 2025, the Parent Company held 17.1 million and 11.0 million treasury shares, respectively.

Additional Paid-in Capital

Additional paid-in capital consists primarily of share premium arising from the issuance of shares in excess of par value and equity adjustments from transactions with non-controlling interests that do not result in loss of control. It also includes other equity reserves recognized directly in equity in accordance with PFRS.

Retained Earnings

- Appropriated

  Retained earnings appropriated as at June 30, 2026 is intended for new investments for the years 2026 to 2027.

- Unappropriated

  The Parent Company's cash dividend declarations in 2026 and 2025 follow:

Declaration Date	Record Date	Payment Date	Per Share	Total
				(In Millions)
Regular				
April 29, 2026	May 14, 2026	May 28, 2026	₱17.00	₱20,713
April 30, 2025	May 16, 2025	May 29, 2025	11.00	13,515
Special				
April 30, 2025	May 16, 2025	May 29, 2025	2.00	2,457

Unappropriated retained earnings include the accumulated equity in net earnings of subsidiaries, associates and joint ventures amounting to ₱535.5 billion and ₱513.8 billion as at June 30, 2026 and December 31, 2025, 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:

	Six-Month Periods Ended June 30	
	2026 (Unaudited)	2025 (Unaudited)
	(In Millions)	
Shipping, logistics and other services	**₱10,748**	₱9,880
Sales - processed food and others	**9,733**	8,740
Cinema and event ticket sales and others	**5,152**	4,678
Royalty and service fees	**3,010**	3,846
Food and beverage	**1,611**	1,535
Dividends	**374**	321
Others	**6,575**	4,363
	₱37,203	₱33,363

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

20. Related Party Disclosures

Parties are considered related if one party has the ability, directly or indirectly, to control or exercise significant influence over the other in making financial and operating decisions, or if they are subject to common control. The Group has a policy requiring that related party transactions which exceed specified thresholds and/or are not conducted in the ordinary course of business be reviewed and approved by the Related Party Transactions Committee under the BOD.

The significant transactions with related parties follow:

- Rent

  The Group has lease agreements for office and commercial spaces with related companies, including entities within the banking group and retail and other entities 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. The Parent Company also receives royalty fees from certain related parties.

- Dividend Income

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

- Cash Placements and Loans

The Group maintains bank accounts and cash placements, and has bank loans and other borrowings, with BDO and Chinabank. These accounts earn interest at prevailing market rates.

- Tenants' deposits

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

- Others

  In the normal course of business, the Group has outstanding receivables from and payables to related companies. These balances are unsecured and are generally settled in cash.

The related party transactions and outstanding balances follow:

	Transaction Amount		Outstanding Amount	
	Six-Month Periods Ended June 30		**June 30,**	December 31,
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Audited)
	(In Millions)			
Banking Group				
Cash placement and investment in marketable securities [a, b]	**₱–**	₱–	**₱67,051**	₱94,786
Interest receivable	**–**	–	**115**	60
Interest income	**1,162**	1,909	**–**	–
Interest-bearing debt [a, b]	**–**	–	**50,264**	60,490
Interest payable	**–**	–	**208**	592
Interest expense	**2,305**	1,175	**–**	–
Rent receivable	**–**	–	**188**	169
Rent income	**772**	708	**–**	–
Receivable financed	**5,164**	3,111	**–**	–
Royalty and service fee receivable	**–**	–	**38**	10
Royalty and service fee income	**143**	57	**–**	–
Escrow fund [a]	**–**	–	**1,110**	1,033
Tenants' deposits	**–**	–	**765**	734
Retail and Other Entities				
Rent receivable	**–**	–	**371**	451
Rent income	**1,655**	1,414	**–**	–
Rent expense	**6**	–	**–**	–
Royalty and service fee receivable	**–**	–	**1,334**	1,781
Royalty and service fee income	**1,540**	1,450	**–**	–
Shipping, logistics and other service income	**1**	57	**–**	–
Service fee payable	**–**	–	**1**	5
Service fee expense	**31**	26	**–**	–
Trade receivable	**–**	–	**26**	19
Nontrade receivable	**–**	–	**92**	192
Trade payable	**–**	–	**6**	3
Nontrade payable	**–**	–	**11**	17
Dividends receivable	**–**	–	**839**	302
Bonds and deposits	**–**	–	**3**	3
Tenants' deposits	**–**	–	**1,035**	949

[a] *Interest-bearing*
[b] *Partially secured*

Terms and Conditions of Transactions with Related Parties
Outstanding balances at end of the period are generally settled in cash. The Group did not recognize any impairment loss on amounts due from related parties.

21. **Income Tax**

Deferred tax assets of ₱5.9 billion and ₱5.4 billion as at June 30, 2026 and December 31, 2025, 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 ₱21.1 billion as at June 30, 2026 and December 31, 2025, 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 tenants generally have terms ranging from one to twenty-five years. Upon inception of the lease, tenants are required to pay security deposits. Tenants also pay a fixed monthly rent based on a specified rate per square meter of leased area. Certain tenants pay the higher of a fixed monthly rent or a percentage of gross sales.

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

There are also non-cancellable operating lease commitments with terms ranging from two to thirty years, most of which include renewal options and provisions for additional rent based on a percentage of sub-lessees' sales.

The rollforward analysis of ROU assets follows:

	June 30, 2026 (Unaudited)		
	Land Use Rights	**Retail Stores, Office Spaces, Warehouses and Others**	**Total**
		(In Millions)	
Cost			
As at beginning of year	**₱33,243**	**₱36,455**	**₱69,698**
Additions	**–**	**2,336**	**2,336**
Translation adjustment	**1,482**	**–**	**1,482**
Reclassifications	**–**	**2,205**	**2,205**
Retirements and terminations	**–**	**(2,403)**	**(2,403)**
As at end of year	**34,725**	**38,593**	**73,318**
Accumulated Depreciation and Amortization			
As at beginning of year	**4,650**	**13,346**	**17,996**
Depreciation and amortization	**443**	**1,745**	**2,188**
Translation adjustment	**113**	**–**	**113**
Reclassifications	**–**	**2,144**	**2,144**
Retirements and terminations	**–**	**(2,150)**	**(2,150)**
As at end of year	**5,206**	**15,085**	**20,291**
Net Book Value	**₱29,519**	**₱23,508**	**₱53,027**

	December 31, 2025 (Audited)		
	Land Use Rights	Retail Stores, Office Spaces, Warehouses and Others	Total
		(In Millions)	
Cost			
As at beginning of year	₱32,552	₱34,717	₱67,269
Additions	3	6,452	6,455
Translation adjustment	1,152	–	1,152
Reclassifications	–	(735)	(735)
Retirements and terminations	(464)	(3,979)	(4,443)
As at end of year	33,243	36,455	69,698
Accumulated Depreciation and Amortization			
As at beginning of year	3,859	14,225	18,084
Depreciation and amortization	779	3,438	4,217
Translation adjustment	81	–	81
Reclassifications	–	(570)	(570)
Retirements and terminations	(69)	(3,747)	(3,816)
As at end of year	4,650	13,346	17,996
Net Book Value	₱28,593	₱23,109	₱51,702

The rollforward analysis of lease liabilities follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Millions)	
As at beginning of year	**₱38,549**	₱36,388
Additions	**2,336**	6,455
Interest expense	**1,109**	2,199
Payments	**(2,884)**	(5,466)
Terminations	**(361)**	(913)
Reclassification and others	**42**	(114)
As at end of year	**38,791**	38,549
Less current portion (Note 15)	**3,393**	3,377
Noncurrent portion	**₱35,398**	₱35,172

The Group has lease contracts that include extension and termination options, negotiated to provide flexibility in managing its leased asset portfolio.

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

23. Financial Risk Management Objectives and Policies

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

- *Interest rate risk.* Fixed-rate instruments are subject to fair value interest rate risk, while floating-rate instruments are subject to cash flow risk arising from changes in interest rates. Floating-rate instruments are typically repriced every three or six months.

- *Foreign currency risk.* The Group is exposed to foreign currency risk as the Parent Company and SM Prime have significant investments and debt that are denominated in U.S. dollars (USD) and Renminbi (RMB/CNY).

- *Liquidity risk.* The risk that the Group may encounter difficulties in raising funds to meet commitments arising from financial instruments.

- *Credit risk.* The risk of loss if a counterparty fails to meet its contractual obligations.

- *Equity price risk.* Exposure arises from investments in quoted equity shares classified as equity investments at FVOCI in the consolidated statements of financial position; values are affected by movements in equity indices and individual stock prices.

The Board is apprised of the Group's risks as part of the Group Risk Management Strategy. Treasury and risk policies are set and implemented by management.

Interest Rate Risk
The Group's exposure to changes in interest rates relates primarily to its long-term borrowings (see Note 16). The Group follows a conservative funding strategy, preferring longer-tenor funding and aiming for a stable mix of fixed and variable rates aligned with its underlying cash flows. To achieve this, the Group uses interest rate and cross-currency swaps that exchange fixed and floating interest payments at set intervals. These derivatives are designated as cash flow hedges of the related borrowings. The Group also uses a rollover approach for certain currency forwards, replacing contracts that mature before the related exposure to maintain coverage.

As at June 30, 2026 and December 31, 2025, after considering the effect of the swaps, approximately 71.9% and 61.3%, respectively of the Group's borrowings, net of debt issue cost, is kept at fixed interest rates.

Foreign Currency Risk
The Group aims to reduce foreign currency risk through on-balance sheet hedges and the use of derivatives, including cross-currency swaps, foreign currency call options, and non-deliverable forwards. The Group's foreign currency-denominated financial assets and liabilities, and their Peso equivalents, are presented below.

As at June 30, 2026, the Group's foreign currency-denominated assets and liabilities amounted to ₱0.3 billion ($5.0 million) and ₱0.2 billion ($3.0 million), respectively.

As at December 31, 2025, the Group's foreign currency-denominated assets and liabilities amounted to ₱0.4 billion ($6.0 million) and ₱0.1 billion ($2.0 million), respectively.

As at June 30, 2026 and December 31, 2025, approximately 23.5% and 26.4%, 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.

	June 30, 2026	December 31, 2025
Philippine Peso to U.S. Dollar	**₱61.360**	₱58.790

Liquidity Risk
The Group manages its liquidity to ensure adequate funding for capital expenditures and debt service. Financing sources include internally generated funds, proceeds from debt and equity issuances, and, when necessary, the sale of assets.

The Group regularly evaluates projected and actual cash flows and assesses market conditions to identify funding opportunities, including bank loans, export credit agency–guaranteed facilities, bonds, and equity issuances.

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

For other financial assets such as cash and cash equivalents, time deposits, and certain derivative instruments, credit risk arises from counterparty default, with a maximum exposure equal to their carrying amounts.

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

As at June 30, 2026 and December 31, 2025, financial assets, except certain receivables, are generally viewed by management as good and collectible considering counterparties' credit history. Past due or impaired financial assets are not significant in relation to the Group's total financial assets.

Equity Price Risk
Management closely monitors the equity investments in the Group's portfolio. Material positions are managed on an individual basis, and all buy and sell decisions are approved by management.

Capital Management
The primary objectives of the Group's capital management are to maintain a strong credit rating and healthy capital ratios, to support the business, and to maximize shareholder value.

The Group manages its capital structure and makes appropriate adjustments as economic conditions change; actions may include adjusting dividend payments to shareholders, securing new and/or repaying existing debts, returning capital to shareholders, or issuing new shares.

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

The Group's gearing ratios follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Gross	**34%**	35%
Net	**31%**	30%

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:

	June 30, 2026 (Unaudited)				
	Carrying Value	**Fair Value**	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
			(In Millions)		
Assets Measured at Fair Value					
Financial assets at FVOCI					
Listed shares of stock	**₱18,233**	**₱18,233**	**₱18,233**	**₱–**	**₱–**
Unlisted shares of stock	**6,990**	**6,990**	**–**	**–**	**6,990**
Club shares	**29**	**29**	**–**	**29**	**–**
Derivative assets	**4,444**	**4,444**	**–**	**4,444**	**–**
	29,696	**29,696**	**18,233**	**4,473**	**6,990**
Assets for which Fair Values are Disclosed					
Time deposits - noncurrent portion	**1,119**	**1,123**	**–**	**1,123**	**–**
	₱30,815	**₱30,819**	**₱18,233**	**₱5,596**	**₱6,990**

	June 30, 2026 (Unaudited)				
	Carrying Value	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
			(In Millions)		
Liabilities Measured at Fair Value					
Derivative liabilities	**₱1,847**	**₱1,847**	**₱–**	**₱1,847**	**₱–**
Liabilities for which Fair Values are Disclosed					
Long-term debt (noncurrent portion and net of unamortized debt issue cost)	**401,766**	**391,388**	**–**	**–**	**391,388**
Tenants' deposits and others*	**41,337**	**40,010**	**–**	**–**	**40,010**
	443,103	**431,398**	**–**	**–**	**431,398**
	₱449,950	**₱433,245**	**₱–**	**₱1,847**	**₱431,398**

**Excluding nonfinancial liabilities of ₱29.2 billion and noncurrent derivative liabilities of ₱1.8 billion.*

	December 31, 2025 (Audited)				
	Carrying Value	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
			(In Millions)		
Assets Measured at Fair Value					
Financial assets at FVOCI					
Listed shares of stock	₱20,741	₱20,741	₱20,741	₱–	₱–
Unlisted shares of stock	3,622	3,622	–	–	3,622
Club shares	30	30	–	30	–
Derivative assets	4,710	4,710	–	4,710	–
	29,103	29,103	20,741	4,740	3,622
Assets for which Fair Values are Disclosed					
Time deposits - noncurrent portion	4,178	4,232	–	4,232	–
	₱33,281	₱33,335	₱20,741	₱8,972	₱3,622
Liabilities Measured at Fair Value					
Derivative liabilities	₱401	₱401	₱–	₱401	₱–
Liabilities for which Fair Values are Disclosed					
Long-term debt (noncurrent portion and net of unamortized debt issue cost)	390,839	387,236	–	–	387,236
Tenants' deposits and others*	38,000	37,744	–	–	37,744
	428,839	424,980	–	–	424,980
	₱429,240	₱425,381	₱–	₱401	₱424,980

**Excluding nonfinancial liabilities of ₱33.5 billion and noncurrent derivative liabilities of ₱288.3 million.*

There were no transfers into and out of Levels 1, 2 and 3 fair value measurements as at June 30, 2026 and December 31, 2025.

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. Discount rates used is based on the prevailing market rate as at June 30, 2026 and December 31, 2025.
Variable Rate	For variable rate loans that re-price every three months, the carrying amount 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. Discount rates used were 7.2% to 8.7% and 7.9% to 8.2% as at June 30, 2026 and December 31, 2025, respectively.

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

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	(In Millions)	
Balance at beginning of year	**₱4,309**	₱5,222
Net changes in fair value*	**1,126**	(252)
Fair value on settled derivatives	**(2,838)**	(661)
	₱2,597	₱4,309

** Includes fair value changes in OCI.*

As the terms of the swaps have been negotiated to match the terms of the hedged loans and advances, the hedges were assessed to be effective.

25. EPS Computation

	Six-Month Periods Ended June 30	
	2026 (Unaudited)	2025 (Unaudited)
	(In Millions Except Per Share Data)	
Net income attributable to owners of the Parent Company (a)	**₱45,856**	₱42,565
Weighted average number of common shares outstanding (b)	**1,212**	1,222
Basic/Diluted EPS (a/b)	**₱37.82**	₱34.84

PART I FINANCIAL INFORMATION

Item 2. Aging of Accounts Receivable - Trade
As of June 30, 2026 (Unaudited)
In Millions

Sales of real estate - current	₱	71,505
Rent from third-party tenants		11,251
Shipping and logistics		3,992
Rent from related party tenants		559
Others		4,850
Total	₱	92,157

Aging:

Neither past due nor impaired	₱	77,320
Less than 30 days		3,813
31-90 days		2,938
91-120 days		1,331
Over 120 days		3,473
Impaired		3,282
Total	₱	92,157

PART 1 FINANCIAL INFORMATION

Management's Discussion and Analysis or Plan of Operation

Results of Operation
For the Six Months Ended June 30, 2026 and 2025
(amounts in billion pesos)

	YTD June		
	2026 (Unaudited)	2025 (Unaudited)	% Change
Revenues	**₱339.2**	**₱ 319.2**	**6.3%**
Costs and Expenses	258.6	243.6	6.1%
Operating Income	**80.6**	**75.6**	**6.6%**
Other Charges	9.3	8.2	13.6%
Provision for Income Tax	8.9	8.6	3.8%
Net Income After Tax	**62.4**	**58.8**	**6.1%**
Non-controlling Interests	16.5	16.2	1.7%
Net Income Attributable to Owners of the Parent	**₱ 45.9**	**₱ 42.6**	**7.7%**

The Group reported ₱45.9 billion *Net Income Attributable to Owners of the Parent* on ₱339.2 billion *Revenues*.

Operating segment contributions to consolidated revenues and net income are as follows:

	Revenues		Net Income	
	YTD June-26	YTD June-25	YTD June-26	YTD June-25
Retail	**66%**	66%	**15%**	15%
Property	**20%**	20%	**27%**	28%
Banks	**7%**	7%	**47%**	50%
Portfolio	**7%**	7%	**11%**	7%

Retail

SM Retail reported *Net income* of ₱8.9 billion on *Revenues* of ₱223.6 billion, up 5.3% and 5.6%, respectively, from 2025. *Operating income* grew 11.9% to ₱14.0 billion, with margin expanding to 6.5% from 6.1%. Margin expansion across formats resulted from more effective management of store promotions and discounts, as well as cost efficiencies.

The SM Store reported *Sales* of ₱51.6 billion, 3.0% higher than 2025, driven by the Fashion, Kids and Home categories. *Net income* rose 8.5% to ₱1.7 billion as margin improved to 4.5% from 4.1%.

Food Stores reported *Sales* of ₱132.9 billion, up 6.1% from 2025, supported by volume growth.

Specialty Stores reported *Sales* of ₱45.7 billion, up 6.2% from 2025, led by recovery in the Home and Other Fashion categories.

Property

SM Prime reported *Net income* of ₱24.5 billion, level with 2025, on *Revenues* of ₱71.7 billion, 5.3% higher, as costs and expenses outpaced revenue growth. Rental income from malls, offices, hotels and MICE accounted for 61% of revenues, real estate sales 27%, and cinema ticket sales, food and beverage, amusement and related offerings the remaining 12%.

Malls reported *Revenues* of ₱41.8 billion, 8.2% higher than 2025, on the combined effect of higher occupancy, stronger tenant sales and improved operational efficiency.

Real estate sales slipped 2.5% to ₱19.5 billion, partly reflecting the review and changes in the parameters used to assess the continuing viability of contracts with existing customers. The projects that generated sales this period include *Gold Towers Residential-Offices* in Paranaque, *Sands Residences* in Manila, *Vail Residences* in Cagayan de Oro, *Joy Residences* in Bulacan and *Jade Residences* in Makati.

Banking

BDO reported *Net income* of ₱40.7 billion, level with 2025, as higher provisions offset growth across its core businesses. *Net interest income* increased 11% to ₱108.5 billion on 15% growth in gross customer loans to ₱3.9 trillion, with net interest margin at 4.2%. Pre-provision operating profit rose 12% on robust lending activity and disciplined cost management. Provisions rose to ₱12.8 billion from ₱7.2 billion in 2025. Asset quality improved, with non-performing loan (NPL) ratio at 1.6% and NPL coverage at 132%.

Chinabank reported *Net income* of ₱14.5 billion, 11% higher than 2025. *Net interest income* increased 14% to ₱39.7 billion as net interest margin expanded to 4.67%, with gross loans up 17% to ₱1.1 trillion on demand from both corporate and consumer segments. Provisions of ₱1.2 billion held NPL coverage at 106% with NPL ratio steady at 1.5%.

Portfolio Investments

The Portfolio Investments Group increased its share of Group *Net income* to 11% from 7% in 2025, with Atlas contributing ₱1.6 billion against a negative ₱222 million in 2025, which Atlas attributed to higher copper prices.

Profit & Loss Statement - Account Analysis

Merchandise Sales grew 5.5% to ₱216.8 billion, accounting for 64% of total revenues in 2026. Food Group sales increased 6.1% to ₱132.9 billion with SM Markets up 4.6%, WalterMart 7.5% and Alfamart 11.2%. In the first half of 2026, a total of 190 new stores were opened, consisting of 119 food stores (of which 111 are Alfamart), 70 Specialty stores and one SM Store. Associate brands also grew their networks, with Watsons opening 30 new stores and Uniqlo one.

Real Estate Sales decreased 2.5% to ₱19.5 billion, partly reflecting the review and changes in the parameters used to assess the continuing viability of contracts with existing customers. The projects that generated sales this period include *Gold Towers Residential-Offices* in Paranaque, *Sands Residences* in Manila, *Vail Residences* in Cagayan de Oro, *Joy Residences* in Bulacan and *Jade Residences* in Makati.

Rent Revenues, derived mainly from the mall operations of SM Prime, increased 8.7% to ₱38.5 billion on higher occupancy.

*Equity in Net Earnings of Associate Companies and Joint Venture*s increased 8.7% to ₱27.2 billion. The increase was driven mainly by Atlas' significant turnaround from losses in 2Q 2025.

Other Revenues increased 11.5% to ₱37.2 billion. The increase is attributable to Goldilocks sales, shipping and logistics revenues, cinema and event ticket sales, and vendor support among others.

Cost of Sales grew 5.2%, below sales growth, resulting in improved gross margin, particularly on sales of retail merchandise.

Selling, General and Administrative Expenses increased 8.4%, mainly due to operating costs of newly opened malls and retail stores. Excluding expansion-related costs, operating expense growth was kept in check, reflecting effective cost management.

Operating Income increased 6.6% to ₱80.6 billion. *Operating Margin* and *Net Margin* is at 23.8% and 18.4%, respectively.

Other Charges (net) increased 13.6% to ₱9.3 billion. *Interest Expense* decreased by ₱301 million to ₱10.3 billion while *Interest Income* decreased by ₱844 million to ₱1.4 billion. *Foreign exchange loss – net and others* of ₱364 million includes ₱423 million foreign exchange gains (net) and ₱899 million of realized losses on matured derivatives. The derivative losses represent the difference between the spot rate when each hedged loan was drawn and the forward rate contracted, deferred in OCI until settlement. Foreign exchange losses from restating the hedged borrowings at each period end were also taken to OCI with the offsetting derivative movements, so no net foreign exchange impact reached profit and loss.

Financial Position
(amounts in billion pesos)

	06 / 30 / 2026 (Unaudited)	12 / 31 / 2025 (Audited)	% Change
Current Assets	₱ 331.4	₱ 361.4	-8.3%
Noncurrent Assets	1,492.3	1,450.4	2.9%
Total Assets	**₱ 1,823.7**	**₱ 1,811.8**	**0.7%**
Current Liabilities	₱ 317.7	₱ 337.3	-5.8%
Noncurrent Liabilities	530.0	518.9	2.1%
Total Liabilities	**847.7**	**856.2**	**-1.0%**
Total Equity	**976.0**	**955.6**	**2.1%**
Total Liabilities and Equity	**₱ 1,823.7**	**₱ 1,811.8**	**0.7%**

Total *Assets* increased 0.7% to ₱1,823.7 billion while Total *Liabilities* decreased 1.0% to ₱847.7 billion.

<u>*Assets*</u>

Cash and Cash Equivalents decreased 27.6% to ₱73.8 billion; ₱22.0 billion used for investing activities, and ₱47.9 billion used for financing activities, offset by ₱41.7 billion cash generated from operations.

Receivables and Contract Assets decreased 3.2% to ₱91.1 billion, mainly due to collections of receivable from banks for credit card sales, partly offset by the increase in receivable from sales of real estate.

Inventories increased 4.5% to ₱124.5 billion, mainly Retail merchandise inventory which increased by ₱5.8 billion to ₱49.5 billion.

Financial assets at FVOCI (current and noncurrent) increased 3.5% to ₱25.3 billion representing new securities investments, partly offset by the decrease in market values of investments in listed shares.

Investments in Associate Companies and Joint Ventures increased 2.8% to ₱449.5 billion, representing ₱27.2 billion equity in net earnings of associate companies, partly offset by dividends received and share in net comprehensive losses.

Time Deposits (current and noncurrent) decreased 84% to ₱1.2 billion as matured placements were not renewed, with proceeds used to fund liquidity and working capital requirements.

Investment Properties increased 3.7% to ₱681.4 billion, reflecting additions to SM Prime's land banking and integrated property developments, new mall and commercial projects, and redevelopment and expansion of existing malls.

Liabilities

Accounts Payable and Other Current Liabilities decreased 4% to ₱204.6 billion due mainly to settlement of trade liabilities, partly offset by the increase in accrued expenses.

Tenants' Deposits and Others increased 0.8% to ₱72.3 billion mainly from ₱1.5 billion higher rental deposits from tenants and ₱1.8 billion higher retentions from construction contracts, offset by ₱2.3 billion lower deferred output VAT.

Equity

Total *Equity* increased 2.1% to ₱976.0 billion.

Equity Attributable to Owners of the Parent increased 2.1% to ₱710.0 billion, reflecting the ₱25.3 billion addition to Retained Earnings - ₱45.9 billion net income reduced by ₱20.6 billion dividends declared.

Non-controlling Interests increased 2.2% to ₱266.0 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:

	06 / 30 / 2026 (Unaudited)	12 / 31 / 2025 (Audited)
Current Ratio	1.0	1.1
Acid Test Ratio	0.5	0.6
Solvency Ratio	18.4%	17.7%
Asset to Equity	1.9	1.9
Debt - Equity Ratios:		
On Gross Basis	34 : 66	35 : 65
On Net Basis	31 : 69	30 : 70
Return on Equity	13.4%	13.5%
Return on Assets	7.1%	7.1%

	Unaudited YTD June	
	2026	2025
Revenue Growth	6.3%	5.9%
Net Margin	18.4%	18.4%
Net Income Growth	7.7%	5.9%
EBITDA *(In Billions of Pesos)*	95.0B	89.0B
Interest Cover	9.2x	8.4x

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

		06/30/2026 (Unaudited) *(In million pesos)*		12/31/2025 (Audited) *(In million pesos)*	
1. Current Ratio	Current Assets	331,420	1 : 1	361,402	1.1 : 1
	Current Liabilities	317,648		337,254	
2. Acid Test Ratio	Current Assets less Inventories and Other Current Assets	165,549	0.5 : 1	199,880	0.6 : 1
	Current Liabilities	317,648		337,254	
3. Solvency Ratio	Net Income After Tax (Annualized) + Depreciation and Amortization (Annualized)	155,976	18.4%	151,469	17.7%
	Total Liabilities	847,682		856,166	
4. Asset to Equity Ratio	Total Assets	1,823,680	1.9	1,811,801	1.9
	Total Equity	975,998		955,635	
5. Debt - Equity Ratio					
a. Gross Basis	Total Interest-Bearing Debt	511,105	34 : 66	511,459	35 : 65
	Total Equity + Total Interest-Bearing Debt	1,487,103		1,467,094	
b. Net Basis	Total Interest-Bearing Debt less Cash and Cash Equivalents (excluding Cash on Hand), and Time Deposits	437,782	31 : 69	404,275	30 : 70
	Total Equity + Total Interest-Bearing Debt less Cash and Cash Equivalents (excluding Cash on Hand), and Time Deposits	1,413,780		1,359,910	
6. Return on Equity	Net Income Attributable to Owners of the Parent (Annualized)	93,772	13.4%	90,482	13.5%
	Average Equity Attributable to Owners of the Parent	697,244		667,859	
7. Return on Assets	Net Income After Tax (Annualized)	127,343	7.1%	123,772	7.1%
	Average Assets	1,806,028		1,753,835	

		Unaudited YTD June 2026 (In million pesos)			Unaudited YTD June 2025 (In million pesos)		
8. Revenue Growth	Total Revenues (Current Period) -1	339,186	- 1	6.3%	319,199	- 1	5.9%
	Total Revenues (Prior Period)	319,199			301,432		
9. Net Margin	Net Income After Tax	62,359		18.4%	58,788		18.4%
	Total Revenues	339,186			319,199		
10. Net Income Growth	Net Income Attributable to Owners of the Parent (Current Period) -1	45,856	- 1	7.7%	42,565	- 1	5.9%
	Net Income Attributable to Owners of the Parent (Prior Period)	42,565			40,202		
11. EBITDA	Income from Operations	80,570			75,555		
	Add Depreciation and Amortization	14,387			13,449		
		94,957			89,004		
12. Interest Cover	EBITDA	94,957		9.2x	89,004		8.4x
	Interest Expense	10,334			10,635		

Expansion Plans / Prospects in 2026

Over the succeeding quarters of 2026, the Group will continue to pursue expansion initiatives across its core businesses, including retail, property, banking, and portfolio investments.

The retail segment plans to open additional stores across various formats and strengthen its omni-channel capabilities. The property segment intends to proceed with the development and expansion of selected malls and commercial properties, alongside the launch of residential and mixed-use projects in key growth areas. Ongoing asset enhancement initiatives, repairs and maintenance of existing properties, and sustainability-related improvements also remain part of the Group's capital program.

The banking segment is expected to continue expanding its lending portfolio, digital platforms, and branch network, while maintaining prudent risk management practices.

The Group evaluates investments in new business ventures and strategic opportunities as they arise, consistent with its long-term growth objectives and capital allocation framework.

Capital expenditures for 2026 are expected to be funded primarily through internally generated cash flows, supplemented, when appropriate, by borrowings and other capital market issuances.

The Group has no material capital commitments other than those disclosed in the notes to the consolidated financial statements.

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**

[redacted]

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

Date: August 14, 2026

Results of Operation
For the Six Months Ended June 30, 2025 and 2024
(amounts in billion pesos)

	YTD June		
	2025 (Unaudited)	2024 (Unaudited)	% Change
Revenues	**₱319.2**	**₱301.4**	**5.9%**
Cost and Expenses	243.6	231.0	5.5%
Income from Operations	**75.6**	**70.4**	**7.3%**
Other Charges	8.2	7.7	6.1%
Provision for Income Tax	8.6	7.6	13.0%
Net Income After Tax	**58.8**	**55.1**	**6.7%**
Non-controlling Interests	16.2	14.9	8.8%
Net Income Attributable to Owners of the Parent	**₱42.6**	**₱40.2**	**5.9%**

SM Investments Corporation and Subsidiaries (the Group) reported ₱42.6 billion *Net Income Attributable to Owners of the Parent* on ₱319.2 billion *Revenues*.

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

	Revenues		Net Income	
	YTD June-25	YTD June-24	YTD June-25	YTD June-24
Retail	66%	65%	15%	14%
Property	20%	21%	28%	27%
Banks	7%	7%	50%	50%
Portfolio	7%	7%	7%	9%

Retail

SM Retail reported ₱8.4 billion *Net income* on *Revenues* of P211.8 billion, 10% and 8% higher than 2024, respectively.

- Non-Food store sales rose by 7.5%, driven by a 10.7% sales growth in *SM Stores* boosted by the shift in school opening to the 2nd quarter and a 5.3% increase in *Specialty Stores,* primarily from back-to-school items, fashion and health and beauty categories.

- Food store sales up 8.3%, driven by volume growth and continued store expansion.

Property

SM Prime reported P24.5 billion *Net income* on *Revenues* of ₱68.0 billion, 11% and 5% higher than 2024, respectively.

- Malls with ₱17.4 billion net income after tax (NIAT), 13% higher than 2024 and comprising 70% of consolidated NIAT.
- Residential with ₱5.1 billion NIAT, up 2% from 2024.
- Commercial and Integrated Commercial Developments with ₱1.7 billion NIAT, up 9% from 2024.
- Hotels with ₱635 million NIAT, up 20% from 2024.

Banking

BDO reported ₱40.6 billion *Net income*, 3% higher than 2024 while Chinabank reported ₱13.0 billion *Net income*, 14% higher than 2024. Both BDO and Chinabank attribute their results to the strong performance of their core businesses.

Portfolio Investments

The Portfolio Investments Group contributed ₱2.8 billion to YTD June 2025 consolidated net income, 35% from PGPC, 30% from NEO, and 16% from 2GO.

Profit & Loss Statement - Account Analysis

Merchandise Sales, which increased 8% to ₱205.4 billion, accounted for 64% of total revenues in 2025. This is attributable to SM Markets with 6% growth to ₱88.7 billion, Non-Food Stores with 8% growth to ₱80.9 billion, WalterMart with 12% growth to ₱19.3 billion and Alfamart with 14% growth.

Real Estate Sales increased 2.2% to ₱20.0 billion from SMDC's various projects including *Calm Residences* in Laguna, *Gold Towers Residential-Offices* in Paranaque, *Glade Residences* in Iloilo and *Joy Residences* in Bulacan.

Rent Revenues, derived mainly from the mall operations of SM Prime, increased 7.6% to ₱35.4 billion.

*Equity in Net Earnings of Associate Companies and Joint Venture*s increased 1.4% to ₱25.0 billion. The increase is mainly with the banks.

Cost and Expenses increased 5.5% to ₱243.6 billion. *Cost of Sales and Services* increased 6% whereas *Selling, General and Administrative Expenses (SGAE)* increased 3.8%. Bulk of the increase in *SGAE* is from the new retail stores.

Income from Operations increased 7.3% to ₱75.6 billion. *Operating Margin* and *Net Margin* in 2025 is at 23.7% and 18.4%, respectively.

Other Charges (net) increased 6.1% to ₱8.2 billion: *Interest Expense* increased 2.6% to ₱10.6 billion and *Interest Income* decreased 7.8% to ₱2.2 billion as a result of significant debt repayments particularly the Parent Company. In 2024, there is a ₱0.2 billion one-off gain from the disposal of investments as well as ₱0.1 billion investment impairment reversal.

Provision for Income Tax increased 13.0% to ₱8.6 billion due mainly to higher taxable income in 2025, mainly of SM Prime and SM Retail.

Non-controlling Interests increased 8.8% to ₱16.2 billion due mainly to the improved net income of partly-owned subsidiaries of SM Prime.

Financial Position
(amounts in billion pesos)

	06 / 30 / 2025 (Unaudited)	12 / 31 / 2024 (Audited)	% Change
Current Assets	₱362.1	₱383.8	-5.7%
Noncurrent Assets	1,363.9	1,315.3	3.7%
Total Assets	**₱1,726.0**	**₱1,699.1**	**1.6%**
Current Liabilities	₱350.5	₱343.2	2.1%
Noncurrent Liabilities	477.4	489.5	-2.5%
Total Liabilities	**827.9**	**832.7**	**-0.6%**
Total Equity	**898.1**	**866.4**	**3.7%**
Total Liabilities and Equity	**₱1,726.0**	**₱1,699.1**	**1.6%**

Total *Assets* increased 1.6% to ₱1,726.0 billion while Total *Liabilities* decreased 0.6% to ₱827.9 billion.

Assets

Current Assets decreased 5.7% to ₱362.1 billion.

Cash and Cash Equivalents decreased 23% to ₱87.1 billion: ₱33.4 billion used for financing activities, ₱27.3 billion used for investments in property and equipment, investment properties and others, partly offset by the ₱35.2 billion cash generated from operations.

Receivables and Contract Assets increased 3.0% to ₱95.1 billion attributable mainly to receivables from real estate sales.

Inventories increased 3.0% to ₱123.3 billion attributable mainly to Retail's merchandise inventory which increased 12.0% to ₱47.0 billion, partially offset by the 1.7% decrease in Real estate inventory to ₱75.6 billion.

Other Current Assets decreased 4.5% to ₱55.7 billion due mainly to collections of Retail's receivables from banks for its sales on credit.

Noncurrent Assets increased 3.7% to ₱1,363.9 billion.

Investments in Associate Companies and Joint Ventures increased 4.6% to ₱418.0 billion. The increase mainly represents the Group's ₱25.0 billion equity in net earnings of its associate companies, particularly the banks, partly offset by ₱11.7 billion dividends received.

Investment Properties increased 4.8% to ₱621.2 billion due mainly to SM Prime's land banking and integrated property developments, new mall and commercial projects, and redevelopment and expansion of existing malls.

Other Noncurrent Assets increased 1.2% to ₱148.2 billion representing mainly the increase in noncurrent receivables from real estate sales.

Liabilities

Interest-bearing Debt increased 0.7% to ₱504.1 billion, ₱17.0 billion net availment by SM Prime offset by ₱11.5 billion net payment by the Parent Company.

Accounts Payable and Other Current Liabilities decreased 4.8% to ₱200.2 billion due mainly to the payment of huge yearend 2024 trade payables of the Retail Group.

Tenants' Deposits and Others increased 2.2% to ₱66.4 billion. This account includes the deferred output VAT related to sales of residential projects, deposits from residential buyers and tenants in new malls and office buildings, and derivative liabilities.

Equity

Total *Equity* increased 3.7% to ₱898.1 billion.

Equity Attributable to Owners of the Parent increased 4.2% to ₱653.5 billion due mainly to the ₱26.7 billion addition in Retained Earnings representing the ₱42.6 billion net income for YTD June 2025, net of ₱15.9 billion dividend declaration.

Non-controlling Interests increased 2.3% to ₱244.6 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:

	06 / 30 / 2025 (Unaudited)	12 / 31 / 2024 (Audited)
Current Ratio	1.0	1.1
Acid Test Ratio	0.5	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	32 : 68	31 : 69
Return on Equity	13.4%	13.8%
Return on Assets	7.0%	7.0%

	Unaudited YTD June	
	2025	2024
Revenue Growth	5.9%	5.1%
Net Margin	18.4%	18.3%
Net Income Growth	5.9%	10.0%
EBITDA *(In Billions of Pesos)*	89.0B	83.3B
Interest Cover	8.4x	7.6x

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

		06/30/2025 (Unaudited) (In thousand pesos)		12/31/2024 (Audited) (In thousand pesos)	
1. Current Ratio	Current Assets	362,080,461	1.0 : 1	383,800,192	1.1 : 1
	Current Liabilities	350,519,992		343,167,994	
2. Acid Test Ratio	Current Assets less Inventories and Other Current Assets	183,108,122	0.5 : 1	205,812,546	0.6 : 1
	Current Liabilities	350,519,992		343,167,994	
3. Solvency Ratio	Net Income After Tax (Annualized) + Depreciation and Amortization (Annualized)	145,462,637	17.6%	141,160,894	17.0%
	Total Liabilities	827,879,464		832,627,391	
4. Asset to Equity Ratio	Total Assets	1,726,004,174	1.92	1,699,052,182	1.96
	Total Equity	898,124,710		866,424,791	
5. Debt - Equity Ratio					
a. Gross Basis	Total Interest-Bearing Debt	504,084,968	36 : 64	500,574,376	37 : 63
	Total Equity + Total Interest-Bearing Debt	1,402,209,678		1,366,999,167	
b. Net Basis	Total Interest-Bearing Debt less Cash and Cash Equivalents (excluding Cash on Hand), Time Deposits, Investment in Bonds	415,197,694	32 : 68	386,923,918	31 : 69
	Total Equity + Total Interest-Bearing Debt less Cash and Cash Equivalents (excluding Cash on Hand), Time Deposits, Investments in Bonds	1,313,322,404		1,253,348,709	
6. Return on Equity	Net Income Attributable to Owners of the Parent (Annualized)	84,971,939	13.4%	82,608,707	13.8%
	Average Equity Attributable to Owners of the Parent	634,793,544		599,257,047	
7. Return on Assets	Net Income After Tax (Annualized)	118,334,737	7.0%	114,652,906	7.0%
	Average Assets	1,698,205,829		1,638,346,915	

		Unaudited YTD June 2025 (In thousand pesos)			Unaudited YTD June 2024 (In thousand pesos)		
8. Revenue Growth	Total Revenues (Current Period) -1	319,199,088	- 1	5.9%	301,432,260	- 1	5.1%
	Total Revenues (Prior Period)	301,432,260			286,683,262		
9. Net Margin	Net Income After Tax	58,787,826		18.4%	55,105,995		18.3%
	Total Revenues	319,199,088			301,432,260		
10. Net Income Growth	Net Income Attributable to Owners of the Parent (Current Period) -1	42,565,038	- 1	5.9%	40,201,806	- 1	10.0%
	Net Income Attributable to Owners of the Parent (Prior Period)	40,201,806			36,533,048		
11. EBITDA	Income from Operations	75,555,346			70,421,199		
	Add Depreciation and Amortization	13,449,046			12,829,134		
		89,004,392			83,250,333		
12. Interest Cover	EBITDA	89,004,392		8.4x	83,250,333		7.6x
	Interest Expense	10,634,660			10,920,330		

Expansion Plans / Prospects in 2025

In 2025, SM Prime plans to invest ₱100 billion for the construction and/or expansion of malls, development of integrated communities including commercial properties, as well as repairs and maintenance of existing property and equipment and investment properties.

SM Retail would continue with the opening of new stores as well as store refresh and improvement.

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.

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