SM Prime Holdings, Inc. Investor Kit 2022

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Company Profile

- One of the leading integrated property developers in Southeast Asia
- One of the largest listed real estate developers on the PSE by market capitalization and net income
- Consistently cited for excellence in corporate governance, property development, environmental consciousness, and investor relations programs



US\$18.87bn

PSE Stock Symbol	SMPH		
Market Capitalization	PHP989bn		
Outstanding Shares	28,879mn		
Last Traded Price (May 11, 2022)	Php34.25/share		
Average Daily Turnover (YTD)	US\$6.57mn		



1Q2022 Financial Highlights

- Consolidated net income of PHP7.42 billion in 1Q2022, up by 15% from PHP6.48 billion in 1Q2021
- Consolidated revenues of PHP23.89 billion in 1Q2022, 15% higher from PHP20.80 of the same period last year.
- Revenue Contribution: Residences accounts for 50%, Malls business accounts for 41%, Other Business accounts for 9%
 - Philippine malls revenues recorded PHP8.20 billion in 1Q2022, 40% higher from PHP5.87 billion of the same period last year.
 - Residential business, led by SM Development Corporation (SMDC), recorded PHP12.02 billion revenues in 1Q2022.
 - SMDC's reservation sales posted PHP31.12 billion in the first three months of 2022.
 - SM Prime's other business segments, which include offices and hotels and convention centers, contributed PHP2.02 billion to the Company's consolidated revenues.



COVID-19 Response 2022

• SM Supermalls continue partnering with various LGUs nationwide to be the venue for their COVID-19 vaccination program for adults and kids age 5-11 years old.

- SM Mall of Asia Arena continues to serve as Mega Swabbing Facility.
- SM Supermalls partnered with Philippine Red Cross to provide specimen sites for its saliva transcription-polymerase chain reaction (RT-PCR) testing.
- Provide further rent concession to tenants affected by recurring stricter quarantine measures specifically in Metro Manila and other key areas in the Philippines.
- SM Supermalls partnered with various LGUs nationwide to be the venue for their COVID-19 vaccination program.
- In June, SM employee vaccination program rolled out in a joint effort of all SM companies, which include SM Investments, SM Prime Holdings, SM Retail and portfolio companies, BDO Unibank, Inc. and China Banking Corporation.
- SM Mall of Asia recently opened the first-ever Bureau of Quarantine Vaccination Satellite Office.



COVID-19 Response

- Through SM Foundation: Donated PHP300* million worth of PPEs, medical equipment, and facilities to meet the needs of some 150 hospitals and health facilities nationwide
- Donated seven emergency quarantine facilities (EQFs) built by SM EDD (SM Engineering, Design, and Development)
- PHP100 million* donated to under privilege communities through Project Ugnayan.
- Extended rental concessions amounting to Php23 billion* to our mall tenants.
- Ensured all employees were given their full month's salaries during the two months of lockdown, amounting to almost PHP1 billion**
- Settled obligation to agency personnel partners, suppliers, and contractors, who completed their work obligations during ECQ.



COVID-19 Response

- Launched "Trace Together," a generic mobile tracing tool for all our properties complementing the tracing program of the national government.
- Introduced alternative delivery/fulfillment options for mall tenants to serve its customers.
- Streamlined organizational structures and back office processes, promoting online collaborations, trainings and seminars to ensure the safety and well-being of our employees who continue to provide operational support to the businesses through SM Life app.
- Introduced SM Mall online app.
- Converted SM Mall of Asia Arena into a Mega Swabbing Facility.





Sustainability





Sustainability Council





Sustainability Maturity Path

Builds Malls, Offices, Residences, Leisure Resorts, Hotels & Convention Centers

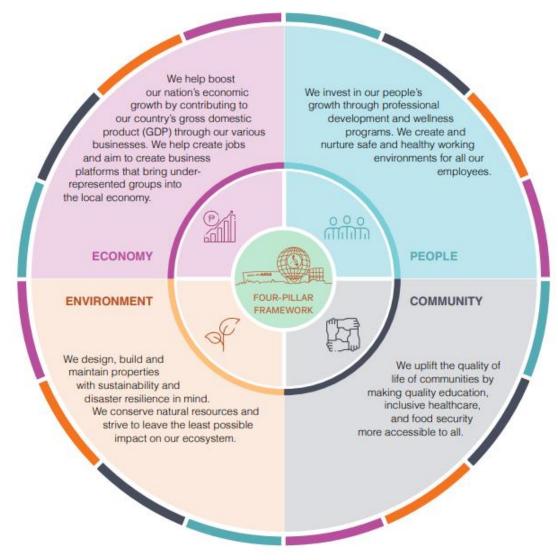
Beyond Disaster resilience, social inclusion, and the prudent use of natural resources. All these advocacies have Joins more than 2,500 organizations to align its SM Prime pledges to embark on a four-year reporting with the Task Force on Climate-related been integral to SM Prime's core business strategy since 2013. The diagram below presents some of Group-wide Sustainability Campaign leading to Financial Disclosures (TOFD), Also, the Company remains a constituent of the FTSE4Good Index Series 2025. The compaign will focus on Climate the significant milestones of our Company's ongoing journey toward sustainability, starting from our for demonstrating strong environmental, social, and Action for years one and two, particularly on the governance practices. As further proof of commitment, SM Prime boosts renewable energy consumption by use of water, waste, and energy. The program earliest programs to our forward-looking strategies today. 50%. SMHCC phases out Singel-Use Plastics (SUPs). will hit the ground running by creating solutions with an integrative approach leading to scalable results - two key drivers to successfully Provides over PHP23.038 rent relief for achieve SM Prime's goal of being a dimate tenants and more than PHP900M in leader among Philippine real estate companies. salaries for workers who could not work during quarantines, Also, SM Prime establishes its first Sustainability Council dedicated to steering sustainability in the - Creates Positive Community Impact Drives Sustainable Development Launch of ThreeEcom Center, our first LEED gold-certified building. SM Group plants over half a million trees to offset carbon emissions. Over 51% of SM Prime's managerial and executive positions are held by women, as a result of women empowerment policies. 2017 Pico Sands replaces plastic SM Supermalis establishes bottles preventing over 113,700 over ten solar-powered mails bottles from being thrown into generating about 9.7 Intelligence water bodies megawatts per year. Operationalizes Risk-Informed Investments Promotes Environmental Responsibility Conrad Hotel, a LEED gold-certified hotel, opens to the public. SM Prime and World Wide Fund for Nature Philippines continue to promote sustainable practices in Hamilo Coast. SM Aura is first LEED-certified mail in the Philippines, SM City North Edsa installs a 5,760 rooftop solar panel, generating up to Water recycling facilities at SM 1.5 megawatts annually, offsetting 1,200 tons Supermalls significantly reduce of CO2 emissions per year water use and wastage SM Supermalls' Trash to Cash program delivers over PHP47M of recycled goods from the public since its launch in 2007

— — Provides Inclusive Economic Opportunities

Sustainability Framework

SM Prime drives change by building and managing properties that spur commercial activity and local economic growth. However, given the scale of our operations and leading position in what remains a developing nation, we also recognize our broader responsibility to operate in a way that simultaneously preserves our natural resources while uplifting the quality of life in the communities we serve. Our founding leader, Henry Sy, believed that "business growth and social development must go hand in hand." This guiding principle is now embedded in our Sustainability Framework, which addresses SM Prime's biggest challenge today — how to achieve a positive environmental footprint, improve the well-being of our communities, and ensure profitable growth simultaneously. As a result, our sustainability programs and strategies align with our four-pillar framework of Economy, People, Environment, and Community.

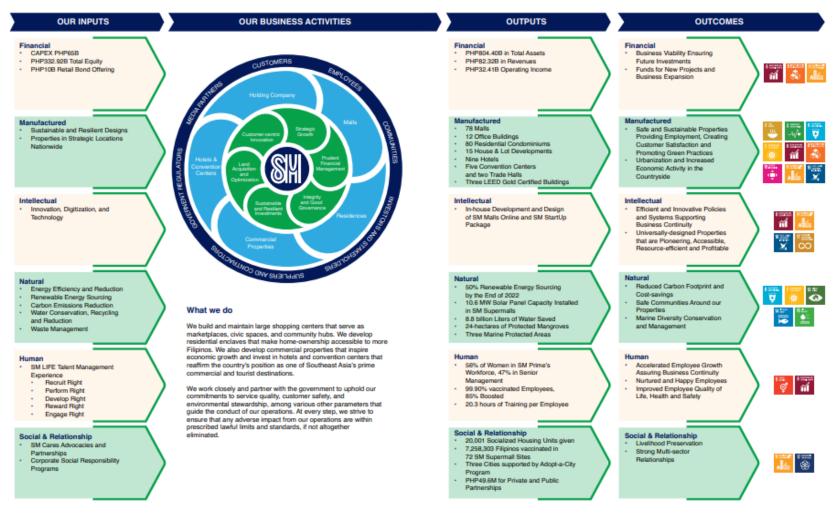
We have aligned our sustainability pillars with the principles governing the United Nations Sustainable Development Goals, the Task Force on Climate-related Financial Disclosures (TCFD), and the 2015–2030 Sendai Framework for Disaster Reduction.





Value Creation at SM Prime

At SM Prime, we create value through investments in real estate that are essential to the country's socio-economic growth. We raise various forms of capital, deploy various forms of resources, and strengthen our relationships to develop communities and estates that bring world-class standards of living to more Filipinos. Through our investments and prudent use of resources, we maintain the credibility of the SM brand and its leading position as the country's top integrated property developer. We constantly improve our operational efficiency and service delivery, while increasing customer coverage and expanding access to our services.



Key Business Unit



Malls

- SM Supermalls
- SM Lifestyle, Inc.
- Family Entertainment Center Inc.

Residences

- SM Development Corporation and Subsidiaries
- Highlands Prime Inc.
- Costa Del Hamilo Inc.

Commercial

- Offices and Warehouses
- Mall of Asia Complex
- Seaside City Cebu Complex

Hotels and Convention Centers

- Radisson Blu
- Taal Vista
- Pico Sands
- Park Inn
- Conrad Manila
- SMX Convention Centers



At a Glance



MALLS

1Q2022 Operating Highlights

- Total Revenues is PHP9.91 billion, went up by 35% from PHP7.35 billion
- Operating Income is PHP4.72 billion, 52% higher from PHP3.10 billion in 1Q2022
- Total Investment Properties of PHP311.00 billion



OFFICES

1Q2022 Operating Highlights

- Total Revenues went up by 11% to PHP1.36 billion from PHP1.23 billion
- Operating Income went up by 12% to PHP1.03 billion from PHP0.92 billion
- Total Investment Properties amounted to PHP68.61 billion



RESIDENCES

1Q2022 Operating Highlights

- Total Revenues is PHP12.02 billion in 1Q2022, almost same as the previous year
 Operating Income is PHP4.58 billion, 9% lower from last year's PHP5.05 billion
- Total Assets amounted to PHP294.81 billion



HOTELS AND CONVENTION CENTERS

1Q2022 Operating Highlights

- Total Revenues is PHP0.65 billion, 104% higher from last year's PHP0.32 billion
- Operating Loss of PHP0.07 billion
- Total Investment Properties of PHP13.12 billion



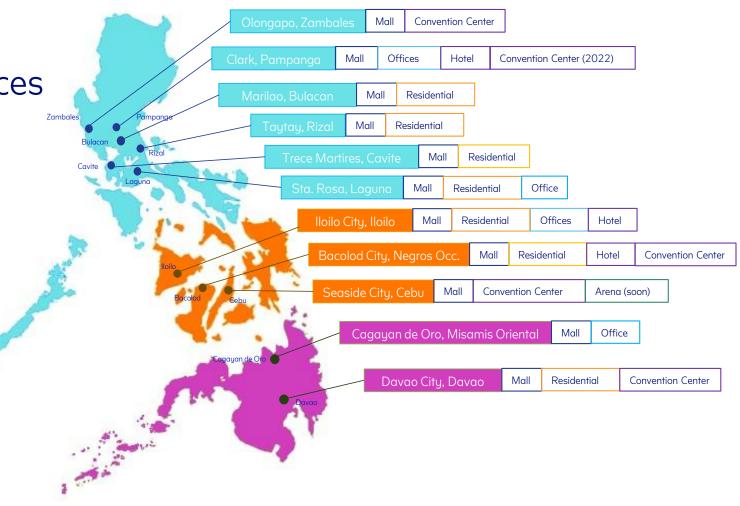
At a Glance Lifestyle Cities in Metro Manila

- SM Prime has ten (10) integrated property developments in Metro Manila dubbed as Lifestyle Cities.
- SM Prime's first lifestyle city is the Mall of Asia Complex in Pasay City, which spans 60 hectares of developable area



At a Glance Lifestyle Cities in the Provinces

- SM Prime has eleven (11) integrated property developments in key provincial cities in the Philippines.
- SM Prime plans to expand its portfolio to other developing cities in the country with its key businesses – mall, residential, offices, hotels and convention centers.







Malls 🗐



(As of 1Q2022)

Revenue

PHP9.91_{bn}

Operating Income

PHP4.72_{bn}

Gross Floor Area

10.2*m sqm

Malls

79* in PH & 7 in CH

*As of April 2022

Key Business Units Malls

PHILIPPINES



79* Malls



8.9*M sqmTotal GFA



17,715 Tenants



1.9M Average Daily Pedestrian Count



361 Cinema Screens



117,121 Parking Slots

CHINA



7 Malls



1.3M sqm Total GFA



1,853 Tenants



O.2M Average Daily Pedestrian Count



58 Cinema Screens



15,221 Parking Slots

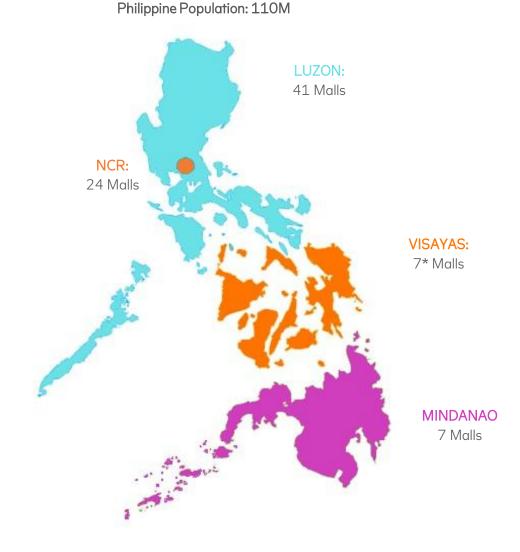
SM Prime is the largest mall operator/developer in the Philippines.





Key Business Units Philippines Malls

- In terms of GFA, Metro Manila malls account for 43%, Luzon (ex NCR) is 36%, Visayas is 13% and Mindanao is 8%
- Average mature mall contracts is 92% in terms of lease awarded.
- Accounts for 50% of mall space in the country

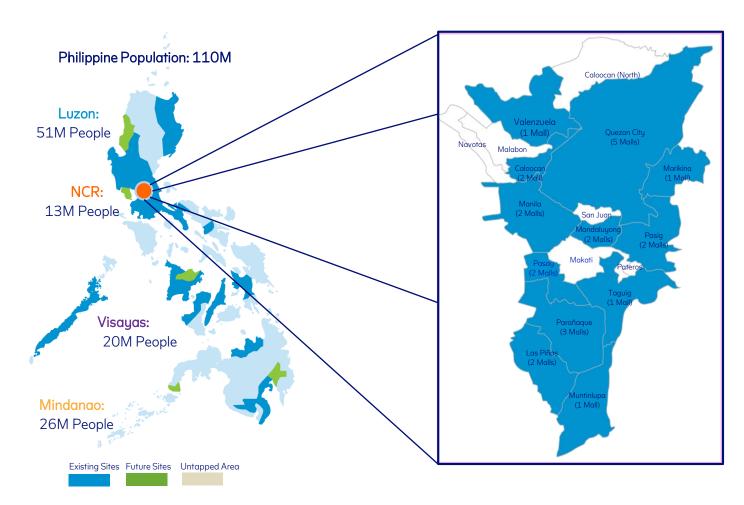






Key Business Units Mall Coverage in PH

- SMPH malls covered almost all of the key cities in Metro Manila and adjoining towns and municipalities, accounting for 43% of the company's total gross floor area in the Philippines.
- SMPH mall expansion is geared towards the provinces. The focus is to cover most of Northern Luzon, Visayas and the progressive cities in Mindanao.





Key Business Units China Malls

- Operating in China since 2001 and became part of SM Prime in 2007
- Operates 7 malls with a total GFA of 1.3m sqm
- Construction for the expansion of SM Xiamen and the new SM Yangzhou is on-going.



Key Business Units Malls' Expansion Program



Name	GFA
SM City Roxas (Opened April 8, 2022)	41,000
SM City Tuguegarao	63,000
SM City Sorsogon	40,000
SM City Tanza	60,000



Name	GFA
SM Mall of Asia (PH5)	20,000
SM City Urdaneta Central	12,000
SM City Sta. Rosa	51,000
SM City Cagayan de Oro	12,000
SM City Iloilo	2,000
SM City Cauayan	3,000

- In 2022, SM Prime targets to launch four new malls and expands existing malls. These will add around 300,000 sqm of gross floor area in the Company's mall portfolio.
- Available landbank of almost 236 hectares which is good for over the next 5 to 7 years.





Residences



(As of 1Q2022)

Revenue

PHP12.02bn

Operating Income

PHP4.58bn

Reservation Sales

PHP31.12bn

Residential Units Launched (since 2003)

PHP655bn / 168,023 units

Key Business Units

Primary Homes

- A leading residential developer of high-rise buildings (HRBs), mid-rise buildings (MRBs) and single-detached house and lots
- Accounts for 48% of the consolidated revenues
- Reservation sales value of PHP31.12 billion in 1Q2022
- Unbooked Revenue amounts to PHP167.62bn



Key Business Units Primary Homes

Projects Overview (as of 1Q2022)

Ready-for-Occupancy (RFO) (Unsold Units)	5,436					
Ongoing Construction (Unsold Units)	23,083					
Estimated Inventory Value	PHP172.23bn					
1Q2022 Reservation Sales (Value)	PHP31.12bn					
1Q2022 CAPEX	PHP4.32bn					
Landbank (hectares)						
Metro Manila	88					
Outside Metro Manila	1,076					



Key Business Units

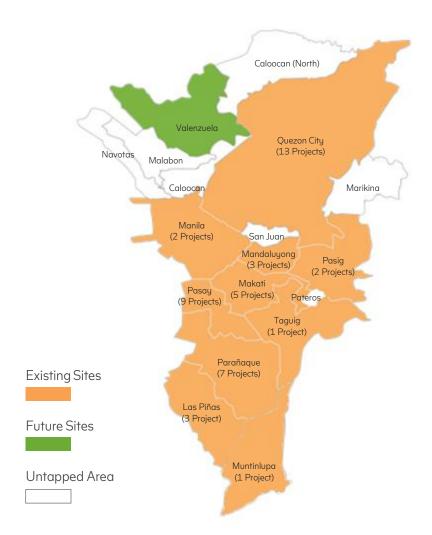
Leisure Homes

- Include 2 large-scale tourism projects Tagaytay Highlands and Pico de Loro
- Tagaytay Highlands is an exclusive mountain resort, golf club and residential complex, covering some areas of Cavite, Laguna and Batangas
- The 40-hectare Pico de Loro is the Phase 1 of Hamilo Coast project, a premier and sustainable leisure destination in Nasugbu, Batangas
- Landbank of 536 hectares



Residential Coverage Metro Manila

- SMPH fairly covered Metro Manila with high-rise condominium projects with majority of its residential projects located in the cities of Quezon, Pasay, Paranaque and Makati.
- As of 1Q2022, 46 out of the 61 SMDC projects in the country are located in Metro Manila.

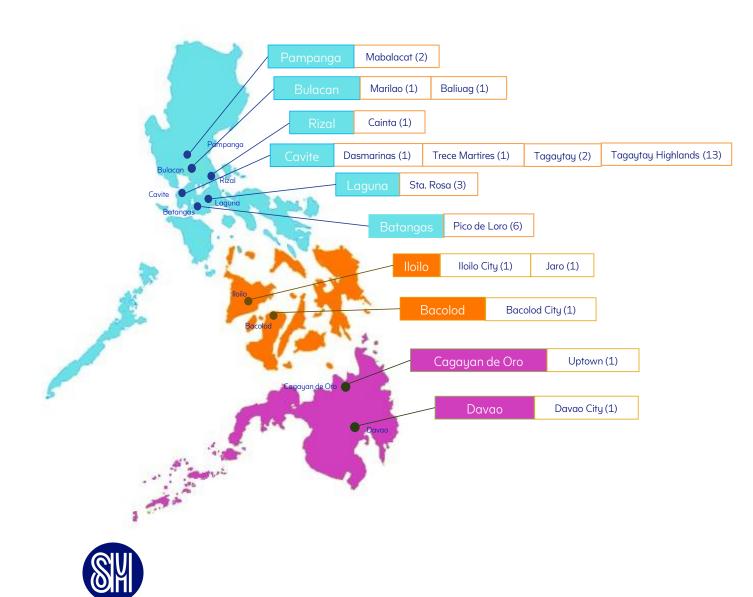




Residential Coverage

Provinces

- SM Prime has seventeen (17) SMDC residential developments in key provincial cities in the Philippines as of April 2022.
- SM Prime has also 13 leisure home projects in Tagaytay Highland and 6 residential developments in Pico de Loro.
- SM Prime recently launched its newest residential developments in Cagayan de Oro, the Vail Residences, and in Sta. Rosa, Laguna, the Dawn Residences.







(As of 1Q2022)

Revenue

PHP1.36bn

Operating Income

PHP1.03_{bn}

Gross Floor Area

0.8m sqm

Office Buildings

Key Business Units Offices

- Have 12 office buildings with a combined GFA of almost 800,000 sqm
- Four of these 12 offices are located in the Mall of Asia Complex in Pasay City, which provide a combined GFA of 470,000 sqm
- Have an available landbank of 71 hectares for future development
- SM Prime targets to launch FourE-Com Center this 2022.





Hotels & Convention Centers _



(As of 1Q2022)

Revenue

PHP0.65bn

Operating Loss

PHP0.32bn

Hotels

9

Convention Centers & Trade Halls

Key Business Units

Hotels & Convention Centers

- Operating 9 hotels with over 2,200 rooms; 5 Convention Centers, and 2 Trade Halls with approximately 38,000 sqm of leasable space as of 1Q2022.
- Conrad Manila and SMX Manila are both located in Mall of Asia Complex, Pasay City.
- The Company targets to open SMX Clark in 2022.





Key Strategies



(As of 1Q2022)

Landbank

2,007ha

2022 CAPEX

PHP80bn

Net Debt To Equity

45:55

Landbank

- SM Prime's landbank is good for the next 5 to 7 years, located in emerging progressive cities across the country
- Leisure projects are for mediumterm development

			,		
	No. of Sites	Area (in hectares)	% of Total	Metro Manila	Provincial
Malls	44	236	12%	19	217
Primary Homes	93	1,164	58%	88	1,076
Leisure Homes	5	536	27%	-	536
Commercial	14	71	3%	5	66
Total	156	2,007	100%	112	1,895



Area by Region (in

hectares)

CAPEX Program

- SM Prime has allotted PHP80 billion capital expenditures for 2022. This will be used for various property developments as well as strategic landbanking activities with due consideration to the challenges brought about by the COVID-19 pandemic.
- Furthermore, the Company will continue to explore opportunistic acquisitions and/or investments.
- The CAPEX program will be funded by the combination of local borrowings, internal funds as well as other funding options are also on the table.



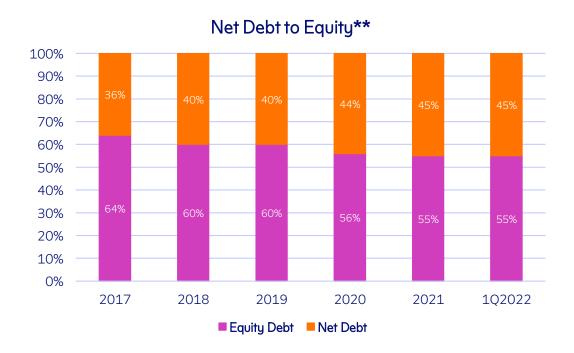


Maintain Conservative Balance Sheet



*Earnings before interest, income taxes, depreciation and amortization (EBITDA)

Interest expense



**Total interest-bearing liabilities- cash & cash equivalents

Total equity attributable to equity holders of the parent





Financial Highlights



(As of 1Q2022)

Consolidated Net Income

PHP7.42bn

Consolidated Revenue

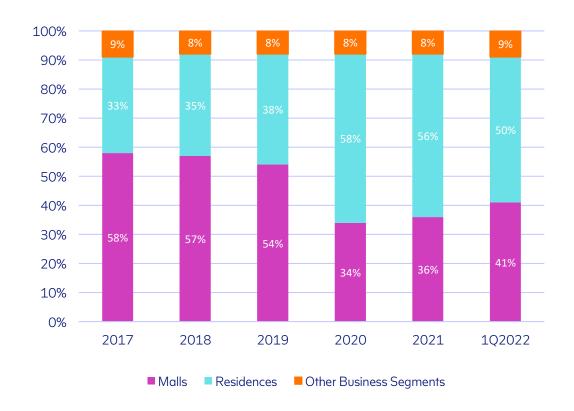
PHP23.89bn

Consolidated Operating Income

PHP10.14bn

Consolidated Financials Revenue Segment Contribution

- Residences accounts for 50% of SM Prime's consolidated revenues.
- Malls accounts for 41%.
- Other Business Segments cover the rest.





Consolidated Financials Net Income Segment Contribution

 Residences and Malls contributed the most among key business units.





Consolidated Financials

 Net income went up by 15% to PHP7.42bn in 1QY2022 from PHP 6.48bn, while operating income is 17% higher to PHP10.1bn in from PHP8.7bn. Consolidated revenues increased by 15% to PHP23.9bn from PHP20.8bn.

(In PHP Billion)	1Q2022 1Q2021		% Chg
Revenue	23.89	20.80	15%
EBITDA	12.94	11.31	14%
Operating Income	10.14	8.67	17%
Net Income	7.42	6.48	15%



Financials Philippine Malls

- Rental Income is PHP7.6bn, 34% higher from PHP5.6bn in the previous year.
- Other revenues such as cinema and event ticket sales and others surge by 172% to PHP0.63bn from PHP0.23bn in last year.
- Operating income went up by 66% to PHP3.8bn from PHP2.3bn.

(In PHP Billion)	1Q2022	1Q2021	% Chg
Revenues	8.20	5.87	40%
- Rent Income	7.57	5.64	34%
 Cinema and Event Ticket Sales and others 	0.63	0.23	172%
EBITDA	5.73	4.13	39%
Operating Income	3.84	2.32	66%



Financials China Malls

- SM Prime's China mall business posted an 1% growth in operating income at RMB0.106bn from RMB0.106bn
- China malls revenues reported a 3% increase in at RMB0.205 billion in 1Q2022 from RMB0.0199 billion in 2020.

(In RMB Billion)	1Q2022	1Q2021	% Chg
Revenues	0.205	0.199	3%
- Rent Income	0.199	0.193	3%
- Others	0.006	0.005	18%
EBITDA	0.161	0.160	1%
Operating Income	0.106	0.106	1%



Financials Residences

- Revenues is almost the same at PHP12bn in 1Q2022.
- SMDC's reservation sales registered PHP31.1 billion in the first quarter of 2022.

(In PHP Billion)	1Q2022	1Q2021	% Chg
Revenues	12.02	11.93	1%
EBITDA	4.61	5.08	-9%
Operating Income	4.58	5.05	-9%



Financials Other Businesses

- Commercial Properties Group and Hotels and Convention Centers revenues cover 9% of the overall consolidated revenues.
- The Company's office business segment recorded PHP1.4 billion, 11% higher from the first quarter of last year.
- SMPH's hotels and convention centers business segment recorded PHPO.65 billion from January to March 2022, 104% higher in the same period in 2021.

(In PHP Billion)	1Q2022	1Q2021	% Chg
Revenues	2.02	1.55	30%
EBITDA	1.38	1.03	33%
Operating Income	0.96	0.64	51%



Consolidated Balance Sheets

(In PHP Million (except % data)	1Q2022	% to Assets	2021	% to Assets		
Assets						
Cash and cash equivalents	53,422	6%	39,776	5%		
Equity instruments at fair value through other comprehensive income	18,968	2%	17,947	2%		
Receivables & Contract Assets	70,465	9%	73,020	8%		
Investment Properties	471,527	57%	467,392	58%		
Real Estate Inventories	55,418	7%	56,575	7%		
Other Assets	154,705	19%	149,693	19%		
Total Assets	824,505	100%	804,403	100%		
Liabilities and Stockholders' Equity						
Long-term debt and Loans Payable	330,367	40%	313,718	39%		
Accounts payable and others	150,327	18%	156,324	19%		
Total Liabilities	480,694	58%	470,042	58%		
Total Equity attributable to equity holders of the parent	342,266	42%	332,919	41%		

- We continue to maintain a very conservative balance sheet
- More than half of our assets are in the investment properties while our interest bearing debt accounts for 30%.



Cash Flow

(In PHP Million (except % data)	1Q2022	2021	2020	2019	2018	2017
Cash Flows from Operating Activities						
Operating Income before Working Capital Changes	13,414	39,455	65,791	56,592	48,058	37,678
Net Cash provided by operations	8,051	17,190	51,728	45,964	45,777	31,491
Net Cash provided by (used in) Investing Activities	(7,438)	(43,944)	(48,615)	(64,078)	(41,012)	(27,080
Net Cash provided by (used in) Financing Activities	13,079	22,818	7,310	12,633	14,176	(5,604)
Net Increase (Decrease) in Cash and Cash Equivalents	13,646	(3,938)	4,167	5,605	19,171	(669)
Cash and Cash Equivalents at Beginning of Year	39,776	34,600	38,766	44,371	25,201	25,870
Cash and Cash Equivalents at End of Year	53,422	30,662	34,600	38,766	44,372	25,201

• Net gearing is equivalent to 45:55 in 1Q2022, below the management target of keeping 50:50 net debt to equity ratio





2021 Integrated Report

SM PRIME



Together, We Rise

2021 Integrated Report



SM Prime Holdings, Inc. Investor Kit 2022

This presentation is available online through <u>www.smprime.com</u>



