



SM PRIME

Investor Kit 2023

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Key Strategies

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Company Profile



Market Capitalization

US\$17.95bn

- 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

PSE Stock Symbol	SMPH
Market Capitalization (May 5, 2023)	PHP991bn
Outstanding Shares	28,879mn
Last Traded Price (May 5, 2023)	Php34.30/share
30-Day Average Volume	7.8mn



1Q 2023 Financial Highlights

- Consolidated net income is at PHP9.44 billion, 27% higher than PHP7.42 billion in 1Q2022.
- Consolidated revenues of PHP28.70 billion, 20% increase from PHP23.89 billion in the same period last year.
- Revenue Contribution: Malls Business accounts for 59%, Residential Business accounts for 30%, Other Business accounts for 11%.
 - Philippine malls revenues reached PHP15.43 billion, grew by 88% from PHP8.20 billion in 1Q2022.
 - China malls' revenues is at RMB0.202, almost same level as 1Q2022.
 - Residential business, led by SM Development Corporation (SMDC), reported PHP8.52 billion revenues, 29% lower than last year's PHP12.02 billion
 - SMDC's reservation sales is at PHP35.80 billion, 15% higher than PHP31.13 billion in the first quarter of last year.
 - SM Prime's other business segments, which include offices, hotels, and convention centers, reported PHP3.21 billion revenues, 59% increase from last year's PHP2.02 billion.





Sustainability



TCFD | TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES



FTSE4Good



Sustainability Council



Net-Zero Ambition Action Plan



2050 - Global commitment to achieve net zero

Sustainability Framework

In 2020, our Board established a Sustainability Council with the understanding that the country's economic growth and our business growth has increased our exposure and vulnerability to global warming, global supply chain disruptions, and socio-economic forces that may undermine our prospects.

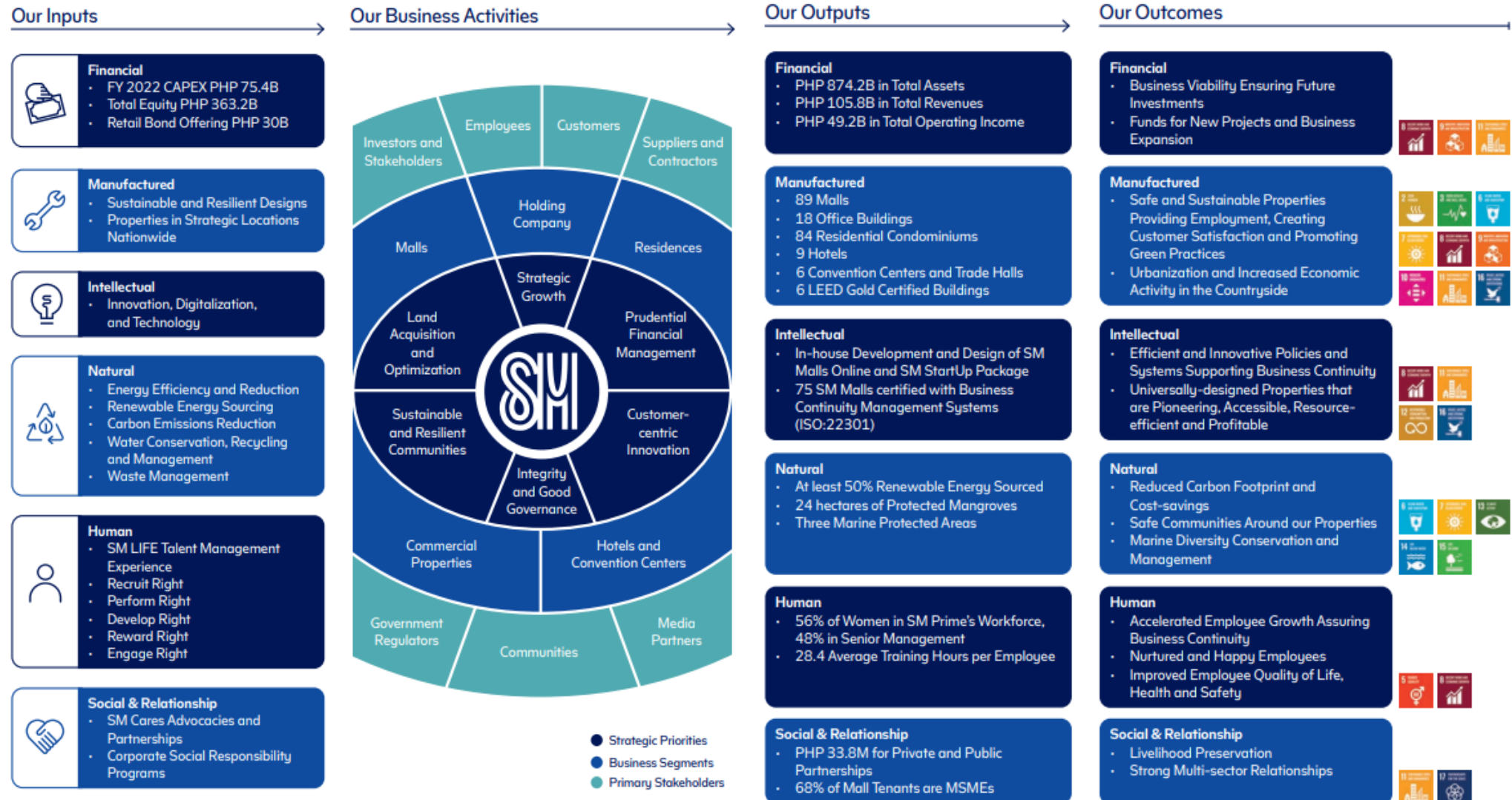
Today, SM Prime continues to augment local economic growth and reinforce commercial activity with our vast range of properties that enrich Filipino life. As we expand, we seek to create thriving communities, reduce our environmental footprint, and inspire sustainable economic growth that extends prosperity for those in the margins.

A successful sustainability framework requires a strong foundation. To ensure that fortified principles guide our framework, SM Prime follows four core pillars of sustainability.

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.



SM Prime's Value Creation



Key Business Unit

SM PRIME

Malls



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

Residences



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

Offices



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

Hotels & Convention Centers



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



At a Glance

Malls



1Q2023 Operating Highlights

- Total Revenues is PHP17.05 billion, 72% increase from PHP9.91 billion
- Operating Income is PHP9.65 billion, 104% higher than PHP4.72 billion
- Total Investment Properties of PHP327.79 billion

Offices



1Q2023 Operating Highlights

- Total Revenues is PHP1.71 billion, 25% higher than PHP1.36 billion
- Operating Income is PHP1.15 billion, 11% increase from PHP1.03 billion
- Total Investment Properties amounted to PHP82.71 billion

Residences



1Q2023 Operating Highlights

- Total Revenues is PHP8.52 billion, 29% lower than last year's PHP12.02 billion
- Operating Income is PHP3.32 billion, 35% decrease from last year's PHP5.13 billion
- Total Assets amounted to PHP320.33 billion

Hotels & Convention Centers



1Q2023 Operating Highlights

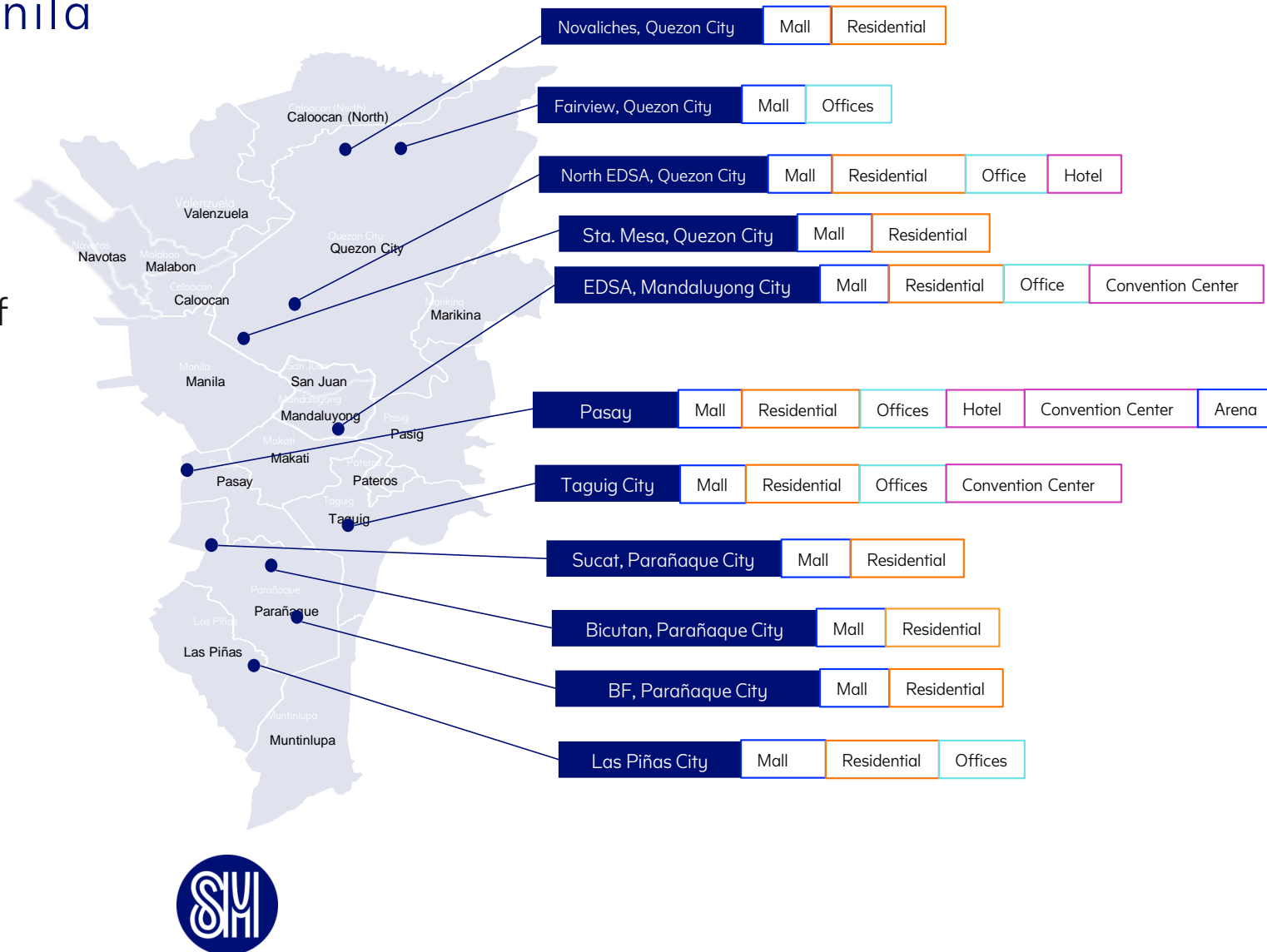
- Total Revenues is at PHP1.50 billion, 129% increase from PHP0.65 billion
- Operating Income improved to PHP0.36 billion
- Total Investment Properties of PHP13.71 billion



At a Glance

Lifestyle Cities in Metro Manila

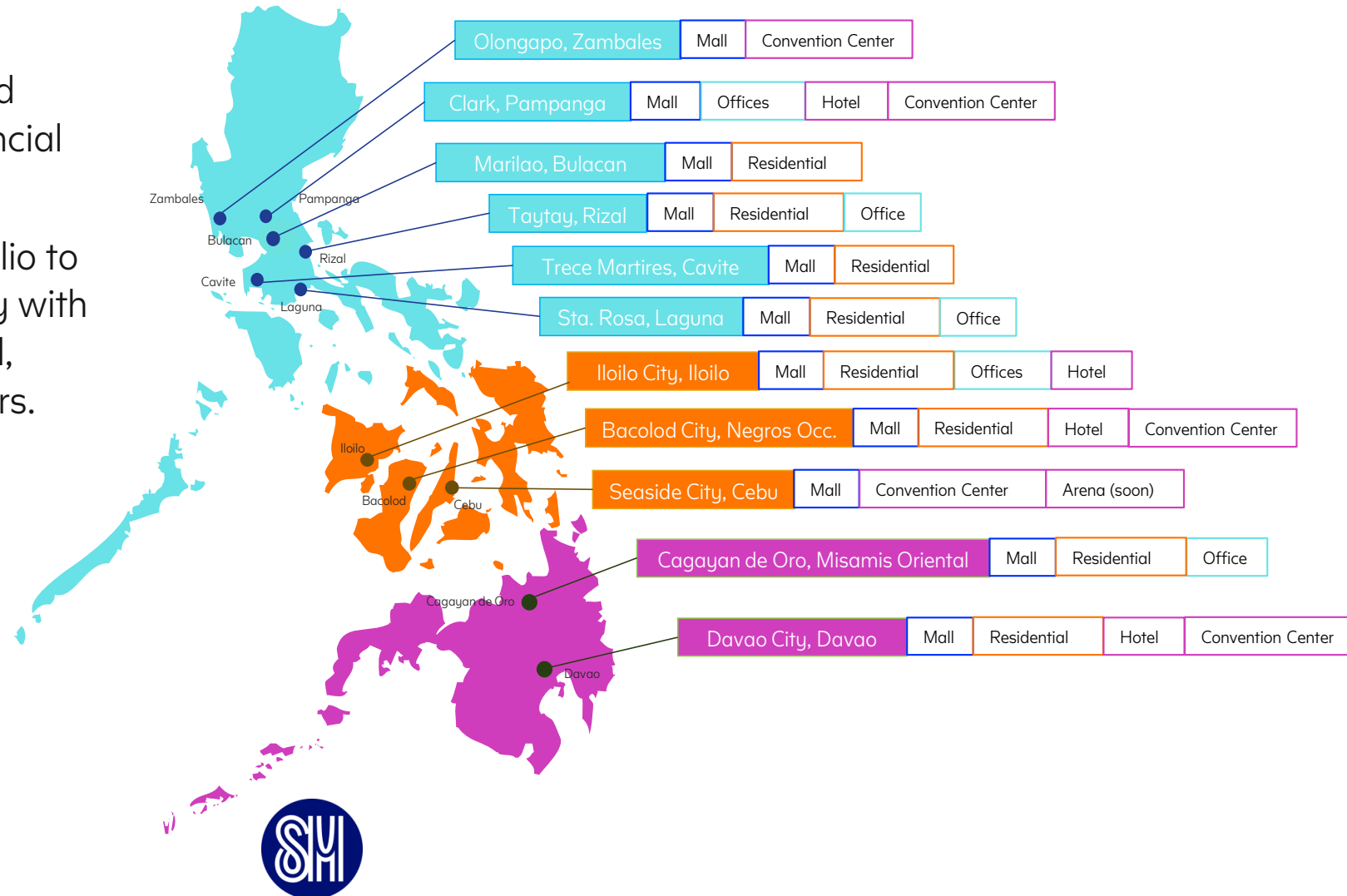
- SM Prime has ten (11) integrated property developments in Metro Manila dubbed as Lifestyle Cities.
- SM Prime's first lifestyle city is the Mall of Asia Complex in Pasay City, which spans 60 hectares of developable area



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 1Q2023)

Revenue

PHP 17.05bn

Operating Income

PHP9.65

Gross Floor Area

10.4M sqm

Malls

82 in PH and 7 in CH



Key Business Units

Malls

PHILIPPINES



82 Malls



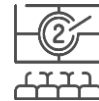
9.0M sqm Total GFA



19,690 Tenants



3.3M Average Daily
Pedestrian Count



382 Cinema Screens



87,497 Car Park Slots

CHINA



7 Malls



1.4M sqm Total GFA



1,883 Tenants



0.2M Average Daily
Pedestrian Count



63 Cinema Screens



16,264 Car Park Slots

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



Key Business Units

Philippine Malls

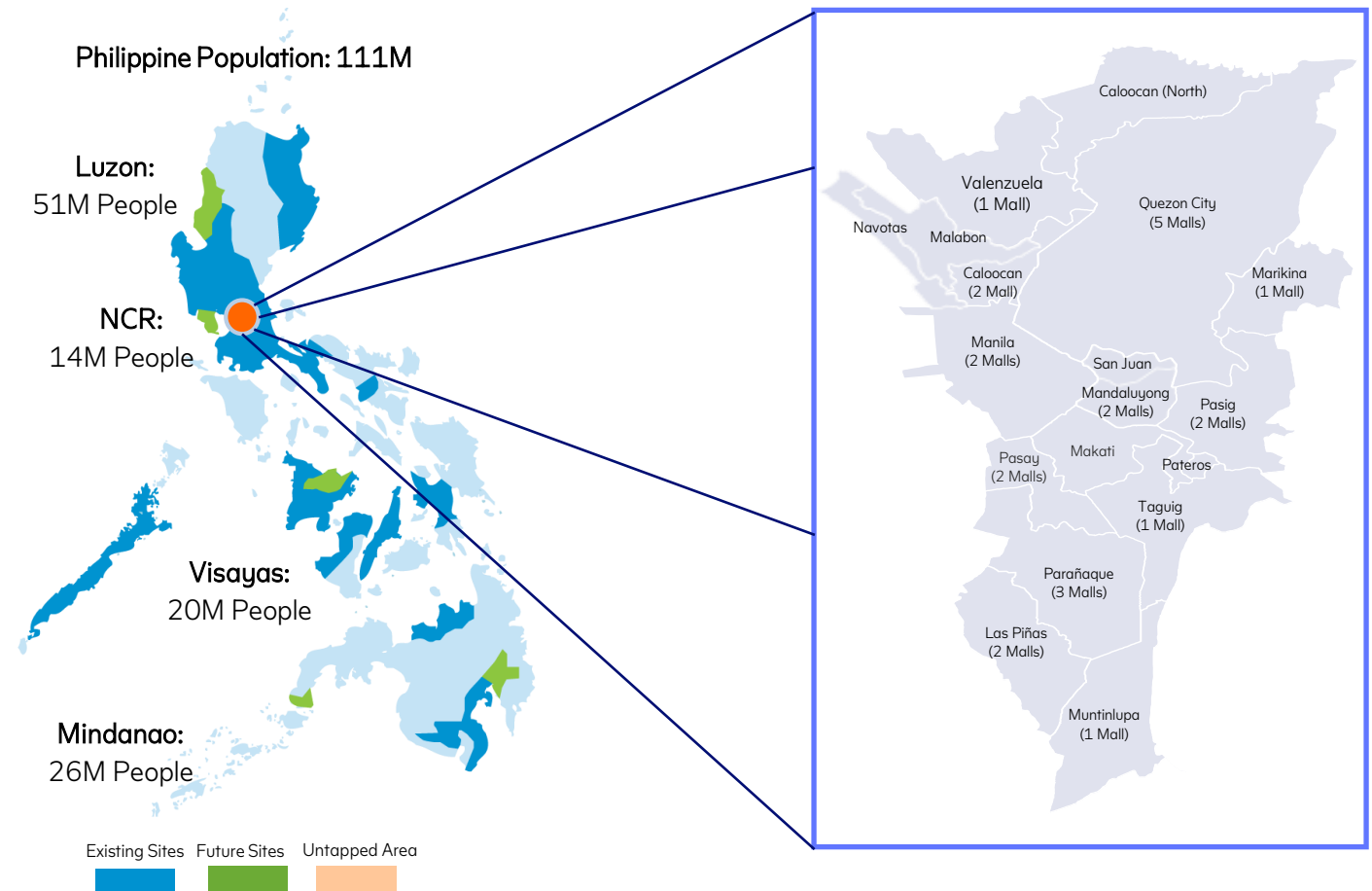
- In terms of GFA, Metro Manila malls account for 42%, Luzon (ex NCR) is 38%, Visayas is 12% and Mindanao is 8%
- Average mall contracts is 93% in terms of lease awarded.
- Accounts for 50% of mall space in the country



Key Business Units

Mall Coverage in PH

- SMPH malls covered almost all of the key cities in Metro Manila, accounting for 42% 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 Mall

- Operating in China since 2001 and became part of SM Prime in 2007
- Operates 7 malls with a total GFA of 1.4m sqm:
 - SM City Xiamen
 - SM City Jinjiang
 - SM City Chengdu
 - SM City Suzhou
 - SM City Chongqing
 - SM City Zibo
 - SM City Tianjin



SM City Xiamen



SM City Tianjin



SM City Zibo



Key Business Units

Malls' Expansion Program



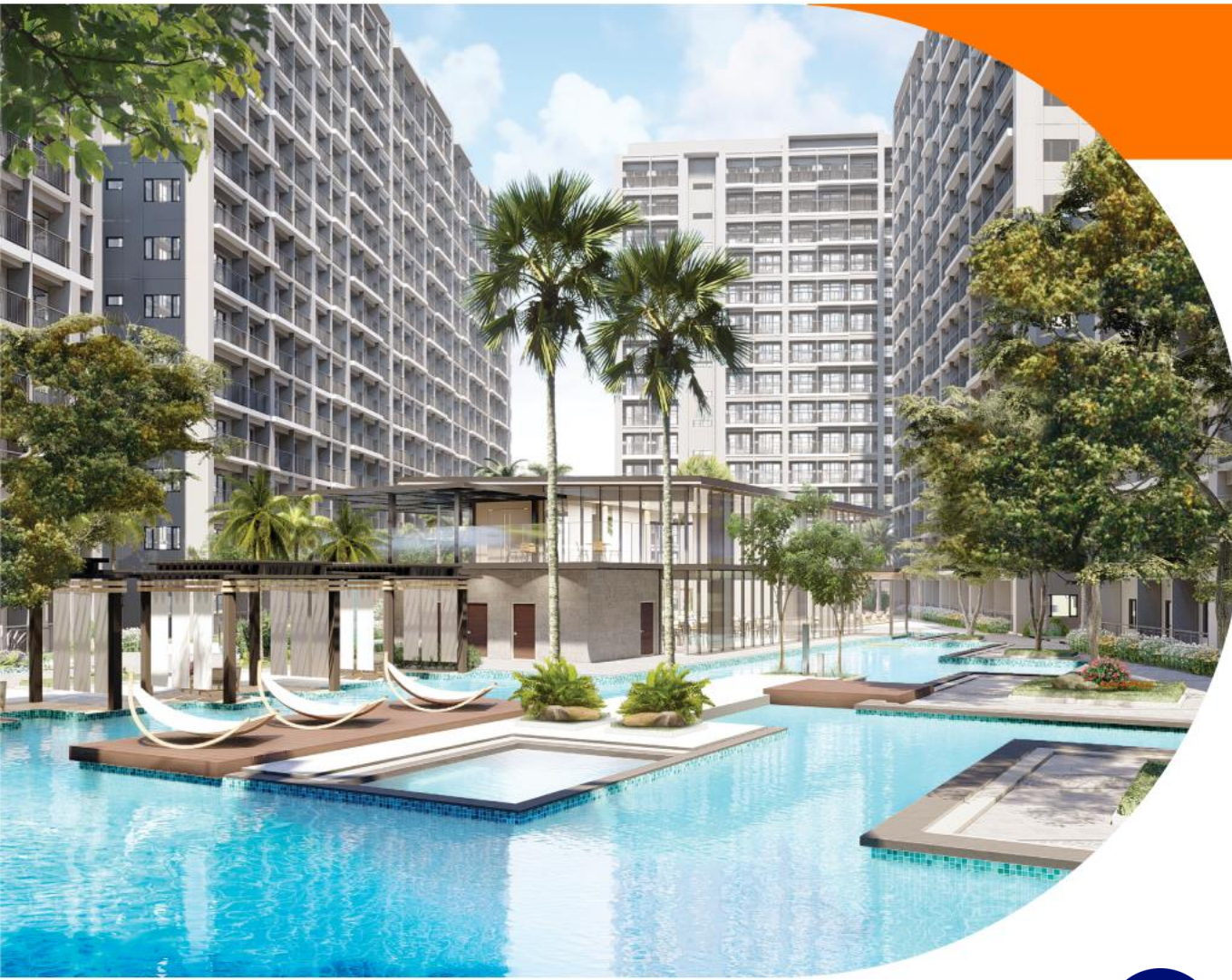
2023 New Malls	
Name	GFA (sqm)
SM City Bataan	46,000
SM Center San Pedro	22,000
SM City Sto. Tomas	58,000



2023 Malls Expansion	
Name	GFA (sqm)
SM City Marilao	22,000
SM City Cebu	31,000
SM City East Ortigas	27,000
SM City Bacolod	6,000
SM City Iloilo	2,000

- This 2023, SM Prime targets to launch three new malls and expands existing malls.
- These will add around 200,000 sqm of gross floor area in the Company's mall portfolio.
- Available landbank of almost 340 hectares which is good for over the next 5 to 7 years.





Residences



As of 1Q2023

Revenue

PHP8.52bn

Operating Income

PHP3.32bn

Reservation Sales

PHP35.80bn

Residential Units Launched (since 2013)

PHP685bn / 177,074 units



Key Business Units

Primary Residences

- A leading residential developer of high-rise buildings (HRBs), mid-rise buildings (MRBs) and single-detached house and lots
- Accounts for 27% of the consolidated revenues
- Reservation sales value of PHP35.80 billion in 1Q2023
- In 1Q2023, 51% of buyers are Overseas Filipino, 35% are Local Filipino and 14% are Foreign Buyers.



Vail Residences,
Cagayan De Oro



Now Residences,
Pampanga



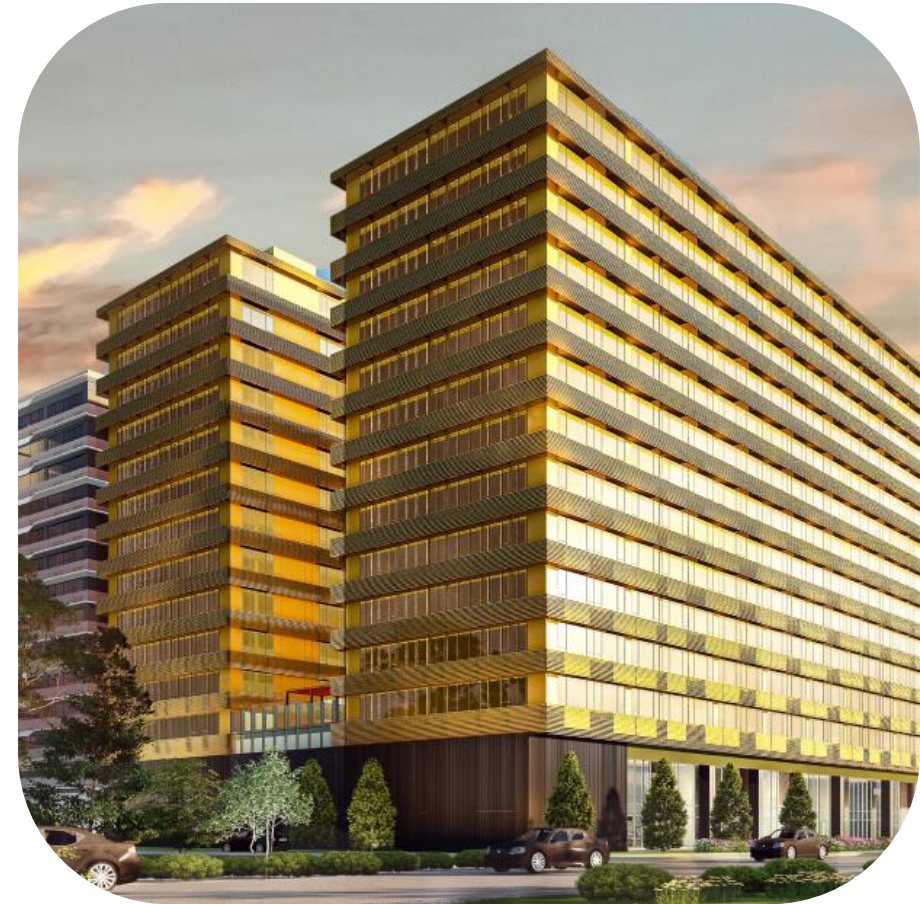
Zeal Residences, Cavite



Key Business Units

Primary Residences

Projects Overview (as of 1Q2023)	
Ready-for-Occupancy (RFO) (Unsold Units)	4,832
Ongoing Construction (Unsold Units)	14,732
Estimated Inventory Value	PHP127.87bn
1Q2023 Reservation Sales (Value)	PHP35.80bn
1Q2023 CAPEX	PHP4.01bn
Landbank (hectares)	
Metro Manila	94
Outside Metro Manila	1,294



Gold Residences, Paranaque City



Key Business Units

Primary Residences in Metro Manila

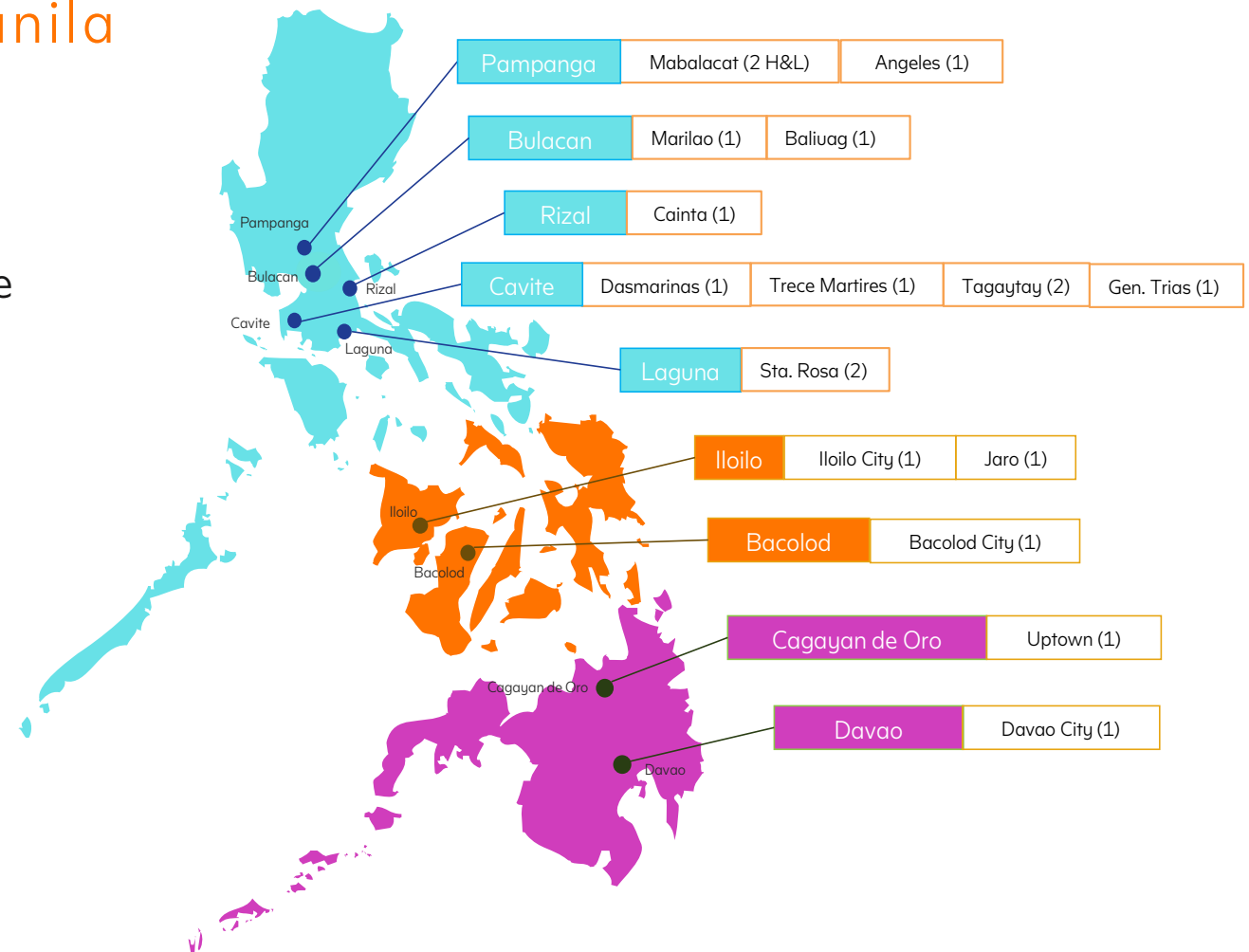
- A leading residential developer of high-rise buildings (HRBs), mid-rise buildings (MRBs) and single-detached house and lots
- Reservation sales value of PHP35.80 billion in 1Q2023
- Unbooked Revenue amounts to PHP217.77bn



Key Business Units

Primary Residences in Metro Manila

- As of March 2023, SMDC has eighteen (18) residential developments in key provincial cities
- 89% of these are mid-rise buildings (MRB), while 11% are house & lot (H&L) developments.
- In 2022, SM Prime launched:
 - Vail Residences in Cagayan de Oro,
 - Now Residences in Pampanga, and
 - Zeal Residences in General Trias, Cavite
- These projects are alongside or near our SM Supermalls and transportation terminals.



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 530 hectares



Freia
at Pico de Loro Cove

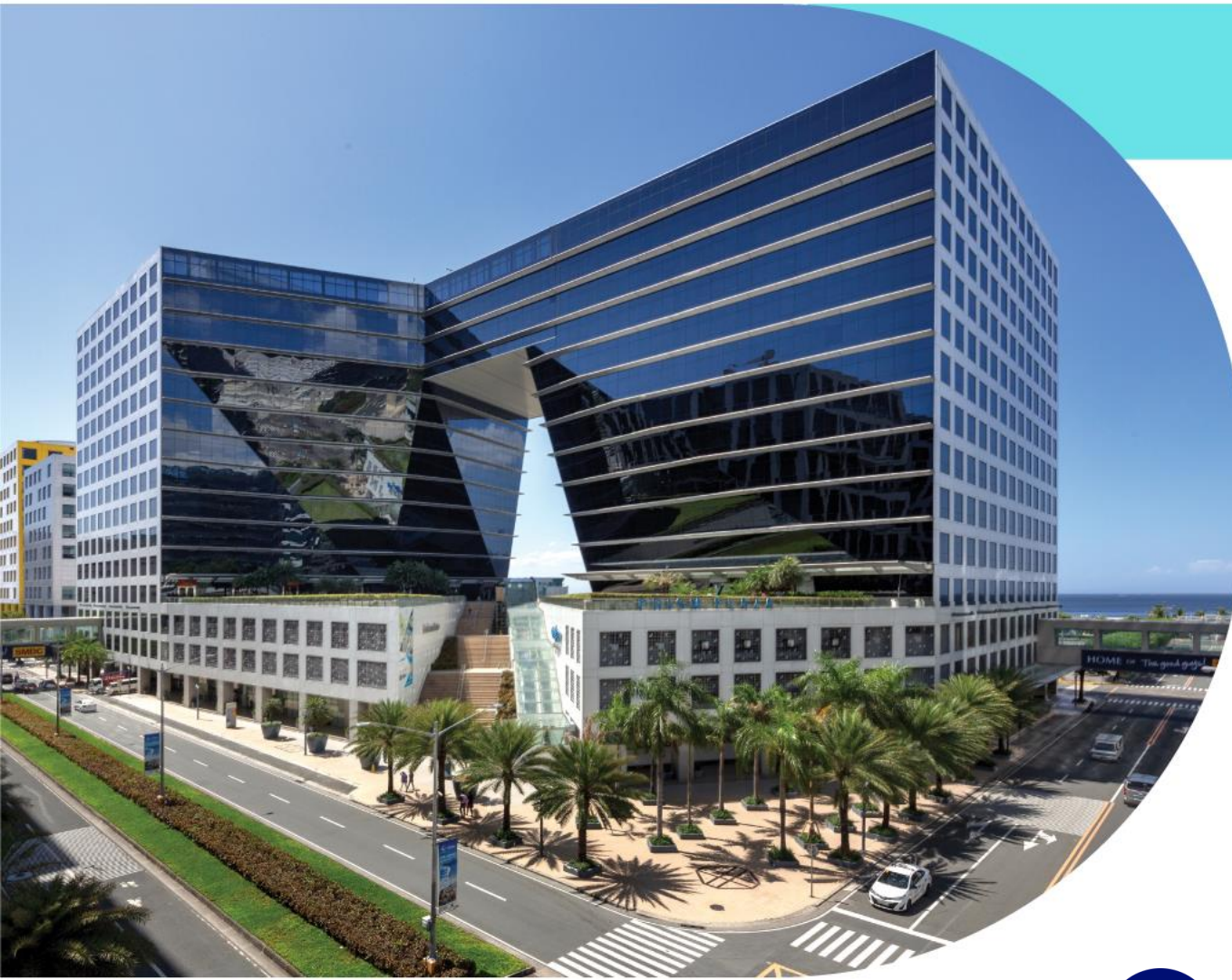


Woodlands Point Community
at Tagaytay Highlands



Horizon Terraces
Garden Villas





Offices



(As of 1Q2023)

Revenue

1.71bn

Operating Income

PHP1.15bn

Gross Floor Area

1.5M sqm

Office Buildings

18



Key Business Units

Offices

- Have 18 office buildings with a combined GFA of almost 1.5m sqm
- Five of these 18 offices are located in the Mall of Asia Complex in Pasay City, with a combined GFA of almost 627,000 sqm.
- Have an available landbank of 135 hectares for future development



ThreeE-Com Center



FourE-Com Center



FiveE-Com Center





Hotels & Convention Centers



(As of 1Q2023)

Revenue

PHP1.50bn

Operating Income

PHP0.36bn

Hotels

9

Convention Centers

8



Key Business Units

Hotels & Convention Centers

- Operating 9 hotels with over 2,200 rooms; 6 Convention Centers, and 2 Trade Halls with almost 42,000 sqm of leasable space as of March 2023.
- Conrad Manila and SMX Manila are both located in Mall of Asia Complex, Pasay City.
- In 2022, SM Prime opened SMX Clark in Pampanga.



Conrad Manila



Radisson Blu Cebu



SMX Clark





Key Strategies



(As of 1Q2023)

Landbank
2,393ha





2023 CAPEX (Projected)
PHP80bn

Net Debt to Equity
46:54



Landbank

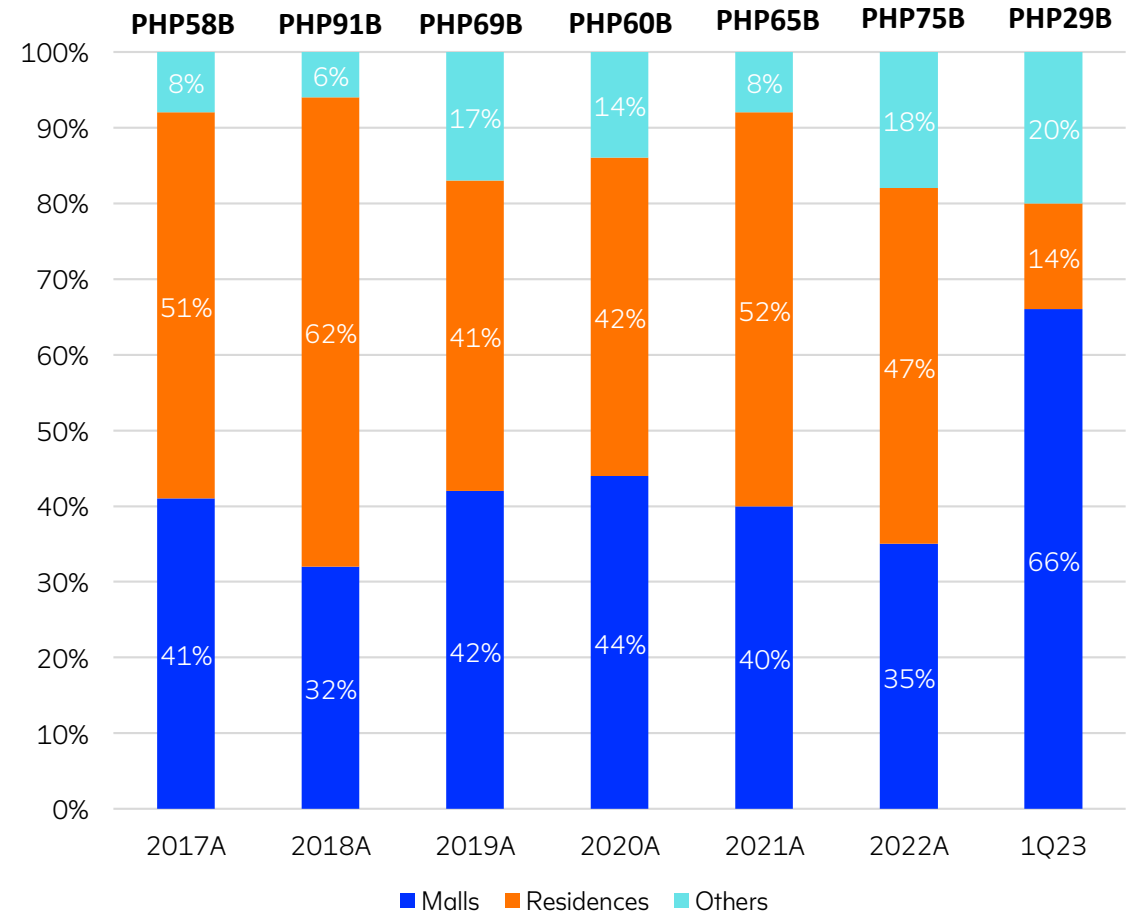
- SM Prime's extensive landbank is good for the next 5 to 7 years, and mostly located in emerging progressive cities across the country
- Leisure projects are for medium-term development

				Area by Region (in hectares)	
				Metro Manila	Provincial
 Malls	58	340	14%	24	316
 Primary Residences	91	1,388	58%	94	1,294
 Leisure Homes	5	530	22%	-	530
 Commercial	22	135	6%	16	119
Total	176	2,393	100%	134	2,259



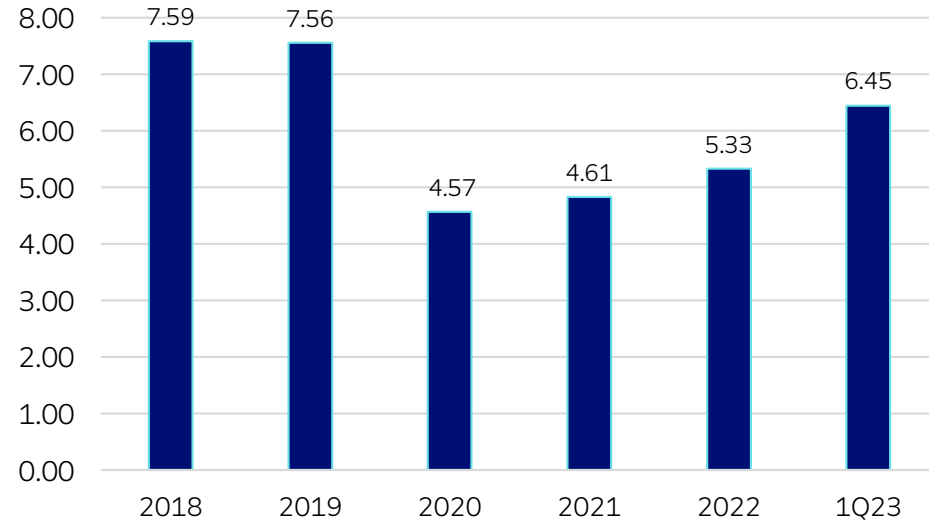
CAPEX Program

- SM Prime has set PHP80 billion as CAPEX for 2023. This will be used in various property developments as well as strategic landbanking activities
- Furthermore, the Company will continue to explore opportunistic acquisitions and/or investments.
- The CAPEX program was funded by the combination of local borrowings, internal funds as well as other funding options are also on the table.



Maintain Conservative Balance Sheet

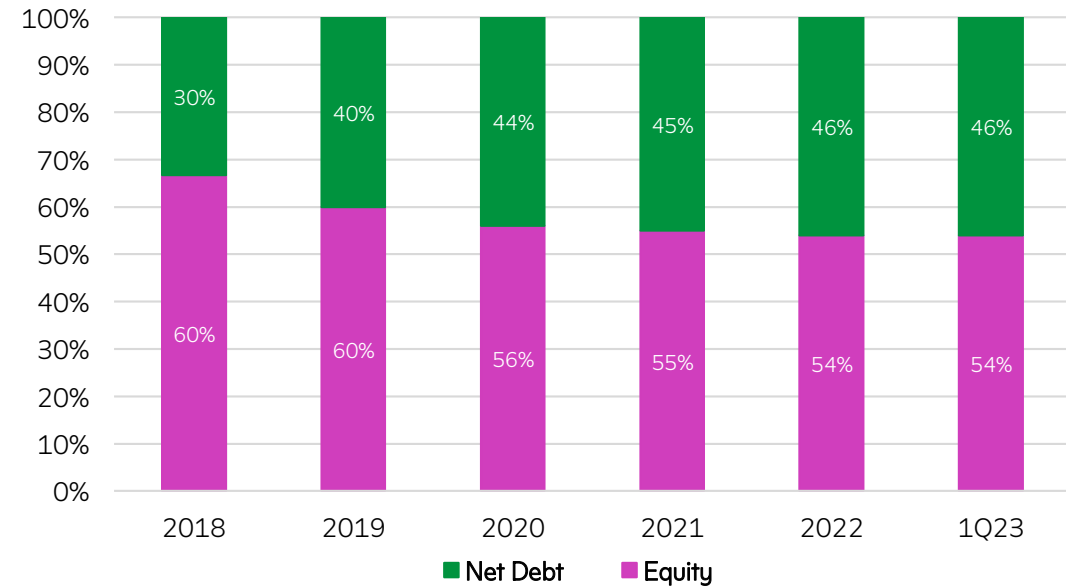
Interest Coverage Ratio*



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

Interest expense

Net Debt to Equity**



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

Total equity attributable to equity holders of the parent





Financial Highlights



(As of 1Q2023)

Consolidated Net Income
PHP9.44bn

Consolidated Revenue
PHP28.70bn

Consolidated Operating Income
PHP13.89bn

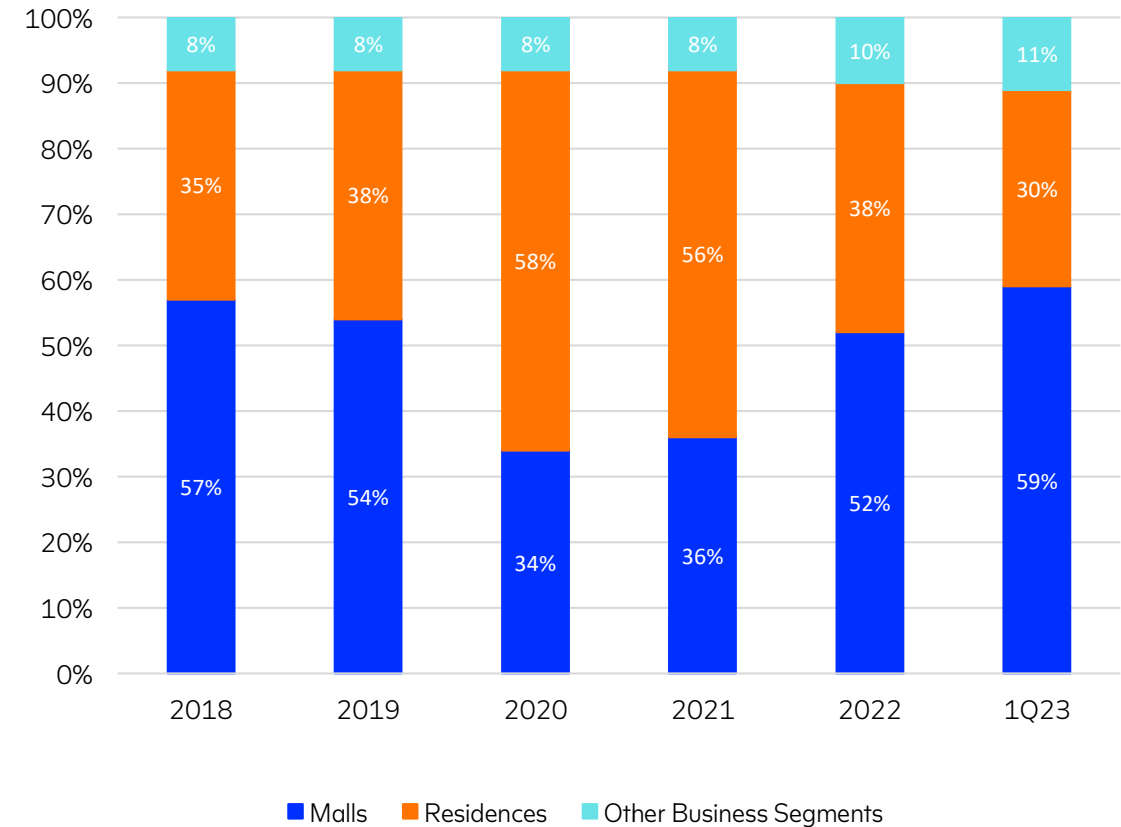
EBITDA
PHP17.01bn



Consolidated Financials

Revenue Segment Contribution

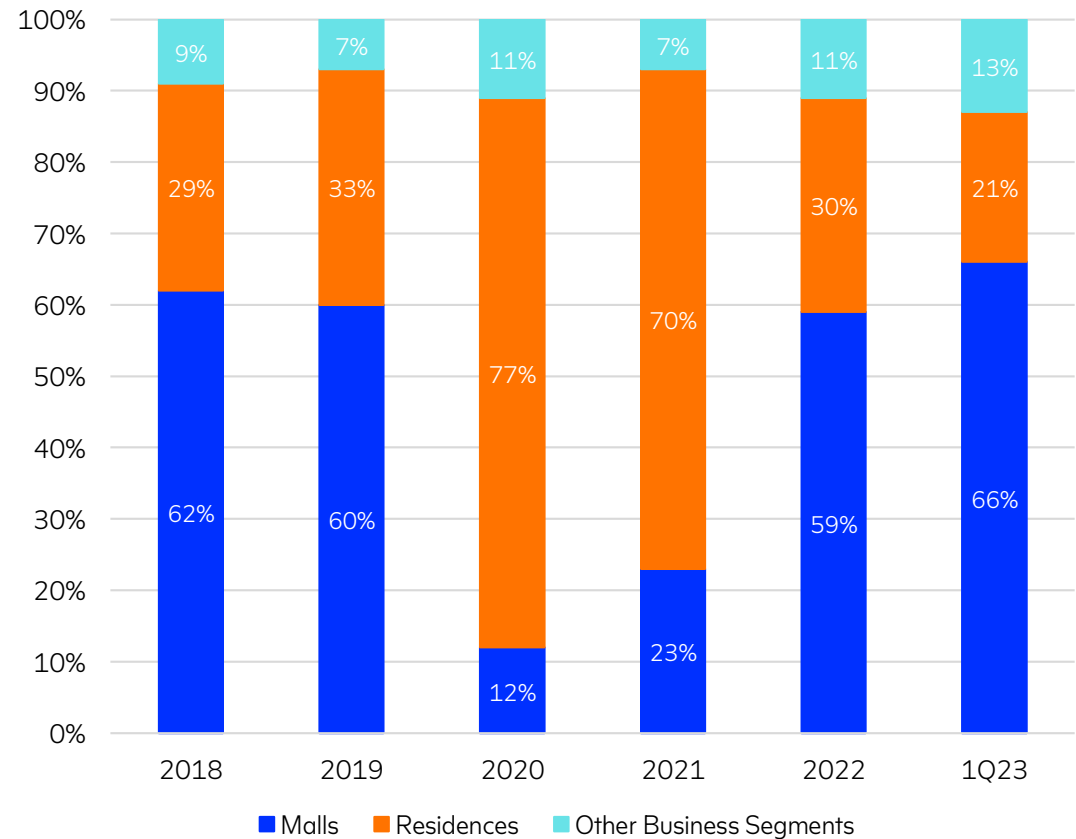
- Malls Business accounts for 59% of SM Prime's consolidated revenues.
- Residential Business accounts for 30%.
- Other Business Segments cover the rest.



Consolidated Financials

Net Income Segment Contribution

- Malls and Residences contributed the most among key business units.



Consolidated Financials

- Net income grew by 27% to PHP9.44 billion in 2022 from PHP7.42 billion
- Operating income increased by 30% to PHP13.89 billion from PHP10.69 billion.
- Consolidated revenue went up by 20% to PHP28.70 billion from PHP23.89 billion.

(In PHP Billion)	1Q23	1Q22	% Chg
Revenue	28.70	23.89	20%
EBITDA	17.01	13.48	26%
Operating Income	13.89	10.69	30%
Net Income	9.44	7.42	27%



Financials

Philippine Malls

- Rental Income went up by 72% to PHP12.98 billion from PHP7.57 billion in the previous year.
- Cinema, ticket sales, and other revenues increased by 288% to PHP2.45 billion from PHP0.63 billion in first quarter of 2022.
- Operating income went up by 131% to PHP8.89 billion from PHP3.84 billion.

(In PHP Billion)	1Q23	1Q22	% Chg
Revenues	15.43	8.20	88%
- Rent Income	12.98	7.57	72%
- Cinema, Ticket Sales, and others	2.45	0.63	288%
EBITDA	10.95	5.73	91%
Operating Income	8.89	3.84	131%



Financials

China Malls

- SM Prime's China mall business posted an 11% decrease on its operating income at RMB0.09 billion from RMB0.11 billion.
- China malls revenues reached RMB0.2, almost same level as last year.

(In RMB Billion)	1Q23	1Q22	% Chg
Revenues	0.202	0.205	-2%
- Rent Income	0.196	0.199	-1%
- Others	0.005	0.006	-16%
EBITDA	0.155	0.161	-4%
Operating Income	0.095	0.106	-11%



Financials

Residences

- SM Prime's residential business posted PHP8.52 billion revenue, 29% lower from last year's PHP12.02 billion.
- SMDC's reservation sales reached PHP35.80 billion, 15% higher than PHP31.13 billion.

(In PHP Billion)	1Q23	1Q22	% Chg
Revenues	8.52	12.02	-29%
EBITDA	3.35	5.16	-35%
Operating Income	3.32	5.13	-35%



Financials

Other Businesses

- Commercial Properties Group and Hotels and Convention Centers revenues cover 11% of the overall consolidated revenues.
- The Company's office business segment reported PHP1.71 billion revenues, 25% higher than PHP1.36 billion.
- SMPH's hotels and convention centers business segment recorded PHP1.50 billion in revenues, 129% higher than PHP0.65 billion.

(In PHP Billion)	1Q23	1Q22	% Chg
Revenues	3.21	2.02	59%
EBITDA	2.04	1.38	48%
Operating Income	1.51	0.96	57%



Consolidated Balance Sheet

(In PHP Million (except % data))	1Q2023	% to Assets	2022	% to Assets
Assets				
Cash and cash equivalents	24,640	3%	42,060	5%
Equity instruments at fair value through other comprehensive income	19,729	2%	17,612	2%
Receivables & Contract Assets	81,370	9%	82,560	9%
Investment Properties	504,114	57%	489,266	56%
Real Estate Inventories	71,203	8%	70,500	8%
Other Assets	177,851	20%	172,216	20%
Total Assets	878,907	100%	874,215	100%
Liabilities and Stockholders' Equity				
Long-term debt and Loans Payable	343,921	39%	352,397	40%
Accounts payable and others	159,223	18%	156,666	18%
Total Liabilities	503,144	57%	509,063	58%
Total Equity attributable to equity holders of the parent	373,601	43%	363,201	42%

- We continue to maintain a very conservative balance sheet
- More than half of our assets are in the investment properties while our net gearing level is at 85%.



Cash Flow

(In PHP Million (except % data))	1Q23	2022	2021	2020	2019	2018
Cash Flows from Operating Activities						
Operating Income before Working Capital Changes	16,836	60,104	44,520	39,455	65,791	56,592
Net Cash provided by operations	13,199	34,933	30,667	17,190	51,728	45,964
Net Cash used in Investing Activities	(22,307)	(52,244)	(44,114)	(43,944)	(48,615)	(64,078)
Net Cash provided by Financing Activities	(8,364)	19,686	22,624	22,818	(7,310)	12,633
Net Increase (Decrease) in Cash and Cash Equivalents	(17,420)	2,284	9,114	(3,938)	(4,166)	(5,605)
Cash and Cash Equivalents at Beginning of Year	42,060	39,776	30,662	34,600	38,766	44,372
Cash and Cash Equivalents at End of Year	24,640	42,060	39,776	30,662	34,600	38,766

- Net gearing is equivalent to 46:54 in 1Q2023, below the management target of keeping 50:50 net debt to equity ratio





SM PRIME



2022 Integrated Report





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