



**SM** PRIME

# Investor Kit 2023

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# Outline

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# Company Profile



Market Capitalization

**US\$15.92bn**

- 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 (November 06, 2023)	PHP895bn
Outstanding Shares	28,879mn
Last Traded Price (November 06, 2023)	Php31.00/share
30-Day Average Volume	6.91mn



# 9M2023 Financial Highlights

- Consolidated net income went up by 37% to PHP30.13 billion in 9M2023 from PHP22.01 billion in 9M2022.
- Consolidated revenues reached PHP92.60 billion, 26% increase from PHP73.67 billion in the same period being reviewed.
- Revenue Contribution: Malls Business accounts for 57%, Residential Business accounts for 33%, Other Business Segments account for 10%.
  - Malls revenues reached PHP52.49 billion in 9M2023, 37% higher than PHP38.24 billion in 9M2022.
  - Primary residential business, led by SM Development Corporation (SMDC), reported PHP28.67 billion revenues, 10% higher than last year's PHP26.07 billion
  - SMDC's reservation sales recorded PHP89.27 billion, 6% higher than PHP83.93 billion of the previous year.
  - SM Prime's other business segments, which include offices, hotels, and convention centers, registered PHP9.54 billion in revenues, a growth of 33% from last year's PHP7.16 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.

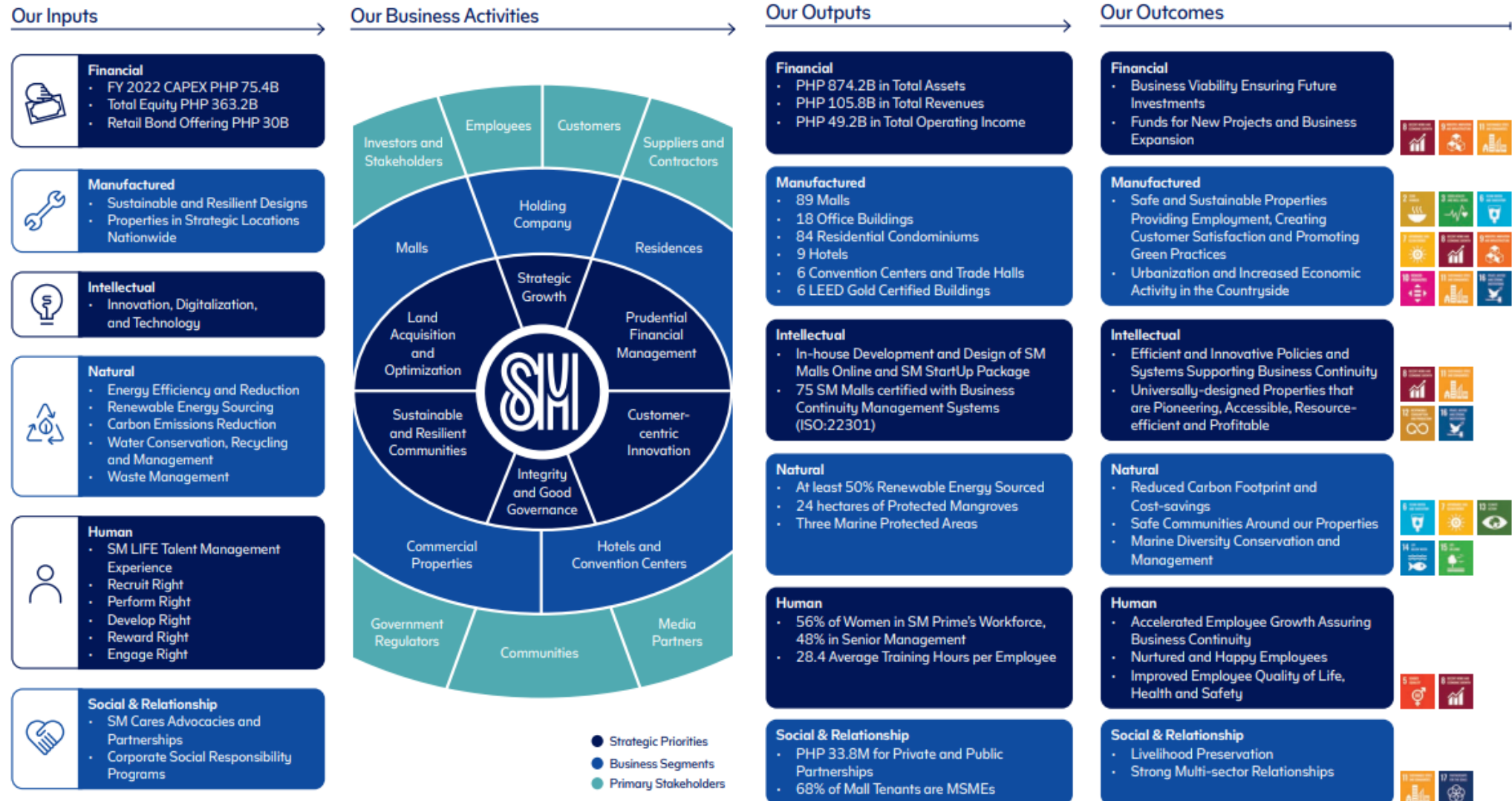
Today, SM Prime continues to augment local economic growth and reinforce commercial activity with our vast range of properties that enrich Filipino life. As we expand, we seek to create thriving communities, reduce our environmental footprint, and inspire sustainable economic growth that extends prosperity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



\*Data as of FY2022

# 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



### 9M2023 Operating Highlights

- Total Revenues is PHP52.49 billion, 37% higher than PHP38.24 billion
- Operating Income is PHP28.06 billion, 38% up from PHP20.39 billion
- Total Investment Properties of PHP338.64 billion

## Offices



### 9M2023 Operating Highlights

- Total Revenues is PHP4.94 billion, 14% increase from last year's PHP4.35 billion
- Operating Income is PHP3.31 billion, up by 5% from PHP3.16 billion
- Total Investment Properties amounted to PHP93.73 billion

## Residences



### 9M2023 Operating Highlights

- Total Revenues is PHP30.58 billion, 8% up from last year's PHP28.28 billion
- Operating Income reached PHP12.49 billion, up by 11% from last year's PHP11.24 billion
- Total Assets amounted to PHP342.18 billion

## Hotels & Convention Centers



### 9M2023 Operating Highlights

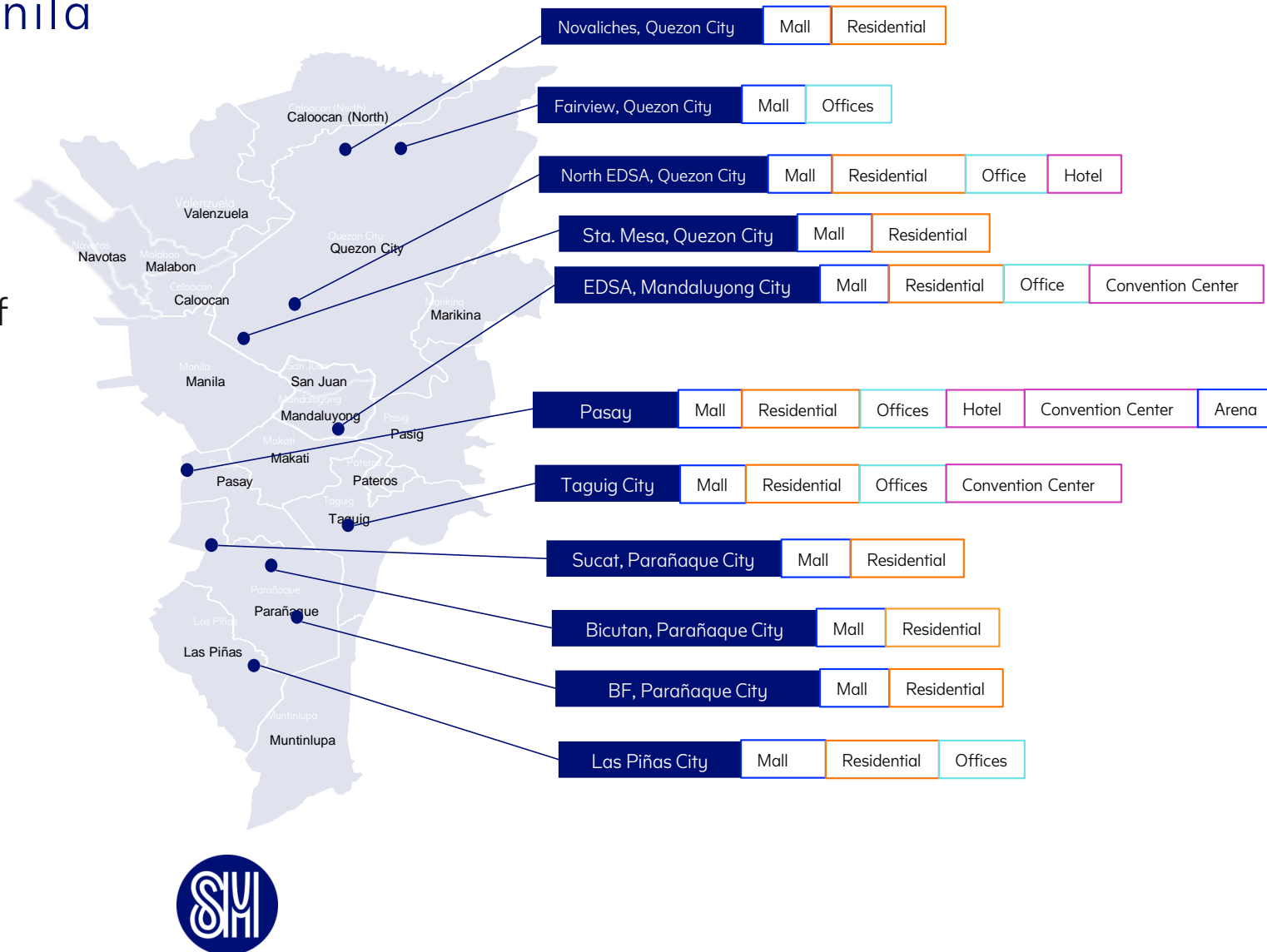
- Total Revenues is at PHP4.60 billion, 64% higher than PHP2.81 billion
- Operating Income rose by 360% to PHP1.14 billion from PHP0.25 billion
- Total Investment Properties of PHP14.56 billion



# At a Glance

## Lifestyle Cities in Metro Manila

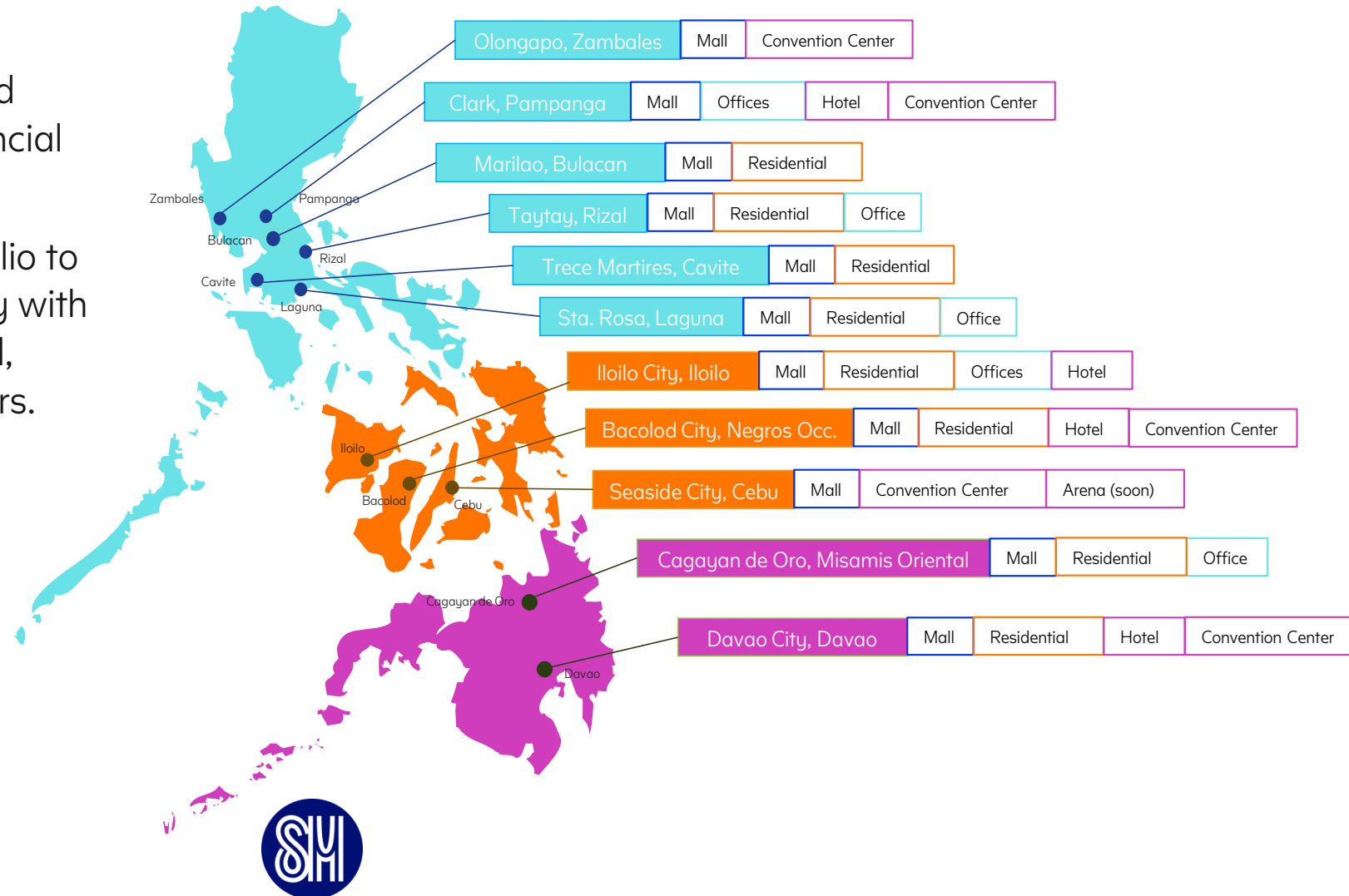
- SM Prime has eleven (11) integrated property developments in Metro Manila dubbed as Lifestyle Cities.
- SM Prime's first lifestyle city is the Mall of Asia Complex in Pasay City, which spans 60 hectares of developable area



# 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 9M2023)

Revenue

PHP52.49bn

Operating Income

PHP28.06bn

Gross Floor Area

10.8M\* sqm

Malls

85\* in PH and 8 in CH



\*As of October 31, 2023

# Key Business Units

## Malls

### PHILIPPINES



**85\*** Malls



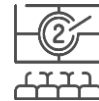
**9.2M\*** sqm Total GFA



**20,029** Tenants



**3.5M** Average Daily  
Pedestrian Count



**382** Cinema Screens



**88,043** Car Park Slots

### CHINA



**8** Malls



**1.6M sqm** Total GFA



**2,165** Tenants



**0.3M** Average Daily  
Pedestrian Count



**69** Cinema Screens



**18,114** Car Park Slots

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

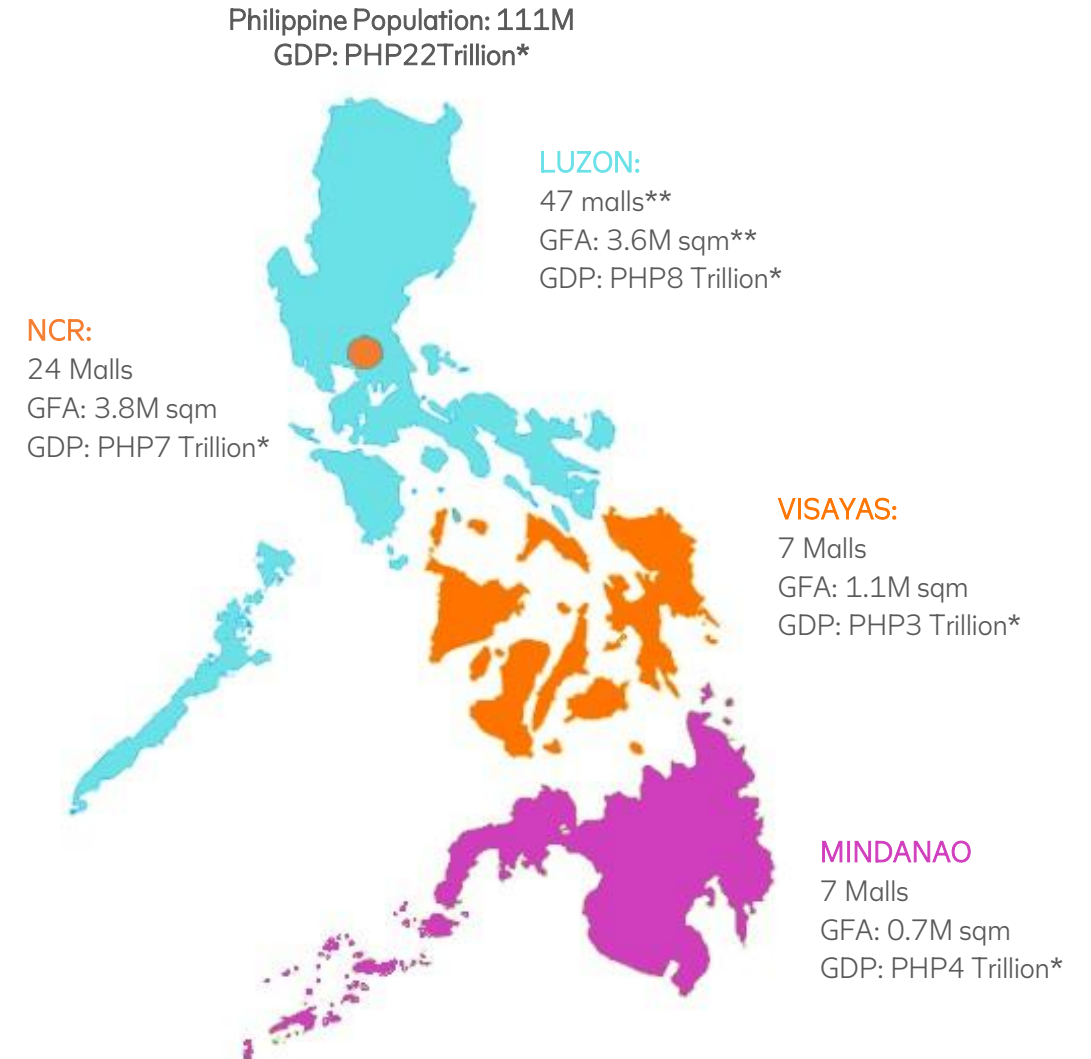
\*As of October 31, 2023



# 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 94% in terms of lease awarded.
- SMPH mall expansion is geared towards the provinces. The focus is to cover most of Northern Luzon, Visayas and the progressive cities in Mindanao.



\*Source: Philippine Statistics Authority  
(As of April 2023 / GRDP at Current Prices)  
\*\*As of October 31, 2023



# Key Business Units

## China Mall

- Operating in China since 2001 and became part of SM Prime in 2007
- Opened SM City Yangzhou last September 2023
- Operates 8 malls with a total GFA of 1.6m sqm:
  - SM City Xiamen
  - SM City Jinjiang
  - SM City Chengdu
  - SM City Suzhou
  - SM City Chongqing
  - SM City Zibo
  - SM City Tianjin
  - SM City Yangzhou



SM City Xiamen



SM City Tianjin



SM City Yangzhou



# Key Business Units

## Malls' Expansion Program



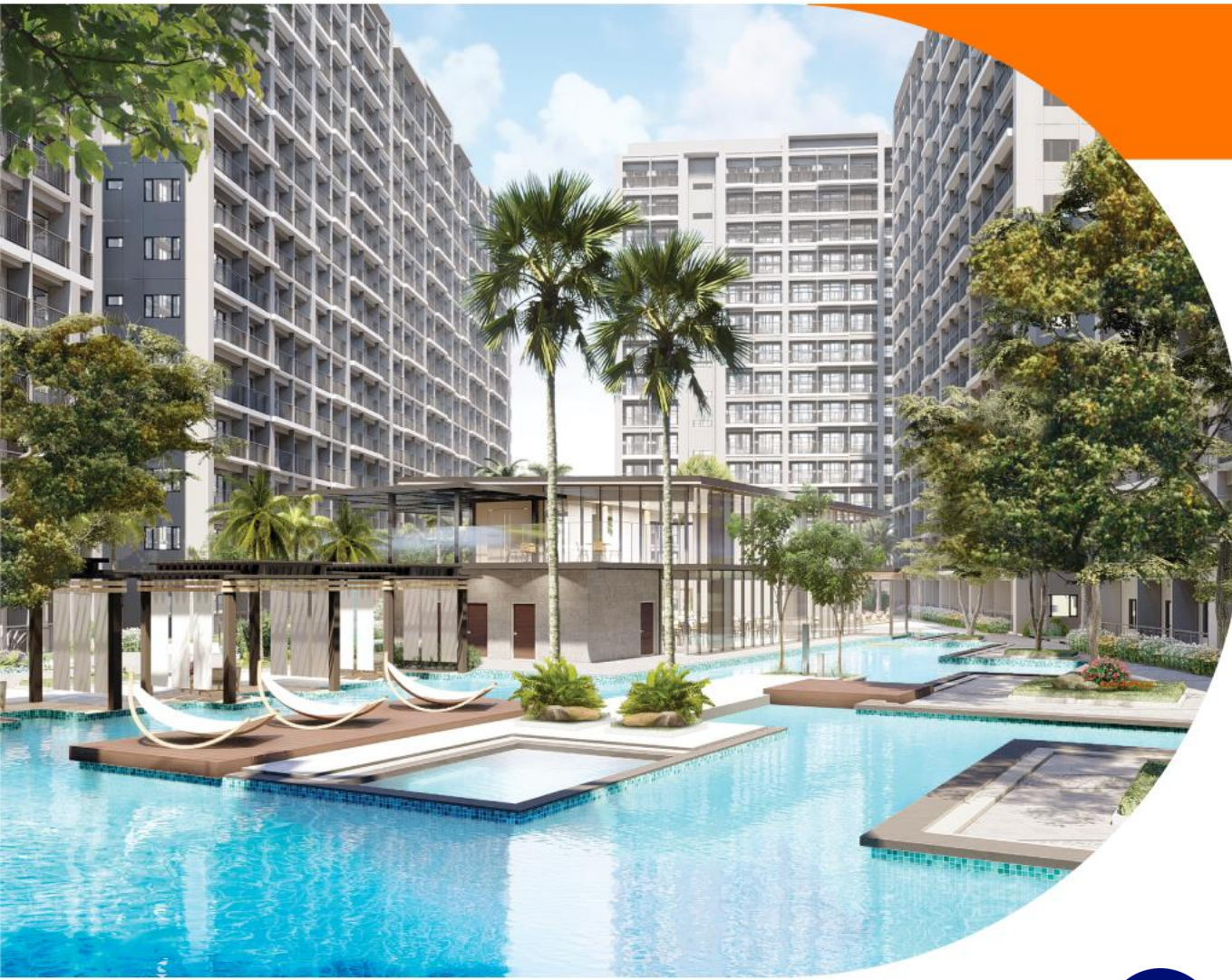
2023 New Malls	
Name	GFA (sqm)
SM City Bataan (Opened May 2023)	46,000
SM Center San Pedro (Opened October 2023)	31,000
SM City Sto. Tomas (Opened October 2023)	110,000



2023 Malls Expansion	
Name	GFA (sqm)
SM City Bacolod	6,000
SM City Iloilo	2,000

- This 2023, SM Prime opened three new malls and will expand existing malls.
- These added over 190,000 sqm of gross floor area in the Company's mall portfolio.
- Available landbank of almost 350 hectares which is good for over the next 5 to 7 years.





# Residences



(As of 9M2023)

Revenue

PHP30.58bn

Operating Income

PHP12.49bn

Reservation Sales

PHP89.27bn

Residential Units Launched (since 2013)

PHP708bn / 181,669 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 31% of the consolidated revenues
- In 9M2023, 47% of buyers are Overseas Filipinos, 38% are Local Filipinos and 15% are Foreign Buyers.



Jade Residences,  
Makati City



Now Residences,  
Pampanga



Zeal Residences, Cavite



# Key Business Units

## Primary Residences

Projects Overview (as of 9M2023)	
Ready-for-Occupancy (RFO) (Unsold Units)	4,256
Ongoing Construction (Unsold Units)	17,473
Estimated Inventory Value	PHP141.94bn
9M2023 Reservation Sales (Value)	PHP89.27bn
9M2023 CAPEX	PHP20.80bn
<b>Landbank (hectares)</b>	
Metro Manila	343
Outside Metro Manila	1,079



Gold Residences, Paranaque City



# Key Business Units

## Primary Residences in Metro Manila

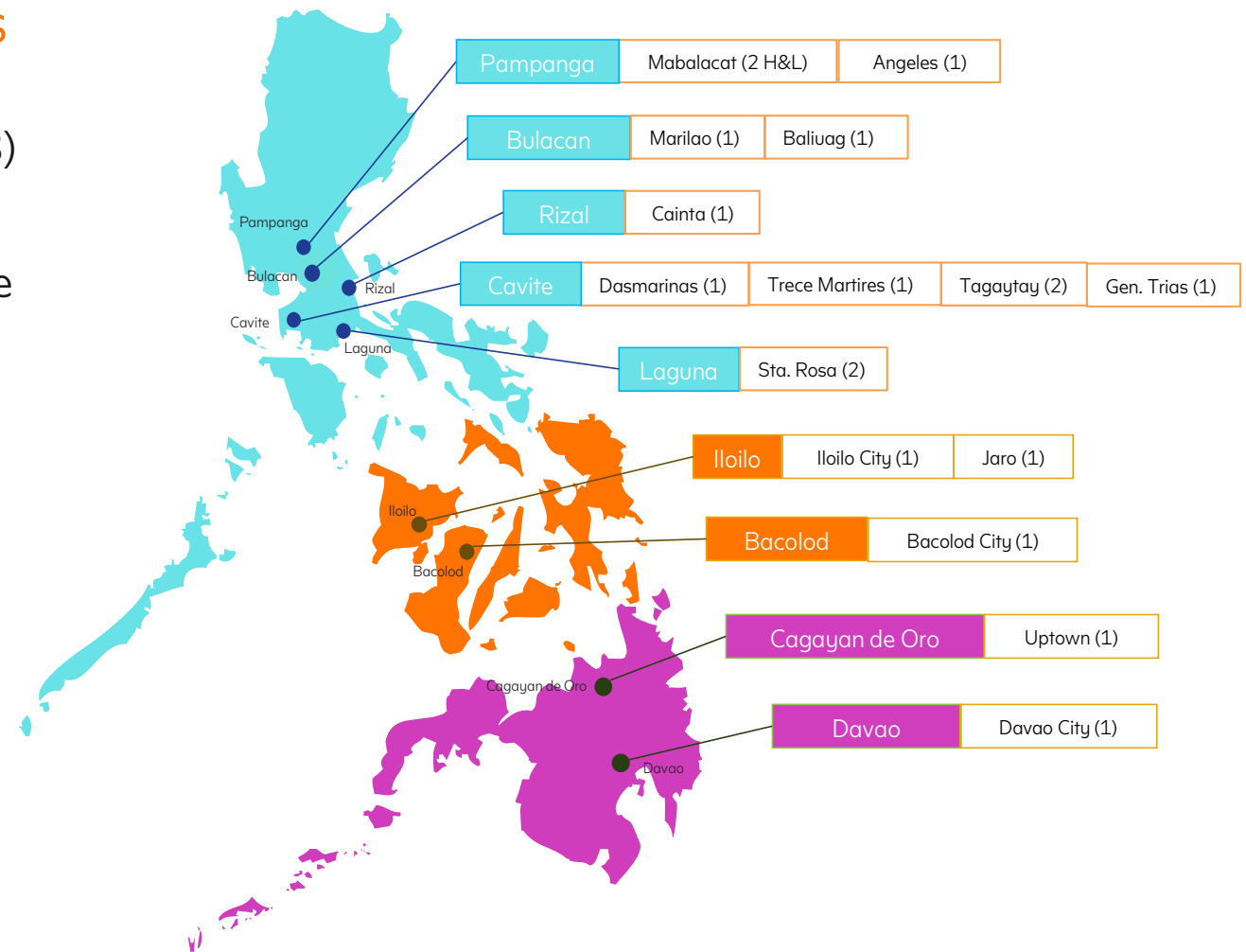
- As of September 2023, SMDC has forty-seven (47) residential developments in Metro Manila
- Majority of SMDC's residential developments in Metro Manila are High-Rise Buildings (HRB)
- In June 2023, SM Prime launched Jade Residences in Makati City
- Unbooked Revenue amounts to PHP207.69bn



# Key Business Units

## Primary Residences in Provinces

- As of September 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.
- 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 508 hectares
- In 9M2023, SM Prime launches Trealva and Highland Residences in Tagaytay Highlands and Ardea and Balea in Pico de Loro Cove.



Trealva  
in Tagaytay Highlands

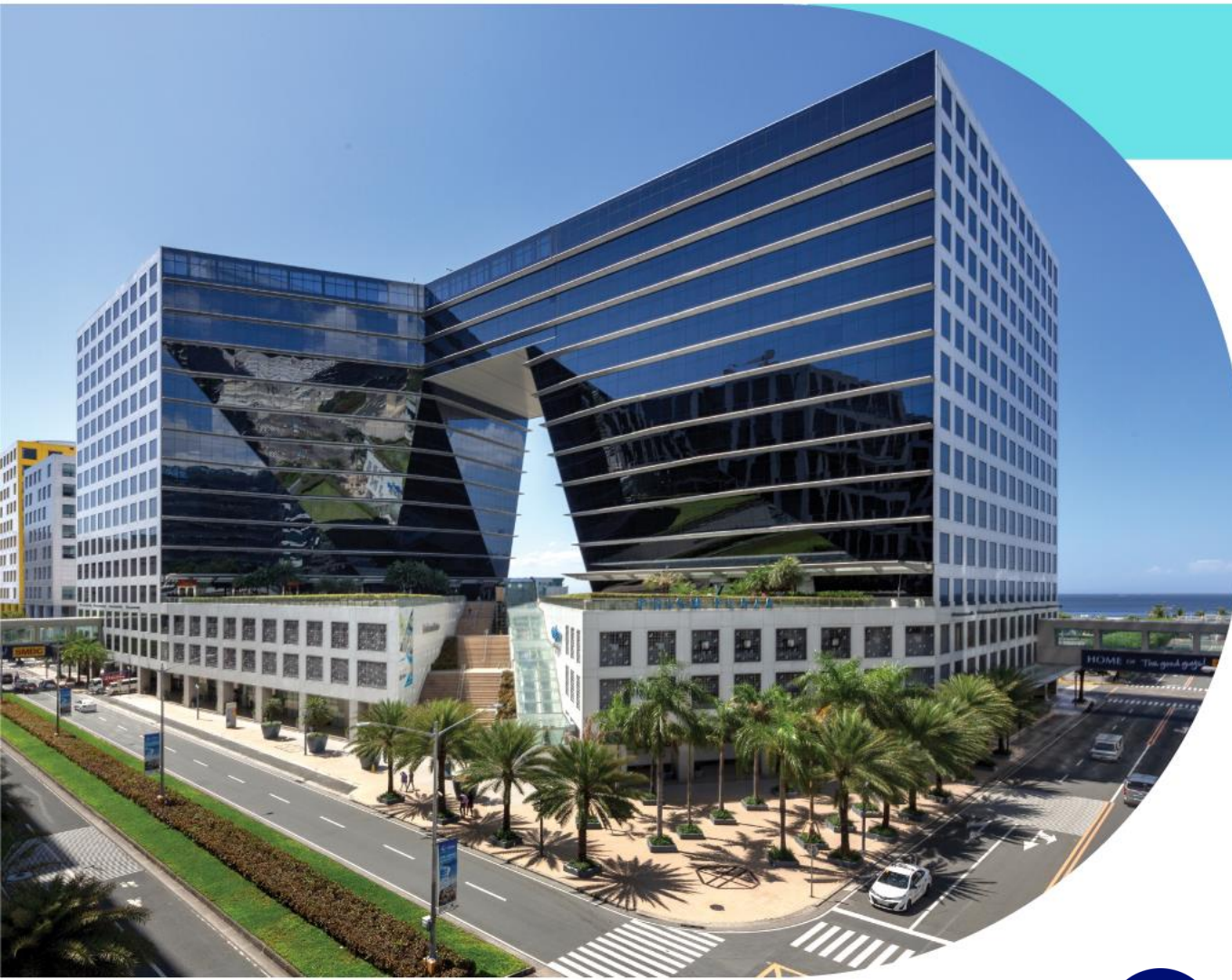


Ardea Suites  
in Pico de Loro Cove



Balea Suites  
in Pico de Loro Cove





# Offices



(As of 9M2023)

Revenue

PHP4.94bn

Operating Income

PHP3.31bn

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 657,000 sqm.
- Have an available landbank of 105 hectares for future development



ThreeE-Com Center



FourE-Com Center



FiveE-Com Center







## Hotels & Convention Centers



(As of 9M2023)

Revenue

PHP4.60bn

Operating Income

PHP1.14bn

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 September 2023.
- Conrad Manila and SMX Manila are both located in Mall of Asia Complex, Pasay City.
- SM Prime is scheduled to open Lanson Place in Mall of Asia Complex this 2023.



Conrad Manila



Radisson Blu Cebu



SMX Clark





# Key Strategies



(As of 9M2023)

Landbank  
2,385ha





9M2023 CAPEX  
PHP72bn

Net Debt to Equity  
46:54



# Landbank

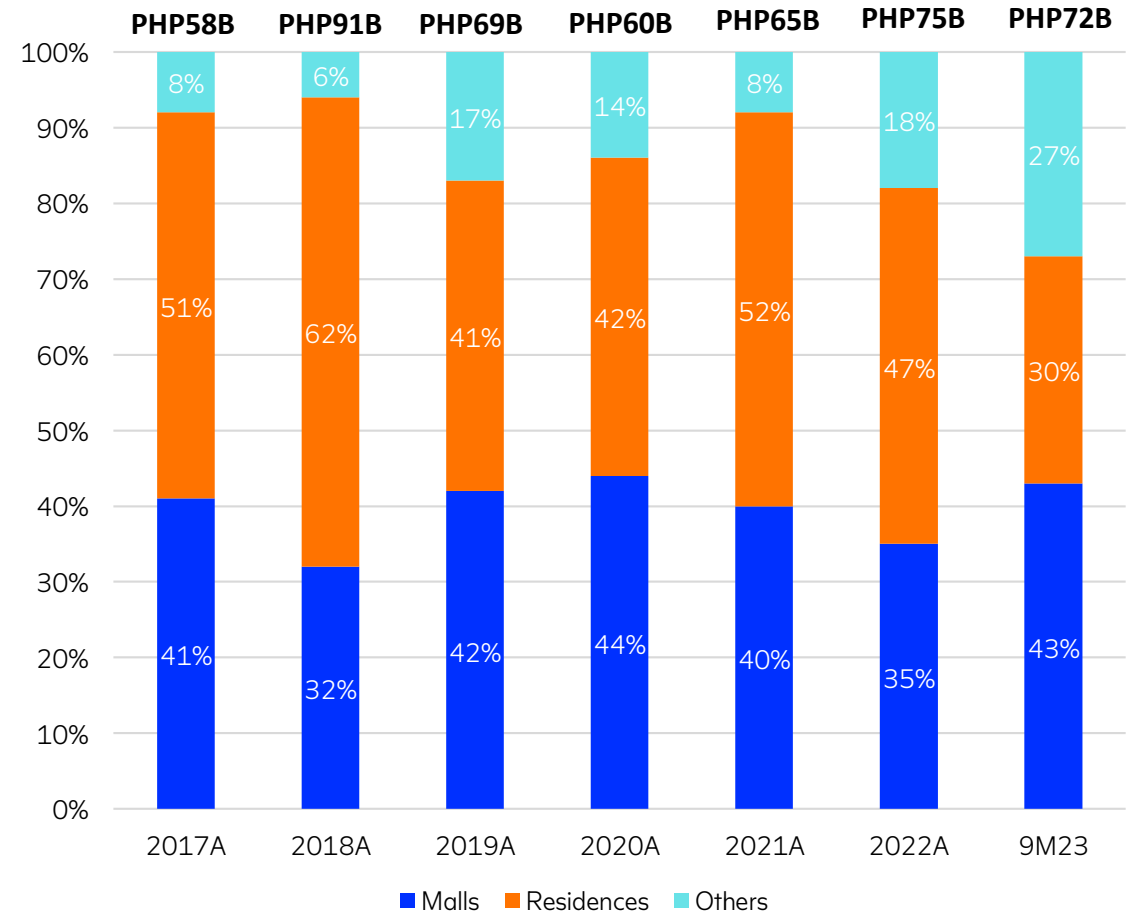
- SM Prime's extensive landbank is good for the next 5 to 7 years, and mostly located in emerging progressive cities across the country
- Leisure projects are for medium-term development

	No. of Sites	Area (in hectares)	% of Total	Area by Region (in hectares)	
				Metro Manila	Provincial
 Malls	60	350	15%	24	326
 Primary Residences	93	1,422	60%	343	1,079
 Leisure Homes	5	508	21%	-	508
 Commercial	22	105	4%	24	81
Total	180	2,385	100%	391	1,994



# CAPEX Program

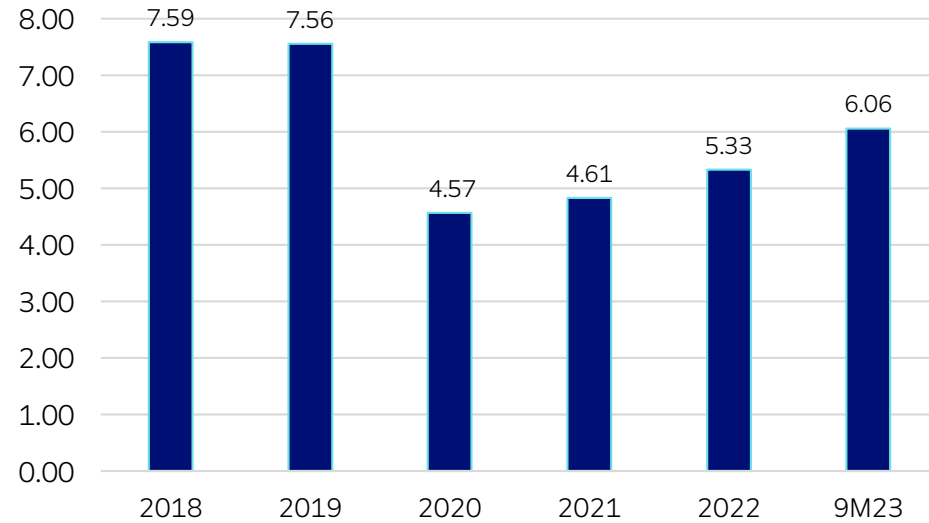
- SM Prime has set PHP80 billion as CAPEX for 2023. This will be used in various property developments as well as strategic landbanking activities
- Furthermore, the Company will continue to explore opportunistic acquisitions and/or investments.
- The CAPEX program was funded by the combination of local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





# Maintain Conservative Balance Sheet

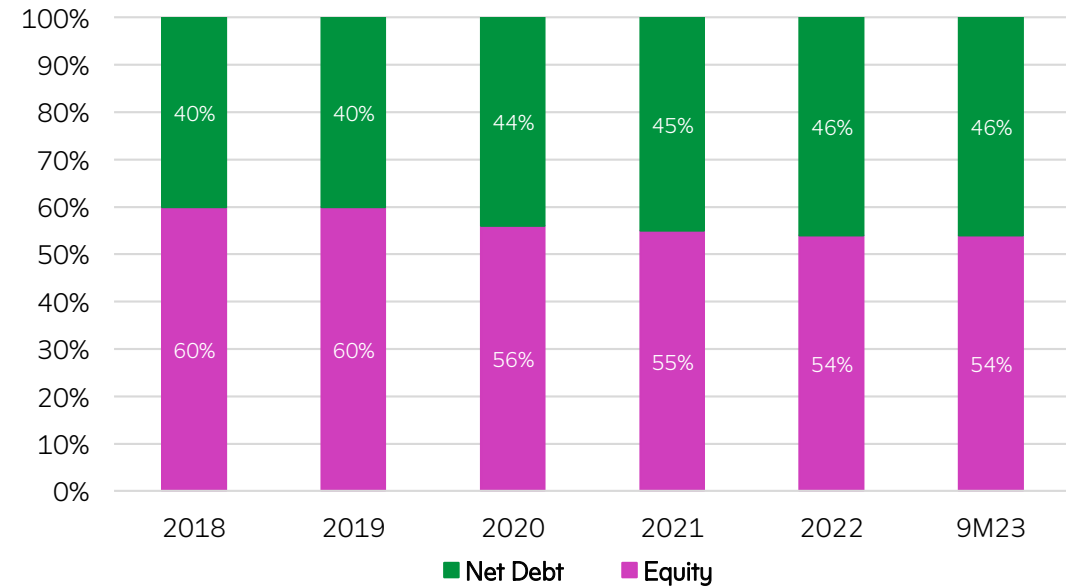
Interest Coverage Ratio\*



\*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 9M2023)

Consolidated Net Income  
PHP30.13bn

Consolidated Revenue  
PHP92.60bn

Consolidated Operating Income  
PHP44.52bn

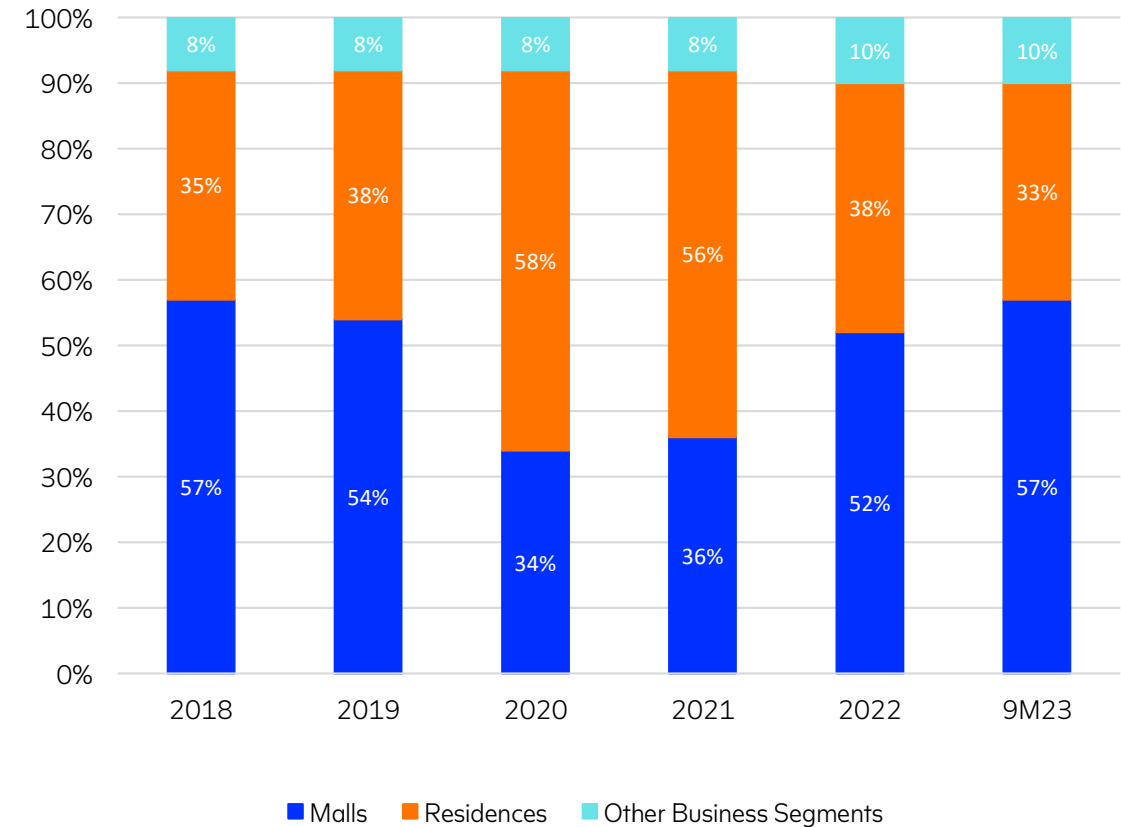
EBITDA  
PHP53.93bn



# Consolidated Financials

## Revenue Segment Contribution

- Malls Business accounts for 57% of SM Prime's consolidated revenues.
- Residential Business accounts for 33%.
- Other Business Segments cover the rest.

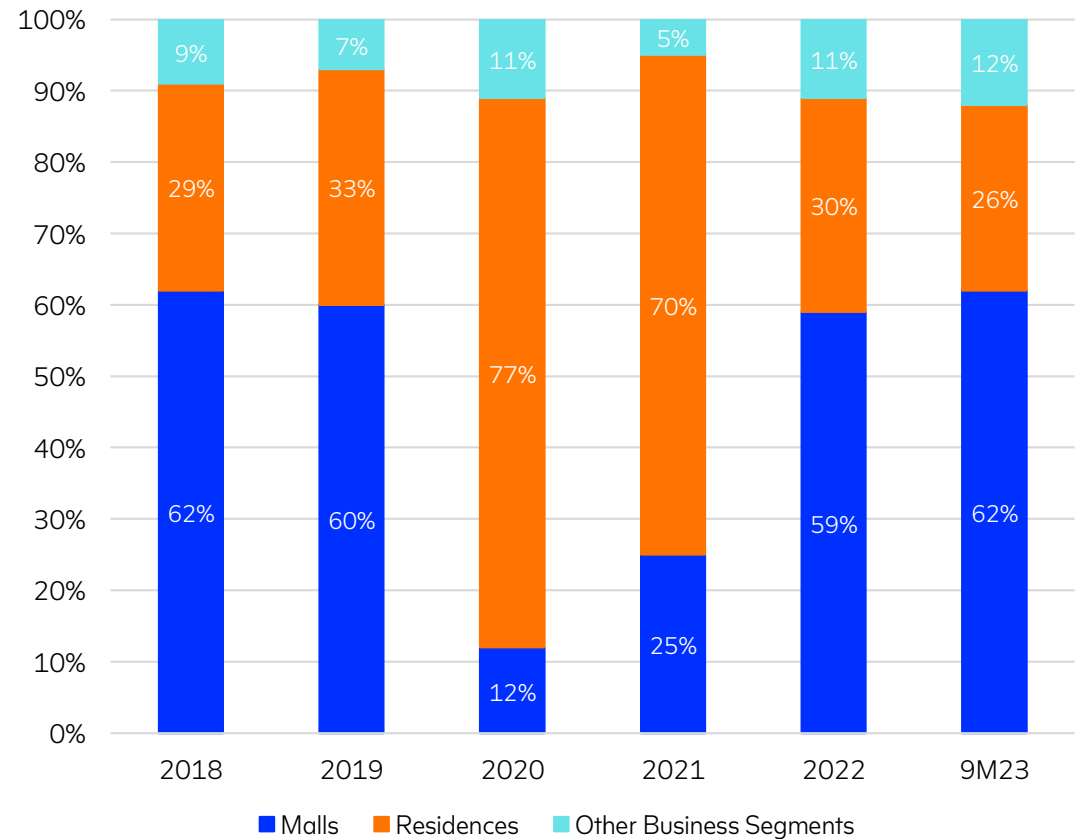




# Consolidated Financials

## Net Income Segment Contribution

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



# Consolidated Financials

- Net income increased by 37% to PHP30.13 billion from PHP22.01 billion
- Operating income went up by 29% to PHP44.52 billion from PHP34.63 billion.
- Consolidated revenue reached PHP92.60 billion, 26% higher than PHP73.67 billion.

(In PHP Billion)	9M23	9M22	% Chg
Revenue	92.60	73.67	26%
EBITDA	53.93	43.12	25%
Operating Income	44.52	34.63	29%
Net Income	30.13	22.01	37%



# Financials

## Philippine Malls

- Rental Income grew by 32% to PHP40.20 billion from PHP30.36 billion
- Cinema, ticket sales, and other revenues went up by 119% to PHP7.65 billion from PHP3.50 billion
- Operating income reached PHP26.02 billion, 41% higher than PHP18.42 billion.

(In PHP Billion)	9M23	9M22	% Chg
Revenues	47.85	33.85	41%
- Rent Income	40.20	30.36	32%
- Cinema, Ticket Sales, and others	7.65	3.50	119%
EBITDA	32.32	24.12	34%
Operating Income	26.02	18.42	41%



# Financials

## China Malls

- SM Prime's China mall business operating income grew by 7% to RMB0.26 billion from RMB0.24 billion.
- China malls revenues went up by 11% to RMB0.61 billion from RMB0.55 billion

(In RMB Billion)	9M23	9M22	% Chg
Revenues	0.61	0.55	11%
- Rent Income	0.59	0.53	11%
- Others	0.019	0.020	-3%
EBITDA	0.44	0.41	8%
Operating Income	0.26	0.24	7%





# Financials

## Residences

- SM Prime's residential business reported PHP30.58 billion in revenues, 8% higher than PHP28.28 billion.
- SMDC's reservation sales reached PHP89.27 billion, 6% higher than PHP83.93 billion.

(In PHP Billion)	9M23	9M22	% Chg
Revenues	30.58	28.28	8%
EBITDA	12.57	11.33	11%
Operating Income	12.49	11.24	11%



# Financials

## Other Businesses

- Commercial Properties Group and Hotels and Convention Centers revenues cover 10% of the overall consolidated revenues.
- The Company's office business segment reported PHP4.94 billion revenues, 14% higher than PHP4.35 billion.
- SMPH's hotels and convention centers business segment recorded PHP4.60 billion in revenues, 64% higher than PHP2.81 billion.

(In PHP Billion)	9M23	9M22	% Chg
Revenues	9.54	7.16	33%
EBITDA	6.04	4.75	27%
Operating Income	4.45	3.41	30%



# Consolidated Balance Sheet

In PHP Million (except % data)	9M2023	% to Assets	2022	% to Assets
Assets				
Cash and cash equivalents	35,929	4%	42,060	5%
Equity instruments at fair value through other comprehensive income	21,096	2%	17,612	2%
Receivables & Contract Assets	78,290	8%	82,560	9%
Investment Properties	530,504	57%	489,266	56%
Real Estate Inventories	77,233	8%	70,500	8%
Other Assets	189,538	21%	172,217	20%
Total Assets	932,590	100%	874,215	100%
Liabilities and Stockholders' Equity				
Long-term debt and Loans Payable	368,085	39%	352,397	40%
Accounts payable and others	174,548	19%	156,666	18%
Total Liabilities	542,633	58%	509,063	58%
Total Equity attributable to equity holders of the parent	387,622	42%	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 86%.



# Cash Flow

In PHP Million	9M23	2022	2021	2020	2019	2018
Cash Flows from Operating Activities						
Operating Income before Working Capital Changes	53,606	60,104	44,520	39,455	65,791	56,592
Net Cash provided by operations	44,899	34,933	30,667	17,190	51,728	45,964
Net Cash used in Investing Activities	(51,397)	(52,244)	(44,114)	(43,944)	(48,615)	(64,078)
Net Cash provided by (used in) Financing Activities	304	19,686	22,624	22,818	(7,310)	12,633
Net Increase (Decrease) in Cash and Cash Equivalents	(6,131)	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	44,371
Cash and Cash Equivalents at End of Year	35,929	42,060	39,776	30,662	34,600	38,766

- Net gearing is equivalent to 46:54 in 9M2023, below the management target of keeping 50:50 net debt to equity ratio







# SM PRIME



## 2022 Integrated Report







**SM** PRIME

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