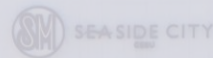




SM PRIME

Investor Kit 2024

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Outline

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II. FY2023 Financial Highlights

III. Sustainability

- Sustainability Council
- SM Prime's Path to Sustainable Development
- Four Sustainability Pillars
- Sustainability in Our Business Units

IV. The Company

- Key Business Units
- At A Glance
 - Malls
 - Residences
 - Offices
 - Hotels & Convention Centers

V. Key Strategies

Key Strategies

Landbank

CAPEX Program

VI. Financial Highlights

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



Market Capitalization

US\$17.06bn

PSE Stock Symbol	SMPH
Market Capitalization (February 19, 2024)	PHP954.46bn
Outstanding Shares	28,879mn
Last Traded Price (February 19, 2024)	Php33.05/share
30-Day Average Volume	7.44mn



FY2023 Financial Highlights

- Consolidated net income grew up by 33% to PHP40.01 billion in 2023 from PHP30.10 billion in 2022.
- Consolidated revenues reached PHP128.10 billion, 21% higher than PHP105.79 billion.
- Revenue Contribution: Malls Business accounts for 56%, Residential Business accounts for 34%, Other Business Segments account for 10%.
 - Malls revenues grew to PHP71.95 billion in 2023, 30% higher than PHP55.38 billion in 2022.
 - Residential business, led by SM Development Corporation (SMDC), reported PHP43.10 billion revenues, 8% increase from last year's PHP40.08 billion
 - SMDC reported reservation sales of PHP102.05 billion, which translates to more than 21,000 residential units sold.
 - SM Prime's other business segments, which include offices, hotels, and convention centers, recorded PHP13.05 billion in revenues, a 26% increase from last year's PHP10.33 billion.





Sustainability



TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



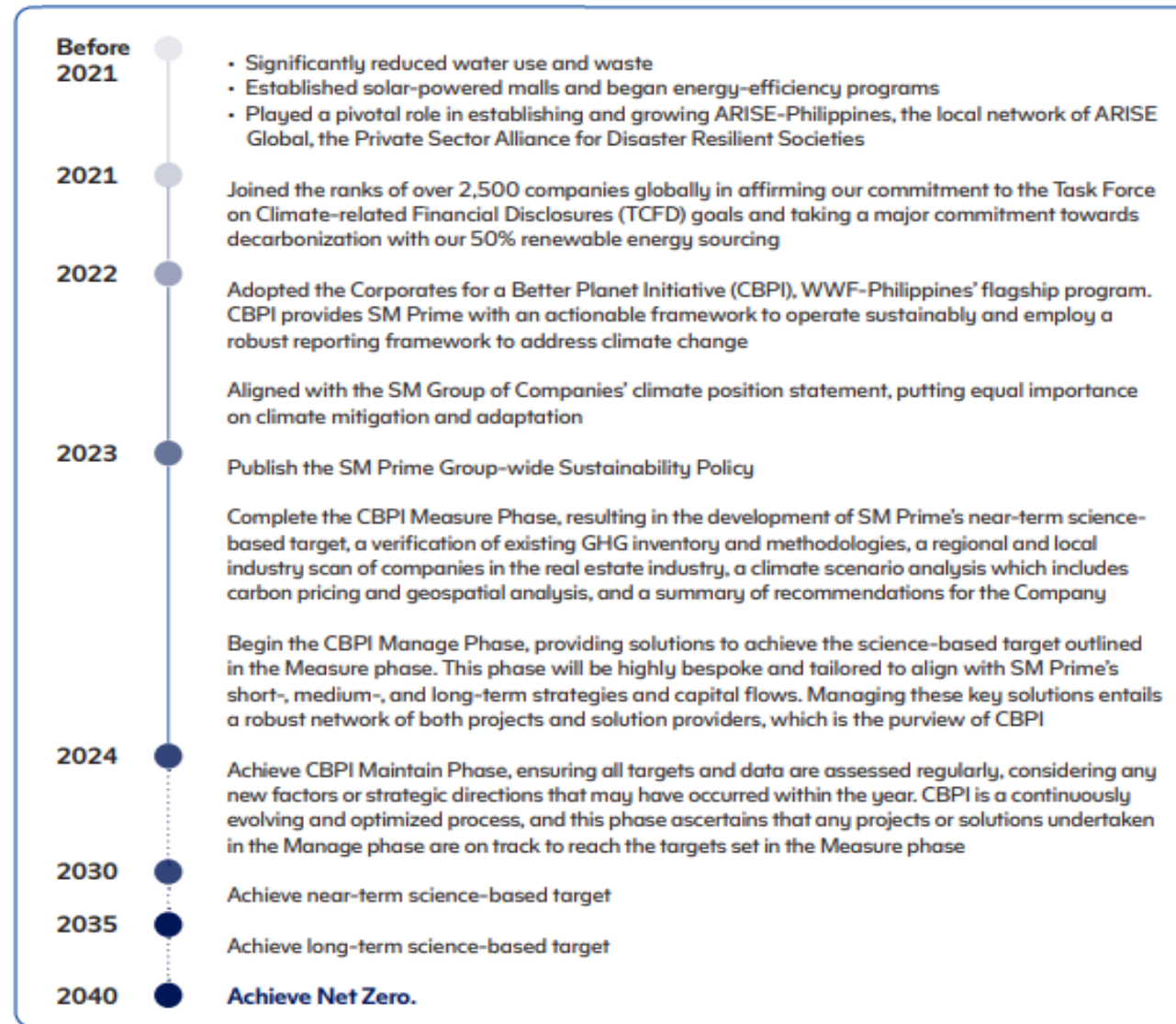
FTSE4Good



Sustainability Council



Net-Zero Ambition Action Plan



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.

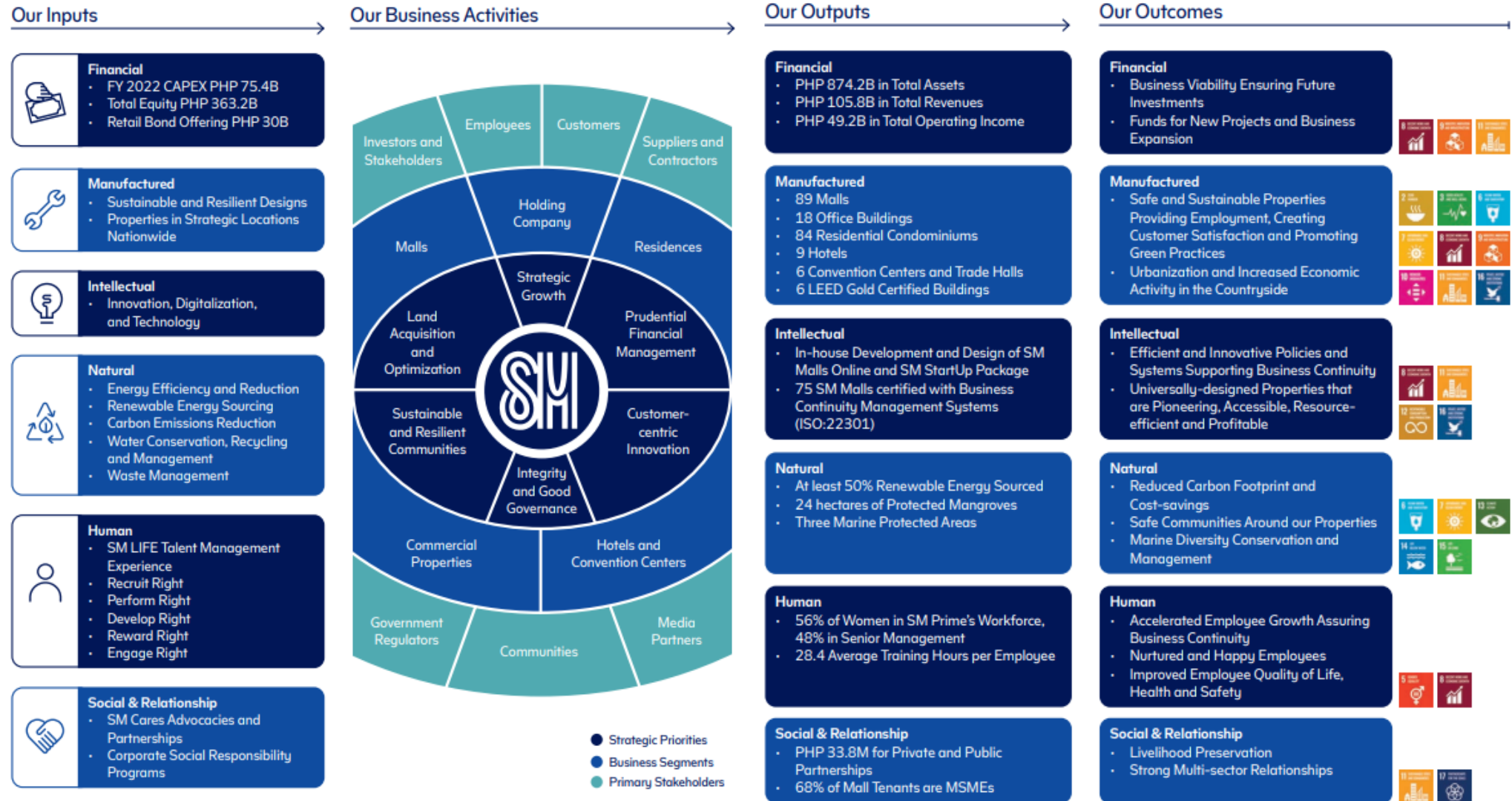
Today, SM Prime continues to augment local economic growth and reinforce commercial activity with our vast range of properties that enrich Filipino life. As we expand, we seek to create thriving communities, reduce our environmental footprint, and inspire sustainable economic growth that extends prosperity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



At a Glance

Malls



FY2023 Operating Highlights

- Total Revenues is PHP71.95 billion, 30% higher than PHP55.38 billion
- Operating Income is PHP37.36 billion, 28% up from PHP29.21 billion
- Total Investment Properties of PHP344.38 billion

Offices



FY2023 Operating Highlights

- Total Revenues is PHP6.78 billion, 13% increase from last year's PHP6.00 billion
- Operating Income is PHP4.45 billion, grew by 9% from PHP4.09 billion
- Total Investment Properties amounted to PHP101.97 billion

Residences



FY2023 Operating Highlights

- Total Revenues is PHP43.10 billion, 8% up from last year's PHP40.08 billion
- Operating Income reached PHP18.58 billion, up by 16% from last year's PHP16.06 billion
- Total Assets amounted to PHP344.56 billion

Hotels & Convention Centers



FY2023 Operating Highlights

- Total Revenues is at PHP6.27 billion, 45% higher than PHP4.33 billion
- Operating Income went up by 205% to PHP1.54 billion from PHP0.51 billion
- Total Investment Properties of PHP14.68 billion



Integrated Property Developments

Mall of Asia Complex



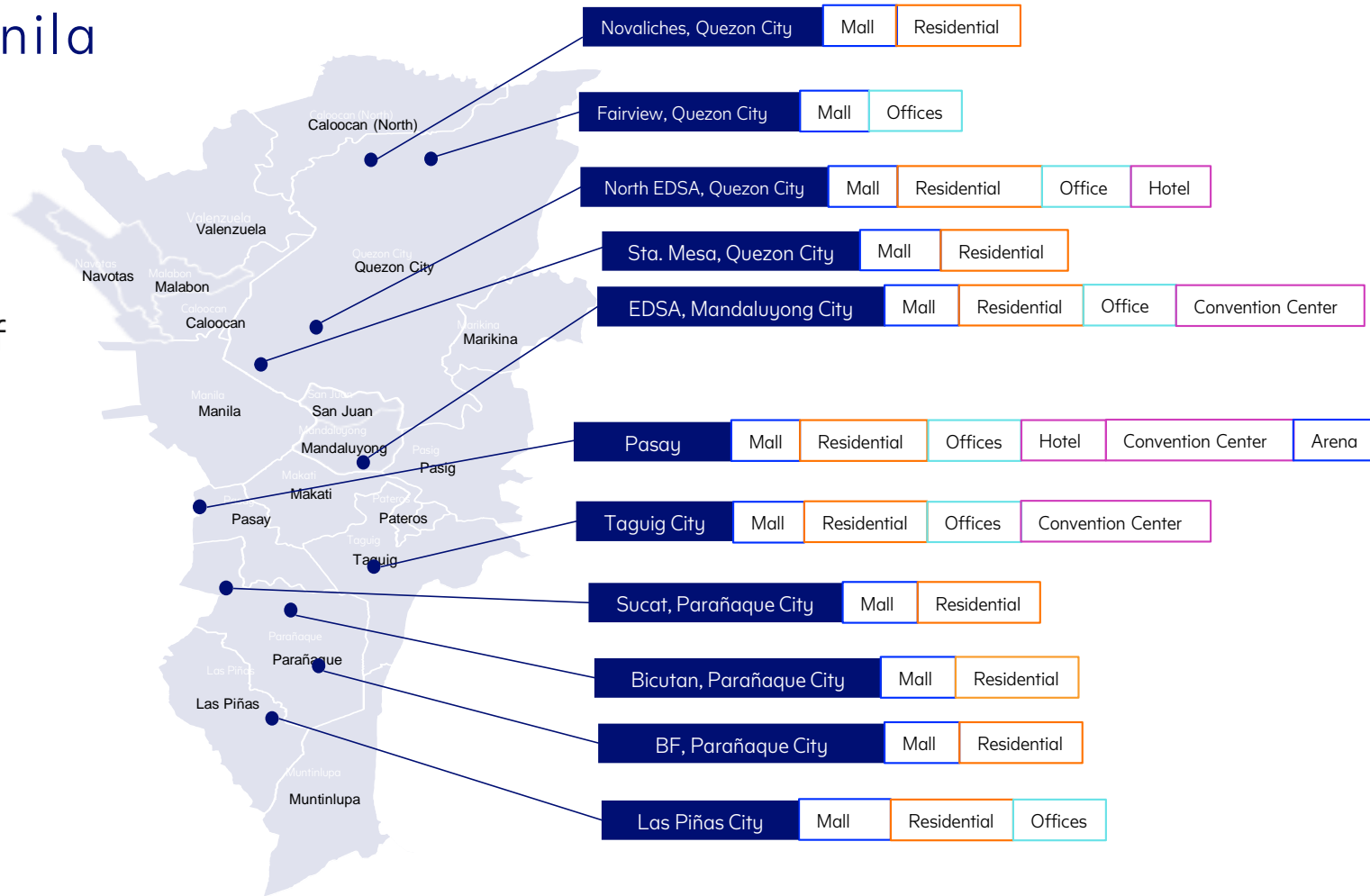
- 60 hectares of reclaimed land fronting Manila Bay, Pasay City
- SM Prime's first Integrated Property Development consisted of malls, residential projects, offices, arena, hotel and convention center.

- Other properties in MOA Complex: Microtel, OneE-Com Center, Shrine of Jesus Parish, Duty Free Philippines, Tryp Hotel, Esplanade Seaside Park, One Esplanade

Integrated Property Developments

Lifestyle Cities in Metro Manila

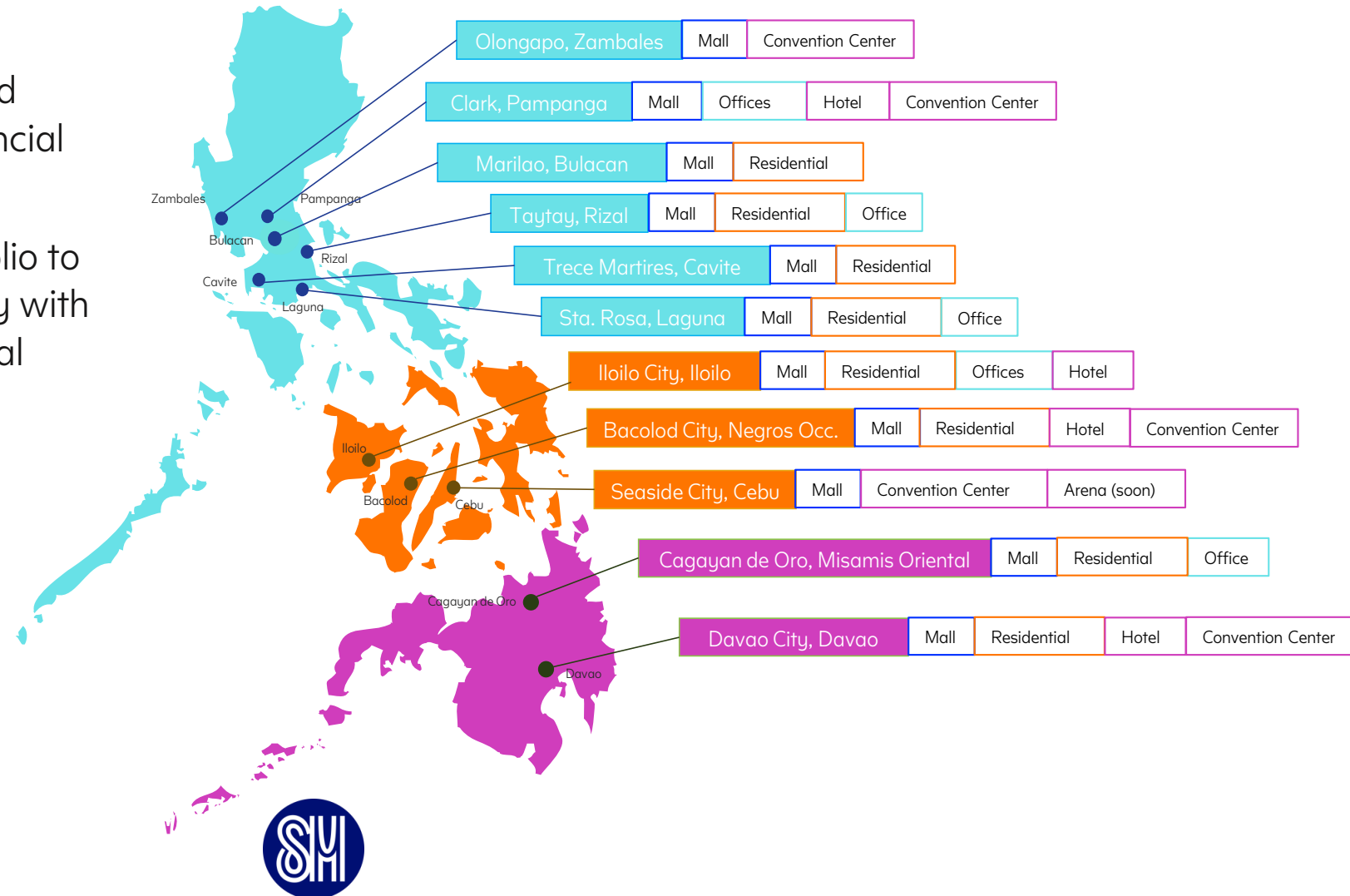
- SM Prime has eleven (11) integrated property developments in Metro Manila dubbed as Lifestyle Cities.
- SM Prime's first lifestyle city is the Mall of Asia Complex in Pasay City, which spans 60 hectares of developable area



Integrated Property Developments

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 – malls, residential developments, offices, hotels and convention centers.





Malls



(As of FY2023)

Revenue

PHP71.95bn

Operating Income

PHP37.36bn

Gross Floor Area

10.8M sqm

Malls

85 in PH and 8 in CH



Key Business Units

Malls

PHILIPPINES



85 Malls



9.2M sqm Total GFA



20,615 Tenants



3.6M Average Daily Pedestrian Count



390 Cinema Screens



89,047 Car Park Slots

CHINA



8 Malls



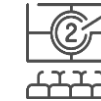
1.6M sqm Total GFA



2,183 Tenants



0.3M Average Daily Pedestrian Count



69 Cinema Screens



18,181 Car Park Slots

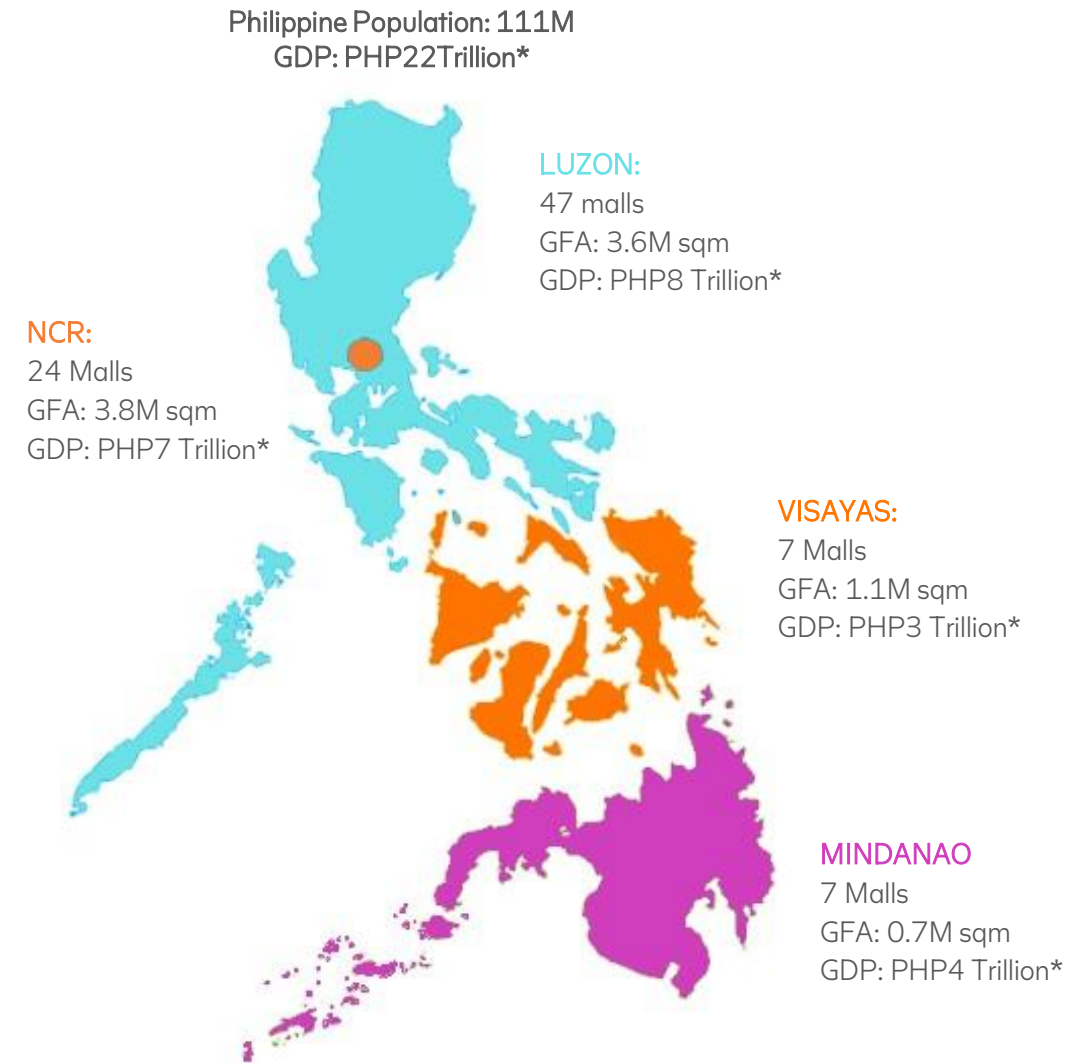
SM Prime is the largest mall operator/developer in the Philippines.



Key Business Units

Philippine Malls

- In terms of GFA, Metro Manila malls account for 41%, Luzon (ex NCR) is 39%, Visayas is 12% and Mindanao is 8%
- Average mall contracts is 95% 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)

Key Business Units

China Malls

- Operating in China since 2001 and became part of SM Prime in 2007
- Opened SM City Yangzhou in 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



2024 New Malls		
Name	GFA (sqm)	Target Launch
SM City Caloocan	94,000	1H2024
SM City J Mall (Mandaue City, Cebu)	123,000	2H2024
SM City San Fernando La Union	111,000	2H2024
SM City Laoag	113,000	2H2024

- SM Prime plans to open four new malls this 2024.
- These will add more than 440,000 sqm of gross floor area in the Company's mall portfolio.
- Available landbank of almost 360 hectares which is good for over the next 5 to 7 years.





Residences



(As of FY2023)

Revenue

PHP43.10bn

Operating Income

PHP18.58bn

Primary Residential Reservation Sales

PHP102.05bn

Primary Residential Units Launched (since 2003)

PHP713bn / 183,491 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 32% of the consolidated revenues
- In 2023, 45% of buyers are Overseas Filipinos, 39% are Local Filipinos and 16% are Foreign Buyers.



Jade Residences
Makati City



Parkville Residences
Bacolod City, Negros Occidental



Turf Residences
Binan, Laguna



Key Business Units

Primary Residences

Projects Overview (as of FY2023)	
Ready-for-Occupancy (RFO) (Unsold Units)	4,330
Ongoing Construction (Unsold Units)	19,433
Estimated Inventory Value	PHP148.47bn
2023 Reservation Sales (Value)	PHP102.05bn
Unbooked Revenues	PHP195.67bn
2023 CAPEX	PHP25.44bn
Landbank (hectares)	
Metro Manila	342
Outside Metro Manila	1,003



Gold Residences, Paranaque City



Key Business Units

Primary Residences in Metro Manila

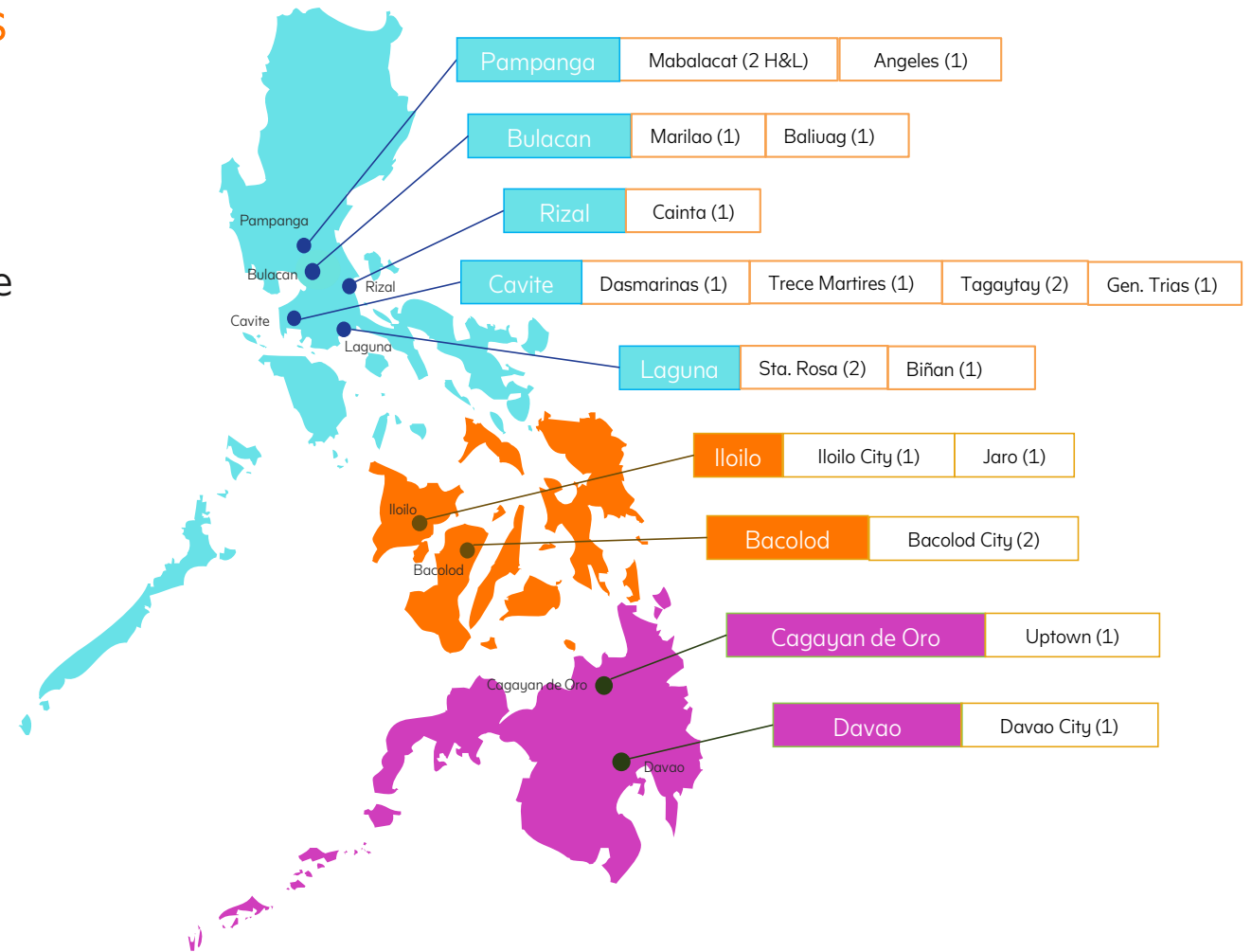
- As of December 2023, SMDC has forty-seven (47) residential developments in Metro Manila
- Majority of SMDC's residential developments in Metro Manila are High-Rise Buildings (HRB)
- In 2023, SM Prime launched Jade Residences in Makati City, Turf Residences in Laguna and Parkville Residences in Bacolod.



Key Business Units

Primary Residences in Provinces

- As of December 2023, SMDC has twenty (20) residential developments in key provincial cities
- 85% of these are mid-rise buildings (MRB), while 15% 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 2023, SM Prime launches Trealva and Highland Residences in Tagaytay Highlands and Ardea and Balea in Pico de Loro Cove.



Trealva
Tagaytay Highlands



Ardea Suites
Pico de Loro Cove



Balea Suites
Pico de Loro Cove





Offices



(As of FY2023)

Revenue

PHP6.78bn

Operating Income

PHP4.45bn

Gross Floor Area

1.6M sqm

Office Buildings

18



Key Business Units

Offices

- Have 18 office buildings with a combined GFA of almost 1.6m 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 118 hectares for future development



ThreeE-Com Center



FourE-Com Center



FiveE-Com Center





Hotels & Convention Centers



(As of FY2023)

Revenue

PHP6.27bn

Operating Income

PHP1.54bn

Hotels

10

Convention Centers and Trade Halls

8



Key Business Units

Hotels & Convention Centers

- Operating 10 hotels with over 2,600 rooms; 6 Convention Centers, and 2 Trade Halls with almost 42,000 sqm of leasable space as of December 2023.
- Conrad Manila and SMX Manila are both located in Mall of Asia Complex, Pasay City.
- SM Prime opened Lanson Place in Mall of Asia Complex in 2023.



Conrad Manila



Lanson Place Mall of Asia



SMX Clark





Key Strategies



(As of FY2023)

Landbank
2,324ha





FY2023 CAPEX
PHP88bn

Net Debt to Equity
46:54



Landbank

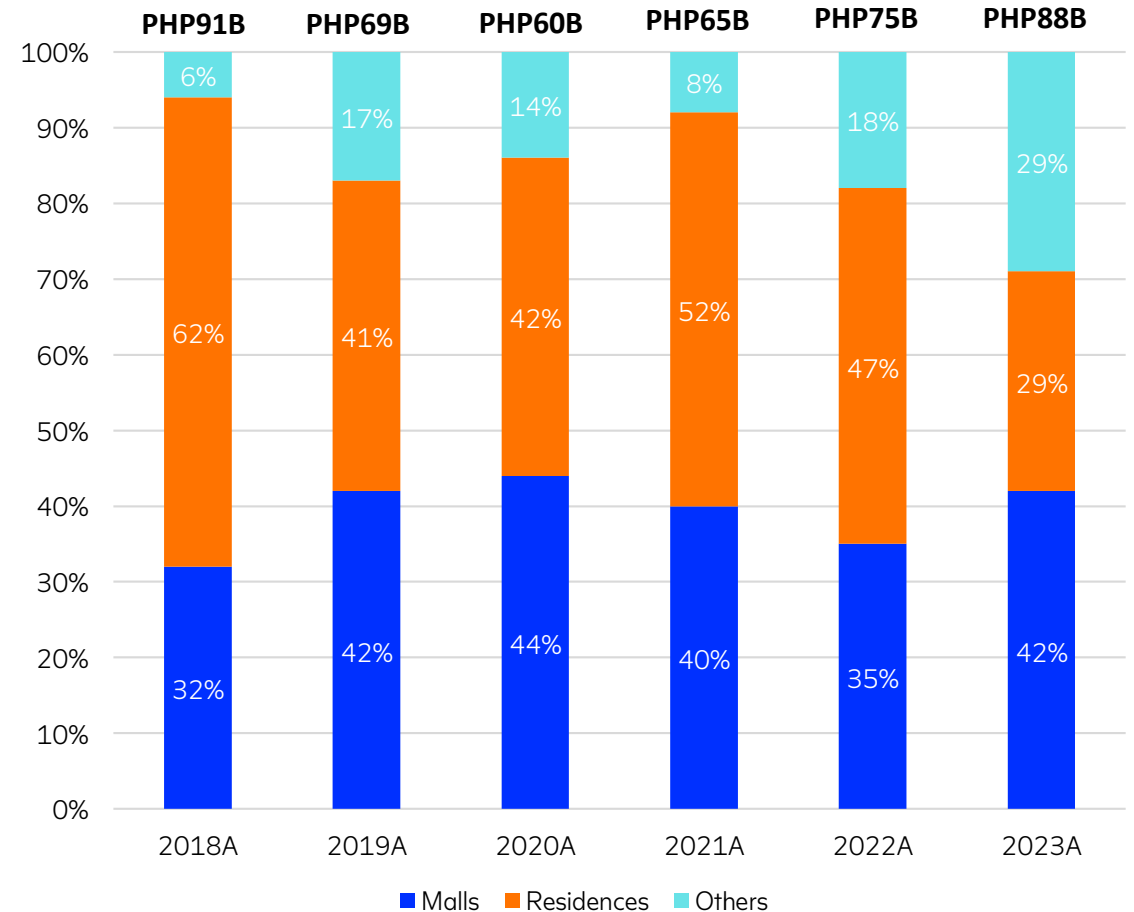
- SM Prime’s extensive landbank is good for the next 5 to 7 years, and mostly located in emerging progressive cities across the country
- Leisure projects are for medium-term development

	No. of Sites	Area (in hectares)	% of Total	Area by Region (in hectares)	
				Metro Manila	Provincial
 Malls	59	353	15%	24	329
 Primary Residences	93	1,345	58%	342	1,003
 Leisure Homes	5	508	22%	-	508
 Commercial	22	118	5%	24	94
Total	179	2,324	100%	390	1,934



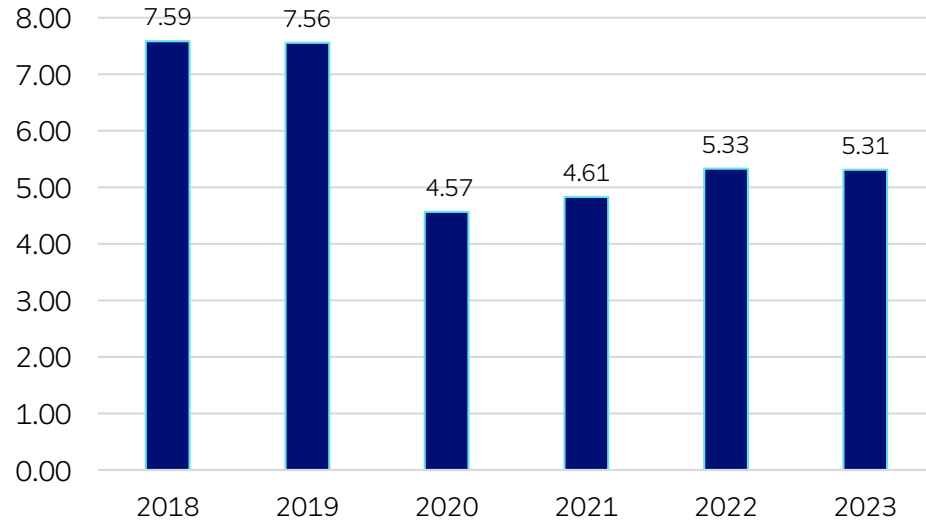
CAPEX Program

- SM Prime spent PHP88 billion as CAPEX in 2023. This was used in various property developments as well as strategic landbanking activities. For 2024, SM Prime is looking at PHP100 billion for its capital expenditure program.
- 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

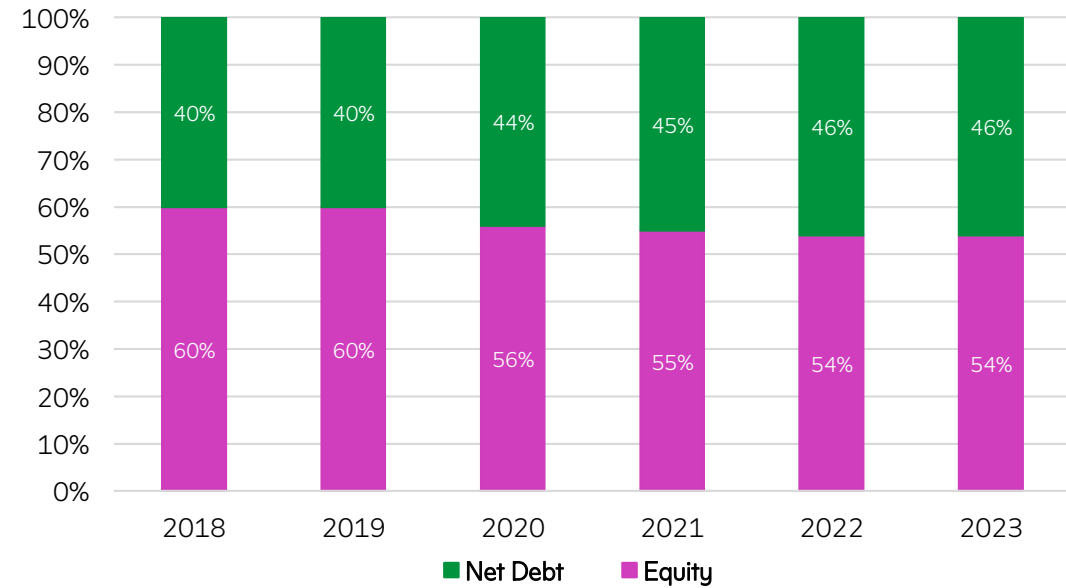
Interest Coverage Ratio*



*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 FY2023)

Consolidated Net Income
PHP40.01bn

Consolidated Revenue
PHP128.10bn

Consolidated Operating Income
PHP61.28bn

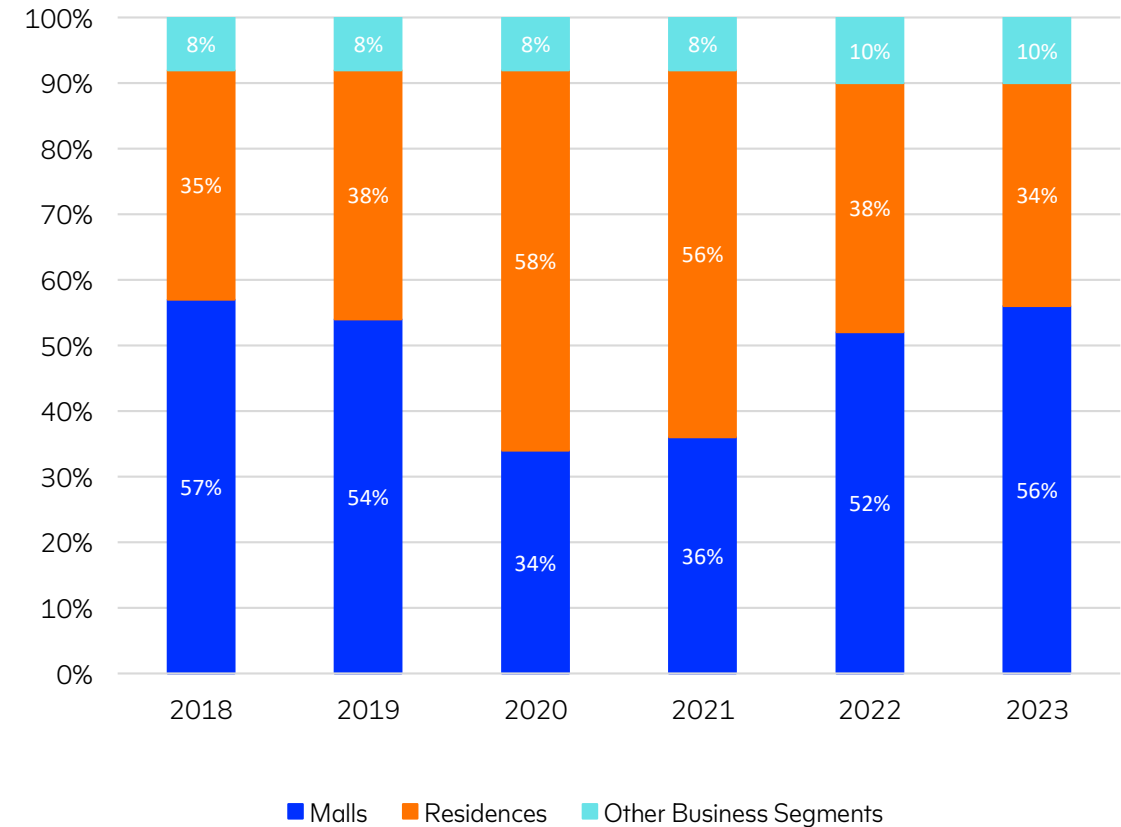
EBITDA
PHP74.08bn



Consolidated Financials

Revenue Segment Contribution

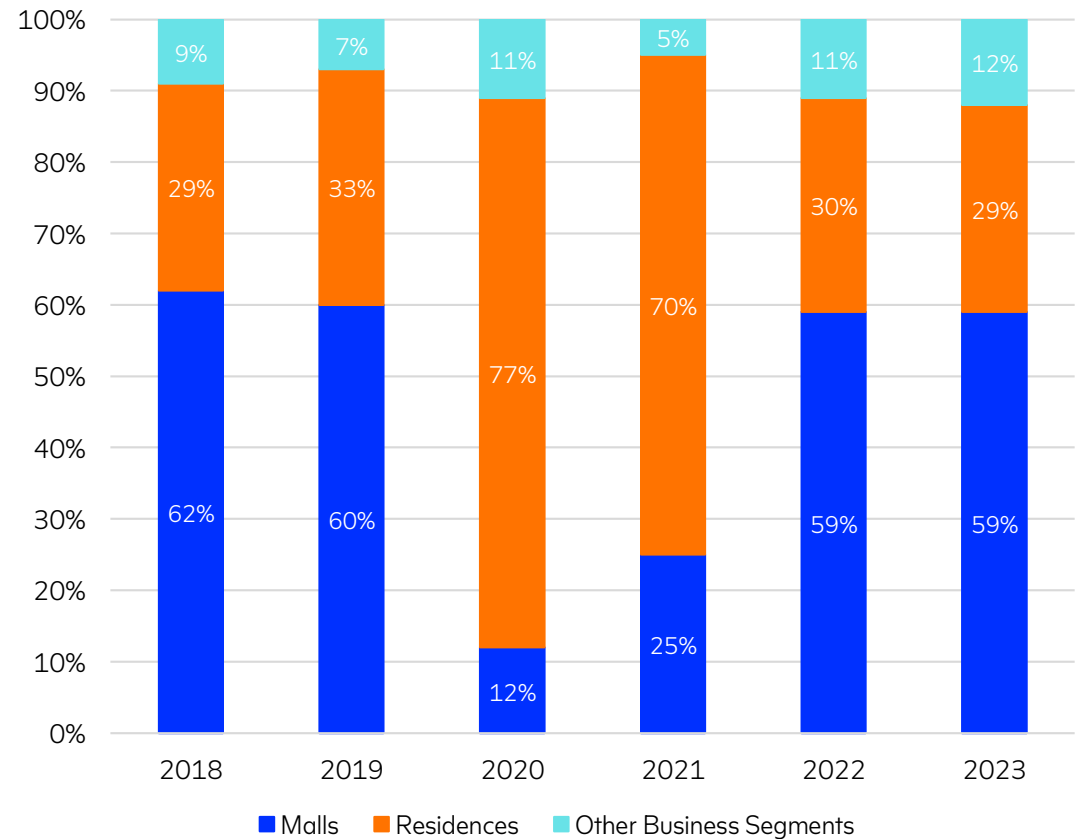
- Malls Business accounts for 56% of SM Prime's consolidated revenues.
- Residential Business accounts for 34%.
- Other Business Segments cover the rest.



Consolidated Financials

Net Income Segment Contribution

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



Consolidated Financials

- Net income grew by 33% to PHP40.01 billion from PHP30.10 billion
- Operating income increased by 24% to PHP61.28 billion from PHP49.24 billion.
- Consolidated revenue reached PHP128.10 billion, 21% higher than PHP105.79 billion.

(In PHP Billion)	2023	2022	% Chg
Revenue	128.10	105.79	21%
EBITDA	74.08	61.09	21%
Operating Income	61.28	49.24	24%
Net Income	40.01	30.10	33%



Financials

Philippine Malls

- Rental Income rose by 25% to PHP55.17 billion from PHP44.14 billion
- Cinema, event ticket sales, and other revenues grew by 86% to PHP10.57 billion from PHP5.69 billion
- Operating income reached PHP34.95 billion, 30% higher than PHP26.90 billion.

(In PHP Billion)	2023	2022	% Chg
Revenues	65.74	49.84	32%
- Rent Income	55.17	44.14	25%
- Cinema, Event Ticket Sales, and others	10.57	5.69	86%
EBITDA	43.50	34.83	25%
Operating Income	34.95	26.90	30%



Financials

China Malls

- SM Prime's China malls revenues went up by 16% to RMB0.81 billion from RMB0.70 billion
- China mall business operating income grew by 8% to RMB0.31 billion from RMB0.28 billion.

(In RMB Billion)	2023	2022	% Chg
Revenues	0.81	0.70	16%
- Rent Income	0.79	0.68	16%
- Others	0.027	0.026	2%
EBITDA	0.56	0.51	10%
Operating Income	0.31	0.28	8%



Financials

Residences

- SM Prime's residential business reported PHP43.10 billion in revenues, 8% higher than PHP40.08 billion.
- SMDC's reservation sales reached PHP102.05 billion in 2023.

(In PHP Billion)	2023	2022	% Chg
Revenues	43.10	40.08	8%
EBITDA	18.70	16.19	16%
Operating Income	18.58	16.06	16%



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 PHP6.78 billion in revenues, 13% higher than PHP6.00 billion.
- SMPH's hotels and convention centers business segment recorded PHP6.27 billion in revenues, 45% higher than PHP4.33 billion.

(In PHP Billion)	2023	2022	% Chg
Revenues	13.05	10.33	26%
EBITDA	8.15	6.57	24%
Operating Income	5.99	4.59	30%



Consolidated Balance Sheet

In PHP Million (except % data)	2023	% to Assets	2022	% to Assets
Assets				
Cash and cash equivalents	31,817	3%	42,060	5%
Equity instruments at fair value through other comprehensive income	20,318	2%	17,612	2%
Receivables & Contract Assets	76,952	8%	82,560	9%
Investment Properties	545,075	58%	489,266	56%
Real Estate Inventories	77,887	8%	70,500	8%
Other Assets	191,279	21%	172,217	20%
Total Assets	943,328	100%	874,215	100%
Liabilities and Stockholders' Equity				
Long-term debt and Loans Payable	366,658	39%	352,397	40%
Accounts payable and others	177,987	19%	156,666	18%
Total Liabilities	544,441	58%	509,063	58%
Total Equity attributable to equity holders of the parent	396,197	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 85%.



Cash Flow

In PHP Million	2023	2022	2021	2020	2019	2018
Cash Flows from Operating Activities						
Operating Income before Working Capital Changes	73,337	60,104	44,520	39,455	65,791	56,592
Net Cash provided by operations	61,941	34,933	30,667	17,190	51,728	45,964
Net Cash used in Investing Activities	(66,714)	(52,244)	(44,114)	(43,944)	(48,615)	(64,078)
Net Cash provided by (used in) Financing Activities	(5,513)	19,686	22,624	22,818	(7,310)	12,633
Net Increase (Decrease) in Cash and Cash Equivalents	(10,243)	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	31,817	42,060	39,776	30,662	34,600	38,766

- Net gearing is equivalent to 46:54 in 2023, below the management target of keeping 50:50 net debt to equity ratio





SM PRIME



2022 Integrated Report





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