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Outline

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 - SM Prime's Path to Sustainable Development
 - Four Sustainability Pillars
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Key Strategies Landbank CAPEX Program

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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



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



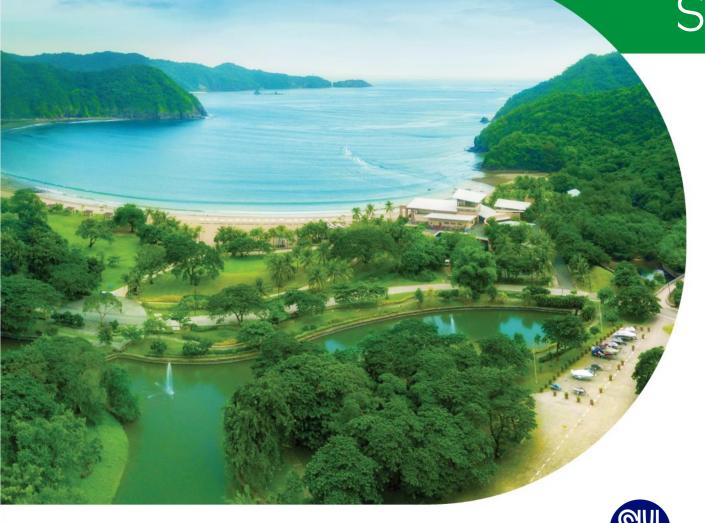
FY2023 Financial Highlights

- 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 Council

STEERING COMMITTEE CHAIRMAN

Mr. Jeffrey C. Lim

ADVISORY GROUP

Head office divisions that provide recommendations on the Steering Committee based on their expertise

SUSTAINABILITY SECRETARIAT

The department that coordinates with the members of the Advisory Group and business unit heads

TECHNICAL WORKING GROUP

Members of the business units that serve as data collectors and analysts

Net-Zero Ambition Action Plan

Before Significantly reduced water use and waste 2021 Established solar-powered malls and began energy-efficiency programs Played a pivotal role in establishing and growing ARISE-Philippines, the local network of ARISE Global, the Private Sector Alliance for Disaster Resilient Societies 2021 Joined the ranks of over 2,500 companies globally in affirming our commitment to the Task Force on Climate-related Financial Disclosures (TCFD) goals and taking a major commitment towards decarbonization with our 50% renewable energy sourcing 2022 Adopted the Corporates for a Better Planet Initiative (CBPI), WWF-Philippines' flagship program. CBPI provides SM Prime with an actionable framework to operate sustainably and employ a robust reporting framework to address climate change Aligned with the SM Group of Companies' climate position statement, putting equal importance on climate mitigation and adaptation 2023 Publish the SM Prime Group-wide Sustainability Policy Complete the CBPI Measure Phase, resulting in the development of SM Prime's near-term sciencebased target, a verification of existing GHG inventory and methodologies, a regional and local industry scan of companies in the real estate industry, a climate scenario analysis which includes carbon pricing and geospatial analysis, and a summary of recommendations for the Company Begin the CBPI Manage Phase, providing solutions to achieve the science-based target outlined in the Measure phase. This phase will be highly bespoke and tailored to align with SM Prime's short-, medium-, and long-term strategies and capital flows. Managing these key solutions entails a robust network of both projects and solution providers, which is the purview of CBPI 2024 Achieve CBPI Maintain Phase, ensuring all targets and data are assessed regularly, considering any new factors or strategic directions that may have occurred within the year. CBPI is a continuously evolving and optimized process, and this phase ascertains that any projects or solutions undertaken in the Manage phase are on track to reach the targets set in the Measure phase 2030 Achieve near-term science-based target 2035 Achieve long-term science-based target 2040 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

Our Inputs

Financial

- FY 2022 CAPEX PHP 75.4B
- Total Equity PHP 363.2B
- Retail Bond Offering PHP 30B



Manufactured

- Sustainable and Resilient Designs
- Properties in Strategic Locations Nationwide



Intellectual

Innovation, Digitalization, and Technology



Natural

- Energy Efficiency and Reduction
- Renewable Energy Sourcing
- Carbon Emissions Reduction
- Water Conservation, Recycling and Management
- Waste Management



Human

- SM LIFE Talent Management Experience
- Recruit Right
- Perform Right
- Develop Right
- Reward Right
- Engage Right



Social & Relationship

- SM Cares Advocacies and
- Partnerships
- Corporate Social Responsibility Programs

Our Business Activities



Business Segments

Primary Stakeholders

Our Outputs

- Financial PHP 874.2B in Total Assets
- PHP 105.8B in Total Revenues
- PHP 49.2B in Total Operating Income

Manufactured

- 89 Malls
- 18 Office Buildings
- 84 Residential Condominiums
- 6 Convention Centers and Trade Halls
- 6 LEED Gold Certified Buildings

Intellectual

- In-house Development and Design of SM Malls Online and SM StartUp Package
- 75 SM Malls certified with Business Continuity Management Systems (ISO:22301)

Natural

- At least 50% Renewable Energy Sourced
- 24 hectares of Protected Mangroves
- Three Marine Protected Areas

- 56% of Women in SM Prime's Workforce. 48% in Senior Management
- 28.4 Average Training Hours per Employee

Social & Relationship

- PHP 33.8M for Private and Public Partnerships |
- 68% of Mall Tenants are MSMEs

Our Outcomes

Financial

- Business Viability Ensuring Future Investments
- Funds for New Projects and Business Expansion











- Safe and Sustainable Properties Providing Employment, Creating Customer Satisfaction and Promoting Green Practices
- Urbanization and Increased Economic Activity in the Countryside













Intellectual

- Efficient and Innovative Policies and Systems Supporting Business Continuity
- Universally-designed Properties that are Pioneering, Accessible, Resourceefficient and Profitable









- Reduced Carbon Footprint and Cost-savings
- Safe Communities Around our Properties
- Marine Diversity Conservation and Management













Natural

- Accelerated Employee Growth Assuring Business Continuitu
- Nurtured and Happy Employees
- Improved Employee Quality of Life, Health and Safety









Livelihood Preservation

Social & Relationship

Strong Multi-sector Relationships







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 form 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

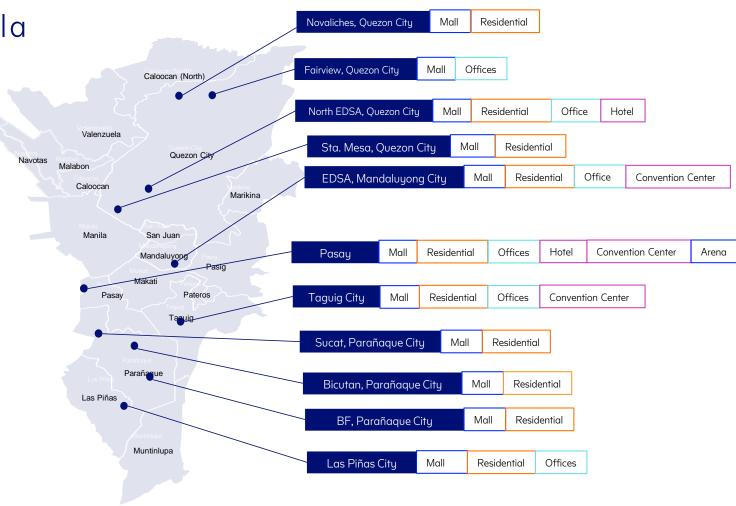


- · 60 hectares of reclaimed land fronting Manila Bay, Pasay City
- SM Prime's first Integrated Property Development consisted of malls, residential projects, offices, arena, hotel and convention center.
- Other properties in MOA Complex: Microtel, OneE-Com Center, Shrine of Jesus Parish, Duty Free Philippines, Tryp Hotel, Esplanade Seaside Park, One Esplanade

Integrated Property Developments

Lifestyle Cities in Metro Manila

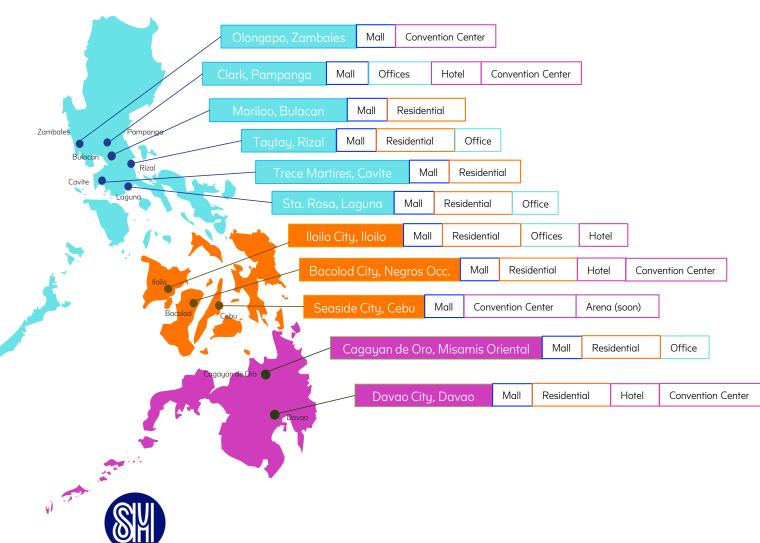
- SM Prime has eleven (11) integrated property developments in Metro Manila dubbed as Lifestyle Cities.
- SM Prime's first lifestyle city is the Mall of Asia Complex in Pasay City, which spans 60 hectares of developable area





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



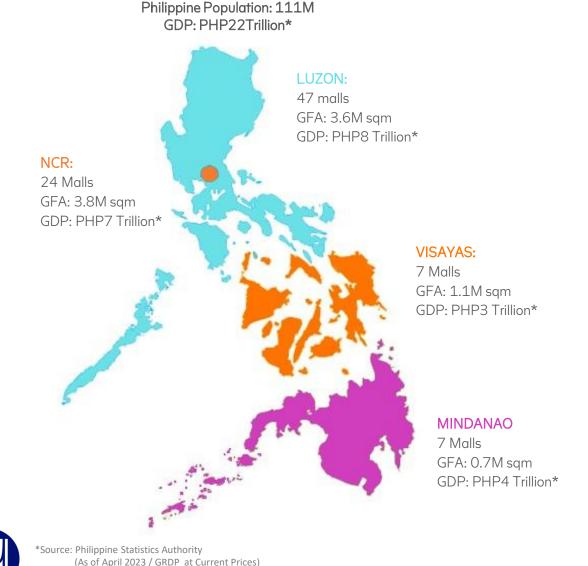
18,181 Car Park Slots

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.



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	1H2O24		
SM City J Mall (Mandaue City, Cebu)	123,000	2H2O24		
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 Occidenta

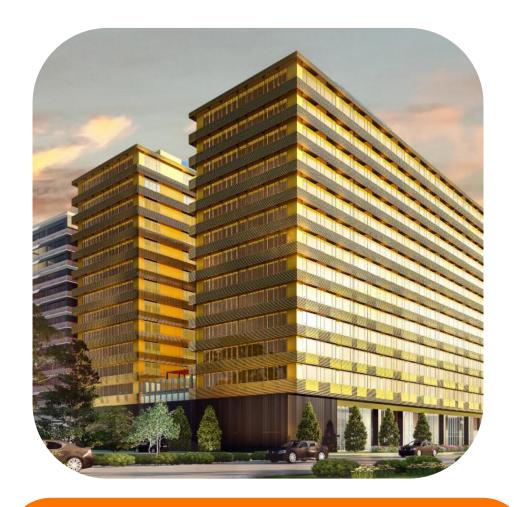


Turf Residences
Binan, Laguna



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

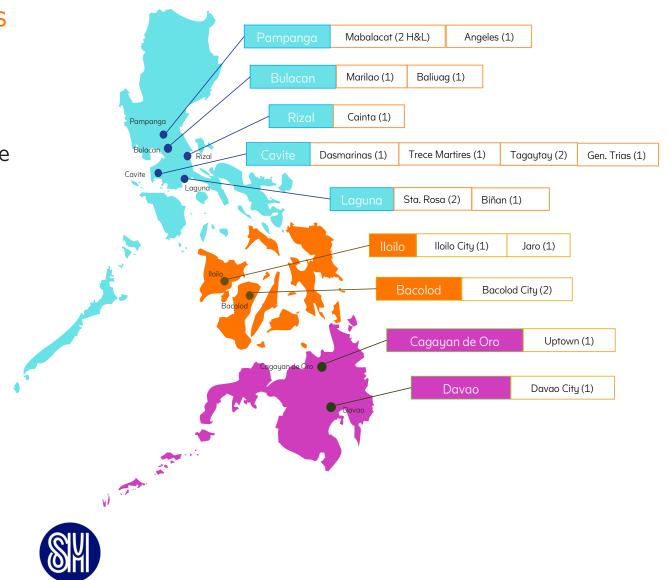
- As of December 2023, SMDC has forty-seven (47) residential developments in Metro Manila
- Majority of SMDC's residential developments in Metro Manila are High-Rise Buildings (HRB)
- In 2023, SM Prime launched Jade Residences in Makati City, Turf Residences in Laguna and Parkville Residences in Bacolod.





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







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

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(As of FY2023)

Landbank 2,324ha

FY2023 CAPEX PHP88bn

Net Debt to Equity

46:54



Landbank

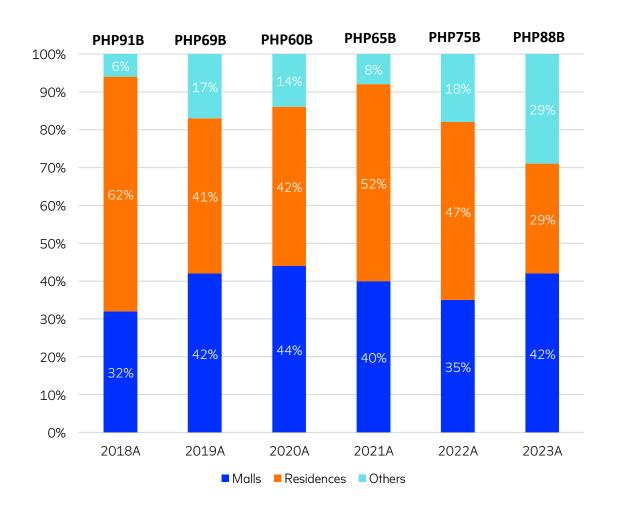
- SM Prime's extensive landbank is good for the next 5 to 7 years, and mostly located in emerging progressive cities across the country
- Leisure projects are for medium-term development

		Area		_	Region (in ares)
	No. of Sites	(in hectares)	% of Total	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



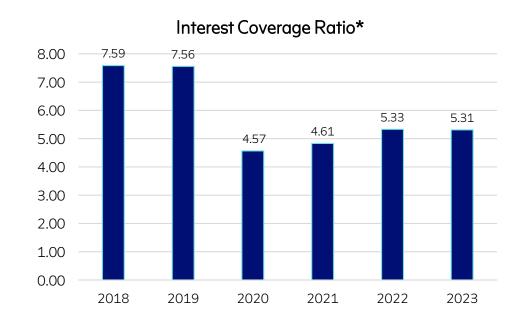
CAPEX Program

- 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.



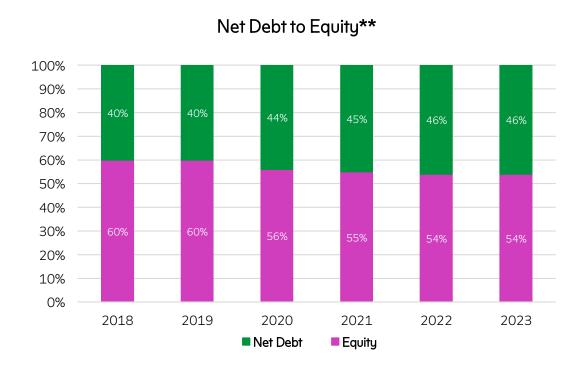


Maintain Conservative Balance Sheet



*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 1



(As of FY2023)

Consolidated Net Income

PHP40.01bn

Consolidated Revenue

PHP128.10bn

Consolidated Operating Income

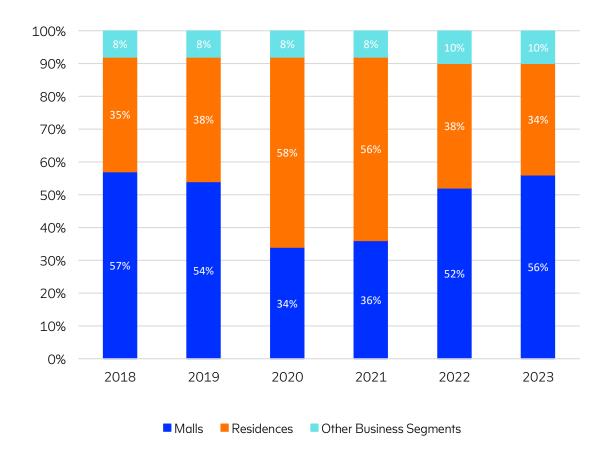
PHP61.28bn

EBITDA

PHP74.08bn

Consolidated Financials Revenue Segment Contribution

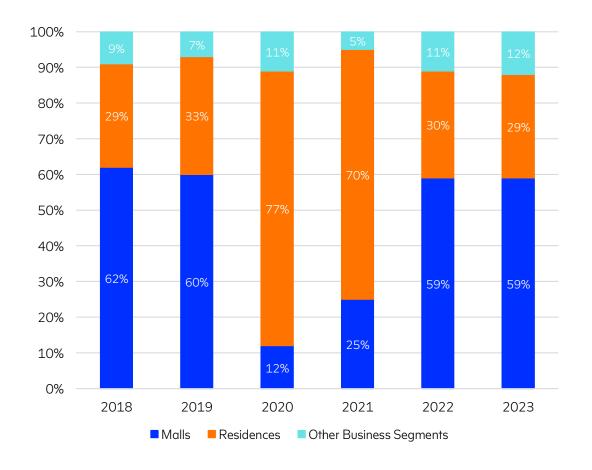
- Malls Business accounts for 56% of SM Prime's consolidated revenues.
- Residential Business accounts for 34%.
- Other Business Segments cover the rest.





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



