



INVESTMENTS CORPORATION

February 28, 2020

PHILIPPINE STOCK EXCHANGE, INC.

6th Floor, PSE Tower
28th St. corner 5th Ave.
BGC, Taguig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City

Attention: **Atty. Marie Rose M. Magallen-Lirio**
Head, Issuer Compliance and Disclosure Department

Re: **Press Release - SM's Net Income Rises to PHP45 Billion**

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Ladies and Gentlemen:

Please be informed that SM Investments Corporation is releasing to the press the attached statement entitled "SM's net income rises to PHP45 billion."

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano', written over a horizontal line.

ELMER B. SERRANO
Corporate Secretary

Encl. a/s

SM's net income rises to PHP45 billion

(28 February 2020, Pasay City, Philippines) SM Investments Corporation (SM) reported its net income rose 20% to PHP44.6 billion in 2019 from PHP37.1 billion in 2018. Consolidated revenues increased 12% to PHP501.7 billion from PHP449.8 billion the previous year.

“We had a good year in 2019 with all our core businesses delivering strong revenue and profit growth. The Retail Group added over 400 stores nationwide whilst the Property Group sustained its growth momentum led by residential and commercial developments. The Banking Group had a particularly good year as net income improved,” SM President Frederic C. DyBuncio said.

“We are confident about the long term growth potential of the country and we will continue to expand. We are committed to maintain a strong balance sheet that gives us the financial flexibility to fend off short term risks and to take on opportunities that may come our way,” Mr. DyBuncio added.

Retail

Operations under SM Retail Inc., which consist of non-food (THE SM STORE and specialty stores) and food stores (SM Markets), reported total revenues grew 9% to PHP366.8 billion. Net income likewise increased 10% to PHP12.5 billion.

THE SM STORE opened two new stores in Ortigas in Pasig City and Olongapo in Zambales. Total gross selling areas of all 65 department stores in 2019 stood at 806,230 square meters.

The food group, which includes SM Markets (SM Supermarket, SM Hypermarket and Savemore), Alfamart and WalterMart, added 248 new stores in 2019.

SM Retail added a total of 412 new outlets in 2019 across the portfolio.

By year end, SM Retail had a total of 2,799 outlets, comprising 65 THE SM STORES, 1,609 specialty retail outlets, 58 SM Supermarkets, 52 SM Hypermarkets, 201 Savemore, 60 WalterMart and 754 Alfamart stores.

Property

SM Prime Holdings recorded consolidated net income growth of 18% to PHP38.1 billion from PHP32.2 billion the previous year. Consolidated revenues increased by 14% to PHP118.3 billion from PHP104.1 billion.

Philippine mall revenues recorded an 8% increase to PHP57.8 billion mainly driven by the 7% same-mall-sales growth across all mature malls. The cinema and event ticket sales reported a 6% growth to PHP5.5 billion. Revenues from amusement, merchandise sales and others went up by 15% to PHP3.9 billion.

SM Prime has 74 malls in the Philippines spanning 8.5 million square meters (sqm) of gross floor area (GFA) and seven malls in China with 1.3 million sqm.

SM Prime's residential group, led by SM Development Corporation (SMDC), recorded a revenue growth of 24% to PHP45.2 billion due to higher construction accomplishments.

The rest of SM Prime's businesses registered a combined revenue growth of 14% to PHP9.6 billion. This took into account the full-year revenue contribution of ThreeE-Com Center, the opening of National University Mall of Asia (NUMA) and the opening of Park Inn by Radisson hotels in Iloilo and in North EDSA, Quezon City.

Banking

BDO Unibank, Inc. (BDO) posted a net income of PHP 44.2 billion, up 35%. Net interest income grew by 22% to PHP 119.9 billion. Gross customer loans rose 9% to PHP2.2 trillion while deposits grew 3% to PHP2.5 trillion.

China Banking Corporation (China Bank) reported a net income growth of 24% to PHP10.1 billion. Net interest income grew 14% to PHP26.1 billion on the back of a 13% increase in gross loans to PHP577.9 billion. Total deposits rose 7% to PHP775.4 billion.

Balance Sheet

The total assets of SM grew 8% to PHP1.1 trillion. SM maintains a healthy balance sheet with a conservative gearing ratio of 36% net debt to 64% total equity.

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About SM Investments Corporation

SM Investments Corporation is a leading Philippine company that is invested in market leading businesses in retail, banking and property. It also invests in ventures that capture high growth opportunities in the emerging Philippine economy.

SM's retail operations are the country's largest and most diversified with its food, non-food and specialty retail stores. SM's property arm, SM Prime Holdings, Inc., is the largest integrated property developer in the Philippines with interests in malls, residences, offices, hotels and convention centers as well as tourism-related property developments. SM's interests in banking are in BDO Unibank, Inc., the country's largest bank and China Banking Corporation, the 6th largest bank.

For more about SM, visit www.sminvestments.com

For further inquiries, please contact:

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