



# Investor and Analysts' Briefing 3M 2020 Results

21 May 2020



# SMIC 3M 2020 Consolidated Results

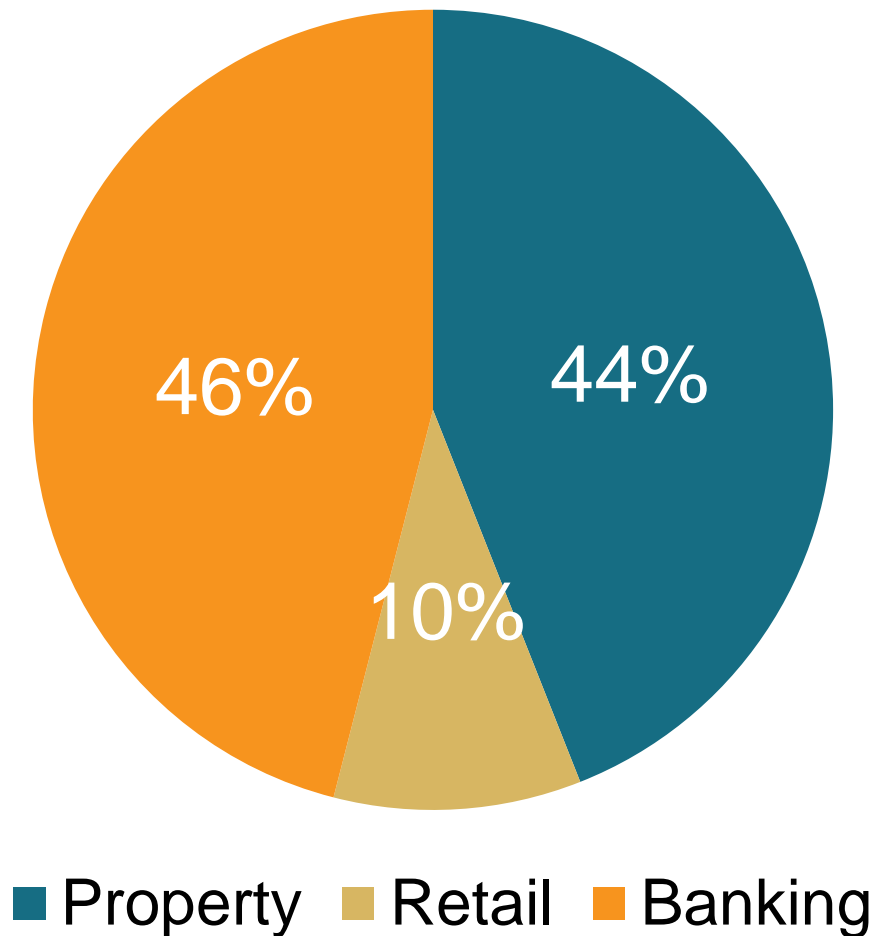
- Restricted top line growth
- Earnings impacted by ECQ and Covid-19
- Conservative gearing maintained

SM Investments	3M 2020	Chg
Revenues	111.2	2%
Earnings	9.0	-16%
<i>w/o PFRS 16</i>	9.1	-15%
Assets	1,161.4	2%
Net Debt:Total Equity	37 : 63	

*Figures in PHP B except percentages*

# Net Income Mix

- Banks and Property led earnings in 3M



# Banking – BDO

Banking	BDO	
	3M 2020	Chg
Net Income	8.8	-10%
Net Interest Inc.	33.0	19%
Other Income	9.0	-39%
Loans	2,233.9	11%
Deposits	2,575.2	9%
NIM	4.4%	
NPL	1.3%	
CET 1	12.7%	
CAR	13.8%	

- BDO's core businesses sustained growth
- Earnings were impacted by weak capital market conditions

*Figures in PHP B except percentages*

# Banking – China Bank

Banking	CHIB	
	3M 2020	Chg
Net Income	2.2	19%
Net Interest Inc.	7.9	34%
Other Income	1.2	-11%
Loans	592	15%
Deposits	785	9%
NIM	3.8%	
NPL	1.7%	
CET 1	12.1%	
CAR	13.0%	

- China Bank delivered sustained core business growth
- Earnings increased despite ECQ

*Figures in PHP B except percentages*

# Property

- Residential performance remained strong in 3M, abating the effect of revenue losses in malls

SM Prime	3M 2020	Chg
Revenues	25.8	-3%
Earnings	8.3	-5%
Philippine Mall Revenue	11.3	-16%
Residential Revenue	11.4	23%
Residential Reservation Sales	24.8	
Other Revenues	2.2	

# Retail

- Food led top line growth
- Non-Food reduced top and bottom line
- Margins impacted by lower revenue and shift in mix
- Excluding impact of PFRS 16, net income -49%

<b>SM Retail</b>	<b>Revenue</b>	<b>Chg</b>	<b>NI</b>	<b>Chg</b>
Total Retail	81.0	3%	1.2	-56%
SM Store	17.7	-24%	-0.3	-198%
Specialty	16.5	-16%	0.5	-64%
Food Group	50.4	20%	1.4	11%

*Figures in PHP B except percentages*

# Enhancing Digital and Delivery Services, e.g.

**Retail:** Upgrade of platforms enabling online or call-store shopping; increased delivery and pick up options

- Food: SM Markets Online, WalterMart Delivery
- Dept Store: ShopSM, Call to Deliver
- Specialty: Watson's Call and Deliver, ACE Call & Collect

## Malls

- Logistics solutions offered to tenants
- Increased delivery options for customers
- Designated click-and-collect fulfillment locations; 3rd party

## Banks

- Increased sign-ups for online and mobile accounts
- Growth in number of transactions





**Walmart**  
**Delivery**  
[waltermartdelivery.com.ph](http://waltermartdelivery.com.ph)

**Q1 2020 Briefing**



# WHO WE ARE



**1<sup>ST</sup> SUPERMARKET to LAUNCH**  
August 2015



**15,000 SKU's**  
Most complete fresh & grocery assortment



**Omni-Channel Platform**  
Desktop, Mobile App



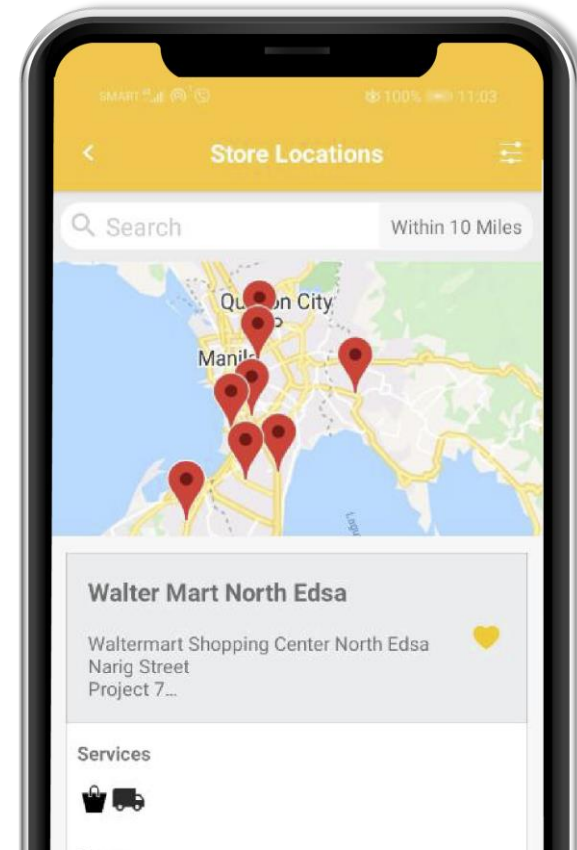
**1<sup>st</sup> to offer SAME STORE PRICING**  
Same In-Store Pricing



**MOST SERVICE OPTIONS**  
Same Day, Next Day, Scheduled, Store Pick Up



**COMPLETE PAYMENT OPTIONS**  
Online Payment, COD, GCash, GrabPay



# CUSTOMER SNAPSHOT

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## Age Group

25 - 44 y/o



## Interest

Food, Shopping, Media,  
Technology, Lifestyle, Travel



## Socio-Eco Class

Upper B,C,D



## Profile

Yuppies, Millennials, Tech-Savy,  
with disposable income



## Gender

31% Male  
69% Female



## Service Areas

Metro Manila

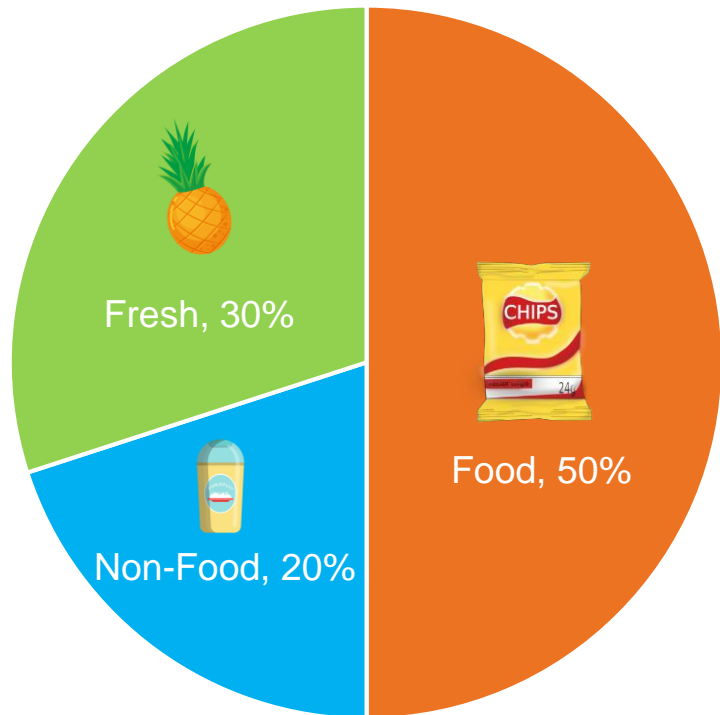


# Online Assortment

## SKUs

- Food: 9,000
- Non-Food: 4,000
- Fresh: 2,000

## Contribution



# Q1 2020

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## Performance

- 10x Sales
- 10x Transaction Count
- 5x vs. Store Basket Size
- 20x App Users

# Q1 2020

## Insights

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- 80% Orders Fulfilled through Delivery
- 80% Advanced Orders
- 70% Order Fill Rate
- 60% Online Payment





# Key Messages

- Consolidated revenue and earnings growth started to be impacted by ECQ
- Banking performance driven by expanding NIMs, offset by weaker capital market conditions
- Property: Malls closures resulted in revenue losses, while residential performance remained strong
- Food Retail saw strong top line growth
- Non-Food Retail impacted by store closures
- Online and delivery initiatives being expanded to address new customer needs and behaviors
- Strong, conservative balance sheet maintained