



# Investor Kit 2021

This presentation is available online through  
[www.smprime.com](http://www.smprime.com)



# Disclaimer

This presentation does not constitute a prospectus or other offering memorandum in whole or in part. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company. There shall be no sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to any qualification under the securities laws of such state or jurisdiction. This presentation has not been and will not be reviewed or approved by any statutory or regulatory authority or any stock exchange in the Philippines or elsewhere. Prospective investors should undertake their own assessment with regard to their investment and they should obtain independent advice on any such investment's suitability, inherent risks and merits and any tax, legal and accounting implications which it may have for them.

This presentation contains statements about future events and expectations that constitute "forward-looking statements." These forward-looking statements include words or phrases such as the Company or its management "believes", "expects", "anticipates", "intends", "may", "plans", "foresees", "targets", "aims" "would", "could" or other words or phrases of similar import. Similarly, statements that describe the Company's objectives, plans or goals are also forward-looking statements. All such forward-looking statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Such forward-looking statements are made based on management's current expectations or beliefs as well as assumptions made by, and information currently available to, management. These forward-looking statements speak only as at the date of this presentation and nothing contained in this presentation is or should be relied upon as a promise or representation as to the future.

This presentation and the contents hereof are for the exclusive use of the intended recipient(s). This presentation and the contents hereof should not be (i) forwarded or delivered or transmitted in any manner whatsoever, to any other person other than the intended recipient(s); or (ii) reproduced in any manner whatsoever. Any forwarding, distribution or reproduction of this presentation in whole or in part is unauthorized. This presentation must not be distributed to the press or any media organization. By accepting this presentation, the recipient agrees to keep confidential at all times information contained in or made available in connection with this presentation.

Neither the Company nor its advisor, nor any of their respective affiliates, shareholders, directors, employees, agents or advisers makes any expressed or implied representations or warranties as to the accuracy and completeness of the information contained herein or any other information (whether communicated in written or oral form) and each of the foregoing parties expressly disclaims any and all responsibility and liability of any kind (including any contractual, non-contractual, or third party liability) for any loss or damage, whether or not arising from any error or omission in compiling such information or as a result of any party's reliance or use of such information. The information in this presentation has not been independently verified. The information and opinions in this presentation are subject to change without notice, and no obligation is assumed by the Company nor its advisor, nor any of their respective affiliates, shareholders, directors, employees, agents or advisers to provide the recipient(s) with access to any additional information or to update this presentation or to correct any inaccuracies in it which may become apparent.



# Outline

## I. Company Profile

## II. 1H2021 Highlights

## III. COVID-19 Response

## IV. Sustainability

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

## V. The Company

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

## VI. Key Strategies

- ▶ Key Strategies
- ▶ Landbank
- ▶ Capex Program

## VII. Financial Highlights

## VIII. Investment 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\$18.65bn**

PSE Stock Symbol	SMPH
Market Capitalization	PHP933bn
Outstanding Shares	28,879mn
Last Traded Price (August 02, 2021)	Php33.30/share
Average Daily Turnover (YTD)	US\$9.41mn

# 1H2021 Financial Highlights

- ▶ Consolidated net income of PHP11.64 billion in 1H2021, up by 12% from PHP10.43 billion in 1H2020. In 2Q2021, SM Prime reported PHP5.17 billion consolidated net income, 145% increase from 2Q2020.
- ▶ Consolidated revenue of PHP41.09 billion in 1H2021, 6% lower than PHP43.68 of the same period. However, SM Prime reported PHP20.29 consolidated net income in 2Q2021, 13% higher from 2Q2020.
- ▶ Revenue Contribution: Residences accounts for 60%, Malls business accounts for 33%, Other Business accounts for 7%
  - ▶ Philippine malls revenues recorded PHP10.71 billion in 1H2021, 26% down from PHP14.42 billion of the same period last year. Local malls registered reported 55% increase in revenues in 2Q2021 from 2Q2020.
  - ▶ Residential business, led by SM Development Corporation (SMDC), recorded a 3% increase in revenues to PHP24.46 billion in 1H2021 from PHP23.71 billion in 1H2020.
  - ▶ SMDC's reservation sales amounted to PHP55.07 billion in 1H2021, 30% higher from 1H2020.
  - ▶ SM Prime's other business segments, which include offices and hotels and convention centers, contributed PHP3.05 billion to the Company's consolidated revenues.





# COVID-19 Response

## 2021

- SM Mall of Asia Arena continues to serve as Mega Swabbing Facility.
- SM Supermalls partnered with Philippine Red Cross to provide specimen sites for its saliva transcription-polymerase chain reaction (RT-PCR) testing.
- Provide further rent concession to tenants affected by recurring stricter quarantine measures specifically in Metro Manila and other key areas in the Philippines.
- SM Supermalls partnered with various LGUs nationwide to be the venue for their COVID-19 vaccination program.
- In June, SM employee vaccination program rolled out in a joint effort of all SM companies, which include SM Investments, SM Prime Holdings, SM Retail and portfolio companies, BDO Unibank, Inc. and China Banking Corporation.
- SM Mall of Asia recently opened the first-ever Bureau of Quarantine Vaccination Satellite Office.







# COVID-19 Response

## 2020

- Through SM Foundation: Donated PHP300\* million worth of PPEs, medical equipment, and facilities to meet the needs of some 150 hospitals and health facilities nationwide
- Donated seven emergency quarantine facilities (EQFs) built by SM EDD (SM Engineering, Design, and Development)
- PHP100 million\* donated to under privilege communities through Project Ugnayan.
- Extended rental concessions amounting to Php23 billion\* to our mall tenants.
- Ensured all employees were given their full month's salaries during the two months of lockdown, amounting to almost PHP1 billion\*\*
- Settled obligation to agency personnel partners, suppliers, and contractors, who completed their work obligations during ECQ.

\*as of Dec 2020

\*\* as of March 16 to May 31 2020







# COVID-19 Response

## 2020

- Launched “Trace Together,” a generic mobile tracing tool for all our properties complementing the tracing program of the national government.
- Introduced alternative delivery/fulfillment options for mall tenants to serve its customers.
- Streamlined organizational structures and back office processes, promoting online collaborations, trainings and seminars to ensure the safety and well-being of our employees who continue to provide operational support to the businesses through SM Life app.
- Introduced SM Mall online app.
- Converted SM Mall of Asia Arena into a Mega Swabbing Facility.







SMPHI  
Investor Kit  
2021

# Sustainability



# Sustainability Council





# SM PRIME'S PATH TO SUSTAINABLE DEVELOPMENT



# Four Sustainability Pillars





# The Integration of Sustainable Pillars with the UN Sustainable Development Goals and the Six Capitals

## Our People

We sustain our human capital through developmental programs focused on health and education systems, access to services, nutrition, knowledge and skills which are necessary to support the functions and sustainability of the business and the well-being of communities and societies.

	More than PHP900M paid as salaries while employees were at home during the Emergency Community Quarantine (ECQ) period	
	Adherence to DOLE, DOH, IATF and LGU guidelines on workplace sanitation and working conditions	
	5 additional paid leaves for COVID-19 confirmed or exposed employees, Work from Home Arrangement for 301 employees	
	136 education and information campaigns against COVID-19 released through SM LIFE app, SM Announcements and emails	
	8,367 employees have company-provided health insurance	
	PHP3.6M worth of safety supplies provided to employees, employees including free rapid test PCR testing for confirmed COVID-19 cases and those with exposure	
	All malls and offices have clinics duly manned by nurses and retainer doctors, Mental health services are made available to employees	
	56 % of managerial and executive positions are held by women	
	60 % of entire workforce is composed of women	
	PHP13.7M spent on training of employees resulting to 82 learning sessions with 3 hours average training per employee	
	46 employees are licensed Food Safety Compliance Officers	
	Public-private partnerships with Bureau of Fire Protection resulted in the training of 1,300 employees and third party providers as fire brigade members while the Office of Civil Defense (OCD) trained 180 employees for disaster preparedness and response.	
	509 employees given training / orientation on Pollution Control	

## Our Environment

We aim to improve human welfare by ensuring that the needs of our people, community and business are met without the risk of compromising the needs of future generations by protecting our natural capital.

	All administration offices and Foodcourt areas are provided with a clean drinking fountain for free use of employees and customers	
	Ten malls (7 in the Philippines, 3 in China) have solar panels on their rooftops with a combined capacity of 9,620 Megawatt hour	
	SM Prime adopted Cagayan de Oro, Naga and Iriga through the Adopt-a-City program of the National Resilience Council to help in the risk reduction and long-term resiliency of said LGUs	
	1,665 mall tenants were oriented on SM Business Continuity Planning (SM BCP)	
	9 climate related disaster advisories were released to SM Prime employees through the SM LIFE app	
	Partnered with USAID and PPRCFI for the AweSM Seas Campaign which generated 260,973 social media engagements and reached an audience of 1.5M	
	35,800 kgs of trash were recovered during the annual coastal clean up during Coastal Clean-up	
	326,359 liters of used cooking oil by tenants were hauled and responsibly disposed	
	3 Marine Protected Areas (MPAs) in Hamilo Coast are regularly patrolled to prevent illegal fishing	
	An additional 157 Olive Ridley sea turtle hatchlings were released in Hamilo Coast	
	51,600 various tree species planted by SM Supermalls employees in Benguet Province	
	30,000 native trees and 50,000 mangroves planted in Hamilo Coast	
	4 flora and 8 fauna listed in the IUCN Red List of Threatened Species are preserved in Hamilo Coast in partnership with World Wide Fund for Nature (WWF) Philippines	

\*Data as of December 2020



Financial Capital



Manufactured Capital



Intellectual Capital



Natural Capital



Human Capital














Social and Relationship Capital

# The Integration of Sustainable Pillars with the UN Sustainable Development Goals and the Six Capitals

## Our Community

We support the development of urban centers and lifestyle cities that guarantee decent work and well-being of our stakeholders, as well as promote equality and sustainability.

<b>1 NO POVERTY</b>	Employment of 15,401 sales agents and third party service providers	
	All third party service providers on duty received PHP5,000.00 each during the ECQ	
<b>2 ZERO HUNGER</b>	Malls and offices have breastfeeding stations for customers and employees that breastfeed or pump breast milk for their children	
	"The Good Guys" weekend market set up at SMDC condominiums for the residents' safety and convenience	
<b>8 DECENT WORK AND ECONOMIC GROWTH</b>	80% of the workforce in Pico de Loro are from the nearby communities	
	SM Hotels and Conventions Corp. (SMHCC) promote sustainable tourism and agriculture by having organic herbs and vegetables from the Adopt-a-Farm initiative	
	The SM Supermalls are venues for festivals and tourism activities of LGUs and the Department of Tourism	
	11,870 MSMEs are tenants of SM Supermalls or 1.2% of the total MSMEs in the country	
<b>10 REDUCED INEQUALITIES</b>	2,000 retired senior citizens have been employed in the malls' Community Service Program	
	26,000 participants in on-ground events nationwide for Happy Walk for Down Syndrome and Angels Walk for Autism	
	All SM Supermalls have PWD ramps and comfort rooms for people with special needs	
<b>11 SUSTAINABLE CITIES AND COMMUNITIES</b>	Free parking for the general public during calamities	
	101.4M kg of solid waste were composted, reused, recycled and collected by accredited waste haulers	
	Green Procurement of assets and other inventory	
	1 fire truck donated to Bureau of Fire Protection	

## Our Business

We aim to efficiently use our assets to maintain company profitability throughout the life cycle of the business.

<b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b>	PHPI00B retail bond offering over three years for the construction and expansion of properties of which 10% of CAPEX is allocated to disaster risk reduction	
	3 properties LEED Gold Certified: Conrad Hotel, SM Aura Premier, ThreeE-com Center	
	18 km bike lane in SM Mall of Asia and 1.6 km in SM Seaside; 2.1 hectare bike trail at SM Pullian	
<b>11 SUSTAINABLE CITIES AND COMMUNITIES</b>	Sustainable features were incorporated in 2 newly-opened malls (SM City Butuan and SM City Mindpro), Park Inn Clark Extension, Park Inn Bacolod and Lanson Place	
	53 SM Supermalls with BCMS accreditation (ISO 22301 compliant)	
<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b>	51 tonnes of office documents were recycled	
	496k or less 28% in electricity consumption and 6.8M cum or less 36% in water consumption via proper resource management and operational controls	
<b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b>	4 awards in strong governance	
	4.5M customers availed of free WIFI access in the malls	
<b>17 PARTNERSHIPS FOR THE GOALS</b>	SM Prime as National Secretariat of UNDRR ARISE - Philippines; 1 SM executive on the ARISE Global Board	
	USAID partnership in the AweSM Seas Campaign	
	US Embassy and Dela Salle University for Green Film Festival	
	Bureau of Fire Protection for fire brigade training and safety campaigns	
	DENR for environment related programs	
	WWF Philippines for conservation efforts in Hamilo Coast	
	National Resilience Council for Adopt-a-City Program	
	Department of Education for educational outreach program	
	Autism Society of the Philippines and Down Syndrome Society of the Philippines for SM CARES Programs	

\*Data as of December 2020



Financial Capital



Manufactured Capital



Intellectual Capital



Natural Capital



Human Capital



Social and Relationship Capital



# Key Business Units



## Malls

- ▶ SM Supermalls
- ▶ SM Lifestyle, Inc.
- ▶ Family Entertainment Center Inc.

## Residences

- ▶ SM Development Corporation and Subsidiaries
- ▶ Highlands Prime Inc.
- ▶ Costa Del Hamilo Inc.

## Commercial

- ▶ Offices and Warehouses
- ▶ Mall of Asia Complex
- ▶ Seaside City Cebu Complex

## Hotels and Convention Centers

- ▶ Radisson Blu
- ▶ Taal Vista
- ▶ Pico Sands
- ▶ Park Inn
- ▶ Conrad Manila
- ▶ SMX Convention Centers

# At a Glance



## MALLS

### 1H2021 Operating Highlights

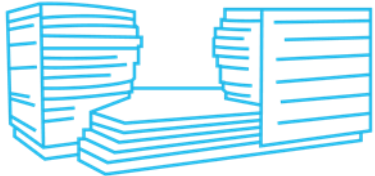
- ▶ Total Revenues is PHP13.66 billion, down by 17% from PHP16.42 billion
- ▶ Operating Income is PHP4.32 billion, 13% lower from PHP4.98 billion in 1H2020
- ▶ Total Investment Properties of PHP304.63 billion



## RESIDENCES

### 1H2021 Operating Highlights

- ▶ Total Revenues increased by 3% to PHP24.46 billion from PHP23.71 billion
- ▶ Operating Income went up by 8% to PHP10.43 billion from PHP9.68 billion
- ▶ Total Assets amounted to PHP271.42 billion



## OFFICES

### 1H2021 Operating Highlights

- ▶ Total Revenues went down by 1% to PHP2.50 billion from PHP2.54 billion
- ▶ Operating Income went down by 6% to PHP2.10 billion from PHP2.22 billion
- ▶ Total Investment Properties amounted to PHP59.21 billion



## HOTELS AND CONVENTION CENTERS

### 1H2021 Operating Highlights

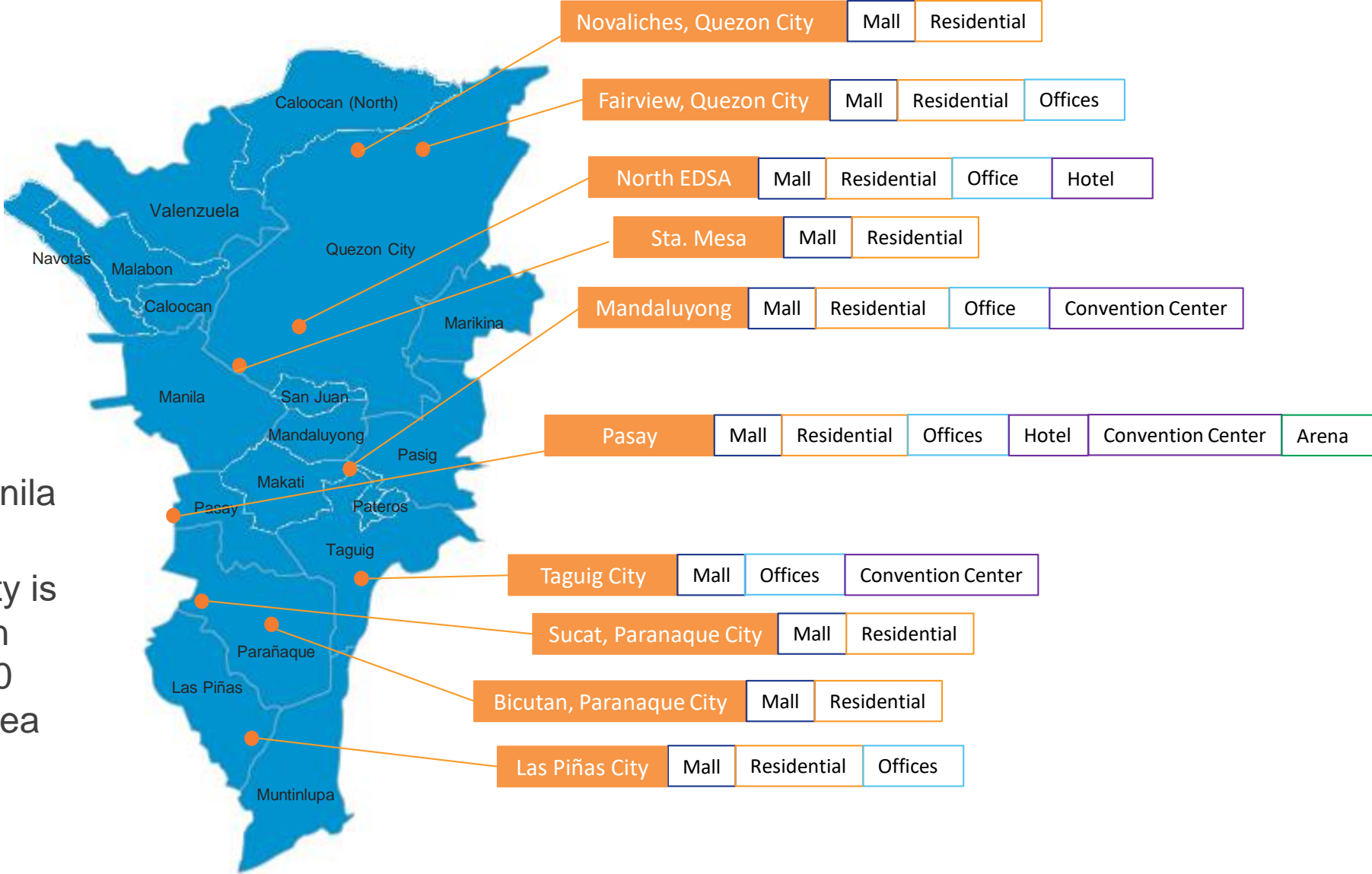
- ▶ Total Revenues went down by 49% at PHP0.55 billion from PHP1.09 billion
- ▶ Operating Loss of PHP0.50 billion
- ▶ Total Investment Properties of PHP12.58 billion



# At a Glance

Lifestyle Cities in Metro Manila

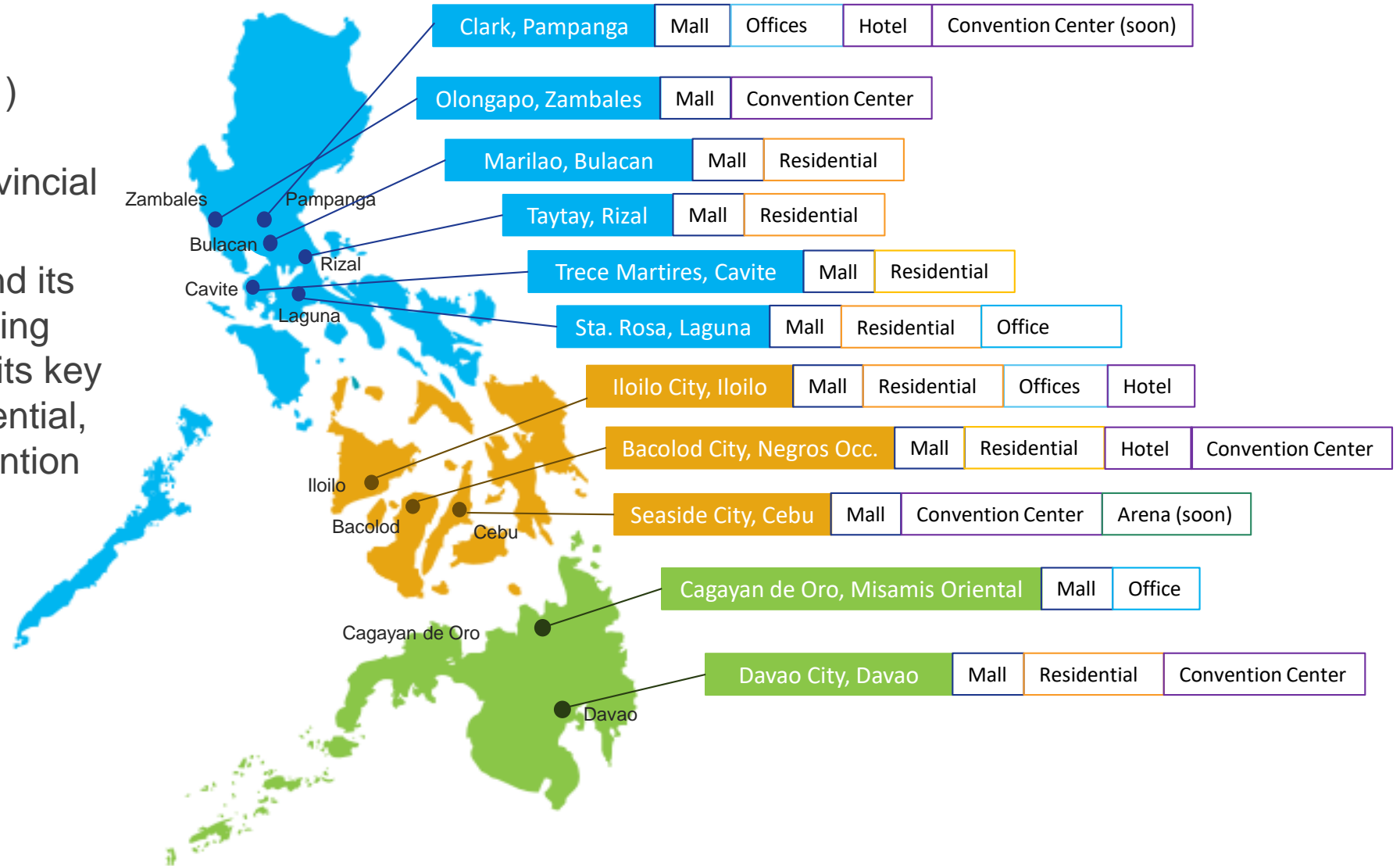
- SM Prime has ten (10) integrated property developments in Metro Manila dubbed as Lifestyle Cities.
- SM Prime’s first lifestyle city is the Mall of Asia Complex in Pasay City, which spans 60 hectares of developable area



# 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 1H2021)

Revenue

**PHP13.66bn**

Operating Income

**PHP4.32bn**

Gross Floor Area

**10.0m sqm**

Malls

**76** in PH & **7** in CH



# Key Business Units

## PHILIPPINES



**76** Malls



**8.7M** sqm Total GFA



**17,369** Tenants



**1.1M** Average Daily Pedestrian Count



**353** Cinema Screens



**84,977** Parking Slots

## CHINA



**7** Malls



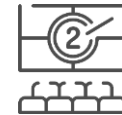
**1.3M** sqm Total GFA



**1,882** Tenants



**0.2M** Average Daily Pedestrian Count



**58** Cinema Screens



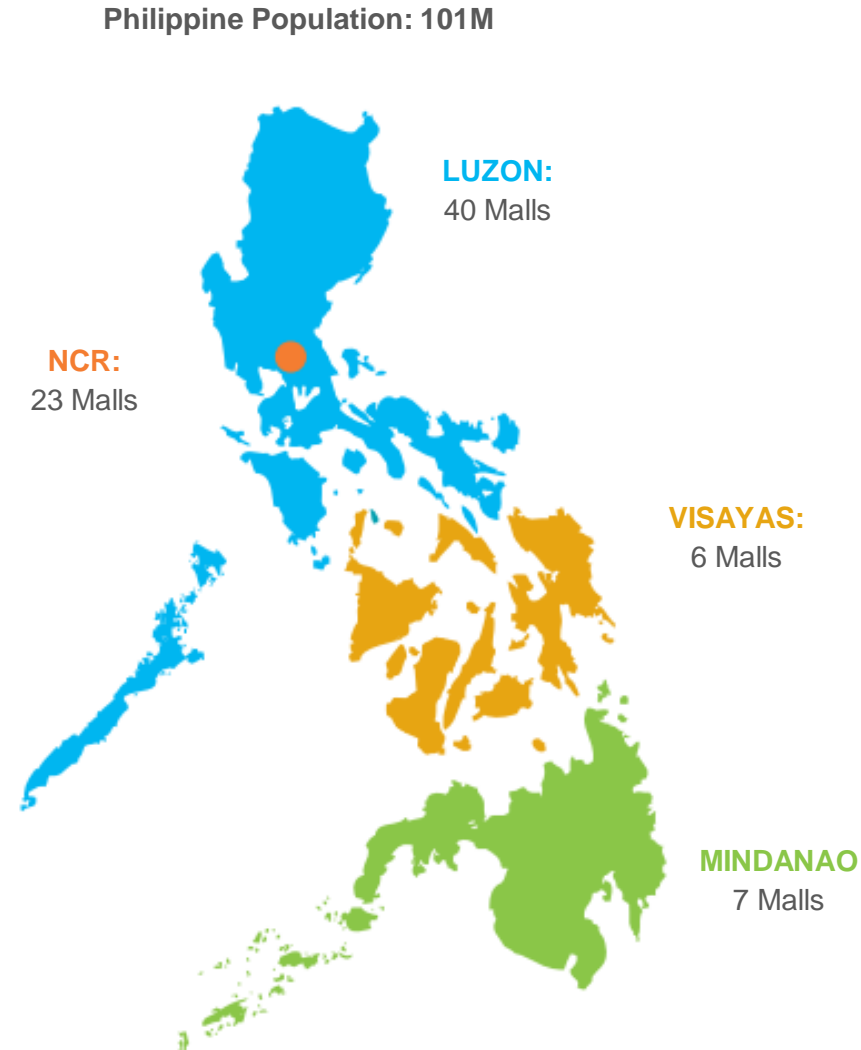
**15,384** Parking Slots

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

# Key Business Units

## Philippine Malls

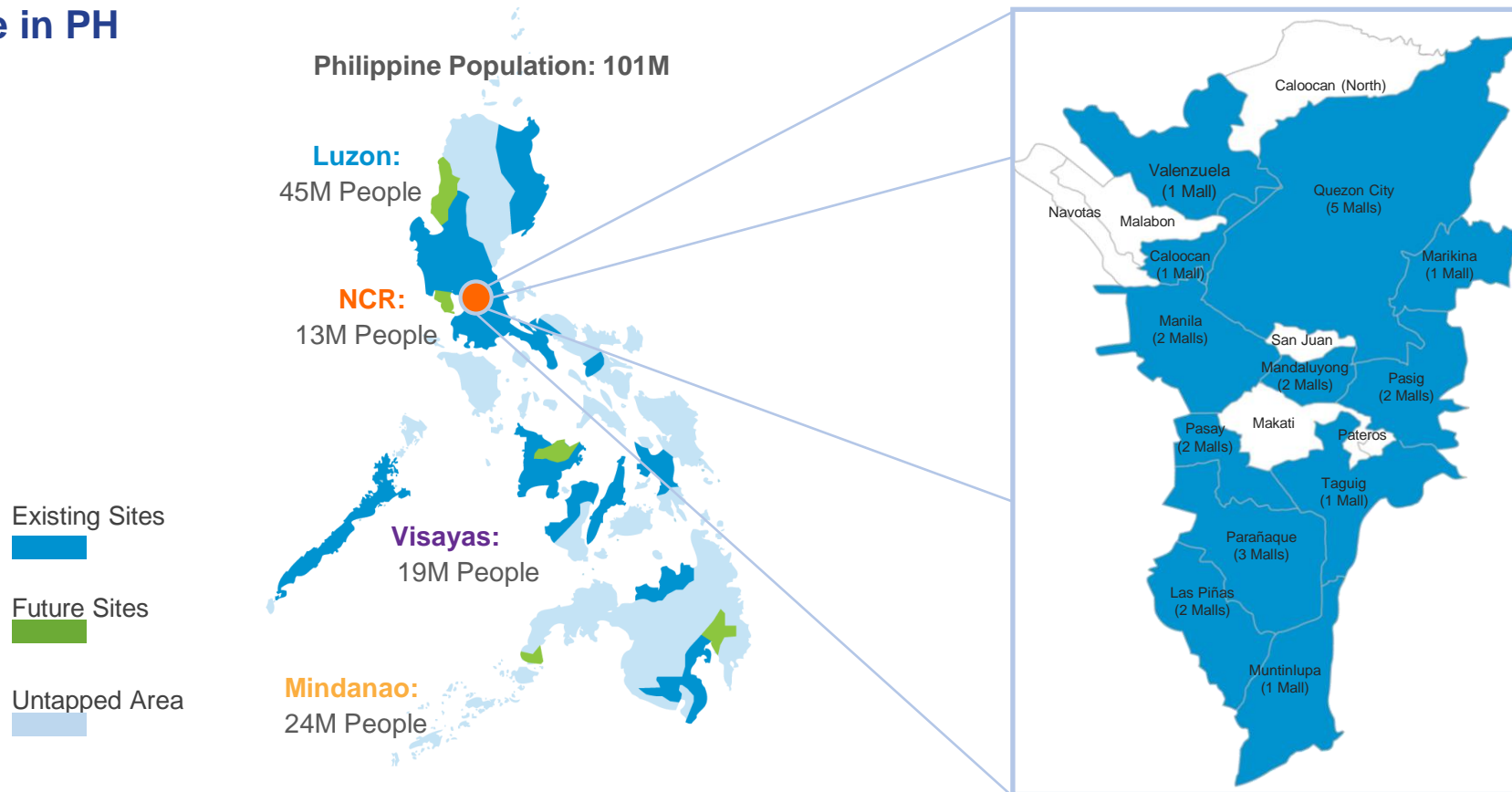
- ▶ In terms of GFA, Metro Manila malls account for 41%, Luzon (ex NCR) is 37%, Visayas is 13% and Mindanao is 9%
- ▶ Average mature mall contracts is 92% in terms of lease awarded.
- ▶ Accounts for 50% of mall space in the country





# Key Business Units

## Mall Coverage in PH



- SMPH malls covered almost all of the key cities in Metro Manila and adjoining towns and municipalities, accounting for 41% of the company's total gross floor area in the Philippines.
- 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
- ▶ Operates 7 malls with a total GFA of 1.3m sqm
- ▶ Construction for the expansion of SM Xiamen and the new SM Yangzhou has already started.



SM City Xiamen & SM Lifestyle Center



SM City Zibo



SM City Tianjin

# Key Business Units

## Malls' Expansion Program



### 2021 New Malls

Name	GFA
SM City Daet	47,000
SM City Grand Central	87,000
SM City Roxas	41,000



### 2021 Malls Expansion

Name	GFA
SM City Urdaneta Central	+11,000
SM Mall of Asia IKEA	+85,000

- This 2021, SM Prime's mall opening and expansion projects will add around 271,000 sqm of GFA.
- Available landbank of almost 248 hectares which is good for over the next 5 to 7 years.



# Residences



(As of 1H2021)

---

Revenue

**PHP24.46bn**

Operating Income

**PHP10.43bn**

Reservation Sales

**PHP55.07bn**

Residential Units Launched (since 2003)

**PHP609bn / 159,477 units**





# Key Business Units

## Primary Homes

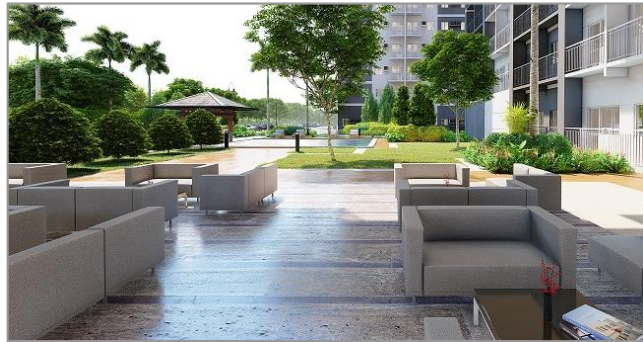
- ▶ A leading residential developer of high-rise buildings (HRBs), mid-rise buildings (MRBs) and single-detached house and lots
- ▶ Accounts for 60% of the consolidated revenues
- ▶ Reservation sales value of PHP55.07 billion in 1H2021
- ▶ Unbooked Revenue amounts to PHP182.55bn



Gold Residences, Parañaque City



Light 2 Residences, Mandaluyong City



Style Residences, Iloilo City

# Key Business Units

## Primary Homes

### Projects Overview (as of 1H2021)

Ready-for-Occupancy (RFO) (Unsold Units)	3,266
Ongoing Construction (Unsold Units)	19,787
Estimated Inventory Value	PHP135.74bn
1H2021 Reservation Sales (Value)	PHP55.07bn
1H2021 CAPEX	PHP18.87bn

### Landbank (hectares)

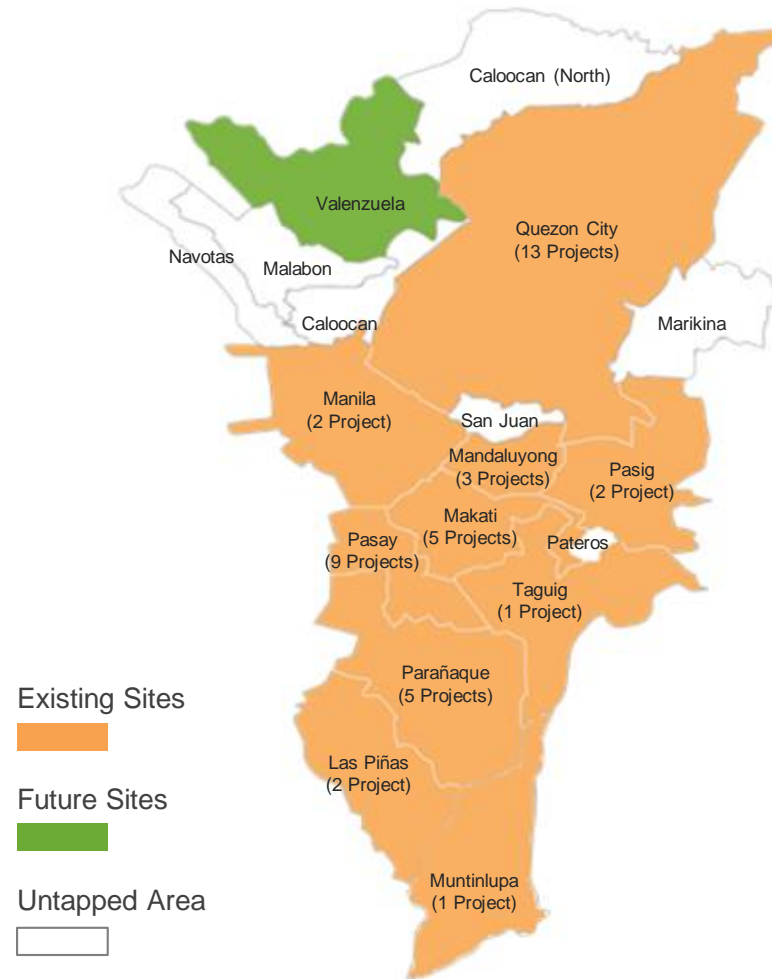
Metro Manila	96
Outside Metro Manila	1,491



Sand Residences, Manila City



# Residential Coverage



- SMPH fairly covered Metro Manila with high-rise condominium projects with majority of its residential projects located in the cities of Quezon, Pasay, Paranaque and Makati.
- As of 1H2021, 43 out of the 55 SMDC projects in the country are located in Metro Manila.

# 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 536 hectares



Woodlands Point Community at Tagaytay Highlands



Horizon Terraces Garden Villas



Freia at Pico de Loro Cove

# Offices



(As of 1H2021)

Revenue

**PHP2.50bn**

Operating Income

**PHP2.10bn**

Gross Floor Area

**0.7m sqm**

Office Buildings

**12**





# Key Business Units

## Offices

- ▶ Have 12 office buildings with a combined GFA of more than 700,000 sqm
- ▶ Four of these 12 offices are located in the Mall of Asia Complex in Pasay City, which provide a combined GFA of 470,000 sqm
- ▶ Have an available landbank of 71 hectares for future development
- ▶ SM Prime recently launched the Mega Tower in SM Megamall, a 50-story office building strategically located just beside EDSA. This is the Company's tallest skyscraper.



Mega Tower



FiveE-comCenter



ThreeE-comCenter

# Hotels & Convention Centers



(As of 1H2021)

---

Revenue

**PHP0.55bn**

Operating Loss

**PHP0.50bn**

Hotels

**8**

Convention Centers & Trade Halls

**7**





# Key Business Units

## Hotels and Convention Centers

- ▶ Operating 8 hotels with over 2,000 rooms; 5 Convention Centers, and 2 Trade Halls with approximately 38,000 sqm of leasable space as of 1H2021.
- ▶ Conrad Manila and SMX Manila are both located in Mall of Asia Complex, Pasay City.
- ▶ The Company opened the South Wing of Park Inn by Radisson Clark in 1H2021, which added 100 rooms to the company's hotel portfolio, while it soft-launched Park Inn by Radisson Bacolod in July with new 151 rooms.



Conrad Manila



Park Inn by Radisson - Clark



Radisson Blu Hotel



Pico Sands Hotel



Park Inn by Radisson -  
Davao



SMX Convention Center



# Key Strategies



(As of 1H2021)

---

Landbank

**2,442**ha

2020 CAPEX





**PHP80**bn

Net Debt To Equity

**45:55**

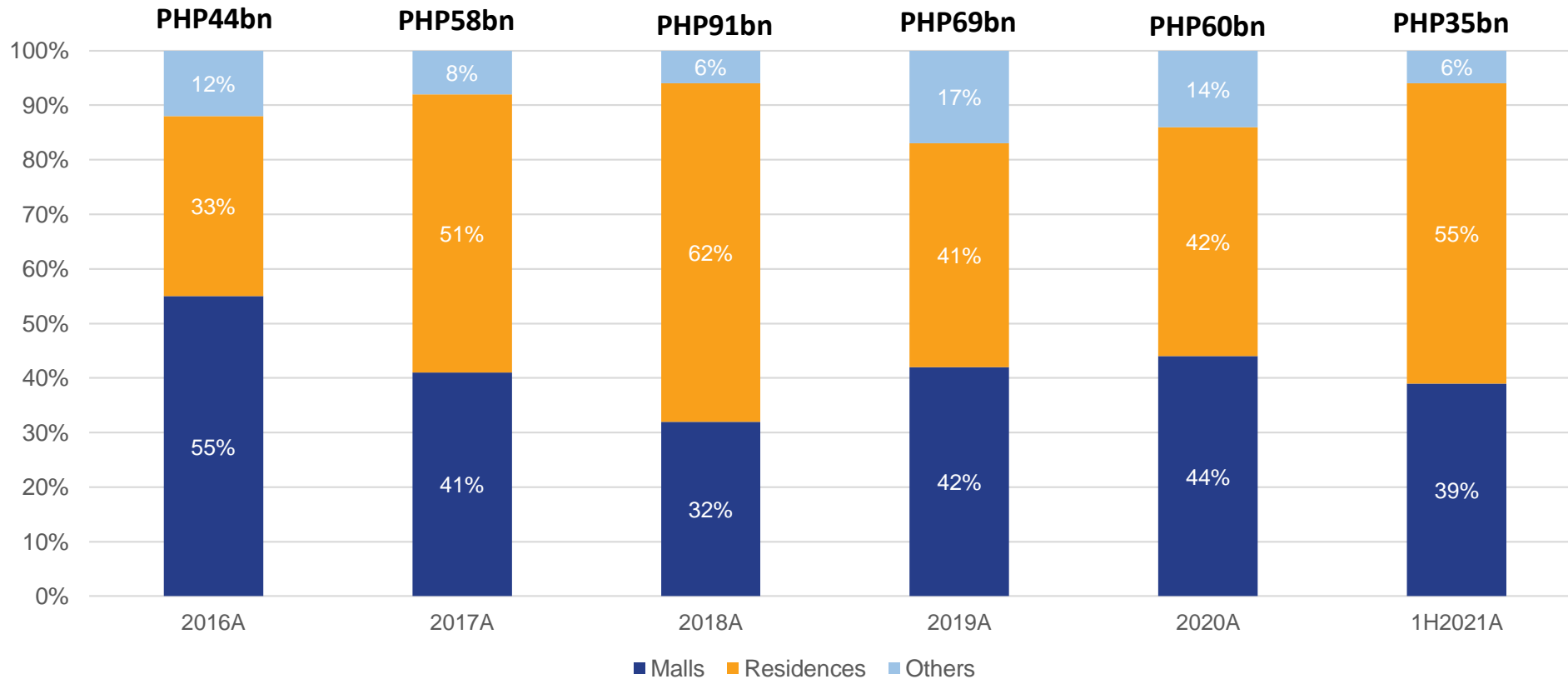


# Landbank

	No. of Sites	Area (in hectares)	% of Total	Area by Region (in hectares)	
				Metro Manila	Provincial
 <b>Malls</b>	41	231	10%	19	212
 <b>Primary Homes</b>	110	1,587	65%	96	1,491
 <b>Leisure Homes</b>	5	536	22%	-	536
 <b>Commercial</b>	14	71	3%	5	66
<b>Total</b>	<b>174</b>	<b>2,442</b>	<b>100%</b>	<b>120</b>	<b>2,305</b>

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

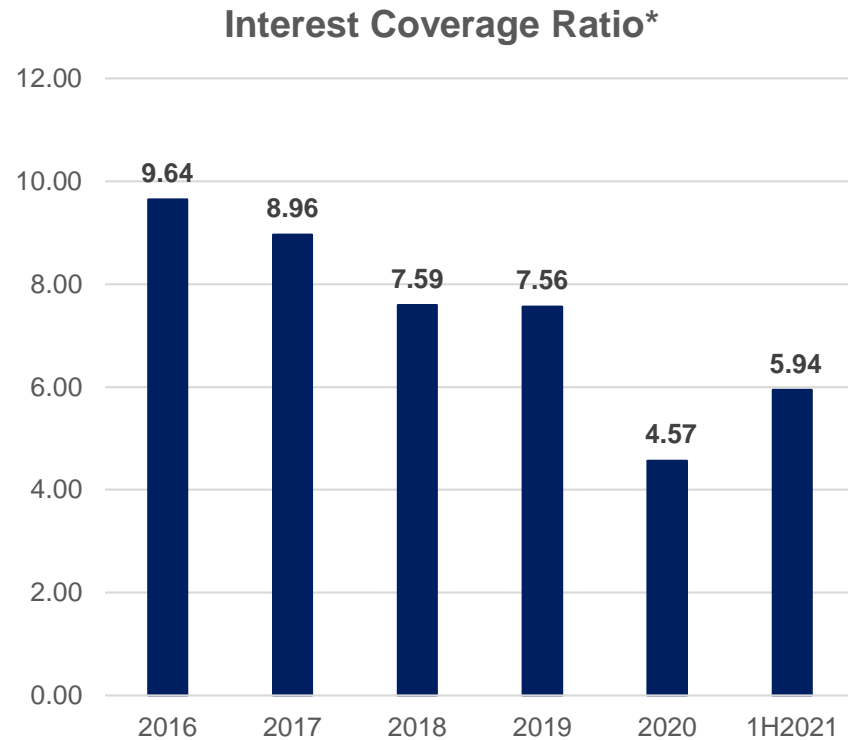
# CAPEX Program



- SM Prime allotted PHP80 billion capital expenditures for 2021. This will be primarily used for mall and residential developments as well as strategic landbanking activities with due consideration to the challenges brought about by the COVID-19 pandemic.
- Furthermore, the Company will continue to explore opportunistic acquisitions and/or investments.
- The CAPEX program will be funded by the combination of local borrowings and internal funds.

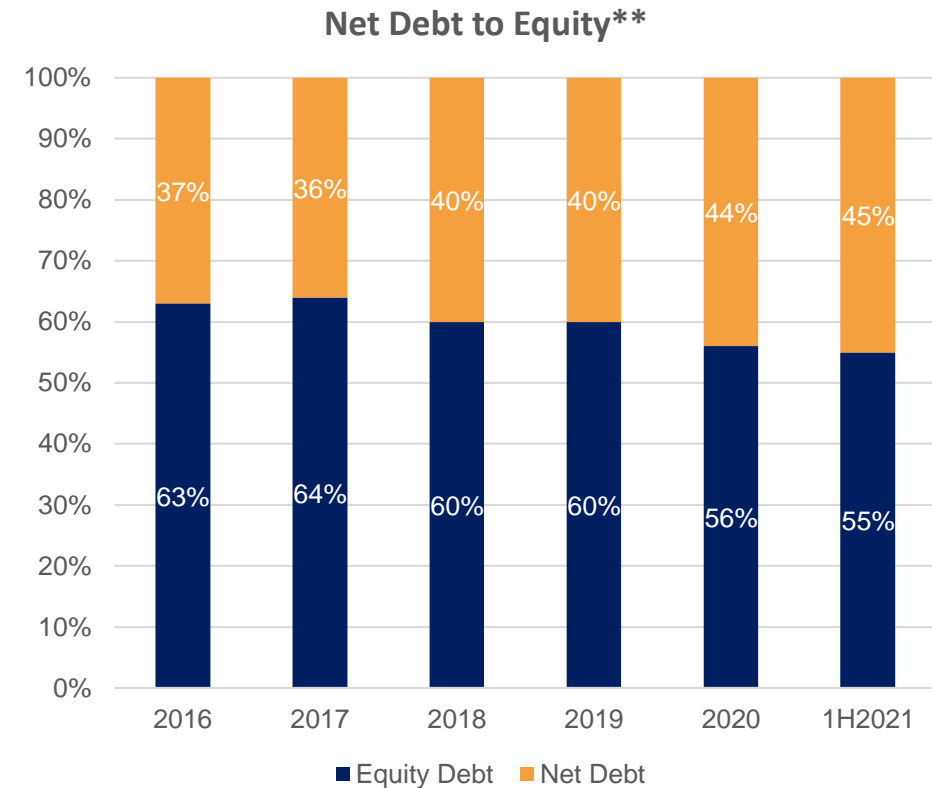


# Maintain Conservative Balance Sheet



\*Earnings before interest, income taxes, depreciation and amortization (EBITDA)

Interest expense



\*\*Total interest-bearing liabilities- cash & cash equivalents and investment securities

Total equity attributable to equity holders of the parent

# Financial Highlights



(As of 1H2021)

Consolidated Net Income

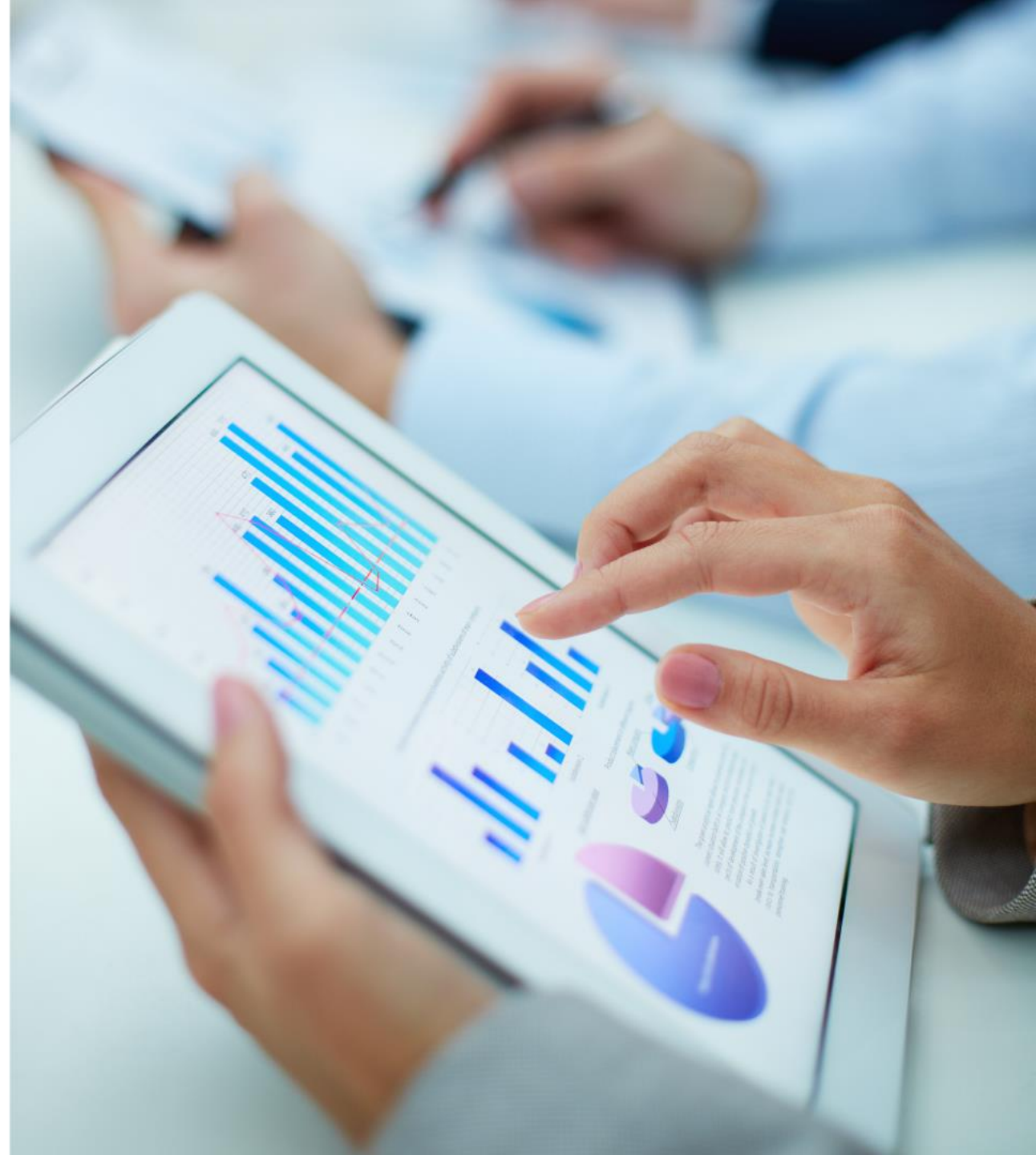
**PHP11.64bn**

Consolidated Revenue

**PHP41.09bn**

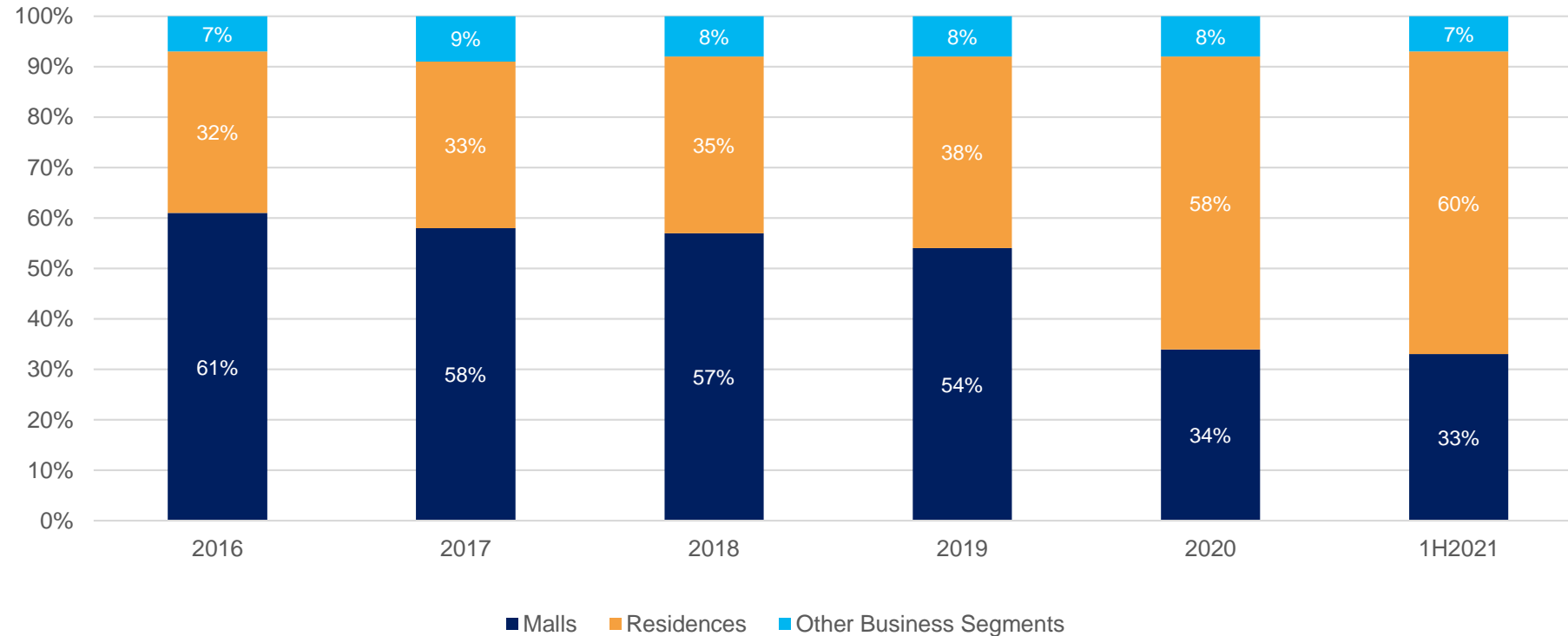
Consolidated Operating Income

**PHP16.07bn**



# Consolidated Financials

## Revenue Segment Contribution

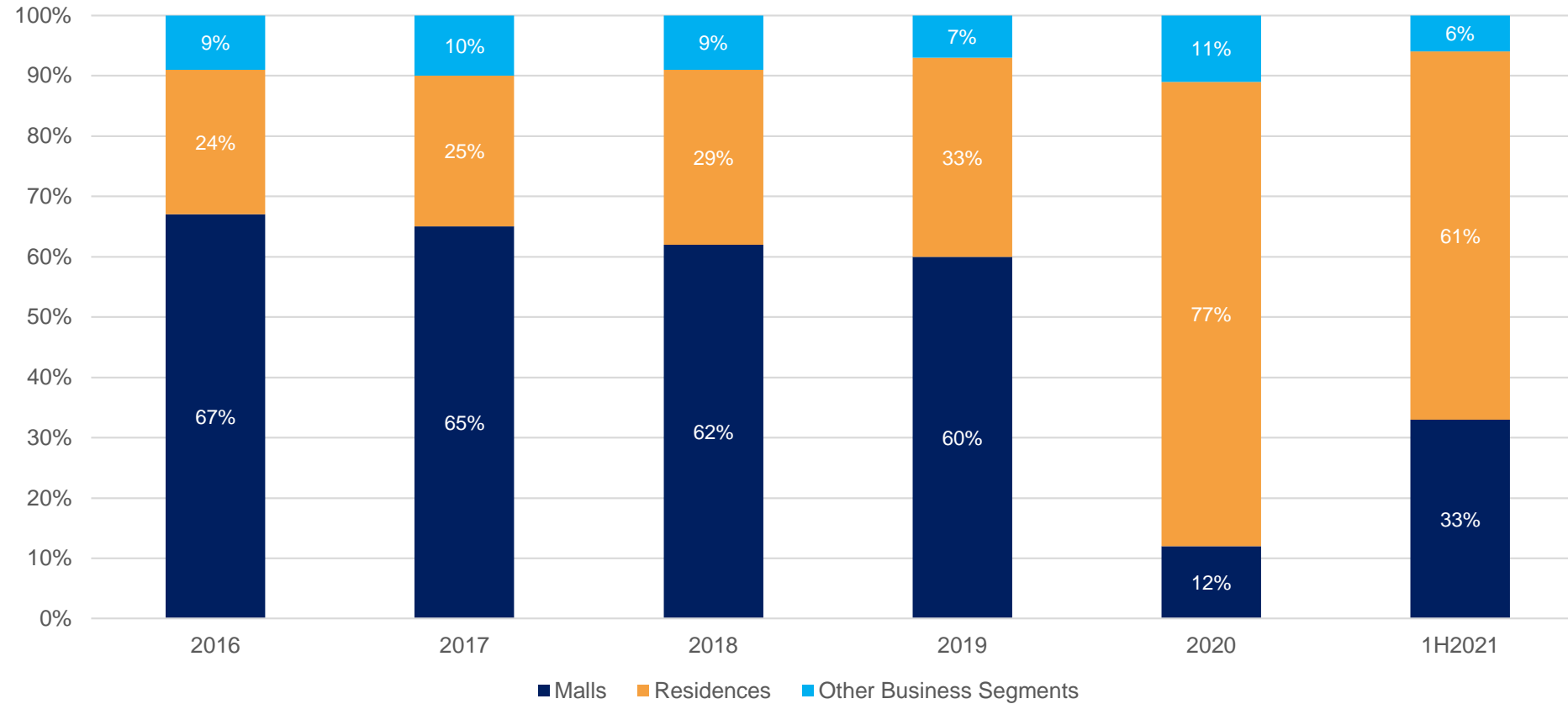


- Residences accounts for 60% of SM Prime's consolidated revenues.
- Malls accounts for 33%.
- Other Business Segments cover the rest.



# Consolidated Financials

## Net Income Segment Contribution



- Residences contributed the most among key business units, followed by Malls.
- Mall business gained strength as operating tenants increased in 1H2021.

# Consolidated Financials

(In PHP Billion)	1H2021	1H2020	% Chg
Revenues	41.09	43.68	-6%
EBITDA	21.30	21.74	-2%
Operating Income	16.07	16.35	-2%
Net Income	11.64	10.43	12%

- Net income went up by 12% to PHP11.6bn in 1H2021 from PHP 10.4bn, while operating income is 2% lower to PHP16.1bn in 1H2021 from PHP16.4bn. Consolidated revenues likewise dropped by 6% to PHP41.1bn from PHP43.7bn.
- The declaration of COVID-19 by the World Health Organization (WHO) as a pandemic and declaration of nationwide state of calamity and implementation of enhanced community quarantine (ECQ) measures in the areas of Luzon last March 16, 2020 have caused disruptions in the Company's business activities, and its impact continues to evolve.

# Financials

## Malls: Philippines

(In PHP Billion)	1H2021	1H2020	% Chg
Revenues	10.71	14.42	-26%
- Rent Income	10.26	13.15	-22%
- Cinema and Event Ticket Sales and others	0.45	1.27	-64%
EBITDA	6.47	8.17	-21%
Operating Income	2.80	4.28	-35%

- Rental Income in 1H2021 is PHP10.3bn, 22% lower from PHP13.2bn in the previous year, which is still a pre-COVID period.
- Operating income, likewise, went down by 35% to PHP2.8bn from PHP4.3bn.



# Financials

## Malls: China

(In RMB Billion)	1H2021	1H2020	% Chg
Revenues	0.40	0.28	43%
- Rent Income	0.38	0.26	44%
- Others	0.014	0.013	9%
EBITDA	0.31	0.20	53%
Operating Income	0.20	0.10	109%

- The 1H2020 performance was affected by the pandemic lockdown in China during the first quarter of 2020 and the reported positive growth in the succeeding periods was due to the overall recovery of the economy.

# Financials

## Residences

(In PHP Billion)	1H2021	1H2020	% Chg
Revenues	24.46	23.71	3%
EBITDA	10.48	9.77	7%
Operating Income	10.43	9.68	8%

- Revenues increased by 3% to PHP24.5bn in 1H2021 from PHP23.7bn in 1H2020.
- Gross profit margin registered at 57%, whereas net income improved by 14% to PHP7.16 billion in 1H2021 from PHP6.26 in 1H2020.
- SMDC's reservation sales in 1H2021 surged to PHP55.1 billion, 30% higher from PHP42.4 of the same period last year.

# Financials

## Other Businesses

(In PHP Billion)	1H2021	1H2020	% Chg
Revenues	3.05	3.63	-16%
EBITDA	2.28	2.51	-9%
Operating Income	1.59	1.87	-15%

- Revenues from Commercial Properties Group and Hotels and Convention Centers cover 7% of the overall consolidated revenues.
- The Commercial Properties Group (CPG), which manages the Company's office business, continues to operate at optimal level.
- While the Company's hotels and convention centers' operations follow guidelines set by the COVID-19 Inter-Agency Task Force (IATF).



# Consolidated Balance Sheets

(In PHP Million (except % data))	1H2021	% to Assets	2020	% to Assets
<b>Assets</b>				
Cash and cash equivalents	26,839	4%	30,662	4%
Equity instruments at fair value through other comprehensive income	17,057	2%	16,700	2%
Receivables & Contract Assets	58,159	8%	58,945	8%
Investment Properties	454,120	61%	436,159	60%
Real Estate Inventories	46,946	6%	43,692	6%
Other Assets	146,293	20%	136,201	19%
<b>Total Assets</b>	<b>749,414</b>	<b>100%</b>	<b>722,359</b>	<b>100%</b>
<b>Liabilities and Stockholders' Equity</b>				
Long-term debt and Loans Payable	286,811	38%	272,469	38%
Accounts payable and others	141,660	19%	139,172	19%
<b>Total Liabilities</b>	<b>428,471</b>	<b>57%</b>	<b>411,641</b>	<b>57%</b>
<b>Total Equity attributable to equity holders of the parent</b>	<b>319,595</b>	<b>43%</b>	<b>309,284</b>	<b>43%</b>

- We continue to maintain a very conservative balance sheet
- More than half of our assets are in the investment properties while our interest bearing debt accounts for 37%

# Cash Flow

(In PHP millions)	1H2021	2020	2019	2018	2017	2016
Cash Flows from Operating Activities						
Operating Income before Working Capital Changes	21,918	39,455	65,791	56,592	48,058	37,678
Net Cash provided by operations	11,448	17,190	51,728	45,964	45,777	31,491
Net Cash provided by (used in) Investing Activities	(22,661)	(43,944)	(48,615)	(64,078)	(41,012)	(27,080)
Net Cash provided by (used in) Financing Activities	(7,417)	22,818	7,310	12,633	14,176	(5,604)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,822)	(3,938)	4,167	5,605	19,171	(669)
Cash and Cash Equivalents at Beginning of Year	30,662	34,600	38,766	44,371	25,201	25,870
Cash and Cash Equivalents at End of Year	26,839	30,662	34,600	38,766	44,372	25,201

- Net gearing is equivalent to 44:55 in 1H2021, below the management target of keeping 50:50 net debt to equity ratio

# Investment Highlights



- 
- ▶ Establish strong brand equity
  - ▶ Leading integrated real estate platform with strong track record across full suite of asset classes
  - ▶ World-class mall business, which will anchor future sustainable lifestyle city projects
  - ▶ Significant growth opportunities from landbank optimization and future acquisitions
  - ▶ Strong balance sheet supported by strong recurring income
  - ▶ Highly experienced management team and strong corporate governance



PRIME



2020 Integrated Report





# Investor Kit 2021

This presentation is available online through  
[www.smprime.com](http://www.smprime.com)

