



March 14, 2024

The Philippine Stock Exchange, Inc.

Disclosure Department 6th Floor,
Philippine Stock Exchange Tower
28th Street, corner 5th Avenue
Bonifacio Global City, Taguig

Attention: Ms. Alexandra D. Tom Wong
Manager, Disclosure Department

Gentlemen:

Attached are the materials for the Investors' Briefing of the San Miguel Group.

Very truly yours,


MARY ROSE S. TAN
Assistant Corporate Secretary



SAN MIGUEL CORPORATION

Analysts' Briefing

2023 **FULL-YEAR RESULTS**

March 14, 2024





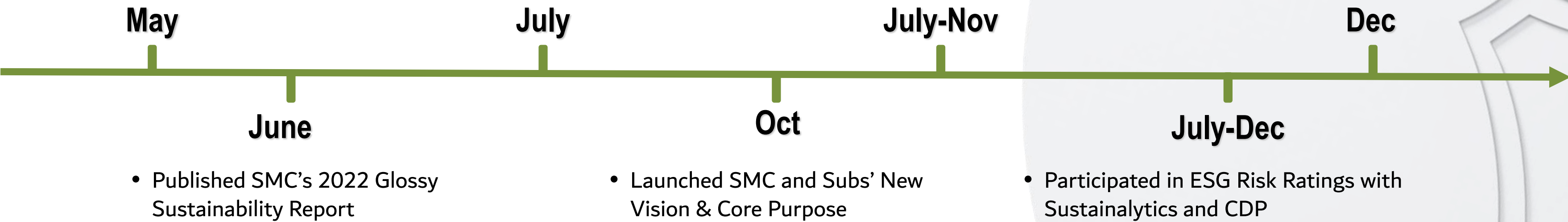
Executive Summary

- » Embedded in its core purpose and strategy, **SMC has taken major strides in its sustainability journey in 2023** accomplishing several notable milestones.
- » SMC's full-year 2023 performance was characterized by **healthy operating income and EBITDA, growing by 34% and 24%**, respectively, despite macroeconomic uncertainties.
- » Despite the tough market dynamics and global inflationary pressures, **SMC saw a strong volume performance in 2023**, as the fundamentals and underlying demand drivers of its businesses remain very solid and robust across all its product offerings.
- » Investments in manufacturing capacity expansion, a renewed focus on product mix, and streamlining of operating efficiencies and value chain are key themes in 2023 that **significantly improved the margin profile for the SMC Group in 2023**.

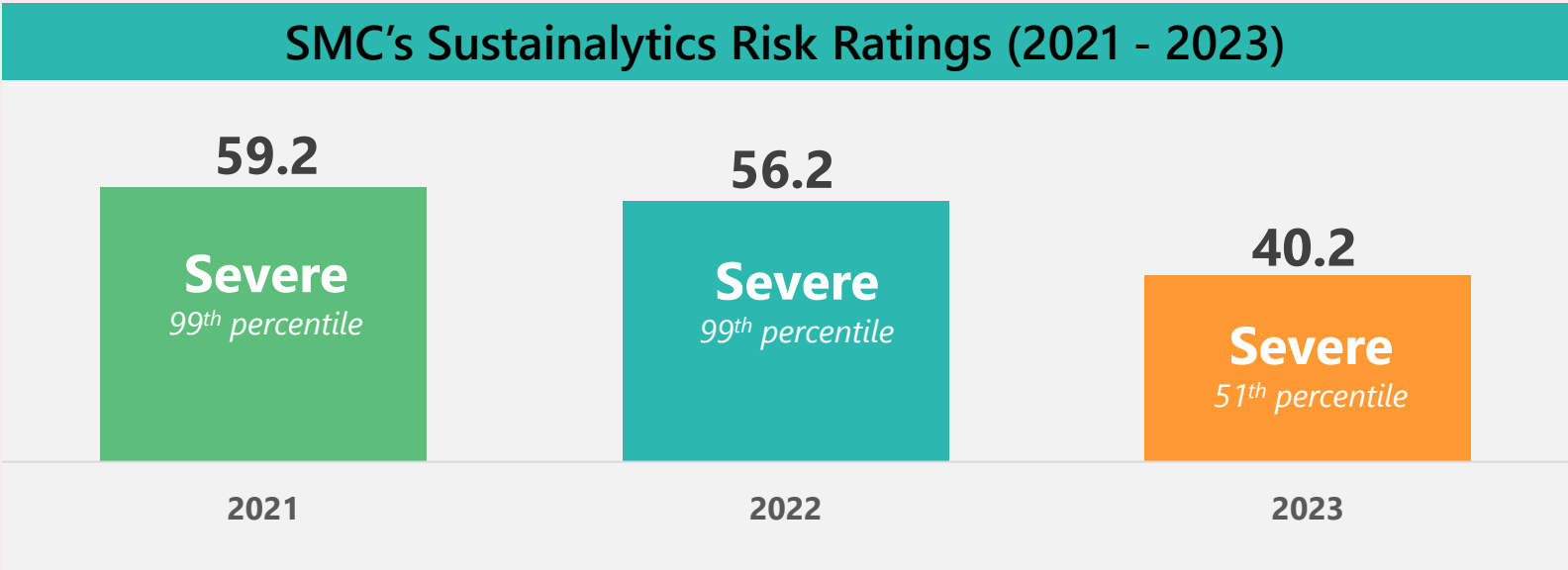
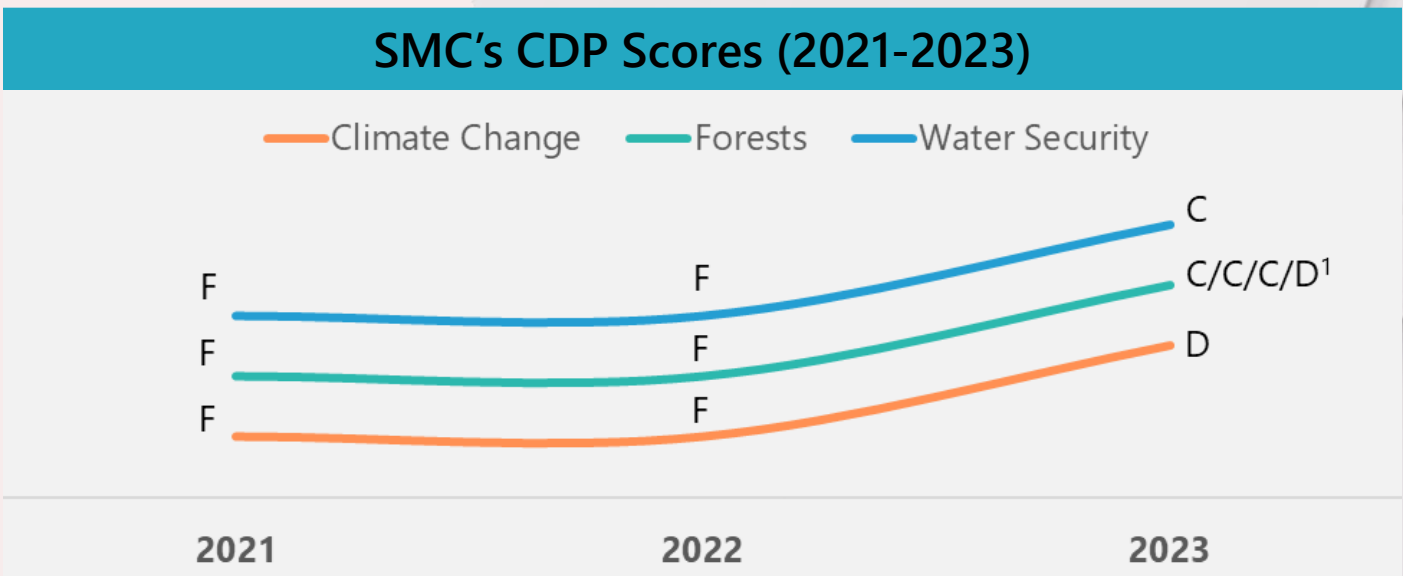


2023 Sustainability Milestones

- Became a Signatory to the United Nations Global Compact (UNGC)
- Established SMC's Sustainability Board Committee
- Conducted Board and Management Training sessions on Sustainability
- Management approved SMC's decarbonization roadmap



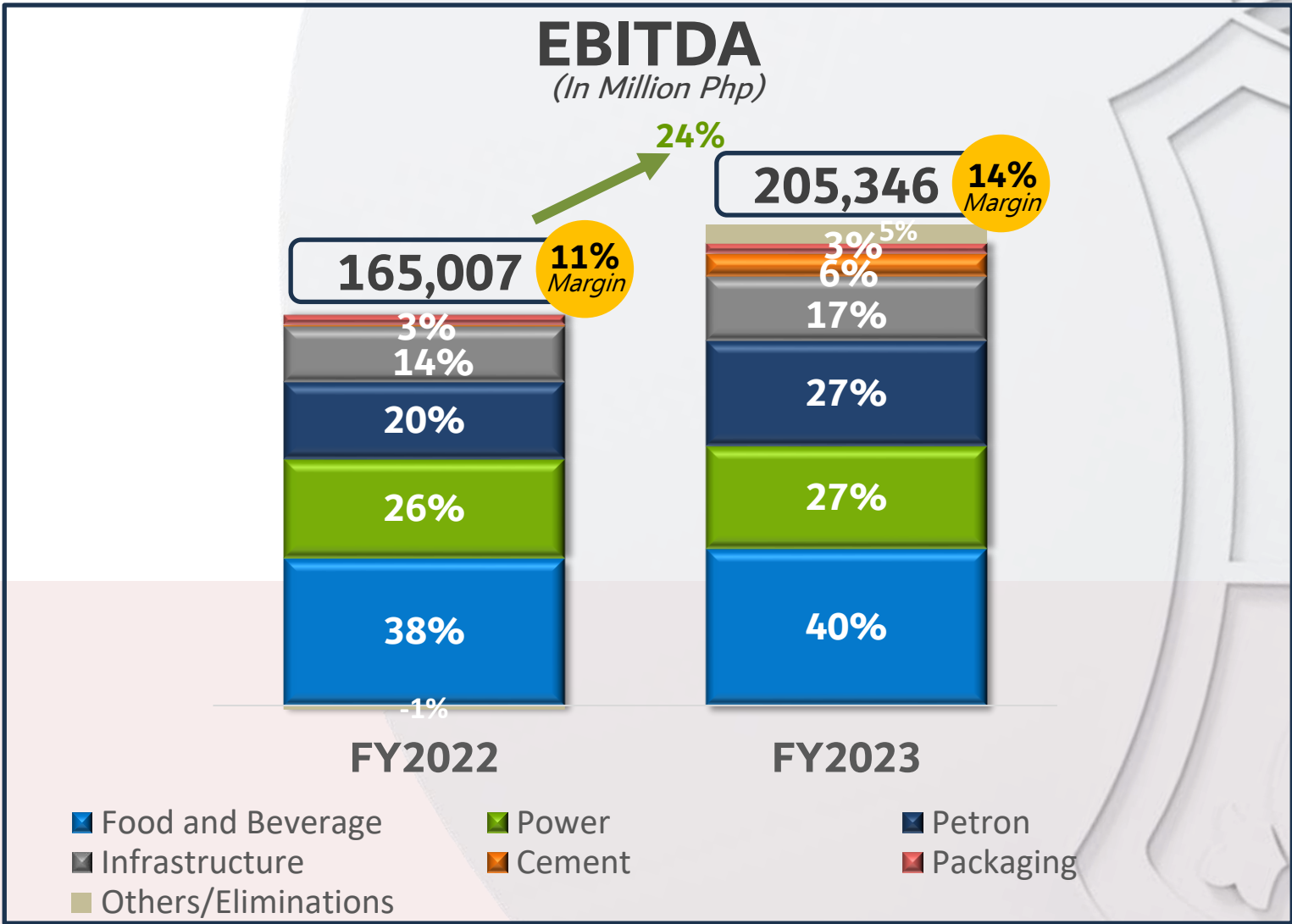
Highlights of Improvements in ESG Risk Ratings





SMC ended the year on a high note as full-year 2023 consolidated net income jumped 67% to ₱44.7 billion

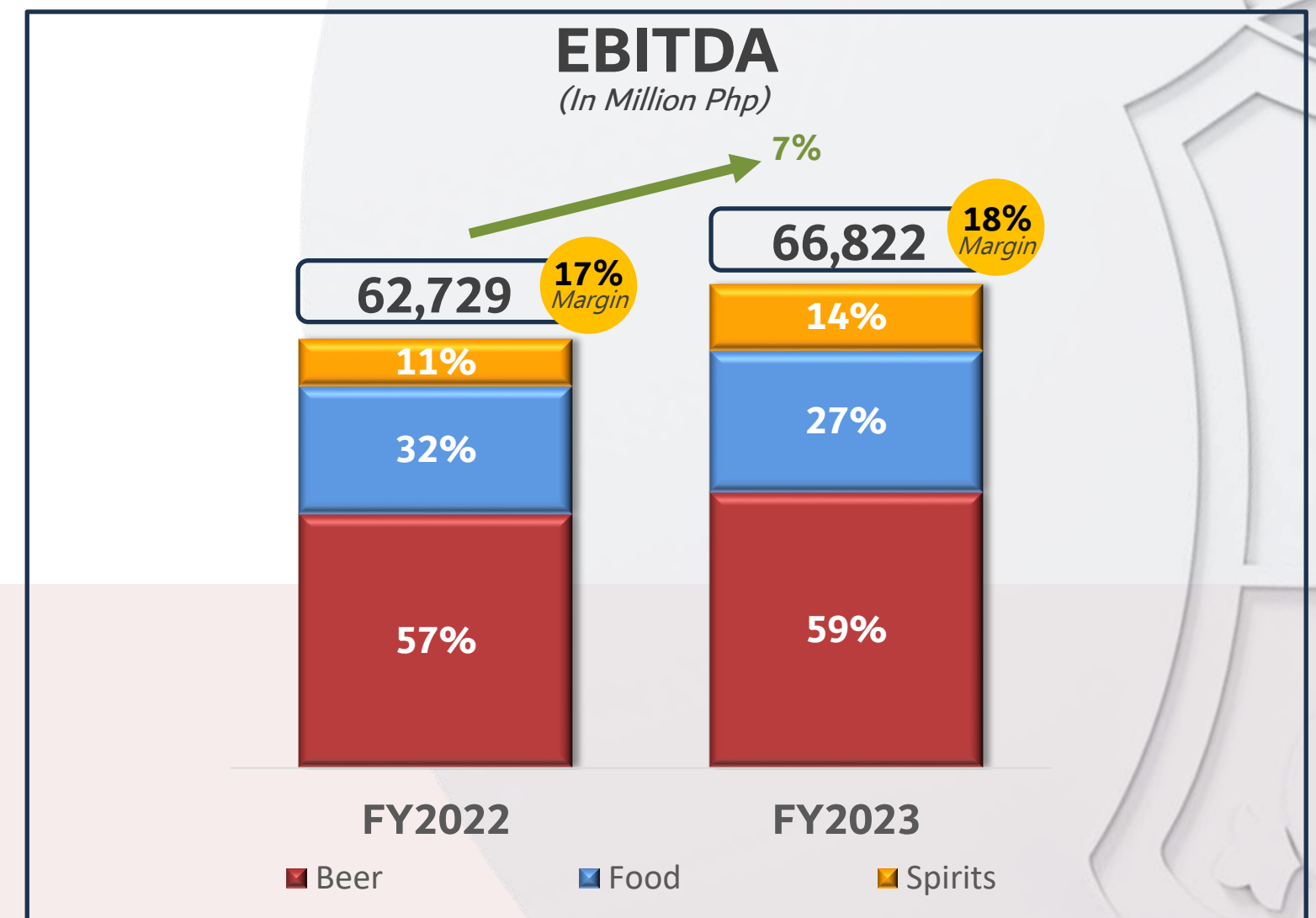
(in Million Php)	FY2023	FY2022	%Change
NET SALES	1,446,703	1,506,591	-4%
INCOME FROM OPERATIONS	144,485	108,012	34%
NET INCOME	44,699	26,760	67%



The tight prices in the oil market, which impacted Petron and Power’s performance, dragged SMC’s revenues by 4%. This was partly offset by strong volume performance from SMFB, GSMI, and Infrastructure, supported by the full year contribution of Eagle Cement. EBITDA saw a 24% increase to ₱205.3bn.

SMFB delivered record profit of ₱38.1bn, up 10%

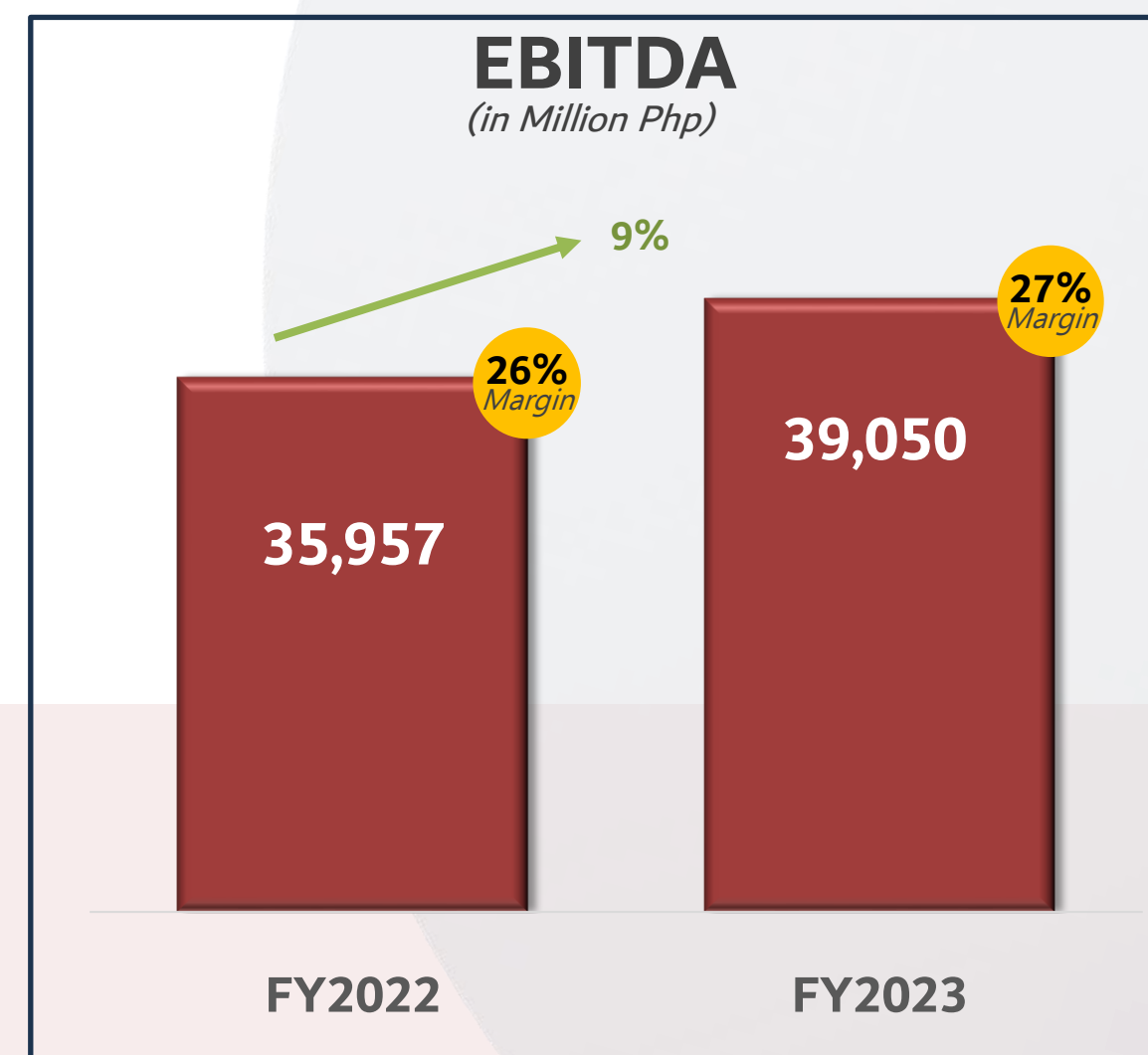
<i>(in Million Php)</i>	FY2023	FY2022	%Change
NET SALES	379,822	358,853	6%
INCOME FROM OPERATIONS	48,411	48,711	-1%
NET INCOME	38,105	34,665	10%



EBITDA was up 7% despite challenges in the macroeconomic landscape, given the increase in sales volume and average selling prices.

SMB's consolidated revenues was up 8% vs last year boosted by higher demand

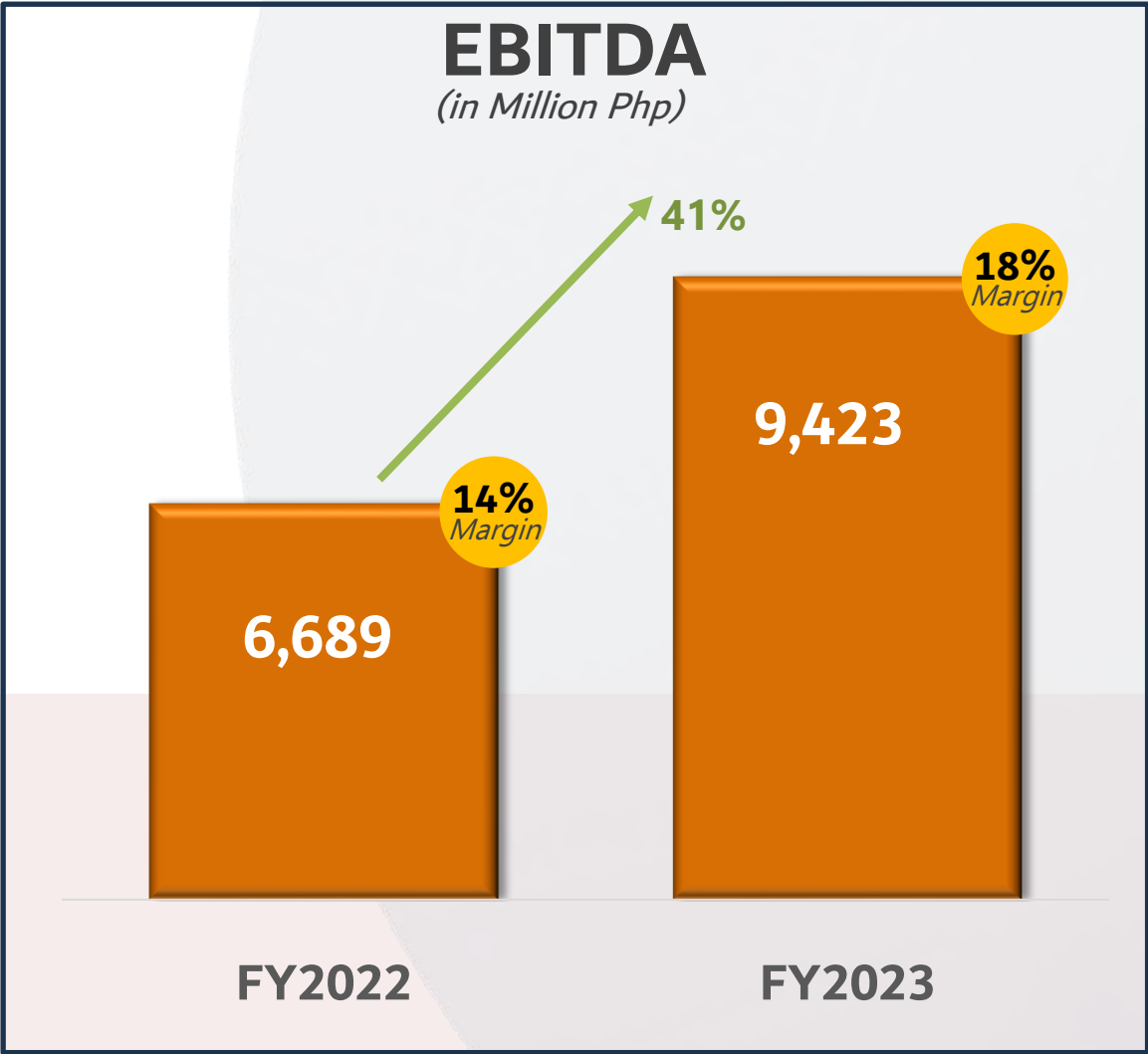
<i>(in Million Php)</i>	FY2023	FY2022	%Change
NET SALES	147,347	136,235	8%
INCOME FROM OPERATIONS	31,408	29,516	6%
NET INCOME	25,322	21,750	16%



The Beer division's growth was driven by higher volumes and selling prices of both the domestic and international operations, supported by marketing initiatives, as well as the resumption of tourism activities, fiestas, and festivals.

GSMI recorded a 13% increase in revenues supported by sustained record-high volumes in 2023

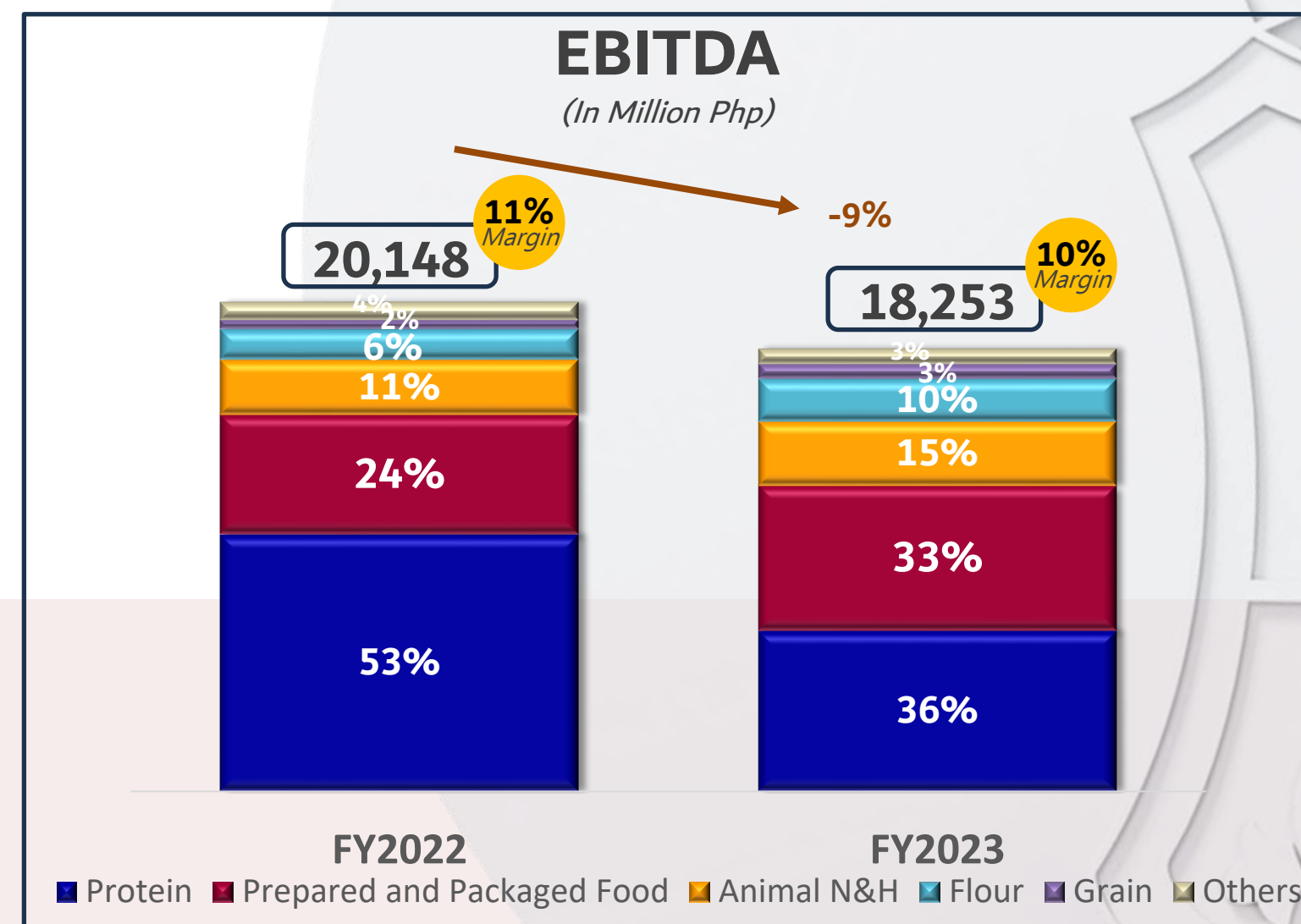
<i>(in Million Php)</i>	FY2023	FY2022	%Change
NET SALES	53,639	47,341	13%
INCOME FROM OPERATIONS	6,835	5,987	14%
NET INCOME	7,046	4,547	55%



Growth can be attributed to the equity of its brands whose strengths were built over years of creative, consistent and relevant messaging, complemented by ad campaigns, promos and localized on-ground marketing programs.

San Miguel Foods delivered strong 4Q operating income growth of 89%

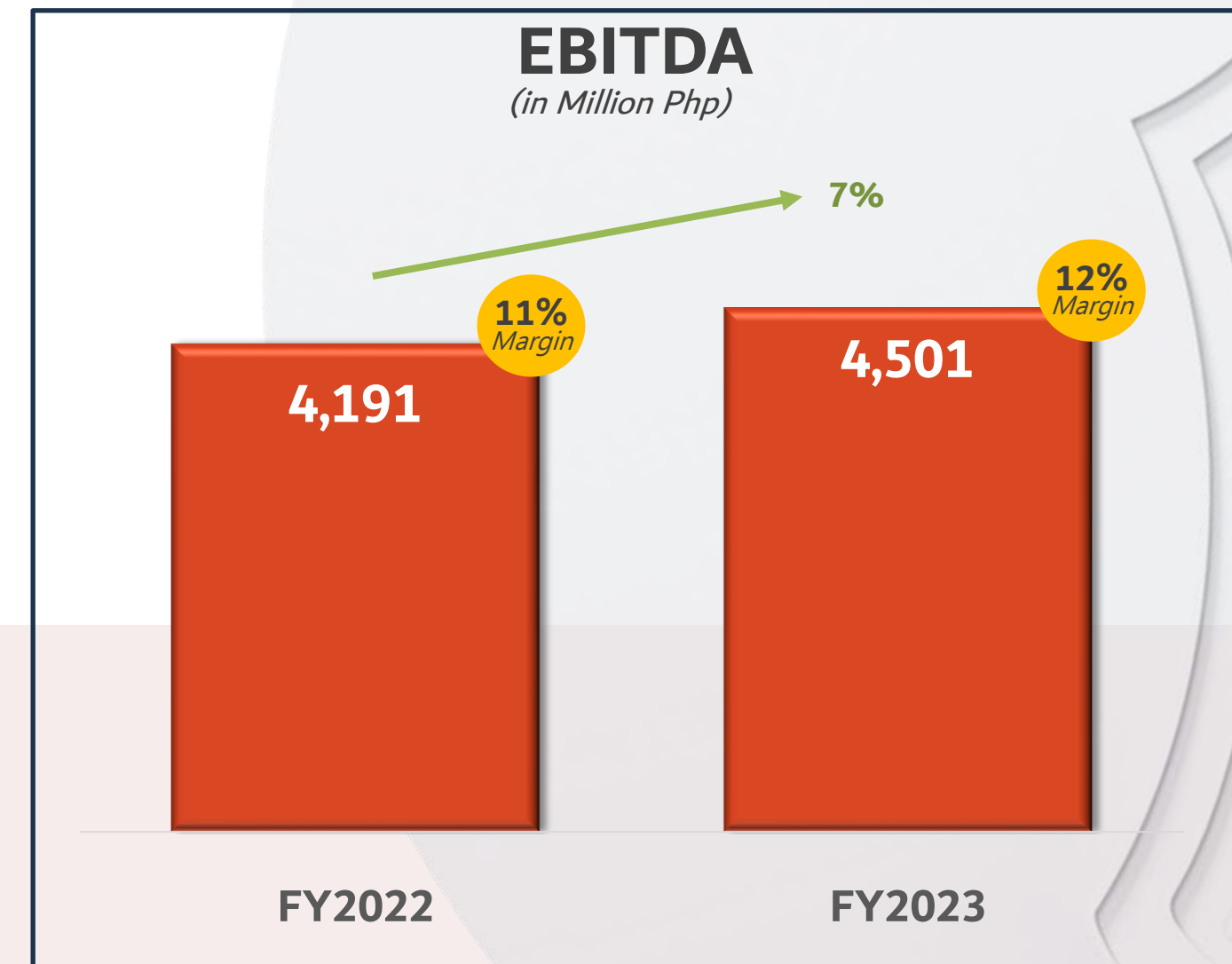
<i>(in Million Php)</i>	FY2023	FY2022	%Change
NET SALES	178,847	175,288	2%
INCOME FROM OPERATIONS	10,228	13,270	-23%
NET INCOME	6,590	9,218	-29%



Net sales grew by 5% in the fourth quarter, particularly driven by growth Poultry & Meat business. Despite challenges faced by the Food business in 2023, net income and EBITDA still surpassed pre-pandemic levels.

SMC's Packaging Group posted a 16% rise in operating income, propelled by enhanced operating efficiencies.

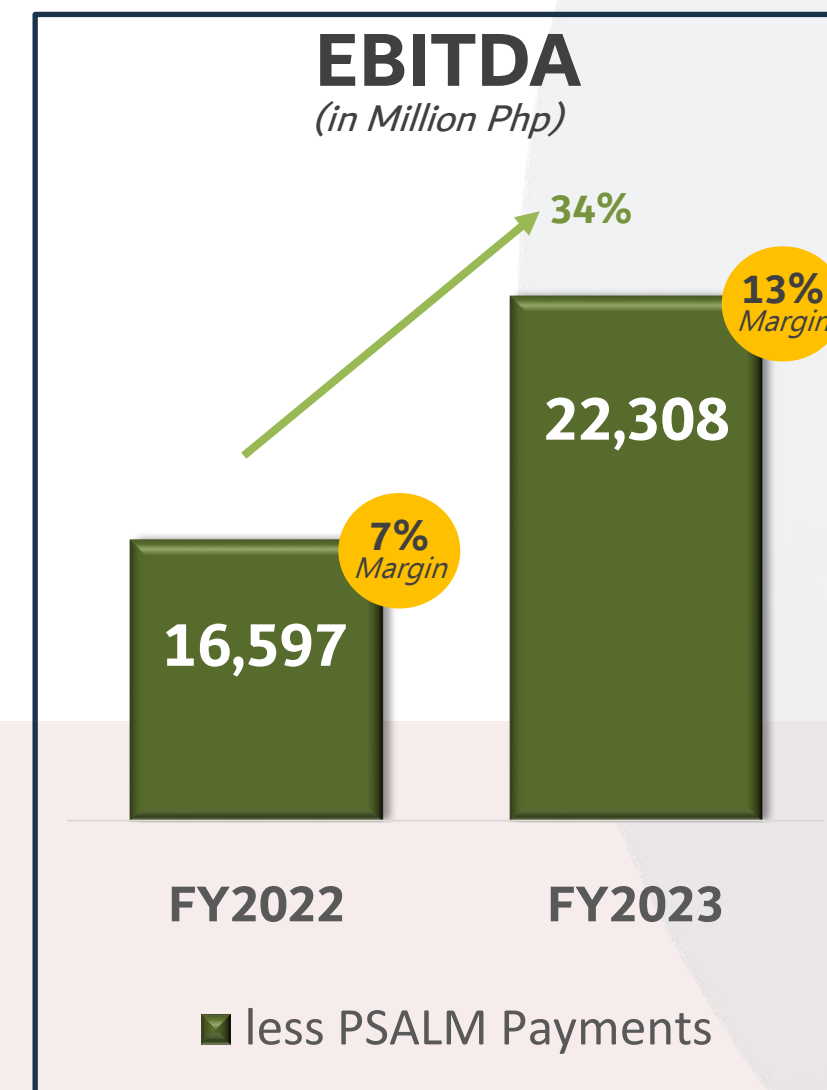
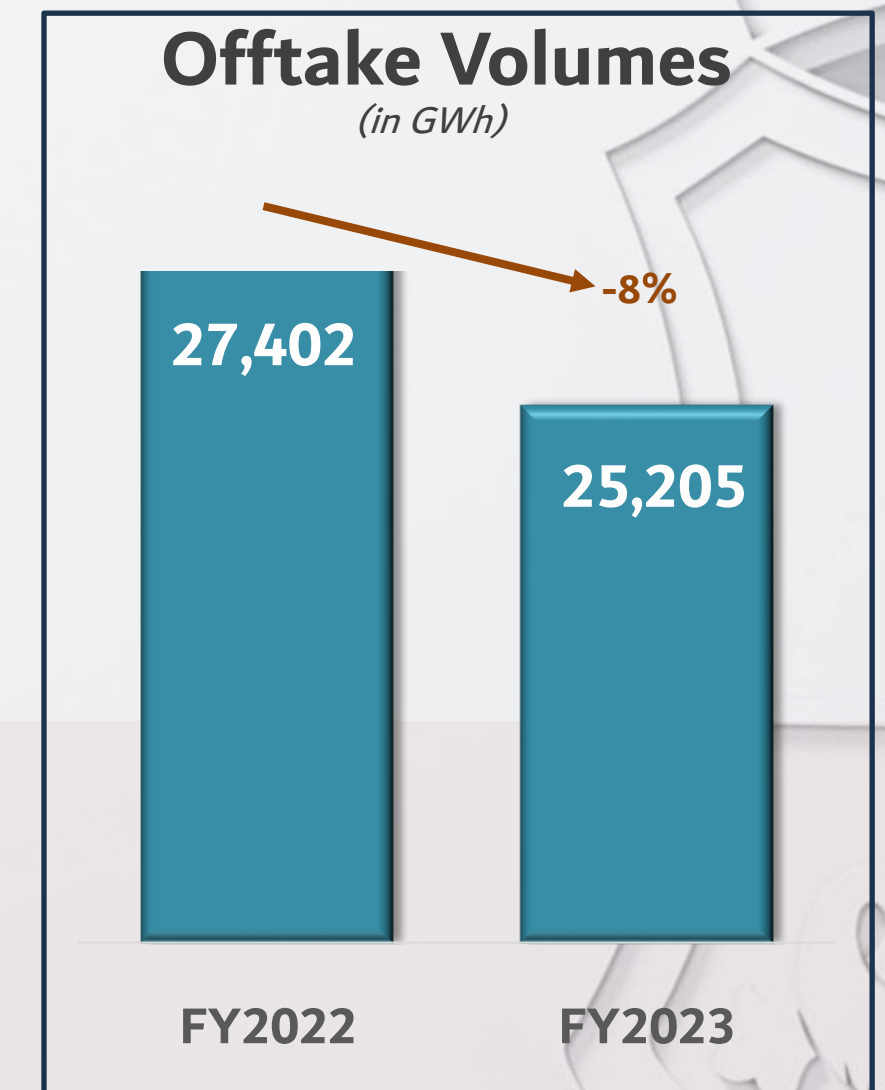
<i>(in Million Php)</i>	FY2023	FY2022	%Change
NET SALES	38,379	37,039	4%
INCOME FROM OPERATIONS	1,915	1,648	16%



EBITDA increased by 7% to ₱4.5bn, with an improved margin of 12%, propelled by enhanced operating efficiencies. Notably, net sales in 2023 exceeds pre-pandemic level.

San Miguel Global Power's operating income went up 13%, EBITDA grew 34% Y-o-Y

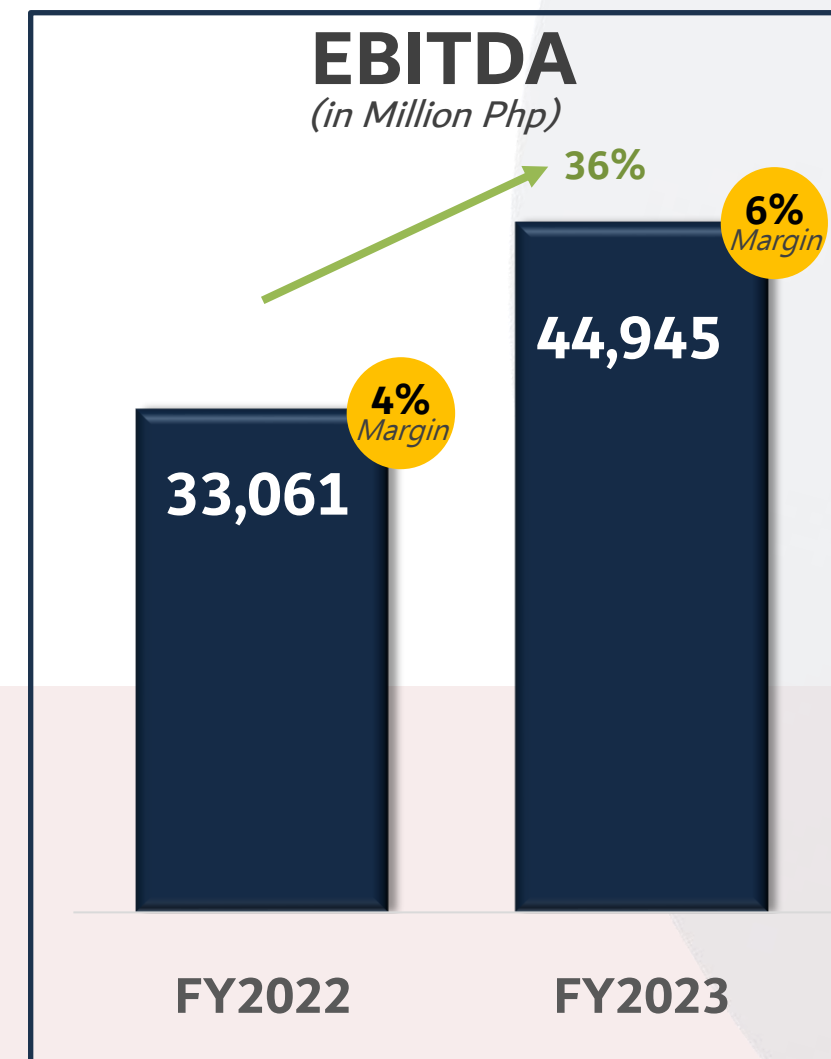
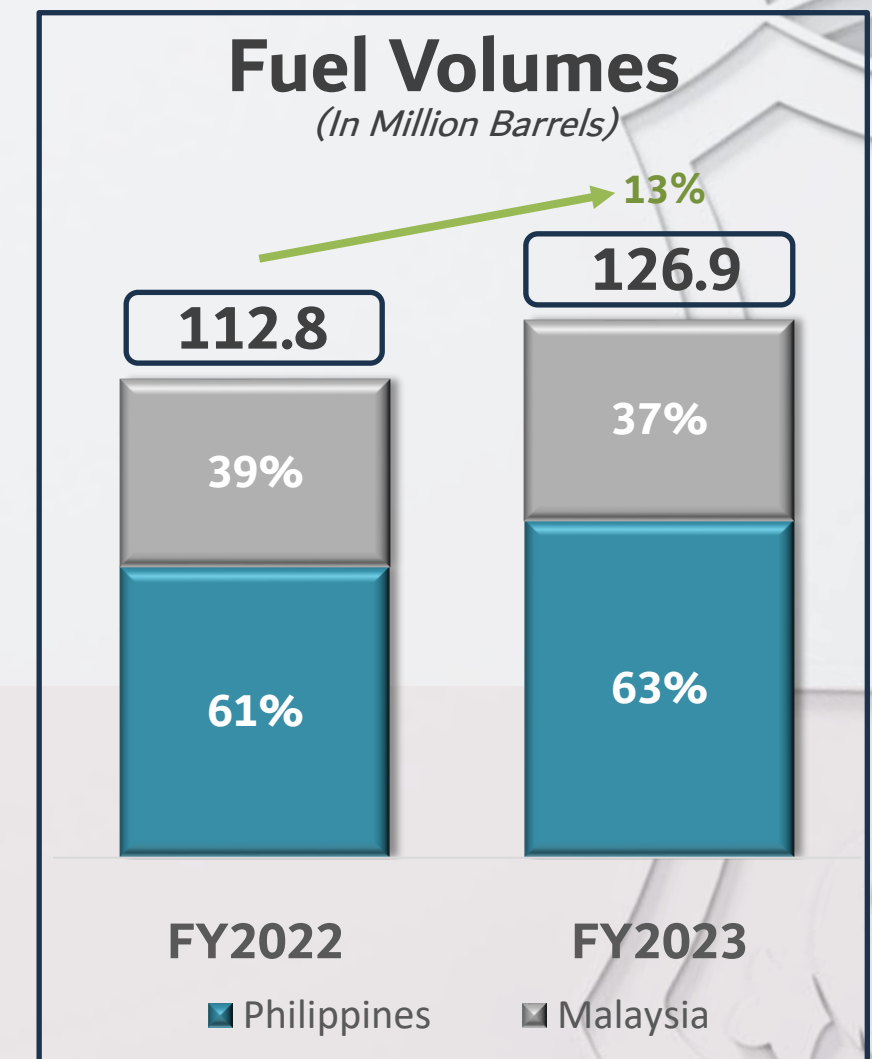
<i>(In Million Php)</i>	FY2023	FY2022	%Change
NET SALES	169,590	221,389	-23%
INCOME FROM OPERATIONS	32,526	28,886	13%
NET INCOME	9,903	3,134	216%



Despite lower offtake volumes combined with lower bilateral rates with declining fuel tariffs due to lower coal prices, gross margins improved significantly as it successfully worked out a transition of most of its existing offtake contracts with regulated and retail customers to fuel price risk passthrough arrangements

Petron's wide presence and effective volume-generation strategies boosted its volumes to a 13% growth

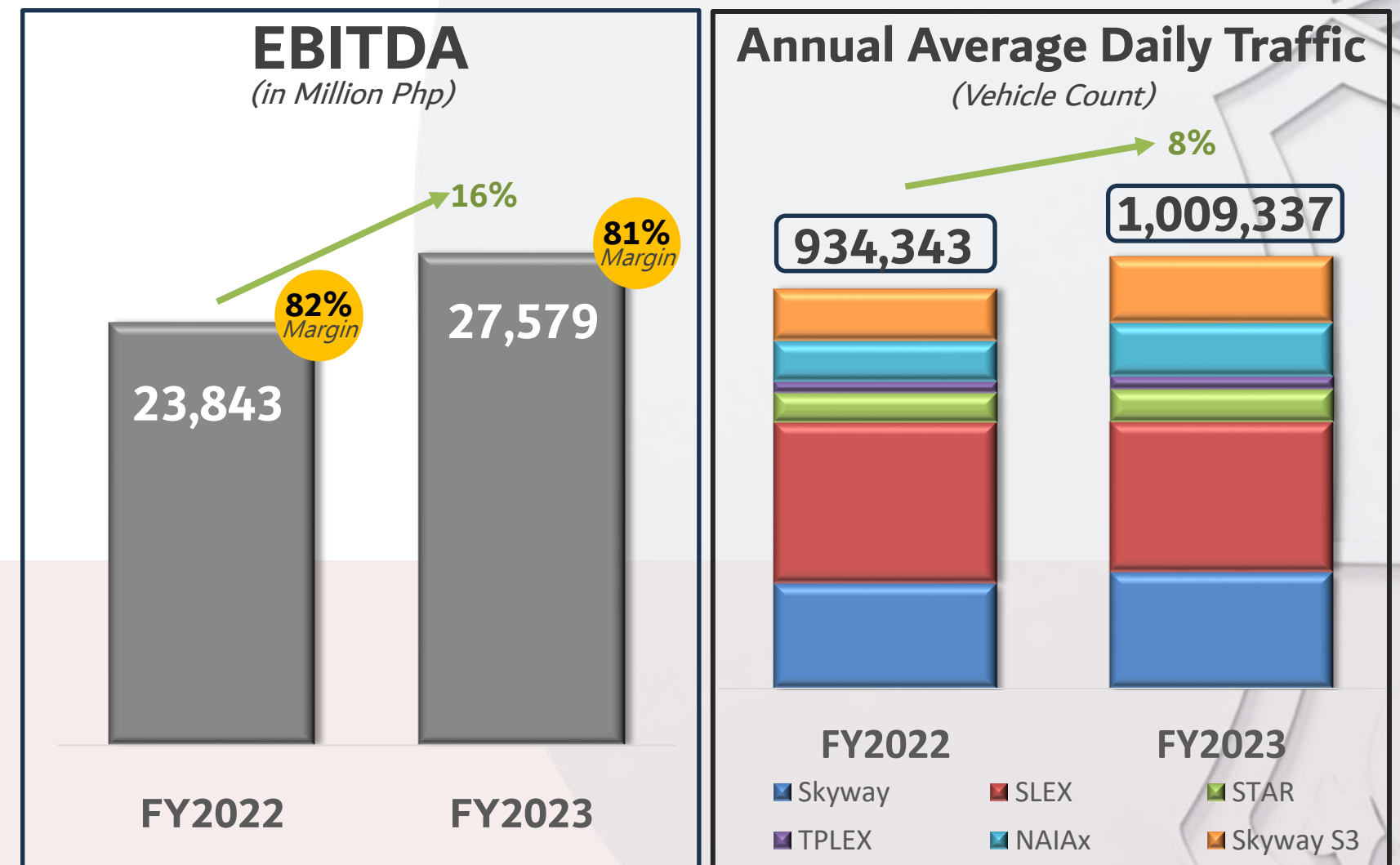
<i>(in Million Php)</i>	FY2023	FY2022	%Change
NET SALES	801,027	857,638	-7%
INCOME FROM OPERATIONS	30,721	19,213	60%
NET INCOME	10,134	6,697	51%



Volumes were driven by the notable performance in its PH operations which grew sales significantly across all key segments, while MY continued to deliver steady growth. This was backed by higher production at its Bataan and Port Dickson refineries.

SMC Infrastructure's revenues up 17%, driven by an 8% growth in combined tollways average daily traffic to reach its one-million mark.

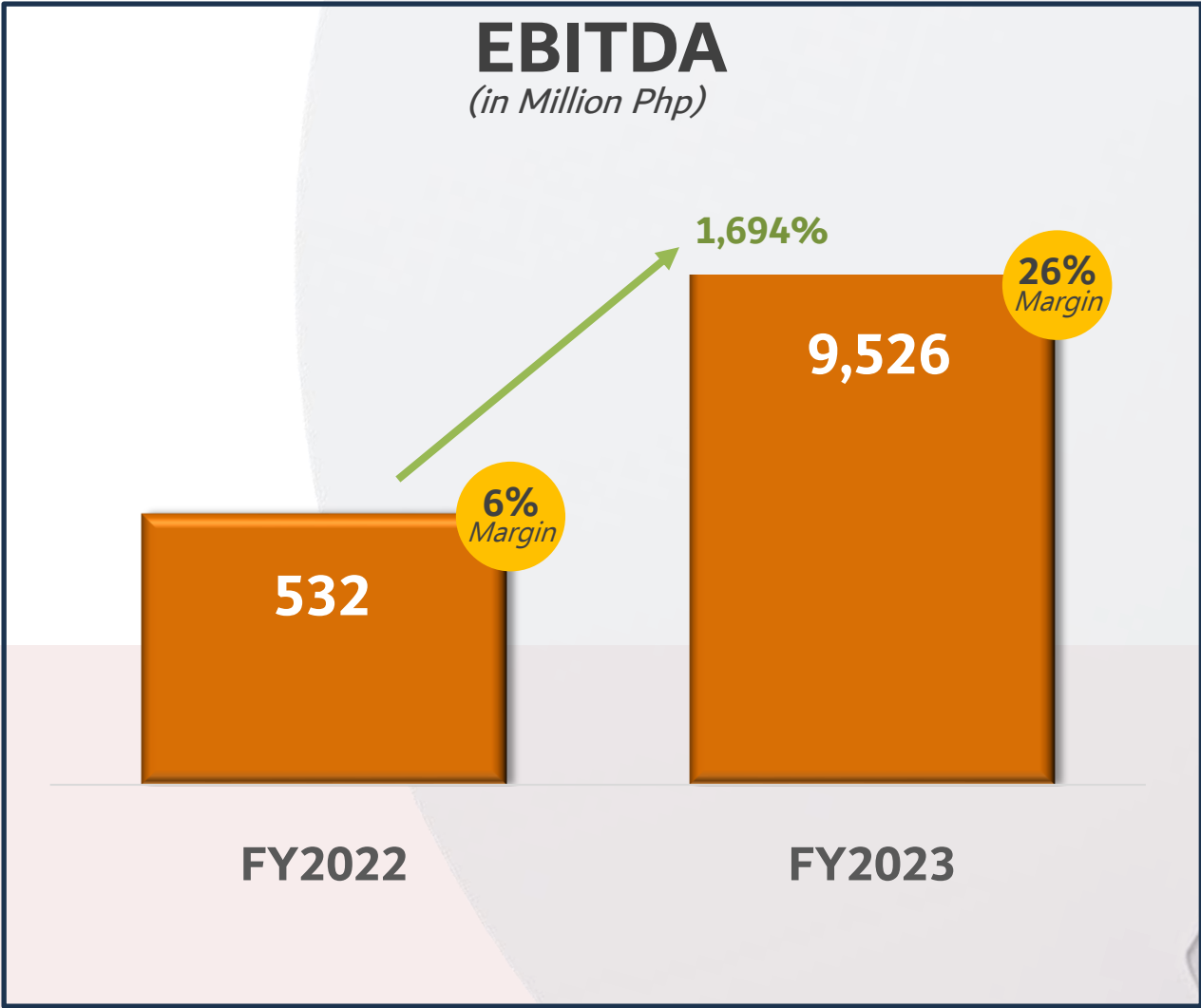
<i>(In Million Php)</i>	FY2023	FY2022	%Change
NET SALES	34,006	29,008	17%
INCOME FROM OPERATIONS	17,722	14,142	25%



EBITDA margin continues to be healthy at above 80%, with robust annual average daily traffic growth of 8% from previous year.

San Miguel Equity Investment Inc. – Cement Group swung to an operating profit of nearly ₱6bn.

<i>(In Million Php)</i>	FY2023	FY2022	%Change
NET SALES	37,231	8,984	314%
INCOME/LOSS FROM OPERATIONS	5,980	(599)	**



Cement Group’s net sales grew four-folds with the full-year consolidation of Eagle Cement and SCII’s start of commercial operations.



SMC's balance sheet remains healthy, with total assets growing to ₱2.5bn

SMC Financial Position

<i>(In Billion Php)</i>	December 31, 2023	December 31, 2022
Total Assets	2,459	2,392
Cash	261	318
Interest-bearing debt	1,405	1,356
Current Ratio	1.12x	1.21x
Total Liabilities to Equity Ratio	2.70x	2.74x
Interest-bearing Debt to Equity Ratio	2.11x	2.12x



2023 Business Highlights

- » The Manila International Airport's land development and ground improvement works are ongoing and progressing well; Overall progress for the LDW is at 77% while Airport development works is estimated to commence in 2025.
- » The Railway Component percentage accomplishment for the MRT 7 is at 68.70% while the Detailed Engineering Design and site development for the depot is still ongoing.
- » The inauguration of the BESS facility in Limay, Bataan, held on 31 March 2023, paved the way for the planned integration of about 1000MWh BESS facilities in the grid. Out of the total capacity, 470MWh across 15 sites have achieved completion and 340MWh of Ancillary Services Procurement Agreements with the National Grid Corporation of the Philippines for 11 BESS facilities have been secured.
- » In October 2023, one of SMFB's several integrated food complexes was inaugurated in Hagonoy, Davao del Sur, as part of our larger push for regionalization, boosting food security nationwide, which started with the expansion of our food and beverage businesses in the last couple of years.



YTD 2024 Business Highlights

- » Last February 27, Japan Credit Rating Agency (JCR) affirmed SMC a Foreign Currency Long-term Issuer rating of A- with a stable outlook.
- » SMC-SAP Consortium won the bid for the NAIA Rehabilitation project; Notice of Award was granted by DOTr last February 16.
- » Meralco PowerGen Corporation (MGen) and Aboitiz Power Corporation (AboitizPower), through their (60% MGen - 40% AboitizPower) joint venture entity, Chromite Gas Holdings Inc. (CGHI), have entered into agreements with San Miguel Global Power Holdings Corp. (SMGP) and its subsidiaries, for MGen and AboitizPower to jointly invest in and acquire a 67% stake in SMGP's gas-fired power plants, namely (i) the operating 1,278 MW Ilijan combined cycle gas power plant owned by South Premiere Power Corp. (SPPC), (ii) the adjacent, under construction 1,320 MW combined cycle gas power plant owned by Excellent Energy Resources Inc. (EERI) and (iii) land owned by Ilijan Primeline Industrial Estate Corp.
- » The deal also involves the acquisition by CGHI and SMGP of the LNG import and regasification terminal owned by Linseed Field Corporation, which processes LNG for SPPC and EERI, and has the capacity to service additional third-party customers.



Guidance and Outlook

- » Consolidated 2024 EBITDA growth target
- » SMC remains optimistic that the country's robust macroeconomic fundamentals and our strategy, anchored on our sustainability agenda, will remain supportive to sustain its growth momentum this year.
- » SMC will continue working on defining its roadmap that will ensure that its sustainability goals are achieved, and commits to setting the standards so that others follow.



SAN MIGUEL CORPORATION

Q&A





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Thank you!



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