



August 12, 2024

**The Philippine Stock Exchange, Inc.**

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

Attention: **Atty. Stefanie Ann B. Go**  
OIC, 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



SAN MIGUEL  
FOOD AND BEVERAGE, INC.



PETRON

# SAN MIGUEL CORPORATION

## Analysts' Briefing

2024 FIRST SEMESTER RESULTS

August 12, 2024





# | Executive Summary

- » SMC continues to make great progress in its major initiatives for 1H2024 backing its core mandate of nation-building and its **commitment to a more sustainable Philippines.**
- » The San Miguel Group **continued its robust performance** for the first half of the year on the back of strong volumes across the group and notable contributions from Petron and Power.
- » SMC **achieved substantial top-line and operating income growth of 15% and 22%,** fueled by enhanced efficiencies and productivity and strong volume growth despite the market uncertainties faced in the first half of the year.
- » SMC's EBITDA growth of 14% in 1H2024 is well **within our guidance.**
- » We anticipate **sustained strong operational performance** and expect the **growth trajectory** from the first half to continue throughout the remainder of the year.





# | SMC Major Sustainability Initiatives

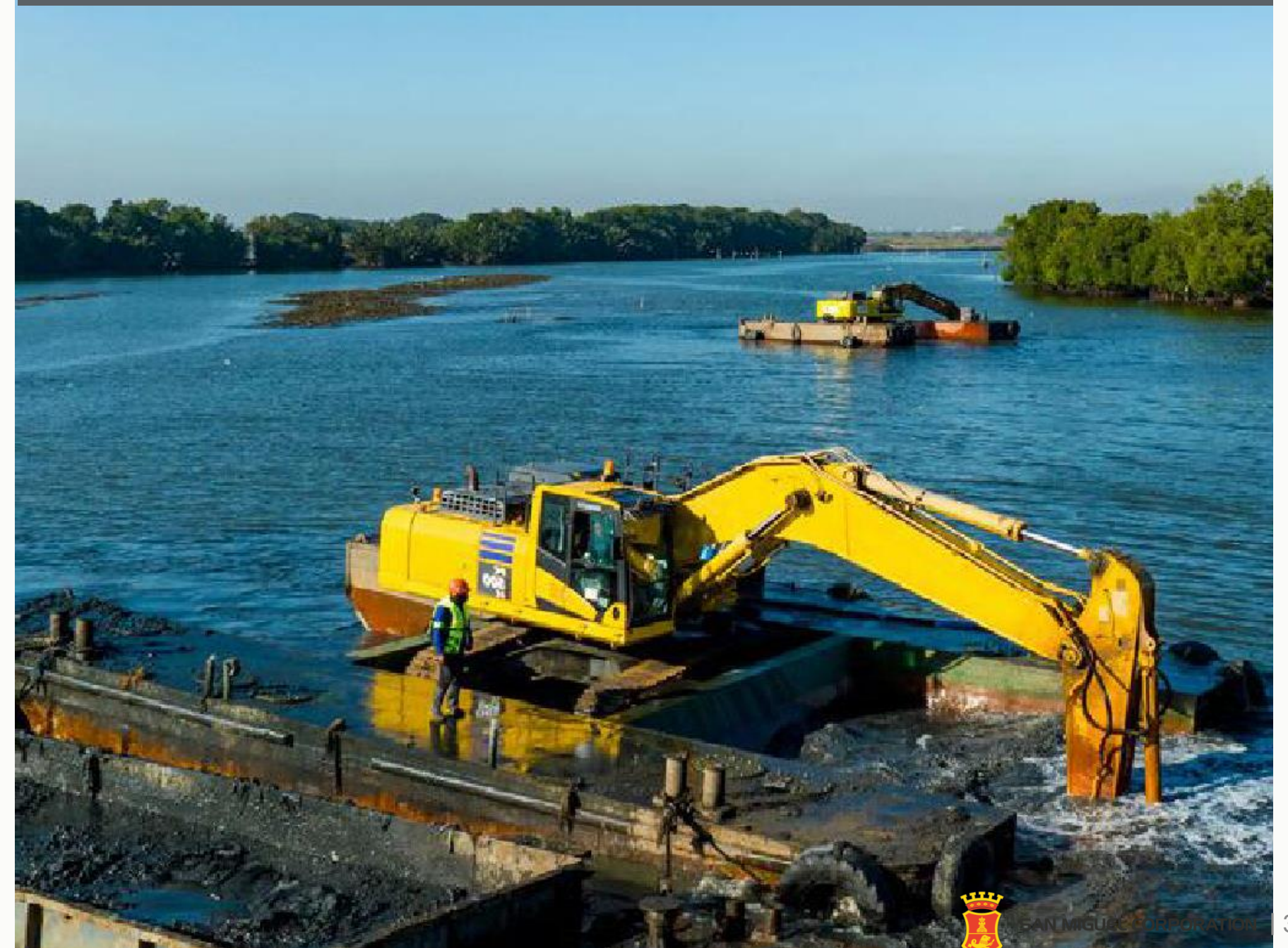
## Battery Energy Storage System

Our Battery Energy Storage System (BESS) network has a total capacity of 1000 megawatt-hours, the first and largest such network in Southeast Asia. Among its benefits is addressing the intermittence of solar and wind energy, allowing the integration of more renewable energy into the grid.



## River Rehabilitation

Started in 2020, our extensive river cleanup has so far covered 115 km of river channel and removed about 6.7 million metric tons of silt and waste from the Tullahan, Pasig, San Juan, Bulacan and San Pedro, Laguna rivers.







# | SMC Major Sustainability Initiatives



## MIA Biodiversity Offset

Last Feb 2024, we inaugurated Saribuhay sa Dampalit, the Philippines' first Biodiversity Offset Program — part of SMC's commitment to environmental preservation while building the Manila International Airport (MIA). Along with building functional habitats for wild birds, the project also supports local livelihoods.

## Better World Smokey Mountain

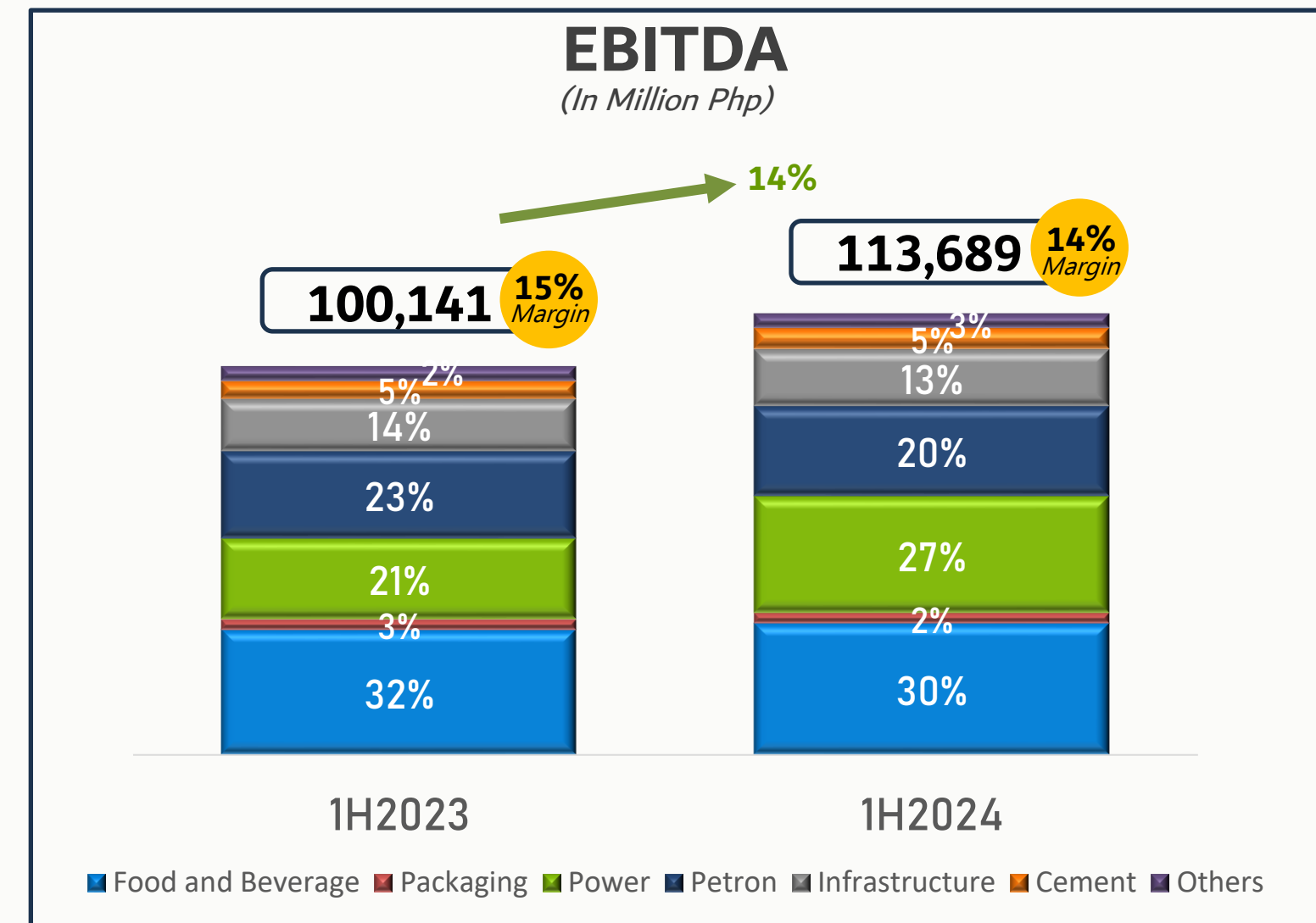
Our Better World Smokey Mountain community center provides children and adult residents alike, a better shot at life. Through partnerships with various NGOs, we are implementing long-term programs that support whole families—from helping the academic and social development of schoolchildren, to teaching their parents skills that boost family incomes.





# SMC registered strong top-line growth of 15% to ₱789 billion

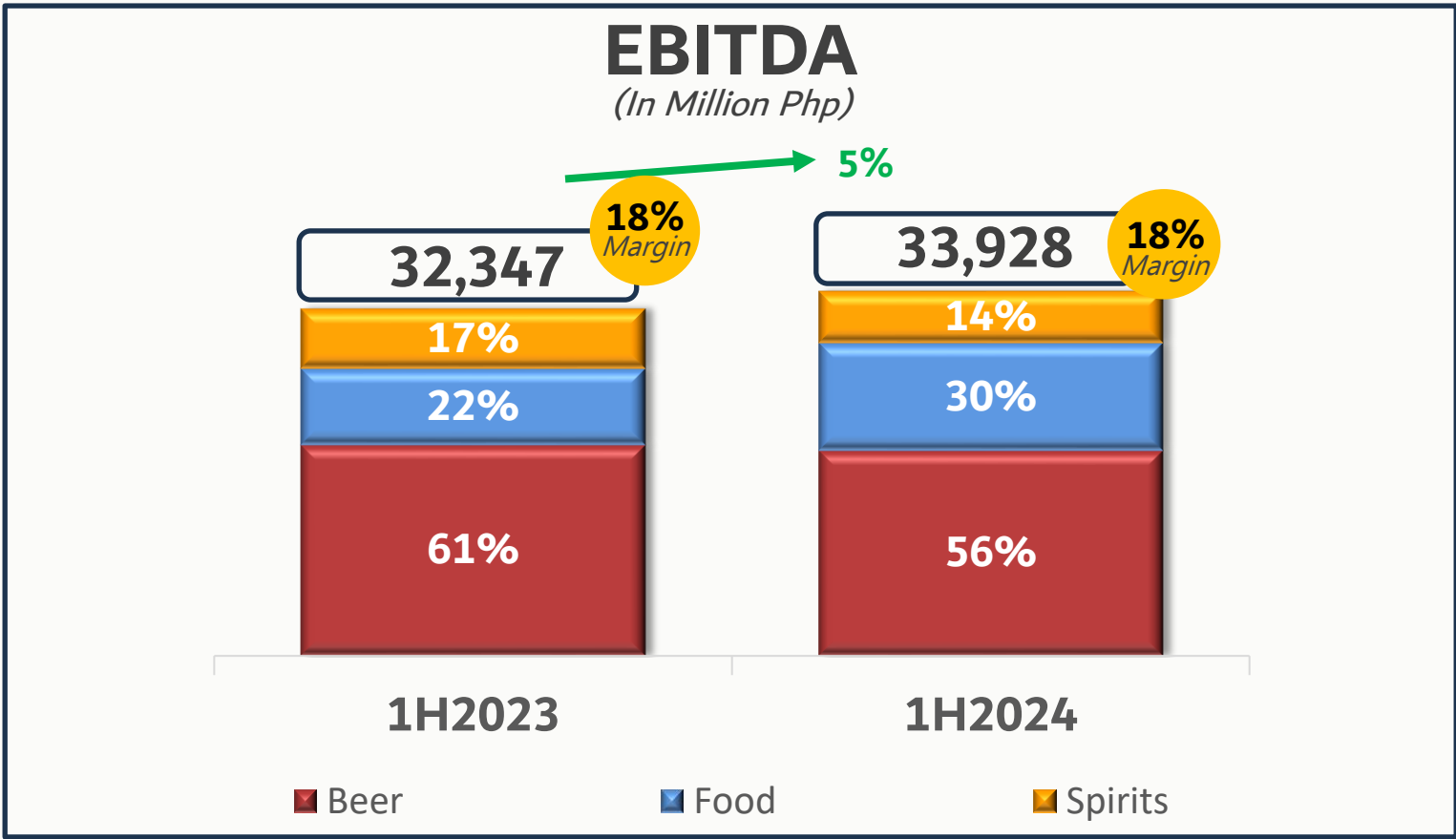
(In Million Php)	1H2024	1H2023	%Change
NET SALES	789,021	685,229	15%
INCOME FROM OPERATIONS	85,089	69,921	22%
NET INCOME	13,578	23,325	(42%)
NET INCOME EXCL. FOREX	33,529	20,144	66%



San Miguel's operational efficiencies and cost mitigation measures brought operating income and EBITDA to grow double-digit with robust growth of 22% and 14%, respectively.

# SMFB sustained growth momentum, 16% increase in operating income in 1H2024

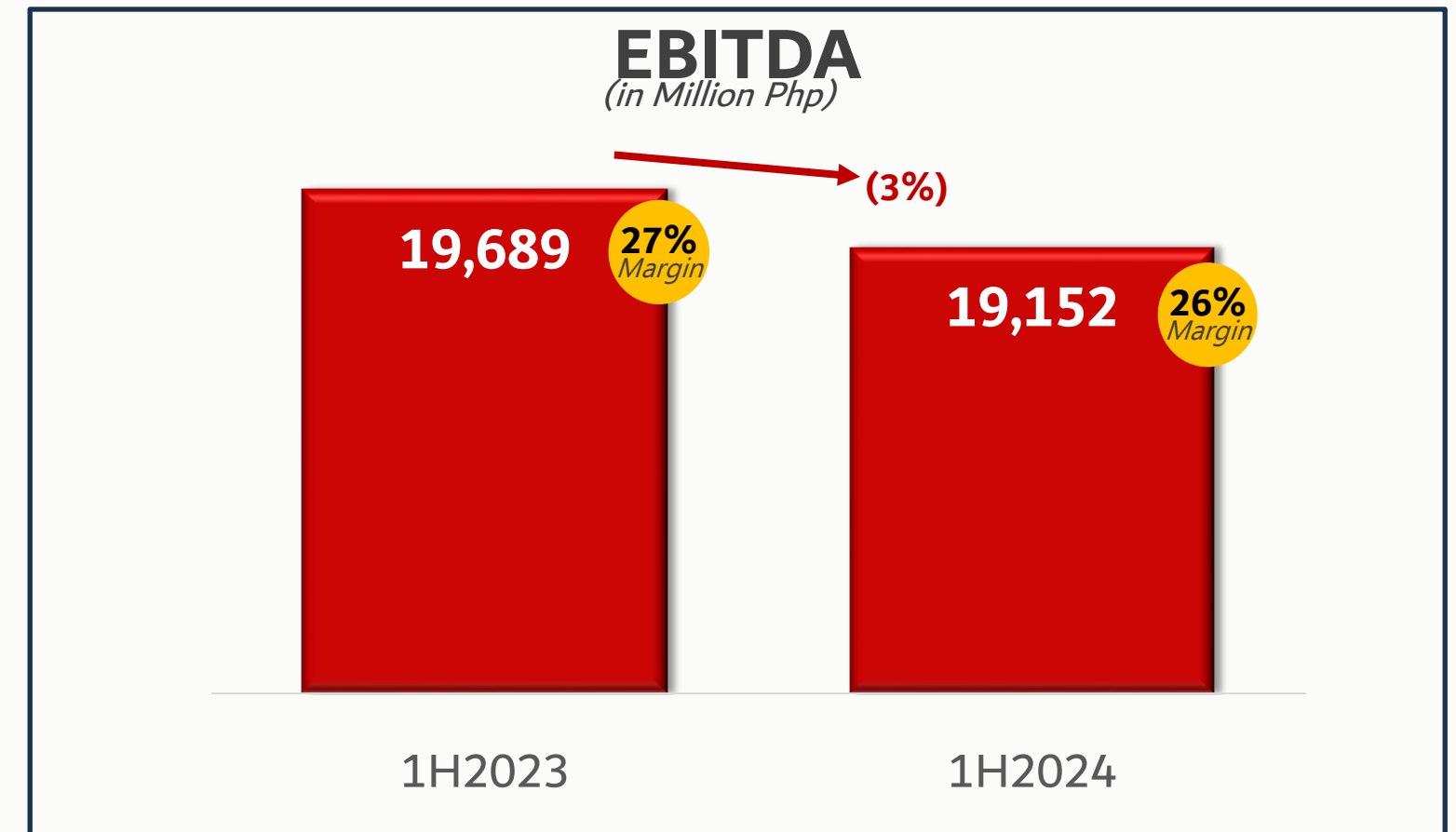
(In Million Php)	1H2024	1H2023	%Change
NET SALES	192,882	184,587	4%
INCOME FROM OPERATIONS	26,641	22,987	16%
NET INCOME	19,977	18,809	6%



The growth in operating income highlights strong performance and effective cost management, particularly in the Food and Spirits businesses. Segment contributions to Operating Income: Beer 60%, Food 24%, Spirits 16%

# SMB registered topline growth of 1% to ₱75 billion in 1H2024

(In Million Php)	1H2024	1H2023	%Change
NET SALES	75,073	74,119	1%
INCOME FROM OPERATIONS	15,887	16,429	(3%)
NET INCOME	12,563	13,469	(7%)

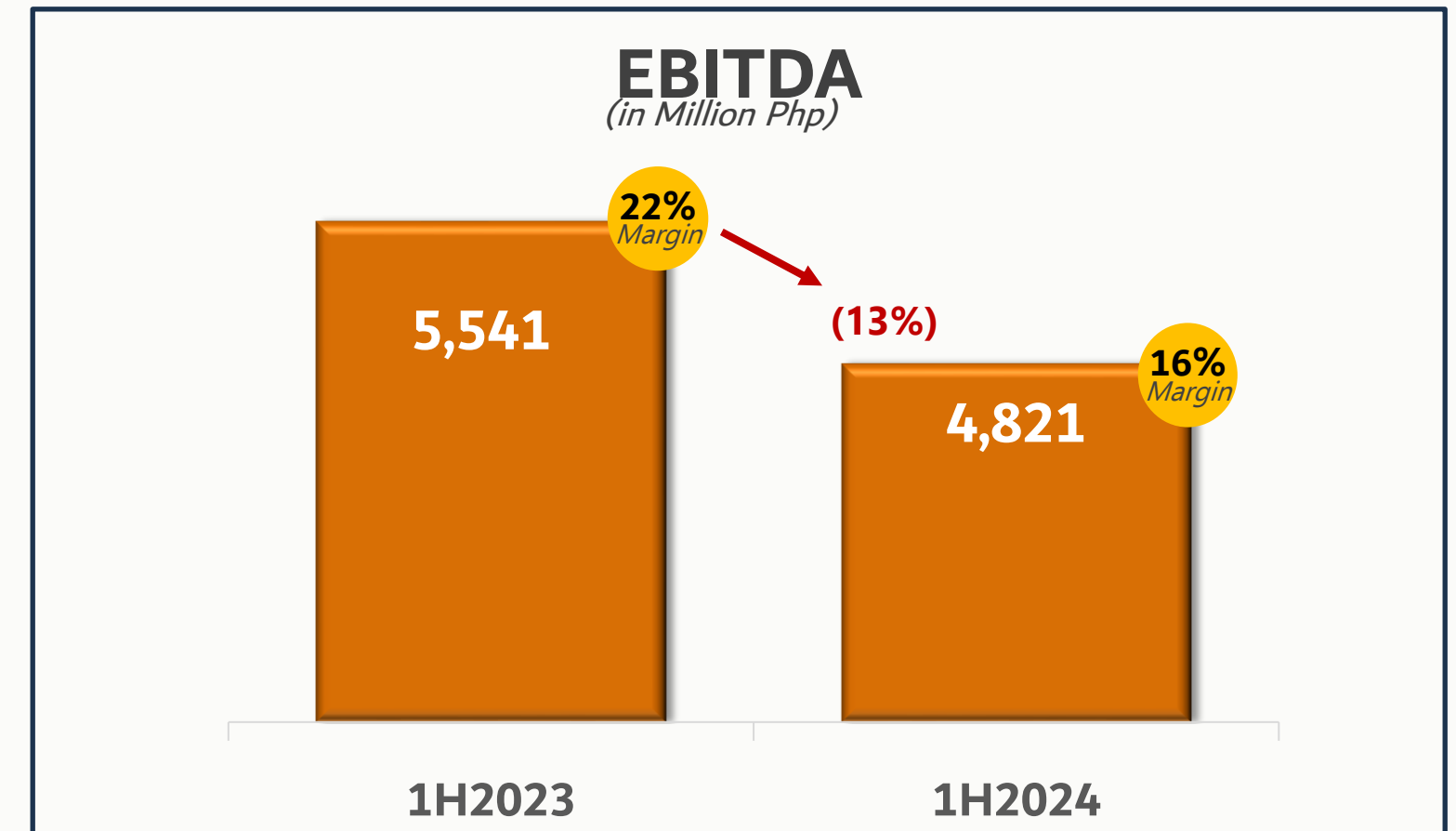


The full impact of price increases implemented last March 2023 drove the rise in revenue in 1H2024.



# GSMI recorded an 18% increase in revenues on the back of strong volume growth in 1H2024

(In Million Php)	1H2024	1H2023	%Change
NET SALES	29,992	25,406	18%
INCOME FROM OPERATIONS	4,411	3,376	31%
NET INCOME	3,676	4,077	(10%)

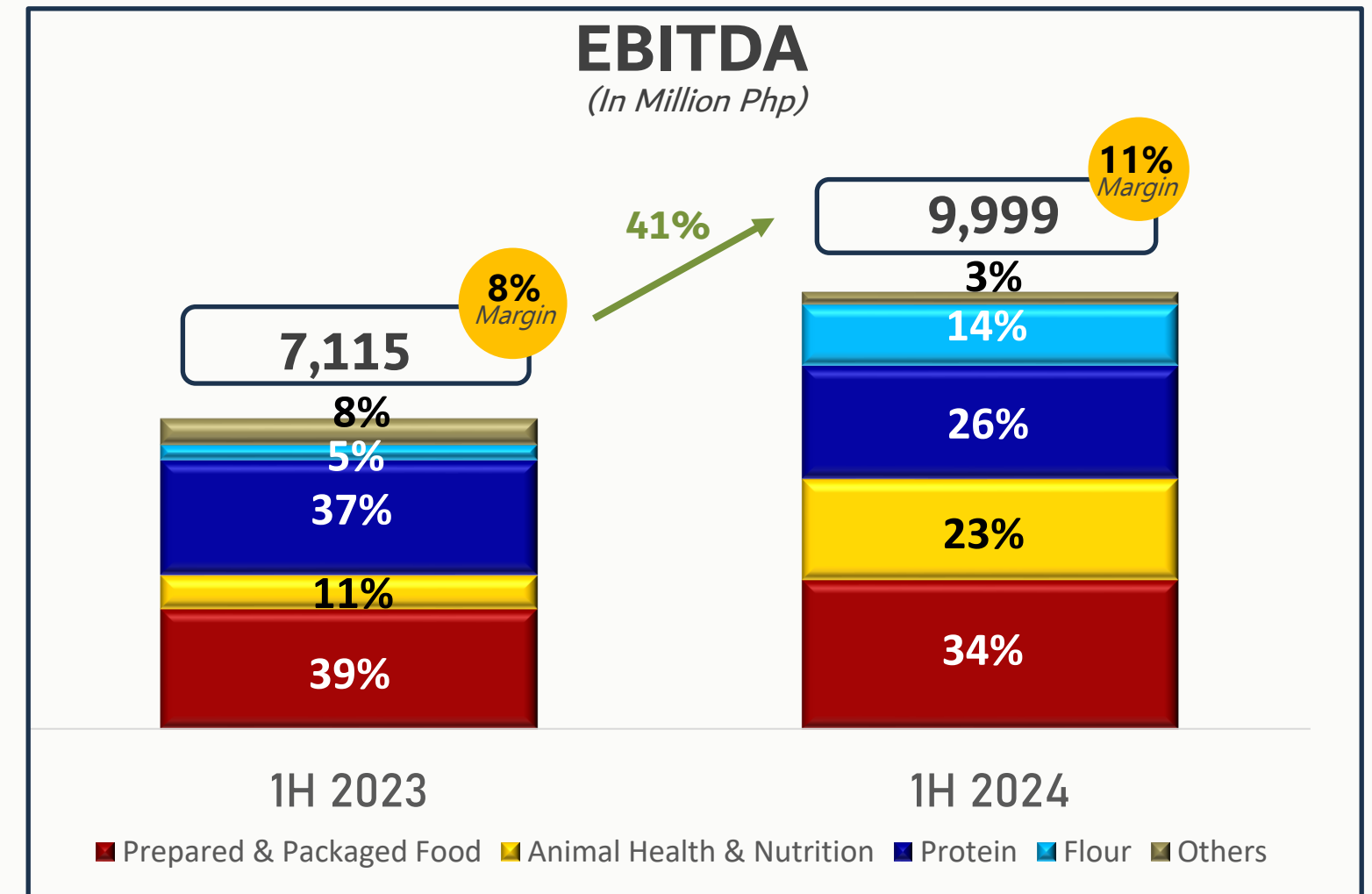


Combined brand equity and aggressive expansion in distribution led to a double-digit growth in volumes. Operating income growth was further supported by an increase in selling price, along with better cost management and better biogas generation at our distilleries. Excluding the one-time gain from Don Papa in March 2023, net income would have grown 25%.



San Miguel Foods sustained topline growth and delivered strong profits on higher volumes and lower raw material costs.

(In Million Php)	1H2024	1H2023	%Change
NET SALES	87,819	85,065	3%
INCOME FROM OPERATIONS	6,384	3,216	99%
NET INCOME	4,174	1,691	147%

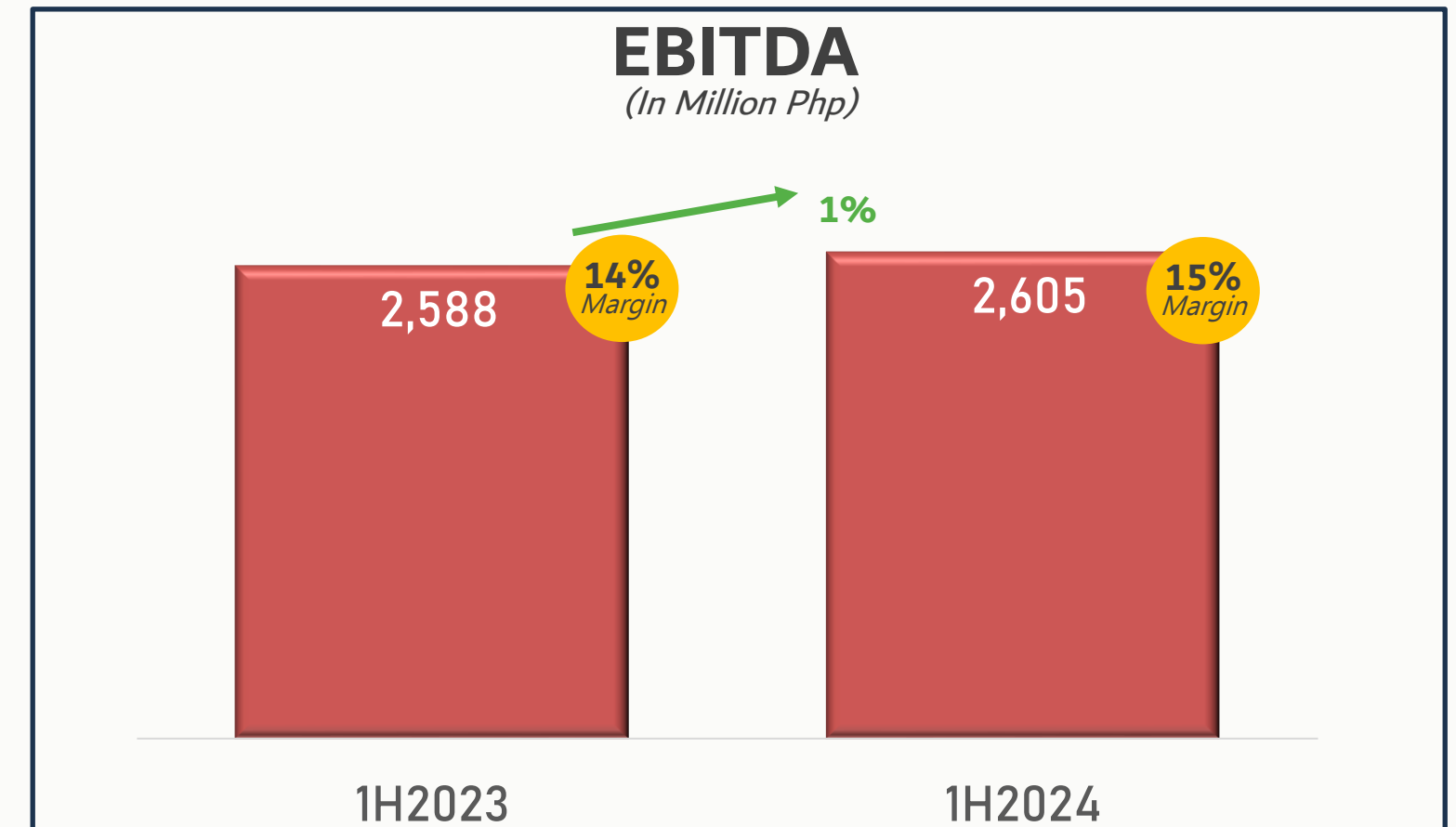


Volume growth across most business segments drove topline growth while the easing of raw material prices and improved operational efficiencies led margin expansion.



## SMC's Packaging Group reported a double-digit operating income growth on cost containment measures

(In Million Php)	1H2024	1H2023	%Change
NET SALES	17,974	18,730	(4%)
INCOME FROM OPERATIONS	1,362	1,200	14%

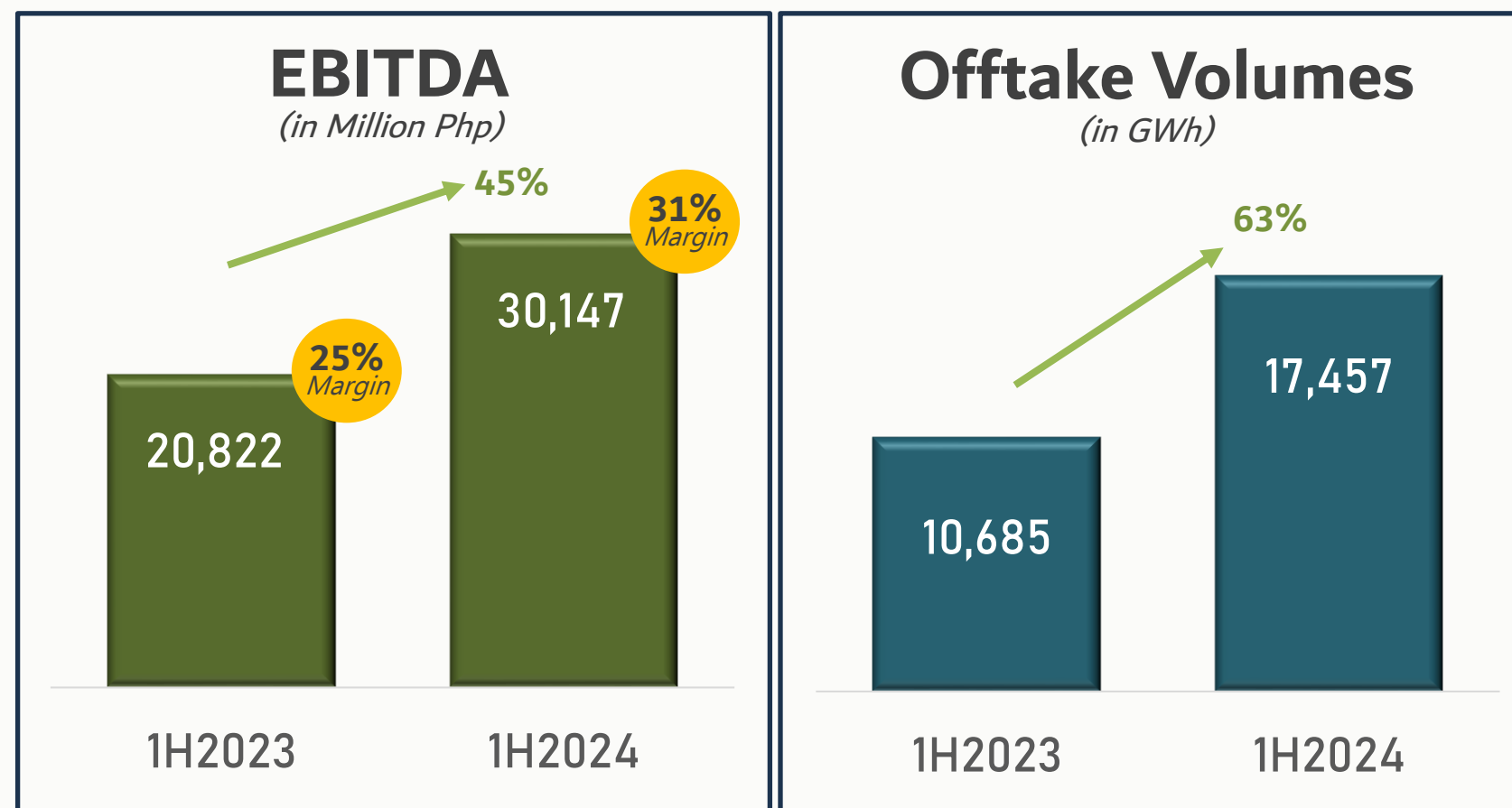


EBITDA slightly increased to ₱2.6 billion, with margin slightly improving to 15%.



# San Miguel Global Power posted a robust recovery, with net income rising 26% Y-o-Y

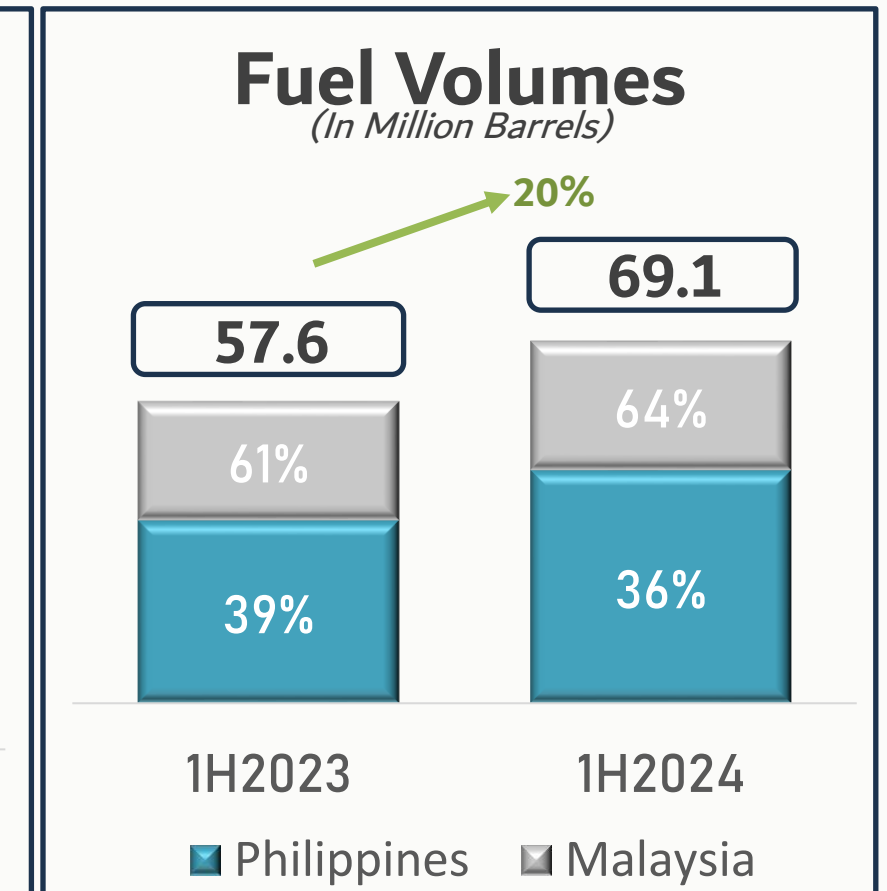
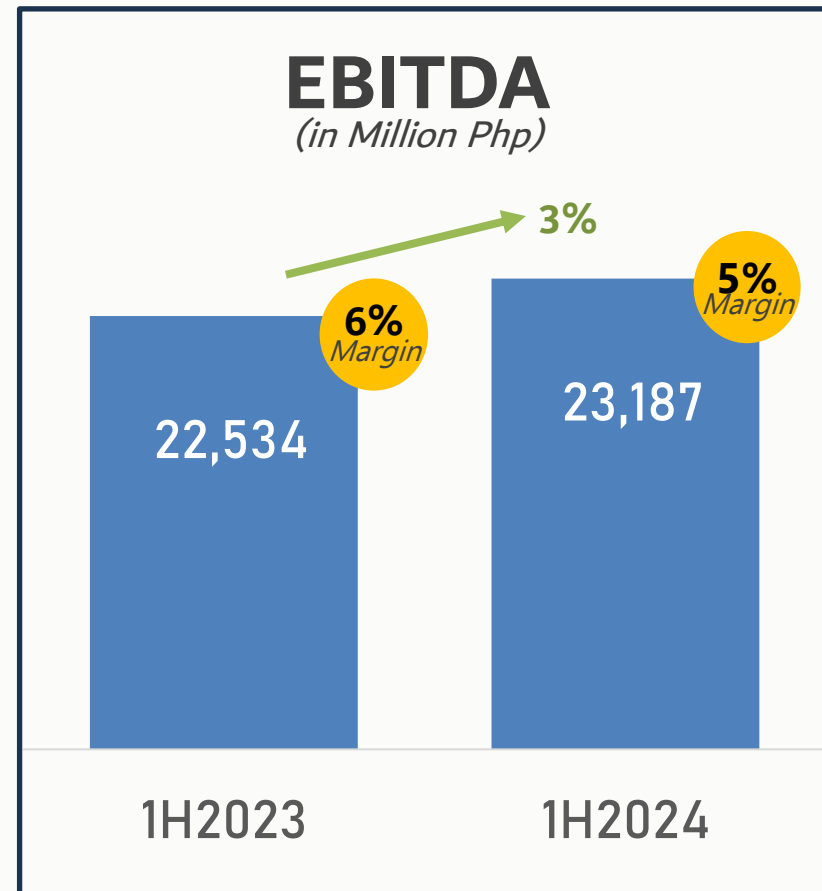
(In Million Php)	1H2024	1H2023	%Change
NET SALES	98,944	84,770	17%
INCOME FROM OPERATIONS	22,988	14,751	56%
NET INCOME	7,438	5,909	26%



Offtake volumes surged 63% to 17,457 GWh, driven by the increase in both bilateral and ancillary volumes along with the secured new Power Supply Contracts. EBITDA margin widened to 30%, reflecting better margins from contracted volumes and contribution by new capacities from Mariveles Greenfield Power Plant and from BESS.

# Petron sustained its growth momentum, delivering double-digit revenue growth to reach ₱444.5 billion

(In Million Php)	1H2024	1H2023	%Change
NET SALES	444,490	367,037	21%
INCOME FROM OPERATIONS	17,313	16,011	8%
NET INCOME	6,023	6,142	(2%)



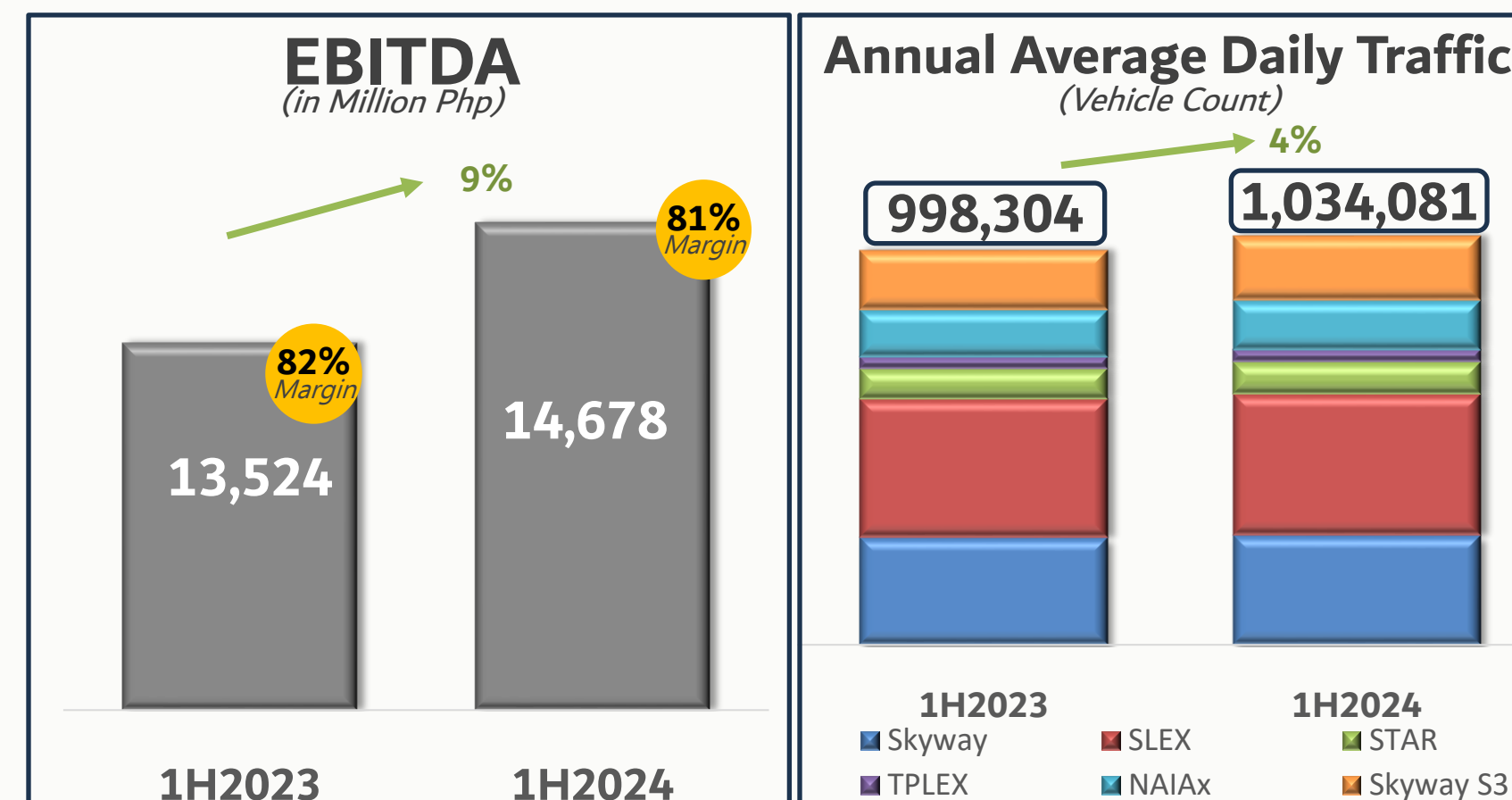
Petron fuel volumes reached 69.1 million barrels brought by a significant 27% surge in its Philippine operations while EBITDA grew 3% to ₱23.2 billion.





# SMC Infrastructure revenues up 9% on higher daily traffic and toll rate adjustments

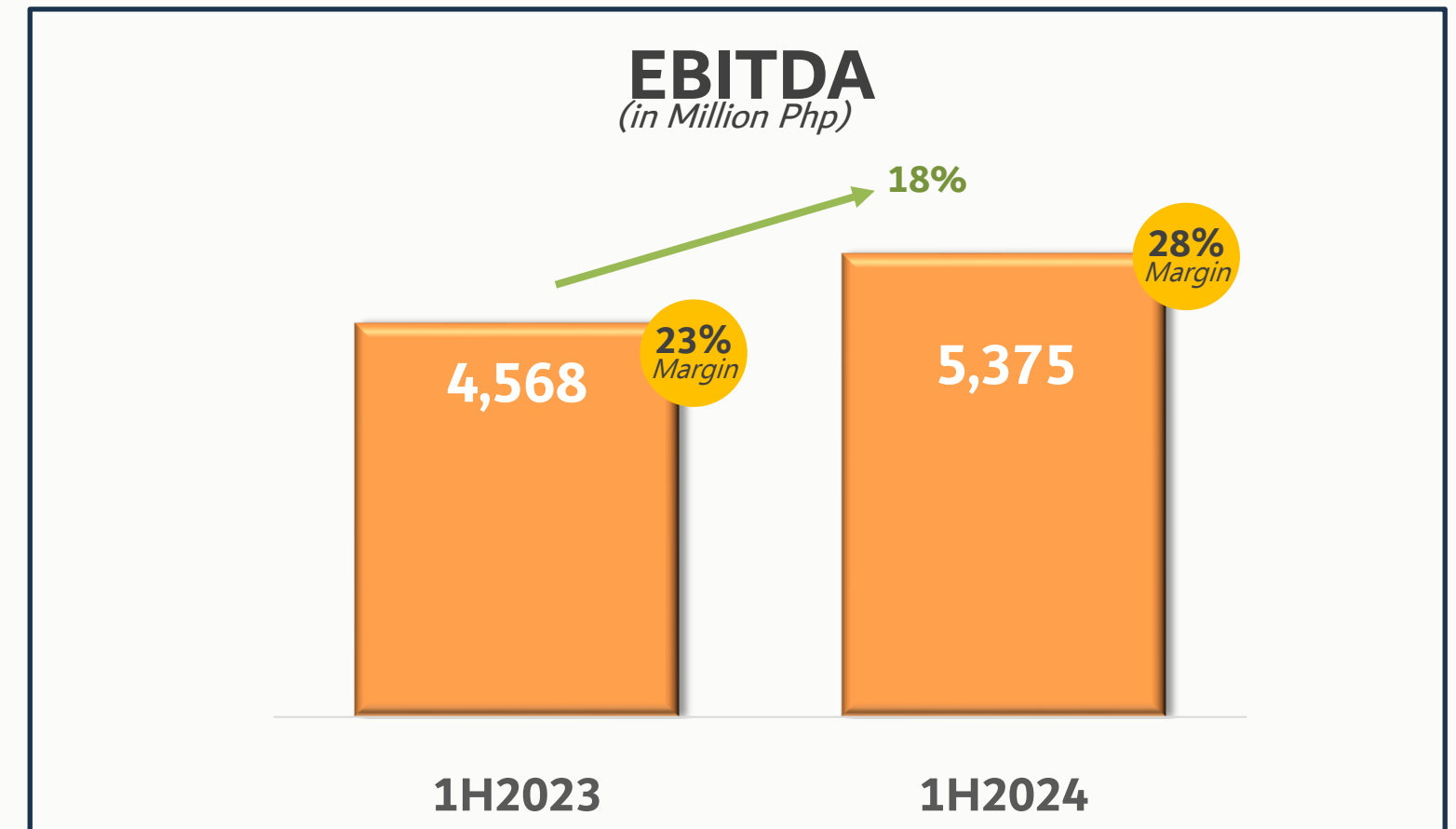
(In Million Php)	1H2024	1H2023	%Change
NET SALES	18,075	16,572	9%
INCOME FROM OPERATIONS	9,650	8,961	8%



The 4% increase in AADT propelled the business' topline growth. EBITDA rose by 9%, with margin remaining healthy.

# San Miguel Equity Investment Inc. – Cement Business’ posted double-digit growth of 31% in operating profit

(In Million Php)	1H2024	1H2023	%Change
NET SALES	18,962	20,164	(6%)
INCOME FROM OPERATIONS	3,952	3,023	31%



The Cement Business recorded a strong digit-growth in operating income despite the decline in revenue as the company implemented cost containment measures and saw a decline in input costs. These helped offset lower selling prices, which led to margin expansion and growth.



SMC maintained a robust balance sheet, with total assets at ₱2.6 trillion

## SMC Financial Position

<i>(In Billion Php)</i>	June 30, 2024	December 31, 2023
Total Current Assets	849	831
Total Assets	2,555	2,459
Cash	254	261
Total Current Liabilities	852	745
Interest-bearing debt	1,484	1,405
Total Liabilities	1,900	1,794
Total Equity	655	665





# 1H2024 Business Updates & Outlook

- » Progress on the Manila International Airport's land development and ground improvement works are ongoing with overall progress at 84.61%. Per approved DOTr timeline, Airport Development will be completed by the end of 2028.
- » On the NAIA rehabilitation project, the Concession Agreement (CA) was signed last March 18, 2024 between the DOTr, and Manila International Airport Authority (MIAA) and the concession company, New NAIA Infra, Corp. which was formed by the SMC-SAP Consortium.
- » For MRT-7, a study is ongoing on the realignment of the Highway Component. The Highway Component includes the new locations of the final two stations which is currently pending for approval. In 2Q2024, five additional trainsets were delivered, bringing the total trainsets delivered on-site to 22 out of the 36 trainsets ordered.
- » SMGP accomplished another key milestone on its BESS project with an additional BESS facility with a combined capacity of 110MWh, commencing operations on March 18, 2024.
- » SMGP participated from various CSPs conducted by Meralco and was able to bag a total of 3,440MW worth of Meralco Power Supply Agreements (PSA), of which 3,040MW have a 10–15-year contract term.







# Q&A







**SAN MIGUEL  
CORPORATION**

# Thank you!



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