



May 15, 2023

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

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

Gentlemen:

Please see attached press statement of the Company entitled "SMC reports strong Q1 results, revenues up 9% to P346.7 billion," which we will release to the press today.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer

News Release

SMC CORPORATE AFFAIRS OFFICE

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May 15, 2023

SMC reports strong Q1 results, revenues up 9% to P346.7 billion

San Miguel Corporation (SMC) reported a strong start to the year with revenues reaching P346.7 billion in the first quarter, up 9% from the same period last year. Growth was broad-based across most of its businesses, bolstered by higher volumes coming from Petron, San Miguel Brewery Inc, and SMC Infrastructure, among others.

"Our strong first quarter results reflect our commitment to execute well on our strategic priorities as we navigated through a very challenging environment. With raw material prices expected to stabilize, we are confident we can deliver an even better performance in the coming months," SMC president and CEO Ramon S. Ang said.

Consolidated operating income rose 8% to P35.1 billion while reported net income ended at P17.7 billion, up 27% from P13.9 billion. Consolidated EBITDA reached P50.7 billion, 13% higher than the previous year.

Food and Beverage

San Miguel Food and Beverage, Inc. (SMFB) posted consolidated revenues of P93.2 billion during the first three months, 12% higher than the same period last year, brought about by robust growth in beer volumes, combined with higher selling prices across the Beer, Spirits, and Food divisions. Net income rose 8% to P9.9 billion.

San Miguel Brewery Inc.'s (SMB) consolidated revenues was up 29% to P38.3 billion from P29.7 billion, as consolidated volumes rose 26% from the previous year, and price adjustments helped to partly recoup rising input costs. SMB's consolidated operating income and net income grew 25% and 38% to P8.4 billion and P6.8 billion, respectively.

Ginebra San Miguel Inc. volumes declined by 5% from the previous year, reflecting the effect of a temporary volume slowdown due to a price increase last February 1, 2023. Revenues meanwhile increased by 3% to ₱12.9 billion. Net income ended at ₱2.5 billion for the first quarter, 81% higher than 2022 on account of the one-time income cashflow generated in March with the transfer of Don Papa's product rights.

San Miguel Foods (SMF) posted consolidated revenues of ₱41.9 billion, a modest 3% growth from last year mainly on higher selling prices across product categories. Still, most businesses registered sluggish to negative volume growth, on account of higher inflation, aggravated by limited poultry supply. Net income ended at ₱740 million.

Power

San Miguel Global Power Holdings Corp.'s (SMCGP) off-take volumes for the 1st quarter ended at 4,657 Gwh, 33% lower than last year, due mainly to the absence of natural gas supply to the Ilijan power plant.

Operating income reached ₱7.6 billion, up 12% from previous year on the back of better margins on its available net capacity. Net income grew 177% to ₱5.3 billion primarily due to net foreign exchange gains recognized this year.

Fuel and Oil

Petron Corporation sustained its recovery momentum and delivered solid results in the first three months, with consolidated revenues reaching ₱188.8 billion, up 10% from last year. This was mainly driven by the continued growth in fuel demand in both the Philippines and Malaysia operations capturing 28.6 million barrels, 11% higher than in 2022.

Consolidated commercial sales grew 13% owing to increased demand from the aviation sector. Retail sales from both the Philippines and Malaysia markets similarly increased by 12% due to higher mobility. Polypropylene sales likewise expanded by 68%. Operating income ended at ₱8.4 billion, at par with the previous year, while net income amounted to ₱3.4 billion, 6% lower versus last year.

Infrastructure

SMC Infrastructure sustained its growth momentum, with combined average daily traffic volumes for the 1st quarter increasing by 23%. This was driven by the resumption of on-site work, in-person classes, and tourism-related travel. Correspondingly, consolidated revenues reached ₱8.2 billion, 31% higher than last year, and operating income soared 82% to ₱4.5 billion.

Cement

San Miguel's cement business, under San Miguel Equity investments Inc., posted significant growth in the first quarter, following the acquisition of Eagle Cement Corporation last December 2022. Consolidated revenues amounted to ₱10.3 billion, a 221% increase from ₱3.2 billion in the previous year. Operating Income amounted to ₱1.3 billion from ₱293 million. ###

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