



August 8, 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 H1 profits up 18% to P23.3 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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SMC H1 profits up 18% to P23.3 billion

San Miguel Corporation (SMC) delivered a strong performance in the first half of the year, reporting an 18% growth in net income to ₱23.3 billion. This was driven by sustained performance improvements across SMC's Beer, Spirits, Infrastructure, and Packaging units, supported by contributions from its new acquisition Eagle Cement.

Consolidated operating income was up 5% at ₱69.9 billion, tempered by rising raw materials costs which continued to affect its other businesses.

Meanwhile, consolidated revenues were down 4% to ₱685.2 billion as fuel subsidiary Petron Corporation continued to be affected by declining crude oil prices and San Miguel Global Power contended with lower volumes. Consolidated EBITDA was up 10% to ₱100.1 billion.

"We're greatly encouraged by the sustained growth we are seeing across most of our businesses. While there are challenges, we're confident in the programs we have put in place to address them. We are also keeping our focus on executing on our projects, implementing our growth strategies, and providing our customers the high-quality service they expect from San Miguel," SMC president and CEO Ramon S. Ang.

FOOD AND BEVERAGE

San Miguel Food and Beverage, Inc.'s (SMFB) consolidated revenues for the first six months reached ₱184.6 billion, 7% higher than the same period last year, driven by better selling prices across its Beer, Spirits, and Food divisions.

Consolidated operating income, however, ended lower by 13% at ₱23.0 billion, as the Food division continued to face rising raw material costs. With SMB and GSMI's sustained performance, net income ended at par from last year at ₱18.8 billion.

San Miguel Brewery Inc. (SMB) reported 14% growth in consolidated revenues in the first semester, registering ₱74.1 billion in sales compared to P65 billion posted in the same period last year. This is attributable to volume growth from both domestic and international operations at 9% and 16%, respectively, combined with a more favorable business environment. SMB posted consolidated operating income of ₱16.4 billion, up 12%, while consolidated net income ended at ₱13.5 billion, 26% higher than the previous year's levels.

Ginebra San Miguel Inc. (GSMI) also reported a strong first semester performance with sales revenues rising 10% to ₱25.4 billion, while income from operations went up 3% to ₱3.4 billion. Net income reached ₱4.1 billion, 64% higher than the same period last year, due to the recognition of the transfer of its product rights on the Don Papa brand.

San Miguel Foods (SMF) recorded consolidated revenues of ₱85.1 billion, slightly ahead of last year on higher selling prices implemented since the 2nd half of last year. This helped mitigate lower volumes resulting from high inflation, the resurgence of the African Swine Flu disease, and poultry capacity supply constraints. Correspondingly, consolidated operating income and consolidated net Income ended at ₱3.2 billion and ₱1.7 billion, respectively.

POWER

San Miguel Global Power Holdings Corp.'s (SMCGP) off-take volumes for the 1st semester ended at 10,685 Gwh, 25% lower than last year following the termination of its 670-MW power supply agreement with Meralco.

Consolidated operating income rose 8% from last year to ₱14.8 billion, on the back of better margins on its available net capacity. Consolidated net income meanwhile jumped to ₱5.9 billion, more than 4x higher than last year due partly to the appreciation of the peso this year.

FUEL AND OIL

Petron Corporation sustained its growth momentum in the first half of the year, recording a 12% increase in its consolidated sales volume at 57.61 million barrels, brought about by strong demand recovery. The Philippine operations posted sales volume growth of 16% while Malaysia by 7%.

Despite the softening of refinery margins, Petron sustained its consolidated operating income at ₱16 billion, at par versus last year, while net income settled at ₱6.14 billion, down 20% from last year's ₱7.7 billion.

INFRASTRUCTURE

SMC Infrastructure continued to deliver robust results as combined average daily traffic volumes across all its operating tollroads improved 13% to over 998,000 vehicles. As a result, consolidated revenues rose 23% to ₱16.6 billion and operating income reached ₱9.0 billion, up 50% from the same period last year.

CEMENT

San Miguel's Cement business, composed of Eagle Cement Corporation, Northern Cement Corporation, and Southern Concrete Industries, Inc., registered consolidated revenues of ₱20.2 billion, tripling from last year's ₱6.9 billion. Operating Income amounted to ₱3.0 billion, coming from ₱398 million the previous year.

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