Let's talk about the PHILIPPINE Economy



THE PHILIPPINES PROJECTED GROWTH

THE FASTEST GROWING ECONOMY ACROSS SOUTH EAST ASIAN COUNTRIES

2021 GDP growth of 7.1% in Q3. Expected to end year with 4.5% growth

2023 Philippines' economy back on track to pre pandemic level.

The Philippine Internet Economy will be \$40B, 5.3% of the Philippine GDP

2030 The economy will grow to \$1 trillion, with a population of 128M

2050 18th largest economy in the world, with a projected GDP of trillion

WHY INVEST IN THE PHILIPPINES?



- The Philippine Economy's strong fundamentals will assure sustained economic growth past the health crisis
- Continuous inflow of remittances expected to grow by 7.3% in 2021
- In a demographic sweet spot increasing young competent and reliable human resources.
 This translates to strong local consumption
- Booming infrastructure development for inclusive growth. Several operating economic zones and IT parks today, offering attractive tax incentives, and equipped with support capabilities
- Critical entry point to over 600 million people in the ASEAN Market and a natural gateway to the East-Asian economies.



DRIVERS OF GROWTH

INFRASTRUCTURE DEVELOPMENT

Increased economic activity and create jobs

105 flagship high-impact infrastructure projects

38 projects to be Completed in 2022



DRIVERS OF GROWTH

OVERSEAS FILIPINO WORKERS

More than 2M OFWs

\$33.2 B Total Remittances remained stable in 2020

Remittances Account for 9.2% of GDP

Remittances forecasted to grow by 7% in 2021.



DRIVERS OF GROWTH

BUSINESS PROCESS OUTSOURCING

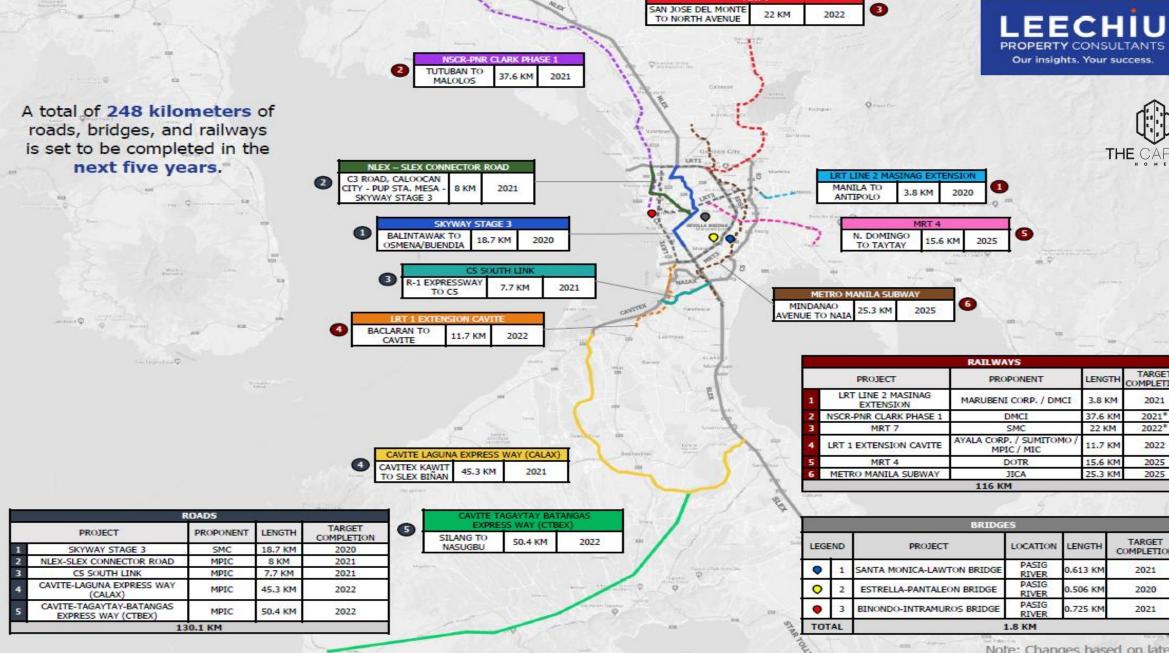
1.35 Million Jobs*

Virtually Zero Job Loss for 2020*

18% of Global BPO Industry

\$23B Contribution to the economy





Note: Changes based on latest data *Partial Operability

TARGET

OMPLETION

2021

2021*

2022*

2022

2025

2025

TARGET

COMPLETION

2021

2020

2021

THE PHILIPPINES: A CHAMPION OF GROWTH



POGO Boom

Pandemic



Typhoon Hagupit Boracay Closure Cotabato City Bombing Binay Alleged Corruption Hea DMCI Construction Hearings Binay Alleged Corruption Hearings MV Princess of the Star Sank Impeachment of Chief Justice Mayon volcano in Albay erupted Implementation of Excise Tax ZTE-NBN Irregularities Terrorist bombings Push for Federalism Meralco Stockholders Meeting ILOVEYOU computer virus Pres. Aguino's Final SONA Xiamen Airline incident at NAIA A Philippine Airlines Flight 812 is hijacked Kentex Manufacturing Slippers Factory Fire TRAIN 2 Law H1N1 Outbreak Typhoon Nona and Koppu PNP-SAF kiled in Maguindanao GMA installed as House Speaker Typhoon Ondoy, Pepeng and Marako Second EDSA Revolution Fire at the Manor Hotel in Que Tourist abductions in Palawan Superferry sank in Zamboanga Fire at the Manor Hotel in Quezon City Death of Corazon Aguino West Philippine Sea collision GDP expanded by 7% Greenbelt 5 Robbery Administrative Order 18 Rodrigo Duterte prodaimed as new President Maguindanao Massacre POGO crackdown Bombing in Zambo Capture and sente Jemaah Islamiyah Spratty Islands Dispute Bombing in Zamboanga Good Conduct Time Alowance Law Davao Bombing Capture and sentence of Typhoon Megi State of Emergency Declaration Manila Hostage Crisis Taal Volcanic Eruption War on Drugs Phil. General Elections COVID-19 Pandemic Oakwood Mutiny Above investment grade rating (BBB) DLSU explosion during Bar Exams Global Lockdown SARS Outbreak Inauguration of Pres. Noynoy Aquino Shutdown of TV Network ABS-CBN Jose Pidal plunder case Vizconde Massacre Case Finished Anti-Terrorism Law Resorts World Manila Attack Davao airport bombing Extrajudicial Kilings Four Active Volcanoes Terrorist threats in Hamilo Coast, Bohol, and Palawan Makati Bus Explosion Infanta Mud Side Tropical Storm Juaning Mindanao Martial Law Cement Consumption Superferry Bombing Typhoon Sendong Bird Flu Outbreak Phil. General Elections (35 MMT, 2019E) Arrest of former Pres. Gloria Arrovo Marawi Siege General Santos Christmas Bombing Pres. Duterte threatens to expel EU Diplomats OFW Remittance Fitch upgraded PH credit rating to 'BBB' V-day Bombing Corona Impeachment Trial Hello Garci Scandal
General Santos City Mal Bombing (US\$ 30.7 B, 2020E) Typhoon Pablo Cebu Governor Suspension 6.9 Magnitude Earthquake Negros and Cebu IT-BPM Revenue Mienyo Southern Leyte Mud Side State of Emergency Declaration Tropical Dispute with China (US\$ 27.2B, 2020E) Super Typhoon Haiyan Cebu Ferry Tragedy Kiling of Taiwanese Fisherman ZTE Scandal Senate Pork Barrel Scam Hearing Conviction of ERAP 5.4 Magnitude Earthquake Cebu and Bohol International Manila Peninsula Mutiny Bombings **Tourism Receipts** (US\$ 9.3B, 2019E) (11.7MMT) PSEi Index $(5.91\ 2020)$ (US\$ 6B) GDP per Capita (US\$ 1,607) (US\$ 2B) (US\$ 3.0K, 2020E) (1,494)(US\$ 90M) 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

Entry of Start of The Novel Coronavirus

Crisis

Entry of IT-BPM

IT-BPM Boom

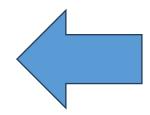
POGOs in

Let's talk about PHILIPPINE Real Estate



WHY INVEST IN PHILIPPINE REAL ESTATE?

- Resilient nature of Philippine real estate
- Infrastructure projects expected to boost property values
- Steady increase in property values
- Significant real estate demand from Overseas Filipinos, local buyers, and foreign investors
- Local Housing backlog of more than 6M





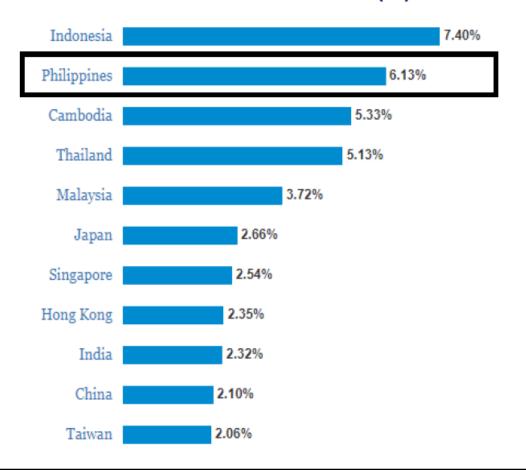
PHILIPPINE PROPERTY PRICES & RENTAL YIELDS REMAIN ATTRACTIVE



Property Prices in Asia (sq.m.)



Rental Yields in Asia (%)







High Capital Appreciation and Rental Yield



SMDC Developments Based on Launch Price (as of 2023)



METRO MANILA CITYSCAPE





- Most of these districts will be fully developed by 2020.
- Metro Manila may see a deficit in office supply by 2022 as key business districts maintain low vacancy rates.

3 MAJOR CBDs

MAKATI 400 Hectares

ORTIGAS 177 Hectares

BGC 300 Hectares

Roughly 877 hectares
of master-planned or
mixed-use developments spread
across the 3 Major CBDS

51 BUSINESS PARKS

MAKATI. MAKATI CBD. CENTURY CITY. ROCKWELL CENTER. CIRCUIT MAKATI. QUEZON CITY. UP TECHNOHUB. EASTWOOD CITY. ETON CENTRIS. ARANETA CYBERPARK. ROBINSONS BRIDGETOWNE IT PARK. VERTIS NORTH. UP TOWN CENTER. FAIRVIEW TERRACES. ALI CLOVERLEAF BALINTAWAK. NUVO. SM CITY NORTH EDSA COMPLEX. MANDALUYONG. GREENFIELD DISTRICT. ROBINSONS CYBERGATE. ROCKWELL SHERIDAN. SAN JUAN. SANTOLAN TOWN PLAZA. ORTIGAS. ORTIGAS CBD. ROCKWELL BUSINESS CENTER. ARCOVIA CITY. ORTIGAS EAST. CAPITOL COMMONS. PARKLINKS. MUNTINLUPA. FILINVEST CITY. LA FUERZA. NORTHGATE CYBERZONE. MADRIGAL BUSINESS PARK. ALABANG WEST. AYALA SOUTH PARK. TAGUIG. ARCA SOUTH. BONIFACIO GLOBAL CITY. UPTOWN. VERITOWN. BONIFACIO CAPITAL DISTRICT. MCKINLEY HILL. MICKINLEY WEST. LAS PINAS. PORTOFINO. EVIA. PASAY. NEWPORT CITY. SM MALL OF ASIA COMPLEX. METROPOLITAN BUSINESS PARK. DOUBLE DRAGON CYBERCAMPUS. FILINVEST CYBERZONE PASAY. PARANAQUE. ASIAWORLD CITY. ASEANA BUSINESS PARK. AYALA ASEANA. WESTSIDE CITY. MANILA. CITYPLACE. SAN LAZARO.

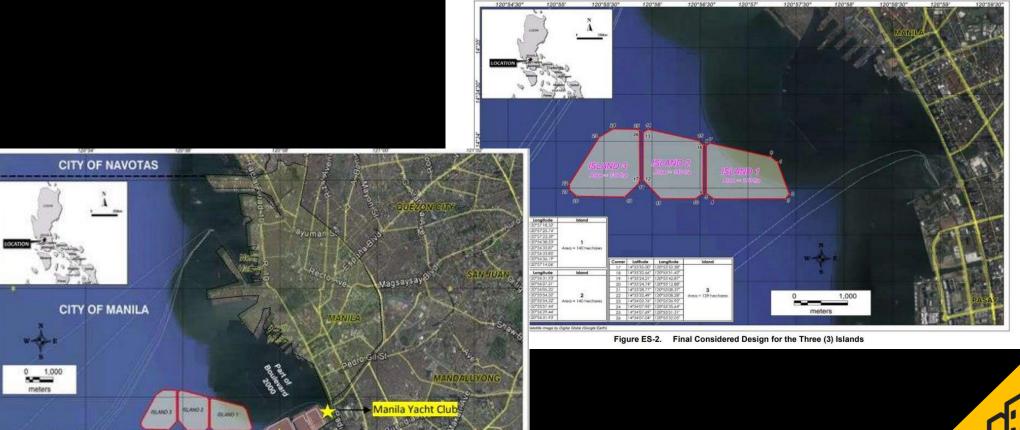
Approximately 1,891.5 hectares spread across 50 business parks

4 UPCOMING RECLAMATION PROJECTS

New Manila Bay International Community (UAA Kinming Group)
 Manila Waterfront City (WMPD)
 Solar City Urban Center (MGDC).
 Coastal Bay Project (SMPH).

1,508 hectares of upcoming reclaimed land shared across 4 projects

PROPOSED BULACAN AEROTROPOLIS × Quezon City Ortigas Makati Bay) Pasav BGC / Taguio Parañaque Alabang



Manila Goldcoast Reclamation

Pasay City Reclamation Project

CITY OF PASAY

PROPOSED HORIZON MANILA RECLAMATION PROJECT

City of Manila Government
Along Coast of Manila Bay in the territorial jurisdiction of the City of Manila



CONDOMINIUM PRICES ARE HOLDING

3Q2020 Price Per Sqm of Current Supply



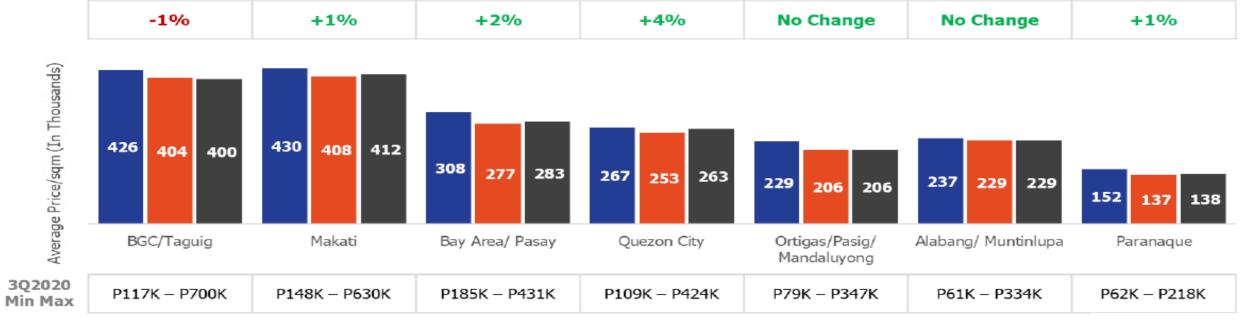


- Average price of primary units in major CBDs are increasing by 1% to 4% from major price decrease in 2Q2020
- Developers are extending their lower reservation fees, lower down payment and flexible payment scheme

PROOF THAT PHILIPPINE PROPERTIES ARE VERY RESILIENT

RESIDENTIAL CONDOMINIUM AVERAGE PRICE/SQM

Ave. QOQ % Change





Let's talk about

SMDC

TAKA HASEGAWA

Property Investment Director

SM Development Corporation

