PhilRatings PHILIPPINE RATING SERVICES CORPORATION *The Pioneer Domestic Credit Rating Agency*	**RATING NEWS** **July 23, 2026**

San Miguel Bonds Keep Highest Rating

Philippine Rating Services Corporation (PhilRatings) has maintained its Issue Credit Rating of **PRS Aaa**, with a **Stable Outlook**, for San Miguel Corporation's (SMC) outstanding bonds amounting to ₱139.2 billion.

Obligations rated **PRS Aaa** are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is **extremely strong**. PRS Aaa is the highest rating assigned by PhilRatings. A Stable Outlook, on the other hand, indicates that the rating is likely to be maintained or to remain unchanged in the next 12 months.

The assigned rating and Outlook took into account SMC's: (1) diversified portfolio that includes market-leading businesses; (2) solid leadership, with a well-defined succession program; (3) sustained profitability, albeit higher charges and non-recurring transactions affected bottom line; and (4) ample liquidity, supported by stable cash flow generation.

PhilRatings' ratings are based on available information and projections at the time that the rating was assigned. PhilRatings shall continuously monitor developments relating to SMC and may change the ratings at any time, should circumstances warrant a change.

SMC has built a highly diversified portfolio of businesses which includes food and beverage, packaging, energy, fuel and oil, infrastructure, cement, property, and banking services. Over the years, its key businesses have established solid market leadership, supported by strong brand equity and proven track record. In 2025, the Group's ₱1.5 trillion revenues represented approximately 5.3% of the country's Gross Domestic Product (GDP).

SMC's management is composed of highly skilled and well-experienced professionals, with a track record of successfully steering the conglomerate through various economic and industry highs and lows. The Company is led by Mr. Ramon S. Ang, SMC's Chairman and Chief Executive Officer (CEO). Mr. Ang is largely credited with the successful diversification of SMC outside of the food and beverage business.

In June 2024, Mr. John Paul L. Ang, the eldest son of Mr. Ramon S. Ang, was elected as President and Chief Operating Officer (COO) of SMC. In May 2026, he was also elected as President and CEO of Petron Corporation (Petron), the fuel and oil arm of SMC. He is also the President and CEO of San Miguel Food and Beverage, Inc. (SMFB) since 2024, Eagle Cement Corporation since 2008, and Solid North Mineral Corp. and Southwestern Cement Corporation since 2017. He is the President of San Miguel Equity Investments Inc. (SMEII) since 2023. His steady rise to senior leadership positions within the Group over the years reflects the Group's strategy on business continuity, supported by a clear succession plan.

SMC's profitability continued to be resilient, backed by the Group's widely diversified business operations. Consolidated net income rebounded by 158.2% in 2025 to ₱94.7 billion, supported by core income growth and one-off gain in relation to the Energy segment's deconsolidated subsidiaries. In the first three months of 2026 (3M2026), consolidated sales went up by 18.7% to ₱428.3 billion. Bottom line, however, was lower due to the exclusion of the one-time gain recognized in the previous year, as well as the recognized foreign exchange loss for 3M2026. Net income amounted to ₱22.5 billion, down by 48.2% from last year. Margins, however, remained within historical levels.

Year-end cash and cash equivalents further grew to ₱351.7 billion as of end-2025, while current ratio was kept ample at 1.2x. Cash flow generation was backed by healthy pre-tax income and capital-raising activities. In 3M2026, cash from operating activities was ample at ₱51.7 billion. Additional cash was raised from financing activities, amounting to ₱35.2 billion. Cash was mainly used in disbursements relating to property, plant and equipment and other intangible assets. Given the foregoing, cash and cash equivalents stood at ₱424.5 billion as of end-March 2026, expanding by 20.7% from end-2025. Current ratio remained more than adequate at 1.2x.

Continued core business expansion and enhancement projects will be supportive of top line growth, moving forward. Cash flows are likewise expected to be healthy, backed by sustained profitability. Given the foregoing, SMC is seen to be in a good position to service its debt obligations.