

 PHILIPPINE RATING SERVICES CORPORATION	CREDIT RATING REPORT
	SM PRIME HOLDINGS, INC.

Date: April 27, 2026
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Issue Credit Rating for Proposed Bond Issue

Tranche	Amount	Tenors	Assigned Rating and Outlook
Fourth tranche from Shelf Registration of up to ₱100.0 billion	Base of ₱12.0 billion with an Oversubscription Option of ₱6.0 billion	5.75 years and 10 years	PRS Aaa, Stable Outlook
Total Proposed Issuance – up to ₱18.0 billion			

Use of Proceeds: Debt refinancing and capital expenditure (capex) financing.

Monitoring of Outstanding Bond Issuances

Outstanding Amount (in PhP Billions)	Issue Date	Maturity Date	Interest Rate	Outstanding Rating and Outlook
Series F	10.00000	26-Jul-16	26-Jul-26	4.20%
Series L	3.62746	25-Mar-20	25-Mar-27	5.06%
Series O	10.00000	15-Nov-21	15-Nov-28	5.10%
Series P	10.91801	22-Apr-22	22-Apr-27	5.61%
Series Q	13.02990	22-Apr-22	22-Apr-29	6.12%
Series R	6.05209	22-Apr-22	22-Apr-32	6.54%
Series T	6.23651	23-May-23	23-May-27	6.22%
Series U	11.03251	23-May-23	23-May-29	6.33%
Series V	6.25000	24-Jun-24	24-Jun-27	6.58%
Series W	6.25000	24-Jun-24	24-Jun-29	6.75%
Series X	12.50000	24-Jun-24	24-Jun-31	6.97%
Series Y	7.12863	25-Feb-25	25-Feb-28	6.03%
Series Z	8.81252	25-Feb-25	25-Feb-31	6.21%
Series AA	9.05885	25-Feb-25	25-Feb-35	6.48%
Series AB	6.00000	17-Nov-25	17-Nov-30	5.91%
Series AC	5.00000	17-Nov-25	17-Nov-32	6.09%
Series AD	6.00000	17-Nov-25	17-Nov-35	6.29%
Total	137.89648			

PRS Aaa
Stable

RATIONALE

1. Well-experienced major shareholder and seasoned management

SM Prime Holdings, Inc.'s (SMPH, the Company) largest stockholder is SM Investments Corporation (SMIC), owning 49.8% of the Company's outstanding shares as of end-2025. SMIC is the holding company of the SM Group and is one of the largest conglomerates in the Philippines, with market-leading businesses in retail, banking, and property.

The members of the Sy Family exercise strategic control over SMPH as owners and advisers of the SM Group. The Chairman of the Board since 2014 is Henry T. Sy, Jr., one of the sons of the founder of the SM Group, the late Henry Sy, Sr. He is concurrently the Vice Chairman of the Board of SMIC. Key management positions, are held by seasoned non-family professionals and managers. Jeffrey C. Lim has led management as President since 2016. He also concurrently holds various board and executive positions within the SM Group. As key executives are shared within the SM conglomerate, the Company's strategic direction remains aligned with that of the SM group, and resources and initiatives are more effectively managed.

2. Solid brand equity

SMPH has established a strong franchise throughout the years. The Company, under the SM Supermalls brand, remained as the largest mall operator in the Philippines. As of end-2025, SMPH's Philippine malls increased from 88 in the last rating review in September 2025 to 89 malls, following the addition of SM City La Union in October 2025.¹ The Company has also grown its mall portfolio in China to nine malls, adding SM City Haicang in October 2025.

Through its Residential – Core business unit, SMPH is also a dominant player in the development of residential vertical and horizontal communities. Since 2013, Residential - Core had launched 185,825 units of primary residences, with an approximate value of ₱719 billion. In July 2025, SMPH entered the premium segment through the launch of its new line, Signature Series by SM Residences. In its initial offering, SMPH introduced Susana Heights, spanning 284 hectares (ha) with build-ready residential lots ranging from 500 square meters (sqm) to 900 sqm.

The Company, through its Hotels and Convention Centers business unit, operates six convention centers and two trade halls with almost 42,000 sqm of total leasable space as of end-2025. These developments collectively formed the largest privately-run exhibition and conventions chain in the Philippines. Looking ahead, total leasable space will be further expanded by the upcoming SMX Convention Center Seaside Cebu, which is targeted to be completed in 2026. Expected to be the largest convention center in the Philippines, the development will occupy a sizeable 40,000 sqm in gross floor area (GFA) and offer an estimated total event space of 21,000 sqm.

As of end-2025, SMPH had a total nationwide land bank of 4,446.0 ha, spread across its various business segments. According to management, the current landbank can support five to seven years of development.

¹ https://www.smpriime.com/company_releases/sm-prime-opens-89th-mall-sm-city-la-union-to-feature-sandbox-outdoor-space/

3. Sustained profitability on the back of rental income growth

SMPH's total consolidated revenues in 2025 amounted to ₱141.1 billion, a marginal (+0.5%) increase from 2024. Total rental income maintained steady growth, posting a 6.2% increase to ₱83.6 billion. Such growth, however, was tempered by the decline in real estate sales, which fell by 11.5% to ₱40.6 billion during the year. The notable decline in real estate sales occurred in the fourth quarter of 2025 (4Q2025), offsetting the gains recorded earlier in the year.² On the other hand, Other revenues, which include revenues from ice skating, bowling, amusement and recreation, hotel food and beverage sales, sponsorships, advertising, and cinema and event ticket sales grew by 6.9% to ₱16.9 billion.

Despite the relatively flat revenue growth in 2025, SMPH recorded improved margins. Operating profit margin (OPM) increased from 48.5% in 2024 to 50.8%, attributable to the 4.1% decline in the Company's total cost and expenses, particularly in administrative costs and cost of real estate. Operating income grew by 5.4% to ₱71.7 billion. The Company's bottom line likewise grew modestly by 6.8% to ₱49.7 billion in 2025. Net profit margin (NPM) also improved to 35.2%, from 33.1% in 2024.

Amid the anticipated slowdown of the domestic economy, SMPH expects to sustain its earnings growth moving forward, with rental income as primary revenue contributor.

4. Healthy cashflow generation and satisfactory capitalization structure

SMPH continued to generate positive operating cash flow in 2025. Cash from operations grew further to ₱74.9 billion, up from ₱67.3 billion in 2024. The improvement in working capital also contributed to the increased cash from operations. SMPH's internally generated cash continued to be a strong funding support for the Company's investment and financing needs. Current ratio remained adequate at 1.0x as of end-2025, although this was slightly lower than 1.1x as of end-2024.

As of end-2025, debt-to-equity (DE) ratio was maintained at 0.9x while the share of debt to capitalization was 47.4%, as of end-2025.

Robust operating cash flow is expected to be maintained moving forward, on the back of the projected steady growth in operating income. SMPH's capital structure is also seen to further strengthen in the long-term.

²<https://www.abs-cbn.com/news/business/2026/2/16/sm-eyes-launching-new-major-projects-in-2026-as-income-climbs-to-p48-8-billion-in-2025-1704>

BUSINESS PROFILE

Company Profile

SMPH is reportedly one of the largest integrated property developers in Southeast Asia.³ The Company owns a well-diversified property portfolio which includes malls, residences, commercial and integrated commercial development, hotels, and convention centers. It is also one of the largest property developers in the Philippines in terms of assets, reporting ₱1.1 trillion of total assets as of end- December 2025.

As of end-December 2025, SMPH had 11 integrated property developments in Metro Manila and 11 in key provincial cities in the Philippines (unchanged since the last rating review).

SMPRIME Integrated Lifestyle Cities

SMPRIME has integrated property developments in Metro Manila and in key provincial cities in the Philippines

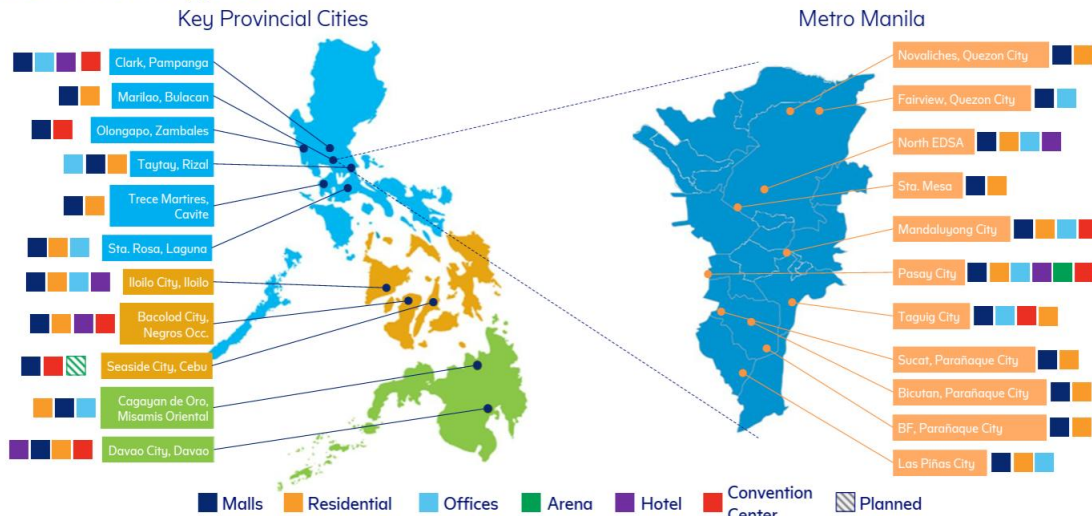


Figure 1. SMPH Integrated Property Developments

Source: SMIC Investor Presentation Full Year 2025

Operating Segments

Since its incorporation in 1994, SMPH has grown to be the largest retail shopping center developer and operator in the Philippines. Operating under the brand SM Supermalls, SMPH established itself as a dominant player in the malls business in the country. The Company also expanded its mall operations to China in 2001, with SM City Xiamen as its pioneer mall in the country.

SMPH is also involved in the development of residential vertical and horizontal communities under its Residential – Core business unit.

³ <https://www.smprime.com/about-us/>

SMPH likewise owns leisure and resort developments. These include projects located in Tagaytay Highlands and Tagaytay Midlands in Laguna, Tagaytay City, and Batangas, as well as in Pico de Loro Cove within Hamilo Coast in Nasugbu, Batangas.

Hotels and Convention Centers business unit oversees the hospitality business of SMPH. SMPH also operates convention centers and trade halls through SMX Convention Center (SMX). SMX has evolved into a growing franchise, after branching out to Taguig, Davao, Bacolod, and Clark, from its first site in the Mall of Asia (MOA) Complex.

The Commercial business unit oversees the leasing, operations, and management of the Group's office buildings located in key cities of Metro Manila and strategic regions of the country.

As of end-2025, SMPH had a total land bank of 4,446.0 ha nationwide, spread across its various business segments: 41.5% in mall development, 39.1% in primary residential, 13.0% in residential leisure development, and 6.4% in commercial and integrated commercial development. The majority of the land bank (79.0% of the total) is in Luzon (excluding Metro Manila).

Table 1. Breakdown of Revenues According to Segment

(In ₱ Millions)	Revenues				Average	Net Income			Average
	2023	2024	2025	% to Total	2023	2024	2025	% to Total	
Mall	72,566	79,653	85,055	57.9%	24,327	28,692	36,036	64.9%	
Residential	43,731	47,764	42,520	32.8%	12,154	13,257	9,002	25.1%	
Commercial and Integrated Commercial Dev't	5,348	5,450	5,354	3.9%	3,420	3,330	3,232	7.3%	
Hotels and Convention Centers	6,679	7,783	8,456	5.6%	963	1,260	1,457	2.7%	
Eliminations	-227	-259	-278	-0.2%	0	0	0	0.0%	
Total	128,098	140,391	141,107	100.0%	40,864	46,539	49,727	100.0%	

Source: SMPH 2025 Annual Financial Statements (AFS)

SMPH's Mall business remained as its largest revenue contributor, with an average share of 57.9% of consolidated revenues since 2023. Revenues from this segment went up by 6.8% in 2025 from ₱79.7 billion in 2024 to ₱85.1 billion, while bottom line expanded by 25.6% to ₱36.0 billion. These growths were supported by stable and improved occupancy rates.⁴

The Residential business followed, contributing an average of 32.8% of total revenues in the last three years. The balance which comprised 9.5% of total revenues, on average, was from the Commercial and Integrated Commercial Development, as well as Hotels and Convention Centers businesses.

It is worth noting, however, that revenues from the Residential segment decreased by 11.0% in 2025 to ₱42.5 billion, and which was attributed to slower revenue recognition. Net income contribution from the same segment also fell by 32.1% to ₱9.0 billion. Similarly, revenues from the Commercial and Integrated Commercial segment inched down by 1.8% to ₱5.4 billion while earnings contribution decreased by 2.9% to ₱3.2 billion. The slight downtick was attributable to lower occupancy rate in warehouses.

⁴ Short-term leases were maintained at 94% occupancy, while long-term leases went up by 3 percentage points (ppt) to 96% occupancy.

In contrast, the Hotels and Convention Centers segment showed improved results. Revenue contributions increased by 8.6% to ₱8.5 billion in 2025 while net income grew by 15.6% to ₱1.5 billion. Such growths were on the back of strong bookings from MICE activities in convention centers, with a 34% increase in visitor count to 8.5 million in 2025.

Malls

SMPH remains as the largest mall operator in the Philippines under the SM Supermalls brand. As of end-2025, SMPH's Philippine malls increased from 88 as of the last credit rating review in September 2025 to 89 malls, following the addition of SM City La Union in October 2025 (86% occupancy rate as of December 2025)⁵. SM City Haicang in China was also added in October 2025 (90% occupancy rate), increasing the Company's China mall portfolio to nine malls as of end-2025.

Total GFA in the Philippines increased from 9.5 million sqm as of the previous rating review in September 2025 to 9.7 million sqm as of end-December 2025. Total GFA in China, on the other hand, inched up to 1.8 million sqm as of end-2025.

In 2025, the Company's malls in the Philippines and in China maintained their average daily pedestrian count of 3.8 million and 0.4 million, respectively.

Table 2. Major Mall Operators in the Philippines

	SMPH	Ayala Land	Robinsons Land	DoubleDragon
Gross Leasable Area (GLA) as of end-2025	89 malls 5.1 million sqm	34 malls 2.2 million sqm	57 malls 1.7 million sqm	53 malls 612,000 sqm*

*in GFA (total GLA is not available)

Table 3. Geographical Distribution of SMPH Malls in 2025

Location	Number of Malls	Gross Floor Area (million sqm)	% Total GFA
Metro Manila	25	4.0	35.1%
Luzon*	49	3.7	31.6%
Visayas	8	1.2	10.5%
Mindanao**	7	0.8	7.0%
China	9	1.8	15.8%
TOTAL	98	11.5	100.0%

*Excluding Metro Manila

**Excluding SM City Zamboanga which opened in 2026

As of end-2025, the malls business had a landbank of 1,846.4 ha. SM Supermalls President Steven Tan shared that SM Supermalls is planning to open one flagship mall each year, alongside regional and provincial centers, targeting a total of 115 malls by 2030. In 2026, the Company opened SM City Zamboanga and targets to complete three malls: SM City Nuvali in Sta. Rosa, Laguna (86% completed as of end-December 2025); SM City Tagum in Tagum, Davao Del Norte (65% completed); and SM City General Trias in General Trias, Cavite (61% completed). These malls are estimated to add 466,000 sqm of GFA. Moving forward, the majority of new mall openings will be located outside Metro Manila.

⁵ SMPH operated 87 malls at approximately 9.4 million sqm as of end-December 2024.

Mr. Tan also added that mall tenant mix is shifting towards food/dining, with food tenants taking up roughly 30% of mall space, from 10% a decade ago. Entertainment and other non-food tenants, on the other hand, occupy 50% of total mall space.⁶

SM Supermalls continues to modernize its existing malls. SMPH will be investing undergo redevelopment across 16 major redevelopments and 12 new lifestyle malls, enhancing its portfolio to greener, smarter, and more people-centric developments.⁷ Mall formats are being redesigned to widen corridors and incorporate more open areas. One of its ongoing developments, SM Nuvali, will feature a one-ha airconditioned indoor park. Mr. Tan disclosed that digital enhancements are also part of the redevelopment plan. Systems under rollout include smart parking technology, app-based promotions, artificial intelligence for customer service, and data tools to manage utilities.⁸

Recent Developments

SM City La Union⁹

Located in San Fernando City, SM City La Union opened on October 17, 2025, marking SMPH's 9th mall in Northern Luzon. SM City La Union has about 51,000 sqm of GLA and 96,000 sqm of GFA. SM City La Union is the first mall of the SM Group in La Union, and the second largest SM mall in the Ilocos Region. The mall features a "beach-inspired" design reflecting the province's surf culture, including a 1,348-sqm outdoor space called The Sandbox. The latter can be used for various activities such as live band sessions, games, and other types of events. It also has a children's playground and a paw park/pet playground.

SM City Zamboanga¹⁰

On March 20, 2026, the Company opened SM City Zamboanga to the public, its 90th mall in the country and 8th mall in Mindanao. Adding more than 42,000 sqm of GLA, the four-level mall along Mayor Vitaliano Agan Avenue in Barangay Camino Nuevo, will reportedly pioneer several features in the region. These include the tallest scenic elevator in Mindanao, equipped with Light-Emitting Diode (LED) displays and a corner outdoor LED wall capable of showing three-dimensional content, as well as Zamboanga's first electric vehicle charging station, among others.

SM Harrison Plaza¹¹

SMPH is investing more than ₱6 billion to redevelop SM Harrison Plaza on the former Harrison Plaza Complex in Manila, with target completion in 2027. Opened in 1976, Harrison Plaza was the first modern, fully air-conditioned one-stop shopping mall in the Philippines. After over 40 years of operation, it officially closed on December 31, 2019. The original structure was fully demolished by October 2021 to clear the seven-ha site for SM Harrison Plaza. Once finished, SM Harrison Plaza will have an estimated GFA of more than 200,000 sqm and incorporate nature-inspired architectural elements alongside open layouts, community spaces, and green areas.

⁶ <https://insiderph.com/sm-malls-strategic-pivot-dining-entertainment-steal-the-show>

⁷ <https://www.smsupermalls.com/whats-new/lifestyle/sm-supermalls-bold-new-era-all-for-you>

⁸ <https://asianbusinessreview.com/exclusive/sm-supermalls-pivots-experience-led-retail-26b-national-rollout>

⁹ https://www.smprime.com/company_releases/sm-prime-opens-89th-mall-sm-city-la-union-to-feature-sandbox-outdoor-space/

¹⁰ <https://www.rappler.com/business/sm-city-zamboanga-opens-march-2026/>

<https://business.inquirer.net/580144/sm-city-zamboanga-opens-doors-on-march-20>

¹¹ https://www.smprime.com/company_releases/sm-prime-invests-p6b-in-sm-harrison-plaza-flagship-mall-to-rise-in-iconic-site-by-2027/

Residences

Primary Homes

Residential – Core business unit of SMPH is one of country’s major developers of high-rise buildings (HRBs), mid-rise buildings (MRBs), and single-detached house and lot (H&L). Since 2013, Residential - Core has launched 185,825 units of primary residences, with an approximate value of ₱719 billion.

As of end-2025, Residential - Core had 68 core residential projects nationwide, from 67 as of the previous credit rating review in September 2025. Of the total, 47 residential projects were in Metro Manila, majority of which were classified as HRBs. These projects are primarily located in the cities of Quezon, Pasay, Parañaque, and Makati. There were 20 residential projects in key provincial cities, 17 of which were MRBs, while the remaining three were H&L developments. Strategically positioned near SM malls and transport terminals, these projects offered enhanced accessibility and convenience.

In 2025, reservation sales declined by 22.3% from ₱63.0 billion in 2024 to ₱48.9 billion, attributed to the 23.1% decrease in core reservation sales¹². Launches were also more conservative, posting a 27.8% decrease to 2,155 units. Inventory went up by 4.6% to 28,036 units.

Management continue to monitor the impact of the Iran war to the business including its possible on real estate sales. To date, related sales made in Middle East countries accounts for 8% only of sales reservation.

As of end-2025, the primary residential business had a landbank of 1,735.9 ha: 1,386.2 ha in Luzon (including 326.7 ha in Metro Manila); 152.4 ha in Visayas; and 197.3 ha in Mindanao.

Recent Developments

Symphony Homes¹³

SMPH’s newest launch in 2025, Symphony Homes, is a 28-ha H&L development in Barangay Atlubola, Mabalacat, Pampanga. The development is situated near key locations, such as the SM City Clark, the Clark International Airport, major highways, schools, and a hospital. Symphony Homes will feature expansive green spaces, a clubhouse, sports facilities, and parks. Albeit the project is targeted to be completed by December 2029, take-up was already at 77% as of December 2025.

Susana Heights¹⁴

In July 2025, SMPH entered the premium and luxury segment through the launch of its new line, Signature Series by SM Residences.

The Signature Series has a landbank of 400 ha, of which up to 300 ha are in Metro Manila. The landbank also includes properties located in Cebu, Cavite, Tagaytay, and Batangas.

¹² Core reservation sales, often handled by reservation sales agents, involves proactively converting booking inquiries into revenue while managing guest inquiries, cancellations, and modifications. Unlike mere booking takers, these agents focus on maximizing revenue through upselling, cross-selling, and using a consultative sales approach.

¹³<https://smdc.com/properties/symphony-homes/symphony-homes/>
<https://www.smdc-pampanga.com/symphony-homes.html>

¹⁴ <https://business.inquirer.net/570486/signature-series-set-to-make-a-mark-in-metros-coveted-addresses>

In its initial offering, SMPH introduced Susana Heights, spanning 284 ha with build-ready residential lots ranging from 500 sqm to 900 sqm. Also within the development is a 104-ha village that will feature spacious lots, spanning from 700 sqm to 1,100 sqm.¹⁵ These will be complemented by an 8,000-sqm Northern Plaza and a 6.2-ha lifestyle hub. Susana Heights will be offering dining and specialty retail stores, with its Phase One scheduled for completion by 2028.¹⁶

Leisure Homes

SMPH's leisure homes includes two large-scale tourism projects — Tagaytay Highlands and Pico de Loro. Tagaytay Highlands is an exclusive mountain resort, golf club, and residential complex, across areas in Cavite, Laguna, and Batangas. Pico de Loro, on the other hand, is the first phase of the Hamilo Coast project spanning 40 ha, which is a premier and sustainable leisure destination in Nasugbu, Batangas. As of end-2025, Tagaytay Highlands has four ongoing projects, ranging from H&L, townhouses, and lot-only developments, while Pico de Loro has an ongoing MRB and an eco-resort.

Total residential sales from leisure projects posted a significant growth of 54.3%, from ₱1.7 billion in 2024 to ₱2.6 billion in 2025. The Leisure Homes business unit had a landbank of 578.7 ha as of end-2025.

Recent Developments

M Village¹⁷

M Village is SMPH's flagship eco-resort community nestled in its Hamilo Coast project. Built on a 12-ha land, the development in Nasugbu Batangas will allocate more than 60% of the property for open spaces and natural systems.

The initial phase will offer more than 174 residential lots, which are designed to allow buyers to dock their four- to six-meter boats and jet skis near their homes. SMPH has earmarked ₱3 billion for the development of M Village. Construction efforts are said to be on track for scheduled completion by late 2028.¹⁸

Scottsdale Villas and Redstone Condominiums in Tagaytay Highlands¹⁹

Located within the Midlands district of Tagaytay Highlands, Horizon Terraces is a master-planned community spanning 3.2 ha, with more than 70% allocated to landscaped gardens and open space. Within Horizon Terraces are Scottsdale Villas, which started turnover in December 2025, and Redstone Condominiums, which opened in March 2026. Scottsdale Villas consists of three-story townhomes ranging from 139 to 172 sqm while the Redstone Condominiums is comprised of one- to two-bedroom low-rise condominium units ranging from 35 to 103 sqm.

¹⁵ <https://signatures.com.ph/property/susana-heights/>

<https://business.inquirer.net/570486/signature-series-set-to-make-a-mark-in-metros-coveted-addresses>

¹⁶ <https://business.inquirer.net/570486/signature-series-set-to-make-a-mark-in-metros-coveted-addresses>

¹⁷ <https://business.inquirer.net/560005/sm-prime-invests-p3b-in-new-eco-resort-in-nasugbu>

¹⁸ https://www.smprime.com/company_releases/costa-del-hamilo-invests-p3b-to-build-eco-resort-community-in-batangas/

¹⁹ https://www.smprime.com/company_releases/scottsdale-villas-and-redstone-condominiums-in-tagaytay-highlands-set-for-turnover/

Commercial and Integrated Commercial Development

Commercial business unit handles the development, leasing, operations, and management of office buildings (located in key cities of Metro Manila and strategic regions of the country), as well as other landholdings. Office buildings include the E-com Centers in MOA Complex and the SM Cyber Buildings in Makati, as well as office buildings in other emerging locations.

SMPH had seven stand-alone offices and 15 mall-adjacent offices. The combined GFA of these offices was about 1.6 million sqm as of end-2025, unchanged from as of end-2024. Five of these buildings, which have a combined GFA of about 631,000 sqm, are located within the MOA Complex in Pasay City. The occupancy of the Company's offices slight improved, from 80% as of end-2024 to 81% as of end-2025.

Currently, SMPH is developing Six E-Com Center (a two-tower office complex and its sixth office building in MOA Complex) and an office building adjacent to SM City Bacolod's The North Block. These projects are seen to increase GFA by 92,000 sqm. As of end-2025, Six E-Com Center was 28% completed and is targeted to finish by 2027, while The North Block was 63% completed with a target completion within 2026.

As of end-2025, SMPH also had five warehouses with a total GFA of 206,000 sqm. Occupancy rate of the warehouses decreased from 100% as of end-2024 to 90% as of end-2025, due to temporary renovation closures.

The Company's tenant mix was composed of third-party operators/business process outsourcing companies (BPO; 57%), traditional office tenants (24%), and shared-services providers (19%). Looking ahead, management does not perceive the advancement of artificial intelligence (AI), particularly its possible adverse effects on BPO, as a potential threat to the leasing operations. The Commercial business unit had an available landbank of 45.6 ha, as of end-2025.

Under its Integrated Commercial Development business unit, SMPH is undertaking a 360-ha reclamation project called Pasay 360 (formerly SM Smart City), in collaboration with the local government of Pasay City. Pasay 360 is envisioned to be a mixed-use development with commercial, retail, and residential components, similar to the completed MOA reclamation project.²⁰ Project Pasay 360 is estimated to be worth US\$2.6 million (₱150 billion). Looking ahead, the project is expected to generate over one million jobs, as well as billions of pesos in taxes for the national and local government.

The Integrated Commercial Development business unit had an available landbank of 239.4 ha, as of end-2025.

Recent Developments

Pasay 360

The project's horizontal development was scheduled to begin in 2027, and target turnover of the project to the Pasay City local government was in 2028. As of report writing date, the sand coastal land expansion was 86% complete; sand pouring was completed and land titling remains on schedule. SMPH has also exceeded the budgeted 2025 capex spend of ₱25.0 billion for the project by ₱3.0 billion.

²⁰ In 2006, the SM Mall of Asia was completed and became the anchor development in the 60-ha reclaimed property now known as the MOA Complex.

SM Renames Business District as Mall of Asia Complex

SM City Cebu Towers²¹

SM Offices, the office leasing arm of SMPH plans to add more than 60,000 sqm of leasable space in SM City Cebu Towers by 4Q2026 due to the observed increase in demand.²² Located near to the redeveloped SM City Cebu North Wing complex and the National University (NU) campus, the office targets traditional corporations and BPO firms.

SM City Santa Rosa IT Center²³

In October 2025, the Philippine Economic Zone Authority (PEZA) and SM Offices signed a Registration Agreement (RA) declaring SM City Santa Rosa IT Center as an Information Technology Economic Zone.²⁴ The accreditation by PEZA, which was approved under Presidential Proclamation No. 944, carries incentives like income tax holidays and duty-free importation.

Iloilo Central Market and Terminal Market²⁵

In November 2025, SMPH, in partnership with the Iloilo City Government, opened the redeveloped Iloilo Central Market and Terminal Market, two of the city's largest public spaces and which have been transformed into more modern centers of local enterprise.

The redevelopment is a landmark public-private partnership (PPP) that was signed in August 2022 and which broke ground in 2023. Total GFA spanned over 62,000 sqm with nearly ₱3 billion invested to refurbish the spaces. The project, which was reported to be completed at no cost to the city, is being managed by the Local Economic Enterprise Office.

The SM Iloilo Terminal Market (SITM) features a lifestyle center that has a GFA of almost 20,000 sqm and 58 long-term leasable spaces. The market section has been expanded to accommodate 1,160 vendors from 911 vendors. The SM Iloilo Central Market (SICM), on the other hand, has a community space with more than 17,000 square meters of GFA and 61 leasable areas, including a central market section which can cater up to 850 vendors, from 529 vendors.

Hotels and Convention Centers

Hotels and Convention Centers business unit develops and operates the portfolio of SMPH in the hospitality business. As of end-2025, SMPH operated ten hotels with 2,602 rooms, unchanged since the last credit rating review in September 2025. These ten hotels were: Taal Vista Hotel in Tagaytay, Radisson Blu Hotel in Cebu, Pico Sands Hotel in Hamilo Coast, Park Inn by Radisson in Davao, Park Inn by Radisson in Clark, Conrad Manila in Pasay, Park Inn by Radisson in Iloilo, Park Inn by Radisson in North EDSA, Park Inn by Radisson in Bacolod, and Lanson Place MOA.

SMPH hotels recorded a 63% occupancy rate in 2025, down from 67% in 2024, mainly due to the effects of unfavorable weather conditions. The average daily rate, on the other hand, posted a slight uptick to ₱5,857 per room in 2025, compared with the ₱5,753 per room in 2024.

²¹ https://www.smprime.com/company_releases/sm-offices-plans-60000-square-meter-cebu-expansion-as-demand-surges/

²² According to Leechiu Property Consultants (LPC), Cebu accounted for 150,000 sqm or 55% of provincial office take-up in 2025, a 33% increase from 2024

²³ <https://insiderph.com/peza-sm-offices-boost-laguna-with-santa-rosa-it-ecozone>

²⁴ Under the Proclamation No. 944, signed by President Ferdinand Marcos Jr., a designated a portion of SM City Santa Rosa was classified as a special IT ecozone under PEZA.

²⁵ https://www.smprime.com/company_releases/sm-prime-and-iloilo-city-partner-to-revitalize-public-markets-as-cultural-landmarks/

SMPH operates six convention centers and two trade halls, with almost 42,000 sqm of total leasable space, as of end-2025. These developments collectively formed the largest privately-run exhibition and conventions chain in the Philippines. The SMX Convention Centers were in the MOA Complex, Taguig, Davao, Bacolod, Olongapo, and Clark, while the two trade halls were in SM Megamall and SM Seaside City Cebu. The occupancy rate of the convention center business improved from 48% in 2024 to 55% in 2025, while the number of visitors grew by 34% to 8.5 million.

SMPH earmarked a capex of ₱15.0 billion for a five-year expansion program of its hotels and convention centers segment. This involves eight new hotels and two convention centers by the end of 2028, as well as the enhancement and expansion of existing properties.

Recent Developments

Park Inn by Radisson SM City Dasmariñas²⁶

Park Inn by Radisson SM City Dasmariñas was launched in December 2025 as the newest addition to SMPH's growing hospitality portfolio, in partnership with Radisson Hotel Group (RHG). Targeted to open in the fourth quarter of 2027, the new hotel will feature 148 guestrooms, one suite, a dining center, and a fitness center, among others.

Radisson Hotel and Park Inn by Radisson SM MOA Manila²⁷

Set to open in 2031, the new mixed-use hospitality hub will unite both developments of Radisson and Park Inn by Radisson within the same vicinity.

Radisson Hotel SM MOA Manila will offer 200 rooms, including 49 suites and one presidential suite. Hotel features include a gym, pools, a lobby lounge bar, a specialty 160-sqm rooftop bar and restaurant, and a pool bar. About 3,486 sqm will be allocated as an event space, highlighted by a 2,160 sqm ballroom, as well as an executive lounge. Park Inn by Radisson SM MOA, on the other hand, will have 300 rooms, including 45 suites and facilities such as a coffee bar, a gym, and pools.

The Park Inn development appeals to more value-conscious business or leisure travelers, while the Radisson development targets travelers looking for premium offerings. Both developments offer convenience given their proximity to the MOA Complex.

Park Inn by Radisson SM City Santa Rosa

Scheduled to open in 2029, the new hotel in Laguna introduces 200 rooms, including 25 suites. The hotel features three food and beverage outlets, modern meeting and events facilities, as well as leisure facilities such as a gym, pools, and play areas.

SMX Center for International Trade and Exhibitions (SMXCITE)

Located across the SM MOA Arena, SMXCITE is a 10-ha development that will expand the existing SMX Convention Center in Pasay City. Once completed, the project will add over 18,000 sqm of GLA and will include four exhibition halls.²⁸

²⁶https://www.smpriime.com/company_releases/sm-hotels-accelerate-its-growth-with-the-opening-of-park-inn-by-radisson-sm-city-dasmariñas-a-dual-brand-at-sm-mall-of-asia-and-an-expansion-in-santa-rosa/

²⁷<https://hospitalitynews.ph/radisson-and-smhcc-unveil-major-hotel-expansion-in-moa-and-sta-rosa/>

²⁸<https://www.meetings-conventions-asia.com/News/Venues/Who-s-SMXCITE-Philippines-unveils-new-mega-convention-venue>

SMX Convention Center Seaside Cebu²⁹

SMX Convention Center Seaside Cebu was launched in 2023 and is expected to be the largest convention center in the Philippines, occupying a sizeable 41,000 sqm in GFA. The six-level project will have four trade halls, eight function rooms, and 19 meeting rooms, and is designed to have integrated connectivity to SM Seaside Arena and SM Seaside City Cebu. The total event space is estimated at 21,000 sqm.³⁰ As of December 2025, the project was 45% completed and is on track to be completed in 4Q2026.

Aside from these, SMPH will open three new SMX Trade Halls in Luzon in 4Q2026. These new developments will be in Cabanatuan (Nueva Ecija), Santo Tomas (Batangas; 34% completed as of December 2025), and Santa Rosa (Laguna), adding more than 13,000 sqm of leasable exhibition space outside of Metro Manila. These facilities will feature flexible layouts and will be integrated into nearby retail and hospitality developments.

Expansion in Taal Vista Hotel³¹

SMPH's premier property in Tagaytay, Taal Vista Hotel, opened its pioneer Presidential Villa in early 2026. The new 600-sqm villa is located on the fourth floor of the Mountain Wing, offering views of Taal Lake and Volcano. For 2026, the hotel is set to launch its refreshed 133-room Lake Wing, featuring its Deluxe, Premier, Deluxe Suite, and Batangas Suites.

Ownership and Management

SMIC is SMPH's largest stockholder, owning 49.8% of the Company's outstanding shares as of end-2025. SMIC is the holding company of the SM Group and is one of the largest conglomerates in the Philippines, with market-leading businesses in retail, banking, and property. As of report writing date, SMIC has outstanding PRS-rated bonds amounting to ₱7.5 billion. The bonds are rated PRS Aaa, with a Stable Outlook. Listed at the Philippine Stock Exchange (PSE), SMIC's market capitalization stood at ₱756.9 billion as of April 13, 2026.

SM Retail Inc. (SM Retail) serves as the retail arm of the SM Group. It operates leading department stores under the SM Store brand and several food retail formats, which include SM Supermarkets, SM Hypermarkets, Savemore, WalterMart, and Alfamart stores. In addition, SM Retail manages a range of specialty stores focused on do-it-yourself (DIY), furniture, appliances, and toys, among others.

Under SMIC's banking segment are BDO Unibank, Inc. (BDO) and China Banking Corporation (China Bank), the country's largest and fifth largest banks by total assets, respectively, as of end-2025. Both listed at the PSE, BDO's market capitalization stood at ₱624.2 billion while China Bank's market capitalization amounted to ₱166.9 billion, as of April 13, 2026.

SMIC also has portfolio investments in other sectors such as leisure properties, office buildings, commercial chains, logistics, food manufacturing, geothermal steam production, and mining.

In 2025, SMIC sustained the growth of its top line, with consolidated revenues going up by 4.1% to ₱681.7 billion. Similarly, net income increased by 8.0% to ₱123.8 billion and net profit margin further improved

²⁹ <https://www.meetings-conventions-asia.com/News/Venues/SM-Hotels-expands-beyond-Manila-with-new-Luzon-venues>

³⁰ <https://www.smxconventioncenter.com/smxccsc/>

³¹ https://www.smprime.com/company_releases/sm-hotels-and-conventions-corporations-smhcc-flagship-hotel-in-tagaytay-city-to-open-presidential-villa-in-2026/

https://www.smprime.com/company_releases/sm-hotels-taal-vista-hotel-to-unveil-renovated-lake-wing-rooms-in-2026/

to 18.2%. According to SMIC, the resilient topline and earnings growth were attributed to its strong brand franchise and healthy consumer spending.

Table 4. SMIC Segment Contribution to Revenues and Net Income

	Revenues			Net Income		
	2023	2024	2025	2023	2024	2025
Retail	67%	66%	67%	19%	18%	18%
Property	19%	20%	20%	25%	26%	27%
Banks	7%	7%	7%	47%	49%	49%
Portfolio	7%	7%	6%	9%	7%	6%

Source: SMIC Investor Presentation, April 2026

The members of the Sy Family continue to exercise strategic control over SMPH as owners and advisers of the SM Group. The Chairman of the Board since 2014 is Henry T. Sy, Jr., one of the sons of the founder of the SM Group, the late Henry Sy, Sr. He is also concurrently the Vice Chairman of the Board of SMIC.

Key management positions, however, are held by seasoned non-family professionals and managers. Jeffrey C. Lim has led management as President since 2016. He also concurrently holds various board and executive positions within the SM Group.

Cris Noel E. Torres was appointed Executive Vice President effective February 16, 2026. He is a licensed mechanical engineer and holds a Master of Business Administration degree from the Wharton School of the University of Pennsylvania. He began his career in corporate finance and advisory and later held roles in private equity and the consumer goods industry, expanding his expertise in investment management and operational strategy.³²

As of end-December 2025, SMPH had 12,647 regular employees. There is no existing collective bargaining agreement (CBA) between the Company and any of its employees.

Strategy

According to management, the Company is monitoring the impact of the Iran war to the business.

In response to the State of National Energy Emergency in the Philippines, SM Supermalls cut its operating hours by two to three hours beginning on March 30, 2026, and announced new schedules (weekday hours adjusted to 11 a.m. to 9 p.m. and weekend hours set at 10 a.m. to 9 p.m.). According to management, the Company is still monitoring the overall impact of the shortened mall operating hours.

In the hospitality segment, the key projects/initiatives in 2026 include the launch of the renovated Lake Wing of Taal Vista Hotel, the construction of the newly launched Park Inn by Radisson SM City Dasmariñas, and the completion of the SMX Seaside Cebu.

Looking ahead, SMPH has a capex budget at ₱100.0 billion in 2026, prioritizing the timely completion of ongoing projects, strengthening customer engagement, and improving services to sustain customer foot traffic and sales. The Company continues to review and monitor this capex budget amidst the ongoing

³² <https://tribune.net.ph/2026/02/18/sm-prime-boosts-buyback-appoints-new-executive-vp>

Middle East crisis. Moreover, SMPH’s commercial properties, particularly its malls, hotels, and convention centers, are expected to anchor the Company’s growth in 2026.³³

According to the statement of SMPH President Mr. Lim in January 2026, the sentiment of the Philippine property developers may remain cautious given global and local uncertainties but the property sector’s long-term fundamentals remain strong. This was supported by the country’s young population, growing middle class share, and continued urbanization. He recognized, however, that overall residential take-up will likely be tempered, but expects that the upscale segment will remain resilient. Additionally, he shared that SMPH continues to bank on its differentiated product offerings, pricing strategies, and strategic locations across its residential and commercial developments to capture consumer demand.³⁴

Environmental, Social and Governance (ESG)

The SM Group takes an integrated approach in creating shared value for all its stakeholders and applying global ESG best practices across its ecosystem of businesses. The Group aligns its sustainability programs with the 17 United Nations Sustainable Development Goals. Additionally, the Group is a signatory of the UN Global Compact’s Ten Principles.

Established in 2020, SMPH’s Sustainability Council oversees the Company’s sustainability efforts. The Council is comprised of the following groups: Advisory Group (Head Office divisions that provide recommendations, based on their expertise, to the Steering Committee), Sustainability Secretariat (the department that coordinates with the members of the Advisory Group and business unit heads), and Technical Working Group (members of the business units that serve as data collectors and analysts). Mr. Lim, SMPH’s President, is the Steering Committee Chairman.

SMPH targets to achieve net-zero emissions by 2040, based on its net-zero ambition action plan.

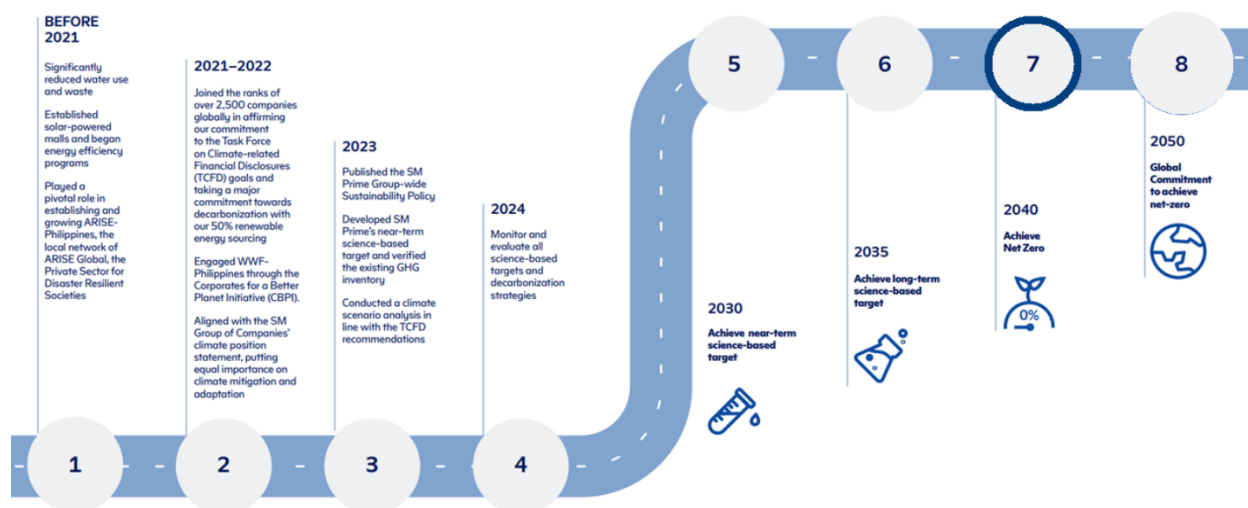


Figure 2. Net-Zero Ambition Action Plan

³³<https://www.bworldonline.com/corporate/2026/02/17/730899/sm-prime-posts-7-profit-growth-to-p48-8b-keeps-capex-at-p100b/>

³⁴ <https://www.bworldonline.com/property/2026/01/13/723680/developers-set-sights-on-expansion-in-2026/>

Source: SMPH Investor Kit FY2025

The minimum near-term goal is to reduce Scopes 1 and 2 greenhouse gases (GHG) emissions by 46.2%, and Scope 3 GHG emissions by 27.5% by 2030, based on 2019 levels. These targets were set in collaboration with World Wide Fund for Nature Philippines (WWF-Philippines). In this phase of the action plan, the Company will prioritize energy efficiency measures across existing and new developments.

The decarbonization strategy is anchored on five key pillars:

1. Phasing out fossil fuels
2. Managing demand through energy efficiency
3. Sustainable energy supply
4. Greening construction
5. Neutralizing emissions

In addition to its net-zero emissions target, SMPH also took bold steps toward achieving a “waste-free future.” In March 2025, SMPH, through SM Supermalls, expanded the reach of the SM Green Movement and the SM Green Recycling Machine (GRM) program with its new partnership with global cleaning technology company Sparklo. The collaboration pioneers Sparklo’s reverse vending machine technology in the Philippines, providing innovations in plastic bottle and can recycling systems.³⁵ Ten SM Green Recycling Machines have been deployed across selected SM malls nationwide³⁶ during the initial phase, allowing customers to conveniently recycle PET plastic beverage bottles in exchange of points/discounts in the Sparklo application. There is a planned rollout of 30 additional recycling machines in more SM Supermalls across the Philippines.

Sustainable water management is also promoted across SMPH developments in line with its “water for tomorrow” initiative. To reduce consumption and encourage conservation, the Company implements rainwater harvesting, wastewater treatment, and water recycling technologies across its developments.

SM Megamall in Mandaluyong City has been redesigned to integrate long-term sustainability measures throughout the property. SMPH announced a ₱7.0-billion budget for the renovation, with phased completion targeted between 2027 and 2029. Some of the integral sustainability features of the redevelopment include solar panels installation, a 500-cubic-meter rainwater harvesting system for water conservation, ETFE³⁷ roofing for reduced artificial lighting and lower cooling costs, and LED lighting and sensor-activated escalators to lower energy consumption.

SMPH is also looking at sustainable financing (such as green bonds) or sustainability-linked financing instruments to diversify its funding sources. The Company is evaluating the viability of issuing such bonds given its good standing in terms of ESG rating. In August 2025, SMPH retained its inclusion in the FTSE4Good Index Series, a globally recognized benchmark for companies that adhere to ESG standards.³⁸ This was the ninth consecutive year that SMPH was included in the FTS4Good Index Series.

³⁵https://www.smprime.com/company_releases/sm-introduces-sparklo-reverse-vending-machines-to-the-philippines-for-the-first-time-ever/

³⁶ Participating locations include SM Mall of Asia, S Maison, SM Southmall, SM Aura, SM North Edsa, SM Megamall, The Podium, SM City San Lazaro, SM Seaside City Cebu, and SM Lanang.

³⁷ ETFE (Ethylene Tetrafluoroethylene) durable, highly transparent, environmentally friendly, and a lightweight alternative to glass structures. It’s the new generation material which goes beyond glass.

³⁸ The FTSE4Good Index evaluates companies using more than 300 data points across three core pillars—environmental, social, and governance; spanning 14 themes such as climate change, human rights, and anti-corruption. Firms must meet minimum ESG score thresholds of 3.3 for developed markets and 2.9 for emerging markets, with reviews conducted semi-annually.

SMPH continues to take steps to integrate cleaner and renewable energy systems throughout its portfolio. SM Development Corporation (SMDC) introduced renewable energy solutions into the common areas of four of its residential developments. The initial rollout covers Style Residences (Iloilo), Spring Residences (Bicutan), South Residences (Las Piñas), and Vine Residences (Novaliches). This initiative forms part of SMDC's partnership with Buskowitz in October 2025; Buskowitz is a Philippine-based renewable energy solutions provider. Estimates show that this initiative could reduce energy consumption in shared areas by 15%.³⁹ For its offices, Five E-com Center received the LEED v4.1 O+M: Existing Buildings framework certification in early 2026, which evaluates energy efficiency, water conservation, indoor environmental quality and building management practices.⁴⁰

In January 2026, SMPH celebrated a milestone for clean energy in the country, with 59 of its properties now generating a combined 100 megawatts (MW) of on-site renewable energy, one of the largest solar capacities among property developers in the Philippines. Additionally, more than 50% of energy use across SM Supermalls comes from renewable sources, supported by partnerships with Aboitiz Renewables, TotalEnergies, Citicore Renewable Energy Corporation, among others.⁴¹

ECONOMY

Gross Domestic Product (GDP)⁴²

The Philippine GDP expanded by 3.0% in 4Q2025. This was the slowest quarterly growth recorded since 3Q2011, excluding the contractions during the height of the COVID-19 pandemic. The foregoing brought the country's GDP growth rate for full-year 2025 to 4.4%, which was below the government's target of 5.5%–6.5%. This marked the third straight year that GDP growth fell short of the target.

On the supply side, drivers of growth in 2025 were the following industries: Wholesale and retail trade; repair of motor vehicles and motorcycles, 4.6%; Financial and insurance activities, 5.6%; and Public administration and defense; compulsory social security, 7.9%. At the aggregate sector level, Agriculture, forestry and fishing (AFF), Industry, and Services grew by 3.1%, 1.5%, and 5.9%, respectively.

Department of Economy, Planning, and Development (DEPDev) Secretary Arsenio Balisacan cited as reasons for the missed growth target the impact of weather-related disturbances for the year and the corruption scandal surrounding flood control projects. The latter reportedly dampened investments and consumer confidence.

On the demand side, HFCE grew by 4.6% in 2025, slower than the 4.9% recorded in 2024. Government Final Consumption Expenditure (GFCE) likewise increased by 9.1%, quicker than the 7.3% posted in 2024. Gross capital formation (GCF), on the other hand, declined by 2.1% in 2025, from a 7.7% growth in 2024, driven by the contraction in the government's spending for infrastructure during the last quarter of the year.

³⁹ <https://smdc.com/the-good-life/smdc-introduces-renewable-energy-systems-across-key-residential-projects/>

⁴⁰ https://www.smpriime.com/company_releases/sm-offices-fivee-com-center-earns-leed-gold-certification-bolsters-green-office-portfolio/

⁴¹ https://www.smpriime.com/company_releases/sm-prime-is-building-for-a-smarter-cleaner-energy-future/

⁴² Philippine Statistics Authority

<https://business.inquirer.net/571342/philippine-gdp-growth-down-to-3-in-q4-2025>

Inflation and Interest Rates⁴³

Headline inflation in March 2026 accelerated to 4.1%, surging from the 2.4% inflation in February and the 1.8% a year ago. This brings the average inflation rate for the first three months of 2026 to 2.8%. According to the Philippine Statistics Authority (PSA), the uptrend was primarily driven by the annual increment of the transport index at 9.9%, a reversal from an annual decrease of 0.3% in February 2026. Additionally, food and non-alcoholic beverages also contributed to the growth. Meanwhile, core inflation, which excludes selected volatile food and energy items, posted another increase to 3.2%, from 2.8% in January 2026 and 2.9% in February 2026.

The accelerated domestic inflation in March marginally breached the central bank's target range of 2% to 4%. Despite this development, the BSP kept its policy rate at 4.25% during its off-cycle Monetary Board Meeting held on March 26, 2026. While acknowledging the effects of the ongoing conflict in the Middle East on global oil and fertilizer prices, as well as its impact to higher domestic fuel prices and transportation fares, the BSP sees the upside risks to inflation as largely supply-driven for which the monetary policy has "limited effectiveness". Moving forward, the BSP will continue to assess how these developments will impact inflation and growth dynamics.⁴⁴

Latest BSP projections indicate that inflation in 2026 would breach 4.0% but will go down by 2027. The central bank has also raised its average inflation forecast for the year from 3.6% to 5.1%, while lowering its GDP growth forecast to 4.4% from the 4.6% forecast in February 2026.⁴⁵ Looking ahead, the BSP sees continued weak economic growth in 2026.

Outlook⁴⁶

On April 9, 2026, S&P Global Ratings (S&P), downgraded the Philippines' outlook from "Positive" to "Stable", signaling that the country's "BBB+" investment-grade rating is unlikely to change over the next one to two years. The global credit rating agency explained that the outlook was revised "because the war in the Middle East has increased risks for the trajectory of the country's external and fiscal metrics," and "it is unlikely that external and fiscal support will improve sufficiently over the next two to three years."⁴⁷ Moving forward, S&P forecasts that the ongoing energy developments will further temper economic activity in the country in the first half of 2026 but expects a recovery in the second half of 2026, with GDP forecasted at 5.8% for the whole year. Over 2027-2029, S&P's GDP projection is at 6.2%.⁴⁸

On April 20, 2026, Fitch Ratings affirmed the Philippines' long-term foreign-currency issuer default rating (IDR) at "BBB", maintaining an investment-grade status. The outlook, however, was revised from "stable" to "negative", signaling a potential downgrade within the next 18 to 24 months. The possible downgrade

⁴³<https://business.inquirer.net/577609/breaking-philippine-inflation-rises-to-2-4-in-february>

<https://www.gmanetwork.com/news/money/economy/978827/inflation-picks-up-to-12-month-high/story/>

<https://www.philstar.com/business/2026/03/07/2512506/oil-100-may-force-bsp-hike-interest-rates->

⁴⁴ <https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=7853&MType=MediaReleases>

⁴⁵ <https://tribune.net.ph/2026/03/26/bsp-holds-rates-at-425-warns-inflation-may-breach-4-ceiling>

<https://manilastandard.net/business/economy-trade/314720440/bsp-raises-2026-inflation-forecast-to-5-1-on-oil-risks.html>

⁴⁶<https://www.philstar.com/business/2026/01/30/2504386/gdp-growth-slows-44-2025>

<https://business.inquirer.net/569528/imf-sees-sub-6-growth-for-ph-through-2027>

<https://www.bworldonline.com/top-stories/2025/12/09/717310/world-bank-cuts-philippine-growth-forecasts-until-2027>

<https://www.philstar.com/business/2026/02/03/2505285/bsp-chief-rate-cut-remains-option>

⁴⁷<https://business.inquirer.net/584358/a-credit-rating-dream-stalled-sp-outlook-on-philippines-lowered-to-stable-from-positive#>

⁴⁸ <https://www.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3542352>

would be the first credit rating downgrade for the country in more than two decades.⁴⁹ According to Fitch Ratings, the Outlook revision reflects rising risks to the Philippines' strong medium-term growth due to recent disruptions to public investment, further elevated by the exposure to the ongoing global energy shock. Looking ahead, forecast inflation for 2026 was revised to 4.1%, from 1.7% in 2025, citing higher energy prices. GDP growth is projected at 4.6% in 2026, a slight improvement from the actual 4.4% growth in 2025, attributed to gradual public capex recovery amid lower household consumption given higher energy costs.⁵⁰

On April 14, 2026, both the International Monetary Fund (IMF) and Moody's Ratings reduced their 2026 GDP growth forecasts for the Philippines. The IMF revised its initial GDP forecast of 5.6% to 4.1%, citing lower-than-expected growth in the latter part of 2025, rooted in dampened investor confidence due to the negative impact of the flood control corruption scandal, as well as the ongoing Middle East conflict. Notwithstanding this, the IMF retained its GDP forecast for 2027 at 5.8%.

Moody's Ratings also cut its previous GDP forecast for 2026 from 5.5% to 4.9%, and its GDP growth estimates for 2027 from 5.6% to 5.3%. The credit rating agency stated that "domestic demand and industrial activity should remain subdued as elevated energy costs and fuel shortages, along with trade uncertainty and climate risks, weigh on economic activity." Moody's Ratings also raised its inflation forecast from 3.0% to 3.7% in 2026 and 3.2% to 3.5% in 2027.⁵¹

The Asian Development Bank's (ADB) likewise cut its GDP forecasts for the Philippines for 2026, from 5.3% in its December 2025 forecast to 4.4%. For 2027, the initial GDP estimate was set to 5.5%. Inflation, on the other hand, is projected to rise to 4.0% in 2026, primarily due to high global commodity prices, before easing to 3.5% in 2027.⁵²

Unemployment Rate⁵³

The Philippines' total labor force stood at 52.1 million in February 2026, higher by 2% from 51.1 million from February of last year, and 3.9% higher than January 2026. Meanwhile, the country's Labor Force Participation Rate (LFPR), inched up from 62.3% in January 2026, to 63.8% in February 2026.

The unemployment rate slightly declined from 5.8% in January 2026, to 5.1% in February 2026 where the total estimated number of unemployed people is 2.7 million, slightly lower than approximately 3.0 million people of the previous month. The decline is attributed to a rebound from January where workers were met with contracts for jobs ending as the holiday season concluded.

Moreover, the country's employment rate experienced a slight uptick in February 2026 which was recorded at 94.9% or 49.4 million people employed. The service sector remained with the highest share of employed personnel accounting for 63.5% of the total. Administrative and support services led the increase in the said sector with approximately 572,000 new personnel, followed by Transportation and storage with over 486,000 new personnel. On the other hand, Wholesale and retail trade had the highest annual decrease of employed personnel by 725,000 people.

⁴⁹ <https://business.inquirer.net/586269/ph-may-face-first-credit-downgrade-in-decades-as-fitch-turns-negative>

⁵⁰ <https://www.fitchratings.com/research/sovereigns/fitch-revises-philippines-outlook-to-negative-affirms-at-bbb-20-04-2026>

⁵¹ <https://manilastandard.net/business/314726875/imf-moodys-cut-2026-philippine-growth-outlook.html>

⁵² <https://www.adb.org/news/philippine-gdp-growth-remain-subdued-amid-global-uncertainty>

⁵³ <https://psa.gov.ph/statistics/labor-force-survey>

<https://www.philstar.com/business/2026/04/09/2519589/jobless-rate-eases-51-february>

Despite the improvement of the country's labor market, the ongoing geopolitical tension in the Middle East pose risks according to the Philippine Statistics Authority (PSA). Arsenio Baliscan, Secretary of the Department of Economy, Planning, and Development (DEPDev), noted that the conflict could create serious downside to the labor market as an effect of the surge in oil prices, particularly affecting essential industries like agriculture.

Overseas Filipinos Remittances⁵⁴

In February 2026, remittances from Overseas Filipinos (OFs) fell to a nine-month low. Cash transfers through banks and other formal channels declined, from US\$3.02 billion in January 2026 to US\$2.79 billion in February, reflecting a 7.6% decrease. This figure, however, was higher by 2.6% than the US\$2.72 billion recorded in February of the previous year.

Concurrently, personal remittances, which include transfers sent in kind or in cash via informal channels, also dropped by 8.8%, from US\$3.4 billion in January 2026 to US\$3.1 billion the following month, although, such was higher than February 2025 which amounted to US\$3.0 billion, reflecting a 2.5% year-on-year increase.

Cash remittances from land-based workers rose by 2.7% to US\$2.3 billion in February 2026, while those sent by sea-based workers increased by 2.0% to US\$530.0 million. The United States continued to be the largest source of remittances during the period, accounting for approximately 40.0% of total inflows, followed by Singapore at 7.6%, Saudi Arabia at 6.1%, Japan at 5.3%, and the United Arab Emirates (UAE) at 4.2%. The BSP, however, noted that its data might not fully reflect the true origin of inflows, as remittances sent via informal channels and those done through money couriers are recorded based on the courier's main office location, which is commonly in the United States.

According to Moody's Ratings, a prolonged conflict in the Middle East would severely impact remittance inflows to the Philippines. Data from the Department of Migrant Workers (DMW) shows that around 2.4 million Overseas Filipino Workers (OFWs) are based in the Middle East, particularly in the United Arab Emirates (UAE), Saudi Arabia, and Qatar. Similarly, Jeremiah Opiniano, Executive Director of the Institute for Migration and Development Issues (IMDI), pointed out that increases in remittances may not necessarily indicate real growth, as they could be influenced by factors such as peso-dollar exchange rate movements. Nonetheless, Jonathan Ravelas of Tacandong & Co. mentioned that unless the conflict leads to massive job losses or payment disruptions, remittances are still likely to maintain positive growth.

⁵⁴ <https://www.philstar.com/business/2026/03/17/2514771/remittances-rise-35-3-billion-january>
<https://business.inquirer.net/579770/ph-remittances-rose-3-5-in-jan-despite-seasonal-pullback>

Impact of the ongoing conflicts in the Middle East⁵⁵

In light of the recent geopolitical tensions in the Middle East, Finance Secretary Frederick Go stated that the ongoing conflict will have a modest, albeit temporary, effect on the Philippine economy. The closure of the Strait of Hormuz is seen to be among the key headwinds affecting the country's inflation, and as such will drive the projected spike in oil prices globally. ING Think claimed that a 0.4 ppt increase to the Philippines' inflation print may be triggered for every 10% increase in oil prices.

Fuel prices have climbed since the last week of February 2026. According to Dr. Alicor Panao, an associate professor at the University of the Philippines, diesel prices and gasoline prices in the Philippines have risen by 111% and 71.6%, respectively, based on GlobalPetrolPrices data as of March 30, 2026. As of April 7, 2026, after the latest round of oil price hikes, diesel was sold at ₱172.90 per liter, gasoline at ₱119.90, and kerosene at ₱178.29.⁵⁶

Higher fuel prices increase the cost of production for manufacturing firms, the energy costs of households, and transportation costs. The Department of Energy (DOE) emphasized that it can only monitor prices, not regulate them, under the 1998 Downstream Oil Industry Deregulation Act.

Remittances from OFWs in the Middle East are also likely to be affected by the ongoing situation. Philippine Institute for Development Studies (PIDS) mentioned, however, that remittances remained resilient even amid tensions. Short-term precautionary remittances also recorded increases even amid past uncertainties. The Philippine Peso, on the other hand, may also expect some downward pressure against the US dollar. China Bank Corporation's chief economist Domin Velasquez mentioned that during conflicts in the Middle East, global markets historically responded with risk aversion, which supports the US dollar.

On March 24, 2026, President Marcos Jr. declared a State of National Energy Emergency through the Executive Order No. 110, citing oil supply risks from Middle East tensions, particularly the U.S.-Israel-Iran conflict. "The declaration of a state of national energy emergency will enable the government... to implement responsive and coordinated measures under existing laws to address the risks posed by disruptions in the global energy supply and the domestic economy," the President added. He also stated that a committee has been formed to ensure the orderly movement, supply, distribution and availability of fuel, food, medicine, agricultural products, and other essential goods. The emergency declaration will remain in force for one year and will allow the government to procure fuel and petroleum products to ensure timely and sufficient supply and, if necessary, pay part of the contract amount in advance.⁵⁷

On April 7, 2026, US President Donald Trump announced a two-week ceasefire between Washington and Tehran, two hours prior to his deadline for Tehran to reopen the Strait of Hormuz, and a stark contrast to

⁵⁵ <https://qa.philstar.com/business/2026/03/02/2511332/philippine-can-weather-impact-middle-east-conflict>

<https://www.pna.gov.ph/articles/1270327>

<https://www.bworldonline.com/top-stories/2026/03/04/734007/philippines-seen-to-be-more-affected-by-oil-shock-than-asia-pacific-peers/>

<https://globalnation.inquirer.net/313041/iran-says-can-fight-for-months-as-israel-strikes-beirut-hotel>

<https://globalnation.inquirer.net/312787/dfa-projection-middle-east-conflict-may-last-4-to-8-weeks>

<https://business.inquirer.net/578317/diesel-prices-to-soar-by-up-to-p24-liter-this-week>

⁵⁶ <https://newsinfo.inquirer.net/2209348/ph-no-longer-southeast-asias-worst-in-oil-price-hikes-but-pain-persists>

⁵⁷ <https://www.aljazeera.com/news/2026/3/25/philippine-president-declares-energy-emergency-as-impact-of-iran-war-felt>

his threat of devastating attacks on its Iran's civilian infrastructure. The war, in its sixth week, resulted to more than 5,000 deaths in nearly a dozen countries, including more than 1,600 civilians in Iran.⁵⁸

The ceasefire talks sparked decreases in oil prices in the world market. As a result, after consecutive fuel price hikes, oil prices are expected to decrease the week of April 12, 2026. Department of Energy (DOE) Secretary Sharon Garin said however, that global factors, including damaged oil infrastructure and rising delivery costs, will continue to keep pump prices elevated. The department also communicated that "Filipinos should not expect fuel prices to return to pre-war levels anytime soon, even if the ongoing conflict in major oil-producing regions were to stop."⁵⁹

On April 12, 2026, Secretary Garin confirmed that oil companies will reduce price of diesel by ₱20 per liter, gasoline by ₱4.23 per liter, and kerosene by ₱8.5 per liter starting on April 13, 2026.⁶⁰ On April 21, 2026, prices are further cut by ₱24.94 per liter for diesel, and ₱3.41 per liter for gasoline. According to Secretary Garin, "oil companies are now mandated to comply with the minimum and maximum amounts that the government would set regarding the adjustments in the price of petroleum products amid the state of national energy emergency".⁶¹

As of April 22, 2026, the two-week temporary ceasefire deal, which began on April 12 between the US and Iran, was extended indefinitely as peace talks continue between the nations.⁶²

INDUSTRY

Real Estate

The recent spike in fuel prices could have mixed implications for the property sector. On one hand, higher gasoline and diesel prices may encourage people to live closer to their workplaces to save on transportation costs, supporting demand for properties in CBDs and highly accessible locations. On the other hand, rising fuel costs contribute to inflation, which increases commodity prices and the cost of borrowing. This may prompt middle-income buyers—who form the core market for many developers, including SMPH—to delay or cancel big ticket purchases such as houses or condos, adversely impacting midmarket and affordable segments. Luxury and high-end properties may remain relatively resilient, as the market for this segment is expected to be less affected by price increases compared to other market segments. Overall, while oil prices do not directly drive real estate investments, their domino effects on inflation, consumer behavior, and financing costs could influence market activity, particularly amid ongoing geopolitical uncertainty.

Additionally, LPC stated in its first quarter report in 2026 that the interest rate-sensitive real estate industry is challenged by pressures from the ongoing Middle East Conflict, particularly citing rapid fuel price spikes which hamper monetary easing and economic recovery. Further, it shared that when economic growth slowed to 4.4% in 2025, real estate price growth nearly flattened. It noted that the

⁵⁸ <https://www.reuters.com/world/iran-war-live-tehran-rejects-ceasefire-deal-trumps-deadline-reopen-strait-hormuz-2026-04-07/>

⁵⁹ <https://www.abs-cbn.com/news/business/2026/4/10/adb-predicts-slowing-asia-growth-as-mideast-war-takes-toll-1327>

⁶⁰ <https://www.abs-cbn.com/news/business/2026/4/13/doe-confirms-p20-rollback-for-diesel-1003>

⁶¹ <https://www.gmanetwork.com/news/money/companies/984601/oil-price-rollback-april-21-2026/story/>

⁶² <https://edition.cnn.com/2026/04/21/politics/iran-trump-negotiations-peace-ceasefire>

Philippine Stock Exchange Index (PSEi) has dropped by 23% from 2019 levels, while the PSE property counter has fallen 45% over the same period.⁶³

Residential⁶⁴

According to LPC Director Roy Golez, the middle-income segment, or houses priced from ₱2.3 million to ₱4 million, grew by 488%, while the upscale segment, or units priced from ₱7 million to ₱12 million, increased by 117%. On the other hand, the upper-middle-income and the high-end and luxury segments declined by 7% to 25%. He added that while the residential sector posted early signs of recovery in early 2026, the sector remains vulnerable to external shocks and Middle East tensions. Mr. Golez explained that job losses of overseas Filipinos in the Middle East, coupled with slow economic growth and higher interest rates due to rising inflation rates will temper home purchases. Given this, sales are expected to slow down in the next quarters, and property developers may opt to soften the decline through price cuts and flexible payment terms. LPC added that it is a good time for developers to start looking into the lower-end or economic segment given that buyer demand in those segments is present, even higher than the demand for the higher-end segments.

Office

LPC stated that the office sector is seen remain relatively resilient, as most new supplies under construction are already being pre-leased by developers to BPO companies. There is still anticipation for demand to possibly increase as rapid global cost increases may encourage outsourcing demand. LPC Director for Offices acknowledged, however, that while many of its clients are proceeding with expansion plans amidst the Middle East conflict, some companies may postpone major office-related decisions until improvements are seen in the near term.

Given recent developments surrounding the Middle East conflict, particularly on the global energy market and its corresponding effects on pump prices, the office sector may face challenges moving forward. In March 2026, Senator Erwin Tulfo urged both the government and private sector to revive work-from-home (WFH) arrangements to help employees manage rising transportation costs. He observed the increasing number of stranded passengers given the decrease in operating public utility vehicles (PUVs). He also encouraged employees to conduct ridesharing or carpooling to save fare money.⁶⁵

In the same month, Malacañang issued Memorandum Circular 114, directing the government, agencies, state universities, among others, to adopt and implement various energy conservation efforts. Section 3 states the adoption of flexible work arrangements to further reduce building energy load and transport fuel usage.⁶⁶

On March 6, 2026, President Ferdinand R. Marcos Jr. ordered the temporary implementation of a four-day workweek in some executive branch offices starting March 9.⁶⁷ As of March 10, several government agencies have already adjusted to a four-day onsite work schedule, mostly working from Monday to Thursday with extended working hours. Among the national government offices that announced adjusted work arrangements are the Supreme Court, Court of Appeals, Metropolitan Manila Development

⁶³ <https://business.inquirer.net/584234/middle-east-shockwaves-hitting-property-industry-leechiu>

⁶⁴ <https://bilyonaryo.com/2026/04/12/middle-east-conflict-risks-dampening-philippine-property-recovery-leechiu/property/>

⁶⁵ <https://www.philstar.com/headlines/2026/03/30/2517840/government-urged-promote-remote-work-ride-sharing>

⁶⁶ <https://pco.gov.ph/wp-content/uploads/2026/03/20260306-MC-114-FRM.pdf>

⁶⁷ https://pco.gov.ph/news_releases/president-marcos-orders-temporary-4-day-workweek-in-some-govt-agencies/

Authority (MMDA), Government Service Insurance System (GSIS), Social Security System (SSS), Department of Education (DepEd), Department of Trade and Industry (DTI), National Labor Relations Commission, Department of Human Settlements and Urban Development. Most LGUs in Metro Manila have also adopted a shortened workweek, as well as other LGUs within and outside Luzon.⁶⁸

Retail

In response to the government's declaration of a national energy emergency, several mall operators shortened their mall operating hours. Among them are SM Supermalls, Robinsons Malls, and Ayala Malls. SM Supermalls cut its operating hours by two to three hours and announced that the new schedules will take effect starting on March 30 (weekday hours adjusted to 11 a.m. to 9 p.m. and weekend hours set at 10 a.m. to 9 p.m.). Similarly, Robinsons Malls also announced adjusted mall hours starting March 30, with most of its branches operating from 11 a.m. to 9 p.m. Ayala Malls' operations, on the other hand, adjusted to 11 a.m. to 9 p.m. during weekdays and 10 a.m. to 10 p.m. on weekends.⁶⁹ Vista Mall and Starmall, both part of the Villar Group, also announced that they will be operating from 11 a.m. to 9 p.m. on weekdays, and 10 a.m. to 9 p.m. on weekends.⁷⁰

Hospitality

Foreign arrivals inched up by 3.1% to 1.32 million in the first two months of 2026, driven by long-haul markets. Given recent developments, however, LPC Director for Hospitality Alfred Lay shared that this growth will likely be tempered moving forward, given rising transportation costs and security concerns amidst the ongoing global conflict. In 2026, the Philippines is targeting 6.4 million arrivals in 2026, up from 5.94 million last year.

Mr. Lay added that for the rest of the year, international leisure and domestic travel are expected to fall. Tourist traffic from Europe in particular, where flights are typically routed through the Middle East, is expected to decline. In 2025, Western Europe alone accounted for nine out of ten of the country's foreign visitors. Mr. Lay also highlighted that the Philippines is heavily reliant on many resorts located in far-flung destinations. These developments need specific logistics systems and transportation to acquire its goods and materials and are often reliant on generators for electricity.

Looking ahead, more than 70% of hotel and resort operators surveyed by LPC forecast occupancy rates to drop between 10% to 40%. Mr. Lay predicts that if the Middle East conflict continues in the second half of 2026, national occupancy rates could fall below 45%. In contrast, if favorable developments start in the near term, a rebound in occupancy could be possible in the third quarter of 2026, possibly averaging 50% to 55% for 2026.

⁶⁸ <https://www.philstar.com/headlines/2026/03/10/2513332/list-govt-offices-igus-implementing-4-day-workweek-amid-rising-fuel-costs>

⁶⁹ <https://newsinfo.inquirer.net/2202363/malls-shorten-operating-hours-amid-national-energy-emergency-2>

⁷⁰ <https://www.abs-cbn.com/news/business/2026/3/26/sm-supermalls-to-shorten-operating-hours-due-to-energy-state-of-emergency-1920>

FINANCIAL PROFILE

Table 5. Financial Highlights

	In ₱ millions			% Change (except ratios)		
	2023	2024	2025	2023	2024	2025
Cash and Cash Equivalents	31,817	31,246	27,645	(24.4)	(1.8)	(11.5)
Total Assets	943,328	1,019,431	1,093,879	7.9	8.1	7.3
Total Debt	366,658	389,920	422,754	4.0	6.3	8.4
Total Liabilities	544,441	583,190	624,800	6.9	7.1	7.1
Total Equity	398,887	436,240	469,079	9.2	9.4	7.5
Current Ratio (x)	1.3	1.1	1.0	(0.3)	(0.2)	(0.1)
Debt to Equity Ratio (x)	0.9	0.9	0.9	(0.0)	(0.0)	0.0
Solvency Ratio (x)	1.7	1.7	1.8	0.0	0.0	0.0

	In ₱ millions			% Change (except ratios)		
	2023	2024	2025	2023	2024	2025
Rental Income	72,114	78,674	83,567	23.8	9.1	6.2
Real Estate Sales	42,040	45,905	40,633	7.7	9.2	(11.5)
Other Income	13,943	15,812	16,908	64.1	13.4	6.9
Total Revenue	128,098	140,391	141,107	21.1	9.6	0.5
Costs and Expenses	66,818	72,354	69,376	18.2	8.3	(4.1)
Operating Income (Loss)	61,279	68,037	71,731	24.4	11.0	5.4
Other Income (Charges)	(11,439)	(11,195)	(10,733)	8.6	(2.1)	(4.1)
Net income	40,864	46,539	49,727	32.9	13.9	6.8
Net Cash Flow from Operations	62,655	67,289	74,911	75.5	7.4	11.3
Operating Profit Margin (%)	47.8	48.5	50.8	2.8	1.3	4.9
Interest Coverage Ratio (x)	4.6	5.1	5.7	0.2	0.5	0.6

Profitability

2025

In 2025, SMPH's consolidated revenues amounted to ₱141.1 billion. This represented relatively flat growth (+0.5%) compared with the ₱140.4 billion recorded in 2024. Total rental income maintained steady growth, posting a 6.2% increase to ₱83.6 billion. Such growth, however, was tempered by the decline in real estate sales, which fell by 11.5% to ₱40.6 billion during the year. The growth in rental income was attributable to stronger revenues from commercial properties, while the decline in real estate sales was due to softer residential sales as the slower economic growth tempered customer spending. According to management, the property sector was affected by the infrastructure scandal surrounding the government, which led to a decline in public spending despite the increased remittances from overseas Filipinos and BPO sector growth.⁷¹ Meanwhile, other revenues grew by 6.9% to ₱16.9 billion which provided additional support to top line performance.

Despite the relatively flat top line growth, operating income managed to modestly grow by 5.4% to ₱71.7 billion, driven by well-controlled cost and expenses. Total costs and expenses declined by 4.1% to ₱69.4

⁷¹ <https://www.abs-cbn.com/news/business/2026/2/16/sm-eyes-launching-new-major-projects-in-2026-as-income-climbs-to-p48-8-billion-in-2025-1704>

billion in 2025, supported by lower administrative spending and cost of real estate. SMPH's OPM improved from 48.5% to 50.8%. Gross profit margin (GPM) on real estate, however, was marginally lower at 56.6% in 2025 compared with 58.3% in 2024.

Interest expense fell by 6.2% to ₱13.1 billion despite the higher debt level, as interest expense related to the Pasay 360 project was capitalized during the year. Meanwhile, interest and dividend income recorded an uptick (+7.3%) to ₱2.4 billion. SMPH incurred net other charges, mainly attributed by management to lower income from forfeitures.

SMPH's net income slightly grew by 6.8% to ₱49.7 billion, from ₱46.5 billion in 2024. NPM improved to 35.2%, from 33.1% in the prior year.

Projections

SMPH's total revenues is expected to grow steadily over the projected period, with rental income as the primary revenue contributor. This growth will be supplemented by real estate sales, on account of the expected revenues from ready for occupancy (RFO) and new project launches.

OPM will remain healthy over the projected period and in line with recent years. SMPH expects to sustain its earnings growth, with NPM posting steady improvements moving forward.

Cashflow and Liquidity

2025

Net cash flow from operating activities remained robust, growing by 11.3% to ₱74.9 billion in 2025. Aside from improved earnings, the decrease in real estate inventories and the slower buildup in receivables also contributed to the higher cash from operations.

Net cash used in investing activities rose by 23.8% to ₱80.0 billion, from ₱64.6 billion in 2024. Such reflected larger capital spending for investment properties and an increase in non-current assets. In 2025, input and creditable withholding taxes from 2024 amounting to ₱11.3 billion were reclassified as noncurrent as these were not expected to be utilized within 12 months from December 31, 2025.

In 2025, SMPH generated positive cash flow from its financing activities amounting to ₱1.4 billion, a reversal from the ₱3.3 billion outflow in the previous year. Loan availments in 2025 amounted to ₱197.1 billion while total debt repayments amounted to ₱166.5 billion. As such, loan proceeds net of payments for matured debts amounted to ₱30.6 billion, which was used for dividend and interest payments amounting to ₱14.4 billion and ₱12.8 billion, respectively. The Company also repurchased treasury shares amounting to ₱1.2 billion during the period, as part of its share buyback program.

Cash and cash equivalents decreased by 11.5% to ₱27.6 billion as of end-2025, from ₱31.2 billion at end-2024.

SMPH's current assets declined by 8.4% to ₱211.2 billion as of end-2025. Aside from the decline in cash, SMPH also recorded lower ending balances of receivables and real estate inventories. The mentioned reclassification of the input and creditable withholding taxes also led to the decline in current assets. Current liabilities, however, declined at a slower pace of 3.3% to ₱205.1 billion.

Current ratio was slightly lower at 1.0x as of end- 2025, from 1.1x as of end-2024. EBIT interest coverage ratio and DSCR improved to 5.7x and 0.7x, respectively.

Projections

Liquidity is expected to remain healthy over the projected period. Net cash from operations is seen to follow a generally upward trend driven by assumptions of continued revenue expansion across malls, offices, hotels, and residential projects.

Cash used in investing activities will remain sizable throughout the forecast period, albeit such is expected to be tempered in the medium term. These outflows will be related to the Company's capex for new residential launches, construction of investment properties, and landbank acquisitions.

SMPH is seen to build up its cash reserves and will be maintained at a healthy level moving forward. Current ratio is expected to remain adequate over the projected period.

Capital Structure

2025

As of end-2025, SMPH's total debt stood at ₱422.8 billion, an 8.4% increase from ₱389.9 billion as of end-2024. Of the Company's total debt, 23% will mature within one year, while bulk (54%) will mature in the next five years. Also, 21% of SMPH's total debt are U.S. Dollar denominated. SMPH hedges its foreign denominated debt using derivative instruments.

Total equity likewise increased by 7.5% to ₱465.6 billion, primarily driven by retained earnings. The growth was partly offset by additional treasury stock. SMPH repurchased 58 million shares in 2025 at an average price of ₱21.28, for a total consideration of ₱1.2 billion.

DE ratio remained unchanged at 0.9x, while total debt-to-capitalization ratio and solvency ratio were slightly up to 47.4% and 1.8x, respectively.

Projections

SMPH's total debt is expected to generally decline over the forecast period, on account of the scheduled maturities of its loan and bond obligations, and limited refinancing needs. On the other hand, stockholders' equity is seen to continuously expand, driven by the anticipated sustained profitability growth and consistent earnings retention over the projected period.

SMPH's capital structure is expected to improve moving forward, with a more conservative stance towards the end of the projected period.

Financial Flexibility

SMPH has access to multiple funding sources. The Company's most recent bond offering in November 2025 was oversubscribed, allowing SMPH to raise the full ₱17.0 billion with the oversubscription option.

The bonds, issued under Series AB, Series AC, and Series AD, will mature in 2030, 2032, and 2035, respectively.

The Company also has ample credit facilities from local and foreign financial institutions, providing SMPH additional flexibility to fund its needs.

The equity market is also a potential source of funding. As of April 21, 2026, SMPH's market capitalization stood at ₱574.6 billion, making it one of the largest listed property developers on the Philippine Stock Exchange.