

# SM Prime earnings rise by 21%

SM PRIME Holdings, Inc. posted a 21% increase in consolidated net income last year to P21.8 billion, the property developer reported on Monday, saying it sees “recovery in the horizon” after the challenges in the past two years.

In its disclosure to the exchange, the company also said it generated a P6.2-billion consolidated net income in the fourth quarter, without giving a comparative figure, as revenues grew 20%.

“As we begin to see the result of joint effort by the government and private organizations to manage the pandemic, SM Prime is set to pursue business expansions with broader funding options available locally and internationally,” SM Prime President Jeffrey C. Lim said.

“We will continue to work with the government in helping the nation rebound from the chal-

lenges in the past two years,” he added.

Consolidated revenues for the October-to-December period amounted to P25.5 billion from P21.2 billion year on year. The company also recorded a 67% operating income growth to P10.8 billion from P6.5 billion previously.

For 2021, SM Prime’s consolidated operating income grew 11% to P32.4 billion in from P29.1 billion a year earlier.

Its residential business led by SM Development Corp. (SMDC) logged P45.9-billion revenues, while its sales take-up reached P98.9 billion in 2021.

SMDC was able to launch eight projects in 2021. These include high-rise and mid-rise condominium developments and house and lot residential projects.

In Metro Manila, SMDC launched Sands Residences in Manila, Ice Tower in Pasay, Gold Resi-

dences in Parañaque, and Twin Residences in Las Piñas. Meanwhile, the company launched Joy Residences in Bulacan, Cheerful Homes 2 in Pampanga, Calm Residences in Laguna, and Glade Residences in Iloilo.

SM Prime’s Philippine mall business benefited from the easing of mobility restrictions beginning November. The company generated P24.1 billion in revenues from its local malls in 2021, inching up 2% from P23.6 billion in 2020.

Rent income from its Philippine malls also grew to P23 billion, 6% more than the P21.8 billion logged in 2020.

SM Prime opened two new malls last year, SM City Daet in Camarines Norte and SM City Grand Central in Caloocan City. The company also launched MOA Square, which currently houses IKEA Philippines.

Overseas, SM Prime China malls logged a net income of 200 million renminbi (RMB), up 154% from last year’s RMB100 million. Its international mall business recorded RMB800 million in 2021, 20% more than the RMB700 million the previous year.

SM Prime’s offices, hotels, and convention centers “remained resilient” in 2021, posting a 4% growth in consolidated revenues to P6.6 billion. Meanwhile, revenues from its commercial properties grew 5% to P5 billion and the hotels and convention centers business segment booked P1.6 billion in revenues.

The company launched Park Inn by Radisson-Bacolod in the fourth quarter.

SM Prime shares on the stock market climbed 4.45% or P1.70 to close at P39.90 each on Monday. — **Keren Concepcion G. Valmonte**



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## MORE Power seeks rate increase to cover P1.33-billion projects

MORE Electric and Power Corp. (MORE Power) has sought the Energy Regulatory Commission’s (ERC) approval for its proposed rate increase to recover the cost of its emergency capital expenditure (capex) projects worth P1.33 billion.

In its application posted on the ERC website on Feb. 16, MORE Power has applied for a uniform increase of P0.5498 per kilowatt-hour (kWh) over the current effective rate.

The power distributor is using the 2015 ERC-approved rate for Panay Electric Co. (PECO), the previous distribution utility in Iloilo City before the Razon-led company took over in February 2020.

“The uniform increase will be computed based on the percentage of the proposed rate adjustments to PECO’s maximum average price for Regulatory Year 2015 as approved by the Honorable Commission and as currently implemented by MORE Power based on the Order of the Honorable Commission dated 5 March 2020 in ERC Case No. 2018-019MC,” MORE Power said in its application.

If the ERC approves the suggested interim rate increase, consumers will have the following

distribution charges: P0.4677/kWh for residential; P0.3659/kWh for the city government; P0.3142/kWh for city street lights; and P0.1719/kWh for other government offices.

MORE Power said a denial of its rate increase would “greatly affect” the company’s cash flow as it “has no other means of recovering” the approved costs of its emergency capex spent to improve system capacity, reliability, efficiency, safety and to implement lower generation costs.

In October 2021, the ERC approved MORE Power’s emergency projects amounting to P1.33 billion, which the company said could not be covered by its current rate. It said for the approved capex for 2020, it is entitled to recover the allowable revenue requirement estimated at P26.97 million per month.

“This is the recovery that MORE Power is deprived of on a monthly basis without the requested rate adjustment,” the company said.

MORE Power, a subsidiary of Prime Strategic Holdings, Inc., holds a 25-year franchise to energize Iloilo City, which has around 55,000 consumers. — **Marielle C. Lucenio**

## RL Commercial REIT books P1.68-billion net income

RL Commercial REIT, Inc. (RCR) said it booked a P1.68-billion net income in 2021, surpassing expectations thanks to the company’s stable “revenue stream and operational efficiency.”

In a disclosure to the exchange on Monday, the company said the 14 buildings in its portfolio achieved high occupancy, allowing it to log P2.09 billion in revenues.

The company said it also made health and safety investments for its buildings, which include adding hybrid metal detectors with thermal scanners and infrared activated alcohol and soap dispensers.

RCR said its board of directors also approved a better-than-expected dividend yield for the

year at P0.092 per outstanding common share, bringing its total declared dividends to P0.154 apiece.

The company said this brings the company’s annualized yield to 5.73%, higher than the projected 5.57% stated in its real estate investment trust (REIT) plan.

“The higher than projected dividend yield is a testament to the strength and quality of the assets of RCR,” RCR President and Chief Executive Officer Jericho P. Go said.

“The company shall continuously look into infusing assets that will support its investment criteria and contribute to the growth of RCR. RCR’s potential

expansions are geared towards boosting its dividend yield,” he added.

According to RCR’s three-year investment plan filed in December, the company has an expansion pipeline that can be accessed through its sponsor firm Robinsons Land Corp. (RLC). RLC allows RCR to have “access to about 422,000 square meters (sq.m.) of gross leasable area (GLA) for acquisition.”

The company may also acquire properties from unrelated third parties.

RCR and RLC have inked a memorandum of understanding as of July 13 last year for the potential future acquisition of

RLC’s Cyberscape Gamma and/or Robinsons Cybergate Center 1, which are subject to “final terms as may be agreed between the parties” and market conditions, among others. The two assets are said to have a 72,100-sq.m. GLA altogether.

With its current portfolio, RCR has an aggregate gross leasable area of 425,315 sq.m. The company said it holds the record of having a wide geographical reach across nine cities and the longest land lease tenure of up to 99 years.

RCR shares on Monday closed 4.75% or 36 centavos higher to finish at P7.94 apiece. — **Keren Concepcion G. Valmonte**



# CINEMAS RE-OPENING ON

## February 23, 2022

### at select CityMalls nationwide

**Operating CityMalls:** • Boracay • Arnaldo, Roxas City • Consolacion, Cebu • Victorias City • Arayat, Pampanga • Tagbak, Jaro Iloilo City • Tiaong, Quezon • Parola, Iloilo City • Mandalagan, Bacolod City • Tarlac City • Kabankalan City • San Carlos City, Negros • SCTEX Concepcion • Dau, Pampanga • Anabu, Imus Cavite • Dumaguete City • Goldenfields, Bacolod City • Passi City • Calamba City, Laguna • Tagum City, Davao • Santa Rosa, Nueva Ecija • Aparri, Cagayan • Koronadal City • Ungka, Pavia, Iloilo City • Tetuan, Zamboanga • Mayombo, Dagupan • Bocaue, Bulacan • Iponan Cagayan de Oro • Sorosogon City • Calapan City, Mindoro • San Carlos City, Pangasinan • Roxas Avenue, Roxas City • Bulua Cagayan de Oro • Isulan, Sultan Kudarat • Tuguegarao City • Danao City, Cebu • Dipolog City • Kalibo, Aklan • Cadiz City • Cotabato City