Philippine Stock Exchange index (PSEi) 6,502.12 ▲122.95 PTS. ▲1.92%

MONDAY, MAY 16, 2022
BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P653.00	+P2.00	+0.31%
ACEN	AC Energy Corp.	P6.61	+P0.38	+6.10%
AEV	Aboitiz Equity Ventures, Inc.	P47.30	+P0.30	+0.64%
AGI	Alliance Global Group, Inc.	P11.44	-P0.10	-0.87%
ALI	Ayala Land, Inc.	P28.40	+P0.90	+3.27%
AP	Aboitiz Power Corp.	P29.20	+P0.70	+2.46%
BDO	BDO Unibank, Inc.	P126.00	+P0.80	+0.64%
BPI	Bank of the Philippine Islands	P90.60	+P1.60	+1.80%
CNVRG	Converge ICT Solutions, Inc.	P27.80	+P0.05	+0.18%
EMP	Emperador, Inc.	P19.64	+P0.02	+0.10%
GLO	Globe Telecom, Inc.	P2,280.00	+P80.00	+3.64%
GTCAP	GT Capital Holdings, Inc.	P491.00	+P9.00	+1.87%
ICT	International Container Terminal Services, Inc.	P207.60	+P1.60	+0.78%
JFC	Jollibee Foods Corp.	P210.00	——	
JGS	JG Summit Holdings, Inc.	P52.60	+P2.40	+4.78%
LTG	LT Group, Inc.	P8.30	+P0.20	+2.47%
MBT	Metropolitan Bank & Trust Co.	P50.00	+P1.00	+2.04%
MEG	Megaworld Corp.	P2.72	+P0.02	+0.74%
MER	Manila Electric Co.	P330.40	+P0.20	+0.06%
MONDE	Monde Nissin Corp.	P14.32	-P0.04	-0.28%
MPI	Metro Pacific Investments Corp.	P3.77	+P0.02	+0.53%
PGOLD	Puregold Price Club, Inc.	P32.50	+P0.85	+2.69%
RLC	Robinsons Land Corp.	P18.10	+P0.10	+0.56%
SECB	Security Bank Corp.	P92.70	+P3.70	+4.16%
SM	SM Investments Corp.	P808.00	+P19.00	+2.41%
SMC	San Miguel Corp.	P102.50	+P1.50	+1.49%
SMPH	SM Prime Holdings, Inc.	P36.50	+P1.40	+3.99%
TEL	PLDT, Inc.	P1,950.00	+P20.00	+1.04%
URC	Universal Robina Corp.	P105.00	+P2.00	+1.94%
WLCON	Wilcon Depot, Inc.	P27.90	+P0.90	+3.33%

Co-led companies post first-quarter income growth

COMPANIES led by businessman Lucio L. Co reported strong profit growth in the first quarter, with his retail holding firm Cosco Capital, Inc. posting a 10.9% increase in consolidated net income to P2.7 billion.

In a disclosure on Monday, Cosco Capital said its consolidated revenues were up by 2.8% to P40.68 billion from P39.57 billion in the same period of 2021.

"The company continued to benefit by way of a better bottom line results from a combination of the gross margin enhancements thru stronger suppliers supports, sustained strategic cost and expense management as well as the income tax savings from the implementation of the CREATE Law," it said, referring to Republic Act No. 11534, or Corporate Recovery and Tax Incentives for Enterprises Act.

The group's grocery retailing businesses, Puregold Price Club, Inc. and S&R Membership Shopping Club, contributed 68% to the total core net income.

During the first quarter, the grocery retail segment's net income grew 6.5% to P2.15 billion from improvements in gross profit margins and cost reduction measures.

Consolidated revenues also rose by 2.1% to P38.5 billion, driven by an increase in customer traffic.

"This was fueled by the company's continuous organic expansion of grocery retail outlets, diligent cost management and sustained strong consumer demand," Puregold said in a disclosure.

Consolidated net sales increased 2.1% to P38.51 billion. The group opened five new Puregold stores in the first quarter of 2022.

As of end-March, the group had a total of 504 grocery retail stores. These include 435 Puregold stores, 22 S&R membership shopping warehouses, and 47 S&R New York Style quick service restaurants.

Meanwhile, Cosco Capital's liquor distribution business contributed 17% to the total profit of the group.

The Keepers Holdings, Inc. reported that its consolidated net income jumped 34.3% to P333.5 million, resulting from strong sales performance and cost control of its distribution, marketing and promotion expenses.

The company said consolidated revenues grew 23.3% to P2.17 billion on the back of a 17% growth in the volume of cases sold totaling more than 831,000 for the first quarter.

"This was driven principally by the continued robust performance of Alfonso, the leading imported brandy in the market, which has already surpassed its pre-pandemic levels despite some challenges brought by the continuing impact of the COVID-19 lockdowns experienced during the year," The Keepers Holdings said in a disclosure.

Cosco Capital's commercial real estate segment, which contributed 14% to total earnings, posted net income growth of 13.3% to P227 million for the period from P200 million in the same period in 2021.

The company said the increase was due to a combination of strategic cost efficiencies in the management of its cost of services as well as operating expenses.

"The real estate group continued to expand its real estate assets portfolio through acquisitions of additional land banking assets for future development and initiated the development of two commercial assets to be completed during the year," Cosco added.

Lastly, the group's specialty retailing segment, Office Warehouse, Inc., accounted for 1% of its total net income.

The Office Warehouse's net income slightly dropped to P16 million from P18 million and revenues also decreased by 8% to P390 million amid lockdown restrictions.

At the stock exchange, Cosco Capital shares gained by 11 centavos or 2.37% to P4.75 on Monday. Puregold shares rose by P0.85 or 2.69% to finish at 32.50 apiece.

Shares in The Keepers Holdings slipped a centavo or 0.86% to P1.15 each. — **Luisa Maria Jacinta C. Jocson**

Megaworld records profit rise, sees sustained growth

PROPERTY developer Megaworld Corp. reported a 30% increase in net income attributable to parent company equity holders to P3.1 billion, calling it a "strong start" of an expected sustained performance.

In a disclosure on Monday, the listed company also reported an after-tax income of P3.5 billion, up 41% from a year ago. Consolidated revenues climbed 29% to P13.1 billion.

"This is definitely a strong start for us, and affirms that our improved performance can be sustained. While there was some concern last January due to the Omicron variant, consumer confidence remained on the uptrend and our quick recovery showed that we are now in a better position to manage the pandemic and move forward," Megaworld Chief Strategy Officer Kevin L. Tan said in a statement.

Of the company's business segments, real estate sales recorded a 36% year-on-year growth to P8.1 billion as construction activities normalized. Reservation sales also increased by 12% to P23.2 billion.

Meanwhile, Megaworld Premier Offices registered P3 billion in rental income for the first three months of the year, up by around 16% from P2.6 billion.

Megaworld Lifestyle Malls's rental income jumped 40% to P717.1 million on the back of improved foot traffic and the increase in retail locators that have restarted their operations.

The company's hotel business, Megaworld Hotels & Resorts, posted a 50% growth in revenues to P502.9 million, driven by the uptick in leisure-related activities and expansion in domestic travel. Meetings, incentives, conferences, exhibitions, and similar activities have also started to pick up in the middle of the quarter, it noted.

"We are now focused on returning to our pre-pandemic performance and to grow beyond that. In fact, we are now looking at opportunities to further expand our geographical footprint in the country this year with the launch of several new townships," Mr. Tan said.

To date, the company has 28 integrated urban townships, lifestyle communities, and lifestyle estates across the country.

Megaworld shares went up by 0.74% or two centavos to close at P2.72 at the stock exchange on Monday. — **Luisa Maria Jacinta C. Jocson**

First Gen income declines by 24%

LOPEZ-LED First Gen Corp. posted a recurring net income of $59 million in the first quarter, down by 24.4% from $78 million in the previous year, as its natural gas and geothermal energy platforms recorded lower operating profit.

In a media release on Monday, First Gen President and Chief Operating Officer Francis Giles B. Puno said the company generated more power in the first quarter compared with the same period last year, but its Avion gas-fired power plant and a geothermal unit Energy Development Corp. (EDC) were hit by unscheduled shutdowns.

"In EDC's case, it led to high replacement power costs as Typhoon Odette debilitated transmission capacity despite the plants' ability to produce power. EDC was able to wheel out its power by mid-January. As for the rest of the natural gas fleet, it was plagued by gas interruptions at the Malampaya field. This resulted in the importation of expensive liquid fuel," Mr. Puno said.

In peso terms, the power generation company's net income was down to P3 billion from P3.8 billion previously, using a weighted average rate of $1 to P50.938 for the period ended in March this year and $1:P48.12 in end-March 2021, the company said.

During the quarter, consolidated revenues from the sale of electricity rose by 18% to 570 million from $483 million.

First Gen said the revenue growth came from higher electricity sales that was supplemented by elevated fuel prices and wholesale electricity spot market prices. The natural gas portfolio accounted for 62% of total consolidated revenues, while EDC's geothermal, wind, and solar revenues contributed 33%. The hydro plants made up 4% of the total. — **Victor V. Saulon**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link **<https://bit.ly/3MInuLR>**

Converge income rises 27% to nearly P2 billion on increased subscriber base

LISTED fiber internet provider Converge ICT Solutions, Inc. saw its first-quarter attributable net income increase by 27% to P1.97 billion from P1.55 billion in the same period a year earlier as a result of higher revenues from residential and enterprise subscribers.

The company's revenues rose by 40% to P7.75 billion from P5.55 billion in the same period in 2021, its first-quarter report showed.

Revenues from the company's residential business increased by 42% to P6.81 billion during the period from P4.80 billion previously, driven by a 52.5% year-on-year growth in its subscriber base. It ended the quarter with 1,802,202 residential subscribers.

Enterprise revenues increased by 25% to P935 million in the first three months of the year from P750 million in the same period in 2021.

According to the company, the increase was fueled by robust growth in the small and medium enterprise (SME) segment. Its SME customers rose by 200%, reaching 25,810 as of March 31.

Cost of services went up by 30% to P3.02 billion from P2.33 billion in the first quarter of 2021, resulting in a gross profit of P4.72 billion, which is 47% higher than the P3.22 billion gross profit reported in the same period the previous year.

"Converge has been able to maintain its strong balance sheet and cash flows with ample liquidity and gearing comfortably within bank covenants, as we drew down from available facilities to finance the significant network expansion done during the first quarter of the year," the company said.

Its net debt position rose from P11.76 billion as of Dec. 2021 to P16.30 billion as of March 2022.

"The company availed of a total of P4.96 billion in new debt in 1Q2022 offset by repayments and amortizations amounting to P486 million," it noted.

"The company's debt service coverage ratio was 6.1x and the gross debt position as a percentage of total equity was 0.7x, well above the required financial covenants from its debt facilities."

Its total undrawn debt facilities amounted to P26.5 billion as of March 31, 2022.

Last week, the company announced that it was added in the MSCI Global Standard Indexes, an international equity index which tracks stocks across 33 markets.

Converge said the latest additions will take effect on May 31 this year.

"Our inclusion in the global benchmark, the MSCI, is yet another testament to our strong market position. We're pleased to have joined another index that will further broaden our exposure to international passive investors," said Maria Grace Y. Uy, president, chief resource officer, and chief risk officer of the company.

Converge ICT shares closed 0.18% higher at P27.80 apiece on Monday. — **Arjay L. Balinbin**

Emperador hikes capex to P3B

EMPERADOR, Inc. said it is increasing its capital expenditure (capex) budget this year to P3 billion from P1.74 billion in 2021 as it further expands to international markets.

"Most of the capex budget will be spent outside the Philippines, bulk of which will be on the whisky business. We operate in an ever-changing, dynamic and highly competitive industry," Emperador President Winston S. Co said on Monday.

"Strategic investments are key to ensuring that as a global company, we can adapt to evolving consumer preferences and demands. Not only this, but we are also able to deepen and strengthen our premiumization and internationalization efforts," he added.

In 2021, the company reported that normalized net income was up 35% to P10.8 billion and normalized earnings to owners increased 34% to P10.6 billion.

"Emperador stayed the course as we continued to pursue the vision to grow the company achieving another banner year this 2021. I attribute this to the resilience of our company whose financial position allowed us to weather logistical challenges brought by COVID-19," Emperador Director Kevin Andrew L. Tan said.

"We witnessed record breaking growth as our whisky and brandy sectors expanded their reach and introduced innovations," he added.

Revenues were up 6% to P55.9 billion, of which 67% came from the brandy segment and 33% from the whisky business.

"Resilience appropriately describes Emperador's financial performance against a backdrop of a pandemic," Kenneth V. Nerecina, investor relations director, said.

Mr. Nerecina said that strong whisky sales, tamer growth in the brandy sector, and improved product mix and less promotional expenses contributed to the company's financial performance.

Emperador said it is pursuing a "global strategy of premiumization and internationalization," which includes adapting to consumer preferences and working on stronger distribution and availability across the globe.

At the stock exchange, Emperador shares rose by 0.10% or two centavos to finish at P19.64 apiece on Monday. — **Luisa Maria Jacinta C. Jocson**

2GO cuts net loss to P35 million as economy reopens

LISTED Transportation and logistics company 2GO Group, Inc. announced on Monday that it trimmed its net loss for the first quarter of the year to P35 million from a loss of P292 million previously.

The company attributed its improved financial performance to the reopening of the country's economy.

Its revenues, both from shipping and non-shipping businesses, remained nearly P4 billion in the first three months of the year, the company's first-quarter report showed.

However, the cost of services and goods sold went down by 9% to P3.66 billion from around P4 billion in the same period in 2021, resulting in a gross profit of P335.15 million from a loss of P4.89 million previously.

The company reported an operating income of P92.15 million versus an operating loss of P230.67 million reported in the first quarter of 2021.

"With the country's economic reopening underway, shipping revenues rose 53%, as both sea freight and travel gained traction," the company said in an e-mailed statement.

"Logistics and other services revenue grew 14%, boosted by the growth in cold chain reefers, e-commerce fulfillment and international courier services. In aggregate, 2GO Group delivered PHP3.9 billion in revenues for the first three months of 2022," it added.

2GO Group President and Chief Executive Officer Frederic C. DyBuncio said the company mainly focused on profitable services and customers, while "driving efficiencies in its operations and stringently controlling costs."

"We are encouraged by the country's reopening as it opens opportunities for us to facilitate economic activity," he added.

The company is modernizing its operations to improve customer experience and strengthen services.

"As the economy continues on its path towards recovery, 2GO looks forward to the return of travel and tourism. Our ships and port operations have been upgraded in preparation for this to provide passengers with an enhanced onboard and terminal experience. We are optimistic that our continued modernization efforts will further improve service standards and drive profitability," Mr. DyBuncio said.

2GO Group shares closed 0.14% lower at P6.89 apiece on Monday. — **Arjay L. Balinbin**