## 2/SI Corporate News

BusinessWorld wednesday, may 18, 2022



# Sia's listed companies post strong profit growth

THREE listed companies led by Edgar J. Sia II reported strong profit growth in the first quarter, including his property leasing business DoubleDragon Corp., which reported a 5.7% increase in net income attributable to parent firm equity holders to P469.26 million.

"We are pleased to have surpassed our 2022 goal of 1.2 million square meters GFA (gross floor area) of completed recurring income portfolio. The whole cycle coming from zero leasable space, when DoubleDragon listed in the Philippine Stock Exchange last April 2014, to over 120 hectares of fully constructed recurring income portfolio today was not a walk in the park," DoubleDragon Chairman Edgar Sia II said in a disclosure on Tuesday.

Mr. Sia added that the company expects its prime assets to mature and generate recurring revenues at different times, but that it should reach optimal recurring revenue generation before 2025.

Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) were also up by 8.7% to P1.05 billion and consolidated revenues increased by 13% to P1.71 billion. In a separate disclosure, Double-Dragon's real estate investment trust (REIT), DDMP REIT, Inc., reported that its net income surged by 39.8% to P558.9 million in the first quarter.

Total revenues were up by 13.8% to P639.4 million while rental income increased by 15.9% to P589.3 million.

DDMP REIT approved a cash dividend amounting to P496.8 million or P0.027868 per share with the payment date on June 30.

"We are glad that DDMP REIT has remained resilient and has stably passed through what people say is a once in a lifetime major global crisis brought by the COVID-19 (coronavirus disease 2019) pandemic," Mr. Sia said.

"We believe that the most important feature of DDMP REIT is that 100% of its leasable space sits on prime commercial titled land that DDMP REIT perpetually owns, as over a long period of time, the land value is expected to surpass the value of the building structures, and in the specific case of DDMP REIT, both the titled land and the buildings are owned by the DDMP REIT shareholders forever because the land is titled, and is not a leasehold," he added.

Meanwhile, MerryMart Consumer Corp. disclosed on Tuesday that its after-tax net income in the first quarter jumped 29.3% to P12.23 million.

Attributable income during the period rose 15.5% to P10.93 million.

"In addition to MerryMart's continuous growth, we are refining our range of product offerings, building efficiency in our supply chain and adding more house brand products into the mix. As we go forward, our team has the mindset to continue initiating further improvements and enhancements in many areas of the MerryMart Group for better overall operational efficiency," Chief Financial Officer Hannah Yulo-Luccini said.

Revenues likewise increased by 30.8% to P1.19 billion and earnings before interest, taxes, depreciation, and amortization (EBITDA) went up by 16.9% to P45.96 million.

For 2022, the company said it expects to exceed the P5-billion revenue mark due to the consolidation of its latest acquisitions.

"The next very important goal will be to reach P12-billion revenue mark as soon as possible, then from that point onwards, we expect a far higher velocity of revenue growth velocity towards the P120-billion revenue goal that we have set for 2030," Ms. Yulo-Luccini added.

The MerryMart group's organic branch expansion and recent acquisitions total to 105 branches nationwide. Its various formats are MerryMart Store, MerryMart Market, MerryMart Grocery, MerryMart Delivery and MerryMart Wholesale.

The company, which is also chaired by Mr. Sia, recently formed a new subsidiary, MM Consumer Technologies Corp., with MBOX Smart Lockers as the first in its consumer technology portfolio.

At the stock exchange, DoubleDragon shares slid by 0.39% or three centavos to close at P7.57 on Tuesday. DDMP REIT shares rose by 1.99% or P0.03 to close at P1.54 each.

Meanwhile, MerryMart shares closed higher by 2.65% or P0.04 to P1.55 on Tuesday. – **Luisa Maria Jacinta C. Jocson** 

### **BRIEFS**

### DMCI studies units' merger

DMCI Holdings, Inc. is considering transferring its mining unit DMCI Mining Corp. to another subsidiary Semirara Mining and Power Corp., its top official said on Tuesday.

"We are currently studying whether it will be of great value for two sets of stockholders, whether we can transfer DMCI Mining to Semirara to create value for both stockholders," Chairman and President Isidro A. Consunji told stockholders during their annual meeting.

He also said that the company has several properties in Palawan and Zambales that are awaiting mining permits and potential mineral production sharing agreements (MPSA).

"We have several properties in Palawan that are waiting for permits that will lead to MPSA. [There's also] two in Zambales," he added. — Luisa Maria Jacinta C. Jocson

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### PetroEnergy sees Q1 gains

PETROENERGY Resources Corp. reported a 66.5% increase in first-quarter net income for parent firm equity holders to P176.96 million and a 48.2% rise in after-tax income to P252.47 million.

In a regulatory filing on Tuesday, the Yuchengco-led energy company said the improvement in its financial showing during the quarter was largely due to higher crude oil prices, power sales and lower interest expenses.

It said crude oil prices in the first three months of the year reached an average of \$107.95 per barrel from \$60.97 per barrel previously, while higher electricity sales came from its Tarlac solar plant and Nabas wind farm. The listed company added that the reduction in interest expenses

## SSI swings to P68-million profit

SPECIALTY retailer the SSI Group, Inc. reported a net income of P67.7 million in the first quarter, turning around from a loss of P99.5 million in the similar period the year before

lar period the year before.

with sales approaching 2019 levels," SSI said in a disclosure on Tuesday.

In the first quarter, sales were up 28% to P4.5 billion, with e-commerce sales also increasing by 21% year on year. In 2021, the company's net income was up 117% to P151 million. Revenues likewise rose by 26% to P15.5 billion.

The company's brand portfolio ranges from luxury, casual, fast fashion, footwear, accessories and luggage, among others. SSI's specialty retail footprint consisted of 570 stores located within approximately 83 malls across the Philippines.

# Now Corp.'s net income jumps to P3.9 million

media, and technology company Now Corp. saw its attributable net income for the first quarter of the year jump by 237% to P3.88 million from P1.15 million earned in the same period a year earlier. The improvement in the company's financial performance can be attributed to its lower cost and expenses for the period, its first-quarter report showed. The company's total revenues for the first three months of the year reached P48.91 million, or lower by 4% from the P51.03 million reported in the same period last year. Its service revenue fell by 16% to P42.97 million from last year's P50.96 million. "Service revenues mainly pertain to broadband services and income earned from the deployment by the company of professionals to its clients to render IT-related solutions and services," Now Corp. noted.

LISTED telecommunications,<br/>media, and technology com-<br/>pany Now Corp. saw its at-million from P75,552 during<br/>the period."As impacted by the en-

"The group continued to see a recovery from the COVID pandemic during the first quarter of 2022. Despite a challenging January, with Omicron cases at peak levels, sales and foot traffic quickly picked up in February and March, with the group seeing strong demand across the range of its categories, and

"Despite possible headwinds in 2022 in the form of higher inflation and a weaker peso, we continue to be confident that SSI has the resources and expertise necessary to manage volatile market conditions" SSI President Anthony T. Huang said in a statement.

At the stock exchange, SSI Group shares surged 8.55% or P0.10 to close at P1.27 on Tuesday. – Luisa Maria Jacinta C. Jocson

> Meanwhile, sales of software licenses rose to P5.94

hanced community quarantine, the revenues from the IT manpower and resource augmentation continued to drop by 9% from P3.11 million to P2.84 million," the company noted.

Moreover, cost and expenses for the period reached P42.97 million, a 12% decrease from last year's cost and expenses of P48.69 million.

"There was a slight increase of cost of sales and services of P0.551 million or 2% from P28.17 million in 2021 to P28.72 million in 2022, whereas, operating expenses decreased by P6.27 million or 31% from same period last year of P20.52 million to P14.25 million this year," the company said.

It added that the significant decrease was due to the implementation of cost-cutting measures of the company.

Now Corp. shares closed 1.48% higher at P1.37 apiece on Tuesday. – **Arjay L. Balinbin**  resulted from installment payments of loan principals.

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### STI profit hits P241M

STI Education Systems Holdings, Inc. posted a net income of P241.2 million in the third quarter of its fiscal year, nearly three times more than the P82.6 million recorded a year earlier, it told the stock exchange on Tuesday.

In its disclosure, the owner of one of the country's largest school networks, said revenues during its end-March third quarter reached P793.8 million, up 35% from P589.9 million year on year.

Operating income jumped 137% to P271.6 million from P114.5 million previously.

For the nine months to March 31, STI Holdings registered a net income of P297.2 million, reversing a net loss of P31.4 million in the same period a year ago.

Gross revenues for the three-quarter period rose 26% to P1.92 billion, while operating income jumped more than four times to P408 million.

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### **PT&T reduces net loss**

PHILIPPINE Telegraph and Telephone Corp. (PT&T) on Tuesday reported a net loss of P11.7 million for the first three months of the year, lower than the net loss of P13.56 million reported for the same period in the previous year.

"Additional expenses such as recognition of the legal interest rate of 6% per annum on unsettled obligations as directed by the Rehabilitation Court, and rehab-related expenses affected the net loss for the period," the company said in its first-quarter report.

PT&T's revenues for the first quarter reached P125.8 million, or 12.4% higher than the previous year's P110.2 million. — **Arjay L. Balinbin** 

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### CIC profit dips on rising shipping, commodity costs

CONCEPCION Industrial Corp. (CIC) announced on Tuesday that its profit after tax for the first quarter declined by 76% to P31 million, weighed down by higher commodity and logistics costs as well as unfavorable foreign exchange rates amid the pandemic.

"Despite a rough start due to Omicron, our March sales posted a 24% growth on overall business, even exceeding pre-pandemic levels. While we see increased levels of customer activities and commercial pipeline presenting a positive outlook, we remain cautious about the pressure in the business environment resulting from the increasing inflation, commodity and logistics costs, weakening peso and the global business sentiments," CIC Chairman and Chief Executive Raul Joseph A. Concepcion said.

In the first quarter, sales grew 7% to P3.1 billion. CIC said that sales from the commercial segment posted a "strong recovery offsetting weakness in consumer segment."

"While the consumer segment was affected by the resurgence of COVID in the beginning of the quarter, demand in that segment returned to normal levels from the latter part of February," it added.

The company said it had implemented price increases and cost curtailment activities to mitigate losses.

CIC provides air conditioning, refrigerators, consumer appliances, and building and industrial solutions. Its portfolio includes six companies, namely: Concepcion-Carrier Airconditioning Co., Concepcion Durables, Inc., Concepcion Midea, Inc. Philippines, Concepcion Otis Philippines, Inc., Concepcion Business Services, Inc., and Cortex Technologies Corp.

At the stock exchange on Tuesday, CIC shares were down by 0.73% or P0.14 to finish at P18.96 apiece. — **Luisa Maria Jacinta C. Jocson** 

Philippine Infradev's net loss widens as expenses rise

PHILIPPINE Infradev Holdings, Inc. announced on Tuesday that its attributable net loss for the first quarter of the year widened to P11.24 million from a loss of P8.30 million in the same period a year ago, mainly due to a significant increase in expenses.

The company's total revenues surged to P9.96 million in the first quarter from P1.37 million in the same period in 2021.

"The significant increase... in total revenue was mainly due to the higher number of units sold," the company said in its first-quarter report.

Meanwhile, its total expenses jumped to P21.21 million from P9.66 million in the same period last year.

"Total cost and expenses increased by P11.54 million from P9.66 million mainly because of the higher cost of sales," the company noted. Philippine Infradev's cash decreased by P195.99 million "mainly because of the payment to the contractors and consultants related to the subway project and transit-oriented development."

"Other major payments were related to the land development and construction costs for the fourth subdivision of the company named Casas Carlina."

At the same time, the company said that its receivable increased by P47.61 million mainly because of the advances made to contractors.

"Real estate held for sale and development increased by P66.91 million mainly because payments made for the land development and construction costs related to the fourth subdivision of the company." Its retained earnings decreased by P11.24 million because of the net loss incurred.

The company incorporated in 2019 the Makati City Subway, Inc. (MCSI) that will be used as a special corporate vehicle for its subway project in Makati.

"On March 7, 2022, the group received the certificate of registration of MCSI as new operator of Local Government Unit Public-Private Partnership from the Board of Investments effective Jan. 17, 2022," it said.

"This includes the approval of tax incentives which shall be limited to four years income tax holiday, followed by five years enhanced deductions and duty exemption on importation of capital equipment, subject to compliance with certain conditions," it added. The company also noted that the clearing of its Binangonan property is still the focus of its operations with the goal of completely freeing from third party claims 500 hectares of the 2,200-hectare property.

"Due to a number of factors, including the recognition of Supreme Court's recognition of the superior rights of the bonafide occupants as well as potential challenges in clearing and re-titling of this large area of land, management has estimated that only 1,513 hectares are expected to be recovered/cleared and re-titled in the name of the parent company as of March 31, 2022 and Dec. 31, 2021," it said.

Philippine Infradev shares closed 3.33% higher at P0.93 apiece on Tuesday. — **Arjay L. Balinbin**