BusinessWorld
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Philippine Stock Exchange index (PSEi) 6,720.93 ▼ 38.97 PTS. ▼ 0.57%

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PSEi MEMBER STOCKS

AC	Ayala Corp.	P740.00	+P10.00	+1.37%
ACEN	AC Energy Corp.	P7.20	-P0.40	-5.26%
AEV	Aboitiz Equity Ventures, Inc.	P51.25	+P0.75	+1.49%
AGI	Alliance Global Group, Inc.	P11.98	+P0.98	+8.91%
ALI	Ayala Land, Inc.	P31.50	-P1.00	-3.08%
AP	Aboitiz Power Corp.	P32.00	-P0.50	-1.54%
BDO	BDO Unibank, Inc.	P129.00	+P1.00	+0.78%
BPI	Bank of the Philippine Islands	P94.00	-P0.40	-0.42%
CNVRG	Converge ICT Solutions, Inc.	P27.60	-P1.55	-5.32%
EMP	Emperador, Inc.	P20.15	+P0.15	+0.75%
GLO	Globe Telecom, Inc.	P2,370.00	-P94.00	-3.81%
GTCAP	GT Capital Holdings, Inc.	P503.00	-P3.00	-0.59%
ICT	International Container Terminal Services, Inc.	P219.80	-P0.40	-0.18%
JFC	Jollibee Foods Corp.	P215.20	-P2.20	-1.01%
JGS	JG Summit Holdings, Inc.	P54.00	+P0.20	+0.37%
LTG	LT Group, Inc.	P8.44	-P0.24	-2.76%
MBT	Metropolitan Bank & Trust Co.	P52.90	+P0.05	+0.09%
MEG	Megaworld Corp.	P2.85	+P0.02	+0.71%
MER	Manila Electric Co.	P343.00	-P1.00	-0.29%
MONDE	Monde Nissin Corp.	P13.40	+P0.02	+0.15%
MPI	Metro Pacific Investments Corp.	P3.81	+P0.02	+0.53%
PGOLD	Puregold Price Club, Inc.	P33.55	-P0.05	-0.15%
RLC	Robinsons Land Corp.	P18.70	-P0.80	-4.10%
SECB	Security Bank Corp.	P101.00	-P1.50	-1.46%
SM	SM Investments Corp.	P845.00	-P0.50	-0.06%
SMC	San Miguel Corp.	P102.50	-P4.00	-3.76%
SMPH	SM Prime Holdings, Inc.	P34.50	-P0.70	-1.99%
TEL	PLDT, Inc.	P1,848.00	-P42.00	-2.22%
URC	Universal Robina Corp.	P114.00	+P5.00	+4.59%
WLCON	Wilcon Depot, Inc.	P26.00	-P1.05	-3.88%

AyalaLand Logistics, partner to build data centers

AYALALAND Logistics Holdings Corp. (ALLHC) announced on Tuesday that it signed a framework agreement with FLOW Holdings I Philippines Pte. Ltd. to develop carrier-neutral data centers across the country.

"The Philippines is rapidly emerging as one of the preferred locations in the [Asia-Pacific] region to host data centers due to its strategic location as a gateway from the Pacific to Asia, superior connectivity, and rich natural resources for renewable energy," AyalaLand Logistics said in a disclosure.

"The Philippines data center market is expected to experience double-digit annual growth, driven by a significant increase in data consumption, digitization, 5G connectivity, and data localization trends," it added.

The project will deliver a 4.5-megawatt (MW) capacity facility expected to be ready for service by the fourth quarter in 2023.

FLOW's modular product deployment approach, combined with a strong focus on connectivity and sustainability, will help maximize design flexibility and accelerate time-to-market, according to AyalaLand Logistics.

The joint venture is part of FLOW's ongoing regional expansion, which provides customized solutions to meet the growing demand for digital infrastructure in Asia-Pacific.

"We are pleased to partner with ALLHC as they prepare to make this significant contribution to developing digital infrastructure capabilities in the Philippines. The decades of design and operational experience of the FLOW team, combined with ALLHC's established record in industrial real estate development, makes this an ideal partnership to meet the rising demand for digital infrastructure in the country," FLOW Digital Infrastructure Chief Executive Amandine Wang said in a statement.

"This investment will contribute to the Philippines' transition to a digital economy. Furthermore, we believe this partnership with FLOW enhances the value of ALLHC's industrial land bank," AyalaLand Logistics Chief Executive Jose Emmanuel H. Jalandoni said.

The company said that discussions on the data center projects are ongoing.

FLOW invests and operates in the key physical assets of the digital infrastructure ecosystem, including cloud, hyperscale, and enterprise data centers, as well as network and fiber assets, across the Asia-Pacific region. It was launched in 2021 with $50 billion in assets under management, including $2 billion in data center assets.

AyalaLand Logistics, a subsidiary of Ayala Land, Inc., owns industrial parks, warehouses, cold storage facilities, and commercial leasing across the country.

Among its developments are industrial estates including Laguna Technopark, Pampanga Technopark, Cavite Technopark, Laguindingan Technopark in Misamis Oriental. Its ALogis standard factory buildings are located in Biñan and Calamba, Laguna; Naic in Cavite; Porac, Pampanga; Sto. Tomas, Batangas, and Manila, complemented by the ALogis Artico cold storage facilities in Biñan, Laguna. Its commercial leasing portfolio comprises Tutuban Center in Manila and South Park Center in Muntinlupa City.

At the stock exchange, AyalaLand Logistics shares ended lower by 3.79% or 16 centavos to P4.06 each on Tuesday. — **Luisa Maria Jacinta C. Jocson**

SM Prime income, revenues rise 15% as economy reopens

PROPERTY developer SM Prime Holdings, Inc. reported on Tuesday that its consolidated net income grew 15% to P7.4 billion in the first quarter due to higher revenues.

"The significant improvement in mobility restrictions and the continuous reopening of the local economy in the first three months of 2022 have provided SM Prime further boost to expand its businesses and reach more customers through its integrated property developments," SM Prime President Jeffrey C. Lim said.

First-quarter consolidated revenues likewise increased by 15% to P23.9 billion, while operating income grew by 17% to P10.1 billion.

SM Prime's mall business reported a 40% growth in revenues to P8.2 billion. Rental income was also up by 34% to P7.6 billion.

"The easing of community quarantine levels in key areas in the country, which allowed more shops to operate," SM Prime said.

The company's cinema, event ticket sales, and other revenues increased by 172% to P600 million in the first quarter from P200 million.

Meanwhile, SM Prime's residential business group, led by SM Development Corp., reported P12 billion in revenues, almost the same as the previous year.

Sales reached P31.1 billion, with no comparative figure given, mostly coming from vertical residential developments in Mandaluyong, Parañaque and Makati.

"Despite the sudden COVID-19 (coronavirus disease 2019) cases surge in January 2022, we were able to maintain our growth momentum in the succeeding months while prioritizing the health and safety of all our stakeholders. We remain optimistic this year as the government continues its efforts in containing the spread of COVID-19," Mr. Lim added.

The firm's other key businesses, which include offices, hotels, and convention centers, reported a 30% growth in revenues to P2 billion.

SM Prime has 76 malls in the Philippines and seven shopping malls in China. It also has 53 residential projects, 19 commercial projects, eight hotels, five convention centers and three trade halls.

The company owns Sky Ranch, an amusement park in Tagaytay City and within SM City Pampanga and SM City Baguio.

SM Prime shares were down by 1.99% or 70 centavos to close at P34.50 apiece on Tuesday. — **Luisa Maria Jacinta C. Jocson**

Cosco Capital profit up 5%, revenues slip

RETAIL holding firm Cosco Capital, Inc. reported a 5% growth in its consolidated net income to P10.5 billion in 2021, a year when it said it was "undeterred" by its lower revenues.

Consolidated revenues went down by 1.6% to P174.4 billion from P177.3 billion in 2020.

In a statement on Tuesday, the company said it was "undeterred by the slight decline in consolidated revenues experienced, brought about by the continuing impact of the COVID-19 (coronavirus disease 2019) restriction."

It added that its business segments went through the second year of the pandemic with the company benefiting from a better bottom line from "gross margin enhancements."

Cosco cited "stronger suppliers supports, sustained strategic cost and expense management as well as the income tax savings from the implementation of the CREATE (Corporate Recovery and Tax Incentives for Enterprises Act) Law."

In 2021, the group's grocery retailing businesses, Puregold Price Club, Inc. and S&R Membership Shopping Club, contributed 63% to the total core net income.

The retailing segment was followed by liquor distribution with 23%, commercial real estate with 13% and specialty retailing, Office Warehouse, Inc., with 1%.

The grocery retail segment recorded a 1.4% growth in net income to P8.18 billion from the improvement in gross profit margins as well as strategic cost reduction measures.

However, consolidated revenues dropped by 2.7% to P164.1 billion, driven by a decline in customer traffic in its Puregold supermarkets over the pandemic.

"Despite the prevailing environment, the grocery retail group continued to implement its organic expansion strategy and opened a total of 30 new Puregold stores and 2 new S&R warehouse clubs in 2021," Cosco said.

Its store network includes 430 Puregold stores, 22 S&R membership shopping warehouses, and 47 S&R New York Style quick-service restaurants.

Meanwhile, the liquor distribution business, through The Keepers Holdings, Inc., reported a 34.4% jump in net income to P1.58 billion, resulting from the strong sales performance and strategic cost control of its distribution, marketing and promotion expenses.

Consolidated revenues likewise rose by 35.1% to P11.03 billion, backed by a 31.9% growth in volume of cases sold. — **Luisa Maria Jacinta C. Jocson**

FULL STORY

Read the full story by scanning the QR code or by typing the link <https://bit.ly/3M2hmlt>

Value of region's private equity deals reach $25B

THE private equity market deal value in Southeast Asia more than doubled to $25 billion in 2021, signaling strong investment growth in the region, according to consulting firm Bain & Co.

"The previous year had seen a significant slowdown, with the market recording the largest fall across all Asia-Pacific (APAC) region markets due to travel restrictions hampering deal-making and diligence processes, but the progressive 'opening-up' of countries in the second half of 2021 helped drive a rebound in deal value," Bain & Co. said in a statement on Tuesday.

In its 2022 annual Southeast Asia Private Equity report, it placed the 2020 comparative figure at $10 billion.

Usman Akhtar, Bain & Co. partner and head of Southeast Asia private equity practice, said that the region as a whole in 2021.

"Southeast Asia as a region has bounced back strongly from the COVID-19 (coronavirus disease 2019) impacted year in 2020, with the 2021 activity level showing that investors were keen to make up for lost time," Mr. Akhtar said.

"While private equity (PE) investors continue to believe they can get strong returns in the region over the next 3-5 years, we also see them putting more emphasis on topline growth and operational improvements as expectations of multiple expansion become relatively muted," he added.

According to Bain & Co., the APAC consists of over a quarter of the global PE market in 2021 following the increased deal volume in the Southeast Asia region.

It added that growth and early-stage investments surged in 2021, while growth deals remained the dominant deal type and contributed 77% of Southeast Asia's deal value.

"Five megadeals accounted for 33% of total deal value, which grew 143% compared with 2020. The influx of capital from e-commerce, logistics and technology deals meant that Singapore, Indonesia and Vietnam saw a strong jump in their share of deal value and count, with further potential to climb moving forward, given the presence of sought-after tech companies and vibrant startup economy in these markets," Bain & Co. said.

"Exit value in Southeast Asia more than doubled what it was in 2020, though it still is not at full potential [as] it remains below the average from 2016-2020. Much of the growth was driven by Singapore, particularly as maturing tech companies such as Grab debuted in the public markets," it added.

Bain & Co. said the internet and technology sectors continued to contribute the lion's share of deal volume and value across the Asia-Pacific PE landscape.

However, it mentioned that healthcare and financial services are starting to get bigger shares as investment targets after contributing 18% and 9% of overall deal count, respectively.

"Investors globally and especially in Southeast Asia are rightly concerned about finding the right opportunities to invest in amid the increased competition from global and local funds," said Suvir Varma, senior advisor to Bain & Co. global private equity practice. — **Revin Mikhael D. Ochave**

FULL STORY

Read the full story by scanning the QR code or by typing the link <https://bit.ly/3wa5E7S>

SBS swings to P27-M profit on business units' higher sales

CHEMICALS distributor SBS Philippines Corp. (SBS) realized a net income of P27.4 million in the first quarter, reversing the P20.8-million loss in the similar period a year before, driven by higher sales from its business segments.

"SBS achieved sales growth across all segments particularly the business recovery of the industrial and the feed and veterinary segments from the challenges in 2021," Necisto Y. Sytengco II, SBS vice-chairperson and senior vice-president for sales and marketing operations, said in a statement on Tuesday.

"Our wide product portfolio, reliable inventory, and efficient supply chain allow SBS to serve our customers' requirements timely despite the global logistic disruption that affects many of our peers in the market," he added.

In the first quarter, net sales were up 66% to P288.7 million. Operating profit on a consolidated basis also grew by 90%, driven by increase in sales volume and selling prices.

"This strengthened our position as the preferred one-stop shop supplier of chemical raw materials in the country," Mr. Sytengco said.

SBS is a chemical trader-distributor with over 3,000 chemical products sourced from more than 500 suppliers. It serves clients from various industries, including food ingredients, industrial, feeds and veterinary care, pharmaceutical, and personal care and cosmetics.

The company owns a network of 15 warehouse facilities located at five different sites in Manila and Bulacan, providing for a combined floor space of about 46,000 square meters and a storage capacity exceeding 18,000 metric tons.

On Tuesday, company shares remained unchanged at P3.93 at the stock exchange. — **Luisa Maria Jacinta C. Jocson**

Gateway, Kia launch Batangas dealership

THE Gateway Group and Kia Philippines have inaugurated a renovated dealership in Sto. Tomas, Batangas province on April 29 as part of efforts to improve the car manufacturer's existing dealerships in the country.

In a statement on Tuesday, Kia Philippines said the Sto. Tomas branch, operated by Gateway Dealership, is the fifth dealership under the management of Gateway Group. The other branches under Gateway management are in Mandaue, Gorordo, Talisay, and San Pablo.

The newly renovated branch is located along President Laurel Highway, Brgy. San Roque in Sto. Tomas. It offers sales inquiry, purchase, and aftersales services such as maintenance, general repairs, body repairs, paint jobs, and other vehicle needs.

"Gateway is a significant business partner and valued dealer group owner. They are exemplars in terms of executing the Kia mission and vision to provide quality products and services to the Filipino consumers. With the new Kia Sto. Tomas, the drive of Kia Philippines and Gateway to provide Filipinos with the mobility solutions they deserve will only get stronger," Kia Philippines President Emmanuel A. Aligada said.

According to Kia Philippines, the Kia Sto. Tomas dealership is the second showroom in the country to implement the car manufacturer's new logo and new design language.

"I trust in the Kia brand and I am positive about the value that it can bring to Filipinos through Kia Philippines. Together, we can greatly contribute in uplifting the country's transportation industry," Gateway Group Chairman Markane Goho said.

Previously, Kia Philippines announced that it sought to have 46 dealerships by 2022 and 50 operating dealerships by 2023. The car manufacturer aims to sell 6,000 units this year and is also eyeing to improve its existing facilities. — **Revin Mikhael D. Ochave**