

Philippine Stock Exchange index (PSEi) 6,737.84 ▲ 38.18 PTS. ▲ 0.57%

MONDAY, AUGUST 15, 2022
BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P750.00 +P17.00 +2.32%	ACEN AC Energy Corp. P8.70 ---	AEV Aboltiz Equity Ventures, Inc. P59.70 +P0.25 +0.42%	AGI Alliance Global Group, Inc. P9.97 +P0.30 +3.10%	ALI Ayala Land, Inc. P29.10 +P0.60 +2.11%	AP Aboltiz Power Corp. P31.70 +P0.15 +0.48%	BDO BDO Unibank, Inc. P120.00 +P1.70 +1.44%	BPI Bank of the Philippine Islands P95.30 ---	CNVRG Converge ICT Solutions, Inc. P18.50 -P0.68 -3.55%	EMI Emperador, Inc. P18.96 -P0.10 -0.52%
GLO Globe Telecom, Inc. P2,320.00 +P80.00 +3.57%	GTCAP GT Capital Holdings, Inc. P513.00 +P12.00 +2.40%	ICT International Container Terminal Services, Inc. P184.60 -P0.80 -0.43%	JFC Jollibee Foods Corp. P233.20 +P1.20 +0.52%	JGS JG Summit Holdings, Inc. P55.05 +P0.75 +1.38%	LTG LT Group, Inc. P9.15 +P0.20 +2.23%	MBT Metropolitan Bank & Trust Co. P51.50 -P0.40 -0.77%	MEG Megaworld Corp. P2.57 +P0.12 +4.90%	MER Manila Electric Co. P323.60 -P5.40 -1.64%	MONDE Monde Nissin Corp. P16.28 -P0.08 -0.49%
MPI Metro Pacific Investments Corp. P3.80 ---	PGOLD Puregold Price Club, Inc. P35.45 +P0.55 +1.58%	RLC Robinsons Land Corp. P19.06 +P0.26 +1.38%	SECB Security Bank Corp. P42.55 +P1.50 +3.65%	SM SM Investments Corp. P860.00 +P17.00 +2.02%	SMC San Miguel Corp. P103.00 ---	SMPH SM Prime Holdings, Inc. P38.10 -P0.35 -0.91%	TEL PLDT, Inc. P1,769.00 -P49.00 -2.70%	URC Universal Robina Corp. P124.90 -P1.00 -0.79%	WLCON Wilcon Depot, Inc. P30.00 -P0.45 -1.48%

Sia's listed firms post double-digit profit growth

By Justine Irish D. Tabile

THREE listed companies chaired by businessman Edgar J. Sia II reported on Monday double-digit profit growth in the first semester led by his retail store operator MerryMart Consumer Corp., which nearly doubled its earnings during the period.

Real estate firm DoubleDragon Corp. posted a 29% increase in its consolidated net income to P1.2 billion for the six months ended June as revenues rose by 26.8% to P3.41 billion.

In a press release, Mr. Sia said the company's equity "that consists generally of a string of diver-

sified titled hard real estate assets located in prime and strategic locations nationwide continue to appreciate as years go by."

Its consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) went up by 32% to P2.07 billion.

To date, the company has 1.2 million square meters of completed gross floor area all over the country.

"We expect this portfolio of hard assets to all mature and generate the optimum level of recurring income production before 2025," Mr. Sia said.

The company is preparing for the planned real estate investment trust listing of its Central-

Hub industrial warehouse portfolio, which will commence once market conditions improve.

In the last quarter of the year, DoubleDragon plans to construct Hotel 101 - Niseko in Hokkaido, Japan.

"We believe that DoubleDragon's current overall healthy financial position during this extended economic crisis puts it in a good position to grow and strengthen even more significantly once the next boom cycle starts," DoubleDragon Chief Investment Officer Hannah Yulo-Luccini said.

Meanwhile, DDMP REIT, Inc. registered a P1.06-billion core net income in the first six months, higher by 17% than last year's.

Its revenues went up by 2.9% to P1.23 billion while its rental income climbed by 7.6% to P1.14 billion in the first half.

DDMP, which invests in income-generating real estate, ended the semester with its total assets and equity increasing by 0.2% to P50.30 billion and to P41.04 billion, respectively.

Its board of directors approved a cash dividend to all shareholders amounting to P486.7 million or P0.03 per share with the payment date on Sept. 26, 2022.

"We are glad for the many positive economic indicators that are recently signaling a new economic cycle post the COVID-19

(coronavirus disease 2019) pandemic, post the peak of Ukraine war tensions, and post the generally peaceful Philippine election. These past few weeks, we have felt the buildup of fresh new tenant inquiries, ongoing negotiations and increased activities of the existing office and retail tenants," Mr. Sia said.

MerryMart, which has several retail formats, posted a net income of P32.25 million in the first half, almost double from a year ago, driven by its acquisitions of Carlos SuperDrug and Cecile's Pharmacy.

The group is keeping its eyes open for similar partnerships and acquisitions within tradi-

tional and technology consumer sectors.

MerryMart's topline increased by 55.9% to P2.88 billion in the semester while its EBITDA climbed to P99.45 million, a 62.5% increase from last year.

Mr. Sia said the company "is well on its way to exceed the P5-billion revenue mark this year, more than double the company's revenue numbers two years ago when it filed for [an initial public offering]."

FULL STORY

Read the full story by scanning the QR code or by typing the link <bit.ly/Sia0816>

Globe's credit profile seen to improve over next 6-9 months

GLOBE Telecom, Inc.'s credit profile is expected to improve over the next six to nine months, financial research firm CreditSights, Inc. said, citing the company's "improving credit story."

"We see potential for Globe's deleveraging and capex (capital expenditure) funding buffer to enlarge from recently approved P32-billion equity rights offering (and) P80-90-billion tower sale..., (which) is expected to be completed by (the end of the year)," CreditSights said in its latest outlook report for Globe.

With these developments, the research firm anticipates "further improvements in Globe's credit profile over the next six-nine months."

Globe announced on Friday last week that it signed two sale and leaseback agreements

for 5,709 telecom towers and related passive telecom infrastructure for over P71 billion.

It said that P53.5 billion of the proceeds will be used for capex and other major infrastructure expansions, with the remaining P17.7 billion going toward debt servicing.

"The first portfolio being sold consists of 2,180 telecom towers in Luzon, which will be acquired by MIESCOR Infrastructure Development Corp. for a total consideration of P26 billion, and leased back to Globe for an initial period of 15 years," the Ayala-led company said in a statement.

The expected pre-tax transaction gain from the first portfolio will be P10.6 billion.

The second portfolio consisting of 3,529 towers will be sold to Frontier Tower Associates

Philippines, Inc. for P45 billion, and also leased back over an initial period of 15 years. Pre-tax gain will be P15 billion.

It is in "advanced discussion" with another tower company for the sale and leaseback of an additional 1,350 telecom towers and related passive telecom infrastructure.

"We maintain our outperform recommendation on Globe, as we believe that its modest... growth and credit profile improvement prospects should cushion the credit risks from its sizable (2022) capex," CreditSights said.

"Valuations are currently attractive in our view too."

Outperform, according to finance website Investopedia, means "the company will produce

a better rate of return than similar companies, but the stock may not be the best performer in the index."

"We believe Globe's hefty (2022) capex of P89 billion is sufficiently funded for, which should reduce the need for additional debt incurrence," CreditSights added.

According to the research firm, its report is for informational purposes only. "Neither the information contained in this report, nor any opinion expressed therein is intended as an offer or solicitation with respect to the purchase or sale of any security or as personalized investment advice."

Globe Telecom shares closed 3.57% higher at P2,320 apiece on Monday. — **Arjay L. Balinbin**

BRIEFS

Raslag's net income slips 31% to nearly P30M

RENEWABLE energy firm Raslag Corp. posted a 31.2% decrease in its attributable net income in the second quarter to P29.70 million from P43.15 million last year.

In a disclosure to the stock exchange, the company reported a 0.5% jump in revenues to P85.11 million for the quarter from P84.67 million in the same period last year.

In the first six months, the company's attributable net profit fell by 24.3% to P51.93 million from P68.56 million due to non-recurring expenses related to its initial public offering (IPO).

FULL STORY

Read the full story by scanning the QR code or by typing the link <bit.ly/Raslag0816>

Ayala Corp. president and CEO takes leave of absence

FERNANDO Zobel de Ayala has taken a temporary medical leave of absence as Ayala Corp.'s president, chief executive officer (CEO) and vice-chairman of the board, the listed conglomerate said on Monday.

"He remains a member of our Board but has stepped down as member of our Executive Committee and Finance Committee," the company said in a disclosure on Monday.

Ayala's Corporate Governance and Nomination Committee endorsed Cesar "Bong" P. Consing for the posts and was elected as acting president and chief executive officer by the company's board of directors at a meeting held on Aug. 14.

Mr. Consing has been a director of Ayala since December 2020. He is also a director of Bank of the Philippine Islands (BPI), Globe Telecom, Inc., and ACEN Corp.

He was a senior managing director of Ayala and president and CEO of BPI from 2013 to 2021.

Mr. Consing also served as chairman and president of the

Bankers Association of the Philippines and as president of Bancnet, Inc.

Meanwhile, the company's board elected Delfin "Del" L. Lazaro to take Mr. Zobel's post as the vice-chairman of the executive committee.

Mr. Lazaro has been a non-executive director at Ayala since January 2007. He is a director at Integrated Microelectronics, Inc., Globe Telecom, and an independent director at Monde Nissin Corp.

He is also an independent adviser to the board of directors of Ayala Land, Inc. and a member of the BPI advisory council.

"I want to assure everyone that Fernando is in high spirits, but he has asked for some time to focus on his health and recovery," Ayala Chairman Jaime Augusto Zobel de Ayala said in a Facebook post on Monday.

"Let us all give Fernando the support he needs to focus on improving his health, and Bong and Del our confidence as they take on their new roles," he added. — **Justine Irish D. Tabile**



Gotianun firms' net income declines

GOTIANUN-LED Filinvest Development Corp. (FDC) reported a 34.2% decline in its attributable net income to P1.47 billion in the second quarter after incurring high operating costs and expenses.

The company's topline was up by 20.1% to P16.24 billion in the second quarter from the recorded P13.52 billion last year.

FDC's costs were up by 31.7% in the second quarter to P6.74 billion while its expenses rose by 12.2% to P8.25 billion.

In the first half, FDC's net income went down by 47% to P2.23 billion from P4.2 billion last year.

Its revenues, however, went up to P30.81 billion,

an 11.2% increase from last year's P27.7 billion.

"Core revenues registered a year-on-year growth of 11.2% [...], largely contributed by the core revenue increase in real estate segment, hospitality business and power and utility operations," the company said in its quarterly report on Monday.

Its subsidiary, Filinvest Land, Inc. (FLI), registered a P526.98-million attributable net income for the three months ended June, 39.3% lower than P868.11 million a year ago.

FLI's total revenue amounted to P4.67 billion in the second quarter, higher by 16.2% than the P4.02 billion last year.

Its costs from real estate sales went up by 6.3% to P1.79 billion while costs from rental services were up by 20.5% to P687.46 million.

Operating expenses were also up, with selling and marketing expenses amounting to P298.74 million and general and administrative expenses totaling P518.89 million.

Year to date, FLI's net income slipped to P1.2 billion, 54% lower than year-ago's P2.62 billion.

On the stock market on Monday, FDC shares went down by 0.99% or P0.07 to P7 apiece while FLI shares ended unchanged at P0.93 apiece. — **Justine Irish D. Tabile**

Chelsea losses shrink as business segments' total revenues grow

CHELSEA Logistics Infrastructure Holdings Corp. managed to trim its attributable net loss for the second quarter of the year to P587.63 million from P727.09 million previously, as revenues improved amid increased economic activities.

Total revenues for the second quarter climbed 65.3% to P1.61 billion from P975.96 million previously, Chelsea Logistics' second-quarter financial performance results showed.

"All business segments reported positive revenue growth during the quarter, particularly the passage segment," the company said.

For the first half, the company's attributable net loss was reduced to P1 billion from a loss of P1.07 billion in the same period a year ago.

Revenues for the first six months improved 36.6% to P2.91 billion from P2.13 billion previously.

"We are very encouraged by our Q22022 (second-quarter 2022) results with substantial improvements in revenues, especially for the passage segment," Chelsea President and Chief Executive Officer Chrissy Alfonsus V. Damuy said.

"Despite increases in our costs, the strong growth in our revenues was able to narrow our losses on a year-to-date basis," he added.

Chelsea and its three shipping lines, Starlite Ferries, SuperCat, and Trans-Asia, recently launched Chelsea Travel, a unified online booking system for passengers.

The application will "further accelerate the recovery of our passage business," Mr. Damuy said.

The group also plans to launch a loyalty application to provide freebies and rewards.

Chelsea Logistics shares closed 0.85% higher at P1.18 apiece on Monday. — **Arjay L. Balinbin**

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Year to date, FLI's net income slipped to P1.2 billion, 54% lower than year-ago's P2.62 billion.

On the stock market on Monday, FDC shares went down by 0.99% or P0.07 to P7 apiece while FLI shares ended unchanged at P0.93 apiece. — **Justine Irish D. Tabile**

SPNEC says share swap to be completed in 2022

SOLAR PHILIPPINES Nueva Ecija Corp. (SPNEC) said on Monday that it targets to complete its asset-for-share swap deal with its parent company, Solar Philippines Power Project Holdings, Inc. (SPPPH), by the end of this year, with its stock rights offering (SRO) expected to be completed in September.

"We aim to complete the private placements to increase the public float for the share swap by the end of 2022," said Leandro L. Leviste, president and chief executive officer of SPNEC, in a media release. — **Ashley Erika O. Jose**

Davao power firm plans digital substation to meet demand

ELECTRICITY distributor Davao Light and Power Co., Inc. (DLPC) is set to build a new digital substation in Panabo City, Davao del Norte to address the growing power demand in the area.

"We are determined to supply reliable electricity and remain a steadfast partner in the progress of the communities we serve. We continue to invest in the latest technologies to align with the international standards of power distribution," said DLPC President and Chief Operating Officer Rodrigo S. Velasco in a media release. — **Ashley Erika O. Jose**

Vivant income slides by 23.5%

CEBU-BASED Vivant Corp. reported on Monday that its second-quarter attributable profit dropped by 23.5% to P416.88 million in the second quarter from P544.67 million in the same period last year.

In its quarterly report filed to the stock exchange, Vivant said that its revenues stood at P1.59 billion, up 3% compared with P1.64 billion in the same period last year.

FULL STORY

Read the full story by scanning the QR code or by typing the link <bit.ly/Vivant0816>