



IKEA franchisee posts 41% revenue increase

IKANO Retail, the franchisee behind IKEA Philippines, announced on Wednesday that its total revenues rose by 41.2% to P60.1 billion or €1.01 billion for its financial year ending August.

For IKEA Philippines, turnover was placed at P6.4 billion for the year.

"After two years of retail disruptions and COVID restrictions, people made 113 million visits to our stores and shopping centers," Ikano Retail Chief Executive Christian Roekjkaer said in a media release.

Aside from the Philippines, Ikano Retail also brought the Swedish home furnishing brand to Mexico, Singapore, Malaysia, and Thailand.

"Our shelves were not fully stocked as we would have liked it and our costs went way up. Still, we are leading our markets for affordable, quality home furnishing solutions — and our customers appreciate that," Mr. Roekjkaer said.

According to the firm, its performance was driven by sales growth, the opening of two new stores, and more foot traffic. It also said it exceeded the €1-billion mark for the first time in its latest financial year.

In the Philippines, Ikano Retail owns and operates the world's largest IKEA in Pasay City, click and collect service, IKEA food, and IKEA for business.

The top earning categories for IKEA Philippines were bedroom furniture and workspaces. The Brimnes wardrobe with three doors and the Alex drawer unit were among the top-selling products.

"People were also getting organized in their kitchens, taking home 83,865 pieces from the IKEA 365+ series of food storage solution," the firm said.

It added that the food segment "was a hit among customers in the Philippines in its opening year, with nearly 8 million plant, vegetable and meatballs sold."

The firm said that its total e-commerce sales expanded by 16% and recorded 122.5 million visitors on IKEA websites across its five markets.

Ikano Retail is one of 12 IKEA franchisees operating around the world. It has 13 IKEA stores and five IKEA-anchored shopping centers in its portfolio. — **Luisa Maria Jacinta C. Jocson**

DITO: Discussion with PLDT on P430-million demand ongoing

DITO CME Holdings Corp. on Thursday said its telecommunications subsidiary DITO Telecommunity Corp. is currently in talks with PLDT, Inc. about the latter's P430-million demand.

"In connection with the reported demand letter that was sent by PLDT to our subsidiary, DITO Telecommunity, DITO Telecommunity believes that there is no material breach," DITO CME said in a disclosure to the stock exchange.

"It will also ensure that the company will thresh out and exhaust all available remedies. The issue is currently being discussed by both DITO Telecommunity and PLDT," it added.

On Oct. 7, the Pangilinan-led PLDT said it had served DITO with a notice of material breach and demand for payment "as a result of its refusal to pay the amount of P429.73 million for contracted services which PLDT has fully performed and delivered, relating to the building and provisioning of transmission facilities that DITO required and is using for the delivery of telecommunication services."

For its part, DITO said it was "compelled to enter into an agreement" with PLDT for the provisioning of the transmission facilities to allow DITO to interconnect with the subscribers of PLDT's Smart Communications, Inc. "for the purpose of supporting the

parties' obligations under their interconnection agreement."

The third telco player said Smart's refusal to augment DITO's capacity to interconnect with the latter's subscribers "has to no small degree compromised DITO-Smart voice traffic, adding to the underutilization of the initial bandwidth capacity provided by Smart to DITO."

"DITO, in a series of letters to PLDT and prior to the delivery of the subject transmission facilities, informed the latter that the same are no longer needed," it added.

According to PLDT, its demand has nothing to do with the interconnection capacity issue.

"PLDT understands that [Smart Communications] is unable to give

DITO any additional bandwidth until DITO agrees to compensate Smart for illegal overseas call traffic that is coming from DITO and which defrauds Smart and the government of legitimate income," PLDT said in a separate statement.

"This has nothing to do with DITO's refusal to pay an overdue obligation to PLDT for transmission facilities that DITO has asked PLDT to build and which DITO has leased from PLDT and which, to repeat, DITO continues to use," it added.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Arjay L. Balinbin**

Store growth boosts Figaro Coffee's income by 111% to P198M

FIGARO Coffee Group, Inc. more than doubled its net income for the fiscal year ending June 30 to P198.2 million, driven by the company's store network expansion.

"We continue to focus on product quality, value-for-money and expansion in key areas in the Philippines," Figaro Coffee Chairman Justin T. Liu said in a press release on Thursday.

Since the beginning of 2022, Figaro Coffee added 35 stores to

its 107-store count last year. By year-end 2022, it is targeting to have a total of 163 stores in its network.

The company's topline rose by 80% to P2.43 billion. Its gross margins also improved to 49% from 44%, which resulted in a 64% growth in its operating income.

"We are very pleased to report that coming out of the pandemic and our initial public offering early this year, we have continued

our excellent growth and positive momentum," Mr. Liu said.

According to Mr. Liu, dine-in sales in Figaro Coffee and Tien Ma brands and delivery from the Angel's Pizza brand have contributed to this growth.

Meanwhile, the company's board of directors has approved a P90-million cash dividend or P0.01936 per share to shareholders as of Nov. 21, 2022.

Figaro Coffee is a wholly-owned subsidiary of Carmetheus

Holdings, Inc. It operates a network of retail restaurants through its subsidiary, Figaro Coffee Systems.

The retail restaurants include Figaro Coffee, Angel's Pizza, and Taiwanese cuisine restaurant Tien Ma's.

Figaro Coffee operates a total of 141 stores across all of its brands as of Oct. 13.

On Thursday, its shares closed unchanged at 58 centavos apiece. — **Justine Irish D. Tabile**

Customers and investors drive sustainability efforts in PH — Kyndryl

EXPECTATIONS by customers and investors on environmental and social consciousness are the main driver for local business organizations' efforts to be socially and environmentally responsible, a study by a US-listed service provider said.

In its "ASEAN Digital Transformation Study 2022," Kyndryl said customers drive organizations to be responsible more than regulations do. It noted that this is especially true in countries such as the Philippines, Indonesia, and Thailand.

"Organizations in the Philippines are responding most to customer expectations around environmental and social responsibility from organizations — including their high preference for eco-friendly products," said Kyndryl, which designs, builds, manages, and modernizes information systems.

The study shows that 40% of the Philippine organizations that participated have their sustainability efforts driven by consumer and investor expectations.

This makes the Philippines the top among the five countries covered by the study to have consumer and investor expectations as the main driver. It was then followed by Indonesia with 31% and Thailand with 30%.

Meanwhile, Singapore's sustainability efforts were mainly driven by compliance, while Malaysia was the most successful in accessing sustainability-related funding.

The study also found that environmental, social and governance awareness is growing within the Association of Southeast Asian Nations (ASEAN), with some industries leading the way.

Kyndryl said that "organizations are still lacking a holistic strategy and are grappling with

how to integrate their data to set science-based targets, all while navigating external challenges such as stricter regulations."

Kyndryl said that although organizations from the five countries are aware of their environmental and social responsibilities, challenges such as operational costs, data availability and lack of dedicated resources hinder them from achieving their sustainability goals.

According to the study, over eight out of 10 organizations in the Philippines aim to become sustainable. However, only 22% of them have built a strategic sustainability roadmap.

"I strongly believe that the success of sustainability lies in how well an organization can integrate its people, processes and technology to achieve a common goal," Kyndryl Philippines Managing Director Wilson Go said.

"To achieve this goal, we need to put people at the center and embed sustainability principles at all levels of the organization culture," he added.

The study had 500 C-suite leaders as participants, 100 of whom came from the Philippines. It is a collaborative study of the information technology infrastructure services provider Kyndryl and the technology research and advisory firm Ecosystem.

"While sustainability is an integral part of many businesses in ASEAN, there is a lot more that needs to be done to build sustainability competencies and fully understand what data organizations have access to and identify the data gaps to support corporate sustainability goals," Ecosystem Chief Executive Officer Ullrich Loeffler said.

Kyndryl said its more than 90,000 employees serve over 4,000 customers in more than 100 countries around the world. — **Justine Irish D. Tabile**

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