Philippine Stock Exchange index (PSEi) 6,606.69 ▼ 66 PTS. ▼0.98%

WEDNESDAY, MAY 3, 2023 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P631.50	-P4.50	-0.71%
ACEN	ACEN Corp.	P6.00	+P0.03	+0.5%
AEV	Aboitiz Equity Ventures, Inc.	P55.75	-P0.25	-0.45%
AGI	Alliance Global Group, Inc.	P13.60	-P0.20	-1.45%
ALI	Ayala Land, Inc.	P27.40	-P0.10	-0.36%
AP	Aboitiz Power Corp.	P38.00	——	
BDO	BDO Unibank, Inc.	P137.70	-P4.30	-3.03%
BPI	Bank of the Philippine Islands	P108.00	-P2.00	-1.82%
CNVRG	Converge ICT Solutions, Inc.	P11.44	-P0.30	-2.56%
DMC	DMCI Holdings, Inc.	P10.00	+P0.14	+1.42%
EMI	Emperador, Inc.	P20.75	-P0.10	-0.48%
GLO	Globe Telecom, Inc.	P1,700.00	-P20.00	-1.16%
GTCAP	GT Capital Holdings, Inc.	P480.00	-P7.00	-1.44%
ICT	International Container Terminal Services, Inc.	P216.00	-P1.00	-0.46%
JFC	Jollibee Foods Corp.	P224.00	-P1.60	-0.71%
JGS	JG Summit Holdings, Inc.	P51.50	+P0.30	+0.59%
LTG	LT Group, Inc.	P10.18	+P0.08	+0.79%
MBT	Metropolitan Bank & Trust Co.	P59.50	+P0.10	+0.17%
MER	Manila Electric Co.	P327.00	-P7.20	-2.15%
MONDE	Monde Nissin Corp.	P9.53	+P0.01	+0.11%
MPI	Metro Pacific Investments Corp.	P4.42	+P0.01	+0.23%
PGOLD	Puregold Price Club, Inc.	P33.30	+P0.20	+0.6%
SCC	Semirara Mining and Power Corp.	P28.00	+P0.40	+1.45%
SM	SM Investments Corp.	P907.00	-P13.00	-1.41%
SMC	San Miguel Corp.	P104.90	+P0.20	+0.19%
SMPH	SM Prime Holdings, Inc.	P33.45	-P0.50	-1.47%
TEL	PLDT Inc.	P1,199.00	-P2.00	-0.17%
UBP	Union Bank of the Philippines	P82.90	-P0.10	-0.12%
URC	Universal Robina Corp.	P143.50	-P2.00	-1.37%
WLCON	Wilcon Depot, Inc.	P28.50	-P0.25	-0.87%

Metro Pacific posts 38% surge in core net income

MPIC Metro Pacific Investments Corp. (MPIC) reported on Wednesday a consolidated core net income of P4.3 billion in the first quarter, up 38% from a year ago, after its business holdings recorded better results.

"Our strong performance for the first quarter reflects significant volume increases for our power, toll roads, water and healthcare businesses, bolstered by favorable tariff adjustments and savings resulting from operational efficiencies," said Manuel V. Pangilinan, MPIC president and chief executive officer, in a statement.

In contrast, its attributable net income for the three-month period fell by 12% to P5 billion from P5.7 billion previously, as the previous year benefited from gains in acquiring Landco Pacific Corp.

Manila Electric Co. (Meralco) contributed P4.2 billion or 75% of MPIC's net operating income for the quarter, followed by Metro Pacific Tollways Corp. with a share of P1.3 billion or 23%, and Maynilad Water Services, Inc. with P1.1 billion or 19%.

MPIC's other businesses — light rail, healthcare, agribusiness, real estate, and fuel storage — incurred a total net loss of P967 million.

Meralco's consolidated core net income for the quarter increased by 40% to P9 billion due to significant growth in its power generation business. Total revenues increased by 23% to P105.6 billion due to higher pass-through power generation charges, higher generation revenues and growth in sold electricity volumes.

MPIC's toll roads business saw a 3% increase in core net income for the period due to higher concession amortization on newly opened roads and the financing cost on the acquisition of the Jakarta-Cikampek Elevated toll road. The business segment's top line grew by 32% to P6.4 billion due to high traffic growth and toll increases in the country and Indonesia.

Maynilad reported a 57% increase in core net income for the quarter to 2.1 billion, driven by lower amortizations, while revenues grew by 18% to P6.2 billion.

LRT-1 operator Light Rail Manila Corp. incurred a net loss of P83 million, shrinking by 53% from a year ago, due to amortization of concession assets and increased borrowing costs. Its revenues, however, increased by 73% to P595 million.

MPIC's healthcare unit more than doubled its core net income to P469 million, while its revenues jumped by 21% to P5.6 billion, driven by an increase in the number of patients.

"Improved financial and operating results at MPIC's holdings delivered a 30% increase in contribution from operations, mainly driven by the strong performance of the power generation business and higher billed volumes from the water concession," the company said.

NO CHANGES IN DOING BUSINESS AFTER DELISTING

Meanwhile, MPIC expects no changes in how it conducts its business should its plan to delist from the stock exchange push through, company officials said.

"We will run MPIC as if it was publicly listed. We will maintain the same board, governance, and maintain the board committees. We will also be publishing out integrated reports [of] our sustainability initiative," said June Cheryl A. Cabal-Revilla, MPIC executive vice-president, chief finance officer, chief sustainability officer, and chief risk officer, said in a press briefing on Wednesday.

The company announced on Thursday last week its plan to delist from the Philippine Stock Exchange (PSE) after a consortium of companies — First Pacific Co. Ltd., GT Capital Holdings, Inc., and Japanese firm Mitsui & Co. Ltd. — announced a tender offer to buy out the stake of minority shareholders.

The group's offer to minority shareholders, who own a combined 36.6%, is at P4.63 per share, representing a 22% premium over the one-year volume-weighted average price of MPIC's common shares.

MPIC said its board of directors received the tender offer notice and approved the filing of an application to voluntarily delist from the PSE. The final decision to delist will be conducted through voting by shareholders during the company's annual shareholders meeting on June 6.

"It's important that despite our character being private, the principle of governance and sustainability should still apply. So, we will maintain an independent board as much as possible," Mr. Pangilinan said.

"We still print annual reports despite being private, our sustainability report will be there. We will conduct our affairs as if we were listed," he added.

On Wednesday, shares in MPIC went up by 0.23% or a centavo to P4.42 apiece.

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

Semirara Mining and Power income down 40% to P9B

WEAKER coal contribution pulled down Semirara Mining and Power Corp.'s (SMPC) net income in the first quarter by 39.9% to P9.03 billion from P15.03 billion a year earlier, the integrated energy company said on Wednesday.

In a stock exchange disclosure, SMPC said its consolidated revenues for the January-to-March period fell by 29% to P20.71 billion from P29.06 billion because of reduced contribution from coal operations.

However, the company said that the decline in revenues was offset by the all-time high revenues of its power segment. Power revenues in the first quarter stood at P7.66 billion, up by 59.3% from P4.81 billion due to improved plant availability.

SMPC said the commercial operation of its SEM-Calaca Power Corp.'s (SCPC) Unit 2 in 2022 increased the overall plant availability to 86% from 58%, while also increasing total average capacity to 688 megawatts (MW) from 520 MW.

The company's gross power generation went up to 1,316 gigawatt-hours (GWh) from 914 GWh as three of its four power plants recorded improved availability and average capacity.

Power sales also expanded by 36.7% to 1,241 GWh from 908 GWh, the majority of which, or about 71%, was sold to the spot market.

Coal revenues, on the other hand, contracted by 39.8% to P15.49 billion from P25.72 billion due to lower shipments and selling prices.

"We limited our first-quarter exports because of the wild price swings. Now that prices have settled, we intend to boost our foreign shipments in the coming months," SMPC President and Chief Operating Officer Maria Cristina C. Gotianun said.

Total shipments in the first quarter fell by 31.4% to 3.5 million metric tons (MMT) from 5.1 MMT. The company attributed the lower coal shipments to its move to pull back on exports due to price volatility.

"Our sales target for this year is between 15 and 16 million metric tons," Ms. Gotianun said.

The average selling price of Semirara coal also decreased by 13.6% to P4,427 per metric ton (MT) from P5,125 MT mainly due to low exports and higher shipments of lower-grade coal.

At the stock exchange on Wednesday, shares in the company gained 40 centavos or 1.45% to end at P28 apiece. — **Ashley Erika O. Jose**

LT Group names Tan's grandson as its president, vice-chairman

LT Group, Inc. (LTG) has named Lucio C. Tan III as its president after the year-long transition period, replacing his uncle Michael G. Tan, the company said in a statement on Wednesday.

"During the transition, he shared decision-making responsibilities for business and operational matters with his uncle," it added.

The 30-year-old executive is the grandson of LT Group Chairman and Chief Executive Officer Lucio C. Tan and the son of the late Lucio Tan, Jr.

Mr. Tan III will also serve as the chief operating officer and vice-chairman concurrently with his new post. He also serves as Tanduay Distillers, Inc. president and chief operating officer; and PAL Holdings, Inc.'s vice-president.

Meanwhile, the company earlier reported that its attributable net income for 2022 increased by 24% to P25.14 billion from the P20.25 billion reported the prior year, driven by its tobacco business.

"As in the past years that we were able to overcome the challenges of the pandemic, my commitment remains in delivering consistent results and prioritizing the profitability of every company in our portfolio," Mr. Tan III said during the company's annual stockholders' meeting.

Its tobacco unit PMFTC, Inc. contributed 61% or P15.28 billion to the attributable income for the year, while Philippine National Bank accounted for 26% or P6.61 billion.

Tanduay Distillers shared P1.47 billion or 6% of profits and Asia Brewery, Inc. added P580 million or 3%.

Eton Properties Philippines, Inc. contributed 1% or P372 million, while the 30.9% stake in Victorias Milling Co., Inc. accounted for 2% or P491 million.

"We will continue to strive in creating value for our stakeholders. By staying true to our core values and embracing innovation, we are confident that we can build a resilient and thriving business that will endure for the long term," he added. — **Adrian H. Halili**

LBC Express says net loss narrows to P542 million

LBC Express Holdings, Inc. managed to shrink its attributable net loss to P541.97 million last year from P866.23 million the year before despite booking lower revenues.

In 2022, the company recorded P15.19 billion in service revenues, 6.5% lower than the P16.25 billion posted in the previous year.

The company has two main operating segments: logistics and money transfer services. Its logistics business is involved in domestic and international courier and freight forwarding services, while its money transfer services involve remittance and bills payment.

Last year, the company recorded P14.54 billion in revenues from its logistics business and P626.89 million from money transfer services, a 7% decline and a 5.8% rise, respectively.

Meanwhile, LBC Express booked a 2.5% lower cost of services in 2022 to P12.32 billion from P12.64 billion in 2021.

During the period, the company recorded P2.48 billion in operating expenses, 29.3% lower than the P3.51 billion in the same period in 2021.

Other charges — which consist of foreign exchange losses, interest expenses and equity in net earnings of associates — amounted to P748.41 million in 2022, lower by 5.3% than P790.4 million in 2021.

LBC Express' ultimate parent company is LBC Development Corp., while its subsidiaries include LBC Express, Inc., LBC Mabuhay Saipan, Inc., Singapore's LBC Aircargo PTE LTD., and Australia's LBC Money Transfer PTY Ltd.

On Wednesday, shares in LBC climbed by two centavos or 0.11% to P17.48 apiece. — **Justine Irish D. Tabile**

CLI posts 10% income rise, maps expansion

CEBU LANDMASTERS, Inc. (CLI) saw a 10% increase in its attributable net income to P888 million in the first quarter, driven by the strong performance of its business units.

In a disclosure on Wednesday, the Visayas-Mindanao property developer reported that its consolidated revenues went up by 33% to P4.78 billion from P3.59 billion the previous year.

"Our unwavering commitment to excellence at CLI led to double-digit expansions in sales, hotel operations, leasing, and management fees," Cebu Landmasters Senior Executive Vice-President and Chief Operating Officer Jose Franco B. Soberano said.

"We believe that our remarkable [first quarter] 2023 financial performance sets the tone for the rest of the year, inspiring confidence in our shareholders while reinforcing our position as the leading developer in Vis-Min and a major contributor to Philippine real estate," Mr. Soberano added.

Real estate sales during the quarter rose by 33% to P4.71 billion due to the construction of units and revenue recognition. Reservation sales went by 16% to P5.22 billion, the bulk of which was attributed to its economic housing development Casa Mira brand.

Cebu continues to be the main driver for revenues, contributing 41% to the top-line growth for the quarter.

The company's hotel operations grew by 79% to P29 million, which was mainly driven by improved room rates due to normalizing business and tourism travel in 2023.

Its leasing business reported an increase of 22% to P21 million and its property management arm, Cebu Landmasters Property Management, posted a 27% increase in management fees to P15 million due to managing 24 projects.

Meanwhile, the company is planning to introduce its affordable housing development in south Luzon as it seeks to expand beyond the Visayas and Mindanao areas.

"With what [the company] has learned in Vis-Min, we are very much ready to take on Luzon. We really want to bring out affordable products first starting with our housing offerings," Mr. Soberano said.

Mr. Soberano said that the company is looking at areas in the Bicol Region for its expansion.

"We are looking at places like Camarines Sur [and] Naga City [in] Bicol, and then we are going to look at Batangas and Lipa City. We are looking at places closer to where we are," he added.

At the stock exchange, CLI shares closed 2.45% higher on Wednesday to P2.51 apiece. — **Adrian H. Halili**

Now Corp. plans partnership with low-earth orbit satellite company

LOCALLY listed firm Now Corp. has signed a memorandum of understanding (MoU) with a low-earth orbit (LEO) satellite communication company to bring high-speed, low-latency broadband connectivity to the Philippines.

Under the MoU, OneWeb Network Access Associates Ltd. will bring the connectivity solutions it offers to enterprises, the government, and other customers in the Philippines.

"The integration of multi-orbit satellites provides a surprisingly compelling customer experience in both fixed and mobile applications," Now Corp. Chairman Mel V. Velarde said in a press release.

"Our alliance with OneWeb and with the support of the United States government to the Now Group will provide a clean, secure, and SLA-based connectivity to critical infrastructures such as banks, hospitals, schools, mining sites, power plants, government, and all other entities under the country's digital economy," he said.

The satellite company plans to complete its rollout of global coverage within the year, banking on its fully built-out constellation of LEO satellites.

"This is an exciting partnership that is set to bring transformational connectivity to people, businesses, and government bodies throughout the Philippines. We are thrilled to count Now as a partner and ally in our push to bring true global connectivity," OneWeb Chief Executive Officer Neil Masterson said.

"By tapping into the power of this global network, Now will be able to extend services into hard-to-reach areas and enhance the speed, latency and resiliency of its existing offerings," the local firm said.

Previously, Now Corp. tapped Cisco International Ltd. to bring the latter's 5G solutions to the Philippines. — **Justine Irish D. Tabile**