Philippine Stock Exchange index (PSEi) 6,603.56 ▼17.27 PTS. ▼0.26%

TUESDAY, MAY 23, 2023
BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P681.50	-P10.50	-1.52%
ACEN	ACEN Corp.	P6.20	-P0.01	-0.16%
AEV	Aboitiz Equity Ventures, Inc.	P55.25	-P0.10	-0.18%
AGI	Alliance Global Group, Inc.	P13.08	-P0.42	-3.11%
ALI	Ayala Land, Inc.	P26.10	-P0.40	-1.51%
AP	Aboitiz Power Corp.	P37.60	-P0.40	-1.05%
BDO	BDO Unibank, Inc.	P137.90	-P1.10	-0.79%
BPI	Bank of the Philippine Islands	P103.00	+P0.10	+0.1%
CNVRG	Converge ICT Solutions, Inc.	P11.20	——	
DMC	DMCI Holdings, Inc.	P9.87	-P0.01	-0.1%
EMI	Emperador, Inc.	P21.10	-P0.05	-0.24%
GLO	Globe Telecom, Inc.	P1,718.00	-P2.00	-0.12%
GTCAP	GT Capital Holdings, Inc.	P519.00	+P12.00	+2.37%
ICT	International Container Terminal Services, Inc.	P200.60	-P0.40	-0.2%
JFC	Jollibee Foods Corp.	P229.00	-P2.60	-1.12%
JGS	JG Summit Holdings, Inc.	P50.80	+P0.70	+1.4%
LTG	LT Group, Inc.	P9.99	+P0.02	+0.2%
MBT	Metropolitan Bank & Trust Co.	P59.50	——	
MER	Manila Electric Co.	P325.60	-P3.40	-1.03%
MONDE	Monde Nissin Corp.	P8.54	-P0.06	-0.7%
MPI	Metro Pacific Investments Corp.	P4.48	+P0.01	+0.22%
PGOLD	Puregold Price Club, Inc.	P31.40	-P0.45	-1.41%
SCC	Semirara Mining and Power Corp.	P28.95	-P0.10	-0.34%
SM	SM Investments Corp.	P920.00	-P4.00	-0.43%
SMC	San Miguel Corp.	P105.70	+P0.30	+0.28%
SMPH	SM Prime Holdings, Inc.	P34.50	+P0.50	+1.47%
TEL	PLDT Inc.	P1,278.00	-P7.00	-0.54%
UBP	Union Bank of the Philippines	P80.00	——	
URC	Universal Robina Corp.	P145.50	-P0.50	-0.34%
WLCON	Wilcon Depot, Inc.	P27.00	-P0.30	-1.1%

ABS-CBN ends TeleRadyo, forges joint venture

By Justine Irish D. Tabile
Reporter

ABS-CBN Corp. is ceasing the operations of TeleRadyo starting on June 30 as the news channel has been incurring losses since 2020, the listed media company told the stock exchange on Tuesday.

"Since ABS-CBN can no longer sustain TeleRadyo's operations, ABS-CBN is left with no choice but to cease the operations of TeleRadyo to prevent further business losses," it said in a statement.

"The company is deeply saddened by this closure and having to part ways with the many passionate and committed people who have made TeleRadyo an important source of news and information for many Filipinos," it added.

Following the announcement, ABS-CBN said it will be entering a joint venture with Prime Media Holdings, Inc.

"The new company will produce various programs, which will be supplied to broadcasters and other third-party platforms including Philippine Collective-media Corp.," ABS-CBN said.

Under the agreement, Prime Media will be the majority stakeholder of the joint venture, while ABS-CBN will have a minority stake.

"This gives some of our former personnel a chance to find job opportunities. It is also a way to continue providing accurate and balanced news and information to the country," ABS-CBN said.

Prime Media is a listed holding company that aims to hold investments in the media industry. It has been generating meager revenues and incurring losses.

"The agreement is in line with Prime Media's strategic plan to venture into media and entertainment by securing partnerships for content development, production, and distribution to expand its business," Prime Media said.

The venture formalizes the agreement between the two media organizations to develop, produce, and finance content for distribution to local and international broadcast networks, channels and platforms.

"This will expand Prime Media's business segments and provide streams of revenue such as equity investment and share in future projects," the holding firm said.

ABS-CBN did not officially disclose in its filing whether it will be laying off employees but hinted that it will be parting ways with some. TeleRadyo is a pay-television channel under the network's News and Current Affairs brand.

The National Union of Journalists of the Philippines (NUJP) said it hopes that the company will assist its media workers affected by its corporate decisions.

"While it is still unclear how these decisions will affect our colleagues, we note that many of them stayed with the company despite uncertainty and pay cuts," NUJP said in a statement.

"They should not be abandoned now as the network seeks ways forward from the franchise troubles that it has been weathering since 2020," it added.

During the Duterte administration, ABS-CBN was denied a new franchise, forcing it to stop its broadcast operations in May 2020.

Since then, the company has been entering partnerships to keep its operations alive such as forging deals with Gozon-led GMA Network, Inc. for international streaming and joint production, and with TV5 Network, Inc., raising opposition from legislators and leading to the partnership's pause.

"It is saddening, while also enraging, that the effects of the rejection of ABS-CBN's application for a new franchise are still being felt more than three years later, long after the end of the term of the president who made it known that he wanted the network off the air," NUJP said.

In the first quarter, the company suffered an attributable net loss of P1.16 billion, narrowing the P1.38-billion loss it incurred a year ago. Its top line reached P4.26 billion, down 8.3% from P4.65 billion previously. Advertising and subscription revenues still accounted for the largest portion.

Villar companies post positive results in Q1

VILLAR-LED COMPANIES AllHome Corp. and AllDay Marts, Inc. turned in profits in the first quarter of this year to reverse the previous year's net loss, while their affiliate Golden MV Holdings, Inc. recorded higher earnings during the period.

In separate regulatory filings, the three companies reported a positive bottom line despite one of them recording lower revenues during the quarter.

AllHome booked a net income of P212.28 million in the first quarter, turning around from a P27.91-million net loss the previous year. Its top line during the quarter fell by 9.9% to P2.92 billion from P3.24 billion because of a shift in consumer spending — to travel, leisure, food, and entertainment — to address pent-up demand during the pandemic.

"Our [first quarter] shows signs hallmarks of the key strengths of AllHome. Our soft categories — where we have a clear advantage — continue to generate the lion's share of our revenue," AllHome President Benjamarie Therese N. Serrano said in a statement on Tuesday.

AllHome offers products for home improvement and construction.

Supermarket operator AllDay reported a first-quarter net profit of P88.57 million, a reversal of the P75.58-million net loss reported in the same period last year. Its sales went up by 6.6% to P2.44 billion from P2.29 billion mainly due to the sales growth of existing stores and the revenue contribution of new stores.

"Our first-quarter performance in 2023 is pleasing in the regard that we have validation of our capability to sustain exceptional results driven by the extraordinary behaviors and circumstances of the pandemic," AllDay President and Chief Executive Officer Frances Rosalie T. Coloma said in a separate statement.

"Now that the country has returned to normal, we look to our now 36 locations across the country and the many operational opportunities we can harness to deliver efficiency, and ultimately value, to our stakeholders," Ms. Coloma added.

Meanwhile, property developer Golden MV posted a 10.5% jump in net income during the first quarter to P473.04 million from P428.18 million in the same period last year, driven by higher revenues.

Its top line in the three-month period rose 3.9% to P1.61 billion from P1.55 billion in the prior year, mainly after an increase in real estate sales during the period.

Real estate sales increased by 4.7% to P1.55 billion from P1.48 billion on the back of sales growth for both residential units and memorial lots.

Also on Tuesday, Vistamalls, Inc. reported an attributable net income of P1.42 billion during the first quarter, up 13.6% from P1.25 million the previous year.

Its top line for the period inched up by 0.8% to P2.65 billion from P2.63. Vistamalls has units that operate and develop mass market retail malls. Rental revenues rose 12.2% to P2.57 billion from P2.29 billion previously. The increase was mainly due to "higher occupancy and the increase in rates for the period including the upside from the higher sales of variable rental-based tenants." — **Adrian H. Halili**

SM Prime lists P30-B bonds

SM PRIME Holdings, Inc. listed on Tuesday more than P30 billion worth of fixed-rate bonds on the Philippine Dealing & Exchange Corp. (PDEx), as it pursues its expansion plans.

"The success of this latest fixed rate bonds will give SM Prime further capabilities to pursue its expansion programs of creating more opportunities for more Filipinos to build a better nation," SM Prime Chief Finance Officer John Nai Peng C. Ong said in a statement.

He added that he was "grateful for the trust and support of the investing public" as well as the company's bank partners, PDEx, Philippine Depository & Trust Corp., and the PDS Group.

In a regulatory filing, SM Prime said that it listed its Series S, T, and U fixed-rate bonds, which were offered on May 8 to 12. The company raised at least P30 billion from its base offering of P25 billion, with an oversubscription of P10 billion.

The company earlier disclosed that it had set rates for its Series S bonds due in 2025 at 6.2069%; Series T bonds due in 2027 at 6.2151%; and Series U due in 2029 at 6.3275%.

The issuance is under its P100-billion shelf-registration of fixed-rate bonds, which was approved by the Securities and Exchange Commission in February 2020.

The company had tapped BDO Capital & Investment Corp. and China Bank Capital Corp. as joint bookrunners and joint lead underwriters together with BPI Capital Corp., EastWest Banking Corp., First Metro Investment Corp., RCBC Capital Corp., and SB Capital Investment Corp.

It said earlier that its fixed-rate bonds had been rated PRS Aaa by the Philippine Rating Services Corp. The rating is the highest assigned, "denoting that such obligations are of the highest quality with minimal credit risk and the issuing company's capacity to meet its financial commitment on the obligations is extremely strong."

"SM Prime remains committed to its role as a catalyst for economic growth, delivering innovative and sustainable lifestyle cities, thereby enriching the quality of life of millions of people," the company said.

Its shares rose 1.47% or P0.50 to P34.50 each at the stock exchange on Tuesday. — **Adrian H. Halili**

LBC Express net profit quadruples to P207M as cost, expenses decline

LBC Express Holdings, Inc. recorded a first-quarter attributable net income of P207 million, a jump of more than four times the P48.87 million posted in the same period last year.

"This is mainly attributable to [a] decrease in cost and expenses as part of management's cost rationalization. Contributory also are the non-operating gains from foreign exchange and derivative valuation," the company said in its quarterly report filed on Tuesday.

In the first three months of the year, it recognized a 4.5% decrease in service revenues to P3.78 billion from P3.96 billion, which the company attributed to lower revenues in the logistics segment. Its logistics business accounted for P3.65 billion of the quarter's top line, down 4.1% from the P3.81 billion in the previous year.

Money transfer services recorded P127.43 million in revenues during the quarter, down 13.6% from P147.43 million a year earlier. Costs of services were lower in the first quarter at P2.97 billion, a 2.6% decrease from P3.05 billion previously.

"Cost of services is down... pertaining to improvement in cost of delivery and remittance by 4%. Reduction in air freight costs and manpower were aligned to current sales volume," the company said.

"However, these reductions were offset by the surge in cost of freight-sea as general price increase was implemented by shipping lines, both in domestic and overseas setting, several times mid-2022," it added.

The company also managed to cut operating expenses by 9% to P566.79 million during the quarter from P625.27 million a year ago because of lower spending for coronavirus disease-related expenses.

LBC Express is a public holding company with two primary business segments: logistics and money transfer services. The logistics business caters to both retail and corporate customers. The money transfer services segment is made up of domestic and international remittance services.

On Tuesday, shares in the company closed 38 centavos or 2.33% lower to P15.90 each. — **Justine Irish D. Tabile**

Megawide cuts loss to P7.12 million as revenues increase 11% to P4.4 billion

MEGAWIDE CONSTRUCTION CORP. narrowed its attributable net loss to P7.12 million in the first quarter from P60.75 million a year ago after recording higher revenues.

In its financial report filed on Tuesday, the company showed its revenues keeping an upward trend to reach P4.36 billion in the first three months, up by 11% from the P3.92 billion booked last year.

Revenues from construction operations accounted for P4.27 billion of the company's top line, 12.5% higher than the P3.79 billion recorded previously.

"The construction segment has maintained its momentum in delivering projects on time at the start of the year," the company said.

Megawide's order book includes the following: Suntrust Home Developers, Inc.'s Suncity West Side City project; 8990 Holdings, Inc.'s Urban Deca Ortigas and Cubao; Megaworld Corp.'s Gentry Manor; and the first phase of the Department of Transportation's Malolos-Clark Railway project.

Meanwhile, revenues from the land-port segment declined 31% to P90.16 million in the January-to-March period from P130.77 million in 2022.

"Occupancy rates continue to be depressed due to the oversupply in the market, resulting in lower lease income compared to the first quarter of 2022," Megawide said.

"The company however is confident that it will be able to lease out the spaces gradually during the course of the year as the environment continues to improve and the Team extensively explores alternative schemes," it added.

Direct costs were higher, amounting to P3.95 billion during the quarter, a 20.4% increase from the P3.29 billion incurred in the previous year. Costs of construction operations accounted for most of it after reaching P3.86 billion, while costs of land port operations were P88.77 million.

"The movement was mainly related to rising prices of raw materials, services and higher labor costs, along with higher fixed-costs and depreciation expenses associated with capacity building," the company said.

Earlier this month, Megawide said that it had agreed to sponsor a P3-billion loan for its subsidiary to finance the Carbon Market mixed-use development in Cebu City. The company said that it had executed on May 10 an omnibus loan and security agreement with its unit, Cebu2World Development, Inc., and bank lenders.

The Carbon Market development is a 50-year joint venture with the Cebu City government for the modernization of a 100-year-old farmer's market into "a commercial, heritage, and cultural district." — **Justine Irish D. Tabile**

Air21, Sarisuki tie up to bring Benguet's fresh produce to Manila

AYALA-BACKED logistics company Air21 is partnering with Sarisuki to deliver fruits and vegetables from Benguet to community sellers in Metro Manila.

"This partnership seeks to lower the cost and ensure consistent supply of fresh produce in ubiquitous *talipapa* (community markets). It also aims to lessen overall food supply chain wastage and help ensure food security across Metro Manila," the company said in a press release.

Sarisuki is a social e-commerce platform that offers products at wet market prices. It serves Metro Manila and the provinces of Bulacan, Cavite, Laguna, Rizal, Batangas, Quezon, and Cebu.

"Our team at Air21 finds this partnership very meaningful. It's our privilege to use our decades of expertise in domestic freight forwarding in helping Sarisuki achieve its growth targets," Air21 President John Casupang said.

"This collaboration is a manifestation of our Luzon backhaul expansion. We will continue to maximize our nautical and road network linehaul in enabling local businesses' daily operations," he added.

Sarisuki President and Chief Executive Officer Brian Cu said that through the partnership, "we aim to get products from hard-to-reach communities into the hands of consumers in a short time."

He said the partnership would help create a stronger bridge between farmers and consumers.

"We hope to build a more inclusive and progressive agriculture industry in the Philippines, one community at a time," he said.

Mr. Cu said farmers are considered the weakest end of the agricultural chain despite being the sector's backbone. — **Justine Irish D. Tabile**