

Philippine Stock Exchange index (PSEi)

6,600.74

▼ 84.92 PTS.

▼ 1.27%

MONDAY, MAY 8, 2023

BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P659.50 +P9.50 +1.46%	ACEN ACEN Corp. P6.07 -P0.10 -1.62%	AEV Aboitiz Equity Ventures, Inc. P54.00 -P2.00 -3.57%	AGI Alliance Global Group, Inc. P13.60 ---	ALI Ayala Land, Inc. P26.90 -P1.35 -4.78%	AP Aboitiz Power Corp. P37.75 -P0.25 -0.66%	BDO BDO Unibank, Inc. P137.00 ---	BPI Bank of the Philippine Islands P105.10 -P2.90 -2.69%	CNVRG Converge ICT Solutions, Inc. P11.90 +P0.20 +1.71%	DMC DMCI Holdings, Inc. P9.80 -P0.28 -2.78%
EMI Emperador, Inc. P20.85 ---	GLO Globe Telecom, Inc. P1,710.00 ---	GTCAP GT Capital Holdings, Inc. P479.00 -P1.00 -0.21%	ICT International Container Terminal Services, Inc. P210.00 -P3.00 -1.41%	JFC Jollibee Foods Corp. P225.00 -P1.00 -0.44%	JGS JG Summit Holdings, Inc. P49.90 -P0.50 -0.99%	LTG LT Group, Inc. P10.30 +P0.10 +0.98%	MBT Metropolitan Bank & Trust Co. P60.30 ---	MER Manila Electric Co. P330.00 ---	MONDE Monde Nissin Corp. P9.85 -P0.35 -3.43%
MPI Metro Pacific Investments Corp. P4.43 +P0.01 +0.23%	PGOLD Puregold Price Club, Inc. P33.20 -P0.20 -0.6%	SCC Semirara Mining and Power Corp. P28.00 -P0.40 -1.41%	SM SM Investments Corp. P920.00 -P5.00 -0.54%	SMC San Miguel Corp. P104.80 ---	SMPH SM Prime Holdings, Inc. P33.30 -P1.00 -2.92%	TEL PLDT Inc. P1,200.00 -P50.00 -4%	UBP Union Bank of the Philippines P78.00 -P4.00 -4.88%	URC Universal Robina Corp. P150.80 +P2.50 +1.69%	WLCON Wilcon Depot, Inc. P27.20 -P0.90 -3.2%

ICTSI income up 8.7%, cites diversified portfolio

INTERNATIONAL Container Terminal Services, Inc. (ICTSI) posted an 8.7% increase in first-quarter attributable net income to \$154.61 million as revenues grew despite challenging times, it said on Monday.

"These results have been driven by our diversified portfolio and continued focus on margins, and they have been achieved against a challenging macroeconomic and geopolitical backdrop," ICTSI Chairman and President Enrique K. Razon, Jr. said in a statement.

The company also attributed the higher income to "higher operating income [and] lower coronavirus 2019 related expenses."

During the quarter, it recorded \$572.25 million in gross revenues from operations, which is 8.3% higher than the \$528.27 million it posted in 2022.

Gross revenues increased due to tariff adjustments, volume growth, and higher revenues at certain terminals, and the appreciation of Mexican peso-based revenues, among others.

Expenses amounted to \$387.53 million, 12.8% higher than the \$343.43 million incurred last year.

ICTSI has also recorded an increase in the consolidated volume it handled at 3.1 million twenty-foot equivalent units or TEUs, up by 9% from 2.83 million in the previous year.

"The increase in volume was primarily due to the contribution of Manila North Harbour Port, Inc. (MNHPI) in Manila, Philippines that was consolidated starting September 2022 and the

volume growth and new shipping lines and services at certain terminals," the company said.

However, consolidated volume was tapered by the cessation of cargo handling at PT Makassar Terminal Services (PT MTS) and Davao Integrated Port and Stevedoring Services Corp. (DIPSSCOR).

ICTSI added that it was also affected by the decline in trade activities at its Pakistan International Container Terminal and Victoria International Container Terminal.

It said excluding MNHPI, DIPSSCOR, which ceased operations on June 30, 2022, and PT MTS, which stopped operating on Jan. 31, 2023, consolidated volume would have decreased by 1% in 2023.

In the first quarter, the company's capital expenditures (capex) amounted to \$87.69 million, which were used for ongoing expansions at its ports and for the acquisition of ports in Mexico, Australia, the Philippines and Congo.

In 2023, the company estimated its capex to be approximately

\$400 million, which will be used for ongoing expansions, the second tranche of its concession extension-related expenditures in Madagascar, yard expansion in Nigeria, and equipment acquisitions and upgrades, among others.

ICTSI, a manager and operator of origin and destination ports, operates around 33 terminals in 20 countries across six continents.

On Monday, shares in ICTSI went down by three paces or 1.41% to P210 each. — **Justine Irish D. Tabile**

SM Prime posts 27% profit rise as businesses recover

SY-LED SM Prime Holdings, Inc. reported a 27% increase in first-quarter consolidated net income to P9.4 billion after the rebound of its recurring businesses, the company said on Monday.

In a disclosure to the stock market, the listed property developer said consolidated revenues for the period reached P28.7 billion, up 20% from P23.9 billion in the same period the prior year.

"We are pleased to report a strong first quarter consolidated financial performance on SM Prime's business. This is a testament to the resilience of our businesses, and the hard work and dedication of our employees," SM Prime President Jeffrey C. Lim said in a statement.

"Particularly, our recurring businesses have remarkably bounced back after being hit by the mobility restrictions and economic disruptions," Mr. Lim added.

The company's local mall business registered an 88% rise in consolidated revenues to P15.4 billion from P8.2 billion, accounting for about 54% of SM Prime's top line for the period.

It booked a 72% increase in rental income to P13 billion in the quarter from P7.6 billion in the same period last year, due to an increase in tenant sales, foot traffic, and full rental fee charging.

Its local cinema, ticket sales, and other revenues soared to P2.5 billion from P600 million. Its China mall busi-

ness recorded revenues of 200 million renminbi (RMB) or almost the same as the prior year.

The company's residential business group, led by SM Development Corp. (SMDC), booked 29% lower revenues to P8.5 billion from P12 billion because of canceled sales from high inflation, rising interest rates, and the lapse of the Bayanihan Law.

Its sales take-up rose by 15% to P35.8 billion from P31.1 billion, translating into a 23% increase in unit sales to 7,523 for the three-month period from 6,110 the prior year.

SM Prime's other businesses, which include offices, hotels, and convention centers, recorded total revenues of

P3.2 billion, up 59% from P2 billion the prior year.

The company's office segment reported a 25% increase in revenues to P1.7 billion from P1.4 billion. Its hotels and convention centers more than doubled their revenues to P1.5 billion from P700 million.

"We remain optimistic about the long-term prospects of the Philippines economy and the property industry. We will continue to leverage our strengths and capabilities to create value for all our stakeholders," Mr. Lim said.

On Monday, SM Prime shares fell by 2.92% or P1 to P33.30 apiece. — **Adrian H. Halili**

Maynilad allots P4 billion to cut its water loss

MAYNILAD Water Services, Inc. (Maynilad) has allotted P4 billion to reduce the company's water loss or nonrevenue water (NRW), up by 25% from its P3.2 billion capital expenditure (capex) last year.

"We are accelerating our NRW Management projects this year so that we can recover more water supply for distribution to customers, in preparation for El Niño," said Maynilad Chief Operating Officer Randolph T. Estrellado.

NRW refers to water that is not billed and is lost through leaks or illegal connections.

Maynilad said that as part of its water loss reduction initiatives, it was able to recover around 47 million liters per day (MLD) of water in the first quarter of this year alone.

The water company said that this volume can supply the water requirements of about 241,000 individuals.

Maynilad's water loss reduction initiatives include the replacement of 31 kilometers of old pipelines and the repair of 7,832 pipe leaks in Quezon City, Manila, Muntinlupa, and Las Piñas.

The company has also conducted a major leak repair along Osmeña Highway corner Zobel Roxas St. in Makati City, resulting in the recovery of 17 MLD.

Maynilad, a concessionaire of the Metropolitan Waterworks and Sewerage System, serves the cities of Manila, except portions of San Andres and Sta. Ana. It also operates in Quezon City, Makati, Caloocan, Pasay, Parañaque, Las Piñas, Muntinlupa, Valenzuela, Navotas, and Malabon.

It serves the cities of Cavite, Bacoor and Imus, and the towns of Kawit, Noveleta, and Rosario in Cavite province.

Metro Pacific Investments Corp., which has a majority stake in Maynilad, is one of three Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Philex Mining Corp. and PLDT Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Ashley Erika O. Jose**

JG Summit turns profitable with P4.4-billion net income

JG Summit Holdings, Inc. booked a core net income of P4.4 billion in the first quarter, reversing a P689-million net loss a year ago, after the robust performance of its business units.

"The momentum that has started in the latter part of 2022 continued to accelerate in the first quarter of 2023 with strong top-line results and a recovery in core earnings," Lance Y. Gokongwei, JG Summit president and chief executive officer, said in a statement on Monday.

He said most of the firm's core businesses are "poised to approximate or even eclipse their pre-pandemic highs" despite the continuing challenges faced by the petrochemicals industry.

Mr. Gokongwei said he expects a "strong recovery in our airline, consistent growth of our food driven by buoyant demand, and the reliability of our real estate earnings."

In its regulatory filing, JG Summit said that its top line for the three-month period increased by 28% to P82.3 billion as revenues of its air transport business tripled and the growth momentum of its food and property units.

It also cited "sizable increases" in its equity earnings from Manila Electric Co. (Meralco) and its dividends from PLDT Inc.

Its food business Universal Robina Corp. (URC) booked a net income of P3.4 billion, while its operating income for the quarter went up by 15% to P4.7 billion due to price adjustments, easing commodity prices, and better management of operating expenses.

Its revenues for the period grew by 11% to P39.8 billion on the back of strong growth from all its business segments.

Robinsons Land Corp. (RLC) posted a 92.9% increase in net income to P2.7 billion from P1.4 billion driven by the operating earnings of its mall and residential division, and the profitability of its hotel unit.

The company's revenues for the quarter grew by 38% to P8.9 billion due to higher foot traffic and retail spending in malls, larger contributions from residential projects,

higher bookings in hotels, and the steady growth of the office segment.

Cebu Air, Inc. (CEB) returned to profitability with a P1.1-billion income versus the P7.6-billion net loss incurred a year earlier.

System-wide revenues tripled to P20.9 billion with the recovery of its core passenger business and ancillary businesses.

"By the second quarter, [Cebu Air] expects to reach pre-pandemic system wide capacity driven by the continuous recovery of the tourism industry and the strengthened operations of Clark and Cebu hubs, the company said.

Petrochemicals business JG Summit Olefins Corp. managed to trim its net loss to P2.7 billion due to effective cost control. Its revenues declined by 30% to P8.7 billion due to lower sales volumes and weaker selling prices, cushioned by its sustained liquefied petroleum gas trading operations.

Robinsons Bank Corp.'s net income stood at P400 million, with its net interest income at P1.8 billion as the re-pricing of its loan portfolio lagged behind the rapid rise in funding costs. Its total loans rose by 12% to P110.8 billion, led by its consumer lending book. Revenues rose by 34% to P3.2 billion, boosted by an increase in its fee income.

"The bank continues to work on securing regulatory approvals for its merger with Bank of the Philippine Islands," it added.

"We are also seeing inflation easing out, and this should further result to margin recovery across our portfolio. We are continuing to invest for growth with our planned capital expenditure (capex) program in place such as new aircraft deliveries for CEB, land banking and development projects for RLC, and capacity additions for URC, to name a few," Mr. Gokongwei added.

"This appetite to invest supports our belief that demand will continue to be robust for the balance of the year and onwards," he said.

Shares for JG Summit fell by 0.99% or 0.5 centavos to P49.9 apiece, on Monday — **Adrian H. Halili**



Alternergy picks JGC for engineering, construction of 20-MW solar plant

ALTERNERGY Holdings Corp. (Alternergy) has awarded the engineering, procurement, and construction (EPC) contract to JGC Philippines, Inc., for the 20-megawatt-alternating current (MWac) Solana solar power project in Hermosa, Bataan.

In a statement, Alternergy said it had chosen JGC Philippines, which is said to be the largest overseas EPC subsidiary of Japan's JGC group, to handle the EPC of its wholly owned subsidiary Solana Solar Alpha, Inc. (SSA).

"We are excited to move forward with the construction of the Solana Project, part of the Alternergy Group's Triple Play portfolio," Alternergy Chairman Vicente S. Perez, Jr., said in a media release.

The renewable energy company said

that JGC Philippines was selected after a competitive bidding process that involved six companies from China, Germany, India, and Japan.

JGC serves industries such as power, petroleum refining, petrochemicals, metals, and minerals, and biofuels.

Mr. Perez said proceeds from the company's public offering have resulted in its full equity participation in the Solana project, and allowed it to settle obligations for the full purchase of the project site, which is 500 meters away from the Hermosa substation of the National Grid Corp. of the Philippines.

Alternergy aims to develop up to 1,370 megawatts of renewable energy sources such as onshore and offshore wind, solar, and run-of-river hydropow-

Metro Pacific poised to become SPNEC's largest shareholder

METRO Pacific Investments Corp. (MPIC) said on Monday that it had completed the acquisition of 1.6-billion common shares or an equivalent of 16% of the outstanding shares in SP New Energy Corp. (SPNEC).

In a regulatory filing, MPIC said that an agreement was also executed granting it an option to acquire up to 10-billion primary shares at a subscription price of P1.25 per share and up to 7.4-billion secondary shares at P1.25 each.

"A full exercise of these options will make the MPIC Group the single largest shareholder of

SPNEC with an almost 43% interest," MPIC said.

The acquisition will also make MPIC Chairman Manuel V. Pangilinan the chairman of the board of SPNEC.

"The election of Mr. Pangilinan to the Board of Directors of SPNEC will be implemented at a later date," MPIC said.

It added that the exercise of the options will be subject to the satisfaction of certain conditions and compliance with relevant regulatory requirements.

Separately, SPNEC told the stock exchange on Monday that its board of directors approved the execution of

an option agreement between MPIC, Solar Philippines Power Project Holdings, Inc. (SPPPHI) and SPNEC.

SPNEC said the execution of the option agreement grants MPIC and its affiliate an option to acquire up to 17.4-billion shares. It added that a full exercise of these options may result in MPIC investing a total of P23.75 billion for 19-billion shares or 42.82% of SPNEC.

Meanwhile, SPNEC's board has also approved the modified acquisition by SPNEC of 100% shares of SPPPHI in various entities — at cost and paid in cash instead of through a tax-free share-swap agreement from

the proceeds of SPPPHI subscribing in cash for 24.37-billion shares.

At the local bourse on Monday, shares in MPIC gained 10 centavos or 0.23% to P4.43 apiece, while shares in SPNEC closed 0.68% higher to end at P1.49 each.

MPIC is one of three key Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Philex Mining Corp. and PLDT Inc.

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. — **Ashley Erika O. Jose**