

Philippine Stock Exchange index (PSEi)

6,658.59

▲ 35.98 PTS.

▲ 0.54%

WEDNESDAY, MAY 10, 2023

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P666.50 +P5.00 +0.76%	ACEN ACEN Corp. P6.07 ---	AEV Aboltiz Equity Ventures, Inc. P55.95 +P1.95 +3.61%	AGI Alliance Global Group, Inc. P13.66 +P0.04 +0.29%	ALI Ayala Land, Inc. P26.95 +P0.15 +0.56%	AP Aboltiz Power Corp. P37.80 +P0.10 +0.27%	BDO BDO Unibank, Inc. P135.50 -P0.60 -0.44%	BPI Bank of the Philippine Islands P106.50 +P1.50 +1.43%	CNVRG Converge ICT Solutions, Inc. P11.90 ---	DMC DMCI Holdings, Inc. P9.46 -P0.06 -0.63%
EMI Emperador, Inc. P20.95 +P0.10 +0.48%	GLO Globe Telecom, Inc. P1,713.00 +P3.00 +0.18%	GTCAP GT Capital Holdings, Inc. P481.00 -P2.00 -0.41%	ICT International Container Terminal Services, Inc. P205.60 -P0.80 -0.39%	JFC Jollibee Foods Corp. P223.60 -P1.40 -0.62%	JGS JG Summit Holdings, Inc. P51.40 +P1.50 +3.01%	LTG LT Group, Inc. P10.50 +P0.06 +0.57%	MBT Metropolitan Bank & Trust Co. P60.20 +P0.25 +0.42%	MER Manila Electric Co. P334.80 +P0.80 +0.24%	MONDE Monde Nissin Corp. P9.40 -P0.10 -1.05%
MPI Metro Pacific Investments Corp. P4.45 +P0.01 +0.23%	PGOLD Puregold Price Club, Inc. P33.40 +P0.05 +0.15%	SCC Semirara Mining and Power Corp. P27.95 -P0.05 -0.18%	SM SM Investments Corp. P943.00 +P8.00 +0.86%	SMC San Miguel Corp. P105.00 -P0.30 -0.28%	SMPH SM Prime Holdings, Inc. P34.00 ---	TEL PLDT Inc. P1,223.00 +P16.00 +1.33%	UBP Union Bank of the Philippines P79.65 +P0.45 +0.57%	URC Universal Robina Corp. P154.80 +P0.90 +0.58%	WLCON Wilcon Depot, Inc. P26.55 -P0.30 -1.12%

Sy conglomerate reports 33% profit rise to P17B

SM INVESTMENTS Corp. (SMIC) posted a consolidated net income of P17.3 billion in the first quarter, up 33.1% from a year ago, as the Sy-led conglomerate recorded double-digit revenue growth.

"This year has started well, continuing the strong momentum of 2022. We are well-positioned for continued growth and prepared for any macroeconomic uncertainties. Meanwhile, the whole group is pushing ahead with regional expansion plans to serve more Filipinos," SM Investments President and Chief

Executive Officer Frederic C. Dy-Buncio said in a statement.

SMIC's consolidated revenues for the quarter increased by 21% to P138.2 billion from P113.8 billion in the same period last year. Its banking units BDO Unibank, Inc. and China Banking Corp. accounted for 47% of net earnings, followed by SM Prime Holdings, Inc. at 26%, SM Retail, Inc. at 17% and portfolio investments at 10%.

BDO reported a net income of P16.5 billion, up 41% year on year, driven by solid loan and deposit growth, robust fee-in-

come generation and improved asset quality.

China Bank's income inched up by 3% to P5 billion due to its robust asset base expansion, strong net interest income and lower credit provisions.

SMIC's property unit, SM Prime booked a consolidated net income of P9.4 billion, up 27% from P7.4 billion in the previous year. Consolidated revenues went up by 20% to P28.7 billion from P23.9 billion.

Local mall revenues increase by 88% to P15.4 billion from P8.2 billion, while rental income jumped

by 72% to P13 billion due to an increase in tenant sales, foot traffic, and full rental fee charging.

Meanwhile, the company's residential business group, led by SM Development Corp. (SMDC), booked 29% lower revenues to P8.5 billion from P12 billion.

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.

Meanwhile, SM Retail recorded a 51% rise in net income for the quarter to P 3.9 billion from P2.6 billion the previous year.

Revenues for the period rose by 22% to P91.2 billion from P74.5 billion as consumers' purchasing power remained stable despite higher inflation.

"Notably, the department store business was strong as improving employment continued to support spending. Food retailing was like-

wise strong with constant spending on food essentials. Specialty retail growth was also driven by discretionary spending on fashion, accessories and sports items," SMIC said.

For its portfolio investments, the company said that these continued to contribute to revenues and net income for the first quarter. It did not give exact figures.

SMIC said it expects the portfolio businesses "to make a bigger contribution" to the group's revenues and earnings over time. Its shares rose 0.86% or P8 to P943 apiece on Wednesday. — **Adrian H. Halili**

Ayala income up 31% to P10B on units' strong results

AYALA Corp. booked a 30.9% increase in attributable net income for the first quarter to P10.22 billion from P7.81 billion the previous year as most of its businesses reported higher earnings, the company said on Wednesday.

"One of our priorities is to end 2023 with profits above pre-COVID levels. Given our first quarter results, our constructive outlook for the year remains intact," Ayala President and Chief Executive Officer Cesar P. Consing said in a statement.

Consolidated revenues for the quarter went up by 19.7% to P78.97 billion from P65.98 billion in the same period last year.

Ayala's banking business Bank of the Philippine Islands (BPI) reported a 52% increase in net income to P12.1 billion, driven by sustained loan and margin growth, increased fee income, and lower loan loss provisions.

BPI's total revenues for the quarter rose by 25% to P31.7 billion due to an increase in net interest and noninterest income, which went up by 27% and 19%, respectively.

Ayala Land, Inc. saw a 42% increase in net income for the three-month period to P4.5 billion, while revenues jumped by 26% to P30.9 billion due to higher contributions from all its business lines.

Commercial leasing revenues amounted to P10.1 billion, up 57% on improved mall tenant sales, stable demand for new office spaces, and a boost in hotels and resorts.

Ayala Land's topline for property development inched up by 8% to P17.1 billion due to higher residential completions, bookings, and the sale of office units.

Its residential sales reservation rose by 15% to P27.7 billion due to resilient demand despite elevated interest rates. It launched three new projects during the January-to-March period amounting to P8.6 billion.

Meanwhile, Globe Telecom, Inc. reported a 47% decline in net income in the first quarter to P7.3 billion due "to a one-time net gain of P8.5 billion on the partial sale of Globe's data center business in the same period last year."

Revenues from digital service went up 80% to P1.4 billion due to strong results from its businesses.

Total service revenues, likewise, increased by 2% to P40 billion on the back of growing data and digital service revenue.

Ayala's power segment, ACEN Corp., booked a net income of P2 billion, five times higher than in the same period last year, due to strong revenue growth.

ACEN's consolidated revenues gained 23% to P9.1 billion driven by "higher net generation from wind sources and the commissioning of new power plants in the Philippines and Australia."

Ayala shares rose by 0.76% or P5 to P666.5 apiece on Wednesday. — **Adrian H. Halili**

Jollibee's earnings decline 11% to P2B; franchise deal for PHO24 stores terminated

JOLLIBEE Foods Corp. reported a nearly 11% decrease in attributable net income for the first quarter to P2.06 billion from P2.31 billion the previous year despite strong revenue growth.

"Our first quarter financial results reflected continued strong momentum, delivering another quarter of strong top line and operating income growth," Jollibee President and Chief Executive Officer Ernesto Tanmantiong in a statement on Wednesday.

"We remain focused on navigating through these uncertainties and are confident in our ability to deliver another year of strong growth," he added. The company's consolidated revenues for the quarter grew by 28.5% to P55.09 billion from the P42.86 billion recorded in the same quarter last year.

System-wide sales — which measure all sales to consumers, both from company-owned and franchised stores — rose by 31.1% to P78.64 billion from P59.98 billion.

For the Philippines, system-wide sales increased by 36.7% while same-store sales went up by 31.6%. Outside the country, system-wide sales jumped by 23.3%, while same-store sales rose by 8.8%.

As of the end of March, the company has operated 6,542 stores worldwide with 3,281 in the Philippines and 3,261 in its international business.

"We continued to invest in new stores that will help drive sustainable value for our shareholders. We opened 111 stores and grew store network by 4.7% versus prior year. We are on track to achieving our 550-600 new store target for 2023," Mr. Tanmantiong said.

Operating income for the period ending March, surged to P3.6 billion, up 80.9% from the same quarter the previous year.

NEW BUSINESSES

In a separate disclosure, Jollibee said that the entity behind the PHO24 business had signed agreements to transfer the asset to East-West Restaurant Concepts.

"The franchise agreement for the operation of PHO24 stores in the Philippines was also terminated," it said, adding that the business operates 14 stores in Vietnam.

SuperFoods Group, which owns Highlands Coffee and PHO24, signed the agreement with the wholly owned subsidiary of Viet Thai International Joint Stock Co. (VTI).

VTI is the partner of Jollibee's wholly owned subsidiary, JSF Investments Pte. Ltd. (JSF), in the SuperFoods Group.

Jollibee said it will be concentrating its resources on building and growing its new businesses, namely: Tim Ho Wan, Yoshinoya, and Milksha.

It said Tim Ho Wan is targeting to open 100 restaurants within the next few years in China, which it described as one of the group's "four pillar markets." It has 16 existing stores in Shanghai and two in Beijing.

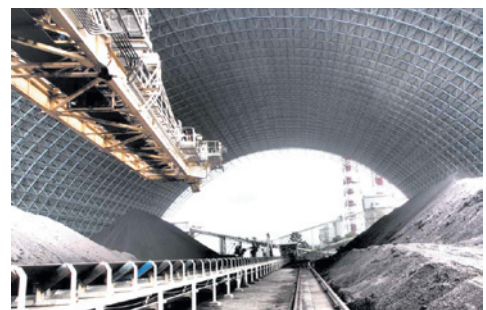
Jollibee said its 50-50 joint venture Yoshinoya Jollibee Foods, Inc. plans to open 50 stores in the Philippines in the long term. Japan-based Yoshinoya is a beef bowl business that is recognized globally.

The joint venture is the franchisee of Yoshinoya in the Philippines. It has seven stores in the country.

Jollibee Worldwide Pte. Ltd. has a 51% stake in Milkshop International Co. Ltd., which owns Milksha, a popular Taiwanese bubble tea brand.

The Jollibee group, together with Milkshop's founder, plans to grow the Milksha brand globally.

On Wednesday, Jollibee shares slipped by 0.62% or P1.40 to P223.60 each. — **Adrian H. Halili**



SEMIRARA'S net income for the first quarter fell by 40% to P9.03 billion from P15.03 billion as the company reported "all-time high quarterly earnings" during the same period last year.

DMCI Holdings income falls 32% to P7.6B on past year's high base

DMCI Holdings, Inc. reported on Wednesday that its attributable net income fell by 32% in the first quarter to P7.62 billion from P11.26 billion in the previous year's all-time high result.

The "high base effect" saw its revenues fall by 25% to P33.03 billion from P43.76 billion.

"We anticipate some earnings slowdown this year since we're coming off a very high base. Our construction and real estate businesses are also still recovering from the impacts of the pandemic," said DMCI Holdings Chairman and President Isidro A. Consunji in a statement.

"Overall, our results should still be better than our pre-pandemic level. We're also expecting significant growth in our power businesses and Maynilad [Water Services, Inc.]," he added.

DMCI Holdings attributed the revenue decline to "lower commodity shipments, easing coal prices, reduced construction accomplishments, fewer real estate accounts that qualified for revenue recognition and higher real estate sales cancellations."

Its top contributor during the three-month period were Semirara Mining and Power Corp., DMCI Project Developers, Inc. (DMCI Homes), and Maynilad. They accounted for 88% of total core income. — **A. H. Halili**

FULL STORY



Read the full story by scanning the QR code or by typing the link <bit.ly/DMCI051123>

Petron's net income declines 5.6% to P3.4B on rising costs

PETRON Corp. registered a net income of P3.4 billion in the first quarter, down by 5.6% from P3.6 billion last year, due to the oil company's higher expenses.

In a stock exchange disclosure, Petron recorded consolidated revenues of P188.8 billion, 9.6% higher than the P172.3 billion registered a year earlier, because of sustained fuel demand.

"It's still a promising start to the new year," Petron President and Chief Executive Officer Ramon S. Ang said in a statement on Wednesday.

For the January-to-March period, the company's fuel demand and sold volumes were recorded at 28.6 million barrels, 11.3% higher than the 25.7 million barrels in the same period last year.

Commercial sales went up by 13% due to higher demand from the aviation sector, which pushed jet fuel sales to nearly double from last year.

Petron's combined retail sales from the Philippines and Malaysia jumped by 12% on increased mobility.

"The consistent rise in fuel demand and better industry conditions, combined with our efficiency and volume-generating measures contributed to our results in the first quarter. Despite external challenges, we remain confident in our ability to navigate the highs and

lows of this industry as we work on achieving a full financial recovery this year," Mr. Ang said.

The company said that despite the 16% decrease in crude prices for the first quarter, it managed to report an operating income of P8.4 billion, fueled by higher sales volume and strong regional refining margins.

Petron said that the increase in financing cost was partly tempered by the mark-to-market valuation of its commodity hedges.

Meanwhile, the company is strengthening its sustainability programs through several projects in the pipeline, including the construction of its coco-methyl ester (CME) plant in its Petron Bataan Refinery Complex.

It is also working on intensifying its efficiency and sustainability programs to reduce its environmental footprint.

"We've never been more proactive in our sustainability commitment. As the industry leader, lessening our resource utilization and impacts on the environment are fully integrated into our operations. And these projects not only contribute to this end, but they also make us a more resilient, sustainable, and socially responsible oil company," Mr. Ang said.

At the local bourse on Wednesday, shares in the company fell by two centavos or 0.59% to end at P3.35 apiece. — **Ashley Erika O. Jose**

Bloomberry net profit quadruples to P3B on gaming demand

BLOOMBERRY Resorts Corp.'s net income in the first quarter rose by more than four times to P2.98 billion from P686.67 million a year ago on strong domestic and international demand, which increased its gaming volumes.

"Our performance was highlighted by a 338% increase in consolidated net income to P3 billion, driven by still strong domestic demand and increased participation by international patrons from around the region," Bloomberry Chairman and Chief Executive Officer Enrique K. Razon, Jr. said in a statement.

"Solaire Resort Entertainment City's VIP, mass tables and slots segments all posted substantial gains as gaming volumes expanded," he added.

Bloomberry, through its subsidiaries, owns and operates Solaire and Jeju Sun Hotel & Casino.

The company's top line rose in the first three months of the year to P12.83 billion, up by 78.5% from P7.19 billion in the same period last year.

Bulk of its revenues came from its gaming segment, which recorded P10.82 billion, an increase of 72.4% from the P6.28 billion booked in 2022.

At Solaire, the company registered a total gross gaming revenue (GGR) of P16 billion in the first quarter, up by 80% from the P8.9 billion booked in 2022. This has also surpassed its pre-pandemic first quarter total GGR which was P13.6 billion.

"GGR growth continued to be supported by strong domestic demand and an increasing participation of international patrons," the company said.

The company recognized a year-on-year growth in Solaire's VIP rolling chip volume, mass

table drop, and slot coin-in at P168.23 billion, P12.07 billion, and P83.96 billion, respectively.

GGR from each segment also grew with VIP tables accounting for P6.4 billion, mass tables for P4.89 billion, and slots for P4.76 billion. — **Justine Irish D. Tabile**

FULL STORY



Read the full story by scanning the QR code or by typing the link <bit.ly/Bloomberry051123>