Philippine Stock Exchange index (PSEi) 6,329.19 ▼76.72 PTS. ▼1.19%

MONDAY, AUGUST 14, 2023
BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P593.00	-P11.00	-1.82%
ACEN	ACEN Corp.	P5.15	+P0.04	+0.78%
AEV	Aboitiz Equity Ventures, Inc.	P46.50	-P1.40	-2.92%
AGI	Alliance Global Group, Inc.	P12.42	-P0.52	-4.02%
ALI	Ayala Land, Inc.	P29.05	——	
AP	Aboitiz Power Corp.	P35.80	-P0.20	-0.56%
BDO	BDO Unibank, Inc.	P141.80	-P1.70	-1.18%
BPI	Bank of the Philippine Islands	P113.90	+P0.10	+0.09%
CNVRG	Converge ICT Solutions, Inc.	P9.17	-P0.08	-0.86%
DMC	DMCI Holdings, Inc.	P9.32	-P0.18	-1.89%
EMI	Emperador, Inc.	P21.10	-P0.25	-1.17%
GLO	Globe Telecom, Inc.	P1,850.00	——	
GTCAP	GT Capital Holdings, Inc.	P524.00	+P2.00	+0.38%
ICT	International Container Terminal Services, Inc.	P201.00	-P3.20	-1.57%
JFC	Jollibee Foods Corp.	P247.60	-P0.20	-0.08%
JGS	JG Summit Holdings, Inc.	P38.95	-P0.05	-0.13%
LTG	LT Group, Inc.	P9.34	-P0.16	-1.68%
MBT	Metropolitan Bank & Trust Co.	P57.30	+P0.10	+0.17%
MER	Manila Electric Co.	P342.00	+P2.40	+0.71%
MONDE	Monde Nissin Corp.	P7.29	-P0.29	-3.83%
MPI	Metro Pacific Investments Corp.	P5.05	+P0.05	+1%
PGOLD	Puregold Price Club, Inc.	P27.60	+P0.05	+0.18%
SCC	Semirara Mining and Power Corp.	P31.00	+P1.00	+3.33%
SM	SM Investments Corp.	P867.00	-P15.50	-1.76%
SMC	San Miguel Corp.	P102.90	-P1.40	-1.34%
SMPH	SM Prime Holdings, Inc.	P30.15	-P1.35	-4.29%
TEL	PLDT Inc.	P1,275.00	-P40.00	-3.04%
UBP	Union Bank of the Philippines	P73.00	+P0.20	+0.27%
URC	Universal Robina Corp.	P124.80	+P1.80	+1.46%
WLCON	Wilcon Depot, Inc.	P22.35	-P0.10	-0.45%

Uy-led Chelsea, DITO CME trim their losses

DENNIS A. UY'S Chelsea Logistics and Infrastructure Holdings Corp. and DITO CME Holdings Corp. trimmed their net loss during the second quarter after booking higher revenues.

Chelsea Logistics narrowed its attributable net loss to P106.83 million in the second quarter from the P587.63 million incurred last year.

The company posted P1.87 billion in revenues, a 15.8% increase from the P1.61 million recorded a year ago. It described its quarterly top line as its highest since March 2020, and just 8% lower than its record P2.04 billion reported in the fourth quarter of 2019.

The increase in revenues was supported by a 5.7% decline in the company's cost of sales and services from April to June at P1.34 billion from P1.42 billion in 2022.

"Both cargo and passage revenues maintained positive year-on-year and sequential growth, mainly driven by passage," the company said.

The passage segment contributed 51% higher revenue in the second quarter to P540 million, with the freight segment remaining the biggest contributor at P919 million, 6% higher than last year's showing, it said.

For the first semester, the company booked an attributable net loss of P430.87 million, down from the P1-billion loss incurred last year.

The narrowed net loss came after a 22.8% increase in the company's top line to P3.58 billion from P2.91 billion in 2022.

The first-half cost of sales was slightly higher at P2.78 billion, which reflected a 5.4% rise from the P2.64 billion recorded in the previous year.

"The second-quarter results have shown that the group is on the right trajectory to profitability," said Chelsea Logistics President and Chief Executive Officer Chryss Alfonsus V. Damuy.

"With increasing demand and traffic, we continue to activate and deploy our ships which have been laid-up for the past years. Our loyal customers will see more positive developments from us in the coming days," he added.

HIGHER SERVICE REVENUES

DITO CME trimmed its net loss to P1.1 billion in the three months ended June from the P4.63 billion incurred last year, due to higher service revenues.

The company's top line reached P2.62 billion in the second quarter, 54.7% higher than the P1.7 billion booked in the same period last year.

Service revenues accounted for P2.61 billion of the company's top line, which reflects a 53.9% increase from the P1.69 billion booked in the previous year.

Non-service revenues showed significant growth, increasing more than eight times to P17.47 million from P2.09 million a year ago.

DITO CME's costs and expenses rose by 21.9% to P6.21 billion in the second quarter from P5.1 billion in 2022, amid higher depreciation and amortization.

For the first semester, DITO CME saw its attributable net loss decline to P1.43 billion, trimming down last year's loss of P8.3 billion.

Revenues from contracts with customers totaled P4.96 billion in the first six months, 64% higher than the P3.03 billion booked in the same period last year.

"The group derives its revenue mainly from the transfer of goods and services over time and at a point in time by providing mobile services to subscribers in prepaid arrangements such as SMS (short message service), voice, data, and internet," the company said.

DITO CME's revenues were mainly generated by DITO Telecommunity Corp., which had approximately 7.5 million active subscribers by the end of the SIM (subscriber identity module) registration period.

Costs and expenses in the first half ballooned to P11.58 billion, an 18% increase from the P9.82 billion incurred in the previous year, as depreciation and amortization climbed by 61.3% to P6.42 billion from P3.98 billion last year.

"(The increase in depreciation and amortization was) mainly due to the significant capital expenditures during the year as part of DITO Tel's continued focus on increasing network coverage nationwide," the company said.

On Monday, shares in Chelsea Logistics increased by a centavo or 1.04% to 97 centavos apiece, while shares in DITO CME slipped by a centavo or 0.44% to P2.24 each. — **Justine Irish D. Tabile**

MPIC reports double-digit profit rise, sees exceeding year's goal

METRO PACIFIC Investments Corp. (MPIC) reported a 36.6% rise in attributable net income in the second quarter of the year to P5.22 billion after a double-digit revenue growth.

In a regulatory filing on Monday, the firm posted gross revenues of P15.23 billion during the quarter, up 15.7% from P13.16 billion a year ago.

In the first semester, its first-half attributable income hit P10.22 billion, up 7.6% from P9.5 billion previously, amid gains from the acquisition of Landco Pacific Corp.

"We are actually trending to exceed our target for the year given the good results of our core businesses," Executive Vice-President and Chief Financial Officer June Cheryl A. Cabal-Revilla said in a media briefing on Monday.

MPIC reported a 33% jump in first-half core net income to P9.9 billion, which its finance chief said is looking to exceed the firm's full-year core profit target.

Ms. Cabal-Revilla placed this year's income target at P16.1 billion, which could be reached given "the trend of our core businesses that are also exceeding their targets."

She also said the year's profit goal might surpass MPIC's record core net income of P15.6 billion.

"Our consistently strong performance reflects significant volume increases for our core businesses on power, toll roads, and water, bolstered by favorable tariff adjustments and savings resulting from operational efficiencies," said MPIC Chairman, President, and Chief Executive Officer (CEO) Manuel V. Pangilinan in a statement.

"We are also realizing the fruits of strategic investments in the power generation business, and we expect this to continue to be a driver of growth in the future," he added.

The company said that due to the improved results of its core businesses, MPIC saw a 27% increase in contributions from operations mainly driven by the performance of its power generation business and higher water tariff for the water concession.

MPIC's top line for the six-month period rose by 20.9% to P29.37 billion to P24.29 billion in the same period last year.

Its power business, Manila Electric Co. (Meralco), reported a 47% rise in consolidated core net income to P19.2 billion after an increase in contributions from Meralco PowerGen Corp. (MGen).

MGen contributed P6.6 billion, nearly triple from P2.3 billion, on the back of contributions from PacificLight Power Pte. Ltd. and its operating power projects in the Philippines.

Metro Pacific Tollways Corp.'s (MPTC) core net income went up by 7%, which the company described as a "slower growth" due to the higher concession amortization on newly opened roads, financing cost on the Jakarta-Cikampek Elevated toll road acquisition and the delay in toll rate adjustments.

Revenues from tollways rose by 24% to P13 billion on the back of rate increases and traffic growth in the Philippines and Indonesia.

Maynilad Water Services, Inc. booked a 45% higher core net income of P4.4 billion due to lower amortizations that resulted from the extension of its concession period.

Revenues from the water business went up by 19% to P13.3 billion driven by a 2% growth in billed volume and higher effective tariffs.

Ms. Cabal-Revilla said MPIC's other businesses incurred a net loss of P1.2 billion, which mainly came from Light Rail Manila Corp. as its ridership capacity was still below pre-pandemic levels. The tariff rate increase of the Light Rail Transit Line 1 operator was implemented only in the first week of August.

MPIC's healthcare business, Metro Pacific Health Corp., acquired a 95-bed hospital in Polomolok, South Cotabato, and a Level 2, 90-bed hospital in Cavite. The acquisition brings the total number of hospitals under its network to 21.

MARKET LISTINGS

Meanwhile, Ms. Cabal-Revilla said that the company is preparing to list on the stock exchange its other core businesses like Maynilad and MPTC.

"Maynilad we are sure because it is part of their franchise, they are currently preparing. For toll roads they are also, that is why there is a push for us to be able to complete our projects in the pipeline," she said.

"The hospital group is also studying [its listing], given that they also want to be able to expand to more hospitals," she added.

Maynilad President and CEO Ramoncito S. Fernandez said that the company is planning to conduct its maiden offering by 2025, at the earliest.

"The franchise calls for a minimum of 30% of our shares being offered to the public. As for the size, we have a lot of financial advisors looking at it today and there is no indication yet on what the valuation would be," Mr. Fernandez said.

"But definitely it's going to be in the ballpark of where the water industry is today," he added.

Additionally, MPTC President and CEO Rogelio L. Singson said the company is planning to conduct its initial public offering ahead of Maynilad.

"Depending on how fast we get our projects done," Mr. Singson said on the listing schedule, adding that "our current struggles" revolve around completing existing projects.

MPIC shares rose by 1% or five centavos to P5.05 apiece on Monday.

MPIC is one of the 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 share in *BusinessWorld* through the Philippine Star Group, which it controls. — **Adrian H. Halili**

Core businesses lift GT Capital net earnings

GT CAPITAL Holdings, Inc. more than doubled its consolidated net income to P16.61 billion from P8.1 billion in the first half of the year, driven by its core businesses.

"Our key businesses in banking, financial services, automobile, and property development delivered unprecedented gains on the back of tempered inflation, resilient consumer spending, and political stability," GT Capital President Carmelo Maria Luza Bautista said in a statement on Monday.

"[We] are optimistic that our domestic economy remains somewhat insulated, and that the growth momentum will help carry us forward for the rest of the year," Mr. Bautista added.

GT Capital's banking unit, Metropolitan Bank & Trust Co., recorded a 34.1% rise in net income for the period to P20.9 billion driven by asset expansion, higher margins, and growth from fees.

The bank's net interest income rose by 27% to P50.6 billion on the back of an increase in net interest margin to 3.9% and an 8.6% rise in gross loans.

"Our core businesses continued to grow and benefit from our strong balance sheet," Metrobank President Fabian S. Dee said. "[W]e see more market opportunities that will keep our upward momentum and sustain our efforts to better serve our customers."

The holding firm's automotive arm Toyota Motor Philippines Corp. more than doubled its consolidated net income to P8 billion from P3.2 billion. Its revenues reached P106.4 billion, up 25% from P85 billion.

It reported retail sales of 93,575 units for the semester, rising 17% from 80,090 units the prior year.

"[Toyota] remains the country's number one automotive brand with a 47.5% overall market share in the first half of 2023," it said.

Additionally, its wholly owned subsidiary Federal Land, Inc. doubled its consolidated net income to P1.5 billion from P727 the prior year.

The property unit saw a 77% surge in revenues to P11.8 billion from P6.7 billion in the same period last year.

Its associate Metro Pacific Investments Corp. (MPIC) booked a consolidated core net income of P9.9 billion, 33% higher than P7.5 billion the prior year.

"Improved financial and operating results at MPIC's holdings delivered a 27% increase in contribution from operations, mainly driven by the strong performance of the power generation business and higher water tariff for the water concession," the company said.

Meanwhile, AXA Philippines saw an 18% increase in consolidated net income to P1.3 billion from P1.1 billion for the six-month period.

Its consolidated life and general insurance gross premiums fell to P12.9 billion from P15.1 billion in the same period last year, as investors remained cautious over market uncertainties.

The insurance firms saw life insurance sales at an annualized premium of P1.9 billion from P2.1 billion. — **Adrian H. Halili**

GMA profit decreases 69% to P581M amid lower advertising revenues

GMA Network, Inc. saw a 69% decline in its attributable net income to P581.51 million for the second quarter from P1.88 billion a year ago after booking lower advertising revenues.

The network's revenues from April to June amounted to P4.44 billion, 26.9% lower than the P6.08 billion booked in the corresponding period last year.

"Despite election campaigns culminating only up to the first week of May 2022, political advertisements during that quarter were even higher versus the first quarter of the same year," the company said in its quarterly report.

Production costs and cost of sales were higher by 4% and 9.7% to P1.99 billion and P81.25 million, respectively.

During the quarter, the company's general and administrative expenses dipped by 1% to P1.61 billion from P1.63 billion in the previous year.

GMA's first-half attributable net income reached P1.19 billion, 70.3% lower than the almost P4 billion profit seen in the same period last year.

The company's top line totaled P8.46 billion in the first half, a 29.2% increase from the P11.94 billion booked last year due to lower advertising revenues.

For the six months ended June, GMA's advertising revenue reached P7.75 billion, a 31% drop from the previous year's P11.3 billion.

"Advertising revenues remained the lifeblood of the Company, comprising more than 90% of the total revenue pie. This segment was also the hardest hit due to the absence of election-related placements this year," the company said.

Production costs and cost of sales were higher by 4.9% and 24.9% to P3.66 billion and P186.44 million, respectively.

GMA also incurred higher general and administrative expenses in the first six months of the year which amounted to P3.1 billion, a 1.4% increase from the P3.05 billion recorded in the previous year. — **Justine Irish D. Tabile**