

Philippine Stock Exchange index (PSEi)

6,878.54

▼ 26.92 PTS.

▼ 0.39%

WEDNESDAY, MARCH 6, 2024

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P683.50 -P1.00 -0.15%	ACEN ACEN Corp. P4.04 -P0.03 -0.74%	AEV Aboliz Equity Ventures, Inc. P49.50 +P0.50 +1.02%	AGI Alliance Global Group, Inc. P9.90 -P0.10 -1%	ALI Ayala Land, Inc. P33.30 -P0.65 -1.91%	BDO BDO Unibank, Inc. P152.50 +P1.00 +0.66%	BLOOM Bloomerry Resorts Corp. P11.36 -P0.04 -0.35%	BPI Bank of the Philippine Islands P117.90 +P1.60 +1.38%	CNPF Century Pacific Food, Inc. P34.65 -P1.85 -5.07%	CNVRG Converge ICT Solutions, Inc. P8.96 ---
DMC DMCI Holdings, Inc. P11.22 -P0.34 -2.94%	EMI Emperador, Inc. P18.88 -P0.10 -0.53%	GLO Globe Telecom, Inc. P1,745.00 -P4.00 -0.23%	GTCAP GT Capital Holdings, Inc. P695.00 -P10.00 -1.42%	ICT International Container Terminal Services, Inc. P292.00 -P3.40 -1.15%	JFC Jollibee Foods Corp. P253.00 -P2.00 -0.78%	JGS JG Summit Holdings, Inc. P39.65 +P0.25 +0.63%	LTG LT Group, Inc. P9.72 -P0.13 -1.32%	MBT Metropolitan Bank & Trust Co. P62.70 +P0.30 +0.48%	MER Manila Electric Co. P367.00 -P6.00 -1.61%
MONDE Monde Nissin Corp. P9.97 -P0.39 -3.76%	NIKL Nickel Asia Corp. P4.45 -P0.01 -0.22%	PGOLD Puregold Price Club, Inc. P27.75 +P0.45 +1.65%	SCC Semirara Mining and Power Corp. P33.55 -P0.95 -2.75%	SM SM Investments Corp. P953.00 -P10.00 -1.04%	SMC San Miguel Corp. P103.80 +P0.80 +0.78%	SMPH SM Prime Holdings, Inc. P33.20 +P0.05 +0.15%	TEL PLDT Inc. P1,290.00 +P9.00 +0.7%	URC Universal Robina Corp. P113.30 +P0.50 +0.44%	WLCON Wilcon Depot, Inc. P21.35 ---

Meralco sees decline in generation charge for March

MANILA ELECTRIC Co. (Meralco) is expecting a decrease in power cost from suppliers this month, the company's spokesman said on Wednesday.

"While we have yet to receive all the billings from our suppliers, initial indications show lower generation charge this March," Joe R. Zalardriaga, Meralco spokesperson and vice-president for corporate communications, said in a Viber message.

The generation charge mostly makes up the bulk of a consumer's monthly electricity bill.

Mr. Zalardriaga attributed the potential decline to lower power prices in the Wholesale Electricity Spot Market (WESM) and resumption of operations of the 455-megawatt power plant of San Buenaventura Power Ltd. Co.

San Buenaventura Power is a partnership between the Meralco PowerGen Corp., a subsidiary of Meralco, and New Growth

B.V., a subsidiary of Thailand-based Electricity Generating Public Co. Ltd.

The average WESM price system-wide dropped to P3.91 per kilowatt-hour (kWh) in early February as supply outpaced demand, according to the Independent Electricity Market Operator of the Philippines.

"Also contributing to this expected decrease is the refund of incremental Malampaya gas charges under the new Gas

Sale and Purchase Agreements (GSPA) as recently directed by the Energy Regulatory Commission (ERC)," he said.

In February, the power distributor implemented an increase from P11.3430 per kWh to P11.9168 per kWh on higher generation charge due to increases in the costs from independent power producers and power supply agreements.

Meralco said that the price of Malampaya gas to Sta. Rita power

plant climbed by nearly 12% following the signing of new GSPA between First Gas Corp. and Malampaya consortium.

The ERC has instructed Meralco to complete validation of the costs to justify the rate adjustment.

Meralco has estimated that the refund would range between four to five centavos per kWh.

"We are hoping that this reduction in the generation charge will be able to temper the anticipated

increase in transmission charge due to higher ancillary service charges," Mr. Zalardriaga said.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by 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. —

Shelden Joy Talavera

DMCI Holdings net income drops 20%

DMCI Holdings, Inc. announced on Wednesday a 20% decrease in its 2023 consolidated net income to P24.9 billion, mainly due to the normalizing prices of utilities.

Consolidated revenues dropped by 14% to P122.8 billion in 2023 from P142.6 billion the previous year, led by stabilizing coal, nickel, and electricity prices, a slowdown in construction and real estate activities, and a surge in revenue reversals stemming from the cancellation of real estate sales, DMCI Holdings said in a stock exchange disclosure on Wednesday.

Meanwhile, consolidated revenues dropped by 14% to P122.8 billion in 2023 from P142.6 billion the previous year, led by stabilizing coal, nickel, and electricity prices, a slowdown in construction and real estate activities, and a surge in revenue reversals stemming from the cancellation of real estate sales, as stated by DMCI Holdings in a stock exchange disclosure on Wednesday.

In the fourth quarter, DMCI Holdings saw a 36% increase in its consolidated net income to P4.7 billion from P3.5 billion. The

conglomerate's revenues rose by 8% to P30.4 billion on higher coal exports.

"We saw sharp corrections in commodity and energy prices in 2023 but because our businesses did very well in terms of production and sales volume, we managed to prevent a severe decline in our profitability," DMCI Holdings Chairman and President Isidro A. Consunji said.

According to the company, the Average Newcastle and Indonesian Coal Index 4 prices dropped by 64% and 26%, respectively, while Philippine Freight on Board nickel price (for 1.3% Ni) fell by 30%.

It said that the average effective spot settlement price for all grids across the Philippines declined by 18%.

For full-year 2023 results, DMCI Holdings said it observed higher net income contributions from its real estate, off-grid energy, and water utility businesses, while lower contributions were observed from integrated energy, nickel, and construction subsidiaries.

Semirara Mining and Power Corp. saw a 30% drop in its contri-

but ion to P15.8 billion due to the combined effect of all-time high coal shipments and electricity sales amid stabilizing prices.

DMCI Homes contributed 2% higher core earnings to P4.6 billion led by better selling prices and higher income from rental and forfeiture fees.

DMCI Power's contribution rose by 29% to P959 million from P742 million on higher gross generation and electricity dispatch.

D.M. Consunji, Inc. had a 2% drop in net income to P573 million due to lower project accomplishments on fewer ongoing projects.

Contribution of DMCI Mining fell by 49% to P655 million on the back of lower nickel prices and higher shipping costs.

Meanwhile, DMCI Holdings' affiliate Maynilad Water Services, Inc. contributed P2.1 in earnings, a 42% jump from P1.5 billion on higher water production, billed volume, and adjusted tariff. The conglomerate has a 25% stake in Maynilad.

DMCI Holdings shares fell by 2.94% or 34 centavos to P11.22 apiece on Wednesday. — **Revin Mikhael D. Ochave**

San Miguel's food and beverage unit says net income climbs 10%

SAN MIGUEL Food and Beverage, Inc. (SMFB) saw a 10% increase in its 2023 net income to P38.1 billion, driven by stronger sales, the Angled company announced on Wednesday.

SMFB's consolidated sales improved by 6% to P379.8 billion on better volumes and pricing strategies, the company said in a regulatory filing.

The company's earnings before interest, taxes, depreciation, and amortization (EBITDA) also climbed by 7% to P66.8 billion.

"We're determined to build on our gains and continue finding ways to excite and delight our markets..." SMFB President and Chief Executive Officer Ramon S. Ang said.

Net income of SMFB's beer division rose by 16% to P25.3 billion while EBITDA rose by 9%.

Consolidated sales of SMFB's beer division rose by 8% to P147.3 billion led by stronger demand in the local and international markets. However, domestic sales volumes are still 25% below pre-pandemic levels.

Domestic sales rose 8% to P131.7 billion. International revenue grew by 7% led by higher demand for the company's global brands like Red Horse, which resulted in growth for exports as well as in areas such as South China and Thailand.

SMFB's spirits division saw a 55% increase in net income to P7 billion while EBITDA climbed by 41% to P9.4 billion. Revenues also rose by 13% to P53.6 billion.



SANMIGUEL.COM.PH

"This was driven by efforts to enhance brand equity through consistent advertising, consumer promotions, and expanding market reach," SMFB said.

Meanwhile, the company's food division saw a slight drop in its net income and EBITDA to P6.6 billion and P18.3 billion, respectively. Its revenues rose by 2% to P178.8 billion.

SMFB said the food division had a slight decline in financial performance despite the challenges faced by its poultry segment such as capacity constraints and pressure from imported frozen chicken that impacted prices and overall performance.

"This was achieved through strategic pricing adjustments across segments, complemented by aggressive marketing to stimulate demand," SMFB said.

On Wednesday, SMFB shares closed unchanged at P50.50 apiece. — **Revin Mikhael D. Ochave**

PHINMA Corp. profit hits P1.63 billion

LISTED conglomerate PHINMA Corp. saw a 6.5% increase in its 2023 net income to P1.63 billion from P1.53 billion the prior year due to higher revenues across its business units.

In a regulatory filing on Wednesday, PHINMA Corp. said its consolidated revenues rose by 20% to P21.27 billion while consolidated core net income improved by 40% to P1.67 billion.

"PHINMA's stronger financial results were driven by the sustained growth in the education business which continued to see enrollment growth, along with the construction materials group (CMG) and PHINMA Property Holdings Corp.'s efforts to improve cost efficiency," the conglomerate said.

"The hospitality business likewise took advantage of the continued recovery in domestic travel and events, particularly in the Mall of Asia area," it added.

PHINMA Education Holdings, Inc. posted a P1.19-billion consolidated net income and P5.44 billion in consolidated revenues last year. The company saw an 18% increase in enrollment for the first semester of school year 2023-2024 at

146,546 students across the Philippines and Indonesia.

"PHINMA Education remained steadfast in its commitment to provide accessible quality education to the affordable segment," it said.

PHINMA's CMG, consisting of Union Galvasteel Corp., Philecement Corp., and PHINMA Solar Corp., saw a combined net income of P430.95 million and combined revenues of P13.27 billion in 2023.

Union Galvasteel recorded a surge in sales volumes as construction activities rebounded in the second half of 2023, while Philecement implemented various cost-saving initiatives and strategic pricing amid the highly competitive environment.

For its part, PHINMA Solar secured 58 projects totaling 9.39 megawatt peak in the government's Green Energy Auction Program.

PHINMA Property Holdings Corp. recorded a P281.99-million consolidated net income for the second half of 2023, which offset the P63.87-million net loss in the first half.

In July last year, PHINMA Corp. increased its ownership of PHINMA Property Holdings to 76.81% from 40.1%.

Meanwhile, PHINMA Corp.'s consolidated net earnings of Coral Way, PHINMA Hospitality, and PHINMA Microtel reached P26.56 million in 2023. The net earnings included the equitized net income in Coral Way worth P5.25 million during the first half of 2023.

PHINMA Corp. acquired PHINMA Hospitality and PHINMA Microtel shares in July last year.

"Coral Way benefited from the resurgence of conventions, events and corporate bookings in the Mall of Asia area," PHINMA Corp. said.

In a separate stock exchange disclosure, PHINMA Corp. said its board approved the appointment of Edmund Alan A. Qua Hiansen as the conglomerate's chief financial officer (CFO) effective April 1.

Aside from being PHINMA Corp.'s CFO, Mr. Hiansen holds concurrent positions as vice-president - finance for the PHINMA Construction Materials Group companies, chief financial officer of Song Lam Cement Joint Stock Co. and deputy chief finance officer of PHINMA Prism Development Corp.

On Wednesday, PHINMA Corp. shares rose by 2.46% or 48 centavos to P19.98 per share. — **Revin Mikhael D. Ochave**



Forbes 5 Stars, 5 Years: The ceremonial toast marking the celebration of Okada Manila's Forbes

The 5-star rating given by the Forbes Travel Guide for the fifth consecutive year for the property and the second for The Retreat Spa was spearheaded by Takako Okada (middle), Vice-Chairperson of Okada Manila, joined by other Okada Manila top executives (from left), namely Vikki Aquino, Director of Spas, Recreation & Kids Club; Andreas Balla, Vice-President of Food & Beverage; Rob Scott, Vice-President of Hotel Operations; and Victor Galzote, Director of Property Marketing & Branding. Okada Manila is renowned for its world-class facilities and stellar service, combining the best of Japanese hospitality with the warmth of Filipino culture.