

Philippine Stock Exchange index (PSEi)

6,967.96

▲ 2.45 PTS.

▲ 0.03%

THURSDAY, MARCH 14, 2024

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P690.00 +P14.50 +2.15%	ACEN ACEN Corp. P3.80 ---	AEV Aboitiz Equity Ventures, Inc. P48.30 -P0.20 -0.41%	AGI Alliance Global Group, Inc. P10.60 +P0.20 +1.92%	ALI Ayala Land, Inc. P33.80 +P0.10 +0.3%	BDO BDO Unibank, Inc. P152.90 -P1.10 -0.71%	BLOOM Blossom Resorts Corp. P11.78 +P0.28 +2.43%	BPI Bank of the Philippine Islands P120.10 +P0.10 +0.08%	CNPF Century Pacific Food, Inc. P34.65 -P0.90 -2.53%	CNVRG Converge ICT Solutions, Inc. P8.31 -P0.12 -1.42%
DMC DMCI Holdings, Inc. P11.10 -P0.40 -3.48%	EMI Emperador, Inc. P16.40 -P0.80 -4.65%	GLO Globe Telecom, Inc. P1,763.00 +P3.00 +0.17%	GTCAP GT Capital Holdings, Inc. P699.00 -P6.00 -0.85%	ICT International Container Terminal Services, Inc. P313.00 -P3.00 -0.95%	JFC Jollibee Foods Corp. P268.00 +P3.80 +1.44%	JGS JG Summit Holdings, Inc. P40.50 +P0.30 +0.75%	LTG LT Group, Inc. P10.20 +P0.10 +0.99%	MBT Metropolitan Bank & Trust Co. P63.00 +P0.10 +0.16%	MER Manila Electric Co. P364.00 -P1.00 -0.27%
MONDE Monde Nissin Corp. P10.06 -P0.02 -0.2%	NIKL Nickel Asia Corp. P4.14 -P0.18 -4.17%	PGOLD Puregold Price Club, Inc. P26.90 -P0.10 -0.37%	SCC Semirara Mining and Power Corp. P34.05 -P0.45 -1.3%	SM SM Investments Corp. P995.00 +P3.00 +0.3%	SMC San Miguel Corp. P101.10 -P0.40 -0.39%	SMPH SM Prime Holdings, Inc. P32.35 +P0.30 +0.94%	TEL PLDT Inc. P1,400.00 +P10.00 +0.72%	URC Universal Robina Corp. P110.30 -P1.30 -1.16%	WLCON Wilcon Depot, Inc. P18.00 ---

San Miguel profit surges by 67% to P45 billion

ANG-LED conglomerate San Miguel Corp. (SMC) recorded a 67% jump in its net income for 2023, reaching P44.7 billion, driven by growth across its business segments.

The conglomerate's earnings before interest, taxes, depreciation, and amortization (EBITDA) last year rose by 24% to P205.3 billion, while consolidated operating income improved by 34% to P144.5 billion, SMC said in a statement on Thursday.

SMC attributed the results to volume growth across its key businesses, including San Miguel Brewery, Inc., Ginebra San Miguel, Inc., Petron, and SMC Infrastructure, along with the integration of Eagle Cement Corp.'s financial results.

"We had a strong finish to 2023, which was marked by a healthy operating income and EBITDA, thanks to our continuous efforts to maximize opera-

tional efficiencies, aligned with our sustainability agenda," SMC President and Chief Executive Officer Ramon S. Ang said.

"Our robust performance again reflects our resilience and ability to deliver a strong bottom line despite macroeconomic uncertainties, and our commitment to continue investing on nation-building projects," he added.

SMC's food and beverage business led by San Miguel Food and Beverage, Inc. (SMFB) saw a 10% jump in net income to P38.1 billion as revenues improved by 6% to P379.8 billion. The growth was due to better volumes and pricing strategies, the company said.

San Miguel Brewery, Inc. recorded a 16% increase in its 2023 net income to P25.3 billion as consolidated sales climbed by 8% to P147.3 billion.

Net income of Ginebra San Miguel, Inc. increased by 55%

to P7 billion in 2023, while its EBITDA surged by 41% to P9.4 billion. Its revenues rose by 13% to P53.6 billion.

The conglomerate's food group recorded a 2% jump in revenues to P178.8 billion due to "strategic pricing across segments, complemented by aggressive marketing to stimulate demand."

"Strong fourth-quarter operating income growth of 89% cushioned a full-year decline at 23%, to end at P10.2 billion," SMC said.

Net income of San Miguel Global Power tripled to P9.9 billion in 2023 from P3.1 billion in 2022 due to better operating margins and foreign exchange gains. Revenues fell 23% to P169.6 billion on lower contracted volumes and prices due to reduced fuel tariffs.

"Newcastle coal indices averaged \$172.79 per metric tons (MT) in 2023, compared to \$360.19/MT in 2022," SMC said.

"Notably, the fourth quarter saw a 32% increase in volumes from the year-earlier period — a turnaround from the declines in the first three quarters of the year, partly due to higher sales volume from the San Roque hydropower plant, and increased contributions from its battery energy storage system network," it added.

Petron Corp. saw a 10% jump in its 2023 net income to P10.1 billion. Its sales volume increased by 13% to 126.9 million barrels led by wide presence and effective volume-generation strategies both in the Philippines and Malaysia.

However, Petron's revenues dropped by 7% to P801 billion as prices continued to correct from record-high levels in 2022.

SMC Infrastructure recorded a 33% improvement in its 2023 net income to P11.4 billion. Consolidated revenues grew by 17%

to P34 billion due to sustained growth across all operating toll roads.

"Combined average daily traffic volume reached 1 million vehicles, an 8% increase from 2022 level, buoyed by continued increase in travel activities," SMC said.

SMC's cement business consisting of Eagle Cement Corp., Northern Cement Corp., and Southern Concrete Industries, Inc. saw a fourfold growth in consolidated revenues to P37.2 billion in 2023 due to the full-year consolidation of Eagle Cement in 2023, and the start of commercial operations of a new facility in Davao del Sur.

SMC is confident that it would "efficiently manage its business and continue to deliver sustainable value" amid market uncertainties.

The conglomerate is expecting its food and beverage business to

see sustained growth led by positive consumer demand backdrop, favorable inflationary environment, and strong brand following.

SMC's Infrastructure business is forecasted to sustain its growth trajectory with continued traffic growth across its network, as well as increased travel nationwide.

With its increased capacity, the conglomerate said its cement business is seen to benefit from both private and public sectors' push for economic and infrastructure development.

"SMC is optimistic that the country's robust macroeconomic fundamentals and its strategy, anchored on our sustainability agenda, will sustain growth momentum throughout 2024," it said.

On Thursday, SMC shares dropped by 0.39% or 40 centavos to P101.10 apiece. — **Revin Mikhael D. Ochave**

PLDT signs clean energy supply deal with ACEN unit

PLDT INC. announced on Thursday an agreement with ACEN Renewable Energy Solutions (ACEN RES) to power the telecommunications company's facilities.

"This supply agreement with ACEN RES expands and diversifies renewables in the energy mix of our key facilities. Our continuous transition to [renewable energy] supports the direction to make our PLDT facilities eco-efficient and future-ready," PLDT Vice-President and Sector Head for property and facilities Leo Gonzales said in a statement.

ACEN RES is the retail electricity supply business of Ayala-led energy company ACEN Corp.

Under the agreement, ACEN RES will energize the 33 facilities of PLDT in the National

Capital Region, PLDT said. Among those facilities is the company's 24/7 command center in Makati City.

ACEN RES will source its power from solar power and geothermal energy.

The collaboration is expected to result in a reduction of at least 21,000 tons of carbon emissions per year, PLDT said.

"We are keen on supporting PLDT as it continues to transition to RE (renewable energy) and use more renewable energy to power its operations that are vital to our country's connectivity and digital infrastructure. ACEN is looking forward to this venture that will help foster an energy-secure future for our telecommunications industry," said Jose Antonio

T. Valdez, ACEN senior vice-president for market transformation.

Just last week, PLDT announced that it had secured a P1 billion green loan to fund its ongoing expansion and upgrade of its fiber network, which it said would allow the company to reduce its carbon footprint.

At the local bourse on Thursday, shares in the company gained P10 or 0.72% to end at P1,400 each; while shares in ACEN closed unchanged at P3.80 apiece.

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**

DoubleDragon's Hotel101-Madrid to finish construction by Q4 2025

SIA-LED DoubleDragon Corp. (DD) on Thursday said its hotel project in Madrid is expected to be finished by the fourth quarter (Q4) of 2025.

The Hotel101-Madrid project, which is being implemented by DoubleDragon's subsidiary Hotel101 Global, will begin construction in April, the listed company said in a regulatory filing.

Hotel101 Global broke ground for the project on March 13.

The 680-room hotel project is located in a 6,593 square-meter property along Avenida Fuerzas Armadas, Valdebebas, Madrid, Spain.

The hotel's construction will be done by Ferroviario Construction Group, one of the largest construction companies in Spain.

"[The] opening is just in time for the start of the Madrid F1 Grand Prix, which happens to be located right beside Hotel101-Madrid," DD said.

"[The hotel] is surrounded by major landmark buildings and is about three minutes walk to the Valdebebas Train Station, four minutes walk to IFEMA convention complex, five minutes walk to Real Madrid Sports Complex, and around seven minutes to the new Madrid Barajas International Airport," it added.

Hotel101 is seeking to have presence in 25 countries by 2026. These include the Philippines, Japan, Spain, USA, United Kingdom, United Arab Emirates, India, Thailand, Malaysia, Vietnam, Indonesia, Saudi Arabia, Singapore, Cambodia, Bangladesh, Mexico, South Korea, Australia, Canada, Switzerland, Turkey, Italy, Germany, France, and China.

On Thursday, DoubleDragon shares fell by 0.61% or five centavos to P8.13 apiece. — **Revin Mikhael D. Ochave**

NAC sees temporary increase in global nickel prices

By **Sheldeen Joy Talavera**
Reporter

LISTED mining company Nickel Asia Corp. (NAC) said it expects global nickel prices to temporarily increase in the short term due to the presidential election in Indonesia, the world's largest nickel producer.

"Right now, due to oversupply, there is some pressure on overall nickel prices. However, because of the presidential elections in Indonesia, there has been a slowdown in the awarding of their mining quota permits. So, in the very near term, there is some price upside for nickel," said Andre Mikael Lu Dy, NAC's vice-president for treasury and investor relations and sales, in a recent briefing.

"In the very near term, there is some upside potential for nickel prices," he added.

Mr. Dy said, however, that he expects global nickel prices to eventually "normalize" after the leadership changes conclude.

"As the government gets settled into the roles and mining quotas are released, prices will normalize because the physical production of nickel and nickel pig iron in Indonesia is still a lot," he said.

Indonesia produced an estimated 40.2% of the world's nickel last year, according to S&P Global Market Intelligence data.

As demand continues to grow at a pace of 3-5% in the stainless-steel market, Mr. Dy said that "some tightness in the supply" could be experienced by 2028.

For production, he expects it to remain at the same level with "not a lot of growth" but can "still be growing by low single digits."

NAC saw a decline of 53% in its attributable net income to P7.9 billion for 2023, driven by



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lower nickel prices. Revenues from the sale of ore declined by 16% to P21.4 billion.

During the period, the weighted nickel ore sales price dropped by 20% to \$23.30 per wet metric ton (WMT). The company's five operating mines sold a combined 16.5 million WMT, up 3%.

Analysts said that the anticipated temporary increase in global nickel prices offers short-term income opportunities.

"In the short term, the anticipated increase in nickel prices due to the Indonesian presidential election could positively affect NAC's income for 2024," Toby Allan C. Arce, head of sales trading at Globalinks Securities and Stocks, Inc., said in a Viber message.

"The eventual normalization of prices as production resumes may mitigate this impact," he added.

For his part, Luis A. Limingan, head of sales at Regina Capital Development Corp., said: "To achieve higher net income, NIKL could focus on cost reduction, diversification, market expansion, strategic partnerships, technology adoption, and hedging against price volatility."

Mr. Arce said that attaining higher income can be realized through diversifying its product portfolio to reduce dependence on nickel prices.

He added that the company may implement strategies such as "enhancing operational efficiency to reduce production costs" and "expanding into markets with higher demand for nickel or value-added nickel products."

Mr. Dy did not specify the exact amount of capital expenditure (capex) allocated for 2024, but he said that it is "half or less than half" of last year's. The company set a capex of P4.5 billion in 2023.

"The capex for Nickel Asia this year is much less than what we spent for last year. Last year was an outlier because we had to do a lot of equipment replacement," he said.

NAC is currently developing three mine projects, namely Dinapigue, Bulanjao, and Manicani, that are scheduled to either ramp up or kick off this year — a development it said could drive its sales volume growth in the coming years.

Shares in the company went down by P0.18 or 4.17% to close at P4.14 each.

URC net income down 12%

GOKONGWEI-LED food and beverage manufacturer Universal Robina Corp. (URC) saw a 12% decline in its 2023 net income to P12.8 billion despite higher sales.

In a regulatory filing on Thursday, URC said the decline in net income was due to "higher comparables from gain on land sale" in 2022.

The company's sales rose by 6% to P158.4 in 2023 billion, while operating income improved by 14% to P17.4 billion.

"Both the branded consumer foods (BCF) and the agro-industrial & commodities (AIC) businesses continued their momentum into the fourth quarter, growing sequentially versus the previous quarter," URC said.

"Operating margins continue to expand, hitting 11%, driven by the company's strategic pricing moves and continued operational savings," it added.

Excluding packaging, URC said the sales of its BCF group rose by 2% to P108.4 billion in 2023.

Revenues of the domestic BCF business increased by 3% to P75.6 billion. Its categories showed mixed performance with snacks and ready-to-drink beverages driving growth, offsetting challenges in some segments.

The international BCF business saw a 2% growth in revenues to P32.8 billion, led by stronger performances in Vietnam and Malaysia.

URC's AIC group recorded a 16% growth in sales to P48.8 billion as the agro-industrial, sugar and renewables, and flour businesses main-

tained their double-digit growth, driven by higher volumes, favorable sugar prices, and continued growth of its pet food segment.

— **Revin Mikhael D. Ochave**

FULL STORY



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