Philippine Stock Exchange index (PSEi) 6,608.36 ▲4.11 PTS. ▲0.06%

TUESDAY, MAY 14, 2024 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P593.50	+P10.50	+1.8%
ACEN	ACEN Corp.	P4.57	——	
AEV	Aboitiz Equity Ventures, Inc.	P38.35	-P0.45	-1.16%
AGI	Alliance Global Group, Inc.	P9.58	-P0.02	-0.21%
ALI	Ayala Land, Inc.	P28.00	+P0.25	+0.9%
BDO	BDO Unibank, Inc.	P140.10	-P1.70	-1.2%
BLOOM	Bloomberry Resorts Corp.	P9.87	-P0.31	-3.05%
BPI	Bank of the Philippine Islands	P126.90	+P0.90	+0.71%
CNPF	Century Pacific Food, Inc.	P33.50	-P1.20	-3.46%
CNVRG	Converge ICT Solutions, Inc.	P9.24	+P0.39	+4.41%
DMC	DMCI Holdings, Inc.	P10.80	——	
EMI	Emperador, Inc.	P18.32	-P0.06	-0.33%
GLO	Globe Telecom, Inc.	P1,860.00	+P30.00	+1.64%
GTCAP	GT Capital Holdings, Inc.	P640.00	-P1.00	-0.16%
ICT	International Container Terminal Services, Inc.	P353.40	-P7.60	-2.11%
JFC	Jollibee Foods Corp.	P219.20	+P0.40	+0.18%
JGS	JG Summit Holdings, Inc.	P32.80	+P1.00	+3.14%
LTG	LT Group, Inc.	P10.02	——	
MBT	Metropolitan Bank & Trust Co.	P71.95	+P0.05	+0.07%
MER	Manila Electric Co.	P372.80	+P0.80	+0.22%
MONDE	Monde Nissin Corp.	P11.76	+P0.06	+0.51%
NIKL	Nickel Asia Corp.	P4.04	+P0.02	+0.5%
PGOLD	Puregold Price Club, Inc.	P24.55	+P0.35	+1.45%
SCC	Semirara Mining and Power Corp.	P31.55	-P0.05	-0.16%
SM	SM Investments Corp.	P887.00	+P2.00	+0.23%
SMC	San Miguel Corp.	P103.50	+P0.10	+0.1%
SMPH	SM Prime Holdings, Inc.	P27.20	+P0.40	+1.49%
TEL	PLDT Inc.	P1,464.00	+P4.00	+0.27%
URC	Universal Robina Corp.	P109.20	-P1.10	-1%
WLCON	Wilcon Depot, Inc.	P18.30	-P0.08	-0.44%

Ayala Corp. Q1 income hits P13B, driven by banking, property gains

AYALA Corp. (AC) on Tuesday reported a 28% increase in its first-quarter (Q1) attributable net income to P13.07 billion, driven by strong performances in its banking and property segments.

First-quarter core net income, which excludes one-off items, improved by 26% to P11.8 billion, AC said in a statement to the stock exchange on Tuesday.

The conglomerate saw a 10.5% jump in its first-quarter consolidated revenue to P87.27 billion from P78.97 billion in 2023.

Total costs and expenses climbed by 15% to P67.66 billion during the period compared with P59 billion last year.

AC attributed its first-quarter performance to the growth of core businesses such as the Bank of the Philippine Islands (BPI), Ayala Land, Inc. (ALI), and ACEN Corp.

"We are seeing growth momentum across most of our businesses. This speaks to the resilience of the economy and our ability to provide products and services that are valued by customers," Ayala President and Chief Executive Officer Cezar P. Consing said.

For the banking segment, BPI posted a record-high quarter net income of P15.3 billion for the first three months, up by 26% from last year, as total revenue increased by 25% to P39.5 billion.

Loans grew by 18.7% to P2 trillion, while total deposits increased by 13% to P2.4 trillion. Fee income grew by 27% to P8 billion on the growth of businesses such as cards, wealth management, and Insurance.

Operating expenses rose by 20% to P18 billion due to higher spend on manpower, technology, and marketing.

On the property business, ALI recorded a 39% increase in its first-quarter net income to P6.3 billion as property development revenues went up by 47% to P25 billion on higher bookings across all residential segments as well as commercial and industrial lot sales.

ALI's reservation sales climbed by 20% to P33.3 billion carried by sales from AyalaLand Premier's Park Villas in Makati, The Courtyards Phase 3 in Vermosa, and Alveo's Park East Place in Bonifacio Global City.

Leasing and hospitality revenues surged by 8% to P10.9 billion led by improved mall occupancy and increased mall, office, and hotel rental rates.

For the energy business, ACEN posted a 34% jump in its first-quarter consolidated net income to P2.7 billion mainly from the ramp up of new operating capacity as well as the P389 million in cash value realization earnings proceeds from the partial sale to Acciona Energia of ACEN's loan to The Blue Circle's Mui Ne Wind project in Vietnam.

Total renewable attributable output was up by 49% to 1,580 gigawatt-hours while statutory revenues, increased 8% to P9.9 billion.

On the telecommunications business, Globe Telecom, Inc. saw its attributable net income fall by 6.07% to P6.81 billion despite posting higher revenues for the period.

"This was mainly attributed to higher depreciation expenses and non-operating charges, as opposed to non-operating income in the same period last year," Globe said in a regulatory filing.

Globe's gross revenue for the period increased slightly to P45.31 billion, 0.6% higher than the P45.03 billion reported in the January to March period last year.

Excluding one-time gains from the company's tower sale, normalized net income reached P5.8 billion, 13% higher year on year, Globe said without disclosing a comparative figure.

Meanwhile, the conglomerate's healthcare unit, Ayala Healthcare Holdings, Inc. (AC Health), logged a 14% increase in revenue to P2.2 billion during the period.

Earnings before interest, taxes, depreciation, and amortization, excluding ramp-up costs for its new cancer hospital in Taguig and Konsulta MD healthcare app, rose by 36% to P127 million.

AC Industrials trimmed its net loss to P931 million in the first quarter from P980 million last year.

"Of the total losses, P670 million came from an impairment provision for VIA optronics. Excluding provisions, normalized losses were at P243 million from P270 million due to the absence of MTC-Con's P154 million loss in the same period of last year and lower losses from Merlin Solar," the conglomerate said.

Integrated Micro-Electronics, Inc. saw a wider net loss to $3.7 million as its industrial customers continued to see softness in their end-consumer markets.

On Tuesday, AC shares rose by 1.80% or P10.50 to P593.50 per share. — **Revin Mikhael D. Ochave** *and* **Ashley Erika O. Jose**

Converge net income rises 17% on stronger residential business

CONVERGE ICT Solutions, Inc. saw its attributable net income expand by 17% to P2.55 billion for the first quarter on increased revenues driven by growth in the company's residential segments.

"We have come to the close of the first quarter of 2024, and we have achieved gains on many fronts. This year, we are working to invest in new technologies that would take us beyond connectivity," Converge Chief Executive Officer Dennis Anthony H. Uy said during an online briefing on Tuesday.

The company's attributable net income rose 7.5% to P2.55 billion from P2.17 billion in the same period last year.

The company's combined revenues went up by 10.4% to P9.54 billion from P8.64 billion in the corresponding period a year ago.

As of end-March, the telco company's total subscribers reached 2.25 million, of which 2.09 million are postpaid customers while the remainder are prepaid subscribers at 160,948.

Residential business went up to P8.2 billion compared with the same period last year, while earnings from its enterprise business climbed by 10.5% to P1.4 billion from P1.2 billion last year.

Converge's total expenses inched up by 15.6% to P5.87 billion from P5.08 billion a year ago.

In May, Converge signed a memorandum of understanding with South Korea's NAVER Cloud Corp. to explore opportunities in the country's cloud market.

Under this partnership, the two parties will collaborate to establish cloud solutions in the Philippines while also exploring and localizing sovereign artificial intelligence.

"Our continuous leap to digital calls for advanced solutions that would support a technology-enabled lifestyle in a robust digital environment. We look forward to working with NAVER Cloud to discover ways how we can empower more customers through cutting-edge cloud technologies," Mr. Uy said.

For 2024, Converge said it is allocating between P17 billion and P19 billion for the company's capital expenditure mainly allocated for international subsea cable payments and capital outlays for data centers

At the local bourse on Tuesday, shares in the company closed 34 centavos higher or 3.84% at P9.19 apiece. — **Ashley Erika O. Jose**

Banking, tobacco units lift LT Group's profit to P6.4B

LUCIO C. Tan's LT Group, Inc. reported a 1% increase in its first-quarter attributable net income to P6.42 billion, driven by its banking and tobacco units.

Philippine National Bank (PNB) took up 46% or P2.97 billion of the total first-quarter income, while the tobacco business shared 41% or P2.65 billion, LT Group said in a statement to the stock exchange on May 13.

Tanduay Distillers, Inc. (TDI) contributed 4% or P254 million, while Asia Brewery, Inc. (ABI), Eton Properties Philippines, Inc., and Victorias Milling Co., Inc. accounted for 2% each, at P155 million, P116 million and P100 million, respectively. Other income contributed 3% or P168 million.

For the first quarter, PNB's net profit under the pooling method grew by 10% to P5.31 billion from P4.83 billion in 2023.

Loans and receivables increased by 4% to P610 billion while net interest income surged by 12% to P11.69 billion. Net service fees and commission income dropped by 24% to P1.18 billion.

LT Group said its tobacco business, led by PMFTC, Inc., saw a 13% decline in first quarter net profit to P2.66 billion. Most of the income was from equity in net earnings from the group's 49.6% stake in PMFTC.

First-quarter industry volume excluding illicit trade fell 11% to 10.2 billion sticks due to affordability challenges of consumers, increasing illicit incidence, and the proliferation of vaping products.

For the group's liquor business, TDI recorded a 1.2% drop in net income to P255 million during the period as liquor volume fell 13%. Bioethanol volume increased by 1%.

Revenue declined by 5% to P5.9 billion due to lower liquor volume that was partially offset by a price increase in early 2023.

As of end-March, TDI's nationwide market share rose to 31.6% from 29.1% last year.

The conglomerate's beverage business, led by ABI, saw a 107% jump in first-quarter net profit to P155 million as revenues increased by 15% to P4.39 billion on higher volumes across product lines.

During the period, the Cobra energy drink brand maintained its leadership with a 57% market share while bottled water brands Absolute and Summit had the third largest share at 19%.

Meanwhile, Eton Properties recorded a 5% drop in its first quarter net income to P116 million. Leasing revenues surged by 12% on higher occupancy and lease rates.

The property developer was able to book P50 million in residential sales as it resumed the selling of remaining inventory from previously launched projects such as 68 Roces in Quezon City and in Eton City, Laguna.

Eton currently has a leasing portfolio of around 289,000 square meters, of which close to 192,000 square meters is for office space.

On Tuesday, LT Group shares were unchanged at P10.02 per share. — **Revin Mikhael D. Ochave**

D.M. Wenceslao says leasing operations boost Q1 income

D.M. Wenceslao & Associates, Inc. (DMW) reported a 4.8% rise in its first-quarter (Q1) net income to P551 million, buoyed by increased leasing revenue.

Leasing revenue consisting of rentals from land, building, and other revenues including common use service area and parking fees, representing 84% of total revenue, increased by 31% to P790 million, DMW said in a statement to the stock exchange on Tuesday.

Commercial building revenue went up by 54% to P320 million on strong leasing activities across the whole portfolio, boosted by the 73,000-square-meter addition in commercial gross leasable area from the recent opening of the company's Parqal mixed-use development.

Land rentals rose by 10% to P344 million on new lease and lease expansions. Residential revenues stood at P148 million.

"Our first quarter results reflect our strategic foresight in cultivating a holistic real estate portfolio," DMW Chief Executive Officer Delfin Angelo C. Wenceslao said.

"Our focus on creating mixed-use environments that encapsulate the essence of live, work, and play has translated into strong sustained interest from a diverse range of tenants. This highlights the effectiveness of our strategy to provide not just spaces but destinations that enrich daily experiences," he added.

On Tuesday, DMW shares fell by 1.43% or eight centavos to P5.50 apiece.—**Revin Mikhael D. Ochave**

Jollibee Foods first-quarter income reaches P2.62B on higher sales

JOLLIBEE Foods Corp. (JFC) saw a 26.9% increase in its first-quarter attributable net income to P2.62 billion on higher system-wide sales.

First-quarter system-wide sales grew by 10.4% to P86.83 billion, while revenue increased by 11.3% to P61.3 billion, JFC said in a statement to the stock exchange on Tuesday.

Operating profit rose by 13.7% to P4.1 billion.

"The Jollibee Group had an exciting start to the year with a very good performance that exceeded our profit outlook for the first quarter. Our revenue growth of 11.3% translated to robust 13.7% and 26.9% growth in operating income and net income attributable to equity holders of the parent company, respectively," Jollibee Group Chief Executive Officer Ernesto Tanmantiong said.

"System-wide sales grew by 10.4%, with both the Philippine and international markets delivering growth in double-digits lapping a strong first quarter 2023. The Jollibee brand, which leads our chicken category grew ahead of the Jollibee Group at 15.8%, with its international operations growing by 25.2%," he added.

Same-store sales growth (SSSG) of JFC's Philippine business rose by 6.9%, while the international business increased by 3.2%.

On the other hand, the SSSG of the company's China business declined by 3.7% versus a strong SSSG a year ago, in line with China's quick service restaurant industry and weak consumer spending.

Meanwhile, JFC is sticking to previously announced targets for 2024.

It aims a system-wide sales growth of 10%-14%, SSSG of 5%-7%, store network increase of 7%-8%, and operating profit growth of 10%-15%.

The company earmarked P20 to P23 billion as capital expenditure budget to fund its goal of opening 700-750 new stores this year.

"We are slightly ahead of our guided growth rates. Our business fundamentals are strong, and we are poised to continue our growth trajectory, leveraging the strength of our brands and strategic investments to support our long-term growth plans," JFC Chief Financial Officer Richard Shin said.

Mr. Shin added that JFC's recent move to acquire 10% of United States-based beverage tech company Botrista, Inc. for $28 million will further grow the company's coffee and tea segment.

"Through Botrista's DrinkBot machines, we'd be able to increase our distribution footprint in the important US market, at zero to minimal capital expenditure as well as deliver superior commercial returns. Our existing stores can subscribe to DrinkBots and get instant sales lift," he said.

As of end-March, JFC increased its store network by 5.3% to 6,886 stores worldwide consisting of 3,337 in the Philippines and 3,549 international branches.

Of the international stores, the company has 553 in China, 386 in North America, 344 in EMEA (Europe, the Middle East, and Africa), 782 with Highlands Coffee mainly in Vietnam, 1,165 with Coffee Bean & Tea Leaf (CBTL), and 319 with Milksha.

The company's largest brands by store outlets worldwide include Jollibee with 1,676, CBTL with 1,165, Highlands Coffee with 782, and Chowking with 616.

The Jollibee brand was recently cited as the second most valuable brand in the Philippines by the London-based brand valuation consultancy agency Brand Finance in its Brand Finance Philippines 2024 Report. — **Revin Mikhael D. Ochave**