Philippine Stock Exchange index (PSEi) 6,714.33 ▼ 95.78 PTS. ▼ 1.4%

WEDNESDAY, NOVEMBER 13, 2024 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P657.00	-P1.00	-0.15%
ACEN	ACEN Corp.	P4.30	-P0.11	-2.49%
AEV	Aboitiz Equity Ventures, Inc.	P34.00	+P0.15	+0.44%
AGI	Alliance Global Group, Inc.	P8.98	-P0.03	-0.33%
ALI	Ayala Land, Inc.	P30.25	-P0.30	-0.98%
BDO	BDO Unibank, Inc.	P142.00	-P5.10	-3.47%
BLOOM	Bloomberry Resorts Corp.	P6.86	-P0.54	-7.3%
BPI	Bank of the Philippine Islands	P135.00	-P0.10	-0.07%
CNPF	Century Pacific Food, Inc.	P41.00	+P0.20	+0.49%
CNVRG	Converge ICT Solutions, Inc.	P16.44	+P0.48	+3.01%
DMC	DMCI Holdings, Inc.	P10.68	-P0.14	-1.29%
EMI	Emperador, Inc.	P18.10	-P0.08	-0.44%
GLO	Globe Telecom, Inc.	P2,060.00	-P30.00	-1.44%
GTCAP	GT Capital Holdings, Inc.	P650.00	-P20.00	-2.99%
ICT	International Container Terminal Services, Inc.	P378.00	-P2.20	-0.58%
JFC	Jollibee Foods Corp.	P255.00	-P4.40	-1.7%
JGS	JG Summit Holdings, Inc.	P22.45	-P0.75	-3.23%
LTG	LT Group, Inc.	P10.14	-P0.06	-0.59%
MBT	Metropolitan Bank & Trust Co.	P73.20	-P2.05	-2.72%
MER	Manila Electric Co.	P475.00	-P10.20	-2.10%
MONDE	Monde Nissin Corp.	P9.70	-P0.05	-0.51%
NIKL	Nickel Asia Corp.	P3.32	-P0.03	-0.9%
PGOLD	Puregold Price Club, Inc.	P29.90	-P1.70	-5.38%
SCC	Semirara Mining and Power Corp.	P31.60	-P0.15	-0.47%
SM	SM Investments Corp.	P900.00	-P17.00	-1.85%
SMC	San Miguel Corp.	P87.40	—	—
SMPH	SM Prime Holdings, Inc.	P27.00	-P0.10	-0.37%
TEL	PLDT Inc.	P1,335.00	-P5.00	-0.37%
URC	Universal Robina Corp.	P85.40	-P5.35	-5.9%
WLCON	Wilcon Depot, Inc.	P15.10	-P0.26	-1.69%

JG Summit profit falls 39% to P3.1B; CEO optimistic for Q4

CONGLOMERATE JG Summit Holdings, Inc. saw a 39% drop in third-quarter net income to P3.1 billion, but its president remains optimistic about ending the year on a "good footing."

"We expect a better fourth quarter to finish the year on a good footing. This will also establish a stronger base as we pursue initiatives to sequentially drive better top line growth and margins across our operating units," JG Summit President and Chief Executive Officer (CEO) Lance Y. Gokongwei said in a statement to the stock exchange on Wednesday.

JG Summit's third-quarter consolidated revenue increased by 1.4% to P89.1 billion from P87.9 billion last year.

"This was caused by larger losses from JG Summit Olefins Corp. (JGSOC) with the prolonged trough in the global petrochemical industry cycle, lower sugar profits from Universal Robina Corp. (URC) due to price corrections and high-priced inventories, and reduced average fares from Cebu Air, Inc. (CEB) to stimulate demand during the typical lean period in Philippine aviation," the conglomerate said.

Mr. Gokongwei said that most of the conglomerate's businesses were affected by weaker consumer sentiment that has "dampened demand for products and services."

"We are seeing the propensity of consumers towards value food and beverage products, the seasonally weaker quarter for travel, and the prolonged industry downcycle for petrochemicals impacting our latest results," he said.

For the first nine months, JG Summit recorded a 16% increase in net income to P17.9 billion, while core profit rose by 39% to P20.3 billion.

The conglomerate's top line surged by 10% to P277 billion from P251.3 billion last year on healthy demand for travel and leisure activities, a higher preference for value food and beverage products, and increased utilization rates in the group's petrochemical plants.

The food segment led by URC recorded an 18% decline in attributable net income to P8 billion due to the discontinuation of its China business and lower foreign exchange gains versus last year.

URC's top line rose by 1% to P118.9 billion, led by its international operations and the double-digit growth in its ready-to-drink beverage business.

For the real estate and hotels business, Robinsons Land Corp. (RLC) had slower growth in core and net income to P9.3 billion due to the higher share of minority owners in the earnings of subsidiary RL Commercial REIT, Inc.

RLC's top line expanded by 4% to P29.3 billion, while earnings before interest, taxes, depreciation, and amortization rose by 7% to P17.8 billion.

For the airline business, CEB saw a 33% decline in net profit to P3.4 billion due to higher depreciation and financing costs related to its growing fleet.

Core profit also fell by 32% to P3.2 billion.

Revenue surged by 11% to P74.5 billion amid the 13% increase in passengers flown as of end-September.

The petrochemicals business led by JGSOC widened its net loss to P11.4 billion amid "unfavorable global market conditions."

Revenues surged 53% from a low base in 2023, carried by "higher plant run rates along with the full adoption of the pricing tool from its business-wide transformation program."

Meanwhile, JG Summit's equity share in Manila Electric Co.'s nine-month net income rose by 19% to P8.7 billion on record high sales volumes plus higher contributions from its power generation and retail electricity supply businesses.

For Singapore Land Group (SLG), JG Summit's nine-month results account for the first-half performance only, given SLG's semiannual regulatory reporting frequency. Equity earnings from SLG rose by 15% to P1.3 billion on a stronger hotel business and higher rental income.

Dividends received by JG Summit from PLDT Inc. slipped by 11% to P2.3 billion due to the absence of the special dividends declared in 2023.

JG Summit received P373 million in cash dividends from the Bank of the Philippine Islands (BPI) given the effectivity of the BPI and Robinsons Bank merger earlier in the year.

On Wednesday, JG Summit shares fell by 3.23% or 75 centavos to P22.45 apiece. — **Revin Mikhael D. Ochave**

LT Group profit rises to P7.03 billion, driven by banking, liquor segments

LUCIO C. TAN-LED conglomerate LT Group, Inc. recorded a 12.5% increase in its third-quarter attributable net income to P7.03 billion from P6.25 billion last year, led by its banking and liquor segments.

Third-quarter revenue improved by 12.2% to P34.03 billion from P30.33 billion last year, LT Group said in a recent regulatory filing on Wednesday.

For the first nine months, LT Group saw a 3% increase in attributable net income to P19.82 billion from P19.25 billion in 2023. Revenue rose by 12.8% to P95.16 billion versus P84.33 billion a year ago.

Among segments, Philippine National Bank (PNB) accounted for P8.44 billion, or 43% of the nine-month income, followed by the tobacco business at P7.91 billion, or 40%.

The liquor business, led by Tanduay Distillers, Inc. (TDI) and Asia Brewery, Inc. (ABI), contributed P1.51 billion and P714 million, respectively, or 8% and 4% each.

Eton Properties Philippines, Inc. shared P497 million, or 2%, Victorias Milling Co. contributed P277 million, or 1%, and other income reached P478 million, or 2%.

For the banking segment, PNB's net profit under a pooling method rose by 11% to P15.06 billion.

Gross interest income grew by 15% to P50.13 billion, while gross interest expenses climbed by 28% to P13.65 billion. Net interest rose by 10% to P36.48 billion.

The tobacco business, led by PMFTC, Inc., saw a 12% decline in net income to P7.94 billion. PMFTC's cigarette volume dropped by 12% to 15.8 billion sticks, while overall industry volume fell by 5% to 30.4 billion sticks.

"These declines were primarily attributed to consumer affordability challenges, rising illicit trade, and the increasing popularity of vaping products," LT Group said. — **Revin Mikhael D. Ochave**

FULL STORY
Read the full story by scanning the QR code with your smartphone or by typing the link <tinyurl.com/52ttn7d2>

Converge Q3 income jumps to P2.92B; capex guidance lowered

CONVERGE ICT

LISTED fiber internet provider Converge ICT Solutions, Inc. saw its attributable net income for the third quarter (Q3) increase by 40.4% to P2.92 billion, driven by higher revenues.

For the July-to-September period, Converge's gross revenues grew by 17.2% to P10.42 billion from P8.89 billion a year ago, the company's financial statement showed.

Broken down, revenues from its residential business climbed by 16% to P8.81 billion, while enterprise business registered a 25% increase to P1.61 billion.

Gross expenses, on the other hand, went up by 12.1% to P6.13 billion from P5.47 billion in the previous year.

"This sustained upward growth trend is reflective of our effort to make internet access more affordable and inclusive for a broader segment of the market," Converge Chief Executive Officer and Cofounder Dennis Anthony H. Uy said.

"We are encouraged that our initiatives continue to bear fruit, with our partnerships with tech companies empowering us to strengthen our capabilities and our projects with the government contributing to bridge the digital divide," he added.

For the nine months ending in September, Converge's attributable net income improved by 29% to P8.21 billion compared to the P6.37 billion reported last year.

Revenues were higher by 14.1% to P29.9 billion from, driven by the "consistently strong performance of its residential, enterprise, and wholesale businesses."

For the January-to-September period, the residential business accounted for P25.4 billion in the company's revenues, up 13.2%.

"For the remainder of the year, our focus is to continue exploring innovative ways to enhance satisfaction across our diverse customer base," Converge Chief Operations Officer Jesus C. Romero said.

As of the end of September, the company said it had a total of 2.46 million subscribers, comprising 2.22 million postpaid subscribers and 241,848 prepaid subscribers.

For its enterprise business, revenues rose by 19% to P4.5 billion, as all segments registered double-digit growth during the period, including the wholesale segment which remained strong with 16.6% growth year on year.

"We're encouraged by the steady rally of the company. With this, all signs point us hitting the 12-14% revenue guidance for 2024," Converge President and Cofounder Grace Y. Uy said.

DELAYED EXPANSION ACTIVITIES

The company's capital expenditure (capex) for the first nine months ended at P7.5 billion, Converge Chief Finance Officer Robert A. Yu said during a briefing.

"We expect to spend less than what we had initially guided due to the constant rains and floods during the latter half of the year, delaying some of our port rollouts and expansion activities," he said.

"From P15 billion-17 billion, we now expect to only spend about P11 billion-13 billion, with the difference getting delayed to next year," he added.

In October, Converge announced its partnership with streaming service Netflix to offer internet and Netflix entertainment plans.

The new Converge Netflix bundle will be offered to its existing FiberX customers.

At the local bourse on Wednesday, shares in the company climbed by 3.01% to close at P16.44 each. — **Sheldeen Joy Talavera**