

Philippine Stock Exchange index (PSEi)					6,154.99	▼ 86.98 PTS.	▼ 1.39%	FRIDAY, FEBRUARY 7, 2025 BusinessWorld	
PSEi MEMBER STOCKS									
AC Ayala Corp. P572.50 -P0.50 -0.09%	ACEN ACEN Corp. P3.45 -P0.04 -1.15%	AEV Aboltiz Equity Ventures, Inc. P33.00 -P0.20 -0.60%	AGI Alliance Global Group, Inc. P7.37 -P0.02 -0.27%	ALI Ayala Land, Inc. P25.00 -P0.35 -1.38%	AREIT AREIT, Inc. P39.55 -P0.45 -1.13%	BDO BDO Unibank, Inc. P138.70 -P5.40 -3.75%	BLOOM Bloomberg Resorts Corp. P3.93 -P0.17 -4.15%	BPI Bank of the Philippine Islands P131.30 +P4.30 +3.39%	CBC China Banking Corp. P87.30 -P2.10 -2.35%
CNPF Century Pacific Food, Inc. P39.80 -P1.15 -2.81%	CNVRG Converge ICT Solutions, Inc. P17.00 -P0.26 -1.51%	DMC DMCI Holdings, Inc. P11.00 —	EMI Emperador, Inc. P14.32 -P0.78 -5.17%	GLO Globe Telecom, Inc. P2,288.00 -P12.00 -0.52%	GTCAP GT Capital Holdings, Inc. P540.00 —	ICT International Container Terminal Services, Inc. P358.20 -P12.00 -3.24%	JFC Jollibee Foods Corp. P236.20 -P6.80 -2.80%	JGS JG Summit Holdings, Inc. P16.18 -P0.30 -1.82%	LTG LT Group, Inc. P11.20 +P0.18 +1.63%
MBT Metropolitan Bank & Trust Co. P73.00 -P0.60 -0.82%	MER Manila Electric Co. P480.60 -P8.00 -1.64%	MONDE Monde Nissin Corp. P7.60 -P0.17 -2.19%	PGOLD Puregold Price Club, Inc. P25.70 -P0.30 -1.15%	SCC Semirara Mining and Power Corp. P36.00 +P0.15 +0.42%	SM SM Investments Corp. P803.50 -P22.50 -2.72%	SMC San Miguel Corp. P80.00 —	SMPH SM Prime Holdings, Inc. P25.65 —	TEL PLDT Inc. P1,352.00 -P26.00 -1.89%	URC Universal Robina Corp. P62.60 +P0.10 +0.16%

Ayala Corp. says no plans to sell down GCash stake

AYALA CORP. has no plans to divest or reduce its equity stake in GCash ahead of the electronic wallet platform's planned initial public offering (IPO), the company's president said.

"I don't see us selling down, to be honest; this thing has a long way to go," Ayala Corp. President and Chief Executive Officer (CEO) Cezar P. Consing told reporters last week.

"It is still early days. Hard to say. We have to watch the market," he added.

In October last year, Ayala Corp. announced that it would sell its 50% stake in AC Ventures Holding Corp. (ACV) to Japan's Mitsubishi Corp. for a minimum of P18.4 billion.

ACV holds a 13% interest in Globe Fintech Innovations, Inc. (Mynt), which owns two fintech companies: G-Xchange, Inc., the operator of GCash, and Fuse Lending, a tech-based microlender.

Ayala Corp., through ACV, announced in August last year that it would raise its ownership in Mynt by purchasing an additional 8%, increasing its total shareholding to 13% for P286.4 billion.

Mitsubishi UFJ Financial Group, through its subsidiary MUFG Bank, Ltd., also entered



BW FILE PHOTO

GCASH SERVICES are currently available in 16 markets, including the United States, the United Kingdom, the United Arab Emirates, Australia, Canada, Germany, Hong Kong, Italy, Japan, Saudi Arabia, Kuwait, Qatar, Singapore, South Korea, Spain, and Taiwan.

into a binding agreement to invest in Mynt, acquiring an 8% stake, which brought GCash's valuation to \$5 billion.

On Friday, Globe Telecom President and CEO Ernest L. Cu said the company is considering offering a smaller IPO for GCash than the 20% minimum requirement set by the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).

Mr. Cu also noted that there is no set timeline for the GCash IPO, which is still being targeted as a local listing.

The PSE is aiming to facilitate six IPOs this year.

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— **Revin Mikhael D. Ochave**

BW ONE-ON-ONE

KMC Savills expanding services amid optimism

By **Revin Mikhael D. Ochave**
Reporter

THE PHILIPPINE real estate sector holds significant growth potential and is well-positioned to maintain its competitive edge in the regional property market, according to KMC Savills, Inc. Chief Executive Officer (CEO) Joe Curran.

"The appetite is there. The demand is there. There's really a bright horizon for property development in the Philippines because there is so much room to improve," Mr. Curran said in an interview with *BusinessWorld*.

KMC is a real estate services company headquartered in Bonifacio Global City. It is the exclusive international affiliate of Savills, a global real estate services provider listed on the London Stock Exchange.

"There are some great developers here who have great ambition and who really want to bring world-class products — be they hospitality, office, or residential — to this country," he added.

Mr. Curran was appointed CEO of KMC Savills in January 2024, bringing with him more than 20 years of experience in the real estate industry.

He previously served as country manager for Cushman & Wakefield in the Philippines and as executive vice president of KMC Savills' sister company, KMC Solutions, Inc., which operates in the flexible workspace sector. Mr. Curran also held the role of associate director at the commercial real estate services firm CBRE.

"Even though I have the title of CEO, it's still about client engagement. That's the highest and best use of my time — working with agents, engaging clients, and driving business growth," Mr. Curran said.

"We continue to expand our service lines, particularly in facilities management and

property management. We're very bullish on Metro Manila and the regions," he added. KMC Savills provides services such as tenant and landlord representation, investments, research and consultancy, valuation, project marketing, property management, facilities management, and project management.

Mr. Curran also highlighted the positive impact of ongoing infrastructure projects such as the Metro Manila Subway in enhancing the country's competitiveness relative to neighbors like Vietnam, Singapore, and Thailand.

"These large infrastructure projects are upgrading ports, roads, and airports — not just in Metro Manila but also across the Visayas and Mindanao. The mass transportation systems underway in Metro Manila can be game-changers by enabling people to live farther north or south, unlocking new economic potential," he said.

"The Philippines is a fabulous talent pool — English-speaking and with a large population. Some of the key ingredients for growth are already here," he added.

The infrastructure projects, Mr. Curran said, will also support growth beyond central business districts (CBDs).

"It's important to decentralize from the core CBDs to areas like Bulacan and the South Luzon Expressway corridor," he said.



JOE CURRAN

"Cities such as Cagayan de Oro, Puerto Princesa, and Dumaguete also show potential. These regional growth centers are predominantly driven by local talent pools. It's really labor-driven," he added.

Mr. Curran noted that decentralization would benefit expanding companies, particularly in the business process outsourcing sector, by reducing attrition rates.

"In regional locations, there's less poaching and attrition. Being one of only a few choices in town gives companies an edge, unlike in Ortigas, where job opportunities abound," he explained.

"Another challenge is the quality of office buildings in these areas, but many local developers are prepared to address this," he added.

KMC Savills also aims to improve the quality of developments and the end-user experience.

"Filipinos, especially the younger generation, are exposed to international cultures and want integrated townships, better public transportation, bike tracks, greenways, and parks here at home," Mr. Curran said.

"Our role as service providers is to facilitate these improvements, unlock value, and collaborate with both local and international stakeholders," he said.

KMC Savills and its project management design-and-build arm, T1, employ more than 500 professionals in the Philippines.

OUTLIER

AREIT shares inched down despite PSEi debut

SHARES OF AREIT, Inc. (AREIT) declined slightly last week despite its first-time inclusion in the Philippine Stock Exchange index (PSEi) alongside Chinabank.

Data from the Philippine Stock Exchange showed that the Ayala group's real estate investment trust (REIT) was the 14th most active stock of the week, with 20.31 million shares worth P801.84 billion changing hands from Feb. 3 to 7.

The company's shares closed at P39.55 on Friday, 5.8% lower than the P42 closing price on Jan. 31. However, the close was 4.2% higher than the P39.55 closing price on Dec. 27, 2024.

Last Monday, the company entered the PSEi index along with Chinabank, replacing Nickel Asia Corp. and Wilcon Depot, Inc.

As the first and largest publicly traded REIT in the local exchange, AREIT became the first of its kind to join the 30-company index.

"This shows the immense potential REITs have as an investment product and serves as a good example for REIT issuers that aspire to maximize this particular type of listing vehicle," said PSE President and Chief Executive Officer Ramon S. Monzon in a statement.

"Now that AREIT is part of the PSEi and has gained broader investor attention, we expect it to maintain a steady uptrend," said Jarrod Leighton M. Tin, equity research analyst at DragonFi Securities, Inc., in a Viber message.

Mr. Tin also said that AREIT's share price rebounded from weakness following Ayala Land, Inc.'s (ALI) P37-per-share block sale last year, with the stock rallying to P42 on PSEi inclusion expectations after trading below the block sale price.

In December, ALI generated P2.78 billion through a block sale of 75 million AREIT shares priced at P37 each.

ALI holds a 43.33% controlling stake in AREIT.

"Sharp price dips are likely to be short-lived, as investors may accumulate shares when AREIT's dividend yield becomes more attractive relative to the current risk-free rate," Mr. Tin added.

Jash Matthew M. Baylon, analyst at First Resources Management and Securities Corp., said that AREIT's entry "is like placing the company in the stock market spotlight."

"We believe that this would further strengthen investor interest in the stock, especially vis-à-vis other REITs, as this supports the company's strong financial performance, which would then translate to consistent dividend payouts moving forward," Mr. Baylon said in a Viber message.

"Notably, AREIT surged 7.69% to P42 on the final day of the PSEi rebalancing, driven by a mark-on-close rally as fund managers rushed to ac-

quire shares for index-tracking portfolios," said Mr. Tin.

On Feb. 3, the PSEi plunged by 4.01% or 245.07 points, its lowest finish in 27 months, due to the index rebalancing.

"This significantly contributed to the large sell-off across the board as other index stocks decreased in weight allocation. This means that more funds have flowed into AREIT, making it more attractive," said Mr. Baylon.

Mr. Baylon also said that the increasing condo oversupply in the real estate industry may negatively affect the stock's performance.

Vacancy levels for office spaces rose to 19.7% as of the fourth quarter of 2024, driven by move-outs from the business process outsourcing sector, corporate occupiers, and Philippine offshore gaming operators, property services firm JLL Philippines said last Wednesday in a briefing.

AREIT's portfolio as of the third quarter of 2024 consists primarily of office properties at 76%, complemented by retail (11%), industrial land (7%), and hotels (6%).

Its assets are concentrated in the Makati CBD (61%), other areas in Metro Manila (14%), Cebu (12%), other areas in Luzon (11%), and other areas in the Visayas (1%).

AREIT's investment properties are composed of 20 stand-alone buildings, five mixed-use properties, nine condominium office units, and land parcels.

For the third quarter, the company's revenues grew by 42% to P2.89 billion from P2.03 billion last year. AREIT also posted P1.96 billion in net income, 58.9% higher than P1.23 billion in the third quarter of 2023.

For the January-September period, AREIT's revenues soared by 47.4% to P4.82 billion from P3.27 billion last year. Likewise, the company's net income grew by 42.3% to P7.12 billion from P5 billion during the same period last year.

"We forecast AREIT's core net income to grow by 46.83% to P7.2 billion in 2024 (full year) and by 14.98% to P8.3 billion in 2025 (full year), driven by revenue recognition from its 2024 property infusions, which expanded its GLA from 918,710 square meters (sq.m.) in 2023 to 3,892,204 sq.m.," said Mr. Tin.

"We forecast AREIT's revenue for the full year 2024 to rise by 40%, amounting to P9.90 billion, higher than the previous year's revenue of P7.14 billion," said Mr. Baylon.

Mr. Tin pegged support for the stock at P38 and resistance at P40.45.

"At the P38 level, this implies a 6.14% dividend yield for 2025F, aligning closely with the current 10-year BVAL rate of 6.12%," said Mr. Tin.

"We consider P38.00 as the support, while the new 52-week high at P42.00 per share is the resistance," said Mr. Baylon. — **Pierce Oel A. Montalvo**