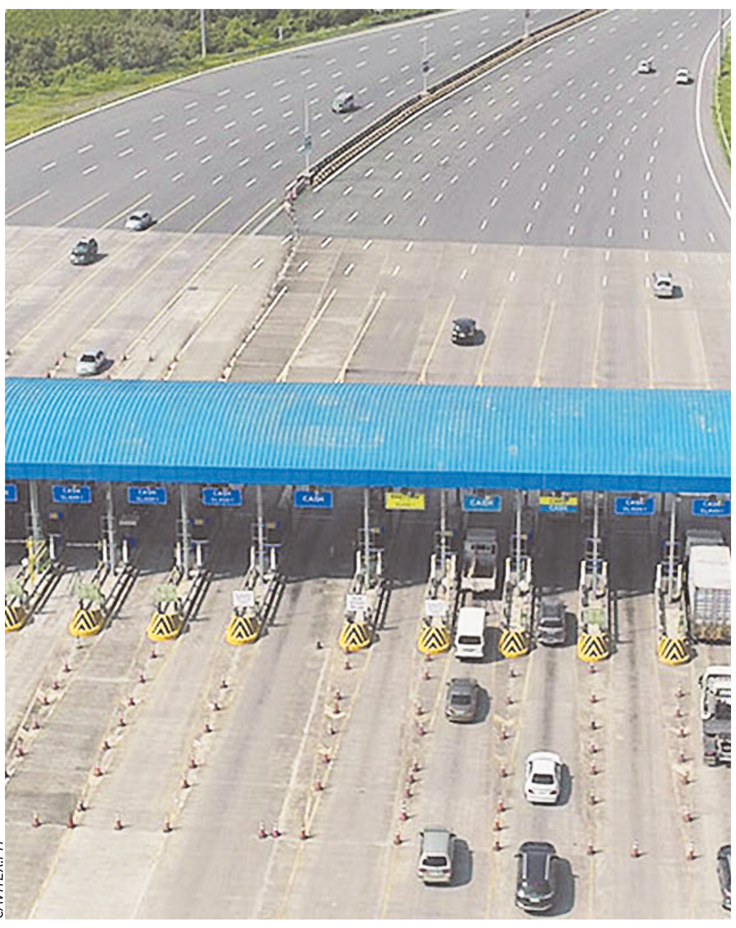
Philippine Stock Exchange index (PSEi) 5,997.97 ▼126.12 PTS. ▼2.05%

FRIDAY, FEBRUARY 28, 2025 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P552.00	-P13.00	-2.30%
ACEN	ACEN Corp.	P3.07	-P0.11	-3.46%
AEV	Aboitiz Equity Ventures, Inc.	P32.90	-P0.60	-1.79%
AGI	Alliance Global Group, Inc.	P6.50	-P0.50	-7.14%
ALI	Ayala Land, Inc.	P21.70	-P0.75	-3.34%
AREIT	AREIT, Inc.	P40.80	+P1.90	+4.88%
BDO	BDO Unibank, Inc.	P150.00	-P0.50	-0.33%
BLOOM	Bloomberry Resorts Corp.	P3.19	-P0.31	-8.86%
BPI	Bank of the Philippine Islands	P124.30	-P6.70	-5.11%
CBC	China Banking Corp.	P86.50	——	
CNPF	Century Pacific Food, Inc.	P40.40	+P1.40	+3.59%
CNVRG	Converge ICT Solutions, Inc.	P15.48	-P1.40	-8.29%
DMC	DMCI Holdings, Inc.	P11.20	-P0.30	-2.61%
EMI	Emperador, Inc.	P12.30	+P0.14	+1.15%
GLO	Globe Telecom, Inc.	P2,274.00	+P4.00	+0.18%
GTCAP	GT Capital Holdings, Inc.	P508.00	-P17.00	-3.24%
ICT	International Container Terminal Services, Inc.	P349.80	+P9.80	+2.88%
JFC	Jollibee Foods Corp.	P257.20	-P8.80	-3.31%
JGS	JG Summit Holdings, Inc.	P15.86	-P1.22	-7.14%
LTG	LT Group, Inc.	P11.62	+P0.18	+1.57%
MBT	Metropolitan Bank & Trust Co.	P71.60	-P2.10	-2.85%
MER	Manila Electric Co.	P490.00	-P1.60	-0.33%
MONDE	Monde Nissin Corp.	P7.55	-P0.44	-5.51%
PGOLD	Puregold Price Club, Inc.	P27.80	-P0.15	-0.54%
SCC	Semirara Mining and Power Corp.	P37.35	-P0.55	-1.45%
SM	SM Investments Corp.	P765.00	-P15.00	-1.92%
SMC	San Miguel Corp.	P84.05	+P0.05	+0.06%
SMPH	SM Prime Holdings, Inc.	P22.30	-P1.75	-7.28%
TEL	PLDT Inc.	P1,330.00	-P46.00	-3.34%
URC	Universal Robina Corp.	P66.20	-P2.00	-2.93%



CAVITEX.PH

MPTC defers SMC merger talks

By Ashley Erika O. Jose
Reporter

METRO PACIFIC Tollways Corp. (MPTC) has deferred merger discussions with San Miguel Corp. (SMC) to focus on raising funds to pay down debt, its chairman said.

"We deferred the discussion with them because MPTC is raising money. We have significant debts. So, once we have achieved that, then we can resume the discussion," MPTC Chairman Manuel V. Pangilinan told reporters last week.

MPTC expects to raise funds within the next two to three months via bank loans or private placements, Mr. Pangilinan said.

In 2023, MPTC reported its debt at approximately P145 billion to P150 billion, the highest among Metro Pacific Investments Corp. (MPIC) units.

On Friday, MPTC announced the appointment of Jose Ma. K. Lim as its new president and chief executive officer (CEO), effective March 1, replacing Arrey A. Perez, who was appointed as MPTC's president and chief operating officer in November last year.

Mr. Lim has been a member of MPTC's board of directors since 2008. He served as president and CEO of MPIC from 2006 to 2022.

"[Mr. Lim] possesses extensive experience in infrastructure and utilities, as well as in financing, risk management, and regulatory matters. He will be able to lead MPTC to address the challenges of the business while maintaining excellence in the service that we provide our stakeholders," MPTC said in a statement.

For now, the planned tollway merger with SMC has no definite completion date, although Mr. Pangilinan said he hopes it can be completed within the year.

MPTC's Mr. Perez previously said that the company aimed for a 50-50 split in the planned merger with SMC, describing it as the ideal structure for the joint venture.

The company plans to leverage its international assets, with reports suggesting a 90-10 division favoring SMC in the expected tollway merger.

"Whatever it takes to make that happen — the 50-50 — if we're going to include the international assets, we will include. For now, our mandate is to have a 50-50 arrangement," Mr. Perez said in an earlier interview.

Last year, MPTC and its units, together with Singapore's GIC Pte. Ltd., a global institutional investor, finalized an investment cooperation valued at $1 billion for the acquisition of a 35% stake in PT Jasamarga Transjawa Tol, a major toll road operator in Indonesia.

Jasamarga manages the 676-kilometer section of the Trans-Java toll road, serving between 700,000 and 800,000 vehicles daily.

This toll road is expected to add P30 billion in yearly revenue to MPTC, the company said, noting that this will help balance its toll assets with SMC.

MPTC is the tollway arm of Metro Pacific Investments Corp., one of three key Philippine units of Hong Kong-based First Pacific Co. Ltd., alongside Philex Mining Corp. and PLDT Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., holds a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls.

Ayala group's next-gen leaders chart path to 200th year with synergy, sustainability

THE Ayala group's next-generation leaders are focusing on synergy and sustainability to drive the conglomerate's growth as it approaches its 200th year while navigating economic uncertainties and shifting market dynamics.

"We're nine years away from the year 200. We really feel that our core portfolio will carry us to a leadership position by the year 200. But to differentiate and separate ourselves further, synergy needs to be a big part of our strategy," Jaime Alfonso Zobel de Ayala, chief executive officer of AC Mobility Holdings, Inc. (AMHI), said at a media event last week.

The young Ayala, son of Ayala Chairman Jaime Augusto Zobel de Ayala, said that the company has developed its portfolio in a way that is close to the consumer.

"One of the advantages that we have is we can use strategic assets already in place that are close to the consumer," he said. "We're doing it in retail right now. We're leveraging telecommunications and our real estate footprint to generate better returns from retail."

Founded in 1834, Ayala Corp. has become a prominent player across different sectors, with its core businesses in real estate, banking, telecommunications, and power. It then expanded its portfolio by venturing into healthcare, logistics, manufacturing, education, infrastructure, and the automotive industry.

"The Ayala portfolio has been developed to address major national pain points. And so, we've built a portfolio that's mainly in the B-to-B (business-to-business) segment — power generation, real estate development, banking. And we're primarily operating in a consumer-driven economy. That's the main driver of growth," Mr. Zobel said.

Moving forward, Mr. Zobel expects an "exciting period" ahead as the company prepares for its 200th year.

"It's about a decade of execution on the planning that we've done. We're excited to fulfill the potential of the Ayala brand and what the institution means to a variety of stakeholders. We frankly have the tools to deliver on that proposition," he said.

"How exciting it is to do this at a time when there are so many services and different kinds of products needed in this evolving landscape. So, I think it's just a really exciting decade ahead," he added.

Jaime Z. Urquijo, chief sustainability and risk officer of Ayala Corp., stressed the importance of making sustainability the core purpose of businesses.

"Sustainability, at its core... starts with the purpose of Ayala Corporation — building businesses that enable people to thrive... Ultimately, what really enables individuals to thrive, and what kind of businesses can support that?" he said.

Mr. Urquijo also highlighted the transformation occurring within the group.

Part of this includes the company's property business through Ayala Land, Inc., led by Mariana Zobel de Ayala, another next-generation leader of the conglomerate.

"I think of Ayala Land and the incredible transformation that's now occurring in the malls and hotels business, obviously being run by Mariana. It's incredible — the new level of detail now being demanded in that space," he said.

Looking ahead, Mr. Zobel acknowledged uncertainties and volatility due to changes in geopolitical relationships and supply chains.

"The choices we're making right now for the portfolio are being made in a way that provides us with the right options," he said.

"Consumer behaviors are changing, and organizations need to evolve accordingly. But I think when you look at where we're deploying capital, even geographically, we're doing it with an awareness that we're operating in an uncertain environment. We need flexibility, and that's how our portfolio is evolving," he added.

Despite potential risks that the company may face in the near term, Mr. Urquijo remains optimistic about the Philippines' growth potential in the coming decades.

"I think it's very easy to get bogged down by the very real risks we're facing over the next six to 12 months. But when we step back and look at the 190-year history of this company and use that as a lens to view the next 10 to 20 years, we see that we're in a unique country with huge potential," he said.

"If we look at how the country is growing, there is a very strong chance that the whole economy will double in size over the next 10 years. I mean, that's mind-blowing to consider — the opportunities that will unlock. We're excited to play our part in helping the country on this journey, and overall, we remain very bullish," he added. — **Sheldeen Joy Talavera**

D&L Industries lowers 2025 capex to P1 billion

D&L INDUSTRIES, Inc., a listed producer of specialty food ingredients and oleochemicals, is reducing its capital expenditure (capex) budget for 2025 as it focuses on minor expansions at its Batangas plant, its president said.

"We are still making minor expansions, not as big as what we've done in the past couple of years, but on a much smaller scale. So there will still be some capex, but the expectation is for it to be lower than what we did last year," D&L President and Chief Executive Officer Alvin D. Lao said during a briefing on Friday.

"So roughly around the P1-billion mark, or maybe even less," he added.

The latest capex budget is lower than the P1.16 billion allocated in 2024.

D&L expects a higher contribution from the Batangas plant to its bottom line as utilization increases and operational efficiencies are realized.

The company commenced commercial operations at the plant in 2023, allowing it to push for high-value-added, coconut oil-derived ingredients and finished products for the food, personal hygiene, and home care segments in the export market.

"We believe that we have only just begun to tap into the plant's potential given the vast opportunities we see in both local and international markets," Mr. Lao said.

In 2024, the company's net income rose by 2% to P2.3 billion, despite higher operating and interest expenses incurred with the Batangas plant.

The continued ramp-up in operations helped offset the incremental expenses, allowing the plant to record its first full-year profit of P244 million.

Meanwhile, D&L expects export revenues to continue growing after both sales and gross profits increased during the period. Exports accounted for 30% of the company's revenues in 2024.

Amid renewed tariff announcements from former US President Donald J. Trump, Mr. Lao said the company is not concerned, as "the US is a very small part of our export business. There's a lot of demand for our products, not just from the US."

Instead, the company sees arbitrage opportunities arising from potential tariffs, as changes in trade policies create short-term price differences across markets.

"In our view, the apparent trade tensions between the US and China present opportunities for companies like us to supply businesses that cannot source from either the US or China," Mr. Lao said. — **Sheldeen Joy Talavera**

OUTLIER

BDO shares rise after reporting 2024 earnings

BDO UNIBANK, Inc. was one of the most actively traded stocks in the local market last week after disclosing its 2024 earnings and partnership with a Japanese bank.

Data from the Philippine Stock Exchange showed that P2.94 billion worth of 19.83 million BDO shares were traded from Feb. 24 to 28.

The Sy-led bank's shares inched up by 5.6% to P150 apiece week on week last Friday from P142 on Feb. 21. Since the start of the year, the stock has increased by 4.2%.

BDO became the fifth most actively traded stock last week following the release of its 2024 earnings, which showed a strong return on equity (RoE).

"BDO's full-year 2024 earnings fell within Unicapital Securities' and the consensus estimates and delivered a 15.1% RoE, which is superior compared to its peers," Wendy B. Estacio-Cruz, head of research at Unicapital Securities, said in an e-mail.

Ms. Estacio-Cruz also noted that the expansion of its partnership with Shizuoka Bank Ltd. "boosted" investor optimism.

"This boosted investor optimism as the partnership should increase the bank's client base by supporting Japanese companies investing in the Philippines. This should also help grow its corporate banking, remittance, and trade finance sectors while reinforcing its role in cross-border economic activities," Ms. Estacio-Cruz added.

In a press release disclosed to the local bourse last week, BDO reported an 11.73% year-on-year rise in attributable net income to P82.02 billion in 2024 from P73.41 billion in 2023.

Robust growth across its core businesses increased the bank's consolidated net income by 33.4% to P57.05 billion from P42.79 billion the year prior.

Meanwhile, BDO's net interest income also picked up by 8.24% to P186.60 billion in 2024 from P172.39 billion a year earlier. The bank's net interest margin stood at 4.4%.

Customer loans and total deposits rose year on year by 9% and 14%, respectively.

Ms. Estacio-Cruz gave a full-year forecast for 2025 of P290.4 billion in revenue and P91.4 billion in net income.

In a separate report, BDO expanded its partnership with Shizuoka Bank Ltd. to boost trade and investment with Japanese companies in the country.

The expanded partnership with Shizuoka Bank enables companies to connect with the right partners, streamline financial transactions, and navigate regulatory landscapes, the bank said in a statement.

In a statement, the parties announced that they had signed a memorandum of understanding to enhance their business alliance and support Japanese firms in the Philippines.

Under the expanded partnership, Shizuoka Bank expects a larger client base in the Philippines through additional investments and business-matching initiatives.

Shizuoka Bank is one of the group companies of Shizuoka Bank Group. It is a leading regional bank based in Shizuoka Prefecture, operating 177 branches and 26 sub-branches. Its network extends beyond Shizuoka Prefecture, with branches in Japan's three major economic centers—Tokyo, Osaka, and Nagoya.

Ms. Estacio-Cruz set a support level at P145 apiece and a resistance level at P156 apiece. — **Lourdes O. Pilar**