Listed media firms poised for Q2 growth on election ads

By Ashley Erika O. Jose
Reporter

LISTED media companies are expected to sustain growth in the second quarter, supported by anticipated revenue gains from election-related advertisements, according to analysts.

"Considering the results of listed Philippine media companies in the first quarter, several factors must be examined, particularly their advertising revenue trends, as these significantly affect media firms," Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said in a Viber message.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said midterm election-related advertisements would provide a boost to listed media companies in the second quarter.

"However, there could be some shift toward digital media channels as an increasing number of people use their smartphones as a major source of news, entertainment, information, education, and interaction," Mr. Ricafort said.

Philippine media companies recorded increases in their revenues in the first quarter, driven by growth in advertisement revenues during the period.

"Since elections fall in the second quarter, media firms could see a surge in ad revenues," Mr. Arce of Globalinks Securities said.

Mr. Arce added that companies investing in digital platforms would likely see higher engagement and advertisement revenues, driven by consumer preference for online content.

ABS-CBN Corp. narrowed its attributable net loss for the first quarter to P425.65 million from P841.54 million due to higher revenues during the period.

For the January-to-March period, ABS-CBN posted gross revenue of P4.23 billion, marking a 3.68% increase from P4.08 billion in the same period last year.

Broken down, ABS-CBN recorded total advertising and consumer revenue of P3.18 billion, up by 20.91% from P2.63 billion a year ago, while revenues from cable television and broadband declined by 26.9% to P1.06 billion from P1.45 billion previously.

Meanwhile, GMA Network, Inc. saw its first-quarter attributable net income rise more than threefold to P801.68 million from P204.12 million a year earlier, mainly driven by a surge in advertising revenues.

For the first three months, GMA Network reported a combined revenue of P4.68 billion, 27.87% higher than the P3.66 billion recorded a year earlier.

According to its financial statement, advertising revenues accounted for the majority of its top line during the period at P4.34 billion, up by 29.17% from P3.36 billion, while consumer sales climbed by 17.97% to P345.85 million from P293.17 million.

Further, Mr. Arce said the continuing post-pandemic recovery may also boost spending and indirectly support advertising.

Shakey's Pizza Asia sees better 2025 amid easing inflation

LISTED food service group Shakey's Pizza Asia Ventures, Inc. (SPAVI) expects 2025 to be a stronger year, as the company remains optimistic about achieving its double-digit growth target, driven by easing inflation.

"We have a very cautious but already optimistic view that 2025 will be even better than the previous year. That's why we have given a guidance of sustaining the double-digit growth for 2025," SPAVI President and Chief Executive Officer Vicente L. Gregorio said during an online briefing last week.

"Currently, we are buoyed with the fact that we're seeing inflation soften. The consumer found their confidence and spending has been growing bit by bit, quarter-on-quarter," he added.

The country's inflation rate eased to 1.4% in April, the slowest pace in more than five years, bringing the four-month average to 2%.

"As we look to the next three to five years, our mission is to keep the momentum going, aiming to sustain double-digit growth and expand our reach," Mr. Gregorio said.

SHAKEYSGROUP.PH

Mr. Gregorio said SPAVI sees growth opportunities in the Visayas and Mindanao regions, led by its Peri-Peri Charcoal Chicken & Sauce Bar brand.

"While we may have almost reached saturation in Metro Manila, there's still very much healthy room for growth outside Metro Manila, especially in Visayas and Mindanao, which we're happy with our projects there," he said.

"One of our latest acquisitions, Peri-Peri, is beginning to stretch its legs and presence outside Metro Manila," he added.

Mr. Gregorio also said the company is on track to open at least 430 new stores this year.

"Our store network expansion is on track, and we expect to pick up the pace in the coming quarters. We are also particularly encouraged by the continued progress of our international business — a new vertical that is shaping up to be a meaningful contributor to our future performance," Mr. Gregorio said.

As of end-March, SPAVI had 2,671 stores in its global network. Its brands include Peri-Peri, Shakey's, Potato Corner, R&B Milk Tea, and Project Pie.

For the first quarter, SPAVI grew its net income by 6% to P182 million. Global systemwide sales rose by 17% to P5.6 billion, led by both its domestic and international segments.

Revenue increased by 14% to P3.5 billion, while operating income grew by 15% to P285 million.

SPAVI shares were last traded on May 16, closing lower by 2.38% or 19 centavos at P7.78 per share. — **Revin Mikhael D. Ochave**

MPTC ready to resume merger talks with SMC

METRO PACIFIC Tollways Corp. (MPTC) said it is ready to resume merger talks with San Miguel Corp. (SMC) after deferring discussions amid fundraising activities.

"We would like to engage them because everybody has reported their first-quarter results already. We can go back to work. If we are going to do it, we might as well do it as expeditiously as possible," MPTC Chairman Manuel V. Pangilinan told reporters on the sidelines of an event last week.

"We just have to sit down and really try to thresh it out. [SMC] is doing very well."

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

MPTC said earlier that its planned tollway merger with SMC has no definite completion date yet but intends to finalize the deal this year.

The tollway arm of MPIC said the company aims for a 50-50 split in the planned merger with SMC, describing it as the ideal structure for the joint venture.

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. — **Ashley Erika O. Jose**