Philippine Stock Exchange index (PSEi) 6,419.05 ▼4.80 PTS. ▼0.7%

WEDNESDAY, JULY 2, 2025
BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P595.00	+P5.00	+0.85%
ACEN	ACEN Corp.	P2.59	+P0.04	+1.57%
AEV	Aboitiz Equity Ventures, Inc.	P34.90	——	
AGI	Alliance Global Group, Inc.	P8.81	+P0.01	+0.11%
ALI	Ayala Land, Inc.	P28.35	+P0.45	+1.61%
AREIT	AREIT, Inc.	P42.00	+P0.80	+1.94%
BDO	BDO Unibank, Inc.	P150.00	-P1.50	-0.99%
BLOOM	Bloomberry Resorts Corp.	P5.00	-P0.08	-1.57%
BPI	Bank of the Philippine Islands	P127.70	-P2.70	-2.07%
CBC	China Banking Corp.	P67.20	-P0.20	-0.30%
CNPF	Century Pacific Food, Inc.	P40.50	-P0.10	-0.25%
CNVRG	Converge ICT Solutions, Inc.	P18.80	——	
DMC	DMCI Holdings, Inc.	P11.10	+P0.06	+0.54%
EMI	Emperador, Inc.	P14.80	-P0.14	-0.94%
GLO	Globe Telecom, Inc.	P1,739.00	+P31.00	+1.81%
GTCAP	GT Capital Holdings, Inc.	P635.00	+P27.50	+4.53%
ICT	International Container Terminal Services, Inc.	P415.00	+P2.00	+0.48%
JFC	Jollibee Foods Corp.	P225.00	——	
JGS	JG Summit Holdings, Inc.	P20.55	+P0.20	+0.98%
LTG	LT Group, Inc.	P12.76	-P0.02	-0.16%
MBT	Metropolitan Bank & Trust Co.	P71.00	-P1.00	-1.39%
MER	Manila Electric Co.	P535.00	——	
MONDE	Monde Nissin Corp.	P7.25	-P0.03	-0.41%
PGOLD	Puregold Price Club, Inc.	P34.95	-P1.00	-2.78%
SCC	Semirara Mining and Power Corp.	P33.25	+P0.25	+0.76%
SM	SM Investments Corp.	P886.00	-P8.00	-0.89%
SMC	San Miguel Corp.	P77.60	-P0.30	-0.39%
SMPH	SM Prime Holdings, Inc.	P23.80	-P0.10	-0.42%
TEL	PLDT Inc.	P1,254.00	+P36.00	+2.96%
URC	Universal Robina Corp.	P92.00	+P2.80	+3.14%

Del Monte Pacific's US subsidiary files for bankruptcy, seeks buyers

By Revin Mikhael D. Ochave
Reporter

CAMPOS-LED Del Monte Pacific Ltd. (DMPL) said its United States subsidiary Del Monte Foods Holdings Ltd. (DMFHL) has filed for Chapter 11 bankruptcy and is seeking buyers for its assets.

DMFHL and certain subsidiaries began voluntary Chapter 11 proceedings in the bankruptcy court for the District of New Jersey on July 1, granting access to $912.5 million in financing to support their operations, DMPL said in a local regulatory filing on Wednesday.

DMFHL's board will also pursue a sale of "all or substantially all" of the assets of the company and certain subsidiaries as part of the Chapter 11 proceedings.

On May 5, a special shareholder group formed by certain lenders of DMFHL appointed a majority of directors to the boards of DMFHL and its subsidiaries following a litigation settlement. The lenders also secured 25% of DMPL's equity in DMFHL.

"The newly constituted board of DMFHL has determined to pursue a value-maximizing sale process. The company has been advised that DMFHL has entered into a restructuring support agreement (RSA) with a group of its term lenders holding certain of DMFHL's secured debt," DMPL said.

"The RSA contemplates a sale of all or substantially all of the assets of DMFHL and certain of its subsidiaries, among other strategic transactions to be implemented through Chapter 11 proceedings in the US," it added.

Chapter 11 is a US legal process for a company's financial and operational restructuring. It allows the debtor to formulate a plan to address existing liabilities and related obligations, during which creditor debt collection efforts are generally halted by a moratorium for the duration of the proceedings.

DMFHL's subsidiaries outside the US are not included in the Chapter 11 proceedings and continue their operations.

"The company has been advised that this filing is part of DMFHL's overall strategic plan aimed at maximizing value for its business operations and those of its subsidiaries," DMPL said.

"Throughout this process, DMFHL and its operating subsidiary, Del Monte Foods Corp. II Inc. (DMFC), will continue normal business operations," it added.

In a separate disclosure, DMPL said it is also studying the effect of deconsolidating DMFHL from the group.

"The company is in the process of assessing the financial impact that its deconsolidation of DMFHL might have on the DMPL Group. Updates on such financial implications will be provided in due course," DMPL said.

As of end-January, DMPL's net investment value in DMFHL was $579 million, while DMPL and its affiliates have $169 million in net receivables from DMFHL and its subsidiaries.

"The value to be impaired will be determined after the audit. Updates on the financial impacts will be provided in due course," DMPL said.

DMPL said its Asian and international businesses, led by subsidiary Del Monte Philippines Inc. (DMPI), continue to perform well with resilient consumer demand, supported by a strong and stable supply chain.

"The company is confident in its ability to maintain uninterrupted business operations going forward," DMPL said.

AP Securities, Inc. Research Head Alfred Benjamin R. Garcia said in a Viber message that it is still possible for DMPL to meet its goal of financial recovery for fiscal years (FY) 2026 and 2027 amid the bankruptcy filing of its US business.

"It's possible. The US business has long been a drag on DMPL, while their Philippine business has been doing quite well by comparison. For sure we'll see a huge impairment loss for DMPL once the audit is finalized, but this still depends on how much they will get for their stake in the company after the creditors take their share," he said.

"DMFHL has been losing money since before DMPL acquired it in 2014, and DMPL has largely failed to turn it around since. They acquired it for $1.675 billion in 2014 and, based on their filing, the investment is now worth only $579 million," he added.

Unicapital Securities, Inc. Research Head Wendy B. Estacio-Cruz said in a Viber message that the possible deconsolidation of DMPL's US business could reshape the company's financial outlook.

"While it removes a major revenue stream, it may also remove a segment that's been consistently dragging down overall performance, potentially improving the profitability of the remaining core businesses in Asia," she said.

"If executed well, this move could accelerate DMPL's path to profitability by FY26–27. However, near-term risks remain due to restructuring uncertainties," she added.

For the third quarter of its fiscal year ending April, DMPL said its net loss widened by 24% to $35.9 million as DMFC's net loss increased to $40.5 million during the period due to higher costs and increased interest expenses.

DMPL shares rose by 0.63% or two centavos to P3.17 per share on Wednesday.

BW ONE-ON-ONE

Discovery Hospitality adopts digital strategy to stay competitive

By Beatriz Marie D. Cruz
Reporter

DISCOVERY HOSPITALITY CORP. (DHC) said it is boosting its use of digital tools while continuing to offer its signature Filipino-style service amid global travel challenges.

"Part of future-proofing our business is investment in business intelligence. That will give us leverage in understanding the market and the trends that are happening," DHC Senior Vice-President and Head of Sales and Operations Lynette Q. Ermac said in an interview with *BusinessWorld*.

"We invest in programs that allow us to personalize — to get to know our guests better, to reach out to them, and to create personalized messages based on guest history," she said.

Ms. Ermac added that the company has been using artificial intelligence to identify optimal pricing for accommodations.

"It's not enough that we have a fixed price," she said. "We have to know what's going on with our competitor, with the world, and know how we optimize our sales conversion through revenue management."

Launched in 2011 as The Discovery Leisure Company, Inc., DHC sought to bring Filipino hospitality across its homegrown portfolio of hotels and resorts nationwide.

As the property management arm of listed hotel and resort developer Discovery World Corp. (DWC), DHC manages several brands: Discovery Resorts, Discovery Suites, Discovery Primea, Kip&Kin, and the Manami Resort under its Signature Collection.

Ms. Ermac noted that geopolitical shocks caused by overseas wars, as well as the growing preference for other Asian destinations such as Japan and Korea, have impacted bookings.

"Definitely, in terms of the number of guests, the size of the pie has gotten smaller," she said.

The Philippines welcomed about 2.1 million tourists as of end-April, according to data from the Department of Tourism. However, this remains significantly lower by 26% compared to pre-pandemic arrivals.

The company also emphasized the need to be agile in its distribution strategies to reach more customers both locally and internationally, Ms. Ermac said.

"We have to be present globally and identify new markets. We have to start marketing in Singapore, Hong Kong, to attract those new markets that would decide to stay with us," she noted.

DHC has also expanded its bookings via online travel agencies to appeal to international travelers, especially millennials and Generation Z.

'DEEPLY FILIPINO SERVICE'

DHC's philosophy of providing "Service That's All Heart" has driven the company to maintain its hyper-personalized and experiential services amid external shifts, according to Ms. Ermac.

"A service that's from the heart transcends any trends, any new digital developments," she said. "Because it is about how our guests want to be seen and felt."

Ms. Ermac likened DHC's signature management style to visiting a Filipino household.

"You will know that you're visiting a Filipino home because they bring out the best towels, the best food," Ms. Ermac said.

DHC Senior Vice-President and Head of Sales and Operations Lynette Q. Ermac

DISCOVERY HOSPITALITY CORP.

"They would even ask you, 'What's your favorite food?' And they will cook that for you," she added.

Amid the high cost of living and stagnant wages, Ms. Ermac noted that many travelers are still willing to pay for a premium hotel experience.

"We have guests, both global and local, who would still and would continue to pay premium for service," she said. "As far as Discovery Hospitality is concerned, we will continue to be that place which the premium pricing market would choose."

Likewise, DHC's mid-range brand Kip&Kin, which has pipeline projects in Palawan and Siargao, targets cost-conscious travelers, she said.

Ms. Ermac, who began her career as a hotelier for another local brand, said working for a homegrown company provides a different kind of fulfillment.

This also means that a local firm like DHC is able to create promotions and packages without being constrained by the guidelines of a foreign entity, she added.

"In general, the trends may be changing, but we will always root our future service on who we are as a Filipino brand," Ms. Ermac said.

"But we will be cognizant of the global shifts in terms of digitalization and also towards the needs and wants of our guests."

Petron completes P32-B retail bond sale

LISTED oil giant Petron Corp. said on Wednesday that it has completed the offering of up to P32 billion worth of fixed-rate retail bonds.

The offering consists of up to P25 billion in retail bonds, with an oversubscription option of up to P7 billion, Petron said in a stock exchange disclosure.

The retail bonds will be drawn from the bond shelf registration, which was rendered effective by the Securities and Exchange Commission and remains valid until September this year.

The bonds were offered from June 24 to 30 and are set to be issued by July 7, or "such other date as the issuer and the joint lead underwriters and joint bookrunners may agree in writing."

The bonds will also be listed on the Philippine Dealing & Exchange Corp.

PNB Capital and Investment Corp. acted as the sole issue manager for the offer, while Bank of Commerce, BDO Capital & Investment Corp., China Bank Capital Corp., First Metro Investment Corp., Land Bank of the Philippines, Philippine Commercial Capital, Inc., and PNB Capital and Investment served as joint lead underwriters and joint bookrunners.

Proceeds from the issuance were allocated for the repayment of Series D Bonds and Series E Bonds, both maturing in October this year; repayment of existing debt; repayment of short-term loans used to fund working capital requirements; and general corporate purposes.

In 2021, the oil refiner raised about P18 billion from the first tranche of its P50-billion shelf registration.

Amid market challenges and uncertainties, Petron reported a 2% increase in its net income to P4.03 billion for the third quarter from P3.95 billion in the same period last year.

"We continue to operate in a volatile and unpredictable market. As we navigate through these setbacks, we remain committed to enhancing our efficiency and strengthening our performance to sustain our market leadership and further our role as a nation-builder," said Petron President and Chief Executive Officer Ramon S. Ang. — **Sheldeen Joy Talavera**