Philippine Stock Exchange index (PSEi) 5,714.02 ▲84.95 PTS. ▲1.50%

WEDNESDAY, NOVEMBER 12, 2025 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P421.00	+P1.00	+0.24%
ACEN	ACEN Corp.	P2.31	+P0.06	+2.67%
AEV	Aboitiz Equity Ventures, Inc.	P25.80	-P0.35	-1.34%
AGI	Alliance Global Group, Inc.	P6.42	-P0.12	-1.83%
ALI	Ayala Land, Inc.	P19.10	-P0.10	-0.52%
AREIT	AREIT, Inc.	P41.75	+P0.60	+1.46%
BDO	BDO Unibank, Inc.	P126.00	+P3.00	+2.44%
BPI	Bank of the Philippine Islands	P102.50	+P2.20	+2.19%
CBC	China Banking Corp.	P49.00	+P1.05	+2.19%
CNPF	Century Pacific Food, Inc.	P39.00	+P1.50	+4.00%
CNVRG	Converge ICT Solutions, Inc.	P12.52	+P0.16	+1.29%
DMC	DMCI Holdings, Inc.	P10.08	+P0.08	+0.80%
EMI	Emperador, Inc.	P15.18	-P0.02	-0.13%
GLO	Globe Telecom, Inc.	P1,501.00	+P40.00	+2.74%
GTCAP	GT Capital Holdings, Inc.	P506.00	-P13.00	-2.50%
ICT	International Container Terminal Services, Inc.	P552.50	+P18.50	+3.46%
JFC	Jollibee Foods Corp.	P190.00	+P4.00	+2.15%
JGS	JG Summit Holdings, Inc.	P21.30	+P0.20	+0.95%
LTG	LT Group, Inc.	P14.40	+P0.02	+0.14%
MBT	Metropolitan Bank & Trust Co.	P65.40	+P2.10	+3.32%
MER	Manila Electric Co.	P561.00	+P3.50	+0.63%
MONDE	Monde Nissin Corp.	P5.90	+P0.25	+4.42%
PGOLD	Puregold Price Club, Inc.	P37.90	+P1.70	+4.70%
PLUS	DigiPlus Interactive Corp.	P26.10	-P1.35	-4.92%
SCC	Semirara Mining and Power Corp	P28.95	-P0.05	-0.17%
SM	SM Investments Corp.	P701.00	+P1.00	+0.14%
SMC	San Miguel Corp.	P68.00	+P0.10	+0.15%
SMPH	SM Prime Holdings, Inc.	P19.46	-P0.08	-0.41%
TEL	PLDT Inc.	P1,220.00	+P50.00	+4.27%
URC	Universal Robina Corp.	P67.00	+P0.90	+1.36%

MPIC's plan to exit LRT-1 seen raising questions on PPP rail

METRO PACIFIC Investments Corp.'s (MPIC) plan to divest its stake in Light Rail Manila Corp. (LRMC), the operator of Light Rail Transit Line 1 (LRT-1), could test investor confidence in public-private partnerships (PPPs) for mass transit, as it highlights the challenges private operators face under the current fare and regulatory framework, analysts said.

"MPIC's exit could raise questions about the long-term viability of private investment in mass transit unless fare and regulatory frameworks are recalibrated to ensure commercial sustainability," Toby Allan C. Arce, head of sales trading at Globalinks Securities and Stocks, Inc., said in a Viber message.

MPIC said it is considering divesting its 35.8% stake in LRMC due to continued losses, with ridership yet to recover from the pandemic impact.

In the first quarter of 2023, MPIC reported that LRMC generated revenues of P595 million, a 73% increase year on year, but the operator still recorded a core net loss of P83 million, albeit 53% lower than the same period the previous year.

"We are still losing on LRT-1, in part because of COVID. Ridership went down, obviously. We continue to lose money from LRT-1, and I think we are considering selling it and getting out of the light rail," MPIC Chairman, President, and Chief Executive Officer Manuel V. Pangilinan said on Tuesday.

LRMC's ridership has yet to fully recover, averaging around 450,000 daily passengers in 2019, dropping to 350,000-370,000 in 2023. By November 2024, just before the opening of the LRT-1 Cavite Extension Phase 1, daily ridership was 323,000. The first phase of the Cavite Extension was projected to add roughly 80,000 daily passengers, potentially bringing ridership back up to around 403,000.

ARJAY L. BALINBIN

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"From a strategic standpoint, exiting the light rail business could enhance MPIC's overall profitability and capital efficiency. Rail projects, while socially critical, are typically capital-intensive and politically sensitive, offering lower margins and longer investment horizons compared to tollways and utilities — areas where MPIC has built strong competitive advantages," Mr. Arce said.

"Divestment would allow the conglomerate to redeploy capital into higher-yielding or faster-growing ventures such as renewable energy, logistics, and digital infrastructure, which align with its sustainability and diversification goals. Moreover, shedding a persistently loss-making unit could improve consolidated earnings visibility, strengthen the balance sheet, and provide flexibility for shareholder returns or new strategic investments," he added.

"This will improve credit and bottom-line outlook," said Cristina S. Ulang, head of research at First Metro Investment Corp., noting that the move reflects MPIC's agility in exiting ventures that fail to meet return targets.

"It's a logical business decision. I believe even Ayala might have provided for their co-investment. I believe the project is long delayed because of right-of-way issues which the government is supposed to take care of," said Eduardo V. Francisco, president of BDO Capital.

MPIC previously said it was reconsidering plans to acquire Ayala Corp.'s stake in LRMC following unresolved valuation issues and, last year, explored acquiring Ayala's shares after the latter announced its divestment plan. MPIC holds its 35.8% stake in LRMC through its unit Metro Pacific Light Rail Corp., while Sumitomo Corp. owns 19.2% and Macquarie Investments Holdings (Philippines) Pte. Ltd. holds 10%. LRMC is a joint-venture company of MPIC, AC Infrastructure Holdings Corp. (a unit of Ayala Corp.), Sumitomo, and Macquarie Investments Holdings.

LRMC assumed operations and maintenance of LRT-1 in September 2015 under a P65-billion, 32-year concession agreement with the Light Rail Transit Authority and the Department of Transportation. Under the agreement, the operator may seek a fare adjustment once every two years. In April, the Transportation department approved LRMC's petition for fare adjustments, though the new fare matrix remains below the company's requested rates, resulting in a fare deficit of P2.17 billion.

LRMC said it has made substantial operational improvements, including the completion of Phase 1 of the LRT-1 Cavite Extension last year. The second and third phases may begin next year if right-of-way issues are resolved.

"Still, given the company's disciplined capital allocation philosophy and the pressing need to manage return on invested capital, a divestment from LRMC appears both logical and timely," Mr. Arce said, noting that MPIC's exit might have reputational and strategic implications, as the rail line is one of the country's flagship PPP projects.

MPIC is one of the three key Philippine units of Hong Kong-based First Pacific Co. Ltd., along with Philex Mining Corp. and PLDT Inc. Hastings Holdings, Inc., a unit of MediaQuest Holdings under the PLDT Beneficial Trust Fund, has a majority share in *BusinessWorld* through the Philippine Star Group. — **A.E.O. Jose**

SMIC nine-month profit rises to P64.4 billion, led by banks

SY-LED SM Investments Corp. (SMIC) posted a 6% increase in nine-month consolidated net income, driven largely by its banking business.

For the January-to-September period, SMIC's net income rose to P64.4 billion from P60.9 billion a year earlier, with banking contributing 50% of total earnings, followed by property at 28%, retail at 15%, and portfolio investments at 7%, the company said in a press release on Wednesday.

"The third quarter performance remained within our expectations. Despite the challenges brought about by adverse weather and flooding, we continued to see resilient financial performance across our businesses," SM Investments Corp. President and Chief Executive Officer Frederic C. DyBuncio said.

"While external factors may temper overall economic growth, we maintain an optimistic outlook as we move into the fourth quarter."

SMIC's consolidated revenues for the nine months climbed 4% to P482.3 billion from P462.5 billion in the same period last year. Total assets grew 4% to P1.8 trillion, with a conservative gearing ratio of 31% net debt to 69% equity.

The company's banking units were key drivers of growth.

BDO Unibank, Inc. earned P63.1 billion in net income, up from P60.6 billion, supported by stable performance in core segments. Net interest income rose 8%, customer loans increased 14% to P3.5 trillion, and deposits grew 10%, with a current account/savings account (CASA) ratio of 67%.

China Banking Corp. posted net income of P20.2 billion, a 10% increase from 2024.

SMIC's retail arm, SM Retail, Inc., saw nine-month net income decline 4.69% to P12.2 billion from P12.8 billion, even as revenues rose 5% to P318.1 billion.

"The earlier school opening in June this year pushed some spending from the third to the second quarter. Despite this shift, specialty retail spending grew in the health and beauty, fashion and kids categories while essential spending continued to prop up growth for food retail," Mr. DyBuncio said.

Same-store sales for department store and specialty retail operations rose 3% and 4%, respectively, while department store revenues in fashion and kids segments grew 3% and food retail revenues increased 7%.

Property unit SM Prime Holdings, Inc. posted a 10% increase in nine-month net income to P37.2 billion from P33.9 billion, with revenues up 4% to P103.4 billion. Malls accounted for 59% of revenues, posting 7% growth to P61 billion due to additional tenants and expanded leasable space. SM Prime's third-quarter net income rose 8% to P12.8 billion from P11.8 billion, lifted by contributions from its mall and hotel and convention center businesses. — **Alexandria Grace C. Magno**

Nickel Asia Q3 profit jumps to P3.09B on higher ore prices, exports

NICKEL ASIA CORP. (NAC) reported a more than twofold increase in attributable net income for the third quarter (Q3), driven by higher nickel ore prices and strong export performance.

For the three months ended Sept. 30, the company's attributable net income reached P3.09 billion, up 115.51% from P1.44 billion a year earlier, it said in a regulatory filing on Wednesday.

Consolidated net income jumped to P4.232 billion from P1.946 billion in Q3 2024.

Revenue from the sale of nickel ore and limestone surged 48.35% to P10.52 billion from P7.09 billion, supported by a 39% increase in the weighted average ore price to \$26.55 per wet metric ton (WMT) from \$19.09 per WMT.

Revenue from power sales in Q3 declined 10.88% to P264.47 million from P296.76 million, while revenue from services fell 10.43% to P265.96 million from P296.94 million.

For the January-to-September period, attributable net income reached P5.19 billion, up 103.44% from P2.55 billion in 2024.

NAC's operating mines sold a combined 13.89 million WMT of nickel ore in the first nine months, up 2% from 13.57 million WMT in the same period last year.

Exports of saprolite and limonite ore totaled 8.32 million WMT at an average price of \$37.52 per WMT, marking a 51.66% increase in export prices and a roughly 3% rise in volume.

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"Nickel ore prices remain elevated amid tight supply, which continues to positively impact our performance. We expect this tightness to persist as Indonesia enforces stricter policies on production permits," NAC President and Chief Executive Officer Martin Antonio G. Zamora said.

NAC's renewable energy arm, Emerging Power, Inc. (EPI), operating at 172 megawatts (MW), generated 171,279 MWh in the first nine months, up 2% from a year earlier. However, earnings before interest, taxes, depreciation, and amortization from EPI declined 16% to P617 million, mainly due to a lower weighted average tariff following a drop in Wholesale Electricity Spot Market (WESM) prices.

On the exploration front, NAC's joint venture with Sumitomo Metal Mining Co., Ltd., Cordillera Exploration Company, Inc. (CEXCI), confirmed gold-bearing veins and porphyry copper-gold mineralization at its Cordon Project in Isabela, strengthening the company's diversification into copper and gold.

"The positive results from CEXCI's exploration further strengthen our diversification into copper and gold, and EPI's continued rampup of solar projects drives additional growth. Building on this momentum, we anticipate closing the year with strong operational and financial results, delivering sustained value to our stakeholders," Mr. Zamora said.

On Wednesday, NAC shares closed P3.85, up 38 centavos or 10.95%. — **Vonn Andrei E. Villamiel**

AboitizPower targets year-end financial close for P36-B CBK deal

ABOITIZ POWER Corp. (AboitizPower) hopes to complete the P36-billion acquisition of the 797-megawatt (MW) Caliraya-Botocan-Kalayaan (CBK) hydroelectric power plant (HEPP) by the end of the year.

"The CBK acquisition is currently being evaluated by the PCC (Philippine Competition Commission); we still expect for financial close to happen at the end of November or early December," AboitizPower Chief Financial Officer Juan Alejandro "Sandro" A. Aboitiz said in an earnings briefing last week.

The winning bidder, Thunder Consortium — comprising Aboitiz Renewables, Inc., Sumitomo Corp., and Electric Power Development Co. — holds a 64% stake through Aboitiz Renewables, the majority shareholder.

The CBK complex includes the 39.37-MW Caliraya HEPP in Lumban, the 22.91-MW Botocan HEPP in Majayjay, and the 366-MW Kalayaan I and 368.36-MW Kalayaan II pumped-storage plants, all in Laguna.

The complex is under a 25-year build-rehabilitate-operate-transfer agreement between CBK Power Co. Ltd. and the National Power Corp.

PSALM President and Chief Executive Officer Dennis Edward A. dela Serna said the state-run company is targeting turnover of the facility in February 2026.

"The expectation is that when the asset gets turned over to us, it's contributing earnings to us immediately," Mr. Aboitiz said.

Following the CBK deal, AboitizPower is set to deepen its partnership with Sumitomo through the proposed acquisition of a 25% stake in the latter's 1,320-MW coal-fired power plant in Vietnam. The \$220-million investment marks the company's first major venture outside the Philippines.

"I think this is, to some extent, a deepening of that partnership. And we're also eager to explore other ways to deepen that partnership with them, whether it's in Vietnam or elsewhere," Mr. Aboitiz said. — **Sheldeen Joy Talavera**