

Meralco chairman signals steady 2025 performance ahead of results

MANILA ELECTRIC CO. (Meralco) Chairman and Chief Executive Officer Manuel V. Pangilinan described the company's 2025 performance as "good," citing growth in its distribution operations and renewable energy initiatives as key contributors.

"All we can say is good," he told reporters last week when asked about the company's 2025 financial performance.

Meralco has set a full-year profit guidance of P50 billion, after surpassing its 2024 target of P45.1 billion.

For the first nine months of 2025, the power distributor

reported a core net income of P40.02 billion, a 14% increase compared to the previous year, driven by revenue growth and stronger results from its distribution utility segment.

Consolidated revenues rose 4.6% to P371.77 billion for the January-to-September period from P355.42 billion a year earlier, mainly due to electricity sales.

Asked if Meralco was able to hit its target, Mr. Pangilinan said: "Well, we aim accurately, don't we?"

Meralco is scheduled to announce its full-year 2025 financial and operating results on Feb. 25, Wednesday.

Mr. Pangilinan said he wishes the company "to grow in profitability"

and "to become the best power company in the Philippines."

Aside from distribution, the company is also focusing on its power generation business for growth.

To raise additional capital, Meralco is evaluating a potential public offering for MGEN Renewable Energy, Inc. (MGEN Renewables), the renewable energy unit of Meralco PowerGen Corp. (MGEN).

This involves injecting assets into MGEN's already-listed affiliate, SP New Energy Corp. (SPNEC), in exchange for shares.

"Perhaps in 2027, we will re-IPO (initial public offering) to raise a bit of money for SPNEC and MGreen because it will be a much bigger company by then," Mr. Pangilinan said.

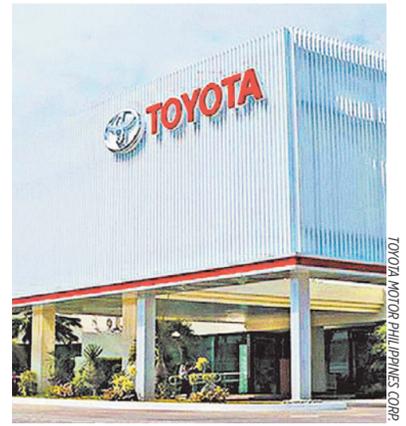
Last month, SPNEC filed an application with the Securities and Exchange Commission (SEC) to change its corpo-

rate name to MGEN Renewable Energy Holdings, Inc., which analysts believe is part of the planned backdoor infusion of the renewable energy business.

Meralco is also aligning the planned listing with the expected completion of the MTerra Solar project, which is set to become the world's largest integrated solar and storage facility.

Spanning Nueva Ecija and Bulacan, MTerra Solar is developing a 3,500-megawatt-peak solar power plant and a 4,500-megawatt-hour energy storage system.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT, Inc. Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Sheldeen Joy Talavera**



TOYOTA MOTOR PHILIPPINES CORP.

TMP expects flat 2026 sales amid cautious consumer demand

TOYOTA Motor Philippines Corp. (TMP) is projecting flat car sales this year amid subdued private spending, but said it will continue expanding the reach of its electric models in provincial markets.

"We are taking a conservative stance and stay flat from last year. So, maybe a range of 5% growth," TMP Chairman Alfred V. Ty told reporters on the sidelines of the 42nd joint meeting of the Philippines-Japan Economic Cooperation Committee, Inc. and the Japan-Philippines Economic Cooperation Committee (PHILJEC-JPECC) on Thursday last week.

He noted that the market is likely on a "wait-and-see" stance before purchasing activity regains momentum.

"The market has to have more confidence in the economy to start spending again, because that's what we're hearing from the market," Mr. Ty said. "Some of them will wait and make sure that their business will be protected for this year."

TMP ended 2025 with a 5.2% increase in sales, with 229,447 Toyota and Lexus units sold. The company accounted for 49.49% of the market share.

TMP earlier said it aims to maintain a 46% market share in 2026.

It is also targeting growth for its affordable hybrid vehicles, with provincial markets seen as a key driver.

"Right now, the market is shifting to provincial over NCR (National Capital Region)... and that's where we want the demand to grow," Mr. Ty said.

Sales of TMP's electric models jumped 40% last year to 19,516 units, representing 9% of total units sold in 2025. Since 2009, the company has sold 44,228 electrified units as part of its efforts to promote carbon neutrality.

For 2026, TMP plans to introduce five new models, including three electrified vehicles: the Urban Cruiser battery electric vehicle (EV), the RAV4 hybrid EV, and the Land Cruiser 300 hybrid EV. Other new launches will include the Land Cruiser FJ and the all-new Hilux.

The Philippine automotive industry is expected to grow to between 491,000 and 510,000 units this year, TMP President Masando Hashimoto said in January. — **Beatriz Marie D. Cruz**

OUTLIER

SM Prime shares slip on MSCI rebalancing, market pressures

By **Isa Jane D. Acabal**
Researcher

SM PRIME HOLDINGS, INC. (SMPH) shares fell last week on Morgan Stanley Capital International (MSCI) rebalancing and weakness in the real estate sector, offsetting gains from stronger earnings and expansion plans, analysts said.

Data from the Philippine Stock Exchange (PSE) showed SM Prime was the ninth most actively traded stock from Feb. 16 to 20, with 28.18 million shares worth P594.79 million changing hands.

The stock closed at P20.95 per share on Friday, down 1.9% from P21.35 a week earlier. This decline was steeper than the property sector's 0.2% week-on-week drop and the 1.3% gain in the benchmark PSE index (PSEI).

On a year-to-date basis, SM Prime shares have fallen 7.9%, underperforming the 4.2% decline in the property sector and the PSEI's 6.8% growth.

Jervin De Celis, equity trader at The First Resources Management and Securities Corp., said the pressure on the stock is linked to MSCI rebalancing.

In its February 2026 Index Review, MSCI kept the MSCI Philippines Standard Index unchanged but added Apex Mining Co. and Maynilad Water Services, Inc. to the small cap index. The changes will take effect after the close of Feb. 27.

SM Prime is one of 11 constituents in the MSCI Philippines Standard Index, which covers the large- and mid-cap segments of the Philippine market. Fund managers monitor the index's composition to adjust their portfolios.

"From Feb. 16 to 19, the stock has recorded over P140 million in net foreign selling as funds realign their holdings ahead of the Feb. 27 effective date," Mr. De Celis noted.

"These adjustments often trigger significant passive outflows that are independent of company milestones like mall expansions," he added.

In a press statement on Feb. 16, SM Prime reported a net income of P48.8 billion in 2025, up 7% from P45.6 billion a year earlier, driven by higher revenues in commercial property and disciplined cost management.

Meanwhile, its consolidated revenues reached P141.1 billion, slightly higher than P140.4 billion in 2024.

SM Prime President Jeffrey C. Lim said the company is setting its capital expenditure (capex) budget at P100 billion this year.

According to Mr. De Celis, SM Prime's capex commitment signals that the company is "not flinching at the local macro headwinds."

"This aggressive expansion narrative has established a psychological floor for the stock, somehow offsetting potential downside from flat revenues and the persistent foreign selling observed ahead of next week's MSCI rebalancing," he added.

For Unicapital Securities, Inc., Research Head Wendy B. Estacio-Cruz said SM Prime's full-year 2025 performance "reinforces confidence in the company's earnings visibility and execution consistency, underscoring the strength and stability of its core operations."

Ms. Estacio-Cruz added that the stock's decline suggests that gains from higher earnings were offset by broader market pressures, including weakness in the real estate sector.

"In our view, the recovery of SMPH's residential segment remains largely hinged on financing affordability, particularly further downward repricing of mortgage rates, given that a significant portion of its inventory is focused on the mid-segment," she said.

On Feb. 19, SM Prime announced that its office leasing arm, SM Offices, plans to add more than 60,000 square meters of leasable space in Cebu City by the fourth quarter of 2026 amid surging demand.

"By leaning into Cebu's rise as the top BPO (business process outsourcing) alternative to Metro Manila, the company is moving away from the metro's flat office market and chasing actual demand," Mr. De Celis said.

He projects SM Prime's first-quarter net profit at a range of P11.9 billion to P12.1 billion, and full-year earnings at roughly P51.3 billion, with revenues at P149.5 billion.

Mr. De Celis said the stock is currently at its support level of P20.80 to P21 but could fall to P20.50 if selling continues.

"For the resistance, the stock needs to clear P21.50 to show it's back in a healthy trend. The real breakout signal would be a close above P21.75, which would put the stock back above the 20-day moving average," he said.

LRTA seeks P3-billion loan to settle LRMC obligations

THE Light Rail Transit Authority (LRTA) is seeking a P3-billion loan from the Land Bank of the Philippines (LANDBANK) to settle the government's P4-billion obligations to the Light Rail Manila Corp. (LRMC), the concessionaire operating Light Rail Transit Line 1 (LRT-1).

"We are processing a loan. We applied for a P3-billion loan from LANDBANK. This will be used to pay our obligation with them (LRMC)," LRTA Administrator Hernando T. Cabrera told reporters on the sidelines of LRMC's 10th anniversary last week.

The government, through the LRTA, has already paid P926 million to LRMC, Mr. Cabrera said, adding that it plans to settle the remaining obligations through the loan.

LRTA filed for the loan from LANDBANK last year, Mr. Cabrera said, noting that the application is still awaiting approval.

"We will comply with our contractual obligations. Precisely, using some savings of the LRTA and some support from the National Government, we have already paid some of the government's obligation. The government has already paid P926 million," he said.

Of the more than P900 million already paid, about P499 million went to structural rehabilitation, P409 million to light rail vehicle (LRV) shortfall payments, and about P22 million for right-of-way acquisition settlements.

Metro Pacific Investments Corp. (MPIC) earlier said it was planning to divest its stake in LRMC due to mounting losses, which are mainly attributed to the government's delayed payments.

The Department of Transportation (DoTr) has said it is exploring ways to settle the government's obligations to LRMC.

Of LRMC's P4-billion claims, about P3 billion represents fare deficits, Mr. Cabrera said.

LRMC assumed operations and maintenance of LRT-1 in September 2015 under a P65-billion, 32-year concession agreement with the LRTA and DoTr.

Under the agreement, the operator may seek a fare adjustment once every two years. In April 2025, 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.

MPIC holds a 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.

Last week, LRMC said it is confident it will surpass pre-pandemic ridership levels by the end of the year, driven by new stations and ongoing improvements.

Incorporated on July 22, 2014, LRMC develops, constructs, operates, maintains, and invests in railways and other public transport systems.

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, which it controls. — **Ashley Erika O. Jose**

SEC orders Umeta Credit Lending to halt operations

THE Securities and Exchange Commission (SEC) has issued a cease-and-desist order (CDO) against Umeta Credit Lending Corp. and its associated online lending platforms (OLPs) for unauthorized operations and allegedly engaging in unfair debt collection practices.

In a cease-and-desist order dated Feb. 18, the SEC's Financing and Lending Companies Department (FLCD) instructed Umeta Credit and its platforms, including FinLedger - Smart Ledger, Cash Twig, Meta Cash, and MorePautang - Loan Hub, to immediately stop promoting or conducting lending activities.

"The prohibition covers the operation and promotion of the OLPs it controls, such as Meta Cash, MorePautang - Loan Hub, Cash Twig, FinLedger - Smart

Ledger, and any other platform, application, website, or digital interface operated under other names," the Commission said in a statement on Friday.

The order stemmed from an FLCD verification showing that the company operated undisclosed OLPs without SEC approval, violating SEC Memorandum Circular (MC) No. 19, s. 2019, which requires full disclosure by financing and lending firms.

Umeta Credit Lending also violated SEC MC No. 10, s. 2021, which imposed a moratorium on new OLPs starting Nov. 5, 2021.

"[Umeta Credit Lending's] decision to deploy and maintain multiple OLPs, under varying names and digital identities, without proper recording with the Commission, constitutes a deliberate circumvention of regu-

latory safeguards. This is not a case of mere technical lapse or administrative oversight. It is a calculated evasion of supervision," the order read.

The SEC also determined that Umeta Credit Lending used unfair debt collection tactics, based on more than 300 informal complaints received from January 2025 to January 2026.

Five of those complaints advanced to formal administrative cases for breaching SEC MC No. 18, Series of 2019, which bans unfair collection practices by lending companies.

Additionally, the firm ignored five show-cause letters from the SEC, amounting to a "deliberate refusal to engage with lawful authority" and "blatant disregard" of the Commission's oversight role.

"The convergence of the following circumstances: (a) unauthorized operation of multiple OLPs; (b) hundreds of complaints alleging unfair collection practices; and (c) the [company's] repeated refusal to respond to five formal regulatory directives creates a clear and present danger to financial consumers," the order read.

"Accordingly, the issuance of a CDO is necessary to immediately halt the [Umeta Credit Lending's] operations and prevent further injury to the borrowing public pending final determination of its administrative liability," it added.

BusinessWorld was unable to reach Umeta Credit Lending and its associated OLPs, as their websites and Facebook pages could not be found. — **Alexandria Grace C. Magno**

Ayala Land,
from SI/5

The company said it will add over 200,000 sq.m. of new GLA this year, and more than 70,000 sq.m. of office space in Evo City, Arca South, and Gatewalk.

"In 2026, we will open over 200,000 sq.m. of new retail GLA, the largest single-year addition in our history. We started with the opening of Arca South Mall last weekend and saw over 200,000 visitors in just the first weekend," Ms. Dy said.

The first phase of Ayala Malls Arca South, in Taguig, combines indoor retail spaces with outdoor areas, green spaces, and basement parking accessible through nearby transport links.

"It's really a soft opening. We'll do a grand launch in April," Mariana Zobel de Ayala, Ayala Malls president and ALI head of the leasing and hospitality group, told *BusinessWorld*. "We were very pleasantly surprised by the interest. It's almost 90% leased out for the first phase."

Ms. Zobel de Ayala said the second phase of Ayala Malls Arca South is expected to open by October this year.

"We're also really excited because Makro, a grocery store from Thailand, will be opening," she added.

In September last year, Ayala Corp. signed a deal with Thai retailer CP Extra

to relaunch Makro grocery stores in the Philippines through its subsidiary ACX Holdings.

Makro, a Dutch international brand, first entered the Philippine market in 1996 through a joint venture among SHV Holdings N.V., Ayala Corp., and Sy-led SM Investments Corp. Ayala later sold its 28% stake to the SM Group, which rebranded Makro outlets in 2009, and SHV divested its Asian Makro operations, now operated by Thailand's Charoen Pokphand Group through CP Extra. — **Alexandria Grace C. Magno**