

Philippine Stock Exchange index (PSEi)

5,999.13

▼ 64.56 PTS.

▼ 1.06%

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BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P502.50 -P11.50 -2.24%	ACEN ACEN Corp. P3.00 ---	AEV Aboitiz Equity Ventures, Inc. P30.00 ---	ALI Ayala Land, Inc. P17.20 -P0.10 -0.58%	AREIT AREIT, Inc. P40.05 -P0.15 -0.37%	BDO BDO Unibank, Inc. P119.50 +P0.90 +0.76%	BPI Bank of the Philippine Islands P99.20 -P1.50 -1.49%	CBC China Banking Corp. P63.65 -P0.35 -0.55%	CNPF Century Pacific Food, Inc. P32.00 +P0.50 +1.59%	CNVRG Converge ICT Solutions, Inc. P12.14 +P0.18 +1.51%
DMC DMCI Holdings, Inc. P10.04 -P0.10 -0.99%	EMI Emperador, Inc. P15.30 -P0.10 -0.65%	GLO Globe Telecom, Inc. P1,645.00 -P10.00 -0.60%	GTCAP GT Capital Holdings, Inc. P500.00 +P5.00 +1.01%	ICT International Container Terminal Services, Inc. P709.50 -P5.50 -0.77%	JFC Jollibee Foods Corp. P163.60 -P0.90 -0.55%	JGS JG Summit Holdings, Inc. P26.90 +P0.55 +2.09%	LTG LT Group, Inc. P15.02 -P0.18 -1.18%	MBT Metropolitan Bank & Trust Co. P67.50 -P1.85 -2.67%	MER Manila Electric Co. P632.00 -P14.00 -2.17%
MONDE Monde Nissin Corp. P6.89 -P0.02 -0.29%	PGOLD Puregold Price Club, Inc. P41.80 -P1.20 -2.79%	PLUS DigiPlus Interactive Corp. P15.06 +P0.08 +0.53%	RCR RL Commercial REIT, Inc. P6.98 -P0.06 -0.85%	SCC Semirara Mining and Power Corp. P30.15 -P0.05 -0.17%	SM SM Investments Corp. P610.00 -P24.00 -3.79%	SMC San Miguel Corp. P71.95 -P0.05 -0.07%	SMPH SM Prime Holdings, Inc. P20.00 -P0.20 -0.99%	TEL PLDT Inc. P1,271.00 -P7.00 -0.55%	URC Universal Robina Corp. P61.00 -P0.75 -1.21%

CTA orders BIR to refund Petron P389.49 million in excise taxes

THE Court of Tax Appeals (CTA) has ordered the Bureau of Internal Revenue (BIR) to refund Petron Corp. P389.49 million in excise taxes, in a ruling that clarifies refund claims on fuel sold to international carriers.

In a 31-page decision, the tax court's Special Third Division partially granted the consolidated petitions filed by Petron, which originally sought a refund of P586.96 million.

The court ruled that Petron is entitled to the refund under Section 135 of the National Internal Revenue Code (NIRC), which exempts petroleum products sold to international carriers for use outside the Philippines and to entities exempt under existing laws or international agreements.

The case involved two consolidated petitions covering fuel sales from January to June 2020 and July to December 2020. The Commissioner of Internal Revenue argued that the exemption under Section 135 applies only to buyers, not to sellers such as Petron, but the CTA rejected this position.

"The Petitions for Review are partially granted," the ruling read. "Accordingly, respondent [commissioner of internal revenue] is ordered to refund in favor of petitioner in the total amount of P389,493,496, representing petitioner's erroneously paid excise taxes for its imported and



PETRON.COM

locally-produced Jet A-1 fuel for the periods from Jan. 1, 2020 to June 30, 2020, and from July 1, 2020 to Dec. 31, 2020, which were subsequently sold and delivered to various international carriers and tax-exempt entities," it added.

Jet A-1 is a kerosene-based fuel used in turbine engines and is the standard fuel for commercial aviation.

The decision, penned by Associate Justice Marian Ivy M. Reyes-Fajardo, said "the tax exemption under Section 135 must correspondingly benefit the one who actually bears the liability to pay the same (i.e., the importers/manufacturers of petroleum products sold to international carriers, among others), and not the one who simply bears the economic burden thereof."

The CTA said Petron filed its administrative and judicial claims within the required two-year prescriptive period.

However, the court disallowed P197.47 million of the claim due to insufficient documentation, unsupported delivery receipts, and instances where fuel withdrawals were made before the earliest official release date.

In clarifying the tax treatment, the court said international carriers "do not manufacture or import petroleum products and hence, are not statutory taxpayers to which the exemption under Section 135 could pertain."

It added that carriers "merely bear the tax burden when the costs therefor are passed on to them by the actual manufacturers or importers," which remains a "contractual affair between the

parties" and does not affect the statutory tax liability.

The court ruled that Petron "as the statutory taxpayer can claim a refund under Section 135 of the NIRC for the sale of its imported and locally manufactured Jet A-1 fuel." It ordered the BIR to issue the refund or a tax credit certificate for the approved amount.

Petron reported an 84% increase in net income to P15.6 billion for 2025, supported by steady domestic volume growth, improved refinery performance, and lower operating costs.

Revenues fell by 7% to P810 billion from P868 billion in 2024, which the company attributed to weaker global oil prices.

The company's operations in the Philippines and Malaysia posted a 3% increase in total volumes to 113.4 million barrels.

Petron said it maintained its leadership in the domestic market despite competition.

In Malaysia, volumes were largely unchanged due to softer demand following adjustments to the government-regulated fuel pricing system.

The company remained the Philippines' largest oil player, with a 27.8% market share as of the first half of 2025, based on Department of Energy data.

Petron operates 50 terminals across the region and about 2,700 service stations, with a refining capacity of nearly 270,000 barrels per day. — **Erika Mae P. Sinaking**

STT GDC signs 10-year RE deal with MPower

DATA CENTER operator ST Telemedia Global Data Centres (STT GDC) Philippines has entered into a 10-year renewable energy (RE) supply agreement with MPower, the electricity supply arm of Manila Electric Co. (Meralco), to power its two data center facilities.

"By securing long-term renewable energy, we are ensuring that the mission-critical platforms our customers depend on every day are powered by sustainable sources, keeping carbon neutrality at the core of our operations," STT GDC Philippines President and Chief Executive Officer Carlomagno E. Malana said in a statement on Sunday.

The company said it secured a 40.5-megawatt (MW) renewable energy supply for its STT Fairview and STT Cavite data center facilities.

STT GDC is a joint venture among Globe Telecom, Inc., Ayala Corp., and ST Telemedia Global Data Centres. It operates seven data centers in the Philippines with a combined IT load of 150 MW.

The company said the partnership would support the country's digital infrastructure by helping meet demand for cloud services, artificial intelligence (AI), and online platforms. It added that securing a green energy supply would help sustain digital infrastructure expansion.

"AI and digital services are evolving at an unprecedented pace, and the infrastructure supporting them must scale responsibly," Mr. Malana said.

STT GDC Philippines is expanding its footprint to meet growing digital demand, the company said. Its STT Fairview 1 facility began operations in 2025, while STT GDC Cavite 2 is undergoing testing and commissioning.

STT GDC aims to achieve carbon-neutral operations by 2030. In 2024, it expanded its renewable energy use to 78.5%, based on information from its website.

Earlier this year, Globe said it expects growth in its data center business after Singapore-based STT GDC secured new backing from global investment firms KKR and Singtel.

MPower holds more than a 35% share of the competitive retail electricity market within Meralco's franchise area. It serves contestable customers, including large corporations.

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. — **Ashley Erika O. Jose**

OUTLIER

Jollibee Foods Corp. shares slip despite upbeat updates from int'l brands

By **Pierce Oel A. Montalvo**
Researcher

SHARES of Jollibee Foods Corp. (JFC) edged lower last week despite positive developments from its international brands, as economic shocks linked to the Middle East conflict weighed on sentiment, analysts said.

Philippine Stock Exchange (PSE) data showed JFC was the third most actively traded stock during the week, with 11.63 million shares worth P1.89 billion traded from April 13 to 17.

The stock closed at P163.60 last Friday, down 3.5% from its P169.50 close on April 10. The decline was steeper than the PSE benchmark index's (PSEI) 1.6% drop and contrasted with the industrial sector's 0.7% gain.

Year to date, the stock has fallen 9.1% from its P180 close at end-2025, compared with the PSEI's 0.9% decline and the industrial sector's 2.6% gain.

Last week, the company issued four press releases on developments across its brands.

On Tuesday, JFC reported that Smashburger, its wholly owned US burger chain, improved from negative mid-teen same-store sales growth (SSSG) to positive double-digit growth by March 2026. The company attributed this to a \$4.99 value platform and new menu items. The brand is targeting 10 to 12 new store openings in 2026, including five airport locations.

On Thursday, the company said Compose Coffee, its 70%-owned South Korean brand, posted a "strong" debut in Taiwan, generating about NT\$70,000 in Day 1 sales. The brand, which operates about 3,000 stores in South Korea, plans to enter the Philippine market later in 2026.

Also on Thursday, JFC said Highlands Coffee, its Vietnam-based café brand owned 60% through SuperFoods Group, recorded high double-digit revenue growth in fiscal year 2025 from a year earlier, with high single-digit SSSG in the first quarter of 2026.

On April 16, JFC said South Korea's Fair Trade Commission approved its planned acquisition of All Day Fresh Co., operator of Shabu All Day, the country's largest all-you-can-eat hot pot chain with about 170 stores. The deal is expected to add around 2% to group revenues and 8% to global earnings before interest and taxes on an annualized basis, with an estimated payback period of two to three years.

Adrian Geoffrey S. Go, an equity analyst at Sun Life Investment Management and Trust Corp., said the updates reflect a shift toward capital-efficient expansion.

"JFC is aggressively pivoting toward a capital-light growth model," he said in an e-mail. "By doubling down on scalable, franchise-ready brands across a variety of categories, they are de-risking their international expansion while accelerating the path to stronger profitability and growth."

He added that the company is focusing on improving capital efficiency through expansion of acquired brands in Asia and the turnaround of Smashburger and its

China business. "The common theme is to push for higher returns on invested capital. Success across these fronts, combined with the resilience of the Philippine business, provides a clear roadmap for boosting shareholder returns," Mr. Go said.

Juan Alfonso G. Teodoro, an equity trader at Timson Securities, Inc., said Asia is driving JFC's growth, while the US market remains under improvement.

"The recent updates from Jollibee Foods Corp. show that the company is focusing more on expanding in Asia, where its brands like Highlands Coffee and Compose Coffee are growing faster," he said in a Viber message.

"At the same time, its US business, particularly brands like Smashburger, is still in the improving stage, as JFC still works on strengthening operations and profitability. For investors, this means Asia is currently the main driver of growth, while the US market remains a work in progress with potential upside over time."

Despite the positive developments, analysts said geopolitical risks tied to the Middle East conflict continue to weigh on investor sentiment and could affect JFC's expansion plans.

Mr. Go said the conflict affects JFC mainly through margin pressure. "Beyond the immediate spike in logistics, raw material, and energy costs, a significant secondary risk is a slowdown in capital deployment," he said. "A persistent economic fallout could lead franchisees to adopt a more tentative investment posture which would act as a drag on JFC's international scaling efforts, re-

gardless of the underlying resilience of its portfolio."

Mr. Teodoro said JFC's exposure to geopolitical issues is mostly indirect. "Geopolitical issues can lead to higher costs for fuel, shipping, and raw materials, which may affect overall expenses," he said. "Although, since JFC operates in many countries, it is not heavily reliant on one market, which is also helping reduce risk. If conditions worsen, investors will mainly watch how rising costs and global disruptions affect JFC's operations."

Luis A. Limlingan, head of sales at Regina Capital Development Corp., said it is difficult to identify which specific brand or region would be most affected.

"The Middle East conflict doesn't really just affect the countries involved but the spillover of the war to heightened commodity prices and possibly pushing inflation higher which then disrupts or changes consumption behavior," he said in a Viber message.

He added that JFC has expanded across multiple regions and brands. "It's difficult to pinpoint which specific brand or geographic location would get hit the worst," Mr. Limlingan said.

Analysts said the gap between improving fundamentals and the declining share price reflects broader market concerns rather than company-specific issues.

Mr. Go said stock prices and fundamentals can diverge for several reasons. "In this case, we think that the market's fear of weaker business results because of the war in Iran is adding on to negative passive flows that are driving JFC's stock

price lower despite positive news flow on JFC's business," he said.

Mr. Teodoro said the decline despite positive earnings shows that stock prices do not always move in line with fundamentals in the short term. "Investors may possibly have priced in the good results earlier, leading to profit taking, or they could also be concerned about broader market conditions and global risks," he said.

"For ordinary investors, this means that even if the company is performing well, the stock can still go down due to sentiment and expectations."

Mr. Limlingan said the stock is trading at a discount. "One thing for sure is the stock is certainly trading at a discount with record lows of price-to-earnings," he said.

JFC's attributable net income rose 5.4% to P10.87 billion in 2025, while consolidated revenues increased 13.03% to P305.11 billion.

Mr. Go said JFC is expected to meet its 2026 guidance of 15% to 18% operating profit growth, supported by high single-digit systemwide sales growth and mid-single-digit SSSG.

Mr. Teodoro estimated first-quarter 2026 earnings at about P2.92 billion and projected full-year earnings at about P12 billion.

Mr. Limlingan sees support at P159 and resistance at P175 to P185. Mr. Go placed near-term support at P159 and resistance at P175. Mr. Teodoro set support at around P150 per share and resistance at around P170 to P172 per share.