

Ayala Land, Inc. leans on leasing, trims spending amid global risks

AYALA LAND, Inc. (ALI) said it is scaling back capital spending and leaning more heavily on its leasing business as global uncertainties weigh on the property sector, signaling a more defensive stance.

"There's no doubt that the Middle East crisis is a significant disruptor, especially for the property development industry," ALI Chairman Jaime Augusto Zobel de Ayala said during the company's annual stockholders' meeting on Thursday. "In times like these, our top priority is stability over aggressive growth."

He said the company is focused on preserving liquidity and maintaining flexibility.

"We're focused on ensuring ample liquidity and maintaining the flexibility to act swiftly when the environment improves," he said. "We have also scaled down our capital expenditure (capex) plans as part of our balance sheet management."

ALI had planned P70 billion to P80 billion in capital expenditures this year, about 38% for leasing. In 2025, it spent P92.9 billion, with 38% for property development, 29% for leasing expansion, 18% for estate build-out, and 15% for land acquisition.

Mr. Zobel said the company is also adjusting its development pipeline,

noting it will "manage our residential launches and reduce our inventory" while strengthening recurring income streams.

"The strategy we put in place is to pivot towards leasing through expanding our leasing footprint and reinventing our malls and hotels," he said. "Our focus on building a stronger recurring income business is precisely to help us weather disruptions and cycles with more dependable revenue streams."

The company also cited macroeconomic pressures, including "rising inflation, elevated interest rates, and a weaker peso," as additional headwinds.

In its latest disclosures, ALI said property development accounted for about 65% of its real estate revenues in 2025, while leasing and hospitality contributed 28% and services 7%.

EARNINGS PERFORMANCE

ALI President and Chief Executive Officer Anna Ma. Margarita B. Dy said leasing is expected to drive growth over the medium term.

"Our leasing business is expected to remain on a growth trajectory and will be the primary driver of our company's expansion," she said.

She added that all new leasing projects over the next three years

will be located within the company's estates.

For 2025, ALI reported consolidated net income of P39.1 billion, up 38.7% from P28.2 billion in 2024, driven by leasing and hospitality and gains from portfolio management.

Leasing and hospitality revenues rose 7% to P48.7 billion from P45.6 billion. Shopping center revenues increased 5% to P24.2 billion from P23 billion, while office leasing revenues reached P12.2 billion. Hospitality revenues climbed 9.3% to P10.6 billion from P9.7 billion, boosted by the New World Makati Hotel acquisition.

"By 2027, we expect earnings before interest, taxes, depreciation, and amortization to be roughly balanced between leasing and development," Ms. Dy said.

Mariana Zobel de Ayala, president of Ayala Malls and head of the leasing and hospitality group, said the company plans to expand its retail footprint.

"Looking ahead to 2026, we will open 200,000 square meters of new retail space, our largest annual addition in history," she said.

She added reinvestments in malls and hotels are expected to deliver a "15-20% uplift in rents and room rates upon stabilization."

ALI is also expanding into industrial real estate, including cold storage facilities.

The company maintained a disciplined approach to its residential business, reporting sales of P125 billion in 2025 despite launching 42% fewer projects, while inventory improved to 19 months.

Chief Finance Officer Jose Eduardo A. Quimpo II said ALI continues to recycle capital, including through asset infusions into AREIT, Inc.

"We are not passively holding assets. We are constantly optimizing the balance sheet to catalyze returns and maximize value," Mr. Quimpo said.

ALI returned 65% of its prior-year income to shareholders through dividends and share buybacks.

The company said its balance sheet remains strong, with net gearing at 0.78:1 supported by predominantly long-term fixed-rate debt.

"We have always deliberately kept our balance sheets strong so we can withstand periods like this, and just as importantly, position ourselves to capture opportunities when they emerge," Mr. Zobel said.

At the local bourse on Thursday, ALI shares fell by 0.85% to P16.34 each. — **Alexandria Grace C. Magno**



Globe buys back \$426M in perpetual securities

GLOBE TELECOM, Inc. said it has repurchased \$426.42 million of its dollar-denominated perpetual securities following the expiration of its tender offer, as part of its effort to reduce debt and improve cash flows.

In a regulatory filing on Thursday, the listed telecommunications company said the amount represents the securities tendered and accepted for purchase at the close of the offer.

The tender offer, which ran from April 14 to 22, will be settled on April 24. Globe said the remaining principal amount of the securities stood at \$173.58 million after the transaction.

The buyback forms part of the company's \$600-million senior perpetual capital securities issued in 2021. Globe had offered to purchase any and all outstanding 4.2% senior perpetual securities at \$1,000 per \$1,000 principal amount, with Morgan Stanley acting as dealer manager.

The company said the transaction is part of a broader effort to retire perpetual debt, which carries ongoing distribution obligations.

Globe issued the \$600-million securities in October 2021 at an initial distribution rate of 4.2%, payable semi-annually.

According to an earlier disclosure, the securities have no maturity date but include a step-up feature that increases the cost of keeping them outstanding over time. They also carry an early redemption option by August, with coupon rates set to rise if not redeemed.

For 2026, Globe expects low- to mid-single-digit revenue growth following a decline in 2025.

The company reported a 4.12% drop in net income to P23.3 billion in 2025 from P24.3 billion in 2024, weighed down by higher depreciation and interest expenses and lower revenues.

At the local bourse on Thursday, Globe shares rose P2, or 0.12%, to close at P1,650 apiece. — **Ashley Erika O. Jose**

7-Eleven PHL plans 400 stores, up to P5-B capex for 2026

LISTED Philippine Seven Corp. (PSC) said it has set aside up to P5 billion in capital expenditures (capex) this year as it plans to open 400 additional stores by yearend, pushing ahead with expansion despite global uncertainties linked to the Middle East conflict.

"I think capex is P4 billion or P5 billion," PSC Chairman Jose Victor P. Paterno told reporters on the sidelines of Franchise Asia Philippines' 2026 International Franchise Conference on Thursday.

He said the company plans to open 400 new 7-Eleven stores this year despite oil price shocks from the ongoing war in the Middle East.

"We can't really slow down. We have 400 stores opening hopefully by the end of the year, and those have already broken ground," Mr. Paterno said.

He added that more than half of the planned store openings will be in the Visayas and Mindanao.

PSC is the exclusive licensee of the 7-Eleven convenience store brand in the

Philippines and operates more than 4,500 stores nationwide.

Mr. Paterno said the company remains on track to expand its network to 5,000 stores this year.

Despite the global oil crisis weighing on retail prices, he said the company expects to perform better than during the pandemic, when mobility restrictions pushed consumers to shop more in supermarkets.

He said convenience stores near residential areas could benefit as consumers look to save on travel costs.

"We haven't seen a decrease in sales due to the crisis," Mr. Paterno said. "We're trying to keep operational costs down by hedging power."

More than half of 7-Eleven stores in the country are franchised, he said.

PSC reported a 5.51% decline in its full-year 2025 net income to P3.6 billion from P3.81 billion a year earlier, according to its latest annual report posted on April 13.

At the local bourse on Thursday, PSC shares closed unchanged at P34 apiece. — **Beatriz Marie D. Cruz**



PHILIPPINE STAR FILE PHOTO



MREIT heads into next phase as it diversifies portfolio

MREIT, INC. said it is pushing through with its plan to expand into the retail segment as part of its next growth phase, marking a shift from its current focus on office assets.

In a statement on Thursday, the real estate investment trust of Megaworld Corp. said it is moving to its "Wave 5" strategy following the integration of its latest acquisitions.

"With Wave 4 now integrated, MREIT is turning to Wave 5, which is expected to mark the company's diversification into retail by infusing mall assets in the second half of the year," the company said.

The planned move remains subject to due diligence, valuation, and regulatory approvals.

"Subject to due diligence, valuation, and regulatory approvals, Wave 5 will bring MREIT materially closer to its goal of one million square meters of GLA (gross leasable area) by 2027," it added.

The shift comes as the company reported stronger first-quarter performance, with distributable income rising 34% year on year to P1.25 billion, while revenues grew 29% to P1.72 billion. Net operating income (NOI) margin improved to 81.6% from 80.3% a year earlier.

MREIT attributed the gains to the full impact of its Wave 4 acquisition, a P16.2-billion property-for-share swap that added nine Grade A office buildings in McKinley Hill and

expanded its gross leasable area by about 34% to around 647,000 square meters.

"Our first quarter results show Wave 4 working exactly as intended: accretive from day one, and at a scale that meaningfully lifts both our earnings base and margin profile," said Jose Arnulfo C. Batac, president and chief executive officer of MREIT.

For 2025, MREIT posted total revenues of P5.58 billion and net income of P4.40 billion, according to its financial statements.

MREIT, which was incorporated in 2020 as a real estate investment trust under Republic Act No. 9856, is a subsidiary of Megaworld, which owns

a 54% stake in the company. Its portfolio consists of office assets located in Megaworld townships such as McKinley Hill, McKinley West, Eastwood City, Iloilo Business Park, and Davao Park District.

The company said its expansion pipeline is supported by Megaworld's "extensive pipeline of stabilized, income-generating properties" and the broader portfolio of Alliance Global Group, its ultimate parent, providing a platform for further growth.

On Thursday, MREIT shares closed at P13.92, down eight centavos or 0.57%. — **Alexandria Grace C. Magno**

Philippine Stock Exchange index (PSEi)

5,983.81

▼ 5.75 PTS.

▼ 0.09%

THURSDAY, APRIL 23, 2026

BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P505.00 -P2.00 -0.39%	ACEN ACEN Corp. P2.84 -P0.11 -3.73%	AEV Aboitiz Equity Ventures, Inc. P28.95 -P0.50 -1.70%	ALI Ayala Land, Inc. P16.34 -P0.14 -0.85%	AREIT AREIT, Inc. P39.95 -P0.05 -0.12%	BDO BDO Unibank, Inc. P117.70 -P1.30 -1.09%	BPI Bank of the Philippine Islands P95.40 -P1.20 -1.24%	CBC China Banking Corp. P64.00 ---	CNPF Century Pacific Food, Inc. P31.50 -P0.20 -0.63%	CNVRG Converge ICT Solutions, Inc. P12.66 +P0.10 +0.80%
DMC DMCI Holdings, Inc. P10.00 +P0.05 +0.50%	EMI Emperador, Inc. P15.32 +P0.02 +0.13%	GLO Globe Telecom, Inc. P1,650.00 +P2.00 +0.12%	GTCAP GT Capital Holdings, Inc. P497.00 -P4.50 -0.90%	ICT International Container Terminal Services, Inc. P710.00 +P4.00 +0.57%	JFC Jollibee Foods Corp. P163.40 +P3.40 +2.13%	JGS JG Summit Holdings, Inc. P27.45 -P0.65 -2.31%	LTG LT Group, Inc. P15.00 +P0.12 +0.81%	MBT Metropolitan Bank & Trust Co. P67.10 -P1.15 -1.68%	MER Manila Electric Co. P637.50 +P4.00 +0.63%
MONDE Monde Nissin Corp. P6.60 -P0.25 -3.65%	PGOLD Puregold Price Club, Inc. P42.80 +P0.40 +0.94%	PLUS DigiPlus Interactive Corp. P14.94 -P0.06 -0.40%	RCR RL Commercial REIT, Inc. P6.90 +P0.05 +0.73%	SCC Semirara Mining and Power Corp. P30.50 +P0.40 +1.33%	SM SM Investments Corp. P627.00 +P7.00 +1.13%	SMC San Miguel Corp. P72.00 +P1.80 +2.56%	SMPH SM Prime Holdings, Inc. P20.10 +P0.10 +0.50%	TEL PLDT Inc. P1,282.00 +P5.00 +0.39%	URC Universal Robina Corp. P61.15 -P1.85 -2.94%