

SMIC posts ₱7.1-B net profit in H1, down 69%

By JAMES A. LOYOLA

SM Investments Corporation (SMIC) reported a 69 percent decline in consolidated net income to ₱7.1 billion in the first half of 2020 from ₱23.0 billion in the same period last year.

In a disclosure to the Philippine Stock Exchange, the firm said consolidated revenues decreased 21 percent to ₱185.5 billion in the first half from ₱233.7 billion in the same period last year.

SMIC said its property and banking businesses accounted for 61 percent and 34 percent of net income while retail contributed 5 percent.

"Our half year financial results are within our overall expectations, given the context of the lockdown due to the COVID-19 outbreak which had a greater impact in the second quarter," SMIC President and Chief Executive Officer Frederic C. DyBuncio said.

He noted that, "The results also reflect the group's continued financial prudence and conservative balance sheet after our banks made substantial provisions for potential customer delinquencies."

He added that, "The current environment has been most challenging for our non-food retail and mall operations which have adapted quickly to new customer needs and critical safety considerations. All our businesses will continue to prioritize health and safety as well as convenience for our customers and stakeholders."

SM Retail reported revenues of ₱139.2 billion, lower by 18 percent while net income was at ₱52.2 million from ₱5.7 billion the previous period.

Notable is the growth in food retail, particularly in store locations that are closer to residential

communities and provide a sustained supply of essentials.

In the first half, food retail revenues grew 15 percent with Alfamart posting an increase of 32 percent in revenues in the same period.

SM Prime Holdings, Inc. posted a consolidated net income of ₱10.4 billion, down 46 percent from ₱19.3 billion in the same period last year.

BDO Unibank, Inc. (BDO) recorded ₱4.3 billion in profits in the first half versus ₱20.1 billion in the comparable period last year as the bank booked total provisions of ₱22.4 billion in anticipation of potential delinquencies due to the COVID-19 pandemic.

China Banking Corporation (China Bank) posted ₱5.2 billion in net income in the first half of 2020, up 24 percent year-on-year despite ramping up provisions more than fourteen times to ₱4.8 billion.

MPIC income falls 38% to ₱5.3 B in H1

Metro Pacific Investments Corporation (MPIC) reported a 38 percent drop in consolidated core net income to ₱5.3 billion in the first half of 2020 from the ₱8.7 billion earned in the same period last year.

In an online press briefing, MPIC President Jose Ma. K. Lim said this is "owing largely to the economic contraction stemming from the Philippine Government's quarantines to contain the spread of COVID-19."

He said the quarantine reduced toll road traffic, mandated the suspension of rail services, and decreased commercial and industrial demand for water and power resulting in a decrease in contribution from operations of 31 percent.

Power accounted for ₱5.2 billion or 68 percent of net operating income; Water contributed ₱1.8 billion or 23 percent, and Tollroads contributed ₱0.9 billion or 12 percent. MPIC's other business, being mainly Hospitals, Rail, and Logistics incurred a loss of ₱236 million.

"We have come through a difficult first half in decent financial shape. I am pleased to say that our Board of Directors has decided to maintain our interim dividend unchanged from 2019 at 3.45 centavos per common share," said Lim.

He noted that, "The robustness of our operations, even in the depths of this crisis, reflects a decade and more of sustained capital investment that had been delivering continued expansion in our overall customer coverage up until the COVID-19 pandemic struck and the Government imposed quarantines to save lives."

"Our priorities for now are welfare of our people; service to our customers; cash preservation while supporting construction already in progress; and only then profitability," MPIC Chairman Manuel V. Pangilinan said.

He added that, "We are doing our best to support government as they grapple with balancing health management with the country's economic welfare. On health, we are adding more COVID-19 beds, and to reduce infection points we are pushing for 100 percent cashless toll collection as well as full digital metering."

"On economic recovery, we are proceeding with needed infrastructure projects where we can. This said, the second half of 2020 will likely see lower economic activity than in 2019 and continuing uncertainty on COVID-19 infection rates and related Government responses," Pangilinan said.

He noted though that, "In these circumstances and, in particular, the effect on Maynilad's trading and financial position after the changes proposed by the Government are officially transmitted to us, it is difficult to provide a preview of what the full year 2020 might look like." (James A. Loyola)

Philippine Stock Exchange August 5, 2020

Table with columns: HIGH, LOW, STOCKS, PAR VALUE, EPS, PREV. CLOSE, OPEN, HIGH, LOW, CLOSE, VOLUME, VALUE, PE RATIO. Lists various stocks like APC GROUP, EASYPAY, GOLDEN BRIA, etc.

Sectoral Summary

Table with columns: OPEN, HIGH, LOW, CLOSE, %change, Pt. change, VOLUME, VALUE. Lists sectors like FINANCIALS, INDUSTRIALS, HOLDING FIRMS, etc.

Companies Under Suspension by the Exchange as of August 5, 2020

Table listing companies under suspension: ASIA AMLGMATED, ABS CBN, ABS HLDG PDR, etc.

GLOBAL-ESTATE RESORTS, INC. NOTICE AND AGENDA OF THE ANNUAL STOCKHOLDERS' MEETING TO ALL STOCKHOLDERS: NOTICE IS HEREBY GIVEN that the 2020 Annual Meeting of Stockholders...

BSP REFERENCE EXCHANGE RATE BULLETIN AT-A-GLANCE

Table with columns: Convertible Currencies with Bangko Sentral, August 5/2020, Philippines, US, Japan, UK, Hongkong, Switzerland, Canada, Singapore, Australia, Bahrain, Kuwait, Saudi Arabia, Brunei, Indonesia, Thailand, U.A.E., Euro, Korea, China.