



Pryce 1H 2018 Net Income Up 22.34%

Pryce Corporation (PPC) posted a consolidated net income of Php 711.89 million for the first half of the year 2018, generating a 22.34% increase from last year's Php 581.90 million. Growth in the company's consolidated revenues drove the improvement in net income for the comparative period. PPC's gross revenue reached Php 4.83 billion, increasing by 14.18% increase compared to last year's figure of Php 4.23 billion. Sale of liquefied petroleum gas (LPG) accounted for 91.45% of the group's total revenue, while sale of industrial gases, real estate, and pharmaceutical products accounted for the balance.

LPG sales volume rose by 13.48% in the Visayas and Mindanao regions and 2.35% in Luzon. Collectively, sale of LPG grew by 6.96% for the first half of 2018, from 91,243 metric tons (MT) to 97,590 metric tons (MT). The growth in sales volume was achieved despite the rising LPG prices mainly because of the growing demand in fuel for household cooking. The average LPG contract prices, affecting LPG consumer behavior, increased to USD 515 per MT from last year's USD 477 per MT, or roughly about 8%.

Sale of real estate likewise contributed to the group's increase in revenue with a 166.6% growth due to the sale of office condominium units of Pryce Tower in Davao City. Other subsidiaries also posted positive growths: 10.1% increase for industrial gases and 47.09% increase for pharmaceutical products. Operating income registered a 46.86% increase, from last year's Php 555.40 million to Php 815.67 million, primarily due to the increase in revenue and efficient management of operating expenses.

The ongoing expansion projects on the company's marine-fed terminals and refilling plants nationwide are expected to encourage growth in LPG sales volume in the second half of the year as the LPG product becomes available over a wider area and brought even closer to the market dealers and consumers. Net income after tax at first half stands at Php 711.89 million, equivalent to Php 0.3229 earnings per share. All things considered, PPC remains positive that it will achieve a 15% increase in LPG sales volume in the all-important VisMin areas and consequently earn a projected net income of Php 1.5 billion (plus or minus 10%) for the year 2018.

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