BUSINESS & FINANCE

Mining Company Pledges to Maintain Payouts

By Rhiannon Hoyle

Evolution Mining has no plans to hoard cash and reckons its dividend policy is flexible enough to keep paying shareholders bumper returns amid a boom in gold prices, the Australian gold miner's chief executive officer said.

Sydney-based Evolution on Wednesday surprised investors with a record-breaking midyear payout, as the company benefited from a surge in gold and copper prices to records. Evolution reported a record first-half profit and a more than doubling in group cash flow to 608 million Australian dollars, equivalent to US$430 million.

Its interim dividend of 20 Australian cents a share was above market consensus of 17 Australian cents, and a sharp increase on its payout of 7 Australian cents a year earlier.

A number of analysts had expected a roughly 50% payout of group cash flow, in line with a year earlier and Evolution's policy of targeting around 50% of annual cash flow for shareholder returns. Instead, its first-half payout was roughly 67%.

Speaking in an interview following the results, CEO Lawrie Conway said Evolution isn't wedded to paying out 50% at the end of each half.

"We target 50%," he said. But "we're not fixed that it has to be 50%. We've got that flexibility."

RBC Capital Markets analyst Alex Barkley said the broker's dividend forecast for Evolution "assumes a 50% FCF [free cash flow] payout ratio, which aligns with EVN's historical practice."

Shares in the company closed 8.7% higher in Sydney.

Waldorf Is Up for Sale Again

Continued from page B1

able room of more than $450, according to data firm CoStar. Both those figures were all-time highs.

A Chinese reinsurance firm bought the 1,400-room Waldorf Astoria in 2014 for $1.95 billion, in one of the most expensive hotel sales ever. Additionally, the owners spent more than $2 billion.

The seller doesn't expect to get all its costs back on a sale, people familiar with the matter said. But with an expected billion-dollar-plus price tag, only a small cadre of potential buyers would be able to afford the flagship property for Hilton's Waldorf luxury brand.

Middle Eastern and Asian sovereign funds and other foreign governments could be potential buyers, according to people familiar with the matter. Qatari government funds already own the famed St. Regis Hotel and Plaza Hotel in Manhattan.

But a sale of the Waldorf would be part of a recent wave of Chinese property owners steadily pulling out of the U.S. market. Those sales have continued as political tensions with the U.S. intensified.

Anbang Insurance Group Chief Executive Wu Xiaohui bought the Waldorf Astoria hotel in 2014, as Chinese investors took advantage of new rules in China allowing them to more easily buy real estate and make other investments abroad. These buyers didn't mind paying top dollar, U.S. property analysts said, because they sought trophy buildings that would appreciate in value for years.

Wu was arrested by Chinese authorities and subsequently tried on charges of fraudulent fundraising and abusing his power. He is now believed to be serving an extended prison sentence. The Chinese government took over Wu's company and installed state-run Dajia Insurance Group to handle its assets, including the Waldorf. That meant government officials in Beijing were now in charge of the renovation.

TotalEnergies Slashes Buyback

Energy giant boosts cost-savings target as lower prices hit fourth-quarter profit

By Adam Whittaker

JULIEN DE ROSA/AFP/GETTY IMAGES

The company said it would target savings over the 2026-30 period of $12.5 billion, including $2.5 billion this year.

TotalEnergies said it would reduce stock buybacks and step up cost savings after lower oil prices hit its fourth-quarter results.

The French energy giant is looking to boost its output of both hydrocarbons and electricity while reining in expenses, at a time when major oil companies are positioning themselves for a period of weaker prices and greater investor scrutiny of their balance sheets.

TotalEnergies said on Wednesday that it would halve its quarterly buyback to $750 million, with planned repurchase shares valued at between $3 billion and $6 billion for the year as a whole. Last year, its buybacks totaled $7.5 billion.

The company previously warned it would slow the pace of its buybacks to retain flexibility amid economic and geopolitical uncertainty.

The move comes hot on the heels of BP's suspension of its buyback as part a broader turnaround plan to cut its high net debt. But Exxon Mobil and Shell recently said they aim to keep buying back stock at the same pace as last year, pointing to a schism in how big oil companies navigate the current environment.

TotalEnergies also said it would target savings over the 2026-30 period of $12.5 billion, including $2.5 billion this year. In September, it said the program would deliver savings of $7.5 billion over the same time frame.

For the three months ended Dec. 31, TotalEnergies' net profit fell 21% on the prior quarter to $2.91 billion. This compares with analysts expectations of $3.785 billion, according to a Visible Alpha consensus. Adjusted net profit was largely in line with expectations.

Adjusted earnings in its upstream unit declined 17% on quarter to $1.81 billion. Meanwhile, earnings in its integrated liquefied natural gas were boosted by the restart of its Ichthys plant in Australia, which offset the 5% decline in prices, it said.

Its downstream unit reported a 26% jump in adjusted earnings to $1.3 billion on a more than 30% increase in European refining margins.

TotalEnergies declared a final dividend of 0.85 euro a share, leading to a 5.6% increase in the full-year payout to 3.40 euros a share.

The company's fourth-quarter oil and gas production rose nearly 5% on year to 2.545 million barrels of oil equivalent a day.

TotalEnergies plans to grow its total energy production—consisting of oil, gas and electricity—by 5% over 2026.

Oil and gas production is forecast to rise 3% as it benefits from the start-up of projects in Brazil, Qatar and Algeria.

Electricity production is expected to grow by around 25% in 2026, aided by the completion of its deal to buy 50% of a portfolio of electricity assets owned by Energeticky a Prumyslovy Holding.

Over 2026, TotalEnergies expects to invest around $15 billion, including about $3 billion that will be mainly spent on its electricity unit.

Shares were up 2.7% in European trading.

SMIC CEO Sees Memory-Chip Shortage Easing

By Sherry Qin

The chief executive of China's largest contract chip maker said the semiconductor industry is "a bit panicked" about a memory-chip shortage driven by the artificial-intelligence boom.

The robust demand for memory chips by AI networks has squeezed the supply for other sectors, such as phones, particularly in the low-end market, **Semiconductor Manufacturing International Corp.** Co-Chief Executive Zhao Haijun said in a post-earnings call on Wednesday. He added that the crunch in supply could be amplified because of overbooking by manufacturers eager to lock in much-needed components.

AI demand has boosted memory prices by 80% to 90% from late 2025.

Memory prices have soared 80% to 90% from late last year, according to market researcher Counterpoint's data, driven by a sharp price increase in dynamic random access memory used in general-purpose servers.

The three companies that make more than 90% of memory chips—SK Hynix, Samsung and Micron—couldn't satisfy demand from AI systems while still supplying memory for such products as PCs and smartphones.

"For device manufacturers, this is a double whammy," Counterpoint analyst Jeongku Choi said, adding that rising component costs and weakened consumer purchasing power could slow consumer demand for electronic devices.

Foundries like SMIC have seen a decline in orders from these mid- to low-end phone makers, Zhao said, and even if they could pass on increased costs to consumers, it would still result in a decline in consumer demand.

However, Zhao cautioned that the shortage of memory chips is likely amplified by overbooking during this supply crunch.

"Everyone is a bit panicked," Zhao said. He added that more supply could come to market in nine months.

SMIC has told clients making consumer electronics not to be too pessimistic as the new supply could come from them first since memory chips for AI-related products such as high-bandwidth memory would need a longer and more-complicated verification process.

SMIC guided for flat revenue in the first quarter of 2026, compared with the previous quarter, and a gross margin between 18% and 20%.

SMIC's Hong Kong-listed shares fell 2.7% after management's cautious comment and guidance.