

Philippine Stock Exchange index (PSEi)

7,440.91 ▲ 68.66 PTS. ▲ 0.93%

TUESDAY, FEBRUARY 22, 2022
BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P860.00 —	ACEN AC Energy Corp. P8.86 +P0.27 +3.14%	AEV Aboitiz Equity Ventures, Inc. P63.00 +P1.80 +2.94%	AGI Alliance Global Group, Inc. P13.30 +P0.40 +3.10%	ALI Ayala Land, Inc. P39.50 -P0.20 -0.50%	AP Aboitiz Power Corp. P36.50 —	BDO BDO Unibank, Inc. P135.00 —	BPI Bank of the Philippine Islands P99.00 -P0.70 -0.70%	CNVRG Converge ICT Solutions, Inc. P26.90 —	EMP Emperador, Inc. P20.35 +P0.25 +1.24%
GLO Globe Telecom, Inc. P2,660.00 -P40.00 -1.48%	GTCAP GT Capital Holdings, Inc. P590.50 -P5.50 -0.92%	ICT International Container Terminal Services, Inc. P220.00 +P8.00 +3.77%	JFC Jollibee Foods Corp. P249.80 +P1.80 +0.73%	JGS JG Summit Holdings, Inc. P63.00 +P0.20 +0.32%	LTG LT Group, Inc. P9.10 -P0.15 -1.62%	MBT Metropolitan Bank & Trust Co. P60.75 +P0.75 +1.25%	MEG Megaworld Corp. P3.30 +P0.01 +0.30%	MER Manila Electric Co. P366.00 +P1.00 +0.27%	MPI Metro Pacific Investments Corp. P3.87 +P0.05 +1.31%
PGOLD Puregold Price Club, Inc. P36.05 -P0.60 -1.64%	RLC Robinsons Land Corp. P19.30 -P0.14 -0.72%	RRHI Robinsons Retail Holdings, Inc. P58.85 -P0.90 -1.51%	SECB Security Bank Corp. P118.00 +P0.60 +0.51%	SM SM Investments Corp. P895.00 +P35.00 +4.07%	SMC San Miguel Corp. P108.40 -P1.80 -1.63%	SMPH SM Prime Holdings, Inc. P39.85 -P0.05 -0.13%	TEL PLDT, Inc. P1,814.00 +P32.00 +1.80%	URC Universal Robina Corp. P125.00 +P0.30 +0.24%	WLCON Wilcon Depot, Inc. P28.25 +P0.05 +0.18%

STI Holdings reports P171-million profit as enrollees increase by 18%

STI Education Systems Holdings, Inc. generated a P171.09-million net income attributable to the parent firm in its second quarter ending Dec. 31, 2021 after the company saw an 18% increase in revenues.

STI Holdings' fiscal calendar starts July 1 and ends on June 30 the following year.

In a statement on Tuesday, the listed educational institution said it saw an 18% increase in overall enrollment to 82,629 students for the school year 2021 to 2022 from the 70,223 students

enrolled the previous school year. STI Holdings said it saw a 40% increase in tertiary enrollment to 56,342 students from 40,176 previously.

"The increase in our enrollment and in the number of COVID-19 (coronavirus disease 2019) vaccinations throughout the country are signs that the 'new normal' may be just in our midst," STI Holdings President and Chief Executive Officer Monico V. Jacob said.

According to a regulatory filing on Feb. 21, the P171.09-million profits

generated during the quarter are nearly double the P90.32 million logged in the same period last year. Total revenues grew 18% to P749.1 million from P632.42 million.

For the first six months, STI Holdings swung to profitability. The listed educational institution recorded a P56.85-million net attributable income, a turnaround from the P112.32-million loss in the same period in 2020.

Meanwhile, its earnings before interest, tax, depreciation, amortization

(EBITDA) for the period grew 37% to P419.1 million from P305.6 million last year. The company posted an 11% topline growth to P1.12 billion from P929.06 million.

STI Holdings said classes are still fully conducted online through the ONLINE and ONSite Education at STI (ONE STI) Learning model for the STI Education Services Group (STI ESG) and STI West Negros University, while iCADEMY uses the Guided Online Autonomous Learning (GOAL) program.

The company said its schools transitioned "seamlessly" as they had a blended learning model even before the pandemic hit.

STI ESG collaborated with the country's major telecommunications providers for monthly data plans and loads of up to 34 gigabytes, allowing students to access their electronic Learning Management System, Microsoft Office 365 accounts, One STI Student Portal app, among others.

Meanwhile, Bacolod-based STI WNU subscribed to online school manage-

ment software SchoolAutomate system by GTI Software Developer.

iCADEMY also upgraded its subscription to Adobe Creative Cloud-All Apps to accommodate more students.

"These technological enhancements are our ways of strengthening our commitment to help our students, faculty, and staff, not just survive, but thrive in days to come," Mr. Jacob said.

STI shares at the stock market closed unchanged at 35 centavos apiece on Tuesday. — **Keren Concepcion G. Valmonte**

CREIT climbs 11%, closes at P2.84 on market debut

By **Keren Concepcion G. Valmonte** Reporter

CITICORE Energy REIT Corp. (CRE-IT) finishes 11.37% higher on its first day at the Philippine Stock Exchange (PSE), closing at P2.84 apiece from its IPO price of P2.55.

The company's shares opened 9.02% higher to P2.78 per share.

"The issue climbed to as high as P2.94 during the first few minutes of trading, but eventually retraced and moved sideways above the P2.78 area," Timson Securities, Inc. Trader Darren Blaine T. Pangan said in a Viber message on Tuesday.

"Market participants may have decided to buy shares of CREIT amid the attractive dividend yields as well as the success of the previous REITs in the local scene," he added.

In a text message, COL Financial Group, Inc. First Vice-President April Lynn C. Lee-Tan added that the stock performed well "most likely because of [the] good outlook of solar [firms] and high yield."

The company is projected to have a dividend yield of 7% this year based on projected earnings and 7.4% by 2023.

"CREIT had a stellar debut today with many investors banking on its dependable income, stemming from guaranteed lease revenues from its properties plus a variable lease accruing to the firm based on 50% of the incremental revenue in excess of the agreed base revenue of each of the lessees," Regina Capital Development Corp. Head of Sales Luis A. Limlingan said in a separate Viber message on Tuesday.

PSE President and Chief Executive Officer Ramon S. Monzon said over 19,400 investors participated in CREIT's P6.4-billion initial public offering (IPO). The company deferred its listing to Feb. 22 from Feb. 17 due to "voluminous transactions arising from the huge number of retail and individual investors."

CREIT sold 2.509 billion shares for P2.55 apiece. It sold 1.05 billion primary common shares, while sponsor Citicore Renewable Energy Corp.

(CREC) sold 1.13 billion secondary shares and an overallotment of 327.27 million shares.

CREIT plans to use net proceeds from the IPO to purchase properties in Bulacan and South Cotabato.

These will be added to the company's renewable energy property portfolio, which includes the Clark property, Armenia property, Toledo property, Dalayap property, and the Silay property. The five properties are being leased to solar power plant operators under the Citicore group.

Sponsor CREC has 1,500 megawatts (MW) of pipeline projects to be built within the next five years, which will be infused into CREIT "in batches."

In a press briefing on Tuesday, CREIT President and Chief Executive Officer Oliver Y. Tan said CREC is "studying probably the first batch of around 120 MW to be infused as early as first quarter next year."

"It really took us several challenges, several sleepless and tireless nights just to make this happen because the structure of the REIT (real estate investment trust) law in the Philippines is really geared to real estate so we only really needed to make so many workarounds just to make the structure to be able to work," CREIT Chairman Edgar V. Saavedra said during the hybrid briefing.

CREIT is the first energy-themed REIT to list at the PSE. The company is the sixth REIT firm to brave the stock market, trailing five REITs with office and mixed-use assets in their portfolios.

"Everyone who wants to participate in the REIT finds our REIT law limiting [because] when the Congress enacted that REIT law, it was primarily for property REIT, for the typical office REIT," Mr. Tan told *BusinessWorld* at Shangri-La The Fort in Bonifacio Global City.

"So outside of that typical [model], like us, where our revenue really is from the sale of electricity, so because of the limitation of the REIT [law], a REIT company cannot recognize revenue outside of rental income. That's why we had to structure it such that the power company is selling elec-

tricity and paying lease to the REIT company to qualify, among others," he added in a mix of English and Filipino.

The company engaged BDO Capital and Investment Corp., PNB Capital and Investment Corp., Investment & Capital Corporation of the Philippines, Unicapital, Inc., CLSA Ltd., and CIMB Investment Bank Bhd as its underwriting syndicate.

By the end of the trading day on Tuesday, a total of 521.43 million CREIT shares worth P1.48 billion were traded. It currently has a free float level of 38.33% and a market capitalization of P16.69 billion.

According to Finance Secretary Carlos G. Dominguez III, CREIT's listing raises the total market capitalization of REITs at the stock exchange "to nearly P300 billion."

"The Philippine REITs now constitute 1.4% of our GDP (gross domestic product). This is just the beginning. This powerful financial instrument holds much promise to help boost our economic recovery," Mr. Dominguez said during the listing ceremony.

CREC'S CAPITAL SPENDING

Meanwhile, CREC has earmarked P3 billion this year for its existing projects' capital expenditure (capex) and up to P70 billion in the next five years for projects in its pipeline.

"For this year, we are targeting around P3 billion [for capex]," Mr. Tan, who also heads CREC, said in the press briefing.

He said this year's budget is intended for: Citicore Power, Inc.'s 25-megawatt-peak solar farm expansion in Silay City; the construction of the second phase of its 72-MW Arayat-Mexico power plant with AC Energy Corp; the installation of 6.64 MW solar rooftop systems in Bataan; and the completion of three projects in Batangas.

In 2021, the company spent P4 billion for capex projects. Its biggest budget of P10 billion was allotted in 2015 when it was racing to qualify for perks under the feed-in tariff system.

CREC is eyeing a P70-billion capex spread in the next five years to add 1,500 MW of renewable energy to its portfolio. — **with M.C. Lucenio**

PLDT says 11th data center to rise in Sta. Rosa, Laguna

THE PLDT group announced plans on Tuesday to build additional 100 megawatts (MW) of data center capacity, starting with a new hyperscale, telco-neutral, and purpose-built facility in Sta. Rosa, Laguna.

The project will be carried out by PLDT, Inc.'s information and communications technology arm ePLDT.

Prior to this project, PLDT has been serving the "unique requirements of hyperscalers" through the existing facilities, the group said in an e-mailed statement.

The group's 11th data center will rise in a five-hectare PLDT property in Sta. Rosa.

"The city is geographically ideal being 100 meters above sea level and far from liquefaction, earthquake, and other natural disaster risks. Sta. Rosa is also a highly developed industrial area accessible through three major highways," the group noted.

The project will be the "first of a series of hyperscale data centers totaling to a power requirement of 100 MW over the medium term," it added.

PLDT and Smart President and Chief Executive Officer Alfredo S. Panlilio said the group's data centers are being expanded "to accommodate the [growing] demand [and] to ensure that we are able to keep up and deliver future requirements."

In 2021, the group announced that it would start building a hyperscaler data center in the country this year. It targets to complete the project in 2024.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary Media-Quest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Arjay L. Balinbin**

Converge seeks better technologies to make internet safe for children

CONVERGE ICT Solutions, Inc. on Tuesday said it is increasing its investments in technologies that would ensure its services are safe from the online sexual abuse and exploitation of children.

"In the recent months, we invested a lot of money (over P100 million) to have substantial upgrades on our system to ensure that our network is safe against children sexual abuse," Converge Chief Technology Officer Ronald G. Brusola said during a virtual briefing.

"We will continue to invest more in latest and best technologies available to ensure that the internet service we are providing is safe. We will continue to partner with other organizations with the same goal of reducing sexual abuse and exploitation of children," he added.

Converge signed a memorandum of agreement with child rights protection group Stairway Foundation, Inc. to advance the cause of preventing the abuse of children online.

"More than curbing the consumption of OSAEC (online sexual abuse of children) content, the market for which is the West, we are making strides to ensure the creation of such content is stopped," Converge Strategy Officer Benjamin B. Azada said.

"Through programs of rights awareness and education, Converge can more actively contribute to child protection in a preventive, not just a palliative way," he added.

According to Stairway Foundation, the average age of children first going online is 10 years old. "With the basic education continuity plan of the Department of Education, the number may be much lower. They spend an average of two hours online. The internet is very much ingrained into children's lives today and we have to be aware of the greater risk involved," said Ysrael Diloy, Stairway Foundation child protection specialist.

Converge also introduced its own information and awareness campaign, "Undo Filter." The campaign aims to encourage Converge employees and third-party stakeholders to monitor their children's activities online.

The company said it has blocked 20,000 websites that host images and videos of child sexual abuse. — **Arjay L. Balinbin**

Singapore-based ADVANCE.AI eyes opportunities in PHL financial services

SINGAPORE-BASED artificial intelligence (AI) company ADVANCE.AI is targeting to onboard more clients from the Philippines, focusing on financial services, its newly appointed country manager for the Philippines said.

"These are the three main sectors we will be focusing on: FSIs (financial service institutions) in payments and remittance as well as lending; banks in traditional and digital; and fintech, specifically crypto, payments and remittance, and lending," ADVANCE.AI Country Manager Michael M. Calma told *BusinessWorld* in an e-mailed reply to questions. — **Arjay L. Balinbin**

FULL STORY

Read the full story by scanning the QR code or by typing the link <<https://qrgo.page.link/SU6b5y>>

Holcim ramps up waste management initiatives

HOLCIM Philippines, Inc. said it ramped up its waste management projects in 2021 and will sustain these efforts in the coming year.

Through its waste management unit, Geocycle, the company converted almost 200,000 tons of biomass and industrial and municipal wastes into alternative fuels and raw materials for cement production through co-processing.

Geocycle also partnered with the Department of Education, Calapan City local

government, and Oriental Mindoro's Federation of Parents-Teachers Association to host waste management awareness initiatives for students and families through webinars.

"Aside from our innovative building solutions, we are proud to help build progress in the country by helping partners in managing their wastes sustainably through our Geocycle and co-processing operations. We made huge strides in this area in 2021 and we are determined to build on these

further this year to help in making a Zero Waste Philippines a reality," Holcim Philippines President and Chief Executive Officer Horia Adrian said in a media release.

In September 2021, the cement provider completed storage and processing facilities at its Bulacan plant to increase usage of alternative fuels and raw materials in cement production.

"Using alternative fuels and raw materials in producing cement is a key focus of

Holcim Philippines to lower the carbon footprint and consumption of non-renewable resources in its operations. This is aligned with the goals of the global building materials leader Holcim Group to further make operations sustainable," the company said.

Holcim Philippines is a building solutions provider that utilizes qualified wastes such as non-recyclable plastics and biomass as alternative fuels in cement manufacturing through co-processing technology.

In the third quarter of 2021, Holcim Philippines' attributable net income increased by 9.1% or P669.3 million from P613.4 million in 2020.

From the January-September period of last year, attributable net income increased 124% to P2.3 billion from P1.02 billion the year before.

On Tuesday, company shares dropped P0.01 or 0.16% to close at P6.28 per share. — **Luisa Maria Jacinta C. Jocsom**