

Philippine Stock Exchange index (PSEi)

7,404.61

▲ 93.60 PTS.

▲ 1.28%

TUESDAY, MARCH 1, 2022

BusinessWorld

PSEI MEMBER STOCKS

| | | | | | | | | | |
|--|---|---|--|---|---|--|---|---|---|
| AC Ayala Corp. P859.00 +P9.00 +1.06% | ACEN AC Energy Corp. P8.41 -P0.09 -1.06% | AEV Aboitiz Equity Ventures, Inc. P62.00 +P2.10 +3.51% | AGI Alliance Global Group, Inc. P13.18 +P0.38 +2.97% | ALI Ayala Land, Inc. P39.00 --- | AP Aboitiz Power Corp. P35.45 -P0.55 -1.53% | BDO BDO Unibank, Inc. P132.60 +P3.40 +2.63% | BPI Bank of the Philippine Islands P98.50 -P1.50 -1.50% | CNVRG Converge ICT Solutions, Inc. P26.60 +P0.60 +2.31% | EMP Emperador, Inc. P19.34 +P0.02 +0.10% |
| GLO Globe Telecom, Inc. P2,586.00 +P18.00 +0.70% | GTCAP GT Capital Holdings, Inc. P586.00 +P8.00 +1.38% | ICT International Container Terminal Services, Inc. P218.00 +P7.40 +3.51% | JFC Jollibee Foods Corp. P240.00 -P1.00 -0.41% | JGS JG Summit Holdings, Inc. P61.00 +P0.70 +1.16% | LTG LT Group, Inc. P9.50 -P0.18 -1.86% | MBT Metropolitan Bank & Trust Co. P58.00 +P0.90 +1.58% | MEG Megaworld Corp. P3.26 +P0.06 +1.87% | MER Manila Electric Co. P368.00 --- | MPI Metro Pacific Investments Corp. P3.87 +P0.01 +0.26% |
| PGOLD Puregold Price Club, Inc. P36.30 +P1.15 +3.27% | RLC Robinsons Land Corp. P19.88 +P0.66 +3.43% | RRHI Robinsons Retail Holdings, Inc. P61.10 -P0.60 -0.97% | SECB Security Bank Corp. P116.00 -P0.70 -0.60% | SM SM Investments Corp. P947.00 +P55.00 +6.17% | SMC San Miguel Corp. P107.90 +P1.70 +1.60% | SMPH SM Prime Holdings, Inc. P39.40 -P0.40 -1.01% | TEL PLDT, Inc. P1,775.00 -P24.00 -1.33% | URC Universal Robina Corp. P121.20 +P1.20 +1.00% | WLCON Wilcon Depot, Inc. P29.00 -P0.25 -0.85% |

Airlines: Return to full capacity depends on demand

By Arjay L. Balinbin Senior Reporter

LOCAL airlines said they are still assessing demand before returning to full passenger capacity after the government lowered the lockdown in the capital region and 38 other areas to Alert Level 1.

"During this pandemic, we would operate at full capacity if flight booking is 100%," Philippine Airlines (PAL) Spokesperson Cielo C. Villaluna told *BusinessWorld* in a phone message on Monday.

"Passenger capacity per flight is dependent on demand," she added.

For its part, budget carrier Cebu Pacific said the situation "remains fluid."

"We cannot say for sure yet, but we will continue to monitor as we do all possible to prepare for the expected increase in demand for air travel," the airline said in a statement to *BusinessWorld*.

Meanwhile, Philippines AirAsia said the airline follows the rule of the airport of destination.

"This is the case with destinations like Bacolod and Iloilo. However, if our destination LGU (local government unit) falls under Alert Level 1, we will implement 100% full capacity," it said in a statement.

Under the guidelines released by an interagency task force, public transportation in areas under Alert Level 1 will be at full seating capacity.

Public travels between an area with a higher alert level classification and an area under Alert Level 1 will be limited to the capacity of the area at higher risk.

Air, sea and rail public transport in and out of areas under the first alert level will operate at full capacity.

Flag carrier PAL said its safety protocols remain the same.

"The highest standards of safety continue to be observed on each and every flight. Our cabin crew frontliners continue to wear full PPE (personal protective equipment) throughout the journey," it said in a statement on Tuesday.

"The requirement for passengers to wear face masks and face shields in-flight (except during meals) remains in place.

Our HEPA (high-efficiency particulate absorbing) filters cleanse cabin air of bacteria and viruses while disinfection of aircraft surfaces is carried out after every flight. Our flight and cabin crew teams are fully-vaccinated," it added.

Meanwhile, low-cost carrier Philippines AirAsia said it is gearing up for a "stronger travel demand" this summer.

The shift to Alert Level 1 is expected to "entice more people to travel, especially that all AirAsia destinations are now accepting vaccination cards for fully inoculated travelers," the airline said in a statement on Tuesday.

"Partially vaccinated guests will also be accepted but subject to LGU travel requirements such as antigen tests," it noted.

At the same time, Cebu Pacific announced on Tuesday that fully vaccinated travelers from the Philippines may now travel to Singapore for leisure starting March 3 and that they no longer need to quarantine upon arrival, following the extension of the vaccinated travel lane to the country by the Civil Aviation Authority of Singapore.

PAL negotiating \$100-million loan

PHILIPPINE Airlines' (PAL) listed operator PAL Holdings, Inc. said on Tuesday that the airline is "in the process of negotiating an additional \$100-million, three-year term loan from international lenders."

"As at the date of emergence from Chapter 11, PAL had a cash balance of \$391 million," it noted.

The listed company's shareholders had approved last year the increase in capital from P13.5 billion to P30 billion.

PAL Holdings said it is preparing for the stock swap to be offered to the new shareholders of the airline.

The airline will file an application for equity restructuring with the Securities and Exchange Commission, specifically to partially wipe out its deficit as of Dec. 31 "using the reduction surplus generated upon its decrease of capital in December 2021," the listed company noted.

"Ownership in [the airline] is expected to increase to 100% upon approval of [PAL Holdings'] application for increase in capital to P30

billion where creditors holding 20% of the capital stock of [the airline] shall have exchanged their shares for [PAL Holdings'] shares."

Before the Chapter 11 filing, the flag carrier had around 91 operating aircraft. It had approximately \$6.07 billion in long term liabilities.

"As of 1 Jan. 2022, [the airline] emerged from Chapter 11 having reduced its fleet by 20 aircraft and its financial liabilities by \$2.1 billion," PAL Holdings noted.

"The returned aircraft represent approximately 30% of [the airline's] passenger capacity which not only coincides with the reduced passenger demand, but also contributed to reduced fleet cost," it added.

At the same time, PAL Holdings noted that the combination of reduction in aircraft capacity, indebtedness, staffing levels and other cost-cutting initiatives has reduced the airline's monthly fixed costs by around \$36 million, compared to 2019 fixed cost levels. —

Arjay L. Balinbin

SEC may start monitoring unit to guard LGUs from rackets

By Keren Concepcion G. Valmonte Reporter

THE Securities and Exchange Commission (SEC) is looking to launch a monitoring group to prevent scamming activities at the local government unit (LGU) level.

In an e-mailed response to questions, the SEC said it is planning to put up an Anti-Scam Task Group or the so-called "ASTIG" Network.

"This will help the SEC stop unauthorized investment-taking activities and fraudulent schemes at the community level," the SEC Office of the Commission Secretary said on Monday.

BusinessWorld reached out to the regulator after Masahiko Ferrer Tanaka brushed off the SEC's advisory to warn the public against investing in Mr. Tanaka's Global Booking Hub/GBH/Easy Money Vlogs.

In its Feb. 8 advisory, the SEC said Global Booking Hub is involved in delivery services and foreign exchange. The commission warned the public against investing in its Tora (TRA) token and its "Booking Loads" Plan, among its other investment programs.

Mr. Tanaka, in a Facebook Messenger chat, said that the advisory was true but claimed that the commission does not have complaints because the warning was merely a *pakulo* or a gimmick.

However, the SEC maintained that Global Booking Hub is not licensed to solicit investments. The SEC said it is not registered "and therefore cannot secure the necessary license to offer/sell securities to the public, in accordance with Republic Act No. 8799, or the Securities Regulation Code."

"The advisory was issued to prevent further harm to the public, by serving as a warning against dealing with/investing in the said entities," the SEC Office of the Commission Secretary said.

As of end-February, the commission has issued 34 advisories against entities offering unlicensed investment programs to the public, some of which have been identified by the regulator to be similar to pyramiding schemes and Ponzi schemes.

"The SEC continues to strengthen its investor protection programs through the conduct of webinars and information campaigns that seek to improve the public's financial literacy and ability to spot investment scams," the SEC Office of the Commission Secretary said.

Ayala Land Q4 income up 56%; 2022 outlook positive

AYALA Land, Inc. (ALI) recorded a 54% increase in net income to P3.6 billion net income in the fourth quarter after revenues inched up 2% to P33.5 billion quarter on quarter.

"Our focus in 2021 was to ensure we provided the right environment in our communities for our residents, businesses, and institutional locators to adapt and function better while executing our business recovery plans," ALI President and Chief Executive Officer Bernard Vincent O. Dy said in a disclosure to the exchange on Tuesday.

The company said its operations remained resilient despite the pandemic. Property development revenues went up 40% quarter on quarter to P24.4 billion.

Meanwhile, commercial leasing revenues climbed 35% to P6.4 billion. The growth was driven by improved shopping center revenues at P3 billion, 101% better than the previous quarter and a 106% growth from the same period in 2020.

Hotels and resorts revenues also climbed to P981 million, a 55% growth from third-quarter results and 62% year on year.

For 2021, ALI scored a 40% net income after taxes attributable to equity holders, generating P12.23 billion from P8.73 billion in 2020. Its total revenues also grew 10% to P106.14 billion from P96.27 billion a year ago.

The company's property development revenues for the year were propelled by its fourth-quarter performance, going up 14% to P75.94 billion in 2021 from P66.64 billion in 2020.

Sales reservations for the year rose 13% to P92.2 billion due to the "solid demand" seen in Ayala Land Premier and Alveo lots in Southern Luzon, with fourth-quarter sales growing 5% year on year to P22.1 billion.

The company reported its lot sales reservations surged 36% to P41.5 billion in 2021.

ALI launched 22 residential projects collectively worth P75.3 billion last

year, seven times more than the projects launched in 2020.

Meanwhile, commercial leasing revenues inched down 5% year on year to P20.6 billion. Malls, hotels, and resort operations were limited as the country continued to impose pandemic restrictions.

Revenues from shopping centers went down 13% to P7.92 billion from P9.06 billion in 2020, while earnings from hotel and resorts operations declined 12% to P2.83 billion from P3.21 billion.

However, the company saw a 5% growth in office leasing revenues to P9.88 billion from P9.41 billion, owing to the operations of business process outsourcing (BPO) and corporate companies.

ALI's capital expenditure (capex) amounted to P64 billion in 2021, the majority or 52% of which was spent on residential projects, 17% on land acquisition, 15% on commercial projects, and 14% on estate development.

"As the economy moves to full reopening in 2022, we look forward to the acceleration of our business activity backed by our land bank, diversified portfolio, and market-leading estate developments," Mr. Dy said.

ALI remains "very positive" in its outlook this year for all its business segments, it announced in an analysts' briefing on Tuesday.

The company is planning to launch projects worth P100 billion this year. It is also looking at more estate developments after the pandemic "highlighted" the benefits of "estate living."

For 2022, the company has earmarked P90 billion for its capex. Of the budget, 49% will be allocated for residential developments, 19% for land acquisitions, 18% for estate developments, 5% for malls, 2% for offices, 2% for hotels and resorts, and a remaining 5% for other plans.

ALI shares at the stock market closed unchanged at P39 per share on Tuesday. —

Keren Concepcion G. Valmonte

Robinsons Retail's 4th quarter income doubled to P1.8 billion

ROBINSONS Retail Holdings, Inc. (RRHI) doubled its profit in the fourth quarter as the company saw increased consumer spending during the holidays.

In a disclosure to the exchange on Tuesday, RRHI said it saw a 114% growth in net income attributable to parent to P1.77 billion from P825 million in the same quarter in 2020.

"The positive performance in the last quarter of 2021 shows how we came together as a company with unwavering dedication, amid the continued challenges of COVID-19 (coronavirus disease 2019) throughout the year," RRHI President and Chief Executive Officer Robina Y. Gokongwei-Pe said.

RRHI's net sales posted a 7% growth to P44.4 billion from P41.49 billion year on year. The company said its sales were "propelled" by the increased spending amid the holiday season on top of the easing of pandemic restrictions in Metro Manila.

The company said its e-commerce sales surged by three times compared with the fourth quarter in 2020. E-commerce sales made up for 3.9% of its total sales.

RRHI recorded a same-stores sales growth of 2.3%, boosted by the "strong performance" of its drugstore, department store, convenience store, and specialty store segments.

Its "strong" fourth-quarter performance also improved full-year results. The company's net income attributable to parent climbed 39.2% for the year ending 2021, generating P4.48 billion from P3.22 billion the previous year.

RRHI's net sales in 2021 also inched up 1.5% to P153.33 billion from P151.07 billion.

"We entered 2022 driven by our constant goal to remain focused on our customers' needs," Ms. Gokongwei-Pe said.

"We look forward to reinvigorated business activity as alert levels fall due to better responses to the pandemic, while the nation forges ahead with a clearer path towards a more open economy," she added.

RRHI shares at the stock exchange declined 0.97% or 60 centavos to close at P61.10 per share. —

Keren Concepcion G. Valmonte

Alliance Global to infuse nearly P8B in entertainment, hotel segment

ALLIANCE Global Group, Inc. (AGI) will infuse P7.8 billion in Travellers International Hotel Group, Inc.'s increase in paid-up capital.

"The infusion of fresh capital to augment the working capital of Travellers will afford AGI's entertainment and hotel business the opportunity to keep current with its obligations and catch the window of business recovery with the easing of COVID-19 (coronavirus disease 2019) restrictions," AGI told the exchange on Tuesday without discussing further.

Travellers is the developer and operator of Resorts World Manila.

For the third quarter in 2021, Travellers' gross revenues climbed 36% year on year to P5 billion. It generated P4.9 billion in gross gaming revenues, while hotel revenues surged 77% after its occupancy rate hit 79% of pre-pandemic levels.

Travellers logged a P1.9-billion net income for the first nine months of 2021, reversing its P5.4-billion loss seen the previous year. Revenues climbed 28% to P14.8 billion.

AGI shares at the stock exchange went up 2.97% or 38 centavos on Tuesday, closing at P13.18 per share. —

Keren Concepcion G. Valmonte

SunAsia challenges Terra Solar's 850-MW offer to Meralco

RENEWABLE energy company SunAsia Energy, Inc. on Monday said it had submitted a letter of intent as a response to the "intimidating" bid invitation of Manila Electric Co. (Meralco) for 850 megawatts (MW) of mid-merit power supply for 20 years.

"For the first time, a community of solar developers and independent power producers broke free from their traditional mindset and decided to pool their resources and share talents to offer the largest utility company a green solution for 2026," SunAsia President Tetchi C. Capellan said in a statement. —

Marielle C. Lucenio

FULL STORY



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