Holcim profit up 24% to P2.6 billion

HOLCIM Philippines, Inc. on Tuesday reported that its net profit in 2021 was up 24.2% to P2.6 billion even with the "market pressures" it faced last year.

"Despite market pressures brought by the pandemic, weather disturbances that impacted the continuity of construction activities, and surges in energy and fuel prices, our company was able to deliver strong profit growth in 2021 from 2020," Horia Adrian, president and chief executive officer of Holcim Philippines, said in a statement.

Operating earnings before interest and taxes grew by 29.3% year on year to P3.6 billion due to the company's "sustained focus on operational efficiency and cost management."

Net sales rose by 3.6% to P26.9 billion on improved volumes and prices given the modest recovery of construction activity.

In the fourth quarter of 2021, operating earnings before interest and taxes fell 49% to P481.3 million from P943.4 million while net sales dropped 5.6% to P6.8 billion from P7.2 billion, due to softer market demand and higher costs of energy and fuel from external developments.

"We are excited to further raise performance and deliver more positive impact through strategies and initiatives anchored on cost mindfulness, operational excellence, innovation, and sustainability. These are the foundations that enable us to continue growing profitably and contributing to the country's development with our innovative building solutions and sustainability programs," Mr. Adrian said.

Holcim Philippines said it is "well positioned to capture market opportunities through driving innovation on products and solutions."

The building solution company said it is ramping up sustainability initiatives to "further improve business performance and make operations more respectful to the environment and beneficial to society."

It launched Holcim Aqua X, a water-repellent cement that protects structures against excess moisture.

In November, the company launched Holcim ECOPlanet, a "green" general purpose blended cement ideal for structural applications that lowers the carbon footprint of buildings. It also has 30% lower carbon footprint than ordinary Portland cement.

The company also signed an energy purchase agreement that will make Holcim Philippines the first cement manufacturer in the country to be solar-powered.

At the stock exchange on Tuesday, Holcim Philippines shares went up by 1.10% or P0.06 to close at P5.51 apiece. — **Luisa Maria Jacinta C. Jocson**

ACE Enexor sets 74M follow-on offering of shares

ACE Enexor, Inc. (ACEX) on Tuesday said its board of directors had agreed to issue more shares to the public through a follow-on offering.

In a disclosure submitted to the exchange, the oil and gas exploration company said that on March 21, its executive committee, by the authority of its board of directors, approved its plan to conduct a follow-on offering of 74 million shares priced at P10 to P11.84 apiece.

The Ayala-led firm is also set to resume its drilling activities in Service Contract (SC) 55 exploration block, which spreads across 9,880 square meters in the West Philippine Sea off the coast of Palawan.

In a separate disclosure filed earlier, the company said the Energy department cleared Palawan55 Exploration & Production Corp., its joint venture with Pryce Gases, Inc., to proceed with its updated Cinco-1 drilling proposal, oil spill contingency plan, and health, safety, and environment plan.

ACEX holds 75% of Palawan55, while Pryce Gases has 25%. The company said it would begin drilling the appraisal well around April 2023, one year before the expiration of the government agency's force majeure period on SC 55.

In February, ACEX and parent company AC Energy Corp. (ACEN) amended their deal, changing ACEN's ownership percentage to 89.78% from 89.96% of ACEX's capital stock.

The transaction, which was executed on Jan. 31, transferred ACEN's rights and interests in five energy assets including Palawan55 to the exploration company.

Shares in ACE Enexor at the local bourse slipped P1.95 or 8.5% to close at P21 apiece on Tuesday. — **Marielle C. Lucenio**

North Star files P4.5-billion IPO

MEAT retailer North Star Meat Merchants, Inc. announced on Tuesday that it had filed a registration application with the Securities and Exchange Commission (SEC) for an initial public offering (IPO).

The market listing, subject to approval, will allow investors to acquire up to 25% of the company's 1.8 billion outstanding shares after the offer. The shares will be offered at a price of up to P10 each, bringing the IPO size to P4.5 billion.

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"With increasing demand for fresh and frozen protein, we are keen on accelerating the growth and reach of the company to consistently provide safe, quality, and affordable meat for everyone," North Star Founder and Chief Executive Anthony Ng said in a statement.

"We remain steadfast in our commitment to support the country's goal to achieve food self-sufficiency and security while creating value for our shareholders," he added.

North Star plans to hold the offer period in June 2022 and expects to net approximately P3.5 billion from the sale of primary shares.

The IPO will include the offer and sale of up to 392 million common shares, consisting of 360 million primary shares and 32 million secondary shares, and an over-allotment option of up to 58 million secondary common shares that will be used for the price stabilization activities if the same will be undertaken.

In 2021, the company recorded P9.28 billion in sales, with a compound annual growth rate (CAGR) of 39.7% since 2019.

North Star said it was planning the IPO to "accelerate the expansion of its end-to-end cold chain infrastructure and operations."

"In addition, [we are] looking to expand their financial muscle in order to keep up with the growth of their key retail partners SM Markets and WalterMart Group, and prepare for future potential retail partners," it added.

The company tapped BDO Capital & Investment Corp. to be the sole issue manager, and with China Bank Capital Corp., will act as the joint lead underwriters and bookrunner.

"We expect there to be strong interest for this IPO given North Star's unique focus on the country's meat sector and food security, its established and longstanding relationships with retail giants such as the SM group and its unmatched scale of operations," BDO Capital President Eduardo V. Francisco said.

North Star expanded its cold storage facility in Bulacan and opened a cold storage facility in Cebu, increasing its maximum storage capacity to 8 million kilos from 2.1 million kilos.

"North Star believes that it is well-positioned to take advantage of a young and growing meat consuming population. An increase in purchasing power translates to an increase in meat consumption per capita," Mr. Ng said.

"Due to the pandemic, we believe that consumers have now become more health and safety conscious, affecting what they consume and where they purchase their food. North Star stands to benefit from this change in consumer behavior by being available in 360 supermarkets and 1,251 convenience stores nationwide," he added. — **Luisa Maria Jacinta C. Jocson**