

Philippine Stock Exchange index (PSEi)

7,167.02

▲51.93 PTS.

▲ 0.73%

WEDNESDAY, MARCH 30, 2022

BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P813.00 +P27.00 +3.44%	ACEN AC Energy Corp. P8.53 +P0.14 +1.67%	AEV Aboitiz Equity Ventures, Inc. P58.60 -P0.40 -0.68%	AGI Alliance Global Group, Inc. P12.40 -P0.04 -0.32%	ALI Ayala Land, Inc. P35.60 +P0.35 +0.99%	AP Aboitiz Power Corp. P35.70 +P0.75 +2.15%	BDO BDO Unibank, Inc. P133.00 +P1.00 +0.76%	BPI Bank of the Philippine Islands P98.50 -P1.50 -1.50%	CNVRG Converge ICT Solutions, Inc. P29.80 +P0.60 +2.05%	EMP Emperador, Inc. P14.38 -P0.02 -0.14%
GLO Globe Telecom, Inc. P2,580.00 —	GTCAP GT Capital Holdings, Inc. P546.00 +P19.00 +3.61%	ICT International Container Terminal Services, Inc. P222.00 +P6.00 +2.78%	JFC Jollibee Foods Corp. P224.00 +P3.40 +1.54%	JGS JG Summit Holdings, Inc. P61.30 +P1.10 +1.83%	LTG LT Group, Inc. P8.90 +P0.12 +1.37%	MBT Metropolitan Bank & Trust Co. P55.65 +P1.25 +2.30%	MEG Megaworld Corp. P3.06 +P0.06 +2.00%	MER Manila Electric Co. P368.20 -P2.80 -0.75%	MONDE Monde Nissin Corp. P13.88 +P0.14 +1.02%
MPI Metro Pacific Investments Corp. P3.80 +P0.05 +1.33%	PGOLD Puregold Price Club, Inc. P35.85 +P0.35 +0.99%	RLC Robinsons Land Corp. P20.50 +P0.50 +2.50%	SECB Security Bank Corp. P111.00 -P1.00 -0.89%	SM SM Investments Corp. P898.00 +P2.00 +0.22%	SMC San Miguel Corp. P109.80 -P0.20 -0.18%	SMPH SM Prime Holdings, Inc. P37.90 -P0.05 -0.13%	TEL PLDT, Inc. P1,840.00 -P1.00 -0.05%	URC Universal Robina Corp. P119.00 -P2.00 -1.65%	WLCON Wilcon Depot, Inc. P26.25 +P0.10 +0.38%

D&L Industries' earnings up 31% on exports growth

D&L Industries, Inc. on Wednesday reported a net income of P2.6 billion last year, up 31% from a year earlier, driven by increased economic activity and growth in the food ingredient maker's export business.

"Our business faced incredible challenges during the pandemic. Now emerging two years later on a better footing both operationally and financially, with our earnings already back to pre-COVID levels, we feel that the company has not only proven but also strengthened its resilience," D&L President and Chief Executive Officer Alvin D. Lao said in a statement.

He added that while the company is cautiously optimistic about the pandemic's tailend, "we remain focused on our core competencies, ready to ride another wave of volatility brought about by recent geopolitical uncertainties."

In the fourth quarter, earnings fell 25% to P480 million from P637 million in 2020, as margins dropped due to the lag in pass-through prices.

In its disclosure, the company said the rapid increase in commodity prices during the quarter and the tailend effect of the surge of the Delta virus variant "tempered" D&L's consecutive quarters of earnings growth.

"With a lower COVID alert level in place and continued decline in new cases in the country, the company sees a build-up in momentum and renewed business optimism for further recovery," it added.

D&L reported that prices of some of its key raw materials, including coconut and palm oil, surged in the past couple of months.

Average year-to-date prices of coconut oil and palm oil were up 23%, coming from over 60% year-on-year increases for both commodities in 2021.

"While D&L is able to adjust its selling price regularly to reflect higher input prices, there is a time lag of 30-45 days before the company can fully pass on price changes. As such, in an environment of rapid price increases, temporary margin contraction is possible. However, management sees this as temporary and expects margins to recover once commodity prices start to stabilize," it said.

Meanwhile, the volume of high-margin specialty products (HMSP) grew 13% in the fourth quarter due to the eased quarantine restrictions.

"Had it not been for the lower margins due to the sharp increase in commodity prices, higher HMSP volumes would have resulted in meaningful earnings growth in the fourth quarter. Looking ahead, while the soaring commodity prices may weigh on volume recovery, the company sees the continued reopening of the economy to help fuel demand and offset potential weakness," D&L said.

Exports, which accounted for 33% of total revenues, jumped 62% to P10.2 billion in 2021 and were up 81% in the fourth quarter.

Of the exports, coconut-based products under food and oleochemicals were the main drivers behind the growth.

"Coconut oil continues to gain traction in the global market due to its perceived natural antiviral, antibacterial, and antifungal properties. In addition, coconut oil remains a valued, sustainable substitute for petroleum-based raw ma-

terials used in many applications such as personal hygiene and home cleaning products. Going forward, the company expects its foothold in coconut oil-based exports to strengthen, which should offset some of the weakness in the domestic market in the near term," D&L said.

The holding company is currently expanding its Batangas facility, which is expected to begin commercial operations in January 2023.

To accommodate additions and upgrades to the original plan for the facility, D&L increased the budgeted capital expenditures (capex) to P9.1 billion from P8 billion. The company had spent around P6.2 billion for the project as of end-December.

In September, the company executed its maiden bond offering, raising P5 billion to help fund the remaining capex for the expansion.

The facility will cater to D&L's growing export businesses in the food and oleochemicals segments, by allowing the company to manufacture downstream packaging.

"This means that D&L will have the ability to process the raw materials and package them closer to finished consumer-facing products. This will enable D&L to move a step closer to its customers by providing customized solutions and simplifying their supply chain, which is of high importance given ongoing logistical challenges," the company said.

D&L said it is also ramping up its sustainability measures through research and development.

"In the global scene, D&L is seen as an advocate for sustainable products derived from sustainable materials

such as coconut oil, given its extensive technical know-how and wide array of product offerings," the company said.

Its Batangas plant will be designed with sustainable infrastructure and operations with sustainable products in mind.

The company offers various sustainable products such as plant-based replacements for dairy and animal-derived ingredients, biodiesel that is a more environment-friendly substitute for fossil fuels, coconut oil-based natural and organic raw materials for home and personal care products, organic fertilizers, and even sustainable packaging materials.

"As the world shifts toward a more sustainable consumption, D&L plans to continue to play on its strengths and develop more products designed to better lives while being kind to the planet. The company sees this trend as the next leg of growth and sees the next decade as transformational for the company," the company said.

"Nonetheless, while 2022 won't be without difficulties, we continue to pursue areas of opportunities that will bring the next leg of growth for the company. With coconut oil continuing to gain traction globally as a natural and sustainable substitute to many petroleum-based raw materials, we plan to further capitalize on this by entering more export markets and by using our research and development expertise to introduce more highly specialized, coconut-oil based products," Mr. Lao said.

At the stock exchange, D&L shares went up by 0.77% or P0.06 to close at P7.85 apiece on Wednesday. — **Luisa Maria Jacinta C. Jocson**

Manulife

Single Pricing Investment Funds of Variable Life Insurance Contracts

Fund	Unit Price			
	Current Week	March 29, 2022	Previous Week	March 22, 2022
Peso Secure Fund	1.692	1.692	1.691	
Peso Diversified Value Fund	1.893	1.893	1.882	
Peso Growth Fund	2.995	2.995	2.923	
Peso Dynamic Allocation Fund	1.031	1.031	1.015	
Peso Target Distribution Fund	0.806	0.806	0.798	
Peso Cash Fund	1.016	1.016	1.016	
Peso Wealth Optimizer 2026 Fund	0.957	0.957	0.944	
Peso Wealth Optimizer 2031 Fund	0.926	0.926	0.909	
Peso Wealth Optimizer 2036 Fund	0.919	0.919	0.898	
Powertouch Fund	0.881	0.881	0.858	
Emperador Fund	0.910	0.910	0.887	
USD Secure Fund	1.582	1.582	1.592	
USD Asia Pacific Bond Fund	1.093	1.093	1.101	
USD Global Target Income Fund	0.826	0.826	0.824	
USD ASEAN Growth Fund	1.570	1.570	1.551	
USD Asia Pacific Property Income Fund	0.943	0.943	0.935	
PMP Asia Pacific Property Income Fund	0.920	0.920	0.917	
PMP Tiger Growth Fund	0.694	0.694	0.628	
USD Tiger Growth Fund	0.631	0.631	0.628	
PMP Global Preferred Securities Income Fund	0.998	0.998	1.007	
USD Global Preferred Securities Income Fund	0.912	0.912	0.917	
PMP US Growth Fund	1.117	1.117	1.109	
USD US Growth Fund	1.003	1.003	0.992	

These investment funds are specific to variable life insurance contracts and are not considered mutual funds. Life insurance products are regulated by the Insurance Commission.

Manulife

Dual Pricing Investment Funds of Variable Life Insurance Contracts

Fund	Unit Bid Price			
	Current Week	March 29, 2022	Previous Week	March 22, 2022
Peso Bond Fund	2.879	2.879	2.876	
Peso Stable Fund	2.866	2.866	2.849	
Peso Equity Fund	2.235	2.235	2.182	
Peso Balanced Fund	1.054	1.054	1.037	
Peso Target Income Fund	0.822	0.822	0.814	
U.S. Dollar Bond Fund	2.258	2.258	2.273	

Fund	Unit Offer Price			
	Current Week	March 29, 2022	Previous Week	March 22, 2022
Peso Bond Fund	2.923	2.923	2.920	
Peso Stable Fund	2.910	2.910	2.892	
Peso Equity Fund	2.269	2.269	2.215	
Peso Balanced Fund	1.070	1.070	1.053	
Peso Target Income Fund	0.835	0.835	0.826	
U.S. Dollar Bond Fund	2.292	2.292	2.308	

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Manulife China Bank

Dual Pricing Investment Funds of Variable Life Insurance Contracts

Fund	Unit Bid Price			
	Current Week	March 29, 2022	Previous Week	March 22, 2022
Peso Bond Fund	1.996	1.996	1.995	
Peso Stable Fund	1.900	1.900	1.889	
Peso Equity Fund	2.018	2.018	1.969	
Peso Target Income Fund	1.042	1.042	1.025	
U.S. Dollar Bond Fund	1.634	1.634	1.643	

Fund	Unit Offer Price			
	Current Week	March 29, 2022	Previous Week	March 22, 2022
Peso Bond Fund	2.026	2.026	2.025	
Peso Stable Fund	1.929	1.929	1.918	
Peso Equity Fund	2.049	2.049	1.999	
Peso Target Income Fund	1.058	1.058	1.041	
U.S. Dollar Bond Fund	1.659	1.659	1.668	

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Tax court sides with financial holding firm in case vs BIR

THE Court of Tax Appeals (CTA) has granted the appeal of New York Bay Philippines, Inc. or NYB Philippines to reconsider the refund of its unused input value-added tax (VAT) traced to zero-rated sales for the four quarters of 2015.

In a resolution on March 24, the CTA en banc denied the claim of the commissioner of internal revenue (CIR) to deny the appeal and remanded the petition for review to the CTA First Division to decide on the proper refundable amount.

The petitioner is a financial holding company primarily engaged in credit intermediation and related activities.

Under the law, respondent CIR has the authority to decide,

approve and grant claims for a tax refund.

The company asked the court to reverse the decision that partially granted P9.6 million of its unutilized input VAT for the four quarters of 2015. It asked the CTA en banc to refund the remaining P37.3 million of the original P46.8 million of excess VAT.

The previous ruling of the CTA division said that the company failed to prove that the services rendered

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to TF International, one of its foreign clients, were not in the same category as "processing, manufacturing or repacking of goods," and services rendered were not "performed" in the Philippines. — **John Victor D. Ordoñez**

Benguet Corp. earnings jump on high metal prices, better market

LISTED mining firm Benguet Corp. reported on Wednesday that its net income climbed more than three times to P1.4 billion in 2021 from the previous year's P381 million due to strong metal prices and favorable market conditions.

"The substantial growth was largely driven by higher demand for raw materials as global economies recover from the pandemic. Clearly, despite restrictive quarantine and strict adherence to minimum health protocols, the company remained focused on its production targets and business goals," the company said in a disclosure.

Revenues more than doubled to P3.8 billion in 2021 from P1.6 billion previously while operating income quadrupled to P1.6 billion from P340 million.

Nickel operations under BenguetCorp Resources Management Corp. accounted for 72% of the revenue, followed by gold operations at 25% while lime operations and the healthcare business at 3%.

Benguet Corp. is engaged in mining and mineral exploration, producing gold, silver,

nickel ore and limestone. The company primarily operates mining projects in Benguet and Zambales.

Over the years, it invested in the development of the Balatoc tailings project and Surigao coal project. It continues to hold interest in the various projects, namely: Acupan gold, Ampucao gold-copper, Pantangan gold, Benguet oreline contract operation, and the Ilocos Norte and the Kalinga financial or technical assistance agreement (FTAA) prospects.

It also ventured in other businesses, including healthcare and diagnostics services through BenguetCorp Laboratories, Inc.; mining logistics through Arrow Freight Corp.; trading of industrial equipment and supplies through Benguetrade, Inc.; port services through Keystone Port Logistics and Management Services Corp.; and real estate development and lime production through BMC Forestry Corp.

At the stock exchange, Benguet Corp. shares surged 4.68% or 29 centavos to finish at P6.49 each on Wednesday. — **Luisa Maria Jacinta C. Jocson**

AboitizPower, IFC study renewables for baseload power

ABOITIZ Power Corp. on Wednesday said it had partnered with International Finance Corp. (IFC) to study the potential of renewable energy (RE) to generate baseload power for a "more reasonably priced" electricity.

"We eagerly look forward to learning about how we can generate baseload power that is technically and financially feasible and also scalable," AboitizPower President and Chief Executive Officer Emmanuel V. Rubio said in a statement.

Aside from exploring the potential of RE for baseload power, the study will

also evaluate hybrid photovoltaic and energy storage technology, and assess the technical and economic viability of combining different RE sources to generate power.

Mr. Rubio said AboitizPower expects the study to be "bespoke" based on the country's national resources, climate, and geography so it will fit the energy system.

Meanwhile, IFC Regional Vice-President for Asia and the Pacific Alfonso Garcia Mora said the company is "confident that renewables will offer a viable path" for the country.

"Harnessing cleaner and natural resources, including solar and wind, will enable the country to diversify its energy mix and improve energy security while also tackling climate change impacts," Mr. Garcia Mora added.

IFC, a member of the World Bank group, invests in the private sector specifically in projects that can boost sustainable economic growth such as renewable energy.

The Aboitiz group's power generation, distribution, and retail electricity services company earmarked P190 billion for investment in clean energy. It aims

to add 3,600 megawatt (MW) of capacity to reach its 2030 RE target of 4,600 MW, or more than half of its projected 9,200-MW total generation capacity.

"To grow RE above and beyond the 2030 ambition and to begin reducing carbon dioxide emissions from the Philippine power system, we must find ways to displace fossil fuel burning baseload power with zero-emissions power generation technologies," Mr. Rubio said.

At the stock exchange, shares in AboitizPower went up by 75 centavos or 2.15% to close at P35.70 apiece on Wednesday. — **Marielle C. Luceno**