

## Philippine Stock Exchange index (PSEi)

7,122.45

▲ 96.00 PTS.

▲ 1.36%

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BusinessWorld

## PSEI MEMBER STOCKS

<b>AC</b> Ayala Corp. P808.00 -P7.00 -0.86%	<b>ACEN</b> AC Energy Corp. P8.43 +P0.28 +3.44%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P58.55 -P0.45 -0.76%	<b>AGI</b> Alliance Global Group, Inc. P12.54 +P0.14 +1.13%	<b>ALI</b> Ayala Land, Inc. P36.55 +P0.95 +2.67%	<b>AP</b> Aboitiz Power Corp. P34.15 -P0.15 -0.44%	<b>BDO</b> BDO Unibank, Inc. P133.00 +P3.80 +2.94%	<b>BPI</b> Bank of the Philippine Islands P99.90 +P4.90 +5.16%	<b>CNVRG</b> Converge ICT Solutions, Inc. P25.95 +P2.25 +9.49%	<b>EMP</b> Emperador, Inc. P14.20 +P0.64 +4.72%
<b>GLO</b> Globe Telecom, Inc. P2,342.00 +P62.00 +2.72%	<b>GTCAP</b> GT Capital Holdings, Inc. P527.00 +P17.50 +3.43%	<b>ICT</b> International Container Terminal Services, Inc. P224.80 +P6.80 +3.12%	<b>JFC</b> Jollibee Foods Corp. P225.00 -P2.00 -0.88%	<b>JGS</b> JG Summit Holdings, Inc. P59.10 +P1.10 +1.90%	<b>LTG</b> LT Group, Inc. P9.30 +P0.07 +0.76%	<b>MBT</b> Metropolitan Bank & Trust Co. P54.20 +P1.95 +3.73%	<b>MEG</b> Megaworld Corp. P3.11 ---	<b>MER</b> Manila Electric Co. P378.00 -P2.00 -0.53%	<b>MONDE</b> Monde Nissin Corp. P15.08 -P0.32 -2.08%
<b>MPI</b> Metro Pacific Investments Corp. P3.76 +P0.05 +1.35%	<b>PGOLD</b> Puregold Price Club, Inc. P33.30 +P0.30 +0.91%	<b>RLC</b> Robinsons Land Corp. P19.60 +P0.10 +0.51%	<b>SECB</b> Security Bank Corp. P110.00 ---	<b>SM</b> SM Investments Corp. P906.00 +P6.00 +0.67%	<b>SMC</b> San Miguel Corp. P109.90 +P2.90 +2.71%	<b>SMPH</b> SM Prime Holdings, Inc. P38.10 +P0.15 +0.40%	<b>TEL</b> PLDT, Inc. P1,693.00 -P46.00 -2.65%	<b>URC</b> Universal Robina Corp. P111.00 +P2.70 +2.49%	<b>WLCON</b> Wilcon Depot, Inc. P26.40 -P0.10 -0.38%

## Converge ICT sets 2022 capex at up to P28 billion

LISTED Fiber internet provider Converge ICT Solutions, Inc. on Thursday said it expects to spend around P26-28 billion for capital expenditure (capex) projects this year, higher than last year's P25 billion, mainly to continue its expansion.

"Last year, we spent P25 billion. For this year, we plan to spend P26-28 billion. Capex will be for the backbone expansion," said Matthias Vukovich,

Converge chief financial officer advisor, during a virtual press briefing.

The company's capex initiatives for the year will also include selected investments into international subsea cables and enhancement of its information technology systems.

In a statement, Converge said its net income more than doubled to P7.16 billion in 2021 from P3.39 billion in 2020.

The company's revenues increased by 69% to P26.48 billion in 2021 from P15.65 billion previously. Broken down, its residential revenue surged by 83% to P23.13 billion from P12.63 billion in 2020, while enterprise revenue grew by 11% to P3.35 billion from P3.02 billion a year earlier.

The increase in residential revenue was driven by significant net subscriber growth, especially in the fourth quarter of 2021, with gross

additions of 163,000 and nearly 115,000 net subscriber additions, bringing the total number of residential subscribers to 1.7 million.

Converge saw its earnings before interest, taxes, depreciation and amortization (EBITDA) margins expand to 55.9% last year from 52.5% in 2020.

"Converge is on track to reach its adjusted goal of approximately 55% nationwide household coverage by 2023, two years earlier than

promised during the initial public offering," the company said.

"We expect that strong demand for reliable high-speed broadband will result in continuous growth of our residential subscriber base to approximately 2.4 million by the end of 2022," it added.

At the same time, the company expects that demand from enterprise customers, including small-medium enterprises, will

accelerate this year, with the lowering of mobility restrictions to Alert Level 1.

"Revenue from enterprise business is expected to grow by 20% year on year, resulting in a consolidated revenue growth of 50% for 2022."

The company hopes to maintain its EBITDA margins of 55%.

Converge ICT shares closed 9.49% higher at P25.95 apiece on Thursday. — **Arjay L. Balinbin**

## Meralco seeks 180-MW emergency baseload supply for summer

MANILA Electric Co. (Meralco) on Thursday said it is seeking bidders to participate in its competitive selection process (CSP) for the supply of 180-megawatt (MW) baseload power needed for the dry months.

Interested companies may express their intent until March 31, a week before the planned pre-bid conference. The bid submission is on May 4.

The company said it opened the bidding after the Energy department had approved the terms of reference for the procurement.

The contract period will be effective once the notice of award is issued and once approved by the Energy Regulatory Commission. It will run until July 25, 2022.

"Forming part of the 350-MW power requirement that Meralco needs to

augment available supply during the summer months, this 180-MW supply is meant to cover for the output of plants that are affected by Malampaya facility's continued inability to supply adequate natural gas fuel," the company said.

In February, Meralco entered into a power supply agreement with San Miguel Corp.'s South Premiere Power Corp. for the initial 170-MW of peaking power supply, which is now pending approval from the energy regulator.

Earlier, the power distribution firm advised power users to conserve energy especially in dry months, which officially started on Wednesday as per the state weather bureau, wherein demand is higher by 40% historically.

According to grid operator National Grid Corp. of the Philippines, the 2022 forecast peak demand of 12,387 MW for Luzon will take place in the last week of May, higher by 747 MW than the actual 2021 peak of 11,640 MW, which occurred on May 28, 2021.

Meanwhile, demand in the Visayas grid is expected to peak at 2,528 MW, up from the 2,252-MW peak recorded on Dec. 13, 2021, while demand in the Mindanao grid is expected to peak at 2,223 MW, against the 2,144-MW peak on Aug. 4, 2021.

Meralco Vice-President and Head of Utility Economics Lawrence S. Fernandez warned that the impact of soaring pump prices caused by the Russia-Ukraine war will be felt by consumers in May.

"The past weeks, world crude oil prices are increasing [and] this will

eventually be reflected on the cost of Malampaya natural gas and thereafter, on the generation cost," he said.

For now, he said consumers would not feel the impact as the Malampaya price is being updated quarterly and will next be updated in April, but will be reflected in the May generation charge.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT, Inc. Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls.

At the stock exchange, Meralco shares slipped P2 or 0.53% to close at P378 each. — **Marielle C. Lucenio**

## Taft Hydro Energy switches on 16-MW hydropower plant

TAFT Hydro Energy Corp. announced on Thursday that its 16-megawatt (MW) hydropower project has started commercial operations after an almost three-month delay, boosting power supply in Samar and Leyte.

"Hydro projects are challenging to build but despite the pandemic [the company] did it in record time of less than two years," Taft Hydro Energy President Benjie Q. Picardo said in a statement.

He cited the support of the Department of Energy, Development Bank of the Philippines, electric cooperatives, the local government of Eastern and Western Samar, local communities "and our workers on the ground who went the extra mile so we can complete this project on time and on budget."

The project uses of the running water in Taft-Tubig river to secure affordable power in the Samar-Leyte area. It consists of three units with 5.9 MW each.

The company earlier said the facility would provide power during the holiday season, as it was initially expected to be turned on by December last year.

The hydropower project is seen to boost the potential of the tuna industry in the area, which is part of the so-called "tuna highway," as logistics and cold storages were hampered by the lack of power.

"At the same time, the completion of the project will create a major economic multiplier by the opening of investment opportunities in cold storage, processing plants, and even in tourism," Mr. Picardo said.

Taft Hydro Energy is a project company under the Filipino-led Magis Energy Holdings Corp. to spur growth specifically in rural communities by developing renewable energy facilities. The 8.6-MW Matuno River Development Corp. in Nueva Vizcaya is also under Magis Energy. — **Marielle C. Lucenio**

## SPNEC to use offering proceeds to start 4-GW solar projects

INSTEAD of waiting for the effectivity of its authorized capital stock increase, Solar Philippines Nueva Ecija Corp. (SPNEC) eyes using proceeds from its planned stock rights offering (SRO) for the 4 gigawatts (GW) of its 10-GW projects, the company said on Thursday.

In a media release posted by the exchange, the Leviste-led company said it was granted by its parent, Solar Philippines Power Project Holdings, Inc., the option to accelerate the development of the project sites and make it construction-ready by end of 2023 so it can increase its capacity.

"We note the feedback of our public shareholders who want us to accelerate our business plan, ahead of the consummation of the increase in authorized capital stock and share swap. As such, we are preparing SPNEC to accelerate the development of our largest projects, from the proceeds of an earlier filed SRO, given the importance of speed in developing projects to meet the growing demand for solar in the Philippines," said Solar Philippines founder Leandro Leviste.

Earlier, SPNEC said it targets to complete its asset-for-share deal with its parent company by the middle of this year.

Once executed, SPNEC will have 32,497,400,005 shares, from which, it will issue at least 5,124,832,502 shares to the public through a stock rights offering, private placement, or follow-on offering.

The solar firm earlier said it was planning to raise P10 billion from its SRO in the second quarter of this year.

The company said the move is among the steps it was looking at to reach its goal of creating P15 million per megawatt of value from its 10 GW of solar projects by 2025.

SPNEC shares at the local bourse surged 21 centavos or 13.55% to close P1.76 apiece on Thursday. — **Marielle C. Lucenio**

## A Brown posts P1.9-billion reservation sales from projects in Mindanao areas

A BROWN Co., Inc. reported record real estate reservation sales of P1.9 billion in 2021, or up 27% from the previous year, mainly from property projects in Mindanao.

"The key contributors to the record reservation sales were projects based in Northern Mindanao. These consist of Coral Resort Estates, the first residential resort estate in Initao, Misamis Oriental, which highlights units of Balinese architectural style overlooking the sea and Ignatius Enclave Phase 2, a premiere gated subdivision in Upper Balulang, Cagayan de Oro, which features a clubhouse and park," the company said in a disclosure on Thursday.

The real estate developer said it is looking forward to "further growth" in 2022 with projects that focus on low-density communities, which are environment-friendly and highlight health and wellness.

In Mindanao, properties in the pipeline include Coral Bay Suites, the first condo by the bay in Initao, Misamis Oriental; the Teakwood

Crest in Brgy. Agusan, Cagayan de Oro City; and the Mountain Pines AgroTourism and Retirement Estates, an eco-farm concept located at the foot of Kitanglad Range in Manolo Fortich, Bukidnon.

The property firm said it is planning projects in Tanay, Rizal. Adelaide Mountain Residences and Adelaide Homes project will "feature lots and housing units together with a commercial frontage, all of which is surrounded by the natural habitat of century-old trees and a view of Laguna Lake and Sierra Madre."

In November, the company raised P1.33 billion from the issuance of Series A preferred shares in a follow-on public offering at the Philippine Stock Exchange.

This fund raising was the first time the company tapped the capital markets since its stock market debut in 1994.

A Brown also said it would allocate P600 million to fund the development of real estate projects in Mindanao and Luzon, and would earmark P400 million for further strategic land banking.

"The fund-raising activity allows us to maximize opportunities in our real estate business alongside expansion in new growth industries. In recent years, A Brown has focused on strengthening our balance sheet. We are on track for further growth," A Brown President and Chief Executive Officer Robertino E. Pizarro said.

The company said its growth "can only continue as the residential property market expects a rebound from the Philippine economy opening up once more."

"The turnaround in business and consumer confidence will help propel the take-up in real estate as returning professionals adapt to the new normal," it added.

In the third quarter of 2021, A Brown's attributable net income was up 68.1% to P142.2 million from P84.6 million in the previous year.

From January to September last year, attributable net income increased by 23.4% to P368.1 million from P298.2 million in 2020. — **Luisa Maria Jacinta C. Joeson**

## Opensignal: Philippine 5G users experience more speed uplift vs 4G than APAC peers

FIFTH-GENERATION (5G) network users in the Philippines experienced the greatest uplift in terms of average download speeds versus 4G across 10 Asia-Pacific (APAC) markets, including Thailand, Taiwan, South Korea, and New Zealand, the UK mobile analytics company Opensignal Ltd. said in its latest analysis.

"Impressively, the average 5G download speeds seen by our users were 8.9 times faster than average 4G speeds in the Philippines," Opensignal analyst Ian Fogg said in the report "Benchmarking the 5G Experience - Asia Pacific - March 2022."

Thailand came in second in terms of uplift in download speeds with a 7.5 rating, followed by Taiwan (7.2), South Korea (6.3), New Zealand (6), and Hong Kong (5.1).

"On mobile video streaming, Filipino users enjoyed a 33% higher video experience score using 5G versus 4G," Mr. Fogg said.

For this category, the Philippines was followed by Indonesia with a video experience score of 29%, Thailand (23%), Hong Kong (18%), and Taiwan (14%).

"5G continues to mature as a technology as operators expand the extent of their 5G services. Either by boosting the geographic

reach, or by deploying 5G on new spectrum bands that improve speed and capacity — if mid or higher frequency — or by boosting in-building signal propagation and rural reach through the use of lower frequency bands for 5G," Mr. Fogg said.

He also noted that Filipino 5G users would usually spend 11.1% of their time connected to 5G.

"Users enjoy average 5G download speeds of 136.6 Mbps (megabits per second) and peak 5G download speeds of 408.7 Mbps."

"Across the region, our users experienced widely varying access to 5G

services. In South Korea, users spent 30.7% of time with an active 5G connection which is an excellent 5G availability score when we compare that globally," Mr. Fogg added.

"South Korean users also saw 5G service in approximately two-thirds of the locations they visited which led to a 5G reach score of 6.6 on a 10-point scale."

As for the Philippines, Mr. Fogg said the numerous islands and challenging interior of the country mean that the scores of 11.1% (5G availability) and 3.7 (5G reach) "are similarly impressive." — **Arjay L. Balinbin**