

Philippine Stock Exchange index (PSEi)

6,996.11

▲ 11.21 PTS.

▲ 0.16%

MONDAY, APRIL 18, 2022

BusinessWorld

## PSEI MEMBER STOCKS

<b>AC</b> Ayala Corp. P767.00 -P1.00 -0.13%	<b>ACEN</b> AC Energy Corp. P8.34 -P0.16 -1.88%	<b>AEV</b> Abolitz Equity Ventures, Inc. P56.75 -P0.90 -1.56%	<b>AGI</b> Alliance Global Group, Inc. P12.40 ---	<b>ALI</b> Ayala Land, Inc. P34.10 +P0.10 +0.29%	<b>AP</b> Abolitz Power Corp. P35.40 -P0.10 -0.28%	<b>BDO</b> BDO Unibank, Inc. P129.40 +P0.90 +0.70%	<b>BPI</b> Bank of the Philippine Islands P98.00 -P0.50 -0.51%	<b>CNVRG</b> Converge ICT Solutions, Inc. P30.15 +P0.20 +0.67%	<b>EMP</b> Emperador, Inc. P17.26 +P0.16 +0.94%
<b>GLO</b> Globe Telecom, Inc. P2,424.00 -P24.00 -0.98%	<b>GTCAP</b> GT Capital Holdings, Inc. P512.00 ---	<b>ICT</b> International Container Terminal Services, Inc. P223.60 +P3.20 +1.45%	<b>JFC</b> Jollibee Foods Corp. P220.40 +P1.40 +0.64%	<b>JGS</b> JG Summit Holdings, Inc. P56.50 +P1.00 +1.80%	<b>LTG</b> LT Group, Inc. P8.95 +P0.06 +0.67%	<b>MBT</b> Metropolitan Bank & Trust Co. P54.10 -P0.90 -1.64%	<b>MEG</b> Megaworld Corp. P2.93 +P0.02 +0.69%	<b>MER</b> Manila Electric Co. P362.00 -P0.20 -0.06%	<b>MONDE</b> Monde Nissin Corp. P13.32 ---
<b>MPI</b> Metro Pacific Investments Corp. P3.88 +P0.05 +1.31%	<b>PGOLD</b> Puregold Price Club, Inc. P36.30 -P0.60 -1.63%	<b>RLC</b> Robinsons Land Corp. P19.90 -P0.10 -0.50%	<b>SECB</b> Security Bank Corp. P106.20 -P0.70 -0.65%	<b>SM</b> SM Investments Corp. P865.00 -P7.50 -0.86%	<b>SMC</b> San Miguel Corp. P107.90 +P0.10 +0.09%	<b>SMPH</b> SM Prime Holdings, Inc. P37.15 +P0.35 +0.95%	<b>TEL</b> PLDT, Inc. P1,892.00 +P60.00 +3.28%	<b>URC</b> Universal Robina Corp. P116.00 -P1.50 -1.28%	<b>WLCON</b> Wilcon Depot, Inc. P26.85 +P0.35 +1.32%

# Gov't seeking bids for 20-year Davao port management deal

By Arjay L. Balinbin  
Senior Reporter

THE GOVERNMENT is now seeking bidders for the contract to manage the Davao port for 20 years with a minimum concession fee of P8.7 billion.

It has also awarded the P3.9-billion port terminal management contract for the Tagbilaran port in Bohol.

Documents from the Philippine Ports Authority (PPA) showed the government is inviting potential bidders to submit letters of intent for the public bidding for the management and operation of the cargo handling,

passenger, roll-on/roll-off services (RORO) and other port-related services of the Port of Sasa, Davao.

Under the contract, the operator will also build the port's physical landside infrastructure, which will cost a minimum of P9.9 billion.

The minimum concession fee for the project is exclusive of all taxes, the PPA said.

The agency said a prospective bidder must not be engaged in any business activity, whether primarily or otherwise, which will prevent it from properly discharging its contractual obligations.

The deadline for the submission of bids and bid opening has been set for May 5.

To recall, Dennis A. Uy-led Chelsea was awarded the original proponent status in 2019 for its unsolicited offer to modernize Davao's Sasa port.

PPA General Manager Jay Daniel R. Santiago said in September last year that the proposal was still being evaluated by the National Economic and Development Authority.

Bidding out was an option, he also said, because the proponent had concerns about the length of the process. Chelsea Logistics President and Chief Executive Officer Chryss Alfonsus V. Damuy also said last year that the company could "explore any option depending on how it can be re-packaged."

Mr. Damuy had yet to respond to a *BusinessWorld* query on Monday on whether Chelsea is still interested in the Sasa port.

## TAGBILARAN PORT

Meanwhile, the PPA recently awarded the port terminal management contract for the Port of Tagbilaran to the Pasig City-based joint venture of Globalport Terminals, Inc. and GlobalPort Ozamis Terminal, Inc.

The project was awarded at the proposed concession fee of P3.9 billion, exclusive of all taxes.

The PPA is hoping complete and inaugurate 31 more port projects before President Rodrigo R. Duterte's term ends on June 30.



THE GOVERNMENT is seeking bids for the contract to manage the Davao port for 20 years with a concession fee of at least P8.7 billion.

# SFA Semicon's net profit surges to \$12.8 million on increased production

SFA SEMICON Philippines Corp. (SSP) reported on Monday that its net income after tax increased by 133% to \$12.8 million last year from \$5.5 million in 2020, driven by increased production.

"SSP staged a breakthrough recovery in financial and operating results which validates its SFA group-based marketing strategy and takes advantage of its superior manufacturing efficiencies," SSP Chairman and Chief Executive Joon Sang Kang said in a statement.

Meanwhile, full-year gross revenues rose 8% to \$347.02 million from \$322.66 million due to the rise in overall production output and orders and the increased volume contribution of non-Samsung end-customers.

"The company has gained stride in diversifying its client and product portfolio in 2021. SSP's total production output breached the 1 billion mark on the back of incremental volume contribution from new customers," Mr. Kang added.

Total production increased 9% to 1,082 million units from 994 million units.

Under contract with its parent company SFA Semicon Co. Ltd. of Korea, SSP expanded its production contract with Wireless Power Amplifiers Corporation for the assembly of non-memory power amplifier modules in Land Grid Array packages.

Total production of the modules amounted to nearly 90 million, which accounted for a share of 8% of the company's total output.

Meanwhile, SSP's output of multimedia flash cards were up 38% to 22 million from the 16 million units posted the previous year.

Production of dynamic random-access memory (DRAM) modules in various formats, which account for 82% of the total output, rose by 2% to 884 million last year from 863 million in 2020.

Ramos Technology of Korea, one of the company's new customers, had production orders amounting to nearly 6 million units, which increased the company's card output last year.

However, orders for component chips were down 22% to 86 million units in 2021 from the 110 million chips assembled and tested in 2020. This accounted for 8% of the 1,082 million units produced during the year.

"The global semiconductor industry is expected to continue its growth trajectory at a moderate pace of about 8% in 2022 in line with the growing memory requirements of data centers and the sustained demand for computing and automotive electronics," SSP said.

"The company remains optimistic that SSP's financial and operating performance will continue in line with its integrated global marketing strategy under its parent corporation," the company added.

SSP is a global outsourced semiconductor assembly and test company whose facilities are located in the Philippines.

At the stock exchange on Monday, SSP shares rose by seven centavos or 6.67% to close at P1.12 apiece. — **Luisa Maria Jacinta C. Jocsion**

## Loyalty platform SoPa plans aggressive expansion in PHL

SINGAPORE-BASED e-commerce aggregator and loyalty platform Society Pass, Inc. (SoPa) is pursuing aggressive expansion plans in the Philippines to take advantage of the e-commerce boom.

The Nasdaq-listed company now has an office in Makati City overseen by Country Head Arbie Pagdanganan, SoPa said in an e-mailed statement.

This move comes on the heels of its recent purchase of Pushkart.ph, an online grocery delivery services application, for P50 million.

The company, which also operates in Indonesia and Vietnam, currently has more than 20 employees in the Philippines.

"[We] aim to grow this figure to over 100 by the end of 2022," it said.

SoPa considers that Philippine market as a "cornerstone" of its acquisition strategy, said Dennis Nguyen, SoPa founder, chairman and chief executive officer.

"I am proud to appoint our vice-president of product design, Arbie Pagdanganan, as our country manager in the Philippines and look forward to her expert leadership in steering our operations to greater heights," he noted.

"Also, this new office is part of our business strategy during this critical period of economic transformation for the Philippines. As we grow our Philippines business, we

are confident that the SoPa ecosystem will nurture and accelerate the growing portfolio of brands."

According to SoPa, its recently acquired Pushkart.ph now focuses on expanding on-demand grocery shopping services to more consumers and more retailers.

Its new plans for Pushkart.ph include adding more hubs in key cities and regions.

The company also targets to expand Pushkart.ph's offerings to "more than double" its user base to "over 300,000" and boost application downloads to more than 150,000 this year.

It said local consumers will soon be able to use the Pushkart.ph app across 19 cities in the National Capital Region "with a guaranteed next day delivery service."

"With increasing urbanization, a growing middle class, and a large and young population, the country's economic dynamism is rooted in strong consumer demand supported by a vibrant labor market and robust inflow of capital. Philippines' internet penetration rate reached 74% in 2021 and is expected to climb to 77% by 2025. This steep increase in the internet economy is underpinned by a 132% growth in e-commerce with the industry expected to reach \$40 billion in 2025," SoPa noted. — **Arjay L. Balinbin**

## Vitarich posts P89.4-M net income on higher sales

VITARICH CORP. announced on Monday that its net income last year grew to P89.4 million from P9.3 million in 2020, driven by higher sales from all its business segments.

"2021 not only delivered new revenue records across segments, but also pointed to higher long-term volume growth. Our strategy to expand our capabilities has been validated by market trends toward rising consumption of meat products and convenience food," Vitarich President and Chief Executive Ricardo Manuel M. Sarmiento said in a statement.

"This formed the basis of our recent capital investments in the business, and as a result, we have good revenue visibility going into 2022," he added.

The company's revenues were up 23% to P9.7 billion year on year, driven by growth in all three business segments, while operating income more than doubled to P184 million from P79 million.

Among its segments, revenues from the feeds segment went up 14% to P4.7 billion, which accounted for 48% of total sales.

The feeds segment produces and markets animal feeds, health and nutritional products, and supplements to various distributors, dealers, and end users nationwide.

Vitarich said that the volumes reached the highest levels ever for tie-up and commercial customers, such as distributors and direct farms.



Sales volume climbed 12% while average selling prices inched up by 3%.

In the fourth quarter of 2021, the company launched Vitarich Poultry Advantage to address the needs of backyard and general poultry farmers.

The company's annual feed mill capacity increased 3% to 300,200 metric tons (MT) in 2021 from 290,800 MT in 2020, while production grew 8% to 226,900 MT from 209,700 MT.

Meanwhile, revenues from the foods segment, which accounted for 44% of the total, grew by 36% to P4.2 billion on the back of a 21% increase in sales volume and 12% increase in average selling prices.

The foods segment sells chicken broilers, either as live or dressed, to HRI customers, supermarkets, and wet markets.

During the year, the segment enhanced its Cook's Premium Chicken products for hotels, restaurants, institutional clients.

Annual dressing plant capacity increased 5% to 79,000 MT from 75,500 MT, while production expanded 21% to 35,700 MT from 29,500 MT.

Lastly, revenues from the farms segment, which accounted for the remaining 8% of the total, increased by 19% to P778 million. Fair value adjustments on biological assets amounting to P55.1 million was recognized as part of revenues and P78 million as cost of goods.

The segment is involved in the production of day-old chicks and pullets.

Vitarich said the cost of goods increased 21% to P8.9 billion due to higher sales volume and increased prices of raw materials such as wheat, soybean, and corn, which rose by an average of 12% compared to the prior year.

"The cost inflation was due to several factors, including logistics challenges due to COVID-19 (coronavirus disease 2019), reimposed series of quarantine measures in

the third quarter, as well as supply disruptions for soybeans in the fourth quarter due to high demand from China, increasing domestic use in the US, and lower output from Brazil and Argentina," it said.

Capital expenditures totaled P117.7 million due to the construction of a new warehouse in Davao and for additional machinery and equipment in Bulacan, Iloilo, and Davao to upgrade bagging lines for automation.

"We continue to execute on the factors we can control, including new products, improved customer satisfaction scores, enhanced processes, and engaged stakeholder relationships. Looking ahead, we expect revenues to stay robust, but the ongoing challenges will temper the full impact of sales growth on our earnings," Mr. Sarmiento said.

"Supply chain headwinds will persist and pressure our costs in raw materials and transportation. In view of these elevated input costs, we will continuously reconfigure our purchasing approach and explore new grain and protein sources to reduce dependency on corn, wheat, and soybean meal. We are positive that higher volumes, cost efficiency, and responsible price increases will help us meet our performance objectives while ensuring that our products remain affordable," he added.

Vitarich shares went up by four centavos or 6.45% to finish at P0.66 each on Monday. — **Luisa Maria Jacinta C. Jocsion**