

Philippine Stock Exchange index (PSEi)

6,863.91 ▼ 116.11 PTS. ▼ 1.66%

WEDNESDAY, APRIL 27, 2022  
BusinessWorld

PSEi MEMBER STOCKS

<b>AC</b> Ayala Corp. P732.00 -P26.00 -3.43%	<b>ACEN</b> AC Energy Corp. P8.01 -P0.24 -2.91%	<b>AEV</b> Abotiz Equity Ventures, Inc. P54.50 -P1.60 -2.85%	<b>AGI</b> Alliance Global Group, Inc. P12.20 +P0.08 +0.66%	<b>ALI</b> Ayala Land, Inc. P34.00 -P1.20 -3.41%	<b>AP</b> Abotiz Power Corp. P33.00 -P0.90 -2.65%	<b>BDO</b> BDO Unibank, Inc. P128.40 -P2.60 -1.98%	<b>BPI</b> Bank of the Philippine Islands P96.90 -P0.80 -0.82%	<b>CNVRG</b> Converge ICT Solutions, Inc. P29.70 +P0.30 +1.02%	<b>EMP</b> Emperador, Inc. P19.18 -P0.02 -0.10%
<b>GLO</b> Globe Telecom, Inc. P2,348.00 -P98.00 -4.01%	<b>GTCAP</b> GT Capital Holdings, Inc. P508.50 -P12.50 -2.40%	<b>ICT</b> International Container Terminal Services, Inc. P218.60 -P4.40 -1.97%	<b>JFC</b> Jollibee Foods Corp. P218.80 -P1.40 -0.64%	<b>JGS</b> JG Summit Holdings, Inc. P56.60 -P2.30 -3.90%	<b>LTG</b> LT Group, Inc. P8.60 -P0.19 -2.16%	<b>MBT</b> Metropolitan Bank & Trust Co. P53.00 -P1.10 -2.03%	<b>MEG</b> Megaworld Corp. P2.90 -P0.01 -0.34%	<b>MER</b> Manila Electric Co. P350.00 +P3.00 +0.86%	<b>MONDE</b> Monde Nissin Corp. P13.28 +P0.18 +1.37%
<b>MPI</b> Metro Pacific Investments Corp. P3.81 -P0.05 -1.30%	<b>PGOLD</b> Puregold Price Club, Inc. P34.40 -P0.45 -1.29%	<b>RLC</b> Robinsons Land Corp. P19.80 -P0.02 -0.10%	<b>SECB</b> Security Bank Corp. P105.90 +P0.30 +0.28%	<b>SM</b> SM Investments Corp. P851.00 -P9.00 -1.05%	<b>SMC</b> San Miguel Corp. P107.20 -P0.20 -0.19%	<b>SMPH</b> SM Prime Holdings, Inc. P36.00 -P0.50 -1.37%	<b>TEL</b> PLDT, Inc. P1,910.00 -P4.00 -0.21%	<b>URC</b> Universal Robina Corp. P105.00 -P2.10 -1.96%	<b>WLCON</b> Wilcon Depot, Inc. P28.00 -P0.50 -1.75%

# Puregold earns P8B on higher margins, cost control

PUREGOLD Price Club, Inc. reported that its consolidated net income increased by 1.4% to P8.18 billion last year, driven by improvements in gross margins and sustained expense management.

The company said in a disclosure on Wednesday that the growth was also due to the reduction in corporate income tax with the implementation of the Corporate Recovery and Tax Incentives for Enterprises Act.

In its unaudited financial statement, consolidated net sales decreased by 2.7% to P164.1 billion in 2021 from P168.6 billion previously.

“The decrease in net sales was primarily driven by a decline in customer’s visits particularly for the Puregold stores, with the government implementing health protocols in 2021 and people cautious of contracting the virus,” the company said.

Meanwhile, consolidated gross profit increased by 3.2% to P30.1 billion in 2021 from P29.2 billion, driven by “strong and continuing suppliers’ support through trade discounts in the form of rebates and conditional discounts granted during the year.”

In 2021, operating income narrowly increased by 1.7% to P3.21 billion from P3.15 billion in 2020.

“With the lockdown restrictions starting to loosen up, some tenants resumed operations which resulted in an increase in rent income,” Puregold said.

Operating expenses went up by 7.4% to P20.4 billion from P18.9 billion due to the increase in operating costs from newly opened stores and old stores.

Puregold added that operating expenses in the prior period were partly lower because of the strict lockdown implemented in the first half of 2020.

The company is primarily involved in the business of trading goods such as consumer products on a wholesale and retail basis.

It also owns Entenso Equities, Inc., which is the holding company for two companies, namely: Ayagold Retailers, Inc. and San Roque Supermarkets.

By the end of 2020, its store network covered 244 hypermarkets, 100 supermarkets, 31 minimarts, 20 warehouse clubs, 46 Quick Service Restaurants, two Merkado branches, and 30 San Roque supermarkets, for a total of 501 stores all over the country.

At the stock exchange, Puregold shares dropped by 45 centavos or 1.29% to close at P34.40. — **Luisa Maria Jacinta C. Jacon**

## Ayala energy firms share wish list for next gov’t

THE next political leadership will face a tightness in power supply in the next three to five years, officials of Ayala-led energy companies said, as they enumerated their wishes such as clarity in policy and enforcing “actionable” near-term solutions.

“The next leadership will be faced with a challenging situation given the ongoing energy crisis globally and given the impact of COVID on the post-COVID world,” Eric T. Francia, president and chief executive officer of AC Energy Corp. (ACEN), told reporters when asked to share his wish list for the next administration.

He said the pandemic had caused delays in the energy projects, including the competitive bidding for power supply, resulting in uncertainty.

“My concern always back then was it’s the typical whipsaw effect *na* (in which) there’s a big event, significant event that makes people step back and slow down the buildup,” Mr. Francia said in a briefing on Tuesday.

He said ACEN was one of few companies that continued building or investing in energy projects at the height of the pandemic in the Philippines and around the region.

“But that is not the norm. That is more of an exception. And because of that, I think we could face really a tightness in supply in the next three to five years,” Mr. Francia said.

He also cited the “trajectory” of the Malampaya natural gas, which is said to be nearing depletion, and “how that decline curve would look like. So that’s also a risk.”

Apart from these challenges, he said the next government leaders would be faced with elevated coal, gas and oil prices globally, and the ensuing uncertainty that these would evolve into over time.

“I think the next leadership will have its hands full in terms of this challenging energy situation,” Mr. Francia said.

However, he cited potential short to medium-term solutions, which he described as “low-hanging or addressable.”

Mr. Francia said Laguna de Bay could offer a partial solution, which is both actionable and of significant scale. The government has recently offered the lake as a possible site for a floating solar farm.

“The lake could add capacity in the next three to four years and that’s relatively quick. So, imagine that would be additional capacity by 2025, which people are concerned about what’s gonna happen 2024, 2025, maybe even 2026. So, we need actionable projects ideally on the clean energy or renewable energy side,” he said.

Mr. Francia cited another solution — clarity on policy regulation. He said the government could look into tapping transmission lines that were built for

redundancy, and allowing power plants to temporarily connect, thus encouraging the development of new energy capacity.

He said the government should also look into incomplete initiatives such as the reserve market and the renewable energy market.

“I think that will encourage a lot of investments both in renewable energy and battery storage that can be done in a relatively rapid time line, rapid period,” he said.

He said the company is prepared to invest in more battery storage facilities to alleviate potential power supply shortages, but the economics would not work if it would end up selling its output to the energy market as opposed to selling it to the reserve market.

“If there is a renewable energy market, we will be even more aggressive in terms of building more renewable energy plants. But where are those two markets we’ve been talking about [in] the past five, 10 years,” he said.

For ACE Enxer, Inc. President Rolando J. Paulino, Jr., the development of the West Philippine Sea is on top of his wish list.

“It’s the clarity on the government policy vis-à-vis the geopolitical issue that we have with our big neighbor and also the encouragement that they want to have or they want to give to foreign investors on exploring that area,” he said.

He said it is important to develop the country’s offshore resources. The Philippines relies solely on the Malampaya production field, which is said to supply up to 40% of Luzon’s electricity needs.

“I think we need to now start using the Malampaya fund to something really productive in terms of the exploration,” he said, referring to the government’s share of the revenues from the offshore gas-to-power project.

Part of the fund was used to bring down the cost of electricity.

“It’s about time now that the government looks into... whatever is remaining of that fund to start really helping some of our local explorers to actually get some funding coming from Malampaya to develop the West Philippine Sea,” Mr. Paulino said.

He cited the need for petroleum exploration given global energy security issues.

ACE Enxer is the oil and gas exploration unit of ACEN. It holds a 75% interest in Palawan55 Exploration & Production Corp., an upstream oil and gas company that holds a participating interest in Service Contract 55. Palawan55 is in the planning stage for the drilling of an obligatory well.

ACEN aspires to become the largest listed renewable energy platform in Southeast Asia. — **VVS**

## Wilcon Depot net income up 41% as new stores help boost sales

WILCON Depot, Inc. on Wednesday reported a 40.7% growth in net income to P851 million in the first quarter of 2022 as sales jumped, partly with the help of new stores.

“We are pleased with our strong start for the year as our customers trooped back to our stores when the Omicron variant surge receded in February,” Wilcon Depot Chief Executive Lorraine Belo-Cincochan said in a statement.

She said that comparable sales declined in January at the height of the virus’ surge, but the company managed to reverse the downward trend to end the quarter with an 8.6% growth and a 14.6% total net sales growth.

“We remain focused on our store network expansion, especially with this very encouraging first quarter results,” Ms. Belo-Cincochan added.

The depot format stores’ sales were up 15% to P7.5 billion, which accounted for 97.5% of total net sales, while its smaller format store Home Essentials’ sales declined by 1.3% to P138 million.

The home improvement company said that project sales contributed the balance of P53 million, increasing by 11.3% year on year.

Operating expenses increased by 13.8% to P1.77 billion, attributable mainly to expansion-related expenses in outsourced services, trucking, utilities, salaries, depreciation and amortization.

Including lease-related interest expense or rent expense, total operating expenses totaled P1.9 billion.

Operations-related other income grew 42.7% to P84 million due to increased collection of supplier support and delivery fees in view of the higher business volume.

Non-operating other income, comprising interest income and foreign exchange gains, dropped to P3 million from P10 million due to lower investible funds.

“We are on track to achieve our 100-strong branch network by the end of 2025 goal. We opened our 74<sup>th</sup> branch in March and we will be opening seven more this year. We are hoping that the return to our pre-pandemic growth path will continue unhampered,” Ms. Belo-Cincochan added.

At the stock exchange, Wilcon Depot shares fell by 21.75% or 50 centavos to finish at P8.00 apiece. — **Luisa Maria Jacinta C. Jacon**

## EDC expands Mt. Apo geothermal facility by 3.6MW

LOPEZ-LED Energy Development Corp. (EDC) has expanded its Mt. Apo geothermal facility with the launch of its 3.6-megawatt (MW) binary geothermal power plant on Wednesday.

The power plant, also known as M3, was synchronized to the Mindanao electricity grid on March 12 and passed compliance testing by system operator National Grid Corporation of the Philippines on March 25, the company said.

“Through our geothermal facilities here in Cotabato, which now includes M3, we are able to fulfill our revitalized mission to forge collaborative pathways for a decarbonized and regenerative future in this part of our country,” said EDC Deputy Chief Operating Officer Jerome H. Cainglet in a media release.

EDC, a unit of listed First Gen Corp., held on Wednesday a launching ceremony at the power plant in Brgy. Ilomavis in Kidapawan City, Cotabato province.

Aside from providing clean and reliable power to the Mindanao grid, the project will also avoid around 25,000 tons of equivalent carbon dioxide yearly through the use of geothermal energy.

“The facility will make use of existing brine from EDC’s 103-MW Mindanao 1 & 2 geothermal power facilities to generate additional energy without the need for additional drilling. Heat from the brine will be used to generate electricity by the new power plant before it is re-injected back to the reservoir,” the company said.

The power plant started construction during the pandemic, with EDC ensuring the safety of workers through strict health and safety protocols.

Mr. Cainglet said the M3 plant is part of EDC’s commitment to continuously power Mindanao’s growing economy with 100% clean energy to lessen its dependence on fossil fuels such as coal.

EDC said the project also supported the local economy with up to 567 jobs, which were generated for nearby communities at the peak of construction.

It said the project is expected to provide additional benefits to the host local government units of Brgy. Ilomavis, Kidapawan City, Cotabato province and Region 12, or SOCCSK-SARGEN (South Cotabato, Cotabato, Sultan Kudarat, Sarangani, and General Santos).

It will also benefit indigenous peoples in barangays Ilomavis, Balabag and Kawayan in the form of the government-mandated Energy Regulations No. 1-94 funds, which give to host communities an equivalent one centavo per kilowatt-hour of total electricity sales.

EDC has more than 1,480 MW of installed energy capacity, which it said accounts for 20% of the country’s total installed renewable energy capacity. Its 1,181-MW geothermal portfolio is said to account for 62% of the country’s total installed geothermal capacity. The Philippines is the third largest geothermal producer in the world.

### Manulife

Single Pricing Investment Funds of Variable Life Insurance Contracts

Fund	Current Week	Unit Price	
		April 26, 2022	April 19, 2022
Peso Secure Fund	1.667	1.669	1.684
Peso Diversified Value Fund	1.855	1.854	1.884
Peso Growth Fund	2.958	2.944	2.944
Peso Dynamic Allocation Fund	1.023	1.019	1.019
Peso Target Distribution Fund	0.800	0.796	0.796
Peso Cash Fund	1.016	1.016	1.016
Peso Wealth Optimizer 2026 Fund	0.949	0.947	0.947
Peso Wealth Optimizer 2031 Fund	0.917	0.913	0.913
Peso Wealth Optimizer 2036 Fund	0.908	0.904	0.904
Pow erhouse Fund	0.864	0.864	0.864
Emperor Fund	0.896	0.892	0.892
USD Secure Fund	1.533	1.552	1.552
USD Asia Pacific Bond Fund	1.070	1.081	1.081
USD Global Target Income Fund	0.793	0.813	0.813
USD ASEAN Growth Fund	1.575	1.586	1.586
USD Asia Pacific Property Income Fund	0.927	0.931	0.931
IHP Asia Pacific Property Income Fund	0.910	0.911	0.911
IHP Tiger Growth Fund	0.617	0.683	0.683
USD Tiger Growth Fund	0.557	0.619	0.619
IHP Global Preferred Securities Income Fund	0.979	0.991	0.991
USD Global Preferred Securities Income Fund	0.890	0.904	0.904
IHP US Growth Fund	1.025	1.082	1.082
USD US Growth Fund	0.919	0.973	0.973

### Manulife

Dual Pricing Investment Funds of Variable Life Insurance Contracts

Fund	Current Week	Unit Bid Price	
		April 26, 2022	April 19, 2022
Peso Bond Fund	2.871	2.871	2.874
Peso Stable Fund	2.854	2.852	2.852
Peso Equity Fund	2.208	2.198	2.198
Peso Balanced Fund	1.046	1.043	1.043
Peso Target Income Fund	0.815	0.814	0.814
U.S. Dollar Bond Fund	2.189	2.216	2.216

### Manulife China Bank

Single Pricing Investment Funds of Variable Life Insurance Contracts

Fund	Current Week	Unit Price	
		April 26, 2022	April 19, 2022
Peso Secure Fund	1.667	1.688	1.688
Peso Diversified Value Fund	1.856	1.854	1.854
Peso Growth Fund	2.884	2.870	2.870
Peso Dynamic Allocation Fund	1.019	1.015	1.015
Peso Target Distribution Fund	0.794	0.792	0.792
Peso Cash Fund	0.990	0.990	0.990
Peso Wealth Optimizer 2026 Fund	0.894	0.892	0.892
Peso Wealth Optimizer 2031 Fund	0.858	0.855	0.855
Peso Wealth Optimizer 2036 Fund	0.841	0.838	0.838
Pow erhouse Fund	0.865	0.865	0.865
USD Secure Fund	1.517	1.536	1.536
USD Asia Pacific Bond Fund	1.049	1.068	1.068
USD Global Target Income Fund	0.798	0.816	0.816
USD ASEAN Growth Fund	1.551	1.565	1.565
Charabank Dollar Fixed Income VUL Fund	1.088	1.016	1.016
USD Asia First Fund	1.109	1.238	1.238
USD Asia Pacific Property Income Fund	0.929	0.933	0.933
IHP Asia Pacific Property Income Fund	0.922	0.923	0.923
IHP Tiger Growth Fund	0.625	0.688	0.688
USD Tiger Growth Fund	0.564	0.627	0.627
IHP Global Preferred Securities Income Fund	0.973	0.980	0.980
USD Global Preferred Securities Income Fund	0.893	0.907	0.907
IHP US Growth Fund	1.006	1.062	1.062
USD US Growth Fund	0.914	0.968	0.968

### Manulife China Bank

Dual Pricing Investment Funds of Variable Life Insurance Contracts

Fund	Current Week	Unit Bid Price	
		April 26, 2022	April 19, 2022
Peso Bond Fund	1.991	1.993	1.993
Peso Stable Fund	1.892	1.891	1.891
Peso Equity Fund	1.994	1.984	1.984
Peso Balanced Fund	1.033	1.030	1.030
Peso Target Income Fund	0.806	0.806	0.806
U.S. Dollar Bond Fund	1.587	1.606	1.606