

Philippine Stock Exchange index (PSEi) 6,926.03 ▼ 183.23 PTS. ▼ 2.57%

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BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P770.00 -P30.00 -3.75%	ACEN AC Energy Corp. P8.35 -P0.25 -2.91%	AEV Aboltiz Equity Ventures, Inc. P56.50 -P1.40 -2.42%	AGI Alliance Global Group, Inc. P12.00 -P0.20 -1.64%	ALI Ayala Land, Inc. P34.20 -P0.60 -1.72%	AP Aboltiz Power Corp. P35.50 -P1.20 -3.27%	BDO BDO Unibank, Inc. P130.00 -P3.40 -2.55%	BPI Bank of the Philippine Islands P96.50 -P1.60 -1.63%	CNVRG Canvargo ICT Solutions, Inc. P27.85 -P1.15 -3.97%	EMP Emperador, Inc. P14.08 -P0.14 -0.98%
GLO Globe Telecom, Inc. P2,354.00 -P78.00 -3.21%	GTCAP GT Capital Holdings, Inc. P508.00 -P12.00 -2.31%	ICT International Container Terminal Services, Inc. P218.00 -P4.00 -1.80%	JFC Jollibee Foods Corp. P220.00 -P11.60 -5.01%	JGS JG Summit Holdings, Inc. P56.80 -P2.30 -3.89%	LTG LT Group, Inc. P8.98 -P0.07 -0.77%	MBT Metropolitan Bank & Trust Co. P54.05 -P2.80 -4.93%	MEG Megaworld Corp. P2.94 -P0.06 -2.00%	MER Manila Electric Co. P372.60 +P5.60 +1.53%	MONDE Monde Nissin Corp. P12.92 -P0.14 -1.07%
MPI Metro Pacific Investments Corp. P3.74 -P0.04 -1.06%	PGOLD Puregold Price Club, Inc. P37.05 -P0.55 -1.46%	RLC Robinsons Land Corp. P19.80 -P0.55 -2.70%	SECB Security Bank Corp. P106.50 -P3.50 -3.18%	SM SM Investments Corp. P870.00 -P12.00 -1.36%	SMC San Miguel Corp. P108.50 -P0.50 -0.46%	SMPH SM Prime Holdings, Inc. P36.30 -P1.55 -4.10%	TEL PLDT, Inc. P1,795.00 -P45.00 -2.45%	URC Universal Robina Corp. P117.00 -P5.90 -4.80%	WLCON Wilcon Depot, Inc. P25.00 -P0.90 -3.47%

Chelsea aims to boost balance sheet as losses widen

CHELSEA Logistics and Infrastructure Holdings Corp. announced on Thursday that its net loss for 2021 had widened to P3.9 billion from a loss of P3.3 billion a year earlier despite cutting its operating losses amid the pandemic crisis.

"For the year, the group was able to cut the operating losses by 17% to P2 billion with freight and logistics segments growing by 30% and 41%, respectively," Chelsea Logistics told the stock exchange.

It attributed last year's bottom line to "nonrecurring items, which include the sales of assets below book value."

"Excluding these one-time items, Chelsea group's net loss would have actually improved by 18% year on year from P5.2 billion in 2020 to P4.3 billion in 2021," the company noted.

"On the other hand, adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) reversed to negative P31 million versus P205

million in the previous year," the group added.

The company's revenues fell by 4% to P4.5 billion due to declines in passenger, tanker, and tugboat businesses.

It saw its freight segment recover with a 30% year-on-year improvement in revenues to P2.7 billion.

The freight revenue, according to the group, already surpassed the P2.7-billion revenue in 2019.

"Freight accounted for 61% of consolidated revenues, up from 45% in the previous year," it said.

Revenue from its logistics business climbed by 41% to P519 million last year.

"The passenger business continued to be challenged due to restricted travel protocols implemented not just by the national government but also by local government units of the areas where the group has port calls," it said.

"The tanker business also continued to experience difficulties in recovery due to restrictions in the movement of petro-

leum products as well as the lower demand from customers."

The company, however, is already seeing some signs of recovery in such businesses, "especially for passage with the year-on-year revenue decline slowing down from 65% in 2020 to just 42% in 2021 with P293 million."

"We are hopeful of a further recovery this year while we need to carefully monitor world oil prices as they will certainly have a negative impact on our margins," Chelsea Logistics President and

Chief Executive Officer Chryss Alfonsus V. Damuy said.

Chief Financial Officer Ignacio S. Braga IV said: "We have reduced and continue to manage all operating expenses to improve margins without sacrificing safety and standards."

"We continue to work closely with our creditors, suppliers and other stakeholders to strengthen our balance sheet through win-win solutions."

Chelsea Logistics shares closed 2.55% lower at P1.53 apiece on Thursday. — **Arjay L. Balinbin**

Watchmaking propelled to greater heights



ROLEX NEW WATCHES 2022

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Rolex has further substantiated its perpetual quest for innovations as it brought new timepieces this year.

From a watch inspired by aviation to a timepiece accompanying travelers, Rolex has raised the aesthetics and technologies in developing its refined Air-King and GMT Master-II.

'Perpetual' has always been deep-seated in Rolex's philosophy. Hans Wilsdorf, its founder, embedded a notion of perpetual excellence that would drive the company forward. This led Rolex to pioneer the wristwatch development and various watchmaking breakthroughs like the

Oyster, the first waterproof wristwatch released in 1926.

Since then, Rolex's watchmaking excellence and innovation have always been going on an upward trajectory.

Elevated aviation-inspired timepiece

Rolex initially launched the Oyster Perpetual Air-King in 1958 as a symbol of its bond with aviation during its golden age in the 1930s. The timepiece was a tribute to the era's pilots who made Rolex part of their epic story.

Owen Cathcart-Jones and Ken Waller, known for their return voyage from London to Melbourne in record time with a twin-engine De Havilland Comet in 1934, are among those who used a Rolex watch as an on-board chronometer.

Since 2016, the Air-King carried a resolutely professional appearance with a dial inspired by aircraft instruments. For 2022, Rolex has elevated this timepiece homage to the explorers of the skies with new features.

Time in the new-generation Air-King is easier to read with a more balanced display as '0' is now added before the '5' on the minutes scale.

Furthermore, the refreshed Air-King guarantees maximum discernibility even in dark conditions, thanks to the optimized Chromalight display. The hands and the 12 o'clock triangular hour mark are polished with a new luminescent material that generates a more lasting blue glow. This innovative material also makes the 3, 6, and 9 numerals, previously made entirely from 18 ct. white gold, more visible in the dark.

The new Air-King also sports a fully redesigned case with a crown guard and straight sides like many of the models in the Professional category. Its Oyster case is guaranteed to a depth of 100 meters, thereby providing optimum protection.

Rolex revisited the Air-King's bracelet as well, fitted with an Oyster bracelet and an Oysterlock folding safety clasp — a first for the model — to be secured from accidental opening.

The Air-King is equipped with caliber 3230, a movement entirely developed and manufactured by Rolex launched in 2020, and fitted on this model from 2022.

And like every watch by Rolex, the Air-King is covered by the Superlative Chronometer certification, pledging an excellent performance on the wrist.

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Rolex also offers a navigation aid for professionals and travelers moving across different timezones with its Oyster Perpetual GMT-Master II.

The GMT-Master was created in 1955 and has witnessed firsthand several greatest moments in aeronautical history — from being part of the first intercontinental flights to world speed records and Concorde testing.

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Time for new horizons

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Rolex first unveiled the GMT-Master II in 1982, eventually known for its movement that allowed the hour hand to be set independently of the other

hands. The watch possesses a unique and identifiable design with its bidirectional rotatable bezel and a 24-hour graduated insert, which has been made available in dual-color pairings, with the lower half representing the daytime and the upper indicating the nighttime.

The GMT-Master II can show the time in two timezones concurrently, either the local time and the reference time, or the local time and that of an alternative time zone.

This year, Rolex made an unexpected version of the GMT-Master II.

Rolex has been a pioneer in developing special ceramics for creating monobloc bezels and bezels inserts. These materials are virtually scratchproof, with colors displaying a rare intensity and are resistant to environmental effects. For the new GMT-Master II, the bidirectional rotatable bezel showcases a two-color, 24-hour graduated Cerachrom insert in green and black ceramic — a never-before-seen color combination on this model.

In addition, the graduations and numerals are coated with platinum via Physical Vapour Deposition (PVD). The bezel can also be turned with ease thanks to its knurled edge, which offers excellent grip.

The GMT-Master II's new version also has the crown and crownguard on the left side of the watch case, and the date aperture and the Cyclops lens moved to 9 o'clock. These refinements entailed changes in the precision testing process conducted during final controls.

And equipped with caliber 3285, the timepiece can display the date, hours, minutes, and seconds, as well as another time zone in 24-hour format.

The new GMT-Master II likewise has an Oyster case assuring its waterproofness, an Oyster bracelet with the Oysterlock folding safety clasp, and is covered by the Superlative Chronometer certification.

Rolex's new GMT-Master II and Air-King are among its latest timepieces released for 2022. Also unveiled are the new Day-Date 40, Yacht-Master 42, Datejust 31, and Yacht-Master 40.



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Perpetual Calibre 3285



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GMT-Master II Oysterlock folding safety clasp

FDC says profit down 28%, seeks to 'regain lost ground'

GOTIANUN-LED Filinvest Development Corp. (FDC) reported on Thursday a 28% drop in net income attributable to equity holders to P6.1 billion as its businesses recorded mixed results in 2021.

"Our financial results in 2021 were mixed across our businesses resulting from the varying degrees of economic impact caused by the COVID-19 (coronavirus disease 2019) disruptions. We saw higher reservation sales in the residential business, particularly the affordable horizontal segment. However, volumes have not returned to pre-pandemic levels for most of the businesses by the end of 2021," FDC President and Chief Executive Josephine T. Gotianun-Yap said in a disclosure.

"Now that the economy has opened up and mobility restrictions have been lifted, we are looking forward to regaining lost ground especially in banking, commercial leasing and hospitality," she added.

Consolidated net income dropped by 23% to P8.9 billion, FDC said.

Without giving comparative figures, it said revenues and other income were lower by 13% as the growth posted by the residential and power businesses were offset by the contraction of the banking and commercial leasing units.

East West Banking Corp., FDC's banking and financial services subsidiary, delivered a net income contribution to the group of P4.3 billion or 40% of FDC's

bottom line. The figure was 32% lower than 2020's P6.4 billion due to lower loan revenues and trading gains.

The bank's total revenues and other income also declined by 22% to P28.8 billion.

"The drop in interest income was partly tempered by lower costs as EastWest maintained its industry leading net interest margin at 6.6% while the current and savings account ratio improved to 75% from 70% the previous year," FDC said.

"Trading and foreign exchange gains were lower by 65% at P1.9 billion as interest rates remained steady for most of the year. Fees and commissions income was flat at P3.7 billion as the volume of transactions continued to be below pre-pandemic levels," it added.

On the other hand, provisions for loan losses were lower by 58% to P4.1 billion given the high provisioning done in 2020.

"While loan losses have been accounted for, the reduced loan volumes affected return on equity that was recorded at 7.7%," the company said.

Meanwhile, FDC's property business, composed of the real estate and hospitality segments, delivered a combined P4.2 billion or 39% of the total income.

The power subsidiary contributed P2.1 billion in net income or 19% of the total.

At the stock exchange on Thursday, FDC shares fell by 0.14% or P0.01 to close at P6.93. — **Luisa Maria Jacinta C. Jocsion**

Meralco calls for more ILP participants

MANILA Electric Co. (Meralco) has reached out to its eligible customers to take part in its interruptible load program (ILP) in which participants, when needed, "de-load" from the electricity grid and use their own generators.

"Currently, there are 122 companies with a total committed de-loading capacity of close to 560 megawatts (MW) in the Meralco franchise area that are enrolled under this program," Meralco Vice-President and Head of Utility Economics Lawrence S. Fernandez said in a Viber message.

The program is implemented by the Department of Energy (DoE) along with distribution utilities in response to thinning power reserves, especially during the summer months.

On March 31, Meralco conducted a webinar in coordination with the DoE urging eligible customers to sign up for the ILP.

"This is one of the measures we have in place to ensure there will be continuous and reliable electricity service, particularly during the dry months and the upcoming National and Local Elections," Mr. Fernandez said.

In the instance when the National Grid Corporation of the Philippines (NGCP) declares insufficient power supply scenarios, Meralco asks the ILP participants to temporarily de-load from the grid and switch on their generators.

In preparation for the elections in May, NGCP will be mobilizing 24/7 operations of its overall command center from May 8 to 10 to oversee power transmission operations and facilities.

NGCP's dedicated team, the power task force elections (PTFE), has already carried out preparatory activities by coordinating with Commission on Elections and other government agencies for the deployment of their respective contingency plans.

"Our Integrated Disaster Action Plan (IDAP) prescribes these and other measures to ensure the readiness of all power transmission facilities to be affected by emergencies during important national events. With its security and contingency preparations set, NGCP can ensure reliable power transmission services before, during, and after the election date," the company said in a statement.

This year, the DoE forecast a total peak demand of 12,387-MW for the Luzon grid by the last week of May, 747-MW higher than the previous year's peak load of 11,640-MW that occurred on May 28.

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.

Meralco shares at the local bourse advanced by P5.60 or 1.53% to close at P372.60 apiece. — **Ram Christian S. Agustin**



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GMT-Master II

Vitarich ramps up safety measures versus bird flu

FARM products manufacturer Vitarich Corp. said that it is implementing programs to ensure that its facilities will not be affected by avian influenza or bird flu amid the recent outbreak of the virus.

"At Vitarich, we are committed to making sure our farms and facilities remain avian influenza-free. We recognize there are fears that the disease might extend to chickens and potentially disrupt our local food supply," Senior Vice-President Reynaldo D. Ortega said in a statement on Thursday.

"As such, Vitarich has further heightened the implementation of our standards and is coordinating closely with appropriate authorities and experts," added Mr. Ortega, who is the general manager of the poultry, food and feed sales division.

In March, the Department of Agriculture suspended the movement of domestic and captured wild birds and poultry products as a precaution against the virus.

Vitarich said its farms are undergoing monitoring, testing, and enforcement of biosecurity standards regularly.

"These procedures guarantee well-sanitized and enclosed surroundings that prevent contamination and ensure a well-stocked inventory and continuous supply of fresh chickens for our country," the company said.

"We take pride in the implementation of these regular stringent measures to ensure the highest freshness, cleanliness, safety, and quality of our products at all times," it added.

Vitarich operates in three primary industry segments: feeds, foods, and farms.

The company sells its feed products to various distributors, dealers and end users nationwide. Its farm products are day-old chicks and pullets while its food products composed of chicken and dory fish are sold to hotels, restaurants, institutional clients, and supermarkets as well as to wet markets.

At the stock exchange, Vitarich shares remained unchanged at P0.63 apiece on Thursday. — **Luisa Maria Jacinta C. Jocsion**

Kacific: More satellite operators expected to enter PHL

By Arjay L. Balinbin Senior Reporter

MORE satellite operators are expected to enter the Philippines as a result of President Rodrigo R. Duterte's executive order allowing inclusive access to satellite services, Kacific Broadband Satellites said.

"With the signing of Executive Order 127, we expect more satellite operators to take interest in expanding operations in the Philippines," Jose Daniel E. Belgira, national partnership manager for the Philippines at

Kacific, told BusinessWorld in a recent e-mail interview.

"We see this as an opportunity for the industry as a whole to benefit, as more people start to gain awareness and consideration of satellite connectivity as an alternative internet source," he added.

Mr. Duterte's executive order, which he signed in 2021, expands internet services through inclusive access to satellite services. It amends Executive Order 467, which required telecommunication companies to get a congressional franchise before using satellite facilities.

"If anything, entry of LEOs (low-earth orbit satellites) like Starlink will also help to increase

the demand in internet usage, penetrate new markets and address the demand of the enterprise customers with high-speed products," Mr. Belgira said.

The Trade department announced last week that Space Exploration Technologies Corp. (SpaceX) was already preparing to enter the Philippine market.

"We see there is still a large opportunity for satellite internet in the Philippines, given the nature and geography of the country as an archipelago

with plenty of mountainous regions," Mr. Belgira said.

He noted that 32% of the population remains unconnected with an additional 10% in underserved areas.

He also said it remains difficult and costly for internet service providers to offer mobile and fiber services in remote regions.

"As such, satellite broadband now serves as a viable and more affordable option to connect the last mile, and may also complement existing internet infrastructure as a... redundancy service."

FULL STORY



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