GMA targets P8.2-B profit in 2022

Network's head sees 'friendly, harmonious, proper' ties with Marcos gov't

MEDIA giant GMA Network, Inc. expects to grow its net income to P8.2 billion this year from P7.57 billion a year ago, its chairman said on Wednesday.

"The company's projected net income after tax this year is pegged at P8.2 billion, while the capex (capital expenditure) budget for 2022 is estimated at about P2 billion," GMA Network Chairman and Chief Executive Officer Felipe L. Gozon said during the company's annual stockholders' meeting.

"We are optimistic that earnings post-election heading into fiscal year 2023 will be on track as projected," he added.

The company expects gains from the recent election campaign season. Mr. Gozon described GMA Network's 2022 election coverage as the "biggest" and "most expensive" coverage.

When asked about GMA Network's future under a government run by Ferdinand "Bongbong" R. Marcos, Jr., the son of the late dictator Ferdinand E. Marcos, Mr. Gozon replied the company has nothing to worry about.

"Because we are compliant with the requirements of our congressional franchise and other applicable laws, we do not expect that we will be encountering legal problems with the new government," he said.

"We have no reason to believe that our relationship with the new government will not be friendly, harmonious, and proper," he added.

Under the administration of President Rodrigo R. Duterte, lawmakers who supported him rejected the franchise application of ABS-CBN Corp., the former rival of GMA Network in the broadcasting space. The House of Representatives committee on legislative franchises deemed the broadcast network critical of Mr. Duterte "undeserving" of the privilege.


MEDIA giant expects gains from election campaign season.

BW FILE PHOTO

Without ABS-CBN in the free television market, GMA Network easily gained the biggest audience share.

"Based on data from Nielsen, GMA Network was the Number 1 channel in total Philippines [in 2021], with 46% people audience share, reaching 97.5% of total TV households in the country," Mr. Gozon said.

"We maintained our ratings supremacy in 2022. From January to April 2022, the combined audience share of our free-to-air and DTT (digital terrestrial television) channels reached 57.86% nationwide," he added.

The media company saw its total revenues for 2021 grow by 16% to P22.45 billion. "Due to the production of fresh programs, consolidated operating expenses climbed by 16%. Benefiting from the reduction in the income tax rate, our resulting net income stood at P7.57 billion, a growth of 26% by far, the highest in our history," Mr. Gozon said.

Meanwhile, its first-quarter net income grew 5.4% to P2.13 billion from the P2.02 billion earned in the same period a year ago.

"As our core business continues to flourish, we are also energized by new opportunities and potential synergies. Therefore, we established GMA Ventures, our corporate vehicle that will diversify our portfolio by strategic investments in sustainable businesses. We have, so far, invested in a venture capital fund that has given us access to opportunities across Southeast Asia," Mr. Gozon said.

GMA Network shares closed 8.03% lower at P11.30 apiece on Wednesday. — **Arjay L. Balinbin**

SEC flags 'fraudulent' investment scheme of Astrazion group

THE Securities and Exchange Commission (SEC) has directed Astrazion entities to immediately cease and desist from engaging in the unlawful and unauthorized solicitation, offer and sale of securities, calling the scheme "fraudulent."

In an order dated May 12, the commission en banc ordered the group to stop offering their digital currency through an "illegal multi-level marketing platform."

The group is composed of Astrazion Noble Task Community Foundation, Astrazion Global Holdings Philippines, Inc., and Astrazion International.

The companies and their directors have likewise been prohibited from transacting any business involving funds in its depository banks, and from transferring, disposing, or conveying any related assets to ensure the preservation of the assets of the investors, according to the regulator.

The cease-and-desist order was issued after the commission found that the Astrazion group has been operating an online multi-level marketing platform where it actively promotes the sale of its digital currency called "AZNT Token" for 10 cents per token.

"The Astrazion Group enticed the public to invest by assuring members that the AZNT Tokens will be registered and listed as a cryptocurrency at Coin Market Cap, and will be traded in the digital currency trading platform Binance. The AZNT token's value could allegedly rise to $10 each from its current price of 10 cents," the SEC said.

Aside from this, the group also promised investors a residual income and direct referral income distribution.

According to the SEC, this scheme involves the sale and offer of securities to the public in the form of investment contracts, whereby a person invests his money in a common enterprise and is led to expect profits primarily from the efforts of others.

"[T]he commission agrees with the finding, and so holds that the Astrazion Group is engaged in the sale and/or offer of securities in the form of investment contracts… because it has no license to carry out the same," the order read.

Based on the SEC's investigation, Astrazion Global and Astrazion Foundation are duly registered corporations with the commission. However, both firms have never secured a secondary license as an issuer of securities or broker dealer.

Meanwhile, Astrazion International is not registered as a corporation, partnership, or one-person corporation.

In February, the SEC had issued an advisory against the Astrazion group to warn the public from investing in them and similar entities.

"[T]he commission finds that the Astrazion Group is willfully defrauding the investing public in its act of selling and offering AZNT Token and in promising a guaranteed return of 3% daily," the commission said.

The Astrazion group's, operators, directors, officers, representatives, salesmen, agents, uplines, influencers, and enablers have also been ordered to cease their internet presence related to their unauthorized investment scheme. — **Luisa Maria Jacinta C. Jocson**

SSI Group forms joint venture with Gucci

SPECIALTY retailer SSI Group, Inc. said its subsidiary entered into a joint venture agreement with the entity behind Gucci to form a company named Luxury Goods Philippines, Inc. (LGPI).

It said the agreement was forged on May 17 between its unit Stores Specialists, Inc. and G Distribution B.V. (Gucci).

"The joint venture between SSI and Gucci further strengthens the cooperation between Gucci and SSI, and is expected to further accelerate the growth of the Gucci brand in the Philippines and enable operating efficiencies, as Gucci and SSI transition from a franchisor-franchisee relationship, to joint venture partners," SSI told the stock exchange on Wednesday.

SSI said LGPI will have an initial capital of P350 million. The listed company will own 25% of the joint venture while Gucci will own the remaining 75%. The numbers translate to an initial investment amount of P87.5 million for SSI and P262.5 million for Gucci.

"LGPI is expected to commence operations on June 1, 2022, and shall own and operate Gucci stores in the Philippines," it added.

SSI said the joint venture's profits will be distributed pro-rata between SSI and Gucci.

On Tuesday, reported a net income of P67.7 million in the first quarter, turning around from a loss of P99.5 million in the similar period the year before. Sales during the quarter were up 28% to P4.5 billion, with e-commerce sales also increasing by 21% year on year.

In 2021, the company's net income was up 117% to P151 million. Revenues likewise rose by 26% to P15.5 billion.

The company's brand portfolio ranges from luxury, casual, fast fashion, footwear, accessories and luggage, among others.

SSI's specialty retail footprint consists of 570 stores located within approximately 83 malls across the Philippines.

At the stock exchange, shares in the company were unchanged at P1.27 each on Wednesday. — **VVS**

OPPO set to launch Find X5 Pro in PHL

GLOBAL smart device brand OPPO is set to launch the Find X5 Pro in the Philippines on Thursday, it said in a statement.

The flagship OPPO Find X5 Pro, released abroad in March, is equipped high-end camera technology to allow users to take sharp and high-quality photos and videos.

"To empower your every moment, especially those at night, the flagship device integrates OPPO's self-developed imaging Neural Processing Unit (NPU), known as MariSilicon X, a breakthrough in night videography. It enables users to capture bright and high-quality videos at night," OPPO said.

"This powerful feature is reinforced as the OPPO Find X5 Pro leverages the Hasselblad Camera for Mobile, which delivers accurate and natural colors to your life's every moment," it added.

Based on OPPO's website, the Find X5 Pro is powered by a Snapdragon 8 Gen 1 processor and has a 6.7-inch OLED screen with a 120Hz refresh rate. The phone runs on Android 12 with ColorOS 12.

The flagship device has a 5,000mAh battery that supports fast and wireless charging.

It has a triple rear camera setup: a 50-megapixel (MP) main camera, a 13-MP telephoto lens, and a 50-MP ultrawide lens. The phone also has a 32-MP front camera.

The Find X5 Pro's cameras can shoot videos in 4K and also support Ultra HDR and feature optical image stabilization.

The phone comes in Ceramic Black, Ceramic White and Blue. It is offered in 8GB and 12GB RAM with storage options at 256GB and 512GB. — **BVR**


OPPO Find X5 Pro

Musk signs Twitter deal without asking for more info

TWITTER, Inc. published its account on Tuesday of its deal negotiations with Elon Musk, showing he opted out of asking the questions about the social media company's business he has now cited in declaring the $4-billion acquisition is "on hold."

The account, published in Twitter's proxy statement that outlines what shareholders need to know to vote on the deal, paints a picture of Musk in a rush to clinch a deal with his "best and final" offer.

Mr. Musk negotiated the Twitter deal over the weekend of April 23 and April 24 without carrying out any due diligence, the proxy statement shows.

Since signing the deal on April 25, Mr. Musk has questioned the accuracy of Twitter's public filings about spam accounts representing less than 5% of its user base, claiming they must be at least 20%. This is despite Twitter stating in its filings that the numbers could be higher than it estimates.

Independent researchers have projected that 9% to 15% of the millions of Twitter profiles are bots.

Mr. Musk tweeted on Tuesday that Twitter Chief Executive Parag Agrawal has refused to show proof for his company's estimate and that the deal cannot move forward until he does. Twitter's proxy statement shows that in the run-up to the deal Mr. Musk made no effort to get information about the issue.

"Mr. Musk did not ask to enter into a confidentiality agreement or seek from Twitter any non-public info regarding Twitter," Twitter said in its proxy statement.

The proxy statement makes no mention of threats Mr. Musk has tweeted about not going ahead with the deal if he does not get to the bottom of how many spam accounts are on the platform.

Twitter investors appeared convinced that a deal at the agreed price was now out of the question. Twitter shares were trading around $37.55 on Tuesday afternoon, a discount of more than 30% to the $54.20 per share deal price.

Mr. Musk suggested for the first time on Monday at a conference in Miami that the deal could be done at a lower price, without specifying what that could be. He has yet to inform Twitter that he wants to renegotiate the deal.

Legal experts have said Mr. Musk would likely lose in court if he tried to walk away from a deal. But they say that any litigation would likely be protracted and cast uncertainty over Twitter's business. Even companies that have prevailed in court over their acquirers have ended up negotiating financial settlements.

Mr. Musk is contractually obligated to pay a $1-billion breakup fee if he does not complete the deal, but Twitter can sue for "specific performance" to force Mr. Musk to complete a deal and obtain a settlement from him as a result.

Ann Lipton, a professor at Tulane University Law School, said the fact that Mr. Musk had not asked Twitter for information before signing the deal meant he would now have to show that the company's public filings were wrong and posed significant long-term financial issues — a high legal bar.

"Twitter has long said 'this is our estimate of spam but we might be wrong.' So it's not clear that they said anything false," Ms. Lipton said.

COMMITTED TO THE DEAL

Twitter said on Tuesday it remained committed to the deal at the agreed price and expected it to be completed in 2022.

The San Francisco-based company said in its proxy statement that Mr. Musk expressed his interest in joining its board or taking it private on March 26. This would indicate that Mr. Musk mischaracterized his stake of more than 9% in Twitter as passive when he revealed it in a regulatory filing on April 4. He subsequently clarified it was an active stake.

Representatives of Mr. Musk did not respond to requests for comment.

Mr. Musk also told Twitter that he contemplated starting a competitor, according to the proxy statement.

Twitter's CEO, Mr. Agrawal, is entitled to a $60.2-million golden parachute if the deal closes, while the company's chief financial officer, Ned Segal, would get $46.4 million, the proxy shows. Twitter's top lawyer, Vijaya Gadde, would be paid $30 million.

Goldman Sachs Group, Inc. stands to be paid $65 million for advising Twitter once the deal is completed, having already been paid $15 million, the proxy statement shows.

Another Twitter adviser, JPMorgan Chase & Co., stands to be paid $48 million once the deal closes, having already made $5 million for its fairness opinion to the company. — ***Reuters***