

Philippine Stock Exchange index (PSEi)

6,822.32 ▲ 96.18 PTS. ▲ 1.43%

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BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P701.00 +P21.50 +3.16%	ACEN AC Energy Corp. P7.17 +P0.22 +3.17%	AEV Aboitiz Equity Ventures, Inc. P52.50 +P1.50 +2.94%	AGI Alliance Global Group, Inc. P10.90 ---	ALI Ayala Land, Inc. P29.60 +P0.75 +2.60%	AP Aboitiz Power Corp. P31.50 +P1.00 +3.28%	BDO BDO Unibank, Inc. P130.10 +P2.80 +2.20%	BPI Bank of the Philippine Islands P97.50 +P1.90 +1.99%	CNVRG Converge ICT Solutions, Inc. P26.05 -P0.45 -1.70%	EMP Emperador, Inc. P18.20 -P0.02 -0.11%
GLO Globe Telecom, Inc. P2,588.00 +P64.00 +2.54%	GTCAP GT Capital Holdings, Inc. P515.00 +P4.50 +0.88%	ICT International Container Terminal Services, Inc. P218.00 -P4.80 -2.15%	JFC Jollibee Foods Corp. P210.60 -P2.40 -1.13%	JGS JG Summit Holdings, Inc. P52.85 +P1.50 +2.92%	LTG LT Group, Inc. P8.36 +P0.05 +0.60%	MBT Metropolitan Bank & Trust Co. P55.10 +P1.30 +2.42%	MEG Megaworld Corp. P2.81 +P0.06 +2.18%	MER Manila Electric Co. P372.00 +P12.00 +3.33%	MONDE Monde Nissin Corp. P15.80 -P0.88 -5.28%
MPI Metro Pacific Investments Corp. P3.86 -P0.01 -0.26%	PGOLD Pregold Price Club, Inc. P34.75 +P1.70 +5.14%	RLC Robinsons Land Corp. P19.00 +P0.26 +1.39%	SECB Security Bank Corp. P92.55 +P1.55 +1.70%	SM SM Investments Corp. P862.00 +P23.50 +2.80%	SMC San Miguel Corp. P107.00 +P2.30 +2.20%	SMPH SM Prime Holdings, Inc. P38.00 +P0.20 +0.53%	TEL PLDT, Inc. P1,961.00 +P11.00 +0.56%	URC Universal Robina Corp. P107.50 +P2.20 +2.09%	WLCON Wilcon Depot, Inc. P27.00 ---

Tax breaks give Converge more room for expansion

LISTED fiber internet service provider Converge ICT Solutions, Inc. said the approval of its tax incentives will allow more room for the company to further expand its fiber network to reach its goal of covering 55% of households in the Philippines.

"Securing tax breaks from FIRB (Fiscal Incentives Review Board) will allow Converge more room for expansion of FTTH (fiber-to-the-home) ports to-

wards our 2023 goal of deploying 7.5 million to 8 million ports to cover 55% of Philippine households," said Maria Grace Y. Uy, co-founder and president of Converge, during the company's annual stockholders' meeting on May 27.

The FIRB recently approved the application for tax incentives of Converge and three other telecommunications companies.

The tax incentives granted to Converge include a four-year income tax holiday, five years of enhanced deductions, and 11 years of duty exemption on equipment and raw materials. These were granted to Converge for its fiber optic network for high-speed internet broadband, with a total project cost of P150.6 billion.

Finance Secretary and FIRB Chairman Carlos G. Dominguez

III said in a statement that the government expects Converge to deliver on its performance commitment of "faster and cheaper internet access" in remote areas, as "this will not only address our pain points with regard to connectivity but also provide more employment opportunities to our people in rural areas."

SkyTowers Infra, Inc., Frontier Tower Associates Philippines, Inc., and Transcend

Towers Infrastructure Philippines, Inc. were also granted tax incentives.

Converge said it believes the FIRB approval was a recognition of the "missionary nature" of its project, which is expected to "bring connectivity to marginalized areas of the Philippines."

"Broadband connectivity is one of the priority sectors that have a direct impact on AmBisyon Natin 2040, the government's

long-term vision for the nation," it said in a statement.

Converge, which saw its attributable net income increase by 27% to P1.97 billion in the first three months of the year, targets to roll out fiber-to-the-home infrastructure to cover more than 1,200 unserved and underserved towns nationwide.

Converge ICT shares closed 1.70% lower at P26.05 apiece on Monday. — **Arjay L. Balinbin**

ABS-CBN sees improved Q1 performance, cuts losses

ABS-CBN Corp. has seen its attributable net loss for the first quarter of the year narrow to P1.38 billion from a loss of P1.95 billion the previous year.

The company's total revenues for the quarter climbed 18.6% to P4.65 billion from P3.92 billion in the same period in 2021, its first-quarter report showed. Its total expenses remained at P5.77 billion.

ABS-CBN's advertising revenues increased 59.8% to P1.49 billion from P929 million previously, while consumer sales grew 5.8% to P3.17 billion from P2.99 billion.

The company said the increase in advertising revenues is attribut-

able to both political placements and growth in regular advertising as it continues to expand its coverage through partnerships.

"Consumer sales increased by P174 million mainly resulting from the licensing and syndication of the company's films and programs library," it noted.

As of March 31 this year, ABS-CBN's total consolidated assets stood at P53.4 billion, 1.5% higher than total assets of P52.6 billion as of Dec. 31, 2021.

The company said its net debt-to-equity ratio was at 1.45x and 1.46x as of March 31 this year and Dec. 31, 2021, respectively.

Under President Rodrigo R. Duterte's government, lawmakers who supported him rejected the franchise application of ABS-CBN, the former rival of GMA Network, Inc. in the broadcasting space.

The House of Representatives committee on legislative franchises deemed the broadcast network critical of Mr. Duterte and "undeserving" of the privilege.

"Despite the non-renewal of the company's franchise, ABS-CBN remained committed in producing meaningful and quality content to continue to be of service to the Filipino worldwide," the company said.

It launched in 2020 its Kapamilya Channel on cable TV, and subsequently,

its digital streaming channel Kapamilya Online Live.

"On Oct. 6, 2020, a new milestone was again reached by ABS-CBN where it was able to secure a partnership with Zoe Broadcasting to blocktime ABS-CBN's programs under the Channel 11 A2Z. These initiatives allowed ABS-CBN to be welcomed back to Filipino households. Launching these platforms allowed the company to generate P1.5 billion in advertising revenues in the first quarter of 2022," the company said.

ABS-CBN shares closed 3.03% higher at P10.20 apiece on Monday. — **Arjay L. Balinbin**

ERC OK's power supply for Occidental Mindoro

THE Energy Regulatory Commission (ERC) has granted temporary approval to a power supply agreement (PSA) between an energy provider in Occidental Mindoro and an electric cooperative in the same province.

In a statement on Monday, ERC Chairperson and Chief Executive Agnes VST Devanadera said the grant of provisional authority to the supply deal "will greatly help alleviate the power shortage within its franchise area."

The PSA was forged between Occidental Mindoro Electric Cooperative, Inc. and Occidental Mindoro Consolidated Power Corp. for Mamburao, Paluan, Sta. Cruz, and Abra de Ilog (OMCPC-MAPSA). It will allow the parties to implement an additional power supply of about 7 megawatts (MW).

Occidental Mindoro has a power demand of around 27 MW, but only 20 MW is provided by OMCPC's bunker-fired diesel power plant in San Jose, located in the southern part of the province, the ERC said. OMCPC is said to be the lone supplier in the area.

As a result, the province has been experiencing rotational power outages of as much as five to six hours per day due to a significant shortage in the available power supply.

The electric cooperative was previously able to source 4 MW of power from a diesel power plant of the National Power Corp. in Mamburao, which is in the northern part of the province. But its supply contract with the state-owned entity expired in December last year, the ERC said, adding that the power plant is no longer available.

"The additional power supply to be sourced from OMCPC-MAPSA will be able to cover the power requirements, particularly in the areas of Mamburao, Paluan, Sta. Cruz, and Abra de Ilog in the Province of Occidental Mindoro, and will help address the supply shortage in the area," Ms. Devanadera said.

Alsons sets focus on two hydro facilities in 2022

ALSONS Consolidated Resources, Inc. (ACR), said in a disclosure on Monday that it will be focusing on advancing the development of two hydroelectric power projects in the Zamboanga Peninsula and Negros Occidental this year.

These are the 21-megawatt (MW) hydro power plant in Zamboanga del Norte, which is being developed by ACR's Sindangan Zambo-River Power Corp.; and the 42-MW Bago river hydroelectric power plant in Negros Occidental, the company's first power project outside of Mindanao.

"The Siguil, Sindangan, and Bago river hydro power plants will be the first three of at least eight run-of-river hydroelectric power plants that ACR plans to develop in the years to come," ACR Executive Vice-President Tirso G. Santillan, Jr. said.

The company's initial hydro power project, the 14.5-MW Siguil hydro plant in Sarangani province, will be starting commercial operations in the second quarter of 2023.

"This is all in keeping with the Department of Energy's mandate to ensure that all key areas have access to readily available sources of renewable energy," Mr. Santillan said.

In 2021, the company's attributable net income rose 24.4% to P404.56 million from P325.11 million while consolidated revenues increased by 6.2% to P10.05 billion from P946 billion.

"Despite a challenging business environment and the impact of the COVID-19 (coronavirus disease 2019) pandemic, we managed to achieve higher revenues and net income attributable to parent due to operating efficiencies and cost

cutting measures," ACR Chief Finance Officer Alexander Benhur M. Simon said.

The company said that its 210-MW Sarangani Energy Corp. baseload power plant was a key revenue and income driver, delivering a combined output of 974 gigawatt-hours last year from 952 gigawatt-hours in 2020.

Sarangani Energy currently provides power to key areas in Mindanao, including Sarangani province, General Santos, Cagayan de Oro, and Iligan.

In the first quarter of 2022, ACR recorded a 2.9% decline in attributable income to P90.16 million from P92.88 billion a year ago despite a 23.6% rise in revenues to P2.67 billion from P2.16 billion previously.

For the rest of the year, Mr. Simon said, "We expect higher revenues and profit margins as we continue to realize incremental revenues from ancillary services and additional utilization of the available capacity of [Sarangani Energy]."

ACR said that its 100-MW Western Mindanao Power Corp. diesel plant in Zamboanga City was another growth driver for the company.

The plant is the only major power generation facility in the Zamboanga Peninsula. The plant provides power to Zamboanga City and supplies vital ancillary services to stabilize the power grid in Western Mindanao.

ACR has a portfolio of four power facilities with an aggregate capacity of 468 MW serving over eight million people in 14 cities and 11 provinces.

At the stock exchange, ACR shares remained unchanged at P1.01 apiece on Monday. — **Luisa Maria Jacinta C. Joenson**

SMPC pays record P5.9-B royalty

SEMIRARA Mining and Power Corp. (SMPC) has remitted P5.9 billion in government royalty to the Department of Energy, which the listed energy company described as "the highest in its corporate history."

"We had an exceptionally strong start, so much so that in three months, we surpassed our previous full-year royalty payments," said SMPC President and Chief Operating Officer Maria Cristina G. Gotianun in a statement on Monday.

The record amount, which is nearly nine times more than the P656 million a year ago, comes as the company registered all-time-high coal shipments and average selling prices.

Of the P5.9 billion remitted to the Energy department as the government share, more than P3.5 billion will be retained by the national government.

The rest of the amount will go to the host local government units of SMPC's mine site. Antique province

will receive P476 million while Caluya town and Brgy. Semirara will receive around P1.1 billion and P833 million, respectively.

Local government units are entitled to a 40% share of royalty proceeds from petroleum, coal, geothermal, hydrothermal and wind resources, as called for by the Local Government Code of 1991.

Last year, SMPC said it paid a total of P5.4 billion to depart "as improved coal output and favorable market conditions allowed the company to ship more coal at elevated prices."

SMPC, the country's largest coal producer, describes itself as the only vertically integrated power generator in the country that produces its own fuel. It supplies coal to local power plants, cement factories and other industrial facilities.

On Monday, shares in the company rose 1.36% or 45 centavos to close at P33.50 apiece.

EDC remits P12.4M to geothermal facility's host towns

LOPEZ-LED Energy Development Corp. (EDC) has turned over P12.4 million to two local government units in Leyte that host its geothermal facility, a move called for by a government circular.

In a statement on Monday, the subsidiary of publicly listed First Gen Corp. said checks had been handed over to officials of Ormoc City and the Municipality of Kananga, the hosts of its 726.7-megawatt facility, which is said to be the world's largest geothermal steamfield.

The turnover is in compliance with the Department of Energy's Circular No. DC2018-

08-0021 that requires energy generation companies or energy resource developers to directly provide their Energy Regulations (ER) No. 1-94 benefits equivalent to one centavo per kilowatt-hour of the total electricity sales to their host communities.

The so-called ER 1-94 funds are meant to hasten the host communities' socioeconomic development. The Energy department used to be the one releasing the funds.

EDC said that for the past two years, the two local government units used the funds for the construction of quarantine or isolation facilities

and other initiatives during the pandemic.

This year, the hosts will still allocate a portion of the funds for their coronavirus disease 2019 (COVID-19) response and for some infrastructure projects in their respective areas, it added.

"This strong partnership enables EDC to continue its mission of generating 100% renewable energy to decarbonize our country for its regenerative future," said Allan V. Barcena, head of EDC's corporate relations and communications division.

EDC's facility straddles Ormoc City and the Municipality

of Kananga. It supplies more than 30% of the country's installed geothermal capacity, the company said, adding that the facility puts the Philippines on the map as the world's largest geothermal producer.

The plant has been providing a reliable supply of clean power to Luzon and the Visayas for almost 40 years, it added.

"We are thankful that our bond with our partners in progress from both the Municipality of Kananga and Ormoc City became even stronger as we all worked together to triumph over this COVID-19 pandemic these past two years," Mr. Barcena said.