

Philippine Stock Exchange index (PSEi)

6,379.17 ▼153.13 PTS. ▼2.34%

PSEi MEMBER STOCKS

AC Ayala Corp. P651.00 -P42.00 -6.06%	ACEN AC Energy Corp. P6.23 -P0.37 -5.61%	AEV Aboitiz Equity Ventures, Inc. P47.00 -P3.00 -6.00%	AGI Alliance Global Group, Inc. P11.54 +P0.06 +0.52%	ALI Ayala Land, Inc. P27.50 -P1.65 -5.66%	AP Aboitiz Power Corp. P28.50 -P1.30 -4.36%	BDO BDO Unibank, Inc. P125.20 -P1.50 -1.18%	BPI Bank of the Philippine Islands P89.00 -P2.90 -3.16%	CNVRG Converge ICT Solutions, Inc. P27.75 +P1.25 +4.72%	EMP Emperador, Inc. P19.62 -P0.22 -1.11%
GLO Globe Telecom, Inc. P2,200.00 -P138.00 -5.90%	GTCAP GT Capital Holdings, Inc. P482.00 -P18.00 -3.60%	ICT International Container Terminal Services, Inc. P206.00 -P8.80 -4.10%	JFC Jollibee Foods Corp. P210.00 -P0.20 -0.10%	JGS JG Summit Holdings, Inc. P50.20 -P1.80 -3.46%	LTG LT Group, Inc. P8.10 -P0.19 -2.29%	MBT Metropolitan Bank & Trust Co. P49.00 -P1.80 -3.54%	MEG Megaworld Corp. P2.70 -P0.05 -1.82%	MER Manila Electric Co. P330.20 -P3.60 -1.08%	MONDE Monde Nissin Corp. P14.36 +P0.76 +5.59%
MPI Metro Pacific Investments Corp. P3.75 -P0.05 -1.32%	PGOLD Puregold Price Club, Inc. P31.65 -P0.45 -1.40%	RLC Robinsons Land Corp. P18.00 -P0.54 -2.91%	SECB Security Bank Corp. P89.00 -P5.15 -5.47%	SM SM Investments Corp. P789.00 -P39.00 -4.71%	SMC San Miguel Corp. P101.00 —	SMPH SM Prime Holdings, Inc. P35.10 +P1.55 +4.62%	TEL PLDT, Inc. P1,930.00 +P21.00 +1.10%	URC Universal Robina Corp. P103.00 -P7.00 -6.36%	WLCON Wilcon Depot, Inc. P27.00 —

PAL, Cebu Pacific seen to sustain revenue growth

By Arjay L. Balinbin
Senior Reporter

LOCAL AIRLINES will likely sustain the momentum in their revenues for the rest of the year amid easing of restrictions to further reopen the economy, analysts said.

"I think they will sustain the momentum, especially that the economy is increasingly being opened up and coronavirus cases are being managed until now despite after elections," Astro C. del Castillo, managing director at First Grade Finance, Inc., said in a phone interview on Saturday.

"Many countries are also opening, so the demand for flights by Filipinos and foreigners are there, so I think, moving forward, the skies will be a bit clearer. But I'm sure there will still be remnants of dark clouds hanging in the air," he added.

Flag carrier Philippine Airlines (PAL) and budget carrier Cebu Pacific have both reported higher revenues for the first three months of the year, with the former returning to profitability.

PAL, operated by PAL Holdings, Inc., generated P24 billion in revenues from a 201% growth in passenger revenues and a 72% growth in cargo revenues for the first quarter of 2022, as compared to the same period a year earlier, the flag carrier said in an e-mailed statement last week.

The airline reported a net comprehensive income of P1.2 billion for the first quarter, "a significant development that marks PAL's return to profitability."

"The last time that PAL registered positive first quarter results was in 2016," it added.

Meanwhile, Cebu Pacific, operated by Cebu Air, Inc., saw its revenues for the period jump by 148% to P6.71

billion from P2.71 billion generated in the same period in 2021.

Its first-quarter performance was driven by passenger operations, which grew by 256% to P3.16 billion from P887 million in the same period last year.

However, its net loss for the period widened to P7.61 billion from a loss of P7.30 billion in the same period a year earlier. This was mainly due to forex translation of dollar-denominated loans and unrealized mark-to-market losses from the derivative value of its convertible bonds, the budget carrier said.

"Sales and income of airlines and related businesses/industries improved amid further reopening of the economy towards greater normalcy such as the lowest Alert Level 1 for Metro Manila and other areas since March 2022," Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort

said in an e-mailed reply to questions on Friday.

He noted that the resumption of foreign tourism for some fully vaccinated foreigners since February, as well as further recovery in domestic tourism and the resumption of face-to-face schooling have supported the recovery of many adversely affected businesses.

"Higher global oil/fuel prices could lead to higher costs and narrower margins (partly due to competition) for airlines, unless these are hedged on their oil/supplies."

"Other risk factors include more contagious coronavirus variants that could still lead to some potential spike in new coronavirus cases in some countries that could again lead to potential risks of lockdowns/restrictions, which could again adversely affect businesses/industries/economies, as well as cause some disruptions in the local/global supply chains," Mr. Ricafort added.

Transport expert Rene S. Santiago said it is still difficult to predict the pandemic measures of the next administration, as former Senator Ferdinand "Bongbong" R. Marcos, Jr., who emerged as the clear winner in the presidential race, has yet to present his plans.

Revenue growth for local airlines can be sustained "subject to no surge in coronavirus cases and no imposition of lockdown," he noted.

Mr. Del Castillo said: "Reading between the lines, I think the next administration admitted that revenues are very much needed this coming year and the next few years. Given that, I'm sure they will be more liberal and open, supporting industries, especially our airlines wherein the movement of goods and services as well as passengers would be free-flowing to boost the economy."

Cebu Pacific said that for the rest of 2022, it "sees a better busi-

ness outlook driven by domestic recovery and reopenings of international destinations."

"However, it remains cautious of the risks presented by increasing jet fuel prices and interest rates and depreciation of the Philippine peso versus US dollar."

Cebu Pacific will "continue to invest in the modernization of its fleet and will remain committed to providing affordable and accessible air transport services for all," it added.

PAL said it expects to return to pre-pandemic levels in its domestic network within the second or third quarter of 2022, while "continually adding flights on key international routes to the US, Canada, and parts of the Middle East and Asia."

PAL shares closed 1.84% higher at P6.10 apiece on Friday, while Cebu Air shares closed 2.27% higher at 45 apiece.

MacroAsia says 2022 revenues to be on upward trend

MACROASIA Corp. said it expects higher revenues this year due to increased airport traffic volumes as mobility continues to ease up.

"We foresee that 2022 revenues will be on an upward trend compared to 2021, as recent data shows that travel movements have now increased," MacroAsia President and Chief Operating Officer Eduardo Luis T. Luy said during the company's annual stockholders' meeting on May 12.

The company managed to cut its attributable net loss for the first quarter of 2022 to P26.88 million from a loss of P235.18 million in the same period in 2021.

"While the core business segments of the group continue to be impacted by the downturn in air travel due to

coronavirus-related quarantine and airport restrictions since the onset of the pandemic, 2022 volume developments now trend towards recovery in the airline industry," the company said in its first-quarter report released last week.

"The number of flights and meals served are slowly improving as travel and safety protocol restriction measures are slowly eased," it added.

The company's total revenues for the period reached P710.27 million, up by 79% from P397.38 million in the same period in 2021.

It said that revenues from in-flight catering contributed 39% of the total revenues. "This is brought about by the increase in the number of meals served to airline and non-airline clients, from

577,663 in 2021 to 2,189,174 meals in 2022," the company noted.

Meanwhile, revenues from ground-handling and aviation services increased by 42% to P307.90 million in the first three months of the year from P216.73 million in the same period a year earlier.

"Flights handled increased by a total of 6,921 flights (42%), from 16,345 in 2021 to 23,266 flights in the current year," it said.

The Manila International Airport Authority (MIAA) has said domestic traffic at the Ninoy Aquino International Airport (NAIA) surged to 3.17 million in the first three months of the year as travel restrictions were dialed back.

Domestic passenger traffic — arrivals as well as departures — were signifi-

cantly higher than the year-earlier total of more than one million passengers, according to an operations report posted on MIAA's website.

Domestic traffic was still running well behind the total of 4.48 million posted in the first quarter of 2020, which included the two months before the declaration of the state of emergency.

International passenger traffic at NAIA increased to 1.03 million in the first quarter of 2022 from 503,331 a year earlier. In the first three months of 2020, international passengers at NAIA were at 4.35 million.

MacroAsia shares closed 0.21% lower at P4.70 apiece on Friday. — **Arjay L. Balinbin**

Udena says Malampaya gas project 'remains business as usual'

THE Malampaya gas-to-power project "remains business as usual" and is still providing the government "hope for energy security in the medium and long term," the head of Udena Corp. said on Sunday.

"Udena remains committed to the continued growth and development of Malampaya. We have a highly qualified team and have expended considerable time, expense, and resources to put ourselves in the position where we can step in to arrest the decline of Malampaya," said Udena President Raymond Martin M. Escalona in a statement.

He issued the statement in response to what he said "misinformed comments and hasty conjectures from some quarters" about the Malampaya offshore gas project, of which a unit of Udena is a consortium participant.

His statement came after Senator Sherwin T. Gatchalian earlier on Sunday expressed "grave concern" over the country's power situation, citing reports that Udena Chairman Dennis A. Uy is planning to sell "this controlling stakes" in the Malampaya project.

"With the expiration of Malampaya's service contract in 2024, the depletion of the remaining reserves in the gas field by 2027, and now the possible sale of participating interests of Udena in the country's most important energy source — there's so much uncertainty ahead of us insofar as our energy security is concerned. Are we looking at rotational brownouts again?" the lawmaker said.

Mr. Gatchalian, who heads the Senate energy panel, said he had proven himself right over what he called "apparent financial incapacity" of Udena subsidiaries that acquired the 45% stake of Chevron Philippines, Ltd. and 45% stake of Shell Philippines Exploration B.V. (SPEX).

In December last year, state-led PNO Exploration Corp., which owns the remaining 10% of the project, withheld its consent to the transaction between the project's operator SPEX and Udena unit Malampaya Energy XP Pte. Ltd. — **Victor V. Saulon**

OUTLIER

First-quarter earnings lift PLDT shares higher

INVESTORS turned bullish on PLDT, Inc. last week after the release of its first-quarter earnings report, which was ahead of forecast for both net income and core profit, analysts said.

Data from the Philippine Stock Exchange (PSE) showed a total of 888,690 PLDT shares worth P1.68 billion exchanged hands from May 10 to 13, making it the sixth most actively traded stock last week.

The company's shares finished at P1,930 apiece on Friday, up by 2.1% week on week. Year to date, the stock's price increased by 6.5%. Local financial markets were closed on May 9 due to the national elections.

Regina Capital Development Corp. Head of Sales Luis A. Limlingan said PLDT's movement was mainly anchored on its recently released quarterly income report, which was mildly ahead of the street's forecasts.

In a separate e-mail, Philippine National Bank Senior Equity Research Analyst Jonathan J. Latuja said that apart from the earnings results, which he said were generally in line

with expectations, no developments drastically affected the stock price.

Last Tuesday, the telco giant announced that it was planning to build more data centers as the group is now approaching capacity limits.

On May 5, PLDT Chairman Manuel V. Pangilinan said that the company had effectively been given license for its enterprise side to go ahead and expand.

The company's goal is to position the country as Asia-Pacific's next digital hub and destination. PLDT has been serving the requirements of some global technology companies through its data centers.

Mr. Latuja said the strategy is expected from PLDT and that its new business segment is a relevant growing space that the telco company must be present in. But he said its contribution to PLDT's topline and bottom line would not be as significant as its core telco businesses, namely: fixed line and wireless services. — **Abigail Marie P. Yraola**

FULL STORY



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PSE approves Raslag planned IPO

THE Philippine Stock Exchange, Inc. (PSE) announced that it cleared the initial public offering (IPO) application of Raslag Corp.

The energy company will offer up to 350 million primary shares priced at up to P2.00 per share with an over-allotment option of up to 52.50 million. It expects to net P648.08 million from the offer, while the over-allotment could bring P105 million.

The final offer price will be determined on May 18 after the company's book-building exercise. The IPO is scheduled from May 23 to 27.

"We welcome the IPO of Raslag as this will help grow the lineup of companies in the renewable energy (RE) space that are listed on the PSE. Providing RE firms an avenue to raise capital for its projects is one of the ways by which we can help address the threat of climate change as an Exchange," PSE President and Chief Executive Ramon S. Monzon said in a statement.

Proceeds from the offer will be used to pay for the equity portion of its solar projects, including the development and construction of RASLAG-4, a 351-megawatt (MW)

solar photovoltaic plant and the pre-development work for RASLAG-5's around 60 MW capacity.

The company tapped China Bank Capital Corp. as sole issue manager, underwriter, and bookrunner for the offer.

Raslag is a domestic renewable energy developer founded by Peter G. Nepomuceno in Angeles City, Pampanga, and Conrado D. Pecjo, the business development manager of Angeles Power, Inc.

In 2021, the energy firm completed and commercially operated its 10.046-MW-peak RASLAG 1 project.

The embedded generator has 38,640 panels of polycrystalline panels to achieve an annual generation of 14.25 million kilowatt-hour (kWh) from January to December 2021.

The company said it aims to foster "competitive prices against conventional energy sources that are reliable, sustainable, economical and environmentally friendly."

"Raslag envisions to become one of the front-runners in accelerating the world's transition to better and greener alternatives centered in giving the power back in the hands of the people," it added. — **Luisa Maria Jacinta C. Jocson**

LNG regas facility set for Aug. commissioning

TWO out of the six entities that plan to build a terminal for imported liquefied natural gas (LNG) are "aggressive" in developing their facilities aimed at supporting the country's transition to cleaner fuel while ensuring energy security.

"Linseed [Field Power Corp.] moved its schedule a bit, but this has to be confirmed in the monthly meeting this month," Rino E. Abad,

director of the Energy department's Oil Industry Management Bureau, said partly in Filipino during a briefing on Friday.

"From July 1, they may end up having commissioned the regas terminal instead on Aug. 1," he added, referring to the regasification facility that will transform imported LNG back to its gaseous state. — **Victor V. Saulon**

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