

Philippine Stock Exchange index (PSEi)

6,248.13 ▼ 7.24 PTS.

▼ 0.11%

THURSDAY, JULY 14, 2022

BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P605.00 +P1.00 +0.17%	ACEN AC Energy Corp. P8.05 -P0.22 -2.66%	AEV Aboitiz Equity Ventures, Inc. P50.85 +P1.85 +3.78%	AGI Alliance Global Group, Inc. P9.90 -P0.10 -1.00%	ALI Ayala Land, Inc. P23.80 -P0.60 -2.46%	AP Aboitiz Power Corp. P31.40 -P0.10 -0.32%	BDO BDO Unibank, Inc. P123.00 +P3.10 +2.59%	BPI Bank of the Philippine Islands P90.00 +P2.45 +2.80%	CNVRG Converge ICT Solutions, Inc. P21.25 -P0.60 -2.75%	EMI Emperor, Inc. P18.10 +P0.68 +3.90%
GLO Globe Telecom, Inc. P2,294.00 +P44.00 +1.96%	GTCAP GT Capital Holdings, Inc. P440.00 -P23.00 -4.97%	ICT International Container Terminal Services, Inc. P186.50 +P3.70 +2.02%	JFC Jollibee Foods Corp. P212.80 +P0.20 +0.09%	JGS JG Summit Holdings, Inc. P50.00 +P0.40 +0.81%	LTG LT Group, Inc. P8.43 -P0.03 -0.35%	MBT Metropolitan Bank & Trust Co. P47.70 +P0.05 +0.10%	MEG Megaworld Corp. P2.17 -P0.01 -0.46%	MER Manila Electric Co. P354.00 +P4.00 +1.14%	MONDE Monde Nissin Corp. P13.96 +P0.02 +0.14%
MPI Metro Pacific Investments Corp. P3.78 +P0.05 +1.34%	PGOLD Puregold Price Club, Inc. P30.50 -P0.55 -1.77%	RLC Robinsons Land Corp. P16.82 -P0.62 -3.56%	SECB Security Bank Corp. P88.40 -P0.60 -0.67%	SM SM Investments Corp. P775.50 -P21.50 -2.70%	SMC San Miguel Corp. P105.50 +P1.50 +1.44%	SMPH SM Prime Holdings, Inc. P36.70 -P0.20 -0.54%	TEL PLDT, Inc. P1,700.00 -P6.00 -0.35%	URC Universal Robina Corp. P115.00 -P1.80 -1.54%	WLCON Wilcon Depot, Inc. P21.55 -P1.45 -6.30%

Emperor lists in Singapore, targets expansion

By Victor V. Saulon
Sub-Editor

SINGAPORE — Emperor, Inc. on Thursday started trading on the Singapore stock exchange after holding its secondary listing in the global financial hub to mark the Filipino spirits company's move to boost its international presence.

"This moment is truly a milestone for Emperor," Andrew L. Tan, the company's chairman, told reporters after the listing, adding that the move "reinforced the globalization" of the Philippine-listed firm.

Emperor, whose primary listing is maintained on the Phil-

ippine Stock Exchange, is trading under the stock code EMI in both bourses.

Bryan Donaghey, head of Emperor's whisky business and chief executive officer of Whyte and Mackay Group Ltd., a company acquired in 2014, said the listing sets the "the next chapter" in the Tan-led group's growth.

In an interview with *BusinessWorld*, he said the proportion of sales contributed by the international business "is probably 35% and 40%," with the Philippine business accounting for the biggest share.

"We'd see that move up to more like 50% as we grew the international business," he said, adding that the source of foreign sales is "widespread." He said the

target is expected to be reached by 2025.

At present, about 30% of the company's branded whisky business is in the Asia-Pacific region, around 15% in the United States, Canada, and Europe, and about 30% in the United Kingdom.

"So, the international [part] of it is quietly spread across the continents that's why we can grow because we're represented in those markets already. So, it's about getting bigger in the markets we're already in for the whisky side," Mr. Donaghey said.

"And brandy is also a good opportunity to get into more markets," he added.

He said the brandy business grew from 17 to 65 countries, and that growth is expected to

continue. Emperor, a manufacturer, bottler and distributor of alcoholic drinks, has presence in more than 100 countries.

Emperor's portfolio includes best-selling Spanish brandies Fundador, Terry Centenario, Presidente and Emperor. Its single malt whisky brands include The Dalmore, Jura, Fettercairn, and Tannavulin.

In the statement distributed during the listing, it said its fast-growing international business is led by the Scotch whisky segment after the integration of Whyte & Mackay.

Mr. Donaghey said the secondary listing leverages the Singapore stock market's stature and "will ensure we are well-positioned to broaden our access to the inter-

national investment community in the future."

"We're already in China, we're already in the US, it's about growing the business that we've got there," he said. "Our Asia-Pacific business has increased over tenfold over the last five or six years. A lot of that is in China."

Kevin Andrew L. Tan, one of the company's directors, described the listing as "putting a very strong Filipino company in the global map."

"Emperor is effectively a Filipino company. We are an Asian company with global aspirations," the younger Mr. Tan told reporters, adding that the listing "cements" the group's international ambition.

"We hope that it also opens the doors for any other companies

to also do the same thing. The Singapore stock exchange is truly a global exchange. It's a very diversified exchange," he said.

Pol de Win, the Singapore exchange's senior managing director, head of global sales and origination, said in a briefing after the listing that Emperor's move to build a global portfolio steps up its growth strategy in both mature and emerging markets.

He said the listing in Singapore "provides an excellent springboard for Emperor to further raise its profile and capture new growth opportunities."

On Thursday, shares in the company closed higher by 3.9% or P0.68 to close at P18.10 apiece at the Philippine bourse.

Jollibee denies reports of Korean franchise acquisition

JOLLIBEE FOODS Corp. (JFC) on Thursday clarified it has not been in any discussions to acquire any company in recent months.

"The acquisition of a new business has always been part of Jollibee Foods Corporation's growth strategy. We remain open to opportunities, but are very selective and stringent with acquisitions," the company said in a disclosure to the stock exchange.

"With respect to recent months, JFC has not been in any discussions with or given a bid for acquisition to any

company, either formal or informal," Jollibee said.

The company made the statement to clarify a news story titled "Mom's Touch, a competitive battle for global food companies..." The ransom is over 1 trillion" posted in The Seoul Economic Daily on July 12.

According to an English translation of the article written in Korean, which JFC quoted in its disclosure, Jollibee was listed as a potential buyer for Mom's Touch, a Korean hamburger franchise, along with Yum! Brands and Golden Gate Corp.

The article was quoting Korean market analysts, the JFC disclosure showed.

Mom's Touch is a South Korea-based franchise brand that sells various flavors of fried chicken and whole thigh chicken patty burgers.

According to its website, as of June 2021, it had 1,333 stores in operation all over the country with systematic franchise management and spirit of co-prosperity.

JFC's principal business is the development, operation and franchising of quick service restaurants such as Jol-

libee, Chowking, Greenwich, Red Ribbon, Yong He King, Hong Zhuang Yuan, Mang Inasal, Burger King, Highlands Coffee, PHO24, Hard Rock Caf, Dunkin' Donuts, Smashburger, Tim Ho Wan, Tortas Frontera, The Coffee Bean & Tea Leaf, and Panda Express.

They are also engaged in manufacturing and property leasing in support of the QSR systems and other business activities.

JFC shares went up by 20 centavos or 0.09% to close at P212.80 apiece on Thursday. — **J.I.D.P. Tabile**

SL Agritech pushes hybrid rice research to boost production

SL AGRITECH Corp. is ramping up efforts to enhance hybrid rice technology in the country to further boost production and provide more income for farmers.

"Our team is committed to pioneering research and development initiatives with the hope to continuously discover high-yielding rice varieties that would meet the demand of our countrymen while uplifting the lives of our farmers," SL Agritech Senior Vice-President Michelle L. Gankee said in a statement.

"With these varieties, we are one step ahead of battling the threat of food shortages because farmers can then produce rice crops with robust panicles and stems, which eventually translates to a higher yield," she added.

The firm said it is helping farming communities through several agri-programs that aim to double or triple their harvest.

"Food stability in the Philippines has been a continuing problem that is projected to lead to a food crisis by the end of this year," SL Agritech said.

"It is inevitable for public and private entities to work hand-in-hand in supporting the industry through sustainable initiatives that will help our farmers while stabilizing the prices of rice in the market," it added.

In 2020, SL Agritech launched the Masaganang Ani 300 program which aimed to increase the country's rice productivity.

"Through the program, farmers were able to produce 300 to 339 cavans of rice, equivalent to more than 15 metric tons (MT) of rice production using hybrid rice seeds," it added.

SL Agritech also previously launched the high-yielding SL-8H seed variety.

"Since then, other SL varieties have been introduced with new yields ranging from 7 to 15 MT per hectare that thrive even at the most unfavorable climatic condition," it added.

SL Agritech Chief Executive Henry Lim Bon Liong said the firm's technology is capable of meeting the country's growing demand for rice.

"My goal, not just for SL Agritech but also for the country, is to enable the utilization of hybrid rice technology that would boost our rice production while increasing the net income of our farmers," he added.

SL Agritech is engaged in the research, development, production and distribution of hybrid rice seed and premium quality rice. — **Luisa Maria Jacinta C. Jocson**



BW FILE PHOTO

DITO seeking local gov't help for 'viability' to cover challenging areas

DITO Telecommunity Corp. is reaching out to local government units (LGUs) for a possible partnership in order to make it viable to build telecommunications infrastructure in "challenging areas," company executives said on Thursday.

"We are talking to LGUs in these challenging areas on how we can partner to make it viable. As early as now, we are talking on whatever scheme we can explore... to really partner to provide telco services in these challenging areas," DITO Chief Technology Officer Rodolfo D. Santiago said during a press briefing.

He said it is "not commercially viable" to put up infrastructure in areas such as island municipalities with few users. DITO is planning to spend P50 billion on expansion projects in order to cover 75-76% of the population this year.

Mr. Santiago estimated that investment per tower in the more challenging areas could be higher. The telco targets to reach 80% coverage next year, or equivalent to up to 7,500 towers.

"Definitely (the investment) will be higher and require some additional technologies like satellite technologies to provide the backhaul," he said. "We are in talks with (satellite companies), but I cannot disclose (the details) yet until we sign something with them."

DITO Chief Administrative Officer Adel A. Tamano said the telco, which now has 5,500 towers nationwide with 10.3 million subscribers, has a commitment to build infrastructure in commercially unviable areas because of the "nation-building element" of its business model.

"Speaking straight, this 84-90% (coverage), which is our internal target, is not commercially viable. We are not going to be burning that much in those areas, but because of our government and internal commitments of wanting to serve the underserved, that's part of what we have to do," he said.

DITO, which already covers around 600 cities and municipalities, had initially expected to achieve its goal of reaching 12 million users by the end of the year, but Mr. Tamano said the target is now attainable by October.

Citing data from global monitoring firm Ookla, DITO said it has already "made a dent in the dominance of its main competitors."

As of March 2022, its rivals PLDT, Inc.'s Smart Communications, Inc. (Smart and TnT) had 70.3 million subscribers, while Globe Telecom, Inc. had 87.4 million mobile subscribers.

"Before the third telco player's commercial launch, the Philippines' 4G median download speeds only stood at 11.15 megabits per second in the first quarter of 2021," DITO said in a statement. — **Arjay L. Balinbin**

Proactive transformers better for shareholders, according to study

SOUTHEAST ASIAN companies that took transformative actions proactively posted more shareholder returns than those doing so reactively, based on a study by strategy consulting organization EY-Parthenon.

Angela Ee, EY ASEAN and Singapore restructuring leader, said in a virtual round table discussion on Thursday that the report called "Transformation in Southeast Asia: Four archetypes of outperformers" showed that companies in Southeast Asia that were "proactive" transformers outperformed companies that were "reactive" transformers by an additional 13 percentage points (pp) in terms of total shareholder returns.

The study defined proactive transformers as companies that transformed even if they are already outpacing other firms, while reactive companies are those that undertook transformation only when they were underperforming against the industry.

Ms. Ee said the study covered the top 70 listed companies by market capitalization across

various sectors in Southeast Asia and reviewed their performance between 2018 and 2021.

She added that the countries covered by the study were the Philippines, Indonesia, Malaysia, Singapore, Thailand, and Vietnam. The sectors included in the study were advanced manufacturing and mobility, consumer products and retail, energy and utilities, financial services, healthcare, real estate and technology, and media and telecommunications.

The study also showed that proactive transformers in the region that were serial transformers, or those that acquire or divest more than reactive companies, had 13% more transactions between 2018 and 2021 and were 23% more active during the economic slowdown in 2021.

It added that companies dubbed as active investors had a higher investment rate versus other companies. The active investors had an average of 17% higher capital expenditure compared to other companies. — **Revin Mikhael D. Ochave**

FULL STORY



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