Philippine Stock Exchange index (PSEi) 6,312.03 ▼3.90 PTS. ▼0.06%

MONDAY, AUGUST 1, 2022
BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P639.00	+P19.00	+3.06%
ACEN	AC Energy Corp.	P8.50	+P0.13	+1.55%
AEV	Aboitiz Equity Ventures, Inc.	P59.00	+P1.95	+3.42%
AGI	Alliance Global Group, Inc.	P9.71	-P0.18	-1.82%
ALI	Ayala Land, Inc.	P25.45	+P0.20	+0.79%
AP	Aboitiz Power Corp.	P32.50	-P0.15	-0.46%
BDO	BDO Unibank, Inc.	P113.80	-P5.70	-4.77%
BPI	Bank of the Philippine Islands	P90.05	-P2.95	-3.17%
CNVRG	Converge ICT Solutions, Inc.	P18.92	-P0.08	-0.42%
EMI	Emperador, Inc.	P18.88	——	
GLO	Globe Telecom, Inc.	P2,020.00	-P42.00	-2.04%
GTCAP	GT Capital Holdings, Inc.	P441.00	-P12.40	-2.73%
ICT	International Container Terminal Services, Inc.	P183.90	-P10.30	-5.30%
JFC	Jollibee Foods Corp.	P205.40	+P4.20	+2.09%
JGS	JG Summit Holdings, Inc.	P53.00	+P1.50	+2.91%
LTG	LT Group, Inc.	P8.70	-P0.10	-1.14%
MBT	Metropolitan Bank & Trust Co.	P47.80	-P0.80	-1.65%
MEG	Megaworld Corp.	P2.28	+P0.02	+0.88%
MER	Manila Electric Co.	P327.20	-P12.80	-3.76%
MONDE	Monde Nissin Corp.	P14.60	+P0.36	+2.53%
MPI	Metro Pacific Investments Corp.	P3.78	+P0.09	+2.44%
PGOLD	Puregold Price Club, Inc.	P30.10	-P0.10	-0.33%
RLC	Robinsons Land Corp.	P17.28	+P0.28	+1.65%
SECB	Security Bank Corp.	P86.90	-P3.65	-4.03%
SM	SM Investments Corp.	P780.00	+P4.50	+0.58%
SMC	San Miguel Corp.	P105.00	-P0.50	-0.47%
SMPH	SM Prime Holdings, Inc.	P37.00	+P0.40	+1.09%
TEL	PLDT, Inc.	P1,655.00	-P1.00	-0.06%
URC	Universal Robina Corp.	P117.70	+P6.70	+6.04%
WLCON	Wilcon Depot, Inc.	P27.50	-P0.15	-0.54%

Petron profit doubles to P7.7B on steady sales rise

PETRON Corp. reported a net income of P7.7 billion in the first semester, or about double the P3.87 billion earned in the same period last year, as the company maintained steady sales growth.

In a disclosure to the stock exchange, the company said year-to-date sales in the Philippines and Malaysia, including its trading subsidiary in Singapore, increased 34% to 51.4 million barrels from 38.5 million in the same period last year.

Petron, the country's largest refining company, attributed the increase in commercial sales to easing pandemic restrictions as aviation and travel rebounded from the pandemic's impact.

"Our post-pandemic transition has so far been marked by steady growth particularly in segments where we suffered major setbacks earlier during this crisis," Petron President and Chief Executive Officer Ramon S. Ang said in a press release.

The company has yet to disclose its profit and revenue figures for the second quarter.

In the first half, sales of lubricant products, Jet-A1 aviation fuel, liquefied petroleum gas, and petrochemicals showed strong growth compared with 2021, Petron said.

It added that the group's retail business registered an uptick of nearly 30% "fueled by the strong sales of its premium gasoline and diesel fuels."

Consolidated revenues for the first half jumped to P398.5 billion, or more than double the P174.1 billion recorded in the same period last year, because of a sustained increase in sales and volume prices. Dubai crude averaged $102 per barrel from January to June due to supply concerns.

"We move forward with hope and optimism as we roll out projects that will not only yield optimal returns for the company but more importantly, lead towards greater sustainability and create economic opportunities for more sectors," Mr. Ang said.

Petron, which is also a leading player in the Malaysian market, has a combined refining capacity of 268,000 barrels a day. The company operates about 40 terminals in the region and has around 2,800 service stations where it sells gasoline and diesel. — **Ashley Erika O. Jose**

SMC power unit says losses hit P15B, seeks rate hike

SMC Global Power Holdings Corp. said on Monday that its two power plants had suffered combined losses of P15 billion, prompting the company to seek temporary relief from the energy regulator to allow it to continue supplying power.

It blamed the losses on "skyrocketing global coal prices and unilateral natural gas supply restrictions from Malampaya."

In a media release, San Miguel Corp. (SMC) President and Chief Executive Officer Ramon S. Ang said: "We are not asking to recover all our losses, neither are we asking for a permanent increase."

He said the conglomerate's power unit wants to continue supplying baseload power to Manila Electric Co. (Meralco).

"What we are asking for is just a temporary and equitable relief, to allow the power facilities to survive this difficult period and continue supplying power to Meralco," he added.

SMC Global Power said its coal power plant in Sual, Pangasinan, and natural gas-fired power plant in Ilijan, Batangas incurred the said losses from 2021 to date.

It said that to cover the losses incurred from January to May 2022, the company had sought a rate increase on its contract capacity under the power supply agreements (PSAs) to be paid for a period of six months.

The company said it is asking the Energy Regulatory Commission (ERC) for a rate increase of P0.80 per kilowatt-hour (kWh) to P5.10 per kilowatt-hour (kWh) from P4.30 per kWh for its 670-megawatt (MW) of contracted baseload capacity from the Ilijan plant.

For the Sual plant, the company an average increase of P4.00 — to P8.30 per kWh from P4.30 per kWh — for its 330-MW contracted baseload capacity.

Mr. Ang attributed last year's losses to coal prices that reached an average of $176 per metric ton (MT).

"Apparently, coal prices were just at $60-65/MT when we entered into these PSAs. In fact, the widely held outlook at that time is that coal prices will even continue to go down because of a global shift in the energy mix," he said.

However, coal prices continued to climb in 2021, Mr. Ang said, adding that these "have recently reached unprecedented levels, as high as $440/MT, as triggered primarily by the Russia-Ukraine conflict."

SMC Global Power said that while the temporary and partial cost recovery relief it sought will result in a temporary increase in prices, it would also allow the power generation facilities to continue sourcing the necessary fuel for continuous operation and power supply.

It added that the net rate impact however to Meralco, assuming that this cost recovery claim is granted by the ERC, is just P0.28 per kWh over a period of six months.

Mr. Ang said that when Meralco bid out its supply requirement in 2019, the Sual and Ilijan plants proposed and adopted an escalation mechanism where the tariff price would start "very low."

He added that the move was meant to enable consumers to immediately benefit from the competitive selection, and just escalate at a fixed annual rate of 3.5% on the fuel price component.

Mr. Ang said the company, in consideration of the difficulties the country is facing from the pandemic, had absorbed losses of P10 billion.

"Overall, the company is looking to recover from P5.2 billion in losses for the period January to May 2022," SMC Global Power said. — **A.E.O. Jose**

MPTC unit expects up to 10% rise in CAVITEX vehicle count by Nov.

AN INCREASE in average daily vehicle volume of up to 10% is expected on the Manila-Cavite Expressway (CAVITEX) when physical classes resume in November, according to Cavitex Infrastructure Corp. (CIC), a unit of Metro Pacific Tollways Corp. (MPTC).

"With more vehicles expected to ply the 14-kilometer CAVITEX going to different schools and universities in Metro Manila, CIC foresees a 5-10% increase in daily average vehicle count versus current traffic," the company said in an e-mailed statement.

Currently, an average of 150,000 motorists traverse the expressway every day.

"To help manage the increasing number of traffic that has now surpassed pre-pandemic numbers, CAVITEX had been activating counterflow lanes for Class 1 vehicles at Manila-bound (in front of Waste Transfer Facility and after Parañaque Toll Plaza) and Cavite-bound (in front of PITX and after Parañaque Toll Plaza) during rush hours of morning and afternoon, respectively and as needed," the company said.

It said customers should avail of its free Easytrip RFID (radio frequency identification) to avoid long queues at cash lanes and for faster lane transactions.

"Expressway motorists can drop by CAVITEX Customer Service Centers (Manila- and Cavite-bound) and at other stations along the expressway for free RFID installation and reloading services," CIC noted.

MPTC officially introduced in February its MPT DriveHub, a smartphone application that houses the company's mobility solutions for customers.

The application allows motorists to manage their trips through its three key features: RFID, trip planning, and roadside assistance.

"Our MPT DriveHub app was developed to further elevate our customer experience, so we really encourage them to download it. The app not only allows them to monitor their balance and passages but also provides them with traffic updates that are useful in planning their trips. The app may also be used to connect with us for queries or emergency roadside assistance," said CIC President and General Manager Raul L. Ignacio.

MPTC is the tollways unit of Metro Pacific Investments Corp., one of three key Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Philex Mining Corp. and PLDT, Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Arjay L. Balinbin**

PLDT receives P13.2B on sale of 1,013 telecom towers

PLDT, Inc. announced on Monday the second closing of a transaction involving the sale of 5,907 telecom towers and related passive telecom infrastructure for P77 billion.

"Second closing of the transaction was achieved today with the completion of the sale of 1,013 telecom towers," PLDT said in a disclosure to the stock exchange.

The group received a corresponding cash consideration of P13.2 billion.

"This event follows the first closing attained on June 1 covering 3,012 telecom towers with a consideration of P39.2 billion having been paid to the group," PLDT noted.

PLDT has sold 4,025 of the 5,907 telecom towers up for sale, or 68%.

It anticipates additional closings over the next few months based on the number of towers being transferred, with final closing expected by the last quarter.

To recall, PLDT announced in April that its subsidiaries, Smart Communications, Inc. and Digitel Mobile Philippines, Inc., had signed sale and purchase deals in connection with the sale of of the towers and related passive telecom infrastructure to the subsidiaries of international telecommunications infrastructure services companies edotco Group and EdgePoint.

The 5,907 towers — almost half of PLDT's total tower portfolio — are spread across the Philippines, with 2,973 being acquired by ISOC edotco Towers, Inc., a subsidiary of edotco Group, and 2,934 towers by Comworks Infratech Corp., a subsidiary of EdgePoint.

With the cash from this transaction, the group aims to prepay P27.5 billion in debt maturing this year.

PLDT shares closed 0.06% lower at P1,655 apiece on Monday.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a stake in *BusinessWorld* through the Philippine Star Group, which it control. — **Arjay L. Balinbin**

Balai ni Fruitas income reaches P9 million

BALAI NI FRUITAS, Inc. reported a net income of P9 million in the second quarter, nearly five times higher than the earlier year's P2 million, after posting improved store performance while continuing its business expansion.

The company also said that its revenues for the second quarter increased to P84 million, more than three times higher than its previous year's top line.

Balai made its debut on the Philippine Stock Exchange (PSE) on June 30 with 1.49 billion primary and secondary shares listed on the small, medium, and emerging (SME) board at P0.70 apiece.

"The successful listing on the SME board of the PSE will allow us to expand faster. We envision Balai Pandesal to be present in major cities of the country and can be easily accessed by Filipinos," Balai President and Chief Executive Officer Lester C. Yu said in a press release on Monday.

For the first six months of the year, the company said its net income hit P15 million, 18 times more than the P800,000 recorded last year.

First-half revenues almost tripled to P145 million from the last year's P56 million.

"The 2022 first-half performance is a testament [to] the ability of the company to face increasing raw material costs and still protect its margins. We shall continue to create new product offerings which will bring happiness to our customers," Mr. Yu said.

In the first half, Balai added seven stores to its network, bringing the total store count to 84 from 77 previously.

Of the 84 stores, 38 are Balai Pandesal, which the company is planning to expand to 80 by the end of 2022.

"With the Balai Pandesal commissary expected to be functional within Q32022 (third-quarter 2022), BALAI is on track to increase the number of Balai Pandesal stores to 80 by the end of 2022," the company stated.

Balai is a wholly owned subsidiary of Fruitas Holdings, Inc. It has three brands in its portfolio, namely: Balai Pandesal, Buko ni Fruitas, and Fruitas House of Desserts.

On the stock market on Monday, Balai's shares increased by 4.55% or P0.03 to P0.69 apiece. — **Justine Irish D. Tabile**

Metro Clark expands landfill capacity

METRO CLARK Waste Management Corp. (MCWM) announced that it completed its expansion project at its landfill facility in Kalangitan in Clark, Pampanga as part of its efforts to meet the country's growing waste disposal requirements.

"The country's first engineered sanitary landfill was expanded to fulfill MCWM's mission to provide world-class waste disposal services to more cities, municipalities, and industrial clients in Central Luzon. The company pointed out that all projections by both local and foreign experts show that the volume of Philippine waste will continue to increase, and already exceeds the total capacity of existing landfills in the country," the firm said in a statement on Monday.

Citing a study by the Stockholm Resilience Center, MCWM said that the Philippines currently ranks as the top contributor to plastic pollution in the oceans, putting the country among the five largest producers of plastic waste worldwide.

"It is our job to monitor these studies and projections, and proactively plan accordingly. The yearly increase in solid waste in the Philippines, while sobering, was expected. While recycling and other trash reduction measures do help and must be done, there's just so much waste that the only solution is to expand," MCWM Executive Vice-President and General Manager Victoria E. Gaetos said.

"We made the decision to invest in this expansion even during the height of the COVID-19 (coronavirus disease 2019) pandemic because this is in the best interests of our clients, and ultimately, of the communities we serve," she added.

The expansion covered the development of seven more hectares within MCWM's 100-hectare grounds. It will be used for municipal waste disposal, the addition of leachate treatment plants for the proper eradication of waste by-products, and a new separate disposal cell for treated industrial waste.

The company also acquired new vehicles, equipment, and other fixed facilities to increase operational efficiency. The expansion will also allow the firm to dispose of its clients' waste to the same international standards and according to global best practices.

Ms. Gaetos added that the firm hopes to widen its coverage as more local government units (LGUs) and industry players look for waste management solutions that are cost-effective, efficient, and strictly compliant with the Ecological Solid Waste Management Act.

MCWM is the country's first engineered sanitary landfill. It is the exclusive developer of the solid waste management system of the Clark Freeport and Special Economic Zone, including New Clark City.

The 100-hectare landfill can handle up to 4,000 tons of waste per day, which services multiple industries as well as over 150 LGUs including the cities of Pampanga, Bataan, Nueva Ecija, and Pangasinan. — **Luisa Maria Jacinta C. Jocson**