

Philippine Stock Exchange index (PSEi) 6,588.28 ▲ 4.63 PTS. ▲ 0.07%

THURSDAY, SEPTEMBER 1, 2022  
BusinessWorld

PSEI MEMBER STOCKS

<b>AC</b> Ayala Corp. P733.00 +P31.00 +4.42%	<b>ACEN</b> ACEN Corp. P7.52 +P0.02 +0.27%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P55.00 -P1.15 -2.05%	<b>AGI</b> Alliance Global Group, Inc. P9.97 -P0.07 -0.70%	<b>ALI</b> Ayala Land, Inc. P28.65 ---	<b>AP</b> Aboitiz Power Corp. P30.65 -P0.65 -2.08%	<b>BDO</b> BDO Unibank, Inc. P130.50 +P1.70 +1.32%	<b>BPI</b> Bank of the Philippine Islands P96.15 +P1.20 +1.26%	<b>CNVRG</b> Converge ICT Solutions, Inc. P17.52 +P0.12 +0.69%	<b>EMI</b> Emperador, Inc. P19.86 +P0.06 +0.30%
<b>GLO</b> Globe Telecom, Inc. P2,140.00 +P42.00 +2.00%	<b>GTCAP</b> GT Capital Holdings, Inc. P482.00 ---	<b>ICT</b> International Container Terminal Services, Inc. P182.90 +P1.70 +0.94%	<b>JFC</b> Jollibee Foods Corp. P239.80 +P0.20 +0.08%	<b>JGS</b> JG Summit Holdings, Inc. P51.65 +P0.45 +0.88%	<b>LTG</b> LT Group, Inc. P8.70 -P0.14 -1.58%	<b>MBT</b> Metropolitan Bank & Trust Co. P51.50 -P1.10 -2.09%	<b>MEG</b> Megaworld Corp. P2.46 -P0.04 -1.60%	<b>MER</b> Manila Electric Co. P310.00 +P8.80 +2.92%	<b>MONDE</b> Monde Nissin Corp. P16.48 -P0.02 -0.12%
<b>MPI</b> Metro Pacific Investments Corp. P3.72 -P0.01 -0.27%	<b>PGOLD</b> Puregold Price Club, Inc. P33.40 -P0.85 -2.48%	<b>RLC</b> Robinsons Land Corp. P18.30 -P0.50 -2.66%	<b>SCC</b> Semirara Mining and Power Corp. P41.95 +P0.85 +2.07%	<b>SM</b> SM Investments Corp. P840.00 +P9.00 +1.08%	<b>SMC</b> San Miguel Corp. P100.00 +P4.45 +4.66%	<b>SMPH</b> SM Prime Holdings, Inc. P36.45 -P1.40 -3.70%	<b>TEL</b> PLDT, Inc. P1,650.00 -P29.00 -1.73%	<b>URC</b> Universal Robina Corp. P123.00 +P1.00 +0.82%	<b>WLCON</b> Wilcon Depot, Inc. P28.05 -P1.90 -6.34%

# RFM allots P1.2B to expand milk, growing segments

FOOD and beverage firm RFM Corp. approved a P1.2-billion capital expenditure (capex) budget to expand the production capacities of its milk segment and institutional businesses.

Jose Ma. A. Concepcion III, chief executive officer of RFM, said in a press release on Thursday that “this P1.2-billion capex approval is one of the biggest set of capex since the purchase of the Royal pasta brand in 2014.”

“[T]his capex is expected to support the double-digit growth of our Selecta Milk offerings

as well as support the growing consumer and institutional businesses that are expected to double in five years,” he added.

The company’s board of directors also approved a cash dividend of P200 million or almost P0.06 per share.

“The investment into more production capacity for milk and other high growth segments will support RFM’s sales growth momentum even as there are uncertainties in the global economy at present,” Mr. Concepcion said.

He also said the company’s capacitor bank project will be expanded to meet volume growth over the long term.

RFM is the maker of Selecta Milk, Royal, and Fiesta pasta and sauces and White King mixes, flour, and bread. It is also a 50% owner of the Unilever RFM Ice Cream joint venture that sells Selecta, Cornetto, and Magnum brands.

Mr. Concepcion said that on top of cash dividends, the company also plans to use its excess cash to fund the capex over the next 15 months.

The latest payout brings RFM’s total cash dividends to P854 million or 65% of the company’s net income last year, with a total of more than P0.25 apiece.

“This has a dividend yield of 6.5% at the P3.9 per share prevailing stock price,” the company said.

The record date of the cash dividends is on Sept. 15 while its payment date is on Oct. 11.

Revenues of the company climbed by 17.4% in the second quarter to P4.57 billion and by

17.1% in the first half to P8.47 billion, which the company attributed to its ice cream, milk, and institutional businesses.

Mr. Concepcion said that “our strategy of focusing on our core strengths and brands has yielded good topline and bottom line growth over the past years and we are deploying the extra cash that we have accumulated to further feed into that growth of our core growth drivers.”

RFM recorded an attributable net income of P355 million

in the second quarter, down 3.5% from P368 million a year ago, but its first-half attributable profit of P687 million was just slightly lower than last year’s P688 million.

“We have been carefully passing on the cost of higher inputs and also tightening on expenses to manage our margins,” Mr. Concepcion said.

On the stock exchange on Thursday, RFM shares declined by P0.04 centavos or 1.03% to P3.85 apiece. — **Justine Irish D. Tabile**

# NGCP seeks regulatory nod for nearly P13-B projects

THE National Grid Corp. of the Philippines (NGCP) is seeking regulatory approval for P12.9 billion as capital expenditure (capex) for transmission line projects until 2025.

NGCP said in its application with the Energy Regulatory Commission (ERC) that the bulk of the capital spending or P10.47 billion is for the Barotac Viejo-Unidos 230-kilovolt (kV) transmission line project with an estimated implementation period of two years and five months.

An estimated P1.12 billion was allotted for the Banga 138-kV substation project, which NGCP said aims to

prevent overloading while providing possible connection to the Nabas substation and Panitan-Nabas 69-kV line. The project is expected to be built in two years and 11 months.

NGCP also said that the project will address the under-voltage along the Panitan-Nabas transmission line and provide a possible connection point to future power plants and load customers.

The company has estimated a cost of P908.31 million for the Tabango-Biliran transmission line project, which has an estimated implementation period of three years and five months. The proj-

ect aims to avoid power interruption in Northern Leyte and Biliran Island, improve system reliability, and avoid low-voltage problems.

Meanwhile, the Visayas mobile capacitor bank project has an estimated cost of P403.25 million for a completion period of about a year. The project is expected to address the under-voltage issue in various substations during normal and N-1 contingency or the ability of the grid to withstand a major system disturbance.

NGCP also said that the project would improve the reactive power re-

serve and voltage support as well as prevent load curtailment in the area.

NGCP’s capex needs the approval of the ERC, as mandated by Republic Act No. 9136 or the Electric Power Industry Reform Act (EPIRA), which directs the transmission operator to seek prior regulatory nod for any expansion plan or improvement of its facilities.

The privately owned company is tasked to construct, install, finance, improve, expand, rehabilitate and repair the nationwide power transmission system and the electricity grid. — **Ashley Erika O. Jose**

# Nokia seeks bigger role in PHL’s digital transformation

MULTINATIONAL telecommunications company Nokia Corp. said on Thursday that it is committed to providing purpose-designed solutions for the country’s digitalization initiatives.

The company aims to help transform Philippine industries and enterprises through its “mission-critical solutions,” Nokia officials said during a briefing.

“As the Philippines continues to move towards its Industry 4.0 roadmap, it is more critical than ever for enterprises to accelerate the adoption of technologies to unlock new opportunities and boost the Philippines’ economy,” Nokia Philippines Head Carlos Reyes said.

According to the company, the Philippines was one of the earliest Southeast Asian nations to take a lead in the deployment of fifth-generation (5G) technology.

“5G is a key enabler for the Philippines’ digital transformation journey, and the next generation in connectivity will empower the country’s enterprises and organizations to prepare for Industry 4.0,” Nokia said in an e-mailed statement.

“Alongside bringing the country to the next era of connectivity, it also quickly responded to the increasing digital demands exacerbated by the COVID-19 pandemic with a government policy accelerating the nation’s strategy towards Industry 4.0,” it added.

Nokia’s solutions for enterprises include Nokia Smart Node, Network Slicing, and Intelligent Edge.

“Industry 4.0 and private wireless enable industries to fuse physical with digital processes by connecting all machines as well as sensors and mobile workers in the most flexible, affordable, secure, and reliable way available, providing mission-critical solutions for enterprise customers,” the company said.

Nokia said it now has 233 commercial 5G deals and powers 77 live 5G operator networks.

“Out of these, Nokia has 21 commercial 5G deals across the Asia Pacific and Japan region – where the company is playing an active role in bringing the region to the 5G future, while also combining its network and security expertise to create security solutions for 5G networks,” it noted. — **Arjay L. Balinbin**

# Lazada sees ‘above average’ PHL growth in the region

By **Revin Mikhael D. Ochave**  
Reporter

SINGAPORE – E-commerce platform Lazada said that the Philippines is among its leading markets in Southeast Asia on the back of its improving internet penetration and consumer base.

“Among countries, the Philippines is already one of the leading ones, market-size wise. It’s above average, for sure. We have a very large population base here. Gross domestic product per capita growth is also high. Internet penetration is still growing. I think the growth speed-wise, it is slightly above average in Southeast Asia, for sure,” Lazada Group Chief Executive Officer (CEO) James Dong said in an interview on Wednesday.

Further, Mr. Dong said that Lazada holds a strong market position in the Philippines and the other countries where the platform is operating. He opted not to disclose specific figures on the company’s financial performance.

“At least in the region..., we are the number one or two player in all the markets that we operate in. We tend to keep that market position,” Mr. Dong said.

Separately, Lazada Philippines CEO Carlos Barrera said that there are opportunities for the company to grow, particularly in the logistics sector.

“We are in a position where we can continue to grow and invest and support the country. Obviously, we’re reaching some good critical sites,” he said, adding that there are “still so many opportunities to invest and to grow, specifically in the logistics domain.”

Mr. Barrera added that Lazada is continuing its efforts to expand the company’s reach in the Philippines.

“Both we and our partners are constantly expanding the coverage and the reach... Today, there are about 35 logistics companies in the country and more than 1,000 delivery

hubs from different companies even in the remote locations,” Mr. Barrera said.

“Definitely, logistics is a big opportunity from first-mile delivery, middle-mile, to last-mile. It’s an industry that has been growing and will continue to grow,” he added.

Further, Mr. Barrera said that Lazada is aiming to make more affordable products available to Filipinos.

“The goal of this year is to have more frequent purchases and to provide more opportunities to capture more categories and more products from lower price points,” Mr. Barrera said.

“From a company perspective, improving loyalty retention, getting users to spend more time with us, is very, very important. Filipinos have traditionally been very loyal, but now after the pandemic, it’s important to continue improving this,” he added.

Meanwhile, Mr. Dong said that Lazada remains confident in terms of achieving growth in the region despite challenges such as the rising interest rate and inflationary pressures.

“I am confident because we did not pursue overly aggressive growth – which up until the first quarter of 2022, seems to be the direction and strategy for many players in the region,” Mr. Dong said during his keynote speech at the Lazada’s Brands Future Forum on Thursday.

“We are here for the long haul, to achieve sustainable, long-term growth... Our key mission is to build an engaging shopping platform that provides the best customer experience, with a clear differentiation tailored to each market,” he added.

Lazada, which is the Southeast Asian unit of Chinese e-commerce giant Alibaba Group, is targeting to serve 300 million shoppers by 2030 and to post \$100 million in annual gross merchandise value.

Founded in 2012, Lazada has operations in six Southeast Asian countries including the Philippines, Indonesia, Malaysia, Singapore, Thailand, and Vietnam. The e-commerce platform currently has about 160 million active users and over one million active sellers every month.

# Consumers more concerned about rising prices than the pandemic

THE majority of Southeast Asian (SEA) consumers are more concerned about rising prices of goods than the ongoing COVID-19 pandemic, according to research firm Ipsos.

“SEA has experienced strict and lengthy lockdowns, low vaccination rates, and a disrupted supply chain for the past two years. But now, SEA citizens are more eager to socialize with increasing vaccination numbers and the tourism rebound,” Ipsos said in a statement, following the release of its “SEA Ahead” survey results.

The survey covered the Philippines, Indonesia, Malaysia, Singapore, Thailand, and Vietnam. It found that 71% of SEA consumers were confident with the current COVID-19 situation in the country. In the Philippines, the figure is 68%.

However, the COVID-19 pandemic dropped to third among SEA consumers’ top concerns, with personal finances and inflation ranked as the top two concerns.

In the Philippines, the top three concerns are personal finances, the COVID-19 pandemic, and rising prices or inflation.

According to the study, the majority of Filipino consum-

ers say they are “very impacted” by the rising prices of goods.

“Despite this, they continue to spend on necessities such as food, cleaning products, and personal care products and are saving money in other ways. In the Philippines, savings are being made in food, gasoline, and personal care,” Ipsos said.

In July, Philippine headline inflation quickened to 6.4% year on year, its fastest pace in nearly four years, driven by soaring prices of food and higher transport costs.

“Inflation is yet another hurdle we are facing. While Filipinos have exhibited resilience and optimism over the years, it is apparent that both the COVID-19 pandemic and inflation are points of concern all must address,” Vicky V. Abad, Ipsos country manager in the Philippines, said in a statement.

“As Filipinos adapt to the supply chain disruptions and rapidly evolving market, there is a call for both government and private sectors to work on their empathy muscle and develop a true understanding of Filipinos’ needs to better support them and bounce back as one,” she added. — **Luisa Maria Jacinta C. Jocsion**

FULL STORY



Read the full story by scanning the QR code or by typing the link <a href="https://bit.ly/3TWfMgY">https://bit.ly/3TWfMgY</a>

# Fruitas to venture into cloud kitchen for wider product choices

FRUITAS Holdings, Inc. will venture into “cloud kitchen” that will carry the Nube Kuxina brand to provide customers with a wider array of Frutas and third-party curated products, the firm said on Thursday.

“We have been strategically acquiring food brands over the past two and a half years. It makes sense to put all of our food brands together in strategic locations to provide access to as many customers as possible within a reasonable distance,” Frutas President and Chief Executive Officer Lester C. Yu said in a press release.

“We will leverage our internal logistics capabilities and partner with third-party service providers to deliver the best experience possible to our customers,” he added about the venture into cloud kitchen where food is prepared only for delivery or takeout.

The company also said that it will be expanding the presence of its online store, Babot’s Mart, to boost its e-commerce business.

“Babot’s Mart is now available on e-commerce giants, Shopee and Lazada,” the company said.

The company is also pushing its own e-commerce website: [www.babotmart.com](http://www.babotmart.com).

To date, the company’s third-party partners include Alaska milk products, UCC Philippines for its 3-in-1 coffee, Villa Socorro Farms, Chef Tony Popcorn, Nacho King, Bahay Pastulan (Good Shepherd), Zesto Philippines, social-impact group Hope in a Bottle, Coconut King, AB Foods, Mondelez Philippines and Century Pacific Food. — **Justine Irish D. Tabile**

FULL STORY



Read the full story by scanning the QR code or by typing the link <a href="https://bit.ly/3wLQJVM">https://bit.ly/3wLQJVM</a>