

Philippine Stock Exchange index (PSEi)

6,153.43 ▼ 77.15 PTS. ▼ 1.23%

FRIDAY, OCTOBER 28, 2022

BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P667.00 -P3.00 -0.45%	ACEN ACEN Corp. P6.25 +P0.09 +1.46%	AEV Aboitiz Equity Ventures, Inc. P56.70 -P0.75 -1.31%	AGI Alliance Global Group, Inc. P8.98 -P0.02 -0.22%	ALI Ayala Land, Inc. P25.50 -P0.90 -3.41%	AP Aboitiz Power Corp. P31.65 -P0.15 -0.47%	BDO BDO Unibank, Inc. P127.30 +P0.30 +0.24%	BPI Bank of the Philippine Islands P96.00 +P1.70 +1.80%	CNVRG Converge ICT Solutions, Inc. P12.32 -P0.38 -2.99%	EMI Emperador, Inc. P19.58 +P0.06 +0.31%
GLO Globe Telecom, Inc. P2,322.00 +P2.00 +0.09%	GTCAP GT Capital Holdings, Inc. P412.80 -P1.20 -0.29%	ICT International Container Terminal Services, Inc. P173.00 -P4.50 -2.54%	JFC Jollibee Foods Corp. P232.00 ---	JGS JG Summit Holdings, Inc. P43.15 -P2.75 -5.99%	LTG LT Group, Inc. P8.07 ---	MBT Metropolitan Bank & Trust Co. P51.70 -P0.25 -0.48%	MEG Megaworld Corp. P2.08 -P0.01 -0.48%	MER Manila Electric Co. P301.40 +P4.40 +1.48%	MONDE Monde Nissin Corp. P11.68 -P0.82 -6.56%
MPI Metro Pacific Investments Corp. P3.66 -P0.02 -0.54%	PGOLD Puregold Price Club, Inc. P30.00 -P0.50 -1.64%	RLC Robinsons Land Corp. P14.84 +P0.14 +0.95%	SCC Semirara Mining and Power Corp. P34.95 -P2.20 -5.92%	SM SM Investments Corp. P820.00 -P10.00 -1.20%	SMC San Miguel Corp. P96.20 -P2.25 -2.29%	SMPH SM Prime Holdings, Inc. P31.50 -P0.95 -2.93%	TEL PLDT, Inc. P1,634.00 +P16.00 +0.99%	URC Universal Robina Corp. P122.00 ---	WLCON Wilcon Depot, Inc. P29.35 +P0.35 +1.21%

North Star to grow meat business ahead of IPO

AFTER its deferred market listing, North Star Meat Merchants, Inc. is focusing on growing the business using funds from partners while waiting for the right time to hold an initial public offering (IPO).

"Rather than focusing on an IPO, with us just waiting for the right time, [we will] just focus on the fundamentals of the business," North Star Chief Executive Officer Anthony Ng said in a recent interview with *BusinessWorld*.

"So, rather, we would focus on improving right now the busi-

ness itself, growing the business with the support of partners and banks, [since] the opportunity is there," he added.

North Star, an end-to-end fresh frozen meat retailer, counts SM Markets, United Steak, Waltermart, and Alfamart as among its retail partners.

Mr. Ng said the company remains keen on an IPO possibly in 2023 or by early 2024. The maiden offering was supposed to run from June 13 to 17, 2022 from which the company expects to raise around P3.5 billion.

"If I had a magic genie, of course, we would like [the IPO] to be 2023, early 2024, but we cannot go against the situation. It's global, it's not even domestic," he said.

In March, North Star filed the registration application for its IPO with 1.8 billion outstanding shares to be offered to investors. Days before the offer period, the company said that it was deferring the offering due to market volatility.

"Two days into pricing, we realized [that] it's bound to enter a bear territory. All of the indications were moving toward that. In my head, it

was [a] very obvious decision that had to be made," Mr. Ng said.

He added that the company is waiting for an indication that the economy is beginning to bounce back.

"But obviously, no one knows, it's as good as anybody's guess," he said. "So, until that indication comes, we will be in a standby mode."

According to Mr. Ng, what the company is constantly trying to improve its revenues and profit.

"[It's going to be] continuous projects, continuous expansions, continuous ways of finding

creative avenues where we can enhance our topline and bottom line," he said.

Mr. Ng also said that prices are increasing abroad and that there is a "supply crunch" locally, prompting North Star to stock up.

"All of our finances right now are directed towards securing stocks in the most efficient manner," he said.

Meanwhile, Mr. Ng said the company is on track to reach its 2022 topline target by the end of this year.

"Our guidance was P9 billion to P9.5 billion. At least, so far, 'wag

lang may mangyari lang sa (as long as nothing's going to happen in the) last quarter, which is an important part of the year. If we annualize our results, we will reach P9 billion to P9.5 billion," he said.

According to the company's website, North Star's full-year sales last year reached P9.28 billion, up by 52.5% from P6.09 billion in 2020.

Its net income last year reached P610.47 million, more than twice the earlier year's P238.83 million. — **Justine Irish D. Tabile**

CapitaLand Ascott ties up with IFC for bond issuance

CAPITALAND Ascott Trust Management Ltd. has partnered up with International Finance Corp. (IFC) to be the sole subscriber for a sustainability-linked bond worth 16.5 billion Japanese yen or about 157.4 million Singapore dollars.

"[CapitaLand Ascott] continues to collaborate with like-minded stakeholders in the financing and investment community to fight climate change through our collective efforts," said Serena Teo, its chief executive officer, in a press release.

Proceeds from the issuance will be used to refinance CapitaLand Ascott's debts and to further decarbonize three of its serviced residences in Southeast Asia.

The residences — Ascott Jakarta in Indonesia, Ascott Makati, and Somerset Millennium Makati in the Philippines — are expected to achieve a 40.5% reduced electricity consumption by the end of 2028.

The projects must also obtain IFC's Excellence in Design for Greater Efficiencies (EDGE) certification within the same time frame.

CapitaLand Ascott is said to be the largest lodging trust in Asia-Pacific with an asset value of S\$7.6 billion as of mid-2022. IFC is a global development institution focused on private firms in emerging markets.

The bond issuance is part of CapitaLand Ascott's S\$2-billion multicurrency debt issuance program with a fixed coupon rate of 1.05% per annum.

The seven-year bonds will mature in November 2029 and will be paid semi-annually.

According to Ms. Teo, the company has already raised around S\$450 million through sustainable financing.

"Dovetailing our financing efforts with our environmental, social and governance efforts further affirms our commitment towards responsible growth," Ms. Teo said.

"Currently, 35% of [CapitaLand Ascott's] portfolio is green-certified and we remain on track to green 50% of our portfolio by 2025 and our entire portfolio by 2030," she added. — **Justine Irish D. Tabile**

Trina Solar aims to supply more local groups

CHINESE company Trina Solar Co., Ltd. targets to partner with more Philippine companies for its solar modules, a company official said.

"We have a lot of partners in the Philippines to supply solar modules to local companies," Todd Li, president of Trina Solar Asia-Pacific, said in a Viber message on Oct. 26.

Mr. Todd said that Trina Solar will be supplying solar modules to at least nine outlets of KFC Philippines, under Ramcar Food Group. In September, the company said it supplied solar modules to local companies under Ramcar.

The solar manufacturer also supplies modules for the 94-megawatt-peak solar project of Aboitiz Power Corp. in Pangasinan which is expected to be completed by the fourth quarter of 2022.

In a media release, Trina Solar said that KFC Philippines continues to ramp up its efforts toward more sustainable and environment-friendly operations with the installation of solar power systems.

Earlier, Trina Solar said that it sees the solar market thriving in the Philippines, as installing rooftop solar allows companies to meet rising electricity needs.

The Department of Energy is targeting to increase the share of renewable energy in the country's power generation mix to 35% by 2030 and to 50% by 2040. — **A.E.O. Jose**

Enstack targets to grow PHL merchants, partners

SUPERAPP Enstack is aiming to grow its ecosystem of merchants and partners in the country as part of efforts to expand its presence and to help more small and medium enterprises (SMEs) digitalize their operations.

Enstack Chief Executive Officer and Co-Founder Macy Castillo told *BusinessWorld* via e-mail interview that the platform is focusing on providing solutions to underserved SMEs that wish to digitalize their daily operations.

"The app's performance has exceeded targets and expectations both on merchant adoption and transactions. We plan to continue growing our ecosystem of highly engaged merchants and integrated partners in the next year while we consider various monetization options without shifting the large burden to our SMEs," Ms. Castillo said.

"We are constantly onboarding more logistics providers to help us better serve our SME needs in different areas of the country, looking to add to our standard delivery partners," she said, enumerating these as Ninja Van, 2GO, and same-day delivery partners Grab and Lalamove.

According to Ms. Castillo, Enstack currently has over 50,000 merchants and 25 integrated partners since it was launched in February, adding that demand for the platform has been increasing following the lifting of pandemic-related restrictions and as many businesses have yet to digitalize their operations.

She added that Enstack is aiming to launch in other Southeast Asian countries in the next 18 months while growing its presence in the Philippines and Vietnam.

"The growth of in-app transactions is far exceeding our expectations with the holidays fast approaching. Merchants in health, beauty, fashion, and food are the most popular, proving that

our app addresses the needs of different types of small businesses," Ms. Castillo said.

She said that Enstack is also helping merchants to address hesitancy towards digitalization via online workshops and caravans targeting SMEs.

"We continue to expand partnerships with private and public organizations including the Trade department and several local government units such as Muntinlupa and Pasig by hosting online workshops and on-the-ground caravans to help SMEs understand the value of starting their own business and future-proofing their operations through digitization," Ms. Castillo said.

"Education remains to be the most important aspect to helping merchants overcome their hesitancy to digitization," she added.

Enstack allows entrepreneurs to operate their businesses from their phones via Enstack Cashier, Chat Store, and Web Store. The platform also offers access to payment and delivery solutions such as cash on delivery, GCash, credit cards, same-day delivery, and standard delivery.

The platform also offers a streamlined signing-up process that only requires interested merchants to upload one ID, selfie, and proof of address, allowing them to bypass paperwork required by banks, payment processors, and logistics providers.

"Startups like Enstack have the potential to contribute greatly to the growth of the economy by providing innovations and services that address market needs. To harness this opportunity, we are focused on providing small businesses [with] best-in-class commerce and business management tools that minimize their need for capital, skills, and infrastructure," Ms. Castillo said. — **Revin Mikhael Ochave**

MGen expects 200-MW renewables capacity in Q1

MERALCO PowerGen Corp. (MGen) expects to reach 200 megawatts (MW) of renewable energy by the first quarter of 2023.

"On the road to 1,500 MW with the ongoing construction of our projects, we will be at around 200 MW by [the] first quarter of 2023," MGEN President and Chief Executive Officer Jaime T. Azurin said in a virtual briefing last week.

MGEN, the power generation arm of Manila Electric Co. (Meralco), is targeting to build 1,500 MW of renewable energy in the next seven years.

In September, MGen subsidiary PH Renewables, Inc. secured a P2.65-billion loan for the construction of its

75-MW-alternating current (MWac) solar project in Baras, Rizal.

"For the Baras project, we expect to complete it by January 2023," Mr. Azurin said.

The solar farm is scheduled to start operations by the first quarter of 2023. It will supply renewable energy to MPower, the local retail electricity arm of Meralco.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT Inc. Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **A.E.O. Jose**

Costly sustainable methods remain a hurdle for private firms

OPERATIONAL costs in complying with sustainability standards are the main challenge for organizations in the Philippines, a US-listed service provider said.

In its study, Kyndryl said that 62% of local organizations see these costs as a challenge while 53% of them cited data availability.

Dedicated resources, ambiguous reporting metrics, the cost of getting sustainable certifications, and the absence of clear incentives were identified by 50%, 48%, 47%, and 20%, respectively.

"The key challenges cited here show that organizations' sustainability initiatives in the Philippines are still at the preliminary stages. It is a journey and it takes time but it can be done," Kyndryl Philippines Managing Director Wilson Go said in an e-mail interview.

He added that according to Kyndryl's ASEAN Digital Transformation Study, eight out of 10 companies in the Philippines are aiming to become sustainable enterprises.

"However, despite the greater focus on sustainability, many organizations

pursue sustainability goals without a strategy backing them up," Mr. Go said.

"Only 22% of organizations in the Philippines have a corporate sustainability strategy which hinders them from achieving a sustainable business," he added.

According to Kyndryl, organizations need to understand that success is measured in terms of financial, social, and managing climate risks.

"In fact, we have seen customers preferring to purchase goods and services that are sustainable and investors requesting enterprises to reduce their carbon footprints and report on their results using frameworks like the Task Force for Non-financial Disclosure," Kyndryl Global Chief Sustainability Officer Faith Taylor said.

Meanwhile, Ms. Taylor said that there have to be synergies between the government and companies to reduce the global environmental footprint.

"This partnership has to result in everyone working together to set reduction targets and goals that use consistent metrics. The data needs to be harmonized and

collected across industries and governments so that we can track and quantify our progress and impact," Ms. Taylor said.

She added that the government can set out incentives, loans, and policies that can be a form of benefit to key stakeholders and in turn help in meeting their net-zero targets or their goal of eliminating carbon emissions.

Ms. Taylor also said that companies must continue to secure sustainability certifications as it goes "beyond a seal or certificate of proof".

"The process of obtaining the certifications helps to systematize the environmental processes and help them integrate the sustainability practice into an organization," she said.

"It can also guide organizations to create a green corporate culture and a more sustainable, socially responsible business," she added. "It is also a way of demonstrating the company's sustainability commitment to their stakeholders as well as to the community." — **Justine Irish D. Tabile**