

Philippine Stock Exchange index (PSEi)

6,295.58 ▲ 110.05 PTS. ▲ 1.77%

MONDAY, NOVEMBER 7, 2022

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P657.00 +P31.00 +4.95%	ACEN ACEN Corp. P6.05 -P0.07 -1.14%	AEO Aboitiz Equity Ventures, Inc. P57.20 ---	AGI Alliance Global Group, Inc. P8.97 +P0.12 +1.36%	ALI Ayala Land, Inc. P25.70 +P0.35 +1.38%	AP Aboitiz Power Corp. P33.50 +P1.15 +3.55%	BDO BDO Unibank, Inc. P130.00 +P3.00 +2.36%	BPI Bank of the Philippine Islands P96.95 -P0.05 -0.05%	CNVRG Converge ICT Solutions, Inc. P11.90 -P0.12 -1.00%	EMI Emperador, Inc. P19.90 +P0.18 +0.91%
GLO Globe Telecom, Inc. P2,304.00 +P4.00 +0.17%	GTCAP GT Capital Holdings, Inc. P402.60 -P6.20 -1.52%	ICT International Container Terminal Services, Inc. P190.00 +P12.20 +6.86%	JFC Jollibee Foods Corp. P229.00 +P0.80 +0.35%	JGS JG Summit Holdings, Inc. P45.80 +P2.00 +4.57%	LTG LT Group, Inc. P8.73 +P0.23 +2.71%	MBT Metropolitan Bank & Trust Co. P52.20 +P0.05 +0.10%	MEG Megaworld Corp. P2.05 -P0.01 -0.49%	MER Manila Electric Co. P308.60 -P1.40 -0.45%	MONDE Monde Nissin Corp. P11.92 +P0.42 +3.65%
MPI Metro Pacific Investments Corp. P3.63 -P0.04 -1.09%	PGOLD Puregold Price Club, Inc. P30.80 +P0.10 +0.33%	RLC Robinsons Land Corp. P15.28 +P0.38 +2.55%	SCC Semirara Mining and Power Corp. P33.05 -P1.10 -3.22%	SM SM Investments Corp. P835.00 ---	SMC San Miguel Corp. P99.10 +P0.10 +0.10%	SMPH SM Prime Holdings, Inc. P34.00 +P1.70 +5.26%	TEL PLDT, Inc. P1,599.00 -P15.00 -0.93%	URC Universal Robina Corp. P128.50 +P1.90 +1.50%	WLCON Wilcon Depot, Inc. P30.10 +P0.10 +0.33%

ACEN fully divests from its coal power plant unit

AYALA-LED ACEN Corp. has completed divesting its stake in a 246-megawatts (MW) coal-fired power plant subsidiary South Luzon Thermal Energy Corp. (SLTEC) through a mechanism that funds the transition from coal to renewables.

In a disclosure on Monday, ACEN said the move will allow the early retirement of the coal plant in Batangas, bringing the company closer to its target of 100% renewable energy generation by 2025 and its transition to cleaner technology by 2040.

“ACEN continues to blaze the trail for energy transition in the Asia-Pacific. As the com-

pany has successfully divested its coal asset, ACEN commits to a just energy transition. We have established mechanisms to ensure that stakeholder interests, especially those of the people and communities of SLTEC, are effectively addressed,” said Eric T. Francia, president and chief executive officer of ACEN.

The coal retirement was made through the energy transition mechanism (ETM), which was developed by the Asian Development Bank to “leverage low-cost and long-term funding geared towards early coal retirement and reinvestment of proceeds to enable renewable energy.”

ACEN’s divestment from SLTEC is said to be the world’s first ETM deal. Through the mechanism, the coal plant’s operating life of up to 50 years will be cut in half, which will help to reduce about 50 million metric tons of carbon emissions, the company said.

The energy company said it received P7.2 billion from the transaction for reinvestment in renewable energy projects, which it used for refinancing debt and transaction fees.

The ETM for the SLTEC plant involved P13.7 billion in debt financing provided by the Bank of the Philippines Islands and Rizal Commercial Banking Corp., and

P3.7 billion in equity investments from the Philippines’ Government Service Insurance System (GSIS), The Insular Life Assurance Co., Ltd. (InLife), and ETM Philippines Holdings, Inc., for a total deal value of P17.4 billion. GSIS also invested P2.2 billion in redeemable preferred shares by SLTEC.

“Our priority is to find ways to grow and sustain our funds to ensure that we are able to provide our over two million members and pensioners their benefits. We also fully support investments that prioritize optimal environmental, social, and governance (ESG) factors or outcomes consistent with our corporate social responsibility,” said Jose Arnulfo A. Veloso, president and general manager of GSIS, in a media release.

The solar farm is expected to produce enough clean energy to power more than 185,000 households. Its development includes the approval for a 200-MW-hour battery energy storage system, which will allow the project to be adapted to dispatch energy during peak hours and to provide stability to the grid.

ACEN Australia has more than 1.5 gigawatts of projects under construction or at an advanced stage of development.

Shares in the company closed 1.14% lower to finish at P6.05 apiece on Monday. — **Ashley Erika O. Jose**

Anton Rohner, chief executive officer of ACEN Australia, said the project is the company’s second 400 MW or 520-MW-direct current solar farm after the construction of its New England project, which is currently being commissioned.

The Stubbo solar project will connect to the existing 330-kilovolt (kV) network between Wollar and Wellington.

ICTSI income up 43% to \$171M as volume and trade grow

LISTED port operator International Container Terminal Services (ICTSI) saw its third-quarter net income attributable to equity holders increase 42.6% to \$170.7 million from \$119.7 million previously.

The increase was mainly due to volume growth, improved trade activities, new shipping lines and services at certain terminals, and the contribution of Manila North Harbour Port, Inc., the company said in its latest financial report.

Total revenues from port operations reached \$576.7 million, up 19.6% from \$482.4 million in the same period last year. Expenses for the period increased 11.1% to \$310.7 million from \$279.6 million previously.

ICTSI is involved in 34 terminal concessions and port development projects in 20 countries worldwide. It has nine terminal operations in the Philippines, including an inland container terminal, a barge terminal, and combined terminal operations in Subic.

The company’s consolidated earnings before interest, taxes, depreciation and amortization rose by 23.2% to \$365.9 million from \$296.9 million in 2021 “mainly due to higher revenues, partially tapered by the increase in cash operating expenses.”

The volume handled by ICTSI grew by 10.6% to 3.10 million twenty-foot equivalent units (TEUs) for the period

from 2.81 million TEUs in the same period in 2021.

For the nine months ended Sept. 30, the company saw its net income attributable to equity holders increase by 47% to \$465.1 million from \$316.4 million previously.

Revenues from port operations climbed 20.1% to \$1.64 billion from \$1.37 billion last year.

ICTSI handled 8.86 million TEUs for the nine-month period, up 7.1% from 8.27 million TEUs handled in the same period last year.

“The group is exposed to a number of trends, events, and uncertainties which can affect its recurring revenues and profits,” ICTSI noted.

“These include levels of general economic activity and containerized trade volume in countries where it operates, as well as certain cost items, such as labor, fuel, and power,” the company said.

ICTSI operates in several jurisdictions other than the Philippines and collects revenues in various currencies.

“Continued appreciation of the US dollar relative to other major currencies, particularly the Philippine peso, Mexican peso, Australian dollars Brazilian reais, and the Euro, may adversely affect the group’s reported levels of revenues and profits,” ICTSI said.

ICTSI shares closed 6.86% higher at P190 apiece on Monday. — **Arjay L. Balinbin**

Megawide board OK’s capital hike to P5.12 billion

MEGAWIDE Construction Corp. announced on Monday that its board of directors recently approved an increase in the company’s authorized capital stock to P5.12 billion from P5.08 billion currently.

The authorized capital stock of preferred shares will increase to 186 million from 150 million, the company told the stock exchange.

“The increase in authorized capital stock will allow the company to issue an additional 36 million cumulative, non-voting, non-participating, non-convertible, perpetual preferred shares with the par value of P1 per share,” Megawide noted.

The board of directors approved the resolution on Nov. 4, according to the company.

At the same time, the board approved the “authority to accept the subscription of Citicore Holdings Investment, Inc. to 25% of such increase in the authorized capital stock of preferred shares, or nine million preferred shares.”

It likewise approved the resolution to offer and sell up to 26.22 million preferred shares by way of public offering or private placement transaction, consisting of one or more sub-series, from the unissued authorized capital stock of the company.

There will be a special stockholders’ meeting on Dec. 20 for the approval of the said increase in authorized capital stock and offer of preferred shares, the consequent amendment of the company’s articles of incorporation, and the election of an independent director, Megawide said. — **Arjay L. Balinbin**

PetroGreen, Copenhagen Energy to form SPVs for offshore wind projects

PETROGREEN Energy Corp. and Copenhagen Energy plan to form separate special purpose vehicles (SPVs) to oversee the investment and development of three offshore wind projects, the Yuchengcos’ listed energy company told the stock exchange on Monday.

In its disclosure, PetroEnergy Resources Corp. said incorporation documents were signed on Nov. 4, 2022 by the partners. PetroGreen is the renewable energy arm of PetroEnergy.

In a separate press release, PetroEnergy quoted Danish Ambassador to the Philippines Franz-Michael Skjold Mellbin as saying: “This investment and joint venture by Copenhagen Energy with [PetroGreen] testifies to Denmark’s strong belief in the potential of offshore wind in the Philippines.”

Mr. Mellbin said that the joint venture is part of Denmark’s commitment to supporting the Philippines’ goal to prioritize renewable energy in increasing power supply and reducing carbon emissions.

He said aside from private investments, the government of Denmark is also working with the Philippine government to remove barriers to commercial offshore wind development.

“Such collaboration can only strengthen the economic and people-to-people ties between Denmark and the Philippines,” he added.

The Department of Energy (DoE) is expected to issue the revised implementing rules and regulations to the Renew-

able Energy Act by mid-November, which will lift restrictions on foreign investments in renewable energy.

Francisco G. Delfin, Jr., vice-president and chief operating officer of PetroGreen, said the DoE expects offshore wind projects to help the country’s shift to clean energy fuel while providing a cleaner source of power.

In 2021, the Department of Energy (DoE) awarded PetroGreen with service contracts for Buhawind Energy Northern Luzon, Buhawind Energy Northern Mindoro, and Buhawind Energy East Panay for a total capacity of about 4 gigawatts (GW).

Mr. Delfin said DoE Secretary Raphael P.M. Lotilla cited the partnership as “a combination of foreign capital and technology with local knowledge and experience [that] would help strengthen cooperation between the two countries by way of knowledge sharing in renewable energy development.”

PetroGreen, through its operating subsidiaries, operates five power stations using geothermal, wind, and solar energy. These are the 32-megawatt (MW) Maibarara geothermal power plant in Batangas; the 36-MW wind project with a planned expansion of about 14 MW in Nabas and Malay, Aklan; and the 70-MW-direct current solar project in Tarlac City.

Copenhagen Energy is a Danish energy trader and developer of solar, onshore and offshore wind projects. Its wind pipeline has grown to more than 28 GW, with projects across Denmark, Australia, Ireland, Italy, and the Philippines. — **Ashley Erika O. Jose**

PAL, AirAsia gear up for Dec. holiday season, add Vis-Min flights

FLAG CARRIER Philippine Airlines, Inc. (PAL) announced on Monday that it will expand its direct flights between its hub in Cebu City and Mindanao with a new service to Cotabato City beginning Dec. 1.

The Cebu-Cotabato flights are expected “support the revival of domestic tourism and business activities” in the country, PAL said in an e-mailed statement, adding that it is gearing up for the December peak holiday season by

offering more flights out of Cebu to serve travelers in Visayas and Mindanao.

“We hope to contribute positively to the economic development of Cotabato City and the Bangsamoro region by launching this new link to progressive Cotabato City,” PAL noted. “We want to do our part to connect families, encourage healthy business growth and spur holiday travel between these vital regions of the country.”

Starting Dec. 1, PAL will offer twice weekly flights — every Monday and Thursday — between Cebu and Cotabato.

PAL also said that it will offer flights between Cotabato City and Boracay, Coron, Bacolod, Cagayan de Oro, Clark, Iloilo, Puerto Princesa, Tacloban, Siargao, and Baguio starting Dec. 16 by connecting through the airline’s Cebu hub, rather than connecting via Manila.

“Travelers will also enjoy a seamless one-stop journey from Cebu to Tawi-Tawi (and vice versa) twice a week, as the Cebu-Cotabato flight is linked to a Cotabato-Tawi-Tawi sector,” it added. — **Arjay L. Balinbin**

FULL STORY



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