

Philippine Stock Exchange index (PSEi)

6,674.38

▲ 232.25 PTS.

▲ 3.6%

TUESDAY, DECEMBER 6, 2022

BusinessWorld

## PSEI MEMBER STOCKS

|   |   |   |  |   |   |  |  |   |   |
|---|---|---|--|---|---|--|--|---|---|
| <b>AC</b><br>Ayala Corp.<br>P712.00<br>+P36.00 +5.33%                   | <b>ACEN</b><br>ACEN Corp.<br>P7.61<br>-P0.02 -0.26%                   | <b>AEV</b><br>Aboitiz Equity Ventures, Inc.<br>P55.45<br>+P1.15 +2.12%                    | <b>AGI</b><br>Alliance Global Group, Inc.<br>P9.99<br>+P0.04 +0.40%      | <b>ALI</b><br>Ayala Land, Inc.<br>P29.90<br>+P0.60 +2.05%         | <b>AP</b><br>Aboitiz Power Corp.<br>P34.60<br>+P0.90 +2.67% | <b>BDO</b><br>BDO Unibank, Inc.<br>P131.60<br>+P4.60 +3.62%            | <b>BPI</b><br>Bank of the Philippine Islands<br>P102.80<br>+P4.80 +4.90% | <b>CNVRG</b><br>Converge ICT Solutions, Inc.<br>P16.00<br>+P0.06 +0.38% | <b>EMI</b><br>Emperador, Inc.<br>P20.15<br>—                  |
| <b>GLO</b><br>Globe Telecom, Inc.<br>P2,202.00<br>+P12.00 +0.55%        | <b>GTCAP</b><br>GT Capital Holdings, Inc.<br>P450.60<br>+P7.60 +1.72% | <b>ICT</b><br>International Container Terminal Services, Inc.<br>P188.40<br>+P4.10 +2.22% | <b>JFC</b><br>Jollibee Foods Corp.<br>P246.60<br>+P10.20 +4.31%          | <b>JGS</b><br>JG Summit Holdings, Inc.<br>P47.00<br>+P3.25 +7.43% | <b>LTG</b><br>LT Group, Inc.<br>P8.91<br>+P0.01 +0.11%      | <b>MBT</b><br>Metropolitan Bank & Trust Co.<br>P55.60<br>+P1.80 +3.35% | <b>MEG</b><br>Megaworld Corp.<br>P2.24<br>-P0.04 -1.75%                  | <b>MER</b><br>Manila Electric Co.<br>P287.00<br>+P5.80 +2.06%           | <b>MONDE</b><br>Monde Nissin Corp.<br>P11.58<br>-P0.42 -3.50% |
| <b>MPI</b><br>Metro Pacific Investments Corp.<br>P3.53<br>+P0.02 +0.57% | <b>PGOLD</b><br>Puregold Price Club, Inc.<br>P32.00<br>-P0.90 -2.74%  | <b>RLC</b><br>Robinsons Land Corp.<br>P16.18<br>-P0.32 -1.94%                             | <b>SCC</b><br>Semirara Mining and Power Corp.<br>P33.50<br>+P1.30 +4.04% | <b>SM</b><br>SM Investments Corp.<br>P943.00<br>+P49.00 +5.48%    | <b>SMC</b><br>San Miguel Corp.<br>P95.30<br>+P0.30 +0.32%   | <b>SMPH</b><br>SM Prime Holdings, Inc.<br>P36.40<br>+P2.40 +7.06%      | <b>TEL</b><br>PLDT, Inc.<br>P1,669.00<br>+P67.00 +4.18%                  | <b>URC</b><br>Universal Robina Corp.<br>P138.00<br>+P5.50 +4.15%        | <b>WLCON</b><br>Wilcon Depot, Inc.<br>P30.65<br>-P0.75 -2.39% |

## Meralco gets CSP exemption for power supply deal

MANILA Electric Co. (Meralco) has secured a certificate of exemption from the Department of Energy (DoE) from the competitive selection process (CSP) for the supply of 670 megawatts (MW) of power after a temporary restraining order (TRO) suspended its deal with a unit of SMC Global Power Holdings Corp.

"We have secured a certificate of exemption from the DoE. It was issued last week, but that is only for — since the TRO is only for — 670 MW. The certificate of exemption is only covering that," Jose Ronald V. Valles, Meralco first vice-president and head of its regulatory management, told reporters on Monday.

The power distributor has been trying to secure emergency power supply agreements (EPSAs) after

the Energy Regulatory Commission (ERC) rejected its joint petition with SMC Global Power, the power arm of San Miguel Corp. (SMC), for a rate increase, saying it had no basis as the agreement is a fixed-rate contract.

Meralco said in October that it filed for a certificate of exemption from CSP with the DoE.

In November, the Court of Appeals issued a TRO in favor of SMC Global Power. The TRO suspended the implementation of South Premier Power Corp.'s (SPPC) power supply deal with Meralco that covers 670 MW of power supply.

Mr. Valles on Monday said Aboitiz Power Corp. (AboitizPower) has an offer to supply Meralco an equivalent capacity of 300 MW until Jan. 25. The power

will be sourced from GNPowder Dinginin.

"What we have negotiated so far is with Aboitiz, their Dinginin, but only for 300 MW covering a period of two months, until Jan. 25. We are now looking for additional power supply," he added.

He said the DoE approval includes AboitizPower and SMC's Masinloc coal-fired plant and Limay fuel-fired plant, but SMC has "withdrawn all its offers" in exchange for Ilijan's natural gas output. SMC Global Power earlier this month said it has offered the 1,200-MW capacity of its Ilijan plant to Meralco.

"We're running the numbers right now. If we can do Ilijan that quickly, then that will be more beneficial than the AboitizPower's offer. I'm looking for a capacity that will cover my exposure to WESM (Wholesale Electricity Spot Market) during summer months so that should be until July, so that is why we are interested in exploring San Miguel's new offer," Mr. Valles said.

He said they will talk to First Gen Corp. as Malampaya gas is fully allocated to the company's plants.

"We cannot source from elsewhere except from the fuel coming from Malampaya if DoE and First Gen are willing to reallocate the Malampaya gas to Ilijan because Ilijan cannot run on liquid fuel," he said.

SMC Global Power's unit SPPC is the administrator of Ilijan. In June, SMC purchased the re-

maining banked gas of Philippine National Oil Co. (PNOC) at \$1.2 billion for 70.26 petajoules.

However, the PNOC has yet to deliver the banked gas. SMC Global Power said the gas will support the fuel requirements of Ilijan power plant until February 2024.

Mr. Valles said gas from Malampaya needs to be diverted for the use of Ilijan, which stopped sourcing from Malampaya after its gas supply agreement expired in June.

"First Gen needs to run on liquid fuel, but the liquid fuel has to be a pass-through cost. These are the mechanics, generally. But this needs to be agreed upon by the DoE then the ERC," he said.

Mr. Valles said if SMC Global Power's offer will not material-

ize, Meralco will be left with no choice but to source from WESM, which typically costs more.

"We are doing everything possible to ensure we will not have a shortage of supply during summer months and to mitigate the impact of the TRO, as well as the impact of any increases that will be brought about by the price offers of generators under EPSAs," Mr. Valles said.

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 Media-Quest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **AEOJ**

## Cebu Air says leadership change to support growth plans

CEBU AIR, Inc. (CEB) said recent leadership changes in the company form part of its succession planning as it seeks continued growth and to become more "globally competitive".

"It's really about succession planning and really preparing us for the next phase of growth of the airline," CEB Vice-President for Marketing and Customer Experience Candice Jennifer A. Iyog said at a media briefing on Tuesday.

"With the amendment of the Public Service Act last March 2022, which is really intended to make Philippine businesses globally competitive, this is now going to

enable us to actually hire or have a chief executive officer (CEO) who has experience and expertise who can help us with the next phase of our growth regardless of nationality," Ms. Iyog added. "But having said that, it's also good to know or be reminded that 96% of our employees are Filipino."

The amended Public Service Act was signed in March to allow up to 100% foreign ownership of public services in the country.

On Monday, CEB said in a disclosure to the local bourse that it has appointed its president and CEO Lance Y. Gokongwei as chairman, which will give him the responsibility to preside over all

meetings of the stockholders and the board.

Meanwhile, it elected its current chief executive adviser, Michael Szucs, as CEO, while its incumbent chief commercial officer, Alexander G. Lao, will also be the president of the company in addition to his existing position.

The appointments, as approved by the company's board of directors, will be effective by Jan. 1.

Meanwhile, the company said it will be adding 11 brand new Airbus NEO aircraft to its fleet in 2023 to support its growing capacity and travel demand.

The 11 additional planes are: three A320neo, four A321neo, and four A330neo.

"All aircraft deliveries will use blended Sustainable Aviation Fuel (SAF) as part of the airline's sustainability efforts," the company said in a press release.

The carrier aims to transition to an all-NEO fleet by 2028 and incorporate the use of SAF for its entire commercial network by 2030.

The company said it has now restored 92% of its system-wide capacity and expects to fully recover by next year. — **J.I.D. Tabile**

## Jollibee in talks to sell a stake in Highlands Coffee

SINGAPORE — Jollibee Foods Corp., the biggest fast-food operator in the Philippines, is in advanced discussions to sell a minority stake in its Vietnamese coffee chain Highlands Coffee, two sources with knowledge of the matter told Reuters.

Jollibee, controlled by Philippine billionaire Tony Tan Caktiong, is considering a sale that could value the fast growing coffee chain at roughly \$800 million, one of the sources said, declining to be named as the information is confidential.

The group is looking to sell 10% to 15% of its stake in Highlands Coffee to an investor, the source added, declining to name the party.

Jollibee declined to comment. Highlands Coffee did not respond to Reuters requests seeking comment on Tuesday.

Jollibee initially bought a small stake in Highlands Coffee a decade ago and then took a controlling interest. Highlands Coffee, which was established in 1999, began as a coffee products packager in Hanoi and has since grown to become a chain with more than 500 stores in Vietnam and the Philippines.

The sources said the stake sale, if successful, could eventually pave the way for an initial public offering of Highlands Coffee, a move that Jollibee has been considering since many years.

Vietnam, with a population of 99 million, is Asia's fastest growing economy with gross domestic product seen expanding 8% this year and 6.5% next year, the government said last month.

A boom in coffee drinking has spawned big domestic brands in Southeast Asia. Last year, Indonesian coffee chain Kopi Kenangan was valued at more than \$1 billion in a funding exercise.

Jollibee has been rapidly expanding overseas and especially across Southeast Asia, aiming to capture growing consumer spending in the region of some 680 million people.

Jollibee operates the largest food service network in the Philippines with more than 1,500 stores in 17 countries, including US brand Coffee Bean & Tea Leaf and its own fast-food chain with the ubiquitous smiling bee logo. — **Reuters**

## Yamaha Philippines rolls out solar power system

MOTORCYCLE BRAND Yamaha Motor Philippines, Inc. energized on Monday its 170-kilowatt peak (kWp) solar rooftop photovoltaic system on its administration building in Malvar, Batangas.

Arnel Recolizado, Yamaha Motor Philippines general manager for production engineering, said during the launch event at Lima Technology Center that the solar rooftop project is part of the environmental plan 2050 of the global Yamaha Group.

"This is a very important milestone for us to start our renewable energy initiative," Mr. Recolizado said.

The solar project was done under a partnership between Yamaha Motor Philippines and Excell Energy and PowerGen Corp., which is a unit of licensed retail electricity supplier Mabuhay Energy Corp.

According to Yamaha, the solar rooftop system placed on its administration building can generate up to 216 megawatt hours (MWh) of electricity per year and will allow the company to reduce its electricity bills and carbon footprint.

"The solar rooftop system's levelized cost of electricity (LCOE) is P2.27 per kilowatt hour (kWh) which is way below the current grid rate of about P11 to 14 per kWh," Yamaha said.

"In terms of environmental contributions, the utilization of the system will avoid the burning of 70 metric tons of coal per year and eliminate approximately 140 metric

tons of carbon dioxide, which is the equivalent of planting about 1,951 trees per year," the company added.

Yamaha Motor Philippines President Hiroshi Koike said that the capacity of the solar project will be expanded by 1MW next year.

"Our goal is not just to save on costs but more importantly, to curb carbon emissions. As a global company, we are very conscious about our role and impact to the society and the environment," he said.

"While still relatively small, it somehow allows us to already realize our vision of contributing to Yamaha Group Environmental Plan 2050. This is just the beginning. By next year, the capacity will be expanded by 1 MW," he added.

Sherwin Hing, Excell Energy chairman and chief executive officer, said that the project has been completed without any accidents and interruptions.

"Confidently, we are proud to say that the project has been completed without any accidents and interruptions whilst closely adhering to Yamaha's installation standards. It has also passed the critical parameters for grid connection. We thank Yamaha for the trust and look forward to strengthening our partnership," he said.

In 2021, Yamaha Motor Philippines finished a P2.6-billion expansion plan aimed at solidifying its market stronghold and contribute to the country's economic growth. — **Revin Mikhael D. Ochave**

## Ovialand gets P600-M loan facility

MASS HOUSING developer Ovialand, Inc. has secured a P600-million loan facility from Security Bank Corp. for its expansion plans.

Ovialand said in a press release on Tuesday that SB Capital Investment Corp. solely arranged the issuance of the loan facility that was fully taken up by its parent.

"We are pleased to partner with SB Capital and Security Bank as we attempt to achieve new milestones in our history," Ovialand President and Chief Executive Officer Marie Leonore Fatima Olivares-Vital said in a statement.

"Ovialand is enjoying a stellar performance in 2022 despite current economic headwinds, and this financing package from Security Bank will enable the company to be more aggressive in realizing its growth potential," she added.

Ovialand said they intend to use the funds in pursuing its expansion plans which include developing new horizontal projects and in increasing the size of its landbank.

"We are greatly appreciative of the trust provided to us by Ovialand in arranging this facility that will be crucial to their growth," SB Capital President Virgilio O. Chua said.

## Globe cell sites in Mindoro, Marinduque fired up

GLOBE TELECOM, Inc. announced on Tuesday that it has fired up 26 new cell sites in Oriental Mindoro and Marinduque through partnerships with local cooperatives.

The company partnered with the Oriental Mindoro Electric Cooperative, Inc. and the Marinduque Electric Cooperative, Inc. to power up 17 cell sites and nine towers, respectively, Globe said in an e-mailed statement.

"These benefitted around 102,000 customers in both provinces through faster and more reliable internet connection."

According to the Ayala-led telco, the partnership involves a joint pole deal that allows it to tap the electric cooperatives' infrastructure for connectivity equipment.

"We believe that this transaction will ripple into bigger and better capital raising exercises and we are excited to partner with Ovialand in such efforts," he added.

Meanwhile, Ovialand said in a separate press release that it was awarded as one of "Asia's Leading SMEs" in the Enterprise Category by The Asia Corporate Excellence & Sustainability Awards last month.

The company offers premium affordable housing in South Luzon and has recently launched its third project in Laguna called Santevi.

The Santevi project is expected to expand the company's portfolio in Laguna to more than 2,100 units.

Ovialand said it is eyeing P2.3 billion from the sale of 707 house-and-lot units and it will meet its year-end projection of P1.2 billion in revenues.

"As we head towards the end of 2022, we reflect on the success we have achieved while looking forward to what we can do in the years to come," Ms. Olivares-Vital said. — **Justine Irish D. Tabile**

"The cooperatives also assist Globe with its permanent power applications and securing necessary permits," the company said.

Globe has spent P50.5 billion in the first half of this year, mainly on network expansion and upgrades.

The goal is to "provide better and faster connectivity to... customers," the company said. "This figure closed at P74.4 billion by end-September."

"Within the same period, it installed 572 new cell towers and upgraded 6,800 mobile sites to 4G (fourth generation)," it added.

The company intends to build at least 1,700 new cell sites by yearend.

Globe saw its total comprehensive income increase 37% to P24.9 billion at end-September. — **Arjay L. Balinbin**