

Philippine Stock Exchange index (PSEi)

6,800.96 ▲ 56.84 PTS. ▲ 0.84%

TUESDAY, FEBRUARY 21, 2023
BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P675.00 +P7.00 +1.05%	ACEN ACEN Corp. P6.86 -P0.11 -1.58%	AEV Aboltiz Equity Ventures, Inc. P55.00 +P0.50 +0.92%	AGI Alliance Global Group, Inc. P12.74 -P0.16 -1.24%	ALI Ayala Land, Inc. P28.95 -P0.15 -0.52%	AP Aboltiz Power Corp. P37.95 +P0.20 +0.53%	BDO BDO Unibank, Inc. P123.90 -P0.60 -0.48%	BPI Bank of the Philippine Islands P108.80 +P4.30 +4.11%	CNVRG Converge ICT Solutions, Inc. P16.02 -P0.18 -1.11%	DMC DMCI Holdings, Inc. P11.12 -P0.32 -2.80%
EMI Emperador, Inc. P20.75 -P0.15 -0.72%	GLO Globe Telecom, Inc. P1,990.00 -P30.00 -1.49%	GTCAP GT Capital Holdings, Inc. P512.50 -P7.50 -1.44%	ICT International Container Terminal Services, Inc. P206.00 -P3.40 -1.62%	JFC Jollibee Foods Corp. P242.00 +P5.00 +2.11%	JGS JG Summit Holdings, Inc. P54.50 +P0.55 +1.02%	LTG LT Group, Inc. P10.34 -P0.16 -1.52%	MBT Metropolitan Bank & Trust Co. P61.70 +P1.75 +2.92%	MER Manila Electric Co. P310.00 +P2.00 +0.65%	MONDE Monde Nissin Corp. P11.90 -P0.10 -0.83%
MPI Metro Pacific Investments Corp. P4.20 -P0.01 -0.24%	PGOLD Puregold Price Club, Inc. P31.75 -P0.25 -0.78%	SCC Semirara Mining and Power Corp. P30.70 +P0.05 +0.16%	SM SM Investments Corp. P897.50 +P25.50 +2.92%	SMC San Miguel Corp. P107.00 -P0.90 -0.83%	SMPH SM Prime Holdings, Inc. P37.45 +P0.55 +1.49%	TEL PLDT Inc. P1,387.00 +P13.00 +0.95%	UBP Union Bank of the Philippines P88.60 +P1.20 +1.37%	URC Universal Robina Corp. P141.80 +P0.80 +0.57%	WLCON Wilcon Depot, Inc. P32.05 -P0.65 -1.99%

Ayala Land's 2023 capex up by 18% to P85 billion

AYALA LAND, Inc. (ALI) has earmarked P85 billion for its 2023 capital expenditure (capex) budget, which it will mainly use to fund the development of 10 more property estates.

"We are planning to spend about P85 billion this year. That's up from P72 billion in 2022," ALI President and Chief Executive Officer Bernard Vincent O. Dy said in a media briefing on Tuesday. "That's an 18% growth."

According to Mr. Dy, 39% of the capex will be used for residential projects, 23% for land acquisition, and 16% for estate development. The remaining funds will

be used for other expenditures, including those for malls, offices, hotels and resorts.

Last year, ALI's capex reached P72.4 billion, of which 50% was spent on its residential projects, 19% on land acquisition, 16% on estate development, 11% on commercial projects, and 4% on other business purposes.

The company launched 30 projects valued at P91.4 billion in 2022. In terms of property brands, Ayala Land Premier accounted for P39.2 billion, Alveo for P29 billion, Avida for P15.9 billion, Amaia for P6.6 billion, and BellaVita for P700 million.

"We feel very [positive] for 2023. Expect us to continue to invest in all our business strengths that we are trying to grow not only in 2023 but also beyond 2023," Mr. Dy said.

His optimism comes after ALI recorded a 52.2% surge in its 2022 net income attributable to equity holders to P18.62 billion from P12.23 billion in 2021.

Its topline rose by 19.2% to P126.56 billion in 2022 from P106.14 billion in the previous year.

Augusto Cesar D. Bengzon, ALI chief finance officer, treasurer and chief compliance officer, said

the company recorded revenues of P81.2 billion in property development, 7% higher year on year, "led by solid commercial lot sales."

Based on the company's 2022 revenue breakdown, sales of commercial and industrial lots were up by 74.7% to P14.53 billion from P8.32 billion a year ago.

Mr. Bengzon said the rise was due to strong investor demand in its Arca South, Nuvali, and Broadfield estates.

Meanwhile, ALI's revenues from commercial leasing increased by 61.8% to P33.39 billion in 2022 from P20.63 billion last year.

"[This was due to] normalized mall rents and foot traffic, the contribution of new office spaces, and higher hotel room rates," Mr. Bengzon said. "This significant improvement brought average mall footfall and tenant sales to 87% of our pre-pandemic levels."

Last year, revenues from services reached P8.42 billion, up 32% from P6.38 billion in 2021, while real estate revenues rose 19.5% to P123.05 billion from P102.95 billion previously.

In the fourth quarter of last year, ALI recorded a net income of P5.27 billion, almost flat quar-

ter on quarter, despite the higher commercial lot sales and commercial leasing booked for the period.

Mr. Bengzon said ALI's fourth-quarter revenues reached P40 billion.

In the October-December period, the company booked a 24% increase in its sales to P27.6 billion from P22.1 billion a year earlier or a monthly average of P8.7 billion in sales reservations.

"Solid commercial lot sales and commercial leasing recovery boosted our revenues," Mr. Bengzon said. — **Justine Irish D. Tabile**

SFA Semicon allots \$10M for manufacturing plant upgrade

SFA SEMICON Philippines Corp. has set aside \$10.25 million out of its retained earnings to partly fund its five-year investment plan approved a year ago.

The plan, which spans until 2026, aims to replace "fully depreciated" machinery and equipment in the first phase of the listed semiconductor company's manufacturing facility, it said in a stock market disclosure on Tuesday.

Also, the five-year updated investment plan targets to upgrade and acquire new production equipment in the first and second phases of the plant in Clark Freeport Zone, it added.

The budget was approved about a year ago when the company allocated \$65 million for its investment plan. This year's funding, which is equivalent to around P564.15 million, is higher than the \$10.19 million allotted for the previous year.

Additionally, SFA Semicon has declared a cash dividend of \$2.56 million, with the actual amount of dividend per share to be calculated based on the company's number of outstanding shares on March 17, 2023.

SFA Semicon Chairman and President, Dong Hwan Im said the board meeting on Feb. 17, 2023 "unanimously declared" the cash dividend out of the company's unrestricted retained earnings as of Dec. 31, 2022,

"to give the shareholders returns on their investment."

The dividends will be paid on April 14, 2023 to stockholders on record as of March 17. The company said its total outstanding shares could still change by the record date due to its ongoing share buy-back program.

At the local bourse on Tuesday, shares in SFA Semicon retained were unchanged at P1.73 apiece. — **Adrian H. Halili**

Philippines corners biggest share of Kia's regional sales

KIA PHILIPPINES recorded the most sales among the car brand's distributors in the Asia-Pacific (APAC) region, as the local automotive industry continues its recovery.

In a statement late Monday, Kia Philippines said the milestone was announced during a recent thanksgiving event for its local dealer groups such as Gateway Motors, Wheels, Inc., Iconic Dealerships, Inc., Traders of the Laus Group, Grand Canyon, Autohub Group, Wheeltek, and Prime Legacy.

"Kia Philippines achieved the highest growth rate in the APAC region, as well as being the number one independent distributor in retail sales in 2022 in this part of the world. Overall customer satisfaction has the highest improvement as well in the region, based on surveys conducted by Kia APAC," the South Korean car brand said.

"For 2022, Kia Philippines achieved a record-breaking 34% sales increase as compared to 2021," it added.

Data from the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) and Truck Manufacturers Association (TMA) showed that Kia Philippines sold 5,012 units in 2022, up 34% from 3,748 units sold in 2021.

As of 2022, Kia Philippines has 42 dealerships with more to come amid ongoing nationwide network expansion. Relunched in 2019, it is a wholly-owned subsidiary of Ayala Corp.

Aside from the dealer thanksgiving event, Kia Philippines also celebrated its 4th anniversary as a subsidiary of Ayala Corp.

"Soon, all 42 Kia dealerships nationwide will have refreshed exteriors, and by next year all will share Kia's revamped interior design aesthetic," the car manufacturer said.

Meanwhile, Bank of the Philippine Islands' Lead Economist Emilio S. Neri, Jr. said that local vehicle sales are expected to sustain their growth in 2023 due to fewer international and domestic travel restrictions, easier access to consumer credit, a lower unemployment rate that increases purchasing power and consumer credit scores, slower inflation, and a more stable foreign exchange environment.

In 2022, CAMPI-TMA members sold 352,596 units, exceeding its sales target of 336,000 units, and approaching the 369,941 units sold in 2019. — **Revin Mikhael D. Ochave**

A Brown taps electric bus operator to handle shuttle service in CDO

A BROWN Co., Inc. said on Wednesday that its board of directors authorized the firm to enter into a joint venture with an operator of zero-emission buses to manage an electric shuttle service in Cagayan de Oro City (CDO).

The listed holding firm told the stock exchange that the tie-up with GET Philippines, Inc. will "create, promote, operate and manage the ABC Electric Shuttle Service as a clean, efficient, modern, and green mass transport system."

A Brown described GET as a social enterprise specializing in zero-emission electric buses, including a fleet and passenger management ecosystem that provides "safe, efficient, and sustainable" transit systems.

Under their agreement, GET will set up and incorporate a joint venture company that it will jointly own with A Brown. The new company will initially own 10 Community Optimized Managed Electric Transport (COMET) electric vehicles deployed for the project.

The joint venture will be responsible for the provision, management, service, maintenance, and operation of the COM-

ET fleet for the electric shuttle service in Cagayan de Oro.

It will also offer the COMET electric vehicles "as an effective marketing tool and platform for media and transit advertising for third parties," A Brown said. The shuttle service will make use of GET's transport application GETPASS as a fleet and passenger management and monitoring system.

Upon the new company's incorporation, its outstanding capital stock will be P45 million corresponding to 45 million shares. GET will own 100% of the outstanding capital stock.

A Brown will pay P22.5 million to GET as advanced payment for the shares in the joint venture. GET will then transfer ownership of 22.5 million shares to A Brown, creating a 50% equity share in the company.

A Brown is primarily engaged in real estate development. Its subsidiaries are in power generation, manufacturing, and trading of palm oil and other palm products.

On the stock market on Tuesday, its shares closed higher by P0.05 or 6.7% to end at P0.80 apiece. — **Adrian H. Halili**

SC affirms VAT refund of former Casecnan hydropower operator

THE Supreme Court has upheld the partial refund of CE Casecnan Water and Energy Co., Inc. worth P19.22 million representing its excess value-added tax (VAT) traced to zero-rated sales for the taxable year 2008.

In a nine-page decision dated Feb. 1 and made public on Feb. 1, the tribunal agreed with the Court of Tax Appeals (CTA) ruling that said the firm proved its entitlement to the said amount through its official receipts during the period.

CE Casecnan initially sought a refund in the amount of P20.06 million.

"It is well settled that factual findings of the CTA when supported by substantial evidence, will not be disturbed on appeal," the High Court said.

"It is clear in this case that the respondent (CE Casecnan) sufficiently discharged the burden of complying with tax refund procedures, and has duly complied with the requirements under the law."

The tax court said the internal revenue commissioner's petition was timely filed within the two years mandated under the country's revenue code.

It noted that the firm's sale of generated power to the National Irrigation Administration (NIA) qualified for zero-rated VAT.

The petitioner is the company that previously operated and maintained the Casecnan hydroelectric in Nueva Ecija, before its contract with the facility expired on Dec. 11, 2021.

The plant, which is a combined irrigation and power generation project, was turned over to the government after CE Casecnan's build-operate-transfer contract expired.

The NIA said it would continue taking irrigation water from Casecnan even after it is privatized.

"Unless there has been an abuse of discretion on its part, the Court accords the highest respect to the factual findings of the CTA," the tribunal said. — **John Victor D. Ordoñez**

iPeople sees 'good year' as enrollment figures grow

LISTED education company iPeople, Inc. performed well in 2022 on the back of the country's economic recovery and growth in its enrollment numbers, a company official said.

"I think in general, our enrollment growth has been quite strong. 2022 was a good year. Our total enrollment has grown by double-digits," iPeople President Alfredo I. Ayala told reporters on the sidelines of a recent press conference in Makati City.

In 2021, the company recorded a consolidated net income of P663.79 million, up 174.1% from P242.17 million in 2020. It has yet to disclose its financial report for 2022.

"I think our total new enrollment growth is about 15%. That is the best leading

indicator," he said, referring to the freshmen coming in.

"That is across the whole group. We're pretty happy with the way that both the economy has recovered plus because we've really embraced blended learning, we've been able to grow," he added.

iPeople said in a previous stock exchange disclosure that the higher net income for 2021 was due to the stronger operating results of schools amid higher revenues, lower expenses, and lower income taxes after the approval of Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises Act.

Meanwhile, Mr. Ayala said the company is focusing on its collaboration with Arizona

State University (ASU) signed in 2022, which is expected to bring more signups to Mapua schools this year.

The collaboration gives various opportunities for the students to learn from ASU and other educational institutions across the world as Mapua schools also became members of the ASU-Cintana Alliance. iPeople joined the global network consisting of 15 of some of the most innovative higher education institutions in the Americas, Europe, and Asia.

"We also launched last year Mapua Malayan Digital College. It is a unit of Mapua Malayan Colleges Laguna. 100% of the classes are online, plus there are learning hubs in Ayala

Malls. Technology allows not just access but the reduction of cost," Mr. Ayala said.

iPeople is under Ayala Corp. and the Yuchengcos' House of Investments, with a stake of 33.5% and 51%, respectively.

The company owns seven educational institutions, namely: Mapua University, Mapua Malayan Colleges Laguna, Mapua Malayan Colleges Mindanao, and Malayan High School of Science in Manila operating under Malayan Education System, Inc.; University of Nueva Caceres in Bicol; National Teachers College; and APEC Schools.

On Tuesday, iPeople shares dropped seven centavos or 0.93% to close at P7.42 each at the local stock exchange. — **Revin Mikhael D. Ochave**