

Philippine Stock Exchange index (PSEi)

6,705.12

▲ 34.00 PTS.

▲ 0.51%

TUESDAY, MARCH 7, 2023

BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P645.00 -P5.00 -0.77%	ACEN ACEN Corp. P6.70 ---	AEV Aboitiz Equity Ventures, Inc. P53.90 +P0.10 +0.19%	AGI Alliance Global Group, Inc. P12.82 +P0.06 +0.47%	ALI Ayala Land, Inc. P28.30 -P0.35 -1.22%	AP Aboitiz Power Corp. P38.00 ---	BDO BDO Unibank, Inc. P127.50 +P0.50 +0.39%	BPI Bank of the Philippine Islands P108.50 +P2.70 +2.55%	CNVRG Converge ICT Solutions, Inc. P16.00 +P0.38 +2.43%	DMC DMCI Holdings, Inc. P11.20 -P0.24 -2.1%
EMI Emperador, Inc. P20.85 ---	GLO Globe Telecom, Inc. P1,850.00 -P24.00 -1.28%	GTCAP GT Capital Holdings, Inc. P528.00 +P11.50 +2.23%	ICT International Container Terminal Services, Inc. P208.00 +P1.00 +0.48%	JFC Jollibee Foods Corp. P232.20 +P0.20 +0.09%	JGS JG Summit Holdings, Inc. P51.80 +P0.90 +1.77%	LTG LT Group, Inc. P10.12 +P0.08 +0.8%	MBT Metropolitan Bank & Trust Co. P59.00 -P0.95 -1.58%	MER Manila Electric Co. P316.00 -P3.40 -1.06%	MONDE Monde Nissin Corp. P11.76 +P0.20 +1.73%
MPI Metro Pacific Investments Corp. P4.39 -P0.13 -2.88%	PGOLD Puregold Price Club, Inc. P30.95 +P0.30 +0.98%	SCC Semirara Mining and Power Corp. P30.80 +P0.25 +0.82%	SM SM Investments Corp. P880.00 -P6.00 -0.68%	SMC San Miguel Corp. P109.00 -P2.60 -2.33%	SMPH SM Prime Holdings, Inc. P36.40 +P0.85 +2.39%	TEL PLDT Inc. P1,313.00 -P7.00 -0.53%	UBP Union Bank of the Philippines P89.50 +P0.80 +0.9%	URC Universal Robina Corp. P145.00 +P9.90 +7.33%	WLCON Wilcon Depot, Inc. P30.70 -P0.25 -0.81%

Bullish markets lift DMCI income by 69% to P31B

DMCI Holdings, Inc. has reported a 69% increase in its 2022 consolidated net income to P31.1 billion from P18.4 billion a year earlier due to higher contributions from its subsidiaries.

"2022 was a very good year for us. Bullish commodity and electricity markets brought a significant boost to our businesses," DMCI Holdings Chairman and President Isidro A. Consunji said in a disclosure to the stock market on Tuesday.

The listed holding firm's consolidated core net income, which

excludes nonrecurring items, rose by 80% to P31.2 billion from P17.4 billion in the previous year.

The excluded one-off items are the P1-billion gain in 2021 from the remeasurement of deferred tax liabilities due to the Corporate Recovery and Tax Incentives for Enterprise Act, and the P93-million loss in 2022 mostly from the asset write-down of gas turbines under Southwest Luzon Power Generation Corp.

DMCI Holdings' consolidated revenues went up by 32%

to P142.6 billion last year from P108.3 billion in the previous year, driven by higher prices for coal and electricity.

Semirara Mining and Power Corp. more than doubled its contribution to P22.7 billion from P9.2 billion due to high domestic coal shipments, higher spot electricity sales, and elevated market prices.

DMCI Homes, which is the firm's real estate arm DMCI Project Developers, Inc., contributed P4.5 billion because of better selling prices and higher income

from forfeitures. Last year's share was a 2% gain from P4.4 billion previously.

Maynilad Water Services, Inc.'s contributions declined by 6% to P1.4 billion from P1.5 billion as a result "of higher costs for light and power, repairs and maintenance, and chemicals."

Additionally, DMCI Mining Corp. contributed 7% to P1.3 billion from P1.2 billion.

DMCI Power Corp. likewise contributed P724 million, 28% higher than the previous year's P580 mil-

lion, due to higher electricity sales and average selling price.

D.M. Consunji, Inc.'s contribution increased by 55% to P587 million from P378 million in the previous year after the completion of buildings and infrastructure projects.

For the quarter alone, consolidated net income fell by 30% to P3.5 billion last year from P4.9 billion in 2021. Core income also fell by 30% to P3.6 billion from P5.1 billion.

The decline was mainly due to the effects of higher stripping costs

and fuel expenses, coupled with income tax expenses, fewer real estate accounts that became revenue, and the depreciation of the peso.

"We expect these markets to soften this year, so our strategy is centered around increasing volumes and optimizing cost management to maintain healthy margins," said Mr. Consunji, who is also the chief executive officer.

Shares in DMCI Holdings fell by 2.1% or 24 centavos to close at P11.20 apiece at the stock market on Tuesday. — **Adrian H. Halili**

AEV earnings slip 9% amid power unit's lower share

ABOITIZ Equity Ventures, Inc. (AEV) ended 2022 with a 9.2% decline in net income to P24.8 billion from P27.3 billion in the previous year after the lower contribution from its power business.

In a disclosure to the Philippine Stock Exchange on Tuesday, the listed holding firm said it recognized P3.5 billion largely from non-recurring foreign exchange gains, or more than six times higher than the P527 million posted in 2021.

Without the one-time gains, core income last year was lower by 21% at P21.3 billion.

"We will continue to focus our energy and resources on strategic innovation and, more importantly, on people and talent," said Sabin M. Aboitiz, AEV president and chief executive officer, after closing another "transformative year."

He added that the "techglomerate" continues to take shape, "not just in our financial reports, but also in the major culture shifts taking place within our organization."

Last year, the company realized a lower income share from Aboitiz Power Corp. after the unit entered into a partnership with JERA Asia Private Ltd. which reduced AEV's ownership in the company to 52% from 77%.

"If AEV retained the same ownership of AboitizPower, AEV's normalized core net income for 2022 would have been higher by 5% compared to 2021," the company said.

AEV's power business accounted for 62% of total income contributions, while its financial services accounted for 27%. Real estate, food, and infrastructure business units contributed 11%, 0%, and -1%, respectively.

AboitizPower's income contribution to AEV for 2022 reached P14.3 billion, lower by 10.6% than the P16 billion in 2021.

On a stand-alone basis, the energy company's net income for 2022 reached P27.5 billion, 32.2% higher than the P20.8 billion recorded in the previous year.

AEV saw a flattish contribution from its banking and financial unit, Union Bank of the Philippines (UnionBank), which also had a flattish year on year stand-alone net income.

In 2022, UnionBank contributed P6.3 billion to AEV, while on a stand-alone basis, the bank and its subsidiaries recorded a net income of P12.7 billion.

The company's real estate businesses, Aboitiz Land, Inc. and Lima Land, Inc., booked a consolidated net income of P2.6 billion in 2022, which AEV said was flat compared with their 2021 results.

Meanwhile, the group recorded a net loss of P14 million from its food business in 2022, turning around after a net income of P2 billion in 2021. AEV's food subsidiaries are Pilmico Foods Corp., Pilmico Animal Nutrition Corp., and Pilmico International Pte. Ltd.

Its infrastructure business, Republic Cement & Building Materials, Inc.,

recorded a net loss of P323 million in 2022 from a net profit of P1.6 billion in the previous year.

"This was due to lower market demand for cement caused by the pre-election construction ban and post-election transition, global commodity price increase of steel, other construction materials, and higher input costs of fuel and electricity," the company said.

For the fourth quarter, AEV's consolidated net income declined 55.1% to P3.5 billion from the P7.8 billion reported in 2021, after booking foreign exchange losses during the period.

The company said it recognized a nonrecurring loss of P2 billion due to foreign exchange losses versus a non-recurring gain of P444 million in the same period in 2021.

AEV shares moved up by 0.19% or 10 centavos to finish Tuesday at P53.90 apiece. — **Justine Irish D. Tabile**

LRWC changes name to DigiPlus

LISTED gaming company Leisure & Resorts World Corp. (LRWC) has changed its business name to DigiPlus Interactive Corp., the company announced in a disclosure on Tuesday.

The company said that it aims to provide better services and products from all its subsidiaries and related companies.

"As the company welcomed this change, we strategically thought and created a stronger identity that will help us to become the best version of what we are as a company — fun, innovative, digitized, technologically advanced, and most of all, collaborative," DigiPlus President Andy Tsui said.

"We're very thrilled to share with all of you what we have prepared this year," Mr. Tsui added.

In an earlier disclosure, the company's board of directors approved the amendment to its articles of incorporation, changing the name of the company and its address to Taguig City, for which the Securities and Exchange Commission (SEC) issued a filing certificate on Feb. 28.

Additionally, the board of directors approved an increase in authorized capital stock to P7 billion, from the previous P5 billion, divided into 7 billion shares.

"The company has been sharing its expertise for over 20 years in the retail gaming market and has continuously provided world-class multi-gaming platforms with a strong distribution network of entertainment sites all over the country," the company said.

In a separate disclosure on Tuesday, the SEC approved the change in DigiPlus stock symbol to PLUS from LR.

Shares in the company fell by 2.75% or eight centavos to close at P2.83 apiece on Tuesday. — **Adrian H. Halili**

SC affirms denial of Tanduary Distillers' P1-B tax refund claim

THE Supreme Court (SC) has upheld the Court of Tax Appeals (CTA) decision that denied Tanduary Distillers, Inc.'s appeal to set aside its allegedly wrongly paid excise tax worth P1.01 billion for the period covering March to July 2013.

In a 12-page decision released on March 2, the SC First Division affirmed the CTA's decision saying the firm lacked documentary evidence to prove its entitlement to the claim.

"A grant for refund specific to excise tax requires that its raw materials were paid during the period in question and that the taxpayer shows the amount of the claim is of finished goods produced from tax-paid materials," the tribunal said.

It said the presented documents failed to prove that the excise taxes were paid for and remitted to the Bureau of Internal Revenue (BIR).

Tanduary Distillers is a domestic firm engaged in manufacturing, importing, exporting and selling liquor products.

The firm's refund claim was prompted by the passage of Republic Act No. 10351 or the Sin Tax Reform Act, which took effect in January 2013.

The law restructured the excise tax on alcohol and tobacco products and removed the classification system, which was based on raw

material and price, the specific tax was paid.

Shortly after the law's passage, the BIR issued revised regulations that disallowed tax credits of excise taxes paid under the old law on the raw materials inventory against the excise taxes due on compounded liquor.

The CTA had ruled that Tanduary Distillers failed to prove that it paid the excise tax passed on by its local suppliers and its remittance to the BIR. It added that the firm did not show that its products were produced from tax-paid raw materials, which the refund is based on.

Tanduary Distillers argued that it presented sufficient evidence to support its refund claim, saying there were no significant irregularities in its raw materials inventory to merit a denial of its appeal.

"The Court finds no cogent reason to depart from the findings of the CTA Division as regards the firm's failure to comply with the evidentiary requirements for a refund," the High Court said.

"Needless to state, the taxpayer claimant has the burden of proof to establish strict compliance with the conditions for the grant of tax refund or credit." — **John Victor D. Ordoñez**

A Brown unit acquires land, palm oil milling plant in Surigao del Sur

LISTED holding firm A Brown Co., Inc. on Tuesday said that its subsidiary bought parcels of land spanning 70,000 square meters and a palm oil milling plant in Barobo town in Surigao del Sur province.

In a stock market disclosure, A Brown said Surigao Greens Agri Corp. forged an asset purchase agreement for the acquisition. It said the milling plant in Brgy. Tambis has a factory building and machinery with a rated capacity of 10 metric tons per hour.

"The acquisition will also provide operational and supply chain synergies with existing palm oil milling and refinery facilities in Impasug-ong, Bukidnon that are currently operated by A Brown Energy and Resources Development Inc. (ABERDI), another A Brown subsidiary," the statement read.

The purchase is also said to "allow access to an existing and operational and cost-efficient

crude palm oil milling plant that is able to source palm oil fresh fruit bunches" from nearby provinces' plantation farms.

The company said the access to plantations as well as reduced logistics and transport costs enable operational and cost-cutting synergies, which increases business growth opportunities.

It recently invested in Surigao Greens Agri to engage in the business of processing, milling, and refining palm oil for manufacture and distribution.

A Brown is a holding firm with business interests in real estate developments to economic and socialized housing segments.

Its subsidiaries are engaged in power generation, manufacturing, and trading of palm oil and other palm products.

On the stock market on Tuesday, A Brown shares fell by two centavos or 2.53% to close at 77 centavos apiece. — **Sheldeen Joy Talavera**

More companies and stakeholders seen seeking sustainable options

LISTED firm Holcim Philippines, Inc. and web-based enterprise platform Anaplan said they saw increased demand and interest from organizations and stakeholders in monitoring, tracking, and reporting their sustainability performance.

"More organizations are asking us about how they can optimize their operations and reduce their environmental impact," Anaplan Senior Vice-President and Managing Director for Asia Pacific Mark Micallef told *BusinessWorld*.

Mr. Micallef said that although more Filipino organizations are starting to move towards creating comprehensive environmental, social, and corporate

government (ESG) programs, they are still unsure about where to start.

"In reality, establishing an ESG program needs a structured approach — from conducting a materiality assessment to understand the current baseline, to setting goals and tactical actions along with reporting to track the progress," he said.

Anaplan's platform helps organizations in assessing their strategic ESG roadmap by exposing likely outcomes and impacts on the companies' goals at the point of decision.

"This helps organizations to weigh scenario trade-offs and mitigate risks as well as assess lower cost pathways for ESG initiatives," Mr. Micallef said.

Holcim initially deployed Anaplan solutions in 2018 to replace the company's old legacy systems used to plan sales, and commercial and logistics forecasts that were found to be inefficient.

"The rapid growth of the Philippine sustainable development sector and an ongoing evolution of decarbonization regulations and policies, are complexities that legacy business systems have been unable to process and navigate efficiently," Mr. Micallef said.

He added that the old systems are especially inefficient in accounting for new carbon metrics that Holcim's customers were beginning to demand.

Holcim makes use of Anaplan's Connected Planning platform, which interprets market-based solutions, adjusts projected business outcomes to macro shifts, and drives wider time and cost savings at scale.

Anaplan's solutions also monitor and track Holcim's decarbonization key performance indicators such as carbon dioxide emissions, fuel mix and emissions forecast. — **Justine Irish D. Tabile**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link <https://bit.ly/3ydZIG5>