

Philippine Stock Exchange index (PSEi) 6,451.02 ▼18.70 PTS. ▼0.28%

PSEi MEMBER STOCKS

AC Ayala Corp. P605.00 -P5.00 -0.82%	ACEN ACEN Corp. P5.95 +P0.05 +0.85%	AEV Aboitiz Equity Ventures, Inc. P53.95 +P2.90 +5.68%	AGI Alliance Global Group, Inc. P12.44 ---	ALI Ayala Land, Inc. P27.00 +P0.80 +3.05%	AP Aboitiz Power Corp. P36.60 +P0.10 +0.27%	BDO BDO Unibank, Inc. P121.50 -P6.10 -4.78%	BPI Bank of the Philippine Islands P101.50 +P0.30 +0.3%	CNVRG Converge ICT Solutions, Inc. P13.56 -P0.44 -3.14%	DMC DMCI Holdings, Inc. P11.58 -P0.04 -0.34%
EMI Emperador, Inc. P20.25 -P0.25 -1.22%	GLO Globe Telecom, Inc. P1,745.00 +P5.00 +0.29%	GTCAP GT Capital Holdings, Inc. P486.00 -P9.00 -1.82%	ICT International Container Terminal Services, Inc. P197.90 -P0.10 -0.05%	JFC Jollibee Foods Corp. P222.00 -P1.00 -0.45%	JGS JG Summit Holdings, Inc. P52.50 +P0.50 +0.96%	LTG LT Group, Inc. P9.99 -P0.01 -0.1%	MBT Metropolitan Bank & Trust Co. P58.00 +P0.60 +1.05%	MER Manila Electric Co. P309.00 +P5.00 +1.64%	MONDE Monde Nissin Corp. P11.30 ---
MPI Metro Pacific Investments Corp. P3.67 -P0.03 -0.81%	PGOLD Puregold Price Club, Inc. P31.25 +P0.45 +1.46%	SCC Semirara Mining and Power Corp. P30.45 -P0.30 -0.98%	SM SM Investments Corp. P883.50 -P13.50 -1.51%	SMC San Miguel Corp. P106.80 -P0.70 -0.65%	SMPH SM Prime Holdings, Inc. P34.00 ---	TEL PLDT Inc. P1,306.00 -P4.00 -0.31%	UBP Union Bank of the Philippines P84.60 -P0.30 -0.35%	URC Universal Robina Corp. P141.00 -P1.00 -0.7%	WLCON Wilcon Depot, Inc. P26.50 -P0.30 -1.12%

Meralco moves to partly replace lost 670 MW

MANILA Electric Co. (Meralco) is finalizing supply agreements to partially replace the 670 megawatts (MW) of lost capacity under a terminated contract with SMC Global Power Holdings Corp.

"We have already accepted offers. Right now, we are in the process of finalizing the agreements with the generators," Jose Ronald V. Valles, Meralco's first vice-president and head of its regulatory management, told reporters on the sidelines of the Philippine Electric Power Industry Forum 2023 in Manila on Monday.

The capacity was supposed to be delivered by SMC Global Power unit South Premiere Power Corp. (SPPC) under a power supply agreement (PSA) with Meralco that was agreed upon in 2019.

The 10-year deal at P4.2455 per kilowatt-hour (kWh) was indefinitely suspended after the appellate court granted in January an injunction sought by the power arm of San Miguel Corp. (SMC).

"[For] the 2019 PSA, we have received offers from GNPD (GNPower Dinginin Ltd. Co) for 300 MW and 370 MW from SMC, but that is only for one year," Mr. Valles said.

He said the offer has an average price of P7.80 per kWh and will take effect on March 26.

"I cannot say the exact amount but this is a fuel pass-through," Mr. Valles said, referring to rates that are subject to adjustment based on the price of fuel.

Aboitiz Power Corp.'s GNPD previously supplied Meralco with a 300-MW capacity through an emergency power supply agreement (EPSA) forged on Dec. 15, 2022 until Jan. 25, 2023 at a rate of P5.96 per kWh. The contract-

ing parties agreed on a second EPSA, which was secured on Feb. 3 to last until Feb. 25.

The second EPSA has a full fuel pass-through structure with an implemented rate of P8.53 per kWh.

Last year, SMC Global Power sought a temporary rate increase, jointly filed with Meralco, saying that SPPC and another unit San Miguel Energy Corp. incurred a combined loss of P15 billion. The rate increase was meant to recover part or P5 billion of the units' losses.

The company cited a "change in circumstance" when surging fuel costs breached the price range contemplated during the execution of the contracts with Meralco. However, the Energy Regulatory Commission (ERC) denied the petition, saying this had no basis as the PSA is a fixed-rate contract.

Meanwhile, Mr. Valles said that Meralco is confident that it will get a supplier after SMC Global Power terminated two more PSAs with Meralco. He could not say whether a re-bid would result in higher prices since new terms of reference will be needed.

"We don't know the parameters to determine the price," he said.

Last week, Meralco announced that two subsidiaries of SMC Global Power — Excellent Energy Resources, Inc. (EERI) and Masinloc Power Partners Co. Ltd. (MPPCL) — notified the power distributor that they had terminated their PSAs.

EERI proposed to supply capacity from its natural gas-fired power plant starting in 2024 for P4.1462 per kWh, while MPPCL offered 600 MW from its coal-fired power plant for P4.2605 per kWh by 2025.

ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta told reporters on Monday that SMC Global Power's move will not have an immediate impact on electricity prices but said the pressing concern is power supply.

She confirmed that the PSA application went past the date during which it should have been approved by the ERC. But she said the agency will also check whether SMC failed to submit pending requirements that prevented immediate approval.

"The real concern is on the security of supply next year. Of course, rate is an issue, but the real concern now is supply — whether or not we can get a replacement," she said.

"We're waiting for their (Meralco) filing. When they informed us on Friday, they said they will file the proper motion today (Monday). We are expecting that they will file something today once we receive that, we will evaluate the basis for termination," she added.

On Monday, Meralco told the stock exchange that under the terms of the newly terminated contracts, the termination will be effective after the lapse of 15 days from receipt of the notice, or on April 1.

On the stock exchange, Meralco shares rose by five pesos or 1.64% to close at P309 each.

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. — **Ashley Erika O. Jose**

ACEN opens solar farm in Australia, plans 8 GW more

A UNIT of Ayala-led ACEN Corp. opened its solar project's first 521-megawatt direct current (MWdc) in Australia, which required the installation of about a million solar panels.

In a disclosure to the Philippine Stock Exchange, the energy company said that the project, New England Solar, will be one of the largest projects in Australia to participate in the foreign country's National Electricity Market (NEM).

"I truly believe that the work ACEN Australia is doing to accelerate Australia's transition to a renewable energy future is here and now — and it starts with New England Solar," ACEN Australia Chief Executive Officer (CEO) Anton Rohner said in a statement.

In total, the solar farm will have a capacity of 936 MWdc, which was approved by the New South Wales (NSW) government in 2020.

"We decided to build New England Solar on a fully merchant basis to ensure it is online in time to help replace closing coal-fired power stations in NSW. We wanted to get things built, to decarbonize Australia," Mr. Rohner said.

The first stage began construction in March 2021 and is expected to generate a full nameplate capacity of 521 MWdc in the coming months.

The project, which is located near Uralla in the NSW government's New England renewable energy zone, was built with the support of host landholders, "First Nations" people, and the Uralla community.

"ACEN Australia is investing more than (Australian) AU\$5 million in community funding into Uralla over the next 25 years as part of New England Solar," the company said.

ACEN Australia's Uralla grants program aims to provide assistance and support to the community, AU\$200,000 of which will be delivered by the time the first stage of New England Solar is completed.

ACEN President and CEO Eric T. Francia said the overseas unit is eyeing to increase its capacity in Australia by 8 gigawatts (GW).

"ACEN Australia has around 1 GW capacity worth US\$1 billion in construction, and more than 8 GW capacity in the development pipeline. This represents

ACEN's largest investment outside of the Philippines," Mr. Francia said.

"With this milestone, we reaffirm our commitment to strengthen Australia's energy security while bolstering its roadmap to a low carbon future as we work towards our goal of 20 GW of renewables by 2030," he added.

In a separate disclosure, ACEN announced the resignation of its chief audit executive, Michael E. Limbo. The resignation, which was said to be for personal reasons, is said to be effective by March 30.

"The Board of Directors will elect his replacement as Chief Audit Executive in due course," ACEN said.

On Monday, ACEN shares rose by P0.05 or 0.85% to finish at P5.95 on the stock exchange. — **Justine Irish D. Tabile**

Ayala health, logistics firms tie up to handle medical waste

AYALA-Led companies Ayala Healthcare Holdings, Inc. and AC Logistics Holdings Corp. have signed a partnership to enable the "responsible" disposal of medical waste.

In a press release, Ayala Healthcare Holdings or AC Health said that through its subsidiary Healthway Philippines, Inc. and its importation and distribution arms IE Medica and MedEthix, it has entered into an agreement with Integrated Waste Management, Inc. (IWMI), a subsidiary of AC Logistics.

"This partnership was formed as part of AC Health's commitment to be more deliberate in its sustainability efforts, starting with proper handling of waste," AC Health said.

Integrated Waste Management will be used as the designated medical waste hauler across all facilities under AC Health's Qualimed hospital and Healthway Multispecialty clinics.

"This partnership with IWMI is only the first step in our efforts to champion sustainability throughout our entire healthcare network," said AC Health President and Chief Executive Office Paolo Borromeo.

In 2022, IWMI partnered with Generika Drugstore to handle its medical waste management. It specializes in the transport, treatment, disposal, processing, and documentation of hazardous, medical, and electronic wastes.

"At IWMI, we understand the impact of proper waste management on our people and our planet," said IWMI President Chito Pacheco.

"Responsibly handling hazardous and medical waste is not an easy feat, so we will make sure to be AC Health's trusted and reliable partner that its subsidiaries can count on in every step of the process," Mr. Pacheco added. — **Adrian H. Halili**

Max's Group reports 38% rise in income to P622M

MAX'S Group, Inc. posted a 38% profit growth to P622 million last year, driven by the recovery of its brands across local and international markets, it said on Monday.

In a stock market disclosure, the company said revenues grew by 44% to P10.98 billion for 2022, from P7.64 billion in the previous year.

"Dine-in brands Max's Restaurant and Pancake House secured a significant boost in sales as restrictions continued to relax, while off-premise brands Yellow Cab Pizza Co. and Krispy Kreme sustained their pandemic-proofed resilience," it said.

The casual dining restaurant group described its "resurgence" as being backed "by its strong core portfolio of brands across its local and international store network."

System-wide sales surged by 41% to P17.60 billion from P12.52 billion while same-store sales also increased by 41%, and 36% globally, driven by relaxed restrictions and demand during holidays.

The company reported its net income before tax at P855 million, a 60% increase from the P535 million recorded in the previous year.

"Despite the challenges that the organization has faced since the first lockdown in 2020, our business model has been tested and proven, with consistency of executed strategies as evidenced in our

recovery," Max's Group Chief Executive Officer Robert Ramon F. Trota said.

Meanwhile, the company's fourth-quarter revenues increased by 39% to P3.21 billion from P2.32 billion in the period a year earlier.

System-wide sales increased 29% to P5.04 billion from P3.90 billion in the prior year.

"Our consistent performance quarter on quarter has proven financial viability and sustainability of the business," said Maria Rochelle S. Diaz, Max's Group chief finance officer.

Local and international market sales grew by 39% and 15%, respectively, driven by economic revival and market expansions.

"We remain focused on serving our guests in our core restaurant business, and have built key partnerships with our customers in our adjacent business-to-business (B2B) platform," said MGI President Isaias P. Fermin.

"We continue to be an attractive and reliable choice for our shareholders, business partners, and our employees," Mr. Fermin added.

The company currently has 612 local locations and 66 stores overseas, to cover a store network of 14 territories.

On the stock market on Monday, Max's Group shares rose 1.24% or six centavos to P4.90 each. — **Adrian H. Halili**

Metro Pacific Health acquires new hospital

METRO Pacific Health Corp. has acquired a hospital in Polomolok, South Cotabato through a newly formed subsidiary that will manage the facility.

In a press release on Monday, the healthcare unit of listed conglomerate Metro Pacific Investments Corp. (MPIC) said the acquisition of Howard Hubbard Memorial Hospital (HHMH) was done through its new unit Metro Matutum Hospital, Inc.

"It's been a long time coming for this investment, and [Metro Pacific Health] is excited to finally come in and contribute to the Polomolok community through its expertise in investing in and managing healthcare facilities around the country," said incoming HHMH President Celso Bernard G. Lopez.

In October 2022, a business transfer agreement was conducted by the company to acquire the hospital. The move involves the sale of hospital assets by Dole Philippines, Inc.

Howard Hubbard Memorial is a 95-bed hospital serving locals and Dole employees. It is located within Dole's integrated plantation and canning facility. It was initially operated by Mt. Matutum Healthcare Foundation, Inc. in the 2000s.

Metro Matutum Hospital, which will own, operate and manage the hospital, is 67%-owned by Metro Pacific Health and 33%-owned by its subsidiary St. Elizabeth Hospital, Inc., owner of a Level 3 hospital in General Santos City.

Howard Hubbard Hospital will be the fifth Metro Pacific hospital located in Mindanao and the 20th throughout the country.

"Over the past couple of years, there have been many changes and improvements in how MPH operates, and deploying capital through investments in hospitals and other healthcare businesses will always be a key part of our long-term strategy of making the best healthcare accessible to as many Filipinos as possible," said Metro Pacific Health President Manuel V. Pangilinan.

Metro Pacific Health (MPH) was formerly known as Metro Pacific Holdings, Inc.

MPIC is one of three key Philippine units of First Pacific, the others being Philex Mining Corp. and PLDT Inc. Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Adrian H. Halili**

Global Ferronickel forges nickel supply deal with Baosteel

NICKEL ore producer Global Ferronickel Holdings, Inc. (FNI) on Monday said that it had signed a new nickel supply deal with Chinese firm Baosteel Resources International Co. Ltd.

In a disclosure to the stock exchange, the company said the deal covers an annual purchase agreement for 1.5 million wet metric tons (WMT) of nickel ore.

The ore will be sourced from the operating mines of its subsidiaries Platinum Group Metals Corp. in Surigao del Norte and Iplilan Nickel Corp. in Palawan.

"Our two operating mines have given us the ability to undertake year-round production to bet-

ter support the growing demand from China," said FNI President Dante R. Bravo in a statement.

"The easing of COVID-19 restrictions and the robust growth of China's property sector that is driving the need for stainless steel will help boost the nickel industry," he added.

According to the company, one-third of the shipment will be composed of low-grade nickel ore with 0.90% nickel content and 49% iron content.

The remainder will be medium- to high-grade nickel ore with 1.3-1.6% nickel content and 15-23% iron content.

"The selling price of each shipment will be set on a monthly basis according to the prevailing market price at the time of price setting," said FNI.

Baosteel, which is a unit of China Baowu Steel Group, has business interests in mineral resource investment, trading, and logistics services.

FNI is a holding firm that has been engaged in nickel ore mining, logistics, cement and steel production, and port operations.

On Monday, shares in the company fell by P0.04 or 1.67% to close at P2.35 apiece. — **Sheldeen Joy Talavera**