

Cebu Pacific's net loss narrows to P1.9 billion on lower costs

BUDGET carrier Cebu Pacific narrowed its net loss to P1.9 billion in the fourth quarter from the P2.9 billion it booked in the same period in 2021, which it attributed to lower operating costs during the period.

"Operating loss decreased significantly, from P4.3 billion in the fourth quarter of 2021 to P232 million in 2022," the airline said in a press release.

Total revenues during the quarter jumped by 192% to P19.2 billion. Cebu Pacific said its recovery was accelerated in the fourth quarter, which brought its full-year 2022 net loss to P14 billion, lower by 43.8% than the P24.9 billion net loss it incurred in 2021.

In 2022, Cebu Pacific said its operating loss was reduced by half to P11.4 billion, while its earnings before

interest, taxes, depreciation, and amortization reached P664 million, turning around a loss of P8.8 billion in 2021.

During the period, the passenger business grew by 459% to P35.1 billion. "[This is] on the back of higher travel demand, both domestically and internationally, coupled with the easing of various travel regulations," the airline said.

Last year, Cebu Pacific said its profitability was challenged by higher jet fuel prices and the local currency's depreciation against the dollar.

However, the airline said it remains confident in its ability to overcome unprecedented headwinds following these.

"Cebu Pacific is ready to move forward with optimism and

confidence as we transition from recovery to growth mode. We remain committed to enabling everyone to fly and look forward to welcoming even more passengers onboard in the coming months," said Mike Szűcs, chief executive officer of Cebu Pacific.

On Tuesday, shares in Cebu Pacific climbed 35 centavos or 0.89% to P39.50 each. — **Justine Irish D. Tabile**

Filinvest Land posts 24% income decline to P2.9B

FILINVEST Land, Inc.'s attributable net income in 2022 declined by nearly 24% to P2.89 billion from the P3.80 billion it saw in the previous year, due to higher expenses.

In its consolidated income statement filed on Tuesday, the company reported its after-tax income at P3.52 billion last year, down 18.3% from P4.31 billion in 2021.

In a separate press release, the company announced a 12.4% increase in revenues to P19.94 billion from P17.74 billion in the previous year, driven by revenues from its residential business.

"Residential revenue... grew due to accelerated construction progress and strong performance of its housing projects in Cavite, Laguna, and Rizal, and its medium-rise condo projects in Metro Manila and Davao," the company said.

Real estate sales grew by 13.9% to P12.84 billion from the P11.27 billion reported in 2022.

Reservation sales grew by 13% to P18 billion driven by the launching of seven new residential properties amounting to P5.9 billion in Rizal, Bulacan, Cavite, Pampanga, and Metro Manila.

However, Filinvest Land's operating expenses also grew by 19.7% to P3.46 billion from P2.89 billion previously.

Mall rental revenues more than doubled to P1.68 billion from P796 million due to mall occupancy growth, a rise in foot traffic, and the removal of rental concessions.

"We anticipate continued growth in mall rental revenues going forward with the improved shopper traffic," said Filinvest Land President Tristaneil D. Las Marias.

The company also said that rental revenues rose by 13.6% to P6.35 billion from the P5.59 billion it booked the previous year.

Meanwhile, the company's net income declined by 18% to P3.52 billion including a one-time tax benefit from the Corporate Recovery and Tax Incentives for Enterprises Law.

"We are pleased with the continued growth of our residential business, and we expect to sustain this in 2023. Our efforts to boost our international and local sales networks, as well as our investments on digital and online platforms have proven effective," Mr. Las Marias said.

"We continue to focus on addressing the needs of our homebuyers," he added.

On Tuesday, Filinvest Land shares grew by 2.28% or 2 centavos to close at P0.73 apiece. — **Adrian H. Halili**

Metro Pacific acquires 16% stake in SPNEC for P2 billion

PANGILINAN-led Metro Pacific Investments Corp. (MPIC) is set to acquire 1.6 billion shares equivalent to a 16% stake in SP New Energy Corp. (SPNEC) for P2 billion.

"Our thrust of pursuing renewable energy brings the MVP Group one step closer to fulfilling our mission of creating long-term value for our stakeholders through responsible and sustainable investments," MPIC Chairman Manuel V. Pangilinan said in a disclosure.

MPIC said that the shares priced at P1.25 apiece are sold by Solar Philippines Power Projects Holdings, Inc. (SPPPHI), which will be using the proceeds to fund SPNEC's land investments in Nueva Ecija where it plans to build Asia's largest solar project.

"We have long seen a partnership with MPIC to be the key to unlock the potential of our project pipeline. We are humbled and grateful for this opportunity and believe that SPNEC now has the final ingredients to realize the value of our developments for the benefit of

all stakeholders," said Leandro Antonio L. Leviste, president and chief executive officer of SPPPHI.

MPIC said that the payment for the initial acquisition will be funded by internally generated cash. The investment is seen to expand the group's investment in the renewable energy sector, which is in line with the Department of Energy's mission of increasing the share of renewables in the country's energy mix to 35% by 2030.

The completion of the transaction is still subject to regulatory approvals and execution of a separate agreement, which will grant MPIC the option to increase its interest in SPNEC to 43% after the energy company increases its authorized capital stock to P50 billion.

The increase in SPNEC's capital stock to P50 billion from P10 billion will be through an asset-for-share swap that will infuse SPPPHI energy assets, at a capacity of more than 8 gigawatts, into SPNEC.

Once realized, the acquisition will give MPIC the option to become the single largest shareholder of SPNEC, and Mr. Pangilinan will become chairman of the board of SPNEC.

"This is the first of several agreements through which the MPIC Group may acquire up to a total of about 19 billion common shares of SPNEC, subject to relevant approvals, with the goal of making SPNEC the largest renewable energy company in the Philippines," said MPIC.

On Tuesday, shares in MPIC climbed by 4.09% or 15 centavos to P3.82 each, while SPNEC shares went up by 3.57% or six centavos to P1.74 apiece.

MPIC is one of three key Philippine units of Hong Kong-based First Pacific Co. Ltd., 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. — **Justine Irish D. Tabile**

Building pathways for change: 35 vibrant years and beyond for P&A Grant Thornton

Marking milestones is easy; making each one count is a feat. And for P&A Grant Thornton, a leading business advisor for scores of dynamic organizations across the country, celebrating its anniversary means so much more than showing appreciation to its clients, its people, and other stakeholders for their unwavering support. It means laying the groundwork to achieve more in the vibrant years ahead.

Last February 15, 2023, P&A Grant Thornton celebrated its 35th Anniversary with clients and other stakeholders whose loyalty and trust have always fueled the Firm's insatiable drive to achieve and be more.

"2023 marks the 35th Anniversary of Punongbayan & Araullo, now known in the business as P&A Grant Thornton. Turning 35 is an important moment for our firm. Our journey has been marked with huge opportunities, and just like many businesses, several challenges too," Ms. Marivic España, the Firm's Chairperson and CEO, said in her opening speech. "We are fortunate to reach this point of our history largely because of clients and friends in the business community and profession who have all bestowed their invaluable confidence and continuing support for our Firm and our people."

It was a night of warm cheer and good tidings, a meaningful homage to the decades-old institution that slowly but surely rose to prominence as a powerhouse where transformational leaders are mentored and trained. It is, after all, the concrete proof of every employee's hard work and the organization's relentless pursuit of all things noble and helpful for its clients. "As a leader, my primary responsibility was to transform the organization that was handed to me by our past leaders to become a stronger and more beautiful one," said Ms. España. Indeed, P&A Grant Thornton is a valued member of the profession today.

THE FIRM'S PROMISE OF EXCELLENCE, INTEGRITY, AND QUALITY SERVICE

P&A Grant Thornton was born in 1988, a product of the dream of two visionaries and prominent names in the Philippine accounting profession. Early on, it relied on three core principles that its Founders, Mr. Ben Punongbayan and Mr. Joe Araullo, passed to all staff for them to embody — excellence, integrity, and commitment to provide quality service to its clients.

"We consistently received, annually, very good ratings from clients in our customer satisfaction survey. This great recognition gives us the greatest feeling of



The women supporting P&A Grant Thornton visionaries: The Firm's Founders Ben Punongbayan and Joe Araullo with their loving spouses Ms. Evelyn Punongbayan and Ms. Amparo Araullo



With P&A Grant Thornton leaders in this photo: Megaworld Chief Operating Officer Lourdes T. Gutierrez-Alfonso, Megaworld Senior AVP - Finance Kristine Leaño, Megaworld VP for Financial Reporting Des Ramilo, and Megaworld SVP for Finance Lino Victorioso



P&A Grant Thornton Founder Ben Punongbayan and leaders with GT Regional Head for Network Capabilities - Asia Pacific Rodger Flynn and Senator Win Gatchalian



On to a more vibrant tomorrow: P&A leaders pose onstage to mark the momentous event.



Cebu celebration: P&A Grant Thornton leaders take a photo with PRC BOA Chair Noe Quiñanola, BOA Member Gervacio Piator, and Cebu Mayor Mike Rama

all — that we are well-liked by our clients. We are happy and proud to continue to work together with [our clients] in the next 35 years and beyond," Ben Punongbayan shared during the event.

"From the start, Ben and I planted some characteristics of the Firm that carried us, and which are present even until today. These values were passed on from one generation of leaders to the next and carried over from one Partner to another — traits that distinguish P&A

Grant Thornton leaders and staff, and which make the Firm stand out today," Joe Araullo quipped during his short, but engaging speech at the Anniversary Celebration.

Indeed, these qualities allow the Firm to shine and power through amidst adversity. From its humble beginnings as the "little firm that could" with only seven people and two Partners, it has grown to become a formidable presence in the realm of business advisory and as a leader



P&A Grant Thornton Founders Ben Punongbayan and Joe Araullo share a toast with GT Regional Head for Network Capabilities - Asia Pacific Rodger Flynn



Davao celebration: Front: Ms. Diane Jane Dela Serna-Escarlan (Compliance Officer) and Mr. Jude Dacutan (Accounting Manager) of Cooperative Bank of Cotabato. Back with Audit & Assurance Partner Ramil Nañola: Mr. Troy Diño (Marketing Officer) and Ms. Sharlene Luchaves (Finance Manager) from Samal Island Multi-Purpose Cooperative. Right of Mr. Nañola: Nieszil Gilvero (BDO Network Bank, Inc. Comptroller). Left of Mr. Nañola: Joy Politico (Enterprise Bank, Inc. CFO)

thinking, and forging paths with clients, government, nongovernment organizations, and other stakeholders.

"There is no firm that embraces our culture of collaboration, innovation, and quality service more than P&A Grant Thornton. That is why our anniversary's theme of Shaping a Vibrant Tomorrow is so fitting, because it is exactly what you have been doing all these years and what we have no doubt you will continue doing in the years ahead," Mr. Peter Bodin, CEO of Grant Thornton International, said in his message during the event.

THE P&A GRANT THORNTON STORY: PAST, PRESENT, FUTURE

The Firm's Partners also articulated their promise to create a place where their people will flourish and eventually become transformational leaders. Ben Punongbayan attributes the success of the Firm to its people. He said, "Over the years, all and every batch of our personnel have responded favorably and determinedly to the great challenge of professional work."

On the other hand, Ms. Paz Malubay, Partner and Business Process Solutions Practice Leader, narrated, "From the start, we believed that our success depends on our people, in nurturing their growth and development, and in building a relationship of creative collaboration. This is what we call providing a great People Experience."

The Partners shared the Firm's commitment to demonstrate its support to sustainability goals, specifically on gender equality, quality education, decent work, good health, and economic growth, and responsible consumption and production. These commitments were wholeheartedly embraced by the next leadership team of the Firm.

All in all, the celebration was one for the books which ended with a poignant performance from the Philippine Madrigal Singers. It will be remembered by guests as a night marked by optimism and professional fervor, qualities that the Firm will carry as it continues with its journey. For P&A Grant Thornton, building pathways for change means laying the groundwork for bold and divergent thinking in a business landscape that calls for innovation and transformation. From the Founders to the next generation of leaders of the Firm, which were announced at the end of the program, the Firm remains strongly committed to grow with its clients and its people. This is true evidence that P&A Grant Thornton has been securely established firmly deep in the ground. As Ben Punongbayan said, "Certainly and surely, P&A Grant Thornton will pass the extreme test of time."

in the ASEAN region which implements global standards and practices.

THE P&A GRANT THORNTON PROMISE

The program, held in the regal ballroom of the Fairmont Hotel in Makati, was a success. Aside from celebrating the Firm's achievements, the Partners also expressed their commitment to shape a more vibrant tomorrow by employing bold perspectives, utilizing divergent