

**Philippine Stock Exchange index (PSEi)**

6,472.04 ▼ 57.95 PTS. ▼ 0.88%

TUESDAY, APRIL 4, 2023  
**BusinessWorld**

**PSEi MEMBER STOCKS**

<b>AC</b> Ayala Corp. P651.00 -P16.50 -2.47%	<b>ACEN</b> ACEN Corp. P6.15 +P0.03 +0.49%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P52.95 +P0.25 +0.47%	<b>AGI</b> Alliance Global Group, Inc. P12.18 -P0.18 -1.46%	<b>ALI</b> Ayala Land, Inc. P27.35 -P0.05 -0.18%	<b>AP</b> Aboitiz Power Corp. P36.95 +P0.05 +0.14%	<b>BDO</b> BDO Unibank, Inc. P125.00 -P3.20 -2.50%	<b>BPI</b> Bank of the Philippine Islands P99.10 -P2.90 -2.84%	<b>CNVRG</b> Converge ICT Solutions, Inc. P12.66 +P0.08 +0.64%	<b>DMC</b> DMCI Holdings, Inc. P11.20 -P0.12 -1.06%
<b>EMI</b> Emperador, Inc. P20.95 +P0.05 +0.24%	<b>GLO</b> Globe Telecom, Inc. P1,840.00 +P15.00 +0.82%	<b>GTCAP</b> GT Capital Holdings, Inc. P501.00 -P1.00 -0.20%	<b>ICT</b> International Container Terminal Services, Inc. P210.00 -P3.60 -1.69%	<b>JFC</b> Jollibee Foods Corp. P226.00 ---	<b>JGS</b> JG Summit Holdings, Inc. P51.25 +P0.25 +0.49%	<b>LTG</b> LT Group, Inc. P9.89 -P0.01 -0.10%	<b>MBT</b> Metropolitan Bank & Trust Co. P58.20 -P0.40 -0.68%	<b>MER</b> Manila Electric Co. P310.00 +P0.40 +0.13%	<b>MONDE</b> Monde Nissin Corp. P9.12 +P0.12 +1.33%
<b>MPI</b> Metro Pacific Investments Corp. P3.68 -P0.03 -0.81%	<b>PGOLD</b> Puregold Price Club, Inc. P33.00 +P0.30 +0.92%	<b>SCC</b> Semirara Mining and Power Corp. P32.55 -P0.05 -0.15%	<b>SM</b> SM Investments Corp. P870.00 -P15.00 -1.69%	<b>SMC</b> San Miguel Corp. P107.00 -P0.80 -0.74%	<b>SMPH</b> SM Prime Holdings, Inc. P33.75 +P0.80 +2.43%	<b>TEL</b> PLDT Inc. P1,280.00 -P57.00 -4.26%	<b>UBP</b> Union Bank of the Philippines P84.50 -P0.55 -0.65%	<b>URC</b> Universal Robina Corp. P141.50 -P3.50 -2.41%	<b>WLCON</b> Wilcon Depot, Inc. P28.25 -P1.05 -3.58%

# CA upholds ruling favoring San Miguel units

By **Ashley Erika O. Jose**  
Reporter

THE Court of Appeals (CA) has upheld its decision to consolidate the cases filed by units of San Miguel Global Power Holdings Corp. one of which earlier secured an indefinite suspension of a power supply deal priced way lower than prevailing electricity prices.

It denied a motion for reconsideration filed by the Energy Regula-

tory Commission (ERC), which wanted the cases to be tried separately because a decision in one case is likely to affect the other.

“The Court does not find merit in respondents’ supposition. Although the petitioners are different in the cases before Us, and conflicting resolutions have already been issued by the different divisions of the Court, it cannot be denied that the legal issues are so closely related to warrant the consolidation of the petitions,” the appellate court said in a resolution promulgated on April 3.

ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta said in a Viber message to *BusinessWorld* that for now, the ERC will defer to the Office of the Solicitor General (OSG) for its next move.

“What we filed is already a motion for reconsideration, we are waiting for OSG’s advice,” Ms. Dimalanta said on Tuesday.

To recall, the ERC appealed the decision of the appellate court to consolidate the cases filed by San Miguel Energy Corp. (SMEC)

with that of South Premiere Power Corp. (SPPC) on their separate power supply agreements (PSA) forged in 2019 with Manila Electric Co. (Meralco).

Meanwhile, the CA also upheld its decision granting a writ of preliminary injunction (WPI) in favor of SPPC, denying the motion for reconsideration both filed by Meralco and the ERC.

“After a re-examination of the records, this Court finds that the arguments and issues raised by the respondents in their motions for

reconsideration are the same arguments and issues that have already been considered in the Resolution dated January 25, 2023 being sought to be reconsidered. Considering that no new matters had been raised by the movants, there is no cogent reason to disturb this Court’s resolution,” the CA said.

ERC filed a motion for reconsideration arguing that the issuance of a WPI prejudged the disposition of the main petition and that only the Supreme Court (SC) has the power to issue injunctive

relief against the implementation of Republic Act No. 9136 or the Electric Power Industry Reform Act (EPIRA) of 2001.

In its January decision, the CA granted the WPI sought by SPPC on its PSA with Meralco, thereby suspending its PSA with the power distributor.

**FULL STORY**  
Read the full story by scanning the QR code with your smartphone or by typing the link <<https://bit.ly/410xWj6>>

# PLDT’s results to reflect capex overrun, says S&P

S&P Global Ratings said that it is expecting up to P22 billion of PLDT Inc.’s capital expenditure (capex) budget overrun to be reflected in the listed telco’s results this year.

The remaining P10 billion of the post-2022 capex commitment amounting to P33 billion could be reflected in its 2024 results, the US credit rating agency added.

“We forecast around P20-22 billion of the P33 billion to enter in 2023, which will increase our projected cash capex to P85-P87 billion in 2023. And the remaining of about P10 billion of the capex overrun will be reflected in 2024,” S&P Associate Director Spencer Ng said in a briefing on Tuesday.

S&P earlier lowered its credit rating for PLDT to BBB from BBB+, and revised its assessment of the company’s management and governance score to “fair” from “satisfactory.”

A BBB rating means that the company has “adequate capacity to meet financial commitments, but more subject to adverse economic conditions.”

“We also view the capex budget overrun as a signal of shortcomings in the company’s management and governance,” Mr. Ng added.

Mr. Ng said the capex budget overrun originating in 2019 signals that the issue has not been detected more timely by PLDT management.

Meanwhile, S&P Associate Director Yijing Ng said that S&P downgraded its rating on PLDT as it now operates above 2.5x debt-to-EBITDA (earnings before interest, taxes, depreciation, and amortization) ratio.

According to Ms. Ng, PLDT’s debt-to-EBITDA ratio is expected to peak in 2023 at 2.8x to 3.0x and remain above 2.5x through 2025.

“We previously expected PLDT’s tower sales in 2022 to alleviate some of the balance sheet pressure but it proved to be insufficient,” Ms. Ng said.

Ms. Ng said that she expects PLDT’s capex to remain elevated this year, which will continue to weigh on the telco’s leverage.

“Together with this would be our expectations that earnings will continue to turn upwards and therefore we expect leverage to ease from 2024 but nonetheless for the debt-to-EBITDA ratio to remain above 2.5x through 2025,” she added.

S&P saw PLDT’s prepayments and advances rising, which she said could mean more cash outflow for the telco.

However, Ms. Ng said that PLDT’s rising earnings will provide some cushion against its rising debt.

“Overall, we expect [PLDT] revenues to be up by 4% to 5% annually through

2025 and this is supported by rising fixed-line service revenues,” Ms. Ng said.

She said the fixed line segment is expected to rise 9-10% in 2023, and 8-10% in 2024 mainly due to the growing adoption of home broadband. She added that S&P expects PLDT’s EBITDA margin to remain weak through 2023.

“We expect EBITDA margin to remain weaker before recovering in 2024 benefiting from cost-cutting measures,” she added.

Beginning in 2024, S&P expects PLDT’s EBITDA margin to rise and reach 49% to 51%.

On the stock market on Tuesday, PLDT shares closed lower by P57 or 4.26% at P1,280 apiece.

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**

# Tampakan mining project to start full operations by 2026

MINING firm Sagittarius Mines, Inc. targets to go full swing with the operations of the Tampakan copper-gold project in South Cotabato province by 2026.

“We would like to have it maybe 2026 for us to really say that under the technical definition, it’s really operating,” Sagittarius Mines President and Chief Executive Officer Roy O. Deveraturda told reporters at a media lunch on Monday.

Mr. Deveraturda said the construction of facilities as well as engineering and design works have started.

The Tampakan project is said to be among the largest untapped minefields in Southeast Asia. The site is estimated to contain 15 million tons of copper and 17.6 million tons of gold.

“Tampakan project is one of the best projects in the world, meaning in terms of resource, in terms of the cost of operating,” Mr. Deveraturda said, also citing its capital expenditure and sustained spending.

Under the terms of a Financial and Technical Assistance Agreement (FTAA), Sagittarius Mines’ project covers 25,371 hectares. The project was halted in 2010 after the provincial government’s ban on open-pit mining.

Mr. Deveraturda said 10 years ago, the company was ready to proceed with the project.

“We have all the permits and approvals necessary for operating

the company. However, there are of course some issues,” he said.

In May 2022, the provincial government lifted the ban, which paved the way for the project to continue.

Mr. Deveraturda said the mining site is “ready to operate” but developing it before the full operation will take two to three years.

He also said the requirements for the project have been completed such as feasibility studies and permits, including the environmental compliance certificate.

“It takes a long time. *Akala nila* (They thought), once it starts, you just dig. No, it’s not like that. It’s been a very complicated stage,” he said. “It requires big work and a lot of technical expertise and financial muscle.”

Sagittarius Mines External Affairs and Communications Manager Roy D. Antonio said the company had invested P32 billion in the project since 1995.

Of the investment, P2 billion was allocated for corporate social responsibility initiatives as well as social development and management program. Funds also went to the technical, environmental, and social aspects of the project.

“It’s a substantial amount,” Mr. Deveraturda said about the investments and the expenses. “But the big portion of the investments will go to the development and production.” — **Sheldeen Joy Talavera**



# Kapatid Angat Lahat Agri Program (KALAP) Forum with financial institutions

Banks and financial institutions met last March 31, 2023 with Go Negosyo Founder Joey Concepcion and Go Negosyo Senior Advisers Dr. William Dar and Josephine Romero to explore how to ease access to capital for the country’s small farmers. Joining them were pioneer big-brother companies represented by Christian Moeller of Lionheart Farms and James Amparo of Yovel East, who shared with the group how their inclusive models can integrate small farmers into their businesses, thus addressing the perceived risks associated with lending to farmers. The PSAC Agriculture Group’s Michael Tan was also present.

Access to capital is one of the elements seen as essential in ensuring the success of agripreneurs, along with mentorship and access to markets. Financial institutions who participated in the KALAP meeting expressed their support of the initiative. These included the Development Bank of the Philippines, Landbank of the Philippines, Philippine National Bank, Metrobank, Bank of the Philippine Islands, Robinsons Bank, BDO Foundation, BDO Network Bank, CARD MRI, Unionbank, Go Digital, KCOOP, Agribank, Rural Bankers Association of the Philippines, and Agricultural Credit Policy Council.

# Del Monte Pacific’s US unit seeks IPO nod

A UNIT of Philippine-listed Del Monte Pacific Ltd. is seeking regulatory approval from the US Securities and Exchange Commission (SEC) for its initial public offering (IPO) of ordinary shares, the company announced on Tuesday.

In a disclosure to the stock market, the company said its US unit Del Monte Foods Holdings Ltd. intends to “confidentially” submit a draft registration statement on Form F-1 to the US SEC for the IPO.

According to the US regulator, “Form F-1 is used for the registration of foreign private companies that intend to sell securities in a registered offering in the US for the first time.”

The company said that the number of ordinary shares to be offered in the proposed IPO and the offer price range are yet to be determined.

“The proposed offering is subject to, among other things, completion of the SEC review process, market and other conditions, including any required shareholders’ approval,” the company said.

Del Monte Foods Holdings is the parent company of Del Monte Foods, Inc. which handles Del Monte Pacific’s food production and distribution in the US.

Del Monte Pacific, together with its subsidiaries, is a global branded food and beverage company engaged in growing, processing, and selling packaged fruits and vegetables. It also sells sauces, condiments, pasta, broth, and juices.

On Tuesday, Del Monte Pacific shares rose by 11.71% or P1.30 to close at P12.40 apiece. — **Adrian H. Halili**

# ABS-CBN’s iWantTFC ties up with streaming app to expand offering

ABS-CBN Corp.’s over-the-top (OTT) content platform has partnered with streaming service provider Vooks to expand its product offering.

Under the partnership, OTT platform iWantTFC will be able to stream 35 titles from Vooks that the media company expects to enrich the reading comprehension skills of children.

Vooks is an international streaming app that offers a collection of animated children’s story books. It turns educational children’s books into bite-sized and watchable content by featuring read-aloud narration of animated story books.

Vooks has more than 40 publishing partners and is available in more than 175 countries worldwide. Some of its titles that will be streaming on iWantTFC are “Little Girl

Big Dream: The Story of Olympian Samantha Peszek,” “Irving Berlin (The Immigrant Boy Who Made America Sing),” “A Boy Like You,” and “I’ll Love You For Always.”

According to iWantTFC, the partnership will allow its customers to stream Vooks’ titles for free on its app and website.

In select countries, iWantTFC can be streamed on a larger screen through VEWD, ROKU, and Amazon Fire streaming devices, Android TV, Samsung Smart TV, Telstra TV, and VIDAA.

iWantTFC also streams ABS-CBN shows, iWantTFC Originals, classic movies, OPM, live TV, and live-streamed shows.

On Tuesday, shares in ABS-CBN slipped by 1.11% or 8 centavos to finish at P7.0 each. — **Justine Irish D. Tabile**