

Philippine Stock Exchange index (PSEi)

6,488.51

▲ 16.47 PTS.

▲ 0.25%

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BusinessWorld

## PSEI MEMBER STOCKS

<b>AC</b> Ayala Corp. P650.00 -P1.00 -0.15%	<b>ACEN</b> ACEN Corp. P6.24 +P0.09 +1.46%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P51.60 -P1.35 -2.55%	<b>AGI</b> Alliance Global Group, Inc. P12.20 +P0.02 +0.16%	<b>ALI</b> Ayala Land, Inc. P27.70 +P0.35 +1.28%	<b>AP</b> Aboitiz Power Corp. P36.80 -P0.15 -0.41%	<b>BDO</b> BDO Unibank, Inc. P124.20 -P0.80 -0.64%	<b>BPI</b> Bank of the Philippine Islands P101.60 +P2.50 +2.52%	<b>CNVRG</b> Converge ICT Solutions, Inc. P12.76 +P0.10 +0.79%	<b>DMC</b> DMCI Holdings, Inc. P11.38 +P0.18 +1.61%
<b>EMI</b> Emperador, Inc. P20.95 ---	<b>GLO</b> Globe Telecom, Inc. P1,836.00 -P4.00 -0.22%	<b>GTCAP</b> GT Capital Holdings, Inc. P501.00 ---	<b>ICT</b> International Container Terminal Services, Inc. P210.00 ---	<b>JFC</b> Jollibee Foods Corp. P223.00 -P3.00 -1.33%	<b>JGS</b> JG Summit Holdings, Inc. P50.70 -P0.55 -1.07%	<b>LTG</b> LT Group, Inc. P10.00 +P0.11 +1.11%	<b>MBT</b> Metropolitan Bank & Trust Co. P57.55 -P0.65 -1.12%	<b>MER</b> Manila Electric Co. P310.00 ---	<b>MONDE</b> Monde Nissin Corp. P9.22 +P0.10 +1.1%
<b>MPI</b> Metro Pacific Investments Corp. P3.70 +P0.02 +0.54%	<b>PGOLD</b> Puregold Price Club, Inc. P32.90 -P0.10 -0.3%	<b>SCC</b> Semirara Mining and Power Corp. P29.30 -P3.25 -9.98%	<b>SM</b> SM Investments Corp. P896.00 +P26.00 +2.99%	<b>SMC</b> San Miguel Corp. P105.60 -P1.40 -1.31%	<b>SMPH</b> SM Prime Holdings, Inc. P33.50 -P0.25 -0.74%	<b>TEL</b> PLDT Inc. P1,281.00 +P1.00 +0.08%	<b>UBP</b> Union Bank of the Philippines P85.05 +P0.55 +0.65%	<b>URC</b> Universal Robina Corp. P141.00 -P0.50 -0.35%	<b>WLCON</b> Wilcon Depot, Inc. P28.55 +P0.30 +1.06%

## Power companies seen to post mixed results for Q1

ENERGY companies are expected to deliver mixed results for the first quarter (Q1), according to analysts, with one fund expert saying that the period tends to be generally weaker for the sector.

"From a seasonality standpoint, the first quarter tends to be generally weaker for power companies than other quarters due to cooler weather (less public power consumption) and lack of rain (vital for hydro plants)," Marvin V. Fausto, president of COL Investment Management, Inc., said in an e-mail to *BusinessWorld* on April 5.

Regina Capital Development Corp. Head of Sales Luis A. Lim-

lingan said power generation companies are expected to see a low single-digit increase or decrease in their net income depending on the contracted capacity mix.

For the first quarter and for the full year 2023, energy companies are expected to deliver a year-on-year increase in revenues, while bottomline performance "could go both ways," he said in a phone message on April 3.

Meanwhile, RBCB Securities, Inc. head of research Ma. Jidgette Velasco said that the energy sector has a somewhat bleak outlook for this year.

"For 2023, we expect a generally flattish year in earnings results as the power supply outlook remains bleak with the lack of additional power supply," Ms. Velasco said in an e-mail on April 4.

Last year, almost all of the country's listed energy companies delivered higher income due to increasing demand, higher electricity sales, and strong revenues.

In 2022, Semirara Mining and Power Corp. posted a record-high net income of P39.9 billion more than double the P16.2 billion recorded a year earlier, on strong domestic coal shipments and

higher electricity sales at the spot market.

Manila Electric Co. (Meralco) registered a P27.11 billion consolidated core net income, up 10.2% from P24.61 billion a year earlier on strong energy sales.

Aboitiz Power Corp. reported a 27.4% increase in core net income to P26.5 billion in 2022 from P20.8 billion a year earlier due to contributions from its coal-fired plants.

Meanwhile, the international operations of ACEN Corp. boosted its net income to P13.06 billion in 2022, more than double the P5.25 billion a year ago, offsetting

the decline in the company's local operations.

First Gen Corp. reported a net income of \$265 million (P14.3 billion), or 5% higher than the \$252 million (P12.4 billion) in 2021, as the company's renewable platforms delivered higher earnings.

Ms. Velasco noted that Aboitiz Power and Meralco had better-than-expected performance in 2022 "given their strong sales volume and AboitizPower's effective comprehensive hedging program."

Semirara, despite posting a record-high net income, underperformed from rising shipping and fuel costs, she added.

"Semirara missed our estimates primarily from the rise in shipping and fuel costs. ACEN also underperformed as it kept its net-buying position in the spot market, where prices have been elevated due to the insignificant additional power supply and Malampaya's depleting gas fields," Ms. Velasco said.

COL Investment Management's Mr. Fausto expects better earnings for the power sector this year. "Growing demand amidst a potentially tight supply environment translates to higher pricing opportunities for the power companies." — **Ashley Erika O. Jose**

## Meralco to shift EV services to new subsidiary Movem

MANILA Electric Co. (Meralco) plans to shift some of the services provided by its electric vehicle (EV) unit eSakay, Inc. to a newly established subsidiary, Movem Electric, Inc., a company official said. "We are just going to transition ourselves to Movem... [and] a lot of it will be 'yung ginagawa namin na (what we are currently doing such as) integration, offering vehicle charging stations, and integration services," Meralco First Vice-President and Chief Sustainability Officer Raymond B. Ravelo told *BusinessWorld* on March 28.

In a previous regulatory filing, Meralco announced the establishment of a new subsidiary that will concentrate

on creating and implementing various electric transportation solutions.

"The incorporation of Movem Electric, Inc. is in line with Meralco's plans to be a major player in the growing electric vehicle industry," the company said.

According to Mr. Ravelo, the new subsidiary will offer different services networks depending on the purpose and need of a client's charging stations.

"It depends, so some of it will be depending on the use of the charging station. It could be a fast charger or a slow charger, it will be fit for purpose," Mr. Ravelo added.

Meanwhile, the power utility giant's other unit eSakay will now focus on

public transportation as it continues the operation of its fleet of eJeepneys.

"eSakay as it is today has a transport service offering. Both private and public, we offer and manage transport services to multiple private sectors and institutions," he said.

The Electric Vehicle Industry Development Act (EVIDA) has led to an increase in the use of EVs due to the rising cost of conventional fuel. The act also zeroes the rate on EV transportation.

As the EV industry becomes more "economically viable," Meralco anticipates growth due to an increase in demand for EV units and transportation services, according to Mr. Ravelo.

"I guess we still want to see how this is going play out as EVIDA is very new, we're anticipating that eSakay and the new company will be a big contributor," he said.

"Maybe in a few months or a few years' time we'll have a better sense," he added.

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. — **Adrian H. Halili**

## Kaya Founders may invest in 2 startups on sustainability

EARLY-stage investment company Kaya Founders is planning to invest in two businesses associated with sustainability, its partner said.

"For Kaya Founders, we are looking into a few startups now that are doing sustainability-related business," Lisa Gokongwei-Cheng, senior vice-president for digital transformation and corporate services of JG Summit Holdings, Inc., told *BusinessWorld* on March 28.

"We are looking at two startups that are doing sustainability," added Ms. Gokongwei-Cheng, a partner at Kaya Founders.

She did not disclose the details of the transaction since the agreements had not yet been finalized.

When asked how the two new startups are expected to help the JG Summit group, she said: "One of the key pillars of the JG Summit is sustainability. More and more conglomerates are being held accountable to sustainability and I think it's already part of the law."

JG Summit, through JG Digital Equity Ventures, Inc. (JGDEV), has invested in several startups such as Locad, SariSuki, eTaily, Darwinbox, iPrice, Tyme, GrowSari, Zuzu Hospitality, Zyllem, and Snapcart. "For JGDEV, we look for businesses that are adjacent to the business like GrowSari has adjacency to the Robinsons Retail, so that's why we invested in it. Then for GoTyme, is a big opportunity for us because we feel that we want to get into digital banking," Ms. Gokongwei-Cheng said.

She said that these startups could benefit the Gokongwei group in the future, drawing attention to how GrowSari had increased the sales volume of Robinsons Retail Holdings, Inc.

"For example, GrowSari is partnered with Robinsons Retail. What it does is it is a digital platform that supplies goods to sari sari stores. In the beginning, it didn't have volumes to get discounts from suppliers, but because it was connected to the Gokongwei group, it was able to access the scale and the volume of Robinsons Retail so they were able to get goods at a cheaper value. And at the same time as they grew, Robinsons was able to benefit from the volumes of GrowSari," Ms. Gokongwei-Cheng said.

"I would think that JG Summit is very invested in the future of the country, and for as long as we remain as investors in the country, we would definitely invest in startups," she added. — **Justine Irish D. Tabile**

## SM group may build consolidation hubs to support MSMEs

SM INVESTMENTS Corp. (SMIC) said it plans to build "consolidation hubs" to aid micro-, small-, and medium-sized enterprises (MSMEs) with their logistical requirements.

"They are mostly located in remote areas, and logistics can be very expensive for them, especially if the shipments to Metro Manila are small," the company said in an e-mailed statement on March 29.

The consolidation hubs in rural areas will allow MSMEs to drop off items that logistics companies of SMIC can pick up on a regular schedule.

"Our company has a tie-up with the local government units, the Department of Trade and Industry, and other institutions that deal with MSMEs," it added.

SMIC is collaborating with its affiliate, Amazing Digital Economy Corp., to provide additional assistance to MSMEs. The latter has a platform that enables MSMEs to showcase their products to a wider audience across the country and globally.

"Airspeed can also handle cross-border delivery anywhere in the world for customers who are export-ready. Through this, MSMEs now have a platform with payment and delivery options that are reasonably priced," SMIC said.

To date, the company has two logistics companies under its wing — 2GO and Airspeed — which provide

a full suite of logistics services to cater to the requirements of the supply chain.

"2GO focuses on domestic end-to-end transport and logistics using ships as its primary carrier, while Airspeed has primary strengths in customized and international cross-border logistics using planes and partner sea freight carriers, and domestic distribution via multimodal transport," the company said.

Both companies have on-land logistics capabilities which specialize on various segments of the logistics value chain.

SMIC sees faster growth in other regions where there is an expected rise of logistics opportunities.

"Growth is also faster in the regions compared with NCR (National Capital Region) which provides rising logistics opportunities to cater to the needs of the local economies," the company said.

The company said that as the country develops, "more sophisticated logistics services will be needed to move heavy equipment and oversized materials to build infrastructure."

"Logistics is a facilitator of economic growth in the country as it enables the efficient and reliable movement of goods across the archipelago. This allows us and our stakeholders to reach a broader market," it added. — **Justine Irish D. Tabile**

## Singapore-based Vena Energy eyes expansion projects in PHL

SINGAPORE-based Vena Energy plans to launch more renewable energy projects in the Philippines with a combined capacity of 500 megawatts (MW) within the next three years, a company official said.

"We want to do 300 to 500 MW of projects every year for the next couple of years, and we do believe that given the number of projects which the Philippines need, especially from RE (renewable energy), together with partners, we can go on and execute that," Samrinder Nehria, head of Vena Energy Philippines, told reporters on March 30.

"It is all about how much demand is there in the market. At least for the next two or three years, 300 to 500 MW," he added.

He said that such projects will involve different types of renewable energy sources, including solar, wind, and floating solar.

To date, Vena Energy has around 330 MW of operating renewable energy projects in the Philippines.

On March 30, Vena Energy together with MGen Renewable Energy, Inc. (MGreen) inaugurated the 68-megawatt-alternating

current (MWac) solar plant project in Ilocos Norte.

Mr. Nehria said his company is also exploring potential partnerships beyond Manila Electric Co. (Meralco).

"Yes, we do have more projects in the pipeline and you will hear about them," he said.

MGreen is the renewable energy subsidiary of Meralco PowerGen Corp., the power generation arm of Meralco.

Vena Energy is also keen to participate in the second round of the green energy auction program (GEAP), which is set for June.

"Yes, we evaluate all options. GEAP is one of those. We are looking and evaluating the green energy auction program as well and we'll see. It is a good opportunity for developers to go," he said.

The Energy department has announced that it is set to conduct the second round of GEAP in June with 11,600 MW in capacity on offer.

Headquartered in Singapore, Vena Energy is a renewable energy company that owns, develops, constructs, operates, manages, and commercializes a renewable energy portfolio. — **Ashley Erika O. Jose**

## Spectrum powers Atkins' facility in Cavite

MSPECTRUM, Inc. (Spectrum) has energized the newest cold storage facility of Atkins Import and Export Resources, Inc. in Naic, Cavite, the renewable energy company announced on Monday.

In a statement, Spectrum, a subsidiary of listed power distributor Manila Electric Co. (Meralco), said it has installed a 976.8 kilowatt-peak solar panel system in Atkins' sixth storage facility in South Luzon.

Meralco said the solar project will generate about 1.36 million kilowatt-hours of clean energy per year, which translates to P9.5 million of savings in energy costs for Atkins annually.

"With Spectrum's end-to-end solar energy offering, our partners are assured to receive top-tier quality and reliable service to achieve

sustainable operations," Patrick Henry T. Panlilio, chief operating officer of Spectrum, said in a statement. "Rest assured, we will also provide the necessary support Atkins will need from Spectrum to ensure that its solar generating system is working seamlessly as this new cold storage is a critical addition in ensuring food security across the country."

Atkins' move to power its sixth facility with renewable energy will also reduce its carbon footprint by 970 tons which is an equivalent of reducing 3.9 million kilometers in car travel per year.

Atkins, a subsidiary of First Atkins Holdings Corp., is primarily engaged in the importation and distribution of meat products mainly sourced from Europe. — **Ashley Erika O. Jose**

FULL STORY



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