

Philippine Stock Exchange index (PSEi)

6,598.38

▲ 77.94 PTS.

▲ 1.19%

MONDAY, APRIL 24, 2023

BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P643.00 +P4.50 +0.7%	ACEN ACEN Corp. P6.10 +P0.04 +0.66%	AEV Aboitiz Equity Ventures, Inc. P53.00 +P1.00 +1.92%	AGI Alliance Global Group, Inc. P12.20 +P0.10 +0.83%	ALI Ayala Land, Inc. P26.65 +P0.45 +1.72%	AP Aboitiz Power Corp. P37.05 -P0.45 -1.2%	BDO BDO Unibank, Inc. P139.50 +P4.50 +3.33%	BPI Bank of the Philippine Islands P109.50 +P6.70 +6.52%	CNVRG Converge ICT Solutions, Inc. P12.38 -P0.02 -0.16%	DMC DMCI Holdings, Inc. P10.20 -P0.48 -4.49%
EMI Emperador, Inc. P20.90 -P0.05 -0.24%	GLO Globe Telecom, Inc. P1,722.00 -P61.00 -3.42%	GTCAP GT Capital Holdings, Inc. P482.00 +P2.00 +0.42%	ICT International Container Terminal Services, Inc. P217.00 +P3.40 +1.59%	JFC Jollibee Foods Corp. P221.00 +P3.80 +1.75%	JGS JG Summit Holdings, Inc. P50.30 +P1.05 +2.13%	LTG LT Group, Inc. P10.02 ---	MBT Metropolitan Bank & Trust Co. P60.00 +P1.50 +2.56%	MER Manila Electric Co. P321.40 +P0.40 +0.12%	MONDE Monde Nissin Corp. P9.35 -P0.08 -0.85%
MPI Metro Pacific Investments Corp. P3.96 +P0.10 +2.59%	PGOLD Puregold Price Club, Inc. P32.55 -P0.05 -0.15%	SCC Semirara Mining and Power Corp. P27.70 -P0.30 -1.07%	SM SM Investments Corp. P900.00 ---	SMC San Miguel Corp. P105.00 -P1.20 -1.13%	SMPH SM Prime Holdings, Inc. P33.95 +P0.45 +1.34%	TEL PLDT Inc. P1,234.00 -P35.00 -2.76%	UBP Union Bank of the Philippines P84.85 +P0.35 +0.41%	URC Universal Robina Corp. P146.00 +P1.00 +0.69%	WLCON Wilcon Depot, Inc. P30.00 -P0.30 -0.99%

Meralco core profit up 41% as energy sales rise

MANILA Electric Co. (Meralco) registered a consolidated core net income of P9.05 billion in the first quarter, up by 40.5% from P6.44 billion a year ago, on sustained energy sales and revenue growth.

"First quarter is quite good, but I think 2023 is also looking quite good so we should be able to look at double-digit growth," Meralco Chairman Manuel V. Pangilinan said in a virtual briefing on Monday.

Betty C. Siy-Yap, Meralco's senior vice-president and chief finance officer, said energy sales

went up 2% to 11,287 gigawatt-hours (GWh) in the first quarter from the 11,069 GWh a year ago.

"The results from our power generation business continue to improve and this represented 41% of our CCNI (consolidated core net income) as of the first quarter," she said during the briefing, adding that the business segment contributed the bulk of the rise in core profit.

Ms. Siy-Yap said there continues to be an increase in the contribution from Meralco units PacificLight Power Pte. Ltd. and San Buenaventura Power Ltd.

Co., while Global Business Power Corp. is a "turnaround story."

Meralco's reported net income, which factors in nonrecurring items, rose by 26.5% to P8.07 billion from P6.38 billion previously. The power distributor's customer count reached 7.67 million as of the first quarter, up 2.8% from 7.46 million in the same period last year.

First-quarter gross revenues surged 23% to P105.64 billion from P85.91 billion in the corresponding period last year on higher fuel costs and volume growth.

Total costs and expenses increased by 23.4% to P98.38 billion versus P79.74 billion previously driven by higher cost of purchased power and elevated coal and fuel power plant costs.

Purchased power cost went up by 27.4% to P78.6 billion from P61.7 billion brought about by higher Malampaya gas prices, the depreciation of the peso, and an increase in purchases from the electricity spot market. The power utility giant sourced more from the spot market after the suspension of its power supply agreement with South Premiere Power Corp.

In the first quarter, Meralco placed its capital expenditure at around P5.1 billion, with P4.5 billion spent on network projects including new connections, asset renewals, and load growth projects.

Meralco said the sales mix continued to shift towards pre-pandemic levels as business operations started to recover.

The share of the commercial segment increased to 37% during the first quarter from 34% a year ago. In contrast, the share of the residential segment was down to 33% from 35%, along with the

industrial segment at 30% from 31% previously.

At the local bourse on Monday, shares in the company gained 40 centavos or 0.12% to end at P321.40 apiece.

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 estimates P30-B debt for capital spending

AYALA-led ACEN Corp. is looking at an estimated P30 billion in new debts to fund its capital expenditures of about P50 billion to 70 billion this year, the company's finance chief said.

"In terms of new debts, we are projecting to borrow an additional of P30 billion and we are also looking at equity offering by way of the preferred shares — not part of P30 billion," Maria Corazon G. Dizon, treasurer, chief financial officer and compliance officer of ACEN, said in a briefing on Monday.

For 2023, ACEN has said that it has over 2,400 megawatts of projects under construction. It expects to spend up to P70 to expand its renewable energy portfolio.

Eric T. Francia, president and chief executive officer of ACEN, said during the company's annual stockholders meeting that the amendment of article seven of the articles of incorporation to create preferred shares of 100-million unissued common shares into preferred shares had been approved.

"Issuing preferred shares allowed us to diversify our funding mix and also improved our capital structure and leverage ratios in preparation for future financing initiatives to meet our rapid growth trajectory. We've seen that Philippine investors both institutional and retail have an appetite for preferred shares investments so we're tapping into this pool of liquidity to fund our growth," Mr. Francia said.

In an earlier disclosure, ACEN announced that its board of directors had approved the reclassification of 100-million unissued common shares.

"We think now is the good time to offer preferred shares to give new investors steady, predictable and competitive returns versus other instruments in the market. These preferred shares are non-dilutive, so nonvoting," Mr. Francia said.

At the local bourse on Monday, shares in the company gained four centavos or 0.66% to P6.10 apiece. — **Ashley Erika O. Jose**

Plaintiffs in US case versus PLDT count alleged losses

PLDT Inc. said on Monday that two of its investors filed separate motions to the court on April 7 seeking to serve as the lead plaintiff for the US class action lawsuit against the telecommunications company.

One of the investors, Sophia Olsson, who claims to have two shares in the telco, was said to have reported an alleged loss of \$22.69 after the listed disclosed its budget overrun.

Meanwhile, Kevin Douglas, a PLDT investor holding 35 shares in the company, reported an alleged loss amounting to \$240.23.

In a disclosure to the Philippine Stock Exchange, PLDT said that Milbank LLP, on behalf of the telco giant, has entered its appearance in the US class action. It also filed a notice of interested persons or entities along with a corporate disclosure statement as well as a memorandum of points and authorities for consideration by the court on April 17.

The two plaintiffs, represented by different law firms — Ms. Olsson by the Rosen Law Firm and Mr. Douglas by Levi & Korsinsky, LLP — are said to have failed to establish that they are appropriate lead plaintiffs.

"Under the Private Securities Litigation Reform Act, lawsuits by shareholders with a small position in the security at issue are discouraged," PLDT said.

"Consequently, the company argued that the de minimis purported losses alleged by the Movants in this case fall far short of the basic requirement that a lead plaintiff make prima facie showing that he or she is an adequate representative who will prosecute the action vigorously on behalf of the putative class," it added.

The company said that the two investors' nominal losses lack sufficient financial interest in the outcome of the US class action.

"Thus, the company argued in its Memorandum that the Movants' motions for appointment as lead plaintiff should be denied," PLDT said.

The company is set to have a hearing for the appointment of the lead plaintiff on May 8.

"The company shall provide further updates in compliance with Philippine and US laws on disclosures related to pending litigation as they arise," it said.

In a disclosure on Feb. 14, the company said that it had learned of a securities class action lawsuit filed on Feb. 6 by Ms. Olsson in the district court in the Central District of California.

The lawsuit named PLDT and nine of its current and former employees as defendants for allegedly violating Federal Securities Laws and a jury trial was demanded.

The individual defendants in the case include PLDT Chairman Manuel V. Pangilinan; President and Chief Executive Officer Alfredo S. Panlilio; Chief Legal Counsel, Head of Legal and Regulatory Affairs, and Corporate Secretary Marilyn A. Victorio-Aquino; and Anabelle L. Chua, who was the chief financial officer and chief risk management officer during the filing.

The case came about after the Pangilinan-led PLDT disclosed a budget overrun amounting to P48 billion. After the company disclosed the budget overrun, it saw a 19.35% decline in the price of its shares to P1,192 apiece on Dec. 19, 2022.

On Monday, PLDT shares closed lower by P35 or 2.76% to P1,234 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**

AboitizPower studies LNG projects in Luzon

ABOITIZ Power Corp. looking at liquefied natural gas (LNG) projects in Luzon, its top official said.

"We already articulated our plans for LNG and any LNG project that we will be doing in the future would be in the context of putting up a new baseload option compared to coal, when we can actually get a long-term contract that would allow us to also meet our risk thresholds," Emmanuel V. Rubio, president and chief executive officer of AboitizPower, said in a media briefing on Monday.

He said AboitizPower is looking at LNG projects in Luzon.

"So yes, we are looking at Luzon, Visayas. If it's us going in Luzon, we will be considering sites that are available for us now like Pagbilao. We are working with JERA [Co., Inc.] to have access to long-term competitive LNG contracts," Mr. Rubio said.

To date, seven proponents of LNG terminal projects have been approved by the Department of Energy (DoE) for development, two of which are expected to come online in the first semester of 2023.

Linsed Field Power Corp. said that it had completed the conversion of a vessel into a floating storage unit for gas. The company is expected to start taking delivery of gas by March.

First Gen Corp., through its subsidiary FGEN LNG Corp., said its LNG terminal will also be completed by the first quarter. First Gen's gas-fired power plants currently run on indigenous gas from the Malampaya-Camago reservoir, which is expected to start depleting next year.

At the local bourse on Monday, shares in the company shed 45 centavos or 1.2% to end at P37.05 each. — **Ashley Erika O. Jose**

BRIA Homes recognized by Pag-IBIG as one of the top developers in Mindanao

Award-winning residential property developer BRIA Homes recently received yet another recognition, this time from stakeholders in the Home Development Mutual Fund (Pag-IBIG Fund), citing BRIA as one of the top developers in Mindanao for the year 2022.

It was the year BRIA rolled out its affordable housing projects in the progressive South,

specifically BRIA Homes Tagum in Davao del Norte; BRIA Homes Manolo Fortich in Bukidnon; and BRIA Homes Digos in Davao del Sur.

BRIA Mindanao Operations Head Ivy Provido was visibly excited to receive the award on behalf of the developer, saying, "This recognition validates BRIA Homes' consistent efforts to raise the bar in the affordable housing sector. Now, aspiring homeowners who want to settle down in this picturesque region stand to benefit from the trademark lifestyle of comfort and security that BRIA offers."

During the ceremony held earlier this month, Ms. Provido acknowledged the value of receiving an award from the Pag-IBIG Fund, with whom BRIA has enjoyed great synergy through the years.



The award was given at a ceremony earlier this month.

can reserve a house online through <https://www.bria.com.ph/online-reservation/>.

BRIA Homes is a subsidiary of GOLDEN MV Holdings, Inc., one of the top real estate companies in the country. BRIA Homes is committed to bring quality and best-value residential communities closer to everyday Filipino families. Through a diverse portfolio of properties such as houses and lots and condominiums, BRIA Homes promises to provide the right property option for every Filipino's needs.

To know more, visit www.bria.com.ph, like and follow "Bria Homes, Inc." on Facebook, Twitter, Instagram, YouTube, Pinterest, Spotify, Viber Community, Telegram Channel, Kakao Talk, LINE and WhatsApp, or call 0939-887-9637.

Prospective BRIA homeowners and investors may also avail of BRIA's cashless transactions for reservation and amortization payments through BRIA's bank partners: Maybank, BDO, UnionBank, PNB, Security Bank, RCBC, Robinsons Bank, and Metrobank. E-wallet services like GCash, PayMaya, ShopeePay, and All Easy are likewise available. Finally, they

AEV expects slowdown for some business sectors

ABOITIZ Equity Ventures, Inc. (AEV) expects a slowdown for some business sectors this year due to higher interest rates, a company official said on Monday.

"For 2023, we expect a slowdown as a result of higher interest rates and the inflationary pressures that we have been experiencing since last year," Jose Emmanuel U. Hilado, AEV's senior vice president, said in a press briefing.

"Some sectors have slowed down like the real estate sector has been slowing down because of higher interest rates," said Mr. Hilado, who is also the listed firm's chief financial officer and corporate information officer.

As a result, there were lower construction activities and lower demand for personnel, he said.

"Despite the slowdown in [the] economy, we think that there are still a lot of investment opportunities in the

country, and we will continue to invest in almost all of our current businesses," he added.

The company recently disclosed its capital expenditures (capex) for the year at P78 billion to drive investments and innovations.

For the year, P32 billion will go to Aboitiz InfraCapital, Inc.; P5 billion to Union Bank of the Philippines; P5 billion will go to its food and agribusiness; and P3 billion to property unit Aboitiz Land, Inc.

Mr. Hilado said that capex for its power unit Aboitiz Power Corp. would amount to about P30 billion as it develops its renewable energy business.

He said that while the country expects an economic slowdown during the year, the company remains to be on the lookout for possible opportunities and new investments.

AEV shares increased by 1.92% or P1 to close at P53 each on Monday. — **Adrian H. Halili**

CTA grants part of Mitsui's tax refund claim of around P26M

THE Court of Tax Appeals (CTA) has partially granted Mitsui & Co.'s refund claim in the amount of P25.75 million representing its excess input tax for the period covering April 1, 2008 to March 31, 2015.

In a 35-page decision on April 18 and made public on April 20, the tribunal said Mitsui presented sufficient evidence to show its input tax carried over from April 1 to June 30, 2008.

"The burden of evidence thus shifted to the Bureau of Internal Revenue (BIR), who has the burden to show that the petitioner's input tax carried over from the previous period does not exist or is invalid," it said.

The petitioner is the Philippine branch of the Japan-based trade company.

Under the country's revenue code, unutilized or unused input tax may be traced to zero-rated sales that do not translate to any output tax.

Citing prior Supreme Court jurisprudence, the tribunal noted that Mitsui canceled its registration of business in the Philippines in 2011, which in effect canceled its registration for value-added tax (VAT).

"Thus, after a judicious examination of the invoices and receipts and the computation of both parties, we

rule that the petitioner is entitled to a partial grant of its claim for refund of unused input VAT upon cancellation of registration under the National Internal Revenue Code of 1997," the tax court said. — **John Victor D. Ordoñez**

FULL STORY



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