

Philippine Stock Exchange index (PSEi)

6,684.35

▲ 77.66 PTS.

▲ 1.17%

THURSDAY, MAY 4, 2023
BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P654.00 +P22.50 +3.56%	ACEN ACEN Corp. P6.02 +P0.02 +0.33%	AEV Abolitiz Equity Ventures, Inc. P55.80 +P0.05 +0.09%	AGI Alliance Global Group, Inc. P13.60 ---	ALI Ayala Land, Inc. P28.65 +P1.25 +4.56%	AP Abolitiz Power Corp. P37.85 -P0.15 -0.39%	BDO BDO Unibank, Inc. P141.00 +P3.30 +2.4%	BPI Bank of the Philippine Islands P109.50 +P1.50 +1.39%	CNVRG Converge ICT Solutions, Inc. P11.14 -P0.30 -2.62%	DMC DMCI Holdings, Inc. P10.10 +P0.10 +1%
EMI Emperador, Inc. P20.85 +P0.10 +0.48%	GLO Globe Telecom, Inc. P1,711.00 +P11.00 +0.65%	GTCAP GT Capital Holdings, Inc. P479.40 -P0.60 -0.13%	ICT International Container Terminal Services, Inc. P214.00 -P2.00 -0.93%	JFC Jollibee Foods Corp. P225.00 +P1.00 +0.45%	JGS JG Summit Holdings, Inc. P50.25 -P1.25 -2.43%	LTG LT Group, Inc. P10.20 +P0.02 +0.2%	MBT Metropolitan Bank & Trust Co. P59.00 -P0.50 -0.84%	MER Manila Electric Co. P333.00 +P6.00 +1.83%	MONDE Monde Nissin Corp. P9.95 +P0.42 +4.41%
MPI Metro Pacific Investments Corp. P4.44 +P0.02 +0.45%	PGOLD Puregold Price Club, Inc. P33.05 -P0.25 -0.75%	SCC Semirara Mining and Power Corp. P28.30 +P0.30 +1.07%	SM SM Investments Corp. P913.50 +P6.50 +0.72%	SMC San Miguel Corp. P103.50 -P1.40 -1.33%	SMPH SM Prime Holdings, Inc. P34.00 +P0.55 +1.64%	TEL PLDT Inc. P1,254.00 +P55.00 +4.59%	UBP Union Bank of the Philippines P81.60 -P1.30 -1.57%	URC Universal Robina Corp. P148.00 +P4.50 +3.14%	WLCON Wilcon Depot, Inc. P28.35 -P0.15 -0.53%

PLDT posts flat P9-B income, says core profit up

PLDT Inc. reported an attributable net income of P9.02 billion in the first quarter, down by 0.7% from P9.08 billion in the same period last year when it booked non-recurring gains.

"Last year, we had this income from the prescription of preferred redemption liability worth P7.8 billion, which was not present this year," said Danny Y. Yu, the newly appointed chief financial officer and chief risk management officer, on the sidelines of the company's media briefing on Thursday.

"But in terms of telco core income, it's higher even after the [share] losses in Voyager Innovations, Inc.," he said, referring to the digital solutions provider under PLDT's digital bank Maya Bank, Inc.

In the first quarter, the company booked P8.64 billion telco core income, which is 5.1% higher than the P8.22 billion recorded last year.

"We continue to reinforce our core infrastructure. We are now at 17.2 million in terms of homes passed, an increase of about 1.7 million homes from the previous period," PLDT President and Chief Executive Officer Alfredo S. Panlilio said.

PLDT's top line was 5.1% higher at P52.36 billion in the first three months of the year from P49.83-billion revenues booked in 2022. Its service revenues, gross of interconnection costs, reached P49.73 billion, up by 4.4% from P47.65 billion previously.

The individual wireless segment of the company contributed P19.8

billion of the service revenues. Home accounted for P15 billion, enterprise shared P11.8 billion, while the international segment accounted for P500 million.

In the first quarter, the company recorded a 4.8% decrease in its expenses, which included interconnection costs and marginal revenue product expenses at P39.7 billion from P41.69 billion.

Cost-cutting measures were implemented during the quarter such as those involving compensation and energy efficiencies, Mr. Panlilio said.

CAPITAL EXPENDITURE

The company's capital expenditure (capex) during the quarter was at P19.3 billion, 22% higher than its spending of P15.8 billion

in 2022. The bulk was used for network and information technology improvements, which amounted to P16.1 billion.

Meanwhile, Mr. Yu said that around P11 billion to P14 billion of the budget overrun was taken into account in the first quarter under property, plant and equipment.

The amount is for 5G orders, which is part of the capex overrun, the assets of which had already been received by the company, Mr. Panlilio said.

Previously, the company said that the agreement with vendors had reduced PLDT's outstanding commitments to them for the acquisition of property equipment post-2022 to P33 billion.

For 2023, PLDT has earmarked a capex of P80 billion to

P85 billion, which is lower than the P96.8 billion it used in 2022.

OUTLOOK

Mr. Panlilio said that the initial profit guidance presented to the company's board of directors was P33.8 billion.

"The budget that we had approved from the board was P33.8 billion. It's really a clean-up year for us, a lot of things are happening. There's still work being done on the settlement, in terms of certain work we are reviewing," he said.

"Obviously, we are pushing to do more but for now that's the guidance that we are internally looking at, at this point," he added.

Mr. Panlilio said that the company is hoping to record

free cash flow in 2024, as the company continues to strengthen its core business.

"We are looking forward to serving our customers better through being more innovative and bringing more products and services into the market," he said.

"Enterprise is going to be an interesting growth area for us," he said. "There are a lot of possible growth initiatives in enterprise. We are pushing for cloud and solutions, and that's where the growth area could possibly be coming from." — **Justine Irish D. Tabile**

FULL STORY

Read the full story by scanning the QR code or by typing the link <bit.ly/PLDT050523>



EEI appoints new chairman after previous owner sells down stake

EEI Corp. has appointed Lorenzo V. Tan chairman of the listed construction and engineering services company, replacing Helen Y. Dee who stepped down for personal reasons.

In a stock market filing, the company said it had voted to appoint Mr. Tan, who is also president and chief executive officer of House of Investments, Inc., on May 2 after the resignation of Ms. Dee. He was the former president and chief executive of the Yuchengco's Rizal Commercial Banking Corp.

The appointment comes after House of Investments sold a 20% stake to the Romualdez-led RYM Business Management Corp. for about P1.25 billion, or P6.03 each of the 207.26 million common shares. As a result of the block sale, the Yuchengco-led firm reduced its stake in EEI to about 35.3% from 55.4% previously.

House of Investments said the deal was an opportunity to explore the construction sector with a strategic partner and to "reduce exposure to increasing interest rates by using the proceeds to reduce the loans."

It said RYM invests in mining, real estate and media through Bright Kindle Resources and Investments Inc., Marcventures Holdings, Inc., Benguet Corp. and Prime Media Holdings, Inc.

Meanwhile, the board of EEI also appointed Remigio C. Dayandayan, Jr., the president of RYM, as director. Mr. Dayandayan replaced Roberto Jose L. Castillo, who retired from the position. He is also a director for Bright Kindle.

EEI shares closed unchanged at P4.98 apiece on Thursday. — **Adrian H. Halili**

ACEN income surges to P2 billion on higher power generation

AYALA-LED ACEN Corp. reported a surge in its net income for the first quarter to P2.03 billion, a fivefold increase from P405.03 million a year earlier, driven by higher net generation on better wind resources.

"After weathering several challenges in 2022, we began the year with encouraging results brought about by the growth in generation output," Eric T. Francia, president and chief executive officer of ACEN, told the stock exchange on Thursday.

In the first quarter, ACEN recorded a 23.5% increase in its consolidated revenues to P9.14 billion from P7.40

billion in the previous year, fueled by higher revenues from electricity sales.

ACEN said its revenues were lifted by better output from its wind resources and the start of the commissioning of new power plants in the Philippines and Australia.

"As our renewable energy investments begin to bear fruit, ACEN is now on a stronger footing as we continue working towards our aspiration of reaching 20 GW (gigawatts) of renewables by 2030," Mr. Francia said.

For the January-to-March period, ACEN's attributable EBITDA or earnings before interest, taxes, depreciation, and amortization from non-consolidate as-

sociates and joint ventures increased by 76% to P4.6 billion.

ACEN said its total attributable renewables output increased by 20% to 1,058 gigawatt-hours (GWh) in the first quarter.

"The strong financial results reflect the resilience of our strategy to expand renewables capacity, supported by a robust balance sheet. ACEN's strong cash position and diverse mix of financing options continue to enable the achievement of our 2030 aspirations," said Maria Corazon G. Dizon, treasurer, chief finance officer and compliance officer of ACEN.

In the Philippines, ACEN's renewable energy generation also saw a 31% in-

crease to 310 GWh, while strong wind resources in Vietnam lifted the company's international output by 15% to 748 GWh.

The figure also includes contributions from the partial commissioning of the first phase of its New England solar project in Australia and better availability of its geothermal facility in Indonesia.

To date, ACEN has 4,000 megawatts of attributable capacity spread across the Philippines, Vietnam, Indonesia, India, and Australia.

At the stock exchange on Thursday, shares in the company gained two centavos or 0.33% to end at P6.02 apiece. — **Ashley Erika O. Jose**

SM Prime sets interest rates for fixed-rate bonds

SY-LED SM Prime Holdings, Inc. has set the interest rates for its peso-denominated fixed-rate bonds from which funds raised will be used for its expansion plans.

In a regulatory filing, SM Prime set the rates for its Series S bonds due in 2025 at 6.62069%; Series T bonds due in 2027 at 6.2151%; and Series U due in 2029 at 6.3275%.

The issuance has a total principal amount of P25 billion, with an oversubscription of P10 billion. The offer period of the bonds will be on May 8 to 12.

SM Prime Chief Finance Officer John Nai Peng C. Ong said the fifth tranche of the company's P100-billion debt securities program will be used "in pursuance

of our expansion plans that will provide the Company a stronger foothold in the key areas of the country."

The proposed issuance is under the company's shelf registration of fixed-rate bonds approved by the Securities and Exchange Commission (SEC) in February 2020.

The company has tapped BDO Capital & Investment Corp. and China Bank Capital Corp., as joint book-runners and joint lead underwriters together with BPI Capital Corp., East-West Banking Corp., First Metro Investment Corp., RCBC Capital Corp., and SB Capital Investment Corp.

Once the company receives the permit to sell from the SEC, the retail

bonds are set to be issued on May 23.

Its fixed-rate bonds have been rated PRS Aaa by the Philippine Rating Services Corp. The rating is the highest assigned, "denoting that such obligations are of the highest quality with minimal credit risk and the issuing company's capacity to meet its financial commitment on the obligations is extremely strong."

"SM Prime remains committed in delivering sustainable developments across the Philippine that aims to provide improvement in the lives of many Filipinos," Mr. Ong added.

SM Prime shares closed higher on Thursday by 1.64% or P0.55 to P34 apiece. — **A. H. Halili**

AirAsia to reschedule, cancel flights for airspace shutdown

BUDGET carrier AirAsia Philippines (AirAsia) has proposed the rescheduling of at least 34 flights and the cancellation of six flights in preparation for the airspace shutdown on May 17.

Under the proposal, 21 of the affected flights are originally scheduled on May 16, while 13 flights are on May 17.

"Included in the proposed rescheduling are flights to and from Taipei, Incheon, Bangkok (Don Mueang), Kota Kinabalu, and Incheon for international and Cebu, Bacolod, Davao, Puerto Princesa, Cagayan, Iloilo, and Tacloban for domestic," the airline said.

Meanwhile, AirAsia said that it had proposed six flights that will be canceled during the shutdown.

"Canceled flights include those flying from Manila to Davao, Cebu, and Bacolod and its corresponding return

flights which cover the 6-hour repair on May 17," it said.

These flights are just proposals that AirAsia presented in a consultative meeting with representatives from the Department of Transportation, Civil Aviation Authority of the Philippines (CAAP) and Manila International Airport Authority and other industry leaders.

AirAsia said that it will update the list as soon as it receives approval from the slot committee.

Meanwhile, corrective maintenance and repair of the uninterrupted power supply of the Communication Navigation System-Air Traffic Management (CNS-ATM) are scheduled on May 17 from 12 midnight to 6:00 a.m., the CAAP.

"The repair of the CNS-ATM system is a positive development

towards ensuring safer skies for all, especially within the Philippine Flight Information Region," said Steve F. Dailisan, communications and public affairs country head of AirAsia.

"We've been working closely with them since the beginning to mitigate any inconvenience among our guests. This involves our request with the slot committee for the retiming of our flights that will be affected due to the repair," he added.

As part of its preparations, AirAsia said that it has notified guests in advance through text message and registered email of the flight schedule changes. It is also planning for a massive information dissemination campaign through its quad media partners and social media pages. — **Justine Irish D. Tabile**

First Gen powers seven facilities of PLDT, Smart

LOPEZ-LED First Gen Corp., through its renewable energy arm Energy Development Corp. (EDC), has energized the facilities of PLDT Inc. and Smart Communications, Inc. in Visayas.

In a statement, First Gen said that through a supply partnership with its renewable energy company, PLDT and Smart are expanding their transition to renewable energy.

EDC will power up the telcos seven facilities in Cebu, Samar, Capiz, and Iloilo with geothermal energy.

"In 2016, we made the decision to close our doors to coal-fired power plants to keep our energy portfolio clean and green. It was one of the most significant business decisions we made to show how serious we are in pursuing our decarbonization mission," Francis Giles B. Puno, president and chief operating officer of First Gen, said in a media release.

Melissa V. Vergel De Dios, PLDT and Smart chief sustainability officer, first vice-president, and head of investor relations, said that the initiative would help save around P27 million in electricity costs per year for the combined seven facilities.

"This will also support our broader decarbonization roadmap and will enable us to reduce our emissions by about 16,000 tons this year, which amounts to 26% of our total target emissions reduction for 2023," Ms. De Dios said.

First Gen said the companies are also exploring further expansion of geothermal energy use for their sites in the Philippines, which include data centers.

"We have committed to make sustainability part of the way we operate and shall remain steadfast in delivering on our decarbonization targets. As we turn to renewables and clean energy, we are also supporting the Philippine government's plan for green energy transition," said PLDT and Smart President and Chief Executive Officer Alfredo S. Panlilio.

— **Ashley Erika O. Jose**