

Philippine Stock Exchange index (PSEi)

6,622.61

▲ 21.87 PTS.

▲ 0.33%

TUESDAY, MAY 9, 2023
BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P661.50 +P2.00 +0.3%	ACEN ACEN Corp. P6.07 ---	AEV Aboitiz Equity Ventures, Inc. P54.00 ---	AGI Alliance Global Group, Inc. P13.62 +P0.02 +0.15%	ALI Ayala Land, Inc. P26.80 -P0.10 -0.37%	AP Aboitiz Power Corp. P37.70 -P0.05 -0.13%	BDO BDO Unibank, Inc. P136.10 -P0.90 -0.66%	BPI Bank of the Philippine Islands P105.00 -P0.10 -0.1%	CNVRG Converge ICT Solutions, Inc. P11.90 ---	DMC DMCI Holdings, Inc. P9.52 -P0.28 -2.86%
EMI Emperador, Inc. P20.85 ---	GLO Globe Telecom, Inc. P1,710.00 ---	GTCAP GT Capital Holdings, Inc. P483.00 +P4.00 +0.84%	ICT International Container Terminal Services, Inc. P206.40 -P3.60 -1.71%	JFC Jollibee Foods Corp. P225.00 ---	JGS JG Summit Holdings, Inc. P49.90 ---	LTG LT Group, Inc. P10.44 +P0.14 +1.36%	MBT Metropolitan Bank & Trust Co. P59.95 -P0.35 -0.58%	MER Manila Electric Co. P334.00 +P4.00 +1.21%	MONDE Monde Nissin Corp. P9.50 -P0.35 -3.55%
MPI Metro Pacific Investments Corp. P4.44 +P0.01 +0.23%	PGOLD Puregold Price Club, Inc. P33.35 +P0.15 +0.45%	SCC Semirara Mining and Power Corp. P28.00 ---	SM SM Investments Corp. P935.00 +P15.00 +1.63%	SMC San Miguel Corp. P105.30 +P0.50 +0.48%	SMPH SM Prime Holdings, Inc. P34.00 +P0.70 +2.1%	TEL PLDT Inc. P1,207.00 +P7.00 +0.58%	UBP Union Bank of the Philippines P79.20 +P1.20 +1.54%	URC Universal Robina Corp. P153.90 +P3.10 +2.06%	WLCON Wilcon Depot, Inc. P26.85 -P0.35 -1.29%

Alliance Global sets P70-B capex, maps expansion

ALLIANCE Global Group, Inc. has allotted a P70-billion capital expenditure (capex) budget this year, up from P60 billion the prior year, to further expand its main business units, an official of the Andrew L. Tan-led firm said on Tuesday.

The bulk of the capex has been set aside for Megaworld Corp., which cornered P55 billion, as it plans to launch about P60 billion worth of projects in 2023.

"This should help generate target reservation sales of about

P130 billion this year," Alliance Global Vice-President for Investor Relations Caroline L. Kabigting said during the Philippine Stock Exchange's Strengthening Access and Reach or STAR investor day.

The property developer also plans to launch three new townships this year, which are likely to be located in Luzon and Mindanao provinces.

The company is aiming to expand its office gross leasable area (GLA) by 207,200 square me-

ters (sq.m.) and its mall GLA by 159,500 sq.m. from 2023 to 2026, and hotel keys by an additional 3,159 from this year until 2028, according to Ms. Kabigting.

Emperador, Inc. is allocated P7 billion, which will mainly be used to fund its international operations as it plans to expand its overseas market to account for 50% of its business by 2025 from the 35% reported in 2022.

"It envisions its international operation to contribute at least

50% to the business by 2025," Ms. Kabigting said. "To hit this target, Emperador intends to double its branded single malt sales and achieve a high single-digit growth in brandy sales."

Meanwhile, Travellers International Hotel Group, Inc. and Golden Arches Development Corp. will each receive P4 billion in capex for the year.

The Newport World Resorts operator plans to expand its gaming segment by rebuilding its pre-

mium mass operation to improve mass gross gaming revenues to 50% from the 40% recorded the prior year.

"It is also looking at further expanding its VIP business to increase junket operations and improve foot traffic at the [Newport Complex]," Ms. Kabigting said.

Additionally, Golden Arches will use its allocated capital spending budget to open 50 new McDonald's stores throughout the country.

Alliance Global is the parent company of Megaworld, Travelers International Hotel Group, Emperador, and Golden Arches.

The company reported its attributable net income for 2022 rose by 6% to P25 billion from P23.8 billion previously reported on the back of recovering business segments due to the country's reopening.

Alliance Global shares rose 0.15% or P0.02 to finish at P13.62 on Tuesday. — **Adrian H. Halili**

SMFB income up 8% as business units post volume growth

SAN MIGUEL Food and Beverage, Inc. (SMFB) posted a consolidated net income of P9.9 billion in the first quarter, up 8% from the same period the previous year.

"Despite the challenging environment, our brands remain top-of-mind of consumers and we intend to sustain this momentum by investing further in brand-building efforts and innovation to further drive growth," Ramon S. Ang, SMFB president and chief executive officer, said in a statement on Tuesday.

"We are also focused on optimizing our resources and processes for better efficiency to sustainably manage our current businesses for long-term profitability," Mr. Ang added.

The company's consolidated revenues increased by 12% to P93.2 billion in the three-month period, driven by strong volume growth from its key businesses.

Its beer business, San Miguel Brewery, Inc., reported a 38% rise in net income to P6.8 billion after recording higher revenues for the quarter. Its top line increased by 29% to P38.3 billion from P29.7 billion previously.

"Both its domestic and international operations posted positive sales performances with the easing of COVID-19 restrictions in markets where it operates," the company said.

Sales from its domestic operations went up by 29% to P34 billion due to higher sales volume, which grew by 26% due to new brand campaigns and offtake-generating programs.

The beer unit's international business, likewise, jumped by 27% on the back of stronger volumes, particularly from exports to Hong Kong, South China, Thailand, and Vietnam.

Ginebra San Miguel, Inc. recorded its net earnings for the period ending March went up by 81% to 2.5 billion, while its revenues amounted to P12.9 billion, up 3% from the same period last year.

Meanwhile, San Miguel Foods, Inc.'s sales improved by 3% to P41.9 billion due to strategic pricing across all its segments.

It said demand for branded business products remained steady as it benefited from the continued normalization of economic activities after the pandemic.

The unit's consolidated earnings before interest, taxes, depreciation, and amortization amounted to P3.5 billion, which was pulled down by higher commodity prices.

SMFB shares closed unchanged at P47.5 apiece on Tuesday. — **Adrian H. Halili**



BW FILE PHOTO

ROBINSONS Cyberscape Gamma was added to RCR's portfolio in April 2022 after an asset-for-share swap, while Robinsons' Cybergate Bacolod was transferred in March 2022.

Robinsons Land's REIT reports 10% profit rise to P1B on asset infusion

RL Commercial REIT, Inc. (RCR) registered a 10% increase in first-quarter net income to P1.09 billion from P989.69 million a year ago after the infusion of new properties, the company said on Tuesday.

In its financial statement, Robinsons Land, Inc.'s real estate investment trust reported an 11% increase in total revenues to P1.37 billion due to the infusion of Cybergate Bacolod and Cyberscape Gamma in Pasig.

Rental income accounted for the majority of revenues for the quarter as it increased by 12% to P1.19 billion from P1.06 billion previously, with the Bacolod and Pasig assets driving the growth.

Robinsons Cyberscape Gamma was added to RCR's portfolio in April 2022 after an asset-for-share swap, while Robinsons' Cybergate Bacolod was transferred in March 2022.

The company's costs and expenses for the three-month period rose by 18% to P290.62 million from P246.34 million the prior year.

Its direct operating costs likewise grew by 23% to P190.59 million in the period ending March from P154.44 million in the same period last year, on the back of higher utilities along with costs associated with the newly infused assets.

Costs directly attributed to operations include management fees, repairs and maintenance, contracted services, utilities, amortization of right-of-use assets, and accretion of interest expense.

General expenses increased by 10% to P98.26 million from P89.54 million previously.

"These consist of rent expense for the land and building lease, taxes and licenses, insurance expense, advertising and promotions, and other general and administrative expenses," it added.

At the local bourse, RCR shares fell by 0.17% or P0.01 to P5.89 per share on Tuesday. — **A. H. Halili**

Chelsea Logistics works on finding new fund sources

CHELSEA Logistics and Infrastructure Holdings Corp. is keen on getting more sources of investments to fund the company's recovery program from the pandemic.

"The team is exerting efforts to raise funds, which can be from a combination of fresh capital from existing shareholders, new share issuances, and inviting strategic partners," Chelsea Logistics President and Chief Executive Officer Chrys Alfonso V. Damuy said during the company's annual stockholders meeting via Zoom on Tuesday.

Banking on the economy and businesses' road to recovery, Mr. Damuy said that the company will be in a position to engage with potential partners — local or foreign.

He added that Republic Act No. 11659 or the Public Service Act excludes shipping services as a public utility, exempting the company from foreign ownership restriction and giving it more flexibility in getting possible strategic partners.

Mr. Damuy said that recurring cash inflow is not substantial enough to cover the recovery program that the logistics company is currently undertaking, thus the need to look for new sources of funds.

"The improvement in the cash flow supports the company's operating requirements not limited to dry dock and ship repairs," he said.

"This cash inflow is one of the immediate sources of funds as the group's business continued to improve and recover. However, we understand that this will not be enough to fully sustain the recovery and our company growth," he added.

By the end-2030, the company is targeting to shift its business to be fully cloud-based with a partnership with Amazon Web Services.

"We are thrilled to reap not only the operational benefits of being in the cloud but also the significant impact we can contribute to the environment," Mr. Damuy said.

To date, the company has already shifted 90% of its system to cloud-based.

Mr. Damuy said huge and limitless opportunities exist for the shipping and logistics sector.

"The outlook for the shipping and logistics sector is favorable, as global and domestic markets reopen, improving trades in and out of the ports," he said.

"Moreover, the e-commerce industry in the Philippines is an exciting and ever-growing sector providing multiple opportunities for businesses to expand their reach," he added.

In 2022, the company trimmed its net loss attributable to shareholders to P2.53 billion from P3.91 billion in 2021. Its top line reached P6.43 billion, 43.9% higher than the P4.47 billion recorded previously. — **Justine Irish D. Tabile**

First Gen's natural gas, RE platforms boost earnings

LOPEZ-LED First Gen Corp. posted a first-quarter net income of \$89 million, 50.8% higher than \$59 million a year ago, as its natural gas and renewable energy subsidiaries delivered higher earnings.

"2023 is off to a promising start for First Gen as the portfolio benefits from the strong performance of almost all of its platforms," Francis Giles B. Puno, president and chief operating officer of First Gen, said in a media release.

In the first quarter, First Gen's revenues hit \$652 million, up by 14.4% from \$570 million in the same period last year. The company attributed the rise to elevated fuel and spot market prices.

First Gen said its natural gas portfolio accounted for the majority of its consolidated revenues or about 61%. Up to 35% came from Energy Development Corp.'s (EDC) geothermal, wind, and solar plants, while 4% came from the company's hydropower plants.

For the January-to-March period, First Gen said its natural gas platform reported an 18.4% increase in recurring earnings to \$45 million from \$38 million year on year.

It said that all four of the company's natural gas power plants delivered higher operating income due to high dispatch amid the lack of power supply in the grid.

First Gen also said its 420-megawatt (MW) San Gabriel power plant and 97-MW Avion power plant enjoyed better recurring earnings with their full availability in the first quarter.

"In 2022, San Gabriel suffered from a de-rated capacity due to gas restrictions and Avion had equipment issues. Strong dispatch and lower administrative expenses offset increases in interest expenses resulting from the high interest rate environment," First Gen said.

The company said the geothermal power plants under its

renewable energy arm, EDC, also recorded higher sales and operating income because of higher sales at the wholesale electricity spot market and higher electricity prices from new contracts.

"The operation of the LNG (liquefied natural gas) terminal should be beneficial not just for our portfolio, but for the grid in general as we will no longer be solely reliant on Malampaya gas for our operations," Mr. Puno said.

The company's hydro platform registered recurring earnings of \$7 million for the first quarter, 30% lower than the \$10 million a year ago, as revenues slipped due to the reduced volume of electricity sold after the transfer of its power supply contract.

At the local bourse on Tuesday, shares in the company fell by 70 centavos or 3.83% to end at P17.60 apiece. — **Ashley Erika O. Jose**

Globe raises P1.9B from 160 towers

GLOBE Telecom, Inc. has closed a deal for an additional 160 towers to be acquired by MIESCOR Infrastructure Development Corp. (MIDC) for approximately P1.9 billion, the company announced on Tuesday.

"Globe and MIDC are one in getting this partnership up to speed with the latest batch's closing, and we undertake to turn over more in the coming months," Chief Finance Officer Rosemarie Maniego-Eala said in a press release.

"I am delighted that our tower initiatives continue to provide enormous support in our corporate financing and in the acceleration of our network expansion, which are essential as we digitally enable Filipinos one innovation at a time," she said.

The transaction brought Globe's closed tower deals to 1,020 out of 2,180 telecommunication towers and related infrastructure to be acquired by MIDC.

The sale dates back to Aug. 11, 2022 when Globe signed agreements with MIDC and Frontier Tower Associates Philippines, Inc. for the sale of 5,709 telecommunication towers for P71 billion.

On Oct. 14, Globe and MIDC closed 701 towers for P8.4 billion, which was followed on Dec. 16, 2022 wherein they closed 159 towers for P1.9 billion.

"There will be multiple closing dates which will happen as and when closing conditions are met. We will continue to provide updates on the relevant development of the disposal of tower assets in due course," Globe said.

Globe has already completed 44% of the sale or a total of 3,280 towers out of 7,506 have been transferred to the tower companies.

"We are dedicated to supporting network operators in meeting the evolving needs of business and consumers in this rapidly evolving digital age. Our shared goal is to transform the Philippine digital landscape and enable greater access to digital services for all Filipinos," MIDC President and Chief Executive Officer (CEO) Helen Grace T. Marquez said.

"We are certain that our partnership with MIDC reinforces this objective and are excited to see what we can accomplish together," said Ernest L. Cu, president and CEO of Globe. — **Justine Irish D. Tabile**

FULL STORY



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