Philippine Stock Exchange index (PSEi) 6,685.66 ▲1.31 PTS. ▲0.02%

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BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P650.00	-P4.00	-0.61%
ACEN	ACEN Corp.	P6.17	+P0.15	+2.49%
AEV	Aboitiz Equity Ventures, Inc.	P56.00	+P0.20	+0.36%
AGI	Alliance Global Group, Inc.	P13.60	——	
ALI	Ayala Land, Inc.	P28.25	-P0.40	-1.4%
AP	Aboitiz Power Corp.	P38.00	+P0.15	+0.4%
BDO	BDO Unibank, Inc.	P137.00	-P4.00	-2.84%
BPI	Bank of the Philippine Islands	P108.00	-P1.50	-1.37%
CNVRG	Converge ICT Solutions, Inc.	P11.70	+P0.56	+5.03%
DMC	DMCI Holdings, Inc.	P10.08	-P0.02	-0.20%
EMI	Emperador, Inc.	P20.85	——	
GLO	Globe Telecom, Inc.	P1,710.00	-P1.00	-0.06%
GTCAP	GT Capital Holdings, Inc.	P480.00	+P0.60	+0.13%
ICT	International Container Terminal Services, Inc.	P213.00	-P1.00	-0.47%
JFC	Jollibee Foods Corp.	P226.00	+P1.00	+0.44%
JGS	JG Summit Holdings, Inc.	P50.40	+P0.15	+0.3%
LTG	LT Group, Inc.	P10.20	——	
MBT	Metropolitan Bank & Trust Co.	P60.30	+P1.30	+2.2%
MER	Manila Electric Co.	P330.00	-P3.00	-0.9%
MONDE	Monde Nissin Corp.	P10.20	+P0.25	+2.51%
MPI	Metro Pacific Investments Corp.	P4.42	-P0.02	-0.45%
PGOLD	Puregold Price Club, Inc.	P33.40	+P0.35	+1.06%
SCC	Semirara Mining and Power Corp.	P28.40	+P0.10	+0.35%
SM	SM Investments Corp.	P925.00	+P11.50	+1.26%
SMC	San Miguel Corp.	P104.80	+P1.30	+1.26%
SMPH	SM Prime Holdings, Inc.	P34.30	+P0.30	+0.88%
TEL	PLDT Inc.	P1,250.00	-P4.00	-0.32%
UBP	Union Bank of the Philippines	P82.00	+P0.40	+0.49%
URC	Universal Robina Corp.	P148.30	+P0.30	+0.2%
WLCON	Wilcon Depot, Inc.	P28.10	-P0.25	-0.88%

ACEN readies more investments abroad this year

AYALA-LED ACEN Corp. expects to invest more in energy projects overseas, the company's top official for international ventures said about plans that are to be decided in the coming months.

"I would be surprised if we wouldn't announce new investments overseas this year. I can see a few projects, which should be ready for investment decisions, in the next six to nine months," Patrice R. Clausse, chief executive officer of ACEN Renewables International Pte. Ltd. (ACEN International) told reporters in a recent media briefing.

He said that the energy company is looking at working with existing partners.

"I do expect more investments overseas this year," Mr. Clausse said. "It is hard to forecast the future in terms of new partners. I think certainly with existing partners, and on our own, I can see projects reaching investment decisions."

To date, ACEN has around 4,200 megawatts of attributable capacity spread across the Philippines, Vietnam, Indonesia, India, and Australia.

In April, the company announced its newest project in Lao People's Democratic Republic — the Monsoon Wind Project. The project is a collaboration among ACEN, BCPG Public Co. Ltd., Impact Electrons Siam Ltd., Mitsubishi Corp., and SMP Consultation and STP&I Public Co. Ltd.

"We recently also signed a partnership with Impact Electrons for the Laos project. They are focused on projects in Laos for export, export either to Vietnam or other countries in the future," he said.

The energy company said the power output of the project will then be sold to Vietnam's state-owned electric utility, Vietnam Electricity, making it the first cross-border wind project in Southeast Asia.

"Then, also, we have a partnership with BrightNight from the US in India that is a developer focused on what they called baseload renewables," Mr. Clausse said.

He described baseload renewables as combining technologies such as wind, solar, or battery to provide continuous power output.

Mr. Clausse added that they might expand this partnership to other geographies.

In March, ACEN said that it had partnered with US-based BrightNight LLC to develop and operate large-scale 1.2-gigawatt (GW) hybrid renewable energy projects in India.

ACEN is aiming to reach 20 GW of renewable energy capacity by 2030. — **Ashley Erika O. Jose**

OUTLIER

Earnings, long-term deals in Australia lift ACEN's share price

ACEN Corp.'s shares rose last week, thanks to bullish market sentiment after its first-quarter earnings results and its unit in Australia securing long-term contracts for its solar projects.

Data from the Philippine Stock Exchange showed a total of 78.37-million shares worth P473.43 million being traded from May 2 to 5. Local financial markets were closed on May 1 in observance of the Labor Day holiday.

Shares in the Ayala-led renewable energy platform increased by 2.7% week on week, finishing at P6.17 apiece on Friday from their P6.01 closing on April 28. The rise is a welcome development as the stock has fallen by 19% since the beginning of the year.

"The company's disclosure on securing long-term service agreements for two of its solar projects in Australia plus the net consolidated income reaching 5x year-on-year growth as of first quarter of 2023 has made it one of the most active stocks this week," Diversified Securities, Inc. Equity Trader Aniceto K. Pangan said in a Viber message.

"As of now, we can expect growth to be sustained with the commissioning of its new power plants. As newly commissioned plants are to be added to their current capacity, we may expect growth to continue but still await its stable operation," added Mr. Pangan.

As analysts await the stability of ACEN's newly commissioned power plants, revenue estimates were not provided, Mr. Pangan said.

Mercantile Securities Corp. Head Trader Jeff Radley C. See said ACEN's overall market sentiment "has been bullish since it has been growing its portfolio of energy companies."

"The stock is trading near the low end of the range coming from a high of P8.30 from the start of 2023," he said in a Viber message.

The company reported an attributable net income of P2.44 billion in the first quarter, more than threefold the increase from P752.45 million in the same period last year, driven by higher net generation on better wind resources.

In the same period, ACEN also recorded a 23.5% increase in its consolidated revenues to P9.14 billion from P7.40 billion amid brisk electricity sales.

In a stock exchange disclosure, ACEN said its unit in Australia had secured 20-year service contracts for its solar projects at a price that protects it from low wholesale electricity prices.

The energy service agreements are for ACEN Australia's 720-megawatt (or 936-MW direct current [MWdc]) New England solar project and 400-MW (520 MWdc) Stubbo solar project. The contracts were secured through the New South Wales (NSW) government trustee's inaugural tender for renewable generation and long-duration storage.

The New England and Stubbo solar projects can supply power to about 435,000 households once fully operational, helping the NSW government in reaching its target of a 50% remissions reduction by 2030.

The listed energy platform of the Ayala group has about 4,200 MW of attributable capacity spread across the Philippines, Vietnam, Indonesia, India, and Australia. The firm said that its renewable share of capacity stood at 98%, among the highest in the region.

ACEN eyes to be the largest listed renewables platform in Southeast Asia, aiming to achieve 20 gigawatts in attributable renewable energy capacity by 2030. The company is also committed to the transition of its generation portfolio to 100% renewable energy by 2025 and to become a net zero greenhouse gas emissions company by 2050.

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"We can expect investors' interest on the company going through this week," he said.

Mr. See said investors are buying the stock "as the selling pressure is slowly subsiding." He placed the stock support level at P5.88 per share, while resistance levels are P6.50 and P7.00 per share. — **Lourdes O. Pilar**

Converge still open to partnership with Starlink

CONVERGE ICT Solutions, Inc. (Converge) said it is still open to signing a partnership agreement with Elon Musk's Space Exploration Technologies Corp. (SpaceX) which operates Starlink for the installation of satellite connectivity in unserved areas.

*"Pwede pa kami mag-*marketing agreement *kasi meron pa kaming mga* areas *na hindi ma-*serve *ng* fiber *na pwedeng lagyan ng* satellite," Converge Co-Founder and Chief Executive Officer Dennis Anthony H. Uy said.

(We can still forge a marketing agreement because there are still areas that cannot be served with fiber internet that can make use of satellite).

Mr. Uy made the statement after he shared that the company is doing a demo of its military satellite from Washington-based satellite communications company Kymeta Corp.

"*Wala naman* issue *kasi* they complement each other (I don't think there will be an issue as they complement each other," he added.

Mr. Uy said that the company saw a demand for satellite communication technology as it allows stable connectivity even in the middle of the sea.

"We are so happy because we have some of the fishermen who go to Solomon Islands who previously used old technology, but when they saw our technology, 40 vessels wanted to sign up," he said.

"This is more for a 'niche market.' The satellite is very expensive and that is why it cannot compete with fiber. Its usage is totally different but there's still a market," he added.

Satellite communication technology is said to be valuable for disaster and military operations. However, it is expensive at $5,000 a month, according to Mr. Uy.

Meanwhile, Mr. Uy said that the company recorded an increase in its nationwide household coverage in the first three months of the year.

"I think we are reaching close to 8 million ports and 16 million homes passed already. Right now, we have 25 million houses, so more or less we are reaching almost 60%," he said.

"We built ahead of schedule. Our competitors were actually surprised because we build fast. And this is because we do the work ourselves instead of outsourcing," he added.

Mr. Uy said that the company will be looking into the low-income segment "because there are still segments that we haven't been into."

By the end of 2022, Converge's port count was approximately 7.9 million, which represented a 56.2% nationwide household coverage. — **Justine Irish D. Tabile**

D&L to trim capex on plant's completion

D&L INDUSTRIES, Inc. is reducing its capital expenditure (capex) budget this year amid the scheduled completion of its new manufacturing plant in Tanauan, Batangas; its top official said.

"We are anticipating lower amount spent on capex going forward… It's just the expansion plan in Batangas, mostly," D&L President and Chief Executive Office Alvin D. Lao said during a media briefing.

For the year, the company is allocating P1.6 billion in capex, 54.3% lower than the P3.5 billion the prior year, as it nears the completion of its new plant, which is set to begin operations by mid-2023.

"We are still spending and finalizing the construction [of the plant] but it is much smaller," Mr. Lao added.

In the first quarter, the company reported a 24% decline in net income to P594 million from P780 million the prior year when its customers beefed up inventories amid supply chain issues.

"The last two years when there were a lot of supply chain problems, companies were very concerned that they may lose inventory. So, they would order more than normal just to make sure they have enough inventory," he said.

D&L Industries' sales for the three months decreased by 16% to P8.41 billion from about P10 billion in the previous year. Its gross profits for the period increased by 4% to P1.39 billion from P1.34 billion due to the bigger share of its high-margin products. High-margin specialty products contributed 64% to total revenues.

D&L's consumer product original design manufacturer segment saw a 76% increase in income driven by continued economic re-openings and the resumption of face-to-face activities.

Food ingredients booked a 14% increase during the quarter due to better margins as raw material prices continued to normalize.

The income of its Chemrez segment declined by 41%, while earnings from its specialty plastics business declined by 36%.

"While the first two months of the year were weaker-than-expected, we anticipate things to be much better moving forward as we started seeing volumes coming back in March," Mr. Lao said in a statement.

"This year, we are confident that the resilience and the ability to adapt to changing business landscape built over the years will allow us to continue to thrive despite various macroeconomic challenges," he added.

D&L shares fell by 3.5% or 29 centavos to P7.99 per share on Friday. — **A. H. Halili**

SteelAsia's largest steel mill to start operating by June

STEEL rebar producer SteelAsia Manufacturing Corp. is set to begin the commercial operations of its largest steel mill, which is in Cebu's Compostela town, by June this year to increase its production capacity.

In a statement over the weekend, the company said the Compostela steel mill has produced its first reinforced steel bars as it entered the final phases of its commissioning stages.

The facility has an annual production capacity of one million tons of "high-strength" rebars, it said. It will also produce a welded reinforcing mesh, marking the first of its kind in Visayas and Mindanao.

SteelAsia said that it has been "investing heavily" in manufacturing plants to boost local capacity and reduce the country's dependence on imports.

"This is another major step for our country to be self-sufficient for our steel needs, a goal SteelAsia is committed to pursue. Every single country in the region is self-reliant and the Philippines should not be left behind to depend only on imports," SteelAsia Chairman and Chief Executive Officer Benjamin O. Yao said.

According to SteelAsia, the Development Bank of the Philippines (DBP) funded the project with P5.7-billion worth of long-term loans.

"SteelAsia and DBP signed the loan agreement in June 2020 and construction was completed in 30 months despite the global pandemic and supply chain disruptions," the company said.

SteelAsia disclosed that its total annual production capacity is now at three million tons with the nearing operation of the new Compostela steel mill, along with the company's six other mills across the country. — **Revin Mikhael D. Ochave**

FULL STORY

Read the full story by scanning the QR code or by typing the link < bit.ly/SteelAsia050823 >

SMPC set to further develop Calaca power plant

SEMIRARA Mining and Power Corp. (SMPC) is pushing through with its plan to further develop its Calaca power plant, its chairman said, as he ruled out the possibility of purchasing existing plants.

"We are open to purchasing other plants, but the prices being offered in the market make it better for us to pursue developing plants like our San Raphael rather than purchase existing plants," Isidro A. Consunji, chairman and chief executive officer of SMPC, said during the company's stockholders meeting last week.

SMPC is the administrator of the 700-megawatt (MW) coal-fired power plant in Calaca, Batangas through its subsidiary St. Raphael Power Generation Corp.

Mr. Consunji said that for the company's power business, SMPC intends to stay either with bilateral contracts with fuel pass-through or stay in the spot market.

"For the power business, the present volatile prices prevent us from taking a firm stand on fixed-rate contracts," Mr. Consunji said.

He added that if fuel prices settled at low prices, then the company might consider going back to more bilateral contracts.

Meanwhile, the integrated energy company also intends to sell more coal in the Philippines this year.

"Previously, 50% of our coal was exported. This year, we intend to sell 70% to the local market and just 30% for export," he said.

While the company had acknowledged that it does not have a coal exit plan as it will be difficult for it to do so — the fossil fuel is its primary product, Mr. Consunji said SMPC has a mitigating plan to offset its carbon emissions.

"However, our approach is a carbon mitigating plan, which is to offset the carbon emission of our coal and power plants with carbon credits and other mining activities and reforestation that will mitigate a lot of this carbon being emitted by our existing business," he said.

For 2023, SMPC President and Chief Operating Officer Maria Cristina C. Gotianun said that the company is expecting to produce 15 to 16 million metric tons from its Molave and Narra mines.

"Fifty percent will be from Molave and the other 50% will be from Narra mine," she said. — **Ashley Erika O. Jose**