Philippine Stock Exchange index (PSEi) 6,560.22 ▼55.73 PTS. ▼0.84%

THURSDAY, MAY 25, 2023 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P691.50	-P8.00	-1.14%
ACEN	ACEN Corp.	P6.06	-P0.09	-1.46%
AEV	Aboitiz Equity Ventures, Inc.	P55.00	-P0.15	-0.27%
AGI	Alliance Global Group, Inc.	P13.08	-P0.04	-0.3%
ALI	Ayala Land, Inc.	P26.00	-P0.40	-1.52%
AP	Aboitiz Power Corp.	P37.00	-P0.50	-1.33%
BDO	BDO Unibank, Inc.	P135.00	-P1.00	-0.74%
BPI	Bank of the Philippine Islands	P103.00	-P2.00	-1.9%
CNVRG	Converge ICT Solutions, Inc.	P10.90	-P0.10	-0.91%
DMC	DMCI Holdings, Inc.	P9.66	-P0.18	-1.83%
EMI	Emperador, Inc.	P21.00	-P0.10	-0.47%
GLO	Globe Telecom, Inc.	P1,720.00	——	
GTCAP	GT Capital Holdings, Inc.	P510.00	-P2.00	-0.39%
ICT	International Container Terminal Services, Inc.	P200.00	-P1.40	-0.7%
JFC	Jollibee Foods Corp.	P234.00	+P4.00	+1.74%
JGS	JG Summit Holdings, Inc.	P50.50	-P0.50	-0.98%
LTG	LT Group, Inc.	P9.50	-P0.40	-4.04%
MBT	Metropolitan Bank & Trust Co.	P58.90	-P0.40	-0.67%
MER	Manila Electric Co.	P325.60	-P3.40	-1.03%
MONDE	Monde Nissin Corp.	P8.50	-P0.06	-0.7%
MPI	Metro Pacific Investments Corp.	P4.47	-P0.01	-0.22%
PGOLD	Puregold Price Club, Inc.	P30.80	-P0.55	-1.75%
SCC	Semirara Mining and Power Corp.	P28.50	-P0.10	-0.35%
SM	SM Investments Corp.	P916.00	-P13.00	-1.4%
SMC	San Miguel Corp.	P104.00	-P1.80	-1.7%
SMPH	SM Prime Holdings, Inc.	P34.00	——	
TEL	PLDT Inc.	P1,228.00	-P31.00	-2.46%
UBP	Union Bank of the Philippines	P79.75	-P0.15	-0.19%
URC	Universal Robina Corp.	P146.90	+P0.90	+0.62%
WLCON	Wilcon Depot, Inc.	P27.00	——	

PAL Holdings appoints Lucio Tan III as president

PAL Holdings, Inc. has appointed Lucio C. Tan III as its president, taking over the post of his grandfather, Lucio C. Tan, who retained his role as chairman and chief executive officer.

"As the newly designated President of PAL Holdings, I am committed to providing stability and upholding the highest level of integrity within the company," said Mr. Tan III in a statement on Thursday.

"I look forward to working closely with the Philippine Airlines (PAL) team, under the leadership of its president and chief operating officer, Stanley K. Ng, to ensure a collaborative and cohesive approach in serving the best interests of our customers," he said.

At the company's annual stockholders' meeting on Thursday, Mr. Tan III delivered the chairman's message, which cited a need to rebuild PAL's product and fleet.

"We face major challenges just the same. We must resolve many operational and supply problems that hinder PAL from extending the best possible service to its customers," he said.

"Philippine Airlines needs to be a stronger competitor and a leader in service and innovation. This is imperative for a company that aims to be the airline of choice in the market it serves, which is the vision we defined for our flag carrier," he added.

He noted that the strong economic upswing and the rebound of travel have helped the airline recover and thrive.

"As a result, we registered a positive operating income and total comprehensive income for 2022, with similar good results for the first quarter of 2023," he said.

PAL Holdings is the parent firm of PAL and another subsidiary Air Philippines Corp.

In the first quarter, PAL Holdings booked a more than four times jump in attributable net income to P4.65 billion from P1.08 billion a year ago. Its revenues rose by 78.7% to P42.21 billion from P23.62 billion after the number of passengers it carried more than doubled to 3.4 million.

Earlier this month, LT Group, Inc. named Mr. Tan III as president, replacing his uncle Michael G. Tan. The 30-year-old executive is the son of the late Lucio Tan Jr.

"During the transition, he shared decision-making responsibilities for business and operational matters with his uncle," LT Group has said.

Mr. Tan III is also serving as the chief operating officer and vice-chairman of LT Group concurrently with his post. He also serves as Tanduay Distillers, Inc. president and chief operating officer.

On Thursday, shares in PAL Holdings went down by 35 centavos or 6.17% to P5.32 each. — **Justine Irish D. Tabile**

Ginebra San Miguel lines up activities to boost consumption

GINEBRA San Miguel, Inc. (GSMI) plans new activities to increase the consumption of its products during the summer months, it said on Thursday, after reporting its first-quarter results.

"GSMI has lined up activities such as the Ginumanfest concerts featuring the country's top talents, bands, and GSMI brand ambassadors," it said in a statement.

The company will also hold its annual World Gin Day, a month-long celebration that will run through June.

"These activities are part of GSMI's countdown to its flagship brand's 190 years celebration in 2024," it added.

During the first quarter, the company reported an 80.7% rise in consolidated net income to P2.53 billion from about P1.40 billion.

"[This was due to a] P1.1 billion one-time income from the transfer of GSMI's right on Don Papa to a wholly owned subsidiary, Ginebra San Miguel," said Senior Vice-President and General Manager Emmanuel B. Macalalag during the company's shareholders' meeting.

Mr. Macalalag added that the company's operating income declined by 9% to P1.6 billion due to due to lower volumes and higher input costs in the first two months of the year, which reflected the temporary impact of price increases in February.

"Launching our Ngiting Instanalo consumer promo helped March volumes rebound quickly narrowing down the deficit to 5% at the end of the first-quarter closing at 11.5-million cases," he said.

The company's first-quarter top line rose by 3% to P12.95 billion from P12.62 billion. Gross profit declined by 5.6% to P3.04 billion from P3.22 billion due to an increase in raw material costs and excise tax rates. This was partly offset by price increases.

Cost of sales reached P9.91 billion, up 5.4% from about P9.40 billion the prior year. Expenses for selling and marketing fell by 4.9% to P792.53 million from P833.53 million.

"Despite the various challenges the industry has faced these past couple of years, GSMI has remained resilient and has consistently delivered excellent results," said Ramon S. Ang, GSMI president and chief executive officer. "We're off to a good start this year and we look forward to implementing programs that will excite our markets and drive our full-year performance."

The company is the maker of Ginebra San Miguel gin and other distilled spirits including GSM Blue Light Gin, GSM Blue Mojito, GSM Blue Margarita, GSM Blue Gin Pomelo, Ginebra San Miguel Premium Gin, 1834 Premium Distilled Gin, Antonov Vodka, Añejo Gold Rum, Primera Light Brandy, and Chinese wine Vino Kulafu.

On Thursday, its shares fell by 0.35% or P0.50 to end at P141.50 apiece. — **Adrian H. Halili**

ABS-CBN says upward trend to continue

ABS-CBN Corp. is confident of keeping the upward trend of its figures this year as it transitions from broadcasting to content production while targeting to regain profitability soon.

"We are confident in the upward trend of our numbers and expect 2023 to be even better than last year. While we are not yet where we want to be, we are certainly well on our way to getting here," ABS-CBN President Carlo L. Katigbak said at the company's annual stockholders meeting on Thursday.

"We reiterate our commitment to regain profitability and to emerge a better and stronger company in the near future. Likewise, even as we transition from broadcast to storytelling, we remain faithful to our mission of being in service for the Filipino people," Mr. Katigbak said.

To do this, the company is eyeing more partnerships with local and international companies to widen its reach.

"We're willing to work with any partner who is willing to bring our programs to their audiences. Whether those are free TV, pay TV, or online streaming," Mr. Katigbak said.

On May 23, the company said that it had entered a joint venture with media company Prime Media Holdings, Inc. for content development, production and distribution.

SKY CABLE SALE

Meanwhile, Mr. Katigbak said the sale of Sky Cable Corp. is strategic despite it being one of the surviving assets after the non-renewal of ABS-CBN's franchise.

"The primary growth area for Sky Cable is its broadband services. For Sky Cable to continue to be competitive and succeed in the market today, the company will need to invest a lot of capital to expand and uplift its broadband services," he said.

He said neither ABS-CBN nor Sky Cable is in a position to invest "this kind of money at this time." Rather than see its market share shrink, "we believe this is a good time to sell the company," he added.

In March, PLDT Inc. disclosed its plan of acquiring Sky Cable for P6.75 billion in a move to strengthen both companies' coverage and services. The sale and purchase agreement covers 100% of Sky Cable's total issued and outstanding capital stock consisting of around 1.38 billion common shares.

In its latest briefing, PLDT said the acquisition was being reviewed by the Philippine Competition Commission.

Beginning March 1, acquisitions that breach a "size of party" of P7 billion and a "size of transaction" of P2.9 billion require transacting parties to notify the commission for a mandatory merger review.

In the first quarter, ABS-CBN suffered an attributable net loss of P1.16 billion, narrowing the P1.38-billion loss it incurred a year ago.

Its top line reached P4.26 billion, down 8.3% from P4.65 billion previously. Advertising and subscription revenues still accounted for the largest portion.

ABS-CBN's advertising revenues reached P2.34 billion, up 57.8% from P1.48 billion, while subscription revenues declined 42.6% to P1.48 billion from P2.57 billion.

On Thursday, shares in the company declined five centavos or 0.67% to P7.45 each. — **Justine Irish D. Tabile**

Ayala Corp. raises P13 billion from preferred shares offering

AYALA Corp. has raised P13.11 billion from the sale of preferred shares as excess demand prompted the exercise of its oversubscription option on top of the base offer.

In a regulatory filing, the company said that it had sold 4 million shares for P10 billion, which constitutes the base size of the offer, and raised P3.11 billion from around 1.24-million preferred shares through the oversubscription option. The shares were priced at P2,500 each.

The 5.24-million preferred class A shares are set to be reissued on the main board of the Philippine Stock Exchange. Ayala's class A preferred shares were offered to trading participants from May 8 to 19. They will be available for listing on May 29.

Ayala's offer shares will be issued from its class A treasury shares. As a result of the listing, about 6.76 million will remain of the company's treasury shares.

Ayala said proceeds from the offering are intended to refinance its peso-denominated bonds and short-term loans, fund its capital expenditures and partially refinance its callable preferred B shares due 2023.

The diversified conglomerate said that about P10 billion in net proceeds will be used to partially or fully refinance its fixed-rate bonds due on July 7, 2023, with an interest rate of 3.92% per annum, which was issued in 2016.

The company also said that about P4.5 billion will be used to partially repay its short-term loan to the Bank of the Philippine Islands. The proceeds of the short-term loan were used to partially finance Ayala's participation in the stock rights offering of Globe Telecom, Inc. Any remaining amount from the loan will be paid from internally generated funds, it said.

Additionally, P1.3 billion will be used to finance the company's capital expenditure for AC Infrastructure Holdings Corp., which will be used to fund AC Infrastructure's share in Light Rail Manila Corp (LRMC).

LRMC will use the allotment to finance its capital spending related to the contraction of the LRT-1 Cavite extension project, which aims to add five more stations to be completed by early 2025. A portion of the fund will also be used to service the company's debt.

"Ayala anticipates that AC Infra will later return such equity infusion to it by way of dividends," it added.

A portion of the proceeds, or about P4.1 billion, will be used to refinance the company's P10-billion 5.25% series B preferred shares, which are due on Nov. 15, 2023.

The company tapped BPI Capital Corp. as issue manager, it was also tapped as joint lead underwriters and bookrunners. Along with BDO Capital & Investment Corp., China Bank Capital Corp., RCBC Capital Corp., and SB Capital Investment Corp.

Ayala closed 1.14% lower at P691.50 per share. — **Adrian H. Halili**

ICTSI ties up with San Miguel's RFID unit for fast, seamless gate process

INTERNATIONAL Container Terminal Services, Inc. (ICTSI) Manila port is partnering with a unit of San Miguel Corp. (SMC) to enable a faster and more seamless gate process.

"The partnership will enable RFID (radio-frequency identification) scanners at the terminal gates to read Autosweep tags and match the trucks' plate numbers," ICTSI said in a press release.

The partnership is with SMC's subsidiary Intelligent E-Processes Technologies Corp. (IETC), which manages the Autosweep RFID, and ICTSI's Manila International Container Terminal (MICT).

"Our investment in RFID technology is part of our constant effort to optimize the flow of cargo to and from the terminal," MICT Information Technology Systems and Services director Reynaldo Mark Cruz Jr. said, adding that one of the challenges MICT encounters is the low success rate of license plate recognition cameras due to the poor condition of some truck's plates.

"There were even trucks that just use laminated paper to display their MV file numbers," he said. "Using Autosweep's RFID tags as a second alternative to identifying trucks addresses this problem and speeds up our gate operations."

IETC will be deploying personnel at MICT to offer free Autosweep tag installation. The enrolled trucks will also enable them at RFID lanes of SMC-operated toll roads.

ICTSI said MICT's investment in technology has made operations more efficient and has helped in shielding the terminal from supply chain disruptions during the pandemic.

"MICT will continue to build on the gains from these technologies to further optimize its operation as it caters to increased demand resulting from the global economic recovery," it said. — **Justine Irish D. Tabile**

AirAsia sees rebound, readies new routes

BUDGET CARRIER AirAsia Philippines is expecting a strong revival in the third quarter in line with new flights and increased flight frequency.

"AirAsia Philippines is poised to sustain its recovery towards the third quarter and the rest of 2023," AirAsia Communications and Public Affairs Country Head Steve F. Dailisan said in a statement.

"We are witnessing a return to our pre-pandemic levels, and we intend to capitalize on this by significantly increasing our flights to both new and established destinations," Mr. Dailisan said.

In the third quarter, AirAsia will be launching new international routes including flights to Busan, Fukuoka, Narita, Shenzhen, and Shanghai.

The airline is also building up Cebu as its alternative hub for travelers from Japan and South Korea, aside from local travelers who regularly fly from Mactan-Cebu International Airport to AirAsia destinations in the Visayas and Mindanao.

"Exciting destinations Cebuanos should watch out for include Narita, Tokyo, Hong Kong, Fukuoka, and Shanghai," AirAsia said.

Aside from this, AirAsia will also be mounting fly-thru flights to Maldives via Kuala Lumpur, Malaysia for travels from June 6 to Dec. 14.

By the middle of the third quarter, AirAsia will be increasing the flight frequency of its existing domestic and international routes as some of its aircraft are poised to return.

"This improvement will allow passengers greater flexibility in planning their trips and ensure more convenient connections," the airline said.

AirAsia expects the expansion of its international network and increased flight frequencies will help in reinvigorating the travel industry and contribute to the revival of tourism and economic growth.

"The airline's commitment to implementing stringent health and safety protocols, in line with global standards, remains unwavering, ensuring a safe and enjoyable journey for all passengers," the low-cost carrier said. — **Justine Irish D. Tabile**