

**Philippine Stock Exchange index (PSEi)**

6,450.34 ▼58.00 PTS. ▼ 0.89%

MONDAY, JUNE 19, 2023

**BusinessWorld**

**PSEi MEMBER STOCKS**

<b>AC</b> Ayala Corp. P615.00 ---	<b>ACEN</b> ACEN Corp. P5.03 -P0.27 -5.09%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P56.50 -P0.95 -1.65%	<b>AGI</b> Alliance Global Group, Inc. P12.62 -P0.62 -4.68%	<b>ALI</b> Ayala Land, Inc. P24.40 -P0.05 -0.20%	<b>AP</b> Aboitiz Power Corp. P36.65 +P0.15 +0.41%	<b>BDO</b> BDO Unibank, Inc. P140.00 ---	<b>BPI</b> Bank of the Philippine Islands P106.30 -P0.70 -0.65%	<b>CNVRG</b> Converge ICT Solutions, Inc. P10.88 -P0.12 -1.09%	<b>DMC</b> DMCI Holdings, Inc. P9.39 +P0.18 +1.95%
<b>EMI</b> Emperador, Inc. P21.65 +P0.10 +0.46%	<b>GLO</b> Globe Telecom, Inc. P1,718.00 +P8.00 +0.47%	<b>GTCAP</b> GT Capital Holdings, Inc. P485.00 ---	<b>ICT</b> International Container Terminal Services, Inc. P200.00 -P2.00 -0.99%	<b>JFC</b> Jollibee Foods Corp. P240.00 ---	<b>JGS</b> JG Summit Holdings, Inc. P47.75 -P1.60 -3.24%	<b>LTG</b> LT Group, Inc. P9.48 +P0.13 +1.39%	<b>MBT</b> Metropolitan Bank & Trust Co. P53.10 -P0.60 -1.12%	<b>MER</b> Manila Electric Co. P333.40 -P2.60 -0.77%	<b>MONDE</b> Monde Nissin Corp. P8.21 -P0.38 -4.42%
<b>MPI</b> Metro Pacific Investments Corp. P4.43 +P0.05 +1.14%	<b>PGOLD</b> Puregold Price Club, Inc. P28.00 -P0.40 -1.41%	<b>SCC</b> Semirara Mining and Power Corp. P28.10 +P0.50 +1.81%	<b>SM</b> SM Investments Corp. P908.00 -P16.00 -1.73%	<b>SMC</b> San Miguel Corp. P108.00 ---	<b>SMPH</b> SM Prime Holdings, Inc. P33.50 -P0.50 -1.47%	<b>TEL</b> PLDT Inc. P1,286.00 +P26.00 +2.06%	<b>UBP</b> Union Bank of the Philippines P78.40 -P1.10 -1.38%	<b>URC</b> Universal Robina Corp. P138.70 -P1.30 -0.93%	<b>WLCON</b> Wilcon Depot, Inc. P24.60 +P0.20 +0.82%

# 15-year NAIA concession won't do much — consortium

A 15-YEAR concession period proposed by the Transportation department and the Manila International Airport Authority (MIAA) will not significantly transform the Ninoy Aquino International Airport (NAIA), according to a consortium backed by six conglomerates, saying that a 25-year concession period is a more practical option.

"Under a 15-year concession period, the passenger service charge increase will be more abrupt than say a 25-year concession period," Kevin L. Tan, Manila International Airport Consortium (MIAC) director and Alliance Global, Inc. chief executive officer (CEO), said on the sidelines of a media briefing on Monday.

"Honestly, I think that a 15-year concession period will not really do much in terms of transforming the airport. We have already studied that before and we have actually backed out of that

proposal because we don't think it would be meaningful for the Filipinos," he added.

Mr. Tan was referring to the joint proposal submitted by the Department of Transportation (DoTr) and the MIAA to the National Economic Development Authority.

Under the P141-billion solicited proposal of the two government agencies, the private concessionaire will have 15 years to operate the airport and recover its investment.

The DoTr has yet to respond to a request for comment.

On April 27, the MIAC, composed of Aboitiz Infracapital, Inc., AC Infrastructure Holdings Corp., Alliance Global-Infracorp Development, Inc., Filinvest Developments, and JG Summit Infrastructure Holdings Corp., and the Global Infrastructure Partners, submitted an unsolicited proposal for the rehabilitation of NAIA.

**PROJECT COST**

In the regulatory filings posted by the companies in April, they said that the proposal was valued at over P100 billion. Filinvest Development Corp. said in a disclosure on Monday that it solely referred to the initial investment throughout the first five years.

"Maybe there's a confusion on the project's cost, but the project cost involves the upfront payment of P57 billion and the around P211 billions of development cost. The initial proposal was like that, nothing changed," Cosette V. Canilao, president and CEO of Aboitiz Infracapital, told reporters on Monday.

According to Mr. Tan, the MIAC will offer both significant unprecedented capital and economic value in its unsolicited proposal.

The consortium will make an upfront concession payment of

around P57 billion, "a never-before-seen amount for any upfront concession payment," he said.

The proposal also includes a P57 billion in committed capital for rehabilitation in the first five years of operations, as well as P154 billion in long-term capital commitments through 2048.

The project is also seen to contribute around P280 billion from ongoing revenue shares and taxes and P258 billion from net economic benefits such as employment creation.

"These equate to over P805 billion [in value] through a 25-year concession period. If you notice, a lot of the investments come in the beginning part and then the rest come towards the first five years and then beyond. The investments are slightly frontloaded in order for it to really really have a meaningful and transformational change for NAIA," Mr. Tan said.

**MASTERPLAN**

The consortium said that the NAIA masterplan will have multiple phases centered on the P267-billion investment.

Its three main development phases will include improvements to capacity and reliability as well as the overall experience of passengers.

The first phase of the masterplan, called "Quick Wins," will be implemented over the first two years with the goal of quickly increasing the airport's capacity to 54 million passengers per annum (MMPA) by 2025 from the current P31 MMPA.

The initial phase will cover the improvements and optimization of processes, introduction of new concepts and technology, airfield upgrades, facade refreshing, and landscaping, among others.

For the second phase, the consortium is looking to increase the capacity of the airport to 62.5 MMPA by 2028 through

expansion and development of the terminal floor area of Terminals 2 and 3, airfield facilities and enhancements to cross-terminal transportation.

The last phase targets to increase the airport's capacity to 70 MMPA by 2048 and covers long-term expansion and development such as the additional expansion of Terminals 1 and 2 and airfield and runway upgrades.

According to the consortium, the terminal annex will receive 52% of the P57 billion in capital expenditures (capex) for the first five years, followed by civil works (24%), asset renewals (7%) and people mover system (4%) and "Quick Wins" (5%), with the remaining 8% going to other expenses.

Meanwhile, the estimated capex split for the P211-billion budget from 2024 to 2048 is 57% on growth projects and 43% on asset renewals. — **Justine Irish D. Tabile**

## Wilcon expects muted growth this year — CEO

LISTED home improvement and construction supply retailer Wilcon Depot, Inc. expects muted growth this year due to its high base in 2022 and a shift in consumer priorities, the company's chief executive officer (CEO) said on Monday.

"Because we do have a high base [from the prior year]... and discretionary spending by consumers are more towards [revenge travel], [this] would have an impact on the growth that we are looking at for 2023," said Wilcon Depot President and CEO Lorraine Belo-Cincochan during a media briefing.

She added that the company will continue to focus on expanding its store network and enhancing its product offerings, as well as adapting its store formats to different markets.

According to the company, it plans to al-

locate around P3 billion on new stores, warehouses, and renovations.

It had earmarked about P3.95 billion in capital spending the previous year, higher than this year's P3.8 billion.

The company also expects to exceed its store expansion goal this year, opening 12 to 14 additional stores.

"We continue building more stores, and we might end up with about 93 stores by the end of the year," said Wilcon Senior Executive Vice-President and Chief Operating Officer Rosemarie B. Ong.

Wilcon hopes to open 100 stores by the end of 2025, with the company now operating 85 outlets across the country.

"There are still a lot of untapped areas," Ms. Ong said.

Last year, the company reported a net income of P3.85 billion, up 50.2% from P2.56 billion in 2021. Its top line likewise rose by 22.2% to P33.97 billion from the P27.81 billion recorded the prior year.

For the first quarter of 2023, the company reported a 13.1% jump in net income to P962 million from the P850.67 million the prior year, driven by higher revenues.

Its top line during the three-month period went up by 12.9% to P8.74 billion from P7.74 million in the same period last year. Its expenses rose by 12.8% to P7.32 billion from P6.49 billion the prior year.

Wilcon shares closed 0.82% higher at P24.60 apiece on Monday. — **Adrian H. Halili**

## AppleOne, Marriott International ink new deal for Bohol hotel

CEBU-BASED property developer AppleOne Properties, Inc. on Monday said that it had signed another deal with Marriott International to build a five-star hotel in Panglao, Bohol.

"Surviving the worst effects of the pandemic, people are now eager to make up for the lost time and travel, and we intend to bank on that," AppleOne President and Chief Executive Officer Ray Go Manigsaca said in an e-mailed statement.

"We want to entice them more by bringing the luxury experience to the regions starting with Bohol which we believe they will enjoy even more because of the experiences and tourist destinations," he added.

The company said that the JW Marriott Panglao Island Resort & Spa will be Panglao's first five-star hotel.

"JW Marriott is part of Marriott International's luxury portfolio and consists of award-winning properties and beautiful resort locations around the world," the company said.

It added that the new property in Bohol will add to

Marriott's roster of over 100 hotels across 35 countries. It will ensure that the new hotel will offer "modern conveniences and 5-star amenities" in Panglao.

"The province boasts of endless nature-charged experiences in the tropical island life from chasing waterfalls, soaking in cave pools, swimming next to aquatic creatures, to getting lost in the beauty of the Chocolate Hills," the company said.

This is the company's third partnership with the Marriott brand following its Sheraton Cebu Mactan Resort and the Fairfield by Marriott Cebu Mactan.

AppleOne is banking on the recovery of tourism as it seeks to expand its hotel portfolio through partnerships with international brands.

"It is in constant pursuit of partnering with international luxury property brands as it holds on to its ultimate goal of turning the spotlight on the Philippines as a premier travel destination that offers not only unique experiences but also luxury and comfort away from home," it said.

— **Adrian H. Halili**

## NGCP: Investment in substation upgrades reaches P6.47B

THE National Grid Corp. of the Philippines (NGCP) on Monday said that it had invested about P6.47 billion in substation upgrades to ensure grid resilience.

"The company continually implements projects to improve substation operations for the efficient and reliable delivery of power," the NGCP said in a statement.

Since taking over the transmission system from the government in 2009, the grid operator has spent around P3.29 billion to modernize 15 of its substations and converter stations, it noted.

The NGCP also said that these upgrades cater to the increasing load and reliability of the system.

The NGCP also said that between 2018 and 2021, it replaced 33 power transformers for a total of P1.8 billion.

Twenty-one of these transformers are in Luzon, three are in Visayas, and nine are in Mindanao.

"Besides this, 14 spare power transformers worth \$14.6 million or P764 million were also delivered to six substations in North Luzon, five in South Luzon, one in Visayas, and two in Mindanao," it said.

At the same time, the NGCP said that it had spent around \$12.1 million or P612 million on four mobile transformer units as part of its ongoing preparations

for the effects of man-made and natural disasters that may derail the transmission sector.

Many of these improvements were implemented in 2016 but still have yet to receive the provisional approval of the Energy Regulatory Commission (ERC), the NGCP noted.

"Given the operational need, NGCP proceeded with the implementation of these projects, setting aside for later, the issue on recovery approvals from the ERC," the NGCP added.

*BusinessWorld* sought comment from the ERC but has yet to receive a reply as of press time.

In a previous statement, the NGCP said it had invested about

P300 billion in improving the power transmission system since it took over in 2009.

The NGCP has also committed to finishing some transmission projects deemed vital to the country's energy sector.

In June, the Energy department created a performance assessment and audit team to oversee the operations of the transmission network provider and system operator.

To recall, calls have emerged for a performance audit of the NGCP following the tripping of transmission lines on May 8, raising red and yellow alerts over the Luzon power grid. — **Ashley Erika O. Jose**

## Alsons eyeing more partnerships, earmarks P6 billion for power projects

ALSONS Consolidated Resources, Inc. said on Monday that it is exploring various partnerships to increase the share of renewable energy in its power generation portfolio.

"We have always been open to cooperation and partnerships with potential equity investors from similar industries as well as other financial institutions and fund managers in our projects

and we will continue to do so in the upcoming years," Antonio Miguel B. Alcantara, chief investment and strategy officer of Alsons, said during the company's annual stockholders' meeting.

The company is allocating an estimated P6 billion for capital expenditures over the next three years, he also said.

"We shall finance our projects through a combination of project,

term loans and internally generated funds," he noted.

Mr. Alcantara also said the company will continue to invest and expand its power generation portfolio by adding more renewable energy projects.

For 2023, the company expects to start the commercial operations of its 14.5 megawatts (MW) Siguil hydropower plant, while its Siayan hydro project in Zam-

boanga del Norte and the Bago hydro project in Negros Occidental are poised for development.

With these developments, Mr. Alcantara said the company is continuously on the lookout for other hydropower-related opportunities.

"As we move forward in developing our renewable energy projects one after the other, we are able to continuously improve

our approach and methodology leading to reductions in project-related costings, allowing us to achieve greater returns, be more competitive and embed ourselves to more communities as we move forward to power Mindanao," he said.

The company is hoping to diversify its power generation with the addition of solar power as an immediate focus area.

"We intend to launch our first solar project by the end of 2024," Mr. Alcantara said.

To date, Alsons has four power facilities with a combined capacity of 468 MW. The company serves 14 cities and 11 provinces in the country.

At the local bourse on Monday, shares in the company closed unchanged at 72 centavos each. — **Ashley Erika O. Jose**