Philippine Stock Exchange index (PSEi) 6,661.11 ▲29.86 PTS. ▲0.45%

TUESDAY, JULY 25, 2023
BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P641.00	+P2.00	+0.31%
ACEN	ACEN Corp.	P5.55	+P0.12	+2.21%
AEV	Aboitiz Equity Ventures, Inc.	P53.55	-P0.10	-0.19%
AGI	Alliance Global Group, Inc.	P12.74	-P0.06	-0.47%
ALI	Ayala Land, Inc.	P27.45	-P0.05	-0.18%
AP	Aboitiz Power Corp.	P36.00	+P0.80	+2.27%
BDO	BDO Unibank, Inc.	P147.50	-P2.50	-1.67%
BPI	Bank of the Philippine Islands	P118.30	+P3.30	+2.87%
CNVRG	Converge ICT Solutions, Inc.	P10.50	-P0.06	-0.57%
DMC	DMCI Holdings, Inc.	P9.80	+P0.20	+2.08%
EMI	Emperador, Inc.	P20.95	-P0.05	-0.24%
GLO	Globe Telecom, Inc.	P1,930.00	+P10.00	+0.52%
GTCAP	GT Capital Holdings, Inc.	P540.00	+P6.00	+1.12%
ICT	International Container Terminal Services, Inc.	P206.40	+P2.40	+1.18%
JFC	Jollibee Foods Corp.	P259.80	+P1.80	+0.7%
JGS	JG Summit Holdings, Inc.	P44.15	+P0.25	+0.57%
LTG	LT Group, Inc.	P9.60	+P0.02	+0.21%
MBT	Metropolitan Bank & Trust Co.	P59.45	+P1.85	+3.21%
MER	Manila Electric Co.	P350.00	+P3.00	+0.86%
MONDE	Monde Nissin Corp.	P8.70	+P0.09	+1.05%
MPI	Metro Pacific Investments Corp.	P4.90	-P0.01	-0.2%
PGOLD	Puregold Price Club, Inc.	P29.40	-P0.60	-2%
SCC	Semirara Mining and Power Corp.	P29.85	+P0.25	+0.84%
SM	SM Investments Corp.	P924.00	+P1.00	+0.11%
SMC	San Miguel Corp.	P108.00	+P1.50	+1.41%
SMPH	SM Prime Holdings, Inc.	P33.50	+P0.20	+0.6%
TEL	PLDT Inc.	P1,319.00	+P19.00	+1.46%
UBP	Union Bank of the Philippines	P73.20	-P0.30	-0.41%
URC	Universal Robina Corp.	P128.50	-P2.60	-1.98%
WLCON	Wilcon Depot, Inc.	P24.00	-P0.30	-1.23%

Co's listed firms post first-half profit growth

TWO of Lucio L. Co's listed businesses — Puregold Price Club, Inc. and The Keepers Holdings, Inc. — reported higher earnings during the first half of the year as they booked higher sales during the period.

In a disclosure on Tuesday, retailer Puregold recorded a net income of P4.4 billion, up 4.8% from the P4.2 billion posted in the same period last year, due to an increase in sales.

In the six months ending June, the company reported a 10.9% rise in its top line to P91.23 billion from P82.24 billion the previous year.

During the first half, its same-store sales went up 7% as its establishments saw a 6.7% rise in traffic, while "baskets were flattish at 0.2% year on year."

The company saw positive same-store sales growth of 5.9% from Puregold stores and 9.5% from S&R warehouse clubs for the period.

During the first half, it booked a 7.5% jump in gross profits to P16.85 billion from P15.68 billion in the same period last year.

"Double-digit top line growth was partially offset by compressed margins and higher operating expenses. The company increased its business activities and is gearing up to increase its store counts," it said.

Puregold's operating expenses went up by 12.8% to P11.69 billion from P10.37 billion the prior year.

The company announced earlier that it had acquired 14 DiviMart stores from their previous owners.

As of end-June, the company opened 16 new Puregold stores, one S&R Membership Shopping Warehouse, and one S&R New York Style quick service restaurant.

The group has a total of 543 stores nationwide, which include 467 Puregold stores, 23 S&R Membership Shopping Warehouses, and 52 S&R New York Style restaurants.

Meanwhile, liquor distribution company The Keepers reported an 18% increase in net income for the first half to P1.16 billion from P980.75 million in the same period last year due to stronger sales volume from its imported brandy, wines and specialty beverages.

The company's consolidated revenue for the period rose by 19% to P6.5 billion from P5.48 billion the previous year driven by a 10% growth in sales volume.

"This was driven principally by Alfonso, the leading imported brandy in the market, which has already surpassed its pre-pandemic levels, premiumizing market and on-premise channel rebound," The Keepers said in a separate disclosure.

Also, a factor in the rise of its top line was the price increases implemented during the two quarters ranging from 4% to 10%.

The company's operating expenses, likewise, climbed by 27% to P P457.17 million from P358.92 million due to an 18% increase in distribution costs and advertising and promotional expenses.

Other operating expenses such as taxes, transportation and travel, professional fees, and insurance covering inventory also posted an increase during the period, the company said.

The Keepers is a leading importer and distributor of spirits, wines, and related products in the Philippines.

On the local bourse on Tuesday, The Keepers jumped by 5.49% higher to P1.73 per share while Puregold fell by 2% to P29.40 a share. — **Adrian H. Halili**

PLDT seen to reduce average spending by over 10%, raise P58B from more tower sales

PLDT Inc. is expected to lower its average capital expenditures (capex) by more than 10% from 2023 to 2025, according to a report by Singapore's S&P Global Ratings.

The report — S&P's Asia-Pacific 5G: Telcos Face A Billion-Dollar Balancing Act — said telecommunication companies' investments in 5G technology "remains more credit risk than reward."

However, it said that average capex intensity, or capital spending as a proportion of revenue, among rated Asia-Pacific telcos will ease but will remain high from 2023 to 2025.

"We expect average capex intensity for the same population to be close to 19% in 2023 before easing slightly from 2024. This compares with the average of 20% in 2019-2022, the period during which most telcos rolled out 5G," S&P said.

"Some telcos will face less pressure than others. For rated telcos in Korea, Taiwan, and Philippines, we expect average capex to fall by more than 10% for 2023-2025," it said.

According to the report, the Philippines has 60%-80% of 5G population coverage since the first rollout in 2020.

"In contrast, we anticipate average capex will rise more than 10% for rated telcos in Singapore, Japan, and India for the same comparative periods. Bharti Airtel only started rolling out 5G in late 2022," it added.

The report has rated 14 telcos from different countries within the Asia-Pacific region, with PLDT rated for the Philippines.

S&P projects that telcos will continue to improve their 5G networks based on adoption rates and that tower building or leases will rise because 5G demands more towers and small cells.

Telcos are also seen to still benefit in its average revenue per user or unit and earnings from 5G services, said S&P.

"This is because data use typically rises with migration to 5G. For now, telcos use 5G to offer consumers faster mobile and fixed-wireless access. Not all telcos are charging a premium for 5G services," it said.

MONETIZED CELL TOWERS

In a separate report, credit rater Moody's Investor Services said PLDT would still have 4,430 towers or 37% of its tower portfolio to monetize.

"Based on average valuations for precedent transactions, PLDT's towers could fetch about P58 billion, which is a substantial source of funding for the company. We do not rule out that PLDT may classify some of the remaining towers as strategic and not available for sale," it said.

Since April 2022, PLDT has been monetizing its tower assets by entering sale-and-leaseback transactions for 7,569 towers valued at P98.3 billion. — **Justine Irish D. Tabile**

FULL STORY

Read the full story by scanning the QR code or by typing the link
< https://bit.ly/3Y4Z8N6 >

AbaCore to acquire 22.5-hectare property in Cavite for residences

ABACORE Capital Holdings, Inc. said on Tuesday that it is set to acquire a 22.5-hectare property in Silang, Cavite to for residential development.

In a regulatory filing at the local bourse, the company said its board of directors approved and authorized the investment into and acquisition of a property Cavite to replenish its land inventory and investments.

The company added that the final contract price is subject to the appraisal of an independent appraiser.

AbaCore said the property has a floor price of P5,000 per square meter (sq.m.) and a ceiling price of P7,000 per sq.m.

The company added that the purpose of the acquisition was to develop the site into an "income-generating residential development."

Its board also authorized its President Raul B. De Mesa and/or the Chief Operations Officer Arturo V. Magtibay, to sign any relevant documents for the investment into the property.

The company has yet to disclose further details on the acquisition.

During the first quarter, the company reported an attributable net income of P308.16 million, a reversal of the P12.65-million net loss it reported in the same period last year, due to a gain from the disposal of investment properties.

It booked a top line of P325.72 million during the three-month period from P4.57 million previously, while its expenses rose 62.3% to P21.12 million from P13.01 million.

AbaCore owns a controlling interest in companies engaged in financial services, real estate, gold mining, and coal mining. Its shares were unchanged at P2.63 each on Tuesday. — **Adrian H. Halili**

AboitizPower explores capital raising

ABOITIZ Power Corp. (AboitizPower) is looking at exploring opportunities to raise funds via the capital markets for its 2030 clean energy capacity targets.

"As agility is part of our transformation efforts, we are always exploring and ready to explore opportunities in the capital markets to finance our growth ambitions. Anything that we will do is opportunistic and purposeful," Emmanuel V. Rubio, president and chief executive officer of AboitizPower, said in a Viber message.

Earlier, the listed energy arm of the Aboitiz group said it was optimistic about reaching its renewable energy expansion target within the decade.

"Capex investment will be financed by the cash generated from operations and bank loans for major projects. In terms of capital raising, AboitizPower is in a good position having successfully completed its capital raising activities last year," Mr. Rubio said.

AboitizPower aims to expand its renewable energy portfolio in the next 10 years. It has set a target of building an additional 3,700 megawatts (MW) of renewables, growing its capacities to 4,600 MW by 2030.

According to its website, the company is setting aside about P190 billion to fund its renewable energy expansion target.

In January, AboitizPower, through its renewable energy arm Aboitiz Renewables, Inc., announced that it had secured a P20-billion loan agreement with the state-led Land Bank of the Philippines to fund the expansion of its renewable energy portfolio.

Currently, the company has pipeline projects of more than 1,000 MW, which include the development of renewables such as wind, solar, and geothermal plants. — **Ashley Erika O. Jose**

BW FILE PHOTO

Prime Energy says Malampaya target output exceeded

PRIME ENERGY Resources Development B.V. exceeded its target gas output in the second quarter, the gas exploration and development company announced on Tuesday.

In the second quarter, the company recorded its gas sales at 280 million standard cubic feet per day (MMSCFD), up by 2.2% against its initial target of about 274 MMSCFD.

"We intend to maintain a reliable supply of indigenous gas to our customers while we continue the hard work of exploring for new sources to address the natural decline of the Malampaya gas field," Donnabel Kuizon Cruz, general manager of Prime Energy, said in a media release.

Prime Energy, a subsidiary of Prime Infrastructure Capital, Inc., is a member of a consortium that operates the Malampaya gas field. The other members are UC38 LLC and PNOC Exploration Corp., which own a 45% and 10% interest, respectively.

The Malampaya gas field is considered vital to the country's energy sector because it supplies about 20% of Luzon's electricity requirements.

"We remain committed to being the partner of choice in providing energy sufficiency and security to the country," Ms. Cruz said.

To date, Malampaya is fully contracted to the four power plants of First Gen Corp., to which it supplies a combined capacity of 2,011 megawatts.

Service Contract 38, which covers the Malampaya gas field, was renewed until 2039, paving the way for the further development of indigenous energy sources.

Under the renewal agreement, the consortium has committed to drill at least two wells and to further explore and develop the fields within its service contract, which is also expected to yield about 210 billion cubic feet of additional reserves. — **Ashley Erika O. Jose**

PH1 expects more possibilities after its acquisition by Megawide

PH1 WORLD Developers, Inc. said on Tuesday that it sees more possibilities with its residential development projects after it was acquired by listed infrastructure company Megawide Construction Corp.

"We are very excited to officially be part of Megawide and believe that this is a strategic move for us, especially in terms of unlocking more possibilities — in the areas of design, engineering, and technological advances — that will further strengthen our offerings in the vertical and horizontal residential segments," PH1 President Ma. Gigi G. Alcantara said in a statement.

Megawide acquired 100% of PH1's capital stock or 579.46 million shares for P5.2 billion or P8.97 per share based on the fairness opinion report of FTI Consulting Philippines, Inc. It forged a share purchase agreement with Citicore Holdings Investment, Inc.

The deal was in line with Megawide's effort to tap the properties market, it aims to target affordable housing for below-middle-income or middle-income levels.

"Innovation unites our companies... [our] disruptive mindset, coupled with Megawide's innovative solutions approach to its developments, are expected to challenge existing norms and raise standards in the highly competitive local property scene," Ms. Alcantara said.

Meanwhile, the company said it is set to introduce two vertical developments in its pipeline that will be located in Pasig City and Clark, Pampanga.

Its other vertical projects are the My Enso Lofts and Modan Lofts Ortigas Hills, which offer residents the freedom to customize their living spaces and maximize functionality through its unique Add-Loft technology.

For its horizontal development, the company will also launch a project in Bulacan: the Northscapes San Jose Del Monte, which will highlight energy-efficient solutions.

"The plans include various technologies such as solar panels, tinted windows, insulated walls, E-shuttle, and solar-powered streetlights that will be incorporated in the units and the entire development to provide residents a more convenient, sustainable, and green lifestyle – with no extra cost," Ms. Alcantara said.

PH1 is a real estate company that aims to disrupt property development conventions through innovation and engineering technology. — **Adrian H. Halili**