

Philippine Stock Exchange index (PSEi)

6,677.92

▼1.21 PTS.

▼0.01%

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BusinessWorld

## PSEI MEMBER STOCKS

<b>AC</b> Ayala Corp. P630.50 -P12.50 -1.94%	<b>ACEN</b> ACEN Corp. P5.55 -P0.05 -0.89%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P55.50 +P0.85 +1.56%	<b>AGI</b> Alliance Global Group, Inc. P12.56 -P0.22 -1.72%	<b>ALI</b> Ayala Land, Inc. P27.45 +P0.45 +1.67%	<b>AP</b> Aboitiz Power Corp. P36.80 +P0.10 +0.27%	<b>BDO</b> BDO Unibank, Inc. P148.70 +P0.50 +0.34%	<b>BPI</b> Bank of the Philippine Islands P116.00 -P1.50 -1.28%	<b>CNVRG</b> Converge ICT Solutions, Inc. P10.10 -P0.28 -2.7%	<b>DMC</b> DMCI Holdings, Inc. P9.54 -P0.08 -0.83%
<b>EMI</b> Emperador, Inc. P21.00 ---	<b>GLO</b> Globe Telecom, Inc. P1,937.00 +P16.00 +0.83%	<b>GTCAP</b> GT Capital Holdings, Inc. P540.50 +P0.50 +0.09%	<b>ICT</b> International Container Terminal Services, Inc. P213.00 +P6.00 +2.9%	<b>JFC</b> Jollibee Foods Corp. P259.00 -P0.20 -0.08%	<b>JGS</b> JG Summit Holdings, Inc. P44.70 ---	<b>LTG</b> LT Group, Inc. P9.55 -P0.05 -0.52%	<b>MBT</b> Metropolitan Bank & Trust Co. P59.30 +P0.30 +0.51%	<b>MER</b> Manila Electric Co. P352.00 +P2.00 +0.57%	<b>MONDE</b> Monde Nissin Corp. P8.58 -P0.12 -1.38%
<b>MPI</b> Metro Pacific Investments Corp. P4.88 ---	<b>PGOLD</b> Puregold Price Club, Inc. P29.90 +P0.10 +0.34%	<b>SCC</b> Semirara Mining and Power Corp. P29.45 -P0.05 -0.17%	<b>SM</b> SM Investments Corp. P922.00 -P15.50 -1.65%	<b>SMC</b> San Miguel Corp. P108.00 -P1.00 -0.92%	<b>SMPH</b> SM Prime Holdings, Inc. P34.00 +P0.40 +1.19%	<b>TEL</b> PLDT Inc. P1,338.00 +P3.00 +0.22%	<b>UBP</b> Union Bank of the Philippines P74.20 ---	<b>URC</b> Universal Robina Corp. P126.60 +P0.90 +0.72%	<b>WLCON</b> Wilcon Depot, Inc. P23.50 -P0.50 -2.08%

## Internet cost

## Concerns persist despite SONA's digitalization push

By Miguel Hanz L. Antivola

PRESIDENT Ferdinand R. Marcos, Jr. highlighted digitalization advancements in his second State of the Nation Address (SONA) on Monday, but analysts said that internet affordability remains a major concern.

"Majority of Filipinos can only afford to 'buy' mobile internet subscriptions," David Michael M. San Juan, professor at De La Salle University (DLSU), said in an e-mail interview on Thursday.

"Granted for the sake of argument that speed is no longer a problem, price still is," he added. The country ranked 55<sup>th</sup> out of 117 countries in the Digital Quality of Life Index 2022, conducted by virtual private network service provider Surfshark, dropping from its position at 48<sup>th</sup> in 2021.

The Philippines performed the worst in internet affordability, ranking 98<sup>th</sup> globally, down 26 places from 72<sup>nd</sup> a year prior, according to the report.

"Internet in the Philippines is not affordable compared to global standards," Surfshark said.

It said a 1 gigabyte (GB) mobile internet package costs four minutes and 51 seconds of work per month in the Philippines, 59 times more than the five seconds of work needed to buy a 1 GB package in Israel, which has the most affordable mobile Internet in the world, based on the index.

"From what we see, the issues of internet access, cost, and reliability are the top most concerns to date," Ronald Gustilo, national campaigner of Digital Pinoys, said in a Viber message.

"[Around] 65% of Filipinos still do not have internet access for various reasons — mostly because they reside in geographically isolated and disadvantaged areas (GIDAs)," he said, citing data from the Department of Information and Communications Technology (DICT).

"However, they can have internet access through Starlink's low orbit satellite tech, but it is too expensive."

SpaceX launched its satellite internet service Starlink in the country in February, enabling access to GIDAs at a one-time hardware fee of P29,320 and monthly service fee of P2,700.

In his second SONA, Mr. Marcos underscored the role of digital transformation in improving the ease of doing business and combating corruption.

He said that mobile and broadband internet speeds have improved and will undergo further upgrades, with a priority on GIDAs.

The Philippines ranked 83<sup>rd</sup> out of 140 countries in June for mobile internet performance, with a download speed of 26.98 megabits per second (Mbps), according to the global network testing firm Ookla. This speed is below the global average of 42.92 Mbps.

"There is a clear need to prioritize the provision of telecommunication and internet services in GIDAs," Mr. Gustilo said.

"We see Executive Order (EO) 32 as a welcome development to this matter," he added.

EO 32 was issued this month to streamline the permitting process for the construction of telecommunications infrastructure in the country.

"No other national or local permit or clearance shall be required in the construction, installation, repair, operation, and maintenance of telecommunications and Internet infrastructure," the EO said.

The President also touted the National Fiber Backbone and Broadband ng Masa projects, aiming to deliver high-speed connectivity.

The National Fiber Backbone, which consists of five phases, is still awaiting completion of its first phase, which involves activating 28 fiber nodes in 12 provinces between the cities of Laoag and Quezon, as of November of last year, according to the DICT.

As of February, the Broadband ng Masa has established 4,385 operational live sites in 73 provinces, including Basilan, Sulu, Tawi-Tawi (BaSuLTa), and Pag-asa Island in the province of Palawan.

DLSU's Mr. San Juan also said that any talk of digital transformation will be incomplete without proactive plans for achieving total national electrification.

According to Mr. Marcos, complete electrification of the country is now within reach. But there are still 68 connections for the unified national grid delayed, according to the Energy Regulatory Commission's count.

"High electricity prices coupled with expensive, and still relatively slow, internet, any Filipino's dream for digital transformation will remain dreams," Mr. Marcos said. "Or they will just come true for certain segments of Philippine society, such as those who have money for premium services."

## E-GOVERNANCE

Mr. Marcos also highlighted the eGov PH app as the single and centralized mobile app for public convenience but did not elaborate on reliability concerns such as data privacy, crashes, and maintenance.

"The government should ensure that the information passing through e-governance platforms are protected at all times," Mr. Gustilo said.

"Proper training for personnel involved in the maintenance and operation of government platforms should also be provided to avoid data compromise."

Areas that the government should focus on digitalizing are those typically beset with red tape and corruption, said Terry L. Ridon, convener of Infracatch Philippines, in a Viber message.

Mr. Ridon cited the Bureau of Customs as an institution that continues to fail in fully digitalizing its services despite Republic Act 10863 or the Customs Modernization and Tariff Act.

"Full digitalization processes should be able to deter smuggling activities, including technical smuggling, as human intervention into transactions is severely minimized," he said.

"Funding in Customs digitalization should translate into better revenues to government and better prices to consumers."

## Wilcon registers 15.4% decline in net income for Q2

LISTED home improvement and construction supply retailer Wilcon Depot, Inc. reported on Thursday a net income of P855.77 million for the second quarter (Q2), down 15.4% from P1.01 billion the previous year.

The decline was attributed to higher operating expenses and a decrease in same-store sales growth, the company said in a disclosure.

Net sales for the quarter increased by 4% to P8.62 billion from P8.29 billion during the same period last year, while a slowdown in foot traffic and transaction count in old stores led to a 3.4% year-on-year drop in company-wide same-store sales growth.

"[We] had a slower growth in the second quarter mainly due to the decline in foot traffic in our old stores," said Wilcon President and Chief Executive Officer Lorraine Belo-Cincochan.

"While our sales still grew modestly in the second quarter, this was not enough to cover the increases in our fixed costs, which comprises the bulk of our [operating expenses]," she added.

Wilcon said that its operating expenses for the period, which include lease-related interest expenses, grew by 20.3% to P2.37 billion from P1.97 billion due to expansion activities.

Meanwhile, during the first half, the company posted

a 2.1% decline in net income to P1.82 billion from P1.86 billion during the same period last year, likewise driven by its "flat" comparable sales growth coupled with the increase in operating expenses.

Its top line during the six-month period went up by 7.6% to P17.15 billion from P15.94 billion the prior year, driven by contributions from new stores.

Its operating expenses, which include lease-related interest expenses, in the six-month period climbed by 21.4% to P4.68 billion from P3.86 billion the previous year.

"Expansion-related expenses primarily drove the increase particularly depreciation and amortization and manpower expenses," the company said.

Four new stores were added during the half while two bottom-dwelling, smaller format branches were closed, ending the half with 85 stores.

"We are still pursuing our expansion plans at our current pace. We want to be ready and conveniently within reach by our customers when demand picks up," Ms. Belo-Cincochan said.

"We still have seven ongoing construction projects, not including several that are in the planning or permitting stage, which are set to be opened next year," she added.

Shares for Wilcon fell by 2.08% to P23.5 apiece on Thursday. — **Adrian H. Halili**

## AboitizPower: Coal plants' contributions drive earnings

ABOITIZ Power Corp. (AboitizPower) recorded a consolidated net income of P10.3 billion for the second quarter, a 47.1% increase compared to P7 billion a year ago, boosted by fresh contributions from coal-fired power plants, the company said on Thursday.

"We envision a future of continued success in achieving our corporate objectives, where AboitizPower is recognized as a driving force in the country's energy sector, delivering sustainable growth and substantial returns to our investors," Emmanuel V. Rubio, president and chief executive officer of AboitizPower, said in a stock exchange disclosure.

The energy company of the Aboitiz group reported nonrecurring losses of P81 million for the

second quarter, compared to non-recurring gains of P923 million registered in the same period last year.

Excluding these one-off losses, AboitizPower's core net income stood at P10.4 billion, 69% higher than a year.

For the first half, AboitizPower recorded a net income of P17.8 billion, a 78% increase compared to the P10 billion net income a year ago.

The energy company said it booked nonrecurring gains of P37 million for the period, attributing these gains to commodity hedging.

Excluding the one-off items, AboitizPower said its core net income for the January to June period rose by 95% to P17.8 billion year on year.

"The company had an exceptional performance in the first six

months of 2023, driven by fresh contributions of our strategic investments and operational excellence outcomes," Mr. Rubio said.

The company's power generation and retail electricity supply business registered an earnings before interest, taxes, depreciation, and amortization (EBITDA) of P30.2 billion in the first semester, up by 30.7% compared to the P23.1 billion recorded in the same period last year.

Energy sales in the first half increased by 28.9% to 17,736 gigawatt-hours (GWh) from 13,762 GWh a year ago.

The company's power distribution businesses also recorded an EBITDA of P6 billion, double the P3 billion recorded in the same period last year.

AboitizPower's energy sales rose by 7.3% to 2,983 GWh, covering residential, commercial, and industrial customers, compared to 2,780 GWh a year ago.

"We remain on track toward achieving a 50:50 balanced mix portfolio by 2030 and continue to focus on providing reliable and innovative power while adapting to dynamic market conditions," said Mr. Rubio.

AboitizPower aims to expand its renewable energy by building an additional 3,700 megawatts (MW) of renewables by 2030.

The company targets a portfolio mix with 50:50 renewable energy and thermal capacities by 2030.

At the local bourse on Thursday, shares in the company gained 10 centavos or 0.27% to end at P36.80 apiece. — **Ashley Erika O. Jose**

## Robinsons Retail records 19% decline in Q2 income

ROBINSONS Retail Holdings, Inc. saw a 19% decline in attributable net income for the second quarter, amounting to P1.26 billion compared to P1.56 billion the previous year, despite higher revenues.

In a regulatory filing on Thursday, the company's top line during the quarter increased by 8% to P46.39 billion from P42.94 billion.

The company's first-half attributable net income also dropped by 34.3% to P1.8 billion from P2.74 billion the prior year due to higher forex losses and equitized losses from associates.

"The interest expense from the acquisition financing of the Bank of the Philippine Islands (BPI) shares which were acquired earlier this year was fully offset by the dividend income from the BPI shares," the company said.

Its sales for the six-month period rose by 10.5% to P90.98 billion from P82.37 billion the previous year.

"Topline sales were supported by blended same store sales growth (SSSG) of 6.3% and contributions from newly opened stores," the company said.

It added that its supermarkets, drugstores, and department store segments continued to post double-digit revenue growth "owing to sustained demand from the broad middle market."

"As we navigate the evolving economic landscape, we remain committed to prudent financial management, strategic decision-making, and sustainability in order to capitalize on opportunities to drive success and create shared value for our customers and stakeholders," Robinsons Retail President Robina Gokongwei-Pe said.

On Thursday, shares for RRH slipped by 0.8% to P55.55 apiece. — **Adrian H. Halili**

## CIC attributes income growth to core business strength

LISTED Concepcion Industrial Corp. (CIC) saw a 10% increase in net income, reaching P257.1 million for the second quarter, driven by its core business segments.

"Our second quarter performance demonstrated the strength of our core business and our ability to drive growth through our expanded portfolio, end-to-end customized solutions, and long-term relationships with our customers," said CIC President and Chief Executive Officer Raul Joseph A. Concepcion in a press release.

For the three-month period, the company's top line rose to P4.4 billion, a 20% increase from the previous year, while gross profits went up by 7% to P1.3 billion.

"We will continue to focus on these fundamentals, continue to generate operating leverage and explore business opportunities to complement our strategy that would reinforce our

position as the top consumer lifestyle and building and industrial solutions provider in the country," Mr. Concepcion said. — **Adrian H. Halili**

FULL STORY



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