

## Philippine Stock Exchange index (PSEi)

6,625.26

▼52.66 PTS.

▼0.78%

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## PSEI MEMBER STOCKS

<b>AC</b> Ayala Corp. P624.50 -P6.00 -0.95%	<b>ACEN</b> ACEN Corp. P5.33 -P0.22 -3.96%	<b>AEV</b> Aboliz Equity Ventures, Inc. P55.30 -P0.20 -0.36%	<b>AGI</b> Alliance Global Group, Inc. P12.44 -P0.12 -0.96%	<b>ALI</b> Ayala Land, Inc. P27.50 +P0.05 +0.18%	<b>AP</b> Aboliz Power Corp. P36.05 -P0.75 -2.04%	<b>BDO</b> BDO Unibank, Inc. P147.00 -P1.70 -1.14%	<b>BPI</b> Bank of the Philippine Islands P115.10 -P0.90 -0.78%	<b>CNVRG</b> Converge ICT Solutions, Inc. P10.08 -P0.02 -0.2%	<b>DMC</b> DMCI Holdings, Inc. P9.56 +P0.02 +0.21%
<b>EMI</b> Emperador, Inc. P21.05 +P0.05 +0.24%	<b>GLO</b> Globe Telecom, Inc. P1,929.00 -P8.00 -0.41%	<b>GTCAP</b> GT Capital Holdings, Inc. P540.00 -P0.50 -0.09%	<b>ICT</b> International Container Terminal Services, Inc. P211.00 -P2.00 -0.94%	<b>JFC</b> Jollibee Foods Corp. P252.00 -P7.00 -2.70%	<b>JGS</b> JG Summit Holdings, Inc. P44.35 -P0.35 -0.78%	<b>LTG</b> LT Group, Inc. P9.56 +P0.01 +0.1%	<b>MBT</b> Metropolitan Bank & Trust Co. P57.70 -P1.60 -2.7%	<b>MER</b> Manila Electric Co. P352.00 ---	<b>MONDE</b> Monde Nissin Corp. P8.30 -P0.28 -3.26%
<b>MPI</b> Metro Pacific Investments Corp. P4.87 -P0.01 -0.2%	<b>PGOLD</b> Puregold Price Club, Inc. P29.95 +P0.05 +0.17%	<b>SCC</b> Semirara Mining and Power Corp. P29.70 +P0.25 +0.85%	<b>SM</b> SM Investments Corp. P918.00 -P4.00 -0.43%	<b>SMC</b> San Miguel Corp. P109.00 +P1.00 +0.93%	<b>SMPH</b> SM Prime Holdings, Inc. P33.85 -P0.15 -0.44%	<b>TEL</b> PLDT Inc. P1,330.00 -P8.00 -0.6%	<b>UBP</b> Union Bank of the Philippines P75.75 +P1.55 +2.09%	<b>URC</b> Universal Robina Corp. P124.50 -P2.10 -1.66%	<b>WLCON</b> Wilcon Depot, Inc. P23.00 -P0.50 -2.13%

## New Wave, Malaysian firm allot \$50M for renewables

NEW Wave Strategic Holdings, Inc. (New Wave) said it had partnered with Emissary Capital Partners Sdn. Bhd. for a proposed investment of \$50 million to develop the country's renewable energy sector.

"It is important that the Philippines develops a more mature eco-system with capital providers across various stages of the investment cycle. With Emissary's entry into the Philippines, we are providing more founders and

entrepreneurs access to growth capital as well as a regional network that can help them expand across SEA," Enrique Y. Gonzalez, director of New Wave, said in a media release.

The proposal involves a plan to invest in the country's renewable energy sector to generate 1,000 megawatts (MW) of bankable capacity, New Wave said.

New Wave is a subsidiary of investment holding firm IP E-Game Ventures, Inc. while Em-

issary Capital is an investment firm focusing on Southeast Asia.

The parties said their proposal aims to fund companies in the renewable energy sector, electric vehicle industry, clean energy, and smart grids, while also identifying solar and wind farms in North Luzon as their immediate focus.

"Our value proposition is more than capital. We help businesses scale within the Philippines and can open up regional

Southeast Asia access," Mr. Gonzales said.

The entities said raising capital for renewable energy projects had been a challenge in the energy sector's growth.

"Equipping developers with an additional war chest with value-added involvement in pre-development work will translate to attractive returns for the funds," it said.

The parties also expect the installation of about 1,000 MW

to help spur more foreign direct investment into the country and support the construction and operation of renewable energy projects.

"Clean energy is both a local and regional commitment amongst ASEAN neighbors. We believe cross-border investment and trade will ultimately benefit the entire region and help ASEAN meet its collective goals. We hope our fund can contribute to this goal as well as generate healthy

returns," said Erman Akinci, a partner at Emissary Capital.

New Wave and Emissary Capital expect their partnership to help advance the government's target of increasing the share of renewable energy in the country's power mix.

The government is aiming to increase renewables' share to 35% by 2030 and 50% by 2040. As of end-2022, renewables accounted for 22% of the Philippine energy mix. — **Ashley Erika O. Jose**

## AirAsia group, UnionDigital Bank forge finance partnership; airline pledges to invest \$1 billion

CAPITAL A Berhad, the parent firm of low-cost carrier AirAsia Philippines, entered into a finance partnership with the digital bank subsidiary of listed lender Union Bank of the Philippines.

In a media release, Capital A and UnionDigital Bank announced the tie-up, which they forged on Sunday via a press conference during the APEC Business Advisory Council (ABAC) meeting in Cebu.

"For Capital A, the vision has always been to provide low cost, best value services, connecting people and realizing dreams, for people of ASEAN and beyond," Anthony Francis Fernandes, chief executive officer of Capital A, said.

The partnership will involve three of Capital A's subsidiaries: AirAsia, airasia Superapp, and BigPay. UnionDigital Bank will be providing embedded finance in partnership with Capital A's fintech arm BigPay within the booking channel airasia Superapp.

"With UnionDigital as our proud partner, we are now on our way to creating a future where

travel meets innovative financial solutions that facilitate everyone's dream journeys with unparalleled ease," Mr. Fernandes said.

He said seven out of 10 of AirAsia's customers in the Philippines save up for their travel plans.

"It is this inspiring dedication that fuels our determination to break down barriers and create a more connected and inclusive global community," he added.

The partnership will allow BigPay, a mobile wallet providing financial services in Malaysia and Singapore, to expand into the Philippine market.

"As tourism flourishes in the region, we are excited to elevate the end-to-end travel and payment experience of Filipinos through our collaboration with UnionDigital Bank and airasia," said Zubin Rada Krishnan, chief executive officer of BigPay.

"Through this partnership, BigPay is one step closer to making our financial services highly accessible in the Philippines, with the mission of empowering people to level up their lives, one transaction at a time," he added.

Henry Rhoel R. Aguda, president and chief executive officer of UnionDigital Bank, described the move as a "pivotal moment for the two important sectors in the Philippines."

"We are forging a path towards greater convenience, accessibility, and innovation to empower Filipinos to live better lives," he said.

"As we make these partnership announcements at ABAC, we are not just setting the stage but building a solid foundation for a brighter future with BigPay and AirAsia by our side," he added.

## INVESTMENT IN THE PHILIPPINES

Meanwhile, Mr. Fernandes said he had pledged to invest \$1 billion to expand Capital A's operations in the Philippines at a meeting with President Ferdinand R. Marcos, Jr.

Mr. Fernandes told reporters on Sunday that the majority of the investment will be on aircraft in connection with his company's logistics business.

"We discussed many things, obviously airports being one.

I think we are committed to invest \$1 billion mostly in the field of aircraft. But the aircraft also has enormous benefits for the logistics business," he said.

Mr. Fernandes said the Philippines is perfectly placed to grow in the logistics business because of its proximity to other countries in Asia as well as its connection to the US.

Aside from aircraft and logistics, he said Capital A will also invest in BigPay, airasia Superapp, and in engineering.

"People don't know how great this country is and one thing AirAsia group is good at is promoting, and Superapp is gonna be a major vehicle to tell the world how good this country is," Mr. Fernandes said.

For its engineering business, the company is planning to build a maintenance, repair, and overhaul (MRO) facility in Cagayan de Oro.

"We want to build an MRO with 1,300 workers and our team is looking at Cagayan de Oro," said Mr. Fernandes. — **Justine Irish D. Tabile**

## OUTLIER

## Weak earnings, dismal market sentiment weigh down Wilcon

WILCON Depot, Inc.'s shares slipped last week after weak second-quarter earnings and overall gloomy market sentiment.

Data from the Philippine Stock Exchange (PSE) showed a total of P266.41 million worth of 11.27 million shares were traded from July 24-28, making it the 16<sup>th</sup> most actively traded stock last week.

Shares in the listed retailer of home improvement and construction supply fell by 6.1% week on week to P23.00 per share on Friday from its P24.50 finish on July 21. Since the start of the year, the stock has dropped by 22%.

"The main driving force behind Wilcon's stock price action was the market's expectation on its second quarter [earnings report]. However, it seems like the public was underwhelmed with the actual

second quarter figures of Wilcon," said Regina Capital Corp. Head of Sales

Luis A. Limlingan in an e-mail. In the second quarter, Wilcon posted a net income of P855.77 million, a decline of 15.4% from the P1.01 billion recorded in the same period last year.

Net sales went up by 4% to P8.62 billion from the P8.29 billion seen in the same period a year ago.

In a press release on Thursday, Wilcon President and Chief Executive Officer Lorraine Belo-Cincochan said the company "had a slower growth in the second quarter mainly due to the decline in foot traffic in our old stores."

Ms. Belo-Cincochan also said that while sales grew modestly in the second quarter, it was not enough to make up for the increases in the company's fixed costs.

For the period, the company's operating expenses, which included lease-related interest expenses, increased by 20.3% to P2.37 billion from P1.97 billion mainly due to expansion activities.

Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce

said in a Viber message that overall weak market sentiment dragged down the company's share price.

"The housing market in the Philippines has also been slowing down in recent months, due to factors such as rising interest rates and elevated inflation," Mr. Arce said, adding that this could have also weighed on Wilcon's sales as the company sells a wide range of home improvement and construction products.

Headline inflation eased to 5.4% in June, still at the low end of the 5.3-6.1% forecast range of the Bangko Sentral ng Pilipinas that month.

In June, the Monetary Board paused its rate hikes for a second meeting, maintaining the key policy rate at a 16-year high of 6.25%. From May 2022 to March 2023, the central bank raised borrowing costs by a total of 425 basis points to temper inflation.

Despite these difficulties, Mr. Limlingan said that the company's expansion plans would likely boost the market appetite for Wilcon once the demand for home improvement products increase.

The company has seven ongoing construction projects that are set to open next year. During the first half of the year, four new stores were added, bringing the total to 85 branches.

Mr. Arce expects the company's net income to reach P926 million in the third quarter.

"The company has a strong track record and is well-positioned for future growth. If the overall economic conditions remain favorable, the company could achieve its earnings growth targets," Mr. Arce said.

Mr. Limlingan placed Wilcon's support and resistance levels at P21.80 and P25.40, respectively.

"For [this] week, support may be placed at P22.35, while resistance is estimated at P24.15," Mr. Arce said. — **Mariadel Irish U. Catilogo**

## Maynilad sets P5.7-B capex for new water facilities

WEST ZONE concessionaire Maynilad Water Services, Inc. is setting aside P5.7 billion as capital expenditure (capex) budget for new water treatment facilities to produce nearly 97 million liters per day.

"Ang capex na binudget namin diyay (The capex that we budgeted) to produce close to 97 million liters per day is 5.7 billion [pesos]," Maynilad President and Chief Executive Officer Ramoncito S. Fernandez told reporters in a chance interview last week.

"[The project is in] phases as it is tied with the wastewater treatment plant so what is laid out now that is starting is in Valenzuela, by the end of the year, and then next year would be in Pasay," he added.

The new facilities are part of the company's "new water" project that was launched in July last year starting in Parañaque City. The project aims to convert treated used water from sewerage treatment plants into potable water.

In June, Maynilad received a permanent operational permit



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from the Department of Health for its "new water" treatment plant in Parañaque City.

Asked about the ease in securing a permit for the facilities, he said: "That's what we believe so because this is first in the Philippines, first in Asia."

He said at first, the company struggled to convince regulators, but the project was accepted after efforts to gain public acceptance.

Mr. Fernandez said that after proving the project's safety and

"that it can be done scientifically, the adoption of the others should be faster."

The project seeks to generate additional water supply in response to growing demand.

Meanwhile, Maynilad said over the weekend that it started the pilot use of electric vehicles (EVs) in its operations in transition to "green" transportation to reduce greenhouse gas emissions.

The concessionaire plans to eventually shift 50% of its fleet into EVs or 413 units by 2037.