

Philippine Stock Exchange index (PSEi)

6,449.66 ▼ 80.79 Pts. ▼ 1.23%

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PSEi MEMBER STOCKS

<b>AC</b> Ayala Corp. P616.50 -P5.50 -0.88%	<b>ACEN</b> ACEN Corp. P5.13 -P0.19 -3.57%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P49.05 -P1.25 -2.49%	<b>AGI</b> Alliance Global Group, Inc. P12.54 -P0.46 -3.54%	<b>ALI</b> Ayala Land, Inc. P29.30 -P0.10 -0.34%	<b>AP</b> Aboitiz Power Corp. P36.00 -P0.45 -1.23%	<b>BDO</b> BDO Unibank, Inc. P142.50 +P0.10 +0.07%	<b>BPI</b> Bank of the Philippine Islands P115.80 ---	<b>CNVRG</b> Converge ICT Solutions, Inc. P9.22 -P0.15 -1.6%	<b>DMC</b> DMCI Holdings, Inc. P9.53 -P0.07 -0.73%
<b>EMI</b> Emperador, Inc. P21.35 -P0.10 -0.47%	<b>GLO</b> Globe Telecom, Inc. P1,840.00 -P34.00 -1.81%	<b>GTCAP</b> GT Capital Holdings, Inc. P524.00 -P7.00 -1.32%	<b>ICT</b> International Container Terminal Services, Inc. P208.00 -P6.20 -2.89%	<b>JFC</b> Jollibee Foods Corp. P249.00 -P4.00 -1.58%	<b>JGS</b> JG Summit Holdings, Inc. P39.70 -P0.20 -0.5%	<b>LTG</b> LT Group, Inc. P9.50 ---	<b>MBT</b> Metropolitan Bank & Trust Co. P56.85 -P0.80 -1.39%	<b>MER</b> Manila Electric Co. P338.00 -P4.20 -1.23%	<b>MONDE</b> Monde Nissin Corp. P7.56 -P0.34 -4.3%
<b>MPI</b> Metro Pacific Investments Corp. P4.99 -P0.01 -0.2%	<b>PGOLD</b> Puregold Price Club, Inc. P27.95 -P0.30 -1.06%	<b>SCC</b> Semirara Mining and Power Corp. P29.90 ---	<b>SM</b> SM Investments Corp. P887.00 -P13.00 -1.44%	<b>SMC</b> San Miguel Corp. P104.20 +P0.50 +0.48%	<b>SMPH</b> SM Prime Holdings, Inc. P31.90 -P0.90 -2.74%	<b>TEL</b> PLDT Inc. P1,335.00 +P11.00 +0.83%	<b>UBP</b> Union Bank of the Philippines P72.55 -P0.45 -0.62%	<b>URC</b> Universal Robina Corp. P123.50 -P1.30 -1.04%	<b>WLCON</b> Wilcon Depot, Inc. P22.25 -P0.60 -2.63%

# TI eyeing \$1-billion investment for expansion in Philippines

MALACANANG on Thursday said American semiconductor company Texas Instruments, Inc. (TI) is considering an investment of up to \$1 billion for the expansion of its facilities in Clark City and Baguio City in northern Philippines, in light of a potential global chip shortage.

The company is set to submit in two weeks an application covering the expansion of its Clark and Baguio City sites, the palace said in a statement, citing US officials present during President Ferdinand R. Marcos, Jr.'s Wednesday meeting with the US-ASEAN Business Council.

The company's plan aligns with the United States' \$280-billion CHIPS and Science Act of 2022, aimed at enhancing America's research and semiconductor manufacturing.

The law is expected to help the US in maintaining its position in nanotechnology, clean energy, quantum computing, and artificial intelligence.

The palace said that the company took into account the anticipated "shortage of chips in the global economy."

The global chip shortage, which affects various products such as smartphones, computers, cars, home appliances, among others, is anticipated to have significant impacts on the broader economy.

The increasing reliance on chips has escalated tensions between the US and China, with the latter being one of the world's major producers of what experts refer to as the "brains" of electronic devices

"These are areas and sectors in the economy that we would like to be involved in," Mr. Marcos said during the meeting with company officials as he welcomed the investment plans.

Mr. Marcos said that the Philippines has implemented a comprehensive program for upskilling and reskilling its workforce to adapt to emerging trends in the labor market.

Sean Fredericks of RS Asia-Pacific earlier told *BusinessWorld* that the Philippines could be a major player in the global semiconductor industry, citing the country's English-proficient population and supposed adherence to intellectual property protection.

Semiconductors accounted for \$35 million of the Philippines'

\$45.66 worth of electronics product exports in 2022.

Mr. Fredericks said the Philippines should take the ongoing chip dispute between the US and China as an opportunity to solidify its position in the industry.

He noted that many US manufacturers are now moving away from China "to balance their risk."

"The ongoing US-China dispute hopefully presents the Philippines with some new opportunities for business," he said.

Mr. Fredericks said the government needs to address inadequate infrastructure such as power supply, roads, and networks and the shortage of engineers and technicians to boost the Philippines' participation in the semiconductor industry. — **Kyle Aristophere T. Atienza**

# Cebu Air bounces back with P2.67-billion profit

CEBU AIR, Inc. announced on Thursday that it turned around from a P1.89-billion loss last year to a P2.67-billion net profit in the second quarter, propelled by a significant boost in passenger revenues.

"The past few months have been one of the toughest for Cebu Air, but we remain steadfast in our commitment to provide safe, reliable, and affordable flights to our passengers and support economic growth in the Philippines and across the region," Alexander G. Lao, Cebu Air president and chief executive officer, said in a statement.

From April to June, the company's top line reached P22.67 billion, marking a 62.3% increase from last year's revenues of P13.97 billion during the same period.

"This is on the back of over 36,300 flights flown during the quarter, which was 22% higher year on year but 1% below the same period in 2019," the company said.

Passenger revenues, totaling P15.84 billion, constituted the majority of Cebu Air's second-quarter top line, reflecting an 86.3% increase compared to last year's passenger revenues of P8.51 billion.

The company saw a 49.7% decline in cargo revenues, which amounted to P866.9 million, down from P1.72 billion in the same period the previous year.

Throughout the quarter, the company transported 5.46 million passengers, marking a 29% increase compared to the previous year.

Additionally, the company observed an improvement in its



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average seat load factor, which reached 86% for the second quarter, up from 77% a year ago.

The company's expenses for the quarter reached P20.15 billion, an increase of 20% from P16.79 billion expenses last year.

For the first semester, the company achieved an attributable net income of P3.75 billion, marking a turnaround from the P9.5 billion net loss incurred last year.

Cebu Air's top line more than doubled to P43.55 billion during the first six months of the year, up from P20.68 billion in the corresponding period last year.

"The overall increase in revenues was primarily driven by significant increase in passenger volume and flight activities due to the increased demand for travel," the company said in its financial report.

It added that the relaxed alert level classification for most parts of the country allowed it to resume its regular pre-pandemic services.

Expenses from January to June were P39.79 billion, a 38% increase from the P28.84 billion expenses booked in 2022, which it attributed to the increase in the company's operations. — **Justine Irish D. Tabile**

# Megaworld posts P7.9-B income, cites stronger demand

MEGAWORLD CORP. announced on Thursday an attributable net income of P7.9 billion for the first half, marking a 34% increase from P5.9 billion, driven by growing demand in the properties sector.

In a media release, the company said that its consolidated revenues for the six-month period reached P32 billion, reflecting a 17% growth compared to the previous year, as all core businesses demonstrated robust performance during the period.

"Our steadfast focus on our township model allowed us to sustain our strong performance into the second quarter of the year," Megaworld Chief Strategy Officer Kevin L. Tan said.

The company did not give out its second quarter earnings.

"With increasing demand for residential and commercial properties outside Metro Manila, we have properly positioned ourselves to achieve growth through strategic land banking," he added.

"We also worked doubly hard in coming up with new, innovative, and sustainable product offerings in order to further strengthen our leadership as a pioneering real estate company."

The company saw a 12% increase in real estate sales for the six-month period, reaching P19.1 billion, driven by a higher completion rate during the period.

Reservation sales for the first semester surged by 49% to P76.1 billion, constituting 59% of the company's year-end reservation sales target of P130 billion.

"During the first half of the year, the company saw a strong uptick in the demand for residential projects in two Taguig townships, particularly in McKinley West and Uptown Bonifacio," the company said.

Megaworld recorded project launches worth P28.2 billion in the first half of the year. Revenues from leasing increased by 17% to P8.8 billion, driven by a stable office segment and ongoing recovery in mall rental income.

Within its office segment, Megaworld Premier Offices achieved a 4% rise in rental income, reaching P6.3 billion compared to the previous year's P6 billion, attributed to new transactions and rising rental rates. Business process outsourcing firms

remained significant contributors to this segment.

In the mall unit, Megaworld Lifestyle Malls reported a 71% surge in revenues to P2.5 billion, fueled by higher rents and increased consumer spending.

Megaworld Hotels & Resorts saw a 58% growth in top line revenue, reaching P1.7 billion, driven by the recovery of tourism and mobility, particularly in the Newport City and Twin Lakes townships.

Currently, the company boasts a portfolio of 30 master-planned integrated urban townships, integrated lifestyle communities, and lifestyle estates.

On Thursday, Megaworld's shares dropped by 2.84% to P2.05 apiece. — **Adrian H. Halili**

# Manila recognizes Megaworld among city's top taxpayers in 2023



Megaworld Corporation was hailed as one of the top 10 real property taxpayers by the City of

Manila during the recent 2023 Gawad Manileño. This marks the 10th consecutive year the

property giant has been granted this same prestigious recognition.

Megaworld was among the 40 exemplary businesses, organizations, and individuals honored for their contributions in their respective fields to the growth of the City of Manila.

Receiving the award from Manila Mayor Honey Lacuna, Vice Mayor Yul Servo Nieto, and City Treasurer Jazmin Talegon was Megaworld Special Adviser on Chinatown Affairs, Wilson Sy.

Megaworld remains committed to its efforts in promoting good corporate governance as it continues to build communities that uplift lives, impact society, and help shape the nation.

# Converge ICT plans up to P17-billion capex for next year

CONVERGE ICT Solutions, Inc. announced on Thursday its plans to allocate a budget ranging from P15 billion to P17 billion in 2024 to complete investments in subsea cable systems.

"That would include about P7 billion to P8 billion of payments in IRU (indefeasible right of use) capacities to complete our investments in Asia Pacific and Trans-Asia subsea cable systems," said Christine Renee R. Blabagno, deputy chief finance officer of Converge, during a media briefing.

"The balance of that will be split between access investments, which we still consider to be a large part of that balance, and then to our backbone and the balance to our other investments particularly digital infrastructure," she said.

Converge is part of two consortiums of telecom and digital companies that are building the Bifrost Cable System and the Asia Pacific SEA-H2X Submarine Cable System.

Bifrost is a transpacific cable system connecting Singapore, Indonesia, the Philippines, Guam, and the west coast of the United States, according to the official website of Submarine Cable Networks, a provider

of consulting services for submarine optical.

On the other hand, SEA-H2X or South-East Asia Hainan-Hongkong Express is a submarine cable system connecting Hong Kong SAR China, Hainan China, the Philippines, Thailand, Malaysia, and Singapore.

Ms. Blabagno said that the company's spending remains consistent with its full-year guidance, ranging from P12 billion to P15 billion.

"Capex (capital expenditure) remains to be in line with expectations of P12.5 billion for this. By June, we had installed around 800,000 fiber ports in new areas with around 300,000 ports still expected to be deployed in the remainder of the year," she noted.

"In 2025, we expect cash capex to be even less than the 2023 levels assuming no (new) opportunities are taken up."

Converge recorded a second-quarter net income of P2.11 billion, marking a 6.7% increase from last year's P1.98 billion, attributed to subscriber growth and enhanced cost of services.

"[The increase in profit is because] of the growth of the number of subscribers from that period as well as improvement in the accounting treatment on network materials and inventory," said Ms. Blabagno.

The company's changes in accounting treatment include the adjustment of the depreciation life of its ICT equipment, which, according to Ms. Blabagno, has improved the cost of services.

For the second quarter, the company's cost of services amounted to P2.86 billion, marking a 13.6% decrease from the P3.31 billion recorded in the same period the previous year.

From April to June, the company's topline reached P8.72 billion, indicating a 5% increase from P8.31 billion in the corresponding period of 2022.

The company's first-half bottomline was P4.28 billion, representing an 8.5% increase from the net income of P3.95 billion reported last year.

Total revenues for the first six months amounted to P17.36 billion, reflecting an 8.1% increase from the P16.05 billion recorded in 2022.

Converge's cost of services was 10.4% lower at P5.67 billion compared to P6.33 billion in the corresponding period the previous year.

The company sustained growth in net additions during the first half, achieving consolidated net additions of 92,000, which brought the company's total subscriber base to 1.97 million. — **Justine Irish D. Tabile**