

Philippine Stock Exchange index (PSEi) 6,405.91 ▼43.75 PTS. ▼0.67%

PSEi MEMBER STOCKS

AC Ayala Corp. P604.00 -P12.50 -2.03%	ACEN ACEN Corp. P5.11 -P0.02 -0.39%	AEV Aboitiz Equity Ventures, Inc. P47.90 -P1.15 -2.34%	AGI Alliance Global Group, Inc. P12.94 +P0.40 +3.19%	ALI Ayala Land, Inc. P29.05 -P0.25 -0.85%	AP Aboitiz Power Corp. P36.00 —	BDO BDO Unibank, Inc. P143.50 +P1.00 +0.7%	BPI Bank of the Philippine Islands P113.80 -P2.00 -1.73%	CNVRG Converge ICT Solutions, Inc. P9.25 +P0.03 +0.33%	DMC DMCI Holdings, Inc. P9.50 -P0.03 -0.31%
EMI Emperador, Inc. P21.35 —	GLO Globe Telecom, Inc. P1,850.00 +P10.00 +0.54%	GTCAP GT Capital Holdings, Inc. P522.00 -P2.00 -0.38%	ICT International Container Terminal Services, Inc. P204.20 -P3.80 -1.83%	JFC Jollibee Foods Corp. P247.80 -P1.20 -0.48%	JGS JG Summit Holdings, Inc. P39.00 -P0.70 -1.76%	LTG LT Group, Inc. P9.50 —	MBT Metropolitan Bank & Trust Co. P57.20 +P0.35 +0.62%	MER Manila Electric Co. P339.60 +P1.60 +0.47%	MONDE Monde Nissin Corp. P7.58 +P0.02 +0.26%
MPI Metro Pacific Investments Corp. P5.00 +P0.01 +0.2%	PGOLD Puregold Price Club, Inc. P27.55 -P0.40 -1.43%	SCC Semirara Mining and Power Corp. P30.00 +P0.10 +0.33%	SM SM Investments Corp. P882.50 -P4.50 -0.51%	SMC San Miguel Corp. P104.30 +P0.10 +0.1%	SMPH SM Prime Holdings, Inc. P31.50 -P0.40 -1.25%	TEL PLDT Inc. P1,315.00 -P20.00 -1.5%	UBP Union Bank of the Philippines P72.80 +P0.25 +0.34%	URC Universal Robina Corp. P123.00 -P0.50 -0.4%	WLCON Wilcon Depot, Inc. P22.45 +P0.20 +0.9%

Globe expects capex to drop to \$1 billion in 2024

GLOBE TELECOM, Inc. expects its capital expenditures (capex) to drop to \$1 billion next year amid the reduction of purchase order issuances this year.

Globe's capex for this year will remain at around \$1.3 billion, it said in a statement, after spending P37.7 billion in the first six months of the year.

The continuous decline in capex will be enabled by the reduction of purchase order issuances for the year to \$600 million, the company said.

"This steep reduction will directly impact capex spending over the next few years allowing capex to drop further to \$1 billion by 2024, without sacrificing network quality or customer experience," it added.

The company also revised its service revenue guidance for the year to mid-to-low single digit from mid-single digit

growth, which it said is because of extended macroeconomic pressures.

"This adjustment takes into account the extended inflationary environment that weakened the Filipino consumers' purchasing power, coupled with the continued decline in our legacy broadband business," Globe said.

SECOND QUARTER PERFORMANCE

Globe reported an increase of 17.7% in its attributable net income to P7.07 billion for the second quarter from P6.01 billion in the same period last year.

From April to June, the company's top line reached P44.49 billion, an increase of 1.7% from P43.76 billion in the corresponding period of 2022.

Cost and expenses during the period rose 6.6% to P39.34 billion from P36.91 billion last year.

However, Globe's net income for the first semester declined 27.1% to P14.33 billion from P19.65 billion a year ago, despite a 2.5% increase in its top line to P89.52 billion from P87.32 billion last year.

The sharp decline was attributed to a P10.51-billion gain from the sale of its controlling interest in a data center business booked in the first six months of 2022.

The company's first-half service revenues, which accounted for P80.4 billion or 89.8% of its top line, rose 1% from P78.88 billion in the first half of last year.

Meanwhile, non-service revenues climbed 8.1% to P9.12 billion for the first six months of the year from P8.44 billion last year.

"The Globe group's consolidated service revenues rose... showing stable revenues year-on-year, backed by the data revenue growth across mobile and

corporate data businesses," the company said.

First semester consolidated data revenues were P53.11 billion, a 6.2% jump from the P49.99 billion booked a year ago, while broadband revenues were 7.1% lower at P12.81 billion from P13.79 billion last year.

Mobile data traffic grew to 2,814 petabytes as of the end of June, higher than the 2,177 petabytes reported in the year earlier.

"This was mainly fueled by the growing popularity of streaming and user-generated content through social media," the company said.

Meanwhile, the company said its total Home Broadband subscribers declined by 31% to 2.2 million, which it attributed to the shift of the market to more reliable wired connectivity.

The company also saw a decline in revenues for the first half from voice ser-

vices and SMS or short messaging service by 12.9% and 10.1% to P7.65 billion and P3.99 billion, respectively.

It also saw P77.99 billion in costs and expenses in the first six months of the year, a 4.4% rise from P74.71 billion a year ago.

"The Globe Group continues to perform well during the first half of the year, despite facing macroeconomic challenges," said Ernest L. Cu, president and chief executive officer of Globe.

"We are confident that Globe will maintain its leadership in mobile going forward. The company is also well-positioned to adapt to the industry's changing landscape and take first mover advantage with its innovative digital solutions that deliver life-enabling services to Filipinos," he said. — **Justine Irish D. Tabile**

Paris Baguette targets to open first PHL store in Q4

KOREAN bakery chain Paris Baguette is targeting to open its first store in the Philippines by next quarter, its operator said last week.

Berjaya Food Berhad (BFood) subsidiary Paris Baguette Singapore and Philippines' Middle Trade, Inc. on Aug. 10 signed a franchise agreement to launch the bakery in the local market, "with its first store slated to open in the fourth quarter of 2023," it said in a statement.

Under the deal, BFood's Berjaya Food (International) Sdn.

Bhd. and Middle Trade will be the principal operators of the Paris Baguette Philippines, Inc. which will operate the stores locally.

Berjaya Food International is also the master franchisor of Kenny Rogers Roasters together with local franchisee, Middle Trade.

"What we hope to do now that we have signed is to be able to start growing the Paris Baguette brand in the Philippines," Dato' Sydney Lawrence Quays, group

chief executive officer of BFood, told reporters.

"We actually launched in Malaysia back in January and we know how popular this brand is and I think it will do really well in the Philippines — that is why this is our next (target market)," he said.

Mr. Quays said the company is planning to open five stores in its first year in the country, with an estimated cost of \$300,000 per store, which could be higher for its flagship store.

"Typical investment for a store is about \$300,000 but that will depend on how big the store is and on the location," he said. "The day we open our first store, we hope to open four stores after that. So, in totality we hope to have five stores within the year after the first opening." — **Justine Irish D. Tabile**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link <tinyurl.com/48ubb8pc>

OUTLIER ACEN shares dip after weaker-than-expected growth in 2nd quarter

AYALA-LED ENERGY firm ACEN Corp.'s shares went down last week as the country's slower-than-expected economic growth affected market sentiment.

Data from the Philippine Stock Exchange (PSE) showed a total of P342.49 million worth of 64.90 million in ACEN shares were traded from Aug. 7 to 11, making it the 15th most actively traded stock in the local bourse last week.

The Ayala-led energy company's share price fell by 7.1% week on week after finishing at P5.11 per share on Friday from its P5.50 closing last Aug. 4. Year to date, it has dropped by 32.9%.

"The market's overall negative sentiment — brought about mainly by disappointing second quarter data — likely dragged on ACEN's stock price. This raised investor concerns that full-year growth will fall below the government's target of 6-7% and drag the performance of listed companies," Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said in an e-mail.

Philippine gross domestic product (GDP) growth to its slowest pace in more than two years to 4.3% in the second quarter amid the lagged effect of rising borrowing costs and government underspending. It was slower than the 6.4% growth in the previous quarter and the 7.5% last year.

For Luis A. Limlingan, head of sales at Regina Capital Corp., the slower worldwide growth would likely sway the energy sector as public expenditure may continue to narrow.

Meanwhile, Mr. Arce said despite the decline, the energy company's outlook is still optimistic and may drive the stock's uptrend in the next quarters.

"ACEN's current price is still a modest valuation for a company with its growth potential and will be a good investment for long-term investors," he said.

The energy company announced last week that it signed a renewable energy contract area utilization agreement with the Laguna Lake Development Authority to lease 800 hectares of renewable energy portfolio.

The agreement is set to develop a large-scale floating solar project that will be located on Laguna Lake and is expected to add 1,000 megawatts (MW) to its renewable capacity.

The energy company has around 4,000 MW of attributable capacity, which comprises 98% of the total capacity in the Philippines, Vietnam, Indonesia, India, and Australia. It is also targeting to expand its renewable energy portfolio to 20 gigawatts by 2030.

Its net income attributable to equity holders of the parent company rose by 24% to P2.21 billion in the second quarter. Consolidated revenues also climbed 32.3% to P11.33 billion during the same period.

This brought ACEN's attributable net profit to P4.23 billion in the first semester, almost double the P2.18 billion in bottom line last year.

Its top line also increased by 28.1% to P20.47 billion in the January to June period.

Mr. Arce expects ACEN's net income to reach P2.6 billion in the third quarter, while full-year earnings are estimated at P9.3 billion.

Mr. Limlingan placed the company's support level at P5.05 and resistance at P5.30.

"For [this] week, support is seen at P5.00, while resistance is at P5.50," Mr. Arce said. — **Mariedel Irish U. Catilogo**

SCPW, UAPSA join hands with SM Prime in promoting wetland conservation

As the world celebrated the International Day for Biological Diversity 2023, SM Prime Holdings Inc. (SM Prime) joined the Society for the Conservation of Philippine Wetlands, Inc. (SCPW) hosted the fourth SCPW Wetland Center Design Symposium on May 29th at the MAAX Building in the Mall of Asia Complex.

Bannered the theme "Build Back Biodiversity: Wetland Centers and Nature-Based Architecture," the hybrid symposium featured presentations centered on fostering knowledge and awareness about wetland conservation and innovative design approaches.

SCPW president Arch. Celestino Ulep opened the symposium by sharing his optimism on how collaboration and embracing nature-based architecture can pave the way towards creating a future where wetlands thrive and biodiversity flourishes.

Notable experts in the field also graced the event, sharing their insights and experiences including Chris Rostron, the global manager of Wetland Link International, and Alex Hughes of Wildfowl & Wetlands Trust in London, UK. The guest speakers kicked off the discussion by sharing about the pivotal role of Wetland Centers as a tool for Communication, Capacity Building, Education, Participation, and Awareness (CEPA) in wetland conservation efforts.

Arch. Ulep, meanwhile, engaged the audience by introducing the concept of nature-based architecture, highlighting the importance of prioritizing sustainability and harmony in design by creating structures that seamlessly integrate with the natural environment.

Meanwhile, Arch. Aaron Lecciones, SCPW Special Projects Officer, made a detailed visual presentation on the Las Piñas-Paranaque Wetland Park (LPPWP) Design Team's experience. He highlighted the challenges and triumphs of designing a wetland park, serving as a source of inspiration for aspiring designers and architects.

Esteemed partners, including Ms. Rida Reyes Castillo of SM Prime, Dr. Arvin Dies-



SCPW president Arch. Celestino Ulep leads a discussion on nature-based architecture during the fourth SCPW Wetland Center Design Symposium.

mos of the ASEAN Centre for Biodiversity, Mr. Laudemir Salac of DENR-Region 3, and Arch. Gleo Raymundo of UAPSA graced the event to show their full support for this endeavor.

"It is an honor and privilege on the part of SM to partner with the SCPW and UAPSA in realizing its common goal of protecting ecosystems, particularly wetlands, by inspiring the youth to engage and take action on the socio-civic and economic issues in their communities by finding workable solutions towards building a sustainable future," SM Prime AVP and Head of Marketing, PR, and Communications Rida Reyes Castillo said. Castillo further emphasized that environmental protection and nature conservation are integral pillars of SM Prime's sustainability campaign and that they believe in the power of cultivating the younger generation's devotion to building a sustainable future.

The symposium concluded with a comprehensive discussion on the rules and guidelines of the design competition, followed by an open forum and exchange of ideas among participants.

The symposium also marked the beginning of the highly anticipated 4th SCPW Wetland Center Design Competition, which aims to create a platform for talented students in the field of construction and design to showcase their skills and ingenuity and encourages them to address environmental challenges through sustainable solutions.

AboitizPower looks to increase capacity of plant in Toledo

ABOITIZ POWER Corp. (AboitizPower) is looking to increase the capacity of its plant in Cebu through liquefied natural gas (LNG) or by expanding its coal assets, the company's top official said.

Emmanuel V. Rubio, president and chief executive officer of AboitizPower, said the company is considering a baseload capacity of about 150 megawatts (MW) through LNG to add to the current 300 MW in Therma Visayas, Inc. (TVI), the operator of the 340 MW coal-fired power plant located in Toledo City, Cebu.

"We are looking at LNG at 150 MW, looking at what's going to cost, and what if we actually expand TVI with another unit of coal, and compare the cost," Mr. Rubio told reporters on the sidelines of a climate change and disaster resilience forum last week.

The company is also considering expanding its coal assets in Cebu as an option as it is not covered by the coal moratorium, he said. The government imposed a moratorium on the construction of new coal-fired power plants in 2020.

"Certainly, it is outside the moratorium because it has an ECC (environmental compliance certificate). It has all the permits so that we can actually build it if we want to. But we don't just want to build it. We just want to make sure that we justify it if we're going to use that option," he said.

The company expects to add these capacities by 2026 to 2027, Mr. Rubio said, adding that availability of line transmission from Mindanao plays a crucial role in this plan.

"It's not that power is not available. It's that expensive plants are running, so they need to be displaced by cheaper technologies. I don't think there is really available renewable energy resource in Cebu. It's hilly, crowded, so the availability of solar is limited," he said.

"We have been presenting this to the DoE (Department of Energy). This is LNG, this is coal. How do you want us to proceed? At the end of the day, we really have to balance everything, and we need to provide the most optimum solution," Mr. Rubio added. — **A.E.O. Jose**