

Philippine Stock Exchange index (PSEi)

6,410.09

▲ 74.18 PTS.

▲ 1.17%

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BusinessWorld

## PSEI MEMBER STOCKS

<b>AC</b> Ayala Corp. P599.50 -P0.50 -0.08%	<b>ACEN</b> ACEN Corp. P5.28 +P0.13 +2.52%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P48.05 +P1.95 +4.23%	<b>AGI</b> Alliance Global Group, Inc. P12.50 ---	<b>ALI</b> Ayala Land, Inc. P30.00 +P0.35 +1.18%	<b>AP</b> Aboitiz Power Corp. P36.10 +P0.10 +0.28%	<b>BDO</b> BDO Unibank, Inc. P143.00 +P1.00 +0.7%	<b>BPI</b> Bank of the Philippine Islands P113.00 -P1.60 -1.4%	<b>CNVRG</b> Converge ICT Solutions, Inc. P9.15 ---	<b>DMC</b> DMCI Holdings, Inc. P9.78 +P0.42 +4.49%
<b>EMI</b> Emperador, Inc. P21.20 +P0.05 +0.24%	<b>GLO</b> Globe Telecom, Inc. P1,918.00 +P3.00 +0.16%	<b>GTCAP</b> GT Capital Holdings, Inc. P534.00 -P1.00 -0.19%	<b>ICT</b> International Container Terminal Services, Inc. P212.00 +P6.20 +3.01%	<b>JFC</b> Jollibee Foods Corp. P250.80 +P4.60 +1.87%	<b>JGS</b> JG Summit Holdings, Inc. P39.20 -P0.40 -1.01%	<b>LTG</b> LT Group, Inc. P9.30 ---	<b>MBT</b> Metropolitan Bank & Trust Co. P57.20 ---	<b>MER</b> Manila Electric Co. P349.00 +P4.40 +1.28%	<b>MONDE</b> Monde Nissin Corp. P6.71 -P0.14 -2.04%
<b>MPI</b> Metro Pacific Investments Corp. P5.05 +P0.01 +0.2%	<b>PGOLD</b> Puregold Price Club, Inc. P28.00 +P0.50 +1.82%	<b>SCC</b> Semirara Mining and Power Corp. P32.00 +P1.50 +4.92%	<b>SM</b> SM Investments Corp. P886.00 +P26.00 +3.02%	<b>SMC</b> San Miguel Corp. P104.30 +P1.30 +1.26%	<b>SMPH</b> SM Prime Holdings, Inc. P30.40 +P0.30 +1%	<b>TEL</b> PLDT Inc. P1,234.00 -P26.00 -2.06%	<b>UBP</b> Union Bank of the Philippines P73.00 ---	<b>URC</b> Universal Robina Corp. P124.90 +P5.90 +4.96%	<b>WLCON</b> Wilcon Depot, Inc. P23.00 +P0.10 +0.44%

# Villar proposes to handle seven stations of LRT-1 line extension

THE Villar family's Prime Asset Ventures, Inc. (PAVI) has proposed to take over the next phase of the Light Rail Transit Line 1 (LRT-1) extension project by adding seven stations beyond the ongoing development of five stations.

Manuel B. Villar, Jr., chairman of the Villar group of companies, told reporters on Tuesday that his team had submitted a proposal to the Department of Transportation (DoTr) to take over the rail's Cavite extension project.

"Di ba ang [LRT-1] hanggang Zapote? Mukhang hindi na nila itutuloy, mga hanggang Sucat na lang (The LRT-1 extension is supposed to be until Zapote, but it looks like they might reach only until Sucat)," Mr. Villar said.

The move, which is aimed at expanding the Villars' infrastructure portfolio, has led to the group's negotiation with Ayala Corp. and Metro Pacific Investments Corp. (MPIC).

Mr. Villar said both conglomerates seem not keen on completing the entire line extension project. He added that the proposal may be changed depending on the outcome of the talks with Ayala and MPIC.

The LRT-1 Cavite line extension project is being handled by Light Rail Manila Corp. (LRMC), a joint venture company of MPIC's Metro Pacific Light Rail Corp., Ayala's AC Infrastructure Holdings Corp., Sumitomo Corp., and Macquarie Investments Holdings (Philippines) Pte Ltd.

LRMC declined to comment on Mr. Villar's plans at this time.

Sought for comment, DoTr Undersecretary for Railways Cesar B. Chavez said he has not heard whether the Villar group has indeed submitted a proposal to LRMC for the takeover of the Cavite segment of LRT-1 line extension.

The Cavite line extension project adds 11 kilometers to the exist-

ing railway system. Its first phase covers Redemptorist Station, MIA Station, Asia World Station, Ninoy Aquino Station, and Dr. Santos Station.

As of the first half of 2023, LRMC completed about 88% of the first phase, which covers about 6.7 kilometers. Most of the stations were more than 50% complete.

Dr. Santos Station or the Sucat station is the last station for the first phase. It was around 71% complete as of last month.

In a press release in July, LRMC said it was optimistic about completing the construction of the first phase by the fourth quarter of 2024.

The remaining phases will cover the construction of the Las Piñas, Zapote, and Niog stations, which have not yet started because of right-of-way issues.

Mr. Villar said his group's line proposal will run from Sucat sta-

tion in Parañaque City and pass along Molino Blvd. as it extends to Governor's Drive in Cavite.

"Ang gusto ko lang, baka ma-extend hanggang d'yan sa Silang, closer to Tagaytay pero hindi ko naman bibiglain 'yan (I want to extend it beyond Silang, maybe move closer to Tagaytay, but I will not rush it)," he added.

Meanwhile, Mr. Villar said that the company also plans to extend its recently acquired four-kilometer Muntinlupa-Cavite Expressway (MCX) to Tanza, Cavite.

His group has recently signed the implementing agreement with Ayala as the Department of Public Works and Highways had given its consent for the transfer of ownership last July 19, 2023.

The Villar-led PAVI is an investment and holdings company with a diverse portfolio of infrastructure and public utility assets. — **Adrian H. Halili**

## SMIC defers REIT listing

SM PRIME Holdings, Inc. is looking to defer the market listing of its real estate investment trust (REIT) to next year due to market conditions, an official of its parent firm SM Investments Corp. (SMIC) said on Wednesday.

"They have always said that [the REIT] is subject to market conditions. As we are looking at things now... we may look to potentially do this a bit later than had initially been said," said Timothy Daniel, SMIC head of investor relations, sustainability, and communications, said during the PSE STAR event.

"[In] the second half of this year, they will assess market conditions, and this is maybe something for next year," he added.

Mr. Daniels cited market headwinds like higher interest rates, inflation, and market sentiments.

Earlier this year, SM Prime said that it was targeting to launch its REIT portfolio by the second half of the year.

The company's planned REIT offering is likely to be valued at around \$3.5 billion to \$4 billion and initially composed of 12 to 15 assets, which will come from the 82 malls it currently has as 30 to 35 malls are now fully matured.

"Perhaps they would list about a quarter of that, bringing in about \$1 billion of revenue, particularly towards funding the reclama-

tion efforts in Manila Bay," Mr. Daniels said.

Additionally, he said SM has fully stopped its reclamation operations after the government halted all Manila Bay reclamation projects.

"We have been working on this reclamation project for over a decade, during that time one of the real priorities has been to make sure that all of the documentation required is in place," Mr. Daniels said.

"Right now, under the government's requirements, we have stopped all of the work — for now, and we are listening to what else [they] want," he added.

He said the company would announce its plans regarding the reclamation project once the government has completed its review.

SMIC through SM Prime is developing a 360-hectare reclamation project in Pasay City directly connected to the Mall of Asia Complex worth around P100 billion.

The government announced earlier that it had suspended all reclamation projects ahead of a review by the Department of Environment and Natural Resources.

SM Prime shares rose by 1% or 30 centavos to P30.40 apiece, while SMIC shares went up by 3.02% or P26 to P886 per share on Wednesday. — **Adrian H. Halili**

## Globe closes P2.6-B tower deals with MIDC, Frontier

GLOBE TELECOM, Inc. has closed deals to sell 213 telecommunication towers to Frontier Tower Associates Philippines, Inc. and MIESCOR Infrastructure Development Corp. (MIDC) for around P2.6 billion.

"The business of Globe is a capital-intensive one and this transaction that we initiated with tower companies has proven to be a great complement to our rollout of critical infrastructures to achieve wider coverage and consistency of service across the country," said Rosemarie Maniego-Eala, chief finance officer of Globe, in a statement on Wednesday.

In a regulatory filing, the network operator said that 113 of the towers closed on Tuesday were sold to Frontier Tower for a total cash consideration of P1.4 billion.

It added that 77% of the 113 towers are ground-based and 23% are rooftop-based located in Luzon, Visayas, and Mindanao.

The latest deal closing brings the total received by Globe from Frontier Tower to around P26.6 billion for 2,094 towers out of the 3,529 acquired by the latter.

"The handover of this fourth batch of towers is another important step in our journey towards delivering stronger connectiv-

ity and sustainable, inclusive economic growth to the people of the Philippines," Frontier Tower Chairman and Chief Executive Officer Patrick Tangney said.

Meanwhile, Globe and MIDC — a joint venture between Manila Electric Co. subsidiary MIESCOR and investment firm Stonepeak — closed on Aug. 15 the fourth tranche of their tower deal comprising 100 towers for P1.2 billion.

The tower assets transferred to MIDC are composed of 64% ground-based towers and 36% rooftop towers.

With the recent closing, MIDC is now in control of 1,120 towers from Globe out of the 2,180 towers that are covered by the P26-billion sale-and-leaseback deal signed on Aug. 11 last year.

"Each transitioned tower signifies a step toward building a robust and widespread digital ecosystem. Our journey is a collective effort, and our commitment to advancement remains steadfast, one tower at a time," said MIDC President and Chief Executive Officer Helen Grace T. Marquez.

MIDC Chief Operating Officer Ricky Steyn said in a separate press release that the newly transferred assets will help in optimizing the company's operational efficiency.

"As we integrate these towers into our system, we are streamlining our processes to provide seamless connectivity experiences for our customers. Our core focus remains on delivering quality, reliability, and innovation," Mr. Steyn added.

### CREDITSIGHTS RATING

Meanwhile, credit analyst CreditSights has maintained its "market perform" recommendation on Globe, citing the weakness of its broadband segment.

"Despite stable first-half earnings and lower capital expenditure (capex) spending, improvement in leverage has not yet played out as we had expected due to a challenging telecom environment and continued weakness in the fixed wireless broadband segment," CreditSights said.

Globe has earmarked \$1.38 billion or P71.5 billion as capex for 2023. During the January-to-June period, the company used P37.7 billion as capital spending.

CreditSights said Globe is seen to have improved credit over the next two quarters due to the tower sales.

"We see a mildly improving credit outlook aided by residual tower sales and lower capex that outweighs a challenging operating environment," it said.

CreditSights said that it is anticipating the residual P47.2 billion of tower sale closures through the second half to "boost liquidity and lessen the need for additional debt incurrence."

Data from CreditSights showed that Globe has four tower sale-and-leaseback deals, which comprise 7,506 towers for a total purchase price of P96.6 billion.

The other companies it has tower sale arrangements are Phil-Tower Consortium, Inc. and Unity Digital Infrastructure, Inc.

CreditSights has also maintained its expectation for low-single-digit EBITDA (earnings before interest, taxes, depreciation, and amortization) growth with second-half growth seen to be modestly higher versus the first half.

"Management has already begun transitioning fixed wireless subscribers to wired and focusing more on the wired offering since the end of 2021," it said.

"It expects its fixed wireless broadband subscriber net losses to stabilize by the third quarter, which should buoy the overall broadband business," it added.

On Wednesday, shares in Globe went up by P3 or 0.16% to P1,918 apiece. — **Justine Irish D. Tabile**

## Eased vaccine rule seen to boost inbound travel

AIRLINES are anticipating further growth in international travel after the Department of Health removed the vaccine certificate mandate for inbound foreign travelers starting Aug. 12.

Budget carrier Cebu Pacific, operated by Cebu Air, Inc., said it welcomes the lifting of the travel requirement.

"[T]his will further encourage travelers from all over the world to visit the Philippines," said Carmina Reyes-Romero, director

for corporate communications of Cebu Pacific, in a Viber message.

"As demand for travel increases with the easing of health protocols, Cebu Pacific will continue to improve its operations to ensure a safe, accessible, and affordable air transport for our passengers," she added.

Flag carrier Philippine Airlines Spokesperson Cielo C. Villaluna said the removal of the mandate will ease travel for inbound travelers, which would lead to increased foot traffic.

"We look forward to serving more tourists and business travelers in both our international and domestic travel sectors. We will continue to work on enhancing the passenger experience through digital transformation and fleet expansion," she said in a Viber message.

The Health department's Circular 2023-06 states that airports and seaports are to accept all arriving international travelers regardless of their vaccination status.

AirAsia Philippines Head for Communications and Public Affairs Steve F. Dailisan said the vaccine certificate has been the most essential travel requirement for inbound tourists. — **Justine Irish D. Tabile**

### FULL STORY

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