

Philippine Stock Exchange index (PSEi)

6,212.39

▼ 77.88 PTS.

▼ 1.23%

TUESDAY, AUGUST 22, 2023

BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P585.00 -P5.00 -0.85%	ACEN ACEN Corp. P5.07 -P0.17 -3.24%	AEV Aboitiz Equity Ventures, Inc. P47.40 +P0.35 +0.74%	AGI Alliance Global Group, Inc. P12.28 -P0.22 -1.76%	ALI Ayala Land, Inc. P28.30 -P1.20 -4.07%	AP Aboitiz Power Corp. P34.95 +P0.45 +1.3%	BDO BDO Unibank, Inc. P139.00 +P0.80 +0.58%	BPI Bank of the Philippine Islands P112.90 +P1.80 +1.62%	CNVRG Converge ICT Solutions, Inc. P8.53 -P0.41 -4.59%	DMC DMCI Holdings, Inc. P9.71 -P0.16 -1.62%
EMI Emperador, Inc. P21.15 +P0.05 +0.24%	GLO Globe Telecom, Inc. P1,870.00 -P14.00 -0.74%	GTCAP GT Capital Holdings, Inc. P542.00 -P3.00 -0.55%	ICT International Container Terminal Services, Inc. P205.80 -P8.00 -3.74%	JFC Jollibee Foods Corp. P239.00 -P4.80 -1.97%	JGS JG Summit Holdings, Inc. P36.30 -P1.75 -4.6%	LTG LT Group, Inc. P9.22 -P0.03 -0.32%	MBT Metropolitan Bank & Trust Co. P55.70 -P1.25 -2.19%	MER Manila Electric Co. P349.80 -P0.20 -0.06%	MONDE Monde Nissin Corp. P6.18 -P0.27 -4.19%
MPI Metro Pacific Investments Corp. P5.05 —	PGOLD Puregold Price Club, Inc. P27.25 -P0.55 -1.98%	SCC Semirara Mining and Power Corp. P31.45 -P0.55 -1.72%	SM SM Investments Corp. P829.50 -P30.50 -3.55%	SMC San Miguel Corp. P104.40 +P0.40 +0.38%	SMPH SM Prime Holdings, Inc. P30.60 +P0.60 +2%	TEL PLDT Inc. P1,210.00 -P5.00 -0.41%	UBP Union Bank of the Philippines P71.90 +P0.40 +0.56%	URC Universal Robina Corp. P113.40 -P4.20 -3.57%	WLCON Wilcon Depot, Inc. P21.75 +P0.15 +0.69%

Jollibee bullish on breaching this year's targets

JOLLIBEE FOODS Corp. (JFC) is bullish that it would exceed its store opening, sales, and income targets this year, an official of the listed quick-service restaurant operator said on Tuesday.

"For the rest of the year, we believe that we will not only deliver to guidance but we will likely exceed it," JFC Chief Financial Officer Richard Chong Woo Shin said in a virtual media briefing.

"At the end of the first half, we are on line with the store net-

work, we are a little bit behind on the capital expenditure because we are most selective," he said.

"Our system-wide sales and same-store sales are outside of the higher end of the guidance, meaning we are beating the guidance, and our operating income is ahead of guidance," he added.

Mr. Shin said in his presentation that as of the first half, JFC's store network had a 5.1% increase, a bit higher than the target of at least a 5% increase for 2023.

He added that as of the semester, JFC's system-wide sales rose 23.3%, while same-store sales increased by 15.1%, which are both higher than the 2023 targets of 15-20% growth and 7-10% growth, respectively.

Mr. Shin also said JFC's operating income rose 50.7% in the first half, higher than the 2023 target of 20% to 25%.

However, he said JFC's gross store openings across the world as of the first half reached 270 stores, far from the 550 to 600

gross store openings aimed for this year.

Also, Capital expenditure for the first six months was at P5 billion, way lower than the P17 billion to P19 billion planned this year.

JFC posted a 13.9% decline in its first-half attributable net income to P4.39 billion from P5.1 billion a year ago.

"As it turns out, I think in particular, with all the macro headwinds and the challenges that we have with inflation and so forth,

our consumers are telling us that great value, great tasting, innovative quick-service restaurant segment is the right place to be," Mr. Shin said.

According to Mr. Shin, the optimism is due to the strong performance of its primary businesses.

"The optimism comes from seeing strong month-on-month performance in our domestic business and also seeing some of our laggards of last year turning

around. Europe has always been steady," Mr. Chin said.

"I think it is really coming from the fact that our bigger engines have been performing well based on fundamentals. We are not price discounting, we are not taking extreme pricing either. We are just continuing to do what we do and it seems to be gaining momentum," he added.

On Tuesday, shares of JFC at the local bourse dropped P4.80 or 1.97% to end at P239 apiece. — **Revin Mikhael D. Ochave**

Ayala unit divests from German car parts maker

AYALA Corp.'s AC Industrial Technology Holdings, Inc. has sold its stake in German auto parts maker MT Technologies GmbH (MT) in a bid to refocus on the expansion of its other units.

In a stock exchange disclosure on Tuesday, Ayala said that AC Industrials completed an agreement on Aug. 18 for the sale of its 92.45% stake to Germany-based Callista Asset Management 18 GmbH, which is an affiliate of Callista Private Equity.

"The transaction will result in an approximately 26 million euro loss, to be booked by AC Industrials and in turn Ayala," the company said.

AC Industrials' shares in MT were previously held via its Singaporean subsidiary, AC Industrials (Singapore) Pte. Ltd. MT was folded into AC Industrials in 2017.

"The sale will be executed alongside a sale and leaseback by MT of its property in Ingolstadt and assignment of shareholder loans to the purchaser," the company said.

Aside from the 92.45% stake, Ayala said that MT's minority shareholders also sold their shares, which resulted in the 100% transfer of MT's ownership to Callista.

MT is a German auto parts maker engaged in the design and manufacture of injection molds for metal and plastic car parts.

"The sale of MT continues Ayala's strategic priority to realize value through a combination of strategic partnerships and divestments from certain non-core assets. Ayala will sharpen its focus on the continued expansion of its core businesses in real estate, banking, telecommuni-

cations, and power, and scaling up its emerging businesses in healthcare and logistics," the company added.

Apart from MT, Callista said in a separate statement on its website that it also acquired the C-CON Group from AC Industrials.

"Callista announces the acquisition of MT and C-CON Group from AC Industrial, a subsidiary of AC Industrials (Singapore) Pte. Ltd.," the company said.

"[MT and C-CON Group] have 313 employees distributed across eight locations in Germany (Ingolstadt, Munich, Lebach, Eitenheim, Garmisch-Partenkirchen, Neuburg, Kinding, und Hannover) and generated 46 million euros in sales in 2022. The companies serve leading automotive original equipment manufacturers (OEMs) and suppliers with their expertise in engineering, design, over model-

ling, a tool shop, special machinery to serial production," it added.

In 2019, a share purchase agreement was signed by MT to acquire 75.1% of C-CON Group, which provides design, development, engineering, manufacturing, series production, and process management services to German automotive OEMs.

"Callista will continue to pursue the ongoing restructuring path and support with its turnaround expertise to bring the [two companies] back to profitability. Part of the strategy is also the collaboration with Schäfer Group, which was recently acquired by Callista and is also active in the engineering, design, modeling and prototyping for the automotive industry," Callista said.

On Tuesday, Ayala shares retreated P5 or 0.85% to finish at P585 apiece. — **Revin Mikhael D. Ochave**

DoubleDragon's luxury serviced residences Ascott-DD Meridian Park to be operational by 2024

REAL ESTATE developer DoubleDragon Corp. (DD) said its Ascott-DD Meridian Park is set to be operational by 2024 as the company had the topping-off ceremony on Tuesday.

In a stock exchange disclosure, DoubleDragon said the project will feature more than 300 luxury serviced residences and is located within the DoubleDragon Meridian Park complex.

The Ascott-DD Meridian Park development is expected to generate recurring revenues by next year, the company said.

It said the premium luxury development "will complete and further enhance the mix of the whole complex as it is positioned to be the Mini-CBD (central business district) in the Bay Area of Pasay City, Metro Manila."

"Today Aug. 22, 2023, [DoubleDragon's] subsidiary [DDMP REIT, Inc.] conducts topping off of Ascott at DD Meridian Park as the building structure and topmost floor of the project has been completed," it added.

DDMP REIT is the real estate investment trust of DoubleDragon. Its property portfolio consists of three commercial properties in DD Meridian Park, namely:

DoubleDragon Plaza, DoubleDragon Center East, and DoubleDragon Center West.

DoubleDragon said that Ascott Ltd., which is a subsidiary of Singapore-based property company Capital Land, will operate and manage Ascott-DD Meridian Park.

In 2017, DoubleDragon announced its partnership with Ascott Ltd. for the establishment of the 5,567-square-meter Ascott-DD Meridian Park.

Aside from the luxury serviced residences development, the company said the five-hectare DoubleDragon Meridian Park complex is expected to be fully developed by 2024.

It said the complex is set "to become a fully mature prime hard asset portfolio, generating optimum level of recurring revenues by 2025."

Meanwhile, the company said DoubleDragon Plaza is expected to welcome soon a third government agency to relocate its head office in the property, in addition to the Philippine Economic Zone Authority and the Tourism Infrastructure Economic Zone Authority.

Shares of DD at the local bourse slipped five centavos or 0.64% to end at P7.75 each on Tuesday. — **Revin Mikhael D. Ochave**



PLDT aims for 25% data center growth as Luzon expands

PLDT Inc. is targeting to grow its data centers by up to 25% with a planned expansion in Luzon, a company official said on Tuesday.

"We are currently growing double digits. The growth rate of any market in the data center and cloud professional services ranges anywhere from 20-25% and that is our aspiration," PLDT First Vice President and Head of Enterprise and International Business Groups Albert Mitchell L. Locsin, said in an interview with ANC.

To date, PLDT has 10 data centers, Mr. Locsin said, adding that the company is now building its 11th data center.

"We are building our 11th hyperscale data center so that we can actually attract more hy-

perscalers to set up their cloud regions in the Philippines," he said.

Mr. Locsin described the company's 11th data center as its "biggest" with a capacity of 50 megawatts (MW).

"[It has] an IT load of 36 that can cater to the largest hyperscalers, to the enterprises in the Philippines, and even supporting cloud for the national government," he said.

Mr. Locsin added that the company also plans to launch its 15th data center soon.

"There is more to go. Our chairman even challenged us: 'I want to see the plans for the 12th, 13th, 14th and 15th data center,'" he said.

PLDT is in the first phase of sourcing the location for its 12th

data center, he said, adding that the company has a shortlist of locations for the plan.

"While we are finishing VITRO Sta. Rosa, we are already in the plans of building our 12th data center because of the demand. The country has become a regional transit hub for Asia and it was confirmed by a lot of our international companies or customers that we work with," Mr. Locsin said.

The company's data center arm, ePLDT, Inc., has earlier announced its plan to construct its 11th data center — VITRO Sta. Rosa, which will sit on a five-hectare lot in Sta. Rosa, Laguna.

It previously said that this will have a capacity of about 14 MW by 2024 which can be ex-

panded by up to 50 MW upon full operation.

For its 12th data center, the company is considering either South Luzon or North Luzon, and a capacity of about a hundred megawatts, Mr. Locsin said.

"We do have data centers in Visayas and Mindanao but for the hyperscalers, it will have to be in Luzon," he said. "It is still undecided. It could be anywhere in the south or in the north."

At the local bourse on Tuesday, shares in the company fell by P5 or 0.41% to end at P1,210 apiece.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in BusinessWorld through the Philippine Star Group, which it controls. — **Ashley Erika O. Jose**

ACEN-ib vogt joint venture targets 'shovel-ready' solar projects in Asia

ACEN Corp. said its subsidiary is proceeding with its partnership with German solar developer ib vogt (Singapore) Pte. Ltd. to set up a platform to fund at least 1,000 megawatts (MW) of solar projects in Asia.

In a regulatory filing on Tuesday, the Ayala-led company said the shareholder's agreement for the joint venture of the ACEN Renewables International Pte. Ltd. and ib vogt had been declared effective on Aug. 18 after regulatory approvals and conditions had been satisfied.

"The joint venture will focus on shovel-ready projects in Bangladesh, Laos, Cambodia, Vietnam, Indonesia, Malaysia, and other countries in the Asia Pacific region, with a minimum target operational capacity of 1,000 MW," the company said.

In its disclosure on April 4, 2022, ACEN said it was expecting equity investments under the terms of the deal of up to \$200 million "in addition to debt funding to accelerate the deployment of renewable energy in Asia."

The two companies will set up a funding platform that will be used for the construction and operation of large-scale solar power plants across the region.

In a televised interview on ANC's Market Edge, ACEN President and Chief Executive Officer Eric T. Francia said the partnership is part of the company's target.

"That is part of our 20-gigawatt plan, so that would represent 5% of our overall target. Our core strategy really is to focus our organic development efforts both in the Philippines and Australia where we have

an end-to-end capability from development to operations," he said.

"We will continue to work with partners to further our expansion outside of our core market simply because we don't have the bandwidth," he said. "But we do want to participate in the regional or even global energy transition, but we don't want to spread ourselves too thinly so working with partners is a way to go."

At the stock exchange on Tuesday, ACEN shares fell by 17 centavos or 3.24% to close at P5.07 apiece. — **Sheldeen Joy Talavera**

