Philippine Stock Exchange index (PSEi) 6,591.47 ▼33.79 PTS. ▼0.51%

MONDAY, JULY 31, 2023 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P615.00	-P9.50	-1.52%
ACEN	ACEN Corp.	P5.22	-P0.11	-2.06%
AEV	Aboitiz Equity Ventures, Inc.	P53.80	-P1.50	-2.71%
AGI	Alliance Global Group, Inc.	P12.44	——	
ALI	Ayala Land, Inc.	P27.40	-P0.10	-0.36%
AP	Aboitiz Power Corp.	P36.05	——	
BDO	BDO Unibank, Inc.	P145.10	-P1.90	-1.29%
BPI	Bank of the Philippine Islands	P114.50	-P0.60	-0.52%
CNVRG	Converge ICT Solutions, Inc.	P10.10	+P0.02	+0.20%
DMC	DMCI Holdings, Inc.	P9.60	+P0.04	+0.42%
EMI	Emperador, Inc.	P20.95	-P0.10	-0.48%
GLO	Globe Telecom, Inc.	P1,920.00	-P9.00	-0.47%
GTCAP	GT Capital Holdings, Inc.	P545.00	+P5.00	+0.93%
ICT	International Container Terminal Services, Inc.	P217.00	+P6.00	+2.84%
JFC	Jollibee Foods Corp.	P255.00	+P3.00	+1.19%
JGS	JG Summit Holdings, Inc.	P43.05	-P1.30	-2.93%
LTG	LT Group, Inc.	P9.60	+P0.04	+0.42%
MBT	Metropolitan Bank & Trust Co.	P60.00	+P2.30	+3.99%
MER	Manila Electric Co.	P356.00	+P4.00	+1.14%
MONDE	Monde Nissin Corp.	P8.19	-P0.11	-1.33%
MPI	Metro Pacific Investments Corp.	P4.87	——	
PGOLD	Puregold Price Club, Inc.	P29.00	-P0.95	-3.17%
SCC	Semirara Mining and Power Corp.	P28.85	-P0.85	-2.86%
SM	SM Investments Corp.	P912.00	-P6.00	-0.65%
SMC	San Miguel Corp.	P108.90	-P0.10	-0.09%
SMPH	SM Prime Holdings, Inc.	P33.40	-P0.45	-1.33%
TEL	PLDT Inc.	P1,310.00	-P20.00	-1.50%
UBP	Union Bank of the Philippines	P76.00	+P0.25	+0.33%
URC	Universal Robina Corp.	P122.60	-P1.90	-1.53%
WLCON	Wilcon Depot, Inc.	P22.85	-P0.15	-0.65%

Meralco sees double-digit profit rise, robust sales

MANILA Electric Co. (Meralco) posted a second-quarter core net income of P10.16 billion, up 52.8% from P6.65 billion a year ago, the listed power distributor said on Monday.

Reported income, which is adjusted to exclude one-time charges, rose by 45.1% to P9.78 billion in the second quarter from P6.74 billion in the same period last year.

"As far as we are concerned, sales continued to be rather robust. We continue to be optimistic. We expect profits to be at record-high for the full year," Manuel V. Pangilinan, chairman and chief executive officer of Meralco, said in a media briefing.

In the first half, consolidated core net income reached P19.21 billion, up by 46.8% from P13.09 billion a year ago, boosted by its power generation business.

Betty C. Siy-Yap, Meralco's senior vice-president and chief finance officer, said energy sales increased by 3.4% to 24,792 gigawatt-hours (GWh) from 23,968 GWh, driven by a growth in the consumption of the commercial segment.

In the January-to-June period, Meralco recorded an all-time high commercial sales volume of 9,162 GWh, or 10.3% higher than 8,305 GWh previously, while residential sales volume rose by 1.4% to 8,629 GWh from 8,506 GWh. Industrial sales volume, however, decreased by 2.2% to 6,929 GWh from 7,085 a year ago.

As of the first half, Meralco's customer count reached 7.72 million, up 2.7% from 7.52 million a year ago.

In the first six months, Meralco posted consolidated revenues of P224.82 billion, higher by 12.6% than the P199.61 billion in the corresponding period a year ago.

Reported net income went up by 36.1% to P17.85 billion from P13.12 billion, Meralco said.

"Our record-high sales volumes reflect a strong rebound in terms of power demand. As we expect this growth trajectory to continue, we will aggressively invest in distribution network upgrades and expansion, and implement more programs that will improve overall customer experience," said Ronnie L. Aperocho, executive vice-president and chief operating officer of Meralco.

The power utility giant's cost and expenses for January to June went up by 10.6% to P206.98 billion from P187.20 billion.

In power generation, PacificLight Power Pte. Ltd. recorded a core net income of P8.9 billion, 59% higher than a year ago.

PacificLight is owned by FPM Power Holdings (Singapore) Ltd., which in turn is a joint venture between First Pacific Co. Ltd. and Meralco PowerGen Corp. (MGen), the company's power generation arm.

Meralco said MGen contributed P6.6 billion to its consolidated core net income in the first six months, significantly higher than the P2.3 billion in the same period last year.

MGen owns 58% of PacificLight, which owns and operates a combined cycle turbine power plant in Jurong Island, Singapore.

Meanwhile, Mr. Pangilinan said that Meralco, through PacificLight, is aiming for additional power assets in Singapore.

"We are already in discussion with the government of Singapore about RE (renewable energy). They started the process for the initial 100 megawatts (MW) of solar. We are in discussion with Salim Group regarding this. We will build a plant connecting to Singapore. There are a number of issues, let us see how that develops," Mr. Pangilinan said.

He said the Singapore government is also seeking bidders for natural gas capacity at a minimum of 600 MW. He did not specify the cost of investment involved in the expansion target but he said that natural gas power plants are currently at $1 million per MW.

"Our size is only about 800 MW and we will certainly take a serious look at participating," Mr. Pangilinan said.

At the local bourse on Monday, shares in the company gained P4 or 1.14% to end at P356 apiece.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT Inc.

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

SIM reactivation surges after July 25 deadline

MOBILE NETWORK operators saw a number of subscribers seeking reactivation of their subscriber identity module (SIM) that were deactivated after the July 25 deadline.

Ayala-led Globe Telecom, Inc. said it had logged over 52.3 million SIM registrations as of July 27, or the second day of the five-day grace period allotted for reactivation.

Republic Act No. 11934 or the SIM Registration Act requires all SIM users to register their SIMs under their name, or risk SIM deactivation.

Globe said a total of 452,997 customers have reactivated their mobile services on July 26, while 126,344 more customers have reactivated on July 27.

In total, Globe was able to register a total of 53.73 million subscribers, or 61.9% of its 86.75 million total subscribers by the end of the grace period or by July 30.

"We were surprised yet happy with the turnout over the seven-month period of SIM registration, as we have been able to cover nearly all our active users," said Ernest L. Cu, president and chief executive officer of Globe.

"We hope that our SIM users will continue to comply with the SIM Registration Act and register new SIMs so that they can enjoy our mobile services. After all, this is for everyone's protection against fraud and other forms of cybercrime," he added.

The law aims to help mitigate the proliferation of text scams and other mobile phone-aided criminal activities.

Meanwhile, PLDT Inc.'s wireless unit Smart Communications, Inc. said it had reached out to more of its subscribers during the grace period for reactivation.

"In Palmera Subdivision, Caloocan City, Smart, value brand Talk n' Text, and Maya through its distributors and partners set up a booth to assist senior citizens and other residents who have yet to register their SIM cards," the company said.

On July 26, the network sent out an advisory that said that it will be deactivating all outgoing calls and messages of unregistered SIMs.

"Affected users [were] given until July 30 to apply for reactivation. All unregistered SIMs by July 31 will be deactivated permanently," it said.

As of July 30, the National Telecommunications Commission recorded a total of 113.97 million registrants, or 67.83% of 168.02 million total subscribers, from the 110.18 million registrants recorded on July 25.

After the grace period, Smart's total registrants reached 52.5 million or 79.18% of its total users, while DITO Telecommunity Corp. registered a total of 7.74 million users representing 51.72% of its total users.

In comparison, Smart closed the registration period with 50.84 million registrants, or 76.67% of its 66.3 million subscribers, while DITO recorded 7.62 million registrants, or 50.92% of its 14.96 million users. — **Justine Irish D. Tabile**

PhilTower says 250 telco towers now operational

LOCAL TOWER company PhilTower Consortium, Inc. said on Monday that the 250 towers it acquired from Globe Telecom, Inc. are now fully operational.

The towers are located in Visayas and Mindanao and are part of the 578 towers the tower company acquired in February.

"This is yet another big milestone for us of full operational handover of towers from Globe. PhilTower believes in its organizational pillars such as people, process, technology readiness and a faster way of asset management to achieve takeover in a short span of time," said Devid Gubiani, chief executive officer of PhilTower.

"We look forward to extending further operational savings to Globe from the establishment of the 24/7 operational capability and distributed field operations teams in the challenging territories of Visayas and Mindanao."

The first tranche is part of the 1,350 cell sites under a sale and leaseback deal signed by the two companies in September.

In an answer to an inquiry through e-mail, PhilTower said the remaining towers are targeted to be turned over by Feb. 9, 2024.

It also added that the full stand-alone operation of the first batch of 578 towers is targeted by Sept. 30.

In the five months since the delivery of the first 578 towers, the company has been able to establish two regional operational centers.

"The faster and smooth transitioning is achieved through setting up PhilTower's transitioning project management office of key experts, internal workstreams, outsourcing of field activities, and management support for critical decision alignment," said PhilTower Chief Operating Officer PT Pawar.

"We appreciate the valuable inputs and support of Globe teams during transitioning, handholding and now, start of stand-alone operation. PhilTower will ensure post-transitioning improvement of network availability," he said.

Meanwhile, Globe said that it looks forward to operating PhilTower's sites that it will acquire from the operator.

"We are happy to hear that the first batch of towers we turned over to PhilTower are now fully operational after just five months. This speaks of the smooth transition between the two companies. This level of efficiency is crucial in ensuring undisrupted services to our customers," said Ernest L. Cu, president and chief executive officer of Globe. — **Justine Irish D. Tabile**

8990 Holdings optimistic of hitting P24-B revenues

8990 HOLDINGS, Inc. expects to hit a top line of P24 billion this year, its top official said on Monday, citing the listed developer's property portfolio as the main driver.

"We are hopeful that we can really target P24 billion [in revenues] for the rest of the year," said 8990 President and Chief Executive Officer Anthony Vincent Sotto in a media briefing.

Mr. Sotto added that revenues for the year would be mainly driven by the company's properties in Metro Manila, which would mainly be contributed by its Ortigas and Manila projects.

Additionally, he said that the company is planning to expand to other parts of the country, by developing smaller offerings in the provinces.

"We are now looking at going to provinces that are ripe already for development, but in smaller areas. Before, we were targeting more than 20 hectares in a certain area, and we found out that it was better and faster to develop smaller areas," he said.

He added that the company is targeting to develop five hectares of horizontal properties as it expands to Tacloban City, the provinces of Samar and Leyte in the Visayas, and other parts of Luzon and Mindanao.

Meanwhile, Mr. Sotto said in a statement that the company has 16 ongoing projects which are expected to contribute about P155 billion in revenues in the next seven to eight years.

"As of the end of the quarter, 8990's land holdings now stand at 709.35 hectares with the addition of properties acquired in Cebu and Leyte," he added.

The company said that its land bank in Luzon is expected to generate P98 billion on its top line, while Visayas and Mindanao are expected to contribute P67 billion and P6 billion, respectively.

During the first quarter, the company reported a 2.07% decline in attributable net income to P1.89 billion from P1.93 billion the previous year because of higher material costs.

In the three-month period, its revenues went up by 1.7% to P5.34 billion from P5.25 billion in the same period last year.

8990, through its subsidiaries, develops low-cost mass housing, medium-rise condominiums, and high-rise buildings.

It has six wholly owned subsidiaries, namely: 8990 Housing Development Corp., 8990 Luzon Housing Development Corp., 8990 Mindanao Housing Development Corp., 8990 Davao Housing Development Corp., 8990 Leisure and Resorts Corp., and Fog Horn, Inc.

On Monday, 8990 inched up by 0.11% or one centavo to P9.26 per share. — **Adrian H. Halili**

Court of Tax Appeals grants part of Halliburton Worldwide's refund claim

THE COURT of Tax Appeals (CTA) has granted part of Halliburton Worldwide, Ltd.'s refund claim in the amount of P7.67 million representing its excess input value-added tax (VAT) traced to zero-rated sales for the calendar year 2017.

In a decision dated July 26 and made public on July 28, the CTA Special Second Division said the firm complied with invoicing requirements under the Tax Code for the amount granted.

Halliburton Worldwide initially sought a P12.24 million refund claim for the period.

"Thus, for purposes of, and with regard to the petitioner's (Halliburton Worldwide) compliance with the input taxes being attributable to zero-rated sales… only the amount of P7.67 million represents the petitioner's valid input VAT attributable to its valid zero-rated receipts for the calendar year 2017," Associate Justice Lanee S. Cui-David said in the ruling.

The firm is engaged in oil field services and the development of equipment and technology related to the oil and gas industries. It is the Philippine branch office of the Cayman Islands-based firm.

Under the law, taxpayers that engage with foreign firms doing business outside the Philippines are entitled to zero-rated sales that do not translate to output tax.

The term "zero-rated sale" must be written on the company's official invoices.

Sales that qualify for 0% VAT include services other than processing, manufacturing, or repacking of goods; services performed in the Philippines by VAT-registered persons, and sales paid in acceptable foreign currency in line with the central bank's rules.

In April, the CTA upheld granting only P55,610.63 out of P11.6 million of its excess VAT for the year 2015, for failing to prove that the remaining amount qualified for 0% VAT.

Under the country's law on renewable energy developers, a VAT-registered entity's sales to renewable energy developers are subject to 0% VAT, which does not translate to output tax.

"Tax refunds in relation to the VAT are in the nature of such exemptions," the tax tribunal said. "It is a claimant's burden to prove the factual basis of a claim for refund or tax credit." — **John Victor D. Ordoñez**

HALLIBURTON/SEC