Philippine Stock Exchange index (PSEi) 6,018.49 ▼36.01 PTS. ▼0.59%

THURSDAY, OCTOBER 26, 2023 BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P604.00	-P0.50	-0.08%
ACEN	ACEN Corp.	P5.20	-P0.05	-0.95%
AEV	Aboitiz Equity Ventures, Inc.	P47.30	-P0.10	-0.21%
AGI	Alliance Global Group, Inc.	P10.88	-P0.52	-4.56%
ALI	Ayala Land, Inc.	P27.80	-P0.20	-0.71%
BDO	BDO Unibank, Inc.	P129.00	——	
BLOOM	Bloomberry Resorts Corp.	P9.30	-P0.53	-5.39%
BPI	Bank of the Philippine Islands	P99.00	-P1.00	-1%
CNPF	Century Pacific Food, Inc.	P28.00	+P0.60	+2.19%
CNVRG	Converge ICT Solutions, Inc.	P8.20	-P0.55	-6.29%
DMC	DMCI Holdings, Inc.	P9.50	-P0.07	-0.73%
EMI	Emperador, Inc.	P20.75	——	
GLO	Globe Telecom, Inc.	P1,779.00	-P1.00	-0.06%
GTCAP	GT Capital Holdings, Inc.	P550.00	-P4.50	-0.81%
ICT	International Container Terminal Services, Inc.	P201.00	——	
JFC	Jollibee Foods Corp.	P214.60	+P0.60	+0.28%
JGS	JG Summit Holdings, Inc.	P37.00	+P0.40	+1.09%
LTG	LT Group, Inc.	P8.78	-P0.02	-0.23%
MBT	Metropolitan Bank & Trust Co.	P52.00	-P1.70	-3.17%
MER	Manila Electric Co.	P360.00	-P10.00	-2.7%
MONDE	Monde Nissin Corp.	P8.28	+P0.13	+1.6%
NIKL	Nickel Asia Corp.	P5.41	-P0.06	-1.1%
PGOLD	Puregold Price Club, Inc.	P26.80	-P1.00	-3.6%
SCC	Semirara Mining and Power Corp.	P30.15	-P0.25	-0.82%
SM	SM Investments Corp.	P814.00	-P3.50	-0.43%
SMC	San Miguel Corp.	P105.00	+P0.20	+0.19%
SMPH	SM Prime Holdings, Inc.	P30.10	-P0.10	-0.33%
TEL	PLDT Inc.	P1,231.00	-P4.00	-0.32%
URC	Universal Robina Corp.	P112.00	-P1.40	-1.23%
WLCON	Wilcon Depot, Inc.	P19.64	+P0.04	+0.2%

Phoenix moves to generate cash flow via BDO deal

PHOENIXFUELS.PH

LISTED independent oil firm Phoenix Petroleum Philippines, Inc. is looking at entering into a sale-and-leaseback agreement with BDO Unibank, Inc. to restructure its debts.

"The corporation is currently in the process of streamlining its operations, restructuring its debts and identifying potential sources of liquidity in order to generate cash flow to settle its obligations or generate some liquidity for working capital," Ignacia S. Braga IV, officer-in-charge chief finance officer and treasurer of Phoenix, said during the company's annual stockholders meeting on Thursday.

Ms. Braga said that the assets involved in the proposal are some terminals, depots, and retail stations.

"The restructuring will allow the company to receive over P9 billion for the transfer of the assets, which will be applied to its current obligations and reduce its debt," Ms. Braga said.

She said BDO had agreed to lease back to the company the same set of assets "in the process of ensuring the company is still able to use the terminals and the depots.

Henry Albert R. Fadullon, president and chief executive officer of Phoenix, said the assets are under an exclusive leaseback arrangement, which grants the company the right to repurchase them within three to five years from the time of the sale.

"For avoidance of doubt, while the corporation is seeking authorization for such disposal of assets, these arrangements are subject to certain conditions. Some of these [are] regulatory," Ms. Braga said.

"Likewise, the timing or certainty of the disposal of the assets are subject to different possible outcomes that could provide alternative sources of liquidity such as potential new credit facilities of new capital by way of new equity," she added.

Mr. Fadullon said the fuel segment of the business had experienced challenges during the first half due to work capital limitations.

"The sustained impact of geopolitical tensions in the global market has derailed our intentions to restore the business. Fortunately, our capital-light supply model has been essential in keeping operations sustainable," he said.

Meanwhile, he said the company's downstream oil sector "continues to be a fundamental component of the economy."

"We believe that once we obtain the working capital support to revitalize this part of our portfolio, we will be in a better position to address the demands of our customers."

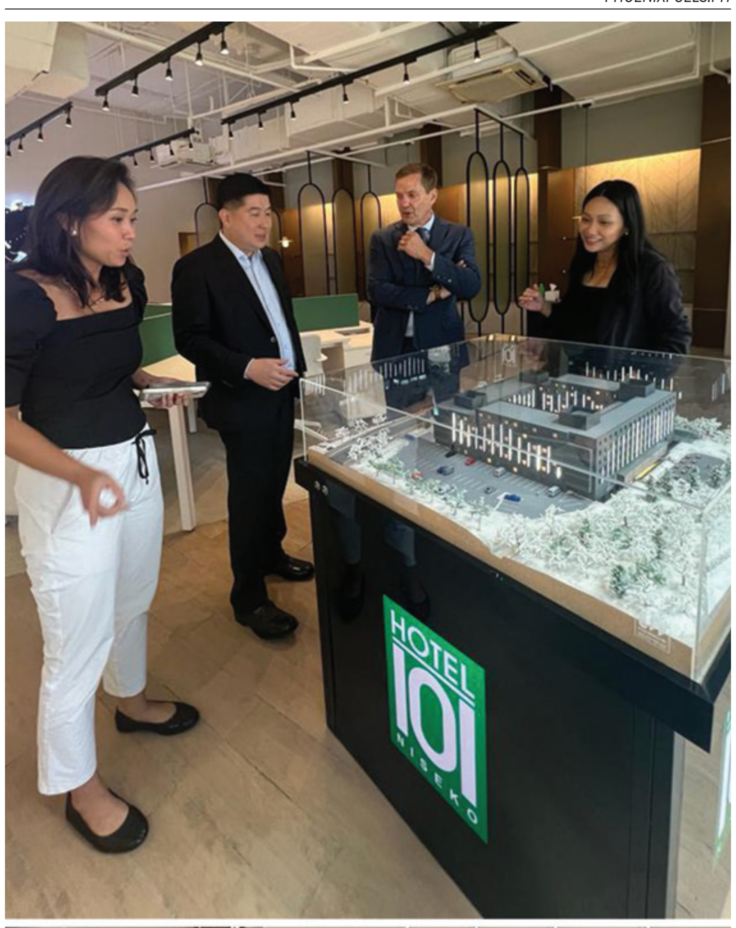
On Monday, Phoenix told the local bourse that its board of directors had approved its divestment from its Singapore-based subsidiary PNX Petroleum Singapore Pte. Ltd.

Its board also approved last month the authority for its management to transfer, sell, and dispose of certain corporate properties, assets, and investments.

The move is in line with the company's financial management program as part of its debt management and funding activities.

In the second quarter, Phoenix Petroleum incurred an attributable net loss of P1.097 billion, reversing its P143.48 million net income in the same quarter last year.

Revenues fell by 63.2% to P14.6 billion from P39.7 billion previously. — **Sheldeen Joy Talavera**



NASDAQ in Manila, Philippines; DoubleDragon Corporation and Hotel101 Global Pte Ltd Chairman Edgar Injap Sia II recently met with NASDAQ President Nelson Griggs and NASDAQ Senior Vice President Matthew Rafter at the Hotel101 Global Manila Hub at DoubleDragon Plaza, Philippines. NASDAQ stock exchange based in New York City USA is one of the most active stock exchange globally by volume. How the Hotel101 concept works is a very unique and pioneering innovation. Hotel101 Pte Ltd targets to soon become the very first PH company to list in NASDAQ as it expands its highly portable standardized asset-light business model for export to various other countries.

Arthaland set to acquire shares, add capital in Bhavya Properties

LISTED property developer Arthaland Corp. is set to acquire shares in Bhavya Properties, Inc. to increase the latter's working capital for the completion of a residential condominium project in Makati City.

In a regulatory filing on Thursday, Arthaland said it would subscribe to Bhavya Properties' preferred shares amounting to 663,000, which will come from its unissued authorized capital stock.

Arthaland owns 60% of Bhavya Properties while the remaining 40% is owned by Singapore-based Narra Investment Properties Pte. Ltd.

The subscription, which is set on Nov. 10, is priced at P100 per share totaling P66.30 million. Bhavya Properties is currently developing the Eluria residential condo project in Legaspi Village, Makati City.

"Bhavya Properties will leverage on the additional equity to fund Eluria's working capital requirements until its scheduled project completion in 2025, while ensuring compliance with all its financial covenants. Narra will also subscribe to Bhavya Properties' preferred shares to the extent of 442,000," Arthaland said.

"Preferred shares are voting and have such features as the Bhavya board of directors prescribe, but in no case such shares shall be cumulative or redeemable at the option of the holder," it added.

In a separate disclosure, Arthaland said it would also subscribe to 67,500 common shares of Arthaland Prestige Property Solutions, Inc. (APPS) at P100 per share totaling P6.75 million.

APPS is the sustainable property management arm of Arthaland. The acquisition is set for Nov. 7.

"APPS will be expanding its scope of services and this requires an increase in its paid-up capital stock," Arthaland said.

"The subscription to 60,000 common shares of APPS is conditioned on the approval by the Securities and Exchange Commission of the increase in its authorized capital stock. There is no other condition for the subscription to the 7,500 common shares as these will come from its unissued authorized capital stock," the company added.

On Thursday, shares of Arthaland at the local bourse closed unchanged at P0.455 apiece. — **Revin Mikhael D. Ochave**

AirAsia Philippines posts 34% rise in passenger volume

AIRASIA PHILIPPINES has grown its international market by more than three times in the third quarter by flying 354,000 passengers year on year, the low-cost carrier said on Thursday.

Including non-international passengers, the airline carried about 1.64 million passengers from July to September, 34.4% higher than the 1.22 million recorded in 2022.

Malaysian multinational company Capital A Berhad, the parent firm of AirAsia Philippines, said its Philippine operations led its aviation operations for the third quarter.

Capital A said that as a group, airline operations in the Philippines, Malaysia, Thailand, and Indonesia maintained a "strong" load factor of 89% with 14.7 million passengers out of a 16.5-million seat capacity on 152 operating aircraft.

Year to date, it said consolidated airline operations have recovered 76% of passenger volume from 2019, "surpassing overall capacity recovery of 73% for the same period."

Earlier, the company said it is optimistic about a better performance in 2024 after the renewal agreement between its parent firm and engine provider CFM International, which focuses on enhancing fleet stability on-site and virtual monitoring of AirAsia's LEAP-1A engine operation.

The parent firm of AirAsia Philippines earlier announced that it is aiming to fully reactivate its 204 aircraft after a new agreement with its engine provider, CFM International.

Capital A has also been targeting to expand its fleet to more than 300 aircraft in the next five years. — **A.E.O. Jose**

Pryce posts 28.5% rise in profit

PRYCE CORP. saw its net income grow by 28.5% in the third quarter to P1.58 billion from P1.23 billion a year ago, driven by higher sales of liquefied petroleum gas (LPG).

The increase comes despite the company's consolidated revenues declining by 2.3% to P14 billion from P14.33 billion in the same period last year.

In a media release on Thursday, Pryce said it managed to post higher net income due to the expanded sales of LPG of about 7.5%. It added that the improvement of LPG margins in the Luzon market lifted its net income despite posting lower revenues for the period.

The drop of about 27.4% in the average LPG contract price to $568.35 per metric ton (MT) from $776.83 per MT pulled down the company's revenue, Pryce said.

The company added that peso-sale revenue would have been higher if the contract price had not contracted. Sales volume of industrial gases expanded by 30.5%. — **Ashley Erika O. Jose**

Figaro optimistic of growth amid store expansion

LISTED Figaro Coffee Group, Inc. is optimistic about growing the business as it is set to open more stores in various areas before the year ends to expand its presence across the country.

Justin T. Liu, its chairman, said during a briefing in Mandaluyong City on Thursday that "there is a lot of room to grow" for the company's brands.

"I'm very optimistic about the future," he said. "I think there is still a lot of room for expansion of our brands. We still have a lot of stores coming up."

Currently, the group has 192 stores nationwide. These are 116 Angel's Pizza outlets, 60 Figaro Coffee stores, 10 Tien Ma's stores, and six Café Portofino establishments.

Figaro Coffee Group said in a stock exchange disclosure on Thursday that it has upcoming store openings in Laguna, Pampanga, Rizal, Cebu, Pangasinan, Bohol, Ormoc, and Davao for the remainder of 2023.

Meanwhile, Mr. Liu said some of the challenges faced by the group are competition from other products and economic headwinds.

"Competition is also a challenge because right now, the Philippines and other countries will go on product fads," he said. "Now the fad again is coffee. But the business cycle is always up and down. The key is to make sure that you execute well, continuously, and in a stable manner. That's what we are focused on. It is really innovating more."

"In the past few years, some challenges include global inflation, cost of ingredients going up, cost of fuel going up, supply chain problems because of import and export of products," he added. — **Revin Mikhael D. Ochave**