Corporate News 2/SI

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AboitizPower allots P50-B capex next year largely for renewables

ABOITIZ Power Corp. (Aboitiz-Power) is setting aside P50 billion as capital expenditure (capex) budget next year mostly for the expansion and construction of its renewable energy (RE) projects.

"Ballpark of about P50 billion for all our capex. A lot of that is for the growth," AboitizPower Senior Vice-President for Commercial Operations Juan Alejandro A. Aboitiz told reporters last week.

"A big part of our capex is for new projects primarily for renewables. Fundraising is always a critical component of growth so we're looking at all of our options to raise more debt to fund our new projects," he said.

The company has yet to disclose the number of projects next year, but Mr. Aboitiz noted that most of the expansion and



ABOITIZPOWER is set to build a second solar power venture on a site in Brgy. Laoag in Aguilar, Pangasinan located 14 kilometers from the Cayanga-Bugallon solar power project.

new projects are in renewables such as solar and wind energy.

AboitizPower has allotted P32 billion for capex this year, primarily for "the development and construction of various solar, geothermal, hydro, and wind power projects."

This year's capex also covers the continuous improvement of the reliability of baseload plants

and various land acquisitions, new substations, and new meters for its power distribution business.

The company is currently completing the 159-megawatt peak (MWp) Laoag solar project in Pangasinan which is expected to be fully energized by the second quarter of 2024.

It is also targeting to energize a 17-megawatt (MW) binary geothermal power project in Tiwi, Albay by the first quarter of next year.

In the third quarter, Aboitiz-Power reported an attributable net income of P8.92 billion, 6.4% lower than the P9.53 billion posted in the same quarter last year.

Gross revenues went down by 9% to P48.37 billion from P53.17 billion a year ago.

The company aims to expand its power generation capacity to 9.2 gigawatts (GW), of which half or 4,600 MW will come from various RE sources.

To date, the company has RE projects with a combined capacity of about 1,000 MW that are in the pipeline through its development of wind, solar, and geothermal projects. -**Sheldeen Joy Talavera**

Set policies for cleaner aviation fuel, gov't urged

THE government needs to fast-track the crafting of policies and a framework that will help advance the development of sustainable aviation fuel (SAF), as the aviation sector targets to cut carbon emissions by utilizing green fuel, an airline executive said.

OUTLIER **AREIT** shares decline despite strong profit on high interest rates

AREIT, Inc. saw its shares go down last week despite reporting strong third-quarter revenues as investors remained wary amid high borrowing costs.

Based on data from the Philippine Stock Exchange, up to 32.845 million AREIT shares worth P985.603 million were traded from Nov. 20 to 24, making it the fourth most actively traded stock last week.

AREIT shares closed at P29.20 apiece last Friday, dropping by 8.8% from P32 per share last Nov. 17. Since the Dec. 29, 2022 finish, the stock has fallen by 17.5%.

"Despite the positive news of increased net income, investors are carefully considering the various negative factors impacting the stock," Globalinks Securities and Stocks, Inc. Head of Electronic Trading Mark Crismon V. Santarina said in a Viber message. "Presently, the stock is following a downtrend, and this trend might persist into the upcoming week."

He said hefty rate hikes from the Bangko Sentral ng Pilipinas (BSP) to tame inflation had dampened the bottom lines of real estate investment trusts like AREIT.

The key rate - now at a 16-year high of 6.5% – was maintained as of the policy meeting in November

"Uncertainties in the economic conditions with inflation still going up continue to influence AREIT stocks to a downward trend," Diversified Securities, Inc. Equity Trader Aniceto K. Pangan said in a mobile phone call interview.

Capital appreciation of AREIT rests on its investment portfolio, which drives its dividend growth.

As borrowing costs rise, debt financing for AREIT's real estate acquisition becomes challenging.

Meanwhile, the P6.8-billion property-for-share swap of AREIT and ACEN Corp. was approved on Nov. 17.

In exchange for 199.11 million primary common shares, AREIT added 2.76 million square meters (sq.m.) of ACEN land in Zambales to its portfolio under a 25-year lease.

Mr. Pangan said the move caused a stock decline "short-term investors see dividends to go down with the increase of the shares to be issued to ACEN." However, in the long term, Mr. Santarina sees the move to be strategic as "diversification reduces exposure to office and retail sectors, making AREIT more resilient to economic downturns." Both analysts agree that the stock movement of ARE-IT is bound to spiral down in the coming weeks. Mr. Santarina expects AREIT to post a net loss of P989 million in the fourth quarter, saying the slow economic growth



Mondelēz Philippines Awarded Country's Best Company to Work For, Innovative HR

• Snacks Company recognized for consistent workplace engagement and the use of HR best practices for 4^{th} year in a row Celebrating 60 years of providing a great workplace with a new Virtual Reality Onboarding Program

For the fourth consecutive year, Mondelēz Philippines – one of the country's leading snacking companies was once again the recipient of the Best Companies to Work For in 2023 by HR Asia. An organization regarded as one of the region's authorities for Human Resources (HR) professionals, HR Asia awards companies, which demonstrate high levels of workplace engagement and culture, as well as implementing the best HR practices in Asia.

"Our fourth win in a row is a testament to our dedication to fostering Excellence in HR Innovation. an incredible workplace culture of open communication; growth opportunity; and work-life harmony," said Mondelez Reality (VR) as a new immersive Philippines' People Lead April Valencia approach to onboarding new employees "We are proud of the culture we have built for our people, and we hope this to improve its current HR practices. award continues to inspire our team to to work.

On its 60th Anniversary, Mondelēz our the right way. For the company, making snacks the right way means prioritizing the well-being of its employees through various training and engagements; employees." all while strengthening their position country's favorite snacks.

In addition to the award from HR recognized by the HR Excellence Snacking Made Right."

Awards. For 2023, the company was the recipient of the Bronze award for

DARDING

The award was given as recognition for Mondelez Philippines' use of Virtual - leveraging new technologies as a way

"At Mondelēz Philippines, we're all be part of strengthening our great place about finding ways to rethink, reshape, and reimagine our way of managing workspaces," said Mondelēz Philippines continues to empower its International Talent Acquisition Lead for consumers to snack right; with the right Southeast Asia, Shine Rodriguez. "By snack, for the right moment, and made capitalizing on emerging technologies like VR, which appeal to Gen Z audiences, we are providing more meaningful and enjoyable ways to connect with potential

Ėnds Valencia, "Our work does not as makers and bakers of some of the stop here. As one of the country's leading snacks companies, we will continue to work harder in making sure that our Asia, Mondelëz Philippines was also organization lives up to our purpose of

"The integration of sustainable aviation fuel is crucial in meeting the aviation industry's commitment to reducing its carbon footprint," Alex B. Reyes, chief strategy officer of Cebu Pacific said in a Viber message to BusinessWorld.

In November, the Board of Investments said it is in talks with aerospace company Airbus for the development of SAF in the Philippines.

Airbus' all-new engine (NEO) aircraft is said to have better fuel efficiency as it is the latest generation of Airbus planes considered the most compatible to use SAF. Currently, all Airbus aircraft are certified to operate by up to 50% SAF blend.

In September, the Department of Energy said it was working on crafting draft regulations on SAF to accelerate its adoption in the country.

"The Philippine government's support to enhance the production and availability of 🛛 🖽 **FULL STORY** sustainable aviation

try," Mr. Reyes said. -

Ashley Erika O. Jose



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"Borrowing costs for REITs have risen, creating a downward impact on their profits," Mr. Santarina said.

AREIT's net income rose by 51.3% to P1.23 billion in the third quarter from P814.21 million in the Julyto-September period last year, its latest disclosure to the local bourse showed.

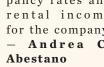
This brought the January-to-September bottom line to P3.27 billion, rising by 34% from P2.44 billion in the same

year ago.

Since May 2022, the borrowing cost has become more expensive as the BSP hiked interest rates by 450 basis points.

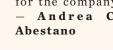
nine-month period a 🗒 FULL STORY will negatively impact the real estate industry and reduce occupancy rates and rental income for the company. Andrea C.

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Silangan Mindanao Mining signs \$100-M debt facility

Silangan Mindanao Mining Co. Inc., a wholly-owned subsidiary of Philex Mining Corp., signed a \$100-million omnibus loan and security agreement (OLSA) to support the development of its project in Surigao del Norte. Present during the signing were, from left: Yvette Mari de Peralta, BPI Wealth SVP; Juan Carlos Syquia, BPI EVP; Antonino Fajardo, UnionBank EVP; Romeo Bachoco, Philex SVP and CFO; Manuel V. Pangilinan, Philex Chairman; Eulalio Austin Jr., Philex president and CEO; John Cary Ong, Security Bank EVP; and Gabriel Lim, BDO Capital SVP. 30