

Philippine Stock Exchange index (PSEi)

6,191.48

▲ 20.35 PTS.

▲ 0.33%

THURSDAY, NOVEMBER 16, 2023

BusinessWorld

PSEi MEMBER STOCKS

| | | | | | | | | | |
|--|--|--|---|---|--|--|---|--|---|
| AC Ayala Corp. P628.50 -P2.50 -0.4% | ACEN ACEN Corp. P4.99 -P0.11 -2.16% | AEV Aboitiz Equity Ventures, Inc. P48.00 +P0.25 +0.52% | AGI Alliance Global Group, Inc. P10.60 --- | ALI Ayala Land, Inc. P29.80 +P0.30 +1.02% | BDO BDO Unibank, Inc. P129.40 -P1.10 -0.84% | BLOOM Blossberry Resorts Corp. P9.66 +P0.13 +1.36% | BPI Bank of the Philippine Islands P106.70 +P2.70 +2.6% | CNPF Century Pacific Food, Inc. P28.75 +P0.35 +1.23% | CNVRG Converge ICT Solutions, Inc. P8.25 -P0.10 -1.2% |
| DMC DMCI Holdings, Inc. P9.27 +P0.07 +0.76% | EMI Emperador, Inc. P20.80 +P0.05 +0.24% | GLO Globe Telecom, Inc. P1,744.00 -P18.00 -1.02% | GTCAP GT Capital Holdings, Inc. P570.00 +P6.00 +1.06% | ICT International Container Terminal Services, Inc. P211.00 +P2.20 +1.05% | JFC Jollibee Foods Corp. P225.00 +P8.00 +3.69% | JGS JG Summit Holdings, Inc. P38.60 -P0.40 -1.03% | LTG LT Group, Inc. P9.12 -P0.05 -0.55% | MBT Metropolitan Bank & Trust Co. P52.20 --- | MER Manila Electric Co. P371.00 +P11.00 +3.06% |
| MONDE Monde Nissin Corp. P8.00 -P0.25 -3.03% | NIKL Nickel Asia Corp. P5.19 -P0.01 -0.19% | PGOLD Puregold Price Club, Inc. P27.95 -P0.15 -0.53% | SCC Semirara Mining and Power Corp. P28.20 -P0.20 -0.7% | SM SM Investments Corp. P842.50 +P3.50 +0.42% | SMC San Miguel Corp. P103.50 --- | SMPH SM Prime Holdings, Inc. P31.65 -P0.05 -0.16% | TEL PLDT Inc. P1,230.00 --- | URC Universal Robina Corp. P109.00 -P2.40 -2.15% | WLCON Wilcon Depot, Inc. P20.00 -P0.25 -1.23% |

PCC clears Robinsons Retail-Rose Pharmacy deal

THE PHILIPPINE Competition Commission (PCC) deemed that there is no basis to prohibit the move of Robinsons Retail Holdings, Inc. (RRHI) to acquire 100% of Rose Pharmacy following the completion of the competition watchdog's review, according to the listed retailer.

In a stock exchange disclosure on Thursday, RRHI said that PCC had completed the motu proprio review on the

company's acquisition of Rose Pharmacy on Oct. 5. The PCC's mergers and acquisition office conducted the review, which began on Nov. 7 last year.

RRHI quoted PCC as saying that the Commission en banc "resolved to terminate the motu proprio review and take no further action on the completed acquisition, there being no sufficient basis to prohibit the same. The Commission issued the for-

mal certification to this effect on Nov. 6."

In September 2020, RRHI, through its subsidiary South Star Drug, Inc., acquired 100% of Rose Pharmacy from Mulgrave Corp. B.V., which is a wholly owned subsidiary of Dairy Farm International Holdings, Ltd.

The acquisition was completed on Oct. 30, 2020.

Established in 1952, Rose Pharmacy is one of the leading

drugstore chains in the country, with about P8 billion in net sales as of September this year, or higher by 15.1% compared with a year earlier. It has 394 stores in Visayas and Mindanao.

Aside from Rose Pharmacy, RRHI operates two other drugstore brands, namely: Southstar Drug and TGP (The Generics Pharmacy). Southstar Drug has 639 stores while TGP has over 2,000 franchised stores.

"Rose Pharmacy is a very strategic addition to RRHI's drugstore portfolio, with its highly-regarded brand in Visayas and Mindanao, and complementary network to South Star Drug's strong presence in Luzon and Metro Manila," the listed company said.

"The acquisition further allows RRHI to leverage its scale and synergies to drive wider product assortment, better customer service, and offer greater

value to its customers across the Philippines," the company added.

RRHI posted a 41.4% decline in its nine-month attributable net income to P2.58 billion from P4.41 billion a year ago as a result of higher equitized losses from the company's minority startup investments.

Shares of RRHI at the local bourse closed unchanged at P38.50 apiece. — **Revin Mikhael D. Ochave**

Cemex, Filinvest unit plan ground-mounted solar energy system

CEMEX HOLDINGS Philippines, Inc. has inked a contract with Filinvest-ENGIE Renewable Energy Enterprise, Inc. (FREE) to develop a 100.8-megawatt (MW) ground-mounted solar system in its facility in Naga City, Cebu.

"This solar energy partnership is another milestone under Cemex's Future in Action program, as we progress closer to our goal of reducing scope 2 emissions, coming from electricity sources that supply us, to less than 24kg of CO2 (carbon dioxide) per ton of cementitious product by 2030," Cemex Philippines President and Chief Executive Officer (CEO) Luis Guillermo Franco Carillo said in a statement.

According to the company, the solar energy project is expected to avoid 10,000 metric tons of CO2 a year.

FREE is a joint venture company between FDC Utilities, Inc. (FDCUI), the power utility unit of Filinvest Development Corp., and ENGIE Services Philippines, a unit of French company ENGIE.

"We are proud to partner with FREE, a company that shares our vision to address climate change through sustainable projects. This is a win not only for Cemex, but also for the planet as we take concrete steps in making renewable energy the future of the industry," Mr. Franco said.

Aside from the solar energy deal, the companies have also entered into a memorandum of understanding to explore the implementation of various renewable energy and energy efficiency solutions for Cemex's facilities.

FDCUI President and CEO Juan Eugenio L. Roxas said that the companies are "poised to set new benchmarks in clean energy integration, signaling transformative alliance that reflects a collective dedication to environmental stewardship and forward-thinking business practices.

"Filinvest and ENGIE, leveraging our combined expertise, are pleased to play an integral role in helping Cemex climb the sustainability mountain," Mr. Roxas said.

At the local bourse on Thursday, Cemex's shares went up by three centavos or 3.75% to close at P0.83 apiece. — **Sheldeen Joy Talavera**

Energy dep't eyes launch of futures and capacity markets

THE DEPARTMENT of Energy (DoE) is targeting to introduce futures and capacity markets as part of innovations in the electricity market next year, its secretary said.

"At the end of this year, we will see a reserve market in place. Next year, we are working on a futures market and then we will have a capacity market that will also be in place by next year," Energy Secretary Raphael P.M. Lotilla said during an economic briefing in San Francisco, California on Thursday.

Mr. Lotilla said the move is part of the agency's reforms to attract investors and to ensure "a level playing field" for them in the Philippines. He did not discuss further details about the proposals.

As described by the Independent Electricity Market Operator of the Philippines (IEMOP), a commodity futures contract "prescribes the delivery of a particular commodity; can be settled by the delivery of such commodity or payment of the cash thereof; and usually offset before delivery data; and usually has standardized terms."

In September, the DoE greenlit the commercial operations of the reserve market through Department Circular 2023-09-0026, which is targeted to start on Dec. 26.

The joint application was filed by the IEMOP and the Philippine Electricity Market Corp. in October 2022 for the implementation of the co-optimized energy and reserve market at the Wholesale Electricity Spot Market.

The reserve market will facilitate the trading of ancillary services or

power reserves needed to support the transmission system.

According to the circular, the IEMOP is directed to complete preparations and start limited live dispatch operations by Dec. 25.

The Energy Regulatory Commission (ERC) granted preliminary approval to the application for amendments to the price determination methodology (PDM). Asked for an update, the ERC said that the final determination of PDM is still under evaluation. — **Sheldeen Joy Talavera**

PHL firms seen unprepared for AI

ONLY 17% of organizations in the Philippines are ready to utilize and deploy artificial intelligence (AI), with the majority of them expressing concerns about the impact of not adopting these technology advances, a study released on Wednesday said.

In a report issued by Cisco, the technology firm said that about 44% of the organizations in the country are considered chasers or those that are moderately prepared; 35% are followers or those with limited preparedness and about 4% are laggards or those that are not prepared to leverage AI technologies at all.

The report noted that almost all or about 97% of businesses recognized the urgency of adopting AI technologies while its adoption has been slower in the past years.

"AI has so much propensity to help accelerate the business. There's so many different aspects around how AI can help," said Carl Solder, Cisco chief technology officer for Australia and New Zealand.

AI-powered technology will greatly contribute to boosting the digital economy as it is seen to help raise revenues for businesses, Mr. Solder said.

He said driving better levels of proficiency through the use of artificial intelligence is "ultimately going to translate into better customer experiences, better levels of productivity for those organiza-

tions, which is hopefully going to drive better levels of profitability and revenue as well."

The Philippines' digital economy is projected to reach a value of as high as \$150 billion by 2030 as the e-commerce boom continues, according to a recent report by Google, Temasek Holdings, and Bain & Company.

According to the report, the country is expected to reach between \$80 billion and \$150 billion in gross merchandise value by the end of the decade.

While AI-powered technology is considered revolutionary in the digital landscape, this advancement also comes with great threats amid cybersecurity attacks getting more sophisticated.

Mr. Solder said that while there is a danger in utilizing AI as it can be leveraged to create new forms of compromise, many organizations will benefit from it to also combat any cyber threats in the digital space.

"Analyzing inspecting and understanding and learning about all those new threats then it's about building the software tool sets on top of that and leveraging the power of artificial intelligence to scan and look across the network in order to identify potential attack vectors, maybe anomalous behavior that might be happening," he said. — **Ashley Erika O. Jose**

Filinvest Land's bond offering now rendered effective by regulator

LISTED property developer Filinvest Land, Inc. (FLI) said its shelf registration of debt securities is now rendered effective after its registration statement was cleared by the Securities and Exchange Commission (SEC).

In a stock exchange disclosure on Thursday, FLI said it received the SEC order on Nov. 15 rendering effective the company's registration statement for the shelf-registered peso-denominated fixed-rate bonds and the corresponding certificate of permit to offer securities for sale for the first tranche.

According to FLI, its bonds have an aggregate total of up to P35 billion, with the P12 billion bond offering being the first tranche consisting of P10 billion with an over-subscription option of up to P2 billion denominated fixed rate bonds.

Recently, FLI's bond offering secured the PRS Aaa credit rating,

which is the highest rating, as well as a stable outlook from Philippine Rating Services Corp.

The joint lead underwriters and bookrunners of the offering are BDO Capital and Investment Corp., BPI Capital Corp., China Bank Capital Corp., East West Banking Corp., First Metro Investment Corp., PNB Capital and Investment Corp., RCBC Capital Corp., and SB Capital Investment Corp.

Rizal Commercial Banking Corp. Trust and Investments Group will serve as the trustee.

As of September this year, FLI logged a 22% increase in its attributable net income to P2.44 billion while total consolidated revenues and other income rose 11% to P15.72 billion led by growth from its residential and mall business segments.

On Thursday, shares of FLI fell one centavo or 1.79% to 55 centavos apiece. — **Revin Mikhael D. Ochave**

Vista Land's net income increases 70% as real estate segment boosts revenues

VILLAR-LED property developer Vista Land & Lifescapes, Inc. (VLL) posted a 70% increase in its nine-month net income on the back of higher revenues led by its real estate segment.

In a stock exchange disclosure on Thursday, VLL said its net income for the January-September period climbed to P8.2 billion from P4.82 billion.

The company's consolidated revenue improved 18% to P27.4 billion. Its real estate revenue rose 17% to P12.2 billion. It said rental income hit P11.8 billion, without giving a comparative figure.

Earnings before interest, taxes, depreciation, and amortization improved 21%

to P15.2 billion while core net income, excluding the gain from insurance proceeds, increased 30% to P6.8 billion.

As of end-September, VLL launched 27 projects valued at about P40 billion.

VLL Chairman Manuel B. Villar, Jr. said the company is anticipating a boost in its commercial centers as well as residential sales amid the approaching holiday season.

"With the holiday season approaching, we eagerly anticipate welcoming an increased number of customers to our commercial centers as well as our overseas Filipinos coming home during the holidays which bodes well for our residential sales," Mr. Villar said.

Mr. Villar added that VLL has launched more projects this year, which increased reservation sales by 10% to P53.1 billion for the nine-month period.

"We are delighted with our results, as we remain optimistic with the industry for the rest of the year with the strong gross domestic product (GDP) growth of 5.9% coupled with sustained growth in overseas Filipino remittance and revenue spending from consumers, all of which contributed to the positive performance of the group," Mr. Villar said.

Meanwhile, VLL President and Chief Executive Officer Manuel Paolo A. Villar said the company's leasing portfolio has

already exceeded the pre-pandemic level in terms of foot traffic.

VLL's portfolio spans over 1.6 million square meters of gross floor area across 45 malls, 56 commercial centers, and seven office buildings.

Mr. Villar added that VLL's land bank currently spans more than 3,085 hectares across the country.

"The demand for our residential developments, spanning both horizontal and vertical segments, remains robust and sustained, with the strong interest from overseas Filipino buyers, constituting approximately 60% of our total sales," Mr. Villar said. "Our strategic approach

to maximizing prime land is actively underway, with the continuous launch of Vista Estates nationwide."

"We are consistently enhancing our residential business by offering more vertical and upscale projects, while our leasing sector is maintaining its growth trajectory for the period," he added.

VLL is engaged in the residential and commercial property development businesses through six distinct business units consisting of Camella Homes, Communities Philippines, Crown Asia, Britanya, Vista Residences, and Vistamalls. — **Revin Mikhael D. Ochave**