

**Philippine Stock Exchange index (PSEi)**

6,234.77

▼ 71.08 PTS.

▼ 1.13%

THURSDAY, DECEMBER 7, 2023

**BusinessWorld**

**PSEI MEMBER STOCKS**

<b>AC</b> Ayala Corp. P640.00 -P20.50 -3.1%	<b>ACEN</b> ACEN Corp. P4.60 ---	<b>AEV</b> Aboitiz Equity Ventures, Inc. P48.10 -P0.90 -1.84%	<b>AGI</b> Alliance Global Group, Inc. P9.78 +P0.13 +1.35%	<b>ALI</b> Ayala Land, Inc. P31.40 ---	<b>BDO</b> BDO Unibank, Inc. P126.90 -P2.80 -2.16%	<b>BLOOM</b> Bloomerry Resorts Corp. P9.60 -P0.04 -0.41%	<b>BPI</b> Bank of the Philippine Islands P101.90 -P2.60 -2.49%	<b>CNPF</b> Century Pacific Food, Inc. P32.60 +P0.10 +0.31%	<b>CNVRG</b> Converge ICT Solutions, Inc. P8.00 -P0.20 -2.44%
<b>DMC</b> DMCI Holdings, Inc. P9.31 +P0.01 +0.11%	<b>EMI</b> Emperador, Inc. P20.80 -P0.05 -0.24%	<b>GLO</b> Globe Telecom, Inc. P1,729.00 +P11.00 +0.64%	<b>GTCAP</b> GT Capital Holdings, Inc. P557.00 +P5.50 +1%	<b>ICT</b> International Container Terminal Services, Inc. P229.00 -P6.00 -2.55%	<b>JFC</b> Jollibee Foods Corp. P235.80 -P5.20 -2.16%	<b>JGS</b> JG Summit Holdings, Inc. P37.80 -P1.10 -2.83%	<b>LTG</b> LT Group, Inc. P8.79 -P0.01 -0.11%	<b>MBT</b> Metropolitan Bank & Trust Co. P51.45 +P0.60 +1.18%	<b>MER</b> Manila Electric Co. P372.60 -P0.40 -0.11%
<b>MONDE</b> Monde Nissin Corp. P8.04 -P0.16 -1.95%	<b>NIKL</b> Nickel Asia Corp. P5.10 ---	<b>PGOLD</b> Puregold Price Club, Inc. P27.25 -P0.15 -0.55%	<b>SCC</b> Semirara Mining and Power Corp. P28.70 -P0.30 -1.03%	<b>SM</b> SM Investments Corp. P826.00 -P2.00 -0.24%	<b>SMC</b> San Miguel Corp. P111.00 ---	<b>SMPH</b> SM Prime Holdings, Inc. P32.65 -P0.35 -1.06%	<b>TEL</b> PLDT Inc. P1,252.00 -P18.00 -1.42%	<b>URC</b> Universal Robina Corp. P112.80 +P0.40 +0.36%	<b>WLCON</b> Wilcon Depot, Inc. P20.50 +P0.40 +1.99%

# CTA grants most of Petron's claim for tax refund

THE COURT of Tax Appeals (CTA) granted Petron Corp.'s P459.96-million tax refund as part of its claim for erroneously paying excise taxes on petroleum products sold in 2017.

In a 32-page decision dated Dec. 5, the CTA Special First Division determined that only the specified amount from Petron's tax refund claim of P465.65 million can be granted after an

examination of the documents submitted by the oil company.

The ruling consolidated separate petitions for the excise taxes paid on the importation of Jet A-1 fuel supplies that were either locally produced, worth P10.5 million, or imported, worth P455.14 million.

Petron claimed that it was entitled to a refund under Section 135 of the revised tax code,

which states that petroleum products sold to international carriers are exempt from the payment of excise tax. It first filed a request to the Bureau of Internal Revenue on June 22, 2018.

The appellate court ruled that the company has met the conditions for tax exemption stipulated in the law, such as the sales of petroleum products to

international carriers and tax-exempt entities.

"When it is shown that the tax-paid petroleum products have become tax-exempt within the context of Section 135 of the Tax Code, the excise taxes which were previously paid thereon shall then be regarded as 'erroneously or illegally collected,' and thus subject to refund," read part of ruling

penned by Associate Justice Marian Ivy F. Reyes-Fajardo.

Petron is the country's largest oil company and the only one with a refinery. It also does business in Malaysia. The company has a combined refining capacity of 268,000 barrels per day and produces a full range of fuels and petrochemicals.

Its regional operations cover about 40 terminals and around

2,700 service stations where it retails gasoline and diesel.

For nine months through September this year, Petron recorded a consolidated net income of P9.5 billion, up 16% from P8.2 billion a year ago.

During the period, it registered a consolidated sales volume of 93.6 million barrels, up 16% from the 80.4 million barrels sold in the same period last year. — **Jomel R. Paguian**

## D&L Industries expects better 2024 amid challenges

LISTED oleochemicals and specialty food ingredients manufacturer D&L Industries, Inc. is projecting a better 2024 amid more stable interest rates and lower raw material costs despite possible challenges such as the El Niño phenomenon.

"For next year, even though the conditions are similar to where we are now, the increase in rates is not as bad anymore because we're starting at a higher level. So for next year, I don't think there's a chance that interest rates will go up even more," D&L Industries President and Chief Executive Officer Alvin D. Lao said during a recent media briefing.

"So from that perspective, next year would be better than this year," he added.

Mr. Lao said that D&L Industries has faced various challenges this year such as higher interest rates, costs, labor, and prices of raw materials.

However, he projected that the challenges in 2024 would not be as difficult for the company.

"This year, we were hit not just with the higher interest rates, we were also hit by higher costs. A lot of raw material prices were moving up. And then there were a lot of increases in minimum wage [and] labor. And then for us, another factor was [expenses for the] new plant and equipment," Mr. Lao said.

"So, next year, it will still be challenging, but the assumptions are [rates and costs are] not going to be the same level as this year," he added.

Mr. Lao said another possible challenge that D&L Industries is "closely monitoring" is the impact of the expected El Niño phenomenon on the company's cost of raw materials such as coconut oil.

Meanwhile, Mr. Lao said that D&L Industries is expected to receive a boost from its new manufacturing plant in Batangas, adding that the plant serves as a good foundation for more volume and business.

"I think in a few months, we will start to see more activity from the new plant. A lot of our customers are doing certification

and auditing. A lot of them want to come down physically to walk around, take a look, to make sure everything is moving. So, it really just takes time," Mr. Lao said.

"Even if it's an existing export customer that we're servicing with our old facilities, if it is a new plant, they need to re-certify," he added.

Mr. Lao previously said that D&L Industries is also set to get a substantial boost on its margins with the government's plan to hike the country's coco biodiesel blend to 3% from the current 2%.

D&L Industries is engaged in the domestic biodiesel industry through its subsidiary Chemrez Technologies, Inc., which operates a biodiesel plant.

"The increase [in biodiesel blend] would mean the demand would go up automatically by 50% from 2% to 3%. The effect on volume and margin, we expect that it will be substantial," Mr. Lao said.

Shares of D&L Industries were last traded on Dec. 7 at P6.37 apiece. — **Revin Mikhael D. Ochave**

## OUTLIER

### GT Capital shares up amid positive outlook

GT Capital Holdings, Inc.'s stock improved week on week amid a positive income outlook and after a previous sell-off offered discounted entry for investors.

Data from the Philippine Stock Exchange (PSE) showed a total of 491,420 shares of GT Capital worth P271.69 million were traded from Dec. 4 to 7, making it the 15<sup>th</sup> most actively traded stock on a four-day trading week. The stock also closed 8<sup>th</sup> among the most active stocks last Thursday.

Trading was cut short last week due to the feast of the Immaculate Conception of Mary on Friday.

Shares of the Ty-led holdings company picked up 4.1% week on week, closing at P557 apiece last Thursday from its P535 closing price on Dec. 1.

For the year, GT Cap.'s stock surged by 28%.

"In late November, GT Capital Holdings dipped due to foreign sell-offs, offering a discounted entry for December," Globalinks Securities and Stocks, Inc. Senior Trader Mark V. Santarina said in a Viber message.

The P535 closing on Dec. 1 was the lowest for the stock since the P528 closing on Nov. 3.

"Investors are optimistic about [GT Capital's fourth-quarter] performance, expecting contributions from Toyota Motor Philippines Corp. and a higher stake in Metro Pacific Investments Corp.," he added.

Optimistic earnings outlook for the firm could drive the stock upward this week, Mr. Santarina said.

The local market declined last week by 71.08 points as it took cues from Wall Street and Asian markets awaiting data or new drivers.

Locally, the country's inflation for November eased to 4.9%, the slowest in a year and eight months or since the 4.2% in March last year.

"As a blue-chip stock with robust subsidiary earnings, GT Capital Holdings stands out. The current easing of inflation is a positive factor for equities, potentially aiding the stock's upward momentum," Mr. Santarina said.

"Being part of the index, GT Capital could benefit from the December Santa Claus rally, further supporting the likelihood of a price increase," he added.

The Ty-led holdings company reported a third-quarter net income of P28.95 billion, up by 11.7% quarter on quarter and 66.1% from the same quarter last year.

Attributable net income likewise surged by 54.5% year on year to P23.09 billion. However, quarter on quarter, it dropped by 2.2% to P6.5 billion from P6.65 billion in the second quarter.

Mr. Santarina placed the firm's fourth-quarter and full-year net income at P5.3 billion and P23.5 billion, respectively, adding that GT Capital will be able to meet its targets this year.

He said that being one of the biggest holdings firms in the country, GT Capital has experienced growth this year as the country fully reopened.

"Despite commendable advancements in its automotive, insurance, and banking sectors, the corresponding stock valuation has not fully realized this success," he said.

For the week, Mr. Santarina placed his support and resistance for the stock at P517 and P579, respectively. — **Bernadette Therese M. Gadon**

## EDC targets energy storage projects to be finished by 2025

LOPEZ-LED Energy Development Corp. (EDC) is targeting to complete in the next two years its battery energy storage systems (BESS), which have a combined capacity of 40 megawatts (MW).

"Geothermal is still our main thing. And then, in addition, we are completing our binary projects," EDC Assistant Vice-President Allan V. Barcena told reporters in a recent interview.

EDC is completing BESS projects in Leyte, Negros Island, and in Bacon-Manito (BacMan) in Sorsogon. "We hope to have them online to supply additional capacity."

In October, EDC signed a contract with First Balfour, Inc., the engineering and construction arm of the Lopez group, for the BESS projects.

First Balfour will undertake engineering, procurement and construction works for the plant and connection assets of the BESS facilities.

EDC's BESS facilities will be used to store excess power from its geothermal plants and deliver the stored energy when and where it is needed.

"I think storage will continue to be an opportunity to capture additional energy capacity, whether in hydro, solar, or geothermal," Mr. Barcena said.

EDC is also expanding its geothermal power generation capacity by exploring new geothermal concessions. — **Sheldeen Joy Talavera**

**FULL STORY**



Read the full story by scanning the QR code or by typing the link [tinyurl.com/3ttcnfha](https://tinyurl.com/3ttcnfha)

## Cebu Pacific allots P50-B capex

BUDGET CARRIER Cebu Pacific is allocating P50 billion for its capital expenditure (capex) in 2024 mainly for its aircraft-related expenses, the company's top official said.

"We estimate around P50 billion in 2024. It is mostly aircraft-related capex," Alexander G. Lao, president and chief commercial officer of Cebu Pacific, told reporters last week.

The company targets to grow its fleet with an anticipated 16 new aircraft by 2024, Mr. Lao said, adding that the company is targeting to grow the number to 92 from the current 76.

Earlier this year, Cebu Pacific announced that it was expecting its biggest aircraft purchase to be completed by early next year.

To recall, the company is planning to order more than 100 narrow-body aircraft from Boeing or Airbus valued at an estimated \$12 billion.

"The RFP [request for proposal] is still ongoing. It will be an exciting few weeks and

a lot of the OEMs (original equipment manufacturers) are coming in to make their pitch and presentations," he said, noting that the company hopes to process it by the first quarter of 2024.

In September, the company's listed operator Cebu Air, Inc. said it would lower its fleet growth rate for 2024 as engine maker Pratt and Whitney (P&W) inspects A320/321 NEO aircraft engines worldwide following suspected issues.

"What we have said publicly is that we expect anywhere between 10 and 20 aircraft to be parked because of Pratt & Whitney throughout the year," Mr. Lao said.

To mitigate this, the company will be doing short-term leases such as the agreement it entered with Bulgaria Air.

Last week, Cebu Pacific said it had signed a damp lease agreement with Bulgaria Air amid anticipation of increased passenger demand.

## GMA appoints new chief executive officer as Gozon retires

GMA Network, Inc. has appointed a new chief executive officer (CEO) as Felipe L. Gozon retires from the role, the company said.

In a media release, the company announced the appointment of Gilberto R. Duavit, Jr., its current president and chief operating officer as Mr. Gozon's replacement effective Jan. 1, 2024.

This comes after Mr. Gozon announced that he is stepping down.

Mr. Gozon will retain his position as chairman of the board and an adviser to the corporation, GMA said in a statement.

The company credited Mr. Gozon for his "transformational leadership" after growing the company as a broadcast network, GMA said.

Mr. Duavit joined GMA's board of directors in 1999 and was named as the company's executive vice-president and chief operating officer in 2000 before being elected as its president in 2010.

He also serves as the chairman of the board of GMA Network Films, president and chief executive of GMA Holdings, Inc., RGMA Marketing and Produc-

tions, Inc.; and chairman, president and chief executive of Group Management and Development, Inc., and Dual Management and Investments, Inc. He is the vice-chairman of GMA Ventures, Inc.

To date, the company has expanded into a network of 106 TV stations and 21 radio stations nationwide, reaching more than 73 customers in the Philippines. — **Ashley Erika O. Jose**